

Boston's Evolving Economy



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Presentation By:
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Research Division
April 24, 2008

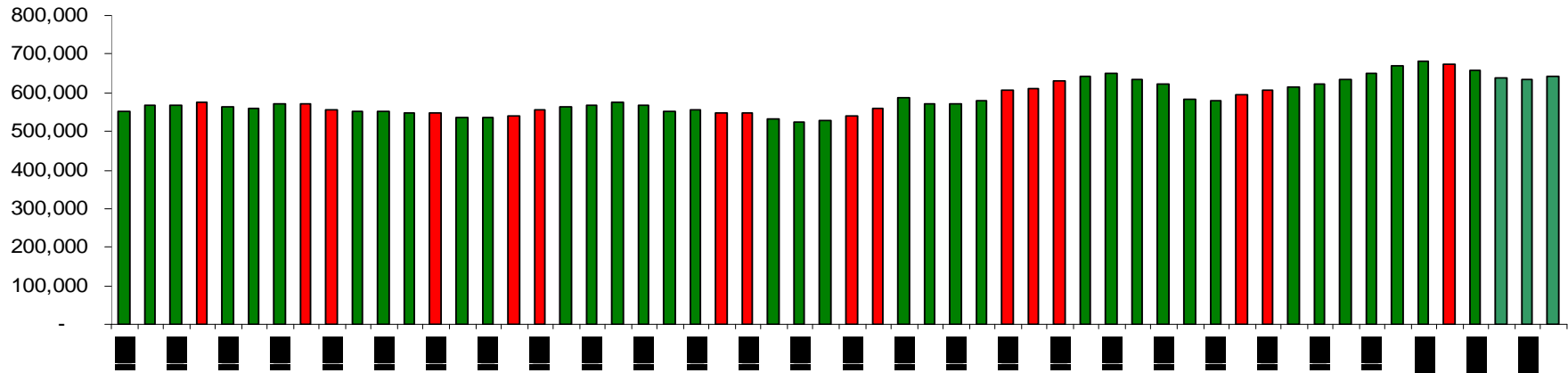
Boston's Economy

- **Where did we come from?**
- **How did we get here?**
- **Where are we now?**
- **Where might we be going?**
- **Education, Job Zones, Jobs and Wages**
- **Snapshot of Roxbury Jobs and Businesses**



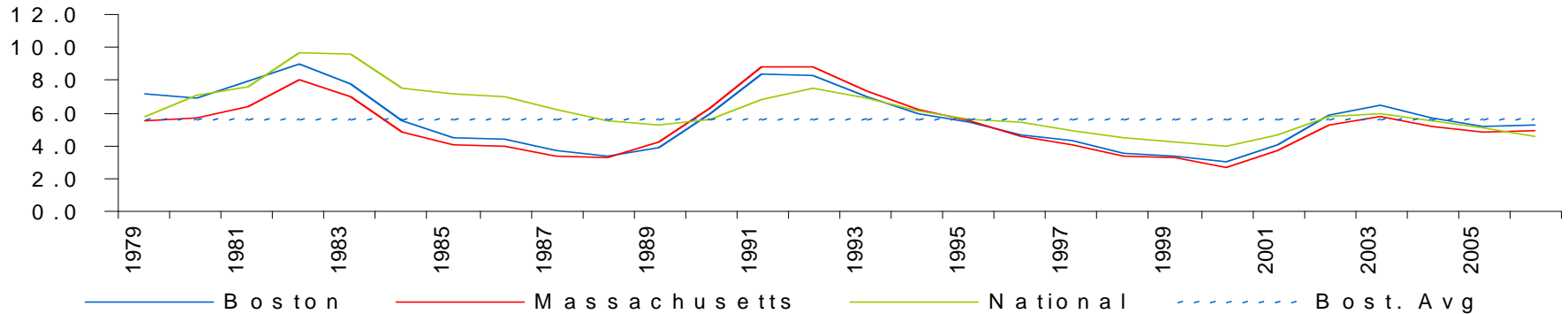
Employment

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



Note: Red bars indicate years of national recession.

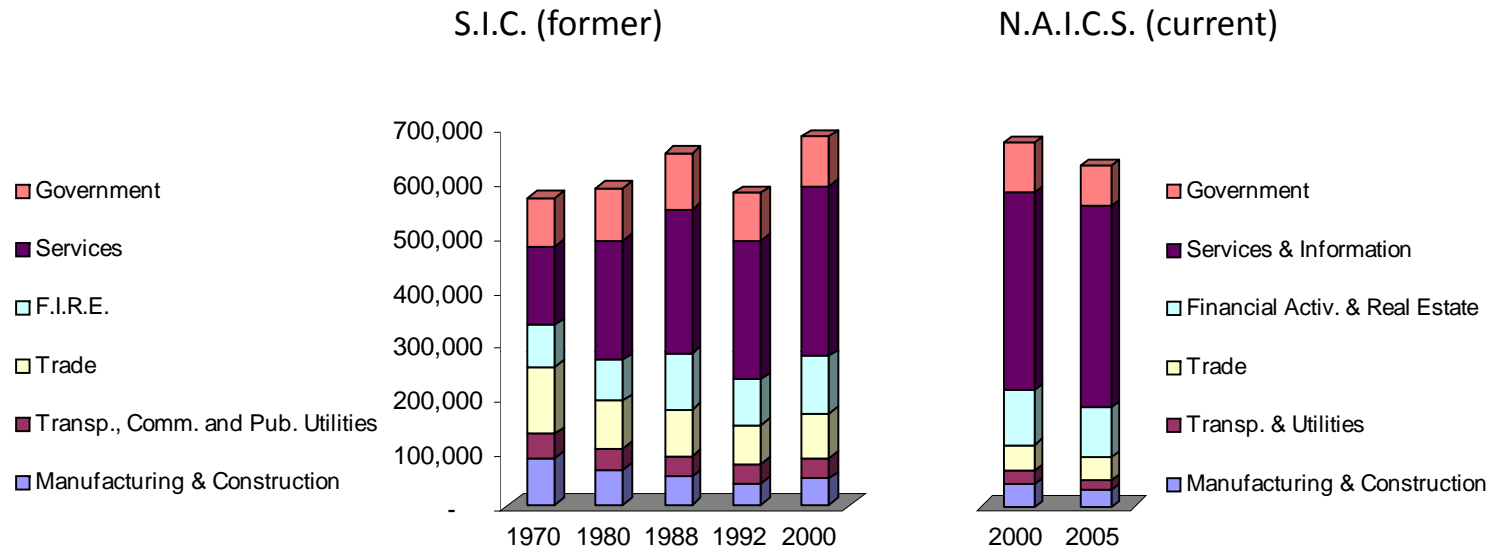
This job growth has helped keep the city and state unemployment rates below the national average in the late 1990s; however it has risen above the national average since the 2001 national recession.



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Industries

Even as the number of jobs has grown, employment has shifted to include more Service and Finance, Insurance and Real Estate (F.I.R.E) . . .



Of the years depicted here 1988 and 2000 were cyclical peaks of economic expansion and 1992 and 2005 were at or just after cyclical low points. The structural shift to service producing industries proceeded during expansions and contractions alike.

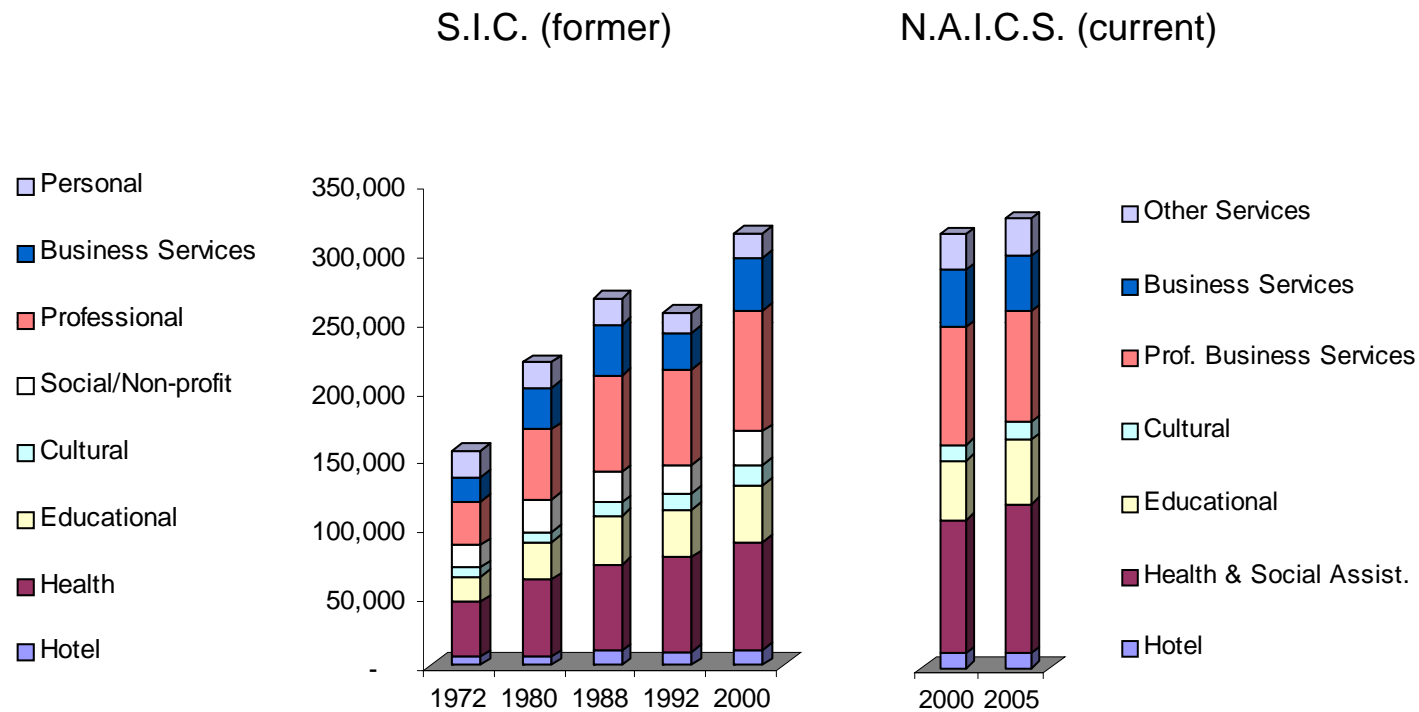
Beginning in the year 2000 the U.S. Bureau of Labor Statistics and others changed the way they reported jobs by industry. The old Standard Industrial Classification (S.I.C.) system was replaced by the North American Industry Classification System (N.A.I.C.S.). The graphs show industry employment in 2000 under both systems to provide a “bridge” between them. Although the categories shown here are similar under both systems, there are some important differences. For example restaurants were counted with Retail Trade in the S.I.C. system but N.A.I.C.S. classes them with Services.



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Service Sector

Within the Service Sector, Health Care and Professional & Business Services are leading the growth



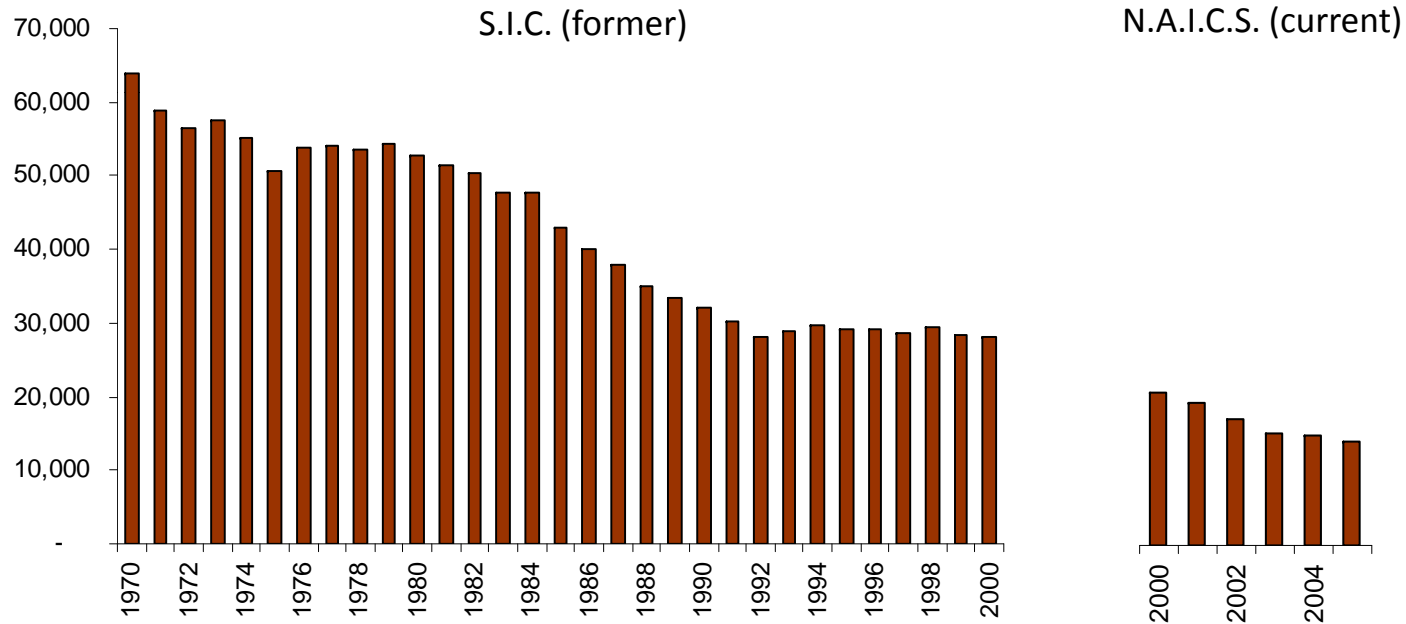
Establishments that had been reported as “Social/Non-profit” in the S.I.C. system were largely re-classified in “Other Services” or “Health + Social Assistance” in the current N.A.I.C.S. system.



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Manufacturing

In manufacturing, employment has been declining in Boston since the end of WWII although it held steady during the economic expansion of the 1990s. The new N.A.I.C.S. classification system defines manufacturing more narrowly than the old S.I.C. system, placing most white collar workers for manufacturing companies in Information or Management Industries.

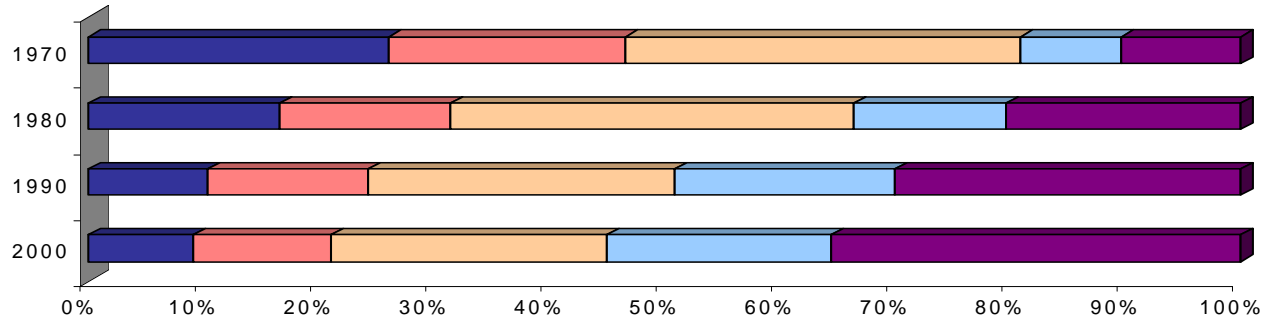


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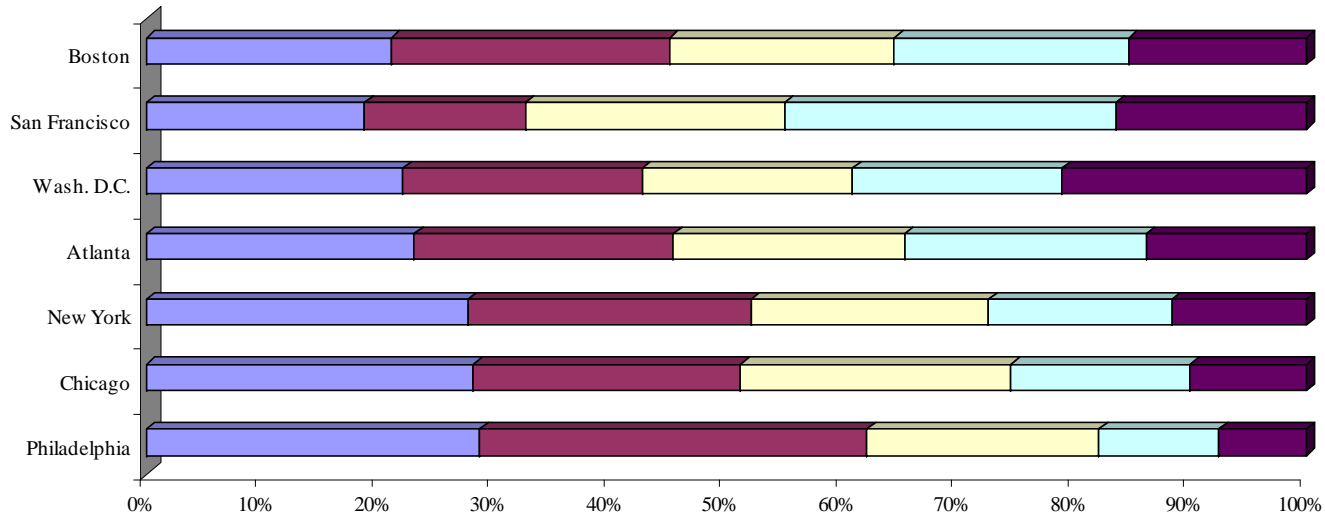
Education

The educational attainment level of Boston residents has improved, resulting in Boston having one of the best-educated workforces of any city in the country in 2000.

0-8 years Some high school High school graduate 1-3 years of college Bachelor's degree or above



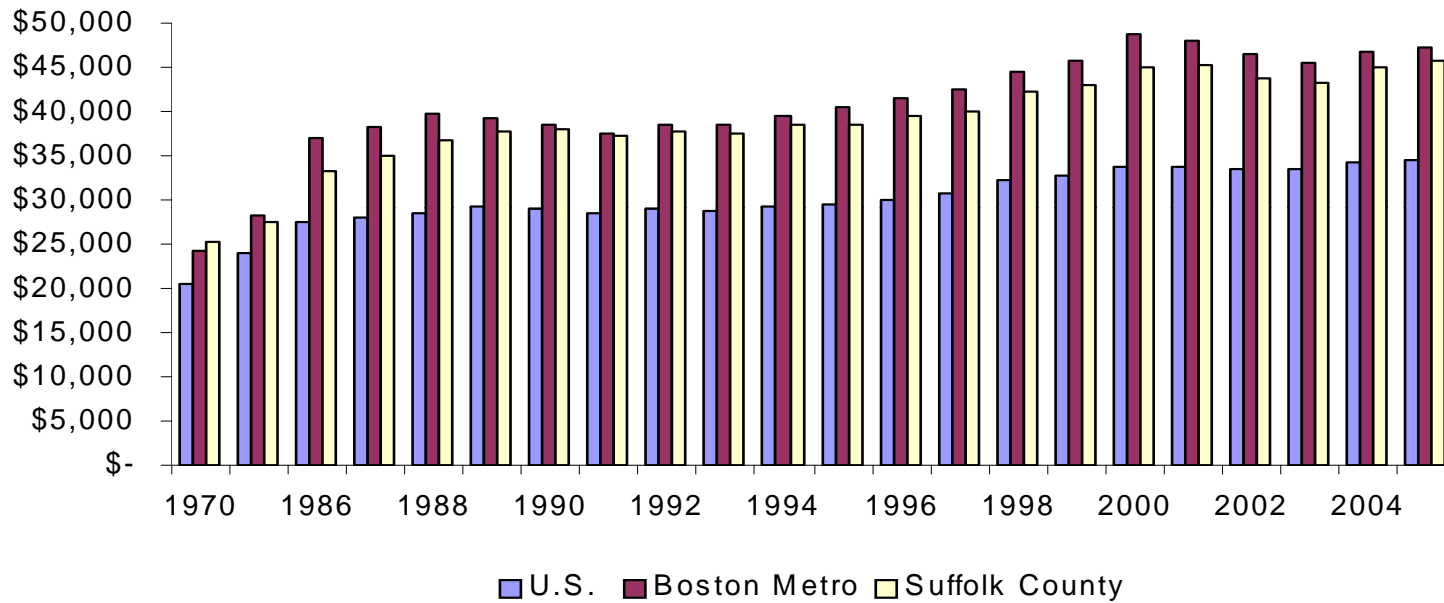
No High School Diploma High School Graduate Assoc. Degree/Some College Bachelor's Degree Graduate/Prof. Degree



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Income

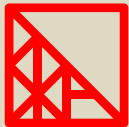
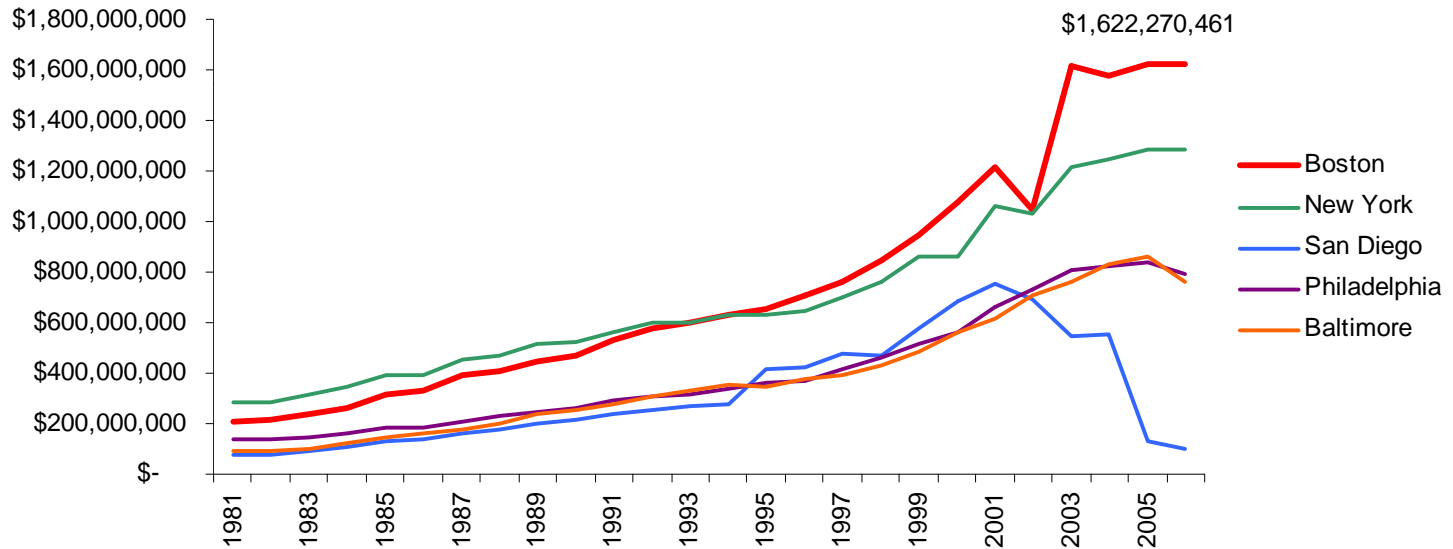
The educational attainment level of Boston's workforce and the abundance of professional services and finance jobs has resulted in an increasing per capita income.



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Research

Higher education, health care, and research & development have made Boston the number one city in the country in NIH funding.



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Employment

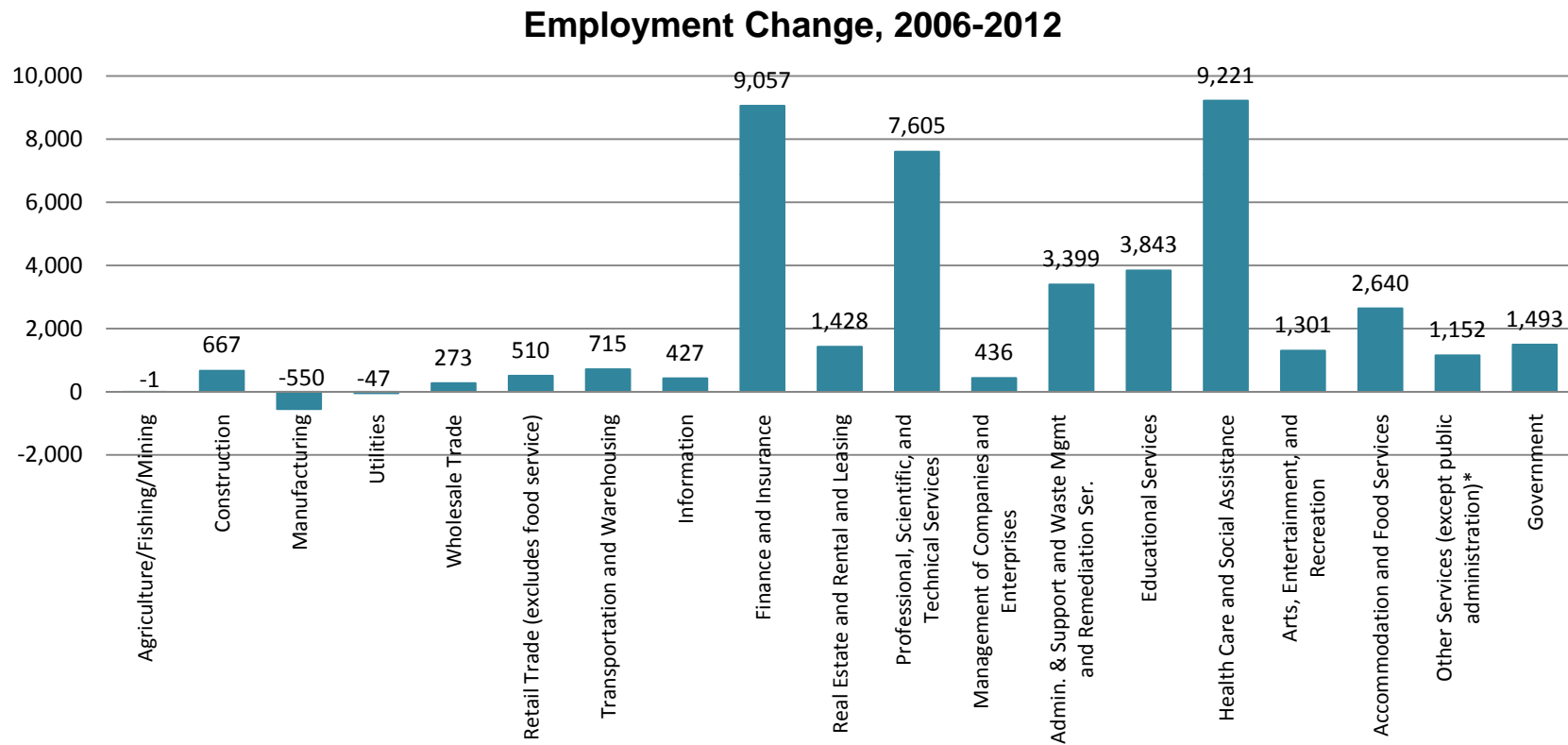
- The industries with the largest employment in Boston include *Health Care and Social Assistance*, *Finance and Insurance*, and *Professional, Scientific, and Technical Services*.

NAICS Code	NAICS Description	Employment 2006	Percent of Total Employment
62	Health Care and Social Assistance	114,040	17%
52	Finance and Insurance	82,276	13%
54	Professional, Scientific, and Technical Services	75,145	12%
99	Government	67,749	10%
61	Educational Services	51,402	8%
72	Accommodation and Food Services	47,808	7%
56	Admin. & Support and Waste Mgmt and Remediation Ser.	43,296	7%
44-45	Retail Trade (exclude food service)	31,811	5%
81	Other Services (except public administration)*	23,289	4%
53	Real Estate and Rental and Leasing	20,718	3%
48-49	Transportation and Warehousing	17,562	3%
51	Information	17,374	3%
23	Construction	16,610	3%
71	Arts, Entertainment, and Recreation	12,423	2%
31-33	Manufacturing	12,127	2%
42	Wholesale Trade	9,691	1%
55	Management of Companies and Enterprises	7,638	1%
22	Utilities	2,043	0%
11	Agriculture/Fishing/Mining	67	0%



Employment Change

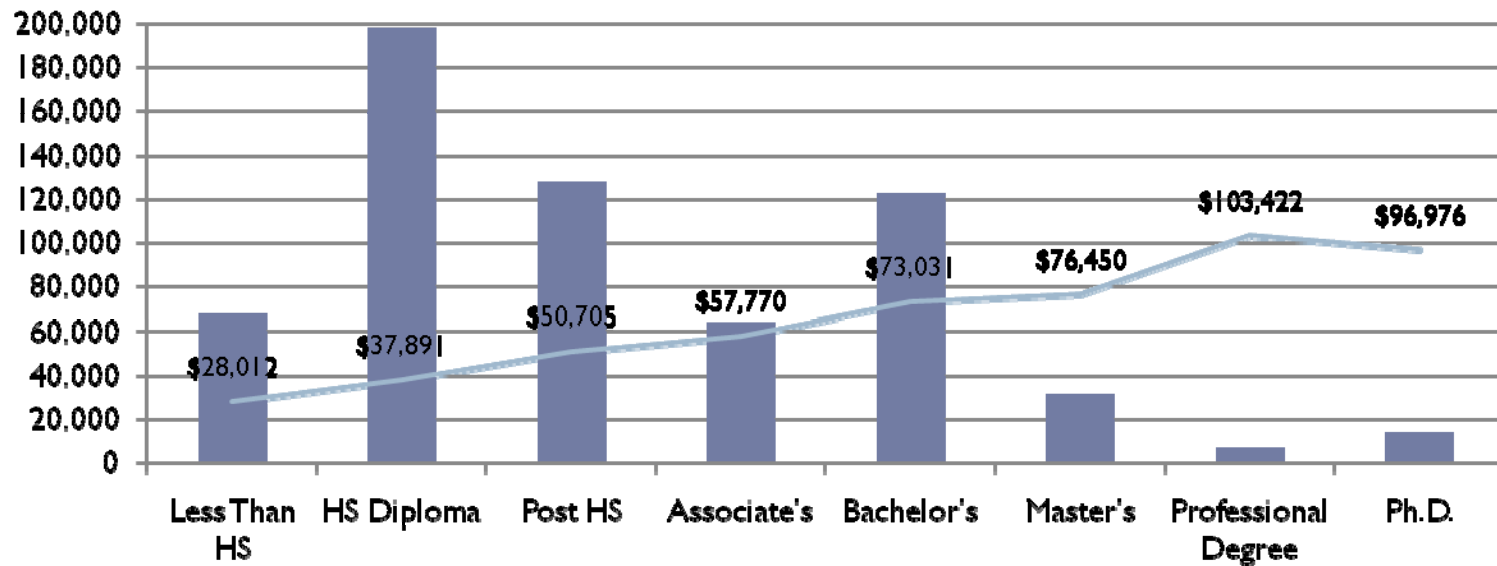
- There are expected to be over 43,000 new jobs created in Boston by 2012.
- The majority of these new jobs are expected to occur in *Health Care and Social Assistance*, *Finance and Insurance*, and *Professional, Scientific, and Technical Services*.



Employment and Wage by Educational Requirements for Boston - 2006

- In 2006, the majority of jobs in Boston required between a high school diploma and a Bachelor's Degree (81%).
- Overall, as educational requirements for a job increases, the average salary increases.

Employment and Wage by Education in 2006



Source: Labor Market Assessment Tool, BRA Research Division Analysis

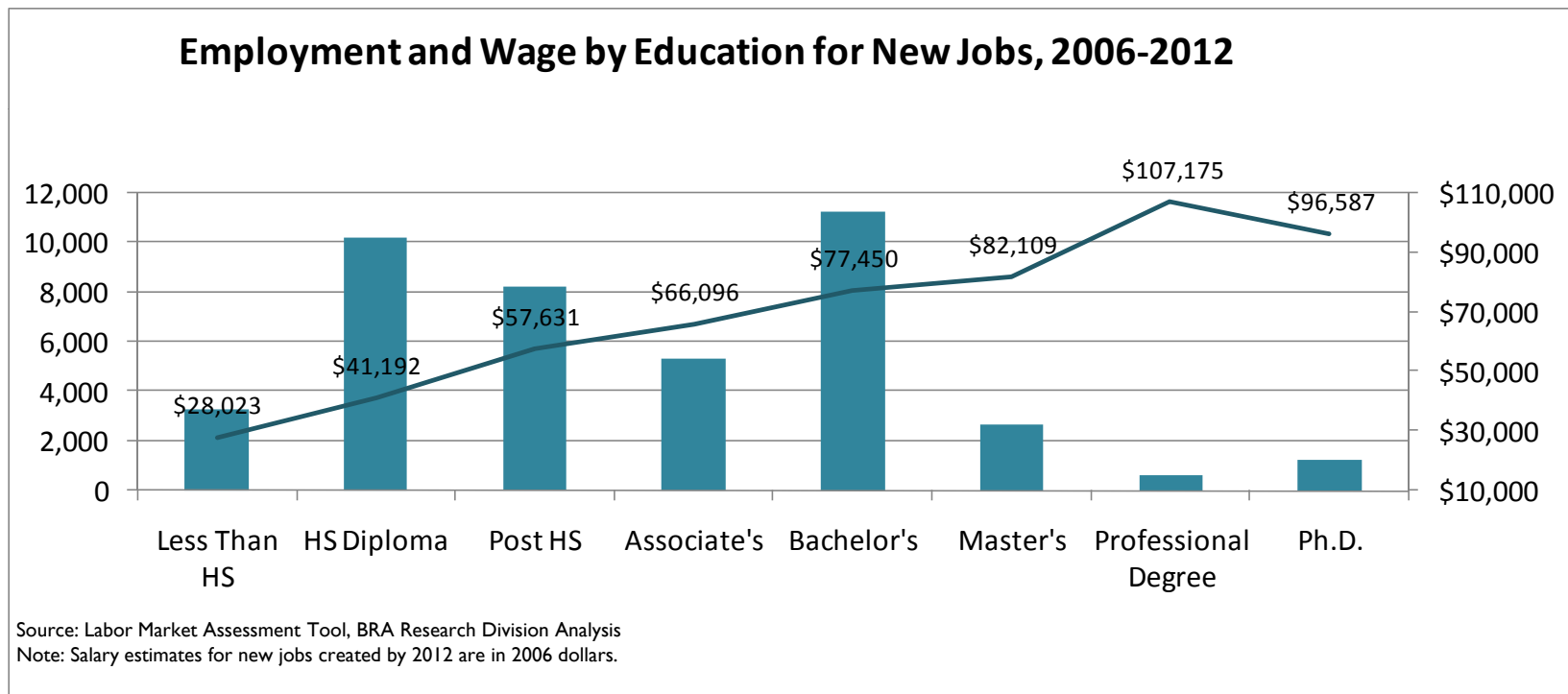


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Employment & Wage by Educational Requirements for New Jobs

Boston, 2012*

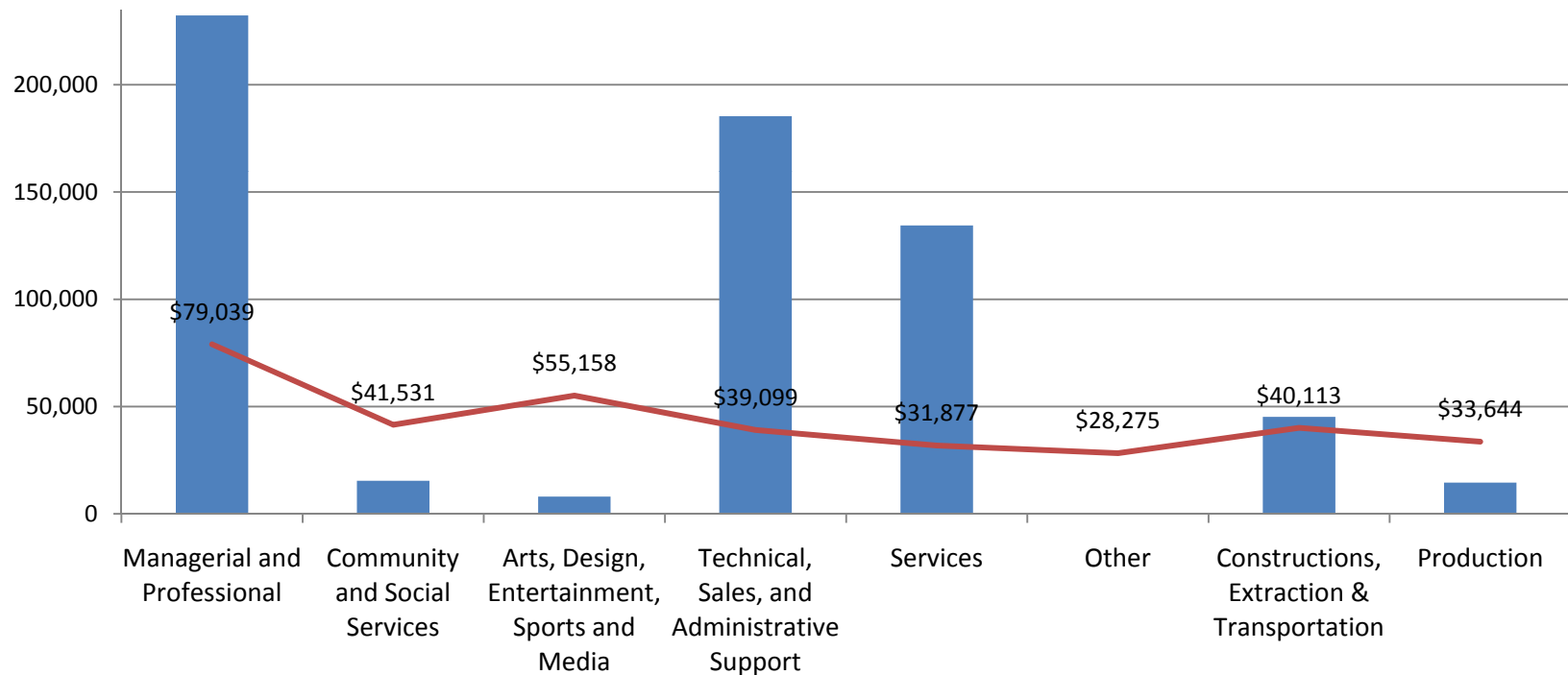
- For new jobs created between 2006 and 2012, we see a slight shift upward in terms of educational requirements.
- Specifically, occupations requiring a Bachelor's Degree will see the most new jobs of all the educational categories.
- We continue to see a relationship between educational requirements and salary.



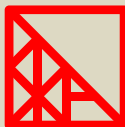
Employment and Wage by Occupations for Boston, 2006

- The largest, and highest paying, occupational grouping in Boston is the managerial and professional occupations.
- *Technical, Sales, and Administrative Support Occupations* and *Service Occupations* make up the next two largest groups.

Employment and Wage by Occupation in 2006



Source: Labor Market Assessment Tool, BRA Research Division Analysis

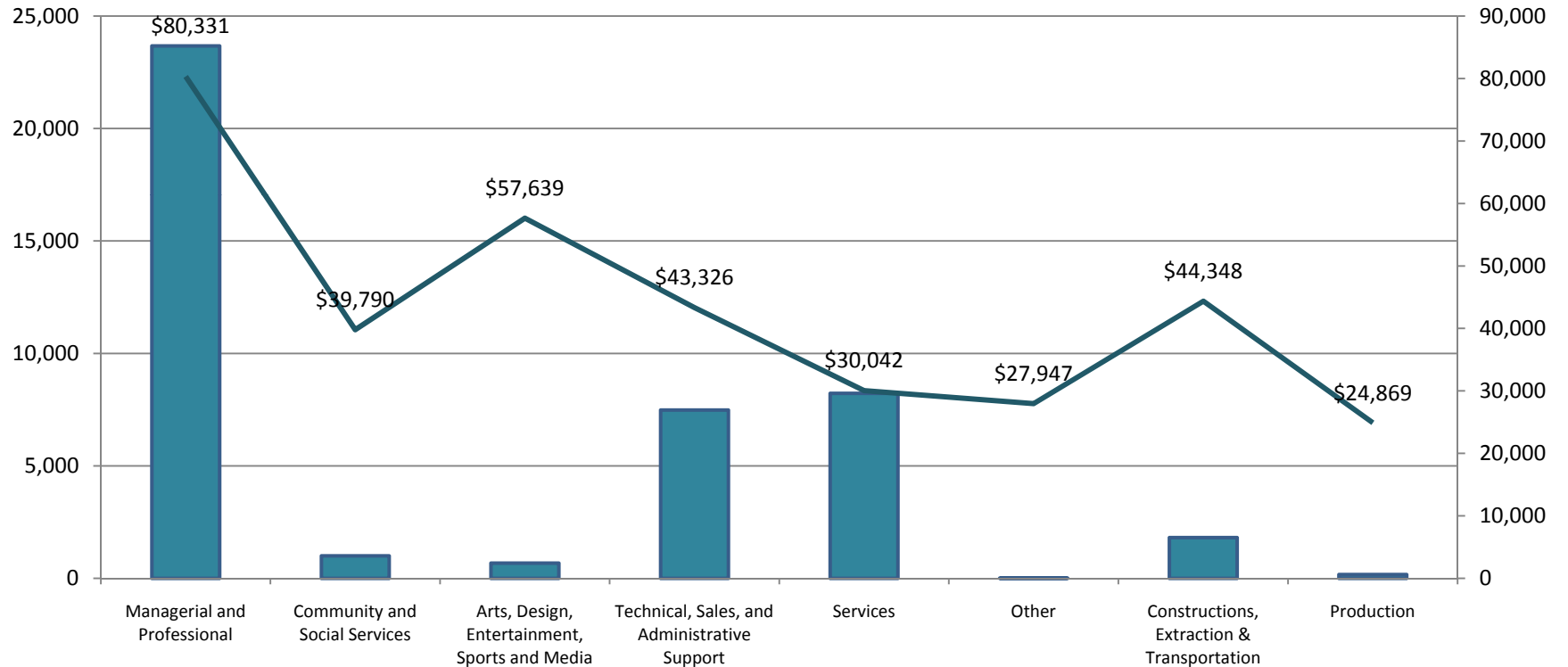


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Employment and Wage by Occupations for New Jobs in Boston, 2012*

- The largest, and highest paying, occupational grouping in Boston is the *Managerial and Professional Occupations*.
- *Technical, Sales, and Administrative Support Occupations* and *Service Occupations* make up the next two largest groups.

Employment and Wage by Occupation for New Jobs, 2006-2012



Source: Labor Market Assessment Tool, BRA Research Division Analysis
 Note: Salary estimates for new jobs created by 2012 are in 2006 dollars.



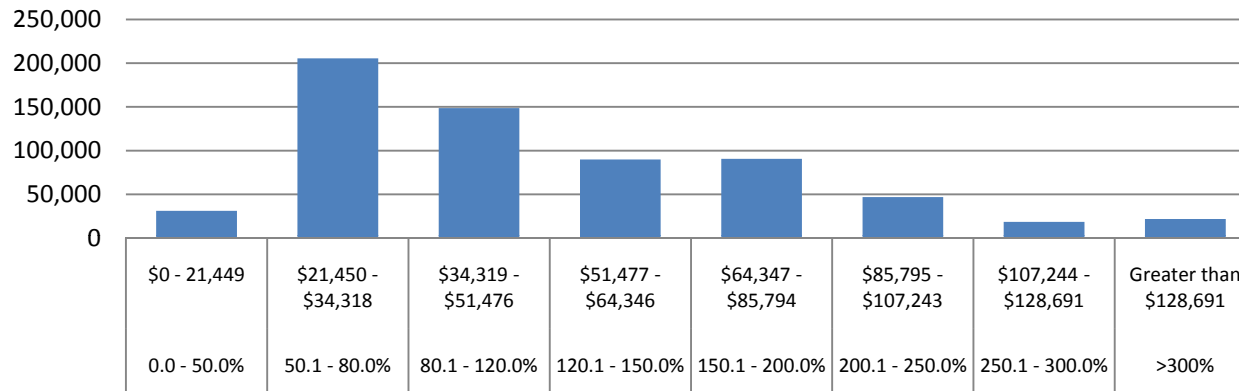
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Projected New Jobs' Salary

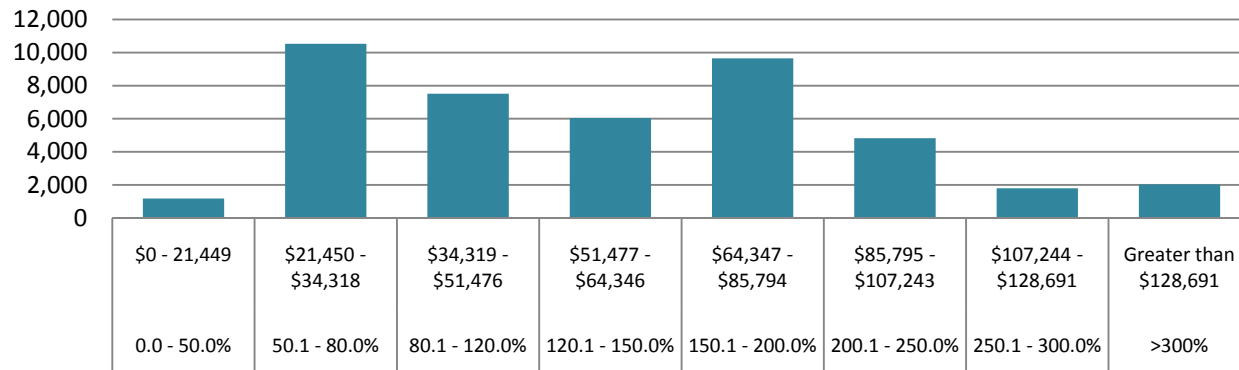
Compared to the Current Median Salary for All Industries

- The median salary in 2006 for Boston jobs is close to \$43,000.
- The majority of new jobs created in Boston between now and 2012 are expected to pay higher than today's median salary.

Employment in 2006



Employment, 2006-2012

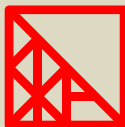
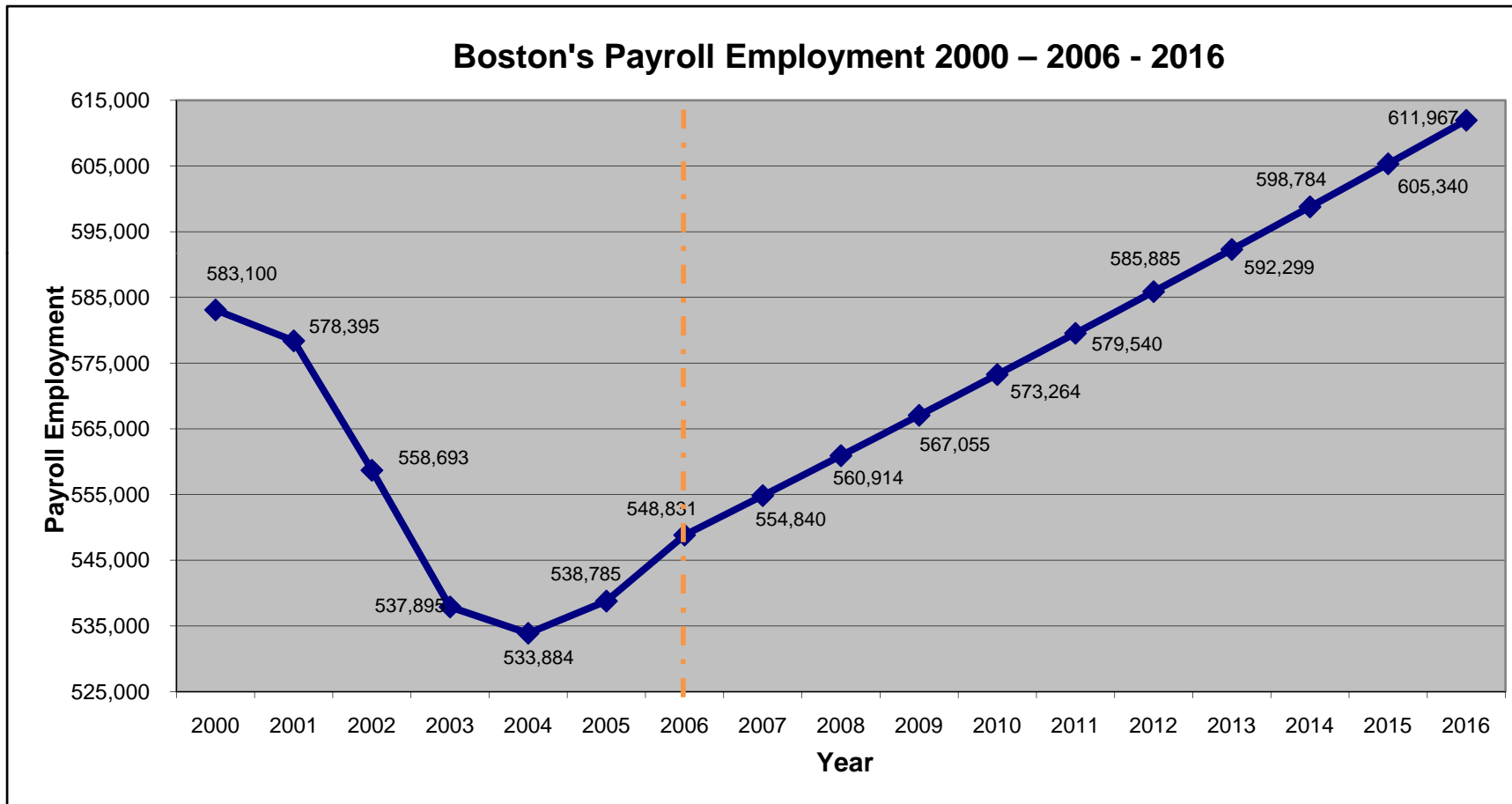


Source:
Labor Market Assessment Tool,
BRA Research Division Analysis



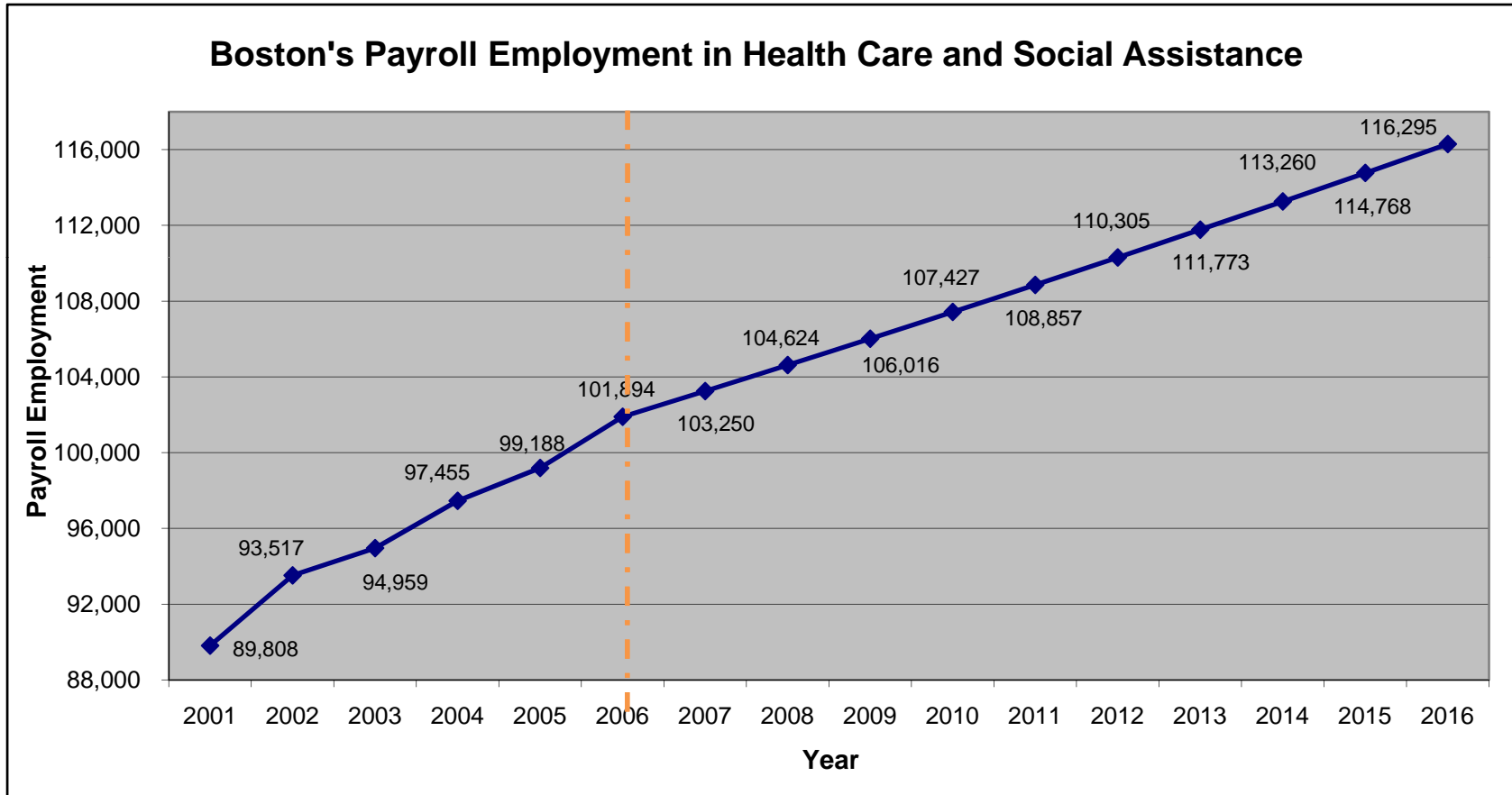
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Boston's Payroll Employment 2000 - 2006 - 2016



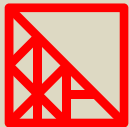
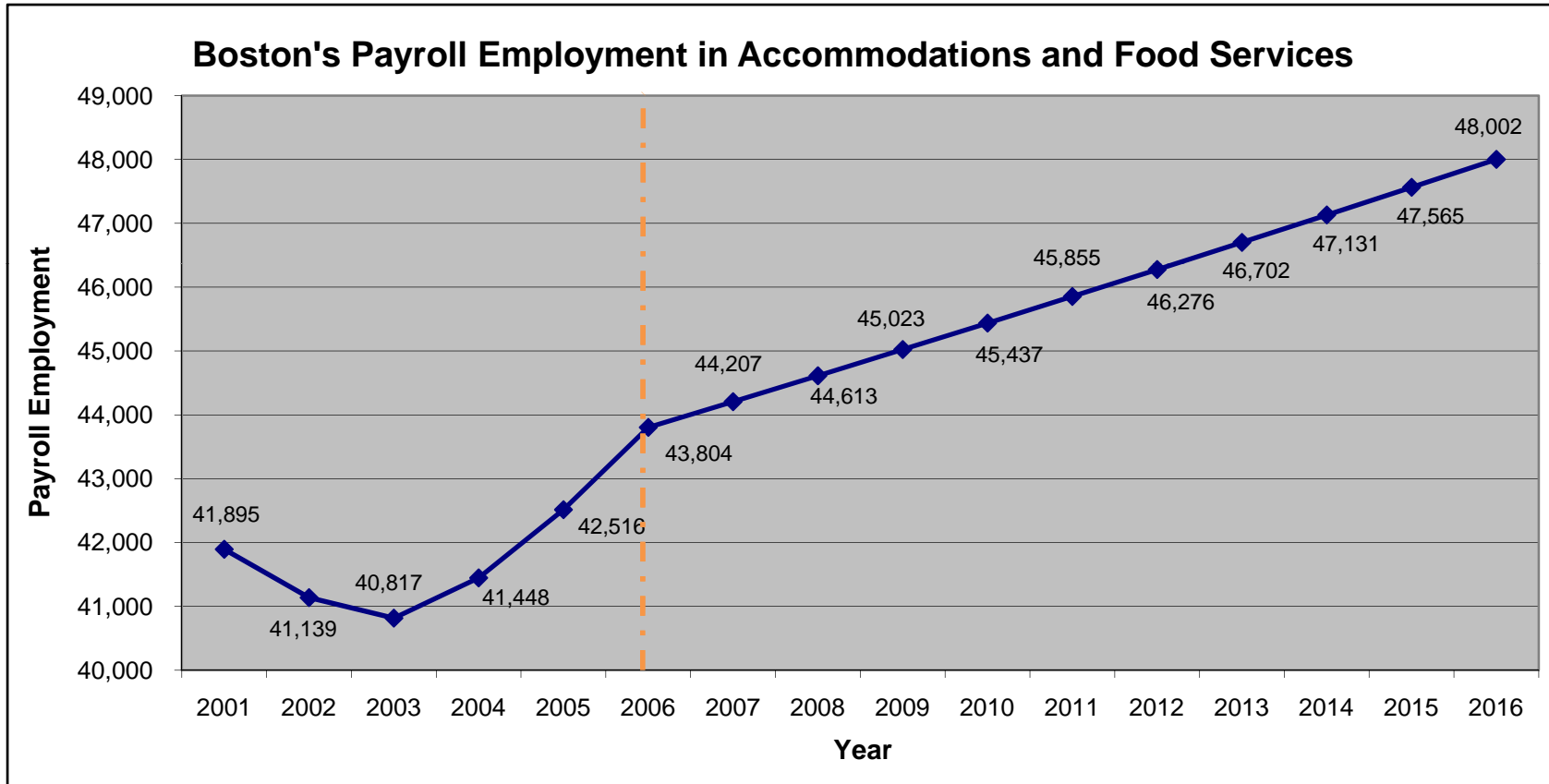
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Boston's Payroll Employment in Health Care and Social Assistance



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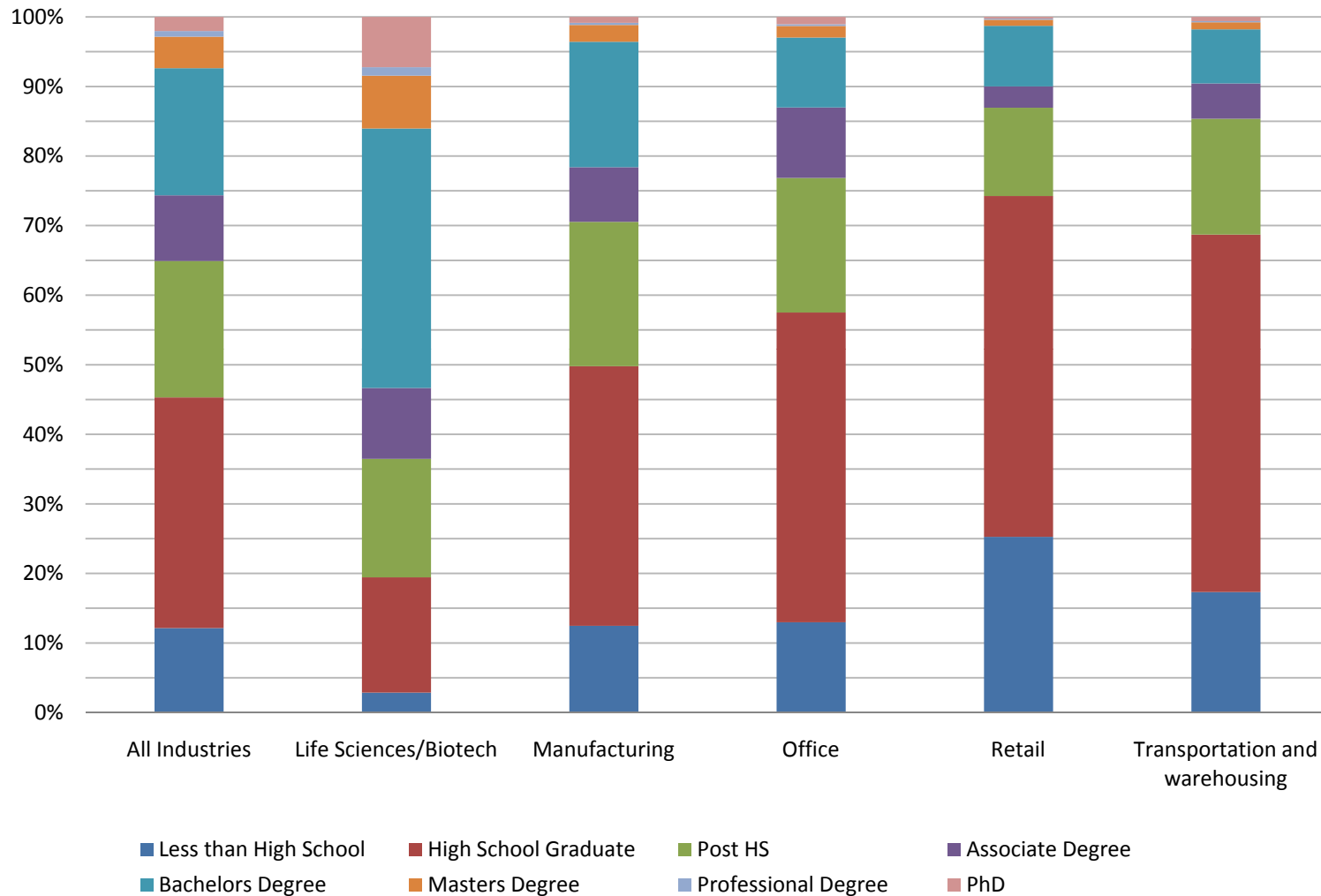
Boston's Payroll Employment in Accommodations and Food Services



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Employment by Educational Attainment

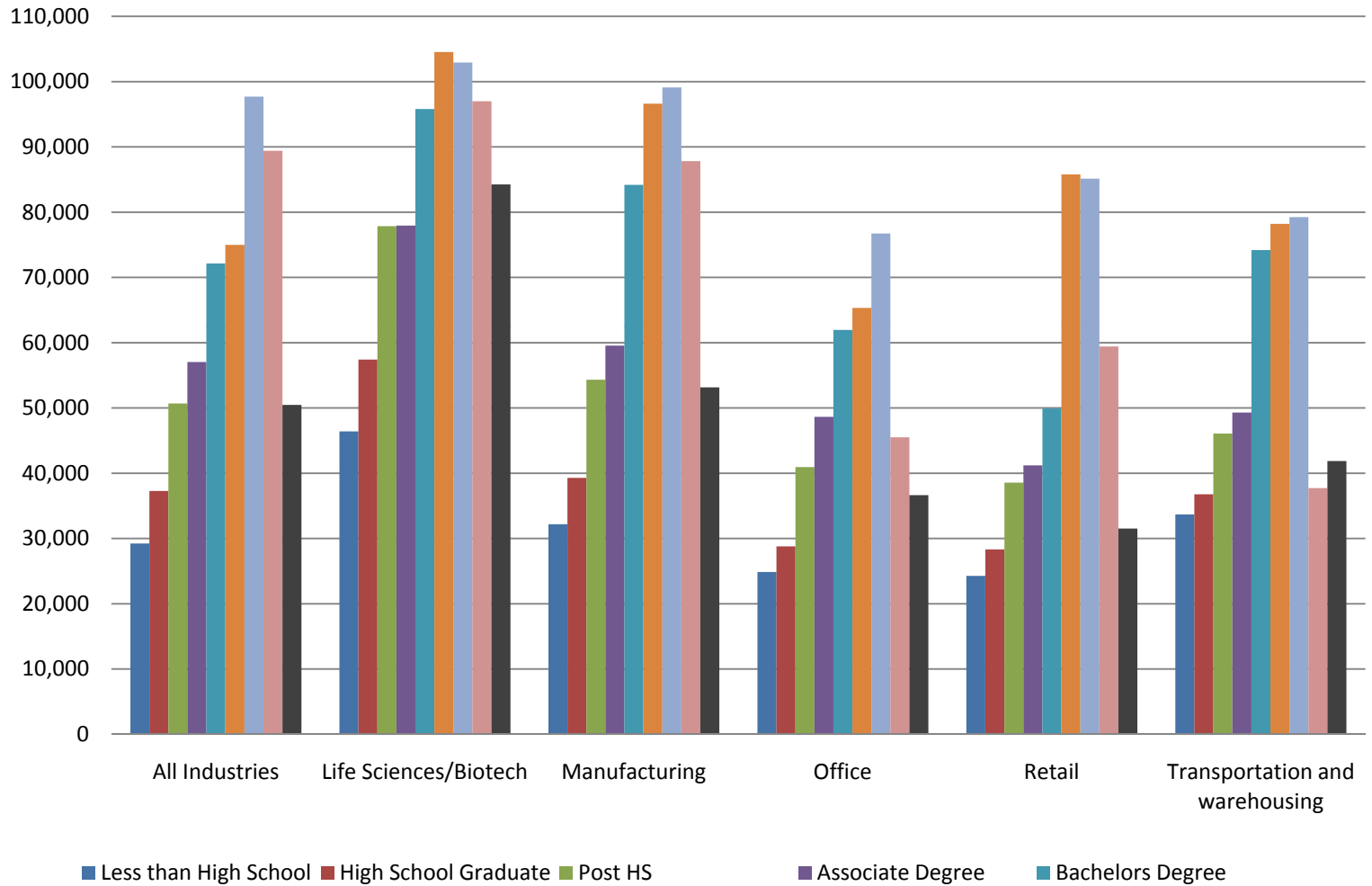
Employment by Educational Attainment, 2006



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Average Wage by Educational Attainment

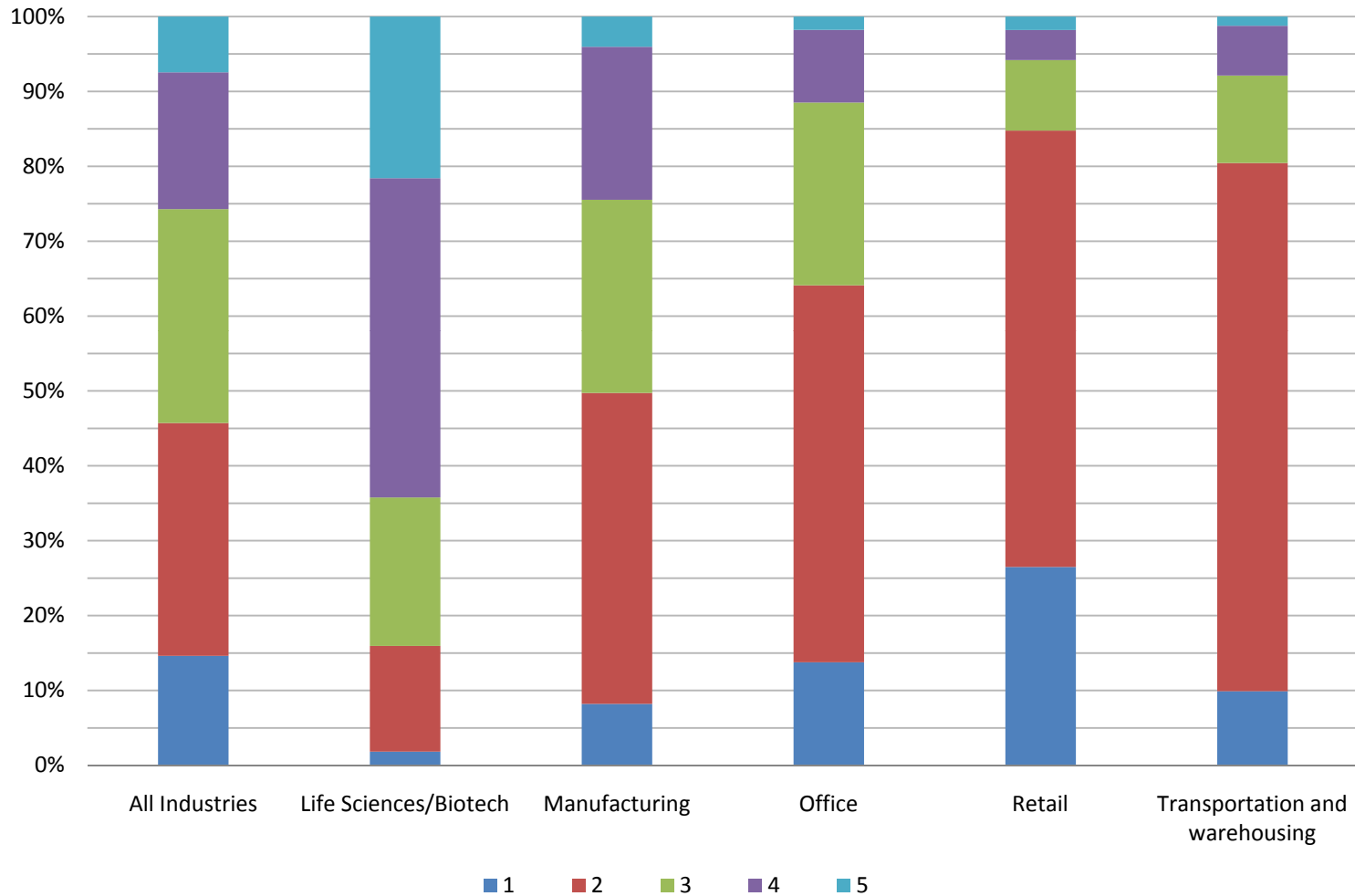
Average Wage by Educational Attainment, 2006



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Employment by Job Zone - 2006

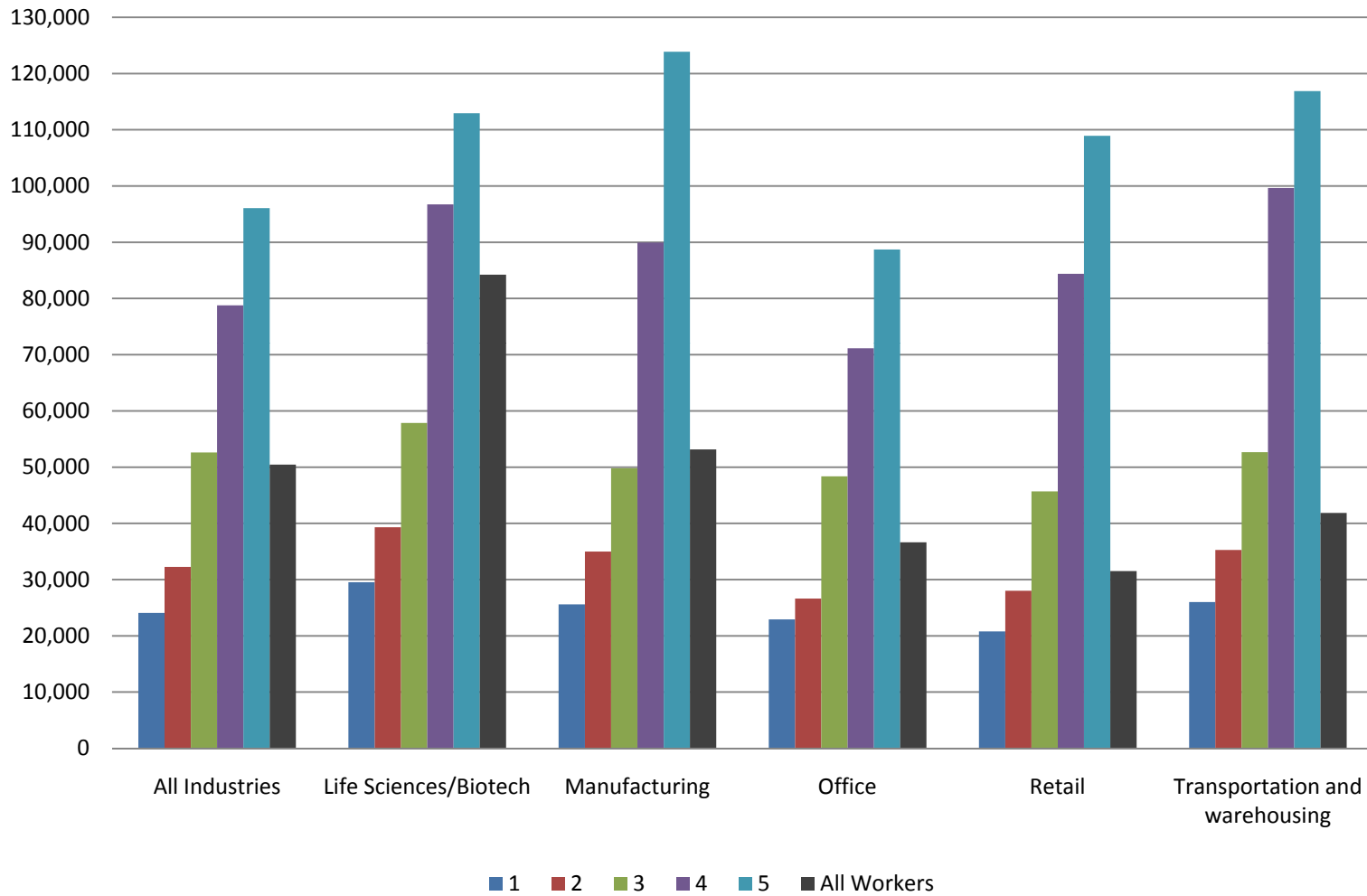
Employment by Job Zone, 2006



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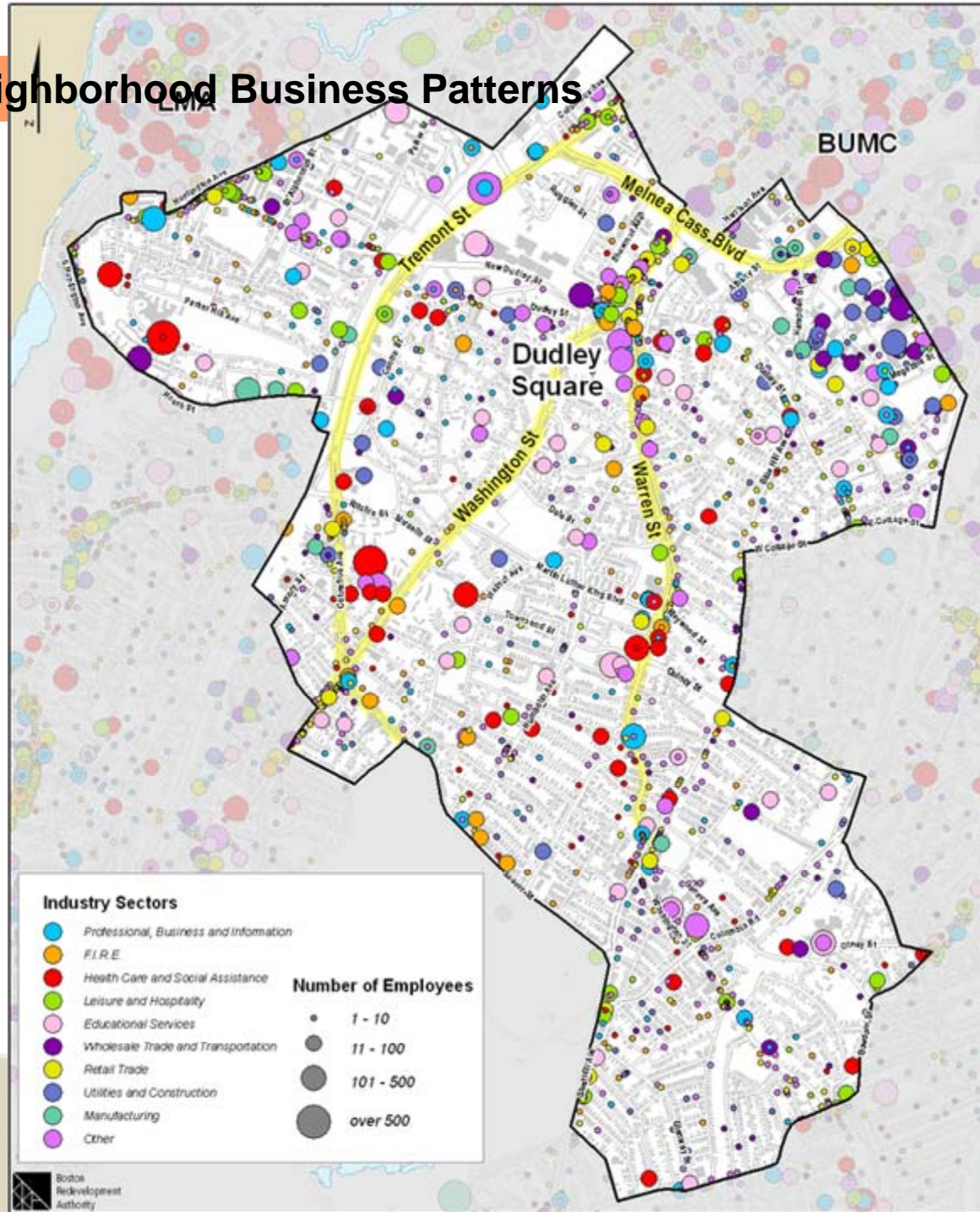
Average Wage by Job Zone - 2006

Average Wage by Job Zone, 2006



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Roxbury Neighborhood Business Patterns



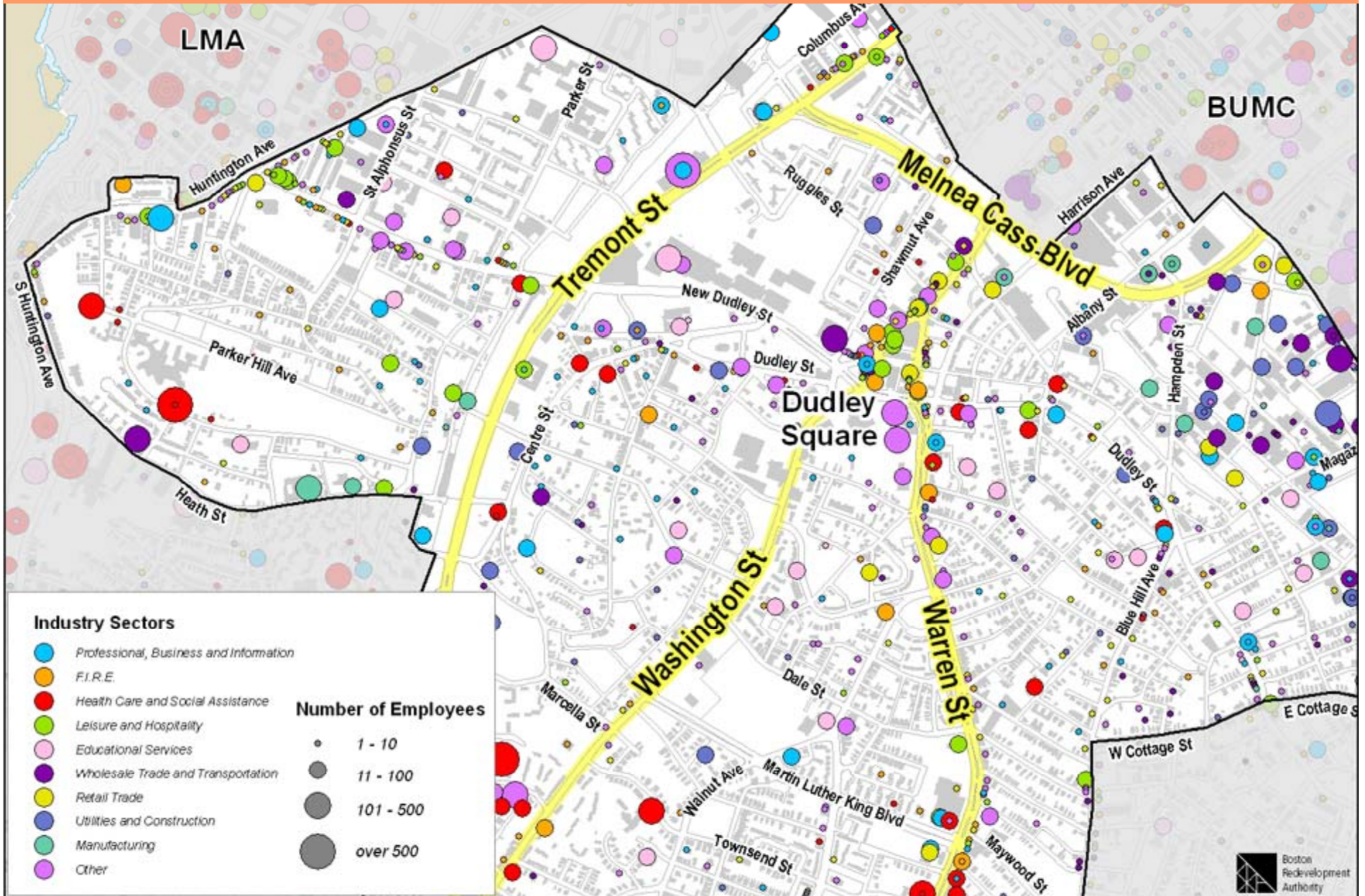
Sources:
 American Business Index 2004, BRA
 Research Division Analysis, BRA
 Office of Digital Cartography & GIS



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Roxbury Neighborhood Business Patterns



Sources: American Business Index 2004, BRA Research Division Analysis, BRA Office of Digital Cartography & GIS

Roxbury Business Patterns- 2002

Industry Code Description	Total	% of	% of
	Employment	Nghbrhd.	Boston
Total	13,381	100.0%	2.5%
Professional, Business Services and Information	2,929	21.9%	2.3%
Information	90	0.7%	0.4%
Professional, scientific & technical services	932	7.0%	1.7%
Management of companies & enterprises	2	0.0%	0.0%
Admin, support, waste mgt, remediation services	1,905	14.2%	6.2%
F.I.R.E.	657	4.9%	0.6%
Finance & insurance	118	0.9%	0.1%
Real estate & rental & leasing	539	4.0%	4.5%
Health care and social assistance	4,425	33.1%	4.2%
Leisure and Hospitality	932	7.0%	1.8%
Arts, entertainment & recreation	487	3.6%	5.0%
Accommodation & food services	445	3.3%	1.0%
Educational services	303	2.3%	1.0%
Wholesale Trade and Transportation	675	5.0%	2.4%
Wholesale trade	326	2.4%	3.0%
Transportation and warehousing	349	2.6%	2.0%
Retail trade	1,035	7.7%	3.7%
Utilities and Construction	1,231	9.2%	7.7%
Utilities	0	0.0%	0.0%
Construction	1,231	9.2%	9.1%
Manufacturing	154	1.1%	1.1%
Other	1,041	7.8%	4.1%
Forestry, fishing, hunting, and agriculture support	0	0.0%	0.0%
Mining	2	0.0%	5.6%
Other services (except public administration)	880	6.6%	4.1%
Auxiliaries (exc corporate, subsidiary & regional mgt)	0	0.0%	0.0%
Unclassified establishments	159	1.2%	13.1%

Source:
US Census Bureau,
ZIP Codes: 02119, 02120, 02121



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Boston's Economy

- **Boston's Economy Has Risen to the Top of the US Economy**
- **National Currents Guide Boston's Future Growth**
- **We Get Further Paddling with the Current, Not Against It**
- **Most Industries Have a Mix of Jobs**
- **Education Pays, but ...**
- **Some Industries Pay More for a Given Education or Job Zone**



THE END

BRA Research Publications website: <http://www.cityofboston.gov/bra/pdr>

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