

Reconnecting Massachusetts' Gateway Cities City Profile: Lawrence

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This profile provides key economic and demographic trends faced by Lawrence relating to the MassINC / Brookings Institution report "Reconnecting Massachusetts' Gateway Cities: Lessons Learned and an Agenda for Renewal." To read the entire report, see www.massinc.org or www.brookings.edu/metro/massgateways.htm.

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Lawrence had a slightly higher rate of job loss than Greater Boston in recent years

Between 2001 and 2005 the City of Lawrence lost 1,800 jobs—a 7.4 percent loss—compared to Greater Boston's 6.0 percent, 99,000-job loss over the same timeframe. Employment trends in Lawrence's surrounding towns gave the Lawrence region (which also includes Haverhill) an 8,900-job loss.

But since 1960, the city has lost over half its manufacturing jobs

From 1960 to 2000, Lawrence lost 58 percent of its manufacturing employment, or roughly 7,900 jobs, while Greater Boston lost 138,000 manufacturing jobs—a 48 percent loss.

More recently, though, Lawrence has added knowledge industry employment

Between 2001 and 2005, the City of Lawrence generated a 34.4 percent increase in its number of knowledge industry jobs, while the Lawrence region experienced a 4.1 percent loss. This respectful gain of 492 higher-paying jobs for the city was the largest percentage gain among all the Gateway Cities, and contrasts sharply with the 7.9 percent, 38,000-job loss in Greater Boston.

Furthermore, technology firms are continuing to locate there

While Lawrence had 9 technology firms in 1991, by 2004 there were 26 such firms located in the city, according to CorpTech data. Likewise, the Lawrence region added 123 tech firms, bringing its total up from 63 to 186. This significant percentage increase for Lawrence and the rest of its region—like most other Gateway Cities and regions—is overshadowed by the enormous gains in Greater Boston, where almost 1,600 new tech firms were established. In fact, Greater Boston increased its share of the state's tech firms from 53 to 60 percent in the 13-year period.

Nevertheless, Lawrence's per capita income growth is weak

Lawrence's real per capita income growth of only 6.1 percent between 1980 and 2000 severely trailed the Gateway City average of 24.7 percent and lagged even farther behind Greater Boston's 59.1 percent gain. The Lawrence region fared much better, with income growth of 51.8 percent.

And only one in ten adults in the city holds a bachelor's degree

At just 10.0 percent, the share of Lawrence's 25-and-older population that holds at least a bachelor's degree trails Greater Boston's 41.6 percent figure by more than 30 percentage points. Even Lawrence's respectable regional mark of 30.3 percent significantly trails Greater Boston's attainment rate.

Meanwhile, Lawrence's population is declining

Lawrence's 2.6 percent population growth in the 1990s lagged behind Greater Boston's 4.5 percent increase. Lawrence experienced a 1.5 percent population decline between 2000 and 2005, similar to Greater Boston's 1.4 percent loss.

Foreign-born residents are making up an increasing share of the population

Of the Gateway Cities, Lawrence had the highest increase in foreign-born resident share in the 1990s. It also had the highest percentage of foreign-born residents of all Gateway Cities, both in 1990 and again in 2000. The city's 10-point gain over this period—from 32.8 to 43.0 percent—moved it further ahead of Greater Boston's 18.8 percent foreign-born share.

Housing prices in Lawrence are rapidly appreciating yet remain relatively affordable

From 2000 to 2005, real median home prices in the City of Lawrence rose a remarkable 109 percent—nearly triple the rate of Greater Boston's 37 percent increase. Yet even with the rapid appreciation, the city's median home price of \$280,000 remains much more affordable than the \$429,000 price tag in Greater Boston.

Moreover, housing unit production is quickly rising

According to Census building permit data, Lawrence is increasing its production of housing units significantly faster than Greater Boston. The city's 65-permit annual average between 2003 and 2005 represented a 108 percent jump over the 31-permit average in the years 2000 to 2002 compared to a 55 percent increase for Greater Boston.