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Health Care Employment in Maine

As the health care reform debate continues in Washington it is a good time to examine the size and scope of the industry’s impact on the economy and employment. According to the U.S. Department of Health and Human Services, health care expenditures totaled $2.2 trillion in 2007, which was 16 percent of gross domestic product. The most recent available state data for 2004 indicates that on a per person basis health care expenditures were much higher in Maine than the nation — $6,540 compared to $5,283.

In terms of employment and wages, health care is the largest industry in Maine. In 2008 there were an average of 84,200 jobs in the industry, which paid nearly $3.4 billion in wages. Health care accounted for 14 percent of wage and salary jobs and 19 percent of total wages paid. Nationally, health care accounted for close to 12 percent of jobs and total wages. A range of factors contribute to the industry’s larger share of expenditures, jobs, and wages in Maine than the nation, including an older than average population that is less geographically concentrated than the population of many states.

The structure of Maine health care employment is somewhat different from the nation with a larger share of jobs in nursing and residential care due not only to a higher share of elderly population, but also a high share of jobs in residential mental health facilities. Compared to the nation, Maine has nearly twice as many jobs in residential mental health facilities relative to its population.
Employment in health care grew much faster than the average for all industries between 1998 and 2008 (28 vs. 8 percent), with the fastest growth among hospitals and the slowest growth in nursing and residential care. Health care has once again proven to be relatively recession-resistant, adding 2,100 jobs from the beginning of the downturn in December 2007 through July 2009, while all other sectors combined for 25,600 net job loss.

The $42,400 average wage in health care in 2008 was 17 percent higher than the average for all industries. That was a major contributor lower-than-average health care job turnover. Turnover was generally very low among the highest paying health providers.

The job outlook for health care is bright. Between 2006 and 2016 the number of health care jobs is expected to rise 17 percent, compared to average growth of five percent for all industries. That growth is reflected in the occupational outlook; through 2016 health care-related occupations comprise 25 of the 40 occupations with the fastest projected job growth.