MACP

MASSACHUSETTS COMPETITIVE PARTNERSHIP

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REPORT HIGHLIGHTS KEY ROLE OF MASSACHUSETTS' ENTREPRENEURIAL SUPPORT ORGANIZATIONS AND NEED FOR INCREASED COORDINATION AND INVESTMENT

Findings affirm ESOs as a cornerstone of the Commonwealth's Innovation Economy, call for targeted funding to unlock greater potential

BOSTON, April 2, 2025 — The Massachusetts Competitive Partnership (MACP) today issued a new report, "Entrepreneurial Support Organizations (ESOs) in Massachusetts: Assessing Impact and Investing for the Future", that highlights the critical role of ESOs in the Commonwealth's innovation ecosystem and sets forth a strategic roadmap to build on that impact — positioning Massachusetts to lead the next era of inclusive, innovation-driven growth.

Massachusetts has long been a national leader in innovation and entrepreneurship, fueled by world-class research institutions, a strong talent pipeline and a collaborative business environment. At the center of this ecosystem are ESOs — including incubators and accelerators — that empower entrepreneurs, foster new business creation and drive regional economic development. To better understand their role and impact, MACP conducted a statewide survey of 25 leading incubators and accelerators. The findings confirm that ESOs are a cornerstone of the Commonwealth's innovation economy and suggest targeted investment and coordination to unlock greater potential.

Key Findings of the Surveyed ESOs:

- ESOs currently support 2,893 entrepreneurs and businesses across the Commonwealth.
- Companies supported by ESOs have created an estimated 91,000 jobs.
- A sample of ESO alumni have raised over $92 billion in investment.
- Despite their success, many ESOs cite limited access to capital and a fragmented support system as barriers to growth.

"As a global investment firm based in Massachusetts, we understand the importance of fostering an environment where entrepreneurs can innovate and succeed," **said Jean Hynes, CEO of**

Wellington Management Company and MACP Board member." "Supporting Entrepreneurial Support Organizations is an investment in the Commonwealth's future competitiveness."

"Massachusetts must take decisive steps to maintain its leadership in entrepreneurship and innovation, especially as competition intensifies both nationally and globally," said **Jay Ash, CEO of MACP**. "Our goal is to ensure the state remains a hub for startups and emerging businesses by strengthening its entrepreneurial ecosystem, supporting ESOs, expanding access to funding, and eliminating barriers to success."

Massachusetts is already investing in entrepreneurship through programs like Mass Leads, Sector Spark, and MassVentures. The report offers a strategic roadmap to build on that momentum.

Report recommendation include:

1. **Build out a statewide ESO network:** Facilitate collaboration and engagement with government, industry and among each other – potentially expanding on the Mass Founders Network model.
2. **Establish an ESO Council:** Create a one-stop hub for ESO planning, funding and support. It could be led by the Executive Office of Economic Development, with representation from MassDevelopment, MLSC, MTC, MOITI, MOBD, MassCEC, MassVentures and MassMEP.
3. **Elevate and celebrate ESOs:** Increase visibility and recognition to enhance support and reinforce the state's reputation as a leader in entrepreneurship and innovation.
4. **Strengthen private sector engagement:** Encourage greater financial investment, mentorship and contract opportunities for ESOs and the startups they support.
5. **Expand higher education collaboration:** Form a task force to assess and expand entrepreneurship programs on university and college campuses and in communities.
6. **Adopt best practices from other states:** Learn from successful models in NY (NYSTAR), Kansas (Network Kansas), Michigan (SmartZones), and Ohio (Innovation Hubs).
7. **Launch a $200 million statewide ESO investment program:** Establish two, 10-year, $100 million initiatives:
    a. Multi-year capital and operational grants for ESOs, and to startups through ESOs
    b. Capital funding for ESO growth & expansion

These recommendations are designed to build on the Commonwealth's momentum and ensure that its entrepreneurial ecosystem remains not only competitive, but a national and international leader. By reinforcing what's already working and addressing gaps with targeted, collaborative strategies, Massachusetts can continue to set the pace for innovation-driven economic growth. With the right investments and partnerships, the Commonwealth is well-positioned to foster the next generation of entrepreneurs, expand opportunity across regions and solidify its reputation as the best place in the world to start and grow a business.

"We're working every day on Beacon Hill to make sure Massachusetts remains the best place in the country to launch and grow a business," said **Senator Barry R. Finegold, Chairperson, Joint Committee on Economic Development and Emerging Technologies and Vice Chair, Senate Committee on Intergovernmental Affairs**

"That means supporting the entrepreneurs who are creating jobs and investing in the local organizations that help them succeed. Whether it's expanding access to capital or reducing red tape, our focus is on building a stronger innovation economy across all regions of the Commonwealth."

"Economic development starts with empowering people — and that's what our committee is focused on," said **Representative Carole A. Fiola, Chairperson, Joint Committee on Economic Development and Emerging Technologies.** By championing policies that strengthen entrepreneurship and increase access to resources, we're helping to grow the next generation of businesses and build long-term economic resilience across Massachusetts. We know that when startups thrive, our communities and workforce do too."

"Entrepreneurship is happening in every corner of the Commonwealth, not just in Boston or Cambridge," said **Ben Sosne, Executive Director, Berkshire Innovation Center**. "ESOs play a vital role in bridging regional opportunity gaps and serving as connective tissue for a statewide ecosystem. With stronger investment and collaboration, we can make sure innovators from Pittsfield to Provincetown have the tools they need to thrive. At the Berkshire Innovation Center, we see firsthand how local entrepreneurs and startups drive job creation and community vitality. Strengthening the ESO network means strengthening Massachusetts as a whole."

"To build a truly inclusive innovation economy, we need to ensure our entrepreneurial support infrastructure is accessible to all entrepreneurs, including women, people of color, and

underrepresented founders," said **Gabrielle "Gaby" King Morse President & CEO, Center for Women & Enterprise.** "ESOs are on the front lines of that work every day. We have an opportunity — and a responsibility — to elevate and fund the ESOs that are doing the hard work of expanding access, lowering barriers, and championing the next generation of entrepreneurs across Massachusetts."

"Supporting early-stage innovation is essential not only for economic growth, but also for solving complex mobility and infrastructure challenges," said **Jamey Tesler, Executive Director, Mass Mobility Hub**. "ESOs demonstrated their success in helping startups bring breakthrough solutions to scale — and to do so in ways that benefit every region of the state. Massachusetts is full of transformative ideas — investing in ESOs fuels the engines of our economy that turn ideas into action and startups into success stories."

The report was unveiled at the most recent installment of MACP's Competitiveness Conversation Series, where leading experts, policymakers, business leaders and entrepreneurs discussed how Massachusetts can better support startups, retain top talent and ensure the Commonwealth remains a premier hub for innovation.

About MACP

The Massachusetts Competitive Partnership is a non-profit, non-partisan, 501(c)(4) public policy group comprised of chief executive officers of some of the Commonwealth's largest businesses. The Partnership's goals are to promote job growth and competitiveness in the Commonwealth by collaborating with public officials and business and civic leaders in Massachusetts. MACP's mission is to make Massachusetts one of the leading states for business investment, inclusive job creation, creation, and competitiveness.

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