



Maine's Labor Market During the Pandemic

Job impact by sector and a comparison to the last recession

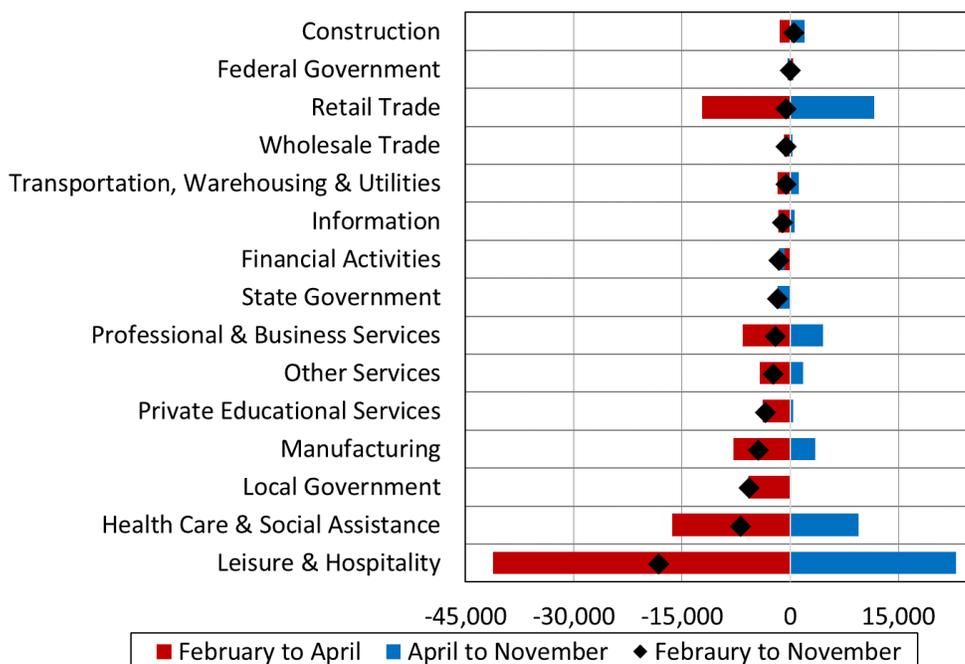
The COVID-19 pandemic led to unprecedented disruptions in the labor market, beginning in March of 2020. From February to April, 104,500 nonfarm jobs were lost, about 16 percent of the statewide total. The 532,800 jobs in April was the lowest monthly total since August of 1994.

Job Impact by Sector

Job losses were heavily concentrated in sectors of the economy in which goods and services are delivered in-person and where close contact with customers or coworkers is required. Most job losses in March and April occurred in the leisure and hospitality, health care and social assistance, and retail trade sectors, as well as in educational services, which is spread across local and state government --public schools, universities and community colleges -- and private schools -- both K-12 and higher ed. Those sectors were impacted by a combination of public safety measures and changes in the types of activities that people engaged in as a result of the pandemic.

While most sectors of the labor market experienced job loss rates ranging from five percent to 20 percent from February to April, nearly 60 percent of leisure and hospitality jobs were lost, which was similar to what occurred nationally.

Change in Jobs by Sector in Maine

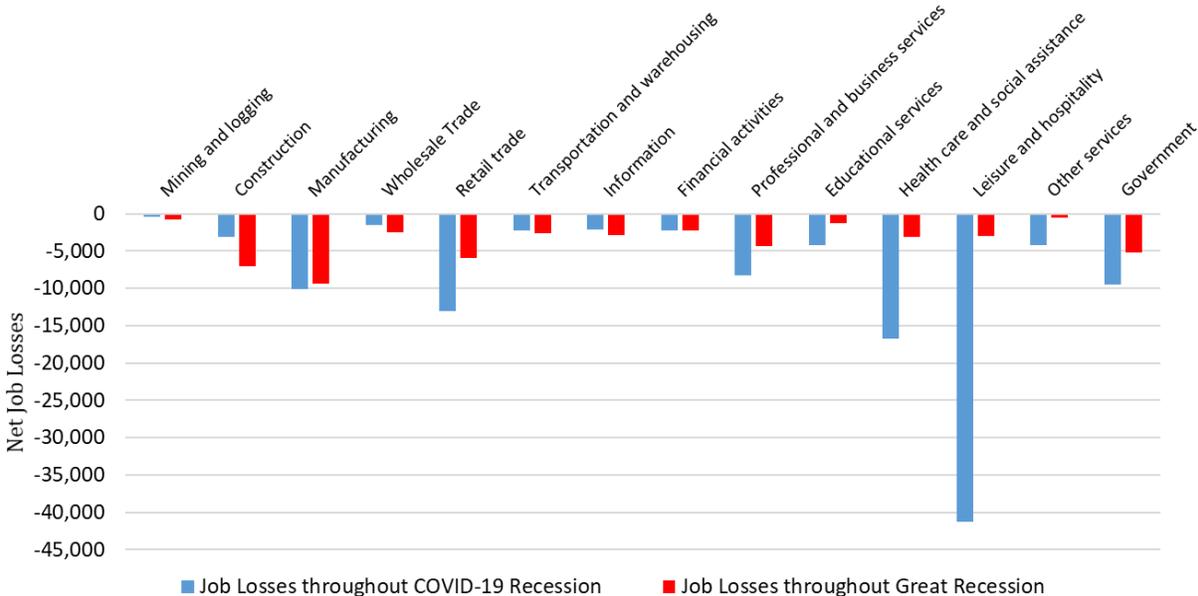


Source: Maine Department of Labor, Center for Workforce Research and Information, Current Employment Statistics

A jobs recovery began in May and accelerated in June before gradually slowing month by month through the fall. In November, the number of jobs was somewhat lower than in February in most sectors, but remained substantially lower in four sectors, as well as local and state governments. The leisure and hospitality (37 percent), health care and social assistance (14 percent), manufacturing (nine percent), and private educational services (seven percent) sectors accounted for two-thirds of net jobs lost. In addition to that, local (12 percent) and state governments (four percent) accounted for more than 80 percent of the net decrease in jobs between February and November.

Health care and social assistance providers closed or operated at a reduced capacity during the pandemic, including childcare, offices of practitioners such as dentists, chiropractors, and physical or massage therapists. Elective surgeries were temporarily halted. Reductions in government were mostly in public schools and colleges due to the suspension or curtailment of in-person learning, as was also the case in private education. As classes moved to online and hybrid models, the number of support staff at schools and colleges was reduced. The retail environment has been impacted in many ways, including increased demand for groceries as more consumption is at home, and a shift to online shopping.

Net Job Losses by Industry in Maine: Last Two Recessions



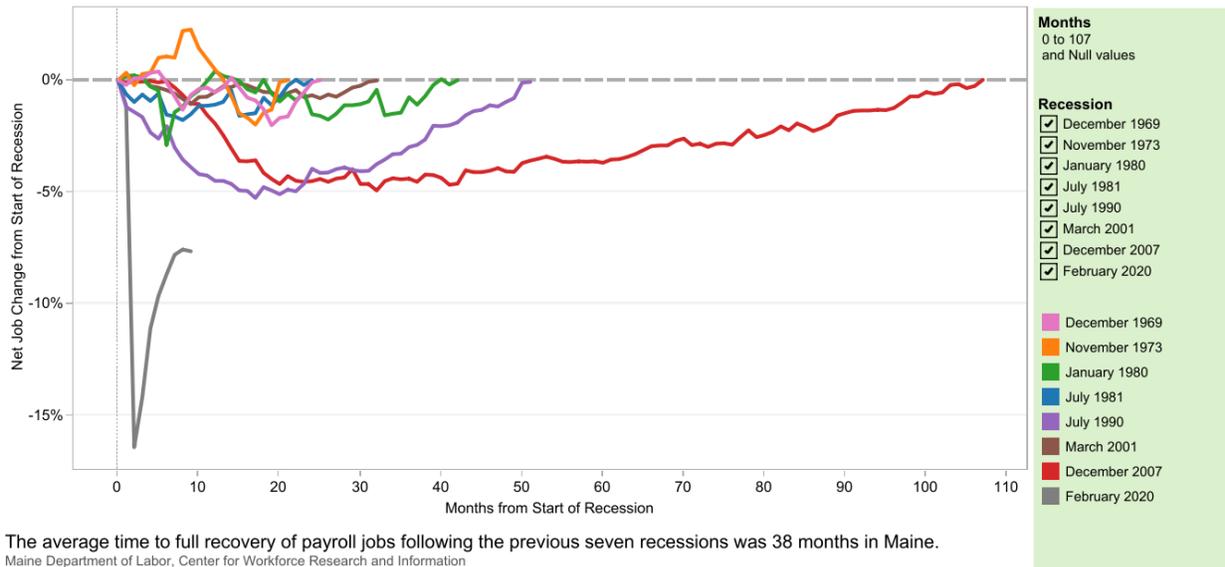
Source: Maine Department of Labor, Center for Workforce Research and Information, Current Employment Statistics. Notes: Net job losses calculated using the minimum monthly job total by industry during the recession and subtracting the maximum monthly job total by industry for the time period prior to the recession

Comparing this Period to the Last Recession

During most recessions job losses have been concentrated in the construction and manufacturing sectors as demand for housing and goods decreased. The pandemic caused a surge in demand for housing in Maine. The sudden switch to remote work for many has decoupled place of work from place of residence leading some to seek housing away from densely populated urban areas. While job losses in the construction industry did occur in the spring of 2020, the sector had fully recovered by November.

Job losses in Maine during the Great Recession that began in 2007 were severe and the recovery was long, taking nearly nine years for the total number of nonfarm jobs to return to pre-recession levels. The recession that began in February caused much sharper job losses and a recovery that started at a much quicker pace. However, the rate of net job loss through November was greater than at the lowest point during the last or any of the previous seven recessions. Total nonfarm jobs remained 7.6 percent lower than in February. For comparison, about five percent of nonfarm jobs were lost at the height of the Great Recession.

Job Change in Maine: Last Eight Recessions



This is the first in a series of articles that will be published by the Center for Workforce Research and Information (CWRI) about Maine’s labor market during the pandemic. All CWRI publications and presentations can be found [here](#). Future topics include: the job impact by gender, job impact by educational attainment, telework, reemployment and the challenge the pandemic has made for data collection and estimation.