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Upcoming Events

Cost of Living Survey
April 16-18

17th Annual MERC
Conference
May 8, 2009

NEEP Spring Economic
Outlook Conference
May 21, 2009

495/ MetroWest Business
Expo
May 27, 2009

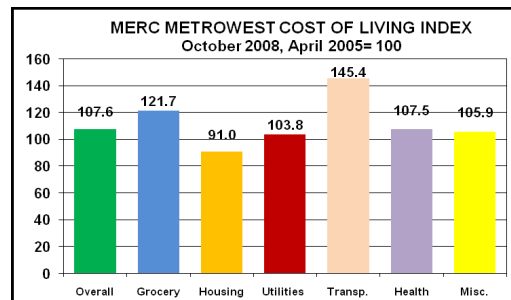
The 495/ MetroWest
Corridor
Partnership's Annual
Conference
June 4, 2009

Issue 19

Spring 2009

MetroWest Cost of Living Declines in October

Two times each year, during April and October, the MetroWest Economic Research Center (MERC) at Framingham State College participates in a cost of living survey for the MetroWest region as part of a national survey conducted by the Council for Community and Economic Research; also known as C2ER. For this survey MERC interns go out to the nine communities of MetroWest and collect prices on a market basket of 57 goods and services selected by C2ER as representative of the items purchased by the typical professional or executive household. An Overall Cost of Living Index, which compares living costs in MetroWest to costs in other parts of the nation, is calculated from this data. This Overall Index is then broken down into six sub-indexes: the Grocery Items Index, the Housing Index, the Utilities Index, the Transportation Index, the Health Care Index and the Miscellaneous Goods and Services Index. MERC also uses this data for its own cost of living indexes for MetroWest, which measure the changes in the Cost of Living, in the area, over time. This article focuses on the MERC indexes.



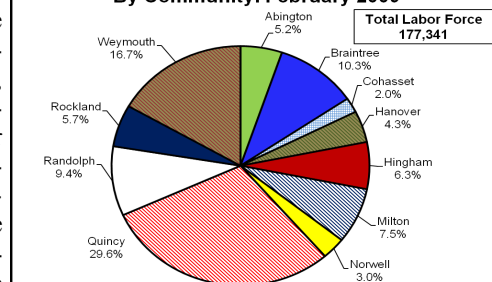
The graph above indicates that the Overall Cost of Living Index for October 2008 was 107.6; which means that the MetroWest cost of living in October 2008 was roughly 7.6% higher than it was in April 2005, the base year (when all indexes equal 100). The highest of the sub-indexes was the Transportation Index at 145.4. The second highest index, was the Grocery Items Index with a value of 121.7. The Housing Index, which is one of the major contributors to the Overall Index, was the lowest it has been since October 2002 with an index of 91.0.

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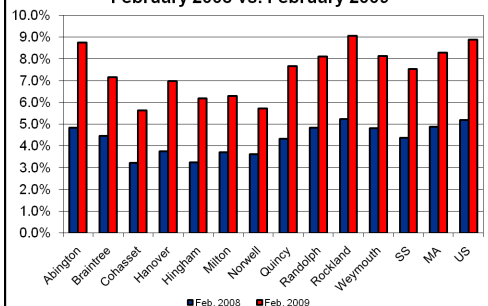
South Shore Unemployment on the Rise

Every month, the MetroWest Economic Research Center (MERC) at Framingham State College collects unemployment and labor force data for the South Shore Region (SS). The South Shore consists of eleven communities: Abington, Braintree, Cohasset, Hanover, Hingham, Milton, Norwell, Quincy, Randolph, Rockland, and Weymouth. In February 2009, the total labor force on the South Shore consisted of 177,341 individuals. Among the communities in the region, Quincy contributed the largest proportion of the total labor force with 29.6% or approximately 52,500 individuals, followed by Weymouth which contributed 16.7% of the

SOUTH SHORE LABOR FORCE By Community: February 2009



SS MONTHLY UNEMPLOYMENT RATES February 2008 vs. February 2009



total labor force in the region or about 29,600 people. The community with the smallest contribution to the total labor force in the region was Cohasset with 2% or nearly 3,600 individuals. This was followed by Norwell contributing 3% or about 5,300 individuals to the total labor force. This is shown in the graph above.

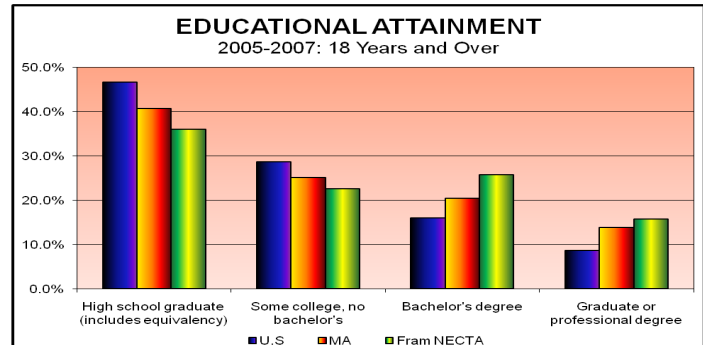
The graph to the right shows that unemployment rates rose for all the communities on the South Shore from February 2008 to February 2009, with Abington showing the largest increase of 4% from 4.8% to 8.8%, and Norwell showing the smallest increase of 2.1% from 3.6% to 5.7%.

(Continued on page 6)

Framingham NECTA Division Higher Median Earnings Than State and Nation

The US Census, through the American Community Survey (ACS) program, provides data on the Framingham NECTA Division. NECTA stands for New England City and Town Area. MetroWest Economic Research Center has collected information to provide a first look at this area which includes thirteen communities: Ashland, Berlin, Framingham, Holliston, Hopedale, Hopkinton, Hudson, Marlborough, Mendon, Milford, Natick, Southborough, and Upton. The ACS is an ongoing nationwide survey which provides data about selected communities every year. Data is either available as one-year estimates for geographic areas with a population of 65,000 or more or three-year estimates for selected geographic areas with a population of 20,000 or more. Information used in this article is an average of 3 years, estimates based on data collected between January 2005 and December 2007 and thus, subjected to statistical errors.

The Framingham NECTA has a total population of 259,749, out of which 127,806 are males and 131,943 are females. The population of the Framingham NECTA is well educated. The percentage of people who hold bachelor and graduate or professional degrees is higher in the Framingham NECTA than in the state or the nation. Approximately 16% of the Framingham NECTA residents who are 18 years or older hold graduate or professional degrees, whereas the percentages for the state and the nation are 14% and 8.7% respectively. Also, the proportion of individuals having their highest degree a bachelor's degree is higher in the Framingham



NECTA at 25.8%, compared to the state at 20.4% and the nation at 15.9%. Thus, 41.5% of all the Framingham NECTA residents hold bachelor's or graduate/professional degrees; this percentage for males 18 years or older is 42.1% and females is 40.9%. Therefore, the percentage of population that has completed only high school and/or attended some college is higher in U.S., approximately 76%, compared to 65.7% for MA and 58.5% for Framingham NECTA. (See graph above).

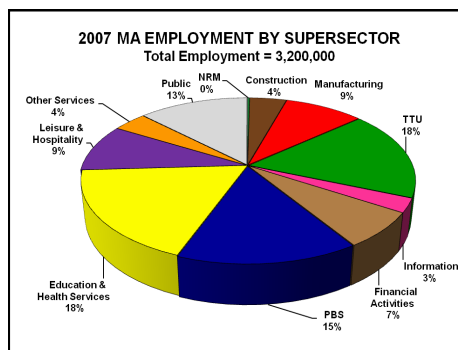
The median household income is higher in the Framingham NECTA than in the state and the nation. In the Framingham NECTA, median household income is \$77,462, whereas in the state and the nation, it is \$61,785 and \$50,007 respectively. In the Framingham NECTA region, about 22% of the households have

(Continued on page 7)

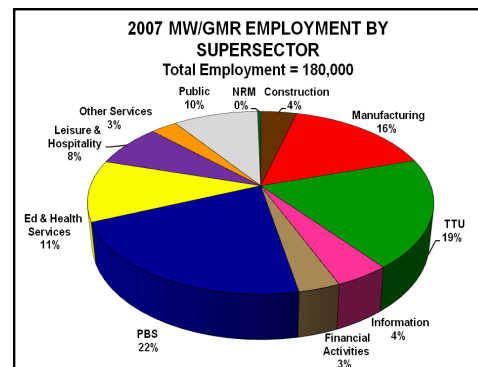
Employment in Massachusetts and MetroWest/Greater Marlborough

The North American Industry Classification System, also known as NAICS, classifies business establishments into industries based on the processes used to produce goods and services. NAICS groups establishments into twenty sectors, which are combined into eleven supersectors. This article will focus specifically on which supersectors contribute most to employment in Massachusetts and the MetroWest/Greater Marlborough Region.

In 2007 total employment in Massachusetts reached 3.2 million jobs, up 1.2% from 2006. Three supersectors dominated state employment contributing half of total employment: Education and Health Services, Trade Transportation and Utilities (TTU), and Professional and Business Services (PBS). (See the graph below)



led, each contributing approximately 18% of total jobs with 593,000 and 568,500 jobs respectively. PBS made up 15% of employment with 482,300 jobs.



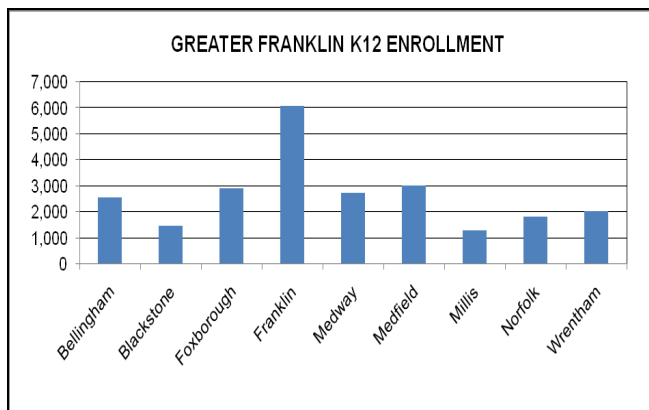
Among all supersectors Education and Health Services had the largest gain in jobs from 2006, up 3.7% or 21,300 jobs. The PBS supersector gained 8,900 jobs, an increase of 1.9%. In contrast, Natural

Resources and Mining, Construction, and Manufacturing each experienced losses in employment in 2007.

The MetroWest/Greater Marlborough Region (MW/GMR) made up 5.6% of the state employment with a total of 180,000 jobs. In 2007 MW/GMR employment rose 1.5% from 2006 to a new record high for the region. Professional and Business Services, with 39,000 jobs, led all supersectors providing 22% of total employment (See the graph above). There were 34,700 jobs in the TTU supersector, 19% of total employment, and 29,000 jobs in the Manufacturing supersector, 16% of the region's total. Education and Health Services with 11% of the region's employment generated the largest increase in employment of almost 900 jobs, a growth of 4.8% in 2007.

(Continued on page 8)

Greater Franklin Enrollment Increases



The Greater Franklin Region contains nine communities: Bellingham, Blackstone, Foxborough, Franklin, Medway, Medfield, Millis, Norfolk, Wrentham. In fiscal year 2007 the communities of Greater Franklin spent \$189.3 million to education, approximately 58.3% of general fund expenditures. In October of 2007 the Greater Franklin Region's K-12 public school enrollment was 23,755 not including students in vocational and charter schools. The graph above depicts Greater Franklin Enrollment for October 2007 by community.

Franklin reported the highest enrollment at 6,088 students. Medfield reported 2,989 students, while Foxborough reported 2,883 students. Medway registered 2,736, Bellingham had 2,552 and Wrentham had 2,021. The communities of Norfolk and Blackstone reported 1,794, and 1,463 students respectively. Millis had the smallest student enrollment at 1,289. Franklin posted the highest average annual rate of change at 2.4% for the period from October 1998 to October 2007. Blackstone was the community which posted the lowest average annual rate of change at negative -1.8%. The remaining towns ranged from 1.5% in Wrentham to a negative -0.3% in Bellingham.

From 1998 to 2007, vocational high school enrollment in the region increased by 11%, whereas Greater Franklin K-12 public school enrollment increased by 8%. The graph on page five illustrates Greater Franklin K-12 public school enrollment excluding regional vocational schools, and regional vocational high school enrollment from 1998 to 2007. From 1998 to 2004 Greater Franklin K-12 public school enrollment increased from 22,451 students to 24,516. From 2004 to 2005 Greater Franklin K-12 public school enrollment decreased slightly from 24,516 to 24,416. From 2005 to 2007 Greater Franklin K-12 public school enrollment remained relatively constant.

(Continued on page 5)

MERC uses October 1 enrollment numbers compiled as part of the Massachusetts Department of Education (DOE) annual student census. Included in the data are all public school students in regular education, special education, and English as a Second language programs, regional schools and regional vocational high schools. MERC data are obtained both from DOE and directly from school districts. For some regions, charter school enrollments are included in MERC calculations.

Greater Marlborough Region's Municipal Revenue

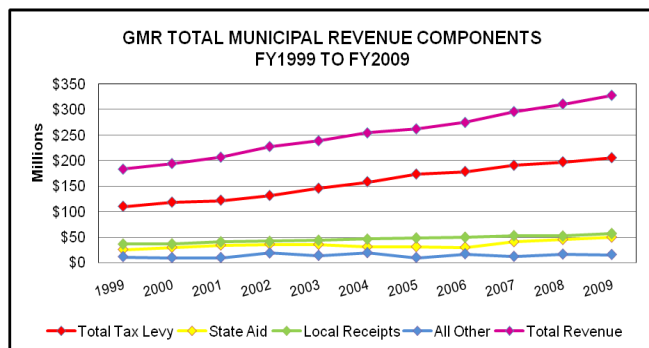
The MetroWest Economic Research Center (MERC) at Framingham State College conducts research on municipal revenue every year for the Greater Marlborough Region (GMR). The four communities which comprise GMR are Hudson, Marlborough, Northborough, and Westborough. Municipal revenue consist of total tax levy, state aid, local receipts, and an "all other" category. There are five-subcategories in the total tax levy. State aid is any aid given by the state to the communities for education and general government. However, educational state aid given directly to regional and vocational districts is not included in this calculation. Local receipts consist of motor

excise taxes, licensing fees, and charges for services such as water, sewer, and trash collection. The "all other" category includes free cash and other available funds.

The graph to the left shows the total municipal revenue components in GMR from FY1999 to FY2009. Total revenue for GMR has steadily increased from \$182.8 million in FY1999 to an expected \$327.7 million in FY2009, an increase of 79.3%. The total tax levy has been the biggest contributor to GMR municipal revenue throughout this time period. The tax levy ranged from \$109.9 million in FY1999, to \$205.6 million in FY2009, an increase of 87.1%. State aid in GMR rose from \$25.3 million in FY1999 to \$36.1 million in FY2002, and declined in FY2003 from \$35.5 million to \$29.6 million in FY2006. State aid for FY2007, FY2008, and FY2009 was \$40.8, \$45.3, and \$50.0 million respectively. Local receipts went from \$36.4 million in FY1999 to \$57.7 million in FY2009, an increase of 55.7%. The "All other" category went from \$11.1 million in FY1999 to \$15.4 million in FY2009. Throughout this period the amount of revenue from the "all other" category was quite volatile.

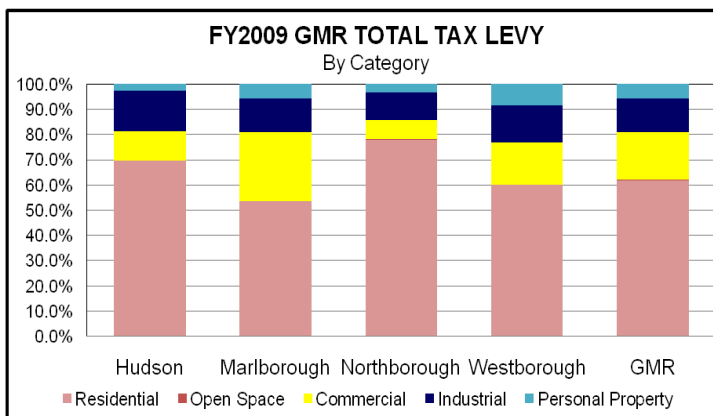
The tax levy consists of assessments on residential, open space, commercial, industrial real estate, and also personal

(Continued on page 4)



Greater Marlborough Region's Municipal Revenue

(Continued from page 3)



property (as shown in above graph). Personal property includes furnishings of second homes and inventories and equipment of unincorporated businesses. In FY2009 the total tax levy for GMR was \$205.6

million, an increase of 4.1% over FY2008. In FY2009 GMR collected 62.1% of the total tax levy from residential real estate, 18.6% from commercial real estate, 13.6% from industrial real estate, 5.6% from personal property, and a negligible amount (0.02%) from open space.

The percentage of tax revenue generated from residential real estate varied widely by communities, the highest percentage occurred was in Northborough at 78.3%. Marlborough garnered 53.7% from residential real estate, the lowest percentage in GMR. The other two communities, Hudson and Westborough, fell between 60% and 70%. Marlborough was the only community in which commercial property taxes, at 27.4%, represented a greater percentage of the tax levy than the GMR average of 18.8%. Hudson had the highest industrial share at 16.1%. Personal property tax shares fell between 2.6% in Hudson to 8.6% in Westborough.

By Birava Patel MERC Intern II

Municipal revenue components include the tax levy, state aid, local receipts and an "all other" category. The tax levy consists of assessments on residential, open space, commercial, industrial real estate, and also personal property.

A message to our readers: Framingham State College has changed all e-mail addresses.

MERC's e-mail address has changed

From: merc@frc.mass.edu **To:** merc@framingham.edu

MERC Interns - Spring 2009

Senior Intern

Stephanie Bogus
Andres Gomez
Patrick Langan

Intern II

Suman Bala
Shaun Daly
Kristin Johnson
Birava Patel

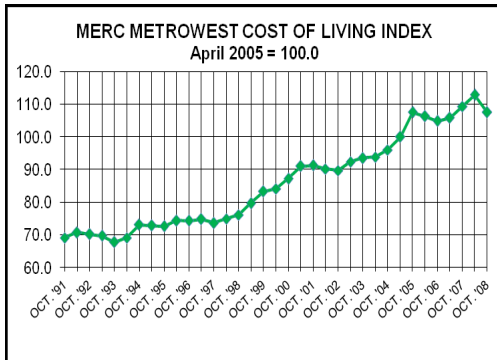


Intern I

Cynthia Aga
Mark Erian
Jonathan Murphy
Melissa Zardeskas

"[a] leading example of economic development assistance among the state colleges...that directly benefits employers, Chambers of Commerce, nonprofit organizations, school districts, legislators, residents, and community groups" - Massachusetts State Senate Task Force Report on Public Higher Education, commending MERC on its program.

MetroWest Cost of Living Declines



(Continued from page 1)

In the graph to the left, we can see the trend in the Overall Index for the region since MERC started collecting this data in October of 1991, using April 2005 as a base period. The Overall cost of living for MetroWest had peaked in April 2008 with a value of 112.9, meaning there had been an increase of about 12.9% in the overall cost of living in MetroWest since April 2005. Between April 2008 and the most current pricing period, October 2008, the index fell by 1.71%. The Index's all time low was in October 1993 when the index was 67.8. The average annual increase of the MetroWest Overall Cost of Living Index for the entire pricing period shown on the graph is 1.31%.

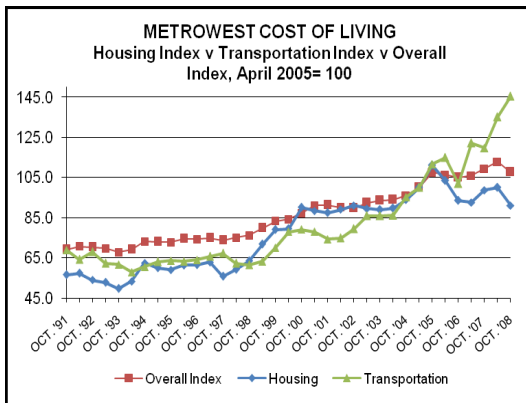
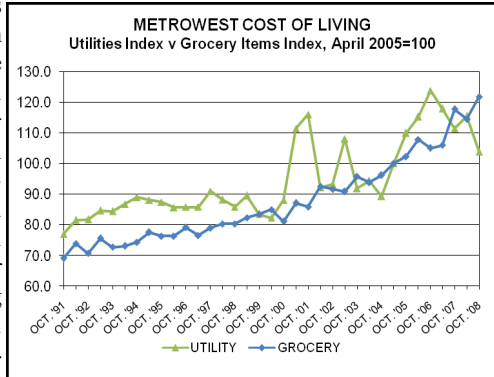
The behavior of the Utilities Index changed quite drastically in October 2000. As the green line

in the graph to the right shows, the index began to fluctuate significantly, starting in October 2000, after being fairly stable for the previous nine years. On the other hand the Grocery Items Index, in blue, historically has been the most stable, with fewer spikes and a steadier increase over time. The Utilities Index reached its highest point in October 2006 with an index of 123.8 and has declined since; it reached 103.8 in the most recent pricing period. On the other hand, the Grocery items index

reached its peak in October 2008, the most recent pricing period, with an index of 121.7.

The largest decrease in the index came between the April 2000 and October 2000 pricing periods with a decrease in the index of 4.6%.

The graph on the bottom left compares the Overall Cost of Living for MetroWest, in red, with both the housing and transportation indexes, in blue and green respectively. Since 2005 the Housing Index and the Transportation Index have gone in two different directions. The Housing Index has decreased from 100.0 in April 2005 to 91.0 in October 2008. On the other hand, the Transportation has increased 45.4% from April 2005 to October 2008. This increase gave the Transportation Index the greatest value in October 2008 with a value of 145.4. Despite the large increase in the Transportation Index, the Overall Index has remained consistently between the two index's values.



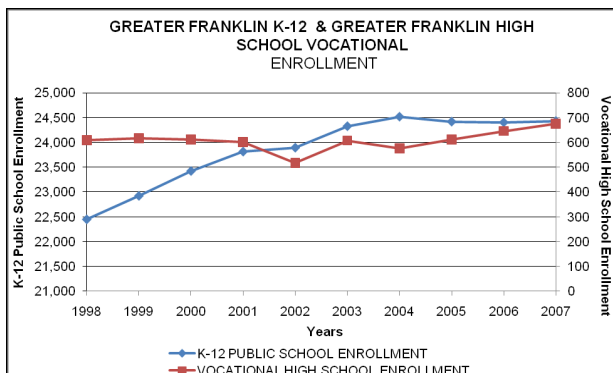
By: Patrick Langan MERC Intern III and Shaun Daly MERC Intern II

The prices for gasoline were recorded for the October 2008 Cost of Living Survey. The average price of a gallon of gasoline during this time was \$3.475. The Energy Information Administration reports the average price of a gallon of regular gasoline, in Massachusetts, has dropped to about \$1.86 as of 3/16/09.

Greater Franklin Enrollment

(Continued from page 3)

Vocational high school enrollment in Greater Franklin



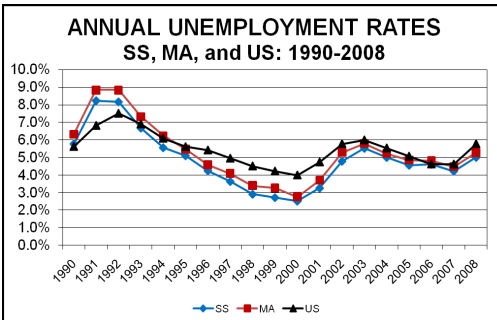
from 1998 to 2001 remained essentially constant as shown by the red line in the graph to the left. From 2001 to 2004 vocational high school enrollment was volatile, reaching a low of 517 in 2002, and a high of 607 in 2003. From 2004 to 2007 vocational high school enrollment increased by 17%, from 576 to 675 students. Since 2004 vocational high school enrollment in Greater Franklin has been on the rise, while K-12 public school enrollment, shown by the blue line, remained level. Greater Franklin's population increased by 8.1% from 1998 to 2007, over the same period the student population has increased by 8.3%. K-12 enrollment, vocational high school enrollment, and population in Greater Franklin have all increased throughout the studied time period.

By: Andres Gomez MERC Intern III

South Shore Unemployment on the Rise

(Continued from page 1)

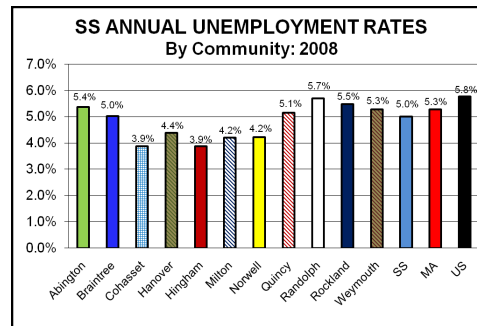
Rockland consistently posted the highest unemployment rate among the communities in the region with 5.2% in February 2008 and 9.1% in February 2009. In February 2008, Cohasset maintained the lowest unemployment rate in the region with a rate of 3.2%, and again in February 2009, along with Norwell, with a rate of 5.7%.



As shown in the graph above, the South Shore consistently maintained lower annual unemployment rates than the state. However, during the 19 year period from 1990-2008, the South Shore generally had lower unemployment rates than the nation with a few notable exceptions. From 1990-1992, the South Shore's unemployment rates were higher than those of the nation and then matched the nation's rate of 4.6% in 2006. During the period of 1990-2008, South Shore unemployment rates experienced two peaks. The South Shore unemployment rate first peaked in 1991 with a rate of 8.2%, and then was followed by a consistent downward trend in its rate until the year 2000 when it reached its lowest rate of 2.5%. Since then, the South Shore unemployment rates increased until a second peak occurred in 2003 with a rate of 5.5%, a peak that was nearly 3% lower than first peak in 1991. After 2003, South Shore unemployment rates fluctuated between 4.8% and 4.2% until 2007 before registering an increase to 5% in 2008. The Massachusetts

unemployment rate peaked in 1991 as well with a rate of 8.8% and remained level until 1992 before it showed a downward trend in its rate until 2000.

From the year 2000, there was a continuous increase in the state's unemployment rates until it reached another peak in 2003 with a rate of 5.8%. In 1992, the U.S. unemployment rate peaked at 7.5% before it showed a consistent decrease until the year 2000. The U.S. unemployment rate reached another peak in 2003 with an unemployment rate of 6%, which was followed by a decrease in its rate until 2006



with a rate of 4.6%. This rate stayed constant until 2007 before it increased in 2008 to a rate of 5.8%, an increase of 1.2%.

The graph above shows the annual unemployment rates of all communities on the South Shore in 2008. Among communities in the region, in 2008, Randolph posted the highest unemployment rate of 5.7%, followed by Rockland with 5.5% and Abington with 5.4%. Both Cohasset and Hingham posted the lowest unemployment rates in the region in 2008 of 3.9% followed by Milton and Norwell with 4.2%. The South Shore, Massachusetts, and U.S. rates in 2008 were 5%, 5.3% and 5.8%, respectively. In 2008, the nation posted a higher annual unemployment rate than all of the communities, the region, and the state.

By: Stephanie Bogus MERC Intern III

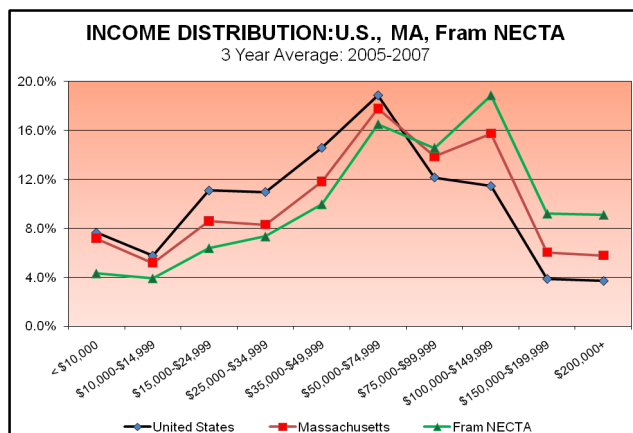
Did you know? : There are several categories of unemployment rates. U-1 through U-6 are reported below for the U.S. period rates in February 2009. MERC uses is the U-3 rate, which is the official unemployment rate.

Measure	Feb. 2009
U-1 Persons unemployed 15 weeks or longer, as a percent of the civilian labor force	3.7%
U-2 Job losers and persons who completed temporary jobs, as a percent of the civilian labor force	5.9%
U-3 Total unemployed persons, as a percent of the civilian labor force (the official unemployment rate)	8.9%
U-4 Total unemployed persons plus discouraged workers, as a percent of the civilian labor force	9.3%
U-5 (U-4) plus all other "marginally attached" workers, as a percent of the civilian labor force	10.1%
U-6 Total unemployed persons, plus all "marginally attached" workers, plus all persons employed part time for economic reasons, as a percent of the civilian labor force plus all "marginally attached" workers	16.0%

February, 2009 UNEMPLOYMENT RATES Not Seasonally Adjusted (Preliminary Data)

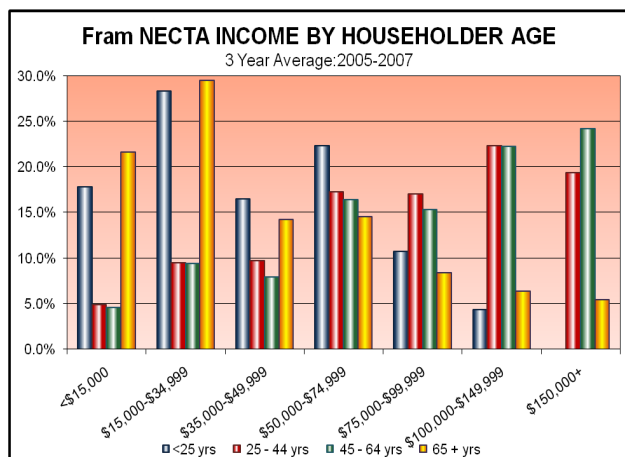
495/MW	6.7%
Blackstone Valley	8.7%
Blackstone	10.6%
Douglas	8.1%
Grafton	8.1%
Hopedale	7.2%
Mendon	6.9%
Millbury	8.0%
Millville	11.1%
Northbridge	10.2%
Sutton	8.1%
Upton	8.3%
Uxbridge	9.4%
Greater Franklin	8.0%
Bellingham	10.2%
Blackstone	10.6%
Foxborough	7.6%
Franklin	7.6%
Medfield	5.9%
Medway	7.1%
Millis	7.5%
Norfolk	7.9%
Wrentham	7.6%
Greater Marlborough	6.8%
Hudson	8.3%
Marlborough	6.6%
Northborough	6.6%
Westborough	5.7%
MetroWest	5.8%
Ashland	6.2%
Framingham	6.1%
Holliston	6.3%
Hopkinton	6.1%
Natick	5.3%
Sherborn	5.2%
Southborough	5.0%
Sudbury	5.6%
Wayland	5.2%
Milford	8.3%
South Shore	7.6%
Abington	8.8%
Braintree	7.2%
Cohasset	5.7%
Hanover	7.0%
Hingham	6.2%
Milton	6.3%
Norwell	5.7%
Quincy	7.7%
Randolph	8.1%
Rockland	9.1%
Weymouth	8.1%
Massachusetts	8.3%
United States	8.9%

Framingham NECTA Division Higher Median Earnings Than State and Nation



(Continued from page 2)

incomes lower than \$35,000. This percentage is less than the state at 29.2% and the nation at 35.4%. As seen in the graph above, the proportion of Framingham NECTA



households in upper income categories is higher than the state and the nation. In the Framingham NECTA, 37.1% of households have incomes above \$100,000, compared to the state with 27.5% and the nation with 19%. For all the income categories above \$75,000, the percentage of the Framingham NECTA households is higher than the state and the nation. In the highest income group, \$200,000 or more, the proportion of the Framingham NECTA households is more than twice the proportion for the nation, whereas in the lowest income group, less than \$10,000, the proportion is almost half the size of the nation.

To explore the income distribution in this region more deeply, we look at the householders by their age and income groups in the graph to the left. Householders in the age group of less than 25 years are highly concentrated towards the lower/middle income groups. Approximately 63% of the householders within the age group of less than 25 years old have incomes lower than \$50,000. Moreover, 28.3% of all the householders who are less than 25 years have household incomes between \$15,000 and \$35,000. Similarly, most of the householders who are 65 years or older, approximately 65%, have incomes lower than \$50,000. The two age groups that are highly concentrated in the middle/upper income group are 25 to 44 years and 45 to 64 years old. About 76% of the householders between 25 and 44 years old and 78% of the householders between 45 and 64 years old have household incomes above \$50,000. Approximately 42% of the 25 to 44 years old age group have incomes above \$100,000, whereas 46.4% of the 45 to 64 years old age group have incomes above \$100,000. And if we look at the income of young people, about 18% of the less than 25 years old age group have incomes less than \$15,000. Also, about 22% of the 65 years or older age group have incomes less than \$15,000. Overall, in addition to being well educated, the residents of the Framingham NECTA have high household incomes.

By: Suman Bala MERC Intern II



Register Now!

17th Annual MERC Conference Surviving Recession...

Combined MetroWest and Greater Marlborough Economies
Friday May 8, 2009
8:00-10:30 AM
Forum, D. Justin McCarthy Center
Framingham State College

Registration Fee \$25. Please contact
MetroWest Chamber of Commerce
www.MetroWest.org— 508-879-5600





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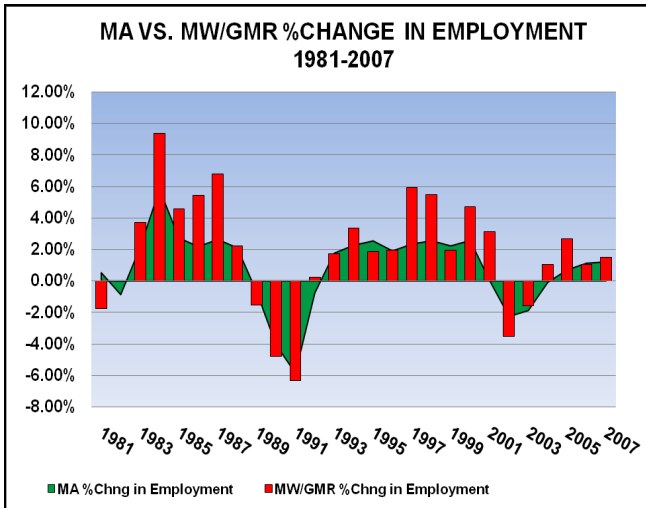
To:

MetroWest Economic Research Center
Framingham State College
100 State Street
Framingham, MA 01701-9101

Employment in Massachusetts and MetroWest/ Greater Marlborough

(Continued from page 2)

However, Financial Activities suffered a loss in employment of nearly 500 jobs, or -7.2% from the previous year. The Construction and Information supersectors also experienced job losses.



Over the 1980 to 2007 period, employment in the MW/GMR region has been much more volatile than employment in the state (See the graph to the left). The annual percent change in the region ranged from a gain of 9.4% in 1984 to a loss of -6.3% in 1991. Over this twenty-seven year period MW/GMR averaged a 1.8% annual gain in employment. The region on average increased employment at twice the annual rate of Massachusetts. The state experienced its largest employment gain, 5.8%, in 1984 and its greatest loss, -5.8%, in 1991. The state averaged a 0.8% annual gain in employment.

Between 1980 and 2007 the region outpaced the state as employment grew from 112,400 in 1980 to 180,000 in 2007, a gain of 67,700 jobs or 60.2%. In 1980 state employment was 2,600,000. It increased by 640,000 jobs to 3,200,000 in 2007, a gain of 24.7%.

Since 1980 the state and the MW/GMR have experienced three business cycles. The three periods of employment growth occurred in 1983-1988, 1992-2001 and 2004-2007. The state and the MW/GMR experienced recessions in 1989-1992 and 2002-2003. The length and severity of the recessions often differed between the state and the region.

By: Kristin Johnson MERC Intern II

As of 2007, Framingham generates $\frac{2}{5}$ of MetroWest CCSA jobs and payroll, and $\frac{1}{6}$ of 495/MetroWest Corridor jobs and payroll.