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## FOR IMMEDIATE RELEASE

### **Massachusetts Must Act to Overcome Demographic and Affordability Headwinds, Better Position Itself to Win Competition for Talent**

*New Massachusetts Taxpayers report provides latest data on outmigration, cost of living challenges, and workforce shortages*

Boston, MA – May 22, 2023 – A new released today from the Massachusetts Taxpayers Foundation (MTF), [Can Massachusetts Overcome its Cost and Demographic Headwinds to Compete for Talent Chartbook](#), presents comprehensive, nonpartisan, and timely data detailing the trends and headwinds that continue to challenge the long-term wellbeing of the commonwealth.

From Massachusetts having the lowest rental vacancy rate in the country to its capital city of Boston having the second highest traffic delay times and the second highest median rents in the United States, high costs and long commutes are pushing residents and business out. From April 2020 to July 2022, Massachusetts reached its highest outmigration in 30 years with over 110,900 people leaving the commonwealth. Paired with national challenges like labor shortages and aging populations, the red flags are waving as the competition for talent and population growth intensifies.

Central factors driving these trends include: **cost of living, congestion, transportation reliability, workforce shortages, and talent outflow**. We have seen the negative impact these factors are having across the state's workforce, but it is particularly apparent in growth industries like the Commonwealth's technology sector where Texas, Florida, North Carolina, Colorado, and Washington gained 160,000 new jobs while Massachusetts lost 2,000 over the past three years. Over the same time frame, Massachusetts ranked 33<sup>rd</sup> in computer tech jobs created trailing such states as New Hampshire, Oklahoma, Montana, and West Virginia.

"We're seeing the future of our workforce, people aged 26 to 35, high wage residents, and those in key sectors, dominate the outflow of residents and talent. Massachusetts is facing a critical moment and it is imperative we address these challenges promptly to secure a prosperous future for our commonwealth," said Doug Howgate, President of the Massachusetts Taxpayers Foundation. "Massachusetts has historically enjoyed an abundance of highly educated and skilled workers, as well as the continuous influx of fresh talent from local colleges and universities. This access to a talented workforce must be safeguarded to meet the demand for workers in the industries of today and tomorrow alike."

Protecting the talent pool must be a top priority, and MTF's report reveals key factors driving these **trends such as:**

- **Massachusetts had the lowest rental vacancy rate in the country in 2022 driving housing prices even higher in 2023, exacerbating the affordability and housing stock availability crises**
- **Boston remains a global leader in traffic congestion, hampering the daily lives of commuters and residents**
- **High-cost states, like Massachusetts, have experienced massive shifts in population to the more affordable Southern states**

Whether it is the long-term decline in births, decreases in international immigration, and a jump in retirements that are driving declines in Massachusetts' working age population or the high cost of living, poor commuting options, and remote work that are driving declines in the commonwealth's civilian labor force, the urgency to stem these tides is real.

MTF's points to the need for innovative and sustainable solutions to:

- **Expand the availability of housing**
- **Improve transportation infrastructure**
- **Foster an environment that attracts and retains a skilled workforce**

Massachusetts' ability to confront these escalating challenges and mitigate their effects on residents will undeniably shape the future competitiveness and livability of the commonwealth.

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### **About the Massachusetts Taxpayers Foundation**

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. Our 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. Over the course of eight decades, MTF has played an instrumental role in achieving major reforms and promoting sound public policy in state government. In the past ten years, MTF has won sixteen prestigious national awards from the Governmental Research Association for our work on a wide array of topics. Our unique credibility has allowed us to have a significant impact on a wide range of issues - from health care, business costs and transportation funding to tax competitiveness, capital investments and state and local finances.