
FROM THE PRESIDENT



With the state and nation coping with the effects of the global financial crisis and the subsequent economy-wide recession, it has never been more important to understand the forces that are shaping the condition of our economy. That is the mission of *MassBenchmarks* — to bring analysis and insight to bear on pressing economic and public policy issues confronting the Commonwealth of Massachusetts. In this issue, the journal more than lives up to its mission by assessing the state of the state economy, examining the effects that rising foreclosures are having on our communities, highlighting our vulnerability to energy price shocks, and discussing some potential policy responses.

As UMass Boston Professor and *MassBenchmarks* co-editor Alan Clayton-Matthews points out in his latest analysis of the state of the state economy, Massachusetts has fallen into recession. Although our reliance on innovation helped us stave off recession longer than most other states, the global slowdown has reduced the international demand for the technology products and services and this has in turn slowed our economic growth substantially.

It is clear that 2009 is going to be a very difficult year for the Massachusetts and U.S. economies. The New England Economic Partnership's latest forecast predicts that Massachusetts will lose approximately 135,000 jobs during this downturn creating significant challenges for Massachusetts' working families.

In this issue's regional feature, a team of UMass Lowell analysts led by David Turcotte and Robert Forrant explore one of the greatest challenges facing our working families through an examination of home foreclosure data for the Northeast Region. Their article highlights the disproportionate impact that foreclosures are having on urban communities in both the Northeast Region and across Massachusetts. As they note in their conclusion, "the Wall Street crisis will affect neighborhood development for years to come."

In addition, a team of UMass Donahue Institute researchers, including former Research Manager Robin Sherman and several colleagues from the Institute's Economic and Public Policy Research Group, present the results of their analysis of the impacts of home heating costs on family budgets in Massachusetts. Although energy prices have dropped dramatically in recent months, significantly reducing the pressure on our households, this article highlights the vulnerability of the Commonwealth to energy price shocks and offers policymakers some important lessons to consider as they prepare for the future.

Finally, Senator John Kerry concludes this issue of *MassBenchmarks* by reminding us that we must continue to ensure that our most vulnerable neighbors receive the federal resources they need to cope with energy costs through the Low Income Home Energy Assistance Program (LIHEAP) and energy efficiency programs. However, as he rightly points out, "long-term, America must secure its energy independence by reducing our dependence on foreign oil, investing in renewable and clean energy technology, and ensuring consumers have access to more affordable 'green' energy and environmentally friendly products."

Meeting our economic and energy challenges will require us to undertake the science and develop the technology that we have long known supports the creation of high-quality jobs and economic opportunities here in Massachusetts, a lesson that will not be lost on readers of this important issue of *MassBenchmarks*.

Jack M. Wilson, President