



Media Contact:

Leo Ruiz, lruiz@denterlein.com, 305-987-8437

Urban Economics on the Precipice: A Tale of Six Cities report assesses challenges and opportunities for cities like Boston in an era of ongoing and accelerating disruptions

Massachusetts Taxpayers Foundation Report outlines changing patterns resulting from pandemic recovery, next wave of disruptions, and how to preserve and expand innovation in Mass.

FOR IMMEDIATE RELEASE – BOSTON, MA (September 22, 2023) – As cities like Boston continue to navigate changes in urban economies resulting from the ongoing pandemic recovery, a new report from the Massachusetts Taxpayers Foundation (MTF) details the challenges and opportunities that lie ahead. [Urban Economics on the Precipice: A Tale of Six Cities](#) examines six major cities with similar profiles that drive regional economies – Boston, Chicago, New York, Philadelphia, San Francisco, and Washington, D.C. – to detail the changes and make recommendations to inform Massachusetts about which policies may work and on what schedule.

The impact of COVID-19 on population trends and economic dynamics has brought about significant shifts, ushering in a new era of challenges and opportunities for each of these cities, which collectively drive regional economies and contribute approximately \$4 trillion or 18% of the U.S. Gross State Product (GSP). However, the pandemic has coincided with an increasing shift in economic performance and population from the Northeast and Midwest to the South, with approximately 1.25 million residents relocating to Southern states. Addressing the existing existential threat that a changed world poses to real estate, transit, and commercial activity is critical for the cities examined in this report to thrive.

“The report underscores the challenges and opportunities cities like Boston face in rejuvenating downtown areas, transitioning from office worker-driven economies, and managing the effects of vacant office spaces,” said Massachusetts Taxpayers Foundation President Doug Howgate. “With many forms of economic activity in the Northeast and Midwest regions hovering at approximately 40% below pre-COVID levels, it is evident that the pandemic's effects are far-reaching. COVID was just the first wave and the global impacts, while light years beyond anything imagined, are still unfolding even as we’re poised to experience more disruptions.”

Other ongoing and accelerating disruptions, like generative AI and climate change, underscore the reality that Massachusetts policymakers face a sprint, not a marathon, to preserve and expand innovation to make the Commonwealth as competitive as possible. The report outlines the ways in which generative AI is poised to upend patterns of work, the workforce, and commercial real estate; as well as how extreme weather and climate change will continue to exacerbate existing challenges impacting urban centers.

The report emphasizes the need for comprehensive, swift, and ambitious action to navigate the challenges posed by evolving economic, climate, and technological landscapes. "Expanding Massachusetts' status as an international hub of innovation is critical," said Howgate. "Massachusetts has all the requisites: higher education and research institutions, talent, ideas, resources, and a history of success. The next competition has already begun and we must find the tools and platforms to coordinate, cooperate, and promote the Bay State as a center of gravity in innovation."

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.