Recent Conditions - Labor force, jobs & wages improving
Maine and U.S. unemployment rates continue to trend lower, but for different reasons...
...A steadily rising share of employed population is the primary reason Maine unemployment has declined...
...While lower labor force participation is the primary reason U.S. unemployment has declined.
The share of the population not in the labor force is close to pre-recession levels in Maine, but continues to rise nationally. The share not employed has been declining for four years in Maine, but just a few months for the nation.
Signs of the Times | Four indicators of economic ‘slack’ the Federal Reserve monitors

**Unemployment rate**
The jobless rate has fallen rapidly, but remains short of what Fed officials see as maximum employment.

**Number of people unemployed**
The number of Americans unemployed for six months or more remains very high by historical standards.

**Utilization rate**
Capacity utilization—how close firms are to making full use of their potential—has recovered. But it has been a long slog.

**Apartment vacancy rate**
The number of available apartments has fallen sharply as homeownership declined and rentals climbed following the housing crash.

Sources: Labor Dept. (rate, unemployed); St. Louis Federal Reserve (utilization); Reis (vacancy rate)
Unemployment rates are approaching normal levels...

Unemployment Rate

Maine  U.S.

1985 to 2007 averages
As is total and long-term unemployed...
With a lower unemployment rate and higher rate of labor force participation, Maine has much less labor force slack than the United States.
The gradual upward job trend continues...
...Government declines continue, partially offsetting private growth
Real total wages paid have started to trend higher
(adjusted for inflation)
Outlook to 2022 –
Our advancing age structure will seriously constrain labor force & job growth

(Center for Workforce Research soon to publish employment outlook to 2022)
From 2012 to 2022 the total population is expected to be relatively unchanged. Underlying that is a large rise in the number of seniors and decline in working age population.
Our 25 to 54 prime working-age population peaked in 2001. The fastest rate of decline is occurring now.
Labor force participation is highly correlated to the 25 to 54 population...
...Even the broader 20 to 69 population has peaked
We expect labor force participation to rise for both men and women in nearly every age group...
...And even larger increases in employment to population ratios as unemployment declines. This will partially offset the large number of retirements.
The net effect will be a small decline in the labor force through 2022, which likely has already peaked.
Growth has slowed precipitously since the late 1980s, once Baby Boomers were fully in the labor force...
Last summer we looked at this alternative forecast based on population and employment ratios for age groups...
Since then CEFC has moderated and CWRI has (slightly) increased job growth expectations...
Since then CEFC has moderated and CWRI has (slightly) increased job growth expectations...and recent job estimates have been up unusually rapidly.
Since then CEFC has moderated and CWRI has (slightly) increased job growth expectations ... and recent job estimates have been up unusually rapidly. **This rate of growth is not sustainable without significant in-migration.**
Appendix

Labor Force Participation Rate Projections to 2022 by Age Group for Maine (from CWRI) and the United States (from Bureau of Labor Statistics). The CWRI employment and labor force forecast is based on these rates of participation combined with the age-group population projections provided by the Office of Policy and Management.