



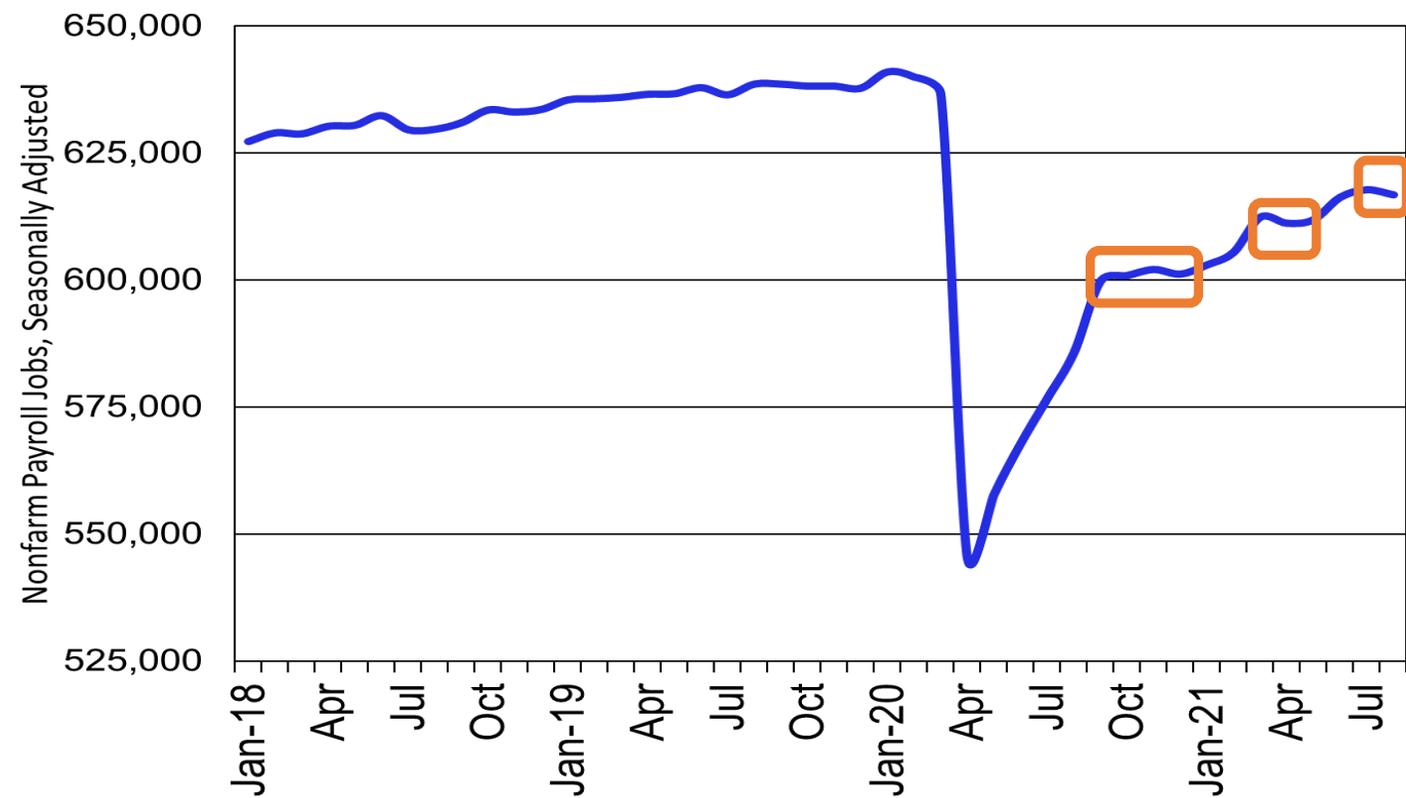
Workforce Conditions through September 2021

Glenn Mills & Erin Fenton

October 29, 2021

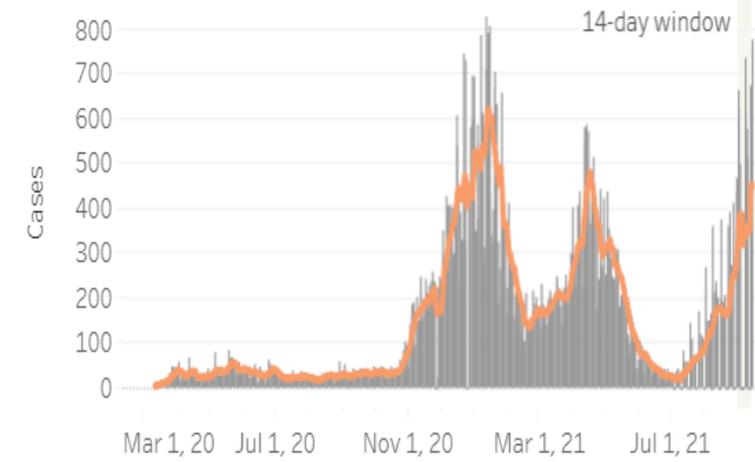


A month ago we noted that the jobs recovery stalled each time there was a surge in virus cases...



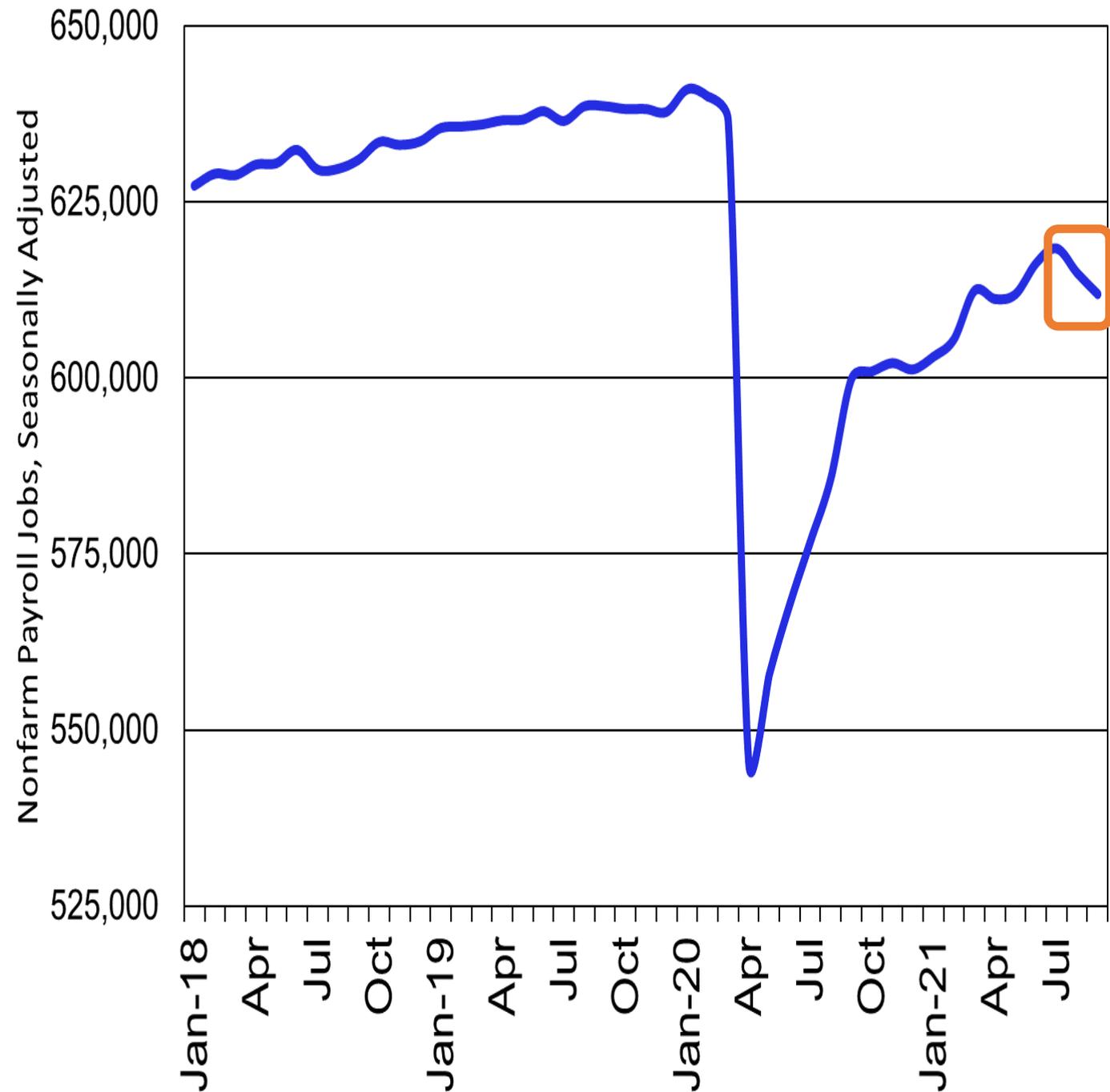
New cases

Purpose: Measure incidence of new COVID-19 cases



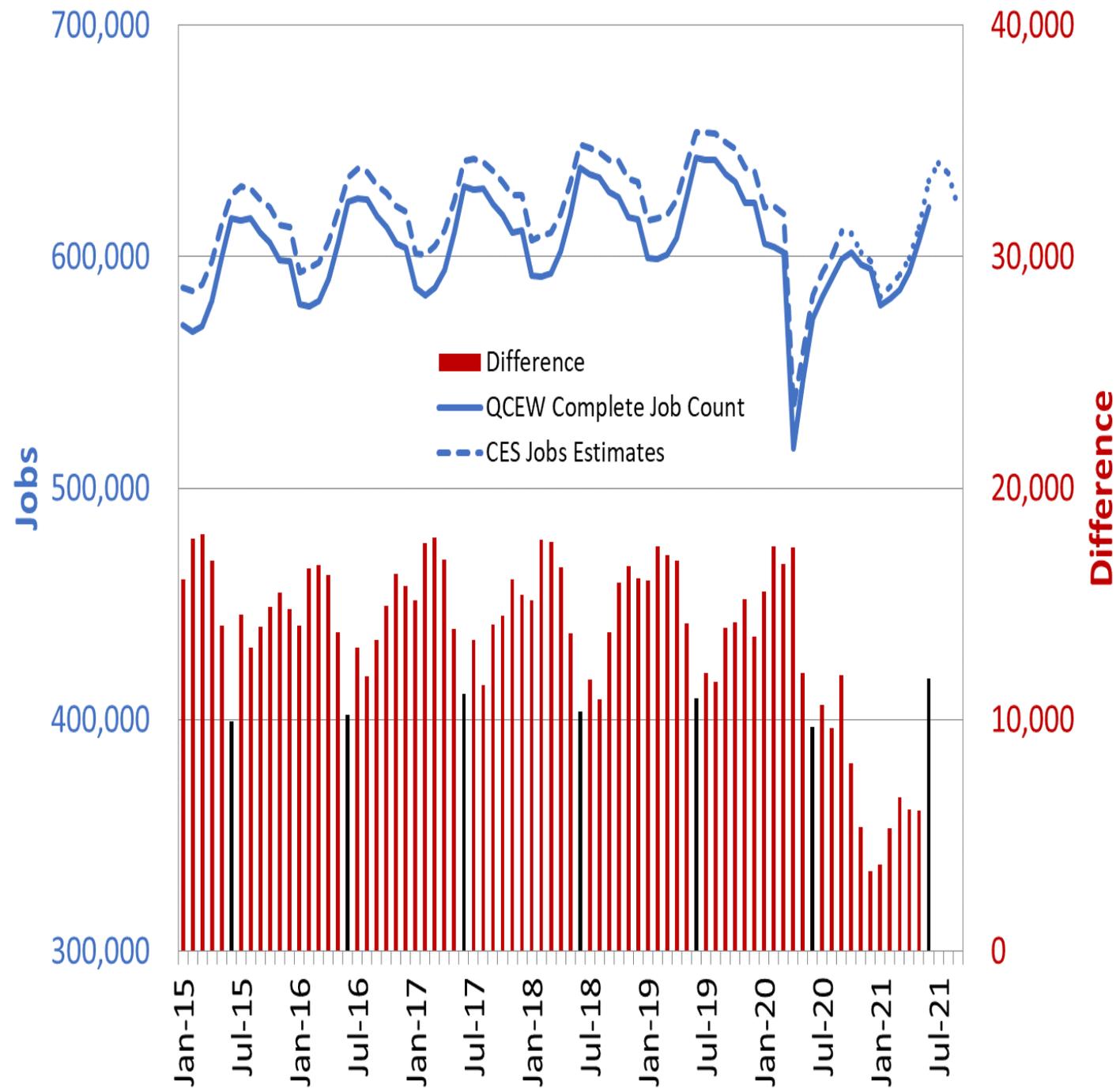


...The September jobs estimate was down 3,000 and August was revised lower. Official estimates now indicate there were 6,500 fewer jobs in September than in July, which currently stands as the pandemic-era peak.





The lagging complete job count from unemployment insurance tax filings indicates that from October 2020 to June 2021 there was an average of 8,000 more payroll jobs than survey estimates indicate. Annual data revisions (to be completed and published at the end of February) are likely to be significantly upward.



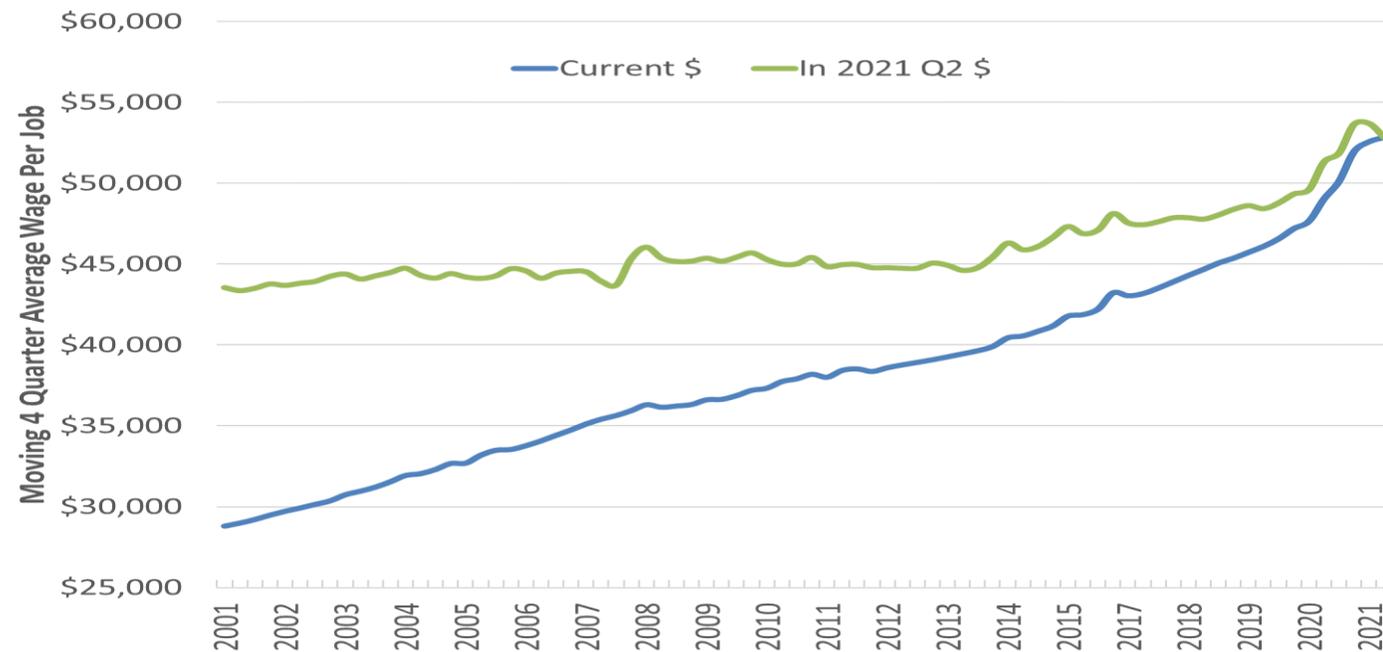
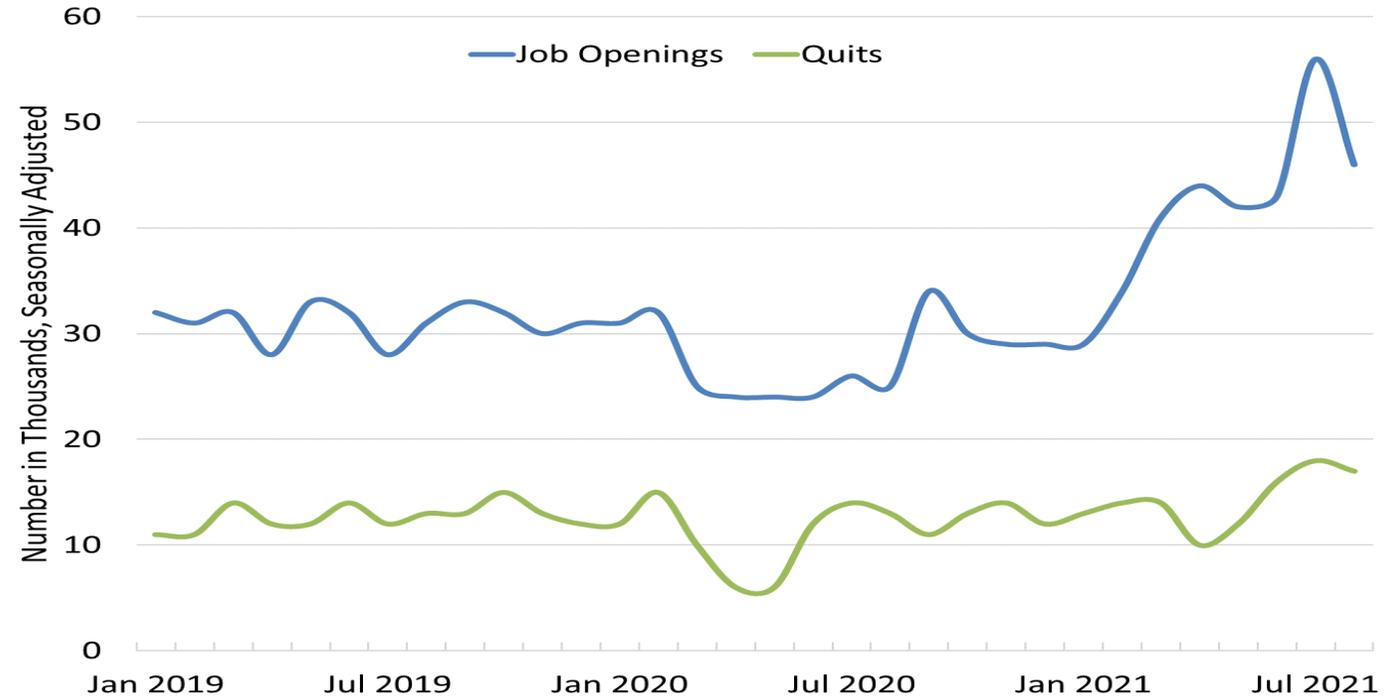


The survey includes existing employers. Statistical modeling is incorporated to project new business starts and closures. A sharp rise in new employer accounts and establishments during the pandemic appears to indicate that new business starts have outpaced what has been built into the estimating model.



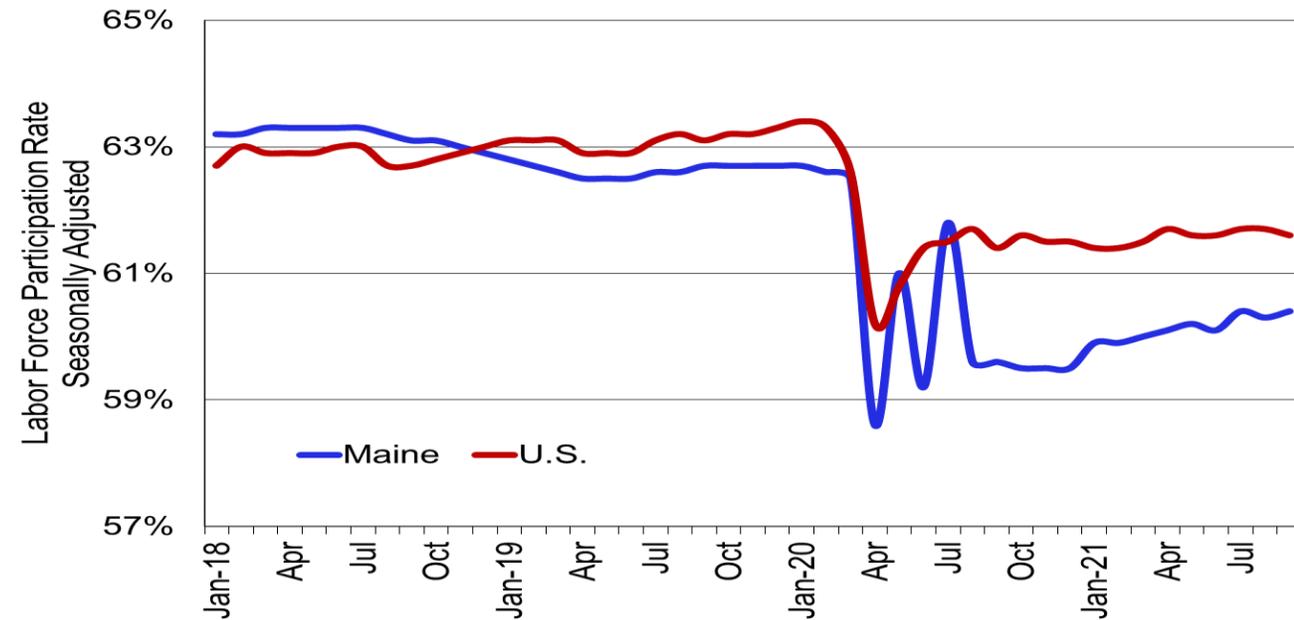
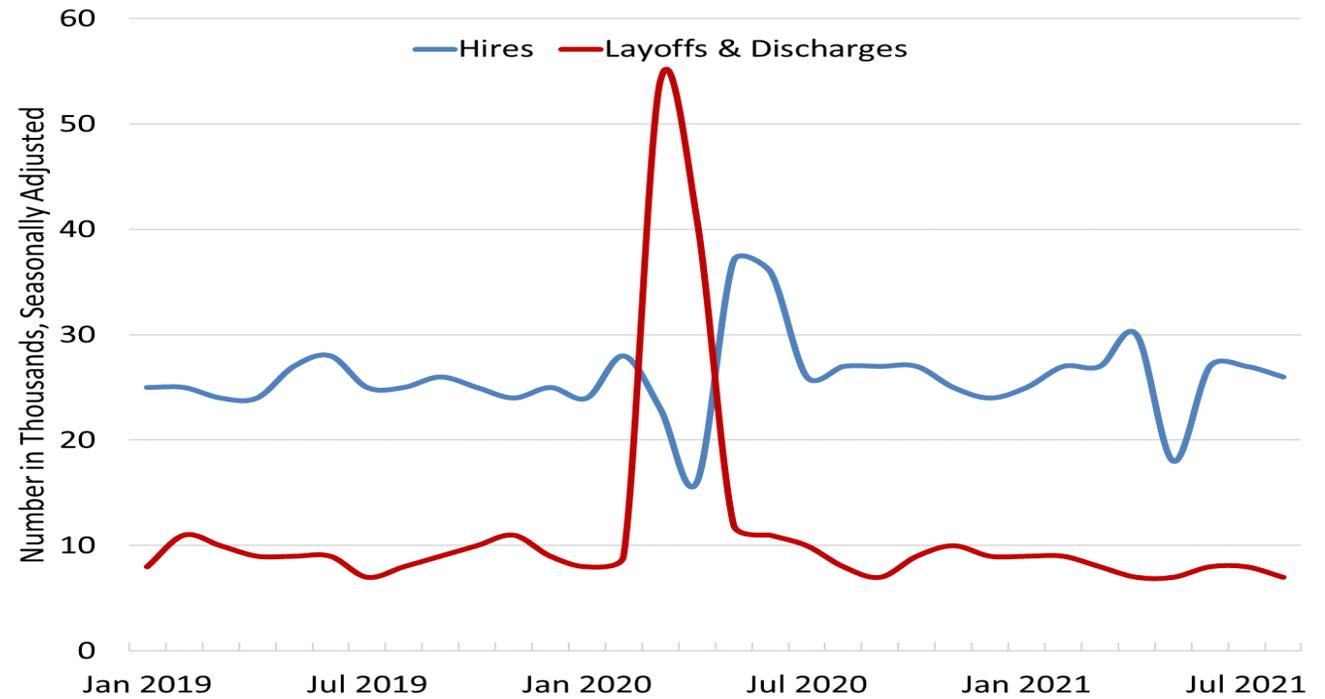


Job openings are historically high, quits are up, and wages are surging in a very competitive environment for attracting and retaining labor...





...But the number of hires hasn't changed much as labor force participation remains suppressed



Why does labor force participation remain lower than before the pandemic?

The survey sample for Maine is not large enough to determine which groups of people have left the labor force. What is occurring here likely is similar to national patterns.



BUSINESS >

Posted October 27

Updated October 27

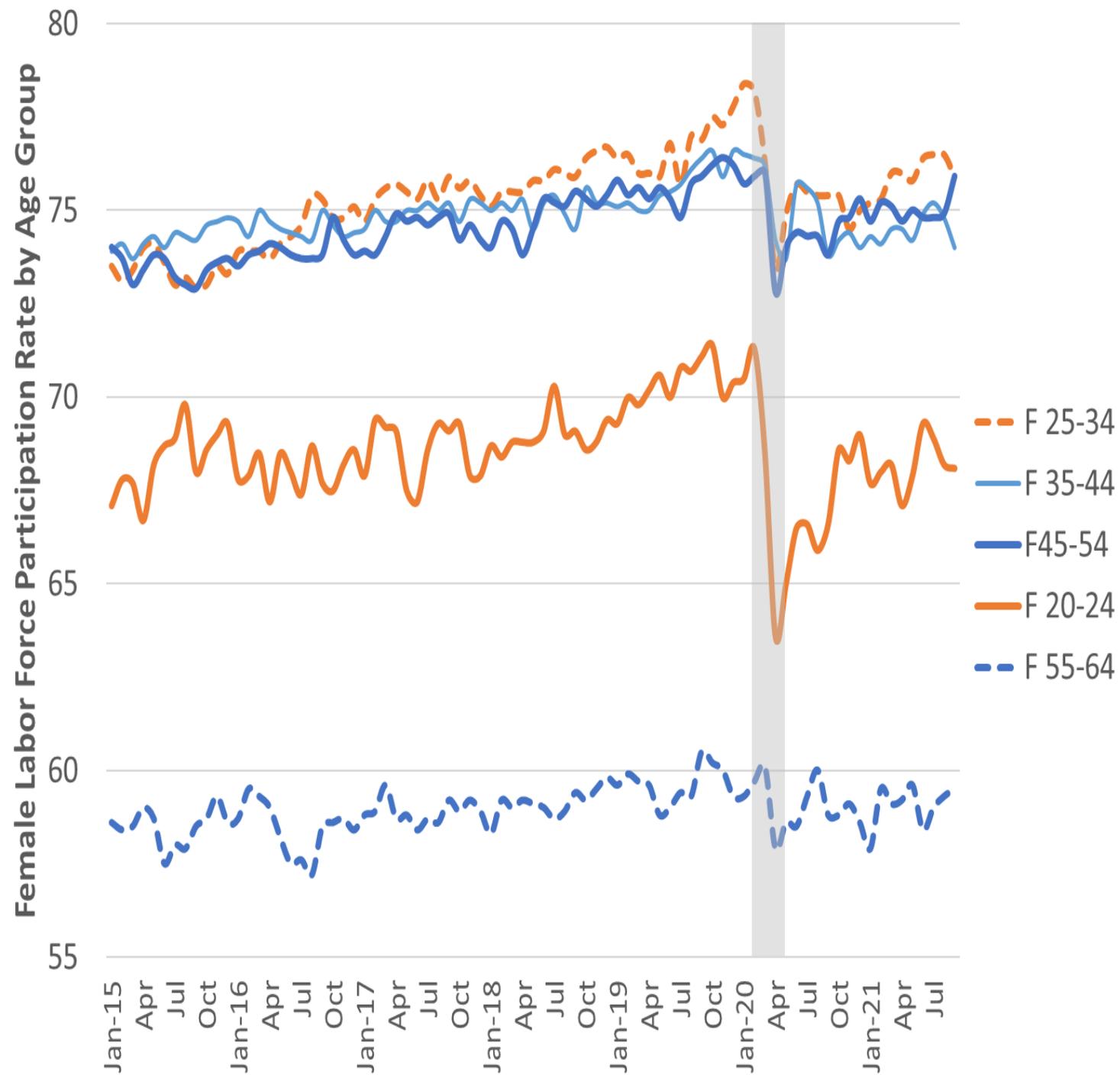
Exacerbated by pandemic, child care crisis hampers economy

The absence of reliable and affordable child care limits the jobs people can accept, makes it harder to climb the corporate ladder and ultimately restricts the ability of the broader economy to grow.

Associated Press article published October 27, 2021, screenshot from Portland Press Herald

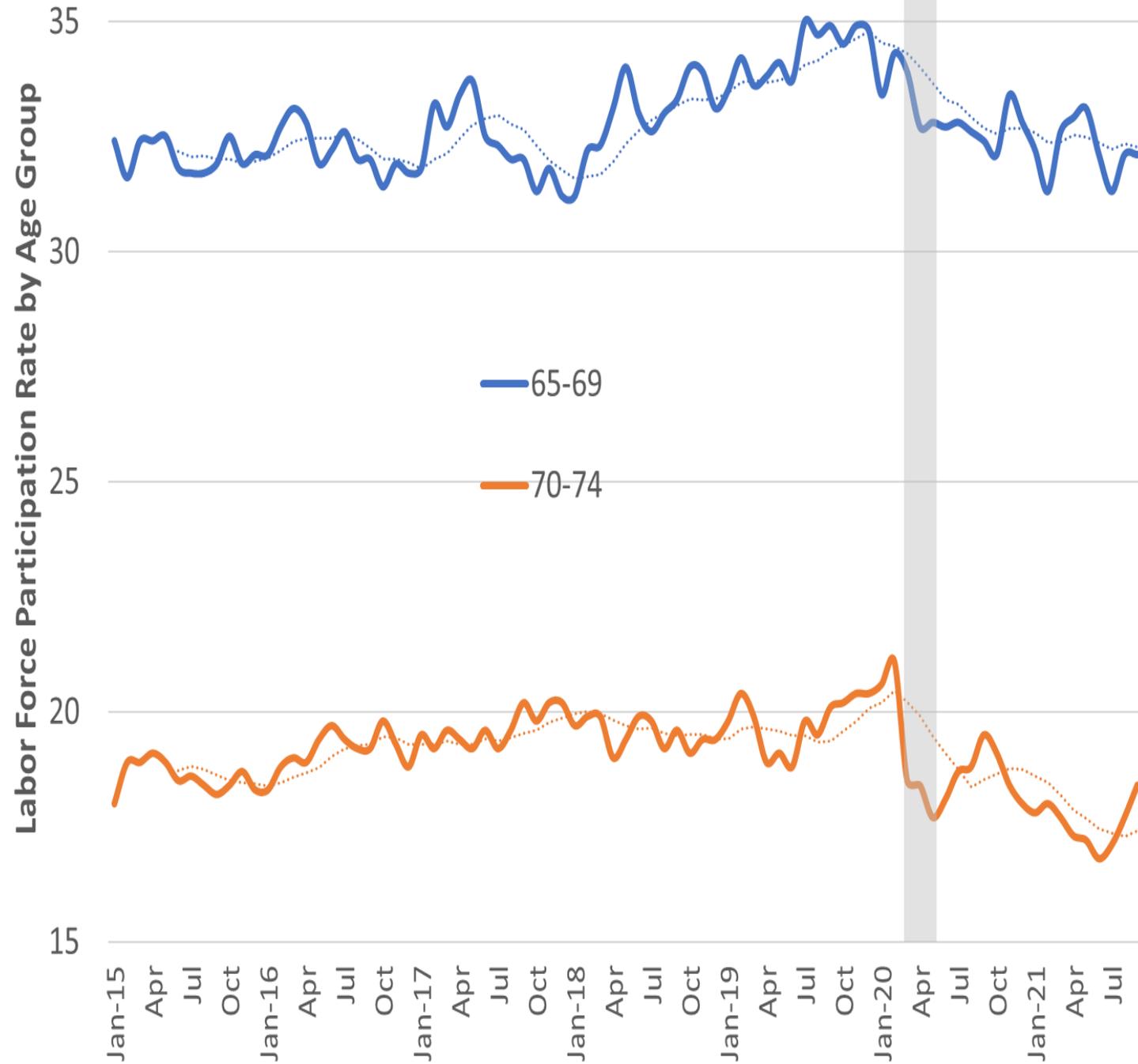


Nationally, participation is down most among women age 20 to 34. They comprised a high share of hospitality jobs, which were the most impacted by the pandemic. They also have been the most impacted by childcare challenges.





Nationally, participation is down among people in their upper 60s and early 70s. The situation in Maine likely is similar and may account for one-quarter of the labor force decrease.



The COVID-19 pandemic caused unprecedented disruptions to the labor market.

To better understand the effects of the pandemic, unemployment insurance claims and wage records were linked to identify patterns in the jobs recovery.

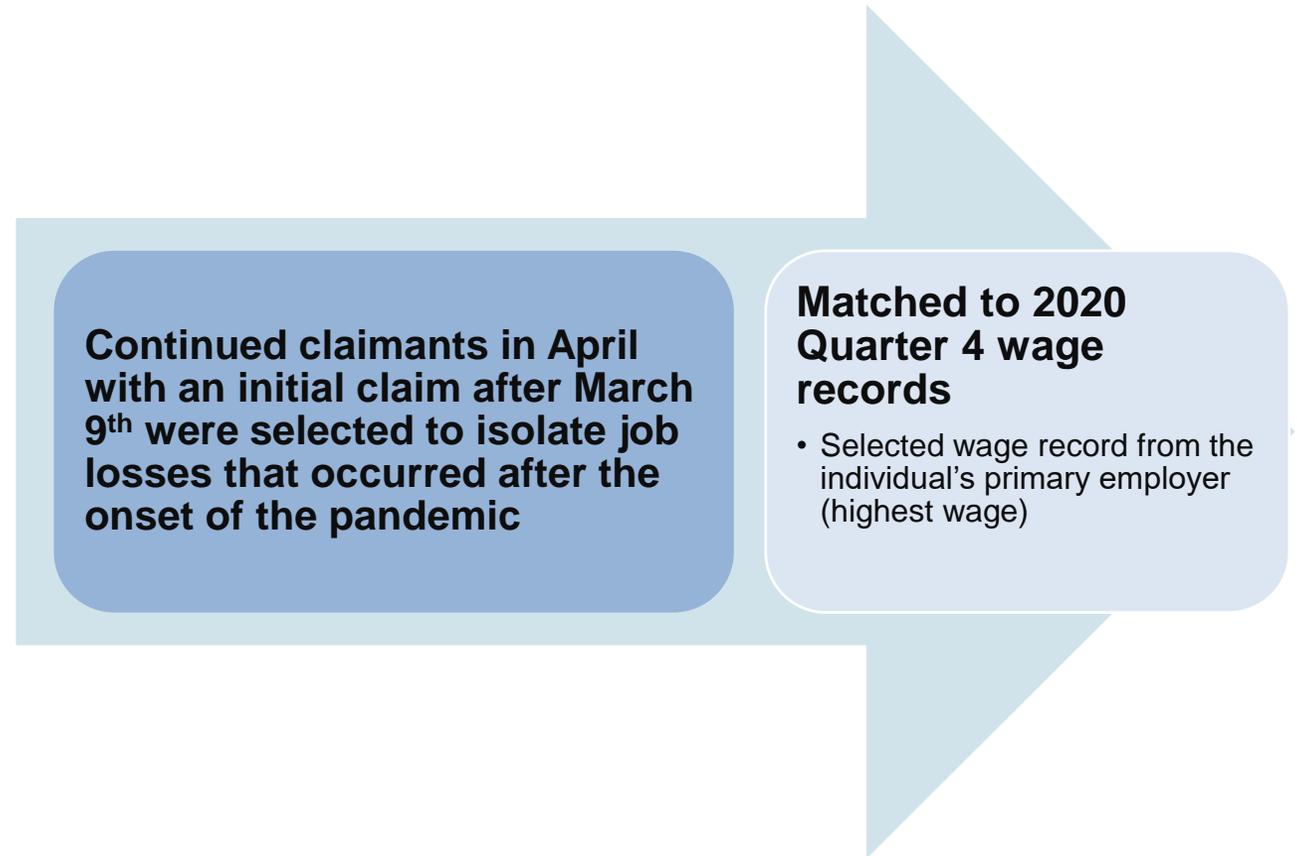
How many people who lost their job at the beginning of the COVID-19 pandemic became reemployed by the end of 2020?

In which sectors were people who lost their job most likely to become reemployed?

How many became reemployed by the same primary employer? How many became reemployed with a different employer in the same sector?

How many transitioned to a new industry? What industry transitions were the most common?

60,400 continued claimants in April 2020 were matched to wage records to identify those that were reemployed or still receiving unemployment benefits in the fourth quarter of the year



****This research excluded wages earned in temporary staffing positions and those employed or laid off from positions at ski centers to identify industry transitions that were not related to temporary or seasonal employment patterns**

**In the 4th
quarter of 2020,
of the 60,400
claimants from
April...**

49% had returned to the same employer

7% worked for a new employer in the same sector of the economy they previously worked in

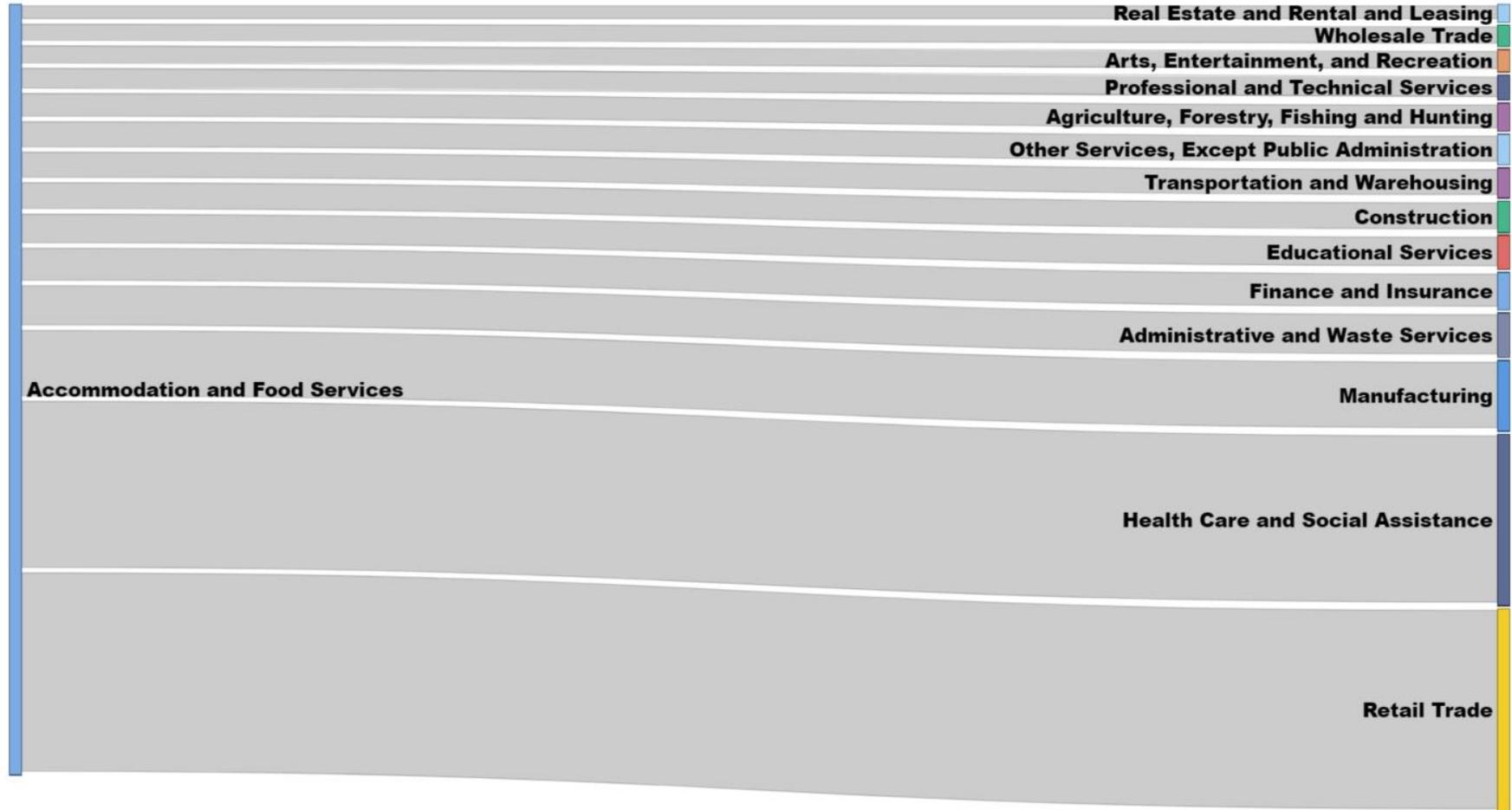
8% worked for a new employer in a different sector

16% continued to file for unemployment compensation in October, November, and December

8% of claimants within our cohort were reemployed in a new sector by the end of 2020. Many of the transitions were between sectors that both had large job losses early in the pandemic and a large rebound later in the year.

Workers displaced from **accommodation and food services** jobs were the most likely to have become reemployed in a different sector.

Industry Pair Transitions for Reemployed April 2020 Claimants

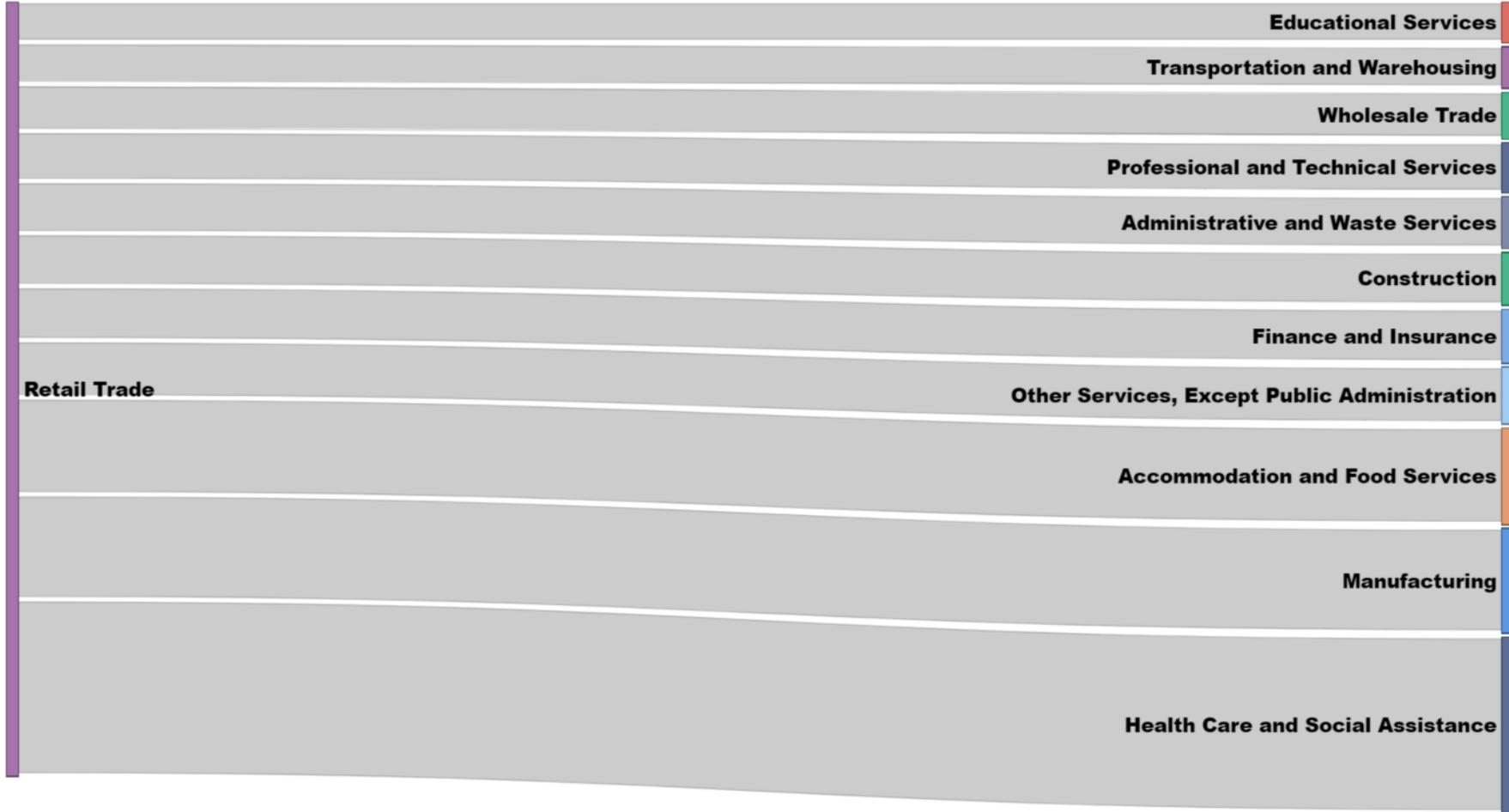


**To be counted as a new employer, the claimant could not have wages from that employer during the past three years.
 **Sector pairs have at least 20 claimants

8% of claimants within our cohort were reemployed in a new sector by the end of 2020. Many of the transitions were between sectors that both had large job losses early in the pandemic and a large rebound later in the year.

Workers displaced from **retail trade** were the next most likely to have become reemployed in a different sector.

Industry Pair Transitions for Reemployed April 2020 Claimants

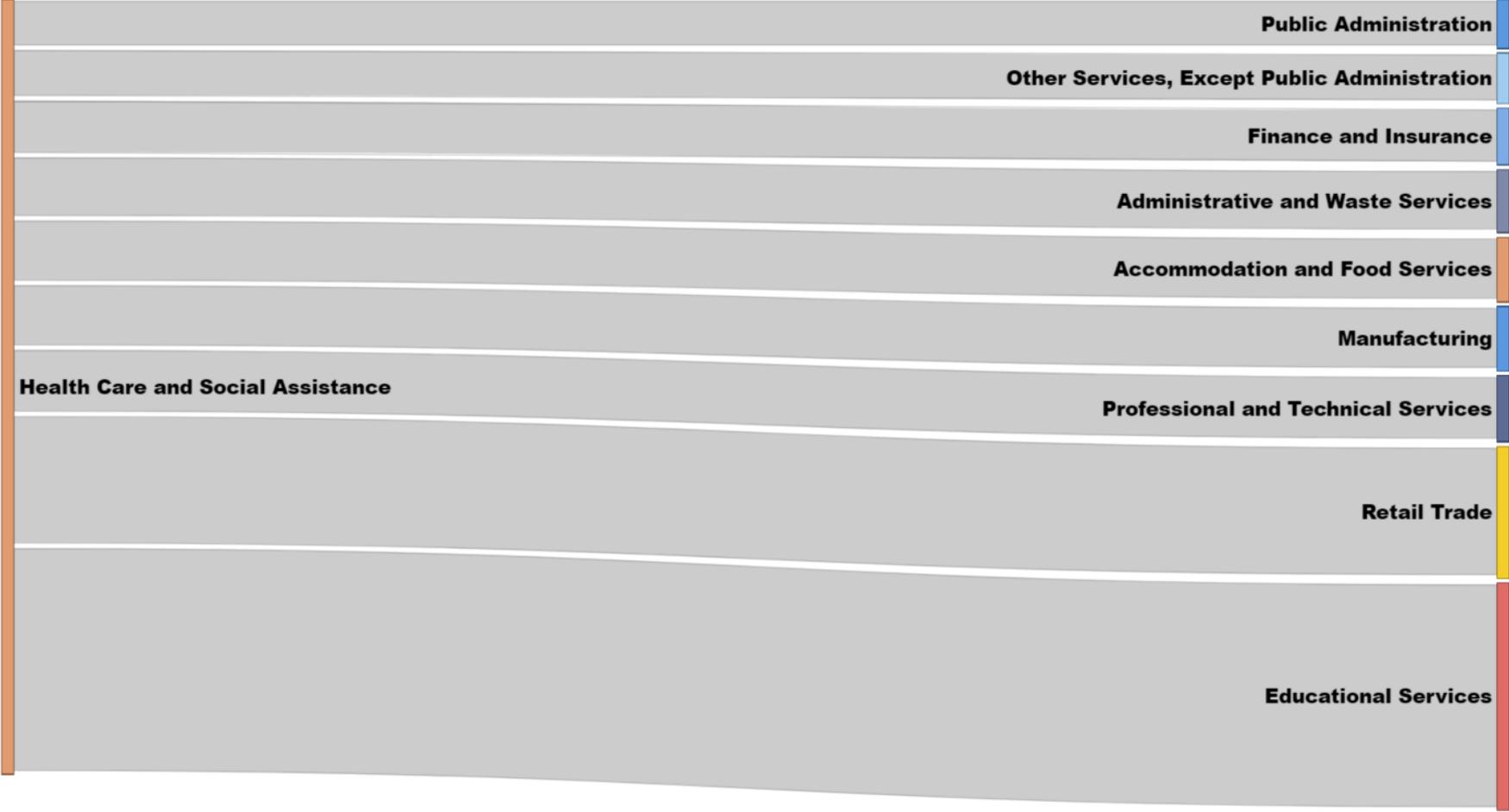


**To be counted as a new employer, the claimant could not have wages from that employer during the past three years.
 **Sector pairs have at least 20 claimants

8% of claimants within our cohort were reemployed in a new sector by the end of 2020. Many of the transitions were between sectors that both had large job losses early in the pandemic and a large rebound later in the year.

Workers displaced from **healthcare and social assistance** were the third most likely to have become reemployed in a different sector.

Industry Pair Transitions for Reemployed April 2020 Claimants



**To be counted as a new employer, the claimant could not have wages from that employer during the past three years.
 **Sector pairs have at least 20 claimants