

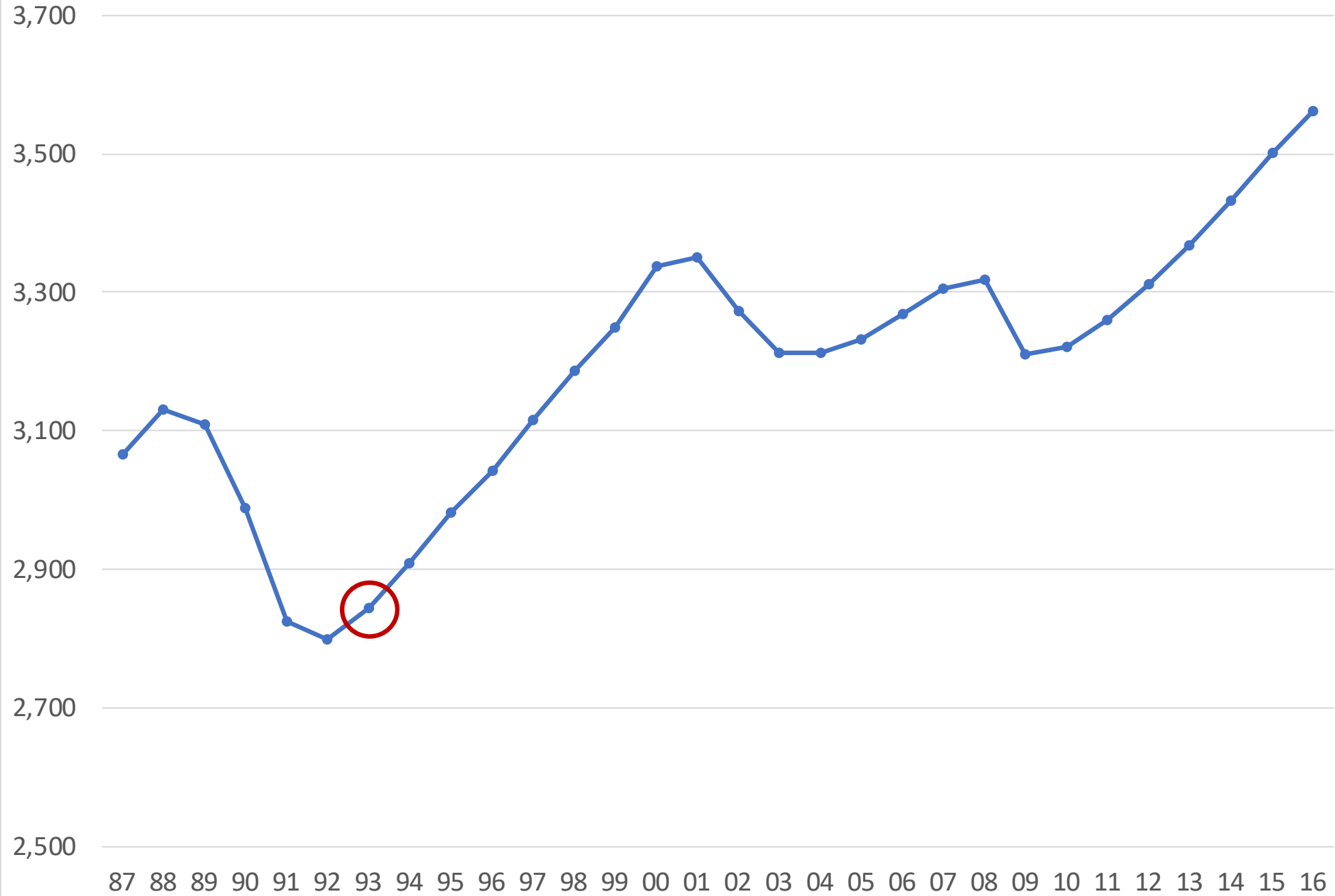
The Massachusetts Economy: 1993, Today, and 2021

Presentation to MassEcon
January 19, 2018

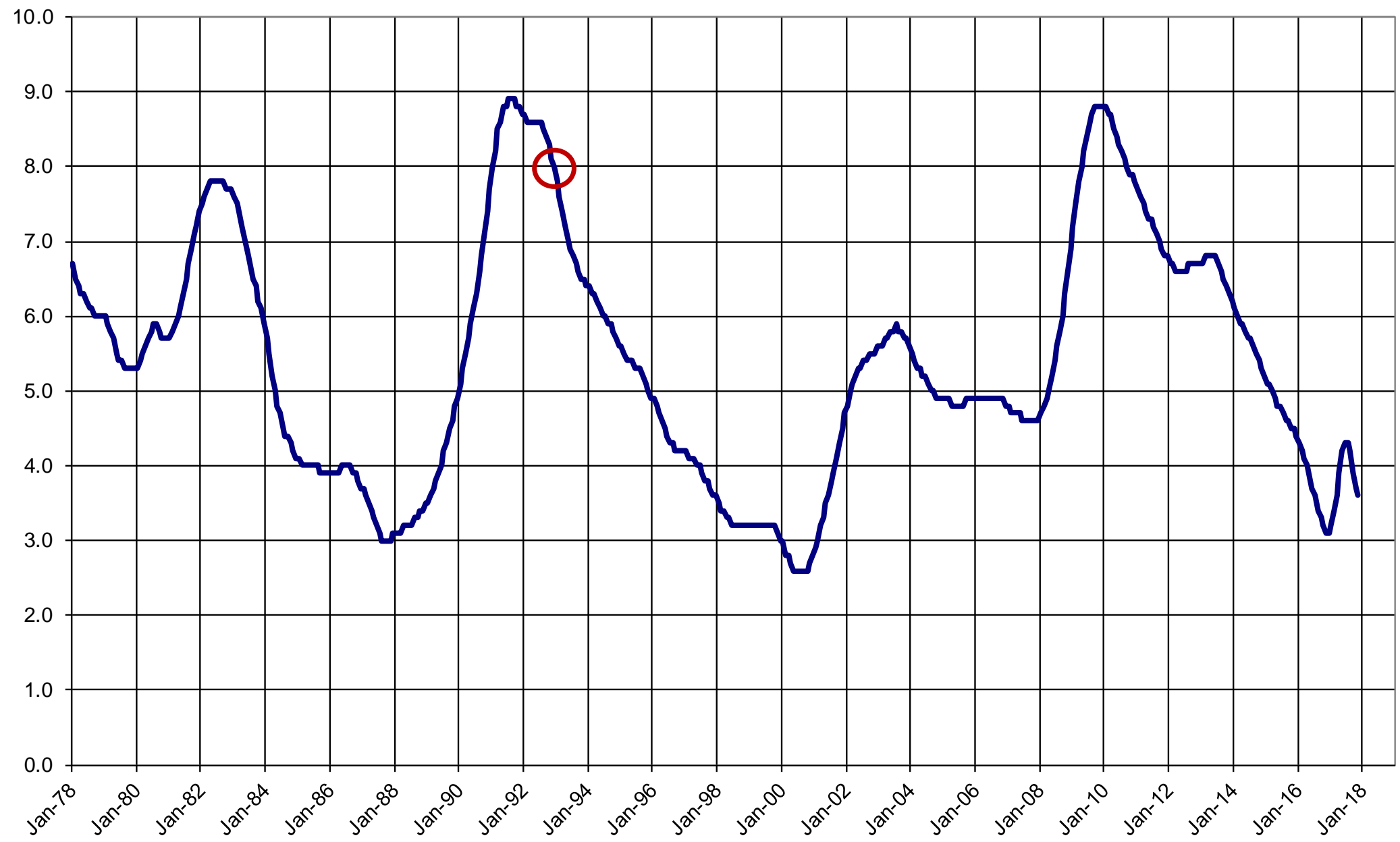
Alan Clayton-Matthews
School of Public Policy and Urban Affairs
Northeastern University
NEEP, *MassBenchmarks*

1993

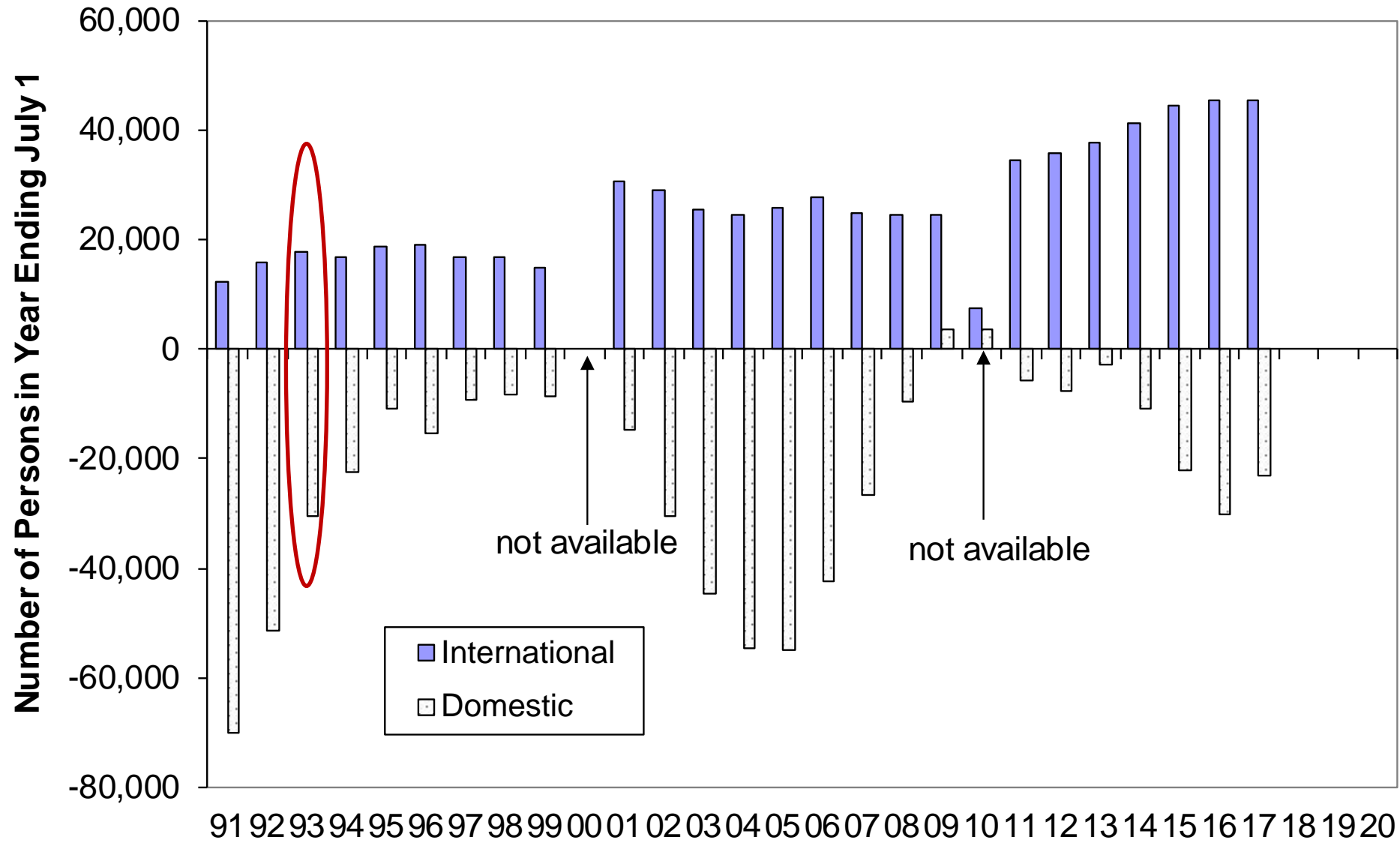
Payroll Employment, Massachusetts (thousands)



Massachusetts Unemployment Rate

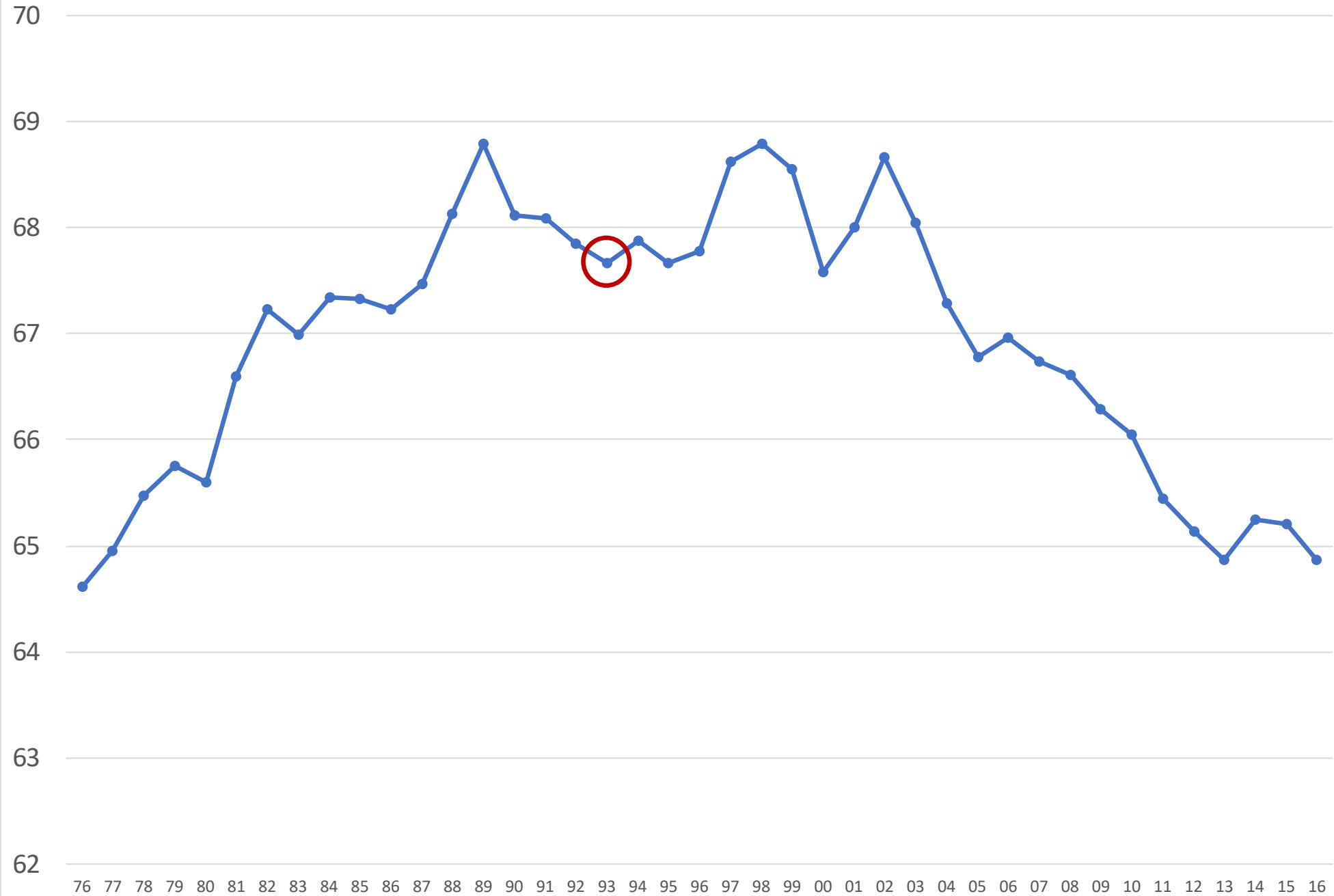


Net Migration into Massachusetts



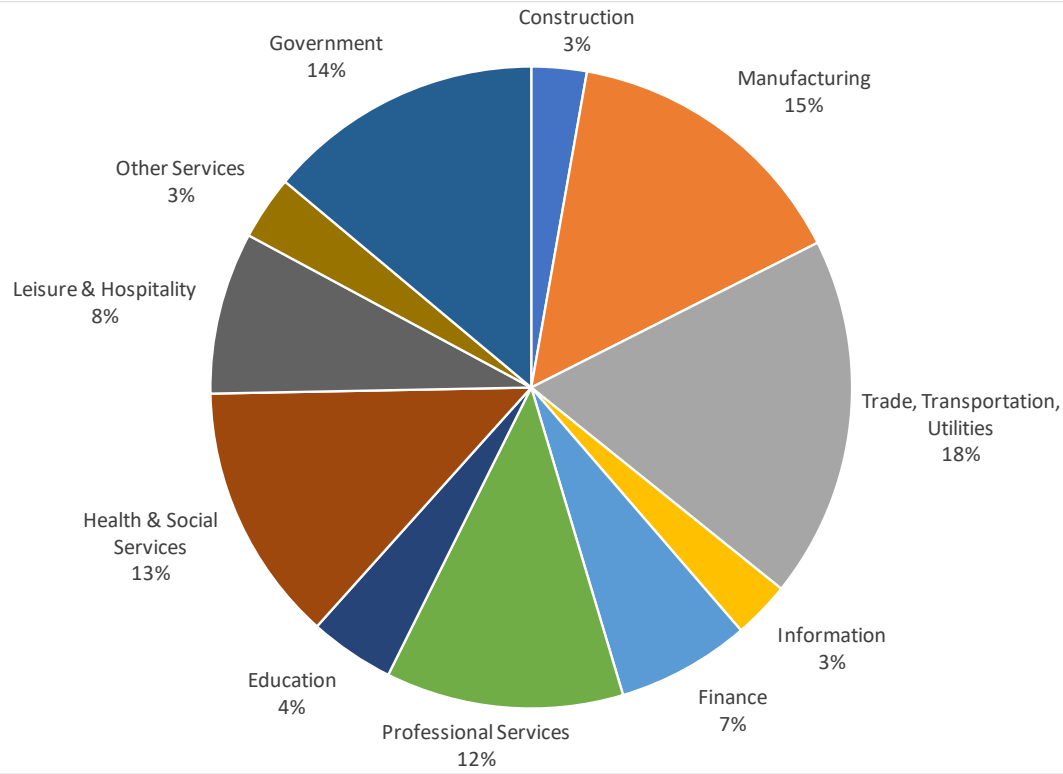
Source: Census Bureau: Population Estimates Branch

Labor Force Participation Rate, Massachusetts

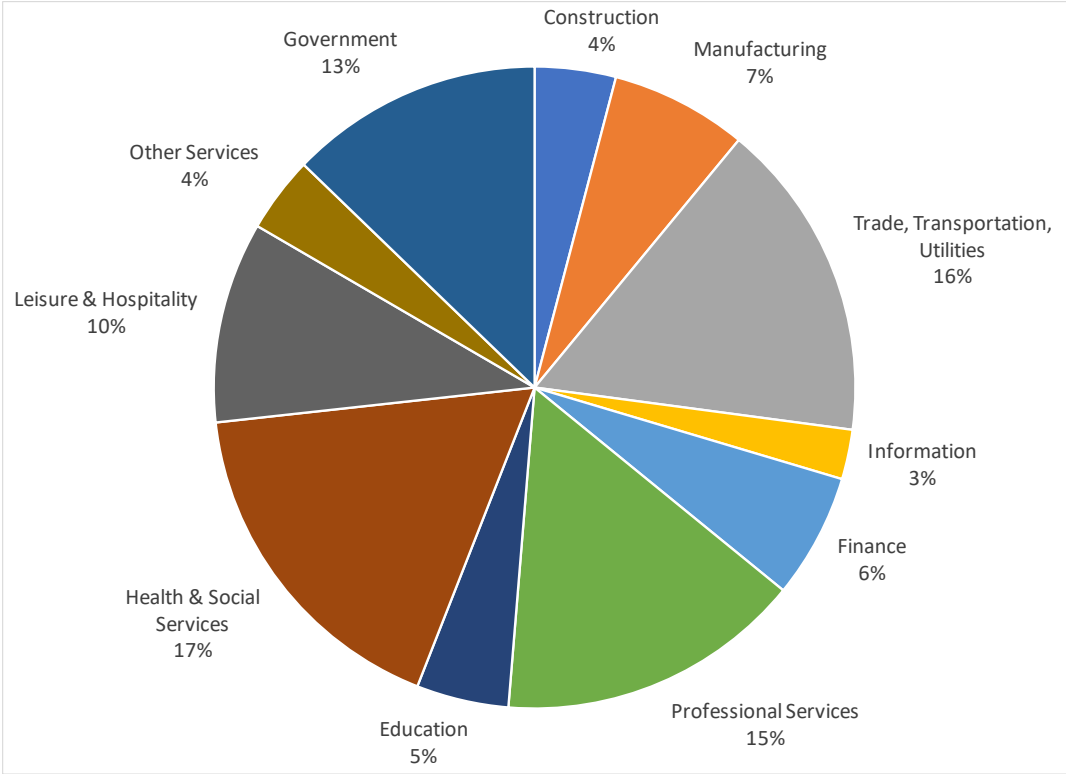


Manufacturing has decreased as a share of Massachusetts payroll employment, while health services and professional services have increased.

1993

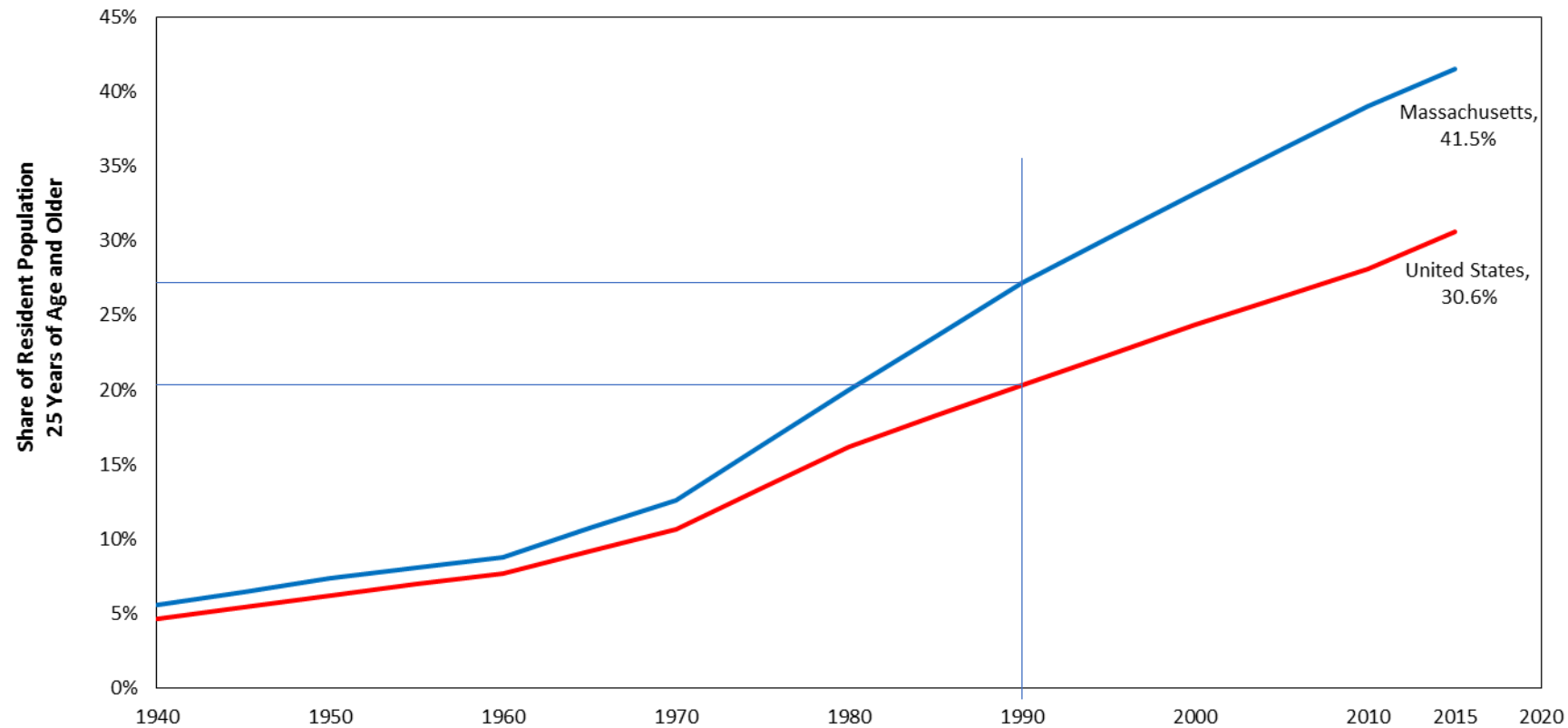


2016



Educational Attainment

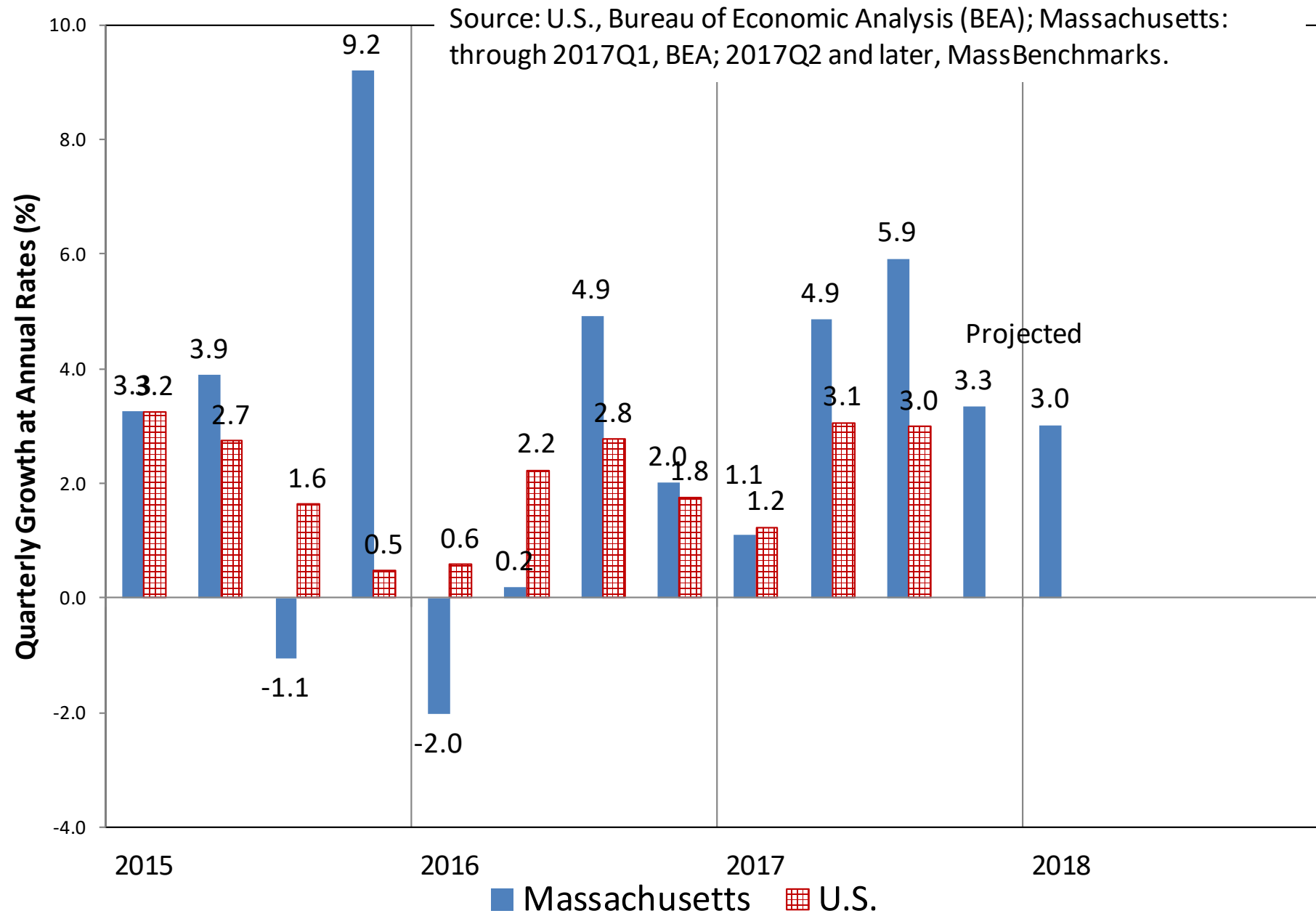
Percent of Resident Population 25 Years and over with at Least a Bachelor's Degree, 1940-2015



Source: U.S. Census Bureau; 1940-2000: Decennial Census; 2005-2015: American Community Survey, 1-year estimates

Today

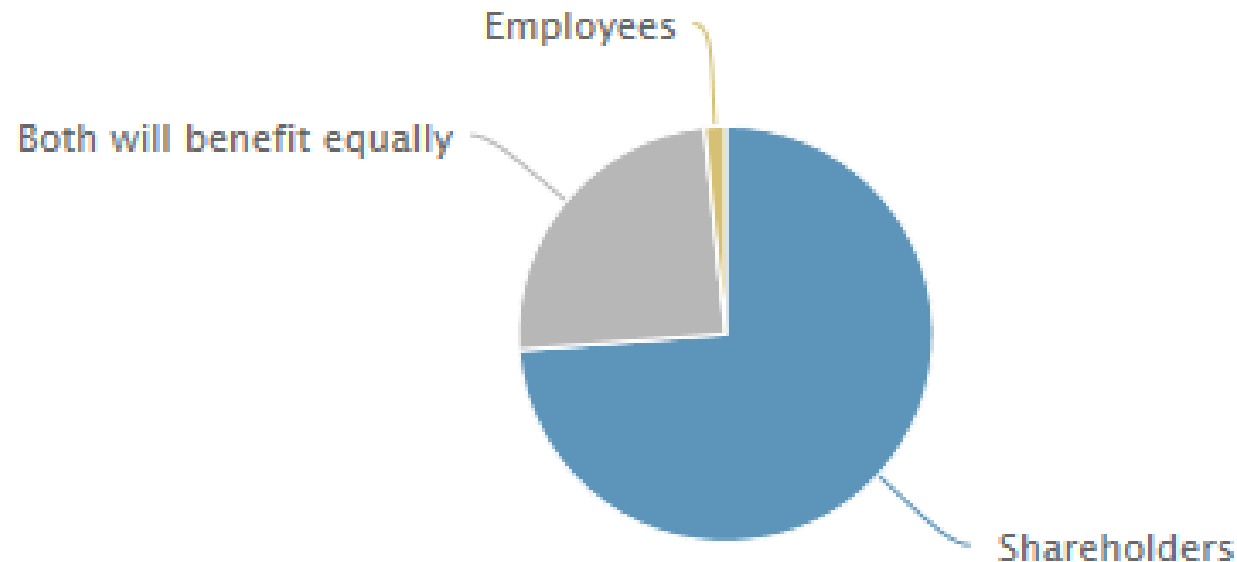
Growth in Real Product, Massachusetts vs. U.S.



Economists see corporate tax changes as a bigger “game changer” than the personal income tax changes.

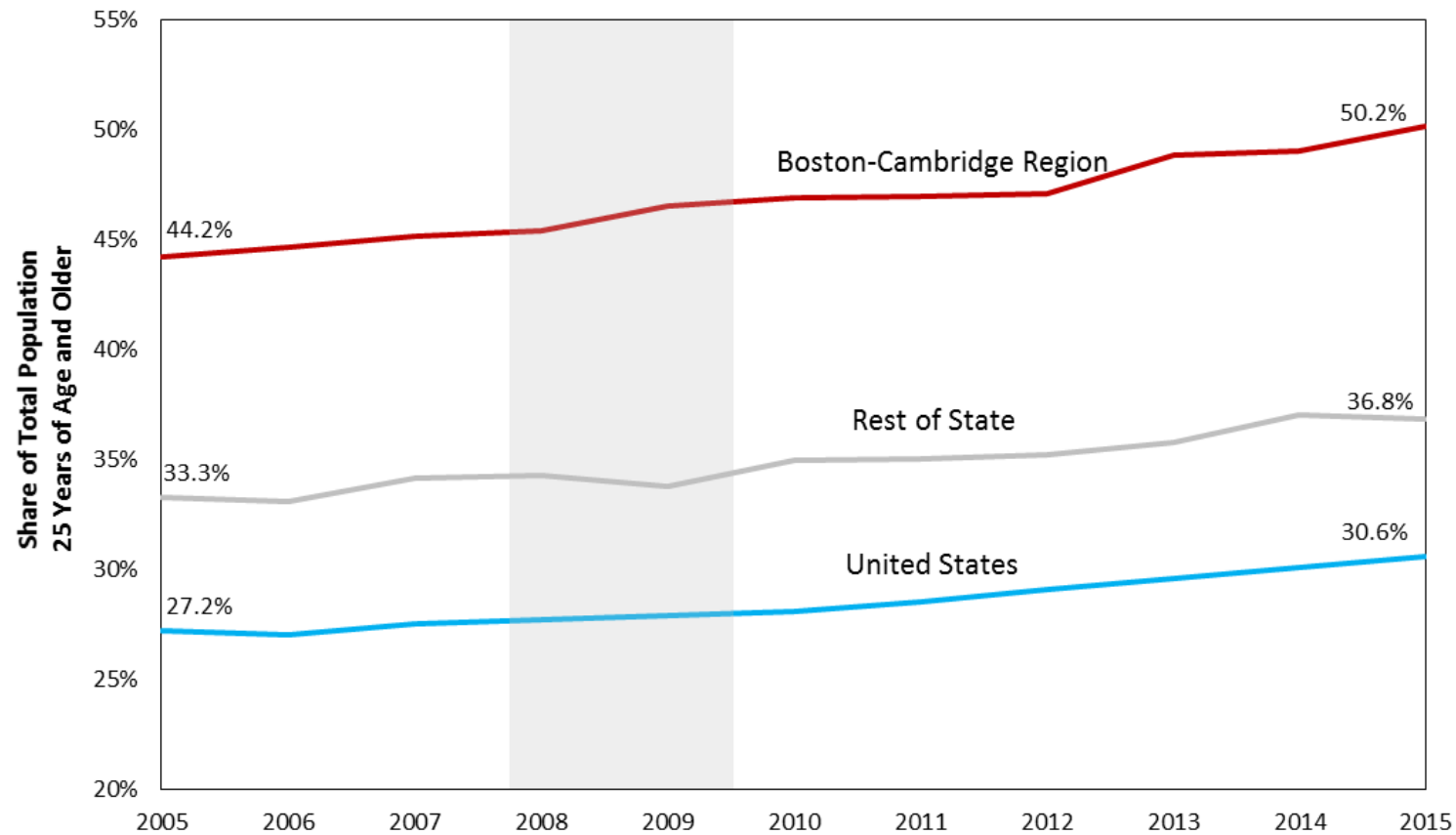
Q&A: Who Benefits?

Which group will see the larger benefit from reducing the U.S. corporate tax rate to 21% from 35%?



Bachelor's Degree Status

Share of the Population 25 and over with at Least a Bachelor's, 2005-2015

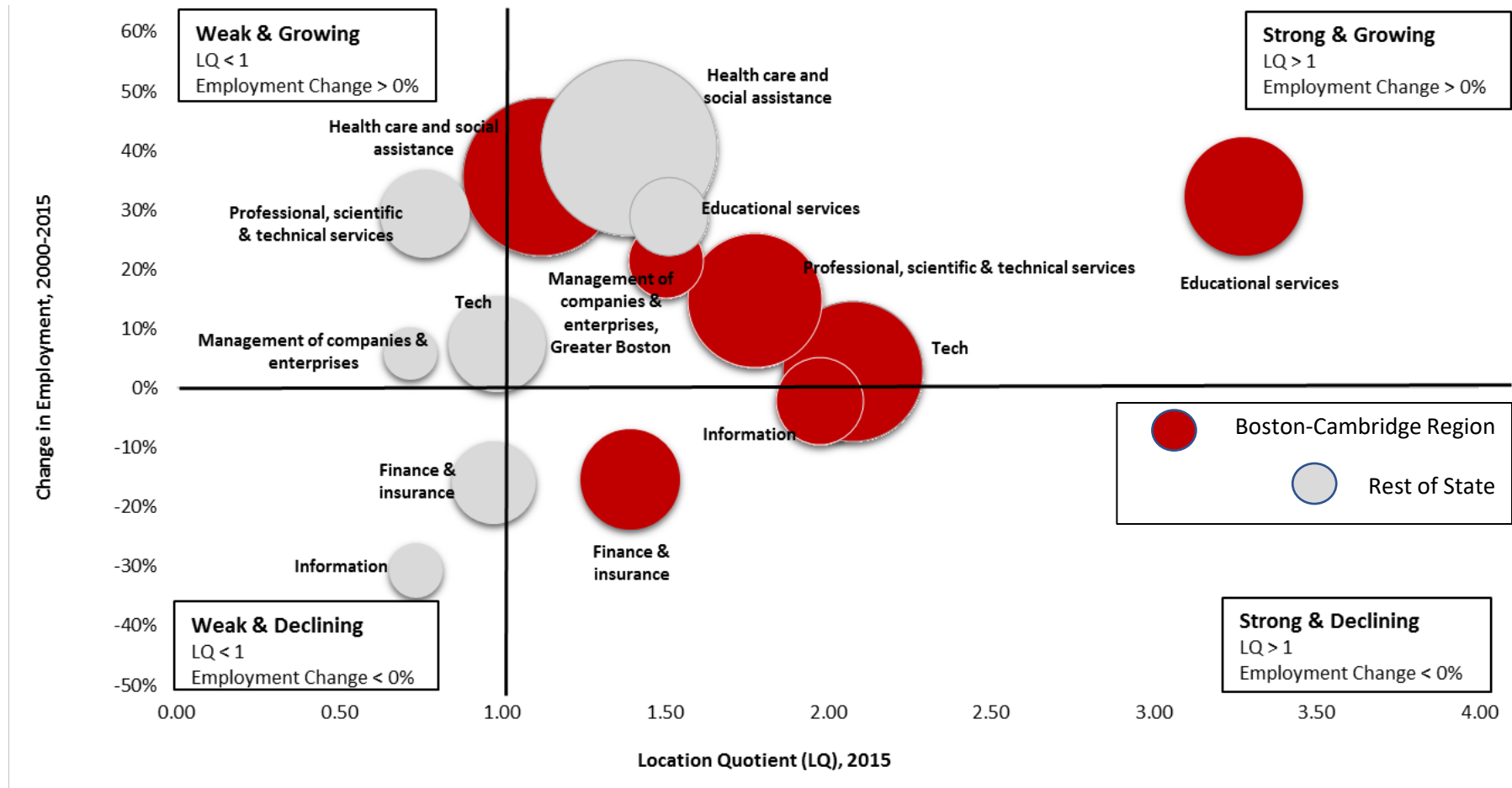


Source: U.S. Census Bureau, American Community Survey, S1501 (Educational Attainment), 1-year estimates; UMDI analysis

Note: The Boston-Cambridge Region consists of Middlesex and Suffolk counties.

Sector Concentrations by Region

Sector Strength in Boston-Cambridge Region and the Rest of State, 2015

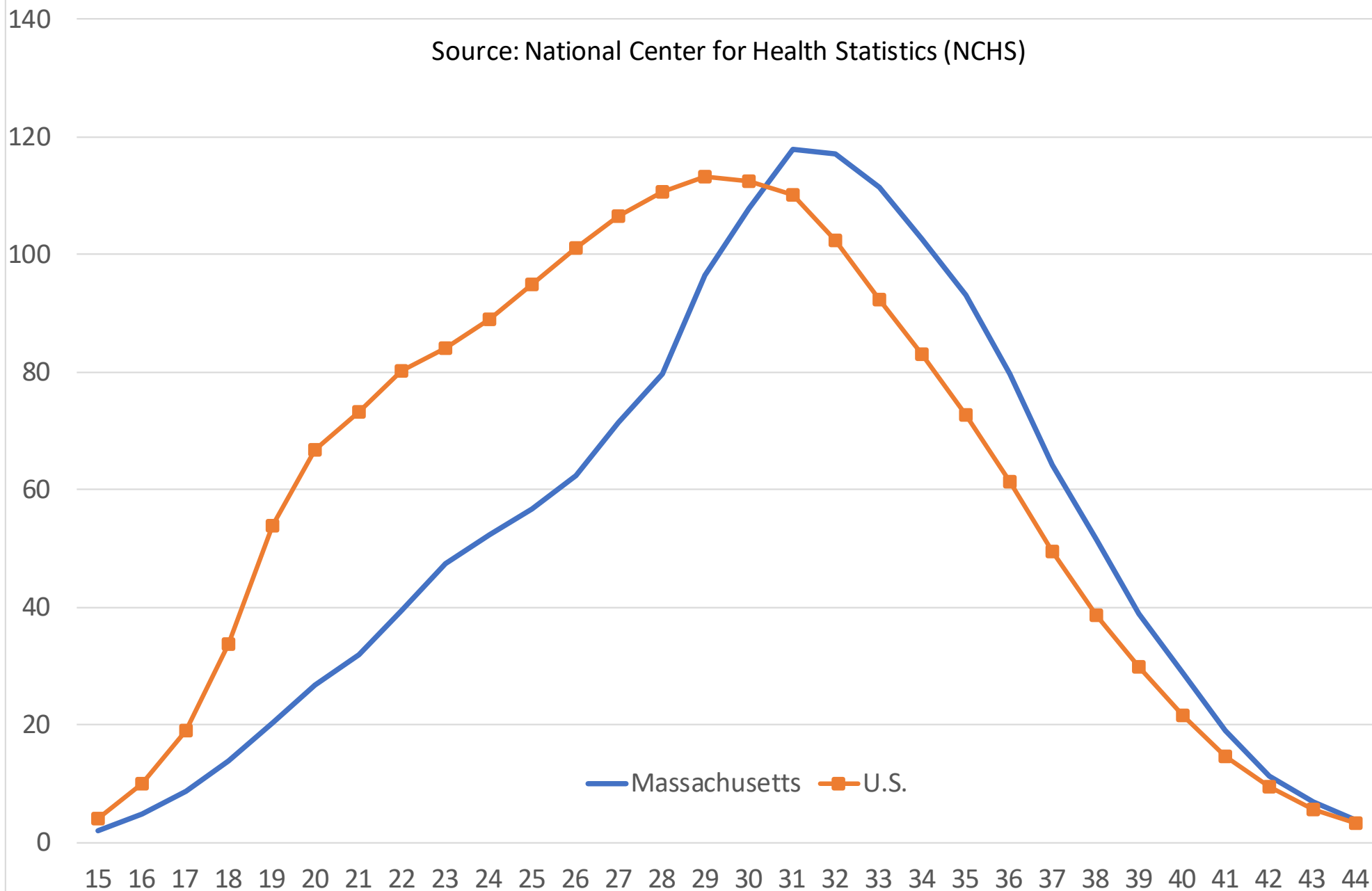


Source: U.S. Census, County Business Patterns; UMDI analysis

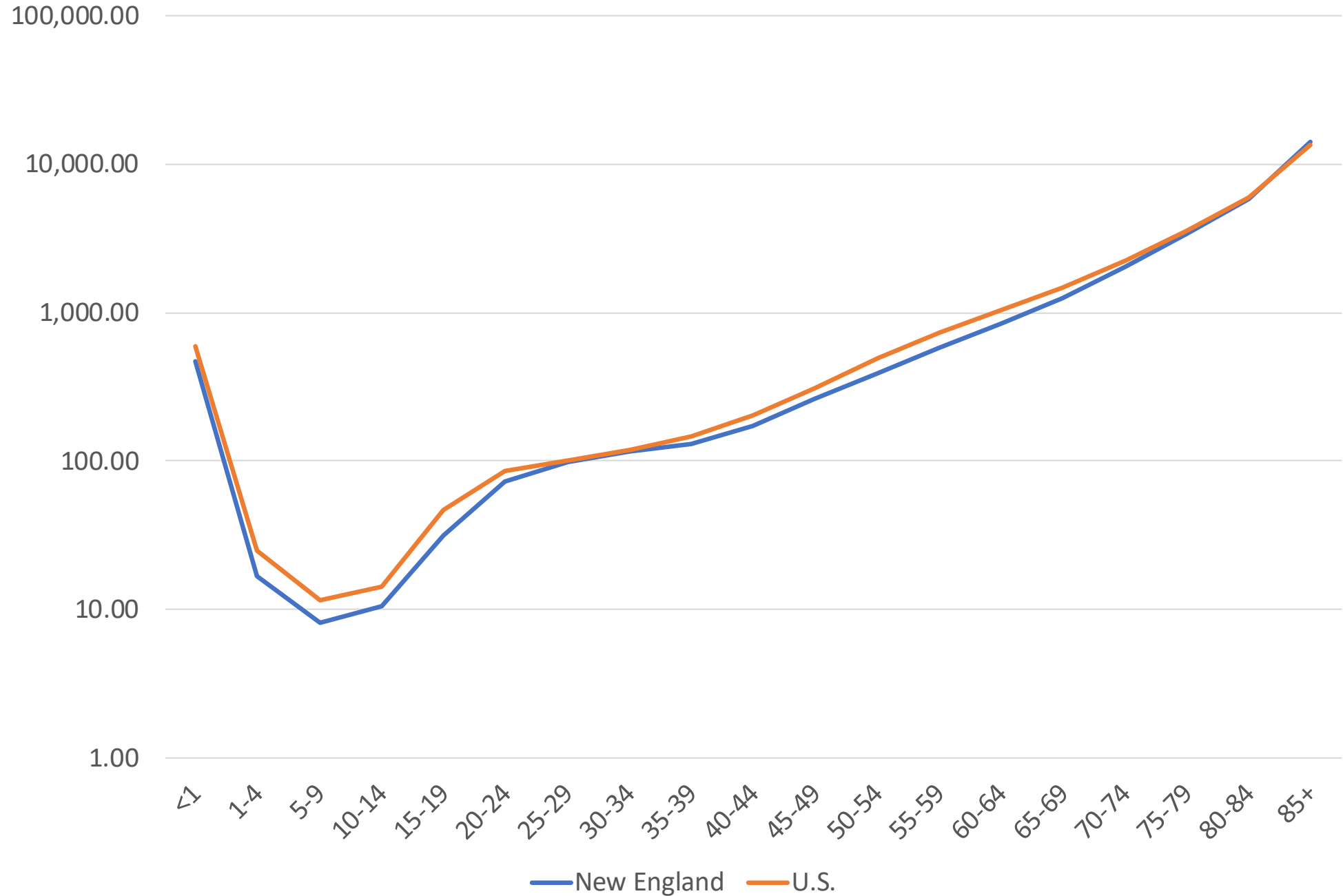
Note: The Boston-Cambridge Region consists of Middlesex and Suffolk counties.

Fertility Rate: Births per 1,000 Women, by Age, 2013-2015

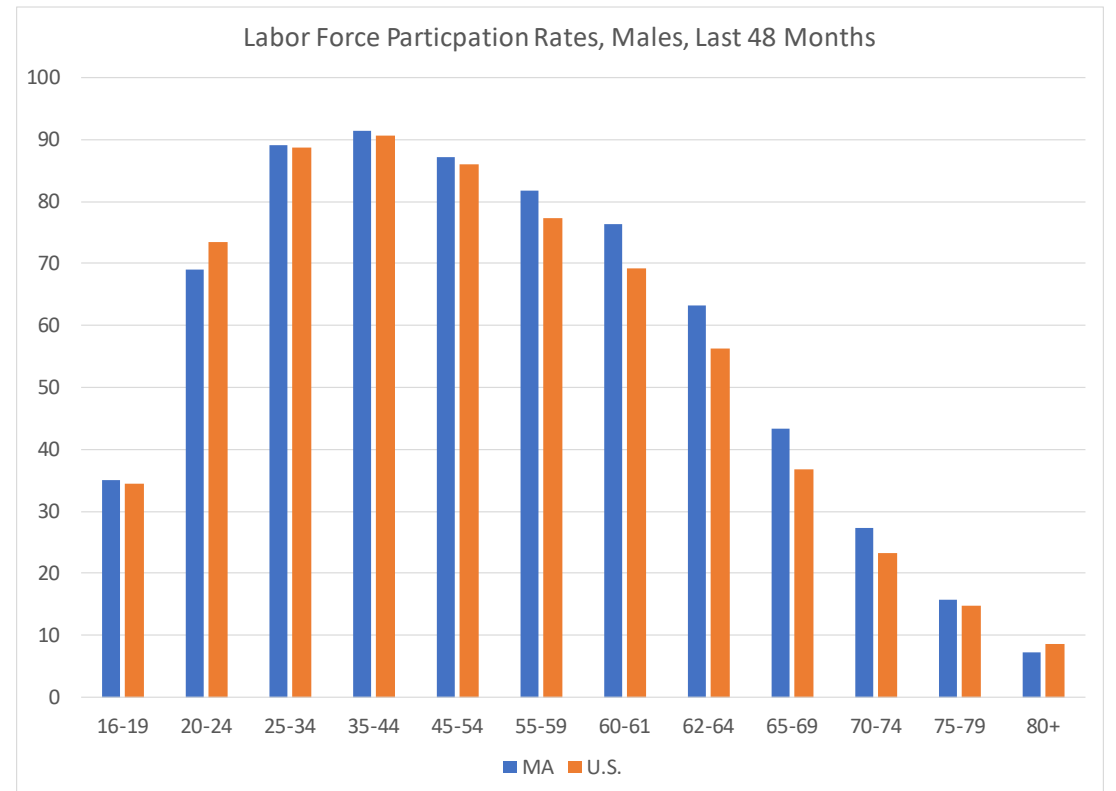
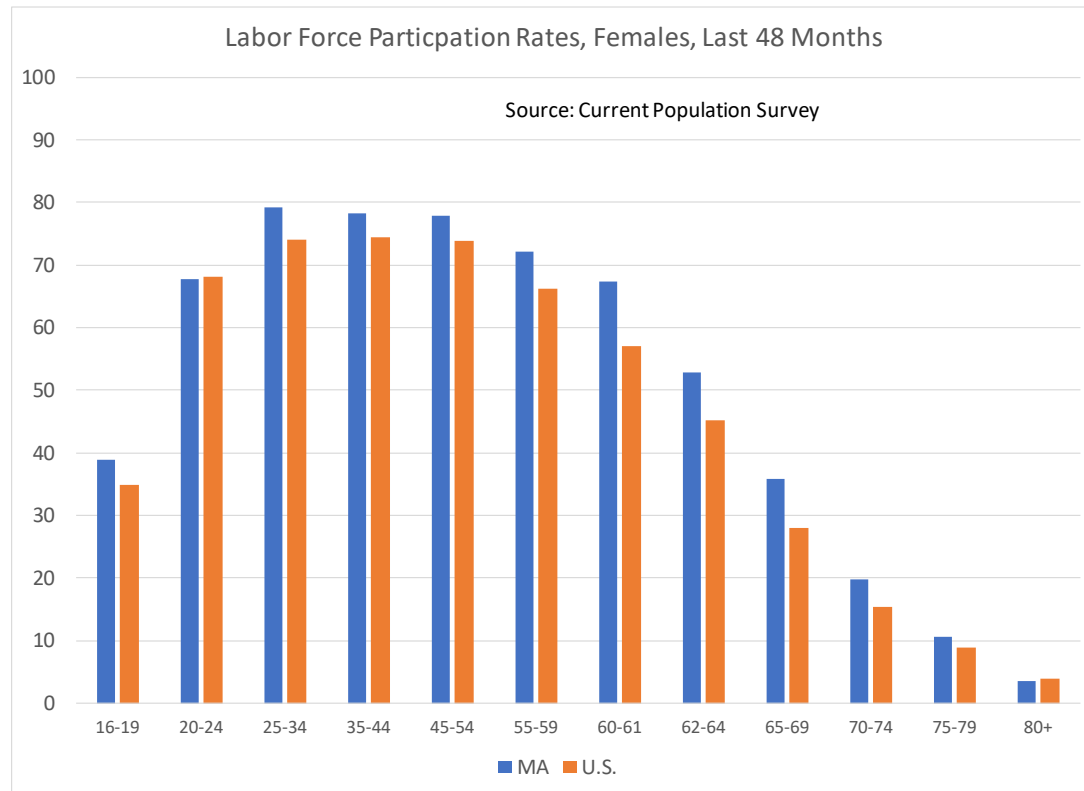
Source: National Center for Health Statistics (NCHS)



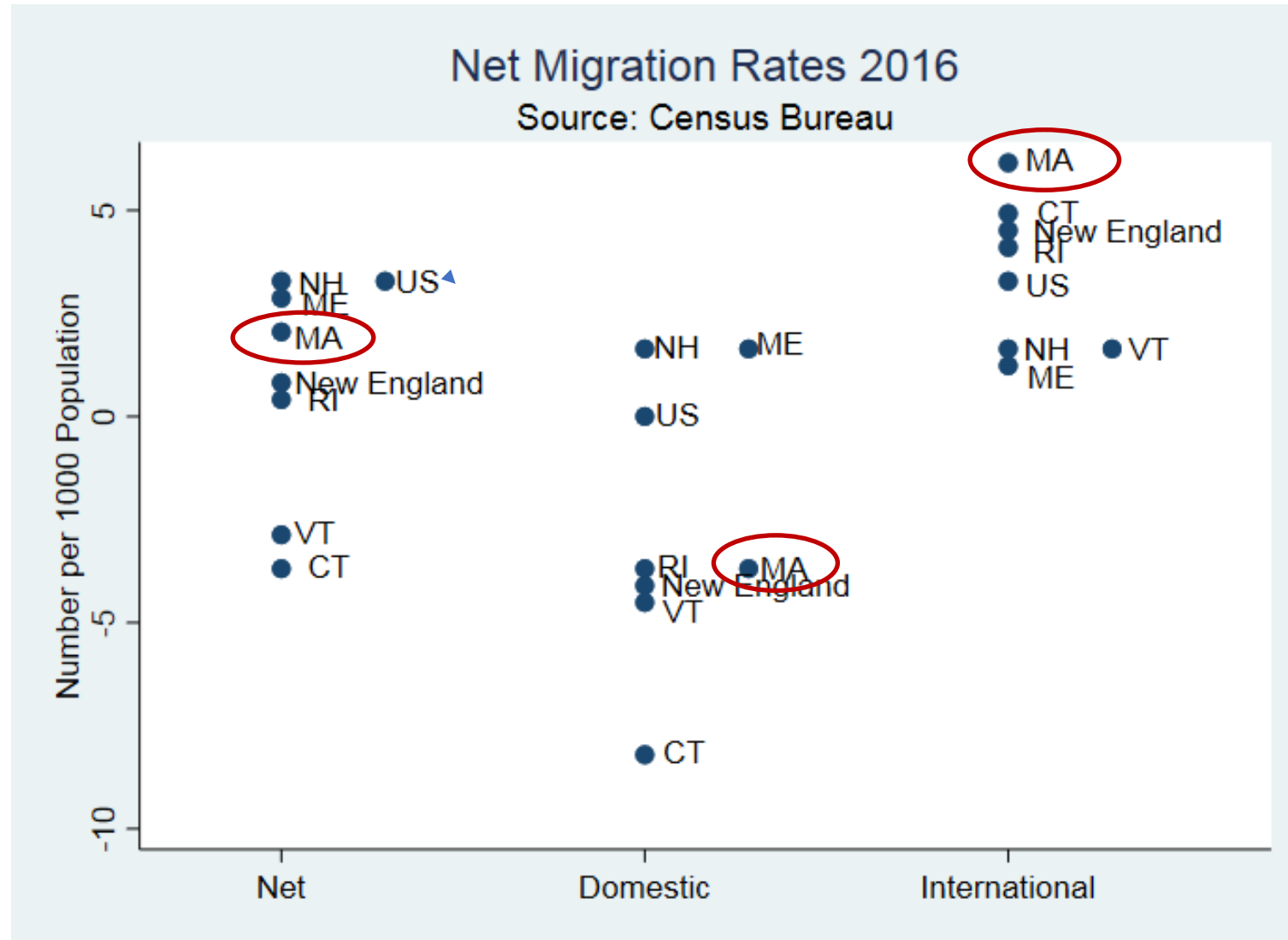
Mortality Rates per 100,000 Population, 2013-15



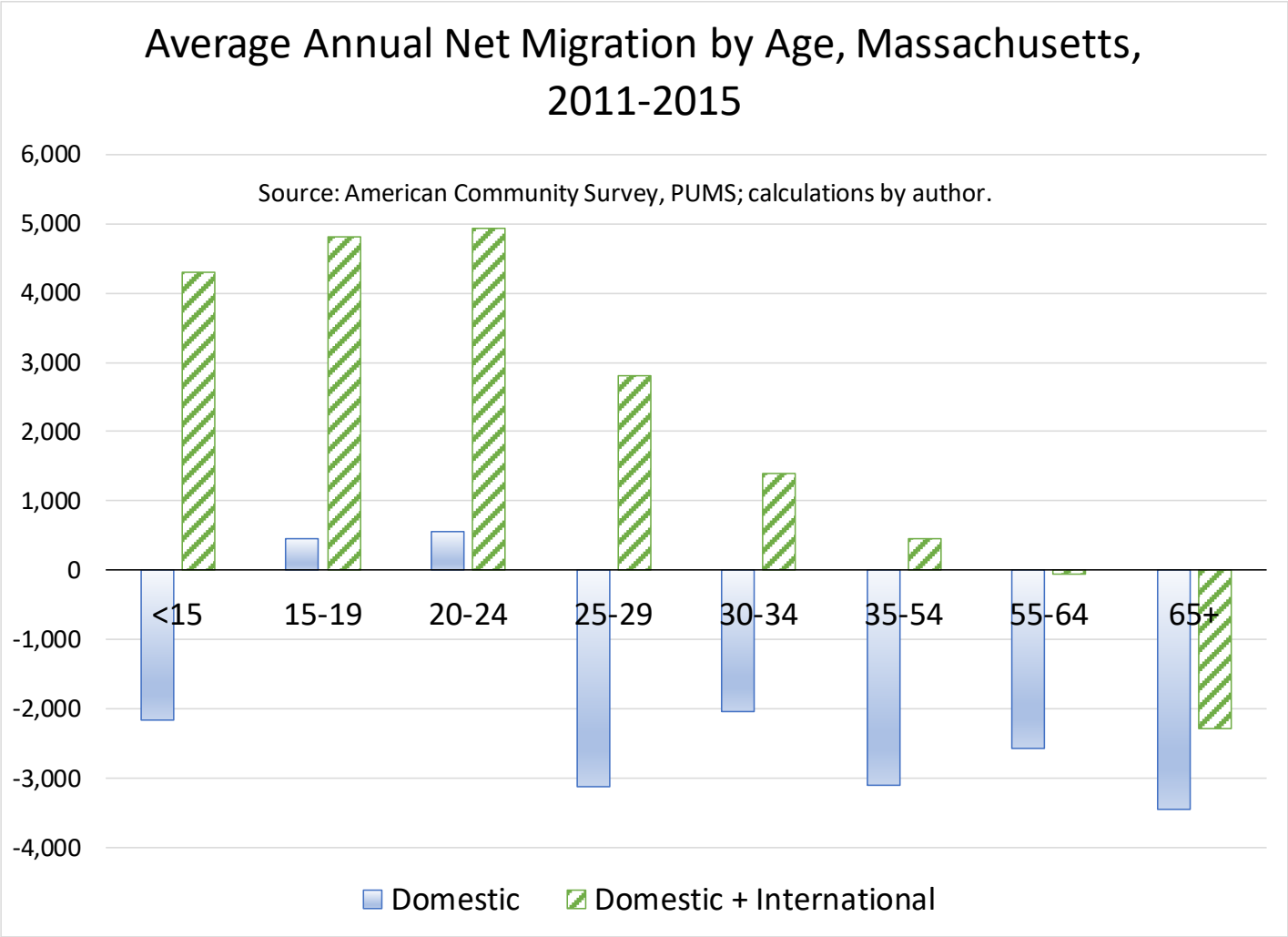
Labor force participation rates are higher in Massachusetts at all age cohorts except for the college-aged.



On net, Massachusetts' population growth is boosted by migration, yet more people leave the state than come to Massachusetts from other states.

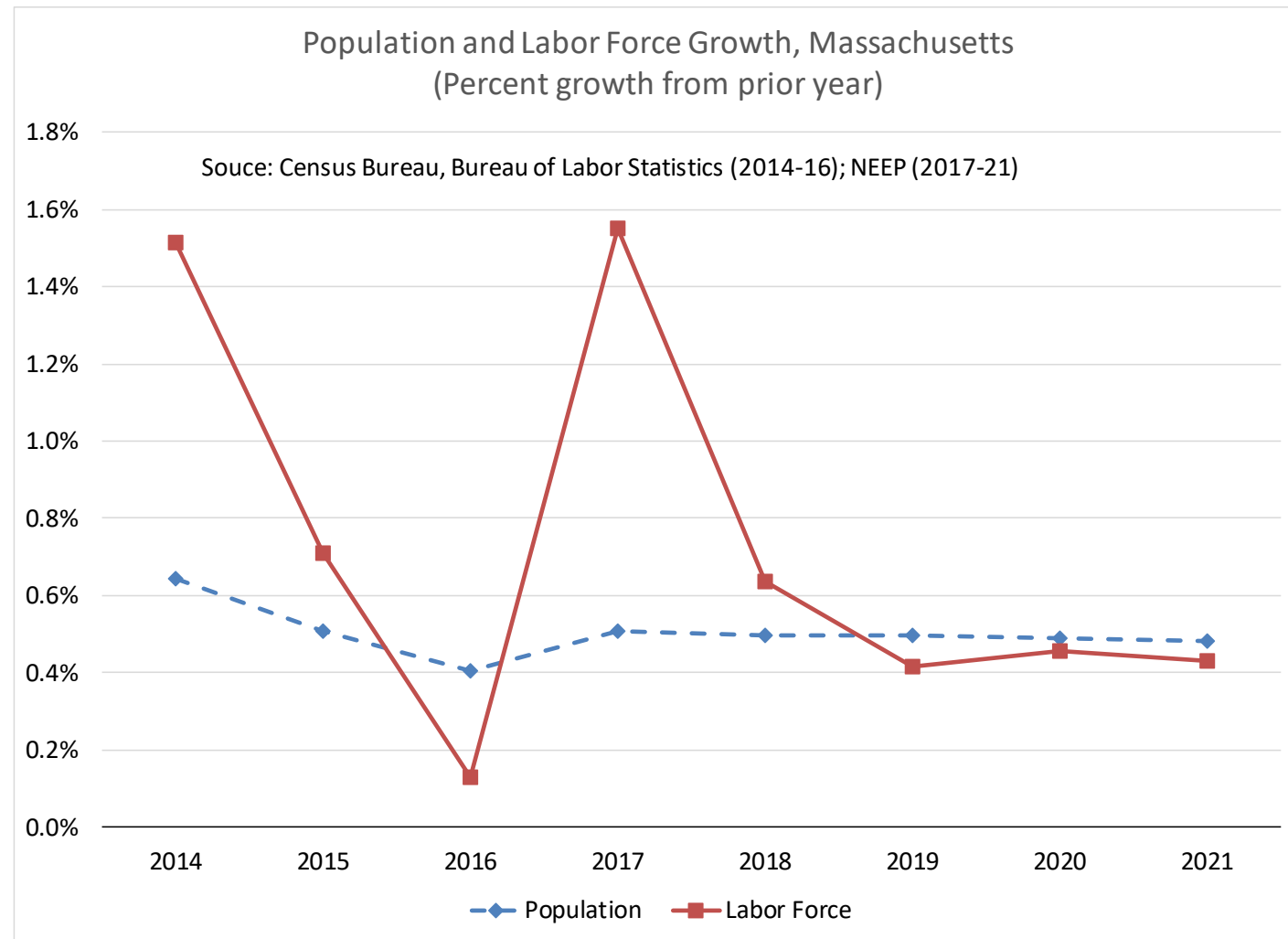


Immigration is key to the state’s future labor force growth.

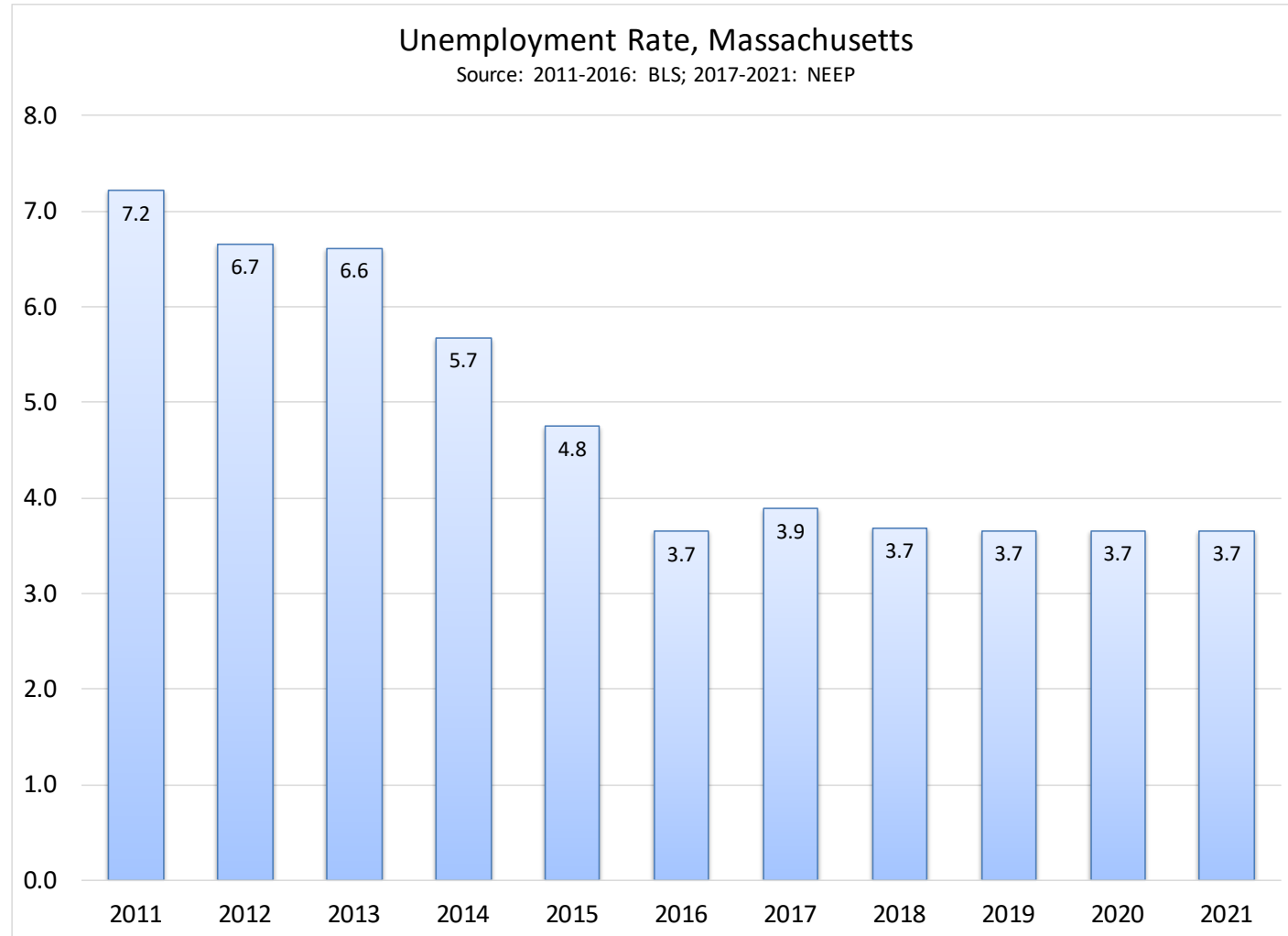


2021

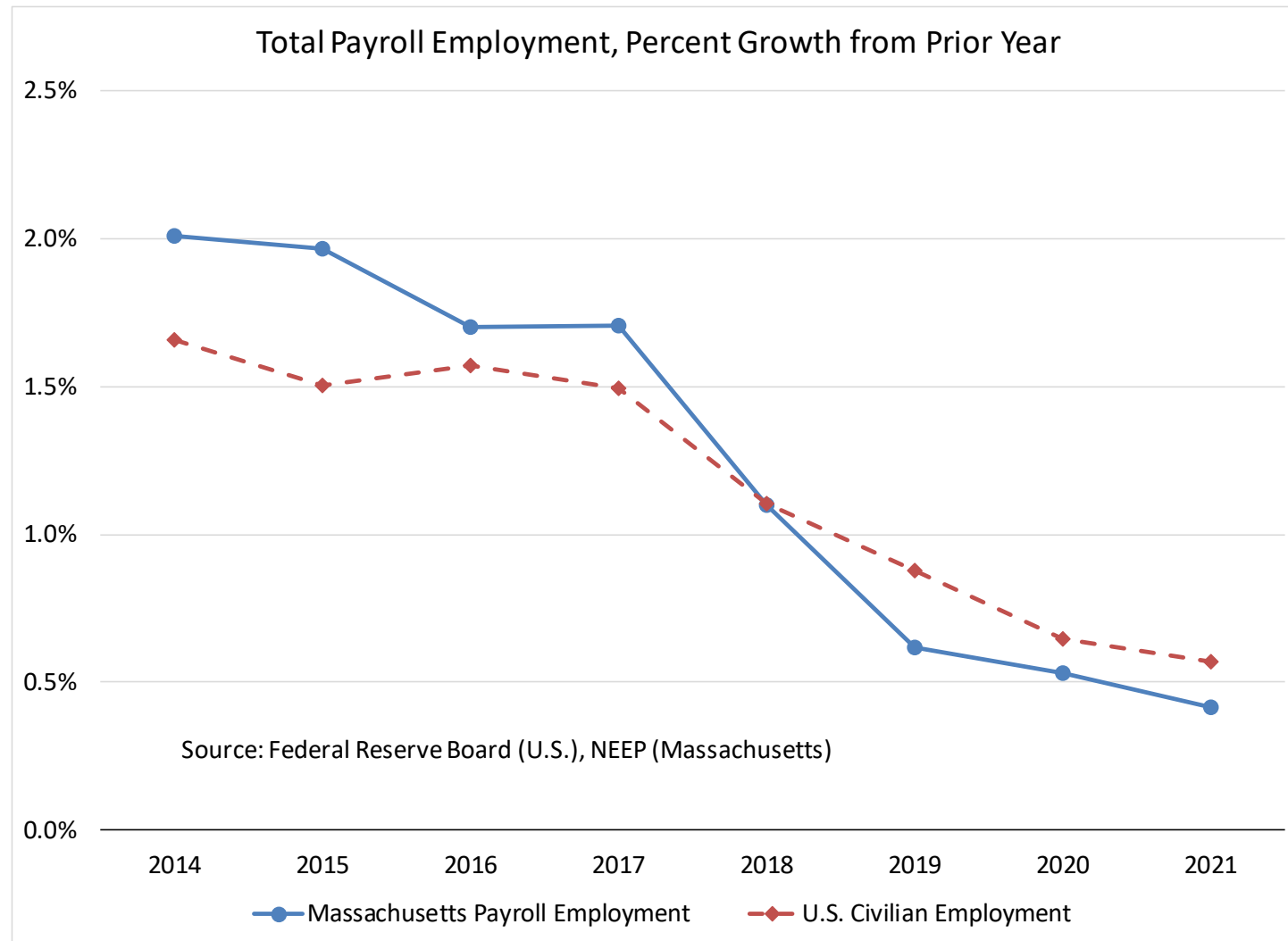
Labor force growth will slow, constrained by an aging population.



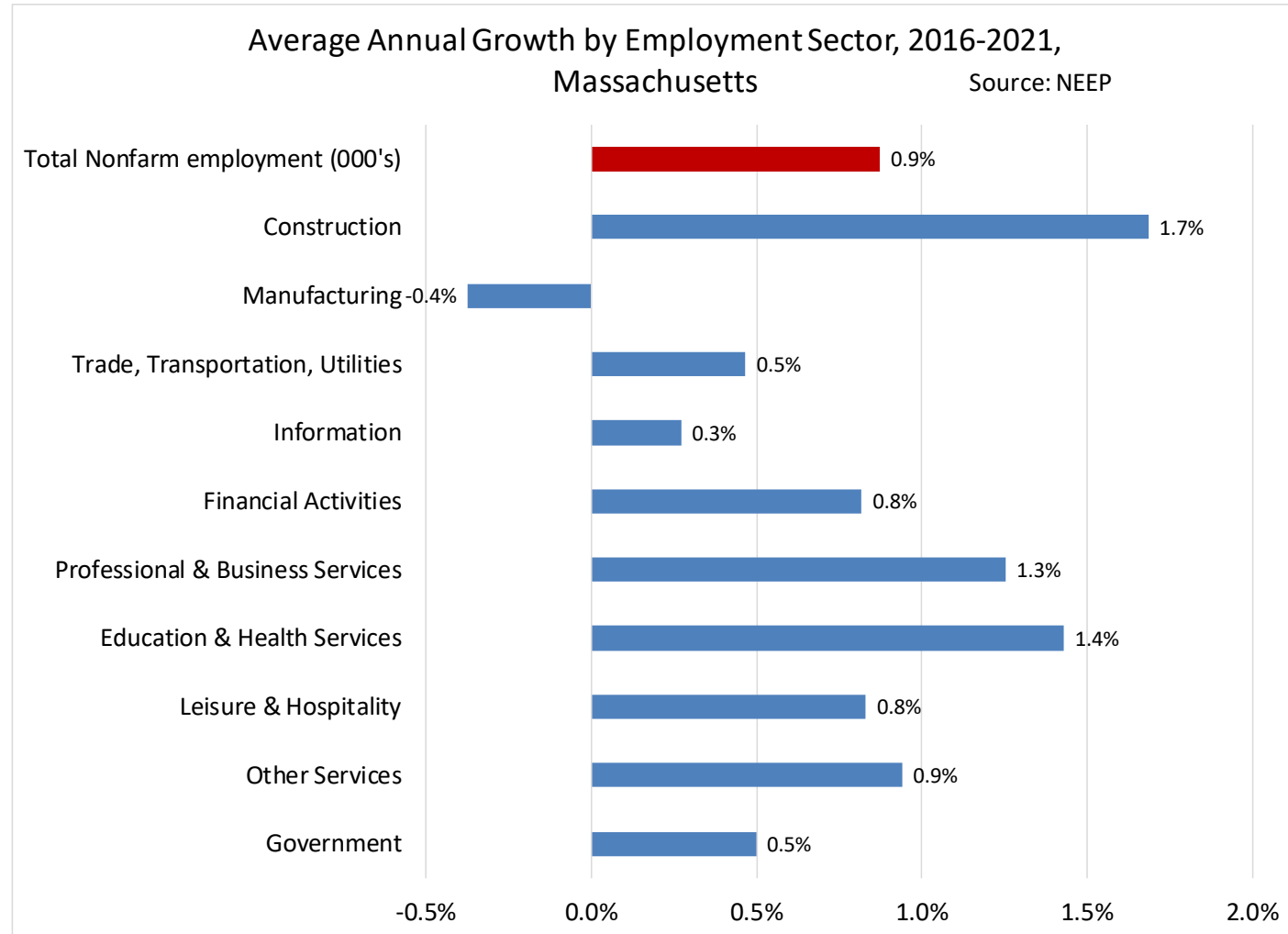
Despite attaining a full-employment economy...



...employment growth will be constrained by the number of available workers.



Construction will be the fastest growing sector, but health services and skilled business sectors will add the most jobs.



Improvements in productivity will enable output and incomes to grow faster than employment.

