

ECONOMIC REVIEW

Employment in the Greater Marlborough Region: The Evolving Jobs Landscape in the 21st Century



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The Greater Marlborough Region (GMR) comprises four communities: Hudson, Marlborough, Northborough, and Westborough. This region has experienced a significant evolution in its employment landscape throughout the first couple of decades of the 21st century. Employment is defined as the number of workers that worked during, or received pay for, the pay period including the 12th of the month. Employment is calculated based on the total number of people that work within a certain area instead of people that live within the area. Along with employment, the average wage across GMR will also be depicted. Average Wage is calculated based on the total payroll in a region divided by the overall employment rate. Figure 1 depicts the annual growth rates in employment of GMR, MA, and the U.S. from 2002 to 2023.

Throughout the 2000s, there have been three major shocks that have led to the economy going through a recession – the impacts of the Dotcom bubble burst in 2001, the housing crisis in 2009, and the COVID-19 pandemic in 2020. This graph shows how the three lowest points across all three regions correlate to these disasters – in 2002, we see the impact of the dotcom bubble bursting as employment rates went down in this year across all three regions, but most dramatically in GMR. We also see a marked decrease in employment in 2009 in all three geographies, with the housing crises leading to a loss of jobs compared to the previous year, and finally the same occurs in 2020 with the COVID pandemic. Although employment rates went down

**2002-2023 Annual Percent Change in Employment
GMR, MA, U.S.**

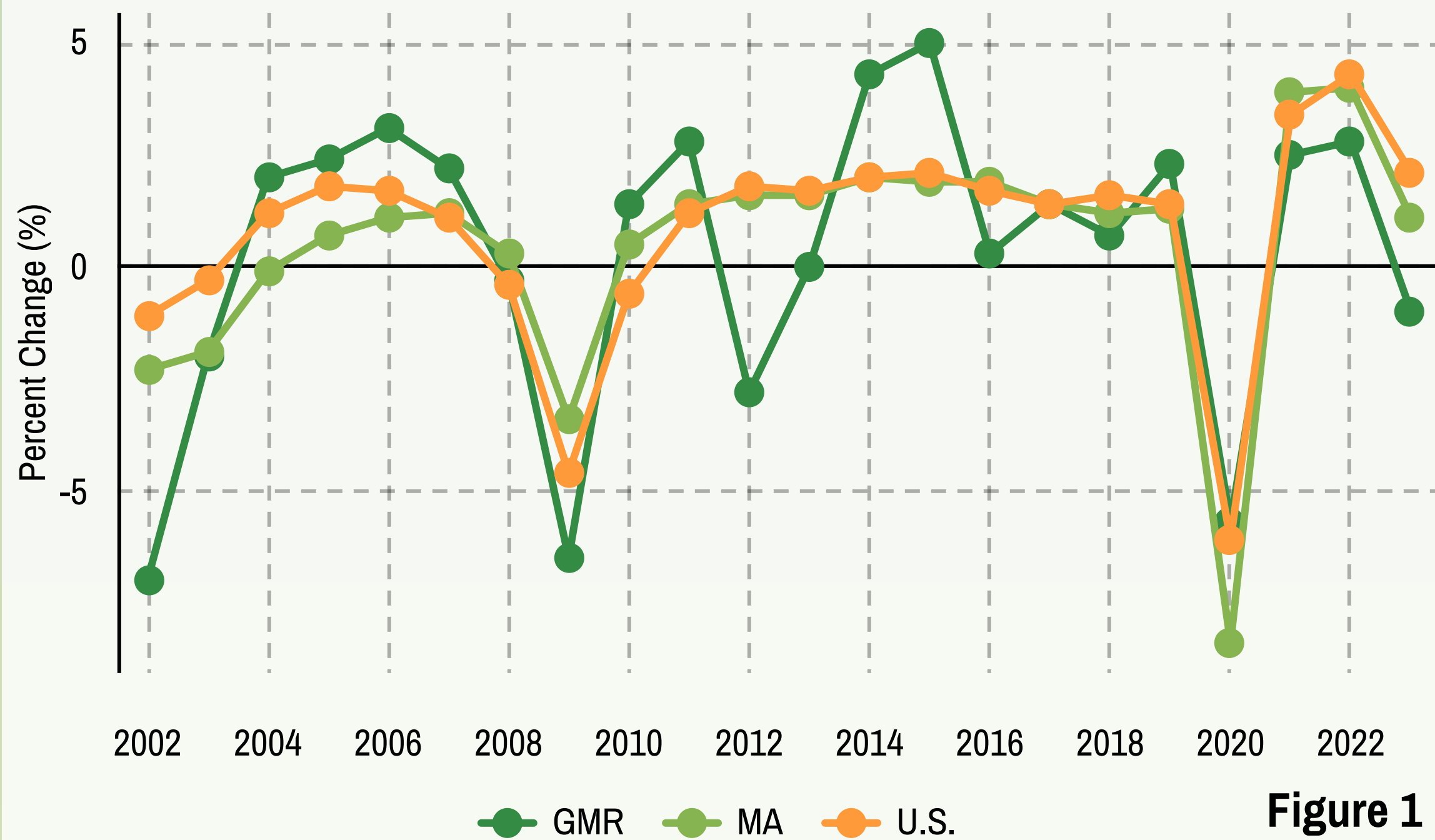


Figure 1

in these three years, employment growth resumed promptly the next year each time at a consistent rate for all three regions.

Figure 2 shows the percent change in jobs across the four GMR communities, GMR, MA, and the U.S. from 2022 to 2023. The community with the largest growth rate in employment was Northborough which experienced a growth of 5.1% in total jobs. Although the majority of the GMR communities experienced growth in total jobs, the overall employment rate for GMR decreased by 1.0%, equivalent to 774 total jobs lost. The biggest factor that contributed to this was Westborough's significant job losses during this year. Westborough was the only community to experience a decline in employment, having experienced a loss of 10.9% in total jobs, which is equivalent to 2,811 lost jobs. The loss in jobs in Westborough was largely driven by the Trade, Transportation, and Utilities supersectors as well as Professional and Business Services supersectors.

**2022-2023 Percent Change in Employment
By GMR Communities, GMR, MA, and U.S.**

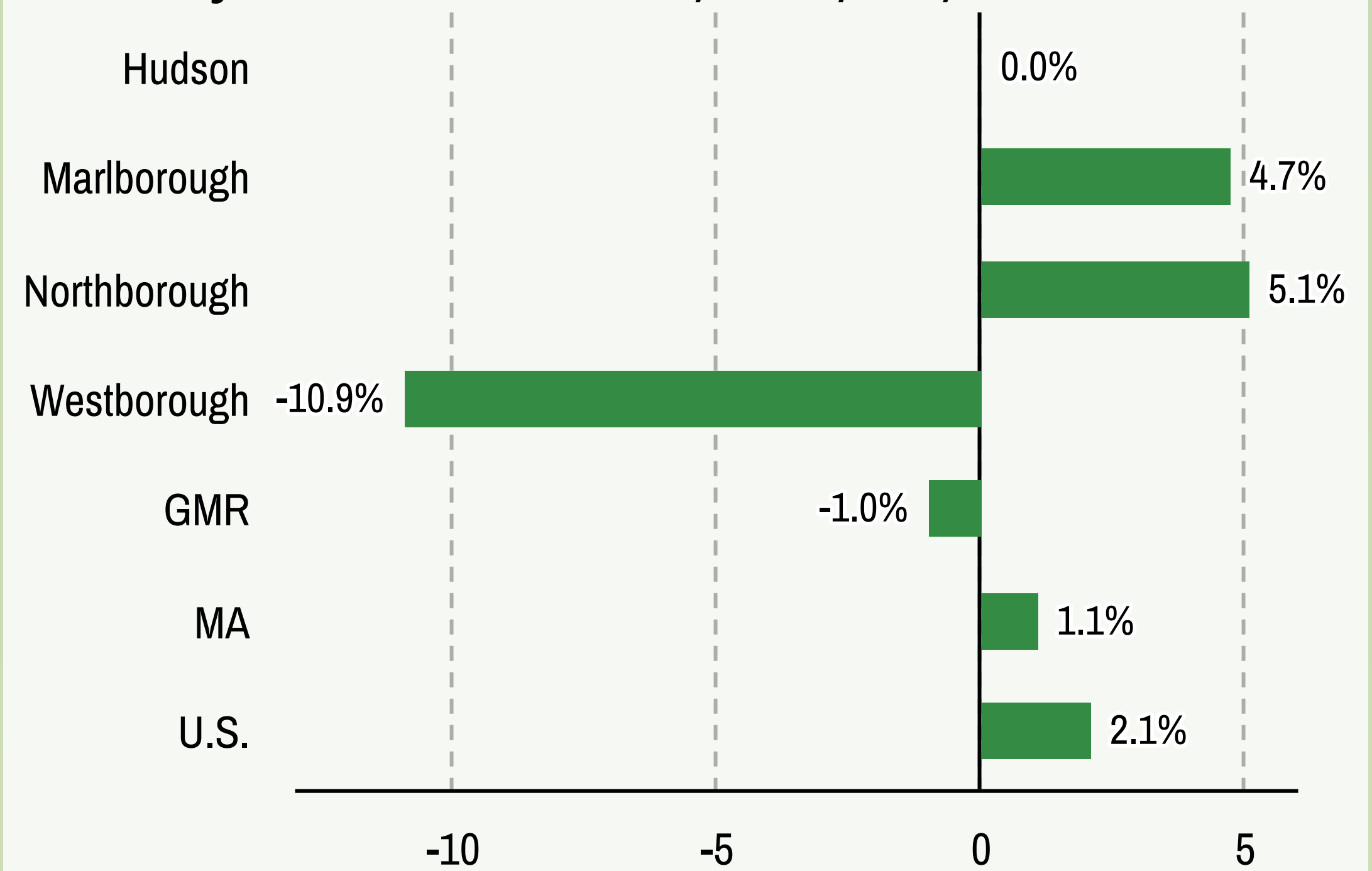
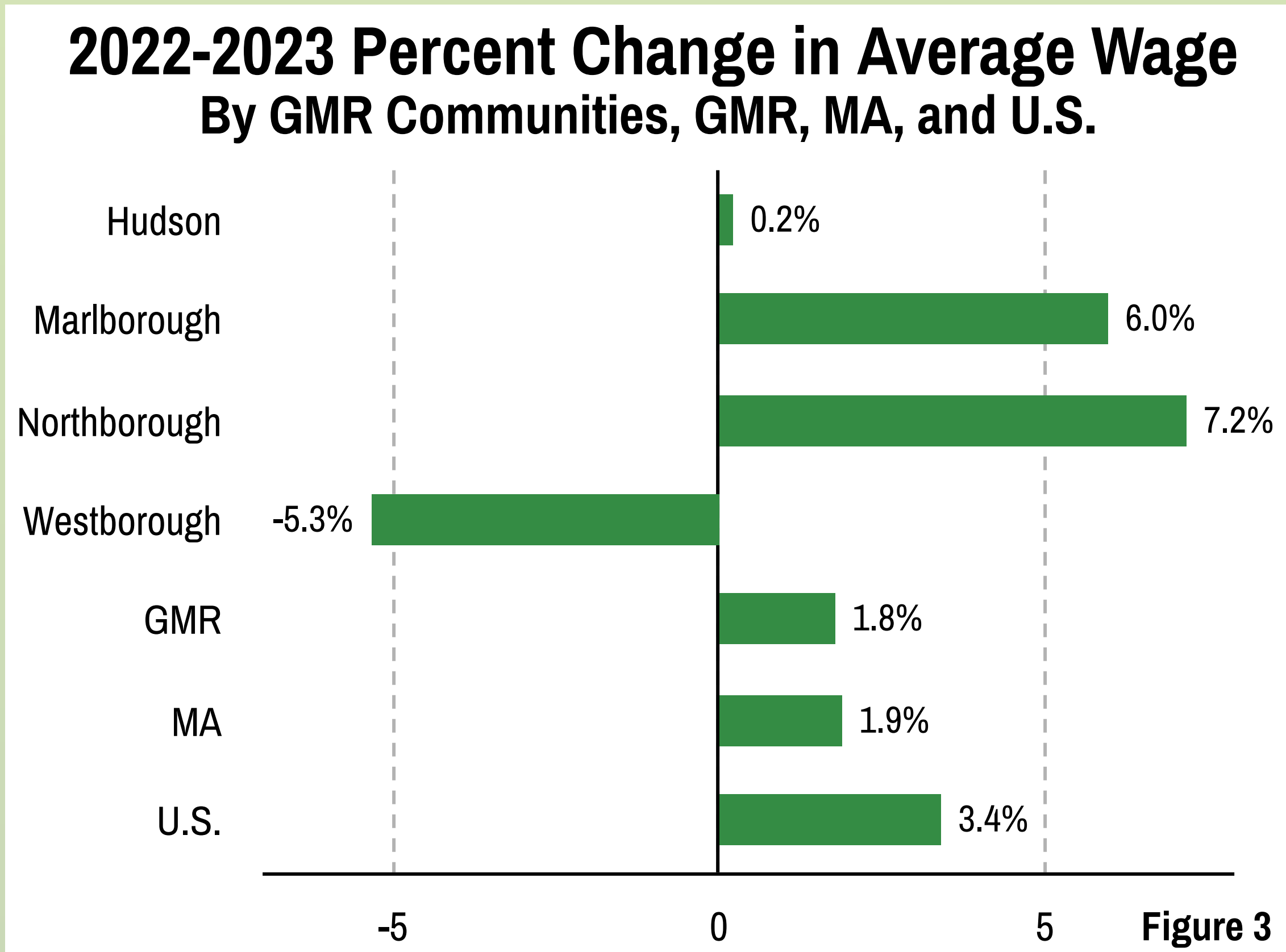


Figure 2

Figure 3 represents the percent change in average wages paid by these jobs across the four GMR communities, GMR, MA, and the U.S. When considering the four GMR communities, the change in average wage between these years coincided with the change in employment. For example, like employment, Northborough experienced the highest growth rate in average wage, with a 7.2% increase, or an increase of \$5,320, compared to the year

prior. Westborough experienced the lowest growth with a wage decrease of 5.3%, or a decrease of \$5,240 in average wage. In comparison, GMR, MA, and the U.S. each experienced fairly similar growth rates, with average wages increasing in all three regions. The U.S. experienced a 3.4% growth, or \$2,374, followed by Massachusetts at 1.9%, or \$1,711, and GMR at 1.8%, or \$1,706. All three GMR communities, again with the exception of Westborough, experienced an increase in average wages paid between 2022 and 2023.



Percent Change in GMR Employment and Average Wage By Supersector 2001-2023

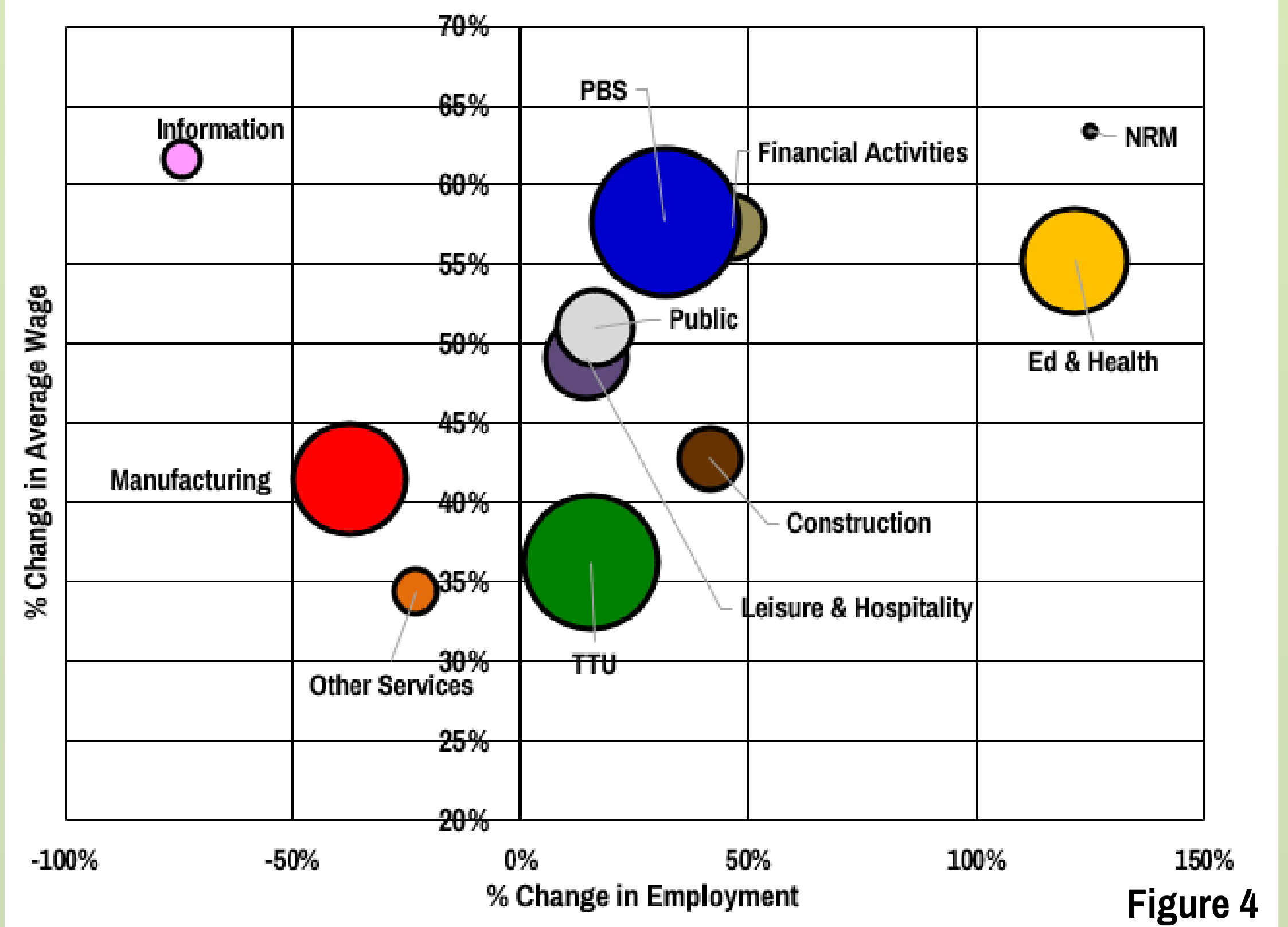


Figure 4 shows the comparison of percent changes in average wage and employment among the 11 North American Industrial Classification System (NAICS) super sectors in GMR from 2001 to 2023. The horizontal axis represents the change in employment, while the vertical axis represents the change in average wage. The size of the bubbles represents the total jobs for each of the 11 super sectors in 2023. Ideally, we want to see sectors growing in employment, while at the same time paying higher wages overtime, which would be the equivalent of being in the top far right corner of this graph. The opposite situation to this, however, would be a supersector that has fewer jobs, but is also paying lower wages. Fortunately, this does not seem to be the case on this graph. The story here is that GMR has become more dependent on Education and Health (Ed & Health) jobs than it used to be, a supersector in which the number of jobs and wages have increased over the past couple of decades. On the other hand, supersectors such as Information, Manufacturing, and Other Services are becoming less important for our economy due to the sharp employment contraction that these supersectors have experienced. In the case of Manufacturing and Other Services, even though these supersectors are still paying higher wages than previously, these supersectors' average wages have not grown as much as those of other supersectors during this time period.

To conclude, employment levels in Greater Marlborough, the state and the nation over the past two decades have been considerably affected by major events like the dotcom bubble burst, the housing crisis, and the COVID pandemic. It is important to note that while employment and wages grew over the last year in GMR, there was one community where this was not the case. Both employment and average wages declined in 2022 in Westborough—largely driven by the loss in jobs in the Trade, Transportation, as well as Utilities and Professional and Business Services supersectors. This is something to closely monitor in the foreseeable future. Finally, the increase in jobs and wages across the 11 supersectors has shown impressive growth when compared to 2001. However, the loss in jobs for Information, Manufacturing, and Other Services points to a changing landscape in GMR employment over time.