

ECONOMIC INFORMATION - Quarter 4, FY 2009

The information in this section was prepared by the Massachusetts State Data Center (MassSDC) at the University of Massachusetts Donahue Institute and may be relevant in evaluating the economic and financial condition and prospects of the Commonwealth of Massachusetts. The State Data Center archives data about Massachusetts. The demographic information and statistical data, which have been obtained by the MassSDC from the sources indicated, do not necessarily present all factors that may have a bearing on the Commonwealth's fiscal and economic affairs.

All information is presented on a calendar-year basis unless otherwise indicated. **The section was prepared for release on July 31, 2009. Information in the text, tables, charts, and graphs was current as of June 30, 2009.** Sources of information are indicated in the text or immediately following the charts and tables, and also on the *Sources List* on the last page of the Exhibit A section. Although the Commonwealth considers the sources to be reliable, the Commonwealth has made no independent verification of the information presented herein and does not warrant its accuracy.

Statistical Overview

<u>Population (p. A-2)</u>	<u>Massachusetts</u>	<u>United States</u>
Estimated Percent Change in Population, April 1, 2000–July 1, 2008	2.1%	7.8%
<u>Personal Income, Consumer Prices, and Poverty (p. A-7)</u>		
Per Capita Personal Income, 2008p	\$50,735	\$39,751
Average Annual Pay, All Industries, 2007	\$55,244	\$44,458
Percent Change in CPI-U*, 2007-2008	3.5%	3.8%
Percent Change in CPI-U*, May 2008 - May 2009	-1.5%	-1.3%
Poverty Rate, 2005-2007 Average	11.1%	12.5%
Average Weekly Earnings, Manufacturing Production Workers: 2008	\$825.40	\$724.23
Percent Change from previous year	5.3%	1.8%
<u>Employment (p. A-15)</u>		
Percent Change in Nonfarm Payroll Employment, May 2008-May 2009	-3.4%	-4.0%
Unemployment Rate, 2008	5.3%	5.8%
Unemployment Rate, May, 2009 (seasonally adjusted)	8.2%	9.4%
<u>Economic Base and Performance (p. A-20)</u>		
Percent Change in Gross Domestic Product, 2007-2008	1.9%	0.7%
Percent Change in International Exports, 2007-2008	11.6%	11.8%
Percent Change in Housing Permits Authorized, 2007-2008	-35.6%	-35.3%
<u>Human Resources (p. A-41)</u>		
Expenditure Per Pupil, 2006	\$11,981	\$9,138
Percent of Adults with a Bachelor's Degree or higher, 2007	37.9%	27.5%

*NOTE: Percent changes in the Consumer Price Index for All Urban Consumers (CPI-U) are for the Boston-Worcester-Lawrence, MA-NH-ME-CT CMSA & the United States. p = preliminary.

Massachusetts is a densely populated state with a well-educated population, comparatively high income levels, and a relatively diversified economy. While the total population of Massachusetts has remained fairly stable in the last twenty-five years, significant changes have occurred in the age distribution of the population: dramatic growth in residents between the ages of 20 and 44 since 1980 is expected to lead to a population distributed more heavily in the 65 and over age group in the next twenty-five years. Just as the working-age population has increased, income levels in Massachusetts since 1980 have grown significantly more than the national average, and a variety of measures of income show that Massachusetts residents have significantly higher amounts of annual income than the national average. These higher levels of income have been accompanied by a consistently lower poverty rate and, with the exception of the recession of the early 1990s and a seventeen month stretch in 2006 and 2007, considerably lower unemployment rates in Massachusetts than in the United States since 1980. While the state unemployment rate rose to 8.2 percent in May 2009, the state has seen a slower rise in unemployment than the nation as a whole.

The following five sections provide detailed information on population characteristics, personal income, employment, economic base and performance, and human resources and infrastructure.

POPULATION CHARACTERISTICS

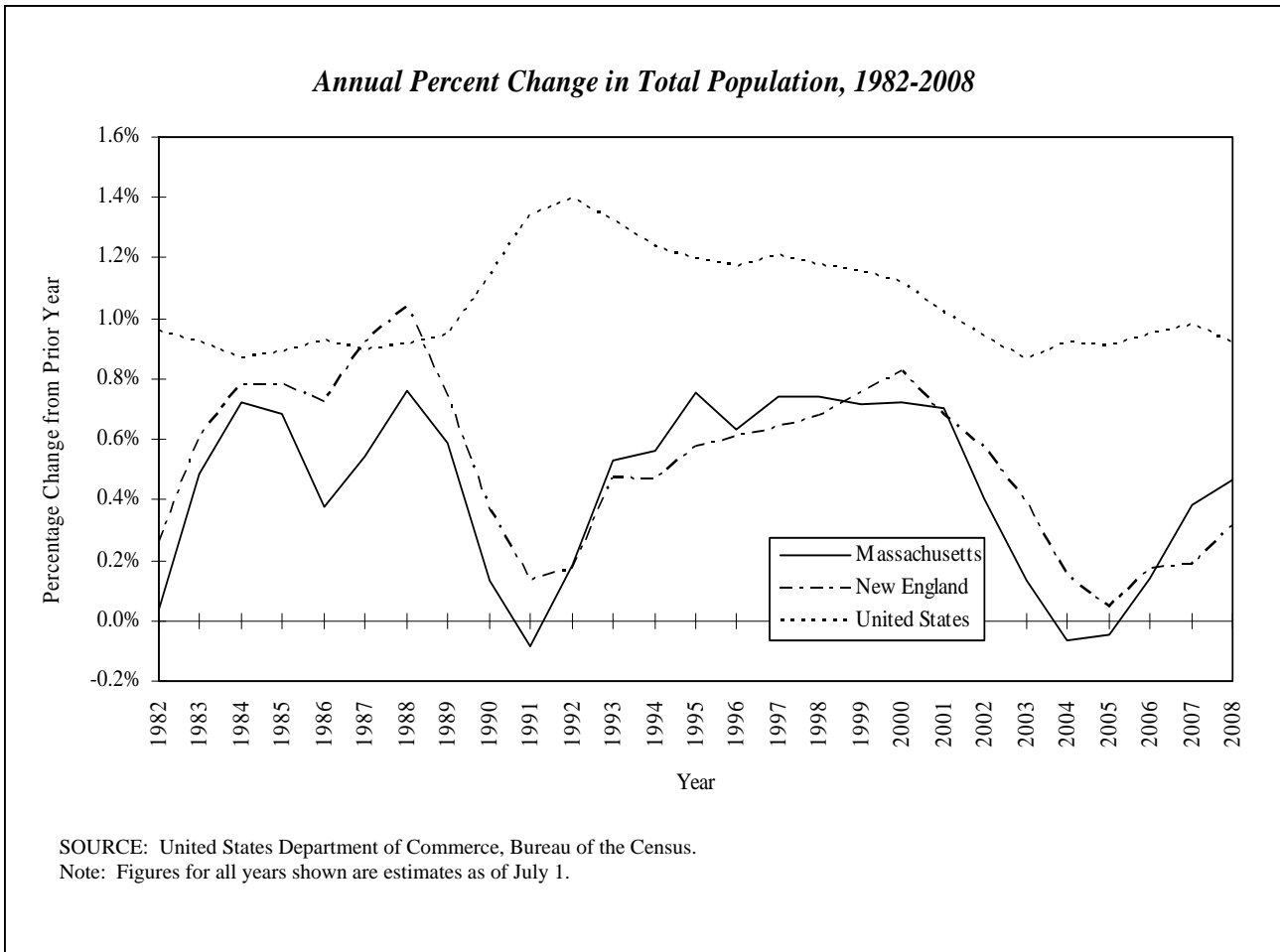
Massachusetts is a relatively slow growing but densely populated state with a comparatively large percentage of its residents living in metropolitan areas. The population density of Massachusetts was estimated as of July 1, 2008 to be 828.8 persons per square mile, as compared to 86 for the United States as a whole. Among the 50 states, only Rhode Island and New Jersey have a greater population density. Massachusetts also ranked just behind the same two states in percentage of residents living in metropolitan areas. According to the current county-based definition, 99.6 percent of the state's population lived in metropolitan areas.

The State's population is concentrated in its eastern portion. The city of Boston is the largest city in New England, with a 2008 population estimated at 609,023, or 9.4 percent of the state's population. Boston is the hub of the seven-county Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area (MSA), which includes the two southeastern New Hampshire counties, and which had a total population in 2008 estimated at 4,522,858 or 31.4 percent of the total New England population. The three county Boston-Quincy, MA Metropolitan Division is the largest component of that MSA, with a total population in 2008 estimated at 1,884,659.

The second largest MSA in the state is the Worcester, MA MSA, with a 2008 population estimated at 783,806. The city of Worcester, situated approximately 40 miles west of Boston with a 2008 population estimated at 175,011, is the second largest city in New England as well as the second largest in the state. As a major medical and education center, the Worcester area is home to 18 patient care facilities, including the University of Massachusetts Medical School, and thirteen other colleges and universities.

The third largest MSA in Massachusetts is the three-county Springfield, MA MSA, with a 2008 population estimated at 687,558. Springfield, the third largest city in the Commonwealth with a 2008 population estimated at 150,640, is located in the Connecticut River Valley in Western Massachusetts and enjoys a diverse body of corporate employers, the largest of which are Baystate Health System, Big Y Supermarkets, MassMutual Financial Group, and Hasbro Games (Milton Bradley). In addition, Springfield is home to three independent colleges.

As the following chart and table indicate, the population in Massachusetts generally grows more slowly than the population of New England and much more slowly than the nation as a whole. According to the Census Bureau's latest revised estimates released in December 2008, the Massachusetts population has only grown by 2.3% since Census 2000; eight states have grown more slowly.



The following table compares the population level and percentage change in the population of Massachusetts with those of the New England states and the United States.

Population, 1972-2008

(in thousands)

Year	Massachusetts		New England		United States	
	Total	Percent Change	Total	Percent Change	Total	Percent Change
1972	5,760	0.4%	12,082	0.7%	209,284	1.2%
1973	5,781	0.4%	12,140	0.5%	211,357	1.0%
1974	5,774	-0.1%	12,146	0.0%	213,342	0.9%
1975	5,758	-0.3%	12,163	0.1%	215,465	1.0%
1976	5,744	-0.2%	12,192	0.2%	217,563	1.0%
1977	5,738	-0.1%	12,239	0.4%	219,760	1.0%
1978	5,736	0.0%	12,283	0.4%	222,095	1.1%
1979	5,738	0.0%	12,322	0.3%	224,567	1.1%
1980	5,737	0.0%	12,348	0.2%	226,546	0.9%
1981	5,769	0.6%	12,436	0.7%	229,466	1.3%
1982	5,771	0.0%	12,468	0.3%	231,664	1.0%
1983	5,799	0.5%	12,544	0.6%	233,792	0.9%
1984	5,841	0.7%	12,642	0.8%	235,825	0.9%
1985	5,881	0.7%	12,741	0.8%	237,924	0.9%
1986	5,903	0.4%	12,833	0.7%	240,133	0.9%
1987	5,935	0.5%	12,951	0.9%	242,289	0.9%
1988	5,980	0.8%	13,085	1.0%	244,499	0.9%
1989	6,015	0.6%	13,182	0.7%	246,819	0.9%
1990	6,023	0.1%	13,230	0.4%	249,623	1.1%
1991	6,018	-0.1%	13,248	0.1%	252,981	1.3%
1992	6,029	0.2%	13,271	0.2%	256,514	1.4%
1993	6,061	0.5%	13,334	0.5%	259,919	1.3%
1994	6,095	0.6%	13,396	0.5%	263,126	1.2%
1995	6,141	0.8%	13,473	0.6%	266,278	1.2%
1996	6,180	0.6%	13,555	0.6%	269,394	1.2%
1997	6,226	0.7%	13,642	0.6%	272,647	1.2%
1998	6,272	0.7%	13,734	0.7%	275,854	1.2%
1999	6,317	0.7%	13,838	0.8%	279,040	1.2%
2000	6,363	0.7%	13,952	0.8%	282,172	1.1%
2001	6,407	0.7%	14,047	0.7%	285,040	1.0%
2002	6,433	0.4%	14,127	0.6%	287,727	0.9%
2003	6,441	0.1%	14,181	0.4%	290,211	0.9%
2004	6,437	-0.1%	14,202	0.1%	292,892	0.9%
2005	6,434	0.0%	14,208	0.0%	295,561	0.9%
2006	6,443	0.1%	14,233	0.2%	298,363	0.9%
2007	6,468	0.4%	14,259	0.2%	301,290	1.0%
2008	6,498	0.5%	14,304	0.3%	304,060	0.9%

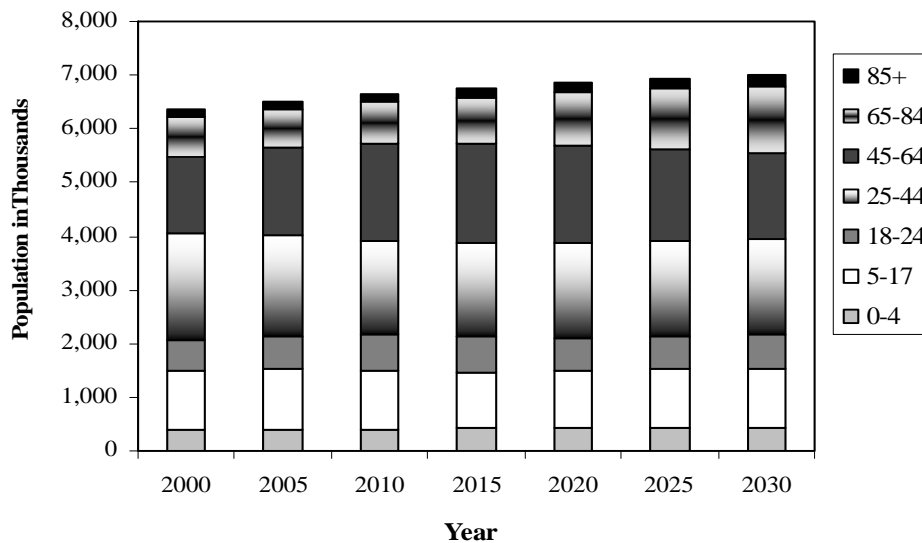
SOURCE: United States Department of Commerce, Bureau of the Census. 1980 figures are census counts as of April 1, 1980; figures for all other years shown are estimates as of July 1.

The next twenty-five years are expected to bring about a continued change in the age distribution of the Massachusetts population. As the following table and chart show, the share of the 65 and over age group and especially the 85 and over age group will continue to grow. The chart, table and population pyramids (below, and on the following page) show the projected population by age for Massachusetts for 2000 through 2030.

**Projected Massachusetts Population by Age Group
2000-2030 (in thousands)**

<i>Year</i>	<i>0-4</i>	<i>5-17</i>	<i>18-24</i>	<i>25-44</i>	<i>45-64</i>	<i>65-84</i>	<i>85+</i>	<i>All Ages</i>	<i>Median Age</i>
2000	397.3	1,102.8	579.3	1,989.8	1,419.8	743.5	116.7	6,349.1	36.5
2005	406.3	1,119.2	611.8	1,874.6	1,649.0	720.7	137.4	6,518.9	37.8
2010	400.7	1,083.1	670.2	1,769.7	1,817.1	750.6	158.0	6,649.4	38.8
2015	409.7	1,064.2	656.0	1,746.1	1,857.1	856.5	168.9	6,758.6	39.2
2020	422.3	1,070.9	617.5	1,775.8	1,809.3	987.8	172.0	6,855.5	39.5
2025	431.0	1,087.7	616.2	1,782.5	1,703.3	1,137.8	180.1	6,938.6	39.7
2030	430.6	1,115.0	610.7	1,783.9	1,608.7	1,251.2	211.9	7,012.0	40.2

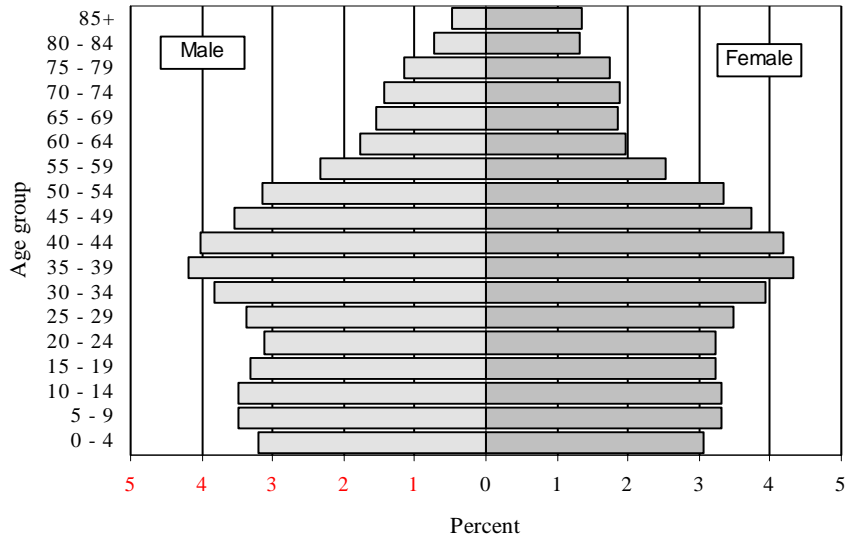
**Projected Massachusetts Population by Age Group
2000-2030**



Actual Census 2000 counts as of April 1; all other figures are projections as of July 1 of the indicated year.
Interim Population Projections through 2030 released April 21, 2005 by the Population Division, Bureau of the Census, United States Department of Commerce. More recent estimates of the 2005 population are somewhat lower.

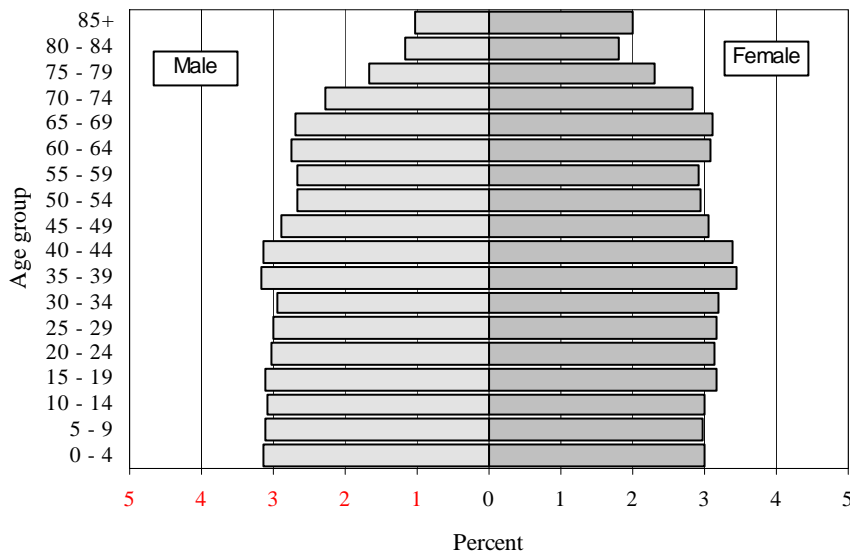
Population Pyramids of Massachusetts
Percent of Total Population

2000*



*Note: Actual Census 2000 counts as of April 1.

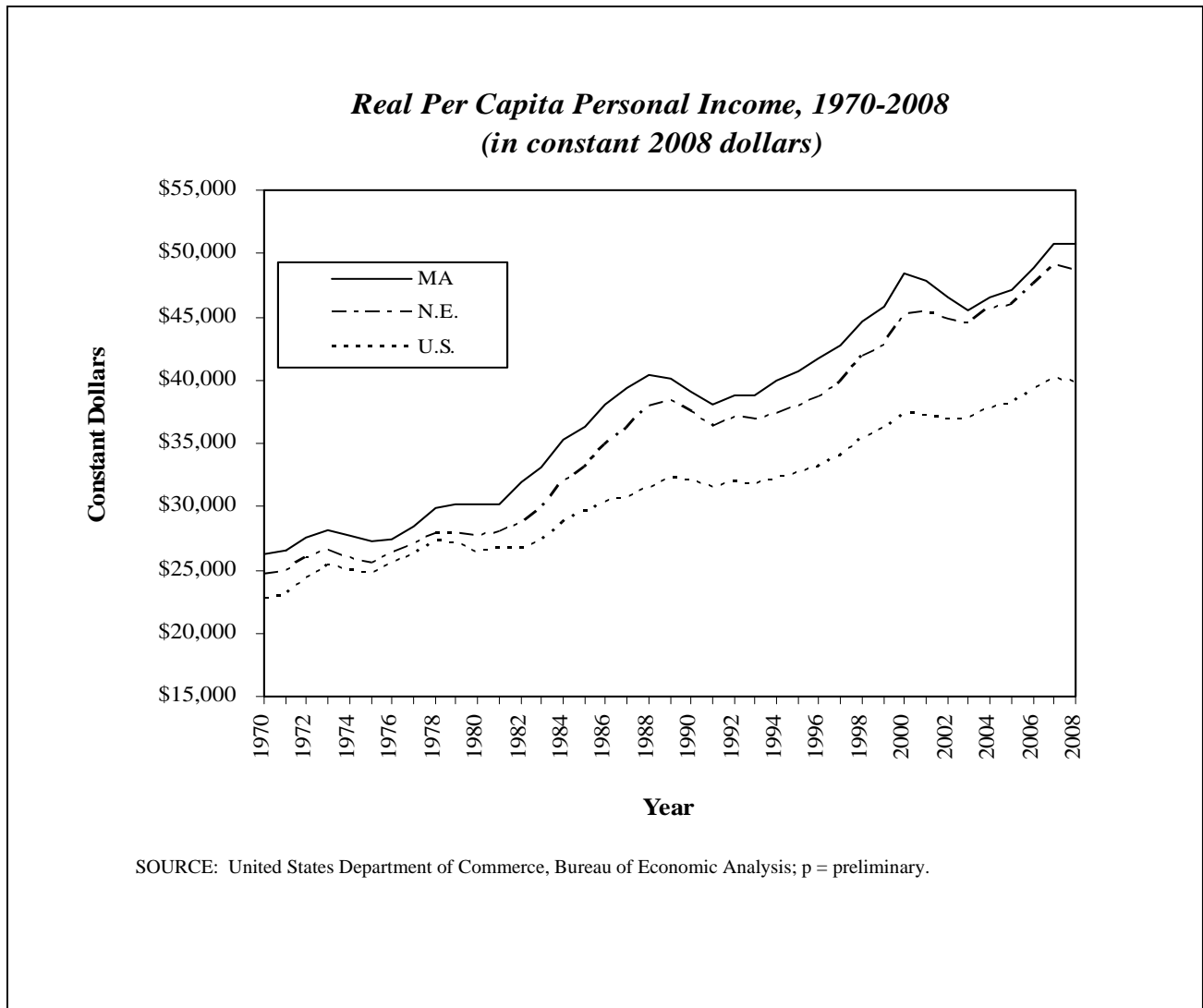
2030



SOURCE: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005.

PERSONAL INCOME, CONSUMER PRICES, AND POVERTY

Personal Income. Real per capita income levels in Massachusetts increased faster than the national average between 1994 and 1997. In 2000, Massachusetts had its highest per capita income growth in 16 years, exceeding the national growth rate by 2.4 percentage points. From 2001 to 2003 real income in both Massachusetts and the United States declined, with a steeper decline in Massachusetts. However, real income levels in Massachusetts remained well above the national average. In 2006 and 2007, income in the state grew faster than in the nation. In 2008, real income stagnated in Massachusetts while national real income fell. For the last fifteen years only the District of Columbia, Connecticut, and New Jersey have had higher levels of per capita personal income. The following graph illustrates these changes in real per capita personal income in Massachusetts, New England, and the United States since 1970.



The following table compares per capita personal income in Massachusetts, New England, and the United States for the period 1970-2008.

Per Capita Personal Income, 1970-2008

Year	Nominal Income (in current dollars)			Real Income (in 2008 dollars)			Percent Change in Real Income		
	MA	N.E.	U.S.	MA	N.E.	U.S.	MA	N.E.	U.S.
1970	4,483	4,445	4,085	26,248	24,666	22,668	9.1%	10.8%	11.0%
1971	4,752	4,680	4,342	26,504	24,879	23,083	1.0%	0.9%	1.8%
1972	5,109	5,029	4,717	27,517	25,903	24,296	3.8%	4.1%	5.3%
1973	5,547	5,481	5,231	28,199	26,578	25,366	2.5%	2.6%	4.4%
1974	6,016	5,958	5,707	27,656	26,020	24,924	-1.9%	-2.1%	-1.7%
1975	6,459	6,381	6,172	27,245	25,536	24,700	-1.5%	-1.9%	-0.9%
1976	6,998	6,959	6,754	27,452	26,332	25,556	0.8%	3.1%	3.5%
1977	7,620	7,593	7,405	28,423	26,977	26,309	3.5%	2.4%	2.9%
1978	8,430	8,413	8,245	29,882	27,781	27,227	5.1%	3.0%	3.5%
1979	9,385	9,392	9,146	30,177	27,853	27,123	1.0%	0.3%	-0.4%
1980	10,602	10,629	10,114	30,211	27,773	26,427	0.1%	-0.3%	-2.6%
1981	11,798	11,846	11,246	30,249	28,058	26,637	0.1%	1.0%	0.8%
1982	12,941	12,871	11,935	31,894	28,717	26,628	5.4%	2.3%	0.0%
1983	14,009	13,829	12,618	33,039	29,894	27,276	3.6%	4.1%	2.4%
1984	15,723	15,422	13,891	35,346	31,958	28,785	7.0%	6.9%	5.5%
1985	16,910	16,546	14,758	36,381	33,108	29,530	2.9%	3.6%	2.6%
1986	18,148	17,722	15,442	38,070	34,814	30,335	4.6%	5.2%	2.7%
1987	19,575	19,119	16,240	39,346	36,236	30,779	3.3%	4.1%	1.5%
1988	21,341	20,811	17,331	40,443	37,875	31,542	2.8%	4.5%	2.5%
1989	22,342	22,083	18,520	40,051	38,343	32,157	-1.0%	1.2%	1.9%
1990	23,043	22,712	19,477	39,047	37,414	32,085	-2.5%	-2.4%	-0.2%
1991	23,432	22,969	19,892	38,036	36,309	31,445	-2.6%	-3.0%	-2.0%
1992	24,538	24,172	20,854	38,866	37,094	32,002	2.2%	2.2%	1.8%
1993	25,176	24,752	21,346	38,755	36,880	31,805	-0.3%	-0.6%	-0.6%
1994	26,303	25,687	22,172	39,967	37,318	32,211	3.1%	1.2%	1.3%
1995	27,457	26,832	23,076	40,748	37,907	32,601	2.0%	1.6%	1.2%
1996	28,933	28,194	24,175	41,702	38,689	33,174	2.3%	2.1%	1.8%
1997	30,498	29,687	25,334	42,754	39,824	33,984	2.5%	2.9%	2.4%
1998	32,524	31,677	26,883	44,585	41,841	35,509	4.3%	5.1%	4.5%
1999	34,227	33,126	27,939	45,773	42,810	36,107	2.7%	2.3%	1.7%
2000	37,753	36,120	29,847	48,398	45,161	37,318	5.7%	5.5%	3.4%
2001	38,877	37,332	30,582	47,783	45,385	37,179	-1.3%	0.5%	-0.4%
2002	38,855	37,378	30,838	46,541	44,734	36,907	-2.6%	-1.4%	-0.7%
2003	39,431	37,966	31,530	45,517	44,425	36,894	-2.2%	-0.7%	0.0%
2004	41,420	40,081	33,157	46,535	45,683	37,791	2.2%	2.8%	2.4%
2005	43,315	41,736	34,690	47,112	46,011	38,243	1.2%	0.7%	1.2%
2006	46,305	44,574	36,794	48,852	47,604	39,295	3.7%	3.5%	2.8%
2007	48,995	47,221	38,615	50,710	49,034	40,098	3.8%	3.0%	2.0%
2008	50,735	48,715	39,751	50,735	48,715	39,751	0.0%	-0.7%	-0.9%

SOURCE: United States Department of Commerce, Bureau of Economic Analysis.

Notes: Using midyear population estimates from the Census Bureau and two CPI-U series from the U.S. Bureau of Labor Statistics for price inflation; p = preliminary.

Annual Pay in Nominal Dollars. Massachusetts has seen steady growth in average annual pay over the past decade. Average annual pay is computed by dividing the total annual payroll of employees covered by Unemployment Insurance programs by the average monthly number of employees. Data are reported by employers covered under the Unemployment Insurance programs. While levels of annual pay were nearly equal in Massachusetts and the United States in 1984, average annual pay levels in Massachusetts have grown more rapidly than the national average since that time. The level of annual pay in Massachusetts in 2007 was 24.3 percent higher than the national average: \$55,244 compared to \$44,458.

Wage and Salary Disbursements. Wage and salary disbursements by place of work is a component of personal income and measures monetary disbursements to employees. This includes compensation of corporate officers, commissions, tips, bonuses, and receipts in-kind. Although the data are recorded on a place-of-work basis, they are then adjusted to a place-of-residence basis so that the personal income of the recipients whose place of residence differs from their place of work will be correctly assigned to their state of residence. The table below details Wage and Salary Disbursements since 1990. Between 1991 and 2000, Massachusetts shares of the New England and overall U.S. totals increased, but in the subsequent years the Massachusetts shares decreased slightly, to 50 percent of New England and 3 percent of the United States.

Annual Wage and Salary Disbursements, 1990-2008p
(in millions of dollars)

Year	U.S.	N.E.	MA	<i>MA as a pct. of N.E.</i>
1990	\$ 2,743,016	\$171,448	\$83,129	48.5%
1991	\$ 2,811,076	\$170,333	\$82,311	48.3%
1992	\$ 2,972,287	\$177,810	\$86,014	48.4%
1993	\$ 3,076,276	\$183,236	\$89,047	48.6%
1994	\$ 3,227,483	\$190,661	\$93,164	48.9%
1995	\$ 3,415,368	\$201,946	\$99,194	49.1%
1996	\$ 3,615,699	\$213,667	\$105,573	49.4%
1997	\$ 3,874,011	\$230,032	\$113,579	49.4%
1998	\$ 4,179,922	\$247,851	\$123,054	49.6%
1999	\$ 4,463,650	\$266,554	\$134,045	50.3%
2000	\$ 4,825,906	\$293,889	\$150,842	51.3%
2001	\$ 4,939,944	\$300,698	\$153,131	50.9%
2002	\$ 4,976,522	\$298,534	\$150,107	50.3%
2003	\$ 5,107,298	\$304,756	\$151,955	49.9%
2004	\$ 5,388,680	\$321,473	\$160,189	49.8%
2005	\$ 5,665,392	\$332,852	\$165,180	49.6%
2006	\$ 6,020,799	\$350,680	\$174,487	49.8%
2007	\$ 6,355,759	\$371,255	\$185,821	50.1%
2008p	\$ 6,543,998	\$382,375	\$192,782	50.4%

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis;
p = preliminary.

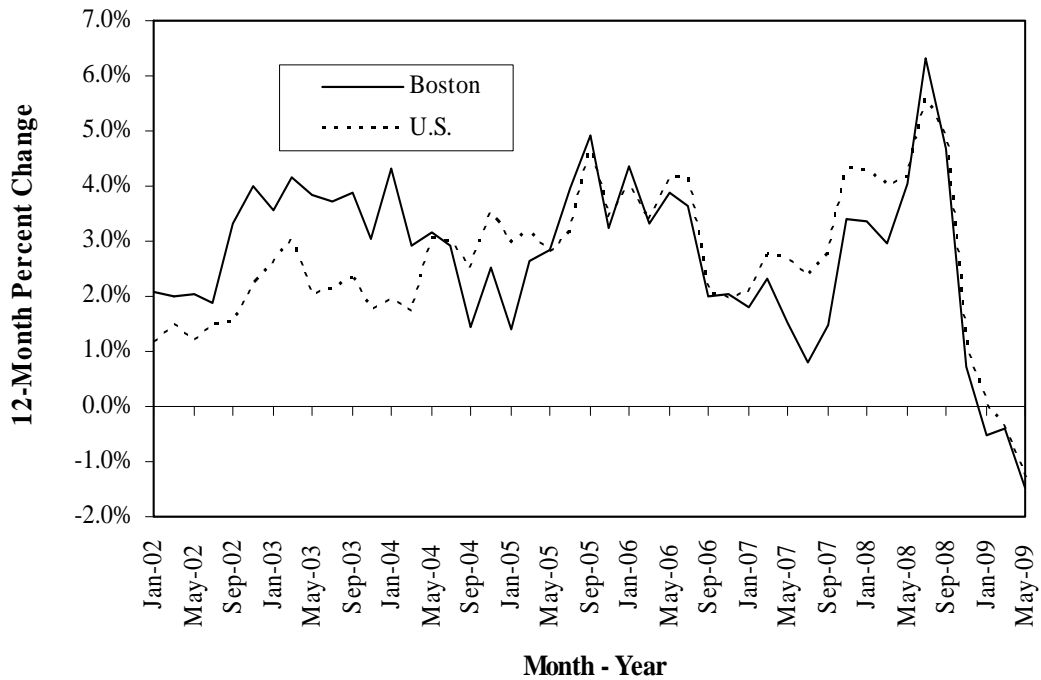
Consumer Prices. Higher income levels in Massachusetts relative to the rest of the United States are offset to some extent by the higher cost of living in Massachusetts. The following table presents consumer price trends for the Boston metropolitan area and the United States for the period between 1970 and 2008. The table shows the annual average of the Consumer Price Index for All Urban Consumers (CPI-U) and the percentage change in that average from the previous year. In 2008, the CPI-U for Boston increased by 3.5 percent over the average for 2007, while the index for the United States as a whole increased by 3.8 percent. The latest available data for May 2009 show that the CPI-U for the Boston metropolitan area declined at a rate of 1.5 percent from May 2008, while the U.S. index declined at a similar rate of 1.3 over the same period.

Consumer Price Index for All Urban Consumers (CPI-U), 1970-2008
(not seasonally adjusted; 1982-1984 base period average=100)

<i>Year</i>	<i>Boston Metro Area</i>		<i>United States</i>	
	<i>CPI-U</i>	<i>Pct.Change</i>	<i>CPI-U</i>	<i>Pct. Change</i>
1970	40.2		38.8	
1971	42.2	5.0%	40.5	4.4%
1972	43.7	3.6%	41.8	3.2%
1973	46.3	5.9%	44.4	6.2%
1974	51.2	10.6%	49.3	11.0%
1975	55.8	9.0%	53.8	9.1%
1976	60.0	7.5%	56.9	5.8%
1977	63.1	5.2%	60.6	6.5%
1978	66.4	5.2%	65.2	7.6%
1979	73.2	10.2%	72.6	11.3%
1980	82.6	12.8%	82.4	13.5%
1981	91.8	11.1%	90.9	10.3%
1982	95.5	4.0%	96.5	6.2%
1983	99.8	4.5%	99.6	3.2%
1984	104.7	4.9%	103.9	4.3%
1985	109.4	4.5%	107.6	3.6%
1986	112.2	2.6%	109.6	1.9%
1987	117.1	4.4%	113.6	3.6%
1988	124.2	6.1%	118.3	4.1%
1989	131.3	5.7%	124.0	4.8%
1990	138.9	5.8%	130.7	5.4%
1991	145.0	4.4%	136.2	4.2%
1992	148.6	2.5%	140.3	3.0%
1993	152.9	2.9%	144.5	3.0%
1994	154.9	1.3%	148.2	2.6%
1995	158.6	2.4%	152.4	2.8%
1996	163.3	3.0%	156.9	3.0%
1997	167.9	2.8%	160.5	2.3%
1998	171.7	2.3%	163.0	1.6%
1999	176.0	2.5%	166.6	2.2%
2000	183.6	4.3%	172.2	3.4%
2001	191.5	4.3%	177.1	2.8%
2002	196.5	2.6%	179.9	1.6%
2003	203.9	3.8%	184.0	2.3%
2004	209.5	2.7%	188.9	2.7%
2005	216.4	3.3%	195.3	3.4%
2006	223.1	3.1%	201.6	3.2%
2007	227.4	1.9%	207.3	2.8%
2008	235.4	3.5%	215.3	3.8%
May-08	235.3		216.6	
May-09	231.9	-1.5%	213.9	-1.3%

SOURCE: United States Department of Labor, Bureau of Labor Statistics.

**12-Month Percent Change in the Consumer Price Index
for All Urban Consumers, not Seasonally Adjusted**



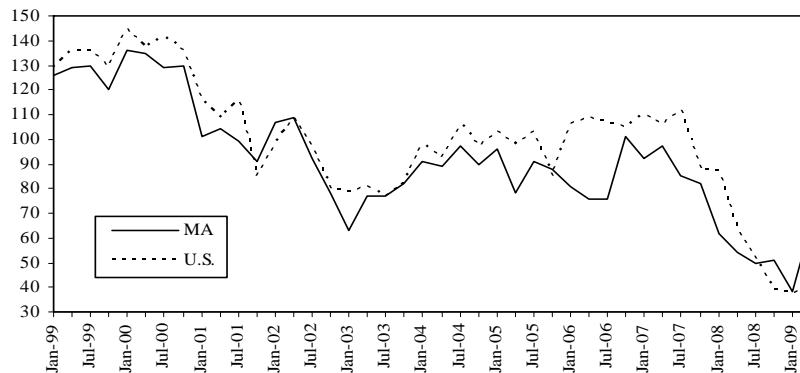
Consumer Confidence, Present Situation, and Future Expectations. These three measures offer multiple insights into consumer attitudes. The U.S. measures are compiled from a national monthly survey of 5,000 households and are published by The Conference Board, Inc. The survey for Massachusetts is conducted in a similar manner and the results are published by the Mass Insight Corporation, based on quarterly polling of 500 adult residents of Massachusetts. The "Present Situation" index measures consumers' appraisal of business and employment conditions at the time of the survey. The "Future Expectations" index focuses on consumers' expectations for six months hence regarding business and employment conditions, as well as expected family income. The overall "Consumer Confidence" index is a weighted average of the two sub-indices. Although the U.S. measures are compiled by a different source than the Massachusetts measures, according to the Federal Reserve Bank of Boston the numbers are generally comparable. A score of 100 is considered neutral. According to the Conference Board, consumer confidence nationally reached a six year high point of 111.9 in July 2007, followed by an all time low of 37.4 by January 2009. It recovered slightly to 40.8 in April 2009. The Mass Insight Corporation reported that as of April 2009 (the most recent survey month for the quarterly Massachusetts index) the Massachusetts index rose 27 points to 65.0, over its January 2009 low of 38.0, which was the lowest index since Mass Insight began tracking it in 1991. This places the Massachusetts index significantly higher than the US index for April. The following table and chart detail the recent record of these measures.

**Consumer Confidence, Present Situation, and Future
Expectations for Massachusetts and the U.S.
January 2001 - April 2009 (1985=100)**

	Consumer Confidence		Present Situation		Future Expectations	
	MA	U.S.	MA	U.S.	MA	U.S.
Jan-01	101.0	115.7	139.0	170.4	76.0	79.3
Apr-01	104.0	109.9	124.0	156.0	91.0	79.1
Jul-01	99.0	116.3	108.0	151.3	93.0	92.9
Oct-01	91.0	85.3	94.0	107.2	90.0	70.7
Jan-02	97.8	107.0	98.1	72.0	97.6	130.0
Apr-02	109.0	108.5	84.0	106.8	125.0	109.6
Jul-02	92.0	97.4	68.0	99.4	108.0	96.1
Oct-02	78.0	79.6	48.0	77.2	97.0	81.1
Jan-03	63.0	78.8	75.3	28.0	81.1	86.0
Apr-03	77.0	81.0	31.0	75.2	108.0	84.8
Jul-03	77.0	77.0	41.0	63.0	101.0	86.3
Oct-03	82.0	81.7	36.0	67.0	112.0	91.5
Jan-04	91.0	97.7	48.0	86.1	119.0	105.3
Apr-04	89.0	93.0	53.0	90.4	113.0	94.8
Jul-04	97.0	105.7	66.0	106.4	119.0	105.3
Oct-04	90.0	92.9	64.0	94.0	108.0	92.2
Jan-05	96.0	105.1	70.0	112.1	114.0	100.4
Apr-05	78.0	97.5	63.0	113.8	88.0	86.7
Jul-05	91.0	103.6	80.0	119.3	99.0	93.2
Oct-05	88.0	85.2	80.0	107.8	95.0	70.1
Jan-06	81.0	106.8	71.0	128.8	87.0	92.1
Apr-06	76.0	109.8	77.0	136.2	76.0	92.3
Jul-06	76.0	107.0	68.0	134.2	81.0	88.9
Oct-06	101.0	105.1	86.0	125.1	111.0	91.9
Jan-07	92.0	110.2	74.0	133.9	104.0	94.4
Apr-07	97.0	106.3	89.0	133.5	102.0	88.2
Jul-07	85.0	111.9	80.0	138.3	90.0	94.4
Oct-07	82.0	87.8	76.0	115.7	86.0	69.1
Jan-08	62.0	87.3	49.0	114.3	71.0	69.3
Apr-08	54.0	62.8	35.0	81.9	67.0	50.0
Jul-08	50.0	51.9	24.0	65.8	68.0	42.7
Oct-08	51.0	38.8	27.0	43.5	66.0	35.7
Jan-09	38.0	37.4	9.0	29.7	58.0	42.5
Apr-09	65.0	40.8	24.0	25.5	92.0	51.0

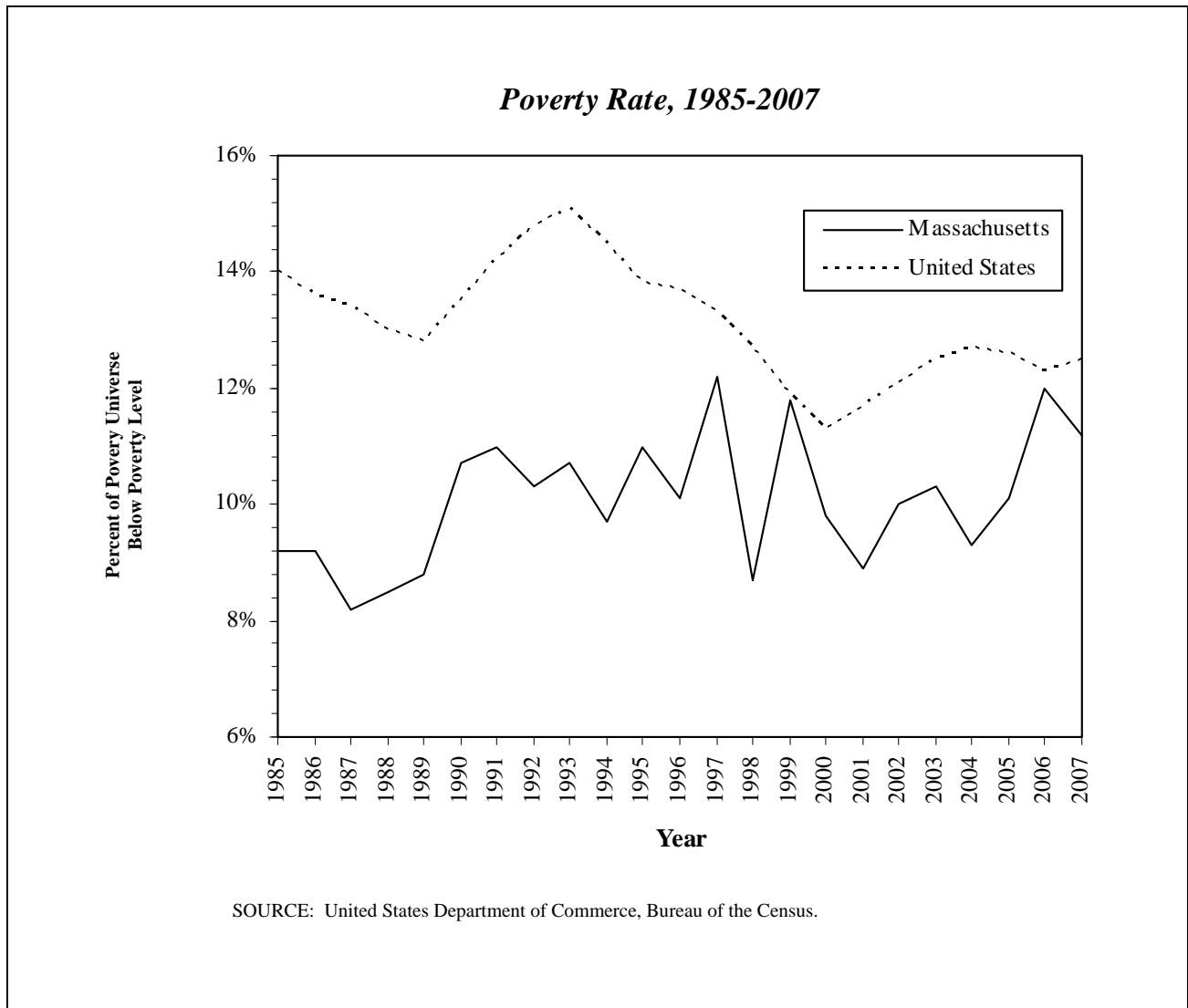
**Consumer Confidence: Massachusetts
and the U.S., January 1999 – April 2009**

(Massachusetts index not seasonally adjusted; 1985=100)



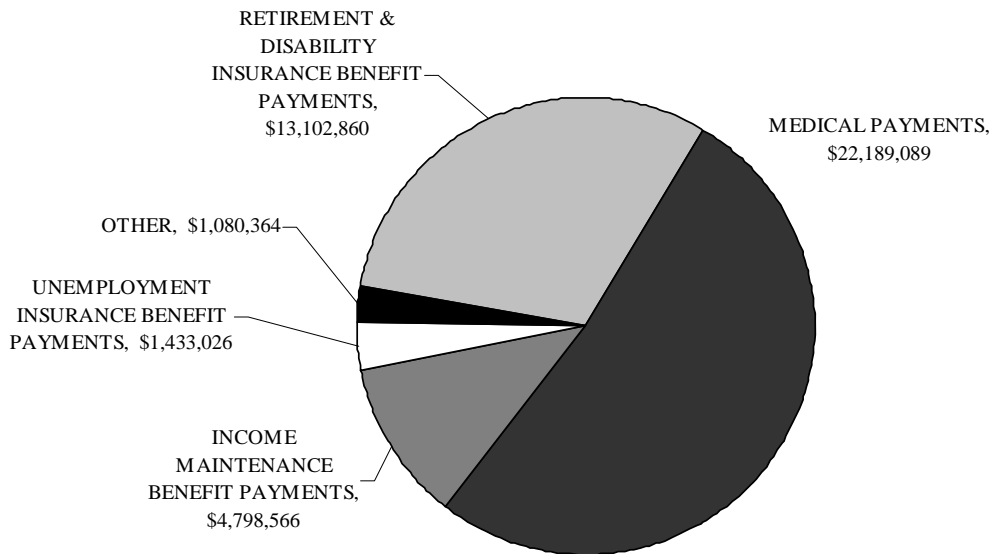
SOURCES: The Conference Board, Inc. (for U.S. measures, seasonally adjusted); Mass Insight Corporation (for MA measures, not seasonally adjusted).

Poverty. Through 2007, the Massachusetts poverty rate remained well below the national average. Since 1980, the percentage of the Massachusetts poverty universe below the poverty line has varied between 7.7 percent and 12.2 percent. During the same time, the national poverty rate varied between 11.3 percent and 15.1 percent. The estimated poverty rate in Massachusetts decreased from 12.0 percent in 2006 to 11.2 percent in 2007, while the poverty rate in the United States increased from 12.3 percent in 2006 to 12.5 percent in 2007. These official poverty estimates are based on a sample of households and are not adjusted for regional differences in the cost of living. The following chart illustrates the lower poverty rates in Massachusetts (1985 - 2007) compared with the national average during similar periods. Poverty estimates for states are not as reliable as national estimates. Not everyone has a poverty status determined; the poverty universe excludes foster children, college students in dormitories, military personnel in barracks, nursing home residents, and other groups of people in institutionalized settings. Poverty data for 2008 are not yet available.



Transfer Payments. Transfer payment income is payment to individuals from all levels of government and from businesses, for which no current services are performed, including payments to nonprofit institutions serving individuals. These payments accounted for 13.9 percent of total personal income in Massachusetts in 2007. The chart below does not include transfer payments from business or payments to non-profit organizations. Total transfer payments to individuals in Massachusetts from governments and businesses totaled 42.6 billion dollars for 2007. Fifty-two percent of government transfer payments to individuals were medical payments.

***Transfer Payments from Governments to Individuals in
Massachusetts in 2007
(From Annual State Personal Income Estimates)
(in thousands of current dollars)***



SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

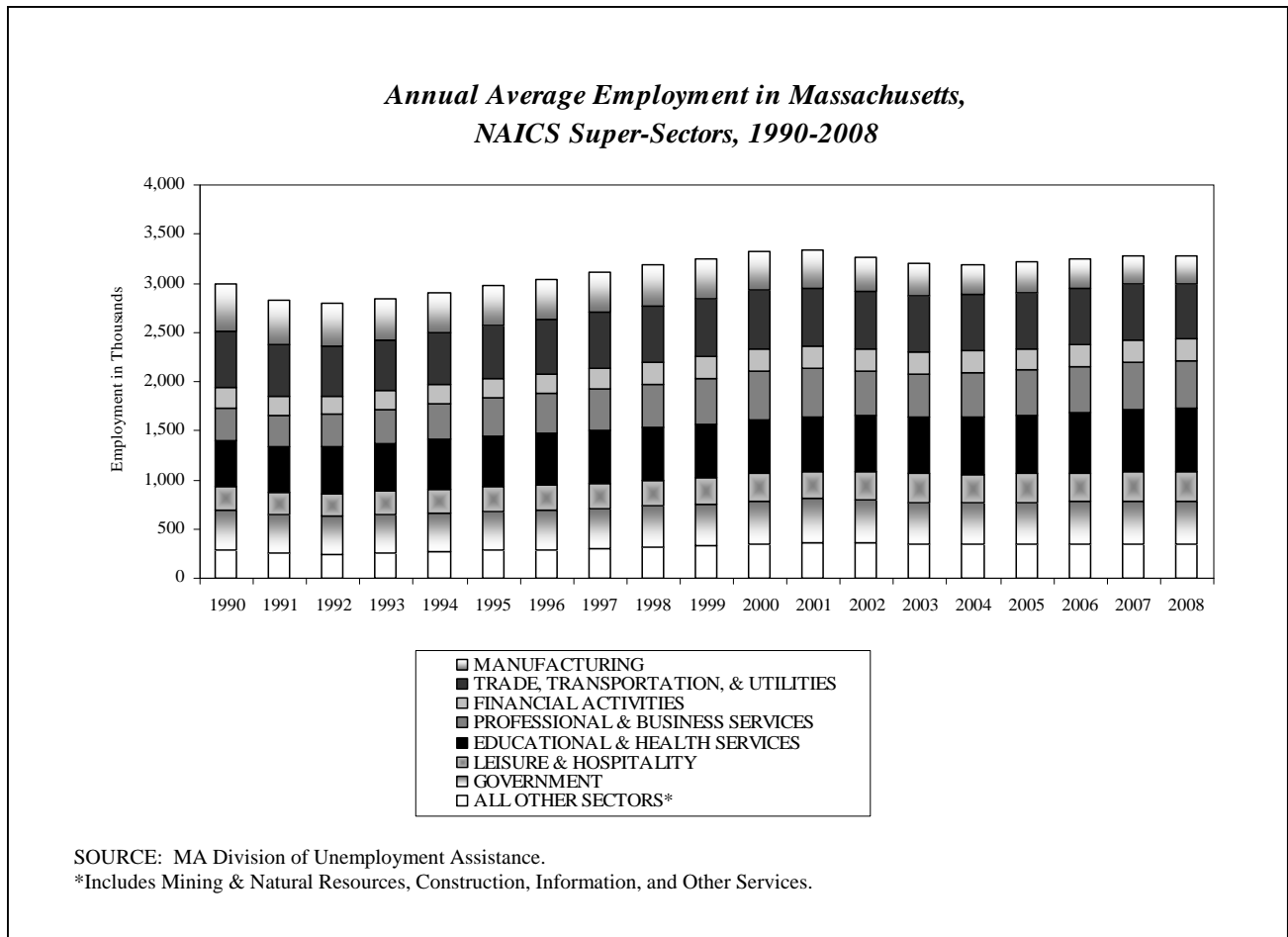
NOTE: The category "other" includes veterans' benefit payments, federal education and training assistance payments, and a small residual of miscellaneous other payments to individuals.

EMPLOYMENT

Employment by Industry. The chart on this page shows the annual level of non-agricultural payroll employment in Massachusetts on the North American Industry Classification System (NAICS) basis for the seven largest NAICS supersectors starting with 1990, the earliest year for which NAICS data are available. The chart on the following page compares the super-sector shares for the 2007-2008 period with the corresponding shares for the 1990-1991 period. Like many industrial states, Massachusetts has seen a steady decline of its manufacturing jobs base over the last two decades, not only as a share of total employment, but in absolute numbers of jobs as well. Several NAICS service sectors and the Financial Activities sector have grown to take the place of manufacturing in driving the Massachusetts economy and now account for more than half of total payroll employment, while Government, Information, Trade, Transportation & Utilities have remained level or declined in share.

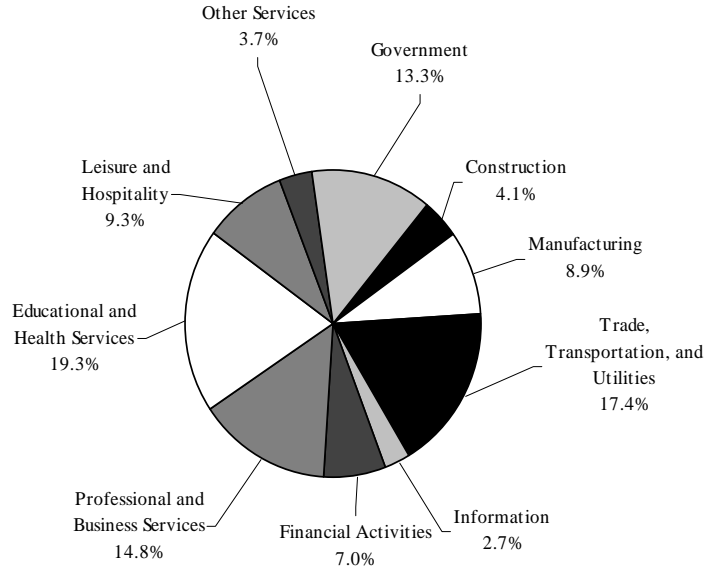
After significant declines in 2002 and 2003, total non-agricultural employment in Massachusetts increased 1.0 percent in 2004 and continued to increase every year through 2007. In 2007, employment grew another 1.0 percent, but the state still had 21 thousand (0.6 percent) fewer jobs than in the peak year of 2001. The comparable growth rate for the nation in 2007 was 1.1 percent. The latest seasonally adjusted estimate (3.2 million for May 2009) is about 195 thousand below the peak month in 2001 (3.4 million in February 2001) and 111.4 thousand below the 2008 peak in March (3.3 million).

After years of moderate but steady declines or near-zero growth in the late nineties and early 2000s, manufacturing employment experienced steep annual declines in 2002 (10.2 percent) and 2003 (7.0 percent) before returning to more moderate declines in 2004 (4.0 percent). The most recent declines for manufacturing employment returned to the steady declines prior to 2002, with a 2.1 percent decline in 2007 and a 3.1 percent decline in 2008. The seasonally adjusted estimates for the first five months of 2009 average 4.9 percent below the comparable estimates for 2008.

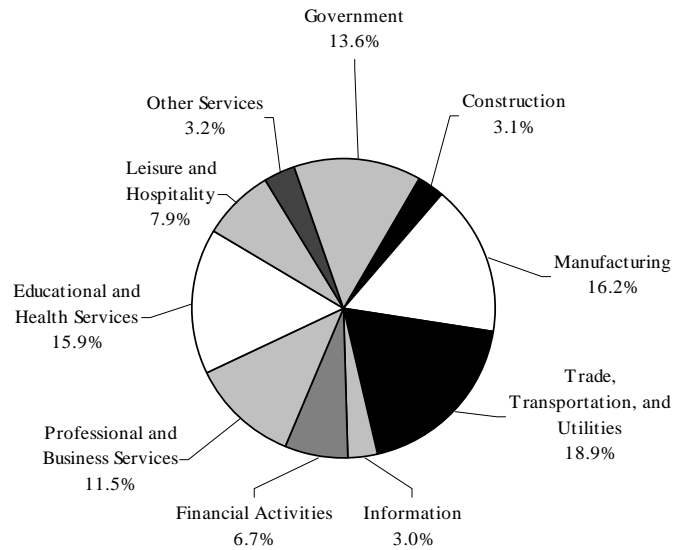


**Massachusetts Non-Farm Payroll Employment
(NAICS Industry basis)**

NAICS Super-Sectors: 2007-2008 Average Share



NAICS Super-Sectors: 1990-1991 Average Share



SOURCE: MA Division of Unemployment Assistance.

Largest Employers in Massachusetts. The following table lists the twenty-five largest private employers in Massachusetts based upon employment covered by the Unemployment Insurance system for June, 2008. Tufts University replaces the Friendly Ice Cream Corporations from the June 2007 list. As noted, the list may not include some employers who do business in the state under multiple legal names or register each facility as a separate employer.

Twenty-five Largest Private Employers in Massachusetts in June, 2008

(listed alphabetically)

Bank of America, NA	Raytheon Company
Baystate Medical Center, Inc.	S & S Credit Company, Inc.
Beth Israel Deaconess Medical Center	Shaw's Supermarkets, Inc.
Boston Medical Center Corporation	Southcoast Hospitals Group, Inc.
Boston University	State Street Bank & Trust Company
Brigham & Women's Hospital, Inc.	Target Corporation
Demoulas Super Markets, Inc.	The Children's Hospital Corporation
E.M.C. Corporation	Tufts University
General Hospital Corporation	UMass Memorial Medical Center, Inc.
Harvard University	United Parcel Service, Inc.
Home Depot U.S.A., Inc.	Verizon New England, Inc.
Massachusetts CVS Pharmacy, LLC	Wal-Mart Associates, Inc.
Massachusetts Institute of Technology	

SOURCE: Massachusetts Executive Office of Labor & Workforce Development, Division of Unemployment Assistance, Research Department 4-13-09.

NOTE: This alphabetic listing includes private employers reporting large numbers of jobs covered by the Massachusetts unemployment insurance program. The information is based on June 2008 employment for employers as registered for unemployment insurance. The list may not include those employers who do business in Massachusetts under multiple legal corporations and those who register each store, facility or franchisee as a separate employer.

Unemployment. The unemployment rate in Massachusetts was consistently below the national average from mid-1995 through November 2005, with similar patterns of gradual improvement after the mid-2003 peak. The Massachusetts rate exceeded the U.S. rate for seventeen months starting in December 2005, but only three of those differences exceeded 0.2%. Since April 2007, the state rate has been at or below the comparable U.S. rate, seasonally adjusted. In October 2007, the Massachusetts rate was 4.4 percent, the lowest it had been since October 2001. By May 2009, the Massachusetts rate had increased to 8.2 percent, the highest it had been since January 1993. The tables and graphs on the following two pages compare the unemployment rate in the state with those in New England the U.S.

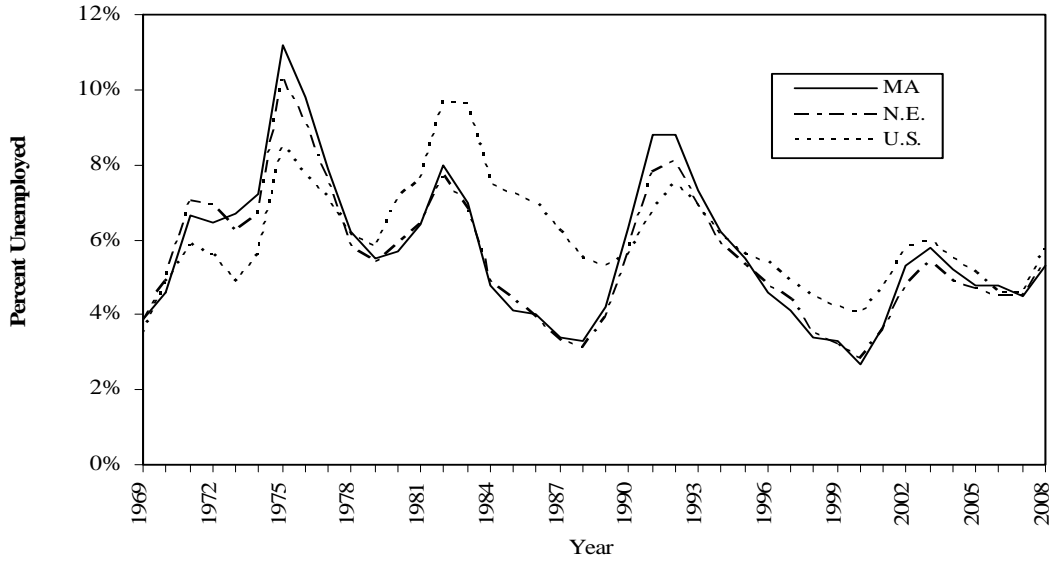
Annual Average Civilian Labor Force and Unemployment, 1969-2008

(in thousands)

Year	Civilian Labor Force			Unemployed			Unemployment Rate			MA Rate as
	MA	N.E.	U.S.	MA	N.E.	U.S.	MA	N.E.	U.S.	Pct. of U.S.
1969	2,581	5,201	80,734	100	198	2,832	3.9%	3.8%	3.5%	111.2%
1970	2,465	5,128	82,771	113	253	4,093	4.6%	4.9%	4.9%	93.7%
1971	2,459	5,157	84,382	163	364	5,016	6.6%	7.1%	5.9%	112.7%
1972	2,487	5,260	87,034	161	363	4,882	6.5%	6.9%	5.6%	115.6%
1973	2,557	5,387	89,429	171	336	4,365	6.7%	6.2%	4.9%	136.1%
1974	2,637	5,514	91,949	190	368	5,156	7.2%	6.7%	5.6%	128.5%
1975	2,725	5,633	93,775	305	578	7,929	11.2%	10.3%	8.5%	131.5%
1976	2,726	5,714	96,158	268	521	7,406	9.8%	9.1%	7.7%	127.3%
1977	2,760	5,820	99,009	218	437	6,991	7.9%	7.5%	7.1%	111.3%
1978	2,809	5,936	102,251	173	343	6,202	6.2%	5.8%	6.1%	101.6%
1979	2,863	6,080	104,962	156	326	6,137	5.5%	5.4%	5.8%	94.8%
1980	2,885	6,154	106,940	164	365	7,637	5.7%	5.9%	7.1%	80.3%
1981	2,938	6,268	108,670	189	400	8,273	6.4%	6.4%	7.6%	84.2%
1982	2,966	6,345	110,204	236	489	10,678	8.0%	7.7%	9.7%	82.5%
1983	2,972	6,386	111,550	209	434	10,717	7.0%	6.8%	9.6%	72.9%
1984	3,032	6,540	113,544	146	318	8,539	4.8%	4.9%	7.5%	64.0%
1985	3,049	6,630	115,461	125	290	8,312	4.1%	4.4%	7.2%	56.9%
1986	3,080	6,724	117,834	123	264	8,237	4.0%	3.9%	7.0%	57.1%
1987	3,114	6,827	119,865	104	228	7,425	3.4%	3.3%	6.2%	54.8%
1988	3,156	6,907	121,669	104	215	6,701	3.3%	3.1%	5.5%	60.0%
1989	3,189	7,004	123,869	132	274	6,528	4.2%	3.9%	5.3%	79.2%
1990	3,226	7,128	125,840	204	409	7,047	6.3%	5.7%	5.6%	112.5%
1991	3,199	7,112	126,346	283	558	8,628	8.8%	7.8%	6.8%	129.4%
1992	3,181	7,105	128,105	281	573	9,613	8.8%	8.1%	7.5%	117.3%
1993	3,173	7,062	129,200	232	486	8,940	7.3%	6.9%	6.9%	105.8%
1994	3,188	7,041	131,056	199	415	7,996	6.2%	5.9%	6.1%	101.6%
1995	3,205	7,053	132,304	176	375	7,404	5.5%	5.3%	5.6%	98.2%
1996	3,231	7,118	133,943	148	340	7,236	4.6%	4.8%	5.4%	85.2%
1997	3,293	7,228	136,297	135	315	6,739	4.1%	4.4%	4.9%	83.7%
1998	3,322	7,257	137,673	113	253	6,210	3.4%	3.5%	4.5%	75.6%
1999	3,355	7,327	139,368	110	234	5,880	3.3%	3.2%	4.2%	78.6%
2000	3,366	7,348	142,583	92	204	5,692	2.7%	2.8%	4.0%	67.5%
2001	3,401	7,424	143,734	126	266	6,801	3.7%	3.6%	4.7%	78.7%
2002	3,424	7,496	144,863	181	363	8,378	5.3%	4.8%	5.8%	91.4%
2003	3,407	7,508	146,510	198	407	8,774	5.8%	5.4%	6.0%	96.7%
2004	3,381	7,476	147,401	177	366	8,149	5.2%	4.9%	5.5%	94.5%
2005	3,377	7,515	149,320	164	353	7,591	4.8%	4.7%	5.1%	94.1%
2006	3,408	7,598	151,428	163	343	7,001	4.8%	4.5%	4.6%	104.3%
2007	3,416	7,633	153,124	153	340	7,078	4.5%	4.5%	4.6%	97.8%
2008	3,424	7,669	154,287	180	415	8,924	5.3%	5.4%	5.8%	91.4%

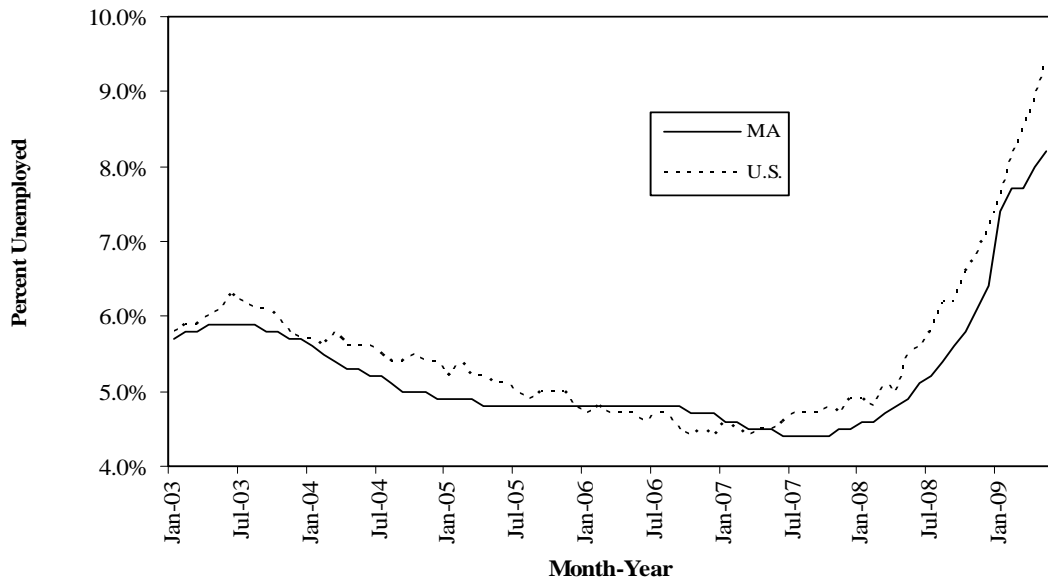
SOURCE: United States Department of Labor, Bureau of Labor Statistics.

**Annual Average Unemployment Rate, 1969-2008,
Massachusetts, New England, and United States**



SOURCE: United States Department of Labor, Bureau of Labor Statistics.

**Monthly Unemployment Rate, January 2003 - May 2009
Massachusetts and United States
(seasonally adjusted)**



SOURCE: MA Division of Unemployment Assistance.

Unemployment Insurance Trust Fund. The unemployment insurance system is a federal-state cooperative program established by the Social Security Act and the Federal Unemployment Tax Act to provide for the payment of benefits to eligible individuals when they become unemployed through no fault of their own. Benefits are paid from the Commonwealth's Unemployment Insurance Trust Fund, financed through employer contributions. The assets and liabilities of the Commonwealth Unemployment Insurance Trust Fund are not assets and liabilities of the Commonwealth.

As of May 31, 2009, the Massachusetts Unemployment Trust Fund had a balance of \$1.003 billion, of which the private contributory account portion was \$886 million, compared to a February 28, 2009 balance of \$906 million with a private contributory portion of \$788 million. The June 2009 Unemployment Insurance Trust Fund report indicated that private contributory account reserves were estimated to be \$771 million at the end of 2013 according to the Moody's based outlook.

ECONOMIC BASE AND PERFORMANCE

According to the Bureau of Economic Analysis, Gross Domestic Product by State (GDP) is the value added in production by the labor and property located in a state. GDP for a state is derived as the sum of the gross state product originating in all industries in a state. In concept, an industry's GDP, referred to as its "value added", is equivalent to its gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported).

Real GDP is an inflation-adjusted measure of each state's gross product that is based on national prices for the goods and services produced within that state. The estimates of real GDP and of quantity indexes with a base year of 2000 are derived by applying national implicit price deflators to the current-dollar GDP estimates for the 63 Standard Industrial Code (SIC) industries for years 1977-1997, and for the 81 NAICS industries for years 1997 forward. The chain-type index formula that is used in the national accounts is then used to calculate the estimates of total real GDP and of real GDP at more aggregated industry levels.

Between 2001 and 2008, gross domestic product in Massachusetts, New England, and the sum of all states GDP grew approximately 30.1, 31.5, and 40.8 percent respectively in current dollars. Between 2001 and 2008, gross domestic product in Massachusetts, New England, and the sum of all states GDP grew approximately 13.0, 12.3, and 17.2 percent respectively in chained 2000 dollars. U.S. real GDP decreased at an annualized rate of 5.5 percent in the first quarter of 2009, (from the fourth quarter to the first quarter), according to advance estimates released by the Bureau of Economic Analysis. In the fourth quarter, real GDP decreased 6.3 percent. The Donahue Institute's MassBenchmarks Current Economic Index estimates that the Massachusetts economy also declined at a 4.2 percent annualized rate in the first quarter of 2009. In the fourth quarter it declined by 4.4 percent.

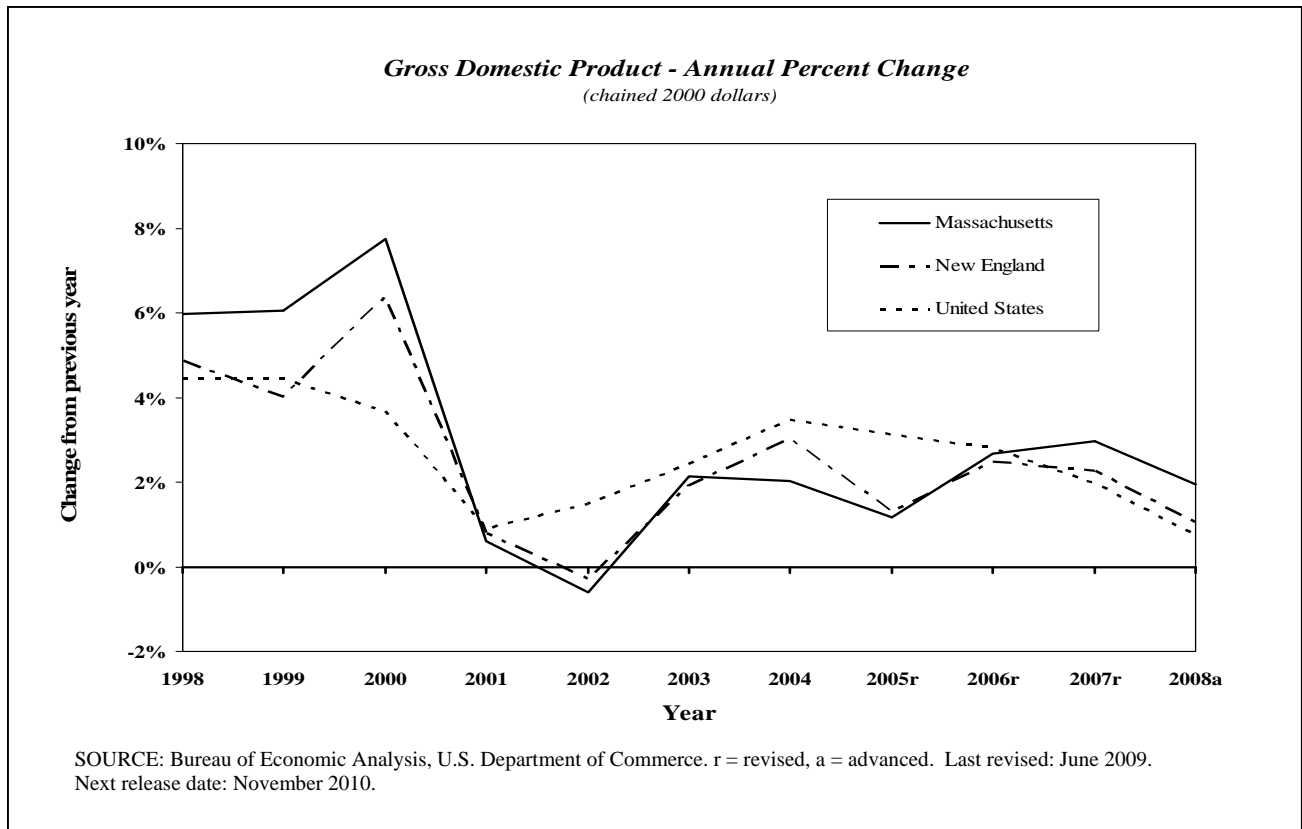
Gross Domestic Product - Annual Change

(millions of chained 2000 dollars)

Year	Massachusetts		New England		United States	
	GDP	Annual change	GDP	Annual change	GDP	Annual change
1997	\$227,074		\$487,671		\$8,620,955	
1998	\$240,617	6.0%	\$511,374	4.9%	\$9,004,670	4.5%
1999	\$255,189	6.1%	\$531,902	4.0%	\$9,404,251	4.4%
2000	\$274,949	7.7%	\$565,835	6.4%	\$9,749,103	3.7%
2001	\$276,634	0.6%	\$570,313	0.8%	\$9,836,576	0.9%
2002	\$274,997	-0.6%	\$568,750	-0.3%	\$9,981,850	1.5%
2003	\$280,881	2.1%	\$579,651	1.9%	\$10,225,679	2.4%
2004	\$286,541	2.0%	\$597,196	3.0%	\$10,580,223	3.5%
2005r	\$289,869	1.2%	\$605,048	1.3%	\$10,912,180	3.1%
2006r	\$297,634	2.7%	\$620,103	2.5%	\$11,218,785	2.8%
2007r	\$306,503	3.0%	\$634,166	2.3%	\$11,439,232	2.0%
2008a	\$312,476	1.9%	\$640,735	1.0%	\$11,523,637	0.7%

SOURCE: Bureau of Economic Analysis, U.S. Department of Commerce. r = revised, a = advanced. Last revised: June 2009. Next release date: November 2010.

The table below indicates the Gross Domestic Product for Massachusetts, the New England states, and the United States. The United States figure is the sum of the fifty states.

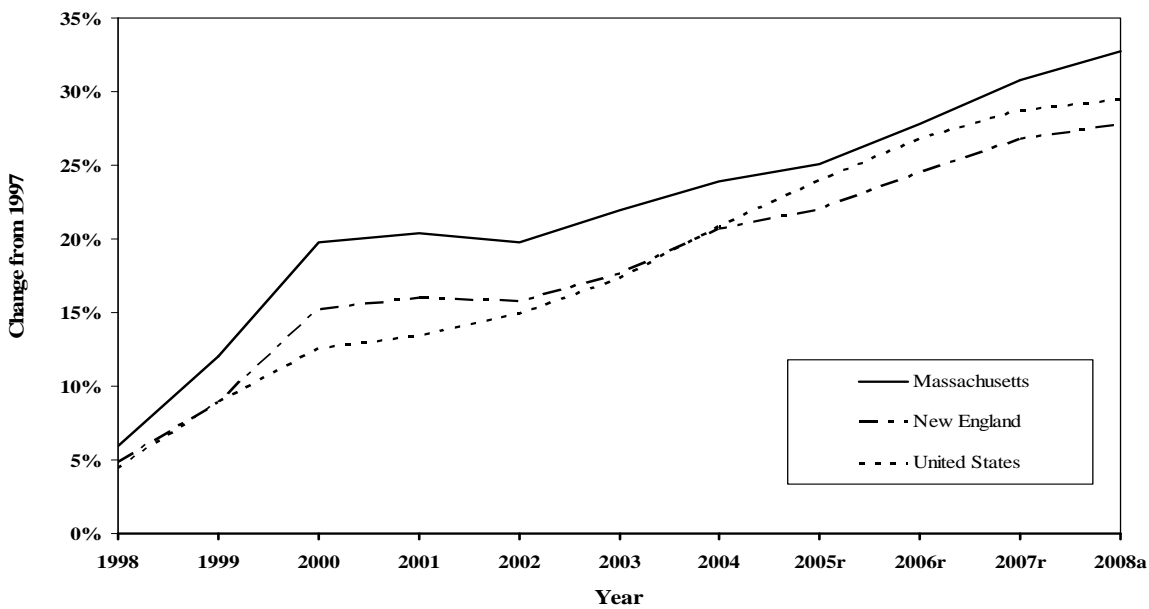


Gross Domestic Product - Cumulative Change
(millions of chained 2000 dollars)

Year	Massachusetts		New England		United States	
	GDP	Change from 1997	GDP	Change from 1997	GDP	Change from 1997
1997	\$227,074		\$487,671		\$8,620,955	
1998	\$240,617	6.0%	\$511,374	4.9%	\$9,004,670	4.5%
1999	\$255,189	12.0%	\$531,902	8.9%	\$9,404,251	8.9%
2000	\$274,949	19.8%	\$565,835	15.3%	\$9,749,103	12.6%
2001	\$276,634	20.4%	\$570,313	16.0%	\$9,836,576	13.5%
2002	\$274,997	19.8%	\$568,750	15.8%	\$9,981,850	14.9%
2003	\$280,881	21.9%	\$579,651	17.7%	\$10,225,679	17.4%
2004	\$286,541	23.9%	\$597,196	20.7%	\$10,580,223	20.8%
2005r	\$289,869	25.1%	\$605,048	22.0%	\$10,912,180	24.0%
2006r	\$297,634	27.8%	\$620,103	24.5%	\$11,218,785	26.8%
2007r	\$306,503	30.8%	\$634,166	26.8%	\$11,439,232	28.8%
2008a	\$312,476	32.7%	\$640,735	27.8%	\$11,523,637	29.5%

SOURCE: Bureau of Economic Analysis, U.S. Department of Commerce. r = revised, a = advanced. Last revised: June 2009.
Next release date: November 2010.

Gross Domestic Product - Cumulative Percent Change
(chained 2000 dollars)



SOURCE: Bureau of Economic Analysis, U.S. Department of Commerce. r = revised, a = advanced. Last revised: June 2009.
Next release date: November 2010.

The commercial base of Massachusetts is anchored by the twenty-two 2009 Fortune 1000 companies (twelve of which are Fortune 500) headquartered in Massachusetts. Joining the Massachusetts 2009 Fortune 1000 list was Sovereign Bancorp. When comparing the 2009 Fortune 1000 to 2008's, sixteen Massachusetts companies gained and six lost rank. Biogen Idec climbed 102 places on the list, the largest leap for a Massachusetts company.

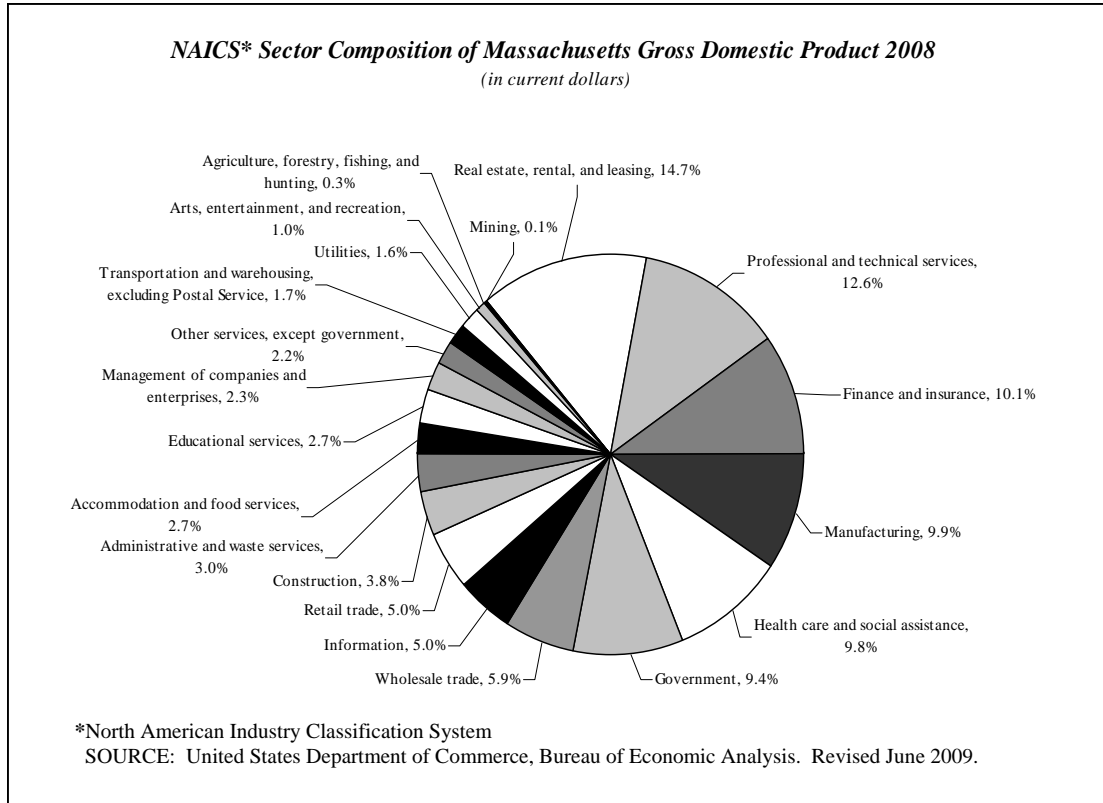
Massachusetts Companies in the 2009 Fortune 500 and 1000 Lists

Rank		Company	Industry	2008 revenues (millions)
2009	2008			
86	94	Liberty Mutual Ins. Group (Boston)	Insurance: P & C (stock)	\$25,961
108	112	Raytheon (Waltham)	Aerospace and Defense	\$25,268
109	128	Staples (Framingham)	Specialty Retailers	\$22,426
131	132	TJX (Framingham)	Specialty Retailers	\$19,373
135	99	Mass. Mutual Life Ins. (Springfield)	Insurance: Life, Health (mutual)	\$18,647
172	201	EMC (Hopkinton)	Computer Peripherals	\$13,230
206	225	State St. Corp. (Boston)	Commercial Banks	\$11,818
258	269	Thermo Fisher Scientific (Waltham)	Scientific, Photo, Control Equipment	\$9,746
269	291	BJ's Wholesale Club (Natick)	Specialty Retailers	\$9,005
291	364	Global Partners (Waltham)	Energy	\$8,357
320	310	Boston Scientific (Natick)	Medical Products & Equipment	\$6,758
432	499	Perini (Framingham)	Engineering, Construction	\$4,628
502	572	Genzyme (Cambridge)	Pharmaceuticals	\$3,814
546	648	Biogen Idec (Cambridge)	Pharmaceuticals	\$3,262
641	631	NSTAR (Boston)	Utilities: Gas & Electric	\$3,172
658	751	Cabot (Boston)	Chemicals	\$2,787
674	469	Sovereign Bancorp (Boston)*	Savings Institutions	\$2,740
681	722	Iron Mountain (Boston)	Diversified Outsourcing	\$2,730
725	712	Hanover Insurance Group (Worcester)	Insurance: P & C (stock)	\$2,616
734	718	Analog Devices (Norwood)	Semiconductors and Other Electronic Components	\$1,982
894	943	PerkinElmer (Waltham)	Scientific, Photo, Control Equipment	\$1,787
965	994	Beacon Roofing Supply (Peabody)	Wholesalers: Diversified	\$1,646

SOURCE: Fortune, May 4, 2009 issue.* Previously headquartered in PA.

ECONOMIC BASE AND PERFORMANCE—SECTOR DETAIL (NAICS BASIS)

The Massachusetts economy remains diversified among several industrial and non-industrial sectors. The four largest sectors of the economy, real estate and rental and leasing, professional and technical services, finance and insurance, and manufacturing, contributed 47.3 percent of the GDP in 2008. The following pie chart displays the latest sector contributions to the Massachusetts GDP.



GDP Subsectors. When measured in chained 2000 dollars, the change in Massachusetts total GDP was 10.8 percent between 2001 and 2007. Between 2001 and 2007 (the latest data available for subsector data), several industries grew much faster than the state average. Industry subsectors that experienced substantial cumulative growth or reduction are listed in the following chart.

Industry Subsectors with a Substantial Growth or Reduction
(chained 2000 dollars)

NAICS* Industry Subsector	Percent change 2001-2007
Computer and electronic product manufacturing	121.5%
Information and data processing services	109.3%
Chemical manufacturing	84.4%
Machinery manufacturing	57.7%
Paper manufacturing	-13.7%
Plastics and rubber products manufacturing	-16.7%
Miscellaneous manufacturing	-20.5%
Fabricated metal product manufacturing	-26.6%

*North American Industry Classification System.
SOURCE: United States Department of Commerce, Bureau of Economic Analysis. Revised June 2009.

Gross Domestic Product by Industry in Massachusetts
(millions of chained 2000 dollars)

NAICS* Industry Sector	2000	2001	2002	2003	2004	2005r	2006r	2007r	2008
Total Gross Domestic Product by State	\$274,949	\$276,634	\$274,997	\$280,881	\$286,541	\$289,869	\$297,634	\$306,503	\$312,476
Private industries	251,645	253,140	251,272	257,997	263,890	266,947	274,688	283,464	289,198
Agriculture, forestry, fishing, and hunting	540	587	668	701	733	848	805	785	792
Mining	124	141	139	142	153	135	141	211	101
Utilities	3,453	3,162	3,137	3,486	3,782	3,491	3,583	3,622	3,752
Construction	11,159	11,850	11,412	10,544	10,301	9,842	9,154	7,998	7,676
Manufacturing	37,204	35,011	35,376	38,071	36,568	36,892	40,448	44,191	42,904
Wholesale trade	16,173	17,819	17,214	17,959	18,042	17,400	17,759	17,515	17,359
Retail trade	14,519	15,713	15,997	16,644	17,028	18,123	18,173	18,489	18,468
Transportation and warehousing, excluding Postal Service	5,172	5,063	4,915	4,835	5,138	5,174	5,140	5,283	5,091
Information	13,017	13,710	13,676	13,936	15,344	17,264	17,387	18,525	19,836
Finance and insurance	29,915	29,890	29,781	30,529	32,001	30,211	31,184	32,393	32,293
Real estate, rental, and leasing	35,587	37,683	37,379	37,952	38,341	38,180	39,616	41,059	41,726
Professional and technical services	28,560	28,572	27,397	27,486	30,480	32,152	34,010	36,377	40,353
Management of companies and enterprises	7,506	6,152	5,673	5,778	5,082	5,329	5,239	5,125	5,167
Administrative and waste services	8,382	7,400	7,042	7,459	7,440	7,958	8,079	8,335	8,376
Educational services	5,915	5,851	5,978	6,003	6,062	5,936	5,935	6,132	6,310
Health care and social assistance	20,363	20,484	21,179	22,241	22,764	23,658	24,660	25,359	26,641
Arts, entertainment, and recreation	1,911	2,023	2,152	2,244	2,337	2,357	2,361	2,536	2,575
Accommodation and food services	6,594	6,510	6,556	6,734	6,952	6,976	7,098	7,204	7,362
Other services, except government	5,549	5,477	5,570	5,596	5,532	5,607	5,480	5,496	5,524
Government	23,304	23,493	23,710	22,960	22,798	23,069	23,178	23,368	23,650

* North American Industry Classification System

SOURCE: United States Department of Commerce, Bureau of Economic Analysis. 2005 - 2007 revised June 2009.

Percent Change in GDP by Industry in Massachusetts
(millions of chained 2000 dollars)

NAICS* Industry Sector	2000 to	2001	2002	2003	2004	2005r	2006r	2007r	2008
Total Gross Domestic Product by State		0.6%	0.0%	2.2%	4.2%	5.3%	8.0%	11.0%	12.9%
Private industries		0.6%	-0.1%	2.5%	4.8%	6.0%	8.9%	12.1%	14.1%
Agriculture, forestry, fishing, and hunting		8.7%	22.5%	27.4%	32.0%	47.7%	42.6%	40.1%	41.0%
Mining		13.7%	12.3%	14.4%	22.2%	10.4%	14.9%	64.5%	12.4%
Utilities		-8.4%	-9.2%	1.9%	10.4%	2.7%	5.3%	6.4%	10.0%
Construction		6.2%	2.5%	-5.1%	-7.4%	-11.9%	-18.9%	-31.5%	-35.5%
Manufacturing		-5.9%	-4.9%	2.8%	-1.2%	-0.3%	9.3%	18.6%	15.7%
Wholesale trade		10.2%	6.8%	11.1%	11.6%	8.0%	10.1%	8.7%	7.8%
Retail trade		8.2%	10.0%	14.1%	16.4%	22.8%	23.1%	24.8%	24.7%
Transportation and warehousing, excluding Postal Service		-2.1%	-5.0%	-6.7%	-0.4%	0.3%	-0.3%	2.4%	-1.2%
Information		5.3%	5.1%	7.0%	17.1%	29.6%	30.3%	36.9%	43.9%
Finance and insurance		-0.1%	-0.4%	2.1%	6.9%	1.3%	4.5%	8.4%	8.1%
Real estate, rental, and leasing		5.9%	5.1%	6.6%	7.6%	7.2%	11.0%	14.6%	16.2%
Professional and technical services		0.0%	-4.1%	-3.7%	7.1%	12.6%	18.4%	25.4%	36.3%
Management of companies and enterprises		-18.0%	-25.8%	-24.0%	-36.0%	-31.2%	-32.8%	-35.0%	-34.2%
Administrative and waste services		-11.7%	-16.6%	-10.6%	-10.9%	-3.9%	-2.4%	0.8%	1.3%
Educational services		-1.1%	1.1%	1.5%	2.5%	0.4%	0.4%	3.7%	6.6%
Health care and social assistance		0.6%	4.0%	9.0%	11.4%	15.3%	19.5%	22.4%	27.4%
Arts, entertainment, and recreation		5.9%	12.2%	16.5%	20.7%	21.5%	21.7%	29.1%	30.6%
Accommodation and food services		-1.3%	-0.6%	2.1%	5.4%	5.7%	7.5%	9.0%	11.2%
Other services, except government		-1.3%	0.4%	0.9%	-0.3%	1.1%	-1.2%	-0.9%	-0.4%
Government		0.8%	1.7%	-1.4%	-2.1%	-0.9%	-0.5%	0.3%	1.6%

* North American Industry Classification System

SOURCE: United States Department of Commerce, Bureau of Economic Analysis. 2005 - 2007 revised June 2009.

Gross Domestic Product by Industry in Massachusetts
(as a percent of total GDP chained 2000 dollars)

NAICS* Industry Sector	2000	2001	2002	2003	2004	2005r	2006r	2007r	2008
Total Gross Domestic Product by State	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Private industries	91.5%	91.5%	91.4%	91.9%	92.1%	92.1%	92.3%	92.5%	92.6%
Agriculture, forestry, fishing, and hunting	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%
Mining	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%
Utilities	1.3%	1.1%	1.1%	1.2%	1.3%	1.2%	1.2%	1.2%	1.2%
Construction	4.1%	4.3%	4.1%	3.8%	3.6%	3.4%	3.1%	2.6%	2.5%
Manufacturing	13.5%	12.7%	12.9%	13.6%	12.8%	12.7%	13.6%	14.4%	13.7%
Wholesale trade	5.9%	6.4%	6.3%	6.4%	6.3%	6.0%	6.0%	5.7%	5.6%
Retail trade	5.3%	5.7%	5.8%	5.9%	5.9%	6.3%	6.1%	6.0%	5.9%
Transportation and warehousing, excluding Postal Service	1.9%	1.8%	1.8%	1.7%	1.8%	1.8%	1.7%	1.7%	1.6%
Information	4.7%	5.0%	5.0%	5.0%	5.4%	6.0%	5.8%	6.0%	6.3%
Finance and insurance	10.9%	10.8%	10.8%	10.9%	11.2%	10.4%	10.5%	10.6%	10.3%
Real estate, rental, and leasing	12.9%	13.6%	13.6%	13.5%	13.4%	13.2%	13.3%	13.4%	13.4%
Professional and technical services	10.4%	10.3%	10.0%	9.8%	10.6%	11.1%	11.4%	11.9%	12.9%
Management of companies and enterprises	2.7%	2.2%	2.1%	2.1%	1.8%	1.8%	1.8%	1.7%	1.7%
Administrative and waste services	3.0%	2.7%	2.6%	2.7%	2.6%	2.7%	2.7%	2.7%	2.7%
Educational services	2.2%	2.1%	2.2%	2.1%	2.1%	2.0%	2.0%	2.0%	2.0%
Health care and social assistance	7.4%	7.4%	7.7%	7.9%	7.9%	8.2%	8.3%	8.3%	8.5%
Arts, entertainment, and recreation	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Accommodation and food services	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Other services, except government	2.0%	2.0%	2.0%	2.0%	1.9%	1.9%	1.8%	1.8%	1.8%
Government	8.5%	8.5%	8.6%	8.2%	8.0%	8.0%	7.8%	7.6%	7.6%

* North American Industry Classification System

SOURCE: United States Department of Commerce, Bureau of Economic Analysis. 2005 - 2007 revised June 2009.

Rank of Industry Contribution to GDP in Massachusetts
(millions of chained 2000 dollars)

NAICS* Industry Sector	2000	2001	2002	2003	2004	2005r	2006r	2007r	2008
Total Gross Domestic Product by State									
Private industries									
Agriculture, forestry, fishing, and hunting	19	19	19	19	19	19	19	19	19
Mining	20	20	20	20	20	20	20	20	20
Utilities	17	17	17	17	17	17	17	17	17
Construction	10	10	10	10	10	10	10	11	11
Manufacturing	1	2	2	1	2	2	1	1	1
Wholesale trade	7	7	7	7	7	8	8	9	9
Retail trade	8	8	8	8	8	7	7	8	8
Transportation and warehousing, excluding Postal Service	16	16	16	16	15	16	16	15	16
Information	9	9	9	9	9	9	9	7	7
Finance and insurance	3	3	3	3	3	4	4	4	4
Real estate, rental, and leasing	2	1	1	2	1	1	2	2	2
Professional and technical services	4	4	4	4	4	3	3	3	3
Management of companies and enterprises	12	13	14	14	16	15	15	16	15
Administrative and waste services	11	11	11	11	11	11	11	10	10
Educational services	14	14	13	13	13	13	13	13	13
Health care and social assistance	6	6	6	6	6	5	5	5	5
Arts, entertainment, and recreation	18	18	18	18	18	18	18	18	18
Accommodation and food services	13	12	12	12	12	12	12	12	12
Other services, except government	15	15	15	15	14	14	14	14	14
Government	5	5	5	5	5	6	6	6	6

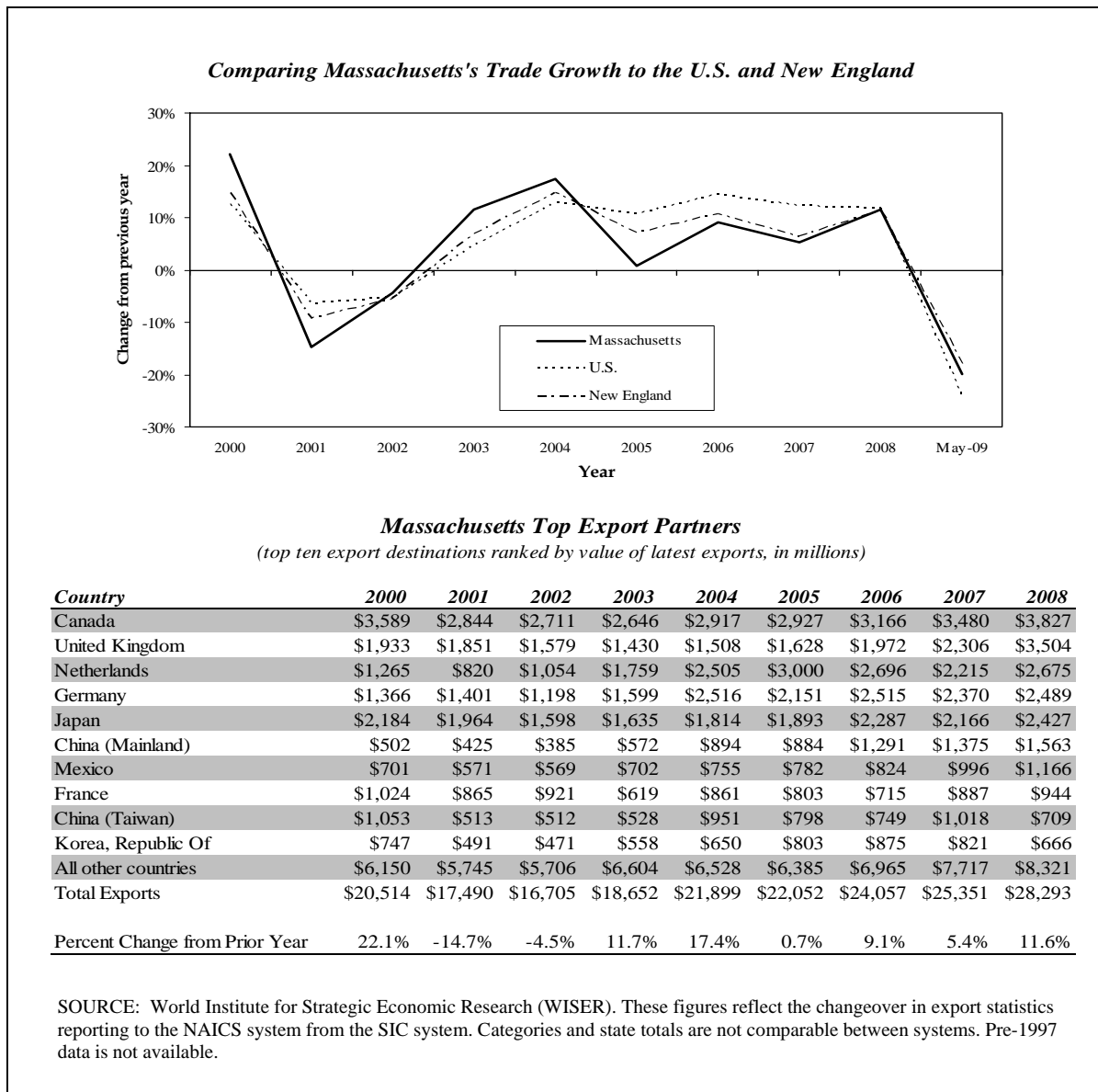
* North American Industry Classification System

SOURCE: United States Department of Commerce, Bureau of Economic Analysis. 2005 - 2007 revised June 2009.

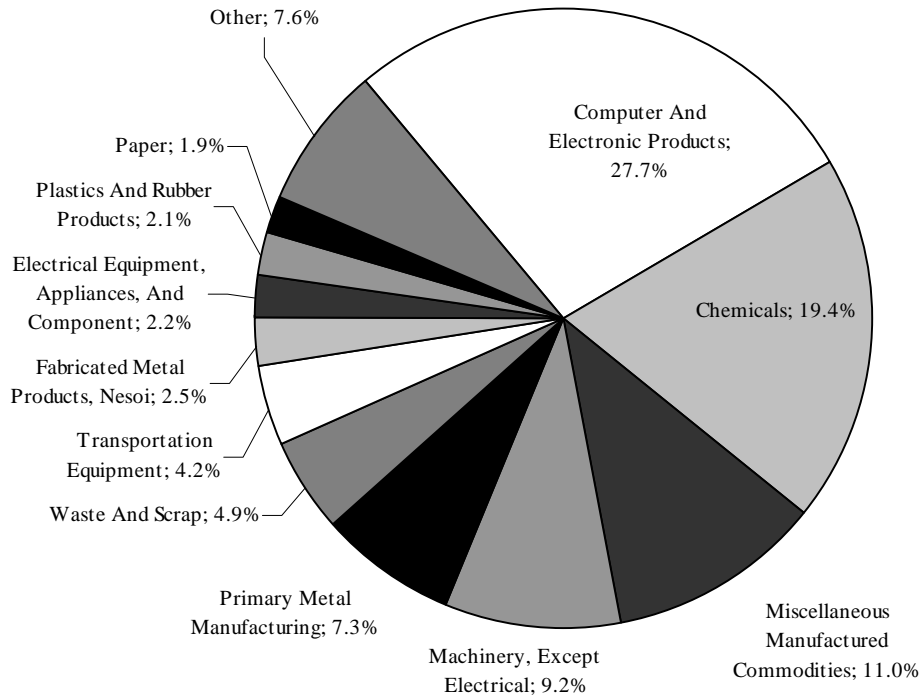
GDP Sector Overview. Between 2001 and 2008, the portion of the total GDP in chained 2000 dollars, from the private industry sector increased 1.0 percent, and it decreased 0.9 percent in the government sector. Contributions by each industry to total GDP have remained steady for most sectors. The exceptions were professional and technical services, up 2.6 percent, information, up 1.4 percent, and manufacturing, up 1.1 percent. When the 2001 to 2008 industry contributions to total annual GDP are ranked according to their dollar value, the top five have remained fairly constant. From 2006 to 2008 they were manufacturing, real estate, rental and leasing, professional and technical services, finance and insurance, and health care and social assistance.

International Trade. Massachusetts ranked 13th in the United States, and first in New England, with \$28.3 billion in international exports in 2008. This represents an 11.6 percent increase from the previous year's exports from the Commonwealth, while national exports increased by 11.8 percent in the same year. In May 2009, Massachusetts's year-to-date exports totaled \$9.8 billion, a decrease of 19.9 percent compared with exports for the same period of 2008. National exports were down 24.1 percent and New England's were down 17.9 percent during the same period.

Massachusetts' five most important trading partners for 2008 were: Canada, \$3.8 billion, United Kingdom, \$3.5 billion, Netherlands, \$2.7 billion, Germany, \$2.5 billion, Japan, \$2.4 billion. Between 2007 and 2008, the most significant growth in Massachusetts exports among its top ten trading partners was to the United Kingdom, 52 percent, and the Netherlands, 20.7 percent.



Composition of Massachusetts Exports by Industry Group, 2008



SOURCE: U.S. Census Bureau, Foreign Trade Division. Data prepared by the World Institute for Strategic Economic Research (WISER), graph by UMass Donahue Institute.

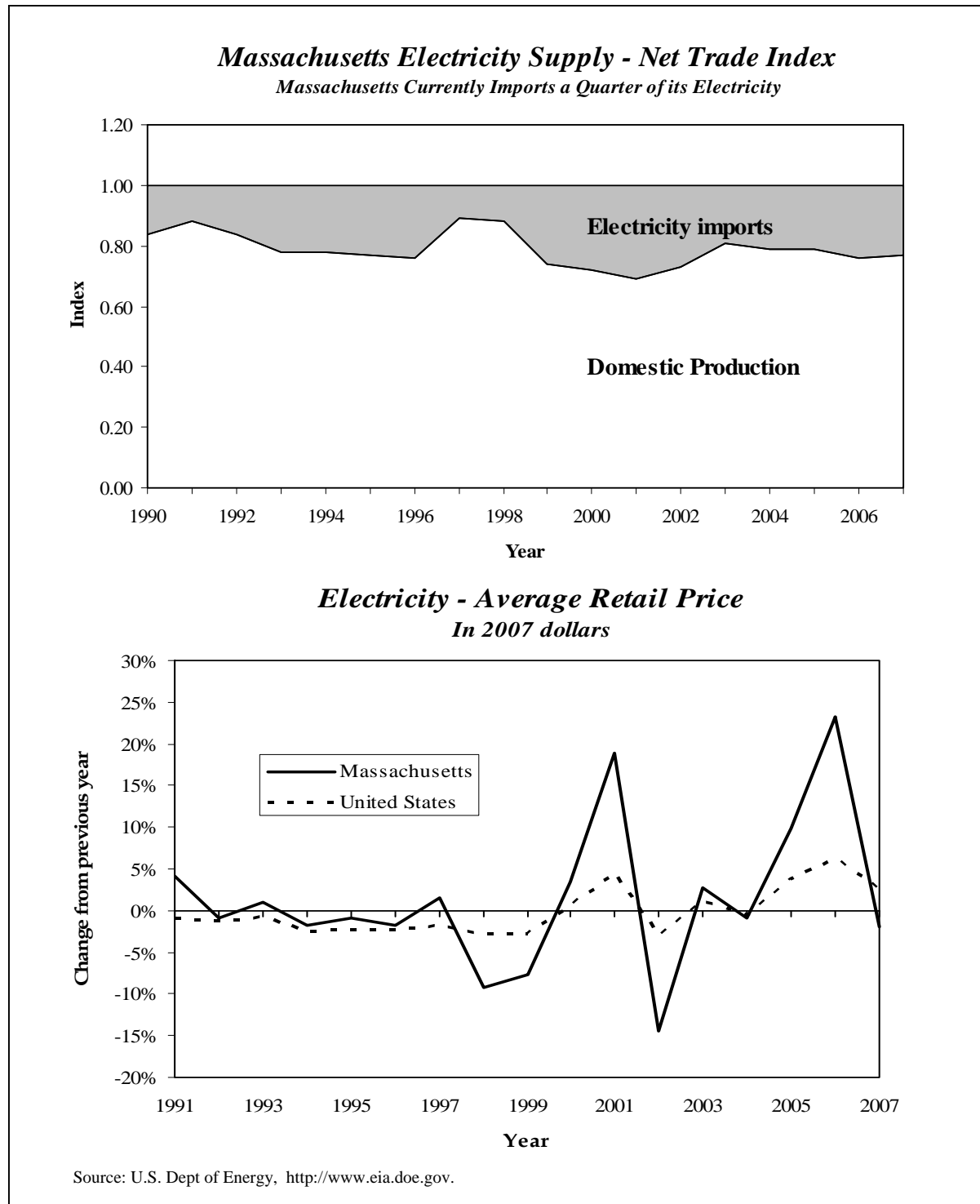
Value of International Shipments from Massachusetts

(top ten industry groups ranked by value of latest exports, in millions)

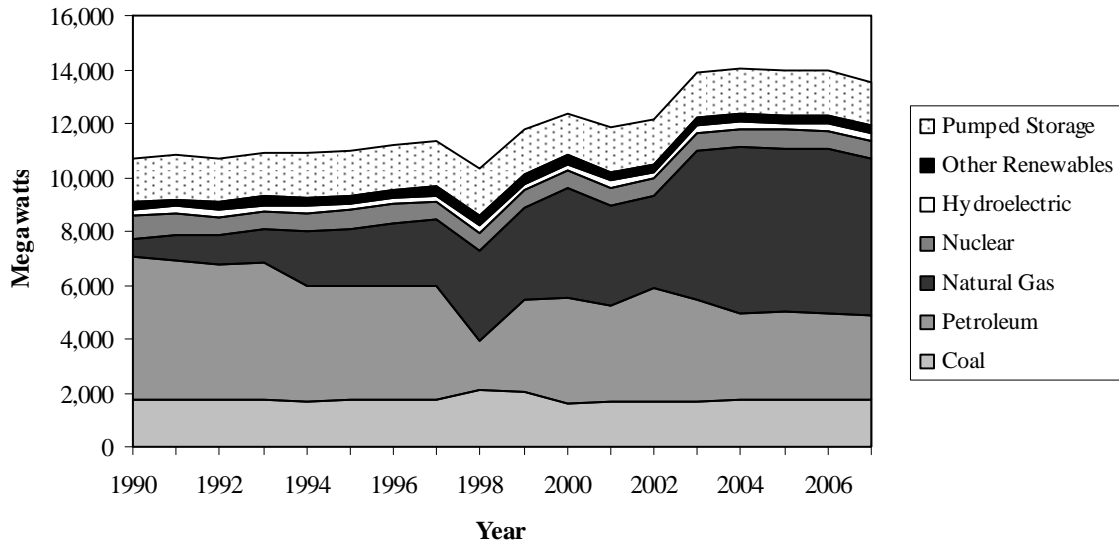
Major Industry Group	2000	2001	2002	2003	2004	2005	2006	2007	2008
Computer And Electronic Products	\$10,215	\$8,122	\$7,022	\$7,688	\$7,526	\$7,019	\$7,522	\$7,716	\$7,832
Chemicals	\$1,600	\$1,534	\$2,259	\$3,216	\$4,910	\$5,285	\$5,189	\$5,258	\$5,481
Miscellaneous Manufactured Commodities	\$1,053	\$1,213	\$1,211	\$1,571	\$1,930	\$2,114	\$2,240	\$2,319	\$3,118
Machinery, Except Electrical	\$2,545	\$2,044	\$1,788	\$1,672	\$2,447	\$2,311	\$2,739	\$2,881	\$2,614
Primary Metal Manufacturing	\$358	\$272	\$247	\$425	\$423	\$405	\$647	\$982	\$2,052
Waste And Scrap	\$106	\$146	\$190	\$184	\$326	\$330	\$597	\$849	\$1,373
Transportation Equipment	\$659	\$449	\$346	\$379	\$454	\$477	\$548	\$926	\$1,186
Fabricated Metal Products, Nesoi	\$649	\$569	\$691	\$534	\$621	\$664	\$679	\$615	\$721
Electrical Equipment, Appliances, And Compon	\$834	\$691	\$649	\$592	\$752	\$810	\$872	\$769	\$624
Plastics And Rubber Products	\$374	\$400	\$407	\$375	\$404	\$470	\$530	\$582	\$586
Total Exports, Top Massachusetts Industries	\$18,393	\$15,438	\$14,809	\$16,636	\$19,792	\$19,884	\$21,563	\$22,898	\$25,588
All other exports	\$2,121	\$2,052	\$1,896	\$2,016	2107.17	\$2,168	\$2,494	\$2,453	\$2,704

SOURCE: World Institute for Strategic Economic Research (WISER). These figures reflect the changover in export statistics reporting to the NAICS system from the SIC system. Categories and state totals are not comparable between systems; pre-1997 data is not available. 2002 to 2007 data was slightly revised by Census.

Utilities. Between 2001 and 2008, the utilities sector of Massachusetts GDP increased 18.7 percent when measured with year 2000 chained dollars. It contributed 1.2 percent to the total Massachusetts Real GDP in 2008. Massachusetts electric utilities generated \$2.9 billion in revenue as of April 2009 (YTD). This was 2.3 percent more than the same period in 2008, while they sold 5.5 percent less electricity. Massachusetts had the fourth highest electric rate in the country in 2007, 15.16 cents per kilowatt hour. The U.S. average was 9.13. This was a decrease of 1.9 percent for Massachusetts and an increase of 2.6 percent for the U.S. from the previous year. Massachusetts Net Electricity Trade Index, which represents a state's electricity self-sufficiency, was 0.77 in 2007. This means it imported 23 percent of its electricity supply, 14,401 million kilowatt hours, from out-of-state. In 2007, two-thirds of Massachusetts generating capacity was oil and natural gas based.



Electric Power Net Summer Capacity by Primary Energy Source



Source: U.S. Dept of Energy, <http://www.eia.doe.gov>.

Transportation and Warehousing. Between 2001 and 2008, the transportation and warehousing sector of Massachusetts GDP increased 0.6 percent when measured with year 2000 chained dollars. It contributed 1.6 percent to the total Massachusetts Real GDP in 2008; 0.2 percent less than it did in 2001.

Massachusetts' major air and seaports are managed by the Massachusetts Port Authority (Massport), an independent public authority. According to Massport, as of December 31, 2007, airline service at the airport, both scheduled and non-scheduled, was provided by 91 airlines, including nine U.S. major air carrier airlines, 28 non-major domestic carriers, 34 non-U.S. flag ("foreign flag) carriers and 20 regional and commuter airlines. Based on total passenger volume in calendar year 2007 data, Logan Airport was the most active airport in New England and remained the 19th most active in the U.S. according to the Federal Aviation Authority. Massport reported that as of February, year-to-date 2009, total airport flight operations were down 10.4 percent and total airport passengers were down 11.8 percent from the same period in 2008.

Logan was served by 11 all-cargo and small package/express carriers in 2007. According to the FAA, Logan Airport ranked 26th in the nation in total air cargo volume in calendar year 2007. In 2007, the airport handled 1.06 billion pounds of cargo, a 3.7 percent decrease from 2006. Massport reported that as of February, year-to-date 2009, the combined cargo volume was down 20.2 percent and total airport mail was up 11.0 percent from the same period in 2008. Please refer to the Aviation Activity charts on the following page.

At Massport's Port of Boston properties, 2008 total cargo throughput was 15.5 million metric tons, a 1.0 percent increase from 2007. Automobile processing increased 166 percent to 26,779 units, and cruise passenger trips increased 15 percent to 269,911. Total containerized cargo decreased 15 percent to 1.5 million metric tons. Massport reported that between December 2007 and November 2008, total containerized cargo was down 5.0 percent compared to the same period the previous year. The Army Corps of Engineers reported Massachusetts total waterborne cargo shipped or received in 2007 increased, for the first time since 2004, to 2.3 percent to 28.0 million short tons from 2006. Waterborne cargo in New England decreased just 0.5 percent and the U.S decreased 0.9 percent. Please refer to the Waterborne Tonnage by State charts on the following page.

Aviation Activity for Massachusetts Primary Airports

<i>Passenger Boardings</i>	2000	2001	2002	2003	2004	2005	2006	2007
General Edward Lawrence Logan International	13,613,507	11,739,553	11,077,238	11,087,799	12,758,020	13,214,923	13,544,552	13,783,297
Nantucket Memorial	296,451	272,460	253,422	229,300	243,313	252,757	276,866	282,197
Barnstable Municipal-Boardman/Polando Field	205,906	197,106	180,807	158,360	167,522	177,761	206,980	204,152
Worcester Regional	52,916	79,653	37,298	2,234	1,274	2,036	14,823	460
Laurence G Hanscom Field	82,204	71,381	40,419	19,375	17,049	13,887	14,560	16,568
Martha's Vineyard	71,150	65,374	59,500	53,011	49,480	48,977	45,881	49,205
New Bedford Regional	22,882	21,786	21,667	21,097	19,686	17,960	15,211	14,567
Provincetown Municipal	15,694	12,986	10,533	11,801	11,424	10,236	11,375	12,459
Total	14,360,710	12,460,299	11,680,884	11,582,977	13,267,768	13,738,537	14,130,248	14,362,905

<i>Cargo - Gross Landed Weight (lbs.)</i>	2000	2001	2002	2003	2004	2005	2006	2007
General Edward Lawrence Logan International	1,405,482,600	1,301,842,100	1,272,185,900	1,199,383,800	1,172,103,700	1,148,881,400	1,100,485,850	1,059,947,900

Change in Aviation Activity at Massachusetts Primary Airports

<i>Passenger Boardings</i>	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
General Edward Lawrence Logan International	-13.8%	-5.6%	0.1%	15.1%	3.6%	2.5%	1.8%
Nantucket Memorial	-8.1%	-7.0%	-9.5%	6.1%	3.9%	9.5%	1.9%
Barnstable Municipal-Boardman/Polando Field	-4.3%	-8.3%	-12.4%	5.8%	6.1%	16.4%	-1.4%
Worcester Regional	50.5%	-53.2%	-94.0%	-43.0%	59.8%	628.0%	-96.9%
Laurence G Hanscom Field	-13.2%	-43.4%	-52.1%	-12.0%	-18.5%	4.8%	13.8%
Martha's Vineyard	-8.1%	-9.0%	-10.9%	-6.7%	-1.0%	-6.3%	7.2%
New Bedford Regional	-4.8%	-0.5%	-2.6%	-6.7%	-8.8%	-15.3%	-4.2%
Provincetown Municipal	-17.3%	-18.9%	12.0%	-3.2%	-10.4%	11.1%	9.5%
Total	-13.2%	-6.3%	-0.8%	14.5%	3.5%	2.9%	1.6%

<i>Cargo</i>	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
General Edward Lawrence Logan International	-7.4%	-2.3%	-5.7%	-2.3%	-2.0%	-4.2%	-3.7%

SOURCE: Federal Aviation Administration Sept. 2008.
http://www.faa.gov/airports_airtraffic/airports/planning_capacity/passenger_allcargo_stats/

Waterborne Tonnage by State (In Units of 1,000 Tons)

<i>State</i>	2000	2001	2002	2003	2004	2005	2006	2007
U.S. total	2,424,596	2,386,558	2,340,292	2,394,199	2,551,939	2,527,622	2,588,440	2,563,972
Maine	31,769	30,586	29,140	31,698	32,447	32,353	28,103	26,839
Massachusetts	26,973	26,446	26,117	30,655	31,787	28,812	27,411	28,043
Connecticut	18,959	18,267	17,610	18,579	20,075	19,617	19,340	20,148
Rhode Island	9,089	9,170	8,437	9,417	9,764	10,972	11,016	11,184
New Hampshire	4,462	4,447	4,108	4,971	4,795	5,254	4,823	4,026
Vermont	0	0	0	0	0	0	0	0
New England	91,252	88,916	85,412	95,320	98,868	97,008	90,693	90,240

Waterborne Tonnage by State - Percent Change from Previous Year

<i>State</i>	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
U.S. total	-1.6%	-1.9%	2.3%	6.6%	-1.0%	2.4%	-0.9%
Maine	-3.7%	-4.7%	8.8%	2.4%	-0.3%	-13.1%	-4.5%
Massachusetts	-2.0%	-1.2%	17.4%	3.7%	-9.4%	-4.9%	2.3%
Connecticut	-3.6%	-3.6%	5.5%	8.1%	-2.3%	-1.4%	4.2%
Rhode Island	0.9%	-8.0%	11.6%	3.7%	12.4%	0.4%	1.5%
New Hampshire	-0.3%	-7.6%	21.0%	-3.5%	9.6%	-8.2%	-16.5%
Vermont	-	-	-	-	-	-	-
New England	-2.6%	-3.9%	11.6%	3.7%	-1.9%	-6.5%	-0.5%

SOURCE: Army Core of Engineers, Waterborne Commerce Statistics Center (WCSC) Feb 2009.
<http://www.iwr.usace.army.mil/ndc/wcsc/wcsc.htm>

Construction and Housing. In 2008, construction activity contributed 2.5 percent to the total Massachusetts Gross Domestic Product (GDP) when measured in 2000 chained dollars. The construction sector contributed 4.3 percent to state GDP in 2001. Overall loss between 2001 and 2008 was 1.8 percent in real dollars.

Housing Permits Authorized

<i>Year</i>	<i>Massachusetts</i>		<i>New England</i>		<i>United States</i>	
	<i>Total Permits</i>	<i>Percent Change</i>	<i>Total Permits</i>	<i>Percent Change</i>	<i>Total Permits</i>	<i>Percent Change</i>
1969	33,572		70,539		1,330,161	
1970	38,330	14.2%	74,068	5.0%	1,354,746	1.8%
1975	17,697	-27.5%	41,645	-21.0%	934,511	-12.4%
1980	16,055	-20.4%	40,195	-25.1%	1,171,763	-23.6%
1981	15,599	-2.8%	38,067	-5.3%	985,600	-15.9%
1982	15,958	2.3%	39,470	3.7%	1,000,500	1.5%
1983	22,950	43.8%	57,567	45.9%	1,605,221	60.4%
1984	28,471	24.1%	72,356	25.7%	1,689,667	5.3%
1985	39,360	38.2%	96,832	33.8%	1,732,335	2.5%
1986	43,877	11.5%	108,272	11.8%	1,771,832	2.3%
1987	40,018	-8.8%	101,222	-6.5%	1,542,499	-12.9%
1988	31,766	-20.6%	82,123	-18.9%	1,450,583	-6.0%
1989	21,634	-31.9%	53,543	-34.8%	1,345,084	-7.3%
1990	15,276	-29.4%	36,811	-31.2%	1,125,583	-16.3%
1991	12,624	-17.4%	31,111	-15.5%	953,834	-15.3%
1992	16,346	29.5%	36,876	18.5%	1,105,083	15.9%
1993	17,715	8.4%	39,225	6.4%	1,210,000	9.5%
1994	18,302	3.3%	40,459	3.1%	1,366,916	13.0%
1995	15,946	-12.9%	37,357	-7.7%	1,335,835	-2.3%
1996	17,360	8.9%	40,425	8.2%	1,419,083	6.2%
1997	17,554	1.1%	42,047	4.0%	1,442,251	1.6%
1998	18,958	8.0%	47,342	12.6%	1,619,500	12.3%
1999	18,967	0.0%	47,632	0.6%	1,663,533	2.7%
2000	18,000	-5.1%	45,335	-4.8%	1,592,267	-4.3%
2001	17,034	-5.4%	44,594	-1.6%	1,636,676	2.8%
2002	17,465	2.5%	49,031	9.9%	1,747,678	6.8%
2003	20,257	16.0%	52,395	6.9%	1,889,214	8.1%
2004	22,477	11.0%	57,858	10.4%	2,070,077	9.6%
2005	24,549	9.2%	58,742	1.5%	2,155,316	4.1%
2006	19,580	-20.2%	46,782	-20.4%	1,838,903	-14.7%
2007	15,358	-21.6%	37,532	-19.8%	1,398,415	-24.0%
2008	9,883	-35.6%	24,454	-34.8%	905,359	-35.3%

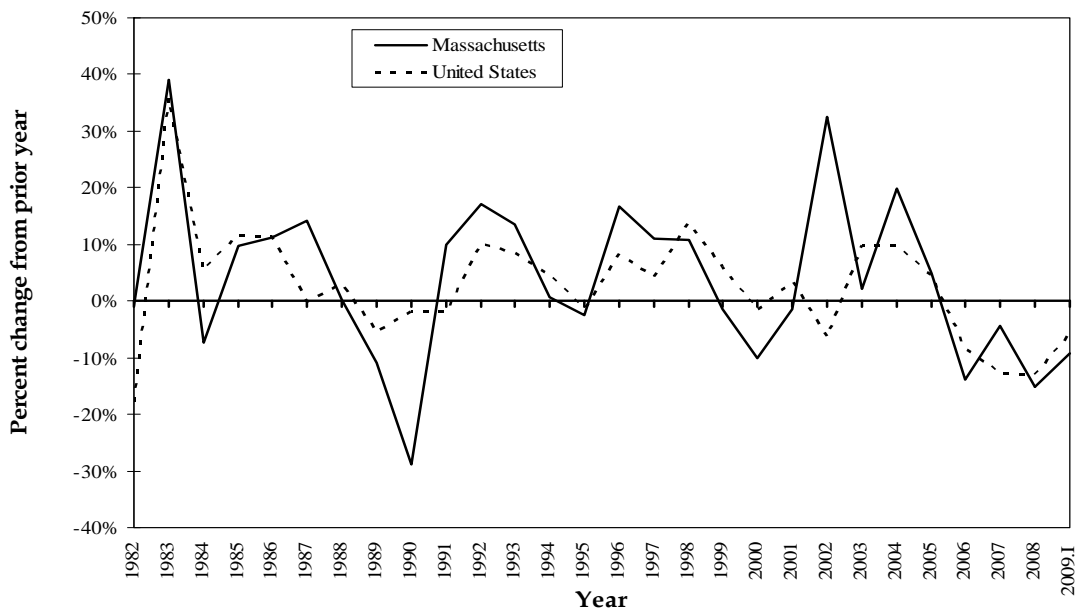
SOURCES: Federal Reserve Bank of Boston; United States Department of Commerce. June 2009.

Home Sales. Sales of existing single-family homes for Massachusetts and the U.S. are presented in the following chart and graph. Seasonally adjusted rates are used in reporting quarterly data to factor out seasonal variations in resale activity.

Existing Home Sales
(Quarterly rates are seasonally adjusted, rates in thousands)

Year	Massachusetts		United States	
	Sales	% Change	Sales	% Change
1981	43.0		2,575.0	
1985	60.2	40.2%	3,382.5	31.4%
1990	48.6	-19.4%	3,603.5	6.5%
1995	69.6	-2.6%	4,342.3	-1.5%
1996	81.2	16.6%	4,705.3	8.4%
1997	90.1	11.0%	4,908.8	4.3%
1998	99.9	10.8%	5,585.3	13.8%
1999	98.5	-1.3%	5,922.8	6.0%
2000	88.7	-10.0%	5,831.8	-1.5%
2001	87.5	-1.4%	6,026.3	3.3%
2002	115.9	32.5%	5,631.0	-6.6%
2003	118.3	2.1%	6,175.0	9.7%
2004	141.7	19.8%	6,778.0	9.8%
2005	148.6	4.9%	7,076.0	4.4%
2006	128.1	-13.8%	6,478.0	-8.5%
2007	122.4	-4.4%	5,652.0	-12.8%
2008	103.8	-15.2%	4,912.0	-13.1%
2008.I	99.2		4,997.0	
2009.I*	90.0	-9.3%	4,700.0	-5.9%

Change in Existing Home Sales - Annual and Latest Quarter
Massachusetts and the United States



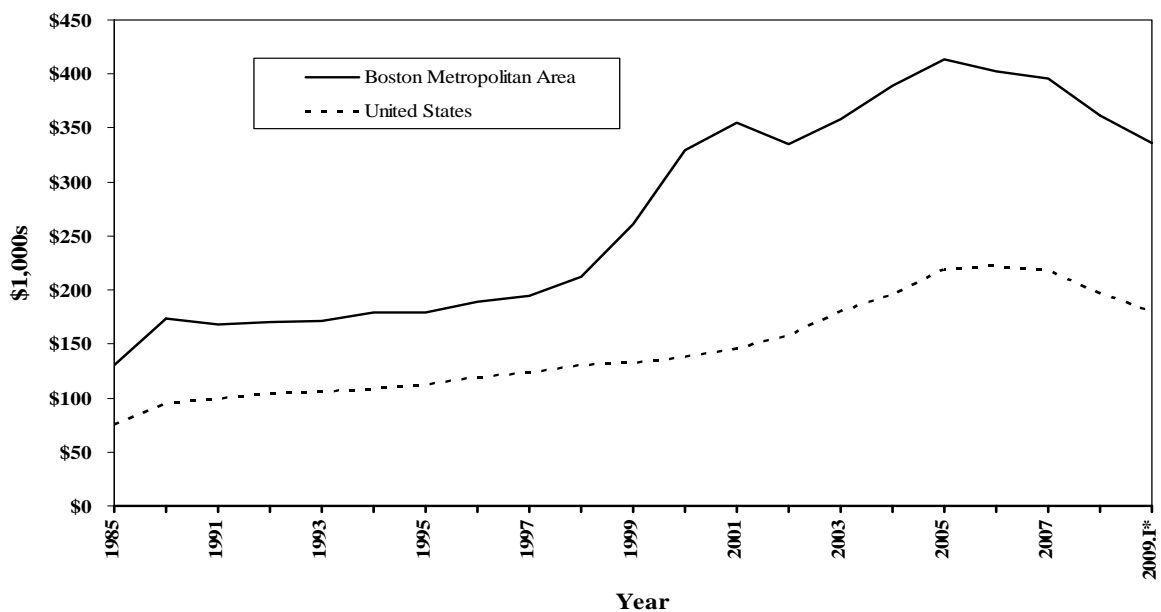
SOURCES: National Association of Realtors. Federal Reserve Bank of Boston; p= preliminary, r=revised.*=change from previous year's quarter.

Median Home Prices. Median sales price of existing single-family homes for the Boston metropolitan area and the United States are presented in the following chart and graph.

Median Sales Price for Existing Single-Family Homes
(Quarterly price not seasonally adjusted, price in thousands)

<i>Year</i>	<i>Boston Metropolitan Area</i>	<i>United States</i>	<i>Boston Prices as a Percent of the U.S.</i>	<i>Boston Annual Percent Change</i>	<i>U.S. Annual Percent Change</i>
1985	\$131	\$75	173.7%	33.5%	4.0%
1990	\$174	\$95	182.6%	-4.2%	2.3%
1991	\$169	\$99	169.5%	-3.0%	4.4%
1992	\$171	\$104	164.6%	1.2%	4.2%
1993	\$171	\$107	160.9%	0.5%	2.8%
1994	\$179	\$109	164.7%	4.4%	2.1%
1995	\$179	\$113	158.6%	-0.2%	3.7%
1996	\$189	\$119	158.7%	5.7%	5.6%
1997	\$195	\$124	157.1%	3.0%	4.0%
1998	\$212	\$130	162.9%	8.9%	5.1%
1999	\$261	\$133	196.2%	23.1%	2.2%
2000	\$330	\$138	238.3%	26.4%	4.1%
2001	\$355	\$146	242.4%	7.6%	5.8%
2002	\$335	\$158	212.1%	-5.5%	8.0%
2003	\$359	\$180	198.9%	6.9%	14.0%
2004	\$390	\$195	199.6%	8.7%	8.3%
2005	\$413	\$219	188.7%	6.0%	12.2%
2006	\$402	\$222	181.3%	-2.7%	1.3%
2007	\$396	\$218	181.6%	-1.6%	-1.8%
2008 r	\$361	\$197	183.7%	-8.7%	-9.8%
2008.I	\$381	\$206	185.1%		
2009.I*	\$336	\$180	186.4%	-11.8%	-12.4%

Median Sales Price, Existing Single-Family Homes
U.S. and Boston Metropolitan Area

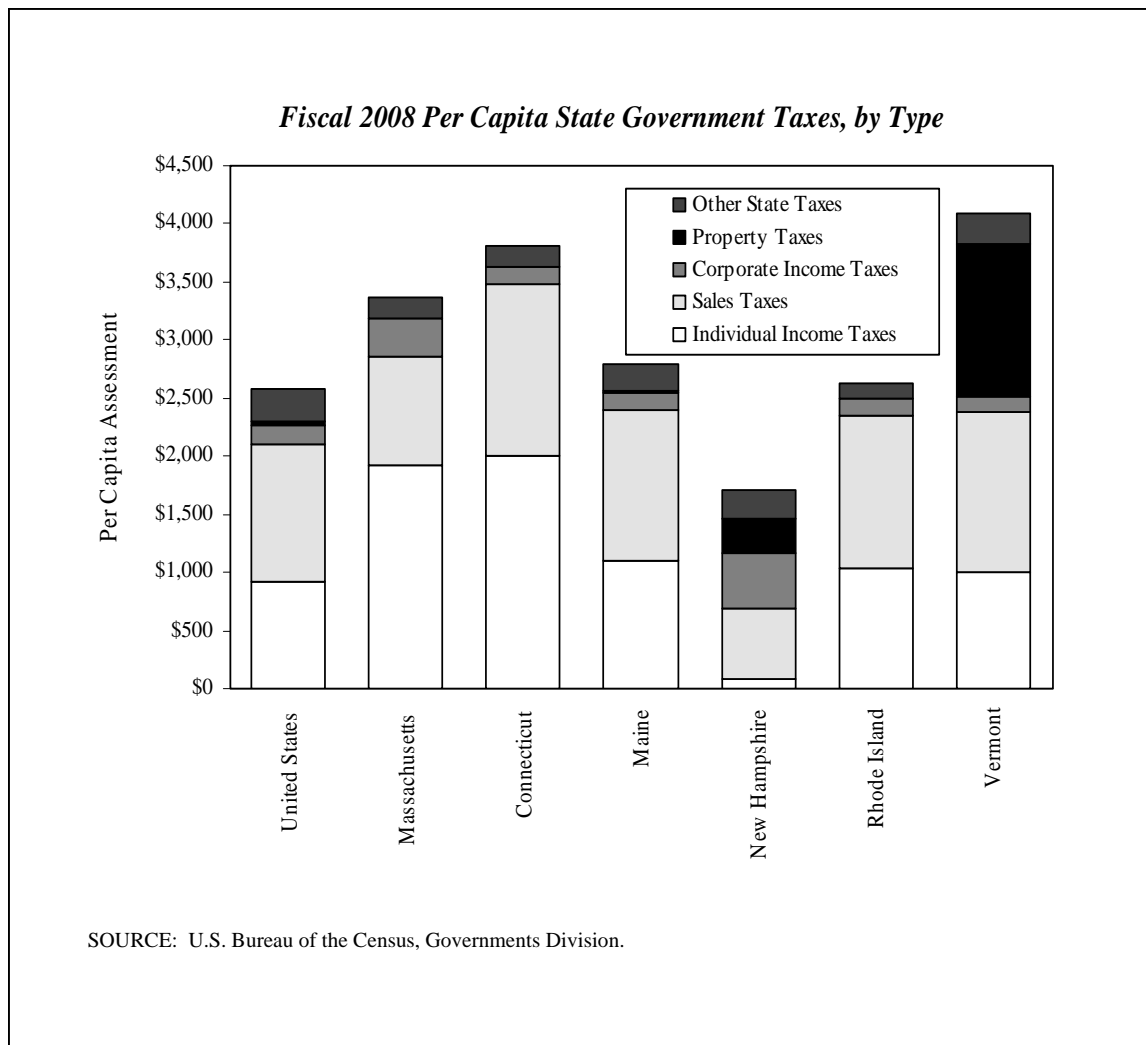


SOURCES: National Association of Realtors. Federal Reserve Bank of Boston, p= preliminary, r=revised, *=change from previous year's quarter.

Travel and Tourism. In 2007, the arts, entertainment, recreation and accommodations industries (does not include food services and drinking places sub-industries) contributed 1.5 percent to Massachusetts total GDP (real 2000 dollars), a 0.1 percent difference from 2001. The Massachusetts Office of Travel and Tourism (MOTT) reported an annual increase of 1.7 percent in museum and attraction attendance, 12.2 million visitors, in 2008, April 2009 museum and attraction attendance was up 5.3 percent compared to April 2008.

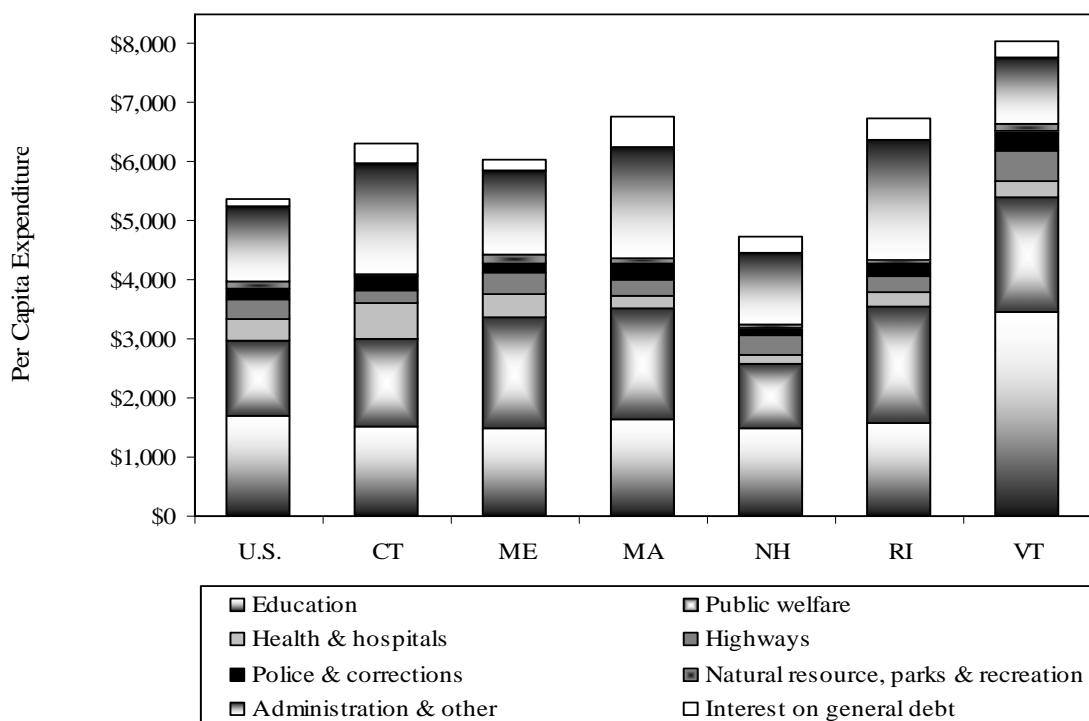
State Taxes. Per capita state taxes in Massachusetts were significantly higher, 30.1 percent, than the national average. In fiscal year 2008, the total per capita state tax bill in the United States was \$2,571. Citizens of the Commonwealth however, paid \$3,360 on average, the ninth highest (tenth last year) in the nation and an increase of 4.9 percent from the previous year's \$3,204. In New England, citizens in Connecticut and Vermont paid more per capita, and all New England states except New Hampshire (49th) ranked in the top two fifths for per capita state tax collections.

In fiscal year 2008, over half (57.2 percent), of the state taxes in Massachusetts came from the state income tax. Per capita individual income taxes in Massachusetts were \$1,923, up 8.8 percent from \$1,767 in fiscal year 2008. Also increasing in fiscal year 2008 were corporate net income at 2.7 percent. Sales receipts decreased very slightly by -0.1 percent. Other taxes (licenses, death and gift, and documentary and stock transfer) decreased 3.7 percent in Massachusetts on a per capita basis. Across the New England states, there was wide variation in both total per capita state taxes and in the breakdown of those taxes, as illustrated in the following chart.



State Government Spending in Massachusetts. The following chart depicts fiscal 2007 per capita state general expenditures by category for the six New England states and the U.S. average state expenditure. Massachusetts ranked 8th in the nation in per capita expenditures (\$6,779 in 2007) while it ranked 11th and spent \$6,198 in 2006. This represents a 9.4 percent increase in per capita expenditures from 2006 to 2007 with the largest per capita dollar increase in education. Massachusetts spent more state funds per capita on debt service (\$518 in 2007 which is 6.4 percent more than the previous year). This spending is greater than that of the other New England states.

**Fiscal 2007 Per Capita State Government General Expenditures, by Type
For the U.S. and the New England States**



**Fiscal 2007 Per Capita State Government General Expenditures, by Type
For the U.S. and the New England States**

<i>General expenditures, by function</i>	<i>U.S.</i>	<i>CT</i>	<i>ME</i>	<i>MA</i>	<i>NH</i>	<i>RI</i>	<i>VT</i>
Education	\$1,693	\$1,525	\$1,502	\$1,640	\$1,476	\$1,580	\$3,466
Public welfare	\$1,293	\$1,467	\$1,855	\$1,877	\$1,099	\$1,979	\$1,936
Health & hospitals	\$349	\$610	\$403	\$227	\$152	\$244	\$271
Highways	\$339	\$212	\$378	\$267	\$334	\$251	\$535
Police & corrections	\$195	\$249	\$153	\$274	\$121	\$227	\$309
Natural resource, parks & recreation	\$92	\$43	\$143	\$87	\$58	\$50	\$135
Administration & other	\$1,280	\$1,883	\$1,413	\$1,890	\$1,216	\$2,039	\$1,129
Interest on general debt	\$134	\$326	\$181	\$518	\$277	\$359	\$257
Total	\$5,377	\$6,316	\$6,028	\$6,779	\$4,732	\$6,730	\$8,038
State's rank of total per capita expenditures		13	16	8	35	9	3

SOURCE: U.S. Census Bureau, Governments Division

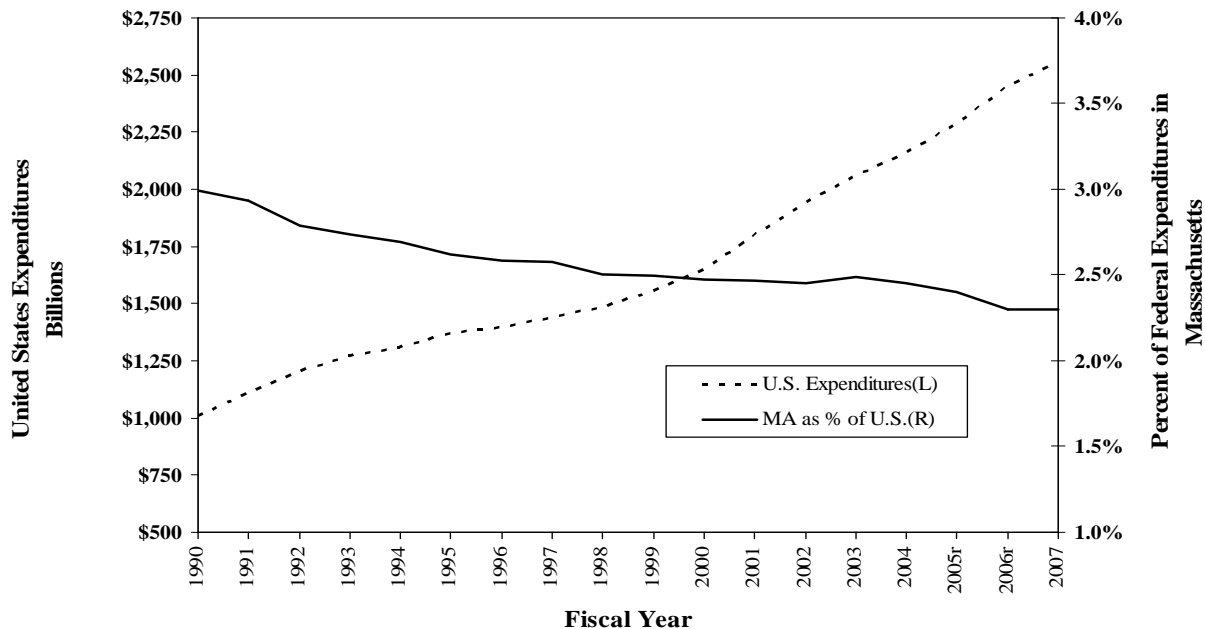
**Massachusetts Per Capita State Government General Expenditures, by Type
FY2000-2007**

<i>General expenditures, by function</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
Education	\$890	\$1,026	\$1,020	\$1,055	\$1,183	\$1,346	\$1,401	\$1,640
Public welfare	\$1,030	\$1,135	\$932	\$824	\$1,647	\$1,719	\$1,843	\$1,877
Health & hospitals	\$308	\$363	\$377	\$372	\$172	\$177	\$187	\$227
Highways	\$439	\$400	\$427	\$378	\$471	\$276	\$261	\$267
Police & corrections	\$191	\$213	\$223	\$230	\$215	\$222	\$248	\$274
Natural resource, parks & recreation	\$58	\$88	\$86	\$95	\$90	\$76	\$81	\$87
Administration & other	\$1,392	\$1,473	\$1,630	\$1,755	\$1,815	\$1,660	\$1,690	\$1,890
Interest on general debt	\$335	\$371	\$418	\$386	\$401	\$435	\$487	\$518
Total	\$4,643	\$5,067	\$5,115	\$5,095	\$5,994	\$5,911	\$6,198	\$6,779

SOURCE: US Census Bureau, Governments Division.

Federal Government Spending in Massachusetts. Federal government spending contributes significantly to the Massachusetts economy. In fiscal 2007, Massachusetts received over \$61 billion and ranked twelfth among states in per capita distribution of federal funds, with total spending of \$9,462 per person, excluding loans and insurance. Massachusetts ranked fifteenth in fiscal 2006. While federal spending in Massachusetts has increased every year since 1990, its share of total U.S. spending has declined steadily since 1990. The following chart shows total federal expenditures and the percentage of federal expenditures in Massachusetts. Federal spending includes grants to state and local governments, direct payments to individuals, wage and salary employment, and procurement contracts, and includes only those expenditures that can be associated with individual states and territories.

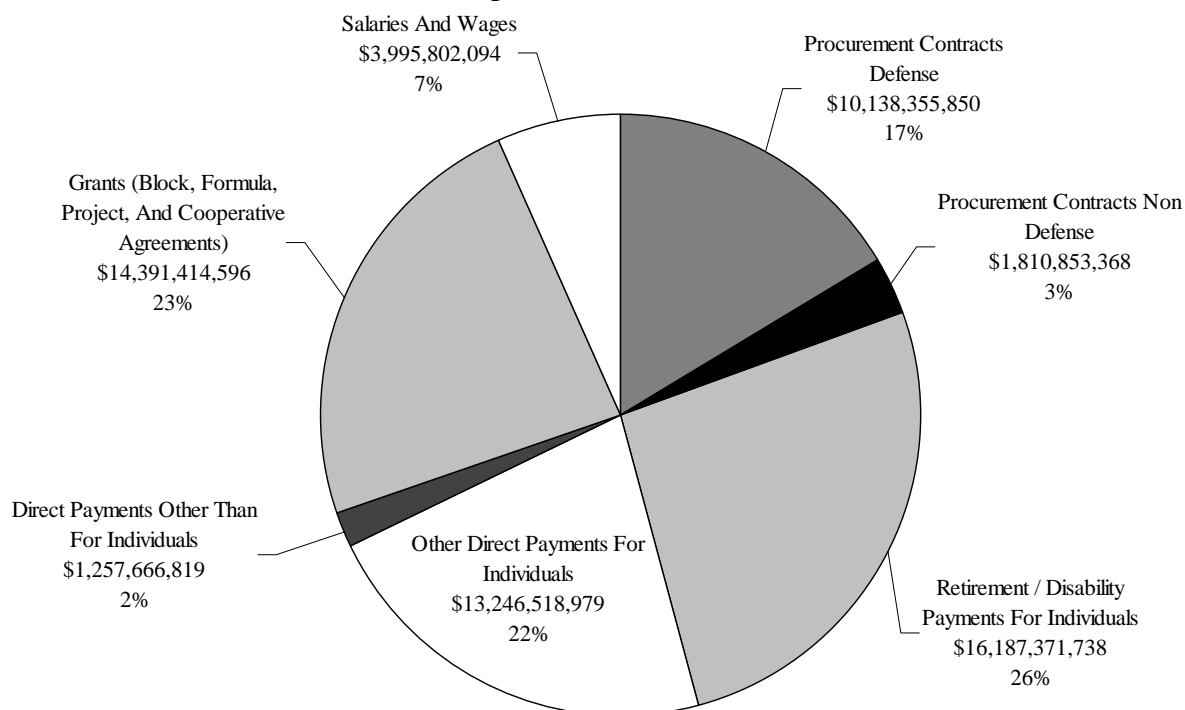
**Total Federal Expenditures and Percentage of
Federal Expenditures in Massachusetts**



SOURCE: Consolidated Federal Funds Report for Fiscal Year 2007. <http://harvester.census.gov/cffr/index.html>; r = revised.

Half of FY 2007 federal spending in Massachusetts was composed of health care and social programs like Medicare, Medicaid, Social Security, unemployment benefits and Section 8 Housing Vouchers. Massachusetts was 37 percent above the national average in per capita federal grants to state and local governments, receiving \$2,231 per capita compared to a national average of \$1,624. Per capita federal spending on salaries and wages in 2007 was 25 percent lower in Massachusetts than in the rest of the nation at \$620 compared to a national average of \$825, but Massachusetts was 6 percent above the national average in per capita direct federal payments to individuals at \$4,759 compared to a national average of \$4,498. Massachusetts ranked 9th, 12th in 2006, among states in per capita procurement contract awards at \$1,853 compared to a national average of \$1,393 in 2007. The following chart shows the composition of direct federal spending within Massachusetts in fiscal 2007, excluding loans and insurance.

Composition of \$61 Billion Direct Federal Spending in Massachusetts by Program - Fiscal Year 2007



SOURCE: U.S. Census Bureau, Consolidated Federal Funds Report: FY 2007.

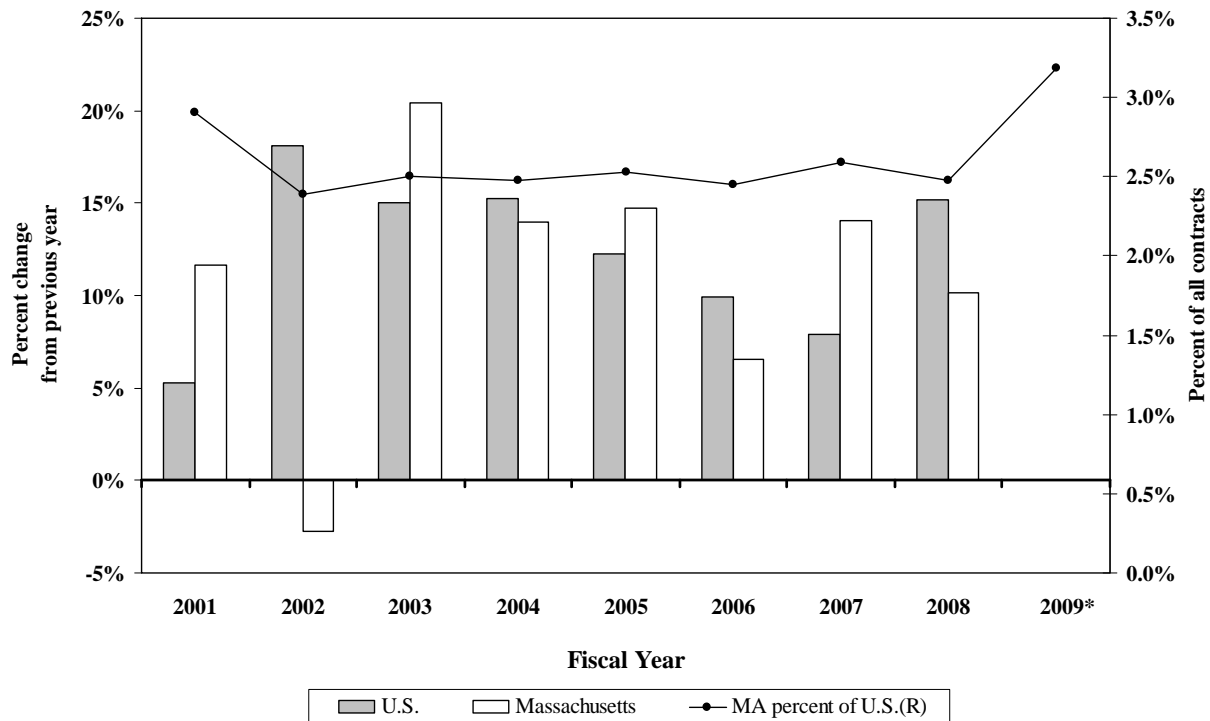
Federal Contracts. The total dollar value of all federal contracts performed in Massachusetts increased an average of 11.1 percent a year since 2000, 1.3 percent slower than the 12.4 percent U.S. average. The following two pages compare Massachusetts federal contract dollars to the U.S. total and summarize the fiscal year periods from 2000 to 2008 and as of July 15, 2009.

Federal Contracts Performed in Massachusetts and the U.S.

(millions of dollars)

<i>Fiscal Year</i>	<i>Massachusetts</i>	<i>MA percent increase from previous year</i>	<i>MA portion of all</i>	<i>U.S.</i>	<i>U.S. percent increase from previous year</i>
2000	\$5,697		2.7%	\$208,314	
2001	6,360	11.6%	2.9%	219,231	5.2%
2002	6,187	-2.7%	2.4%	258,980	18.1%
2003	7,451	20.4%	2.5%	297,828	15.0%
2004	8,490	13.9%	2.5%	343,227	15.2%
2005	9,738	14.7%	2.5%	385,148	12.2%
2006	10,377	6.6%	2.5%	423,435	9.9%
2007	11,839	14.1%	2.6%	456,979	7.9%
2008	13,042	10.2%	2.5%	526,485	15.2%
2009*	7,051		3.2%	221,178	
Total	\$86,231		2.6%	\$3,340,805	

Massachusetts Share of Federal Contracts Growing in 2009



SOURCE: <http://www.usaspending.gov>.

*Note: Reported as of July 15, 2009.

Summary of Federal Contracts Performed in Massachusetts

Fy 2000 To 2009*

Total Dollars: \$86,231,226,963

This State Is Ranked 8 Among States For All Years For Federal Contract Awards By Contractor State

Total Number Of Contractors: 15,009

Total Number Of Transactions: 665,085

Top 5 Products Or Services Sold

Gas Turbines And Jet Engines, Aircraft; Prime Moving, And Components	\$8,812,113,965
Engineering -- Advanced Development (R&D)	\$3,805,164,185
Defense Electronics And Communication Equipment -- Basic Research (R&D)	\$2,626,465,865
Miscellaneous Communication Equipment	\$2,578,780,658
Other Research And Development -- Engineering Development (R&D)	\$2,517,357,671

Top 5 Contracting Agencies Purchasing From Contractor(S)

Navy, Department Of The	\$25,677,975,146
Army, Department Of The (Except Corps Of Engineers Civil Program Financing)	\$22,499,849,587
Air Force, Department Of The (Headquarters, Usaf)	\$17,393,064,072
Defense Logistics Agency	\$2,715,985,942
Veterans Affairs, Department Of	\$2,516,098,691

Top 10 Contractors

Raytheon Company	\$18,299,729,177
General Dynamics Corporation	\$11,653,272,945
General Electric Company	\$10,039,647,207
Massachusetts Institute Of Technology	\$4,867,706,518
The Charles Stark Draper Laboratory Inc	\$2,877,392,612
The Mitre Corporation	\$2,493,137,790
Textron Inc.	\$1,640,701,289
Bae Systems Plc	\$1,227,705,277
L-3 Communications Holdings, Inc.	\$1,029,539,340
Mckesson Corporation	\$843,062,913

SOURCE: <http://www.usaspending.gov>.

*Note: Reported as of July 15, 2009.

Federal Contracts Performed in Massachusetts in:

Fiscal Year: 2008 (Revised)

Total Dollars: \$13,041,703,954

The Amount For This Search Is 2.5% Of All Awarded Dollars For The Fiscal Year.

Massachusetts Is Ranked 10 Among States For This Year.

Total Number Of Contractors: 6,509

Total Number Of Transactions: 120,686

Top 5 Products Or Services Sold

Engineering -- Advanced Development (R&D)	\$1,030,137,978
Gas Turbines And Jet Engines, Aircraft; Prime Moving, And Components	\$976,223,689
Defense Electronics And Communication Equipment -- Basic Research (R&D)	\$740,928,822
Adpe System Configuration	\$633,230,223
Guided Missile Warheads And Explosive Components	\$551,242,658

Top 5 Contracting Agencies Purchasing From Contractor(S)

Army, Department Of The (Except Corps Of Engineers Civil Program Financing)	\$4,363,702,211
Navy, Department Of The	\$3,705,833,841
Air Force, Department Of The (Headquarters, Usaf)	\$2,078,924,377
Missile Defense Agency	\$457,246,976
Veterans Affairs, Department Of	\$326,208,696

Top 10 Contractors

Raytheon Company	\$3,535,578,330
General Dynamics Corporation	\$1,820,241,007
General Electric Company	\$1,323,631,403
Massachusetts Institute Of Technology	\$700,108,679
The Charles Stark Draper Laboratory Inc	\$336,743,551
The Mitre Corporation	\$315,804,637
Bae Systems Plc	\$315,529,847
John Snow, Incorporated	\$180,332,002
Mckesson Corporation	\$164,452,659
Qinetiq Group Plc	\$164,185,281

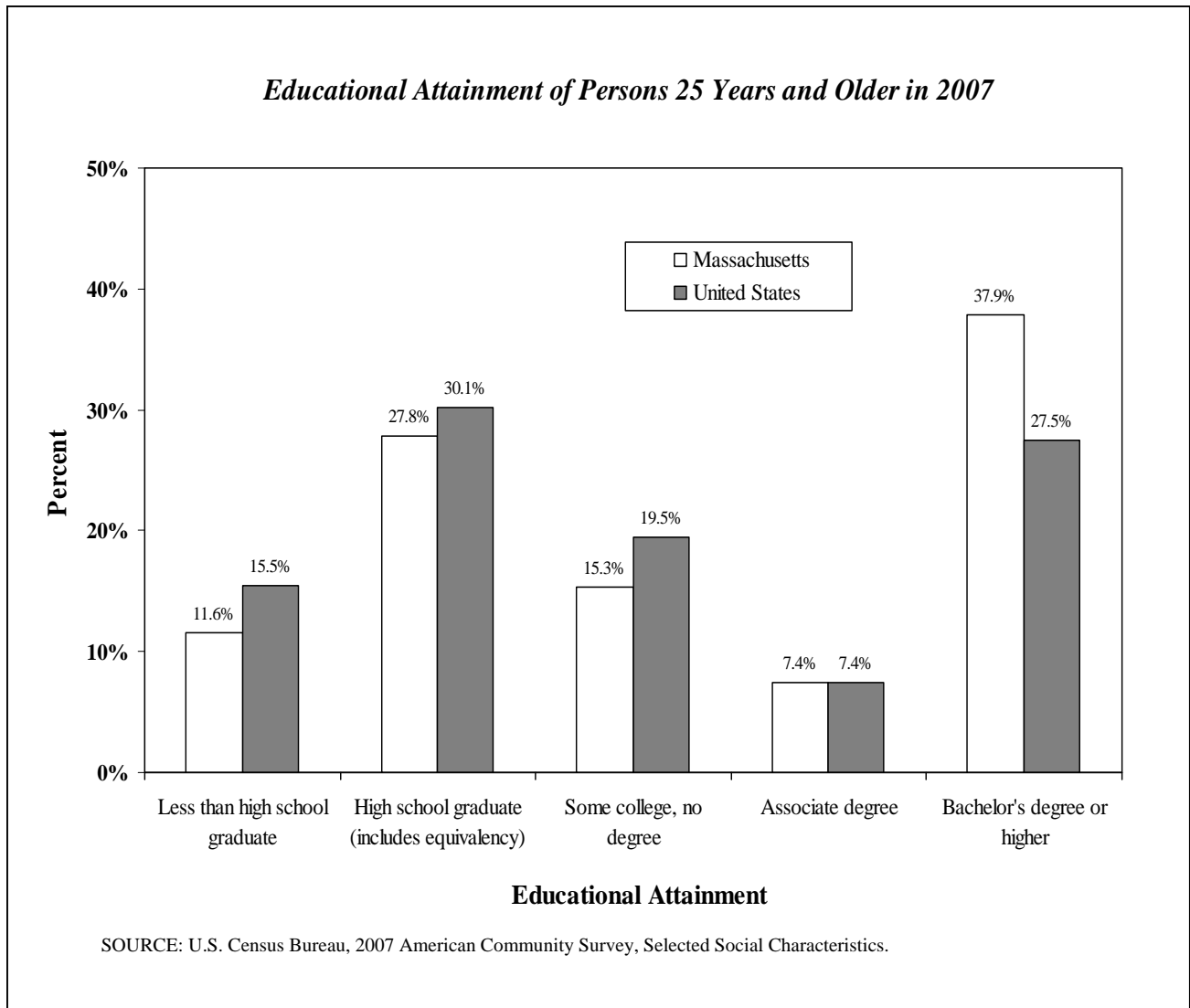
SOURCE: <http://www.usaspending.gov>. Revised as of January 15, 2009.

*Note: Reported as of July 15, 2009.

HUMAN RESOURCES

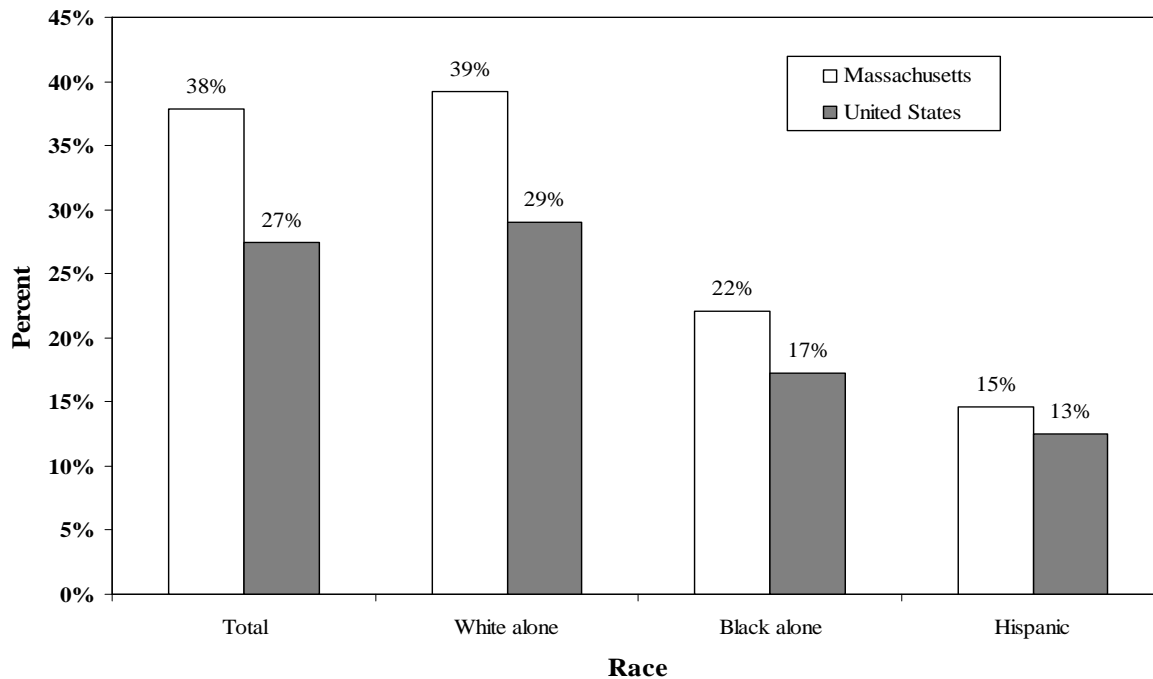
Human Resources. The availability of a skilled and well-educated population is an important resource for the Commonwealth. The level of education reached by the population of Massachusetts compares favorably with the level in the United States as a whole. In 2007, the Census Bureau's American Community Survey (ACS) reported that Massachusetts had a smaller proportion of persons who had not completed high school (11.6 percent) than the national average of 15.5 percent. Massachusetts had a much higher proportion of persons with a bachelor's degree or more (37.9 percent), than the nation at 27.5 percent.

A larger portion of the state's population has access to the internet compared to the nation as a whole according to the latest Census survey taken in 2007. Massachusetts ranked third among states and the District of Columbia when comparing the percent (76.3) of individuals who had access to the internet in their household. Census's previous survey, in 2003, ranked Massachusetts households thirteenth when 58.1 percent had access.



While Massachusetts' black and Hispanic population achieved college degrees at roughly half the rate of the white population, they fared much better than the national average.

Persons 25 Years and Older with a Bachelor's Degree or Higher by Race and Hispanic Origin in 2007



SOURCE: U.S. Census Bureau, 2007 A.C.S., Tables B15002A,B,I

Higher Education Data. Massachusetts has a higher minority enrollment in institutions of higher education than New England. However, the percentage of enrolled blacks, Hispanics, and Asians in higher education in Massachusetts is below the national average. These percentages, which do not include military academy enrollment, are seen in the chart below.

Higher Education Enrollment by Race and Hispanic Origin in 2007

	Total	White alone	Black alone	Asian alone	Other race	Hispanic or Latino
United States	20,793,948	71.0%	14.0%	6.9%	8.2%	11.7%
Massachusetts	524,147	77.9%	8.6%	8.0%	5.5%	6.4%

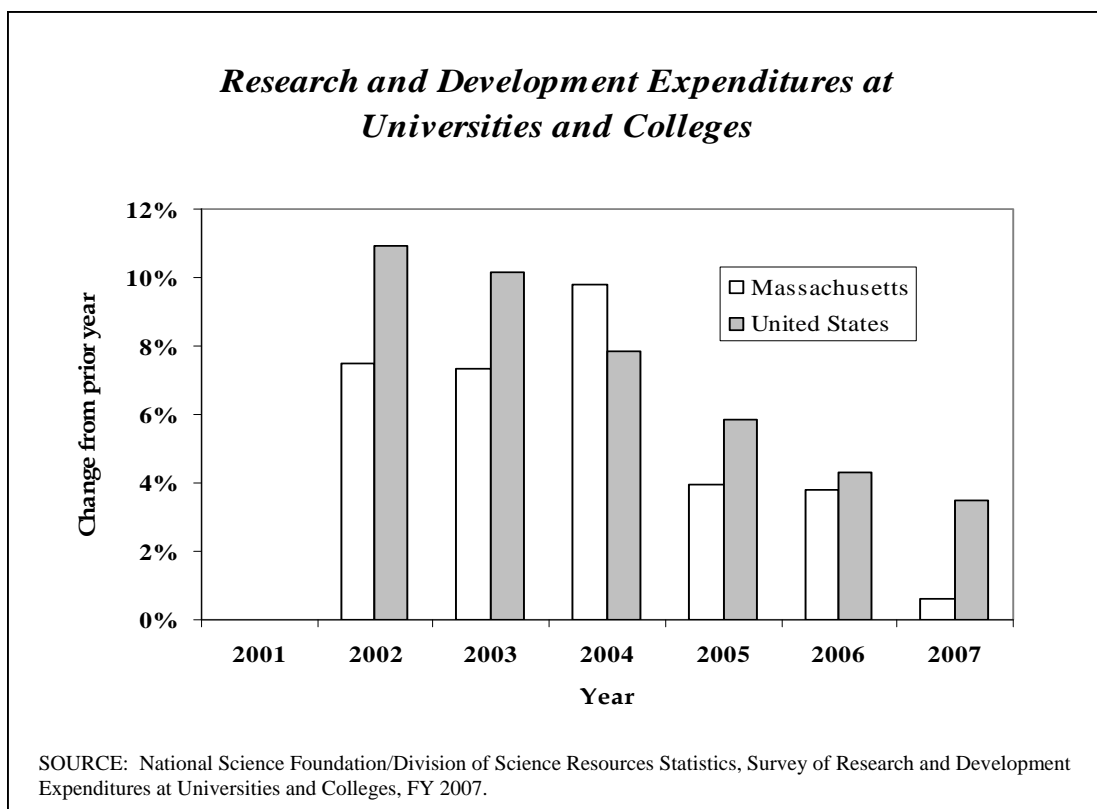
Source: U.S. Census Bureau, 2007 A.C.S., Tables B14001, B14001 A,B,D,I

Massachusetts is an internationally recognized center for higher education, with 462,236 students in undergraduate, professional and graduate private and public programs in the 2006/2007 school year, according to the New England Board of Higher Education. Survey data released by the Institute of International Education state that 31,683 foreign students were enrolled in Massachusetts colleges and universities in the 2007/2008 school year. This was an increase of 10.5 from the previous year. Massachusetts is still ranked 4th among states for foreign student enrollment.

The Massachusetts public higher education system is composed of universities, state colleges, and community colleges with a combined enrollment of 198,187 students in the 2007 school year. The system awarded 31,986 degrees in the 2007-08 school year. In addition, Massachusetts's system of private higher education enrolled 264,049 full and part-time student in 2007. The strength of both public and private colleges and universities as centers for research and education contributes to the high quality of the Massachusetts work force and plays a key role in attracting and retaining business and industry within the state.

The higher education system in Massachusetts is particularly strong in post-graduate, scientific, and technical education, with 1,724 science and engineering doctorates awarded in 2006, 4th in the nation. Massachusetts conferred a total of 2,676 doctorates in 2005. Massachusetts was also ranked 2nd in the U.S. in science and engineering post doctorates in doctorate granting institutions in 2006, with 6,670 post doctorates.

The preeminence of higher education in Massachusetts contributes not only to the quality of its work force, but also to its stature in the nation and the world as a center for basic scientific research and for academic and entrepreneurial research and development. Doctorate-granting institutions in Massachusetts received 4.4 percent or \$2.2 billion of total national academic expenditures on research and development in fiscal 2007. Massachusetts is still ranked sixth in the nation behind California, New York, Texas, Maryland and Pennsylvania. Life sciences receive almost half of the research and development funds performed at Massachusetts educational institutions. Of the \$2.2 billion in total fiscal 2007 outlays for science and engineering research to universities and colleges in Massachusetts, 48.3 percent was for life sciences, 18.3 percent for engineering, 11.3 percent for physical sciences, 9.3 percent for environmental, 4.6 percent for math and computer, 3.9 percent for social sciences, 2.3 percent for other sciences and 1.9 percent for psychology.



Primary and Secondary Education Data. Although spending on education is not necessarily an indicator of results, Massachusetts has spent from 12 to 31 percent more per pupil on primary and secondary education than the national average since 1981. During the 2005-2006 school year, Massachusetts increased per student expenditures to \$11,981; 31 percent higher than the national average. The table on the following page shows expenditures per pupil for Massachusetts and the United States since fiscal 1981.

Per Pupil Expenditure in Public Elementary and Secondary Schools
(in current, unadjusted dollars)

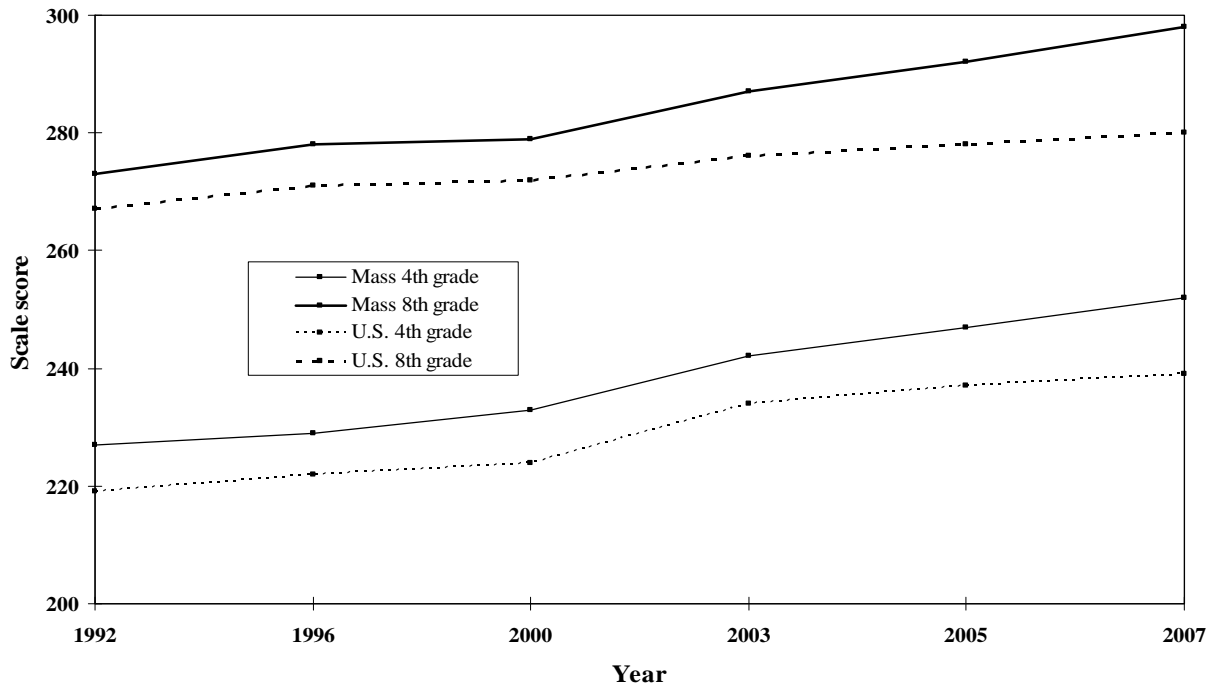
<i>Fiscal Year</i>	<i>Massachusetts</i>	<i>United States</i>	<i>Ratio (MA/U.S.)</i>
1981	\$2,735	\$2,307	1.19
1982	2,823	2,525	1.12
1983	3,072	2,736	1.12
1984	3,298	2,940	1.12
1985	3,653	3,222	1.13
1986	4,031	3,479	1.16
1987	4,491	3,682	1.22
1988	4,965	3,927	1.26
1989	5,485	4,307	1.27
1990	5,766	4,643	1.24
1991	5,881	4,902	1.20
1992	5,952	5,023	1.18
1993	6,141	5,160	1.19
1994	6,423	5,327	1.21
1995	6,783	5,529	1.23
1996	7,033	5,689	1.24
1997	7,331	5,923	1.24
1998	7,651	6,137	1.25
1999	8,106	6,458	1.26
2000	8,444	6,836	1.24
2001	9,038	7,284	1.24
2002	9,856	7,701	1.28
2003	10,223	8,019	1.27
2004	10,693	8,287	1.29
2005	11,267	8,701	1.29
2006	11,981	9,138	1.31

SOURCE: U.S. Census Bureau, <http://www.census.gov/govs/www/school.html>.

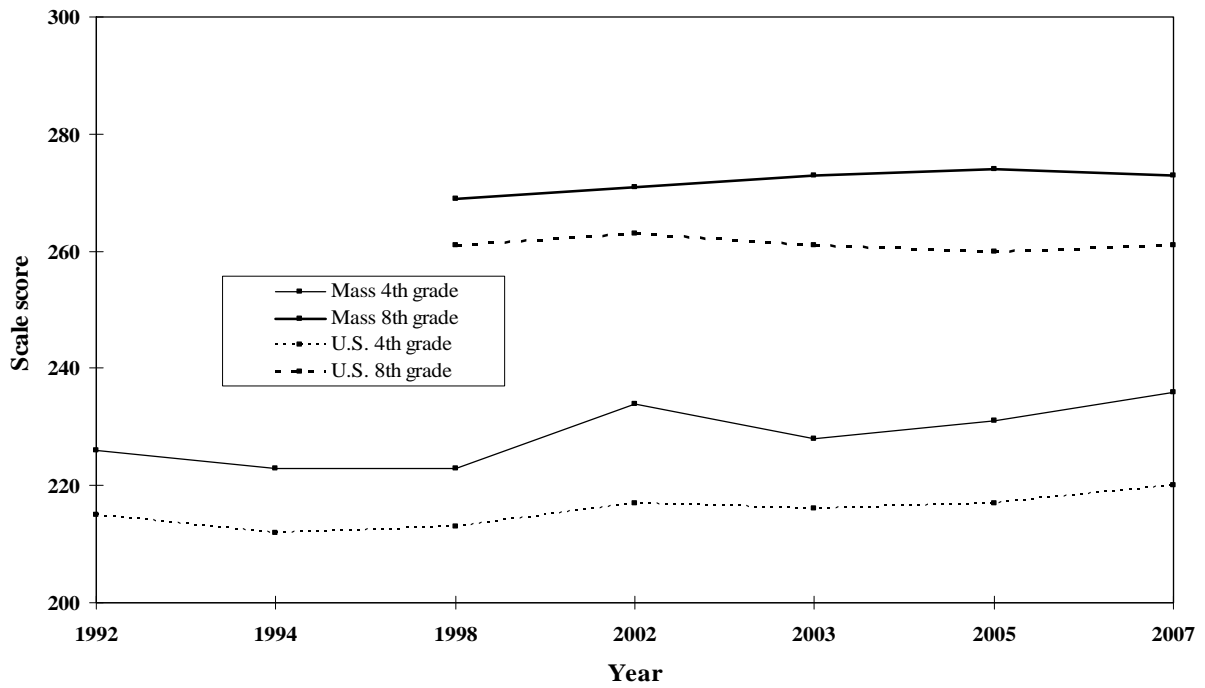
The National Assessment of Educational Progress (NAEP), also known as "the Nation's Report Card," is the only nationally representative and continuing assessment of what America's students know and can do in various subject areas. Since 1969, assessments have been conducted periodically in reading, mathematics, science, writing, U.S. history, civics, geography, and the arts. Under the current structure, the Commissioner of Education Statistics, who heads the National Center for Education Statistics in the U.S. Department of Education, is responsible by law for carrying out the NAEP project.

Since 1990, NAEP assessments have also been conducted to give results for participating states. Those that choose to participate receive assessment results that report on the performance of students in that state. In its content, the state assessment is identical to the assessment conducted nationally. However, because the national NAEP samples were not, and are not currently designed to support the reporting of accurate and representative state-level results, separate representative samples of students are selected for each participating jurisdiction/state. The graphs on the following page compare the data available for Massachusetts to the nation.

NAEP Mathematics Scores



NAEP Reading Scores



SOURCE: National Center for Education Statistics.

Sources List

Listed below are the the web sites of the original data sources used to compile this section (Exhibit A) of the Economic Due Diligence report. The sites are listed in section title order.

Population Characteristics

United States Department of Commerce, Bureau of the Census

<http://www.census.gov>

Personal Income, Consumer Prices, and Poverty

U.S. Department of Commerce, Bureau of Economic Analysis

<http://www.bea.gov/regional/index.htm>

United States Department of Labor, Bureau of Labor Statistics

<http://www.bls.gov>

The Conference Board, Inc.

<http://www.conference-board.org>

Mass Insight Corporation

<http://www.massinsight.com/index.asp>

U.S. Department of Commerce, Bureau of the Census

<http://www.census.gov>

Employment

Mass. Executive Office of Labor and Workforce Development, Division of Unemployment Assistance

<http://lmi2.detma.org/Lmi/LMIDataProg.asp>

U.S. Department of Labor, Bureau of Labor Statistics

<http://www.bls.gov/data/home.htm>

Economic Base and Performance

U.S. Department of Commerce, Bureau of Economic Analysis

<http://www.bea.gov/regional/index.htm>

Fortune Magazine

<http://www.fortune.com/fortune/>

Economic Base and Performance - Sector Detail (NAICS Basis)

U.S. Department of Commerce, Bureau of Economic Analysis

<http://www.bea.gov/regional/index.htm>

U.S. Census Bureau, Foreign Trade Division. Prepared by the World Institute for Strategic Economic Research (WISER)

<http://www.wisetrade.org>

Massport

<http://www.massport.com>

Airports Council International

<http://www.aci.aero>

Federal Aviation Administration

http://www.faa.gov/airports_airtraffic/airports/planning_capacity/passenger_allcargo_stats/

Army Corps of Engineers

<http://www.iwr.usace.army.mil.ndc/>

Federal Reserve Bank of Boston

<http://www.bos.frb.org>

United States Department of Commerce

<http://www/census.gov>

National Association of Realtors; Federal Reserve Bank of Boston

<http://www.bos.frb.org/economic/nee/needata.htm>

Massachusetts Office of Travel and Tourism

<http://www.massvacation.com>

U.S. Census Bureau, Governments Division

<http://www.census.gov/govs/www/statetax.html>

<http://www.census.gov/govs/www/state.html>

U.S. Department of Commerce, Bureau of the Census, Consolidated Federal Funds Report

<http://www.census.gov/govs/www/cffr.html>

Federal Spending - contract, grant, and other award data.

<http://www.usaspending.gov>

Human Resources and Infrastructure

U.S. Census Bureau

<http://www.census.gov/acs/www/>

Massachusetts Department of Higher Education

<http://www.mass.edu/campuses/facts.asp>

New England Board of Higher Education

<http://www.nebhe.org.connection.html>

National Science Foundation

<http://www.nsf.gov/statistics>

United States Department of Education, National Center for Education Statistics

<http://nces.ed.gov>

Institute of International Education

<http://www.iese.org>