

# Recent Trends in Maine's Demographics and Workforce

MAINESPARK ADVISORY COUNCIL

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AMANDA RECTOR

MAINE STATE ECONOMIST

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES



# The Great Resignation?

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The COVID-19 pandemic has triggered seismic shifts in the labor market, including

- A rise in remote work for many who hadn't previously experienced it
- Labor force exits due to health concerns, issues with childcare/transportation/housing, and other (hopefully) temporary factors
- Retirements, many earlier than planned
- A rise in self-employment
- Job shuffling, both involuntary (people losing jobs and needing to find new ones) and voluntary (people quitting one job to take another in the hopes of higher pay/better benefits/more flexibility/increased job satisfaction)
- Increased wages and benefits as employers try to fill jobs from a smaller pool of available workers

# Maine's labor market was tight before the pandemic – largely due to demographics

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2020 Decennial Population: 1,362,359

- 42<sup>nd</sup> largest in U.S.

2010 – 2020 Population Change: +2.6%

- 42<sup>nd</sup> among U.S. states (ahead of WV, MS, IL, CT, MI, OH, WY, PA)

2019 Median age: 45.0 years

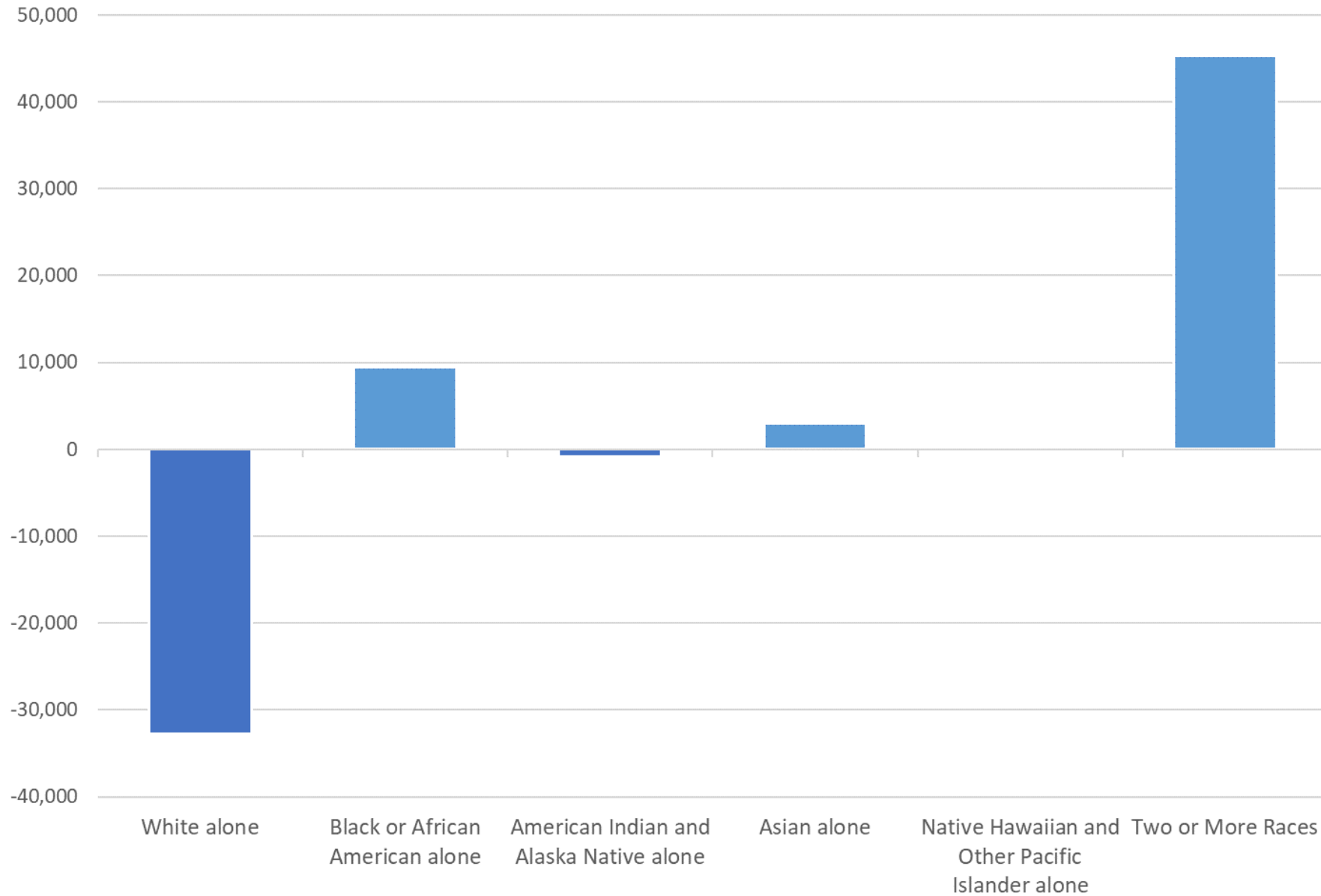
- Oldest in U.S.

9.8% Black, Indigenous, and People of Color

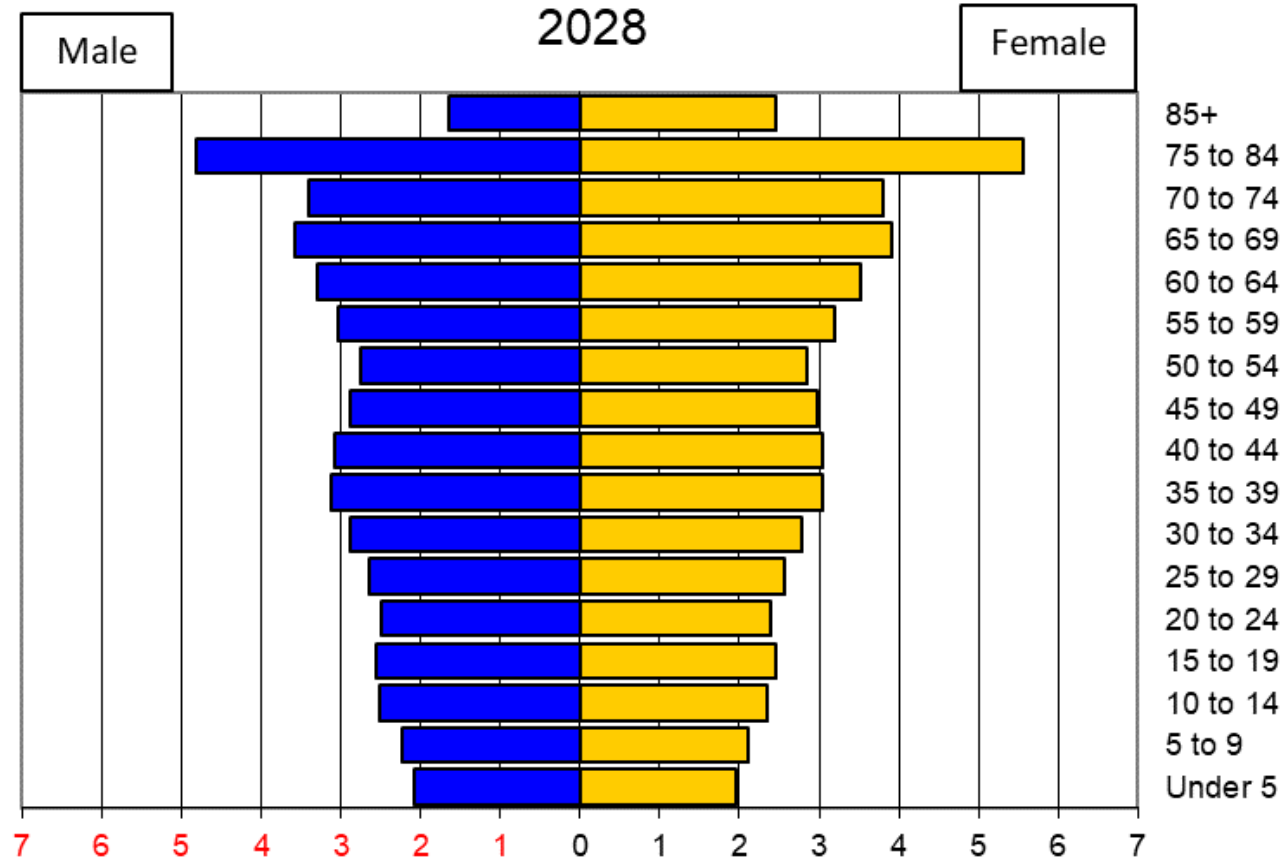
- Lowest percentage in U.S., but improved from 5.6% in 2010



# Change in Maine Population by Race, 2010-2020



# The Baby Boom Wave

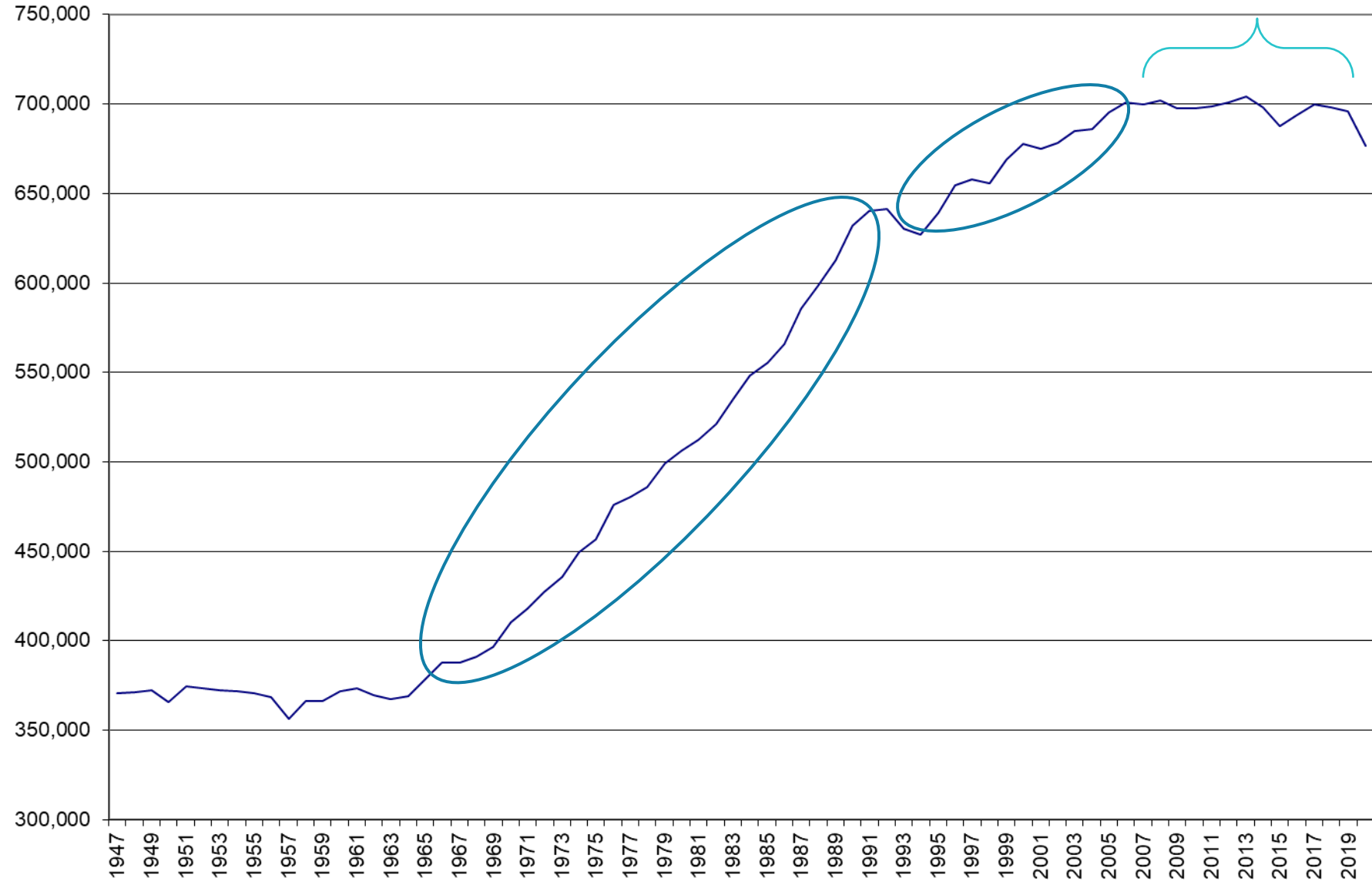


Nationally, 29% of adults who retired in the prior year indicated that factors related to the pandemic contributed to their retirement timing

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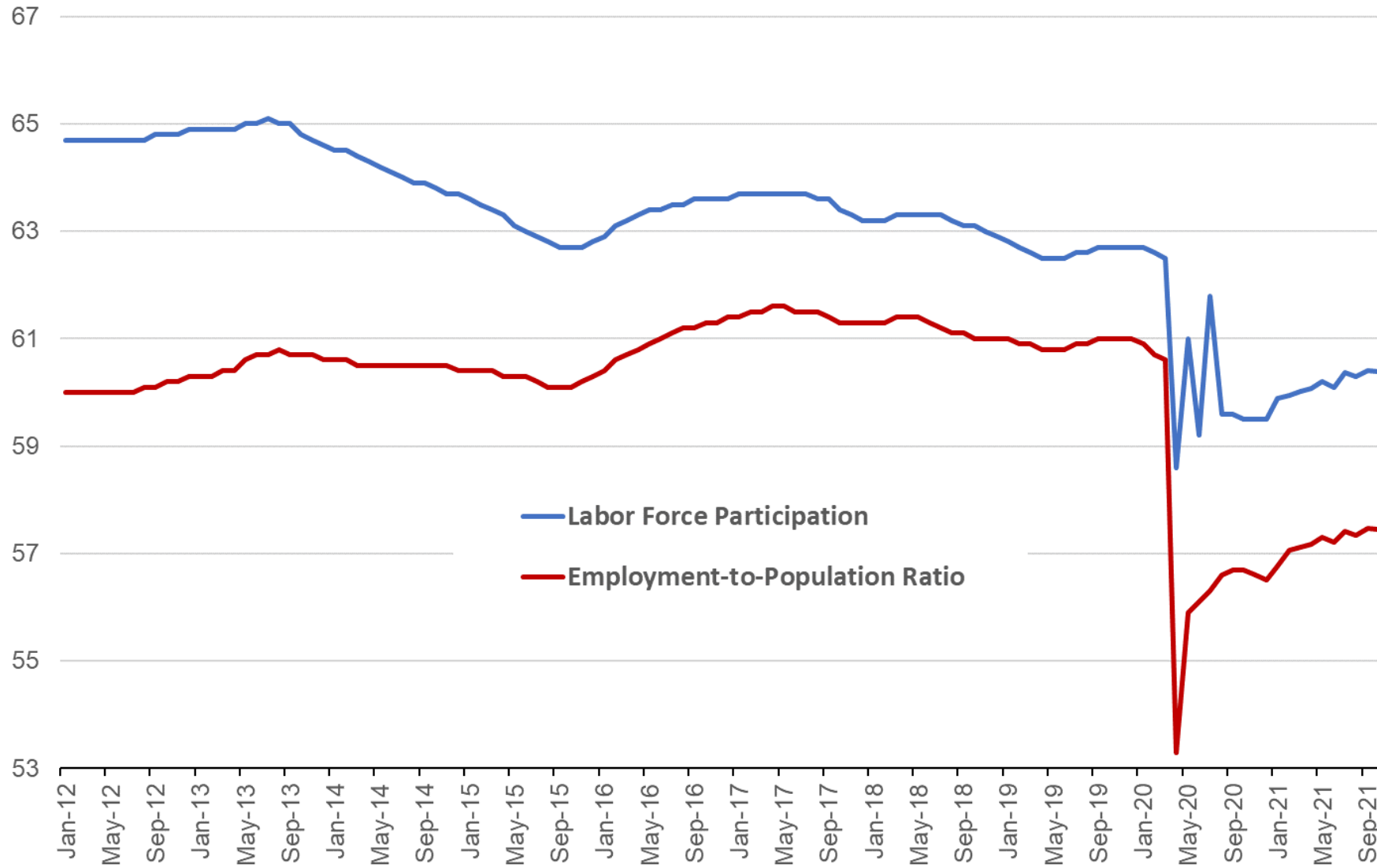
# Maine Civilian Labor Force

Labor force has started to trend down



# Labor Force Participation & Employment-to-Population Ratio

(Seasonally Adjusted)





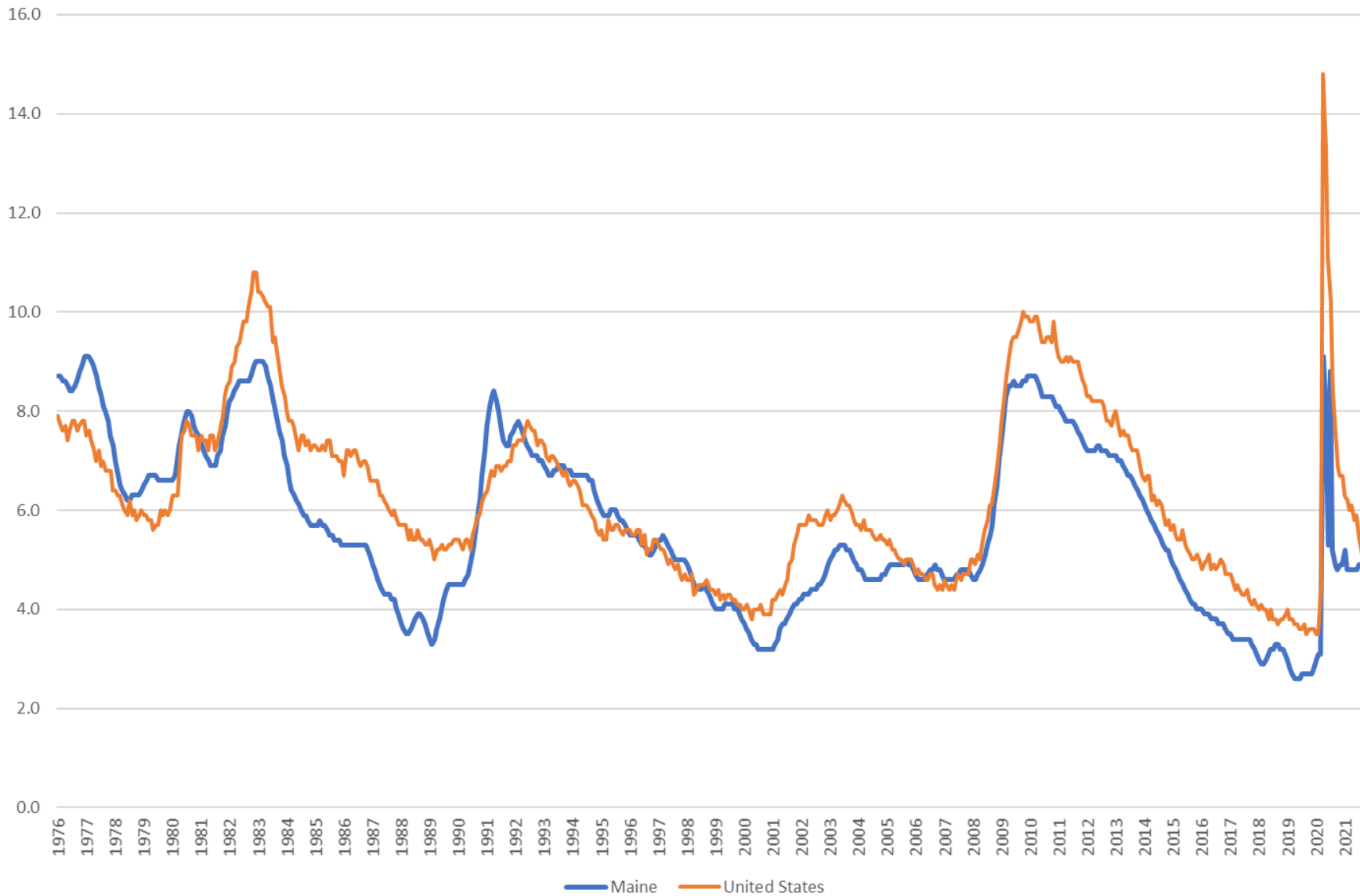
22% of all parents were either not working (9%) or working less (13%) due to disruptions to childcare or education.

11% of mothers and 6% of fathers said they were not working due to disruptions in school or childcare, equating to nearly two percentage points fewer working adults.

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Black, Hispanic, and single mothers, along with low-income mothers were more likely to be not working or working less due to childcare/school disruptions

Unemployment Rate  
(seasonally adjusted)



In April 2020, Maine's official unemployment rate was 9.1% - the highest since February 1977. Even so, it underrepresented the true unemployment rate due to technical issues.

# Maine DOL surveyed unemployment claimants and active job seekers on barriers to return to work

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The most commonly cited barriers were “lack of opportunities that match my skill set” (34%) and “COVID health risks or concerns” (31%)

- COVID-related health concerns were cited by 44% of respondents age 55+ compared to 15% of respondents under age 24
- Around 25% of “other” barriers cited by age 55+ were related to ageism

Other reasons preventing return to work were concerns about job quality, inaccessibility of opportunities, and lack of social supports such as childcare or transportation

- Respondents outside of Cumberland and York counties were more likely to cite “no relevant jobs in my area,” especially in Franklin, Washington, and Piscataquis counties

# Maine DOL surveyed unemployment claimants and active job seekers on barriers to return to work

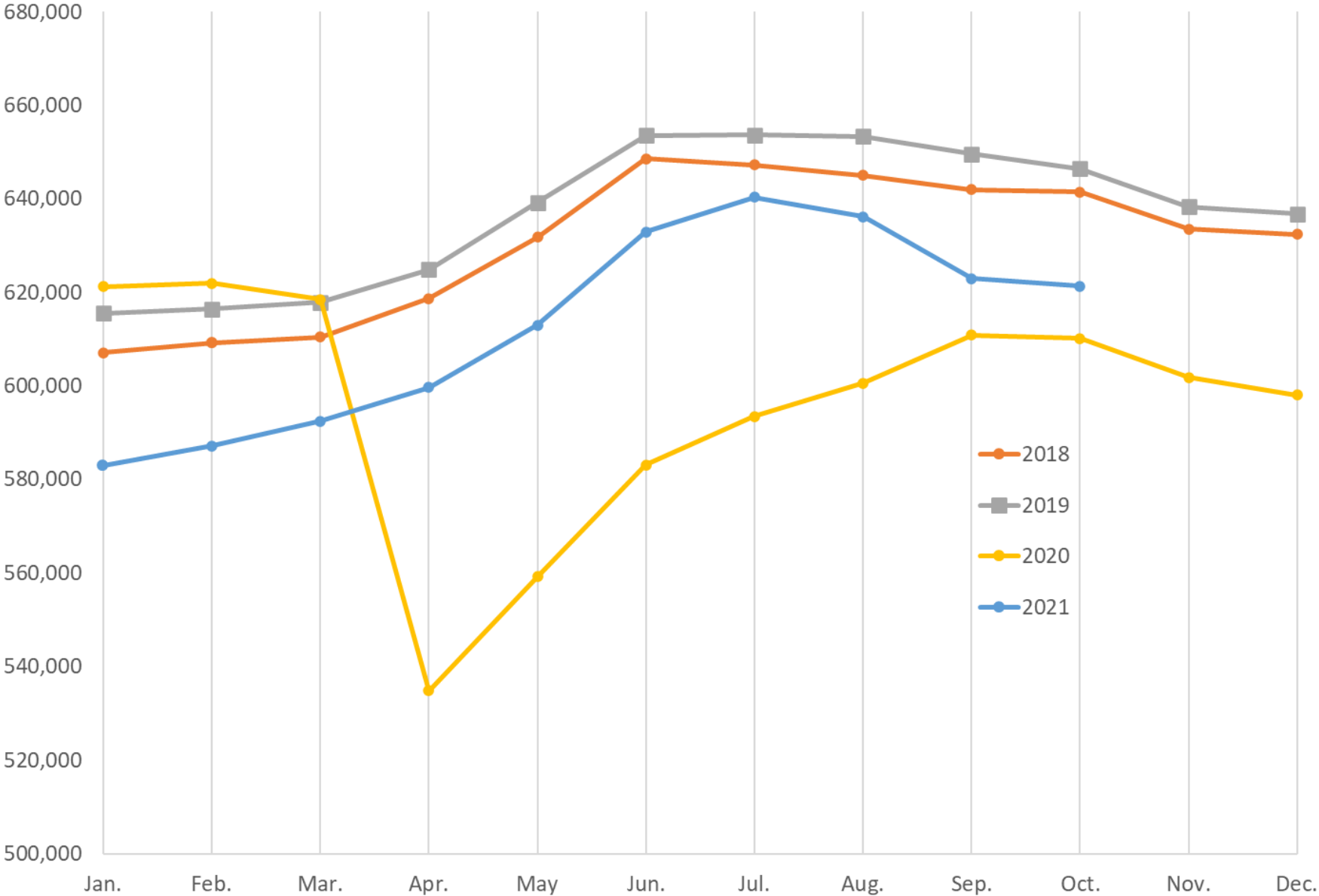
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Respondents said the most needed supports for return to work were “relevant job opportunities or leads” (32%) followed by “additional skills training opportunities” (20%)

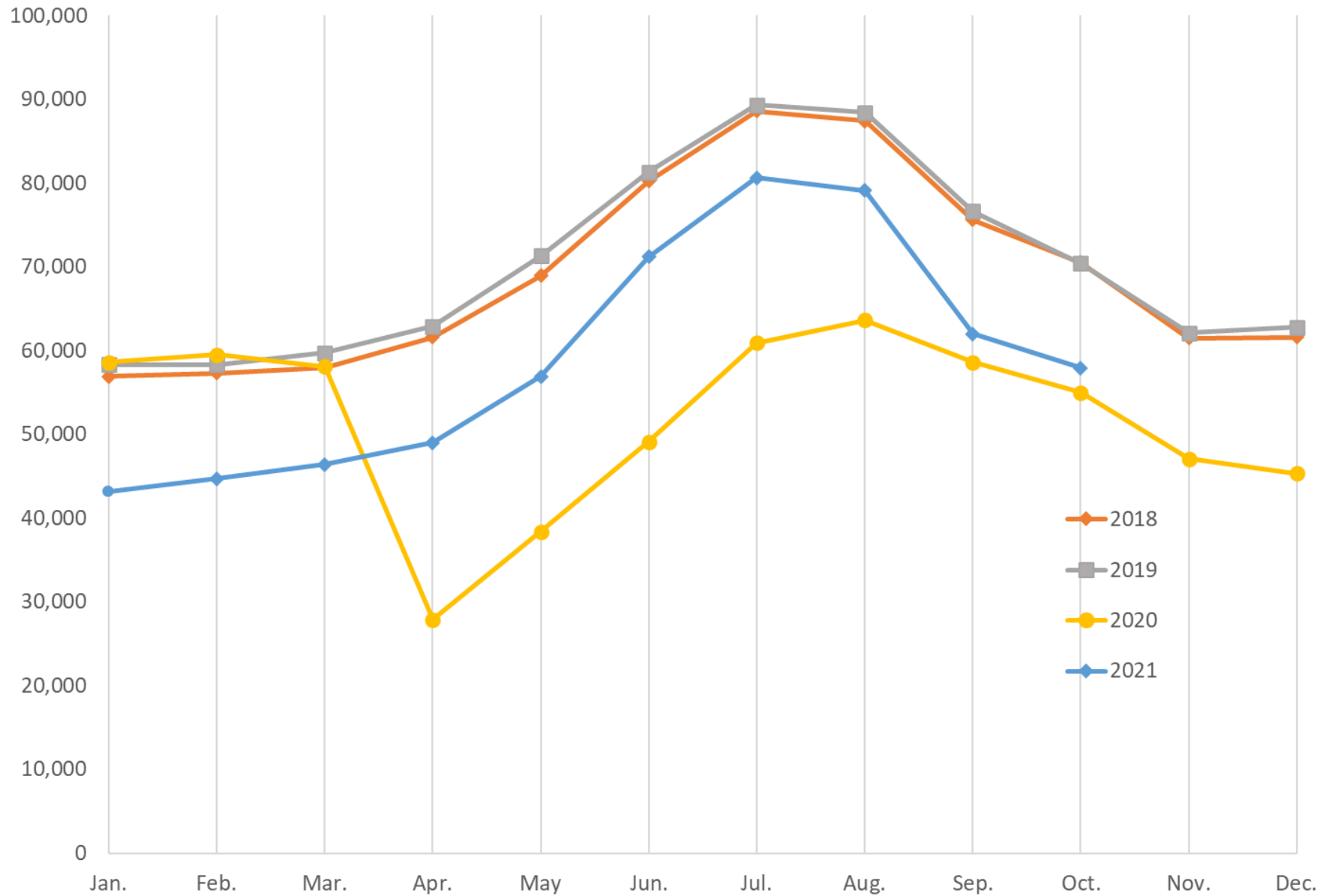
- 39% of respondents age 25-44 cited childcare as a need, compared to 16% overall
- Respondents age 18-35 were more likely to cite structural and social supports as needs, such as affordable housing (34%) and mental health support (27%)
- BIPOC respondents were more likely than white respondents to cite structural and social supports as needs, including affordable housing and transportation access

Of those who did return to work, the most commonly cited enabling factors were that their previous employer rehired them (38%) and finding a job that matched their skillset (26%)

### Total Nonfarm Employment, Not Seasonally Adjusted



### Leisure and Hospitality Employment, Not Seasonally Adjusted



# Black, Indigenous, and People of Color have seen higher rates of employment income loss

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\*National data used for reliability, but Maine appears to have similar trends

White alone, not Hispanic: 12% of households reported experiencing a loss of employment income in the past four weeks, either for themselves or a household member

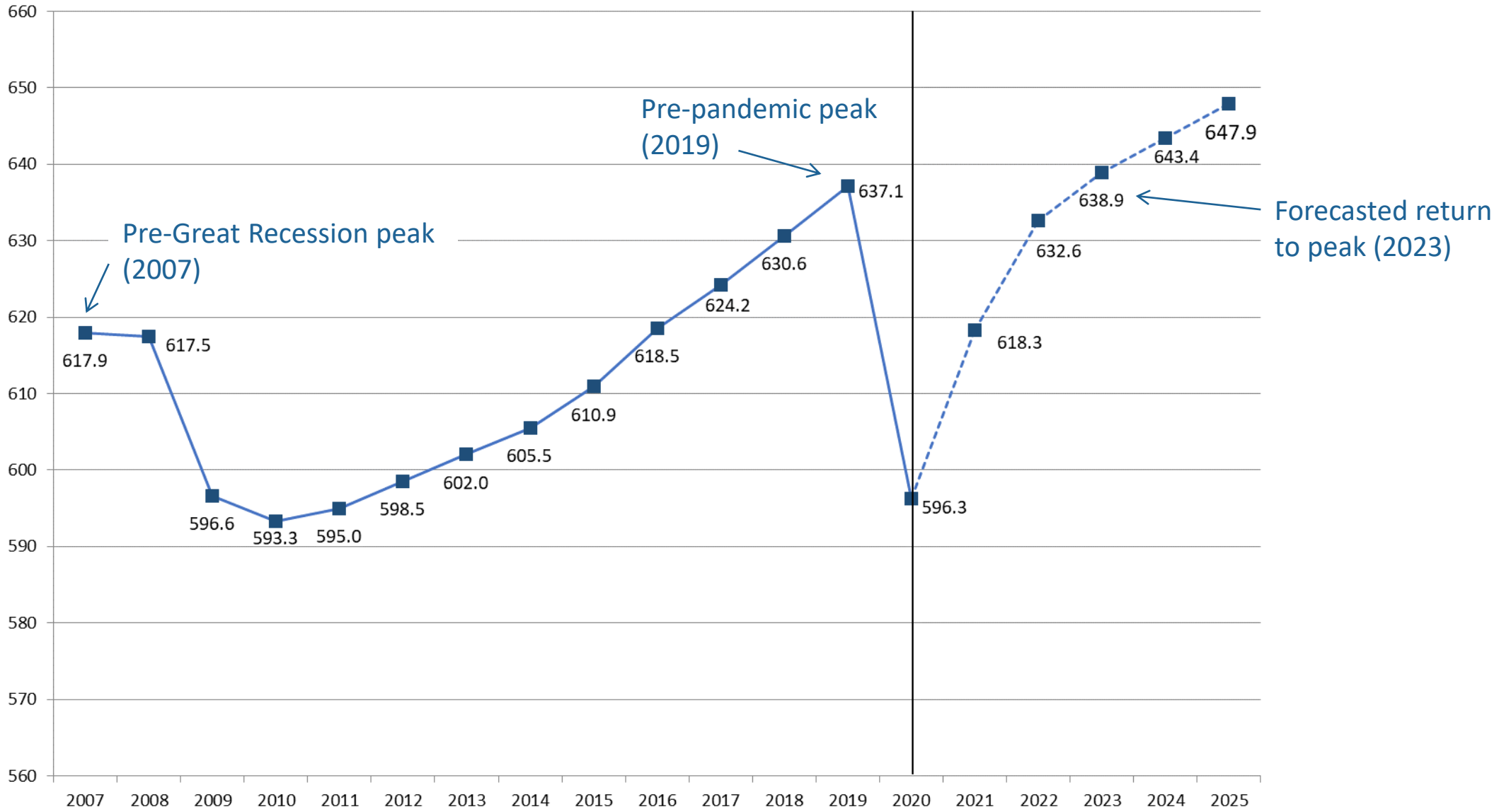
Black alone, not Hispanic: 21%

Asian alone, not Hispanic: 14%

Two or more races + Other races, not Hispanic: 22%

Hispanic or Latino (any race): 23%

# Total Nonfarm Employment (in thousands) History and CEFC forecast





# Federal supports including stimulus payments and enhanced UI played a role in reducing poverty in 2020

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Official 2020 U.S. poverty rate = 11.4%, 1.0 percentage points higher than 2019

Supplemental Poverty Measure (SPM) = 9.1%, 2.6 percentage points LOWER than 2019

- Without stimulus payments, the SPM would have been 12.7%

Maine was one of 30 states where the 2018-2020 SPM (7.3%) was lower than the official measure (10.0%)

Nationally, people moved out of poverty due to federal programs:

- Social Security moved 26.5 million people out of poverty
- Unemployment benefits = 5.5 million
- Stimulus payments = 11.7 million

# Where do we go from here?

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Much hinges on the path of the pandemic – widespread vaccinations are needed to bring the public health crisis under control

Will retirees stay retired or will some return?

To what extent is remote work here to stay? A hybrid situation is more limiting than fully remote

Other trends likely have been accelerated by the pandemic, e.g. gig work and automation

How does the search for “better” work (however that is defined) play out?

# Contact Information

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