

Economic and Workforce Trends for Maine

MAINESPARK ADVISORY COUNCIL

MAY 25, 2022

AMANDA RECTOR

MAINE STATE ECONOMIST

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES



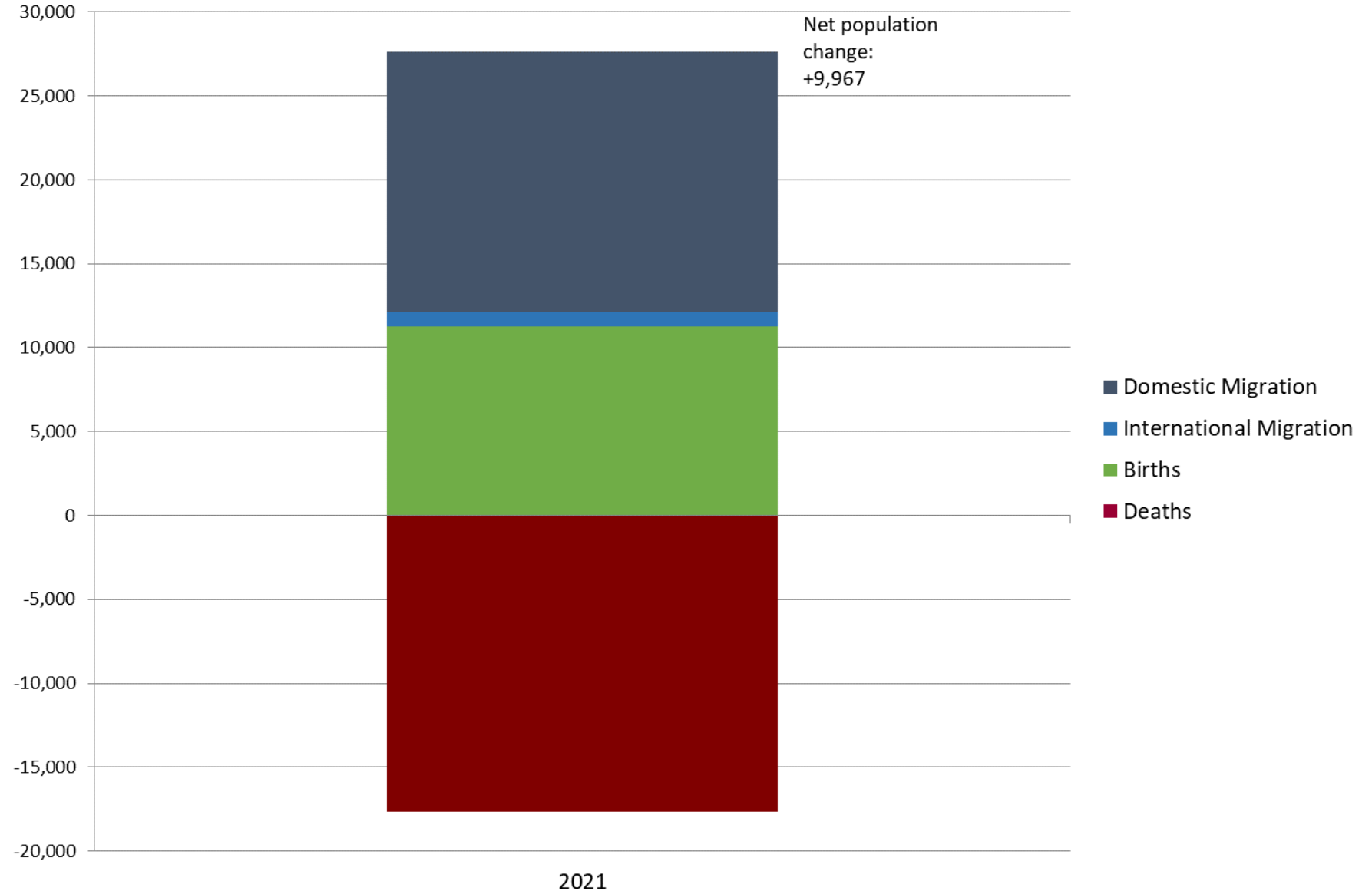
Components of Population Change, Maine

2020 Decennial Population =
1,362,359 (42nd in U.S.)

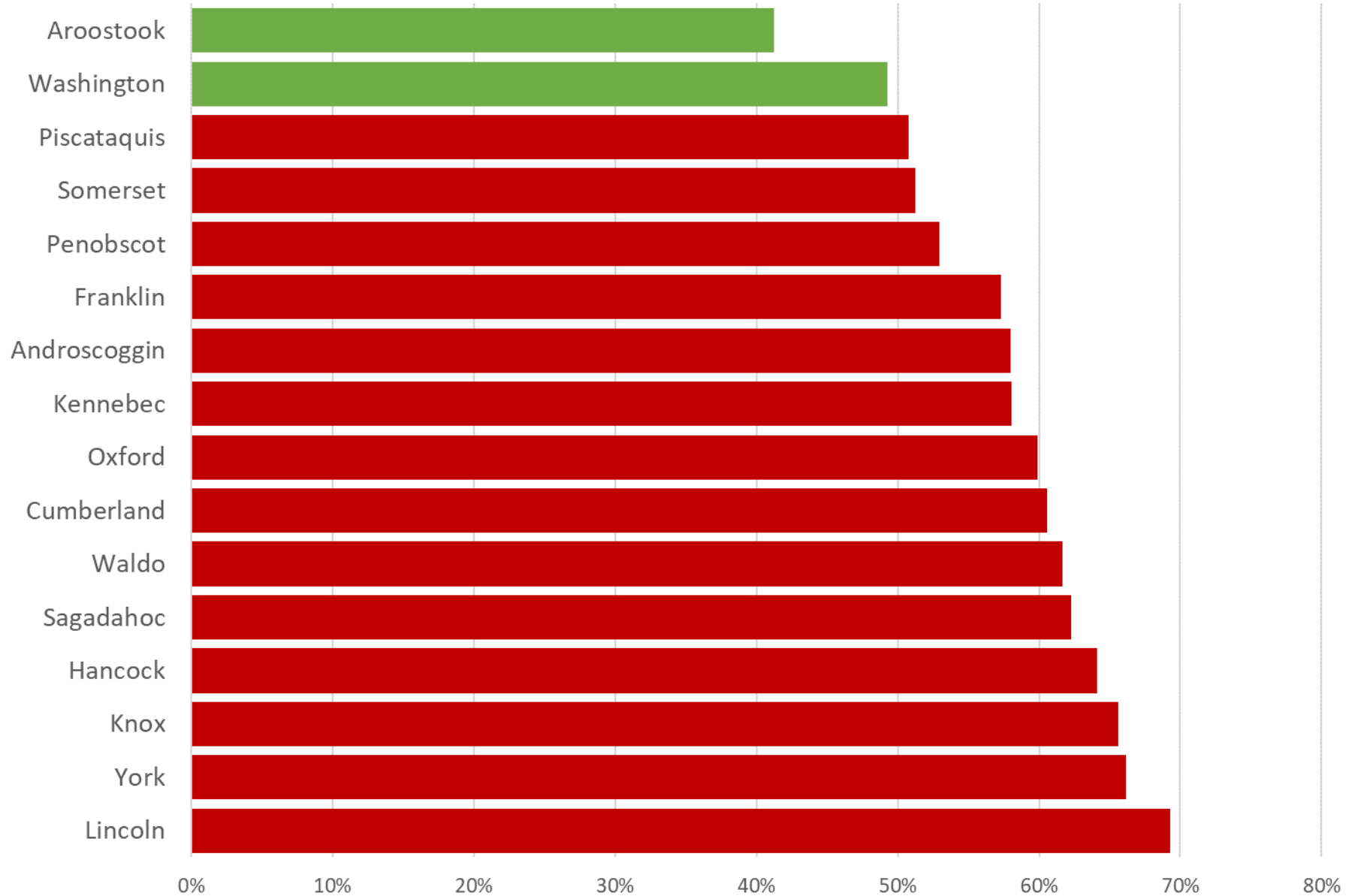
Population increase of 2.6%
from 2010-2020 (42nd in U.S.)

Population increase of 0.7%
from 2020-2021 (14th in U.S.)

Net migration = 12.0 per
thousand (7th in U.S.)

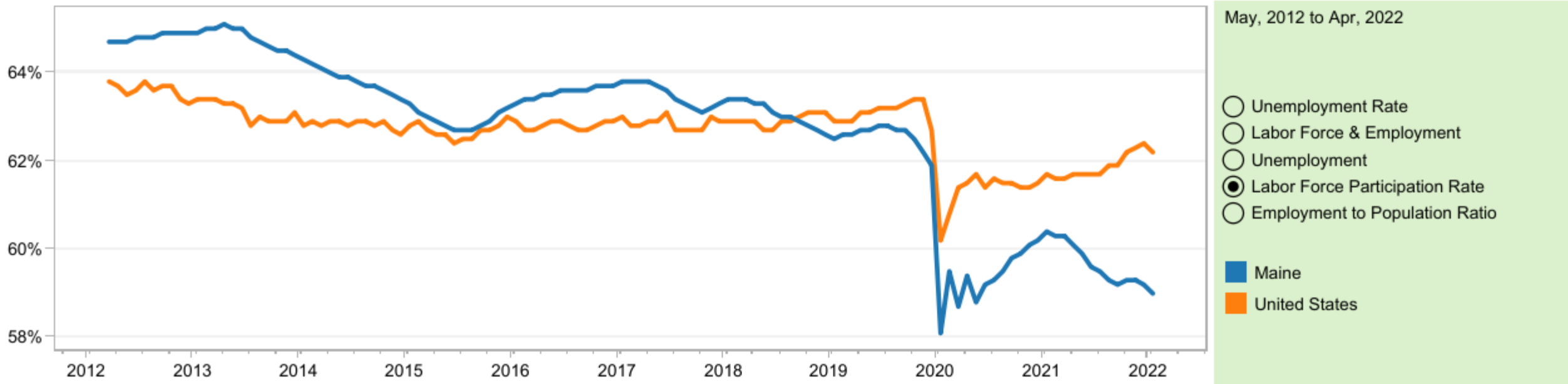


Percent of Households Unable to Afford Median Home, 2021

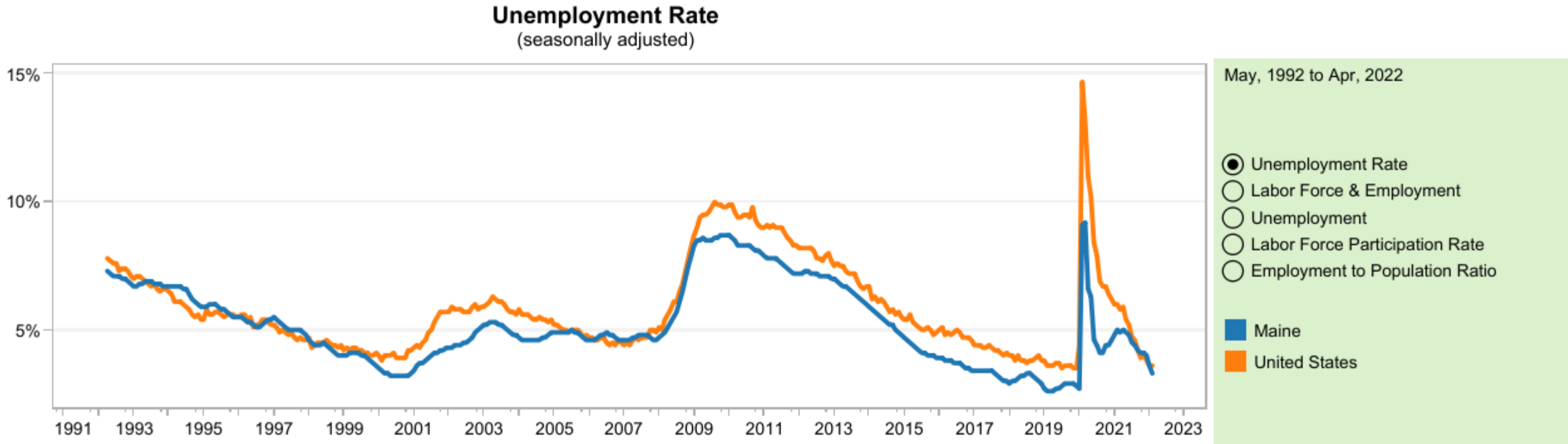


The Maine Department of Labor estimates that around two-thirds of the people who have left the labor force during the pandemic could be retirees

Labor Force Participation Rate
(seasonally adjusted)



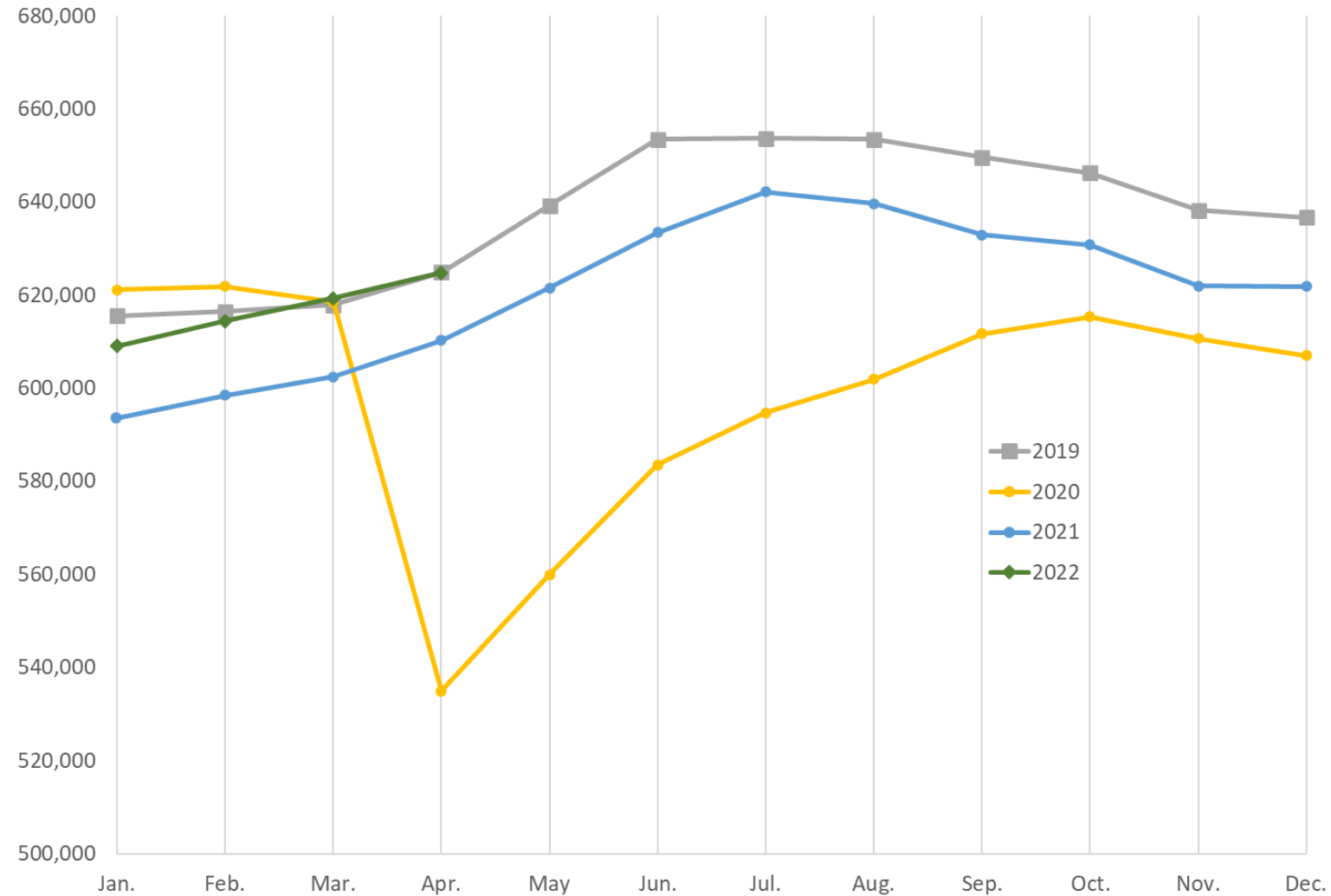
Maine's unemployment rate in April 2022, while somewhat higher than pre-pandemic, is two percentage points lower than the average of the past 70 years



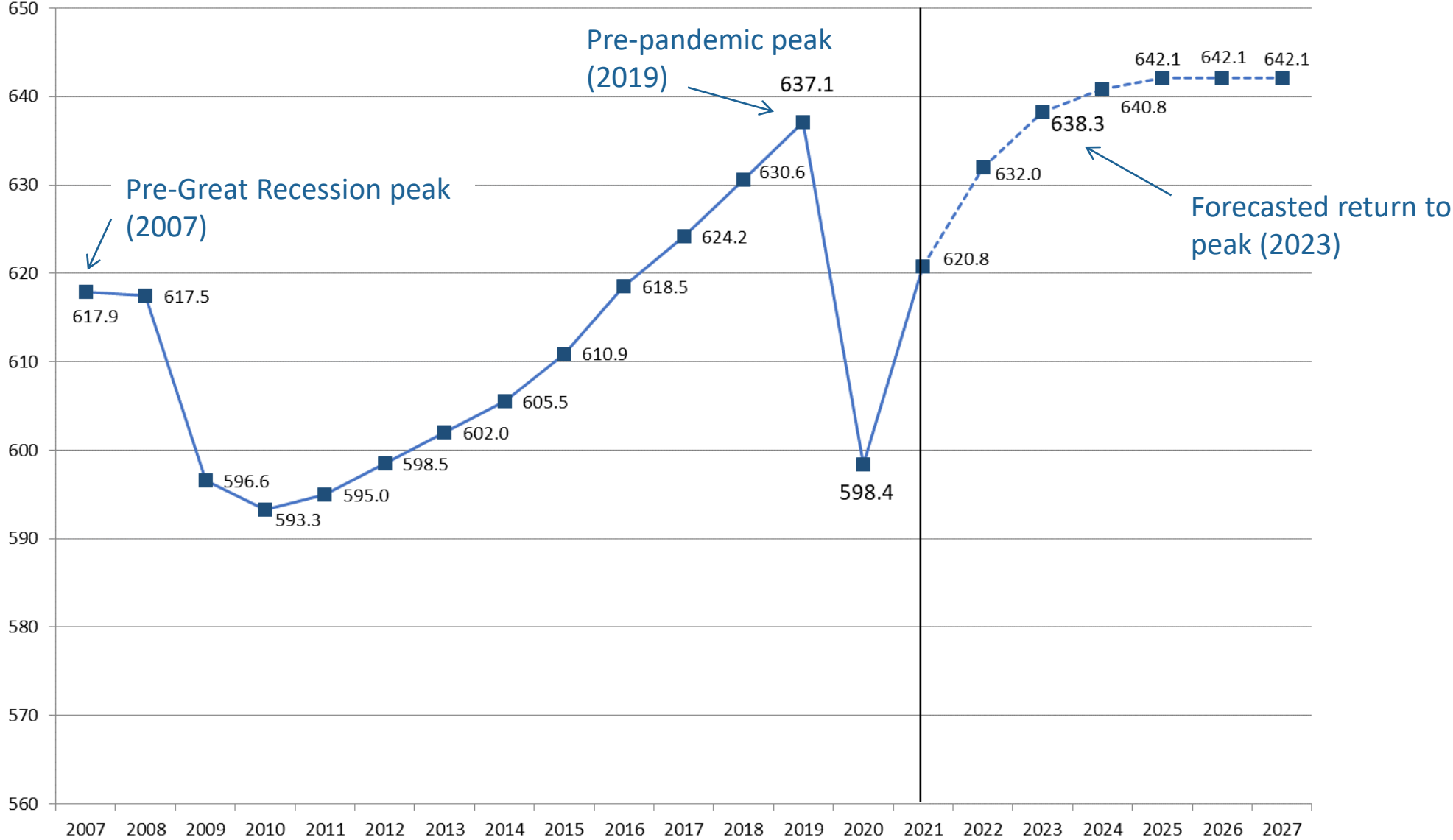
Nearly all sectors are at or above pre-pandemic employment, the exceptions being:

- healthcare and social assistance (mostly long-term care and social assistance)
- state and local government (mostly public education)

Total Nonfarm Employment, Not Seasonally Adjusted

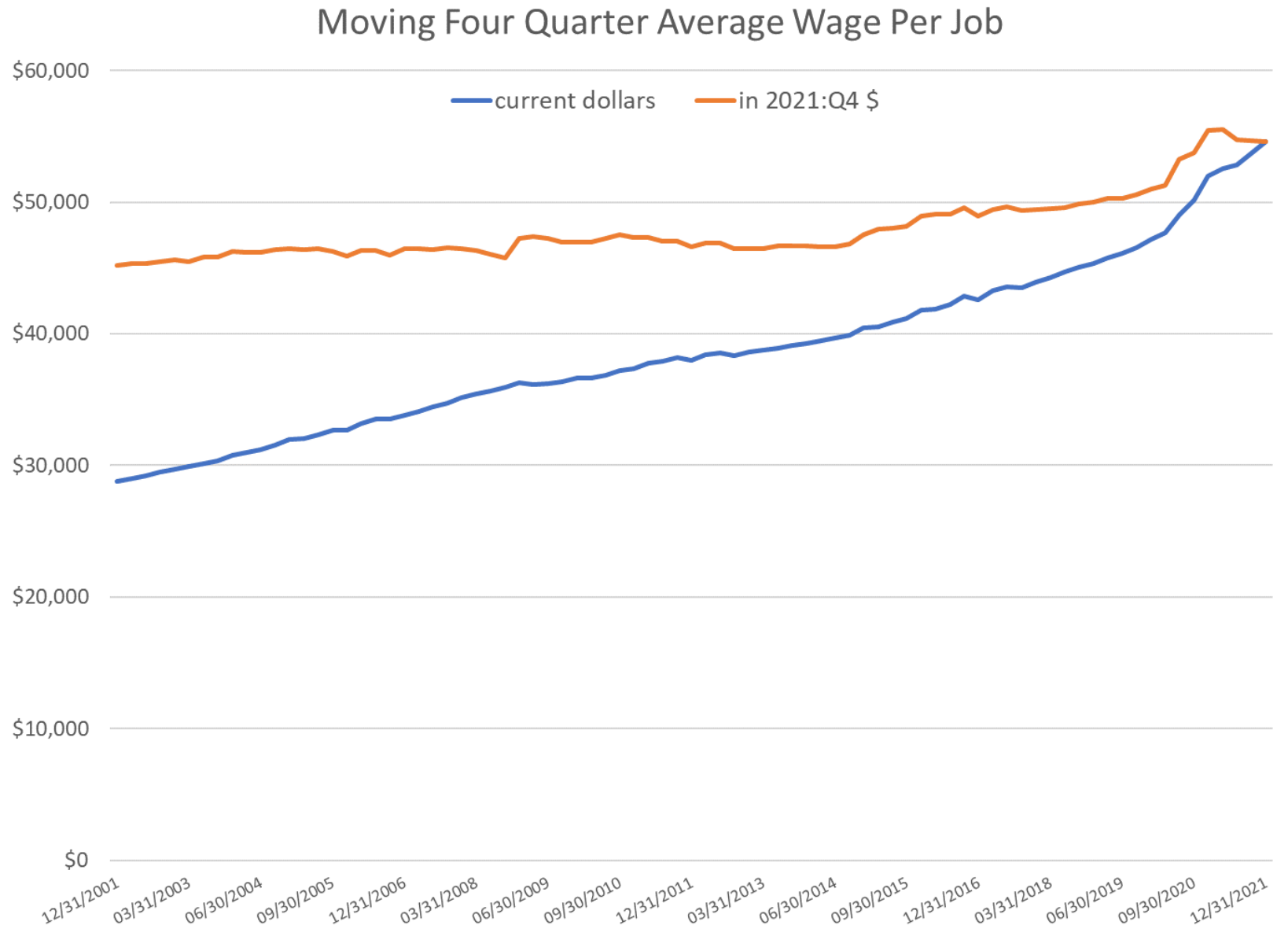


Total Nonfarm Employment (in thousands) History and CEFC forecast

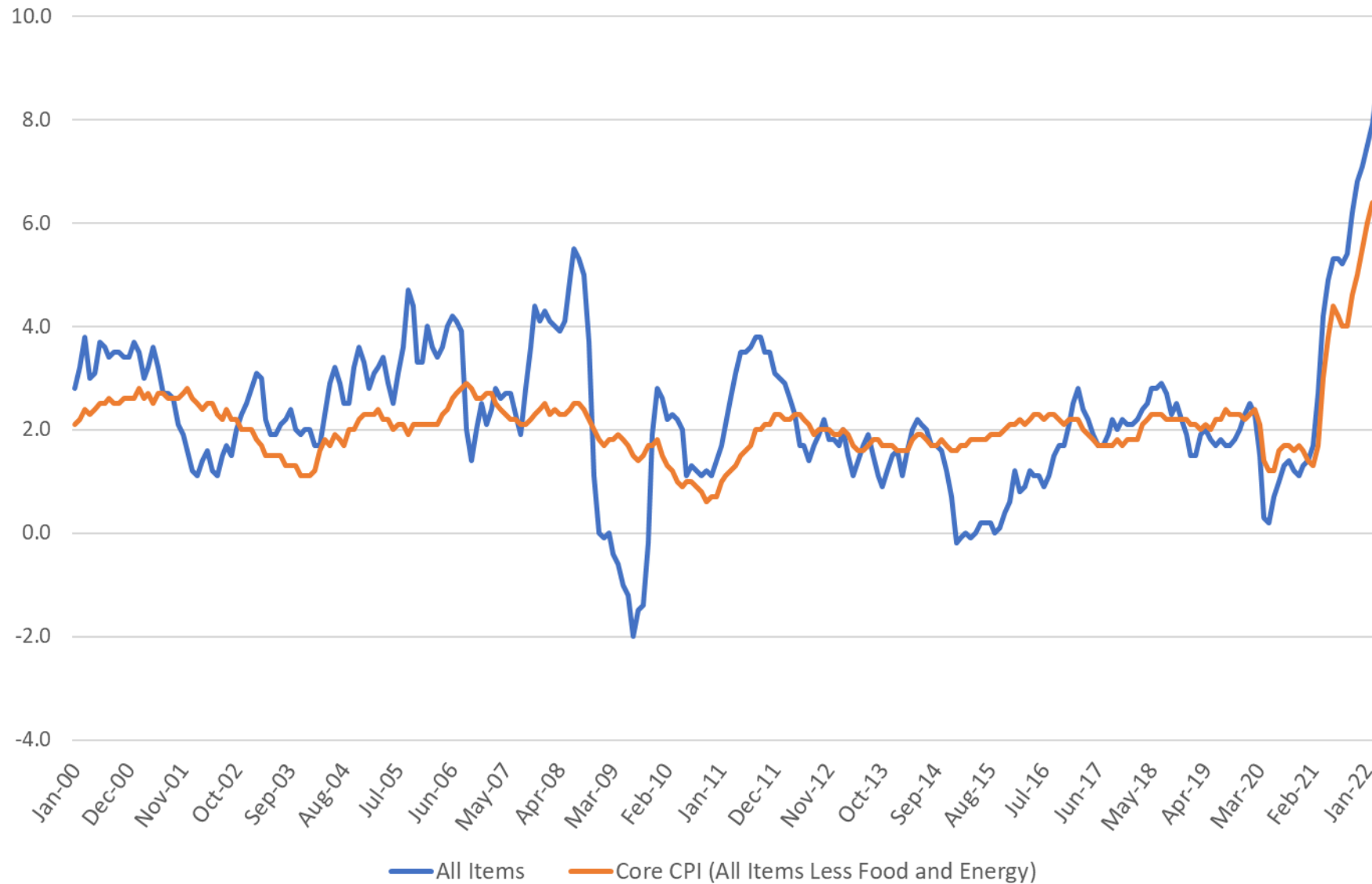


Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, February 1, 2022

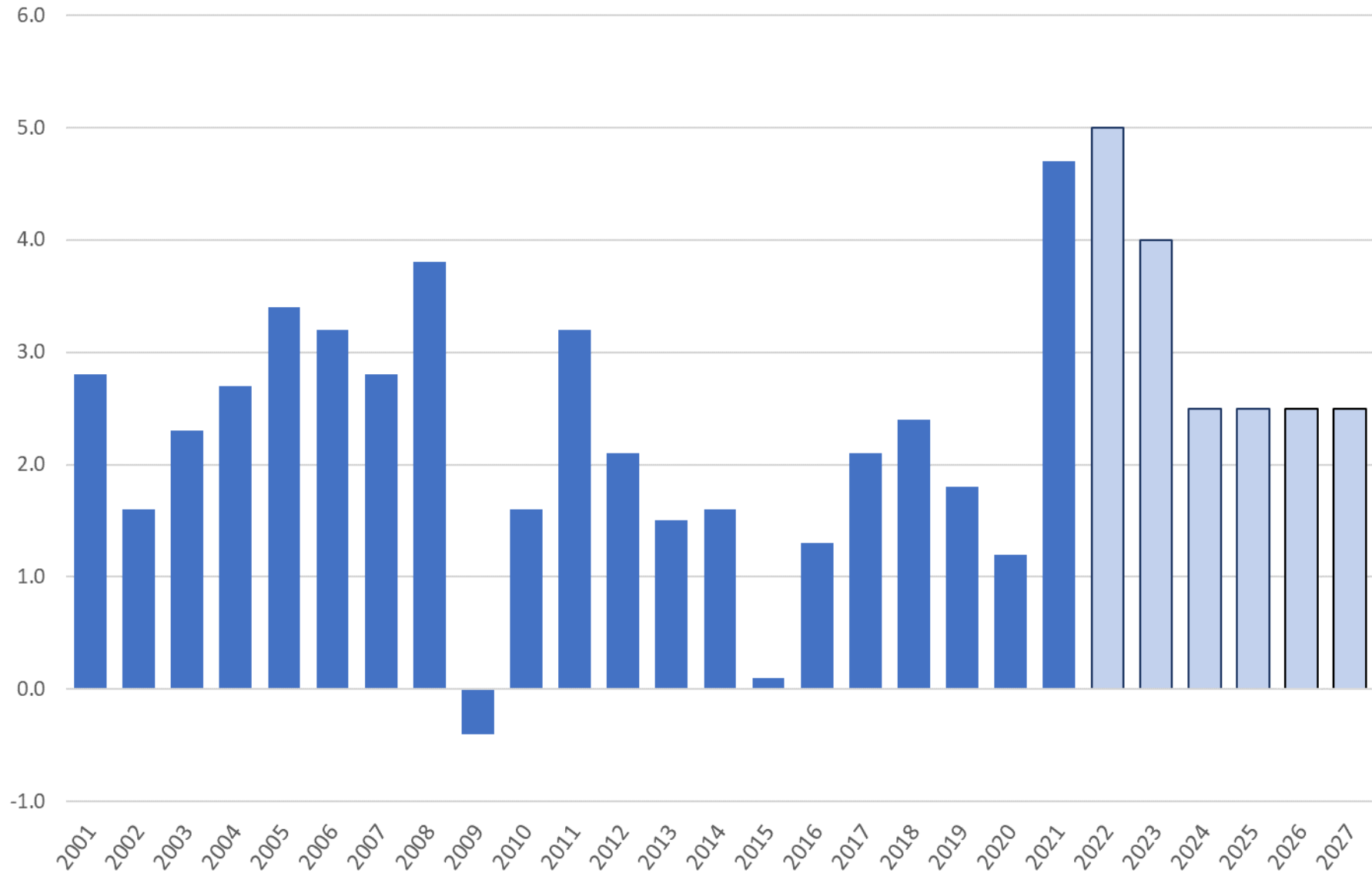
Higher total wages spread across fewer jobs drove the average wage per job up sharply in the pandemic era, but inflation is making those gains less meaningful



Year-over-year percent change in Consumer Price Index (1982-84=100, seasonally adjusted)



Year-over-year percent change in Consumer Price Index (1982-84=100, seasonally adjusted)



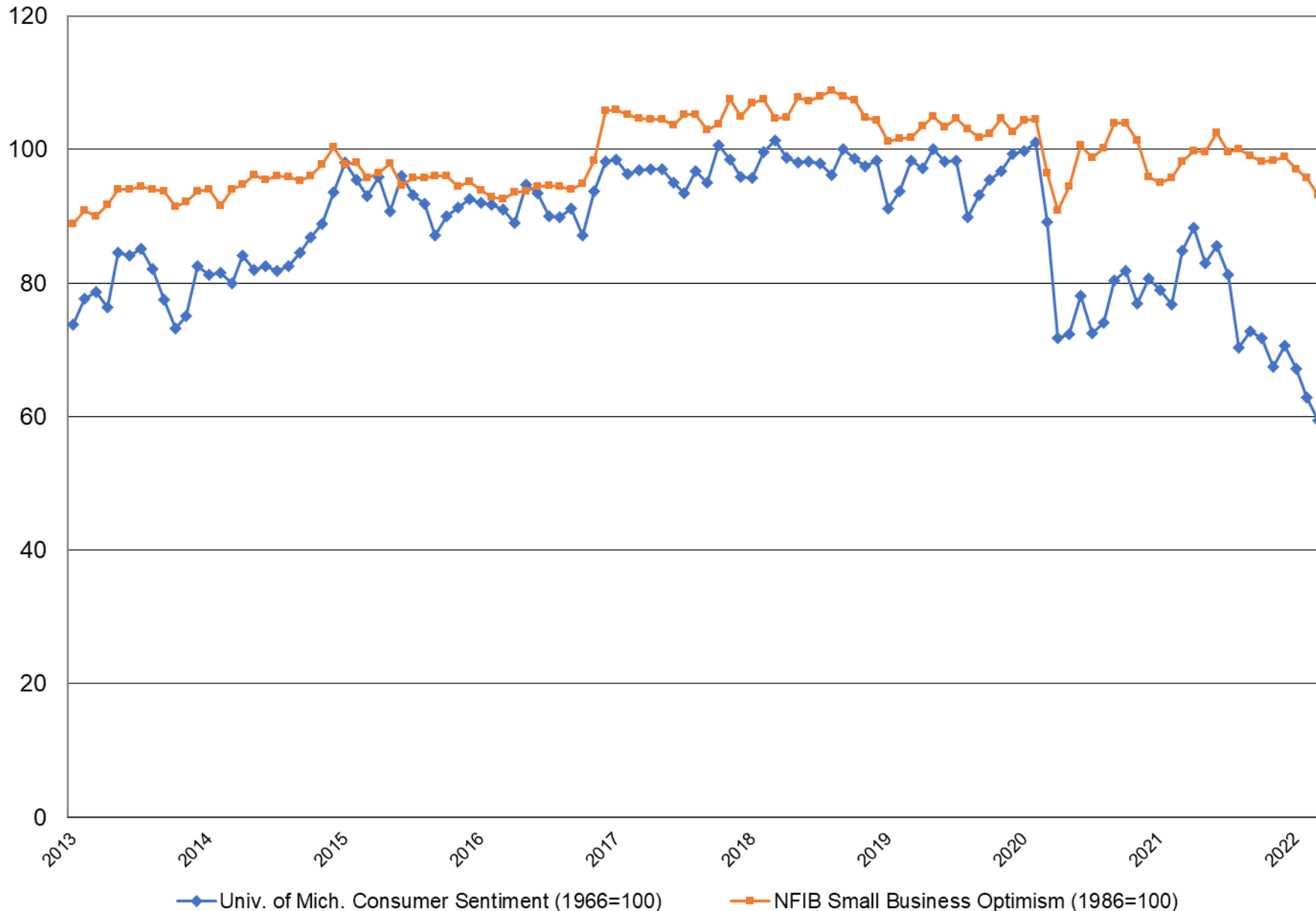
March 2022 inflation expectation from national Survey of Consumers (University of Michigan)

Next year: 5.4%
(up from 3.1% one year ago)

Next 5 years: 3.0%
(up from 2.8% one year ago)

Sources: U.S. Bureau of Labor Statistics; CEFC report, February 1, 2022; University of Michigan Survey of Consumers

Consumer Sentiment and Small Business Optimism Indexes



Consumers are particularly concerned about inflation:

- Inflation expectation of 5.4% is the **highest since November 1981**
- 32% of all surveyed consumers expect overall financial position to worsen in the year ahead: **the highest recorded level since the survey began in the mid-1940s**

Workforce considerations

Migration: what are the demographic details and will the trends continue?

Retirements: will some retirees rejoin the workforce?

Remote work: here to stay, but hybrid situations are geographically limiting

Inflation: has inflation peaked?

Wages: how will wage expectations adjust to inflation and the tight labor market?

The Great Reshuffle: how does the search for “better” work pan out in the long run?

Self-employment: are more workers choosing self-employment and gig work?

Automation: will employers who struggle to find workers substitute with technology?

Contact Information

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