

# Workforce Conditions in Maine Through December 2023

Consensus Economic Forecasting Commission  
January 26, 2024



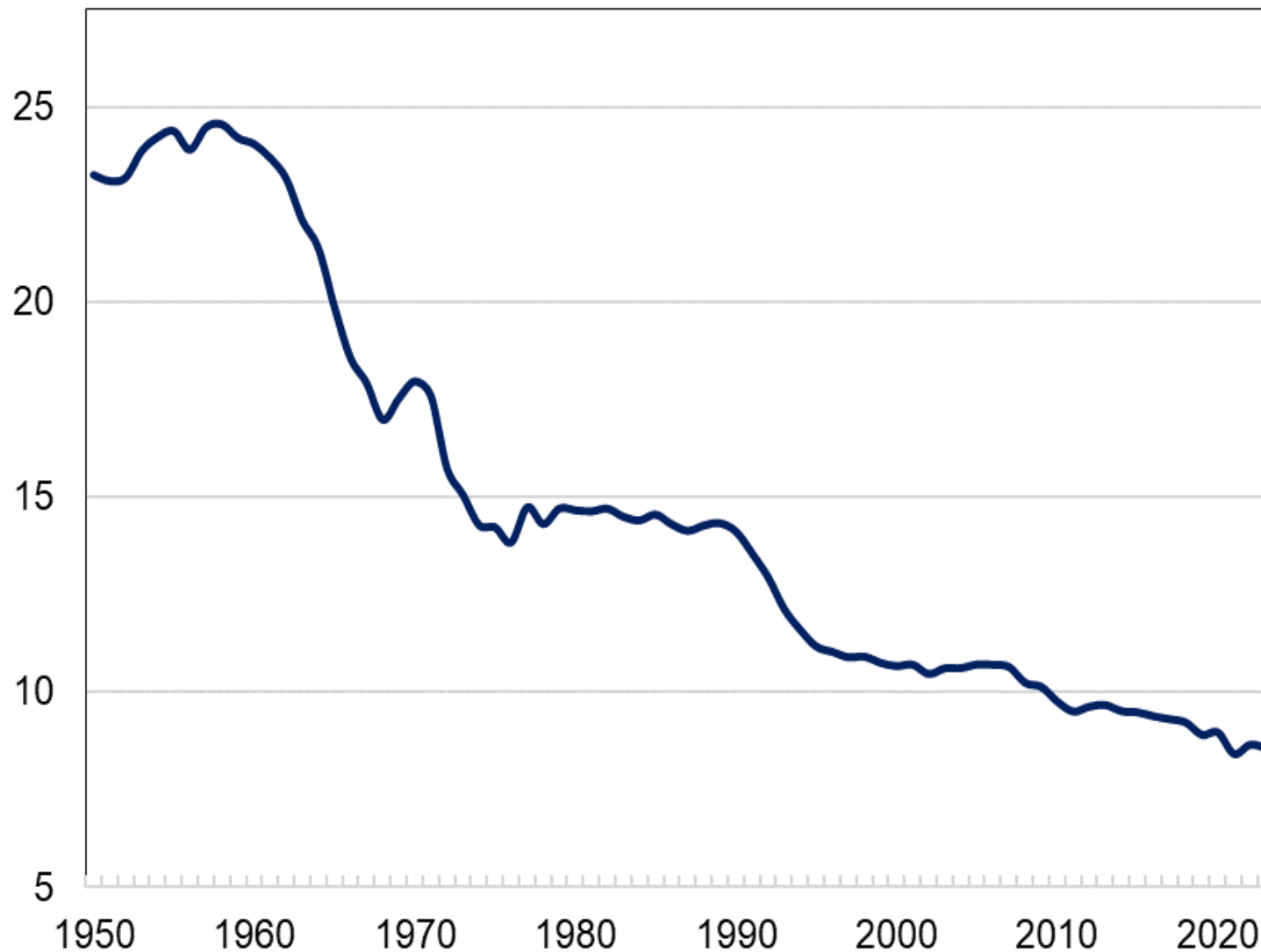
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Center for Workforce Research  
Maine Dept. of Labor  
[maine.gov/labor/cwri](https://maine.gov/labor/cwri)

# Population & Job Trends – Long Term Context

## Birth rates continued to decrease in 2023

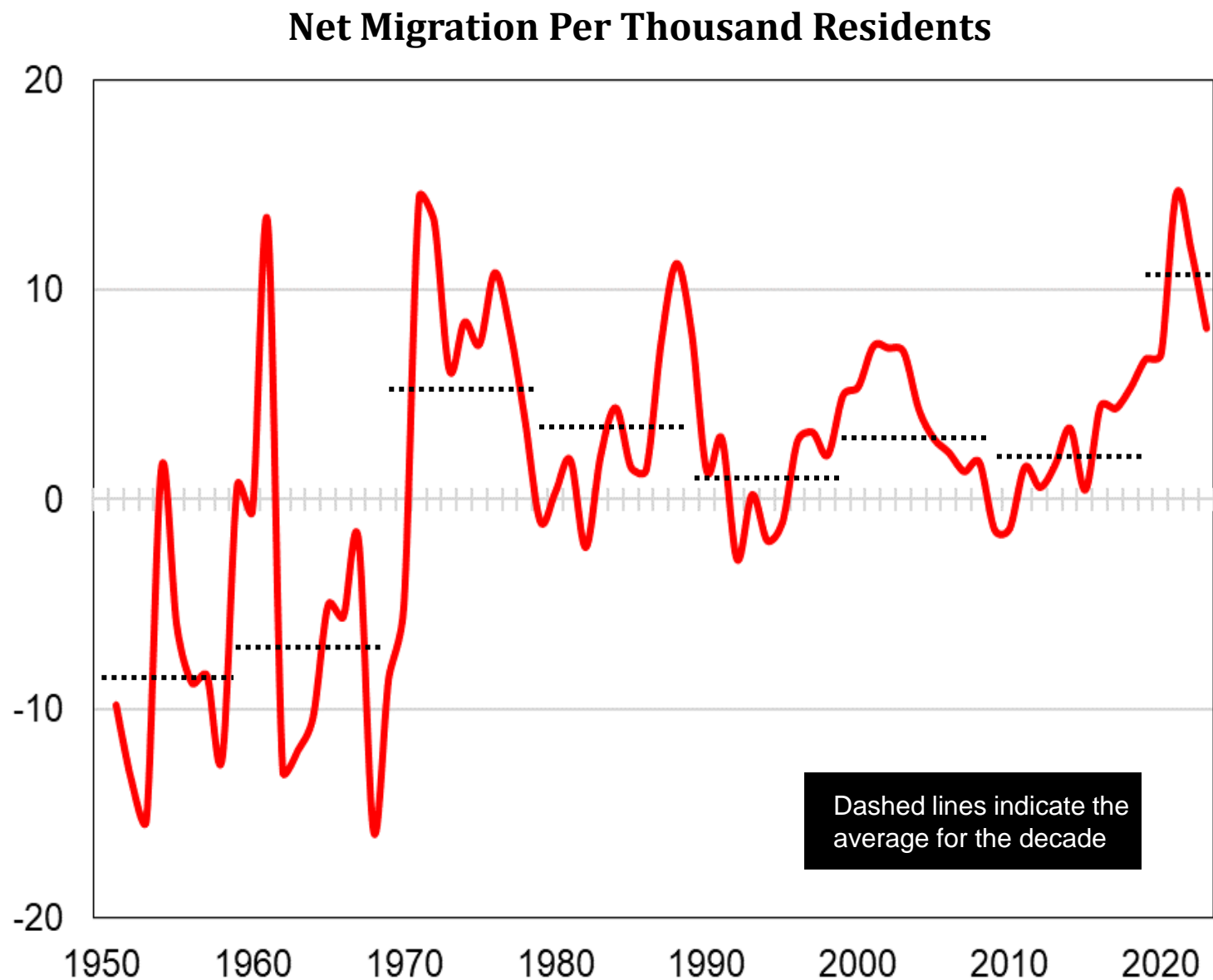
They are one-third the rate at the height of the baby boom.

Births Per Thousand Residents



## Net migration to the state remained high in 2023

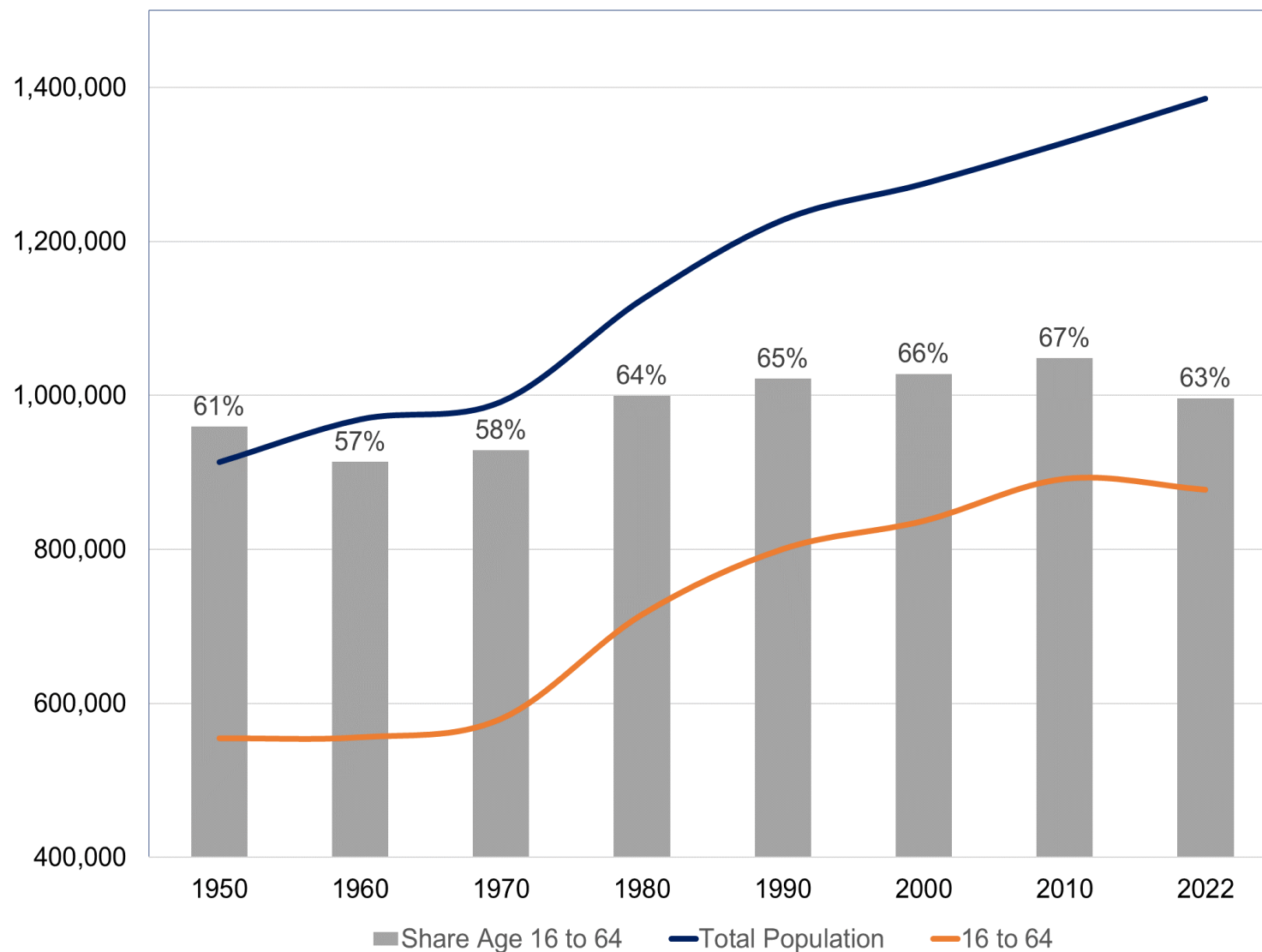
The rate decreased in the year but was the third highest rate in 35 years – outpaced only by 2021 and 2022.



## The working-age population peaked

The number age 16 to 64 peaked a decade ago. At 63 percent of the population, the share is lower than the previous four decades but well above periods before 1980. The share was lower then because there were so many children. It is lower today because there are so many that are older.

### Total and Age 16 to 64 Population

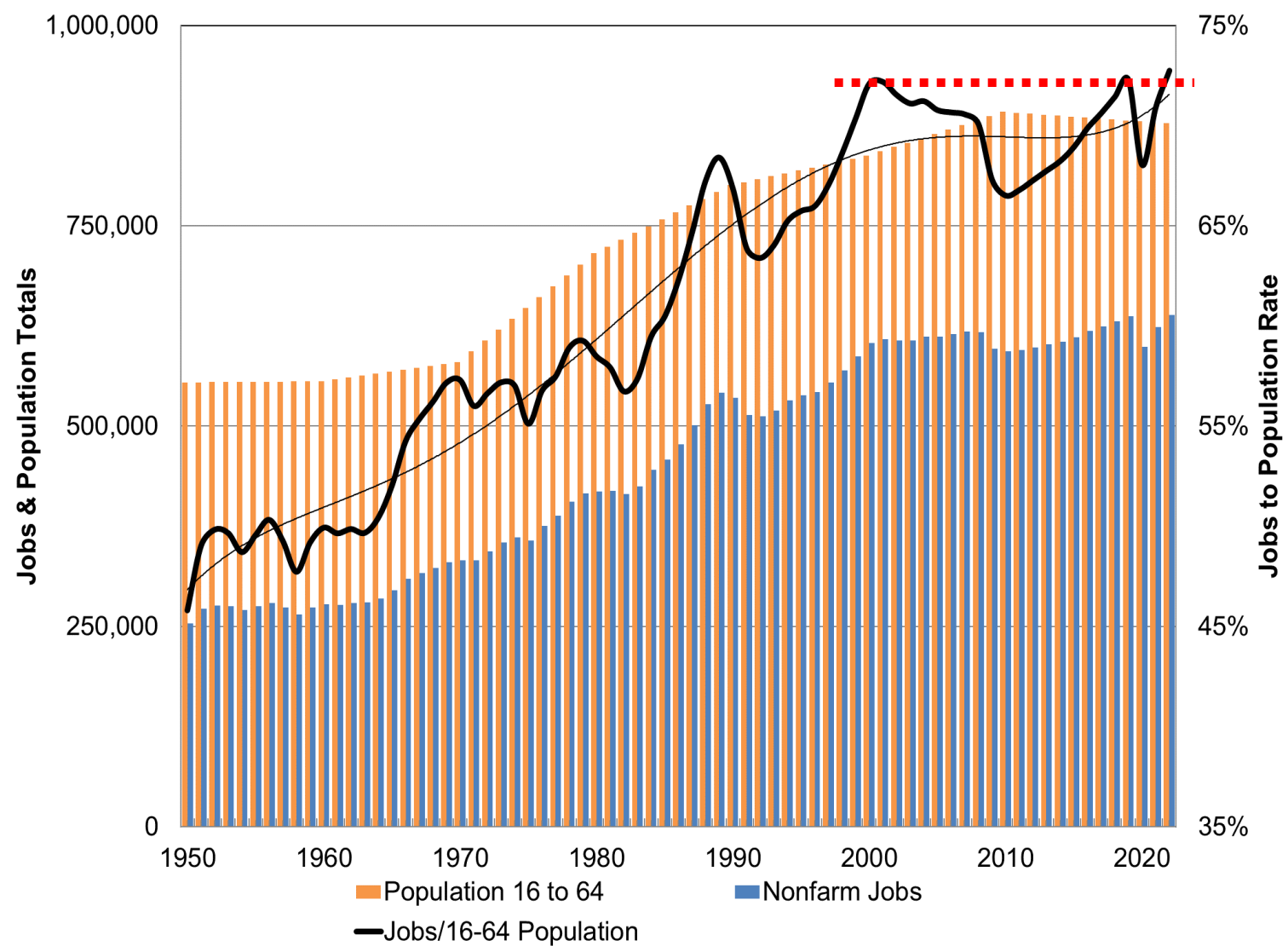


## The number of jobs is closely related to the working-age population

The jobs to working-age population rate increased steadily from the 1950s through 1990s. This was from a combination of rising female labor force participation and from baby boomers advancing to their peak age of participation. When 2023 population by age is available, the jobs to working-age population is very likely to eclipse the 2022 record high.

Further significant increases in female participation seem unlikely and baby boomers continue to advance to retirement. There is little room for further increase in this rate.

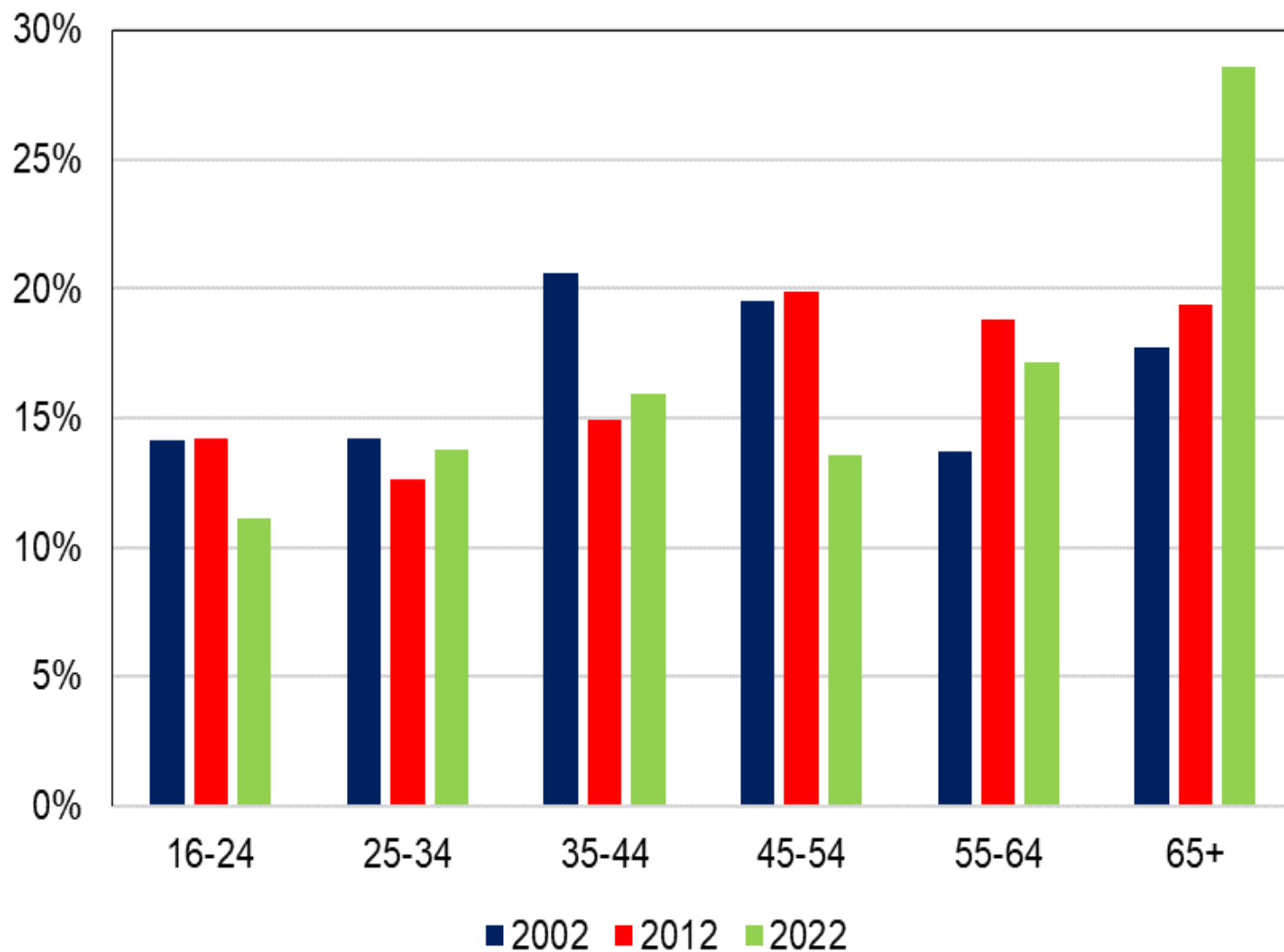
### Age 16 to 64 Population and Nonfarm Jobs



## The population is older than ever before

The age structure is very different from anytime previously.

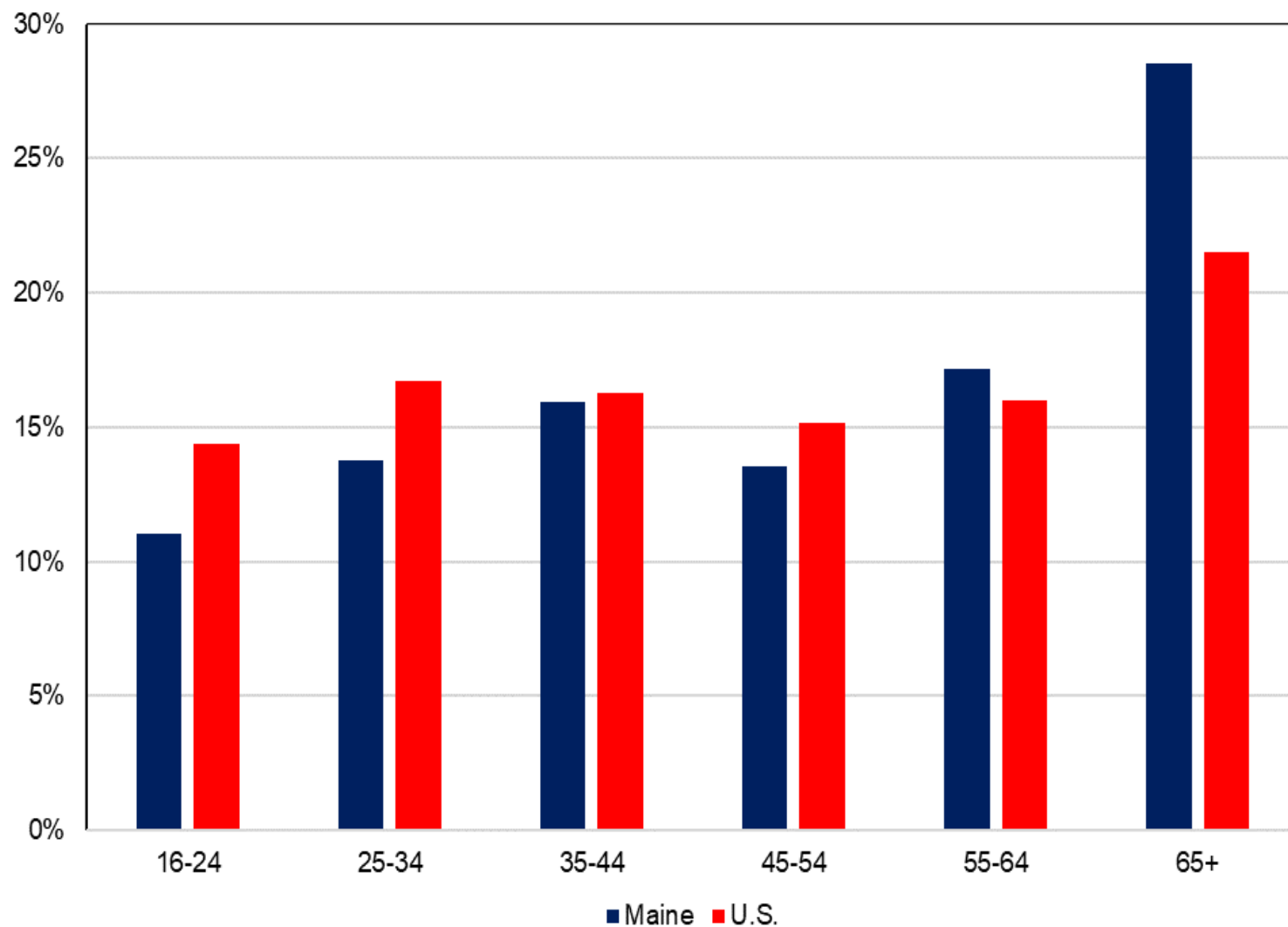
Share of Age 16 and Over Population



## The population structure is older than the nation

Birth rates here decreased earlier and more sharply than most states, resulting in a low share of young people and a high share that are older relative to the nation.

### Share of Age 16 and Over Population

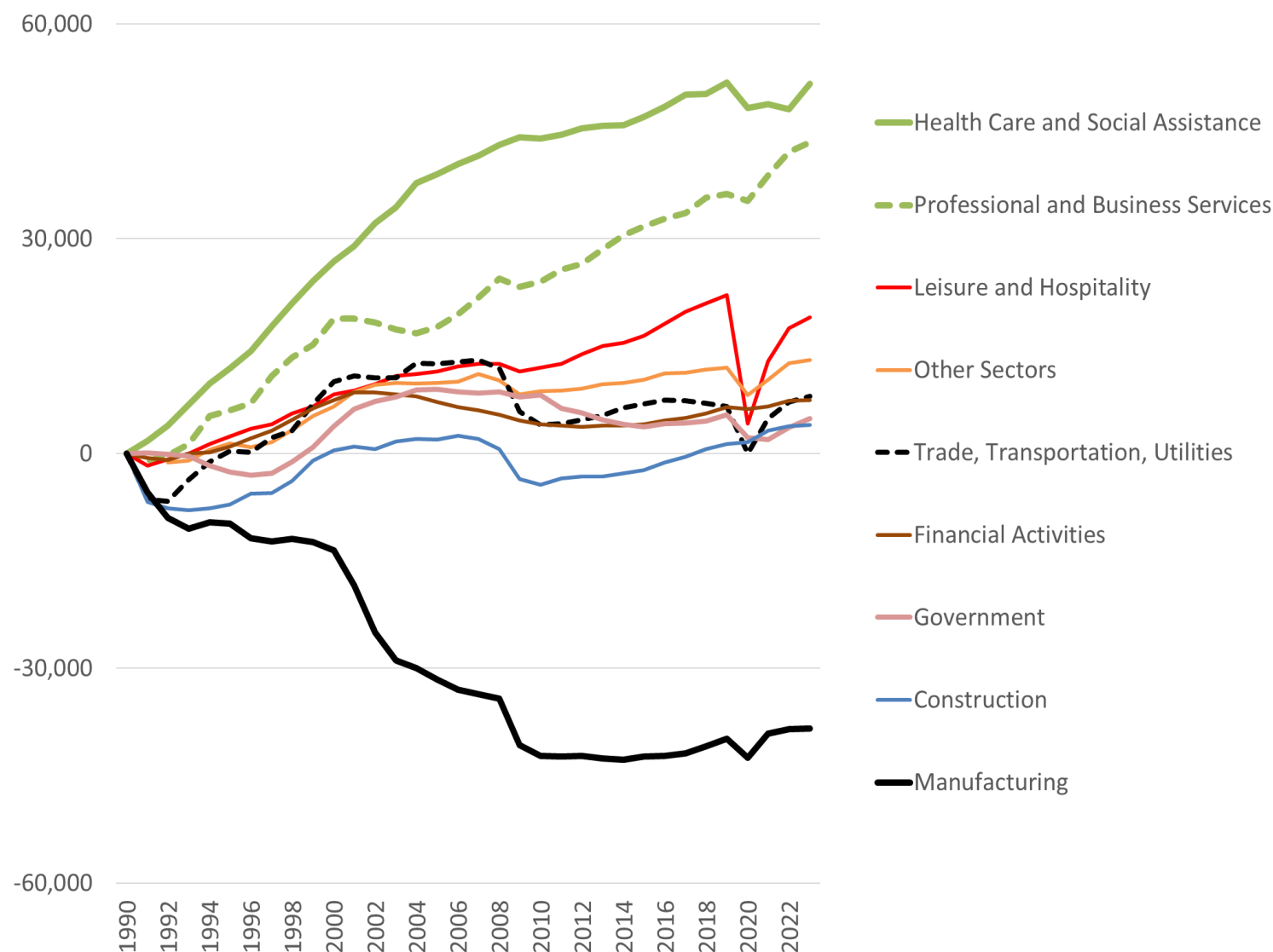


## Job change has been concentrated in three sectors

Since 1990 job gains have primarily been in healthcare and social assistance and in professional and business services, each of which added more than 40,000 jobs. Leisure and hospitality added 19,000 jobs. Gains in other sectors were relatively small.

Manufacturing jobs decreased more than 40,000, though the sector stabilized over the last decade.

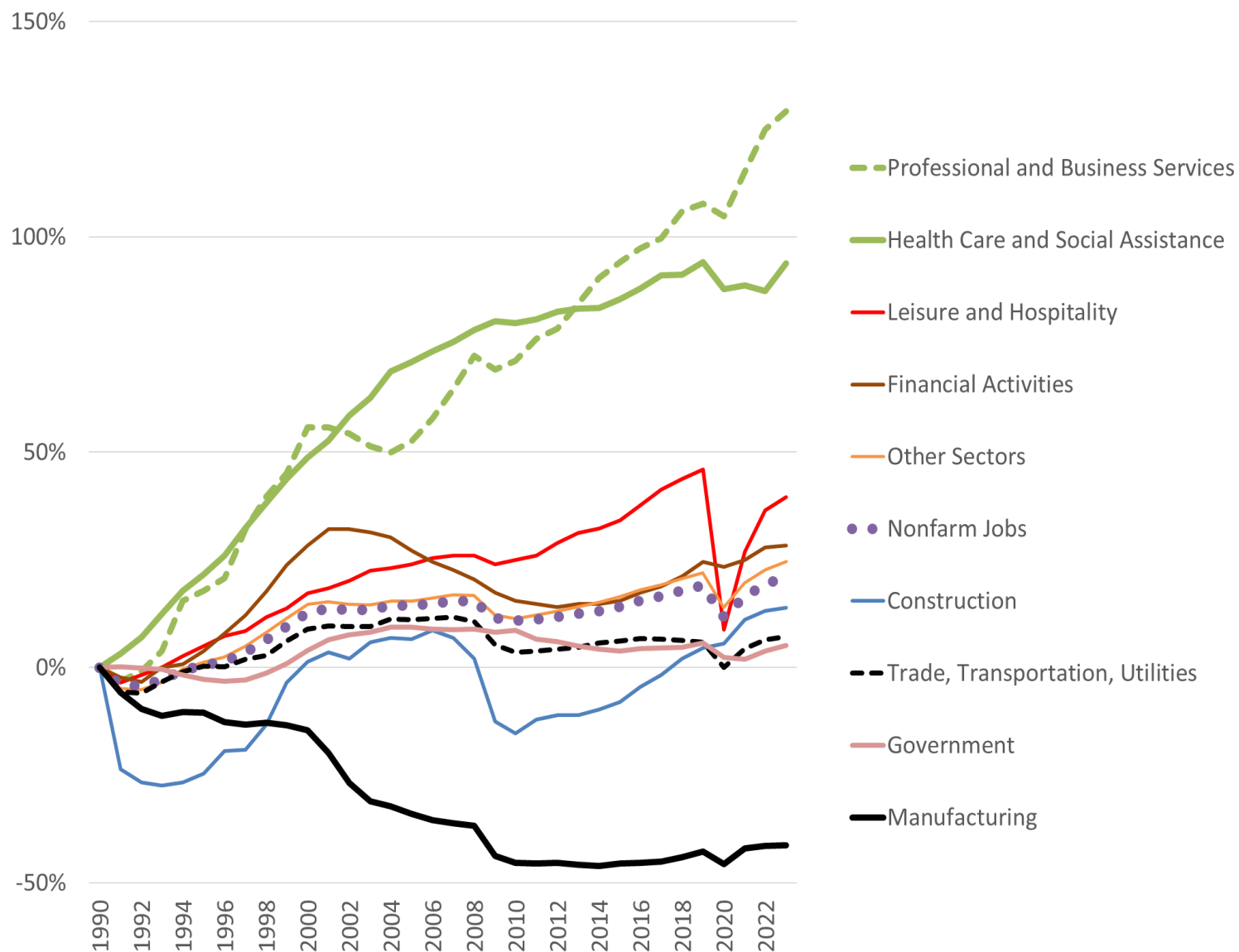
### Net Change in Nonfarm Jobs Since 1990



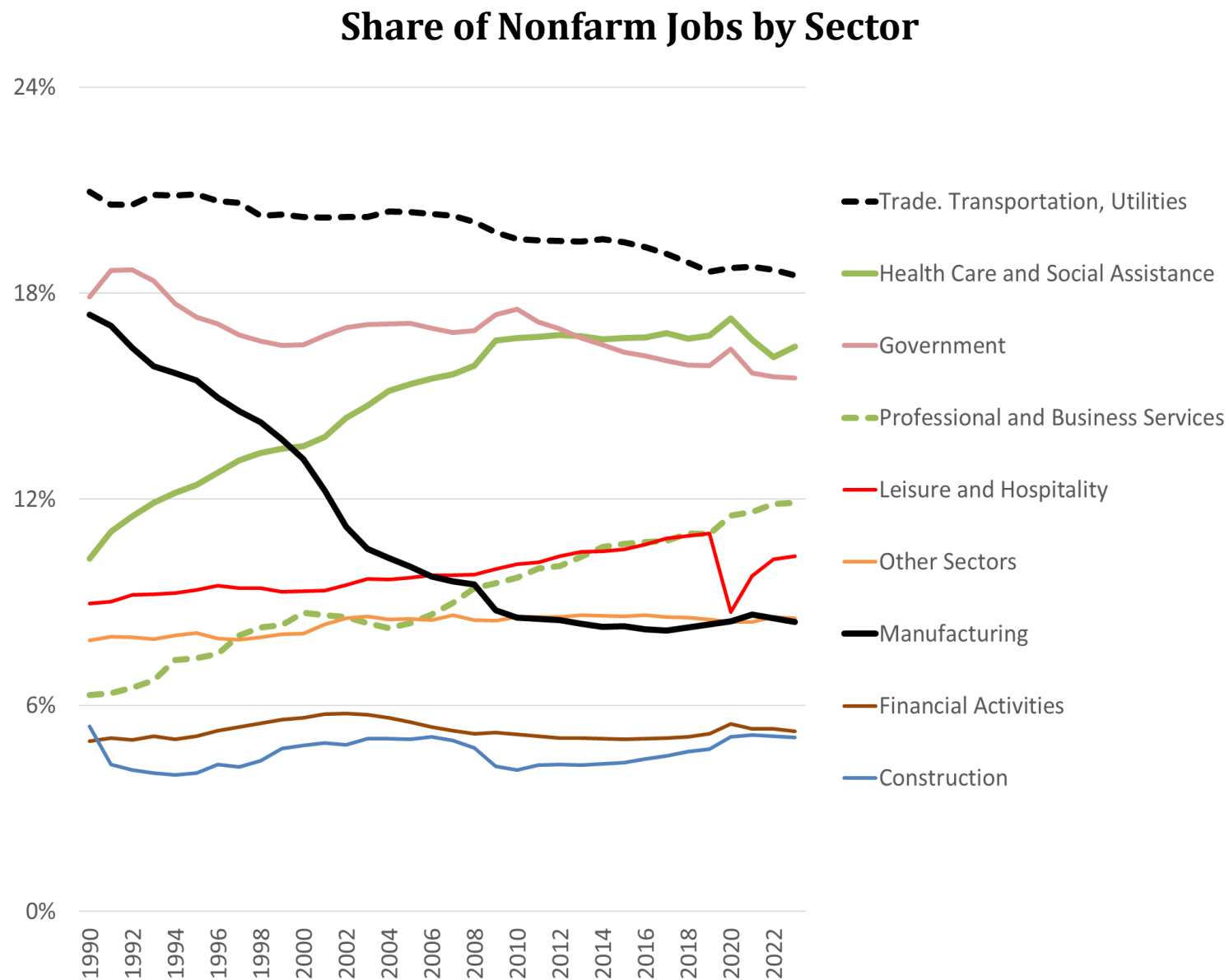
## Job change has been concentrated in three sectors

The rate of change was close to the overall average in all but those three sectors.

### Percent Change in Nonfarm Jobs Since 1990



Exceptions are the six-point increases in healthcare and social assistance and in professional and business services, and the nine-point decrease in manufacturing. Change in other sectors was fewer than 2.5 points.

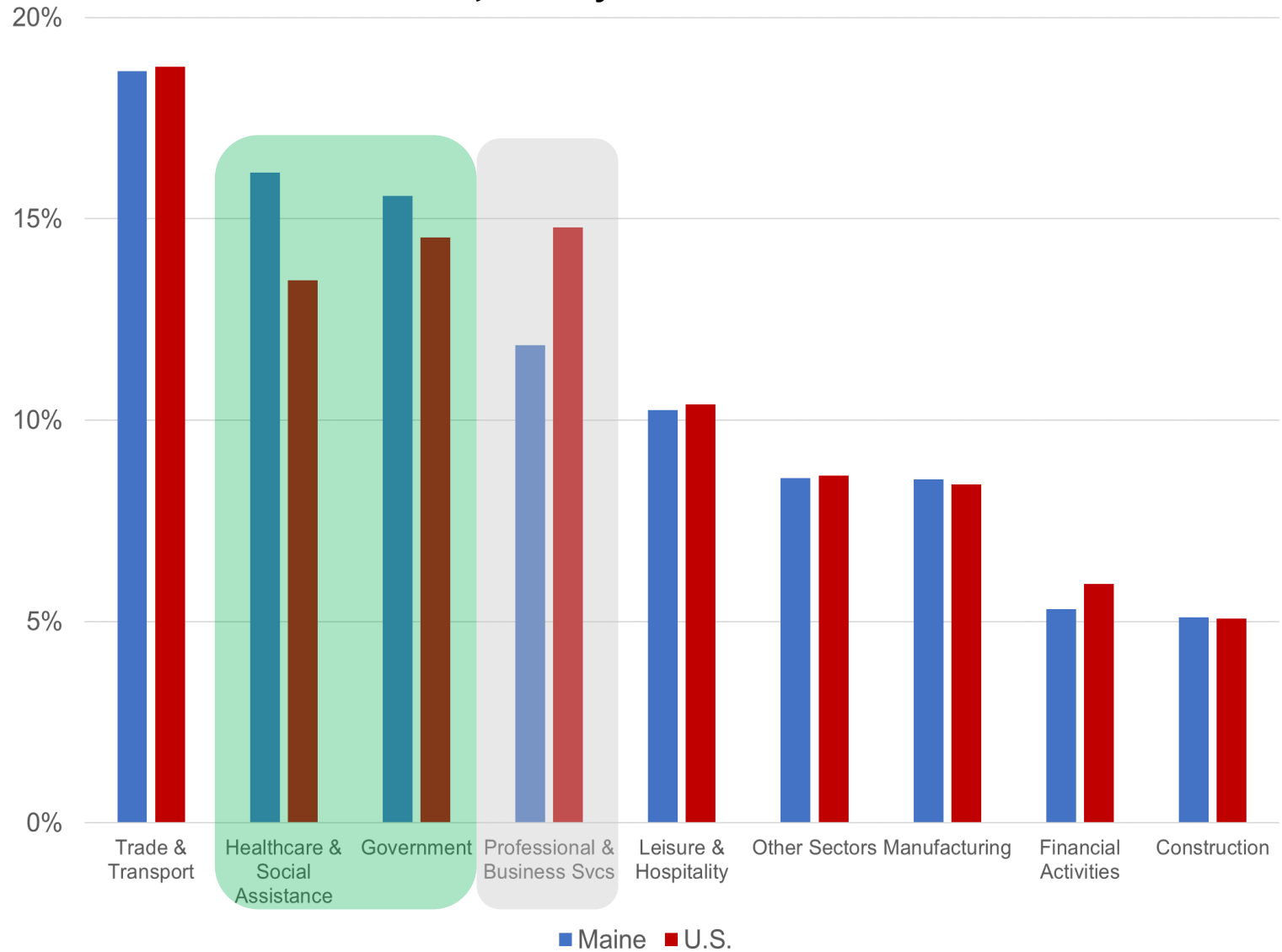


## The industry structure is similar to the nation

The share of jobs by sector is similar to that of the nation. The state has relatively more jobs in healthcare and social assistance, partly because of our population is older, and in government, mainly because the federal Portsmouth Naval Shipyard in Kittery is so large, employing more than 6,000.

The state has relatively fewer jobs in professional and business services and financial activities.

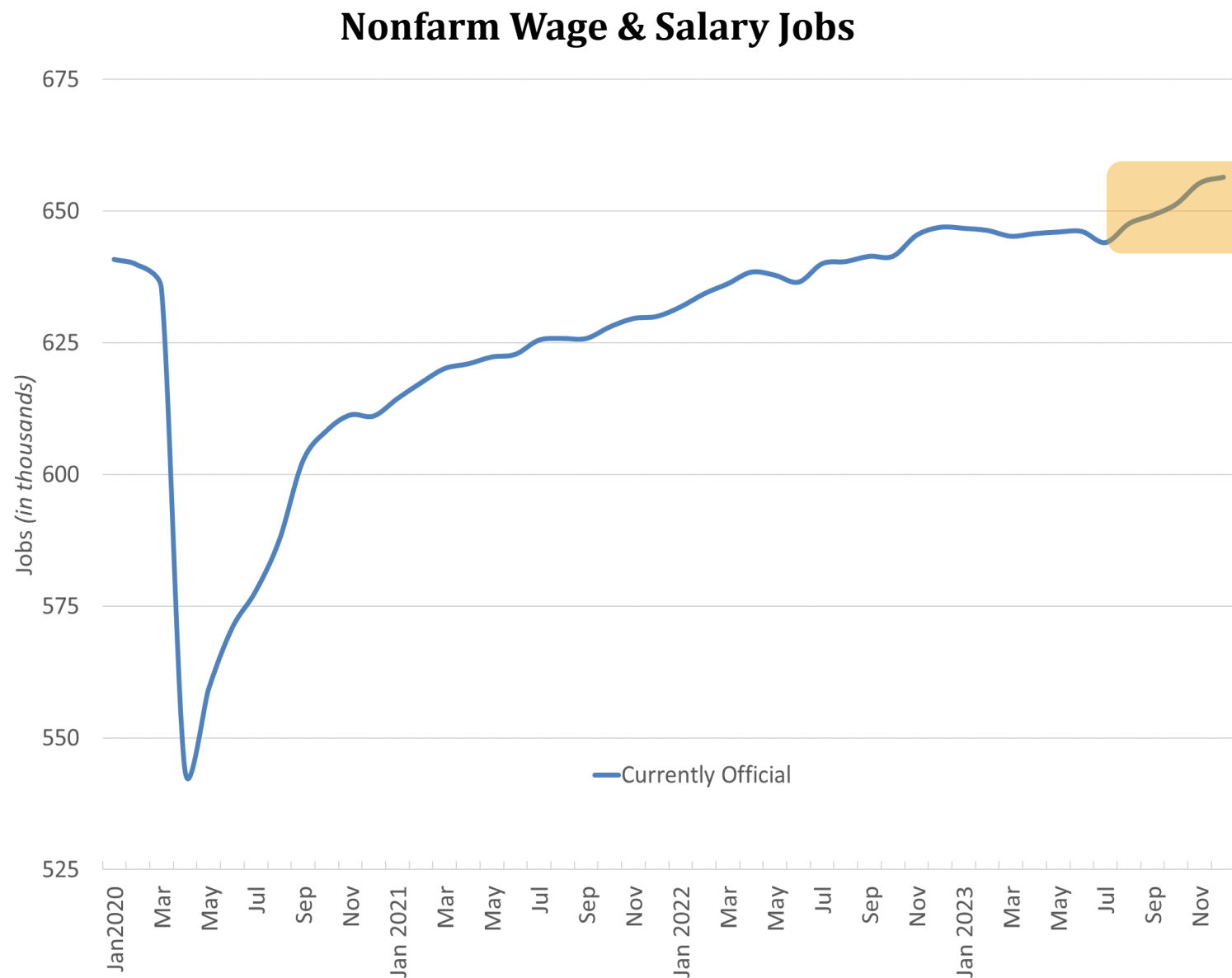
### Share of Jobs by Sector in 2022



# Recent Trends – Return Toward Normalcy

## Nonfarm jobs estimates spiked in the second half of 2023

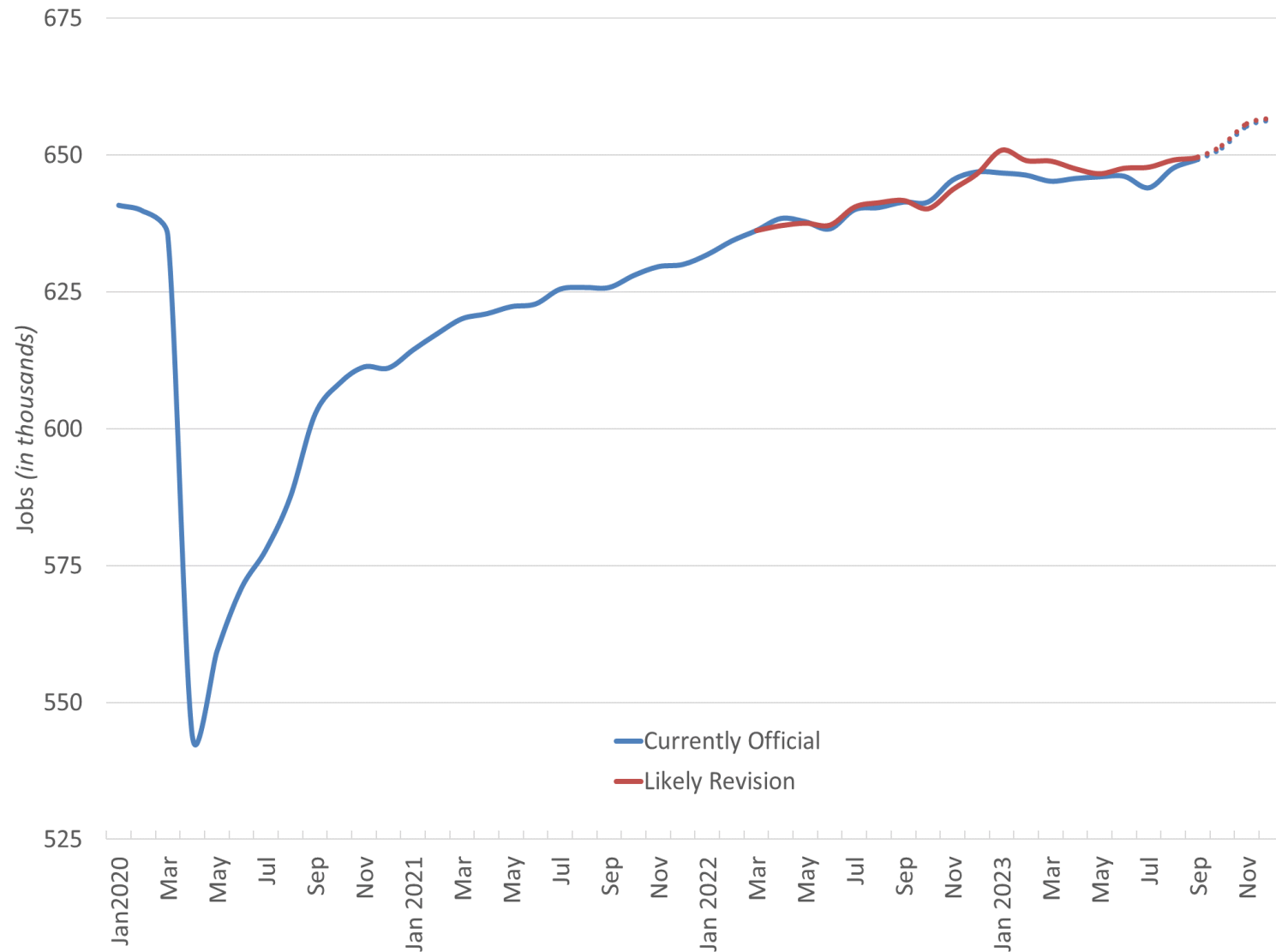
This broke a nine month stretch of very little change in currently official estimates.



## Jobs estimates will be revised higher

Annual workforce data revisions are underway – they will be published in March. Though not yet final, estimates for 15 of the 18 months from April 2022 to September 2023 will be revised higher. 2022 data will not change much; 2023 data will be adjusted up an average of close to 2,300 jobs for January to September.

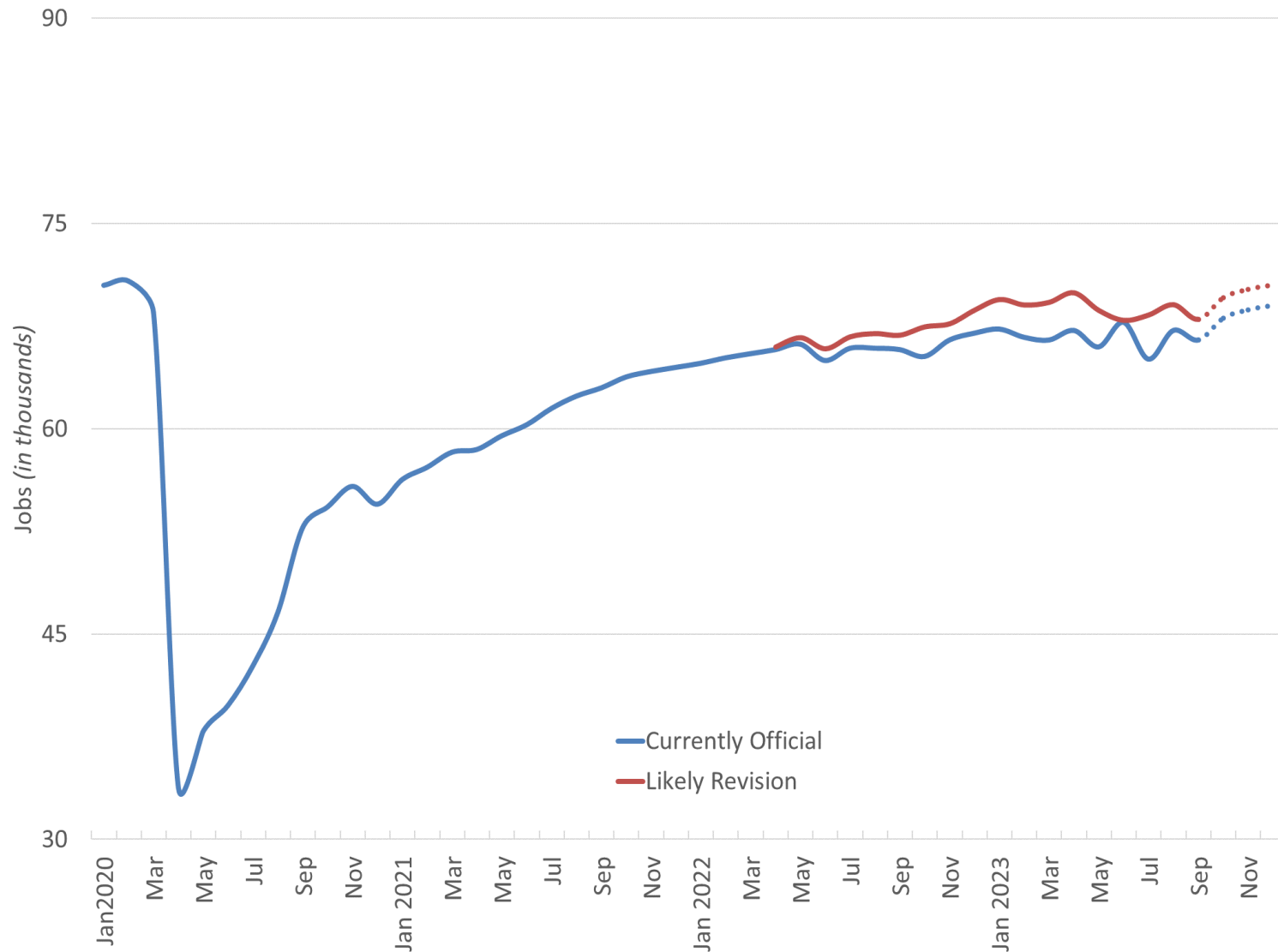
### Nonfarm Wage & Salary Jobs



## Most of the upward revision will be to leisure & hospitality

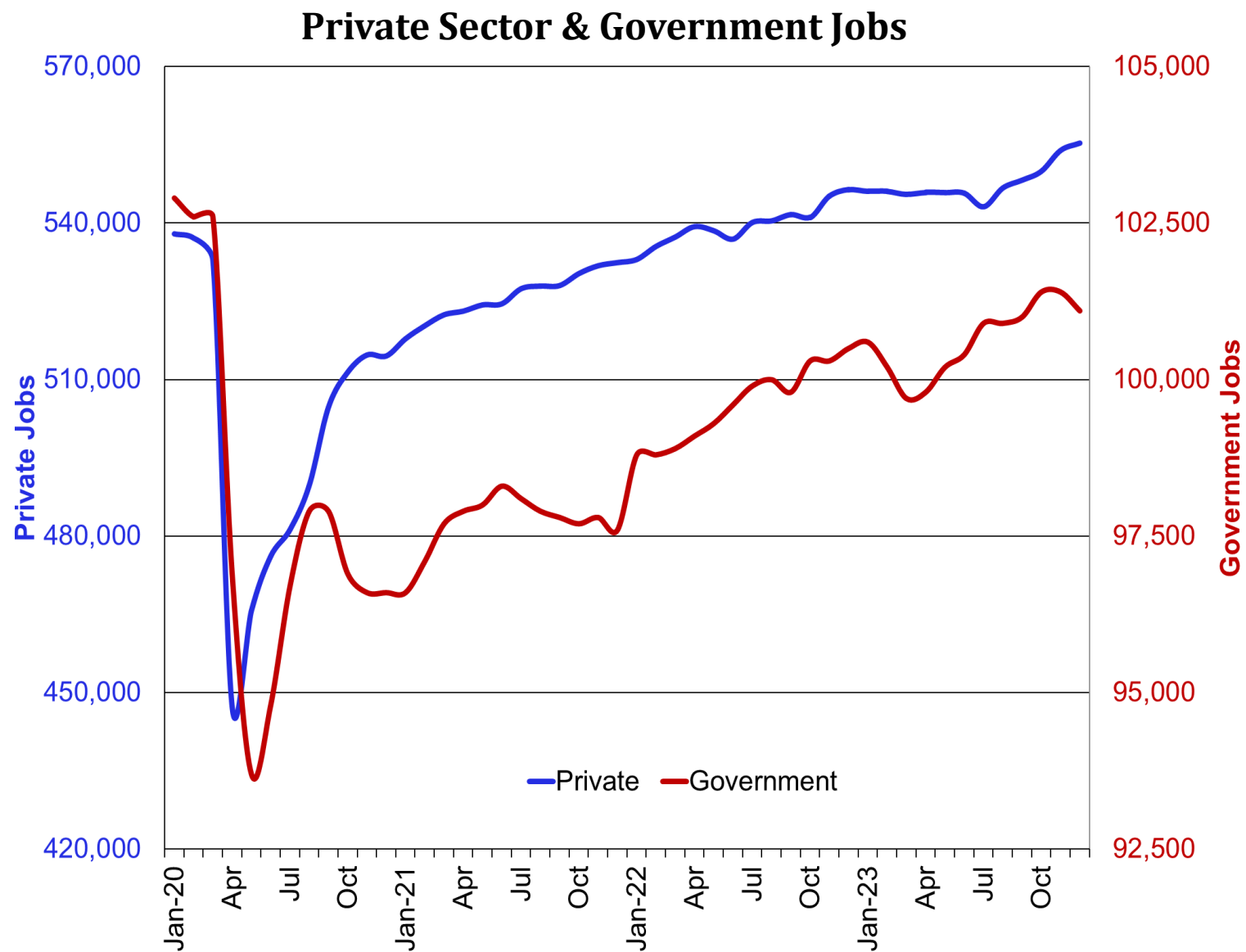
Estimates for the last nine months of 2022 will be revised up an average of close to 1,000; for the first nine months of 2023 they will be revised up an average of close to 2,100. Revisions for other sectors will be much smaller.

### Leisure & Hospitality Jobs



## The jobs recovery in government continues, but lags

Most of this is because state government education – the University and Community Colleges – have not returned to pre-pandemic staffing levels.

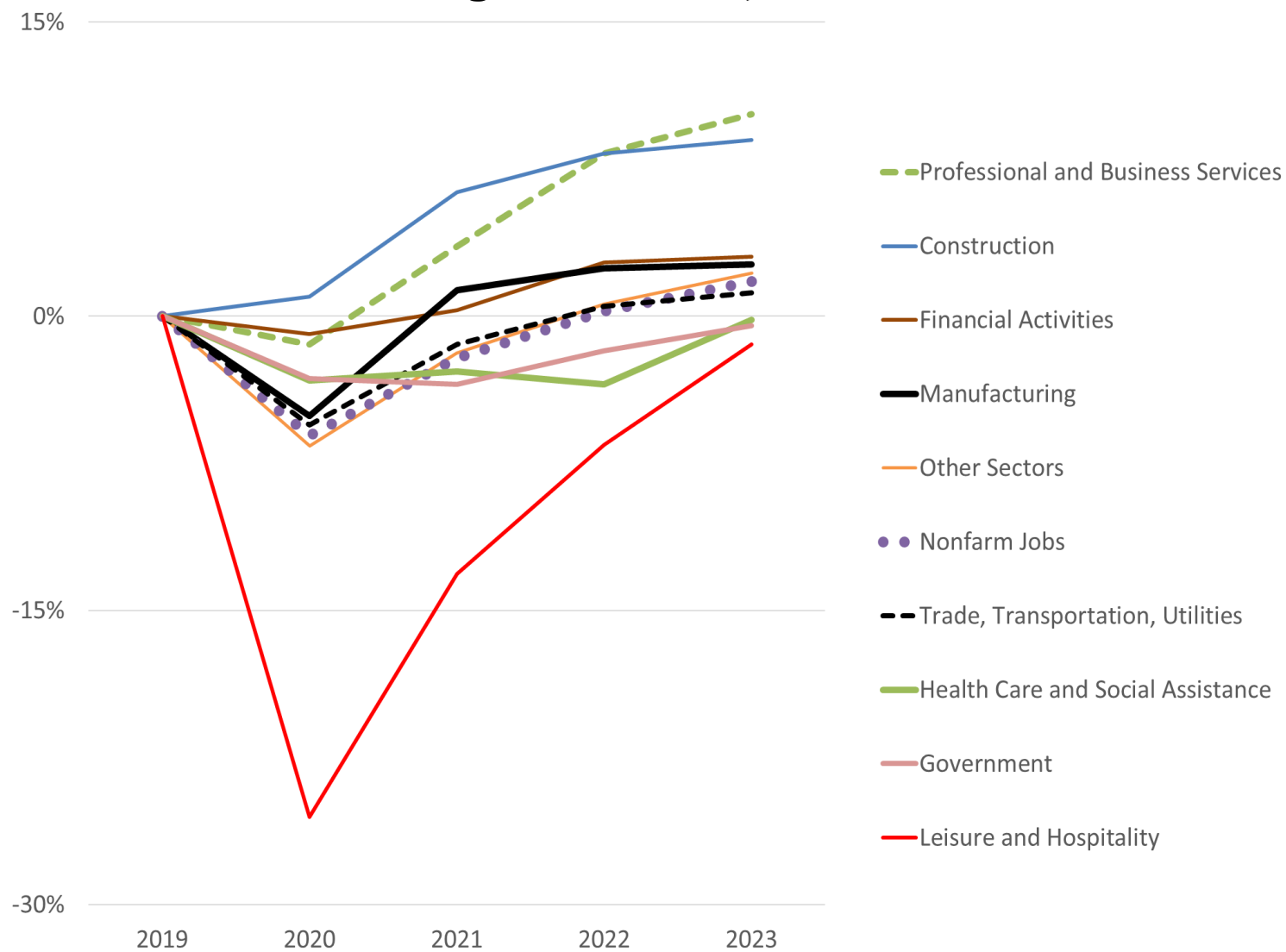


## Most sectors have recovered to new highs

Leisure & hospitality and government are the only sectors that have not returned to 2019 staffing levels.

*(The leisure & hospitality figures for 2023 are based on the forthcoming revision. Others are based on preliminary estimates.)*

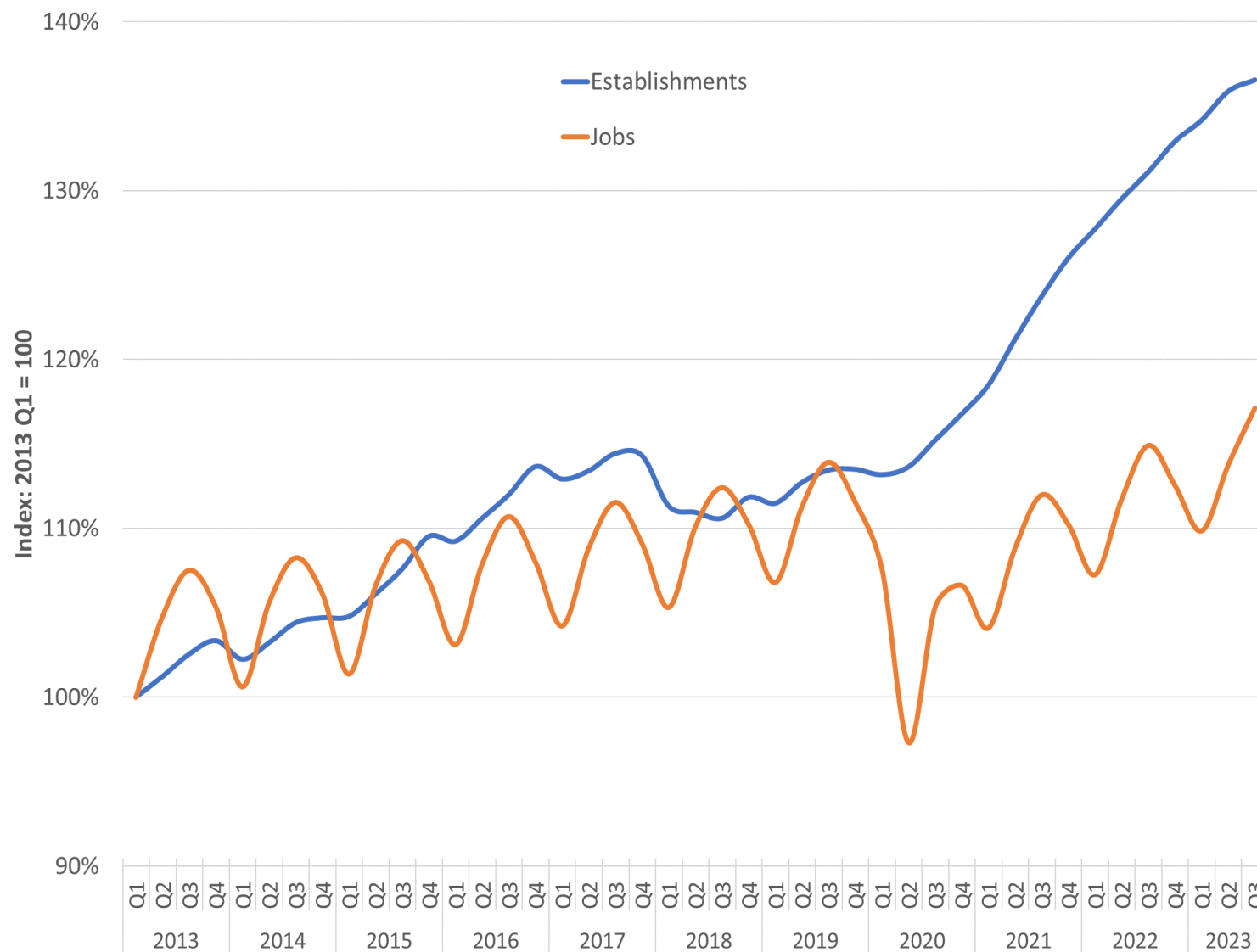
## Percent Change in Nonfarm Jobs Since 2019



## Employer establishments have increased sharply the last three years

Before the pandemic, jobs and establishments increased at similar rates. Employer establishments have spiked since then. This primarily is from the remote work revolution. It is a combination of people moving to the state while continuing to work for an employer located elsewhere, and it is from residents of the state gaining jobs that allow them to work here for employers located elsewhere. In each of those cases the employer is required to open an unemployment insurance tax account in Maine on behalf of those individuals; their employment is counted here rather than where the employer is located.

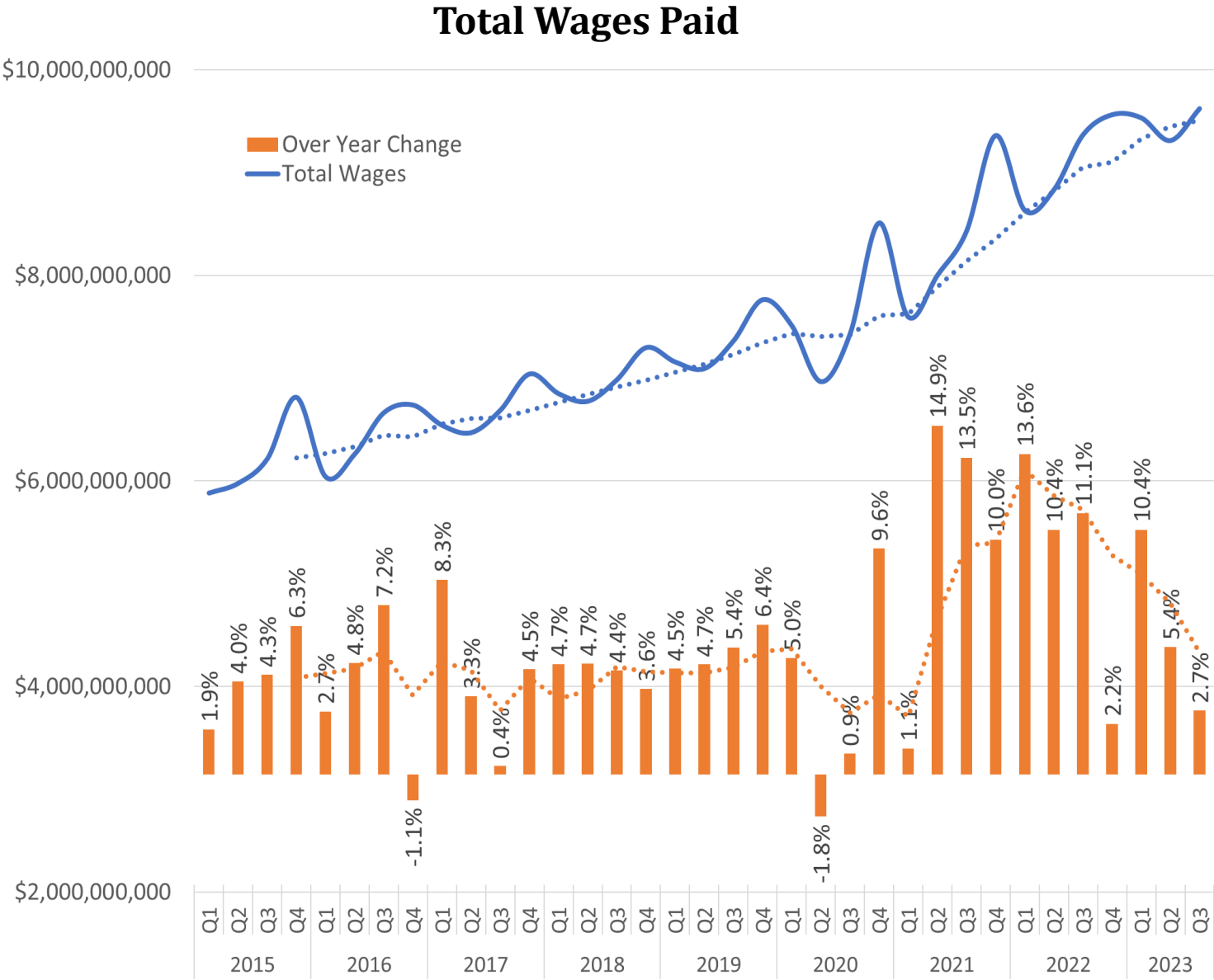
## Wage & Salary Jobs and Employer Establishments



## Total wage growth is slowing

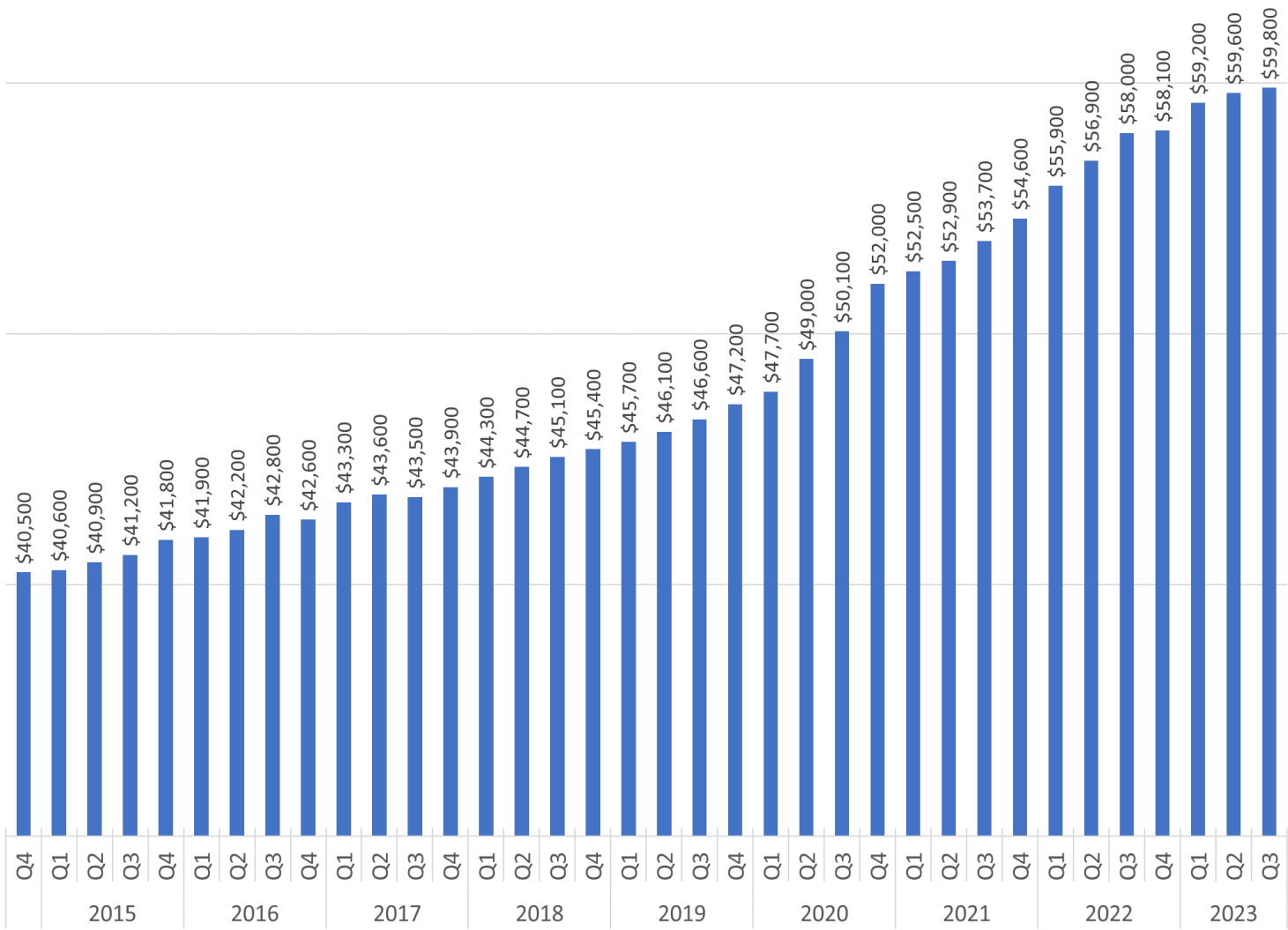
Total wages paid exceeded \$9 billion each of the last five quarters. The rate of change in the four quarters through September 2023 was inline with the pre-pandemic period.

The U.S. Bureau of Economic Analysis estimate of a 6.4 percent increase in wages and salaries over the year through the third quarter is likely to be revised lower once state QCEW data is input.



The rise in average wages leveled off in 2023

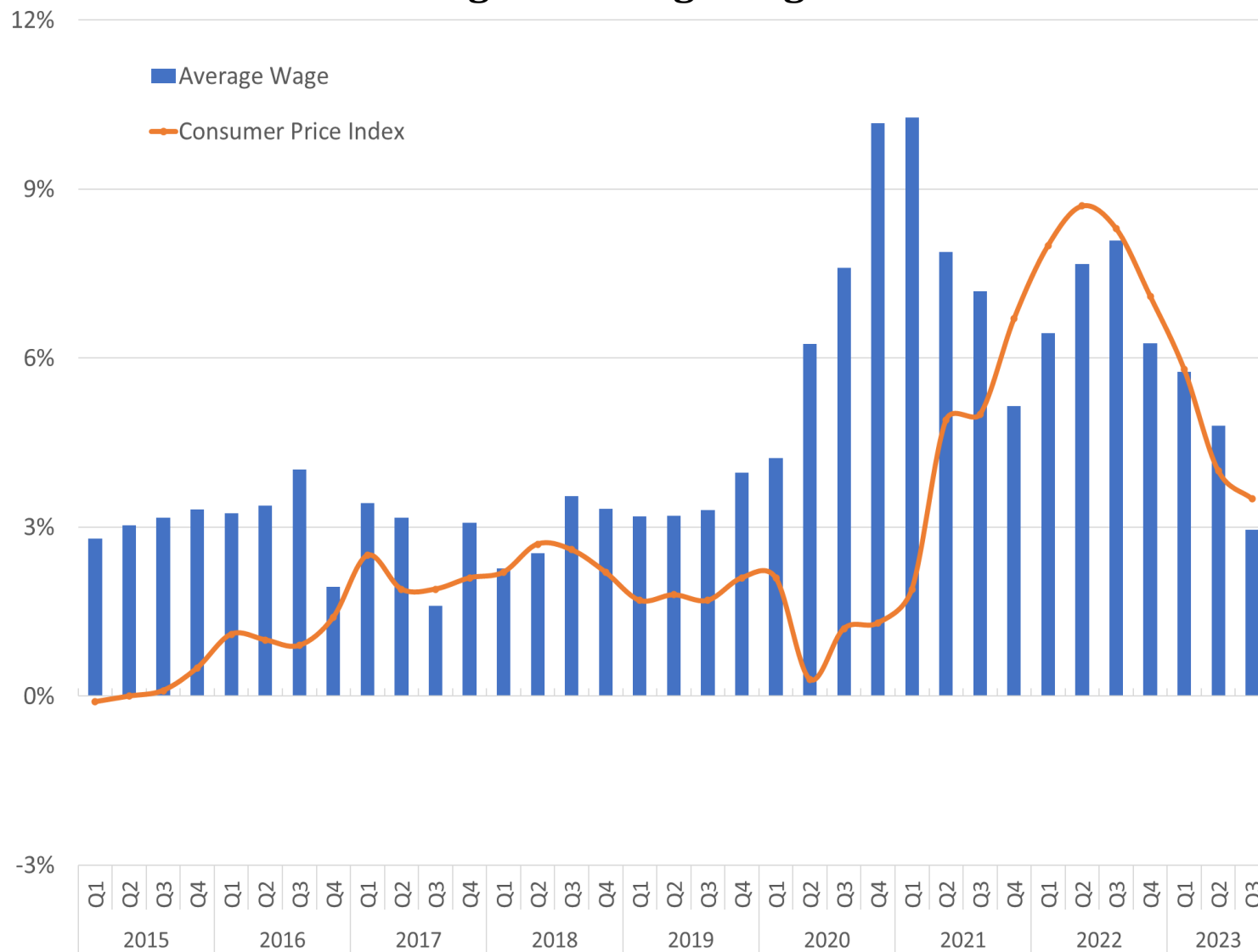
Moving 4-Quarter Average Wage Per Job



## Average wage growth has moved closer to pre-pandemic rates

The 4.0% increase in average wages in the first nine months of 2023 slightly lagged the 4.4% increase in the Consumer Price Index.

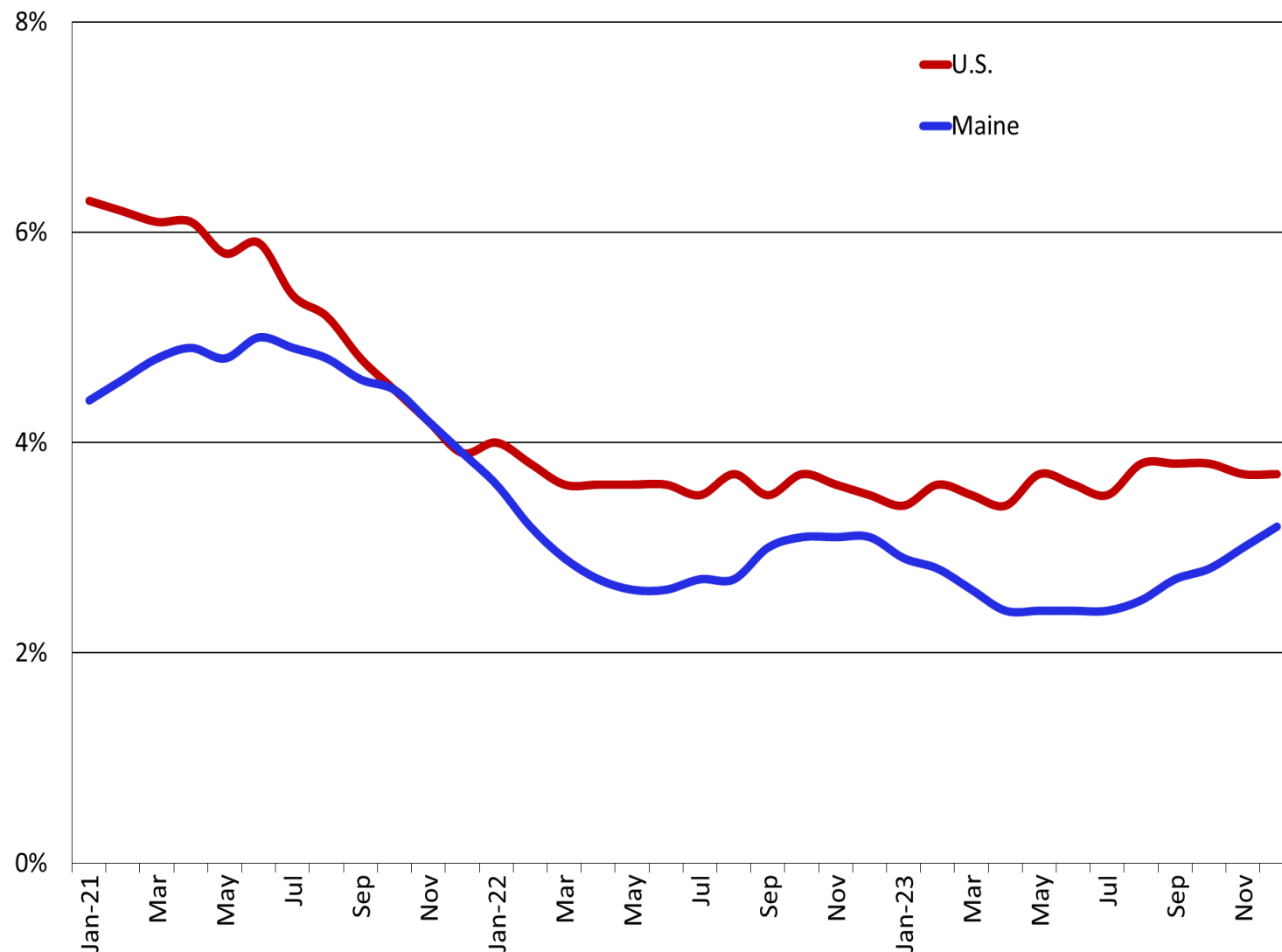
## Over Year Change in Average Wages & Inflation



## Unemployment rates followed an undulating pattern through the year

Preliminary unemployment estimates decreased each of the first four months, stabilized at all-time lows through July, and then increased each of the last five months of 2023. The rate for December was the highest in 22 months. The undulating pattern preliminary rates followed throughout the year is common; it is not as indicative of underlying trends as it may appear.

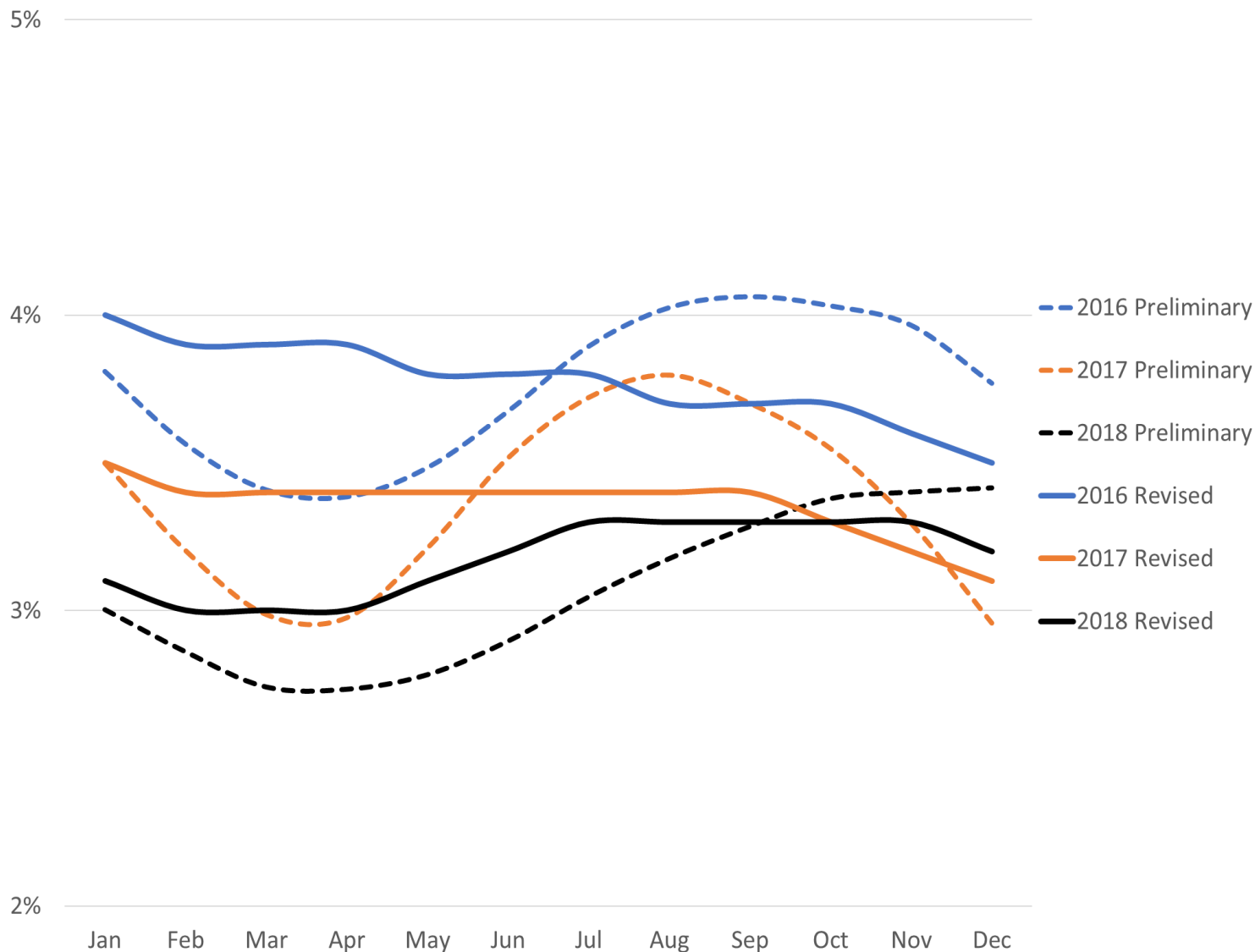
## Unemployment Rates



## Revisions to unemployment rates usually provide a different characterization of the situation

They tend to be smoother and lead to different conclusions of the direction of the employment situation for much of each year.

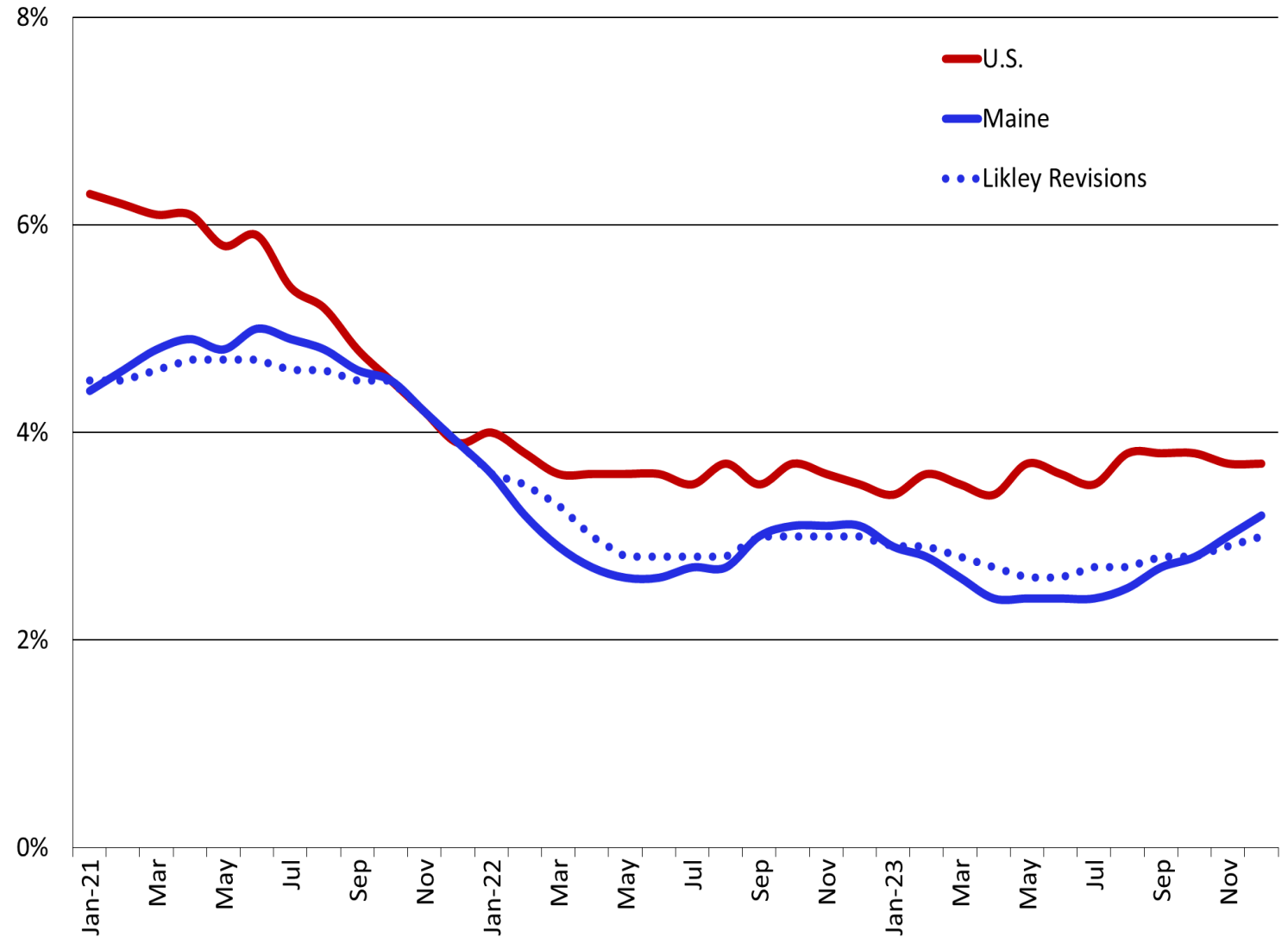
### Preliminary & Revised Unemployment Rates (*seasonally adjusted*)



## Revised unemployment rates for each of the last three years are likely to be smoother

Each additional year of revised data tends to smooth the pattern over several previous years.

## Unemployment Rates



## Job openings rates continue to decrease

The JOLTS survey sample size is small – very small for Maine. Estimates for states are highly modeled and quite variable from month to month. At this point it seems unlikely the recent increase for the state relative to the nation is a departure from the 18-month downward trend.

