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
Total Labor Force

- Unemployment Rate
- Labor Force Participation Rate
- Employment to Population Ratio

- 2014: 63.9% LFPR; 60.2% E-Pop
- 2019: 64.1% LFPR; 61.7% E-Pop
- 2024: 62.5% LFPR; 60.2% E-Pop
Age 16 to 24 Labor Force

Labor Force Participation Rate & Employment to Population Ratio

Population Not in Labor Force & Not in Labor Force (in thousands)

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**

Population Not in Labor Force & Not in Labor Force (in thousands)

Labor Force Participation Rate & Employment to Population Ratio

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

Population In Labor Force & Not in Labor Force (in thousands)

Labor Force Participation Rate & Employment to Population Ratio

- Population Not in Labor Force
- Labor Force
- Employed
- Labor Force Participation Rate
- Employment to Population Ratio

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Labor Force (in thousands)</th>
<th>Population Not in Labor Force (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>145,000</td>
<td>214,000</td>
</tr>
<tr>
<td>2019</td>
<td>146,000</td>
<td>215,000</td>
</tr>
<tr>
<td>2024</td>
<td>135,000</td>
<td>199,000</td>
</tr>
</tbody>
</table>

Population In Labor Force & Not in Labor Force (in thousands)

Labor Force Participation Rate & Employment to Population Ratio

- Population Not in Labor Force
- Labor Force
- Employed
- Labor Force Participation Rate
- Employment to Population Ratio
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?
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....

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

**Total population**

<table>
<thead>
<tr>
<th>1.50 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.25</td>
</tr>
<tr>
<td>1.00</td>
</tr>
<tr>
<td>0.75</td>
</tr>
<tr>
<td>0.50</td>
</tr>
<tr>
<td>0.25</td>
</tr>
<tr>
<td>0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1950</th>
<th>2000</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projections</td>
<td>One-child policy enacted</td>
<td></td>
</tr>
</tbody>
</table>

**Cumulative projected population growth from 2010**

<table>
<thead>
<tr>
<th>200%</th>
</tr>
</thead>
<tbody>
<tr>
<td>150</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>50</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2010 '15</th>
<th>'20</th>
<th>'25</th>
<th>'30</th>
<th>'35</th>
<th>'40</th>
<th>'45</th>
<th>'50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>-2.0%</td>
<td>Age 60 and older: 164.5%</td>
<td>Working age (15-64)</td>
<td>-10.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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)

THE WALL STREET JOURNAL.