

25%

**of Brookline
residents struggle
to make
ends meet**



ECONOMIC INEQUALITY IN BROOKLINE

Brookline is **growing.**

Brookline is **diversifying**

(in some ways)...

while becoming unaffordable

for many. How do we understand

today's reality to build a

better

Brookline for

tomorrow?

Dear friends,

In 2012, the Brookline Community Foundation (BCF) released the first in a series of ground-breaking reports that opened eyes and changed collective conversations in our town. Combined, *Understanding Brookline: Emerging Trends & Changing Needs*, *A Report on Poverty (2014)* and *Advancing Access in the Out-of-School Hours (2019)* gathered key data on Brookline’s changing demographics to help residents, community organizations, and Town leaders better understand challenges and opportunities in Brookline. The series spurred rich community-wide conversations and advocacy. It also provided greater focus to BCF’s work, helping us lead collective responses to the most pressing issues facing Brookline residents.

Now, we are pleased to introduce the newest installment in our *Understanding Brookline* research series: *Economic Inequality in Brookline*. This report synthesizes 2020 U.S. Census and 2017-2021 American Community Survey data to build on the core ideas addressed in *A Report on Poverty*. By expanding our inquiry to explore how economic inequalities extend beyond poverty and how these inequalities are shaping and impacting our community, we hope to foster deeper community conversations and identify new collective actions we can take to expand access and opportunity in Brookline.

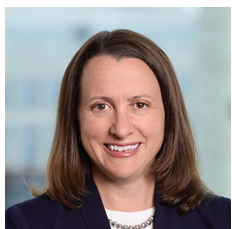
In addition to this report, we are also looking forward to launching a new *Understanding Brookline* database in 2023. This database will allow anyone in the Brookline community to access, explore, and understand how we are collectively doing on 50 unique health, well-being, and equity indicators that span topics such as health, education, access to essential resources, economic equity, and racial justice.

The report and database represent the newest tools in our *Understanding Brookline* research series. The report explores in depth the financial realities impacting our community, particularly in the wake of continuing economic destabilization caused by the Covid-19 pandemic. The database provides a broad overview of many key health and well-being indicators to ground us in collective understanding and action. The database will also enable BCF and our partners to create topic-specific research on an ongoing basis so that we can continually highlight new and existing opportunities. Combined, these tools will help us understand where the greatest needs in our community are and how we can effectively reinvest in Brookline.

None of this work would be possible without the ongoing support of the Brookline community. We are immensely grateful to everyone who engaged with and supported these conversations over the past decade. We are also deeply appreciative of the supporters whose generosity is fueling this report: HarborOne Bank, Hemenway & Barnes LLP, the Apple Orchard School, and United Parish in Brookline.

We hope this report is the first step in bringing to light our shared challenges, catalyzing new community-wide conversations, and reinvesting in shared solutions so everyone in Brookline has access to what they need today, tomorrow, and well into the future.

In partnership,



GIOIA PERUGINI

A handwritten signature in blue ink that reads "Gioia Perugini".



ABA TAYLOR

A handwritten signature in black ink that reads "ABA Taylor".





EXECUTIVE SUMMARY

A decade ago, the Brookline Community Foundation (BCF) compiled data from the 2010 U.S. Census and other sources to shine a spotlight on trends and needs in our community, resulting in *Understanding Brookline* and the subsequent *A Report on Poverty*. The latter report provided insights into the 13.2% poverty rate in Brookline that was reported in the first study—revealing the complex causes of poverty and spotlighting community stories about the impact of financial insecurity.

Today, we build upon this work, moving our focus to a broader look at economic inequality in Brookline. Using data from the 2020 U.S. Census, the 2017-2021 American Community Survey, and other sources, we seek to understand how the Brookline community has changed over the past ten years, where we are seeing indications of economic inequality, and how these inequalities are impacting access to essential resources.

In this report, we focus on three main questions: How has Brookline changed demographically in the last decade? Where is financial need rising even as overall poverty rates fall? And how might these inequalities impact resource access, financial stability, and building intergenerational wealth? Throughout these inquiries, you will see interwoven data, hypotheses about its impact, questions these data give rise to, and suggestions for further action.

PART 1 • **A Growing & Diversifying Brookline**

- Brookline is growing | Between 2010 and 2020, Brookline's population grew by nearly 7.5%, though recent data indicates the population has declined since 2020.
- Residents range in age and needs | Brookline's population includes a wide range of ages, requiring creative resource allocation to ensure support across the lifespan.
- Brookline is more racially diverse | Brookline is more racially diverse today compared to 2010, with nearly 30% of the population identifying as Black, Asian, Latiné, or multiracial.

PART 2 • **Declining Poverty, Rising Economic Need**

- Poverty declined, but not equally | The Town's poverty rate fell from 13.2% in 2010 to 10.2% 2020. However, the number of seniors living in poverty rose, with additional markers of economic inequality indicated along racial lines.
- Incomes are rising, but not enough | Median household incomes rose, but not enough to keep pace with estimates of Norfolk County's living wage of \$114,546 in 2020. In fact, 1 in 4 Brookline residents is financially vulnerable.
- The middle class is disappearing | Increasingly, Brookline's middle class is being hollowed out, with more residents appearing to be concentrated at further ends of the economic spectrum.

PART 3 • **Economic Inequality in Brookline Today**

- Housing is prohibitively expensive | Rising housing costs make it harder for people to move into and/or remain in Brookline; one third of Brookline residents are spending 30% or more of their income on housing.
- Affording the essentials is getting harder | As the price of consumer goods, food, and energy go up, residents must spend more to maintain the same standards of living.
- Brookline nonprofits get less | Brookline's nonprofits receive less funding from public sources than other communities, forcing them to address local needs with limited resources.

how
do these
trends
shape
Brookline
today?

where
do trends
show barriers
to financial
stability?

what
do these
trends
signal for
Brookline's
future?

understanding brook

Ten years ago, we published *Understanding Brookline: Emerging Trends & Changing Needs*, the first in a series of *Understanding Brookline* reports. In the following years, we published *A Report on Poverty* (2014) and *Advancing Access in the Out-of-School Hours* (2019).

All three reports explored demographic changes, gaps in support systems, and opportunities to expand access and opportunities for community members. In particular, *A Report on Poverty* provided insights into Brookline's 13.2% poverty rate and explored the complex causes of poverty while spotlighting community stories of those impacted by economic hardship.

Today, we build upon the work we began through that report and expand our focus to explore economic inequality more broadly. In the last decade, we've seen a growing focus on the idea of economic equity: The belief that our economic systems should work in a way that is not only fair but uplifts those most directly harmed by systemic biases, lack of opportunity, and economic oppression. This idea is crucial because our health, well-being, and life opportunities are directly

impacted by our access to essentials such as healthy food and safe, stable housing. These fundamental building blocks help us put down roots, build thriving communities, and invest in future generations.

Nationally, we are seeing the impacts of inequitable access to these essentials. As the cost of food, housing, utilities, and more continue to rise, it is becoming increasingly difficult to afford the necessities we all need to maintain healthy lives and build brighter futures. These economic shifts are pushing the U.S. population towards opposite ends of the economic spectrum—hollowing out the middle class and creating a more financially precarious reality for many.

We see indications of these same phenomena happening in Brookline. Though the overall poverty rate has fallen, roughly 1 in 4 Brookline community members earn below 300% of the federal poverty threshold—indicating incomes far below the estimated living wage needed for Norfolk County (\$114,546 in 2020). Median household incomes appear to vary considerably by race, suggesting inequality across racial lines. The cost of essentials like housing

and food has also risen sharply. Combined, these factors could be creating increased economic strain and hindering the creation of long-term financial stability.

In this report, we ask: What does it take to access essential resources in Brookline today? Who does—and doesn't—have access to the resources we all need to build healthy, fulfilling lives? We begin with a broad demographic analysis to understand how Brookline has changed in the last decade: Where have we seen growth and shifts in the makeup of our community? How do these changes inform our understanding of economic inequality? We then take a close look at factors associated with economic stability in Brookline: How much income would someone need to make to earn a living wage in this region? What resources does it take to achieve housing security? Where are we seeing barriers to long-term financial stability in the community we call home?

These questions directly inform BCF's work. As a community grantmaker, convener, capacity builder, and steward of local philanthropy, we work to ensure everyone can access the

line in 2023



essentials they need to build financial security. Understanding where barriers exist while addressing the impacts of economic inequity and its underlying causes is a crucial part

of this work. We hope this report will foster new ideas, inspire bold actions, and support collaborative efforts to ensure every member of our community has what they need to build happy, thriving lives.

ABOUT THE DATA

WHAT IS THE CENSUS?

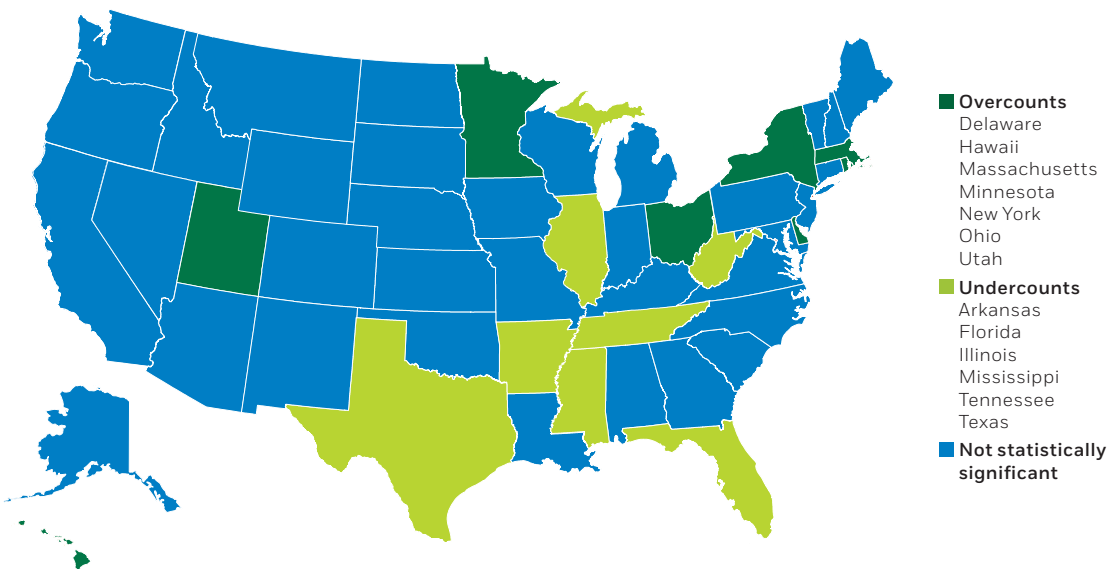
The U.S. Census is a nationwide effort designed to count every resident in the United States every 10 years. The Census provides demographic information that helps communities determine where to build schools, homes, hospitals, and more. The Census is also used to draw legislative districts, determine the seats each state holds in Congress, and help the government distribute funds and assistance locally.

In this report, we use data from the 2010 and 2020 U.S. Census, from the 2017-2021 American Community Survey, and from state and county sources aggregated by the Center for Governmental Research.

Census accuracy | The arrival of Covid-19 in the United States, combined with numerous natural disasters and deportation threats made against immigrant communities, contributed to concerns that the 2020 Census counts would not be accurate. According to the U.S. Census Bureau, the data are largely accurate, but miscounts were estimated for some states and demographic groups. Subsequent research released in May 2022 by the Census Bureau found that the 2020 Census overcounted household populations in eight states, including Massachusetts, and undercounted in six others (Pew Research, 2022). It was also estimated that white and Asian populations were overcounted while Black, Latiné, and Indigenous/ Native Americans/American Indians/Alaskan Native populations were undercounted nationally.

Margins of error | Within the 2017-2021 American Community Survey data, certain data sets have margins of error due to small sample size. While the true figures could be somewhat lower or higher, these survey data are still important and worth sharing. In this report, we have focused on robust data that allow us to make comparisons and analyses, but we have also included some data that include margins of error, as they may be suggestive of broader trends. Where this occurs, we note it in the text.

Timing | Since 2020, many U.S. communities have experienced demographic shifts due to the Covid-19 pandemic. Many people moved during the pandemic, and broad economic upheaval widened existing inequalities and inequities while creating new ones. In this report, we present the numbers reported by the 2020 U.S. Census and 2017-2021 American Community Survey while also drawing attention to places where those data may require additional analyses to tell a completer and more current story about Brookline in 2020 and beyond.



Source Note: Key facts about the quality of the 2020 Census. Pew Research Center, June 8, 2022

trends

PART 1 • **A Growing & Diversifying Brookline**

Brookline's population has continued to grow and diversify. In the following section, we summarize trends from the 2020 U.S. Census and 2017-2021 American Community Survey, comparing Brookline's population today to its makeup a decade ago. How has our community changed demographically? How do these changes inspire us to think about what we can do to make Brookline a more welcoming, supportive, and inclusive community? Together, these trends also provide context for how economic inequality may be impacting our community, a topic explored further in the next sections.

A growing community | The U.S. Census reports that Brookline's population grew from 58,732 in 2010 to 63,191 in 2020—a roughly 7.5% increase. This trend is in keeping with Norfolk County's population growth, though Brookline's growth is smaller than the county's 8.22% growth during the same period. Brookline's population growth was greater, however, than many peer communities, including Newton (4.7%) and Somerville (5.1%). Cambridge grew more rapidly than Brookline with an 11% population increase. Statewide, the rate of population growth for 2010 to 2020 was 7.4%, similar to Brookline's.

With a possible caveat | The arrival of Covid-19 during the Census count means it is possible population counts have changed since 2020. Based on data from the 2017-2021 American Community Survey, Brookline's population has declined since the 2020 Census count. The 2017-2021 American Community Survey data puts Brookline's population at the lower figure of 62,726. It is possible that each of these numbers is correct for its time, and that neither yet reflects the full impacts of the pandemic: People moving for more living space and childcare support, college students moving out of Brookline while still attending local schools via remote learning, and increased mortality rates. What is clear is that Brookline's population is in flux. The full story of the pandemic's impact is still being written.

Diverse ages, diverse needs | Brookline continues to be a diverse community in terms of age. About 5.6% of Brookline residents are under the age of 5, and nearly 20% of the population—or 12,385 individuals—are under the age of 18. Just over 16% of Brookline's population—10,174 individuals—are over the age of 65. The largest age group in Brookline remains 20-29-year-olds, who comprise 21% of the total population. This group includes youth who grew up in Brookline, students studying at local colleges and universities, and young professionals.

It is noteworthy that a combined 36.1% of Brookline's population sits at the further ends of the age spectrum. The resources and support younger and older individuals need to thrive are very different. Supporting both

how
has Brookline's
population
growth
impacted the
community?

where
is this growth
most evident?

what
forces are
bringing
people in
and pushing
people out?

how
can we
ensure
residents
of all ages are
supported?

where
are there
existing
supports for
our youngest
and oldest
residents?

what
additional
supports are
needed?

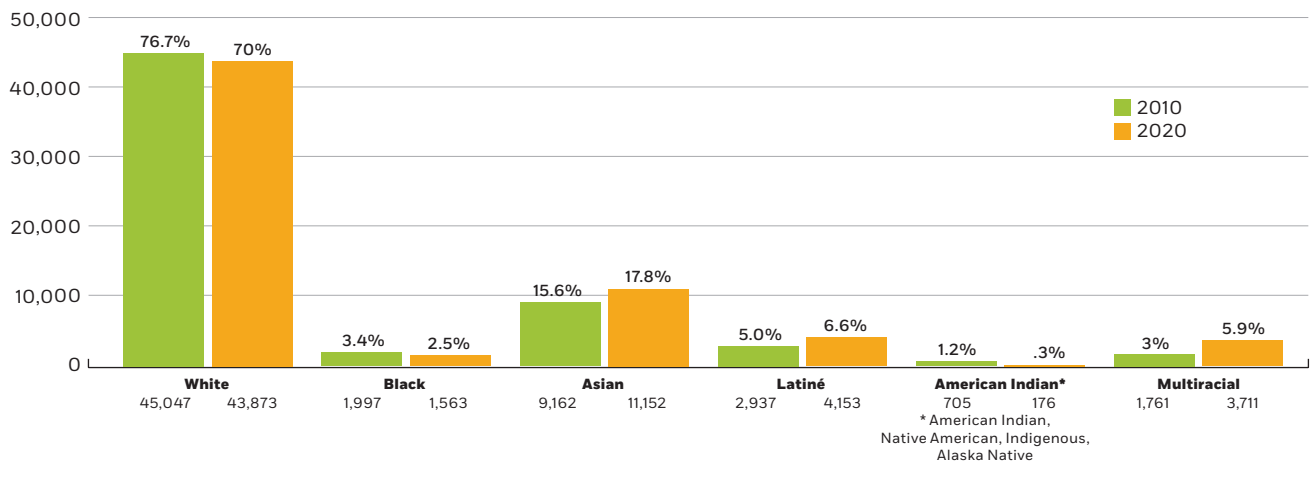
groups well means there must be adequate and accessible space to gather, skilled caregivers, teachers, professional support, and wrap-around services. These needs suggest that Brookline must marshal a diverse set of resources to ensure no resident—young or old—falls through the cracks.

Growing diversity | Brookline is more culturally and racially diverse than it was in 2010. The number of Brookline residents who were born outside of the United States is 31%, up from 26% in 2010. Additionally, 33.2% of Brookline residents above the age of five speak a language other than English at home. Roughly 30% of Brookline’s population identifies as a racial identity other than white. The number of individuals who identify as Asian has grown from 15.6% in 2010 to 17.8% of the total population in 2020. Brookline’s Latiné population has also grown by 1.6%. The number of individuals who identify as two or more races has nearly doubled, rising from 3% to 5.9% in the past decade.

The percentage of individuals who identify as Black in Brookline has declined, falling from 3.4% in 2010 to 2.5% in 2020. Statewide the Black population grew by 5%, while in neighboring Boston, the Black population decreased by 3.3%, similar to Brookline. While individuals who identify as white still make up the majority of Brookline’s population, that number has declined from 76.7% in 2010 to 70% in 2020.

Understanding inequality | Understanding who we are as a community and how we’ve changed since 2010 is foundational to understanding how we are experiencing economic inequality. As we will see in the next two sections of this report, while poverty has declined overall in Brookline, it has not fallen equally for everyone. And while Brookline’s median household income has risen, it has not risen enough—or equally across racial lines—to ensure every member of our community can build financial security.

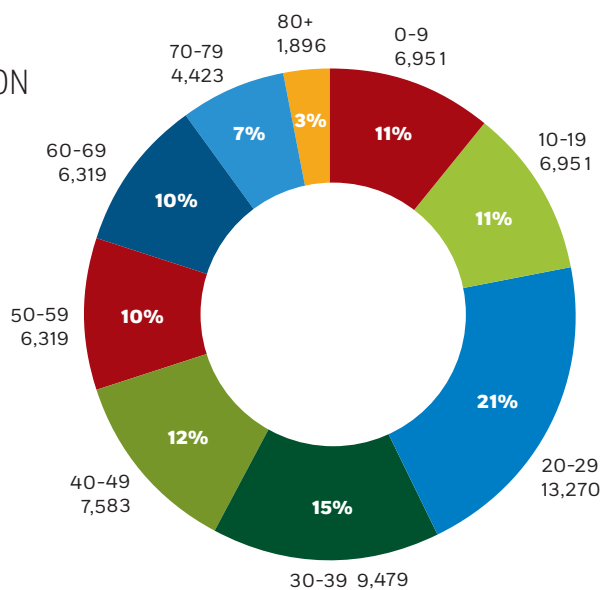
BROOKLINE POPULATION BY RACE & ETHNICITY



Source: 2010 and 2020 U.S. Census



POPULATION BY AGE 2020



Source: 2017-2021 American Community Survey

where

are we seeing opportunities for greater inclusivity in education, language accommodation, civic leadership, and more?

analysis

PART 2 • **Declining Poverty, Rising Economic Need**

In *Understanding Brookline: A Report on Poverty* (2014), we sought to answer key questions about Brookline's 13% poverty rate reported by the U.S. Census in 2010. Today, we seek to expand that inquiry to better understand how economic needs can persist and grow even as the 2020 U.S. Census data indicates Brookline's poverty rates have fallen in the last decade.

how

is economic inequality impacting Brookline?

where

do we see indicators of this inequality in our community?

what

supports do we still need to build financial security?

Decreasing poverty, a minimum measure of need |

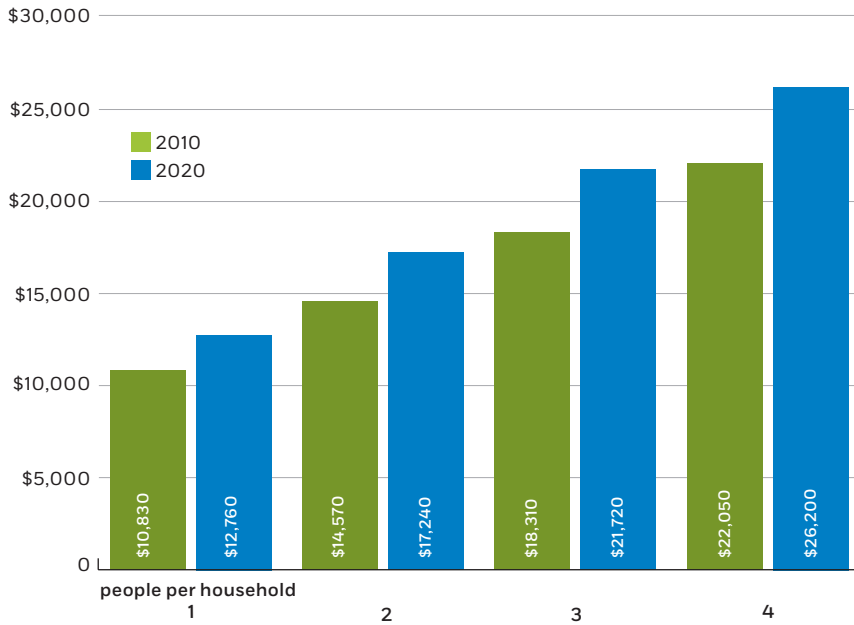
Approximately 6,380 individuals, or 10.2% of Brookline's population, live below the federal poverty threshold. Brookline's official poverty rate has declined since 2010, when 13% of residents lived below the federal poverty threshold. But this measure of poverty is only part of the story. Many Brookline residents live above the federal poverty line but may still experience economic hardship and financial strain. To better understand economic inequality, we first look to two key measurements: Federal poverty thresholds and Norfolk County's living wage estimate.

Federal poverty thresholds are the annual income amounts per household used to determine poverty status as part of the U.S. Census. These figures are used by the federal government to help understand at what level of income households of different sizes may be considered to be living at or below the poverty line. In 2020, the federal poverty threshold for a single-person household was \$12,760 and the threshold for a three-person household was \$21,720.

Understanding the living wage | Living above the federal poverty threshold does not mean attaining economic security or self-sufficiency. Because cost of living differs in different regions of the country, the idea of a living wage—the amount of annual income needed to support and maintain a financially stable life in a given region—has become an important measure of economic inequality. For instance, someone earning above the federal poverty threshold but earning below the living wage could face considerable economic instability despite their income being above the federal poverty threshold. Because of this, we must look to the estimated living wage in Norfolk County to better understand what income level is needed to build financial security in our region.

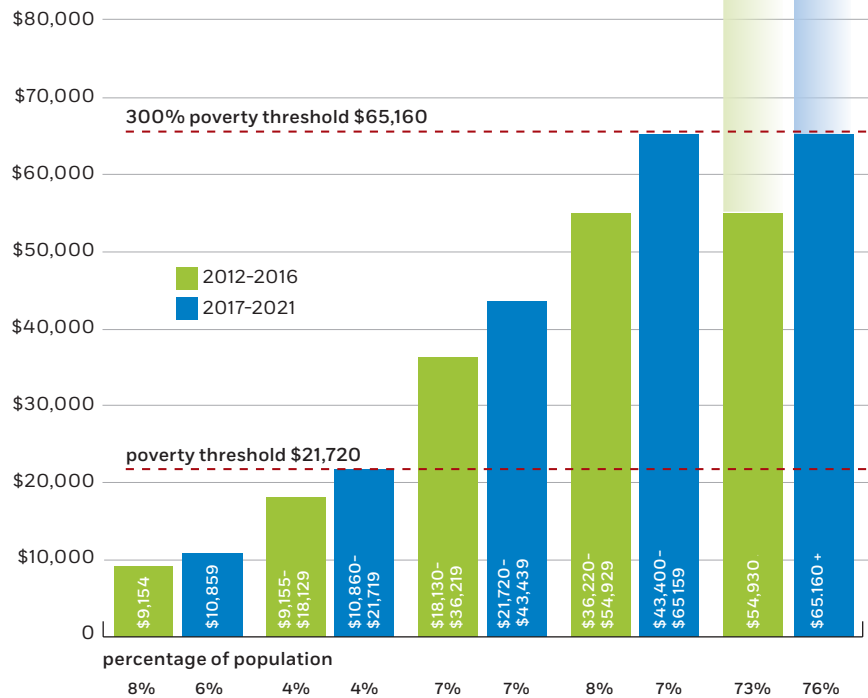
Massachusetts Institute of Technology's (MIT) Living Wage Calculator estimates that a single adult supporting two individuals (a household of three in total) would need to earn \$114,546 annually to attain a living wage in Norfolk County in 2020. This figure is in sharp contrast to their 2015 calculations, where that same household would need to earn \$65,478 annually to make a living wage.

FEDERAL POVERTY THRESHOLD



Source: Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation

POVERTY RATES IN BROOKLINE FOR A THREE-PERSON HOUSEHOLD



Source: 2017-2021 American Community Survey & 2020 Federal Poverty Rate Guidelines



YOUNG ADULT POVERTY IS REAL

Of the 18-24 year-old demographic, an estimated 33% live in poverty according to the 2020 U.S. Census. In the past, this figure has caused debate, given the large number of college and graduate students living in Brookline who could potentially skew our understanding of the overall poverty rate for this age band. While some students in this count may receive support from family members or in-kind benefits (such as housing and meal plans) through their school, many do not. In fact, a recent study by Temple University revealed that a third of university students and 40% of community college students in Massachusetts are food insecure, and one in 10 are homeless. In other words, young adult poverty is real and post-secondary students living in Brookline may be shouldering significant economic strain with few community resources available to support them.

36%

of the population
is under 18 or over 65

\$1,055,400

was the median home value in 2020

500%

above the federal poverty
threshold is
the county living wage

\$178,464

is the estimated income a renter
supporting two children needs to be financially secure
and invest in future generations

10+%

of older adults live
in poverty

\$26,409

is the average annual cost of childcare
in Norfolk County

6+%

of children live
in poverty

9+%

is the increase in food cost
from 2022-2023

10+%

of all community
members live in poverty

54+%

of the population
is female

\$50,000

is the difference between median household
incomes for Black and white households

36%

of residents are
housing burdened

11+%

of women
live in poverty

25%

of residents are
financially vulnerable

33%

of young adults
18-24 live in poverty

There are several important things to note in comparing the federal poverty thresholds to Norfolk County's living wage, many of which we will explore later in this report.

- 1.** The living wage estimate for Norfolk County has nearly doubled from 2015-2020, suggesting that the cost of living in our region is rising rapidly.
- 2.** There is a nearly \$90,000 difference between the 2020 federal poverty threshold and 2020 county living wage estimates for a three person household, suggesting that someone living in this region could earn well above the poverty threshold income and still experience financial insecurity.
- 3.** Because there is a wide range between the federal poverty threshold and the estimated living wage, and because many federal support programs (SNAP benefits and Medicaid, for example) use federal poverty thresholds to determine enrollment eligibility, support services and programs may be unavailable to people who are experiencing real economic hardships but earning incomes that put them above federal poverty thresholds.

The federal poverty threshold and the living wage calculations help situate our inquiry into economic inequality because they give us benchmarks we can look to alongside data such as median household incomes to better understand what levels of income are needed to attain and maintain financial stability.

1 in 4 Brookline residents are financially vulnerable | One way of understanding how many residents are experiencing economic inequality is to consider how many live below various multipliers of the federal poverty threshold, such as below 300% of that threshold. For regions with a higher cost of living, like Norfolk County, this threshold captures a somewhat more complete picture of the number of community members who may be experiencing economic strain and financial insecurity.

In Brookline today, 24% the population—an estimated 14,840 individuals—live below 300% of the poverty level, meaning that they make less than three times the federal poverty rate for their household size. This also means that they make far below the estimated 2020 living wage for Norfolk County (\$114,546 annually for a three-person household). For instance, a three-person household earning \$65,160 annually would be earning 300% of the federal poverty threshold, but that income wouldn't guarantee the financial security needed to access stable housing and reliable transportation in a high-cost region like ours. In fact, to achieve a living wage in Norfolk County, a household of three would need to earn above 500% of the federal poverty threshold.

Poverty among seniors is increasing | In Brookline, 10.68% of residents over the age of 65 live at or below the federal poverty line. This is a considerable increase from 2010, when an estimated 7.8% lived in poverty. More troublingly, we note a possible acceleration in senior

70%

of residents identify
as white

17.8%

of residents identify
as Asian

2.5%

of residents identify
as Black

6.6%

of residents identify
as Latiné

5.9%

of residents identify
as multiracial

how
is the
recent
economic
downturn
impacting
seniors?

where
do supports
exist to help
seniors in
Brookline?

what
supports
do we still
need?

poverty: In 2000, 7.5% Brookline seniors lived below poverty; this means there was a .3% increase from 2000 to 2010, followed by an almost 3% increase in the next decade. It is also worth noting that Brookline's senior poverty rate is more than a full percentage point higher than the 9.5% average for the Boston metro area and the state.

Multiple factors may be further compounding to challenges of seniors living below poverty. Many seniors living on fixed incomes may not be able to withstand economic shifts that drive up the cost of essentials like food, medicine, and utilities. Such shifts, like the one we have been experiencing since 2021, can endanger the financial stability of seniors and other financially vulnerable community members.

Women and children experiencing poverty | Brookline skews female, with 54.1% of the population, or an estimated 32,931 individuals identifying as female according to the 2017-2021 American Community Survey. Overall, 11.28% of female-identifying Brookline residents live in poverty. Additionally, an estimated 6.44% of youth under the age of 18 live at or below the poverty line in Brookline. High margins of error in the original U.S. Census and American Community Survey data make it difficult for us to further break down these data—for example, looking at poverty rates by race and gender simultaneously. However, we hope to be able to provide deeper insights into this issue in future research.

Lack of resources means lack of access | Poverty, financial strain, and economic inequality impact every aspect of life. Materially, a lack of financial resources prevents individuals and families from reliably accessing essentials like: food, housing, medication, transportation, and more. The stress of constantly worrying about finances can negatively impact physical and mental health. Limited financial resources can prevent people from engaging in community activities, leading to isolation and depression. And without enough resources to both cover costs of living and save for the future, people are more susceptible to economic swings and at greater risk of financial destabilization.

Moreover, for those with children or younger family members, limited financial resources can mean not being able to invest in their futures via quality childcare, academic and extracurricular enrichment, help paying for college, passing on a home or other savings, and more, causing economic inequality to play out across generations. Creating intergenerational wealth is a key driver in fostering economic equity and lifting younger generations out of poverty.

As we explore in the next section, achieving financial stability is getting more difficult for many residents in Brookline, a fact that has implications for us today, for future generations, and for our ability to build and maintain a thriving community.





LARS ANDERSON PARK



BROOKLINE FOOD PANTRY

access

PART 3 • **Economic Inequality in Brookline Today**

In this section, we focus on the true costs of living in Brookline. What level of income does it take to access essentials today while building economic security for the future? What we see is that incomes are growing but not equally or enough to keep pace with the rising costs of housing and other basic needs. This speaks to a wider national trend whose impacts we are seeing here in Brookline: the hollowing out of the middle class. As costs outpace wage growth, it becomes increasingly difficult for residents to maintain economic stability while remaining in our community. In this section, we break down some of the factors that are creating financial pressure and limiting access and opportunity.

how

can we as a community ensure that all residents have the resources they need to thrive?

where

can we expand access to essential resources and wealth-building opportunities?

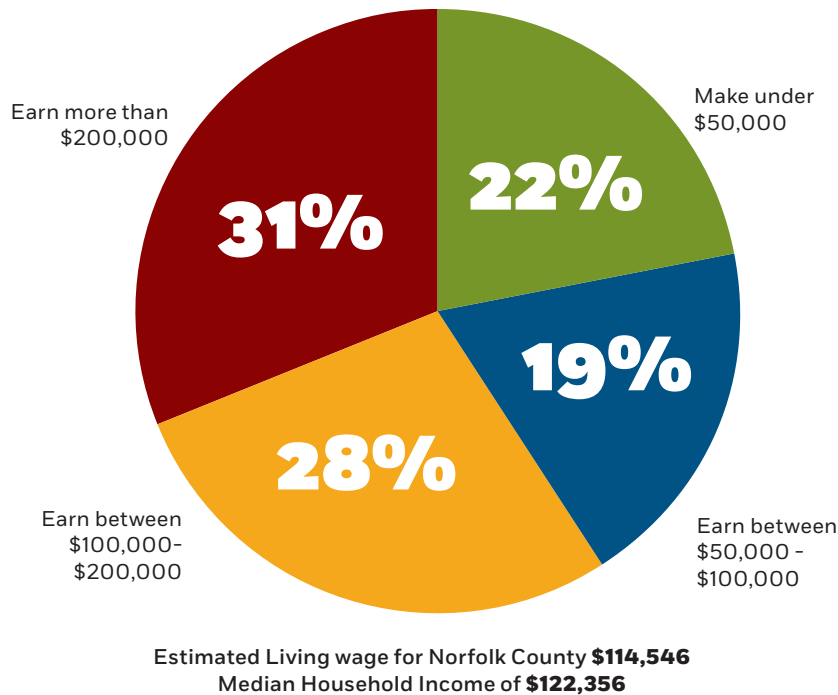
Brookline incomes are growing | Today, the median household income (the midpoint for all households) is \$122,356, up from \$115,356 as reported in the 2012-2016 American Community Survey. For a community like Brookline where extreme poverty and extreme wealth can skew averages, median household income offers a helpful alternative measure. By looking at this midpoint figure, we understand that about half of all residents earn below \$122,356 and the other half earn above that figure.

Income inequality across racial lines | When we look at median household income by race, we see that incomes do not seem to be distributed equitably across racial lines. According to the 2017-2021 American Community Survey, the median household income for white residents was \$130,879, \$83,674 for Black households, \$119,429 for Latiné households, and \$102,942 for Asian households. It is important to note that these aggregates do not account for household size. A household of two people might have different expenses than a household of five people for instance, and these households could need more or less income to cover essentials like housing, food, and childcare.

The above data on median income contain slight margins of error for Asian and Latiné households, and bigger margins of error for Black households. The smaller the size of a group within a community is compared to the total population of that community, the higher the margins of error can be in those measurements. That means that the actual median incomes by race might be slightly different in reality than what the data reported. However, what we can say is that based on the data as it is presented by the 2017-2021 American Community Survey, there appears to be a nearly \$50,000 range in median household income by race.

Wealth is a key factor | So far in this report, we have focused on income, or the amount of money someone can accumulate in a period of time. While income is important, having wealth to help mitigate

MEDIAN INCOME LEVELS BY HOUSEHOLDS



Source: 2017-2021 American Community Survey

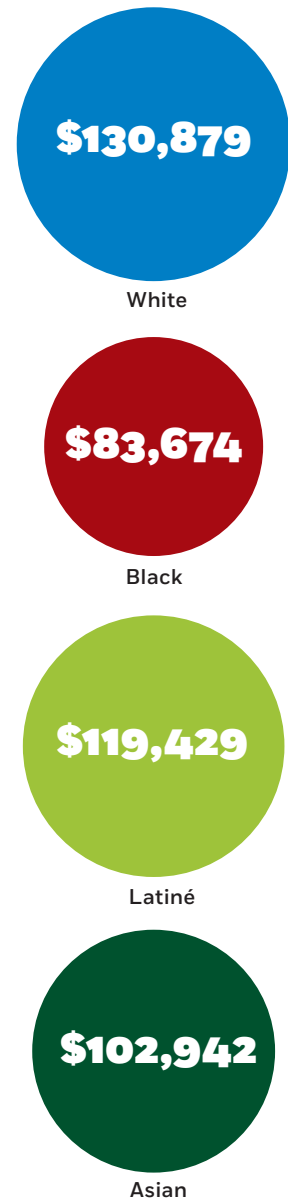
economic swings is crucial. Wealth refers to the surplus of cash and/or assets someone has in their control. Even with an income that can comfortably cover a household's expenses, if someone has no savings, an unexpected expense or emergency could destabilize an entire household. This is why wealth is crucial to creating economic security and broader economic equality.

The 2020 U.S. Census provides state-level wealth data that, while they cannot tell us about Brookline specifically, do reveal trends that offer insights into what factors help build wealth and economic security in Massachusetts. First, homeownership is linked to building wealth. The median household net worth is \$298,000 when home equity is included. Without home equity, that average net worth drops to \$110,200. We can infer from these data that building wealth may be more difficult for those who cannot afford to purchase a home.

Second, median net worth in Massachusetts—the total assets minus debt of households—varies considerably by race. According to the 2020 U.S. Census, the net worth of households where the head of household identified as white alone was \$217,500, and \$264,800 where the head of household identified as Asian. This is in sharp contrast to Black and Latiné households, which had a net worth of \$39,800 and \$18,430 respectively.

Third, younger generations in Massachusetts have considerably lower net worth compared to older generations. This is at least partly

MEDIAN INCOME BY RACE



Source: 2017-2021 American Community Survey

how

are rising housing costs impacting who can live in Brookline?

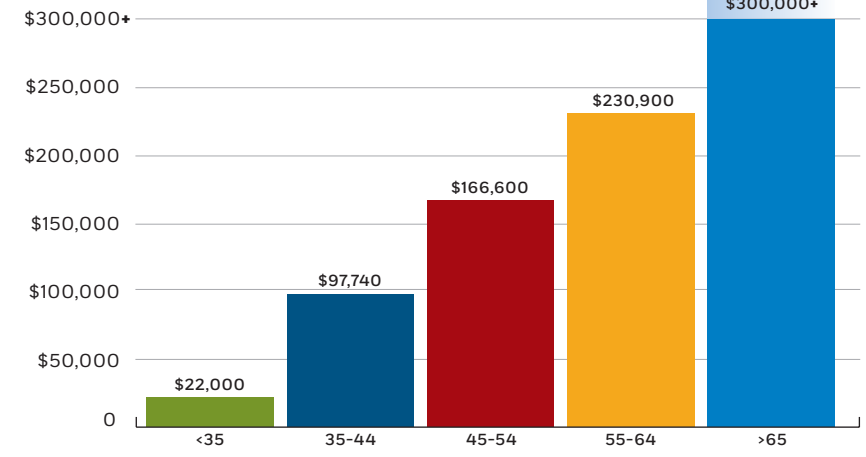
what

strategies do we have to support residents with rising housing costs?

who

is being supported, and who is left out, of current efforts to expand access to affordable housing in Brookline?

NET WORTH BY AGE OF HEAD OF HOUSEHOLD IN MASSACHUSETTS



Source: 2020 U.S. Census

a product of typical life trajectories: Younger people who are building careers are at the beginning of their earning potential. However, Millennials and Generation Z have also undergone two recent recessions. These generations may have reduced lifetime earning potential compared to generations who did not experience similar downturns at that point in their lives.

Rising costs are making it harder to get by | The rising cost of necessities like housing and food means that many Brookline residents have less room in their budgets to save and build financial security. This suggests that it might be getting more difficult to build assets to pass on to future generations. In other words, for those who do not already have significant accumulated wealth, today's steep housing, childcare, food, and energy costs are barriers to building economic security for the future.

Home values have skyrocketed | The median home value in Brookline has increased by nearly 64% in the last 20 years. That value rose to \$1,055,400 in 2020, up from \$642,944 (inflation-adjusted) in 2000. To afford a 20% down payment at the median value price in 2020, an aspiring homeowner would need \$211,080, almost \$100,000 more than the \$128,588 down payment needed in 2000. The affordability ratio for homeownership in Brookline—which is calculated by dividing the median home value by median household income—was 5.9 in 2000. As of 2021, that ratio grew to 8.6. A ratio of 2.0-3.0 is considered “affordable,” suggesting a mismatch between income and the price of purchasing a home.

As home values rise, so do monthly mortgage payments. Based on the current median home value and interest rates, the average monthly

mortgage payment in 2023 would be \$5,945 for a 30-year fixed rate mortgage with a 10% initial down payment. A homeowner would need to earn \$20,500 per month or \$246,000 per year to avoid being house burdened—paying more than 30% of income on housing costs. That income is more than double the median household income in Brookline.

Renting is increasingly expensive | Just over half (51.7%) of Brookline residents rent their homes. But the cost of renting in Brookline on the open market is rising. The median gross rent in Brookline was \$2,452 according to the 2020 U.S. Census. To not be house burdened by those payments, a single renter would need to earn \$8,173 per month, or \$98,080 per year.

Rents have continued to rise since these figures were collected in 2020. For instance, on Zillow—a popular real estate website—the listed median rent for an open-market apartment in 2023 is \$3,900. A household would need to earn \$140,400 annually to afford that without being housing burdened.

More than a third of Brookline residents are housing burdened | Today, roughly 36% of Brookline residents—nearly 25,000 people—are housing burdened. Given the rising costs of home values and rent in Brookline, many residents are spending more of their income on housing, limiting what they have left to cover other essential needs or to save for the future.

Childcare is a significant financial strain | Quality childcare is essential for most families but can be a significant financial strain. Massachusetts has the highest average childcare costs in the country, and Norfolk County ranked fourth in the top 20 most expensive counties nationally, with an average of \$26,409 spent annually on childcare. For many Brookline parents, lack of access to affordable childcare has been a known challenge for years, further exacerbated by shortages associated with the pandemic and a rapidly changing job market.

The cost of essentials has risen sharply | Today Brookline residents, like all Americans, are contending with rapidly increasing costs for essentials due to inflation and an unpredictable economy. Food, medication, utilities, transportation, and more are straining monthly budgets. The Consumer Price Index reports that as of March 2023 in the Boston metro area, over the past 12 months the Consumer Price Index for Urban Customers has increased by 4.7%. Energy prices have increased by 3.5%, food prices have increased by 9.2%, and all other items excluding food and energy costs have increased by 4.1%. The impacts of this are not reflected in the 2020 Census data but have real and pressing implications for community members and Brookline's social service ecosystem. Even for households earning the median income in Brookline, these increases could have a destabilizing effect. For those earning less, they could be devastating.

The public safety net is shrinking | At the same time, critical federal and state safety net programs that were rolled out or expanded

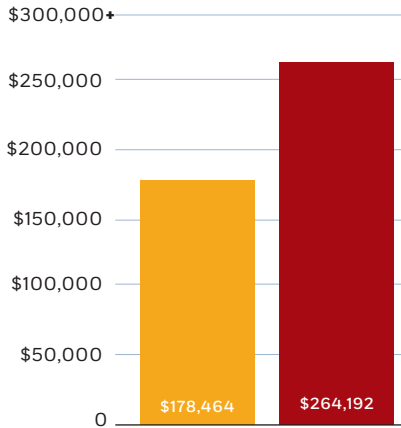
how

can we expand access to quality, affordable childcare to help Brookline families thrive?

what

can we do to ensure individuals who provide childcare to Brookline's youth can afford to live in the same community where they work?

WEALTH-BUILDING BUDGETS FOR RENTERS VS. OWNERS



	RENT	OWN
Housing	\$2,452	\$5,945
Utilities including Phone and Internet	\$390 (Assuming heat included in rent)	\$469
Childcare	\$2,167	\$2,167
Transit	\$373	\$373
Food	\$1,404	\$1,404
Healthcare	\$650	\$650
Civic/Activities	\$400	\$400
Other	\$400	\$400
Total Monthly Expenses	\$8,236	\$11,808
Total Annual Expenses	\$98,832	\$141,696
Total Post-Tax Income Needed to Thrive in Brookline	\$178,464	\$264,192

DOING MORE WITH LESS AS A COMMUNITY

Because Brookline has a lower poverty rate than some of its neighbors, it receives comparatively less social service funding through state and federal sources, such as the U.S. Department of Education, that makes local allocations based on economic need. Additionally, it is possible that because Brookline is perceived to be a universally wealthy community, private donors often don't recognize its needs and choose to invest their resources in nonprofits and foundations outside of Brookline. More limited funding streams means that Brookline's public and nonprofit social service infrastructure must address community needs and gaps with significantly less funding relative to our neighbors.

during the pandemic are falling away. Without access to expanded SNAP benefits, child tax credits, Medicaid, housing relief, and other game-changing supports, many individuals and families are in a more precarious economic condition than prior years.

Affording the essentials in Brookline | To access the essentials in Brookline today—housing, utilities, childcare, transportation, food, healthcare, and more—residents need a considerable annual income. To simply pay for the above listed essentials, a single adult renter supporting at least one child would need to earn an estimated \$98,832 annually (\$8,236/month) to cover housing costs, county average childcare costs, and other expenses without being financially burdened. A single homeowner with childcare needs who purchased a home at the median home value in 2020 would need to earn \$141,696 (\$11,808/month) to afford the same.

Building wealth is nearly impossible | The incomes in the above paragraph are estimates for covering the cost of essentials only. As we've seen throughout this report, financial security is more than the ability to cover costs—it's also about the ability to protect against future hardships, build wealth, and create financial security for future generations. Financial advisors sometimes suggest that, to achieve long-term financial stability, people need to focus on covering expenses, paying down debt, and investing in wealth-building activities such as saving to buy a home.

A 50/20/30 budget is one recommended tool for those seeking to build wealth this way. Using this budget framework, that person would aim to spend roughly 50% of their income on essentials, 20% to pay down debts and invest, and 30% for life-enhancing activities. To achieve a 50/20/30 budget in Brookline, a single renter with childcare needs would need to earn roughly \$178,464 annually and a homeowner would need to earn about \$264,192.



LARS ANDERSON PARK



STATION STREET ART FAIR



JUNETEENTH

how

do we use these insights to guide our efforts?

what

can we do to build a Brookline where every member of our community can thrive?



where
do we go from here?



CONCLUSION

Looking at all of these data, we see that wealth-building needs are in stark contrast to the economic realities many of us face today. Though the overall poverty rate in Brookline has declined since 2010, our community is becoming more polarized economically. More than a third of renters and owners are housing burdened, spending more than 30% of their income on housing costs. The cost of essentials is rising too, squeezing budgets and pushing many to make increasingly difficult tradeoffs between essentials today and saving for the future. Meanwhile, median household incomes appear to vary widely by race. For many Brookline residents, building the economic security needed to invest in our shared future is becoming increasingly out of reach.

Yet, there are bright spots. Poverty rates on the whole have declined by nearly three percentage points from 2010 to 2020, suggesting there are meaningful and impactful initiatives already addressing economic inequality. We also know from our work with grantees that Brookline's nonprofit infrastructure remains steadfast in supporting a wide range of community needs. And we witnessed an outpouring of generosity during the height of the pandemic that shows what we can accomplish when we work together towards the shared goal of supporting our neighbors.

The Brookline Community Foundation remains committed to working with our partners and supporters to develop and invest in strategies that advance economic equity and help our community thrive. Based on the research presented in this report, we have three initial recommendations to support improving financial security and building community resiliency:

1 Galvanize local giving | Brookline nonprofits struggle to secure funding from individual and institutional donors who feel their philanthropic investments will accomplish more in other regions. This could not be further from the truth. Our nonprofits are addressing significant needs with comparatively fewer resources than our neighbors in Boston, Cambridge, and other towns. Ensuring a portion of our collective charitable giving is being reinvested back into Brookline could go a long way toward addressing unmet needs in our community.

2 Invest in initiatives that tackle the root causes of financial hardship | To address the root causes of poverty and financial vulnerability, we need to invest in programs and initiatives that bring together multiple stakeholders, services, and supports to relieve both the immediate negative impacts of poverty and financial insecurity and provide pathways to wealth-building so families can thrive across generations.

3 Imagine transformative investments | With the accumulated wealth we have in Brookline, there is nothing stopping us from having large-scale investments in community efforts designed to build economic stability. How might we build a system of mutual reinvestment that, over time, could allow tens of millions of community dollars to flow back into Brookline? Such a system would ensure no senior ever goes without, no child goes hungry, and no one experiences anything less than a thriving, vibrant life once they decide to make Brookline their home.

CALL TO action

The question of how we ensure everyone in Brookline can attain economic security is one we must answer together. The big ideas that will create a brighter future for all Brookline residents will come from collective conversations and initiatives. We hope this report can inspire and inform a communal and collaborative effort to build a Brookline where everyone thrives.

Help us build the partnerships we need so everyone in Brookline can thrive by starting a conversation with your friends, family, and neighbors about this report. Download a discussion guide to host your own conversation, or contact BCF to help facilitate one.

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keep the conversation going!



Download the discussion guide for more questions about where we go from here to continue this conversation with others in the Brookline community.



thanks

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