



# **B** **INDUSTRY PROFILES 2025:** **FINANCE, INSURANCE, AND REAL ESTATE IN** **BOSTON**

*City of Boston Planning Department Research Division*

## **FINANCE & INSURANCE AND REAL ESTATE**

Boston was the cornerstone of the finance industry, having played a key role in the creation of the mutual fund. While the finance and insurance industry has faced challenges, especially during COVID-19, it continues to thrive, especially with a steady influx of college graduates entering the industry. The city's strong educational institutions feed a pool of talent into the industry. The city's real estate industry remains strong as well, driven by high demand and rising property values.

In Boston, the Finance, Insurance and Real Estate and Rental and Leasing sector employs approximately 82,410 workers across 3,391 establishments, accounting for 10.7% of businesses and 12% of total employment.

## **CONTRIBUTION TO GROSS CITY PRODUCT (GCP)**

The Finance and Insurance industry is the second largest contributor to Boston's GCP, right behind Professional, Scientific, and Technical Services. In 2023, Finance and Insurance contributed 19.5% to Boston's GCP. Meanwhile, the Real Estate and Rental and Leasing industry is the fourth largest contributor to Boston's GCP, bringing in 11% of GCP.



In 2023, the Real Estate and Rental and Leasing sector experienced a decline in output of 4.4%, which translated to a reduction of \$0.9 billion. Finance and Insurance output shrank by 1.1%. These changes are potentially explained by factors such as economic uncertainty and high interest rates.

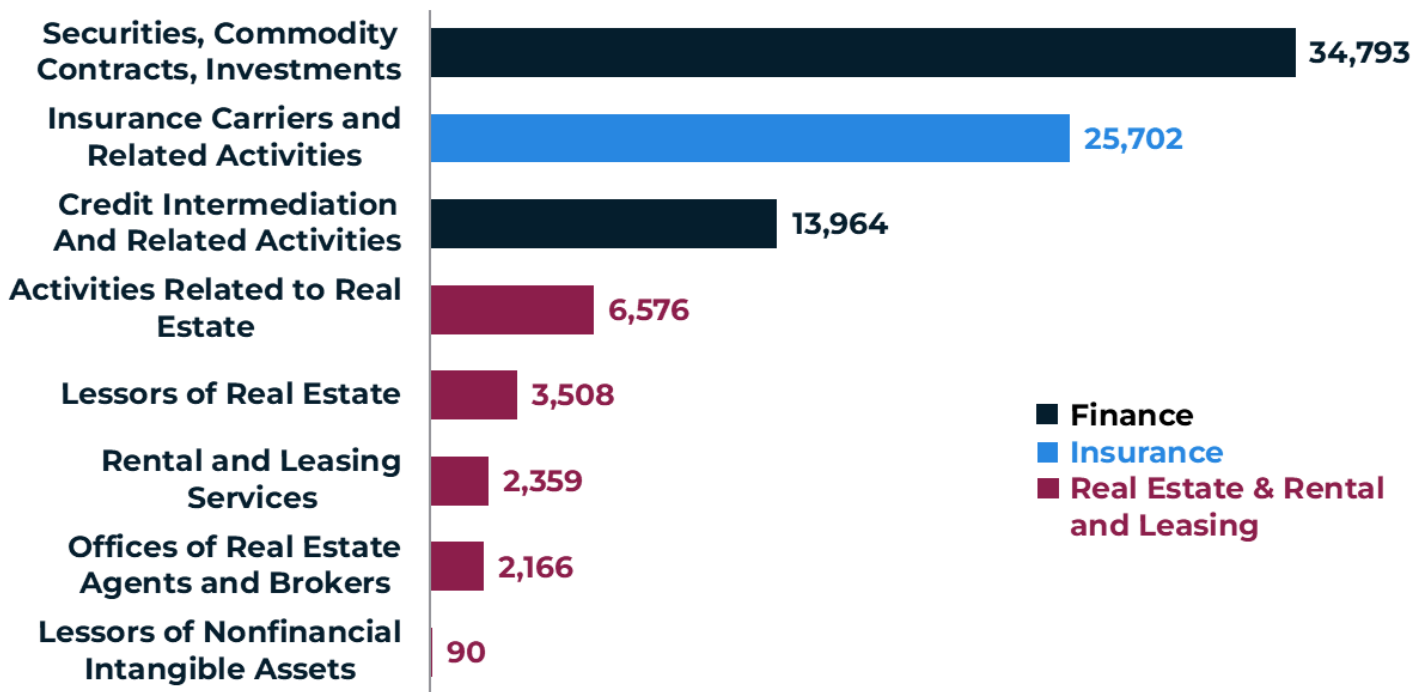
## EMPLOYMENT

In the third quarter of 2024, Finance and Insurance employed about 67,712 workers in Boston. Meanwhile, Real Estate and Rental and Leasing employed around 14,698 workers in Boston.

Securities, Commodity Contracts, and Investments take up a majority of the finance and insurance sector, employing 34,793 workers and accounting for around 51% of total employment.<sup>1</sup> Insurance Carriers and Related Activities follow with 25,702 workers, contributing 38%, and Credit Intermediation with 13,946 workers, contributing 21%.

### NUMBER OF JOBS BY INDUSTRY

Average monthly employment in 2024 (Third Quarter)



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

<sup>1</sup> **Historical Employment and Business Establishments:** Employment and Wage ES-202 data, <https://lmi.dua.eol.mass.gov/lmi/employmentandwages>



Activities Related to Real Estate employ 6,576 workers, followed by Lessors of Real Estate, with 3,508 workers and Offices of Real Estate employing 2,166 workers. Lessors of Nonfinancial Intangible Assets, who primarily assign rights to assets - such as trademarks and patents - and allow others to use their assets with a royalty payment or licensing fee,<sup>2</sup> has the lowest employment with 90 employees.

## ESTABLISHMENTS

Boston is home to not only commercial banks, credit unions, and investment banks but also a central bank, the Federal Reserve Bank of Boston. Boston's finance and insurance industry is concentrated around the city's Financial District which is home to major financial institutions such as the Federal Reserve Bank and Fidelity Investments. In 2023 Fidelity employed about 5,860 people<sup>3</sup>, ranking tenth for employment. The FinTech sector has seen an exponential growth in Boston as well, with leading players like Circle, Flywire, and Toast.

Leading insurance companies like John Hancock Life Insurance Co. and Liberty Mutual are also headquartered in Boston. John Hancock has more than 3,000 employees in Boston<sup>4</sup> in 2023 and Liberty Mutual employs over 3,500 employees.<sup>5</sup>

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<sup>2</sup> <https://www.naics.com/naics-code-description/?code=533110>

<sup>3</sup>

<https://www.boston.com/news/local-/2024/02/20/fidelity-prepares-to-double-required-in-office-time-for-most-workers/>

<sup>4</sup>

<http://boston.com/news/local-news/2024/02/23/add-john-hancock-to-the-list-of-boston-companies-increasing-time-in-office/>

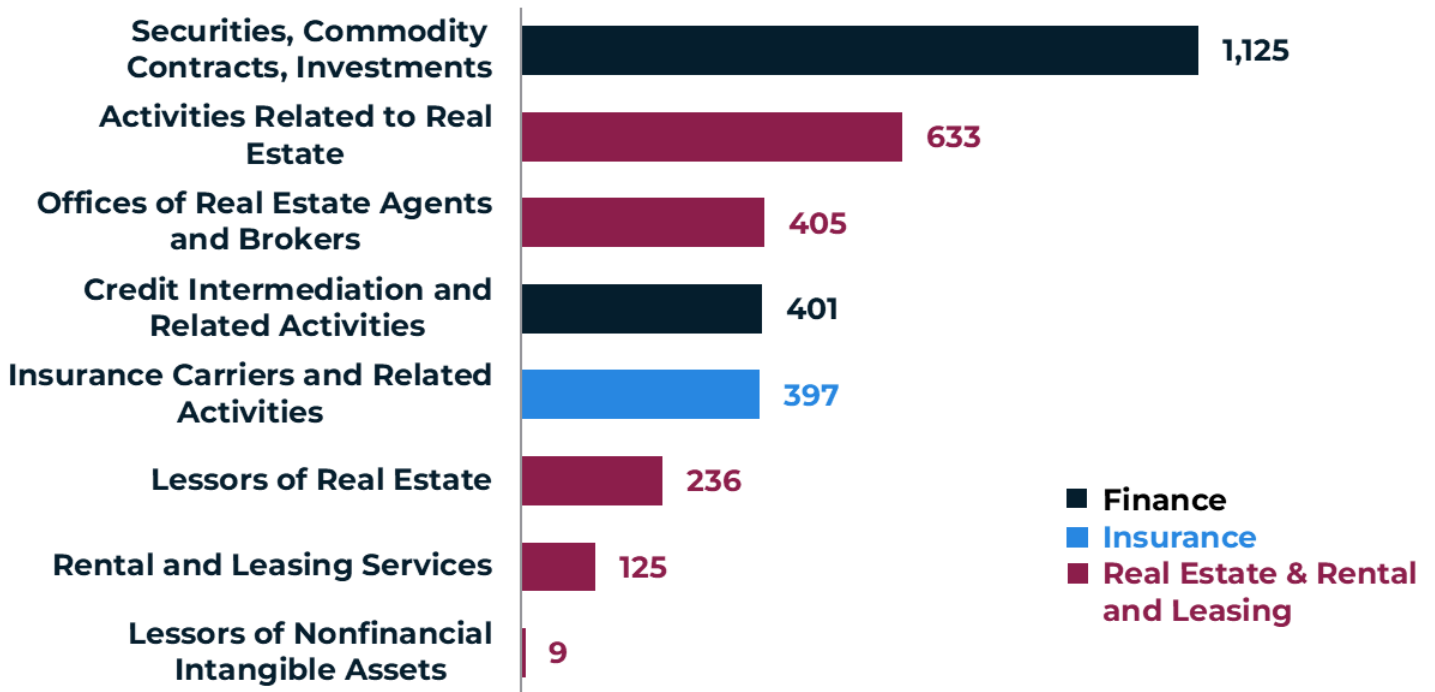
<sup>5</sup> <https://jobs.libertymutualgroup.com/locations/boston-ma/>



Alongside Boston’s competitive real estate market, the city has the largest number of real estate establishments in Massachusetts. Residential real estate firms like Compass, with 533 licensed agents,<sup>6</sup> and commercial real estate firms like CBRE, with over 450 employees,<sup>7</sup> are some of the largest real estate firms in Boston.

## NUMBER OF ESTABLISHMENTS BY INDUSTRY

September 2024



Source: MA Department of Economic Research 2025, City of Boston Planning Department Research Division Analysis.

<sup>6</sup> <https://www.compass.com/agents/locations/boston-ma/20737/>

<sup>7</sup> <https://www.cbre.com/offices/corporate/boston>

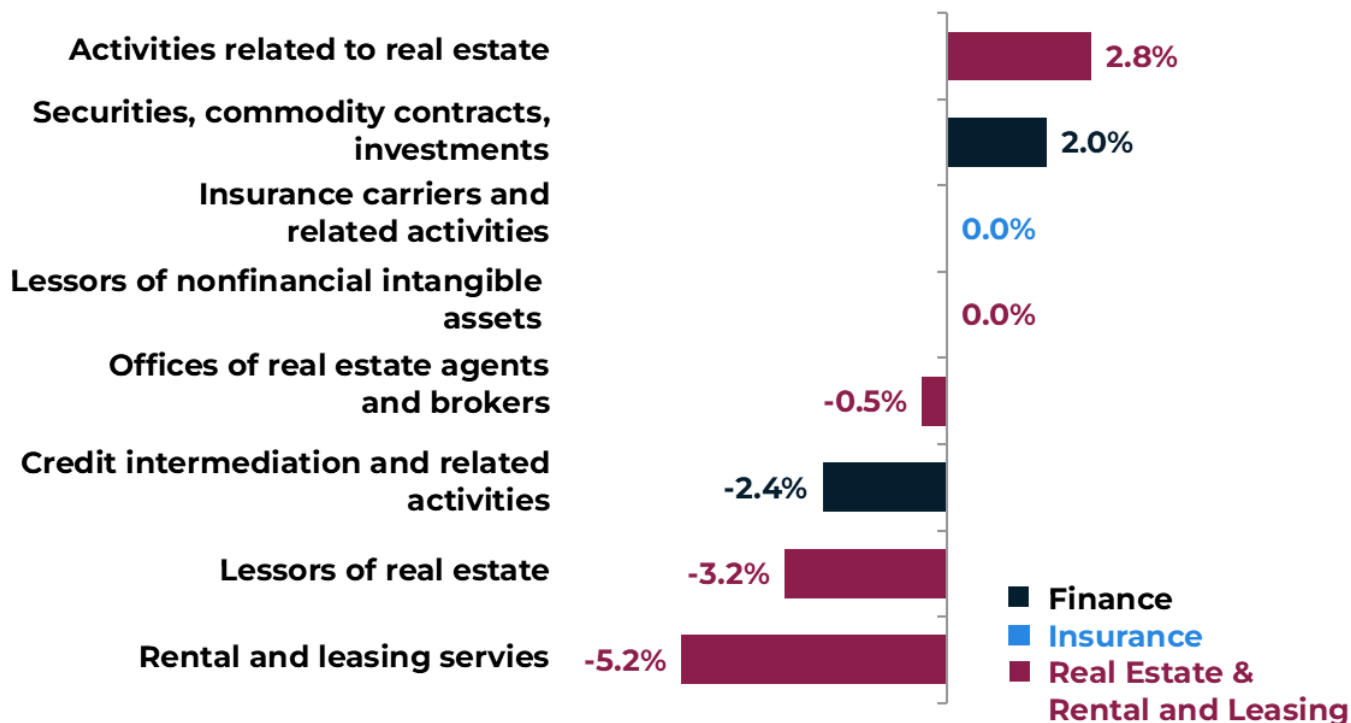


## EMPLOYMENT GROWTH BY INDUSTRY

Between 2022 and 2023, Boston's Finance, Insurance, and Real Estate sector experienced modest growth overall. The real estate industry saw the strongest gains, particularly in activities related to real estate, which grew by 2.8%. In the finance industry, the most notable increase was in Securities, Commodity Contracts, and Investment-related roles, which rose by 2%. The insurance industry, on the other hand, saw virtually no growth in employment in the past year.

### CHANGE IN NUMBER OF JOBS BY INDUSTRY

2022-2023



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

To analyze Boston’s competitiveness over time relative to the entire country in terms of these Finance & Insurance and Real Estate sectors, the Research Division calculated the Location Quotient of each industry between 2001 and the forecast for 2032. Location Quotient (“LQ”) is a measure that quantifies the concentration of a specific industry within a region compared to the overall national average.<sup>8</sup> We then charted this LQ score against employment growth rates

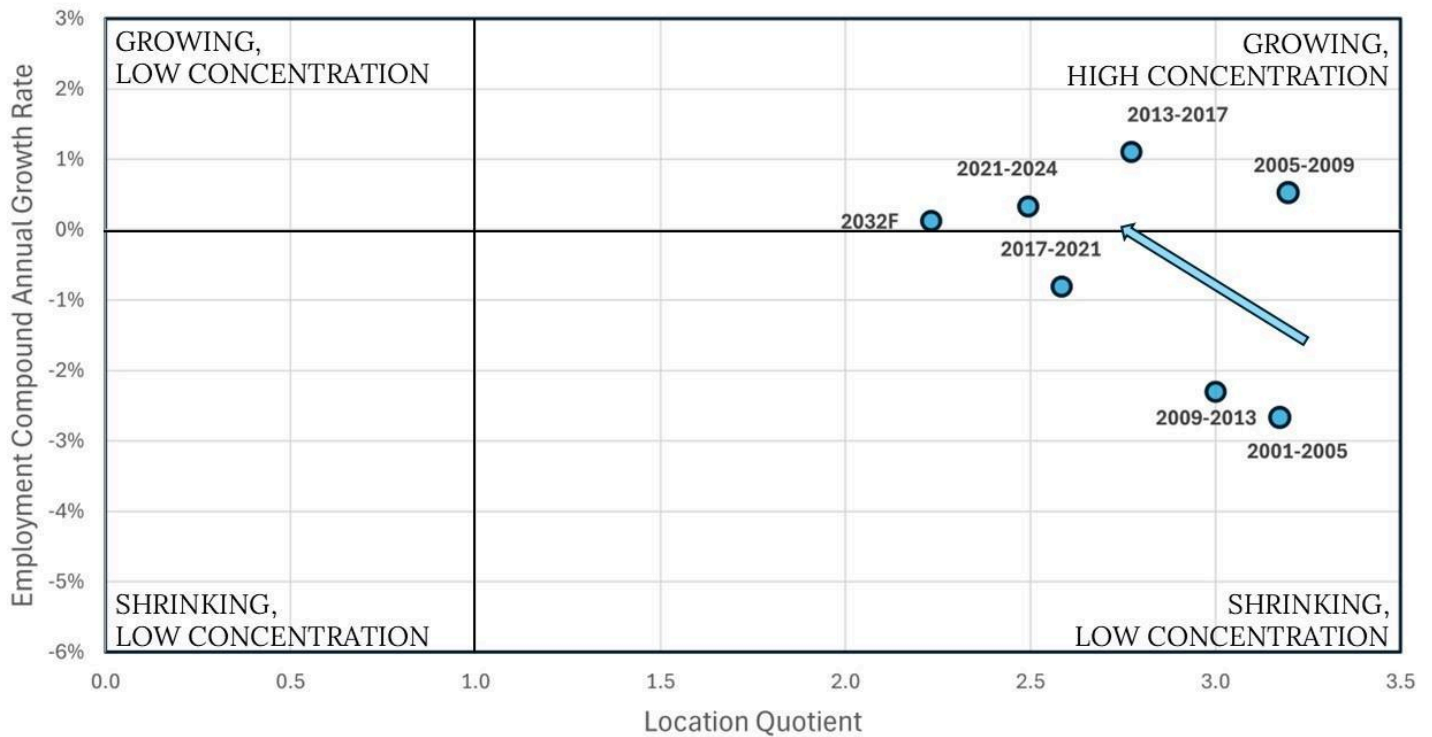
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<https://www.bls.gov/cew/about-data/location-quotients-explained.htm#:~:text=For%20example%2C%20Las%20Vegas%20will,%2D%2D%2D%2D%2D%2D%2D%20=%200.12>



during the same period. The result is a four quadrant chart where the top-right signifies growing employment and high concentration.

### Finance & Insurance Sector



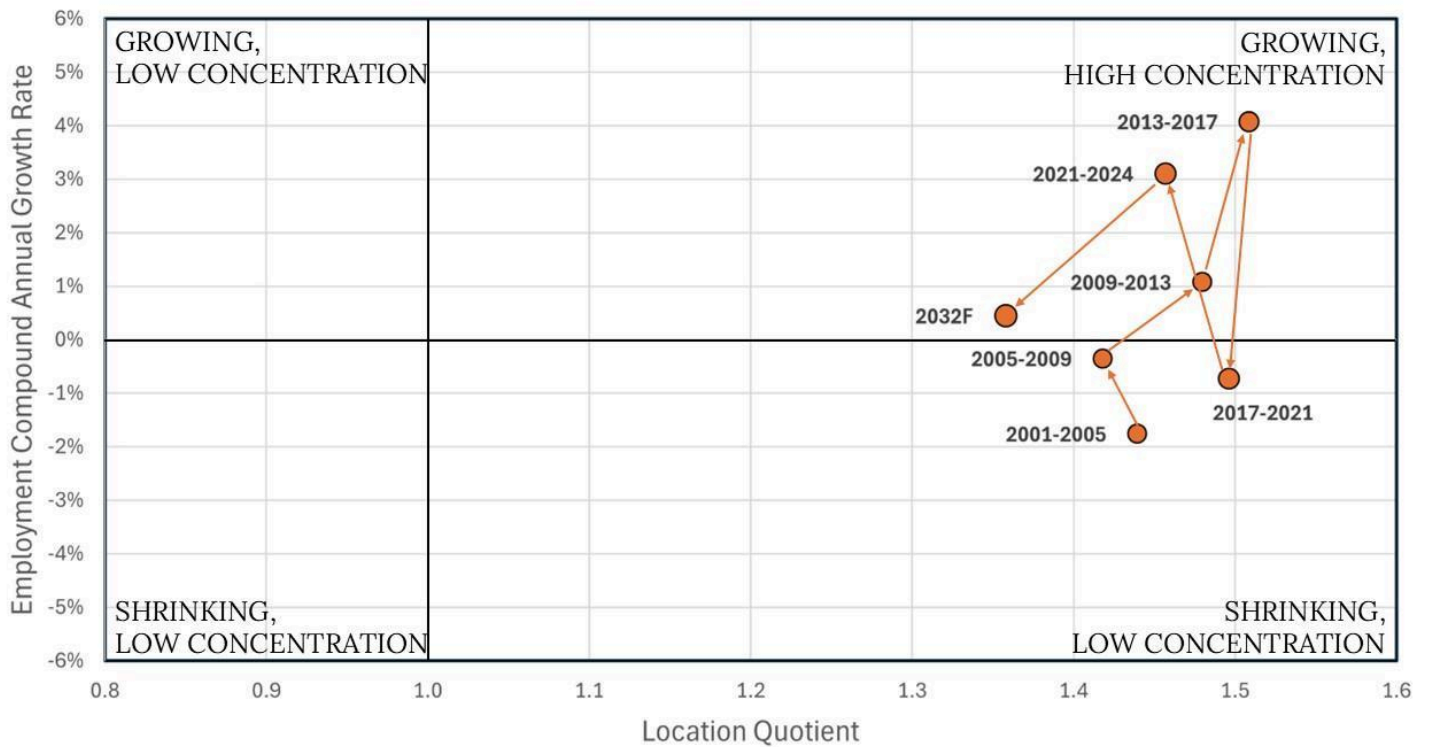
Source: Bureau of Economic Analysis (BEA), Massachusetts Executive Office of Labor and Workforce Development (EOLWD), Employment and Wage (ES-202), BPDA Research Analysis

For the time period displayed from 2001 to 2024, Boston has had a high concentration of employment in finance and insurance, with its share of employment in finance and insurance being about three times the nation's. From 2001 to 2013, finance and insurance employment was declining, but it regained a growth trajectory. From 2021 to 2024, finance and insurance employment in Boston grew 0.33% annually. Little growth is projected through 2032 by the Massachusetts Executive Office of Labor and Workforce Development.



For the Real Estate Sector, the historical trend is much more volatile, but still largely positive with high concentrations of employment and positive employment growth. Boston's share of employment in real estate and rental and leasing is about 1.5 times that of the nation. Employment in real estate declined 2001 to 2009 and again during the pandemic. However, 2013 to 2017 showed strong 4% annual growth in real estate employment.

## Real Estate



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

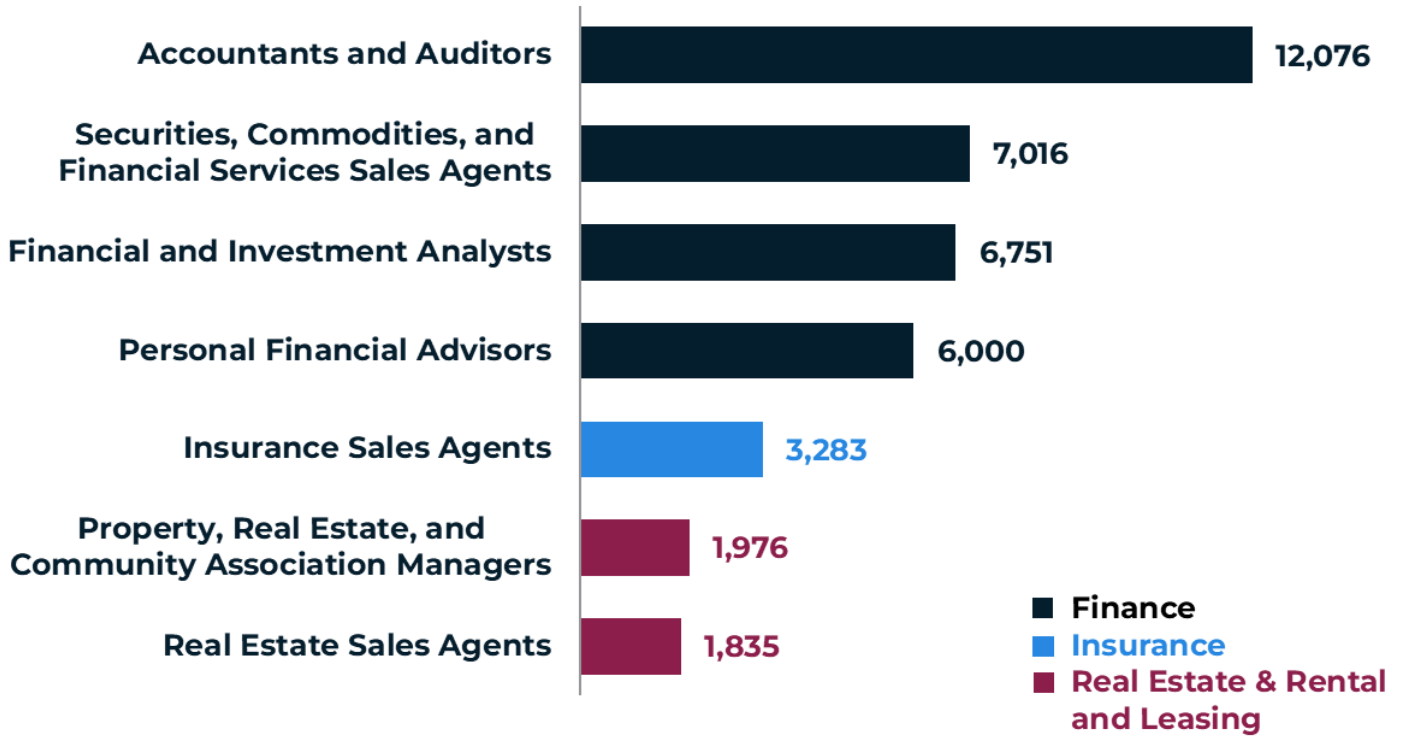
## OCCUPATIONS

Boston's Finance, Insurance, and Real Estate (FIRE) sector is primarily driven by the finance industry, which accounts for 31,843 jobs among the top seven occupations in the sector, playing a key role in shaping its overall employment landscape. Within finance, accountants and auditors lead the way with 12,076 positions, followed by securities, commodities, and financial services sales agents, totaling 7,016 jobs. In the insurance industry, insurance sales agents make up the largest occupational group with 3,283 jobs. Meanwhile, in the real estate sector, property, real estate, and community association managers hold the top spot with 1,976 positions.



# NUMBER OF JOBS BY OCCUPATION

2023



Source: Lightcast Q1 2025, City of Boston Planning Department Research Division Analysis.

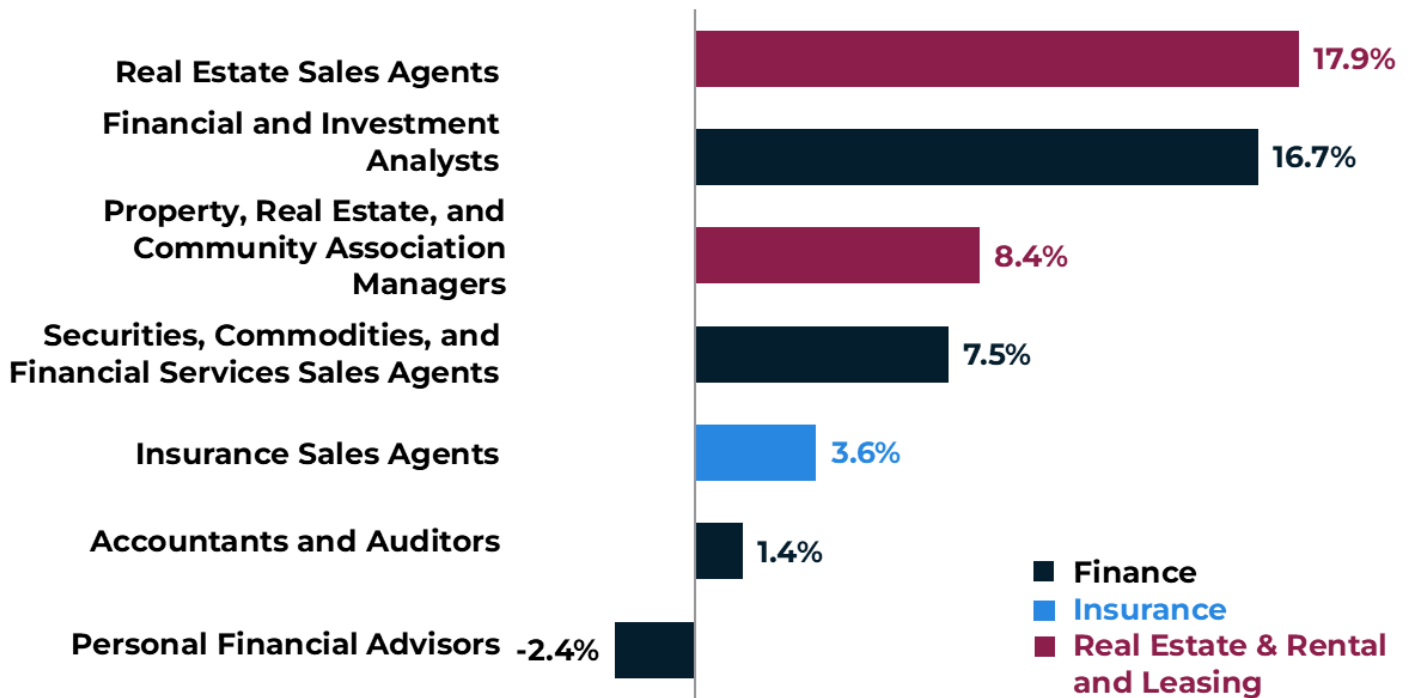
Boston's Finance, Insurance and Real Estate workforce experienced a range of employment shifts from 2022 to 2023. Real estate sales agents saw the most notable growth, with a 17.9% increase in jobs. Finance and insurance showed a similar growth. Financial and investment analysts (16.7%) and securities, commodities, and financial services sales agents (7.5%) posted strong gains, highlighting continued momentum in key finance roles. Meanwhile, insurance sales agents experienced relatively modest growth at 3.6%. At the other end, personal finance advisors (-2.4%) recorded the steepest declines, reflecting softening demand in certain areas of the finance sector.





# CHANGE IN NUMBER OF JOBS BY OCCUPATION

2022-2023



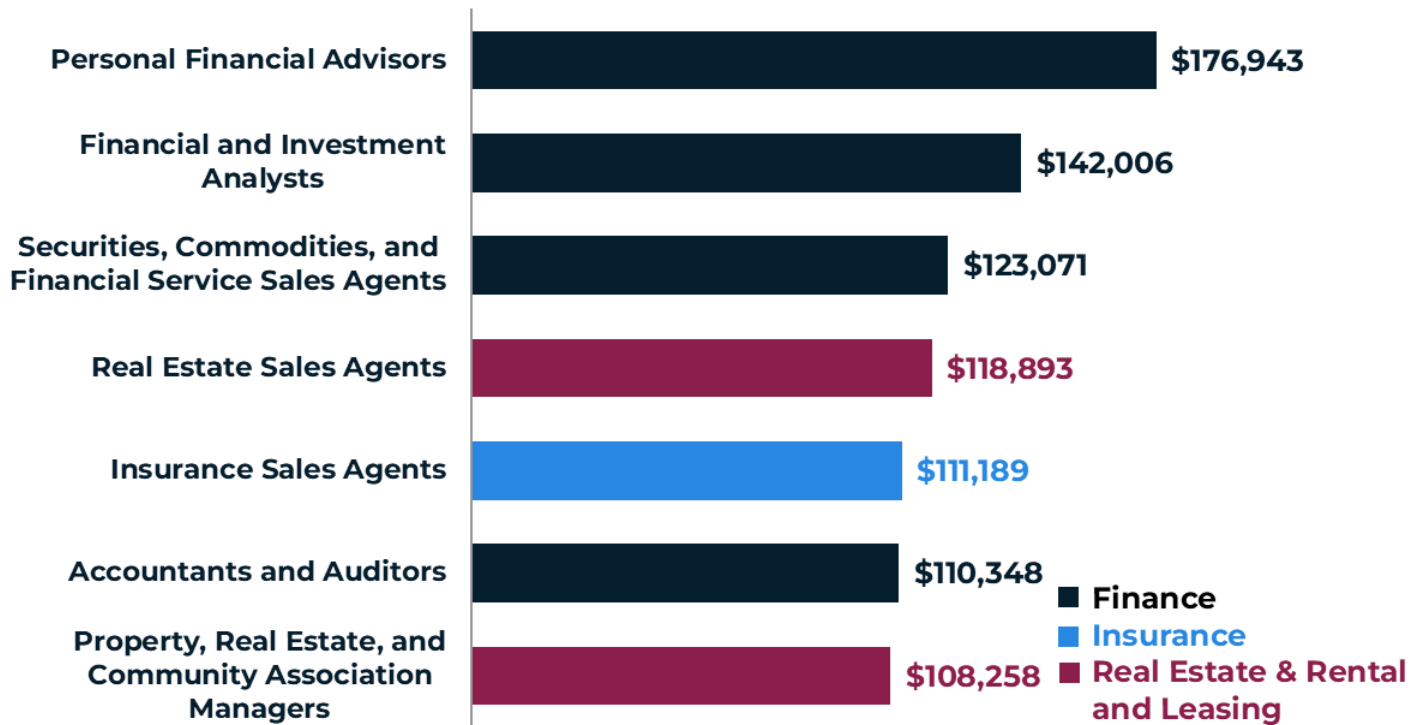
Source: Lightcast Q1, City of Boston Planning Department Research Division Analysis.

Earnings across Boston's Finance, Insurance, and Real Estate industries vary a lot depending on the specific job, the level of responsibility, and the education or experience required. Personal financial advisors tend to earn the most – about \$176,943 per year on average – since their roles often require at least a bachelor's degree and certifications like CFP or CFA. Occupations from the finance industry follow, with financial and investment analysts earning \$142,006 and securities, commodities, and financial service sales agents earning \$123,071. Their high earnings also reflect the complexity of managing clients' financial goals and the demand for flexible personalized service, often requiring work beyond regular business hours. Real estate sales agents follow, with average earnings around \$11, due to Boston's high property values and active housing market that lead to larger commissions and broker fees. Insurance sales agents earn less than those in finance and real estate, but still bring \$111,189 annually.



# AVERAGE ANNUAL EARNINGS BY OCCUPATION

2023



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

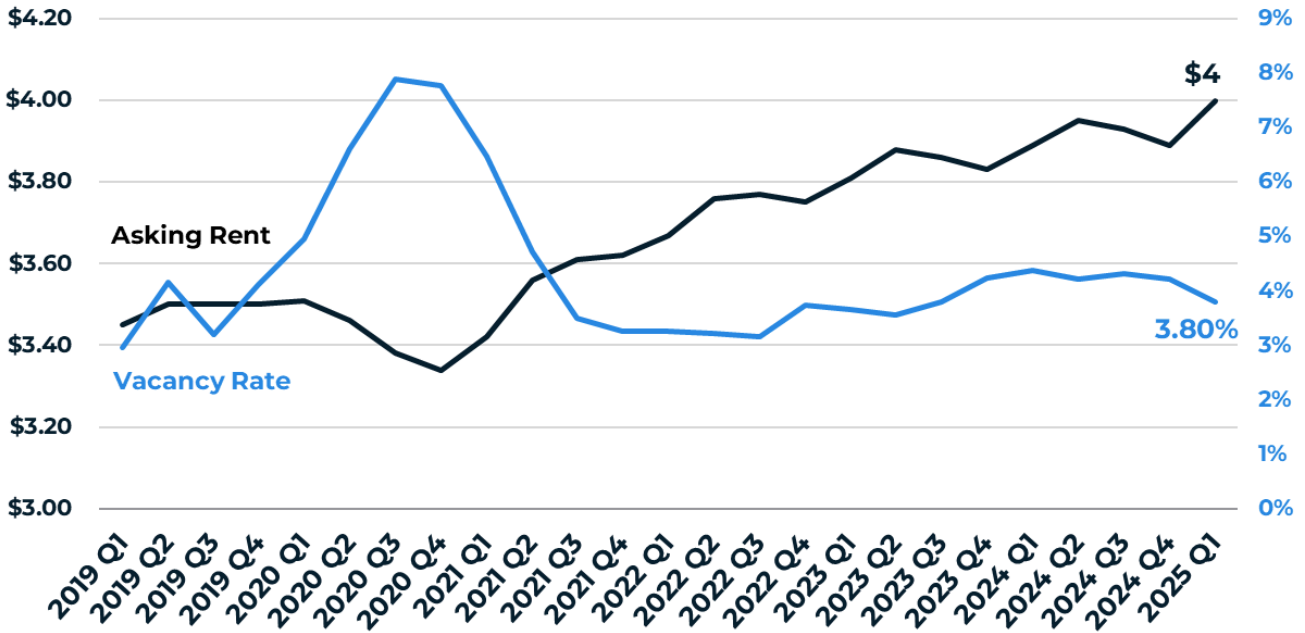
## REAL ESTATE MARKET

Multifamily housing and office space rent and vacancy show different trends in Boston over time. In 2020, multifamily rent reached the highest vacancy of 7.89% and lowest asking rent \$3.34. In following years, vacancy rates have decreased to 3.8% and asking rates have increased to \$4.00 in the first quarter of 2025. On the other hand, office vacancy rates have been rising - from 6.3% to 14.4% - while asking rent has been relatively stable - oscillating between \$35 and \$40. This trend may reflect investor's reluctance to lower the value of their building, opting to leave spaces vacant, possibly to maintain loan-to-value ratios. Additionally tenants are increasingly willing to pay a premium for office spaces that are flexible, modern, and well-equipped with desirable amenities.



# BOSTON MULTIFAMILY RENT AND VACANCY

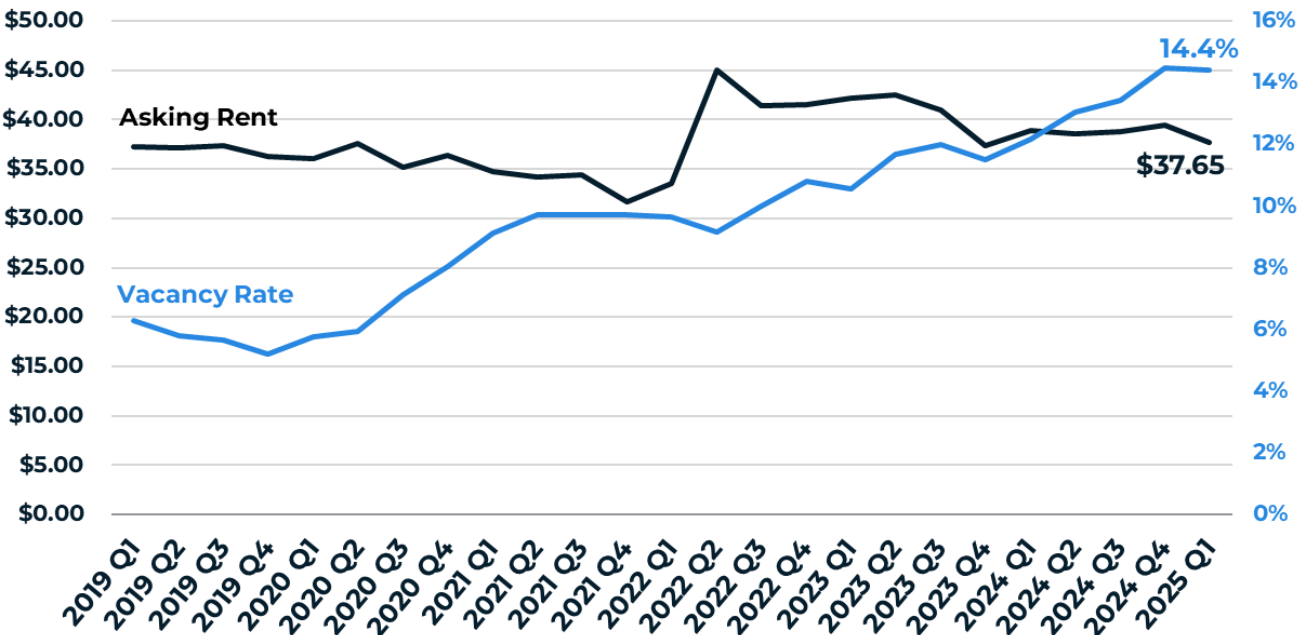
Q1 2019 - Q1 2025



Source: CoStar Real Estate Analytics, accessed 4/23/2025, City of Boston Planning Department Research Division Analysis.

# BOSTON OFFICE RENT AND VACANCY

Q1 2019 - Q1 2025



Source: CoStar Real Estate Analytics, accessed 4/23/25, City of Boston Planning Department Research Division Analysis.



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