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## Remote Worker Trends pre and post-COVID-19

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# Remote Worker Trends pre- and post-COVID-19

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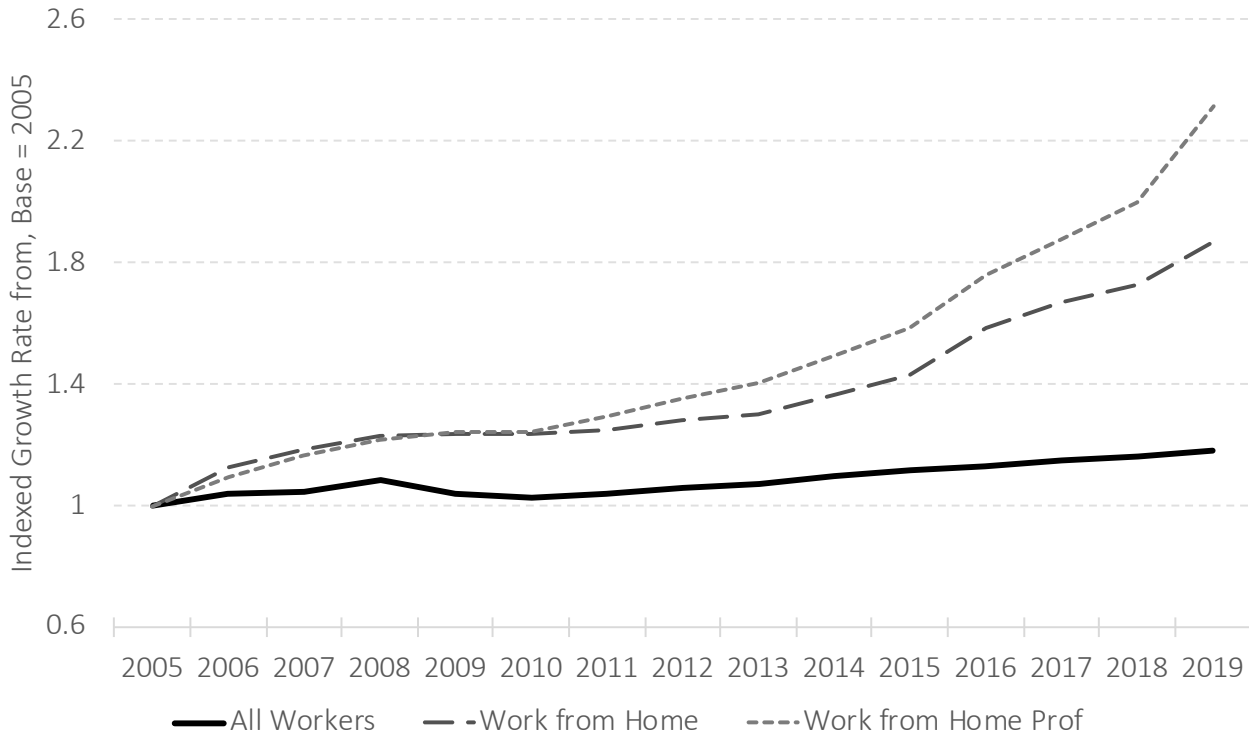
Consensus Economic Forecasting Commission Update October 16, 2020

Remote workers are broadly defined as people that are geographically unbound to where work is completed, subject to technology and occupational constraints. They are not required to physical report to a central office location on a frequent basis and typically can work from *anywhere*.

## Economic development & revenue implications:

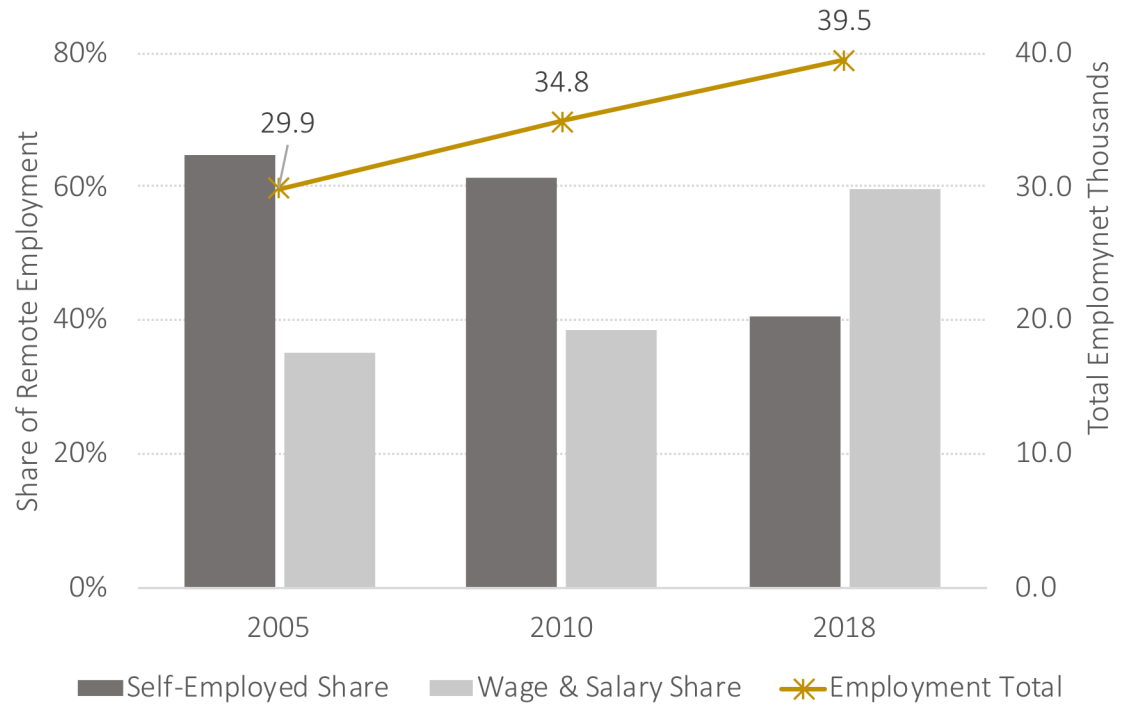
- + Connect residents with economic opportunities outside local / state
  - + Keep people in place, bolster prospects for rural or displaced residents
- + In-state firms access external labor pools
- + In-migration of population
  - + Remote workers have locational flexibility in where to locate
  - + Economic impact (from local consumption effects)
  - + Taxes – employer (depending on treatments) and employee/resident

Remote work (home-based) has increased over 180% since 2005;  
over 220% for "knowledge-based occupations"



In Maine, wage and salary remote employment has grown the fastest, especially post Great Recession (60% absolute growth)

Worker Class Share of Remote Employment, Maine 2005-18



# Remote jobs (and workers) have higher skill and occupational requirements

Compared to Non-remote workers, Remote workers typically have:

- + Higher formal education
- + Higher income levels
- + Are slightly older
- + Migrate over greater distances
- + STEAM industries
- + Characteristics a function of occupation

Source: Wallace (2019)

Occupational Requirements Indicated by BLS O\*Net Job Zone



Increasing skill requirements →

# Remote Workers and Migration Decisions

1. Enables greater locational flexibility when households consider a move.
2. Remote workers are much more likely to decide on a region or place to locate and use remote work as a means to facilitate the move, remote option often emerges out of the decision to move.
3. Provides employment and occupational continuity in which workers maintain or access opportunities aligning with skill sets not available in the new location, also to take advantage of wage differentials.
4. Recreational and other amenities important predictor of where remote workers migrate to and concentrations of remote workers in general.

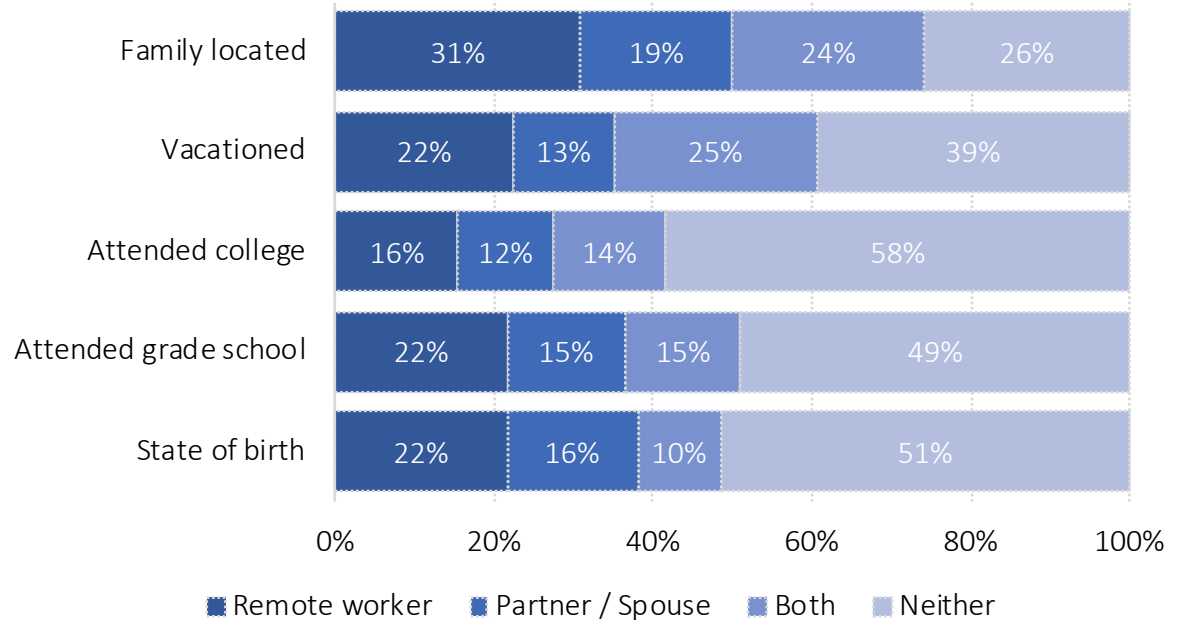
Source: Wallace (2019)



# What are the factors driving migration decisions of remote workers in Maine? – Connections to place

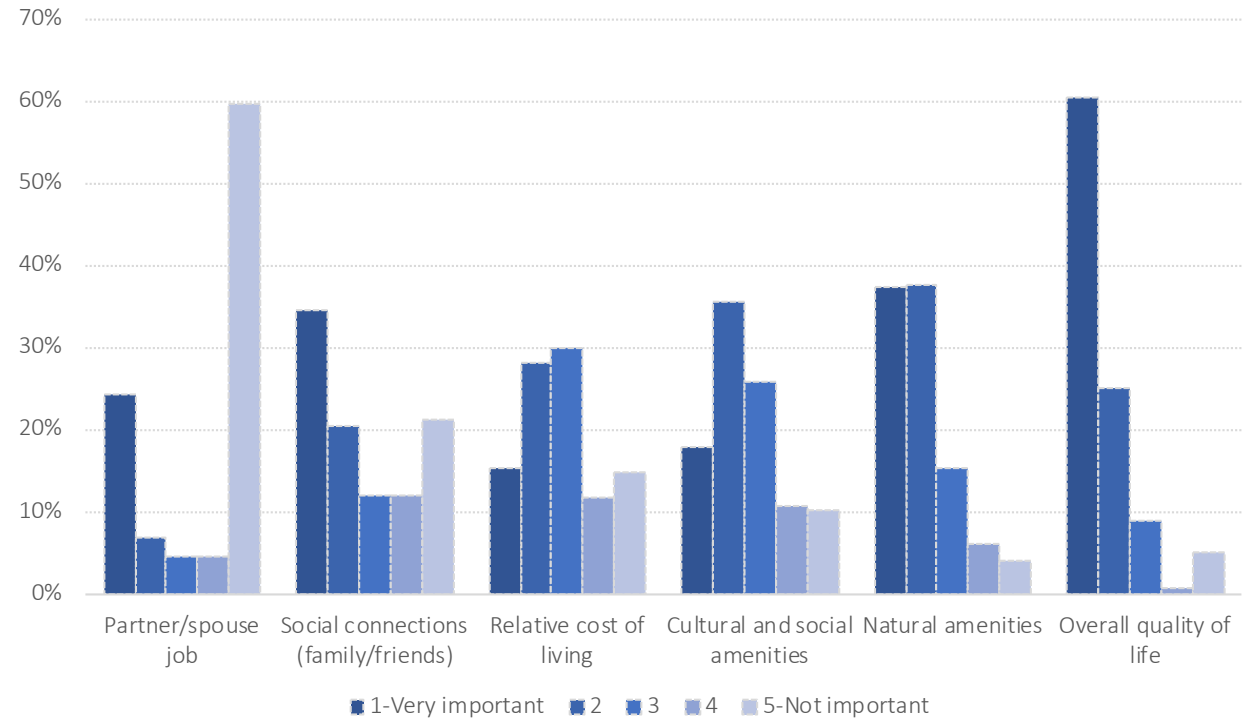
Remote workers have strong personal connections to present location.

“Defining feature of our move.” – Survey response



Source: Wallace (2019)

# Quality of life very important factor; social connections and partners job also important



Source: Wallace (2019)

# Remote Work and COVID-19

- + Studies estimate the share of US jobs that are remote work amenable
  - + 37% to 39% of jobs based on occupations are remote work amenable
    - Dingel and Neiman (2020) & Wallace (2019)
  - + Shifts in technologies, growth in remote work of non-typically jobs (telehealth, e-learning)
- + Surveys gauging whether remote work will stick around post COVID-19
  - + 36% - 40% of firms believe that 40% or more of workers that switched to remote, will continue after COVID-19
    - Bartik et. al. (2020) & National Association of Business Economists (NABE)
- + Potential implications for office demand and questions about migration

## Implications for Maine?

- + Increased in-migration, decrease in out-migration
  - + Greater share of R.E. sales going to out-of-state buyers
- + Seasonal homeowners → Seasonal residents (or longer stays and local spending)
- + Scenario: absorbing another 1,000 remote workers in-migrating to the state
  - + Based on average household incomes = \$100 million in additional personal income (excludes rest of household)
- + Potential adverse affects on housing, prices, etc.
- + Building local labor pool for local firms – circumvents chicken and egg problem?

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