



State Workforce Board Update on Labor Market Conditions

**June 10, 2022
Mark McInerney
Director**

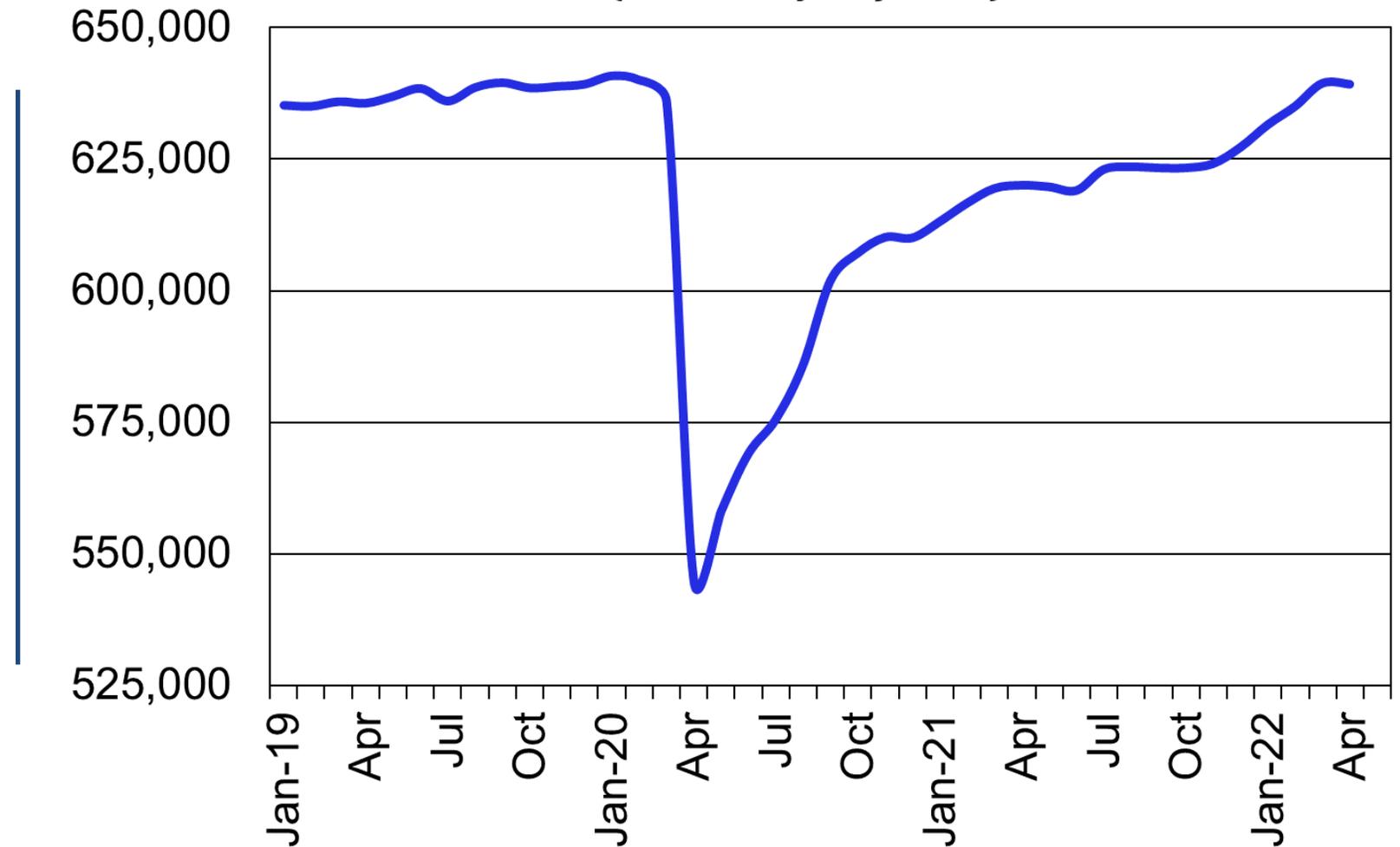
Introduction

- Maine's labor market is near full recovery from the effects of the pandemic. The number of jobs is about where it was before the pandemic, and unemployment is close to the lows from more than two years ago (as of April 2022)
- While the labor market has recovered by these aggregate measures, there are noticeable differences in today's labor market:
 - Jobs remain lower in health care and social assistance (primarily in nursing and residential care) and state and local government (primarily in K-12 and higher education)
 - A strong recovery lifted leisure and hospitality, the hardest hit sector for most of the pandemic, though there are three percent fewer jobs
 - Construction, professional and business services, and private educational services each had at least five percent more jobs
 - Maine's labor force participation rate decreased dramatically during the pandemic and remains lower largely due to population aging and retirement decisions that may have been altered due to the pandemic

Nonfarm Wage & Salary Jobs

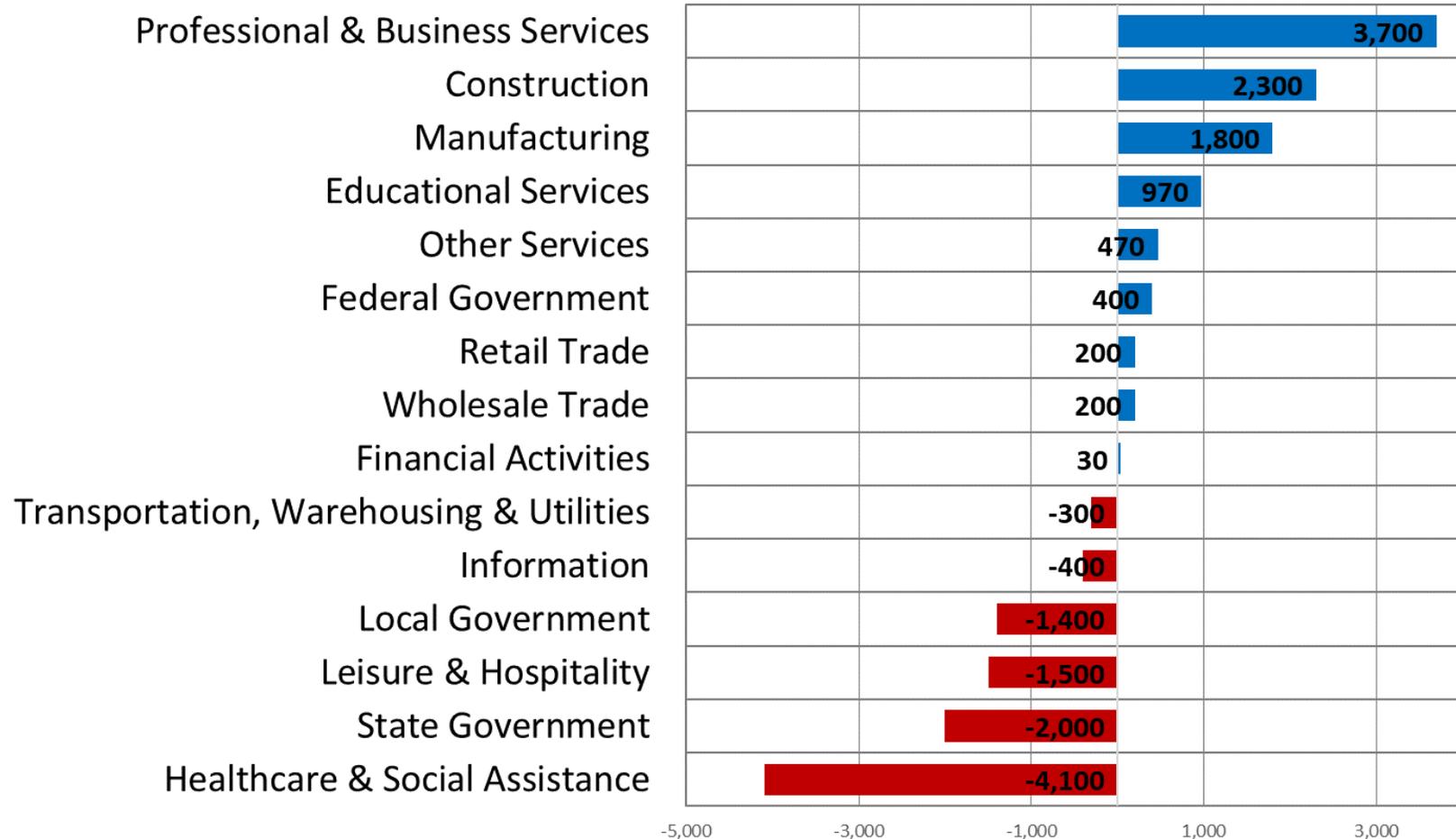
(Seasonally Adjusted)

- In the first four months of 2022, job growth was the strongest since the initial stages of the recovery in the summer of 2020
- The 639,300 nonfarm jobs in April was 0.3 percent higher than the average for 2019 – the same as the national recovery
- Throughout the two years, the downturn and recovery in Maine closely tracked with the nation



Net Job Change From 2019 Average to February to April 2022 Average *(Seasonally Adjusted)*

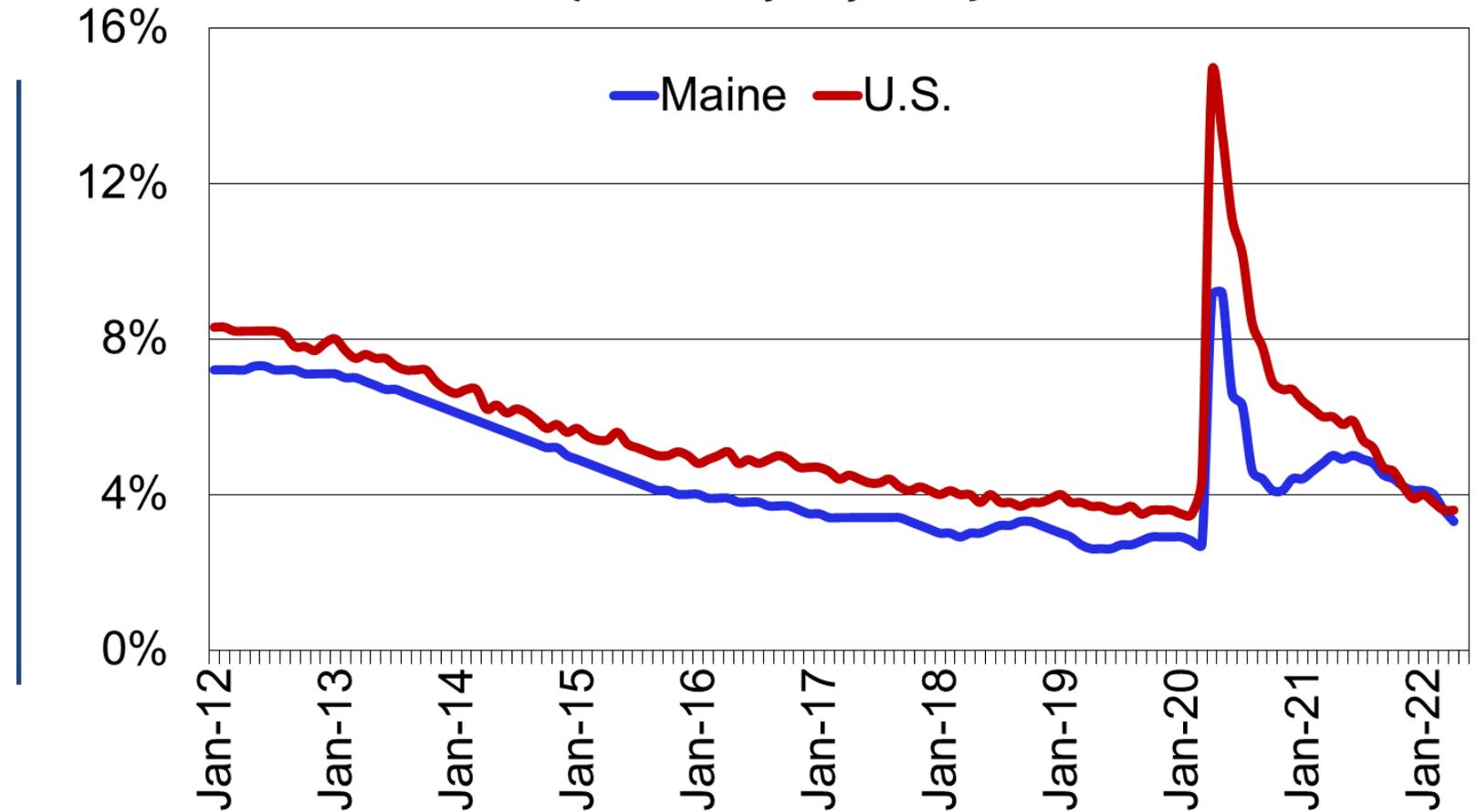
- While total jobs have fully recovered, the distribution of jobs across sectors has changed
- With net job growth in some sectors offsetting net jobs losses in others
- And a few sectors that have essentially the same staffing levels as before the pandemic



- The state's unemployment rate has dwindled to 3.3 percent
- Unemployment remains somewhat higher than preceding the pandemic, though about two percentage points lower than the average over the last 30 years

Unemployment Rates

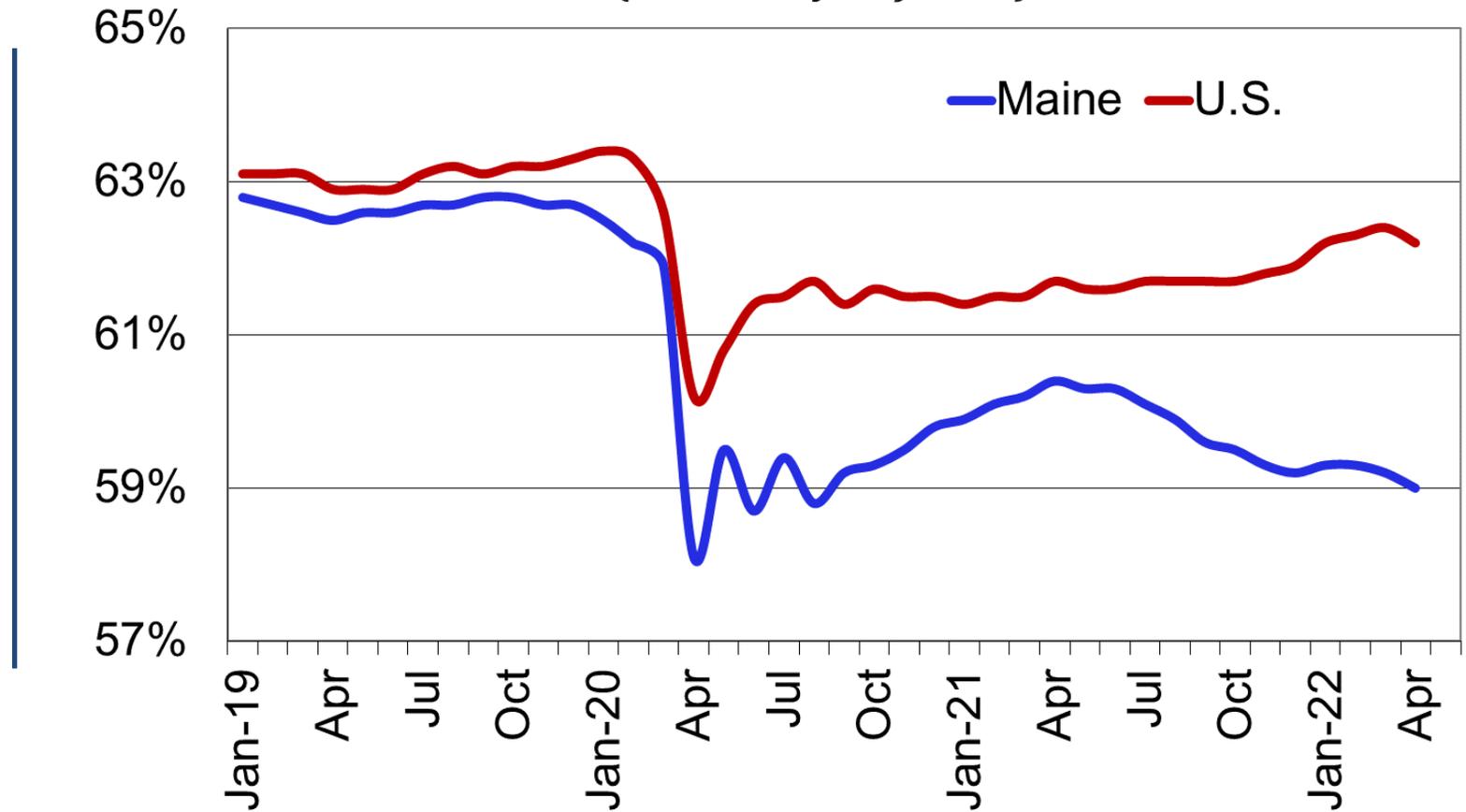
(Seasonally Adjusted)



- Since 2019, the remaining reduction in labor force participation is mostly due to population aging and retirement decisions that may have occurred sooner than they would otherwise
- Labor force participation has trended lower over the last 20 years, reflecting the rising share of retirement age people in the state

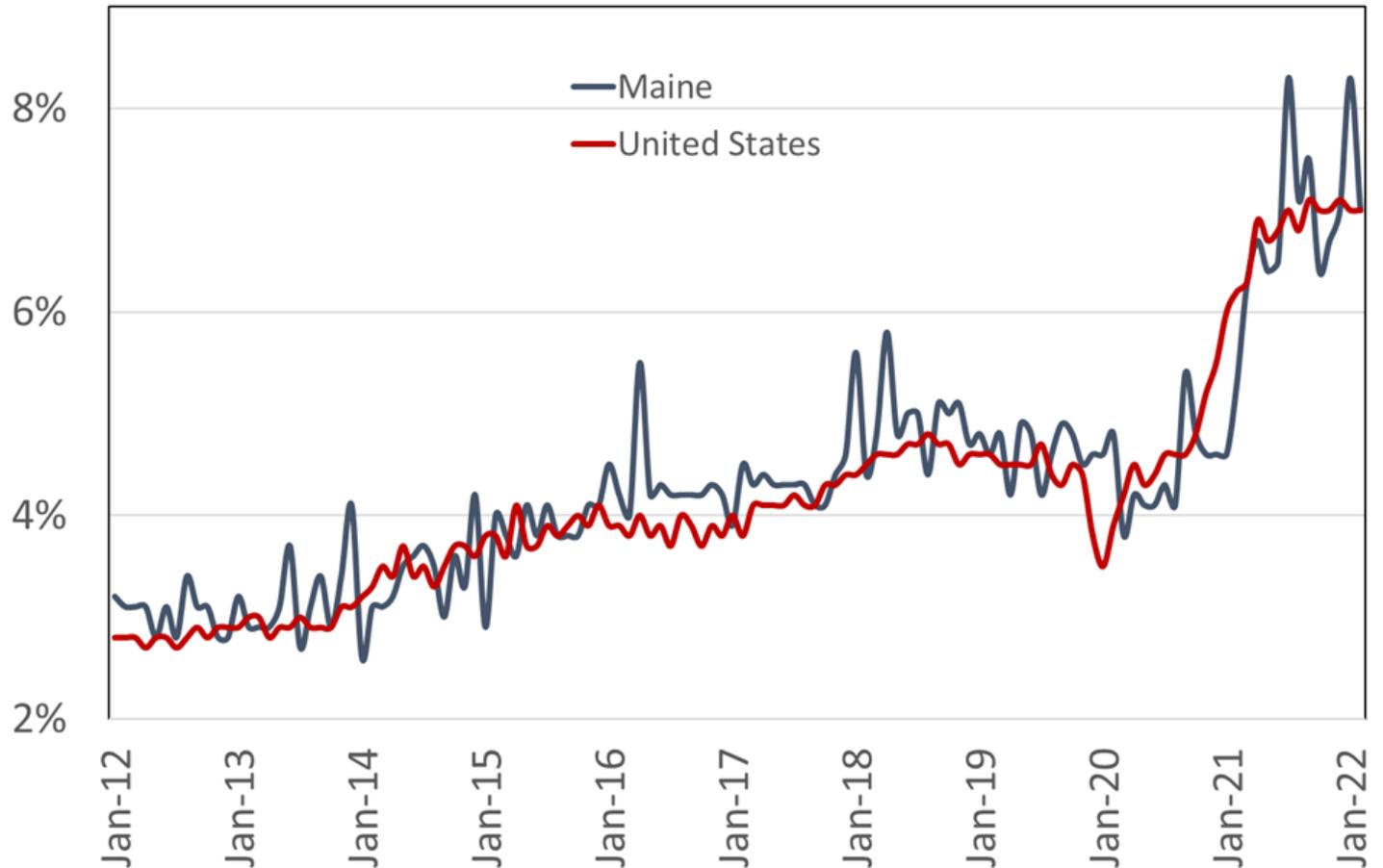
Labor Force Participation Rates

(Seasonally Adjusted)



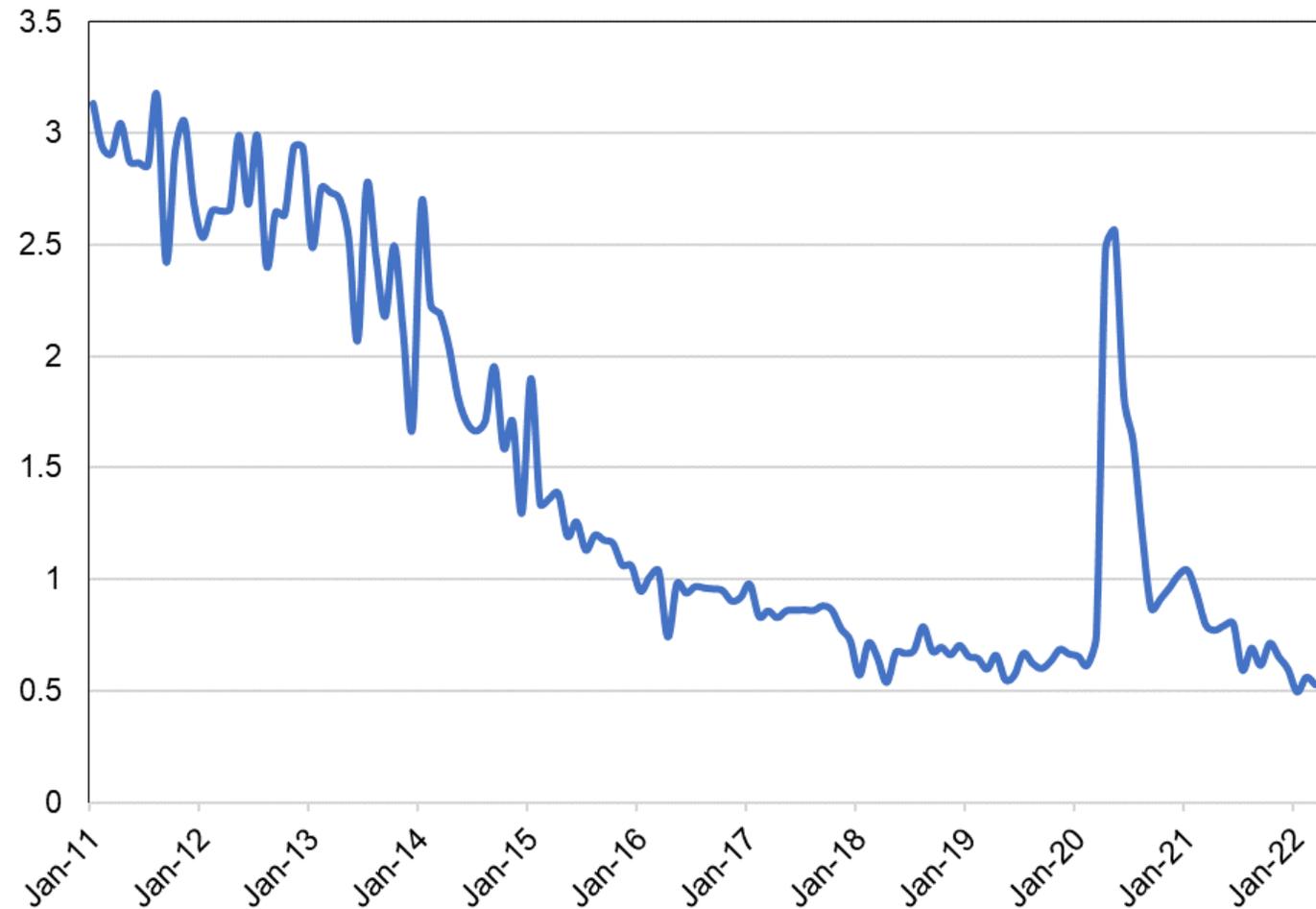
- The convergence of rising employer needs for staff and fewer people in the labor force caused the job openings rate to surge to more than seven percent in the latter part of 2021, the highest on record
- Early in 2022 openings remain historically high

Job Openings Rates (Seasonally Adjusted)



Numer of Unemployed per Job Opening (Seasonally Adjusted)

- Looking together at low unemployment and high job openings: there are about two job openings for every one unemployed job seeker



- After the Great Recession, a competitive environment for attracting and retaining staff drove the strongest wage gains in decades
- Job losses in 2020 concentrated in low-wage industries initially drove average wages up
- Strong wage growth quickly resumed
- As 2021 progressed, the mix of jobs moved closer to what it was two years earlier
- Inflation has reached 40-year highs and has begun to outpace wage growth

Average Wage Per Job (4-Quarter Moving Average)

