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To: Arthur Blood, Brookline, MA
From: Antoniya Owens, Research Associate
Date: January 28, 2008
Re: Household income in Massachusetts, Greater Boston, and the city of Boston (1999- 2006)

This memo describes the recent trend in real median household income in Massachusetts, Greater Boston, and the city of Boston from 1999 through 2006. Over this period, real median household income in the city of Boston grew 0.1 percent versus declines of 3.9 percent in Greater Boston and 1.8 percent in the Commonwealth.

However, there was considerable variation in median incomes over this time period: The 2001 recession appears to have hit some areas harder than others, and certain New England states, including Massachusetts, are still recovering. Prior to the recession, household income grew more rapidly in the city of Boston relative to the surrounding area and the rest of the state. Yet the city also suffered a larger drop in median income during the recession compared to other areas in the Commonwealth.

Over the following two years, between 2002 and 2004, median incomes in Greater Boston and Massachusetts continued to decline, while median household income in Boston proper grew by almost 10 percent (although the city still did not reach its pre-recession peak). However, more recently these trends appear to have reversed again: Between 2004 and 2006, median household income in the city of Boston declined by 2.1 percent, whereas in the rest of the Commonwealth it grew, albeit by a barely perceptible 0.9 percent.

Real Median Household Income, 1999-2006

Year	Massachusetts	Greater Boston	Boston city
1999	61,085 *	66,747	47,934
2000	58,308	65,007	50,856
2001	59,763	68,281	51,800
2002	61,939 *	67,930	44,627
2003	58,749	64,624	46,647
2004	59,410	65,468	48,986
2005	59,059	64,103	43,957
2006	59,963	64,144	47,974
<u>Change:</u>			
1999-2001	-2.2%	2.3%	8.1%
2001-2002	3.6%	-0.5%	-13.8%
2002-2004	-4.1%	-3.6%	9.8%
2004-2006	0.9%	-2.0%	-2.1%
1999-2006	-1.8%	-3.9%	0.1%

Source:

U.S. Census Bureau, 2000 Census (1999 data) and 2000-2006 American Community Survey.

Notes:

Between 1999 and 2004, data for Greater Boston represent the Boston MA-NH primary metropolitan statistical area. This area includes all of Suffolk County, the majority of Essex, Middlesex, and Norfolk Counties, and part of Bristol, Plymouth, and Worcester Counties. Notably, it excludes the Brockton, Fitchburg-Leominster, Lawrence, and Lowell areas. For a complete town list, see <http://www.census.gov/population/estimates/metro-city/99mfips.txt>

However, due to metropolitan area redefinition, data for the Boston MA-NH PMSA is no longer tracked after 2004. For 2005 and 2006, data in the table represent the Boston-Cambridge-Quincy, MA-NH metro area instead. This area is slightly larger than the Boston MA-NH PMSA and includes all of Suffolk, Essex, Middlesex, Norfolk and Plymouth counties in Massachusetts and Rockingham and Strafford counties in New Hampshire. For a complete town list, see http://www.census.gov/population/www/estimates/metro_general/2006/List1.txt

All values are inflation adjusted to \$2006 using the CPI-U-RS.

* Indicates value is statistically significantly different at the 10 percent level from the 2006 value. Values for Greater Boston were not evaluated because of the metropolitan area redefinition in 2005 and 2006.