



For Immediate Release

Rising Uncertainty Emerges as Top Concern for Massachusetts Employers, Who Point to Affordability, AI and Talent as Key Competitiveness Levers

New survey finds employers remain committed to the Bay State but are limiting in-state expansion as growing uncertainty compounds talent challenges

Boston, MA — June 23, 2026 — A new statewide survey of Massachusetts employers finds that rising uncertainty has surpassed affordability as the leading concern facing businesses in the Commonwealth. While employers remain committed to Massachusetts, many are taking a more cautious approach to in-state expansion and increasingly view improving housing and broader affordability, enhancing AI-driven productivity gains, and developing a strong talent ecosystem as critical levers to sustaining competitiveness.

The findings come from the 2026 Massachusetts Talent and Competitiveness Survey, conducted by McKinsey & Company in collaboration with the Massachusetts Business Roundtable. Now in its sixth year, the survey tracks employer sentiment and emerging business trends, with input from more than 50 of the Commonwealth's leading employers.

Key Findings

1. Employers continue to believe in Massachusetts' strengths but have limited plans for in-state expansion. Massachusetts employers remain committed to the state, citing its world-class talent and innovation ecosystem. However, only 13% of employers plan to expand their Massachusetts presence over the next year, while nearly one-quarter (24%) expect to add roles outside the state. More than half (56%) anticipate no change to their Massachusetts footprint.

2. Affordability remains a primary competitiveness challenge and continues to impact talent attraction and retention. Employers overwhelmingly (80%) identify housing affordability as the single greatest lever for improving Massachusetts' competitiveness, though transportation, healthcare, reduced taxes, and energy also stand out (~30 percent each). Additionally, 40-45% of employers report difficulty attracting and finding candidates,

while approximately 70% have increased employee compensation to offset affordability pressures.

3. Economic, federal, and geopolitical uncertainty has become employers' top concern. Inflation and operating cost pressures (74% of respondents) and changes in federal policy (74%) now rank as the most significant issues facing employers, surpassing affordability concerns, which consistently ranked highest in previous years. More than 90% of employers expect inflation and federal policy changes to negatively impact the Massachusetts economy over the next year and are particularly emphasizing cost management (59%) and AI investment (52%) in response.

4. AI adoption has accelerated, but AI literacy remains the largest workforce skill gap. 81% of employers view technological advancement, including AI, as their most important lever for productivity and growth. 85% report using AI to automate routine tasks and 80% say it is augmenting employee productivity in core roles. However, 56% of employers identify employee readiness as the primary challenge to broader adoption, with foundational AI literacy (54%) emerging as the largest skills gap across the workforce.

5. Employers see addressing affordability, AI investment, and boosting the talent ecosystem as critical levers towards sustaining MA's competitiveness. Affordability, including housing, stands out as the biggest unlock for competitiveness, according to employers, with 72% also noting building and attracting AI talent would further strengthen MA's position. Nearly 70% express readiness to partner with the state to keep innovation and job creation in-state.

Quote from Jon Bernstein, Chair of the Massachusetts Business Roundtable and PNC Regional President for New England: "This year's survey underscores two realities: Massachusetts employers remain deeply committed to the Commonwealth, yet they continue to face significant headwinds — from affordability pressures to rising uncertainty, now their top concern. The opportunity now is to focus on the issues that matter most to competitiveness — housing, talent, and AI — and ensure Massachusetts remains a place where businesses and workers can thrive."

Quote from Lucy Pérez, Vice Chair of the Massachusetts Business Roundtable and Senior Partner at McKinsey & Company: "For six years, employers have consistently pointed to Massachusetts' extraordinary strengths in talent, education, healthcare, and innovation. This year marks a meaningful shift: macro- and broader uncertainty has emerged as employers' top concern, even as affordability remains a key issue. At the same time, AI has moved from aspiration to operation, making continued investment in affordability, AI talent, and the broader talent ecosystem critical to sustaining Massachusetts' competitiveness."

Quote from JD Chesloff, President & CEO of the Massachusetts Business Roundtable:

“This year's survey serves as a call to action for us to work collaboratively to build on Massachusetts' strengths, scale what we do best, and continue to be a global leader in talent and innovation. Despite growing federal, macroeconomic, and geopolitical uncertainty, employers remain confident in the Commonwealth's long-term potential. If we focus on strengthening our AI ecosystem, addressing affordability challenges, and continuing to invest in talent, we can and will make Massachusetts the best version of itself.”

To read the [full report](#), visit this [link](#).

Media Contacts:

Tonja Mettlach
Massachusetts Business Roundtable
tmettlach@maroundtable.com
781-249-6032

Christina Hong
McKinsey & Company
christina_hong@mckinsey.com
224-877-4647