Addressing the Labor Shortage in Massachusetts: Engaging Untapped Talent

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**Executive Summary**

Massachusetts is facing an extremely tight labor market, witnessing a historic high of over two job openings for every unemployed individual. Consequently, employers are encountering significant challenges in both recruiting and retaining workers.

Long term trends raise even greater concerns. Massachusetts’ population is aging, while the birth rate declines. Outmigration is increasing, and immigration has decreased significantly. None of these trends are likely to change soon.

However, the state has enormous untapped talent. Around 400,000 Massachusetts individuals are underemployed and tens of thousands more are not working up to their skill capacity or ambitions. Massachusetts is not suffering from a shortage of talent. The real issue lies in the state’s inability to fully include its untapped talent, including workers of color, foreign-born individuals, justice-involved citizens, caregivers, disabled workers, and young and older workers.

These individuals, despite their immense potential and skills, have long been underutilized due to systemic barriers. Too many employers, workforce development practitioners, and policymakers have not made the necessary changes that would allow for these individuals to enter the workforce and thrive. Some of these barriers include social, educational, and economic challenges; reluctance on the part of employers to adopt skills-based hiring practices and address discriminatory Applicant Tracking Systems; unpaid learning opportunities; and inadequate or underfunded support services (e.g., childcare and transportation).

A different approach must be taken by these three actors—employers, workforce development practitioners, and policymakers—to create a system that is more inclusive. In this report, we outline the actions that these three groups can take to address the barriers that have stood in the way. We also present examples of organizations that have developed new models to creatively tackle those barriers. By adopting our recommended practices, Massachusetts can address its workforce shortage, create more opportunities for economic prosperity, and become a leader in the nation for engaging untapped talent.

**Introduction: Historically Tight Labor Market**

Massachusetts is experiencing one of the tightest labor markets in modern history, posing significant implications for business operations and economic growth. Amidst this disruption, there are emerging opportunities for individuals who have been historically excluded from the state’s economic prosperity.

Since March 2020, the labor market has undergone a series of dramatic shifts. Just prior to the pandemic, Massachusetts was experiencing a tightening labor market and significant worker shortages. Then, economic uncertainty coupled with increased concern for public health due to the COVID-19 pandemic ushered in a wave of rapid changes to where, how, and if people work. Massachusetts experienced one of the most severe employment disruptions in the nation, moving from one of the lowest unemployment rates in the nation to one of the highest.[1]

As the pandemic has eased, and public health restrictions have relaxed, the economy has begun to recover and return to its pre-pandemic conditions. As of June 2023, the nationwide unemployment rate was around 3.5 percent, up slightly from its post-pandemic low, but still historically low.[2] In the same time period, the Massachusetts unemployment rate hovered around 2.6 percent, once again lower than the national rate as it was prior to the pandemic.[3]

Massachusetts’ labor force participation rate (the number of all employed and unemployed workers divided by the state’s civilian population) has not fully recovered from the impact of the pandemic. The rate remains stubbornly low, at 64.6 percent[4]—a decline of nearly a point from one year ago, almost two percent lower than it was just prior to the pandemic, and a major decline from its historic peak of nearly 70 percent in the early 1990s.

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**Labor force participation (%) in Massachusetts from 2000-2022**
Massachusetts is again experiencing a historically tight labor market. While the ratio of job openings per unemployed individual nationally is around 1.63 openings per unemployed individuals, in Massachusetts it remains at a historic high of around two openings for every unemployed individual, with 290,000 openings and around 145,000 unemployed individuals. This measurement of labor supply and demand mismatch is at a historic high, up from 1.4 just prior to the pandemic, and 0.4 a decade ago.


Underemployment and job openings in Massachusetts from 2010-2023

Employers are struggling to source, attract, and retain talent amid an acute labor shortage. Despite layoffs in the tech sector and business closures in financial services, many employers still cannot find enough workers to fill job openings, particularly in leisure and hospitality, education and health services, and the construction sectors, which have seen substantial and persistent growth, in positions considered to be low and middle-skill jobs.[7]

This paper reveals that Massachusetts is not suffering from a shortage of talent. Instead, the state and its employers are grappling with the consequences of excluding talent, including workers of color, foreign born workers, justice-involved citizens, caregivers, disabled workers, young workers between 18 and 24, and older workers. These individuals, who have long been overlooked due to systemic barriers and biases, hold immense potential that remains untapped. Once the barriers that exclude these individuals from the workforce are addressed and dismantled, Massachusetts can tap into a vast reservoir of untapped potential that will not only benefit the workforce but also drive innovation and economic growth.

Social and Demographic Trends in Massachusetts

Even more concerning than the currently low unemployment and labor participation rates are the long term social and demographic trends that portend labor shortages for the foreseeable future. There are several important factors that are driving this trend.

Massachusetts’s Population is Declining

Between 2010 and 2020, the Massachusetts population grew an average of 0.6 percent annually, but that growth trend is no longer the case. The state’s population declined by 0.5 percent between 2020 and 2021, and by 0.1 percent or nearly 8,000 people between 2021 and 2022.[8] Births in the state are at their lowest since 1940, the natural population growth (births minus deaths) has steadily decreased since 1990, and population growth is expected to turn negative by the end of the decade. Projections also suggest that prime working age individuals between the ages of 20 and 64 will decline by 180,000 individuals by 2030.[9]

Massachusetts’s Population is Aging

Massachusetts has more residents over the age of 60 than under the age of 20. From 2002 to 2021, the state’s population over 65 grew by over 350,000.[10] Massachusetts is an older state, with 18.1 percent of its population over 65 as compared to the national rate of 17.3 percent, and the state is projected to see that gap between its population over 65 and the national rate increase in the coming decade.[11] In addition, many older workers in the state who faced health concerns during the pandemic chose early retirement and have yet to rejoin the workforce.

At the same time, Massachusetts’ births have been in steady decline since the early 1990s, dropping by nearly 30 percent since that time and by 40 percent since their peak in the early 1960s.[12]

As Massachusetts’s population ages and its birth rate declines, the state is losing future skilled workers. College attendance rates are declining, which reduces the pool of highly educated workers. In Massachusetts, college enrollment has declined by nearly 10 percent since 2017.[13] The pandemic has only exacerbated this trend, as evidenced by Boston’s 11 percentage point decrease in college enrollment among high school graduates between 2019 and 2021.[14]

Share of the Massachusetts Population Over 65
Massachusetts is Losing More Residents Than It’s Gaining

Legal immigration sharply declined due to global travel restrictions caused by the pandemic and the policies of the Trump administration, many of which remain in force.[15] According to J.P. Morgan, the lack of immigration reduced the U.S. workforce by 3.2 million workers.[16] Massachusetts’ international legal immigration declined by 75 percent since its peak in 2017 from 48,580 to 12,680 in 2021, though there was some increase in 2022 and a substantial increase in undocumented arrivals in the state.[17] This is a particularly challenging situation for Massachusetts, which has long relied on international immigration to fuel its labor force with approximately one fifth of the state’s workforce consisting of immigrants.[18]

At the same time as in-migration is decreasing, out-migration is on the rise as workers move to areas with more affordable costs of living. Between 2020-2021, Massachusetts lost 40,000 more residents through domestic outmigration than it gained through international immigration, reversing a long-term trend.[19]

The pandemic created increasingly complex barriers to employment for workers, many of which remain. Many workers continue to experience long-term health effects of COVID and have been unable to re-join the workforce.[20] Available and affordable childcare was severely limited prior to the pandemic and further shrank during the pandemic.[21] The pandemic reset worker’s priorities and worker expectations have changed. Employees and job seekers now place increasingly high value on flexibility, remote work, benefits, and work/life balance.[22] Not all employers have adjusted to these new demands.

The tight labor market and its likely long-term persistence has enormous implications for current business operations and Massachusetts’ long-term economic growth prospects. Employers across varied sectors such as healthcare, life sciences, retail, and hospitality are finding it very difficult to fill their backlog of openings, and this challenge is being felt by their customers.[23][24] Longer waits for healthcare services, longer lines at retail establishments, and limited hours at restaurants are becoming commonplace. Employers are responding with wage increases, signing bonuses, increased benefits, and automation solutions, but these strategies are not without their limitations. Another strategy, which some employers are pursuing, is to reach outside of their traditional hiring practices and talent pools to recruit and hire from sources of untapped talent.

Untapped Talent

Though the labor market is extremely tight, there is still plenty of talent that is often overlooked or, as referred to in this paper, “untapped.”[25] We define untapped talent as encompassing two categories of workers:

- The underemployed or individuals who are unemployed, discouraged, or those who are working fewer hours than they can or desire to work; and
As of May 2023, the U.S. Bureau of Labor Statistics reported 9.8 million job openings across the nation, which is a slight reduction over the past year, but a stubbornly high number.[26] In terms of labor supply, in May 2023 there were 6 million unemployed persons (workers in the labor force who are unemployed but actively seeking work), which equates to 1.63 openings per unemployed individuals.[27] An additional 5.7 million persons are not in the labor force but desire employment.[28] However, when a more complete analysis of untapped talent is calculated, including all underemployed workers, the size of the untapped talent pool increases markedly. In March 2020, researchers estimated that 27 million workers in the U.S. were untapped.[29]

In Massachusetts, our calculations shows that there are 400,000 underemployed individuals (including unemployed, discouraged, and unintentionally part-time). While it is difficult to calculate the “underutilized” portion of the workforce, we can safely assume that the number is in the tens of thousands. Among prime age workers, defined as between 25 and 54, our research again shows that there are 240,000 underemployed individuals, or one in eleven out of the workforce. With this expanded definition of untapped talent, the ratio of job openings to untapped prime working age individuals is closer to one to one.

An untapped talent analysis casts a very particular light on Massachusetts’ labor shortage. There is not so much a shortage of potential workers as there is a failure to adequately prepare and match existing talent with job openings. Many job seekers hoping to join the labor force remain overlooked by traditional recruitment methods and workforce development strategies. A different approach to workforce development is required to unlock new labor pools that meet employer’s needs and open opportunities for those that have been left behind.

Who Comprises Our Untapped Talent?
We have identified seven major categories of individuals that comprise most of the untapped talent in Massachusetts: workers of color, foreign born workers, justice-involved citizens, caregivers, disabled workers, young workers between 18 and 24, and older workers.

Underemployment rate for various populations in Massachusetts

Source: Current Population Survey, IPums USA, cSPA calculations.

Number of underemployed workers across various populations in Massachusetts
In many cases, these workers are from marginalized communities and face circumstances that present barriers to employment and require targeted solutions. These barriers include educational and/or skill deficiencies, language barriers, work/life barriers, legal barriers, and physical barriers. They also include a wide range of structural hiring barriers, ranging from ignorance, fear, and discrimination, both implicit and explicit. Each of these barriers underscores the importance of targeted recruitment, more inclusive hiring systems, training, and retention approaches that account for the common and specific barriers facing untapped workers, as well as employer culture change that addresses bias and structured habitual discrimination.

Workers of Color
Workers of color, which include all self-identified workers other than White, non-Hispanic, represent the largest number of underemployed workers in Massachusetts, totaling 150,881 individuals. Workers of color are a large and growing segment of the workforce, comprising around 30 percent of the Massachusetts population. This segment of untapped talent overlaps with several other of the more specific segments described below.

Race and underemployment
Barriers

Persistent racial discrimination is a significant challenge that plagues all aspects of the talent acquisition and promotion processes. Numerous studies illustrate that automated hiring systems, informal hiring networks, and bias lead to qualified individuals being overlooked for job opportunities even when educational levels are comparable.\[31\]

This discrimination can perpetuate cycles of stunted career growth and limited economic advancement. Due to higher levels of unemployment and lower levels of labor market participation, workers of color often have less employment experience than their White counterparts, making it difficult to break into the job market. Once in the workforce, workers of color face significant occupational segregation and are over concentrated in occupations with lower quality jobs and lower wages.

Another critical barrier is the lack of access to quality education. In Boston, workers of color tend to have lower educational levels with 39 percent of Black adults and 46 percent of Latinx adults having a high school diploma or less compared to 23 percent for White adults.[32] College attainment is similarly disproportionate with 28 percent of Black adults and 27 percent of Latinx adults having a bachelor’s degree or higher as compared to 56 percent of White adults.[33] These disparities again contribute to the underrepresentation of workers of color in higher-paying industries and positions.

With lower earnings and wealth than White workers, workers of color face significant economic and social instability that can undermine success at the workplace.[34] The lack of economic resources can lead to a host of financial issues like housing insecurity, transportation concerns, childcare challenges, and inability to weather emergencies.[35] Other barriers can include prior justice related experiences, substance abuse, and mental illness.

Addressing the Barriers

EMPLOYER PRACTICES

- **Adjust unnecessary degree and job requirements.** One of the most effective methods of expanding the hiring of individuals of color is to adjust stated degree and other job requirements that are not necessarily critical for job performance. Changes can be reflected in job postings, language on company websites, and company culture and incentives, particularly for hiring managers.

- **Adjust or avoid using Applicant Tracking Systems (ATS).** ATS perpetuate biases that frequently filter out many workers of color and other untapped talent. ATS can be adjusted to be more inclusive and allow a larger and more diverse pool of applicants for consideration.
• **Encourage workplace learning opportunities.** Workers of color will be more successful and productive, as well as more likely to be promoted, with the benefit of available workplace learning accompanied by paid release time. Leading employers have developed extensive career ladder models that target entry-level employees for both education and training, as well as advancement navigation.

• **Provide coaching and mentorship support.** Coaching and mentorship models for employees of color and other untapped talent demonstrate very positive results for retention and advancement.

• **Partner with community-based organizations to establish talent pipelines.** Many effective community-based organizations can reach deeper into communities of color and create talent pipelines in partnership with employers. These efforts should be supported and scaled significantly.

• **Diversify leadership representation.** Leadership diversity, both at the board and executive level is an important step for attracting and retaining individuals of color.

### WORKFORCE DEVELOPMENT PRACTICES

• **Integrate wraparound support services and coaching.** Job skills training alone is insufficient for successfully training, employing, and ensuring success for workers of color and other untapped talent that lack resources to cushion against crises at home and work. Workforce development programs should integrate wraparound support services and coaching for their students to increase retention and success both during training and following their employment.

• **Provide stipends for students.** Many students enrolled in workforce development programs have experienced low-quality job options that offer meager pay, despite the need to support themselves and their families. Workforce development providers need to provide stipends for their students if they hope to attract and retain students of color and launch them on promising career paths.

### PUBLIC POLICY

• **Fund integrated support services.** Public workforce development funding needs to move beyond investment in training slots to support integrated support services and stipends.

• **Re-evaluate funding outcome requirements.** Too often, public funding outcome requirements serve to exclude participants of color who may need more time and flexibility to succeed in programming than is allowed by narrow definitions of success. Public funding entities should closely examine their requirements for individuals of color to better balance appropriate expectations and the diversity of participants.

• **Adjust unnecessary degree and job requirements for Massachusetts state jobs.** One of the most effective methods of expanding the hiring of individuals of color is to adjust stated degree and other job requirements that are not necessarily critical for job performance. Pennsylvania and Maryland recently made these types of changes, and several other states are considering them as well.

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**Foreign Born Workers**

Foreign-born workers and underemployment
Massachusetts has the eighth largest population of immigrants nationally with approximately 17 percent of the state’s population being foreign-born. Moreover, one fifth of the Massachusetts labor force is foreign born and over 70 percent of foreign-born residents are between the ages of 18 and 64, meaning they have will have significant impact on the labor market for many years to come, regardless of immigration policy. While the majority of these immigrants are White, there remain key differences in foreign-born resident demographics. For one, immigrants are substantially bifurcated by educational level. Additionally, Massachusetts is home to a significant Latin American immigration population (38.8 percent of the immigrant population) and Asian immigrant population (30.7 percent of the immigrant population), as well as African immigrant population (9.6 percent of the immigration population). Our research shows that about 14 percent of foreign-born workers, or 140,156, are underemployed, and far more are underutilized. This is the one of the largest categories of the underemployed, comprising 35 percent of the total underemployed population.

Barriers
English fluency is a basic requirement for many jobs in Massachusetts. This is a concern because in Massachusetts alone, around one fifth of the immigrant population either does not speak English well or speaks no English at all. Using Boston as an example, immigrants are often precluded from jobs and subjected to lengthy waitlists for English for Speakers of Other Languages (ESOL) classes. With the influx of workforce development funding since COVID-19, some action has been taken to address this issue. However, workforce development providers are still struggling to support immigrants with the depth of assistance needed to complete these classes successfully. Stipends are rarely offered, making it impossible for some job seekers to enroll in ESOL programs. Additionally, the vast majority of ESOL classes are focused primarily or entirely on language acquisition alone, with only 7 percent of ESOL programs focused on integrating job skills and employment supports despite a clear demand for these types of services.

Highly educated immigrants with professional experience or credentials from their home country are often forced to take lower paying jobs when they immigrate to the U.S. if they are able to secure employment at all. A nurse credentialed in Nigeria is likely unable to practice their profession in Boston, although they are highly skilled in an occupation where there is a severe labor shortage. Several programs in Massachusetts like the Welcome Back Center at Bunker Hill Community College and The African Bridge Network address this challenge, though they are limited in scope and scale.

According to the Migration Policy Institute, there are over two million underemployed college educated immigrants residing in the United States, and approximately 62,000 of them reside in Massachusetts. Skilled immigrants face many challenges working in occupations and positions that fully utilize their skills. Language of course is a primary barrier, but in addition there are challenges of having little to no social capital and holding foreign granted professional certifications that are not transferable to American workplaces.

Work authorization is another barrier faced by immigrants in Massachusetts. Twenty two percent of Massachusetts immigrants are undocumented. Although many of these individuals contribute to the workforce, they are unauthorized to work in the U.S. Even documented immigrants face challenges obtaining work authorization. The in-person foreign labor certification process was suspended due to COVID-19. While some
support was available online, this created another barrier for immigrants, especially those without access to a computer or internet. Since the pandemic, the nation has seen a work-permit backlog which has caused some immigrants to miss out on employment opportunities.[46] Several specific refugee groups, including Haitians, Afghans and Ukrainians, continue to face long delays and bureaucratic hurdles as they attempt to secure work authorization.[47][48]

**Addressing the Barriers**

**EMPLOYER PRACTICES**

- **Provide English-language learning opportunities.** Employers should provide on-site contextualized English language classes with paid release time. Massachusetts has many highly skilled providers who can deliver these classes. In addition, funding for employers is available through the Workforce Training Fund, a long-standing unemployment insurance diversion training pool.[49]

- **Partner with community-based organizations.** Employers can partner with appropriate immigrant serving community-based organizations to source new talent. These organizations have strong reputations in immigrant communities, well developed language and cultural competence, and are trusted sources of services and referrals for the communities they serve.

- **Keep appraised of evolving federal refugee policies.** Recent changes in federal refugee policies have opened opportunities for new models of refugee resettlement that target specific skilled refugees and match them with host employers and resettlement services.

**WORKFORCE DEVELOPMENT PRACTICES**

- **Integrate English-language teaching into skills training.** Workforce development providers should develop and offer fully integrated vocational English with high demand skills training programming. This approach to workforce development has had proven success in increasing employment and wage gains for immigrant workers.

- **Offer career coaching as a resource.** Expand coaching both prior to and following employment to support immigrants as they adjust to American workplace culture.

- **Engage employers in training programs.** Expand employer engagement in training programs, through methods such as guest instruction, mock interviews, and mentorship, to build immigrant social capital and workplace knowledge.

**PUBLIC POLICY**

**At the federal level:**

- **Reduce waiting times for work authorization.** The Biden administration should prioritize reducing the backlog and waiting times for work authorization for resettled refugees and asylees.

- **Expand pilot resettlement programs.** The Office of Refugee Resettlement (ORR) should expand pilot resettlement programs that target specific skilled refugees/asylees in partnership with employer partners.

- **Establish non-employer sponsored visas.** The Biden administration should consider creating non-employer sponsored visas for immigrants with in-demand skills. Sector-wide visas in addition to employer sponsored visas could dramatically expand the available pool of work-authorized immigrants.

While most immigration policy is federal, there are things that the Commonwealth can do:

- **Invest in legal services.** The Commonwealth should further invest in legal services to help immigrants achieve work authorization.

- **Fund integrated vocational English programming.** The Commonwealth should shift its funding priorities from standalone English language classes to integrated vocational English programming.

- **Recognize foreign qualifications.** The Commonwealth should support programming to assist in transferring certifications or re-directing transferable skills for highly educated immigrants.

- **Protect immigrants from malfeasant labor practices.** Aggressive enforcement of labor standards is a critical way to protect immigrant workers from wage theft and other abuses for those new to the labor market and more vulnerable to abuse.
CASE STUDY: Jewish Vocational Services

Background
A nonprofit, nonsectarian organization, Jewish Vocational Service (JVS), in Boston was founded in 1938 during the Great Depression to assist Jewish immigrants struggling to enter the American workforce and support their families. Today, JVS is among the oldest and largest providers of adult education and workforce development services in the region, serving a diverse clientele representing over 100 countries. Their clients speak more than 60 languages and reside in 164 Boston neighborhoods and nearby cities.

Featured Workforce Development Program
Launched in 2009, the Bridges to College & Careers program at JVS is a free, intensive college transition program that equips low-income adult learners, primarily non-native English speakers, with the skills needed to enter and complete college, attain a postsecondary certificate or degree, and move into a related career. JVS's Bridges to College & Careers Biotechnology Pathway program, established in 2013, addresses the ongoing need to equip Boston's workforce with the skills necessary to fill the most in demand STEM jobs, while supporting local efforts to increase the diversity and inclusivity of the STEM workforce. The Bridges to College & Careers Biotechnology program provides a pathway for adult learners to earn biotechnology certifications, which are stackable toward associate and baccalaureate degrees, and stewards program graduates into local biotechnology jobs seeking middle skill workers.

The Biotechnology Pathway in Bridges to College & Careers provides intensive academic support, English language services, financial coaching, and job coaching to position underserved adults to directly transition into credit-bearing biotechnology college courses. The program makes biotechnology certifications and STEM careers accessible to people facing academic, language, financial, and other barriers. JVS's Biotechnology pathway has three curricular components: 1) a 23-week Biotechnology Learning Community pre-college course delivered by JVS—curriculum includes biology, microbiology, and chemistry classes, with a focus on the advanced math concepts associated with these disciplines; 2) a 10-month, 22-credit certificate program at Quincy College—the Biotechnology & Good Manufacturing Practice Certificate—designed to prepare students for positions in the biomanufacturing industry; and 3) ongoing biotechnology job training and career mentoring by JVS staff throughout the pre-college and certificate program periods.

Outcomes
Of the more than 100 recent graduates of the program, more than 80 percent have gained employment in the industry. More than 80 percent of the graduates are immigrants to the U.S., speaking a primary language other than English, all are high school graduates, and more than 50 percent have had at least some college in their home country or the U.S. Graduates primarily are hired into technician positions with nearly 20 employers including notable companies such as Siemans, Thermo Fischer, Moderna, Nova Biomedical, and Vertex Pharmaceuticals. With an increasing demand for technicians by the rapidly growing life science sector in the region, JVS will be doubling its program from 30 to 60 graduates annually in 2023.

CASE STUDY: African Bridge Network

Background
Emmanuel Owusu, a Ghanaian and U.S. trained urban planner, so frequently encountered highly educated professional immigrants struggling to get a foothold in the American work world, that he left his job in state government to start the African Bridge Network (ABN). According to Owusu, who is based in and works in Massachusetts, states across the nation and the employers who do business in them are increasingly competing for skilled immigrants, who tend to migrate to the best economic opportunities and immigrant friendly communities. This competition was exacerbated by the labor shortages during and following the COVID-19 pandemic. Though when it was first formed it solely focused on serving Owusu's own African immigrant community, ABN now assists highly skilled immigrants in Massachusetts from many nations and regions including Haiti, Latin America, Asia, and Africa.

According to the Migration Policy Institute, there are 9.8 million highly skilled immigrants residing in the United States, and more than 335,000 of them reside in Massachusetts.[50] Skilled immigrants face many challenges to working in occupations and positions that fully utilize their skills. Language is a primary barrier, but there are additional challenges of having little to no social capital, lack of U.S. work experience, and holding foreign granted professional certifications that are not transferable to American workplaces. ABN works exclusively with highly skilled immigrants with college degrees and with sufficient workplace English proficiency. Additionally, ABN partners closely with other organizations, such as JVS and the International Institute, to deliver English language services for skilled professionals who can then transition to ABN.

Featured Workforce Development Program
ABN and Owusu have determined that the fastest and most efficient way to connect highly skilled immigrants to better quality employment is by focusing on transferable skills rather than re-certification, creating industry pathways, and building strong relationships with employers to help overcome the social capital challenge.

ABN’s model is centered around its Immigrant Professionals Fellowship program, a three-month paid fellowship that includes technical preparation, American workplace preparation, and a workplace internship. ABN provides Fellows with intensive support during the fellowship and afterwards for three months with post-placement support. The Fellowship model began in the healthcare industry, focusing on research
Justice-Involved Citizens

Data from the Massachusetts Department of Corrections indicate that approximately 5,000 individuals each year are released from Massachusetts prisons.[51] Under reasonable assumptions about recidivism, Massachusetts is home to approximately 20,000 individuals who have been released from prison since 2018. From 2013 to 2022, Massachusetts saw a decrease of 45 percent in the incarcerated population.[52] The pandemic accelerated this trend as prisoners were released early due to public health concerns. As a result, we have seen an influx of formerly incarcerated citizens struggling to overcome the stigma of a criminal record and find meaningful employment. In many of the fastest growing job categories, especially in the healthcare sector, prior court involvement often precludes justice-involved citizens from employment. Interestingly, there is some research evidence and substantial anecdotal evidence that justice-involved citizens have both a strong motivation to work and high retention rates.[53] For example, one longitudinal study undertaken by Johns Hopkins Hospital found that a change in their “banning the box” policy on prior applicants resulted in hiring applicants with criminal records who ended up exhibiting a lower turnover rate than those without records.[54]

Barriers

Justice-involved citizens often have limited education and limited work experience in addition to economic challenges that create substantial employment instability.[55] They are also more likely to have mental health issues and suffer from substance abuse.[56]

There are numerous public policies that limit the freedoms of justice-involved citizens (for example, many states prohibit felons from having a driver’s license). Private employer policies on hiring and public policies for licensure often limit return citizens’ ability to work in certain occupations and industries.

Addressing the Barriers

**EMPLOYER PRACTICES**

- Remove requirements that prohibit hiring individuals with a criminal record. Removing strict prohibitions against hiring individuals with criminal records wherever possible will open merit-based opportunities that may otherwise be overlooked.

- Partner with community-based organizations. Develop partnerships with community-based organizations that provide pre-release training and post-release training to create a hiring pipeline.

**WORKFORCE DEVELOPMENT PRACTICES**

- Provide wraparound services. Provide justice-involved citizens with wraparound services that go well beyond training and include assistance with handling Massachusetts Criminal Offender Record Information (CORI) records, pre-employment counseling, public/mental health services, and job-and post-placement counseling.

- Target “Criminal Offender Record Information (CORI) friendly” industries. Target companies in “CORI friendly” industries for partnerships, including construction, food services, and manufacturing.

**PUBLIC POLICIES**

- Reform the CORI system. Continue the slow but steady progress of CORI reform in Massachusetts, including the “Clean Slate” bill that would require the Commission of Probation to automatically seal criminal and juvenile records after the applicable waiting periods without the filing of a petition, which has a backlog of many months and, at times, even years.
• Introduce tax incentives for hiring justice-involved citizens. Make bond insurance and tax incentives more widely available for employers who hire justice-involved citizens.

• Reevaluate occupational licensing requirements. More closely examine and reform occupational licensure that exclude justice-involved citizens.

• Support justice-involved citizens through collecting employment and wage data. Improve Massachusetts’ ability to track and support reintegrating formerly incarcerated individuals through available employment and wage data.

• Expand pre-release education and training programs. Invest in expanding pre-release education and training programs delivered through partnerships, such as the program offered by New England Culinary Arts Training (see case study below).

CASE STUDY: Wash Cycle Laundry

Background
In 2010, Gabriel Mandujano founded Wash Cycle Laundry, a laundry and linen rental service and a for-profit social enterprise, to create jobs and second chances for people overcoming histories of homelessness, incarceration, and more. Wash Cycle Laundry provides commercial and hotel laundry services to companies from owner-operated hair salons to global hotel brands in Boston, Philadelphia, Baltimore, and Washington, DC. Wash Cycle Laundry was inspired by a group of social enterprises, like Greyson Bakery and Homeboy Industries, that practice open hiring and create second chances for individuals overcoming incarceration, homelessness, and other individuals who face barriers to employment.

Wash Cycle Laundry places an additional focus on environmental sustainability, using person-powered vehicles to haul millions of pounds of laundry and cutting-edge technology to reduce water and energy utilization.

Featured Workforce Development Program
Wash Cycle Laundry considers commercial laundry employment to be an ideal setting for individuals facing employment challenges to serve as a springboard for living wage jobs and further education. The laundry positions are typically not customer facing roles and allow employees to build their skills and talents, as well as self-confidence as workers. Wash Cycle Laundry is intentional about hiring justice-involved citizens as a significant part of its workforce, along with individuals recovering from substance abuse and homelessness as well as individuals experiencing physical and intellectual disabilities.

The company's largest facility is located in Lynn, Massachusetts with 98 employees, almost 40 percent of whom are individuals facing the barriers noted above. The Lynn facility primarily serves the hospitality and tourism industries. Nearly all positions are full-time, fully benefitted, and pay between $17.50 and $20.11 per hour. The Lynn facility, with an almost entirely Spanish speaking staff and a lower rate of literacy, also provides on-site English language training services.

Imanni Wilkes Burg, the Lynn-based Social Impact Manager for Wash Cycle Laundry, works as a go-between with her HR team and local “hiring partners” including Roca, Inner City Weightlifting, and JVS to ensure a steady source of potential hires. Burg also remains closely connected to hiring partners to help solve the challenges and line up needed supports for the new hires.

Outcomes
According to Burg, Wash Cycle Laundry’s inclusive hiring has made good business sense, with lower costs of turnover which Burg attributes to the company’s fair wage offerings and high standards of job quality. As a result, the company rarely struggles to fill positions, even in a tight job market. The company’s turnover rate is under 5 percent, far below similar companies.[57] Burg reflects, “For those who find it difficult to land any job, they don’t easily let it go. Most employers exclude one third or more of potential hires. We don’t. Our clients typically are unaware of our hiring policies. And, we maintain high standards for quality and performance for all of our employees, regardless of whether or not they are ‘mission hires’.”

One major challenge that Wash Cycle Laundry faces is flexible childcare for its employees, particularly because the company requires weekend work and typically provides off-hour shifts.


CASE STUDY: New England Culinary Arts Training

Background
New England Culinary Arts Training (NECAT), founded by Maarten Hemsley and currently led by executive director Joey Cuzzi, is a nonprofit that began serving Greater Boston in 2013. Leveraging its relationships with private partners, the organization strives toward a world where
Persons with a Disability

A person with a disability is three times less likely to be employed than a person without a disability.[58] In Massachusetts, excluding persons with disabilities from the workforce can have serious ramifications for the labor market given that 11 percent of the adult population has a disability. Of those, only 19.1 percent are employed, compared to 62.1 percent of people without disabilities.[59] Amongst prime aged workers (workers aged between 25 and 54), 34.4 percent of the population with a disability are employed compared to 82.7 percent of all adult workers who are employed.[60] Our research reveals that almost 14 percent of Massachusetts disabled workers, or about 18,060 individuals, are underemployed.

Cognitive disabilities (difficulty with decision making and memory) and ambulatory disabilities are the most common in Massachusetts. The state’s employment gap regarding people with ambulatory difficulties put it behind 40 percent of the country.[61] More than 70 percent of the 159,780 working-aged people in Massachusetts with ambulatory disabilities are unemployed.[62]

Workers with disabilities and underemployment

Featured Workforce Development Program

NECAT’s Behind the Walls program is specifically designed to support incarcerated citizens who are nearing release. Through the program, NECAT offers free culinary arts skills training, emotional support, and career coaching to provide students with a sense of purpose and a plan for re-entry. Each student commits to roughly nine weeks of culinary arts training and earns their ServSafe Manager Certification (recognized as an industry-standard, food safety credential) upon completion. Behind the Walls currently serves men at both the Suffolk County House of Correction and the Boston PreRelease Center. NECAT has plans to develop programming for incarcerated women.

Recognizing the unique needs of the individuals it serves, NECAT provides several wraparound supports:

- **Coaching and Counseling** – There are two career counselors and two life coaches who provide services through NECAT’s newly opened Career and Alumni Engagement Center. This team helps clients build a new life for themselves outside of the justice system. The life coaches provide guidance to help facilitate a smooth transition back into society, addressing issues like building new relationships, navigating social norms, and accessing government services. Career coaches focus on helping clients find employment through offerings like resume writing, interview prep, and job opportunity identification.

- **Stipends** – To alleviate some of the financial pressure faced by its students, NECAT offers a stipend that is disbursed in three phases. Students receive an initial payment of $400 after their first meeting with a career counselor, a second payment of $400 is received upon completion of the first assignment from that counselor (e.g., complete a certain number of job interviews, participate in job shadowing, etc.), and the final $400 payment is issued once the counselor feels the student has completed all work required to improve their employability.

- **Housing Assistance** – NECAT partners with Justice for Housing to address the housing instability issues that make it difficult for its students to maintain employment. Services include helping the justice-involved navigate the paperwork and government requirements to receive subsidized housing, providing education on anti-discrimination housing laws, facilitating family reunification, and creating pathways to home ownership.

Outcomes

NECAT’s cohort model has achieved success through providing career pathways for a population with historically low employment rates. The program has garnered interest from other counties and NECAT is now partnering with Dedham Norfolk County Correctional Center on re-entry job training. Outcomes for the 2021-2022 grant cycle include 94 inmates enrolled, 58 graduated, and 28 employed. This includes students trained at Suffolk County House of Corrections, those from the Boston Pre-release Center, and some students who were recently released.
Barriers

Job seekers with disabilities face challenging obstacles when seeking to enter or re-enter the workforce. Some of these challenges include access to transportation, adequate health insurance, and mental health services. Many workplaces are not accessible and are not always required to be accessible.

Many employers are not willing to make the necessary accommodations that would allow disabled workers to thrive in the workplace. As mandated by the Americans with Disabilities Act, workers are entitled to reasonable accommodations (for example, modified job responsibilities, flexible work schedules, adjusted software/equipment, etc.). Yet, many employers are reluctant to make these accommodations as they are viewed as prohibitively expensive.

Often employers are reluctant to hire individuals with disabilities due to concern about how they will fit or be accepted by other employees. Employers may also have concerns about potential legal liabilities stemming from workplace accommodation requirements.

Addressing the Barriers

**EMPLOYER PRACTICES**

- **Partner with community-based organizations focused on supporting individuals with disabilities.** Employers can establish or expand partnerships with community-based organizations that train, coach, and support individuals with disabilities seeking employment.

- **Conduct an accessibility audit in the workplace.** Employers should undertake an accessibility audit to ensure that their physical and digital workplaces and workspaces are accessible to all.

**WORKFORCE DEVELOPMENT PRACTICES**

- **Establish training, coaching, and post-placement supports with employers.** Workforce development organizations can adopt or expand services to support competitive employment for individuals with disabilities, including training, coaching, and post-placement supports. Workforce training should be developed in partnership with employers who can provide workplace internships and related models.

Source: Current Population Survey, IPums USA, cSPA calculations.
Younger Workers
Our research finds that younger workers, which we define as workers between the ages of 18 and 24, comprise a substantial portion of the underemployed, with an underemployment rate of 16.9 percent representing around 65,000 individuals. Younger workers have historically

PUBLIC POLICY

- **Pass S.1553 and H.2291, the "Accessible MASS Act."** Massachusetts law does not currently require workplaces to be fully accessible. Passing S.1553 and H.2291 would allow the Architectural Access Board to enforce accessibility in workplaces and guide developers and architects on innovative ways to provide workplace access.

- **Reform public benefit programs for persons with disability.** Too many disabled workers face the risk of losing public benefits as they earn more through employment. This “cliff effect” should be closely examined and reformed.

- **Promote tax credit programs in Massachusetts.** Massachusetts’s Disability Employment Tax Credit incentivizes businesses to hire more disabled workers. Employers can receive $5,000 in the first year they hire a disabled worker, and $2,000 in subsequent years. The program should be better promoted both by state government and employer associations.

CASE STUDY: Spaulding Rehabilitation Network

**Background**
Spaulding Rehabilitation Network, a rehabilitation healthcare system, has trained and hired individuals with disabilities for nearly two decades. Many of Spaulding’s patients are recovering from and learning to live with short- or long-term disabilities.

Spaulding’s then Senior Vice President for Mission and Advocacy, Oz Mondejar, a long-time advocate for disability rights, joined the organization in 2004 and set out to ensure that hiring individuals with disabilities was a priority for the hospital. In the early years, Spaulding partnered with the Massachusetts Rehabilitation Commission (MRC) to achieve better alignment between the disabled candidates that the MRC was sending to Spaulding and the needs of hiring managers. Without this alignment, managed by Spaulding’s HR team, candidates tended to get lost and were less likely to be hired.

**Featured Workforce Development Program**
In 2012, Mondejar’s colleague, Colleen Moran, who had been helping to ensure candidate alignment, was named as the dedicated point person in Spaulding’s HR department to deepen their commitment to hiring individuals with disabilities. Moran also began to build relationships with other employment and training organizations working with disabled individuals, such as JVS. JVS offers a program, known as Transitions to Work, that is committed to preparing disabled individuals for competitive employment. The eight-week program included intensive classroom instruction paired with employer-based internships, which helped place hundreds of disabled individuals with major employers in Massachusetts, including CVS Pharmacy, Hebrew Senior Life, Whole Foods, and Spaulding, since it was launched in 2011.

Spaulding also partnered with Project Search and Boston Public Schools to prepare and hire young high school graduates with developmental and learning disabilities for employment with Spaulding and other employers. According to Moran, hiring individuals with developmental disabilities was a major shift from hiring physically disabled candidates and required a great deal of hands-on work with hiring managers to ensure success.

In 2020, Spaulding built and opened its “Job Lab” in its Cambridge facility, which is a hands-on training and learning center for disabled individuals seeking employment at Spaulding and with other area employers. JVS’s Transitions to Work utilizes Job Lab to provide food service training. Job Lab also has computer-based training facilities and is increasingly used by other community-based organizations like Partners for Youth With Disabilities. While she continues to advocate for candidates with disabilities, this change has posed a much bigger challenge, both because MGB is an enormous healthcare system and Moran isn’t solely focused on this work. Moran notes that success in engaging the hidden talent of individuals with disabilities often depends on department managers and their personal or professional experience with disabled family members or colleagues. Moran believes that disabled candidates could be a much bigger source of talent across the MGB system, but it would require focused intervention and education, as well as commitment on the part of hiring managers who are often “running too fast” to solve staffing challenges with innovative solutions.

**Outcomes**
Over the past two decades, dozens of individuals with disabilities have been hired in a wide range of Spaulding departments including nursing, education, finance, patient activities, human resources, food and nutrition, and environmental services. In an important indication of their success, most of the staff of Spaulding’s Charlestown facility kitchen are individuals with developmental disabilities.

Younger Workers
Our research finds that younger workers, which we define as workers between the ages of 18 and 24, comprise a substantial portion of the underemployed, with an underemployment rate of 16.9 percent representing around 65,000 individuals. Younger workers have historically
experienced higher rates of underemployment than their peers over 25. Young workers of color, especially Black youth, experience the highest rates of unemployment nationally.

During the COVID-19 pandemic, younger workers experienced unemployment and underemployment at rates about double their older counterparts, with slower recovery. Young workers are disproportionately represented in the retail and hospitality sectors, two of the hardest hit sectors during the pandemic, which may help explain why they experienced the greatest job losses and a more difficult recovery.

Underemployed younger workers also tend to have longer term economic consequences than their older peers such as repeated unemployment, lower wages, and lower lifetime earnings.

**Barriers**

Younger workers face a number of significant barriers to employment or full employment. They have less experience than their older counterparts and tend to have shorter term, more sporadic employment experiences, making them less competitive than their older counterparts. Because of their concentration in lower quality jobs in sectors like retail and hospitality, they often are in part-time positions, and are forced to cobble together multiple jobs. And, their concentration in these sectors means they often lack the experience or skills required for consideration for positions in other higher paying sectors and occupations.

**Addressing the Barriers**

**EMPLOYER PRACTICES**

- **Adjust or avoid using Applicant Tracking Systems (ATS).** Employers should closely examine their ATS to determine if and how they may screen out younger workers with less consistent employment histories.

- **Expand youth apprenticeship opportunities.** Apprenticeship models should be expanded into far more occupations and industries as a highly cost-effective alternative to post-secondary education for younger workers.

- **Offer mentoring and professional development opportunities.** Expand mentoring and targeted professional development for younger employees.

**WORKFORCE DEVELOPMENT PRACTICES**

- **Provide compensation for training and work-based learning opportunities.** Workforce development practice should incorporate a range of pay for training, including paid internships and apprenticeships.

- **Expand career pathway partnership programs with high schools.** Career pathway partnerships with high schools and community colleges that include paid internships should be expanded into additional schools and industries.

**PUBLIC POLICY**

- **Protect younger workers through enforcing strict labor standards.** Aggressive enforcement of labor standards is a critically important way of protecting younger workers from wage theft and other abuses of those new to the labor market and more vulnerable to abuse.

- **Invest in paid career exposure opportunities.** Continue and expand support for career pathway and early college programs. Paid internships and apprenticeships should be a priority for state investments.

**Older Workers**

Over 18 percent of Massachusetts' population is older than 65 years of age. Because of the COVID-19 pandemic, many Americans opted into early retirement due to public health concerns and rising asset values. Others were forced into unemployment due to layoffs and other economic shifts. That said, older workers are strongly attached to the labor market, but given their overall numbers, represent a very large pool of untapped talent. Our research shows that almost eight percent of older workers representing around 67,000 individuals are underemployed. There is opportunity to identify and successfully re-integrate retirees and other older workers who have been excluded from the workforce.
Barriers

Data shows that after losing or quitting a job, it takes older workers longer to find new employment compared to younger workers. Part of this challenge can be attributed to skill gaps and the need for new occupational training. For example, in Boston, employment for workers over the age of 45 is concentrated in operative and laborer roles (e.g., assembly line operator) that have heightened risk of job displacement due to technological advancements in automation or outsourcing.[70] These workers are most vulnerable to negative shocks in the national or global economy. In the case of COVID-19, a small number of older workers successfully transitioned into remote jobs across finance, professional, and technical services. Highly skilled and higher income individuals had the resources and educational capital necessary to make this shift. However, many mature workers who seek to re-enter the workforce need appropriate occupational training that builds on their existing skill sets and prepares them for roles in high growth industries.

Older workers also face a higher risk of having health concerns or disabilities that make maintaining employment difficult. This trend is magnified as a worker ages.

Addressing the Barriers

EMPLOYER PRACTICES

• **Conduct an "age-friendly" audit.** Undertake an “age-friendly” audit and achieve certification (see case study below).

• **Create flexible positions.** Explore options for flexible positions, including part-time, job-splitting, and job sharing, that are more accommodating to the schedules of older workers.

• **Start or continue a remote option.** Continue flexible remote work options whenever possible.

WORKFORCE DEVELOPMENT PRACTICES

• **Offer professional coaching opportunities.** Provide pre- and post-employment coaching for older workers.

• **Train older workers in new technologies.** Provide short-term, remote access skill upgrading in new office technologies and other related rapidly changing occupational skill areas.

PUBLIC POLICY

• **Adopt the employer best practices (recommended above).** As a major employer, the Commonwealth can adopt the employer recommendations noted above.

• **Expand opportunities provided by the Executive Office of Elder Affairs.** The Executive Office of Elder Affairs should adopt an expanded emphasis on employment, providing education, shared practices, and promotion for employers interested in growing their older workforce.

CASE STUDY: Age-friendly Institute

**Background**

The Age-Friendly Institute is a non-profit advocacy and consumer group headquartered in Waltham, Massachusetts, that seeks to promote access to services and opportunities for people as they age. The Institute was founded in 2005, as an offshoot of the job platform retirementjobs.com. The Institute undertakes collaborations with public health entities, universities, and city governments to encourage more age-friendly programs that serve older adults.

**Featured Workforce Development Program**

The Age-Friendly Institute has created and administers a Certified Age Friendly Employer (CAFE) certification. CAFE is the nation’s only program that certifies workplaces as being friendly places to work for people who are over the age of 50, using the following criteria:

• Values employees based on proficiency, qualifications and contributions.
Caregivers

Caregivers including mothers with young children and those responsible for elder care make up a substantial portion of untapped talent. Our research finds that there are 30,000 underemployed prime age women with children under five years old in Massachusetts. If we look at mothers at home with children aged around three- to four-years old—the age when many children enter pre-school—we find that around 19 percent are underemployed or about 8,206 mothers. Prime age workers living with a disabled senior represent another 15,000 underemployed workers and face an underemployment rate of 16.7 percent.

Workers with dependents and underemployment

• Maintains policies, practices and programs supporting people age 50+.
• Values employee knowledge, maturity, reliability, and productivity.
• Commits to meaningful employment and development opportunities, including competitive pay and benefits for employees 50+.

The CAFE certification process is a seven-step process that involves an evaluation questionnaire and a review process that ends in free-marketing for the certified employer. The certification must be renewed every 24 months. Upon renewal, companies are expected to have made progress along a measured baseline. The Institute offers technical assistance on best practices to help companies improve their age-friendly practices.

This certification program provides an interesting model for raising employment standards. Striving to meet the certifications requirements results in free-advertising and promotion for the employer. Employer interest in the program has grown in recent years both due to labor shortages and the addition of the aging as a key element of Diversity, Equity and Inclusion initiatives.

This program has the potential for replication across other groups of untapped workers as long as the workers themselves are centered in the certification process, either through direct testimony or feedback mechanisms.

Outcomes

More than 250 employers have sought their CAFE certification including: Verizon, Walgreens, The American Red Cross, The Boston Red Sox, CVS Health, Citizens Financial Group, John Hancock Financial, Mass General Hospital, Delta Dental, Hebrew Senior Life, and the State of Massachusetts to name a few.

Institute research suggests that CAFE certification contributes to increased recruiting success among older workers. A recent analysis of retirementjobs.com postings showed a 20 percent lift in responses among certified companies.
Access to affordable, quality childcare is a major barrier to employment. Nationally, more than a third of families with young children report difficulty finding childcare.[71] Additionally, the childcare that is available is expensive. From the 1970s to the 2000s, the cost of childcare doubled, often consuming a substantial portion of workers’ pay.[72] Massachusetts is the second most expensive state to purchase childcare.[73] Childcare subsidies are insufficient and typically limited to only the lowest income workers. The shortage of available childcare worsened during the COVID-19 pandemic as many centers closed and many teachers did not return once centers re-opened. Childcare supply shortages are due in part to the shortage of teachers, a job that generally offers low pay and carries significant training and certification requirements.

Elder care is similarly limited by both availability and cost. The closure of many residential and day facilities during the COVID-19 pandemic worsened a shortage that was already severe, which is attributed to the low wages and physically and mentally demanding work tied to the job.[74] Many long-term care workers who faced dangerous and extremely difficult working conditions during the pandemic now have higher paying and less physically challenging alternative employment opportunities in retail, hospitality, and other growing sectors. As a result, home health agencies are rejecting far more applicants, and family members are increasingly being forced to care for their elderly relatives, limiting their ability to work.[75]

Addressing the Barriers
• Consider offering flexible childcare, eldercare, healthcare, and retirement support. More employers should consider offering childcare subsidies in addition to healthcare and retirement support.

• Expand childcare benefits. When paired with subsidies, other childcare benefits like on-site centers or partnerships with local providers can expand both the availability and access of childcare.

WORKFORCE DEVELOPMENT PRACTICES

• Invest in training and supporting new teachers. With the shortage of childcare workers, workforce development organizations should consider training and supporting new teachers in partnership with certification entities and childcare providers.

• Expand career pathways to Certified Nursing Assistant certification and jobs. Workforce development providers can help ease the acute shortage of elder care by partnering with long-term care providers to create career pathways that support Certified Nursing Assistants to gain additional education and training and move up into higher positions with higher wages.

PUBLIC POLICY

• Increase funding for childcare through Childcare Stabilization Grants. Childcare Stabilization Grants (C3) are a critically important source of increasing wages and benefits for childcare workers and thus bolstering the supply of childcare services for caregivers. Governor Maura Healey has proposed using $475 million in Fair Share Amendment funds to replace C3 funding once American Rescue Plan Act (ARPA) funds are depleted. This proposal should be supported by the legislature and incorporated into the state budget.[i]

• Fund Pre-K expansion across the state. Encourage state and local support for publicly funded Pre-K expansion.

As of August 2023, funding for the C3 grants has been passed by the Massachusetts legislature and approved by the Massachusetts Governor, Maura Healey.

CASE STUDY: Seamen’s Bank

Background
Seamen’s Bank is Cape Cod’s first community bank with assets of around $530 million and five branch locations in Provincetown, Truro, Wellfleet and Eastham. Seaman’s is renowned for being a model employer that values employee wellbeing and supports the unique needs of its workers who are caregivers.

Featured Workforce Development Program
Seamen’s Bank’s childcare program is a standout benefit, especially in Massachusetts, a state with one of the highest costs for childcare in the nation.[76] Further, the COVID-19 pandemic caused a drop in the number of childhood programs available in Massachusetts, with 5,000 fewer childhood educators open in 2021 compared to 2019. Additionally, as of 2022, only 35 percent of childcare programs reported that they were operating at full capacity.[77]

Seamen’s aims to both offset the cost of childcare and address the lack of available childcare providers. For over two decades, the bank has offered to pay 65 percent of childcare costs for employees who enroll their children in the local Sea Babies daycare center, with the other 45 percent being paid through payroll deductions.[78] Seamen’s also participates in the Massachusetts Business Coalition for Early Childhood Education to demonstrate its commitment to supporting early childhood education and childcare advocacy.

Outcomes
Seamen’s markets its childcare benefit in postings for new job roles, signaling its willingness to meeting the needs of caregivers in the workforce. According to Seamen’s, parents have been eager to take advantage of this program – about 10 percent of Seamen’s workforce enrolls their child at the daycare.

CASE STUDY: Neighborhood Villages
Addressing The Barriers for All Untapped Talent

While different segments of untapped talent require targeted strategies to address their barriers, some employer, workforce development, and public policy strategies are relevant for all segments of untapped talent.

**Employer Practices**

- **Adopt skill-based hiring practices.** Whenever possible, move toward more skill-based hiring in place of proxies such as educational degrees and certifications. This includes re-shaping hiring cultures with new metrics and incentives that emphasize skills and pro-actively seeking out untapped talent.

- **Ensure inclusive language is used in job postings.** Closely examine job descriptions to ensure that they are more skill-based, as inclusive as possible, and track the results.

- **Audit and adjust Applicant Tracking Systems.** Audit and adjust ATS to be more inclusive, avoid rejecting qualified applicants, and focus on required skills rather than proxies for skills.

- **Establish paid, work-based opportunities that create a pipeline to untapped talent.** Explore creating apprenticeships and other paid work experiences that prioritize untapped talent.

- **Introduce support services that build a culture of inclusivity and help retain talent.** Build mentorship, peer coaching, and structured coaching for new hires with an emphasis on retaining untapped talent. Employers should consider partnering with advocacy groups that have strong and deep reach into their specific communities.
Conclusion

The data is very clear. Massachusetts is facing a shortage of workers that threatens the long-term economic growth prospects of the Commonwealth and its residents. It is also clear that Massachusetts does not have a shortage of talent. Instead, the state is experiencing the results of failing to adequately prepare, hire, and support the tens of thousands of Massachusetts residents who want to enter the workforce, work more than they are working, and grow their skills and earnings. Rarely has there been such a coincidence of economic imperatives and social opportunity.

We have many leading examples in our own backyard of employers, educators, trainers, and government leaders who are directly embracing our untapped talent and creatively addressing their barriers. Their stories reinforce the data that demonstrates the solid returns for both employers and untapped workers when they are prepared, hired, and supported. It remains to be seen whether Massachusetts can move beyond the pilots and anecdotes to become the untapped talent leader of the nation.

Data and Methodology

Unemployment and labor participation data was drawn from the Bureau of Labor Statistics, Massachusetts Economy at a Glance. Underemployment data is calculated by pooling 12 months the Current Population Survey (CPS) microdata made available by IPUMS CPS, covering May 2022-April 2023.

WORKFORCE DEVELOPMENT PRACTICES

- **Offer integrated support services.** Build integrated wraparound support services, including pre- and post-placement coaching into all training programs.
- **Provide compensation for “earn-and-learn” opportunities.** Implement stipends or other “earn-and-learn” programs whenever possible.
- **Establish strong employer partnerships.** Build strong employer partnerships through which employers serve as a source of funding for training new untapped talent.

PUBLIC POLICY

**At the state level:**

- **Invest in wraparound services.** Expand workforce development funding beyond training to include integrated wraparound services and stipends.
- **Adopt a performance-based model for funding.** Move workforce development funding to a performance-based model, utilizing real-time wage data to track employment and earnings for participating workers and students.
- **Implement skills-based hiring at the state-level.** Practice skills-based hiring and hire more untapped talent into open state positions.
- **Promote and invest in digital equity.** Invest in digital equity efforts to ensure that untapped talent has equal access to remote learning and work opportunities as well as digital workplace skills.
- **Encourage hiring untapped talent across the state.** Act more pro-actively as a promoter of untapped talent within the business, education, non-profit and other relevant communities.

**At the federal level:**

- **Reform Pell Grant funding.** Expand Pell Grants to cover part-time working students as well as short-term and workforce development programs. Funding should be tied to strong reporting requirements to protect student investments.
- **Provide support for entrepreneurship and small business development.** Small business formation has exploded since the pandemic and can be an effective way to help those who struggle with the formal labor market.

**Conclusion**

The data is very clear. Massachusetts is facing a shortage of workers that threatens the long-term economic growth prospects of the Commonwealth and its residents. It is also clear that Massachusetts does not have a shortage of talent. Instead, the state is experiencing the results of failing to adequately prepare, hire, and support the tens of thousands of Massachusetts residents who want to enter the workforce, work more than they are working, and grow their skills and earnings. Rarely has there been such a coincidence of economic imperatives and social opportunity.

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Our measure of underemployment is broad, capturing those who are out of the workforce or limited to part-time work for a wide variety of reasons, including weak business conditions and challenges around childcare. Data on caregivers is from the 2021 American Community Survey (ACS) microdata from IPUMS USA. Because it covers a different time period, and draws on a different survey, the underemployment measures are different, though care was taken to calibrate them appropriately. Data on prison releases is drawn from the Massachusetts Department of Correction releases dashboard. Population projections were drawn from the Massachusetts Population Estimates Program at UMass-Donahue Institute. Other population data come from data from Massachusetts Taxpayers Foundation-Donahue Institute study “Massachusetts’ Demographic Trends Threaten our Talent Pipeline and Economic Strength”, 2023. Case studies were developed from interviews carried out between January and April 2023, along with a literature review that included publicly available documents and internal operational documents shared by the case study organization.

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About the Project on Workforce at Harvard

The Project on Workforce is an interdisciplinary, collaborative project between the Harvard Kennedy School’s Malcolm Wiener Center for Social Policy, the Harvard Business School Managing the Future of Work Project, and the Harvard Graduate School of Education. The Project produces and catalyzes basic and applied research at the intersection of education and labor markets for leaders in business, education, and policy. The Project’s research aims to help shape a postsecondary system of the future that creates more and better pathways to economic mobility and forges smoother transitions between education and careers. Follow our research at www.pw.hks.harvard.edu/get-updates.

The views expressed in this report are the sole responsibility of the authors and are not meant to represent the views of Harvard University, the Harvard Kennedy School, or the Harvard Graduate School of Education.
Endnotes


[4] Ibid.


[19] Ibid.


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[33] Ibid.


[37] Ibid.


[46] Ibid.


[57] Interview with Imanni Burg on May 15, 2023.


[60] Ibid.


[62] Ibid.


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