

The Massachusetts Economic Due Diligence Report

FIRST QUARTER FY 2012



Cover photo: Springfield Memorial Bridge. Photo by Brenna Hope Photography. Springfield, MA. September, 2011.

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ECONOMIC INFORMATION - Quarter 1, FY 2012

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 November 7, 2011. Information in the text, tables, charts, and graphs is current as of October 3, 2011.** Sources of information are indicated in the text or immediately following the charts and tables, and also from the *Sources* on the last page of the Exhibit A section. Although the Commonwealth considers the sources to be reliable, it makes no independent verification of the information presented herein and therefore does not warrant its accuracy.

Statistical Overview

| <u>Population</u> (p. A-2) | <u>Massachusetts</u> | <u>United States</u> |
|---|----------------------|----------------------|
| Estimated Percent Change in Population, April 1, 2000 - July 1, 2010 | 4.4% | 9.8% |
| | | |
| <u>Personal Income, Consumer Prices, and Poverty</u> (p. A-8) | | |
| Per Capita Personal Income, 2010p | \$51,552 | \$40,584 |
| Average Annual Pay, All Industries, 2010 | \$57,739 | \$46,742 |
| Percent Change in CPI-U*, 2009-2010 | 1.6% | 1.6% |
| Percent Change in CPI-U*, May 2010 - May 2011 | 2.7% | 3.6% |
| Poverty Rate, 2008-2010 Average | 10.9% | 14.2% |
| Average Weekly Earnings, Manufacturing Production Workers: 2010 | \$803.60 | \$765.08 |
| Percent Change from previous year | -2.8% | 5.4% |
| | | |
| <u>Employment</u> (p. A-18) | | |
| Percent Change in Nonfarm Payroll Employment (Not Seasonally Adjusted), August 2010 - August 2011p | 2.0% | 1.1% |
| Unemployment Rate, 2010 | 8.5% | 9.6% |
| Unemployment Rate, September 2011 (seasonally adjusted) | 7.3% | 9.1% |
| | | |
| <u>Education</u> (p. A-24) | | |
| Expenditure Per Pupil K-12 Public, 2009 | \$14,118 | \$10,499 |
| Percent of Adults with a Bachelor's Degree or higher, 2010 | 39.0% | 28.2% |
| | | |
| <u>Economic Base and Performance</u> (p. A-30) | | |
| Percent Change in Gross Domestic Product, 2009-2010 | 3.5% | 2.9% |
| Percent Change in International Exports, 2009-2010 | 11.3% | 21.0% |
| Percent Change in Housing Permits Authorized, 2009-2010 | 14.3% | 3.7% |

*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 25 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 25 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 17 month stretch between 2006 and 2007, considerably lower unemployment rates in Massachusetts than in the United States since 1980. The state unemployment rate fell to 7.3 percent in September 2011, and the state has typically seen a slower rise in unemployment than the nation as a whole. In 2008, Massachusetts was ranked second in the U.S. according to the American Human Development Index, modeled after the United Nations Human Development Index, which compares health, income and education outcomes.

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

POPULATION CHARACTERISTICS

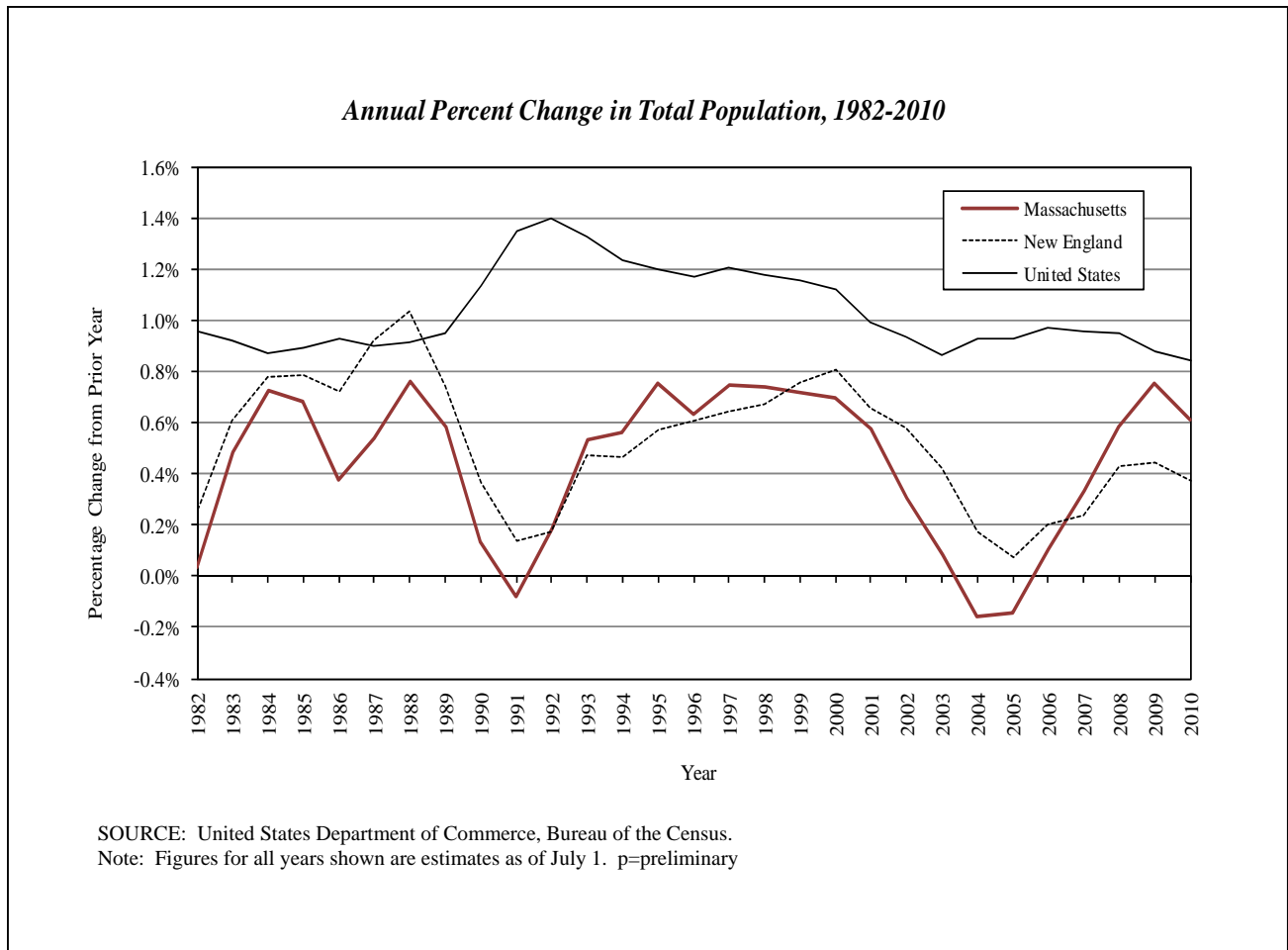
Massachusetts is a relatively slow growing but densely populated state with a comparatively large percentage of its residents living in metropolitan areas. The population density of Massachusetts was estimated as of July 1, 2010 to be 845.8 persons per square mile, as compared to 87.4 for the United 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 live 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 July 1, 2010 population estimated at 617,594, 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 had a total population in 2010 estimated at 4,622,636, or 31.9 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 2010 estimated at 1,933,608.

The second largest MSA in the state is the Worcester, MA MSA, with a 2010 population estimated at 808,309. The city of Worcester, situated approximately 40 miles west of Boston with a 2010 population of 181,045, is the second largest city, both in New England and the state. As a major medical and education center, the Worcester area is home to 18 patient care facilities, and 13 colleges and universities including the University of Massachusetts Medical School.

The third largest MSA in Massachusetts is the three-county Springfield, MA MSA, with a 2010 population estimated at 697,458. Springfield, the third largest city in the Commonwealth with a 2010 population of 153,060, 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, Hartford Hospital, and MassMutual Financial Group. In addition, Springfield is home to three independent colleges.

As the following graph and table indicate, the population in Massachusetts generally grows at a rate similar to the population of New England and more slowly than the nation as a whole. According to the Census Bureau's latest revised estimates released in February 2011, the Massachusetts population has only grown by 4.4 percent since Census 2000 while 15 states have grown more slowly.



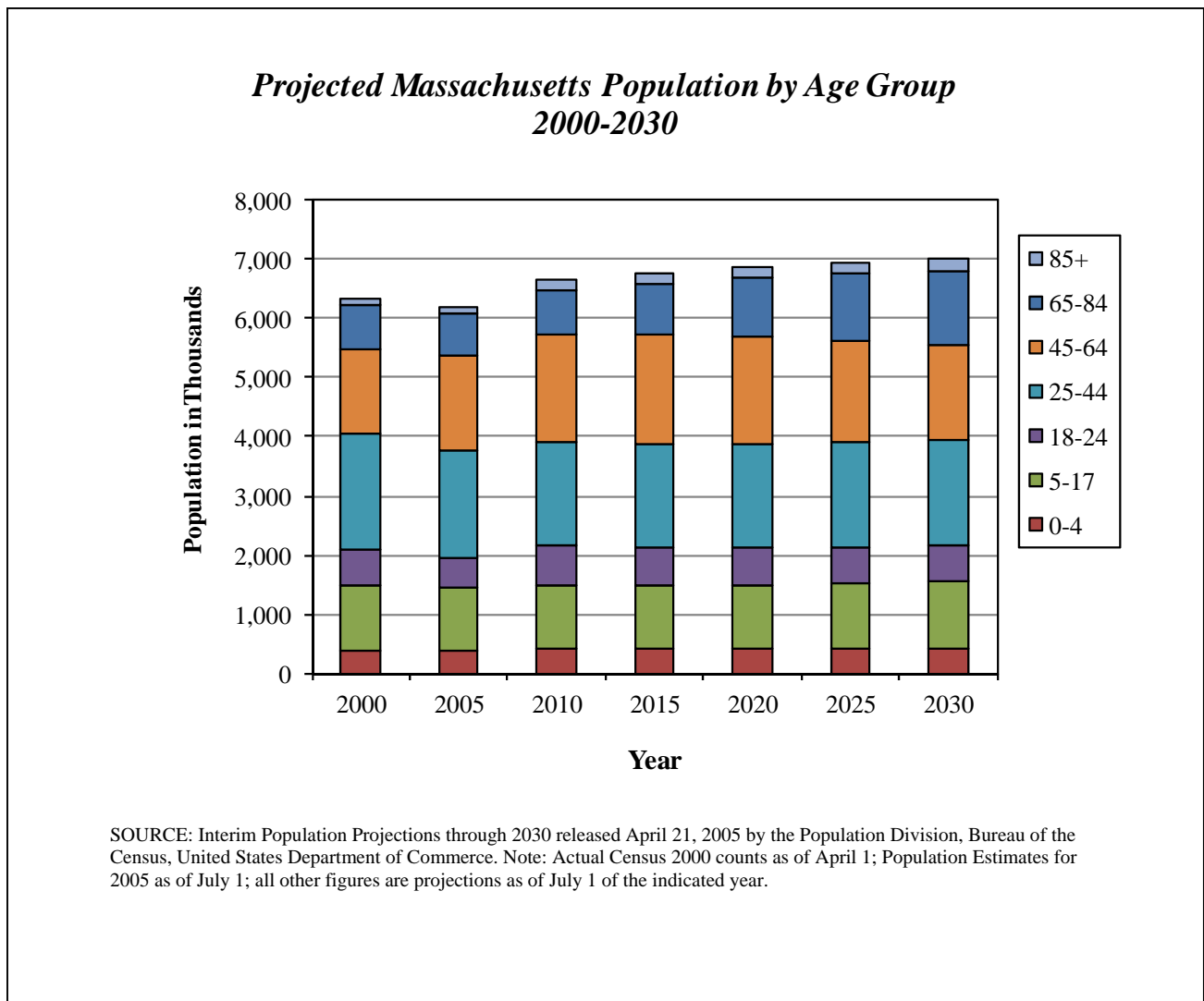
The following table compares the population level and percentage change in the population of Massachusetts to the New England states and the United States.

| <i>Population, 1972-2010</i> <i>(in thousands)</i> | | | | | | |
|---|----------------------|-----------------------|--------------------|-----------------------|----------------------|-----------------------|
| 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 | 6,361 | 0.7% | 13,950 | 0.8% | 282,162 | 1.1% |
| 2001 | 6,398 | 0.6% | 14,041 | 0.7% | 284,969 | 1.0% |
| 2002 | 6,417 | 0.3% | 14,122 | 0.6% | 287,625 | 0.9% |
| 2003 | 6,423 | 0.1% | 14,182 | 0.4% | 290,108 | 0.9% |
| 2004 | 6,412 | -0.2% | 14,207 | 0.2% | 292,805 | 0.9% |
| 2005 | 6,403 | -0.1% | 14,217 | 0.1% | 295,517 | 0.9% |
| 2006 | 6,410 | 0.1% | 14,246 | 0.2% | 298,380 | 1.0% |
| 2007 | 6,432 | 0.3% | 14,279 | 0.2% | 301,231 | 1.0% |
| 2008 | 6,469 | 0.6% | 14,340 | 0.4% | 304,094 | 1.0% |
| 2009 | 6,518 | 0.8% | 14,404 | 0.4% | 306,772 | 0.9% |
| 2010 | 6,557 | 0.6% | 14,457 | 0.4% | 309,350 | 0.8% |

SOURCE: United States Department of Commerce, Bureau of the Census.

The next 25 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.

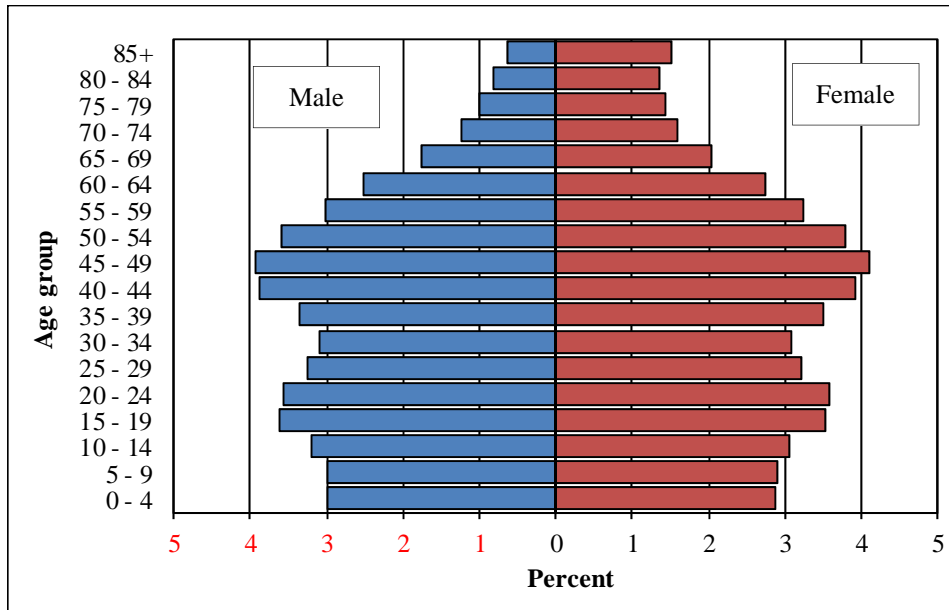
| <i>Projected Massachusetts Population by Age Group 2000-2030 (in thousands)</i> | | | | | | | | | |
|---|------------|-------------|--------------|--------------|--------------|--------------|------------|-----------------|-------------------|
| Year | 0-4 | 5-17 | 18-24 | 25-44 | 45-64 | 65-84 | 85+ | All Ages | Median Age |
| 2000 | 397.3 | 1,102.8 | 579.3 | 1,989.8 | 1,419.8 | 743.5 | 116.7 | 6,349.1 | 36.5 |
| 2005 | 395.1 | 1,055.6 | 488.9 | 1,844.0 | 1,602.5 | 693.1 | 103.7 | 6,182.9 | 38.2 |
| 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 |



Population Pyramids of Massachusetts

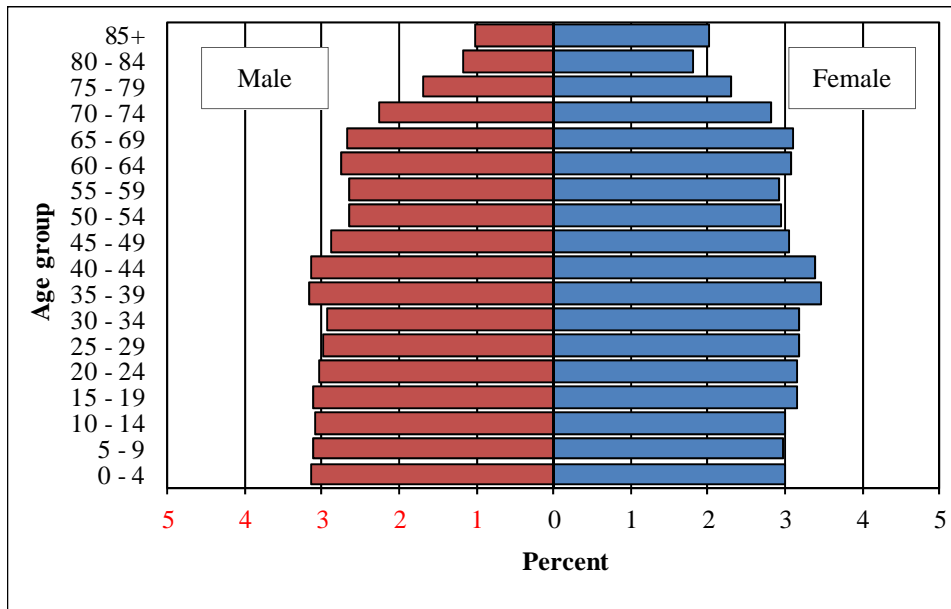
Percent of Total Population

2008*



*Note: Population Estimate as of July 1.

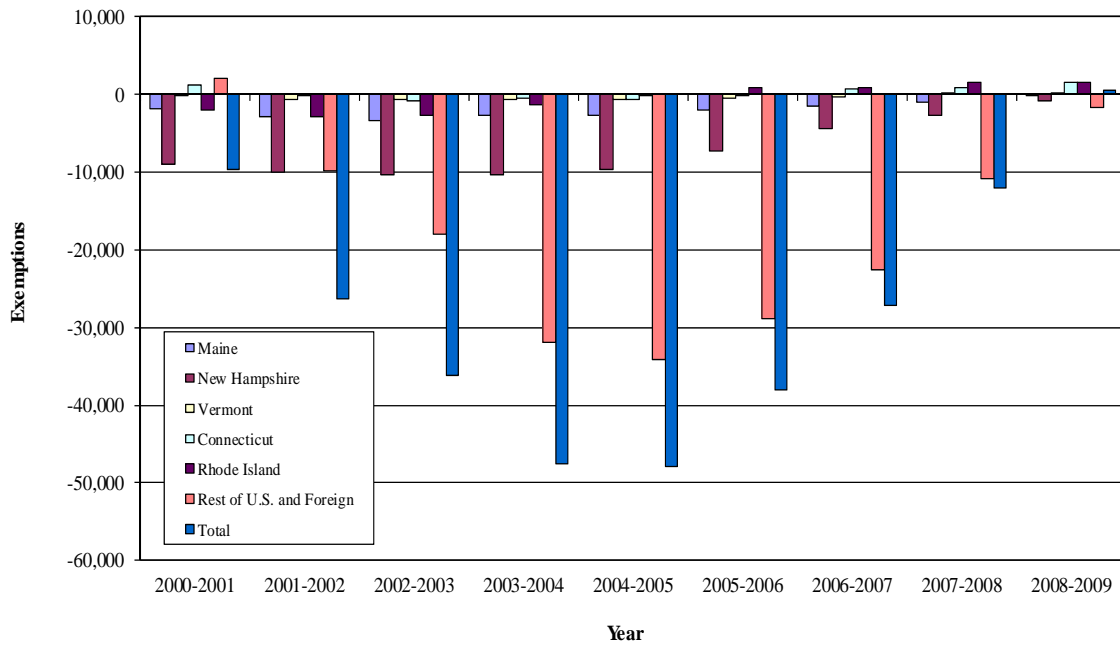
2030



SOURCE: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005.
Internet Release Date: April 21, 2005

Migration. Migration is one of several components of annual population change in Massachusetts. The movement of people from place to place is often linked to economic opportunities or downturns. These data are derived from the filing addresses and number of exemptions submitted with federal tax returns. A tax filer is considered a migrant when he/she files a tax return with an address different from the previous year's filing address. Of the New England states, New Hampshire was the largest net loss for Massachusetts and Rhode Island was the largest net gain for Massachusetts from 2000 through 2009. Massachusetts also sends many more migrants to Texas, North Carolina, California and Florida than it gains. The chart below illustrates the net migration for Massachusetts to and from the New England states and rest of the country using IRS data.

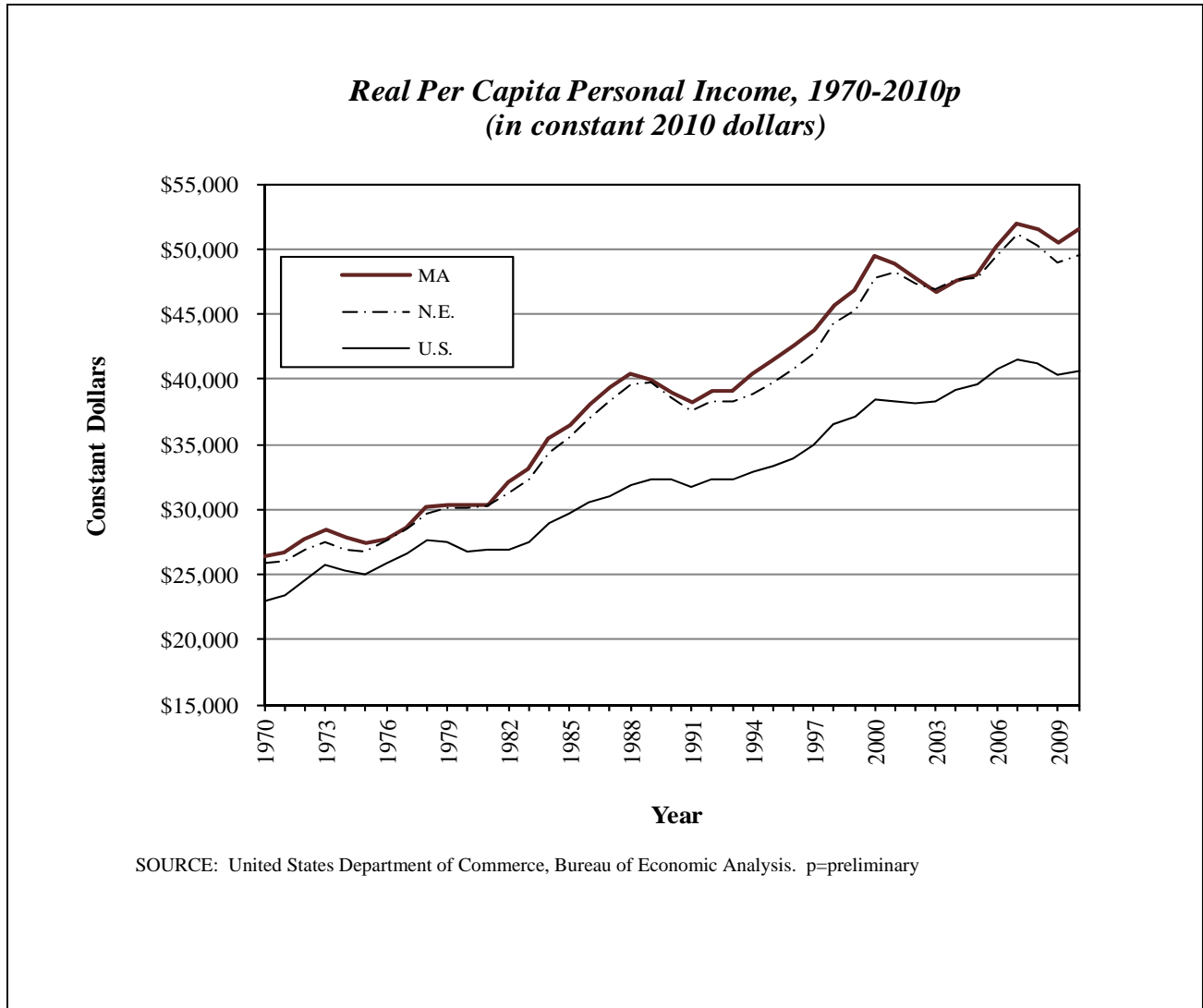
Massachusetts Net Migration Using U.S. IRS Exemption Data



SOURCE: U.S. Internal Revenue Service

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 steeper declines in Massachusetts. However, real income levels in Massachusetts remained well above the national average. In 2004 and 2005, income growth was comparable in the state and the nation. In 2006 and 2007, income in the state grew faster than in the nation. In 2008 and 2009, real income fell in both the state and the nation, and in 2010 began to grow again but slowly. Only the District of Columbia, and Connecticut 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 1970-2010.

| <i>Per Capita Personal Income, 1970-2010p</i> | | | | | | | | | |
|---|--|--------|--------|----------------------------------|--------|--------|----------------------------------|-------|-------|
| Year | Nominal Income (in current dollars) | | | Real Income (in 2010 dollars) | | | Percent Change in Real Income | | |
| | MA | N.E. | U.S. | MA | N.E. | U.S. | MA | N.E. | U.S. |
| 1970 | 4,472 | 4,438 | 4,084 | 26,409 | 25,948 | 22,957 | 2.0% | 1.6% | 2.4% |
| 1971 | 4,743 | 4,674 | 4,340 | 26,682 | 25,964 | 23,372 | 1.0% | 0.1% | 1.8% |
| 1972 | 5,102 | 5,025 | 4,717 | 27,717 | 26,831 | 24,612 | 3.9% | 3.3% | 5.3% |
| 1973 | 5,541 | 5,477 | 5,230 | 28,411 | 27,546 | 25,691 | 2.5% | 2.7% | 4.4% |
| 1974 | 6,011 | 5,954 | 5,708 | 27,871 | 26,933 | 25,252 | -1.9% | -2.2% | -1.7% |
| 1975 | 6,453 | 6,376 | 6,172 | 27,454 | 26,723 | 25,021 | -1.5% | -0.8% | -0.9% |
| 1976 | 6,993 | 6,954 | 6,754 | 27,669 | 27,565 | 25,888 | 0.8% | 3.1% | 3.5% |
| 1977 | 7,611 | 7,586 | 7,402 | 28,635 | 28,477 | 26,640 | 3.5% | 3.3% | 2.9% |
| 1978 | 8,422 | 8,407 | 8,243 | 30,111 | 29,700 | 27,574 | 5.2% | 4.3% | 3.5% |
| 1979 | 9,371 | 9,381 | 9,138 | 30,392 | 30,136 | 27,452 | 0.9% | 1.5% | -0.4% |
| 1980 | 10,570 | 10,598 | 10,091 | 30,379 | 30,152 | 26,709 | 0.0% | 0.1% | -2.7% |
| 1981 | 11,744 | 11,800 | 11,209 | 30,371 | 30,326 | 26,894 | 0.0% | 0.6% | 0.7% |
| 1982 | 12,892 | 12,833 | 11,901 | 32,048 | 31,328 | 26,897 | 5.5% | 3.3% | 0.0% |
| 1983 | 13,942 | 13,770 | 12,583 | 33,165 | 32,268 | 27,554 | 3.5% | 3.0% | 2.4% |
| 1984 | 15,639 | 15,342 | 13,807 | 35,460 | 34,335 | 28,983 | 6.9% | 6.4% | 5.2% |
| 1985 | 16,798 | 16,440 | 14,637 | 36,452 | 35,469 | 29,668 | 2.8% | 3.3% | 2.4% |
| 1986 | 18,003 | 17,592 | 15,338 | 38,092 | 37,032 | 30,522 | 4.5% | 4.4% | 2.9% |
| 1987 | 19,397 | 18,958 | 16,137 | 39,324 | 38,221 | 30,981 | 3.2% | 3.2% | 1.5% |
| 1988 | 21,127 | 20,612 | 17,244 | 40,383 | 39,577 | 31,791 | 2.7% | 3.5% | 2.6% |
| 1989 | 22,095 | 21,848 | 18,402 | 39,949 | 39,732 | 32,367 | -1.1% | 0.4% | 1.8% |
| 1990 | 22,797 | 22,462 | 19,354 | 38,963 | 38,541 | 32,296 | -2.5% | -3.0% | -0.2% |
| 1991 | 23,314 | 22,867 | 19,818 | 38,171 | 37,529 | 31,735 | -2.0% | -2.6% | -1.7% |
| 1992 | 24,422 | 24,077 | 20,799 | 39,016 | 38,227 | 32,333 | 2.2% | 1.9% | 1.9% |
| 1993 | 25,182 | 24,773 | 21,385 | 39,099 | 38,267 | 32,277 | 0.2% | 0.1% | -0.2% |
| 1994 | 26,393 | 25,804 | 22,297 | 40,450 | 38,909 | 32,814 | 3.5% | 1.7% | 1.7% |
| 1995 | 27,662 | 27,048 | 23,262 | 41,406 | 39,759 | 33,290 | 2.4% | 2.2% | 1.5% |
| 1996 | 29,279 | 28,521 | 24,442 | 42,565 | 40,771 | 33,976 | 2.8% | 2.5% | 2.1% |
| 1997 | 30,911 | 30,087 | 25,654 | 43,706 | 41,983 | 34,861 | 2.7% | 3.0% | 2.6% |
| 1998 | 33,006 | 32,128 | 27,258 | 45,636 | 44,198 | 36,472 | 4.4% | 5.3% | 4.6% |
| 1999 | 34,671 | 33,581 | 28,333 | 46,766 | 45,265 | 37,091 | 2.5% | 2.4% | 1.7% |
| 2000 | 38,210 | 36,601 | 30,318 | 49,407 | 47,714 | 38,399 | 5.6% | 5.4% | 3.5% |
| 2001 | 39,460 | 37,966 | 31,145 | 48,918 | 48,151 | 38,355 | -1.0% | 0.9% | -0.1% |
| 2002 | 39,451 | 38,096 | 31,461 | 47,662 | 47,340 | 38,141 | -2.6% | -1.7% | -0.6% |
| 2003 | 40,083 | 38,771 | 32,271 | 46,668 | 46,859 | 38,252 | -2.1% | -1.0% | 0.3% |
| 2004 | 42,021 | 40,809 | 33,881 | 47,617 | 47,672 | 39,118 | 2.0% | 1.7% | 2.3% |
| 2005 | 43,757 | 42,345 | 35,424 | 48,003 | 47,726 | 39,560 | 0.8% | 0.1% | 1.1% |
| 2006 | 47,144 | 45,585 | 37,698 | 50,166 | 49,585 | 40,783 | 4.5% | 3.9% | 3.1% |
| 2007 | 49,727 | 48,212 | 39,458 | 51,912 | 51,132 | 41,505 | 3.5% | 3.1% | 1.8% |
| 2008 | 51,028 | 49,336 | 40,673 | 51,468 | 50,318 | 41,201 | -0.9% | -1.6% | -0.7% |
| 2009 | 49,643 | 48,049 | 39,626 | 50,412 | 48,997 | 40,284 | -2.1% | -2.6% | -2.2% |
| 2010p | 51,552 | 49,520 | 40,584 | 51,552 | 49,520 | 40,584 | 2.3% | 1.1% | 0.7% |

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

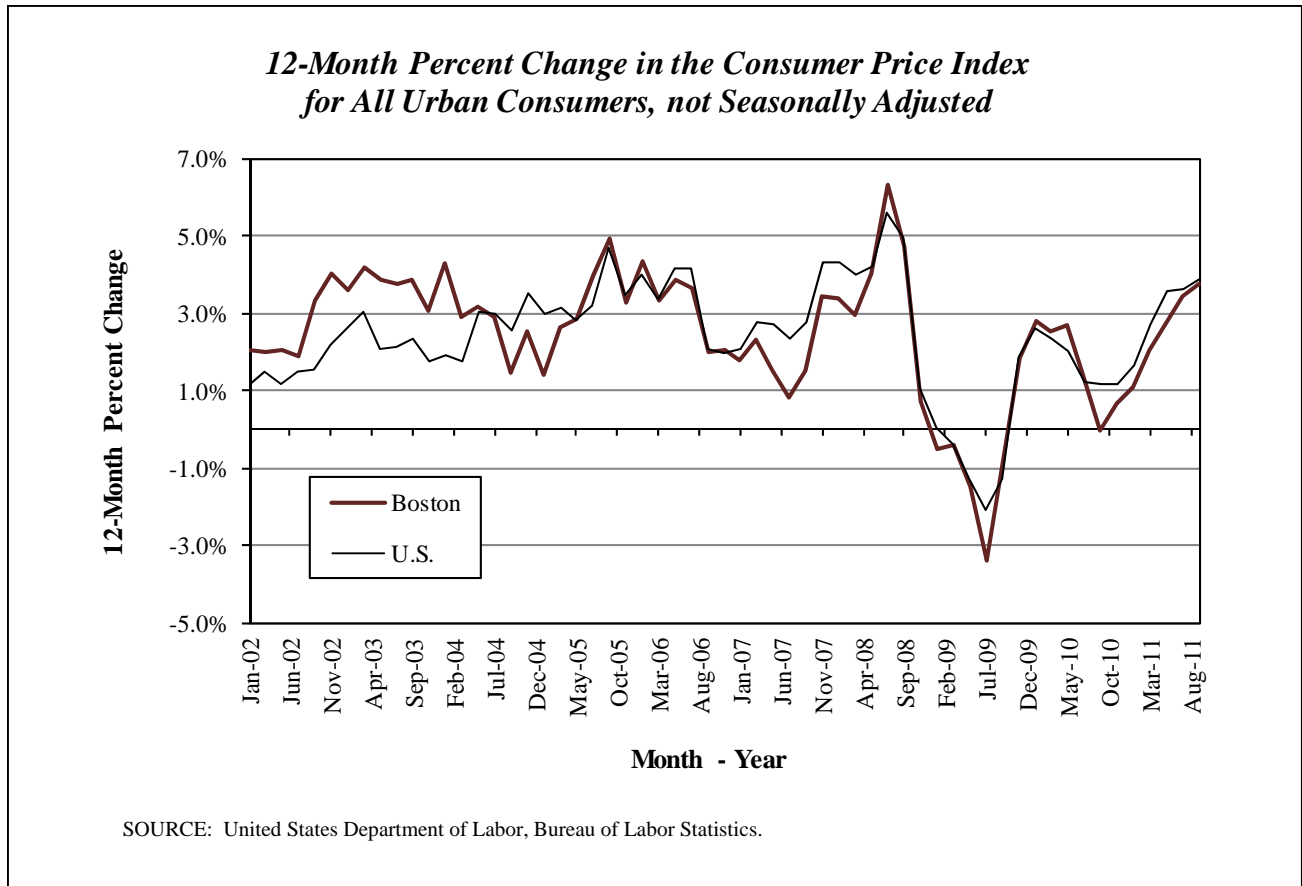
Annual Pay in Nominal Dollars. Massachusetts saw steady growth in average annual pay for most of the past decade, stalled growth in 2009, but resumed growth in 2010. Average annual pay is computed by dividing the total annual payroll of employees covered by Unemployment Insurance programs by the average monthly number of employees. Data are reported by employers covered under the Unemployment Insurance programs. Since 2001, average annual wages in the state have grown at an average annual rate of 2.9 percent, compared to 2.8 percent for the nation. The level of average annual pay in Massachusetts in 2010 was 23.5 percent higher than the national average: \$57,739 compared to \$46,742.

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 1998 and 2000, Massachusetts shares of the New England and overall U.S. totals increased. In subsequent years the Massachusetts shares of New England and the U.S. decreased slightly before rising again in 2006, reaching 50.5 and 2.9 percent respectively in 2010.

| Annual Wage and Salary Disbursements, 1990-2010p (in millions of dollars) | | | | |
|---|--------------|-------------|-----------|-----------------------------|
| Year | U.S. | N.E. | MA | MA as a pct. of N.E. |
| 1990 | \$ 2,729,807 | \$170,035 | \$82,353 | 48.4% |
| 1991 | \$ 2,802,016 | \$169,101 | \$81,605 | 48.3% |
| 1992 | \$ 2,964,907 | \$176,532 | \$85,257 | 48.3% |
| 1993 | \$ 3,069,735 | \$181,878 | \$88,236 | 48.5% |
| 1994 | \$ 3,225,744 | \$189,275 | \$92,297 | 48.8% |
| 1995 | \$ 3,413,758 | \$200,510 | \$98,274 | 49.0% |
| 1996 | \$ 3,612,171 | \$212,088 | \$104,565 | 49.3% |
| 1997 | \$ 3,872,441 | \$228,515 | \$112,601 | 49.3% |
| 1998 | \$ 4,177,476 | \$246,171 | \$121,971 | 49.5% |
| 1999 | \$ 4,456,833 | \$264,389 | \$132,683 | 50.2% |
| 2000 | \$ 4,823,727 | \$291,636 | \$149,379 | 51.2% |
| 2001 | \$ 4,948,357 | \$299,079 | \$151,715 | 50.7% |
| 2002 | \$ 4,993,197 | \$297,067 | \$148,724 | 50.1% |
| 2003 | \$ 5,133,724 | \$303,347 | \$150,509 | 49.6% |
| 2004 | \$ 5,419,559 | \$319,880 | \$158,685 | 49.6% |
| 2005 | \$ 5,694,792 | \$330,876 | \$163,474 | 49.4% |
| 2006 | \$ 6,060,261 | \$349,092 | \$172,880 | 49.5% |
| 2007 | \$ 6,414,505 | \$370,462 | \$184,622 | 49.8% |
| 2008 | \$ 6,551,432 | \$378,792 | \$190,222 | 50.2% |
| 2009 | \$ 6,266,732 | \$363,013 | \$182,332 | 50.2% |
| 2010p | \$ 6,397,948 | \$372,982 | \$188,280 | 50.5% |

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 graph presents consumer price trends for the Boston metropolitan area and the United States for the period between January 2002 and May 2011. The table on the following page 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 2009 the Boston metropolitan area and U.S. experienced their first monthly year over year declines in the CPI-U since 1954 and 1955, respectively. The annual CPI-U for Boston and the U.S. rose slightly, both 1.6 percent in 2010. The latest available data for May 2011 show that the CPI-U for the Boston metropolitan area increased at a rate of 2.7 percent over May 2010, while the U.S. index increased by 3.6 percent over the same period.



Consumer Price Index for All Urban Consumers (CPI-U), 1970-2011

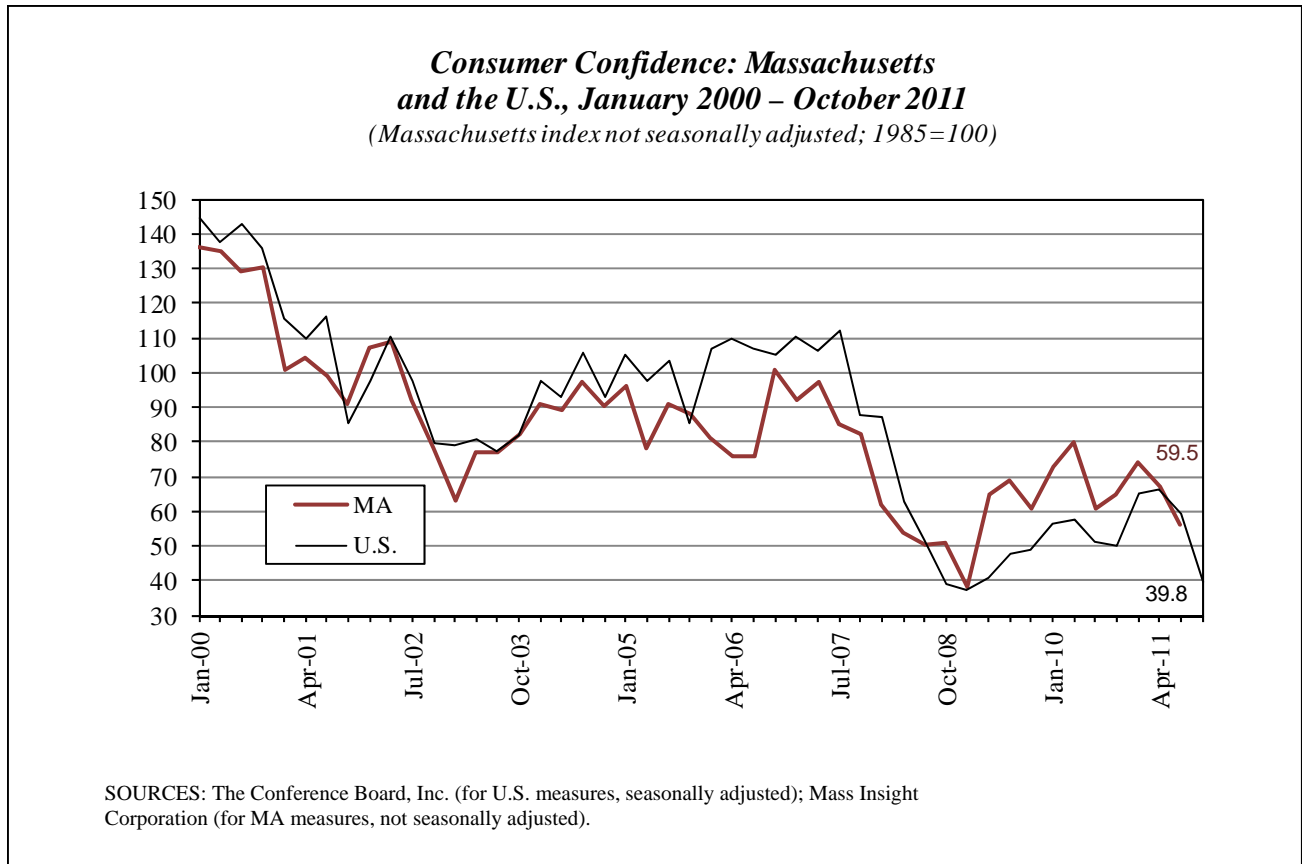
(not seasonally adjusted; 1982-1984 base period average=100)

| Year | Boston Metro Area | | United States | |
|--------|-------------------|------------|---------------|-------------|
| | CPI-U | Pct.Change | CPI-U | Pct. Change |
| 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% |
| 2009 | 233.8 | -0.7% | 214.5 | -0.4% |
| 2010 | 237.4 | 1.6% | 218.1 | 1.6% |
| Sep-10 | 237.7 | | 218.4 | |
| Sep-11 | 242.8 | 2.1% | 226.9 | 3.9% |

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

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 25.3 in February 2009. U.S. consumer confidence was measured at 66.0 in April 2011. The Massachusetts index was significantly higher than the U.S. index since sharing lows in January 2009, but the most recent comparable values for Massachusetts and the U.S. were similar. The Mass Insight Corporation reported that the Massachusetts index stood at 67.0 in April 2011. The following graph and table detail the recent record of these measures.

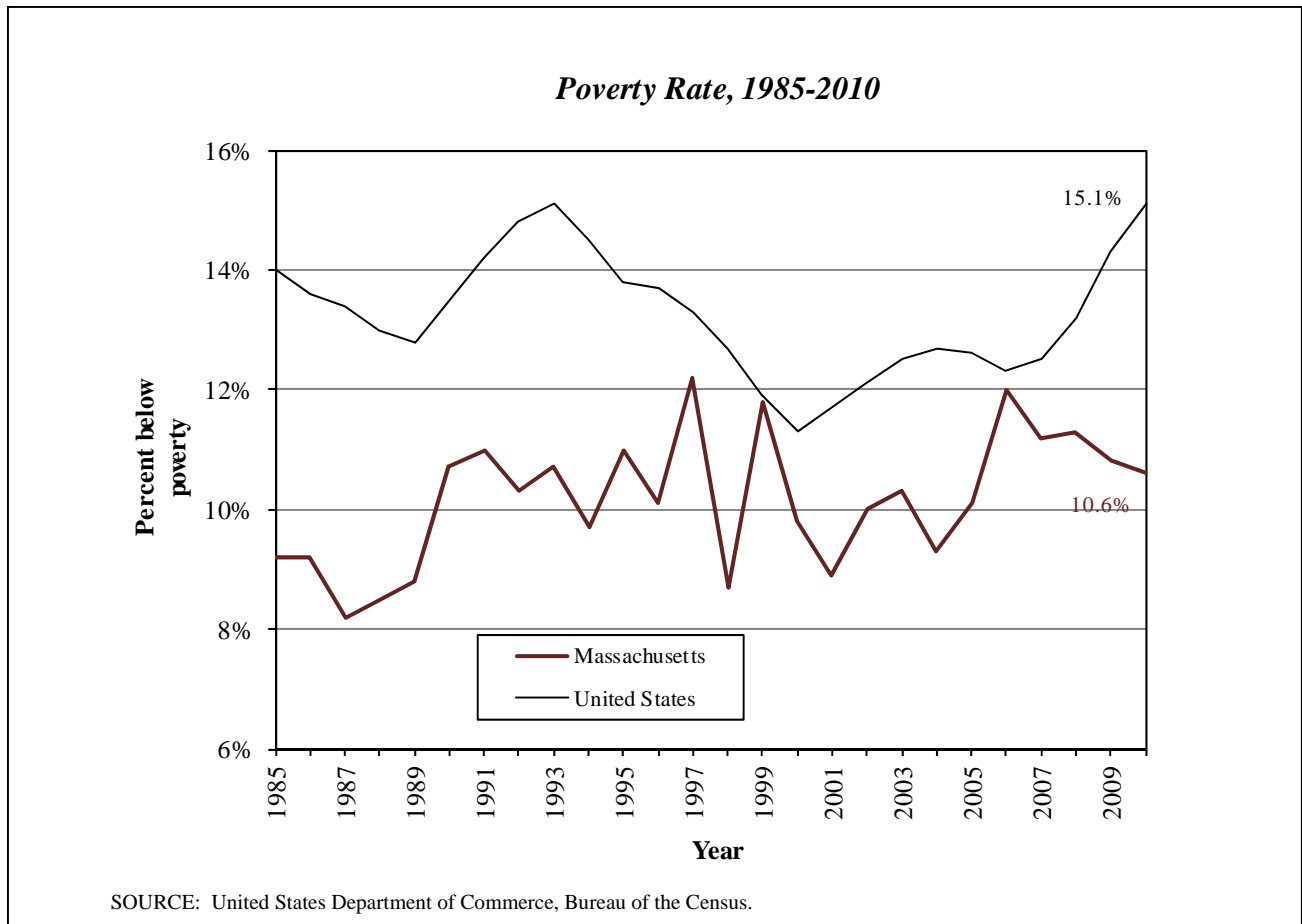


*Consumer Confidence, Present Situation, and Future
Expectations for Massachusetts and the U.S.
January 2001 - October 2011 (1985=100)*

| | 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 | 107.0 | 97.8 | 72.0 | 98.1 | 130.0 | 97.6 |
| Apr-02 | 109.0 | 110.5 | 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 | 28.0 | 75.3 | 86.0 | 81.1 |
| 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 |
| Jul-09 | 69.0 | 47.4 | 16.0 | 23.3 | 105.0 | 63.4 |
| Oct-09 | 61.0 | 48.7 | 14.0 | 21.1 | 93.0 | 67.0 |
| Jan-10 | 73.0 | 56.5 | 14.0 | 25.2 | 112.0 | 77.3 |
| Apr-10 | 80.0 | 57.7 | 22.0 | 28.2 | 119.0 | 77.4 |
| Jul-10 | 61.0 | 51.0 | 16.0 | 26.4 | 91.0 | 67.5 |
| Oct-10 | 65.0 | 49.9 | 15.0 | 23.5 | 99.0 | 67.5 |
| Jan-11 | 74.0 | 64.8 | 17.0 | 31.1 | 112.0 | 87.3 |
| Apr-11 | 67.0 | 66.0 | 24.0 | 40.2 | 96.0 | 83.2 |
| Jul-11 | 56.0 | 59.5 | 20.0 | 35.7 | 80.0 | 75.4 |
| Oct-11 | | 39.8 | | 26.3 | | 48.7 |

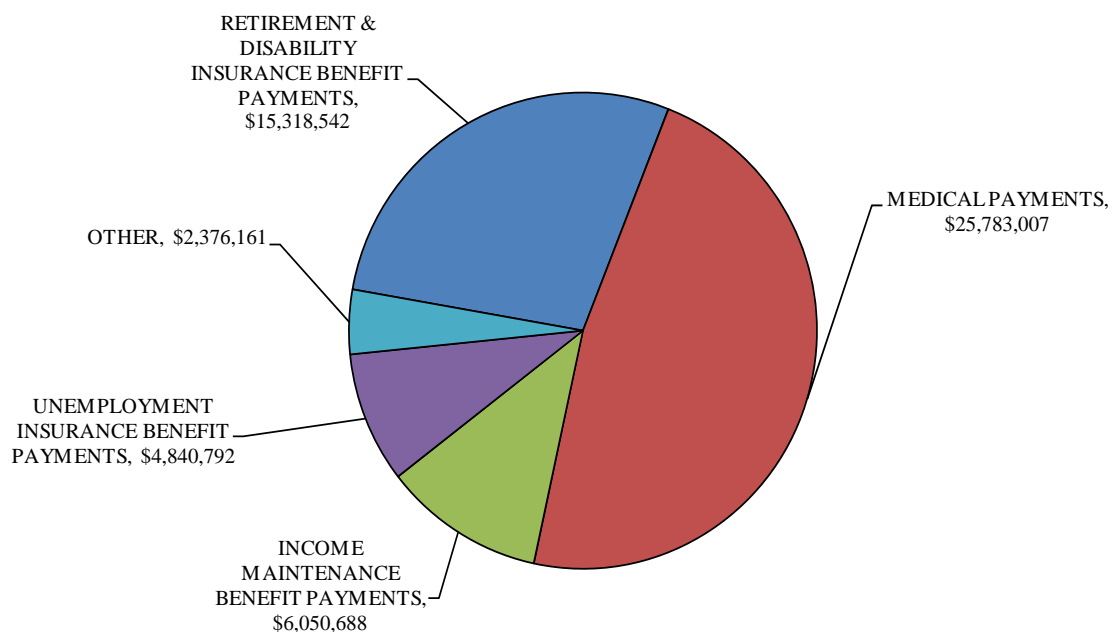
SOURCES: The Conference Board, Inc. (for U.S. measures, seasonally adjusted); Mass Insight Corporation (for MA measures, not seasonally adjusted).

Poverty. Through 2010, 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 10.8 percent in 2009 to 10.6 percent in 2010, while the poverty rate in the United States increased from 14.3 percent in 2009 to 15.1 percent in 2010. 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 - 2010) 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 2011 are not yet available.



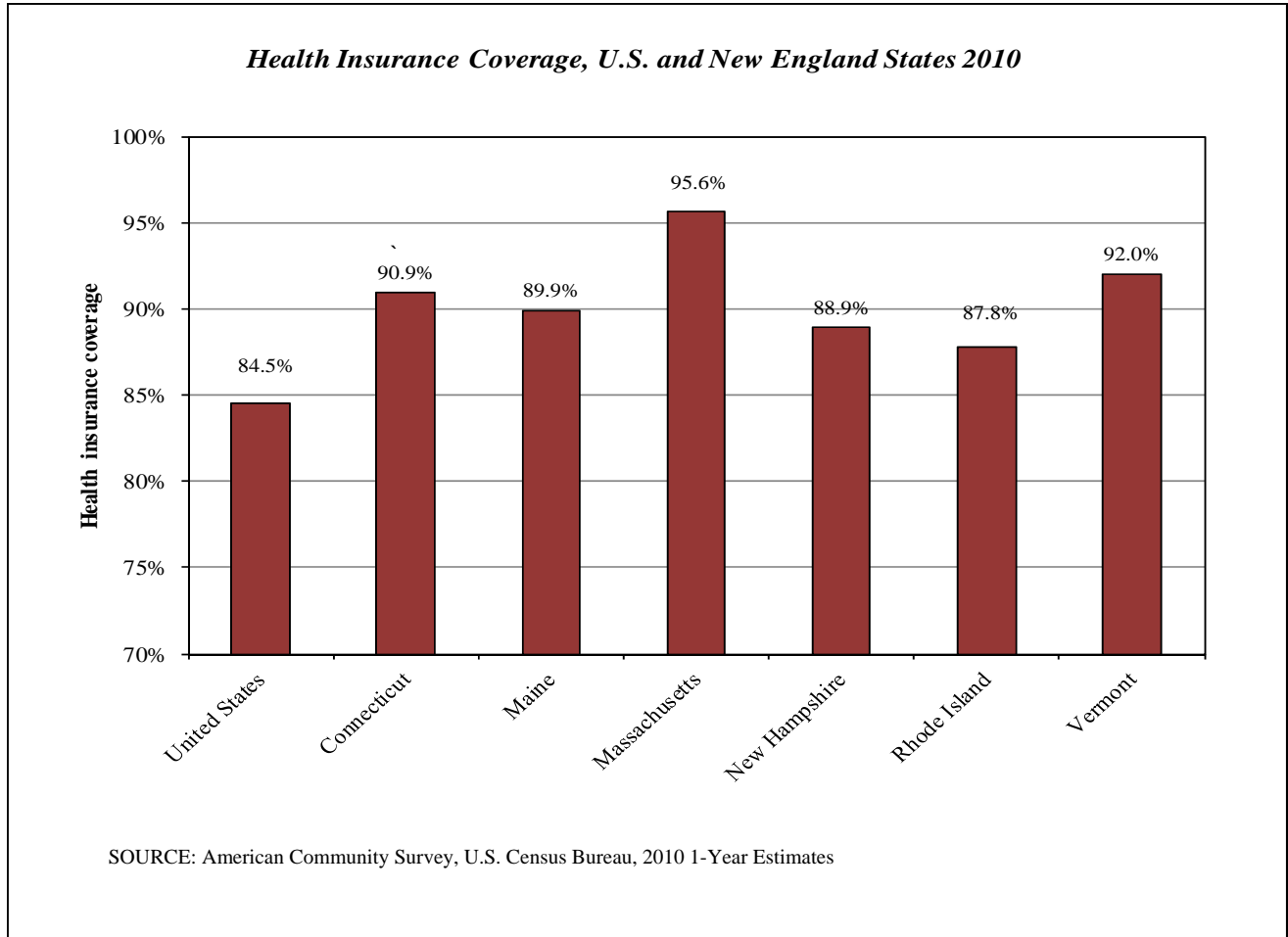
Transfer Payments. Transfer payment income is payment to individuals from all levels of government and from businesses, for which no current services are performed, including payments to nonprofit institutions serving individuals. These payments accounted for 16.5 percent of total personal income in Massachusetts in 2010, holding steady from 16.5 percent in 2009. 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 \$55.6 billion for 2010. Just over 47 percent of government transfer payments to individuals were medical payments, only slightly down from almost 48 percent in 2009.

***Transfer Payments from Governments to Individuals in
Massachusetts in 2010
(From Annual State Personal Income Estimates)
(in thousands of current dollars)***



SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Annual State Personal Income Estimates.
 NOTE: The category "other" includes veterans' benefit payments, federal education and training assistance payments, and a small residual of miscellaneous other payments to individuals.

Health Insurance Coverage. Massachusetts leads the nation in the percent of individuals with health insurance coverage. This is mostly the result of the law passed in 2006 mandating universal coverage in the Commonwealth. In 2010, 95.6 percent of the civilian non-institutionalized population was covered in the state by either public or private insurance, compared with 84.5 percent nationwide. Massachusetts also leads the other New England states in coverage, with Vermont the next closest at 92 percent. All of the New England states have higher rates of coverage than the nation. These data do not indicate the comprehensiveness of coverage, however.

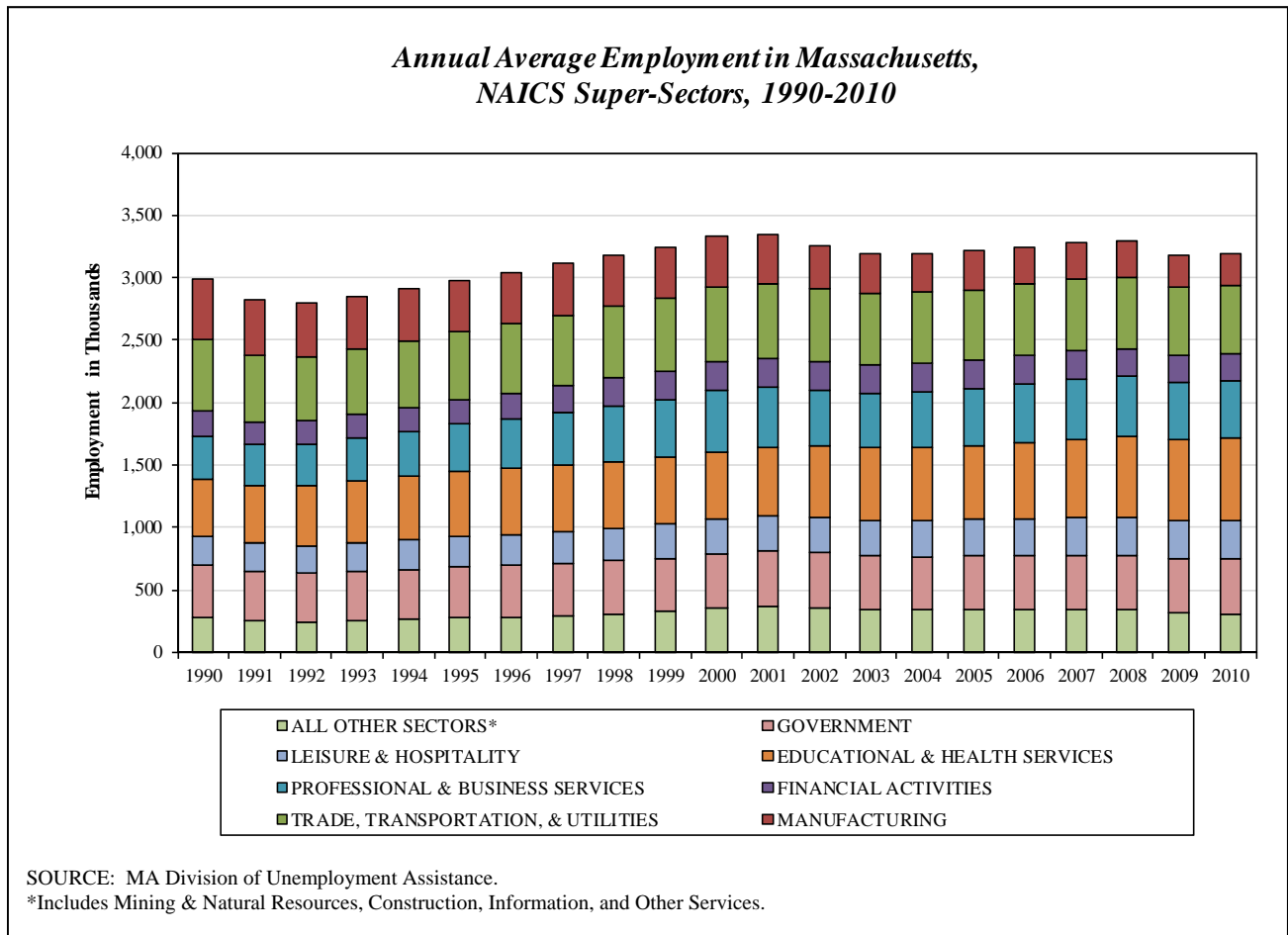


EMPLOYMENT

Employment by Industry. The chart on this page shows the annual level of non-agricultural payroll employment in Massachusetts based on the North American Industry Classification System (NAICS) 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 2009-2010 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 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 Financial Activities, Government, Information, Trade and Transportation & Utilities have remained relatively level or declined in share.

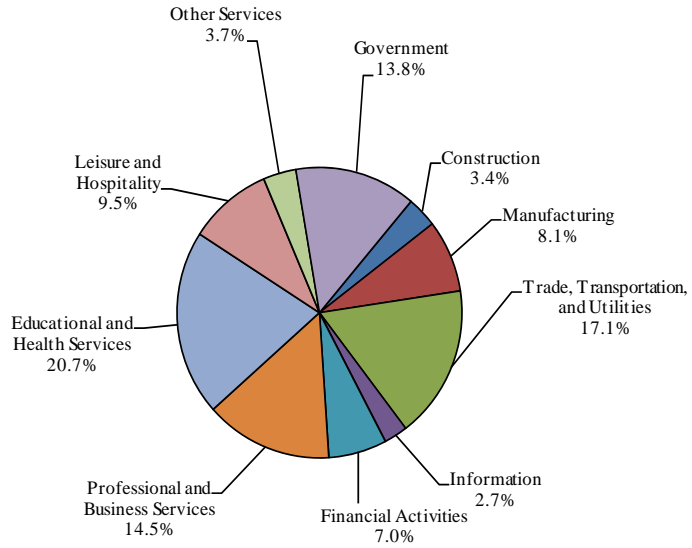
After significant declines in 2002 and 2003, total non-agricultural employment in Massachusetts eventually increased 0.5 percent in 2005 and continued to increase every year through 2008. After a 3.3 percent decline in 2009, employment grew 0.2 percent in 2010, still 4.6 percent below the last peak in 2001. The comparable growth rate for the nation in 2010 was down 0.8 percent from 2009 and down 1.5 percent from 2001. The latest seasonally adjusted estimate for the state (3.24 million for August 2011) is about 148.8 thousand below the peak month in 2001 (3.38 million in February 2001) and about 9.8 thousand above the 2009 peak in January (3.23 million).

After years of moderate but steady declines or near-zero growth in the late nineties and early 2000s, manufacturing employment in the state experienced steep annual declines in 2002 (10.2 percent) and 2003 (7.0 percent) before returning to more moderate declines in 2004 (3.5 percent). The declines for manufacturing employment in 2007 and 2008 were similar to the steady declines prior to 2002. After a steep decline of 9.7 percent in 2009, the decline returned to a less dramatic 2.0 percent in 2010. The seasonally adjusted estimates for the first eight months of 2011 were slightly higher than the estimates for the same period in 2010 (255.7 million compared to 253.1 million).

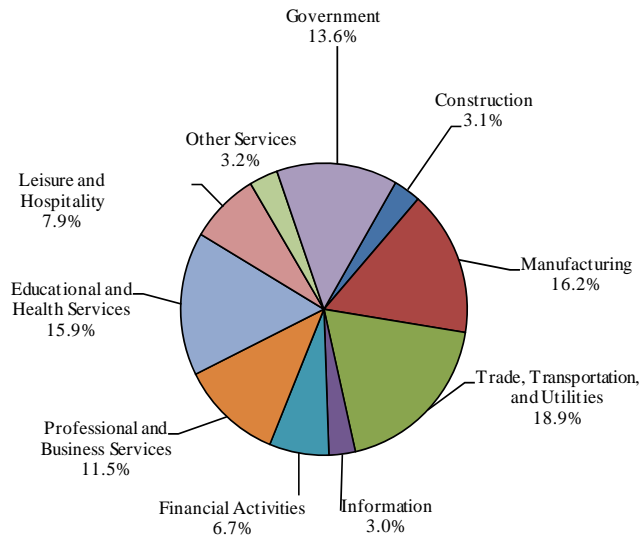


**Massachusetts Non-Farm Payroll Employment
(NAICS Industry basis)**

NAICS Super-Sectors: 2009-2010 Average Share



NAICS Super-Sectors: 1990-1991 Average Share



SOURCE: MA Division of Unemployment Assistance.

Largest Employers in Massachusetts. The following inset lists the 25 largest private employers in Massachusetts based upon employment covered by the Unemployment Insurance system for March 2011. UMass Memorial Medical Center replaces Tufts University from the March 2010 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 March 2011

(listed alphabetically)

| | |
|---------------------------------------|-------------------------------------|
| Bank of America, NA | Partners Healthcare Systems, Inc. |
| Baystate Medical Center, Inc. | Raytheon Company |
| Beth Israel Deaconess Medical Center | S & S Credit Company, Inc. |
| Boston Medical Center Corporation | Shaw's Supermarkets, Inc. |
| Boston University | Southcoast Hospitals Group, Inc. |
| Brigham & Women's Hospital, Inc. | State Street Bank & Trust Company |
| Demoulas Super Markets, Inc. | Target Corporation |
| E.M.C. Corporation | The Children's Hospital Corporation |
| General Hospital Corporation | UMass Memorial Medical Center |
| 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 10-14-11.

NOTE: This alphabetic listing includes private employers reporting large numbers of jobs covered by the Massachusetts unemployment insurance program. The information is based on March 2010 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.

Massachusetts Companies in the Fortune 500 List. The economic base of Massachusetts is anchored by the thirteen 2011 Fortune 500 companies headquartered here. When comparing the 2011 Fortune 500 to that of 2010, three Massachusetts companies gained, nine lost rank, and one remained the same. EMC climbed 14 places on the list, the largest leap for a Massachusetts company.

Massachusetts Companies in the 2011 Fortune 500

| Rank | | Company | Industry | 2010 revenues (millions) |
|------|------|--------------------------------------|--------------------------------------|-----------------------------|
| 2011 | 2010 | | | |
| 82 | 71 | Liberty Mutual Ins. Group (Boston) | Insurance: P & C (stock) | \$33,193 |
| 101 | 93 | Mass. Mutual Life Ins. (Springfield) | Insurance: Life, Health (mutual) | \$25,647 |
| 104 | 95 | Raytheon (Waltham) | Aerospace and Defense | \$25,183 |
| 108 | 101 | Staples (Framingham) | Specialty Retailers | \$24,545 |
| 119 | 119 | TJX (Framingham) | Specialty Retailers | \$21,942 |
| 152 | 166 | EMC (Hopkinton) | Computer Peripherals | \$17,015 |
| 221 | 232 | BJ's Wholesale Club (Westborough) | Specialty Retailers | \$11,025 |
| 227 | 234 | Thermo Fisher Scientific (Waltham) | Scientific, Photo, Control Equipment | \$10,789 |
| 253 | 249 | State St. Corp. (Boston) | Commercial Banks | \$9,716 |
| 305 | 279 | Boston Scientific (Natick) | Medical Products & Equipment | \$7,806 |
| 306 | 368 | Global Partners (Waltham) | Energy | \$7,802 |
| 476 | 471 | Biogen Idec (Weston) | Pharmaceuticals | \$4,716 |
| 487 | 458 | Genzyme (Cambridge) | Pharmaceuticals | \$4,536 |

SOURCE: Fortune, May 23, 2011 issue.

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 July 31, 2011, the Massachusetts Unemployment Trust Fund had a balance of \$252.6 million. This balance is the sum of the private contributory account balance of \$156.2 million and the government contributory account balance of \$96.4 million. This compares to an April 2011 balance of -\$259 million with a private contributory portion of -\$357 million. The August 2011 Unemployment Insurance Trust Fund report indicated that the private contributory account balance was estimated to be \$2.658 billion by the end of 2015 according to the Moody's based outlook.

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 17 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 September 2011, the Massachusetts rate had dropped to 7.3 percent from 7.6 percent in June 2011. The tables and graphs on the following two pages compare the unemployment rate in the state with those in New England and the U.S.

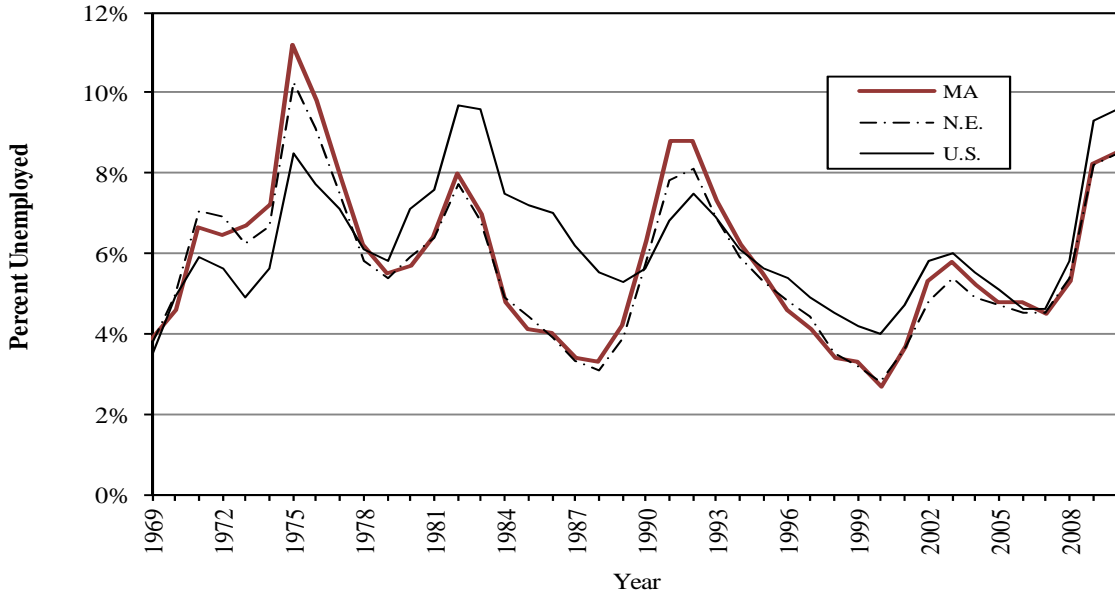
Annual Average Civilian Labor Force and Unemployment, 1969-2010

(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 | 3,383 | 7,516 | 149,320 | 164 | 353 | 7,591 | 4.8% | 4.7% | 5.1% | 94.1% |
| 2006 | 3,418 | 7,607 | 151,428 | 162 | 344 | 7,001 | 4.8% | 4.5% | 4.6% | 104.3% |
| 2007 | 3,434 | 7,652 | 153,124 | 153 | 341 | 7,078 | 4.5% | 4.5% | 4.6% | 97.8% |
| 2008 | 3,467 | 7,715 | 154,287 | 184 | 415 | 8,924 | 5.3% | 5.4% | 5.8% | 91.4% |
| 2009 | 3,477 | 7,733 | 154,142 | 286 | 633 | 14,265 | 8.2% | 8.2% | 9.3% | 88.2% |
| 2010 | 3,494 | 7,770 | 153,889 | 297 | 660 | 14,825 | 8.5% | 8.5% | 9.6% | 88.5% |

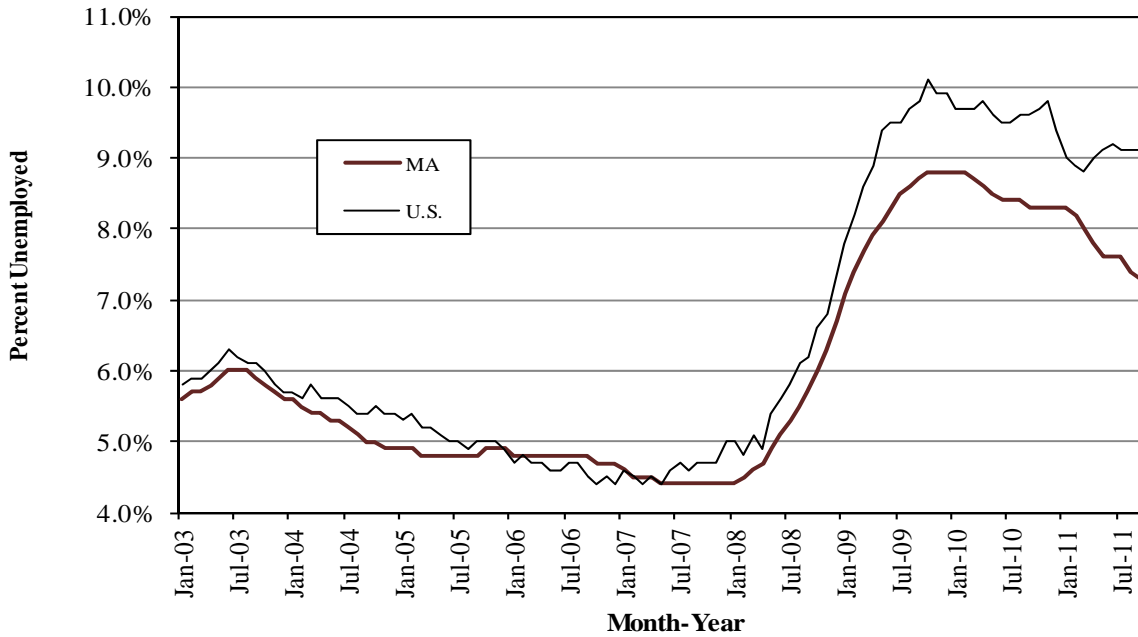
SOURCE: United States Department of Labor, Bureau of Labor Statistics.

**Annual Average Unemployment Rate, 1969-2010
Massachusetts, New England, and United States**



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

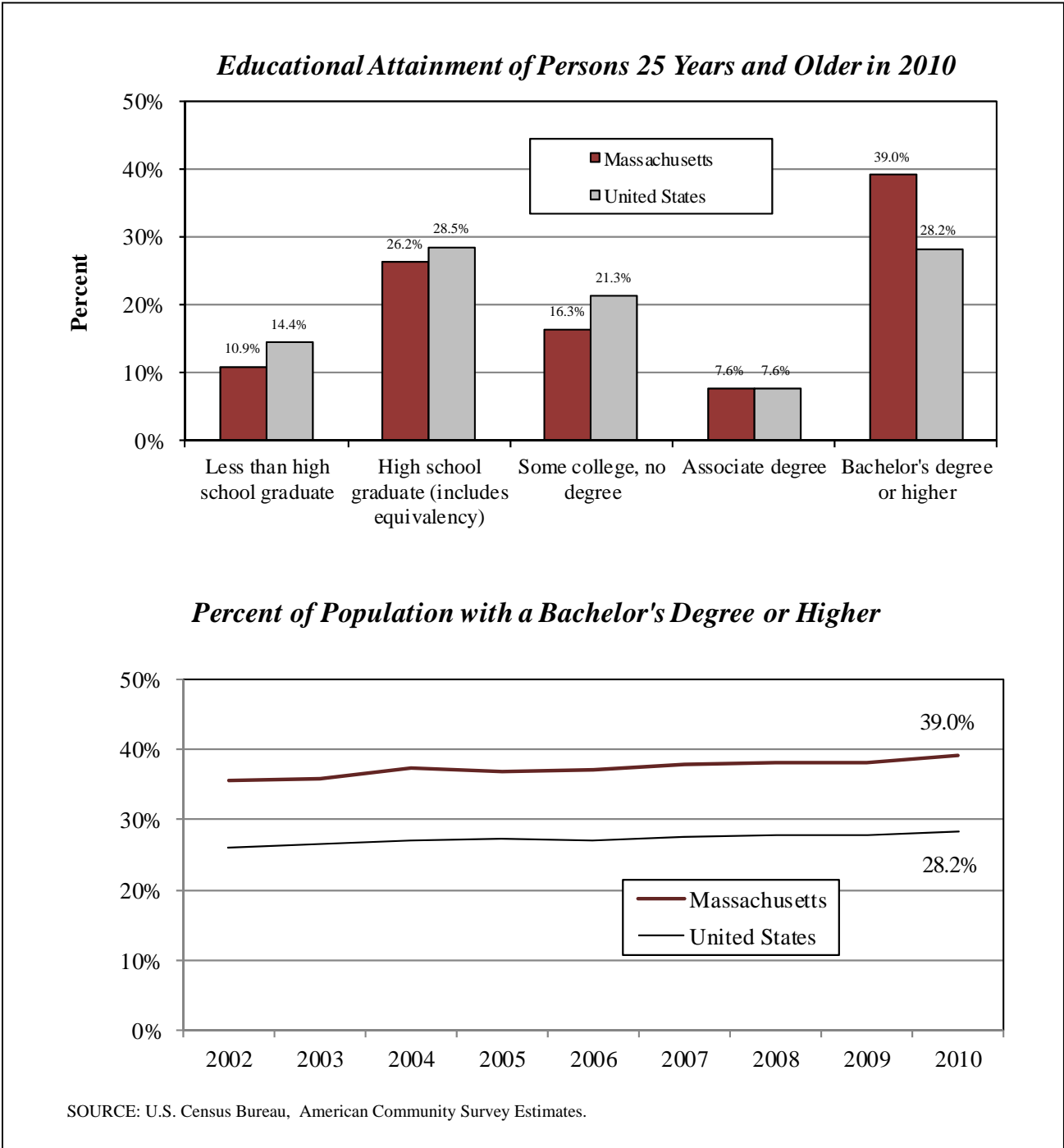
**Monthly Unemployment Rate, January 2003 - September 2011
Massachusetts and United States
(seasonally adjusted)**



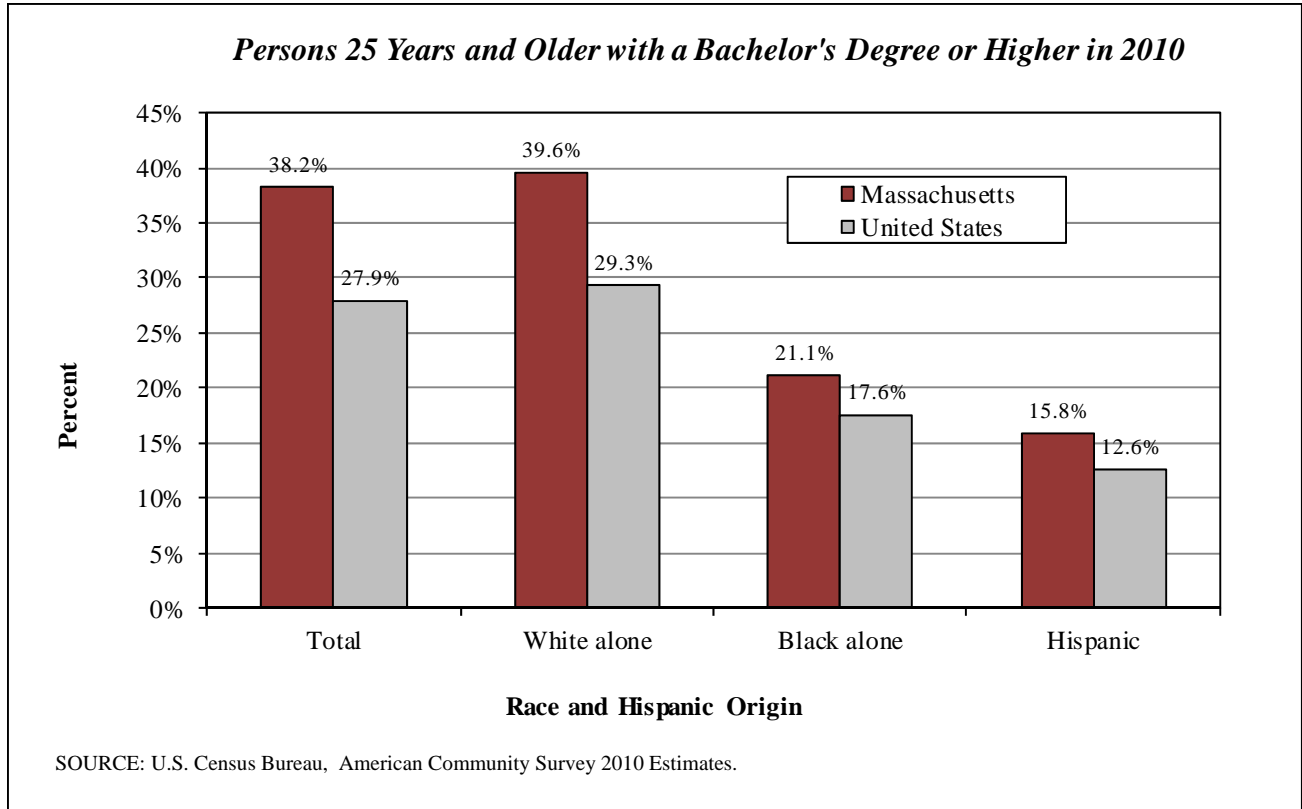
SOURCE: MA Division of Unemployment Assistance, United States Bureau of Labor Statistics

EDUCATION AND TECHNOLOGY

Educational Attainment. The availability of a skilled and well-educated population is an important resource for the Commonwealth. Approximately two out of five adults in Massachusetts had a bachelor's degree or more in 2010 according to the Census Bureau's American Community Survey (ACS). The ACS also found that Massachusetts had a smaller proportion of persons who had not completed high school, 10.9 percent, than the national average of 14.4 percent.



Massachusetts' black and Hispanic populations achieved college degrees at roughly half the rate of its white population but their rates were higher than their national averages. The most current Census data are shown below.



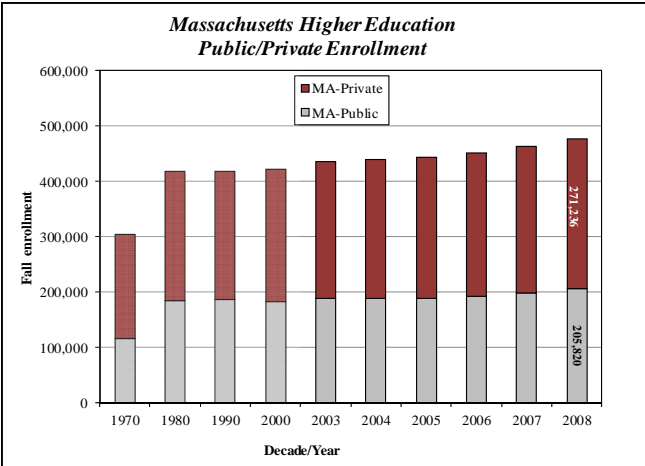
Higher Education Data. Massachusetts has a higher minority enrollment in institutions of higher education than New England. However, the percentage of enrolled Blacks and Hispanics in higher education in Massachusetts is below the national average. These percentages, which do not include military academy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

Higher Education Enrollment by Race and Hispanic Origin in 2010

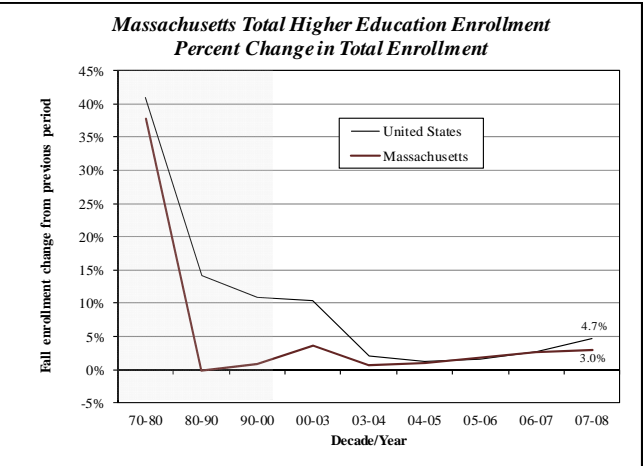
| | Total | White alone | Black alone | Asian alone | Other race | Hispanic or Latino |
|---------------|------------|-------------|-------------|-------------|------------|--------------------|
| United States | 22,255,504 | 73.2% | 16.0% | 7.8% | 3.0% | 14.6% |
| Massachusetts | 554,736 | 80.6% | 9.9% | 9.5% | 0.0% | 8.9% |

SOURCE: U.S. Census Bureau, American Community Survey estimates.

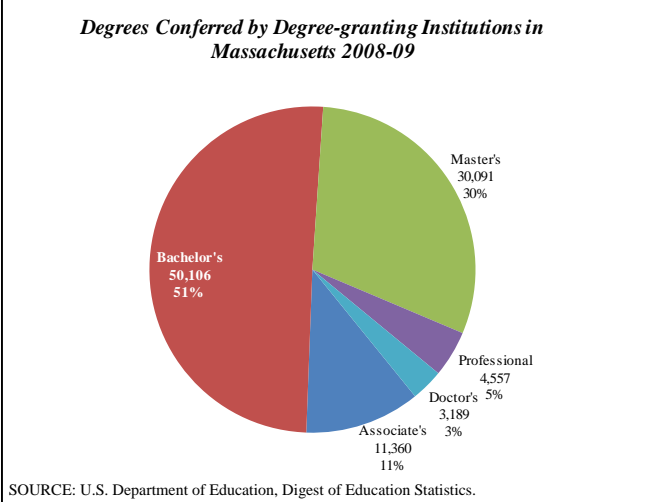
Survey data released by the Institute of International Education state that 35,313 foreign students were enrolled in Massachusetts colleges and universities in the 2009/2010 school year. This was an increase of 4.4 percent from the previous year. The national enrollment increased 3 percent. Massachusetts remains 4th ranked among states for foreign student enrollment.



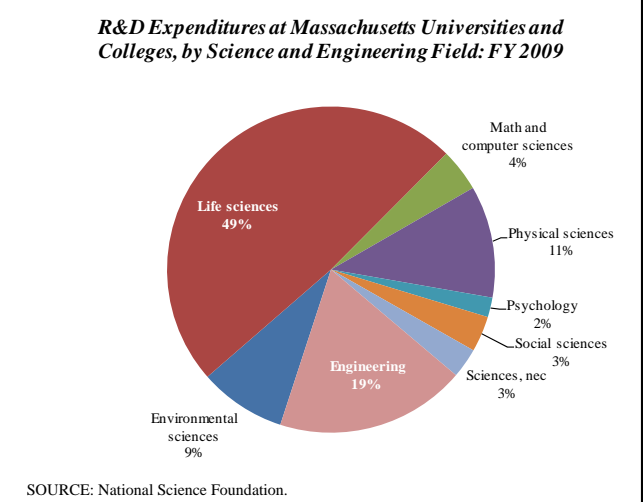
SOURCE: U.S. Department of Education, Digest of Education Statistics.



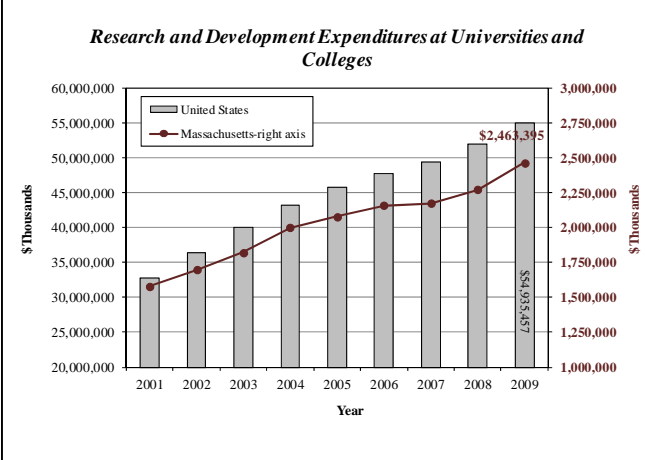
SOURCE: U.S. Department of Education, Digest of Education Statistics.



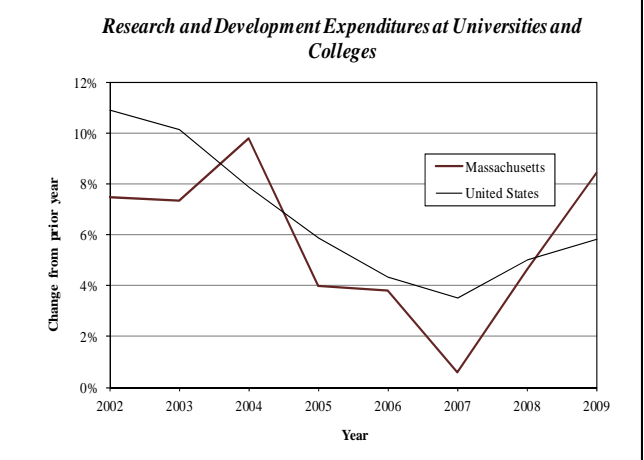
SOURCE: U.S. Department of Education, Digest of Education Statistics.



SOURCE: National Science Foundation.



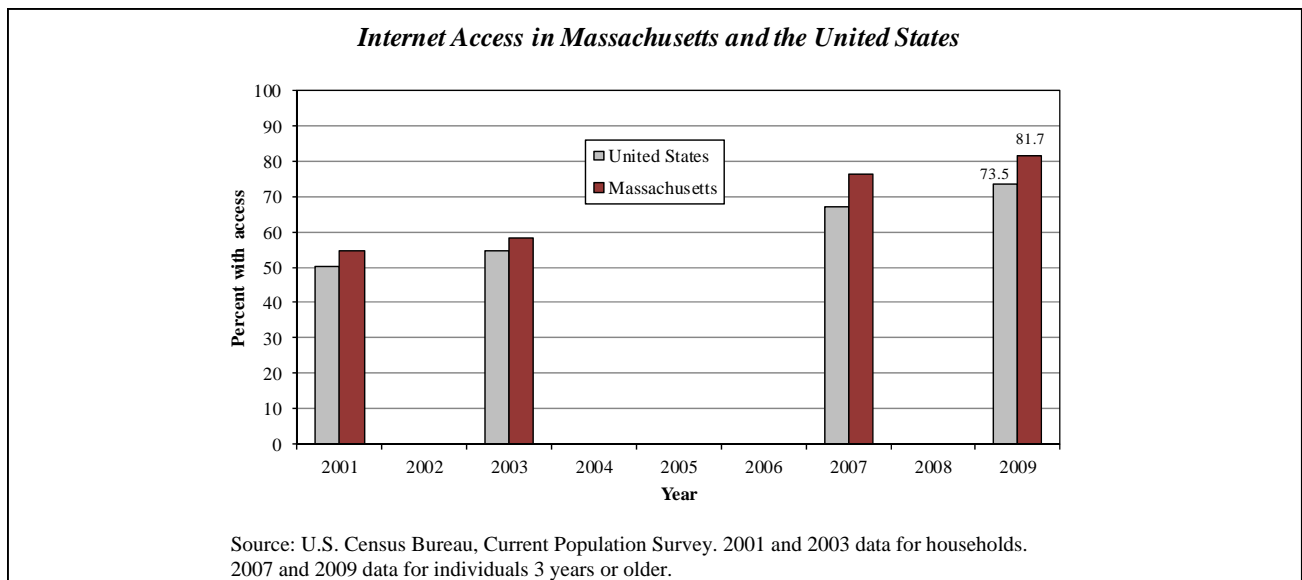
SOURCE: National Science Foundation.



SOURCE: National Science Foundation.

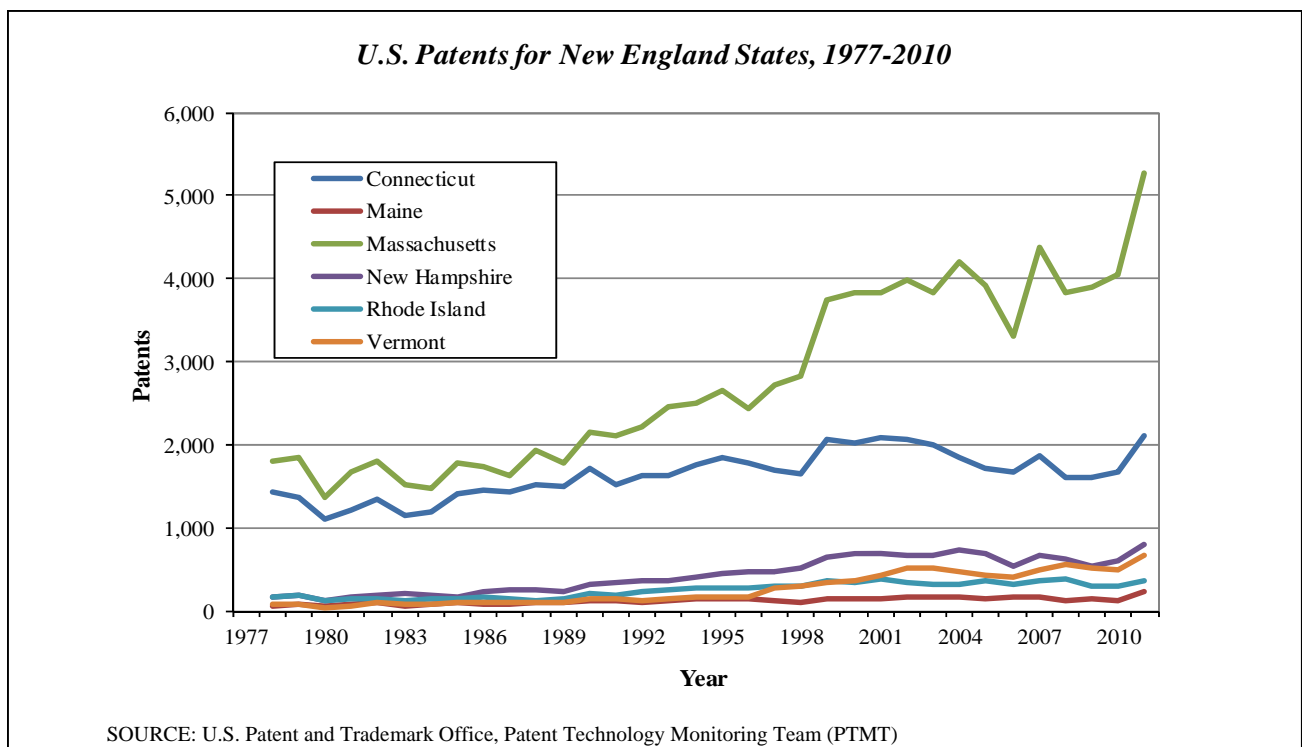
| Enrollment - Fall 2008 | Rank | Degrees Awarded - 2008-09 | Rank | Research & Development - FY2009 | Rank |
|------------------------|------|---------------------------|------|---------------------------------|------|
| Total | 12 | Total | 10 | Total | 6 |
| Public | 23 | Associate's | 21 | Environmental sciences | 3 |
| Private | 6 | Bachelor's | 9 | Life sciences | 8 |
| | | Master's | 7 | Math/computer sciences | 7 |
| | | Professional | 7 | Physical sciences | 3 |
| | | Doctorate | 7 | Psychology | 6 |
| | | | | Social sciences | 6 |
| | | | | Sciences, nec | 2 |
| | | | | Engineering | 6 |

Internet Access. 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 2009. Massachusetts ranked sixth among states and the District of Columbia when comparing the percent (81.7) of individuals who had access to the internet in their household.



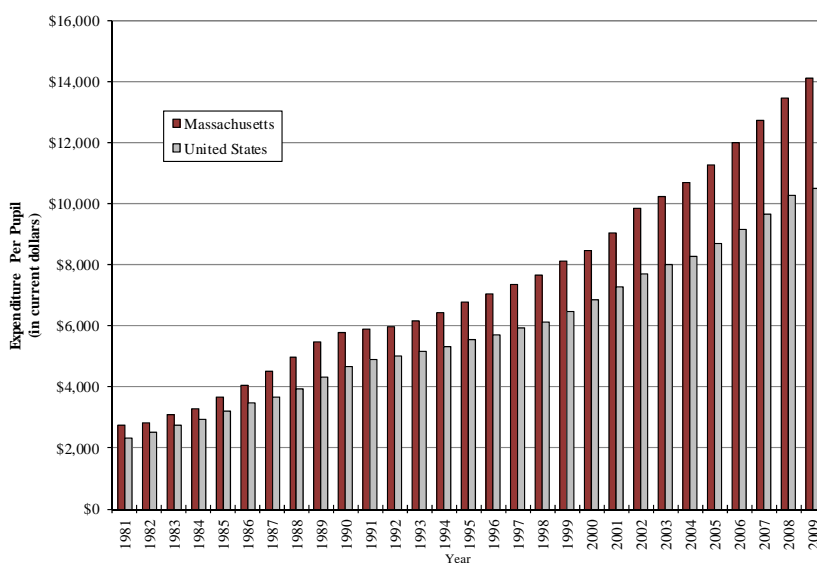
Patents. The U.S. Patent and Trademark Office notes: “This report shows the number of U.S. patent documents (i.e., utility patents, design patents, plant patents, reissue patents, defensive publications, and statutory invention registrations) granted since 1977, broken down by the state or country of origin (patent origin is determined by the residence of the first-named inventor).”

In 2010, Massachusetts was fifth among all states for the number of new patents issued. Only five nations originated more U.S. patents than Massachusetts, putting the state on par with the United Kingdom, France, and Canada for origination of U.S. patents. Since 1977, Massachusetts has received more new patents than any other New England state. With 5,261 new patents in 2010, up over 30 percent from 2009, Massachusetts innovators were responsible for over twice as many patents as Connecticut, which originated 2,111 patents in 2010.



Primary and Secondary Education Expenditures. Although spending on education is not necessarily an indicator of results, Massachusetts has spent from 12 to 34 percent more per pupil on primary and secondary education than the national average since 1981. During the 2008-2009 school year, Massachusetts increased per student expenditures 4.9 percent to \$14,118, which is eighth in the nation but less than its average increase of 6.1% since 1981. The table and chart below show expenditures per pupil for Massachusetts and the U.S. since fiscal 1981.

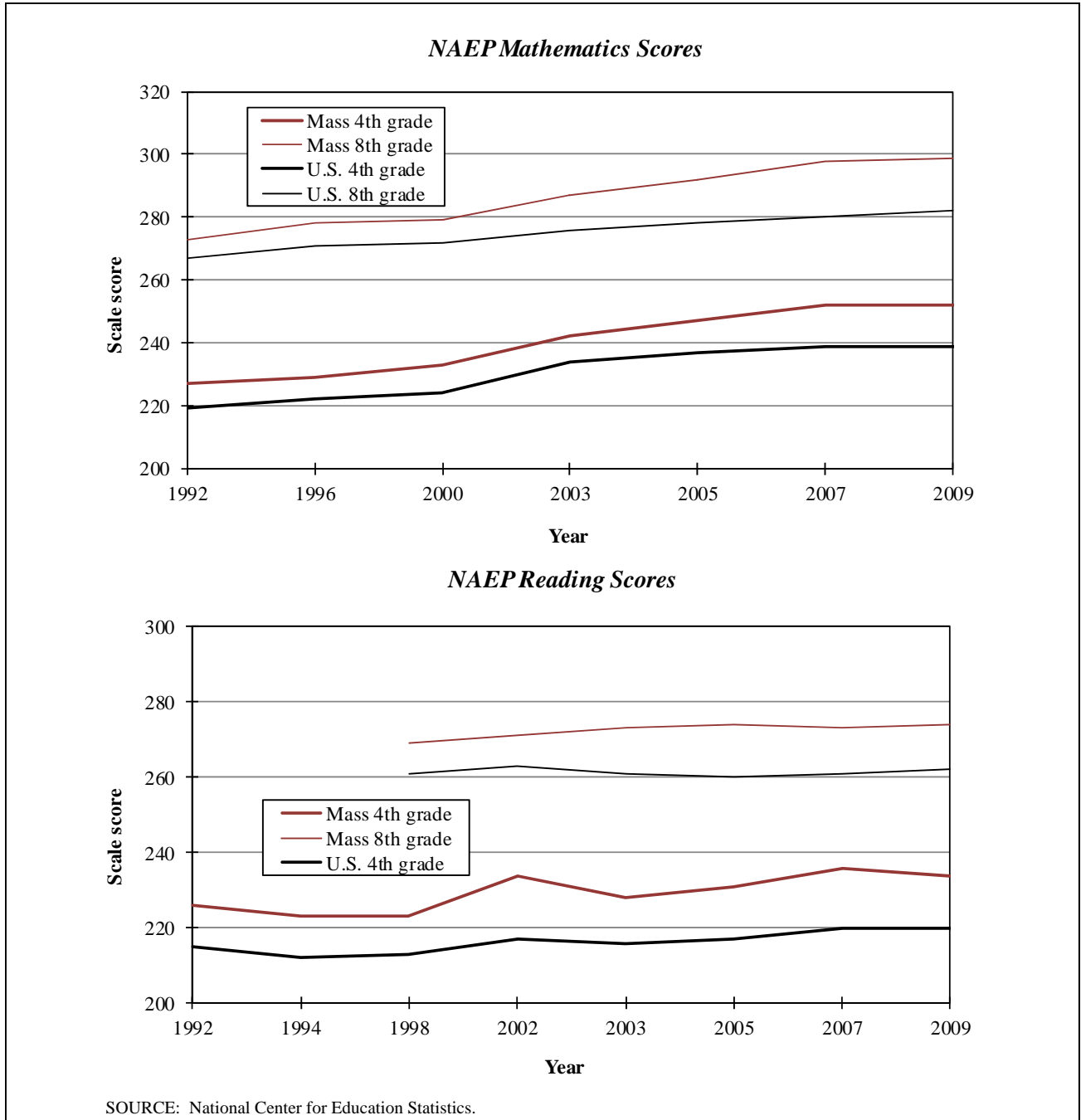
| <i>Per Pupil Expenditure in Public Elementary and Secondary Schools</i> (in current, unadjusted dollars) | | | | |
|---|---------------|---------------|-----------------|------------------------------|
| Fiscal Year | Massachusetts | United States | Ratio (MA/U.S.) | MA change from previous year |
| 1981 | \$2,735 | \$2,307 | 1.19 | |
| 1982 | 2,823 | 2,525 | 1.12 | 3.2% |
| 1983 | 3,072 | 2,736 | 1.12 | 8.8% |
| 1984 | 3,298 | 2,940 | 1.12 | 7.4% |
| 1985 | 3,653 | 3,222 | 1.13 | 10.8% |
| 1986 | 4,031 | 3,479 | 1.16 | 10.3% |
| 1987 | 4,491 | 3,682 | 1.22 | 11.4% |
| 1988 | 4,965 | 3,927 | 1.26 | 10.6% |
| 1989 | 5,485 | 4,307 | 1.27 | 10.5% |
| 1990 | 5,766 | 4,643 | 1.24 | 5.1% |
| 1991 | 5,881 | 4,902 | 1.20 | 2.0% |
| 1992 | 5,952 | 5,023 | 1.18 | 1.2% |
| 1993 | 6,141 | 5,160 | 1.19 | 3.2% |
| 1994 | 6,423 | 5,327 | 1.21 | 4.6% |
| 1995 | 6,783 | 5,529 | 1.23 | 5.6% |
| 1996 | 7,033 | 5,689 | 1.24 | 3.7% |
| 1997 | 7,331 | 5,923 | 1.24 | 4.2% |
| 1998 | 7,651 | 6,137 | 1.25 | 4.4% |
| 1999 | 8,106 | 6,458 | 1.26 | 5.9% |
| 2000 | 8,444 | 6,836 | 1.24 | 4.2% |
| 2001 | 9,038 | 7,284 | 1.24 | 7.0% |
| 2002 | 9,856 | 7,701 | 1.28 | 9.1% |
| 2003 | 10,223 | 8,019 | 1.27 | 3.7% |
| 2004 | 10,693 | 8,287 | 1.29 | 4.6% |
| 2005 | 11,267 | 8,701 | 1.29 | 5.4% |
| 2006 | 11,981 | 9,138 | 1.31 | 6.3% |
| 2007 | 12,738 | 9,666 | 1.32 | 6.3% |
| 2008 | 13,454 | 10,259 | 1.31 | 5.6% |
| 2009 | 14,118 | 10,499 | 1.34 | 4.9% |



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

National Assessment of Educational Progress (NAEP) scores. 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 administering 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 below compare the data available for Massachusetts to the nation.



ECONOMIC BASE AND PERFORMANCE—STATE OVERVIEW

Comparing BEA GDP for the U.S., the region, and Massachusetts. The U.S. Bureau of Economic Analysis (BEA) defines Gross Domestic Product by State (GDP) as “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).”

The BEA provides national, quarterly and annual state GDP estimates by industry. *MassBenchmarks* releases quarterly estimates of Massachusetts economic activity. This is reported in the following section. While we do not have access to many of the components that BEA uses to calculate State GDP in advance of its release, we provide an overview of our state’s components when they are available. Additionally, we provide state economic indexes and industrial sector data that are released more frequently and in some cases, are among the components used to calculate State GDP.

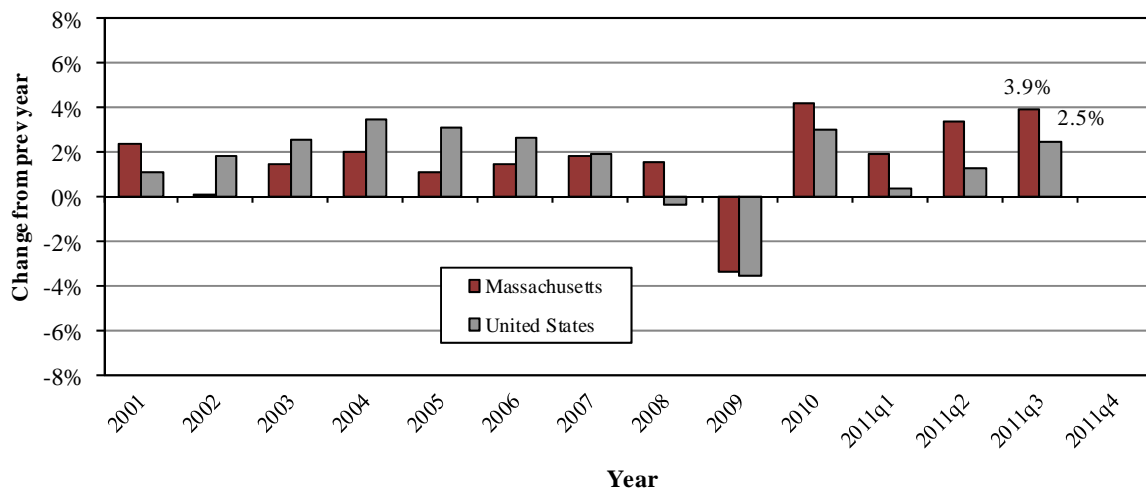
State Gross Domestic Product - Annual Change

(billions of chained 2005 dollars)

| Year | Massachusetts | | New England | | United States | |
|------|---------------|---------------|-------------|---------------|---------------|---------------|
| | GDP | Annual change | GDP | Annual change | GDP | Annual change |
| 1997 | \$254 | | \$547 | | \$9,846 | |
| 1998 | \$266 | 4.6% | \$569 | 4.1% | \$10,275 | 4.4% |
| 1999 | \$280 | 5.3% | \$593 | 4.1% | \$10,771 | 4.8% |
| 2000 | \$301 | 7.8% | \$635 | 7.2% | \$11,216 | 4.1% |
| 2001 | \$309 | 2.4% | \$647 | 1.8% | \$11,338 | 1.1% |
| 2002 | \$309 | 0.1% | \$649 | 0.3% | \$11,543 | 1.8% |
| 2003 | \$313 | 1.5% | \$659 | 1.5% | \$11,836 | 2.5% |
| 2004 | \$320 | 2.0% | \$680 | 3.2% | \$12,247 | 3.5% |
| 2005 | \$323 | 1.1% | \$687 | 1.0% | \$12,623 | 3.1% |
| 2006 | \$328 | 1.5% | \$701 | 2.1% | \$12,959 | 2.7% |
| 2007 | \$334 | 1.9% | \$713 | 1.7% | \$13,206 | 1.9% |
| 2008 | \$340 | 1.6% | \$716 | 0.4% | \$13,162 | -0.3% |
| 2009 | \$328 | -3.3% | \$697 | -2.6% | \$12,703 | -3.5% |
| 2010 | \$342 | 4.2% | \$721 | 3.4% | \$13,088 | 3.0% |

Real GDP - Annual and Latest Quarterly Change

Seasonally Adjusted Annual Rates



SOURCE: U.S. Bureau of Economic Analysis advanced estimate for U.S., <http://www.MassBenchmarks.org>.

Note: Massachusetts FY2011 Q1-Q3 are estimates.

ECONOMIC BASE AND PERFORMANCE—ECONOMIC INDICATORS

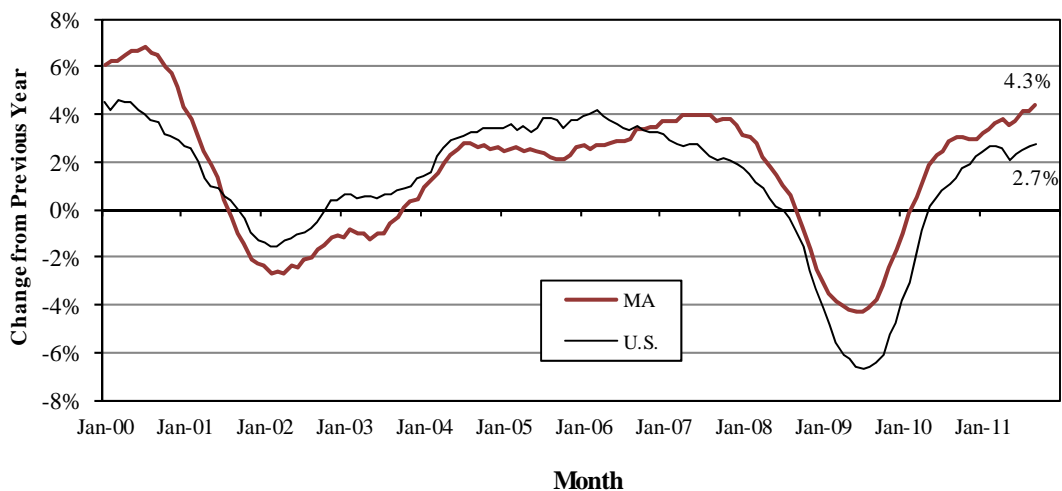
State Coincident Indexes. To track more recent changes in the state and national economies, we use the Federal Reserve Bank of Philadelphia’s Coincident Indexes. It “produces a monthly coincident index for each of the 50 states. The indexes are released a few days after the Bureau of Labor Statistics (BLS) releases the employment data for the states.

The coincident indexes combine four state-level indicators to summarize current economic conditions in a single statistic. The four state-level variables in each coincident index are nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average). The trend for each state’s index is set to the trend of its gross domestic product (GDP), so long term growth in the state’s index matches long term growth in its GDP.”

The graph below indicates the state and national index change from 12 months prior. Massachusetts monthly trend follows the nation’s, but since July 2006 it has performed better. The bottom table compares the Massachusetts’ index to its New England neighbors.

| <i>Comparing the U.S. and New England States Coincident Indexes</i> | | | | |
|---|----------------|----------------|----------------|-----------------|
| Area | September 2011 | 1-Month Change | 3-Month Change | 12-Month Change |
| U.S. | 153.4 | 0.2% | 0.6% | 2.7% |
| Massachusetts | 173.6 | 0.3% | 1.3% | 4.3% |
| Connecticut | 156.6 | 0.2% | 0.6% | 2.5% |
| Maine | 136.3 | 0.2% | 1.0% | 1.8% |
| New Hampshire | 183.7 | -0.1% | -0.2% | 2.4% |
| Rhode Island | 149.6 | 0.2% | 0.6% | 2.1% |
| Vermont | 144.8 | 0.4% | 0.5% | 2.3% |

Comparing the U.S. and Massachusetts Coincident Indexes

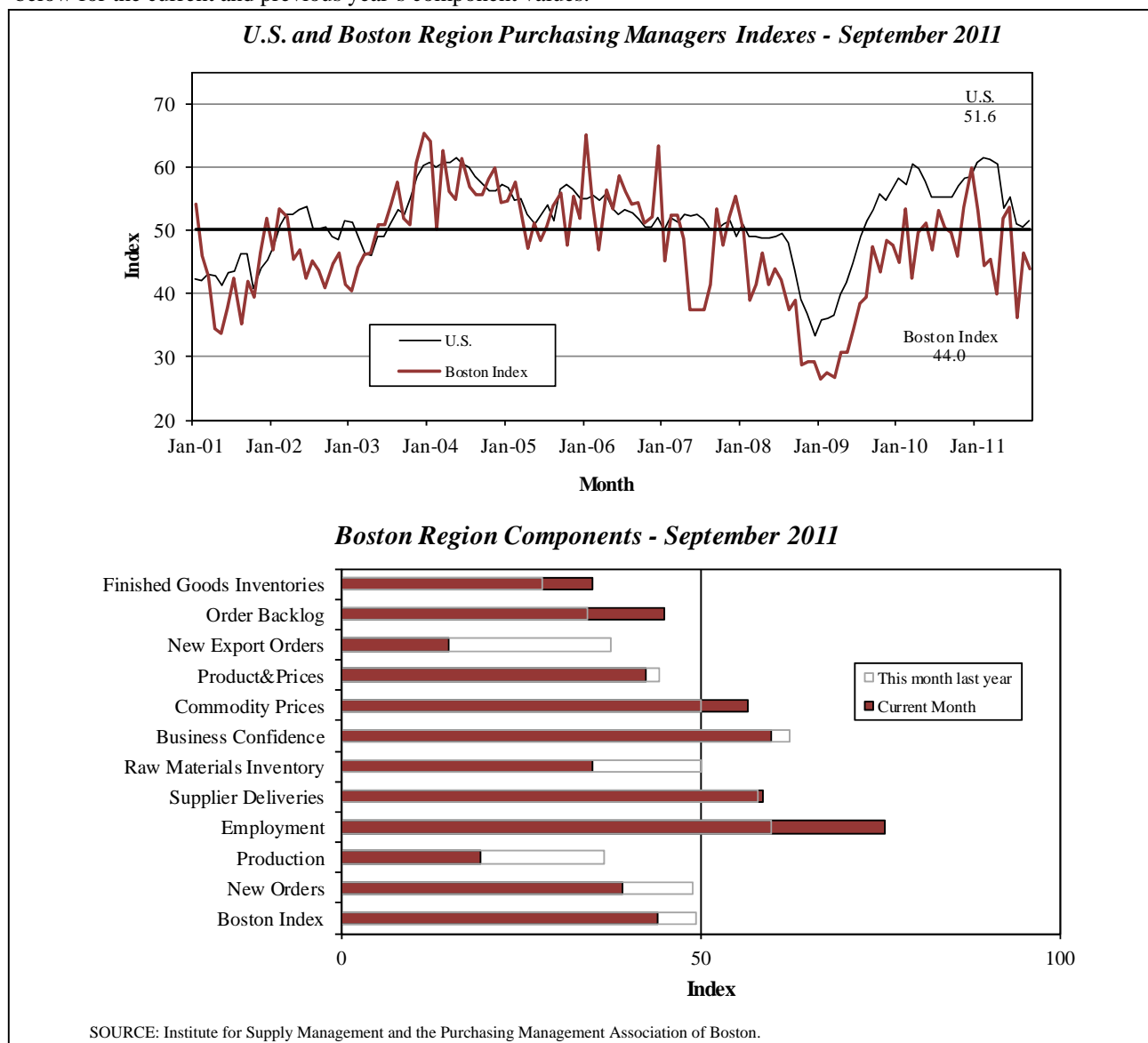


SOURCE: Federal Reserve Bank of Philadelphia.
Note: Indexes are set to 100 at July 1992.

Institute for Supply Management Purchasing Manager Indexes (PMI). These indexes are compiled using survey data from purchasing and supply executives and are used as a leading business indicator. While the national index is based on a survey of manufacturers, the Boston region's is based on a survey of "companies representing industries as diverse as the banking and financial services, pharmaceuticals and biotechnology, software development and communication, medical products and equipment, computers, chemicals, consumer products, education, and the public sector."

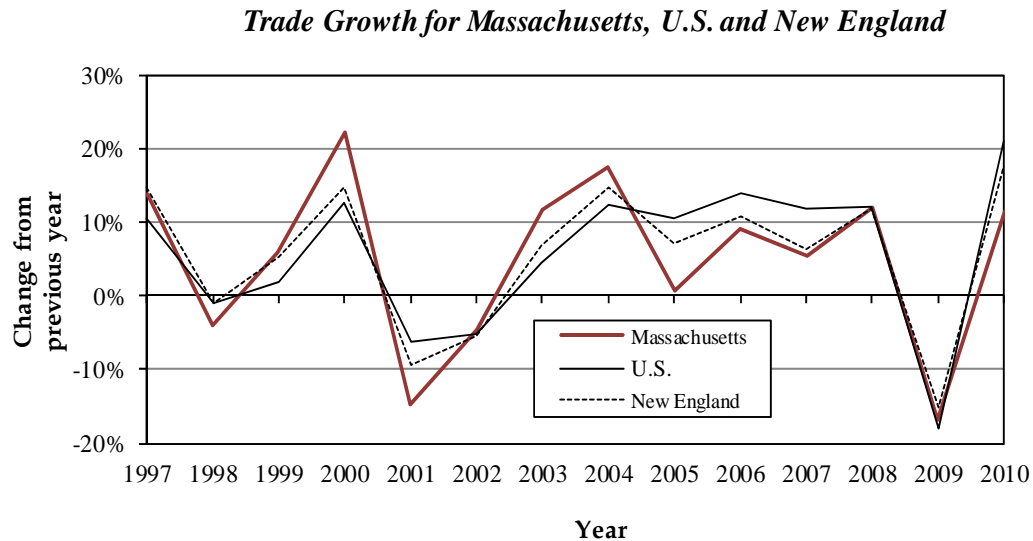
Index readings above 50 indicate the economy is generally expanding. Readings below 50 indicate the economy is generally contracting, although a reading above 42 for a period of time indicates the economy is generally expanding. Components of the national index include new orders, production, employment, supplier deliveries, inventories, customer inventories, prices, backlog of orders, exports and imports. The Boston region's components are slightly different and include new orders, production, employment, supplier deliveries, raw monthly materials inventory, business confidence, commodity prices, product prices, new export orders, order backlog and finished goods inventories. These components show which segments of the business supply chain are expanding or contracting.

The September 2011 national index indicated that the manufacturing sector was expanding for the 26th consecutive month. The Boston region's September 2011 index indicated that overall business conditions were contracting since July. Only four of the Boston region's eleven components were above 50 while the business confidence component has been above 50 since June 2009. The employment component stands out at 75.7. See the second graph below for the current and previous year's component values.



ECONOMIC BASE AND PERFORMANCE—INTERNATIONAL TRADE

Exports. Massachusetts ranked 14th in the United States, and first in New England, with \$26.3 billion in international exports in 2010. This represents a 11.3 percent increase from the previous year's export value from the Commonwealth, while national exports increased by 21.0 percent. Total exports from New England also grew 17.5 percent. The United Kingdom was our top trading partner in 2009 and 2010 and replaced Canada, our top trading partner in 2008.



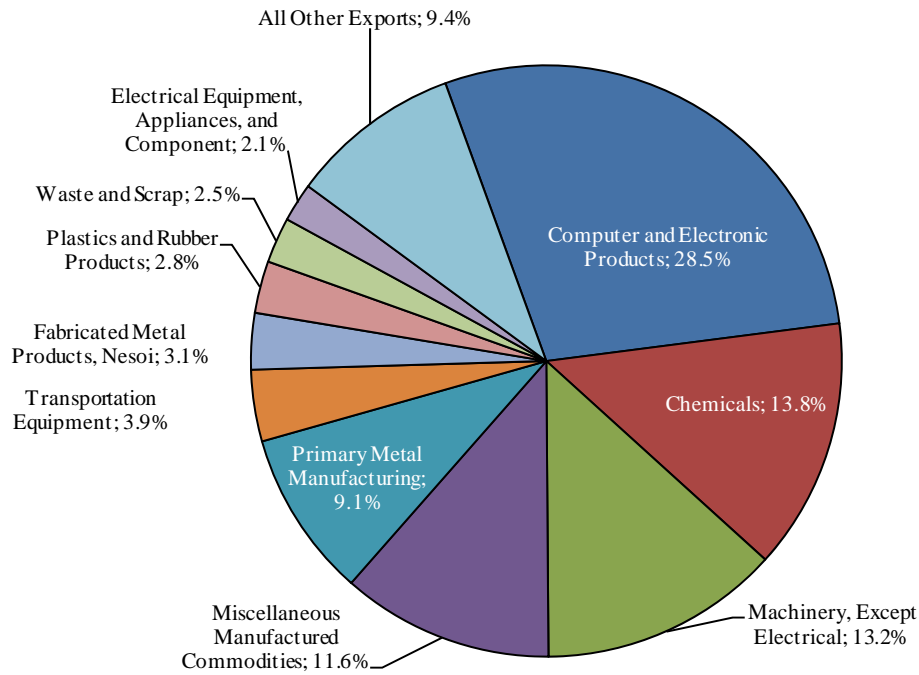
Massachusetts Top Export Partners

(top ten export destinations ranked by value of 2010 exports, in millions)

| Country | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| United Kingdom | \$1,851 | \$1,579 | \$1,430 | \$1,508 | \$1,628 | \$1,972 | \$2,306 | \$3,504 | \$4,049 | \$3,213 |
| Canada | \$2,844 | \$2,711 | \$2,646 | \$2,917 | \$2,927 | \$3,166 | \$3,480 | \$3,907 | \$3,086 | \$3,194 |
| China (Mainland) | \$425 | \$385 | \$572 | \$894 | \$884 | \$1,291 | \$1,375 | \$1,563 | \$1,372 | \$2,193 |
| Japan | \$1,964 | \$1,598 | \$1,635 | \$1,814 | \$1,893 | \$2,287 | \$2,166 | \$2,427 | \$1,717 | \$2,045 |
| Germany | \$1,401 | \$1,198 | \$1,599 | \$2,516 | \$2,151 | \$2,515 | \$2,370 | \$2,489 | \$1,750 | \$1,874 |
| Netherlands | \$820 | \$1,054 | \$1,759 | \$2,505 | \$3,000 | \$2,696 | \$2,215 | \$2,675 | \$1,982 | \$1,694 |
| Mexico | \$571 | \$569 | \$702 | \$755 | \$782 | \$824 | \$996 | \$1,163 | \$902 | \$1,273 |
| China (Taiwan) | \$513 | \$512 | \$528 | \$951 | \$798 | \$749 | \$1,018 | \$709 | \$619 | \$905 |
| Korea, Republic Of | \$491 | \$471 | \$558 | \$650 | \$803 | \$875 | \$821 | \$666 | \$624 | \$893 |
| Hong Kong | \$424 | \$382 | \$496 | \$523 | \$507 | \$561 | \$579 | \$590 | \$525 | \$669 |
| All other countries | \$6,186 | \$6,246 | \$6,726 | \$6,866 | \$6,681 | \$7,120 | \$8,026 | \$8,675 | \$6,968 | \$8,305 |
| Total Exports | \$17,490 | \$16,705 | \$18,652 | \$21,899 | \$22,052 | \$24,057 | \$25,351 | \$28,369 | \$23,593 | \$26,256 |
| Change from Prior Year | -14.7% | -4.5% | 11.7% | 17.4% | 0.7% | 9.1% | 5.4% | 11.9% | -16.8% | 11.3% |

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

Composition of Massachusetts Exports by Industry Group, 2010



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

Value of International Shipments from Massachusetts

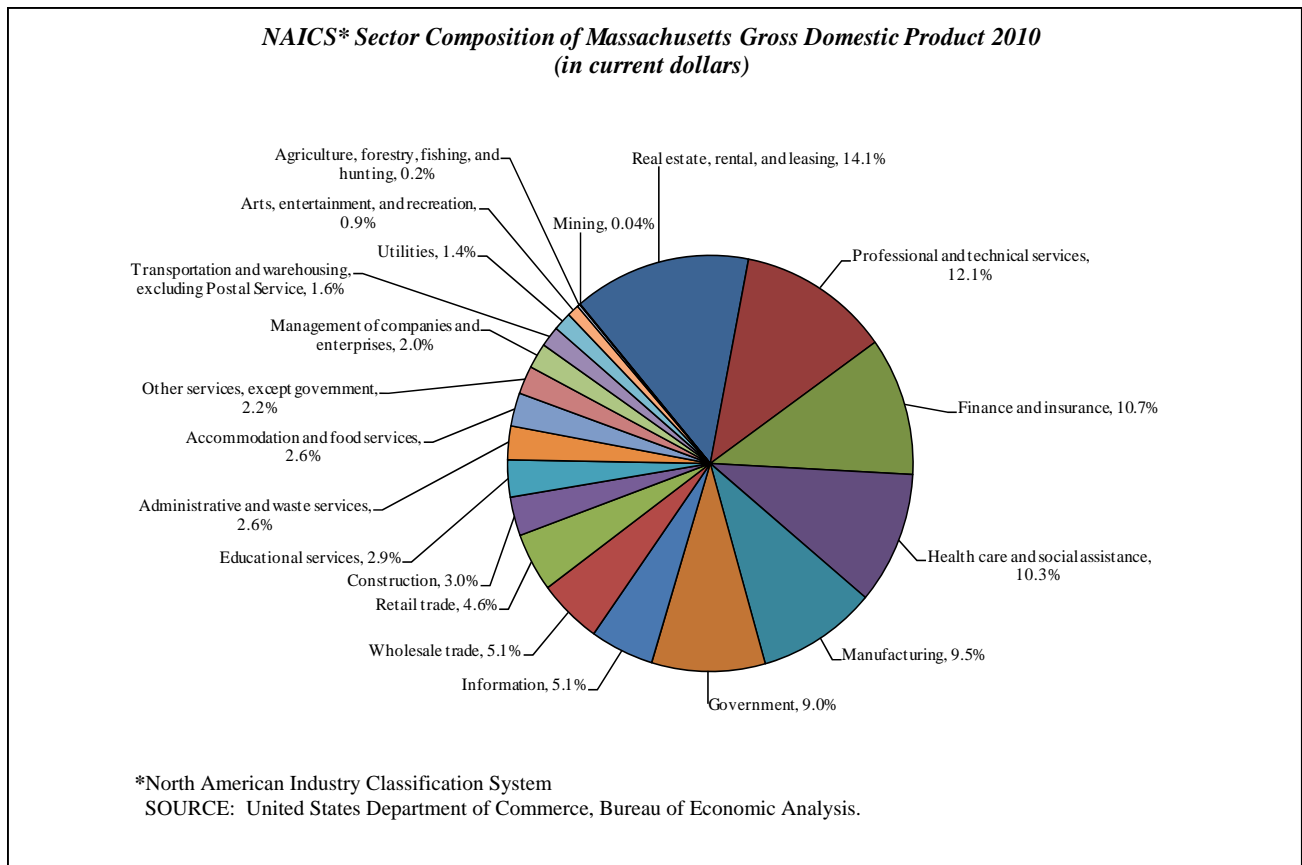
(top ten industry groups ranked by value of latest exports, in millions)

| Major Industry Group | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Computer And Electronic Products | \$8,122 | \$7,022 | \$7,688 | \$7,519 | \$7,012 | \$7,513 | \$7,711 | \$7,821 | \$6,600 | \$7,488 |
| Chemicals | \$1,534 | \$2,259 | \$3,216 | \$4,910 | \$5,285 | \$5,189 | \$5,258 | \$5,515 | \$3,863 | \$3,612 |
| Machinery, Except Electrical | \$2,044 | \$1,788 | \$1,672 | \$2,447 | \$2,311 | \$2,739 | \$2,881 | \$2,615 | \$2,008 | \$3,458 |
| Miscellaneous Manufactured Commodities | \$1,213 | \$1,211 | \$1,571 | \$1,930 | \$2,114 | \$2,240 | \$2,319 | \$3,120 | \$2,737 | \$3,045 |
| Primary Metal Manufacturing | \$272 | \$247 | \$425 | \$423 | \$405 | \$647 | \$982 | \$2,052 | \$2,735 | \$2,398 |
| Transportation Equipment | \$449 | \$346 | \$379 | \$461 | \$485 | \$557 | \$932 | \$1,237 | \$1,107 | \$1,029 |
| Fabricated Metal Products, Nesoi | \$569 | \$691 | \$534 | \$621 | \$664 | \$679 | \$615 | \$721 | \$605 | \$809 |
| Plastics And Rubber Products | \$400 | \$407 | \$375 | \$404 | \$470 | \$530 | \$582 | \$587 | \$563 | \$748 |
| Waste And Scrap | \$146 | \$190 | \$184 | \$326 | \$330 | \$597 | \$849 | \$1,373 | \$666 | \$655 |
| Electrical Equipment, Appliances, And Component | \$691 | \$649 | \$592 | \$752 | \$810 | \$871 | \$769 | \$624 | \$508 | \$557 |
| Total Exports, Top Massachusetts Industries | \$15,438 | \$14,809 | \$16,636 | \$19,792 | \$19,884 | \$21,563 | \$22,899 | \$25,664 | \$21,392 | \$23,796 |
| All other exports | \$2,052 | \$1,896 | \$2,016 | \$2,107 | \$2,168 | \$2,494 | \$2,453 | \$2,705 | \$2,202 | \$2,460 |

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

ECONOMIC BASE AND PERFORMANCE—INDUSTRY 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 health care and social assistance, contributed 47.2 percent of the GDP in 2010. The following pie chart displays the latest sector contributions to the Massachusetts GDP.



GDP Subsectors. When measured in chained 2005 dollars, the change in Massachusetts total GDP was 6.4 percent between 2001 and 2010. Between 2001 and 2009 (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 2005 dollars)

| NAICS* Industry Subsector | Percent change 2001-2009 |
|---|--------------------------|
| Support activities for mining | 250.0% |
| Water transportation | 210.3% |
| Funds, trusts, and other financial vehicles | 199.9% |
| Computer and electronic product manufacturing | 174.7% |
| Paper manufacturing | -46.0% |
| Fabricated metal product manufacturing | -48.7% |
| Textile and textile product mills | -57.4% |
| Mining, except oil and gas | -64.2% |

*North American Industry Classification System.
SOURCE: United States Department of Commerce, Bureau of Economic Analysis. Revised November 2010.

Gross Domestic Product by Industry in Massachusetts
(as a percent of total GDP chained 2005 dollars)

| NAICS* Industry Sector | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 90.4% | 90.8% | 91.0% | 91.0% | 91.3% | 91.5% | 91.4% | 91.2% | 91.5% |
| Agriculture, forestry, fishing, and hunting | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% |
| Mining | 0.1% | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Utilities | 1.2% | 1.2% | 1.2% | 1.2% | 1.2% | 1.2% | 1.3% | 1.2% | 1.2% |
| Construction | 5.3% | 4.9% | 4.6% | 4.3% | 3.9% | 3.5% | 3.4% | 2.9% | 2.9% |
| Manufacturing | 9.5% | 10.1% | 9.9% | 10.1% | 10.7% | 11.2% | 11.1% | 9.7% | 10.4% |
| Wholesale trade | 5.5% | 5.8% | 5.9% | 5.5% | 5.6% | 5.7% | 5.6% | 6.0% | 5.9% |
| Retail trade | 5.5% | 5.6% | 5.5% | 5.4% | 5.1% | 5.0% | 4.6% | 4.8% | 4.9% |
| Transportation and warehousing, excluding Postal Service | 1.6% | 1.6% | 1.7% | 1.7% | 1.7% | 1.7% | 1.7% | 1.5% | 1.5% |
| Information | 4.3% | 4.2% | 4.6% | 5.1% | 4.8% | 5.0% | 5.4% | 5.2% | 5.7% |
| Finance and insurance | 11.1% | 10.7% | 10.6% | 10.4% | 10.6% | 10.3% | 10.3% | 11.2% | 10.7% |
| Real estate, rental, and leasing | 14.3% | 14.5% | 14.4% | 14.3% | 14.0% | 14.0% | 14.0% | 14.3% | 14.4% |
| Professional and technical services | 10.1% | 9.8% | 10.5% | 10.7% | 11.1% | 11.3% | 11.9% | 12.0% | 11.9% |
| Management of companies and enterprises | 2.4% | 2.3% | 2.2% | 2.1% | 2.1% | 2.0% | 1.9% | 2.1% | 1.9% |
| Administrative and waste services | 2.6% | 2.7% | 2.6% | 2.8% | 2.8% | 2.9% | 2.9% | 2.6% | 2.6% |
| Educational services | 2.8% | 2.7% | 2.7% | 2.5% | 2.5% | 2.5% | 2.4% | 2.4% | 2.4% |
| Health care and social assistance | 8.1% | 8.4% | 8.4% | 8.6% | 8.8% | 8.9% | 9.3% | 9.7% | 9.8% |
| Arts, entertainment, and recreation | 0.8% | 0.9% | 0.9% | 0.9% | 0.9% | 1.0% | 1.0% | 0.9% | 1.0% |
| Accommodation and food services | 2.8% | 2.8% | 2.8% | 2.8% | 2.8% | 2.7% | 2.5% | 2.4% | 2.4% |
| Other services, except government | 2.5% | 2.4% | 2.4% | 2.4% | 2.3% | 2.3% | 2.2% | 2.1% | 2.0% |
| Government | 9.7% | 9.2% | 9.0% | 9.0% | 8.7% | 8.5% | 8.6% | 8.8% | 8.5% |

Rank of Industry Contribution to GDP in Massachusetts
(millions of chained 2005 dollars)

| NAICS* Industry Sector | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|------|------|------|------|------|------|------|------|------|
| 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 | 9 | 9 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Manufacturing | 5 | 3 | 4 | 4 | 3 | 3 | 3 | 5 | 4 |
| Wholesale trade | 8 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Retail trade | 7 | 8 | 8 | 8 | 8 | 9 | 9 | 9 | 9 |
| Transportation and warehousing, excluding Postal Service | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Information | 10 | 10 | 9 | 9 | 9 | 8 | 8 | 8 | 8 |
| Finance and insurance | 2 | 2 | 2 | 3 | 4 | 4 | 4 | 3 | 3 |
| Real estate, rental, and leasing | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Professional and technical services | 3 | 4 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| Management of companies and enterprises | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Administrative and waste services | 13 | 13 | 13 | 11 | 11 | 11 | 11 | 11 | 11 |
| Educational services | 11 | 12 | 12 | 13 | 13 | 13 | 13 | 12 | 12 |
| Health care and social assistance | 6 | 6 | 6 | 6 | 5 | 5 | 5 | 4 | 5 |
| Arts, entertainment, and recreation | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Accommodation and food services | 12 | 11 | 11 | 12 | 12 | 12 | 12 | 13 | 13 |
| Other services, except government | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Government | 4 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 |

* North American Industry Classification System

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

Industry Sector Analysis. The following section contains a summary for each of the twenty major NAICS sectors. The data series start in 2001, the last time the state experienced a downturn, commonly referred to as “The Telecom Bubble.” We report the latest quarterly data at an annual rate where available. This may skew sectors that experience seasonal trends, such as construction. Graphs include data value labels for the latest annual and quarterly annualized points.

Not all datasets are reported for all of the major NAICS sectors. The Massachusetts Department of Workforce and Labor Development’s Employment and Wages (ES-202) data series are available for every sector and contain the number of establishments, average monthly employment, total annual wages and average weekly wages for the establishments with employees. The data are reported annually and quarterly for employees in the private, federal government, state government, and local government sectors.

The next graph, nonemployer businesses and receipts, uses the U.S. Census Nonemployer Statistics series and is available for every sector except 55-Management of Companies and Enterprises and 92-Public Administration. Some sectors also lack subsector (we used four digit NAICS) detail. These are annual data, with a two-year reporting lag for businesses that do not have paid employees and are subject to federal income tax. Census reports that “Nonemployers account for a majority of all business establishments, but average less than four percent of all sales or receipts.” These can be second or part-time businesses and not the owner’s primary source of income.

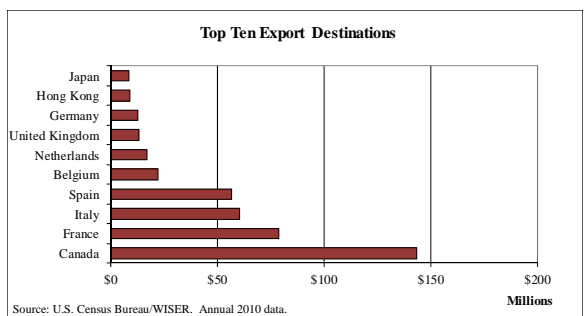
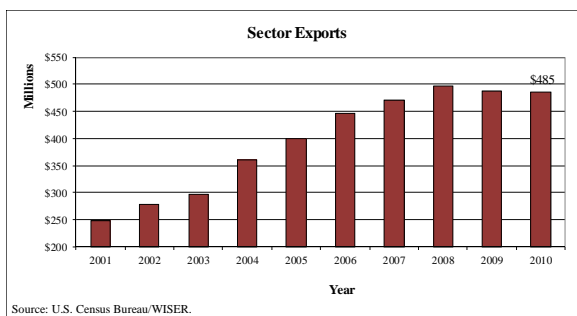
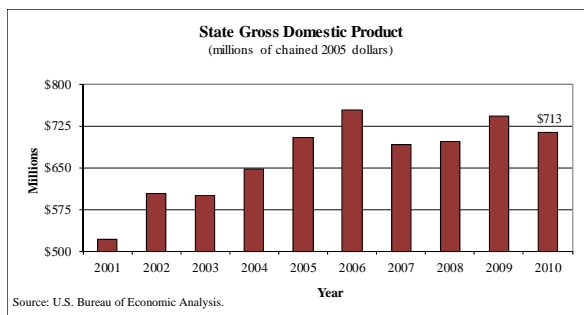
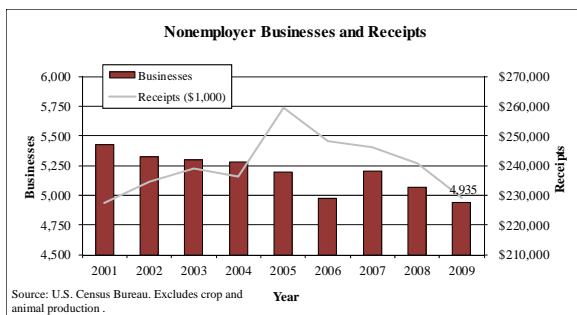
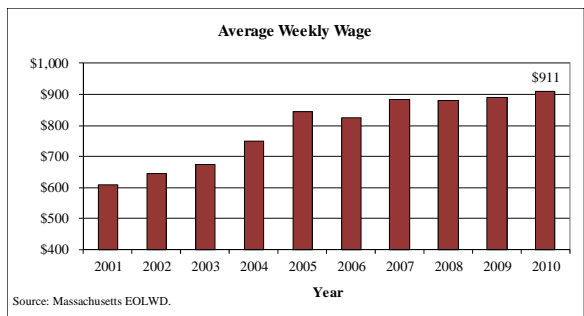
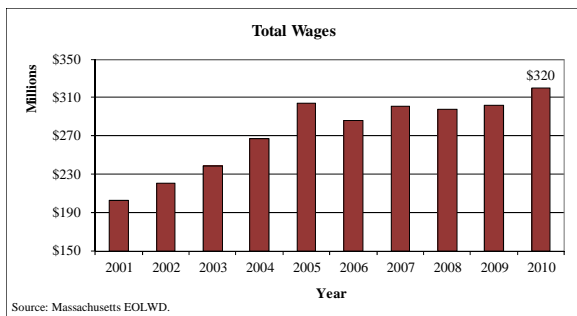
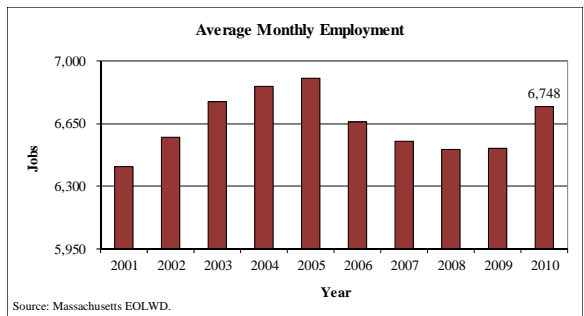
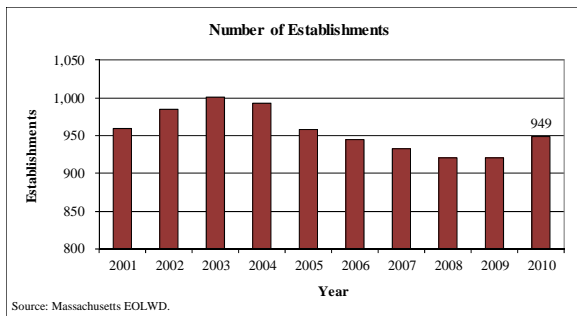
State Gross Domestic Product is an annual series from the U.S. Bureau of Economic Analysis’s Regional Economic Accounts. U.S. and state GDP is inflation adjusted to 2005. U.S. GDP is available quarterly.

Foreign exports from the U.S. Census Bureau’s Foreign Trade Division and WISERTrade, are available for four industries on a monthly basis. Total state exports are available on a monthly basis. Sector exports and the top ten export destinations for this industry sector are by dollar value.

Each sector analysis has a summary at the bottom of each page. The summary provides (when available):

1. GDP contribution to state total: this sector’s GDP divided by the state’s total GDP.
2. GDP rank: this sector’s GDP rank versus all state sectors.
3. Nonemployer to employer establishment ratio: the number of nonemployer establishments divided by the number of establishments with employers. In general, a ratio greater than one means there are more small businesses. A number less than one means there are more large business.
4. Establishments with employees: the subsector with the largest number of establishments who have employees.
5. Nonemployer establishments: the subsector with the largest number of establishments that do not have employees.
6. Employees: the subsector with the largest number of employees, at establishments with employees.
7. Annual wages: the subsector with the largest total annual wages, at establishments with employees.
8. Average weekly wage: the subsector with the largest average weekly wage, at establishments with employees.
9. Annual receipts at nonemployer establishments: the subsector with the most receipts, at establishments that do not have employees.
10. Most valuable export: the subsector export with the highest dollar value.
11. Large employers in Massachusetts: a few of the state’s largest employers in this sector, from ReferenceUSA.com.

NAICS 11 - Agriculture, Forestry, Fishing & Hunting. The Agriculture, Forestry, Fishing and Hunting sector comprises establishments primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch, or their natural habitats.



Summary.

GDP contribution to state total: **0.2%**

GDP rank: **19 of 20**

Nonemployer to employer establishment ratio: **5.5 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Fishing**

Nonemployer establishments: **Fishing**

Employees: **Fishing and greenhouse and nursery production**

Annual wages: **Fishing**

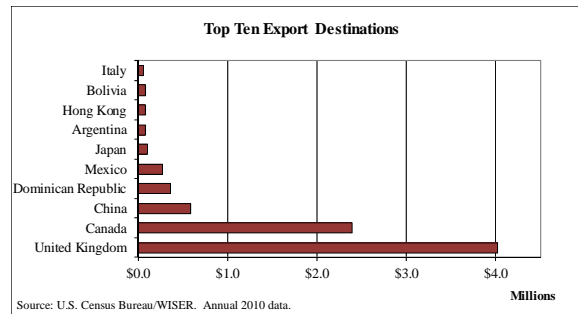
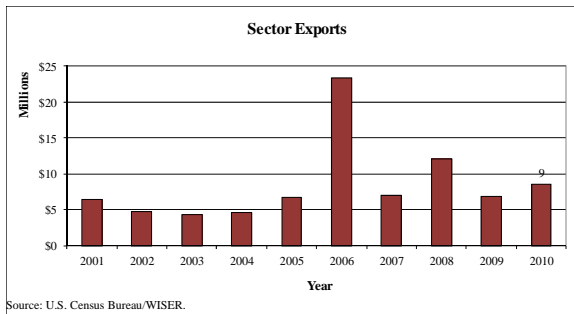
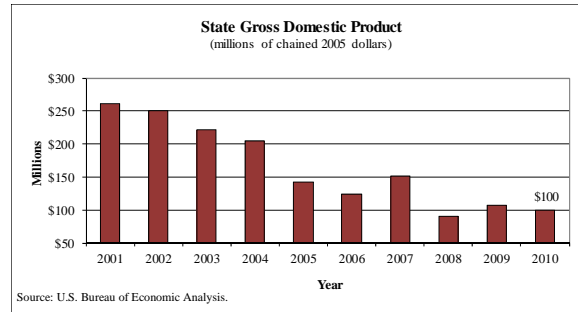
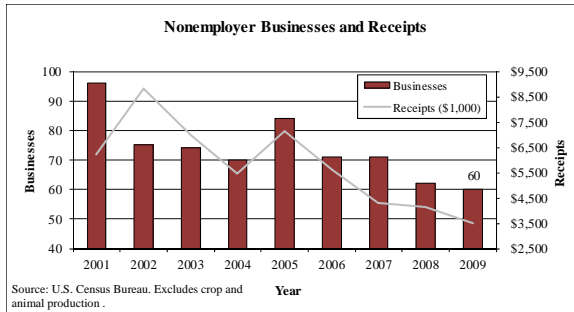
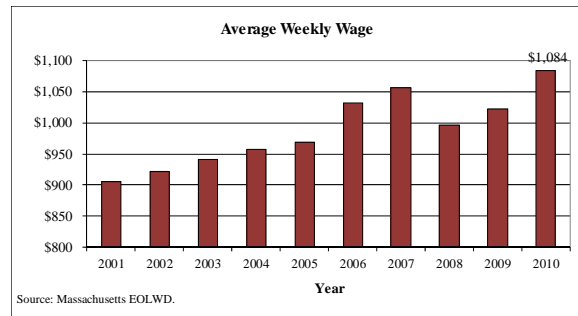
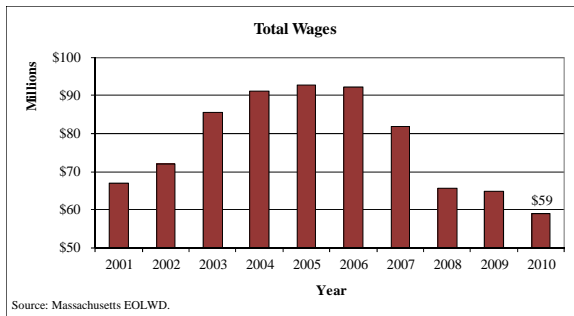
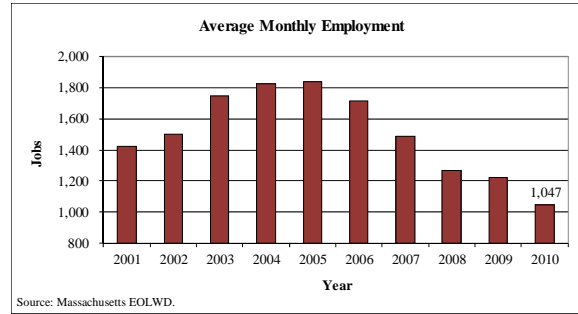
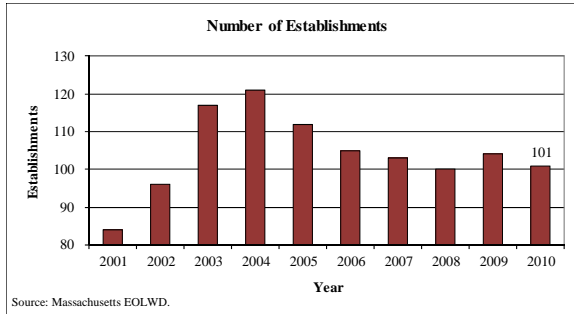
Average weekly wage: **Fishing**

Annual receipts at nonemployer establishments: **Fishing**

Most valuable export: **Fish, fresh, chilled or other frozen marine products**

Large employers in Massachusetts: **Idlywilde Farm, Brown and Regan LLC, Bartlett's Ocean View Farm**

NAICS 21 – Mining. The Mining, Quarrying, and Oil and Gas Extraction sector comprises establishments that extract naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas. The term mining is used in the broad sense to include quarrying, well operations, beneficiating (e.g., crushing, screening, washing, and flotation), and other preparation customarily performed at the mine site, or as a part of mining activity.



Summary.

GDP contribution to state total: **0.03%**

GDP rank: **20 of 20**

Nonemployer to employer establishment ratio: **0.6 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Nonmetallic mineral mining and quarrying**

Nonemployer establishments: **Nonmetallic mineral mining and quarrying**

Employees: **Nonmetallic mineral mining and quarrying**

Annual wages: **Nonmetallic mineral mining and quarrying**

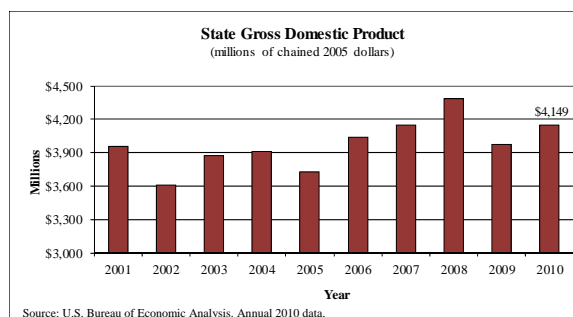
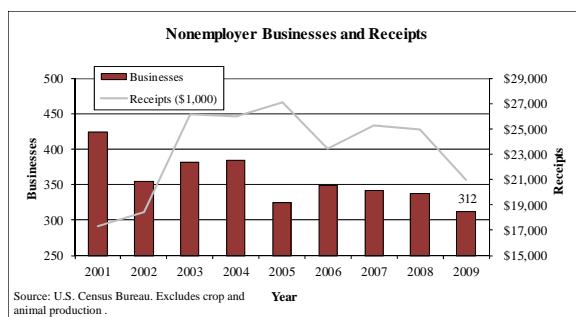
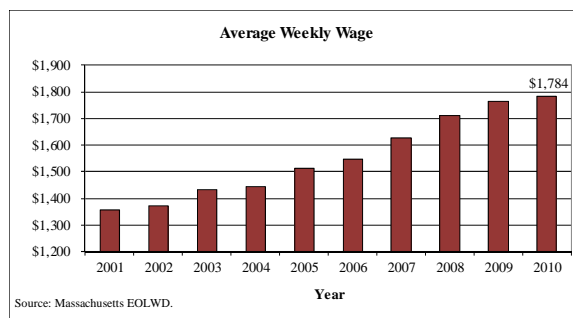
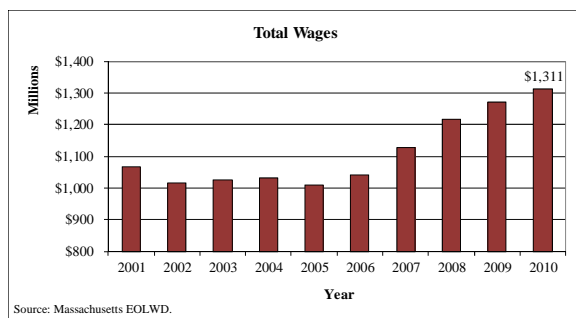
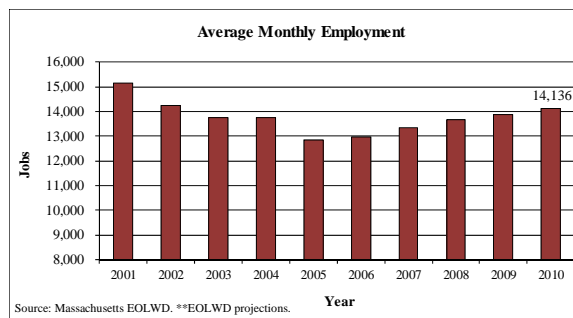
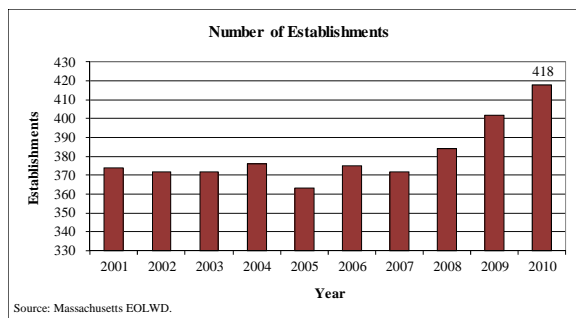
Average weekly wage: **Support activities for mining**

Annual receipts at nonemployer establishments: **Nonmetallic mineral mining and quarrying**

Most valuable export: **Minerals and ores**

Large employers in Massachusetts: **GulfOil Ltd., Specialty Minerals, S. M. Larusso and Sons and P. J. Keating**

NAICS 22 – Utilities. The Utilities sector comprises establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal. See the appendix, pages five and six for supplemental tables regarding electricity generation, supply and capacity.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **1.2%**

GDP rank: **17 of 20**

Nonemployer to employer establishment ratio: **0.9 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Water, sewage and other systems**

Nonemployer establishments: Subsector detail N/A

Employees: **Power generation and supply**

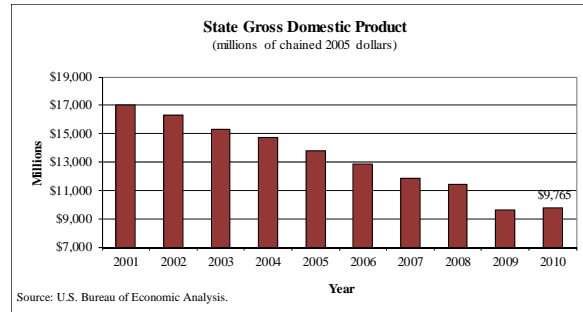
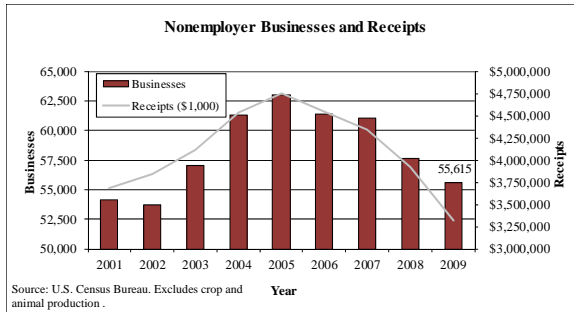
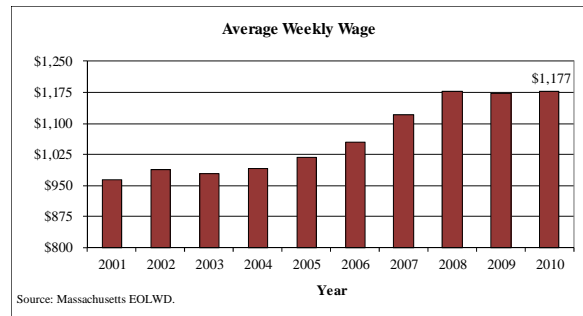
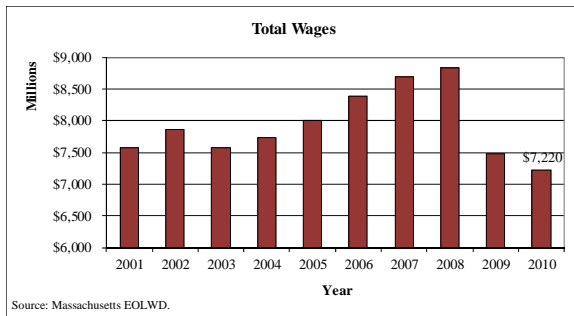
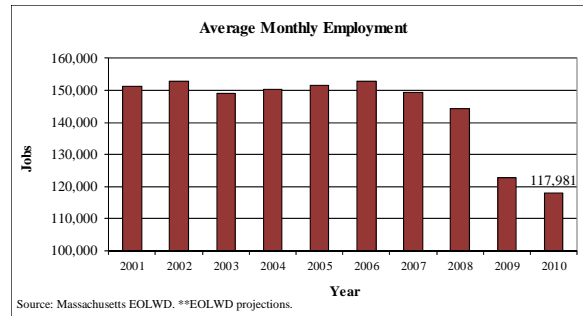
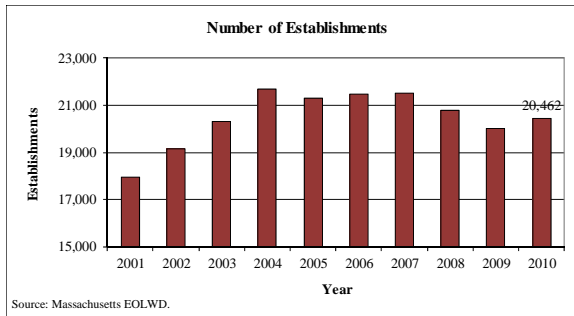
Annual wages: **Power generation and supply**

Average weekly wage: **Power generation and supply**

Annual receipts at nonemployer establishments: Subsector detail N/A

Large employers in Massachusetts: **Bay State Gas CO, Mass Water Resources Authority, and National Grid USA**

NAICS 23 – Construction. The Construction sector comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction and establishments primarily engaged in subdividing land for sale as building sites also are included in this sector. See the appendix pages two through four for housing permits, housing sales and housing sale prices.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **2.9%**

GDP rank: **10 of 20**

Nonemployer to employer establishment ratio: **2.8 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Specialty Trade Contractors**

Nonemployer establishments: **Building finishing contractors**

Employees: **Building equipment contractors**

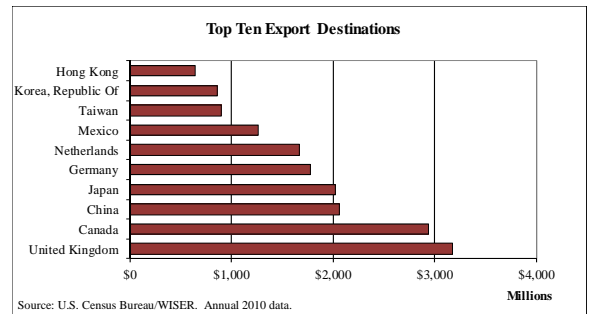
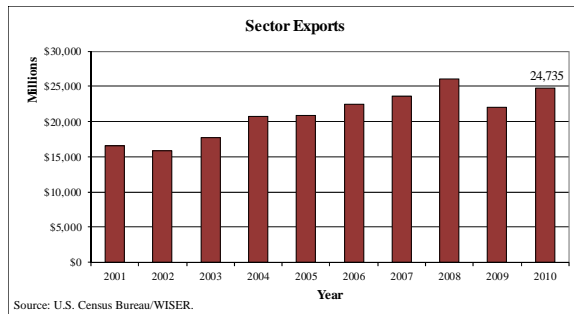
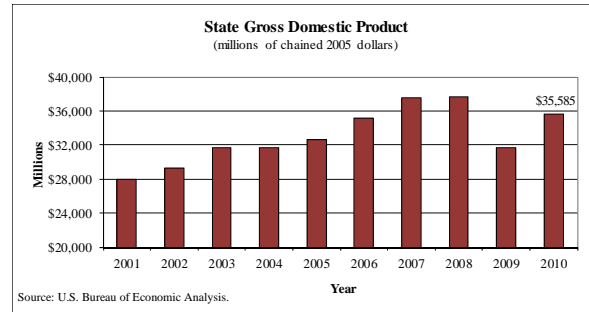
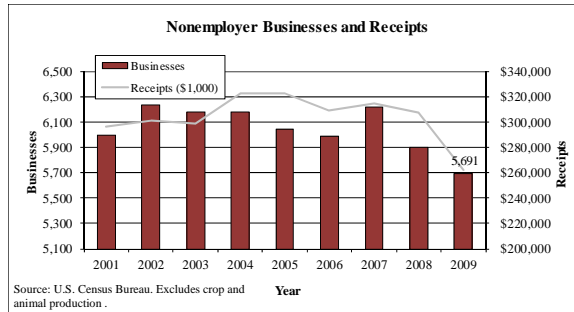
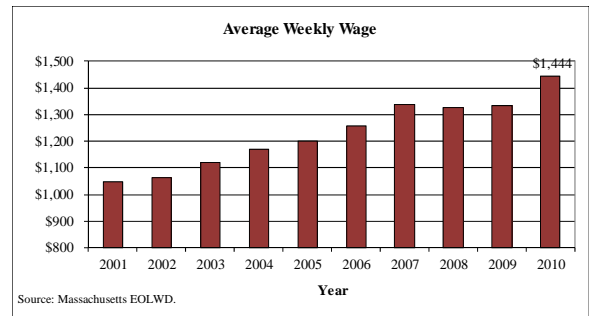
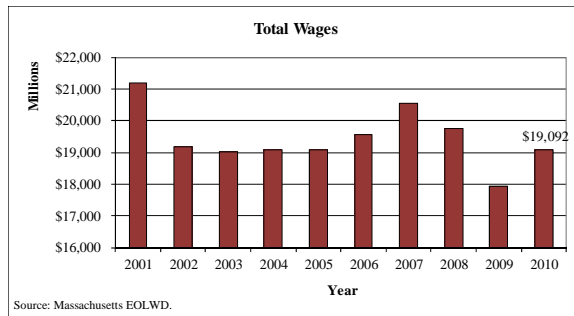
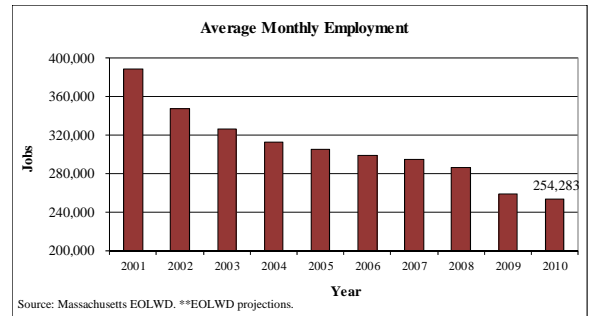
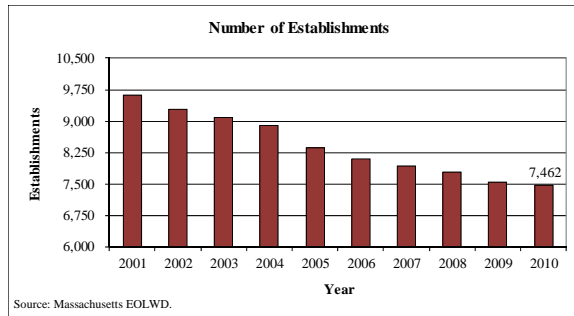
Annual wages: **Building equipment contractors**

Average weekly wage: **Utility system construction**

Annual receipts at nonemployer establishments: **Residential building construction**

Large employers in Massachusetts: **Shaw Group Inc., Suffolk Construction Company and R.H. White Company**

NAICS 31-33 – Manufacturing. The Manufacturing sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The assembling of component parts of manufactured products is considered manufacturing, except in cases where the activity is appropriately classified in Sector 23, Construction.



Summary.

GDP contribution to state total: **10.4%**

GDP rank: **4 of 20**

Nonemployer to employer establishment ratio: **0.8 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Printing and related support activities**

Nonemployer establishments: **Other miscellaneous manufacturing**

Employees: **Electronic instrument**

Annual wages: **Electronic instrument**

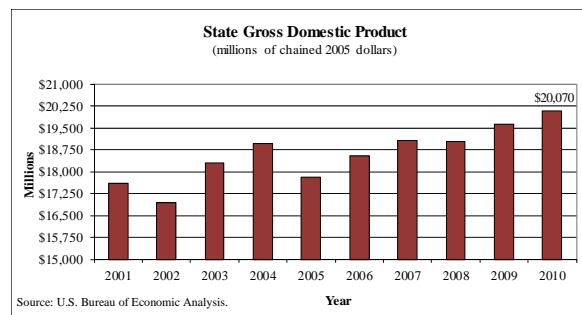
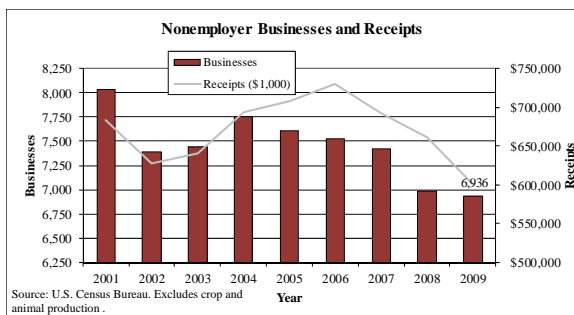
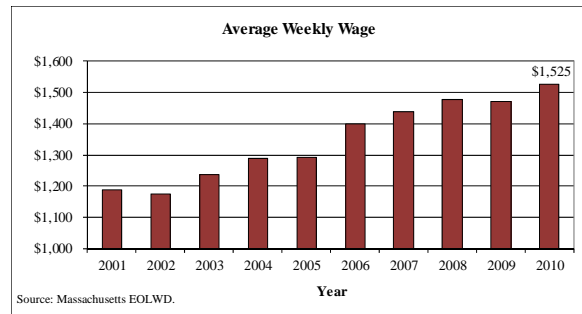
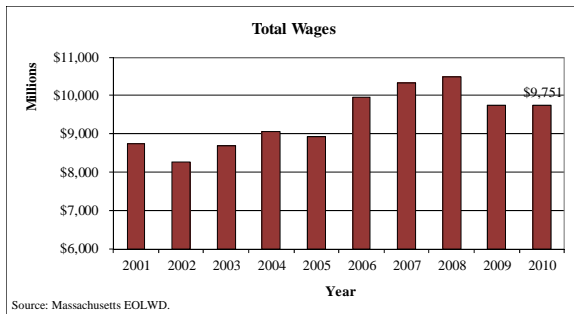
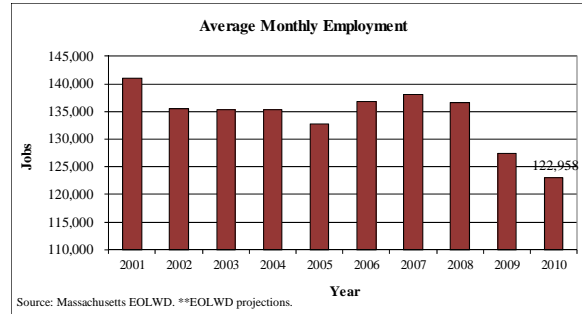
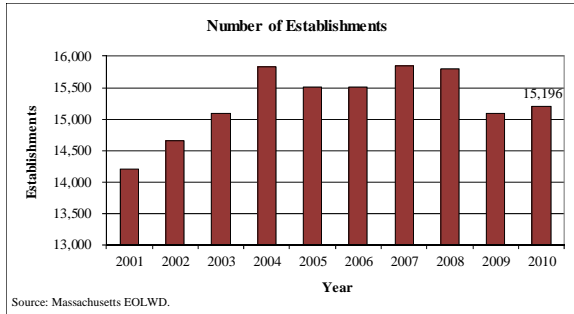
Average weekly wage: **Computers and peripheral equipment**

Annual receipts at nonemployer establishments: **Agricultural chemical mfg.**

Most valuable export: **Computers and electronic products and chemicals**

Large employers in Massachusetts: **EMC Corporation, Yankee Candle and Wyeth Pharmaceuticals**

NAICS 42 - Wholesale Trade. The sector comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing. The wholesaling process is an intermediate step in the distribution of merchandise.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **5.9%**

GDP rank: **7 of 20**

Nonemployer to employer establishment ratio: **0.4 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Electronic markets and agents/brokers**

Nonemployer establishments: **Miscellaneous durable goods merchant wholesalers**

Employees: **Electronic markets and agents/brokers**

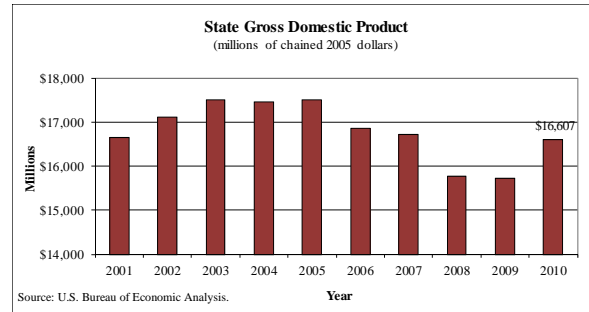
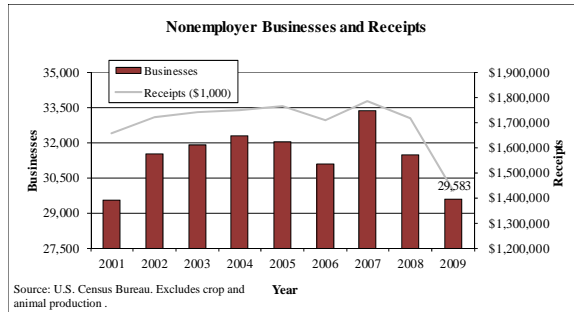
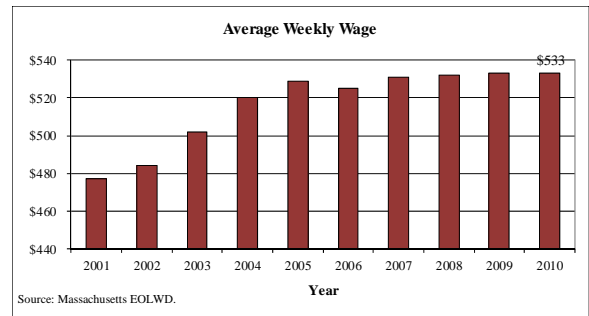
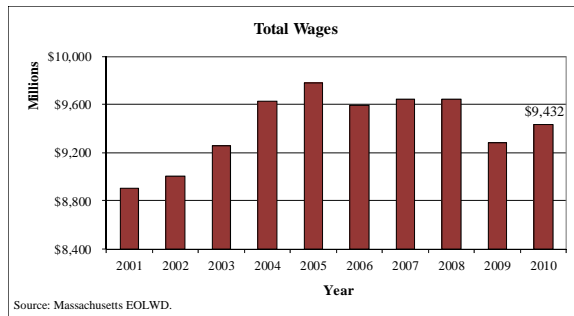
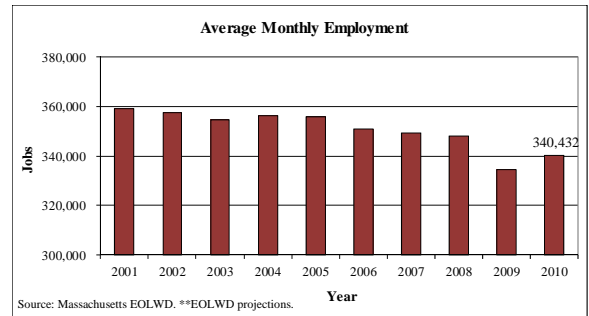
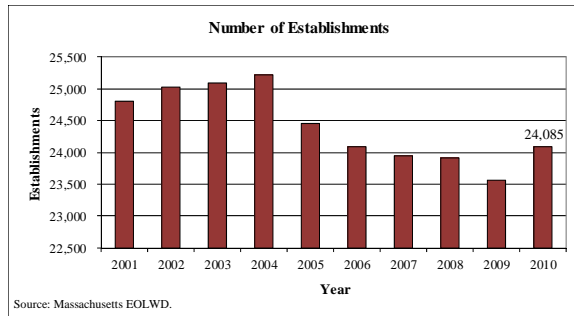
Annual wages: **Electronic markets and agents/brokers**

Average weekly wage: **Druggists' goods merchant wholesalers**

Annual receipts at nonemployer establishments: **Miscellaneous durable goods merchant wholesalers**

Large employers in Massachusetts: **Vertex Pharmaceuticals, Teradyne and C&S Wholesalers**

NAICS 44-45 - Retail Trade. The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise; retailers are therefore organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and nonstore retailers.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **4.9%**

GDP rank: **9 of 20**

Nonemployer to employer establishment ratio: **1.3 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Grocery stores**

Nonemployer establishments: **Direct selling establishments**

Employees: **Grocery stores**

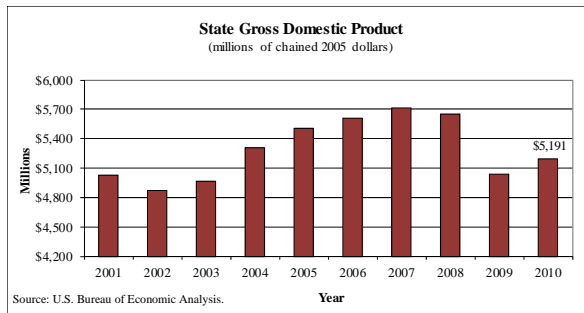
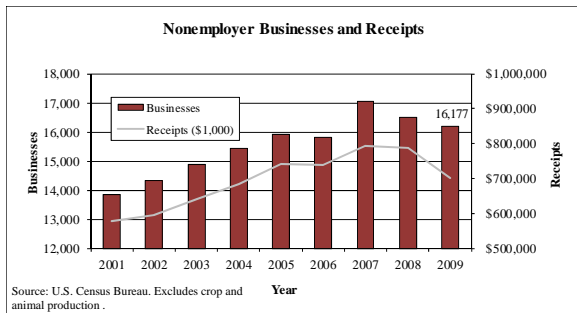
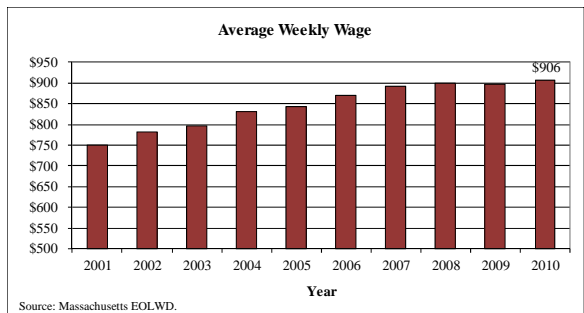
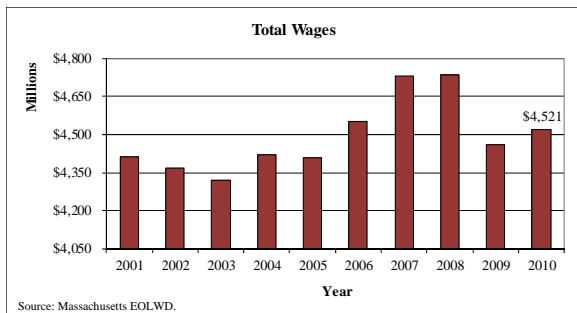
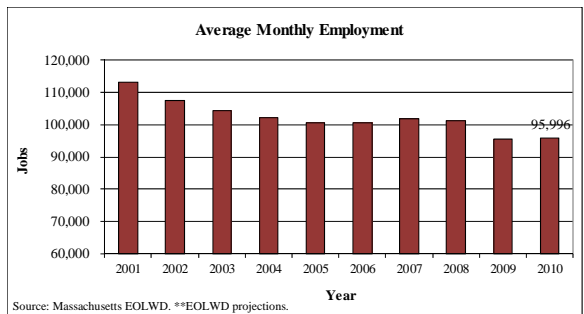
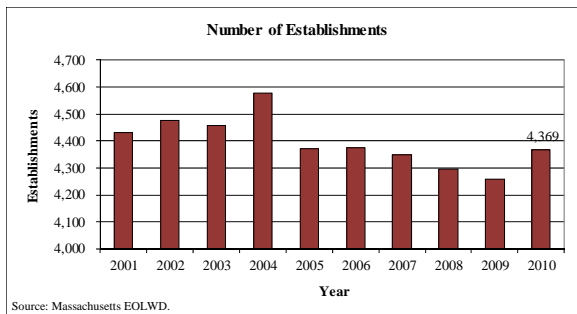
Annual wages: **Grocery stores**

Average weekly wage: **Automobile dealers**

Annual receipts at nonemployer establishments: **Direct selling establishments**

Large employers in Massachusetts: **Walmart, CVS, Walgreen's, Wholefoods, Shaw's, Stop and Shop, TJX Co.**

NAICS 48-49 - Transportation and Warehousing. The Transportation and Warehousing sector includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Establishments in these industries use transportation equipment or transportation related facilities as a productive asset. The type of equipment depends on the mode of transportation. The modes of transportation are air, rail, water, road, and pipeline. See pages six and seven of the appendix for more information regarding transportation and warehousing.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **1.5%**

GDP rank: **16 of 20**

Nonemployer to employer establishment ratio: **3.8 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **General freight trucking**

Nonemployer establishments: **Taxi and limousine service**

Employees: **Couriers**

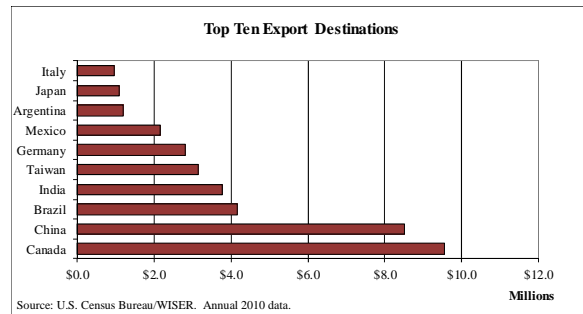
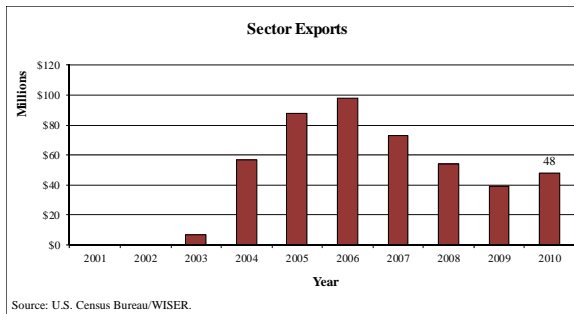
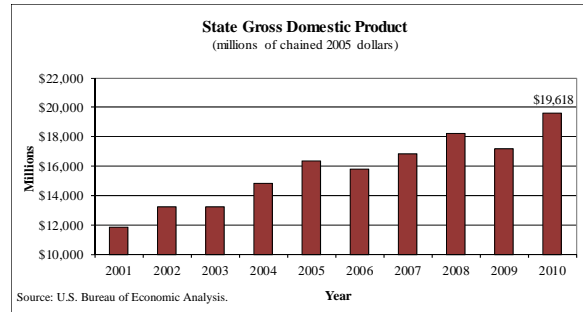
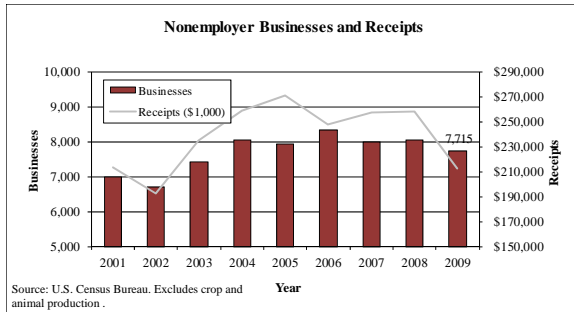
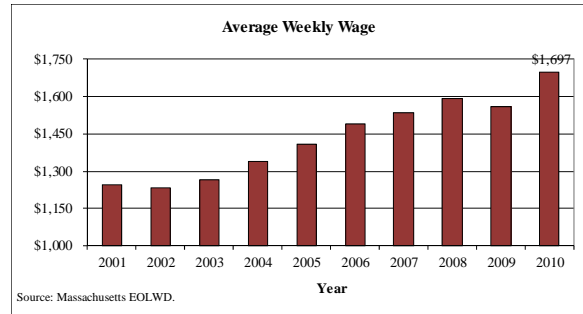
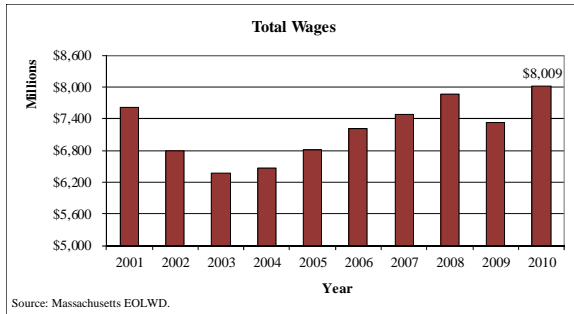
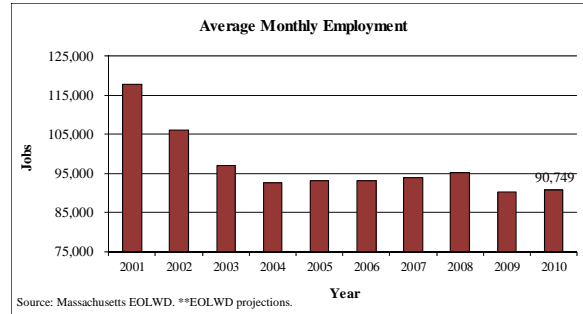
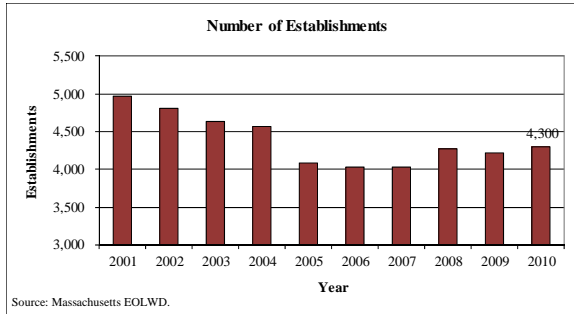
Annual wages: **General freight trucking**

Average weekly wage: **Pipeline transportation of natural gas**

Annual receipts at nonemployer establishments: **General freight trucking**

Large employers in Massachusetts: **U.S. Post Office, MassPort, UPS and the Maine Central Railroad**

NAICS 51 – Information. The Information sector comprises establishments engaged in the following processes: producing and distributing information and cultural products, providing the means to transmit or distribute these products as well as data or communications, and processing data.



Summary.

GDP contribution to state total: **5.7%**

GDP rank: **8 of 20**

Nonemployer to employer establishment ratio: **1.9 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Newspaper, book, & directory publishers**

Nonemployer establishments: **Other information services**

Employees: **Software publishers**

Annual wages: **Software publishers**

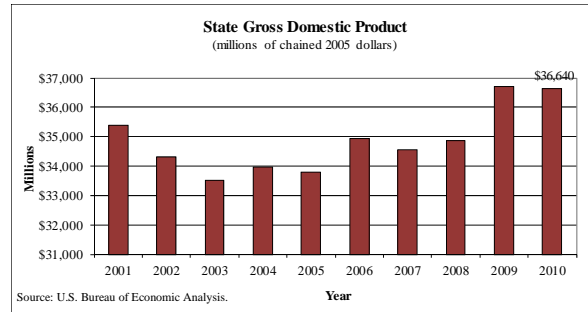
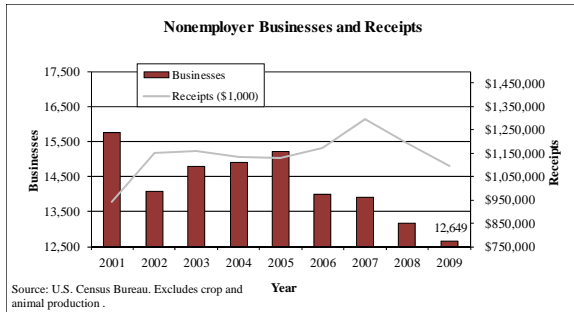
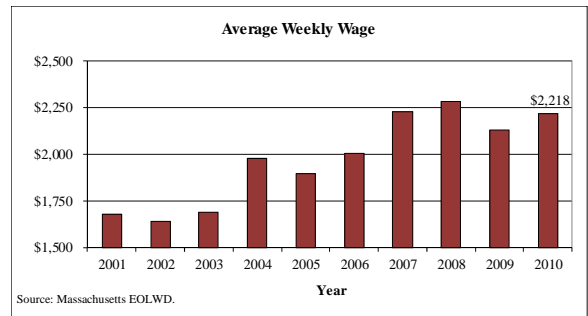
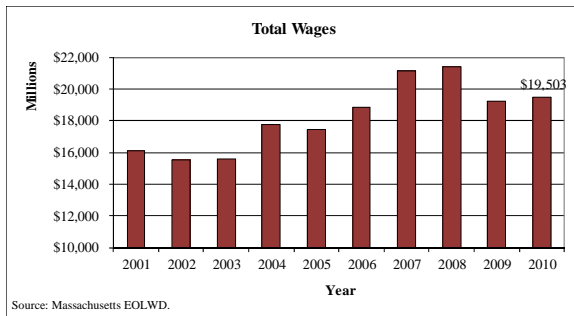
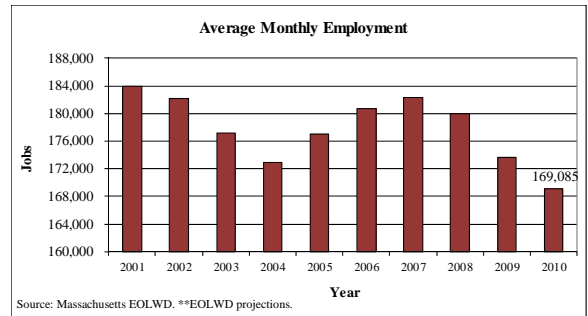
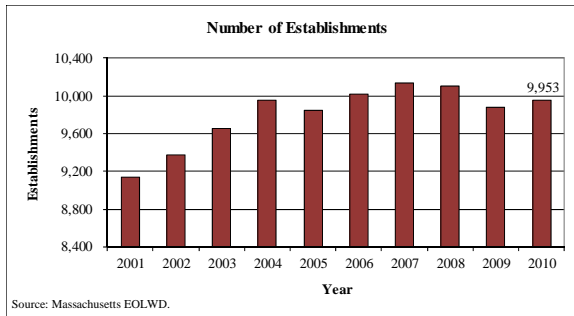
Average weekly wage: **Software publishers**

Annual receipts at nonemployer establishments: **Other information services**

Most valuable export: **Prepackaged software**

Large employers in Massachusetts: **Boston Globe, Christian Science Monitor, Houghton Mifflin Harcourt and Thompson Research**

NAICS 52 - Finance and Insurance. The Finance and Insurance sector comprises establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **10.7%**

GDP rank: **3 of 20**

Nonemployer to employer establishment ratio: **1.3 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Insurance agencies, brokerages & support**

Nonemployer establishments: **Agencies, brokerages, and other insurance related activities**

Employees: **Depository credit intermediation**

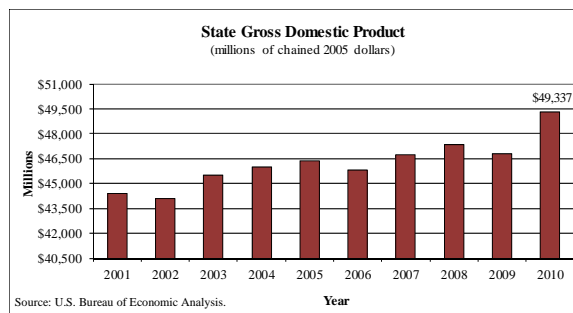
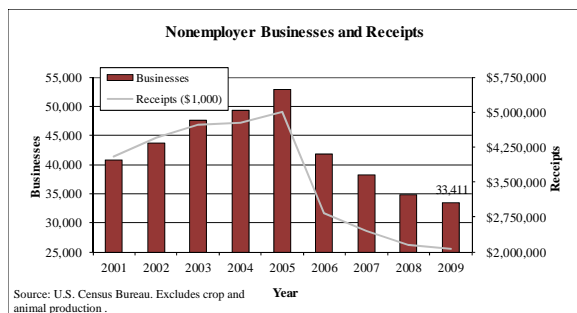
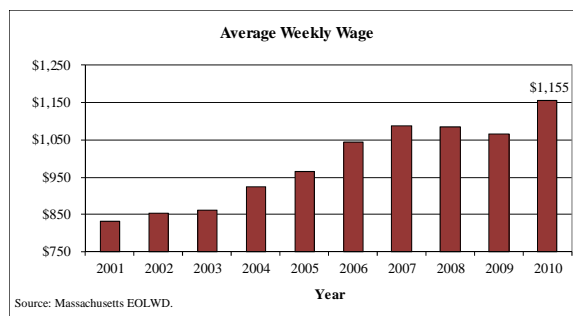
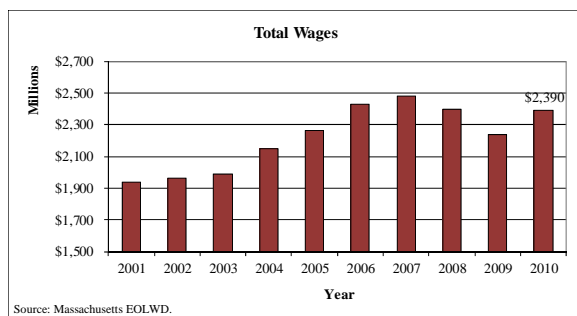
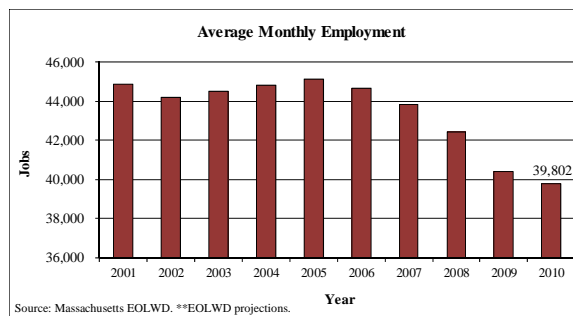
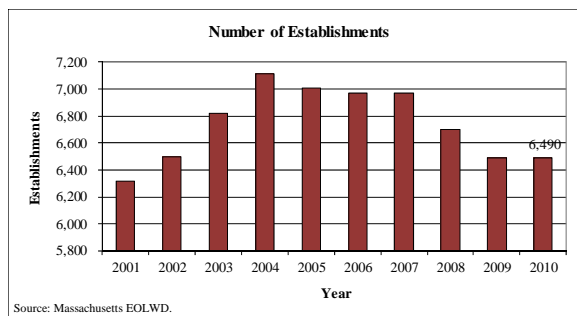
Annual wages: **Other financial investment activities**

Average weekly wage: **Other investment pools and funds**

Annual receipts at nonemployer establishments: **Other financial investment activities**

Large employers in Massachusetts: **Deutsche Bank, Fidelity Investments Life Ins., John Hancock Life Ins. and Liberty Mutual Group**

NAICS 53 - Real Estate and Rental and Leasing. The Real Estate and Rental and Leasing sector comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services. The major portion of this sector comprises establishments that rent, lease, or otherwise allow the use of their own assets by others. The assets may be tangible, as is the case of real estate and equipment, or intangible, as is the case with patents and trademarks.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **14.4%**

GDP rank: **1 of 20**

Nonemployer to employer establishment ratio: **5.2 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Offices of real estate agents & brokers**

Nonemployer establishments: **Offices of real estate agents and brokers**

Employees: **Activities related to real estate**

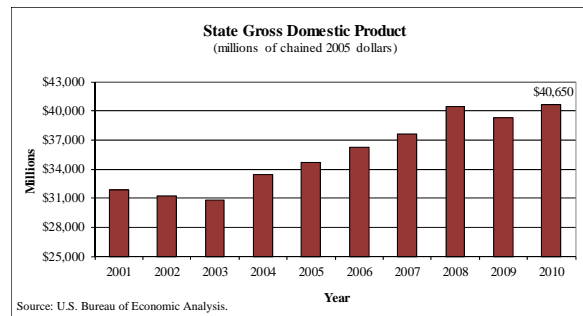
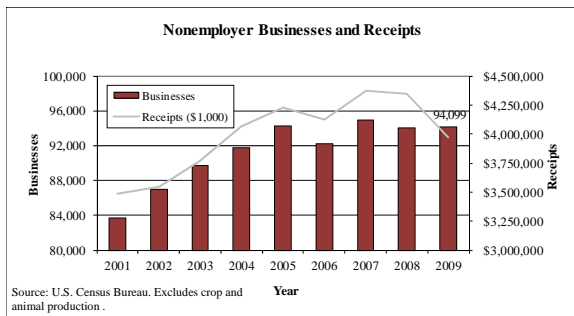
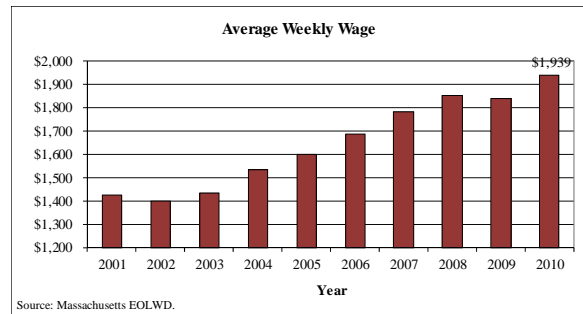
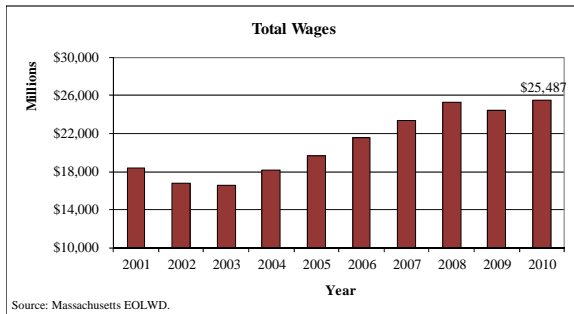
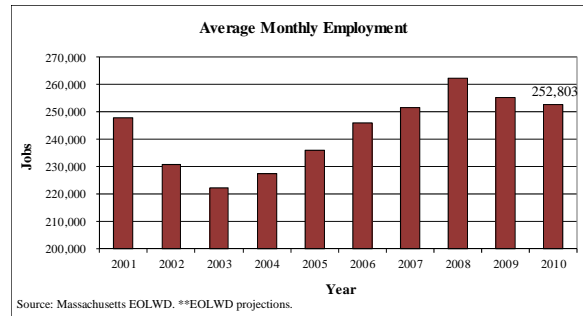
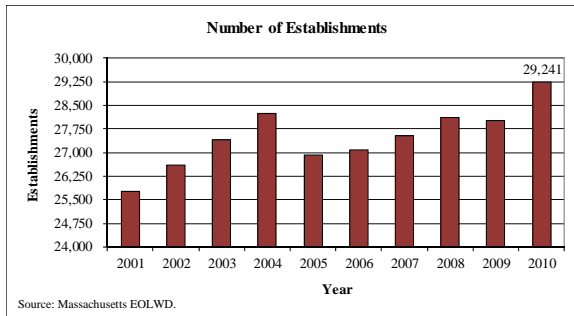
Annual wages: **Activities related to real estate**

Average weekly wage: **Lessors, nonfinancial intangible assets**

Annual receipts at nonemployer establishments: **Lessors of real estate**

Large employers in Massachusetts: **John Hancock Life Ins., Liberty Mutual Group, Mass Mutual Financial Group**

NAICS 54 - Professional and Technical Services. The Professional and Technical Services sector comprises establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training. The establishments in this sector specialize according to expertise and provide these services to clients in a variety of industries - in some cases, to households. Activities performed include: legal advice and representation, accounting, bookkeeping, and payroll services, architectural, engineering, and specialized design services, computer services, consulting services, research services, advertising services, photographic services, translation and interpretation services, veterinary services, and other professional, scientific, and technical services.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **11.9%**

GDP rank: **2 of 20**

Nonemployer to employer establishment ratio: **3.3 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Computer systems design and related services**

Nonemployer establishments: **Other professional, scientific, and technical services**

Employees: **Computer systems design and related services**

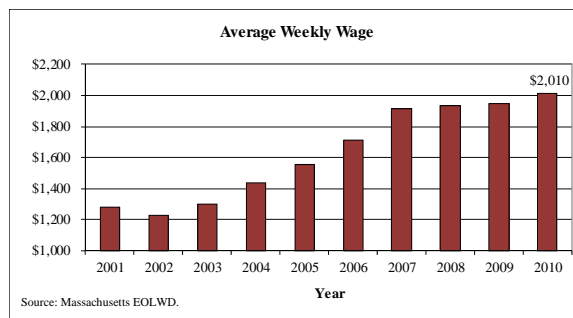
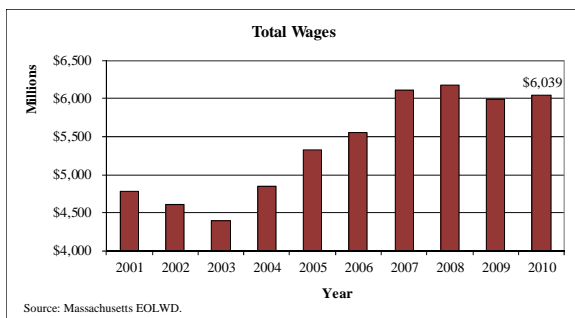
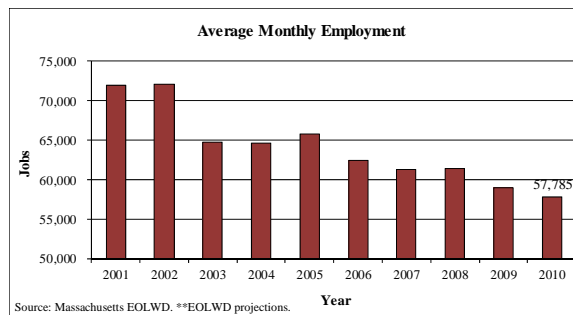
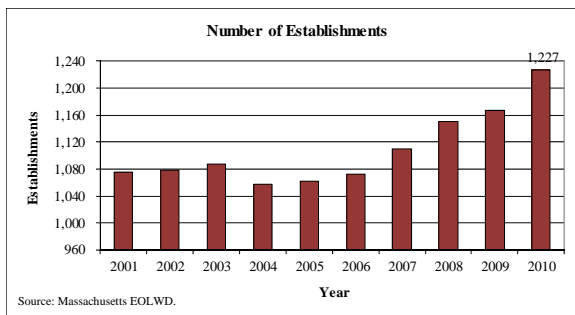
Annual wages: **Computer systems design and related services**

Average weekly wage: **Computer systems design and related services**

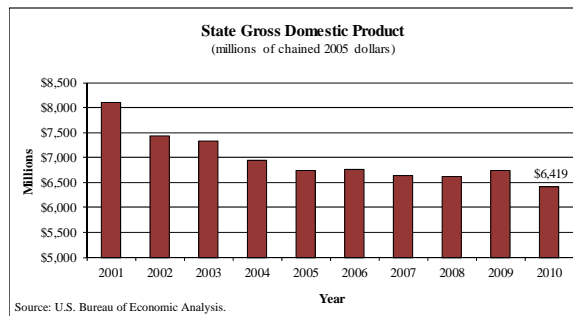
Annual receipts at nonemployer establishments: **Management, scientific, and technical consulting services**

Large employers in Massachusetts: **Massachusetts Institute of Technology, Alcatel-Lucent, Ropes and Gray LLP**

NAICS 55 - Management of Companies and Enterprises. The Management of Companies and Enterprises sector comprises establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision making role of the company or enterprise. Establishments that administer, oversee, and manage may hold the securities of the company or enterprise.



State nonemployer and export data are not available for this sector.



Summary.

GDP contribution to state total: **1.9%**
 GDP rank: **15 of 20**
 Nonemployer to employer establishment ratio: **N/A**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: Subsector detail N/A

Nonemployer establishments: N/A

Employees: Subsector detail N/A

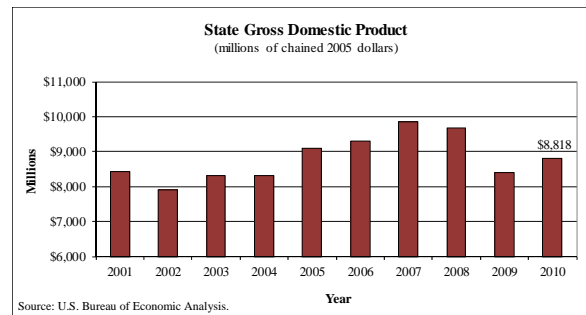
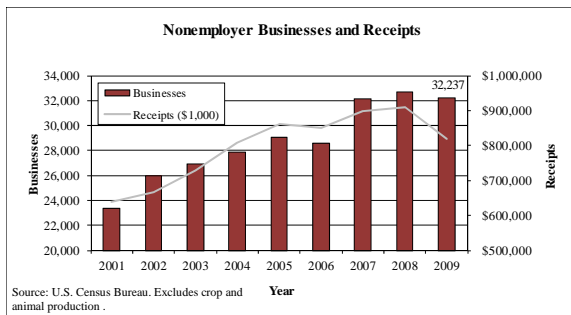
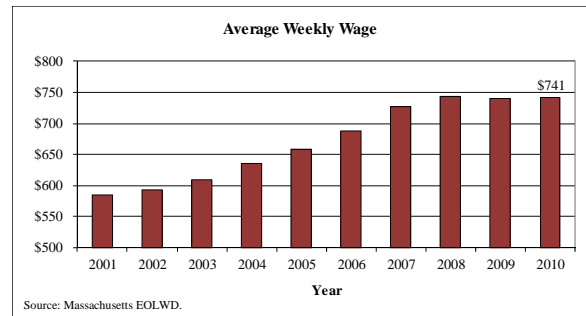
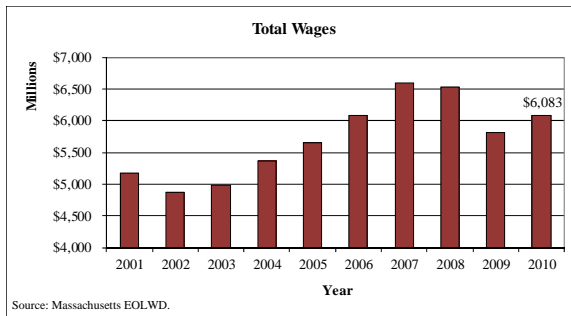
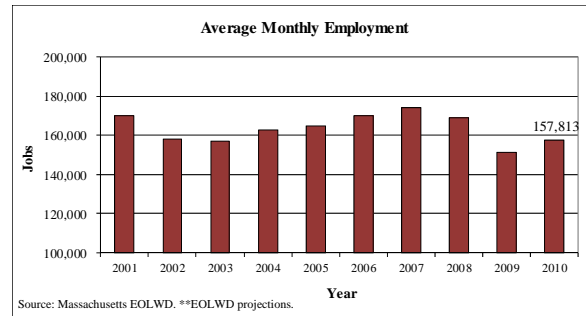
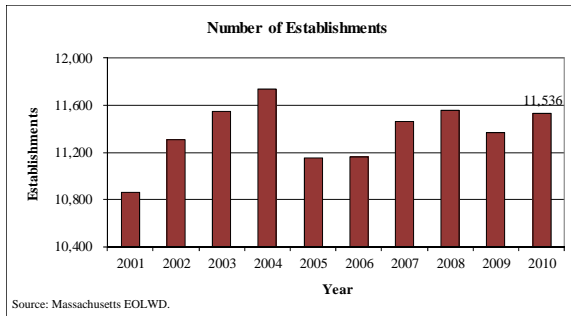
Annual wages: Subsector detail N/A

Average weekly wage: Subsector detail N/A

Annual receipts at nonemployer establishments: N/A

Large employers in Massachusetts: **State Street Corp. and Boston Private Financial Holdings**

NAICS 56 - Administrative and Waste Services. The Administrative and Waste Services sector comprises establishments performing routine support activities for the day-to-day operations of other organizations. The establishments in this sector specialize in one or more of these support activities and provide these services to clients in a variety of industries and in some cases, to households. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **2.6%**

GDP rank: **11 of 20**

Nonemployer to employer establishment ratio: **2.8 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Services to buildings and dwellings**

Nonemployer establishments: **Services to buildings and dwellings**

Employees: **Employment services**

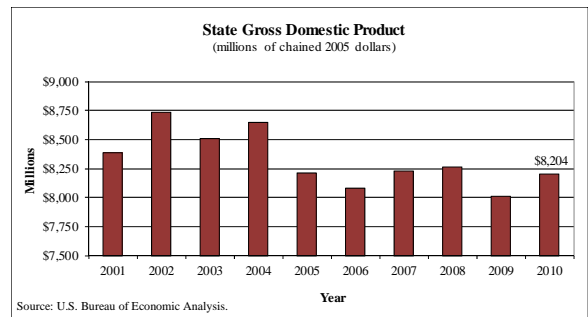
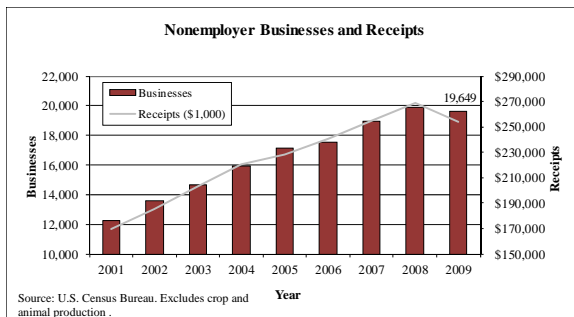
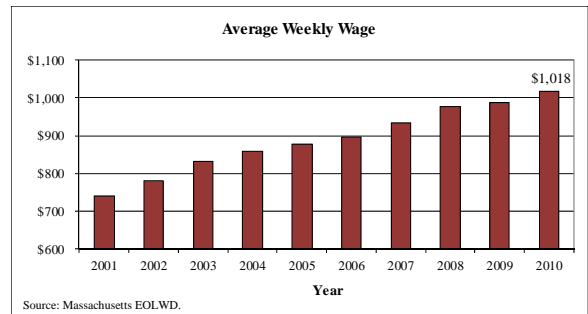
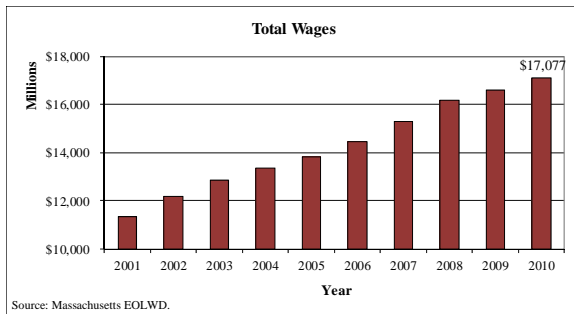
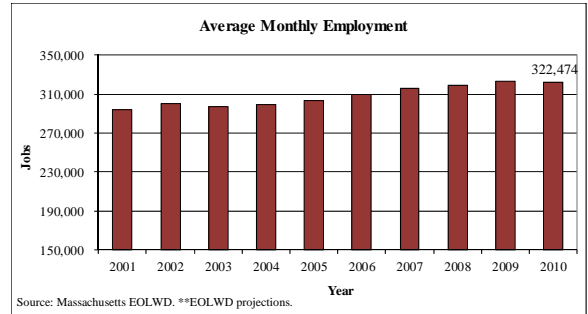
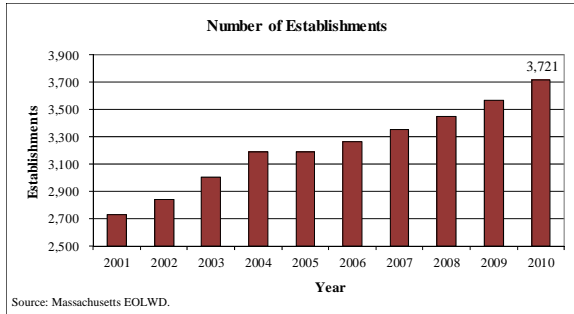
Annual wages: **Employment services**

Average weekly wage: **Office administrative services**

Annual receipts at nonemployer establishments: **Services to buildings and dwellings**

Large employers in Massachusetts: **Technical Futures, ABM Janitorial Services and American Cleaning Co.**

NAICS 61 - Educational Services. The Educational Services sector comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated. They may also offer food and/or accommodation services to their students.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **2.4%**

GDP rank: **12 of 20**

Nonemployer to employer establishment ratio: **5.8 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Other schools and instruction**

Nonemployer establishments: Subsector detail N/A

Employees: **Elementary and secondary schools**

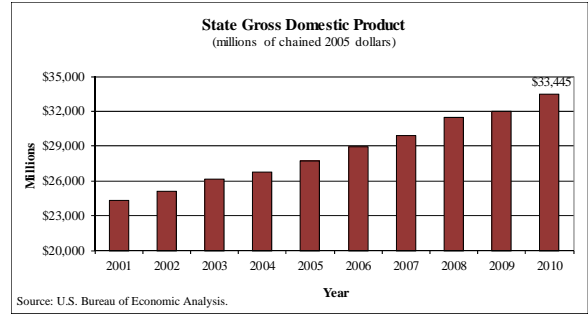
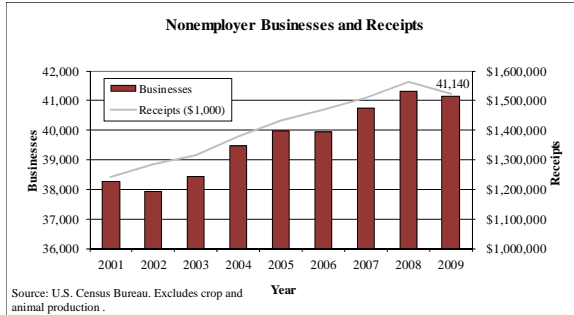
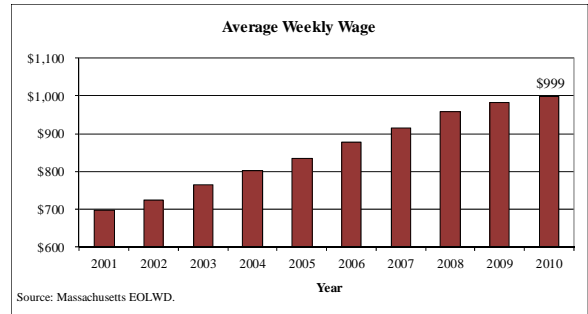
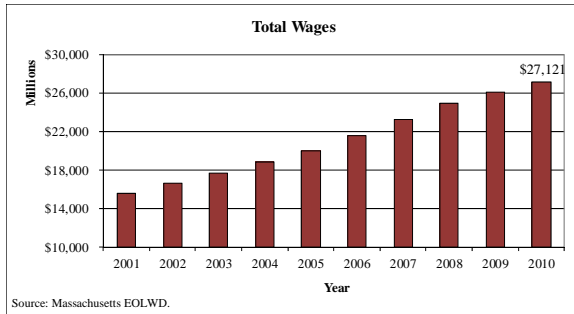
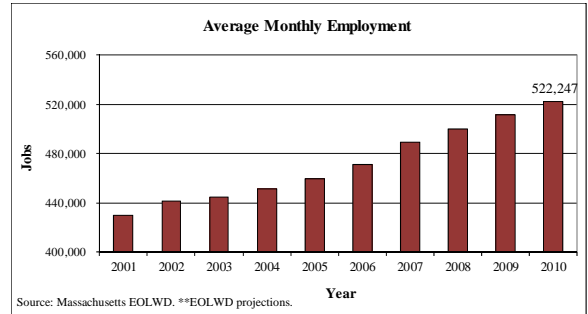
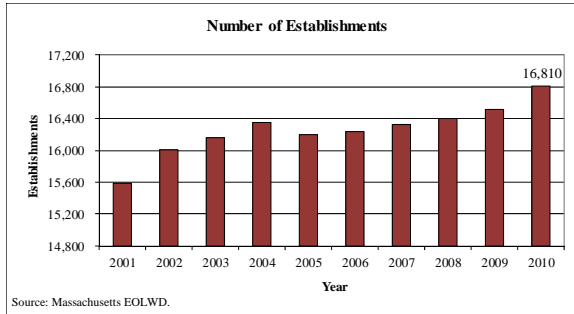
Annual wages: **Elementary and secondary schools**

Average weekly wage: **Colleges and universities**

Annual receipts at nonemployer establishments: Subsector detail N/A

Large employers in Massachusetts: **Boston University, Harvard University, MIT, University of Massachusetts-Amherst**

NAICS 62 - Health Care and Social Assistance. The Health Care and Social Assistance sector comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **9.8%**

GDP rank: **5 of 20**

Nonemployer to employer establishment ratio: **2.5 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Offices of physicians**

Nonemployer establishments: **Offices of other health practitioners**

Employees: **General medical and surgical hospitals**

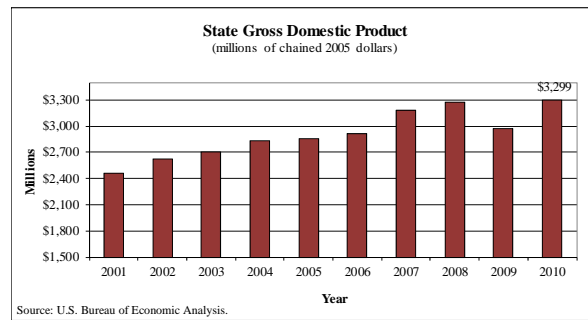
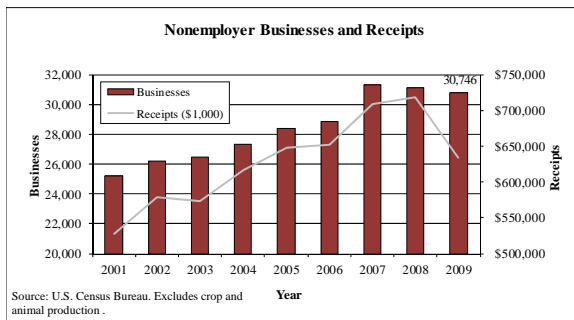
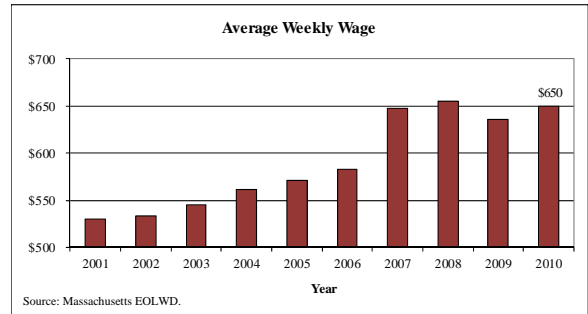
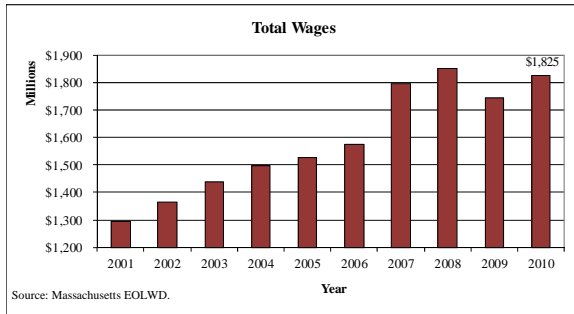
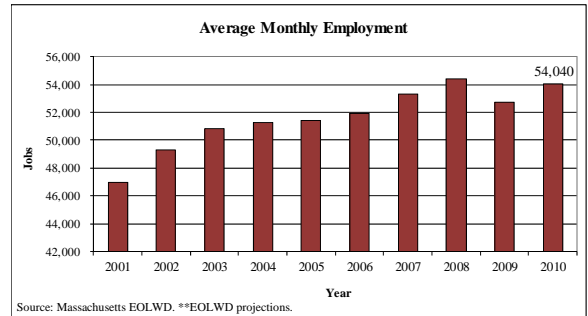
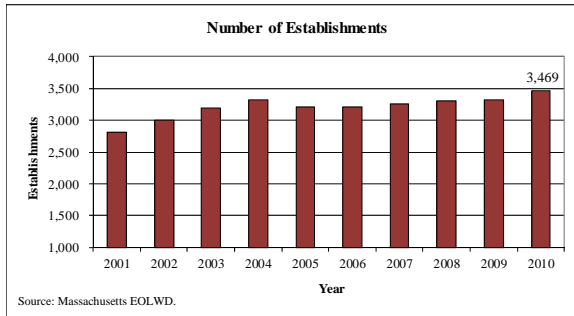
Annual wages: **General medical and surgical hospitals**

Average weekly wage: **Offices of physicians**

Annual receipts at nonemployer establishments: **Offices of other health practitioners**

Large employers in Massachusetts: **Massachusetts General Hospital and Brigham and Women's Hospital**

NAICS 71 - Arts, Entertainment, and Recreation. The Arts, Entertainment, and Recreation sector includes a wide range of establishments that: operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons, are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing, preserve and exhibit objects and sites of historical, cultural, or educational interest and operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests. See the Appendix page six for travel and tourism information.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **1.0%**

GDP rank: **18 of 20**

Nonemployer to employer establishment ratio: **9.4 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Other amusement & recreation industries**

Nonemployer establishments: **Independent artists, writers, and performers**

Employees: **Other amusement & recreation industries**

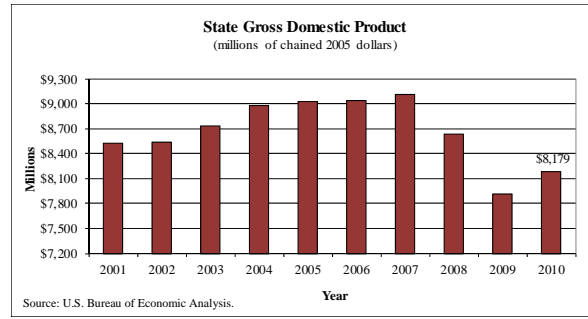
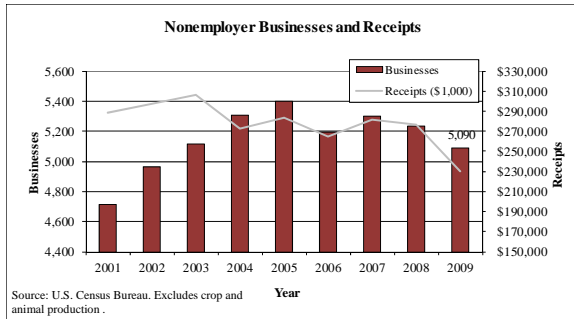
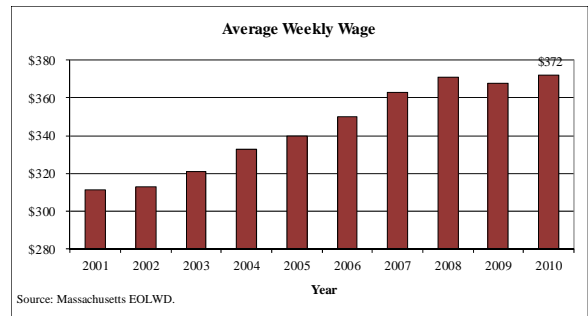
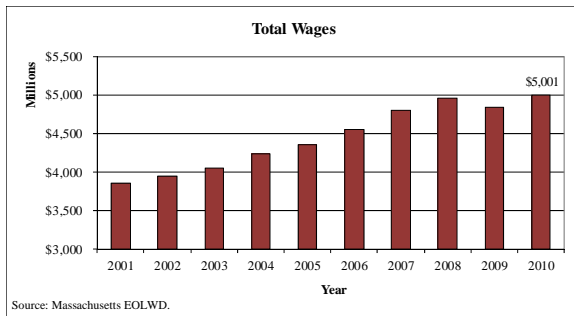
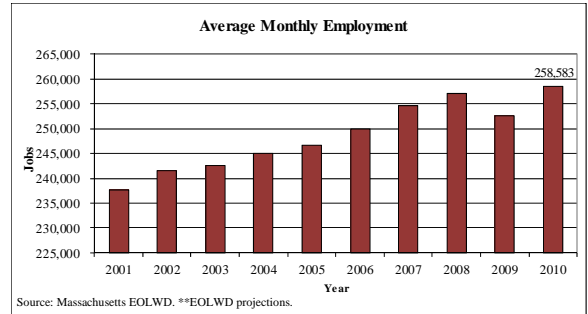
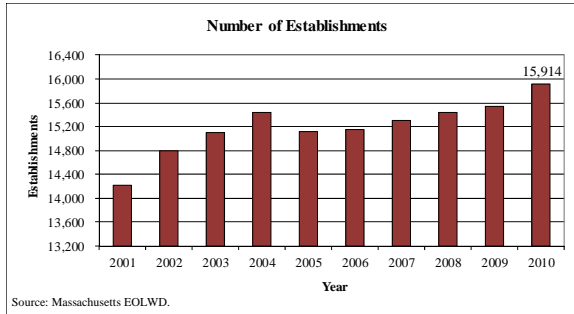
Annual wages: **Other amusement & recreation industries**

Average weekly wage: **Spectator sports**

Annual receipts at nonemployer establishments: **Independent artists, writers, and performers**

Large employers in Massachusetts: **Boston Red Sox, Delaware North Companies and Museum of Fine Arts**

NAICS 72 - Accommodation and Food Services. The Accommodation and Food Services sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **2.4%**

GDP rank: **13 of 20**

Nonemployer to employer establishment ratio: **0.3 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Limited-service eating places**

Nonemployer establishments: **Special food services**

Employees: **Full-service restaurants**

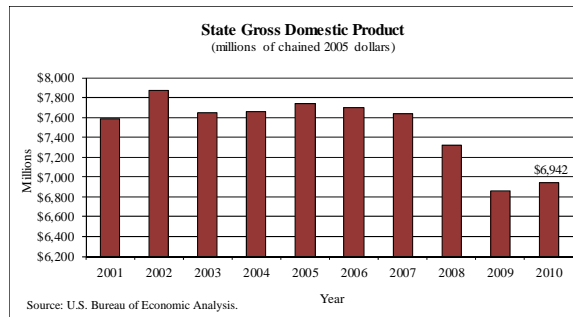
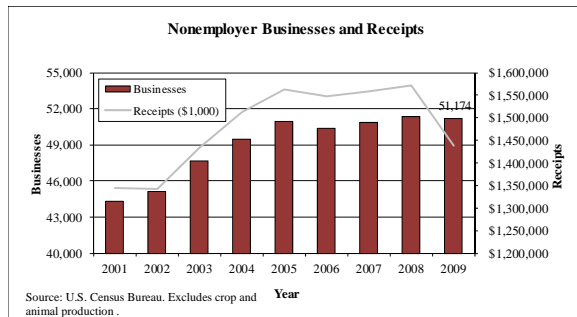
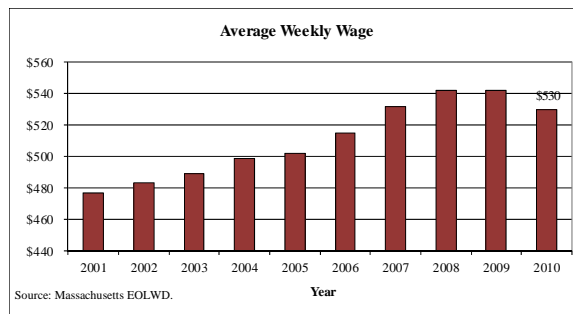
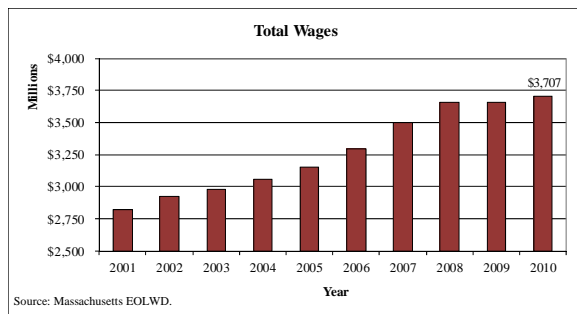
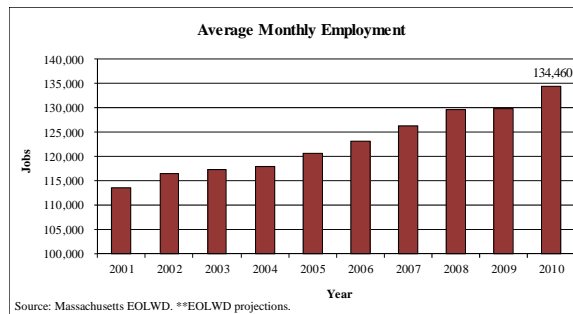
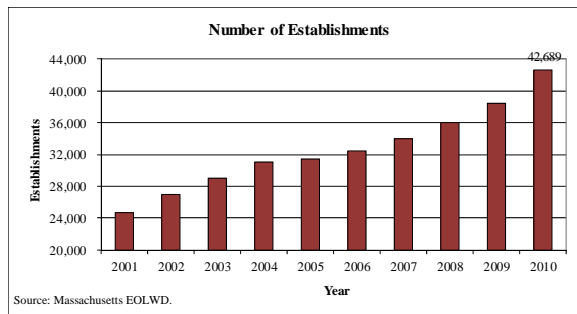
Annual wages: **Full-service restaurants**

Average weekly wage: **Traveler accommodation**

Annual receipts at nonemployer establishments: **Limited-service eating places**

Large employers in Massachusetts: **Eurest Dining Services, Canyon Ranch, Four Seasons Boston, Sheraton Boston and Westin-Copley Place**

NAICS 81 - Other Services, Except Public Administration. The Other Services (except Public Administration) sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities such as equipment and machinery repairing, promoting or administering religious activities, grant making, advocacy, and providing dry cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.



State export data are not available for this sector.

Summary.

GDP contribution to state total: **2.0%**

GDP rank: **14 of 20**

Nonemployer to employer establishment ratio: **1.4 to 1**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Private households**

Nonemployer establishments: **Other personal services**

Employees: **Private households**

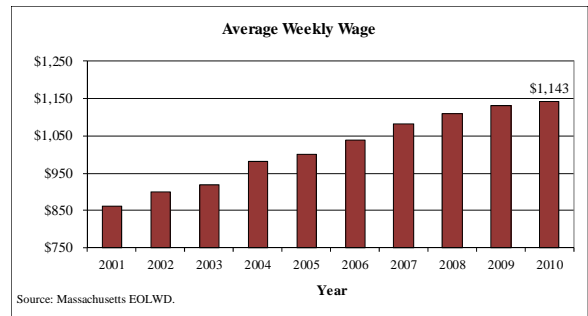
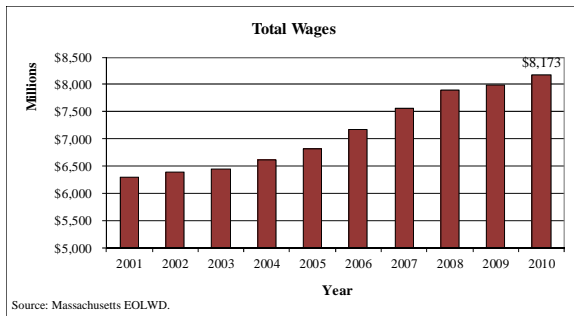
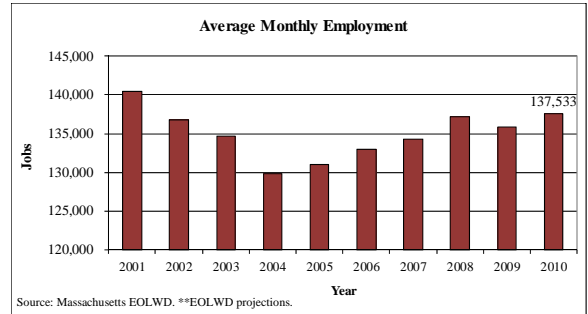
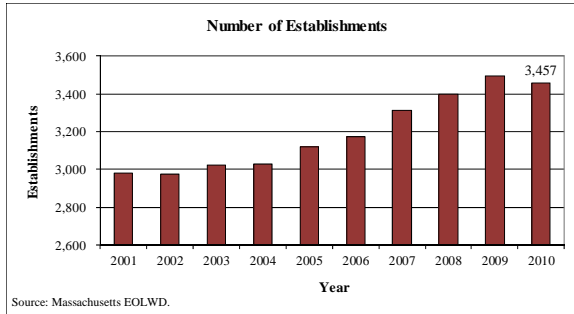
Annual wages: **Automotive repair and maintenance**

Average weekly wage: **Electronic equipment repair/maintenance**

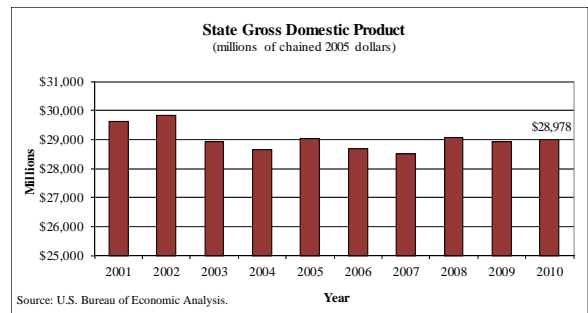
Annual receipts at nonemployer establishments: **Other personal services**

Large employers in Massachusetts: **Eastern Enterprise Group, Ancient Order of Hibernians and Greater Lynn Senior Services**

NAICS 92 - Public Administration. The Public Administration sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area. These agencies also set policy, create laws, adjudicate civil and criminal legal cases and provide for public safety and national defense.



State nonemployer and export data are not available for this sector.



Summary.

GDP contribution to state total: **8.5%**

GDP rank: **6 of 20**

Nonemployer to employer establishment ratio: **N/A**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts.

Establishments with employees: **Executive, legislative, & general government**

Nonemployer establishments: **N/A**

Employees: **Justice, public order, and safety activities**

Annual wages: **Justice, public order, and safety activities**

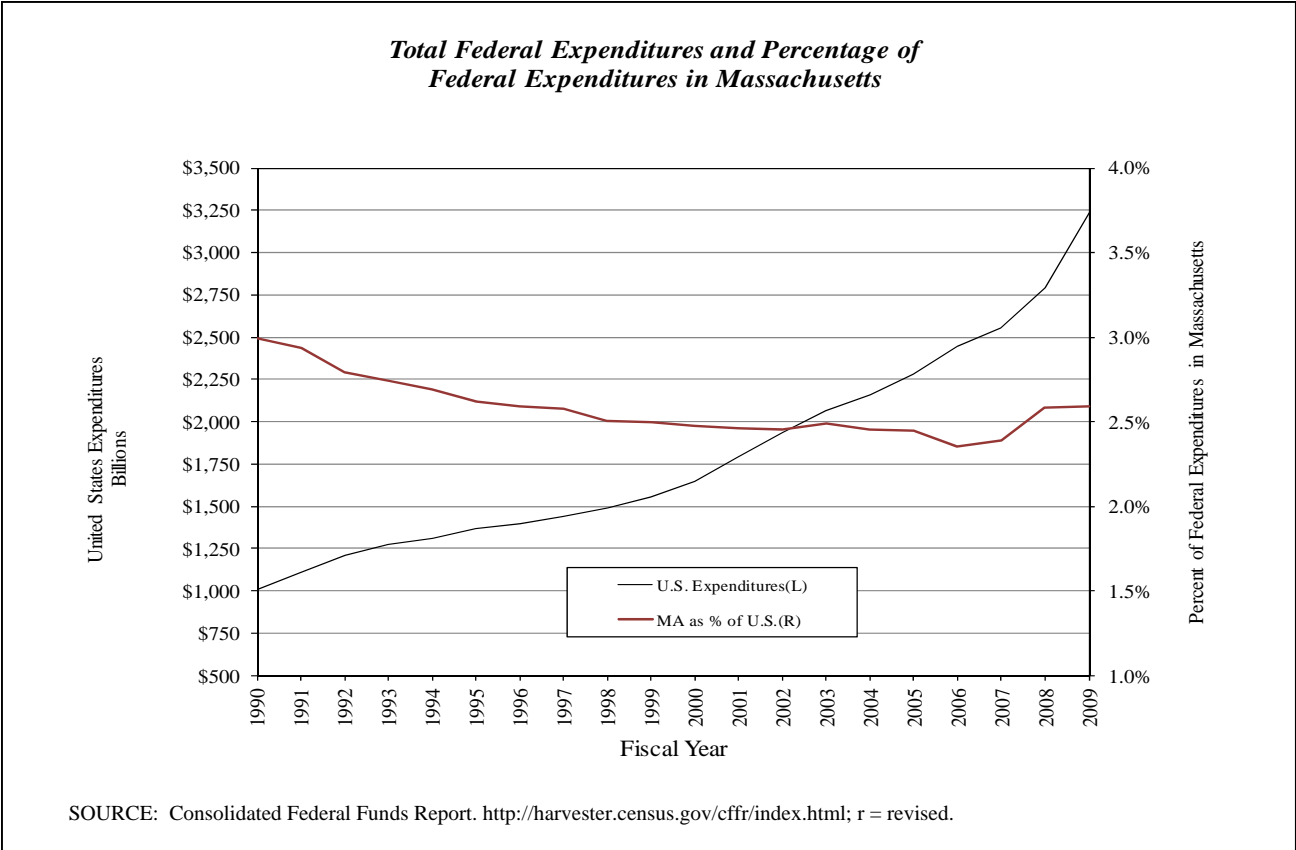
Average weekly wage: **National security & international affairs**

Annual receipts at nonemployer establishments: **N/A**

Large employers in Massachusetts: **Boston Police, Hampden County House of Correction, MWRA, Suffolk County Sheriff**

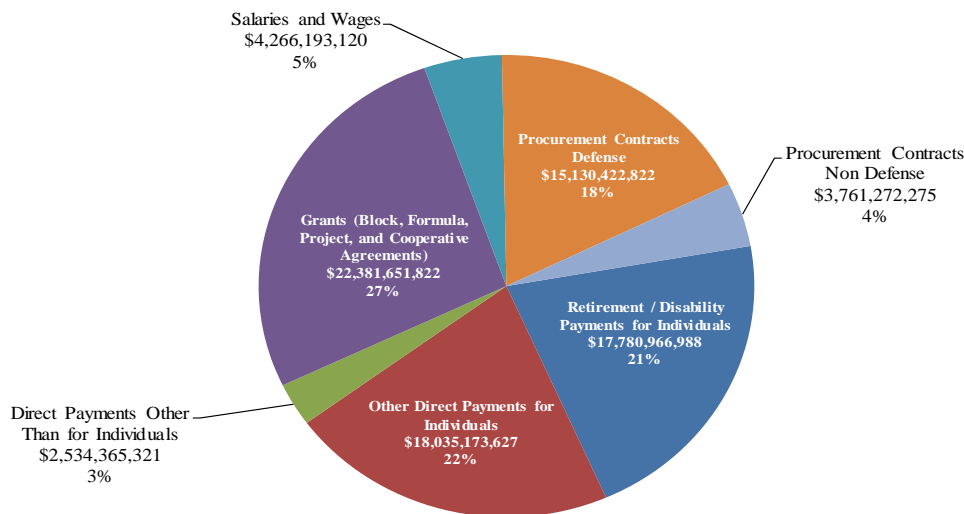
ECONOMIC BASE AND PERFORMANCE—GOVERNMENT REVENUES AND SPENDING

Federal Spending in Massachusetts. Federal government spending contributes significantly to the Massachusetts economy. In fiscal 2009, Massachusetts received almost \$83 billion, a 16 percent increase from 2008, and ranked seventh among states in per capita distribution of federal funds, with total spending of \$12,723 per person, excluding loans and insurance. Massachusetts ranked 10th in fiscal 2008. While federal spending in Massachusetts has increased every year since 1990, its share of total U.S. spending has declined steadily since 1990, until 2008. The following graph 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.



In FY 2009, 42.7 percent federal spending in Massachusetts was composed of health care and social programs like Medicare, Medicaid, Social Security, unemployment benefits and Section 8 Housing Vouchers; 1.8 percent less than 2008. Massachusetts was 42 percent above the national average in per capita federal grants to state and local governments, receiving \$3,394 per capita compared to a national average of \$2,394. Per capita federal spending on salaries and wages was 33 percent lower in Massachusetts than in the rest of the nation, \$647, compared to a national average of \$963 in 2009. Massachusetts however, was nine percent above the national average in per capita direct federal payments to individuals, (\$5,816) compared to a national average of \$5,312. Massachusetts ranked seventh (10th in 2008), among states in per capita procurement contract awards (\$2,865) compared to a national average of \$1,727 in 2009. The following chart shows the composition of direct federal spending within Massachusetts in fiscal 2009, excluding loans and insurance.

Composition of \$83.9 Billion Direct Federal Spending in Massachusetts by Program - Fiscal Year 2009

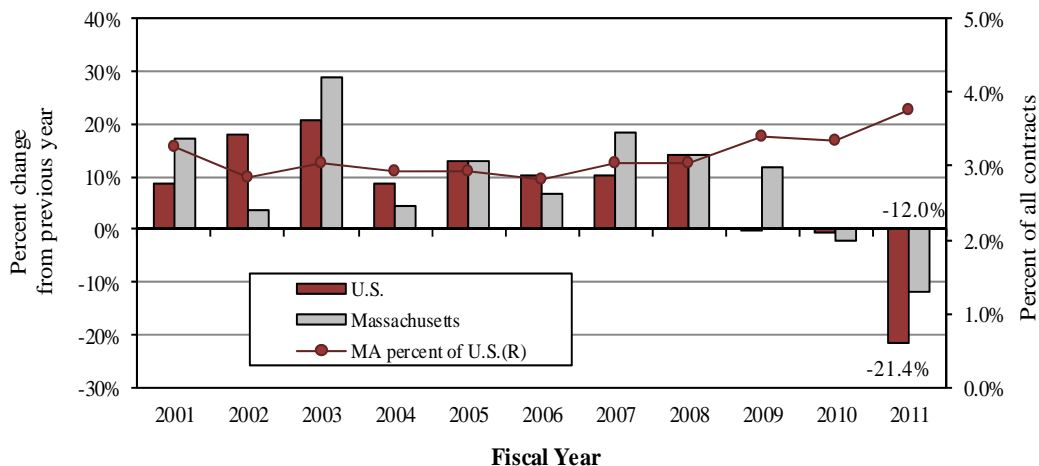


SOURCE: U.S. Census Bureau, Consolidated Federal Funds Report.

Federal Contracts. The total dollar value of all federal contracts performed in Massachusetts increased an average of 19.4 percent per year from 2000 to 2010; 1.4 percent faster than the 18.0 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 2011 as of July 21, 2011.

| <i>Federal Contracts Performed in Massachusetts and the U.S.</i> | | | | | |
|--|---------------|--|-------------------|-------------|--|
| <i>(millions of dollars)</i> | | | | | |
| Fiscal Year | Massachusetts | MA percent increase from previous year | MA portion of all | U.S. | U.S. percent increase from previous year |
| 2000 | \$6,173 | | 3.0% | \$205,563 | |
| 2001 | 7,244 | 17.4% | 3.2% | 223,187 | 8.6% |
| 2002 | 7,513 | 3.7% | 2.9% | 263,500 | 18.1% |
| 2003 | 9,675 | 28.8% | 3.0% | 318,334 | 20.8% |
| 2004 | 10,115 | 4.5% | 2.9% | 346,400 | 8.8% |
| 2005 | 11,430 | 13.0% | 2.9% | 391,400 | 13.0% |
| 2006 | 12,212 | 6.8% | 2.8% | 431,906 | 10.3% |
| 2007 | 14,451 | 18.3% | 3.0% | 475,260 | 10.0% |
| 2008 | 16,504 | 14.2% | 3.0% | 541,745 | 14.0% |
| 2009 | 18,458 | 11.8% | 3.4% | 541,243 | -0.1% |
| 2010 | 18,066 | -2.1% | 3.4% | 538,701 | -0.5% |
| 2011 | 15,906 | -12.0% | 3.8% | 423,603 | -21.4% |
| 2012 | 234 | | 6.2% | 3,776 | |
| Total | \$147,980 | | 3.1% | \$4,704,619 | |

Massachusetts Federal Contracts FY 2000-2011



SOURCE: <http://www.usaspending.gov>.
 NOTE: Reported as of 10/26/2011.

Summary of Federal Contracts Performed in Massachusetts

FY 2000 To 2011

Total Dollars: \$126,768,872,622

Number of Transactions: 913,132

Top 5 Products Or Services Sold

| | |
|---|------------------|
| Gas Turbines And Jet Engines Aircraft; Prime Moving And Components | \$12,712,695,098 |
| Engineering -- Advanced Development (R&D) | \$5,452,917,637 |
| Defense Electronics And Communication Equipment -- Basic Research (R&D) | \$4,592,855,623 |
| Miscellaneous Communication Equipment | \$4,508,446,560 |
| Guided Missiles | \$3,892,222,474 |

Top 5 Contracting Agencies Purchasing From Contractors

| | |
|--|------------------|
| Army (Except Corps Of Engineers Civil Program Financing) | \$34,926,740,378 |
| Navy | \$34,100,473,050 |
| Air Force | \$24,393,559,914 |
| Defense Logistics Agency | \$3,957,542,780 |
| Veterans Affairs | \$3,453,632,183 |

Top 5 Recipients

| | |
|---|------------------|
| Raytheon Company | \$29,274,233,701 |
| General Dynamics Corporation | \$15,038,658,934 |
| General Electric Company | \$14,377,789,695 |
| Massachusetts Institute of Technology | \$7,808,471,256 |
| The Charles Stark Draper Laboratory Inc | \$3,765,047,660 |

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

Note: Reported as of 10/26/2011

Federal Contracts Performed in Massachusetts in:

Fiscal Year: 2012

Total Dollars: \$233,846,930

The amount for this search is 6.2% of all awarded dollars for the fiscal year.

This state is ranked 7th among states, D.C. and territories for this year.

Number of Transactions: 2,634

Top 5 Prime Award Products Or Services Sold

| | |
|--|---------------|
| Precious Metals Primary Forms | \$121,918,072 |
| Engineering and Technical Services | \$25,297,383 |
| Operations Research and Quantitative Analysis Services | \$16,964,666 |
| Vocational/Technical | \$6,848,926 |
| Other ADP and Telecommunications Services | \$6,424,257 |

Top 5 Prime Award Sub Agencies

| | |
|---|---------------|
| United States Mint | \$121,917,425 |
| Research and Innovative Technology Administration | \$51,778,408 |
| Veterans Affairs | \$16,976,872 |
| Employment and Training Administration | \$9,311,714 |
| Bureau of Prisoners/Federal Prison System | \$4,060,187 |

Top 5 Recipients

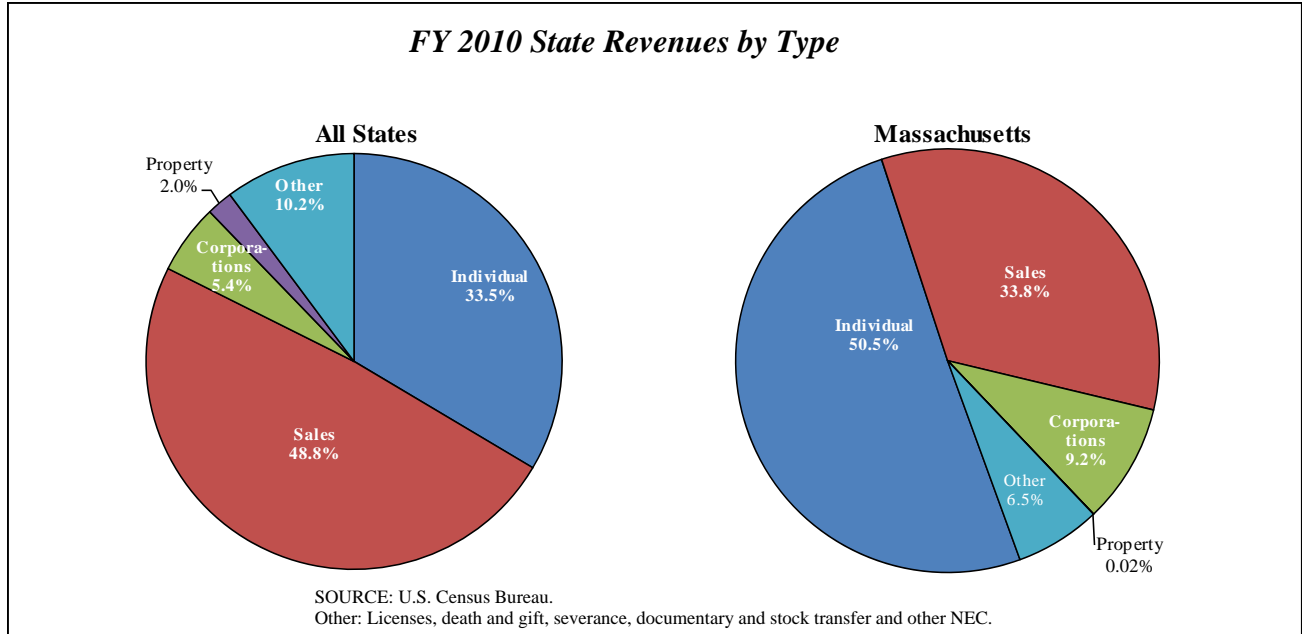
| | |
|---------------------------------------|--------------|
| Coins N Things | \$89,521,890 |
| Cookson Group Plc | \$32,396,182 |
| Sgt Inc. | \$21,398,657 |
| Massachusetts Institute of Technology | \$16,964,666 |
| Actionet | \$5,067,409 |

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

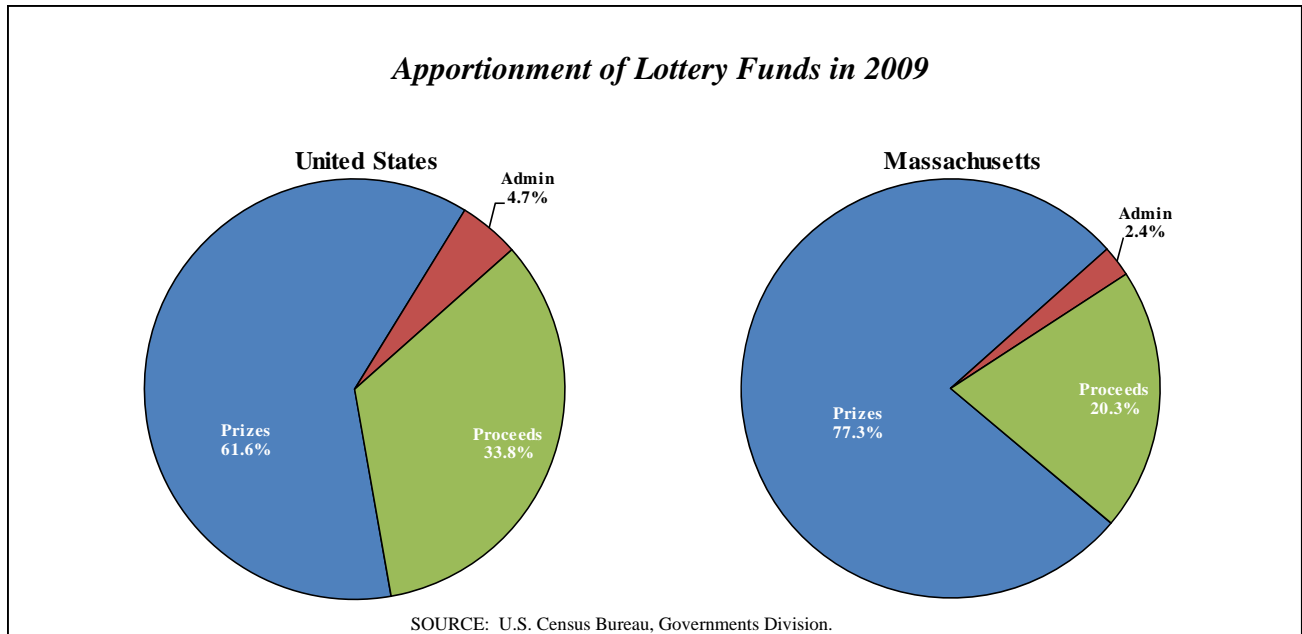
Note: Reported as of 10/26/2011

State Revenues. Taxes collected by all states in FY 2010 totaled \$704.6 billion, 1.5 percent less than FY 2009. Massachusetts collected \$20.1 billion in FY 2010, 2.9 percent more than it did in FY 2009. Massachusetts' revenues grew more than any other New England state. Massachusetts ranked 11th in total taxes collected in 2010, no change from 2009.

In fiscal year 2010, Massachusetts collected 50.5 percent of its revenue from individual income tax. Overall, states received 33.5 percent of their revenues from individual income taxes and seven states did not have the tax in 2010. In FY 2010; the state collected only 3.4 percent more than it did in FY 2006 without adjusting for inflation.



State Lottery Proceeds. Massachusetts ranked second in revenue, \$4.2 billion, and prize money awarded, \$845 million, among the 42 states with lotteries in FY 2009. It ranked first on per capita sales, seventh in the portion of revenue used for its administration, and second in the portion of revenue used for prizes.



State Expenditures. The following table and graph depict fiscal 2009 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, \$7,373 in 2009, while it ranked 9th and spent \$7,023 in 2008. This represents a 5.0 percent increase in per capita expenditures from 2008 to 2009 with the largest per capita dollar increase on Administration, Insurance Trust & Other.

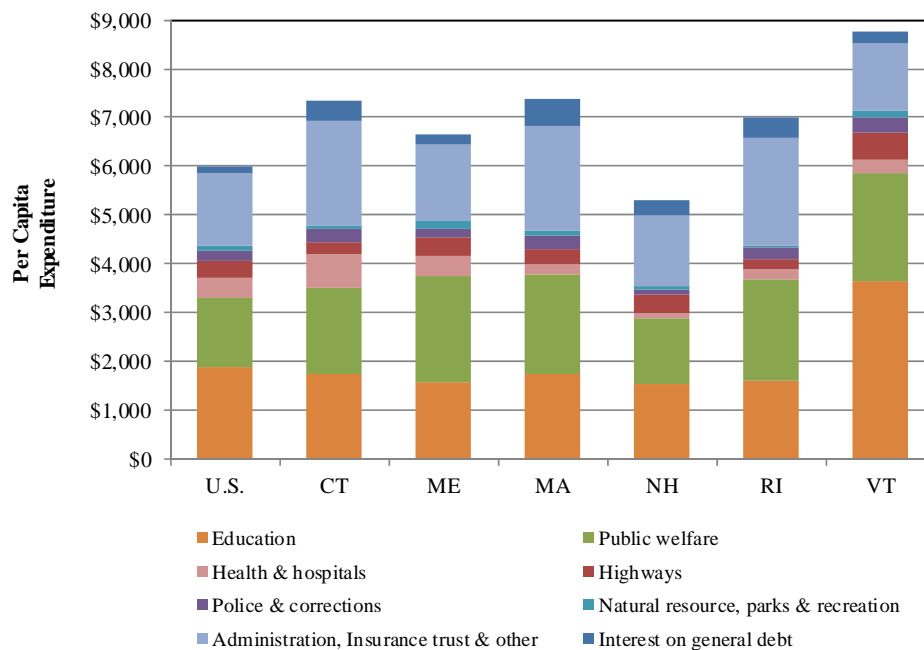
Massachusetts Per Capita State Government General Expenditures, by Type

| General expenditures, by function | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Education | \$890 | \$1,026 | \$1,020 | \$1,055 | \$1,183 | \$1,346 | \$1,401 | \$1,640 | \$1,649 | \$1,735 |
| Public welfare | \$1,030 | \$1,135 | \$932 | \$824 | \$1,647 | \$1,719 | \$1,843 | \$1,877 | \$1,952 | \$2,030 |
| Health & hospitals | \$308 | \$363 | \$377 | \$372 | \$172 | \$177 | \$187 | \$227 | \$236 | \$237 |
| Highways | \$439 | \$400 | \$427 | \$378 | \$471 | \$276 | \$261 | \$267 | \$346 | \$294 |
| Police & corrections | \$191 | \$213 | \$223 | \$230 | \$215 | \$222 | \$248 | \$274 | \$293 | \$294 |
| Natural resource, parks & recreation | \$58 | \$88 | \$86 | \$95 | \$90 | \$76 | \$81 | \$87 | \$89 | \$96 |
| Administration, Insurance trust & other | \$1,392 | \$1,473 | \$1,630 | \$1,755 | \$1,815 | \$1,660 | \$1,690 | \$1,890 | \$1,901 | \$2,126 |
| Interest on general debt | \$335 | \$371 | \$418 | \$386 | \$401 | \$435 | \$487 | \$518 | \$558 | \$561 |
| Total | \$4,643 | \$5,067 | \$5,115 | \$5,095 | \$5,994 | \$5,911 | \$6,198 | \$6,779 | \$7,023 | \$7,373 |

Fiscal 2009 Per Capita State Government General Expenditures, by Type
(for the U.S. and the New England States)

| General expenditures, by function | U.S. | CT | ME | MA | NH | RI | VT |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Education | \$1,865 | \$1,747 | \$1,570 | \$1,735 | \$1,519 | \$1,589 | \$3,653 |
| Public welfare | \$1,439 | \$1,741 | \$2,163 | \$2,030 | \$1,351 | \$2,071 | \$2,188 |
| Health & hospitals | \$392 | \$693 | \$417 | \$237 | \$120 | \$234 | \$297 |
| Highways | \$352 | \$272 | \$396 | \$294 | \$363 | \$210 | \$540 |
| Police & corrections | \$211 | \$270 | \$170 | \$294 | \$124 | \$235 | \$314 |
| Natural resource, parks & recreation | \$94 | \$49 | \$156 | \$96 | \$71 | \$45 | \$145 |
| Administration, Insurance trust & other | \$1,505 | \$2,155 | \$1,590 | \$2,126 | \$1,440 | \$2,191 | \$1,369 |
| Interest on general debt | \$149 | \$409 | \$208 | \$561 | \$298 | \$416 | \$265 |
| Total | \$6,008 | \$7,336 | \$6,670 | \$7,373 | \$5,287 | \$6,992 | \$8,771 |
| State's rank of total per capita expenditures | | 9 | 16 | 8 | 38 | 13 | 3 |

Fiscal 2009 Per Capita State Government General Expenditures, by Type
(for the U.S. and the New England States)



SOURCE: U.S. Census Bureau, Governments Division

Supplementary Data Section. The following appendix contains more detailed data for industry sectors or subsectors.

Building Permits. The Census Bureau's Residential Construction Branch Building Permits Survey is a leading economic indicator used to track the housing industry.

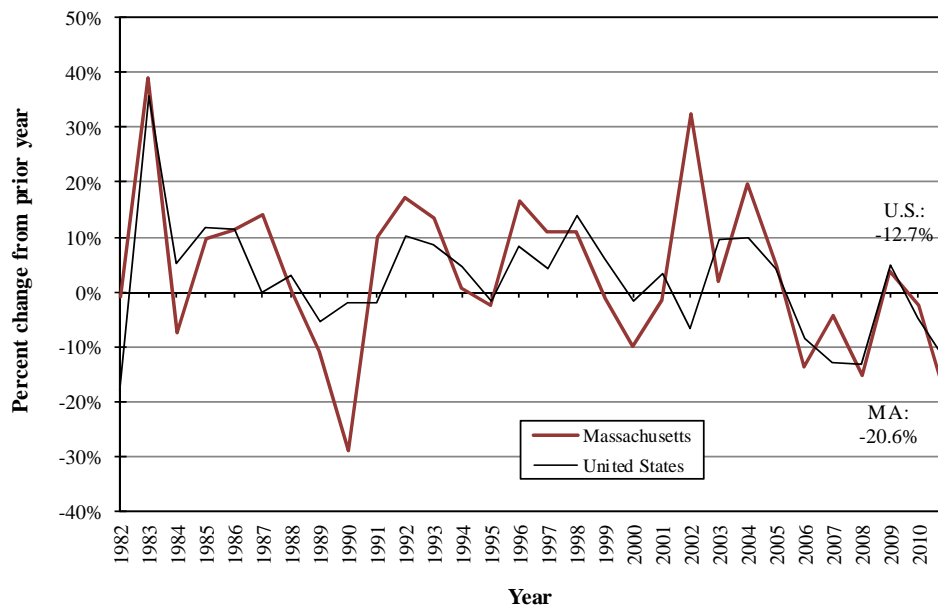
| <i>Housing Permits Authorized</i> | | | | | | |
|-----------------------------------|----------------------|-----------------------|--------------------|-----------------------|----------------------|-----------------------|
| Year | Massachusetts | | New England | | United States | |
| | Total Units | Percent Change | Total Units | Percent Change | Total Units | Percent Change |
| 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% |
| 2009 | 7,941 | -19.6% | 19,463 | -20.4% | 582,963 | -35.6% |
| 2010 | 9,075 | 14.3% | 20,964 | 7.7% | 604,610 | 3.7% |

SOURCES: United States Census Bureau. May 2011.

Home Sales. Sales of existing single-family homes for Massachusetts and the U.S. are presented in the following table and graph. The state existing-home sales report includes single-family houses, condos and co-ops.

| Existing Home Sales <i>(quarterly rates are seasonally adjusted, rates in thousands)</i> | | | | |
|--|----------------------|-----------------|----------------------|-----------------|
| 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% | 4,913.0 | -13.1% |
| 2009 | 107.8 | 3.9% | 5,156.0 | 4.9% |
| 2010 | 105.3 | -2.3% | 4,908.0 | -4.8% |
| 2010.QII | 128.4 | | 5,570.0 | |
| 2011.QII p | 102.0 | -20.6% | 4,860.0 | -12.7% |

**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.

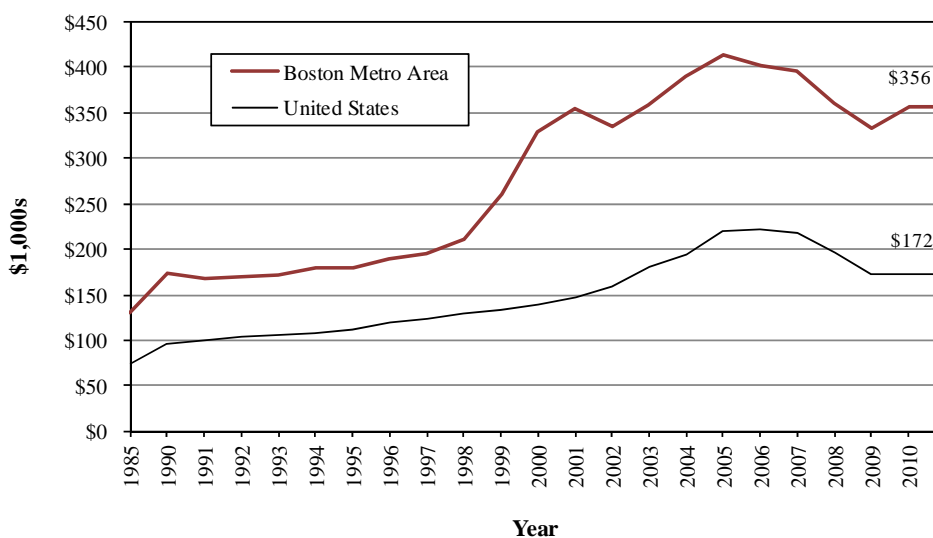
Home prices. Prices had been declining in the Boston metropolitan area since 2006 but increased in 2010. The median price in the Boston areas is two times the national median.

Median Sales Price for Existing Single-Family Homes

(quarterly price not seasonally adjusted, price in thousands)

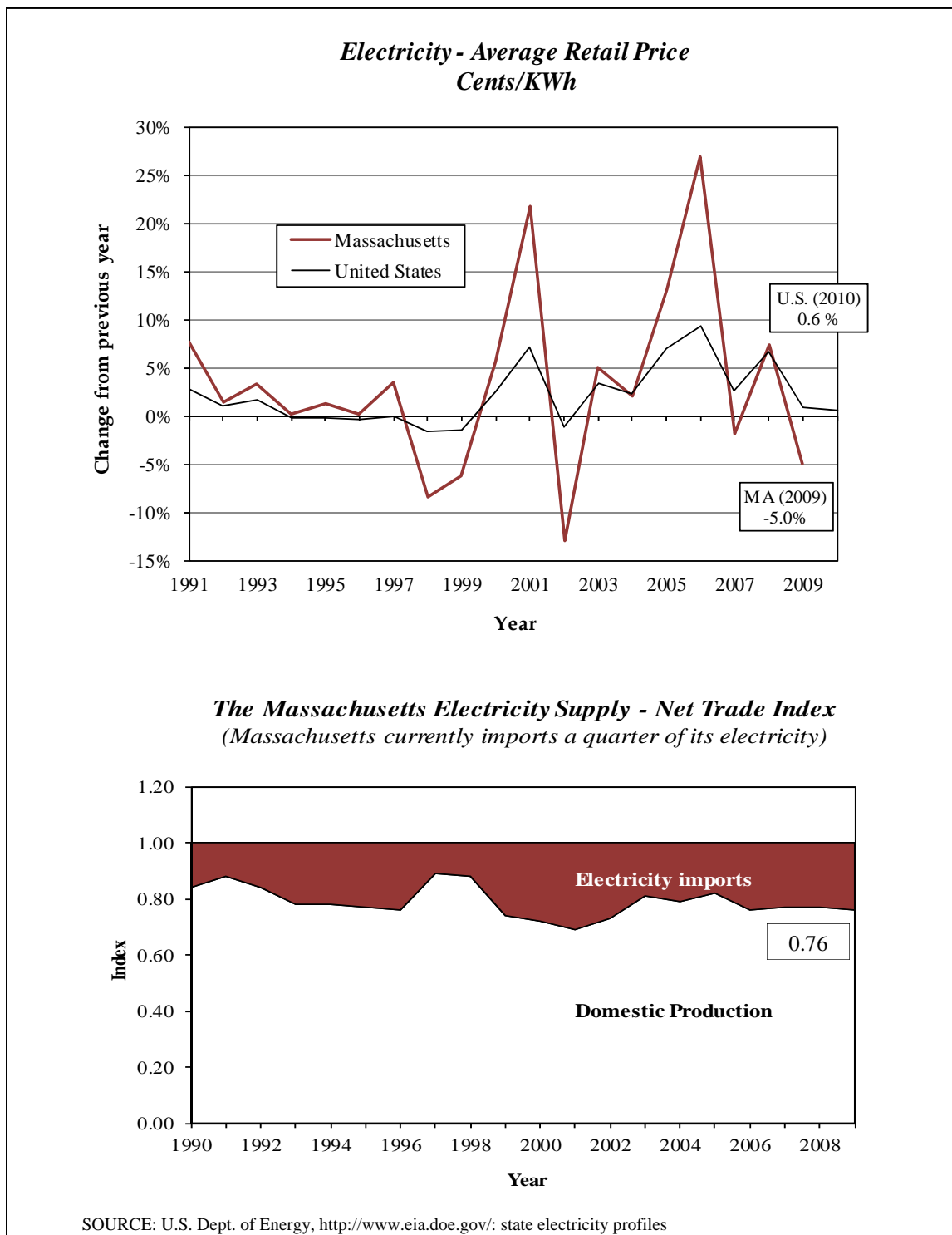
| Year | Boston Metro Area | United States | Boston Prices as a Percent of the U.S. | Boston Annual Percent Change | U.S. Annual Percent Change |
|------------|-------------------|---------------|--|------------------------------|----------------------------|
| 1985 | \$131 | \$75 | 173.7% | 33.5% | 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 | \$361 | \$197 | 183.7% | -8.7% | -9.8% |
| 2009 | \$333 | \$172 | 193.3% | -7.9% | -12.5% |
| 2010 | \$357 | \$173 | 206.4% | 7.4% | 0.6% |
| 2010.QII | \$361 | \$177 | 204.1% | | |
| 2011.QII p | \$356 | \$172 | 206.9% | -1.4% | -2.8% |

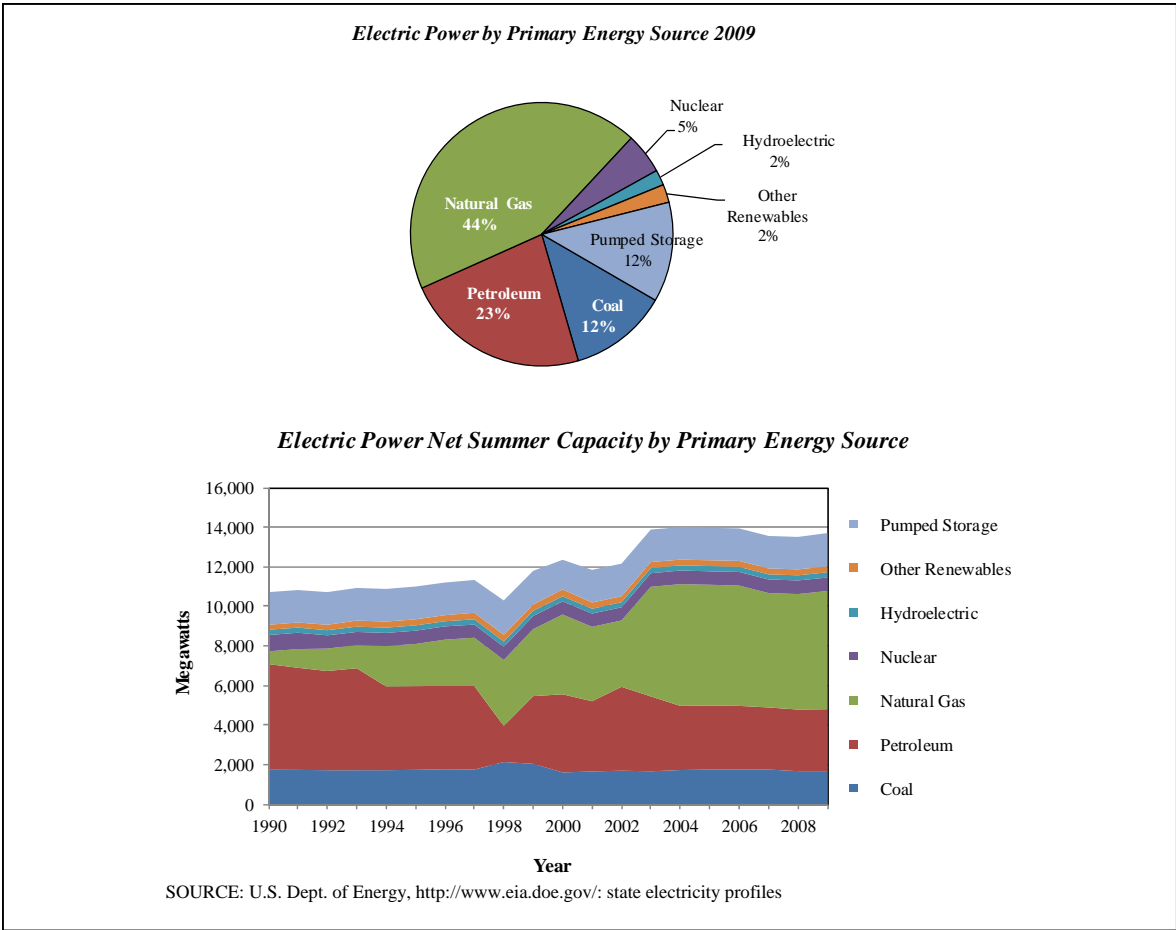
Median Sales Price, Existing Single-Family Homes
U.S. and Boston Metropolitan Area



SOURCES: National Association of Realtors. Federal Reserve Bank of Boston; p= preliminary, r=revised.*

Electricity Prices, Supply and Capacity by Source. Massachusetts electric utilities generated \$4.6 billion in revenue as of July 2011 (YTD). This was 2.9 percent less than the same period in 2010, while they sold 0.6 percent less electricity. Massachusetts had the fourth highest electric rate in the country in 2009; 15.45 cents per kilowatt hour, while the U.S. average was 9.82. This was an decrease of 5.0 percent for Massachusetts and an increase of 0.8 percent for the U.S. from the previous year. Massachusetts's latest reported average combined electric rate, year-to-date July 2011, has dropped 2.3 percent compared to the same period last year 2010 to 14.19 cents per kilowatt hour. The Massachusetts Net Electricity Trade Index, which represents the state's electricity self-sufficiency, was 0.76 in 2009. This means that Massachusetts imported 24 percent of its electricity supply, 14,036 million kilowatt hours, from out-of-state. In 2009, two-thirds of Massachusetts generating capacity was oil and natural gas based.





Travel and Tourism. The Massachusetts Office of Travel and Tourism (MOTT) reported a 14.2 percent increase in museum and attraction attendance, 1.4 million visitors, in June 2011, compared to June 2010. June 2011 year-to-date museum and attraction attendance increased 212,000 from the same period last year.

Transportation and Warehousing. Between 2001 and 2010, the transportation and warehousing sector of Massachusetts GDP increased 3.2 percent when measured with year 2005 chained dollars. It contributed 1.5 percent to the total Massachusetts Real GDP in 2010; 0.12 percent less than it did in 2001.

Massachusetts' major air and seaports are managed by the Massachusetts Port Authority (Massport), an independent public authority. Based on total passenger volume in calendar year 2010 data, Logan Airport was the most active airport in New England, remaining the 19th most active in the U.S. according to the Federal Aviation Authority and 45th most active in the world according to Airports Council International. Massport reported that as of September 2011, total airport flight operations were up 5.4 percent and total airport passengers were up 6.7 percent from the same period in 2010. According to the FAA, in calendar year 2010 Logan Airport ranked 29th in the nation in total air cargo volume. In 2010, the airport handled 546 million pounds of cargo; a 5.6 percent increase from 2009. Massport reported that as of September 2011, the combined cargo volume was down 3.4 percent and total express mail was down 1.8 percent from the same period in 2010. Please refer to the Aviation Activity charts on the following page.

At Massport's Port of Boston properties, 2010 total cargo throughput was 11.9 million metric tons, a 12 percent decrease from 2009. Automobile processing increased 78.4 percent to 41,844 units, and cruise passenger trips increased 7 percent to 322,161. Total containerized cargo at public and private terminals decreased 12 percent to 1.2 million metric tons. Massport reported that as of August 2011, the volume of containerized cargo processed was down 12 percent from the same period last year while cruise passengers were up 7%.

The Army Corps of Engineers reported Massachusetts total waterborne cargo shipped or received in 2009 decreased by 3.8 percent to 25.0 million short tons from 2008. Waterborne cargo in New England decreased 7.8 percent while the U.S. decreased 10.8 percent. Please refer to the Waterborne Tonnage by State charts on the following page.

Aviation Activity for Massachusetts' Primary Airports

| Passenger Boardings | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010_p |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|
| General Edward Lawrence Logan International | 11,087,799 | 12,758,020 | 13,214,923 | 13,544,552 | 13,783,297 | 12,820,489 | 12,566,797 | 13,561,806 |
| Nantucket Memorial | 229,300 | 243,313 | 252,757 | 276,866 | 282,197 | 258,214 | 204,981 | 112,419 |
| Barnstable Municipal-Boardman/Polando Field | 158,360 | 167,522 | 177,761 | 206,980 | 204,152 | 191,906 | 138,858 | 41,115 |
| Worcester Regional | 2,234 | 1,274 | 2,036 | 14,823 | 460 | 3,182 | 17,241 | 15,975 |
| Laurence G Hanscom Field | 19,375 | 17,049 | 13,887 | 14,560 | 16,568 | 8,385 | 7,350 | 7,667 |
| Marthas Vineyard | 53,011 | 49,480 | 48,977 | 45,881 | 49,205 | 45,002 | 42,248 | 43,871 |
| New Bedford Regional | 21,097 | 19,686 | 17,960 | 15,211 | 14,567 | 13,908 | 11,680 | 12,363 |
| Provincetown Municipal | 11,801 | 11,424 | 10,236 | 11,375 | 12,459 | 11,468 | 10,747 | 11,450 |
| Total | 11,582,977 | 13,267,768 | 13,738,537 | 14,130,248 | 14,362,905 | 13,352,554 | 12,999,902 | 13,806,666 |

| Cargo - Gross Landed Weight (lbs.) | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010_p |
|---|---------------|---------------|---------------|---------------|---------------|-------------|-------------|-------------------------|
| General Edward Lawrence Logan International | 1,199,383,800 | 1,172,103,700 | 1,148,881,400 | 1,100,485,850 | 1,059,947,900 | 984,258,400 | 835,954,035 | 817,235,460 |

Change in Aviation Activity at Massachusetts' Primary Airports

| Passenger Boardings | 2002-2003 | 2003-2004 | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Edward Lawrence Logan International | 0.1% | 15.1% | 3.6% | 2.5% | 1.8% | -7.0% | -2.0% | 7.9% |
| Nantucket Memorial | -9.5% | 6.1% | 3.9% | 9.5% | 1.9% | -8.5% | -20.6% | -45.2% |
| Barnstable Municipal-Boardman/Polando Field | -12.4% | 5.8% | 6.1% | 16.4% | -1.4% | -6.0% | -27.6% | -70.4% |
| Worcester Regional | -94.0% | -43.0% | 59.8% | 628.0% | -96.9% | 591.7% | 441.8% | -7.3% |
| Laurence G Hanscom Field | -52.1% | -12.0% | -18.5% | 4.8% | 13.8% | -49.4% | -12.3% | 4.3% |
| Martha's Vineyard | -10.9% | -6.7% | -1.0% | -6.3% | 7.2% | -8.5% | -6.1% | 3.8% |
| New Bedford Regional | -2.6% | -6.7% | -8.8% | -15.3% | -4.2% | -4.5% | -16.0% | 5.8% |
| Provincetown Municipal | 12.0% | -3.2% | -10.4% | 11.1% | 9.5% | -8.0% | -6.3% | 6.5% |
| Total | 12.0% | 14.5% | 3.5% | 2.9% | 1.6% | -7.0% | -2.6% | 6.2% |

| Cargo | 2002-2003 | 2003-2004 | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Edward Lawrence Logan International | -5.7% | -2.3% | -2.0% | -4.2% | -3.7% | -7.1% | -15.1% | -2.2% |

SOURCE: Federal Aviation Administration June 2011. p=preliminary
http://www.faa.gov/airports_airtraffic/airports/planning_capacity/passenger_allcargo_stats/

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

| State | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 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 | 2,477,094 | 2,210,752 |
| Maine | 31,769 | 30,586 | 29,140 | 31,698 | 32,447 | 32,353 | 28,103 | 26,839 | 24,747 | 22,996 |
| Massachusetts | 26,973 | 26,446 | 26,117 | 30,655 | 31,787 | 28,812 | 27,411 | 28,043 | 25,993 | 25,018 |
| Connecticut | 18,959 | 18,267 | 17,610 | 18,579 | 20,075 | 19,617 | 19,340 | 20,148 | 18,196 | 16,767 |
| Rhode Island | 9,089 | 9,170 | 8,437 | 9,417 | 9,764 | 10,972 | 11,016 | 11,184 | 10,517 | 8,404 |
| New Hampshire | 4,462 | 4,447 | 4,108 | 4,971 | 4,795 | 5,254 | 4,823 | 4,026 | 3,833 | 3,583 |
| Vermont | 0 | 0 | 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 | 83,286 | 76,768 |

Waterborne Tonnage by State - Percent Change from Previous Year

| State | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 |
|---------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| U.S. total | -1.6% | -1.9% | 2.3% | 6.6% | -1.0% | 2.4% | -0.9% | -3.4% | -10.8% |
| Maine | -3.7% | -4.7% | 8.8% | 2.4% | -0.3% | -13.1% | -4.5% | -7.8% | -7.1% |
| Massachusetts | -2.0% | -1.2% | 17.4% | 3.7% | -9.4% | -4.9% | 2.3% | -7.3% | -3.8% |
| Connecticut | -3.6% | -3.6% | 5.5% | 8.1% | -2.3% | -1.4% | 4.2% | -9.7% | -7.9% |
| Rhode Island | 0.9% | -8.0% | 11.6% | 3.7% | 12.4% | 0.4% | 1.5% | -6.0% | -20.1% |
| New Hampshire | -0.3% | -7.6% | 21.0% | -3.5% | 9.6% | -8.2% | -16.5% | -4.8% | -6.5% |
| Vermont | - | - | - | - | - | - | - | - | - |
| New England | -2.6% | -3.9% | 11.6% | 3.7% | -1.9% | -6.5% | -0.5% | -7.7% | -7.8% |

SOURCE: Army Core of Engineers, Waterborne Commerce Statistics Center (WCSC) November 2010.
<http://www.iwr.usace.army.mil/ndc/wcsc/wcsc.htm>

Sources

Listed below are the web sites of the original data sources used to compile Exhibit A.

Introduction

American Human Development Project
<http://www.measureofamerica.org/>

Population Characteristics

U.S. Department of Commerce, Bureau of the Census
<http://www.census.gov>
U.S. Internal Revenue Service
<http://www.irs.gov>

Personal Income, Consumer Prices, and Poverty

U.S. Department of Commerce, Bureau of Economic Analysis
<http://www.bea.gov/regional/index.htm>
U.S. 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.wisertrade.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>

U.S. Department of Commerce

<http://www.census.gov>

National Association of Realtors; Federal Reserve Bank of Boston

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

Large employers by sector.

<http://www.referenceusa.com/Home/Home>

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>

U.S. Department of Education, National Center for Education Statistics

<http://nces.ed.gov>

Institute of International Education

<http://www.iese.org>

U.S. Patent Office

<http://www.uspto.gov>