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Introduction: A rapid recovery, but challenges remain

While the robust recovery from the COVID-19 recession is a relief for Maine workers, it hides continued underlying weaknesses in the economy.

In 2020, for the second time in a little more than a decade, the United States suffered one of the biggest economic downturns in its history. The arrival of the COVID-19 pandemic and the public health measures it required resulted in a record decline in economic activity, as well as widespread unemployment and temporary layoffs.\(^1\) Despite this economic shock, many indicators point to a near-full economic recovery just two years later, due in part to a robust fiscal response from the federal government.

As of August 2022, the number of people working in Maine was just 1 percent below pre-pandemic levels,\(^2\) while real gross domestic product (GDP) was 4 percent higher as of the first quarter of 2022.\(^3\) By comparison, the recovery from the Great Recession took much longer, especially in Maine, where budgetary austerity undermined growth.\(^4\)
Maine’s GDP and employment numbers only recovered to pre-2008 levels in 2016, well after the rest of the nation.

While the robust recovery from the COVID-19 recession is a relief for Maine workers, it hides continued underlying weaknesses in the economy. Some of these challenges were present before the pandemic, while others have emerged because of the pandemic’s disruption. Economic gains are undermined by: the highest rates of inflation in 40 years; too many Mainers being unable to participate fully in the economy; and numerous jobs lacking basic protections for workers. Some sectors, especially the public sector and those reliant on state funding, lack the resources to raise wages to hire and retain workers.

The upheaval of the pandemic revealed just how many “essential workers” are underpaid and poorly treated and rekindled a sense of worker solidarity and power. More than ever before, Maine workers recognize their own value — and want employers to recognize it too. Workers are increasingly expecting jobs that offer predictable schedules and the ability to take time off to care for family members or their own health needs. While wages and working conditions have improved during the past two years, there’s clearly more work to do.

To secure a sustainable recovery, which guarantees a thriving future for all Mainers, policymakers need to address these issues even as the immediate economic threats recede.
The major development characterizing Maine’s economy in 2022 is a revival of worker power to an extent not seen in many decades.

Following the economic disruption of the COVID-19 pandemic, workers are reevaluating their options and switching careers at a record pace. Set against the backdrop of the life-threatening pandemic, the large number of layoffs in the spring and summer of 2020, followed by an urgent rehiring in 2021, encouraged workers to maximize their leverage and obtain work that pays better under less arduous conditions.

This has added to a historically tight labor market in Maine. At the bottom of the Great Recession in late 2009, more than four unemployed workers chased each job vacancy. Since then, the job market has improved to the level that in early 2016 there were more open jobs than applicants. As of July 2022, there were two and a half open jobs for each person unemployed in Maine.5
This tight labor market is inherently good for jobseekers. With many more choices available, workers are empowered to seek higher wages, more benefits, and better working conditions. For employers, this increased level of worker power means they need to offer higher compensation and safe and healthy workplaces to remain competitive.

However, there are limits to the extra bargaining power. **As much as worker power has increased, it is still eclipsed by the clout of many corporations and businesses.** This is especially true in sectors with limited competition between employers — for example in health care or retail work, where a handful of large organizations employ the vast majority of workers. Large employers’ outsized market power continues to rise and has long depressed wages in these sectors. Many jobs still offer pay too low to afford economic security for hardworking Mainers.

Individual workers also face an inherent disadvantage when bargaining for better wages and working conditions with employers. Traditionally, unions have helped redress this balance, by allowing workers to negotiate with their employers collectively and indeed there is renewed interest in unionization among American workers. Public support for labor unions is at its highest level since 1965, and filings for recognition of new bargaining units with the National Labor Relations Board have jumped more than 50 percent in the past year. Yet many companies continue to engage in anti-union behavior and make it difficult for workers to exercise their democratic, legally protected rights to bargain collectively. In Maine, for example, unionization by Bates College staff has been held up for months due to challenges from the college’s administration. And a first-in-the-nation effort to form a union at a Chipotle restaurant in Augusta was thwarted when the company closed the store and dismissed all the employees. Meanwhile, some workers in Maine lack even the most basic collective bargaining rights. State law forbids agricultural workers from unionizing entirely and denies public sector workers the right to strike.

Lawmakers must support the ability of workers to negotiate with their employers and strengthen protections for unions and other methods of collective bargaining.

**Maine’s labor market is tightening to historic levels**

*Unemployed Mainers per job opening, February 2001–August 2022 (three-month average)*

![Graph showing unemployment rates in Maine from 2002 to 2022](image)

Brandi McNease worked in the food service industry as a cook, server, manager, and trainer for 20 years. In her most recent position as a trainer for an international restaurant franchise, Brandi sought to improve staff retention by advocating for better pay and working conditions. When she and her fellow workers tried to unionize, their Augusta franchise was closed.

“Restaurant workers are taking on an unprecedented workload while being treated progressively worse by bosses and customers alike. The work is often dangerous, physically demanding, and stressful. We are seen as the ‘servants’ — the peasants. We live paycheck to paycheck and we’re one emergency away from being without a basic need. As a manager, I had a stressful and unpredictable schedule. I frequently worked more than 50 hours per week and had to fill in the gaps when we were short-staffed. As a single mother, the schedule left me unable to be there for my child, both physically and emotionally. I chose to leave for an office job in 2019 for better work-life balance, but also out of defeat. I couldn't work 60 hours in a week, I couldn't hold the crew accountable to ridiculous expectations, and I absolutely wouldn't make our community sick. In 2022 I came back as a trainer, with the goal of empowering the crew and lowering the turnover rate for a more functional workplace. But if our expectations were unreasonable in 2019, now they are just plain impossible. With the explosion of online ordering and delivery services, our existing crew is shouldering more work than ever while remaining severely short-staffed. We were called ‘essential’ during the pandemic — ‘heroes’ even. Now that dining out is considered a luxury again, we are expected to happily return to our station as servants. We don't accept that. Now that the country has seen how valuable we are, it’s time for us to demand that we are cared for as well as workers in any other industry.”

“We live paycheck to paycheck and we’re one emergency away from being without a basic need.”
In the words of workers: Forrest Lorette

Forrest Lorette worked on dairy farms in the Skowhegan area from age 15 until graduating high school. Finding little opportunity for advancement in agricultural work, he transitioned to landscaping and hardscaping, and early this year began a new career as a machinist in a midcoast shipbuilding enterprise.

“I did 4-H from a young age, so it was only natural that I would transition into doing farm work. The first dairy I worked at was a small, dying family farm with 55 Holsteins. I made $5 an hour there. The second dairy I worked at was a much bigger operation, and they paid $12 and then $15 an hour. Back in high school it was just pocket money, but even at $15 an hour, that’s not a lot to live on. I left the agricultural business when I realized there was no way to make good money at it, and it’s dang near impossible to start a milking operation from nothing. In my new career I see a lot of challenging obstacles to overcome. The best part of being in a union job is the benefits — I get paid extra for working over 40 hours, I have health insurance, sick days, paid vacation. To me it’s fantastic, and the union really has your back on most stuff. Farming is the toughest job in the world, but people that have farm experience have the capability to fix stuff in the farm-hard way, thinking like a farmer. In my opinion that’s what the industrial field needs more of.”

“The best part of being in a union job is the benefits — I get paid extra for working over 40 hours, I have health insurance, sick days, paid vacation.”
Policy recommendations to boost worker power

Guarantee Mainers the right to unionize without interference. Several states require businesses that receive state contracts to sign “labor peace” agreements, in which employers promise to allow workers to organize without interference and employees agree not to disrupt business operations. This prevents employers from abusing their power over workers to make it difficult to unionize or to spread misinformation about the collective bargaining process. Conceptually, this is like Maine’s existing requirements that state contractors have affirmative action plans in place.

Improve the bargaining power of Maine’s public sector workers. Collective bargaining is an important tool to make sure workers get a fair shake at the bargaining table. Yet current state law in Maine denies public sector workers access to two important tools. When workers and management cannot come to a mutual agreement, the decision can be referred to a team of independent arbiters. Yet in Maine, arbitration decisions on wages or benefits such as retirement plans and health insurance are not binding. This leaves management free to ignore workers’ demands. What’s more, public sector workers in Maine are not allowed to strike, leaving them without even this last recourse to make their voices heard. These disadvantages are partly why public sector wages in Maine lag those in other states as well as their private-sector equivalents. At least 12 other states allow some groups of public sector workers the right to strike, including Alaska, Minnesota, and Vermont, and many others employ binding arbitration to resolve disputes over wages and benefits. Maine lawmakers should authorize both methods to improve the ability of public workers to negotiate with their employers.

Allow agricultural workers to bargain collectively. Currently, agricultural workers are one of the few groups in Maine that cannot bargain collectively through unions and wage boards. Maine’s wage and hour laws also do not protect them. Maine’s many farm workers, whose jobs are seasonal and migratory, have very little power as individuals to negotiate with their employer. As a result, farm workers can be paid far below the state’s minimum wage, and sometimes must endure very poor working and living conditions. Agricultural workers are primarily Black, Latino, and Indigenous people, and their exclusion from labor laws is rooted in historic racism.

Amending Maine’s labor laws to give agricultural workers equal rights would go a long way toward improving their working conditions. Additionally, lawmakers should consider establishing an agricultural wage board as states such as New York have done. This board would bring together representatives of workers and farm owners to negotiate minimum wages and working conditions across the entire agricultural sector. This would help establish consistent minimum standards across a very dispersed industry in a way that benefits both parties.
Too many Mainers are still excluded from work

Public policy in Maine needs to simultaneously support the ability of more “prime-age” workers to participate in the labor force, help employers support those older workers who wish to keep working, and give older Mainers the financial security to fully retire if and when they desire.

Despite the historically strong labor market, for reasons including health issues, caregiving responsibilities, lagging opportunities in rural communities, and structural racism, some Mainers still face barriers to participating fully, or at all, in the workforce. Labor market data demonstrate there are jobs available for these Mainers and increasing their ability to work would strengthen Maine’s economy without lowering wages for existing workers.

One key measure of labor force participation is the share of 25- to 54-year-olds working or looking for work (known as the “prime-age labor force participation rate”). This measures the extent people of prime working age are able to engage in the labor force. A low rate often indicates people are either discouraged about their ability to find a job with a sustainable wage or in some way prevented
Prime-age Mainers returning to the workforce, still below historic rates

Share of 25- to 54-year-old Mainers working or looking for work, January 1998–August 2022 (twelve-month average)


from working (for example, a health condition, lack of child care, or transportation issue). Nationally, and in Maine, this number increased steadily for many decades and peaked in 1999. At that time, 87 percent of Maine’s prime-age population was either working or looking for work. However, each economic recession has led to a significant number of prime-age Mainers leaving the workforce, many of whom do not return. For example, just before the Great Recession, in October 2009, 85 percent of prime-age Mainers were in the labor force. In the immediate wake of the recession, this shrank to 83 percent and continued declining through Maine’s sluggish recovery to a low of just over 80 percent in 2016. From there, the share of Mainers in the labor force recovered to its pre-recession level by late 2019 — just before the COVID-19 pandemic forced huge numbers of people out of the workforce. While the prime-age labor force participation rate, like the overall number of employed workers, has recovered relatively rapidly over the past year, it’s still just over 83 percent. That’s below pre-pandemic levels and even further below Maine’s historic peak.

If Maine’s prime-age labor force participation rate was at 2019 levels, another 9,000 Mainers would be in the workforce. If it rose to 2001 levels, the labor force would have 19,000 more workers than today. That’s somewhat more than the current workforce of Auburn or Scarborough.12

The impacts of lagging prime-age participation rate do not fully show up in Maine’s overall employment numbers because the older population is remaining in the workforce longer. As the “baby boomer” generation reaches traditional retirement age, many experts predicted a crisis for Maine’s workforce.
However, the effect is smaller than expected due to this tendency to continue working. Between 2000 and 2019, the labor force participation of Mainers between age 55 and 84 increased enough to add an extra 30,000 older Mainers to the workforce — more than offsetting the 10,000 “missing” prime-age Mainers over the same period.

This shift in working habits for older Mainers reflects both hopeful and concerning trends. On the one hand, improvements in health care make it possible for people to work later in life. On the other, at least some of this employment may be driven by necessity. Increasingly, older Mainers are retiring without employer-sponsored or individual retirement savings and relying on Social Security as their main source of income. To supplement this inadequate benefit, an increasing number of older people are required to work just to meet basic needs.

Public policy in Maine needs to simultaneously address several objectives: support the ability of more “prime-age” workers to participate in the labor force; help employers support those older workers who wish to keep working; and give older Mainers the financial security to fully retire if and when they desire.

For prime-age workers, several obstacles to labor force participation stand across datasets and surveys. One of the biggest obstacles is poor health. Between 2000 and 2019, the share of prime-age Mainers with health issues or disabilities that prevented them from working increased from 5.2 percent to 6.6 percent, representing an additional 7,000 people unable to work due to health problems.

There are also signs the COVID-19 pandemic may have further worsened this situation. In the 12 months prior to June 2022, the share of prime-age Mainers with health difficulties preventing them from working increased to 9.2 percent, representing another 11,000 people over 2019 levels. This increase may be attributable to two factors: individuals with underlying health issues that make them more vulnerable to COVID-19; and individuals suffering from forms of Long COVID.
Caring for a family member is another common reason for prime-age Mainers to be out of the workforce. Approximately 22,000 Mainers who aren’t working or looking for work cite child care as the primary reason. Another 7,000 are caring for an elderly person. These responsibilities still fall disproportionately on women, who are almost six times as likely than men to be out of work caring for a child and almost twice as likely to be caring for an older family member.

Mainers with higher levels of education are far less likely to have dropped out of the labor force over the past two decades. The share of Mainers without any college degree who were in the labor force fell from 85 percent in 2000 to 78 percent in 2019, while for those with an associate’s or bachelor’s degree, the share rose, from 91 percent to 94 percent, over the same time period. This reflects the increasing importance of education in the labor market and the difficulty workers without a college credential face finding sustainable employment. In a 2021 Maine Department of Labor effort surveying Mainers receiving unemployment compensation, respondents identified “lack of opportunities that match my skillset” as the most common barrier to work. This was true for one-third of unemployed Mainers. The historic data show that even a basic college credential such as a two-year associate’s degree can prevent labor force drop out. Ensuring community college is low cost should be a priority for lawmakers.

There are also clear differences between Mainers living in the Greater Portland area and the rest of the state. Over the past 20 years, the share of prime-aged Mainers who are at work is consistently lower outside the Portland Metro area (Cumberland, Sagadahoc, and York counties). At the peak of the labor market in 2000, 83 percent of prime-aged Mainers outside the Greater Portland area were working, compared to 91 percent of prime-aged Mainers inside. And while employment rates followed similar patterns over the last two decades, the rate for rural Maine has been consistently lower. The 2021 Maine Department of Labor survey confirmed the local job market can be a barrier to returning to work. One in five respondents said there were “no relevant jobs in [their] local area.” A smaller number (6 percent of respondents) also listed lack of access to reliable transportation. Policymakers must support good job opportunities in rural Maine and empower residents to be able to access those jobs.

Historically disadvantaged and marginalized groups are still not fully benefiting from the tight labor market. Nationally, Black, Indigenous, and Latino Americans face higher unemployment rates than white Americans as a result of historic and contemporary racism. While the recent strong job market has led to some of the lowest levels of unemployment for Black and Latino Americans on record, these rates remain up to twice as high as the unemployment rate for white Americans. There’s not enough data to assess this pattern at the state level, but previous MECEP research has shown employment disparities in Maine are similar to those in the US as a whole.
Gervin Kah is a telecommunications engineer and former member of the Gabonese National Assembly who arrived in Maine in early 2022, seeking asylum. Although Gervin’s qualifications include a degree in network administration and computer maintenance, laws regarding asylum seekers currently prohibit him from working. Starting from the time his asylum application is received, he must wait a minimum of 180 days before he is allowed to apply for a work permit and a Social Security card. Sometimes the process takes far longer.

“Asylum seekers usually wait three weeks for acknowledgment the application was received, but I waited four months for mine,” Gervin told MECEP. With that delay, it’s likely Gervin will wait a full year before he can start applying for jobs. “I’ve now been waiting for 10 months. I hope to start working in January,” Gervin said. For skilled workers anxious to support themselves and provide for their families, the wait can be painful. “I want to have a house and take care of myself, my friends, and my family. It’s difficult to support myself without working,” Gervin said. “I feel stressed, impatient, scared, sad, and hopeful.” While he waits, living in temporary housing in a Motel 6, Gervin keeps himself busy with English lessons at Portland Adult Education, membership in the Portland Rotary Club, and volunteering at the Red Cross Blood Donor Center and his church food pantry. Despite the difficult path to employment for new Mainers, Gervin wants his new neighbors to know how grateful he is to those helping him settle in. “I’m so happy to be here because I have faith and hope and I have started to make friends. I want to give thanks to the American people, the city of Portland, and the organizations that help immigrants,” Gervin said. “I hope Americans respect immigrants because we want to work. Many of us are talented professionals and we can help society.”
Continue public health measures to minimize the spread of COVID-19. The COVID-19 pandemic is not over. The development of a vaccine greatly reduced the number of deaths and severe hospitalizations from the disease, but there are still significant numbers of Mainers becoming infected on a regular basis, increasing their risk for chronic Long COVID symptoms and keeping them out of work. New variants continue to emerge, changing the epidemiological landscape. Public health officials should encourage regular booster vaccinations, access to antiviral treatments, and non-pharmaceutical interventions such as masks to reduce worker absences. Lawmakers should ensure COVID-19 vaccinations are included in existing lists of required vaccines for occupations such as health care and nursing home workers, and for public K-12 and higher education institutions.

Encourage employers to make accommodations for Long COVID sufferers. State laws and policies must recognize the widespread prevalence of Long COVID, particularly in the workplace. Federal agencies have already confirmed severe cases of Long COVID can be covered by the Americans with Disabilities Act (ADA). Maine state agencies such as the Maine Human Rights Commission and Workers’ Compensation Board should offer clear guidance to help people suffering with Long COVID in Maine gain appropriate accommodations and qualify for income supports as needed.

Strengthen access to health care including mental health services. Over the longer term, helping Mainers thrive in all aspects of life — not just work — requires health care for all. Maine made substantial progress in this area with the expansion of Medicaid eligibility in 2019, giving 95,000 Mainers with low income access to affordable health care. Yet a significant number of Mainers, including one in 10 workers, are still forgoing medical care due to cost each year.

Develop a comprehensive child care subsidy program. The only way to ensure child care is affordable for most parents while paying a sustainable wage to workers is for the state to provide a significant subsidy to the industry. While the temporary monthly wage boost currently in effect is a good start, it is ultimately insufficient. Maine should develop a program to subsidize wages and cap costs.

Continue to fund free college. Beginning in 2022, Maine is temporarily funding free community college education for high school graduates impacted by the COVID-19 pandemic. This program has already resulted in higher enrollment at community colleges and gives thousands of Mainers the opportunity to improve their workforce prospects without incurring debt. Lawmakers should build on the success of this pilot program and enact a permanent program to provide two years of free undergraduate education for all Mainers in the community college and university systems.

Properly enforce anti-discrimination laws. Maine already has a series of robust anti-discrimination laws in the Maine Human Rights Act and elsewhere. However, these promises of equal treatment in the workplace cannot be fully realized without adequate enforcement funding and staffing. Lawmakers must ensure the Bureau of Labor Standards and Maine Human Rights Commission are fully funded in future budgets. Additionally, lawmakers should allow private citizens to bring anti-discrimination lawsuits on behalf of the state. This “private right of action” empowers workers to tackle the issue directly and allows for more oversight than state agencies alone can provide.
While rising wages are helping many employers attract and retain workers, employment in some sectors is still significantly below pre-pandemic levels. As a result of the strong labor market, many workers in Maine have seen substantial wage increases as employers have offered higher wages to retain existing workers and attract new employees. However, a rapidly rising cost of living has dulled the benefit of these higher wages to workers. In the 12 months preceding August 2022, wages for Mainers in the middle 20 percent of earners averaged $22.90 per hour, up from $19.40 per hour three years ago — an increase of just over 18 percent. During the same period, the Consumer Price Index, a measure of inflation, increased almost 13 percent, driven partly by global instability, changes in consumer spending patterns, and profiteering by corporations. A real-terms wage increase of just under 5 percent over three years is much more modest than the substantial increase indicated in many news headlines.
Moreover, while it’s not possible to accurately measure wage growth on a month-by-month basis at the state level, more current national data show inflation is increasingly overtaking even these modest gains in recent months.

In Maine and nationally, wage gains are strongest for workers with low wages, particularly in service sectors that are still understaffed compared to the period before the pandemic. For these workers with the lowest wages, real wages are still above pre-pandemic levels even after accounting for inflation. Average leisure and hospitality wages in Maine in August 2022 were just over $21 per hour, which is 13 percent higher in real terms than in August 2019.\(^{31}\) Maine’s minimum wage law has also helped support workers with low wages during the period of high inflation. The cost-of-living indexing in the wage law has increased the minimum wage from $12 per hour in 2020 to a projected $13.80 per hour in 2023. This will boost the wages of an estimated 147,000 Mainers. Without the annual cost-of-living increases, these Mainers may have seen a real-terms wage cut of up to 15 percent over the past three years.\(^{32}\)

Despite wage gains for lower-income workers, income inequality in Maine continues to be a concern. For example, women were the primary beneficiaries of wage gains in occupations with low wages but they still earn just 87 percent of men’s hourly wages in 2022, compared to 86 percent before the pandemic.\(^{33}\)

Rising wages are helping many employers attract and retain workers. However, employment in some sectors is still significantly below pre-pandemic levels. These include jobs in state and local government, long-term care, and social assistance.\(^{34}\)

These sectors share characteristics making them unattractive for workers. Jobs tend to have irregular hours which make income unpredictable and arranging supports like child care difficult. The COVID-19 pandemic also highlighted the generally difficult working conditions — many of these industries saw the highest rates of on-the-job infections and deaths from COVID-19.\(^{35}\)

And, primarily, they tend to be jobs with low wages. In Maine, the typical hourly wage in 2021 for child care workers was $14.16, and $14.28 for personal

**Change in wages for Maine workers, 12 months ending August 2019 to 12 months ending August 2022**

<table>
<thead>
<tr>
<th>Bottom 20%</th>
<th>Next 20%</th>
<th>Middle 20%</th>
<th>Upper 20%</th>
<th>Next 15%</th>
<th>Top 5%</th>
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<td>15%</td>
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care aides, making these some of the lowest-paid professions in Maine.\textsuperscript{36}

For two particular industries — child care and direct care for adults — the question of low wages bears closer examination and attention from state lawmakers. Both represent a failure of typical market forces and require public support to function correctly for workers as well as those receiving care. The adult care industry is already largely reliant on government funding through the Medicaid program (known as MaineCare in Maine). Nationally, Medicaid is the single-largest source of funding for long-term adult care,\textsuperscript{37} which pays for patient care at set rates. However, these rates are consistently too low to pay care workers a sustainable wage. This has made it increasingly hard for care centers to attract and retain workers.\textsuperscript{38} The legislature recently took steps to address this, requiring rates be set at a level that allows workers to be paid at least 125 percent of the statewide living wage. As yet, it is unclear whether this rate is high enough to solve the workforce crisis.

Some research suggests wages need to rise much higher, to $22 per hour, to provide a sufficient supply of care workers.\textsuperscript{39}

The child care industry in Maine faces similar challenges to the direct adult care industry. In general, low wages are making it hard for centers to recruit and retain staff. As many as 85 percent of child care centers in Maine are experiencing staffing shortages, with low wages overwhelmingly identified as the biggest barrier to recruitment.\textsuperscript{40} Yet at the same time, even with relatively low wages, the cost of care is unaffordable for many parents.\textsuperscript{41} The result is a fundamental market failure. Unlike adult care, however, the state has traditionally provided only limited support to child care wages. A recent federal proposal would have provided subsidies to child care centers to greatly increase wages while capping costs for parents based on their income levels.\textsuperscript{42} While that federal proposal has stalled, Maine took a step in this direction by providing a temporary direct wage subsidy of $200 per month to child care workers. The state needs to build on this work to create a sustainable program of wage supports for workers and tuition subsidies for parents.

\begin{table}[h]
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\begin{tabular}{|c|c|c|c|c|}
\hline
 & State education & State other & Local education & Local other & Nursing and residential facilities & Social Assistance \\
\hline
Change in employment between 2019 and 2022 & & & & & & \\
\hline
\end{tabular}
\end{table}

\textit{SOURCE: MECEP analysis of US Bureau of Labor Statistics, Small Area Employment data. Percentage change shown is between August 2019 and August 2022 for most sectors. For local education and state education the comparisons are between June 2019 and June 2022, to account for the school year calendar.}
Terri Crocker is the owner of Creative Play Childcare in Bath, serving 32 children ages 5 months to 13 years old. Terri has worked in early childhood education for 29 years, and as the owner of Creative Play for 19 years.

“Our early childhood education system is sinking. There are so many families in Maine with no options for child care. So many programs are closing. Waitlists are growing. Staff are leaving for jobs with better wages and less burnout, and families can’t handle the rate increases. We need more home-based child care, but it’s hard because of the different rules for licensing and building and fire codes in each town. The confusion discourages a lot of people from starting a home-based business. Early childhood educators need livable wages, benefits, and appreciation for the work they do. Most are college-educated professionals or empathetic, passionate caregivers. Public investment in early childhood education would encourage more people to pursue a career in child care and benefit families from all economic backgrounds. That in turn would boost our workforce nationwide and strengthen our education system.”

Caitlyn Belanger is a preschool teacher in her fourth year at Creative Play. She works with 12 children ages 2 to 4.

“Right now, the biggest struggle is finding educated people and keeping them in the field. Many educators left child care to find higher paying jobs. Everywhere is short-staffed right now, but in child care, being short-staffed leads to overworking and burnout. Wages have been an issue for years, especially compared to other fields. In early childhood we teach children the fundamentals they need to move forward with their learning, yet there is a significant gap between K-12 and early child educator pay. Our love and passion we put into our work hasn’t changed, but the need for quality care is high and no one seems to want to go into child care anymore.”

“Early childhood educators need livable wages, benefits, and appreciation for the work they do.”
Chrissie Davis has operated nationally accredited Bouncing Bubbles Child Care from her Skowhegan home for 21 years. She independently serves six children ages 6 weeks to 12 years old before, during, and after school hours all year long.

“Eleven-hour days are the norm, with no breaks. I open at 6:00 a.m. to accommodate families that need to be at work by 6:30 a.m., and often have a child or two until 5:00 p.m. The closest thing I have to a break is naptime, but I use that time to catch up on paperwork and Zoom meetings. During the pandemic, I calculated my hourly wage. I was disgusted to learn that it was $10.93 per hour, which didn’t even include evening or weekend trainings, meetings, or running errands for the business. I try to keep my rates as low as possible because I know that child care is a huge expense for families. I’ve seen the stress on families increase significantly over the years, which creates added stress for the kids. I’ve seen families who don’t qualify for financial assistance struggle to decide whether both parents should continue to work due to the rising cost of child care. I’ve also seen single-parent families completely exhausted with the pressures they’re under. At the same time, I need to be able to survive financially. Every day, child care facilities close because they can’t afford to stay open and because they can make more money working fewer hours with less responsibility at a box store. If I had to close, six businesses would be affected due to six employees’ lack of child care. Child care providers should be making a wage comparable to public school teachers. Our hours are longer, we don’t have benefits, and we not only teach, but also serve as the cook, nurse, administrator, janitor, and more. In a perfect world, I would receive a thriving wage rather than a surviving wage, and that burden would not be on parents to pay.”

“In the words of workers: Bouncing Bubbles Child Care

“If I had to close, six businesses would be affected due to six employees’ lack of child care.”
Michelle Belanger is the program coordinator at Youth and Family Outreach in Portland. The nationally accredited child care center’s 15 employees serve 58 children ages 6 weeks to 5 years old. Michelle has worked in many different capacities during her 25 years in early childhood education, including as a Pre-K and toddler teacher. She has worked at Youth and Family Outreach for 14 years.

“Since the pandemic started, I’m seeing parents really struggle to make ends meet. Since our staff and many of our families can’t do their jobs from home, both groups of parents had to find care for school-aged children when schools went remote. Quarantine periods meant that children couldn’t attend care up to 14 days at a time and parents — including our staff — couldn’t work. As we’re coming out of the pandemic, gas, rent, and inflation are forcing many educators out of the field for higher paying, less stressful jobs that offer more flexible schedules. Many child care facilities have gone out of business or reduced services because of staffing shortages. The prospects for the field are slim. College students want to work in public schools, for the money, the schedule, and the respect that comes from being a “teacher” in a school versus a teacher for kids under age 5. The field can’t compete. Who wouldn’t want summers off? But guess who wouldn’t be able to teach in a public school if they couldn’t drop their 2-year-old off at child care? Teachers.”

“Lynn” is one of the educators at Youth and Family Outreach who works with two and 3-year-olds. She is an asylum seeker who came to the US with a degree in pedagogy from the Democratic Republic of Congo and has 10 years of experience as an early childhood educator.

“Lynn” is one of the educators at Youth and Family Outreach who works with two and 3-year-olds. She is an asylum seeker who came to the US with a degree in pedagogy from the Democratic Republic of Congo and has 10 years of experience as an early childhood educator.

“When schools went remote, we lost so many families. Now as that challenge seems to ease we’re facing a shortage of teachers and an even higher demand for child care. We have longer wait lists and less quality time to spend with each child. It adds more stress on us, less planning time, less effective teaching. Low pay is the biggest challenge educators face right now. We build a big part of the foundation children need to succeed in school. We prepare them to be independent, express their feelings, listen to teachers, hold writing materials, and more. But we are not recognized for it. This is a job I went to school for here and back in my home country. But I’m unable to provide for all the needs of my family. I have a hard time staying. It is a constant battle between my heart and my brain.”

Pictured: Lynn draws with kids during morning recess as they practice holding crayons.
Policy recommendations to boost wages

Preserve and expand Maine’s minimum wage law. Maine’s current minimum wage law, including its provision to index the wage to inflation, has helped preserve the paychecks of Mainers during a period of rising costs of living. Prior MECEP research finds Maine could go further and increase its minimum wage to $16 per hour by 2025. Doing so would increase wages for 351,000 workers with low wages and improve income equality in the state.\textsuperscript{43} Removing loopholes in the current law for groups such as tipped workers, agricultural workers, and domestic workers would also ensure all workers are paid fairly.

Ensure direct care support workers are paid adequately. This must begin with updating the recently passed legislation, which pegs MaineCare reimbursement rates to the state’s minimum wage. Currently, the law requires rates that allow for wages at 125 percent of the statewide minimum wage. The law should be amended to include local minimum wage rates (such as that in effect in Portland) to support direct care workers in those areas. Furthermore, despite this significant step forward, more work needs to be done.

Require wage transparency on job applications. Applicants deserve to know how much a job will pay before they spend time and money applying for the position. Requiring employers to post a minimum wage rate or a range of possible salaries would allow them to make more informed decisions about their labor. It should also help to reduce gender, age, and racial discrimination in wage rates. In 2021, Colorado included such a provision in its “Equal Pay for Equal Work Act.”\textsuperscript{44}
Working conditions are improving but need more guarantees

The increase in workers’ bargaining power during a tight labor market has raised wages and helped improve conditions in the workplace, but there is more to do to improve other aspects of working life.

The COVID-19 pandemic and the tightening labor market caused Americans to reevaluate the way they work. Over the past year, Mainers, like other Americans, have engaged in “the great reshuffling.” In 2021 and 2022, there was an unprecedented amount of “churn” in the labor market — people leaving their jobs for new positions. Recently, both the share of Maine workers quitting their jobs and the share of workers being hired at new positions are the highest in at least two decades. For each of the first six months of 2022, an average of 17,000 Mainers quit their jobs while companies hired an average of 27,000 Mainers to new positions.

Higher wages are the primary motivation for most job-switchers. In 2019, MECEP surveyed Maine workers about their priorities for a “good job.”
Adequate wages were by far the largest concern. However, Mainers also identified other improvements including affordable health insurance, more available and predictable hours, and increased paid time off. The increase in workers’ bargaining power during a tight labor market has raised wages and helped improve conditions in the workplace. Yet, just as the recent wage gains have only partially achieved progress for Maine workers, there is more to do to improve other aspects of working life.

As might be expected in a tight labor market, fewer Mainers work part-time jobs because they can’t find full-time work. As recently as 2014, 17,000 Mainers of prime working age reported working part-time because they couldn’t find full-time work year-round. By early 2020, that number had declined to 6,500 — already the lowest level since 2007 — and it has since declined to 3,600. However, the total number of Mainers working part-time remains relatively high, in large part because finding affordable child care is an increasingly common barrier to full-time work.

Mainers appear to be working somewhat more predictable hours. The share of workers who reported having no fixed hours at their main job was just 6.7 percent in the 12 months ending June 2022, a steadily declining number as the labor market has tightened over the past few years.

Maine’s new paid time off (PTO) law has clearly improved the quality of many jobs for Mainers with low wages. The law provides up to 40 hours a year in PTO for workers in non-seasonal businesses with at least 11 employees. This covers approximately 85 percent of employees in Maine. As a result, Mainers are now much more likely to be paid when they must take leave, reducing the financial insecurity that can come with being sick or needing to care for a loved one.
On average, in the five years preceding the pandemic, approximately one in three Mainers received pay when they had to take time off work. In 2022, the first year the new paid leave law was in effect, this share increased significantly to 54 percent. This is clear evidence that public policy can have an immediate and tangible benefit to workers.

Even with this improvement, there are still significant numbers of Mainers facing financial hardship if they need to take time away from work for an illness or to care for a loved one. Expanding the scope of the law to cover more Mainers would help close this gap, as would creating a statewide paid family and medical leave program for when Mainers need to take extended time away from work.

### Maine workers cite priorities for a good job

<table>
<thead>
<tr>
<th>Most important qualities of a good job</th>
<th>Share of respondents rating “extremely” or “very” important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good pay</td>
<td>89%</td>
</tr>
<tr>
<td>Quality, affordable health care</td>
<td>85%</td>
</tr>
<tr>
<td>Predictable schedules with adequate hours</td>
<td>80%</td>
</tr>
<tr>
<td>Paid vacation</td>
<td>79%</td>
</tr>
<tr>
<td>Paid sick time</td>
<td>77%</td>
</tr>
<tr>
<td>Paid family &amp; medical leave</td>
<td>70%</td>
</tr>
<tr>
<td>Opportunities for advancement</td>
<td>69%</td>
</tr>
<tr>
<td>Flexible schedules</td>
<td>63%</td>
</tr>
<tr>
<td>Opportunities for training and education</td>
<td>54%</td>
</tr>
<tr>
<td>Ability to work overtime</td>
<td>49%</td>
</tr>
</tbody>
</table>

A tightening labor market means more predictable schedules for workers

Share of working Mainers with no fixed hours at their primary job, December 2007–June 2022 (twelve-month average)


New paid time off law has significant impact

Share of absent workers receiving pay

Kate Hunter worked in food service in breweries, pubs, and restaurants for 12 years, where it was her primary source of income. She lost her job in a Portland restaurant when the COVID-19 pandemic hit and did not return when service resumed. Kate relocated to the Skowhegan area and now works for a life-long learning platform that is a program of the Maine State Library system.

“Waiting tables can be totally unpredictable. I could spend six hours working a slow Monday night and leave with $12 in my pocket. On the other hand, I could work a Saturday brunch shift and walk away with $150. There was never any consistency, so it was difficult to plan for things like rent, groceries, and bills. You can really suffer financially in the slow shifts and seasons. In all my time working in this industry, nobody has ever felt like they’ve had enough money. You make more as a server or bartender than you can as a dishwasher, runner, hostess, or cook, but each position has its challenges. Chances are, you’re being pushed to your physical and mental limit. I have never seen so much emotional abuse and sexual harassment as I’ve seen in the restaurant industry. I’ve been written up for my hair, I’ve been touched inappropriately, I’ve had customers scream at me. Nobody cares about you or sees you as a person with feelings when you’re serving them food. I was forced out due to the pandemic. Little did I know that would be the best thing that ever happened to me. I make so much more money and actually have free time now. I’m building a house (pictured), I can play the ukulele. I feel free. Now that I’ve had a chance to step away, I never want to go back.”

“There was never any consistency, so it was difficult to plan for things like rent, groceries, and bills.”
Policy recommendations to balance work and home life

**Create “fair workweek” standards.** Predictable and adequate schedules are a high priority for Maine workers, yet too many employers still rely on “just in time” scheduling practices, which are convenient for businesses but damaging for workers. Extensive research shows irregular scheduling not only impacts workers’ financial stability, but also their mental and physical health. A number of states and cities now have fair scheduling requirements to curb the worst of these effects.53

**Expand existing paid time off law to remove exclusions and protect against retaliation.** The new PTO law in Maine has made it considerably easier for Mainers to take time away from work when they need to. However, some deficiencies in the original law remain. It continues to exclude around one in eight workers by exempting employers with fewer than 11 employees and those operating as seasonal businesses. These workers are among the least likely to get paid sick or vacation time voluntarily from their employers and will continue to suffer without an expansion of the law. Critically, the law also does not contain anti-retaliation provisions. As MECEP found in 2019, one in three Mainers with paid leave doesn’t use it fully for fear of consequences from their employers. For the PTO law to have full effect, it must include protections for workers using their rights.

**Enact a paid family and medical leave program.** The new PTO law covers workers who need to take short periods of leave, but it is not designed to cover long-term absences for acute illnesses or major care needs such as welcoming a child or providing end-of-life care for a relative. Lawmakers will have opportunities to remedy this in 2023. A legislative commission is due to issue recommendations to the legislature for the next session, and a citizen-led initiative is gathering signatures for its own policy.
Conclusion: Supporting a robust recovery into the future

The past three years were tumultuous for workers in the US and in Maine. The COVID-19 pandemic caused an unprecedented number of mass layoffs and furloughs in 2020, followed by an equally unprecedented return to work in 2021 and 2022. Yet the economy and labor market today are not the same as those of 2019. The pandemic underscored the general undervaluing of workers, many who are deemed “essential” to our ongoing health and well-being. More Mainers are coming together as unions of working people to demand their value is recognized. Improvements to working conditions and supports should be celebrated, and yet, there’s much more to be done. Policymakers must seize this moment to support workers and make the employer-employee relationship more equitable — they must enact policies to increase wages in the private and public sectors and set basic expectations to support work-life balance. Doing so will restore the value and dignity of work and encourage some Mainers to reenter the workforce. Other steps must also be taken to ensure that ill-health, lack of educational opportunities, and access to care are not forcing people out of the workforce.

Maine lawmakers have the opportunity to build on the momentum begun by workers themselves and reshape the economy in a way that works for all of us — an economy that fairly compensates workers and ensures all work is respected with fundamental rights.
About Maine Center for Economic Policy

Maine Center for Economic Policy (MECEP) is a nonprofit research and policy organization dedicated to economic justice and shared prosperity by improving the well-being of Mainers with low and moderate income. Since its founding in 1994, MECEP has provided policymakers, advocates, media organizations, and the public with credible, rigorous research and analysis. MECEP is an independent, nonpartisan organization.

About the author

James Myall is MECEP’s lead on labor and workforce issues and education and health care policy. He conducts research and impact analyses, writes educational materials, and collaborates with partners. James is skilled in data collection, research, and statistical and policy analysis. He has a master’s degree in public policy and management from the University of Southern Maine and a master’s degree in ancient history and archaeology from the University of St. Andrews in Scotland.

Myall is a member of Maine’s Permanent Commission on the Status of Racial, Indigenous, and Maine Tribal Populations and was a member of the Governor’s Economic Recovery Committee.

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- MECEP board member Ben Chin
- MECEP board member Pamela Cox
- David Cooper at the Economic Policy Institute
- Mario Moretto and the communications team at the Center on Budget and Policy Priorities
Notes

12. Maine Department of Labor, Quarterly Census of Employment and Wages employment estimates for Q1 2022. Total employment in Auburn was 16,124 and in Scarborough, 16,244.
18. MECEP analysis of US Census Bureau, Household Pulse Survey microdata, weeks 41-47.
20. Ibid.


MECEP calculation of workers impacted by the minimum wage increase based on the US Census Bureau, Current Population Survey, Outgoing Rotation Group data via the Integrated Public-Use Microdata System (IPUMS). Includes 71,000 Mainers currently earning less than $13.80 per hour, plus another 76,000 earning up to 15.90 per hour who will get an indirect boost from the minimum wage increase.

12 months ending June 2019 vs 12 months ending June 2022.


Robertson, Cassandra, Sawo Marokey and David Cooper, “All states must set higher wage benchmarks for home health care workers.” Economic Policy Institute, June 2, 2022.


“Equal Pay for Equal Work Act” (Colorado SB 19-085).


Ibid., January to June 2022.


Ibid. For the 12 months ending June 2022, 23 percent of all Maine workers reported usually working part time, comparable to 24 percent of Maine workers who said the same for the 12 months ending June 2008.
