

What Will Boston Be Like in 2030? Prosperous? A Disaster Zone?

Is Boston on a path toward financial prosperity or headed toward disaster?

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[The Boston Foundation](#) released its annual [Boston Indicators](#) report last Wednesday. Its authors examine the current state of the city, diagnose some of its problems, and lay out strategies for its future.

It's an expansive report, full of data and analysis. Below, a summary, along with my own thoughts.

Boston innovation

The city of Boston has a lot of talent, much of it focused on the "innovation economy clusters" of higher education, financial services, and healthcare industries.

Unfortunately, the city's health and residents' continued prosperity are at risk, due to forces both local and worldwide.

As the world becomes increasingly flat, businesses are moving out of the state - and out of the country. So, the jobs that remain here will be for the well-educated (and highly-paid) or the unskilled (and poor).

Inside Boston, there is a segregation of classes, with an older, upper-class that lives and works in the city's core, poor women with children clustered in public housing projects, and middle-class families inhabiting the outer ring of neighborhoods.

So what happens now?

Here are my thoughts on the risks facing Boston during the coming years.

Building the wrong types of housing: In a perfect world, the demographic shift currently underway, where long-term residents of the Bay State move south and west, would mean lower housing prices for those who remain (and, for those who move here, post-college) but we have too much of the "wrong" type of housing - single-family homes in post-industrial cities such as Peabody, Lynn, Fall River, Lowell, and, further west, Springfield and Pittsfield.

At least currently, it seems many of our younger people want to live in cities. But, because of strong resistance from residents and neighbors, not much can be built. Due to decreases in population growth, the pressure on Boston will abate, but unfortunately, the housing stock in the suburbs will go unused, leading to suburban decay.

Public education, its costs, its challenges, its future: We assume government can solve societal problems such as uninvolved parents, non-English speaking children, and multi-generational poverty.

That's a lot to expect and, thus far, a challenge impossible to meet.

The solution is to break down the problem into pieces, and attack them one by one.

Boston Mayor Thomas Menino has **promised** radical changes to the Boston Public Schools' school assignment policy. This will (hopefully) put more kids in schools in their own neighborhoods, making their school days much easier and allowing parents to become more involved.

The championed by City Councilors John Connolly and Tito Jackson that requires students to stay enrolled in school until age 18 will help, but we also need to expand alternative (tech and vocational) programs. A one-size fits all solution will not work - traditional high schools don't work for everyone.

There needs to be a complete analysis of the English-immersion programs in place at local schools. If children aren't able to understand English at school (and aren't speaking English at home ...) then they can't learn a thing.

Business relocations: Boston is losing its largest employers - a result of the changing times. Bank of Boston is now **Bank of America** and **Gillette** is now **Procter and Gamble**. Meanwhile, **Fidelity Investments** is moving a lot of its workers to locations outside the city. Efforts by the mayor are to encourage new companies to emerge in the **Innovation District**.

Trouble is, it takes a lot of paychecks at a start-up to equal those earned at a bank's headquarters. You can do a lot more work with a lot fewer workers at **Google** than at Fidelity.

The only good thing about losing "big" employers and replacing them with smaller companies is that you end up spreading the risk. A 100-person business folding doesn't have as much effect as a pharmaceutical company laying off a 1,000 employees.

Limited municipal property tax growth: The **Boston city budget** has increased 26.9 percent since 2003 and is up 13.4 percent since 2006. The average Boston single-family homeowner's **property tax bill** increased from \$2,621 to \$4,949 between 2002 and 2012, up 88.8 percent. (Net of the owner-occupant residential exemption, it increased from \$1,740 to \$3,305, up 89.9 percent.)

The assessed value of all residential properties in the city won't appreciate at a rate anywhere close to that of the recent past, meaning the only way to raise revenue is to increase the tax rate, which will put more of a burden on Boston homeowners.

Aging population: According to Boston Indicators, between 2000 to 2010, Bay State workers over age 55 increased by 55 percent, or 223,000, while those under 55 declined by 12 percent, or 261,000. Massachusetts, and Boston, is getting older.

This is a big problem. If nothing changes, older residents will move out (or, die) and not be replenished with enough educated, talented younger people. College enrollments are going to decline during the next two decades because families are having fewer children.

If our colleges stop churning out thousands of new graduates every year to replenish our work force, then what do we do?

Jobs mismatch: In Massachusetts, many jobs remain vacant despite a large pool of unemployed workers, suggesting a jobs/skills mismatch.

According to Boston Indicators, "The loss of high-paid, low-skilled manufacturing jobs has widened income inequality and contributed to youth unemployment and racial/ethnic disparities in health and education."

Public transportation failures: What more can be said: The MBTA is .

Future Boston

The Boston Indicators report concludes with a list of five imaginative scenarios for Future Boston. They range from the good to bad. Will Boston be a "college town" and "heritage theme park", an "active retirement community for the wealthy", or a city with "sharp income and racial/ethnic divides" or "one of the most job-rich cities in the US and one of the most diverse"?

My Scenario for 2030

I see few positive changes coming over the next two decades. The city will continue to provide public health and welfare services to the poor and needy, and find it necessary to do more as state and federal governments grapple with reduced tax revenues. Property taxes will go up for Bostonians, but tax bills will still seem relatively low, when compared to surrounding suburbs.

University enrollments will shrink. The majority of college students will be housed on campus, causing landlords in some of Boston's neighborhoods to defer property maintenance and repair, which will make these areas less appealing to many residents.

Healthcare employment will increase due to the implementation of universal healthcare in 2014 (hooray!) and the aging of the population.

The housing stock in downtown Boston will age, too. With a limited number of new college graduates and a steady, stable (but flat) residential population, there won't be many new apartment towers going up in the city. Which is good, if you like Boston the

way it is, today, but bad if you are hoping those new towers will be helping to pay the city's budget.

If Boston's population stagnates, will this mean property values will come down?

Impossible to say, but it seems to me they will plateau, as well ... at least until the next real estate bubble. Will rents fall? Barring some sort of calamity or national catastrophe, probably not. Then again, who foresaw the abandonment of cities due to the rise of the suburbs in the 1950's, or the consequences of busing in the 1970's and increases in crime in the 1980's?

Conclusion

What do you think? Check out the Boston Indicators Report (attached as a PDF) and then come back to leave your own prediction for what Boston will look like in 2015, 2020, and 2030.

<https://patch.com/massachusetts/jamaicaplain/boston-foundations-report-on-city-economy-1a7f7fb7>