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Income falls sharply in some Eastern Mass. towns

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GEORGE RIZER FOR THE BOSTON GLOBE

Eileen Marum, a retiree who serves on the Marion Planning Board, lives at Marconi Village, one of three affordable-housing complexes built in Marion in recent years.

By Jennette Barnes and Matt Rocheleau

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Eileen Marum moved to Marion from a neighboring community to get into subsidized senior housing – not a common story in a well-heeled seaside town.

“I’m quite happy with it. Otherwise I wouldn’t be able to live in Marion myself,” said the 71-year-old retired nurse anesthetist, who serves on the Planning Board in her new hometown.

Marum embodies a trend that could help explain some dramatic drops in household income uncovered by a Globe analysis.

Comparing the two most recent five-year estimates from the US Census Bureau's American Community Survey, 2010-2014 and 2005-2009, median household income fell 15 to 30 percent in at least 10 Eastern Massachusetts communities, mainly small towns. And the trend is broader. About two-thirds of 158 communities in the region saw inflation-adjusted income decline.

Separate from the decennial Census, the annual survey samples about 1 percent of the population.



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Photos: Making do with less

How have incomes changed in your community?

West of Boston, high-income suburbs inside Interstate 495 largely avoided the trend, but Sherborn

saw a 13 percent drop, from \$179,225 to \$155,564. And farther out, some towns took big hits: 20 percent in Pepperell, 17 percent in Shirley, and 14 percent in Harvard.

Two towns north of Boston, bucolic Boxford and the tied island of Nahant, population 3,451, saw incomes fall nearly 28 percent.

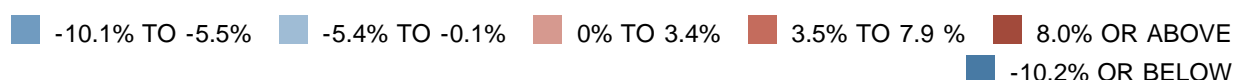
The biggest tumble came in Marion, on the South Coast, west of Cape Cod. There, median household income fell more than 30 percent, from \$109,956 to just \$76,607.

Percent changes in median household income from 2005-2009 to 2010-2014

For this map, cities and towns were ranked by the percentage change in median income per household.

Those that had a decrease were separated into three equal groups, and those that had an increase were

separated into three equal groups, each labeled with a different color. The data is from the US Census Bureau's American Community Survey, and is adjusted for inflation. Statewide median household income decreased by 4.67%, a drop of \$3,321.



Do all these numbers spell economic doom and gloom? Certainly not, according to local officials and a socioeconomic analyst at the University of Massachusetts Dartmouth.

Although the margin of error could be substantial in a small town, it does not explain such a large difference, said Michael Goodman, an associate professor of public policy and executive director of the Public Policy Center at UMD.

Nor could wage erosion fully explain it, even with the lasting effects of the 2007-2009 recession. He said income is what economists call “sticky,” meaning it resists change.

“It’s very, very rare for people’s incomes to go down,” Goodman said.

So what else could have happened? The demographics of these communities are probably changing,

he said.

That's where the retired nurse comes in. Marum used to live in Mattapoisett, another coastal town that borders Marion. Historically, Marion's income has been higher; an old local bumper sticker reads, "Marion is nicer." But in the latest data, median household income was slightly lower in Marion than in Mattapoisett.

Marion has boosted its production of affordable housing, hosting big construction projects in the last five or six years, according to Jennifer Francis, a member of the Marion Planning Board. The town has nearly reached the 10 percent quota set by the Chapter 40B affordable-housing law, she said.

Just as lower-income people are moving in, baby boomers are swelling the ranks of retirees nationally, and retirees tend to live on less income.

Goodman said that in a high-income town like Marion, the only plausible explanations for the steep income drop, aside from measurement error, are retirement and the introduction of lower-income residents. Retirees may account for the majority of the change, he said.

Demographics also seem to be changing in quiet Boxford, a little town with no sidewalks 25 miles' drive north of Boston.

Christine Bolzan, a School Committee member and former investment banker, said that in the neighborhood where she lives, some empty-nesters have moved out, likely taking with them the high earnings of their 40s and 50s. The new residents are younger adults in their 30s, she said.

Many people move to Boxford for the schools, the Bolzan family included.

"All we wanted was a good school district," she said. Fleeing fast-paced Manhattan, they discovered the area while attending a friend's wedding in Topsfield, and they lived briefly in another town while looking for a place to settle.

Living in a town like Boxford represents a financial commitment, she said. Voters have passed no less than five tax-limit overrides for education in the last two years alone. (The middle and high school are regionalized, so money for those schools requires a separate vote from the elementary schools.)

The town is actively brainstorming ways to avoid taxing older residents out of their homes without

compromising municipal services. It held a six-hour symposium on town finances Feb. 27.

“I’m totally fascinated by the puzzle before us, and I’m completely in love with the town,” she said.

Massachusetts as a whole fared better, but median household income still fell 4.67 percent between the two American Community Survey five-year estimates. All six New England states experienced declines, with Massachusetts doing better than all but Vermont, where median household income declined 3.78 percent. Nationally, income fell 5.75 percent.

With its small sample size, the American Community Survey might not be as accurate as the Census, Boxford Treasurer/Collector of Taxes Ellen Guerin said.

In Boxford, the 2010-2014 estimate puts median household income at \$127,813, noticeably lower than in the 2010 Census, she said. Guerin said the 2010 Census pegged Boxford’s median family income, which is similar but not identical to household income, at \$168,102.

Each year, the survey reaches about 3.5 million people in a nation of about 320 million – a bit more than 1 percent. As a tax collector, Guerin usually sees collections suffer when people lose their jobs, and she hasn’t seen that, she said.

Likewise, in Pepperell, on the border with New Hampshire, some observers see no sign of problems. The data show income fell from \$97,306 to \$77,767, but Chet Babineau, a member of the town’s Economic Development Advisory Committee, said he sees upwardly mobile people moving in. Mill sites are being redeveloped, a downtown property has been sold for multiuse development, and his committee met recently with an economist from Northeastern University who gave the town a glowing report, he said. He doubted whether people’s income has declined so much.

“I just find it hard to believe,” he said.

Pepperell Town Administrator Mark Andrews said the town has a healthy economy and a tight housing market. The town recently wrote a tax-increment financing agreement for the expansion of 1A Auto, an online auto parts retailer that plans to add 150 jobs over five years, he said.

Andrews said the town also has low unemployment, good schools, and trout fishing on the Nissitissit River. But he conceded Pepperell is a “graying” community and not located on a major highway, both factors that could affect its statistics.

Real estate agent Roger Goscombe, owner of a Century 21 agency in Pepperell, said very few new homes have been built in town in the last 10 years, so workers in construction trades have been willing to work for less.

As elsewhere, the town has plenty of baby boomers moving to smaller homes, he said.

He has another theory, too: Some people move to a place like Pepperell to work locally and cut time off their commute, choosing less pay in return. They include some of his fellow business owners, he said.

Together, they are working to support that ideal of local sustainability by planning to start a community farm, where growers could lease land and make a living selling their crops under the farm's brand.

Goscombe himself moved to Pepperell in 1973 because he couldn't afford to live closer to Boston. Now he lives in Pepperell by choice, he said, and he is content.

"We've never been a boom town," he said.

Goodman, the policy professor, said that if the data indeed reflect the aging of the population and the declining income of seniors, they demonstrate an increasing need for services to elders and the pressure that the cost of public services puts on elder taxpayers. Small communities, even affluent ones, may have a growing number of residents who are land rich and cash poor, "or at least cash poorer," he said.

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