

# Job Outlook for Maine 2022 to 2032

*Moderate, gradual change*



The labor market is changing. Change usually is gradual and relatively small over short periods, with exceptions for the onset of a health emergency or a recession (as in 2020 or 2008). Over long periods, changes can be pronounced. The labor market a person retires from looks substantially different from when they first went to work decades earlier. During the length of a career the technology and competitive landscapes, and a wide range of other factors, are upended.

In the years to come the labor market will continue to be reshaped. There are too many unknowns to confidently project developments over multiple decades. But a combination of recent and some emerging trends provide a picture of how things are likely to develop over the next decade.

The following slides highlight the broad context within which to view the outlook for jobs in Maine from 2022 to 2032. This includes population trends that influence the rate of job change, rising productivity, and shifts among industries.

Job growth has gradually slowed over many decades, primarily from sliding birth rates which yield smaller numbers of labor force entrants. Combined with thousands of retiring baby boomers, the number of jobs is not expected to change appreciably in the decade through 2032, even as the population continues to increase in size.

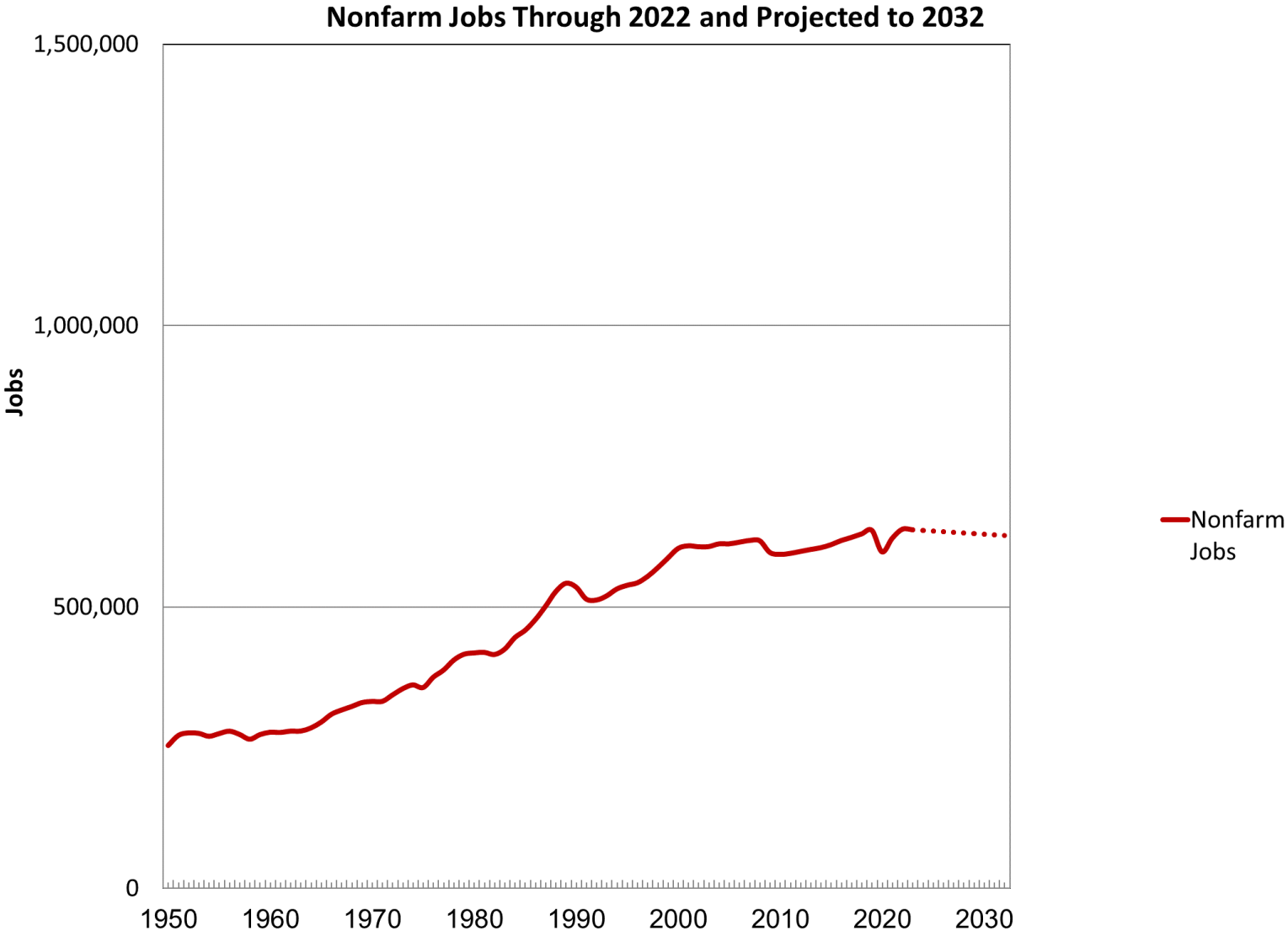
This situation has raised concern among some that a crisis is brewing—that there will not be enough workforce to support the population. A

more complete view recognizes that productivity gains are likely to exceed the differential in population and job growth. This should be enough both to meet demand from a larger population and to keep wages rising, boosting living standards.

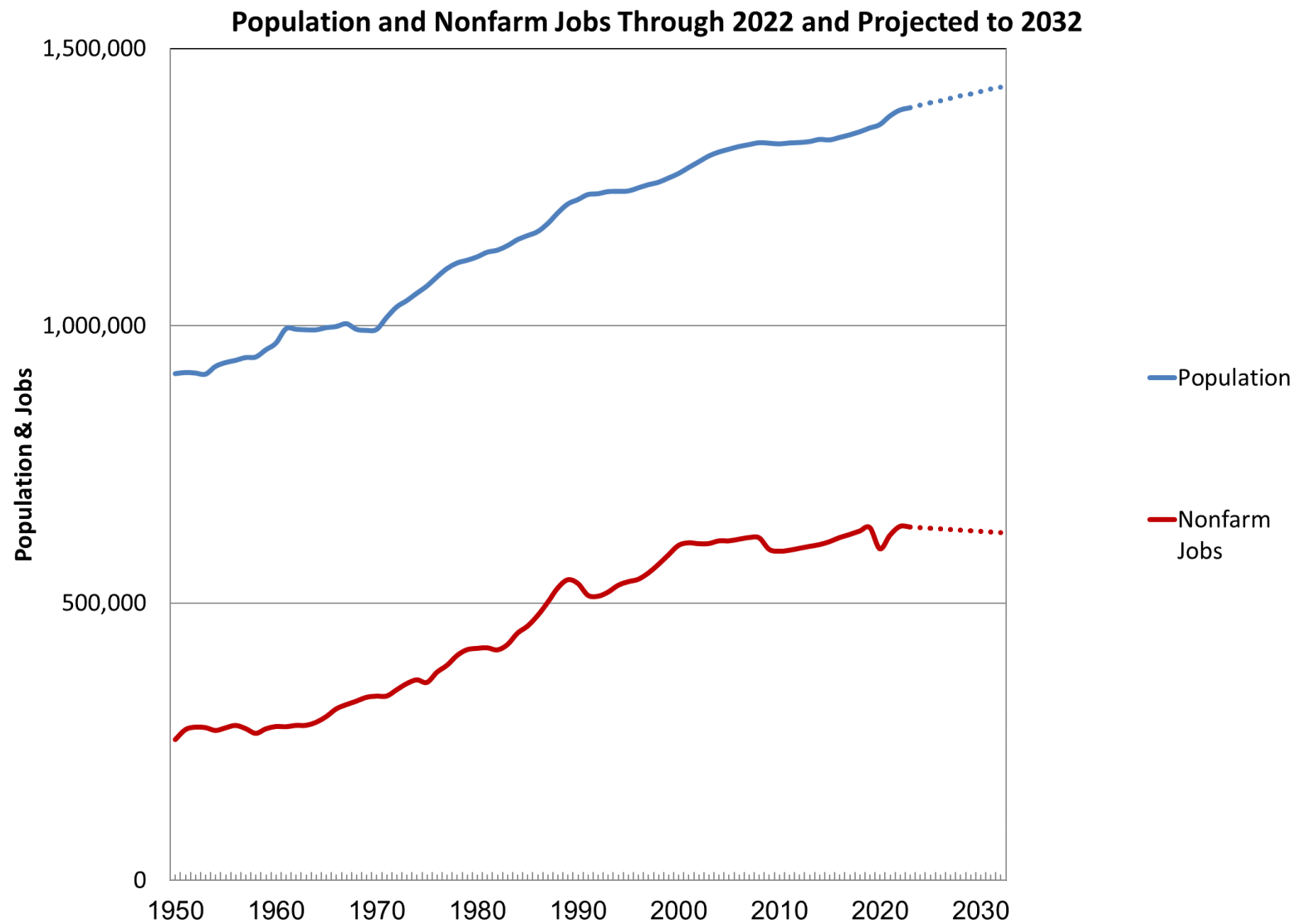
The rapid reallocation of jobs from some sectors of the economy to others that occurred in the decades leading up to 2010 has moderated since then. That moderation in change is likely to continue in the decade through 2032. The share of jobs is expected to continue to gradually shift from certain functions, particularly those that can be automated, to others. Jobs in healthcare are expected to rise in share, partly from an aging population.

Career exploration and planning should include an individual's interests, aptitudes, and education. The [Occupational Outlook Handbook](#) provides extensive information on different types of jobs, including on typical duties and work environment, educational paths and certifications, earnings, and the national job outlook for hundreds of occupations for the decade through 2032. The job outlook for occupations in Maine for that same period is [here](#).

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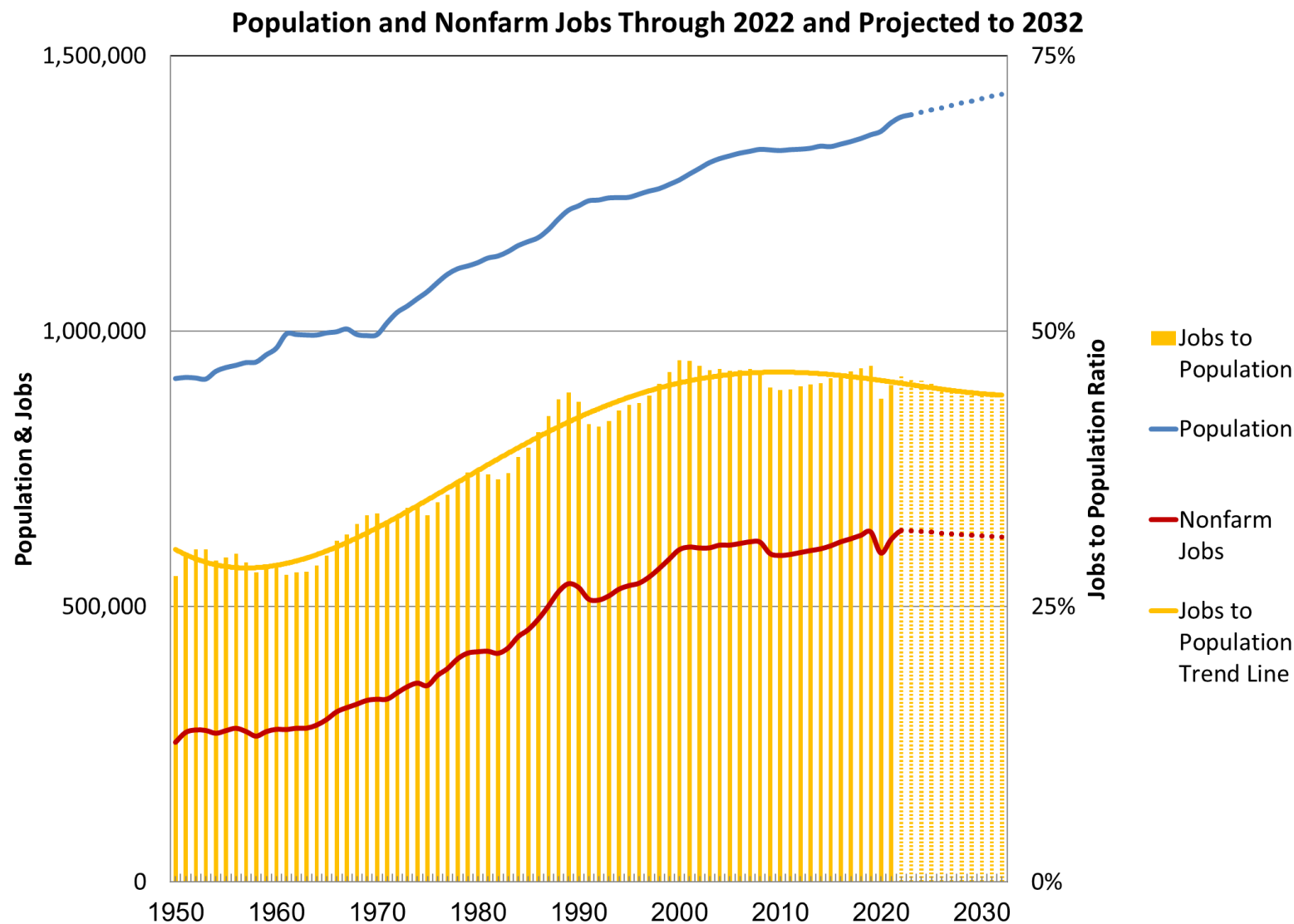
...Even as the size of the total population rises moderately...



...A result of these patterns is that the ratio of nonfarm jobs to population\* is expected to dip from nearly 46 to about 44 percent in the decade through 2032.

Jobs rising at a much faster rate than population in the four decades through 2000 was an aberration in our history. This was from an increased share of women working and from the large baby boom generation aging into and reaching their peak age of labor force participation. That period is now partially playing out in reverse as baby boomers retire.

The projected jobs ratio in 2032 is not significantly different from what it was for most of the 2000s – and it is higher than for any year prior to 1997.

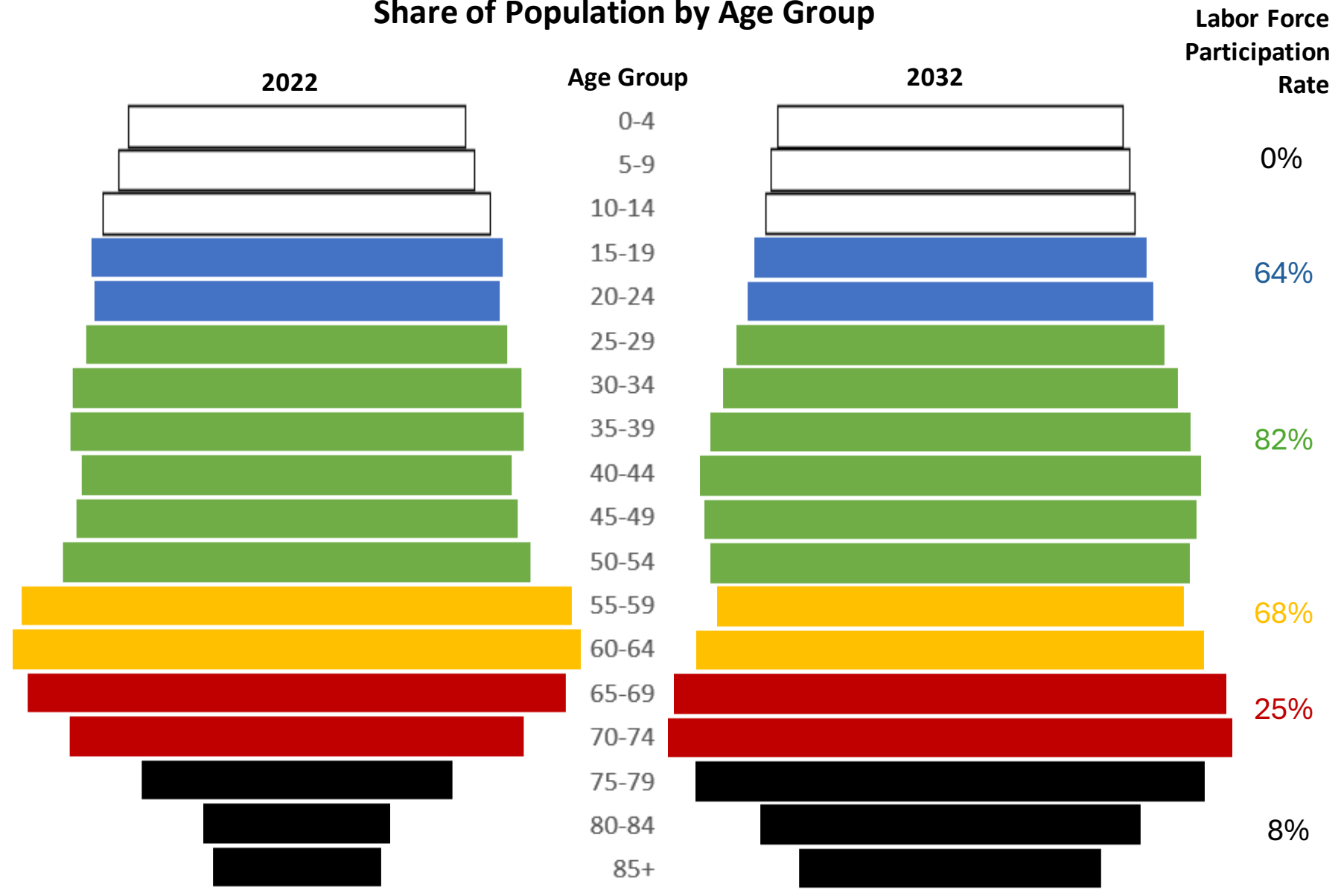


\*Jobs to population is conceptually different from published labor force participation or employment to population rates. The jobs rate is based on the entire population, since those that are working provide the labor to meet the demand of all people. Labor force participation and employment rates represent the share of people age 16 and over that are working or seeking work.

### Share of Population by Age Group

In 2022, the largest share of the population was 55 to 64. An average of 68 percent of this group typically is in the labor force. In 2032, that group will be 65 to 74. An average of 25 percent of this age group usually are in the labor force; most are retired.

The share of 25 to 54 “prime-age” people – those that have the highest rates of labor force participation – is not expected to change much. An average of 82 percent of this group is in the labor force.



*(Labor force participation rates for age groups are averages for 2014 to 2023. They are for Maine residents, except for those age 65+, which are for the U.S. Those rates are not available for Maine.)*

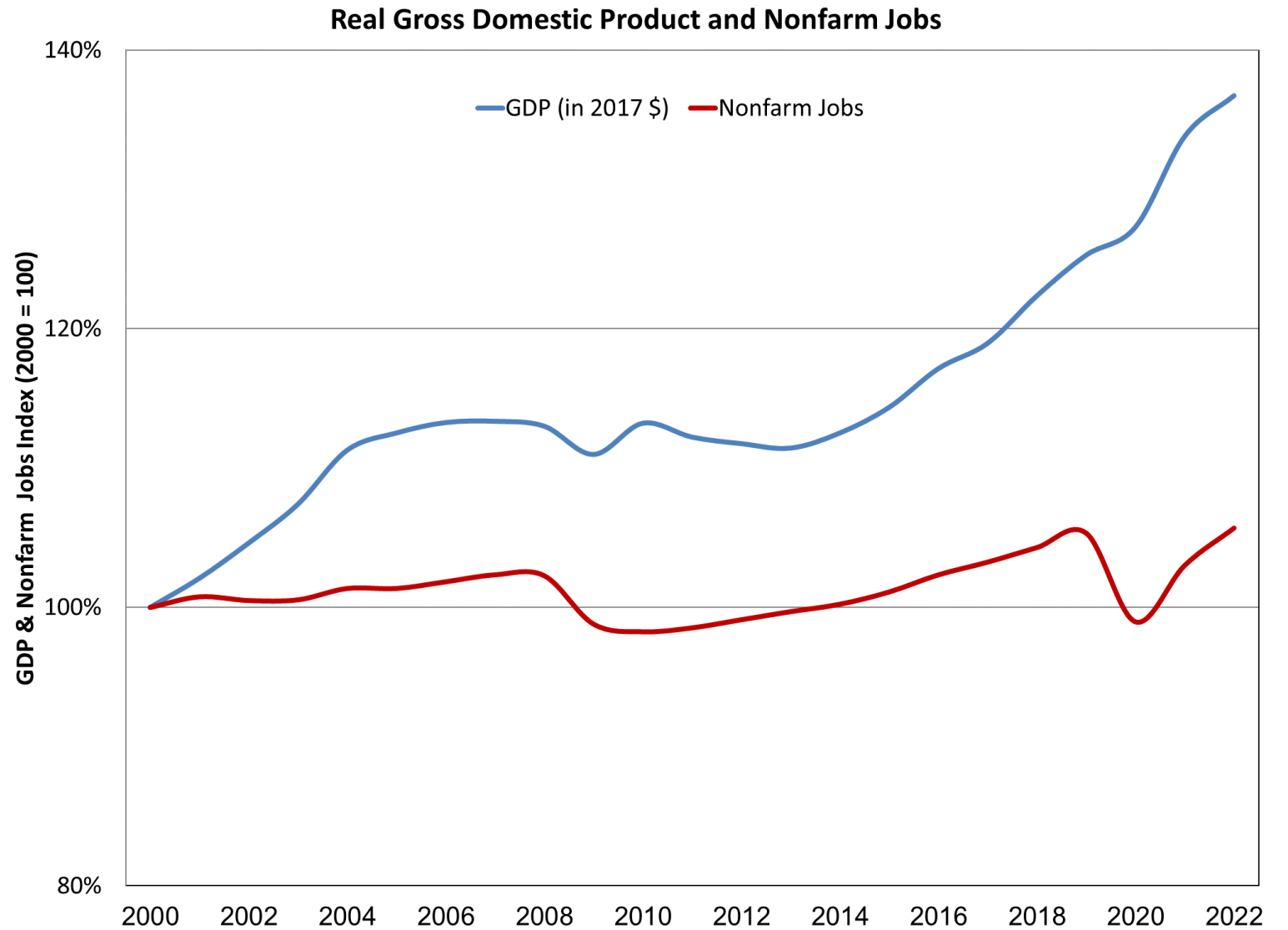
The dependency ratio will increase from the rising share of people age 75 and over. This will partially be offset by fewer children. The combined share of youths under 10 and people 75+ is expected to rise from 19 to 24 percent of the population.

For older people, dependency often goes through a progression. This may start with home services, progress to assisted living or living with adult children, and, sometimes eventually to full nursing care. Except for full nursing care, these stages require fewer labor resources than education or care for children, especially the youngest.

Age Group	Share of Population		Change in Share	Labor Force Participation Rate
	2022	2032		
0-9	9.4%	8.8%	-0.6%	NA
10-15	6.4%	5.6%	-0.8%	NA
16-24	10%	9%	-1.0%	65%
25-34	12%	11%	-0.8%	83%
35-44	12%	12%	0.2%	83%
45-54	12%	12%	-0.2%	81%
55-64	15%	12%	-3.1%	68%
65-69	7.3%	6.9%	-0.4%	33%
70-74	6.2%	7.1%	0.9%	19%
75+	9.1%	15%	5.8%	8%

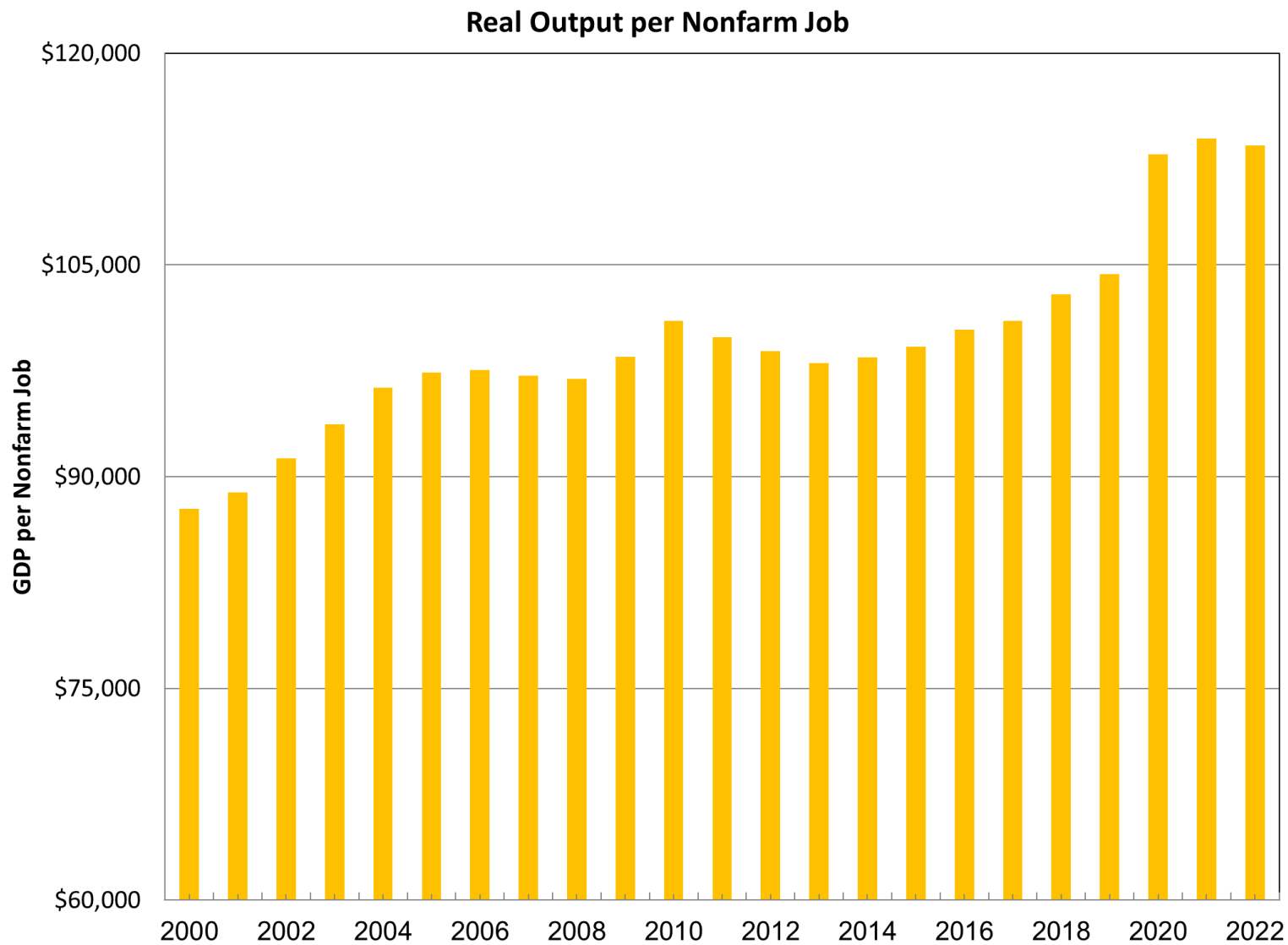
*Population change is based on unrounded numbers, so they may not appear to add. Labor force participation rates are averages for 2014 to 2023. Within age groups participation rates tend to change little over extended periods of time.*

Output of the economy, measured in inflation-adjusted gross domestic product, increased much faster than jobs in the 2000s...





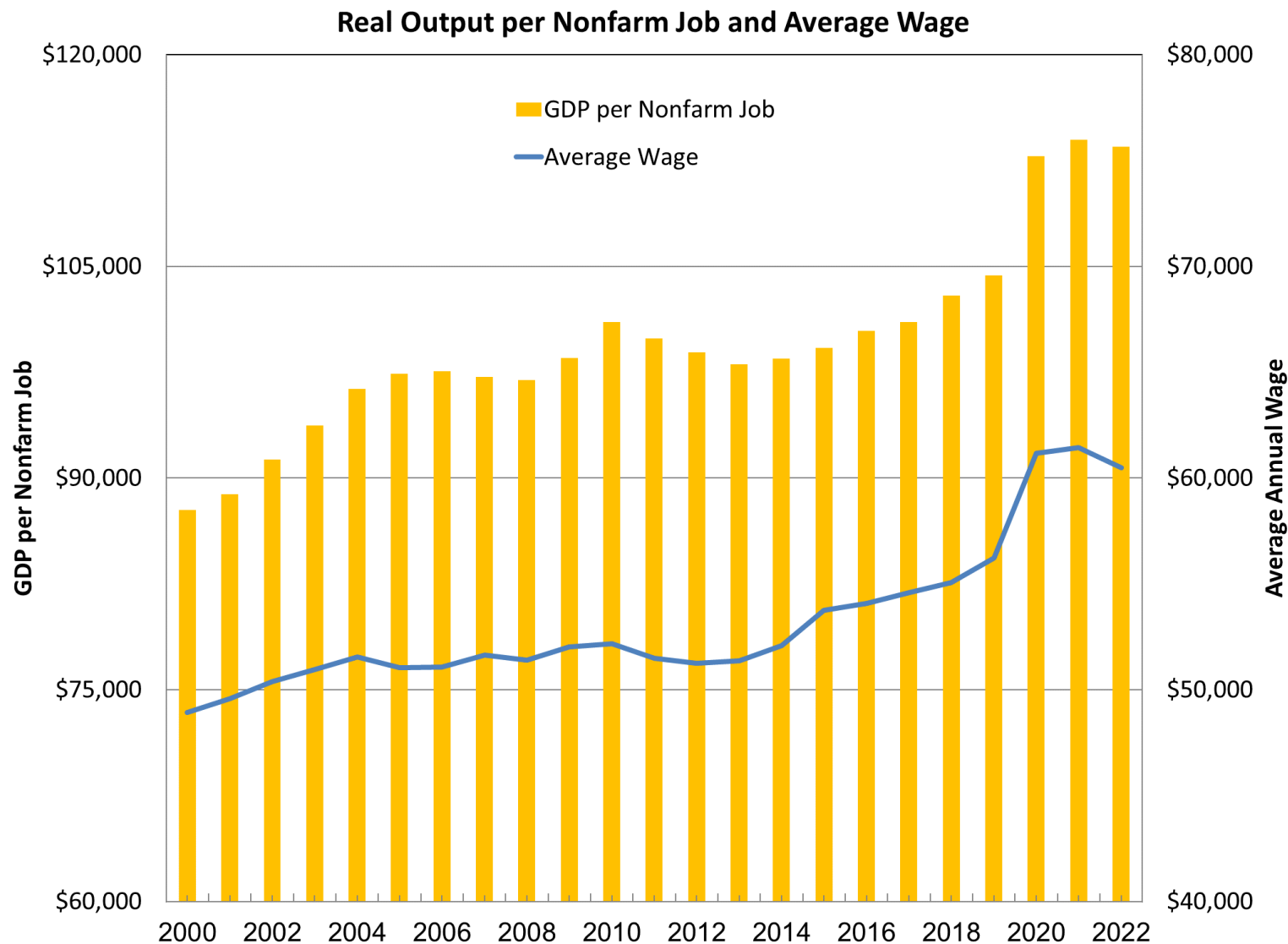
...This was the result of rising productivity. Adjusted for inflation, output per job increased 39 percent between 2000 and 2022, an average of 1.8 percent per year...



*Output per job is real GDP (in 2017 chained dollars) divided by total nonfarm wage & salary jobs.*

...Changes in productivity drive changes in wages. The sharp gains in real wages after 2019 were the result of similarly sharp gains in productivity.

Though we have not published a forecast of GDP or output per job, there is every reason to believe that they will continue to increase. Even if output per job were to increase at half the annual rate it has so far in the 2000s, that would be enough for a workforce little changed in size in the decade through 2032 to meet the increased demand from a population projected to be 2.5 percent larger – and it should be enough to keep real wages rising.

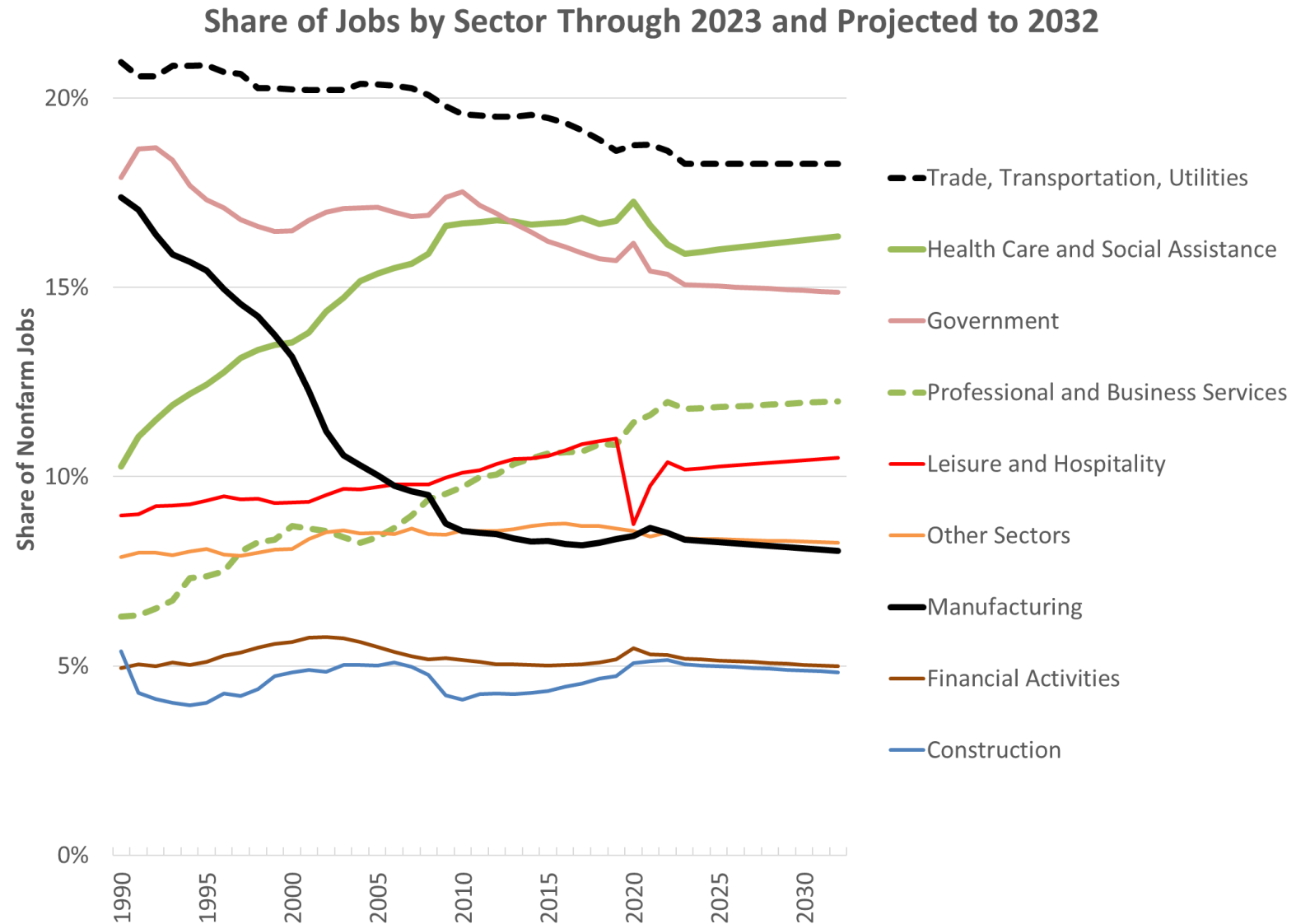


Output per job is real GDP (in 2017 chained dollars) divided by total nonfarm wage & salary jobs. Average annual wage is in 2022 dollars.

In the three decades through 2010 there was substantial job change among industry sectors. Most prominent was the increased share in healthcare and social assistance and in professional and business services and the decreased share in manufacturing and government.

Changes among sectors moderated after 2010. Exceptions were the continued decrease in government, mainly reflecting fewer students in public schools, and the continued increase in professional and business services.

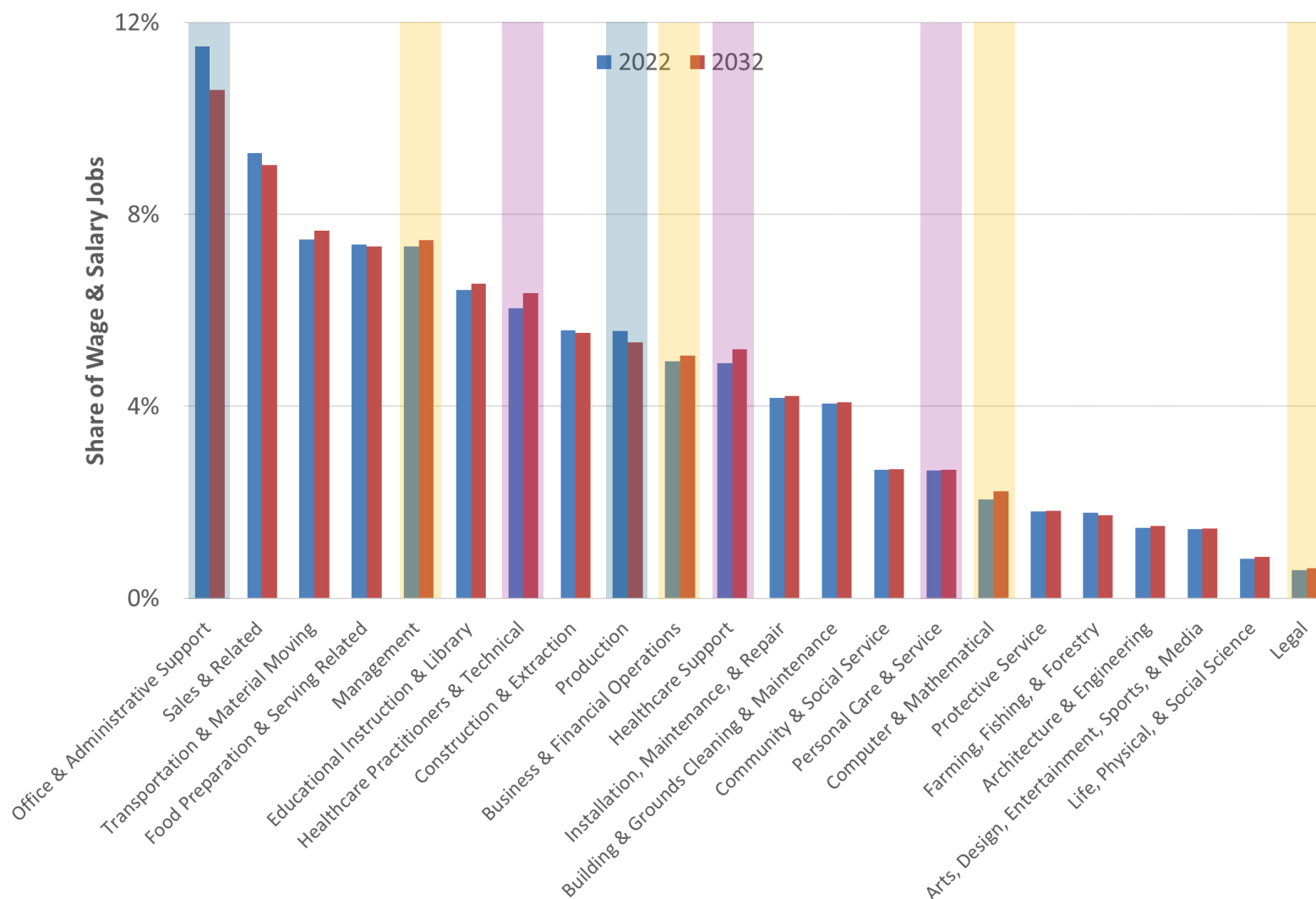
For the decade through 2032 the pattern of relatively moderate change among sectors is expected to continue.



Population aging, productivity improvements, industry change, and other factors, converge to shift the types of jobs that are in demand. In the decade through 2032, prominent expected occupational job trends are:

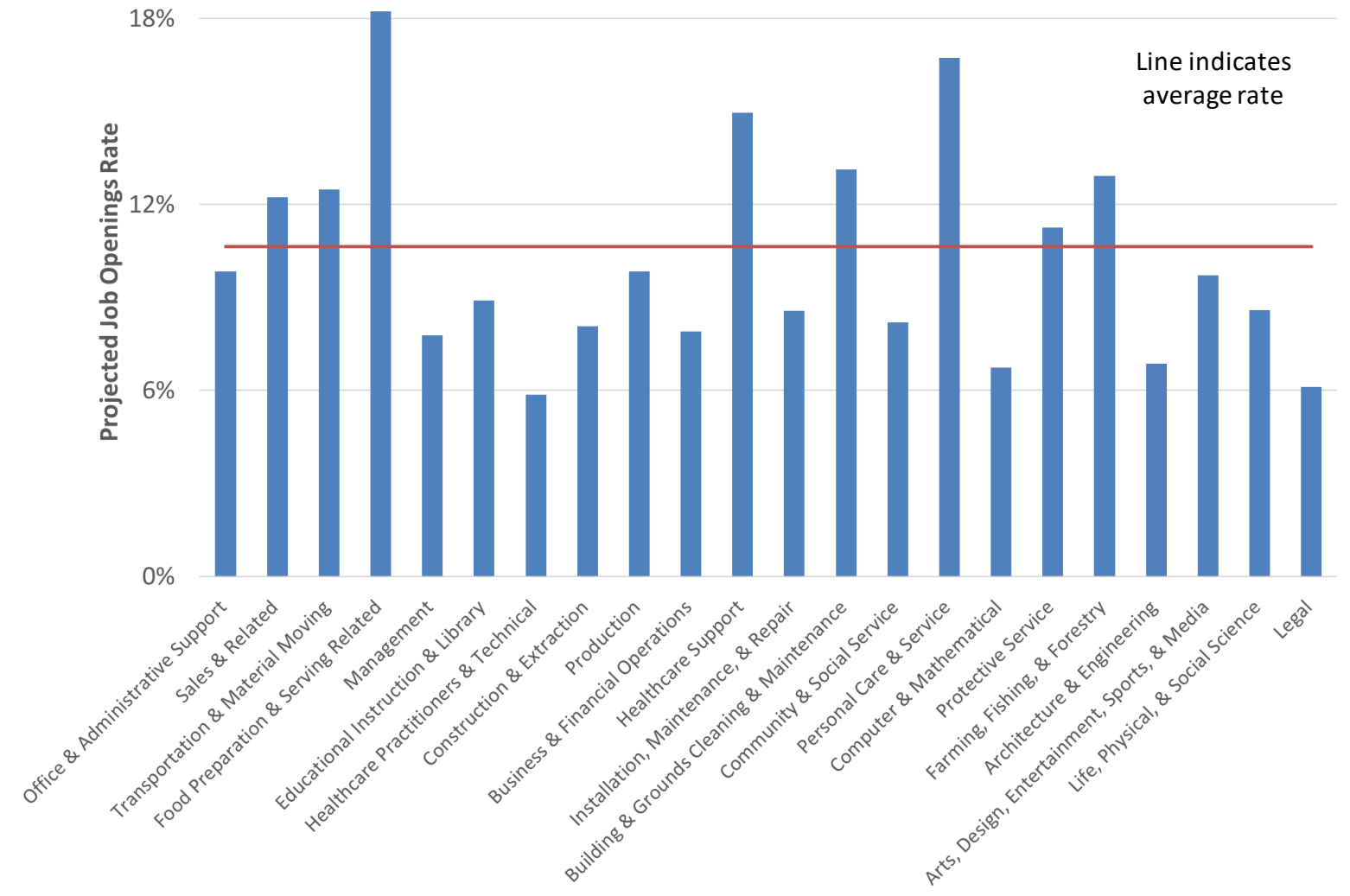
1. An increased share of jobs in personal and healthcare occupations, partly in response to aging.
2. Growth in professional and business services industries contributes to increased shares of jobs in management; business and financial operations; computer and mathematical; and legal occupations.
3. Advances in office productivity applications and in production automation gradually reduce the share of jobs in office administrative support and in production occupations to perform routine functions.

Share of Jobs by Occupational Group, 2022 and Projected 2032



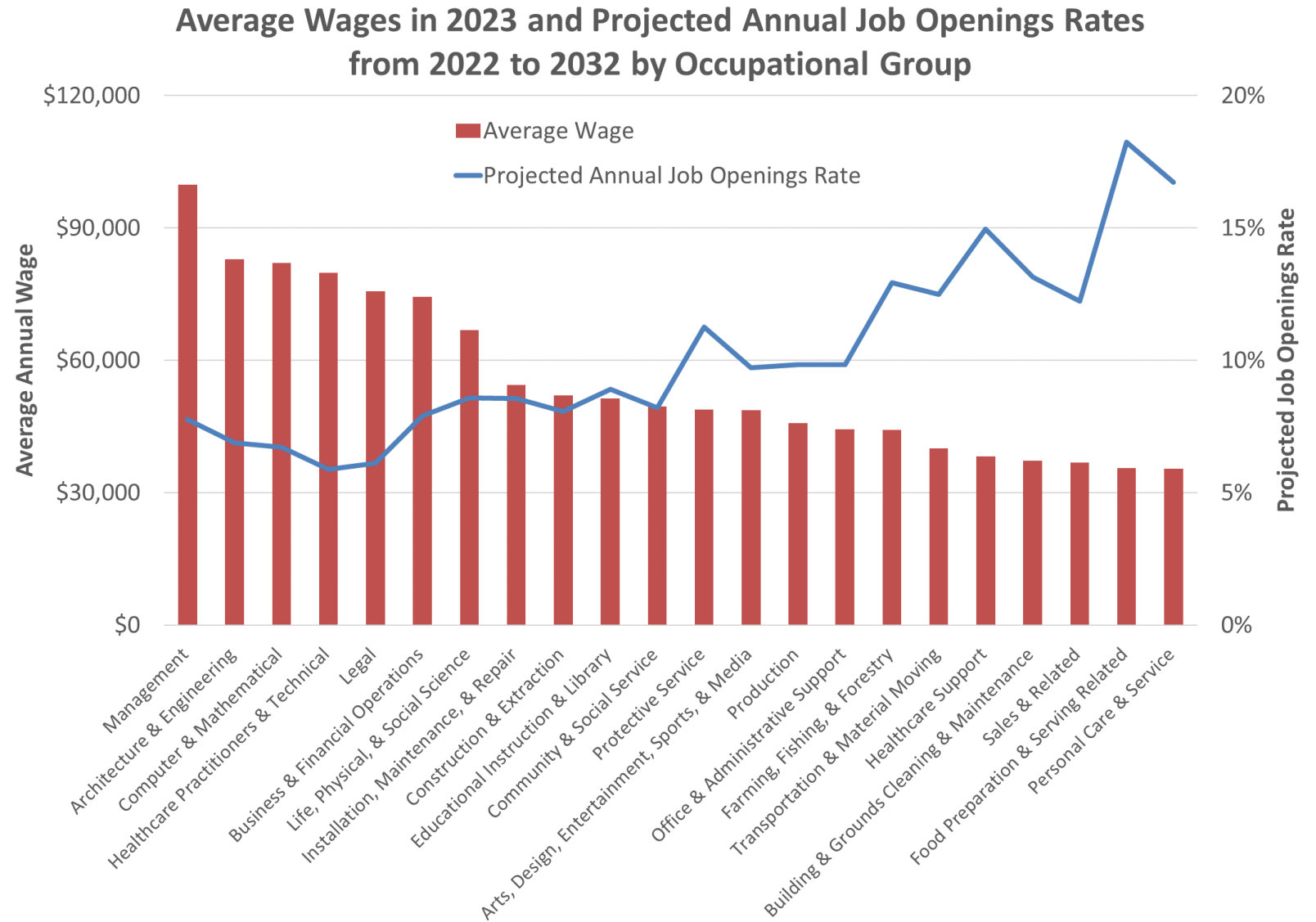
Projected annual job openings rates for the decade through 2032 are quite variable among occupational groups. This reflects factors such as educational requirements and earnings...

Projected Annual Job Openings Rates by Occupational Group, 2022 to 2032



...Wages and job openings rates are inversely related. Jobs in occupations with high average wages generally have low openings rates; jobs in occupations with low average wages generally have high openings rates.

Many factors underlie this. Jobs in well-paying occupations tend to have an older, more established workforce. Jobs in low-paying occupations tend to have a younger, less established workforce...



...And jobs in occupations that usually have higher than average education requirements that also offer higher than average wages generally have low openings rates from low turnover. Jobs in occupations that usually have relatively low education requirements that also offer lower than average wages generally have high openings rates from high turnover.

**Average Wages in 2023 and Projected Job Openings Rate from 2022 to 2032 in Occupations by their Usual Education Requirement**

