



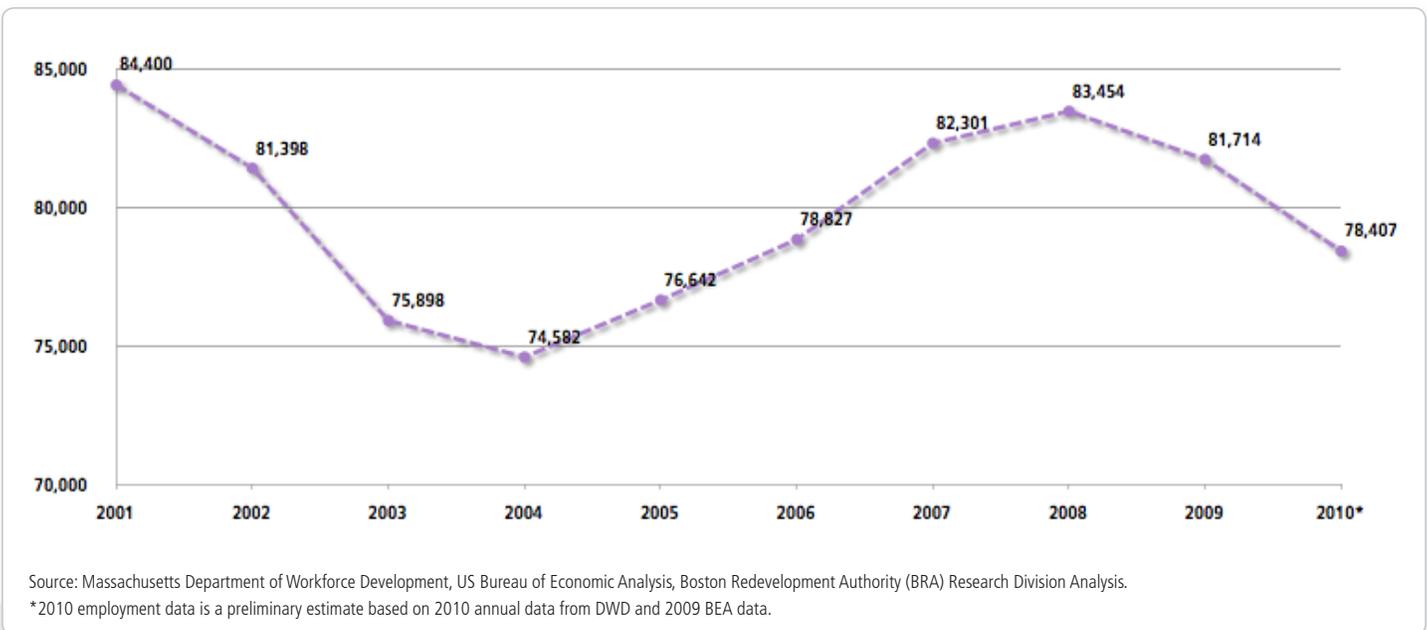
Finance and Insurance Industry

Finance and insurance is one of the larger industries in Boston, making up 11.8% of total employment in 2010. This ranks finance and insurance 3rd amongst the 20 major industrial sectors identified by the Bureau of Labor Statistics (BLS)¹. The finance industry includes business activities such as banking, credit intermediation, securities, and other financial investments.

Employment

Today, Boston's finance and insurance industry employs more than 78,000 people. Overall, the industry has experienced a fluctuation of job gains and job losses over the last decade. Since 2001, the finance and insurance industry in Boston has decreased by nearly 8%. The industry lost over 9,800 jobs during the three years following 2001, more than any major sector other than government. The finance and insurance industry had regained most of its lost employment by 2008, when the current recession hit; about 5,000 finance jobs have been lost in the two years following 2008. These financial job losses are almost identical to the national average².

Number of Finance and Insurance Jobs



1. Industry sectors were selected according to their 2-digit North American Industry Classification System (NAICS) codes. LINK: <http://www.census.gov/eos/www/naics/>

2. For more detailed information, please see The Boston Economy in 2010, (BRA) Research Division. LINK: <http://www.bostonredevelopmentauthority.org/PDF/ResearchPublications/TheBostonEconomyin2010.pdf>

The largest occupations in the finance and insurance industry in Boston include customer service representatives, tellers, insurance sales agents, and financial managers. Below is a list of the top ten finance occupations in Boston by employment. These ten occupations make up approximately 49% of the finance industry.

Top Ten Finance and Insurance Occupations by Employment

<u>Job Title:</u>	<u>Total</u>
Customer Service Representatives	6,621
Tellers	6,327
Insurance Sales Agents	3,347
Securities, Commodities, and Financial Services Sales Agents.....	3,218
Financial Managers.....	3,106
Loan Officers	3,041
Claims Adjusters, Examiners, and Investigators.....	2,948
Bookkeeping, Accounting, and Auditing Clerks.....	2,839
Financial Analysts	2,751
First-Line Supervisors/Managers of Office and Administrative Support Workers.....	2,441

Source: Labor Market Assessment Tool 2.0, (BRA) Research Division Analysis.

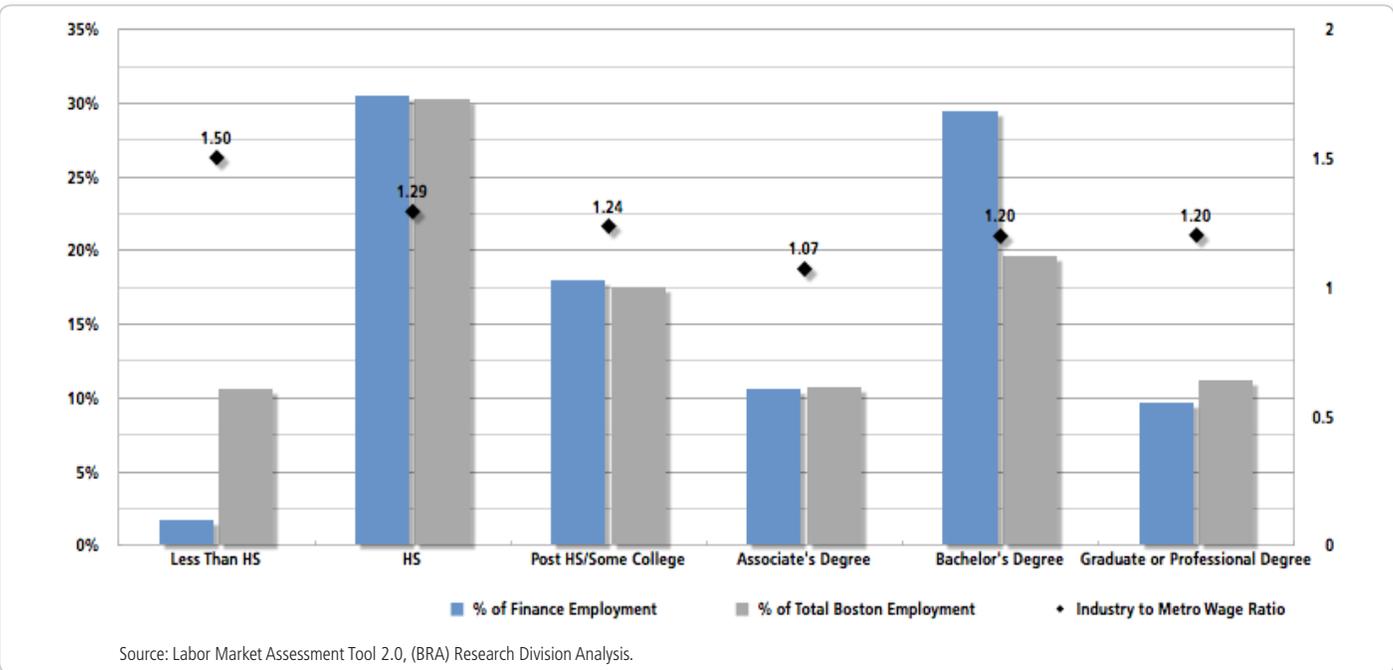
Major Employers in Finance and Insurance

The city's largest employers in the finance and insurance industry include Liberty Mutual Holding Company Inc, State Street Bank & Trust Co, Fidelity (FMR LLC), John Hancock, and Wellington Management. Finance and insurance establishments are largely concentrated in Boston's Downtown and Back Bay neighborhoods. The attached map depicts the finance and insurance establishments by size in Boston.

Education, Skill Requirements, and Wages

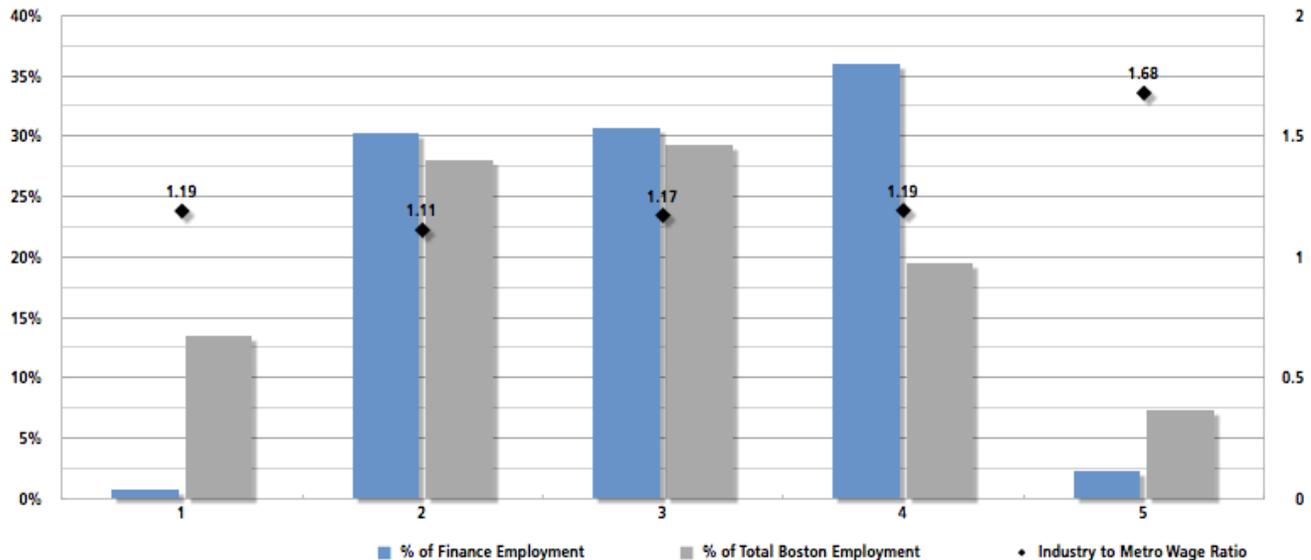
Overall, the educational requirements for the finance and insurance industry are considerable. Close to 50% of jobs in finance and insurance require an associate’s degree or more. This is higher than Boston as a whole, where approximately 42% of jobs require an associate’s degree or more. The Industry-to-Metro wage ratio shows how wages by educational requirement look different between an industry and the Metro Boston average for the same education level. In general, the average wages for jobs in finance and insurance are higher than all jobs in the region by educational requirement.

Education Requirements and Wages



The Boston Redevelopment Authority’s Labor Market Assessment Tool (LMAT)³ also has different measures for job training, called job zones. The lower the job zone number, the less training, education, and previous work experience needed to perform the job. Overall, close to 97% of jobs in finance are in job zones 2, 3, and 4. This indicates the industry requires an array of skills with preparation ranging from related on-the-job experience to four-year bachelor degrees.

Job Zones and Wages



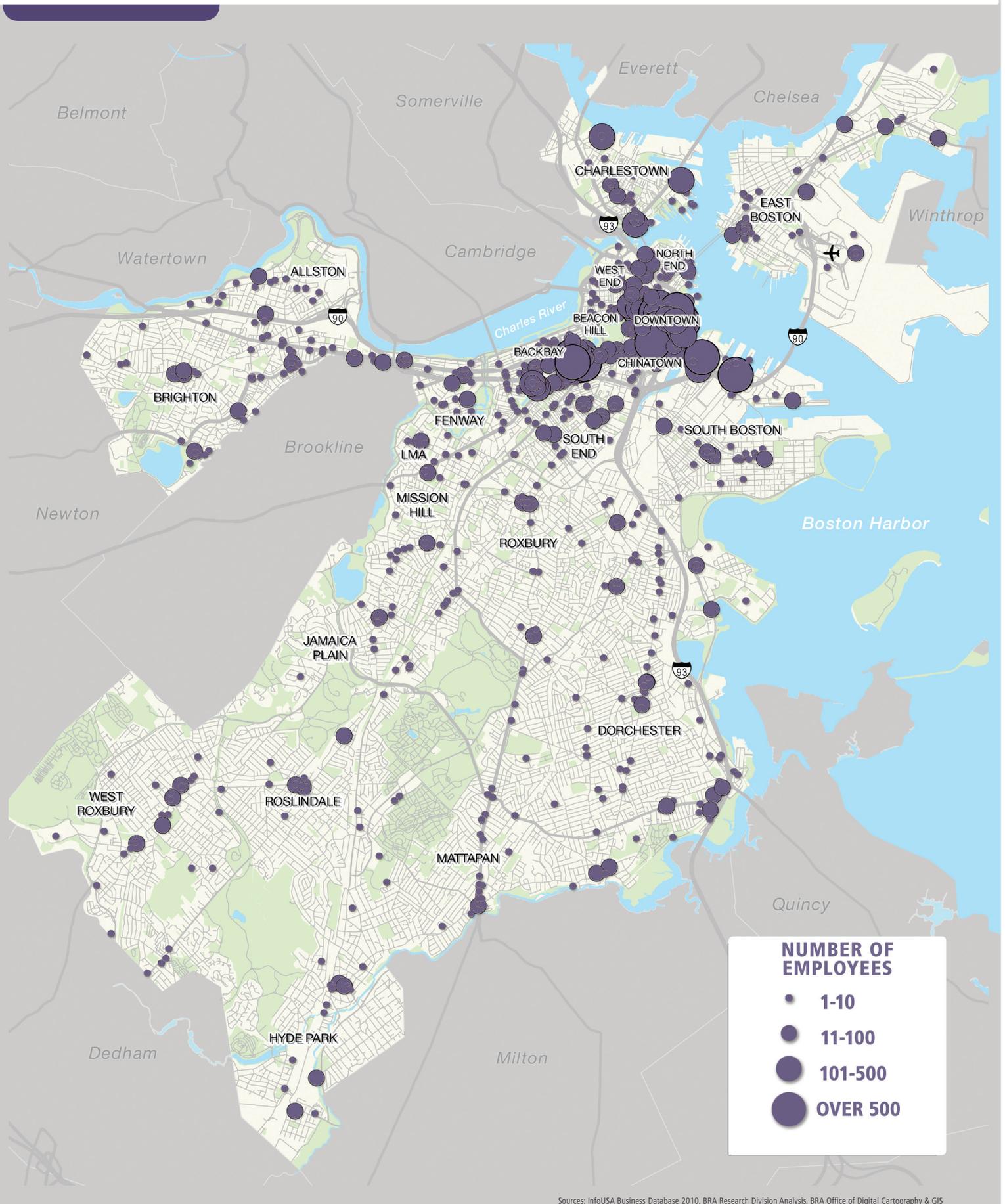
Source: Labor Market Assessment Tool 2.0, (BRA) Research Division Analysis.

Sector Trends

A location quotient (LQ) is used to assess the degree of regional specialization in an industry as compared to the national average. An LQ of "1" indicates that an industry is concentrated in a region's economy in a proportion similar to the US overall. An LQ over "1" indicates that the industry is an area of concentration for the region. With a location quotient of 2.28, the finance and insurance industry accounts for more than twice the proportion of total jobs in Boston than at the national level.

In the coming years, employment in the finance and insurance industry in Boston is not expected to change a great deal. Using New England Economic Partnership (NEEP) projections, we estimate the finance and insurance industry to grow 2.2% — or 1,695 jobs — by 2015⁴. This change would account for 3.8% of the city's total employment change during the 5-year period.

4. Projections for 2010-2015 are based upon the New England Economic Partnership (NEEP) May 2011 forecast.



Sources: InfoUSA Business Database 2010, BRA Research Division Analysis, BRA Office of Digital Cartography & GIS

City of Boston - Industry Profiles

Rank Industry:	# OF EMPLOYEES	CHANGE IN JOBS 2001-2010	% OF TOTAL EMPLOYMENT	LOCATION QUOTIENT	AVERAGE WAGES	JOB ADDED BY 2015
1. Health Care and Social Assistance Industry	122,532	26,390	18.5%	1.67	\$67,333	13,117
2. Public Administration	78,354	(11,619)	11.8%	0.84	\$66,111	2,911
<i>State Government</i>	39,185	12,474	5.9%	1.95	-	1,456
<i>Local Government</i>	22,983	(19,428)	3.5%	0.42	-	854
<i>Federal Government</i>	16,184	1,354	2.4%	1.48	-	601
3. Finance and Insurance Industry	78,407	(5,993)	11.8%	2.28	\$170,624	1,695
4. Professional, Scientific and Technical Services Industry	73,897	1,692	11.2%	1.62	\$108,504	7,550
5. Educational Services Industry	50,247	6,585	7.6%	3.28	\$64,627	5,376
6. Accommodation and Food Services Industry	49,577	6,143	7.5%	1.06	\$25,956	4,622
7. Administrative and Support and Waste Management Remediation Services Industry	32,124	(7,675)	4.9%	1.01	\$46,005	3,286
8. Retail Trade Industry	30,477	(360)	4.6%	0.45	\$30,664	655
9. Other Services (except Public Administration)	29,279	2,967	4.4%	0.89	\$37,933	1,264
10. Real Estate and Rental and Leasing Industry	21,382	2,227	3.2%	0.75	\$80,999	465
11. Transportation and Warehousing Industry	18,537	(5,893)	2.8%	0.88	\$49,115	(426)
12. Information Industry	16,407	(5,844)	2.5%	1.28	\$88,463	1,583
13. Arts, Entertainment, and Recreation Industry	14,712	2,452	2.2%	1.00	\$79,502	1,383
14. Construction Industry	13,864	(5,794)	2.1%	0.41	\$90,825	28
15. Manufacturing Industry	9,545	(8,596)	1.4%	0.20	\$73,448	175
16. Wholesale Trade Industry	9,256	(1,672)	1.4%	0.41	\$79,231	283
17. Management of Companies and Enterprises	6,243	(4,022)	0.9%	0.86	\$122,906	643
18. Utilities Industry	2,441	(249)	0.4%	-	\$102,170	63
19. Agriculture, Forestry, Fishing and Hunting and Mining	180	(1)	0.0%	-	\$51,720	26
Total	657,461	(9,262)	99.3%	-	\$78,375	47,610

- Projections for 2010-2015 are based upon the New England Economic Partnership (NEEP) May 2011 forecast.
- 2010 employment data is a preliminary estimate based on 2010 annual data from DWD and 2009 BEA data.
- Because of low employment, Agriculture and Mining were combined for this table.

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