

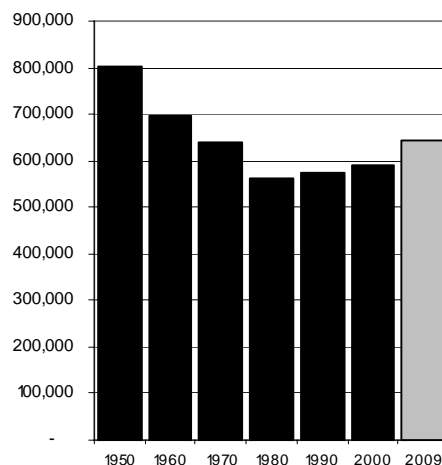
Boston's People and Economy

INTRODUCTION

Boston, first incorporated as a town in 1630, and as a city in 1822, is one of America's oldest cities, with a rich economic and social history. What began as a homesteading community eventually evolved into a center for innovation and entrepreneurship, as well as for social and political change. Boston has become the economic engine and cultural hub of New England.

As the region's hub, Boston is home to over 600,000 residents, many institutions of higher education, some of the world's finest inpatient hospitals, and numerous professional sports and cultural organizations. Boston-based jobs, primarily within the service areas of finance, health care, and education, are estimated at more than 660,000 in 2009. Millions of people visit Boston each year to take in its historic neighborhoods, attend cultural or sporting events, conduct business, and attend functions in one of Boston's convention centers.

The City provides a wide range of programs and services to meet the diverse needs of its many residents and visitors. Under the direction of



Boston's Population
1950 to 2000 Census, 2009 estimate

Figure 1

Mayor Thomas M. Menino, the City is vigorously pursuing economic opportunities, to ensure Boston will emerge as a global leader in the twenty-first century.

Boston's Growing and Changing Population

The City of Boston is ranked as the 21st largest city by population in the United States by the US Census Bureau. The City is the center of the 5th largest Combined Statistical Area (CSA) in the nation. The Boston CSA had a total population of 7.6 million in 2009.

Over the thirty years between 1950 and 1980 Boston's population declined from 801,444 to 562,994. This decline can largely be attributed to a national trend of suburbanization. Since 1980, however, the city's population has stabilized and grown. The 2000 U.S. Census records the city's population at 589,141, representing a 2.6% increase over the 1990 population and a 4.6% increase over 1980. In 2009, the U.S. Census Bureau estimated the city's population to be 645,169 residents, roughly the same as in 1970.

With this growth in population has come a change in demographics. A wide range of ethnic backgrounds and countries of origin can now be found in Boston's population. The most recent census results confirm that people of color now make up the majority of Boston's population for the first time in its history. However, interim census data from the American Community Survey suggests that this trend may have slowed.

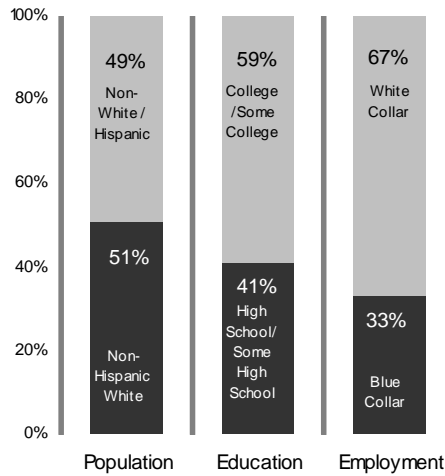
According to the 2000 Census, Boston continues to be a city of young adults. Almost one out of every three persons in Boston is between the ages of 20 and 34 years old. People ages 35 to 54 years old comprise 20% of the population. Senior citizens ages 65 and above make up 10% of the City, and children ages 18 and under make up 20%.

Boston's Labor Force and Education

Boston ranks among the highest in concentrations of employment and income in the U.S. In 2009, Boston supplied an estimated 662,539 jobs, approximately one out of every six jobs in Massachusetts and one out of every thirteen jobs in New England. This was a loss of 15,922 jobs in 2008. Furthermore, the unemployment rate in Boston was 9.0% in June, 2010, an increase from 8.1% in 2009. Boston provides employment opportunities for many people who live outside of the City. The City had 9.5% of the state's population in 2008, but 16% of Massachusetts jobs.

Boston changed dramatically during the last three decades of the twentieth century. In 1970, manufacturing and trade jobs accounted for 33% of total Boston jobs, while financial and service sector jobs totaled 38%. In 2000, manufacturing and trade jobs accounted for only 16% of the total economy while financial and service sector jobs reached 61%. These trends mirror a national movement from an industrial-based economy to a service-based one.

The City's resident workforce has undergone a transformation. Of the 266,505 Boston residents working in 1970, 45% held blue-collar jobs and 55% held white-collar jobs. In 2000, of the 285,859



2008 Percentages Quick Comparison

Figure 2

Boston residents working, those holding blue-collar jobs fell to 31%, and those employed in white-collar occupations rose to 69% (Table 1). By 2008 the ratio had steadied, with white-collar jobs at 67% and blue-collar jobs at 33%. Many white-collar jobs are concentrated within finance, health care, and education.

The changing needs of a service and information-based economy have increased the demand for a better educated and more highly skilled workforce. In 2000, 79% of the adults in Boston had completed high school, compared to 53% in 1970. A full 36% of adults in Boston had completed

Boston's People

		1970	1980	1990	2000	Recent
Population	Total Population	641,071	562,994	574,283	589,141	645,169 ('09)
	% Minority Population	18%	30%	37%	51%	49% ('08 est)
	White Alone			59%	49%	51% ('08 est)
	Black or African-American			24%	25%	22% ('08 est)
	Asian			5%	8%	8% ('08 est)
	Hispanic or Latino			11%	15%	16% ('08 est)
	Other			1%	3%	3% ('08 est)
Income	Median Household Income	\$7,935	\$12,530	\$29,180	\$39,629	\$51,849 (12/'08)
	Average Annual Wage (Suffolk County)		\$15,472	\$31,272	\$55,522	\$75,283 ('08)
Education	% High School Graduate	34%	35%	27%	24%	25% ('08)
	% Some College Completed	9%	13%	19%	19%	18% ('08)
	% College Graduate	10%	20%	30%	36%	41% ('08)
Employment	Labor Force			304,507	304,224	
	Unemployment Rate (resident)	12.8%('75)	7.8%('83)	8.6%('91)	2.7% ('00)	9.0%(6/'10)
	Number of Jobs	576,125	572,078	622,433	688,077	662,539 ('09)
	% Blue Collar Jobs	45%	40%	33%	31%	33% ('08)
	% White Collar Jobs	55%	60%	67%	69%	67% ('08)
	% Manufacturing Jobs	11%	9%	5%	4%	
	% Trade Jobs	22%	16%	13%	12%	
	% Finance Jobs	13%	13%	15%	15%	
% Service Jobs	25%	36%	42%	46%		

Sources:

Boston Redevelopment Authority, U.S. Census Bureau, Massachusetts Division of Employment and Training, Massachusetts Department of Labor and Workforce Development

Table 1

college in 2000, compared to only 10% in 1970. According to the most recent estimates from 2008, 83% of adults had completed high school, and more than 41% of adults had completed college.

Boston's Income, Wages, and Cost of Living

In terms of income, the City of Boston ranks 13th among U.S. cities in median household income. Boston's median household income in 2008 was \$51,849, up 2.7% from 2007, on an inflation-adjusted basis. Median income in Boston is consistently more than 30% greater than the median income in the United States. Per capita Income in Suffolk County was \$51,038 in 2007, 29.4% greater than per capita income in the United States that year. The average annual wage and salary disbursement per job in Suffolk County was \$75,283 in 2008, an increase of \$1,743 or 2.4% from the previous year. The average annual wage per job in Suffolk County was 35% higher than the average Massachusetts earnings level in 2008, and 65% higher than the national earnings average.

During the years 2000-2007, the cost of living index rose at an annual average rate of 3.1% in Metropolitan Boston, while the national index increased at a 2.7% annual rate, according to the Bureau of Labor Statistics. In 2008 the change in CPI in Metropolitan Boston was 3.5%, compared to 3.9% nationally.

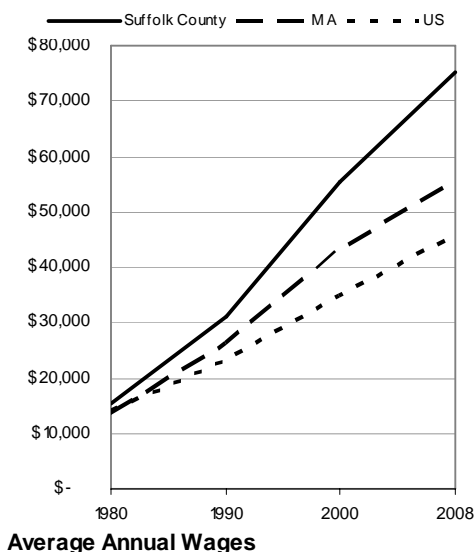


Figure 3

Key Sectors in the Boston Economy Higher Education, Healthcare, and Financial Services

Higher education, health care, and financial services play a major role in Boston's economy. An examination of Boston's 50 largest private employers in 2009 shows that 39 are involved in these key sectors.

Many of the nation's finest research and teaching hospitals are located in Boston, including Massachusetts General Hospital, Brigham and Women's Hospital, Beth Israel/Deaconess Hospital, Boston Medical Center, New England Medical Center and Children's Hospital, as well as numerous community-based health centers. In total there are 20 inpatient hospitals in the City. Furthermore, the City is home to the medical and dental schools of Harvard University, Tufts University, and Boston University. In 2009, there were an estimated 120,000 people, or one in six of all Boston jobs, employed in health services in the City.

Boston also hosts 34 universities, colleges, and community colleges, with a combined enrollment of over 150,000 students annually. Included among the City's colleges and universities are some of the finest educational institutions in the country, including Boston College, Boston University, and Northeastern University.

These institutions of higher education have a major effect on the City's economy. Because many of these students remain in Boston after graduation, the City's educational institutions are a major source of highly-skilled professionals for the City's workforce. Boston's colleges and universities contribute to the economy in other ways as well. Since 2005, eight new higher education building projects were completed. In addition, four more office or academic building projects underway or approved as of February 2010.

Many of the country's leading financial services firms are located in Boston, including Fidelity Investments, John Hancock/Manulife Financial, and State Street Corporation. The City also has the distinction of being the birthplace of the mutual fund industry. In 2009, there were an estimated 102,025 people employed in the finance, insurance and real estate industries in Boston.

Transportation

A key to Boston's economic health is the City's ability to transport residents, workers, and visitors efficiently and safely to their intended destinations, whether in the city or throughout the region.

The "Big Dig", or Central Artery Tunnel, connects the Massachusetts Turnpike to Logan Airport and relocated the previously elevated Interstate 93 under the city, reopening views of Boston Harbor not seen for half a century. The Mayor's "Crossroads" project is reconnecting long disconnected city neighborhoods by rebuilding the roads that once ran between them. In addition, the Rose Kennedy Greenway is completed. This large downtown series of parks and gardens will be an enormous benefit to residents, workers and visitors to the city of Boston for years to come.

The metropolitan Boston roadway system provides commuters access to the city through surface arteries and three limited access interstate highways that connect Boston to the national highway system. Interstate 90, the Massachusetts Turnpike, just extended as part of the Central Artery Project, leads westward from Logan Airport through downtown Boston to the New York State border. Interstate 95, the East Coast's principal north-south highway, connects Boston to New Hampshire and Maine to the north and New York City and Washington D.C. to the south. Interstate 93, another north-south highway, extends from just south of the city to New Hampshire. Major industrial parks and high-technology companies line these transportation arteries.

Boston's public transportation system reaches into every neighborhood in the City, and is linked to the commuter rail and Amtrak systems, connecting millions of people to the central city. Several major rail initiatives are increasing access and reducing travel time. The Massachusetts Bay Transportation Authority (MBTA) is also constructing the Silver Line in three phases to operate as part of its core downtown transit system. Phase 1 & 2 provides rapid transit bus services connecting Downtown with the Seaport district and with Chinatown and Roxbury. Phase 3, now in planning and design, will include connections between the first two phases.

Approximately one third of the labor force is reliant on public transportation in the City.

Since 1991, Amtrak has spent \$1.8 billion on a multi-year high-speed rail infrastructure project intended to provide better ride quality, permit faster train speeds, and increase capacity for passengers on the rail corridor between Boston and New York. Ridership between the two cities has grown significantly as a result. In 2007 Amtrak carried 975,826 passengers between New York and Boston, an increase of 41% from 2001.

In 2009, Boston's Logan International Airport was the most active airport in New England, the 19th most active airport in the United States, and the 45th most active airport in the world. It served over 25.5 million international and domestic passengers, a 2.3% decrease from 2008. Logan Airport is also very important to the economy as a center for processing air cargo. In 2009, Logan Airport's total air cargo and mail volume totaled 517.6 million pounds, the 19th most of all US airports. This was a 5% decrease from 2008 air cargo and mail volume.

The Port of Boston provides New England businesses with excellent deep-water port facilities and access to world ports, as well as feeder service to Halifax, Nova Scotia, and New York. It ranked as the 10th largest Atlantic coast seaport by container volume shipped. The Port of Boston has also become a major cruise ship port, hosting more than 275,407 cruise ship passengers in 2009, an increase of 16.2% from the year before.

Travel, Tourism, and Culture

The attributes that make Boston such a great city in which to work and live also make it a great destination for tourists. According to the Greater Boston Convention and Visitors Bureau, an estimated 18.3 million people visited Boston in 2008, up 2.2% from the previous year. In 2008, an estimated 1.15 million international visitors came to Boston.

Boston is an attractive destination for conventions, meetings, and gate shows. The Boston Convention and Exhibition Center (BCEC) is located on a 60-acre site in South Boston and contains 516,000 square feet of contiguous exhibition space and is designed to accommodate larger conventions. This facility, along with new hotel projects in the

city, has given a significant boost to the local economy. In 2009, the Boston Convention and Exhibition Center, along with the John B. Hynes Memorial Convention Center, hosted 208 events, a 13% decrease from 2008. There were a total of 714,128 attendees in 2009, down 22% from 2008. Boston also has several other sites for small and medium size conventions and conferences including the World Trade Center and the Hynes Convention Center.

The City of Boston is home to three major professional sports teams: the Boston Red Sox baseball team, the Boston Bruins hockey team, and the Boston Celtics basketball team. The New England Patriots football team plays in Gillette Stadium in nearby Foxborough, MA. The New England Aquarium, Museum of Fine Arts, the Isabella Stewart Gardner Museum, and many other attractions bring in thousands of tourists a year. The City also provides venues for concerts, ice shows, circuses, theater, and other entertainment performances and amateur sports events.

Economic Development

There are many economic development projects proceeding in Boston. These include plans to develop the East Boston and South Boston waterfront districts; further enhancements to Boston's neighborhoods through the Empowerment Zone and Main Streets initiatives; and continuing development of retail and business districts citywide. Improvements are planned to parks and neighborhoods to connect residents to the waterfront areas. In place of the old elevated central artery roadway, the new Rose Kennedy Greenway will reunite neighborhoods separated long ago with new open spaces and the restoration of original streets.

Partnerships have and will continue to play an important role in revitalizing Boston's neighborhoods. In January 1999, part of the City of Boston was designated an Empowerment Zone community by the U.S. Department of Housing and Urban Development. 2009 was the final year of the ten-year Empowerment Zone designation that brings with it limited tax-exempt bonding authority and grants to finance revitalization and job creation programs. However, legislation is pending in Congress to extend the designation for

an additional year. Boston Connects, Inc. had made available \$350,000 in microloan funds to strengthen existing businesses and to start new businesses in the Empowerment Zone.

There are currently nineteen Boston business districts participating in the Main Streets Program, a partnership between the City and the National Trust for Historic Preservation to improve the local business climate in neighborhoods. As of the end of June 2008, this program has created 676 net new businesses and more than 4,382 net new jobs, improved the marketability and business strategy of business districts, and preserved the character of surrounding residential areas. Through June 2008, the Main Streets Program has leveraged more than \$10.5 million in private investment.

With a diverse economic base, support for local businesses, an educated work force, and strong tourism lure, Boston is a world-class city building for the future.

