



Reconnecting Massachusetts' Gateway Cities City Profile: Worcester

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This profile provides key economic and demographic trends faced by Worcester 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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Worcester has lost jobs in recent years, but at a slower rate than Greater Boston

Between 2001 and 2005 the City of Worcester lost 3,300 jobs—a 3.3 percent loss—compared to Greater Boston's 6.0 percent, 99,000-job loss over the same timeframe. Employment growth in Worcester's surrounding towns gave the entire Worcester region a 2,400-job loss.

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

From 1960 to 2000, Worcester lost 67 percent of its manufacturing employment, or 25,400 jobs, while Greater Boston lost 138,000 manufacturing jobs—a 48 percent loss

More recently, though, Worcester has added knowledge industry employment

Between 2001 and 2005, the City of Worcester generated a 2.8 percent increase in knowledge industry jobs, while the entire Worcester region experienced a loss of 2.3 percent in such jobs. This gain for the city of 900 higher-paying jobs contrasts with the 7.9 percent, 38,000-job loss in Greater Boston.

Furthermore, technology firms are continuing to locate there

In 1991, 28 technology firms were located in the city of Worcester; by 2004, the city was home to 66 such firms according to CorpTech data. Likewise, the Worcester region added 151 tech firms, bringing its total up from 116 to 267. This significant percentage increase for Worcester 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, Worcester's per capita income growth is relatively weak

Worcester's real per capita income growth of 25.9 percent between 1980 and 2000 was ahead of the Gateway City average of 24.7 percent, but was less than half that of Greater Boston's 59.1 percent gain. The Worcester region fared somewhat better, with income growth of 43.8 percent.

One in four adults in the city holds a bachelor's degree

While Worcester's 23.3 percent college attainment rate is among the highest of all Gateway Cities, it is still only slightly more than half Greater Boston's 41.6 percent figure. Even Worcester's regional mark of 27.8 percent trails well behind Greater Boston's attainment rate.

Meanwhile, Worcester's population is growing, albeit slowly

While Worcester's 1.7 percent population growth in the 1990s lagged well behind Greater Boston's 4.5 percent increase, since 2000 the tables have turned: Worcester's growth has accelerated only slightly, but its 1.9 percent gain between 2000 and 2005 bettered the 1.4 percent loss in Greater Boston.

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

Of the Gateway Cities, Worcester had the third-highest increase in its foreign-born resident share in the 1990s. The city's 7-point gain—from 12.8 to 20.1 percent—moved it ahead of Greater Boston's 18.8 percent foreign-born share.

Housing prices in Worcester are rapidly appreciating yet remain relatively affordable

From 2000 to 2005, real median home prices in the City of Worcester rose a remarkable 79 percent—more than double Greater Boston's 37 percent increase. Yet even with the rapid appreciation, the median home price of \$242,000 in Worcester 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, Worcester is increasing its production of housing units at a rate as fast as Greater Boston. The city's 565-permit annual average between 2003 and 2005 represented a 55 percent jump over the 365-permit average in the years 2000 to 2002, equaling the 55 percent increase for Greater Boston.