

MassINC

THE MASSACHUSETTS INSTITUTE FOR A NEW COMMONWEALTH

2004
Annual Report

MassINC in 2004 Highlights

Tired of your commute? — New research shows the number of Bay State commuters who spend at least 45 minutes commuting each way, each day nearly doubled since 1980.

Search for a cure — *CommonWealth* goes deep into health care in Massachusetts with its second-ever special fifth issue, backed by 28 leading civic-minded health care players.

Recent college grads speak up — The new RealTalk forum series attracts nearly 1,000 participants to debate whether or not Massachusetts works for the next generation of civic leaders.

Blueprint for the workforce — Getting the Job Done, a new action plan, attracts the backing of legislators and the civic community.

Baby Boom ripples — New research shows the Bay State is ill-prepared for retirement as big demographic shifts loom.

What about charter schools? — New research shows how charter school enrollment compares to source districts.

Getting to scale — MassINC budget grows by 25 percent.

Citizens' Circle reaches a milestone — Our major individual supporter group nearly doubles to more than 100.

Beyond Red & Blue — Novel electoral analysis draws a quarter million visits to the MassINC web site.

MassINC sponsorship ranks swell — More than 25 new organizations join to support the MassINC mission and receive advertising space in *CommonWealth* in 2004.

MassINC email network connects — Audience grows to more than 14,000 recipients.

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Letter from the Co-Chairs

2004 was a year of tremendous importance for MassINC. As you will read in this annual report, our unique organization reached new heights in terms of impact and institutional strength. On behalf of the entire board, we want to give our sincere thanks to all of MassINC's supporters and partners for giving us — Board and staff alike — the resources to make change in our community.

Our goal is to put the American Dream within the reach of every citizen. We use independent research, journalism and civic debate to identify critical challenges facing Massachusetts in general and the average middle class family in particular. We see our role as agenda setting for our community. We work hard to maintain the confidence of both Republicans and Democrats, business and labor, conservatives and liberals. The challenges our state faces are more important than any individual interest.

In 2004, our Board and staff worked hard to deepen our impact, broaden our base of support and bring more people into the debate about the future of our state. We are very proud to have grown the ranks of our sponsors by nearly 50 percent. These sponsors are critical long-term partners for MassINC, and we as a Board thank each and every one of them for their investment. We are also very proud that the ranks of our Citizens' Circle of major individual donors broke through 100 in number this year. We thank this remarkable group of civic leaders for their support and confidence.

As we begin to look ahead to MassINC's tenth anniversary in 2006, we face that milestone with a sense of real pride in what we have accomplished and an equally strong sense of the many challenges that remain for our state. Once again, we thank you for your investment in MassINC, and we invite you to become even more involved in our work in the years ahead.

Gloria Cordes Larson
Co-chair

Peter Meade
Co-chair

Sponsors

MassINC thanks its sponsors for their support. By making our operations possible they receive advertising space in *CommonWealth* magazine and recognition throughout the civic community. Our key project partners are listed throughout this report in conjunction with individual programs. We could not accomplish this important work without them.

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Report from the President

From the Patriots' Super Bowl victory, debate over gay marriage, heated legislative races and a new court case on education finance to the presence of our first national political convention, the hotly contested Presidential race featuring a Bay State nominee and — yes — the Red Sox winning the World Series, 2004 was a remarkable year for Massachusetts.

With all this drama unfolding around us, MassINC worked hard to keep its eye on the horizon — on the long-term challenges we face. Our research focused on two new areas. First, we took a hard look at aging and the changing rules of retirement — no long-term trend is more important for us to understand. Second, we began to invest more in the areas of growth and development with groundbreaking research into commuting patterns in our state — a crucial quality of life issue for Bay State residents.

It was also a remarkable year for *CommonWealth*, with compelling cover stories ranging from offshoring and civic "connectors" to the fiscal crisis in Springfield and successful schools in Worcester. The editors also took on health care — the elephant in the room for state government and the Massachusetts economy — through a far-reaching special issue backed by 28 civic-minded organizations from all points in the field.

Our civic events also reached new audiences in 2004. Together with dozens of partners, we launched the RealTalk forum series and attracted nearly 1,000 recent college graduates to participate. The Rennie Center for Education Research & Policy also hit its stride, with new research on charter schools, higher performing urban schools and value added assessment of school performance.

Two of our special initiatives also had a remarkable year. Our New Skills campaign laid out an ambitious reform agenda for the state workforce system and provoked widespread debate on Beacon Hill and beyond. And IssueSource, our Web site partnership with State House News Service, saw a roughly tenfold increase in usage.

Finally, we closed 2004 in the strongest financial shape in our organization's history. I am enormously proud of the MassINC staff and their accomplishments. Many thanks to all our partners who made 2004 a very special year for MassINC.

Ian Bowles
President

Citizens' Circle

MassINC is grateful to the very special individuals whose ideas, advice, and generosity support our work.

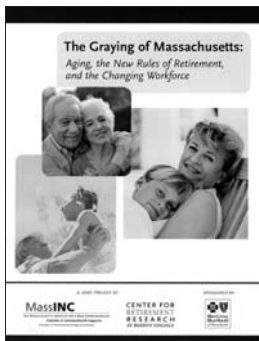
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MassINC research: connecting the ivory tower and town square

Our research is intended to build a bridge between our region's rich academic resources and the public and civic community. With each major report, we seek to understand the complex forces that are changing Massachusetts — and to extract key demographic, economic, and quality of life issues that should be on our state's public agenda.

MassINC research is distinguished by a focus on the facts, regardless of where they lead — we begin with open minds, apply rigorously objective methods, and draw evidence-based conclusions. In 2004, we examined two critical issues: aging and commuting in the Bay State.



Project Sponsor:



The Graying of Massachusetts: Aging, the New Rules of Retirement, and the Changing Workforce

In June, MassINC focused on the coming baby boomer transition into retirement. Working in collaboration with the Boston College Center for Retirement Research and with the sponsorship of Blue Cross Blue Shield of Massachusetts, we released *The Graying of Massachusetts: Aging, the New Rules of Retirement, and the Changing Workforce*. The report's findings included:

- Average families are ill-prepared to fund their retirement with historically low savings rates, average 401(k) balances of \$55,000, changing Social Security rules and a rapid shift away from traditional defined benefit pensions.
- The retirement of the Baby Boom generation will have profound implications for the size and nature of the state's workforce.
- Massachusetts is older on average than the nation as a whole — with two counties, Barnstable and Berkshire, older on average than the state of Florida — but our workforce is better prepared than most for changes ahead with higher educational levels and fewer physically-demanding jobs.

We launched the report at a major forum with the Greater Boston Chamber of Commerce. Attorney General Tom Reilly, Secretary of Elder Affairs Jennifer Carey, Massachusetts Building Trades Council President Joe Dart, Scudder Investments' John Leonard, and MassINC co-chair Peter Meade led a discussion about the implications of our findings.

The Graying of Massachusetts generated front-page news and led to a *Boston Globe* op-ed article co-authored by Ian Bowles and Peter Meade. It represents MassINC's first foray into this issue and we expect to continue our work on the implications of the aging population in the years ahead.



Project Sponsor:



Mass.Commuting

Few issues can match the impact that commuting has on daily life. The overwhelming response to the October release of our study *Mass.Commuting* validated our earlier Quality of Life poll indicating that Bay State residents view “roads and traffic” among the state’s most troublesome problems.

Sponsored by MassHousing, the *Mass.Commuting* study was a joint project of MassINC and the University of Massachusetts Donahue Institute. To help launch the report, the research team joined Massachusetts Secretary of Commonwealth Development Douglas Foy and several community leaders for a high-profile event that discussed potential long-term solutions.

The report’s key findings included a number of revealing details:

- Massachusetts has the ninth longest average commuting time in the nation.
- The typical travel time to work in the state, already longer than the national average, is increasing at the sixth fastest rate.
- In 2000, nearly one in five Bay State commuters spent at least one-and-a-half hours getting to work each way.
- Long commuting times were especially common in Southeast Massachusetts while shorter commutes were most prevalent in the Berkshire and Cape & Island regions.
- Nearly three-quarters of Massachusetts workers drove to work alone in 2000, compared to 61 percent who did so in 1980. The increase was due largely to a decline in carpooling from 19 percent to 9 percent of the state’s commuters.
- Public transit ridership held steady at roughly 9 percent of commuters, the fourth highest rate in the nation.

Mass.Commuting also identified five commuting “hot spots” in the state where residents endure particularly long commutes: Western Massachusetts Hill towns, Quabbin Region, Nashoba Valley, Metrowest 495 South, and Coastal South Shore. It brought additional relevance to those findings with a town-by-town analysis for every community in the commonwealth.

This has proven to be one of the most talked-about MassINC reports to date. It achieved extensive coverage in news media across the state, and even in some neighboring states enmeshed in the Massachusetts commuting matrix.

CommonWealth in 2004

Rigorously non-partisan, *CommonWealth's* journalism treats the hardest issues with fairness and insight and connects civic-minded citizens, policy makers, and local opinion leaders from across the political spectrum through bridge-building journalism. In 2004, *CommonWealth* wrote about the biggest issues facing the Bay State:

Other MassINC and CommonWealth commentary

Power Failure, by Michael Jonas, on African-American politics, *Boston Globe Ideas* section.

No Response, by Robert Keough, on gay marriage politics, *The New Republic Online*.

Just how unaffordable is the Bay State? by Robert David Sullivan and Rachel Deyette Werkema, on housing costs, *Boston Globe Ideas* section.

The New Rules of Retirement Savings, by Ian Bowles and Peter Meade, *Boston Globe*.

The Granny State by Robert David Sullivan and Greg Leiserson, on demographic change, *Boston Globe Ideas* section.

Myths En Mass., by Ian Bowles on the Bay State in the national spotlight, *Washington Post*.

The School Financing Conundrum, by Robert Keough, *Boston Globe Ideas* section.

High Standards + High Stakes = High Achievement in Massachusetts, by S. Paul Reville, on educational assessment, *Phi Delta Kappan*.

Winter Issue



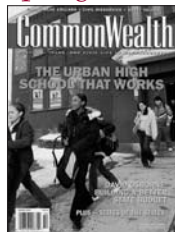
Down but not Out — Springfield's fiscal crisis, new leadership and the challenges ahead

Gay Marriage — Essays on the implications of the Supreme Judicial Court's ruling.

Mass.Media — Boston's track record in magazine publishing.

Health Care Economics — David Cutler's take on whether we are spending enough.

Spring Issue



Worcester's Wonder — University Park sets the standard for urban schools.

The Greenway — Will a deal come together before the DNC arrives in town?

Blue Collar Blues — What is happening to manufacturing jobs in Massachusetts?

Pep Talks — A comparison of State of the State addresses nationwide.

Summer Issue



Offshore Leave — Technology, globalization and the future of work.

Bay State Nation — What if the rest of the United States looked more like Massachusetts?

Public Sector Unions — Debate between Eric Kriss and Kathleen Kelley.

Flunking Out — Now what for failing schools?

Fall Issue



Civic Connectors — People who really make things happen.

Strong Mayor — Is Worcester ready to change municipal governance?

The Hancock Case — A special symposium with the key advocates in education finance.

The Good City — Reflections on Boston.

**Special Health Care
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CommonWealth takes on health care

In only the second extra issue of *CommonWealth*, the editors tackled the challenge of health care in Massachusetts for the 21st century.



Features included:

- *First Person* — David Brudnoy shared his insights on the costs of the health care wars.
- *Unmanaged Care* — Costs are up and quality is in question. Is there a doctor in the house?
- *Understanding Medicaid* — The single biggest program run by the state is only getting bigger, but some see it as the workhorse of health and human services.
- *Extra State of the States analysis* — The nursing shortage, Maine’s gambit for universal coverage and the debate over a universal coverage constitutional amendment, and much more.

Making sense of the presidential election

CommonWealth’s Robert David Sullivan redrew the map of national politics with the online series “Beyond Red & Blue: the New Map of American Politics.” His essay divided the United States into 10 demographic and electoral regions that went beyond the simplistic and rigid red and blue state analysis.



From a benchmark analysis published online and summarized in the *Boston Globe*’s Sunday Ideas section to a post-election analysis that explained the election results, Sullivan’s articles became a staple of the new generation of political bloggers. By year’s end, BR&B web visits totaled over 250,000, making his articles the most widely read on the MassINC web site.

Civic engagement: ideas for community involvement

In 2004, MassINC expanded its civic engagement agenda to a larger and more diverse audience while exploring new ways to engage people in the civic life of their community.

RealTalk

At the beginning of the year, MassINC — together with the New Community Fund and United Leaders — launched the RealTalk program, a series of events providing young professionals with new opportunities to get involved in civic life.

- The inaugural event in January attracted an audience of nearly 400 to talk about “*Making Massachusetts work for you*” and the quality of life issues most important to young professionals.
- In May, the forum tackled practical matters of home buying, one of the top concerns of the RealTalk audience.
- The September RealTalk event explored the Greenway and the Seaport District.
- An October event emphasized civic spirit with seminars about serving on nonprofit boards at an event, co-sponsored with the United Way of Massachusetts Bay.
- Just weeks after November’s presidential election, the final RealTalk event of 2004 featured a panel of journalists and activists from across the political spectrum seeking to answer a simple question: “Did my vote matter?”

Commonwealth Humanities Lecture

In 2004, MassINC and the Massachusetts Foundation for The Humanities moved civic engagement into new territory with the first annual *Commonwealth Humanities Lecture*. This program provides a platform for distinguished Bay State scholars to place their work within the context of civic life and community across Massachusetts.

The inaugural lecture was delivered on June 10th by Harvard University Professor Michael Sandel at the National Heritage Museum in Lexington. Professor Sandel challenged the audience to consider what it means to be a commonwealth in the 21st century and whether or not we can still claim to be the Commonwealth of Massachusetts.

MassINC thanks the following sponsors for their support of the RealTalk program:

New Community Fund

United Leaders

Onein3 Boston

Newsmaker events

MassINC newsmaker events provide uncommon opportunities for our sponsors and Citizens' Circle members to hear from some of the state's most prominent leaders. During 2004, we continued that tradition with four memorable events.

- In April, Boston Police Commissioner Kathy O'Toole discussed her first few months on the job at a breakfast co-hosted by Bingham McCutcheon LLP and the Gardiner Howland Shaw Foundation.
- Boston 2004 President David Passafaro and Democratic Convention CEO Rod O'Connor joined us for a lively discussion in May, courtesy of our partners at Liberty Mutual Group.
- *Boston Globe* Editor Marty Baron treated the audience to a freewheeling account of ongoing changes at the *Globe* during a June event co-hosted by Goodwin Procter LLP.
- To wrap up our newsmaker event schedule for the year, Massachusetts Governor Mitt Romney provided his insights into government and leadership in a thought-provoking breakfast event sponsored by Blue Cross Blue Shield of Massachusetts.

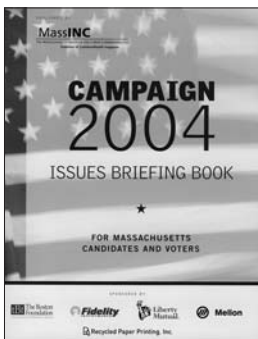


Commonwealth Civic Roundtable

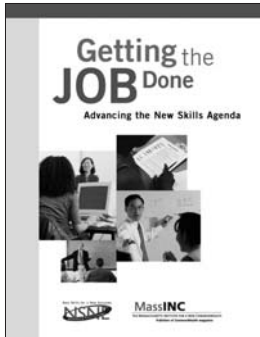
In order to create a network of organizations involved in civic engagement, MassINC convened the Commonwealth Civic Roundtable in 2004. Over 24 groups and organizations participate in the Roundtable, meeting monthly to exchange ideas about civic engagement, collaborate on projects, and support each other's work.

Campaign 2004 Issues Briefing Book

As the 2004 election gained momentum, MassINC issued the third edition of the Campaign Issues Briefing Book, a compendium of *CommonWealth* magazine articles and MassINC research reports for Massachusetts candidates and voters. With the sponsorship of The Boston Foundation, Fidelity Investments, Liberty Mutual, Mellon Bank and Recycled Paper Printing we produced this sizeable volume in a quantity that enabled us to distribute it to candidates, community leaders, and policy makers statewide.



The New Skills for a New Economy awareness and action campaign



A special thanks to the Nellie Mae Education Foundation, Verizon, and Fleet for making our work in this area possible.



Fleet National Bank, a Bank of America Company, and trustee of the Frank W. & Carl S. Adams Fund.

MassINC's *New Skills for a New Economy* report became a call to action. It found that 1.1 million Bay State workers lack the skills they need to succeed in today's economy galvanized political, business, and nonprofit leaders.

In 2004, the New Skills for a New Economy (NSNE) campaign deepened its impact from the State House hearing rooms to community colleges and beyond. Key highlights included:

- Publication of *Getting the Job Done: Advancing the New Skills Agenda* white paper.
- Key leadership in Governor Romney's *Reach Higher* initiative, a public/private effort to help more working adults succeed in community colleges and develop skills employers demand, and to overhaul the state's workforce system.
- Chairing the United Way of Massachusetts Bay sustainable employment impact council.
- Serving on the Massachusetts Board of Higher Education's task force on graduation rates from public colleges.
- Remarkable growth in impact from the LiteracyWorks program.

Getting the Job Done

MassINC's new white paper, *Getting the Job Done: Advancing the New Skills Agenda*, sets out four specific action steps for the state workforce development system:

- Increase the graduation rates at community colleges.
- Develop a basic skills credential to test work readiness.
- Reduce the waiting list for English language training.
- Improve the effectiveness of region-specific workforce and economic development alliances within our state.

The white paper has generated widespread interest in the workforce development and policy-making communities. We look forward to continuing to work with our many partners to implement its recommendations.

The Rennie Center for Education Research and Policy



Transforming Labor Management Relations in Education

The Rennie Center has launched a multi-year, major initiative involving research and convening that seeks to improve district-level, professional collaboration between teacher unions and school managers in order to advance student learning. The initiative includes forums and district-level consulting with seven key urban districts — including Boston, Worcester and Springfield, in addition to the production of a nationally published book on innovative, path-breaking labor management practices, to be published by *Education Week* in 2005.

MassINC and The Rennie Center thank the following sponsors for making the center's work possible:

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Irene E. and George A. Davis Foundation

Program Support

Jessie B. Cox Charitable Trust

The Trefler Foundation

George I. Alden Trust

Anonymous Donor

EMC Corporation

In-Kind Support

Blue Cross Blue Shield of Massachusetts

IBM Corporation

The Boston Foundation

MassINC's deepening investment in elementary and secondary education policy through the newly renamed Rennie Center enabled us to constructively engage in and inform many critical policy debates in 2004. Key highlights include:

- **Scaling urban high school reform** — Building on findings of the Rennie Center's *Head of the Class* report (December 2003), we continue to research how innovative reform strategies can be successfully adopted in struggling, comprehensive urban high schools.
- **Charter schools** — The Rennie Center published a comparative demographic analysis of student enrollments in Massachusetts charter schools and their sending districts.
- **The Hancock case** — In response to the pending court case, we released a policy brief and commissioned a larger research report addressing the critical need for expanded state capacity to assist under-performing schools and districts. In addition, the Rennie Center and *CommonWealth* magazine convened a well-attended public forum on the adequacy of education financing in Massachusetts.
- **Growth-based analysis** — We continued our collaborative effort to develop and propose near-term and long-term policy recommendations for the use of longitudinal student achievement data to inform school and district diagnostic and accountability systems.
- **Early education** — A new Rennie Center policy brief synthesized promising practices from other states' governance models that could benefit Massachusetts. We also co-convened and moderated a key public forum on early education with presentations by then Speaker Finneran and Senate President Travaglini.
- **No Child Left Behind** — Our focus on the *No Child Left Behind* legislation continued with two forums, including a statewide public hearing to gather community and parent input on the law's impact.

MassINC online



IssueSource.org

MassINC and the State House News Service launched the *IssueSource.org* web site in May, building on our earlier collaboration on its predecessor, *02133.org*.

IssueSource is truly unique. It combines the straight-ahead, no-nonsense reporting of the State House News Service with the nonpartisan analysis of MassINC's *CommonWealth* magazine. The result is an online resource that provides well-organized access to in-depth information on politics, public policy, and the topics making news across the Bay State.

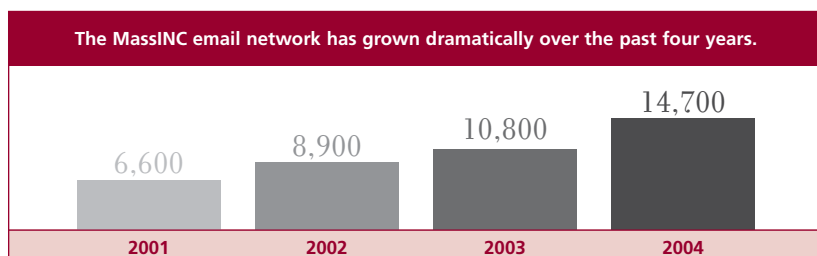
IssueSource.org is also used in the classroom. One example: students at Woburn High School used the web site to help prepare for a local candidate debate in the fall.

Through partnerships with *Mass.gov*, the state government web site, and *Boston.com*, *IssueSource* is already a prominently linked issues-tracking tool that attracts nearly 1000 visits a day. With the recent addition of RSS newsfeed capability — accessible through the small orange "XML" box on the home page — it also signifies MassINC's initial venture into the new world of online syndication for audiences who want updates as they happen.

The MassINC web and email network

MassINC now makes the full array of its research and other resources available online at *www.massinc.org*. Civic minded citizens, policy makers, and leaders across the state also connect through the MassINC email network.

This work is possible through the generous support of The Boston Foundation, State Street Bank, Cabot Family Charitable Trust, and the New Community Fund.



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2004 Financial results

Income Statement*	FY2003	FY2004
INCOME		
Grants	\$ 1,431,322	\$ 1,572,306
Sponsors	411,750	539,500
Individuals	285,408	269,657
Event Income	55,000	
Other Income	14,355	42,356
Total Income	\$ 2,197,835	\$ 2,423,819
EXPENSE		
Magazine	\$ 438,350	\$ 546,501
Policy	421,441	443,518
Outreach & Communications	305,842	395,796
Rennie Center for Education		
Research & Policy	235,378	301,594
Development	224,984	255,526
Management & General	208,492	293,682
Total Expense	\$ 1,834,487	\$ 2,236,617
Balance Sheet*		
ASSETS		
<i>Current Assets</i>		
Cash		
Unrestricted	\$ 327,476	\$ 545,690
Temporarily Restricted	345,202	314,192
Deferred Revenue	740,350	360,000
Total Cash	\$ 1,413,028	\$ 1,219,882
Accounts Receivable	20,000	112
Other Current Assets	27,560	2,255
Total Current Assets	\$ 1,460,588	\$ 1,222,249
Fixed Assets	\$ 37,349	\$ 57,367
Other Assets	\$ 31,208	\$ 63,868
Total Assets	\$ 1,529,145	\$ 1,343,484
<i>Liabilities</i>		
Current Liabilities		
Accounts payable	\$ 33,928	\$ 33,233
Deferred Revenue	740,350	360,000
Other Current Liabilities	6,393	6,742
Total Liabilities	\$ 780,671	\$ 399,975
<i>Net Assets</i>		
Restricted	\$ 345,202	\$ 314,192
Unrestricted	\$ 403,272	\$ 629,317
Total Liabilities & Net Assets	\$ 1,529,145	\$ 1,343,484

*unaudited

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MassINC is proud to collaborate with a range of organizations in our community. Almost everything we do, from research to journalism to civic engagement, is done in partnership with other organizations. Our supporters represent every point on the political spectrum, including academic institutions, foundations, businesses, labor unions, trade associations, law firms, and individuals.

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