



Massachusetts  
Taxpayers Foundation

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2025

# ANNUAL REPORT

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*INSIGHT.INFLUENCE.IMPACT.*

# *A Note from the MTF President*

Dear MTF Members and Supporters,

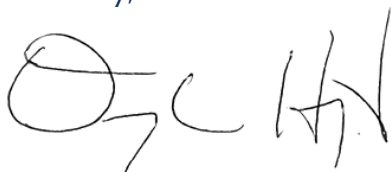
Our 2025 Annual Report showcases a year in which MTF has been front and center. In the pages that follow, you'll read about our research (58 reports!) and our work to connect policymakers with members through more than 20 events; but most importantly, you will see MTF's imprint on the issues that matter most to Massachusetts in a changing world.

MTF's research, recommendations, and impact are shaping the public policy solutions to the most pressing challenges facing the Commonwealth today. From the Healey-Driscoll Administration's proposal to significantly increase investments in transportation, to the development of a new statewide standard for high school graduation, to leading the efforts to reform our unemployment insurance system, MTF has been a balanced and unbiased voice for progress. At the same time, our award-winning research on the early education workforce, our unparalleled analysis of the changing state-federal partnership, and our annual Competitiveness Index are putting the issues of tomorrow on Beacon Hill's policy agenda.

It was a year of exciting growth at MTF, welcoming more than 20 new members and partnering with new funders and philanthropic organizations. While launching the third year of our Policy Start Fellowship, we were thrilled to introduce a Mid-Career Fellowship program, bringing on a seasoned policy professional to expand our work while providing the Fellow with a unique chance to explore the next stage of their policy career. We also continued to expand our work with external partners, working with the MassINC Polling Group to introduce a Competitiveness Poll to complement our annual index, and partnering with fellow business organizations to cohost events on housing and economic growth.

Our work is impossible without the support of our members, funders, and partners. In 2025, that support was more critical than ever, because our voice is more critical than ever in helping Massachusetts chart its course. We look forward to that work and your partnership continuing in 2026.

Sincerely,

A handwritten signature in black ink, appearing to read 'DHC HN', is positioned above the printed name of the president.

Douglas Howgate  
President, Massachusetts Taxpayers Foundation

# Research

In 2025, MTF published 58 reports ranging from in-time analysis of the state budget process and long-term research in several public policy areas, including demographics, education, healthcare, housing, transportation, and workforce development.

This year, MTF also released its second annual Massachusetts Competitiveness Index in addition to a companion poll commissioned by the MassINC Polling Group on how Bay State residents view the state's ability to attract and retain talent and businesses. The report uses 26 metrics to rank Massachusetts against itself, its economic and geographic competitors, and nationally to measure the state's ability to attract and retain talent and businesses.

## 2025 Research Spotlight



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### MTF Bulletin

January 22, 2025

#### Governor Healey's Fiscal Year 2026 Budget

Today, the Healey-Driscoll administration released its Fiscal Year (FY) 2026 budget proposal. The \$62 billion spending plan increases spending over the FY 2025 GAA by \$4.3 billion (7.4 percent) and over the administration's estimated spending level of \$60.256 billion by \$1.8 billion (2.1 percent). Spending increases are reflected in the healthcare, education, and transportation sectors driven by non-discretionary cost

December 2025

### Early Ed 101 Fact Sheet CHILD CARE FINANCIAL ASSISTANCE (PART 1) - Program Overview



#### What is Child Care Financial Assistance?

Child Care Financial Assistance (CCFA) helps eligible families in Massachusetts access high quality child care at zero or low cost. In 2025, around 65,000 children in Massachusetts were



### Now is the Time Unemployment Insurance Reforms

#### Policy Fact Sheets

#### Understanding the State's Unemployment Insurance System

The pandemic hugely disrupted the state's economy and workforce, as unemployment rates jumped from 3.1 percent in February 2020, one of the lowest in state history, to 17.8 percent in April 2020, the highest in over four decades. During the pandemic, state and federal unemployment benefits were expanded to address the unprecedented spike in unemployment, and billions in federal loans were used to keep the Unemployment Insurance (UI) program solvent. Following the pandemic, the state



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#### MTF Summary of Governor Healey's Mass Ready Act

On June 24<sup>th</sup>, the Healey-Driscoll administration unveiled a \$3.1 billion environmental bond bill, known as the Mass Ready Act, which includes authorizations for a new five-year capital funding plan

## 2025 MTF Reports by Topic



33

Budget and Taxes



9

Childcare & Education



6

Health Care



3

Workforce



2

Economic Development  
& Competitiveness



2

Housing & Real Estate



2

Impacts of a Changing  
Federal Landscape



1

Transportation

Massachusetts  
Competitiveness  
Index

2025



# Impact

## MTF in the Media



x 63

The Boston Globe

x 43



x 17



x 17

Boston Herald

x 13

In 2025, MTF's reports, analysis, and expertise were featured over 600 times in the media, including online media and local TV coverage. Our work has helped shape important policy decisions this year in areas like federal funding, early education and care, transportation, and commercial real estate.



### Expert: Economic downturn could trump impacts of GOP changes

Testifying before the House Committee on Federal Funding, Policy and Accountability, **Doug Howgate, president of the Massachusetts Taxpayers Foundation**, laid out the scale of the state's dependence on federal money: about \$25 billion each year. That includes about \$14.4 billion in Medicaid funds, as well as transportation and water infrastructure funding, and billions more in federal grants administered through state agencies.



### Biz Group Previews Tough Legislative Decisions

Wrestling those amped-up spending appetites and underwhelming revenue trends back into alignment will remain a theme as lawmakers and the Healey administration embark on a 2025-26 session that also presents an array of opportunities and challenges around education, health care, transportation, workforce and economic development, and capital spending on infrastructure, the budget and policy analysts at the **Massachusetts Taxpayers Foundation** said in a comprehensive session preview published Wednesday.



### Report: Growing Latino population has outsized impact on Mass. economy

The Hispanic and Latino population in Massachusetts has an outsized impact on state economic growth, according to a new report from the **Massachusetts Taxpayers Foundation**.



### Massachusetts is losing its competitive edge says local think tank

The state is losing more workers than it's attracting, with more than 27,000 people leaving in 2024 alone, the **Massachusetts Taxpayers Foundation's** latest Competitiveness Index shows. And the state ranks last in the nation in private employer growth. Businesses cite high costs of living, employer-paid healthcare costs and energy prices that run well above the national average.



### Expert offers tips for budgeting on "roller coaster ride"

MTF chief: adapting to federal shifts may not fit into normal budget cycle



### Decoding the state budget with Doug Howgate

## Our Insight

### Transportation

MTF recommends increasing the dedication of surtax resources to transportation spending to increase capital spending and improve operating budget predictability



## Our Impact

The FY 2026 budget adopts recommendations to increase transportation dedication and provides record capital and operating investments.

### Federal Impacts

MTF launches new research area on the changing state-federal relationship. Publications call for a unified state strategy to mitigate loss of federal research funds and reduce health care enrollment losses.



Governor Healey files the DRIVE initiative, which proposes an innovative financing model to help protect the state's critical research sector.

### Competitiveness

MTF publishes the annual Massachusetts Competitiveness Index, which highlights the need for a coordinated approach to addressing economic factors that impact resident and business relocation decisions.



Governor Healey creates a new Competitiveness Council, including MTF, to develop actionable recommendations to improve the state's competitiveness standing.

# Events

We understand how important it is for our members to stay up to date on public policy matters across the commonwealth. Every year, MTF organizes events for our members to meet with policymakers to discuss the most pressing topics on Beacon Hill and hear from our researchers on their comprehensive analysis of the state budget, education, healthcare, transportation, workforce, and more. **In 2025, we hosted 24 events that were attended by MTF members, supporters, and guests.**

## Policy Conversations

MTF hosts monthly candid discussions with members and policymakers across all branches of state government.

- **January** - Senate Chair of the Health Care Financing Committee **Cindy Friedman**
- **February** - Administration and Finance Secretary **Matt Gorzkowicz**
- **March** - Environmental and Energy Affairs Secretary **Rebecca Tepper**
- **April** - Governor Healey's Chief of Staff **Kate Cook**
- **June** - Undersecretary for MassHealth **Michael Levine**
- **September** - House Chair of the Health Care Financing Committee **John Lawn**
- **October** - MBTA General Manager and acting Transportation Secretary **Phillip Eng**
- **December** - Department of Elementary and Secondary Education Commissioner **Pedro Martinez**

## Trustees Meeting

MTF gathers our trustees for in-person and hybrid meetings to review our research agenda and hear from policymakers on the most pressing issues.

- **February** - MTF Research Update
- **June** - Conversation with Senate President **Karen Spilka**

## Annual Meeting

This year's annual meeting included a keynote address from **Lt. Governor Kim Driscoll**.

## Member Briefing

MTF provides monthly briefings on reports and important events. 2025 briefing topics included:

- **January** - Governor Healey's FY 2026 Budget
- **February** - Health Care Policy Update
- **March** - The Changing Federal Landscape and Impacts on Massachusetts
- **April** - House Ways and Means FY 2026 Budget
- **May** - Senate Ways and Means FY 2026
- **June** - Fiscal Update & Housing Policy Research Review
- **July** - Fiscal Update
- **September** - Unemployment Insurance Update
- **October** - Fiscal Update
- **December** - Federal Policy Impact Update

## Tax Thought Leadership

MTF organizes presentations on tax policy issues and current revenue collection trends.

- **March** - Update on tax trends, tax proposals, and the unemployment insurance shortfall.
- **July** - Presentation by KPMG tax experts on changes to the federal tax code and the impacts on Massachusetts.

## Tax Policy Conference

This year's conference featured a conversation with Senator **Cindy Friedman**, Administration and Finance Secretary **Matt Gorzkowicz**, and Boston Chief Financial Officer **Ashley Groffenberger**, among other panels, to discuss tax issues facing the state.

# Fellowship

## Policy Start Fellowship

MTF, in partnership with the Association of Independent Colleges and Universities of Massachusetts (AICUM) and its member schools, offers a 14-month Policy Start Fellowship (PSF) for graduates from communities that have been historically underrepresented in state policy research. The Fellowship provides educational and professional benefits by providing real-world exposure to policymaking, professional experience as a policy researcher, and mentoring and networking to get the Fellow started on a career in policy.

### 2024 Fellow

**Alexandria Sheehan** joined MTF in September 2024 after graduating from Worcester Polytechnic Institute with a Bachelor of Science in Economic Science, where she conducted undergraduate research in housing and environmental policy. During her Fellowship, Alex authored two reports on the state's emergency housing assistance system and a summary of the Governor's environmental bond bill, and supported the organization's analysis on the state budget. Alex completed nine shadow days and networked with over 40 MTF members and partners. Once the Fellowship concluded, Alex joined the Senate Committee on Ways and Means as a Fiscal Analyst.



### 2025 Fellow

**April Beatty** joined MTF in September 2025 after graduating from Simmons University with a Bachelor of Arts in Economics and Political Science and a Master's in Public Policy. During her time as a student, April completed several internships in the public sector, including the U.S. Senate, U.S. House of Representatives, and at the Massachusetts House of Representatives. April will contribute to the organization's state budget research while pursuing research projects in other policy areas. Her Fellowship will conclude in November 2026.



### Fellowship Sponsors



## Mid-Career Fellowship

This year, MTF launched the Mid-Career Fellowship to provide a professional with experience in the public sector with an opportunity to conduct research and publish written material on public policy issues of interest, present work to a broad audience, and dedicate time to networking and career development. The 12-month Fellowship is intended to enhance MTF's research capabilities, while also providing the Fellow with a unique opportunity to pursue the next stage of their career and undertake interesting and relevant policy work.

### 2025 Fellow

**Philip Lynch** joined MTF in October 2025 as our first Mid-Career Fellow, where he will focus on the impacts of a changing federal landscape on the state's economy and state budget. Phillip most recently was Legal Counsel for the Massachusetts House Committee on Ways and Means and holds a Bachelor's Degree in Finance from Providence College and a J.D. from New England Law.

