

Contact:

Mike Schiano, <u>mschiano@denterlein.com</u>, 516-508-6346 Leo Ruiz, <u>Iruiz@denterlein.com</u>, 305-987-8437

NOT FOR IMMEDIATE RELEASE

MBTA Workforce Shortages Threaten Operational Capacity

New Massachusetts Taxpayers Foundation analysis details implications of enduring labor shortages, challenges for new General Manager and MBTA workforce to overcome

BOSTON, MA (April 3, 2023) – The Massachusetts Bay Transportation Authority (MBTA) is facing a critical moment in its history, as labor shortages raise doubts about the organization's capacity to provide reliable, safe, and improved service. The Massachusetts Taxpayers Foundation (MTF), which has been tracking the structural challenges facing The T for years, today released a new report, <u>LABOR SHORTAGES RAISE DOUBTS ABOUT MBTA'S CAPABILITIES</u>. The analysis concludes that solving workforce shortages at the MBTA and across many other job sectors will require state involvement to address these challenges and the impacts they are having on Massachusetts' residents, businesses, communities, and the economy.

The MBTA and its riders have suffered through a series of unrivaled events over the past few years including derailments, grade crossing fatalities, train collisions, runaway trains, escalator breakdowns, cars on fire, and much more, creating a pattern of safety events, faulty maintenance, and disrupted services. These issues erode the operational capability of the system and the trust and patience of its users. As such, workforce issues like recruiting, retaining, and empowering staff so that the MBTA can deliver levels and quality of service that riders deserve were a major focus of both incoming-MBTA General Manager Phillip Eng and Healey Administration officials in announcing his selection and in detailing the process that led to it.

MTF's analysis, factoring in current workforce numbers, vacancies and expected departures, shows the MBTA would have to hire 2,800 workers within the next 12 months just to meet current needs. Failure to meet these needs will result in further service reductions, continued disruptions to service, underinvestment in infrastructure, delayed new initiatives, continued safety issues, and prolonged oversight by the Federal Transit Administration (FTA).

While the MBTA has made progress in its hiring processes with a gain of about 170 in its operating headcount in FY 2023, increased separations from retirements, competitors, and the effects of

COVID have forced the T to operate with 14 percent of budgeted positions vacant. As troubling as that sounds, the MBTA could start the new fiscal year with staffing levels of 20 to 25 percent below what's required to maintain and operate the core system.

"A sufficient workforce is the most fundamental ingredient necessary for a transit service that's safe, reliable, and serves our economy. The current gap between reality and the levels of service riders and our region deserve is startling and failing to close that gap quickly will result in a cascading series of issues that raise important questions about its capabilities going forward," said Doug Howgate, President of the Massachusetts Taxpayers Foundation. "The MBTA is a microcosm of the workforce issues facing Massachusetts today. As these shortages worsen, it will ripple through vital sectors and limit our ability to grow the Commonwealth's economy."

MTF's report outlines the consequences of failing to solve its labor force gap, ranging from reduced and disrupted services; continued underinvestment in the MBTA's infrastructure; delay of new initiatives; and the persistence of safety issues. Without sufficient staffing, the organization cannot expand services, invest in infrastructure, or meet FTA directives. Economic growth is directly tied to the hiring, training, and maintaining of the MBTA's workforce because Boston doesn't work without the T.

How the state steps up to address this growing threat and its impacts on state residents will, in all likelihood, determine Massachusetts' future.

For additional analysis and information, please reference MTF's <u>The MBTA Crisis Is Complicated – Fixing it Will Be Too</u> and our <u>MBTA Session Preview</u>.

###

About MTF

Founded in 1932, the <u>Massachusetts Taxpayers Foundation (MTF)</u> 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 in order 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 its 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.