

Summary of
**A Demographic and Economic
Analysis of the City of Springfield**

Paul N. Foster
Regional Information Center
Pioneer Valley Planning Commission
September 2006

Purpose(s) of the Analysis

- Examine the City's various markets:
 - Labor
 - Employment
 - Real estate
- Profile Springfield's "current reality" in statistical terms
- Analyze trends leading to this current reality

Components of the Analysis

1. Analysis of the basic data:
 - Demographics
 - Economics
 - Education
 - Real estate
2. Analysis of labor supply and demand
3. Analysis of Springfield relative to peer cities
 - Peer cities are those:
 - Of a similar size with respect to population (+/- 20,000); and,
 - That are the central cities of their respective metropolitan areas.
 - Dayton, Ohio; Eugene, Oregon; Fort Lauderdale, Florida; Huntsville, Alabama; Syracuse, New York; Tallahassee, Florida; Worcester, Massachusetts.
 - Hartford, Connecticut was included for comparative purposes as a "sister city" to Springfield, though Hartford is not as large.

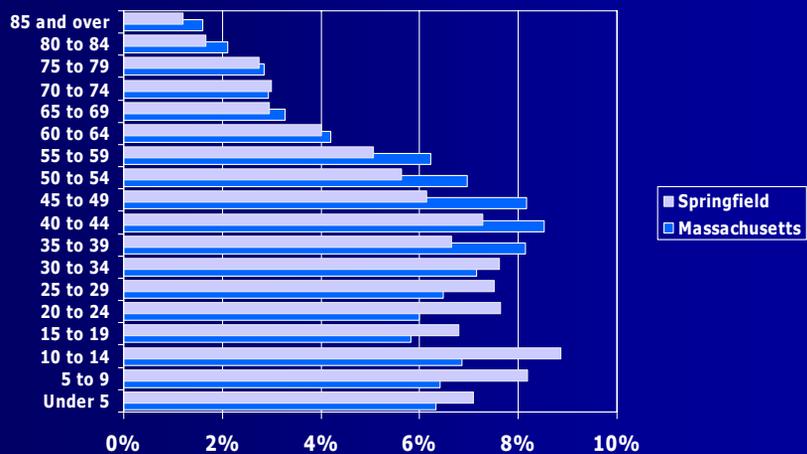
Overview of this Presentation

- Key Findings
 - Demographics
 - Education
 - Labor Supply and Demand
 - Business and Industry
 - Real Estate
 - Peer Cities Analysis
- Summary of Strengths and Weaknesses

Key Findings: Demographics

Springfield has a very young population

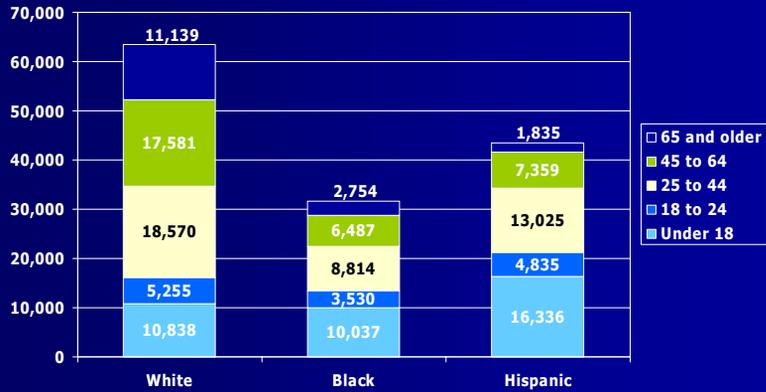
Percent of the Population by Age, 2004



Source: U.S. Census Bureau, American Community Survey.

Springfield's youth population is primarily Black and Hispanic

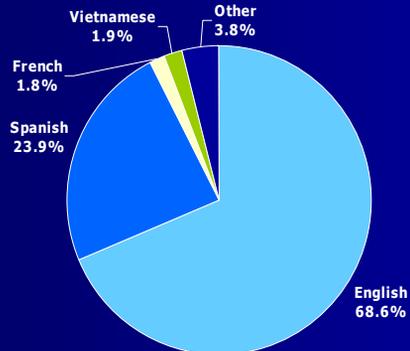
Springfield's Population by Age and Race, 2004



Source: U.S. Census Bureau, American Community Survey.

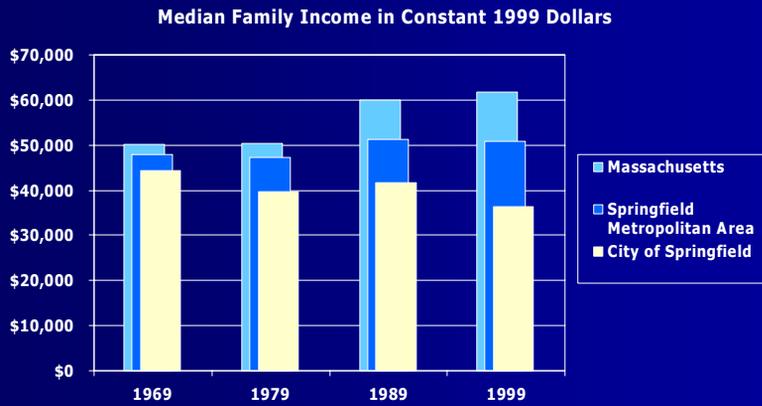
Nearly one-third of Springfield residents speak a language other than English at home

Percent of Population by Language Spoken at Home, 2004



Source: U.S. Census Bureau, American Community Survey.

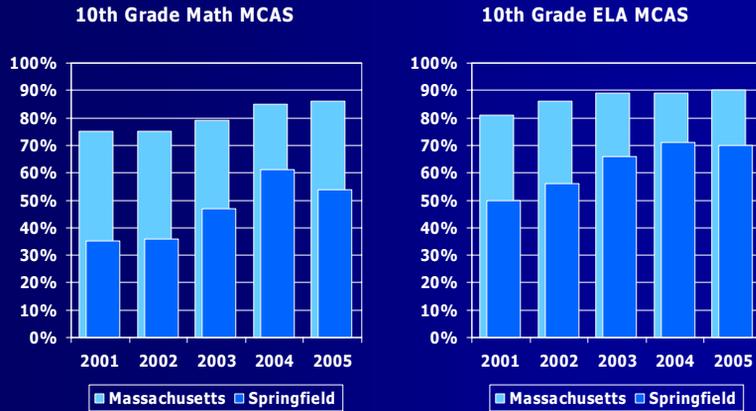
The economic fortunes of Springfield's households have been declining since the 1970s



Source: U.S. Census Bureau, 2000, 1990, 1980, and 1970 Census.

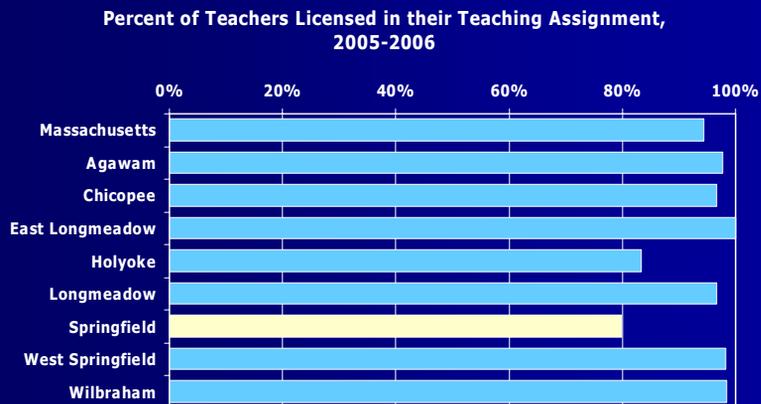
Key Findings: Education

The gap between Springfield and Massachusetts students in passing the MCAS is narrowing, but remains



Source: Massachusetts Department of Education.

Less than 80 percent of Springfield teachers were licensed in their teaching assignment in 2005-2006



Source: Massachusetts Department of Education.

The city's higher education institutions are producing graduates in some but not all key growth fields

Percent of All Degrees Awarded by Springfield Institutions in Key Economic Growth Fields, 2003-2004

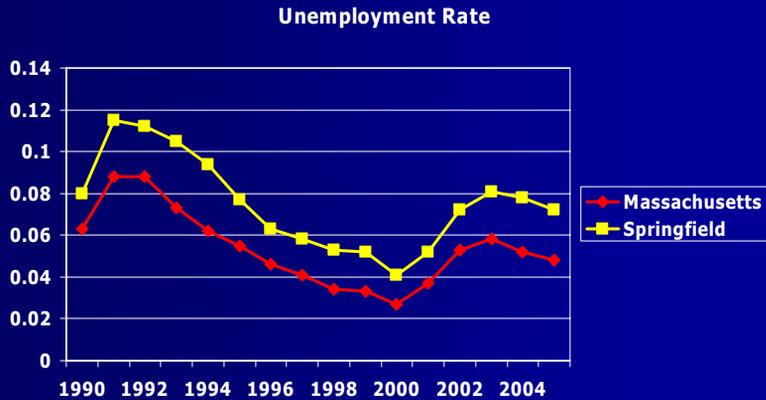
Area	Percent of AAs	Percent of BAs	Total Degrees
Biological sciences	0.5%	1.9%	41
Business	17.1%	15.6%	431
Computer and information sciences	9.0%	0.9%	81
Engineering or engineering tech.	17.3%	2.7%	177
Health professions	20.4%	7.3%	289
Mathematics	0.1%	0.8%	16
Physical sciences	0.1%	0.3%	7

Fields accounting for less than 5% of granted degrees

Source: U.S. Department of Education, Integrated Postsecondary Education Data System.

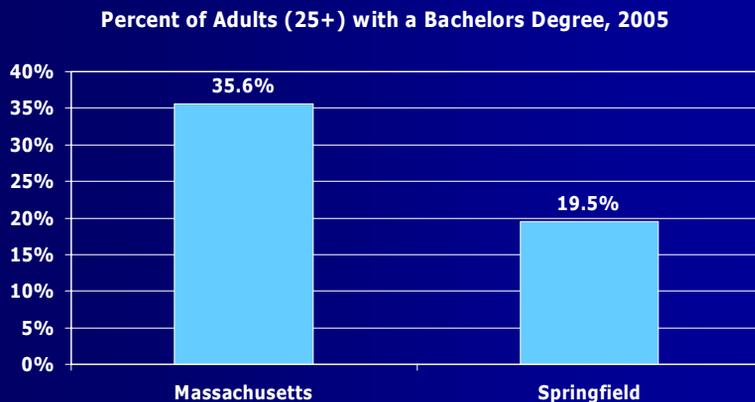
Key Findings: Labor Supply and Demand

The unemployment rate of Springfield residents is persistently higher than that Massachusetts residents as a whole



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics.

Springfield residents' level of education may limit employment options in the new economy



Source: U.S. Census Bureau, American Community Survey.

Springfield residents are concentrated in low-wage occupations relative to Hampden County residents

Concentrations of Springfield Residents

- Air transportation workers
- Supervisors, transportation and material moving workers
- Nursing, psychiatric, and home health aides
- Material moving workers except laborers and material movers, hand
- Special education teachers
- Electricians
- Building and grounds cleaning and maintenance
- Life and physical scientists
- Media and communication equipment workers
- Cashiers

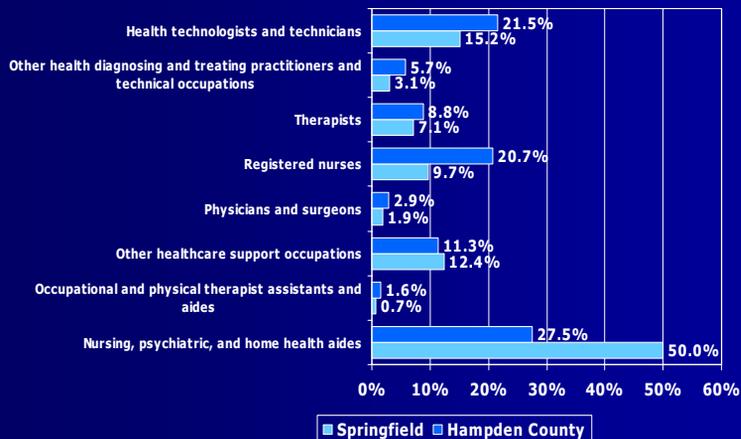
Concentrations of Hampden County Residents

- Advertising, marketing, public relations, and sales managers
- Top executives
- Motor vehicle operators except bus and truck drivers
- Librarians, curators, and archivists
- Social scientists and related workers
- Accountants and auditors
- Waiters and waitresses
- Construction trades workers except carpenters, electricians, painters, plumbers, and construction
- Financial managers
- Occupational and physical therapist assistants and aides

Source: U.S. Census Bureau, American Community Survey.

In growth sectors, Springfield residents tend to be employed in low-wage occupations: the case of health care

Percent of Health Care Workers by Occupation, 2004

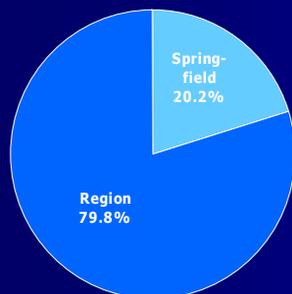


Source: U.S. Census Bureau, American Community Survey.

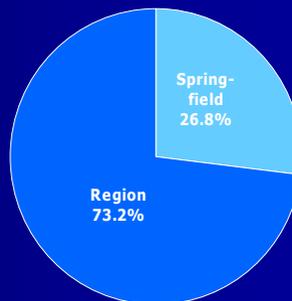
Key Findings: Business and Industry

Springfield is home to more than one-quarter of the region's jobs and one-fifth of the region's industrial land

Percent of Pioneer Valley Industrial Land that is in Springfield, 1999



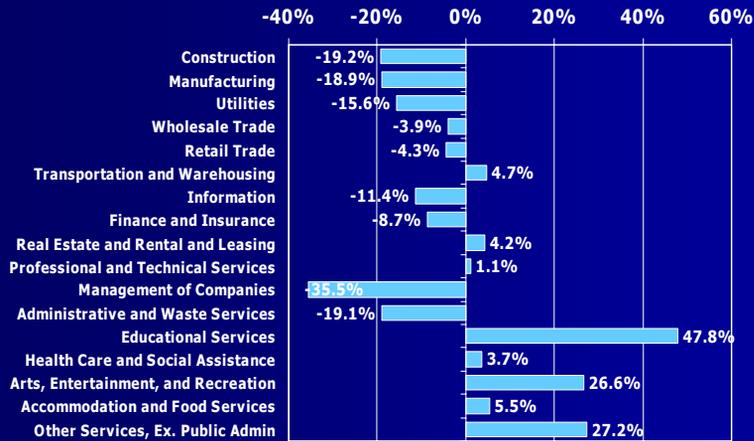
Percent of Pioneer Valley Employment that is in Springfield, 2005



Source: Massachusetts Executive Office of Environmental Affairs, Office of Geographic and Environmental Information, Land Use Summary Statistics from the Resource Mapping Project at the University of Massachusetts Amherst; Massachusetts Department of Workforce Development, Quarterly Census of Employment and Wages.

Growth industries in the city include health, education, arts, and other services

Employment Change by Industry, 2003-2004



Source: Massachusetts Department of Workforce Development, Quarterly Census of Employment and Wages.

Educational services, health care, and financial services are the city's "export" industries

Springfield's Top-10 "Export" Industries as Measured by Location Quotients at the 4-Digit NAICS Level

<i>Outpatient Care Centers</i>	4.292
<i>Emergency and Other Relief Services</i>	3.945
<i>Residential Mental Health Facilities</i>	3.683
<i>Colleges and Universities</i>	3.523
Metalworking Machinery Manufacturing	3.111
<i>Medical and Diagnostic Laboratories</i>	3.098
Beer, Wine, and Liquor Stores	3.018
<i>General Medical and Surgical Hospitals</i>	2.989
Coating, Engraving & Heat Treating Metal	2.725
<i>Other Residential Care Facilities</i>	2.715

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Massachusetts Department of Workforce Development, Quarterly Census of Employment and Wages.

Retail trade data suggests those living in Springfield are shopping outside of the city

- **Retail business sectors with lower sales in Springfield than population size would suggest:**

- Department Stores
- Furniture Stores
- Jewelry, Luggage & Leather Goods Stores
- Auto Parts, Accessories, and Tire Stores
- Sporting Goods/Musical Instrument Stores
- Gasoline Stations
- Clothing Stores
- Shoe Stores
- Office Supply, Stationery & Gift Stores
- Electronics and Appliance Stores
- Other Miscellaneous Store Retailers
- Other Motor Vehicle Dealers
- Book, Periodical, and Music Stores
- Automobile Dealers
- Home Furnishings Stores
- Other General Merchandise Stores
- Specialty Food Stores

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Massachusetts Department of Workforce Development, Quarterly Census of Employment and Wages.

There is a metal-working industry cluster in Springfield that is primarily small businesses

Industry	Number of Businesses	Employment	Employees per Business	Average Annual Wage
Fabricated metal products manufacturing	31	1,877	61	\$48,048
Industrial machinery manufacturing	4	138	35	\$60,840
Metal machinery manufacturing	12	373	31	\$42,744

Source: Massachusetts Department of Workforce Development, Quarterly Census of Employment and Wages.

Utility costs for businesses in Springfield are low relative to the Boston area

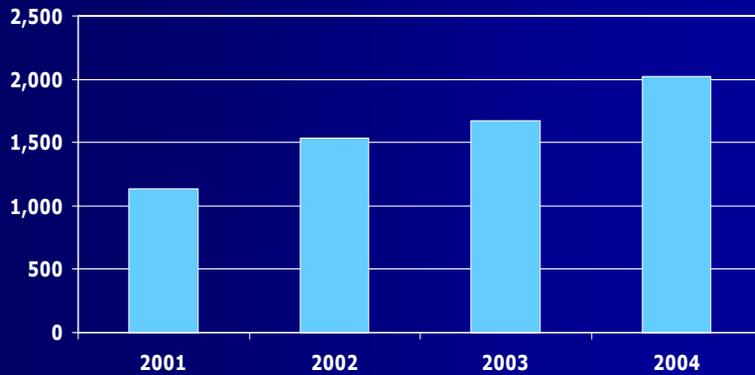
Water Rates per 100 Cubic Feet FY 2007			Default Rates for Electric Service Cents per KwH, June 2006		
	Springfield	Boston		Springfield	Boston
Residential/ Commercial	\$1.60	\$3.24	Residential	9.35	10.59
Industrial	\$0.80	\$3.24	Commercial	9.54	10.66
			Industrial	9.60	9.68

Source: Springfield Water and Sewer Commission; Boston Water and Sewer Commission; Massachusetts Department of Telecommunications and Energy, Default Service Rates.

Key Findings: Real Estate

There is abundant vacant housing in Springfield

Number of Unexplained Vacant Housing Units in Springfield

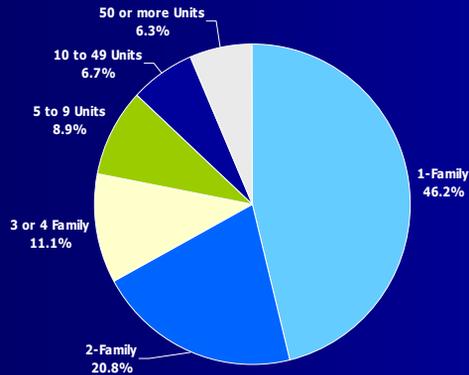


Unexplained vacant units are those that are vacant and are NOT: for sale, for rent, for seasonal use, or for migrant workers.

Source: U.S. Census Bureau, American Community Survey.

A majority of Springfield's housing stock is in multi-family buildings

Percent of Housing Units by Building Size, 2004



Source: U.S. Census Bureau, American Community Survey.

The cost of housing in Springfield is low compared to the wider region and to the nation

Median Sale Price of Single Family Homes, 2005	
Longmeadow	\$330,000
Wilbraham	\$269,500
East Longmeadow	\$230,000
Agawam	\$209,900
Ludlow	\$195,000
West Springfield	\$193,950
Holyoke	\$165,900
Chicopee	\$162,000
<i>Springfield</i>	<i>\$135,000</i>

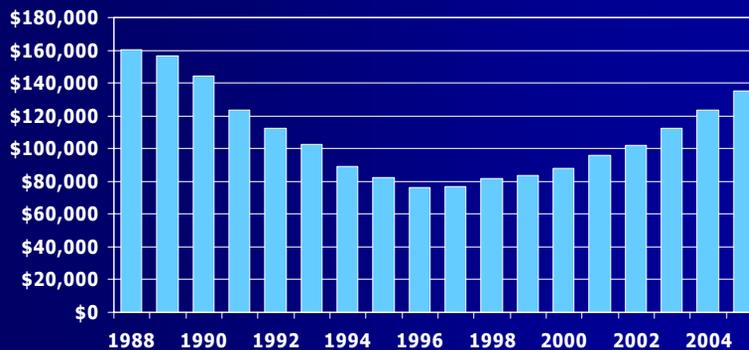
Median Sale Price of a Single Family Home by Metro Area, 2005	
Fort Lauderdale, FL region	\$370,100
Worcester, MA region	\$290,700
Hartford, CT region	\$253,300
<i>Springfield, MA region</i>	<i>\$201,800</i>
Eugene, OR region	\$197,600
Tallahassee, FL region	\$167,600
Dayton, OH region	\$119,700
Syracuse, NY region	\$110,600

Note: Regional Data Used Here

Source: The Warren Group; National Association of Realtors.

Prices are rising as Springfield's housing market is pressured by prices in the region and state

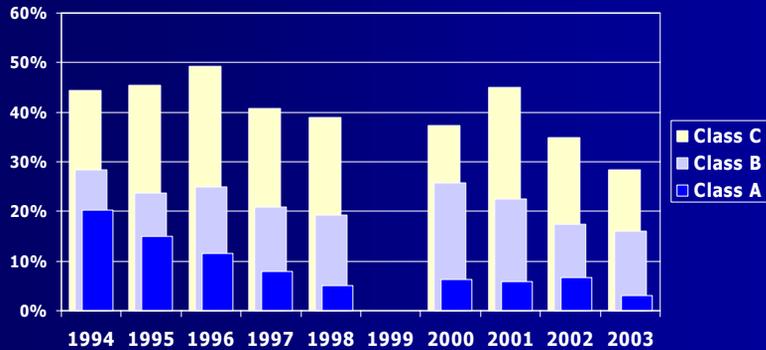
Median Price of a Single-Family Home in Springfield (in 2005 \$)



Source: The Warren Group.

Springfield has lower office space prices than the rest of the region and vacancy rates are declining for all classes

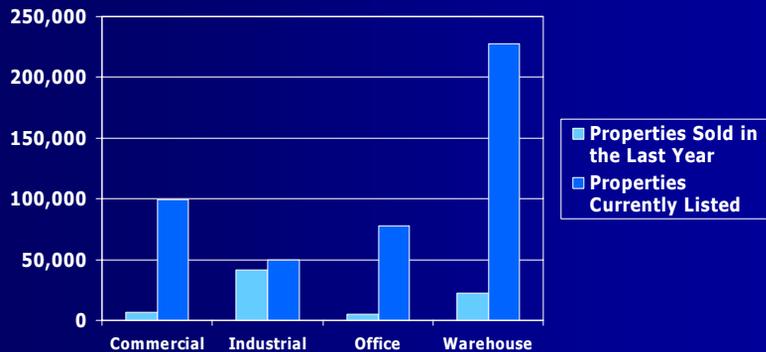
Springfield Office Space Vacancy Rates by Class



Source: Colebrook Realty Group.

Springfield's commercial and industrial real estate market is mostly moving smaller properties

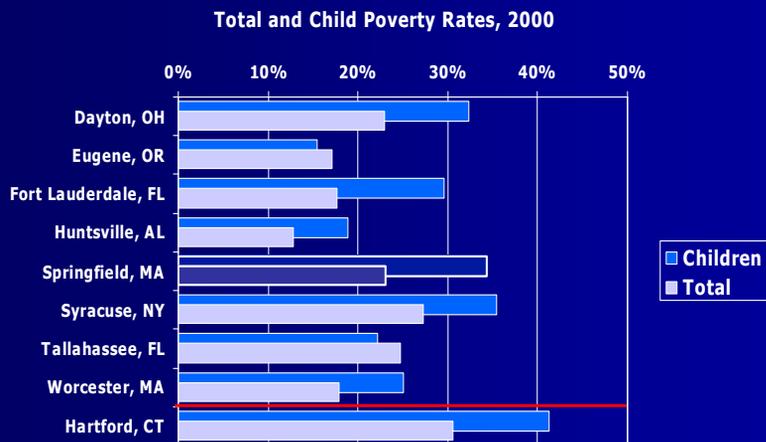
Average Square Footage of Buildings in Springfield, 2006



Source: PVPC analysis of information downloaded from www.loopnet.com.

Key Findings: Peer Cities Analysis

The percentage of residents, especially children, living in households with below poverty incomes is very high



Hartford is included not for its comparable size, but because of its status as Springfield's "sister city."

Source: U.S. Census Bureau, 2000 Census.

Springfield's homicide rate is high, but not the highest

Homicide Rate (Homicides per 100,000 People), 2004-2005



Hartford is included not for its comparable size, but because of its status as Springfield's "sister city."

Source: Federal Bureau of Investigation, Uniform Crime Reports.

The Springfield area has relatively low average annual wages, making the region competitive nationally

Average Annual Private Sector Wages by County, 2004



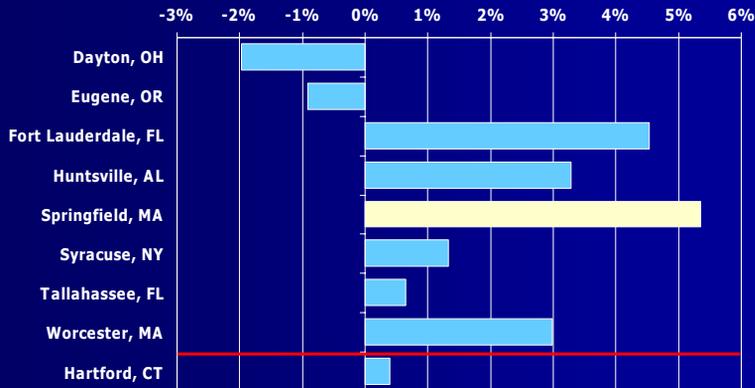
Hartford is included not for its comparable size, but because of its status as Springfield's "sister city."

Note: Regional Data Used Here

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

The Springfield area has seen dramatic establishment growth, suggesting new small businesses may be key to growth

Percent Change in Number of Business Establishments
2003 to 2004



Note: Regional Data Used Here

Hartford is included not for its comparable size, but because of its status as Springfield's "sister city."

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

Summary of Strengths

- Youthful population
- Variety of higher-education institutions
- One-quarter of regional employment
- Low annual wages relative to the state and nation
- Increasing employment in key growth industries (education and health services particularly)
- Extensive establishment growth, suggesting small business activity and entrepreneurship
- Low-cost housing with a variety of types of housing
- A rising housing market (sales and prices)
- Available capacity and low prices for office space
- Low cost for utilities relative to other parts of the state

Summary of Weaknesses

- High poverty rates and declining family incomes
- Low rates of higher educational attainment among adults
- Educational performance among Springfield students that lags behind the state
- Limited numbers of graduates from Springfield colleges with degrees in growth fields
- Violent crime rates out-of-scale with the city's size
- Concentration of residents in low-wage, low-skill occupations
- Residents and commuters shopping outside the city

Final Observations

- The strength of Springfield's businesses and institutions crosses municipal boundaries and benefits the entire region.
- Concentrated poverty among Springfield's residents creates challenges only faced within municipal boundaries.
- How can the city's strengths, which already widely benefit the region, be harnessed to better benefit Springfield's residents?

Sources of Data

- Boston Water and Sewer Commission
- Bradley International Airport
- Colebrook Realty Group, Office Space Surveys
- Federal Bureau of Investigation, Uniform Crime Reports
- InfoUSA database
- Massachusetts Department of Education
- Massachusetts Department of Revenue
- Massachusetts Department of Workforce Development, Local Area Unemployment Statistics
- Massachusetts Department of Telecommunications and Energy
- Massachusetts Department of Workforce Development, Quarterly Census of Employment and Wages
- Massachusetts Executive Office of Environmental Affairs, Office of Geographic and Environmental Information, Land Use Summary Statistics from the Resource Mapping Project at the University of Massachusetts Amherst
- National Association of Realtors
- Pioneer Valley Christian School
- Pioneer Valley Montessori School
- Pioneer Valley Planning Commission, Brownfields inventory; Pioneer Valley Planning Commission, Regional Transportation Plan
- Springfield Diocese of the Catholic Church
- Springfield Water and Sewer Commission
- The MacDuffie School
- The Warren Group, TownStats
- U.S. Bureau of Economic Analysis, Regional Economic Information System
- U.S. Bureau of Labor Statistics, 2014 Occupational Employment Projections
- U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics
- U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages
- U.S. Census Bureau, American Community Survey
- U.S. Census Bureau, Decennial Census' (1970, 1980, 1990, & 2000)
- U.S. Department of Education, Integrated Postsecondary Education Data System
- U.S. Department of Housing and Urban Development, State of the Cities Data System
- City of Worcester, Massachusetts
- www.loopnet.com