



BOSTON ECONOMIC VITAL SIGNS

April 2024

Prepared by the Research Division



LABOR MARKET

In 2023, annual average employment in Boston surpassed 2019 levels by 2%. The Boston resident unemployment rate was 3.2% in February 2024, marking 18 months of unemployment rates below 3.5%. However, labor force participation rates for Massachusetts residents aged 16+ remain lower than 2019 levels.

	Month/ Quarter	Latest Month	Previous Month	Change from same month in 2019
Boston Payroll Employment*	Dec-23	680,944	685,564	-0.1%
Metro Area Payroll Employment	Dec-23	2,814,700	2,829,700	-1.6%
Job Postings for jobs located in Boston	Mar-24	23,197	21,269	-8.8%
Boston Unemployment Rate	Feb-24	3.2%	3.1%	+0.4 percentage points
White Unemployment Rate (Massachusetts 12-month average)	Feb-24	2.9%	3.0%	+0.1 percentage points
Black Unemployment Rate (Massachusetts 12-month average)	Feb-24	5.0%	5.1%	+0.6 percentage points
Hispanic Unemployment Rate (Massachusetts 12-month average)	Feb-24	4.5%	4.3%	-0.6 percentage points
Boston resident labor force participants	Feb-24	394,690	396,785	-1.4%
White Labor Force Participation Rate (Massachusetts 12-month average)	Feb-24	64.9%	65.1%	-3.1 percentage points
Black Labor Force Participation Rate (Massachusetts 12-month average)	Feb-24	67.4%	67.3%	-1.4 percentage points
Hispanic Labor Force Participation Rate (Massachusetts 12-month average)	Feb-24	63.0%	62.8%	-6.7 percentage points

Sources: Massachusetts Executive Office of Labor and Workforce Development (EOLWD), Labor Insight, Burning Glass Technologies, BPDA Research Division Analysis.



ECONOMIC AND BUSINESS INDICATORS

In March 2024, Metropolitan Boston's year-over-year headline inflation rate rose to 3.3%, up from 2.0% in January. Local demand remained robust as consumer spending in Boston in February 2024 was 2.8% higher than February 2019, a stronger showing than January 2024 which was 3.4% below 2019 levels. The Business Confidence Index (BCI) of the Associated Industries of Massachusetts maintained an optimistic stance, above 50.

	Month/ Quarter	Latest Month	Previous Month	Change from same month in 2019
U.S. 30 Year Treasury Monthly Average Interest Rates	Mar-24	4.4%	4.4%	+1.4 percentage points
Metropolitan Boston Inflation Rate (YoY)	Mar-24	3.3%	2.0% (January)	+1.2 percentage points
Boston in-person consumer spending as share of same month in 2019	Feb-24	2.8%	-3.4%	N/A
AIM Business Confidence Index (BCI)	Mar-24	52.2	54.5	-10.0 (from Dec 2019)

Source: FRED, Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics (BLS), Mastercard Geographic Insights from Carto, The Associated Industries of Massachusetts Business Confidence Index (BCI) monthly report (2020-2024), BPDA Research Division Analysis.

DEVELOPMENT AND REAL ESTATE

The Boston office market is adjusting to post-pandemic realities: the vacancy rate increased to 12.7% in March and leasing activity continued to fall in Q1 2024. The Boston development pipeline showed signs of slowing in April 2024: the amount of development approved by the BPDA Board but not yet permitted rose to almost 51 million square feet, while the amount of new development under review fell to 13.3 million square feet.

	Month/ Quarter	Latest Month	Previous Month	Change from same month in 2019
Office Vacancy Rate	Mar-24	12.7%	12.4%	+6.3 percentage points
Office Leasing Activity: SF leased per quarter	2024 Q1	635,657	1,025,101	-75.7%
Retail Vacancy Rate	Mar-24	2.2%	2.3%	+0.1 percentage points
Sq Ft of approved but not permitted projects in BPDA pipeline	Apr-24	50,951,990	49,611,239	
Sq Ft of projects under review at BPDA	Apr-24	13,346,714	14,882,181	
Sq Ft of research lab space under construction	Apr-24	4,535,474	5,028,234	
Amount of NIH funding granted per month to Boston researchers	Mar-24	\$154,979,050	\$140,720,532	-18.8%

Source: CoStar Real Estate Analytics, Boston Planning & Development Agency (BPDA) Development Review, National Institutes of Health (NIH), BPDA Research Division Analysis.



TRANSIT AND TOURISM

Foot traffic in Boston overall is just 3.5% below pre-pandemic levels, but foot traffic in Downtown continues to lag. March MBTA gated station boardings were down slightly from February 2024, and down 52.2% from March 2019. However, Logan Airport passengers continue to grow past pre-pandemic levels with a 2.6% increase from January to February of this year.

	Month/ Quarter	Latest Month	Previous Month	Change from same month in 2019
Boston foot traffic compared to same month in 2019	Feb-24	-3.5%	-2.9%	N/A
Gated Station Boardings MBTA Subway	Mar-24	3,869,546	3,933,991	-52.2%
Fairmount Commuter Rail Line monthly passengers	Jan-24	81,000	81,892	N/A
Logan passengers per month	Feb-24	2,748,925	2,680,387	+1.19%
Hotel room occupancy (Pinnacle)	Feb-24	65.6%	55.2%	-6.9 percentage points

Source: Cuebiq, Massachusetts Bay Transportation Authority (MBTA) Blue Book Open Data Portal, Massachusetts Port Authority, Aviation General Management (Massport), The Pinnacle Perspective Boston Monthly Report, BPDA Research Division Analysis.



EMPLOYMENT BY INDUSTRY

	Dec-23	Nov-23	Previous Month Change	Year-over-Year Change	Jobs Lost, Pre-Pandemic (Feb) to Trough (May)	Jobs Regained, May-24 to Dec-23	Percent of Lost Jobs Regained	Job Change, Pre-Pandemic to Dec-23
FIRE	82,950	83,062	-0.13%	0.83%	2,692	3,821	142%	1,129
Finance and insurance	68,117	68,229	-0.16%	0.25%	1,250	1,916	153%	666
Real estate and rental and leasing	14,833	14,833	0.00%	3.55%	1,442	1,905	132%	463
Services	580,408	585,848	-0.93%	-1.06%	89,533	92,162	103%	2,629
Information	22,635	22,778	-0.63%	-0.10%	2,847	2,857	100%	10
Professional and Business	139,111	139,730	-0.44%	-2.57%	10,305	12,432	121%	2,127
Professional and technical services	101,519	101,783	-0.26%	-2.74%	2,529	8,635	341%	6,106
Management of companies and enterprises	7,467	7,449	0.24%	4.99%	1,211	-426	-35%	-1,637
Administrative and waste services	30,125	30,498	-1.22%	-3.71%	6,565	4,223	64%	-2,342
Educational services	42,735	45,842	-6.78%	-1.92%	7,303	5,863	80%	-1,440
Health care and social assistance	149,973	149,690	0.19%	2.53%	7,675	14,393	188%	6,718
Arts, entertainment, and recreation	10,817	11,317	-4.42%	-2.85%	5,684	5,558	98%	-126
Accommodation and food services	54,932	55,883	-1.70%	-2.75%	37,657	31,811	84%	-5,846
Other services	21,094	20,878	1.03%	0.66%	7,757	6,816	88%	-941
Trade	37,698	37,221	1.28%	-4.62%	10,829	2,080	19%	-8,749
Retail trade	28,921	28,476	1.56%	-5.03%	9,789	2,226	23%	-7,563
Wholesale Trade	8,777	8,745	0.37%	-3.24%	1,040	-146	-14%	-1,186
Manufacturing	8,118	8,097	0.26%	1.08%	1,396	2,014	144%	618
Transportation and Utilities	24,085	23,492	2.52%	11.99%	5,404	8,600	159%	3,196
Transportation and Warehousing	22,133	21,540	2.75%	11.06%	5,395	8,233	153%	2,838
Utilities	1,952	1,952	0.00%	23.78%	9	367	4078%	358
Natural Resources, Mining, Logging, and Construction	14,779	15,237	-3.01%	-0.97%	3,760	3,578	95%	-182
Total Private	608,929	613,226	-0.70%	-0.19%	103,309	99,825	97%	-3,484
Government	72,015	72,338	-0.45%	3.28%	1,359	2,725	201%	1,366
Total	680,944	685,564	-0.67%	0.16%	104,668	102,550	98%	-2,118

Source: CES Employment Estimates, BPDA Research Division Analysis.



City of Boston
Mayor Michelle Wu