



Massachusetts
Taxpayers Foundation

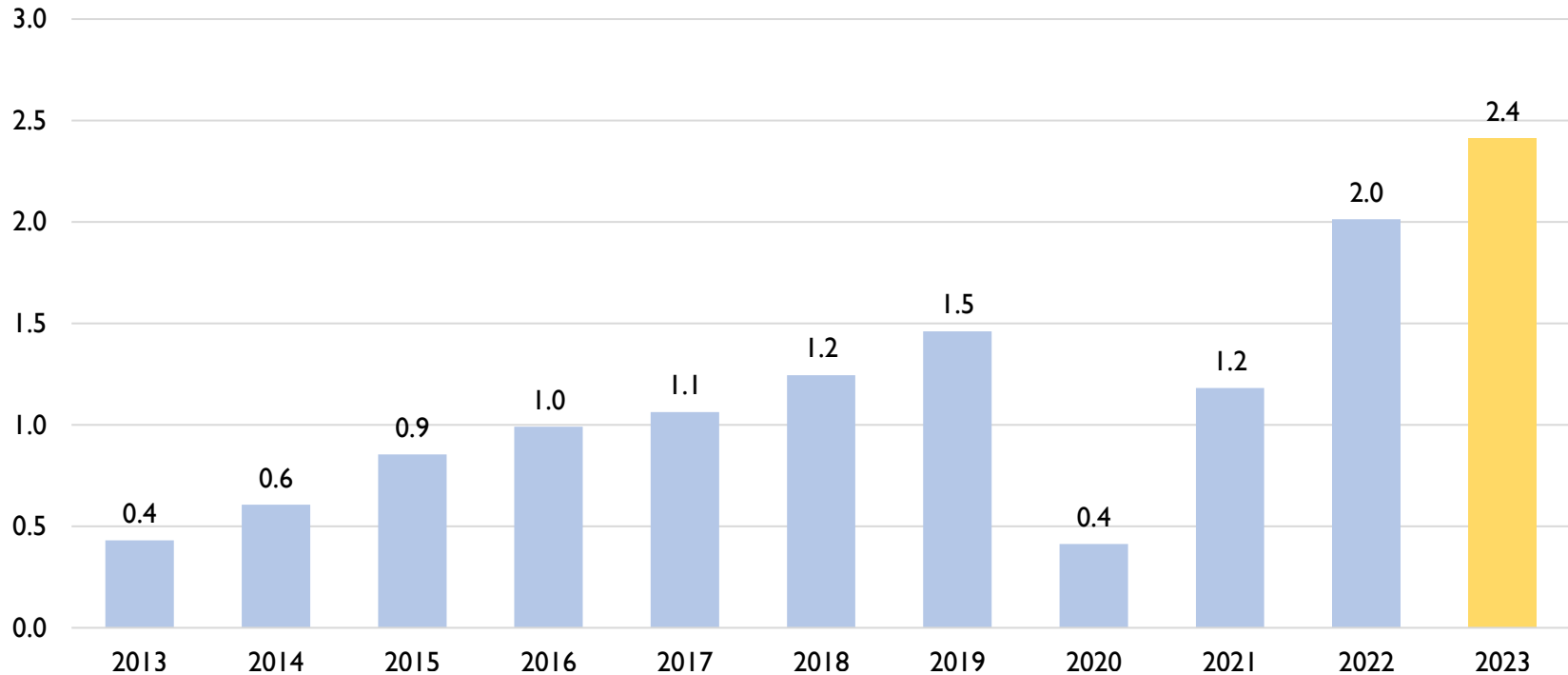
**Update:
Massachusetts'
Demographic Trends
Threaten our Talent
Pipeline and
Economic Strength**

December 2023



The Workforce Problem: Massachusetts Has 2.4 Available Jobs Per Unemployed Person, 60% Higher than in 2019

Massachusetts Job Openings per Unemployed Person



Job openings per unemployed person jumps to 2.4 in 2023 – up from 1.5 in 2019 before the pandemic, suggesting a growing labor shortage as Massachusetts residents exit the labor force.

As the Workforce Ages and Declines, Growth and Resources Slacken, and Liabilities Climb

Workforce Changes Since 2019:

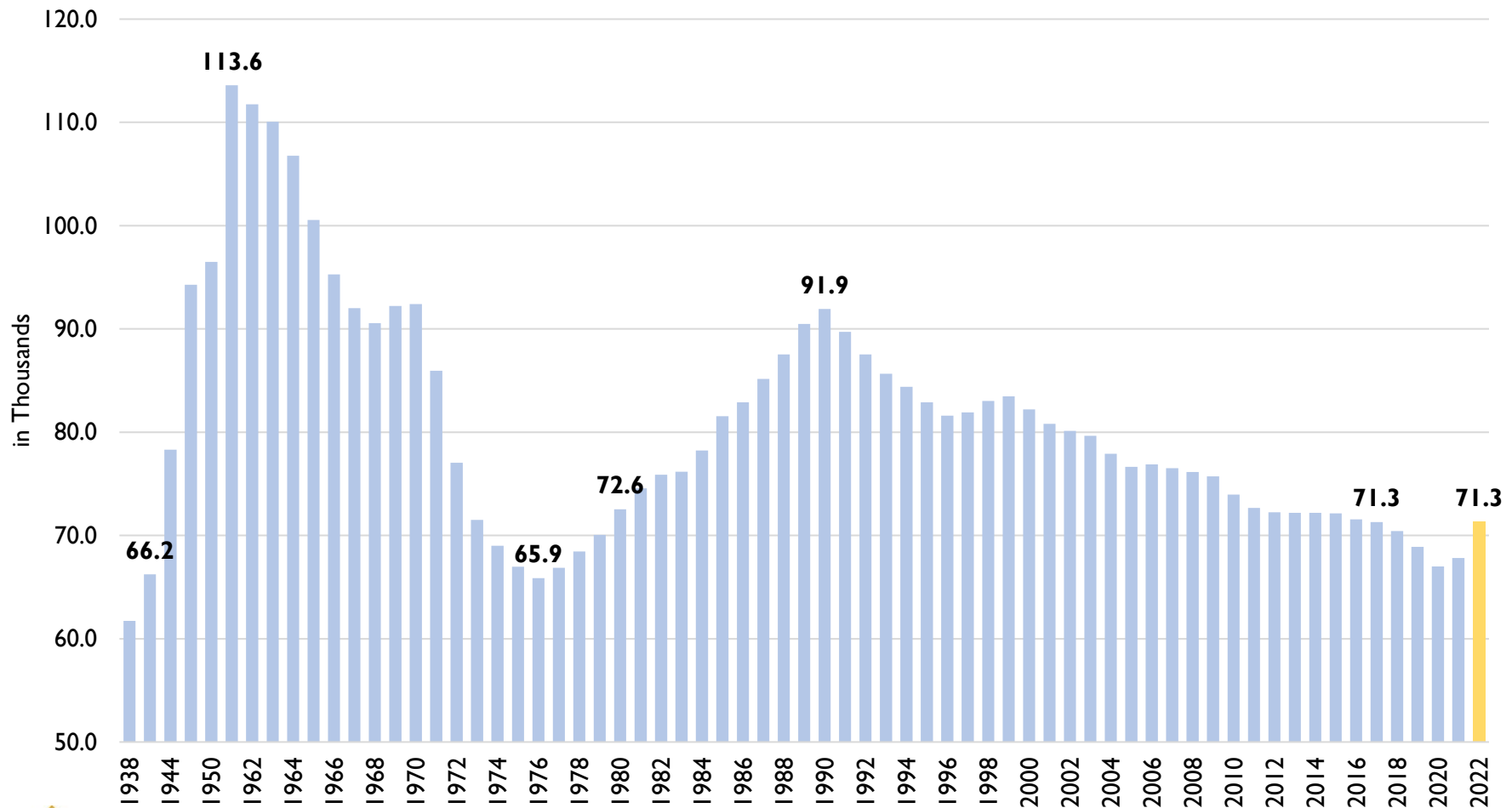
- The civilian labor force fell by ~130,000
- 120,000 residents turned 65
- 150,000 left the workforce due to retirement
- In sum - in September 2023, there were 150,000 more job openings than unemployed people in the state

Migration:

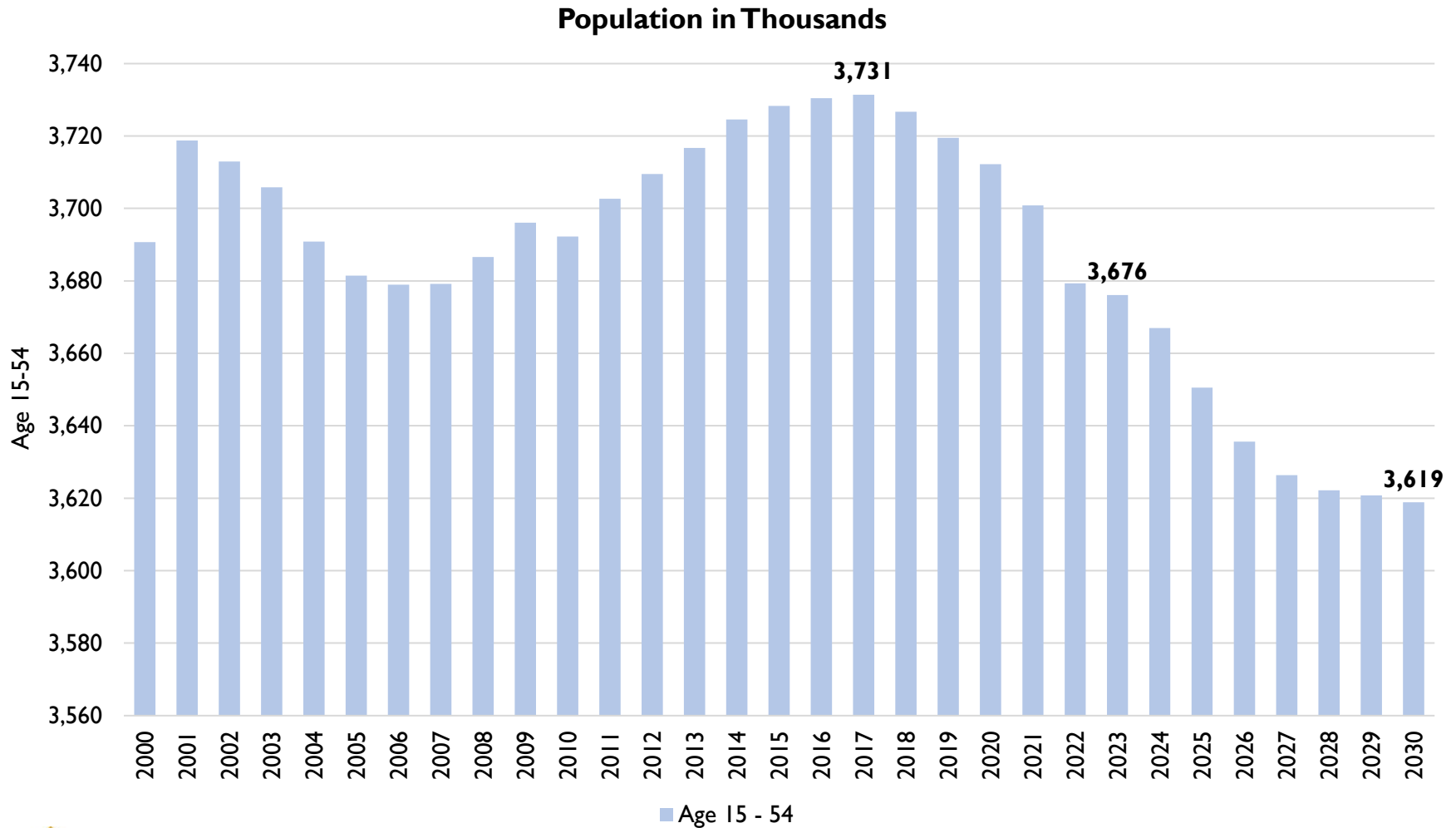
- Highest net domestic outmigration in 30 years
- Largest outmigration group are those aged 26 – 35
- Some good news - international immigration rebounded in 2022, 55% have a bachelor's or graduate degree

Aging Out: Births Bounce Back to 2017, But Birth Rate Remains Among the Lowest in the Country

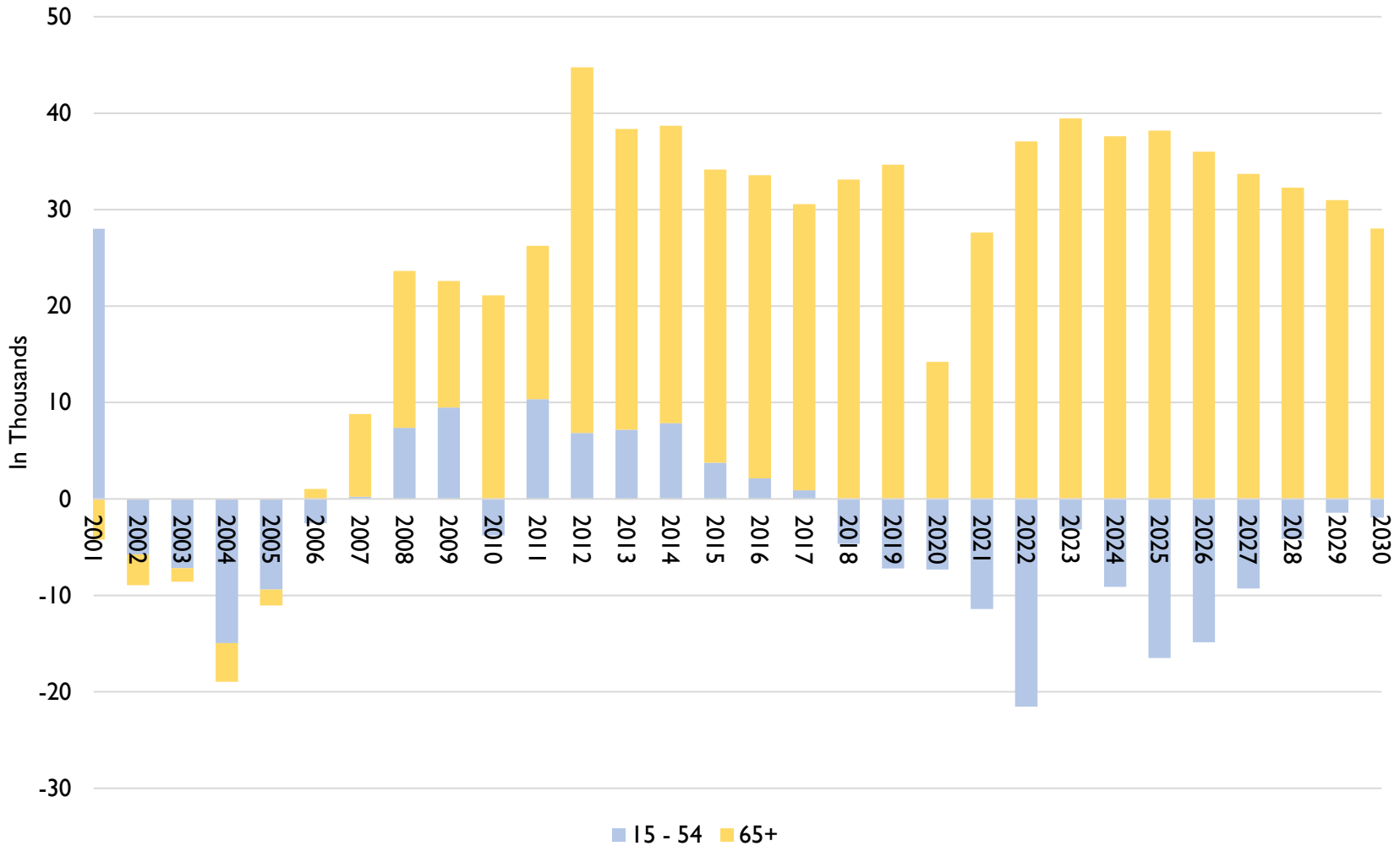
Massachusetts Annual Births, 1940 - 2022



Aging Out: Those Aged 15-54 Fell by 55,000 from 2017 – 2023, Projected to Fall Another 55,000 by 2030

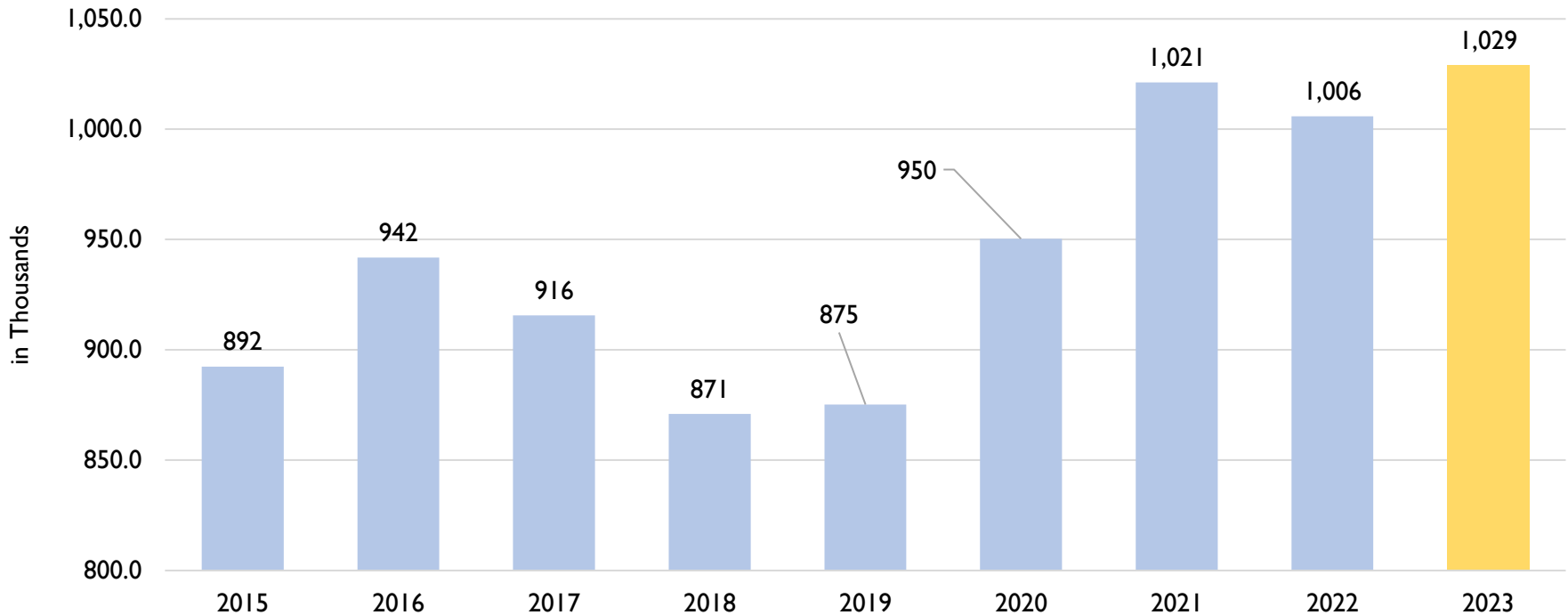


Aging Out: From 2012 to 2023, the Number of Residents Aged 65+ Increased 30,000 Annually, 15 – 54 Fell by 2,000



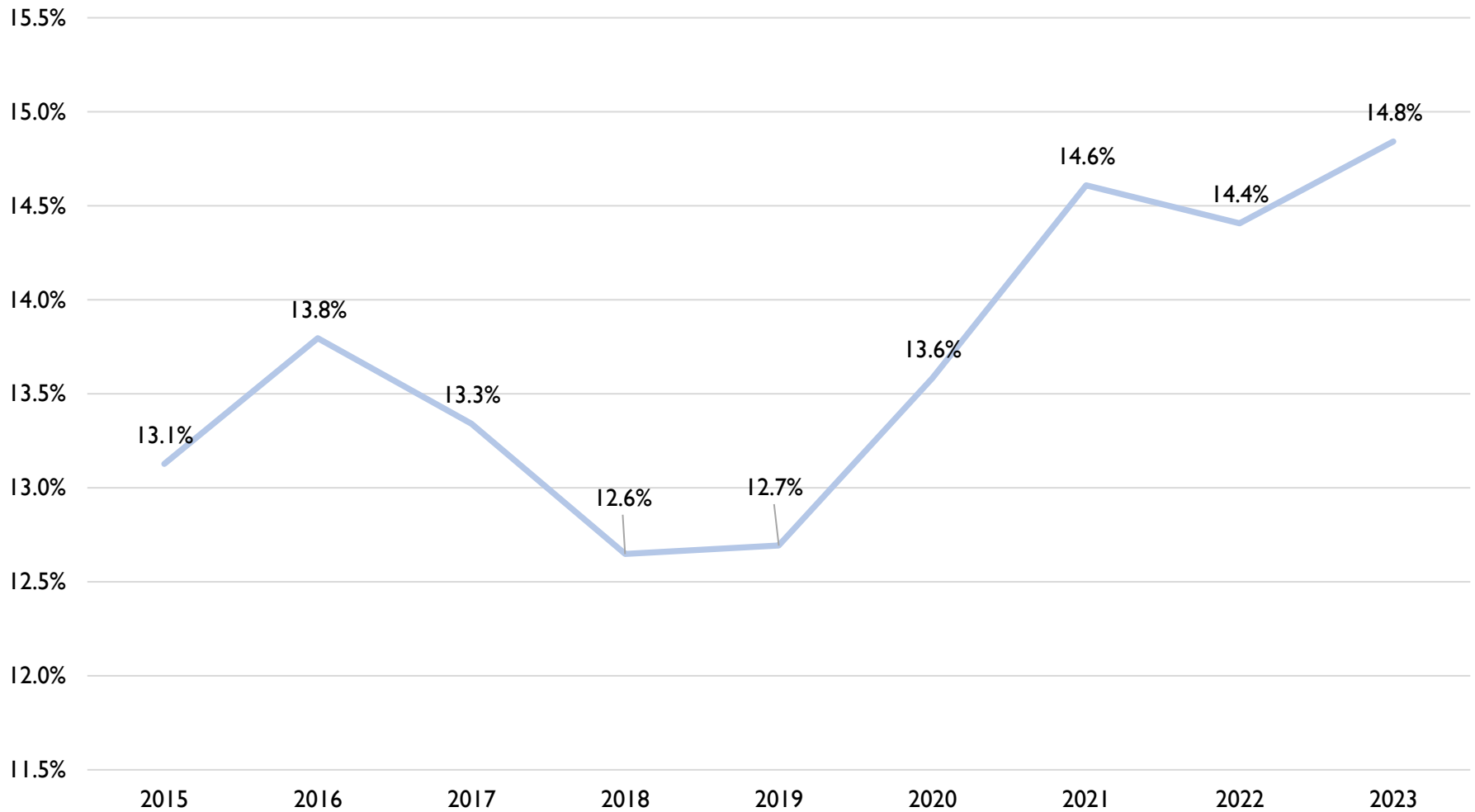
The State Saw an 18% Jump in Residents Leaving the Labor Force Due to Retirements from 2019 to 2023

Average Number of People Out of Workforce - Retirement

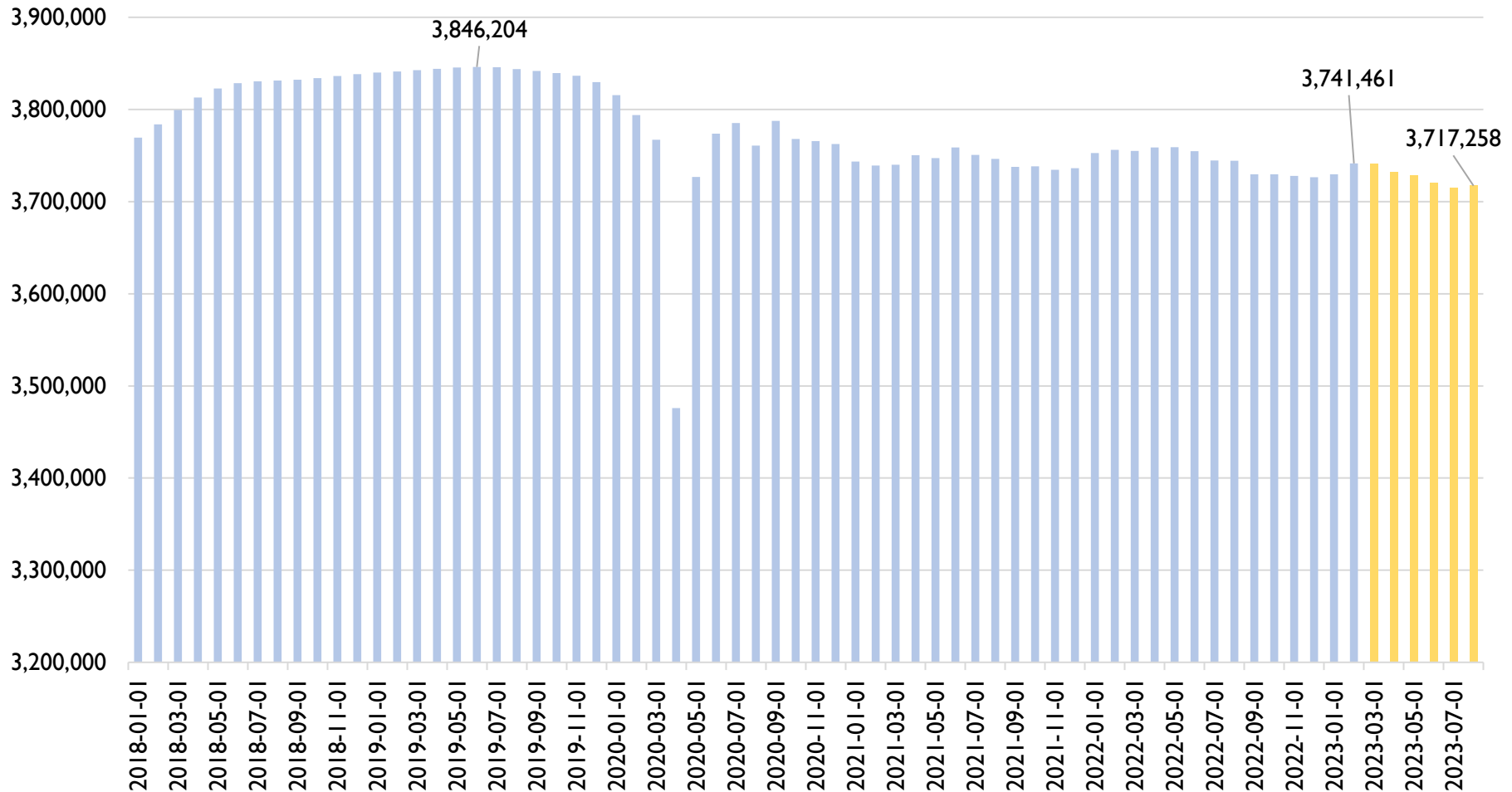


An aging population as baby boomers hit retirement age, coupled with the effects of COVID driving some to retire earlier than planned, are likely causes for the spike over the last four years.

Aging Out: Percent of Massachusetts Population Out of the Labor Force Due to Retirement Climbs to Nearly 15%

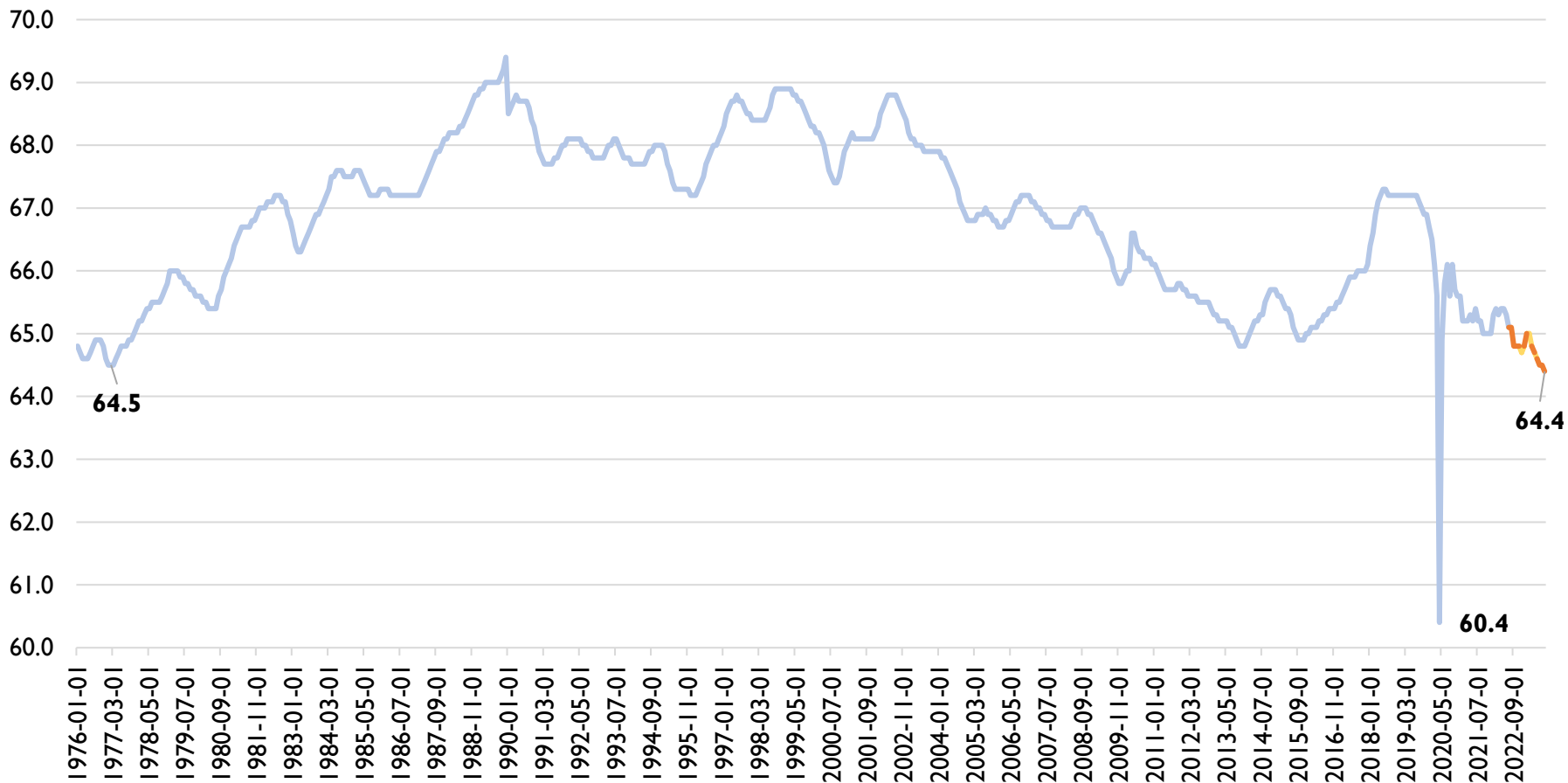


Since 2019, the Civilian Labor Force Declined by ~130,000 Which is Greater than the Population of Cambridge



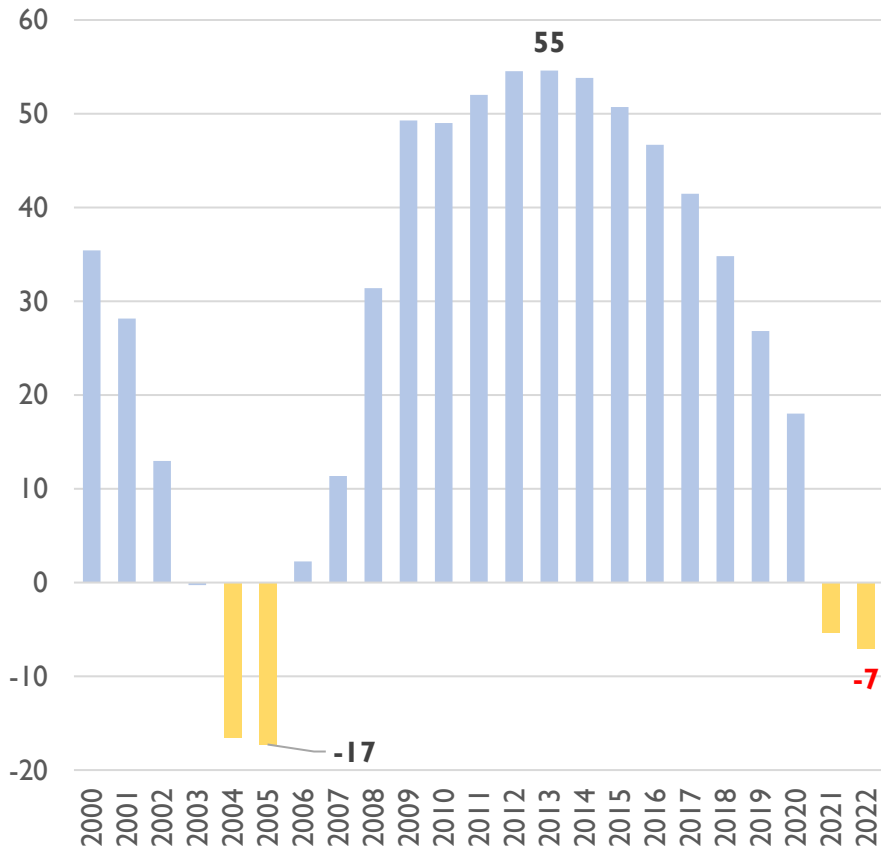
Excluding April 2020, in September 2023 the Labor Force Participation Rate Fell to the Lowest Recorded in 47 Years

MA LFPR, 1976 - 2023

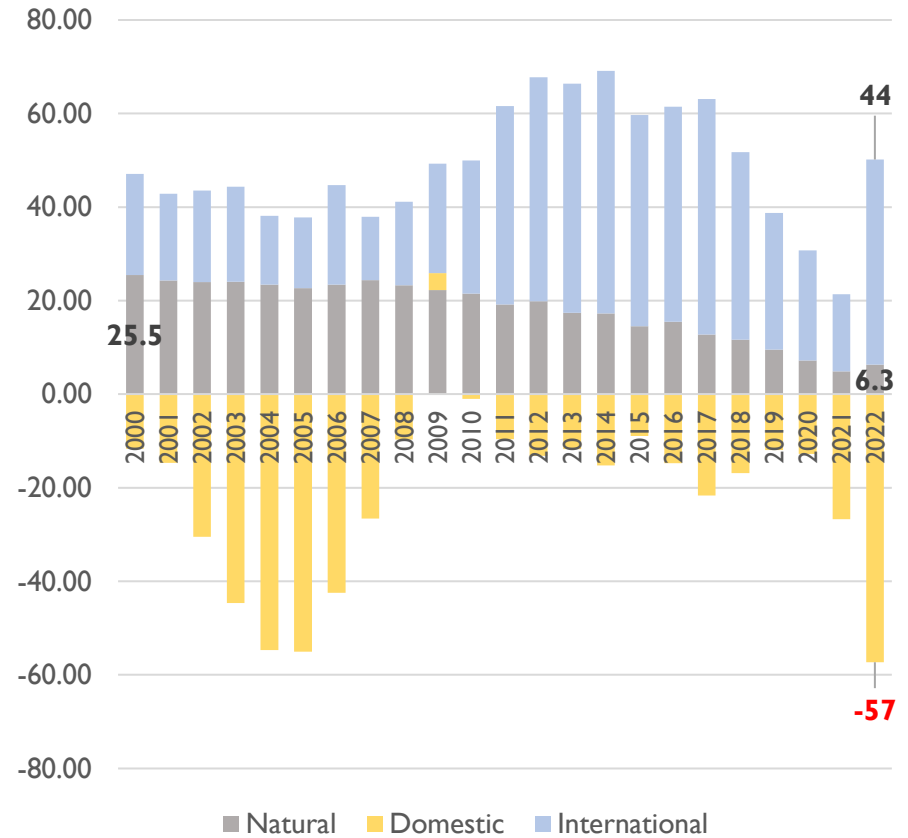


The State's Population Fell in 2021 and 2022 Even as the Economy Expanded

Net Population Growth, 2000 - 2022

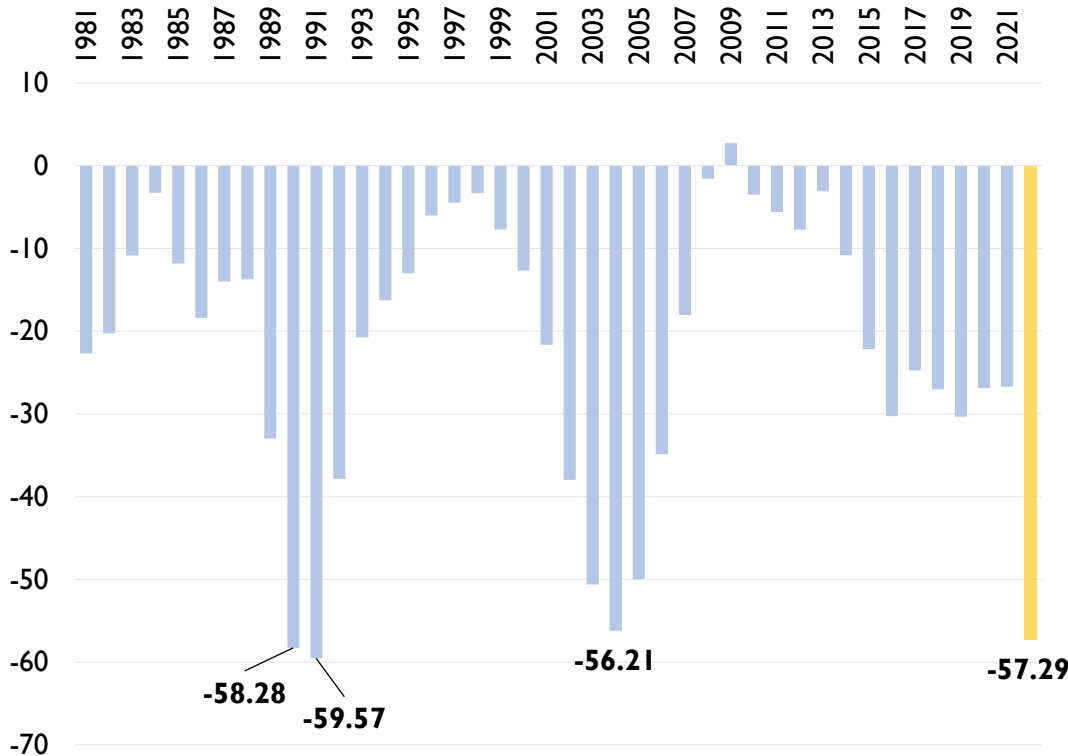


Components of Change



Massachusetts Reached its Highest Net Outmigration in 30 Years – 57,000 in 2022

MA Net Domestic Migration, 1981 – 2022
(In Thousands)

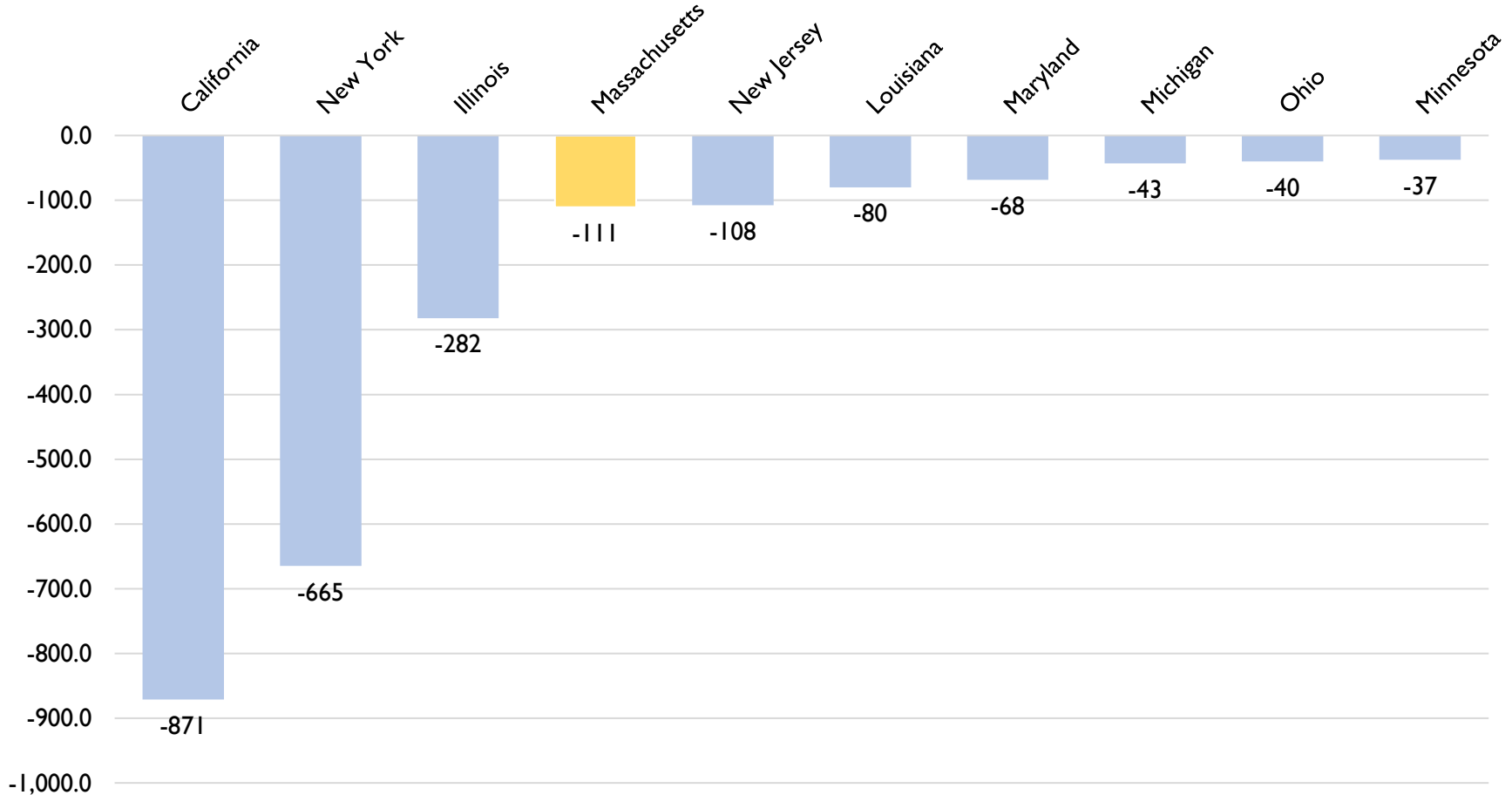


Outmigration spikes occurred during the recessions of the late 80's and the financial crisis in 2009 because job growth was stronger elsewhere.

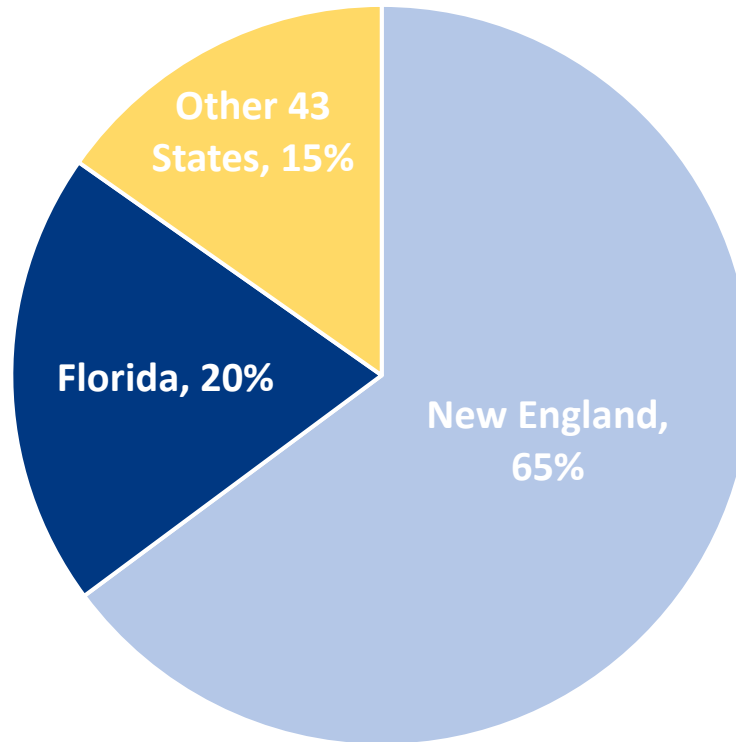
Today, jobs are plentiful but more affordable and better quality of work/life opportunities appear to be southward.

Massachusetts Ranked 4th in Domestic Outmigration from April 2020 – July 2022 Despite Being 15th in Total Population

Net Domestic Migration 2021 & 2022 - Bottom 10



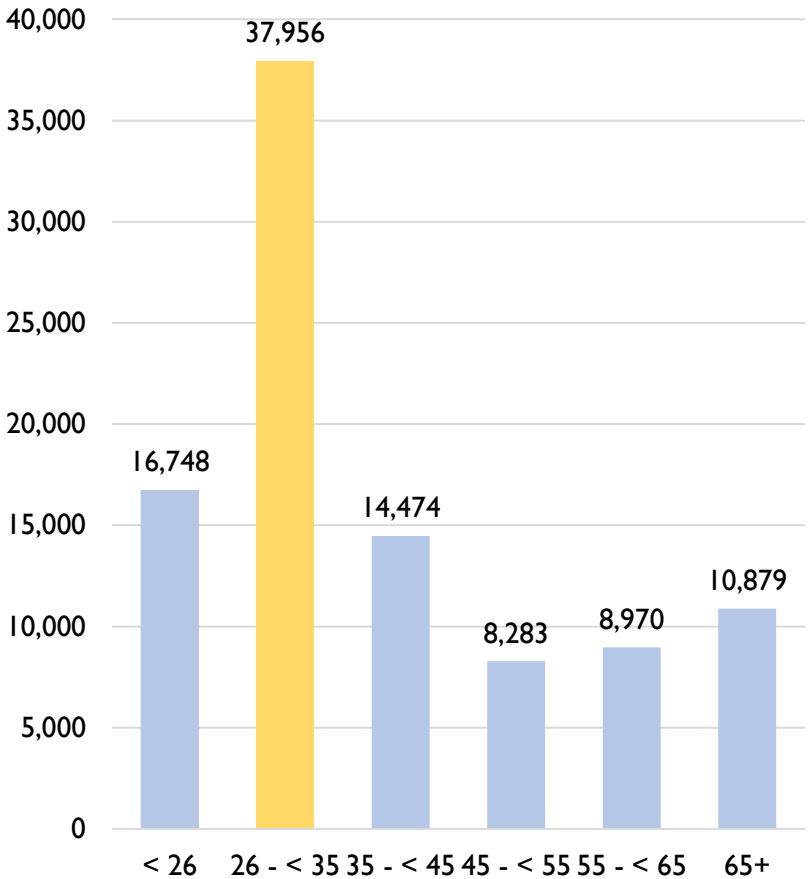
Net Domestic Migration in 2021 and 2022 - 65% to 5 New England States and 20% to Florida



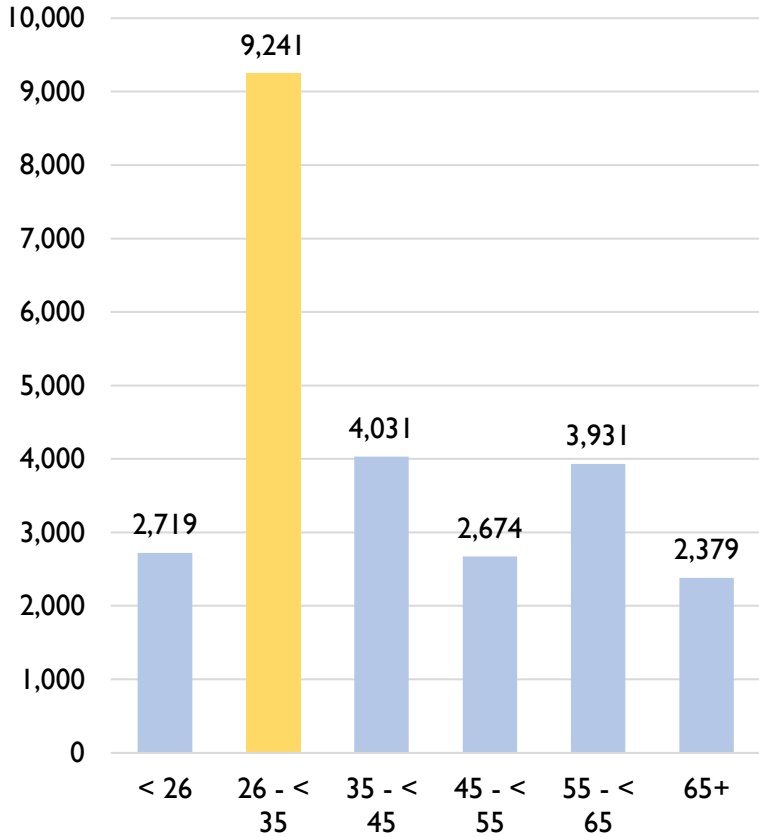
2021 and 2022 American Community Survey 1-Year Estimates

According to IRS Tax Returns for 2020, Residents Aged 26 to 35 Were the Largest Group to Leave

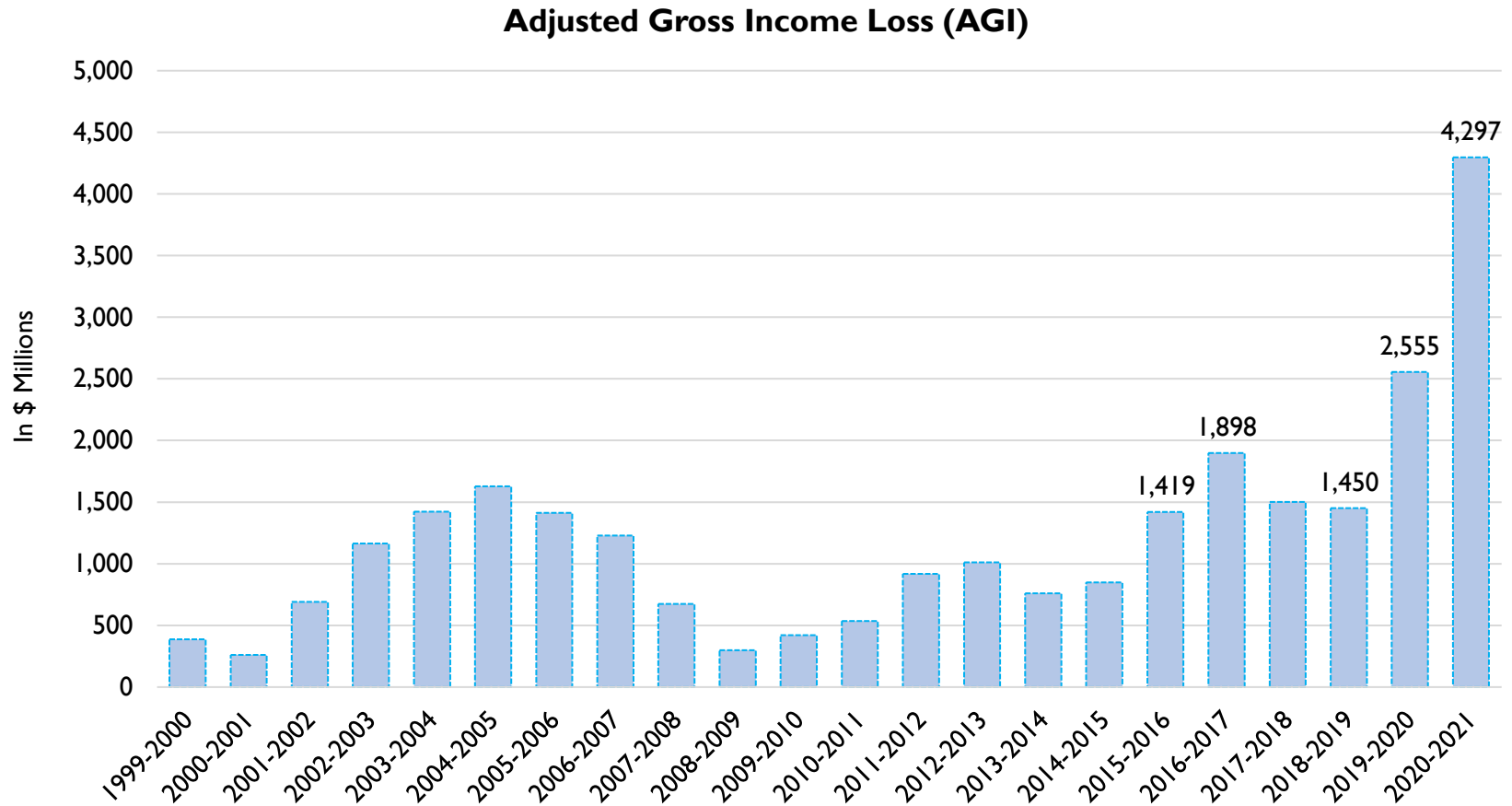
Residents Moving from Massachusetts



Net Residential Outflow by Age Group



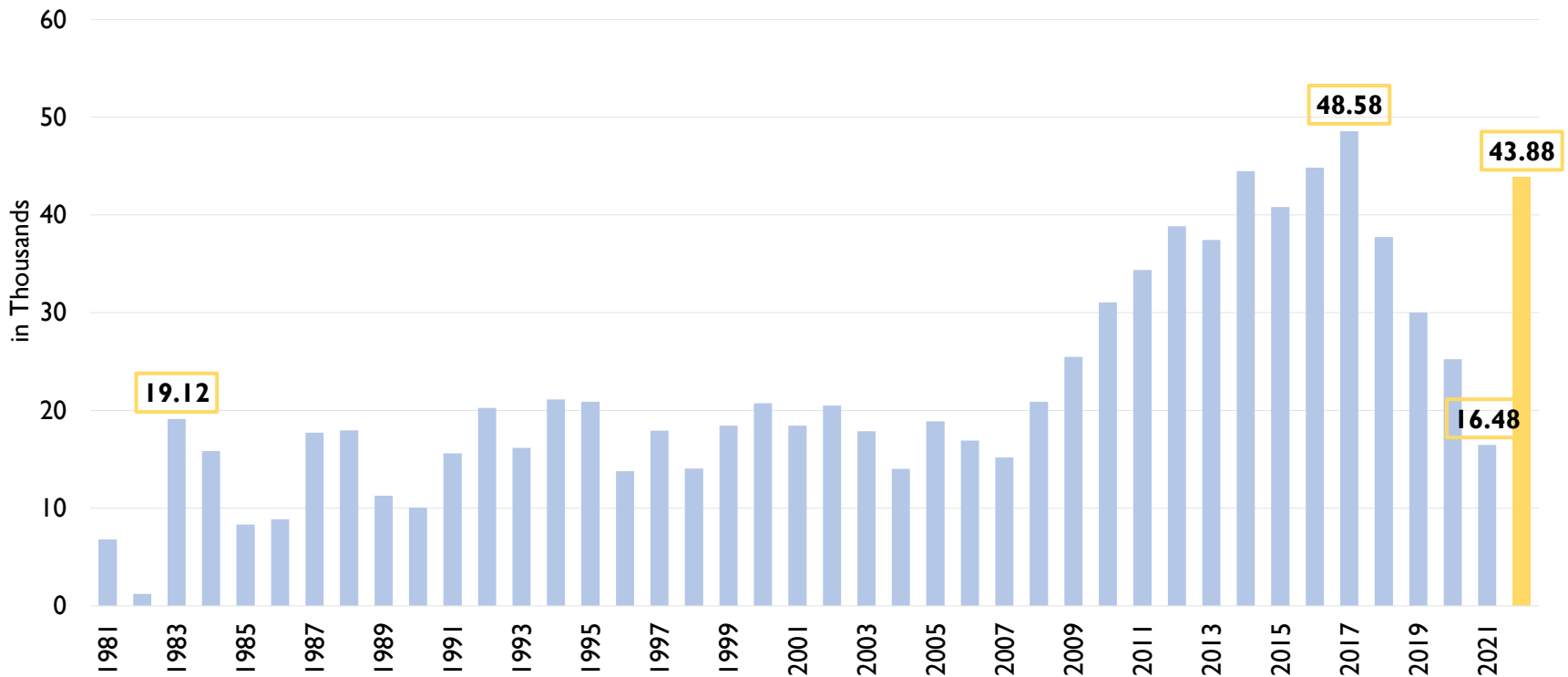
Massachusetts Lost \$4.3 Billion of AGI from Migration in 2020, Up Nearly 70 Percent from 2019



Source: IRS SOI Data – [Migration Data](#)

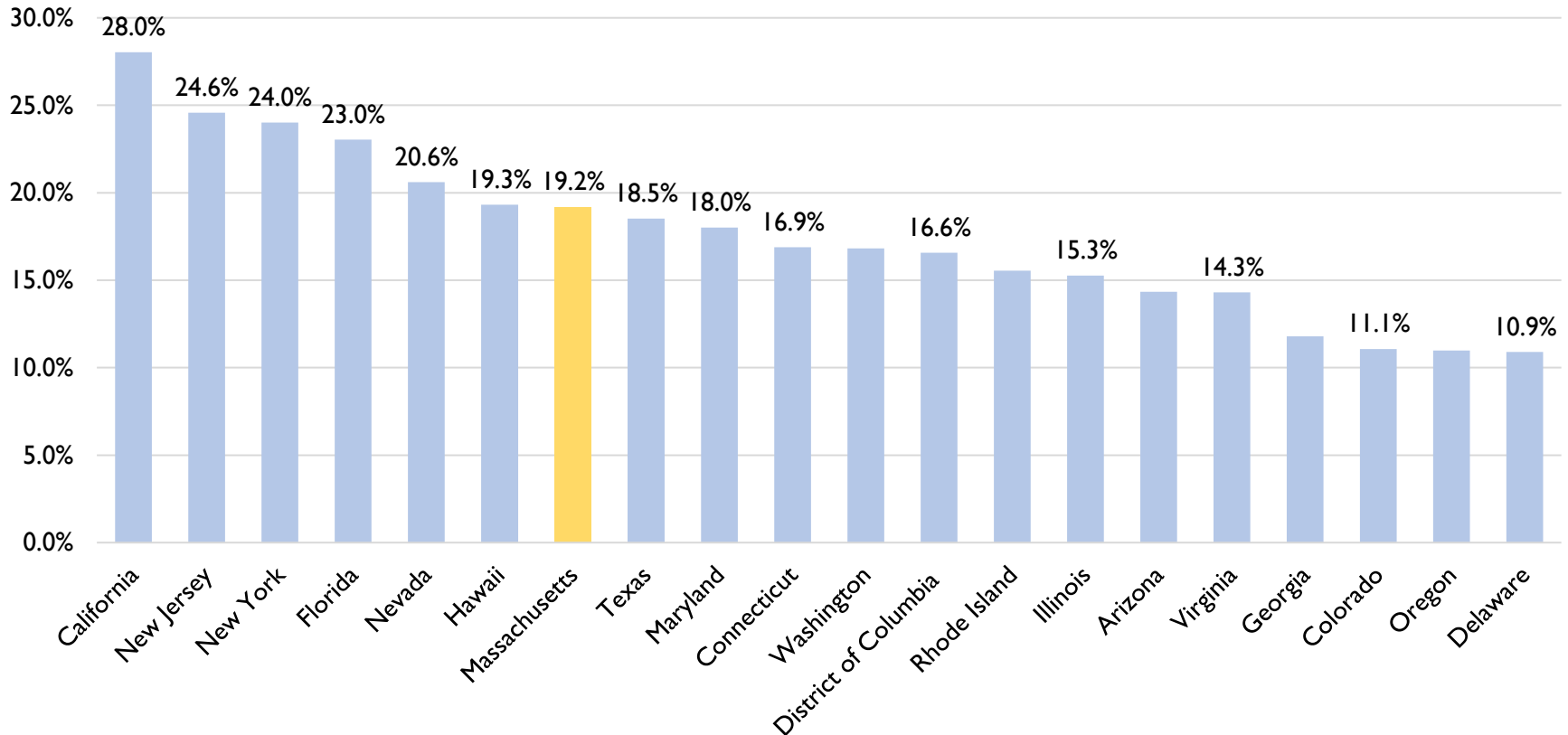
Fortunately, International Immigration Rebounded in 2022 from a 4 Year Slide

MA Net International Migration, 1981 - 2022

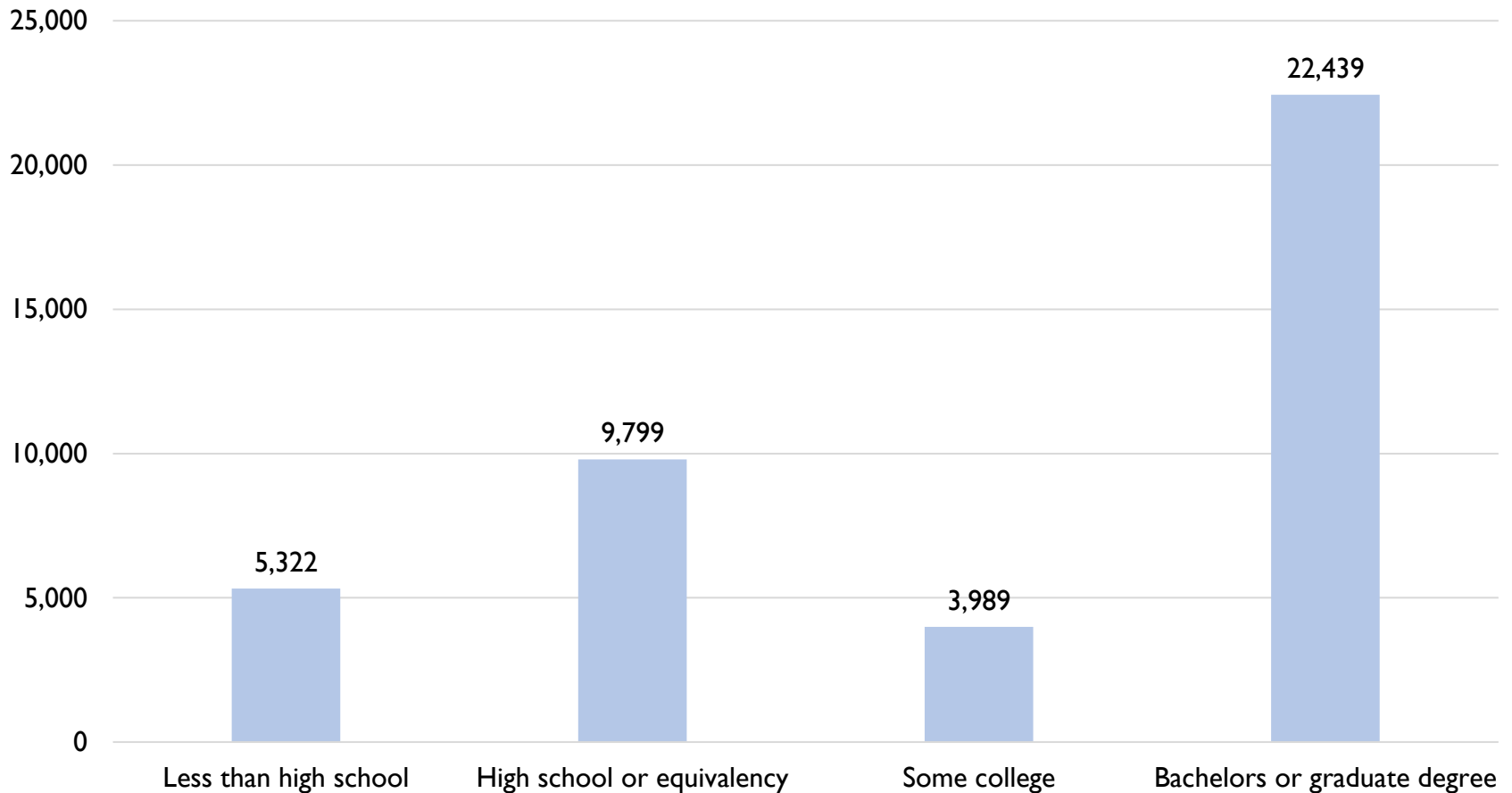


Massachusetts Ranks 7th Nationally in the Percentage of Residents Born Abroad

State of Residence in 2022 - Percent Born in Foreign Country



In 2022, 54 Percent of People Moving to Massachusetts from a Foreign Country Had a Bachelor's or Advanced Degree



U.S. Census, American Community Survey 2022, [Geographic Mobility in the Past Year by Educational Attainment](#)



About MTF

Founded in 1932, the Massachusetts Taxpayers Foundation (MTF) is a non-profit, non-partisan public policy organization focused on 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 thoughtful recommendations that strengthen the state's finances and economy to foster the long-term well-being of the Commonwealth and economic opportunity for all

