



A Talent Agenda to Drive Massachusetts' Competitiveness

FRAMING HOW TO ATTRACT, RETAIN,
DEVELOP, AND DIVERSIFY TALENT

TABLE OF CONTENTS

The Framework	1
Pillar I: Attracting and Retaining Talent	2
Pillar II: Developing Untapped Talent	4
Pillar III: Creating Diverse Talent Pipelines	6
What's Next?	8

The Massachusetts Business Roundtable originally released “A Talent Agenda to Drive Massachusetts’ Competitiveness” in the Fall of 2021 in collaboration with the Center for State Policy Analysis at Tufts University. This latest report is an updated version, integrating new surveyed data, statistics, and recommendations with the intent to serve as a suggested framework by the Roundtable for the new Gubernatorial Administration and 2023–24 legislative session.

The Framework

The secret to Massachusetts' economic success has historically been its ever-growing population of well-trained and highly-educated workers, honed by leading public K-12 schools and world-class colleges and universities. A global epicenter of talent, with over 100 colleges and universities and countless clusters of innovation, Massachusetts incubates a skilled and diverse workforce with a pipeline of potential talent that has inspired employers to grow and do business in the Commonwealth. Yet the COVID-19 pandemic transformed the economic landscape for Massachusetts, the country, and the world—changing the way people work, individuals learn, and the way businesses operate.

For now, many businesses remain committed to Massachusetts for its workforce and innovation. In May of 2022, [a survey of Massachusetts Business Roundtable members](#)—including CEOs and senior executives from large employers statewide—reported 88 percent of surveyed members said their company plans to either maintain, relocate, or expand their presence in Massachusetts over the next 12 to 24 months. A reason? Access to talent.

Recognizing the value of and need for the Commonwealth's talent, the Roundtable developed a framework to drive the state's economic competitiveness by attracting, retaining, developing, and diversifying talent. Massachusetts' historic focus on talent is now complicated by a paradigm shift anchored by where and how people live and work and influenced by the newfound mobility of both people and employers.

Let's consider this framework. Among the most dramatic changes in attracting and retaining talent is the surge in remote and hybrid forms of work. This trend is here to stay. The Roundtable's survey of members also reported 68 percent of surveyed members will use a hybrid work model in the future steady state. That's a dramatic shift from pre-pandemic days, when only 10 percent of employers deviated from the traditional, in-office approach.

Moreover, there is an increased recognition among employers that traditional office workers and businesses can be productive when remote, and early data demonstrates this impact of increased remote options for Massachusetts. See Charts 1, 2, and 3.

For a state economy built on access to talent, trends in migration are a direct threat to attracting and retaining talent—and, therefore, a threat to Massachusetts' long-term competitiveness.

The pandemic also laid bare significant disparities within the economy that continues to persist across the Commonwealth. Thousands of Massachusetts residents lost jobs and remain unemployed or underemployed, with the greatest job losses affecting women and people of color—especially Black and Hispanic workers. Not all residents have the option to work from home. Those with less education, including a disproportionate number of Black and Hispanic workers, are far more tied to strict

TALENT CHANGES

CHART 1

20,500

fewer Massachusetts tax filers in 2020

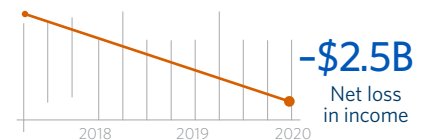
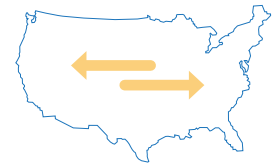


CHART 2

DURING 2019 AND 2020 TAX FILING YEARS



Approximately **8.7 million tax filers**—with more than \$640 billion in reported annual income—**moved their primary residences** to another U.S. county

Source: [Business Journal](#)

CHART 3

The 15 Fastest-Declining U.S. Cities or Towns: July 1, 2020–July 1, 2021

Rank	City/town	Percent decrease	2021 total population
1	San Francisco, CA	-6.3	815,201
2	Lake Charles, LA	-5.0	81,097
3	Revere, MA	-4.0	59,075
4	Urbana, IL		65,638
5	Norfolk, VA		8,467,513
6	Baltimore, MD		69,211
7	Dallas, TX		101,243
8	Honolulu, HI		58,690
9	Riverside, CA		81,643
10	San Jose, CA		102,200
11	Waco, TX		670,050
12	Boston, MA	-2.9	654,776
13	Cupertino, CA	-2.9	58,622
14	South San Francisco, CA	-2.8	64,251
15	Alexandria, VA	-2.8	154,706

Note: Cities or towns with populations of 50,000 or more.

Surrounding regions including Middlesex and Essex Counties also experienced a decline.

Source: U.S. Census Bureau, Vintage 2021 Population Estimates

work schedules without the flexibility of working remotely or from home. Additionally, frontline workers at hospitals and community health centers experienced significant stress, leaving a very strained healthcare system today. But, there is enormous potential for Massachusetts to build on its greatest strength—a talented workforce and labor market—to increase access and opportunity for unemployed and underemployed talent, especially diverse talent, to gain skills for the most in-demand but hard-to-fill middle-skilled roles.

Roundtable members recognize “business will go to where talent is,” and the pandemic provided some proof. Among surveyed Roundtable members, only five percent of employees at Massachusetts-based operations worked out-of-state before the pandemic, but that figure quadrupled to 21 percent during the crisis. Looking ahead, roughly 28 percent of Roundtable members project they will have more than 10 percent of employees working out-of-state in the near future.

We also cannot ignore these early signs. Employers and the state need to work together on policies that make the Commonwealth an inclusive, affordable, and competitive place for workers, residents, and businesses to call home. Considered together, we need to ensure Massachusetts leads a talent agenda guided by opportunity, equity, and competitiveness across three key pillars: 1) Attracting and Retaining Talent, 2) Developing Untapped Talent, and 3) Creating Diverse Talent Pipelines.

PILLAR I: Attracting and Retaining Talent

Access to talent is a top reason why employers choose to stay, relocate, or expand within Massachusetts. Earlier this year, 88 percent of surveyed Roundtable members expressed plans to stay, relocate, or expand in Massachusetts, citing access to talent as a key reason. But, the rise of remote work and the increased mobility of workers puts Massachusetts in jeopardy of losing its talent—a major asset for employers with a footprint in the state—unless policymakers and stakeholders including the business community support strategic planning and infrastructure investments in areas such as housing, transportation, and early childhood education that encourage talent to live, work, play, and innovate in Massachusetts.

There are other considerations people use in making location decisions that also deserve attention. Employers report that the state’s social, racial, and political environment play a role in recruitment and retention of talent. Additionally, people are drawn to vibrant communities with restaurants, cultural hubs, ample green space, and more. Investments within a community will lure talent locally and, thereby, make it more attractive for companies to hire locally.

During the 2021-22 legislative session, the Massachusetts legislature allocated significant funding through the first phase of American Rescue Plan Act (ARPA) funds. Leveraging existing and remaining ARPA funds combined with historic state revenue surpluses, budget funding, and capital dollars will help attract and retain people—the state’s workforce—to stay or relocate in Massachusetts.

The Roundtable recommends focusing investment, policy, and strategies on opportunities that will best position the Commonwealth to attract and retain talent statewide. Recommendations include:

1. **HOUSING: Increase affordability and production of housing, with a focus on homeownership and wealth building**

Among the biggest concerns for workers weighing whether to stay in Massachusetts—or relocate here—is the high cost of housing. In Greater Boston, the typical single family home costs upwards of \$600,000—making Massachusetts the 10th most expensive housing market in the country. According to a 2022 report from The Boston Foundation, Massachusetts also has the highest rents in the country.

The pathway to homeownership is especially limited for people of color. Nearly half of Black and Hispanic families in Massachusetts are considered cost-burdened—meaning that housing costs eat up at least 30 percent of their pre-tax incomes. Housing costs of that scale tend to drain household budgets and blunt the ability to build wealth.

RECOMMENDATION: Increasing homeownership and wealth building, especially among people of color, will require fresh policy approaches that should center on three priorities: 1) increasing housing production; 2) reducing regulatory barriers; and 3) easing the path to homeownership.

2. TRANSPORTATION: Invest in transportation infrastructure

The rise of remote and hybrid work models has led to new commuting patterns for students, workers, and jobseekers in Massachusetts.

RECOMMENDATION: Given the change in where and how people work and a new definition of “commuting,” investing in transportation infrastructure should focus on the following areas: 1) providing transit access to areas with less expensive and more available housing options including the 26 Gateway Cities across Massachusetts; 2) prioritizing the expenditure of funds to improve access, reduce costs, and ease commutes; and 3) supporting transportation agency capacity and governance to maximize efficiency, administer existing projects, and engage in comprehensive planning to meet the paradigm shift in the future of work and how commuting is defined.

3. BROADBAND: Complete outstanding investments in broadband infrastructure

Changed work models including increased remote and hybrid options combined with the acceleration of technology during the pandemic proved that broadband is an essential service for students, workers, and jobseekers in Massachusetts. Yet, communities across the Commonwealth—especially in Western Massachusetts—lack access.

RECOMMENDATION: The Commonwealth in partnership with service providers must ensure all communities and households have access to quality and secure broadband.

4. CAREGIVERS: Support workers through increased access to childcare, other caregiving needs, and mental health services

Employers recognize that their employees are navigating new and complex hybrid-work arrangements, balancing caregiving needs, and experiencing other pandemic-related stress and other needs uncovered during the pandemic. Employers are implementing ways to support the mental health, childcare, and other caregiving needs of their employees by providing new mental health, childcare, and caregiving supports, connecting employees to resources, subsidizing costs and offering the flexibility necessary to care for children, loved ones, and themselves.

RECOMMENDATION: Recognizing work supports are critical to attract and retain talent, public policy priorities should include: 1) monitoring the implementation of the Mental Health ABC Act 2.0 passed at the end of the 2021-22 legislative session with a focus on increasing capacity for providers in the mental health system and continuing to focus on the mental health of children; 2) implementing recommendations proposed by the Special Legislative Early Education and Care Economic Review Commission; and 3) partnering with the Massachusetts Business Coalition for Early Childhood Education to determine effective strategies for employers to support child care needs of employees.

5. TAX ENVIRONMENT: Promote a competitive tax and regulatory environment

As people and employers' increase mobility, it is imperative that the state invests in areas to attract and retain talent in the region including a tax environment to reduce the risk of losing talent. According to the 2022 CNBC Competitiveness Rankings,

Massachusetts is ranked 49th in cost of doing business and 47th in cost of living. Tax policies impact residents, workers, small businesses, and larger employers, and regulations contribute to the cost of doing business in Massachusetts. Therefore, tax and regulatory policy must be a key consideration in the state's short and long term competitiveness strategy to improve the state's attractiveness for both employers and employees, particularly in the wake of the passage of the constitutional amendment to increase taxes on income over \$1 million. Affordability to live and do business in Massachusetts increasingly influences whether employees want to reside, and employers want to do business in the Commonwealth.

RECOMMENDATION: The Roundtable will continue to advocate for tax policy and regulatory reforms that will improve the Massachusetts business climate. The Roundtable will prioritize policies that support a competitive business climate while also providing much needed tax relief to some of our most vulnerable residents. Massachusetts' competitiveness relies on being a state where businesses want to locate and individuals and families want to live and work.

PILLAR II: Developing Untapped Talent

Finding talent, and particularly diverse talent, is a top need among employers statewide and across industries. This need existed prior to the pandemic but has been exacerbated as many employers ask: "Where did all the jobseekers go?"

As employers, workforce practitioners, and training providers tackle this question, the Commonwealth is also faced with a challenge today and in the coming years: By 2030, the Commonwealth will need to reskill or upskill 30,000 to 40,000 workers per year—approximately double the current rate of job training and a dramatic increase for the state's workforce training system. It is therefore imperative to connect jobseekers today to meaningful career paths that will yield greater economic mobility among the unemployed and underemployed and strengthen the state's pipeline of future workers employers require to successfully do business. The need is particularly acute in longstanding industries struggling to find talent, such as health care and financial services, as well as emerging, high growth industries like clean energy including offshore wind.

In the short-term, many employers are expanding their outreach to talent sources, reimagining job requirements, updating job descriptions, and accepting industry-recognized credentials as a pathway to career. These short-term strategies will lead to results that will benefit employers in both the short and long-term. In addition to these new approaches that employers can enact today, long-term strategies will strengthen the talent pool and pipeline for employers in Massachusetts.

The Roundtable proudly partners with the Workforce Solutions Group to advance job quality and an equitable workforce development system in the state. Additionally, initiatives continue to spotlight effective talent development strategies. For example, the Roundtable partnered with the Greater Boston Chamber of Commerce and Accenture in early 2022 to launch the Massachusetts Apprenticeship Network that is building a community of employers and other collaborators to increase adoption of apprenticeship with the goal of hiring 1,000 apprentices by 2027. The Roundtable is also involved in the Alliance for Vocational Technical Education focused on increasing access, especially for students in Gateway Cities, through Chapter 74 to in-demand vocational technical schools in Massachusetts. The Roundtable is also a part of the newly established Student Pathways to Success Coalition and the Massachusetts Alliance for Early College—both focused on strategies to strengthen the pipeline of future talent in partnership with K-12 public schools, the business community, and other stakeholders.

In addition to steps the private sector and other partners must take to bridge the talent gap, the Roundtable recommends the Commonwealth double-down on both public policy improvements and workforce system improvements to support talent development today and in the future. Recommendations include:

1. TRAINING: Allocate the \$240 million in available workforce training

Talent is consistently a top priority among Roundtable members and widespread across the Massachusetts business community. Despite a 3.4 percent state unemployment rate (as of October 2022), employers often ask: where are all of the jobseekers? As the Commonwealth invests in strategies that will attract talent to Massachusetts and retain talent already in the state, it must also act swiftly to fund effective, scalable opportunities to train unemployed and underemployed job seekers and disconnected workers in the labor market. In doing so, Massachusetts will accelerate its bench of untapped talent that can become skilled or reskilled to fill in-demand, middle skilled roles especially in tech, health care, advanced manufacturing, financial services, and other industries.

RECOMMENDATION: Commonwealth Corporation has access to spend more than \$200 million over the next two years, primarily through the Workforce Competitiveness Trust Fund and the Workforce Training Fund—two mechanisms dedicated, respectively, to 1) train unemployed and underemployed and 2) upskill or retrain incumbent workers. Allocating these funds effectively and efficiently will be key, especially in partnership with regional workforce boards, employers in need of employment and upskilling talent, and training providers with expertise in industry-recognized credentials and industry workforce needs.

2. WORK SUPPORT: Prioritize “work supports” to reduce barriers to enter and complete job training

As part of the Workforce Solutions Group, the Roundtable recognizes for Massachusetts to compete all workers and jobseekers must have access and opportunity to be competitive in the labor market. Resources like childcare and early education, English for Speakers of Other Languages (ESOL) training, transportation, and more help to ensure people can enter and successfully complete training programs.

RECOMMENDATION: Massachusetts must implement policies and programs to make access to “work support” resources readily available for workers and jobseekers. By leveraging available, flexible workforce funding, training programs should have access for funding to address transportation, housing, food security, childcare, ESOL training, financial and career coaching, technology, and more to access, enroll, and complete training.

3. EDUCATION: Increase investment and access to K-12 school-to-career connecting activities and STEM education

The use of technology accelerated how people live, work, play, innovate, and learn globally during the pandemic. Some school communities were more advanced than others prior to the pandemic; nevertheless, the disruption K-12 students experienced in 2020 and 2021 has dramatically impacted student learning and education. In October 2022, the National Assessment of Educational Progress (NAEP) scores unveiled Massachusetts students hit a 19-year low on national reading and math exams. The NAEP scores are considered a “gold standard” for student assessments nationally, sampling 4th and 8th grade students. For Massachusetts, scores were on the decline since 2017 and scores further plummeted due to the pandemic; review of scores over the past five years should send an alarm for educators, parents, students, employers, and the Commonwealth. Just as increased mobility of talent is a threat to the Commonwealth’s workforce today, the disruption in education and lack of technology many schools experience today is a threat to the development of Massachusetts’ future talent.

RECOMMENDATION: Increased private sector partnership through initiatives like Early College and enhanced access to vocational technical education is part of the recipe needed to position students today for success in the future. Additionally, the Commonwealth needs to increase access for all K-12 students and schools to school-to-career connecting activities and STEM education that provides real-world applications in the classroom and beyond.

PILLAR III: Creating Diverse Talent Pipelines

Massachusetts employers, government, workforce training providers, and more must continue its commitment to creating diverse talent pipelines in regions across the Commonwealth. This effort stands as the third pillar of the Roundtable's Talent Agenda, but investing in talent diversity must go hand-in-hand with the first two pillars focused on attracting, retaining, and developing talent. Roundtable members believe it is a moral and business imperative for Massachusetts to be intentional in increasing diversity, equity, and inclusion (DEI) in the workplace and local communities. Within workplaces, over 90 percent of Roundtable members in 2021 planned to increase their focus on DEI, with particular attention to recruit and support diverse workers. While employers may be well-intentioned, state public policies and investments need to consider workforce development strategies that will also drive greater opportunity and equity in our education and workforce system, and in turn, better prepare diverse talent to pursue meaningful careers in Massachusetts.

From real estate and accounting to tech and the life sciences, Massachusetts-based employers are challenged by the desire to hire diverse talent yet limited by the pool of applicants. For their part, employers must engage with collaborative organizations that help to educate, train, and prepare diverse talent for the workforce, advance diverse talent already in the workforce, and reach women and people of color disproportionately forced to leave the workforce during the pandemic. Additionally, employers must foster a workplace culture that emphasizes belonging and inclusion for underrepresented talent including people of color, women, individuals with disabilities, LGBTQ, veterans, and more.

As employers continue to advance DEI strategies within the workplace, there are recommendations the Commonwealth should consider to improve DEI within the state's talent pipeline and workforce system. These policies, taken together with the those outlined in Pillar I and Pillar II will advance the shared commitment of the state and employers to develop and support a diverse workforce.

1. **DIVERSITY: Connect employers with rising talent from Minority Serving Institutions (MSI) for in demand jobs**

In Massachusetts, there are 30 federally designated Minority Serving Institutions statewide—many of which include state universities and community colleges. Yet, far too often employers look outside of Massachusetts and New England to build partnerships with institutions that serve a majority diverse population. Building on the success of Roundtable members including the Benjamin Franklin Cummings Institute of Technology and UMass Boston—two of the 30 institutions—the Roundtable is exploring strategies to convene and bridge connections between MSIs and employers, especially to increase recruitment opportunities for early career roles within organizations seeking talent and dedicated to enhancing diversity, equity, inclusion, and belonging strategies within the workplace.

RECOMMENDATION: The Roundtable in partnership with conveners of higher education institutions including the Department of Higher Education is interested in bringing together Minority Serving Institutions to identify individual strengths and connect these strengths and rising talent to employers, seeking diverse talent with an inclusive, welcoming workforce culture and community. A partnership can yield increased outcomes to support job placement opportunities for diverse talent, with the vast majority of Massachusetts-based Minority Serving Institutions educating students of color from Massachusetts.

2. EXPANDING TALENT POOL: Expand career opportunities for immigrant professionals with international credentials

Massachusetts has the eighth largest population of immigrants nationally with approximately 16 percent of the state's population as foreign-born. With nearly 70 percent of a workforce participation rate, immigrants contribute significantly to the state's economic activity. However, 30 percent of immigrants are not in the workforce and experience barriers to employment. A subset of the immigrant labor market includes immigrant professionals with international credentials who are blocked from full participation in the workforce with challenges including English as a second language, the lack of US-based work experience, and further barriers.

Through its research, the Roundtable has been introduced to programs like Bunker Hill Community College's Welcome Back Center and the African Bridge Network—resources that work directly with immigrant professionals with international credentials seeking to overcome barriers to employment in Massachusetts and the United States. For example, the African Bridge Network partnered with the City of Boston and leading hospitals including Beth Israel Lahey Health, Boston Children's Hospital, Massachusetts General Hospital, and Boston Medical Center to hire a cohort of immigrant professionals with credentials from their home countries. Today, graduates of the first cohort are working in clinical research and program coordinator roles and the current cohort of students are gaining work experience to land roles as research administrators. Thanks to the African Bridge Network's program, jobseekers gained three months of US-based employment at these Massachusetts hospitals, lifting a barrier many of these jobseekers previously encountered. Today, these workers are now employed full-time—the majority hired by a partnering hospital.

RECOMMENDATION: The Commonwealth needs to identify programs like the above-mentioned, collaborate with such programs to strengthen working models, and develop funding plans to create scale and sustainability. In doing so, Massachusetts will leverage a growing pipeline of skilled talent in industries yearning for workers especially in-demand fields with industry requirements or credentials.

3. REFORM: Work with federal partners on immigration reform

While the Roundtable is advocating for state level policy interventions to address workforce shortages and create diverse talent pipelines, federal immigration reform is essential to meeting the state's current and future workforce needs. A report by MassINC projects a 10 percent decrease in the number of skilled workers in Massachusetts by the year 2030. That comes after a four-decade run of 25 percent increases in workers with degrees. One key factor is that international immigration has slowed since 2016, according to MassINC.

RECOMMENDATION: Moving forward, the Roundtable will incorporate immigration policy in its agenda by working with the state's federal delegation and the national Business Roundtable to advocate for federal immigration reform that welcomes immigrants and enables businesses to grow and compete and our economy to thrive. In addition, the Roundtable recommends that the next Administration also collaborate with federal partners to bring greater attention to immigration reform as a means for Massachusetts—and the country—to remain a globally competitive and welcoming community.

What's Next?

A focus on talent attraction, retention, development, and diversity will further position Massachusetts to build on its economic advantages and expand opportunities for those too often left behind. Businesses will require creativity and willingness to experiment with new approaches and government must commit to policy recommendations that will ensure the state's talent remains a competitive advantage for the Commonwealth and employers.

As the future of work continues to evolve, the need to invest in the Commonwealth's talent and future talent will only expand. In order to yield the greatest results and drive meaningful opportunity, equity, and competitiveness statewide, the Commonwealth must take a holistic approach in recognizing the multitude of connections across state investments, policies, and strategies that will effectively attract, retain, develop, and diversify talent in Massachusetts.

The Roundtable's recommendations provide a framework designed to ensure that talent remains in Massachusetts and grows in Massachusetts. The Roundtable stands ready to be a resource to the new Administration, Legislature, and other key stakeholders on this important topic. By investing in talent—the Commonwealth's strongest asset—Massachusetts will remain a thriving place to live, work, play, and innovate.



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About the Massachusetts Business Roundtable

The Massachusetts Business Roundtable is a member-driven non-profit organization focused on advancing public policy solutions to promote economic opportunity, competitiveness, and prosperity for employers and employees to live, work, and play statewide. The Roundtable's Board of Directors is comprised of over 90 CEOs, C-Suite executives, and senior executives representing mostly large employers across Massachusetts and from a range of industries.

To learn more about the Roundtable, visit www.maroundtable.com.

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