A Great Reckoning:
Healing a Growing Divide

A Summary of the
Boston Indicators Report
2009

www.bostonindicators.org
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A PROJECT OF THE BOSTON FOUNDATION AND GREATER BOSTON’S CIVIC COMMUNITY

Co-sponsored by
The City of Boston and The Metropolitan Area Planning Council

In cooperation with
Many public agencies, civic and educational institutions, research institutes, and community-based organizations

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November 2009

Cover photo by Richard Howard: Sixth Graders, Quincy Upper School
Dear Friends:

Boston is a great city because of the talents, diversity, and resilience of its people and the strength and variety of its institutions. We are a city that builds on its strong foundation and its traditions and continually renews itself with newcomers, new ideas, and new possibilities.

Despite the dramatic challenges of the last year, Boston has weathered and resisted the downward national trends better than most American cities. Our housing prices are more stable. Our unemployment and crime are lower. Our office occupancy and college-going rates are higher. Our bond rating remains high, and our neighborhoods are welcoming.

But we are not fully immune to the national trends.

When the City helped launch the Boston Indicators Project in partnership with the Boston Foundation and the Metropolitan Area Planning Council more than a decade ago, we wanted to understand not only our accomplishments but also the full array of critical challenges facing the city and region. The Indicators Report shines an important light on our unfinished collective work to ensure that all residents benefit from the full range of opportunities that our city and its many institutions provide.

We have much to build on. The City and its many partners have undertaken ambitious collaborations and initiatives on virtually all aspects of the shared agenda set forth in this report. We are expanding a seamless education pipeline to support youth from dawn to dusk and from birth through college. We are helping families gain their footing and build their skills to prosper in healthier, safer, and more livable communities. And, we are deploying our talent and capacity for innovation to grow businesses that will create new jobs while solving some of society’s most pressing challenges.

With our partners, the Boston Foundation, the Metropolitan Area Planning Council, and many other businesses, institutions, and community organizations, we will continue making progress on our shared objectives. Together, we are well-positioned to build upon our extraordinary assets to lead the nation in fostering a 21st century city of opportunity for all our residents.

Sincerely,

Thomas M. Menino
Mayor of Boston
Dear Members of the Greater Boston Community:

By any standard, this is an extraordinary time in our history. The last Boston Indicators Report, published in 2007, was prescient in its assertion that we were entering an era when “business as usual gives way to sudden disjuncture”—and that our economy and our workforce must be seen in a global context. The dramatic events of the last year have shown how sudden change can be—and how connected our economy and workforce is to the rest of the world.

But, as that report also maintained, in crisis there is opportunity. History has shown that when government, business and the nonprofit sector can align their sights on important civic goals, Americans have the capacity to adjust our society to new realities in periods of social and economic calamity—and not only achieve the resumption of a stable and growing economy, but do it in a way that widens access to upward mobility. Think of the GI Bill. Think of the Civil Rights Movement. Both emerged out of wrenching change but opened new gateways to the middle class—to the American Dream.

Widening inequality in the nation and, more starkly, here in Massachusetts and in Boston, can partly be explained by our Information Age successes. Greater Boston’s knowledge economy rewards those with a good education more handsomely and offers fewer opportunities to those without than occurs in most regions in the nation. For that reason, we must redouble our efforts to improve outcomes for all students across the entire education pipeline.

So, the American dream, especially for our inner-city families with children, is receding—and the question is: are we prepared to do anything about it? Will we rise to the challenge of healing the growing divide between the privileged and those who are left out? Or will we emerge from this crisis more divided than ever before?

Most large urban school districts in the United States see a persistent achievement gap between black and Latino students and white and Asian students. In the US today, only 18 of every 100 students entering the ninth grade are graduating from college within a reasonable time frame. Put that together with the fact that 80% of new jobs created over the next 30 years in the US will require a college degree—and that by 2020, close to half of our state’s young workforce will be of color—and you can see the perilous path we are on.

Only a campaign to widen educational opportunity has any chance of reversing these trends. So, absorb the information in this report, and be sobered by it. But pledge to create a new path—a path of sustained progress in education that will take our city and our nation in a new direction. It won’t be easy, but that is surely something worth fighting for.

In facing these challenges, we should remember that we are in one of the most dynamic, vital and successful cities in the world. With the strong partnership of the Boston Foundation with the City of Boston on many focused initiatives, and with exciting new partnerships and collaborations throughout Greater Boston and in communities across the Commonwealth, we have everything necessary to succeed.

Paul S. Grogan
President and CEO
The Boston Foundation
The Boston Indicators Project and the Boston Foundation

The Boston Foundation, Greater Boston’s community foundation—grantmaker, partner in philanthropy, key convener, and civic leader—coordinates the Boston Indicators Project in partnership with the City of Boston and the Metropolitan Area Planning Council. The Project relies on the expertise of hundreds of stakeholders gathered in multiple convenings to frame its conclusions, and draws data from the wealth of information and research generated by the region’s excellent public agencies, civic institutions, think tanks, and community based organizations. The Boston Foundation will release a biennial report, with supplemental updates and outreach, through the year 2030, Boston’s 400th anniversary.

The Boston Indicators Project offers new ways to understand Boston and its neighborhoods in a regional, national and global context. It aims to democratize access to information, foster informed public discourse, track progress on shared civic goals, and report on change in 10 sectors: Civic Vitality, Cultural Life and the Arts, the Economy, Education, the Environment, Health, Housing, Public Safety, Technology, and Transportation.

Through its interactions with the broad civic community, the Project also works to develop a shared Civic Agenda reflecting the perspectives of thousands of participants—from school children and engaged residents to academic and community-based experts to public officials and policymakers. Expressed for the first time in the 2002-2004 Indicators Report, the Emerging Civic Agenda informed the development of the John LaWare Leadership Forum, launched in 2005, which convenes Greater Boston’s business and civic leaders to focus on and respond to regional competitiveness issues. The Project also sponsors seminars to bring people together across the city and region, with an emphasis on new and emerging leaders.

The Project’s first report, The Wisdom of Our Choices, was released in 2000. The second, Creativity and Innovation: A Bridge to the Future, was released in early 2003, along with the launch of the Project’s interactive website, which received the International Tech Museum Award that year for using technology to further equality. The third report, Thinking Globally/Acting Locally: A Regional Wake-Up Call, was released in 2005, with an enhanced website. The fourth report, released in 2007, A Time Like No Other: Charting the Course of the Next Revolution, marked the 10th anniversary of the Project and won a gold medal from the Council on Foundations in the Special Reports category. All were released at Boston College Citizen Seminars, a venerable agenda-setting institution. In 2008, the Project released a special report, Boston’s Education Pipeline: A Report Card.

All Boston Indicators Project reports are available online at www.bostonindicators.org. The website provides sector highlights, indicators with data available for download, and exciting features such as the Hub of Innovation, a Cultural Resources Survey, Links & Resources and a Data Portal leading to other data-rich sites. New research from area and national sources is posted on a regular basis. In partnership with the Metropolitan Area Planning Council (MAPC), the Boston Indicators Project offers a data-rich online mapping website www.MetroBostonDataCommon.org. MAPC and the Boston Indicators Project are also now part of the Open Indicators Consortium based at the University of Massachusetts-Lowell which, with regional and state partners from across the nation, is creating an open source platform for the visualization of indicators and data.
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Havard biologist E.O. Wilson called the first decades of the 21st century a “bottleneck for humanity.” As if on cue, the year 2008 registered record energy and food prices, faster-than-anticipated climate change and then global economic collapse. An absence of real solutions to global challenges could lead to sustained scarcity, social unrest and environmental degradation.

Population Growth

Humanity quadrupled in the 20th century from 1.2 to 6 billion and the UN projects an increase to 9 billion by 2040, with almost all new growth in developing nations. Many 20th century economic giants—Japan, Europe, Russia—are shrinking as their senior populations soar, while Central, Latin and North America, including the US, are growing moderately. For the first time this year, half of the world’s people live in cities. By 2040, the world community will be challenged to meet the needs of 50% more people than were alive in 2000—requiring unprecedented levels of innovation and cooperation. Failure will exacerbate geopolitical instability, global climate change and dislocation.

Globalization

Computers and the Internet have changed the way we live, work, communicate and trade, loosened the physical basis of “workplace” and “community,” undermined local manufacturing and newspapers and supported vast global networks and hyperlinked economies such as “Chimerica.” In the wake of the downturn, as American consumers, corporations and governments reel from debt and deficits, China and India are faring better than most, which is accelerating a 500-year shift from West to East in the economic and innovative center of gravity. Creative and technically skilled workers remain in high global demand as the wellspring of problem solving and innovation.

Climate Change

Rising demand in developing nations spurred energy use, food and fuel costs to record peaks in July 2008. The late-year collapse brought prices down, slowing investment in renewable energy and oil exploration. Experts predict that a rebound will raise prices sharply. Meanwhile, climate change is occurring faster than predicted. New projections show a sea-level rise over the 21st century of about 3 feet and the Northeast coast at particular risk of erosion and flooding. Experts predict extreme weather, declining fresh water supplies and increasing ocean acidification, with declines in fish stocks and biodiversity. These trends eventually will dwarf all others.
Introduction: A Great Reckoning

The last Boston Indicators Report, published in 2007, invoked the shared character in the Chinese words for “crisis” and “opportunity.” Two years later, Boston and the nation entered a period of crisis and opportunity squared.

In the final quarter of 2008, the US economy, already in mild recession, fell off a cliff as the overpriced, overbuilt and over-leveraged housing market imploded. Sharply declining mortgage-backed securities brought banks around the world to the brink. The US GDP contracted by a record 6.3% and a subsequent pull back in consumer spending triggered steep job losses and the worst global downturn since the Great Depression. Between October and December 2008, Massachusetts lost almost 50,000 jobs.

While the Commonwealth has fared better than most states since then, the collapse revealed deep and troubling vulnerabilities and disparities:

- The US now ranks as the most unequal Western industrialized nation. Among all nations, it ranks alongside Morocco, Tunisia, Georgia and Turkmenistan on the global Gini Index of Income Inequality.
- In household inequality, Massachusetts ranked 4th among all states in 2007, and in 2008 tied with Tennessee and Florida behind New York, Connecticut, Mississippi, Louisiana, Texas and California.
- Of the 12 Massachusetts counties, Suffolk County, which includes Boston, had the highest level of income inequality in 2008.
- Of the 50 largest US cities, Boston ranked 8th in inequality after Miami, Atlanta, New Orleans, New York, Dallas, DC, and LA in 2008.

These statistics reflect both recent national policies and global trends. At the local level, they create a gash in the social and economic fabric as the accident of birth plays a more and more powerful role in the quality of daily life and in key health, education and economic outcomes.

Boston is uniquely blessed with assets that allow it to hold its destiny in its hands, even in periods of change, and to reinvent itself while transforming the world. That is not a grandiose illusion: In every century since its founding, Greater Boston has been the birthplace of a revolution—the American Revolution, America’s Industrial Revolution, the Information Age.

Today, the nation and the world face an undeniable period of crisis and opportunity—a “bottleneck for humanity” in the words of Harvard biologist E. O. Wilson—in terms of the scope and scale of global challenges. At home, the time has come for Bostonians to heal a growing economic divide in order to lead the way forward again.
Key national trends over the past four decades contributed to and reflect many of Boston’s seemingly intractable challenges. These trends changed dramatically in a relatively short time and reflect systemic policy choices. If any US region has the intellectual capacity and historical track record needed to reevaluate and redirect our nation’s course, it is Greater Boston.

EDUCATION: From the 1870s to the 1970s, the US led the world in educational attainment, but progress has stalled. Tough Choices or Tough Times, a bi-partisan commission for the National Center on Education and the Economy, found that globally, American students are falling behind in reading, math, science and college completion, and that for every 100 US 9th graders, only 18 complete an Associates or B.A. degree within six years of high school graduation. Meanwhile, 4th grade readers have made next to no progress. Bottom line: The US faces a high-skilled labor shortage while McKinsey & Company estimates that if the US had closed its gap with higher-achieving nations, US GDP in 2008 would have been up to $2.3 trillion, or 16%, higher.

HEALTH CARE: In 1970, according to the Kaiser Family Foundation, public and private US spending on health care totaled 7.2% of GDP, in line with other nations, but by 2008, costs exceeded 17% of GDP—almost double the average of other developed nations, which cover all their citizens and produce better health outcomes. Costs are projected to exceed 20% of GDP by 2018. Rising health care costs crowd out investment in the real determinants of health: education; clean environments; safe communities; access to nutritious food and exercise. Fragmented and profit-seeking, the US health care “system” is estimated by researchers at Dartmouth University to waste or harmfully spend about one-third of its annual cost: $2.4 trillion in 2008, or some $800 billion wasted.

HEALTH: In 1985, eight states had obesity rates between 10% and 14%. No state had a higher rate. Fast forward one generation to 2007, when 25 states reported rates greater than 25%, three above 30%, with only Colorado under 20%. Obesity is a risk factor for multiple preventable chronic diseases that create severe and expensive life burdens such as Type 2 diabetes and heart disease. In 2008, Massachusetts spent more than $3 billion on diabetes, and a 2008 study by the Lewin Group and American Diabetes Association estimated that in 2007, diabetes-related expenses in the US totaled more than $200 billion. However, according to the Nurses Health Study at the Harvard School of Public Health, Type 2 diabetes—
by far the most prevalent—is 91% preventable and sometimes reversible through diet, exercise and other lifestyle factors.

**ENERGY:** Despite the OPEC oil embargo and ensuing price shocks, Americans “lived large” while most developed nations invested in renewable energy and fuel-efficient homes, vehicles and appliances. From 1975 to 2005, per capita US energy consumption increased by 40% and US dependence on foreign energy increased from 35% to 60%, (due in part to fuel-efficiency standards passed by Congress in 1975—with exemptions for SUVs—that did not increase until 2007). And home sizes grew. In the Bay State, the average house size was 1,572 square feet in 1970 and 2,700 square feet in 2008. On a per capita basis, Americans today consume 25% of global energy while representing less than 5% of the world’s population.

**INCARCERATION:** With 2.3 million people behind bars in 2006, the US, with less than 5% of the world’s population, accounted for 25% of the world’s prisoners at six times the average of other wealthy industrialized nations, and at an estimated annual cost of $24,000 per prisoner. According to the Center for Economic and Policy Research the US incarceration rate rose sharply from 1973 to 1980, then more than tripled through 2005, with nonviolent drug offenses rising from 8% in 1980 to 25%. African American men are incarcerated at 8 times the rate of white men.

**INFRASTRUCTURE:** The American Society of Civil Engineers Report Card on the state of the nation’s infrastructure in 2008, gave the US an overall grade of D, down from a C two decades ago, accompanied by a unmet bill of $2.2 trillion: Aviation, D; Bridges, C; Dams, D; Drinking Water, D-; Energy, D+; Household Waste, D; Inland Waterways, D-; Levees, D; Public Parks and Recreation, C+; Rail, C-; Roads, D-; Schools, D; Solid Waste, C+; Transit, D; Wastewater, D-.

**DEBT:** The US economy depends 70% on consumer spending—fueled by credit, debt and record-low savings—creating a huge bubble that recently burst. A March 2006 MarketWatch synopsis of the Fed’s Quarterly Flow of Funds report showed clear warning signs of the current crisis. US households took on debt at the fastest pace in 20 years in 2005, fueled by a housing boom that boosted their net worth to a record $52.1 trillion while net savings fell below 1% of GDP for the first time on record. Personal savings fell by $33.9 billion, the first decline since the Fed began tracking the data in 1946. By contrast, as recently as 1998, net savings were 6.5% of GDP. Total debt increased to a record $26.4 trillion, the biggest increase since 1986. Corporate borrowing increased 7.8% to $8.4 trillion, the biggest increase since 2000.
The first Boston Indicators report, *The Wisdom of Our Choices: Indicators of Change, Progress and Sustainability*, was released in the fall of 2000 at the height of the dot.com high-tech boom that had propelled Boston to world-class status. The report chronicled the city’s recent rise but warned of the two-tiered effect of the knowledge economy, which favored those with a good education while leaving the educationally disadvantaged further behind—a “tale of two cities.”

**Innovation and Creativity: A Bridge to the Future**, released in early 2003 into a deepening high-tech bust and post 9/11 recession, identified Boston’s assets as a “three-legged stool:” institutional and physical infrastructure; the culture and practice of innovation; and a highly-skilled and creative workforce, the weakening leg of the stool. From 1995 to 2000, among 12 US metropolitan areas, Metro Boston had gained only 2.2% single college-educated residents—some 4,736 compared with San Francisco’s 49,468—with Atlanta at 28%, Denver at 26%, Phoenix at 25% and Seattle at 20%. New York, Chicago, LA and DC all outranked Metro Boston in the percentage gain. The report identified high housing costs and other factors as obstacles to talent retention. Meanwhile, Boston and the Commonwealth were failing to educate homegrown talent, the cohort most likely to make Metro Boston their permanent home, to rising 21st century standards.

**Thinking Locally, Acting Globally: A Regional Wake Up Call** was released in mid-2005 following the sale or merger of many of Boston’s largest, oldest and most iconic companies. The report highlighted intensifying regional and global competition for high-tech jobs and talent that threatened to erode the region’s prospects, particularly in combination with long unmet local challenges, including the lack of “the collaborative gene.” That report contained, for the first time, “An Emerging Civic Agenda” in four key areas: An Inclusive, Dynamic, Effective Civic Culture; 21st Century Human Capital; 21st Century Jobs and Economic Strategies; and 21st Century Infrastructure, based on a confluence of local research and stakeholder priorities.

**A Time Like No Other: Charting the Course of the Next Revolution**, released in mid-2007, noted a set of intensifying global forces buffeting Boston: global population growth; technological innovation; economic globalization; and global climate change. It listed seven “Crisis/Opportunity” pairs, reframing Boston’s challenges as its greatest potential for growth and leadership: Skilled Labor Shortage/Talent Imperative; Uneven Job Growth/Business Expansion; Income Inequality/Expanding Opportunity; Racial/Ethnic Isolation/Global Connectivity; Health Care Behemoth/Cost-Effective Health; Higher Cost of Living/Smarter Growth; Energy Dependence/Green Innovation. It also provided a progress report on the Emerging Civic Agenda.
Trickle Down Demographics

While the US was running up three decades of “What Were We Thinking?” trends, the rest of the world was changing at a rate unprecedented in human history.

Over the course of the 20th century, humanity expanded from 1.6 to six billion people, with most of the growth in Asia and Africa. Today, the emerging economies of China, India and Brazil are moving to center stage; populations in Asia, the Middle East and Africa continue to grow much more rapidly than those in the West; and the economic giants of the last century—Europe, Russia and Japan—are shrinking in size as their workforces age.

But for an influx of immigrants from developing nations over the past four decades, the US, too, would be shrinking. Instead, the Census Bureau projects an increase from 300 to 400 million residents by 2040—with major demographic milestones along the way:

- By 2023, half of the nation’s children will be of color.
- By 2042, the US is projected to be “majority minority.”
- By 2050, one in three Americans will be of Hispanic ancestry.

Projected growth in the proportion of people of color in the US coincides with the aging of the Baby Boomers, the largest generation in US history:

- In 2008, the eldest Baby Boomer reached the age of 62, the average age of retirement in the US; in 2030, the youngest Boomer will turn 65 and the eldest 84, completing the exit of this massive, relatively well-educated generation from the US workforce.
- The Nellie Mae Foundation projects that just 11 years from now, in 2020, 48% of Massachusetts’ young workforce will be of color.

Boston, a gateway city, already reflects these trends:

- In 1950, 5% of all Bostonians were of color. By 2000, Boston was a “majority minority” city and almost one in three of its residents was foreign-born.
- By 2007, 75% of children in Boston were of color, and in half of the homes containing a child, a language other than English was spoken.
- By the fall of 2008, 86% of students enrolled in the Boston Public Schools were of color and for the first time, Latinos outnumbered African Americans.
- The only age cohort in Boston (and Massachusetts) projected to increase between the years 2010 and 2030 is residents over 55.
Boston—like most older cities—lost young families to the suburbs as soldiers returned from World War II with GI Bill-backed subsidies for college and a home mortgage. African American soldiers, however, were prevented from buying suburban homes or upgrading urban housing by discriminatory practices such as restrictive covenants, racial steering, redlining, blockbusting and neighborhood disinvestment.

Each method further concentrated African Americans and other minorities in urban neighborhoods in the industrial North where many sought opportunity in factories after the war—just as older cities were losing their tax base to the suburbs and their industrial base to the American South or overseas. As the suburban exodus continued and factories closed, remaining residents saw fewer services and neighborhoods suffered increasing vacancies and blight.

In Boston in the 1970s, these trends were exacerbated by white flight in response to the desegregation of the Boston Public Schools.

The nation’s third great wave of immigration followed the loosening of immigration restrictions in 1965 and gave new life to many urban neighborhoods. With their affordable housing and vacant commercial buildings, these communities offered opportunities to gain an economic foothold, but were also characterized by underperforming schools, higher crime rates and fewer jobs.

Today, less well educated native-born residents of color and foreign-born immigrants of color are highly concentrated—some would say segregated—in Greater Boston’s “gateway” cities and inner city neighborhoods. Nevertheless, through decades of hard work by residents and community-based organizations, as well as reinvestment by government, banks and foundations, many formerly blighted urban neighborhoods were beginning to emerge as 21st century melting pots with growing business districts, new and renovated housing, state-of-the-art health and youth centers, new schools, well maintained parks and thriving community gardens.

These same neighborhoods—in Boston and elsewhere—were targets of predatory high-interest sub-prime lending and, in the downturn, are ground zero for foreclosure, lost life savings and severe household distress, exacerbating historic disparities.
Greater Boston’s businesses, government agencies and organizations will soon rely on a much more diverse younger generation for talent, skills and leadership. What this means is that in Boston, the Commonwealth and the nation, every child must be seen as a scarce and precious resource and all children educated to high global standards.

When viewing demographic change against the backdrop of current trends in education, housing and health, however, it is clear that progress must accelerate if Greater Boston is to prepare its children for the challenges of a fast-changing world.

Global demand for highly skilled and educated workers is increasing, and educational attainment locally and in the US is not keeping up, producing a mismatch of available jobs and workforce skills.

While the recession masks this mismatch, the most recent employment peak accentuated it. In Greater Boston at the height of the job peak in mid-2008, the regional economy experienced a significant mismatch between the skills required for open jobs and the educational levels of available workers: 52% of unfilled jobs required at least an Associates Degree.

Even in the downturn, a scramble for high-skilled workers continues unabated, as evidenced by the American Chamber of Commerce’s support for increasing the limit of H1(B) visas designed to bring in high-skilled foreign workers.

Newcomer immigrants and children of color represent the population growth tip in Boston, Greater Boston, Massachusetts and the nation. The challenge is clear. In most schools—in Boston as elsewhere—African American and Latino children, on average, lag their white and Asian counterparts in educational attainment, just as American students as a whole lag their counterparts in Europe and Asia.

Moreover, in Boston and the region, newcomer immigrants represent among the most and least well-educated residents:

- In Boston, about 30% hold a B.A. or advanced degree.
- More than 40% of new businesses in the region were started by immigrants, including many in the high tech sectors.
- At the other end of the spectrum, in Boston, 29% of immigrants have not completed high school, and many newcomer parents and workers are linguistically isolated and unable to advance in the region’s knowledge economy. For example, English Language Learners (ELL students) face among the highest hurdles to academic success.

As a result of both historical and recent trends, large percentages of the very groups on which the region’s future economic competitiveness and leadership depend are caught in a Catch 22 of high hurdles and disparate outcomes in health, education, employment and the other keys to advancement. As a result, if current trends persist, they will be unable to contribute their full potential during the critical coming decades.
The link in the US between economic advantage and outcomes in health and education is tightening:

- An American child residing in a household in the upper 20% of income is six times more likely to complete a college education than a child in the bottom 20%.

- With the loss of good manufacturing jobs, the difference in lifetime earnings between a person with a high school diploma and a college degree is now estimated at more than $1 million.

- The difference in net worth between the least and most wealthy 10% of US households headed by a person under 30 was almost $700,000 in 2007, with the bottom six deciles—60%—in flat to negative territory.

Researchers Thomas Piketty of Princeton and Emmanuel Saez of the Paris School of Economics found that between 1972 and 2006, the portion of income earned by the wealthiest 10% of Americans increased by 50% but doubled for the top 1%, quadrupled for the top tenth of 1% and expanded seven times for the top one-hundredth of one percent. Over the same period, median wages, adjusted for inflation, were largely static despite significant productivity gains, in part because rising health care costs absorbed potential wage increases.

The sum of these trends is that the US today is the most unequal among wealthy developed nations, while Boston and Massachusetts are in the top 10 among their counterparts as measured by the broadly accepted Gini Index. According to Harvard Business School professor Michael Porter, recent economic trends have “hollowed out middle-income jobs and erased rungs on the ladder of opportunity.”

In Boston in 2008, the top 20% of earners received 55% of all annual income compared to 2% for the bottom 20% of earners. Moreover, more than 40% of white families had incomes greater than $100,000 and 12% had incomes less than $25,000. In mirrored contrast, among African American, Asian and Latino families, about 40% had annual incomes below $25,000 while just 10% to 18% had incomes above $100,000. Tragically, the foreclosure crisis and recession are disproportionately harming those neighborhoods and groups that can least bear further economic dislocation.

A silver lining in the current crisis is that layers of distraction are being peeled away. Awareness is now building of the high degree of inequality with which we now live, and its threat not only to American ideals of fairness and opportunity but, potentially, to economic and social stability. The challenge now is to respond with a sense of urgency and to take proven solutions to scale—even in this period of scarce resources.
A round the world, education is both means and end, the key to economic advancement, health, family and community planning and innovation. It is especially crucial now, as young people come of age in the face of global climate change, massive urbanization, the challenge to create peace out of conflict and the race to sustain the Earth as human demands intensify.

Boston offers a microcosm of the nation’s greatest human capital challenges. Almost uniquely, Boston is also characterized by a culture of innovation, an unparalleled concentration of colleges and universities, leading-edge public schools, and a track record of commitment to eliminating disparities in health and education. In that context, Boston is already a learning laboratory and a showcase for solutions to the world’s single greatest challenge in its toughest century: educational excellence for all.

In Boston, we have learned the importance of the following to improving education outcomes across the pipeline:

- Early nurturing and early education to support physical, cognitive and emotional development;
- Reading proficiency to enable children to “read to learn” and engage in independent learning and problem solving;
- School autonomy to boost accountability and innovation;
- Teacher quality;
- Extended length of the school day and year;
- Quality out-of-school time;
- The arts and arts education;
- Healthy lifestyles—diet and fitness;
- Staying in school to avoid the severe risks of dropping out, from teen pregnancy and incarceration to a lifetime of low earnings—the seeds of intergenerational poverty;
- Bridging high school graduation and college completion to address a constellation of potential obstacles—from low expectations to financial hurdles;
- Parental literacy and educational attainment to lift both child and family outcomes.

A high quality education for all is now an imperative.

If not now, when? If not here, where? If not us, who?
TOUGH TIMES AND TRANSFORMATION IN BOSTON

1845 – 1855 “Hungry Europe” Comes to Boston
In *Boston’s Immigrants* Oscar Handlin describes Boston as a self-satisfied and homogeneous city overwhelmed by “friendless and penniless” Irish immigrants—50,000 by 1855—who settled in “a perfect hive of human beings, without comforts, in many cases felled by wave after wave of disease—smallpox, tuberculosis, cholera—no other nationality depended so heavily on unskilled work and many lived on the brink of starvation calling upon charity when discarded by the overstocked labor market...” However, they gradually made their way, and their descendents dominated Boston politics for most of the 20th century, beginning in 1906, when John Francis Fitzgerald, “Honey Fitz,” grandfather of President John F. Kennedy and Senator Edward Kennedy, was elected mayor of Boston.

1915 – 1960 Wars, Flu, a Long Recession and the Great Depression
In the early 20th century, the expanding textile, shoe and leather industries made Boston “the industrial metropolis of the region, the factory planet around which satellite mill cities moved,” according to historian Sam Bass Warner. Abrupt change struck in 1918, toward the end of World War I when, in less than 6 months, the Spanish Flu killed 695,000 Americans, with Boston once registering 202 deaths in a single day. In 1921, a price collapse led Boston’s major industries to seek cheaper labor to the South and sparked a long recession deepened by the crash of 1929. After WW II, many returning soldiers departed with young families for homes in new suburbs while African Americans arrived from the South with soon-dashed hopes of economic opportunity. Boston began to thrive again in the 1960s, following a series of Boston College Citizen Seminars that set the agenda for a “New Boston” of high tech innovation and financial services.

The 1973 oil embargo by OPEC triggered an oil price shock and stock market crash. In 1974 in Boston, school desegregation and court-ordered busing led to a violent backlash, white flight, disinvestment and a wave of arson that eroded the tax base and nearly bankrupted the City. However, public policy in the ‘70s and early ‘80s and a spate of new nonprofits, including CDCs and health centers, established a platform for growth. Boston emerged as one of the most successful US cities following a wave of immigration, city building, environmental upgrades, a high tech revolution and economic diversification.

Boston was just putting the finishing touches on 50 years of planning and city building when the 2008 recession hit, dampening momentum on major projects such as Harvard University’s redevelopment of a major section of Allston-Brighton, and with foreclosures mounting, undermining years of work to revitalize inner-city neighborhoods and business districts. However, completion of the Big Dig, the Rose Kennedy Greenway and long-planned developments throughout the city—from schools to parks and housing—along with tight management and the Stimulus Bill, positioned Boston to weather the storm.

Celebration

The Rose Kennedy Greenway: The new Greenway on the old Big Dig—with pocket parks from Chinatown to North Station—officially opened in 2008. The City of Boston, abutters and the Turnpike Authority defined the role, responsibilities and structure of the Greenway Conservancy, which will manage the space as outlined in new legislation.

Mattapan’s New Branch Library: Green in design, color and spirit, the new library, designed by William Rawn Associates, opened its doors to neighborly enthusiasm and architectural acclaim. The 21,000-square-foot $16.7 million building is the first new public library in Mattapan since 1932 and the most technologically advanced of any in the system. Overall, the Boston Public Library reported a 30% increase in library cards distributed in 2008.

Record Participation in the 2008 Election: Boston voter participation in the presidential election of 2008 beat all records since the 1960 election of John F. Kennedy, with spectacularly improved rates in the City’s predominantly “minority” traditionally low-voting precincts.

Hub of the Universe: The City of Boston launched a high-tech viral marketing campaign, Boston World Partnerships, with well-placed volunteer “connectors” talking up Boston as a world center of ideas and innovation. Boston also fulfilled its historic role through a major international conference on global warming, piggybacked Greenbuild and Build Boston conferences, and a global trade conference organized by MassInsight, among many others.

Healthier Bostonians: Boston’s Public Health Commission banned trans fats in Boston restaurants and bakeries, aligning City policy with research from Harvard’s School of Public Health showing that trans fats elevate the risk of precursors to diabetes and heart disease.

Better Boston Beaches: Building on decades of Boston Harbor improvements, the Massachusetts Legislature convened the Metropolitan Beaches Commission in 2006, which issued its first report “Beaches We Can Be Proud Of” in 2007. Today, Boston’s beaches are cleaner than ever and sport a host of activities.
More Fun at the “Greener” Boston Children’s Museum: An award-winning renovation and landscape plan for the waterfront Boston Children’s Museum expanded offerings while adhering to strict “green” building standards.

Camp Harbor View: Developed on a fast track in 2007 by the City of Boston, business leaders and the Boys & Girls Clubs of Boston, the new waterfront camp enables 600 children ages 11 to 14 from at-risk neighborhoods to enjoy a true summer camp experience.

The Strand Theater: With new management and a $6 million City-funded renovation, the 1918 1,400-seat former vaudeville theater and movie house opened to a full season of programming.

Olmsted Green: Boston’s newest and greenest residential community, in Mattapan, opened its first phase in the fall of 2008. It will cover 42 acres of the lush and long-vacant former Boston State Hospital grounds adjacent to the Massachusetts Audubon Society’s Boston Nature Center and Wildlife Sanctuary.

Healthworks at Codman: A partnership between the Codman Square Health Center and Healthworks, a network of upscale women’s health clubs, offers low fees and no cost patient prescriptions.

Nonprofit Mergers: The economic downturn has spurred greater efficiency and collaboration among groups with similar missions. Recent mergers include the Family Nurturing Center with Dorchester CARES, the Arts and Business Council of Greater Boston with the Volunteer Lawyers for the Arts, and Consilio Hispano with Centro Latino de Chelsea.

Loss

Youth Homicides: Youth homicides increased by 16% from 2000 to 2007—prompting agony on the part of families and friends and deep concern by the community at large.

Job and Home Loss: The economic recession at the end of 2008 resulted in the loss of 83,000 jobs statewide—44,000 in Greater Boston—between the last peak in June and December, as well as 1,215 foreclosed homes in 2008.

School Dropouts: Despite great effort, the percentage of students dropping out of the Boston Public Schools remains static at about 20% over four years, with the highest rates among young men of color, resulting in lost potential, lost future earnings—and heightened risk of incarceration.

Savings, Endowments and Shortfalls: Like all Americans, Bostonians’ invested savings declined sharply in the downturn but Boston was hit doubly hard by the impact of the Madoff scandal on major local philanthropists, with reverberations across the nonprofit sector.

Primary Care Workers: A perverse result of Massachusetts’ universal health care mandate was the loss of primary care providers who cared for the most vulnerable members of the community at Boston Medical Center, East Boston Community Health Center and the Cambridge Health Alliance due to reduced budgets—even as the overall cost of health care rose.
Promise

**Thrive in 5:** The City of Boston, United Way of Massachusetts Bay and Merrimack Valley and other partners announced a sweeping 10-year $3.25 million initiative aimed at promoting the healthy development and school readiness of Boston’s youngest children.

**Boston Kroc Center:** Thanks to the Salvation Army, Sovereign Bank New England and many donors, a long-wished-for youth and community center will soon rise on Dudley Street. The 90,000 square foot educational, athletic and job training facility will offer education, job training, arts and fitness opportunities. The center is one of 30 nationwide funded by the late Joan Kroc and the only one in New England.

**The Fairmount/Indigo Line:** Renovation of the old MBTA line running from South Station through nine miles of heavily populated and historically underserved sections of Dorchester and Mattapan to Hyde Park, began with the rehabilitation of bridges, tracks, signal systems and stations. CDCs in the area are creating a pipeline of 1,500 housing units, 780,000 square feet of commercial space and 1,365 jobs—many of them green through a new Green Jobs Center—as well as plans for a 6-mile network of open spaces.

**StreetSafe Boston:** A bold $26 million multiyear initiative to reduce violent crime among Boston youth was announced in December of 2008 by the Boston Foundation, Mayor Thomas M. Menino, the Boston Police Department and a partnership of donors and leaders from the private and public sectors. The goal is to dramatically reduce youth violent crime in violence-plagued neighborhoods in the next five years.

**Major New Civic and Cultural Facilities:** If all goes as planned, the Rose Kennedy Greenway will one day be the site for a History Museum, Public Market and Harbor Islands Pavilion, among other amenities envisioned for the new linear park.

**Washington-Beech Hope VI:** In 2008, the Boston Housing Authority was awarded a highly competitive federal Hope VI grant to renovate Roslindale’s 60-year-old public housing development. The 266-unit development will be demolished and 139 new public housing units built along with 126 affordable rental units and 71 affordable homes for purchase.

**The Urban Ring:** The long-envisioned circumferential connector in and around Boston’s hub-and-spoke transportation core completed an important milestone in a set of ridership and environmental studies that demonstrated its cost-effectiveness. Ultimately, it will connect major nodes such as UMass-Boston and the Longwood Medical Area to Cambridge and beyond.

**Downtown Crossing Revitalization:** With 2,500 residents and 100,000 people traveling through it daily, Downtown Crossing is a walkable retail and historic hub of old Boston, but the sale, demolition and incomplete construction on the former site of Filene’s left the area with a gaping hole. The BRA is developing a revitalization plan for the whole area.
Introduction to the Sector Highlights

What follows are highlights from the 10 sectors for which the Boston Indicators Project tracks change and progress. Together they paint a comprehensive picture of how long-term and recent trends are affecting the quality of life for all Bostonians in a regional context.

When possible, the Sector Highlights utilize sub-municipal data to convey conditions in Boston’s neighborhoods within the context of city, state, regional, and sometimes national data.

The Boston Indicators Project is currently working with its partners the Metropolitan Area Planning Council, the University of Massachusetts Lowell and teams from around the nation to develop cutting-edge data visualization tools. These new tools will transform our capacity, and that of our community, to analyze and display fine-grained local data within the context of regional and national trends.

Our next report will showcase this new capacity. For a preview, visit www.MetroBostonDataCommon.org
The civic vitality of Boston—the organizational infrastructure, civic engagement and trusting relationships that underpin a vibrant, open and informed city—has strengthened in some areas while declining in others. Voter participation and library usage increased—especially in traditionally underserved neighborhoods—and Bostonians logged more volunteer hours. However, as new technologies combine with the downturn to threaten the viability of major daily newspapers, the region faces the potential loss of civic glue.

**Electoral Participation**

The historic election of the nation’s first African American President, Barack Obama, along with the recent elections of Massachusetts’ first African American Governor, Deval Patrick, and first female Attorney General, Martha Coakley, as well as Boston’s first Asian City Councilor, Sam Yoon, spurred the largest increase in electoral engagement in Boston since the 1960s. However, significant gaps in participation remain.

**Voter Registration**

**Citywide:** Between 2000 and 2008, the total number of registered voters in Boston increased by nearly 14%. According to MassVOTE, 56,979 Bostonians registered to vote for the first time between January 1, 2008 and the Massachusetts voter registration deadline of October 15th, 2008, amounting to 197 new registrations per day.

**Boston’s Neighborhoods:** Between 2000 and 2008, the greatest percentage increase in registered voters occurred in Chinatown (56%), Jamaica Plain/Roxbury (35%), Mission Hill (31%), the South End (27%), Grove Hall/Dudley (27%), Uphams Corner (23%) and Mattapan/Franklin Field (20%).

**By Race & Ethnicity:** Since 2000, Boston’s predominantly Asian precincts saw a 44% increase in voter registration—the highest of all racial and ethnic groups. Predominantly Latino precincts saw a 29% increase. And predominantly African American precincts saw a 22% increase. Precincts with a predominantly white population experienced just a 3.2% increase in voter registration, but have also had an historically higher rate of voter registration.
Voter Turnout

Citywide: In November of 2008, 234,514 Bostonians—81% of registered voters and 39% of the total population—turned out to vote in the presidential election, amounting to a 14% increase over the 2004 presidential election and a 24% increase over 2000. According to MassVOTE, this election drew the highest turnout in Boston since that of John F. Kennedy in 1960, when 42% of all Bostonians voted.

Boston Neighborhoods: Jamaica Plain (82%), West Roxbury (81%), Back Bay/Beacon Hill (81%) and Roslindale (77%) had the highest rates of turnout among registered voters. However, neighborhoods with the greatest increase over the 2000 election were Uphams Corner (26%), Grove Hall/Dudley (21%), Fields Corner (20%), and Mattapan/Franklin Field (18%).

By Race & Ethnicity: Boston’s predominantly white precincts had the highest turnout rate (85%). Turnout in Boston’s predominantly African American precincts was 82%—up 19% over 2000. Turnout in predominantly Latino precincts increased 17% to 79% and predominantly Asian precincts 4% to 70%.

Access to Information

Library Circulation

Book circulation increased by 8% during the Boston Public Library’s (BPL) 2008 Fiscal Year, when compared to the previous year, with a total circulation of 3,116,540 books. The fastest growing branches were in neighborhoods with high concentrations of children and families. The branches with the greatest increase in circulation were Dorchester Lower Mills (28%), the South End (26%), Grove Hall 26%, Mattapan (25%), Egleston Square (24%) and Orient Heights (23%). With a total circulation of 62,352, the BPL’s “virtual” library of newspapers, scholarly journals and electronic books had a circulation increase of 50% in FY 2008. Circulation through March 2009 shows this trend continuing through the economic downturn, with circulation up 9% in all neighborhood branches and up 56% in Fields Corner. The new branch library in Mattapan is also attracting a large new constituency, with a circulation of nearly 8,500 in its inaugural month of March 2009.

Local News Outlets

Declining circulation continues to threaten the city’s largest newspaper. The Boston Globe’s daily circulation was down 36% and its Sunday circulation was down 38% between March 1998 and March 2009. The Boston Herald’s daily circulation was down 18% and its Sunday circulation was down 13% from September 2006 to September 2008. Boston ranked 6th among US media markets in Integrated Newspaper Audience, with 85% of adults reading either a print or online newspaper in March 2009, according to Scarborough Research. However, due to declining circulation, The Boston Globe was cited in early 2009 as the nation’s 5th most endangered newspaper.
Neighborly Trust and Volunteerism

According to the Boston Public Health Commission, 81% of Bostonians surveyed in 2008 felt that residents are willing to help their neighbors and at least 70% of residents felt this level of trust in their own neighbors. The North End (94%), South Boston (93%) and Charlestown (91%) had the highest rates of neighborly trust while Roxbury (74%), North Dorchester (73%), and Mattapan (70%) had the lowest.

Volunteers in Greater Boston logged a total of 109,338 hours of service in 2007 and 2008, according to Boston Cares, the largest and broadest coordinator of volunteer activities in Greater Boston. In 2008, volunteers contributed 60,679 volunteer hours—a 125% increase over 2007 and a 212% increase since 2004.
Boston’s artistic and cultural vibrancy continues to grow: there are more opportunities for children and families to engage in the arts citywide and visitors flock to the region. However, the increasing number of nonprofit arts organizations coupled with sharply declining funding for the arts due to state budget shortfalls deeply threatens the strength and solvency of Boston’s cultural sector.

Equitable Access to Cultural Resources

**Access for Children and Families**

While Boston is home to more than 1,700 cultural facilities according to Culture Count—the online cultural database of the New England Foundation for the Arts—most facilities and venues are outside of areas with high concentrations of children. Roughly half of all facilities are located within the areas of Boston that are home to just 18% of all children under 18, including Back Bay, Beacon Hill, the South End, Charlestown and East Boston. The Census PUMA where most of Boston’s children and families of color reside—covering Roxbury, Mission Hill and Mattapan—is home to 29% of children under 18 and only 7% of cultural resources.

**Access to Free and Low Cost Events**

The City of Boston offers a multitude of free cultural events, festivals and parades, but nearly two-thirds of all of them take place in Back Bay, Beacon Hill, Central Boston and the South End. There are some 160 free events in the neighborhoods that are home to a majority Boston’s children and families, or about 30% of all events. And the City of Boston’s Office of Arts, Tourism and Special Events, along with numerous nonprofit partners, launched SpectrumBoston in early 2009 to bring culturally diverse free or low-cost performing arts programming to Boston’s underserved neighborhoods and families.

**Access to Arts Education**

A recent report exploring arts education in the Boston Public Schools (BPS) found that 70% of all students have access to some arts education during the school day, with great variation across grade levels. Citywide, 53% of all BPS schools provided arts programming to 100% of students while 11% of schools offered no arts programming at all.
The study also found no consistent disparities in access to the arts in school by Boston neighborhood.

**Cultural Vibrancy and the Creative Economy**

A strong and vibrant cultural sector is a significant driver of Greater Boston’s economy, generating jobs and revenue. In 2008, visitors to Greater Boston generated roughly $7.2 billion in spending and employment in Leisure & Hospitality occupations, which include much of the Creative Sector, a 14% increase from 1999 to 2008.

**Attendance at Museums & Cultural Attractions**

In 2008, 9,086,755 visitors attended 24 of Greater Boston’s museums, attractions and institutions. That represents a rise of about 2% over 2007, according to the Greater Boston Visitors Bureau.

**Tourism**

More than 18 million people visited Boston and Cambridge in 2008, up about 3% from 17.8 million in 2006, and more than 22 million people visited the entire Greater Boston region. Hotel occupancy in Boston and Cambridge was 75.1% in 2008, up 2.2% over 2007, according to the Greater Boston Visitors Bureau.

**Funding for the Mass Cultural Council**

Massachusetts budget constraints and the economic fallout of late 2008 have created an uncertain future for Arts Funding. From FY06 to FY09, funding for the Mass Cultural Council increased 31% to $12.7 million. While funding has increased with each consecutive budget, the rate of increase has slowed considerably and the Legislature has proposed a $1.27 million cut for FY10.

**Artist Housing**

Between 2001 and 2008, the City of Boston added 284 new units of affordable artist housing and work space through the Boston Redevelopment Authority, with 119 units between 2006 and 2008. The traditional artist community of Fort Point has the greatest number of added units, with 97, followed by Hyde Park with 66 units, South Boston with 46 units and the South End with 42 units.

**Cultural Organizations and Funding**

Between 2003 and the first quarter of 2009, the number of registered nonprofit arts organizations in Massachusetts increased by 10% while reported revenue increased by 34%; however, with a projected 10% cut in state funding for FY10, many of these organizations may be in jeopardy. According to the New England Foundation for the Arts’ 2007 Report on the Creative Economy, Massachusetts’ cultural workforce comprised 3% of the total workforce.
The region’s expanding knowledge economy spurred job growth, but created winners and losers based on educational attainment. In the sharp 2008 downturn, growth since 2003 has given way to job loss and unemployment across sectors, declines in household income and sharp reductions in public revenue. With cuts in services at all levels, low-income families with children are particularly vulnerable. (For additional data on job growth and loss, see the Civic Agenda fold out.)

**Employment and Unemployment**

Despite never fully regaining ground lost after the 2001 high tech bust, Greater Boston sustained employment growth of 5%—86,700—from January 2004 through June 2008 before declining by nearly 40,000 between July and December 2008. Sectors with gains were Education & Health Services by 17% and Leisure & Hospitality by 12%, while manufacturing, Trade, Transportation & Utilities and Construction were the hardest hit. Through Q1 2009, only Education & Health Services and Government have gained jobs.

Boston’s 2008 annual unemployment rate rose to 5.1%, with the highest rates among young people 16 to 24 and by June 2009 it was 8.7%, while the Massachusetts rate also stood at 8.7%—still lower than the US rate of 9.7%. Prior to the downturn, Boston’s young people of color had a disproportionately higher unemployment rate. The 2005-2007 average unemployment rate for young Bostonians 16 to 24 years of age was: 27% for African Americans; 18% for Asians; 16% for Latinos; 8% for whites; 19% for those of another race/ethnicity; and 15% for those of two or more races.

**Cost of Living**

Greater Boston’s cost of living rose 34% between 1999 and 2008—greater than the US Urban Average of 30%. Household energy costs increased by 132%, Medical Care by 52%, Housing by 40% and Transportation by 29%. The ACCRA Cost of Living Index, ranked Boston 7th in the earnings needed for a family of four to reach the purchasing power of 300% of federal poverty in 2008: $84,173 to equal the average of $63,000 nationwide. The Crittenton Women’s Union calculates that the minimum “self-sufficient” income in Boston for a single adult is $25,874; for 1 adult, 1 preschooler and 1 school-age child, $58,133; and for 2 adults and 2 children, $62,095. For families, the greatest increased costs were in health care—rising 50% from 2003 to 2006—and child care, which rose about 20% in that same period.
Median Household Income

Differences in household income often reflect disparities in educational attainment (see Education, page 30), family structure, and race/ethnicity.

By Geography: Boston’s median household income stood at $48,729 averaged for the years 2005-2007, up from $39,629 in 2000. However, for the Census PUMA covering Roxbury, Mattapan, Mission Hill and parts of Dorchester—containing Boston’s greatest concentration of children and households of color—median household income was less than $28,000, in contrast to more than $61,000 in the Census PUMA covering Hyde Park, Roslindale and West Roxbury. By Race & Ethnicity: Median household income for Boston’s white, non-Hispanic-headed households was $62,605 compared to $43,297 for households headed by someone of two or more races, about $37,000 for Asian households, $32,215 for African American households, $29,347 for households headed by another race, and $26,947 for Latino-headed households.

Poverty: Families with Children

By Geography: Overall, 26% of Boston’s families containing children under the age of 18 had incomes below the federal poverty level from 2005 to 2007: 40% in the Census PUMA covering Roxbury, Mattapan, Mission Hill and Parts of Dorchester; 22% in the PUMA covering South Boston and most of Dorchester; 16% in the PUMA containing East Boston, Charlestown, Back Bay/Beacon Hill and Central; 14% in the PUMA covering Jamaica Plain, West Roxbury, Hyde Park and Roslindale; and 8% in the student-rich Allston/Brighton and Fenway PUMA. By Family Structure: About one in five Boston families with children is headed by a single mother, and of those, 57% had incomes less than $25,000 compared to fewer than 1% with incomes of $150,000 or higher. Among families with children headed by a married couple, 10% had incomes of less than $25,000 and 20% had incomes of $150,000 or more. Among those headed by a single father, 28% had incomes less than $25,000 compared to 4% with incomes of $150,000 or more.

By Race/Ethnicity: In 2005—2007, almost 23% of African American households had incomes below poverty level and, of those, 98% contained children under 18 and 87% were headed by a single mother. Among the 31% of Latino households living in poverty, 84% contained children under 18 and, of those, 82% were headed by a single mother. Nearly 29% of Boston’s Asian households had incomes below poverty, of which 67% contained children under 18; among those, 23% were headed by a married couple and 10% by a single father. Fewer than 6% of Boston’s white households had an income below poverty, but of those that did, 84% contained children under 18, and of those, 63% were headed by a single mother.
TAXES: MASSACHUSETTS

Massachusetts is facing a severe budget deficit in Fiscal Year 2010, with various program cuts and tax increases being proposed to ensure the Commonwealth’s solvency. Ideally, a state’s tax system: generates enough stable revenue to fund needed services; promotes competitiveness with a lower tax burden than other states while encouraging capital investment and productivity; is simple enough for most people to understand; and is fair in the percentage of taxes levied on more and less wealthy taxpayers. Local communities also face tough choices in balancing their budgets and these ideals. How are we doing?

Business and Corporate Taxes: Massachusetts ranked 40th among all states in tax revenue generated from Businesses and Corporations, at 4.2% of Gross State Product in FY08, according to analysis by the New England Public Policy Center at the Federal Reserve Bank of Boston.

Personal Taxes: Massachusetts ranked 36th among the 50 states at 10.6% of personal income dedicated to state and local taxes in FY 2006—a 24% decline since 1977 and the largest and fastest decline in the nation. Prior to passage of Proposition 2 1/2 in 1980, Massachusetts relied heavily on the property tax—49% in 1977, declining to 30% in FY 2006, but has since increased reliance on the income tax (58% in FY09), the sales tax (21% in FY09) and the excise tax (11% in FY06). On average, the very wealthy pay the lowest total percentage of their total income in state and local taxes: while 80% of Massachusetts residents pay about 9% of their total income in taxes, the top 1% contributes 5.4% after Federal deductions.

Contributions by Tax Type & Income Quintile: Each tax type affects income cohorts differently. Sales and Excise Taxes: The bottom 20% contribute 4% of their personal income compared to 1.4% for the top 15% and 0.5% of income for the top 1%. Property Taxes: The bottom 20% pay 5% of their total income compared to 1.7% for the top 1%. This is therefore the most regressive tax type. Income Tax: Massachusetts has a flat 5.3% income tax rate, with provisions to reduce the impact on low-income earners: The bottom 20% pay 0.2% of income compared to the top 1% at 4.4%. While the most progressive among state taxes, it is unstable in economic downturns.

By Educational Attainment: Analysis conducted by Northeastern University’s Center for Labor Market Studies shows that on average in 2002 and 2004, a Massachusetts high school dropout paid 70% less in total state and local taxes than an adult with a B.A. Over a working lifetime, a high school dropout is projected to have a negative fiscal impact in taxes paid minus cash transfers such as the Earned Income Tax Credit, Unemployment Insurance and costs associated with disproportionate incarceration rates. The lifetime gap in state and local tax revenues between a high school graduate and an adult with a B.A. is estimated at $191,384.
SMALL BUSINESS: BOSTON

According to the US Small Business Administration, “small businesses are the greatest source of net new employment in inner cities and account for 80% of total employment.” In 2007 and 2008, Boston had more of the nation’s fastest-growing minority- and women-owned businesses than all US cities except San Francisco, according to the Initiative for a Competitive Inner City. And in 2008, Boston was chosen as one of 11 cities for the Small Business Administration’s Emerging 200 program, which invests in inner-city businesses with high growth potential.

Since 2003, the Small Business Administration (SBA) has made more than 1,500 loans to businesses in Boston totaling more than $150 million. In 2008, while the number of annual SBA loans was down to 85 from 333 in 2003, the average gross loan was more than $229,000, up from about $67,000.

By Minority- and Women-Owned Businesses: The percent of SBA loans awarded to businesses owned by Bostonians of color reached 44% in 2007 before dropping slightly to 39% in 2008, while loans to women-owned businesses reached 30% in 2007 and 28% in 2008. These percentages have increased since 2003, when 30% of loans were made to minority-owned and 22% to women-owned enterprises.

By Neighborhood: Since 2003, 35% of SBA investment has been to small businesses in the Back Bay, South End and Central Boston, and in 2008 alone, nearly half were directed to businesses in these neighborhoods. The next highest concentration was in the student-dominated neighborhoods of Allston/Brighton and Fenway, which received 19% of SBA loans since 2003. The Boston neighborhoods most dense with families, children and people of color—Roxbury, Mission Hill, Dorchester and Mattapan—have received 18% of all SBA loans since 2003, with 8% in 2008, down from 22% in 2006.

Community Investments: Since 2005, the Boston-based nonprofit Inner City Entrepreneurs has surveyed participants in its “Streetwise MBA” program, which provides training, networking and infrastructure for inner-city small business owners. Since 2005, 86 participating businesses have employed over 1,800 workers, and created more than 200 new jobs, with 65% of new employees coming from the local community. Since 2003, about 40% of participating businesses also reported increased involvement in their local community and more than 60% felt that their business positively impacted the local community.
A highly educated population is Boston’s greatest asset: a good education is also a determinant of health and economic opportunity for individuals and families. The state’s K-12 students test highest in the nation and the Boston Public Schools (BPS) is one of the nation’s best large urban districts. In addition, Greater Boston’s residents have among the nation’s highest educational attainment. However, persistent racial/ethnic disparities in combination with global and local demographic trends threaten the region’s educational advantage.

**Educational Attainment**

**Metropolitan Comparisons:** Mirroring the US average of 16%, 17% of adult Bostonians lack a high school diploma while Metro Boston ranked 5th in 2008 among large US metro areas in the percentage of adults over age 25 holding a B.A. or higher, at 42%. That rate increased slightly from 40.6% in 2005, when Metro Boston ranked 6th.

**City of Boston:** Within Boston, 40% of Bostonians age 25 and older held at least a B.A. degree in 2008, but with vast racial/ethnic disparities and differences across neighborhoods as determined by Census PUMAs. On average, in 2008, white women in Boston were the most educated, with 60% having a B.A. or higher, followed by white men at 55%. Asians showed high contrasts: while 28% of Asian women and 23% of men had less than a High School education, 42% and 44%, respectively, held at least a B.A. Among African American men and women, about 21% had not completed High School while 19% of both men and women held a B.A. or higher. Among Latinos in Boston, 38% of women and 37% of men had not completed High School while 16% and 17%, respectively, held a B.A. or higher.

**High Quality Early Education & Care**

According to Boston EQUIP, 20% of Boston’s community-based infant and toddler care programs and 31% of family child care programs were “inadequate in quality” in 2007. High quality early education has been shown to be critical to level the playing field, but just 14% of centers serving low-income families met recommended quality benchmarks, with centers in child-dense Jamaica Plain, Roxbury and East Boston at noticeably lower rates of accredited care. The City of Boston’s Thrive in 5 initiative is designed to address these disparities. (See map next page.)
**Third Grade Reading Proficiency**

For progress on this key indicator of educational progress, see the fold-out Civic Agenda (between pages 16 and 17): 21st Century Human Resources.

**Tenth Grade MCAS Proficiency**

2007/08 BPS 10th graders are the Class of 2011, for whom a score of *Proficient* is required to graduate. These students are surpassing previous class scores but with persistent racial/ethnic achievement gaps:

**Math:** 59% of BPS 10th graders achieved *Proficient* or *Advanced*—a dramatic improvement over 28% in 2001—including: 92% of Asian and 80% of whites (about 20% of all students); 54% of Latinos and 46% of African Americans (80% of all students); 41% of English Language Learners (ELL) and 19% of Students With Disabilities (SWD).

**English Language Arts:** 58% of BPS 10th graders achieved *Proficient* or *Advanced*, including 80% of Asians, 79% of whites, 50% of Latinos, 48% of African Americans, 18% of ELL and 24% of SWD.

**Science:** BPS 10th graders participated in MCAS science for the first time and 29% achieved *Proficient* or *Advanced*: 68% of Asians, 65% of whites, 28% of African Americans and 24% of Latinos.

BPS *Proficiency* outcomes continued to improve in 2009—up 3 percentage points in Math, 5 in Science and 6 in ELA.

**High School Completion**

**Graduation Rates:** About 60% of the BPS Class of 2008 graduated in four years, a relatively static rate since 2001: whites at 68%; Asians at 81%; African Americans at 60%; Latinos at 50%; ELL at 45%; SWD at 37%.

**Dropout Rates:** About 22% of the Class of 2008 dropped out over four years.

**College Enrollment & Completion**

A 2008 study by the Boston Private Industry Council found that of the BPS Class of 2000, 65% enrolled in college but by 2007, only 35% had completed an Associates or B.A degree; 14% were still enrolled and about 51% had dropped out.

Extrapolating to include entering 9th graders who did not complete high school or did not enroll in college, an estimated 14.4% of BPS 9th graders in 2003 could be expected to earn a 2 or 4-year college degree by 2014. The US rate of college completion for entering 9th graders is 18%.
As climate change and environmental sustainability move to the top of the national and Massachusetts policy agendas, Boston is at the forefront of efforts to address these challenges at the municipal level, setting aggressive objectives for reducing greenhouse gas emissions, planting trees and increasing recycling, although it is too early to evaluate progress.

**Urban Environment**

**Urban Tree Cover:** In 2007 the City of Boston and its partners in the Boston Urban Forest Coalition launched the Grow Boston Greener Campaign to plant 100,000 new trees by 2020, which would increase tree canopy cover from 29% to 35% by 2030. Initial goals have been met with 1,000 trees planted in 2007 and 3,000 in 2008 with a primary focus on communities with low canopy cover. In total, the City of Boston has 5,518 acres of protected open space.

**Recycling:** Boston set a goal of increasing recycling by 10% between 2007 and 2012. Public Works Department data indicate that the recycling rate rose to 15% in the last six months of 2008 and that the amount of waste generated per Boston household fell from 150 pounds in 2006 to 134 pounds in 2008.

**Environmental Health**

**Air Quality:** Boston’s air has become cleaner, with ambient particulate matter and other pollutants on the decline. However, SustainLane ranks Boston 25th among the 50 largest US cities in air quality.

**Water Quality:** After the Environmental Protection Agency set a goal of a swimmable Charles River by 2005, clean-up efforts led to a dramatic increase in the number of days the Charles was safe for boating and swimming. The EPA’s annual grade for the Charles rose from D in 1995 to an all-time high of B++ in 2007 and then dropped back to B+ in 2008. The EPA began a similar program for the Mystic River in 2006 and its initial grade of D rose to C- in 2008.

**Elevated Lead Levels:** The percent of screened children testing positive for elevated blood lead levels in Boston continued to decline, reaching an all-time low of 1.2% in 2008. Since 1991—when 42% of screened children tested positive—rates of elevated lead have declined by more than 90% and
Boston may come close to achieving the goal of effectively eliminating preventable lead poisoning by 2010. Two neighborhoods, North and South Dorchester, continue to experience higher lead poisoning rates (2.2% and 1.6%) than the citywide average.

**Sustainability**

In 2008, *Popular Science* ranked Boston as the third “greenest” city in the US and SustainLane rated Boston sixth on its ranking of the nation’s most sustainable cities (see chart).

**Greenhouse Gas Emissions:** In April 2007 Mayor Thomas M. Menino issued an executive order to reduce the City’s annual greenhouse gas emissions 7% below 1990 levels by 2012 and 80% by 2050. The City’s total greenhouse gas emissions were calculated at 7.95 million tons in FY2005.

Metro Boston emitted 2.024 tons of carbon from residential energy and transportation use in 2005, less than the 2.6 tons from the average US resident, placing MetroBoston 20th out of 100 areas analyzed.

**Green Building Code & Green Buildings:** In January 2007, Boston became the first major city in the US to require most new private development to meet standards for “green” or high performance buildings equivalent to those established by the US Green Building Council under its Leadership in Energy and Environmental Design, or LEED, program. The number of building projects registered with LEED (but not yet certified) rose from 7 in November 2006 to 81 in November 2008. LEED-certified buildings in Boston rose from 9 in November 2006 to 21 in June 2008.

**Energy**

**Energy Use:** Massachusetts is one of the most energy-efficient states, ranked 49th of 50 by the Energy Information Administration in 2006 on per capita energy consumption and 48th in energy consumed per dollar of gross domestic product. Following years of steady increases, Massachusetts’ total energy consumption dropped from 1.56 trillion BTU in 2005 to 1.48 trillion BTU in 2006.

**Renewable Energy:** Massachusetts utilities are required to obtain 15% of their power from renewable sources by 2020. In June 2007, Boston became one of 13 inaugural Solar America Cities, with a goal of increasing solar energy installations from 0.5 megawatts to 25 MW by 2015, with 1.8 MW of solar capacity installed as of early 2009. The City has also committed to buying at least 11% of its energy from renewable sources. At the state level, the Patrick Administration set a goal of 250 MW of installed solar capacity by 2017, with 7.2 MW as of 2009 and 3.8 MW in the pipeline.
Boston is ground zero for health reform—with state-mandated universal health insurance, world-class teaching hospitals and community health centers.Stubbornly high costs, quality concerns and persistent racial/ethnic disparities represent the next frontier.

Costs & Coverage

Health Care Costs: The rate of increase in Massachusetts state spending on health care continues to outpace all other areas of the state budget, rising by more than 65% between FY2001-2009. Health care costs are crowding out state spending on Local Aid, Public Health (programs to reduce smoking, obesity and exposure to environmental toxins) and Public Higher Education. In the City of Boston, heath insurance costs for public employees increased by 87%—$32.7 million—between FY2002-2009, dwarfing other increases.

Health Insurance Coverage: With 94% of residents covered by health insurance since passage of landmark health care reform in 2006, Massachusetts has the lowest rate of uninsured residents in the US, with 432,000 residents gaining coverage. However, the Families USA report on personal health care costs projects that in 2009, nearly 300,000 Massachusetts residents will pay more than 25% of their gross income for health insurance—a 47% increase since 2000. As of 2007, just 2.5%—85,000 tax filers—indicated they could have afforded insurance but chose not to obtain it, and are subject to a near $1,000 penalty. In Boston, according to 2005/2006 data (most recent available), 92% of Bostonians reported having health insurance, but just 63% of residents had dental insurance, with the lowest rate in East Boston (41%).

Child Health

Birthweight: In 2007, 9.6% of babies born to Boston residents were born at a low weight—a risk factor for later cognitive and developmental delays—up from 4% in 1997 and 7% in 2006. The rate of low-weight births is persistently high for African American women.

Immunization: Boston’s immunization rate—at 86.5% in 2006 (the most recent data available)—matched or exceeded that of other large cities in the nation with the exception of Cleveland. Massachusetts’ rate has steadily increased to 91%.
Food Insecurity: From June 1998 to June 2007—well before the current economic downturn—researchers at Boston Medical Center found that almost 20% of study participants showed household food insecurity, including 9.1% of children. Among 10 zip codes surveyed, East Boston (25.4%) and Hyde Park (21.8%) showed the highest rates of childhood food insecurity. Research by Children’s Health Watch found a gap of $2,250 in Boston between the cost of healthful, nutrient-rich foods and the annual Food Stamp Benefit for a family of four.

Healthy Behaviors

Teen Behaviors: The Youth Risk Behavior Surveillance System is a biennial survey of teens in the US administered and analyzed by the CDC since 1991 monitoring smoking, unprotected sex, drug use, violence, physical activity, eating habits and unwanted teen pregnancy, among other factors. In 2007, 46% of Boston’s high school students had tried cigarettes, 72% alcohol and 41% marijuana; 40% reported watching 3 or more hours of TV per day; 32% reported unprotected sex; and nearly 17% reported carrying a weapon (see Public Safety).

Physical Activity: According to the Boston Public Health Commission, in 2006, 56% of Boston’s adults and 30% of Boston’s teens reported regular physical activity. Boston’s white teens report the highest levels of physical activity at 40% compared to less than 30% of African Americans, Asians and Latinos; 15% of Boston adults and teens reported being obese.

Racial/Ethnic Disparities

Chronic Disease: According to a report by the Boston Public Health Commission, chronic diseases such as asthma, diabetes, high blood pressure and heart disease in Boston show stark racial/ethnic disparities. In 2006 (the most recent data available), rates of asthma and diabetes for African Americans were more than double that of whites and Asians. African Americans consistently have the highest rates of heart disease hospitalization (27 per 1,000) while rates among Latinos have increased the fastest. Heart disease is the leading cause of death for all Bostonians except Asians. In 2006, 17% of Latinos, 20% of whites and 27% of African Americans had high blood pressure, with Asians at 5%.

Mortality: In 2007, the leading causes of death in Boston were cancer, heart disease, injuries, stroke and substance abuse. Boston’s mortality rate declined from 888.4 per 100,000 in 2000 to 752.6 per 100,000 in 2007 overall. However, the mortality rate for African Americans was 33% higher than the rate for Asians, 53% higher than for Latinos and 38.8% higher than for whites.
Dramatic increases in home prices fueled by low interest rates and the growing availability of sub-prime mortgages created a bubble that peaked in 2005 and then deflated, resulting in global economic collapse in late 2008. Declining home prices and increasing foreclosures—particularly in low-income neighborhoods targeted by predatory lenders—have resulted in both higher levels of family homelessness and higher rents. Boston and the Commonwealth are at the forefront of developing strategies to keep people in their homes.

Foreclosures & Subprime Lending

The City of Boston recorded 1,215 foreclosure deeds in 2008, up from 703 in 2007. However, the pace of activity declined slightly in early 2009, perhaps due to a new 90-day “right to cure” period in effect since May 2008. According to Boston’s Department of Neighborhood Development, of the 64% of petitioned properties that ended up in foreclosure, 72% were Adjustable Rate Mortgages, and two-thirds were located in three neighborhoods—Dorchester (34%), Roxbury (20%) and Mattapan (12%)—where the majority of families of color with children reside. Roslindale experienced the greatest rise in foreclosures: jumping 135% from 2007-2008.

Subprime lenders are the most prevalent originators of loans that have gone into foreclosure, often involving Adjustable Rate Mortgages (ARMs) and High Annual Percentage Rate (APR) loans, which can be indicative of predatory lending. According to the BRA, 72% of foreclosed mortgages in Boston were Adjustable Rate Mortgages (ARMs).

By Race, Ethnicity: In 2007, 12% of all home purchase and refinance loans in Boston were High APR Loans: 11% to Boston’s white borrowers; 23% to Latino; and 25% to African American borrowers.

By Boston Neighborhood: From 2004 to 2006, Boston neighborhoods with the highest rates of High APR Loans were Mattapan (37%), Roxbury (33%), Hyde Park and Dorchester (both 29%), and East Boston (24%), according to Boston’s Department of Neighborhood Development. All of these neighborhoods have higher than average percentages of residents of color and families with children.
Housing Costs

In 2007, a median-income household could afford to purchase a median-price home in 46 of Greater Boston’s 161 communities—up from 19 in 2005. However, the Greater Boston Housing Report Card, produced by the Dukakis Center for Urban and Regional Policy at Northeastern University, shows that homes were affordable to first-time buyers in just 6 of those communities in 2007. And an analysis of the 2008 American Community Survey shows that in Boston, 47% of homeowners and 50% of renters spent 35% or more of their household income for housing. While home prices have declined slightly since their peak in 2005, rental prices have increased.

According to the S&P/Case-Shiller Home Price Index, home prices in Metro Boston declined by more than 16% between their peak in September 2005 and December 2008. During the last housing recession, from 1988 to 1992, Greater Boston’s home prices declined by 16%, then increased by 189% from a trough in January 1992 to their peak in September 2005.

** Median Home Price:** The median home price in Boston for 2008 was $352,000, down 6% from 2007. The neighborhoods with the greatest decline were: Mattapan (24%); East Boston (22%); and Dorchester and Roxbury (each 17%). Median home prices increased in Allston/ Brighton (3%); Back Bay/Beacon Hill (6%); and Central Boston (7%). **Median Asking Rent:** The median advertised asking rent in Boston increased by 9% from $1,700 in 2007 to $1,850 in 2008. Advertised rents increased by more than 20% in 6 Boston neighborhoods: Charlestown (35%); South Boston (27%); West Roxbury (26%); Back Bay/Beacon Hill (25%); Jamaica Plain (23%); and Roxbury (22%). Median rents only fell in Hyde Park (-21%) and Dorchester (-6%).

Housing Production & Stability

Between 2003 and June 2007, 10,969 new units of housing were permitted in Boston, meeting Mayor Menino’s “Leading the Way” goals, but in the first three quarters of 2008, permits dropped about 40% from 2004 levels.

**Public & Subsidized Housing:** Through 2008, Massachusetts lost 12,359 subsidized units and is at risk of losing 24,546 more by December 31, 2012 through “expiring use.” On the brighter side, since 2006, the Boston Housing Authority has received Hope IV grants to rehab Maverick Landing in East Boston, Franklin Hill in Dorchester and Washington Beach in Roslindale.

**Student Housing:** On average, more than 1,000 dormitory beds have been added annually in Boston since 1990—an effort by colleges and universities to reduce competition for apartments between students and family households—although the BRA estimates that roughly 24,000 undergrad and graduate students continue to live off campus.

**Homelessness:** Boston’s annual census of the homeless population, undertaken each December, found 7,681 homeless people in 2008, an increase of 11% over 2007. The number of homeless children in Boston increased 24% over the past year, and the number of homeless families 22%.
Overall, crime in Boston declined by 8.4%, or 2,632 incidents, between 2007 and 2008, continuing a gradual drop since the last peak in 2001. However, citywide averages obscure an increase in youth violence in geographic “hot spots,” for which StreetSafe Boston—a $20 million public-private partnership targeting youth violence—and new policing initiatives have been launched, even in the face of budget cuts.

**Property Crime**

Citywide, property crime (robbery, burglary, larceny and vehicle theft) increased by 1%—or 224 incidents—between 2007 and 2008, but dropped by 14% since 2000. Citywide, actual and attempted vehicle thefts were down by 30%, burglary by 9% and larceny by 6%.

**Violent Crime**

Citywide, total violent crime, including homicides, rapes, aggravated assault (actual and attempted) declined by 8%, or 392 incidents, from 31,366 in 2007 to 28,743 in 2008. Half of reported violent crimes are concentrated in Police Districts that comprise roughly one-third of the city’s population and cover the neighborhoods of Roxbury/Mission Hill (20%), Dorchester (16%), and Mattapan/North Dorchester (14%).

**Homicide:** Citywide, there were 3 fewer homicides in 2008 than in 2007. The greatest decline occurred in Mattapan/North Dorchester (-12) and Roxbury/Mission Hill (-9), though those neighborhoods, along with Dorchester, accounted for 64% of all homicides in 2008. 

**By Race & Ethnicity:** African American Bostonians accounted for more than two-thirds of homicide victims between 1999 and 2007 and had a homicide victimization rate 4 times the citywide average in 2007.

**Rape:** Citywide, reported rapes and attempted rapes declined by 14, or 5.3%. However, the incident rate increased by 11, or 61% in Allston Brighton, and by 11, or 42%, in Back Bay/South End/Fenway. Reported incidents increased by 2, or 14% in both East Boston and Hyde Park.

**Aggravated Assault:** Overall, reported incidents of aggravated assault declined by 375, or 9%, between 2007 and 2008. However, incidents increased by 38, or 13%, in Charlestown, and more than 50% of aggravated assaults occurred in Roxbury/Mission Hill, Mattapan/North Dorchester and Dorchester.
Shootings: The Boston Police Department reported 323 shootings in 2008, a 14% decline since the high of 377 in 2006, but a 100% increase since 1999.

Youth Safety

Risky Behavior: In 2007, 17% of Boston teens reported carrying a weapon, such as a knife or a gun, down from 28% in 1993. Among teens who carried a weapon, 42% reported carrying any weapon on school property and 26% reported carrying a gun. One-third reported being in a fight, and one-third of those on school property, while 8% of teens reported not going to school at least one day out of fear. Among non-fatal stabings and shootings in 2007, 49% of victims were between the ages of 15 and 24.

Youth Homicide: According to a report by Northeastern University’s James Alan Fox, between 2000/01 and 2006/07, Boston experienced a 78% increase in African American homicide offenders between the ages of 14 and 24—the 6th highest increase among large US cities. Between 1999 and 2006 (the most recent year for which data are available) homicides of people under 24 increased by 160%, from 15 to 39, and gang-related homicides increased by 500% from 5 to 30.

Perceptions

Perceptions of Safety: According to the Boston Police Department’s 2008 Boston Neighborhood Survey, fewer than half of Bostonians—43%—feel that their neighborhood is safe. Neighborhoods with the lowest percentage of residents feeling safe were Roxbury (22%), North Dorchester (22%) and Mattapan (25%) in contrast to residents of the Back Bay (69%), West Roxbury (68%) and the North End (60%). Increasing concern over gang activity is a contributor to such perceptions: 19% of Bostonians felt gangs were a problem.

Systems

Funding for Public Safety: The Boston Police Department’s funding increased by 28% between FY2002 and FY2009, despite a pull back in federal funds for community policing, which supported an increase in the number of police officers of 178 between 2004 and 2008. However, in the downturn, the City of Boston has proposed wage freezes, some cutbacks and layoffs of up to 200 officers due to a projected budget shortfall in FY 2010.

Incarceration: Massachusetts ranks 5th among all states in its rate of adults involved in the corrections system. In FY2008, Massachusetts spent $1.25 billion on the corrections system—nearly 5% of General Funds. According to the Pew Center on the States, Massachusetts spent $532.8 million in FY08 on incarceration alone, up from $171.6 million in 1986, due in part to the increasing prison population. In 2007, 1 in 24 Massachusetts adults was incarcerated compared to 1982, when the figure was 1 in 127.
Technology

A hot-bed of technology access and innovation, Boston was the 5th “most wired city” in America in 2008 according to Forbes Magazine, and hub of the state’s science and technology workforce, driving job growth from research institutes, start-ups and industry clusters. The City of Boston has also made enormous strides in increasing Internet access for all and in bridging the “digital divide.” However, the great majority of Boston students lag their suburban and global peers in science and math education.

Bridging the Digital Divide

Boston Public Library: Use of the main Boston Public Library (BPL) and its 27 neighborhood branches as a source for public Internet and WiFi access has increased dramatically. Internet sessions increased by 7% from FY2005-2008 and WiFi connections by 153% for a total 108,365 sessions. WiFi sessions at BPL branches increased by 42% since FY2006—the first year location data were disaggregated—and sessions at the main Back Bay library increased by 147%. In 2008, WiFi sessions at branch locations comprised 64% of all WiFi internet sessions.

The Timothy Smith Network: Boston has a unique resource for bridging the digital divide in its network of state-of-the-art community computing centers serving Greater Roxbury—the result of a gift to the City. As of 2008, there were 34 active Timothy Smith Centers, which provide comprehensive computer and technology training as well as open access “drop-in” time at most centers.

Computer Access in the Boston Public Schools: As of 2007/08, the Boston Public Schools had one computer for every 3.6 students—a rate equal to the state average and higher than many suburban districts; 100% of classrooms had Internet and many had High-Speed Broadband. BPS is more than halfway through its Learning & Information Network for the Community (LINC) III plan to modernize technology, individualize student learning, implement a technology curriculum and create opportunities for teachers to pilot emerging technology. Through Laptops for Learning, BPS has placed new or refurbished laptops in classrooms and through the Project Refresh partnership between BPS and Boston’s business
community, 1,200 computers were updated and replaced in 45 schools in 2007. In addition, Boston’s Technology Goes Home program has served more than 3,500 families over 9 years in gaining training and home access to computer technology.

**The Innovation Economy**

Massachusetts tops all other Leading Technology States in key measures: Small Business Innovation Research Contracts; Patents per Capita; National Institutes of Health Funding; and federal R&D funding for universities and hospitals, according to the Massachusetts Technology Collaborative’s *Innovation Economy Index, 2008*. Since 1997, Massachusetts’ research universities have spun-off 451 start-ups, second only to California at 501. In 2007, Massachusetts had 47 *Technology Fast 500* companies based on the rate of growth over 5 years. In 2007, the per capita dollar value of Small Business Innovation Research grants was $37,516, $940 for federal R&D funding and $656 for National Institutes of Health (NIH) funding, but other states are vying for those funds.

**STEM (Science, Technology, Engineering, Math) Education**

While Massachusetts students rank higher in global comparisons than those in most states, there are stark disparities between suburban and urban districts and by race/ethnicity, as experienced in the Boston Public Schools.

**BPS 5th and 8th Grade Science:** BPS students have participated in the MCAS Science exam since 2003. In 2008, 17% of 5th graders achieved at least the grade-level benchmark of *Proficient*—the same as in 2003. In 2008, Boston’s 8th graders performed better over time, with 33% achieving at least *Proficient*, similar to 39% statewide and up from 14% in 2003.

**BPS 10th Grade Science:** In 2007 and 2008, Massachusetts 10th graders were tested in subject-specific MCAS Science Exams (Biology, Chemistry, Physics and Technology). Scores were similar by gender: in Biology, 28% of boys scored *Proficient* or higher compared to 34% of girls; in Chemistry 4% of boys and 6% of girls scored *Proficient* or higher; in Physics 15% of boys and 12% of girls scored *Proficient* or *Advanced*; and in Technology, 42% of boys and 40% of girls achieved grade-level mastery or higher. However there were major disparities in scores among all the sciences by race and ethnicity.

**Intended College Major:** Some 19% of Massachusetts high school seniors intended to pursue a STEM degree in 2007, with 8% reportedly intending to major in Engineering—up from 7% in 2003—5% intending to major in Biological Sciences, 3% intending to major in Computer Science—down from 5% in 2003—2% in the Physical Sciences and 1% in Mathematics—while 20% intended to major in Health & Allied Services, a sector continuing to experience growth into 2009 (see Civic Agenda pull out).
Boston is the transportation hub of Greater Boston, Massachusetts and New England—a dense network of roads, rail, air and water transport. The MBTA is one of the most extensive, accessible and widely used public transportation systems in the nation. In Boston, 80% of jobs, 56% of homes and 51% of schools are located within 1/4 mile of a transit station. However, the MBTA has among the nation’s highest operating costs and faces a severe long-term funding shortfall, even as ridership increases.

Greater Boston’s Transportation System

Roads and Bridges: Following completion of the massive, 16-year, $15 billion Big Dig in 2007—which reduced congestion at the core of New England’s network of major highways—the region faces a backlog of deferred maintenance, with 56% of the state’s bridges structurally deficient and 41% of roadways in poor or mediocre condition, according to the American Society of Civil Engineers. By 2026, Mass Highway faces a $2.4 billion gap in funding for bridges and a $4.6 billion gap in funding for road maintenance and construction.

Massachusetts Bay Transportation Authority (MBTA): The MBTA is among the nation’s most extensive and widely-used public transit systems. In 2007, it ranked as the nation’s 5th largest urban public transit system in the number of passenger trips and 8th in passenger miles traveled, according to the American Public Transportation Association. Ridership: In 2008, total MBTA ridership reached the highest level since 1991, with 378,414,160 boardings—up 11% from 2003. Since 1991, Commuter Rail ridership has increased by 98%—due to the expansion of the system—and by nearly 8% since 2000. Subway ridership continues to steadily increase and is up 35% from 1991 and 17% since 2003. The trolley system ridership has increased by 7% since 1991. Bus ridership is up 11% since 1991.

Bikes: Under the strategic plan of Boston Bikes, in 2008 the City added nearly 10 new miles of bike lanes with another 5 planned for 2009. It also added 250 bike racks, and held a host of events to promote cycling as a healthy, safe mode of transportation.
Modes & Cost Burden

Transportation to Work: In 2007, 49% of Bostonians age 16 and older used a personal vehicle to get to work and of those, 84% drove alone and 16% carpooled; 33% used public transportation, with 50% of those using the subway; 14% walked to work; 3% worked at home; 1% biked to work; 1% used another form of transportation, including motorcycle and taxis. The Impact of Transportation Costs on Households: Savings associated with taking public transportation are greater in Metro Boston than in any other urban area in the nation. Boston commuters save more than $12,000 annually by using public transportation as opposed to driving a car. Residents of Metro Boston pay 19% of household income for transportation, with costs disproportionately affecting low-income households: among Metro-Bostonians, those making less than $20,000 spend 43% of income on transportation compared to 12% for those making $50,000-$75,000 and 6% for those making more than $100,000.

Sustainability

Vehicle Miles Traveled: Drivers in Metro Boston traveled more than 23 million miles in 2006, ranking Greater Boston 13th highest among the nation’s 100 largest US metros. Green Municipal and Taxi Fleets: Boston has set new goals for clean transit. As of 2008, 600 of the City’s own fleet of vehicles had been retrofitted for bio-fuels, and the City hopes to implement a plan for all taxis to be “green” by 2015. Zipcar: As of 2009, Zipcar, the Boston-based car-sharing company, had a national fleet of more than 5,000, of which 882 are located in Boston. Each shared Zipcar takes 15 to 20 personally-owned cars off the road annually—equaling more than 13,000 cars in Boston.

Funding & Stability

Massachusetts faces a $19 billion transportation funding gap over 20 years—with the MBTA facing a $165 million gap in FY10 alone. Possible revenue sources include a 19 cent gas tax hike, an MBTA fare that would increase the annual cost of commuting up to $200 annually and Mass Turnpike toll increases—all of which disproportionally impact lower-income commuters. Despite three fare increases since FY 2000, operating expenses in FY07 were $143 million higher and revenues were 11% lower than anticipated. Roads: 80% of Massachusetts roads and highways are owned and operated by cities and towns supported in part through Chapter 90 state funding. The total FY10 apportionment is $150 million, or $5,168 per each of the 29,062 miles of road and highway statewide.

See inside back cover for a map of Boston’s PUMAs.
REVISITING SCENARIOS FOR BOSTON 2030

Through a Scenario Planning Workshop and follow-up sessions, dozens of stakeholders and experts created five possible futures for Boston in the year 2030, which first appeared in the 2002-2004 Boston Indicators Report. Each one emphasizes real trends that could come to dominate Boston’s identity over time. In 2007 and 2008, Boston experienced many of these trends simultaneously, leaving its 2030 identity wide open.

A BOSTON THAT WORKS FOR EVERYONE: Boston is a job-rich city with one of the most diverse populations in the US and a model of expanding opportunity for all. Boston’s Thrive in 5 initiative creates breakthroughs in early child development while public schools—global models of excellence—gradually level the playing field for Boston’s low-income children. With its focus on eliminating health disparities and increasing technology access, vibrant neighborhood business districts, “green” public housing renovations, active waterfront areas and revitalized cultural facilities, Boston is one of America’s most diverse, livable and dynamic cities.

BOUTIQUE BOSTON: Boston is an upscale college town, heritage theme park and active retirement community for the wealthy. Colleges and universities are in building-boom mode, developers are adding upscale hotel/condo complexes to the city’s skyline, while the Convention Center attracts record numbers of visitors and tourists who flock to the city’s major attractions and holiday celebrations. However, most young people and city workers are priced out and commute long distances, while the great majority of college students leave upon graduation.

BALKANIZED BOSTON: Boston is “a tale of two cities.” Highlighting the national trend of widening income inequality, some residents live in a dynamic, luxurious 24-hour global city while others are hunkered down and struggle to make ends meet in neighborhoods with high rates of poverty, rising youth violence and persistent health and educational disparities. Boston suffers periods of civil unrest that sap its economic and cultural vitality, and it enters into a long decline.

BUST AND BOOM BOSTON: Boston is one of the youngest cities in the nation and a global hub of innovation. The real estate market fell fast and hard, leaving homes and storefronts vacant but creating a foothold for those previously priced out of the market. As Baby Boomers retire to less expensive areas, Boston is becoming one of the nation’s most ethnically diverse and greenest cities, attracting artists, foreign-born students and innovators. With its engaged citizenry, public schools and colleges focused on global problem solving, Boston is known throughout the world for its breakthrough solutions.

BACK-OFFICE BOSTON: With declining numbers of Fortune 500 companies, Boston provides a quiet hub for the satellite offices and mini-headquarters of multinational corporations. Boston’s dense cluster of colleges and universities, research institutes, teaching hospitals, telecommunications capacity and cultural facilities attract new mini-headquarters and executive teams that can afford the high cost of living. However, as China, India and other emerging economies develop their own innovative capacity and high-skilled workforces, Boston’s edge as a hub of innovation dulls.
Conclusion: A Time to Lead

After three decades during which Americans became the fattest, most indebted, most incarcerated and most unequal among their peers in other wealthy industrialized nations, the time has come to reinvigorate our economy and our democracy for the long haul.

In that critical mission, Boston has an important role to play. Locus of a revolution in every century since its founding vision as a “city on a hill, with the eyes of the world upon it,” Boston spawned the American Revolution, America’s Industrial Revolution and the Information Age. A “small large city” with almost unparalleled innovative capacity, Boston has shown that it can light the way forward in challenging times when city and state government, business, civic and community leadership combine forces.

Greater Boston’s successful and diversified knowledge economy was its salvation following the loss of its manufacturing base, but today, we can see that many of the region’s residents have paid a price in growing income inequality. The two-tiered knowledge economy rewards those with stellar educations and punishes those without. On the one hand are those privileged from birth to whom benefits accrue such as the best educational opportunities and, by extension, the best jobs; on the other are those who, from birth, face high hurdles and for whom access to excellence in public systems—from education and health care to recreation and the arts—can be the deciding factor in a child’s fate.

Until the current downturn, we celebrated the success of the knowledge economy without acknowledging its consequences. While most would agree in principle with the ideal that all children should be offered the opportunity to explore and fulfill their potential in excellent public school systems, the fact remains that despite their growing proportion locally and nationally, black and Latino children continue to lag their white and Asian children in education and health. That trend—if not reversed—will engender a train wreck of human and fiscal resources as more and more children enter school from lives in which a good education is a fragile bridge and not a birthright. It is time to come together as a community and as a society to heal this growing divide. What will it take to get our region back on track, and lead the way to sustainable and more broad-based prosperity?

An Exemplary Pre-K–16 Pipeline of Educational Opportunity: In our universities and communities, Greater Bostonians have all of the ingredients necessary to build the finest and most seamless Pre-K – 16 system in the world. Preparing all children for the problem solving, innovation and cooperation that will be demanded of them in this challenging new century must be our highest calling. Mayor Menino and Governor Patrick have embraced this goal. Greater Bostonians, in concert, could help to achieve it.
Leadership in the Shift to a Green Economy: As the world’s population explodes, renewable energy sources must be taken to scale to protect natural resources while allowing living standards to rise. Moreover, green jobs transcend the knowledge-economy split in offering niches at a variety of levels of education and technical prowess—from public education and retrofitting homes and businesses, to manufacturing efficient products and researching next-generation breakthroughs.

Investment in Small Businesses and Start Ups: Small businesses are the growth engines of new jobs and the eco-system for innovation, yet many promising entrepreneurs lack access to capital and technical assistance. This must change.

A Focus on Health, not Health Care: Massachusetts spends more per capita than anywhere else in the world yet faces rising rates of obesity and hypertension—risk factors for chronic preventable disease. Meanwhile, rising health care costs are crowding out the real determinants of health: healthy environments and healthy behaviors. It’s time to put the horse before the cart.

Regional Collaboration: Decreasing the region’s high housing, health care and energy costs while increasing its sustainability, food security and resilience to future price and supply shocks requires unprecedented cooperation and collaboration. The time has come to put aside historic resistance to becoming a whole greater than the sum of our parts.

All of these goals—and goals for the leadership and civic mechanisms required to make them happen—are laid out in the pull-out Civic Agenda in this report. The Civic Agenda reflects the priorities and hard work of thousands of Greater Boston residents, leaders and experts over the past decade, and points the way forward. Many solutions require not more funds but more collaboration, harder thinking, tougher choices, greater effort.

To realize these goals, we must shift our sights from what might accrue to us individually and turn them higher while grounding our effort in the values underlying the commitment of Edward Kennedy, whose loss and legacy hover across these pages. Senator Kennedy understood that from those to whom much is given, much is expected, and he gave his all to make the world a better and fairer place.

Senator Kennedy’s legacy echoes John Winthrop’s founding vision for Massachusetts as expressed in his speech to his fellow colonists as they sailed toward a new beginning: “We must,” he said, “be knit together in this work as one man [and] be willing to abridge ourselves of superfluities, for the supply of others’ necessities. We must delight in each other, make others’ condition our own, rejoice together, mourn together, labor together … as members of the same body. So shall we keep the unity of spirit in the bond of peace…. For we must consider that we shall be as a city upon a hill. The eyes of all people are upon us.”
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This report could not have been produced without the perspectives, advice and expertise of hundreds of Sector Convening participants since the Project’s inception. For this report, as an alternative to the 10 Sector convenings usually conducted, four cross-sectoral convenings were held in the categories of the Emerging Civic Agenda.

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2009 Convening Participants
For a complete listing by of participants with titles and by convening, see www.bostonindicators.org

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