

Job Trends in Metro and Non-Metro Areas

(in the three decades through 2023)

Introduction

Rates of job and population change around the state have fluctuated among areas, influencing regional economic differences that exist today.

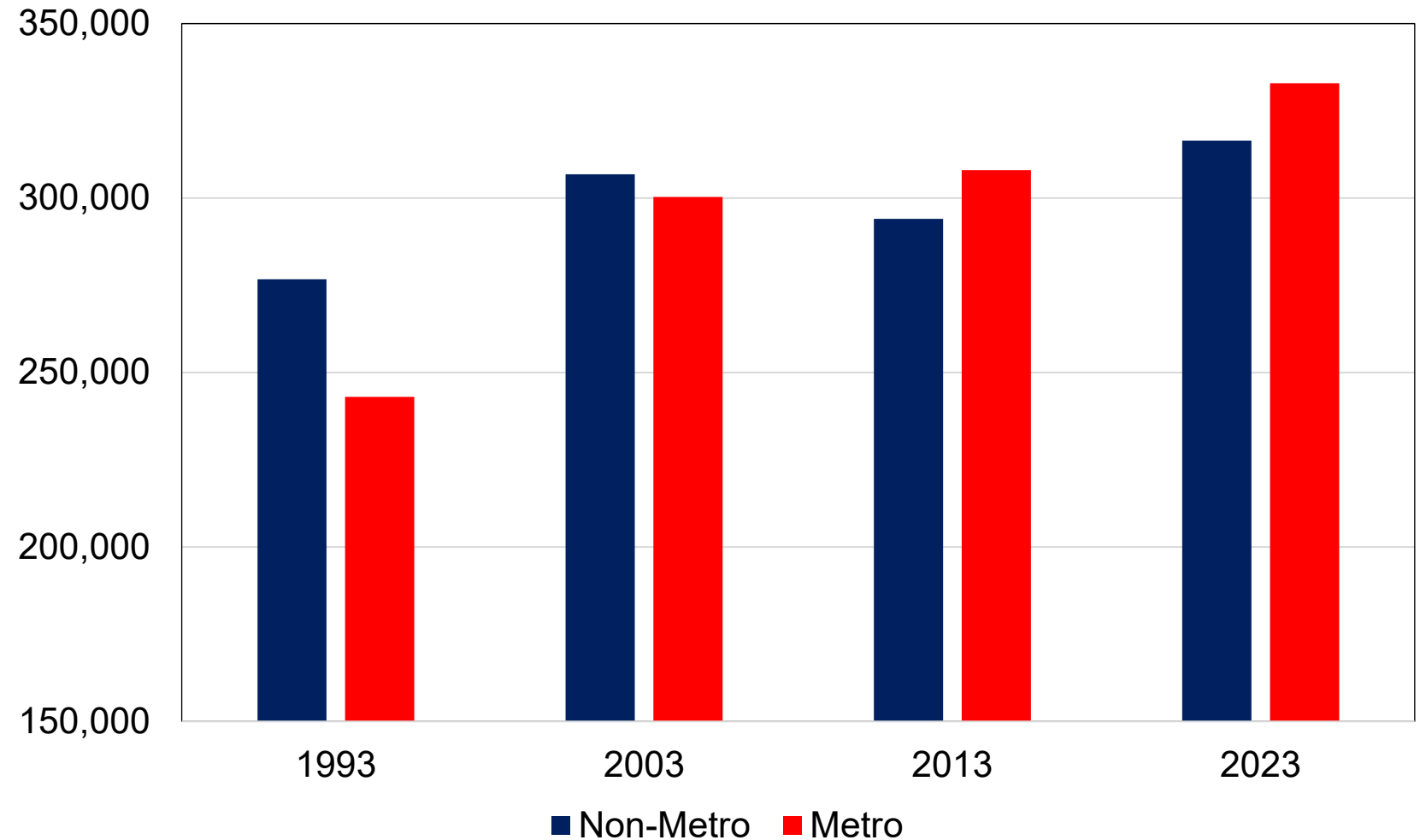
- In the last three decades, jobs and wages became more concentrated in the three metro areas – Portland-South Portland, Bangor and Lewiston-Auburn – than in many other areas. This pattern is largely due to industry trends.
- This report examines trends across all industries, then focuses on three groups of industries: goods producing, education and health services, and professional, financial and information services.
- Over the three decades, a few patterns emerge:
 - Industries that had net job gains tended to be more concentrated in metro areas.
 - Industries that had net job losses tended to be more concentrated in non-metro areas.
 - There were exceptions, as some industries became somewhat less concentrated in metro areas.

Notes: Maine has three Metropolitan Statistical Areas: Portland-South Portland, Bangor, and Lewiston-Auburn. Hereafter, these three areas are described as metro areas and all other areas are described as non-metro. This article compiles one year snapshots of job and wage data (annual averages from 1993, 2003, 2013 and 2023) across all industries and for three groups of industries: 1) goods producing sectors, 2) education and health services, and 3) professional, financial and information services.

All Industries

- In 1993, 47 percent of jobs were in metro areas. Three decades later, the share increased to 51 percent.
- This occurred as the number of jobs in metro areas increased in the 2000s while the number in non-metro areas didn't change much.

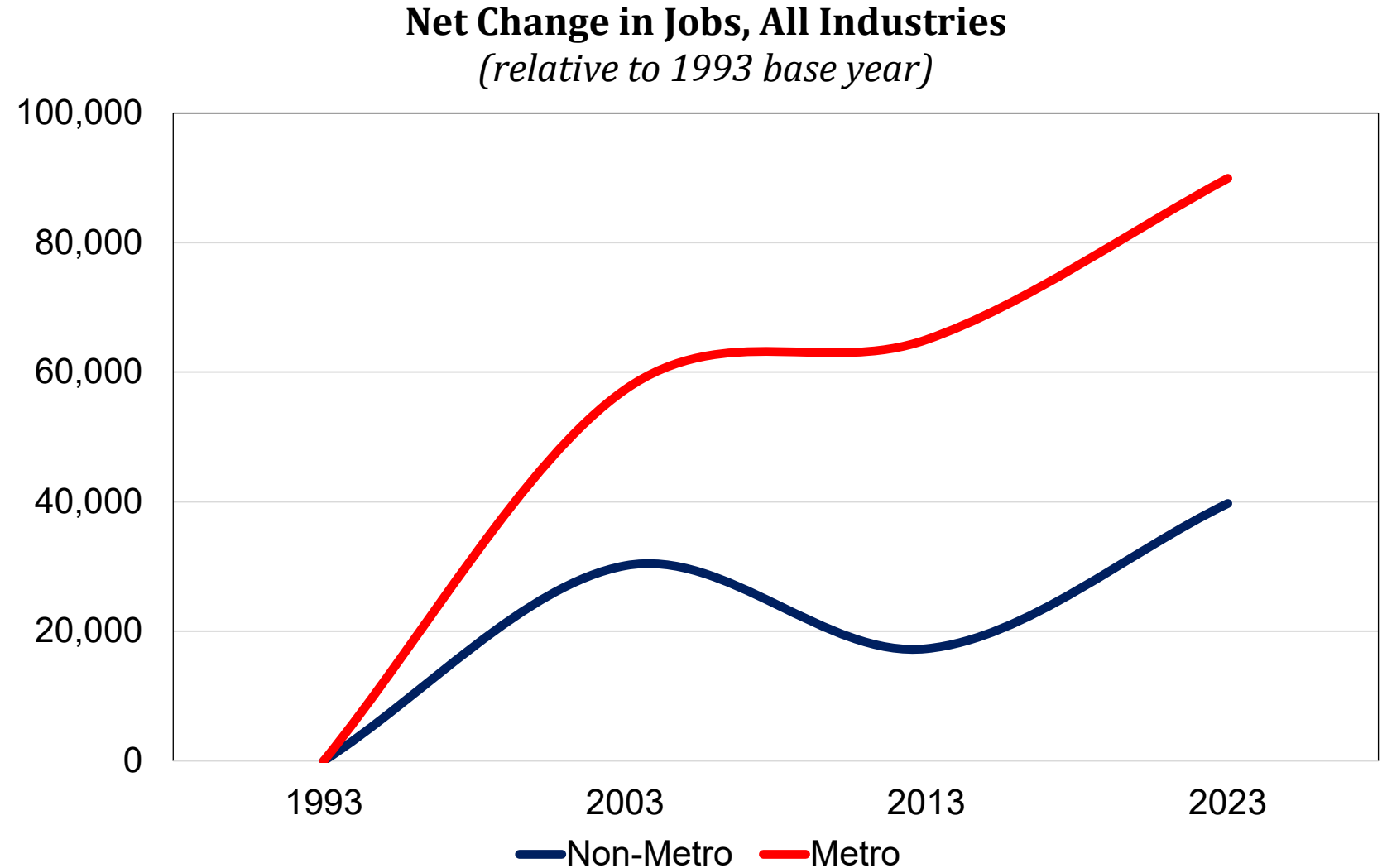
Wage and Salary Jobs, All Industries



Source: Current Employment Statistics

All Industries

- 70 percent of the net jobs added since 1993 were in metro areas.
- Largely due to differences in industry composition between areas.

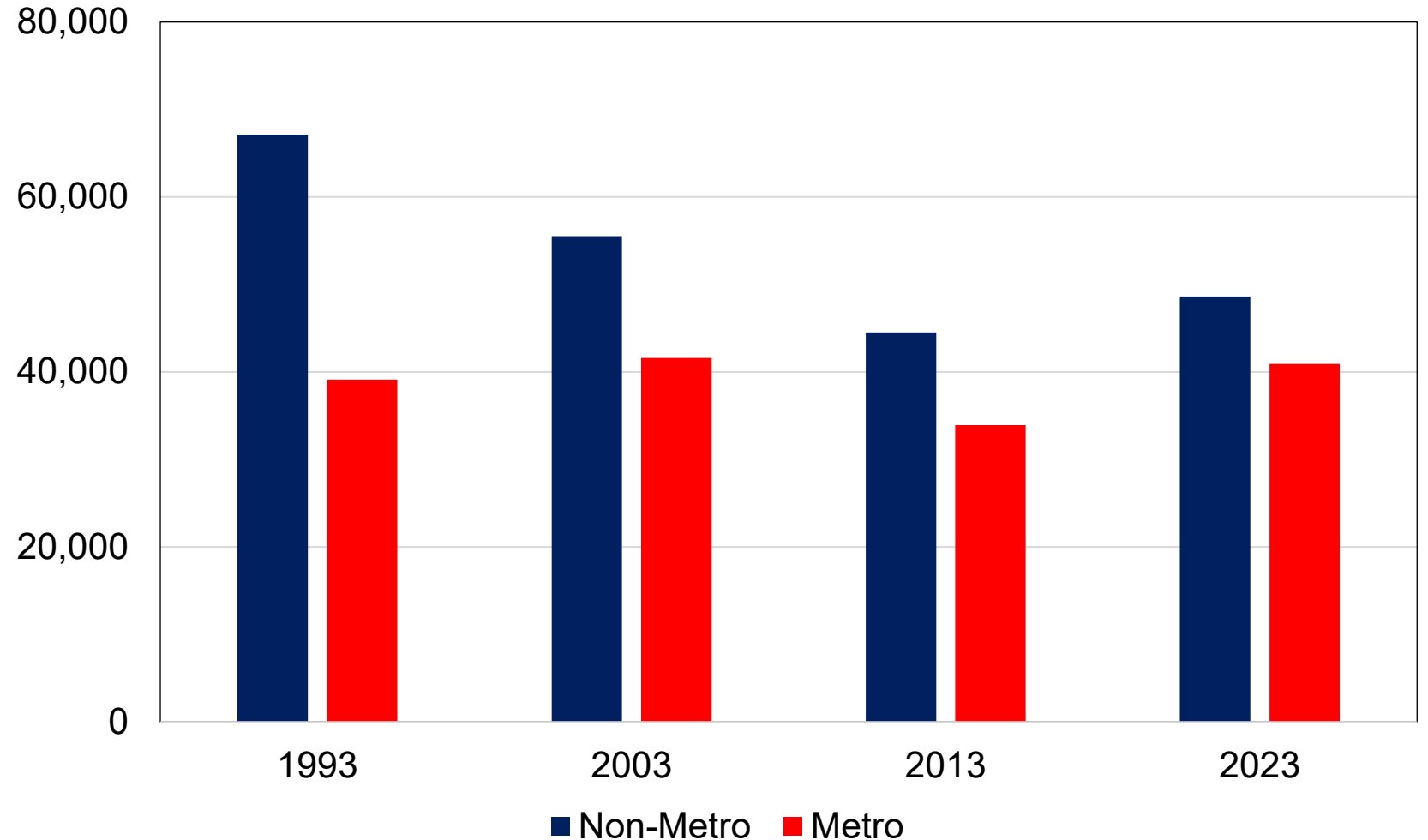


Source: Current Employment Statistics

Goods Producing

- Jobs in goods production (mostly manufacturing and construction) decreased in the two decades through 2013, before rebounding through 2023.
- In non-metro areas, the economic base was built around paper, textile, and shoe manufacturing, and timber and agricultural harvesting.
- The combination of off-shoring of production, more imports, automation and mechanization, and other factors reduced demand for labor in these industries.

Goods Producing, Wage and Salary Jobs

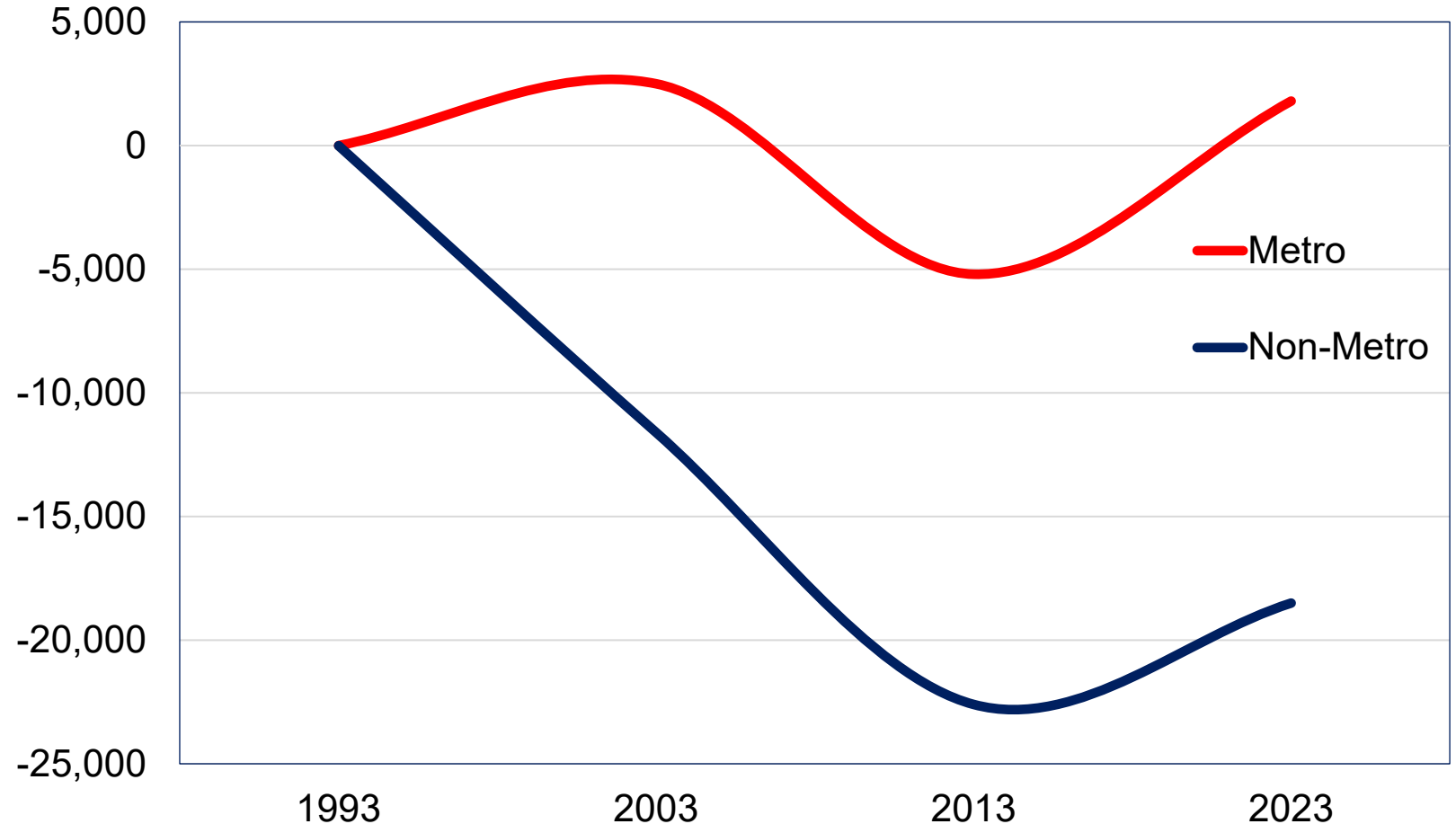


Source: Current Employment Statistics. Notes: Goods producing sectors include: construction (NAICS 23), manufacturing (NAICS 31-33), natural resources and mining (NAICS 11 and 21)

Goods Producing

- In non-metro areas goods jobs are 18,500 lower today, though 4,000 higher than one decade ago.
- Job displacement through 2013 affected non-metro areas relatively more.
- In metro areas there are 2,000 more jobs now than three decades ago.

Net Change in Goods Producing Jobs
(relative to 1993 base year)

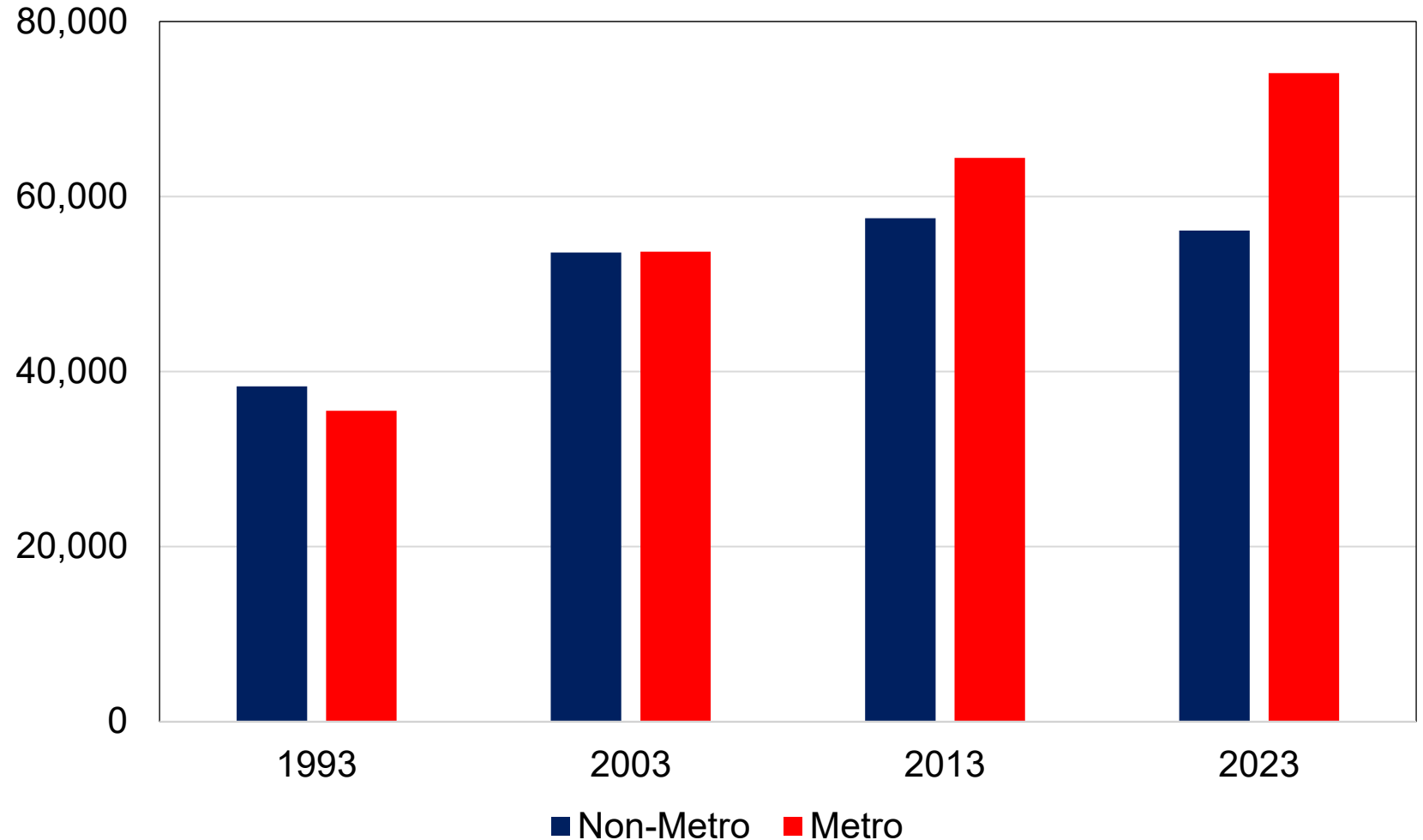


Source: Current Employment Statistics. Notes: Goods producing sectors include: construction (NAICS 23), manufacturing (NAICS 31-33), natural resources and mining (NAICS 11 and 21)

Education and Health Services

- Education and health services have been a major driver of job growth in both metro and non-metro areas since the 1990s.
- Most was among ambulatory health providers, hospitals, and social assistance.
- Jobs in these sectors were nearly equally distributed between metro and non-metro areas 30 years ago.

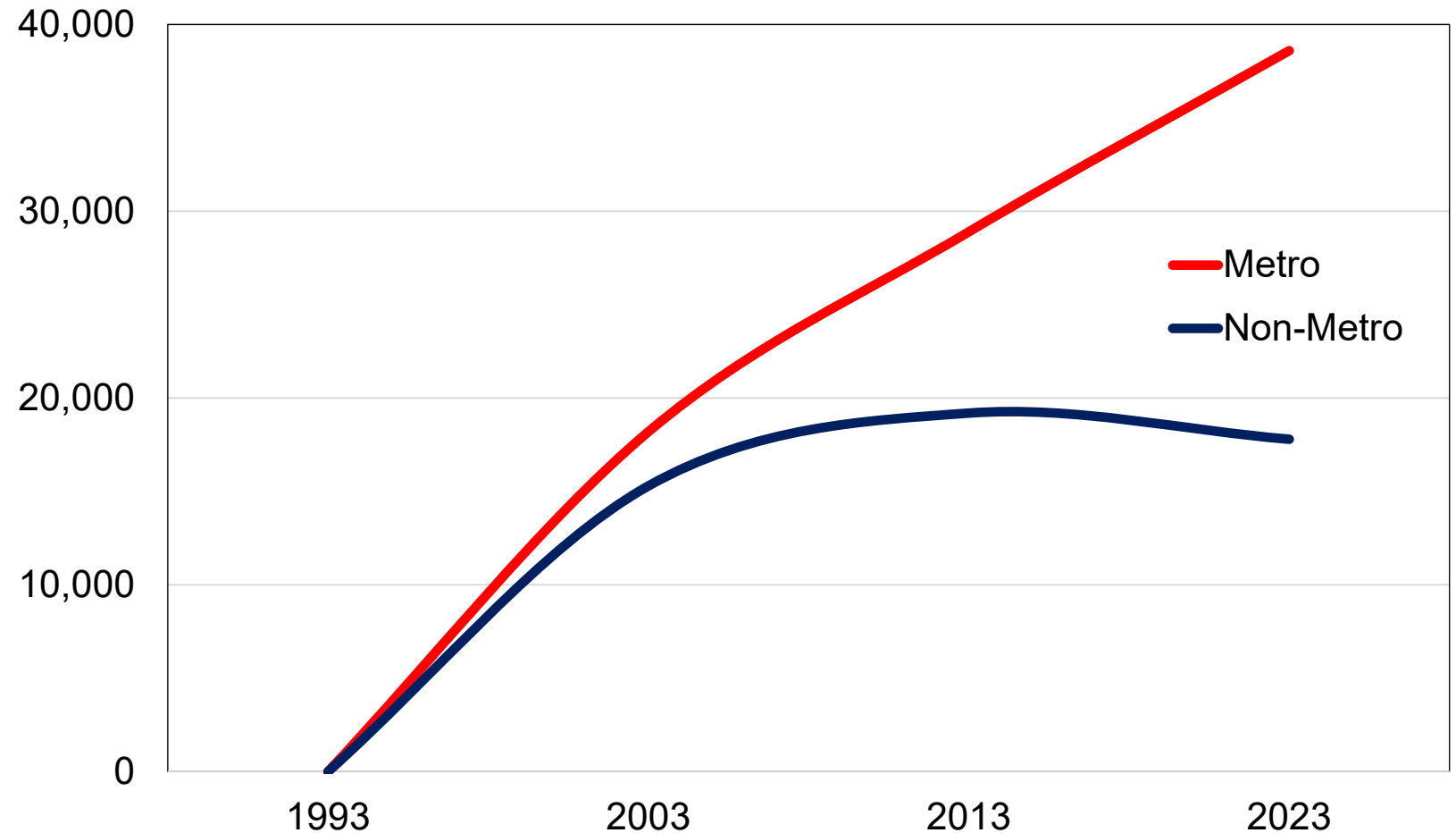
Education and Health, Wage and Salary Jobs



Source: Current Employment Statistics. Notes: education and health services includes: private educational services (NAICS 61) and health care and social assistance (NAICS 62). These data do not include public education such as public primary and secondary schools or public post-secondary institutions (the University of Maine or Maine Community College System schools).

Education and Health Services Industries

Net Change in Education and Health Jobs
(relative to 1993 base year)



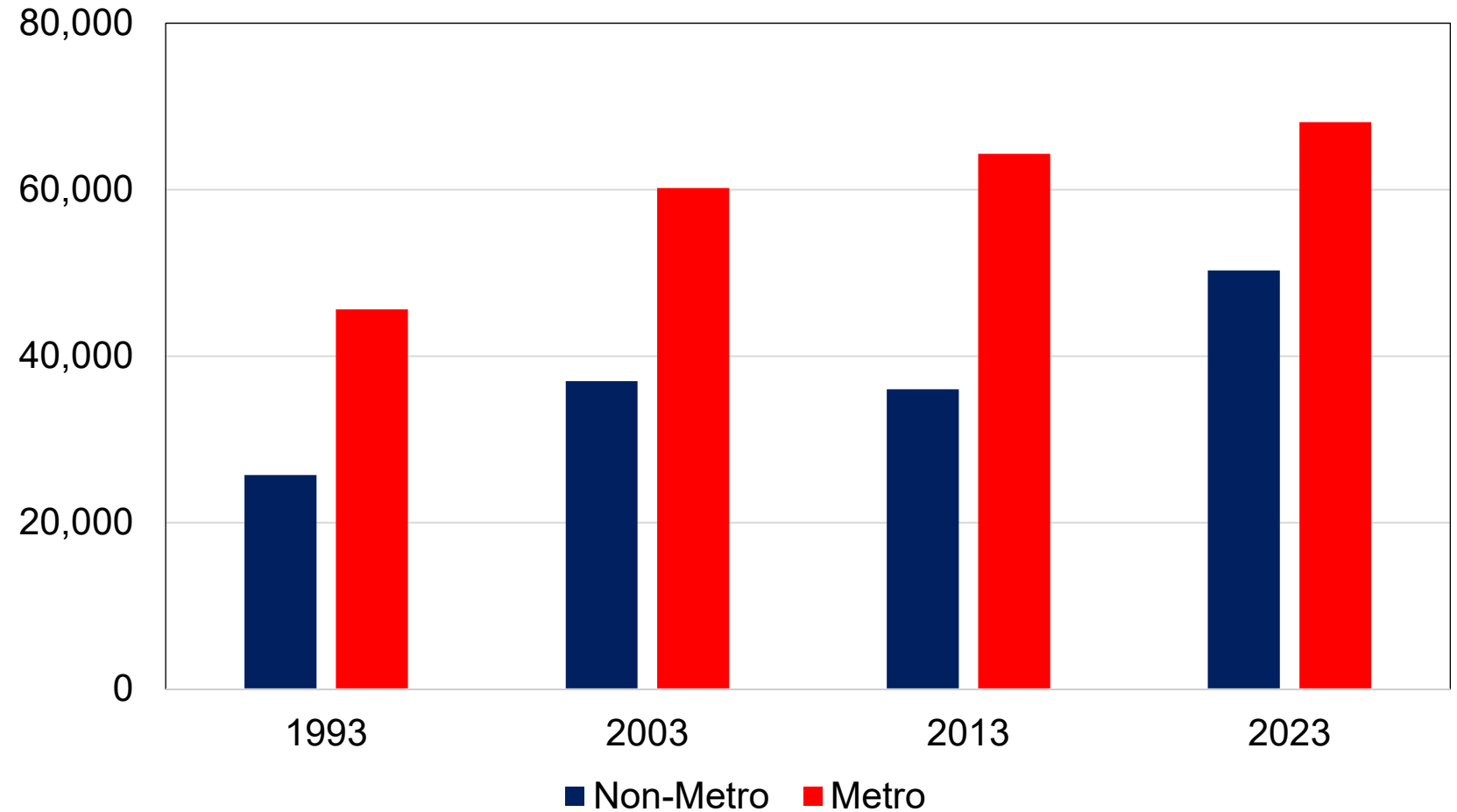
- These sectors added 56,400 jobs throughout the state in the 30-year period. 68 percent of the increase occurred in metro areas.
- Today 57 percent of jobs are in metro areas.

Source: Current Employment Statistics. Notes: education and health services includes: private educational services (NAICS 61) and health care and social assistance (NAICS 62). These data do not include public education such as public primary and secondary schools or public post-secondary institutions (the University of Maine or Maine Community College System schools).

Professional Services, Financial Activities and Information

Professional Services, Financial Activities and Information, Wage and Salary Jobs

- These sectors account for 36 percent of the net job gains in all industries over the last 30 years.
- A majority of jobs are in metro areas though the share of jobs in metro areas has fallen somewhat to 57 percent today.

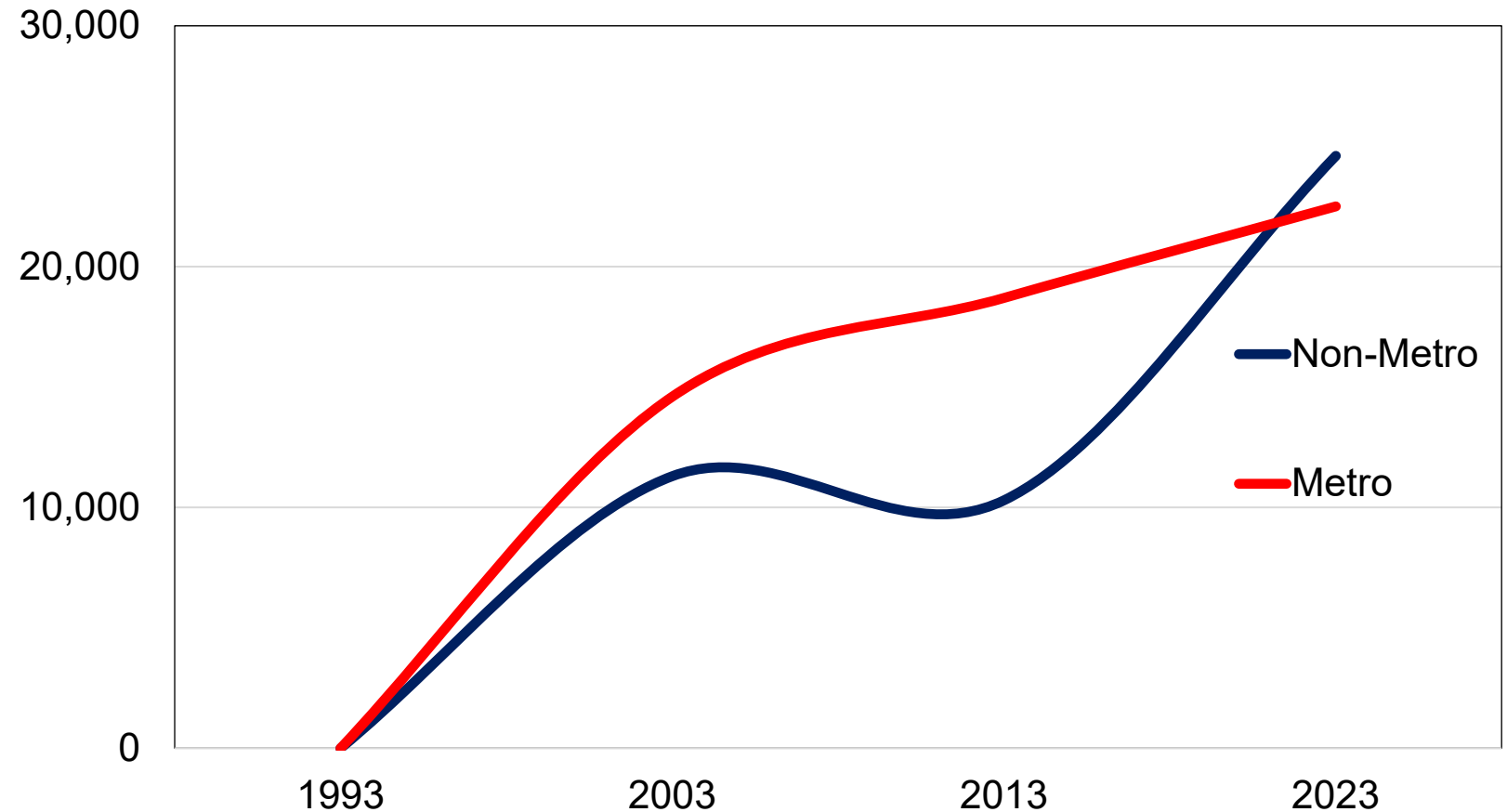


Source: Current Employment Statistics. Notes: Sectors included are: information (NAICS 51), finance and insurance (NAICS 52), real estate, rental and leasing (NAICS 53), professional, scientific, and technical services (NAICS 54), management of companies and enterprises (NAICS 55) and administrative support, waste management and remediation services (NAICS 56).

Professional Services, Financial Activities and Information

- Jobs in these sectors in non-metro areas increased at nearly twice the rate of metros (96 percent compared to 49 percent). The growth in non-metro areas was sharpest in the decade through 2023.
- A prominent factor in this was the post-pandemic era remote work revolution that enabled work of many to leave densely populated areas while continuing in the same or a similar job.

Net Change in Professional Services, Financial Activities and Information Jobs
(relative to 1993 base year)

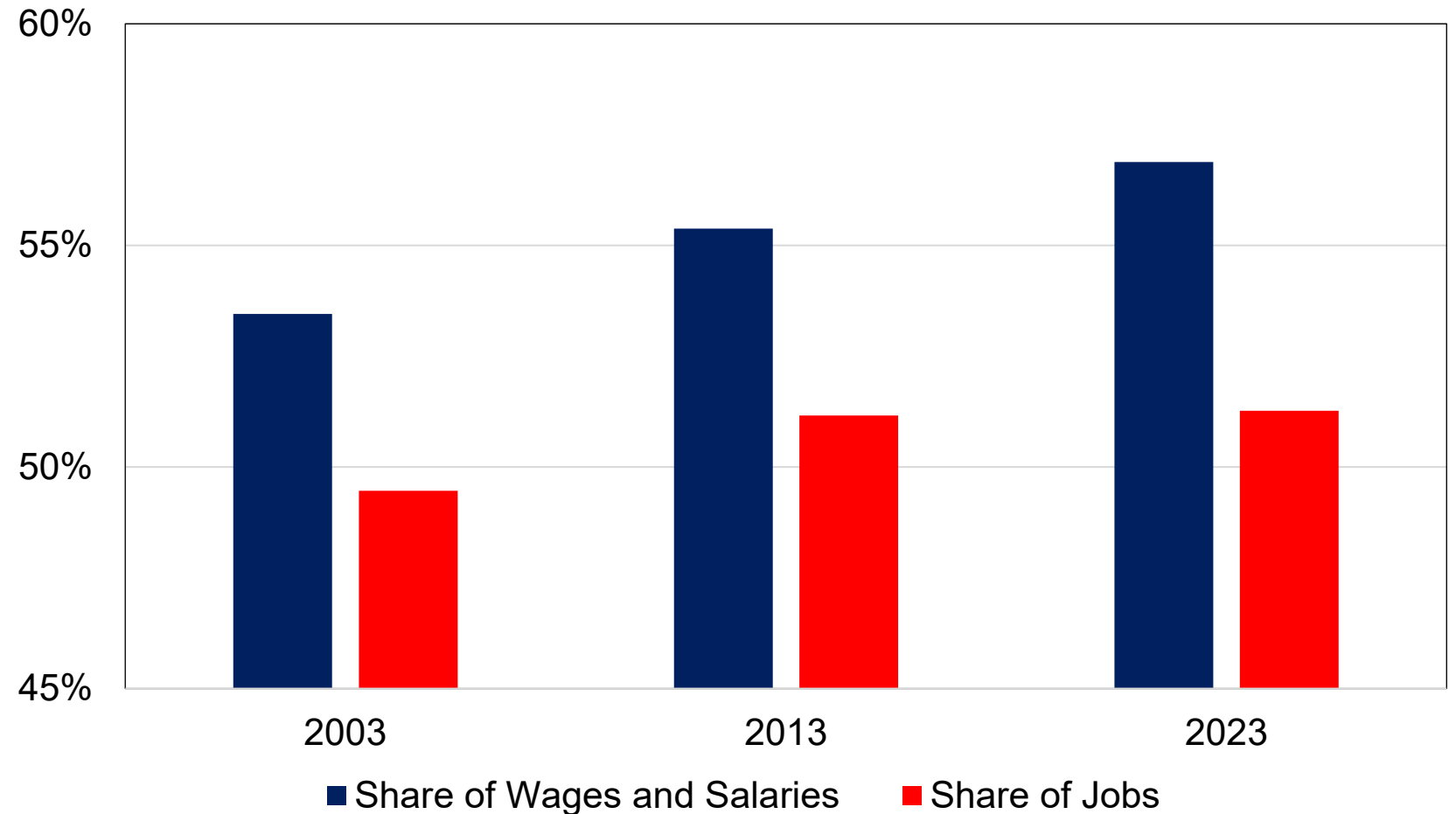


Source: Current Employment Statistics. Notes: Sectors included are: information (NAICS 51), finance and insurance (NAICS 52), real estate, rental and leasing (NAICS 53), professional, scientific, and technical services (NAICS 54), management of companies and enterprises (NAICS 55) and administrative support, waste management and remediation services (NAICS 56).

Share of Jobs and Wages, All Industries

Share of Wages and Salaries and Jobs within Metro Areas

- Relative to the share of jobs, total wages and salaries have become even more concentrated in metro areas, increasing from 54 to 57 percent in the past three decades.
- Primarily because of the larger share of higher paying industries and the elevated cost of living in metro areas which leads to higher wages.



Notes: Jobs data comes from the Current Employment Statistics. Wages and salaries data comes from the Quarterly Census of Employment and Wages. 1993 data is not comparable due to changes in area definitions.

Summary

Growth in jobs and wages have disproportionately occurred in metro areas. 70 percent of the net jobs added in the last 30 years have been in metro areas; metros comprise 51 percent of jobs today.

- This pattern largely was driven by industry trends.
- The long-term decrease in manufacturing and other goods producing jobs was sharper in non-metro areas, where forest products and other declining industries were most concentrated.
- Education and health services were a source of significant job growth in metro and non-metro areas, but recent growth in these industries was concentrated in metro areas.
- Professional, financial and information services bucked the overall trend as they became somewhat less concentrated in metros, partially due to more remote work occurring in the sectors in recent years.
- Combined, the decline of somewhat higher paying manufacturing jobs in non-metro areas and concentration of higher paying jobs in metro areas has led wages and salaries to become more concentrated within metros. 57 percent of total wages and salaries are paid to job holders in metro areas.