

Massachusetts Economic Growth and Challenges in the Age of COVID-19

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Presentation Overview

- The condition of the Massachusetts economy pre-COVID
- COVID's impacts on the economy, workforce, and families in the state
- COVID's impacts on workers in Cambridge
- Overview of UMass's workforce development study in Cambridge

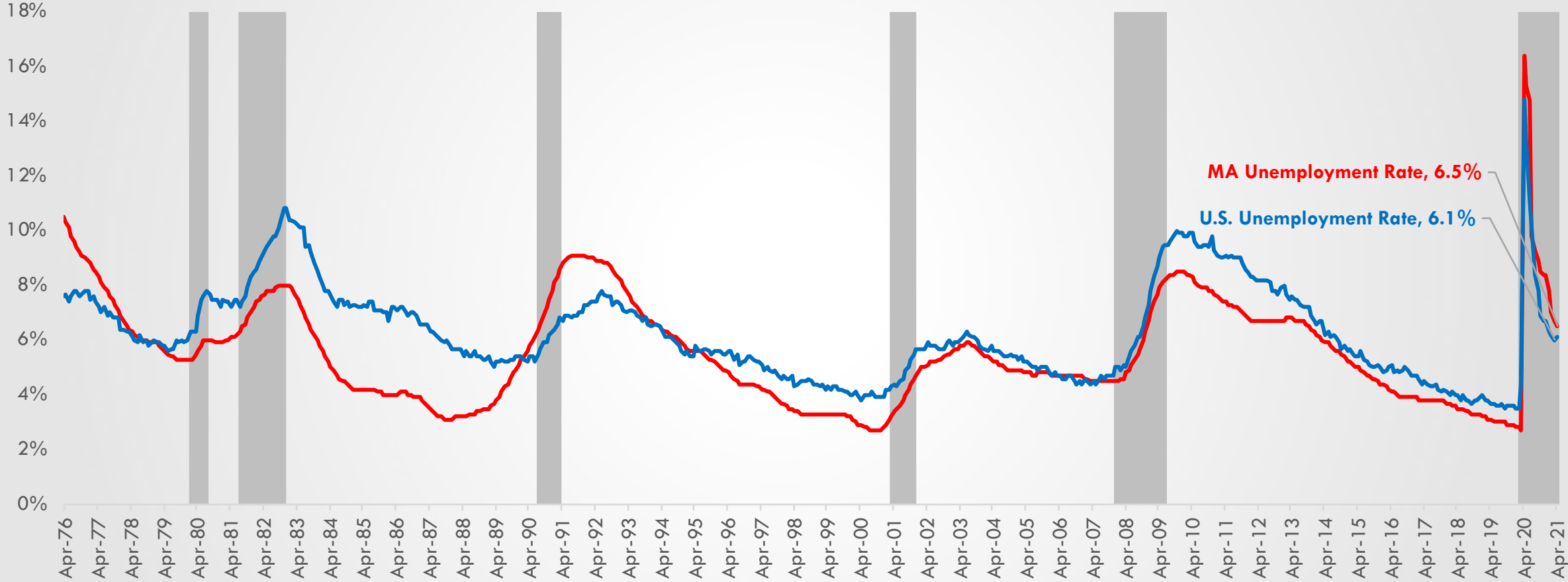
The Massachusetts economy before the COVID-19 pandemic

- Massachusetts has the fastest growing population in the Northeast
- Massachusetts is a leader in job growth in the Northeast, and a lot of that growth is driven by the Greater Boston region
- The dominant sectors in the state have been related to knowledge-based industries
- Prosperity has not been felt evenly throughout the state, and more vulnerable demographic groups and regions were at a disadvantage going into the pandemic

The COVID-19 Economy

In the spring of 2020, unemployment reached historic highs

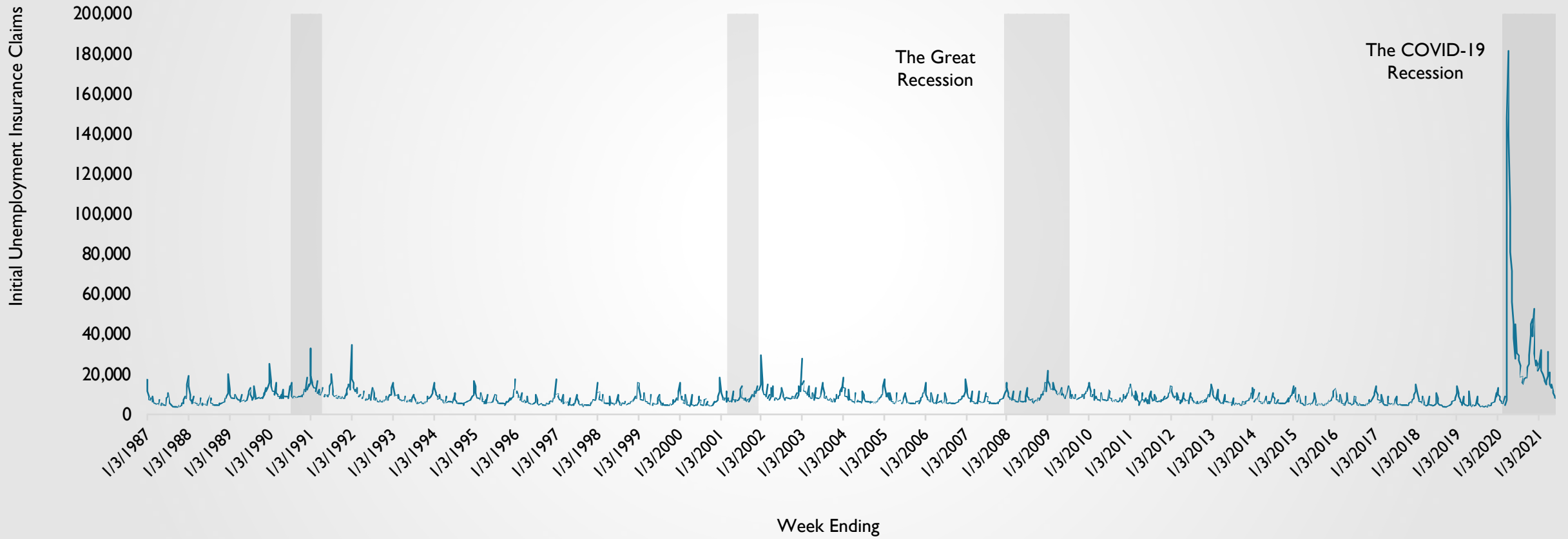
Unemployment rates in Massachusetts and the United States as of April 2021 (seasonally adjusted)



Source: Massachusetts Executive Office of Labor and Workforce Development, Local Area Unemployment (LAU) Statistics; UMDI analysis

Initial unemployment claims have vastly exceeded those of the Great Recession and all previous recessions

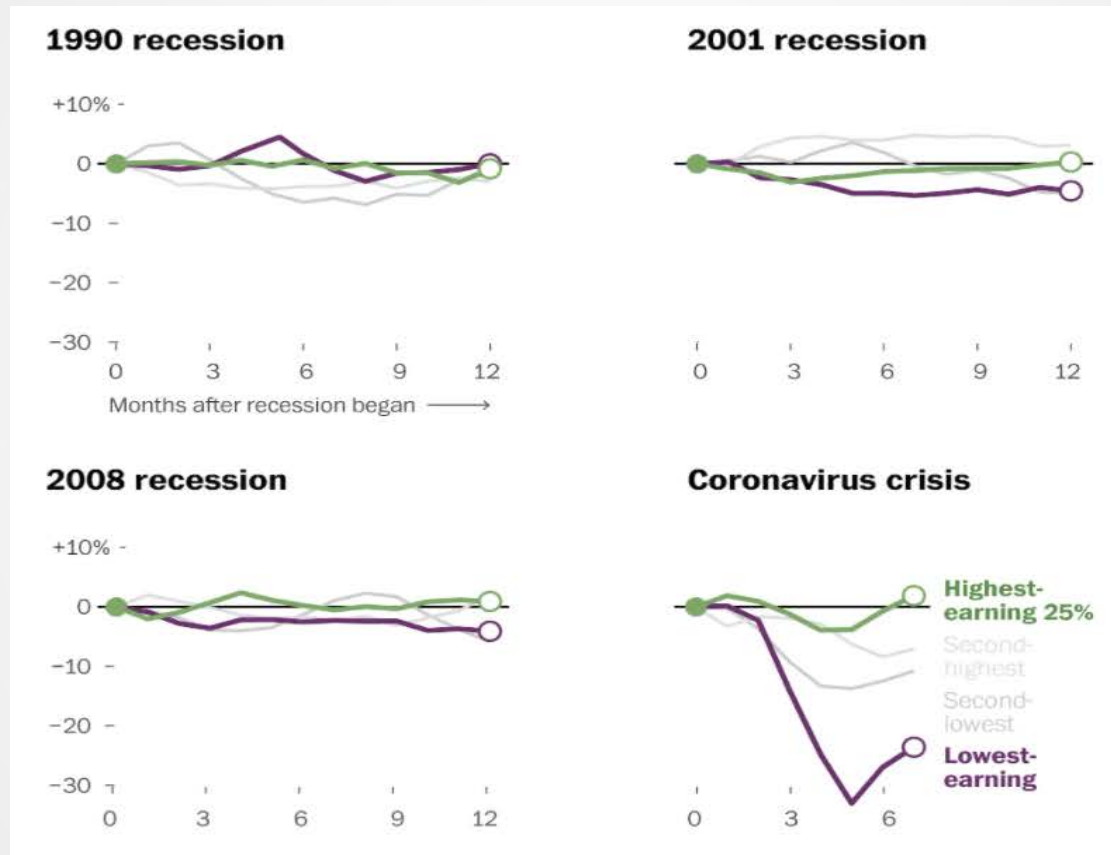
Initial Unemployment Insurance claims in Massachusetts through the week ending May 22, 2021



Source: U.S. Department of Labor; Massachusetts Executive Office of Labor and Workforce Development

The COVID-19 recession is different than any previous recession

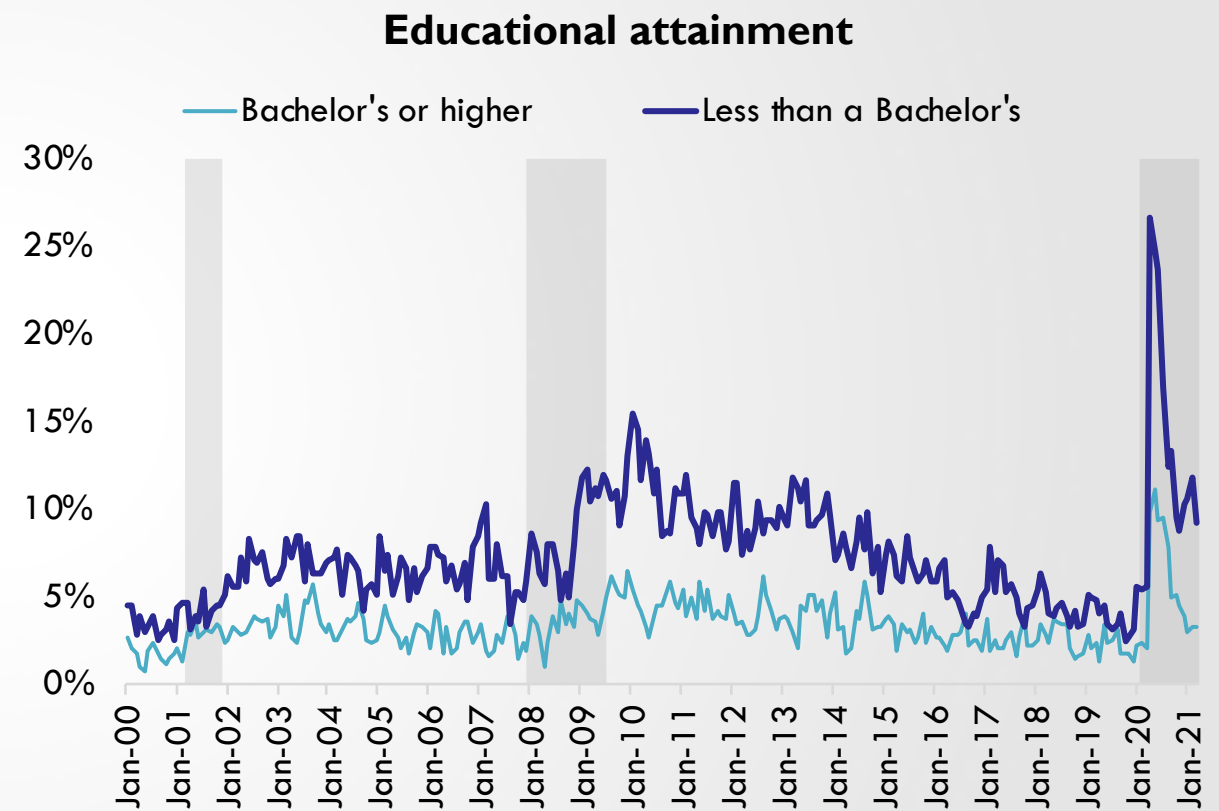
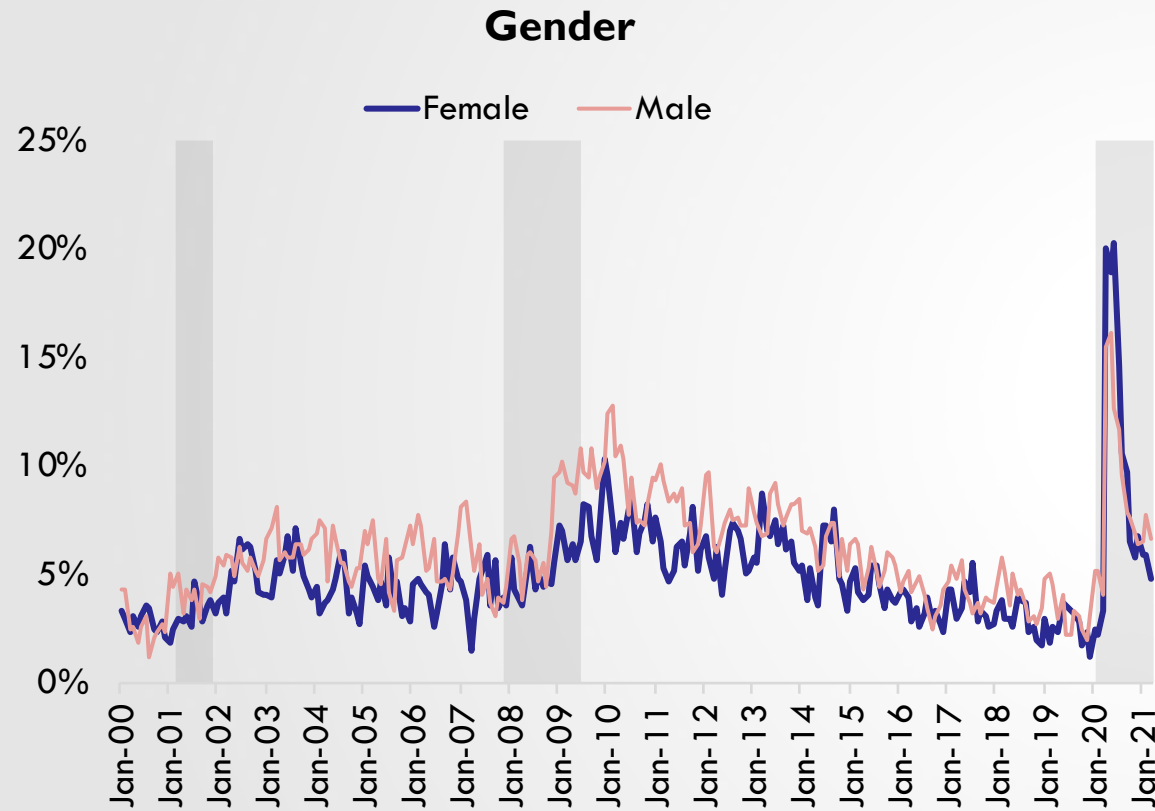
Job change in the U.S. since the beginning of each recession by weekly earnings



Source: “The covid-19 recession is the most unequal in modern U.S. history”, by Heather Long, Andrew Van Dam, Alyssa Fowers, and Leslie Shapiro (September 30, 2020)
<https://www.washingtonpost.com/graphics/2020/business/coronavirus-recession-equality/>

Unemployment was highest among women and those with less than a Bachelor's degree

Unemployment rates in Massachusetts by demographics, January 2000-March 2021 (not seasonally adjusted)



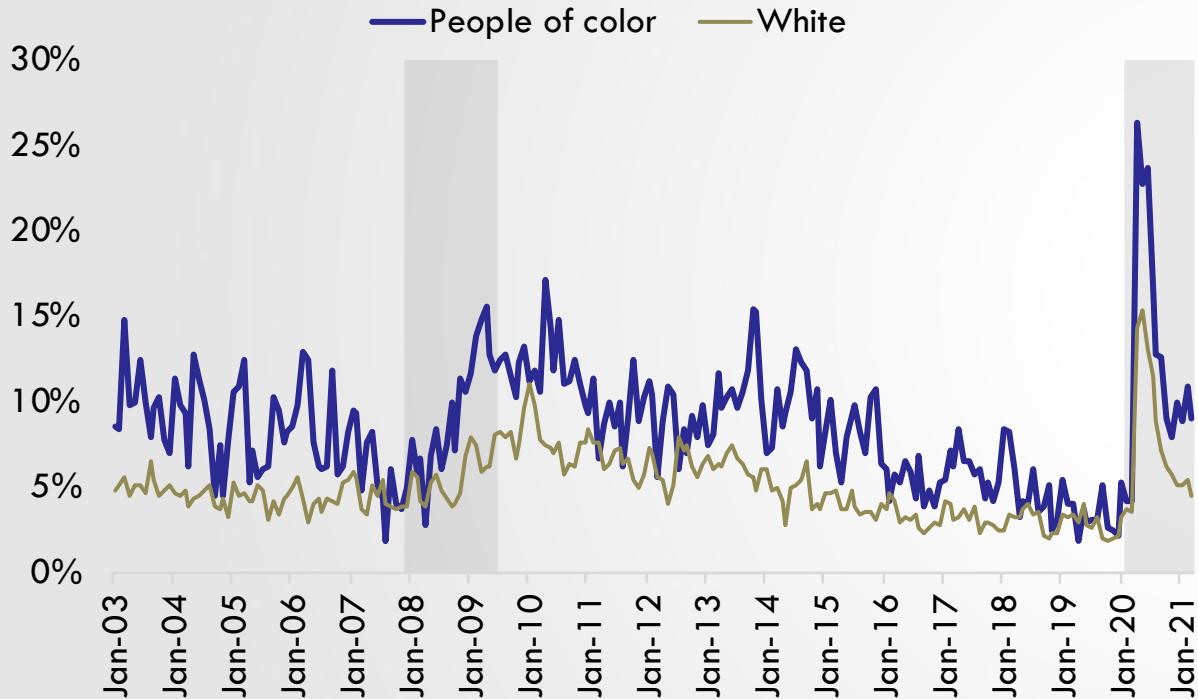
Source: Sarah Flood, Miriam King, Renae Rodgers, Steven Ruggles and J. Robert Warren. Integrated Public Use Microdata Series, Current Population Survey:Version 8.0 [CPS]. Minneapolis, MN: IPUMS, 2020. <https://doi.org/10.18128/D030.V8.0>; UMDI analysis

Note: Data are not seasonally adjusted.

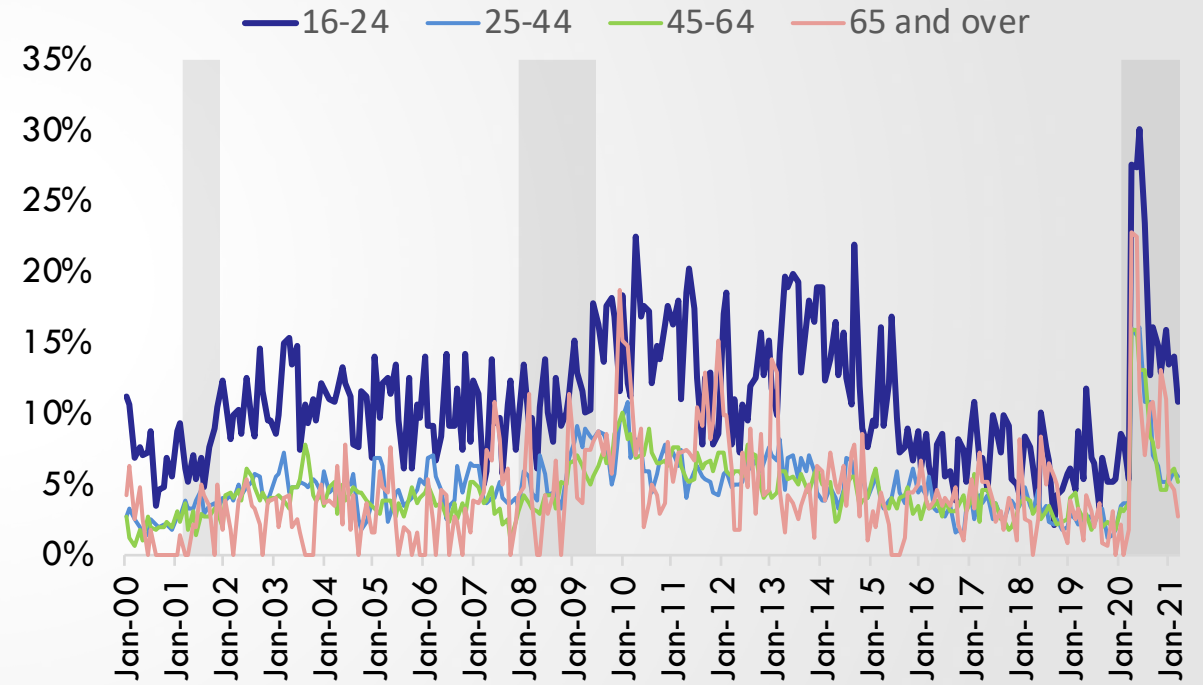
Unemployment was also highest among people of color and young workers

Unemployment rates in Massachusetts by demographics, January 2000-March 2021 (not seasonally adjusted)

Race/Ethnicity



Age

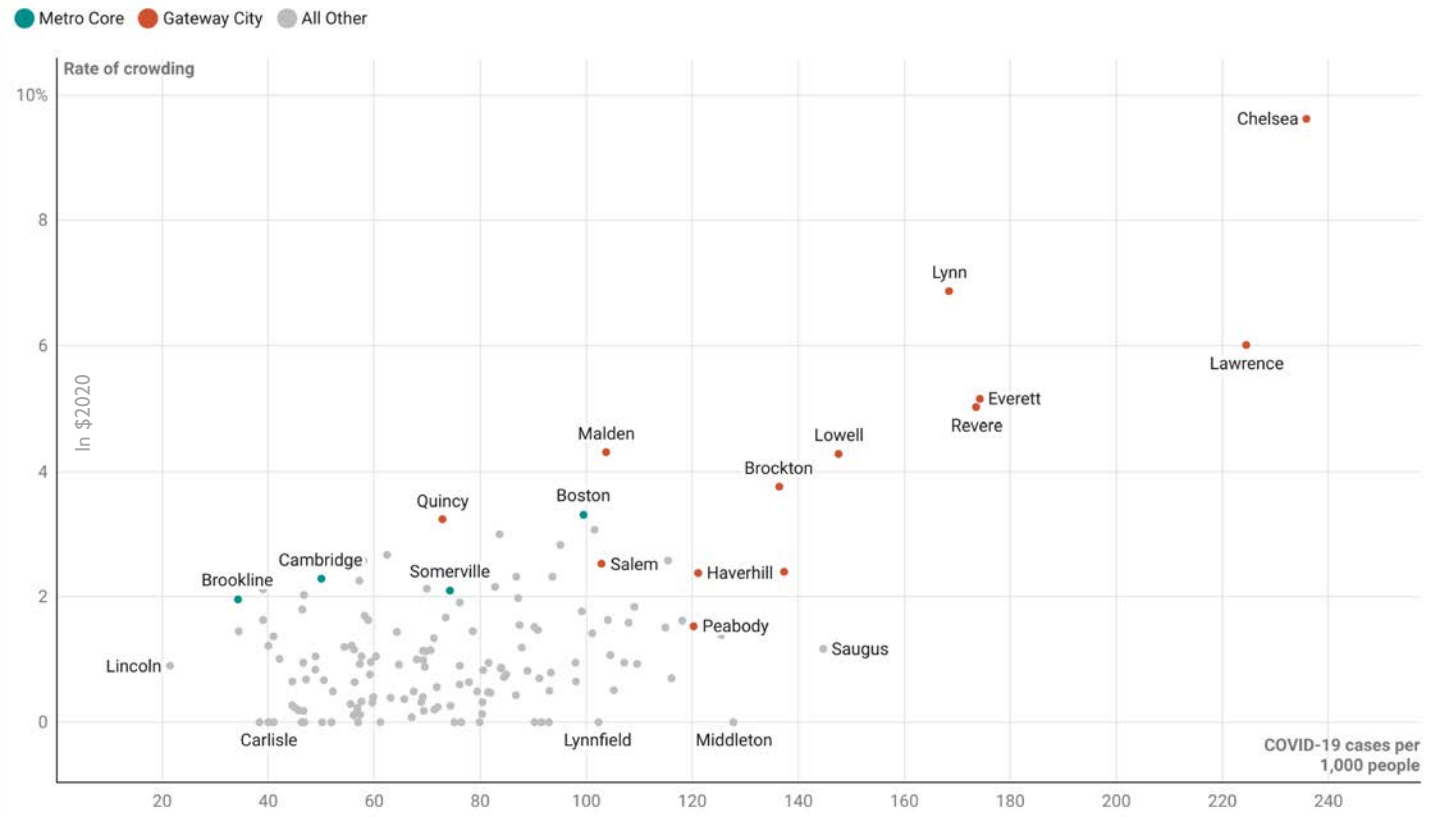


Source: Sarah Flood, Miriam King, Renae Rodgers, Steven Ruggles and J. Robert Warren. Integrated Public Use Microdata Series, Current Population Survey:Version 8.0 [CPS]. Minneapolis, MN: IPUMS, 2020. <https://doi.org/10.18128/D030.V8.0>; UMDI analysis

Note: Data are not seasonally adjusted.

Crowded housing helps to explain why some Gateway Cities were hotspots

COVID-19 case rate by share of crowded housing: Greater Boston communities by community “type”. All reported cases January 1, 2020-April 29, 2021.



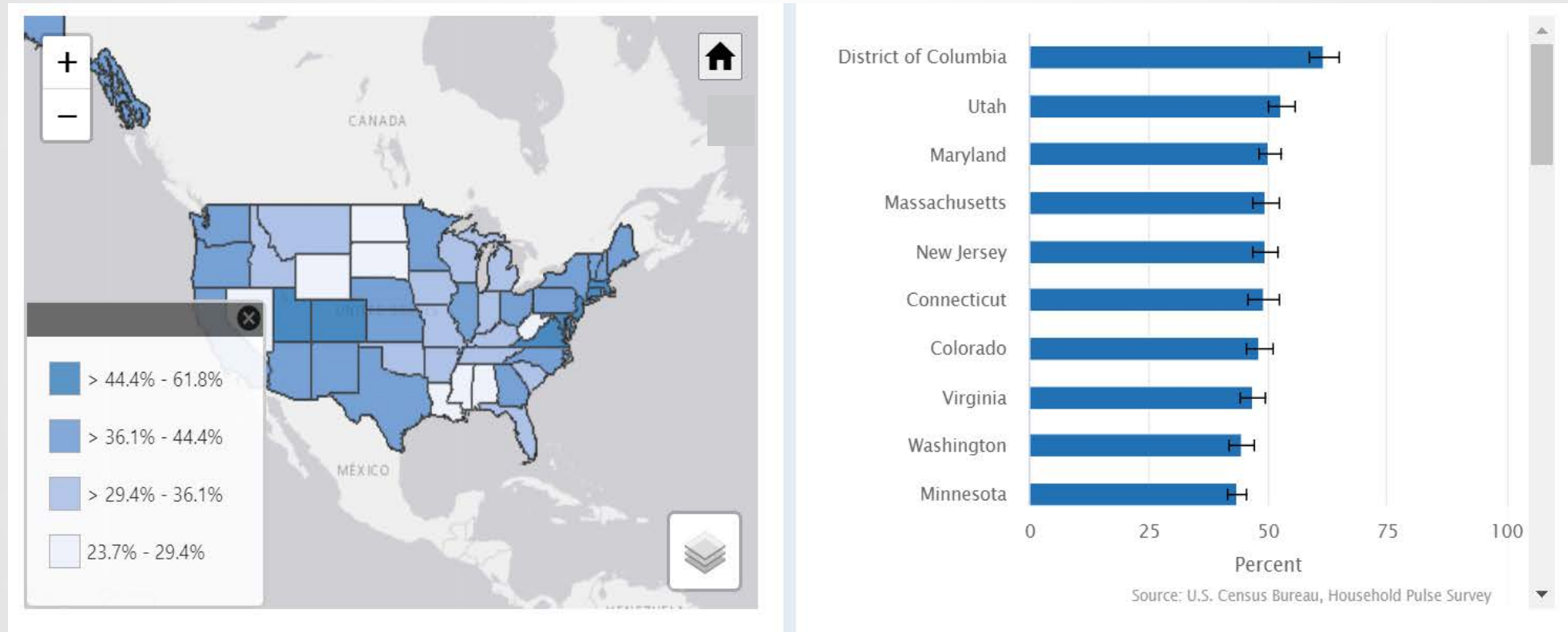
Source: MA Department of Public Health; UMDI analysis

Note: Metro Core is defined as Boston, Cambridge, Somerville, and Brookline. There are 13 Gateway Cities in Greater Boston: Brockton, Chelsea, Everett, Haverhill, Lawrence, Lowell, Lynn, Malden, Methuen, Peabody, Quincy, Revere, and Salem. Rest of Greater Boston constitutes the remaining 130 communities in the region.

Massachusetts ranks 4th in the U.S. for the percentage of households in which at least 1 adult substituted some/all of their typical in-person work for telework

Percentage of households in which at least 1 adult has substituted some/all of their typical in-person work for telework due to the pandemic

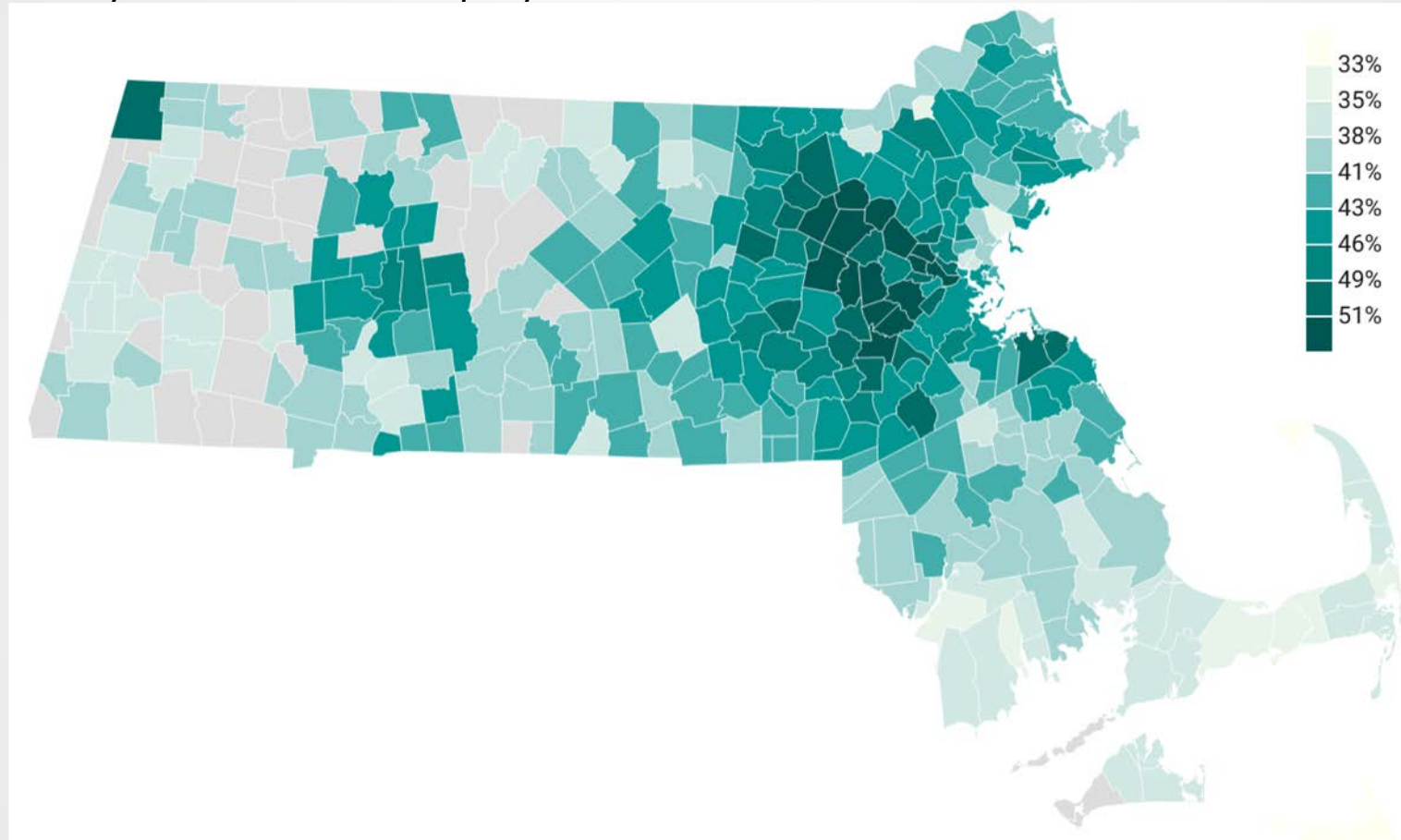
Week 26



Source: U.S. Census Bureau, Household Pulse Survey, <https://www.census.gov/data-tools/demo/hhp/#/?measures=TWR>

Boston's suburbs have a high share of workers capable of working from home

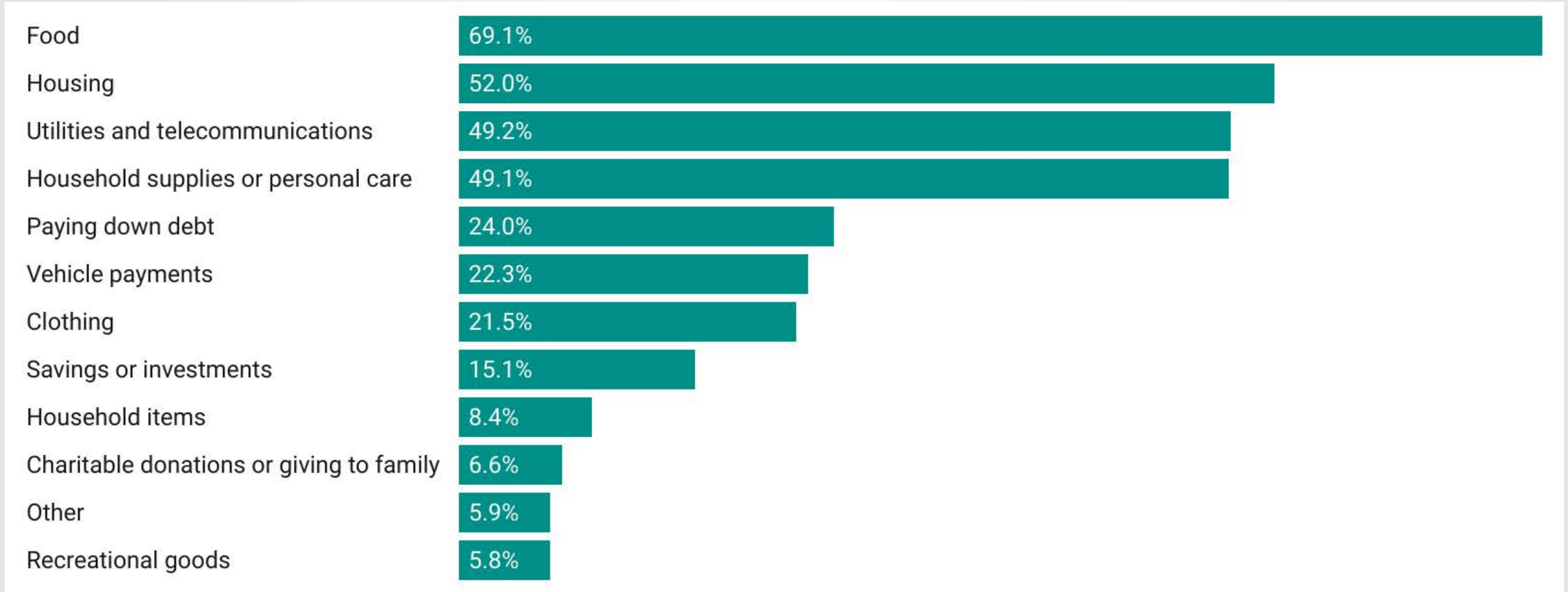
Share of telework capable workers by Massachusetts municipality, 2017



Source: 2018 U.S. Bureau of Labor Statistics Occupational Employment Statistics, 2017 LEHD Origin-Destination Employment Statistics

Note: Methodology courtesy of Dingel & Neiman, and Veuger, Brooks, & Begley

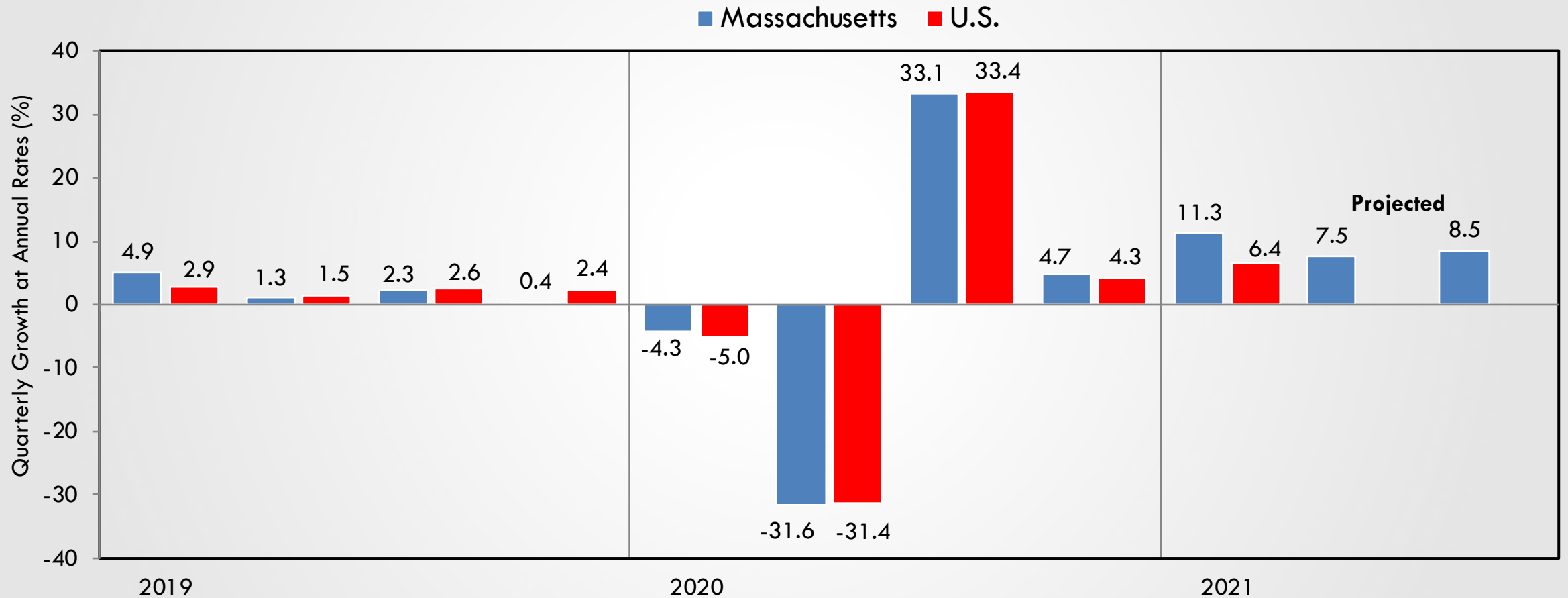
Most Massachusetts residents used their stimulus checks on food and housing in the summer 2020



Source: U.S. Census Bureau, Household Pulse Survey, <https://www.census.gov/data-tools/demo/hhp/#!/?measures=TWR>

A strong state economic recovery appears well underway

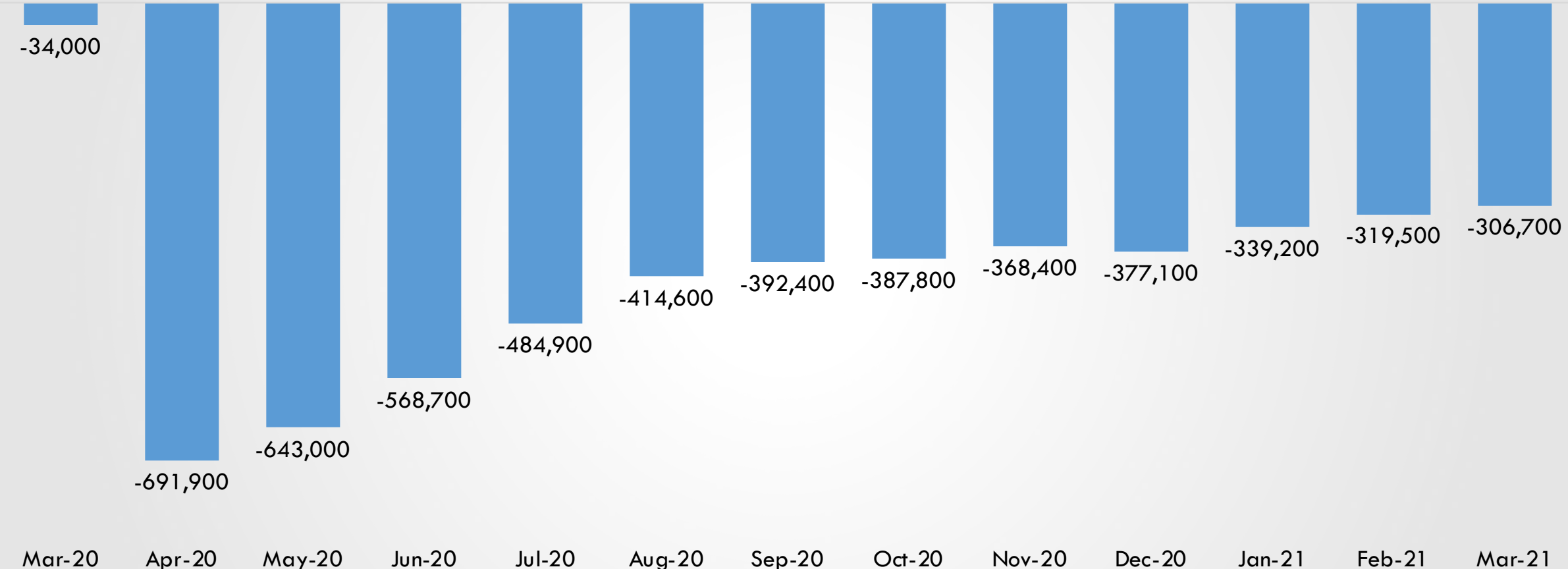
Growth in real product, Massachusetts and the United States, Q1 2019-Q3 2021



Source: U.S. Bureau of Economic Analysis (BEA), Massachusetts: through 2020Q4, BEA; 2020Q4 and later, MassBenchmarks

Twelve months into the jobs recovery, we are still short over 300,000 jobs compared to the peak one year ago

Jobs deficit in Massachusetts relative to February 2020 peak



Source: Massachusetts Executive Office of Labor and Workforce Development, Current Employment Statistics (CES-790); UMDI analysis

Massachusetts ranks 2nd in the nation for the percent of residents given at least one shot and 3rd for the percent of residents who are fully vaccinated

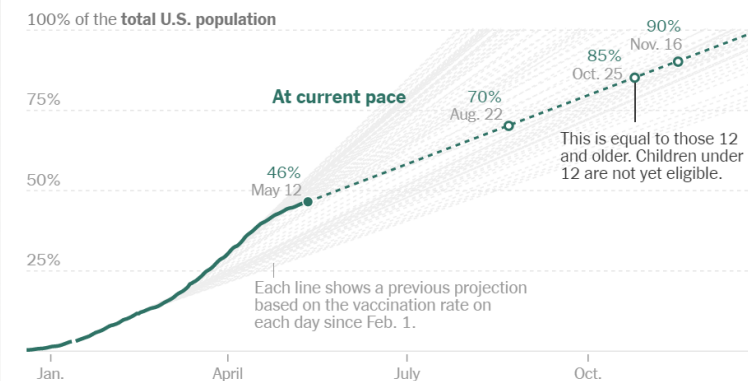
Name	Percent of people		Doses delivered	Shots given	Doses used
	Given at least one shot	Fully vaccinated			
U.S. total*	47%	36%	341,865,945	268,438,666	79%
Vermont	64%	45%	796,140	660,666	83%
Massachusetts	62%	45%	8,435,810	7,156,323	85%
Hawaii	60%	42%	1,652,620	1,421,294	86%
New Hampshire	59%	35%	1,513,425	1,204,745	80%
Maine	58%	48%	1,608,860	1,337,725	83%
Connecticut	58%	47%	4,200,875	3,637,551	87%
Rhode Island	56%	45%	1,350,905	1,035,263	77%
New Jersey	55%	43%	10,005,875	8,218,240	82%
Pennsylvania	54%	38%	13,988,115	11,362,846	81%
New Mexico	54%	43%	2,165,115	1,982,001	92%
Washington, D.C.	53%	38%	958,095	692,270	72%
Maryland	52%	41%	7,040,650	5,463,081	78%
California	52%	37%	43,976,220	34,319,950	78%
New York	51%	42%	21,037,975	17,632,107	84%
Washington	51%	39%	8,206,980	6,663,876	81%
Virginia	51%	39%	9,107,325	7,514,150	83%
Minnesota	50%	41%	5,737,890	4,887,255	85%
Delaware	50%	39%	1,114,215	851,363	76%
Illinois	50%	36%	13,143,195	10,503,920	80%
Oregon	50%	38%	4,501,785	3,556,202	79%

Source: New York Times, <https://www.nytimes.com/interactive/2020/us/covid-19-vaccine-doses.html#projection>

Note: Table has been adapted to include only the 50 states and Washington, D.C.

At the current pace of vaccination, everyone could get a shot this year. But no vaccine has been authorized for children under 12.

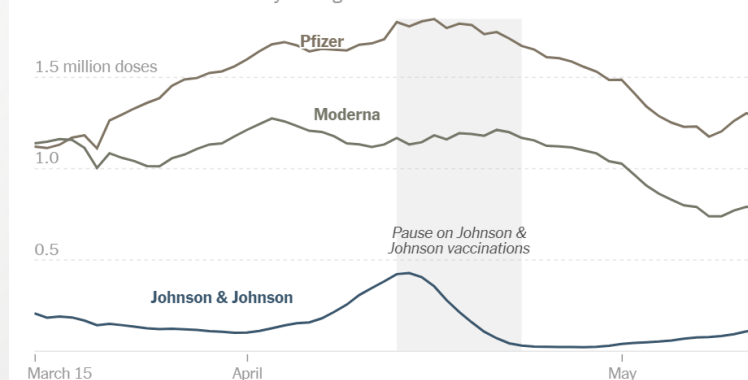
Based on the seven-day average of people receiving a first or single dose each day.



Source: Centers for Disease Control and Prevention, Andrew Beveridge, SocialExplorer | Note: Total population includes states, territories and three countries with special agreements with the United States: Palau, Micronesia and the Marshall Islands.

Daily reported doses given by manufacturer

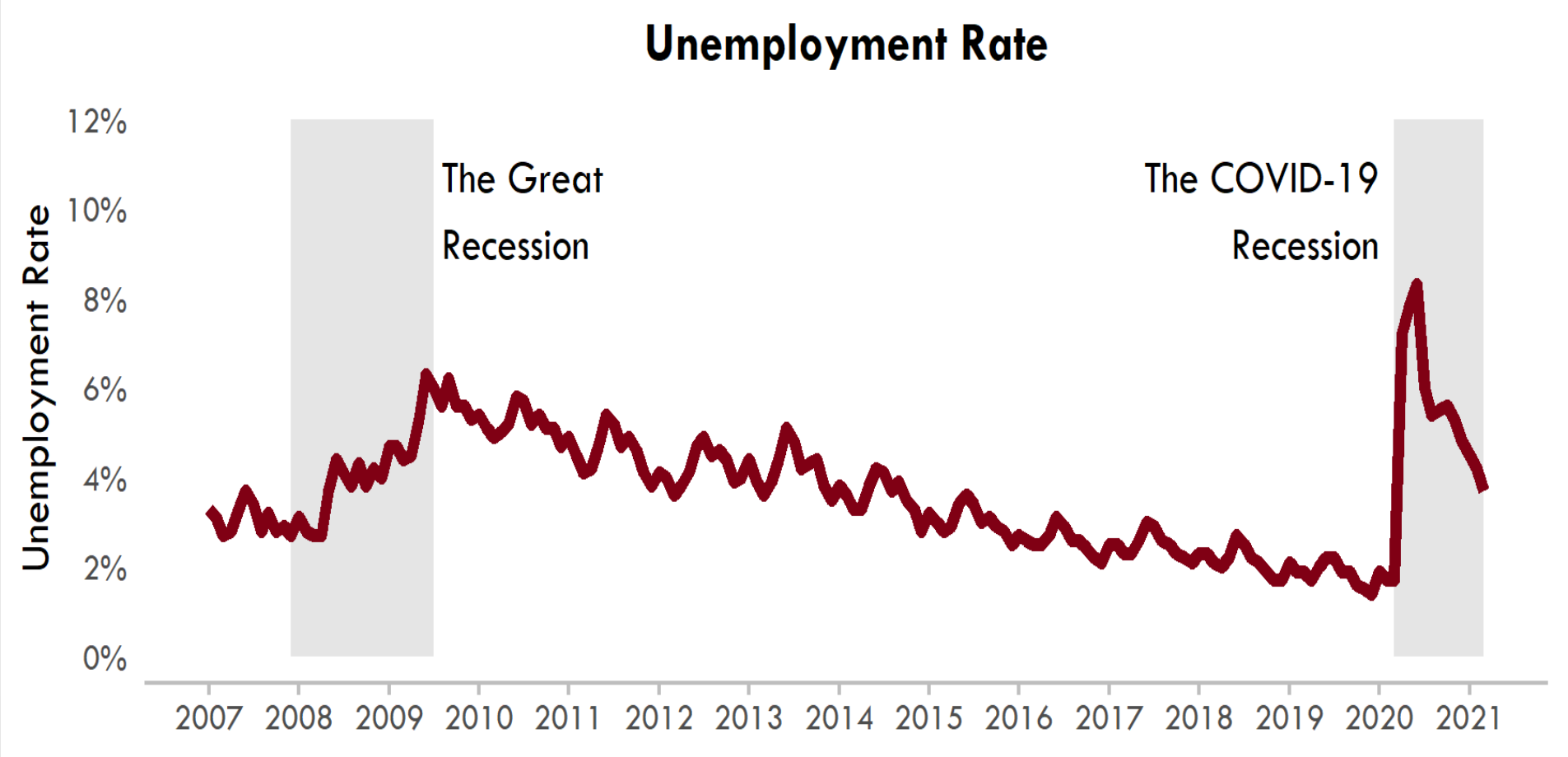
Each line shows the seven-day average.



Source: Centers for Disease Control and Prevention

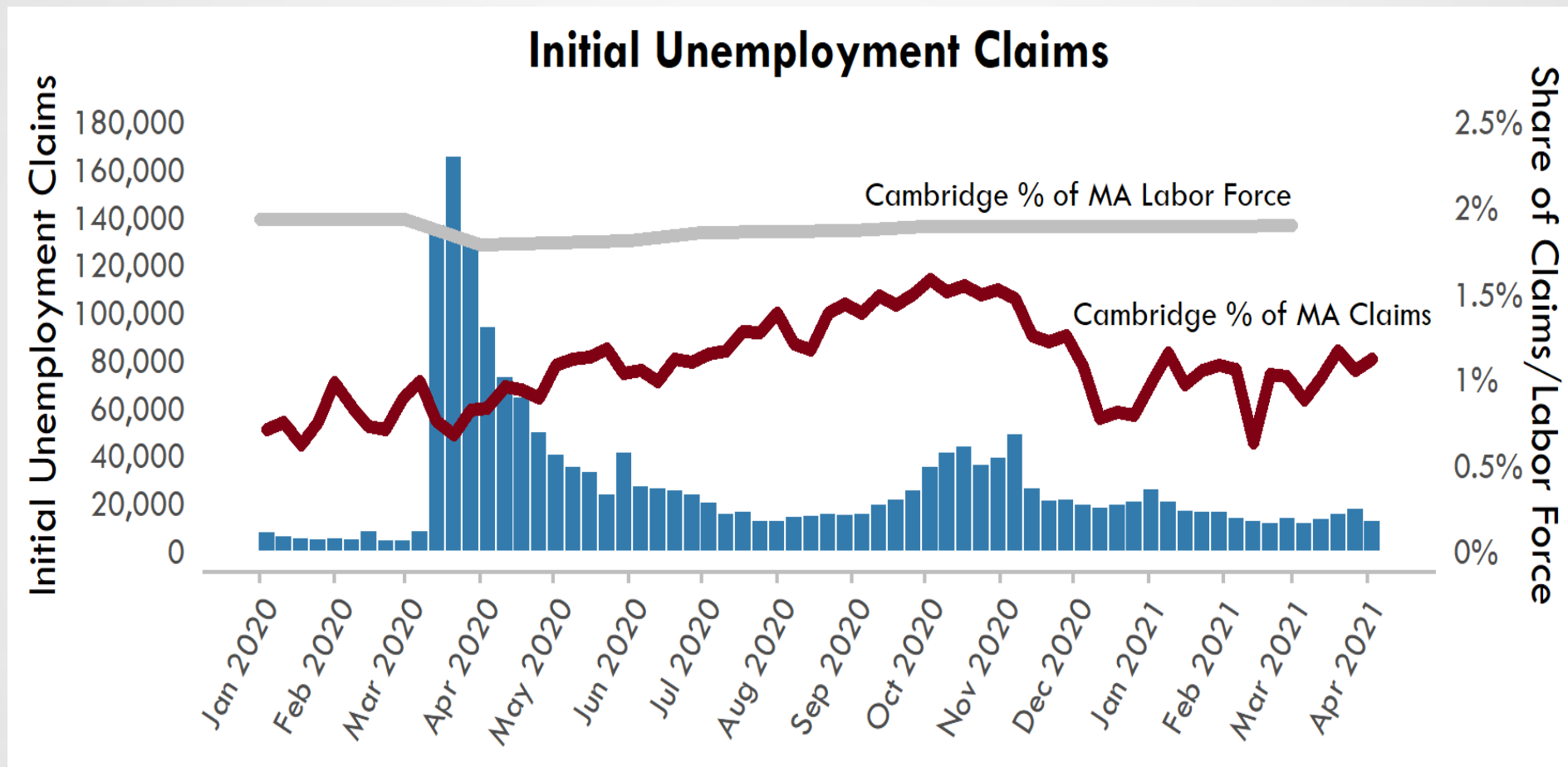
The COVID-19 Economy in Cambridge

Unemployment in Cambridge



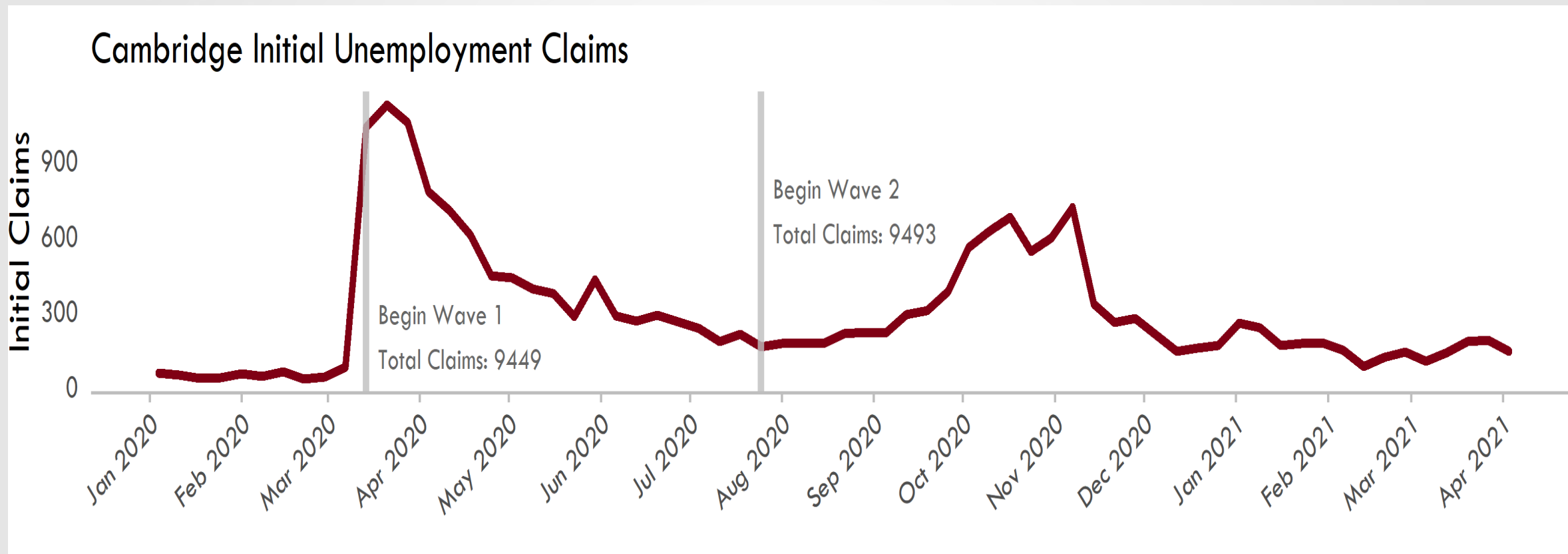
Source: Massachusetts Executive Office of Labor and Workforce Development, Local Area Unemployment (LAU) Statistics; UMDI and City of Cambridge Community Development Department analysis

Initial Unemployment Claims in Cambridge



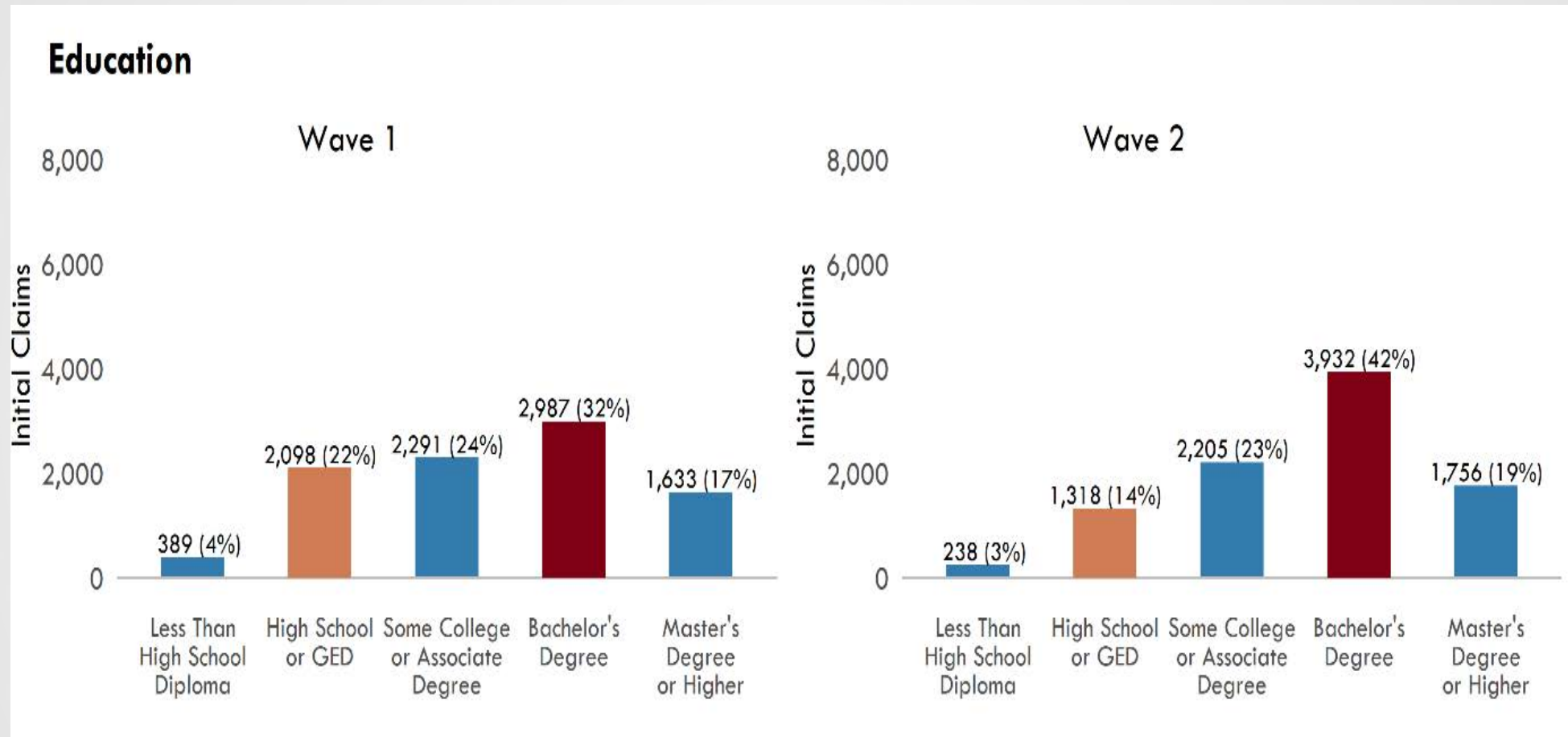
Source: Massachusetts Executive Office of Labor and Workforce Development, Unemployment Claims; UMDI and City of Cambridge Community Development Department analysis

Initial Unemployment Claims in Cambridge, COVID-19 Crisis



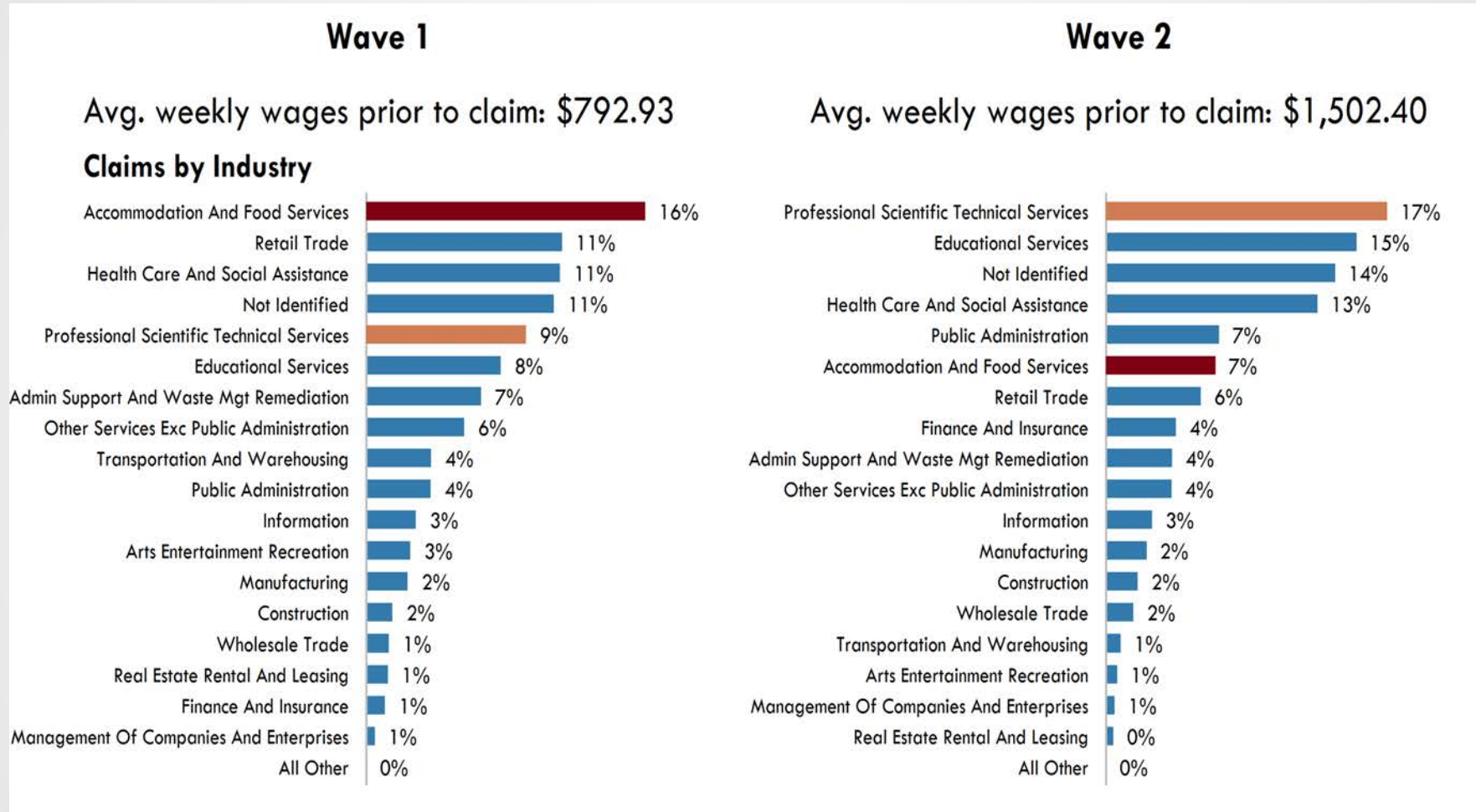
Source: Massachusetts Executive Office of Labor and Workforce Development, Unemployment Claims; UMDI and City of Cambridge Community Development Department analysis. Note: Claims are not seasonally adjusted.

Initial Unemployment Claims in Cambridge by Education, Wave 1 and Wave 2



Source: Massachusetts Executive Office of Labor and Workforce Development Unemployment Claims; UMDI and City of Cambridge Community Development Department analysis. Note: Unemployment claims data represent initial unemployment claims in Cambridge from the week ending January 4, 2020 and the week ending April 3, 2021. Claims are not seasonally adjusted. Education charts do not show claims where education is unknown (0.1% of total claims).

Initial Unemployment Claims in Cambridge by Industry, Wave 1 and Wave 2



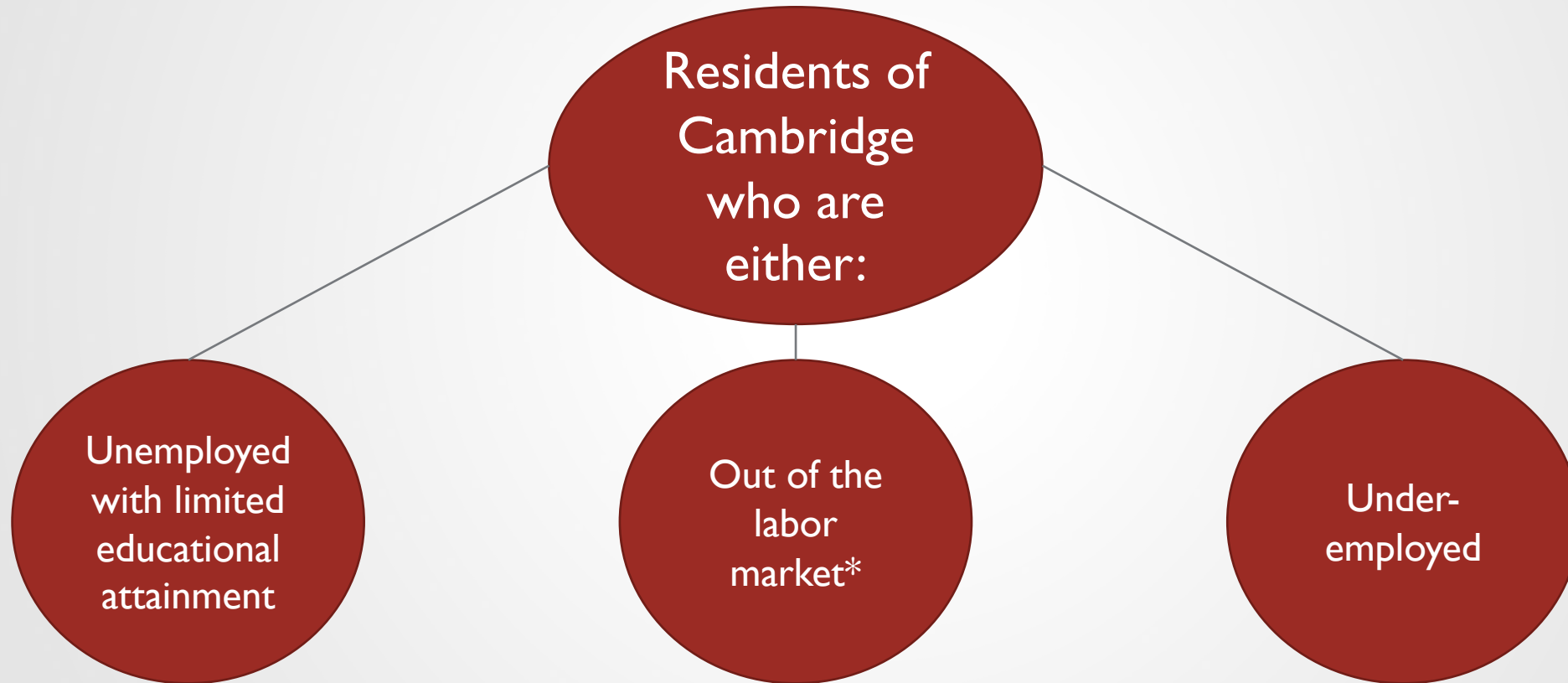
Source: Massachusetts Executive Office of Labor and Workforce Development, Unemployment Claims; UMDI and City of Cambridge Community Development Department analysis. Note: Percentages may not add to 100 due to rounding error. Unemployment claims data represent initial unemployment claims in Cambridge from the week ending January 4, 2020 and the week ending April 3, 2021. Claims are not seasonally adjusted. All Other industries include: Agriculture, Forestry, Fishing, & Hunting; Mining; and Utilities.

Cambridge Workforce Study

- UMass worked closely with the Cambridge Redevelopment Authority to understand the following:
 - Which populations in Cambridge are disconnected from the labor market;
 - Who is or is not being served within the local workforce development system; and
 - How residents could better benefit from workforce development services.
- Identified priority populations and analyzed the ability of the Greater Boston labor market to create opportunities for said populations and used these analyses to inform a series of focus groups
- This resulted in a set of recommendations to better engage these populations for the City to consider
- COVID further highlighted and exacerbated the needs for historically marginalized populations

Priority Population

Based on a series of conversations with local officials and an analysis of Census data, the study focused on Cambridge residents with the following set of characteristics:



Cambridge Employed Population, 16+ Compared with Priority Population

Measure	Cambridge Employed Population	Share	Priority Population	Share
Population	68,616		4,145	
Work Status (16+, Includes Armed Forces)				
Employed	68,616	100%	-	-
Unemployed	-	-	813	20%
Not in Labor Force	-	-	1,423	34%
Underemployed**	X	X	1,909	46%
Sex				
Male	34,970	51%	1,700	41%
Female	33,646	49%	2,445	59%
Females that are Parents of Children under 18	5,109*	15%*	416	17%
Age				
Median Age	32.0 *		32.0	
16-24	13,143	19%	1,392	34%
25-34	25,954	38%	821	20%
35-54	19,332	28%	1,308	32%
55-64	6,096	9%	611	15%
65+	4,091	6%	13	0%
Race and Ethnicity				
White	44,035*	65%*	1,320	32%
Black	5,659*	8%*	1,719	41%
Hispanic	5,585*	8%*	625	15%
Asian	11,160*	16%*	392	9%
All Other Races	1,773*	3%*	89	2%
People of Color	24,177*	35%*	2,825	68%
Foreign-born	20,714	30%	1,798	43%
Total Population Who Speak English less than "Well"	576*	1%*	393	9%
Enrolled in School	15,649*	23%*	1,110	27%

Source: ACS 2018 5YR Tables via American Factfinder (AFF) and IPUMS, ACS 2018 5YR via IPUMS. UMDI analysis. Notes: All Cambridge 16+ data is from AFF, unless otherwise noted. All Priority Population data is from IPUMS. X indicates that comparable data were unavailable from Factfinder, * indicates data was drawn from IPUMS to substitute for gaps in AFF data. **Underemployed is defined as < 40 hrs./wk., earning <= 200% of poverty alone or as part of a family.

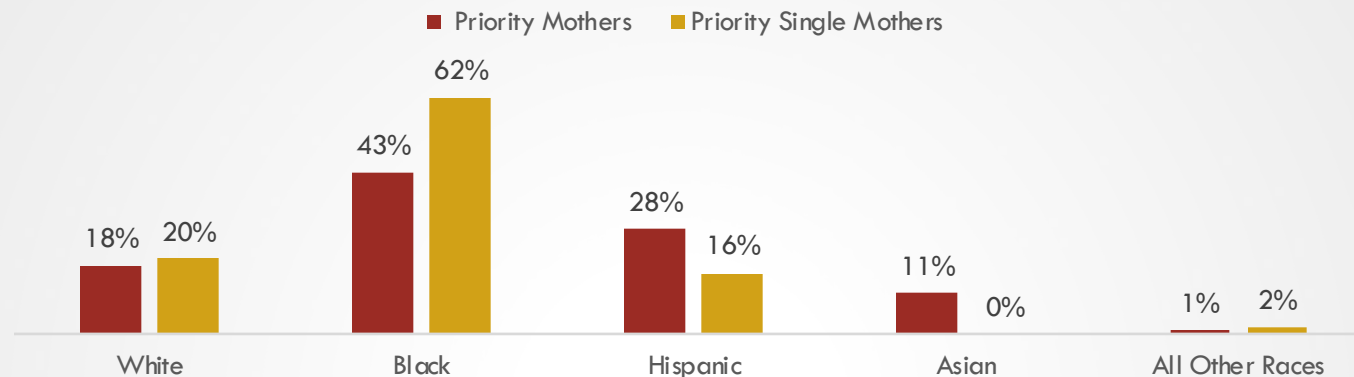
Cambridge Employed Population, 16+ Compared with Priority Population, Continued

Measure	Cambridge Employed Population	Share	Priority Population	Share
Education				
Highest Level of School Completed (25-64)	51,382		2,740	
Less than High School Diploma	813	2%	729	27%
High School Diploma or Equivalent	3,073	6%	902	33%
Some College or Associate's Degree	4,122	8%	1,109	40%
Bachelor's Degree	43,374	84%	-	-
Advanced Degree				
Other characteristics				
Reporting a Disability (18-64)	1,810	3%	357	9%
Married (16+)	24,562*	36%*	812	20%
Single Parents of Children Under 18	1,833*	3%*	359	9%
With Children Under 18	10,557*	15%*	550	13%
Individually or as part of a family earning below 100% of poverty	2,988*	4%*	1,690	41%

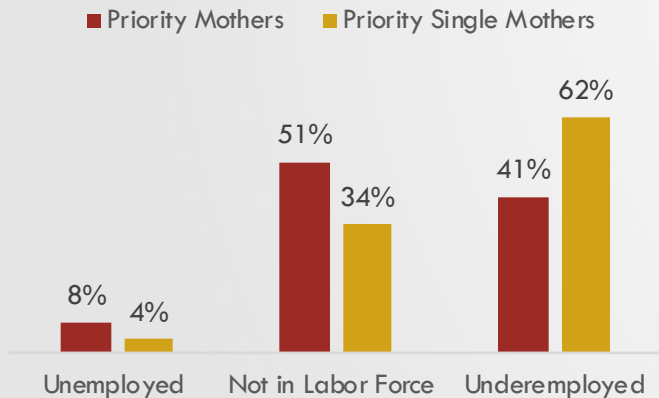
Source: ACS 2018 5YR Tables via American Factfinder (AFF) and IPUMS, ACS 2018 5YR via IPUMS. UMDI analysis. Notes: All Cambridge 16+ data is from AFF, unless otherwise noted. All Priority Population data is from IPUMS. X indicates that comparable data were unavailable from Factfinder; * indicates data was drawn from IPUMS to substitute for gaps in AFF data.

Characteristics of Mothers in the Priority Population

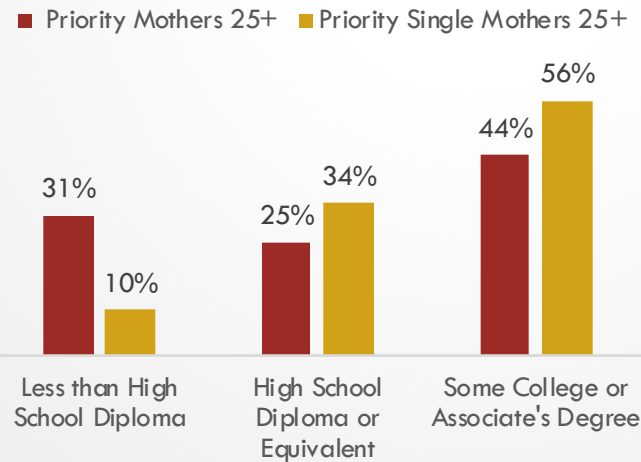
Share of Cambridge by Race and Ethnicity



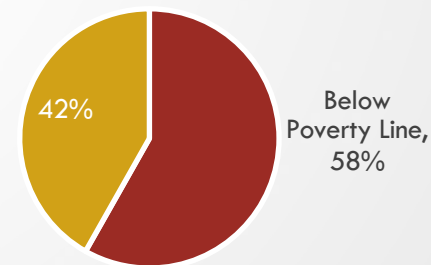
Employment Status



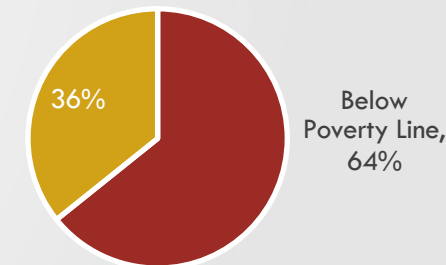
Share by Educational Attainment



Priority Mothers



Priority Single Mothers



Source: ACS 2018 5YR via IPUMS. UMDI analysis.

- The analysis shows a **significant concentration of people of color** in the priority population group (68 percent)
 - For example, 41 percent of the priority population is Black/African American, compared to just eight percent of employed residents in the city
- The priority population has a **high concentration of women** (59 percent) even while excluding mothers not in the labor force
 - A deep dive on mothers without a college degree and struggling with employment, showed a high concentration of women of color (82 percent)
- Further, the priority population has a plurality of **young adults** aged 16-24 years, but significant concentrations of workers aged 35-54 and 55-64

Focus Groups

- Four focus groups were conducted: one with local mothers, one with African-Americans, one with young adults, and one with local employers
- **Priority population focus group members reported:**
 - Concerns over the cost of living and earning enough to cover it
 - 50% reported difficulty paying rent on time in past year
 - High dependency on public benefits to make ends meet
 - Lack of job experiences that provide them with high-demand skillsets
 - Low success in obtaining an interview with Cambridge employers
 - Barriers to entry in the job market including lack of degrees, costs of training, and history of incarceration
 - Particularly true for African-American participants
 - Some interest in entrepreneurship training
- **Employer focus group members reported:**
 - Willingness to provide opportunities to applicants who do not fit their typical profile
 - Willingness to partner with workforce and education providers
 - Interest in hiring locally despite having few Cambridge residents on their staff and interviewing few local applicants

Recommendations

- **Increase Workforce Diversity and Inclusion**
 - Provide training and support groups to priority populations
 - Partner with regional business organizations and industry to train and place city residents
- **Access to a Continuum of Services**
 - Partner with the workforce development community to create career support and navigation services to city residents
- **Young Adults**
 - Bolster low-income youth workforce development through trainings, labor market information, and exploration of a tiered system
- **Support for Career Planning and College Completion**
 - Expand the City's College Success Initiative (CSI) program
 - Provide career coaching for low-income, first generation and/or American Born Black students currently enrolled at local colleges
- **Employment Services, Skills Training and Certificate Programs**
 - Enable training opportunities through paid stipends and apprenticeship models
 - Encourage Cambridge employers to engage with workforce development programs and encourage them to hire residents

Recommendations, Continued

- **Employer**

- Incentivize employers to hire Cambridge residents and to hire for certified skills, thus reducing degree requirements
 - Explore possibility of an employer-recognized credential system
- Encourage employers to provide more opportunities for employees to learn skills on the job
- Work with employers to improve quality of entry-level jobs (predictable and stable hours, better pay, opportunities to grow)

- **Research and Evaluation**

- Collect and analyze new data on the workers who participate in the 9-week DPW program to better understand needs
- Standardize data for City and non-profit training providers, disaggregated by race, age, and gender
- In partnership with the MassHire, inventory training programs accessible to Cambridge residents for the in-demand positions

- **Policy**

- Incent employers to provide demographic data about the members of their workforce who are Cambridge residents
- Promote and highlight employers who offer high quality employment opportunities for Cambridge residents
- Fund community organizing and leadership development programs designed to help marginalized populations

Thank you!

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