

Fact Sheet on Jobs and Competitiveness in Massachusetts

Skills shortages, population loss and anemic job creation in the state mean that fewer Massachusetts residents are able to access jobs and opportunity.

We are simply not creating new well-paying jobs in our economy

Massachusetts has a net loss of over 162,000 jobs since January 2001.¹

Many workers cannot access training and education opportunities

Almost a third of Massachusetts' workers, 1.1 million, lack basic employability skills. 746,000 lack a high school diploma and 152,000 lack strong enough English language skills.²

Our population is contracting

Massachusetts is the only state to see its population decline in 2004 and 2005.³ Half of the out-migrants have a bachelor's degree or higher.⁴

Labor supply and demand are mismatched

Two in five employers say there are too few qualified applicants to fill job openings and that training resources are insufficient to prepare workers to meet employer needs.⁵

Massachusetts continues to struggle with job loss

In the recent recession Massachusetts had the second highest rate of job loss among the fifty states. To date, the state has recovered only 1 in 5 of the lost jobs,⁶ leading to a substantial rise in the dislocation of workers. By September 2005, employment in Massachusetts was still down by more than 160,000 from its pre-recession peak in 2001.⁷

165,900 Massachusetts residents are unemployed

an increase of more than 62,000 over the last five years.⁸ This number fails to account for the tens of thousands who have left the state or who have become discouraged and quit job-seeking.

Employers cannot fill 72,813 job vacancies

81% of the vacancies require a high school diploma or higher. 42% of the vacancies require an associate's degree or higher.⁹

Foreign immigration has accounted for the only population gains in the past five years

Massachusetts remains highly dependent on new waves of foreign immigration to prevent further labor force decline.¹⁰

The largest net losses in population were among young adults

an important part of our labor force. From 2001-2003, over 10% of 20-24 year-olds and over 7% of 25-34 year-olds left the greater Boston area.¹¹

The median household income is declining

led by the growth of low wage, service and part-time employment. From 2000-2004, median household income dropped by 3.5%.¹²

THE IMPLICATIONS

Under these conditions new businesses cannot succeed, existing businesses will expand elsewhere or relocate, and a lack of workers will thwart efforts to recruit businesses. If the state's greatest economic asset is the quality of our workforce, fixing this crisis requires a substantial investment in the skills of our workers.

SkillWorks: Partners for a Productive Workforce is a five-year public/private investment of approximately \$15 million on the part of philanthropy, government, community organizations, and employers to change how workforce development is done in Boston and in the state of Massachusetts. The goal is to create a system that helps low-skill, low-income residents move to family-sustaining jobs and helps employers find and retain skilled employees.

For more information

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ENDNOTES

¹ Bureau of Labor Statistics, Local Area Employment data for Massachusetts for the period 1/1/2001 through 3/30/2006.

² New Skills for a New Economy, MassINC, 2000.

³ "Mass Exodus," The Boston Globe, January 16, 2006.

⁴ "MASS.migration," Robert Lacy, et al, MassINC, December 2003.

⁵ Small business survey from New England, Citizens Bank—UMass

⁶ Bureau of Labor Statistics, Local Area Employment data for Massachusetts for the period 1/1/2000 through 3/30/2005.

⁷ "The Massachusetts Housing Challenge," Barry Bluestone, Power Point presentation at the Greater Boston Real Estate Board, December 7, 2005, <http://www.curp.neu.edu/pdfs/Greater%20Boston%20Real%20Estate%20Board%20Conference.120705.ppt>, Accessed May 15, 2006.

⁸ Massachusetts Division of Unemployment Assistance, Massachusetts Labor Force Data and National Unemployment Rate, March 2006.

⁹ "Massachusetts Job Vacancy Survey, 2nd Quarter 2005," Division of Unemployment Assistance.

¹⁰ Immigration and the Labor Force, Commonwealth Corporation, May 2004.

¹¹ "The Massachusetts Housing Challenge," Barry Bluestone, Accessed May 15, 2006.

¹² "The Massachusetts Housing Challenge," Barry Bluestone, Accessed May 15, 2006.