

Workforce Forecast to 2024 & Recent Trends

Consensus Economic Forecasting Commission

January 29, 2016

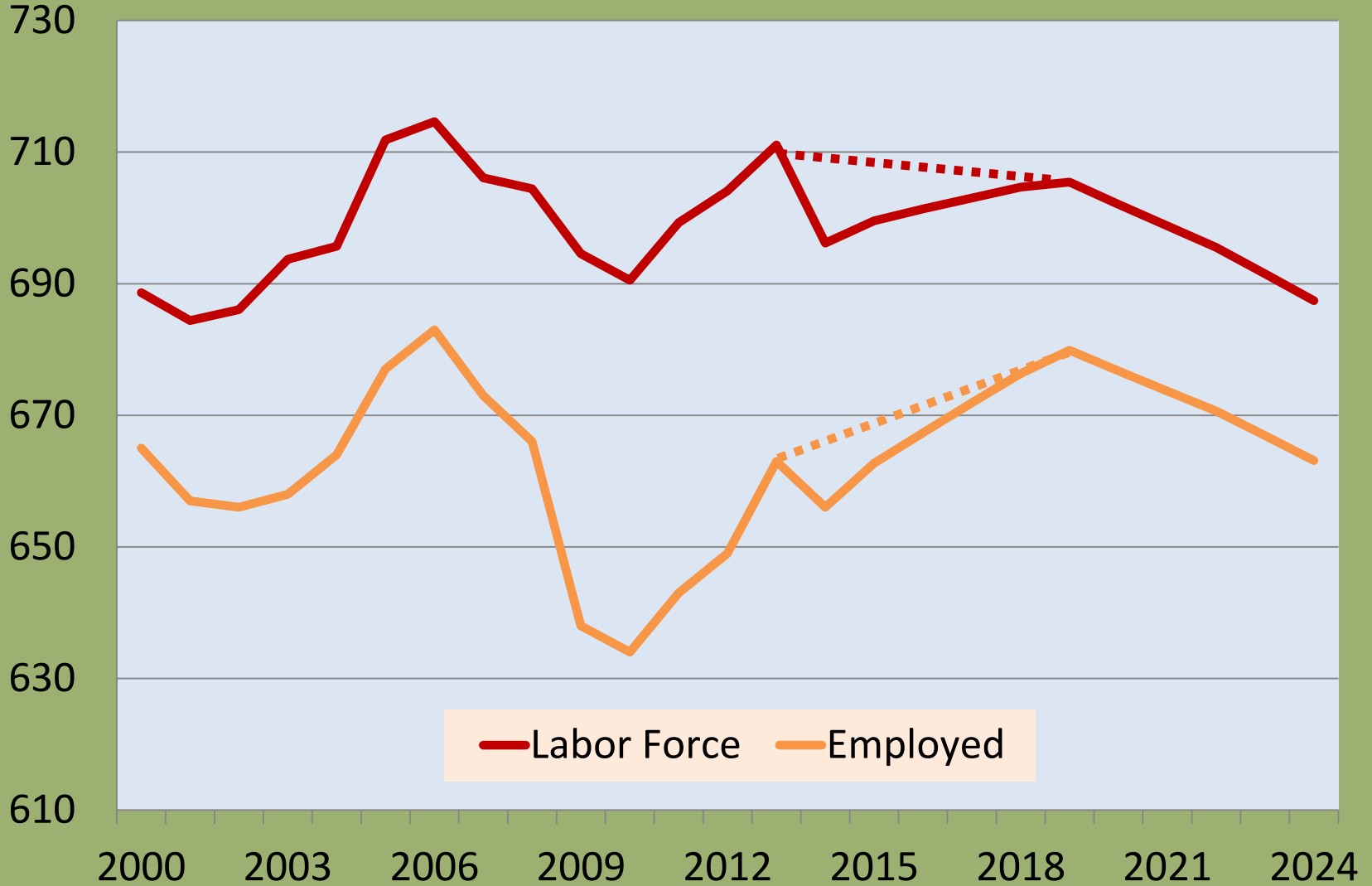
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Workforce forecast to 2024

Modest workforce growth in the short term due to continuing cyclical recovery; advancing age structure dominates later in decade

Total Labor Force

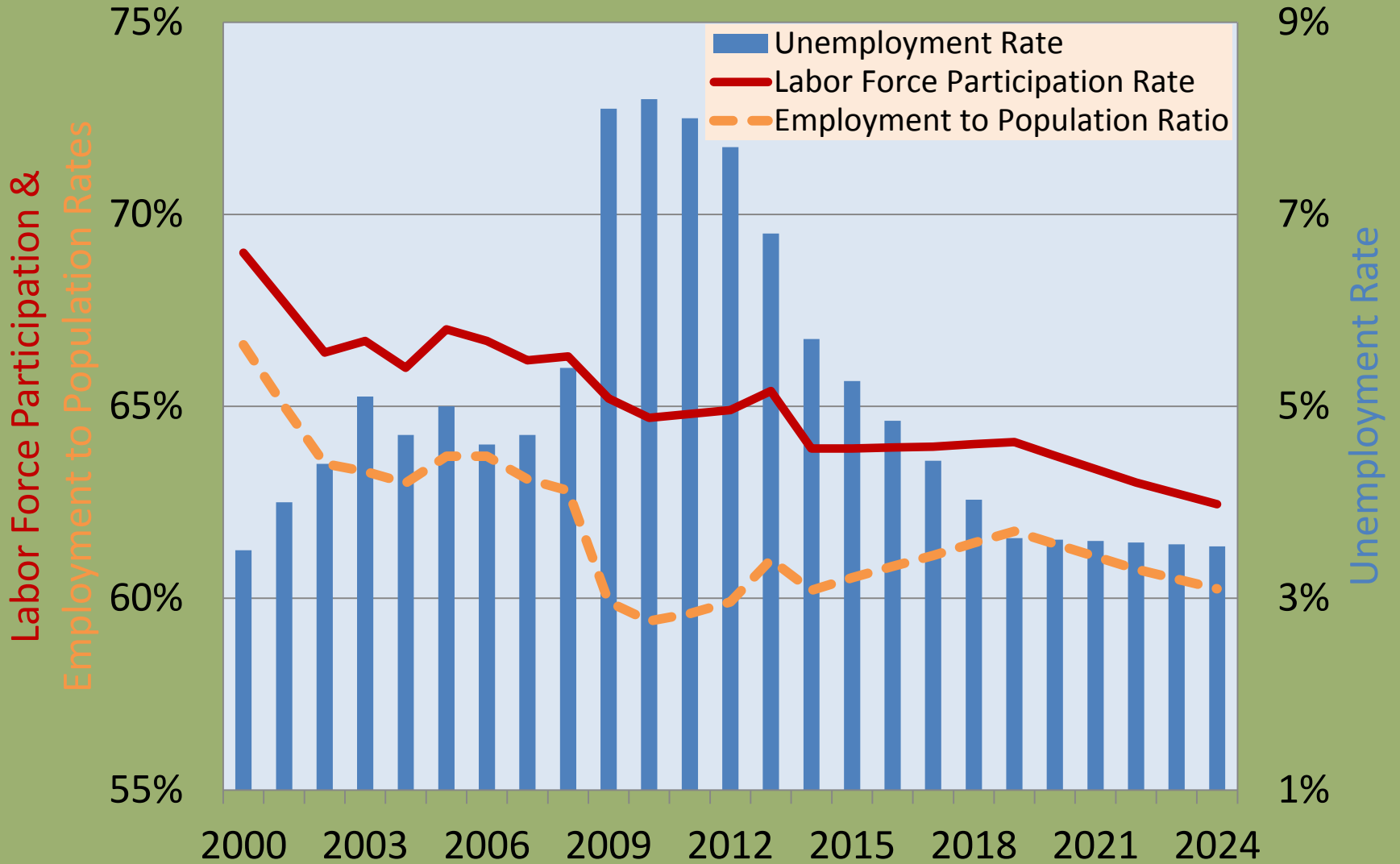
2014: 656,000 Emp; 696,000 CLF
2019: 680,000 Emp; 705,000 CLF
2024: 661,000 Emp; 686,000 CLF



— Labor Force — Employed

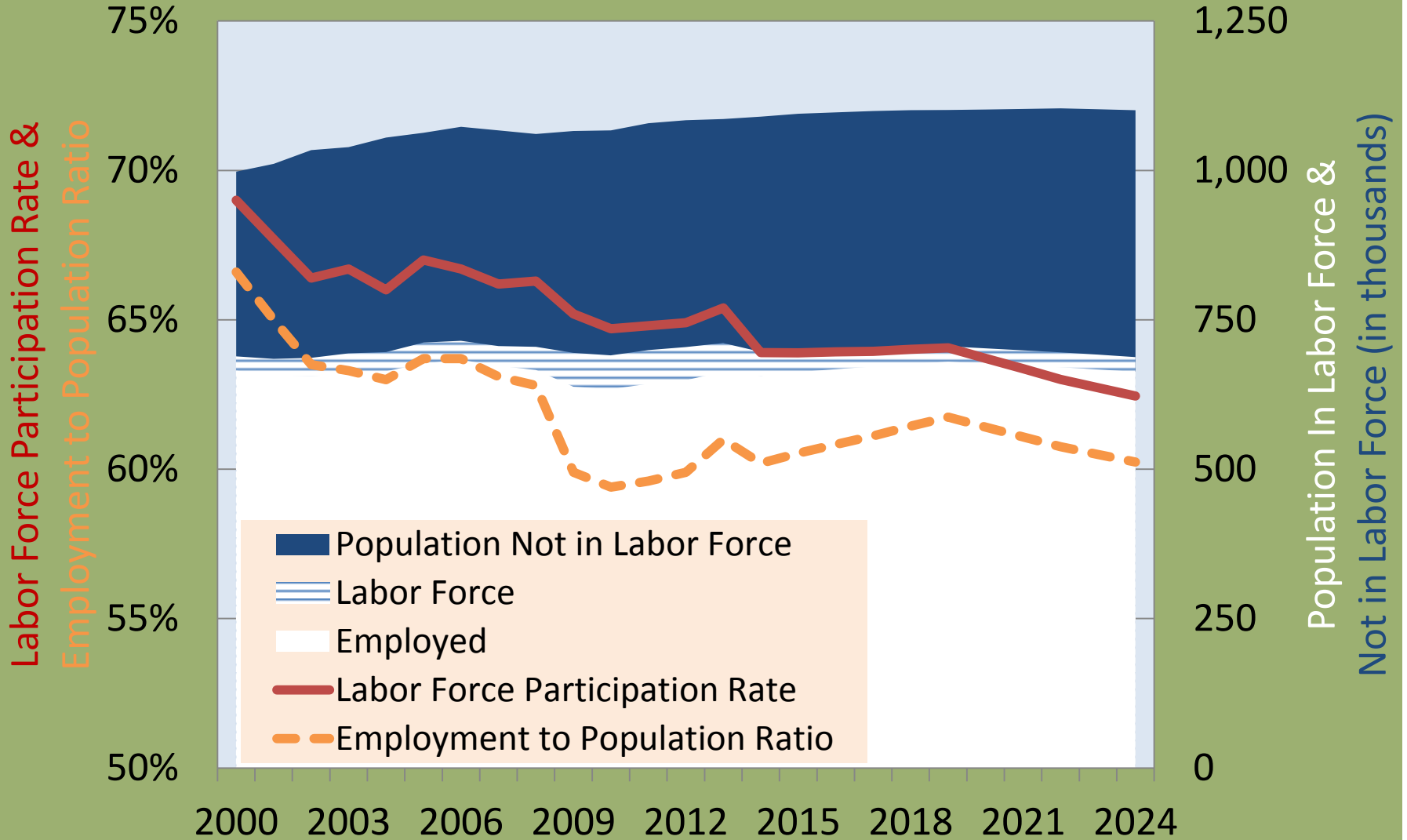
Total Labor Force

2014: 63.9% LFPR; 60.2% E-Pop
2019: 64.1% LFPR; 61.7% E-Pop
2024: 62.5% LFPR; 60.2% E-Pop



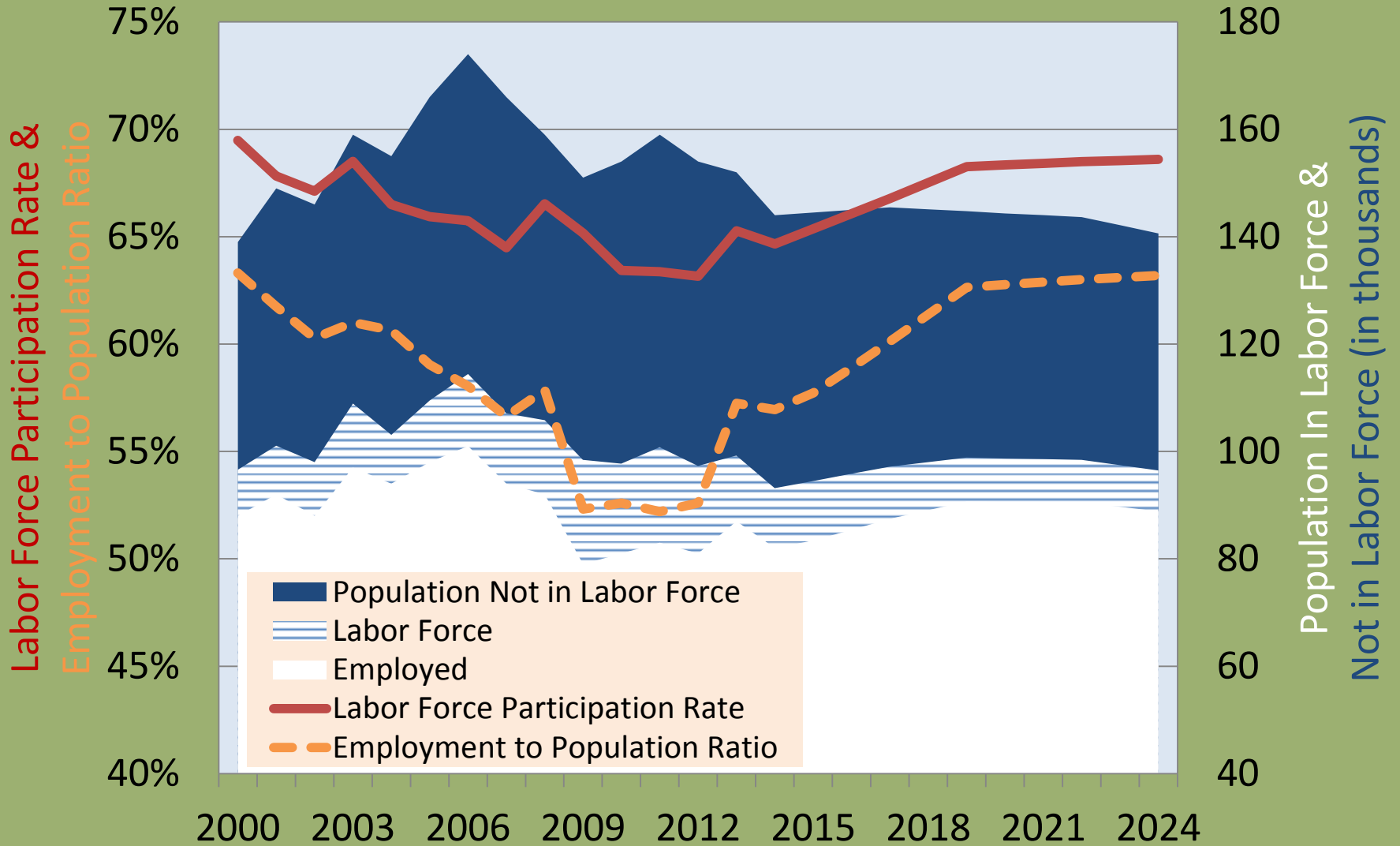
Total Labor Force

2014: 656,000 Emp; 1,090,000 Pop
 2019: 680,000 Emp; 1,101,000 Pop
 2024: 661,000 Emp; 1,101,000 Pop



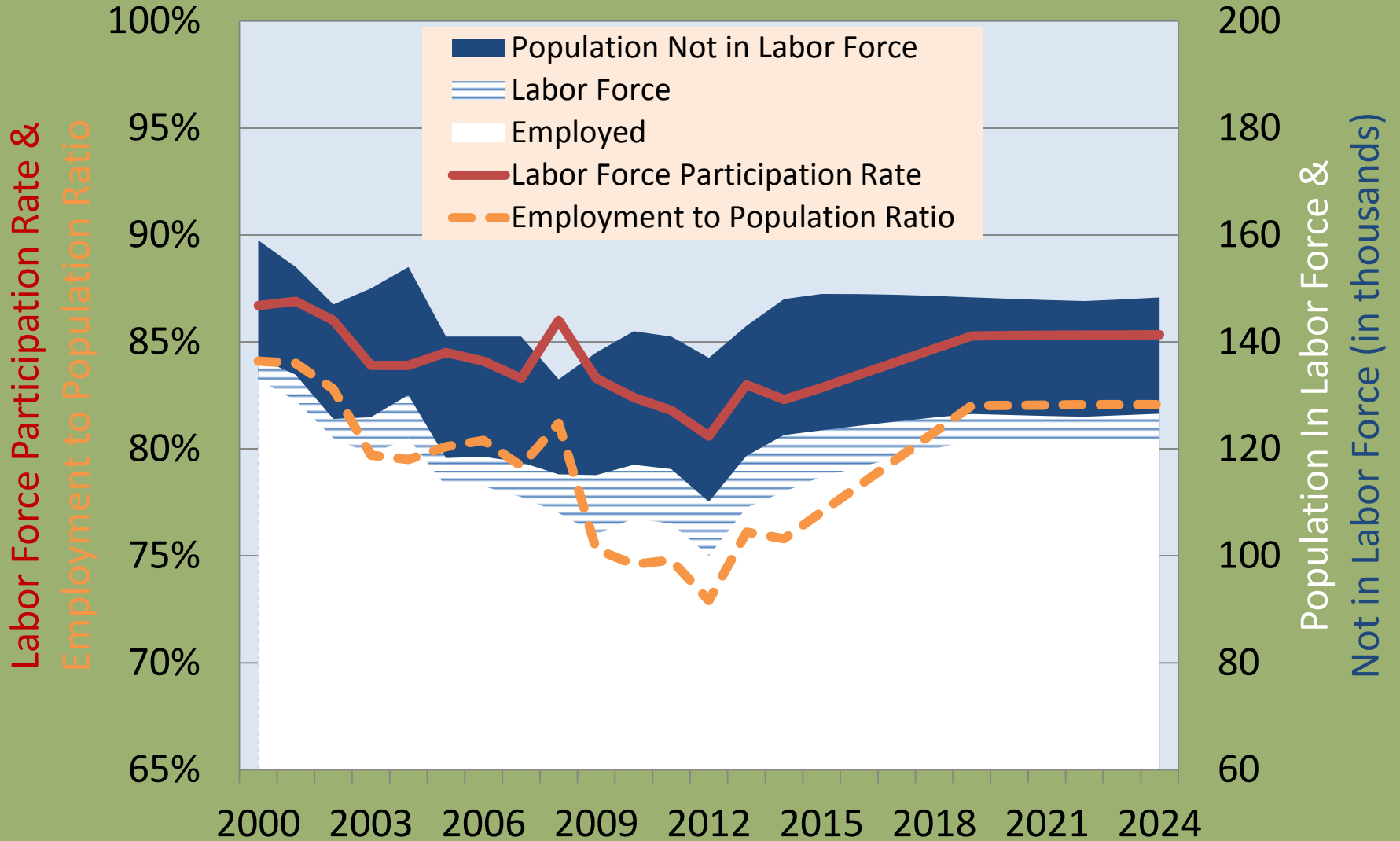
Age 16 to 24 Labor Force

2014: 82,000 Emp; 144,000 Pop
 2019: 91,000 Emp; 145,000 Pop
 2024: 89,000 Emp; 141,000 Pop



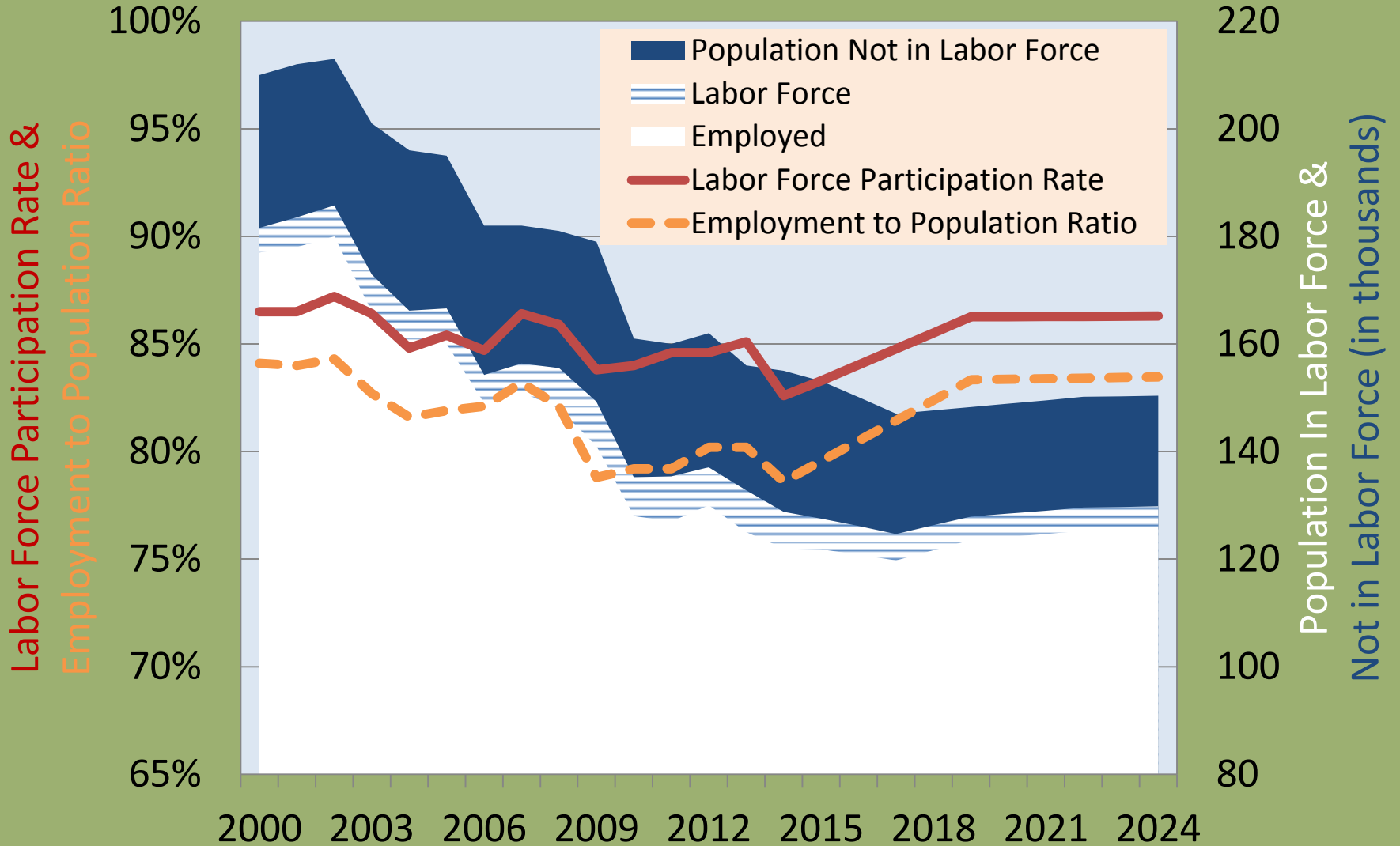
Age 25 to 34 Labor Force

2014: 112,000 Emp; 148,000 Pop
 2019: 122,000 Emp; 148,000 Pop
 2024: 122,000 Emp; 148,000 Pop



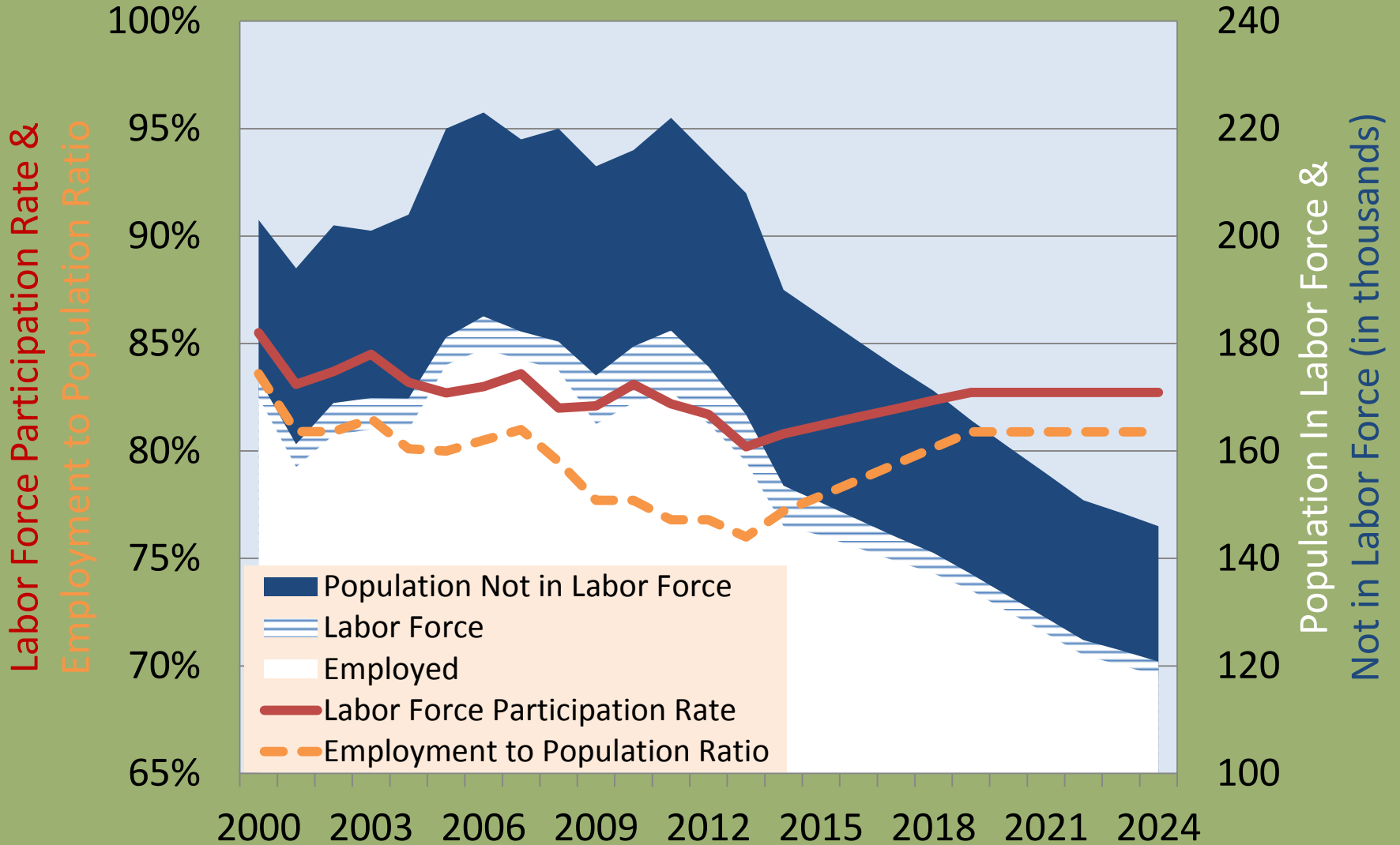
Age 35 to 44 Labor Force

2014: 122,000 Emp; 155,000 Pop
 2019: 124,000 Emp; 148,000 Pop
 2024: 126,000 Emp; 150,000 Pop



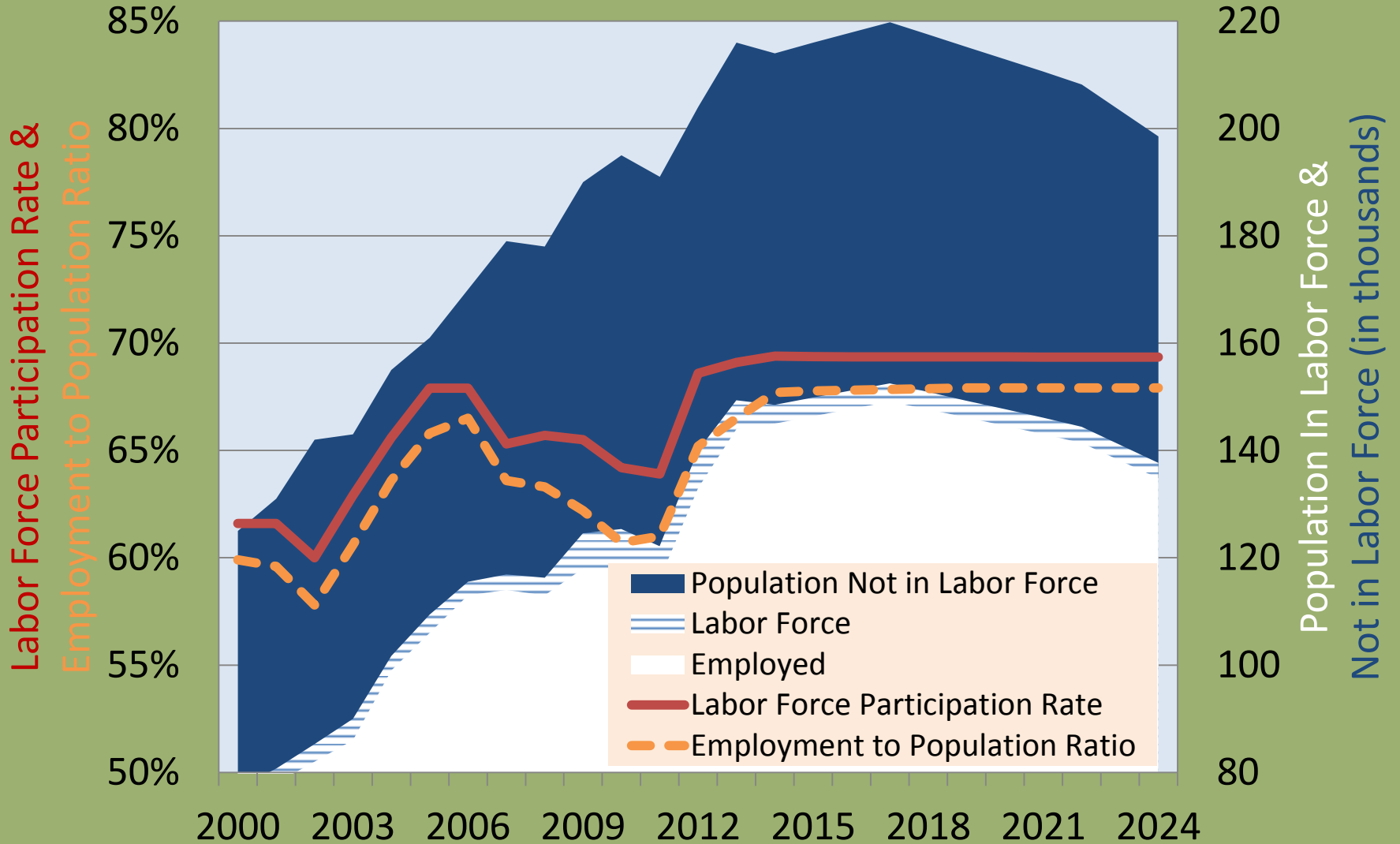
Age 45 to 54 Labor Force

2014: 146,000 Emp; 190,000 Pop
 2019: 134,000 Emp; 166,000 Pop
 2024: 118,000 Emp; 146,000 Pop



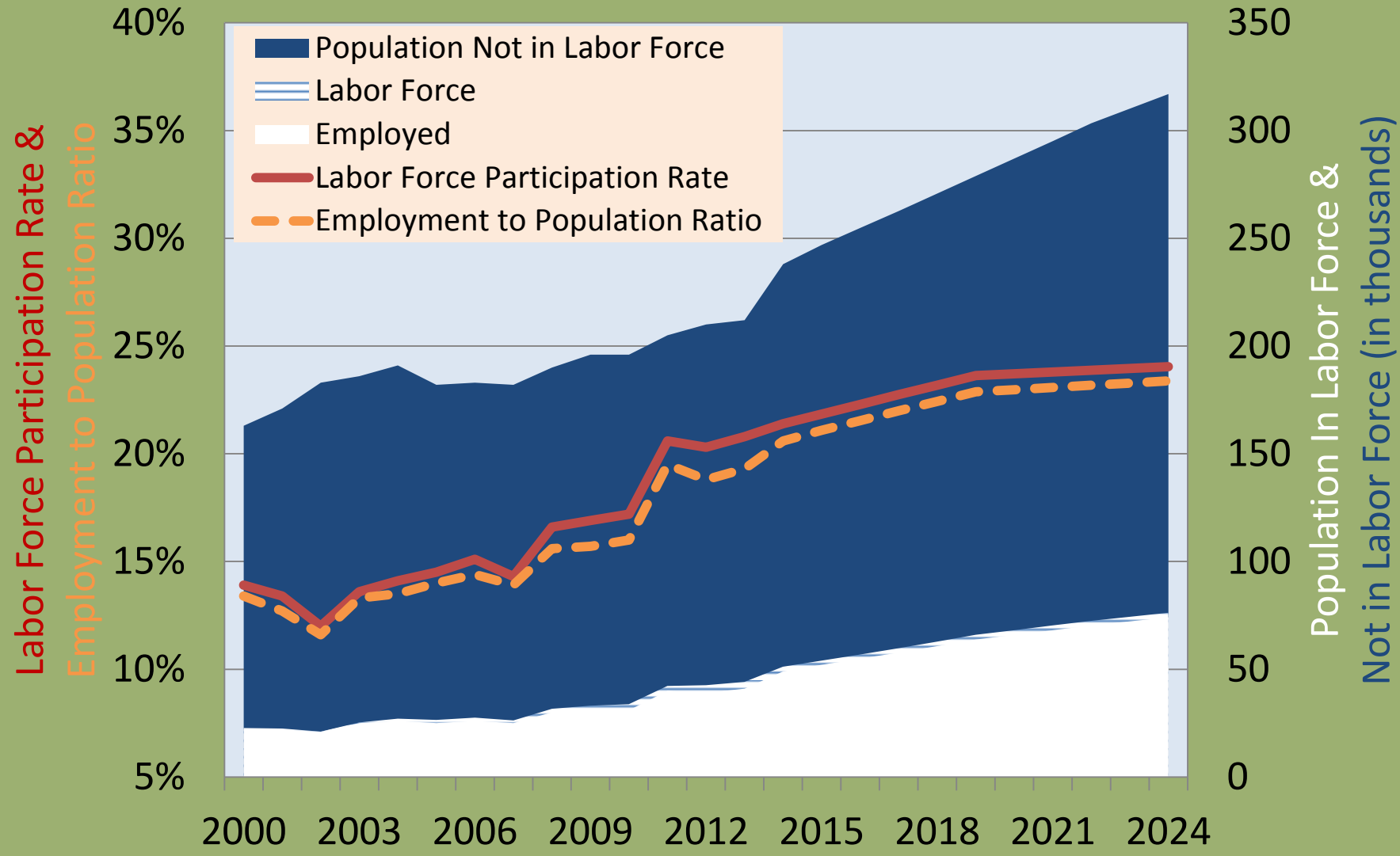
Age 55 to 64 Labor Force

2014: 145,000 Emp; 214,000 Pop
 2019: 146,000 Emp; 215,000 Pop
 2024: 135,000 Emp; 199,000 Pop



Age 65+ Labor Force

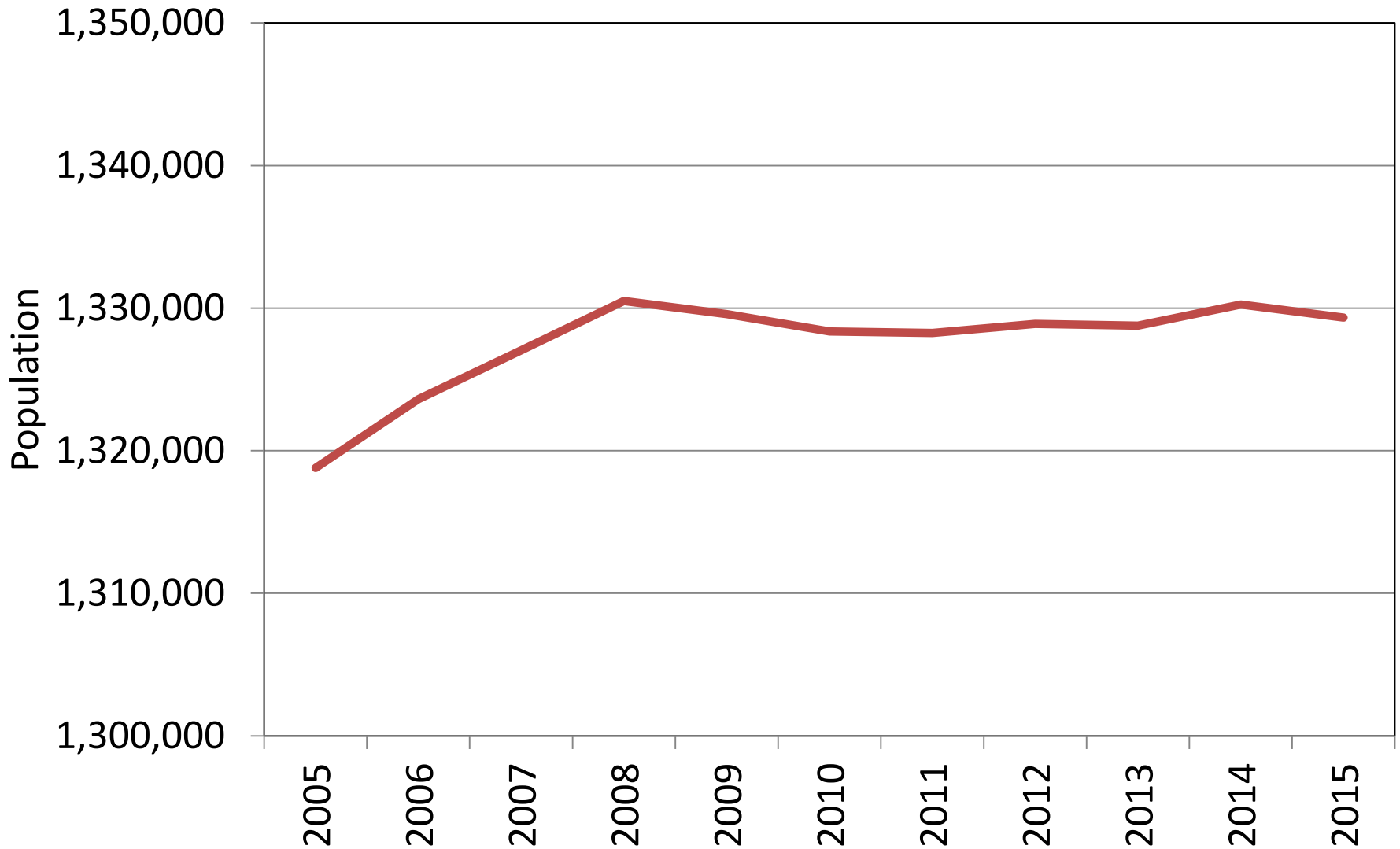
2014: 49,000 Emp; 238,000 Pop
 2019: 64,000 Emp; 279,000 Pop
 2024: 72,000 Emp; 317,000 Pop



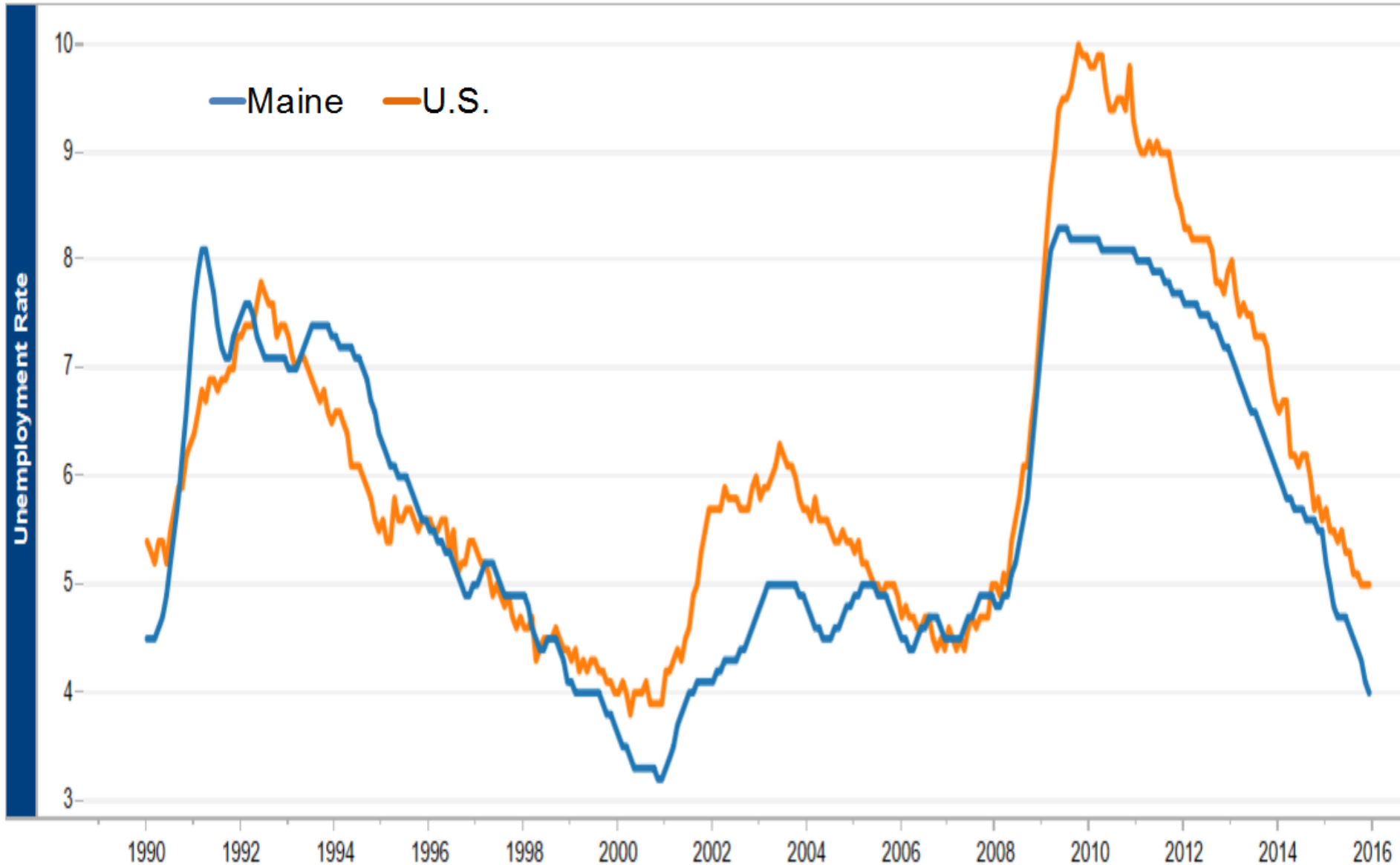
Recent trends

Very different indications from the monthly household and payroll surveys. What should we believe?

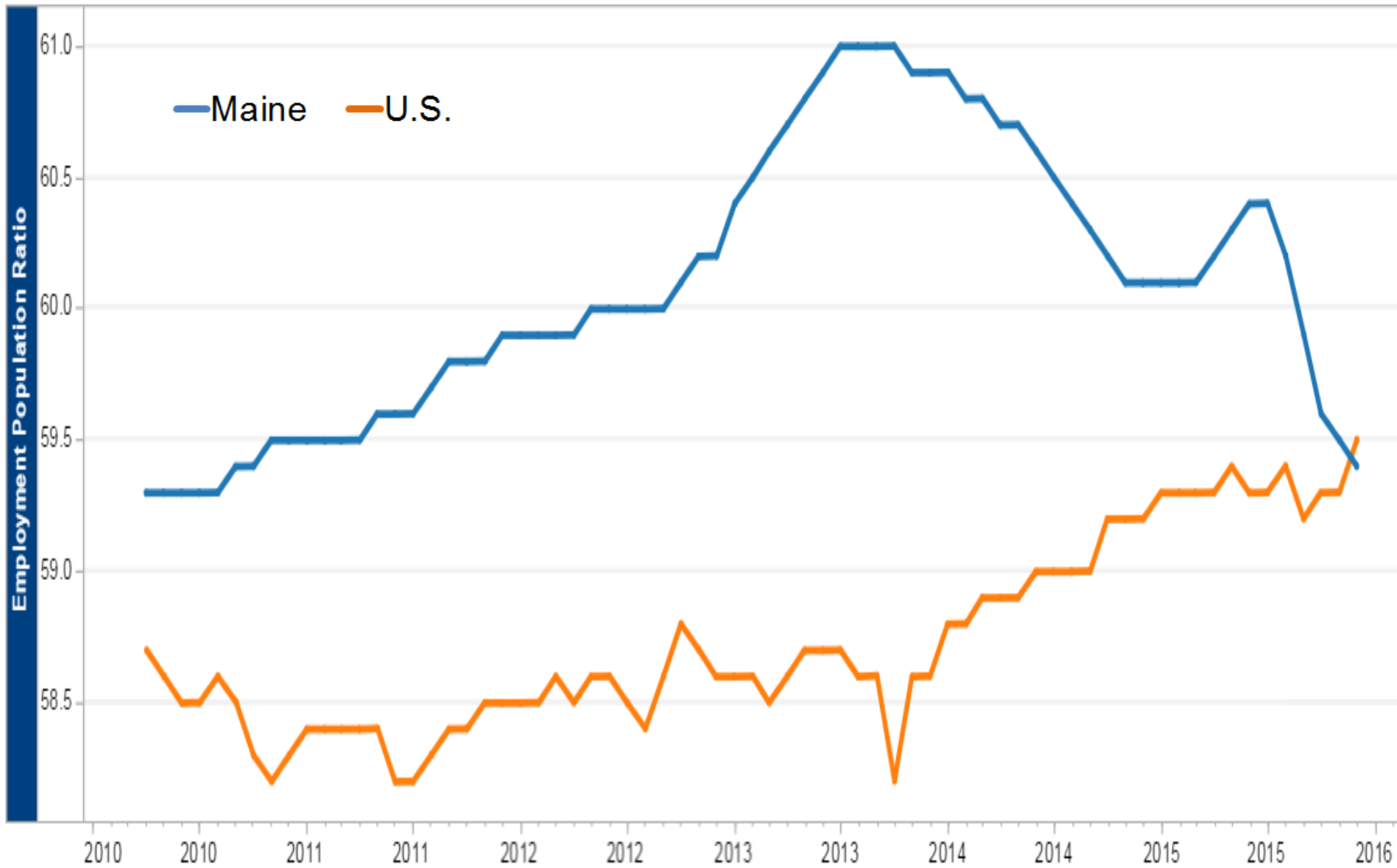
The Census Bureau's recent estimate of the total population for 2015 continues the very flat trend



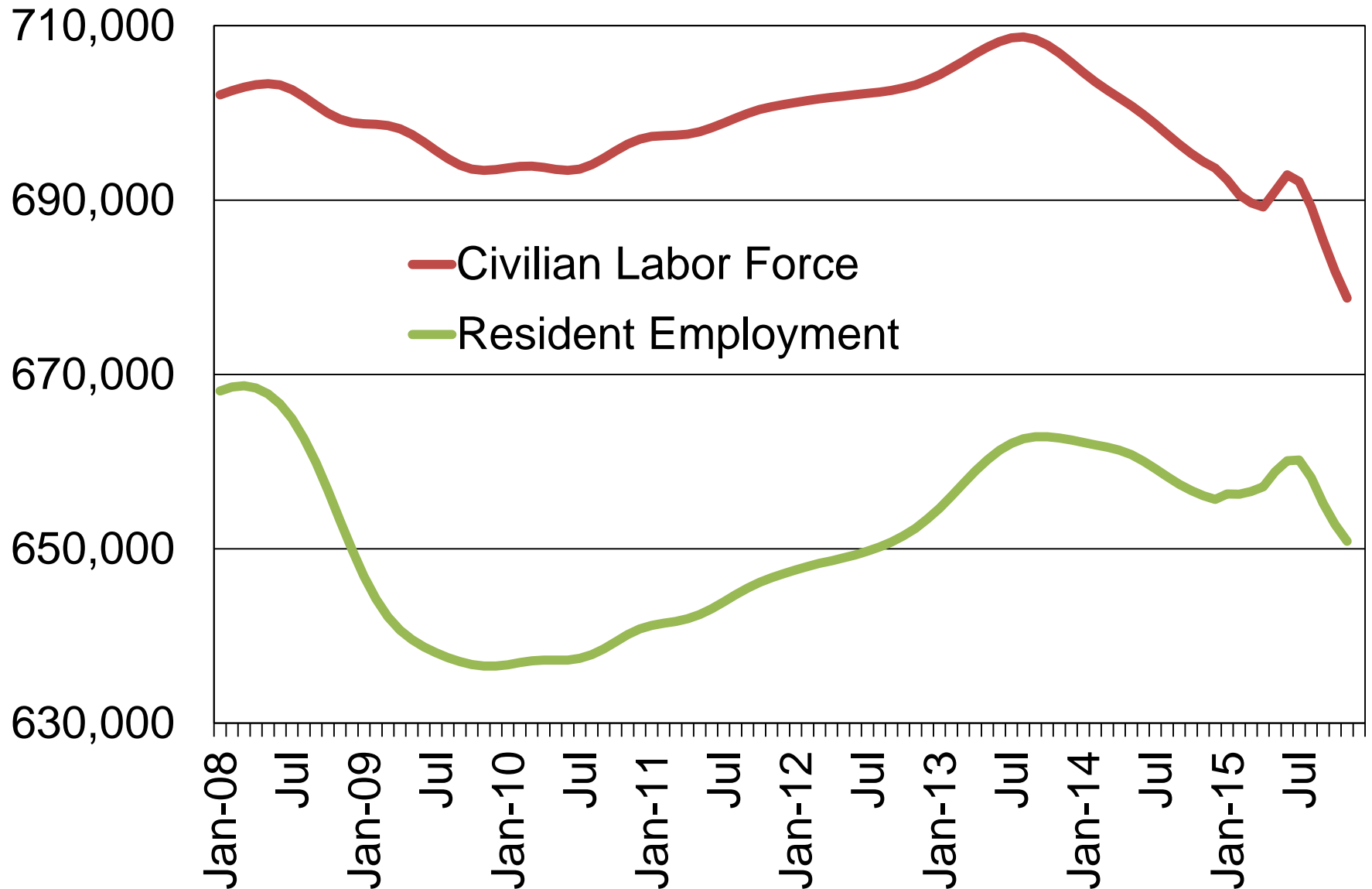
The household survey indicates the unemployment rate is the lowest in 14 years...



...The employment to population ratio is trending lower. It is below the U.S. average for the first time in 17 years...



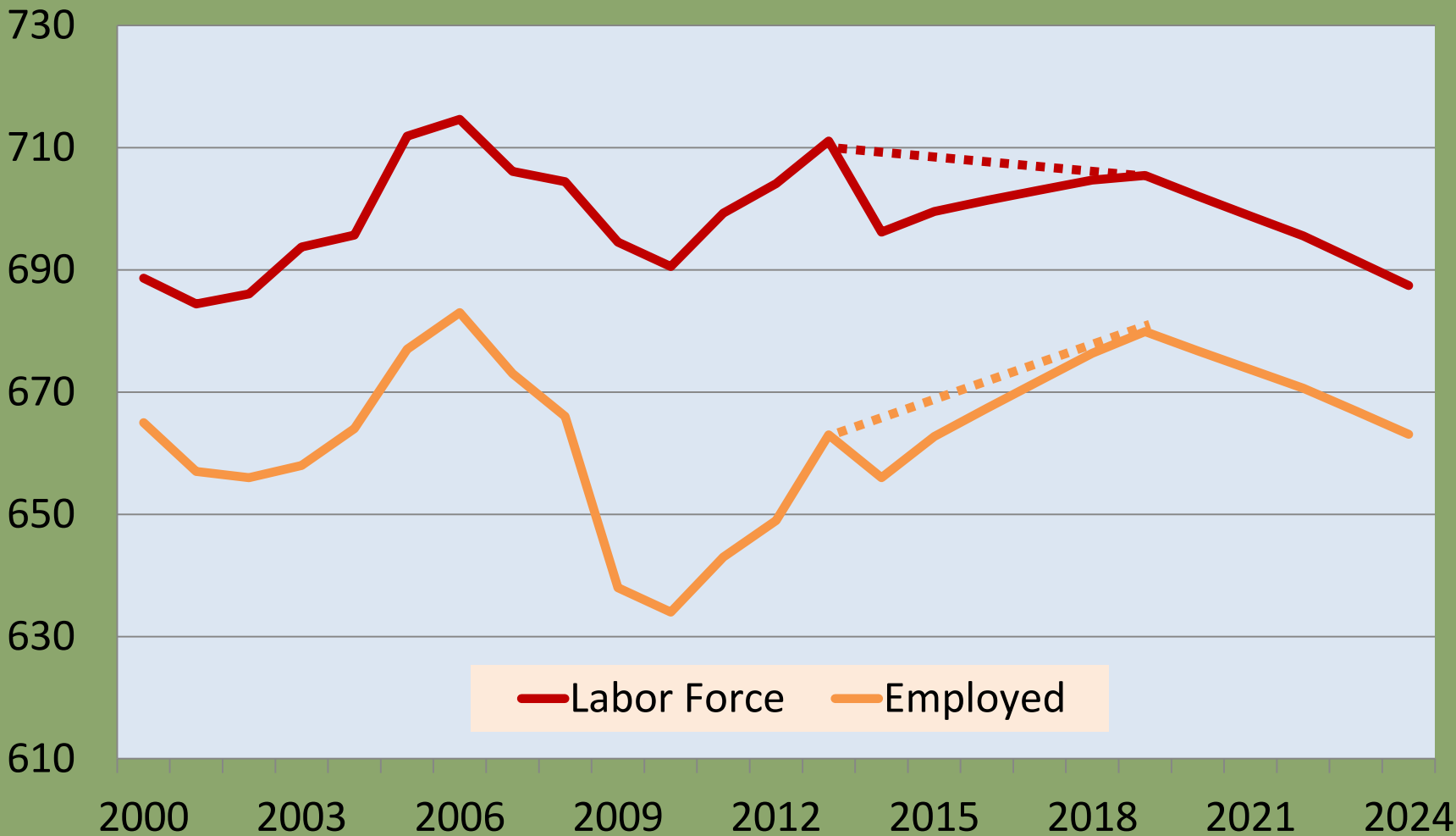
...And the labor force and employment are contracting



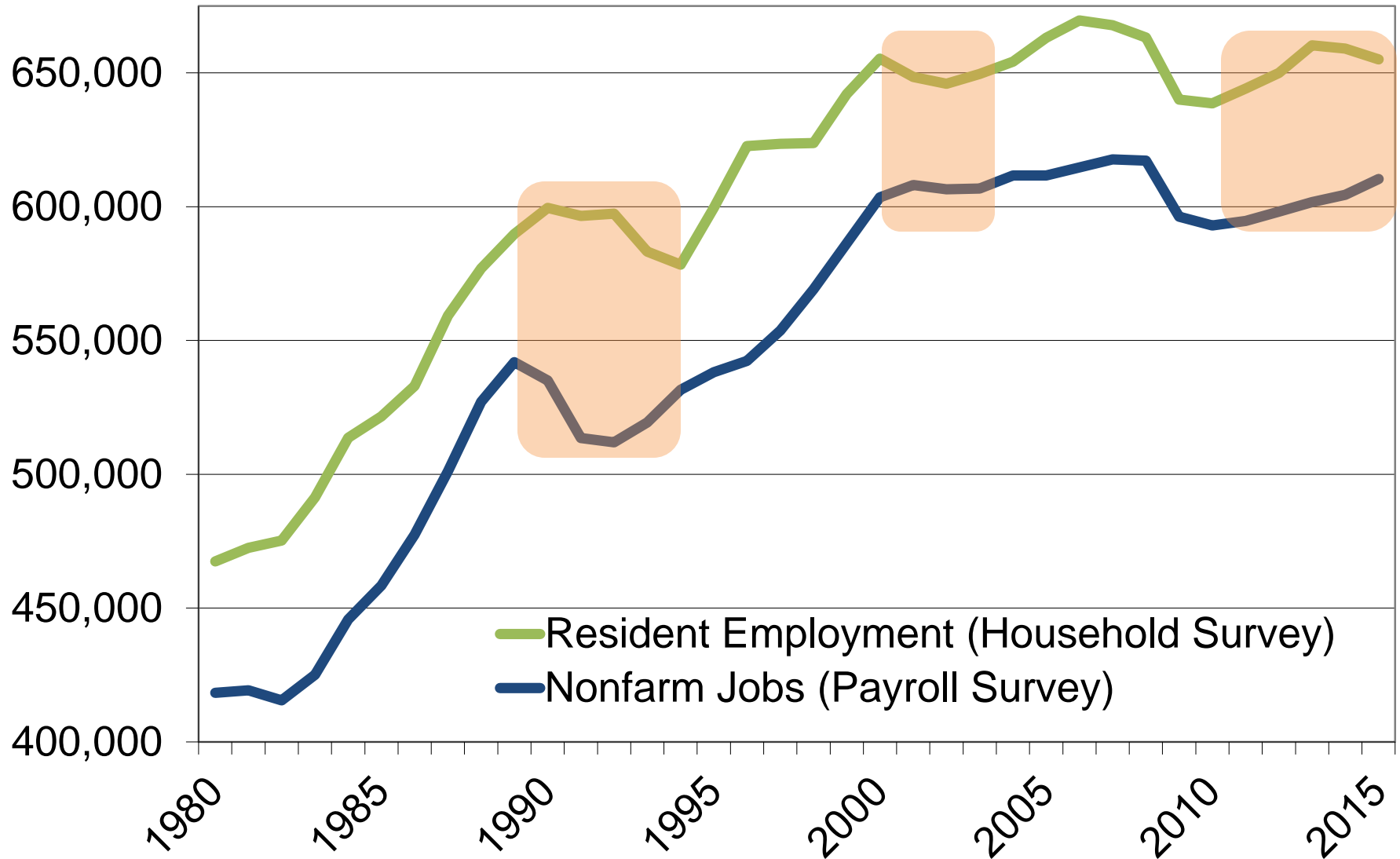
Why forecast labor force and employment growth for the next few years when they have been contracting?

Total Labor Force

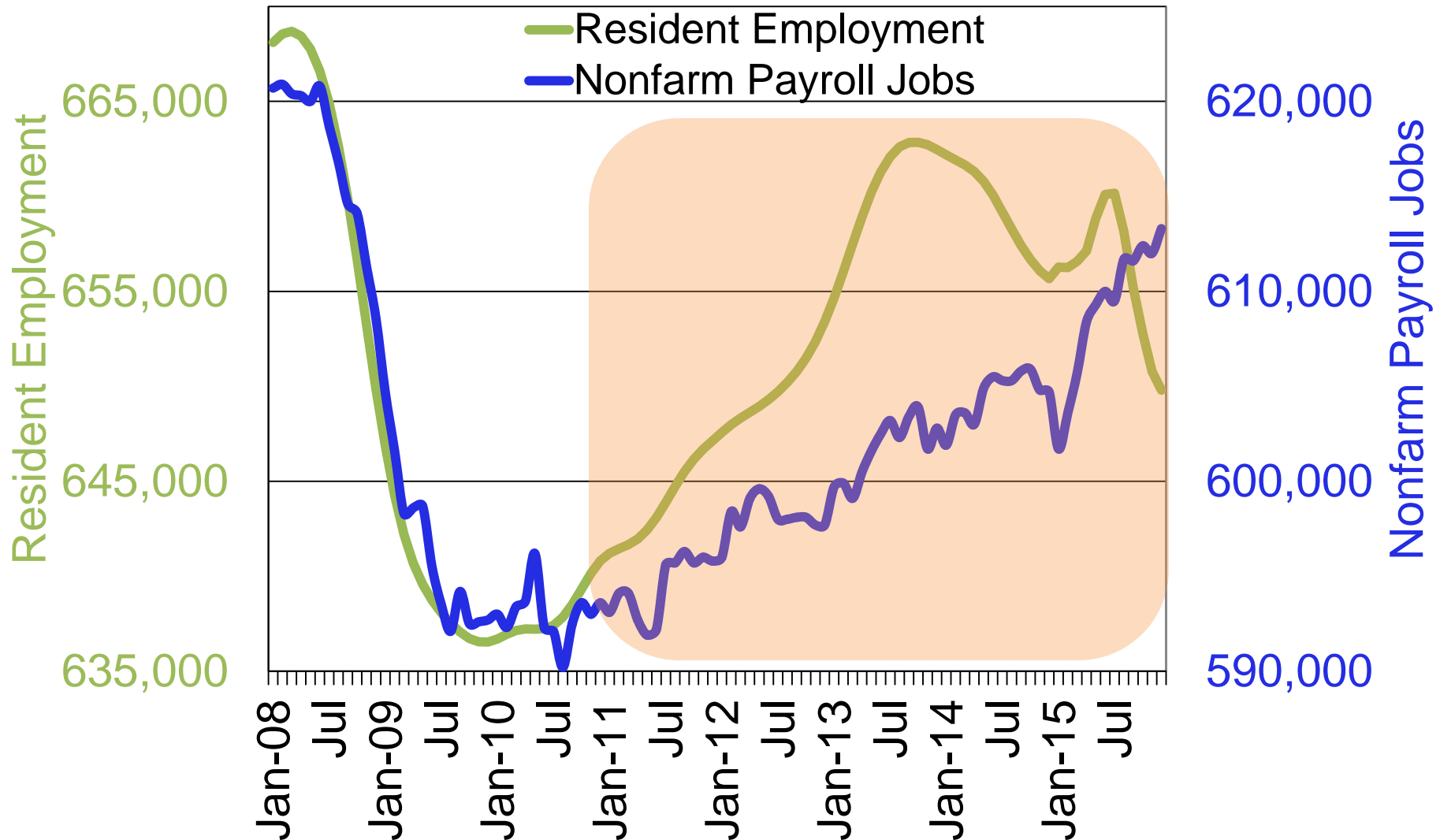
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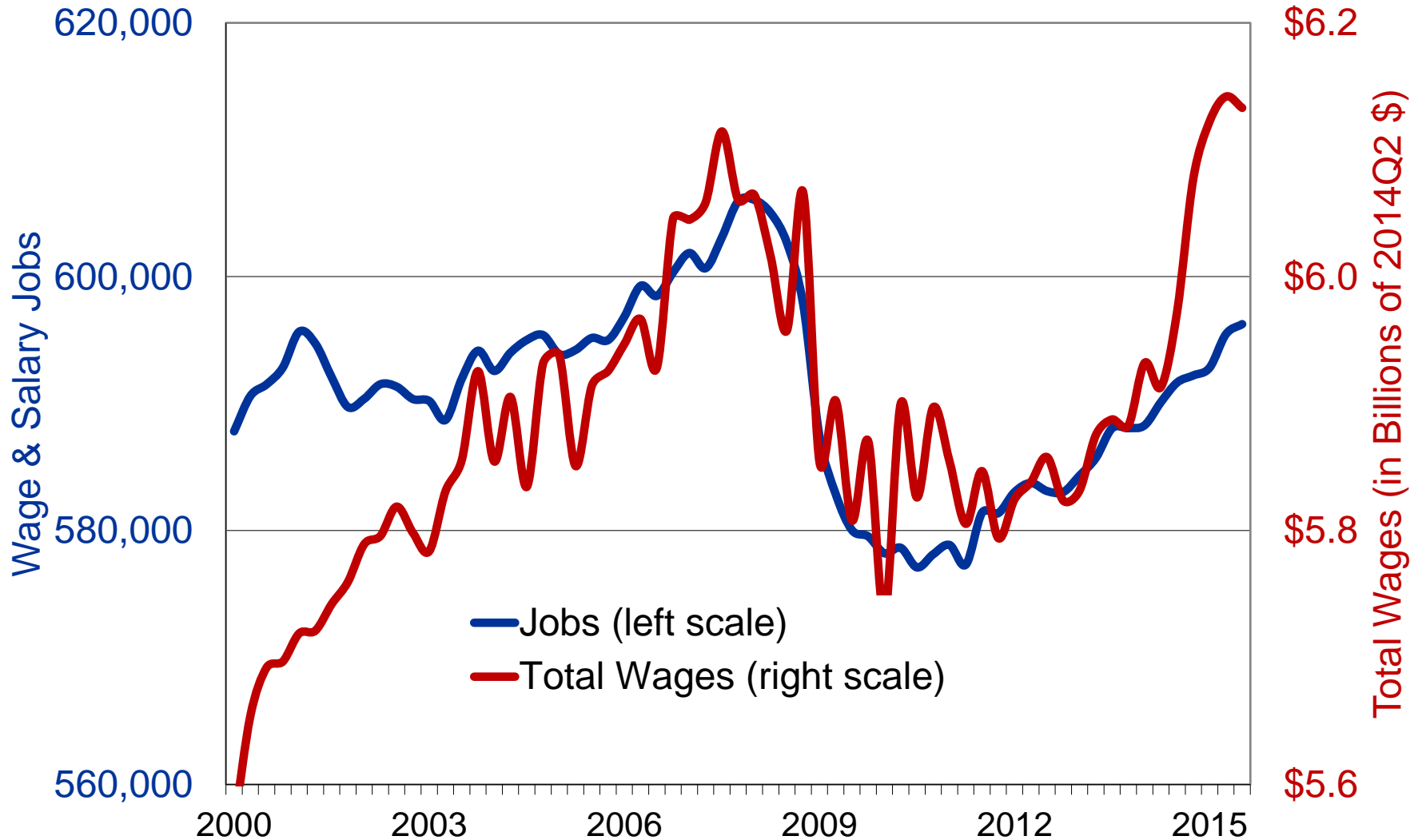
In the long run, the household and payroll surveys provide similar indications of growth, but can diverge in recoveries



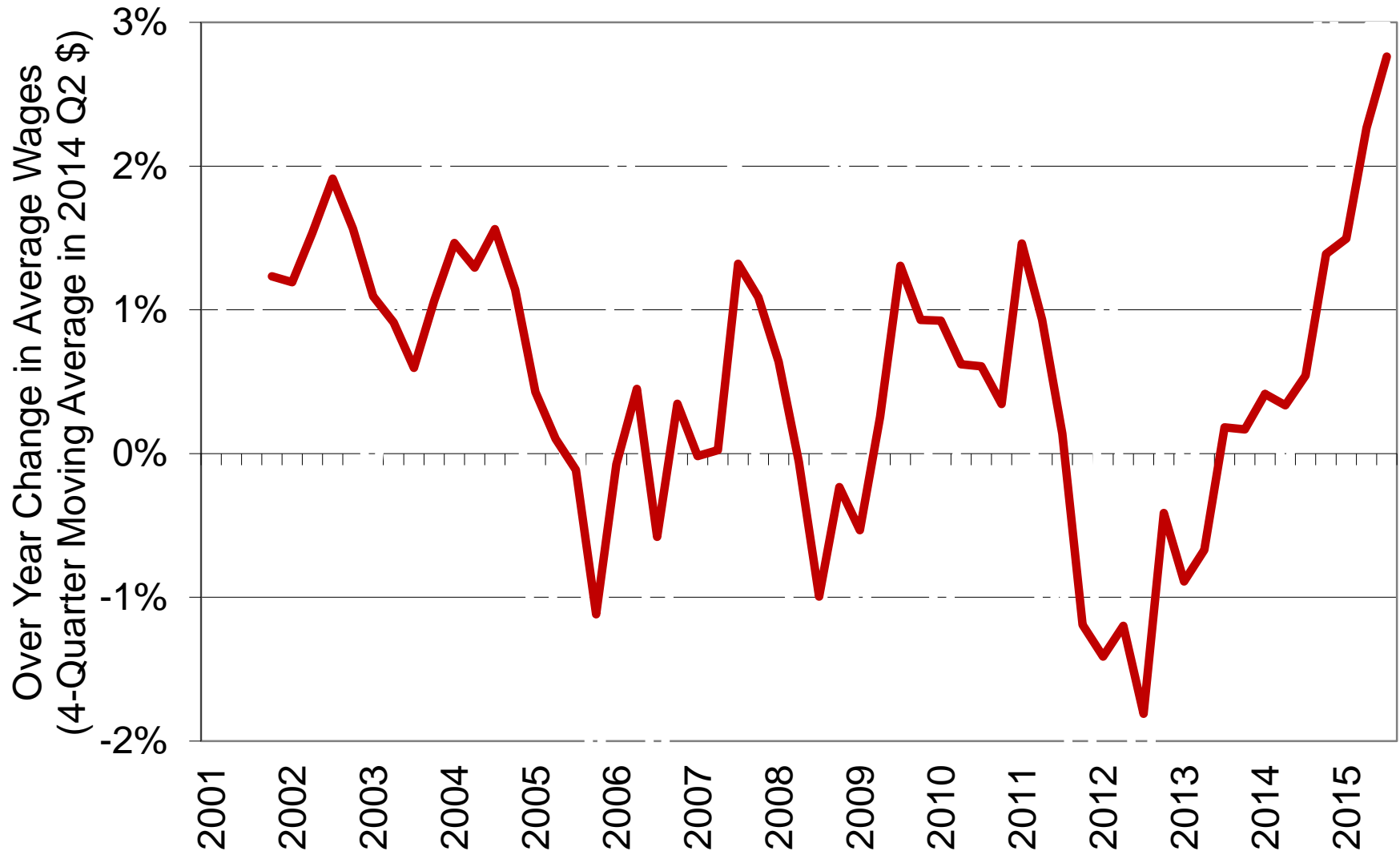
The payroll survey is more volatile from month to month, but is based on a larger sample that provides a more reliable indication of the direction and rate of change over multiple months



Inflation-adjusted total wage growth has accelerated as labor market conditions have tightened, reaching the pre-recession peak in the first two quarters of 2015...



...And average wages are rising at the fastest rate in more than a decade

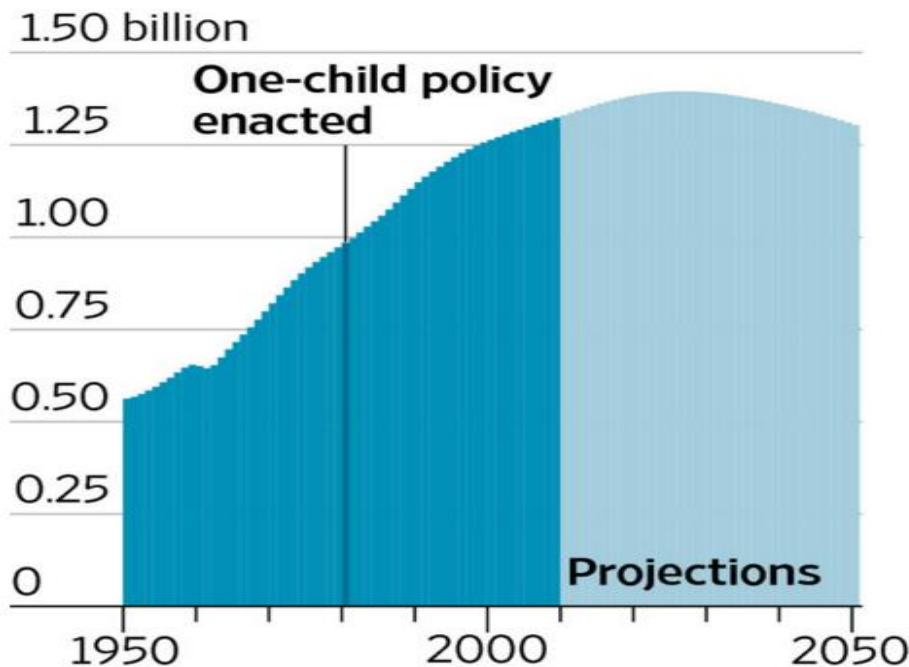


Maine is not alone facing the aging challenge

Baby Bump

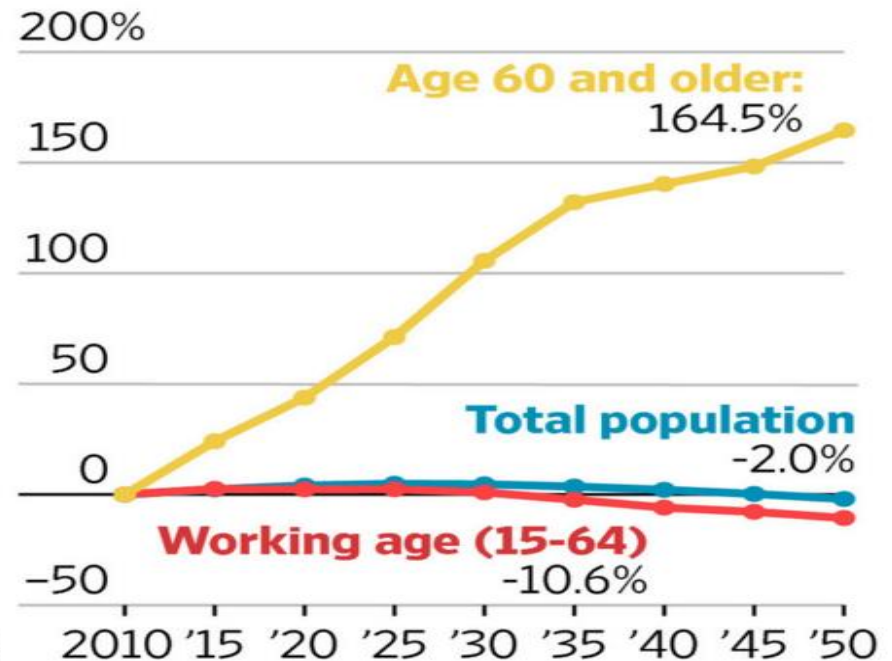
China's one-child policy was introduced to rein in population growth....

Total population



...but has resulted in several problems, including a shortage of younger workers.

Cumulative projected population growth from 2010



Note: Projections do not account for the change in China's one-child policy

Sources: U.S. Census Bureau's International Database (population); U.N. Population Division (growth)