Maine workforce conditions through July 2023

Presented to the

Consensus Economic Forecasting Commission and Revenue Forecasting Committee

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MAINE DEPARTMENT OF LABOR
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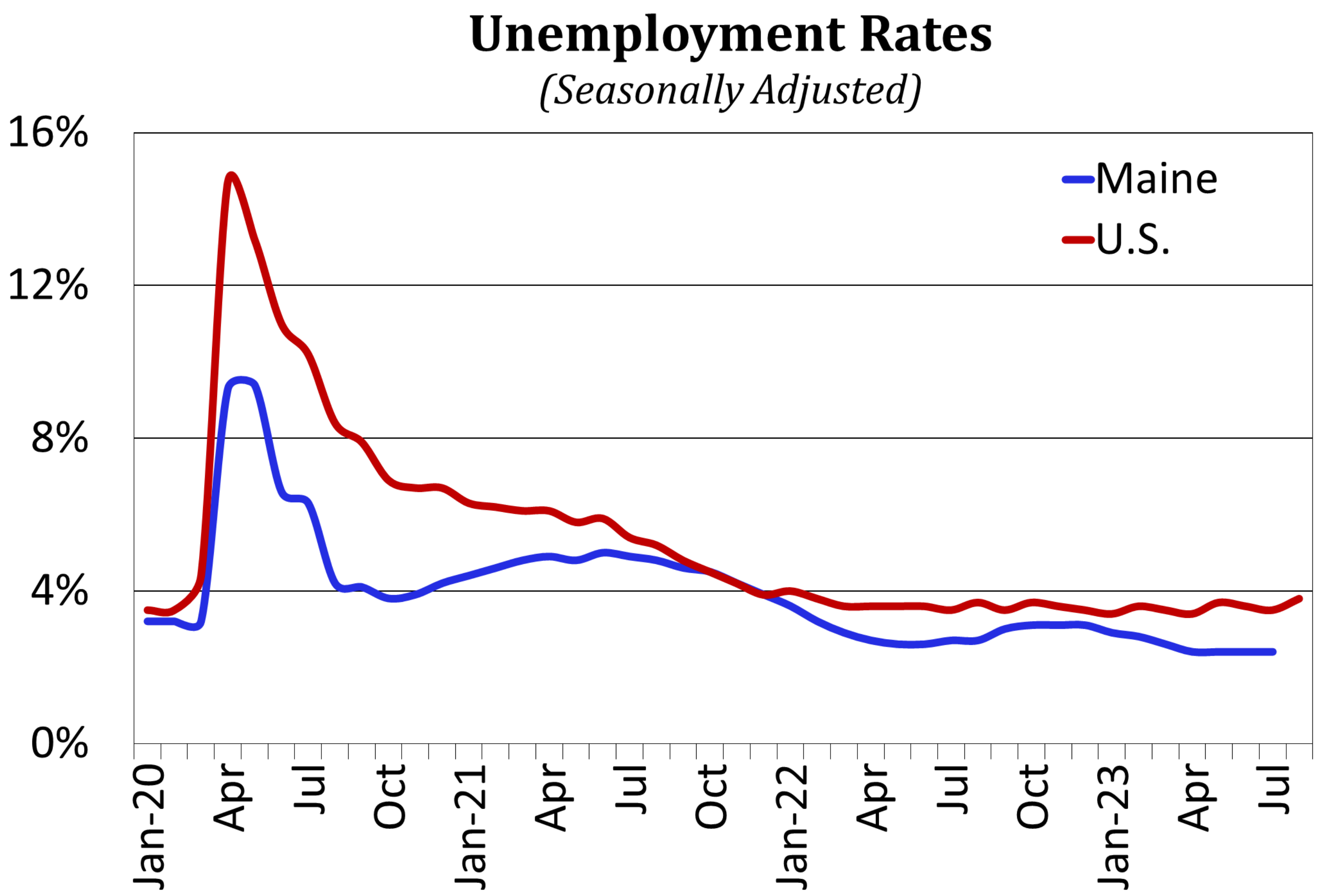
Unemployment remains historically low – 2.4% each month from April to July.

(August estimates will be published September 19.)



Nonfarm jobs estimates were flat from last fall through June, before a modest setback in July.

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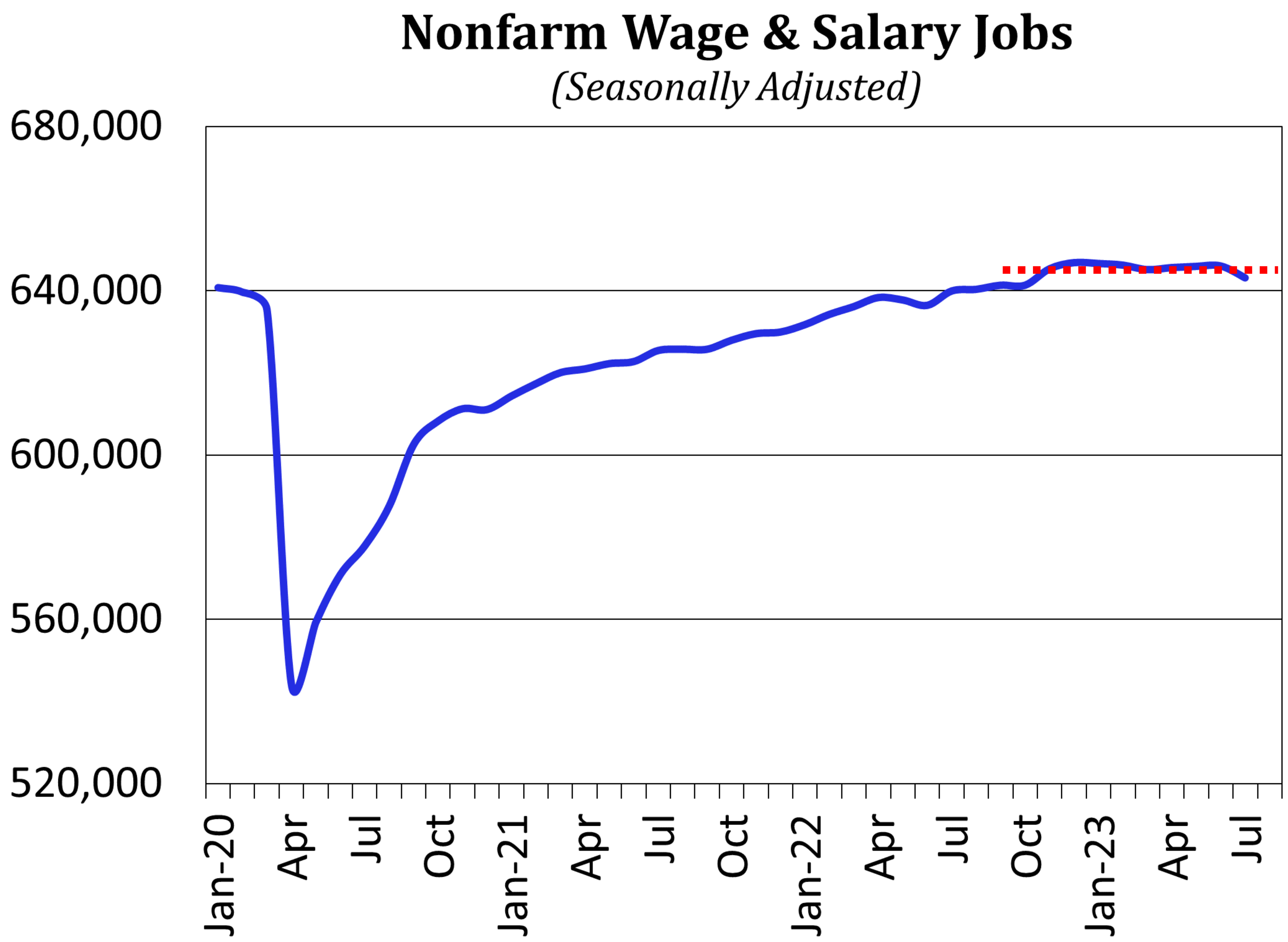

Private sector jobs have fully recovered to new highs. Government jobs remain lower than before the pandemic. Much of the next decrease over 3+ years is in state higher education.

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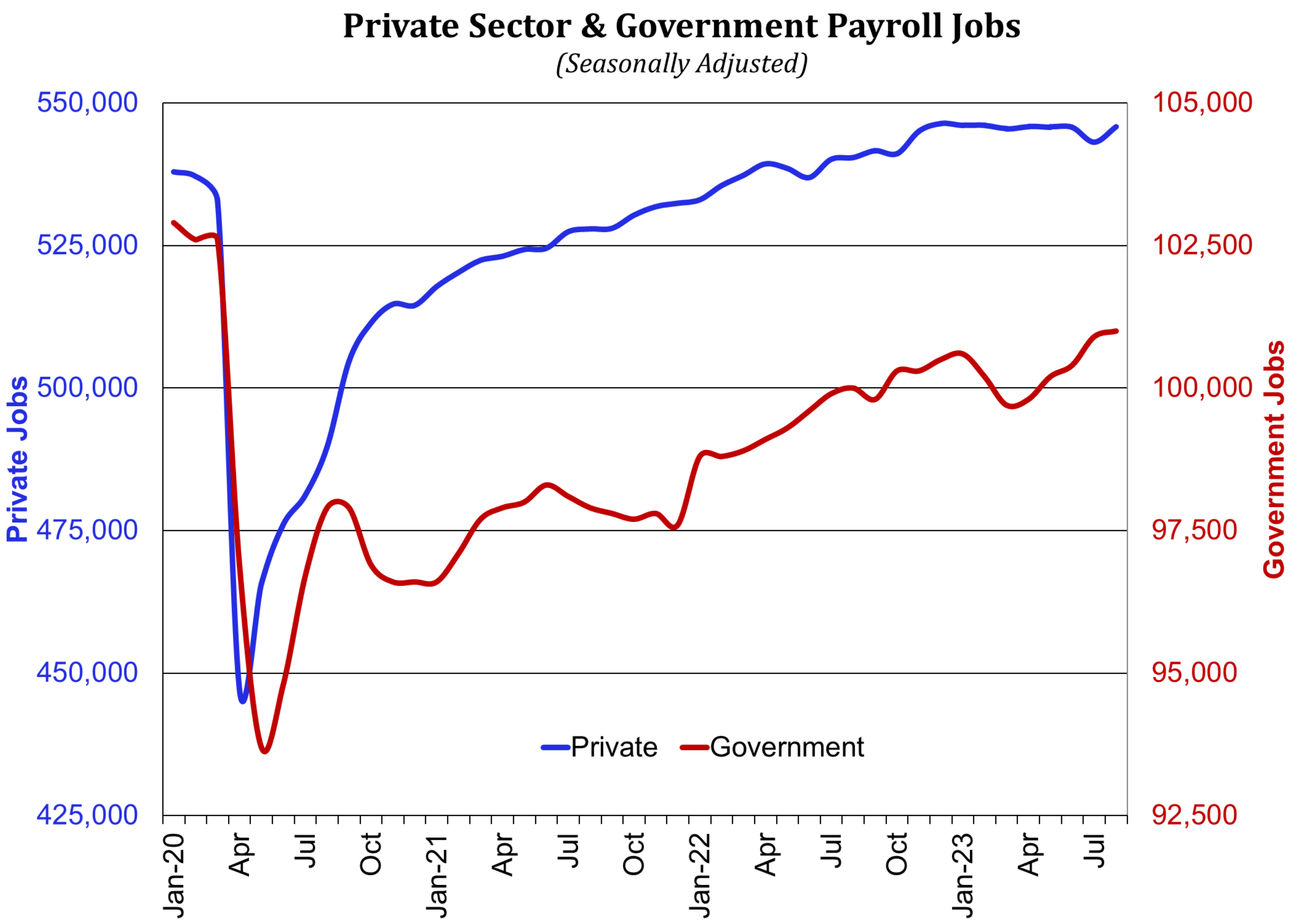
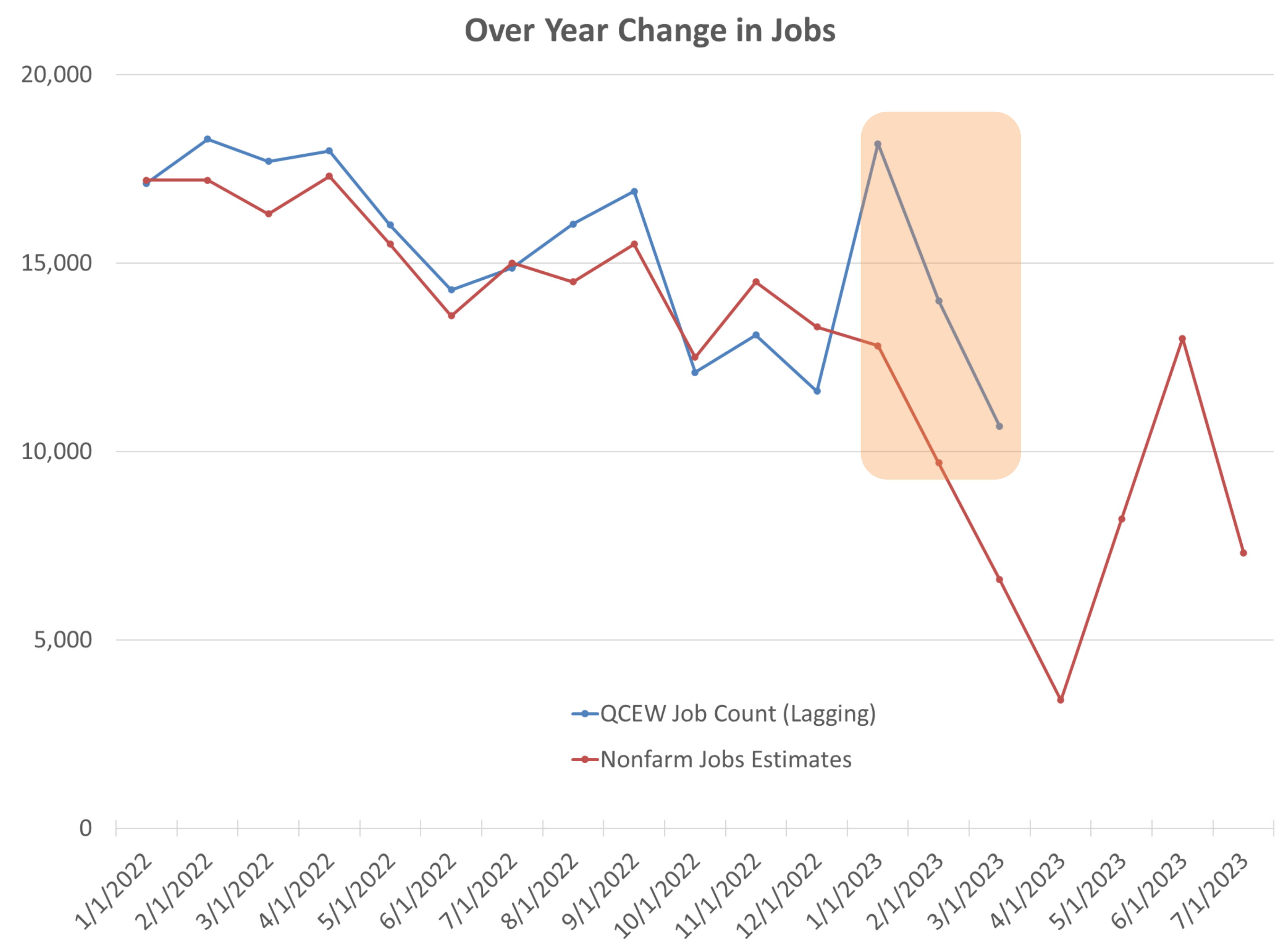
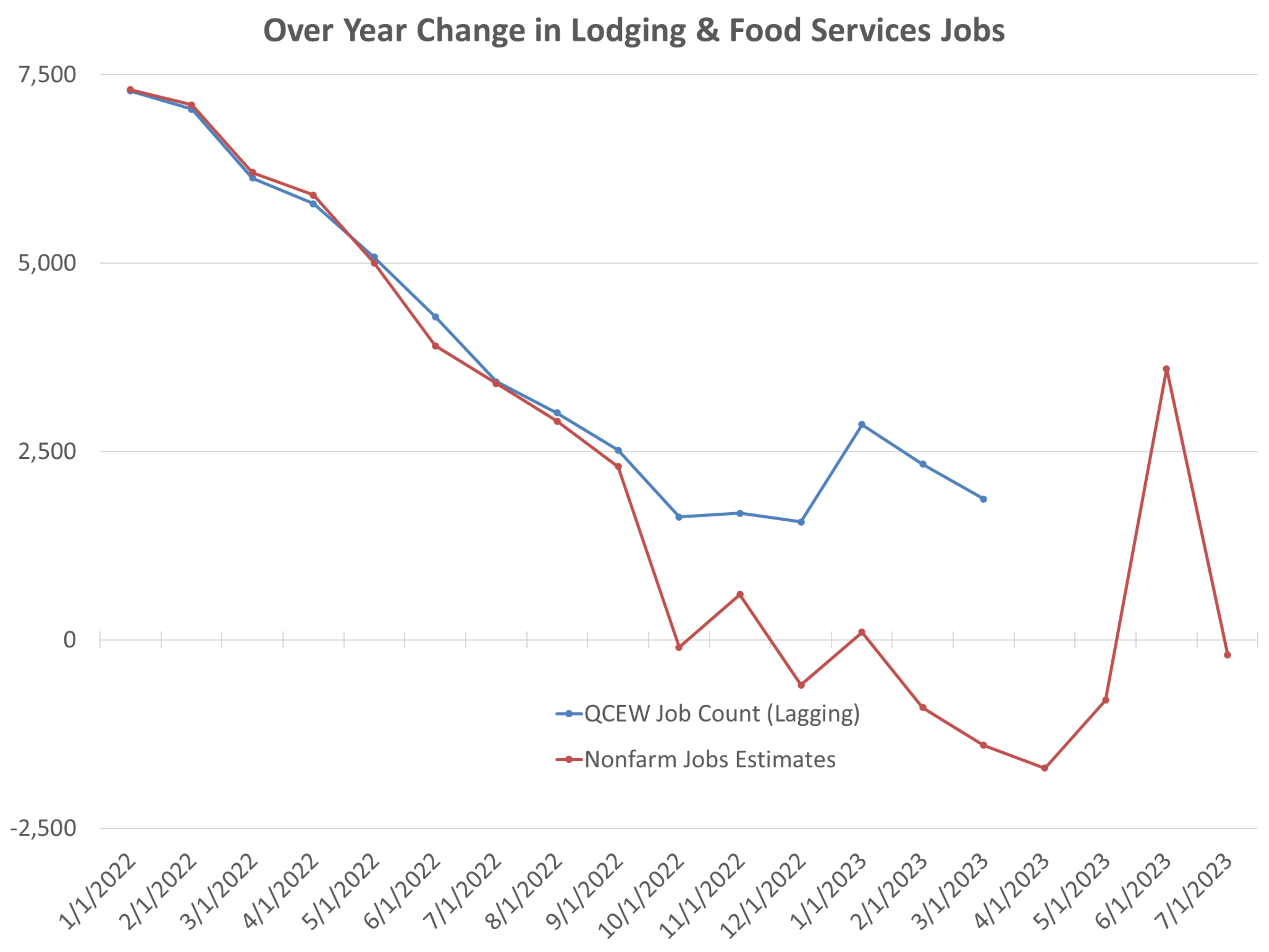


The lagging complete job count from QCEW is currently available through March. It indicates that nonfarm jobs were 4,000 to 5,000 higher than currently published payroll jobs estimates indicate for the first three months of 2023.

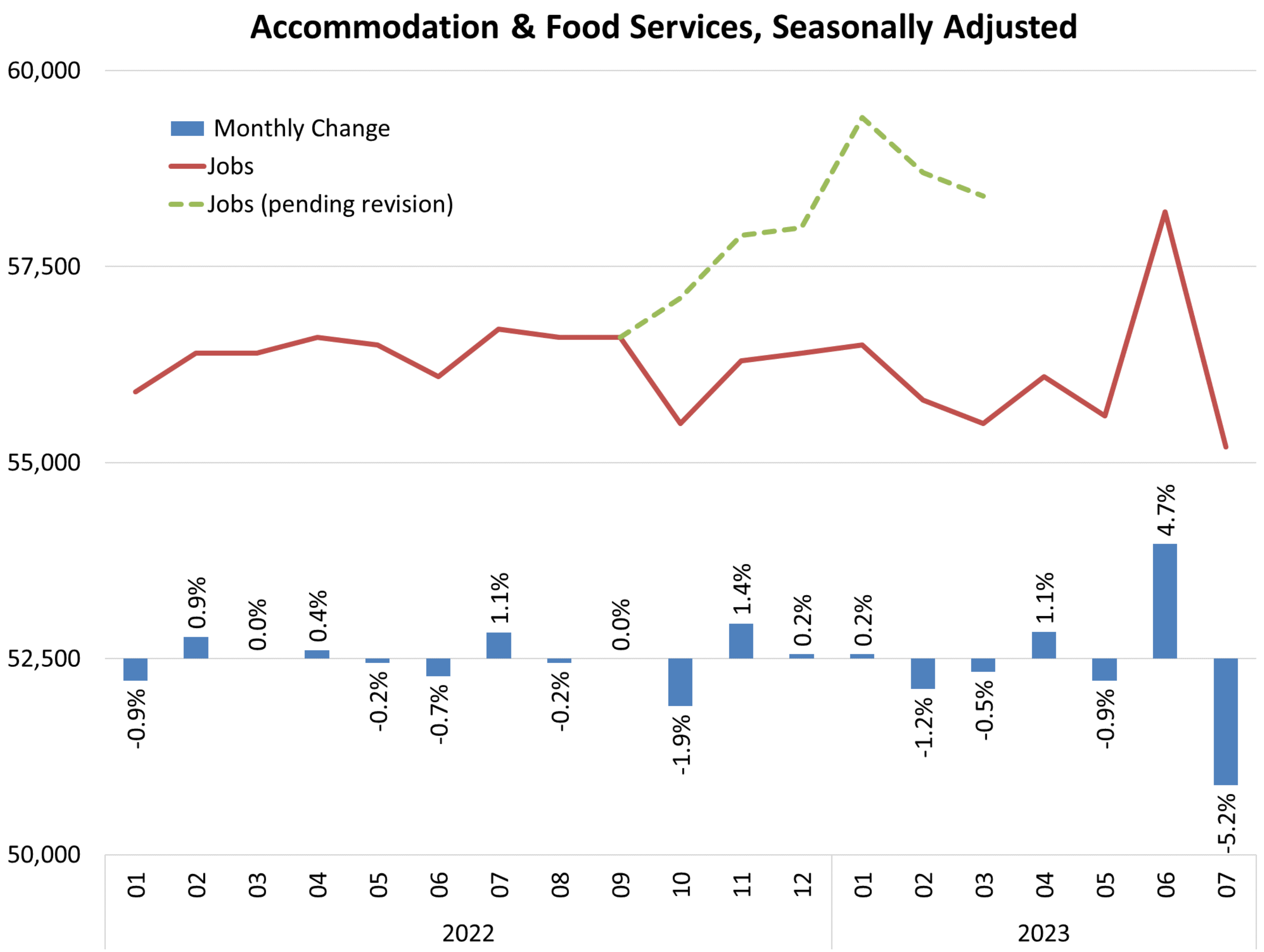
(Payroll jobs estimates are benchmarked to QCEW when revised annually each spring.)



Most of the jobs under-estimate was in the lodging and food services sector. There were an average of 2,900 (6%) more jobs in Q1 2023 than currently official estimates indicate (and 1,600 more in Q4 2022.)

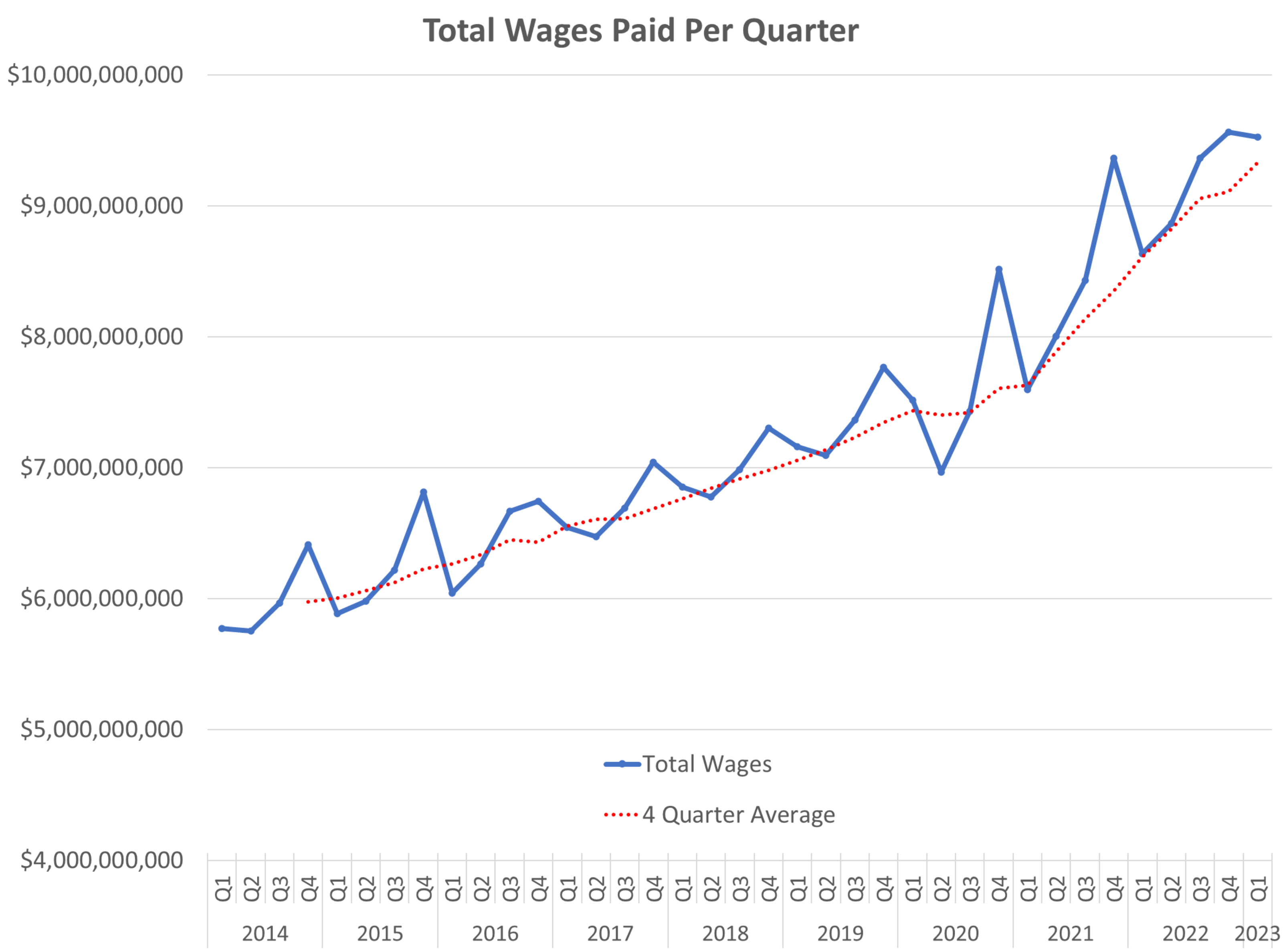


This summer lodging and food services estimates have bounced around and been subject to unusually large monthly revisions. The preliminary estimate for June indicated there was a sharp decrease on seasonally-adjusted basis. This seemed believable in the rainiest June on record. With July preliminaries the June estimate was revised sharply higher. The July prelim returned to levels of earlier in the year (in the rainiest July on record). Getting a handle on the job situation in this sector during the important summer tourism season has been a challenge in 2023.



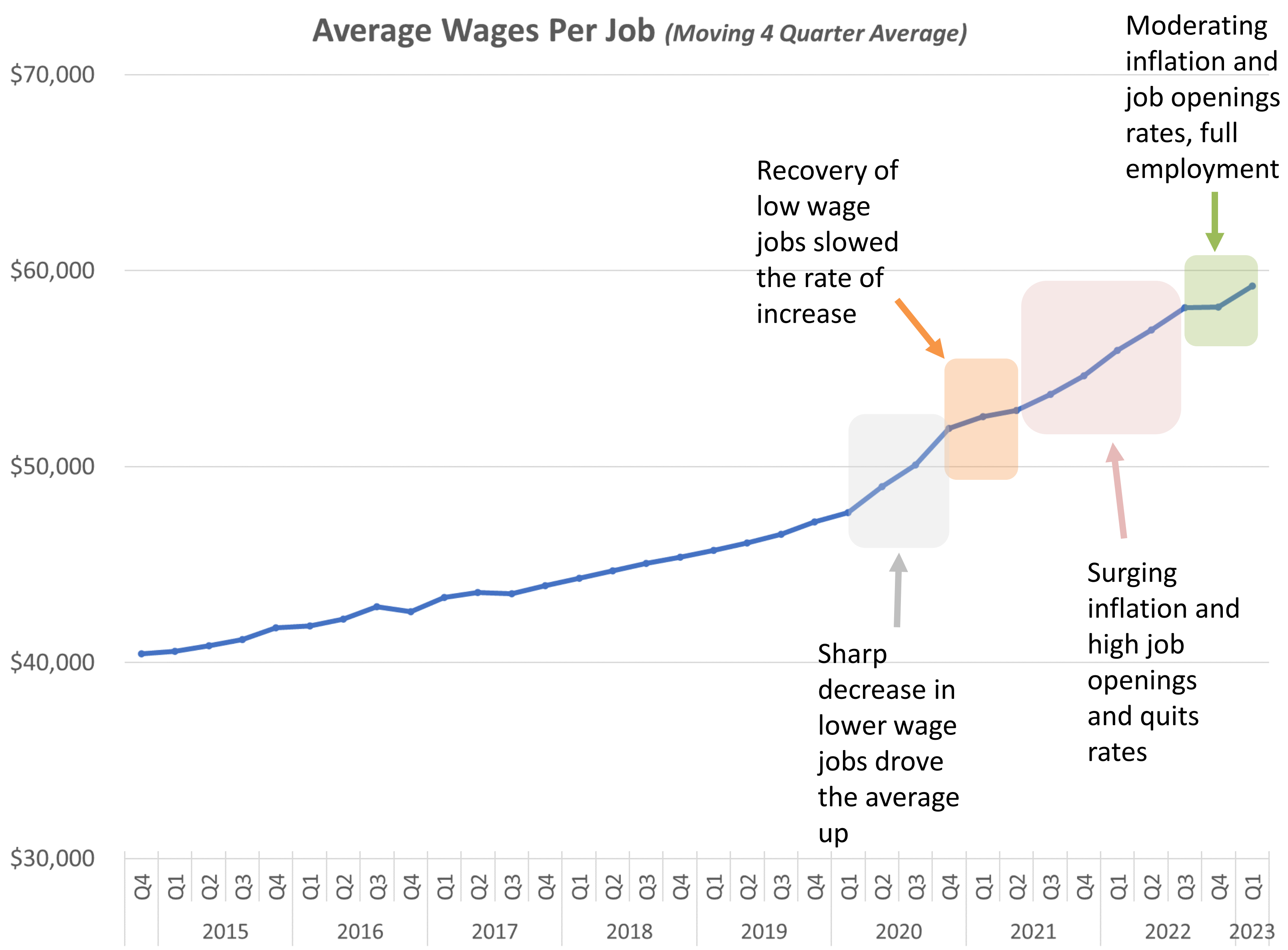
Total wages paid continued to increase sharply the last two years.

For the 12 months through March, wages totaled $37.3 billion.

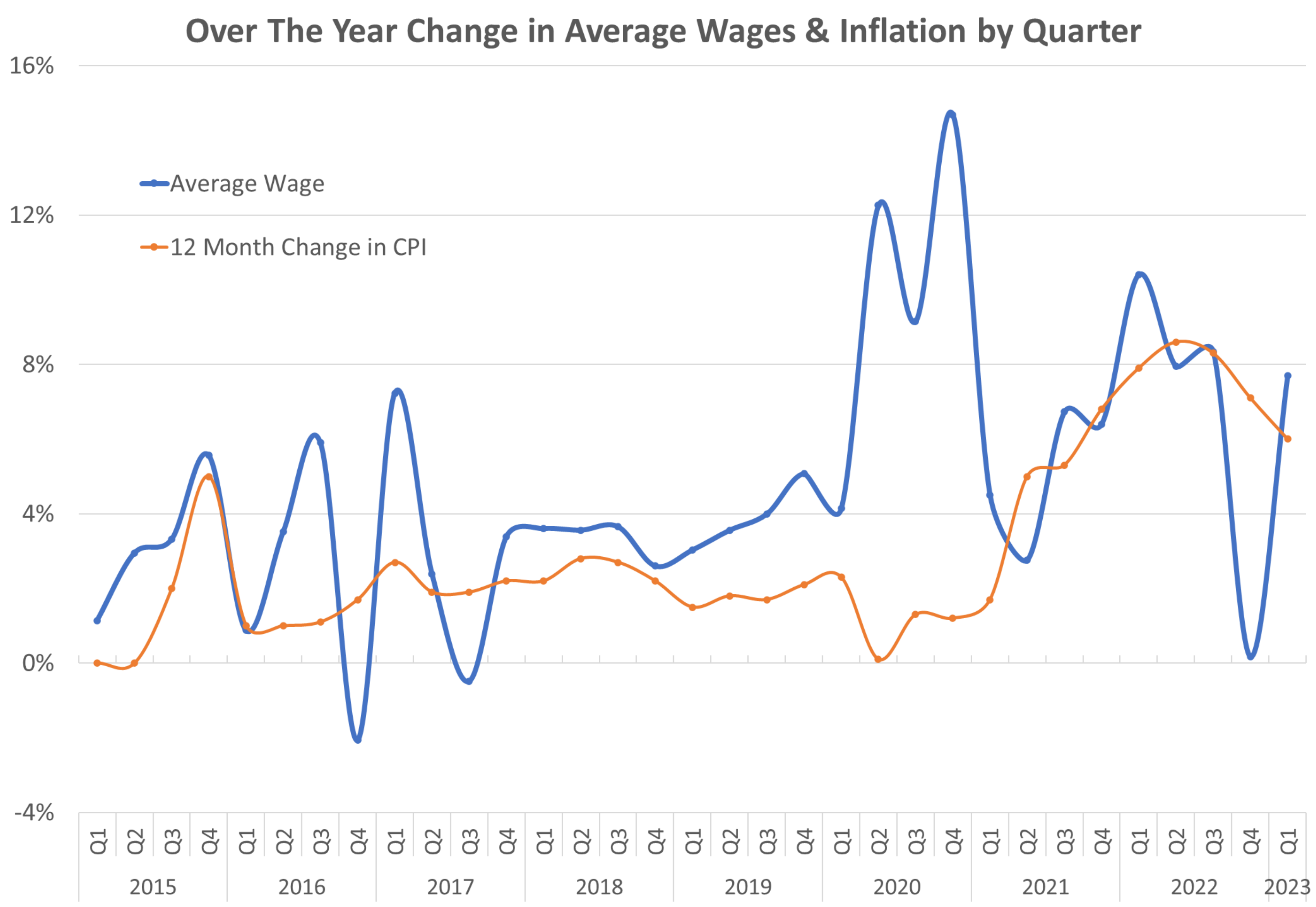


Relative to previous years, gains in average wages have surged, moderated, surged, and moderated in the last three years.

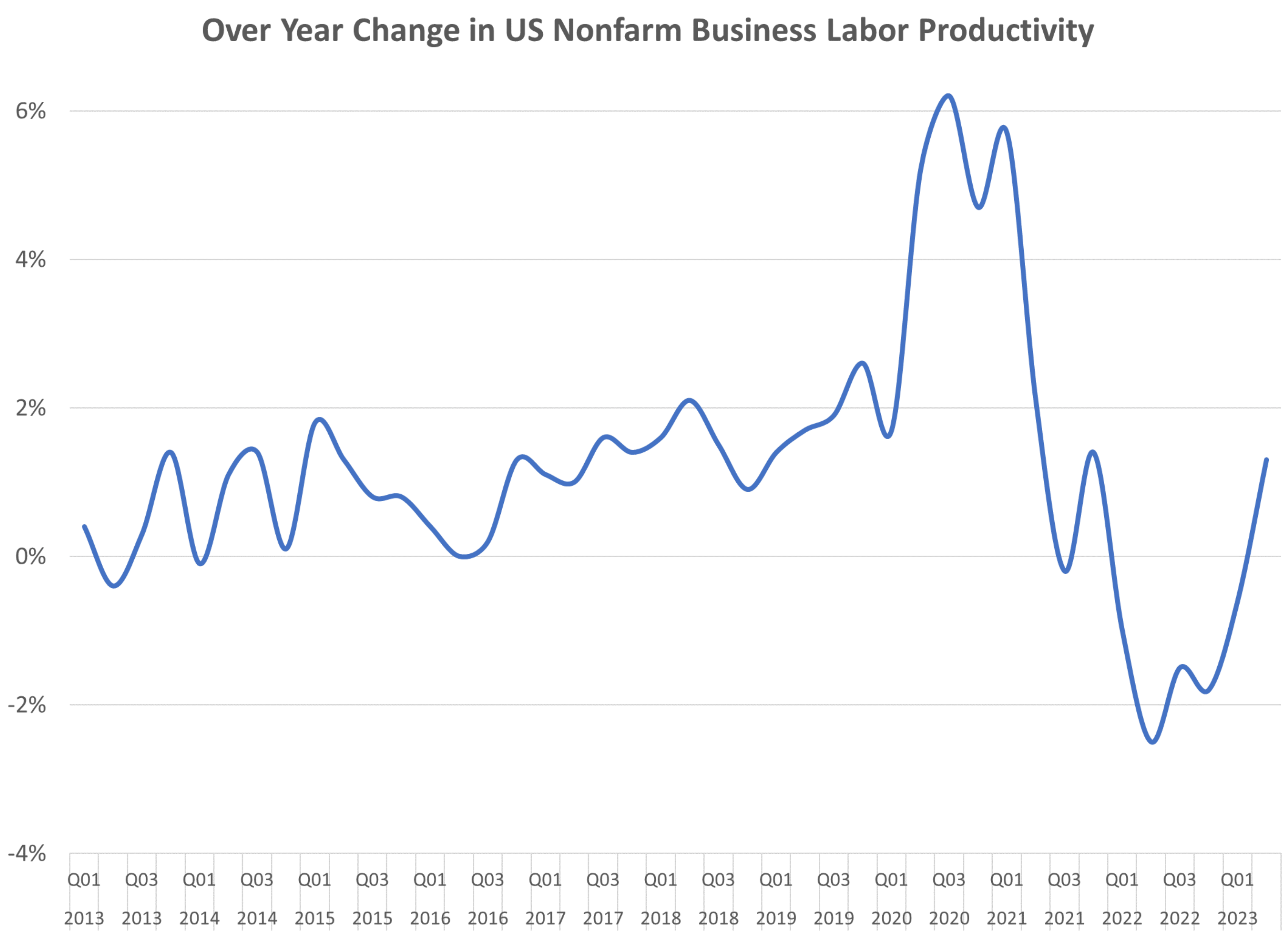
For the 12 months through March the average was $59,200 per job.



Gains in average wages have tracked closely to changes in price levels the last two years.



A similar pattern has occurred with U.S. productivity. It increased when the sectors with the lowest output per worker were most effected by the onset of the pandemic. It decreased in the second half of 2021 and throughout 2022 as those sectors recovered and the economy returned toward a more balanced footing.



Job openings rates continue to moderate