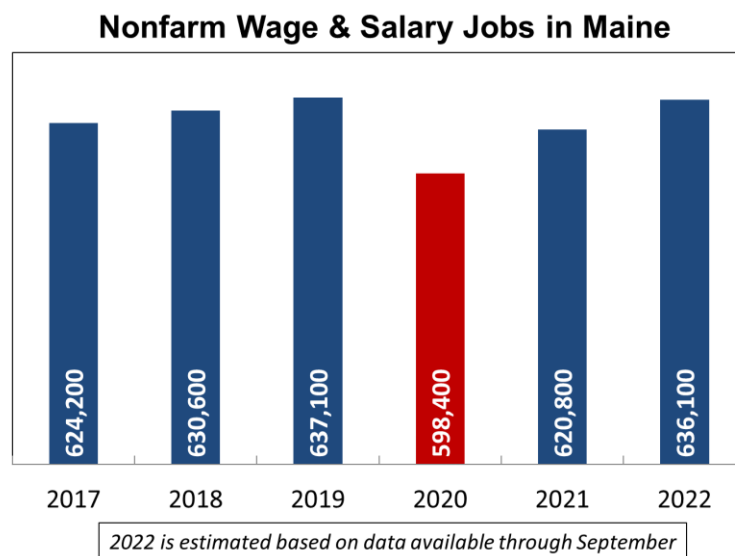# Employment Outlook to 2030

In conjunction with national projections from the U.S. Bureau of Labor Statistics, every two years state workforce agencies publish the ten-year expected employment outlook for their state. The last set, published in 2020, was for the period from 2018 to 2028. It indicated that employment in Maine was likely to peak sometime between 2022 and 2024, before modestly contracting through 2028. This finding was based on long-term population trends, primarily from decreasing numbers of births over the last five decades. Fewer births left the state with more people reaching retirement-age than young people reaching working-age.

In 2022 the outlook has been updated to the period from 2020 to 2030. This forecast is complicated by the onset of the pandemic, which caused historically large job losses in the spring of 2020. The jobs recovery that began that summer continued into 2022. In the first nine months of this year the number of jobs is very close to the level reached the year before the pandemic, and nearly 38,000 higher than the average for 2020.

Nonfarm Wage & Salary Jobs in Maine

Year	Jobs
2017	624,200
2018	630,600
2019	637,100
2020	598,400
2021	620,800
2022	636,100

*2022 is estimated based on data available through September*

Because employment in 2020 was suppressed and had mostly recovered in 2022, using that year as a base provides a misleading indication of underlying long-term trends that are expected to drive employment change from now through 2030. With the recovery nearly complete, delineating the cyclical aspects of change from underlying long-term aspects is imperative for evaluating the workforce outlook from now until 2030.

Long Term Job Growth Context

Job growth has varied significantly over the last seven decades in Maine, with long periods of little change and of rapid growth. In both cases, the number of births was the key factor. Births in a period establish the number of young labor force entrants close to two decades later.

Average Nonfarm Jobs in Maine
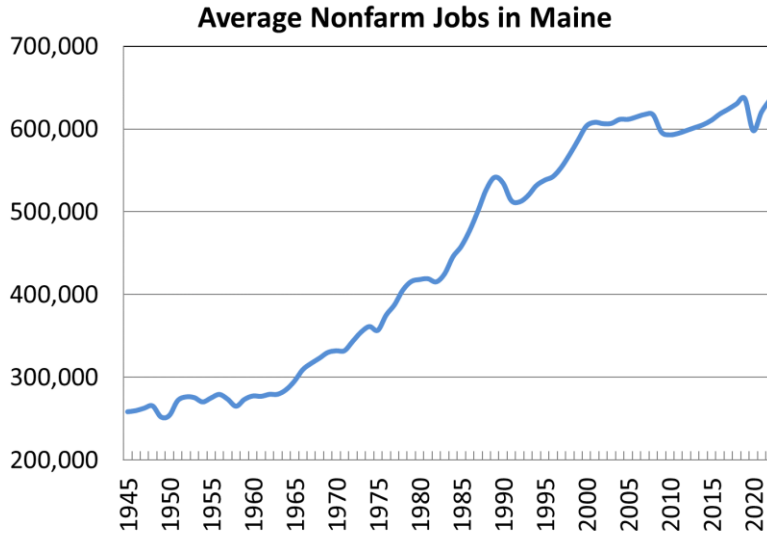
Employment was little changed in 1950s, before rising through the 1980s, and then slowing through the early 2000s. In the last 15 years the change in jobs has been relatively small, except for the declines and recoveries from the 2008 and 2009 recession and from the pandemic. Each of these periods was preceded by a marked change in the number of births. The 1950s was preceded by the 1930s depression and World War II; the job growth of the following three decades was preceded by the baby boom; the limited job growth in the 2000s was preceded by a decrease in births after the 1980s. By 2010 births had fallen to a point that the state experienced negative natural population change (more deaths than births) in ten of the following 11 years. (There was a notable increase in deaths and decrease in births during the pandemic.)

Births & Deaths by Year in Maine
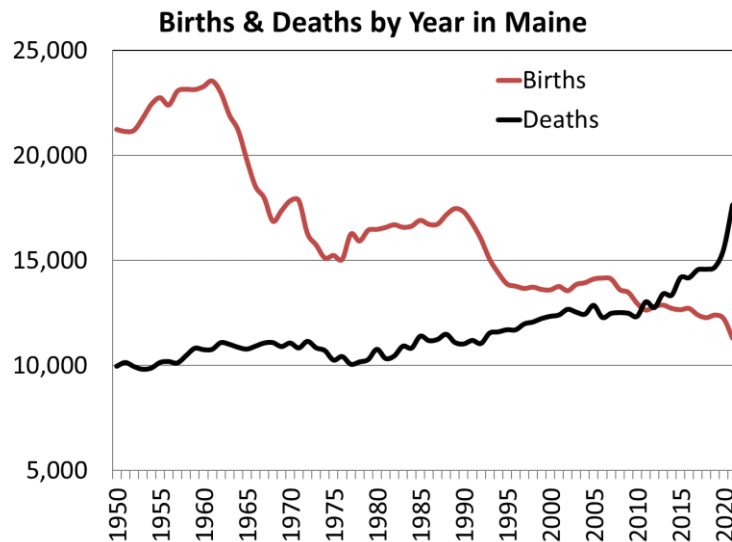
Decreasing birth rates is not unique to Maine, as this trend has occurred throughout the developed world. It has been especially sharp in the three northern New England states, leaving the region with a population structure heavy on people who are approaching retirement and light on young people relative to the nation.

Percent of Population by Year of Age, 2020
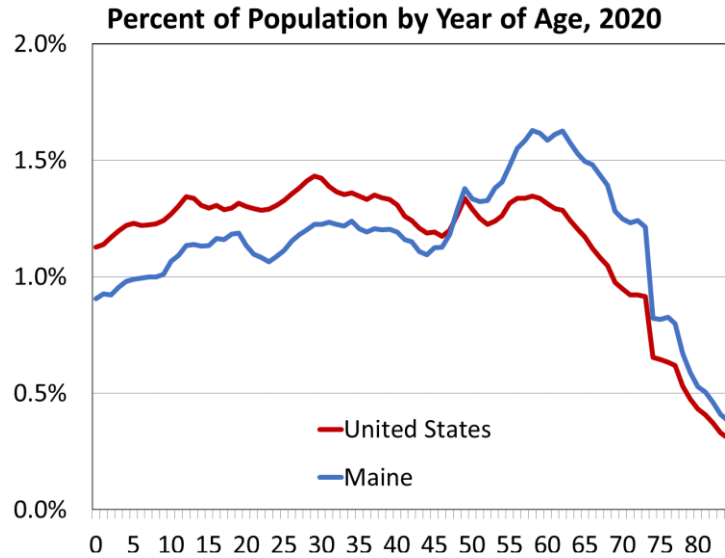
Net-migration, which is the difference between the number of people moving in to and out of the state, has tended to be cyclical for Maine. During and shortly after recessions it tends to be low and negative (more moving out than in). During expansionary periods it tends to be positive (more moving in than out), as was the case in the five years preceding the pandemic.

The health emergency of 2020 reversed the cyclical migration pattern. Many people opted to move from congested to less densely populated places, driving an influx of people to the state. Data is not yet available, but it appears the pattern of in-migration continued in 2022. The remote work revolution and increased numbers of retired people have contributed to this, as more people have flexibility in where they can choose to live.

Rising migration to the state offsets some of the downward trend in the working-age population of current residents. It is unclear at this point how long this pattern will continue and at what magnitude. It is quite possible that in-migration will outweigh the constraints of the existing population for several more years, stabilizing the size of the labor force.

Annual Population Change by Source in Maine
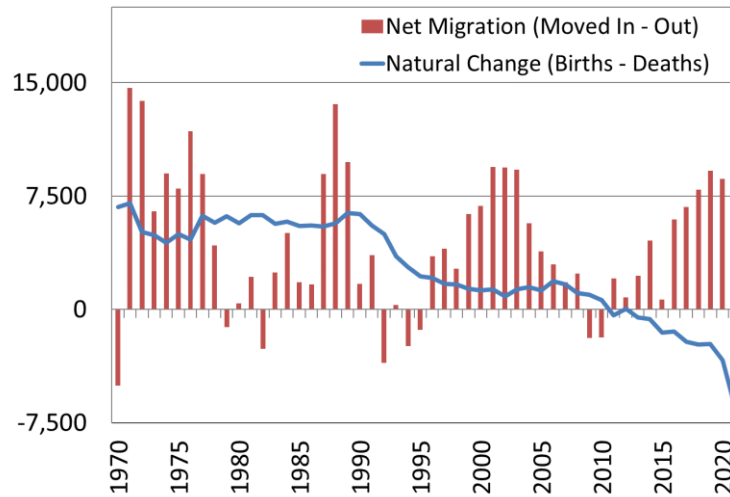
Outlook

From 2020 to 2030, employment is expected to increase by 14,900. This is markedly different than the decrease of 15,800 that was projected for 2018 to 2028. The difference is entirely from the suppressed employment level of 2020, which was 32,000 lower than in 2018 and 37,700 lower than the average for the first nine months of 2022.
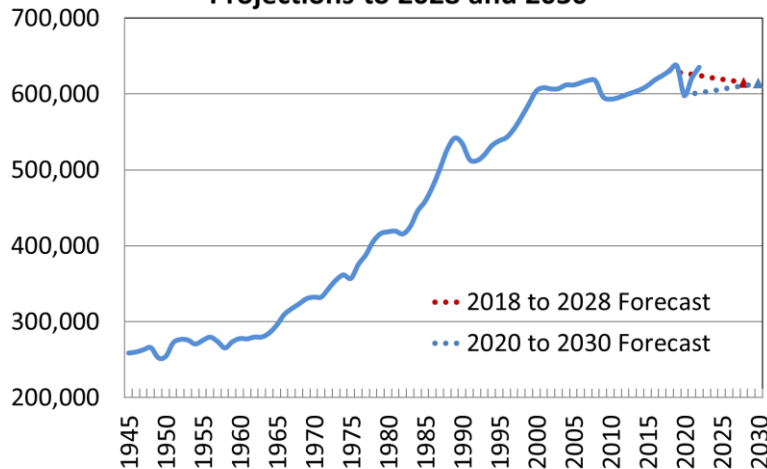

With the cyclical recovery already having occurred, long-term structural aspects of change have returned as the dominant factors impacting employment levels from 2022 forward. The 2030 projection is close to what previously was expected for 2028. The large baby boom generation will be two years older and more of them will be retired in 2030 than in 2028, but the recent influx of working-age people has partially offset aging.

It is likely that employment will peak sometime before 2030, unless in-migration continues at a high rate. Since net migration fluctuates so much, the sustainability of the recent pattern will be a prominent factor affecting employment for the rest of the decade. If the recent pattern continues, and especially if many of the in-migrants are young, the forecast may be exceeded.
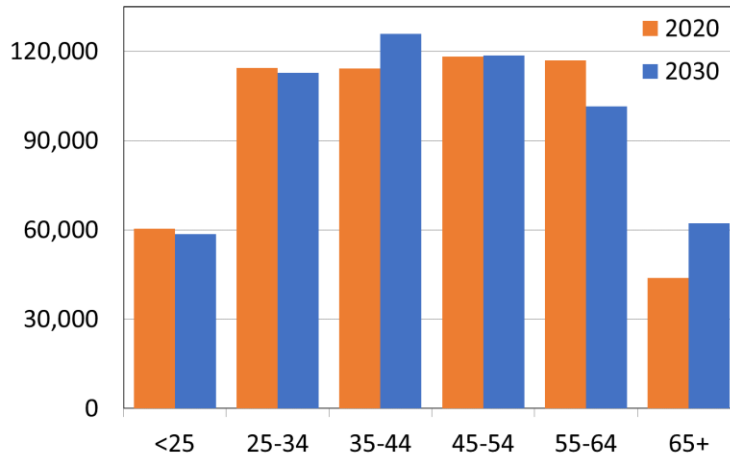
Detail on the Outlook

The level of employment depends on changes in the working-age population and on changes in employment rates, which vary with age. Employment rates generally are highest among people in their 30s and 40s. They are lower for younger people, often for educational pursuits or for parenting responsibilities, and are lower for older people.

Additionally, employment rates are strongly related to opportunity and can fluctuate with the business cycle. They were lower than normal in 2020 because of the health emergency and are expected to be higher in all age groups in 2030. The total employment rate (age 16+) is expected to decrease because more people will be retired.

Employment Rates & Projected Population Change by Age Group in Maine
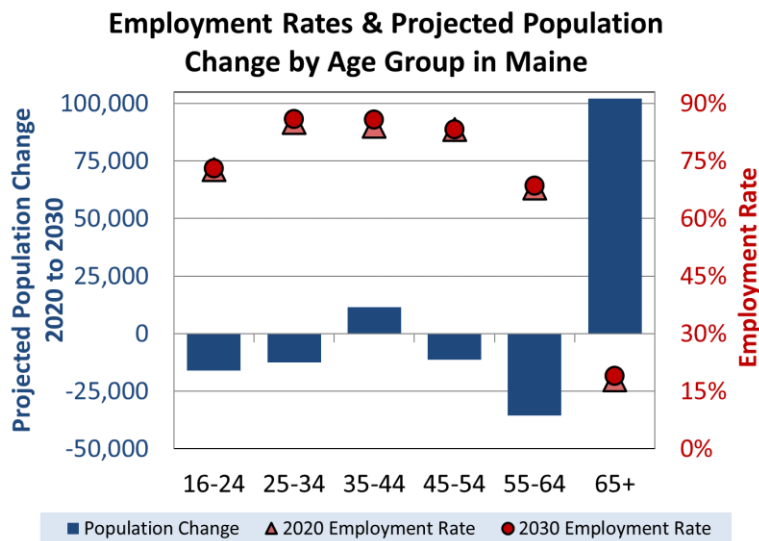
The employment structure will become older with the population. Employment of those age 65 and over is expected to increase by 18,000, offset by a decrease of 15,000 among those 45 to 64. Employment is expected to increase by 12,000 among those 35 to 44 and decrease modestly among those under 35. These changes simply reflect that in the ten-year period those who were in one age cohort advanced in age to the next – they do not indicate that increased or decreased opportunity is expected for any group.

Employment by Age Group in Maine
2020 and Projected 2030

Legend: 2020 (orange), 2030 (blue)

Age Group	2020	2030
<25	~60,000	~58,000
25-34	~114,000	~112,000
35-44	~114,000	~126,000
45-54	~118,000	~118,000
55-64	~117,000	~101,000
65+	~44,000	~62,000

In the decade through 2030, the employment structure is expected to become modestly older at a somewhat higher level than in 2020 and somewhat lower level than in 2022.

The Employment Outlook in Context

The majority of jobs, including most in retail, construction, banking, healthcare, government, and many other sectors, primarily serve their local community. The productivity of the workforce has gradually improved over many years, and that trend is certain to continue. Since the size of the population in Maine is not expected to change significantly, modestly decreasing employment (because more are retired) should be offset by productivity improvements, so this situation should not be considered a crisis.

Two industries stand out as exceptions to this. The first is businesses that cater to summer tourism that rely on a young, seasonal workforce. With fewer young people in the workforce, the recent staffing challenges many employers have faced are not likely to lessen without reorienting both how they staff their businesses and how they provide services to meet demand. The second is nursing care facilities, home health agencies, and others that care for a rising elderly population. Low reimbursement rates have put them at a disadvantage competing for staff. It seems some policy changes will need to be made to restore balance to this important industry.

Many observers characterize a connection between workforce growth and improved living standards. This often is not the case. In the 1970s employment spiraled as thousands of baby boomers reached working-age; it was also a period of high unemployment and low real wage gains. More recently, in the four years preceding the pandemic workforce growth was modest, but real wage gains were the strongest on record to that point. As the pandemic's grip on society and the labor market wanes, there is reason to expect similar conditions will return.

The flow of people into and out of the workforce, from one employer to another, or from one job to another within an organization, will continue to create opportunities. A total of 750,000 job openings are expected in the decade through 2030 – an average of 75,000 each year, making for a dynamic employment situation in the years ahead.

Additional articles on the employment outlook to 2030 will explore the gradual reallocation of jobs from some industries and occupations to others. Detail on the outlook for workforce change in total and by age group is at www.maine.gov/labor/cwri/outlookDemographic.html.