

Remote Work, New Worksites and the Industry Structure of Jobs

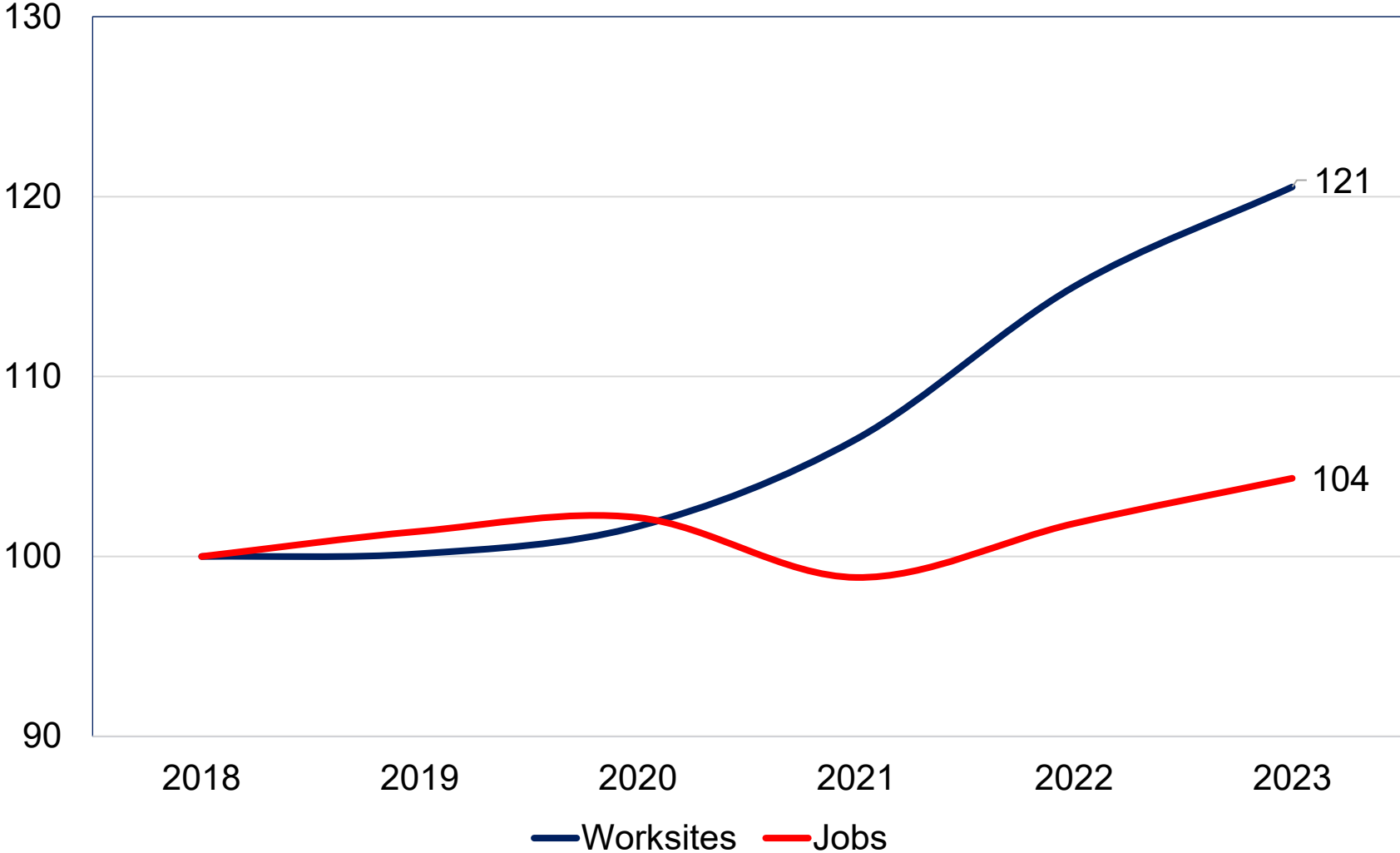
Introduction

- Before the pandemic, jobs and worksites increased at similar rates.
- The number of worksites has spiked since then.
- This is primarily from the remote work revolution. It is a combination of people moving to the state while continuing to work for an employer located elsewhere, and from residents of the state gaining jobs that allow them to work here for employers located elsewhere.
- In each of those cases the employer is required to open an unemployment insurance tax account in Maine on behalf of those individuals; their employment is counted here rather than where the employer is located.

Notes: A worksite is an economic unit, generally at a single physical location, where services are provided, or goods are produced. Firms, which are legal business entities, may operate one or multiple worksite locations.

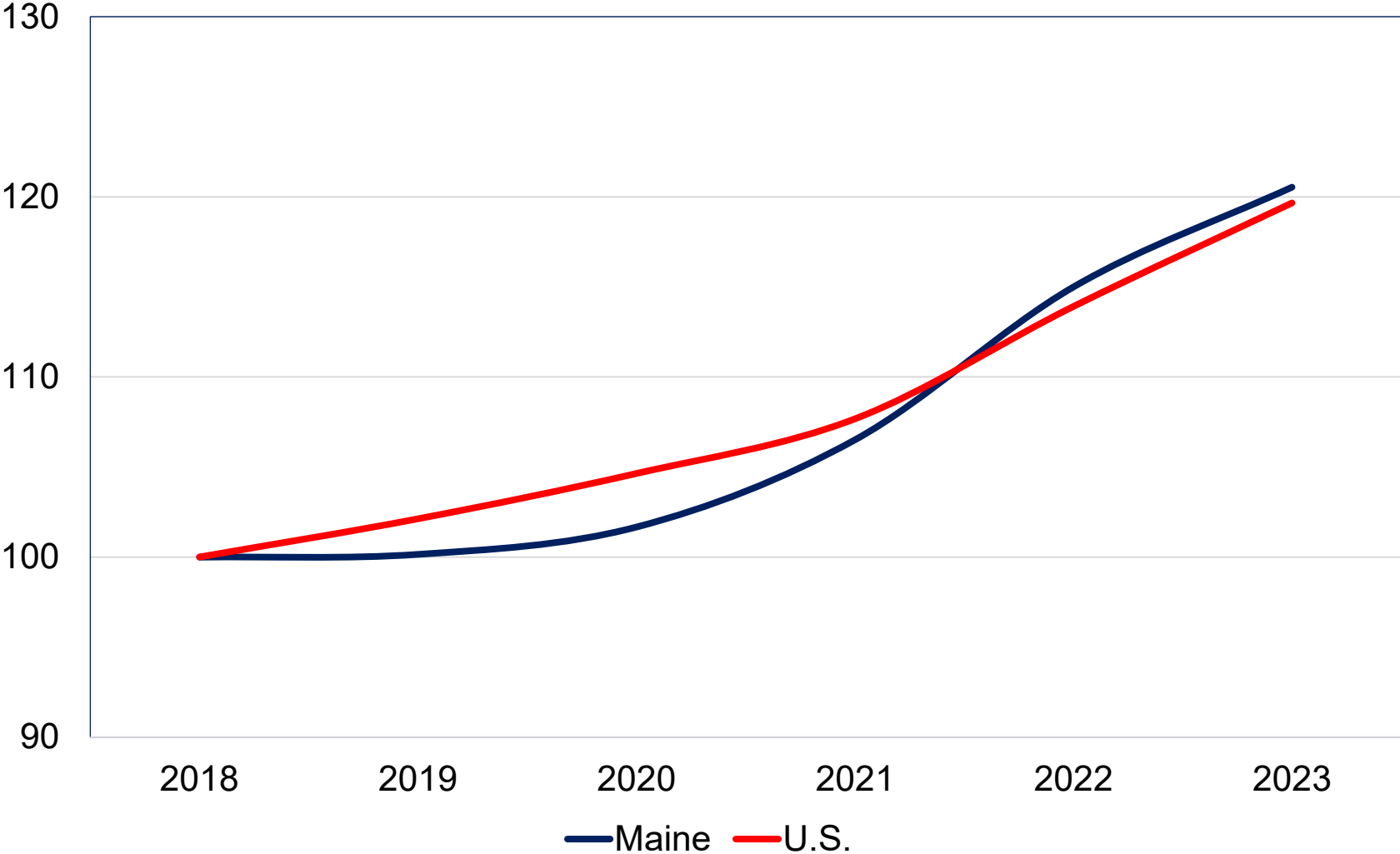
Index of Jobs and Worksites

- Jobs across all industries are four percent higher than five years before.
- In the same time, the total number of worksites has grown by 21 percent.



Notes: an index value of 100 represents the 2018 level, each unit can be interpreted as a percent change compared to the 2018 level. Source: Quarterly Census of Employment and Wages.

Index of Worksites



- This trend is occurring nationally at a similar rate.

Notes: an index value of 100 represents the 2018 level, each unit can be interpreted as a percent change compared to the 2018 level. Source: Quarterly Census of Employment and Wages.

Remote Work Prevalence

- According to 2022 American Community Survey data, just under 16 percent of workers in Maine reported working from home as their primary work location.
- Nationally, about [29 percent of work days are completed remotely](#).
 - Some workers are fully remote and others have hybrid onsite and remote schedules.
- Employers offering remote work now have a workforce and worksites that are more geographically dispersed.

Sources: [2022 ACS Table DP03 Selected Economic Characteristics](#), one-year estimates, Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. “Why working from home will stick,” National Bureau of Economic Research Working Paper 28731

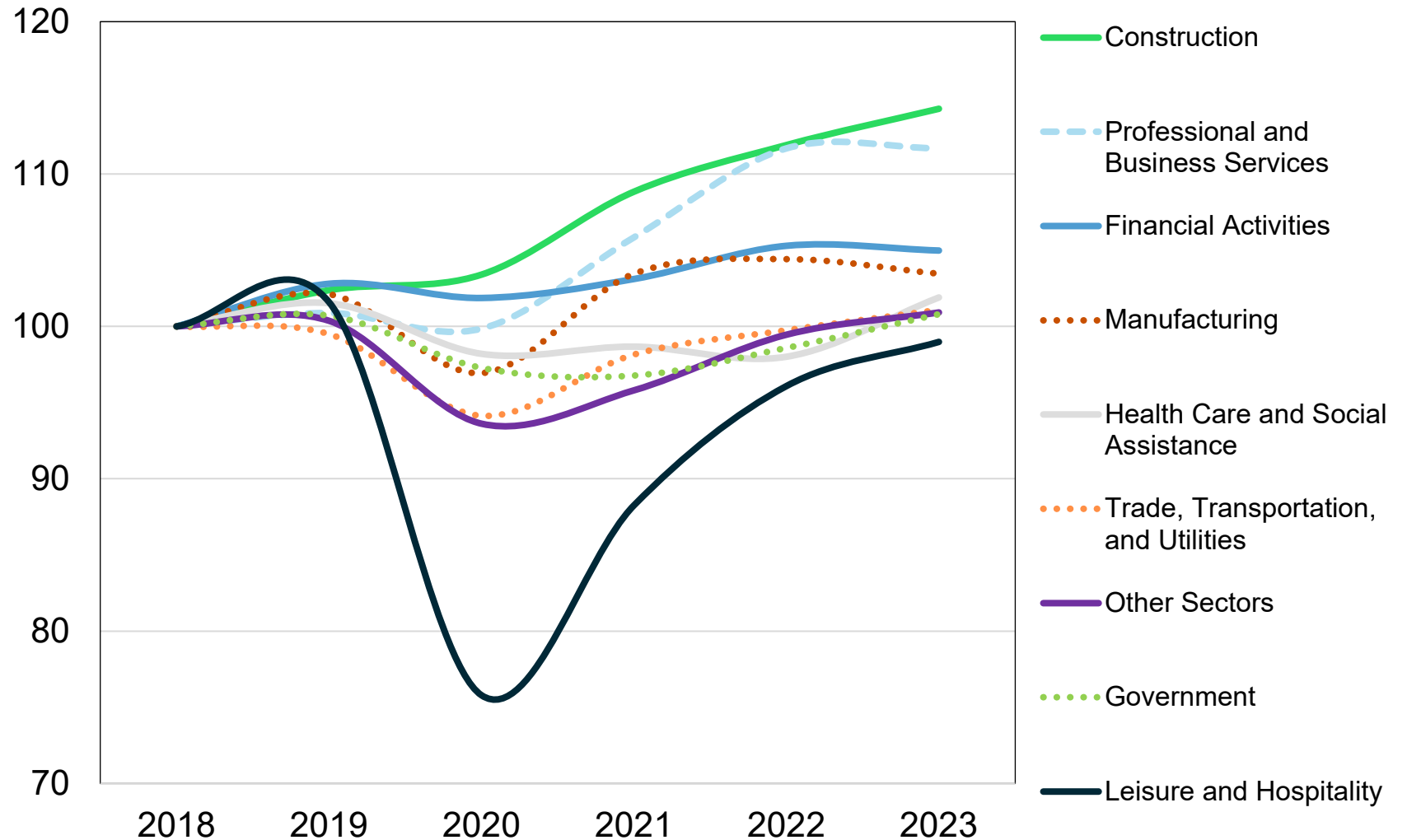
Remote Work and the Industry Structure of Jobs

- Every worksite is classified according to industry.
- Remote workers are likely to be employed in industries in which information and communication technology are commonly used and tasks do not need to be completed onsite.
- Remote work is most prevalent in the professional and business services, information, and financial activities sectors.
- Remote work is causing some reallocation of jobs into different states and different sectors even though employers themselves may not be engaged in different economic activities in terms of the goods they produce or services they provide.

The remote work shift is reflected in job trends by sector.

- Job levels in most sectors were similar in 2023 to five years before, within three percentage points.
- Jobs in professional and business services increased by 12 percent (8,000 jobs) in this time.
- Other notable gains were in construction, financial activities and manufacturing which added a combined 7,600 jobs.

Wage and Salary Job change by sector

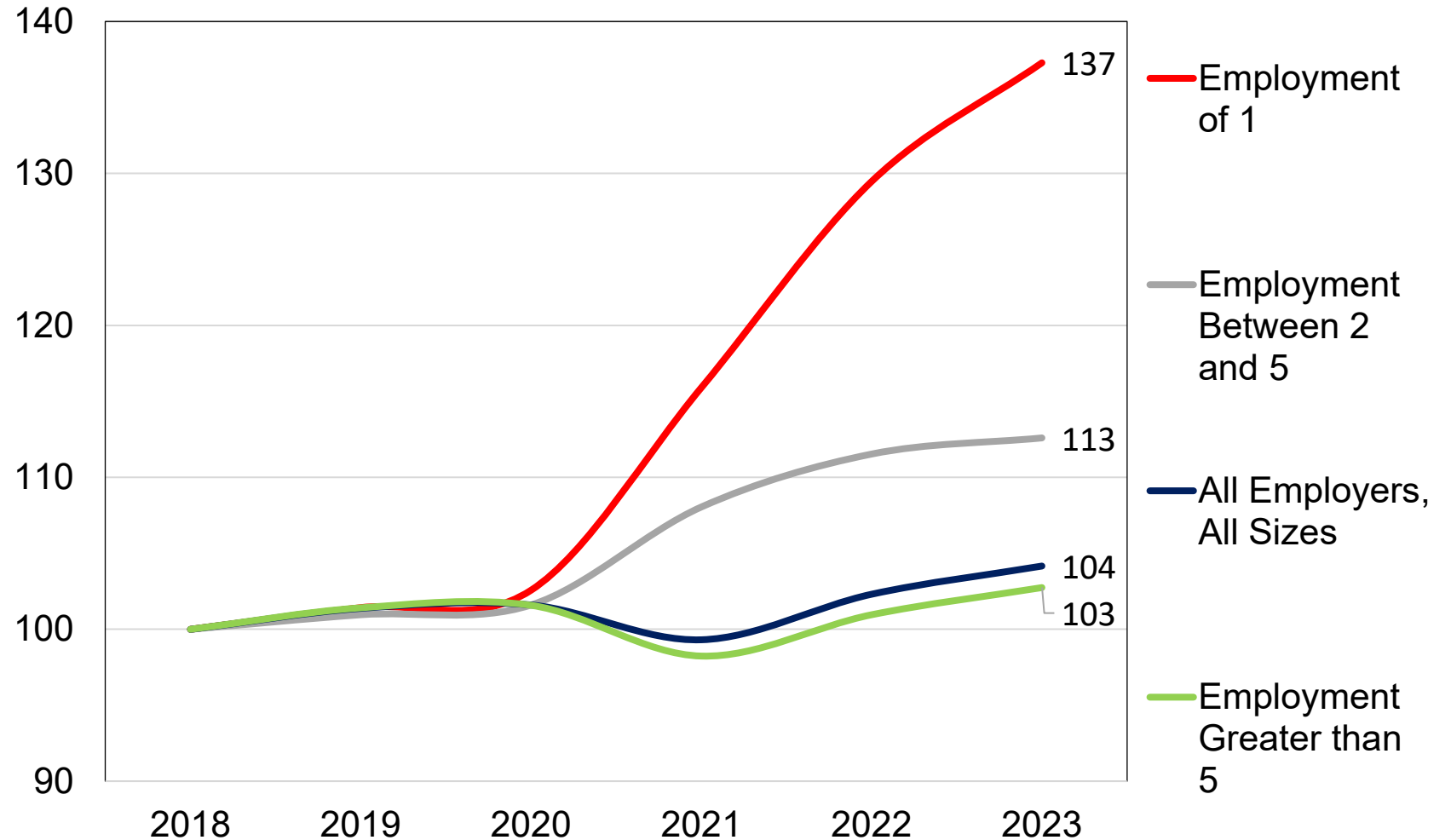


Notes: a job index value of 100 represents the 2018 average annual job level in that sector. Source: Current Employment Statistics.

Worksites with five or fewer employees have been a driver of job growth.

- Jobs were about four percent higher across all industries (24,700 jobs) in March 2023 relative to five years before, but the rate of increase varied by employer size.
- Employers of one increased 37 percent, accounting for 17 percent of the net job gain (4,200 jobs).
- Employers of two to five increased 13 percent, accounting for 23 percent of the net job gain (5,700 jobs).

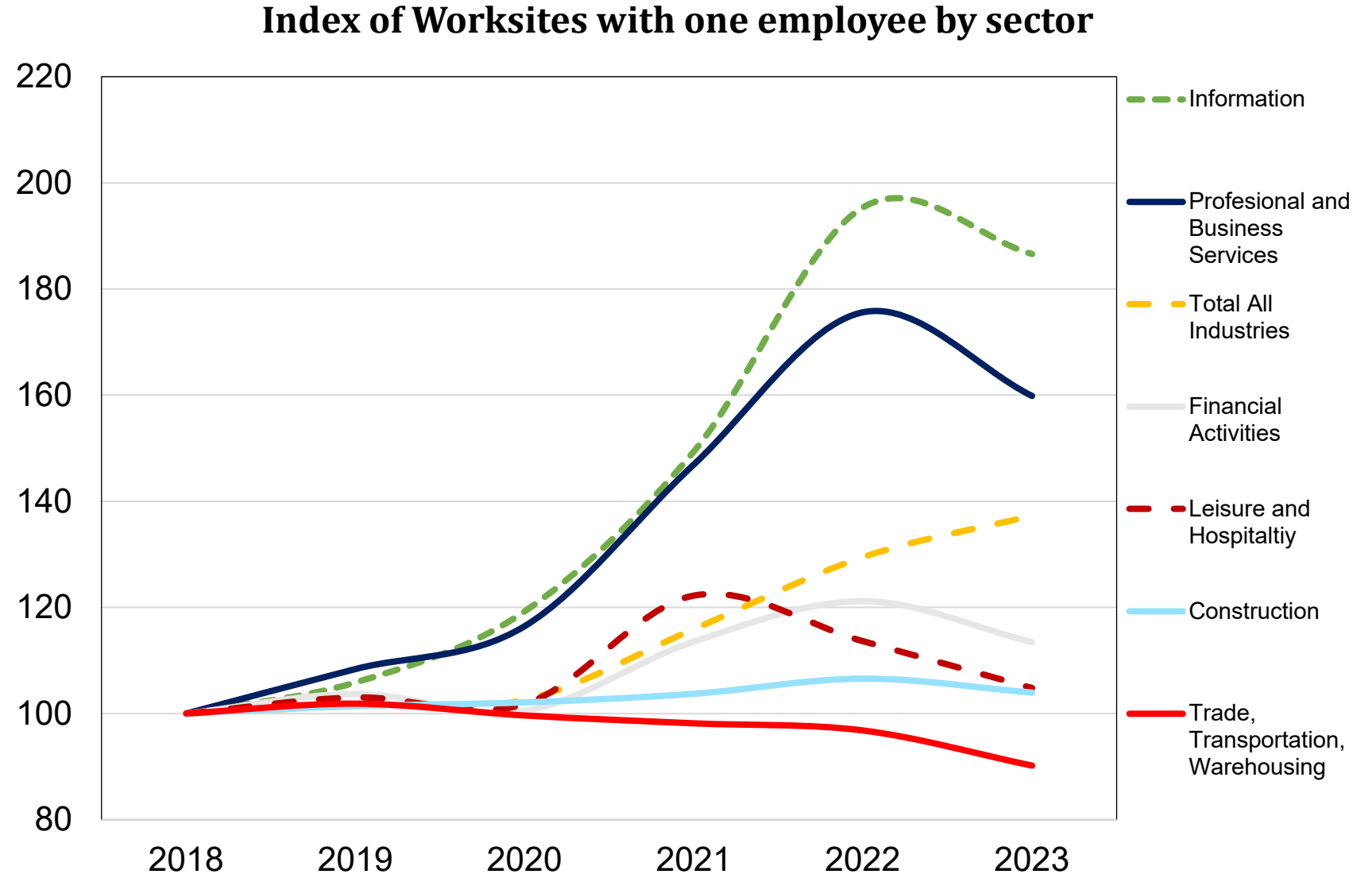
Index of Jobs by Worksite size



Notes: a job index value of 100 represent the employment level in March of 2018. Each unit can be interpreted as a percent change compared to the 2018 level. Source: Quarterly Census of Employment and Wages.

Worksites with one employee are growing fastest in sectors where remote work is more prevalent.

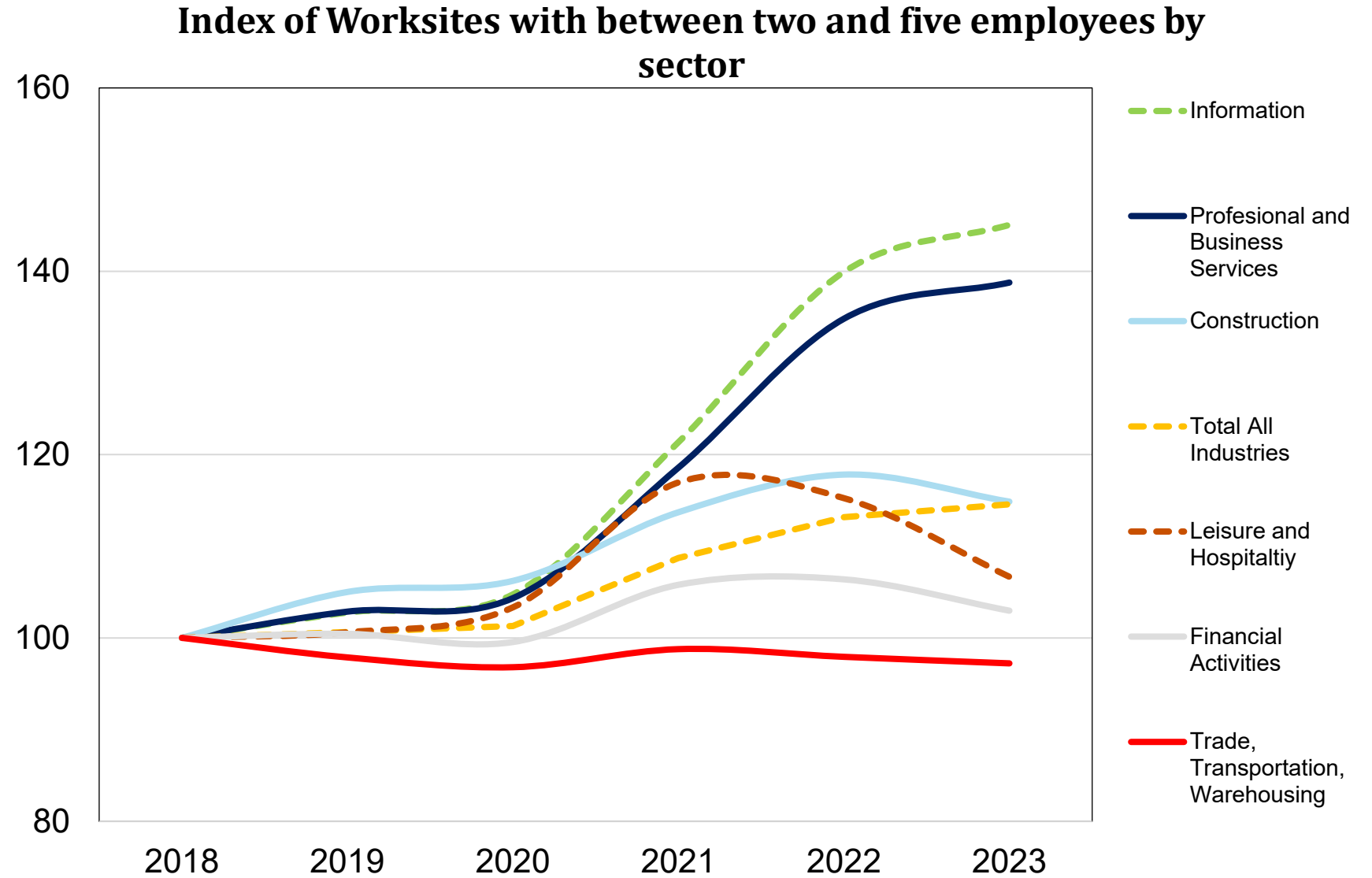
- Over half of the increase in worksites with one employee occurred in the professional and business services and information sectors.



Notes: a worksite index value of 100 represents how many employers reported one employee in March of 2018. Each unit can be interpreted as a percent change compared to the 2018 level. Only selected sectors are included in the chart above. Source: Quarterly Census of Employment and Wages.

Worksites with between two and five employees are growing in similar sectors though not as quickly.

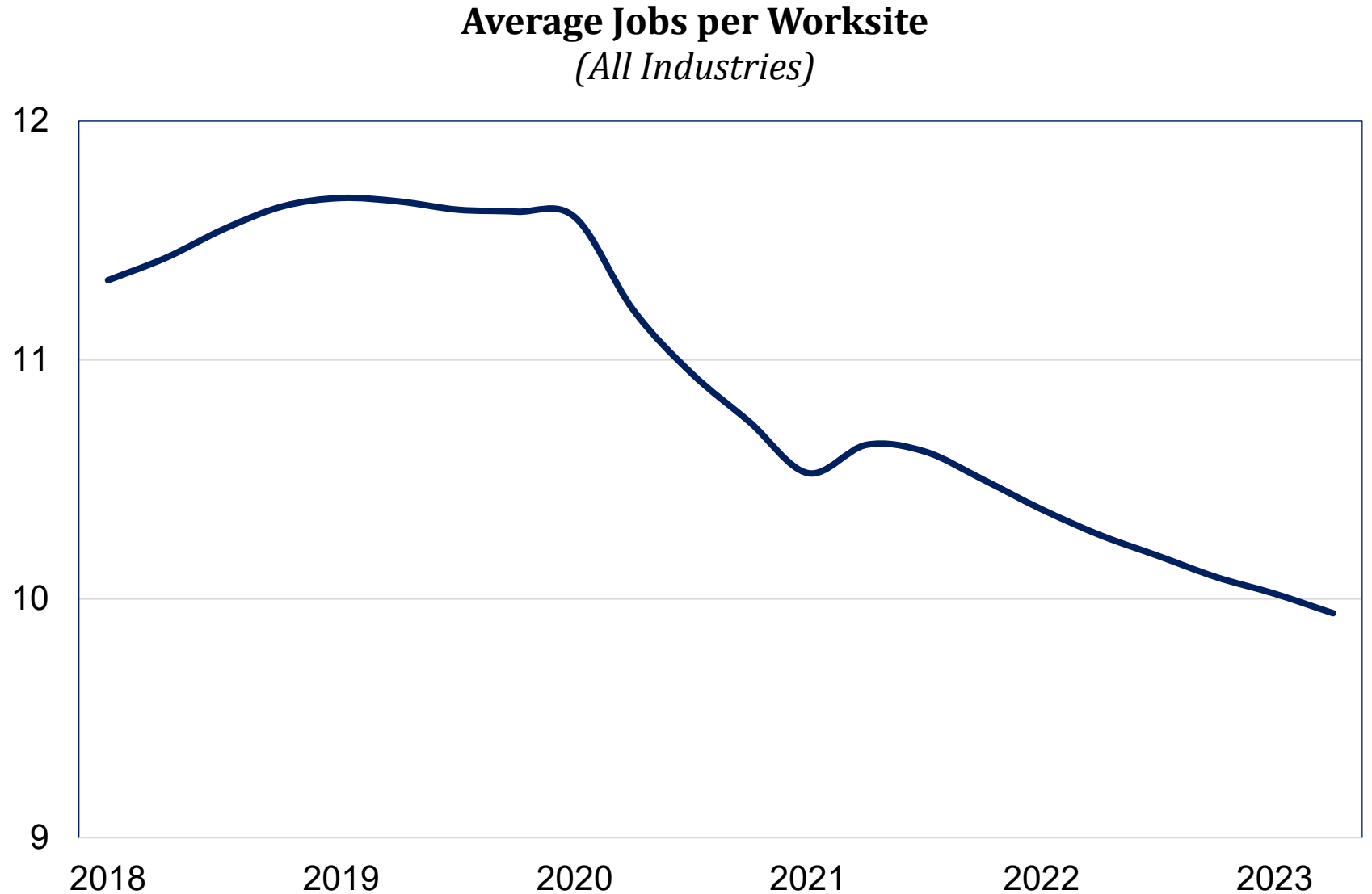
- Worksites with between two and five employees are 39 percent higher in the professional and business services sector and 45 percent higher in the information sector.



Notes: a worksite index value of 100 represents how many employers reported between two and five employees in March of 2018. Each unit can be interpreted as a percent change compared to the 2018 level. Only selected sectors are included in the chart above. Source: Quarterly Census of Employment and Wages.

The average number of jobs per worksite is falling.

- Because of the growth in worksites with a few or one employee, the average number of jobs per worksite has declined.



Source: Quarterly Census of Employment and Wages.

- Employers in the professional and business services and the construction sectors are smaller on average with about seven jobs per worksite.
- Employers in healthcare and social assistance, manufacturing, and government tend to be much larger with the average size ranging from 23 to 34 jobs per worksite.

	In 2023		
	Jobs	Worksites with at least one Employee	Average Jobs per Worksite
Private Sector, All Industries	518,600	47,600	10.9
Professional and Business Services	74,900	10,900	6.9
Other Sectors	51,600	9,200	5.6
Trade, Transportation and Warehousing	115,400	9,000	12.8
Construction	31,200	4,800	6.5
Health Care and Social Assistance	104,700	4,600	22.8
Leisure and Hospitality	57,500	4,000	14.4
Financial Activities	30,400	3,500	8.7
Manufacturing	52,900	1,600	33.1
Government	99,000	2,900	34.1

Source: Quarterly Census of Employment and Wages.

- Over the past five years, average employer size has decreased.
- In 2023, professional and business services had over 3,000 more worksites than five years before. Newer worksites were smaller on average resulting in two fewer jobs per worksite.

	Change from 2018 to 2023		
	Jobs	Worksites with at least one Employee	Average Jobs per Worksite
Private Sector, All Industries	22,600	7,100	-1.3
Professional and Business Services	7,100	3,100	-1.8
Other Sectors	7,000	3,600	-2.4
Trade, Transportation and Warehousing	900	-300	0.5
Construction	4,200	500	0.2
Health Care and Social Assistance	300	-100	0.7
Leisure and Hospitality	-300	100	-0.6
Financial Activities	1,100	200	-0.3
Manufacturing	2,300	0	1.8
Government	2,100	0	0.7

Source: Quarterly Census of Employment and Wages.

Summary

- The adoption of remote work has caused worksite growth to exceed job growth.
- Much of the net job growth in recent years has been among small worksites with five or fewer employees, many with only one.
- These new worksites have been concentrated in the professional and business services and the information sectors.
- Nationally, the adoption of remote work has led some jobs to be reallocated into different states and different sectors.
 - This has occurred through the combination of some remote workers choosing to relocate and incumbent residents starting new remote jobs where employers did not previously have an established worksite.