

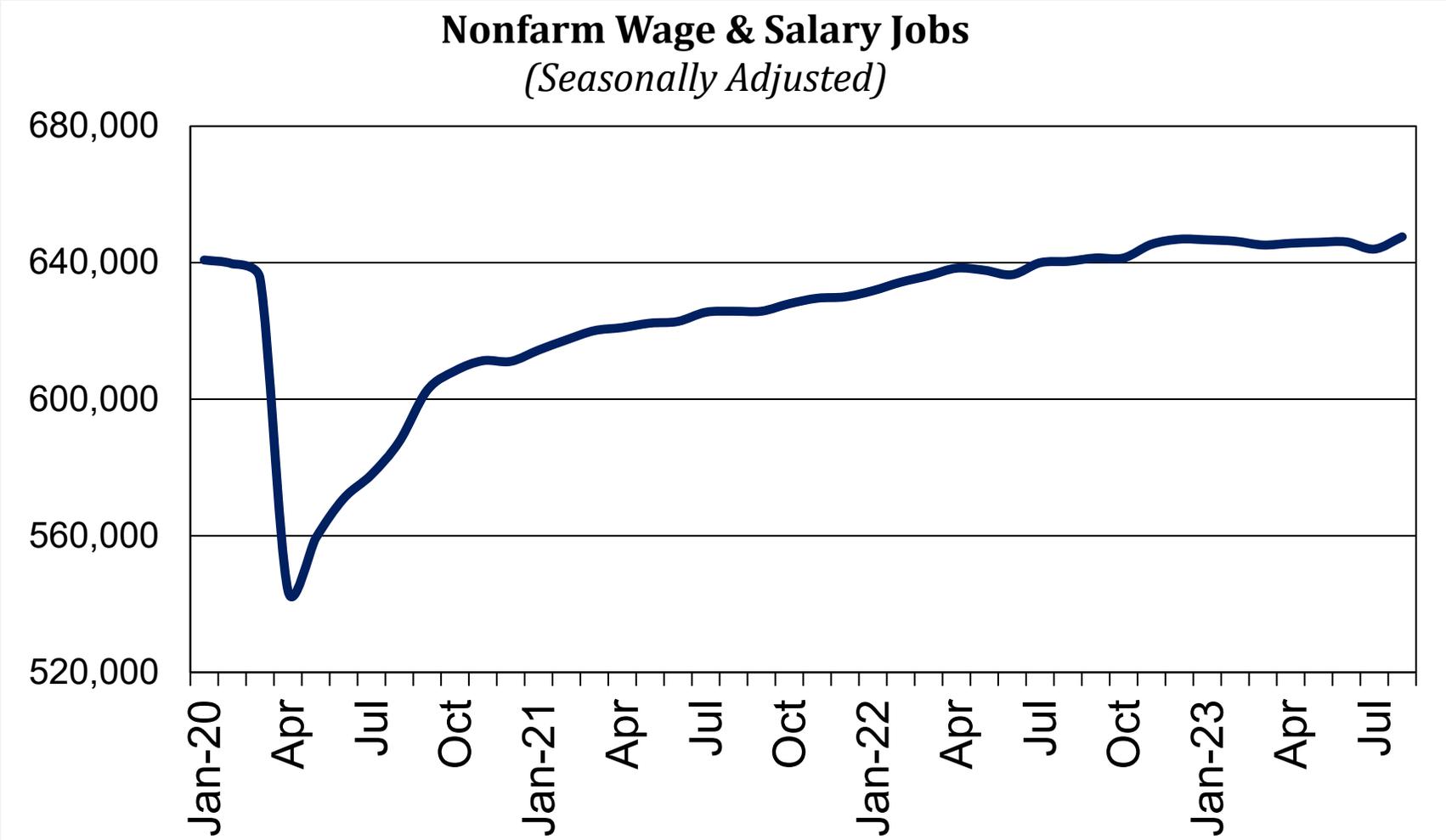
Consensus Economic Forecasting Commission

October 23, 2023

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Director

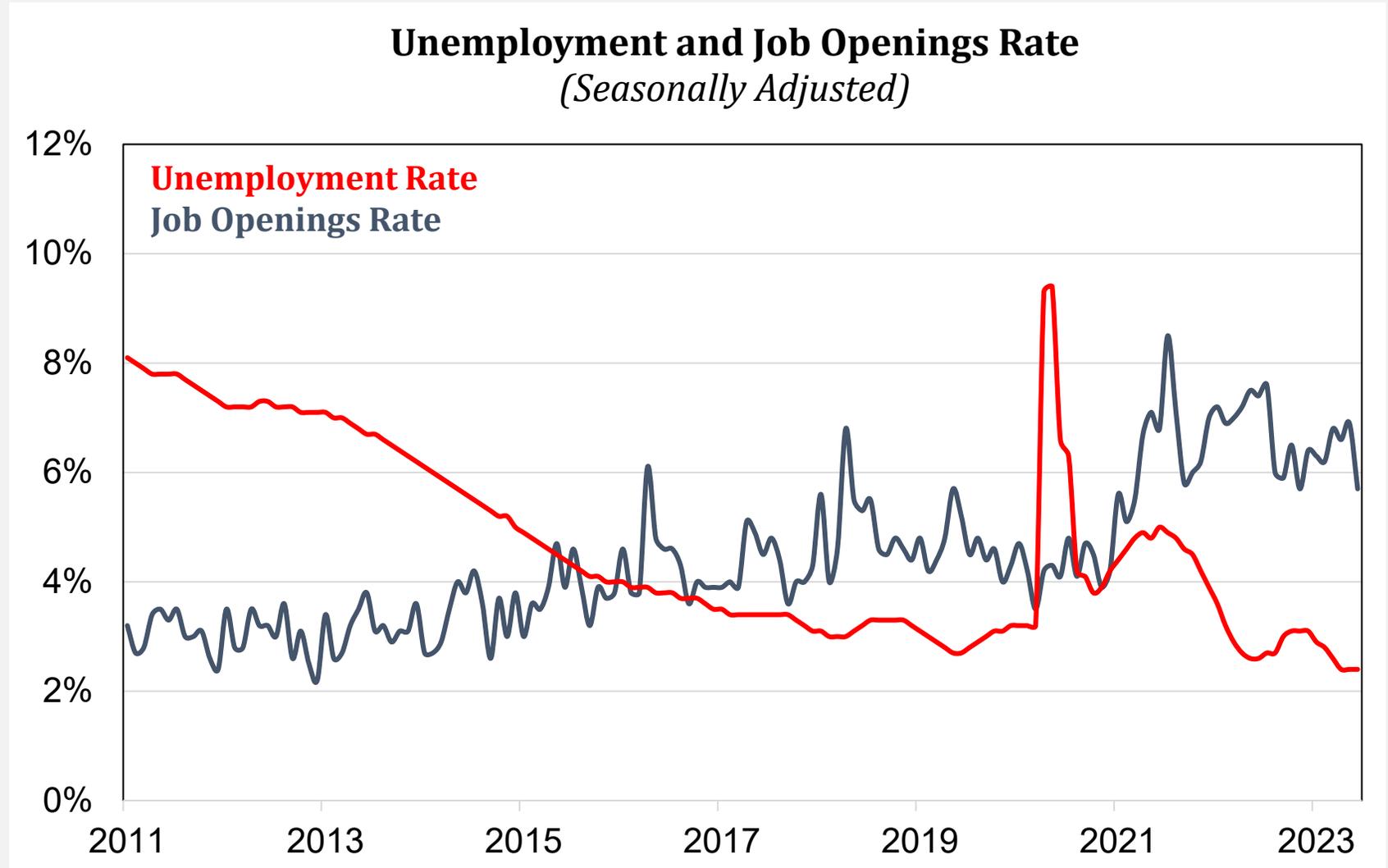
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- Nonfarm wage and salary jobs have been stable for most of the last year since reaching record highs in late 2022
- Jobs estimates have not deviated from the average by more than 0.2 percent in any month of 2023
- This pattern of stability occurred in most sectors. In all but two sectors, the number of jobs has not diverged from the average by more than two percent in any month



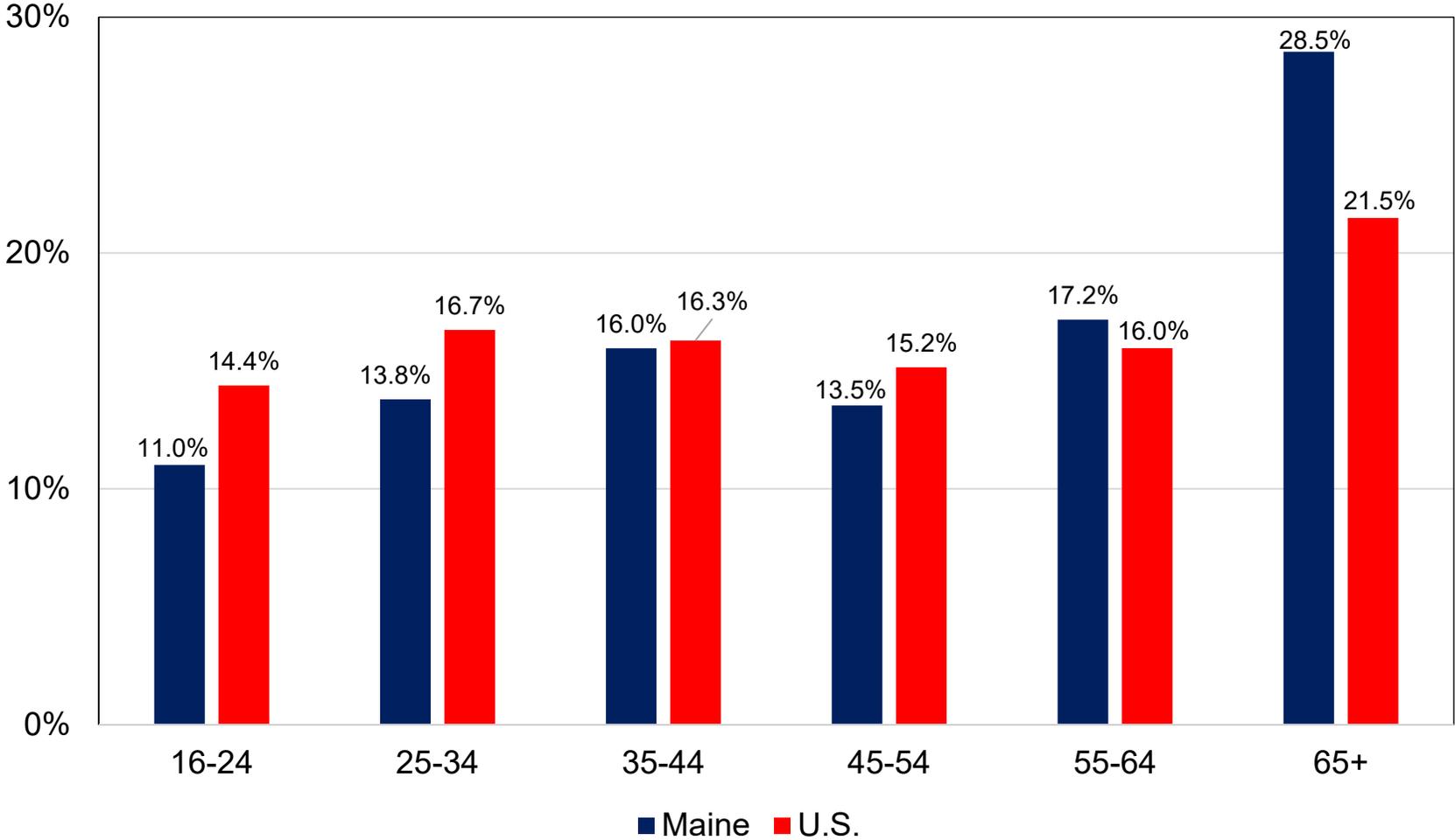
Notes: The data reflect jobs that are **filled** and reported as part of an employer's payroll during the reference period, **unfilled or vacant positions are not counted**.

- Labor demand remains relatively high compared to labor supply
- Due to the combination of a strong economy with lots of employers that are competing for workers
- And the demographic factors that are constraining labor supply
- Driving unemployment to record lows
- Unemployment has been below four percent for 22 consecutive months – the third longest period of such low rates



- Labor force participation is lower in Maine than the nation because there are more people in higher age ranges where participation rates are lower
- If the age distribution of the civilian population (age 16 and over) was the same as the nation and Maine's labor force participation rate in each age group was unchanged, the total labor force participation rate would have been 62.4 percent in 2022, essentially the same as the national rate of 62.2 percent
- Maine's actual labor force participation rate was 58.4 percent in 2022

Share of Civilian Age 16+ Population by age group



Jobs and Wages by Sector

- Competition for workers is driving wage growth
- Average wages across all industries increased by 6.4 percent in 2022 over the year (not adjusting for inflation)
- Wages grew fastest in the transportation, warehousing, and utilities, and health care and social assistance sectors

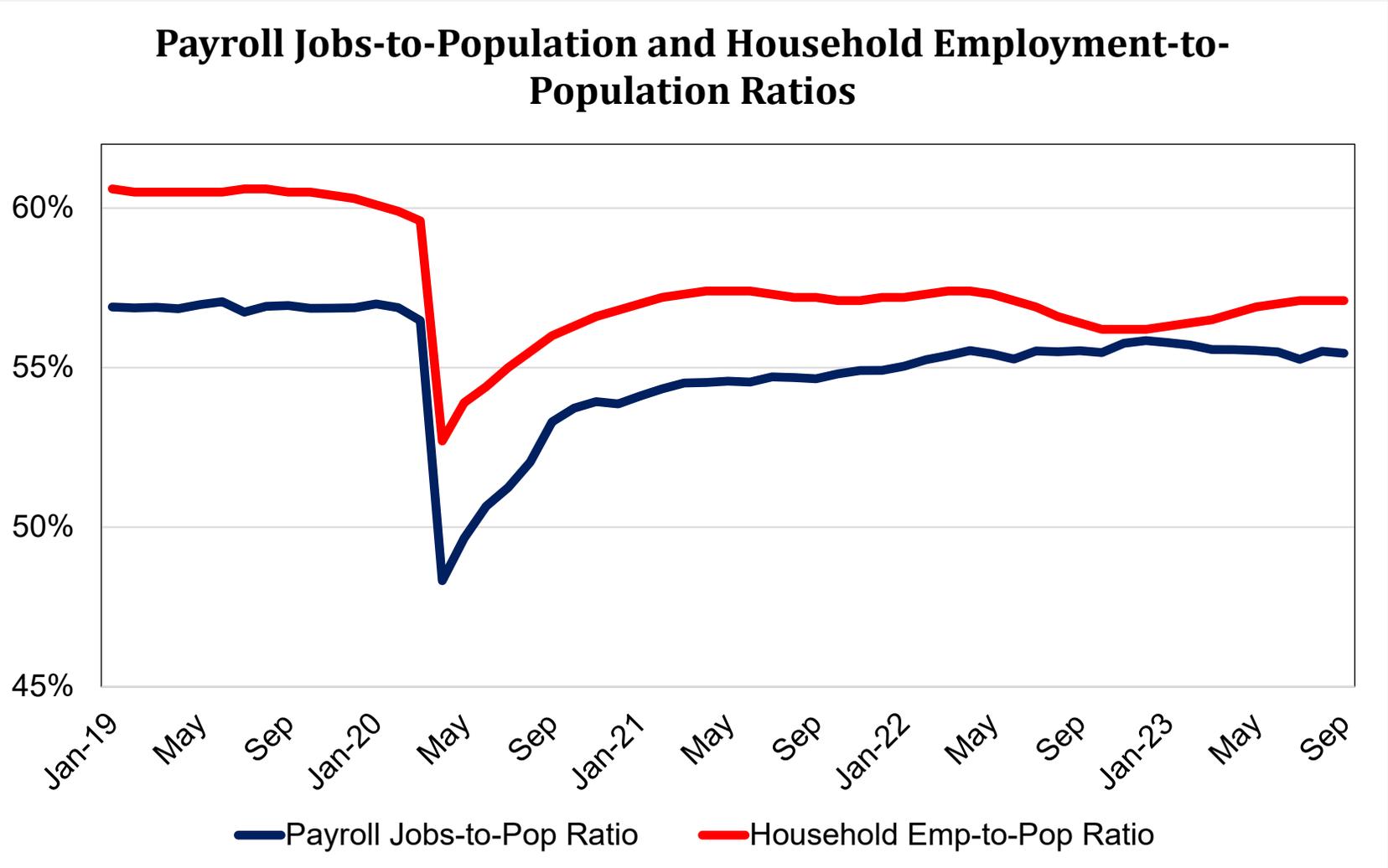
Sector	2022 Averages		% Change in Avg Wage from 2021
	Jobs	Annual Wage	
Total, All Industries	626,645	\$58,136	6.4%
Transportation, Warehousing, and Utilities	23,943	\$70,928	9.2%
Health Care and Social Assistance	107,397	\$61,256	8.0%
Professional & Business Services	77,418	\$82,524	7.8%
Natural Resources & Mining	9,005	\$55,172	7.2%
Leisure & Hospitality	67,464	\$31,304	6.9%
Information	8,460	\$72,800	6.5%
Retail Trade	80,125	\$37,856	6.4%
Construction	35,026	\$61,100	6.0%
Other Services, Except Public Administration	17,573	\$43,680	5.5%
Manufacturing	60,513	\$67,860	5.2%
Financial Activities	31,364	\$75,244	4.7%
Wholesale Trade	19,487	\$84,240	4.7%
Public Administration	27,390	\$61,932	4.1%
Educational Services	58,663	\$49,920	3.8%

Notes: the table includes only data pertaining to wage and salary jobs covered by the state unemployment insurance system. Most but not all jobs counted in the Current Employment Statistics nonfarm wage and salary jobs data are covered.

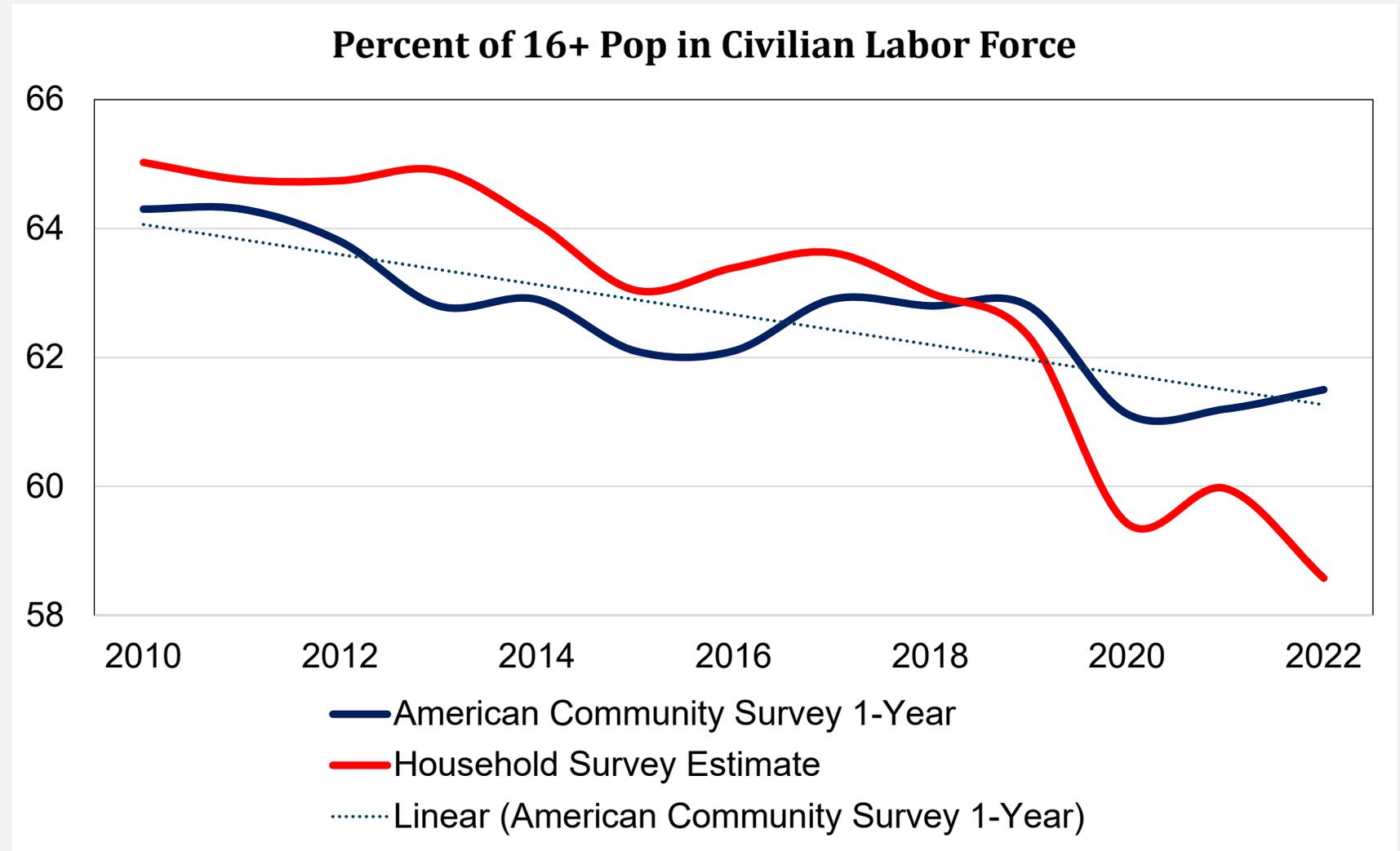
Factors underlying job and labor force trends

- The uptick in in-migration and population growth in 2021 and 2022 contributed to jobs reaching new highs in late 2022
- Unemployment rates below 3 percent suggest there is very little slack in the labor market to support additional job growth in the absence of further population and workforce growth
- Little change in jobs in the past year may be reflective of population growth and in migration that are enough to offset the increasing population share reaching retirement ages
- Household survey-based labor force participation and employment-to-population rates have increased in 2023 but remain understated based on higher quality signals from other data sources
- Recent labor force estimates from the Census American Community Survey align with employment estimates from the payroll survey and their benchmark in the Quarterly Census of Employment and Wages

- The household survey-based employment-to-population ratio estimate is up 0.9 percentage points so far in 2023
- Bringing household employment estimates into somewhat better alignment with payroll employment data which appears to be a higher quality signal
- In the last three months the ratio of payroll jobs-to-population (age 16+) is 1.5 percentage points lower than the average in 2019
- However, the household survey estimate of employment-to-population (age 16+) is 3.4 percentage points lower than the average in 2019

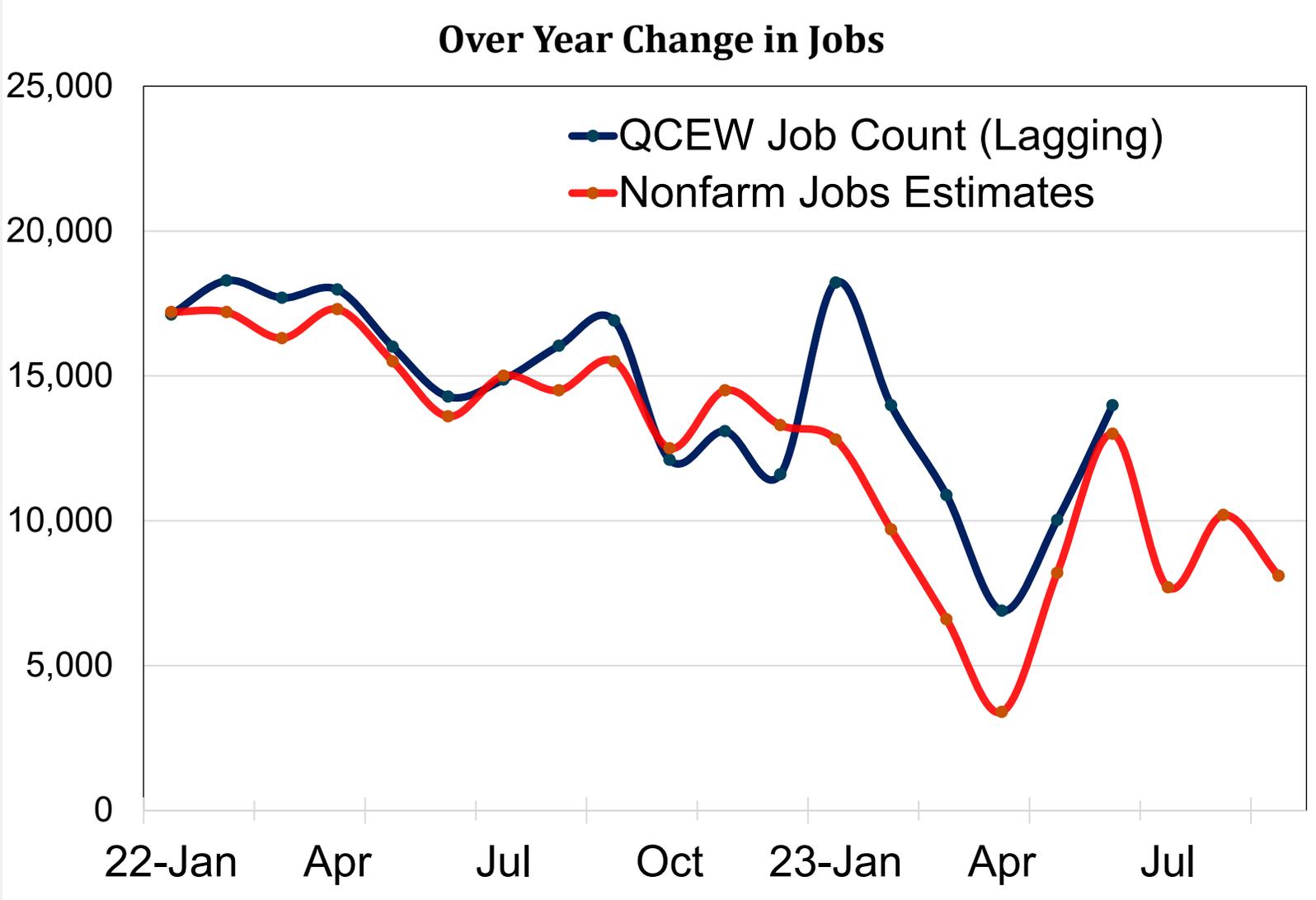


- The 2022 household survey labor force participation rate is 2.9 percentage points lower than the 2022 1-year ACS estimate and the historic gap (largely due to differences in the population universe and survey concepts) between the surveys has been flipped
- The ACS data align better with the trends in payroll employment data: that participation and employment were affected at the onset of the pandemic and have since recovered, though a larger share of the population is reaching retirement age
- Close to the long-term trend



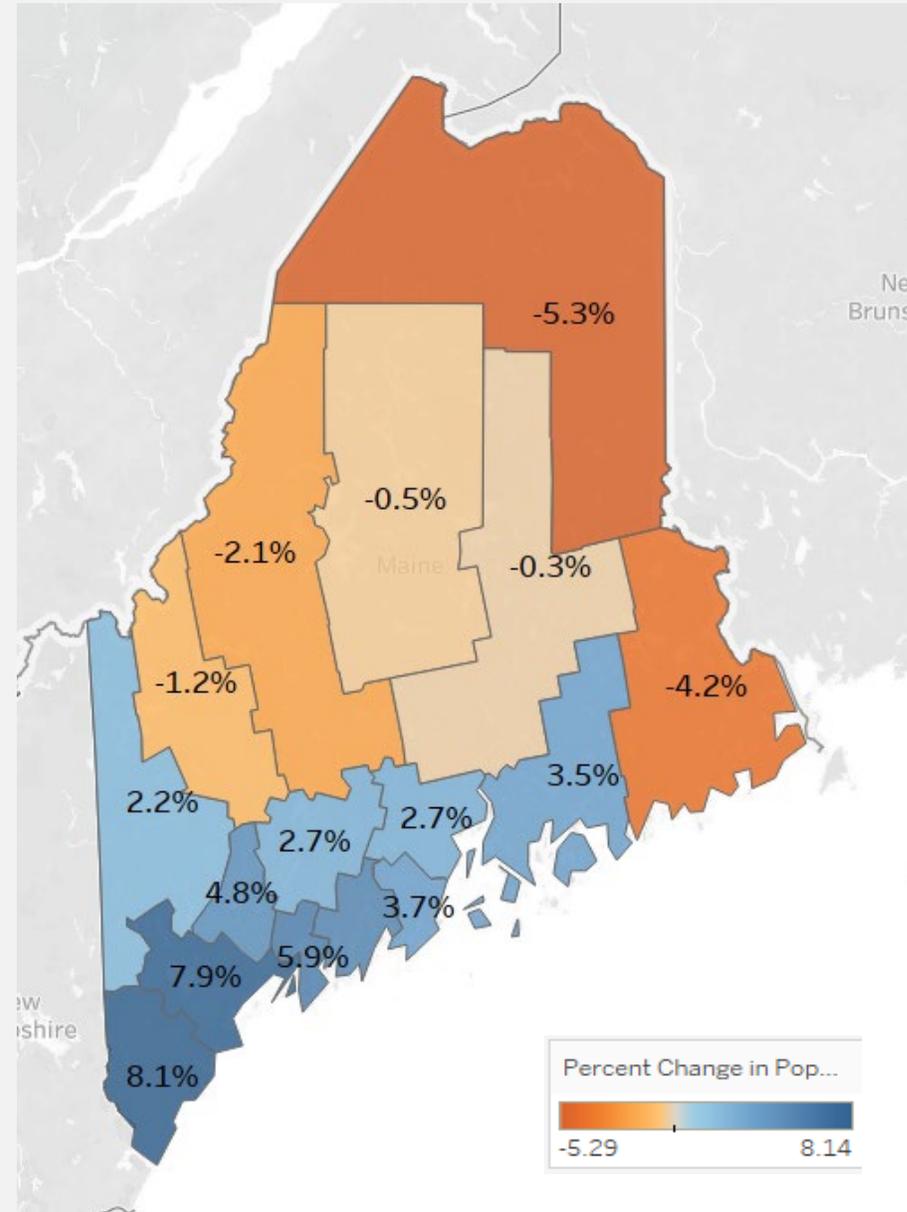
Notes: The population universe in the two surveys is different with the population residing in institutionalized group quarters remaining in the ACS universe but not in the household survey. As well, the survey structure is different in terms of how employment status information is gathered. The ACS sample is much larger.

- If annual revisions were to occur today, nonfarm jobs estimates for the first half of 2023 would be increased
- Jobs would be revised up an average of 4,700 for the first three months and 2,100 for the second three
- Given both the current nonfarm job estimates and the lagging universe of covered jobs, the current CEFC forecast of 646,400 jobs for 2023 appears to be close, presuming no major changes in the final three months of the year



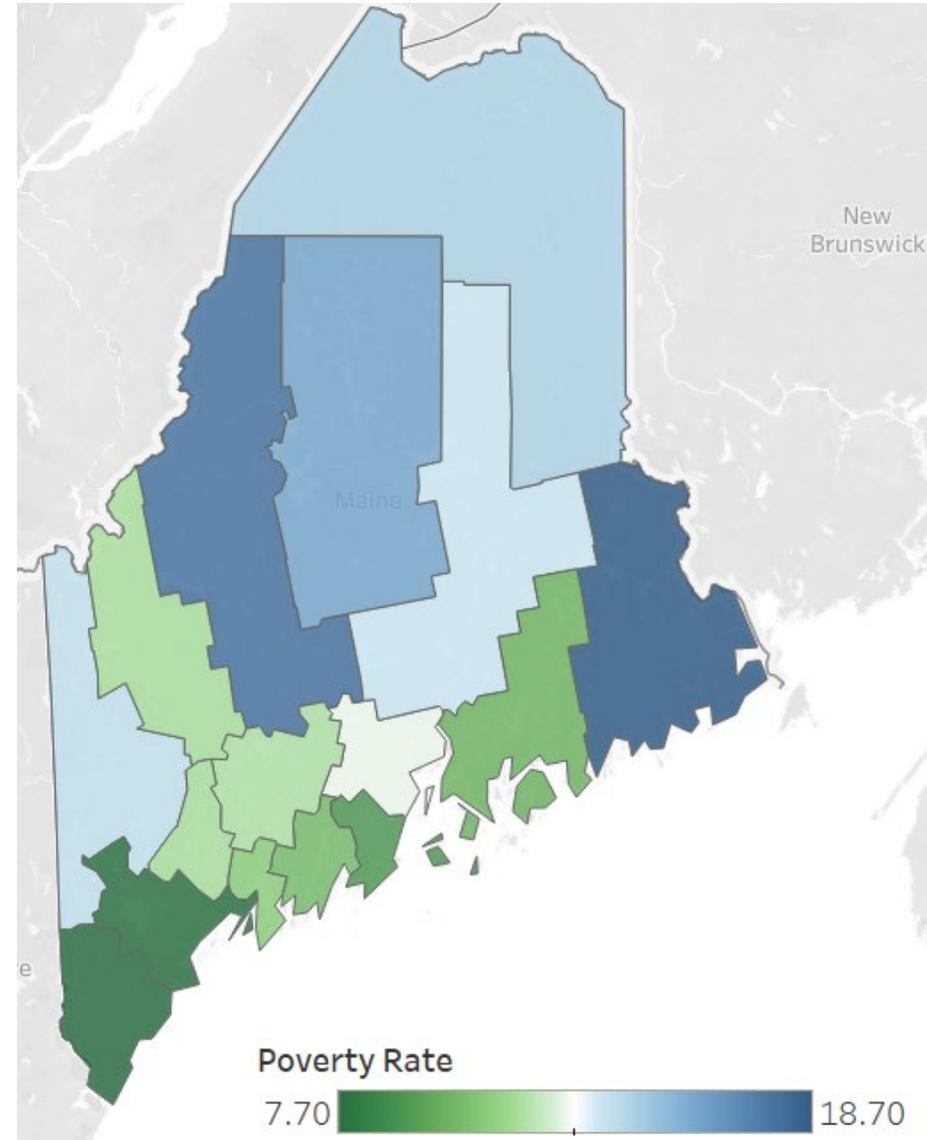
Population Change by County 2012 to 2022

Area Name	Percent Change	2022 Share of State Total
Maine	4.3%	100.0%
York	8.1%	15.5%
Cumberland	7.9%	22.1%
Sagadahoc	5.9%	2.7%
Lincoln	5.4%	2.6%
Androscoggin	4.8%	8.1%
Knox	3.7%	2.3%
Hancock	3.5%	4.1%
Waldo	2.7%	2.9%
Kennebec	2.7%	9.0%
Oxford	2.2%	4.2%
Penobscot	-0.3%	11.0%
Piscataquis	-0.5%	1.2%
Franklin	-1.2%	2.2%
Somerset	-2.1%	3.7%
Washington	-4.2%	2.2%
Aroostook	-5.3%	4.8%



Poverty Rates by County

- The uneven geographic distribution of economic opportunities is reflected in poverty rates
- Population and job growth have been concentrated in Coastal and Central Maine where the economy is more diverse
- The Northern Rim tends to be more economically isolated and has experienced slower population growth or population decreases in the long run
- Poverty rates are more than twice as high in Washington, Somerset and Piscataquis counties than they are in Cumberland and York counties



Data source: [2021 Census American Community Survey 5-year estimates Table S1701 Poverty Status](#)

Conclusion

- The factors expected to shape job growth are:
 - The business cycle
 - The population age structure which is constraining the size of the workforce and thus job growth
 - In-migration and the extent to which population growth can balance out the effect of population aging
- Jobs are higher in 2023 relative to before the recession due to the combination of population growth and a modestly lower jobs-to-population (age 16+) ratio as the population continues to shift toward retirement ages
- Low unemployment rates point to a competitive hiring environment and a labor market still quite favorable to job seekers
- Disparities in outcomes across demographic groups and substate regions remain