

Labor Market Conditions Through August 2020

Presented to

**Consensus Economic Forecasting Commission – Revenue Forecasting
Committee Joint Meeting**

September 24, 2020



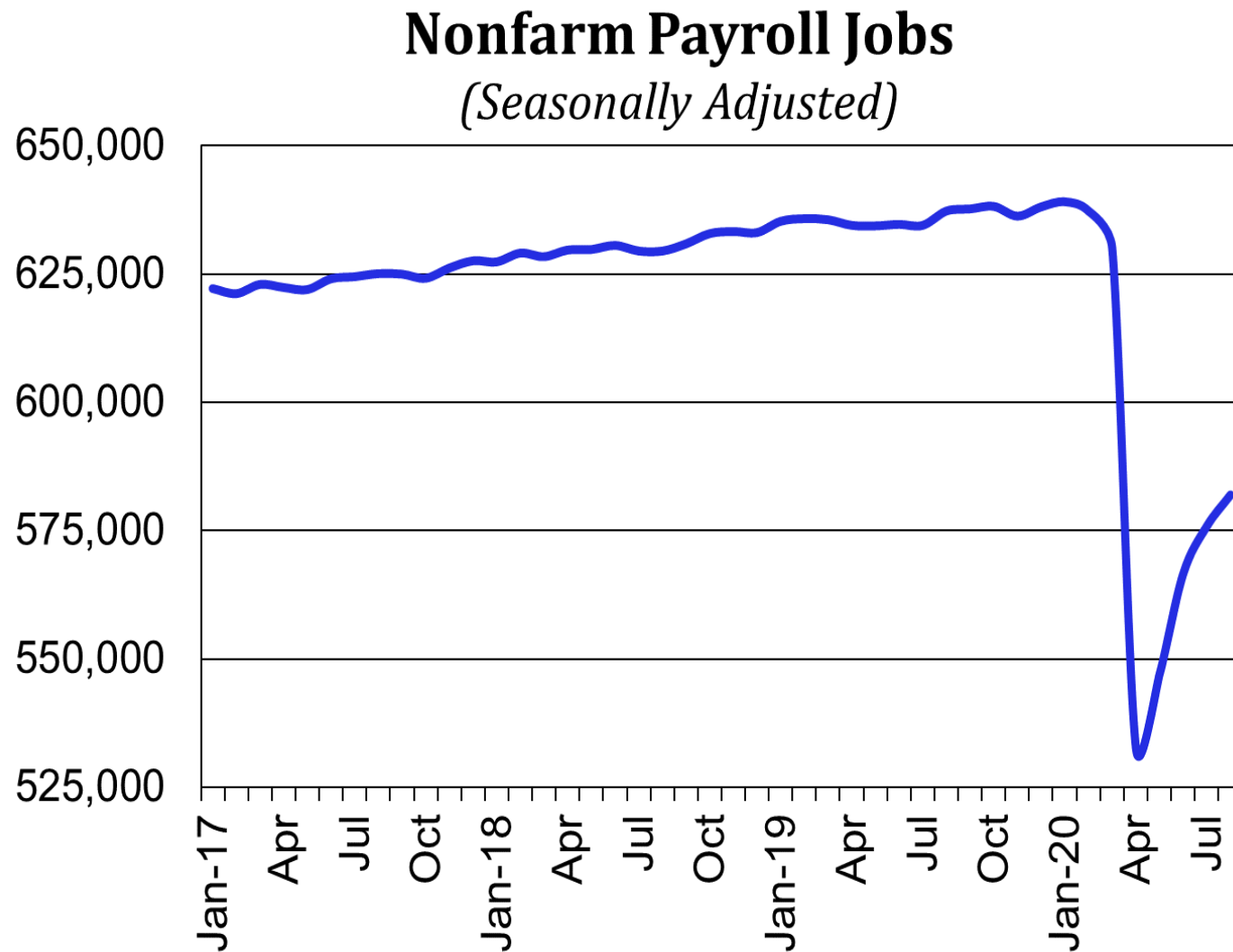
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Since the beginning of the pandemic, the labor market in Maine experienced the deepest job losses on record followed by four months of robust labor market recovery. About one half of net job losses occurring in March and April have been recovered as of August. The pace of labor market recovery has slowed month over month for the past two months.



**Payroll Jobs Survey
Seasonally Adjusted
Estimates**

Nonfarm payroll jobs increased 6,100 in August and 49,200 since the April low. The number of jobs remained 55,300 lower than in February.



Nonfarm Payroll Jobs in Maine by Sector and Metro Area, Seasonally Adjusted

Sector/Area	Jobs (in thousands)			Net Change (thous)		Percent Change Since February
	February	July	August	Over Month	Since February	
Total Nonfarm Jobs	637.3	575.9	582.0	6.1	-55.3	-8.7%
Private Sector	535.7	477.6	483.6	6.0	-52.1	-10%
Leisure & Hospitality	69.9	47.2	48.9	1.7	-21.0	-30%
Manufacturing	53.2	44.8	43.8	-1.0	-9.4	-18%
Health Care & Social Assistance	107.3	99.6	100.8	1.2	-6.5	-6%
Professional & Business Services	68.2	64.0	64.9	0.9	-3.3	-5%
Educational Services	22.7	19.1	19.3	0.2	-3.4	-15%
Other Services	23.1	19.9	20.7	0.8	-2.4	-10%
Retail Trade	80.8	78.1	78.9	0.8	-1.9	-2%
Information	7.4	5.5	6.0	0.5	-1.4	-19%
Financial Activities	33.3	31.6	31.9	0.3	-1.4	-4%
Wholesale Trade	19.1	18.3	18.6	0.3	-0.5	-3%
Transportation, Warehousing & Utilities	18.5	17.7	18.1	0.4	-0.4	-2%
Construction, Mining & Logging	32.2	31.8	31.7	-0.1	-0.5	-2%
Government	101.6	98.3	98.4	0.1	-3.2	-3%
Local Government	59.2	56.9	56.6	-0.3	-2.6	-4%
State Government	25.7	23.5	23.6	0.1	-2.1	-8%
Federal Government	16.7	17.9	18.2	0.3	1.5	9%
Portland-South Portland MSA	214.5	191.3	194.0	2.7	-20.5	-10%
Bangor MSA	69.2	64.0	64.2	0.2	-5.0	-7%
Lewiston-Auburn MSA	51.9	48.5	49.3	0.8	-2.6	-5%
Non-Metro Areas	301.7	272.1	274.5	2.4	-27.2	-9%

Numbers may not add due to rounding.

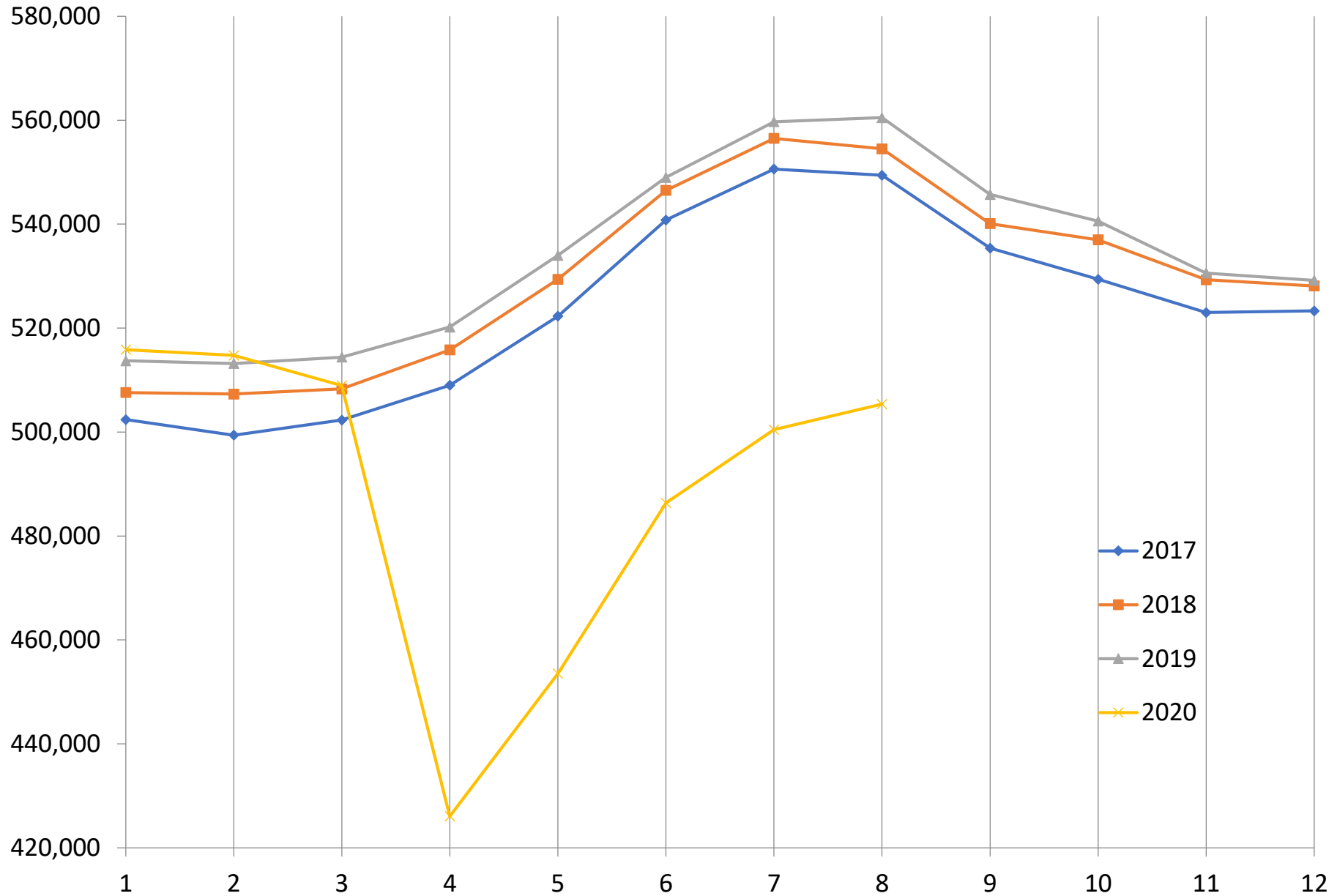
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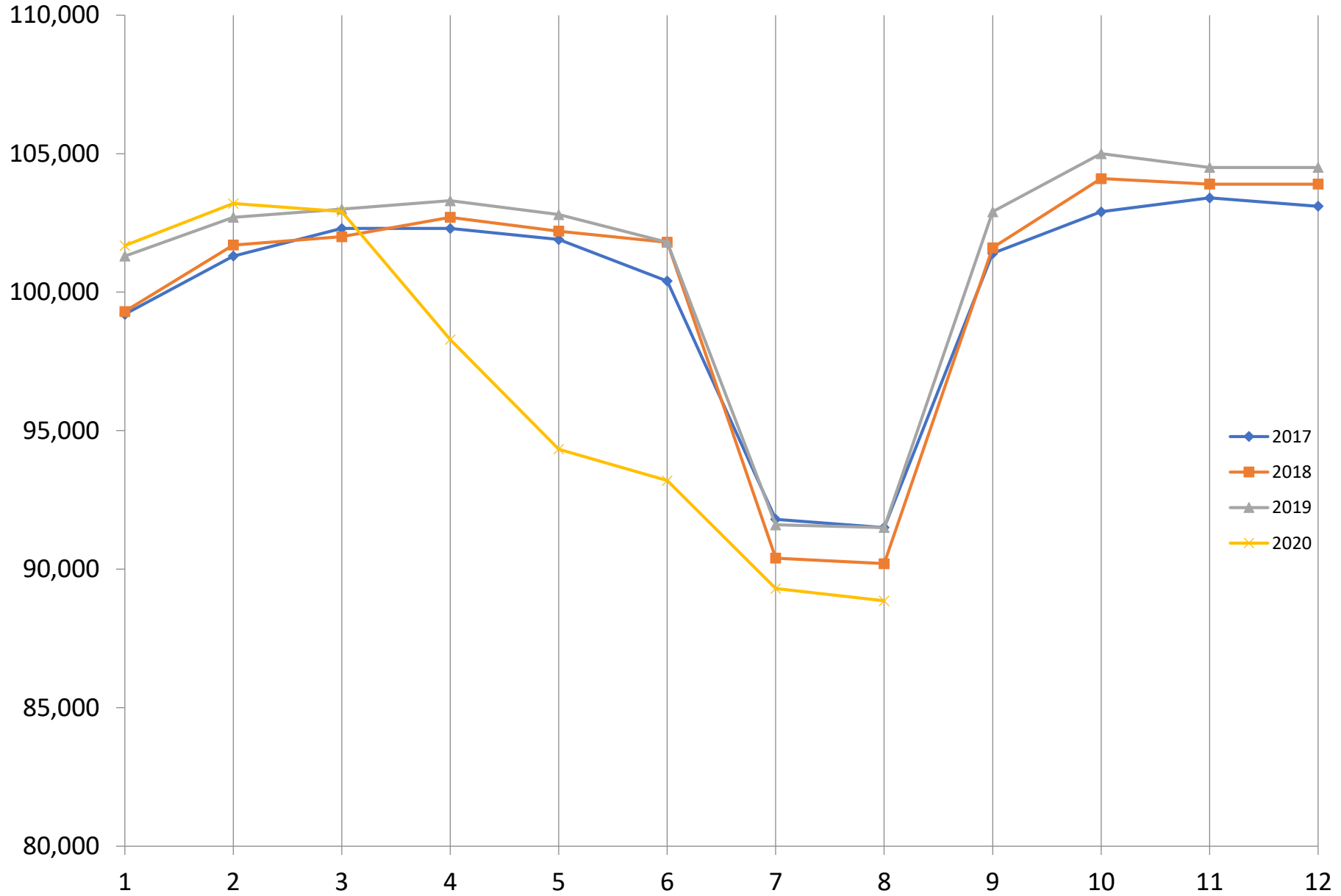
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**Payroll Jobs Survey
Not-Seasonally Adjusted
(NSA) Estimates**

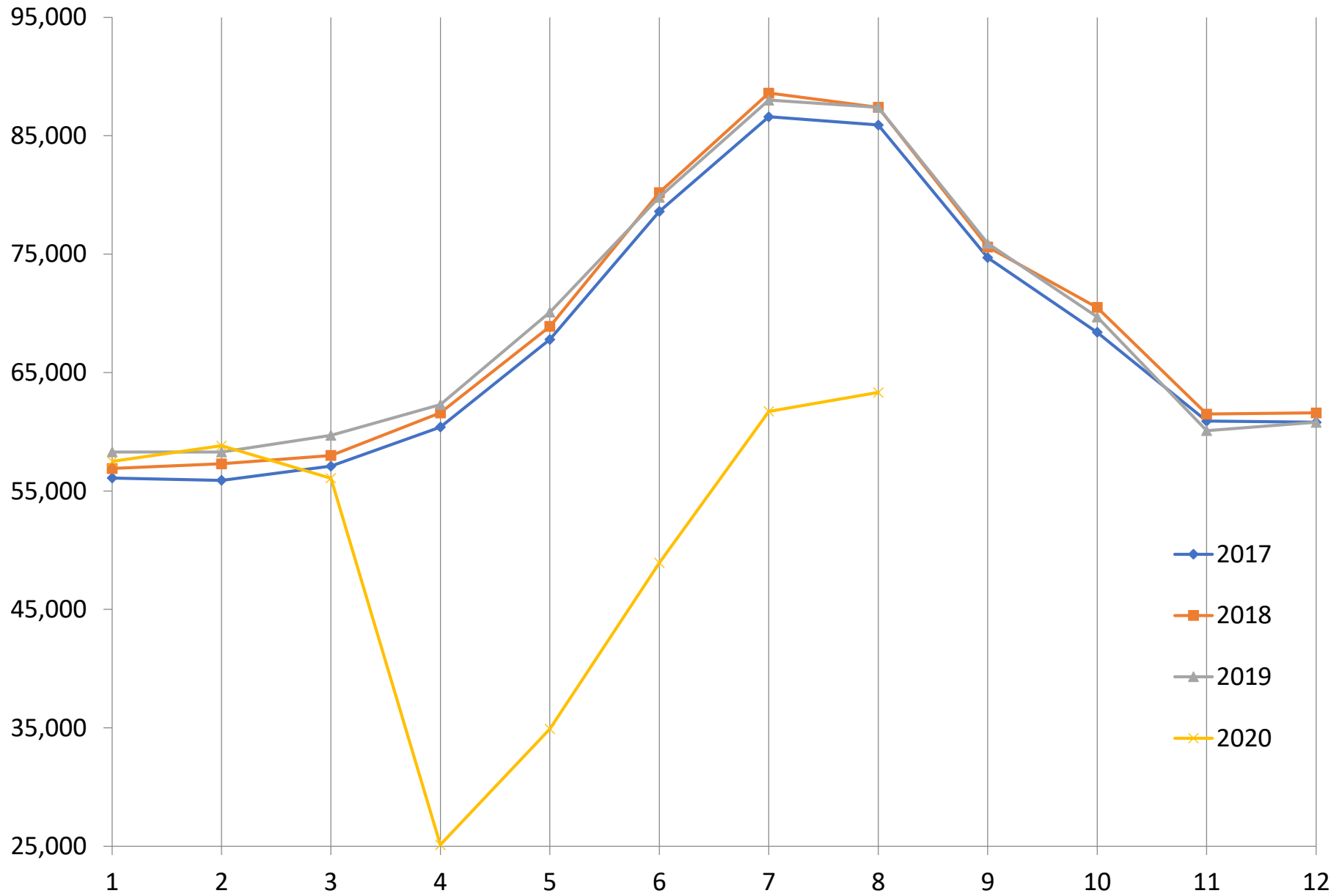
Total Private NSA



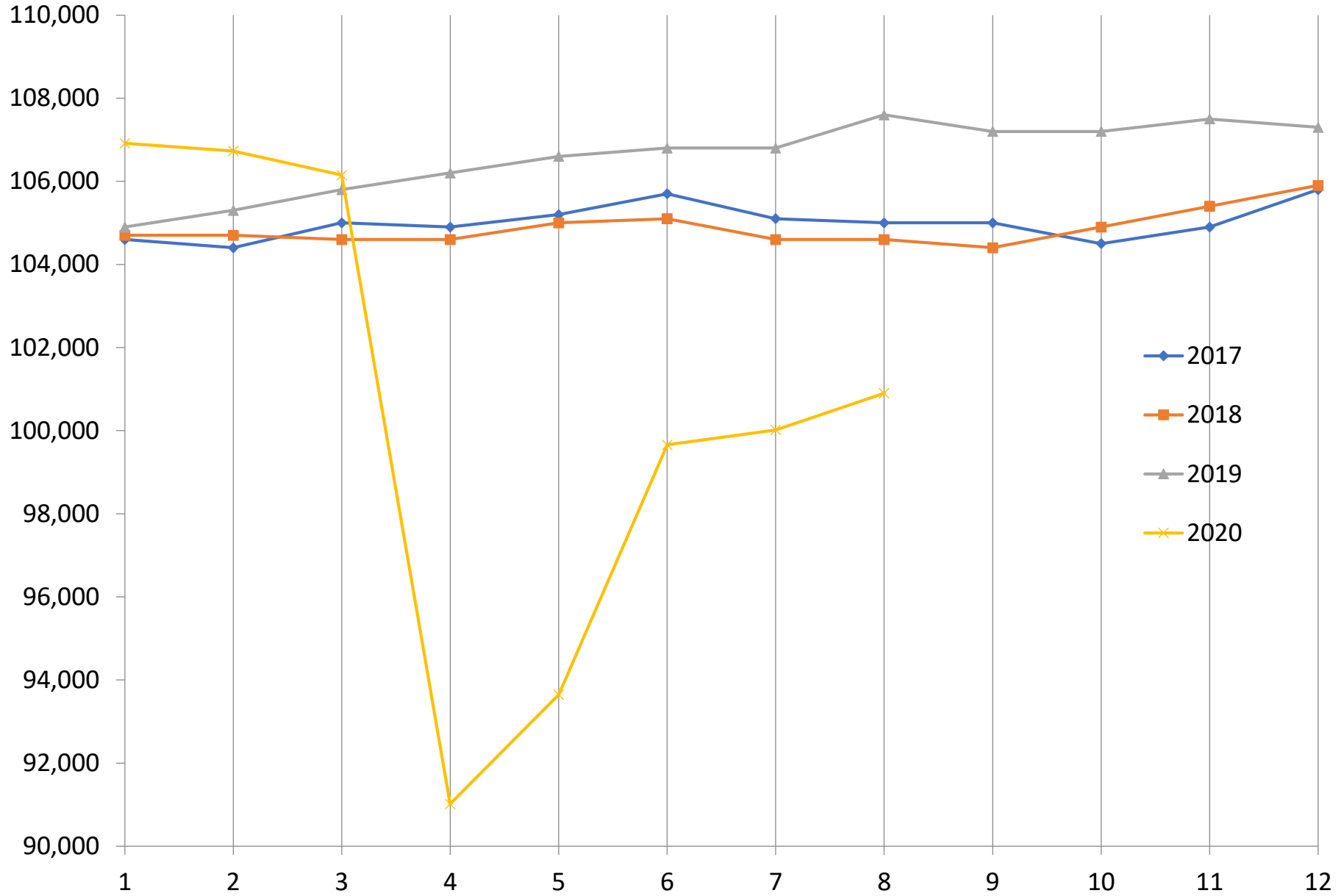
Government NSA



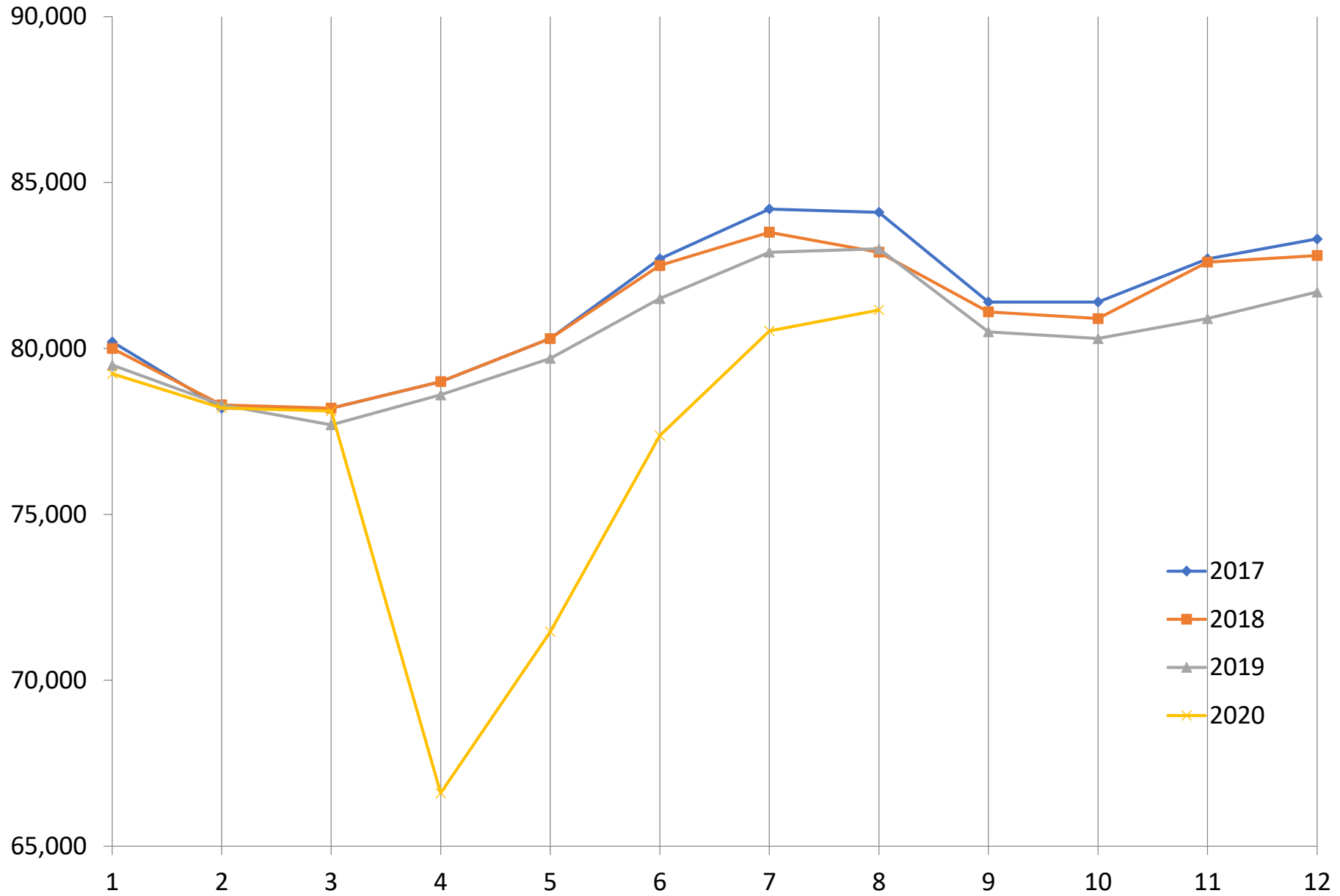
Leisure and Hospitality NSA



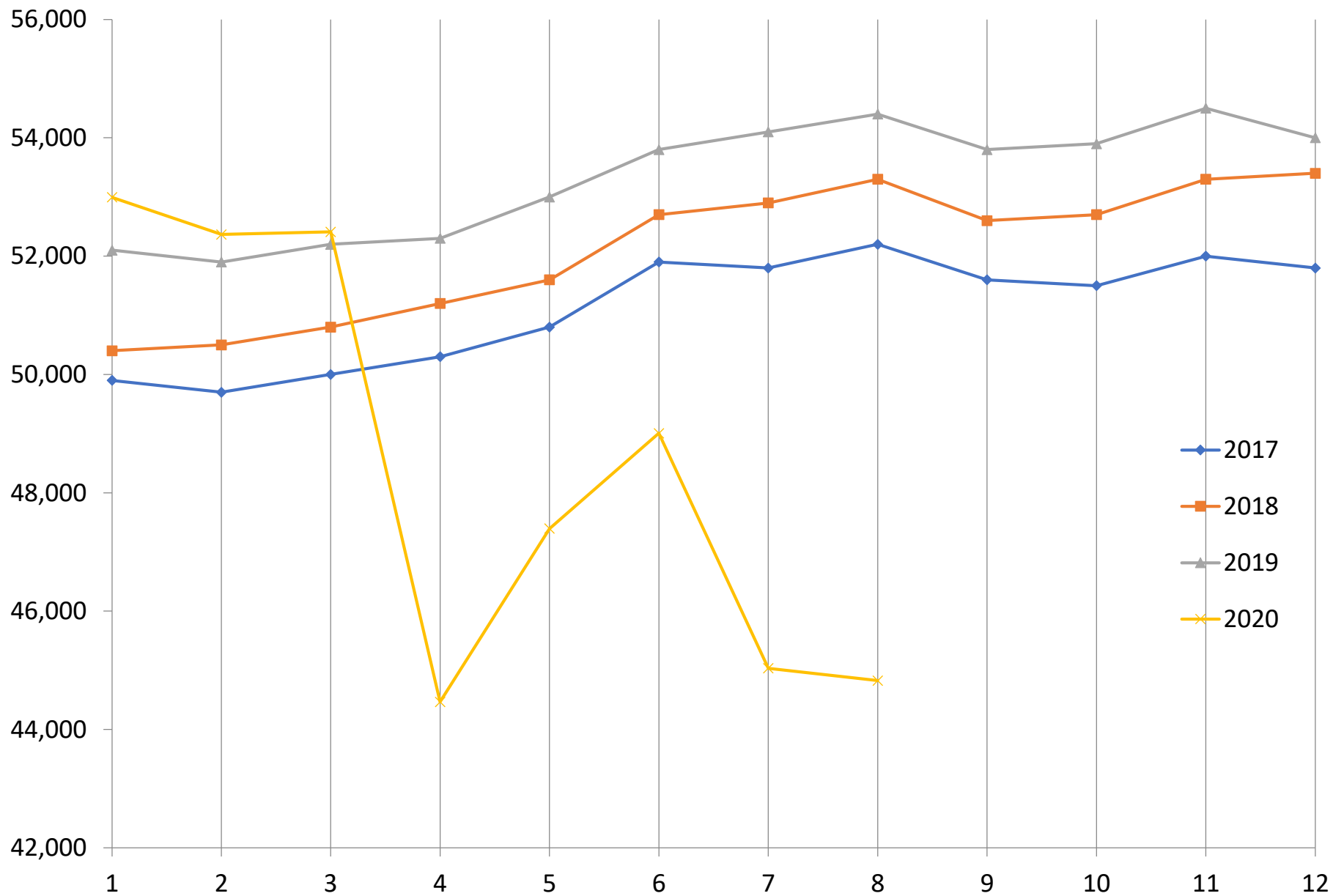
Health Care and Social Assistance NSA



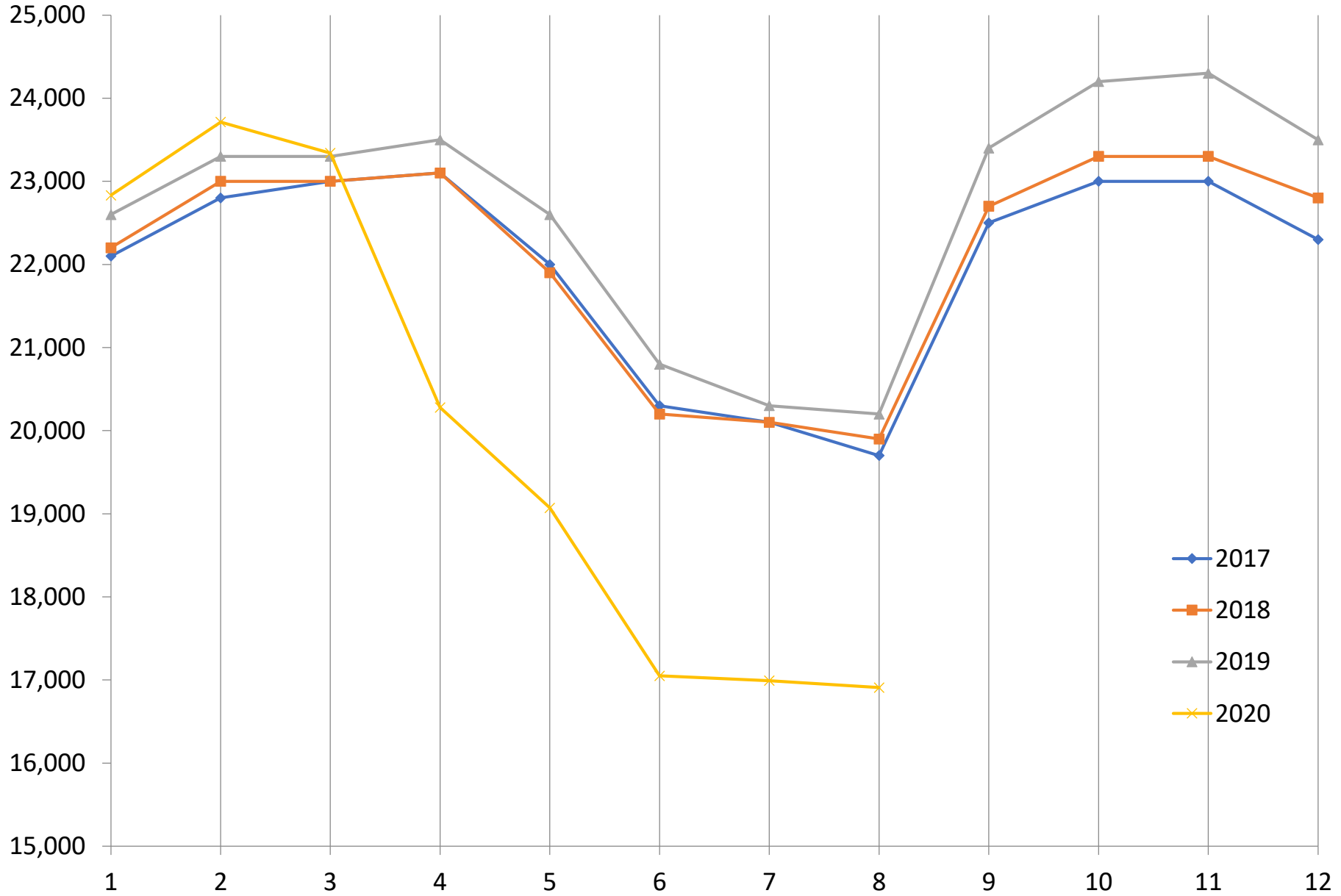
Retail Trade NSA



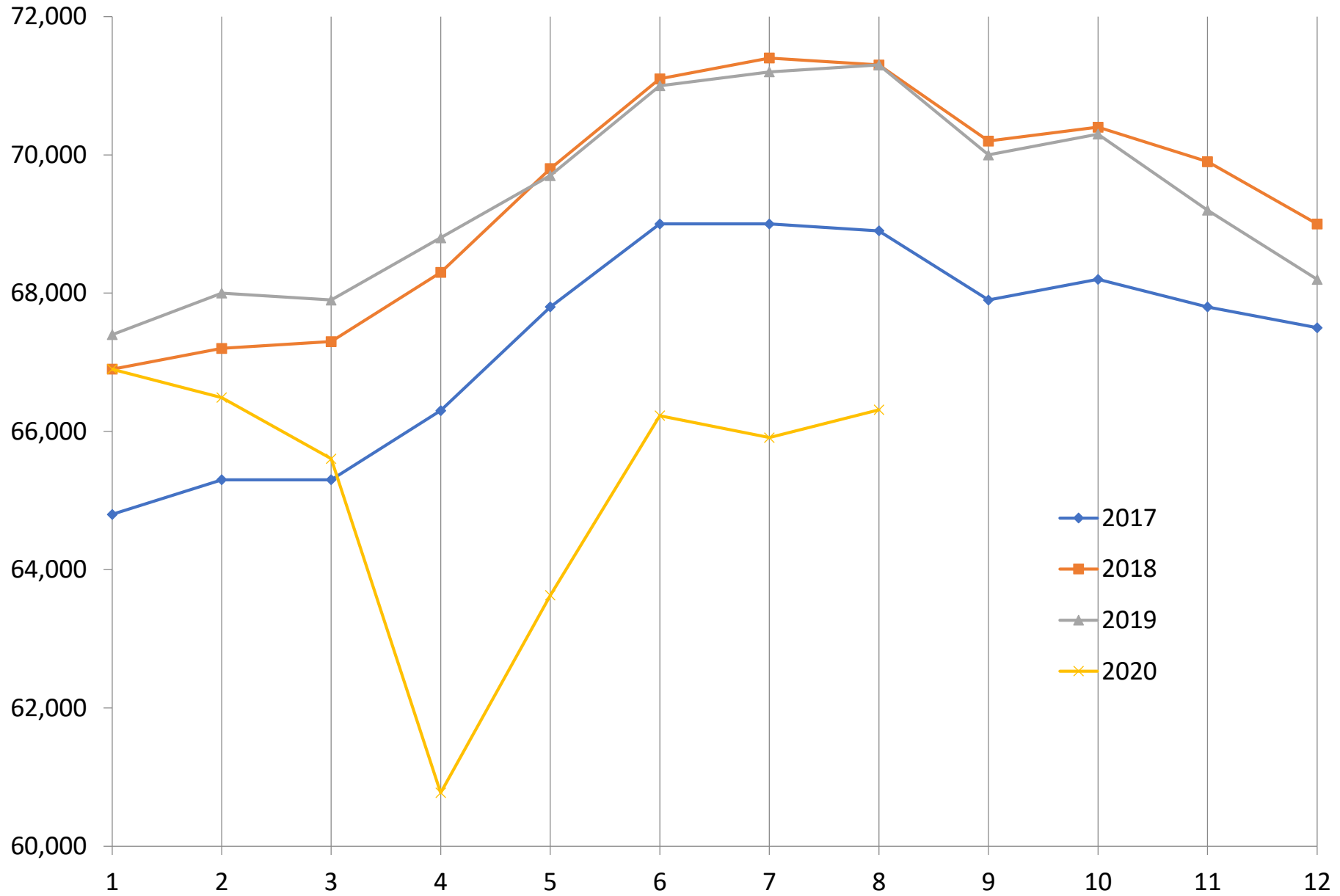
Manufacturing NSA



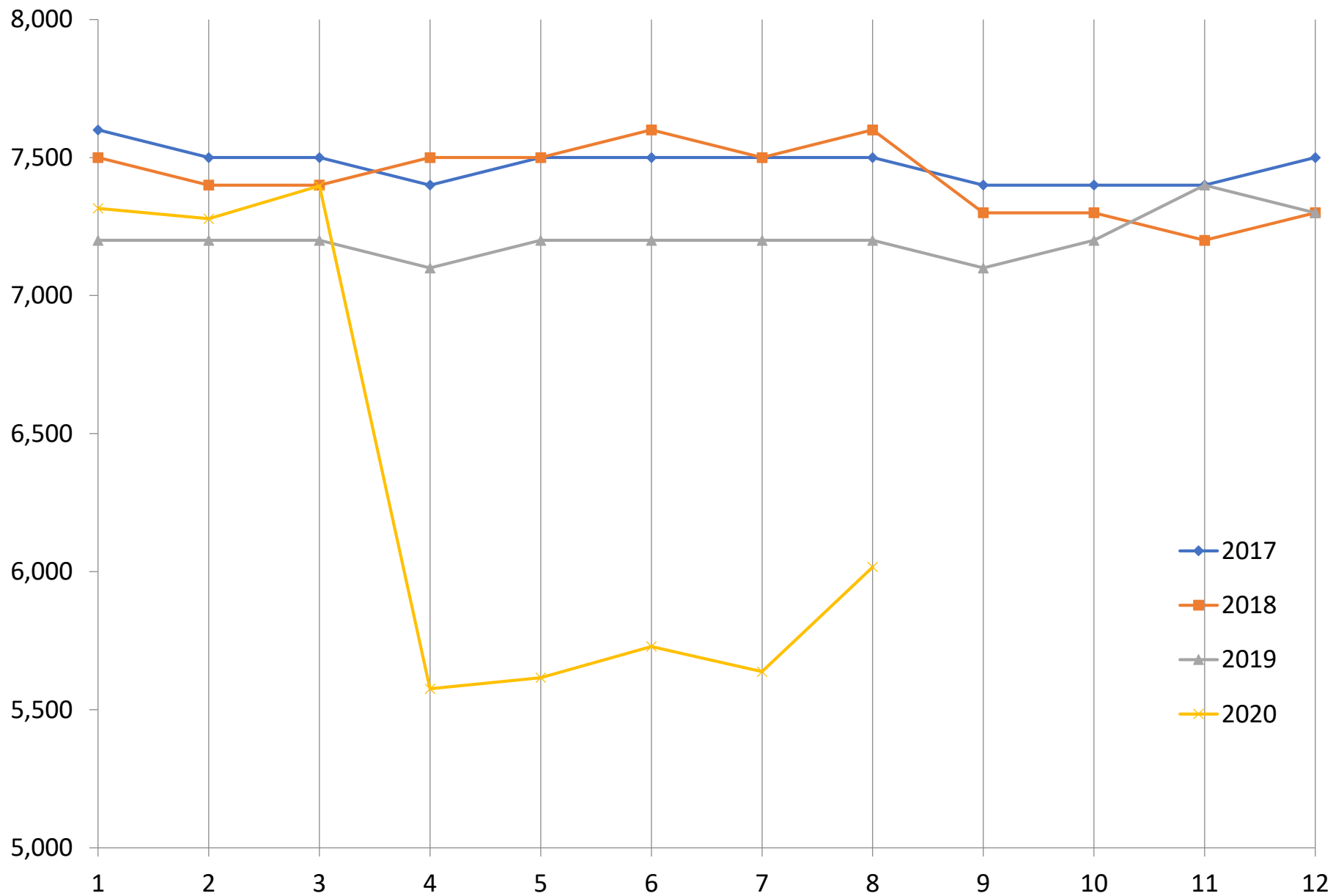
Private Educational Services NSA



Professional and Business Services NSA



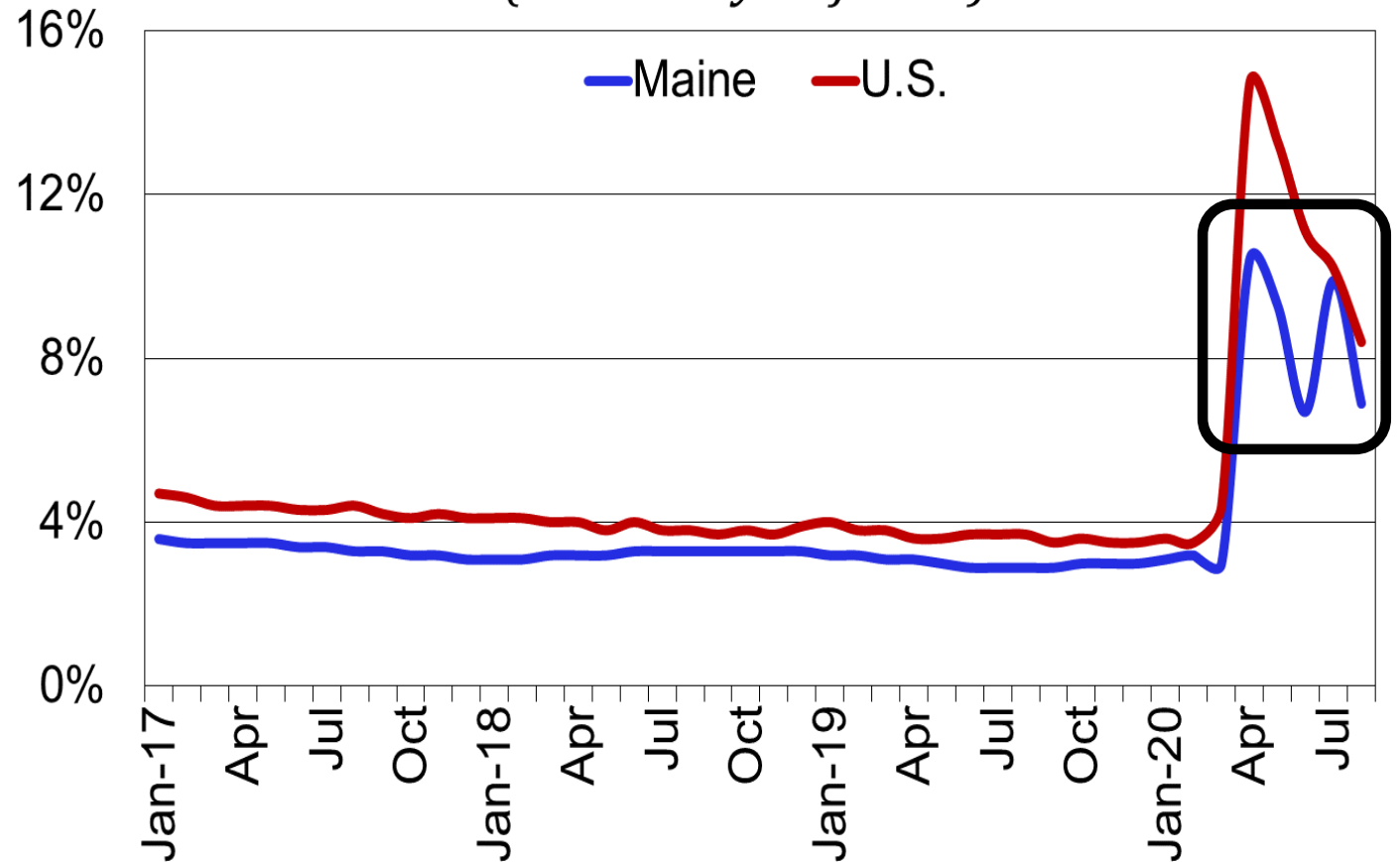
Information NSA



Household Survey

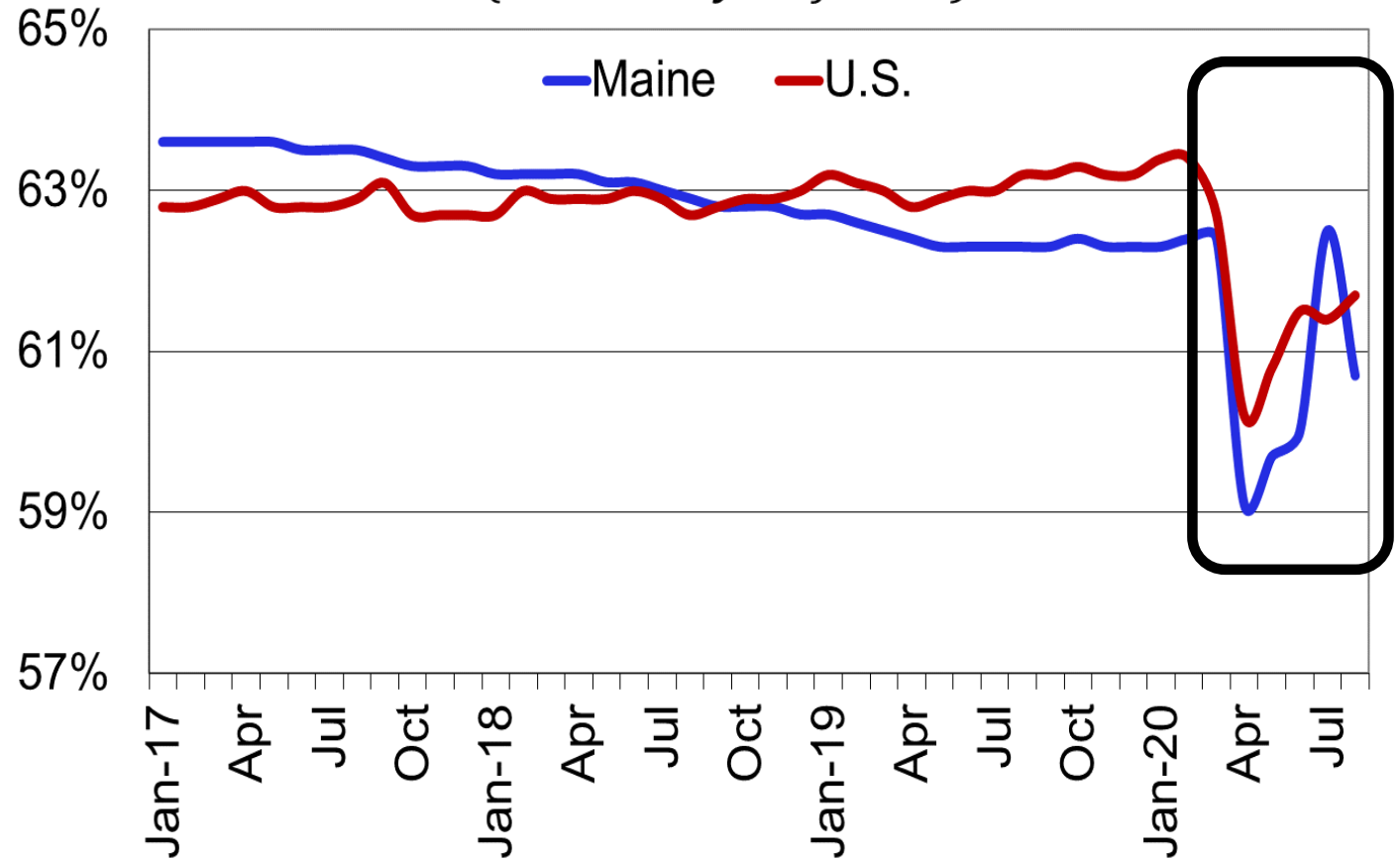
The 6.9% unemployment rate in August is down sharply from 9.9% for July and below the 8.4% national rate. Except for July, unemployment estimates for each month during the pandemic significantly understated the extent of job displacement that has occurred in Maine.

Unemployment Rates
(Seasonally Adjusted)



The sharp rise and swift drop in the unemployment rate have mostly been driven by fluctuations in labor force participation. The volatility seen in recent monthly labor force estimates is without precedent. Safety concerns, the stay at home order, and childcare challenges have prevented people from work search or being available for work.

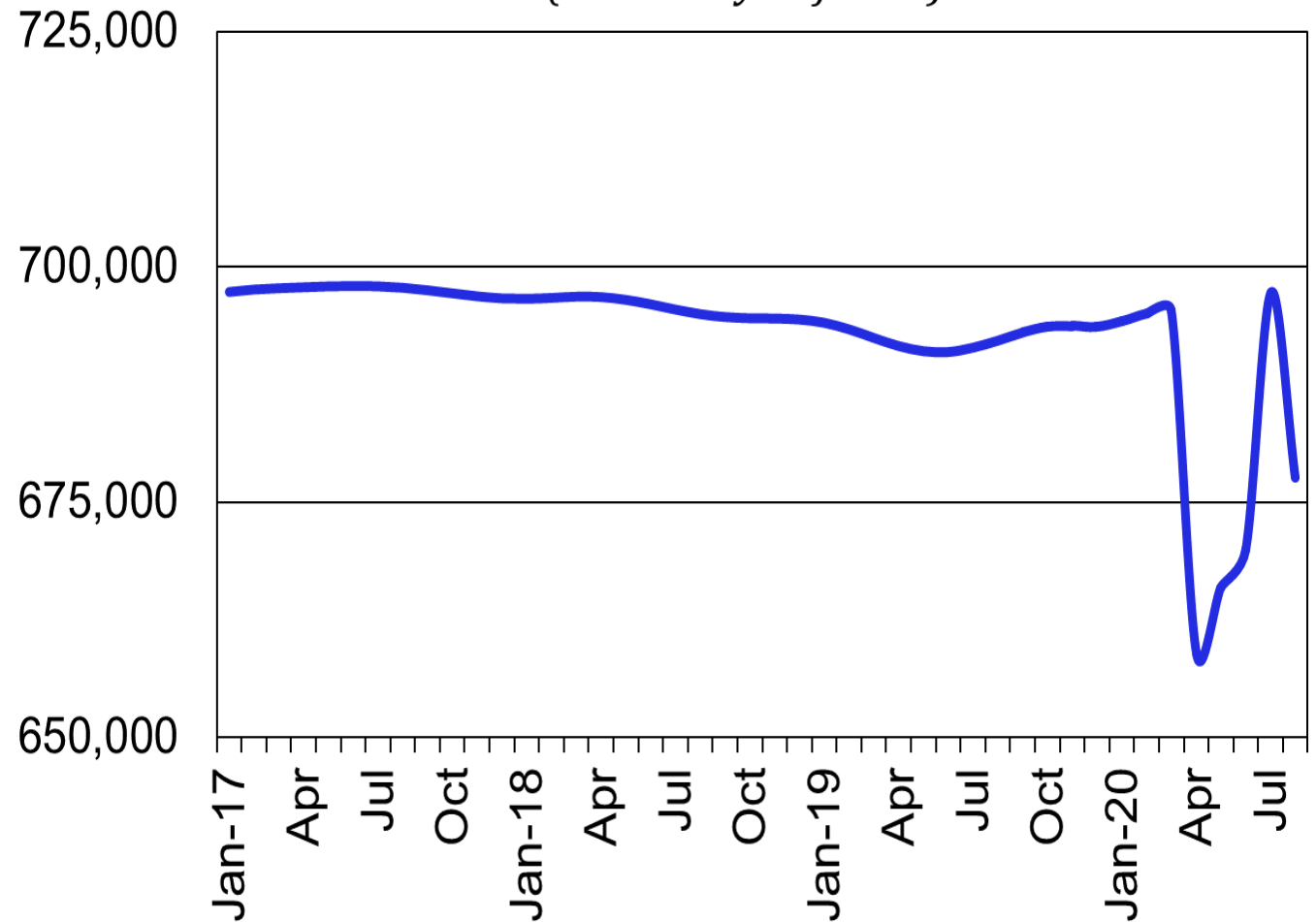
Labor Force Participation Rates (Seasonally Adjusted)



This volatility is partially explained by lower response rates during the pandemic and the small number of Current Population Survey respondents residing in Maine. Uncertainty faced by survey respondents, by those conducting the survey and estimating methodology remain problematic.

Civilian Labor Force

(Seasonally Adjusted)



Official Labor Force Estimates for Maine

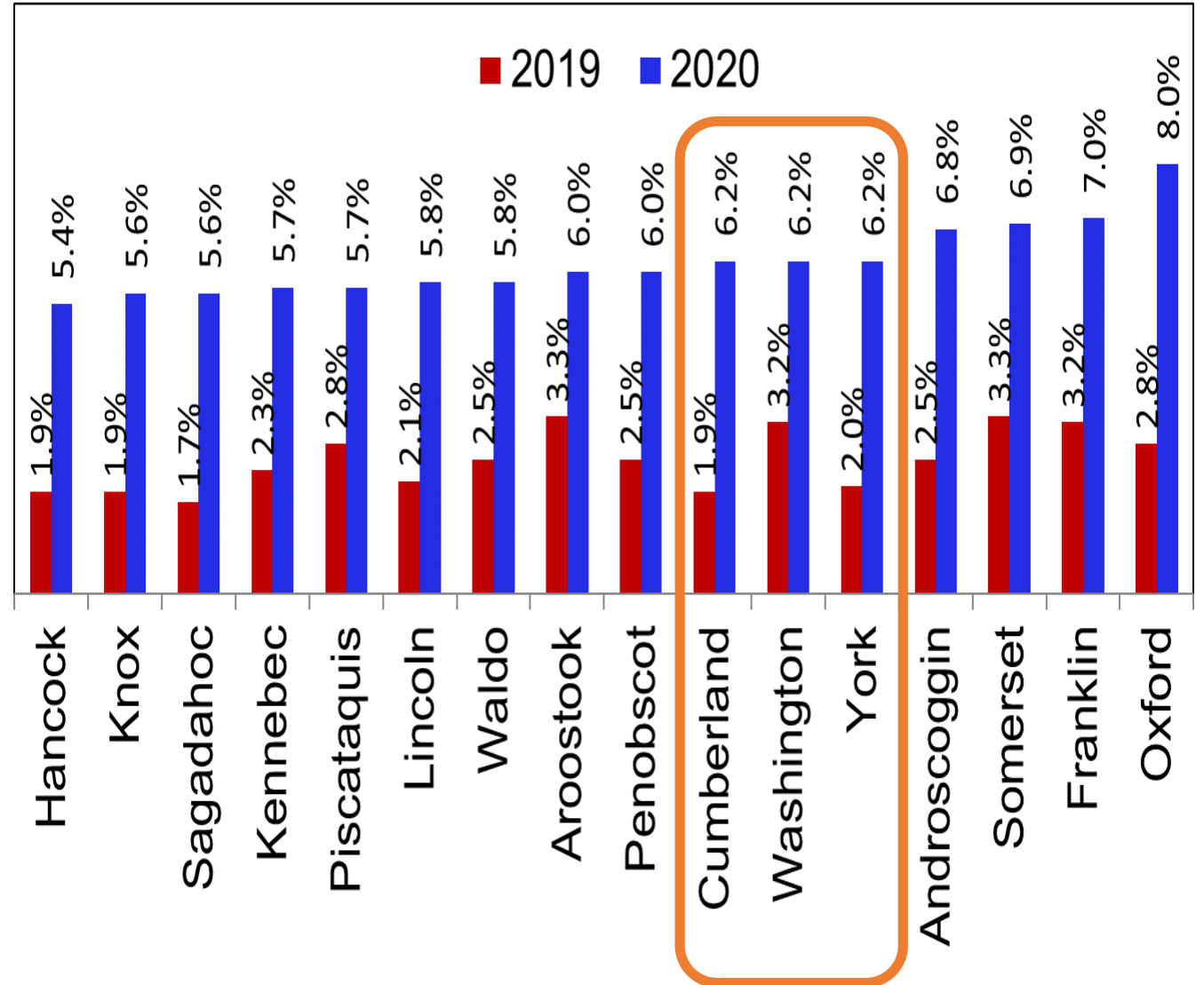
Labor Force Status	February	August	Difference
Civilian Population Age 16+	1,114,000	1,117,100	3,100
Labor Force Participation Rate	62.40%	60.70%	-1.70%
Civilian Labor Force	695,000	677,600	-17,400
Employed	673,000	630,800	-42,200
Unemployed	22,000	46,900	24,900
Unemployment Rate	3.20%	6.90%	3.70%
Not in Labor Force	419,000	439,500	20,500

Unofficial Alternative Labor Force Estimates for August, 2020

Labor Force Status	August
Civilian Labor Force August Official	677,600
Civilian Labor Force at February Participation Rate	697,100
Missing From Labor Force	19,500
Official Employed in August	630,800
Misclassified as Employed Rather than Temporarily Unemployed	2,400
Employed Without Misclassification	628,400
Unemployed + Missing from Labor Force + Misclassified	68,800
Alternative Unemployment Rate	9.87%

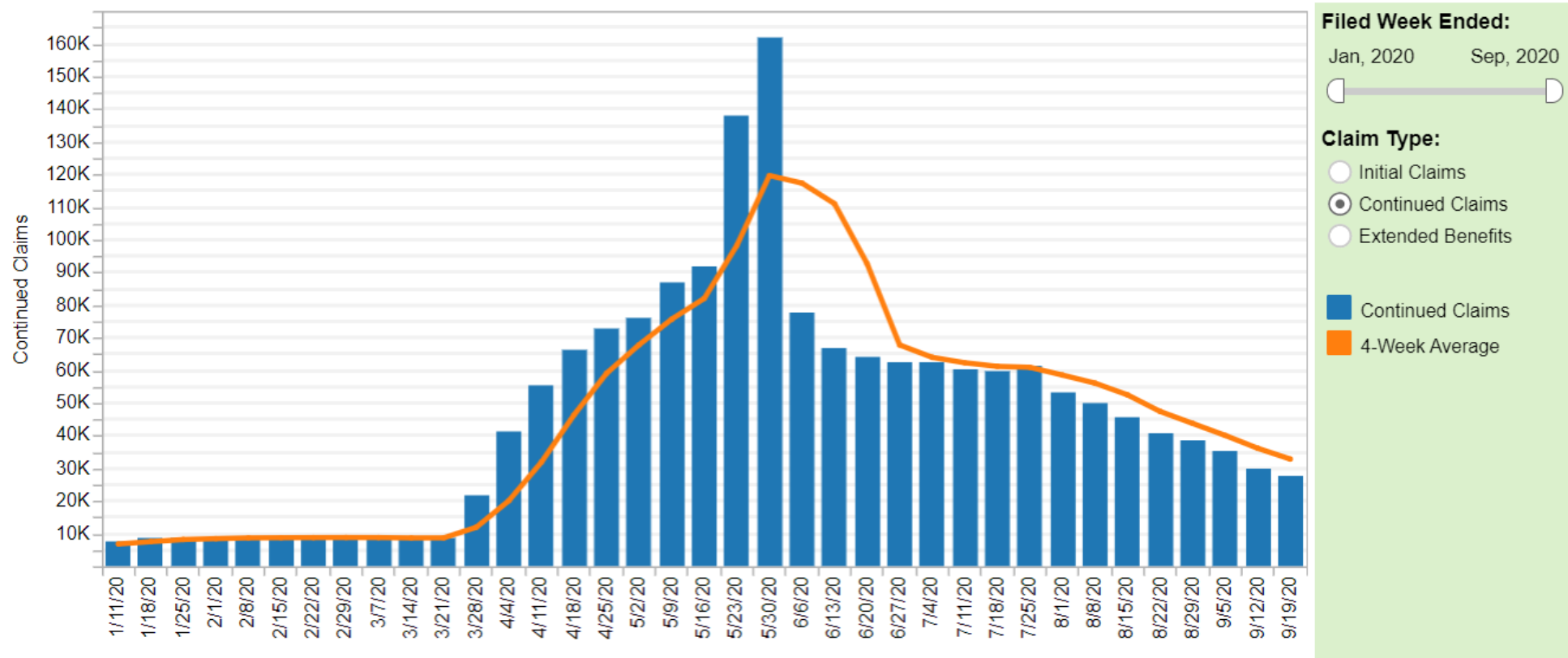
Unemployment is up from a year ago throughout the state. The largest increases have been in areas with the highest population density and concentrations of industries most impacted by the pandemic. It is unusual for York and Cumberland counties to have unemployment rates near the upper end among counties.

August County Unemployment Rates (Not Seasonally Adjusted)



Unemployment Insurance Claims

Continued Claims for Regular State Unemployment



	Continued Claims	4-Week Average	Net Change (Weekly)	% Change (Weekly)	Net Change (Yearly)	% Change (Yearly)
September 19, 2020	27,663	32,824	-2,106	-7.1%	24,698	833.0%
September 12, 2020	29,769	36,139	-5,716	-16.1%	26,803	903.7%
September 5, 2020	35,485	40,079	-2,895	-7.5%	32,389	1046.2%

Continued Unemployment Claims by Program

