



ECONOMIC UPDATE

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Employment Dynamics in GMR During the COVID-19 Pandemic

By: David Rabinowitz

As the COVID-19 Pandemic affected economies around the world, the economic shock on employment conditions in the Greater Marlborough Region (GMR) were seen. This article will briefly discuss the economic gains prior to the COVID-19 Pandemic in this region. It will then look more closely at the effects of the pandemic on employment levels, payroll, wages and establishments between Q1 and Q2 2020. The data analyzed in this article comes from the Massachusetts Executive Office of Labor and Workforce development. It describes jobs and establishments located within a specified geographic region, regardless of the place of residence of those who hold these jobs. The Greater Marlborough Region includes four communities: Hudson, Marlborough, Northborough, and Westborough. In 2019, GMR reached historical highs in all employment categories: employment (78,500 jobs), payroll (\$6.4 billion), average wage (\$81,900), and the number of establishments (4,200). As seen in Table 1, all four employment categories showed year-over-year increases in the 2018 - 2019

PRE-PANDEMIC GMR PERFORMANCE

	GMR Totals 2019	% Change From 2018
Total Employment	78,500	2.3%
Payroll	\$6.4 Billion	6.3%
Average Wage	\$81,900	3.9%
Establishments	4,200	1.6%

Table 1



period. Payroll in GMR notably increased by 6.3%, which is equivalent to an increase of nearly \$400 million. Marlborough and Hudson experienced the highest percentage gains during this period with payroll increasing by

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Single Family Median Sale Price and Active Listings in Greater MetroWest

By: Christine Ortega

This article focuses on housing for the Greater MetroWest (GMW) region and examines single family median sale prices and active listings. GMW consists of thirteen communities: Ashland, Framingham, Holliston, Hopkinton, Hudson, Marlborough, Natick, Northborough, Sherborn, Southborough, Sudbury, Wayland, and Westborough. The information in this article uses data from the Warren Group and the Realtor Real Estate Library.

Map 1 on page 3 displays the estimated median sale price for single family homes in Greater MetroWest for 2020. Median sale prices are measured at the 50th percentile in each town, which means half of the

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**David Rabinowitz**

Intern II

Focus

Employment

Major

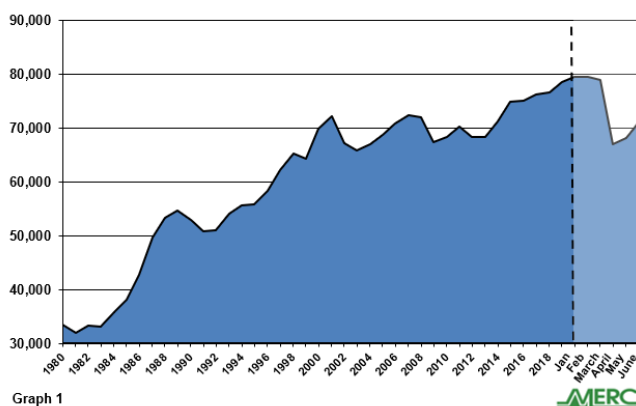
Finance

YOG 2021

8.4% and 7.1%, respectively. Graph 1 below shows long-term patterns in total employment in GMR. From 1980 to 2019, this region's total employment levels increased by 133.6%. During this same period, GMR experienced four distinct business cycles with peaks in 1989, 2001, 2007, and 2019. It is important to note that in the first three months of 2020, employment continued to increase reaching 79,350 jobs in the first quarter of 2020. This brought the total in-

crease across the four-decade timespan to 136%. In April 2020, as the first economy-wide restrictions were put in place to deal with the emerging pandemic, employment in GMR dropped by 12,000 jobs. This loss rep-

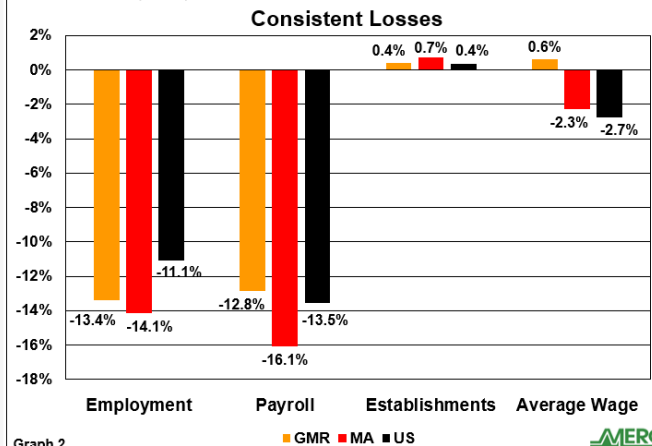
GMR TOTAL EMPLOYMENT 1980-JUNE 2020
Steady Growth Comes To A Crash



resented a 15.2% decline in employment from March to April 2020, and it also accounted for the biggest one-month drop during the 40-year period considered in this article. In contrast, the second largest percentage drop occurred during the 2001-2003 recession, when GMR employment decreased by 8.9%

over two years. Total GMR employment in the second quarter of 2020 was 68,750 jobs. The last two months of the second quarter showed a slight improvement in GMR's employment picture with the total number of jobs reaching 71,000 by June, a 6.1% increase from April 2020. The initial employment effects of the COVID-19 Pandemic became apparent by Q2 2020. Graph 2 below shows the employment and payroll losses experienced by GMR, the state, and the nation during this period - relative to Q1 2020.

GMR, MA, & US NET PERCENT CHANGE 2020 Q2



As it can be observed, GMR performed slightly better than Massachusetts in terms of employment, payroll, and establishments. However, average wage behaved differently. The average wage in GMR, once annualized, actually increased in both Q1 and Q2 2020, while those of the state and nation showed decreases in the second quarter. GMR average wage rose slightly by 0.6%, while Massachusetts and the U.S. had a decline of 2.3% and 2.7%, respectively. GMR lost 13.4% of employment and 12.8% of payroll during Q2 2020. Both the state and nation had a larger loss in payroll than in employment. In terms of employment, 2019 was a great year for GMR. It was characterized by historical highs in all of the employment variables considered in this article. However, conditions would rapidly change when the COVID-19 Pandemic that took hold in the U.S., and devastated the nation, caused the economy to spiral downwards. GMR experi-

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**Christine Ortega**

Intern II

Focus

Municipal Revenue

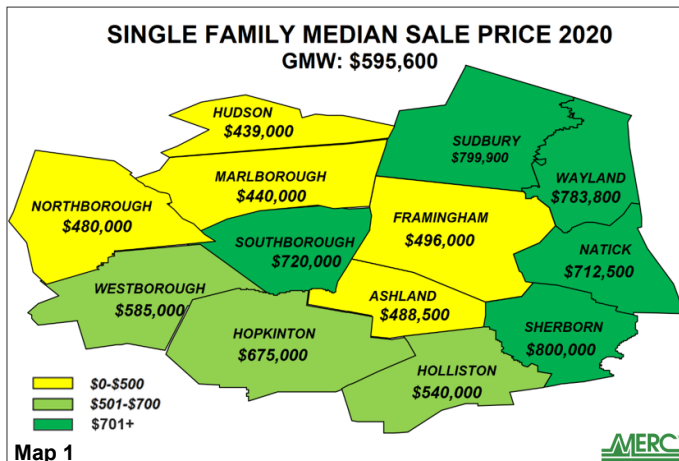
Major

Finance

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homes sold for more than the median price and half sold for less. Because there is a mix of homes sold each year, a change in median sale prices doesn't mirror appreciation or depreciation in value of individual homes. In 2020, median sale price for each community ranged between \$400,000 to \$800,000. Ashland, Framingham, Hudson, Marlborough, and Northborough fell in the lowest bracket at \$400,000 to \$500,000. The middle range consisted of Holliston, Hopkinton, and Westborough at \$540,000 to \$675,000. Lastly, the communities

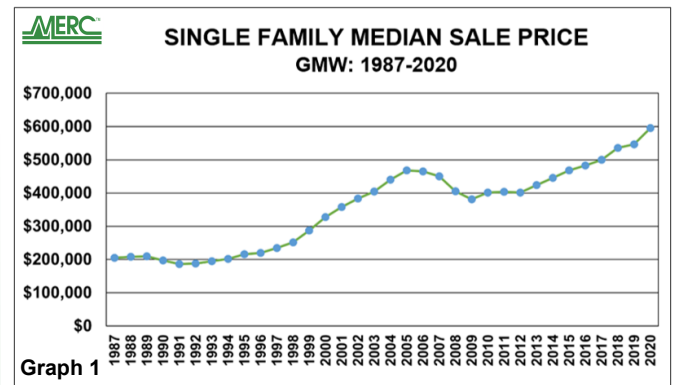
with the highest single family median sale prices were Natick, Sherborn, Southborough, Sudbury, and Wayland. The estimated median price for single homes in GMW as a whole was \$595,600 while the lowest median sale price was Hudson at \$439,000 and Sherborn was the highest at \$800,000.



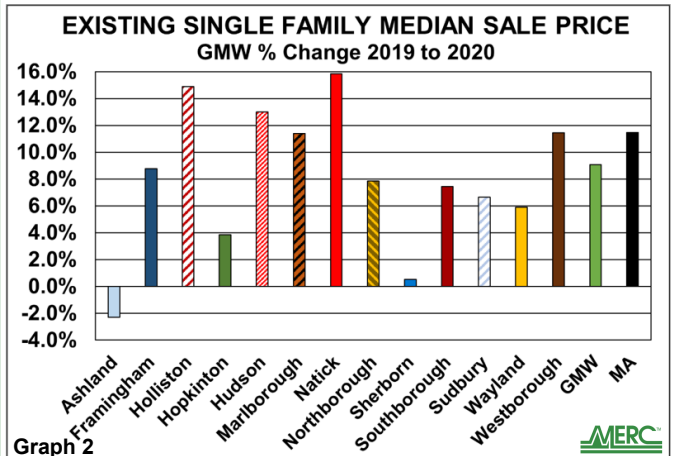
Graph 1 above shows the estimated single family median sale price over the 33-year period from 1987 to 2020. The estimated median sale price in GMW has tripled from \$200,000 in 1987 to \$595,643 in 2020. In 1991, the lowest sale price was at \$186,101.

Following this gradual ascent, a local peak was reached in 2005 at \$467,723. Prior to the great recession, median home price ranged in the mid to low four hundred thousand. However, during the recession, single family median homes sale price decreased by around \$20,000 in 2009. As the economy recovered, the median sale price continued to increase since 2009 and recorded a very substantial increase from 2019 to 2020, about 9%.

Graph 2 below displays percentage changes for single family median sale price in each GMW community, Greater Metro-West as a region, and Massachusetts from



2019 to 2020. Within GMW, Ashland was the only community that displayed a decrease in single family median sale prices at -2.3%. In addition, Natick had the highest increase with 16%, followed by Holliston at 15%, and Hudson at 13%. Percentage changes for the region registered a 9% increase for Greater MetroWest and an 11% increase for Massa-



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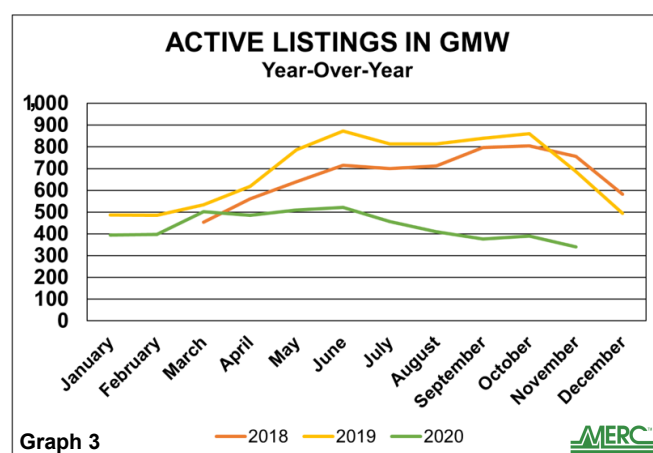
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enced large drops in employment, totaling 12,000 jobs. In terms of employment levels, overall, the percentage change from Q1-Q2 2020 in GMR was affected less (13.4% decline) than Massachusetts (14.1% decline), but more than the U.S., which saw its employment levels decline by 11.1% during the same period. Payroll in the region saw great gains in 2019. However, these were followed by significant losses in payroll for Q2 2020. It is important to note that despite these losses, GMR's payroll was less affected than that of the state and the nation. ■

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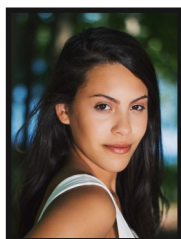
chusetts.

In Graph 3 below, active listings in Greater MetroWest are displayed year-over-year for 2018, 2019, and 2020. Active listings track the number of properties for sale on the market. Active listings in 2020 for Greater MetroWest remained flat and below listings in previous years, except for the month of March. In October, the highest active listings were over 800 in 2018 and 2019 compared to October of 2020 when listings were 390.

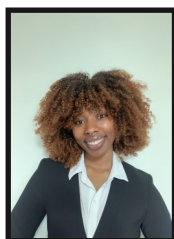


In conclusion, single family median sale price for GMW reached a peak estimate of \$595,600 and increased by 9.1% from 2019. Additionally, most communities had an increased in median sale price, excluding Ashland. The number of active listings decreased substantially in 2020 compared to 2019 and 2018. The economic effect of the COVID-19 Pandemic on the housing market seems to be shown by increased median sale prices and a decrease in active listings. ■

MERC Interns: Spring 2021



Christine Ortega



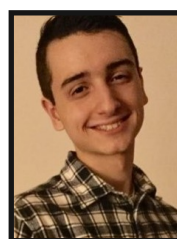
Maame Esi Afedzie



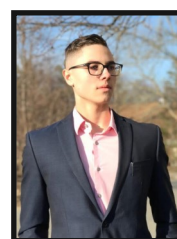
David Rabinowitz



Salam Kasu



Gregory Demos



Peter Andrei

MERC Employer Survey: Looking to the Future

The COVID-19 Pandemic hit the Massachusetts and MetroWest economies particularly hard. In March 2020, the United States had an unemployment rate of 4.5%. In June, unemployment was 11.2%, down from a peak of 14.4% in April. However, in March 2020, Massachusetts had an unemployment rate of 3.0%. In June, the unemployment rate hit a high of 17.8%.

As MetroWest businesses, governments, and agencies pick up the rubble of this pandemic and begin to build back better, they need coordinated, aggregated information to light the way forward. What are the economic expectations of the private sector? What challenges, obstacles, and opportunities do businesses face? What are the hardest-hitting economic impacts of the pandemic? What proportion of work shifted to remote or off-site? How much of it will return on-site when restrictions are lifted? How many businesses had to lay off workers? Are they coming back? And if they are coming back, how many of them are coming back to expanded facilities?

This information is vital, and the 2021 Annual 495/MetroWest Employer Survey provides it - and more - to an economy eager to start moving at full capacity again. Through a collaboration with the 495/MetroWest Partnership and the MetroWest Economic Research Center, the Employer Survey offers the region and state some of the answers they need for moving forward, onward, and upward, producing new peaks of prosperity in 2021 and leaving the worst impacts of the COVID-19 Pandemic behind. ■

Past Interns: Where Are They Now?



**Mary Elizabeth
Gallagher**

YOG 2020

*Project Accountant,
Cambridge
Systematics*

"During my three semesters at MERC, I went from an intern who knew little about practical uses of Excel and PowerPoint to being able to find and present economic data in a visually appealing, easy to understand manner. I was able to thrive as the Municipal Revenue Intern under the supervision of Professor Mary Phelan, as well as holding the position of editor of the semiannual MERC Newsletter for two semesters. The graduating class of 2020 faced the worst job market since 2008 but because of the experience gained during my time at MERC, I was fortunate enough to receive a job offer as a Project Accountant at Cambridge Systematics in July 2020. My unique experience at MERC as the editor set me apart from other job candidates as it reinforced my ability to be detail oriented." ■



Madison Scott

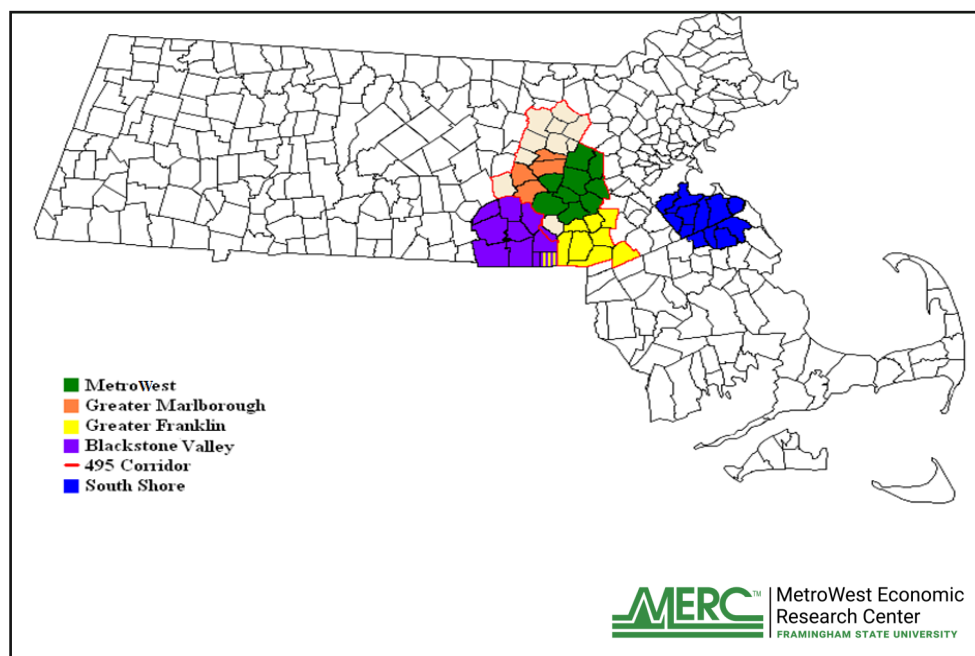
YOG 2020

*Finance/Accounting
Analyst,
Ferris Development
Group LLC*

"I was a MERC intern for two semesters and since graduating in December 2020, I have been working as a Finance/Accounting Analyst at Ferris Development Group LLC, a Marlborough-based firm specializing in the acquisition and management of commercial and residential real estate properties. Interning at MERC proved to be very beneficial to me in the long-run as it helped me to develop invaluable skills, particularly data analysis and excel proficiency, that I now use every single day at my job and am confident I will use every day throughout my entire career." ■

MERC SUBSTATE REGIONS MAP

MERC provides economic data and analysis for the six sub-state 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 March 2021. MERC uses the U-3 rate, which is the official unemployment rate.

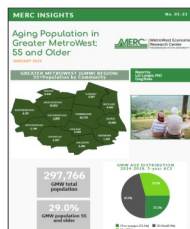
Measures: U.S. March 2021

U-1	Persons unemployed 15 weeks or longer, as a percentage of the civilian labor force	3.7%
U-2	Job losers and persons who completed temporary jobs, as a percentage of the civilian labor force	4.0%
U-3	Total unemployed persons, as a percentage of the civilian labor force (the official unemployment rate)	6.2%
U-4	Total unemployed persons plus discouraged workers, as a percentage of the civilian labor force plus discourage workers	6.5%
U-5	(U-4) plus all other "marginally attached" workers, as a percentage of the civilian labor force plus all "marginally attached" workers	7.2%
U-6	Total unemployed persons, plus all "marginally attached" workers, plus all persons employed part time for economic reasons, as a percentage of the civilian labor force plus all "marginally attached" workers	10.9%

March 2021 UNEMPLOYMENT RATES Not Seasonally Adjusted (Preliminary Data)

495/MW	5.1%
Blackstone Valley	5.7%
Blackstone	6.4%
Douglas	5.3%
Grafton	5.0%
Hopedale	5.6%
Mendon	5.9%
Millbury	5.7%
Millville	6.4%
Northbridge	6.7%
Sutton	5.2%
Upton	4.7%
Uxbridge	6.0%
Greater Franklin	5.8%
Bellingham	5.9%
Blackstone	6.4%
Foxborough	6.0%
Franklin	5.7%
Medfield	4.8%
Medway	5.8%
Millis	7.0%
Norfolk	4.8%
Wrentham	5.7%
Greater Marlborough	5.8%
Hudson	6.8%
Marlborough	6.3%
Northborough	4.9%
Westborough	4.7%
MetroWest	4.5%
Ashland	4.4%
Framingham	4.8%
Holliston	5.1%
Hopkinton	4.6%
Natick	4.2%
Sherborn	3.9%
Southborough	4.4%
Sudbury	3.8%
Wayland	4.6%
South Shore	6.6%
Abington	7.0%
Braintree	5.8%
Cohasset	4.9%
Hanover	5.6%
Hingham	5.1%
Milton	5.6%
Norwell	4.9%
Quincy	7.2%
Randolph	7.9%
Rockland	7.1%
Weymouth	6.9%
MA	6.6%
US	6.2%

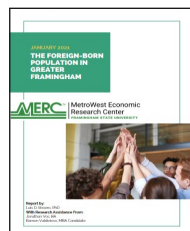
Recent MERC Publications



Aging Population in Greater MetroWest: 55 and Older

Published: January 2021

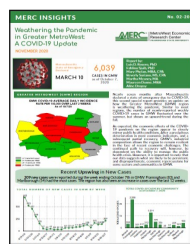
By: Lori Lavigne, PhD, and MERC intern Greg Bowe



The Foreign-born Population in Greater Framingham

Published: January 2021

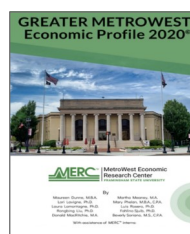
By: Luis D. Rosero, and MERC Research Assistants: Jonathan Vos and Ramon Valdivieso.



Weathering the Pandemic in Greater MetroWest: A COVID-19 Update

Published: November 2020

By: Luis D. Rosero, Fahline Sjuib, Mary Phelan, Beverly Soriano, Martha Meaney, Maureen Dunne, and MERC intern Aline Dropsy.



Greater MetroWest Economic Profile 2020

Published: July 2020

By: Maureen Dunne, Lori Lavigne, Laura Lamontagne, Rongbing Liu, Donald MacRitchie, Martha Meaney, Mary Phelan, Luis Rosero, Fahline Sjuib, Beverly Soriano and MERC interns: Valeria Arauz, Mary E. Gallagher, Abraham Gomez and Madison Scott.

Spring 2021 Advisory Board Meeting



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28th MERC Annual Conference:

MERC held its 28th Annual Conference virtually
this year on Wednesday, May 19, 2021.



Adam Kamins, Director, Moody's Analytics, was the keynote speaker at our annual conference. He manages the firm's U.S. subnational forecasting and analysis, frequently writing and presenting on a wide variety of topics related to regional economics. Adam is also responsible for state and metro area scenarios, as well as quantifying the impact of external events such as natural disasters and the COVID-19 Pandemic.

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