Job Growth Outlook

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Labor Force
Unemployment rates continue to trend lower. The February rate of 5.0% for Maine is back to the 20 year average prior to the recent recession.

**Monthly (Seasonally Adjusted)**

**U.S. avg 1987 to 2007 = 5.7%**

**ME avg 1987 to 2007 = 5.0%**
Preliminary unemployment rates continue to move in a direction for several months and then change course. Revisions demonstrate a consistent downward trend.
The employment to population ratio continues to recover...
But labor force participation has been declining since mid-2013 and is now at a 29 year low.
Payroll Jobs
Nonfarm payroll job growth continues...
...Though the rate of recovery has slowed
This recovery is different

Net Job Change in Maine for the Last 7 Recessions

- December 1969
- November 1973
- January 1980
- July 1981
- July 1990
- March 2001
- December 2007

Months from Start of Recession
Federal Government

Temporary Census workers
Real total wages paid continue to rise about the same rate as jobs (adjusted for inflation)
Forecast Considerations
The median age in Maine increased more than any other state since 1980 to the highest in the nation.
Not only does Maine have the highest share of population in their 60s, we also have the lowest share under 25.
Thousands in their 60s and 70s have or soon will exit the workforce...fewer young people will enter
The rate of job separations of seniors increased after 2011, the year the oldest Baby Boomers turned 65.
...And became even more seasonal. This may indicate more seniors are taking part-time, seasonal jobs rather than working year-round.
The rapid growth in the 1970s and 80s was primarily due to Baby Boomers entering the labor force. The decline since the middle of 2013 is the early stages of their exit.
At 5.0% of the labor force, we currently have 34,400 unemployed. If the rate declined to a very low 4% there would be fewer than 28,000 unemployed. The question is, will a gain of 6,000+ jobs from lower unemployment and several thousand more from higher labor force participation of younger people be enough to offset labor force exits due to retirement? If so, by how much? For how long?
Labor force participation remains below the pre-recession average in age groups under 55.

If the population were unchanged in each age group and participation returned to 2002 to 2007 average for those under 55, the labor force would increase 18,000. But the 16 to 54 population is projected to decline more than 6,500 per year through 2022.
Forecast
CEFC forecasts in 2010 and early 2011 expected a return to pre-recession job levels by 2013 or 2014...
...Forecasts became more moderate over time
Last summer job growth appeared to exceed the forecast...
...Since then revisions show a marked slowing. CWRI believes thousands aging out of the workforce will constrain growth to just a few thousand the next few years.
Births minus deaths.
Net Migration 2010-2013

Moved in minus moved out

Net Migration
- Out Migration
- In Migration

Maine Department of Labor
Center for Workforce Research and Information

U.S. Census Bureau, Population Division
Natural change plus net migration equals total population change.