



# **B** **INDUSTRY PROFILES 2025:** **INDUSTRIAL SECTOR IN BOSTON**

**City of Boston Planning Department Research Division**

## **INDUSTRIAL SECTOR**

Spanning mining, utilities, construction, manufacturing, wholesale trade, transportation and warehousing, Boston's industrial sector is robust and diversified. Today, it continues to evolve—integrating new technologies, adapting to global supply chain dynamics, and contributing critical infrastructure to the region's growth.

The city's industrial base remains a vital component of both its workforce and land use. From the active waterfront terminals to legacy manufacturing corridors in neighborhoods like Roxbury and Dorchester, industrial operations sustain good-paying jobs, support local and regional supply chains, and play a key role in Boston's economic resilience and climate adaptation strategies. Understanding the scale, scope, and trajectory of the industrial sector is essential for shaping inclusive and sustainable growth across the city.

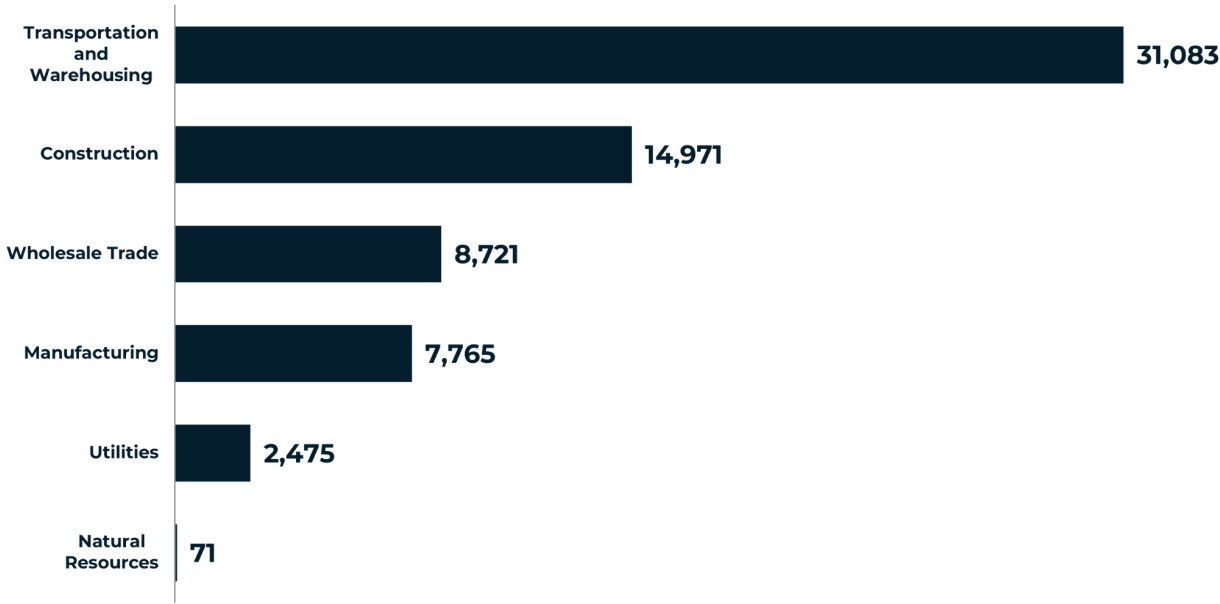


# INDUSTRIAL EMPLOYMENT

Boston’s industrial sector—spanning mining, utilities, construction, manufacturing, wholesale trade, and transportation and warehousing (NAICS 21, 22, 23, 31-33, 42, 48-49)—plays a foundational role in the city’s economy. These industries not only support essential infrastructure and logistics but also provide a wide range of accessible, good-paying jobs across Boston’s neighborhoods.

## NUMBER OF JOBS BY SECTOR

Average monthly employment in 2024 (Third Quarter)



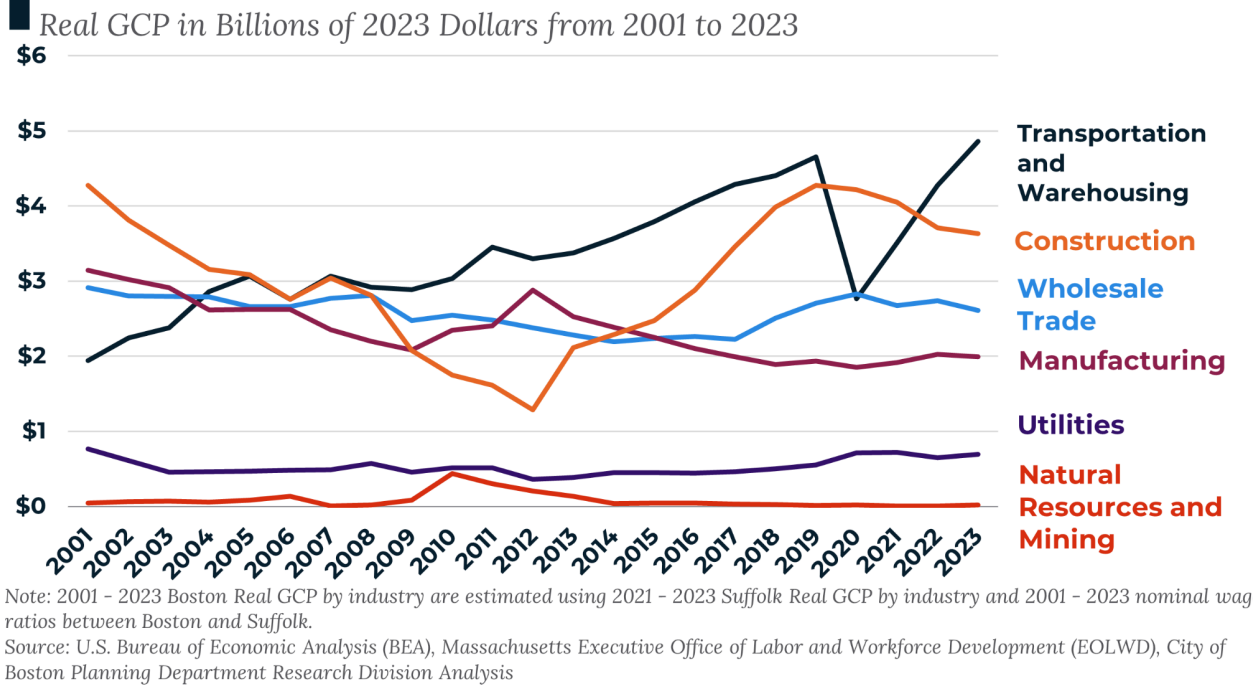
Source: MA Department of Economic Research, City of Boston Planning Department Research Division Analysis.

As of the third quarter of 2024, this sector supported over 65,000 jobs, with Transportation and Warehousing alone accounting for nearly half of total industrial employment at 31,083 jobs. This segment has grown in importance due to the rising demand for logistics and last-mile delivery services, reflecting broader national trends in e-commerce and supply chain adaptation. Construction represents the second-largest industrial employer with 14,971 jobs, underscoring Boston’s ongoing infrastructure investments and robust development pipeline. Meanwhile, Wholesale Trade and Manufacturing continue to provide critical support to the city’s supply networks and innovation ecosystem, employing 8,721 and 7,765 workers respectively.

# CONTRIBUTION TO GROSS CITY PRODUCT (GCP)

In 2023, Boston’s industrial sector contributed 7.9% of the city’s Real Gross City Product (GCP). Transportation and warehousing has emerged as a leading driver of industrial GCP, more than doubling its contribution—from under \$2 billion in 2001 to nearly \$5 billion in 2023—highlighting its increasing importance in the era of e-commerce and logistics. Construction also rebounded strongly after a sharp decline during the 2008 financial crisis, peaking around 2020 before slightly tapering off. In contrast, traditional manufacturing experienced a steady decline, dropping from over \$3 billion in 2001 to under \$2 billion in the following decades, reflecting broader deindustrialization trends. Wholesale trade remained relatively stable with modest fluctuations, while utilities showed gradual growth. Natural resources and mining remained a minimal component throughout the period. These trends illustrate a shift in Boston’s industrial economy toward sectors aligned with infrastructure development and modern supply chains.

## BOSTON REAL GROSS CITY PRODUCT (GCP) BY INDUSTRY

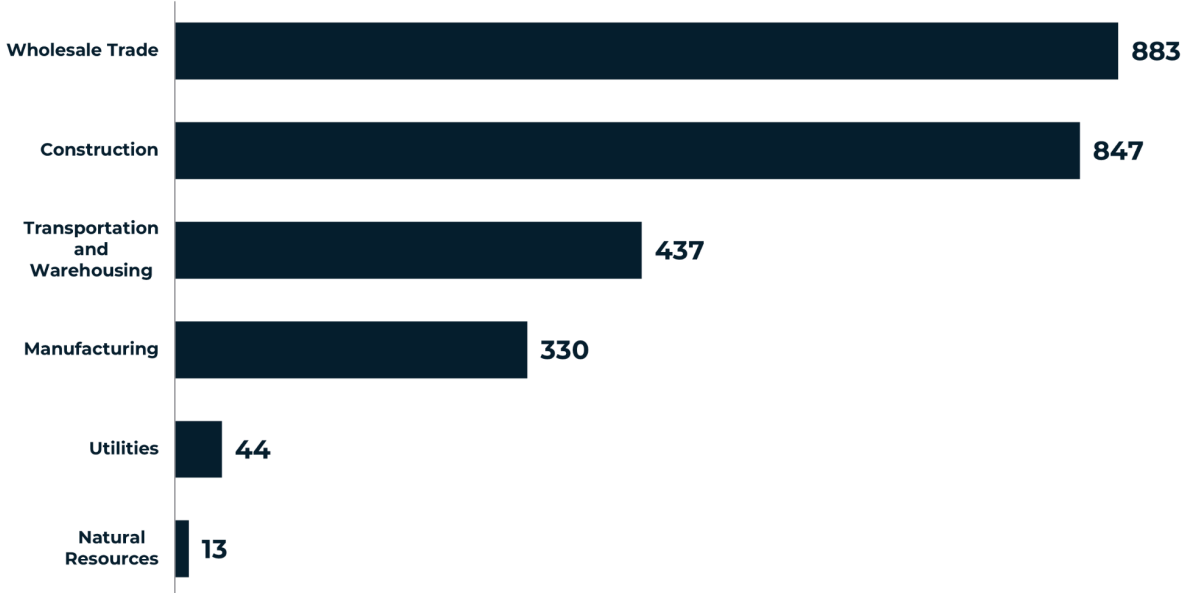


# ESTABLISHMENTS

Boston is home to a wide range of industrial establishments, from large-scale logistics hubs and advanced manufacturing plants to smaller construction firms and wholesale distributors. Many of these businesses are clustered in key industrial areas such as the Newmarket Square District, the Raymond L. Flynn Marine Park, and along major freight corridors, reflecting the importance of access to transportation infrastructure, industrial zoning, and proximity to regional markets.

## NUMBER OF ESTABLISHMENTS BY SECTOR

September 2024



Source: MA Department of Economic Research, City of Boston Planning Department Research Division Analysis.

The composition of industrial establishments varies by subsector, with construction and wholesale trade dominated by numerous small and mid-sized firms, while transportation and warehousing includes both independent operators and large national logistics providers. This diversity of firm size and function enables Boston’s industrial economy to remain resilient—balancing legacy operations with newer, innovation-driven enterprises. Moreover, the presence of industrial land and businesses in Boston’s neighborhoods reinforces the importance of thoughtful land use planning and equitable development, ensuring that industrial employers continue to provide accessible opportunities for local residents and remain integrated into the city’s broader economic strategy.

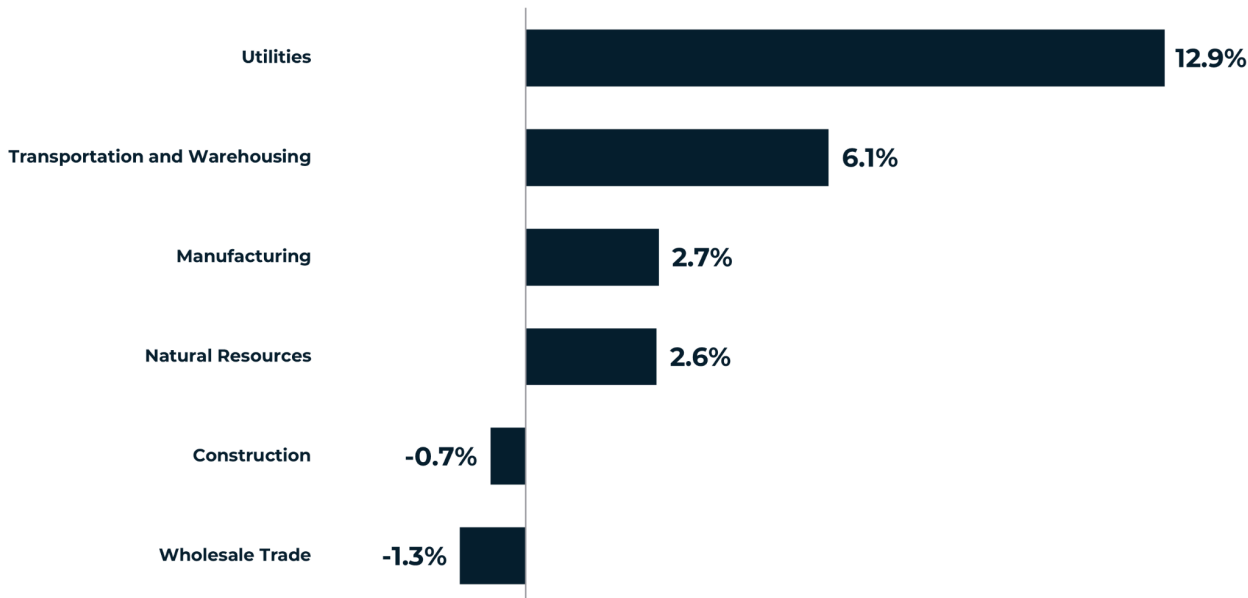


# EMPLOYMENT GROWTH BY INDUSTRY

Employment growth within Boston’s industrial sector has varied significantly by subsector, reflecting both national economic shifts and local development trends. Boston’s utilities subsector has seen the most substantial job gains in recent years, while natural resources remain minimal and largely symbolic in Boston’s modern industrial landscape. In addition, transportation and warehousing has grown substantially driven by the expansion of e-commerce, just-in-time delivery models, and the city’s role as a logistics hub for the region. As consumer behavior and supply chains continue to evolve, this subsector has expanded its footprint and workforce, positioning itself as a key engine of industrial job growth.

## CHANGE IN NUMBER OF JOBS BY SECTOR

Percent Change, 2022-2023

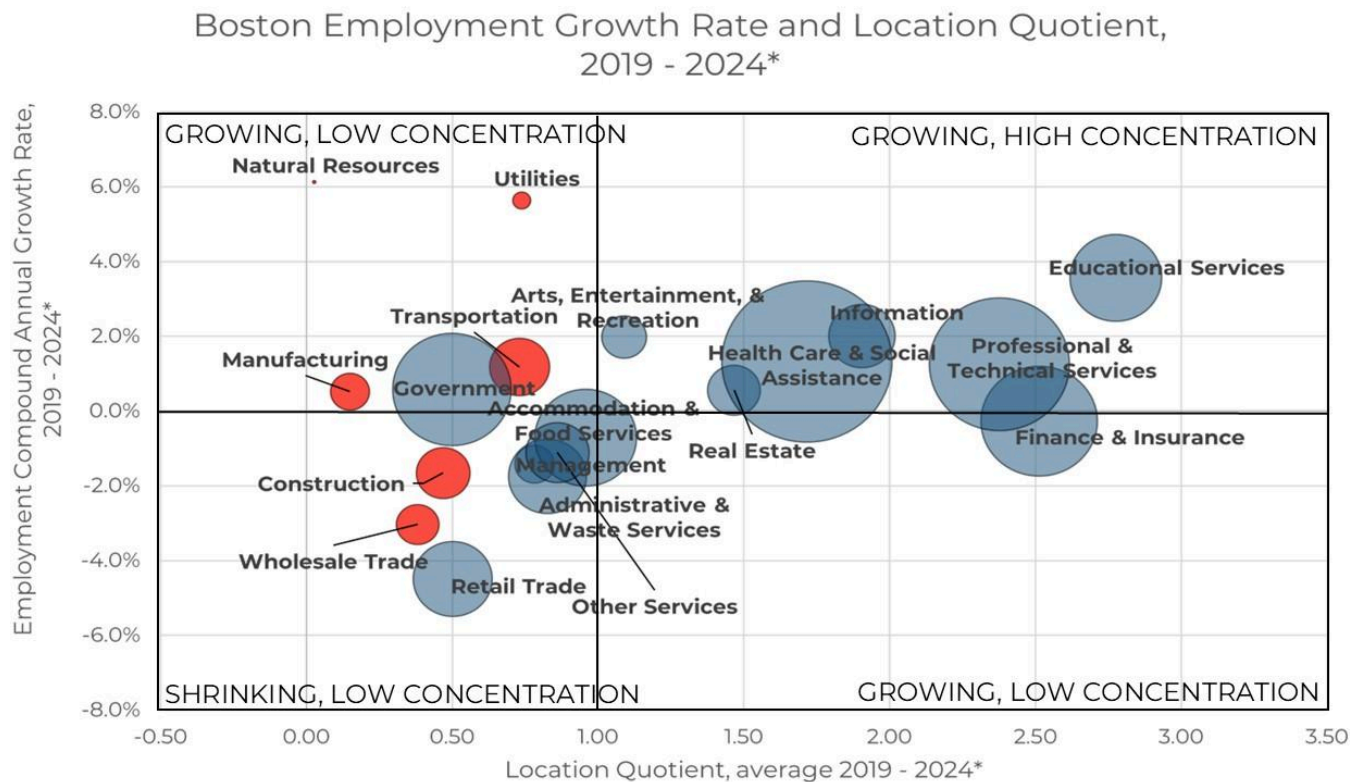


Source: MA Department of Economic Research, City of Boston Planning Department Research Division Analysis.

In contrast, sectors like manufacturing and construction have experienced more modest or stagnant employment growth, shaped by automation, global competition, and changing industry practices. However, niche areas within these sectors—such as advanced manufacturing and specialty distribution—continue to present targeted growth opportunities. Wholesale trade remains minimal and largely symbolic in Boston’s modern industrial landscape. Understanding these diverging growth patterns is critical for shaping workforce development strategies, industrial land use policy, and investments in job access and training pipelines tailored to Boston’s evolving economy.

# BOSTON'S INDUSTRIAL SECTORS COMPARED TO THE US

To analyze Boston's competitiveness relative to the entire country in terms of these sectors, the Research Division calculated the average Location Quotient of each industry. Location Quotient ("LQ") quantifies the concentration of a specific industry within a region compared to the overall national or regional average.<sup>1</sup> We then charted this LQ score against employment growth rates. The result is a four quadrant chart between the years 2019 to 2024 where the top-right signifies growing employment and high concentration.



Note: Bubble size reflects employment size. Source: Bureau of Economic Analysis (BEA), Massachusetts Executive Office of Labor and Workforce Development (EOLWD), Employment and Wage (ES-202), BPDA Research Analysis

This framework identifies which industrial subsectors are growing in Boston and if any are areas of relative concentration and specialization for Boston. All of the industrial subsectors have location quotients below one, indicating that Boston has a lower share of employment in these sectors than the country as a whole.

<sup>1</sup>

<https://www.bls.gov/cew/about-data/location-quotients-explained.htm#:~:text=For%20example%2C%20Las%20Vegas%20will,%2D%2D%2D%2D%2D%2D%20=%200.12>

Transportation and warehousing has the largest employment in Boston, positive employment growth, and the largest location quotient. The strength of the transportation and warehousing sector reflects the rise of e-commerce, increasing freight activity through Boston’s port infrastructure, and the city's growing role as a regional logistics hub.

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## RESEARCH DIVISION STAFF

**ALVARO LIMA**

Director of Research

**CHRISTINA KIM**

Deputy Director

**PHILLIP GRANBERRY**

Senior Researcher - Demography

**FATIMA AQEEL**

Senior Researcher - Economist

**JAKE SCHNEIDER**

Senior Researcher - Economist

**MICHAEL ENDALE**

Senior Researcher - Data Scientist

**KEVIN KANG**

Senior Research Associate

**EMILY KOREST**

Research Associate

**CECILIA TAKACS**

Research Coordinator - Data Analyst

**SAM KLUGHERZ**

Research Assistant

**NA YOUNG MOON**

Research Assistant

**GRACE JULIEN**

Research Assistant - Data Analyst

**TYLER YANDT**

Research Assistant

**SAMARA SHANKAR**

Intern