

PREPARING FOR A *CHANGING* *WORKFORCE*

Wednesday
January 28, 2026
10 - 11:30 AM



SKILLS . JOBS . CAREERS



AGENDA

- **Data Presentation:** Dr. Mark Melnik – UMass Donahue Insitute
- **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 Asssociation 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 28th, 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
(8th highest in the nation)

7.3%

Unemployment Rate (U-6)
2024-2025
(21st lowest in the nation)

1.7%

Population Change
2020-2025
(31st highest in the nation)

0.0%

Job Growth
December 2024– December 2025
(17th lowest in the nation)

18.7%

Foreign Born Residents
2024
(6th highest in the nation)

9.7%

Below Poverty Rate
2024
(9th lowest in the nation)

40.1

Median Age
2024
(17th oldest in the nation)

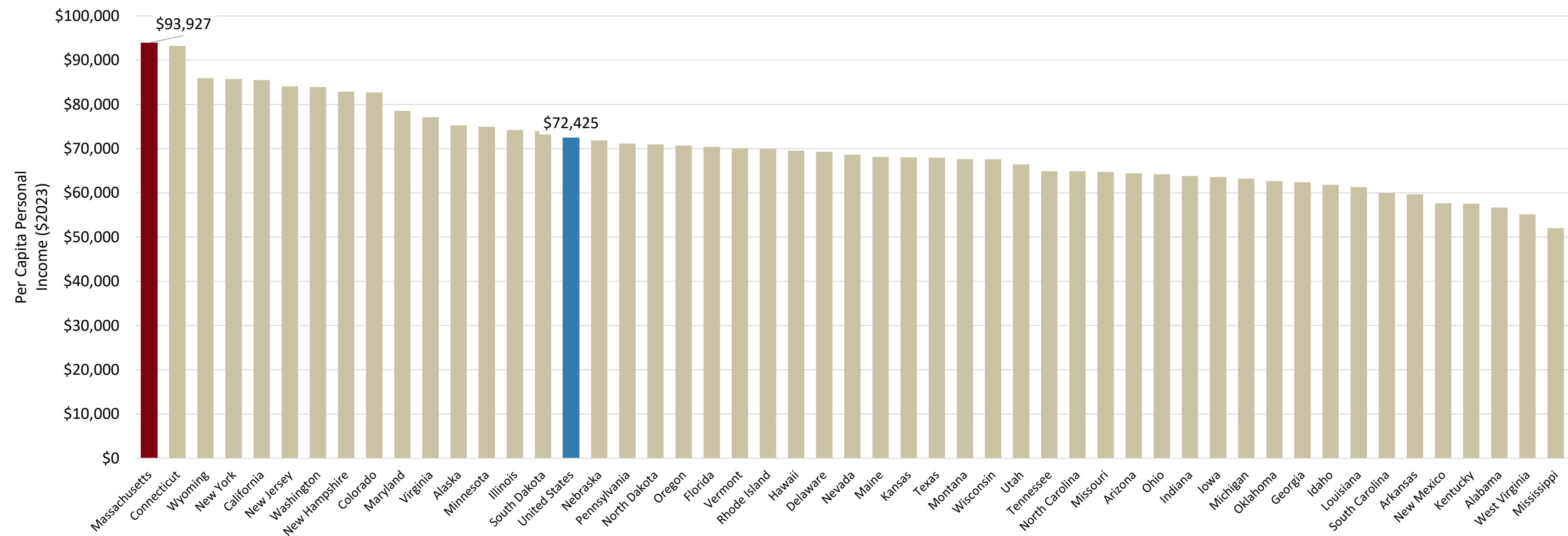
48.3%

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

**Most expensive
childcare**

4th

**Most expensive
electricity**

3rd

**Most expensive
natural gas**

5th

Highest home value

2nd

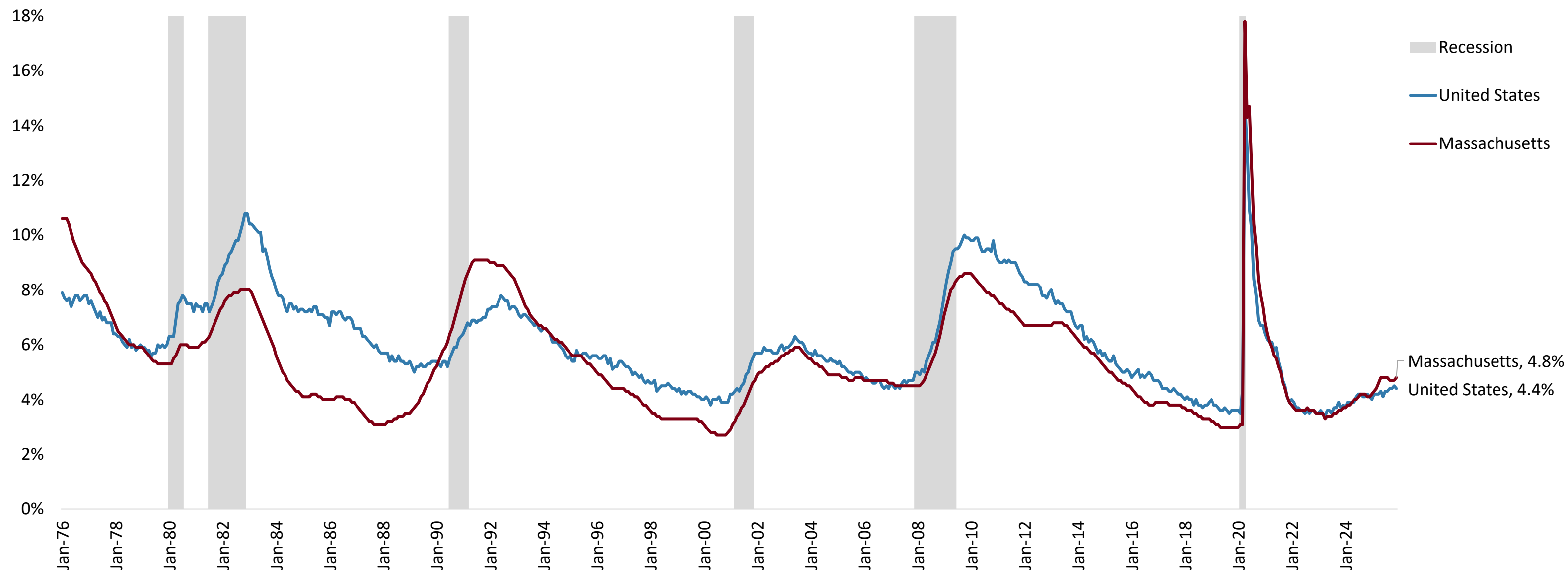
**Worst traffic
(Boston MSA)**

... 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

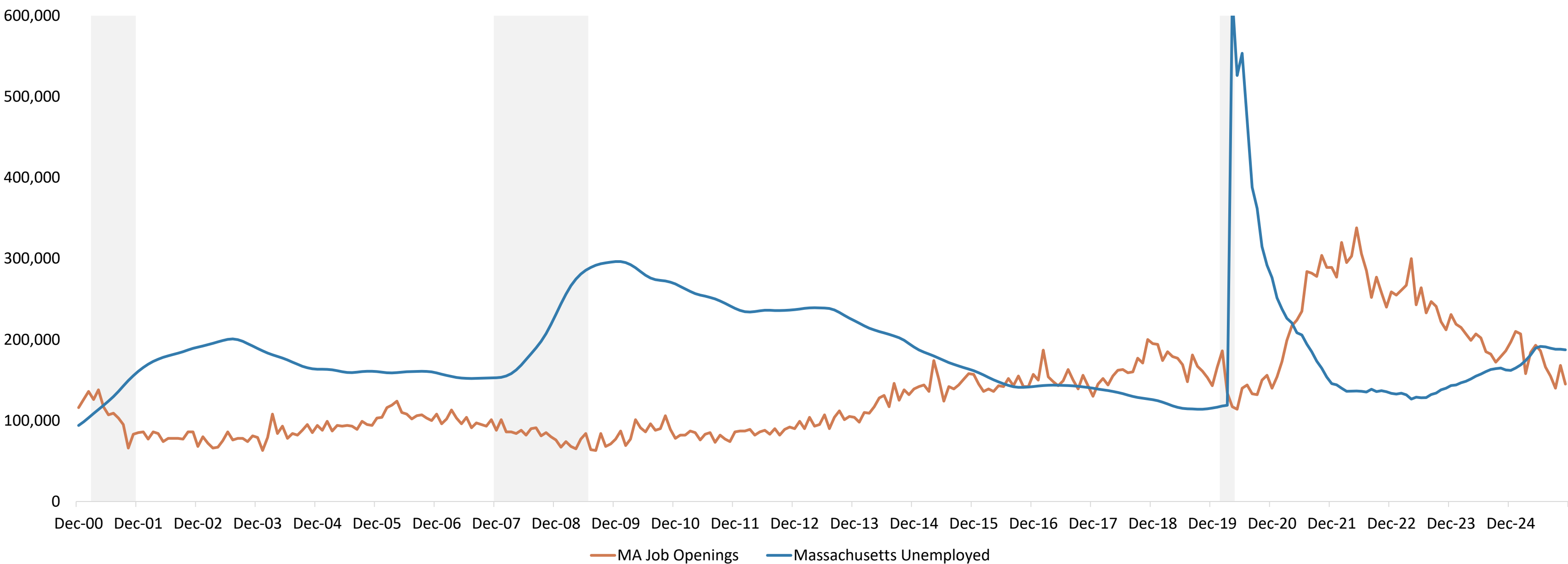
Unemployment rates in Massachusetts and the United States as of December 2025 (Seasonally adjusted)



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

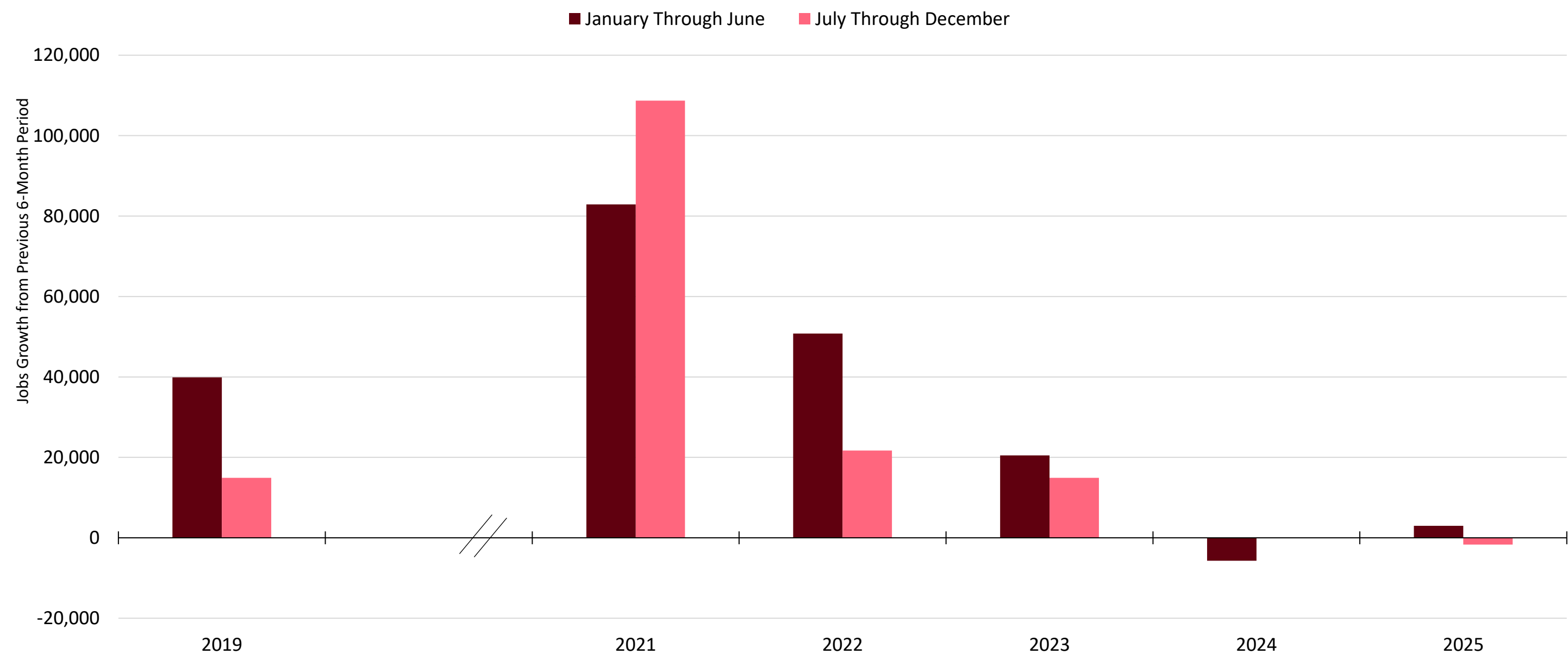
Job Openings and Unemployment in Massachusetts, December 2000 – November 2025 (Seasonally adjusted)



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

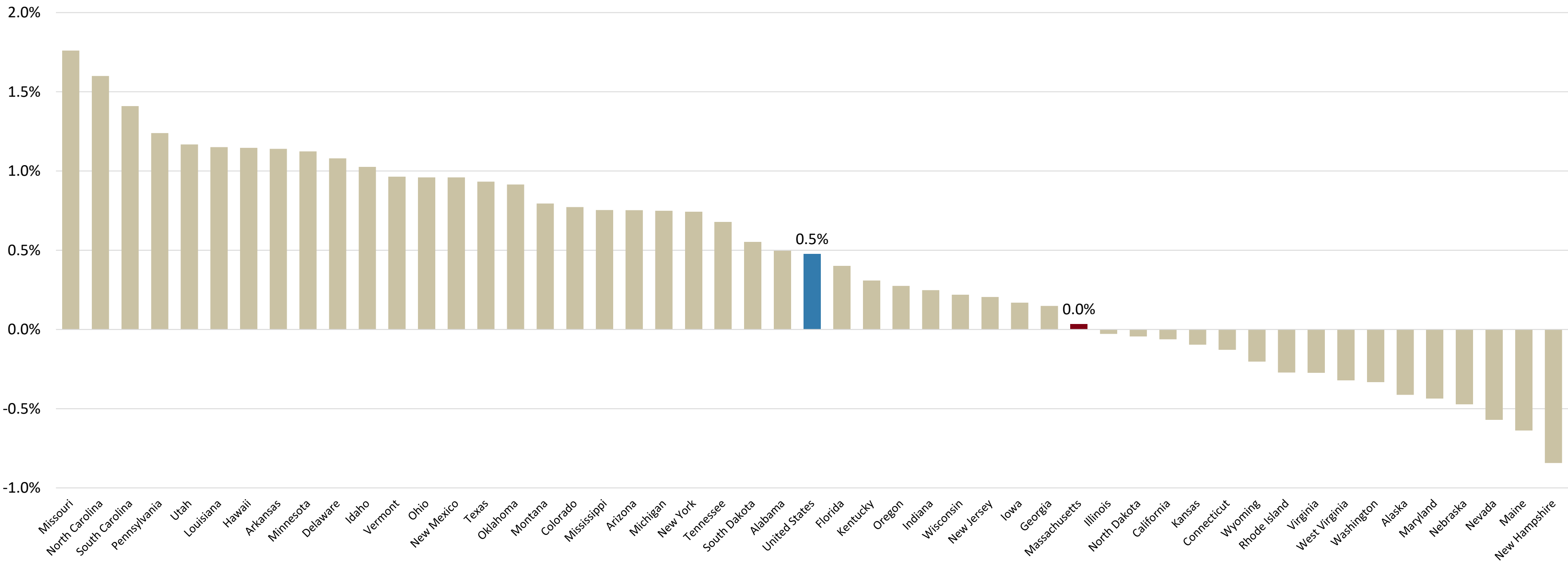
Massachusetts Job Creation by 6-Month Period, 2019, 2021-2025



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

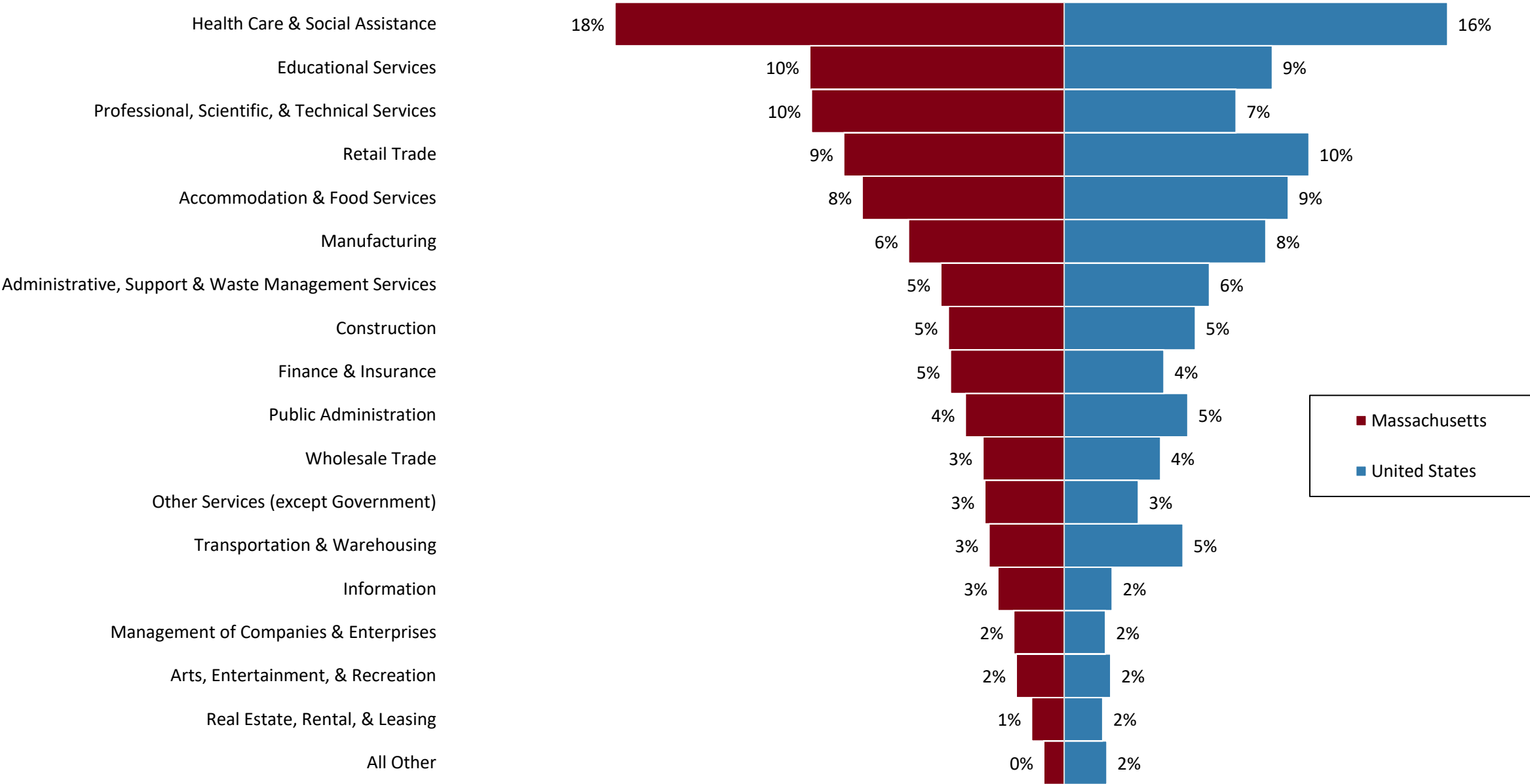
Year-over-Year Jobs Growth in Massachusetts and all states, December 2024 to December 2025 (Seasonally adjusted)



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

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

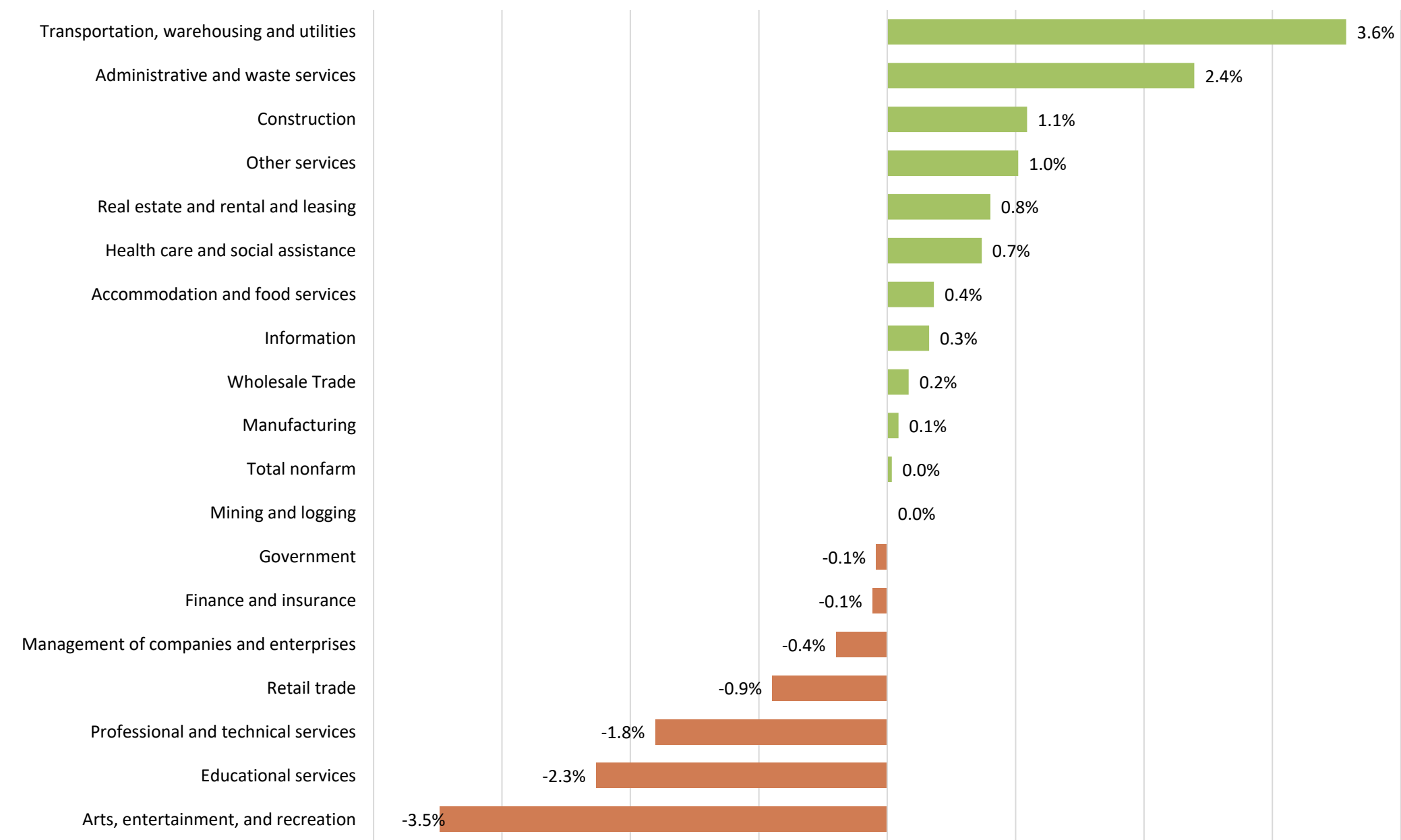
Industry Mix for Massachusetts and the United States, 2024 (Seasonally adjusted)



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

Education and professional services, two of Massachusetts’s strengths, have see job losses over the last year

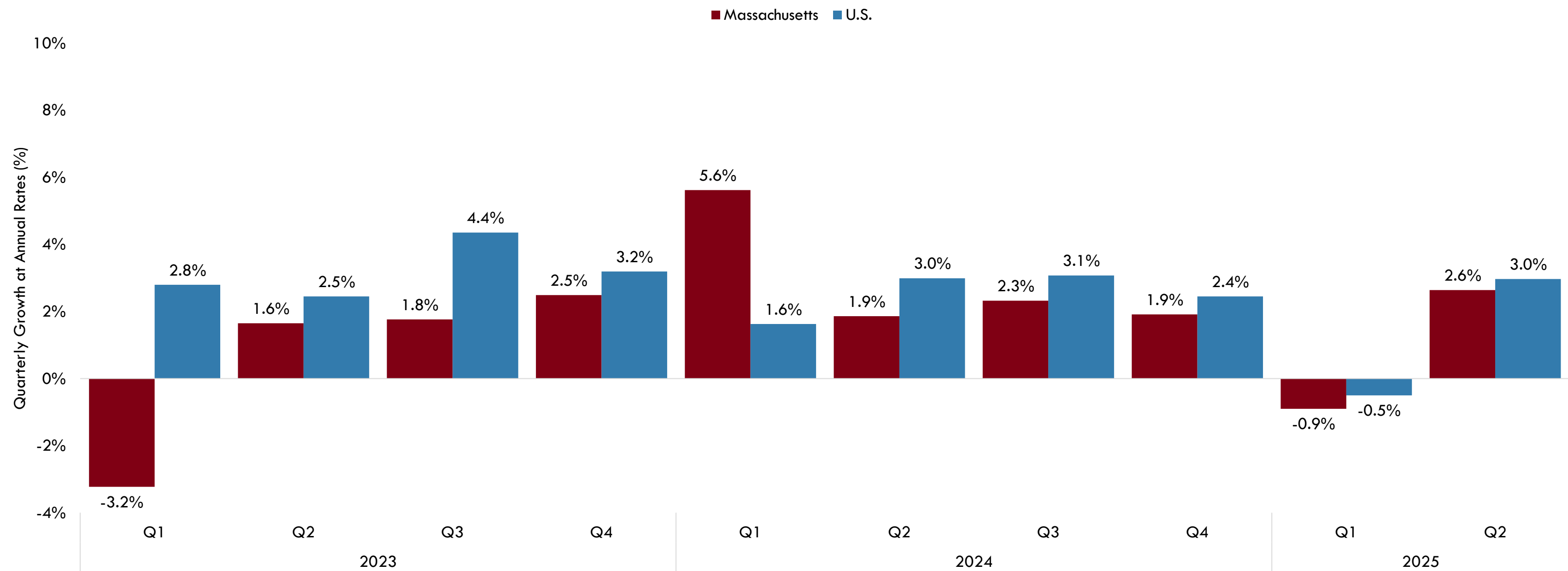
Percent Change in Employment by Industry in Massachusetts, December 2024-December 2025



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

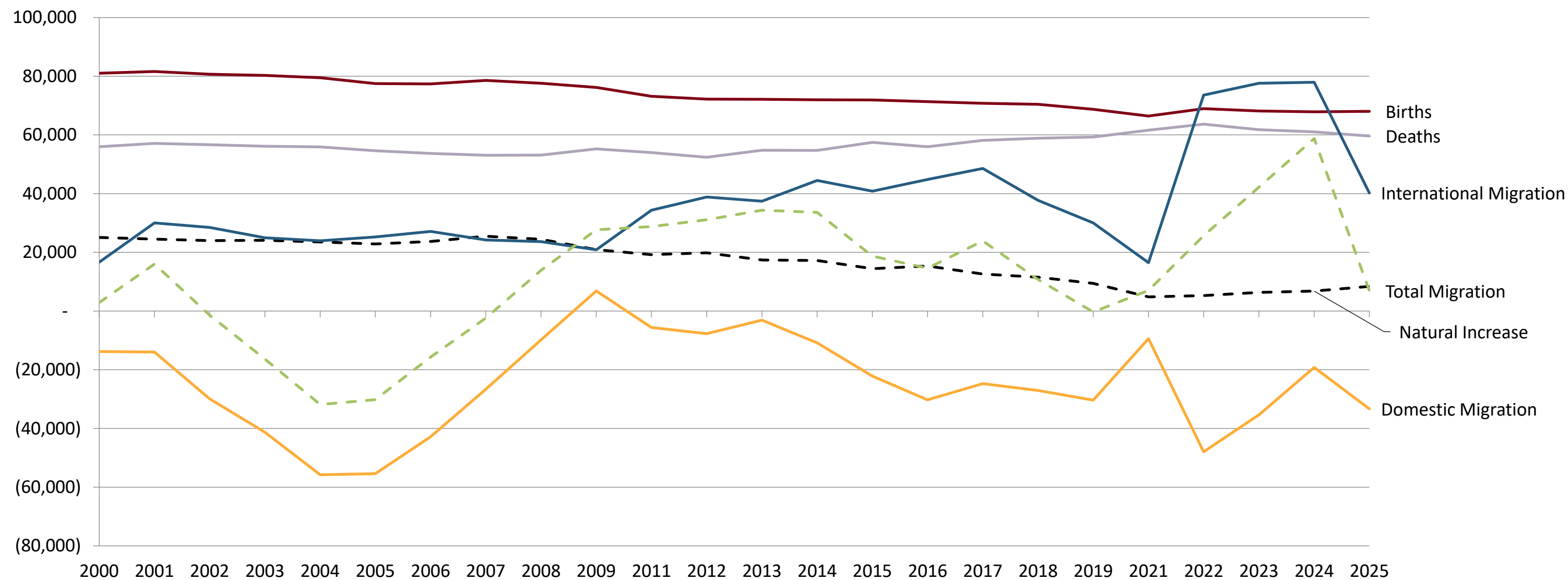


Source: U.S. Bureau of Economic Analysis, MassBenchmarks calculations by Dr. Alan Clayton-Matthews

A Graying Labor Force

Massachusetts population growth depends on international migration

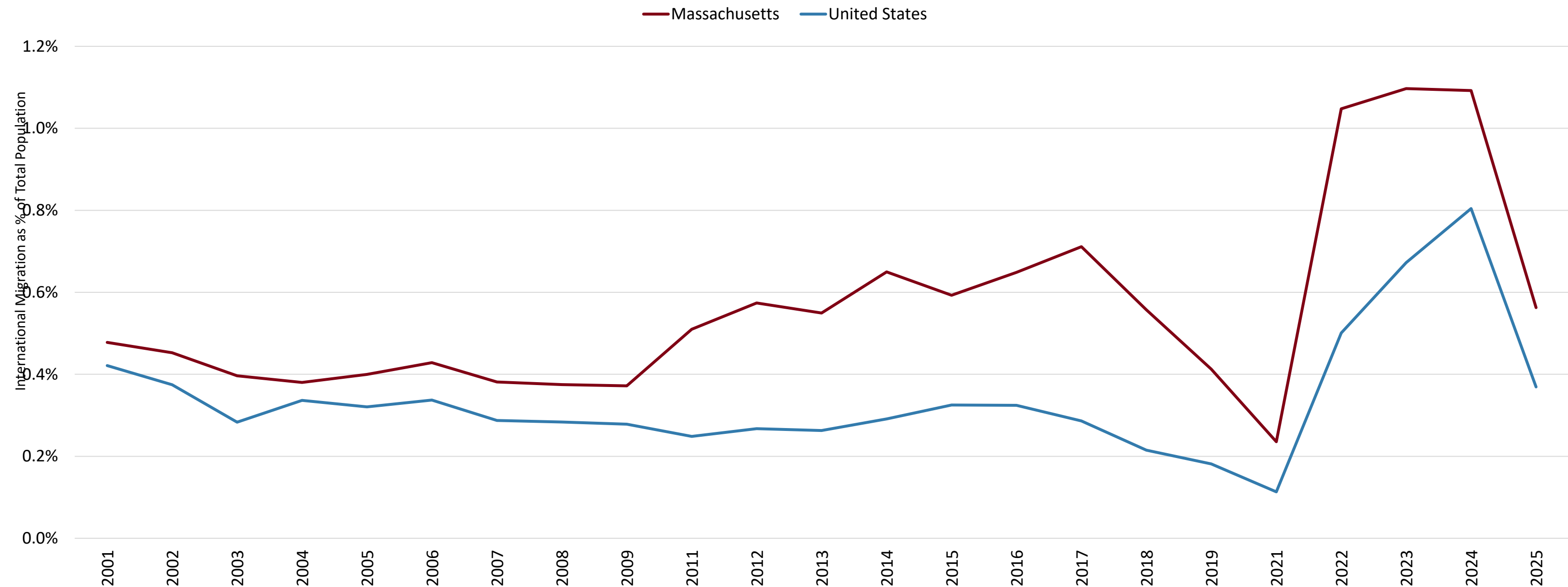
Massachusetts estimated components of population change, 2000-2025



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

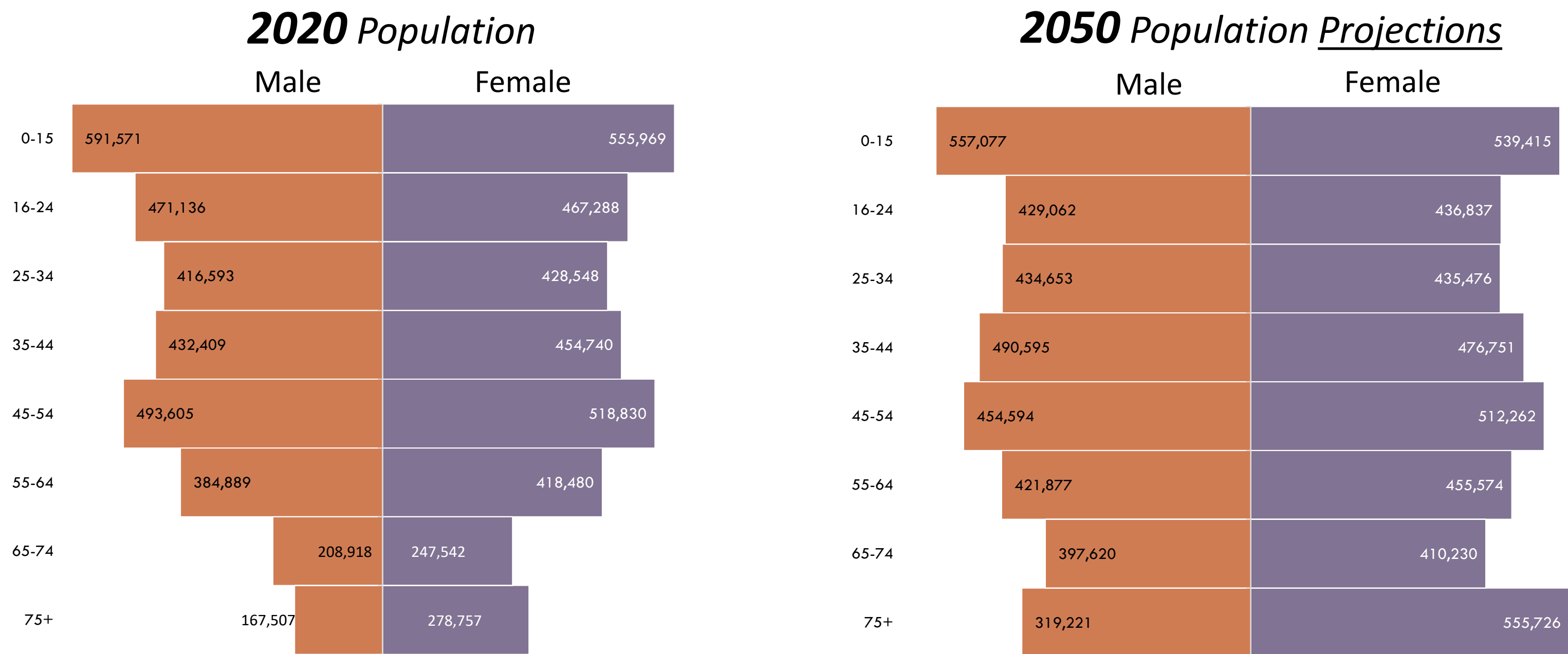
International Migration Rates for Massachusetts and the United States, 2001-2025 (Excluding Census Years)



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

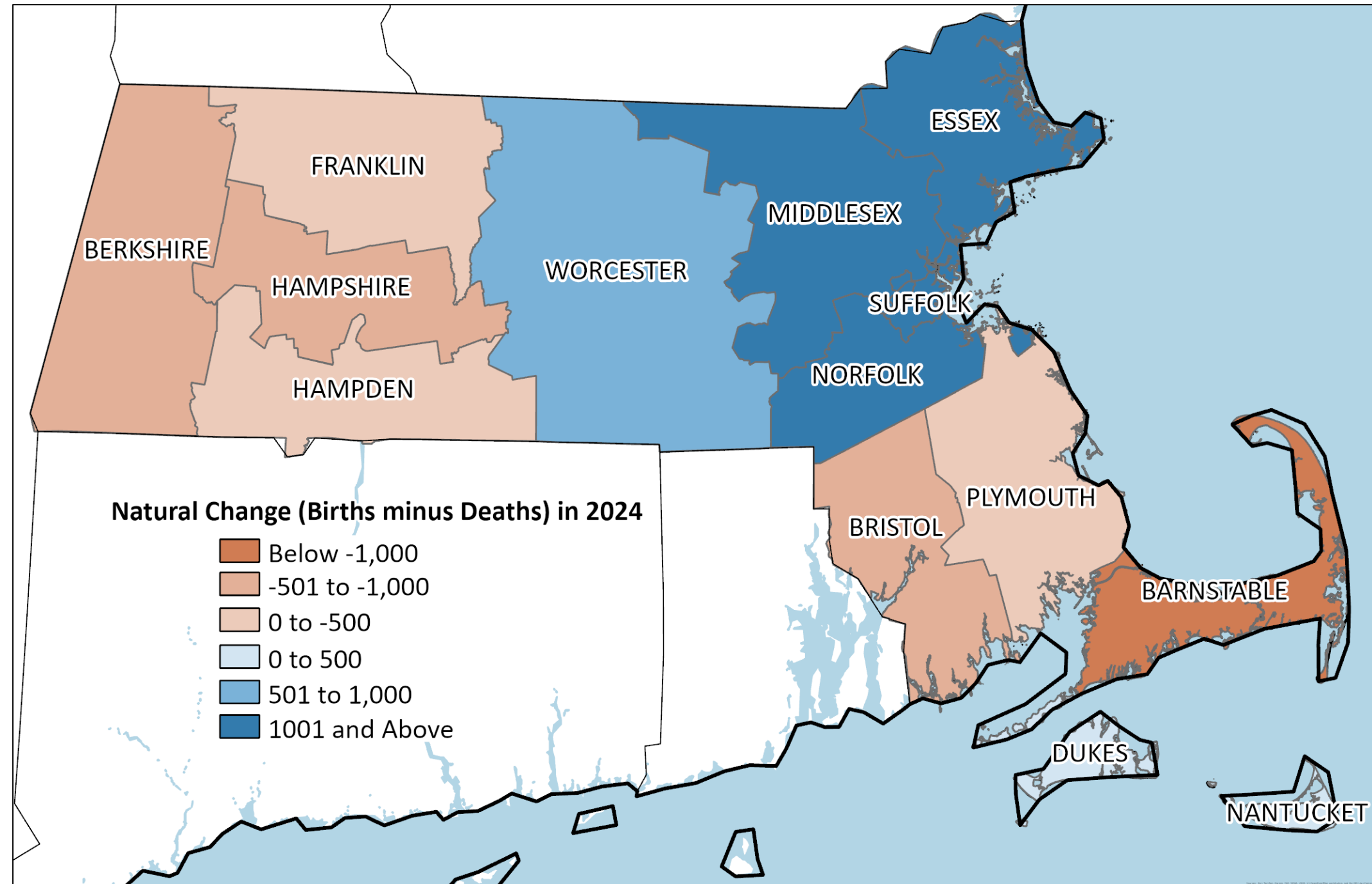
Note that the Census Bureau provides only 3 months of component estimates for years 2010 and 2020. These years are excluded from the time-series chart above.

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



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

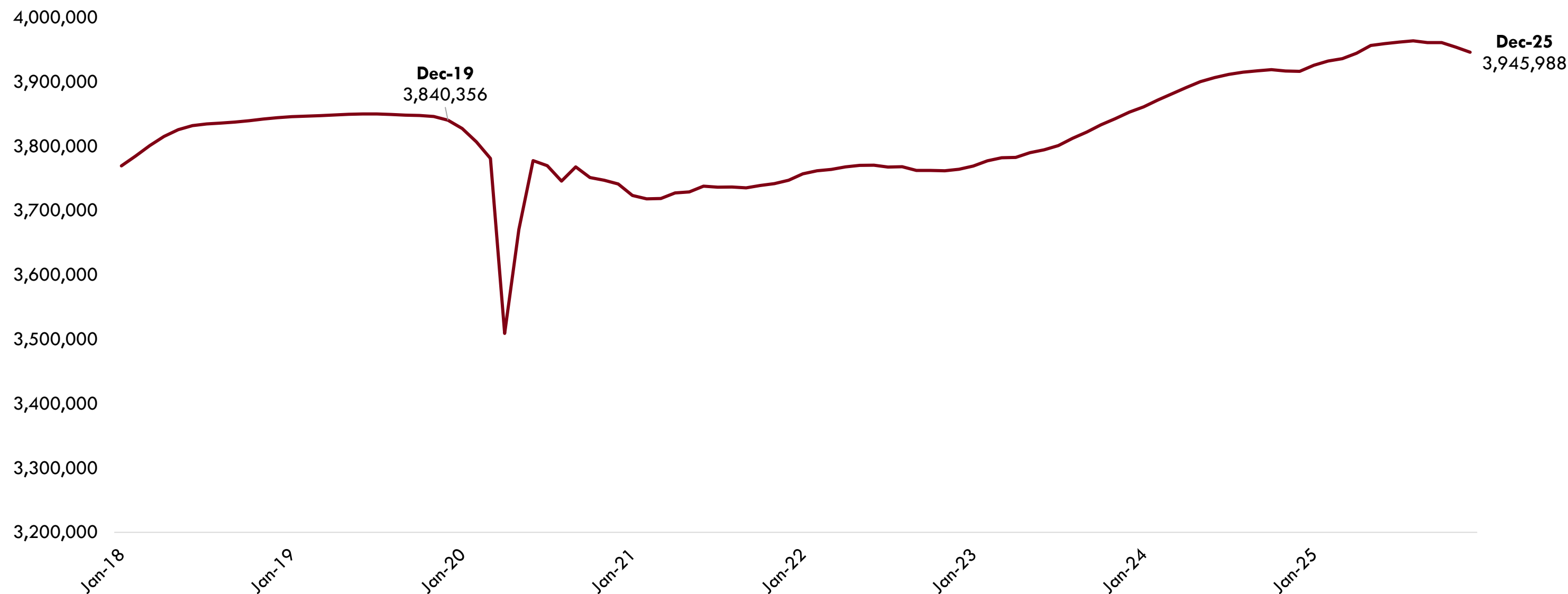
Half of Massachusetts counties saw more deaths than births in 2024, concentrated in Western Mass and the Cape



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

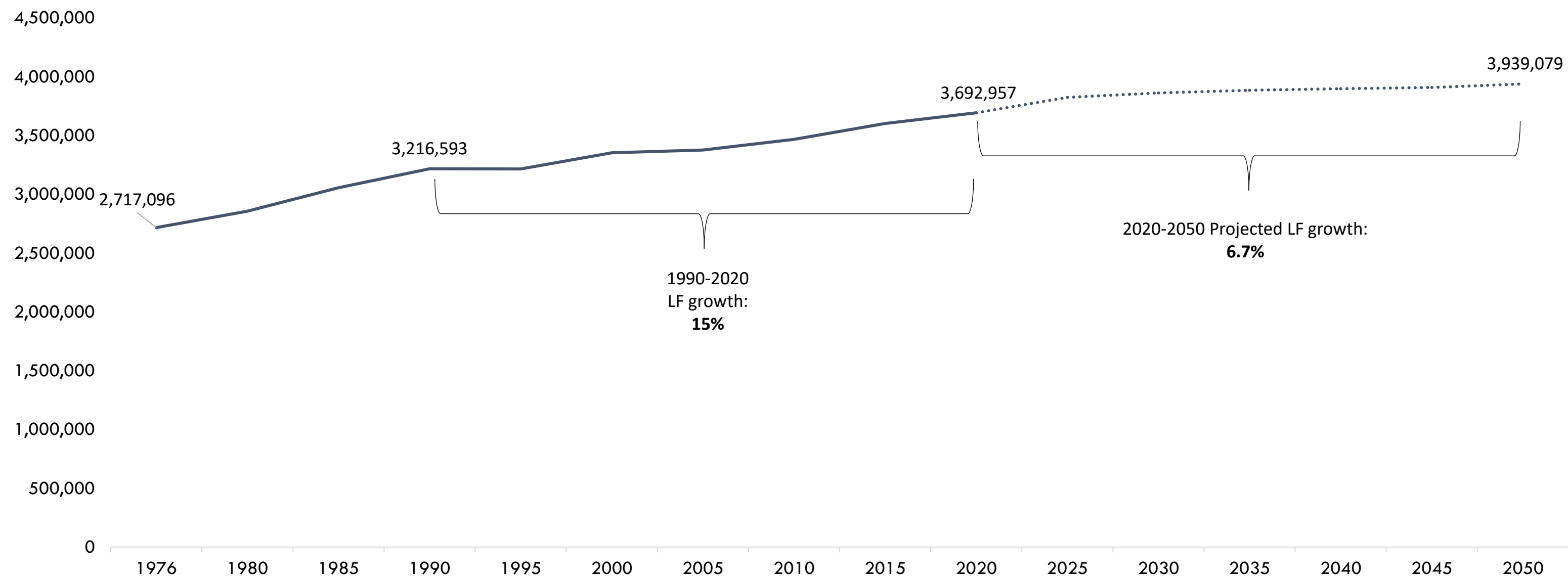
Massachusetts Labor Force, January 2018 – December 2025 (Seasonally adjusted)



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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