

INSIDE THIS ISSUE:

South Shore
Unemployment Rates 1

Housing in
Greater
MetroWest 1

Town
Employment
Profile:
Framingham 2

ACCRA House
Prices:
New England 3

Massachusetts
State
Tax Revenue 4

Coming Soon
to MERC 8

Unemployment
Rates and
MERC
Coverage Map 10

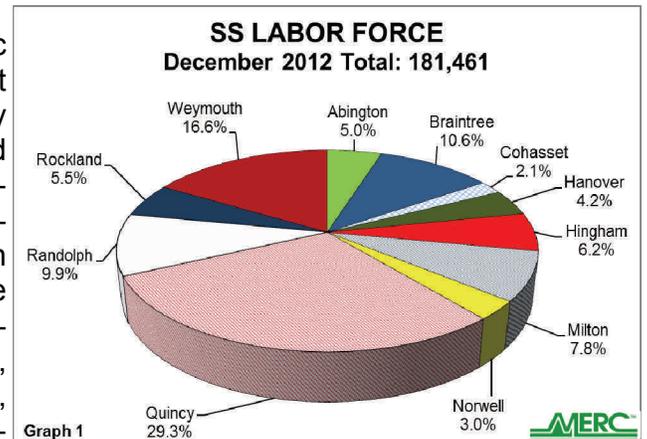
A Peek Inside
MERC 11

MERC Interns
Spring 2013 11

Unemployment Rates on the South Shore Lower than the Nation's

By Hilary Boudreau

The MetroWest Economic Research Center at Framingham State University collects unemployment and labor force data for certain selected regions in Massachusetts, including the South Shore region. The South Shore region consists of eleven communities: Abington, Braintree, Cohasset, Hanover, Hingham, Milton, Norwell, Quincy, Randolph, Rockland, and Weymouth. In December 2012, the region's total number of unemployed was 10,564 individuals. Among the communities in the region, Quincy posted the largest number of unemployed with 3,120 individuals, followed by Weymouth with 1,860 individu-



als. Randolph and Braintree had 1,240 and 1,055 unemployed individuals, respectively. About 60% of the region's unemployed individuals lived in these four communities. Cohasset was home to the smallest number of unemployed with 174 unemployed individuals, followed by Norwell with 233

Continued on page 8

Recovery of Housing in Greater MetroWest

By Herbert Kyles

Greater MetroWest (GMW) includes two regions and thirteen communities: Ashland, Framingham, Holliston, Hopkinton, Natick, Sherborn, Southborough, Sudbury and Wayland comprise MetroWest; Hudson, Marlborough, Northborough and Westborough make up the Greater Marlborough Region. The MetroWest Economic Research Center (MERC) at Framingham State University used data from The Warren Group to analyze existing home sales and median sale

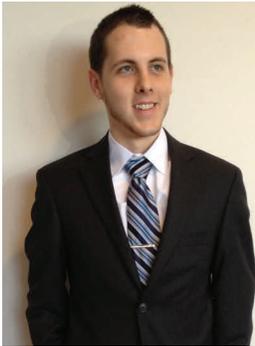
prices of single-family homes and condominiums from 1987 to 2012.

Graph 1 on page 6 depicts the trend of single-family home median sale price from 1987 to 2012. An emphasis is placed on single-family homes because they compose a majority of the housing units sold in Greater MetroWest. The lowest estimated median sales price in both the Greater Marlborough Region (GMR) and MetroWest (MW) occurred in 1991 at \$156,848 and \$197,462, respectively. In 2005 MetroWest experienced a

Continued on page 6

Town Employment Profile: Framingham

By Marc Leger



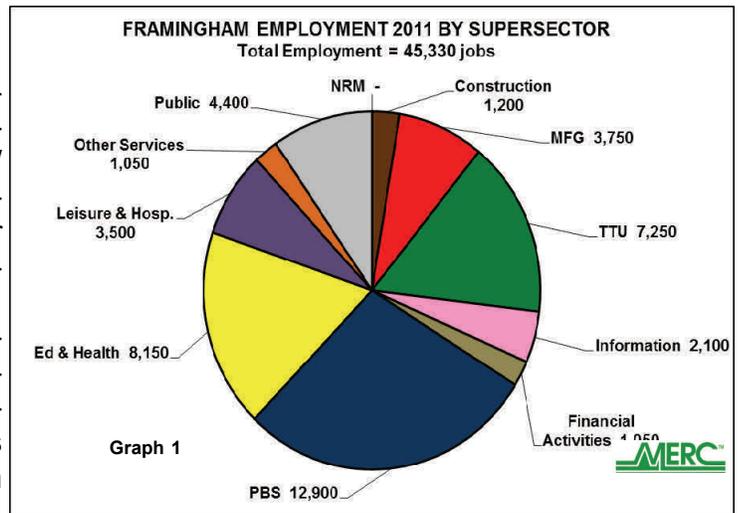
Marc Leger
Intern III
Focus
Employment
Major
Economics
YOG 2013

Framingham Ranks High

In 2011 Framingham generated the largest number of jobs in MetroWest CCSA, 45,330 jobs constituting about 42.5% of MetroWest's employment... produced the highest payroll in the MetroWest CCSA in 2011 and provided a nominal wage of \$72,200 which ranked third highest among the nine MetroWest CCSA towns in 2011.

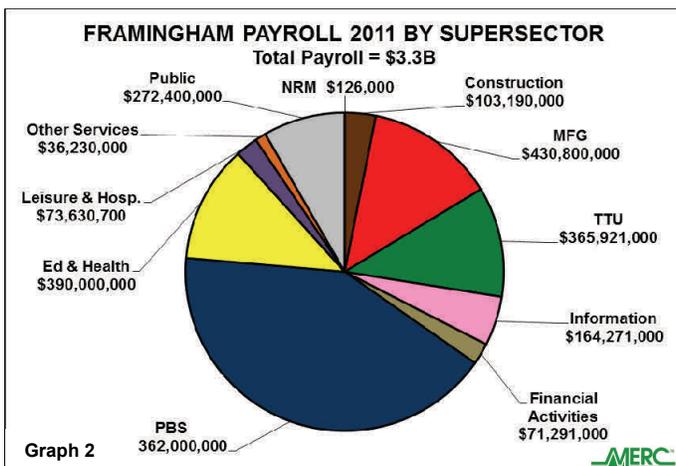
Home to the corporate headquarters of Bose, Gulf/Cumberland Farms, Staples, TJX and known for its concentration in research and development, trade and health services, Framingham, Massachusetts, with a population of 68,318 (Census 2010) is the largest town in the MetroWest CCSA.

In 2011 Framingham generated the largest number of jobs in the MetroWest CCSA, 45,330 jobs constituting about 42.5% of MetroWest's employment. Over the recent decade (2001-2011) the town's employment remained relatively stable despite two recessions in 2001-2003 and 2009. Employment peaked in Framingham in 2001 at 45,750 jobs and bottomed out in 2010 at 44,650 jobs. In 2011 Framingham's largest employment supersector, Professional and Business Services (PBS), produced 12,900 jobs from its 560



establishments. See Graph 1 above. PBS includes three sectors: Professional Scientific & Tech Services, Management of Companies & Enterprises and Administrative & Waste Services. The second largest supersector, Education and Health (E&H), contributed 8,150 jobs from 290 establishments, followed by Trade, Transportation and Utilities (TTU) with 7,250 jobs from 460 establishments; Manufacturing (MFG) produced 3,750 jobs from 70 establishments. Combined, the four largest supersectors generated 70.6% of Framingham's total employment and 60.1% of Framingham's establishments.

Framingham produced the highest payroll in the MetroWest CCSA in 2011. Framingham's payroll of \$3.3 billion comprised 44.2% of the region's total payroll. Unlike employment over the decade, payroll grew substantially. The town's total payroll rose 32.6% during 2001-2008, then dipped in the 2009 downturn before reaching its historical peak of \$3.3 billion in 2011. Professional and Business Services (PBS) dominated payroll at \$1.4 billion, producing 41.6% of the town's payroll. See Graph 2 at left. PBS payroll climbed 88.3% over the decade. Manufacturing (MFG), the town's fourth largest supersector in employment, generated the second highest payroll of \$433 million. Education and Health (E&H) with a payroll of \$389 million and Trade, Transportation and Utilities (TTU) with \$366 million followed. Combined, the four largest payroll supersectors produced 78% of Framingham's payroll.



ACCRA House Prices, New England, 2007-2012

By Sarah Carey



Sarah Carey
Intern III
Focus
Census
Major
Economics
YOG 2013

ACCRA Cost of Living Indexes

The ACCRA Cost of Living Index is published quarterly by C2ER. Data was collected from 305 urban communities across the United States to measure the cost of living for professional/managerial households. The national average has an index of 100.0 for all indexes. Shown below are the indexes for MetroWest.

October 2012 MetroWest, MA

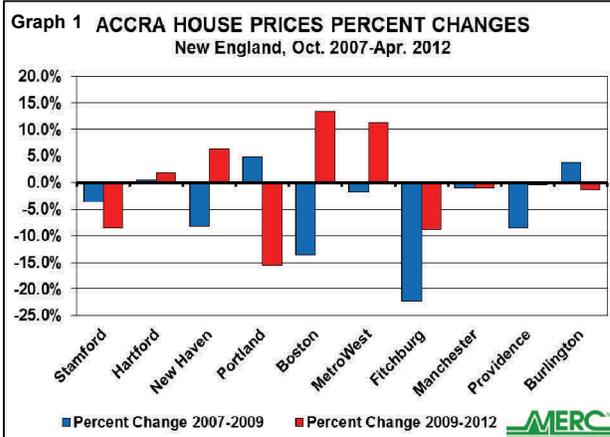
Overall Index	143.0
Grocery Items	113.6
Housing	203.3
Utilities	109.0
Transportation	117.2
Health Care	123.6
Misc. Goods & Services	123.9

The MetroWest Economic Research Center (MERC) at Framingham State University conducts a survey twice a year, in April and October, to calculate the cost of living in the MetroWest region of Massachusetts. The cost of living is calculated by measuring the average cost of a “market basket” of 57 various items normally purchased by professional and executive households. These items are chosen by the Council for Community and Economic Research (C2ER) based on a survey of consumer spending patterns conducted by the U.S. Bureau of Labor Statistics. The Overall Index is based on six categories: housing, utilities, grocery items, transportation, health care, and miscellaneous goods and services. The average prices of items in each category are used to create a sub-index for each of the six categories of items in the market basket. The sub-indexes are weighted, based on importance, to create the Overall Cost of Living Index. These prices are also sent to C2ER to be included in a national survey of around 300 urban areas. A cost of living index, known as the ACCRA Cost of Living In-

dex, is calculated for each area as a percentage of the national average.

One of the items priced in the ACCRA Cost of Living Index is a new home. C2ER provides the guidelines regarding the specifications of the home the price of which is included in the calculation of the Housing Index. The general house description set forth by C2ER is a “single-family detached house; newly built and not previously occupied.” The house is located in a high-quality tract or development and is custom-designed or built. It has 4 bedrooms, 2 full baths, living room, dining room, kitchen with built in cabinetry and island, finished family room, one fireplace, utility room, and attached two-car garage. Since these guidelines ensure that the same house is priced in each urban area, these prices provide insight into the housing markets in these areas.

Ten different New England regions were included in the October 2007, April 2009, and April 2012 surveys. These include Stamford CT, Hartford CT, New Haven CT, Portland ME, Boston MA, MetroWest MA, Fitchburg MA, Manchester NH, Providence RI, and Burlington VT. The purpose of this article is to examine the impact of the Great Recession on New England housing markets. The peak in the business cycle occurred in December 2007 and marked the beginning of the recession. The closest data that MERC has to this period is October 2007. The trough in the business cycle occurred in June 2009 and marked the end of the recession. The closest data that MERC has for this period is from April 2009. This data will be used to analyze house prices before,



Massachusetts State Tax Revenue

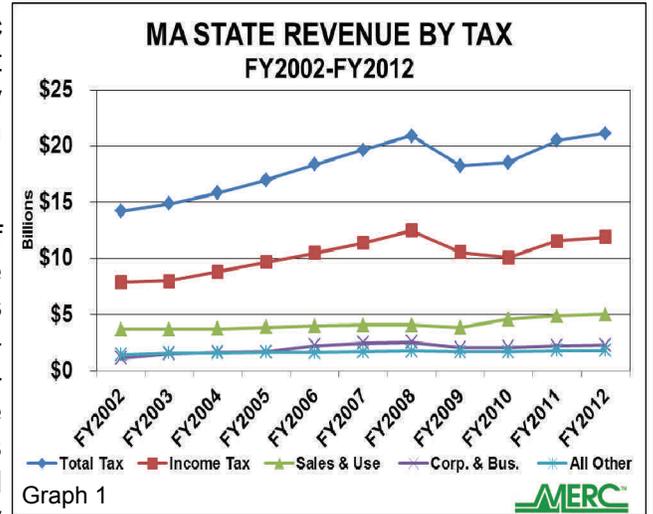


Nicole Coccoluto
 Intern III
Focus
 Municipal Revenue
Major
 Business Admin.
 YOG 2013

By Nicole Coccoluto

The MetroWest Economic Research Center (MERC) at Framingham State University collects and analyzes data on state revenue on a monthly, quarterly and yearly basis. State revenue is comprised of income taxes, sales and use taxes, corporate and business excise taxes and all other excises. Income taxes are collected by taking a percentage of working individuals' wages earned and from estimated payments made directly by taxpayers. Corporate and Business taxes include excises on general businesses, insurance companies, public utilities and financial institutions. Sales and use taxes include taxes on items purchased outside of the state and brought in as well as items purchased in Massachusetts. All other taxes come from a wide variety of assessments on items such as cigarettes, vehicle fuels, estates and inheritances, as well as alcoholic beverages. Together these taxes provide billions of dollars in revenue for the state of Massachusetts each year.

Graph 1 above shows Massachusetts state tax revenue data for a period of eleven fiscal years, FY2002-FY2012. This graph represents the four component tax categories in addition to total state revenue for each year. During the ten year period, total income tax revenue was highest in FY2008 with approximately \$12.5 billion,



which represented 60% of total state tax revenue for that year. In FY2012 income tax revenue was \$11.9 billion, contributing about 56% to total state tax revenue. Income tax, sales and use tax, corporate and business excise tax and "all other" tax all experienced their largest percentage decrease for the period in FY2009 with decreases of 15.27%, 5.31%, 17.65% and 3.56%, respectively. Given that all four categories decreased most significantly from FY2008 to FY2009, total state tax revenue also decreased 12.62%. The FY2009 decrease in sales and use tax revenue was followed by the category's largest increase, of 19.2% in FY2010. Overall, total taxes or total Massachusetts state revenue was

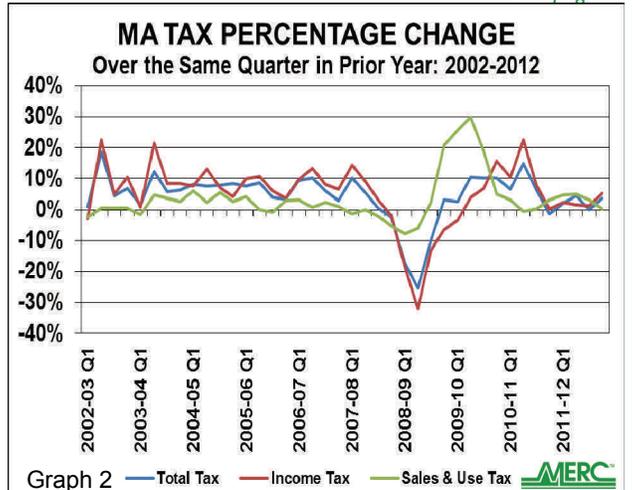
Continued on page 5

Did you know?

Sales and use taxes include taxes on items purchased outside of the state and brought in as well as items purchased in Massachusetts.

Income Tax Revenue

From FY2002 to FY2012, income tax revenue made up over 50% of total Massachusetts state revenue for each year in the period. Income tax revenue was the only category which in FY2012 made up a greater percentage of total Massachusetts state revenue than at the start of the period in FY2002. In other words sales & use tax revenue, corporate & excise tax revenue and "all other" tax revenue all contributed more to total Massachusetts state revenue in FY2002 than in FY2012.



Massachusetts State Tax Revenue

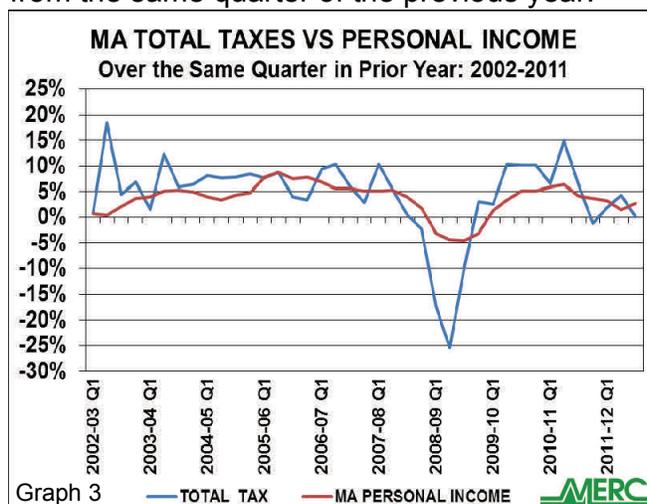
Continued from page 4

greatest in the most recent year with total taxes for FY2012 at \$21.1 billion; this is a 2.9% increase since FY2011 and an overall increase of 48.7% since the start of the period in FY2002.

Graph 2 on page 4 shows the percentage change in quarterly tax revenue from the same quarter in the preceding year. The graph shows this comparison for FY2002 to FY2012 for total taxes, income taxes and sales and use tax. Over this 10 year period income taxes and total taxes experienced their largest decline in 2008-II to 2009-II; with decreases of 32% and 25.4%, respectively. Sales and use tax revenue experienced a percentage change of 29.9% in 2009-II to 2010-II the largest percentage growth of any tax component for the period. Overall total tax experienced the largest number of periods with positive growth, followed by income tax and then sales and use taxes. However income tax revenue was more volatile and experienced larger percentage changes overall compared to total taxes and sales and use taxes; this trend is illustrated in Graph 2.

Graph 3 at right provides a comparison between quarterly total tax collections and personal income in Massachusetts for the period

of 2002-2012. The percentage change of Massachusetts personal income varied only slightly compared to the change in total tax. The growth percentages for personal income for this period ranged from a high of 8.8% in 2005-II to 2006-II and a low of -4.5% in 2008-II to 2009-II. As seen in the graph the percentage changes for total tax revenue fluctuated much more than the percentage changes in personal income. Total taxes experienced its largest percentage decrease in 2009-II with a decrease of 25.4%, while the largest percentage increase for total taxes was in 2003-II, with an 18.5% increase from the same quarter of the previous year.



ACCRA House Prices, New England, 2007-2012

Continued from page 3

during, and after the recession. Data from October 2007 will be described as before the recession, April 2009 as during the recession, and April 2012 as after the recession. It is also important to note that the time span between October 2007 and April 2009 is 18 months, and the time span between April 2009 and April 2012 is 36 months, or 3 years, which is double the time span of the previous period.

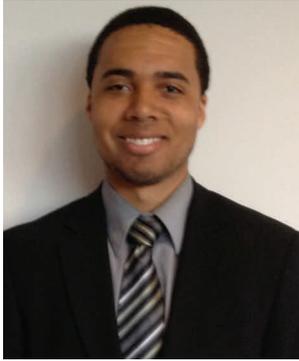
Graph 1 on page 3 shows the percentage changes in the price of a new house in each New England community during the recession (2007 to 2009), represented by the blue bars, and after the recession (2009 to 2012), represented by the red bars. During

the recession, every New England community, with the exception of Hartford, Portland, and Burlington showed decreases in house prices. Price increases occurred in Hartford, an increase of 0.44%, Portland 4.74%, and Burlington 3.83%. The largest percentage decline during the recession occurred in Fitchburg, at -22.20%. After the recession, only 4 regions showed increases in house prices: Hartford, New Haven, Boston, and MetroWest. Boston showed the largest increase, 13.29%, while Portland had the largest decrease, -15.53%. Portland was the only region in New England that experienced

Continued on page 9

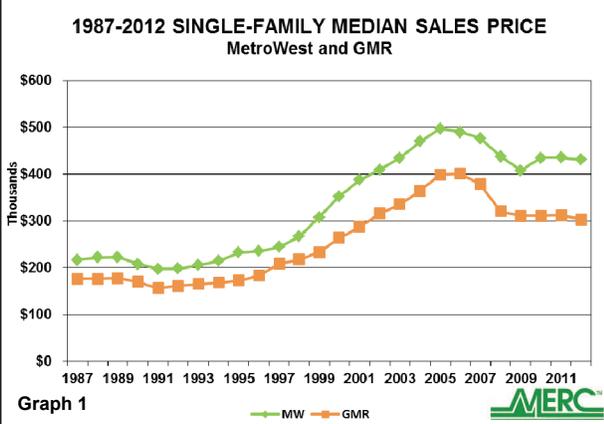
Recovery of Housing in the Greater MetroWest

Continued from page 1



Herbert Kyles
Intern II
Focus
Census/Housing
Major
Business Admin.
YOG 2014

line on the graph indicates the Massachusetts median sale price of \$290,000. Every MetroWest community had a higher single-family home median sale price than the Massachusetts median sale price. In fact, two communities, Sherborn at \$660,000 and Sudbury at \$606,000, achieved single-family home median sale prices more than double the Massachusetts median sale price. Overall, MetroWest had a median sale price of \$431,000, which is 67% greater than Massachusetts' median sale price of \$290,000.



peak median sale price of \$497,506, while in 2006 the Greater Marlborough Region peaked at \$401,536. During the time period of 1991 to 2005 the MetroWest median sale price rose on average about 6.9% per year while from 1991 to 2006 the Greater Marlborough Region median sale price experienced an average annual increase of about 6.5%. Following the period of growth, MetroWest, from 2005 to 2010, experienced annual declines as high as approximately 8% in 2008 and 7% in 2009; the Greater Marlborough Region, from 2006 to 2011 suffered small declines except for 2008's approximate 15% drop in estimated median sale price. After the 5-year period of decline, prices in MetroWest and the Greater Marlborough Region have stabilized.

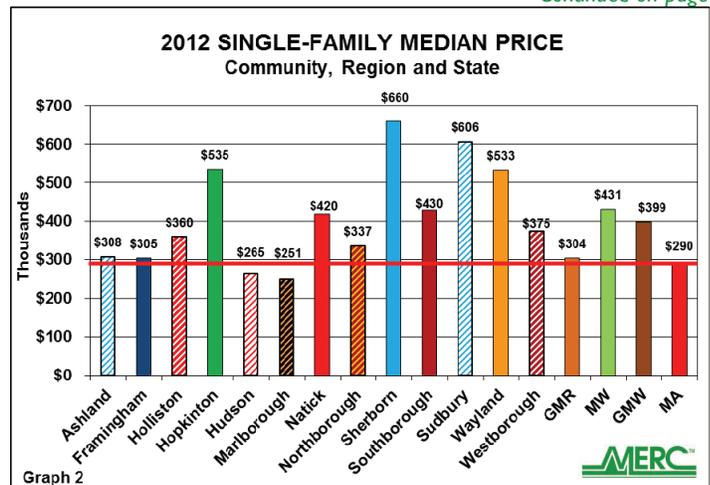
Meanwhile, the Greater Marlborough Region, with an estimated median sale price of \$304,000, had a slightly greater single-family home median sale price than that of Massachusetts. There are two communities in the region with median sale prices below the state average. Hudson's median sale price for single family homes was \$265,000 and Marlborough's median sale price was \$251,000; both were below the state median sale price. However, Northborough, at \$337,000 and Westborough at \$375,000 brought the regional average up over the state median.

Graph 3 on page 7 displays the total single-family and condominium housing units sold in the individual communities that comprise Greater MetroWest.

Framingham, the largest community in MetroWest, with 14,521 home-owning households, according to the 2010 Census, experienced the greatest number of housing unit transactions during 2012 with 632. Following Framingham was Natick with 531 housing units sold. On the oppo-

Continued on page 7

Graph 2 at right provides a snapshot of single-family median sale prices in 2012 for the communities that comprise the Greater Marlborough Region, MetroWest, Greater MetroWest and Massachusetts. The red



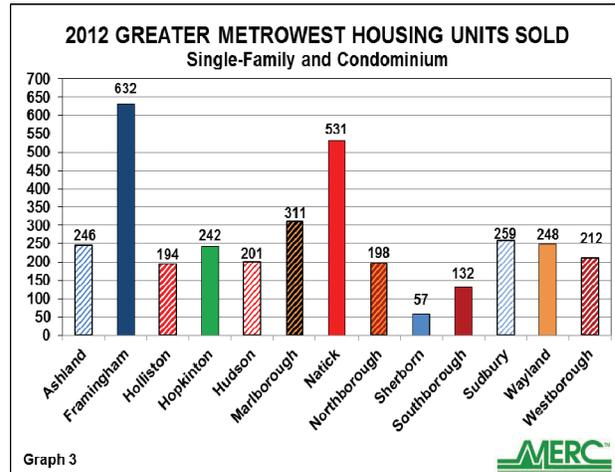
Recovery of Housing in the Greater MetroWest

Continued from page 6

site end of the spectrum, Sherborn, a very small community, witnessed a total of 57 housing unit transactions, of which only 2 transactions were condominiums.

The other 10 Greater MetroWest communities averaged 224 housing unit sales in 2012.

Time-series data and analysis show a current trend of a recovering and stabilizing market for existing homes. While median sale prices are not rising as they did in the 1990's, the drastic declines that started in 2005 (MW) and 2006 (GMR) have ended. The stabilization of sales price suggests a positive economic outlook for homeowners.



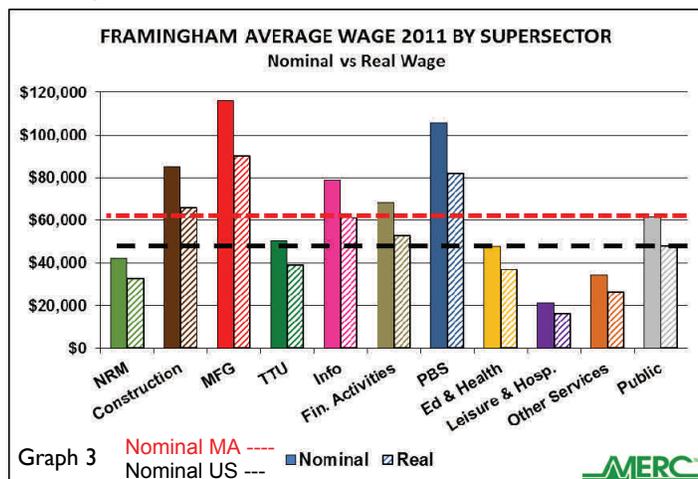
Continued from page 2

Town Employment Profile: Framingham

Annual average wage is calculated by dividing total annual payroll which includes all wages and salaries paid to covered employees including commissions, bonuses, stock options, overtime and sick pay but total annual employment. Framingham's nominal wage of \$72,200 ranked third highest among MetroWest CCSA communities in 2011, trailing only Hopkinton and Southborough. Framingham's average wage exceeded the Massachusetts' average wage of \$59,700 by 20.9% and the United States' average wage of \$48,000 by 50.3%. The average wage in six of Framingham's supersectors: Manufacturing, Professional & Business Services, Construction, Information, Financial Activities and Public exceeded the Massachusetts' average wage. There are two types of wages, nominal wages and real wages. MERC computes nominal wages which are not adjusted for inflation. However, real wages have also been calculated using the Boston CPI for all Urban Wage Earners and Clerical Workers using 2001 as the base year. From 2001 through 2011, Framingham nominal wages grew 40.2%, while real wages when adjusted for inflation grew only 8.8%. Manufacturing (MFG) posted the highest nominal and real average wages in 2011 at \$116,000 and \$90,100, respectively. See Graph 3 at right. PBS fol-

lowed with nominal wages of \$105,500 and real wages of \$81,900 in 2011.

Over the decade Framingham employment remained flat as both payroll and average wages grew at a substantial rate. Framingham offers a strong and diverse industrial structure dominated by four supersectors: Professional and Business Services, Education and Health, Trade, Transportation and Utilities and Manufacturing. Framingham weathered the storm of the Great Recession without major economic disruption. Increasing employment is now a nation-wide issue not just an issue in Framingham as the economy improves the number of jobs may increase. Framingham is a key contributor in making the MetroWest CCSA such an economic powerhouse in Massachusetts.



Unemployment Rates on the South Shore Lower than the Nation's

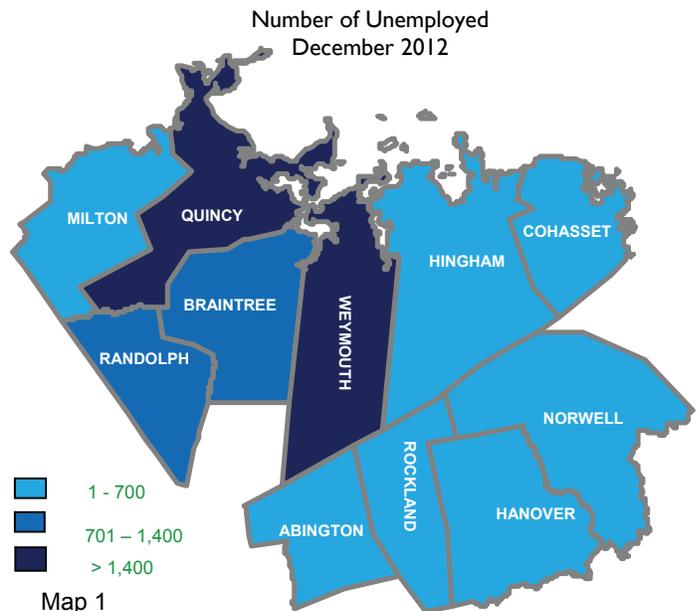


Hilary Boudreau
Intern III
Focus
Unemployment
Major
Business Admin
YOG 2013

Continued from page 1

unemployed individuals, see Map 1 to the right.

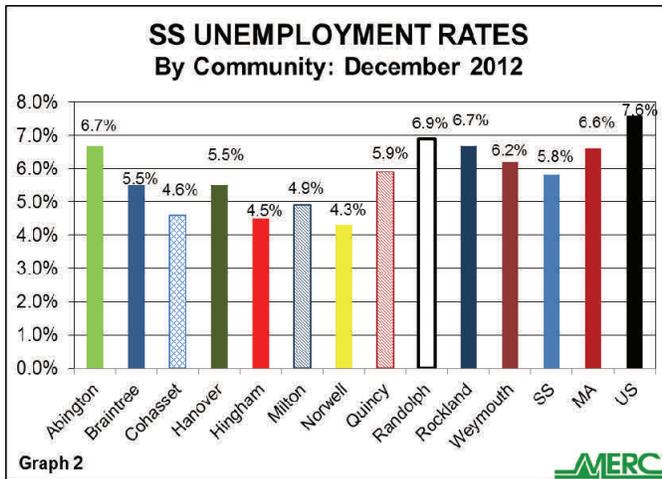
In December 2012, the total labor force in the South Shore region was 181,461 individuals. Quincy made up the largest part of the labor force in the region with 53,178 individuals or 29.3% of the region's labor force, followed by Weymouth with 30,039 individuals or 16.6%. Combined, Quincy and Weymouth accounted for about 46%, nearly half of the region's labor force. Cohasset contributed the least, with only 3,807 in-



Map 1

dividuals or 2.1%, followed by Norwell with 5,454 individuals or 3% of the region's labor force. See Graph 1 on page 1.

In December 2012, the unemployment rate on the South Shore was 5.8%, lower than Massachusetts' and the United States' rates of 6.6% and 7.6%, respectively. All communities in the region posted lower unemployment rates than the nation and the state, except for Rockland, Randolph and Abington. The highest unemployment rate in the region was posted by Randolph at 6.9%, followed by Rockland and Abington at 6.7%. Among the communities, Norwell had the lowest unemployment rate at 4.3%, followed by Hingham at 4.5% and Cohasset at 4.6%. See Graph 2 at left.



Graph 2

COMING SOON!

In the near future, MERC will be introducing an economic index for the nine communities of MetroWest. The index will be comprised of several different indicators such as unemployment rates, initial jobless claims, employment data, payroll data, and single family housing permits. The purpose of this index is to measure changes in all of the above variables simultaneously rather than analyzing the changes in each of the variables separately.

Did you know?

- Almost 1/4 of Sudbury residents sit in a classroom!
- In 2011 Hopkinton had the highest average wage in GMW of over \$106,000.

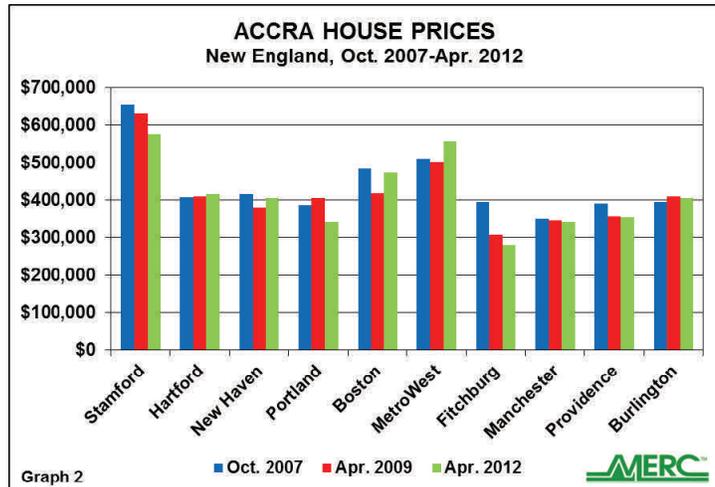
ACCRA House Prices, New England, 2007-2012

Continued from page 5

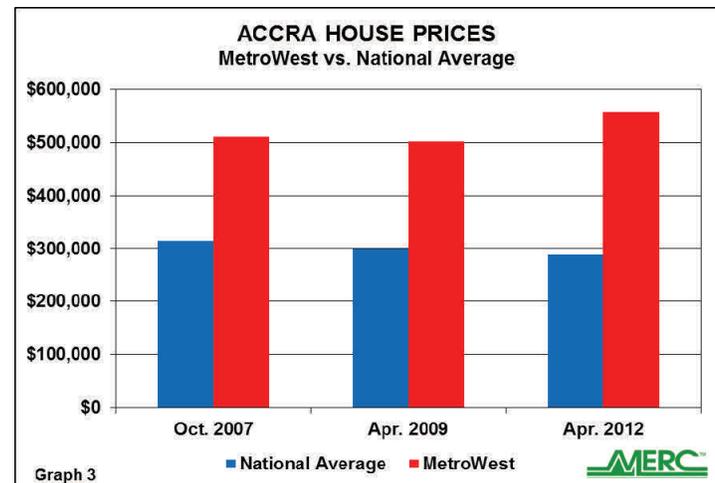
an increase during the recession and a decrease after the recession.

The next graph, Graph 2 to the right, compares the prices of the new homes in each New England region at the same 3 times: October 2007, April 2009, and April 2012. Unlike the previous graph, this graph compares prices at specific times, not over periods of time. Prior to the recession, the highest house price among these 10 areas was in Stamford at \$654,117, and the lowest in Manchester, at \$349,400. House prices in both Stamford and Fitchburg decreased in each time period. Hartford was the only New England region to experience an increase in the house price both during and after the recession, increasing from \$406,891 to \$408,667 and from \$408,667 to \$416,160. After the recession, Stamford CT still had the highest house price, \$576,533, followed by MetroWest, \$557,740. MetroWest recovered well after the recession, with an increase in house price of \$56,407.

Graph 3 at right compares ACCRA house prices of MetroWest and the national average from the same 3 surveys. During all 3 periods, the house price in MetroWest was significantly higher than the national average. In October 2007, the period before the recession, the average house price in MetroWest was \$510,600, while the national average was \$315,269. During the recession, prices in both MetroWest and the nation as a whole decreased, by about 2% and 5%, respectively. Post-recession, the



housing market in MetroWest showed significant improvement, while the nation experienced further difficulties. The average house price increased from \$501,333 to \$557,740 in MetroWest and decreased from \$299,482 to \$288,088 in the nation.



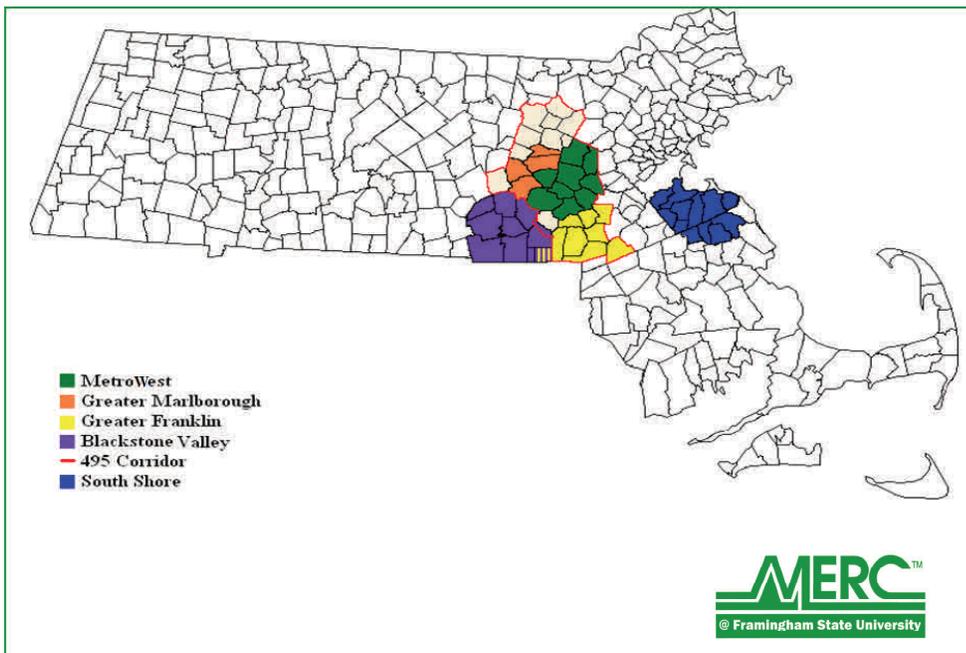
FOLLOW MERC ON YOUR FAVORITE SOCIAL MEDIA!

Our primary goal is to promote MERC and educate current and potential users through careful managing of social media, while measuring digital marketing growth. In an effort to create an active and growing audience, MERC devised creative methods to engage an audience beyond that of the people who have subscribed to MERC's social network pages.



MERC SUBSTATE REGIONS MAP

MERC provides economic data and analysis for the 6 substate regions shown on the map: MetroWest CCSA™, Greater Marlborough Region, Greater Franklin Region, Blackstone Valley, 495/MetroWest Corridor, and the South Shore CCSA™.



There are several categories of unemployment rates. U-1 through U-6, not seasonally adjusted, are reported below for the U.S. period rates in February 2013. MERC uses the U-3 rate, which is the official unemployment rate.

Measures: U.S. February 2013

U-1	Persons unemployed 15 weeks or longer, as a percent of the civilian labor force	4.3%
U-2	Job losers and persons who completed temporary jobs, as a percent age of the civilian labor force	4.6%
U-3	Total unemployed persons, as a percent of the civilian labor force (the official unemployment rate)	8.1%
U-4	Total unemployed persons plus discouraged workers, as a percent of the civilian labor force plus discourage workers	8.6%
U-5	(U-4) plus all other "marginally attached" workers, as a percent of the civilian labor force plus all "marginally attached" workers	9.6%
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	14.9%

February 2013 UNEMPLOYMENT RATES Not Seasonally Adjusted (Preliminary Data)

495/MW	5.3%
Blackstone Valley	7.1%
Blackstone	9.8%
Douglas	6.2%
Grafton	6.5%
Hopedale	5.7%
Mendon	5.8%
Millbury	6.9%
Millville	10.2%
Northbridge	7.7%
Sutton	6.8%
Upton	6.0%
Uxbridge	7.4%
Greater Franklin	6.4%
Bellingham	8.6%
Blackstone	9.8%
Foxborough	5.7%
Franklin	5.9%
Medfield	4.9%
Medway	5.3%
Millis	6.5%
Norfolk	5.5%
Wrentham	6.5%
Greater Marlborough	5.8%
Hudson	6.5%
Marlborough	5.8%
Northborough	5.8%
Westborough	5.1%
MetroWest	4.6%
Ashland	4.6%
Framingham	4.9%
Holliston	5.1%
Hopkinton	4.8%
Natick	4.3%
Sherborn	3.5%
Southborough	4.7%
Sudbury	4.1%
Wayland	3.9%
Milford	6.7%
South Shore	5.7%
Abington	7.1%
Braintree	5.6%
Cohasset	4.5%
Hanover	5.7%
Hingham	4.5%
Milton	4.7%
Norwell	4.4%
Quincy	5.8%
Randolph	6.7%
Rockland	7.0%
Weymouth	6.5%
Massachusetts	6.8%
United States	8.1%

A Peek Inside MERC



MERC Interns: Spring 2013

Intern I

Mitch Kelley
Katelyn Thornton
Jackie O'Brien
Taylor Ezold
Kristen Hoffman

Intern II

Hilary Boudreau
Herbert Kyles



Intern III

Sarah Carey
Nicole Coccoluto
Katelyn Correa
Marc Leger
Oyama Leqela
Aaron Marshall

www.merc-online.org



Newsletter Editor:
Katelyn Correa

MERC Executive Board:
Maureen Dunne
Donald MacRitchie
Martha Meaney
Fahino Sjuib

Phone: (508) 626-4033
Fax: (508) 626-4018
www.merc-online.org



To:

MetroWest Economic Research Center
Framingham State University
100 State Street
Framingham, MA 01707-9101

21st Annual MERC Conference

FACING
ECONOMIC
UNCERTAINTY
IN 2013



What do **WE**
need to
know

Wednesday, May 1, 2013
8:00-10:00 AM

The Verve, Crowne Plaza,
1360 Worcester Rd, Rte 9
Natick

Register Now:
www.MetroWest.org,
508-879-5600

Thank You to our Sponsors:



st. mary's credit union

