

## TESTIMONY

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## cSPA Testimony, Senate Special Committee on Reimagining Massachusetts: Post-Pandemic Resiliency

I want to thank you for inviting me to testify today. It's a privilege to be able to help the Commonwealth prepare for the post-Covid world that is steadily taking shape.

My name is Evan Horowitz and I'm the Executive Director of the Center for State Policy Analysis at Tisch College, Tufts University, abbreviated as cSPA.

cSPA provides timely, relevant research on live legislative topics — in a strictly non-partisan way. Since launching last year, we've done work on state tax revenues, creative approaches to economic aid, police reform, the digital divide, both ballot questions, and beyond.

Today, I want to talk about what it means to make policy for a world in flux. Because that's a big part of the challenge of building a resilient, post-pandemic future for the Commonwealth.

The new normal is going to be different from the old normal, but we don't yet know the exact nature or extent of those differences. And that's a challenge for crafting sound, responsive public policy. It can't, however, be a reason for policy inaction, not least because we'll miss the chance to steer unfolding economic and social changes in promising directions.

Some needs are clear and urgent, like the imperative to heal the digital divide. Without progress on this front, those who lack the requisite mix of broadband access and reliable equipment will be cut off from the expanding opportunities of remote work, distance learning, telehealth, and online civic engagement.

In other areas, where the future is less clear, what's needed is something different: not a set of policy proposals but metrics, timeframes, and triggers that will allow lawmakers not only to understand evolving facts on the ground but also spot opportunities to intervene.

To take an example — which I'll use as a thread throughout this testimony — the months and years ahead are likely to involve an increase, possibly dramatic, in the prevalence of remote and hybrid work. This is true across the country but it's particularly relevant to Massachusetts, because our well-educated workforce comprises an especially large number of workers with the skills and opportunity to work remotely.

Still, the full extent of this increase in remote work is unknown. It will depend on a myriad of independent decisions and experiments, including by businesses adopting new policies and individuals negotiating for greater flexibility. So at this point, with Covid cases still widespread and many workplaces closed, this shift to remote and hybrid is just a hypothesis, not a certainty.

Fortunately, if we set up the right framework, we'll be able to track what's happening and make appropriate policy responses in a timely manner. Faced with uncertainty, in other words, we can create

signposts and track unfolding developments — through data and polling — to make policy changes when needed.

To continue with the example of remote and hybrid work, one thing to track is a potential shift in economic geography. In a world where employees commute just a few times a week, suddenly it's much more feasible for Boston-based workers to build lives in farther-flung communities west of Worcester or South of Quincy.

A simple starting point for measuring this change would be to compare home price variations in exurban towns with commercial real estate prices in Boston and other city centers. It shouldn't take long to see the real-world impact — perhaps 6-24 months, as you'd want to discount any over-eager initial reactions and adjust for the fact that many downtown businesses are locked into leases, and can't reorganize operations even if they want to.

Whatever you find, the downstream policy implications are huge.

Start with early education and child care. If people are spending more time working from home — and increasingly living in less-dense communities farther from Boston — that could elevate the value of licensed in-home care arrangements, as opposed to larger centers or workplace-provided options.

Transit needs could shift as well, as a regional dispersion would increase the benefits of regional rail — as well as the importance of electric vehicle subsidies as a path to lower-carbon travel.

And tax policy is implicated too, as it would be relatively easy for twice-a-week commuters to put down roots in New Hampshire. In that case, they'd likely spend less money in Massachusetts, and their income tax obligations would also be unclear.

The effect on racial equity could also be significant, in either direction. Shrinking demand for real estate around Boston (and other city centers) could reduce price pressure, making housing more affordable in areas with a larger share of Black and Latinx residents. Yet, we could also see a new generation of white flight, especially as white residents are more likely to have jobs amenable to remote work.

All of these policy-relevant implications — about early education and child care, transit, taxes, and racial equity — flow from my one example of how the state's economic geography could shift in the post-Covid world. But I hope it shows how important it will be to track social and economic changes in the coming months and use those insights for sound public policy.

Only in that way will we be able to build a resilient Commonwealth for the post-pandemic future.

I'd like to thank you for your time. I'm happy to answer any questions you may have. And more generally I'd like to say that cSPA is ready to provide research on any topic or issue that you think useful.