

# PREPARING FOR A CHANGING WORKFORCE

Wednesday  
January 28, 2026  
10-11:30 AM



SKILLS . JOBS . CAREERS



# AGENDA

- **Data Presentation:** Dr. Mark Melnik – UMass Donahue Institute
- **Keynote Address:** Eric Paley - Secretary of the Executive Office of Economic Development
- **Panel Discussion:** Navjeet Bal – MassDevelopment
  - JD Chesloff – MA Business Roundtable
  - Kira Khazatsky – JVS Boston
  - Nate MacKinnon – MA Association of Community Colleges
- Audience Q&A

# DATA PRESENTATION:

## Dr. Mark Melnik



Director,  
Economic Public Policy & Research,  
UMass Donahue Institute

# The Massachusetts Economy: Slow Growth and Challenging Headwinds

January 28<sup>th</sup>, 2026

Mark Melnik, Ph.D.  
Director of Economic & Public Policy Research  
UMass Donahue Institute

# Massachusetts Overview

# What do I want you to know at the end of this presentation?

- The Massachusetts economy has underperformed relative to the US in the post-pandemic era
- Incomes are high in the Commonwealth but so is cost of living, and prosperity has not been felt evenly throughout the state
- Indicators point to an economy experiencing sluggish growth, limited job opportunities and hiring, though with low unemployment
- International immigration is an important component of population—and labor force—growth for Massachusetts, but faced headwinds in 2025 and moving forward
- The Massachusetts population is forecast to age rapidly, with the 65+ age group growing faster than the prime-working age population

# Massachusetts at a Glance

**4.8%**

**Unemployment Rate**  
December 2025  
(8<sup>th</sup> highest in the nation)

**7.3%**

**Unemployment Rate (U-6)**  
2024-2025  
(21<sup>st</sup> lowest in the nation)

**1.7%**

**Population Change**  
2020-2025  
(31<sup>st</sup> highest in the nation)

**0.0%**

**Job Growth**  
December 2024– December 2025  
(17<sup>th</sup> lowest in the nation)

**18.7%**

**Foreign Born Residents**  
2024  
(6<sup>th</sup> highest in the nation)

**9.7%**

**Below Poverty Rate**  
2024  
(9<sup>th</sup> lowest in the nation)

**40.1**

**Median Age**  
2024  
(17<sup>th</sup> oldest in the nation)

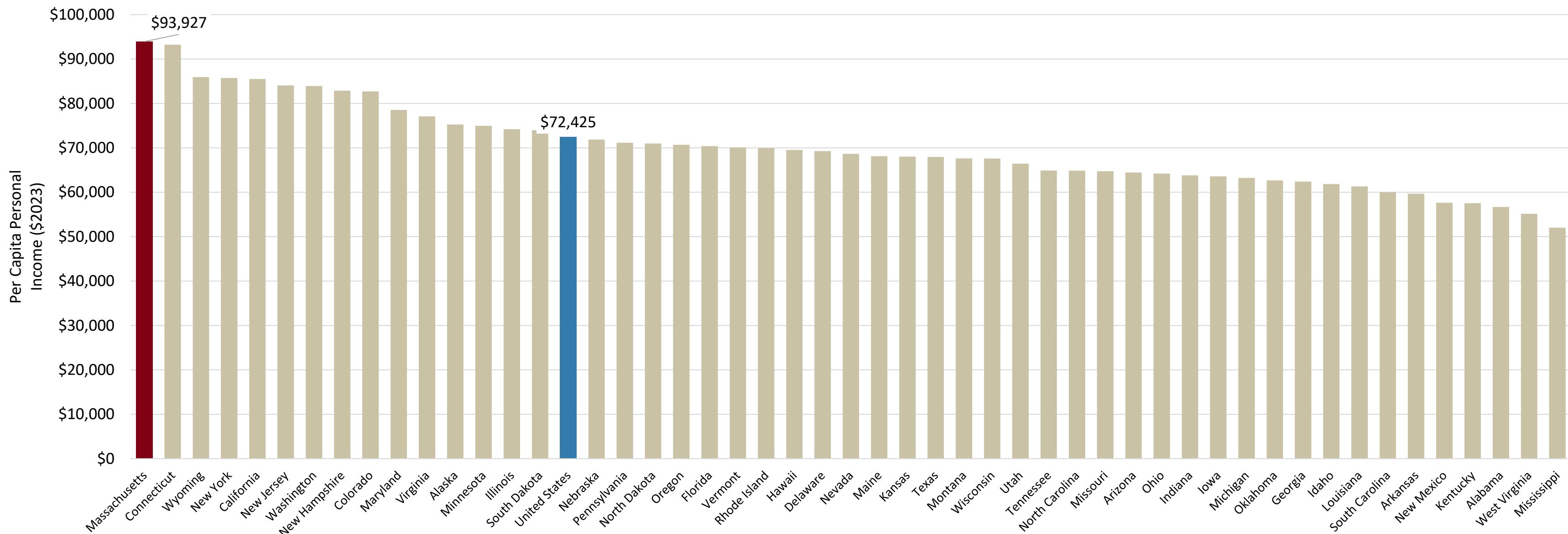
**48.3%**

**Have a College Degree**  
2024  
(highest in the nation)

Sources: Massachusetts Executive Office of Labor and Workforce Development, Local Area Unemployment (LAU) Statistics; Bureau of Labor Statistics; U.S. Census Bureau American Community Survey 2023, 1 Year Estimates; UMass Donahue Institute MassDOT Vintage 2023 Population Projections. November 2023. (UMDI-DOT V2022).

# Massachusetts per capita income reached \$90k in 2023 — 30% higher than the national average

*Per capita income by state, 2024*



Source: U.S. Bureau of Economic Analysis (BEA), SAINC1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income; UMDI analysis

# Despite having the highest per capita income in the country, Massachusetts struggles with high cost of living

Massachusetts ranks...

**Top 5**

**4<sup>th</sup>**

**3<sup>rd</sup>**

**5<sup>th</sup>**

**2<sup>nd</sup>**

**Most expensive  
childcare**

**Most expensive  
electricity**

**Most expensive  
natural gas**

**Highest home value**

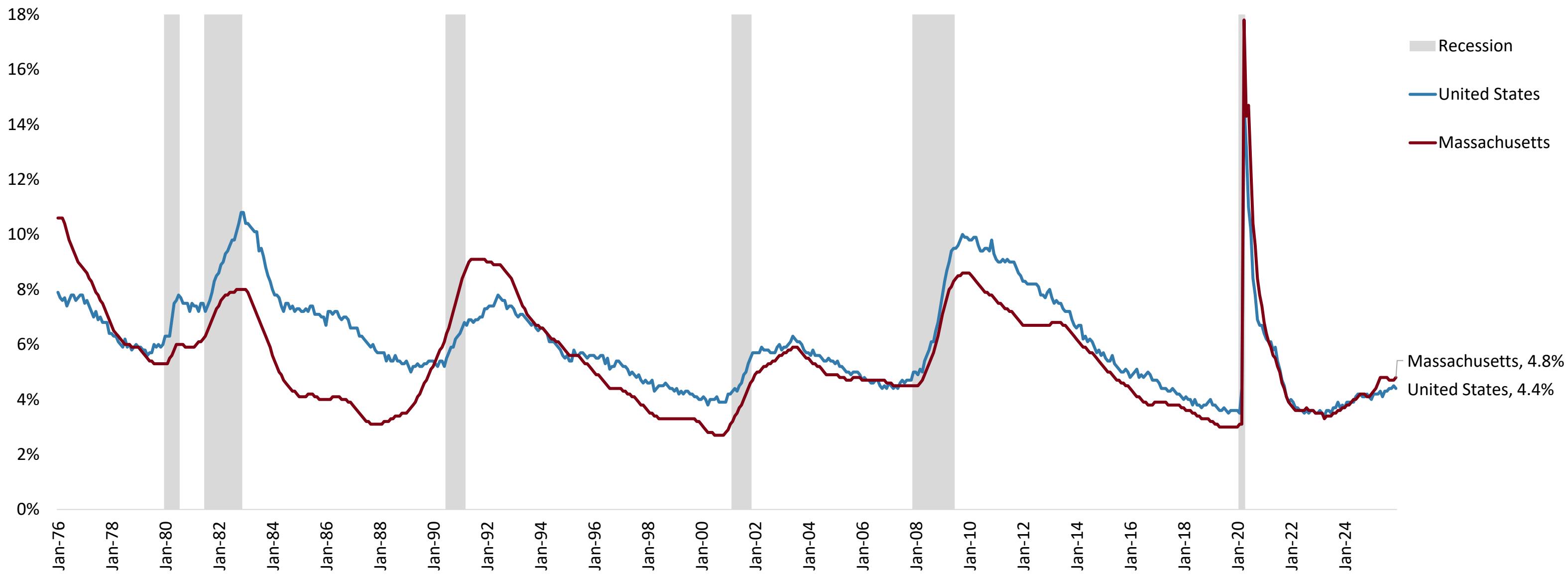
**Worst traffic  
(Boston MSA)**

**... out of all U.S. states**

Sources: Child Care: Center for American Progress, The True Cost of High-Quality Child Care Across the United States Table 1. Electricity and Natural Gas: US Energy Information Administration. Home Value: Zillow Home Value Index. Traffic: Inrix 2022 Global Traffic Scorecard.

# Unemployment rates have risen from post-pandemic lows, and in Massachusetts currently exceeds the national rate

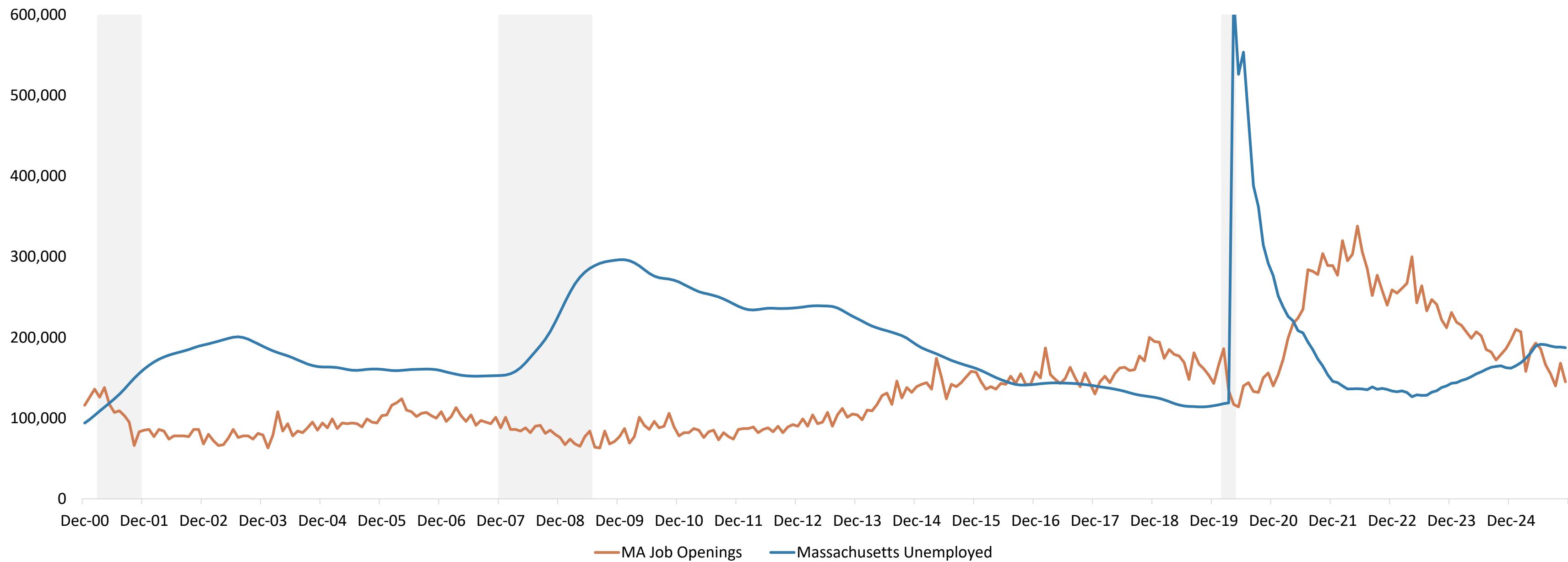
*Unemployment rates in Massachusetts and the United States as of December 2025 (Seasonally adjusted)*



Source: Massachusetts Executive Office of Labor and Workforce Development, Local Area Unemployment (LAU) Statistics; UMDI analysis

# Job openings in Massachusetts have steadily declined as unemployment has increased

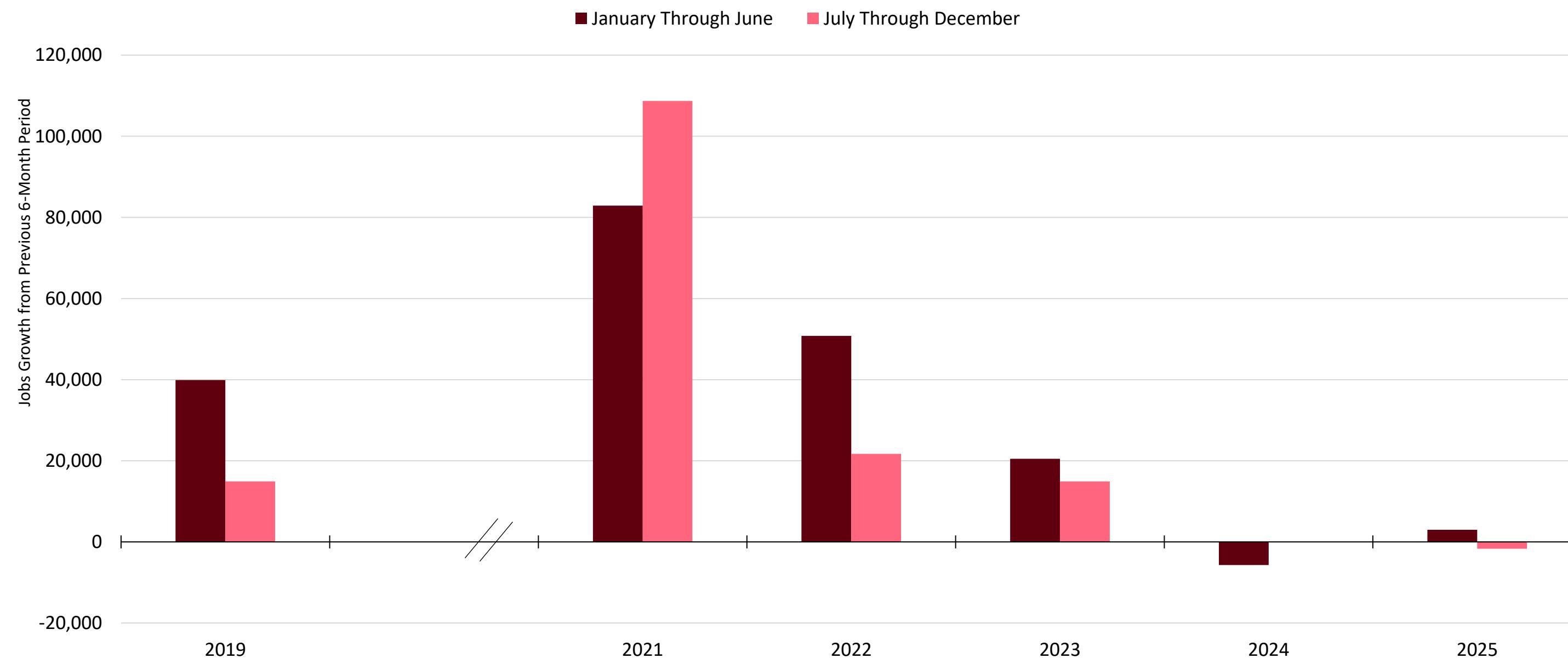
*Job Openings and Unemployment in Massachusetts, December 2000 – November 2025 (Seasonally adjusted)*



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS), Massachusetts Executive Office of Labor and Workforce Development; UMDI analysis

# After an immediate rebound in 2021 from pandemic lows, Massachusetts has created few jobs in the past two years

*Massachusetts Job Creation by 6-Month Period, 2019, 2021-2025*

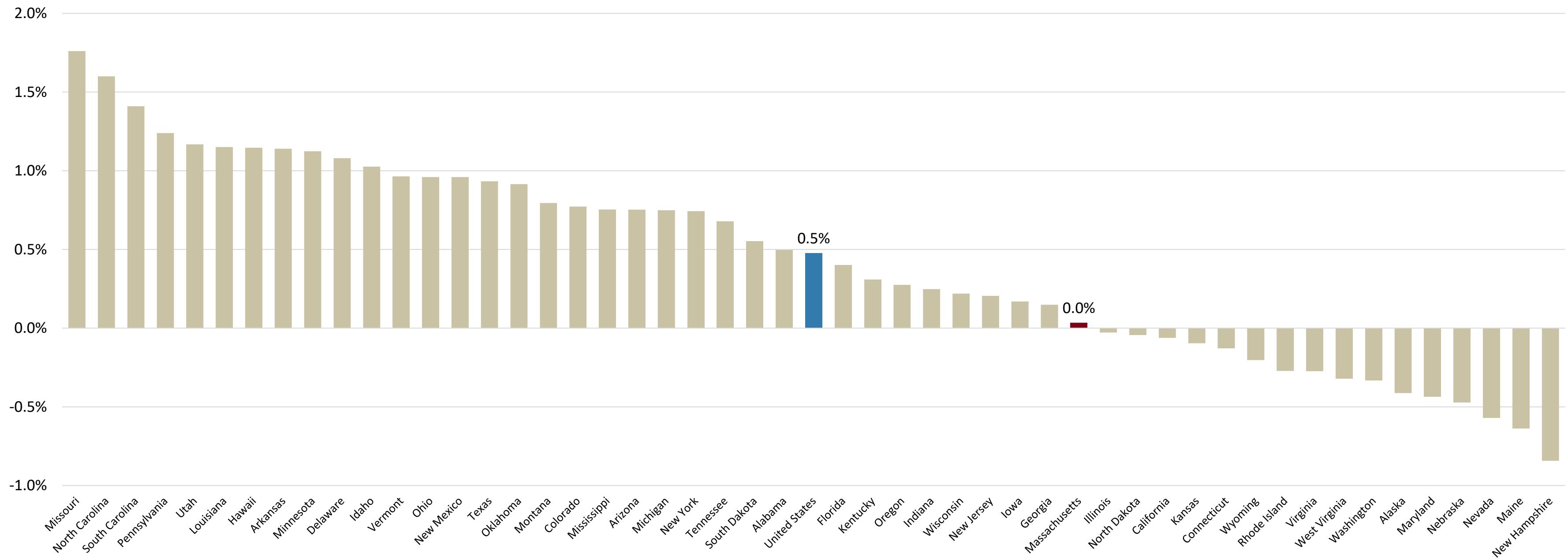


Source: Bureau of Labor Statistics, Current Employment Statistics

Note: 2020 Omitted for scale. An estimated 545,000 jobs were lost in the Massachusetts economy in the first half of 2020.

# Jobs growth has been slower in Massachusetts than in the United States over the past year

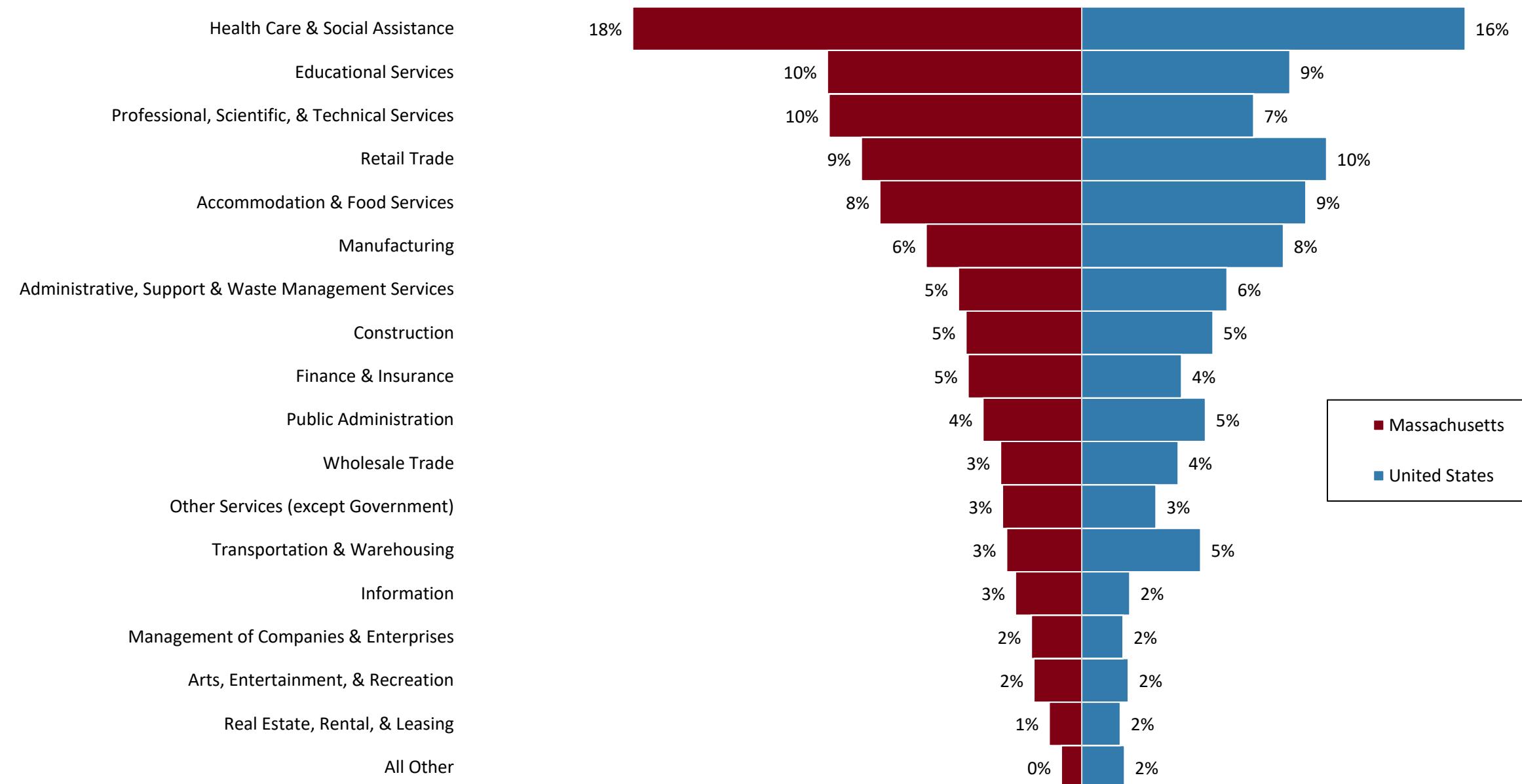
*Year-over-Year Jobs Growth in Massachusetts and all states, December 2024 to December 2025 (Seasonally adjusted)*



Source: Bureau of Labor Statistics, Current Employment Statistics; UMDI analysis

# MA is competitive in health care; professional services, and education compared to the US

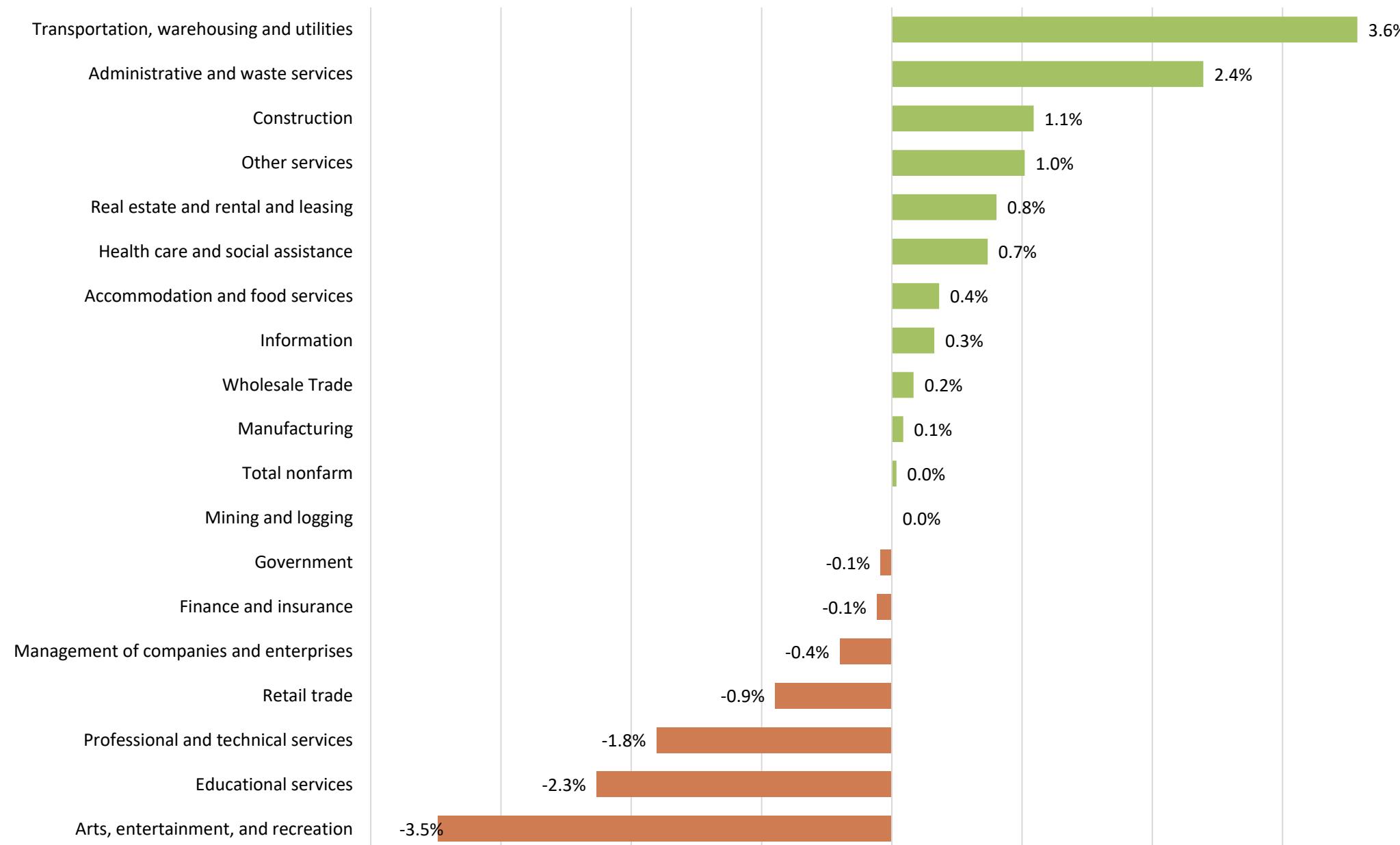
*Industry Mix for Massachusetts and the United States, 2024 (Seasonally adjusted)*



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages; UMDI analysis

# Education and professional services, two of Massachusetts's strengths, have seen job losses over the last year

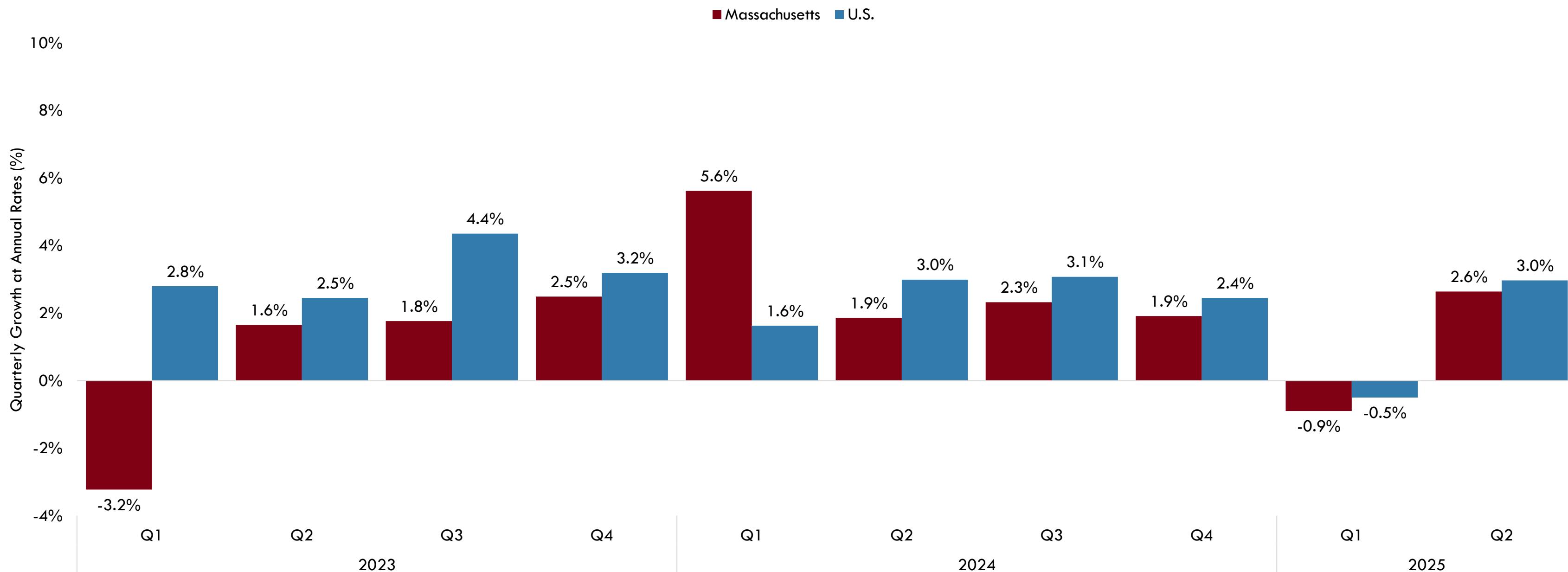
*Percent Change in Employment by Industry in Massachusetts, December 2024-December 2025*



Source: Bureau of Labor Statistics Current Employment Statistics; UMDI analysis

# Massachusetts GDP growth roughly kept pace with the US throughout 2023, 2024, and first half of 2025

*Quarterly Change in GDP for MA, US, and MassBenchmarks Projections, 2023 Q1 – 2025 Q2*

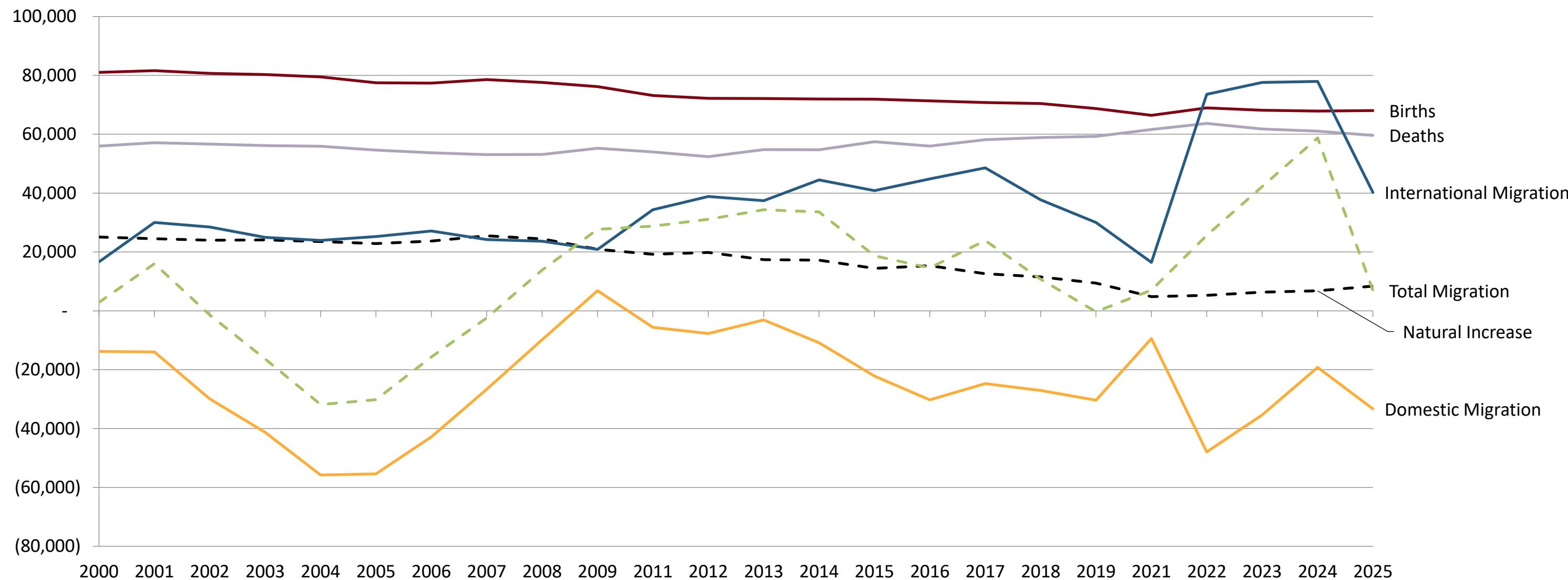


Source: U.S. Bureau of Economic Analysis, MassBenchmarks calculations by Dr. Alan Clayton-Matthews

# A Graying Labor Force

# Massachusetts population growth depends on international migration

*Massachusetts estimated components of population change, 2000-2025*

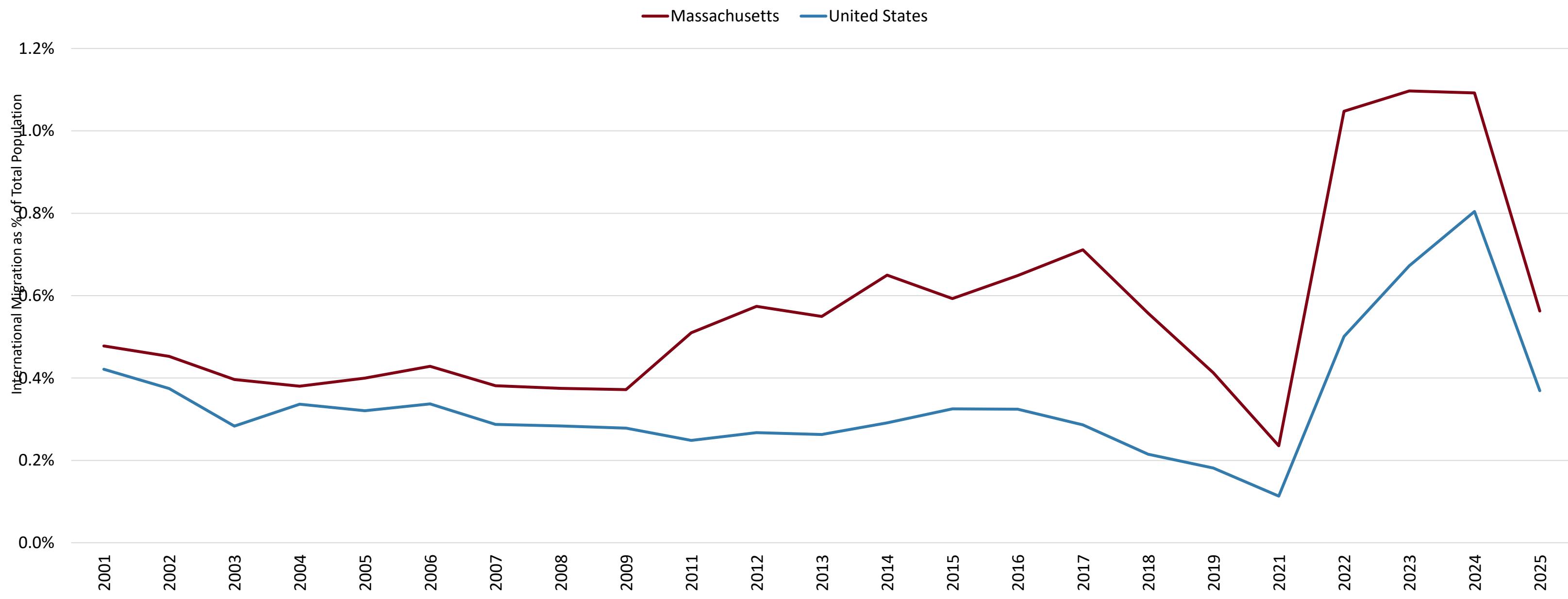


Source: UMass Donahue Institute. Source Data: ST-2000-7; CO-EST2010-ALLDATA; and NST-EST2025-ALLDATA, U.S. Census Bureau Population Division.

Note that the Census Bureau provides only 3 months of component estimates for years 2010 and 2020. These years are excluded from the time-series chart above.

# International immigration has fallen at the start of the second Trump Administration

*International Migration Rates for Massachusetts and the United States, 2001-2025 (Excluding Census Years)*

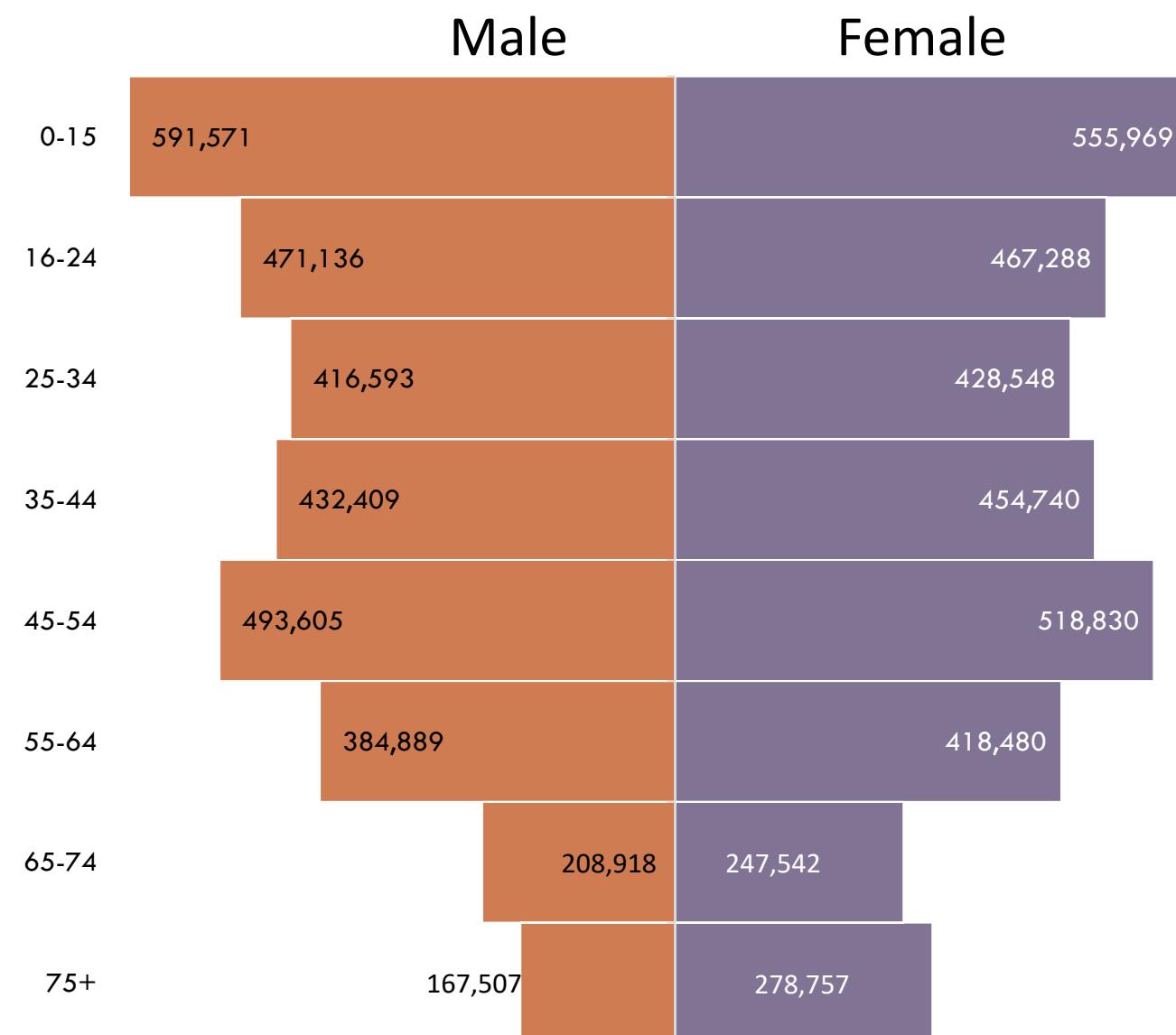


Source: U.S. Census Bureau, Population Estimates Program; co-est2009-alldata, co-est2019-alldata, NST-EST2025-ALDATA

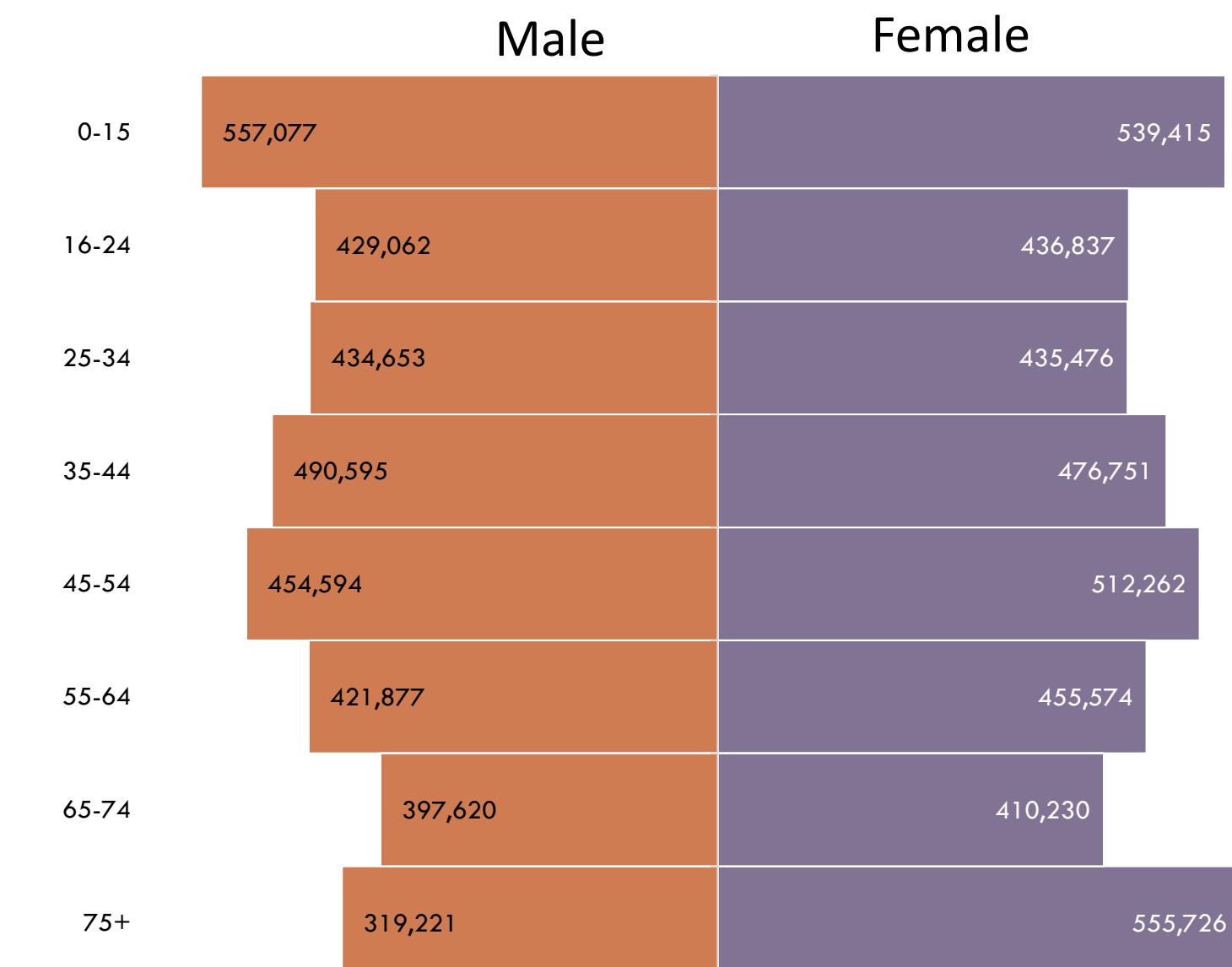
Note that the Census Bureau provides only 3 months of component estimates for years 2010 and 2020. These years are excluded from the time-series chart above.

# Massachusetts's growth in our 65+ age groups will far exceed growth in our working age population through 2050

## *2020 Population*

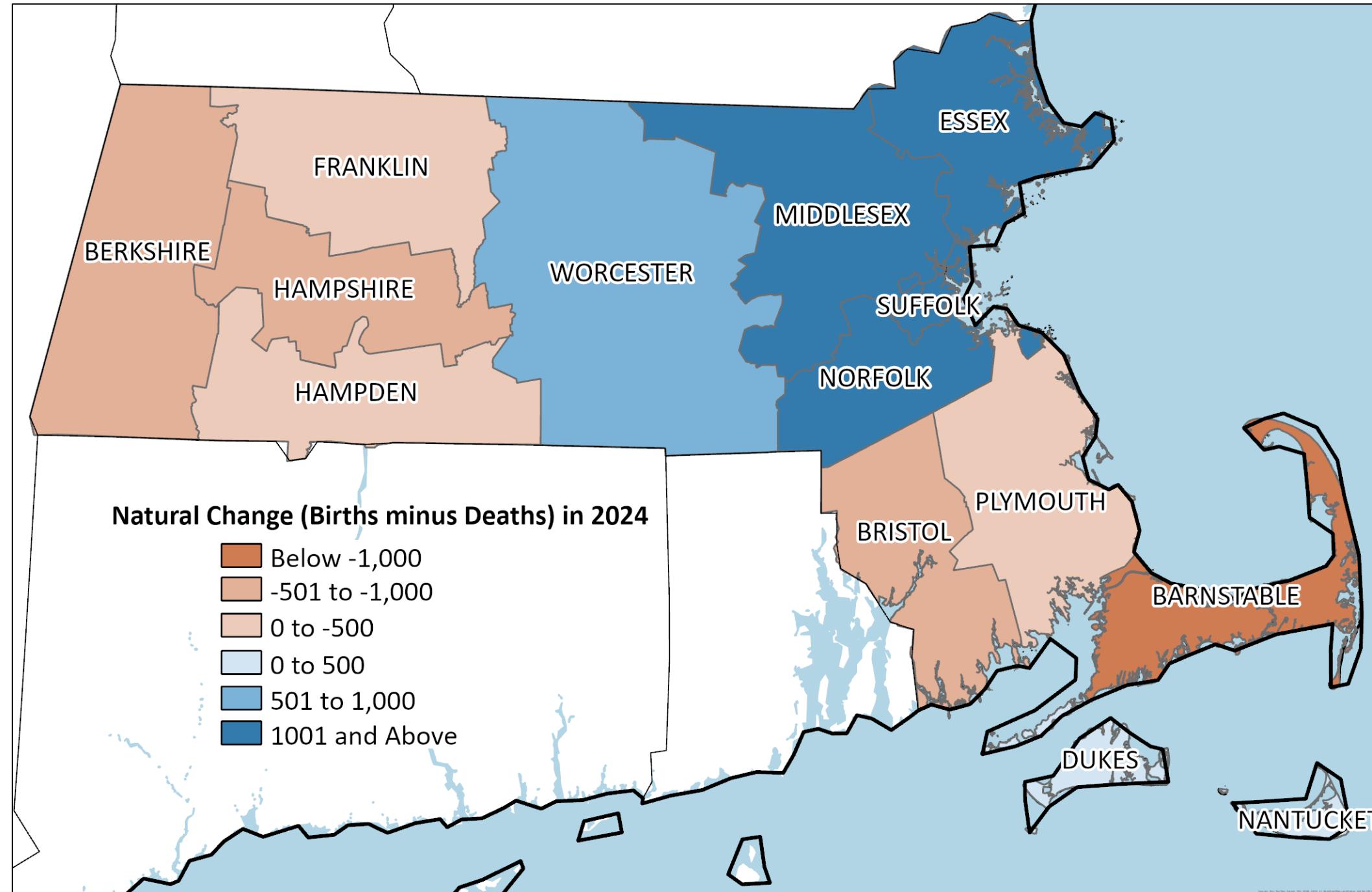


## *2050 Population Projections*



Source: UMass Donahue Institute MassDOT Vintage 2022 Population Projections. November 2022. (UMDI-DOT V2022).

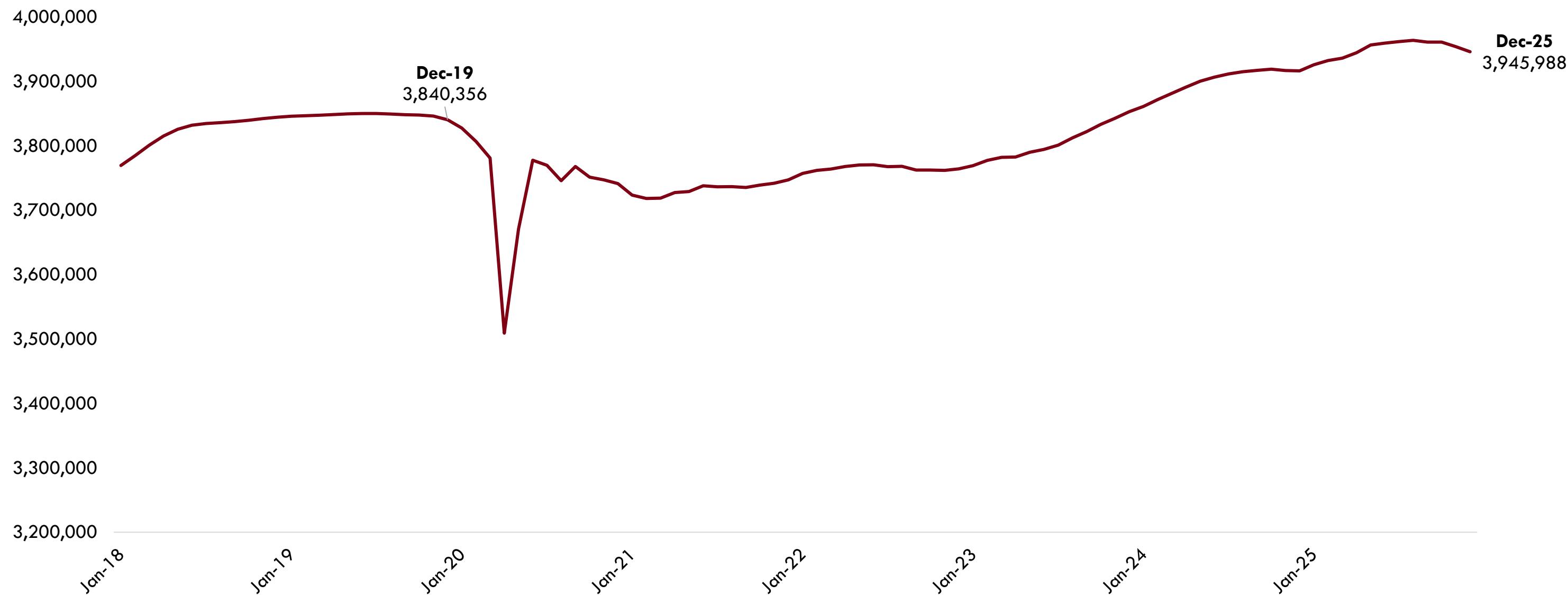
# Half of Massachusetts counties saw more deaths than births in 2024, concentrated in Western Mass and the Cape



Source: Annual Estimates of the Resident Population: April 1, 2020 to July 1, 2024 (CO-EST2024-alldata), U.S. Census Bureau, Population Division, March 13, 2025.

# The labor force has expanded quickly over the last few years, though growth has waned recently

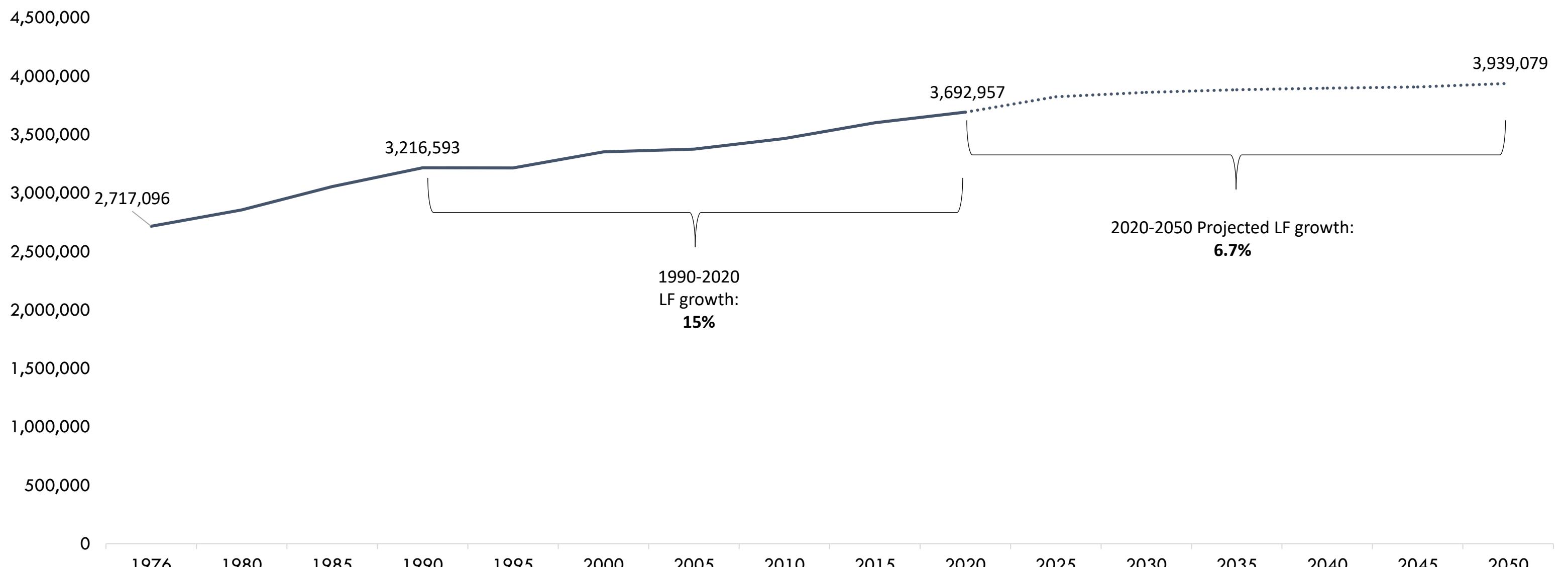
*Massachusetts Labor Force, January 2018 – December 2025 (Seasonally adjusted)*



Source: Massachusetts Executive Office of Labor and Workforce Development, Local Area Unemployment (LAU) Statistics

# The labor force in Massachusetts is projected to grow at a significantly slower pace over the next 30 years

*Projected Massachusetts Labor Force through 2050 (Seasonally adjusted)*



Source: Massachusetts Executive Office of Labor and Workforce Development, Local Area Unemployment (LAU) Statistics; UMass Donahue Institute MassDOT Vintage 2022 Population Projections. November 2022. (UMDI-DOT V2022).

# Massachusetts Economic Outlook

- The state economy has had a mixed performance post-pandemic, though, secondary data has proven to be noisy
- The new administration brings several potential policy shift of concerns for the state economy, including immigration, federal research funding, and trade policy/inflation
- Long term, the state faces demographic challenges due to an aging population
- Local policy efforts need to focus on making the state attractive, competitive, and affordable to residents and businesses

# Thank you!

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University of  
Massachusetts  
Amherst

# KEYNOTE ADDRESS: Eric Paley



Secretary,  
Economic Development,  
Commonwealth of MA

# PANEL DISCUSSION



Navjeet Bal

## PANEL MODERATOR

CEO, MassDevelopment



JD Chesloff

## PANELIST

President & CEO,  
MA Business Roundtable



Kira Khazatsky

## PANELIST

President & CEO,  
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