

# Massachusetts Gov. Baker releases “Future of Work” report; outlines ongoing steps to address findings

*Administration Taking Action on Housing, Workforce Development, Transportation, Child Care.*

The Baker-Polito Administration today released the Future of Work Report, commissioned by the Administration to evaluate the ways that the COVID-19 pandemic has changed work habits in Massachusetts as the Commonwealth emerges from the pandemic. The Administration also outlined steps that it is taking to address the key findings of the report, with investments and other initiatives to boost housing production and downtown economies, connect workers with skills for high-demand fields, support changing transportation needs, promote flexibility in child care, and more.

[Click here to read the report.](#)

Governor Charlie Baker and Lt. Governor Karyn Polito announced the release of the report today at an event held at the Tufts Launchpad location for BioLabs, a biotech startup accelerator that is receiving \$102,000 to train 27 workers and create 20 jobs as part of the latest round of awards from the Administration’s Workforce Training Fund Program (WTFP).

In total, the WTFP program is awarding \$8 million through this latest round to about 100 businesses statewide to support the training of 4,300 workers with a range of skills like project management, advanced software training, and other technical skills. A key takeaway from the report is the need to re-credential hundreds of thousands of workers over the next decade, and the Administration is proposing to boost

investments in programs like the WTFP through its \$2.9 billion plan to spend part of the discretionary funds received by the Commonwealth from the federal American Rescue Plan Act of 2021 (ARPA). The Administration's plan includes \$240 million for workforce development and job-training programs.

"Massachusetts is well-positioned as we emerge from the pandemic and look to promote economic growth, and the Future of Work Report provides us with a roadmap to build on our strengths and address areas that remain challenges," said Governor Charlie Baker. "Our Administration is working to respond to this report's findings by pursuing significant investments in housing, job-training and downtown development through our plan to invest \$2.9 billion in federal funds from the American Rescue Plan Act. We are also making investments and using other tools to provide more flexibility for residents in child care and transportation, and we look forward to continuing to partner with workers, businesses and communities to respond to the needs raised in this report."

"The Future of Work Report provides us with a blueprint for building up the Commonwealth's housing stock, workforce, downtown economies, and infrastructure," said Lt. Governor Karyn Polito. "The Report evaluated potential changes in the economic landscape for each region of Massachusetts, and underscores the importance of our proposals to invest in housing, job-training and communities."

The Future of Work Report explores what the implications of COVID-19 might be for the Commonwealth across its regions, demographics, economic sectors, commercial centers, local downtowns, transportation, and public spaces. COVID-19 has shifted how Massachusetts residents work, which has accelerated many existing factors that impact the future of work (such as the use of e-commerce and the pace of adoption of automation). In addition, new factors have emerged (such as the spread of remote and hybrid work and a reduction in business travel). These factors impact Massachusetts residents

differently based on region, industry, occupation, gender, and race. Recognizing this, the report evaluated implications of these trends across different regions and analyzed their impact on the Commonwealth's Gateway Cities.

### **Report Takeaways:**

The report concludes that changing ways of working – such as hybrid and remote work – may shift the “center of gravity” away from the urban core. At the same time, changes in the economic landscape will mean that expansive workforce training will be needed to connect workers with the skills they need for the future economy, with potentially 300,000-400,000 people needing to transition to different occupations or occupational categories over the next decade.

Meanwhile, the report finds that the high cost of housing will remain a challenge – as will the need to ensure all communities can share equitably in the Commonwealth's growth. The report estimates that the Commonwealth will need to produce 125,000-200,000 housing units by 2030.

### **The report provides eight core insights:**

01. Demand for office real estate may fall as workers spend more time in residential areas due to hybrid work.
02. Hybrid work will likely drive demand for flexible childcare options, requiring childcare business models to evolve.
03. Public transit ridership is likely to fall, with the steepest decline likely in commuter rail.
04. Business travel may be structurally reduced from pre-pandemic levels.
05. Workforce training may be required at an unprecedented scale and pace.
06. The Commonwealth population is likely to grow, albeit more slowly than pre-pandemic
07. Existing equity challenges will intensify.

08. Equitable housing opportunities will be key to retaining and attracting people.

### **Administration's Plans to Address Report's Findings:**

The Baker-Polito Administration is using a variety of tools to address the key findings from this report:

*\$2.9 Billion Plan for ARPA Funds:* The Administration's proposal to spend \$2.9 billion in federal funds from the American Rescue Plan addresses many of the key needs presented in the report. It focuses on building up the Commonwealth's housing stock, workforce, downtown economies, and infrastructure. The Administration filed this plan in June and believes it is critical to act quickly to address these urgent priorities. The Future of Work Study underscores the importance of these investments, which would immediately begin to address the key challenges presented in the report, including:

- \$1 billion for housing priorities, with a particular focus on creating homeownership opportunities in communities of color. This proposal would be a significant step toward addressing the concerns raised in the report around the cost of housing and continued challenges around equity in different communities.
- \$240 million for workforce training opportunities to help train workers to connect with high-demand industries, a key priority raised in the report. The report makes clear that these types of retraining efforts could especially benefit women and communities of color, addressing additional equity concerns raised by the report.
- \$350 million for downtown development and economic growth, to help communities re-imagine their downtowns and spur development as the center of gravity shifts away from the urban core.
- \$175 million to boost substance use and behavioral health programming, a key area where communities of color have been

most impacted throughout the pandemic.

*Child Care Improvements:* The Future of Work Report calls for innovation in child care to meet the changing needs of working families and employers. To address continued challenges in the early education space as the Commonwealth emerges from the pandemic, the Administration is taking a series of actions:

- Investing over \$640 million in federal funding for child care, focusing on building capacity at early education providers and targeting funds to the greatest areas of need according to the Social Vulnerability Index.
- Sustaining increased child care subsidies for low-income families and other pandemic-era changes that expand access to care.
- Leveraging the Commonwealth's workforce development programs to develop a stable pipeline of early educators to expand access to affordable care.
- Partnering with the business community to best understand specific needs for flexibility across specific industries and regions.

*Transportation Flexibility and Improvements:* To support shifting work habits and other trends identified in the report, the MBTA and MassDOT are modifying schedules and making other adjustments:

- The Commuter Rail's new Regional Rail Schedule represents a shift toward more consistent, regular service throughout the day, compared to pre-pandemic service that was heavily skewed toward AM and PM rushes. These adjustments reflect analysis of ridership trends throughout the pandemic and into the recovery. The new Regional Rail Schedule supports increasing travel habits like intra-line (non-Boston) trips and reverse commutes to Gateway Cities. It also supports teleworkers' local trips and 3-day-per-week commuters.
- Continued promotion of weekend service, such as \$10 weekend passes will also promote travel to key recreational and

tourist destinations outside of Boston. For example, thanks in part to this Commuter Rail promotion, Salem is seeing 110% of 2019 weekend ridership this year.

- The Shared Streets and Spaces Grant Program has helped communities make streetscape changes to support outdoor dining and alternative transportation modes like cycling, walking and off-road trails. Since last year, the program has awarded \$33 million to 183 communities, resulting in over 300 projects.