

Workforce conditions in Maine

Presented to the
Consensus Economic Forecasting Commission
March 26, 2013

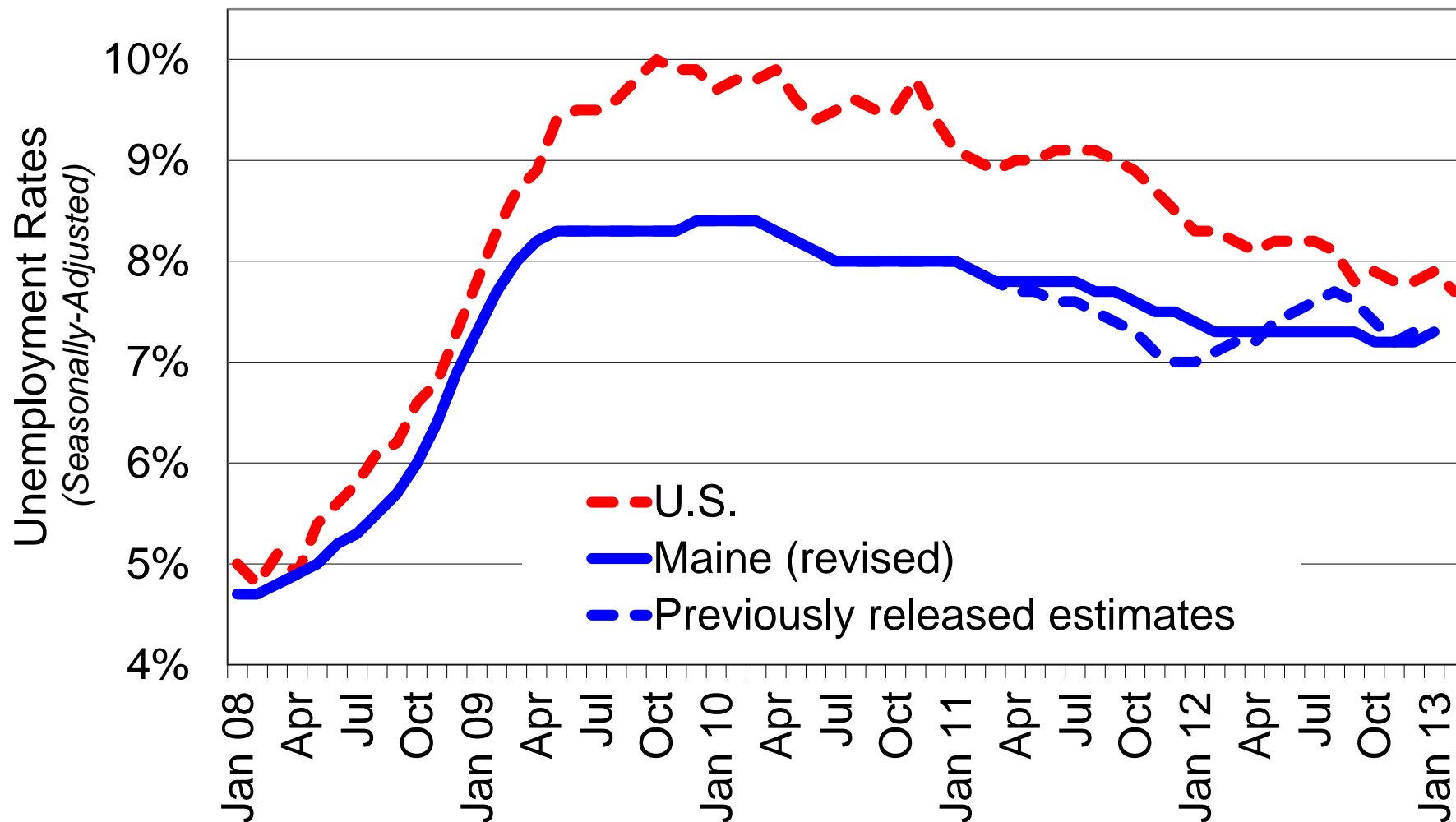
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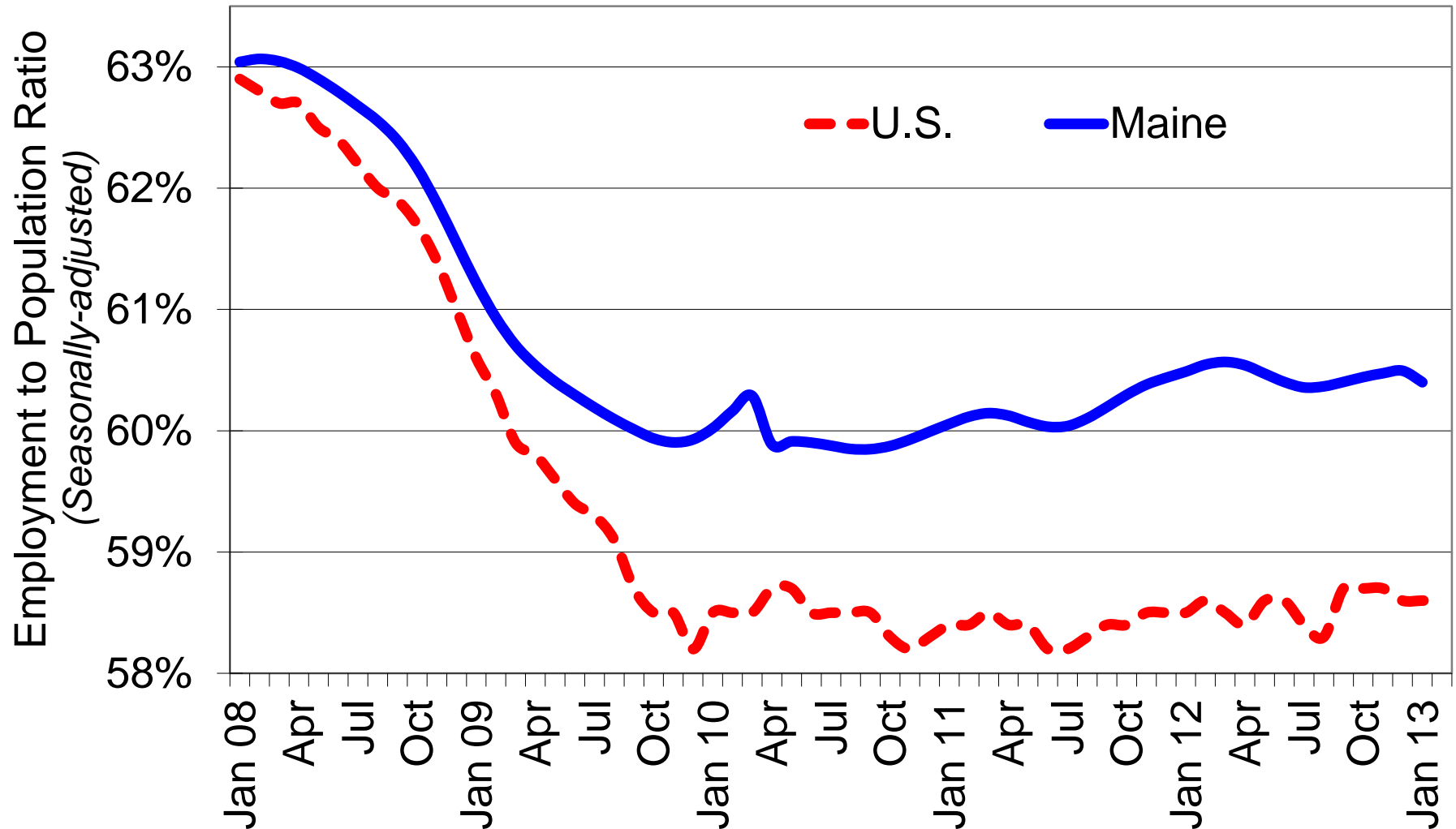
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Indications from the Survey of Households

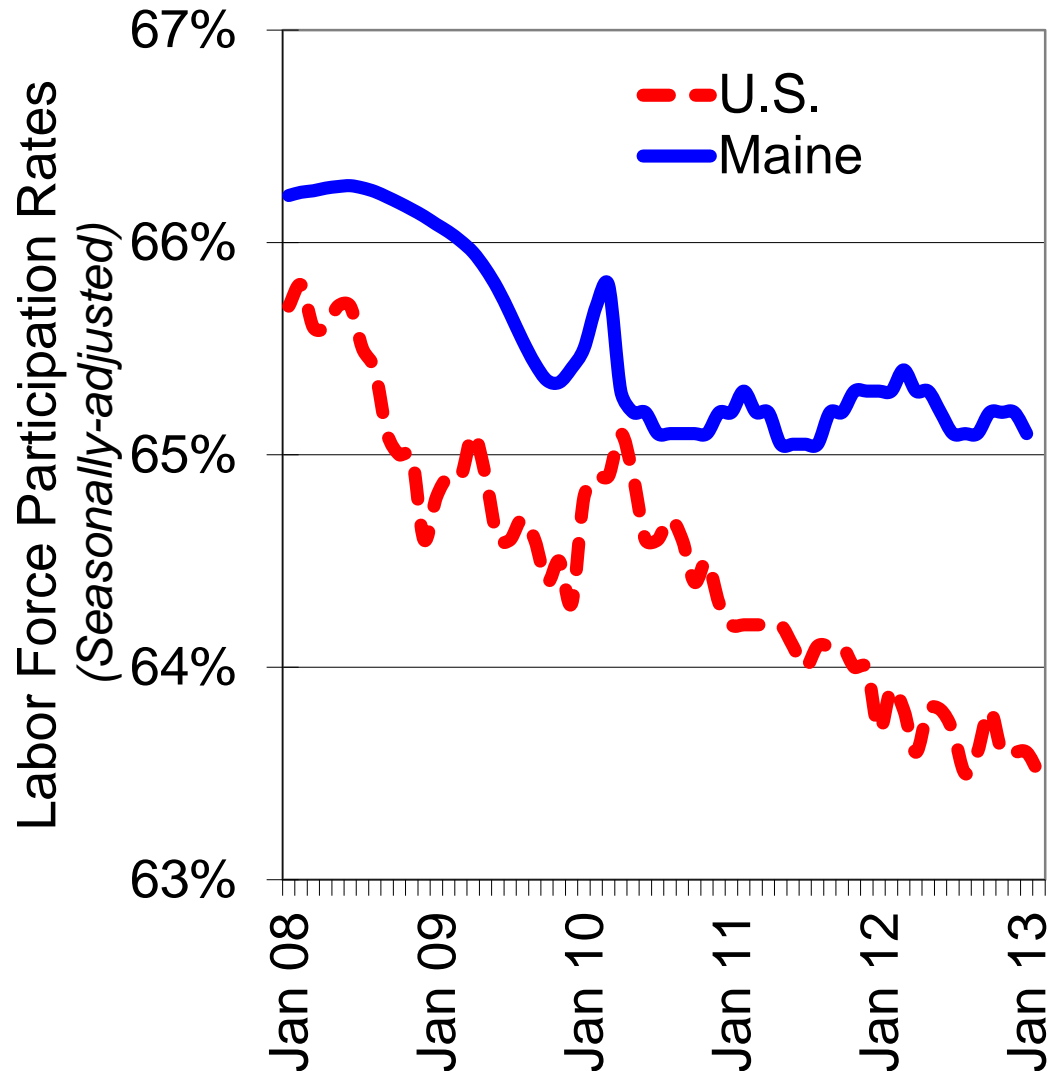
Unemployment rates continue to trend lower.
Recently revised data for Maine is less volatile
than what was previously released.



The share of the population that is employed in Maine has trended up modestly the last two years...a trend that has not yet taken hold nationally



How has the U.S. unemployment rate declined for three years when the share of the employed population did not rise?: Lower labor force participation.



The U.S. unemployment rate trended down solely due to declining labor force participation. That is, a declining share of jobless people looked for work. (Only those actively looking for work are counted as unemployed.) In Maine, labor force participation stabilized in 2010. Modestly rising employment is the reason our unemployment rate has trended lower the last three years.

Maine's modest decline in labor force participation is in-line with expectations based on baby boomers aging out of the labor force; only about half of the U.S. decline can be attributed to aging.

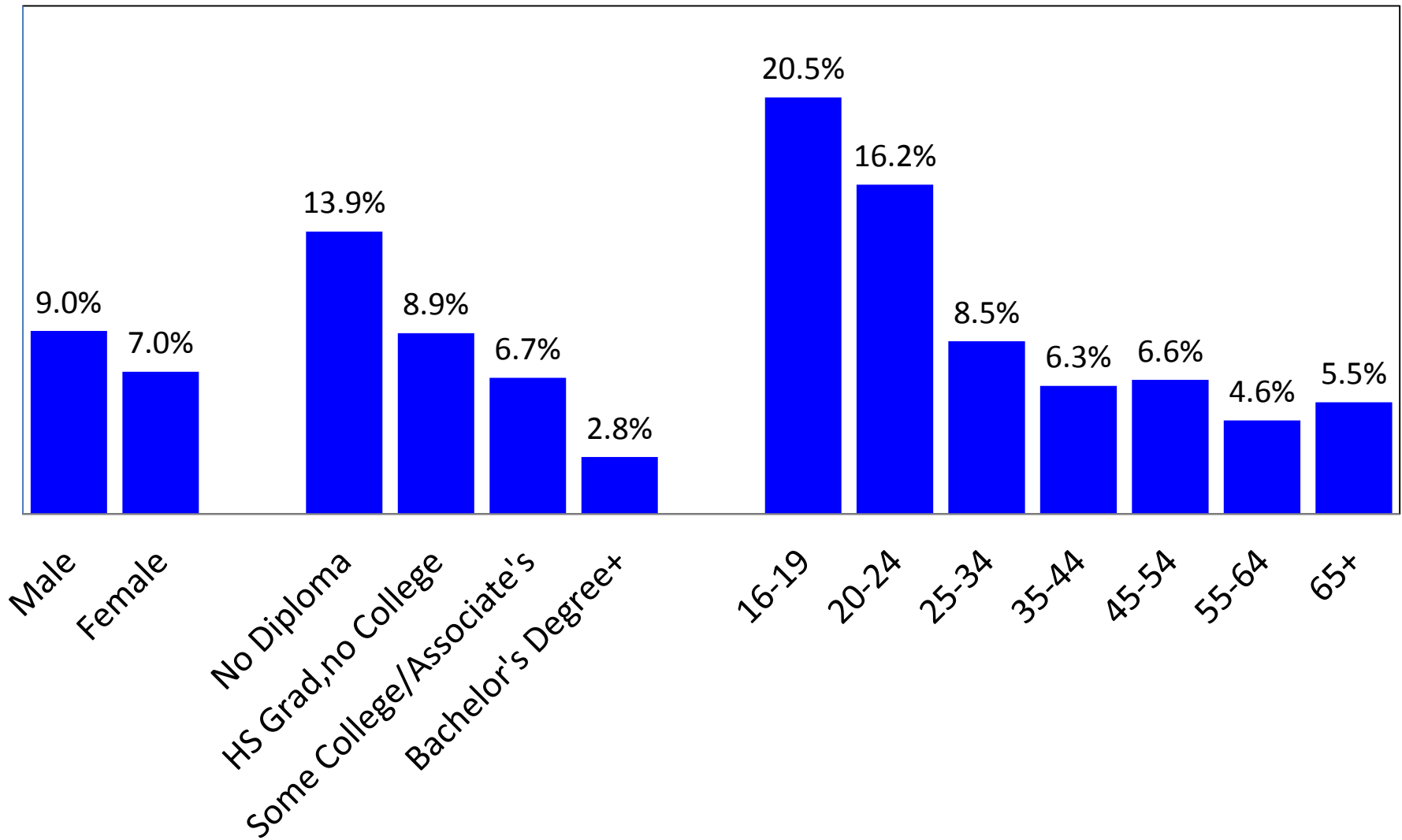
Adjusting for differences in labor force participation
provides an instructive look at what
unemployment rates could be

	U.S.	Maine
Current Labor Force Participation Rate	63.6%	65.1%
Official Unemployment Rate	7.7%	7.3%
U.S. Unemployment Rate if Labor Force Participation Were as High as it is in Maine	10%	
Maine Unemployment Rate if Labor Force Participation Were as Low as it is in U.S.		5%

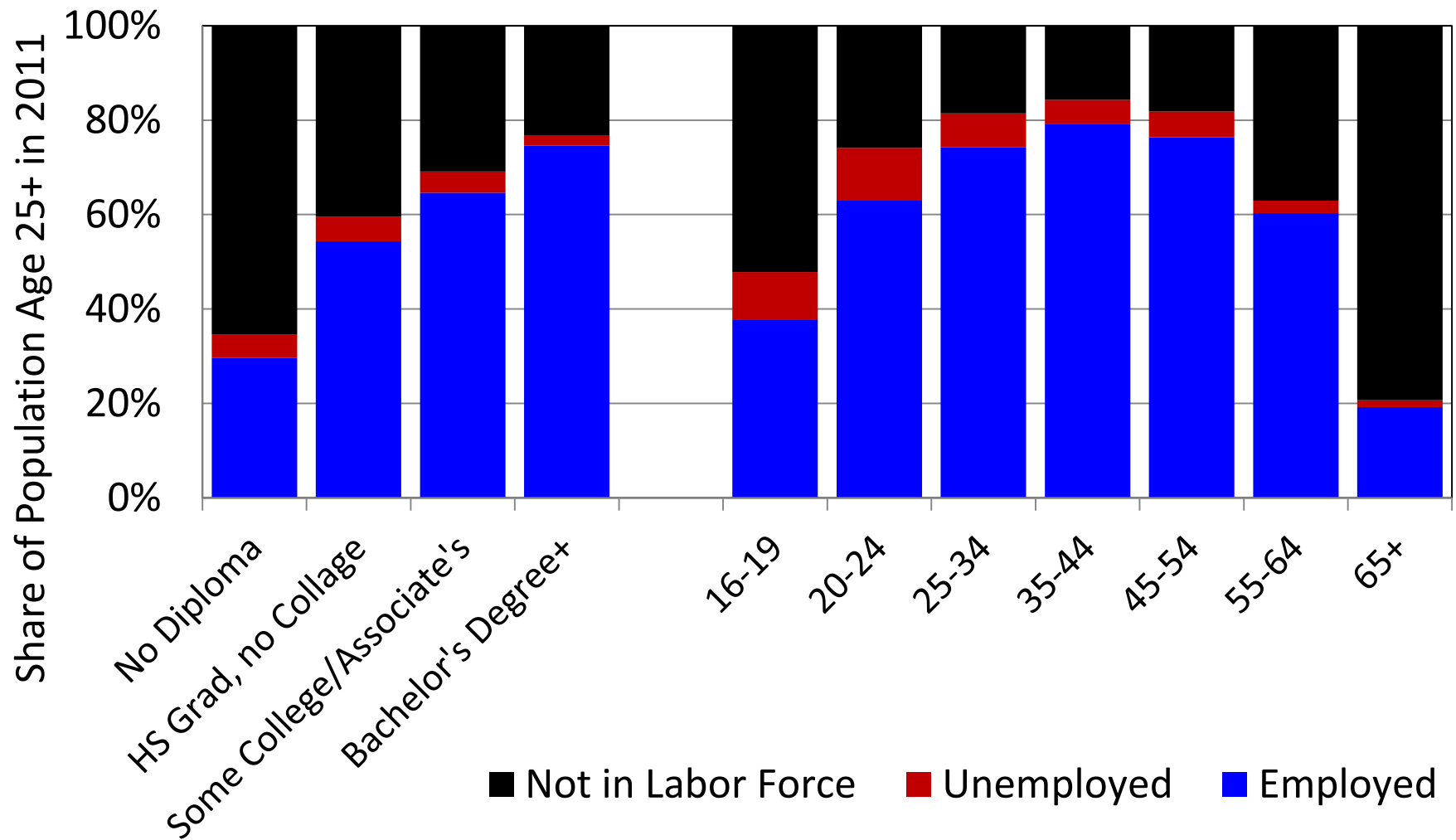
Demographics of labor force participation & unemployment

Unemployment is highest among those without post-secondary education and young people...

(2011 average unemployment rates in Maine)

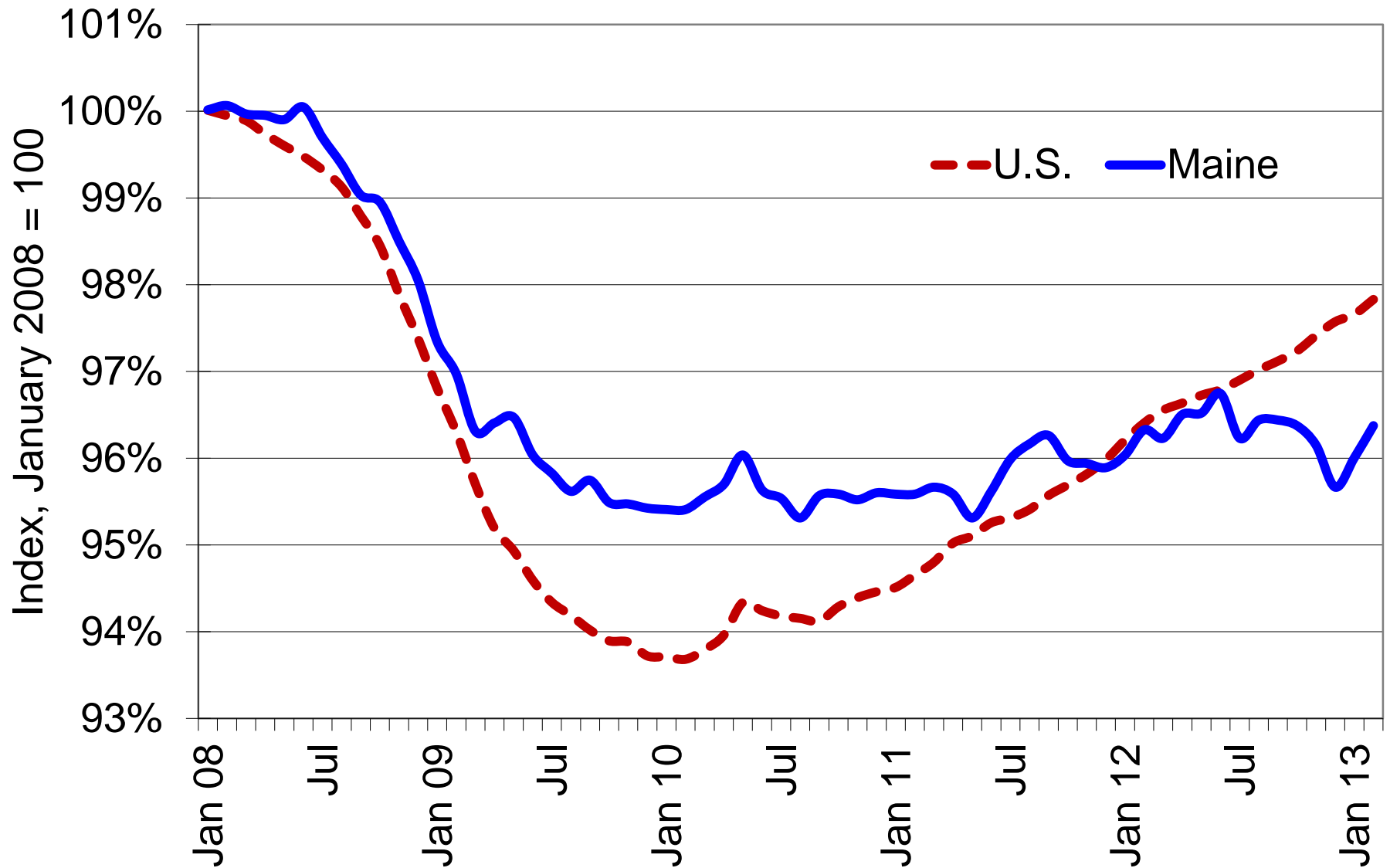


...Unemployment rates only reflect part of non-employment.
Those without post-secondary education are less likely to be
in the labor force, as are those under 25 and over 55
(Jobless people not looking for work are not in the labor force)

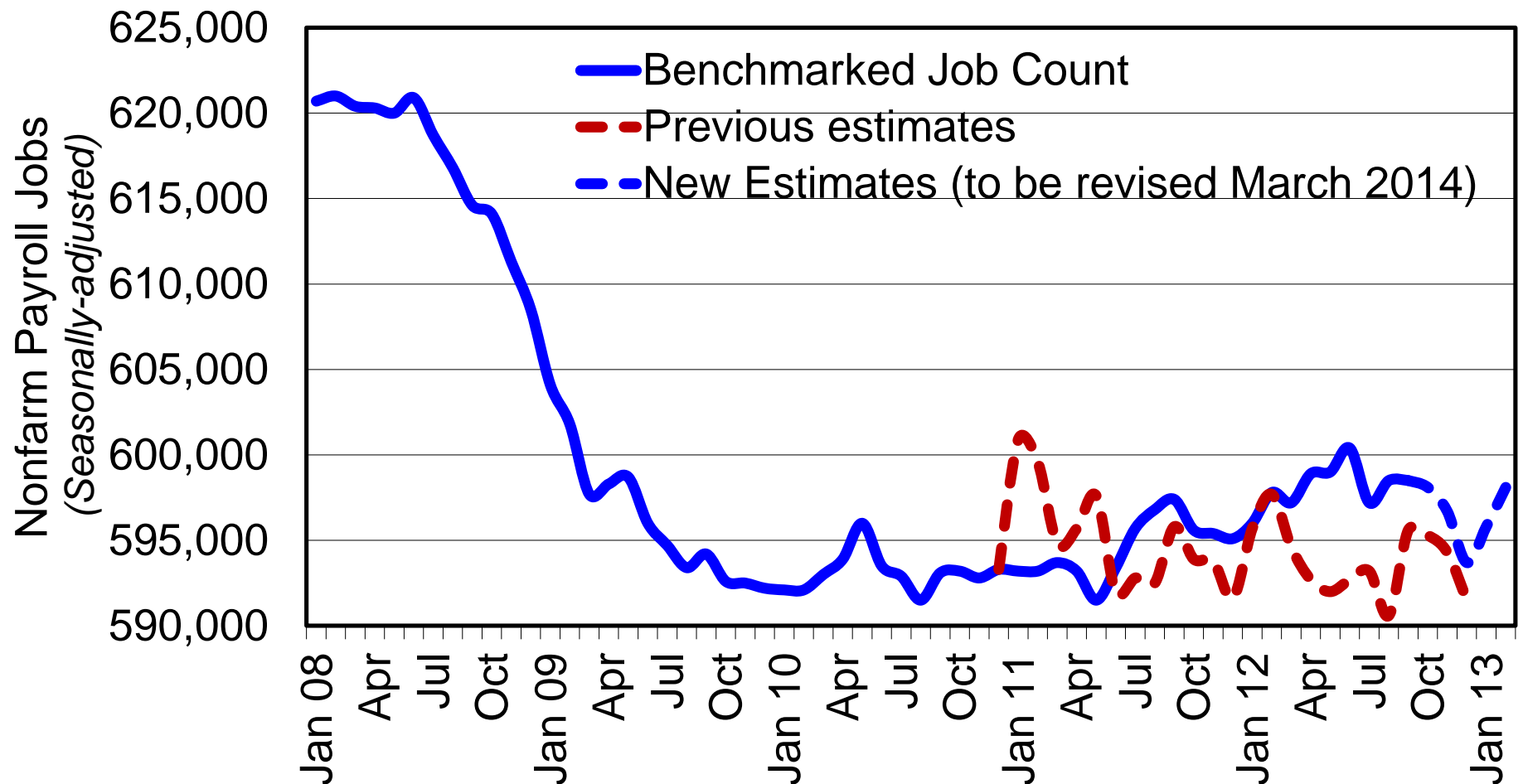


Indications of Nonfarm Jobs from the Employer Payroll Survey

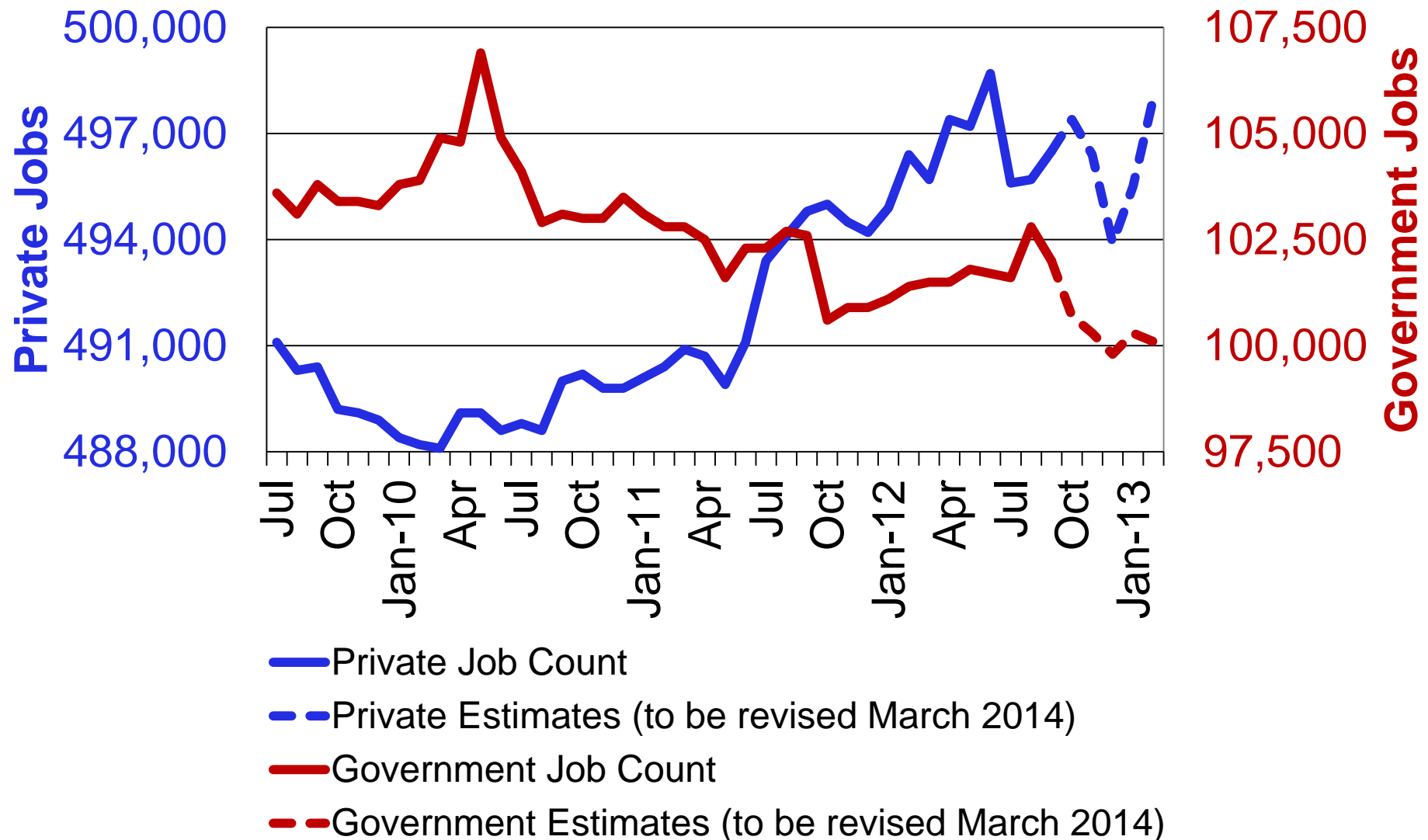
Maine did not go down as far as the nation during the downturn; the recovery has been more modest too.



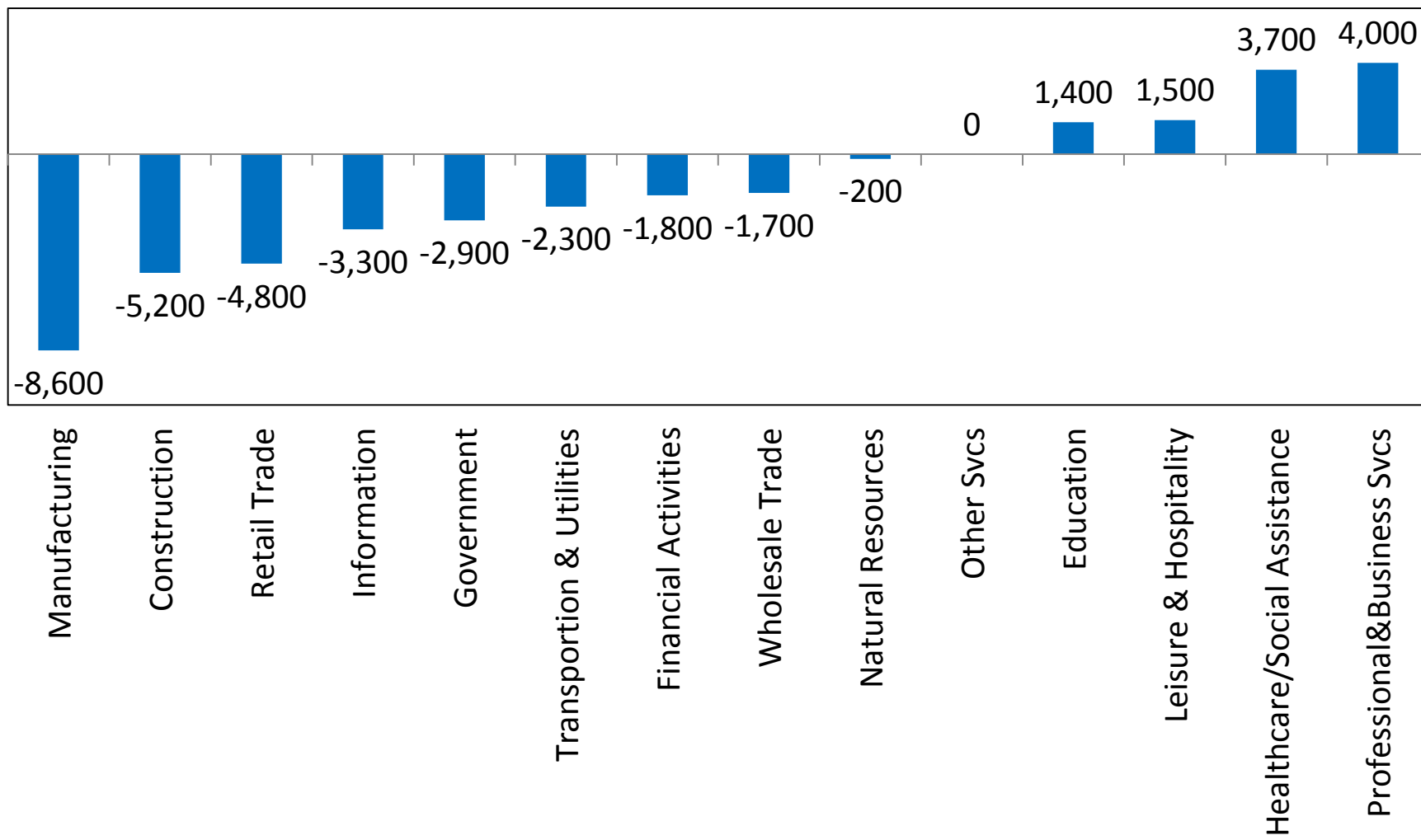
Recently revised nonfarm payroll jobs data is less volatile than previously released estimates, indicating a pattern of growth since the middle of 2011. Unfortunately, new estimates for the period since September are as volatile and unreliable as the previous estimates.



We have had private sector job growth for three years;
declines in government have slowed, primarily due to
growth in the University and Community College Systems

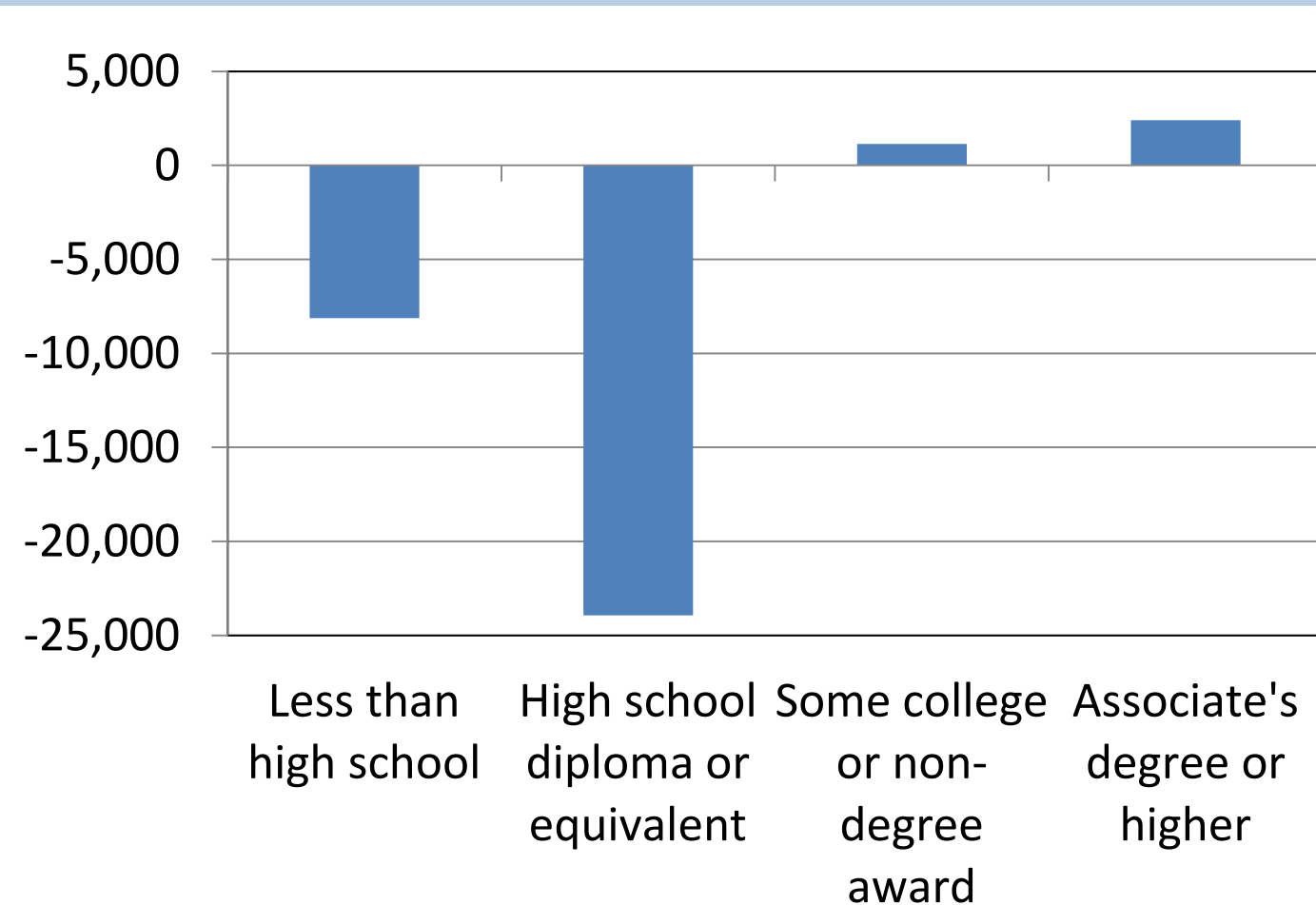


Sectors that have shed the most jobs involve making, moving or selling goods, as well as state & local gov't; sectors adding jobs tend to be human capital intensive
(Change in jobs from 2007 to 2012)



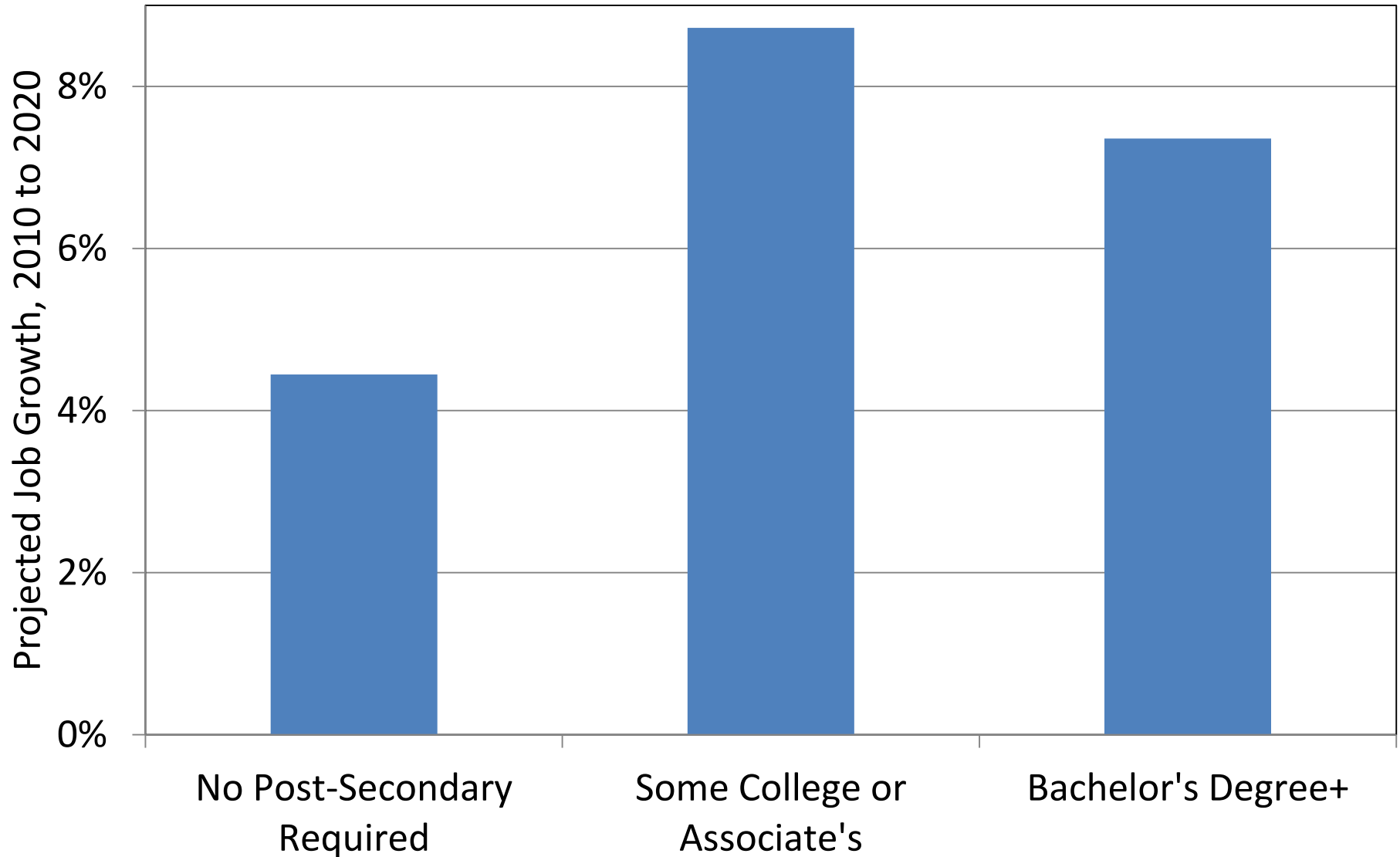
Other Indicators and Forecast Considerations

Displacement from manufacturing, construction, retail & transportation sectors eliminated thousands of jobs in occupations that require a high school diploma or less; growth in education, healthcare & professional services is driving growth in occupations that require post-secondary education.

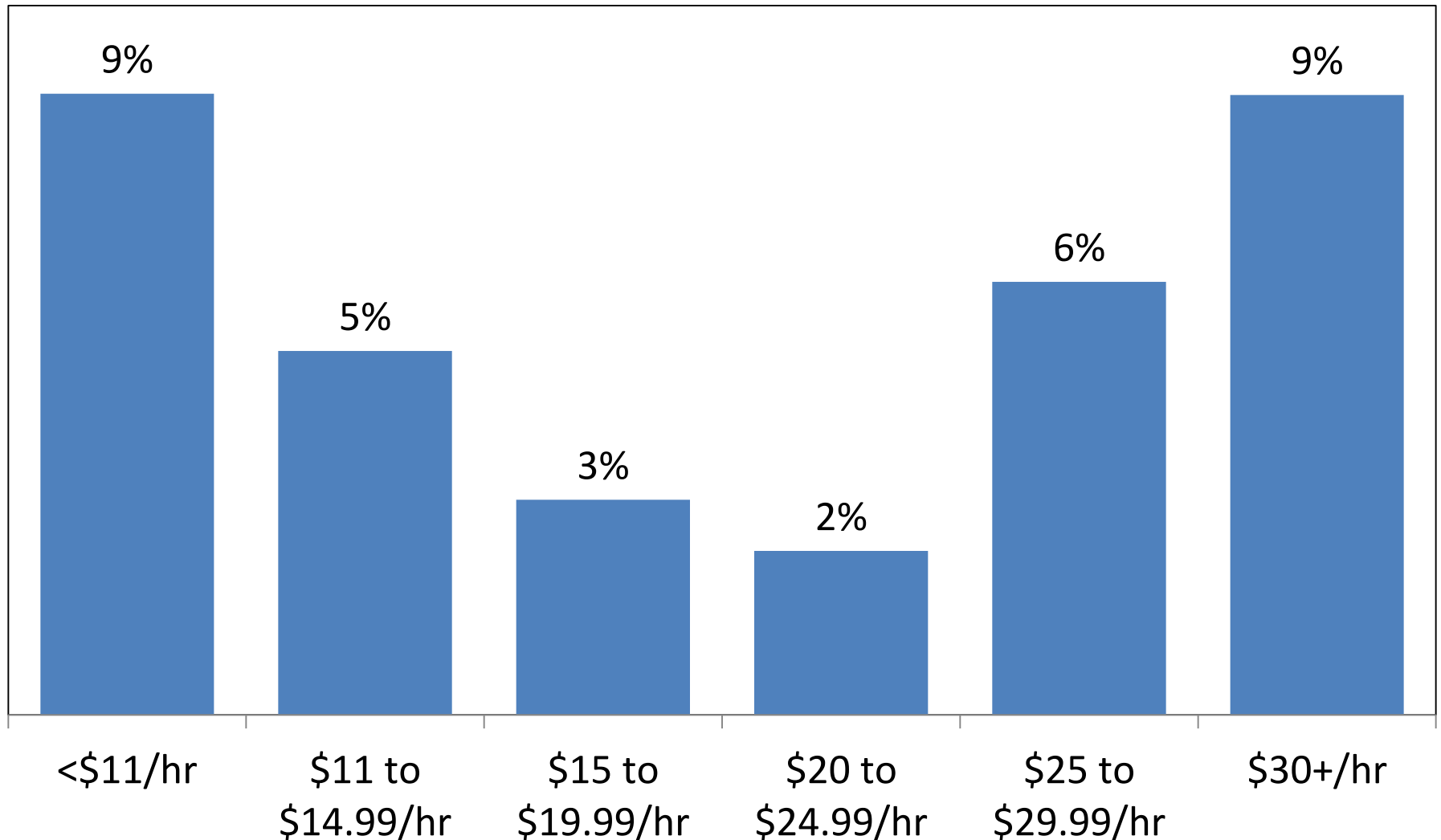


These are rough estimates of the change in jobs by education requirement from 2007 to 2011. This is not official data.

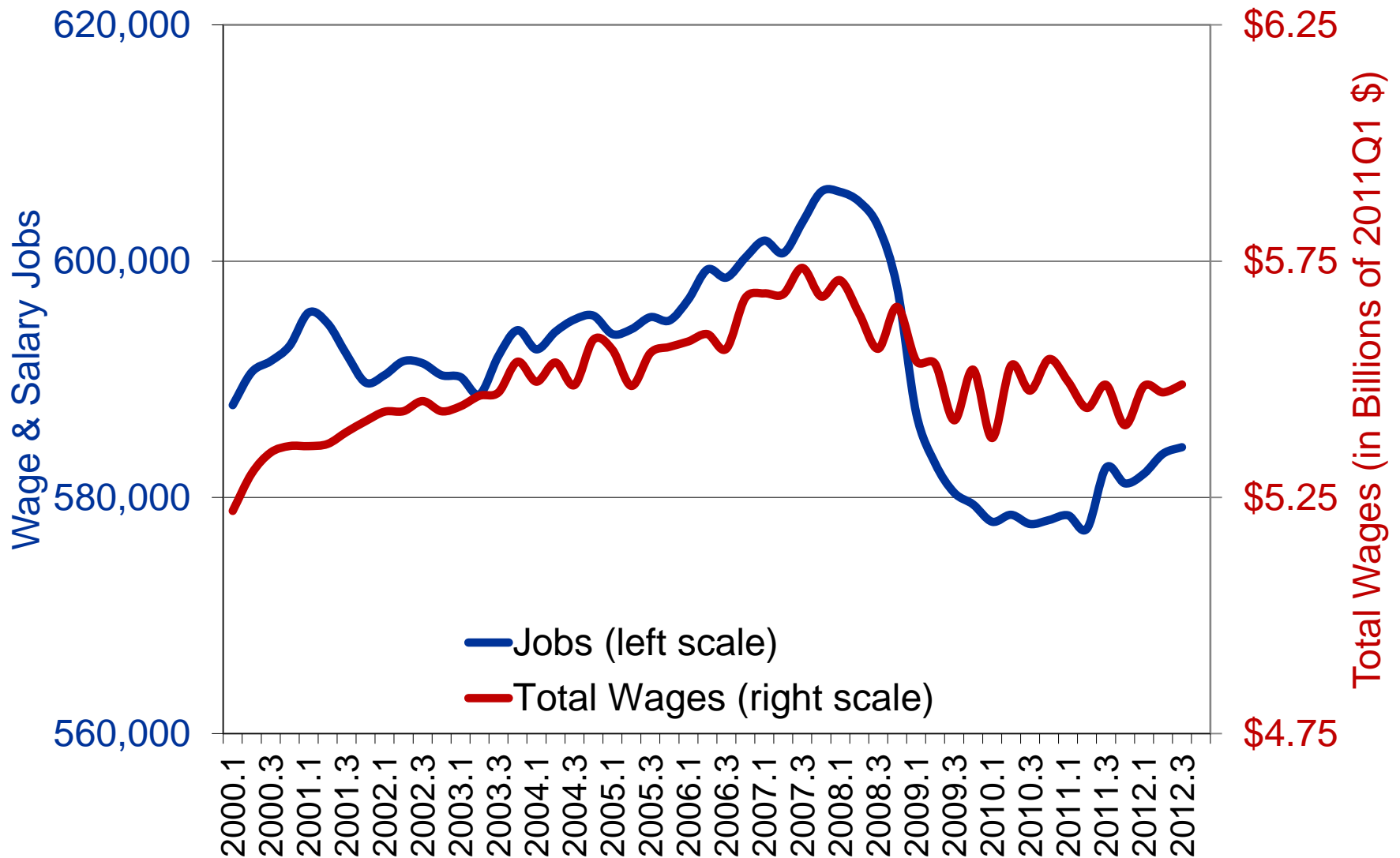
Job growth through 2020 is expected to continue to be faster in occupations that require post-secondary education...



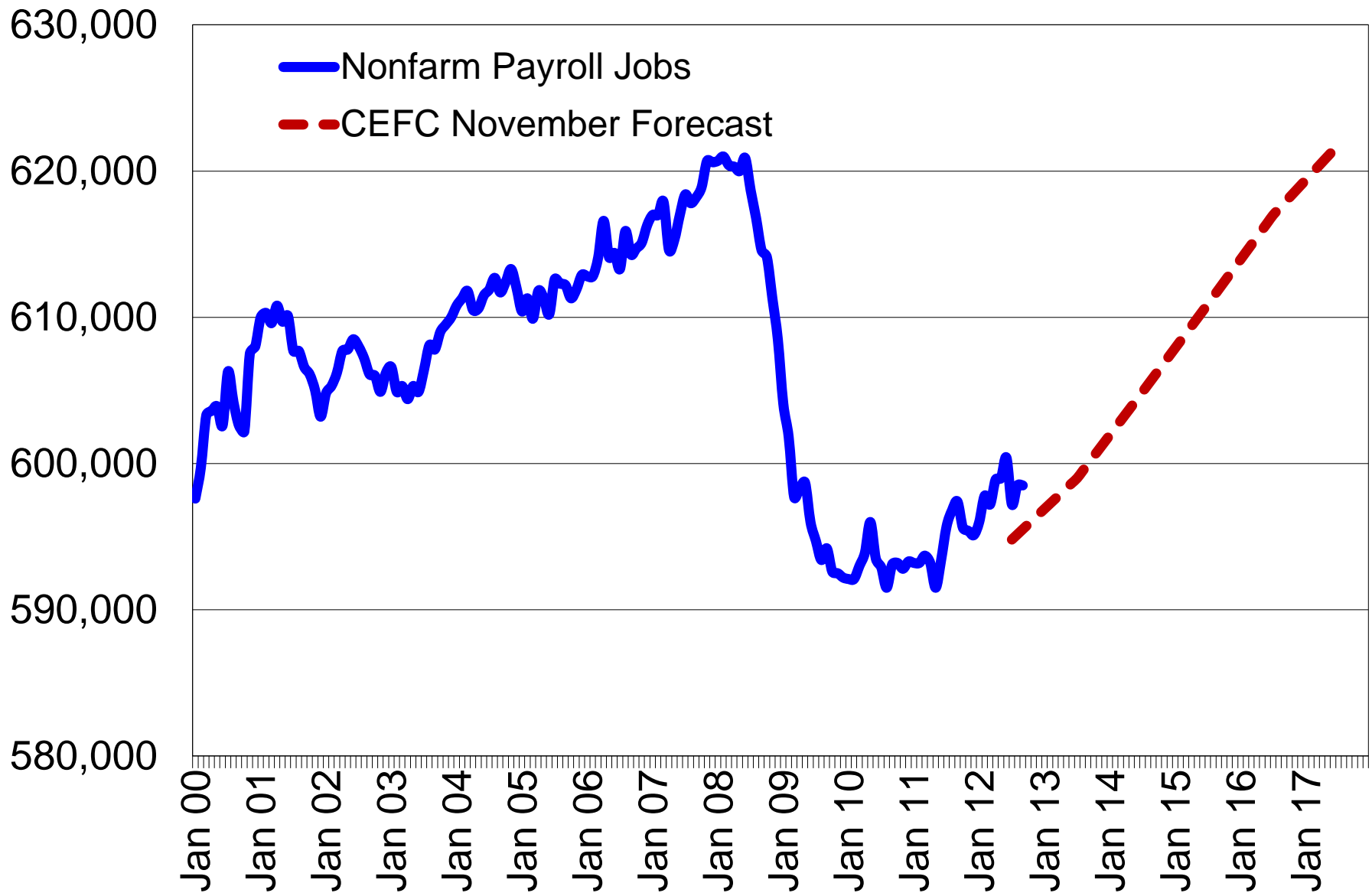
...and continue to be in occupations at the upper and lower ends of the earnings spectrum (*Projected change in jobs from 2010 to 2020 by occupation by their median wage in 2011*)



The gradual rise in jobs has not yet translated to rising total wages paid (*adjusted for inflation*)



The November CEFC forecast



Appendix

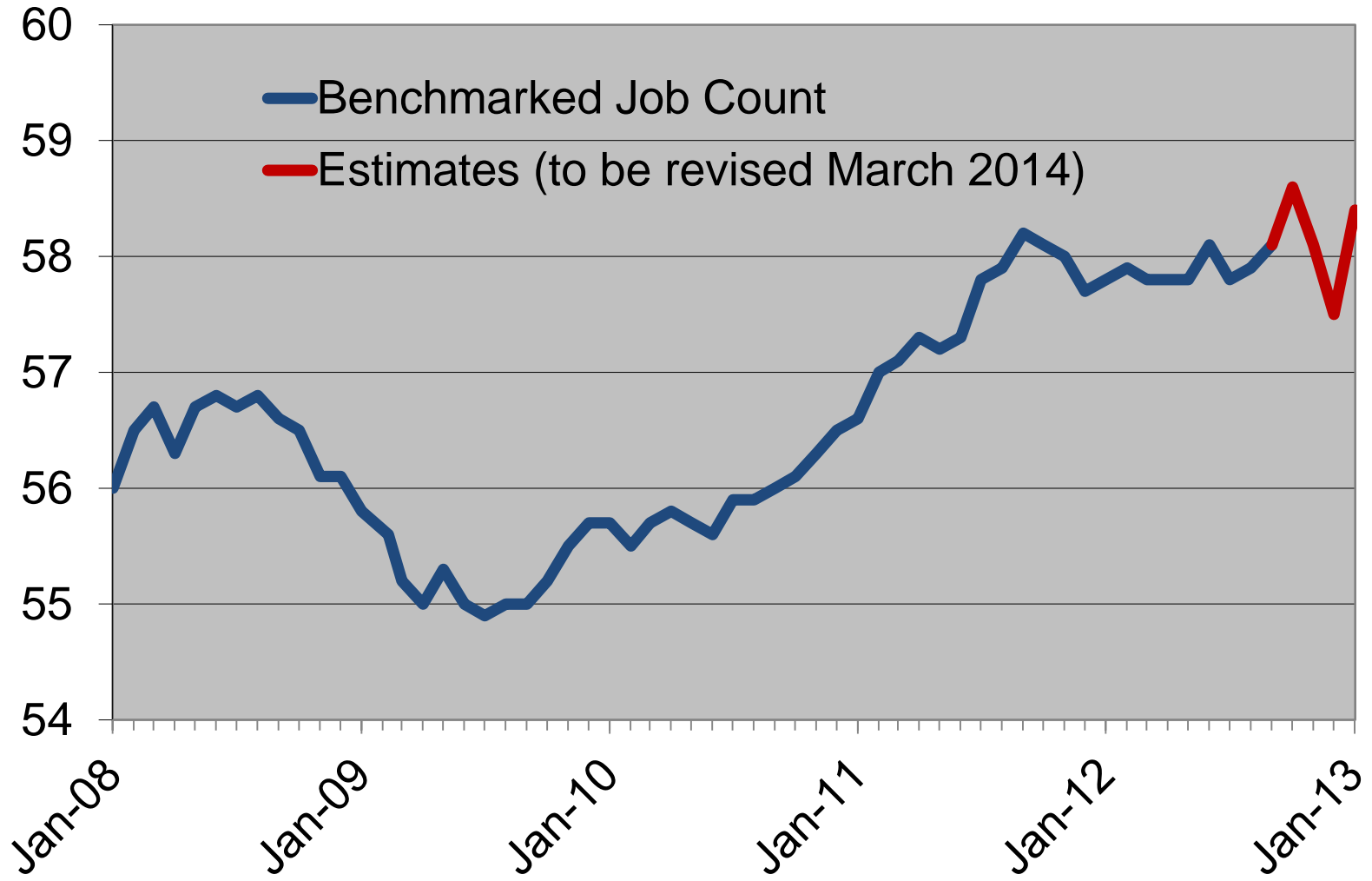
Recent trends in payroll jobs

Highlights:

- The healthcare, professional & business services, leisure & hospitality, and educational services sectors are at or near all-time highs and adding jobs.
- Construction and wholesale trade jobs are up moderately from very low levels.
- Manufacturing, retail, and transportation/warehousing jobs have stabilized.

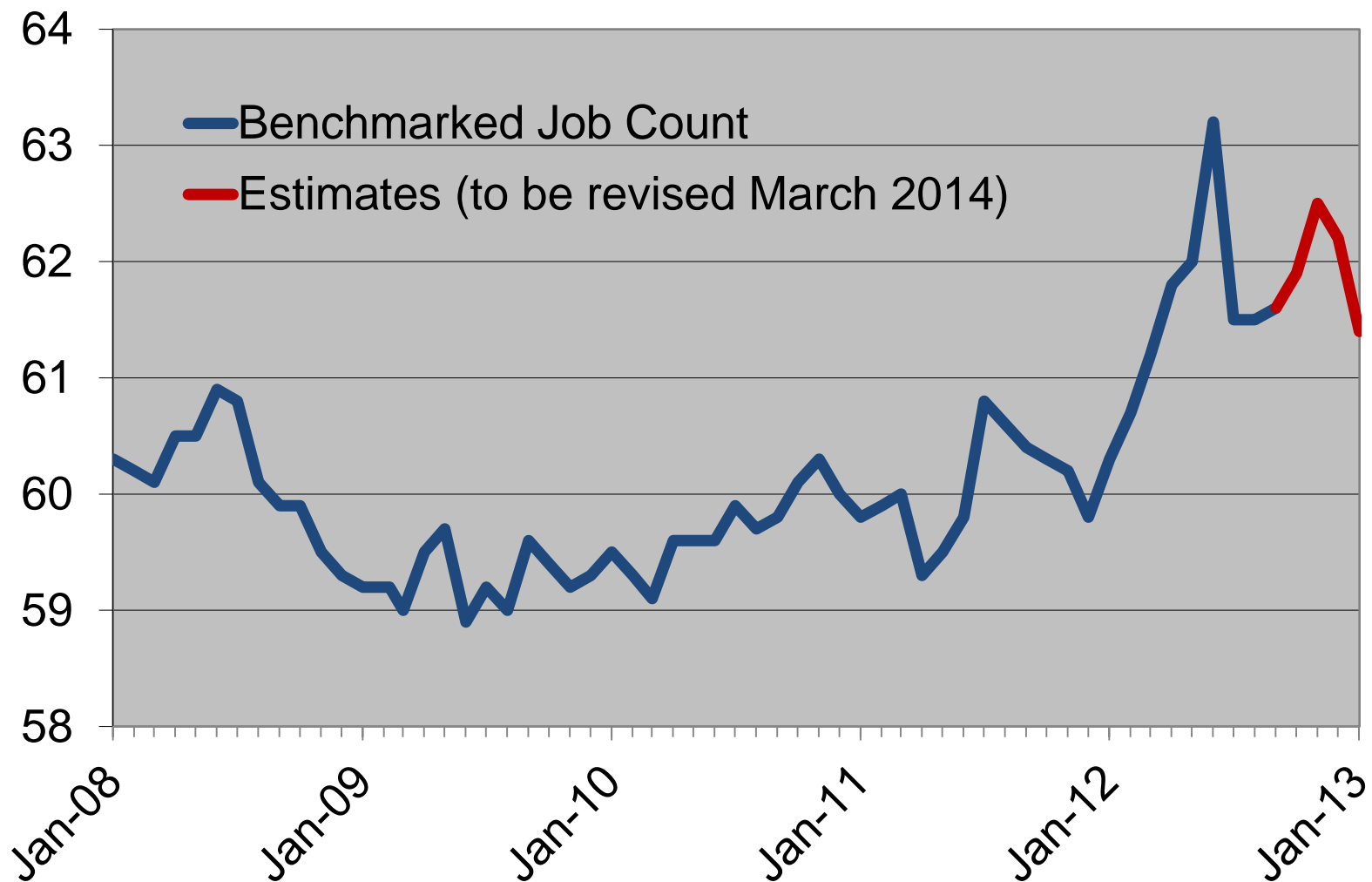
Professional & Business Services Jobs

(seasonally adjusted in thousands)



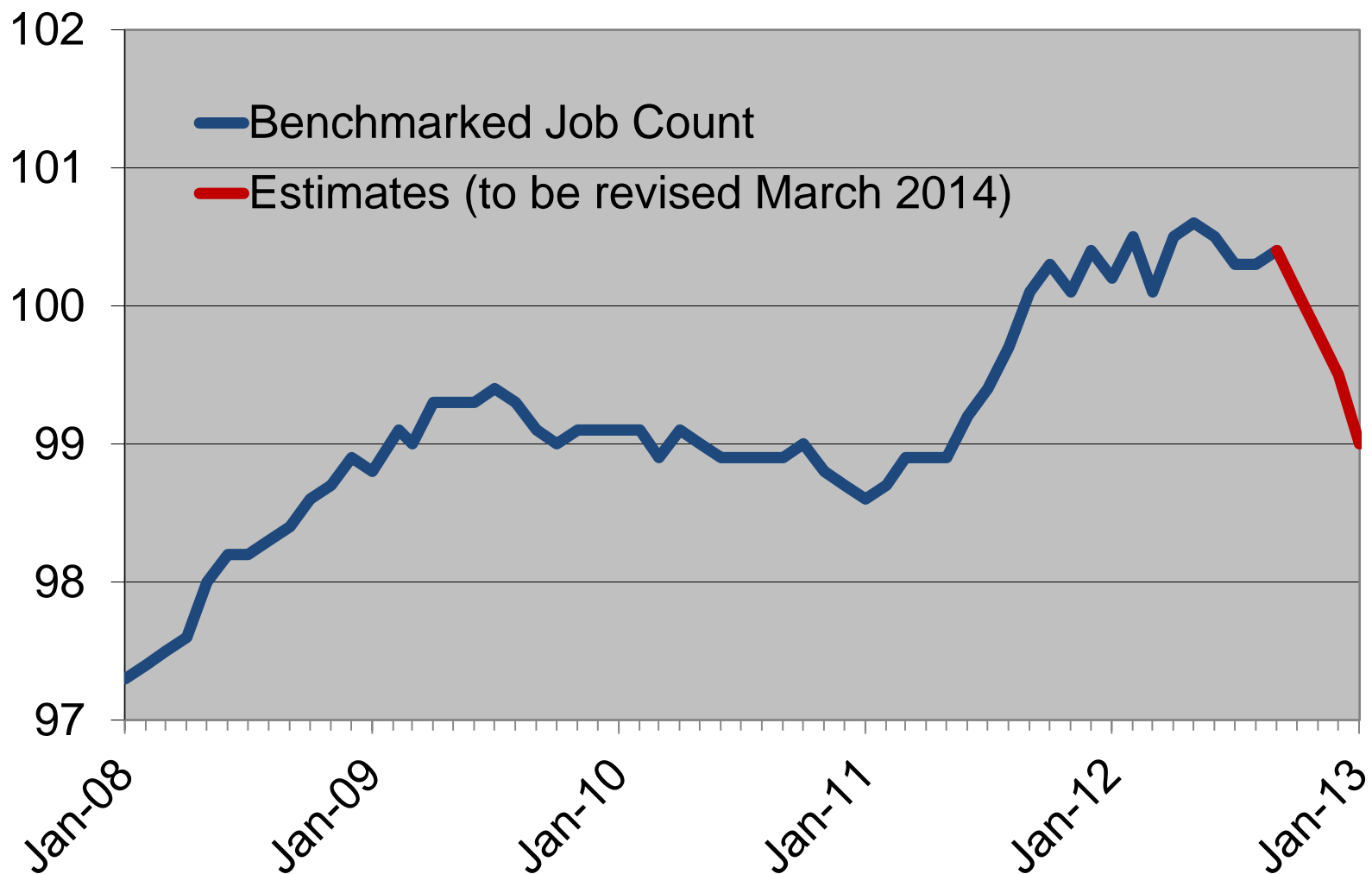
Leisure & Hospitality Jobs

(seasonally adjusted in thousands)



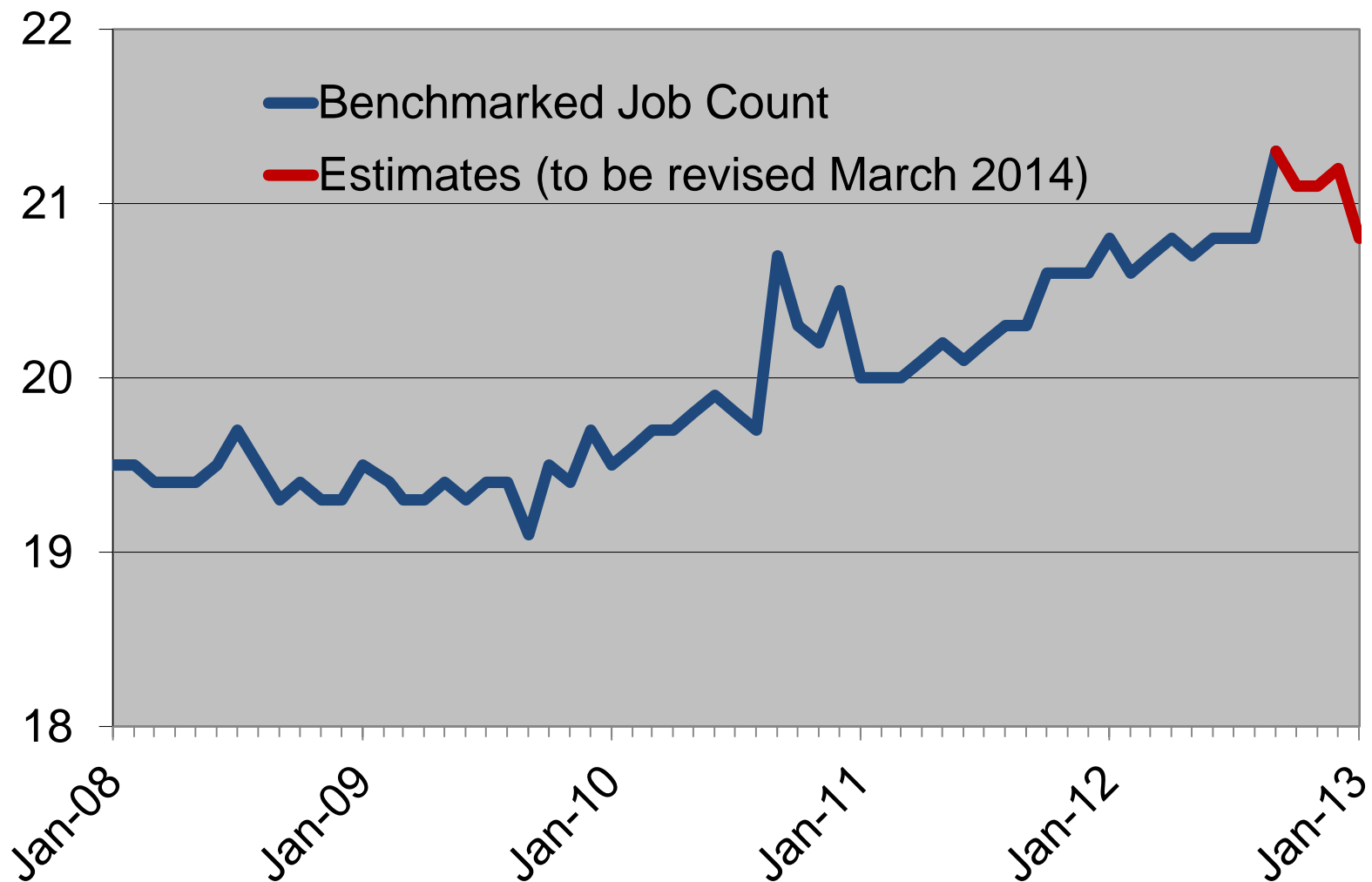
Healthcare & Social Assistance Jobs

(seasonally adjusted in thousands)



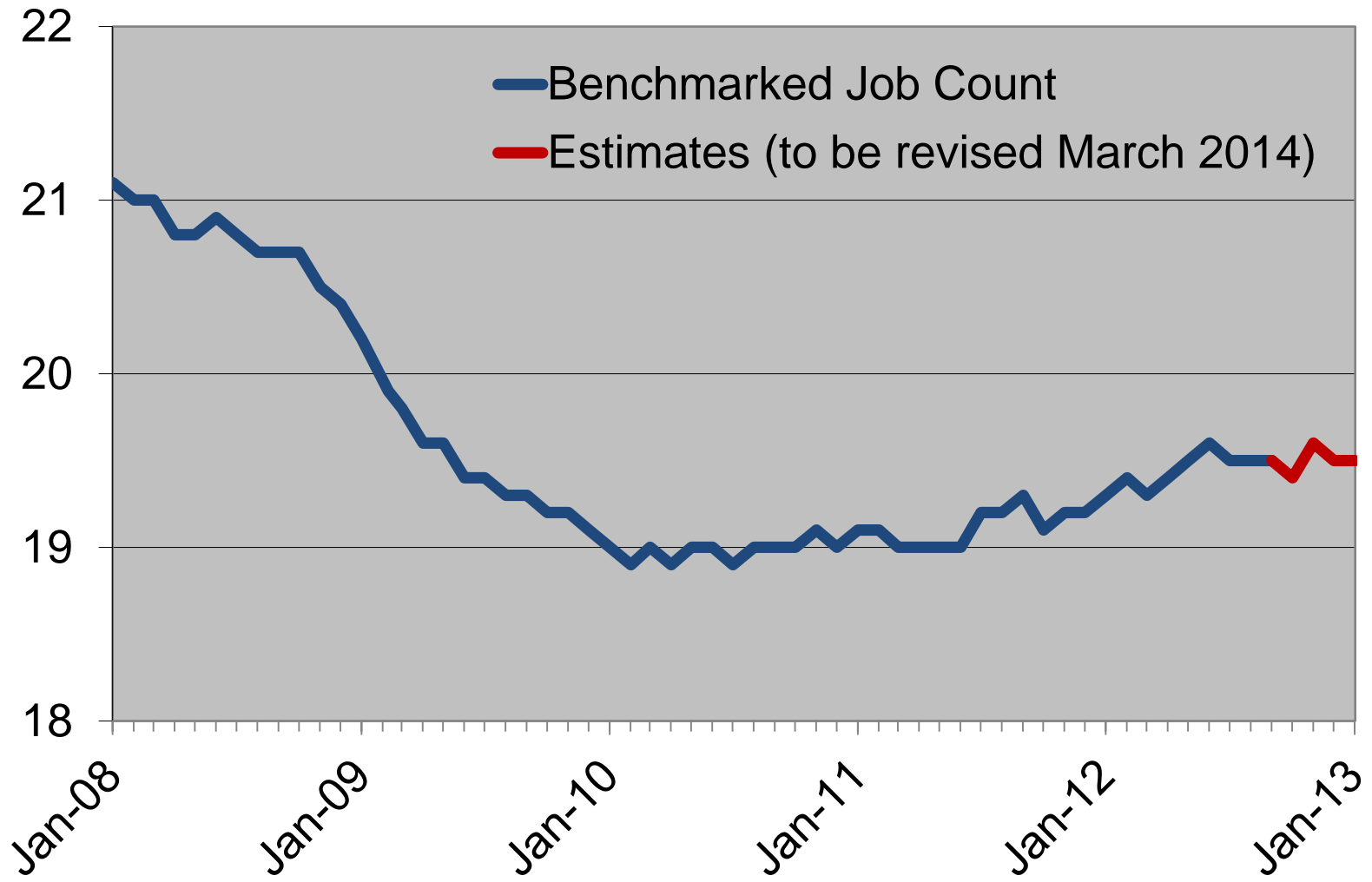
Educational Services Jobs

(seasonally adjusted in thousands)



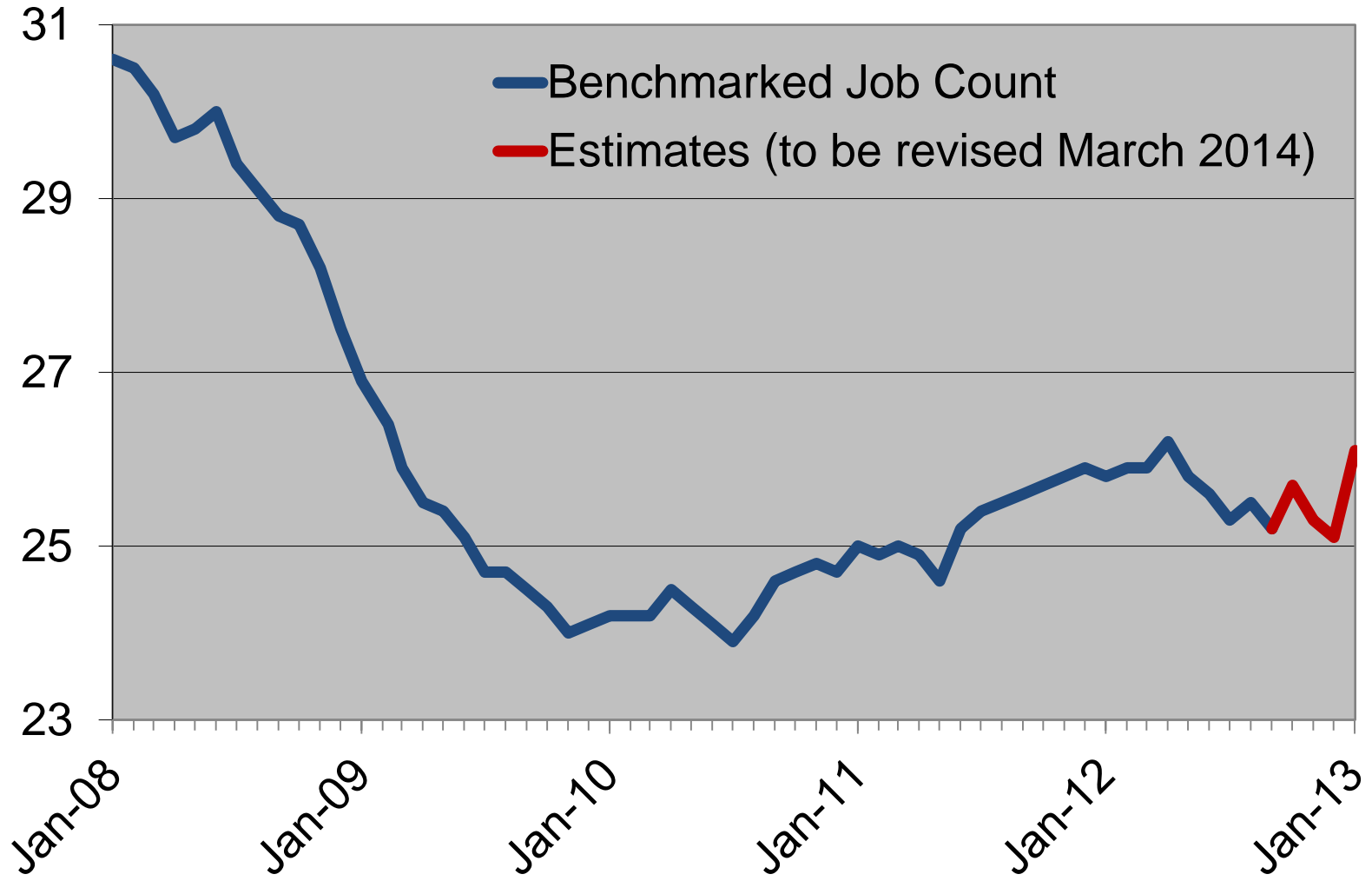
Wholesale Trade Jobs

(seasonally adjusted in thousands)



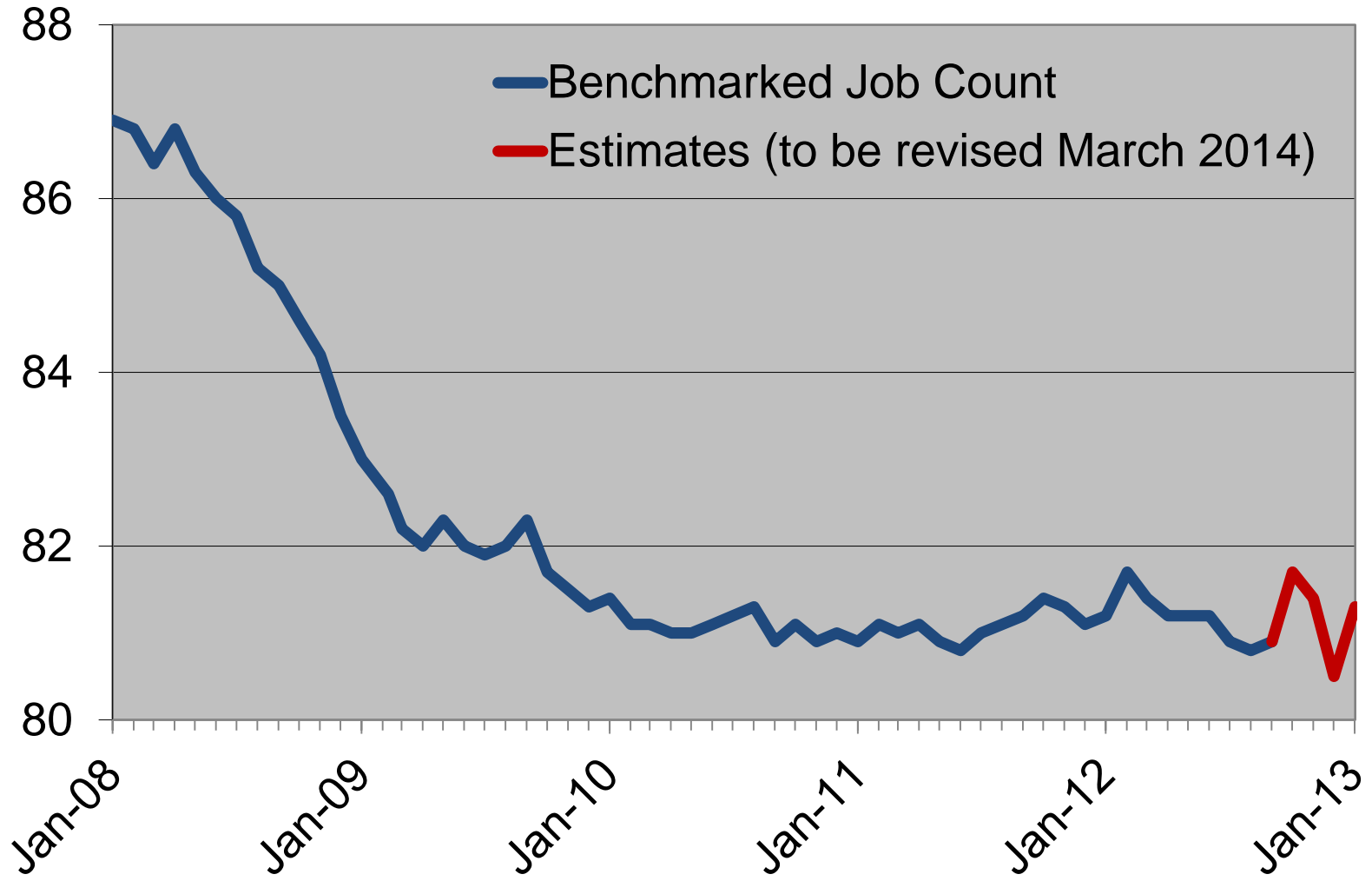
Construction Jobs

(seasonally adjusted in thousands)



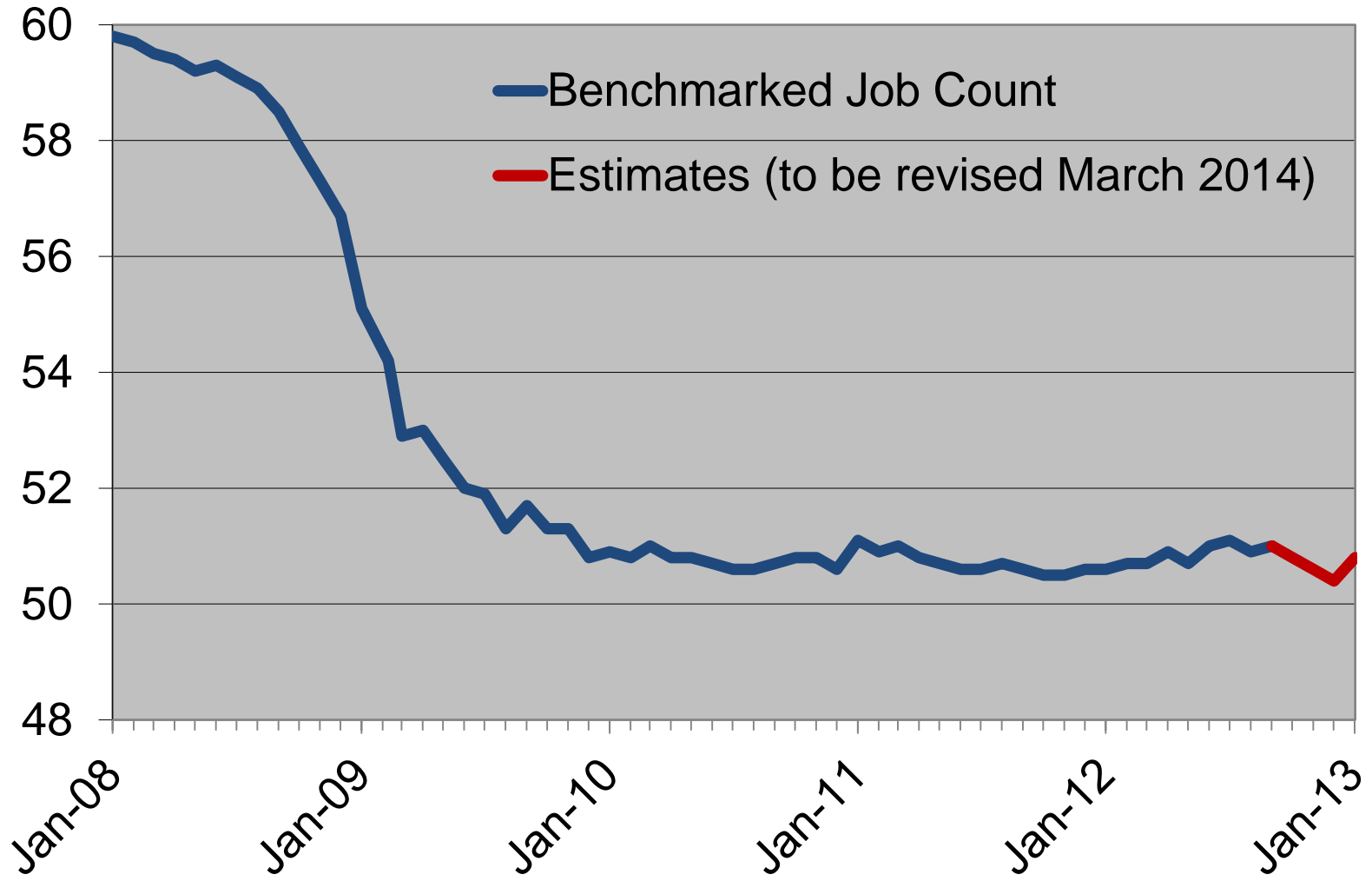
Retail Trade Jobs

(seasonally adjusted in thousands)



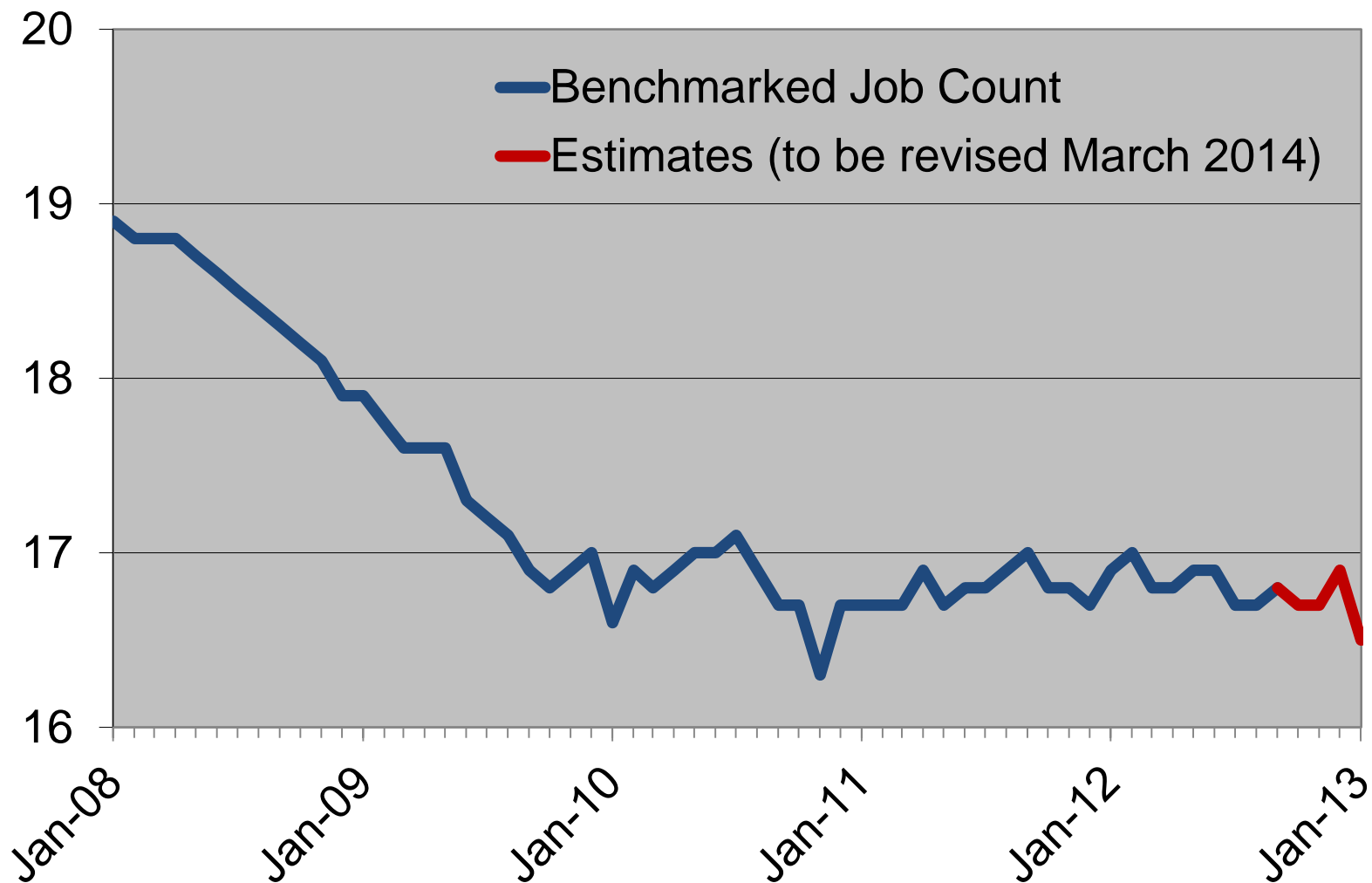
Manufacturing Jobs

(seasonally adjusted in thousands)



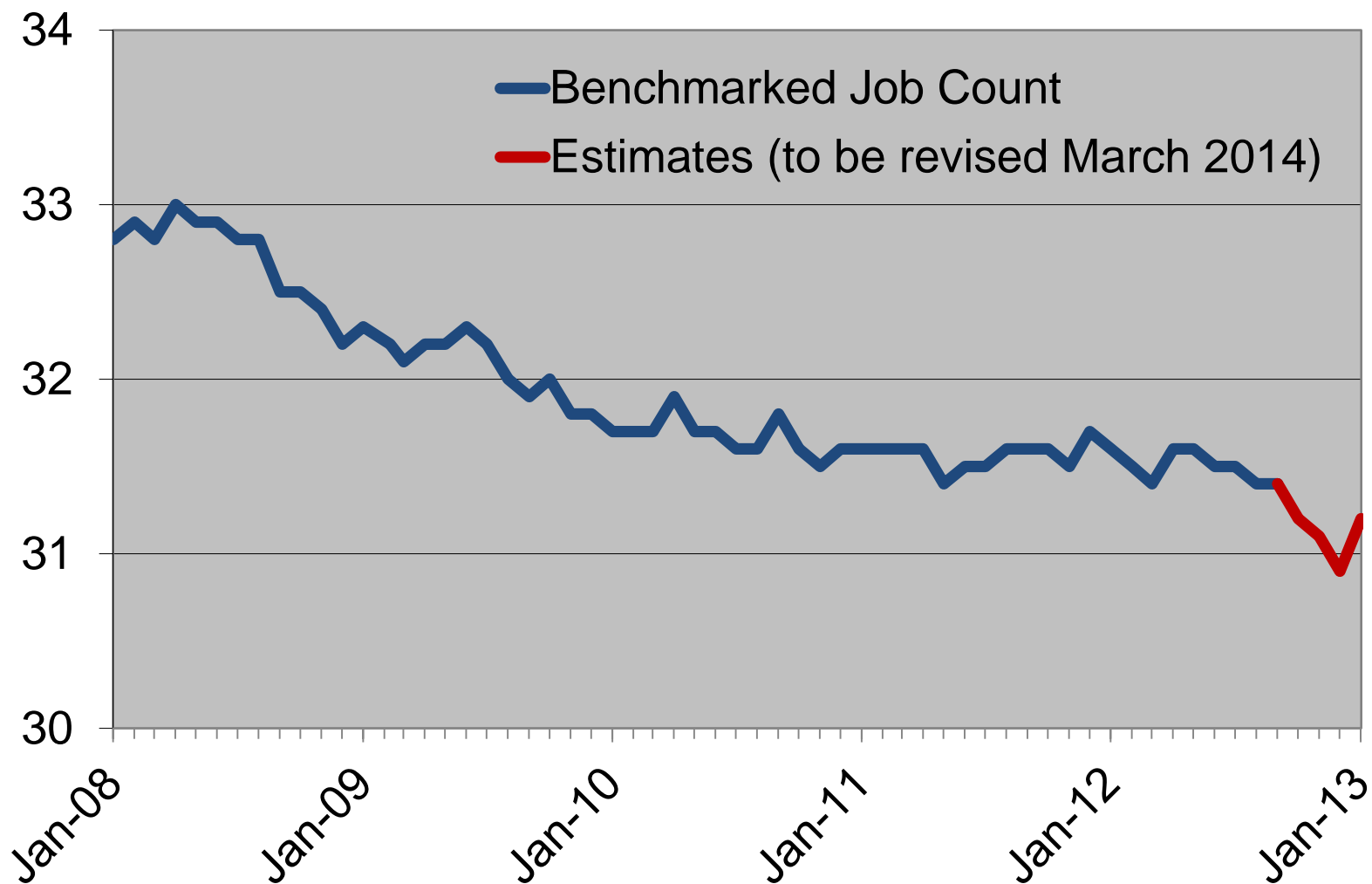
Transportation, Warehousing & Utilities Jobs

(seasonally adjusted in thousands)



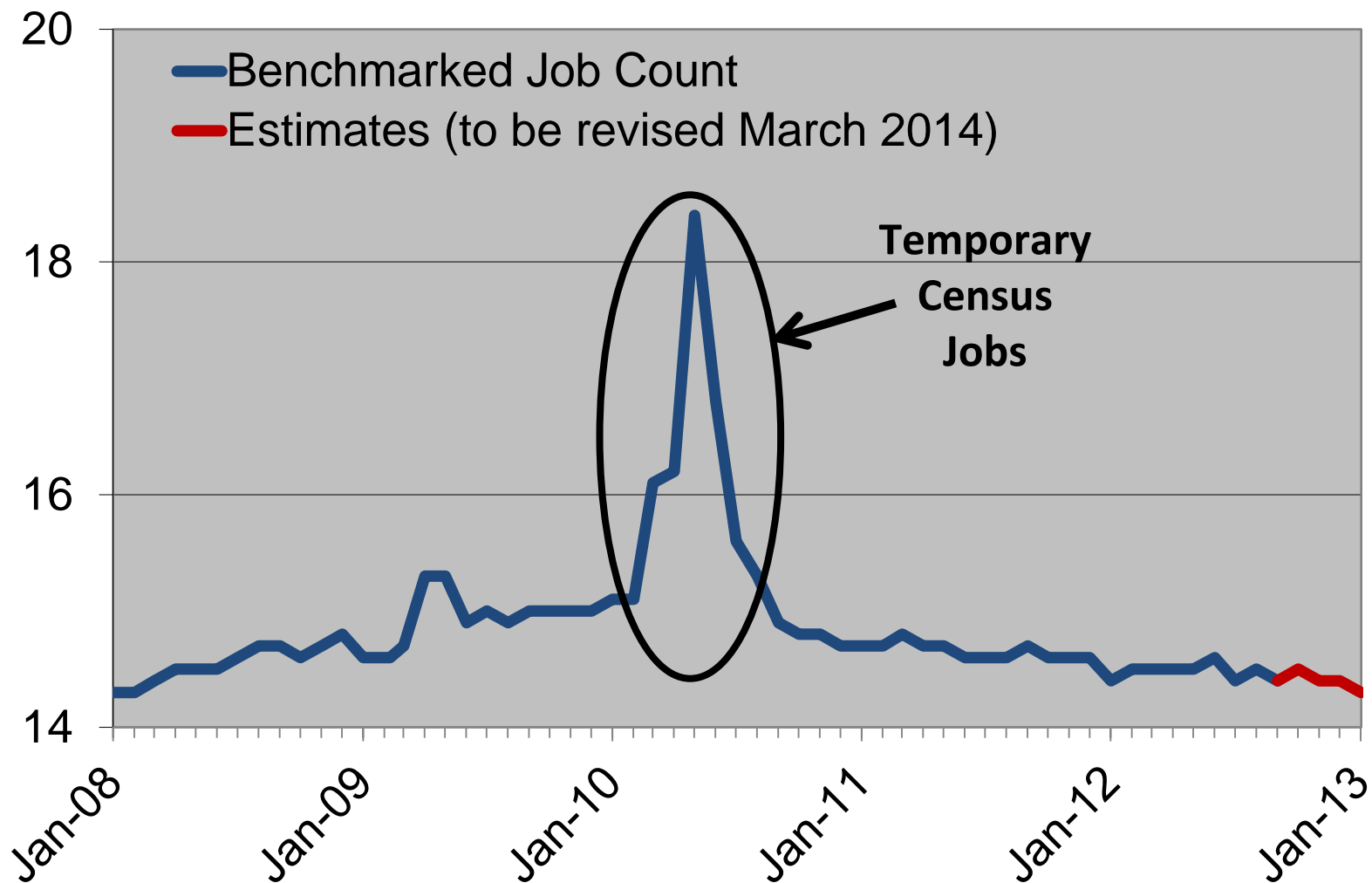
Financial Activities Jobs

(seasonally adjusted in thousands)



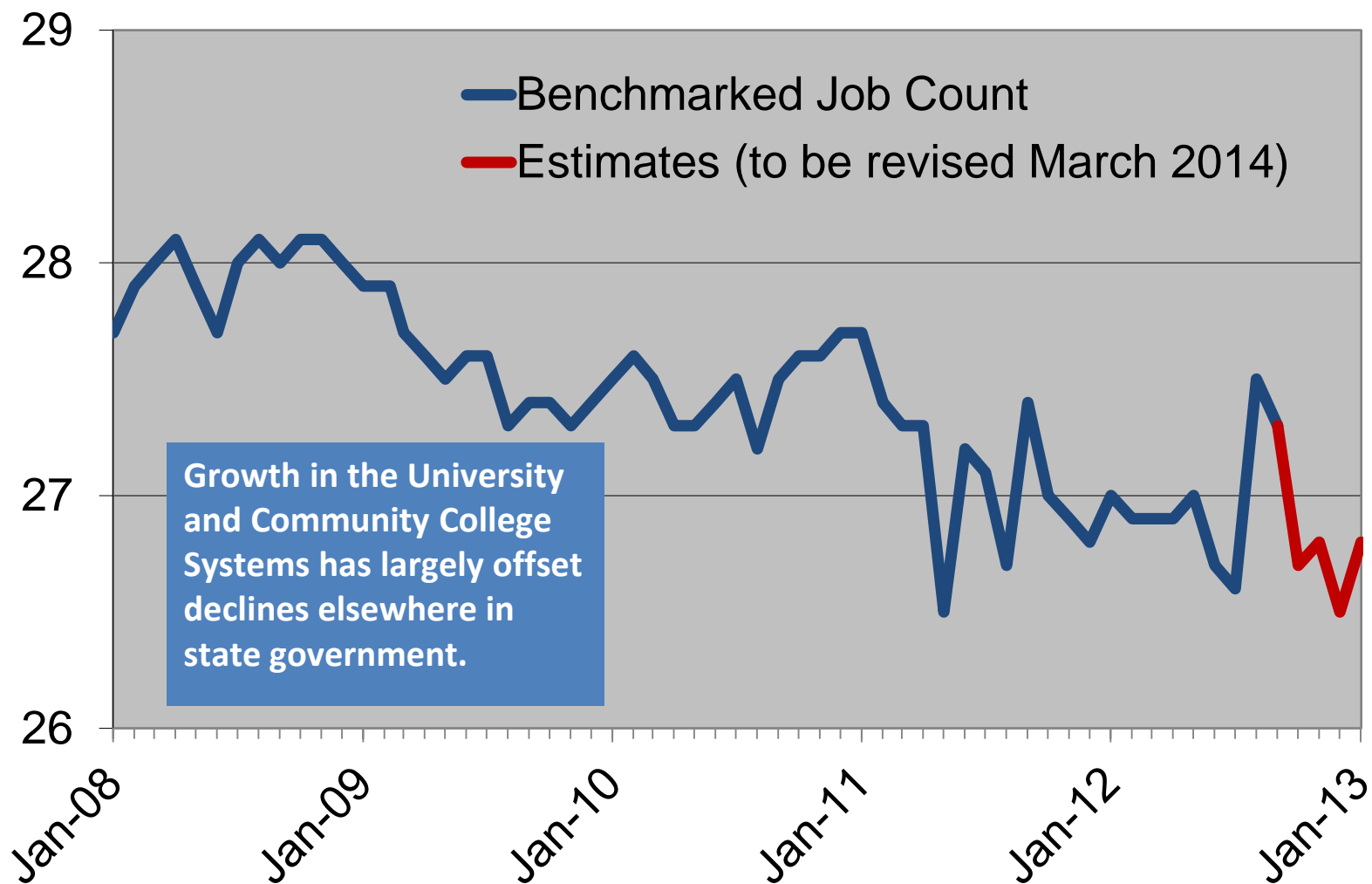
Federal Government Jobs

(seasonally adjusted in thousands)



State Government Jobs

(seasonally adjusted in thousands)



Local Government Jobs

(seasonally adjusted in thousands)

