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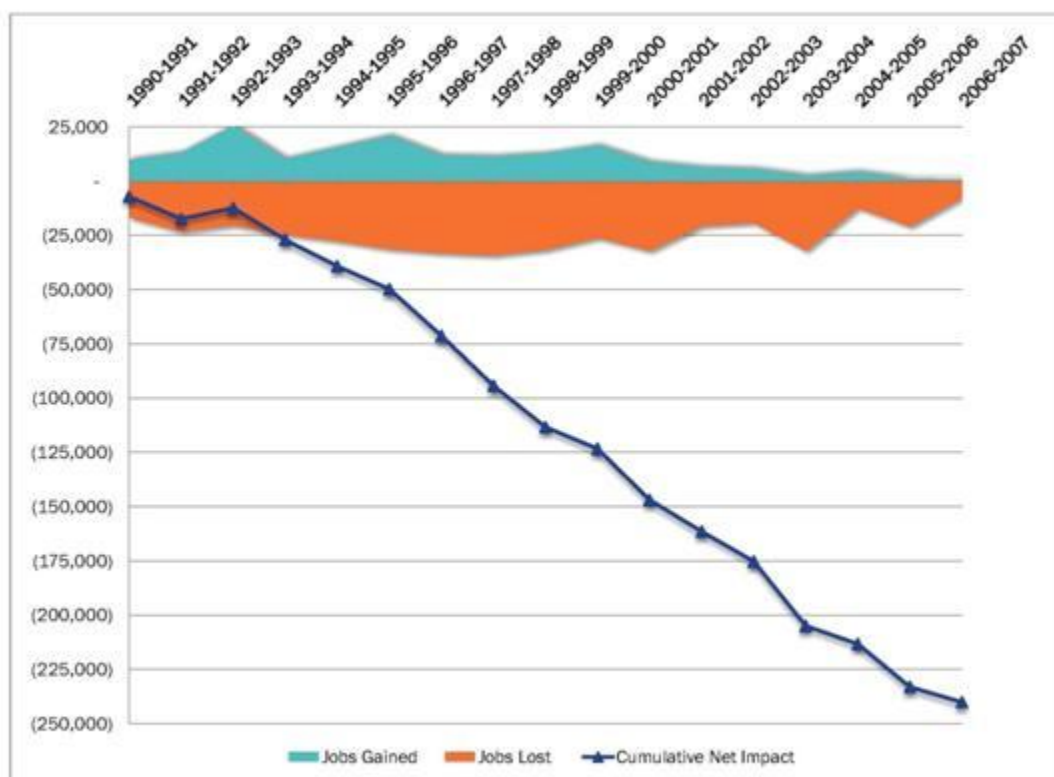
## **Massive Job Loss at MA Headquarters: Over 250,000 Jobs Lost at HQs from 1990 – 2007**

**BOSTON** – A stark decline in the number of new headquarters combined with closures, contraction, and moving out of state has caused a massive drop in the number of jobs at headquarters in Massachusetts. During a period when job growth was stagnant, only the growth of standalone firms counterbalanced painful declines in employment at headquarters.

*Heading Down: The Loss of Massachusetts Headquarters*, a new Pioneer white paper, finds that Massachusetts has lost 5,106 headquarters, on a net basis, to closure and relocation from 1990 to 2007. This loss, combined with contraction of surviving firms, resulted in a net loss of 257,250 jobs.

“For decades, headquarters have proven to be large employers in this state. Yet we simply are not creating the next generation of headquarters to sustain job growth,” said Pioneer Institute Director Jim Stergios. “We need to reevaluate our business climate and make it so entrepreneurs want to make long-term investments in Massachusetts – to start here, to stay here, and to grow here.”

1990 – 2007 Job Losses and Gains from Headquarter Birth and Death



[\*Heading Down\*](#) identifies the key driver of this job loss as the imbalance between the creation of new headquarters and job losses at headquarters going out of business. While job losses at contracting HQs and relocating HQs were largely balanced out by expanding HQs and HQs coming into the state, job losses from HQ closure amounted to over 240,000 lost jobs on a net basis.



### **About the Series**

*Heading Down* is the second paper in a multi-part series commissioned by Pioneer Institute to understand job and business growth and destruction in Massachusetts over the past 20 years. *Failure to Thrive*, the first in the series, found that job creation in Massachusetts has been stagnant and that from 1990 to 2007, Massachusetts lost several thousand jobs. Future installments will examine changes in industry structure, interstate versus intrastate relocation, and other topics. The series utilizes the National Employment Time Series database to provide a highly detailed view of employment trends.

### **About the Authors**

**John Friar** is Executive Professor of Entrepreneurship and Innovation at Northeastern University and a Senior Fellow of Pioneer Institute. Dr. Friar has researched and written extensively on the subjects of entrepreneurship and economic development. He has won the IEEE Transactions Publication Award as the leading researcher in innovation management. Dr. Friar has also won three McMaster Awards as the leading writer of cases in Innovation and New Technology. Dr. Friar is the recipient of seven teaching awards. At Northeastern, he created the School of Technological Entrepreneurship and ran the Entrepreneurship Center, creating the activities that led the Princeton Review to rate NU the fourth most entrepreneurial campus in the nation. Dr. Friar holds a Ph.D. from MIT, and MBA and AB degrees from Harvard University.

**Megan Gay** is a Ph.D. candidate in the Economics Department at Northeastern University. Megan received her B.A. in History in 2001 from The College of William and Mary and received her Master's in Applied Economics from Northeastern University in 2006. She expects to receive her Ph.D. in Applied Economics from Northeastern University in Summer 2010. Megan specializes in quantitative and qualitative analyses in the areas of industrial organization and health economics. Her current research focuses on buyer power theory and Dominant HMOs, and the determinants of a Dominant HMO's market share.



[Pioneer Institute](#) is an independent, non-partisan, privately funded research organization that seeks to change the intellectual climate in the Commonwealth by supporting scholarship that tests marked solutions against the conventional wisdom of more governmental involvement in Massachusetts public policy issues.