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# THE MASSACHUSETTS' LABOR FORCE NOW AND BEYOND

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*February 2026*

## ***Mission, Vision, and Values***

Pioneer Institute develops and communicates ideas that move from research to results. Our work is rigorous but accessible, focused on shaping public debate, informing leaders, and translating sound analysis into practical reform with measurable impact.

We believe a flourishing society depends on liberty, personal responsibility, free enterprise, and limited, accountable government—sustained by an educated, engaged citizenry willing to test ideas through evidence and open debate. We value principled inquiry over partisanship, collaboration across differences, and civic responsibility that treats individuals not as passive recipients of policy, but as active participants in shaping their communities. Our success is measured not by publication alone, but by better outcomes for families, schools, businesses, and communities.

Pioneer Institute annually issues a report on the Massachusetts labor force, compiled to give state leaders and residents insight into the Commonwealth's workforce and its changes over time. Pioneer's goal is to provide a broad, fact-based overview of the current state of labor and how Massachusetts compares with its peers regionally and across the country.

To conduct your own analysis of the most recent publicly available labor force data, you can visit:

<https://usdatalabs.org/>

## Growth in Massachusetts' Labor Force Provides Temporary Relief from Structural Headwinds and Elevated Domestic Out-Migration

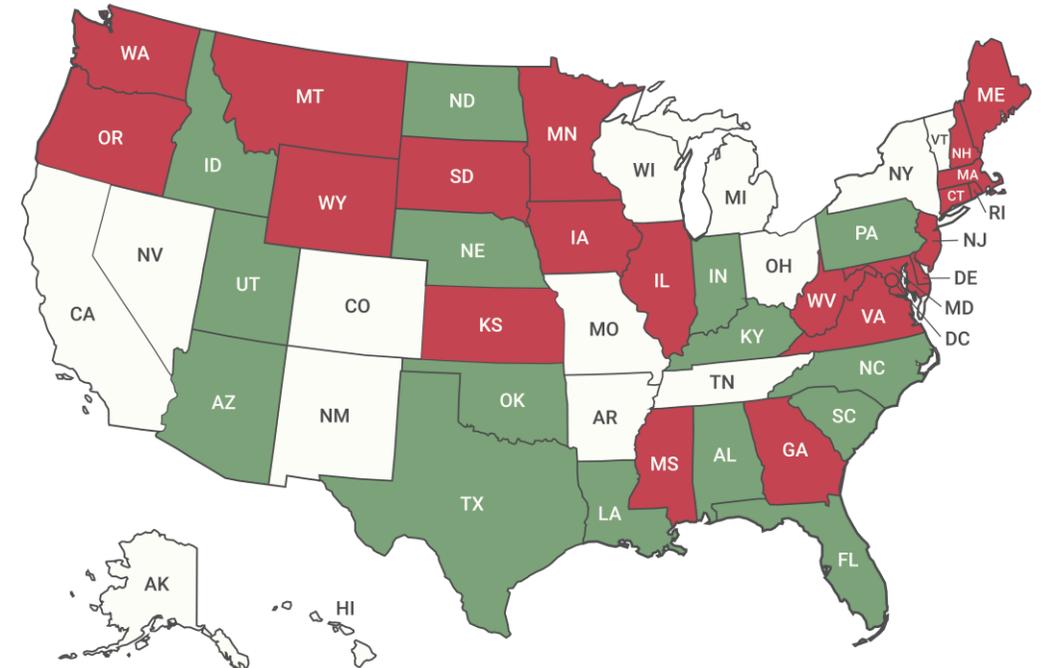
- **Labor Force Rebound:** The state's labor force reached 3.9 million in 2024, marking the largest year-over-year increase since 2018
- **Immigration-Driven Expansion:** Growth was fueled primarily by record international migration, which added more than 230,000 new residents from 2022 to 2024
- **Prime-Age Participation Growth:** New entrants to the labor force tended to be younger on average, increasing labor force participation by nearly two percentage points since 2023
- **Structural Weaknesses:** Despite these gains, private-sector employment remains below 2019 levels, unemployment has climbed to 4.8% outpacing neighboring states and the nation, and out-migration remains elevated with **over 182,000 net domestic residents leaving between April 2020 and July 2025**
- **Demographic Headwinds:** The Commonwealth continues to face structural weaknesses threatening its future talent pipeline including an aging population, falling birth rates, and declining higher education enrollments
- **Strength in Education:** Massachusetts remains the most educated state, with 53% of adults holding a bachelor's degree or higher, bolstering resilience and labor force participation even as growth slows
- **Outlook:** With a likely drop in international immigration, Massachusetts will have greater exposure to domestic out-migration. Sustaining growth in the labor force will depend on addressing demographic decline and securing the state's long-term competitiveness to better retain current residents

**Economic growth and the labor force are intimately tied. Strong economic tailwinds create the conditions necessary for businesses to confidently expand and hire workers, while uncertainty and downturn can lead the private sector to pull back.**

Even as the labor force has grown in 2024 and 2025, the Massachusetts economy has been losing momentum:

- The state's [GDP growth](#) has trailed the national average for [five consecutive quarters](#), signaling weaker local demand and business activity
- According to [Moody's Analytics](#), Massachusetts is among one-third of U.S. states currently in or at high-risk of recession
- Inflation remains elevated, [broad-based](#), and at higher levels in Greater Boston than in the nation, leading to an erosion of purchasing power
- Wage and salary [growth](#) have weakened, reflecting fewer job openings and more cautious hiring

A combination of external and structural factors have intensified this slowdown – from federal policies limiting immigration to entrenched demographic headwinds disproportionately affecting Massachusetts.



**State of the Economy**

- In Recession or at High-Risk
- Trading Water
- Economic Expansion



**While state policy is important to Massachusetts' economic wellbeing, federal policy changes can and have had a negative impact.**



**Higher interest rates:** Increase the cost of borrowing and raising capital for businesses



**Tariffs:** Increase the cost of imported goods and energy supplies, raising expenses for consumers and businesses



**Immigration restrictions:** Reduce the flow of immigrants, many of whom are skilled workers and/or highly educated international students on whom [Massachusetts' universities](#) and [STEM companies](#) rely



**Reduced research & innovation funding:** Cuts to NIH and NSF grants disproportionately affect Massachusetts, which receives more such per capita funding than [any other state](#)

## Projected Economic Impact of White House Policy Trifecta on Massachusetts

2026						
Policy Trifecta Impact (tariffs/NIH cuts/immigration)	Decline in GDP	Percent	Job Loss	Percent	Tax Revenue Loss	Percent
<b>Economic Scenarios</b>						
1) No Recession	\$ 25 B	3.9 %	161,718	4.3 %	\$ 1.9 B	4.7 %
2) US Recession	\$ 31 B	4.9 %	180,718	4.8 %	\$ 3.2 B	8.0 %
3) Global Recession	\$ 37 B	5.9 %	200,718	5.3 %	\$ 3.7 B	9.2 %

**Assumptions:**  
 (1) 2024 used as base year  
 (2) Real GDP is equal to \$634 billion  
 (3) Labor force is equal to 3.76 million  
 (4) Annual tax revenue is equal to \$40 billion  
 (5) Tourism supports 154,330 jobs  
 (6) International students support tax revenue through spending \$3.9 billion annually, paying sales tax and income tax if earning more than \$8,000

BOSTON UNIVERSITY | Boston University Questrom School of Business | BU Study - Economic Impact of Trump Policies on Massachusetts April 29, 2025

According to Boston University [estimates](#), Massachusetts could stand to lose as many as 162,000 jobs as a result of federal policies even absent a recession.

And while those estimates were based on initial assessments of tariff rates and NIH funding cuts, which have differed in practice, the continuing impact to Massachusetts is likely considerable.



## ***In Massachusetts, long-term labor force trends continue to reshape the Commonwealth – including an outflux of talent and capital.***

While the economy has been significantly boosted by new immigrants settling here since the pandemic, out-migration has limited their impact in growing the labor force. **Over 182,000 net domestic residents left the state from April 2020 to July 2025.** Many of whom were between the ages of [26 and 34](#), stymying Massachusetts talent pipeline. In addition, other structural headwinds continue to threaten the state's future talent pipeline, including

- a birthrate well below the national average,
- an older than average population, and
- declining postsecondary enrollments.

As of November 2025, the state reported nearly [145,000 job openings](#), reflecting both a reduction in hiring from the previous year and an increase in the number of unemployed workers. Even so, the labor market remains tight compared to historical norms and will continue to be for the foreseeable future.

This presentation examines the current structure and dynamics of the Massachusetts labor force—analyzing participation by age, sex, and race—to better understand how these forces are shaping the state's economic trajectory and its capacity to sustain growth in the years ahead.

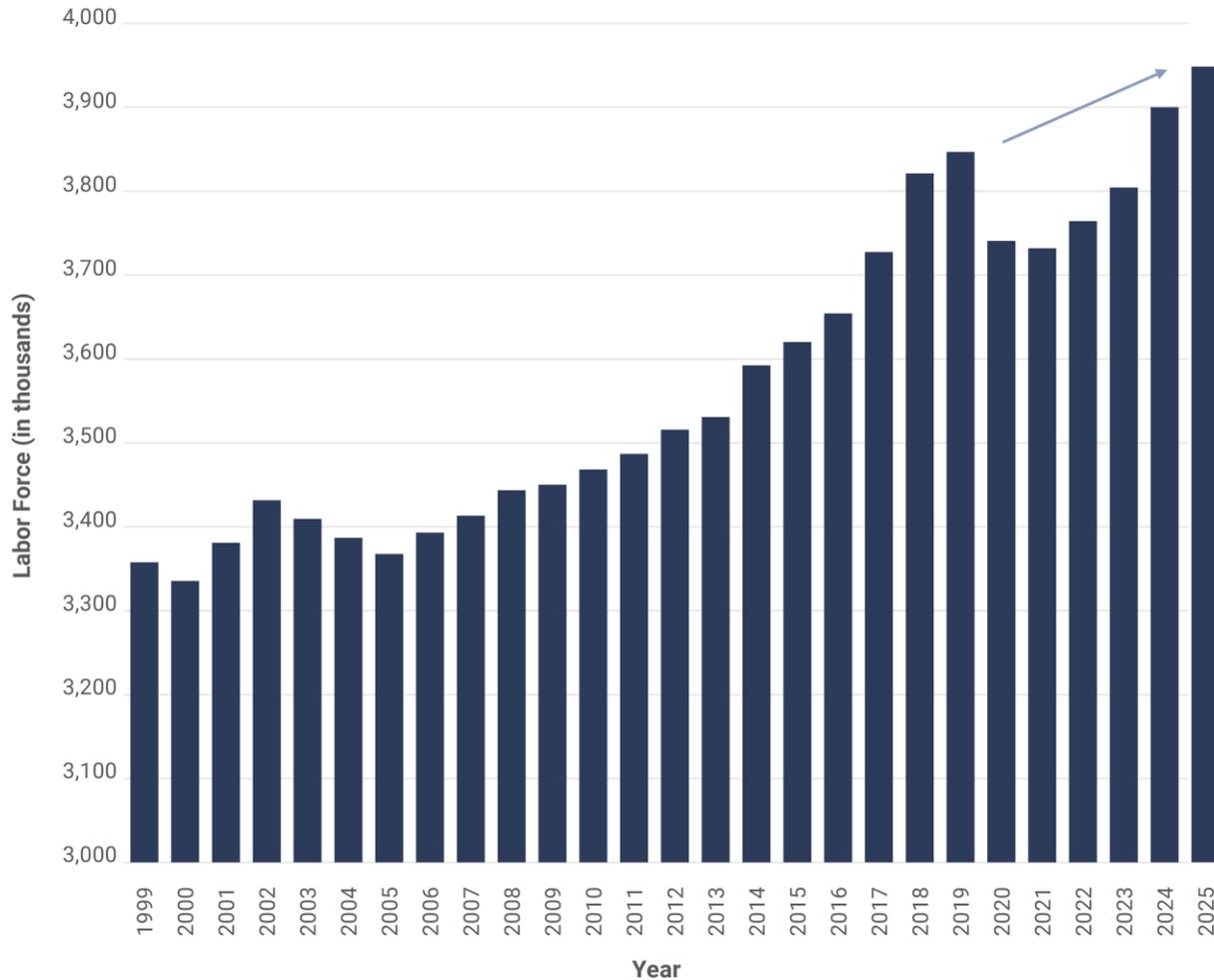
# LABOR FORCE GROWTH

*A Recovery to Pre-Pandemic Levels in  
Workforce Size and Participation*

# The labor force has surpassed pre-pandemic levels



## Massachusetts Civilian Labor Force, 1999 to 2024

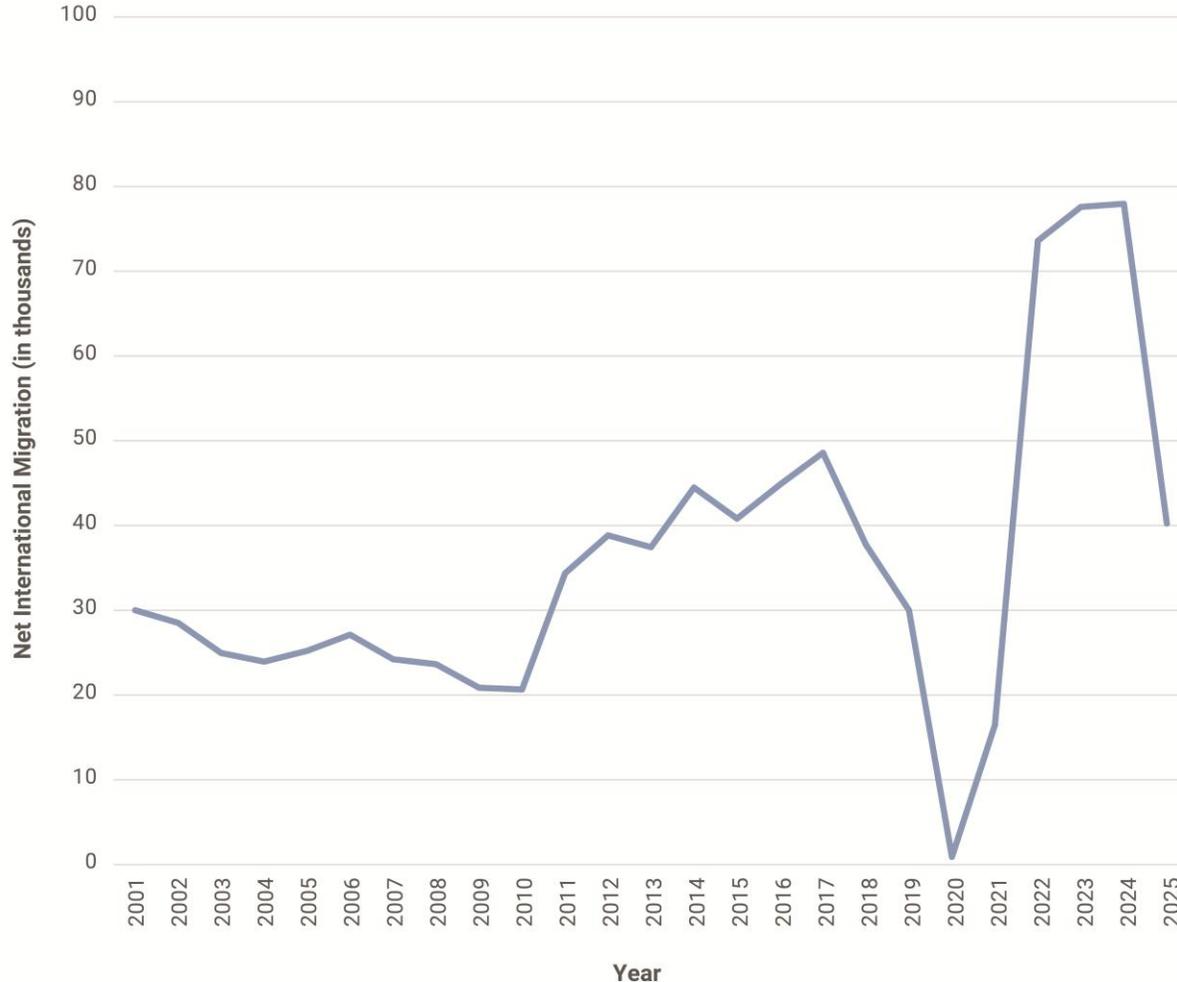


- The labor reached a new peak of 3.96 million workers in August 2025
- The highest period of growth came between 2023 and 2024, when the labor force grew by 95,000— **the largest single year increase since 2018**
- From 2023 to 2024, only Idaho (2.6%) and Texas (2.6%) grew at a faster rate than the Bay State (2.5%)
- However, from August to December 2025 the total labor force declined by 17,500 workers



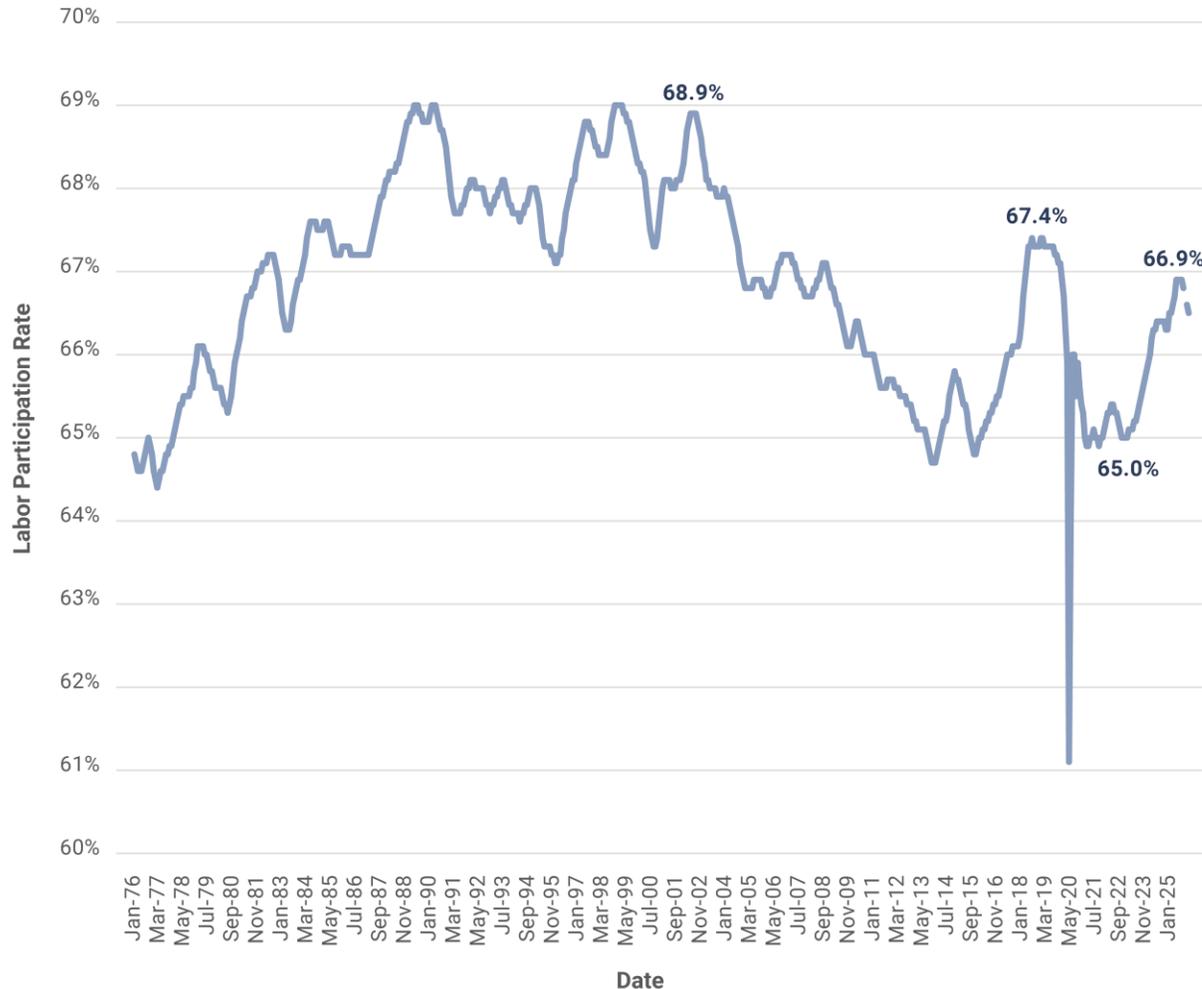
**The labor force had 110,000 more workers in 2024 than in 2019.**

## Net International Migration to Massachusetts, 2001 to 2024



- Growth in the labor force was primarily the result of increased international migration
- **From 2022 to 2024, 230,000 net international migrants arrived in Massachusetts**
- Only Florida (5.3%) and New Jersey (4.1%) grew faster from immigration than the Commonwealth (4.1%) did from 2020 to 2025 as a percentage of their 2020 populations
- However, new immigration declined significantly in 2025 – by 50% nationwide
- The Census predicts a further decline to [320,000 new immigrants in 2026](#), an almost 90% reduction from 2024 levels (2.7 million)
- A reduction in immigration will have an outsized effect on the Commonwealth, which [relies heavily on immigrants](#) to maintain and grow its population and labor force

## MA Labor Force Participation Rate, January 1976 to December 2025

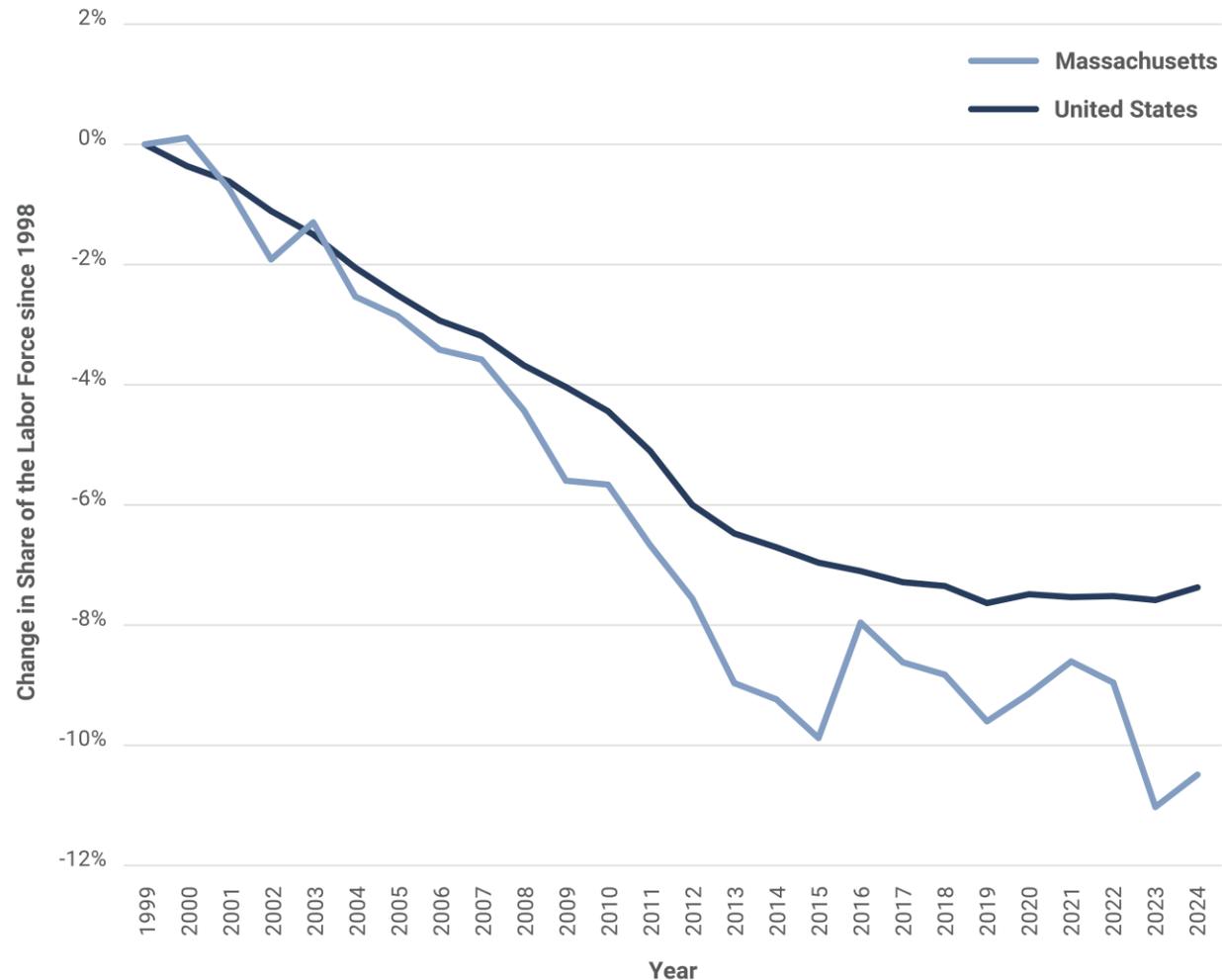


- Coinciding with gains in the larger labor force, participation rates also increased significantly in 2024 and 2025—deviating from previous trends
- A gain of two percentage points from January 2023 to May 2025 made Massachusetts the state with the 8th highest participation rate
- A likely explanation is that a large share of new immigrants entering the labor force were prime-aged, or between 25 and 54 years old, and therefore more likely to be working
- Participation rates slipped slightly towards the end of 2025, from 66.9% in August to 66.5% in December



**Participation rates in July 2025 were the highest since December 2019.**

## Change in Prime-Aged Workers Share of the Total Labor Force, Massachusetts 1999 to 2024



- The prime-aged workforce totaled 2.4 million workers in 2024
- From 1999 to 2024, the participation rate for prime-aged workers remained relatively stable in MA at 86.1%; most other states saw declines
- While prime-aged workers' share of the Commonwealth's labor force declined by 1.4% from 2019 to 2023, it rebounded by 0.5% from 2023 to 2024
- Declining share of prime-aged workers in the overall labor force can largely be attributed to the workforce growing older



**In 1999 72% of the Massachusetts' labor force was made up of prime-aged workers, a rate that has since declined by over 10%**

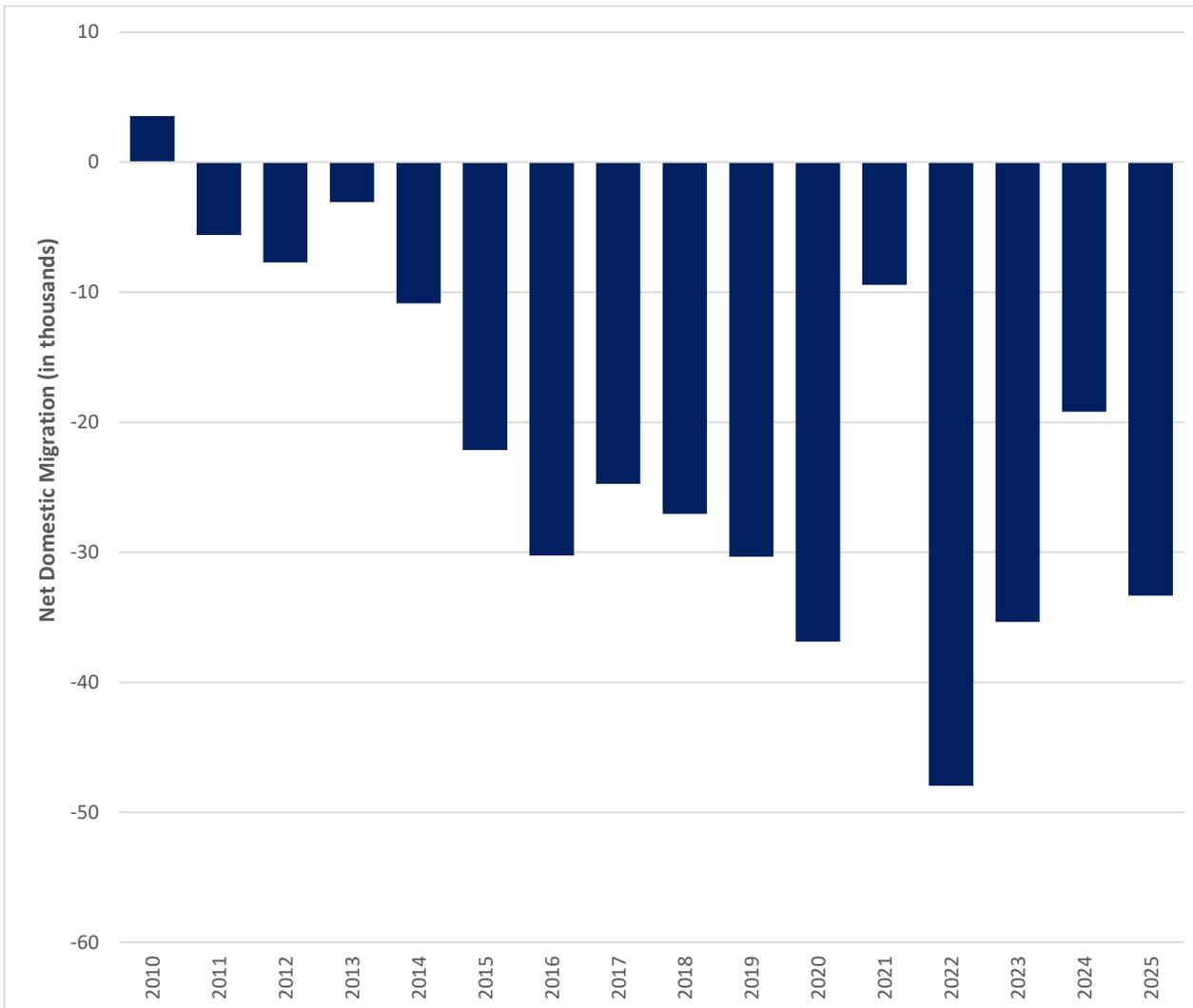
Data Note: Prime-aged workers are those between the ages of 25 and 54, are the primary labor force base, and have the highest participation levels.



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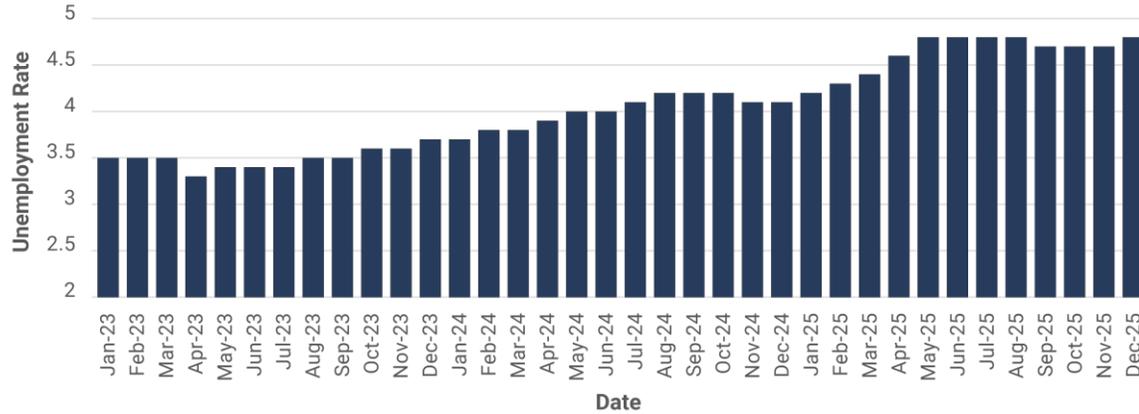
# **MASSACHUSETTS' STRUCTURAL LABOR FORCE WEAKNESSES AND INDUSTRY TRENDS**

## Net Domestic Out-Migration from Massachusetts, 2020 to 2025



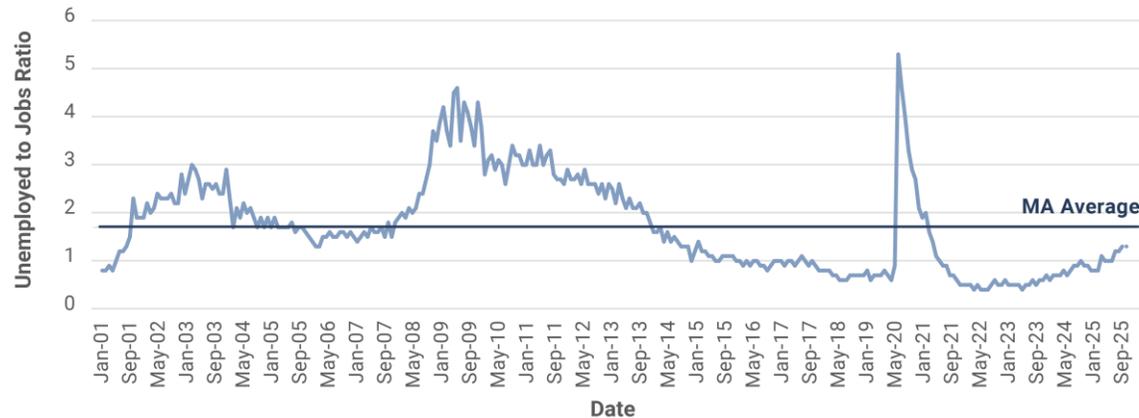
- The greatest headwind to labor force growth in Massachusetts is out-migration
- From April 2020 to July 2025 the state lost a combined total of **182,145 net domestic residents** – equivalent to losing one and a half Cambridges
- With domestic out-migration levels growing prior to the pandemic and remaining significantly elevated beyond it, it is clear out-migration is a structural phenomenon that is here to stay and not just a byproduct of remote work and the pandemic
- Those leaving tend to be younger, between the ages of 26 and 34, and the loss of their economic activity will affect the state for decades to come
- Out-migration could lead to population loss and a reduction in the labor force in 2026 as immigration is expected to drop sharply

**Massachusetts Unemployment Rate, April 2023 to December 2025**



- Since a post-pandemic low of 3.2% in April 2023, the unemployment rate has steadily risen to 4.8%
- In December 2025, MA had a higher unemployment rate than CT (4.2%), ME (3.2%), NH (3.1%), RI (4.3%), VT (2.6%), and the national average (4.0%)
- With it, the ratio of unemployed workers to available jobs has also risen, surpassing 1 worker per available job for the first time since 2021—yet still lower than Massachusetts’ post 2000 average of 1.7
- There were 145,000 job openings in November 2025 – down over 50% since the pandemic peak in May 2022 (338,000)

**MA Unemployed Workers to Jobs Ratio, January 2001 to December 2025**

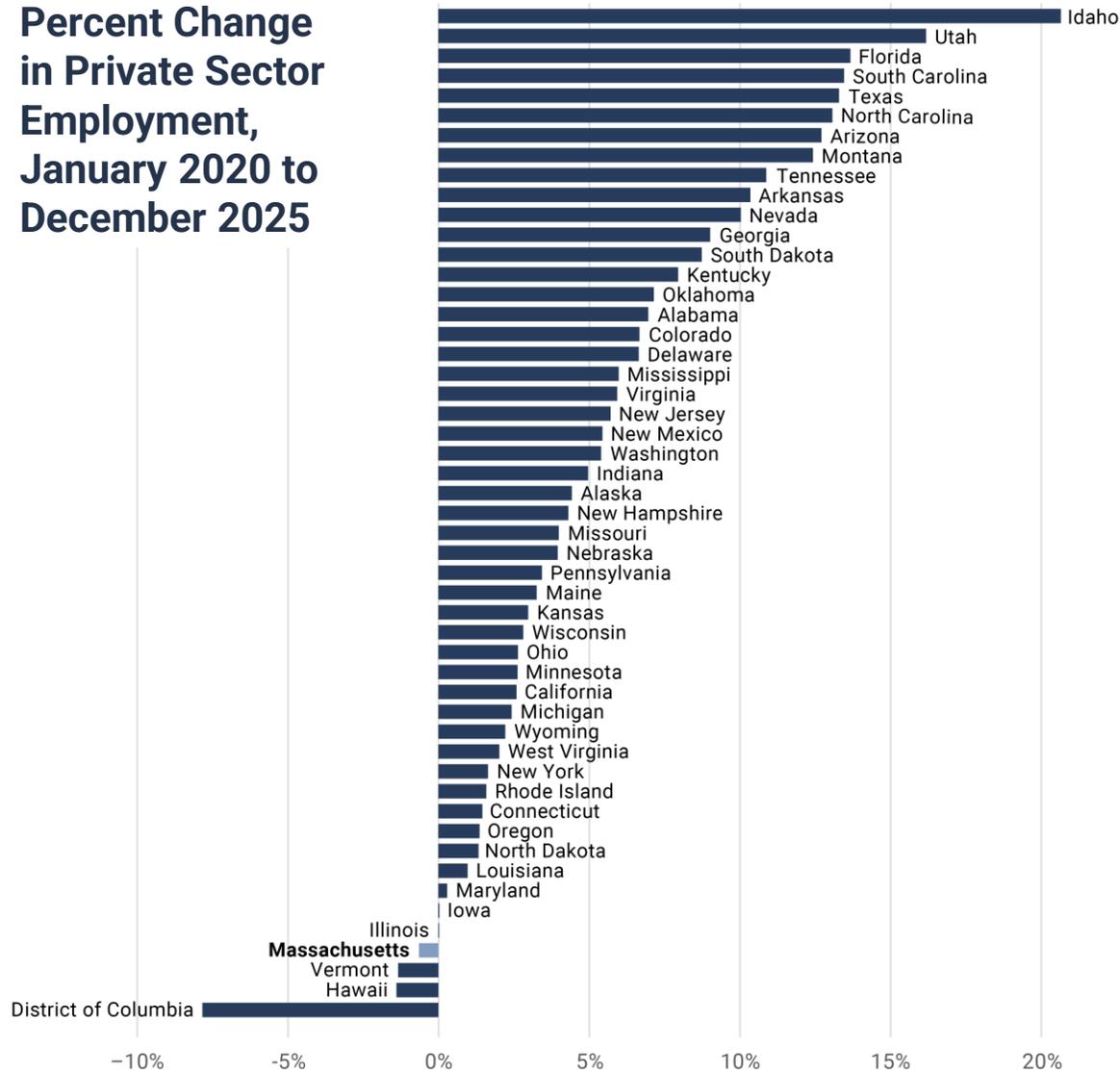


**The unemployed-to-jobs ratio surpassed 1 for the first time since the pandemic in October 2024**

# Private sector jobs have yet to recover



## Percent Change in Private Sector Employment, January 2020 to December 2025

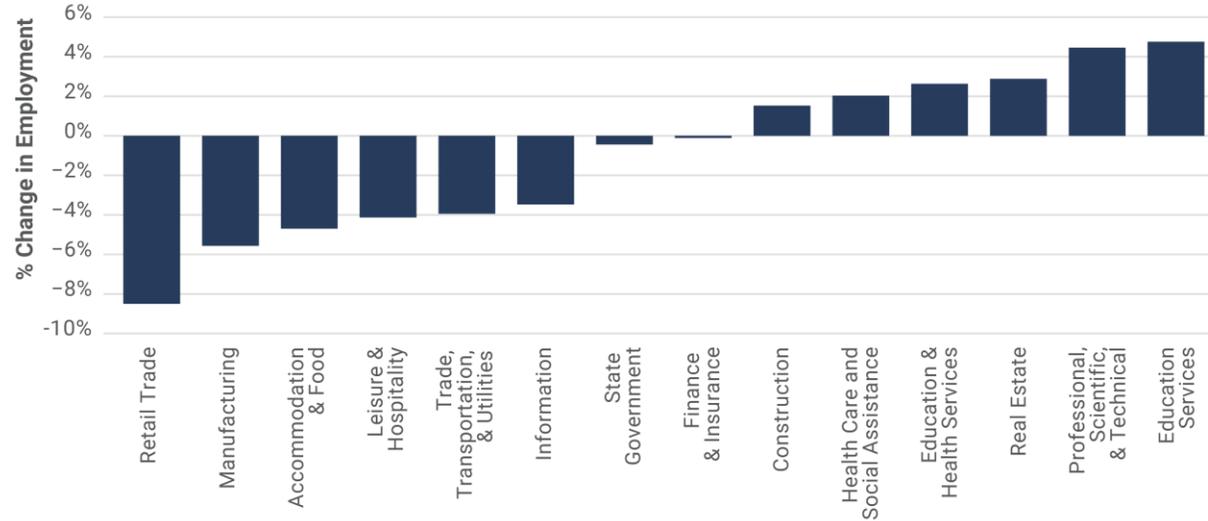


- Between January 2020 and December 2025, U.S. private-sector job growth exceeded 5%
- During that same period, Massachusetts' private-sector jobs declined by 18,000 (-0.55%)
- **Florida, North Carolina, and Texas each grew by over 10%**
- North Carolina's Research Triangle and Charlotte—which have a similar industry mix and population to MA—added 250,000 private-sector jobs

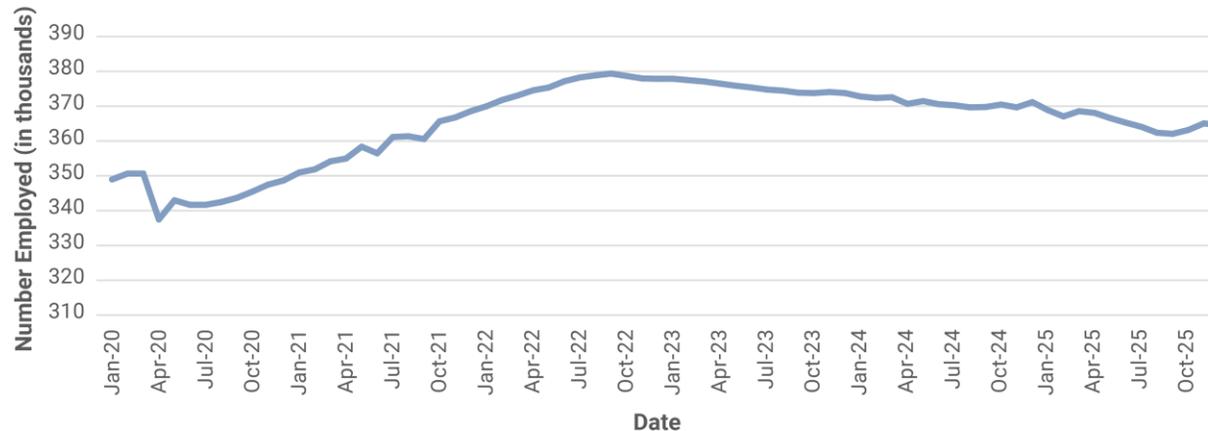


**Massachusetts was one of only four states to have lower levels of private employment in November 2025 than in January 2020**

**Change in Employment for Select Industries in MA, February 2020 to December 2025**



**Massachusetts Professional, Scientific, and Technical Services Sector Employment, January 2020 to November 2025**



- Several sectors remained below 2019 employment levels in December 2025, including retail (-8.5%), manufacturing (-5.6%), accommodation (-4.7%), and information (-3.9%)
- The largest growth came from the professional, scientific, and technical services (PSTS) sector (4.4%), which roughly encompasses the life sciences and other high-tech industries
- However, **growth in PSTS sector employment peaked in September 2022** and had fallen by 15,500 as of December 2025

# Employment Growth by Industry



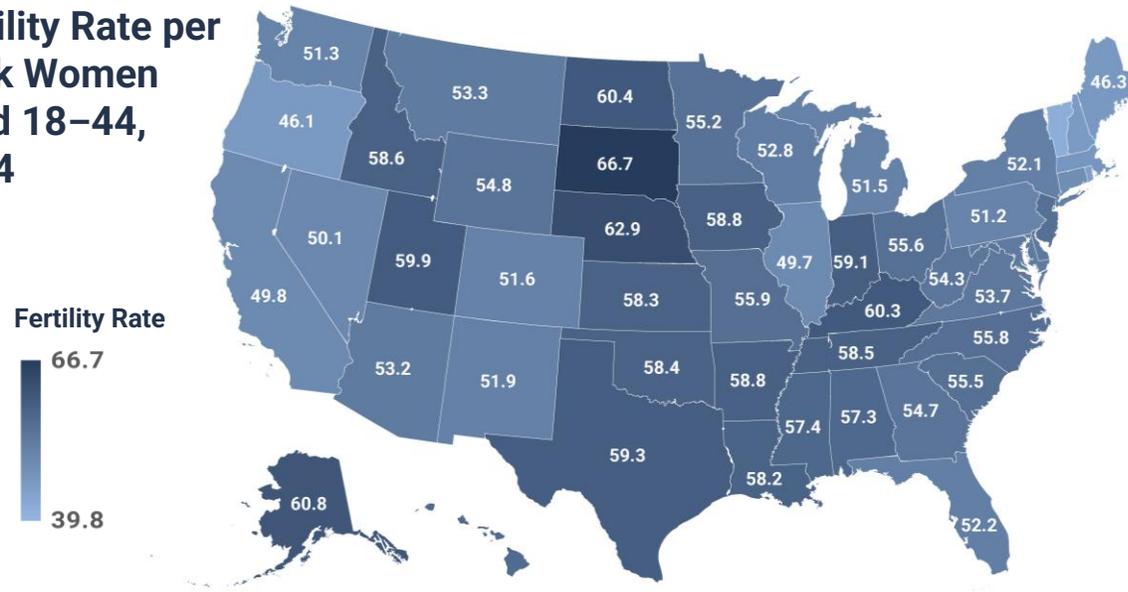
- There has been significant change at the occupation level since 2019 as Massachusetts weathered the pandemic and economic shifts
- Several occupations associated with the life sciences industry, such as biochemists (218%), bioengineers (182%), and biological technicians (37%) saw large growth in proportion to the number of workers already employed in those fields
- Other occupations may already be feeling the impact of the advent of AI and other automations
- Those include clerks (-30%), secretaries (-29%), cashiers (-20%), and customer service representatives (-17%)

Select Occupations	Growth 2019 to 2024	% Change
Chemical Equipment Operators and Tenders	2,670	504%
Biochemists and Biophysicists	9,280	218%
Bioengineers and Biomedical Engineers	2,530	182%
Natural Sciences Managers	5,010	129%
Logisticians	2,790	88%
Market Research Analysts and Marketing Specialists	16,060	76%
Family Medicine Physicians	1,350	61%
Biological Technicians	2,320	37%
Nurse Practitioners	2,400	37%
Human Resources Specialists	6,580	35%
Accountants and Auditors	10,890	31%
Computer and Information Systems Managers	5,890	30%
General and Operations Managers	23,160	28%
Registered Nurses	9,170	11%
Childcare Workers	-1,620	-12%
Construction Laborers	-3,220	-16%
Customer Service Representatives	-10,850	-17%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	-7,220	-17%
Financial Managers	-5,830	-17%
Cashiers	-15,780	-20%
Waiters and Waitresses	-17,560	-26%
Executive Secretaries and Executive Administrative Assistants	-6,880	-29%
Bookkeeping, Accounting, and Auditing Clerks	-13,430	-30%

# Declining birth rates and natural population change

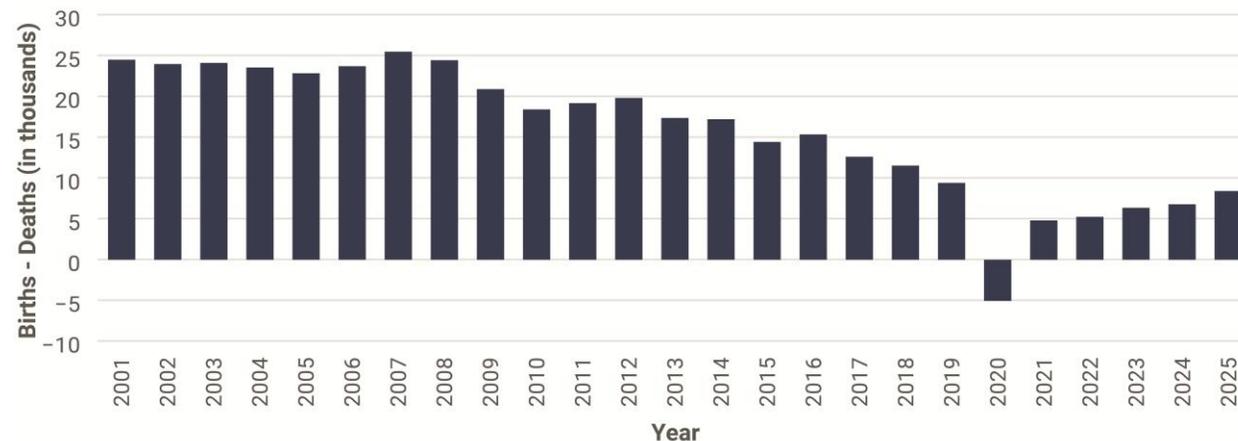


## Fertility Rate per 100k Women aged 18–44, 2024

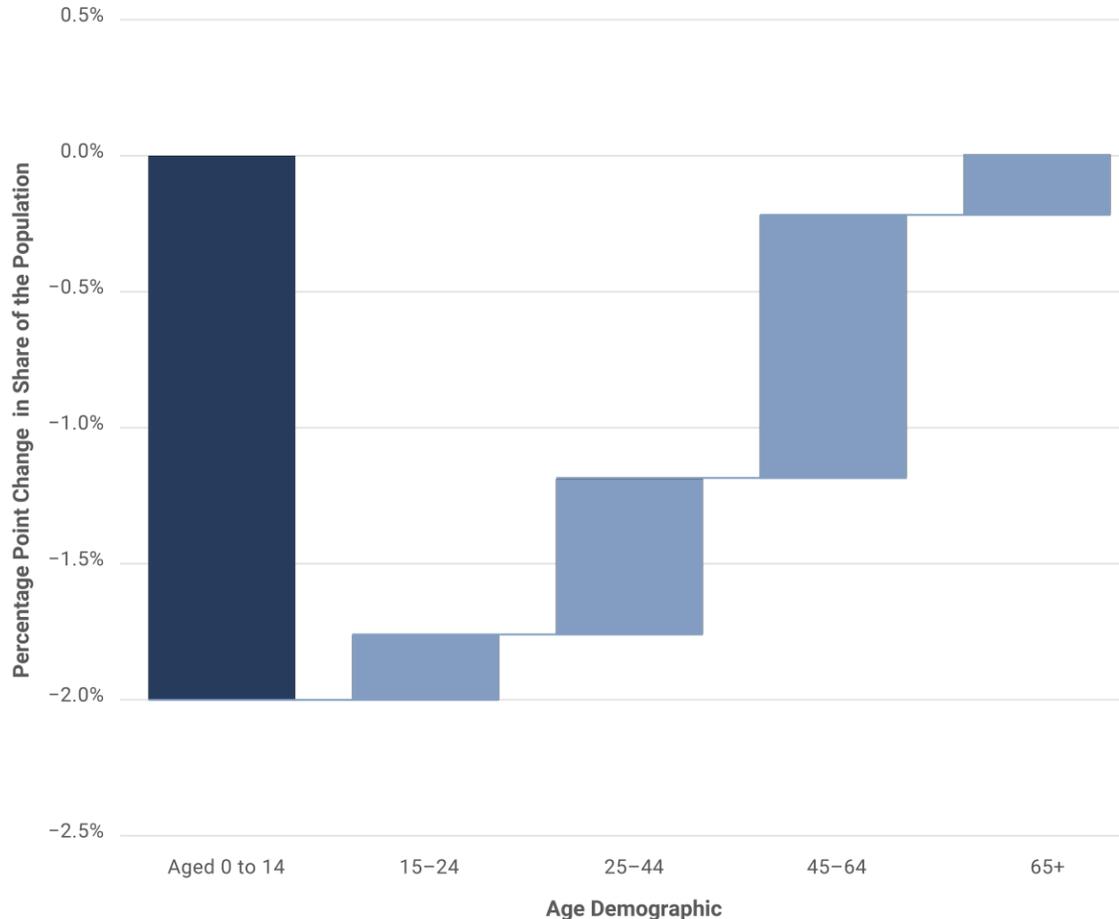


- Massachusetts had the 7th lowest fertility rate (number of births per 100,000 women aged 18 to 44) of any state in 2024
- Every New England state was in the bottom 10 in fertility, with Connecticut (48.9) being the only state with a higher rate than Massachusetts (46.8)
- Since 2007, annual natural population change (births minus deaths) has declined by nearly 17,000 in the Commonwealth

## Natural Population Change in Massachusetts, 2001 to 2025



## Age Distribution: Massachusetts Compared with the U.S. Average, 2024

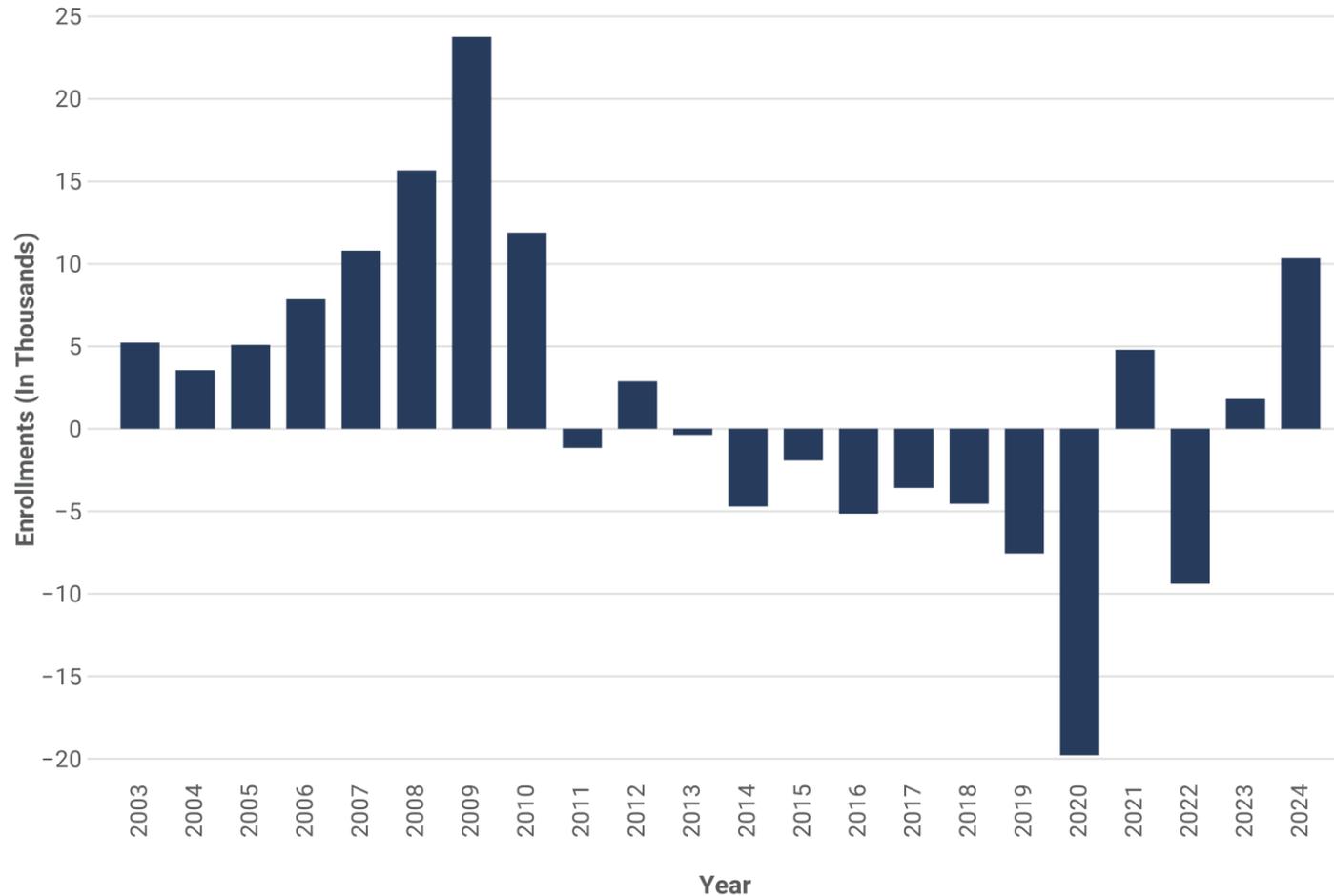


- In 2024, only 15.5% of Massachusetts' population was between the ages of 0 and 14 – **two percentage points below the national average**
- The reduced pipeline of young people increases reliance on bringing in talent from other states or abroad
- Additionally, the number of retirees in the Massachusetts population grew 11.3% between 2019 and 2024
- However, Massachusetts had a younger population on average than other New England states, each of which had a larger percentage of their populations that were 65 or older
- 21.5% of New Hampshire residents were older than 64, 19.4% of Connecticut, 19.7% of Rhode Island, 22.8% of Vermont, and 23.5% of Maine. Compared to 18.7% in Massachusetts



**25% of MA residents were aged 45 to 65 in 2024 – 1 percentage point higher than the national average**

## Massachusetts Postsecondary (Fall) Enrollments, 2003 – 2024



- Corresponding with a declining birth rate and fewer young people, the number of students attending Massachusetts universities has also dropped over the last several years
- Since 2010, the Bay State's postsecondary population has **fallen by nearly 39,000 students**
- However, 2024 saw the largest uptick since 2010 with over 10,000 more students enrolled than the previous fall
- New restrictions and immigration enforcement actions aimed at [international students](#) have the potential to reverse recent gains, as nearly [18 percent](#) of students enrolled in higher education in Massachusetts were international students in 2023

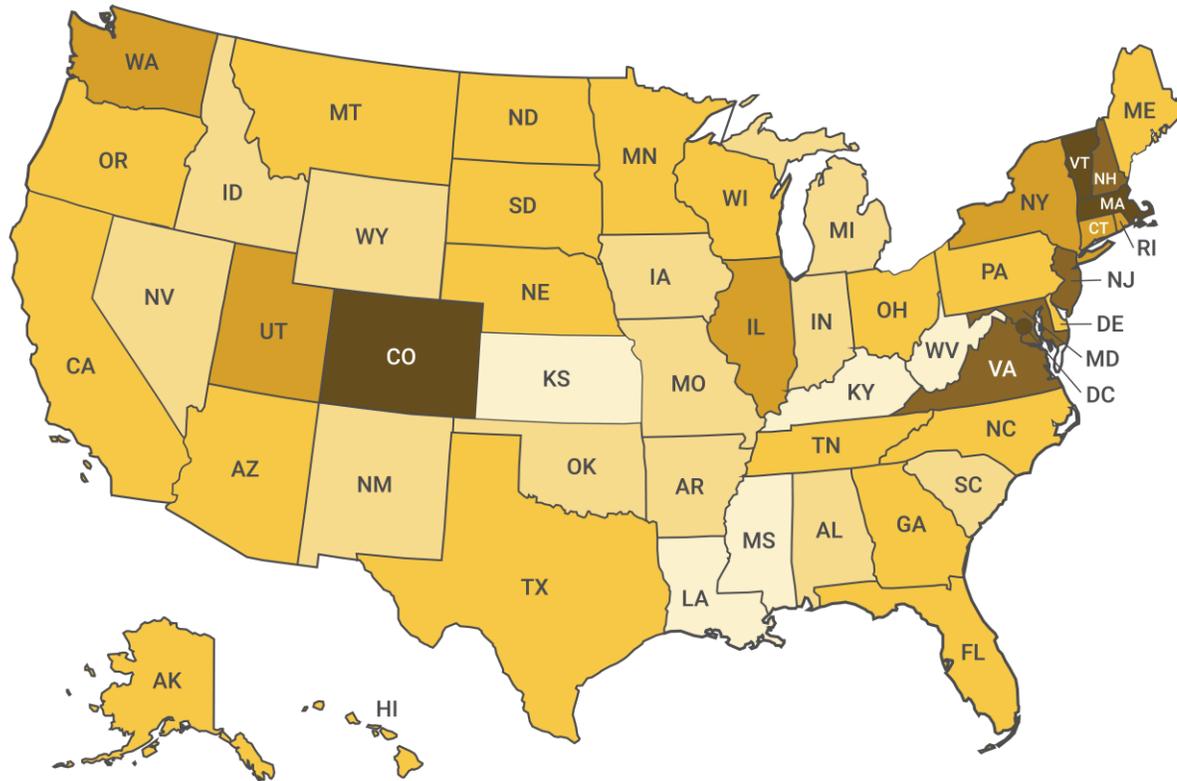


# OTHER DEMOGRAPHIC CHANGES

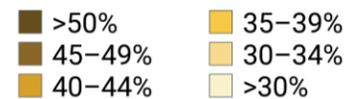
# Massachusetts remains the most educated state



## Residents Aged 25+ with a Bachelors' Degree or Higher, 2024

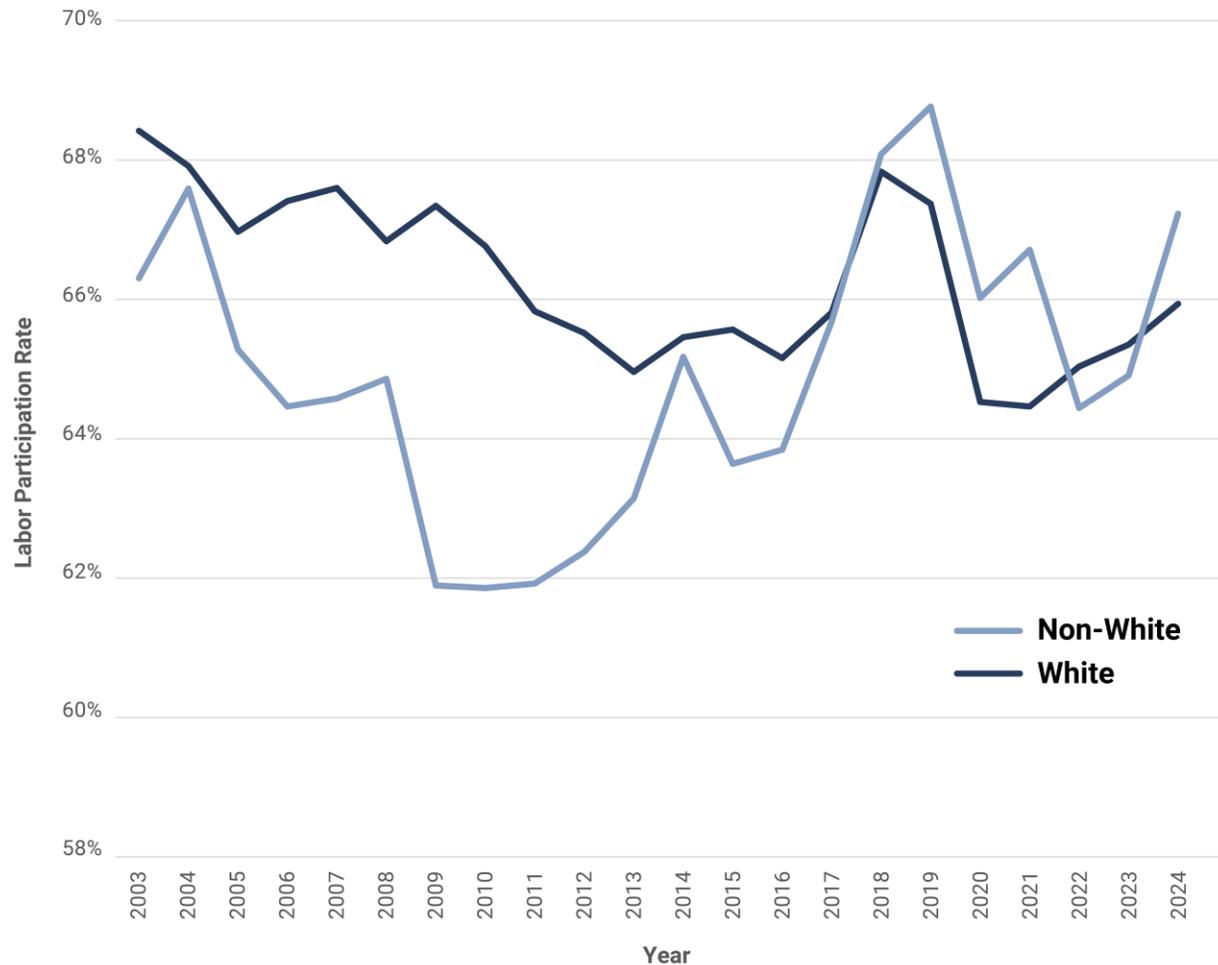


### Bachelor's Degree or Higher



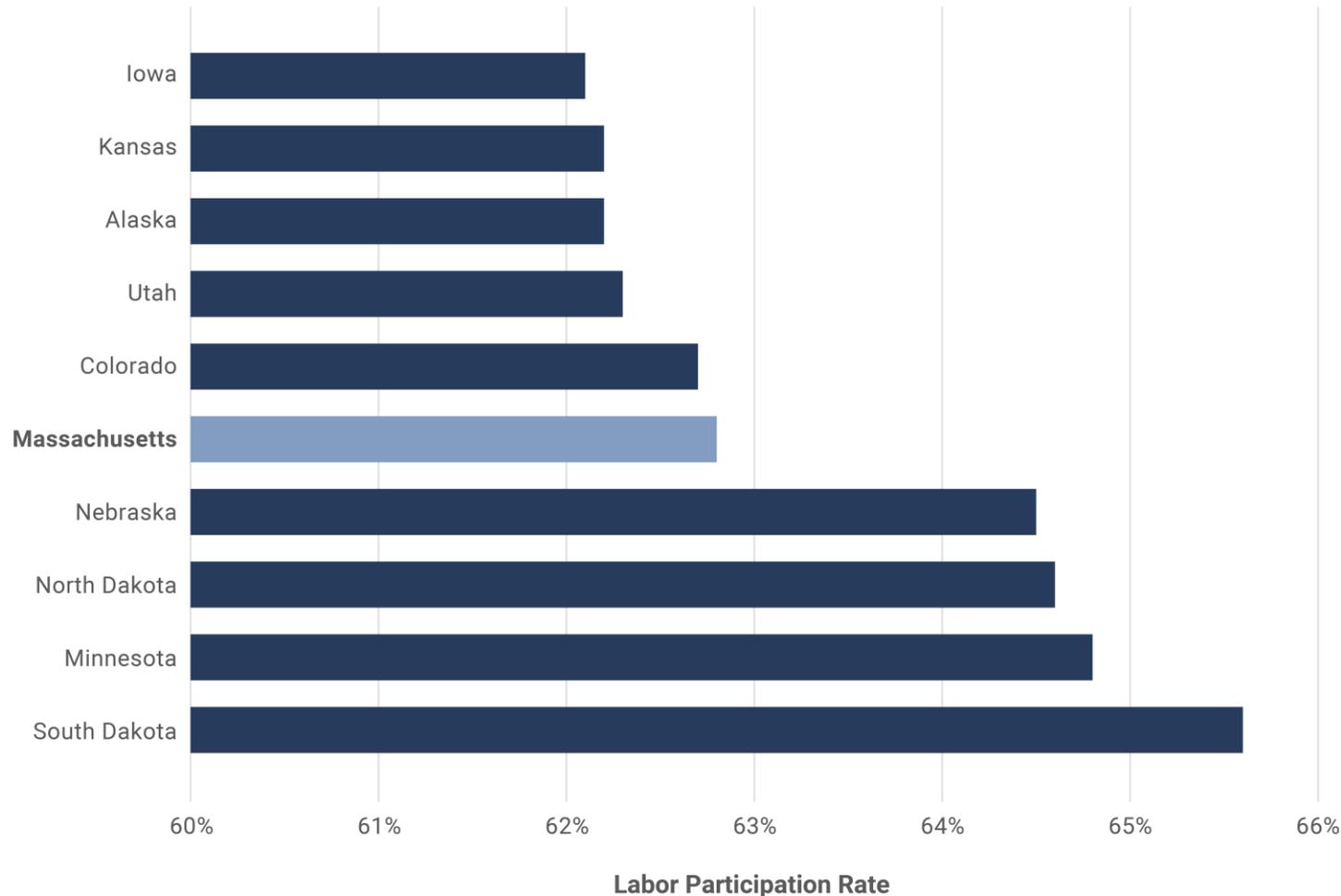
- With 53.4 percent of its 25+ population holding a bachelors' degree or higher in 2024, Massachusetts remained the nation's leader in educational attainment
- The next most educated states were Vermont (50.9%), Colorado (50.3%), New Jersey (47.8%), and New Hampshire (47.0%)
- While those with bachelors' degrees or higher were more likely to participate in the labor force in every state, Massachusetts had the nation's third highest participation rate for that demographic (76.6%)
- That compared to 66.6 percent participation among those with some college, 59.2 percent among high school graduates, and 40.0 percent for those with less than a high school diploma

## Labor Force Participation Rates by Race, 2003–2024



- In recent years, non-white labor force participation in Massachusetts has surpassed white participation
- Non-white participation was 1.3 percentage points higher than for the white population in 2024
- These changes have corresponded with an overall growth in non-white workers
- In 2003, only 15% of the Massachusetts workforce was non-white, compared to 27 percent in 2024
- The overall non-white share of the population grew by three percentage points from 2020 to 2024
- Non-white populations tend to be younger than white populations on average, likely accounting for the gap in participation (younger people are more likely to participate in the labor force)
- In 2022, the average person in the U.S. was 39, while the average white person was 43

## States with the Highest Women's Labor Participation, 2024



- In 2024, Massachusetts had a labor force participation rate for women four percentage points higher than the national average and higher than all but four states
- However, women's participation rate (62.8%) in Massachusetts was still lower than the rate for men (70.5%)
- And while the participation rate for men in the Commonwealth increased by 1.9 percentage points between 2023 and 2024, the rate for women decreased by 0.2 percentage points



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# KEY TAKEAWAYS

*Where Massachusetts Goes Next*

# Only a temporary respite from labor shortage



Gains in the Massachusetts labor force since 2019 have largely come from a period of high net international migration into the state—particularly from 2022 to 2024.

However, those historic gains look temporary as federal policy shifts to limiting immigration.

A decline in the number of immigrants entering the Commonwealth will greatly expose the state to continued out-migration and exacerbate its existing structural weaknesses in the labor force, including

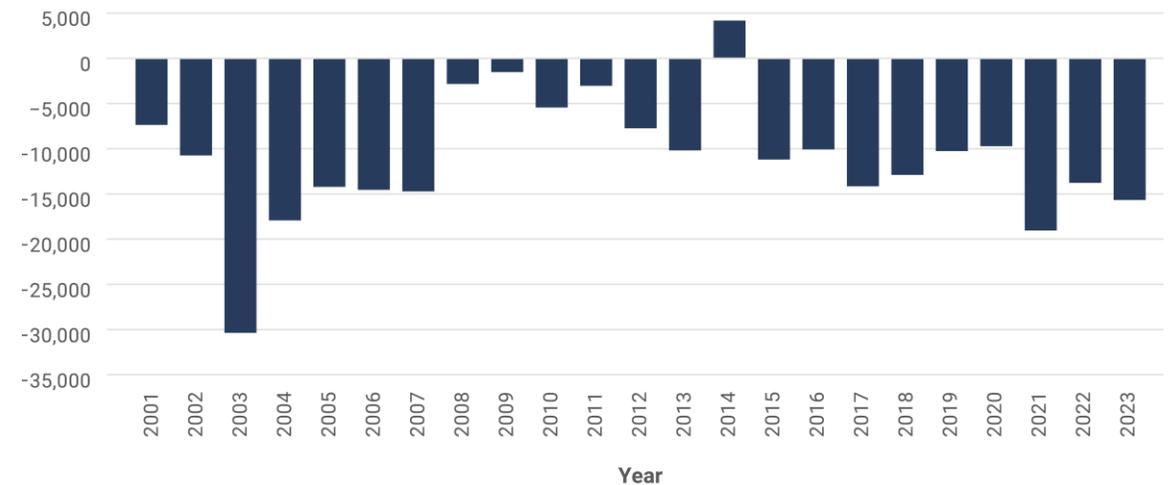
1. reduced pipeline of educated workers,
2. low birthrate and share of young people aged 0 to 14 in the population, and
3. aging workforce moving towards retirement.

A recent [study](#) by Georgetown University found that the United States will see 18.4 million workers with postsecondary educations retire from 2024 to 2032, to be replaced by 13.8 million younger workers with a bachelor’s degree or higher—a gap of 4.6 million.

That gap in the skilled workforce is likely to be most acute in states with smaller populations of young people and with a larger percentage of workers near retirement age, like Massachusetts and New England more broadly.

Massachusetts specific [estimates](#) made by MassINC in 2022 found that our college-educated workforce would likely shrink by 192,000 workers by 2030. This would be a direct consequence of retirements and elevated out-migration levels among skilled residents.

**Massachusetts Net Domestic Out-migration, Bachelors+ 2001–23**



For Massachusetts to weather federal policy changes and persistent demographic weaknesses, it needs to promote policies that will shore up the state's labor force long-term.

**The Commonwealth can achieve this by:**

**meaningfully increasing the labor force participation rate**

**investing in the state's education systems best suited to filling workforce needs**

**and committing to making the state affordable enough to retain current residents.**

**Labor force specific approaches to achieve these goals**

**should include**

- targeted workforce development and apprenticeship programs for immigrants to improve English language proficiency and labor market integration,
- upskilling current workers with training and education to fill in-need occupations,
- further investing in vocational technical education and expanding the number of available seats at schools, and
- implementing universal occupational licensing recognition to increase labor mobility.



# NOTES/RESOURCES

The primary source for this report is the Bureau of Labor Statistics' Local Area Unemployment Statistics (LAUS). LAUS is primarily derived from the Current Population Survey, a monthly survey of roughly 60,000 households conducted in partnership with the Census Bureau. The survey seeks to collect data on several measures of the U.S. economy, including income, earnings, income inequality, unemployment, and labor participation.

The data are often broken down by demographics and sub-demographics. As a result, and by nature of being a survey, the sample size of certain demographics, especially at the state level, tends to be small enough that they either get excluded from the data set entirely or create some volatility for certain statistics.

For example, the Asian population of Maine is so small that from 2007–2021 the CPS only reported the labor force participation rate for that demographic three times (2009, 2012, and 2013). Even when data is reported, if the demographic is small enough, year-to-year changes are unlikely to be statistically significant.

In our analysis, we have selected the most reliable and accurate data from the CPS to provide the best possible snapshot of the Massachusetts labor force.

## **Additional Sources:**

Bureau of Labor Statistics (BLS) – [Local Area Unemployment Statistics \(LAUS\)](#)

Census Bureau – [State Population Totals and Components of Change: 2020–2024](#)

CDC – [natality data](#)

BLS – [Job Openings and Labor Turnover Survey \(JOLT\)](#)

BLS – [Occupational Employment and Wage Statistics \(OEWS\)](#)

BLS – [Current Employment Statistics \(CES\)](#)

Census Bureau – [American Community Survey](#)

To conduct your own analysis of the most recent publicly available labor force data, you can visit: <https://usdatalabs.org/>