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MTF Releases 2025 Competitiveness Index: Massachusetts Ranks #1 in Talent, #50 in Job Growth

Competitiveness Index highlights a state leading the nation in education and health outcomes, yet falling behind in affordability, housing, and private employment

(September 24, 2025) Boston, MA — The Massachusetts Taxpayers Foundation (MTF) today announced the release of the second installment of its [2025 Competitiveness Index](#), a comprehensive report measuring how the Commonwealth stacks up against other states on its ability to attract and retain families, businesses, and talent. The Index details that Massachusetts' world-class strengths in education, health care, and innovation remain unmatched, and cautions that the state's high costs of living and doing business are eroding its competitive edge while a changing federal policy landscape poses unique threats to the Commonwealth.

This latest edition of the Competitiveness Index provides a data-driven view of Massachusetts' strengths and challenges across four categories: Economic Health, Population and Labor Force Trends, Business, Employment and Investment Factors, and Resident Life. It builds off [the 2024 Index](#) as a baseline to present clear, comparable data to assess how decisions made in Massachusetts and factors outside of our control are shaping our competitiveness. New for this year, MTF sought to deepen collective understanding of competitiveness in the Commonwealth by publishing a [companion poll](#) that surveyed residents on their views of living in Massachusetts, as well as its competitive strengths and weaknesses.

Key findings from the report highlight Massachusetts' top national rankings in education, health, and innovation, including:

- **Top national rankings in 8th grade reading and math scores (1st nationally) and life expectancy (2nd nationally).**
- **Massachusetts retained its ranking as 1st nationally for the greatest percentage of its 25+ years old population with a bachelor's degree** and grew by 1.2% in the last year.

- **Massachusetts continues to rank 1st in venture capital funding** per \$1 million GSP, signaling strength in innovation despite a significant year-over-year decline in funding.
- **Massachusetts is ranked 2nd nationally in Gross State Product (GSP) per capita** at \$110,023, reflecting high economic productivity and workforce efficiency.

Despite these strengths, the report underscores significant challenges. Some of the index's data shows:

- **Private employment growth ranked last (50th nationally)**, with a 0.6% decline in private jobs from 2023 to 2024, highlighting challenges in job creation.
- **Cost of living remains a critical challenge**, with Massachusetts ranked 46th nationally for regional price parity, though it improved slightly from 47th last year.
- **Rising health care costs remain a top concern for employers and their workers with Massachusetts dropping from 36th to 48th in state rankings for healthcare costs.** Premiums grew by 19.9 percent – more than \$1,000 per employee – to \$7,494.
- Massachusetts has the **longest average commute time in New England (29.9 minutes, 47th nationally)**, which has worsened over the past year.
- **Massachusetts ranks 45th nationally in domestic migration**, signaling continued loss of residents to other states, especially among young adults aged 26-35 (48th nationally).
- **The state has the highest infant childcare costs in the nation**, with median costs exceeding \$23,000 annually among the states that measure this data, creating a barrier for young families.

"This year's Index underscores the dual reality Massachusetts faces," said Doug Howgate, President of the Massachusetts Taxpayers Foundation. "Our state's foundation in talent, innovation, and quality of life remains strong, but rising costs, especially in housing, energy, and health care, are stifling private sector growth and pushing residents away. The cost crisis is driving people to lower-cost states, while federal headwinds threaten the very talent and research ecosystem that makes us unique. We must meet the moment by taking action that keeps Massachusetts as the best place to live, learn, and innovate."

The 2025 Index adds a [companion poll](#), conducted this July by the MassINC Polling Group, showing that 79 percent of respondents identify health care and 65 percent quality of education as Massachusetts' competitive strengths. Conversely, 66 percent housing availability and affordability as primary concerns and, 67 percent cite cost of living and 57 percent cite job opportunities elsewhere. Notably, 41 percent of residents aged 18-29 plan to move within five years, largely driven by high living costs.

“The survey brings a personal dimension to the story of our state’s competitiveness, adding residents’ views of what we’re good at and where we’re lagging behind,” said Steve Koczela, President of The MassINC Polling Group. “When people think about where they want to live and work, perception is reality, so state leaders need to pay attention to how residents think we stack up.”

MTF’s policy recommendations focus on containing energy costs, advancing housing development through innovation zones, managing health care premium growth, strengthening educational standards, and supporting research and innovation impacted by evolving federal policies.

The full 2025 Competitiveness Index report is available on the Massachusetts Taxpayers Foundation website: <https://www.masstaxpayers.org/massachusetts-competitiveness-index-2025>.

About the 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.

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