



THE COMMONWEALTH OF MASSACHUSETTS

Special Obligation Revenue Bonds (Unemployment Insurance Trust Fund), 2022 Series A (Federally Taxable) (Social Bonds) and 2022 Series B (Federally Taxable) (Social Bonds)

ANNUAL FINANCIAL INFORMATION

March 26, 2024

The following annual financial information is provided by The Commonwealth of Massachusetts (the "Commonwealth") pursuant to certain continuing disclosure undertakings entered into by the Commonwealth in connection with the Commonwealth's Special Obligation Revenue Bonds (Unemployment Insurance Trust Fund) 2022 Series A (Federally Taxable) (Social Bonds) and 2022 Series B (Federally Taxable) (Social Bonds) (the "Bonds"). Set forth below is certain financial information and operating data relating to the Commonwealth for the fiscal year ended June 30, 2023. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Official Statement related to the above-mentioned bonds, a copy of which is available on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA").

This statement is of limited scope. It contains only an updating of certain financial information and operating data described below. The information set forth herein does not contain all material information concerning the Bonds necessary to make an informed investment decision. This statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds. This statement is submitted pursuant to various continuing disclosure undertakings relating to the Bonds that are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission and is intended to provide only the information necessary to conform to the requirements of said Rule 15c2-12.

The Commonwealth's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022 (the "2022 ACFR") has been posted to EMMA and is available at <https://emma.msrb.org/P11669475-P11285210-P11714375.pdf>. The Commonwealth's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 is not yet available and will be posted on EMMA when available.

The Commonwealth's Statutory Basis Financial Report for the fiscal year ended June 30, 2023 (SBFR) has also been posted to EMMA and is available at <https://emma.msrb.org/P21777204-P21364371-P21802241.pdf>.

Questions regarding information contained in this statement may be directed to Sue Perez, Deputy Treasurer, Office of the Treasurer and Receiver-General, One Center Plaza, Suite 430, Boston, Massachusetts 02108, telephone (617) 367-9333, or to Kaitlyn Connors, Assistant Secretary, Executive Office for Administration and Finance, State House, Room 373, Boston, Massachusetts 02133, telephone (857) 338-0234.

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1. Employer Collection Rates by Quarter

The following table indicates the percentage of SUTA Tax revenues for experience-rated private contributory employers that were remitted to the Department of Unemployment Assistance (“DUA”) since calendar year 2006. Amounts represent collections of the SUTA Tax only and do not include collections of the COVID-19 Recovery Assessment or other amounts charged.

Employer Collection Rates by Quarter¹ (2006-2023)

Year	Collection Rate by Due Date (%) ²			
	Q1	Q2	Q3	Q4
2006	94.1	89.4	92.7	93.3
2007	94.6	89.7	93.0	92.7
2008	94.1	89.1	91.8	88.1
2009	92.2	83.8	84.1	93.1
2010	90.6	93.0	95.8	95.5
2011	95.7	92.9	95.8	95.7
2012	94.9	93.0	96.5	96.4
2013	96.7	94.0	97.1	96.8
2014	95.5	95.2	96.6	96.5
2015	97.4	94.6	96.9	95.7
2016	97.3	95.4	97.5	97.3
2017	97.4	94.0	96.9	96.0
2018	97.4	95.6	97.2	97.3
2019	97.4	96.2	97.3	97.5
2020	97.5	96.1	96.5	96.5
2021	99.2	95.9	96.6	97.0
2022	97.8	96.3	97.2	97.4
2023	96.6	96.1	94.8	94.5

Source: DUA, as of February 27, 2024. Based on employer filings and contributions for private contributory employers only.

¹ Data for each period of time is a retroactive snapshot of activity as of February 27, 2024. Potential sources of variance are early system issues, data conversions, employer wage and payment adjustments and debt write-offs that occurred prior to February 27, 2024.

² Reflects any applicable extensions and/or weekends.

2. Labor Force and Unemployment Data

The following table presents information on the size of the Massachusetts labor force, the number of employed workers and the number of covered employees. The following table also presents data on the number of unemployed workers and the number of individuals having received Commonwealth-funded unemployment benefits.

LABOR FORCE AND UNEMPLOYMENT DATA¹ 2006-2023

Year	Population	Civilian Non- institutional Working Age Population	Labor Force	Employed Workers	Unemployed Workers	Covered Employees	Claimants ²
2006	6,410,084	5,092,894	3,411,688	3,251,029	160,659	3,107,429	377,864
2007	6,431,559	5,134,517	3,433,239	3,277,912	155,327	3,141,083	391,816
2008	6,468,967	5,184,502	3,465,906	3,282,299	183,607	3,179,504	460,371
2009	6,517,613	5,237,356	3,470,431	3,189,506	280,925	3,194,135	569,184
2010	6,566,440	5,252,272	3,479,304	3,198,617	280,687	3,106,068	441,018
2011	6,614,218	5,295,565	3,484,135	3,232,458	251,677	3,094,463	420,330
2012	6,664,269	5,351,700	3,506,457	3,271,256	235,201	3,136,615	414,726
2013	6,715,158	5,407,696	3,516,689	3,283,144	233,545	3,188,003	366,268
2014	6,764,864	5,461,991	3,569,557	3,364,853	204,704	3,239,693	352,642
2015	6,797,484	5,504,919	3,589,409	3,417,296	172,113	3,291,593	314,714
2016	6,827,280	5,543,887	3,617,498	3,472,327	145,171	3,384,998	315,256
2017	6,863,560	5,654,177	3,724,520	3,582,389	142,131	3,461,625	308,161
2018	6,885,720	5,694,039	3,818,769	3,686,198	132,571	3,486,453	287,536
2019	6,894,883	5,725,399	3,848,611	3,731,900	116,711	3,529,397	283,710
2020	7,022,220	5,729,754	3,744,255	3,396,014	348,241	3,573,426	1,767,972
2021	6,984,723	5,733,756	3,731,417	3,530,207	201,210	3,328,360	526,278
2022	6,982,740	5,741,238	3,743,592	3,606,318	137,274	3,388,419	321,827
2023	7,001,399	5,766,258	3,751,662	3,625,293	126,369	3,576,532	485,886

Source: Executive Office of Labor and Workforce Development Department of Economic Research (“DER”); U.S. Bureau of Labor Statistics (“BLS”); U.S. Census Bureau; US Dept. of Labor

¹ Labor force data was updated from calendar years 2018-2023 to account for annual revisions completed by BLS in early calendar year 2024.

² Claimants refers to unemployed individuals who have submitted an initial benefit payment claim after separation from an employer. Claimants for calendar years 2015-2021 have been restated to eliminate duplication of claimants who filed in multiple periods, which duplication was identified in calendar year 2023.

3. Labor Force Participation Rate and Unemployment Rate

The average total unemployment rate for the Commonwealth for calendar year 2023 was 3.3%. As of March 8, 2024, the preliminary unemployment rate for January 2024 per BLS was 3.0%.

LABOR FORCE PARTICIPATION AND UNEMPLOYMENT RATES 2006-2023¹

Year	Labor Force Participation Rate	Total Unemployment Rate	Insured Unemployment Rate
2006	67.0%	4.7%	2.51%
2007	66.9	4.5	2.59
2008	66.9	5.3	3.02
2009	66.3	8.1	4.66
2010	66.2	8.1	3.74
2011	65.8	7.2	3.28
2012	65.5	6.7	3.10
2013	65.1	6.6	2.73
2014	65.4	5.7	2.61
2015	65.2	4.8	2.30
2016	65.3	4.0	2.13
2017	65.9	3.8	2.00
2018	67.1	3.5	1.72
2019	67.2	3.0	1.70
2020	65.3	9.4	9.02
2021	65.1	5.4	2.76
2022	65.2	3.7	1.61
2023	65.0	3.3	1.95

Source: DER; BLS; U.S. Dept. of Labor

¹ Represents the annual average rate.

Note: Labor force participation rates and total unemployment rates for calendar years 2018-2023 and all uninsured unemployment rates have been updated to account for annual revisions completed by BLS in early calendar year 2024.

4. Taxable Wage Base and Taxable Wages

The following table presents information on taxable and total wages for the calendar years specified. “Taxable Wage Base” represents, for each employee, the wage base (per employee) that is subject to taxation, as established under the Massachusetts UI Law. “Total Wages” represents the aggregate amount of wages paid in each year by all private contributory employers. “Taxable Wages” represents the portion of total private contributory wages paid in each year that is subject to taxation under the Massachusetts UI Law. “Total Wages” and “Taxable Wages” are as reported by the BLS’ Quarterly Census of Employment and Wages (“QCEW”).

ANNUAL TAXABLE WAGES AND TOTAL WAGES 2006-2023¹

Year	Taxable Wage Base	Total Wages (in Billions)	Taxable Wages (in Billions)
2006	\$14,000	\$128.5	\$35.5
2007	14,000	136.9	35.8
2008	14,000	139.6	35.6
2009	14,000	130.7	33.4
2010	14,000	135.0	33.9
2011	14,000	142.5	34.9
2012	14,000	148.1	35.6
2013	14,000	152.5	36.5
2014	14,000	161.8	37.6
2015	15,000	172.5	41.2
2016	15,000	177.9	42.3
2017	15,000	187.9	43.5
2018	15,000	198.4	44.6
2019	15,000	209.6	45.7
2020	15,000	212.2	44.4
2021	15,000	234.5	45.6
2022	15,000	270.3	45.9
2023	15,000	254.1	47.7

Source: DER; BLS; QCEW

¹ The data for calendar years 2006-2021 is as of May 19, 2022; the data for calendar years 2022-2023 is as of October 2023.

Note: QCEW is a live database that is updated daily and therefore may not match data from other databases.

5. Contribution Rate Schedule

The following table sets forth the current Commonwealth contribution rates by employer reserve percentages. The tax rates included in this table are the SUTA Tax only, and exclude other charges to employers (e.g., COVID-19 Recovery Assessment, EMAC, WTFP).

CONTRIBUTION RATE SCHEDULE

	A	B	C	D	E	F	G
	UITF Reserve Percentage						
<i>Minimum:</i>	1.65%	1.50%	1.20%	0.90%	0.60%	0.30%	
<i>Maximum:</i>		1.65	1.50	1.20	0.90	0.60	0.29%
Positive Percentage							
17.0 or more	0.56	0.64	0.73	0.83	0.94	1.07	1.21
16.0 but less than 17.0	0.64	0.73	0.83	0.95	1.08	1.22	1.39
15.0 but less than 16.0	0.73	0.83	0.94	1.07	1.21	1.38	1.57
14.0 but less than 15.0	0.81	0.92	1.04	1.18	1.34	1.53	1.73
13.5 but less than 14.0	0.97	1.10	1.25	1.42	1.61	1.83	2.08
13.0 but less than 13.5	1.05	1.19	1.35	1.54	1.75	1.99	2.26
12.5 but less than 13.0	1.13	1.28	1.46	1.66	1.89	2.14	2.43
12.0 but less than 12.5	1.21	1.37	1.56	1.77	2.01	2.29	2.60
11.5 but less than 12.0	1.29	1.46	1.67	1.89	2.15	2.45	2.78
11.0 but less than 11.5	1.37	1.56	1.77	2.01	2.29	2.60	2.96
10.5 but less than 11.0	1.45	1.65	1.87	2.13	2.42	2.75	3.12
10.0 but less than 10.5	1.53	1.74	1.98	2.25	2.56	2.91	3.30
9.5 but less than 10.0	1.61	1.83	2.08	2.36	2.69	3.05	3.47
9.0 but less than 9.5	1.70	1.93	2.19	2.49	2.82	3.21	3.65
8.5 but less than 9.0	1.78	2.02	2.29	2.61	2.96	3.37	3.82
8.0 but less than 8.5	1.85	2.10	2.39	2.72	3.09	3.51	3.99
7.5 but less than 8.0	1.94	2.20	2.50	2.84	3.23	3.67	4.17
7.0 but less than 7.5	2.02	2.30	2.61	2.96	3.37	3.82	4.35
6.5 but less than 7.0	2.09	2.38	2.71	3.08	3.50	3.97	4.51
6.0 but less than 6.5	2.17	2.47	2.81	3.20	3.63	4.13	4.69
5.5 but less than 6.0	2.25	2.56	2.91	3.31	3.76	4.28	4.86
5.0 but less than 5.5	2.34	2.66	3.02	3.43	3.90	4.43	5.04
4.5 but less than 5.0	2.42	2.75	3.13	3.55	4.04	4.59	5.21
4.0 but less than 4.5	2.50	2.84	3.23	3.67	4.17	4.74	5.38
3.5 but less than 4.0	2.58	2.93	3.33	3.79	4.30	4.89	5.56
3.0 but less than 3.5	2.67	3.03	3.44	3.91	4.44	5.05	5.74
2.5 but less than 3.0	2.75	3.12	3.54	4.02	4.57	5.20	5.90
2.0 but less than 2.5	2.82	3.21	3.65	4.14	4.71	5.35	6.08
1.5 but less than 2.0	2.90	3.30	3.75	4.26	4.84	5.50	6.25
1.0 but less than 1.5	2.98	3.39	3.85	4.38	4.98	5.65	6.43
0.5 but less than 1.0	3.06	3.48	3.96	4.50	5.11	5.81	6.60
0.0 but less than 0.5	3.14	3.57	4.06	4.61	5.24	5.96	6.77
Negative Percentage							
0.0 but less than 1.0	4.22	4.79	5.45	6.19	7.03	7.99	9.08
1.0 but less than 3.0	4.58	5.21	5.92	6.72	7.64	8.68	9.86
3.0 but less than 5.0	4.95	5.63	6.39	7.27	8.26	9.38	10.66
5.0 but less than 7.0	5.32	6.04	6.86	7.80	8.86	10.07	11.44
7.0 but less than 9.0	5.68	6.46	7.34	8.34	9.48	10.77	12.23
9.0 but less than 11.0	6.05	6.87	7.81	8.88	10.09	11.46	13.02
11.0 but less than 13.0	6.42	7.29	8.29	9.42	10.70	12.16	13.81
13.0 but less than 15.0	6.78	7.71	8.76	9.95	11.31	12.85	14.60
15.0 but less than 17.0	7.15	8.13	9.24	10.49	11.93	13.55	15.39
17.0 but less than 19.0	7.52	8.54	9.71	11.03	12.53	14.24	16.18
19.0 but less than 21.0	7.88	8.96	10.18	11.57	13.15	14.94	16.97
21.0 but less than 23.0	8.25	9.37	10.65	12.11	13.76	15.63	17.79
23.0 or more	8.62	9.79	11.13	12.65	14.37	16.33	18.55

Source: Massachusetts UI Law.

6. Historic Employer Contribution Rates

The following table presents information on average unemployment contribution rates for employers in the Commonwealth for the calendar years specified. The tax rates included in this table are the SUTA Tax only, and exclude other charges to employers (e.g., COVID-19 Recovery Assessment, EMAC, WTFP).

EMPLOYER CONTRIBUTION RATES 2006-2023

Year	Contribution Rate Schedule	Taxable Wage Base	Minimum Tax Rate (% of Taxable Wages)	Maximum Tax Rate (% of Taxable Wages)	Average Tax Rate (% of Taxable Wages)	Average Tax Rate (% of Total Wages)
2006	D	\$14,000	0.83%	12.65%	4.47%	1.23%
2007	E	14,000	0.94	14.37	4.17	1.09
2008	E	14,000	0.94	14.37	3.96	1.01
2009	E	14,000	0.94	14.37	4.24	1.08
2010	E	14,000	0.94	14.37	4.57	1.15
2011	E	14,000	0.94	14.37	4.57	1.15
2012	E	14,000	0.94	14.37	4.23	1.18
2013	E	14,000	0.94	14.37	4.96	1.19
2014	E	14,000	0.94	14.37	4.50	1.10
2015	C	15,000	0.73	11.13	3.14	0.74
2016	C	15,000	0.73	11.13	3.23	0.78
2017	C	15,000	0.73	11.13	3.18	0.76
2018	D	15,000	0.83	12.65	3.52	0.81
2019	E	15,000	0.94	14.37	3.88	0.85
2020	E	15,000	0.94	14.37	3.59	0.77
2021 ¹	E	15,000	0.94	14.37	3.41	0.69
2022 ¹	E	15,000	0.94	14.37	3.80	0.48
2023 ¹	A	15,000	0.56	8.62	2.37	0.34

Source: DUA; DER; QCEW (as of October 2023)

Note: QCEW is a live database that is updated daily and therefore may not match data from other databases.

¹ Does not account for the COVID-19 Recovery Assessment.

7. Labor Force Data by Industry and Size

The following table presents selected information regarding the Commonwealth's labor force, employment and unemployment for 2022 and 2023 as of calendar year end. The data shown covers all private and government employment.

LABOR MARKET SUMMARY AND EMPLOYMENT BY INDUSTRY¹ (PRIVATE SECTOR AND GOVERNMENT)

		2022	2023
<u>Labor Market Summary:</u>			
Employed		3,606,318	3,625,293
Unemployed		137,274	126,369
Total Civilian Labor Force		3,743,592	3,751,662
Unemployment Rate (%)		3.7	3.3
Total Nonfarm		3,671,925	3,713,483
Total Private		3,219,217	3,254,092
Goods-Producing		409,925	411,358
Private Service-Producing		2,809,292	2,842,733
Government		452,708	459,392
		2022	2023
	<u>NAICS Code:</u>		
<u>Employment by Industry:</u>			
Agriculture, Forestry, Fishing and Hunting	11	13,028	13,274
Mining, Quarrying, and Oil and Gas Extraction	21	866	947
Utilities	22	16,228	16,038
Construction	23	181,448	186,074
Manufacturing	31-33	238,508	237,492
Wholesale Trade	42	124,267	123,853
Retail Trade	44-45	332,559	329,810
Transportation and Warehousing	48-49	116,057	117,032
Information	51	102,735	101,990
Finance and Insurance	52	168,780	172,062
Real Estate and Rental and Leasing	53	48,156	49,329
Professional and Technical Services	54	382,364	380,463
Management of Companies and Enterprises	55	67,368	69,449
Administrative and Waste Services	56	191,307	194,803
Educational Services	61	363,396	379,635
Health Care and Social Assistance	62	644,224	655,692
Arts, Entertainment, and Recreation	71	63,229	69,427
Accommodation and Food Services	72	287,839	302,627
Other Services, Except Public Administration	81	114,572	117,984
Public Administration	92	139,216	142,400

Source: DER; BLS; QCEW (as of October 2023).

Note: Components may not add due to truncation. QCEW is a live database that is updated daily and therefore may not match data from other databases.

¹ Labor market summary data includes annual averages for all years and employment by industry represents the annual average for calendar year 2022 and for calendar year 2023, it represents Quarter 2 of calendar year 2023, the most recent available data.

8. Total Wages by NAICS Category

The following table compares total wages in the Commonwealth by NAICS category for calendar years 2022 and 2023. The data shown covers the private sector only.

TOTAL WAGES BY NAICS CATEGORY (PRIVATE SECTOR ONLY)

NAICS Code	Industry	2022	2023
11	Agriculture, Forestry, Fishing and Hunting	0.28%	0.29%
21	Mining, Quarrying, and Oil and Gas Extraction	0.02%	0.03%
22	Utilities	5.32%	5.67%
23	Construction	8.27%	8.15%
31-33	Manufacturing	0.61%	0.64%
42	Wholesale Trade	5.33%	5.12%
44-45	Retail Trade	5.18%	5.15%
48-49	Transportation and Warehousing	1.99%	2.09%
51	Information	5.37%	5.49%
52	Finance and Insurance	11.26%	9.42%
53	Real Estate and Rental and Leasing	1.75%	1.62%
54	Professional and Technical Services	21.79%	21.74%
55	Management of Companies and Enterprises	3.54%	3.57%
56	Administrative and Waste Services	4.31%	4.43%
61	Educational Services	4.12%	4.42%
62	Health Care and Social Assistance	14.56%	15.27%
71	Arts, Entertainment, and Recreation	1.06%	1.11%
72	Accommodation and Food Services	3.27%	3.67%
81	Other Services, Except Public Administration	1.97%	2.12%

Source: DER; BLS; QCEW (as of October 2023).

Note: QCEW is a live database that is updated daily and therefore may not match data from other databases.

¹ Total private wages by sector are calculated as annual averages for calendar year 2022; also includes Quarter 2 of calendar year 2023, the most recent available data.