



VII.

BOSTON'S PEOPLE AND ECONOMY

Boston's People and Economy

INTRODUCTION

Boston was first incorporated as a town in 1630 and then as a city in 1822, making it one of the oldest cities in the United States (see Table 1). The city has evolved into a center for innovation and entrepreneurship as well as for social and political change. Boston has become the economic engine and cultural hub of New England.

As the seat of Suffolk County, the capital city of Massachusetts, and the region's hub, Boston is home to approximately 674,000 residents, many world-renowned institutions of higher education, some of the world's finest inpatient hospitals, numerous successful corporations, and many professional sports teams and cultural organizations. Tens of millions of people typically visit Boston each year to take in its historic sites, visit diverse neighborhoods, and attend cultural or sporting events, and functions in one of Boston's convention centers.

Table 1: Boston, Massachusetts Quick Facts

Government	
Founded	Sept. 17, 1630
State (capital)	Massachusetts
County (seat)	Suffolk
Government Type	Strong Mayor-Council
Mayoral Term (years)	4
Councilor Term (years)	2
District Councilors	9
At-Large Councilors	4
U.S. House Reps. (MA)	2
Electoral Votes (MA)	11

People	
Population (2024)	673,822
% of State	9.4%
% Growth (from 2010)	9.1%
% Non-white/Hispanic	55.8%
% White/non-Hispanic	44.2%

Median age (years)	33.3
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Geography

Neighborhoods	23
Land area (Sq. miles)	48.4
Water area (Sq. miles)	41.2
Density (Pop./Sq. mile)	13,922
Public road mileage	937.5
Ft. above sea-level	141

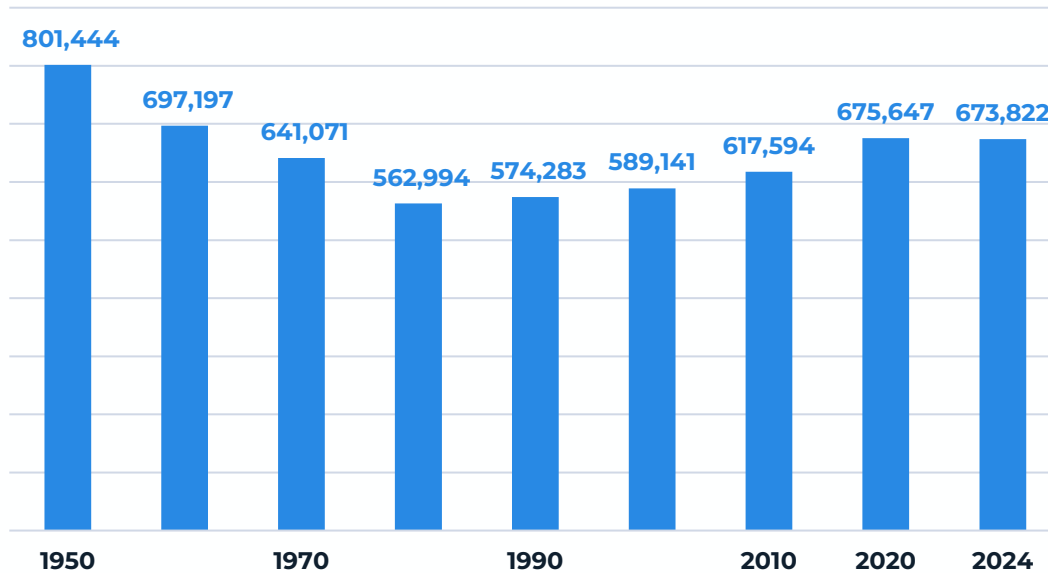
Boston Firsts

Public park (Bos. Common)	1634
Public school (Boston Latin)	1635
Public library	1653
Telephone	1875
Subway (in the U.S.)	1897
World Series	1903
Mutual Fund	1924
Community Health Center	1965

Boston ranks as the 24th largest city by population and is the center of the 11th largest metropolitan statistical area in the United States. According to the 2024 U.S. Census Population Estimates, the city's population is 673,822. This figure is likely understated, considering that there was a successful challenge to a population undercount in the 2020 Census. Of the 5,025,517 people residing in the metro area, roughly 1 in 7 live in Boston.

Like many American cities, Boston's population peaked in 1950. Over the 30 years between 1950 and 1980, Boston's population declined 30% from 801,444 to 562,994. This decline is attributed to a national trend of suburbanization following World War II. Since 1980, however, Boston's population has stabilized and grown. The 2010 U.S. Census recorded the city's population at 617,594, representing a nearly 5% increase over its 2000 population and a nearly 10% increase over 1980. The 2020 U.S. Census recorded Boston's population at 675,647, a 9.4% increase over 2010. Boston's population has decreased slightly since then, by 1,825 people or 0.3%.

Figure 1: Boston's Population 1950-2020 Census, 2024 ACS Estimate



The demographic makeup of the city has also changed. In 1950, the share of White residents was 95%, while non-White residents accounted for 5% of the city's population. Boston became a majority-minority city in 2000. As of 2024, 55.8% of Boston's residents are Hispanic/Latino and/or non-White.

Data from the Census Bureau's American Community Survey (ACS) shows that Boston continues to be a city of young adults; 33.1% of all Boston residents in 2024 were between 20 and 34 years old. The fastest growing age group in Boston between 2000 and 2024 was the age group 60-64, which saw a 44.0% increase. This is consistent with national trends and the aging of the baby boomer population. Boston's older population (ages 65 and over) grew to 93,575 people and increased to 13.9% of the total population. Boston's population of school age children (ages 5 to 17) is 67,960, a level it has maintained, but a significant decrease from over 100,000 in the 1970s.

Along with population growth, the number of households in Boston has also grown, to 294,978 households with an average household size of 2.19 according to the 2024 American Community Survey

BOSTON'S JOBS, LABOR FORCE, AND INCOME

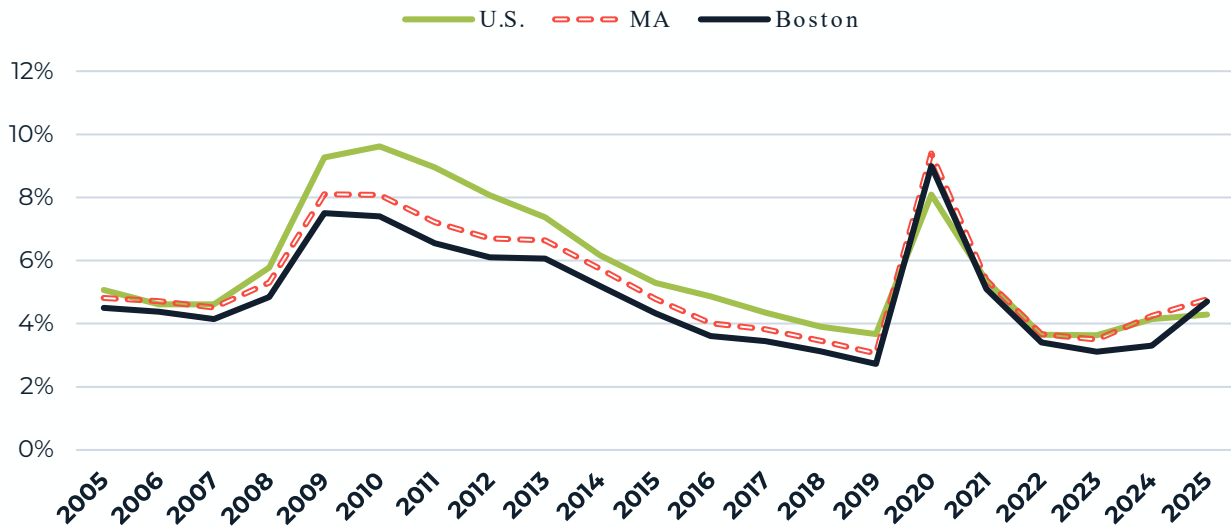
The Research Division is unable to report total employment (payroll and non-payroll) by industry for Boston in 2025 due to the discontinuation of key data previously provided by the BEA. Until 2023, total employment estimates were derived using total employment by industry in Suffolk County from the BEA, adjusted by Boston-to-Suffolk payroll employment ratios from the Massachusetts Executive Office of Labor and Workforce Development. However, the BEA ceased producing total employment data by industry for counties and metropolitan areas, citing

budget constraints. Consequently, the analysis for 2025 has been limited to payroll employment by industry.

As reflection of the strength of the regional economy, the unemployment rate within the Boston metro has historically been lower than state and national averages. The metro experienced brief spikes in unemployment rates during the Great Recession: 8.1% in the first quarter of 2010, and 14.9% during the COVID-19 pandemic in the second quarter of 2020. Since the fourth quarter of 2021, the metro has had an unemployment rate lower than 4.0%, and has been roughly 0.4% lower than the national and state averages (see Figure 2).

While the metro region has benefited from low unemployment rates, disparities still exist for communities of color; for instance, in 2024 the average estimated unemployment rates for Black/African American Massachusetts residents (5.5%) and Hispanic/Latino residents (4.7%) were significantly higher than the rate for white residents (3.4%).

Figure 2: National, Massachusetts, and Boston Metro Unemployment Rates, 2005-2025, Federal Reserve Economic Data



Higher education and health care play major roles in Boston's economy. Jobs in health care/social assistance and education represent more than a quarter (28.4%) of the total jobs in Boston. Combined, the concentration of education and health services jobs in Boston is 1.19 times the national average.

Boston hosts more than two dozen universities, colleges, and community colleges, with a combined enrollment of 150,000 students annually. Included among the city's colleges and universities are some of the most prestigious educational institutions in the country, namely, Boston College, Boston University, Northeastern University, and Harvard University.

The concentration of higher education institutions has a major effect on Boston’s economy. These institutions do beneficial work through their educational and research missions, and many of their students remain in Boston after graduation. As such, these institutions are a major source of highly-skilled professionals for Boston’s workforce.

Despite the enrollment disruptions and the rise of remote coursework in the wake of the COVID-19 pandemic, real estate development by Boston’s medical and higher education institutions have remained robust. Developments include more than 1.75 million square feet permitted since 2023.

Many of the nation’s finest research and teaching hospitals are located in Boston, including Massachusetts General Hospital, Brigham and Women’s Hospital, Beth Israel Deaconess Hospital, Boston Medical Center, Tufts Medical Center, and Boston Children’s Hospital. In total, there are 18 inpatient hospitals in the city with a combined 6,050 beds. Furthermore, Boston is home to the medical and dental schools of Harvard University, Tufts University, and Boston University.

According to the commercial real estate firm CBRE, the Boston-Cambridge area hosts the largest life sciences cluster in the nation, as defined by size, growth and concentration of employment, laboratory inventory, National Institute of Health awards, and venture capital funding. Boston’s life science industry benefits from skilled labor force availability, leading universities in basic academic science fields, innovative research and development districts, proximity to major research hospitals, and strategic presence of venture capital resources.

Several of the country’s leading financial services firms are located in Boston, including Fidelity Investments, John Hancock/Manulife Financial, State Street Corporation, and Wellington Management.

Over the last year, due to various local, state, national, and global factors, there has been a realignment of the order of industries within Boston employment.

Table 2 provides a summary of total estimated payroll jobs in the City of Boston for the year 2025 broken down by industry. This figure excludes temporary and contract employees, so it may understate employment in the city.

Table 2: Boston Employment by Industry – 2025

Industry	Count	Percent
Health Care and Social Assistance	142,428	21.03%
Professional, Scientific, and Technical Services	97,893	14.45%
Government	73,592	10.87%
Finance and Insurance	66,345	9.80%
Accommodation and Food Services	60,721	8.96%
Educational Services	43,518	6.43%
Administrative and Waste Services	30,880	4.56%

Retail Trade	28,172	4.16%
Transportation and Warehousing	20,672	3.05%
Information	23,249	3.43%
Other Services, excluding Public Admin.	20,822	3.07%
Real Estate and Rental and Leasing	14,708	2.17%
Construction	13,580	2.00%
Arts, Entertainment, and Recreation	12,834	1.89%
Management of Companies and Enterprises	9,712	1.43%
Wholesale Trade	8,587	1.27%
Manufacturing	7,542	1.11%
Utilities	1,990	0.29%
Natural Resources and Mining	69	0.00%
Total Jobs	677,314	100%

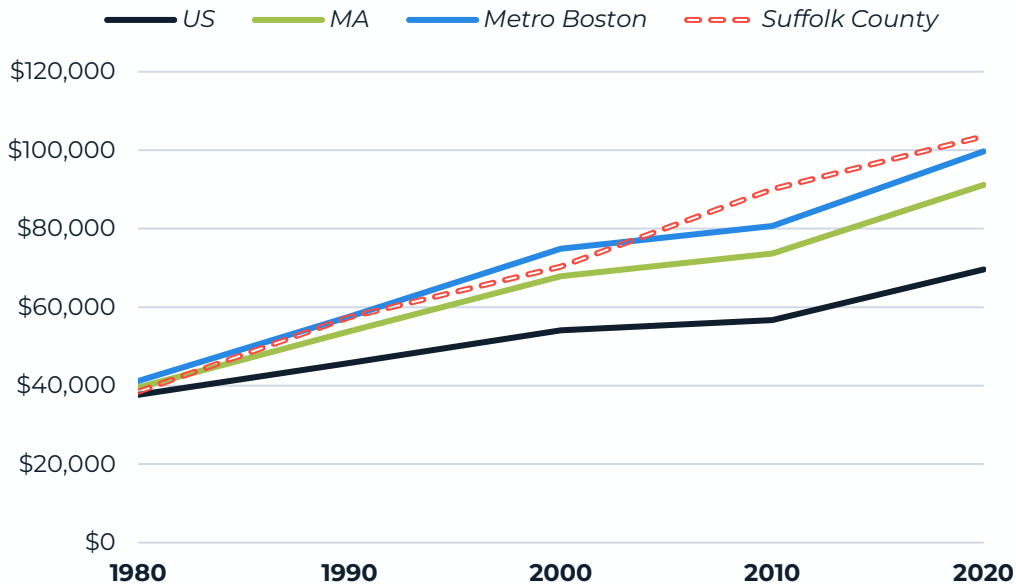
Source: U.S. Bureau of Economic Analysis, Massachusetts Executive Office of Labor and Workforce Development (EOLWD), BPDA Research Division Analysis.

Boston's tech sector thrives by bringing together researchers and entrepreneurs from the region's world class universities, hospitals, and private companies. Recent data underscore its resilience, even amid challenges like widespread layoffs at major tech firms in 2023. Employment in Boston's high-tech industries rebounded strongly after the pandemic. The information sector added 2,190 jobs between 2019 and 2025, representing 10.4% growth. Likewise, employment in professional, scientific and technical services grew by 3,995 jobs over the same period, 4.3% increase. Although major tech firms announced layoffs in 2022 and into early 2023, these companies hired back aggressively as capital expenditures surged, fueled by the artificial intelligence (AI) boom and renewed tech-sector optimism. However, this growth trajectory depends on whether AI-driven capital expenditures translate into sustained revenue, earnings growth, and productivity gains, rather than becoming another tech bubble. Additionally, Boston's biotech sector, a key driver of its high-tech ecosystem, faces potential risks from reduced National Institutes of Health ("NIH") and venture capital funding, which could dampen employment levels and demand for lab space. Boston's unique blend of academic excellence, cutting-edge research, and entrepreneurial spirit positions it as a global leader in innovation-driven industries. With careful navigation of these challenges, Boston remains well-equipped to thrive amid ongoing structural changes, advancements in AI and biotechnology.

Boston's well-educated workforce also translates to comparatively high household incomes and wages. Per capita personal income in Metro Boston was \$99,702 in 2020, up 24% from 2010 and 33% from 2000 in real terms. The average annual wage and salary disbursement per job in Suffolk County was \$103,562 in 2020. Beginning in 1990, wages in Suffolk County began to grow faster than the state and the nation. In 2020, the average annual wage per job in Suffolk County

was 15% higher than the average Massachusetts wage and 47% higher than the national average wage (see Figure 3).

Figure 3: Average Annual Wages in the U.S., Massachusetts, and Suffolk County, 1980-2020, 2023 dollars, BPDA Research Division Analysis



ECONOMIC ACTIVITY IN THE CITY OF BOSTON

Transportation

A key to any city's economic strength and long-term health is its ability to transport residents, workers, visitors, and goods efficiently and safely to their intended destinations, whether in the city, throughout the region, or beyond.

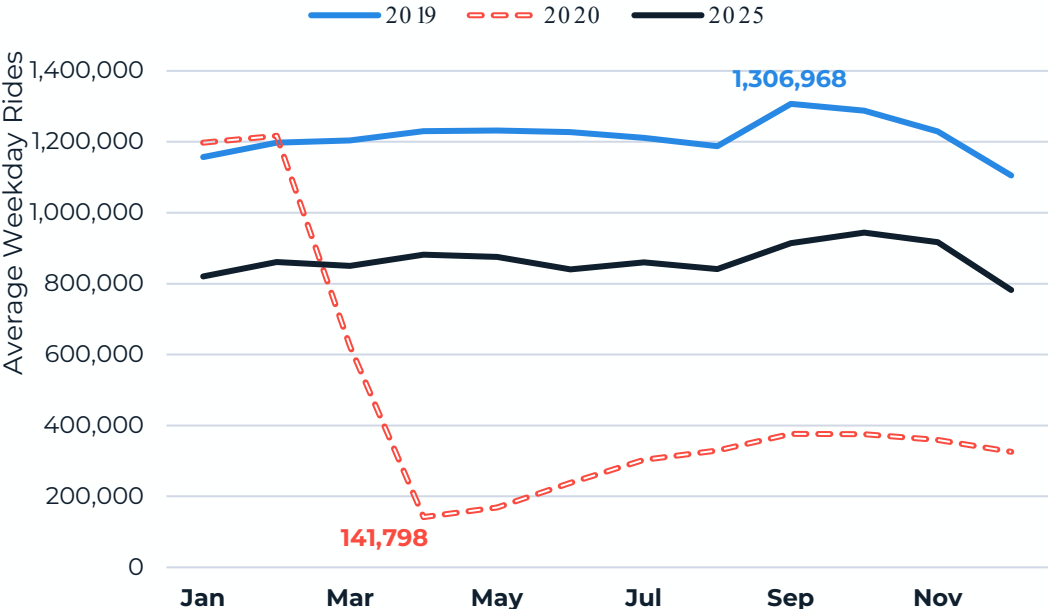
Local Transportation

According to 2024 ACS data, 34% of households in Boston did not have a vehicle and 41% of Boston resident workers commuted to work without a car. Roughly 1 in 4 residents commute via public transportation. Another 15% of residents work from home.

Boston's public transportation system reaches into every neighborhood of the city whether by trolley, subway, bus, or commuter train. The MBTA provides commuter rail, subway, local and express bus services, and water ferry service to 177 cities and towns in eastern Massachusetts, offering public transit to a population of more than 4.8 million people over 3,200 square miles. Prior to the COVID-19 pandemic, the passengers on the MBTA completed about 1.2 million weekday rides every month. Average weekday rides dropped to 140,000 in April 2020 before beginning to rebound. Average weekday rides have slowly recovered, reaching a peak of 943,932

in 2025. Despite this recovery, average weekday ridership is still 30% below 2019 levels. Figure 4 illustrates the average weekday rides by month for 2019, 2020 and 2025.

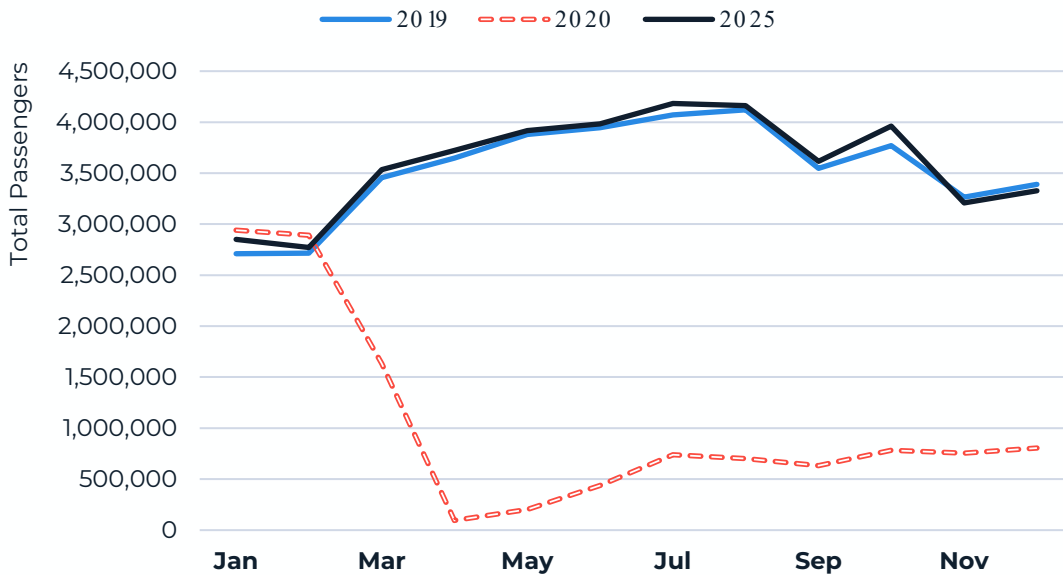
Figure 4: MBTA Average Weekday Rides by Month, 2019, 2020, 2025



National and International Travel

Boston’s Logan International Airport is the most active airport in New England and the 16th busiest in terms of passenger transit in the United States. Due to the COVID-19 pandemic and the related travel restrictions, total annual passengers dropped from more than 42.5 million in 2019 to about 12.6 million in 2020, a 70% decrease. Unlike MBTA ridership, airport operations have surpassed pre-pandemic levels with 43.2 million passengers in 2025 (see Figure 5). Most notably, Logan served 10.0 million international passengers in 2025, 20% above pre-pandemic levels.

Figure 5: Total Air Passengers at Logan Airport by Month, 2019, 2020, 2025, Massport Airport Statistics



Tourism and Culture

Boston offers a breadth of options to attract visitors both domestic and foreign. Whether it is those seeking historical sites, museums, sporting events, restaurants, theatre performances, or business conventions, the city is a year-round destination. According to Meet Boston, a regional tourism marketing non-profit organization, an estimated 20 million people visit Boston each year. Of those, an estimated 3 million are international visitors. These figures are slightly below pre-pandemic averages. However, marquee events like the 2026 FIFA World Cup and celebrations related to the 250th United States Independence Day anniversary will likely boost the local tourism economy.

For business and leisure travelers alike, Boston is an attractive destination for conventions, meetings, and trade shows. The Thomas M. Menino Convention & Exhibition Center (MCEC) (formerly the Boston Convention and Exhibition Center), located on a 60-acre site in South Boston, contains 516,000 square feet of contiguous exhibition space designed to accommodate larger conventions. This facility, along with new hotel projects in the city, has given a significant boost to the local economy. In 2019, the MCEC, along with the John B. Hynes Memorial Convention Center, hosted 336 events, totaling 832,243 attendees. Convention center attendance was approximately 531,000 in 2024, 36% lower than pre-pandemic levels.

The Boston area is home to five major professional sports teams: The Boston Red Sox baseball team plays at historic Fenway Park, the Boston Bruins hockey team and the Boston Celtics basketball team play at the TD Garden, and the The New England Patriots football and Revolution soccer teams play at Gillette Stadium in nearby Foxborough, Massachusetts.

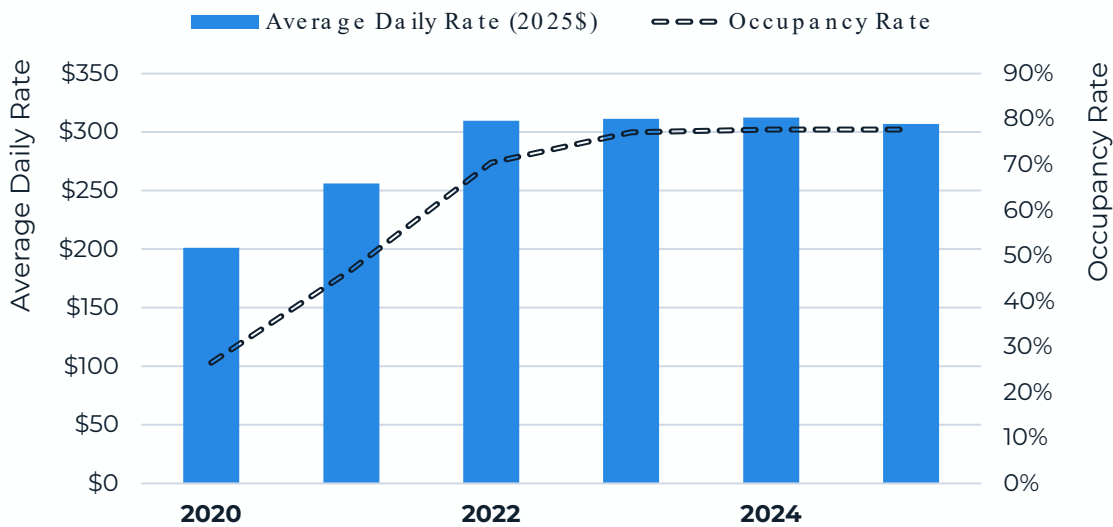
The New England Aquarium, Museum of Fine Arts, Isabella Stewart Gardner Museum, Institute of Contemporary Art, Boston Opera House, and many other cultural attractions bring in thousands of tourists each year. The city is also home to venues for concerts, ice shows, and other entertainment performances as well as street festivals and parades in its neighborhoods and parks.

Hotels

Tourism is a large Boston industry that supported approximately 61,000 Accommodation and Food Services payroll jobs in 2025, 9.0% of Boston’s total jobs. The hotel industry provided 10,923 jobs in Boston in 2024, down from 11,609 in 2018.

As of January 2026, Boston had 95 hotels with 24,100 rooms in establishments with 50 or more rooms. This is a substantial increase from the 22,524 rooms available just six years ago. During the pandemic, the average occupancy rate of Boston hotels fell from 82.7% to 26.5%. Average daily occupancy has improved each year, with the hotel industry recording its best average occupancy rate, 77.7%, since the pandemic in 2024 and 2025.

Figure 6: Boston Average Daily Rate and Room Occupancy, 2020–2025, Pinnacle Advisory Group and BPDA Research Division

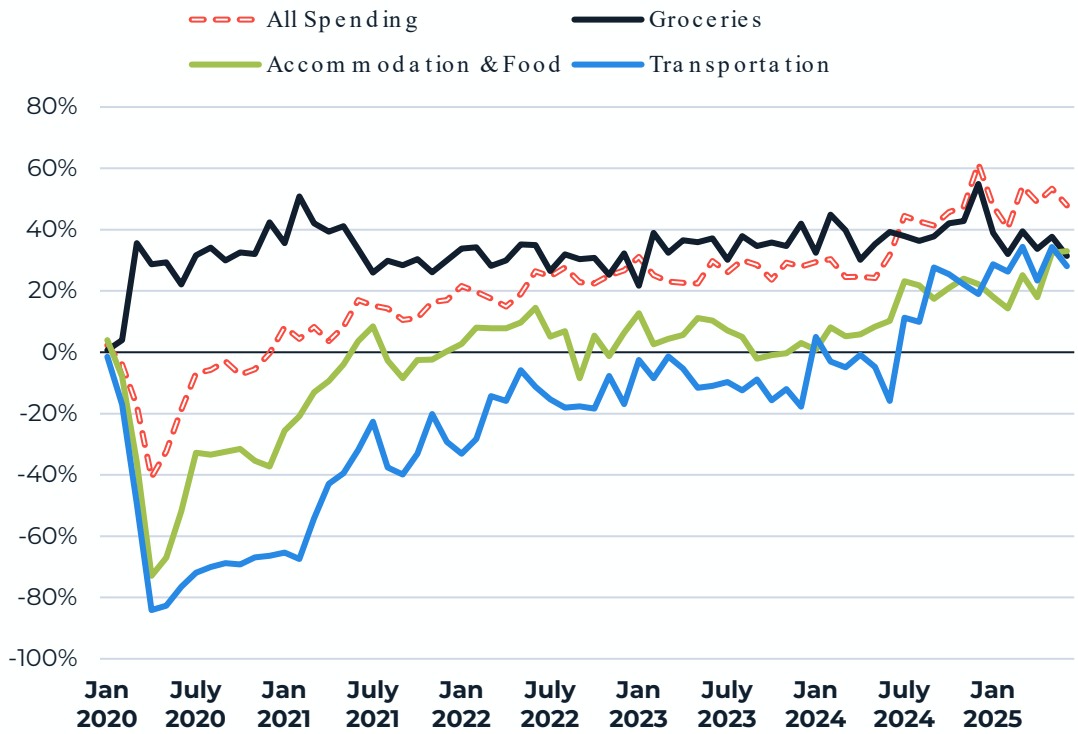


Consumer Spending

Consumer spending has experienced dramatic shifts over the past five years. From a baseline in January 2020, overall consumer spending by Boston residents experienced pronounced shifts in the wake of the COVID-19 pandemic, with most categories recovering to pre-pandemic levels by 2023 (See Figure 7). As the pandemic eased and regular business operations returned, so did consumer spending. Subsequent price inflation trends have also pushed the cost of goods higher

and contributed to elevated spending levels. For additional detail on inflation, see the “Revenue Estimates and Analysis” chapter.

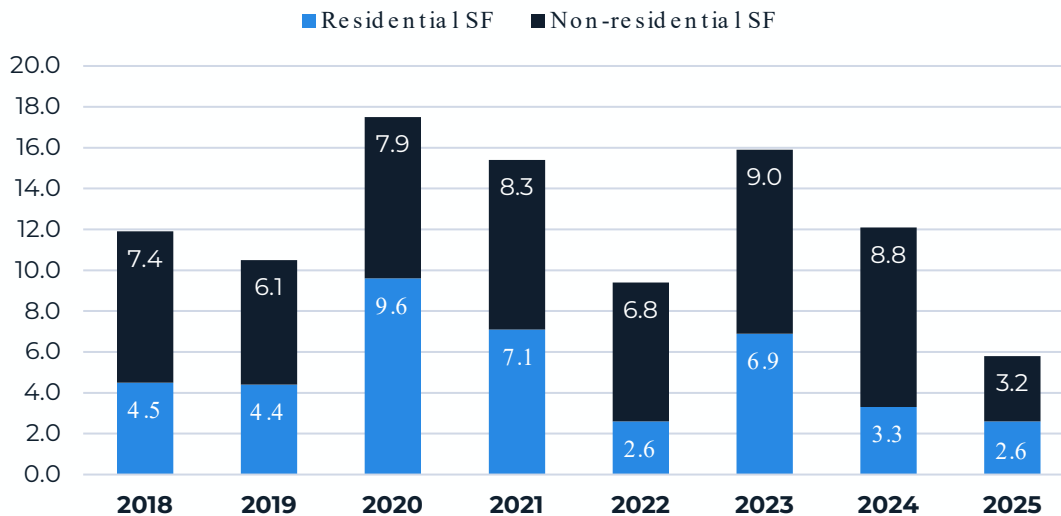
Figure 7: Indexed Consumer Spending to January 2020, January 2020–June 2025, Opportunity Insights Economic Tracker



REAL ESTATE

The COVID-19 pandemic, supply chain disruptions, and subsequent price inflation and high interest rates have all affected the construction industry in recent years. As such, the pipeline of BPDA-approved new real estate development has declined from its post-pandemic peak of 15.9 million square feet in 2023, to 5.8 million square feet in 2025 (see Figure 8).

**Figure 8: Total Square Feet Approved, 2018-2025,
in millions, BPDA Research Division**



Housing

The housing market is a spur for many industries and serves as a barometer of economic health overall. New investments encourage affordability while also contributing to the City's property tax base.

Citywide average advertised rents for one-bedroom apartments declined 1.0 percent between 2024 and 2025 after declining 1.9 percent from 2023 to 2024. However, rents rose in most but not all neighborhoods of the city. Average monthly rents for a one-bedroom apartment in Boston's neighborhoods ranged from a low of \$2,213 in the Longwood Medical Area to a high of \$4,179 in the South Boston Waterfront.

The median sale price for a single-family home in Boston in 2025 was \$870,000, according to sales record data provided by the Warren Group and Mayor's Office of Housing. This reflects an 8.8% increase over 2024, while the median condo sales price decreased to \$721,750 in 2025. Sales prices of two and three-family structures rose 4.8% between 2024 and 2025.

The total number of residential sales (1-3 families and condos) rose by 38.3% from 2020 to 2021 as the market picked up after the initial impact of the pandemic. Sales volumes cooled substantially in 2022 and 2023 with total sales falling year-over-year by 22.8% and 25.8%, respectively. Total sales in 2024 were slightly lower than 2023, and declined further in 2025 relative to 2024. Both supply-side and demand-side factors may be impacting sales volumes, with low turnover of existing owners limiting available supply, and rising interest rates challenging affordability for new buyers.

Prices and sales volumes for single-family homes and for condominiums are shown by neighborhood for calendar years 2024 and 2025. Areas of the City with the largest number of

single-family home sales included West Roxbury, Dorchester, Hyde Park, and Roslindale. In Beacon Hill and the South End the median single-family sales price was around \$4 million. Mattapan had the lowest median single-family sales price at \$622,500.

Condominium sales volumes and prices also showed variability across Boston neighborhoods in 2024 and 2025. The most expensive neighborhoods for condominiums were the South Boston Waterfront, Downtown, and Back Bay which had median sales prices over \$1.2 million. Hyde Park, Roxbury, and Mattapan had the least expensive condominiums with median sales prices under \$500,000.

There were 301,702 housing units in Boston according to the 2020 Census, 279,495 of which were occupied. Net new housing construction through the end of 2025 brought the total housing stock to 321,498. In 2025, an additional 3,079 net new housing units were completed, including 1,407 income-restricted units.

The production of new affordable housing has been a priority for the City. In 2025, the BPDA Board approved project proposals that included a net 4,684 housing units, including 1,458 income-restricted units. In 2025, 2,699 net new units (including 995 income-restricted units) received construction permits. As of December 31, 2025, there were approximately 6,000 units under construction in Boston.

Office Market

In the fourth quarter of 2025, Boston had approximately 70 million square feet of office space, marking a 3.3% increase from 2019 (2.2 million square feet). Boston's direct vacancy rate was 20.0%, according to realty firm Jones Lang LaSalle (JLL), which was up about 2.7 percentage points from the prior year and still elevated from the 6.5% direct vacancy rate in the third quarter of 2019. According to the CBRE Boston Downtown Office Q4 2025 report, office leasing remained strong in 2025, largely driven by lease renewals and several deals over 100,000 square feet. Total leasing was 5.9 million square feet, the second-highest yearly total in 15 years (behind 2019).

Fidelity Investments signed a lease in April 2025 for over 650,000 square feet of office space in South Boston Waterfront; this will be their new HQ, housing nearly 20,000 workers. Hasbro has signed a lease for 265,000 square feet of office space, also in the South Boston Waterfront. Datadog signed a new lease in the Financial District for 125,000 square feet at 225 Franklin St. There were also several large office space renewals in 2025, including Wellington Management Company (384,000 square feet), Bank of New York Mellon (184,001 square feet), and Nutter (125,260 square feet).

Year-to-date net absorption of office space stood at -433,853 square feet. The City's average asking rent in the fourth quarter 2025 was \$66.92 per square foot, a 6.2% decrease from \$71.31 in 2019. This was \$13.21 less per square foot than the average rent in the Cambridge office market.

Industrial and Lab Research & Development

The vacancy and availability rates for research lab space have increased due to an influx of new space and a downturn in research funding. In 2025, approximately 1.5 million square feet of research lab space was completed in Boston. According to CBRE's Boston Metro Lab report, in the third quarter of 2025, the vacancy rate for life science lab space in Boston was 28.7 percent (up from just 1.9 percent at the beginning of 2023) and the overall availability rate was 35.3 percent. As of January 2026, there were 2.5 million square feet of additional research lab space under construction in Boston, and an additional 15.4 million square feet of research lab space approved by the BPDA Board, but not yet permitted. In 2025, the BPDA Board approved four projects with new research lab space, for a net increase of approximately 510,000 square feet. Some of the major lab/life science development approvals in 2025 included the construction of three life science/office buildings: 155 North Beacon Street in Brighton, approximately 156,000 square feet of research lab space at 17 Bradston Street in Newmarket in the South End, and almost 80,000 square feet of research and development space at 108 Third Avenue in the Charlestown Navy Yard.

According to Pitchbook data reported in MassBio's 2025 Industry Snapshot, several Boston biotech companies received significant venture capital investment in the first half of 2025: Atalanta Therapeutics (\$97 million), Newleos Therapeutics (\$93.5 million), Bambusa Therapeutics (\$88.9 million), and Stellaromics (\$8 million). Boston biotech companies received \$905 million, 33 percent of the state's biotech venture capital funding in the first half of 2025.

