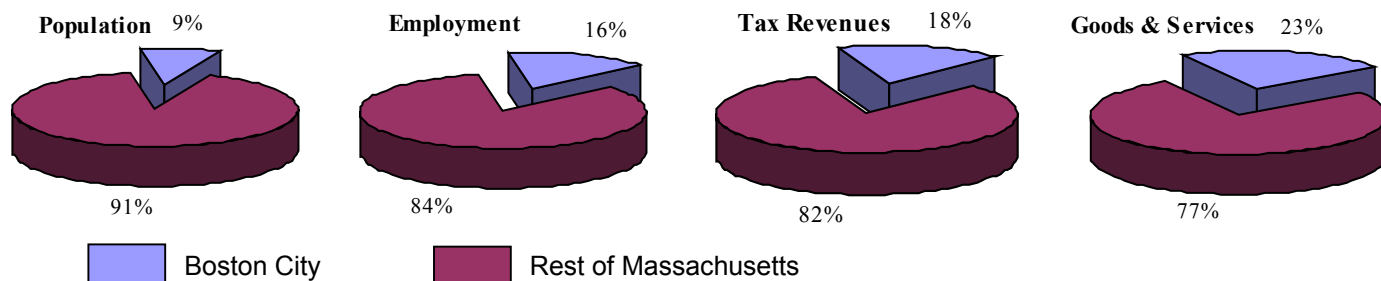


Boston Chartbook

A Primer of Boston's Economy



Boston's Share Of Massachusetts' Jobs, Goods & Services, And Tax Revenues



THOMAS M. MENINO, MAYOR
 CITY OF BOSTON
 Boston Redevelopment Authority
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 Clarence J. Jones, Chairman
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 Joseph W. Nigro, Jr., Co-Vice Chairman
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 Christopher J. Supple, Member
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Report # 595
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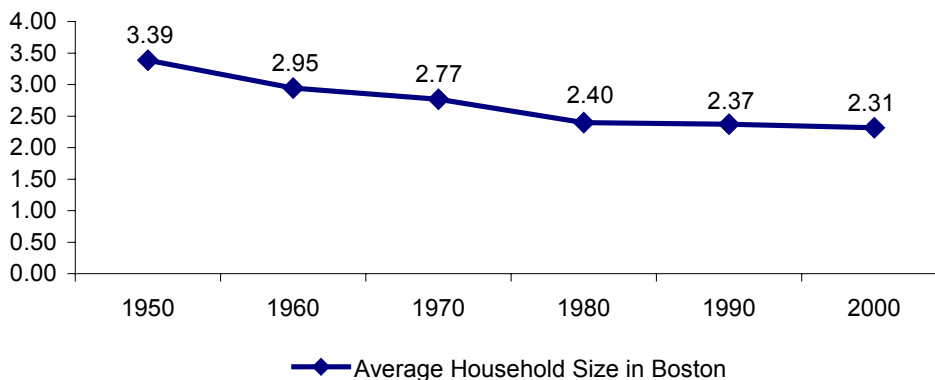
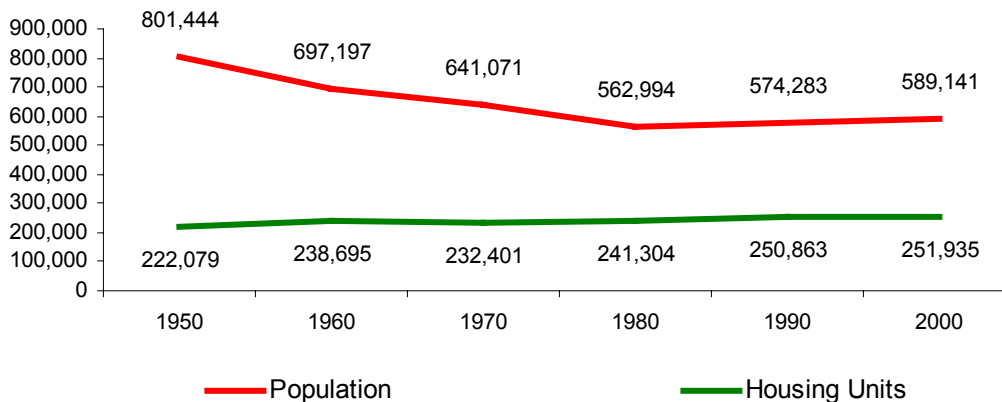
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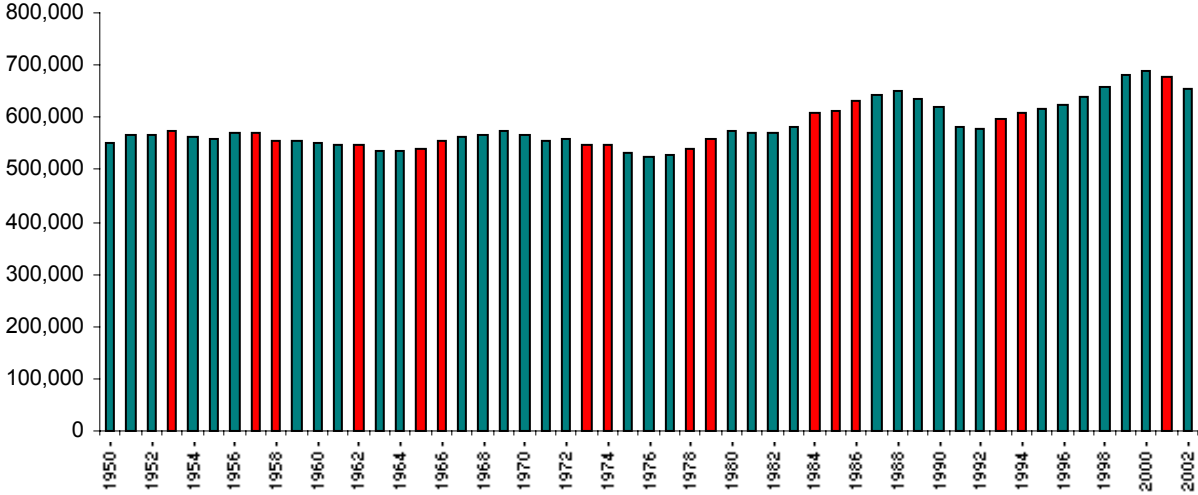
The City of Boston is the center of New England's economy in addition to being the home to the region's finest cultural, medical, educational and government institutions. Over the past half-century the city has shifted from an economy focused on manufacturing and trade to a service and finance based economy. The health care and education industries, for which Boston is known, also continue to play a lead role in the city.

The following pages contain the story of the changes in Boston's economy portrayed in a series of graphs. A more detailed analysis is available from the BRA in a report titled, *History of Boston's Economy*.

Boston's population is growing again as new housing production more than offsets the national trend towards smaller households.

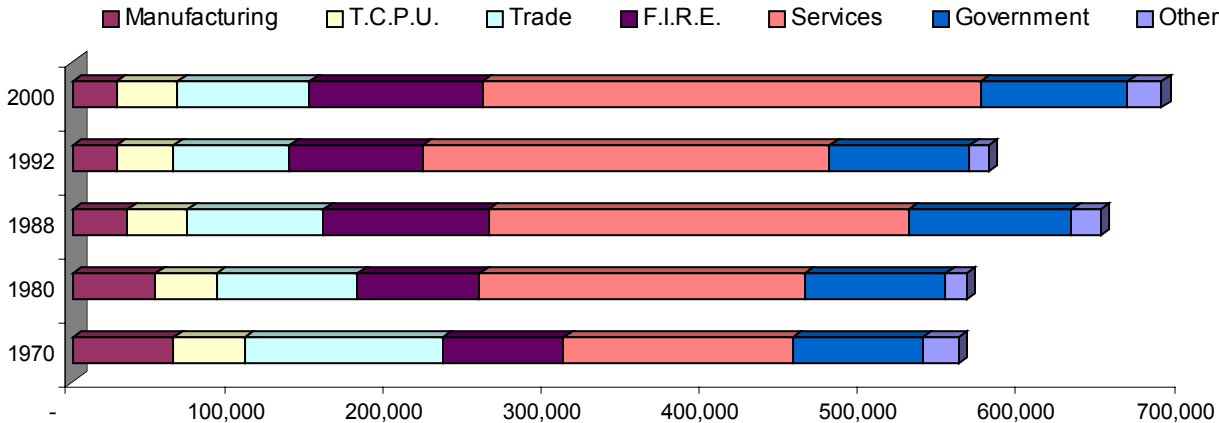


The late 1990s boom brought the number of jobs in Boston to an all-time high...



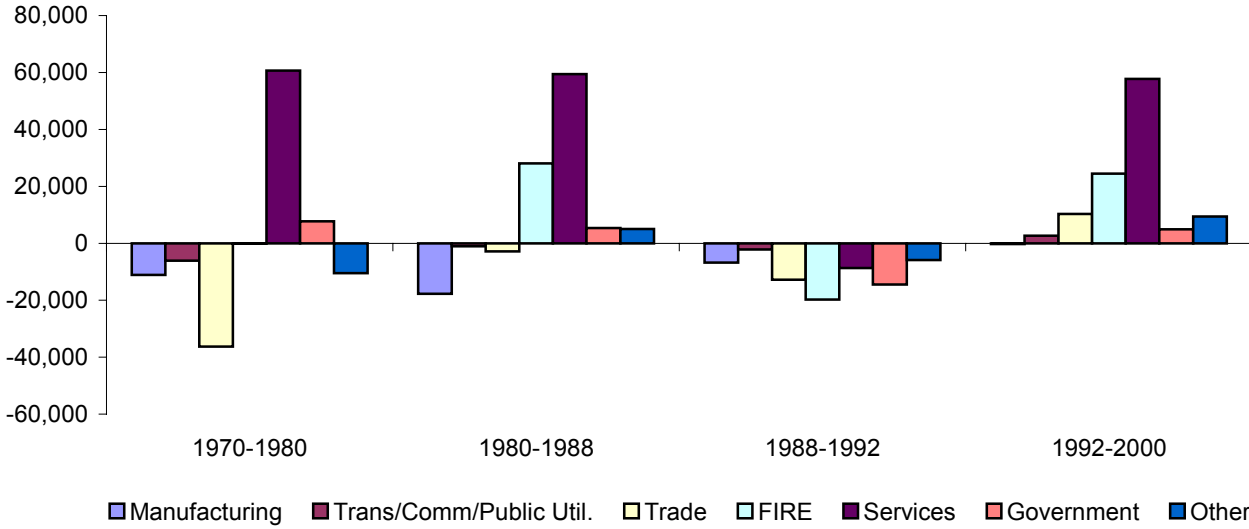
Red bars show years of national recession.

...but the industry distribution has shifted to include more service and Finance, Insurance and Real Estate (F.I.R.E.) jobs...

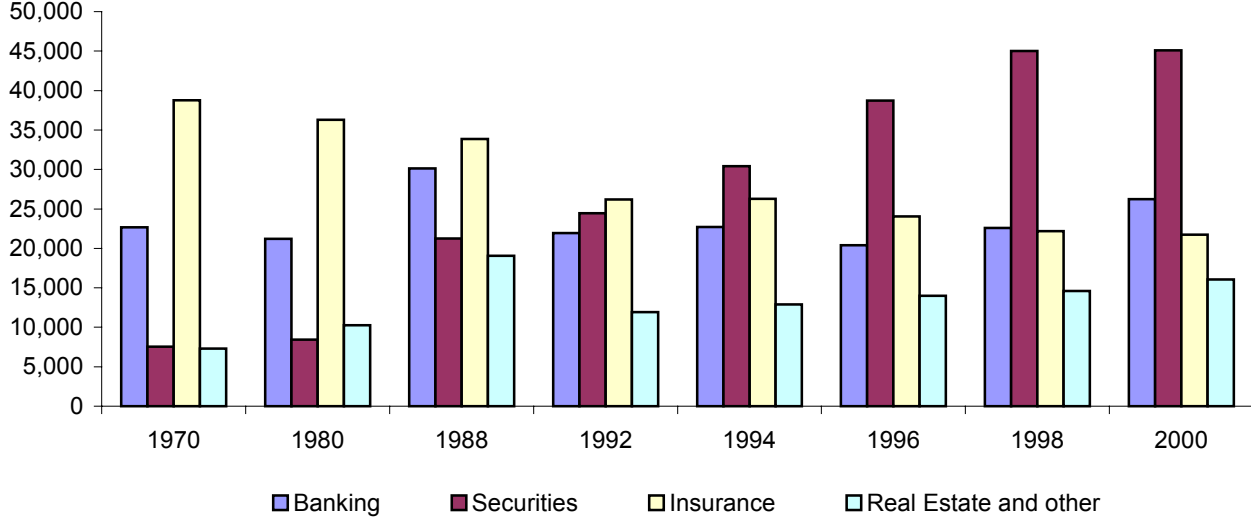


T.C.P.U. stands for Transportation, Communication and Public Utilities.
 F.I.R.E. stands for Finance, Insurance and Real Estate.

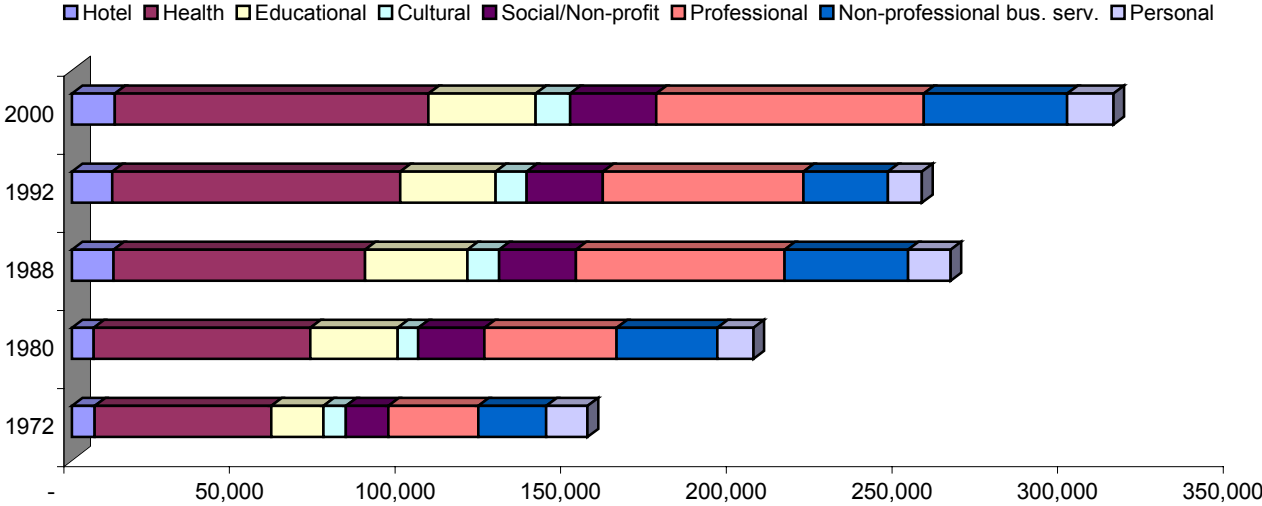
...as the F.I.R.E. and service sectors have accounted for most of Boston's job growth since 1970.



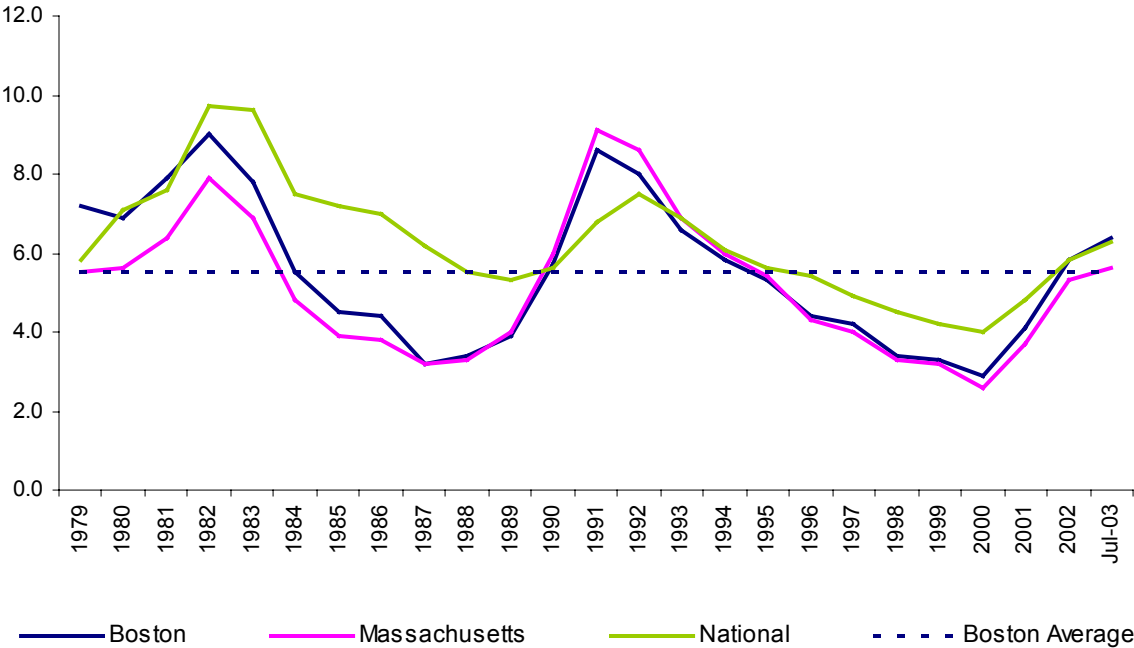
Employment in the securities industry has been driving growth in the F.I.R.E. sector. Securities, which was smaller than either Banking or Insurance as late as 1988, was nearly as large as both Banking and Insurance combined by 2000.



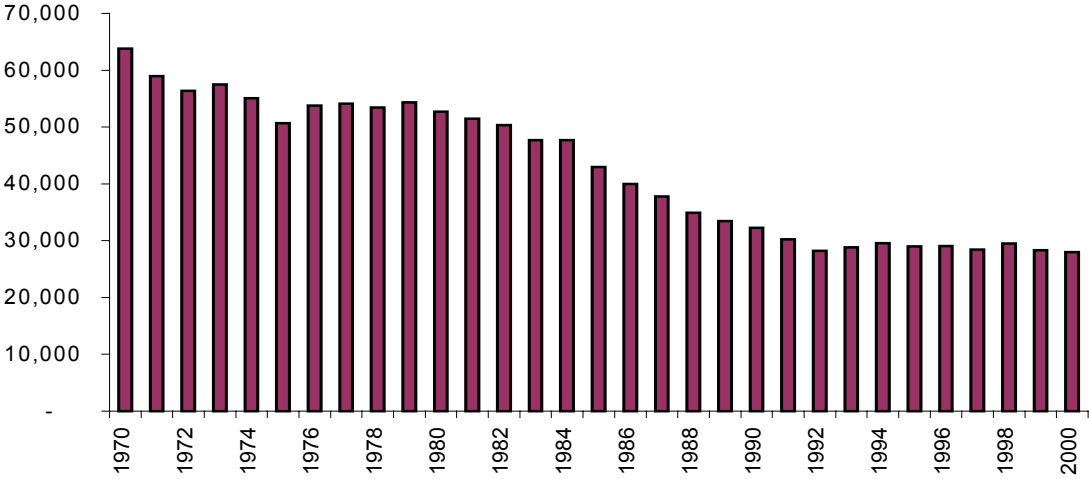
Health care and professional and business services are leading the growth in the services sector.



This job growth has helped keep the city and state unemployment rates below the national average.



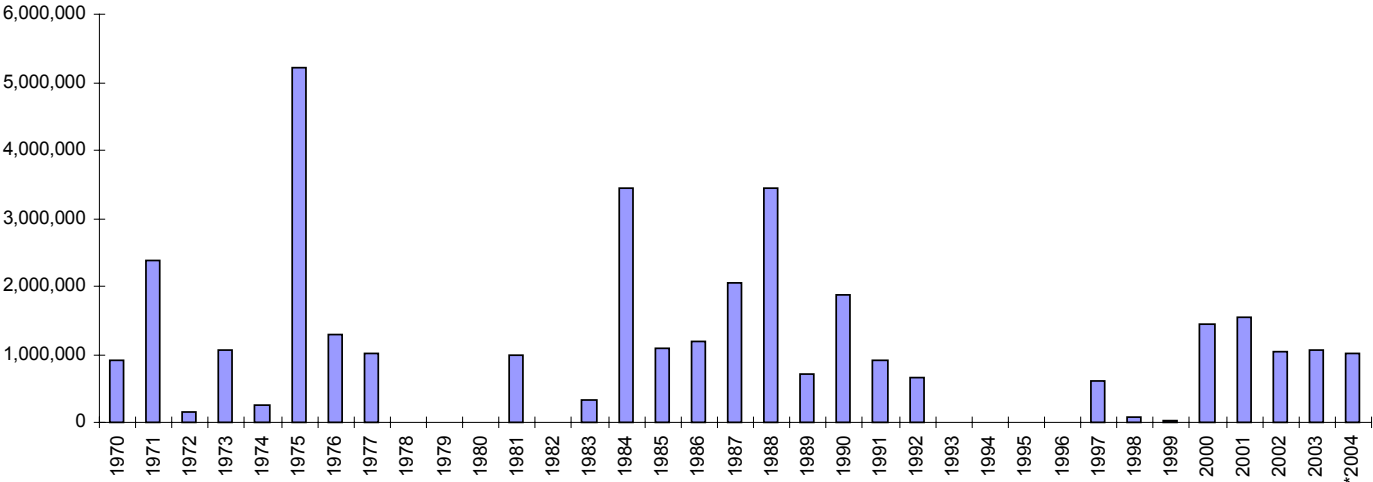
Employment in manufacturing has been declining in Boston since the end of WWII but has held steady since the end of the last recession.



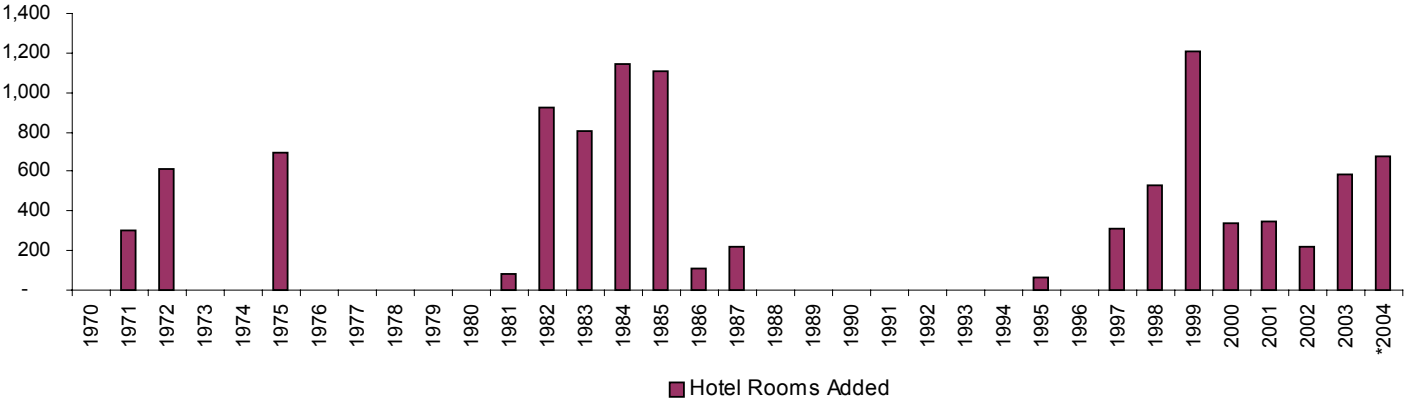
Boston has a strong retail market, but employment in wholesale trade declined throughout the decades of the seventies and eighties. In the nineties, however, employment in wholesale trade remained steady.



6 million square feet of office space has been added since the beginning of the decade.

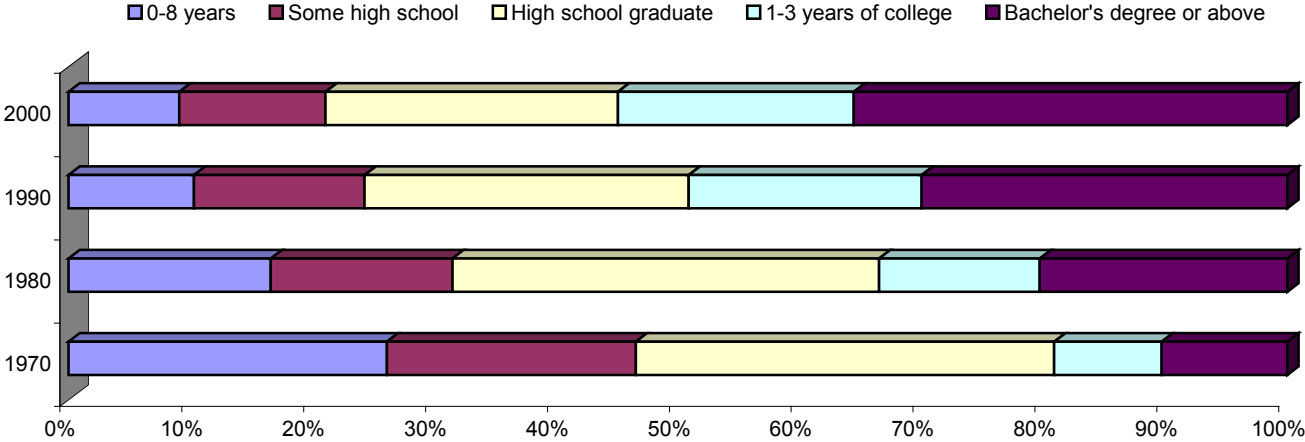


Hotel development is highly cyclical, but the current building boom continues unabated. 1999 set an all-time record with 1,212 new rooms opening.

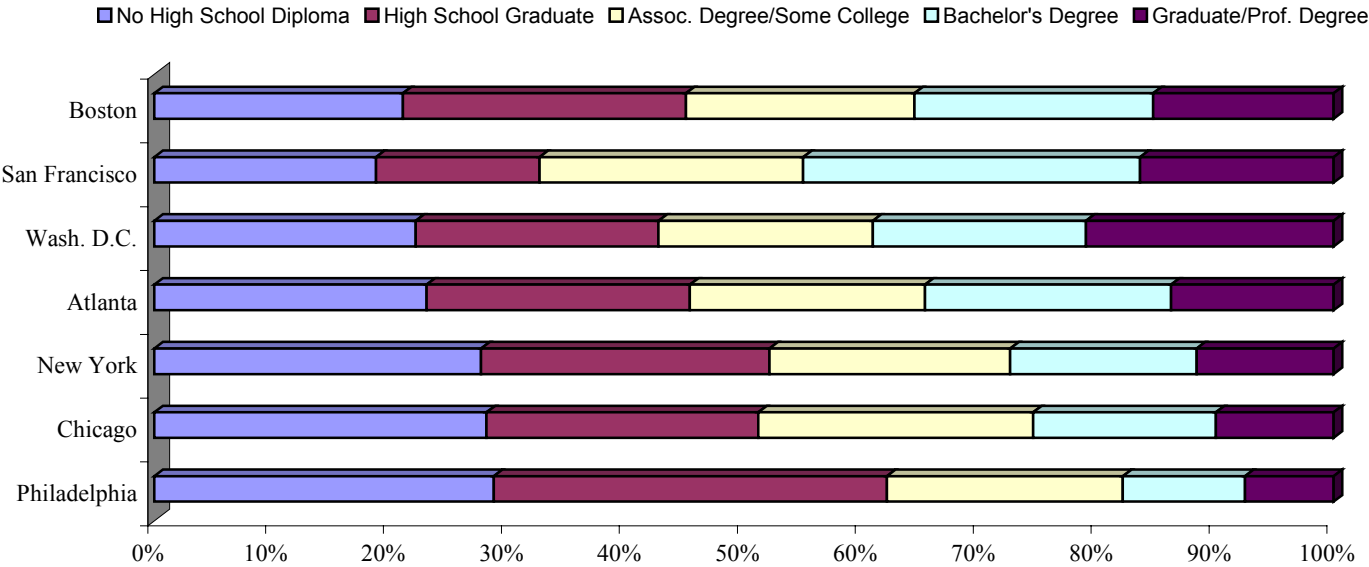


*2004 projected based on current construction.

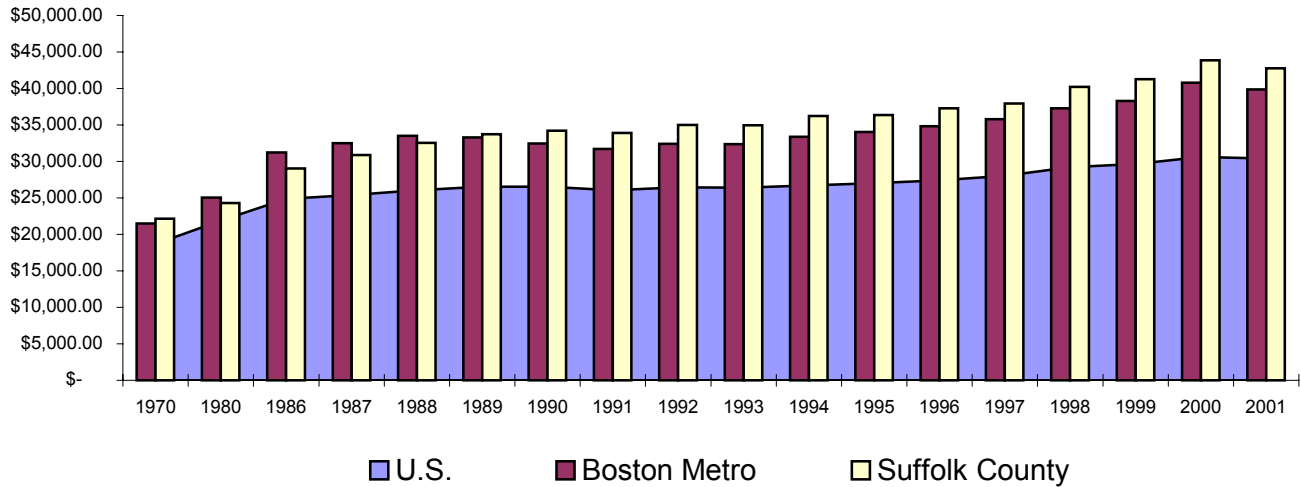
The educational attainment of Boston residents has improved...



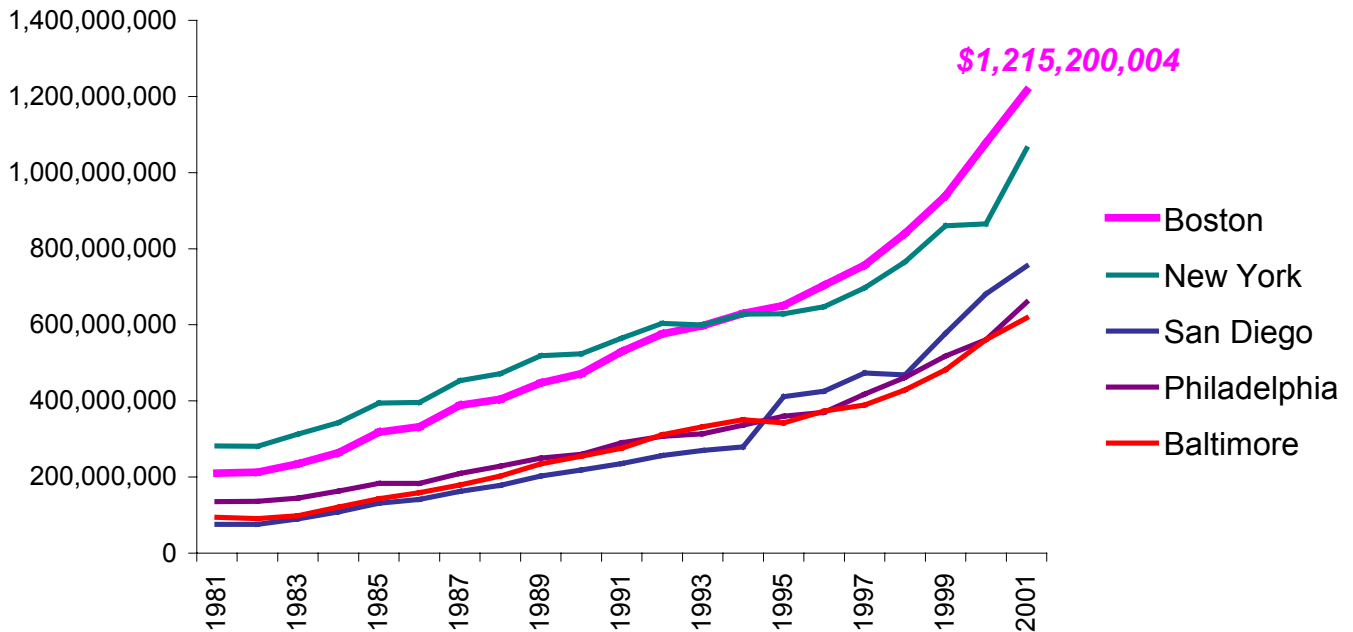
...giving Boston one of the best-educated workforces in the country in 2000.



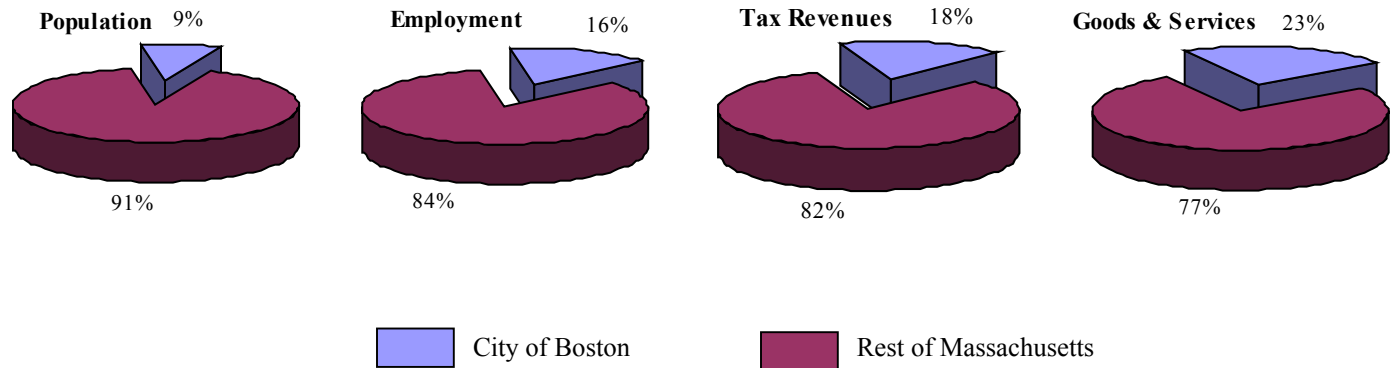
The abundance of professional services and finance jobs combined with the high educational attainment gives Boston's residents a high per capita income.



Boston's health care industry and well-educated workforce attracted \$1.215 billion in National Institutes of Health funding in FY 2001, more than any other city.



Boston accounts for a disproportionately large share of Massachusetts' jobs, goods & services, and tax revenues.



Notes and Sources:

Most of these data are discussed in the report *Leadership through Innovation: The History of Boston's Economy* (B.R.A. Research, April, 2003).

- Boston's population and housing stock are reported by the U.S. Census Bureau in the Decennial Census of Population and Housing, 1950, 1960, 1970, 1980, 1990, and 2000. Average household size was calculated as the mean number of persons per occupied dwelling unit.
- Employment estimates were prepared by B.R.A. Research from U.S. Bureau of Economic Analysis (Regional Economic Information System) and Massachusetts Division of Unemployment Assistance (ES-202) data. The employment numbers count all jobs, full time and part time, including payroll, self-employed, proprietorship, and family business.
- Industry employment time series extend only to year 2000, the last year for which the Standard Industry Classification (SIC) System was used to classify businesses and report employment. The North American Industry Classification System (NAICS), which replaced the SIC system of reporting in 2001, is not completely compatible with the older accounting system. As a result, job statistics for 2001 and later cannot be compared to older data at the level of individual industries.
- Unemployment rates are reported by the U.S. Bureau of Labor Statistics (U.S. and state) and by the Massachusetts Division of Unemployment Assistance (Boston).
- Office space and hotel development is monitored by the B.R.A. Research Department.
- Educational attainment is reported by the U.S. Census Bureau in the Decennial Census of Population and Housing. The questions asked by the Census Bureau have changed since 1970, and so it was not possible to present the same level of detail for Boston 1970 – 2000 as was done for Boston and other cities in 2000. Census Bureau statistics indicate that Massachusetts ranked first among states in both 1990 and 2000 for highest percent of adults with at least a 4-year bachelor's degree.
- Income per capita was estimated by the U.S. Bureau of Economic Analysis. These estimates are issued at the county level, and so Suffolk County is used to represent Boston (90% of Suffolk County's population resides in the city of Boston) and the five-county New England County Metro Area (NECMA) is used to represent the Boston metropolitan area. The five counties are: Suffolk, Middlesex, Essex, and Plymouth, and Norfolk.
- Health and scientific research grant funding to Boston institutions has been reported in "Federal R&D Spending in Boston" (B.R.A. Research, 2002): http://www.cityofboston.gov/bra/PDF/Publications//pdr_557.pdf and "Boston Continues to Lead Nation in NIH Awards" (B.R.A. Research, 2003): http://www.cityofboston.gov/bra/PDF/Publications//pdr_564.pdf
- Massachusetts tax revenues are reported by the Massachusetts Department of Revenue. State tax revenue originating in Boston calculated by B.R.A. Research from U.S. Bureau of Economic Analysis, U.S. Census Bureau, and City of Boston Budget Office data. City and state Gross Product (value of goods and services produced estimated by B.R.A. Research from U.S. Bureau of Economic Analysis data on earnings by place of origin).