

## Reconnecting Massachusetts' Gateway Cities City Profile: Springfield

February, 2007

This profile provides key economic and demographic trends faced by Springfield 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](http://www.massinc.org) or [www.brookings.edu/metro/massgateways.htm](http://www.brookings.edu/metro/massgateways.htm).

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### **Springfield has lost jobs in recent years, but at a slower rate than Greater Boston**

Between 2001 and 2005 the City of Springfield lost 4,000 jobs—a 4.9 percent decrease—compared to Greater Boston's 6.0 percent, 99,000-job loss over the same timeframe. Employment trends in Springfield's surrounding towns gave the entire Springfield region (which also includes the City of Holyoke) a 4,600-job loss.

### **Since 1960, the city has lost over half its manufacturing jobs**

From 1960 to 2000, Springfield lost 68 percent of its manufacturing employment, or 16,100 jobs, while Greater Boston lost 138,000 manufacturing jobs—a 48 percent loss.

### **More recently, though, Springfield has added knowledge industry employment**

Between 2001 and 2005, the City of Springfield generated a 2.9 percent increase in knowledge industry jobs, while the Springfield region experienced a 11.8 percent decrease. This gain of 550 higher-paying jobs for the city and loss of 4,100 such jobs for the entire region compares with a 7.9 percent, 38,000-job loss in Greater Boston.

### **Furthermore, technology firms are continuing to locate there**

In 1991, there were 14 technology firms located in Springfield; by 2004, the city was home to 20 such firms according to CorpTech data. Likewise, the Springfield region added 77 tech firms, bringing its total up from 66 to 143. This significant percentage increase for Springfield and its surrounding towns—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, Springfield's per capita income growth is weak**

Springfield's real per capita income growth of 14.1 percent between 1980 and 2000 trailed 10 percentage points behind the Gateway City average of 24.7 percent and was less than a quarter of Greater Boston's 59.1 percent gain. The Springfield region fared somewhat better, with income growth of 30.9 percent, although still well short of Greater Boston's increase.

**And less than one in six adults in the city holds a bachelor's degree**

At just 15.4 percent, the share of Springfield's 25-and-older population that holds at least a bachelor's degree trails Greater Boston's 41.6 percent figure by more than 25 percentage points. Even Springfield's regional mark of 24.6 percent is just more than half of Greater Boston's attainment rate.

**Meanwhile, Springfield's population loss is slowing**

Springfield's 3.1 percent population decline in the 1990s lagged well behind Greater Boston's 4.5 percent increase, but since 2000 the tables have turned somewhat: Although not stopped, Springfield's population loss has slowed, and its 0.2 percent decline between 2000 and 2005 bettered the 1.4 percent loss in Greater Boston.

**Foreign-born residents continue to make up an increasing share of the population**

Like many of the Gateway Cities, Springfield saw its foreign-born resident share increase in the 1990s. The city's 4-point gain—from 15.5 to 19.7 percent—kept it ahead of Greater Boston's 18.8 percent foreign-born share in 2000.

**Housing prices in Springfield are rapidly appreciating yet remain relatively affordable**

From 2000 to 2005, real median home prices in the City of Springfield rose a remarkable 70 percent—almost double Greater Boston's 37 percent increase. Yet even with the rapid appreciation, the median home price of \$143,000 in Springfield 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, Springfield is increasing its production of housing units significantly faster than Greater Boston. The city's 201-permit annual average between 2003 and 2005 represented a 107 percent jump over the 97-permit average in the years 2000 to 2002 compared to a 55 percent increase for Greater Boston.