

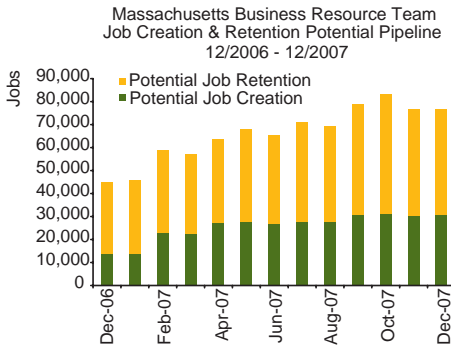
Pipeline Update: Jobs and the Economy

March 2008

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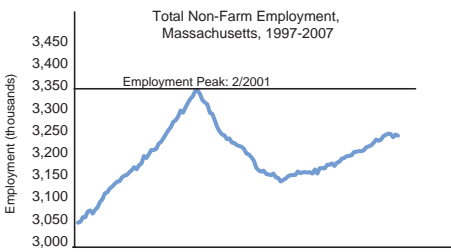
Jobs



Source: Massachusetts Executive Office of Housing and Economic Development, Department of Business Development

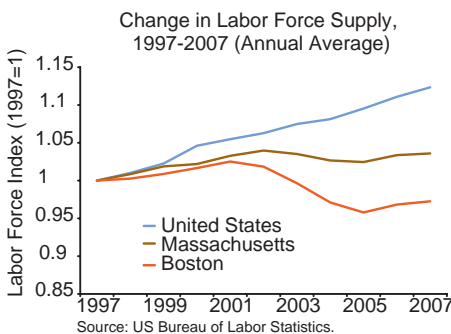
The Massachusetts Business Resource Team (BRT) reported a pipeline of **44,884 potential new and retained jobs in BRT-assisted projects in 12/2006. This number stood at 76,553 in 12/2007.** 129 BRT assisted projects have been completed since 12/2006, which will result in 6,452 new jobs and 17,830 retained jobs. From October to December, completed projects had 2,445 new jobs and 7,740 retained jobs.

Since the first approval of an expedited permitting plan under the Massachusetts Chapter 43D law in January 2007, 29 towns and cities have passed such plans, with nine approved since October. This process reduces the time and cost of creating new jobs.



Source: US Bureau of Labor Statistics, monthly data, seasonally adjusted.

Massachusetts non-farm employment increased 0.74% from December 2006 to December 2007, just less than the national increase of 0.83%. Among the states, Massachusetts ranked 33rd in job growth. During the calendar year through August, Massachusetts added 26,400 jobs. However during the last four months of 2007, employment wavered, ending the year with an annual increase of 21,800 jobs. Overall, Massachusetts had 3% fewer jobs than the employment peak of February, 2001.



Source: US Bureau of Labor Statistics.

Manufacturing (-25%), Trade, Transportation and Utilities (-5%), and Construction (-2%), lost jobs from Q2 2001 to Q2 2007, though the rate of job loss decreased during 2004-2007. Information (-22%), Financial Services (-1%), Professional and Business Services (-2%) and Public Administration (-4%) lost jobs from 2001-2004, but gained from 2004-2007. Gains were made throughout the 2001-2007 period in Education (7%), Health Services (13%), Leisure and Hospitality (7%) and Other Services (11%). (For detailed data, see over side.)

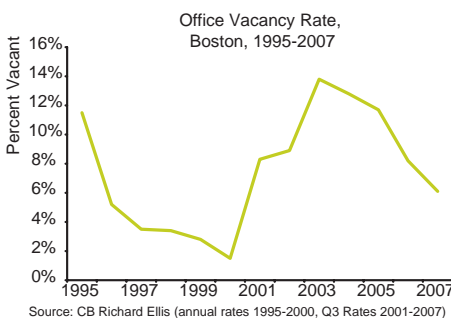
As a result of these employment shifts, health care & social assistance now represents 14.9% of Massachusetts employment, compared to 12.9% in 2001, education increased from 9.3% to 10.1%, and leisure & hospitality now account for 9.6% of jobs, up from 8.8% in 2001.

Workforce Supply

The US labor force increased by 6.5% from 2001 to 2007, but by only 0.3% in Massachusetts, while Boston's labor force decreased by 5%. From 2006 to 2007, Boston (0.4%) and Massachusetts (0.2%) have lagged US labor force growth (1.1%).

Office Vacancy Rate

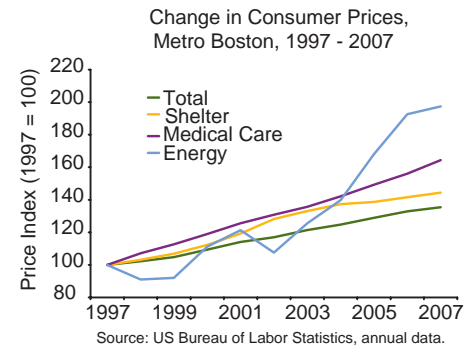
CB Richard Ellis reported that Boston's office vacancy rate fell slightly from 6.1% in Q3 2007 to 6.0% in Q4 2007, down from 8% the year before. Back Bay's vacancy rate was 4.9%, compared to 6.1% for the Central Business District. Downtown asking rents increased 35.4% from the beginning of 2007, to \$53.87.



Source: CB Richard Ellis (annual rates 1995-2000, Q3 Rates 2001-2007)

Cost of Living

The Bureau of Labor Statistics reports that while consumer prices increased faster in Metro Boston (25%) than for the US as a whole (18%) from 1997 to 2004. US prices grew faster (10%) than Boston (9%) from 2004 to 2007. During this period, local energy costs increased by 41% and medical care costs by 16%.



Employment by Major Sectors, Massachusetts, Q2 2001 - Q2 2007

Description	2001	2004	2007	% Change 2001 - 2004	% Change 2004 - 2007	Total % Change 2001 - 2007	2007 Average Weekly Wage
Total, all industries	3,319,891	3,167,338	3,253,970	-4.6%	2.7%	-2.0%	\$1,008
Natural Resources and Mining (includes Agriculture & Fishing)	8,225	9,011	8,657	9.6%	-3.9%	5.3%	\$942
Construction	153,583	152,816	150,371	-0.5%	-1.6%	-2.1%	\$1,081
Manufacturing	396,719	314,776	296,365	-20.7%	-5.8%	-25.3%	\$1,273
Trade, Transportation and Utilities	629,301	605,492	600,064	-3.8%	-0.9%	-4.6%	\$808
Utilities	15,188	13,685	13,388	-9.9%	-2.2%	-11.9%	\$1,592
Wholesale Trade	142,451	135,639	137,836	-4.8%	1.6%	-3.2%	\$1,373
Retail Trade	356,417	352,539	346,497	-1.1%	-1.7%	-2.8%	\$525
Transportation and Warehousing	115,245	103,629	102,343	-10.1%	-1.2%	-11.2%	\$905
Information (includes publishing, broadcasting, and telecommunications)	120,329	92,786	93,924	-22.9%	1.2%	-21.9%	\$1,434
Financial Activities/Services (includes finance, insurance and real estate)	228,981	218,491	226,633	-4.6%	3.7%	-1.0%	\$1,581
Professional and Business Services	499,880	457,060	490,632	-8.6%	7.3%	-1.9%	\$1,338
Education and Health Services	736,668	764,931	813,360	3.8%	6.3%	10.4%	\$935
Educational Services	307,637	313,961	328,438	2.1%	4.6%	6.8%	\$989
Elementary & Secondary Education	192,237	190,941	195,890	-0.7%	2.6%	1.9%	\$975
Higher Education	93,057	100,131	107,701	7.6%	7.6%	15.7%	\$1,088
Other Education Services	14,002	14,880	16,870	6.3%	13.4%	20.5%	\$641
Health Care and Social Assistance	429,032	450,970	484,822	5.1%	7.5%	13.0%	\$898
Ambulatory Health Care Services (outpatient care)	124,815	126,903	137,829	1.7%	8.6%	10.4%	\$1,043
Hospitals	154,744	170,245	183,956	10.0%	8.1%	18.9%	\$1,073
Nursing and Residential Care Facilities	88,978	90,910	95,229	2.2%	4.8%	7.0%	\$621
Social Assistance	60,495	62,913	67,808	4.0%	7.8%	12.1%	\$521
Leisure and Hospitality	291,785	301,989	312,476	3.5%	3.5%	7.1%	\$395
Arts, Entertainment, and Recreation	48,793	52,996	54,259	8.6%	2.4%	11.2%	\$596
Accommodation and Food Services	242,992	248,992	258,217	2.5%	3.7%	6.3%	\$353
Other Services	113,844	119,011	125,914	4.5%	5.8%	10.6%	\$524
Public Administration (Government)	140,575	130,976	135,574	-6.8%	3.5%	-3.6%	\$1,092

Source: Massachusetts Department of Workforce Development

The *Pipeline Updates* are quarterly reports created by the Boston Foundation's Boston Indicators Project for the John LaWare Leadership Forum. These reports draw on the newest data and research available from federal, state and local agencies, local research institutes and partner organizations. For a link to these data sources and the John LaWare Leadership Forum, see www.bostonindicators.org or www.tbf.org.