

ECONOMIC UPDATE

Issue 45

Spring 2022

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Greater MetroWest Employment: The Pandemic's Impact

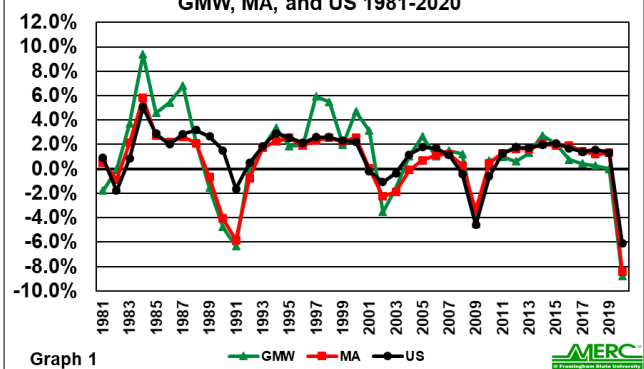
By: Cristina Arcila

The Covid-19 pandemic impacted many aspects of the Greater MetroWest (GMW) economy. One of the most pronounced impacts occurred in employment. ES202 employment, the data used in this article, measures the actual number of jobs located in establishments or separate places of work in a community, region or state. This article examines the annual changes in employment over the past 40 years for GMW, Massachusetts and the United States, compares the Great Recession of 2009

with the 2020 Covid pandemic recession, and analyzes the 2020 Covid pandemic impact on employment and wages in the 13 individual GMW communities. The 13 communities are: Ashland, Framingham, Holliston, Hopkinton, Hudson, Marlborough, Natick, Northborough, Sherborn, Southborough, Sudbury, Wayland, and Westborough. Over the past four decades, GMW employment climbed from 112,385 in 1980 to 175,041 in 2020, an impressive gain of 62,656 jobs or 56%. However, GMW experienced four business cycles including five recessions. Graph 1 illustrates the annual percent change in employment for the past forty years in Greater MetroWest, Massachusetts, and the United States. As seen on this graph, declines in the levels of employment coincide with economic recessions, as identified by the National Bureau of Economic Research. The reductions in employment shown in the graph align with

ANNUAL PERCENT CHANGE IN EMPLOYMENT

GMW, MA, and US 1981-2020



Continued on page 2

Skyrocketing Home Prices in MetroWest

By: David Hyer

The housing market is an important metric for the economy as a whole and can have direct impacts on tax revenue, economic growth, and job development. The data used in this article was collected from Banker and Tradesman and includes the median sale prices from the different communities in MetroWest. These sales represent a different mix of homes sold each year so the estimated regional median price does not reflect the changes in the value of individual

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**Cristina Arcila**

Research Assistant

Focus

Employment

Major

Finance

YOG 2022

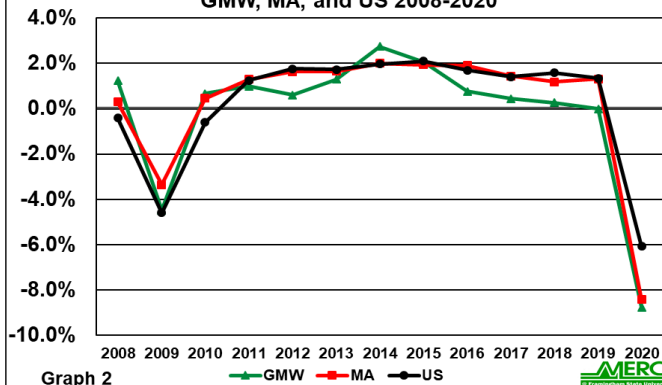
the economic recessions that took place in 1982, 1989-91, 2002, 2009 and 2020. Greater MetroWest follows similar patterns to the state and country when it comes to employment, although the percentage losses were deeper than the US in the 1989-91 and 2020 recessions. To better illustrate the impact of recessions on employment, Graph 2 takes a closer look at employment patterns for the most recent twelve years for which data is available. As shown on

Graph 2, employment

levels shrank considerably in 2009 as a result of the Great Recession. This decline in 2009 was followed by positive and stable growth rates in employment until 2020 when the global pandemic occurred. According to the data presented in Graph 2, during the Great

ANNUAL PERCENT CHANGE IN EMPLOYMENT

GMW, MA, and US 2008-2020



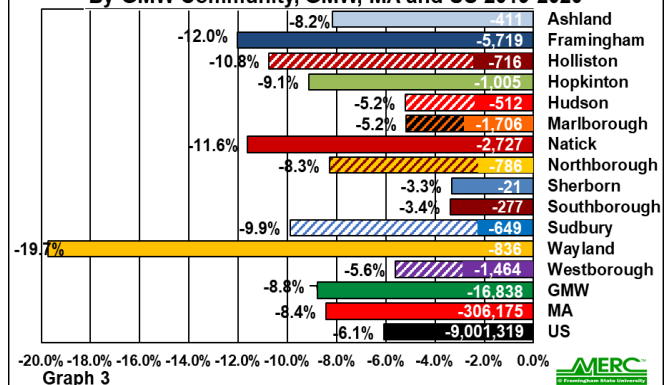
Graph 2

Recession, GMW lost 8,189 jobs or a 4.5% decline, Massachusetts lost 109,216 jobs or a 3.4% decline, and the US lost 6,197,817 jobs or a 4.6% decrease in the number of jobs. Although the Great Recession had a significant impact on employment in 2009, according to Graph 2, the employment ef-

fects of the Covid-19 pandemic were far more pronounced. For instance, during 2020, GMW lost 16,838 jobs or an 8.8% drop which is double what it lost in 2009. Massachusetts lost 306,175 jobs or an 8.4% drop which is almost three times the number of jobs lost in 2009. Similarly, the US lost 9,001,319 jobs or a 6.1% decline. Therefore, it seems clear that while the employment effects of the Great Recession were longer-lived, the employment losses associated with the pandemic were much more pronounced in comparison. The negative effects of the global pandemic were felt at the regional, state and national levels.

ANNUAL CHANGE IN EMPLOYMENT

By GMW Community, GMW, MA and US 2019-2020



Graph 3

Graph 3 presents the annual change in employment for all these regions during the 2019-2020 period. As depicted on this graph, all regions considered experienced a loss in employment during this period. The largest annual percent change loss in employment was in Wayland, which experienced a loss of 19.7% or 836 jobs. Framingham had the second largest employment loss during this year. It lost 12% of its jobs, which is equivalent to a loss of 5,719 jobs. On the other hand, the smallest percentage losses in employment took place in Sherborn, where the number of jobs declined by 3.3%, or 21 jobs, during this period. This was closely followed by Southborough with an annual change in employment of -3.4%, equivalent to a loss of 277 jobs. To put this in perspective, during the same period, the US had a loss of 6.1% or 9,001,319 jobs,

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**David Hyer**

Intern II

Focus

Housing Market

Major

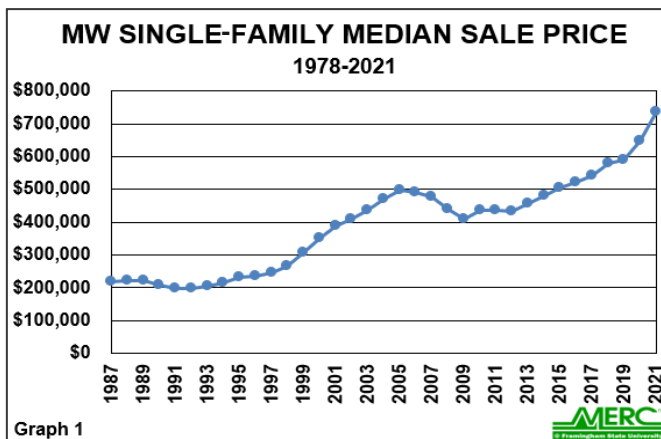
Economics

YOG 2022

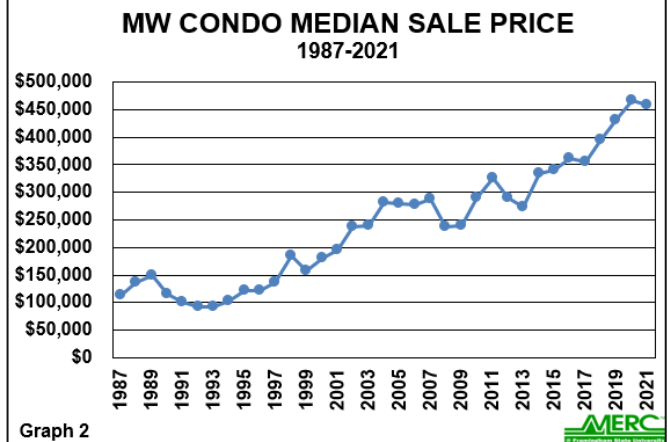
homes, but is still a strong indicator of the housing market in these communities.

The nine communities that make up MetroWest are Ashland, Framingham, Holliston, Hopkinton, Natick, Sherborn, Southborough, Sudbury, and Wayland. Graph 1 shows the estimated median sale price of single-family homes while Graph 2 shows the estimated median sale price for condos both over the 34-year period from 1987-2021. For single-family homes, the data series reached a new peak in 2021 with an esti-

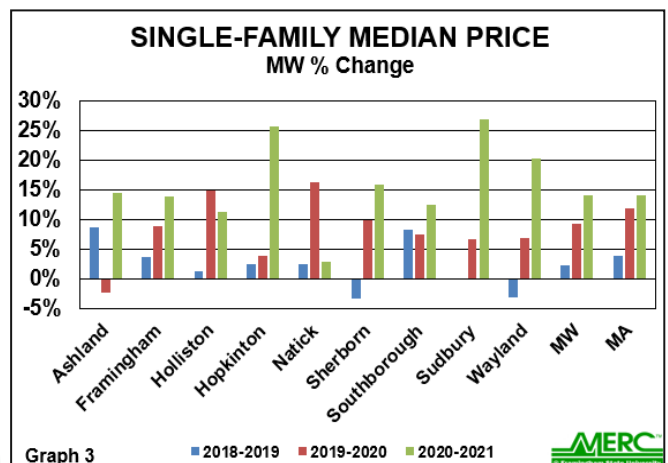
2021, there was a little under 900 total condo sales in Metro-West as opposed to just under 2,500 single-family home sales. Partly because of the smaller number of sales, we see more volatility in the condo median sale price. The biggest one-year increase for condos in the past decade occurred between 2013-2014 with a 22.4% increase from \$273,382 to \$334,533. Since 1987, the me-



mated median sale price of around \$737,000 representing about a 240% increase from the 1987 median sales price around \$216,000. The increase in price from 2020-2021 was 14.1%, which has been the largest, single year change since 1999-2000 at 14.4%. The most recent low point for estimated median sale price in MetroWest occurred in 2009 at just under \$408,000. Since then, there has been an 81% increase in the median sale price, an increase of nearly \$330,000. On the other hand, for condos, the data series exhibited a one year decrease of about 2% from its peak in 2020, falling from \$466,400 to \$459,200. In



dian sale price for condos has increased from \$113,513 to \$459,207, representing about a 300% increase which mirrors the overall increase seen with single-family home prices. Graph 3 shows the percent change in single-family median sale price from 2018-2019, 2019-2020, and 2020-2021. As a whole, the percent changes from 2020 to 2021 were much larger than percent changes from the previous two years in all communities except Holliston and Natick. Percent changes for 2018-2019 were 2.3% on average, and ranged from -3% in



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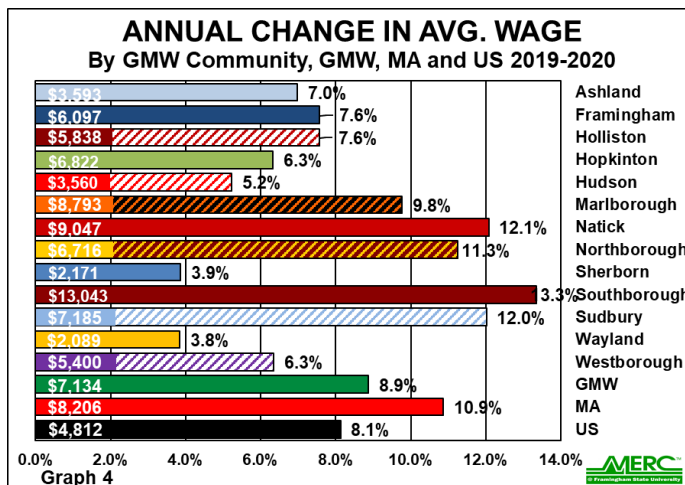
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the state of Massachusetts had a loss of 8.4% or 306,175 jobs, and GMW as a whole had a loss of 8.8% or 16,838 jobs. The data presented on Graph 3 suggests that the employment effects of the pandemic have not been uniform. Some communities in GMW have suffered greatly as a result of the pandemic, while others have experienced only limited declines.

While we see significant employment losses throughout the regions, it is important to point out that a different picture emerges when we consider the average wage paid by those jobs that remained. Graph 4 illustrates the

annual percent change in average wage for the 2019 to 2020 period for the thirteen GMW communities, GMW as a whole, the state of Massachusetts, and the US. The largest annual percent change in average wage was in Southborough which had the fastest growing average at 13.3% or \$13,043, closely followed by Natick with a 12.1% increase or \$9,047. On the other end of the spectrum, Wayland experienced the smallest annual percent increase in average wages with a 3.8% annual change or \$2,089. It was closely followed by Sherborn with a 3.9% annual change or \$2,171. By comparison, the annual percent change in average wage for the US was 8.1% or \$4,812, the state of Massachusetts was 10.9% or \$8,206, and lastly GMW as a whole was 8.9% or \$7,134. It is interesting to note that although employment decreased between 2019 and 2020 for all regions considered, average wage actually increased significantly in all Greater MetroWest communities, GMW, as well as Massachusetts and the United States.

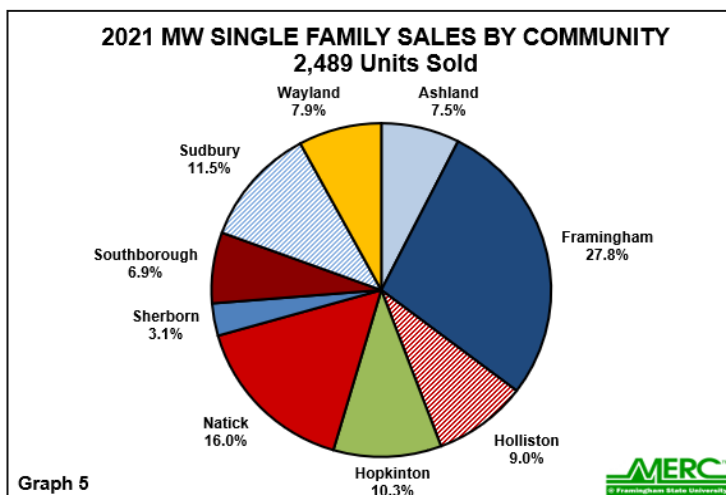
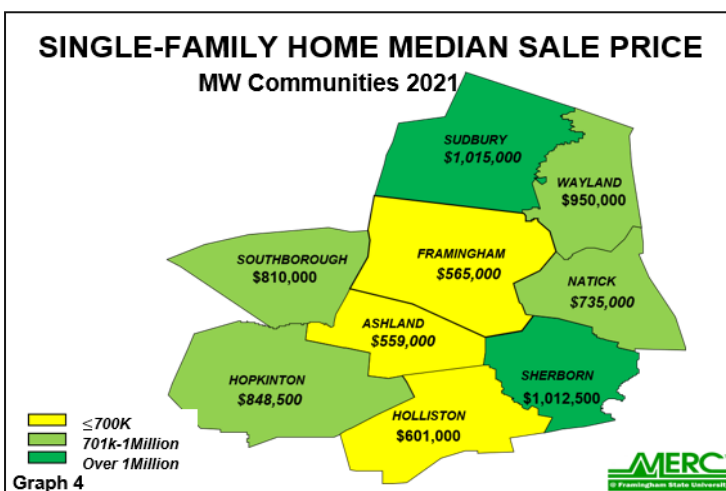
To conclude, employment contracted significantly as a result of the economic recession caused by the pandemic. The data presented suggests that there is a strong correlation between employment and economic growth at all geographical levels considered. When economic growth occurs, jobs increase, and when recessions occur, jobs decrease. However, although employment decreased, average wage significantly increased from 2019 to 2020 in the communities in GMW, as well as in Massachusetts and the United States. For instance, Southborough's average wage increased by an impressive 13.3%, while Natick's increased by 12.2%. Moreover, it is important to note that the employment effects of the pandemic have not been uniform. Some communities in GMW have suffered greatly as a result of the pandemic while others have experienced only limited changes. Wayland lost 19.7% of its jobs in just one year. On the other hand, communities like Sherborn (which lost 3.3%) escaped mostly unscathed — at least in relative terms. Finally, while the analysis presented here captures the employment situation only up to 2020 due to data constraints, it is important to note that some of the employment losses experienced during this period have already been reversed as public health conditions continue to improve. ■



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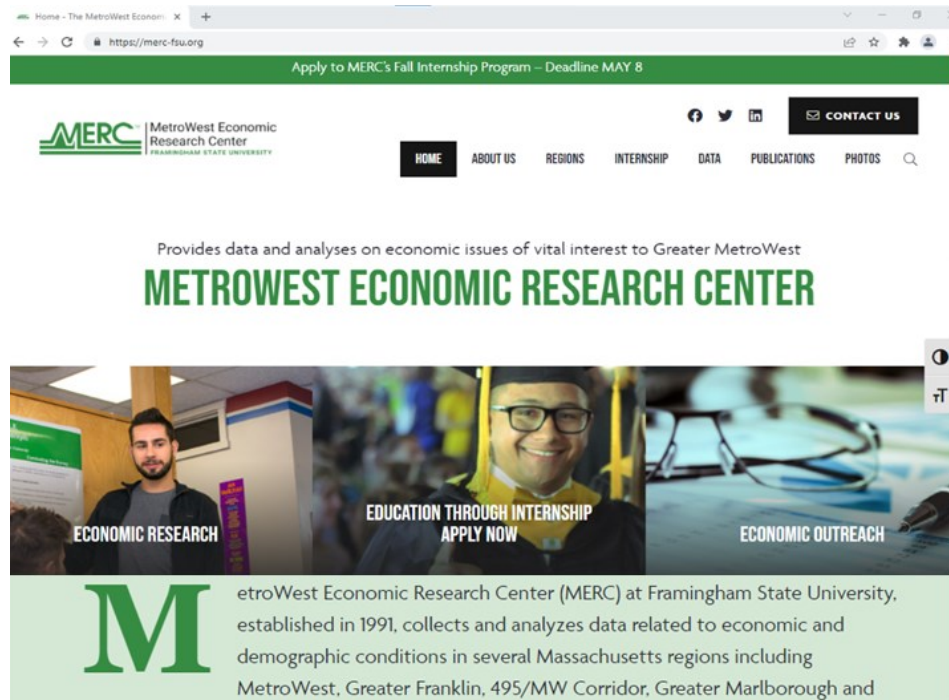
Sherborn and Waltham, to 9% in Ashland. For 2019-2020, percent changes were on average 9.3% and ranged from -2% in Ashland to 16% in Natick. For 2020-2021, percent changes were 14.1% on average. The communities with the largest percent increases are Sudbury with a 27% increase, followed by Hopkinton at 26% and then Wayland at 20%. None of the communities decreased in price from 2020-2021. MetroWest, in 2021, had about the same percent change increase in single-family median price as Massachusetts, at 14.1% for both. Graph 4 shows a map of the median sale prices for single-family

homes in the nine communities of MetroWest in 2021. The sale prices range from a low of \$559,000 in Ashland to a high of \$1,015,000 in Sudbury. Three of the nine communities had median sale prices under \$700,000. Framingham and Ashland registered between \$550,000 and \$600,000, and Holliston was just over \$600,000. Four communities had sale prices between \$700,000 and \$1 million. Natick registered at \$735,000, Southborough at \$810,000, Hopkinton at \$848,500, and Wayland at \$950,000. Sherborn and Sudbury both registered at over \$1 million, the first year any community in the MetroWest has had a median sale price over \$1 million. Sudbury was slightly higher with \$1,015,000 than Sherborn at \$1,012,500. Graph 5 shows the single-family home sales by community for MetroWest. In 2021, about 2,500 single-family homes were sold in MetroWest. This represents an increase of about 81 homes from the previous year. Framingham and Natick were the only two communities that had over 300 single-family home sales. Combined, these two communities make up 43.8% of all single-family home sales.

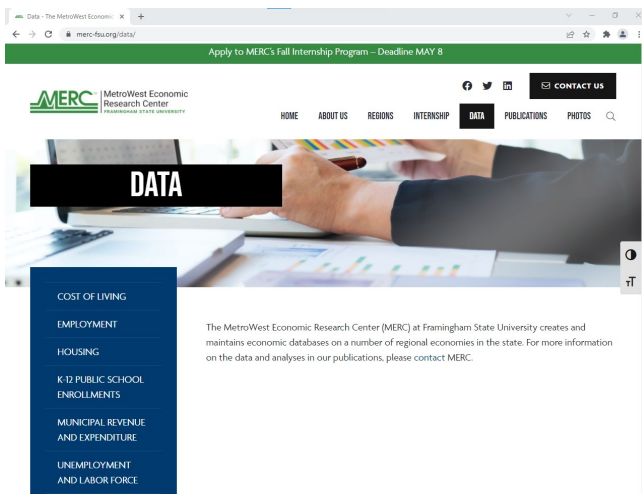


family homes sold in MetroWest in 2021. Sherborn and Southborough contributed the least to the total sales with 3.1% and 6.9%, respectively. Of the four smallest communities, Sherborn (3.1%), Southborough (6.9%), Ashland (7.5%), and Wayland (7.9%), combined had fewer sales than Framingham alone. The data shown represents how dramatic the increases in single-family home price for MetroWest have been in the past few years. The high percent change from 2020-2021 has not been seen for the last 20 years. While condo sales have shown more volatility and the estimated regional median price decreased this year, the overall trend mirrors what we see for single-family home sales. Sherborn and Sudbury both had median single-family sale prices over \$1 million dollars which is the first time that this has occurred in MetroWest. Almost half of the single-family home sales occurred in Framingham and Natick. The results of this data are important to consider because rising home prices can have direct impacts on many other parts of the economy. Whether or not this increase will continue into 2022 remains to be seen, but it is no doubt something to keep an eye on. ■

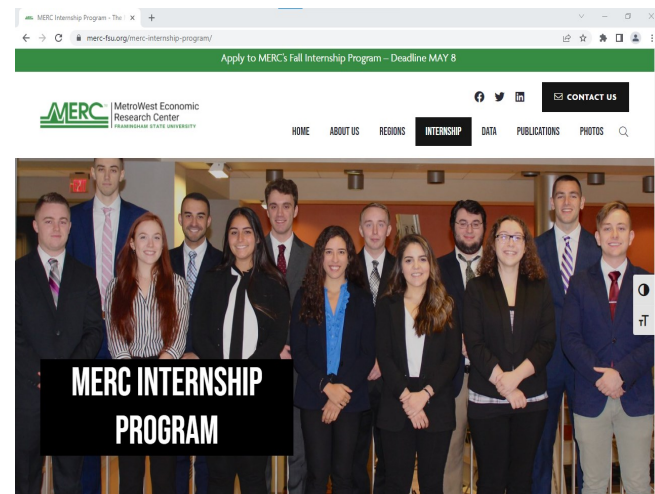
New MERC Website



MERC is excited to announce the launch of our new website!
Visit us at merc-fsu.org



Easy access to data, publications, research and more!



Learn more about MERC's Internship Program and how to apply...

In Memory of Beverly A. Soriano



Beverly A. Soriano
Assistant Professor Emeritus

Professor Soriano joined Framingham State University in 1984, contributing over 35 years of service, first as an Instructor, and then becoming an Assistant Professor of Accounting in 1991.

Professor Soriano was a 2000-2001 recipient of the Presidential Award for the Enhancement of Curriculum, Advising & Teaching Preparation, and her contributions to the university were numerous. Professor Soriano was central to the transition of accounting from a concentration to a major in 2014, as well as in the creation of the Certificate in Accounting (through DGCE) in 2011. She also served as MetroWest Economic Research Center (MERC) Co-Director from July 2015 until her retirement in 2019. As a MERC faculty researcher and Co-Director, Professor Soriano helped in the design and implementation of new MERC publications and presentations. Her research interest included Public School K-12 enrollment and the use of technology as a tool in the decision making process. She has left an indelible mark on our students, our department, and MERC.

Professor Soriano was actively involved in department and university-wide committees throughout the years serving as Chair of both the Business Advisory Board, and the Academic Computing Service and Information Committee. She served in multiple search committees, and was Treasurer of the Framingham State College Union for four years. She published several articles in accounting and was a member of the American Accounting Association, National Business Teachers Association and the Massachusetts Society of Certified Public Accountants. Professor Soriano earned a B.S. in Business Education from Bryant University, Masters in Business Education from Boston University, and Masters in Accountancy from Bentley University. She was also a Certified Public Accountant.

Professor Soriano has been a valuable member of our community and will be greatly missed. ■

Past Interns: Where Are They Now?



Aline Dropsy

YOG 2021
Major: Accounting
Three Semesters
with MERC

Tax Consultant I,
Deloitte Tax LLP

Do you believe your experience at MERC helped you get to where you are now?

Definitely! Participating in the MERC internship program helped improve both my soft and hard skills.

What are some skills you acquired at MERC that you use to this day in your professional career?

Two of my most required skills at my current job that I believe I was able to improve through MERC are communication and data analysis.

How would you describe your experience at MERC?

My time at MERC was great, from the amazing people I was able to work with to all the skills I had the opportunity to develop, everything had a great impact in my academic year at FSU and it still has in my professional career. Being able to collaborate for the newsletters and economic reports with many of the Professors who work at MERC was an awesome experience.

What is your most memorable experience at MERC?

My first semester at MERC started right before the Covid-19 pandemic back in 2020. Those first five weeks with the other interns were memorable — the work collaboration, preparing for the Advisory Board meeting, and the small talks before leaving to class. It sparked in me the desire to work at a business where coworker interactions are highly valued.

Describe MERC in three words?

Place of Growth.

MERC Interns: Spring 2022



Esi Afedzie



David Hyer Jr.



Cristina Arcila



Juan Maquilon



Emily Gray



Billy Heck



Owen Brundage



Samantha Medeiros



Lauren Quinn

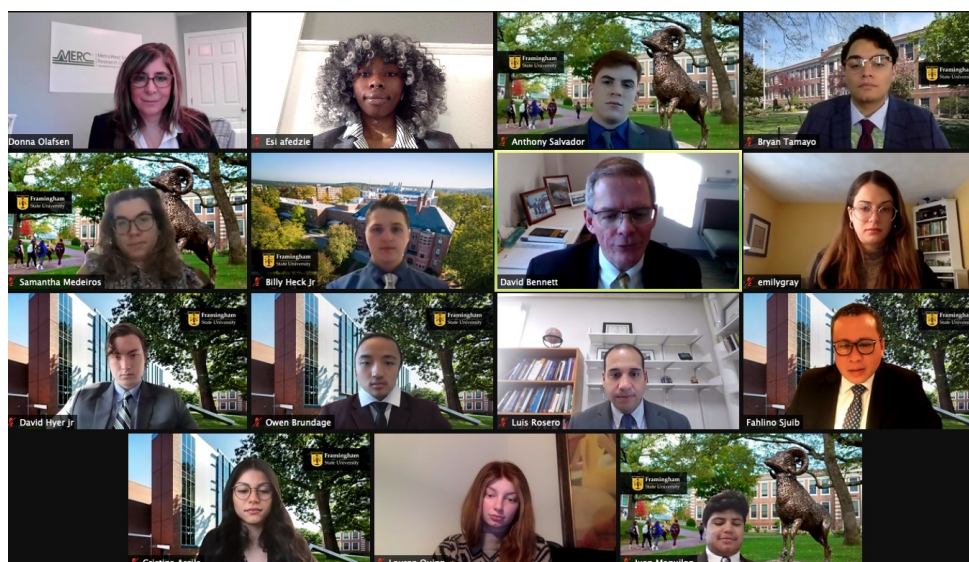


Anthony Salvador



Bryan Tamayo

Spring 2022 Advisory Board Meeting



MERC Cost of Living Survey

This semester, MERC resumed its biannual Cost of Living Survey. The Cost of Living Survey is organized by the Council for Community and Economic Research (C2ER) during Quarters 2 and 4 of every year to track the price changes of everyday items from previous quarters. The collected data is then used to compare the prices of local goods and services to those from surrounding areas. MERC interns went on different routes and took account of goods such as gasoline, everyday goods such as produce, toiletries, frozen goods, and some pharmaceuticals. They also took note of different price ranges for clothing items, and services such as haircuts and cleaning services. MERC interns had a great time getting out of the office to experience the Cost of Living Survey and it was a nice change of pace since MERC began working in-office again. ■



495/MetroWest Employment Survey

The Covid-19 pandemic has led to many changes. Wearing masks and social distancing have become a part of life, and the economy has taken a big hit during this time. Massachusetts and MetroWest economies are currently in the path of repairing the damage caused by the Covid-19 pandemic.

As MetroWest businesses continue to recover, it is of great importance for them to have the information to guide them in the right direction. This post pandemic recovery phase brings up many big choices for businesses, governments, and agencies.

The 2022 Annual 495/MetroWest Employer Survey provides crucial information to businesses, governments, and agencies and will help get MetroWest up and running again. Through the collaboration of 495/MetroWest Partnership and MetroWest Economic Research Center (MERC), the Employer Survey provides answers that will give businesses a better understanding of the economy as well as the tools to prosper. ■



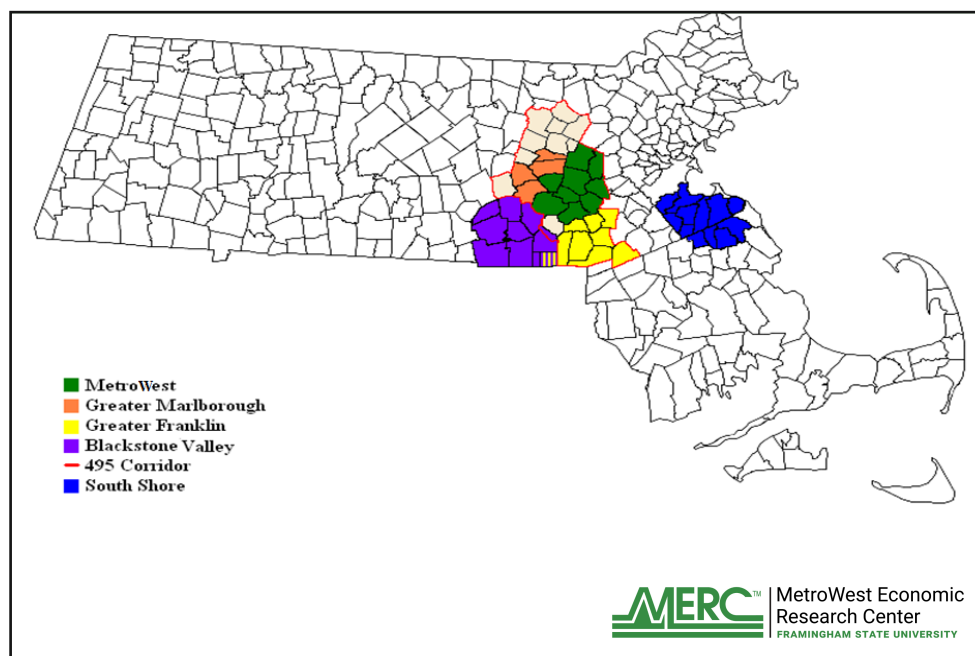
MetroWest Economic
Research Center
FRAMINGHAM STATE UNIVERSITY



495/METROWEST
PARTNERSHIP
Leaders for Regional Prosperity

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 February 2022. MERC uses the U-3 rate, which is the official unemployment rate.

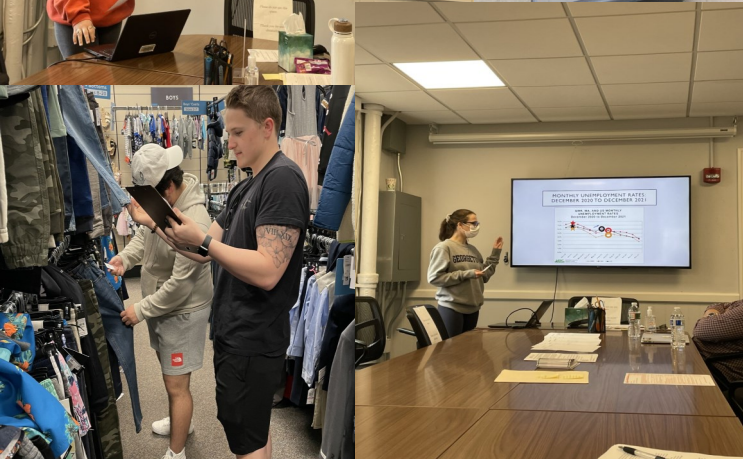
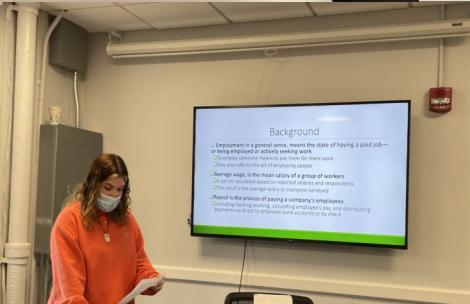
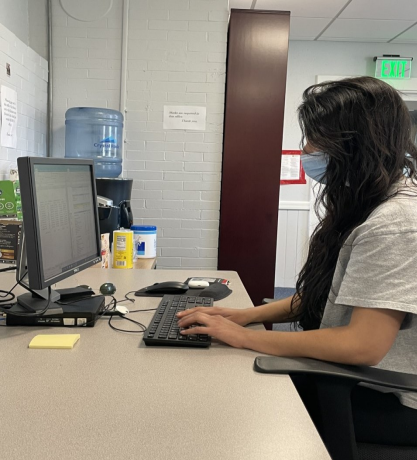
Measures: U.S. February 2022

U-1	Persons unemployed 15 weeks or longer, as a percentage of the civilian labor force	1.6%
U-2	Job losers and persons who completed temporary jobs, as a percentage of the civilian labor force	2.1%
U-3	Total unemployed persons, as a percentage of the civilian labor force (the official unemployment rate)	4.1%
U-4	Total unemployed persons plus discouraged workers, as a percentage of the civilian labor force plus discourage workers	4.4%
U-5	(U-4) plus all other "marginally attached" workers, as a percentage of the civilian labor force plus all "marginally attached" workers	5.0%
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	7.6%

February 2022 UNEMPLOYMENT RATES Not Seasonally Adjusted (Preliminary Data)

495/MW	3.2%
Blackstone Valley	3.9%
Blackstone	4.1%
Douglas	3.9%
Grafton	3.4%
Hopedale	4.2%
Mendon	4.0%
Millbury	4.0%
Millville	4.2%
Northbridge	4.7%
Sutton	3.8%
Upton	2.9%
Uxbridge	4.0%
Greater Franklin	3.7%
Bellingham	4.0%
Blackstone	4.1%
Foxborough	4.2%
Franklin	3.4%
Medfield	2.8%
Medway	3.6%
Millis	4.3%
Norfolk	3.3%
Wrentham	4.1%
Greater Marlborough	3.8%
Hudson	4.3%
Marlborough	4.3%
Northborough	3.1%
Westborough	2.6%
MetroWest	2.8%
Ashland	2.9%
Framingham	3.1%
Holliston	3.0%
Hopkinton	2.6%
Natick	2.5%
Sherborn	1.5%
Southborough	2.5%
Sudbury	2.2%
Wayland	2.7%
South Shore	4.0%
Abington	5.2%
Braintree	3.4%
Cohasset	2.7%
Hanover	3.6%
Hingham	2.9%
Milton	3.0%
Norwell	3.4%
Quincy	3.9%
Randolph	4.6%
Rockland	5.1%
Weymouth	4.6%
MA	4.3%
US	4.1%

A Peak Inside MERC



merc-fsu.org



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Framingham State University
100 State Street
Framingham, MA 01701-9101

29th Annual Conference

Wednesday, June 1, 2022

GMW Labor Force: Challenges and Opportunities in the Covid Era



29th MERC Annual Conference:

MERC held its 29th Annual Conference virtually
this year on Wednesday, June 1, 2022.



Christopher L. Foote, senior economist and policy advisor in the Federal Reserve Bank of Boston Research Department, was keynote speaker at our annual conference. His research and policy interests include housing and the macroeconomics of the labor market. Foote joined the Boston Fed in 2003 after serving as chief economist for the Council of Economic Advisers. Also in 2003, he served for five months as an economic advisor to the Coalition Provisional Authority in Baghdad. He returned briefly to Iraq in 2004.

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