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Massachusetts' Minority Serving Institutions Poised to Play Critical Role in Increasing Workforce Diversity and Stemming Workforce Shortages

New report outlines strategic approach to support MSI's, offers recommendations for policymakers to equitably address workforce challenges and advance economic opportunity

BOSTON, MA (November 30, 2023) – As Massachusetts faces labor shortages and communities of color continue to face many barriers to entering emerging and growing industries, a new report is detailing the role Minority Serving Institutions (MSIs) are poised to play in supporting the state's economic and diversity goals. This report, [*How to Capitalize on Minority Serving Institutions*](#), by the Massachusetts Taxpayers Foundation with the support of the Massachusetts Business Roundtable, provides policymakers with a better understanding of what MSIs are and offers recommendations for how Massachusetts can better use these critical institutions to strengthen workforce diversity as well as meet its current and future labor force needs. The report builds on the efforts of both organizations to address talent and workforce issues, a key element of the state's competitiveness.

Based on current federal standards, Massachusetts is home to 12 MSIs, consisting of 9 public and 3 private institutions; and they play an important role in addressing the state's labor shortages as well as promoting workforce diversity and equitable economic opportunities. These schools provide crucial support to diverse and underrepresented student populations, including low-income, first-generation, and non-traditional students.

Massachusetts' MSIs play a huge part in workforce diversity because they serve a significantly higher proportion of low-income students of color compared to non-MSI colleges and universities. In FY 2021, 53 percent of students attending an MSI in the state were diverse, as opposed to 38 percent in non-MSI community colleges and 28 percent in state universities. Moreover, 27 percent of all undergraduate students at Massachusetts' MSIs were receiving Pell Grants.

"One of the main challenges our MSIs face is the lack of coordinated support at the state level," says Doug Howgate, President of the Massachusetts Taxpayers Foundation. "Unlike public K-12 education, state funding for public higher education does not account for student demographics or student need. Crafting a strategy to support MSIs – both public and private – and their students will generate a major return on investment for an economy that needs a stronger workforce pipeline."

To leverage the full potential of MSIs in Massachusetts and enhance workforce diversity, the report recommends:

- Establishing a clear definition of MSIs in Massachusetts.
- Rethinking the funding model for higher education to take into account student demographics and provide direct support for MSIs.
- Adjusting existing higher education and workforce programs to prioritize MSIs.
- Coordinating connections between employers, associations and MSIs to expand a diverse talent pipeline in growing sectors.

Table 6. Enrollment Demographics of Higher Education Institutions in MA

	All Students	Diverse Students*	% Diverse	% Pell Recipients (UG, FTE)	% Part-time (UG)
MSIs (All)	86,895	46,015	53.0%	27%	58%
<i>MSIs (CC, State, UMass)</i>	81,106	41,568	51.3%	27%	57.1%
<i>MSI Community Colleges</i>	45,962	25,801	56.1%	26%	73.8%
<i>MSI State Universities</i>	0	0	0.0%	0.0%	0.0%
<i>MSI UMass</i>	35,144	15,767	44.9%	29%	30.8%
<i>MSI Private</i>	5,789	4,443	76.7%	24%	77.4%
Community Colleges (non-MSI)	41,615	15,739	37.8%	25%	69.1%
State Universities (non-MSI)	54,584	15,255	27.9%	28%	28.1%
UMass (Non-MSI)	40,055	12,622	31.5%	21%	17.6%

*Total does not include non-responses

These measures will help foster a more diverse talent pipeline and address the challenges faced by MSIs in the state. They also offer a coordinated strategy to address employers' dire need for workers and explore ways to better use technology and existing coalitions to facilitate employer-MSI partnerships. "As Massachusetts addresses its talent shortage, there are many untapped talent sources already here in the Commonwealth. We need to break down the barriers that prevent them from fully participating in the workforce and intentionally connect them to job opportunities. The Roundtable is grateful for the excellent work of MTF in so thoroughly uncovering the potential of MSIs and their students and making recommendations that both address the state's talent shortage while simultaneously diversifying the talent pipeline," said JD Chesloff, President and CEO of the Massachusetts Business Roundtable.

"As a minority-serving institution focused on preparing untapped talent for fulfilling tech and trade careers, we work directly with industry partners to align our programs with the immediate workforce needs of employers that are demanding skilled, diverse employees," said Dr. Aisha Francis, president & CEO of Franklin Cummings Tech. "My hope is that this report will contribute to an increased awareness of our role in expanding the workforce, combined with more public and private funding specifically for MSIs because of our outsized impact producing diverse graduates to fill in-demand roles that power the Commonwealth's economy."

Massachusetts is facing critical challenges of a workforce shortage and racial inequities within its labor force, limiting its economic potential and exacerbating racial wealth inequities. Connecting diverse populations to in-demand jobs is essential for both moral and economic reasons. Minority Serving Institutions are well-equipped to enhance workforce diversity and address hiring needs but face resource constraints. The state has an opportunity to support MSIs by clearly identifying them, targeting support, and improving connections with employers, ultimately fostering greater workforce readiness and economic opportunity for all.

About Massachusetts Taxpayers Foundation

Founded in 1932, the [Massachusetts Taxpayers Foundation \(MTF\)](#) is widely recognized as the state's premier public policy organization dealing with state and local fiscal, tax, and economic policies. MTF's record of high-quality research and non-partisan analysis has earned the organization broad credibility on Beacon Hill and across the Commonwealth. Our mission is to provide accurate, unbiased research with balanced, thoughtful recommendations that strengthen the state's finances and economy to foster the long-term well-being of the Commonwealth. Over the course of nine decades, MTF has played an instrumental role in achieving major reforms and promoting sound public policy in state government. In the past ten years, MTF has won sixteen prestigious national awards from the Governmental Research Association for our work on a wide array of topics. Our unique credibility has allowed us to have a significant impact on a wide range of issues - from health care, business costs and transportation funding to tax competitiveness, capital investments and state and local finances.

About Massachusetts Business Roundtable

The Massachusetts Business Roundtable is a public policy organization comprised of Chief Executive Officers and Senior Executives from some of the state's largest employers representing over 250,000 Massachusetts employees. The mission of the Roundtable is to make Massachusetts the most desirable place to live, work, and do business by engaging private sector executives and public leaders to ensure access to a robust, diverse, and talented workforce that enhances the Commonwealth's competitiveness in a global economy. For more information about the Roundtable, visit maroundtable.com. For the latest updates and news on the Roundtable, follow @MABizRoundtable on Twitter.