

To: Envision Concord Committee (Comprehensive Long Range Plan)
From: Karl Seidman, Civic Moxie
Date: June 21, 2017
Re: Preliminary Town of Concord Key Demographic and Economic Conditions and Trends

This memo provides a profile of Concord's population and economic base along with key trends over the past 10 to 15 years. Several issues and implications that emerge from this analysis are:

- How important is increasing the diversity of Concord's population, particularly by age and income? If so, how can the town best advance this goal?
- Are there special services or infrastructure needed to serve the town's large and growing elderly population?
- Concord's employment declined 6% over the past decade while its growth in total payroll and number of business establishments lagged the county and state. Is reversing this decline a goal for the long-range plan? If so, what locations/districts and what industries/type of businesses should be targeted for commercial and business growth?
- How should Concord address its large number of self-employed residents? How might this be a driver of future economic development?
- How should the town respond to the mismatch between the diversity of employer labor force need and the highly skilled occupations of Concord residents?
- Is Concord's high reliance on the residential property base and low growth of CIP assessed value a concern? Does the town's low tax rate mitigate this impact on residential property owners?

During discussion at the June 7th Concord Business Partnership meeting, business owners were very positive about the town government culture and employees' commitment to helping out with problems and getting things done. They raised a number of issues and concerns that pose challenges to future business growth:

- The high cost of real estate in Concord;
- Difficulty in finding and recruiting workers; the high cost of housing and lack of public transportation is viewed as contributing to this problem;
- High up-front sewer capacity charges are a burden with some businesses believing they are based on outdated data for business water/sewer usage;
- Parking supply and attracting residents to shop in town were also mentioned as problems
- Looking to the future, businesses expressed a strong desire to expand affordable housing and housing options; address parking and road infrastructure in Concord Center and West Concord; preserve and expand cultural and historic resources; and streamline the number of volunteer town committees.

Demographic Profile

Concord's population is older, very affluent, largely White, and has been growing at a much faster rate than Middlesex County or Massachusetts from 2000 to 2015. Table 1 summarizes several well-being indicators for these three geographies, and Concord exceeds the county and state for all measures.

**Table 1. Household and Resident Well-Being Indicators,
Concord, Middlesex County and Massachusetts**

Indicator	Concord	Middlesex County	Massachusetts
Unemployment Rate, 2016 Annual Average	2.7%	3.0%	3.7%
Median Household Income, 2015	\$134,036	\$85,118	\$68,563
Poverty Rate-All Residents, 2015	5.6%	8.3%	11.6%
Child Poverty Rate, 2015	4.6%	9.2%	15.2%
Percent of Population 25+ with Bachelor's Degree or Higher, 2015	67.9%	52.0%	40.5%
Self-employment Rate, 2015	12.2%	6.5%	6.1%
Employed in management, business, science, or arts occupations	74.0%	53.4%	44.2%

Key trends and characteristics for Concord's population include:

- Concord's estimated 2015 population was 19,271, a 13.4% increase from 2000, with most of this growth coming since 2010;
- Massachusetts and Middlesex County grew by 2.5% and 6.2%, respectively, since 2000;
- The town's racial diversity has increased but residents remain 86% White, a drop from 92% in 2000; the increased racial diversity includes a doubling of the Asian population from 2.9% to 5.8% of the town's population;
- Concord's median age was almost 47 years old in 2015 compared to 39 years old for than the state and county; almost one in five town residents is 65 or older versus one in seven for the county and state.
- Concord has a far lower cohort (9%) of young adults, ages 20 to 34, than the county and state, with 22% and 21%, respectively;
- The share of the town's 65 and older population has grown more than Middlesex and Massachusetts since 2000 while its share and number of young adults has declined.

Household Composition

Concord had an estimated 6,876 households in 2015, a 13% increase since 2010 and an average household size of 2.52. Concord's households are much higher income with a large proportion of homeowners and family households than Middlesex County and Massachusetts. Concord

also has a higher share of households with children and the elderly than the county and state but a smaller share of persons living alone.

Key household characteristics for Concord are:

- Concord's estimated homeownership rate was 76.9% in 2015, compared to 62% for both Middlesex County and Massachusetts;
- Families constituted 72% of Concord households versus 64% for the county and state;
- Among Concord households, one-third included persons 18 or younger, compared to 31.3% and 35.1% for Middlesex County and Massachusetts, respectively;
- For households with a person over 60, the discrepancy in 2015 was greater with Concord's share at 48.5%, Middlesex County at 30.4% and Massachusetts at 37.1%;
- Concord's estimated median household income in 2015 was \$134,036, 57% higher than Middlesex County (\$85,118) and almost twice that of Massachusetts (\$68,563);
- All three geographies experienced similar percentage growth in median income from 2000 to 2015 (36% to 40%);
- Concord stands out with 31% of households with incomes of at least \$200,000—far above 13.4% for Middlesex County and 8.9% statewide; and
- Consistent with its high incomes, Concord's poverty rate is low at 5.6%, compared to 8.3% for Middlesex County and 11.6% for Massachusetts. Unlike the county and state, Concord has a lower child poverty rate (4.6%) than its overall adult poverty rate.

Economic Base and Workforce

Concord's overall economic base did not fare well in the past decade, with a 6% decline in total employment from 2005 to 2015, compared to an 11% increase in Middlesex County and 8% statewide. Concord also experienced shrinking employment in several key fast growing regional sectors including Education and Health Services and Professional and Business Service (see Table 2). Its major areas of employment growth during this period were Leisure and Hospitality and Government.

Concord's workforce, on the other hand is highly educated (68% have a bachelor's degree or higher) and concentrated in high skill and well-paying occupations (74% work in management, business, science, and arts occupations), which contributes to the town's high household income distribution.

Other key observations about Concord's economy and workforce include:

- Concord's 2015 employment is heavily concentrated in Education and Health Services (40%) compared to 24% for the county and state;
- Professional and Business Services and Leisure and Hospitality account for another 30% of Concord's 2015 employment.
 - Leisure and Hospitality is a growing sector in which Concord's share of employment exceeds Middlesex County's share by 39% and is three times that of Massachusetts;

- Professional and Business Services are growing regionally and statewide but declined in Concord; the town’s share for this sector (19%) is slightly below that for Middlesex County and Massachusetts (both at 23%);
- When viewed through payroll rather than employment, Professional and Business Services increases in importance contributing 32.5% on total payroll just below Health Care at 34.7%;
 - Payroll share for the lower wage Leisure and Hospitality and Trade, Transportation and Utility sectors are 39% and 62% of their respective share of town employment; and
- Concord employers are heavily dependent on recruiting workers from outside, with 2015 total employment of 11,807, 44% above the town’s civilian labor force of 8,212; Concord’s highly educated workforce is also not well matched to the diversity of employer work force needs.

Table 2. Employment and Economic Base Indicators

Indicator	Concord	Middlesex County	Massachusetts
Employment Growth, 2005 to 2015	-6.0%	10.9%	8.4%
Establishment Growth, 2005 to 2015	3.9%	13.0%	16.5%
Payroll Growth, 2005 to 2015	14.4%	52.6%	44.4%
Average Wage, 2015	\$67,836	\$79,230	\$66,696
Manufacturing Employment Change, 2005 to 2015	-75.3%	-13.7%	-18.5%
Professional and Business Services, 2005 to 2015	-7.4%	25.8%	16.1%
Education and Health Care, 2005 to 2015	-0.3%	22.6%	27.0%
Leisure and Hospitality, 2005 to 2015	13.9%	22.4%	19.6%
Public Administration, Employment Change, 2005 to 2015	17.2%	11.1%	4.2%

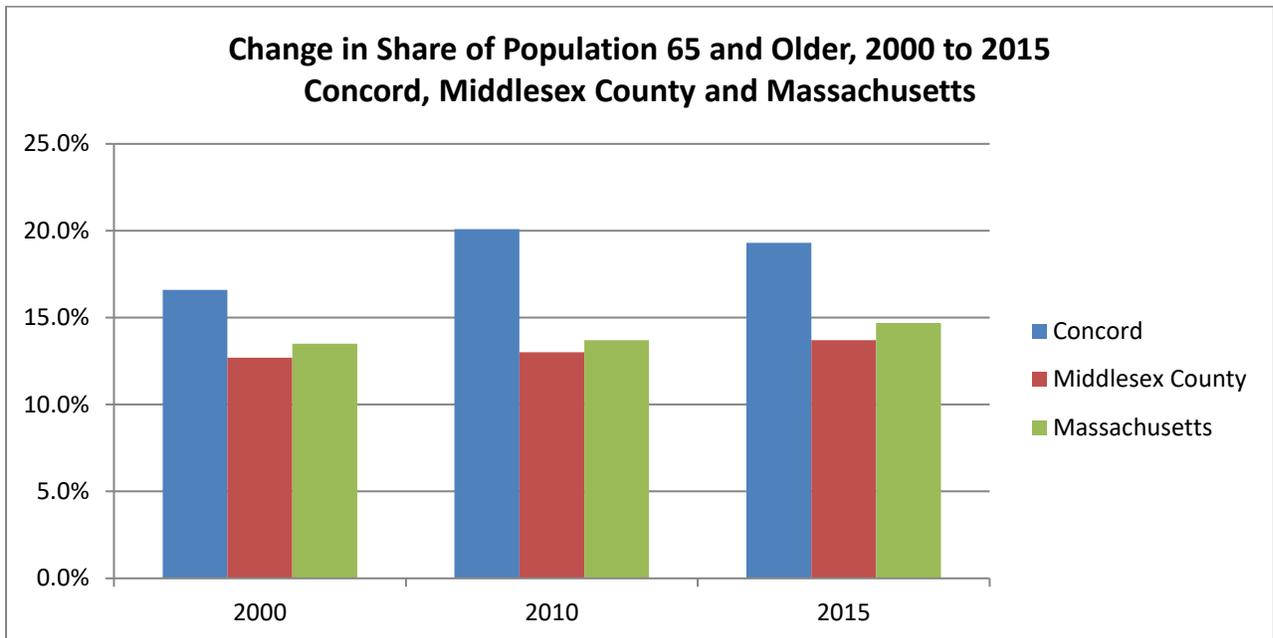
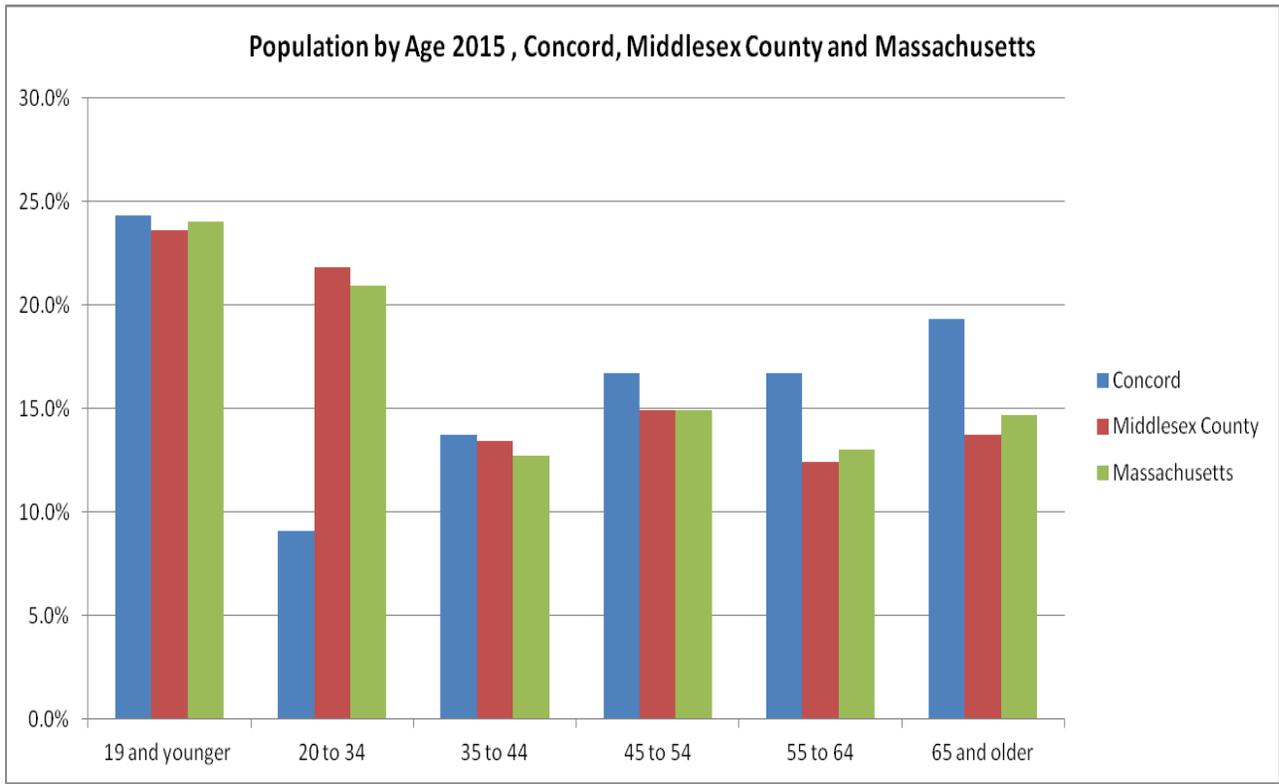
Property Tax Base

Concord has the highest FY2017 total assessed valuation and lowest tax rate among its adjacent communities but has lagged its neighbors in the rate of growth in total valuation and CIP valuation since FY2003:

- Concord has the highest total assessed valuation among its neighboring communities, more than \$1.5 billion above Sudbury, which is the second highest;
- Concord has the lowest property tax rate for both residential and commercial property.
- Concord has the second highest Commercial, Industrial, Personal Property (CIP) valuation, below Bedford which is 38% higher, and ranks fourth in CIP share, after Bedford, Acton and Maynard;
- Concord and Sudbury had the highest total assessment value growth from FY2003 to FY2017, both increasing by \$1.57 billion;
- Concord’s rate of assessment growth, at 35.5%, was lower than all of its neighbors other than Lincoln, which grew by 22.1%;

- Residential property has accounted for almost all (98%) of Concord's assessment growth since FY2003; and
- CIP property has accounted for a higher share of assessment growth in all neighboring communities except Carlisle but is less than 10% in every community except Bedford.

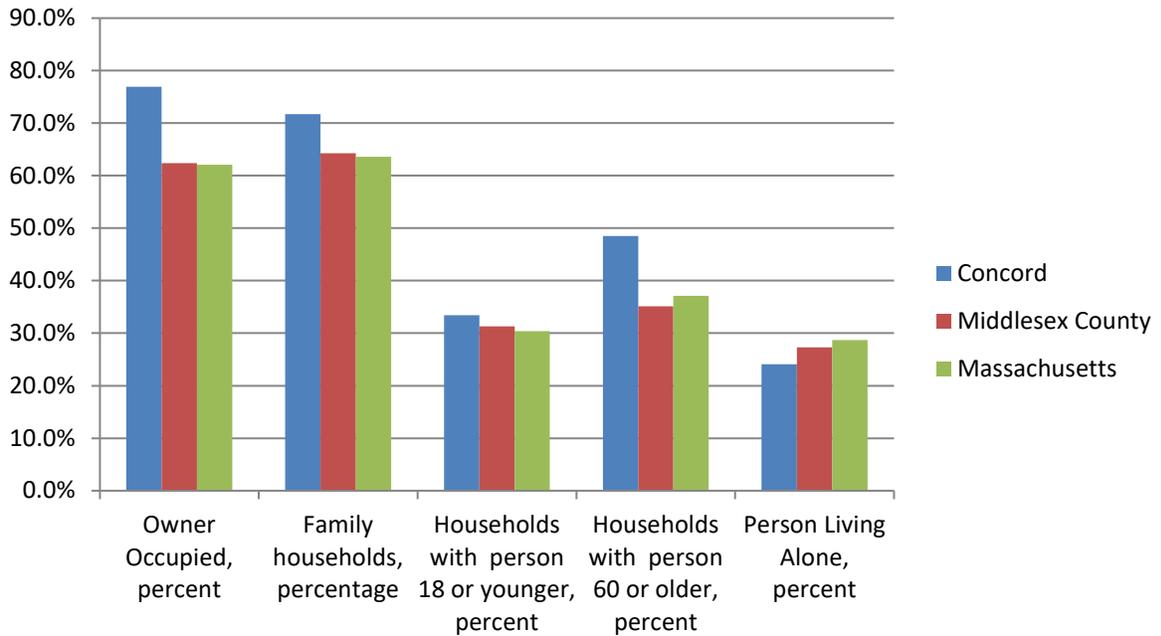
Appendix 1. Demographic Charts



**Change in Share of Population 20 to 34 , 2000 to 2015
Concord, Middlesex County and Massachusetts**



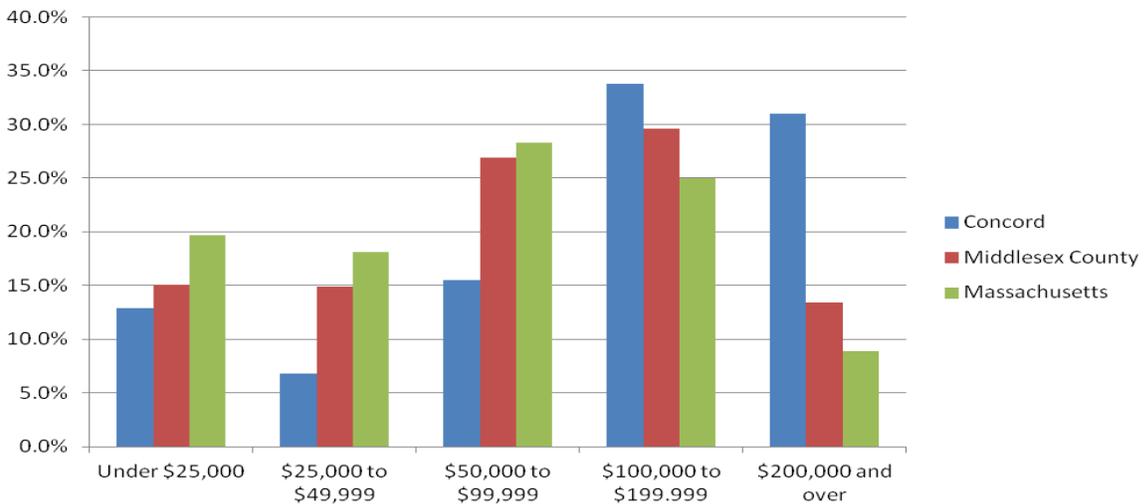
**Estimated 2015 Household Composition, Concord, Middlesex
County and Massachusetts**



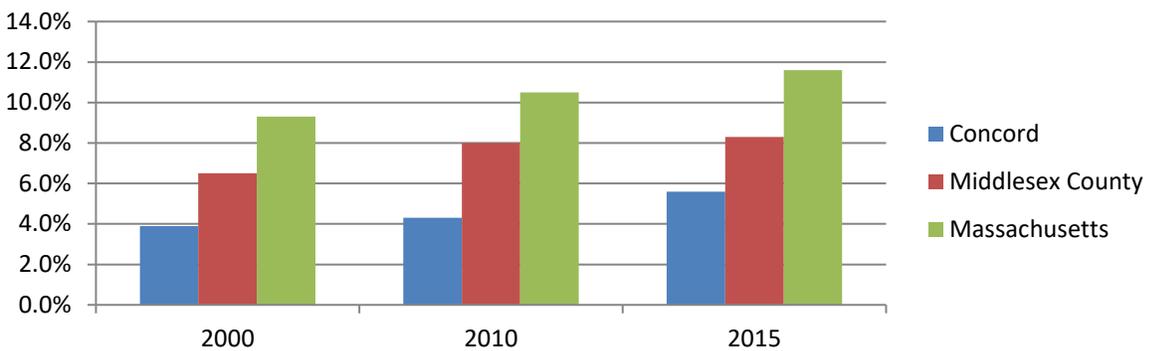
Median Household Income, 2000 to 2015 Concord, Middlesex County and Massachusetts



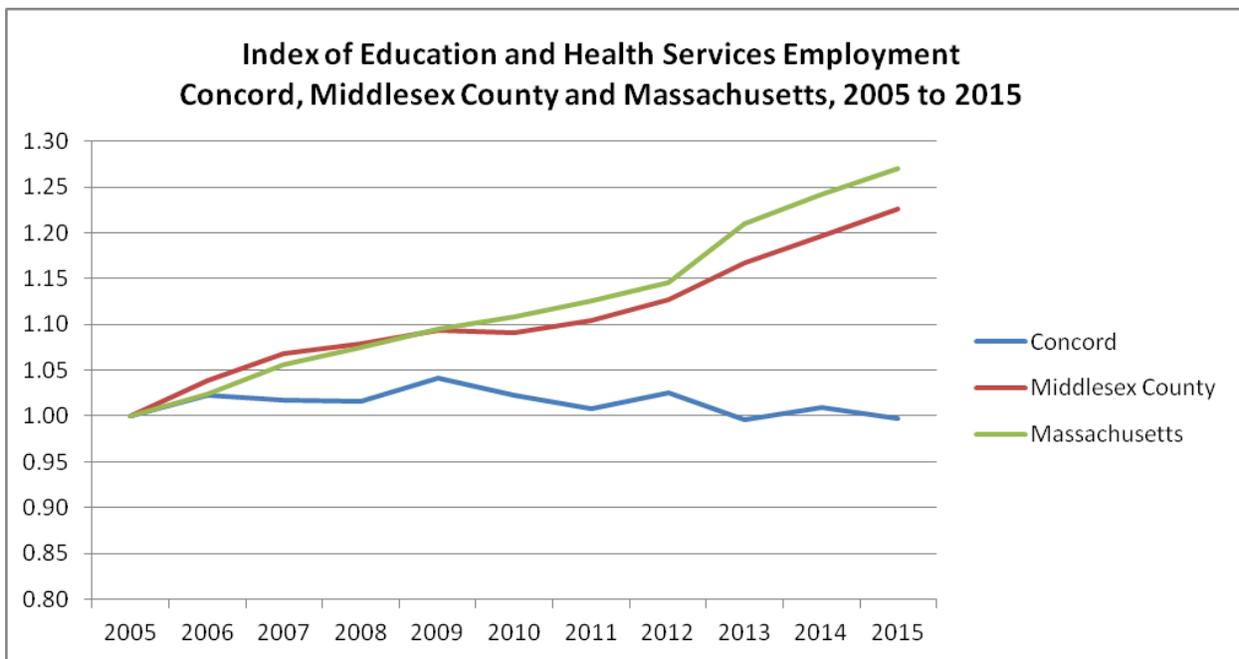
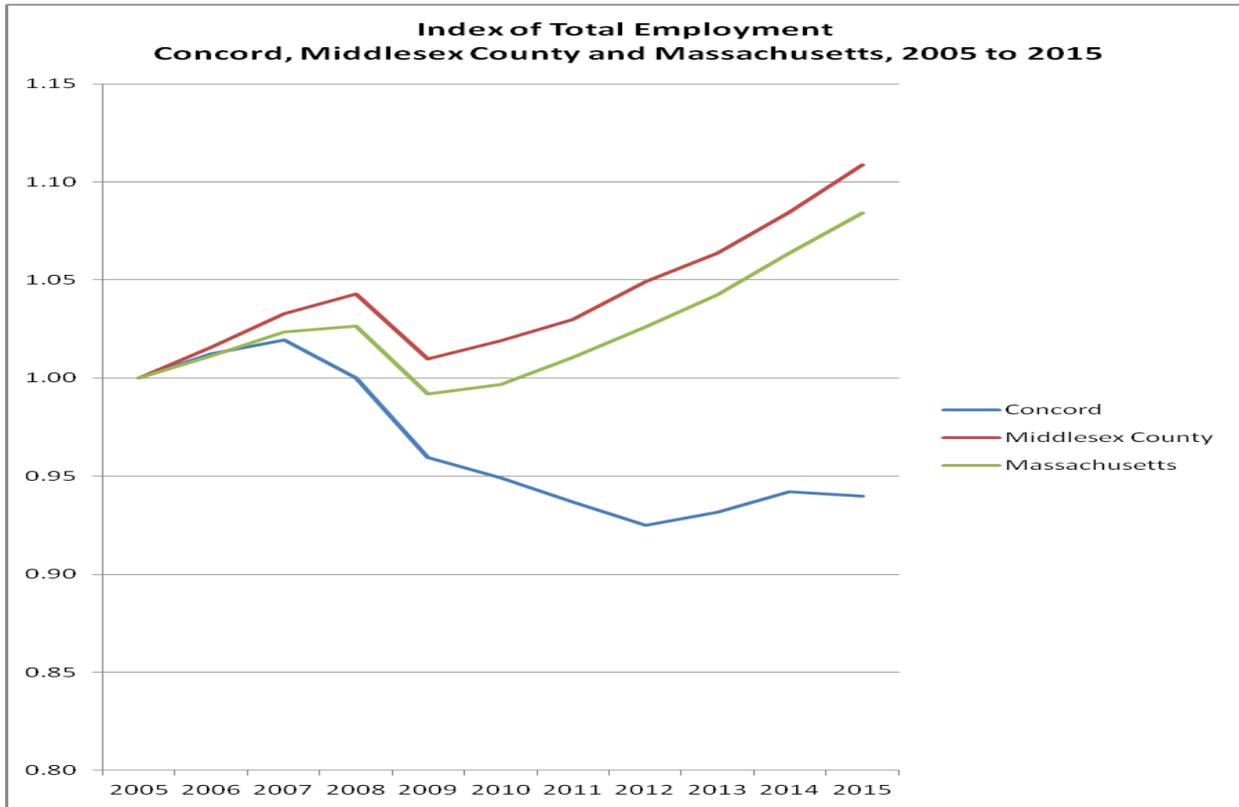
2015 Household Income Distribution Concord, Middlesex County and Massachusetts

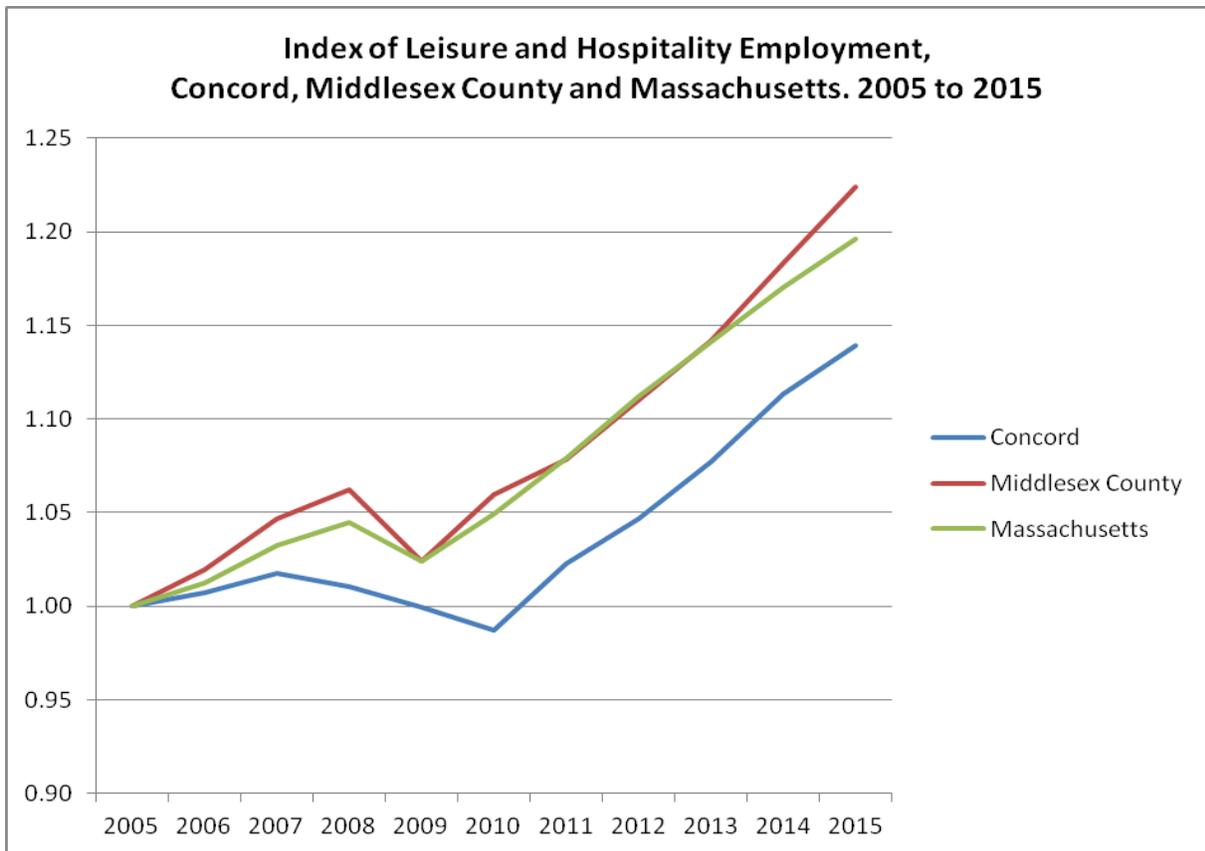
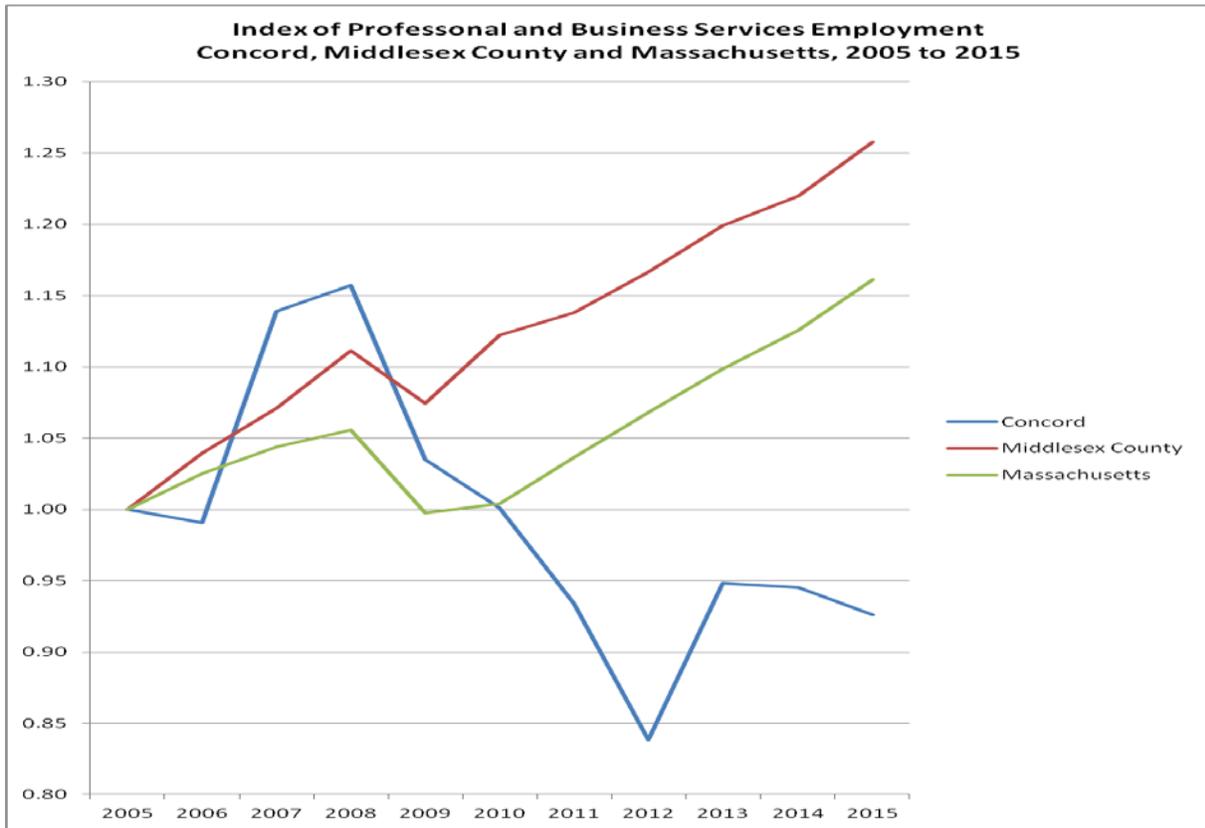


Poverty Rates for Concord, Middlesex County and Massachusetts, 2000 to 2015

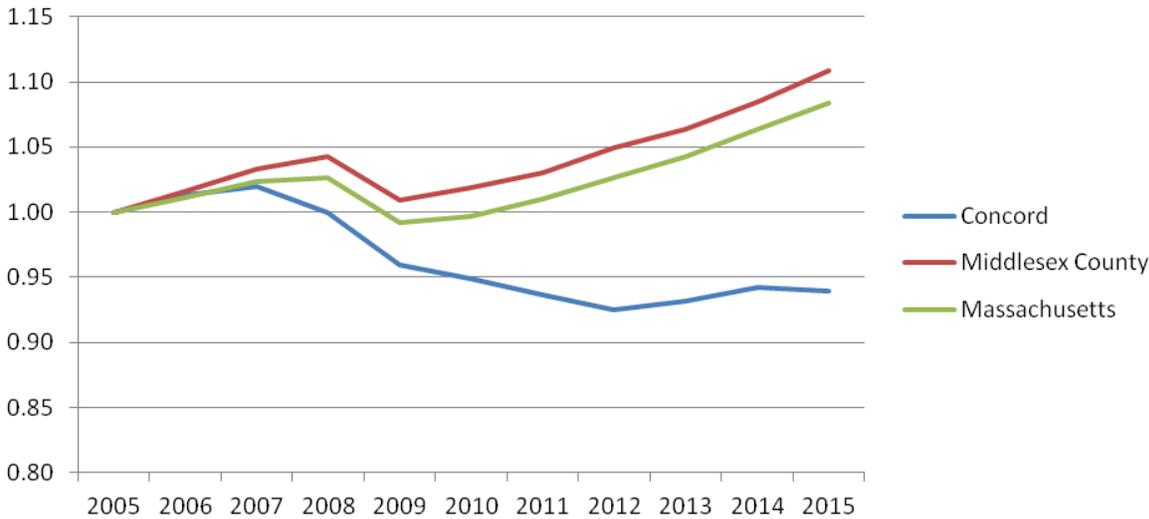


Appendix 2. Economic Base and Workforce Charts

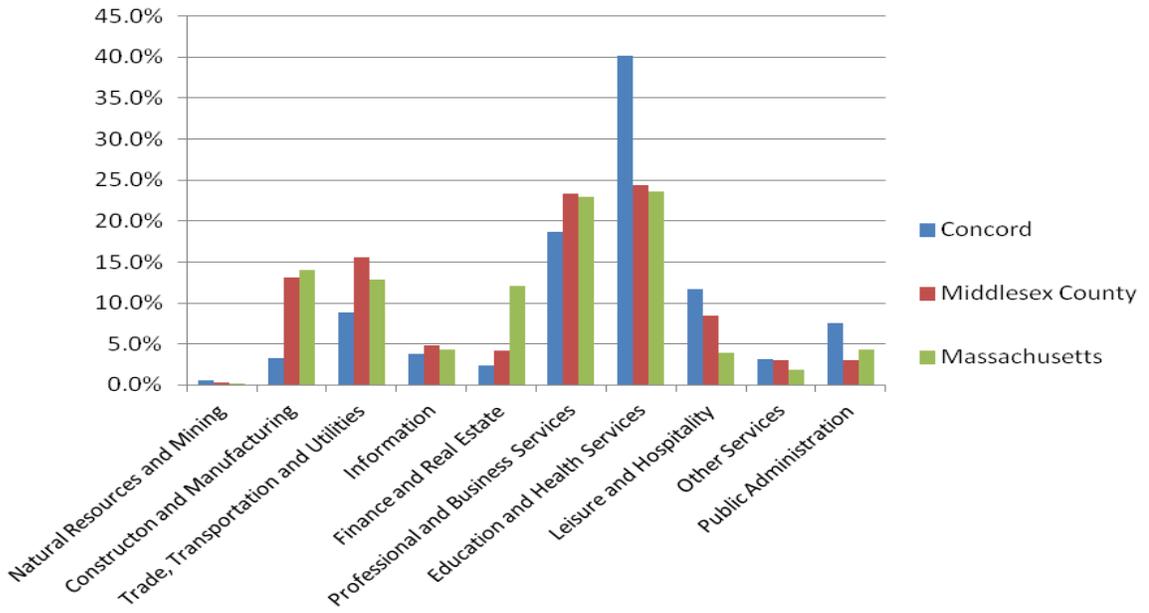




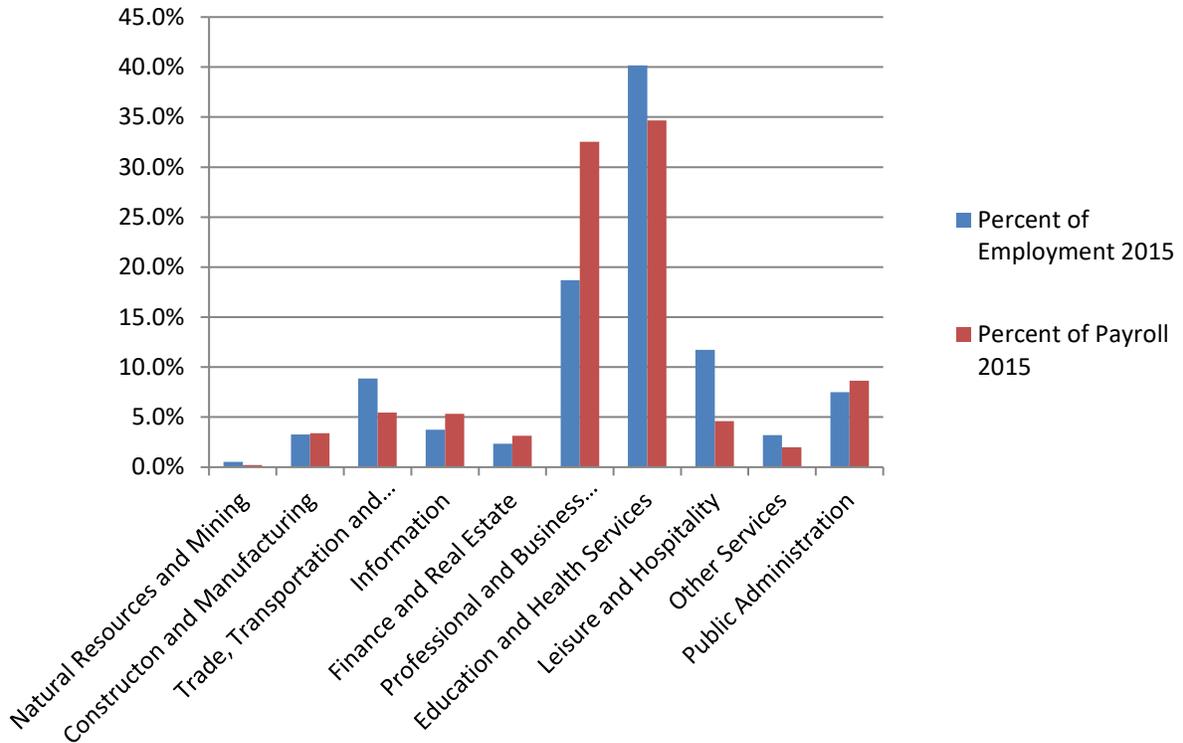
**Index of Trade, Transportation and Utility Employment
Concord, Middlesex County and Massachusetts, 2005 to 2015**



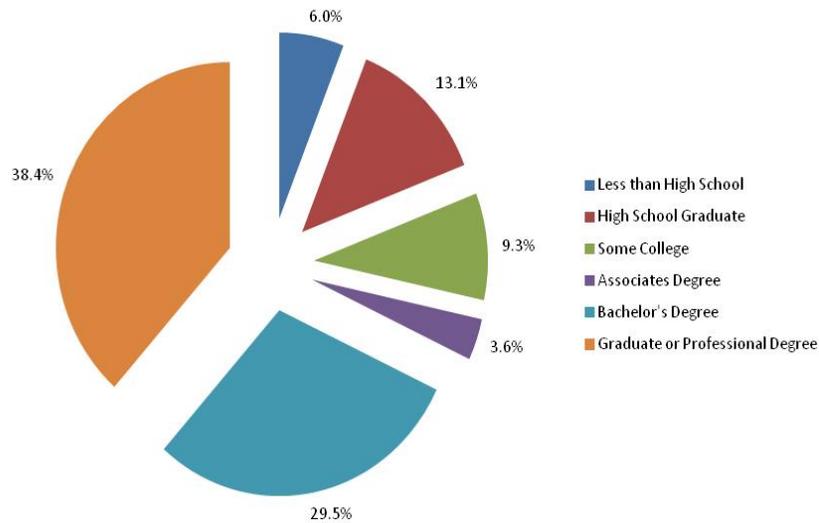
2015 Employment by Sector, Concord, Middlesex County and Massachusetts



Concord Employment and Payroll by Sector, 2015



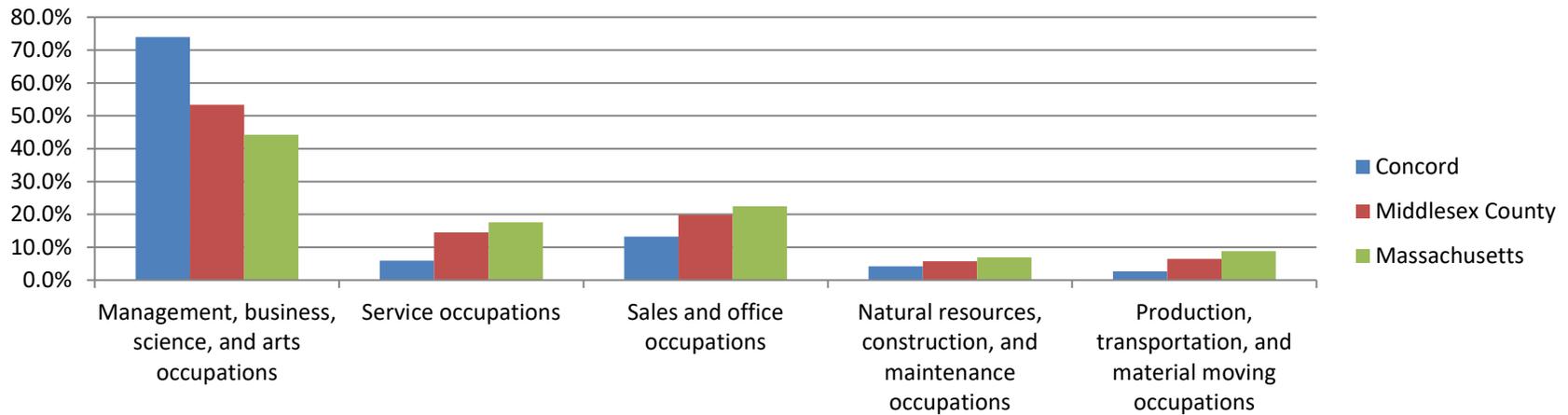
Educational Attainment of Concord Residents 25 or Older, 2015



**Percent of Residents 25 or Older with Bachelor's Degree or Higher
Concord, Middlesex County and Massachusetts**



**2015 Occupations for Workers Living in
Concord, Middlesex County and Massachusetts**



Appendix 3. Property Tax Base Data

Table 3. Property Tax Assessments, Assessment Growth and Tax Rates, Concord and Surrounding Communities

Property Tax Measure	Concord	Acton	Bedford	Carlisle	Lincoln	Maynard	Sudbury
Total Assessed Valuation, FY2017	\$5,973,716,402	\$4,230,454,513	\$3,424,494,825	\$1,456,665,498	\$2,041,841,837	\$1,279,655,133	\$4,408,953,695
CIP Assessed Valuation, FY2017	\$503,276,117	\$491,973,811	\$695,374,920	\$26,246,088	\$86,049,228	\$145,318,405	\$280,876,280
Residential Share, FY2017	91.6%	88.4%	79.7%	98.2%	95.8%	88.6%	93.6%
CIP Share, FY2017	8.4%	11.6%	20.3%	1.8%	4.2%	11.4%	6.4%
Assessment Growth, 2003 to 2017	\$1,565,414,595	\$1,136,667,840	\$1,161,777,625	\$472,923,388	\$370,084,417	\$481,817,122	\$1,569,170,717
Percent Assessment Growth FY03 to FY17	35.5%	36.7%	51.3%	48.1%	22.1%	60.4%	55.3%
CIP Share of Assessment Growth	2.0%	8.7%	11.0%	2.0%	7.7%	7.0%	6.5%
Tax Rate, FY2017	\$14.07	\$19.06	\$14.81/32.04	\$17.62	\$18.05	\$22.01/30.57	\$17.74/25.01