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# ECONOMIC OPPORTUNITY

Massachusetts weathered the 2009-2010 recession better than most states in great part due to the commonwealth's many educational and medical institutions, and growth industries like biopharma and information technology. Since 1991, the state has, during economic downturns, shown stronger economic performance relative to other states. It has, however, particularly where jobs are concerned, also shown less ability to rebound after a recession. Though spared wild swings in employment experienced by other states, overall job growth in Massachusetts for nearly 25 years has been flatlined.

The state faces long-term economic challenges on three fronts—the revitalization of cities outside of Greater Boston, the growth of existing and startup of new businesses, and the vitality of our housing sector. These challenges have persisted through Republican and Democratic administrations alike—challenges that Pioneer has consistently highlighted in its work:

- Our *Rehabbing Urban Redevelopment* study and follow-on series of reports demonstrated the extent to which Massachusetts cities outside of the Greater Boston area have declined on key metrics related to quality of life and sustainability, and outlined potential local reforms as well as a way to refashion the state's relationship with them. Our

goal is to ensure that our many great cities from Pittsfield to New Bedford can serve as engines of economic activity and assimilation into the mainstream of Massachusetts life.

- Our *Massachusetts' New Economy* series demonstrated that Massachusetts has low rates of entrepreneurship, but also difficulty retaining existing businesses that are headquartered here, and that the policies the state's economic development offices pursue do not always address these problems. Our *Measuring Up? The Cost of Doing Business in Massachusetts* reports highlighted the costs of doing business in Massachusetts, relative to other states, both neighbors like New Hampshire and those, like North Carolina, with which Massachusetts is often in competition to recruit and retain tech start-ups and mid-size companies. The report also mapped out ways to reduce some of the costs making it more difficult than it should or need be to run a business in Massachusetts.
- Our groundbreaking *Regulation and the Rise of Housing Prices in Greater Boston* study highlighted how local housing regulations have impeded new home construction, particularly in Boston and its immediate suburbs, as a result slowing an important sector of the economy, negatively impacting the environment as, more and more, new home construction gets pushed to the exurbs, where it devours open space, and, perhaps most significantly, inflating the cost of housing, particularly in eastern Massachusetts, which makes it less affordable and, thus, less attractive to younger workers looking to start families.<sup>1</sup>

The recommendations that follow seek to make significant progress in addressing the issues around how to modernize our older, industrialized cities into 21<sup>st</sup> Century Cities, how to compete in all sectors and win on innovation, and how to supply the next generation with housing.