



333 Washington Street | Suite 853 | Boston, MA 02108 | 617.720.1000
www.masstaxpayers.com

Press Release: Wednesday, December 14, 2022

**Contact: Eileen McAnneny
617-834-5328**

Massachusetts' Demographic Trends Threaten our Talent Pipeline and Economic Strength

Follow up report to [Heeding the Warning Signs](#) explains the long-term decline in the state's workforce

BOSTON, MA / December 14, 2022 – A new report out today from the Massachusetts Taxpayers Foundation (MTF) presents clear and comprehensive data demonstrating that an aging and declining population reduces the size of the state's workforce, putting the Massachusetts economy in jeopardy.

The data show that the state can no longer passively rely on the reputations its higher education and health care sectors to attract sufficient talent to meet the demand of an elite and expanding economy.

MTF President Eileen McAnneny stated “systemic changes to the economy since the pandemic affecting all sectors, combined with troubling demographic trends, are causing the state's talent pipeline to contract. Policymakers must proactively work to reverse this trend by making Massachusetts a more affordable and competitive place to be in order to ensure the Commonwealth's future economic growth. Gone are the days we can count on Massachusetts' exceptionalism to attract the best and the brightest.”

What is clear is that the state must take aggressive actions to achieve three difficult tasks:

1. reduce the high cost of housing relative to other states and improve reliability of transportation options – to encourage current residents to remain,
2. measure annually how well current investments in education, workforce training, and reskilling are in preparing people for employment – especially for those on the economic sidelines – and make the changes necessary to improve outcomes, and
3. maximize available talent in the state by incenting students, career professionals, and mature or retired workers to build their future in Massachusetts.

Some of the major findings from MTF's demographics report include:

- The number of Massachusetts work aged residents 20 – 64 peaked in 2018, has declined by 50,000, equivalent to the population of Everett, and is projected to fall by another 120,000 by 2030.
- In September, Massachusetts had 289,000 job openings and 129,000 people unemployed suggesting a labor shortage of 160,000. This means there are 2.2 jobs for every unemployed person, double the figure of just five years ago.
- The number of births in Massachusetts has steadily declined by almost 30 percent in the past 30 years to 66,200, the second lowest figure since 1940 when the state's population was 2.7 million less than today.
- Due to an aging population, the number of deaths is climbing to the point where Massachusetts' natural population growth (births minus deaths) is projected to turn negative before the end of the decade.
- Massachusetts has lost hundreds of thousands of residents over the past few decades who left for other states but that trend spiked to 46,000 in 2021 as people took advantage of remote work or labor shortages in other states to find a better quality of life than Massachusetts can offer.
- Put differently, the 46,000 residents in 2021 was the 4th most in the country while the other New England states gained 40,000. Of the 67 New England counties, only 9 lost population in 2021 - 7 of them are in Massachusetts.
- At the same time, international immigration, which for decades more than offset residents leaving the state, plummeted to 12,700, a decline of 35,000 or 75 percent from 2017.
- An aging population, along with the impacts of COVID, have led to a jump in retirements further eroding the size of the workforce.

MTF plans to update this presentation regularly as more data become available.

About MTF

Founded in 1932, the [Massachusetts Taxpayers Foundation \(MTF\)](#) is widely recognized as the state's premier public policy organization dealing with state and local fiscal, tax and economic policies. MTF's record of high quality research and non-partisan analysis has earned the organization broad credibility on Beacon Hill and across the Commonwealth. MTF's mission is to provide accurate, unbiased research with balanced, thoughtful recommendations that strengthen the state's finances and economy in order to foster the long-term well-being of the Commonwealth. MTF's unique credibility has impacted policymaking on a wide range of issues - from health care, business costs and transportation funding to tax competitiveness, capital investments and state and local finances, as well as the economic consequences of racial inequities. One of the hallmarks of MTF has been a commitment to meticulous, high quality research and clearly explained, non-partisan analysis.

###