

Presentation to the State Workforce Board

March 8, 2024

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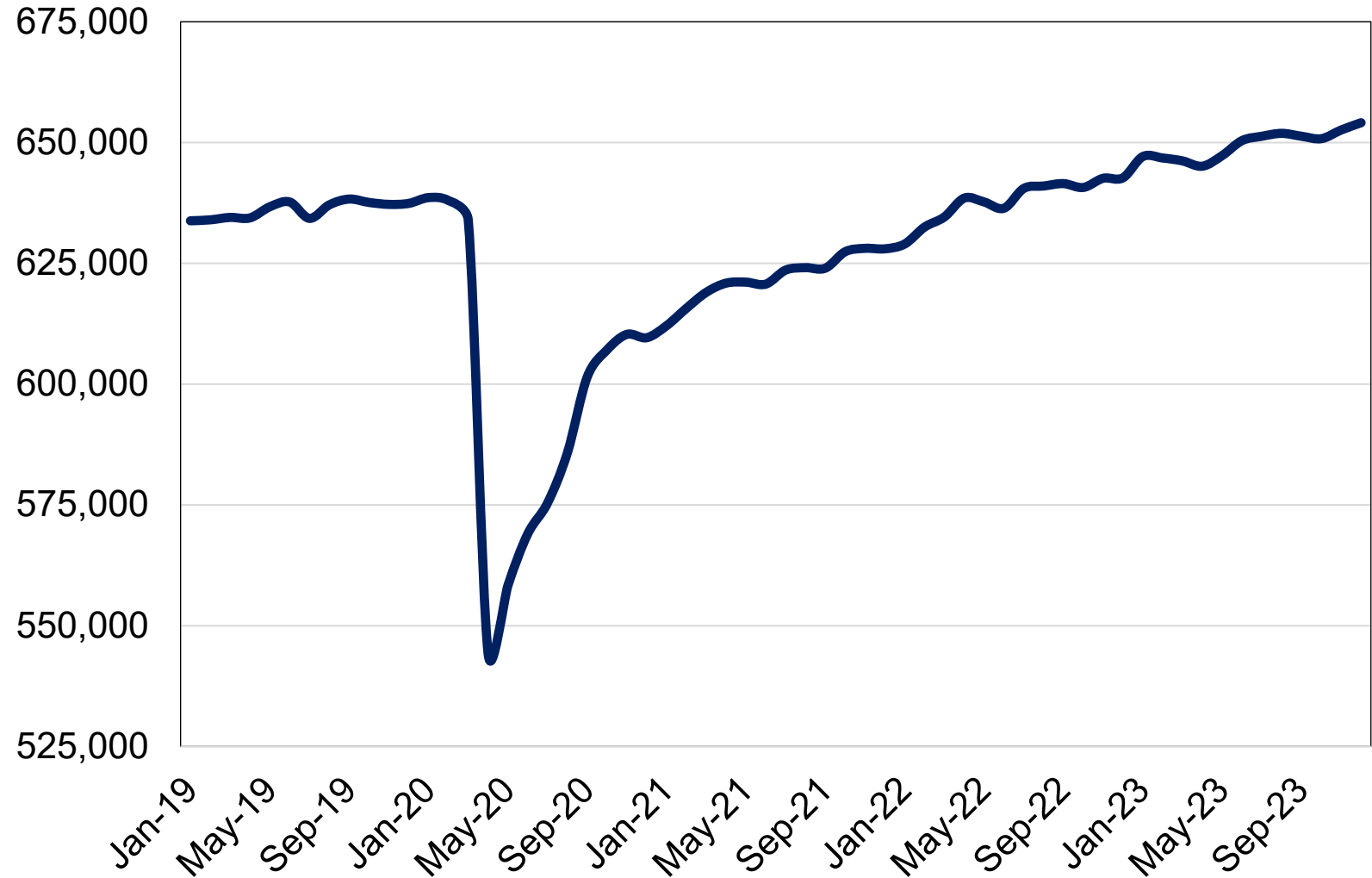
Section 1: Labor Markets and the Economy *Statewide*

Economic Overview

- Total economic output is growing steadily. [Real Gross Domestic Product](#) (GDP) is increasing around 1.8 percent per year (through the 3rd quarter of 2023).
- [Nonfarm wage and salary jobs](#) reached an all-time high at the end of 2023, having surpassed the pre-pandemic high in the fall of 2022.
- [Unemployment rates](#) have been below four percent for 25 consecutive months – the second longest such period. Rates remain well below the long-term average.
- [Job opening rates](#) have tended lower for the last 18 months, averaging 6 percent in the second half of 2023. Job opening rates remain about one to two percentage points higher compared to before the pandemic. Combined with low unemployment rates, characterize a competitive hiring environment for employers where job openings exceed the number of unemployed job seekers.
- [Inflation](#) has cooled significantly though remains stubbornly above the Federal’s Reserves 2 percent target rate.

Nonfarm Wage and Salary Jobs (Seasonally Adjusted)

- Jobs are growing steadily.
- In December jobs were 11,400 higher than one year ago.
- Having grown by 14,700 in the year through December 2022.



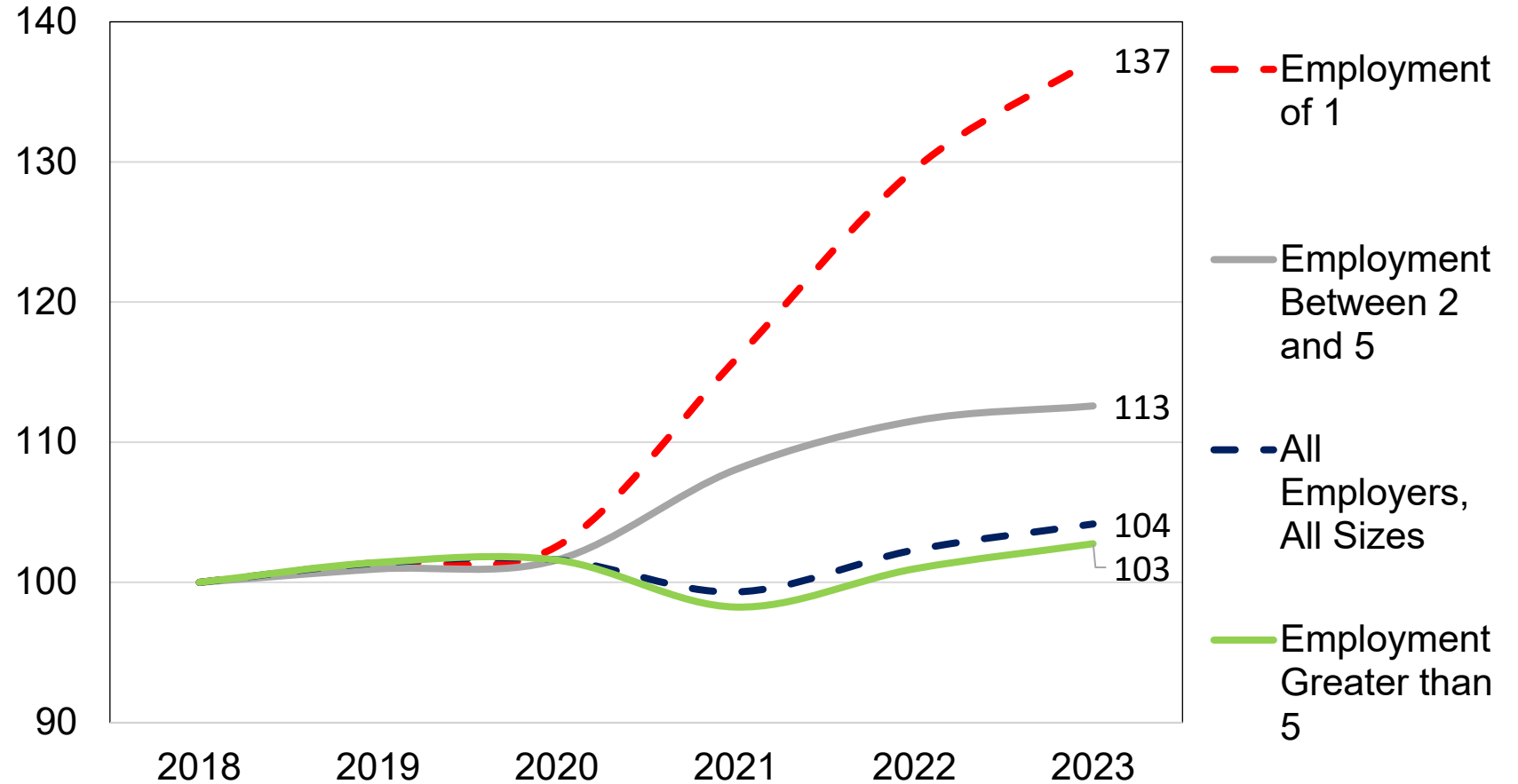
Notes: The data reflect jobs that are **filled** and reported as part of an employer's payroll during the reference period, **unfilled or vacant positions are not counted.**

In-Migration, Remote Work

- Net migration has surged since 2020, contributing to jobs reaching new record highs. 14 percent of net migration has resulted from international migration.
- The rate of in-migration has slowed somewhat, in the last three years net in-migration was:
 - 19,000 in 2021, 16,500 in 2022 and 11,500 in 2023
- Natural population changes have been negative (more deaths occur than births) in each of the last ten years. In-migration has exceeded natural population decreases.
- Before the pandemic, jobs and worksites increased at similar rates.
- Compared to 5 years ago there are now 21 percent more worksites and 4 percent more jobs. This primarily is due to the remote work revolution.
- It is a combination of people moving to the state while continuing to work for an employer located elsewhere, and it is from residents of the state gaining jobs that allow them to work here for employers located elsewhere.
- In each of those cases the employer is required to open an unemployment insurance tax account in Maine on behalf of those individuals; their employment is counted here rather than where the employer is located.
- Nationally, workers on average [are living further distances away from their employer.](#)

Index of Covered Jobs by Worksite Size

- Covered jobs were about 4 percent higher (24,700 jobs) in March 2023 relative to five years before
- 17 percent of the net gain (4,200 jobs) was among worksites with 1 employee
- 23 percent of the net gain (5,700 jobs) was among worksites that had between 2 and 5 total employees



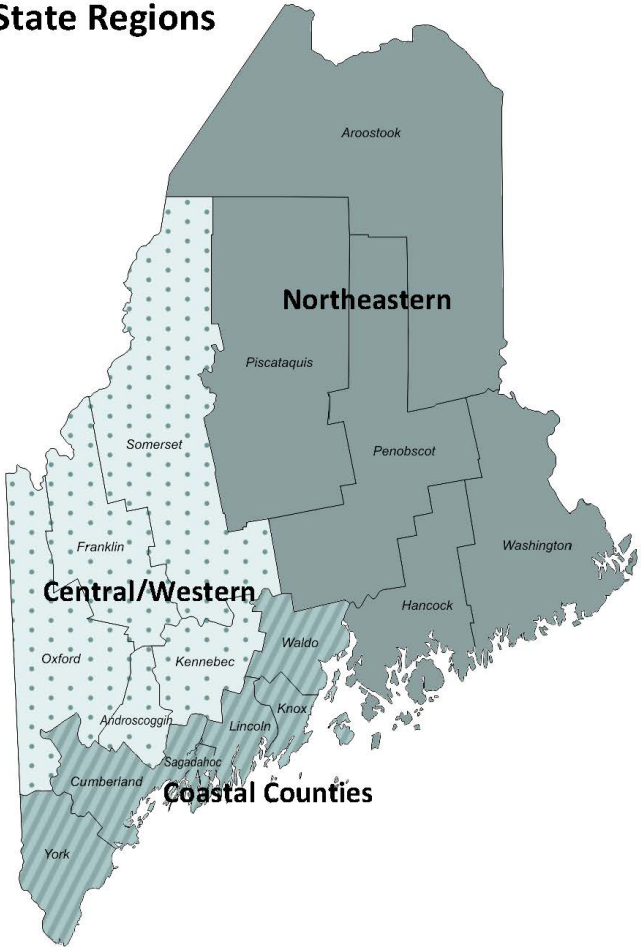
Notes: a job index value of 100 represents the employment level in March of 2018. Each unit can be interpreted as a percent change compared to the 2018 level.

Section 2: Labor Markets and the Economy *Workforce Investment Regions*

Distribution of Population, Jobs, Wages and Salaries by Sub-State Region in 2022

| Sub-State Region | Population | Average Weekly Wage | Job Share | Wage and Salary Share | Population Share |
|------------------|------------|---------------------|-----------|-----------------------|------------------|
| Central Western | 379,630 | \$1,007 | 25% | 23% | 27% |
| Coastal Counties | 679,196 | \$1,188 | 53% | 57% | 49% |
| Northeastern | 326,514 | \$959 | 22% | 20% | 24% |

Sub-State Regions

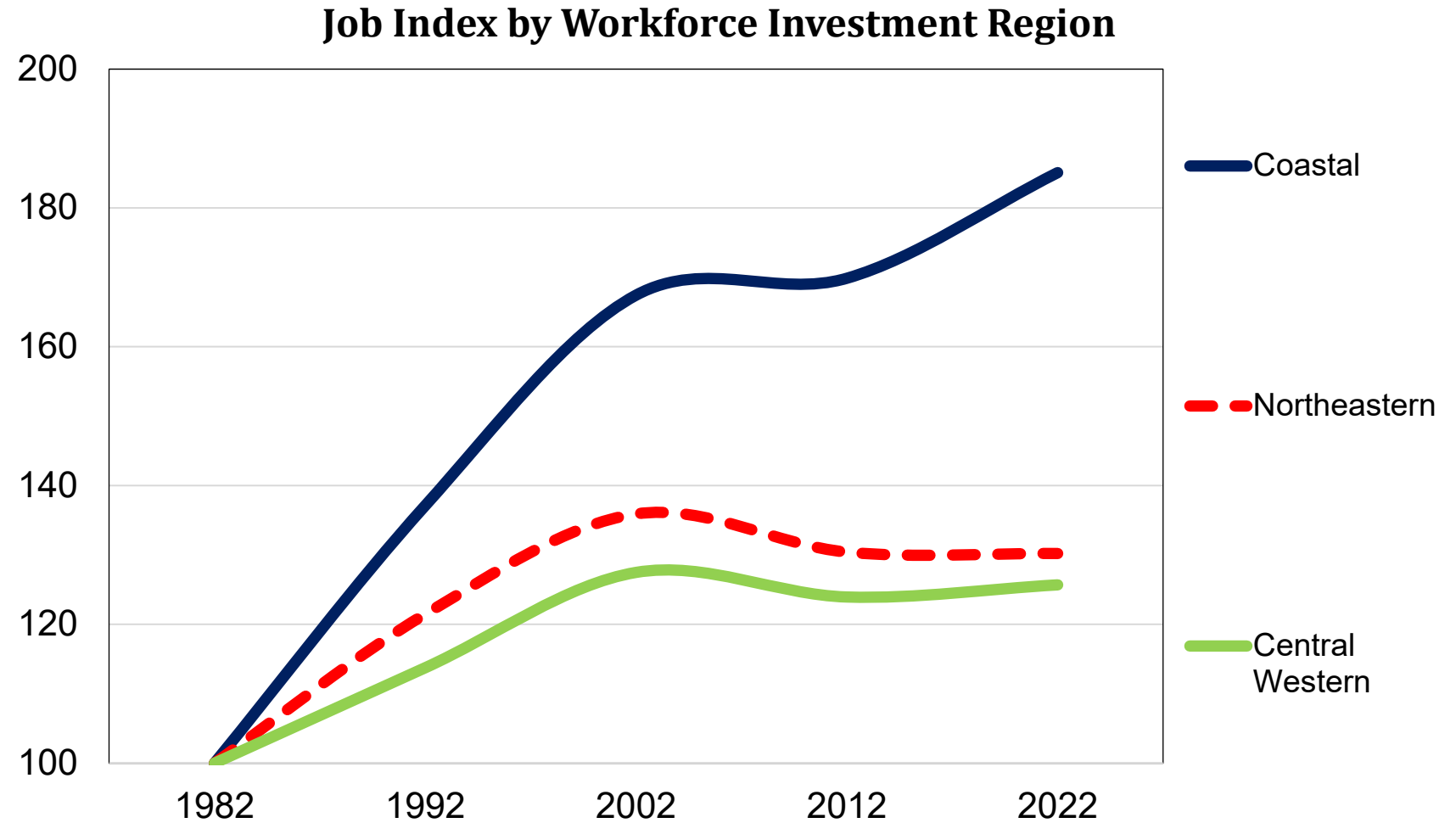


Source: Quarterly Census of Employment and Wages and Census Bureau Population and Housing Unit Estimates

Workforce Investment Regions

- The three regional economies have been shaped by long term economic and demographic changes.
- All regions face an imbalanced population age structure resulting from falling birth rates over decades though coastal and central counties have a somewhat younger age structure.
- Job and population growth has been concentrated in coastal and central counties.
- Four decades ago, jobs were more evenly distributed between the Coastal (43 percent), Central Western (31 percent) and Northeastern (26 percent) regions.
- Statewide, the manufacturing sector comprised more than 40 percent of nonfarm jobs through 1953, 30 percent through 1971, and 20 percent through 1988. Today it comprises eight percent.
- Jobs are increasingly concentrated in service providing sectors and in and around densely populated areas. Healthcare is mostly concentrated in and around places of population density. Technology, law, accounting, finance, insurance and other types of professional services, colleges, and other industries that comprise a rising share of jobs also are primarily found in cities.

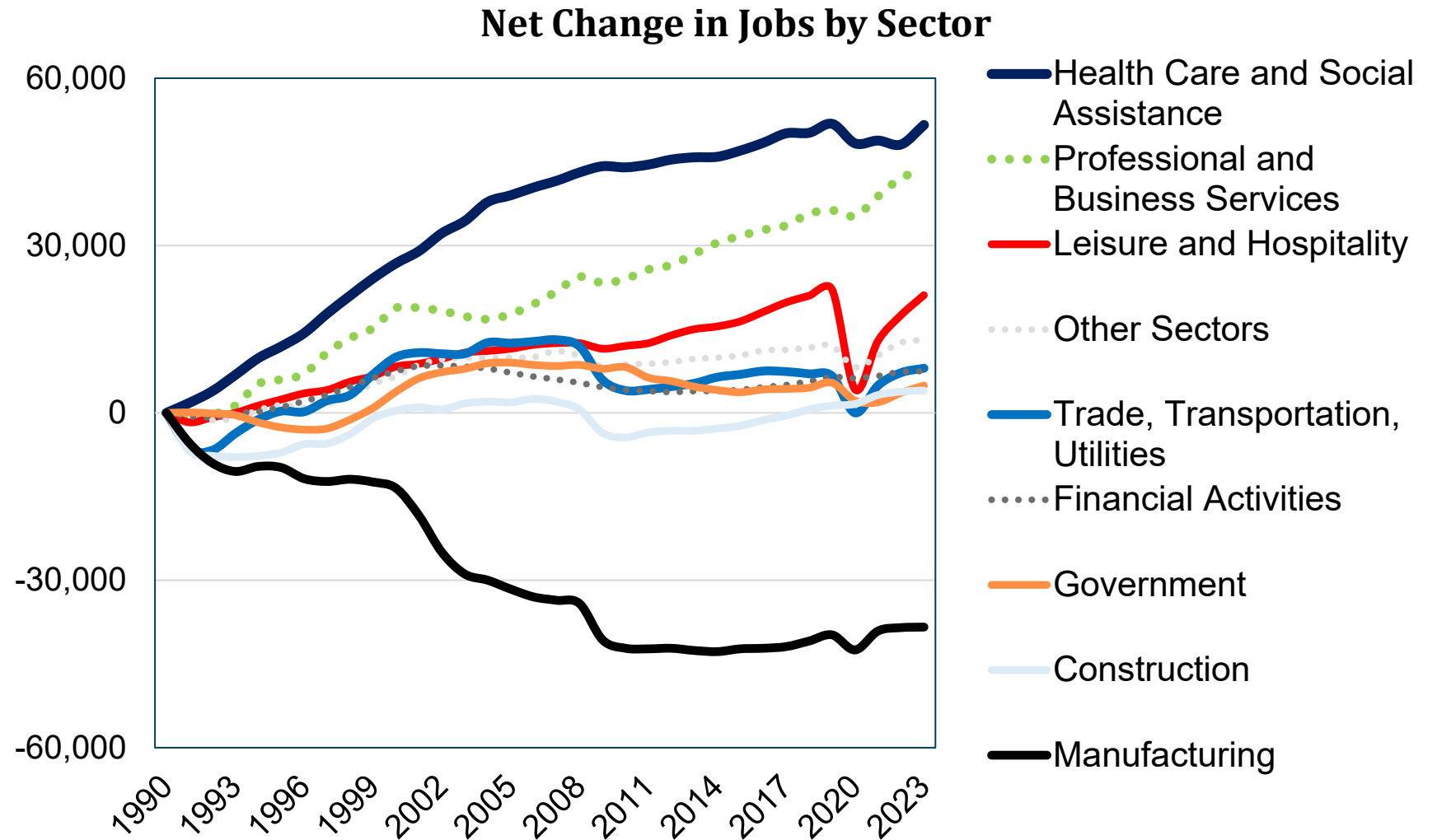
- Job growth has progressively slowed since the 1980s, parallel to slower growth in the working-age (16 to 64) population.
- Except for recessions (beginning in 2008 and in 2020) and the following recoveries, net job growth in the 21st century has been quite modest and mostly within the Coastal region.



Source: Quarterly Census of Employment and Wages.

Notes: an index value of 100 represents the 1982 covered job level, each unit can be interpreted as a percent change compared to the 1982 level. Each data point is an annual average snapshot at a ten-year interval.

- Job gains in the last three decades were primarily in healthcare and social assistance and in professional and business services. Each of those sectors added more than 40,000 jobs. Gains in most other sectors were under 10,000.
- Manufacturing jobs decreased more than 40,000 through 2010 and then stabilized thereafter. Transportation equipment (mostly shipbuilding and aircraft parts) is the largest manufacturing industry, comprising one-fifth of jobs in the sector. The fast growth areas are beverages (mostly breweries), and chemicals (mostly pharmaceuticals and diagnostics).



Source: [Current Employment Statistics](#) (CES)

Section 3: New Research

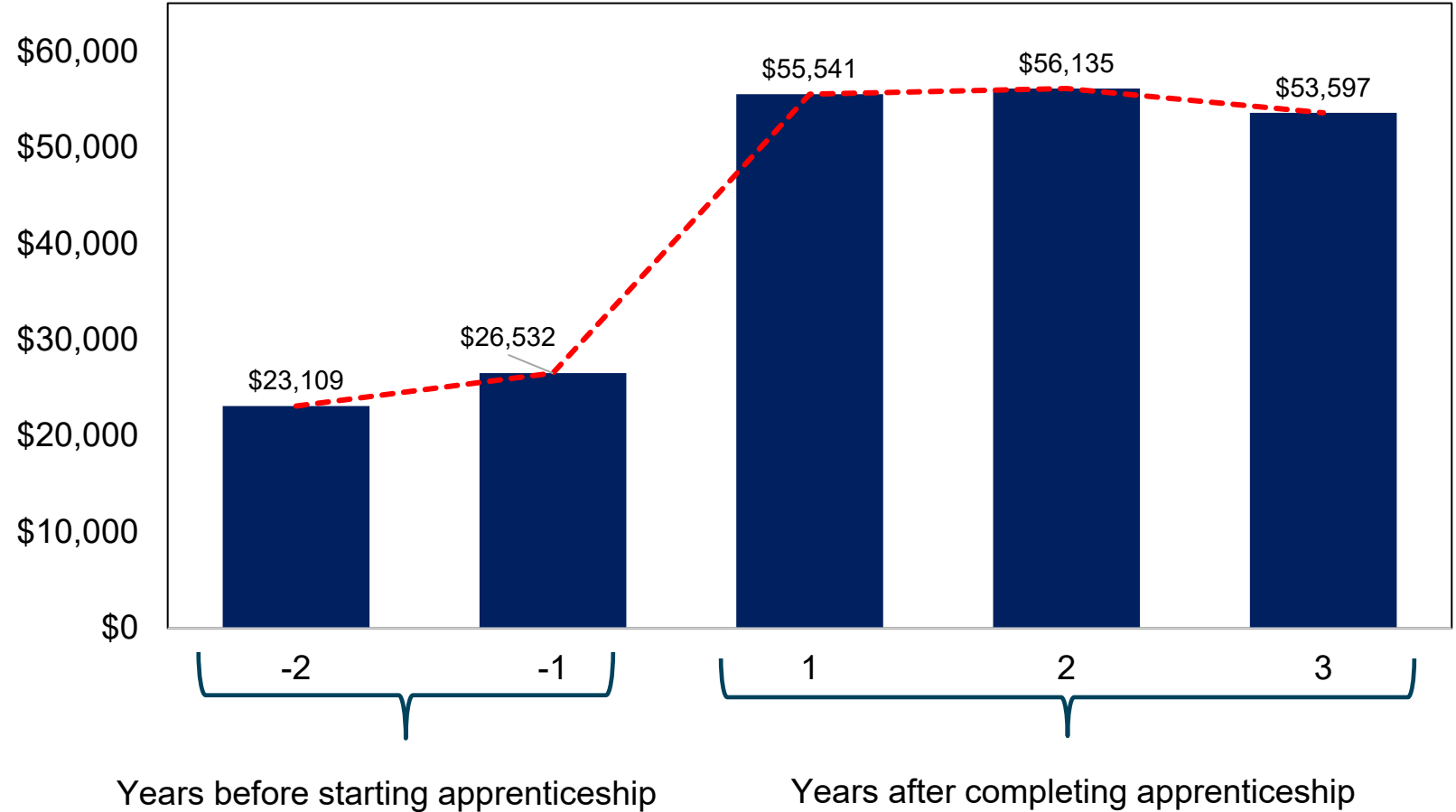
Outcomes of Workforce Program Participants

Maine Apprenticeship Program

- CWRI analyzed employment and earnings of over 850 apprentices that had completed their program between 2017 and October 1, 2023.
- Over 50% of completers trained in either in a construction and extraction or production related occupation.
- Over 25% trained in a health care support or technical occupation.
- Among those who we matched to employment records, the most common occupations were Layout Workers, Metal and Plastic (154), Electricians (126), Nursing Assistants (73), Registered Nurses (63), Medical Assistants (51), Plumbers, Pipefitters, and Steamfitters (39), Morticians, Undertakers, and Funeral Arrangers (33) and Machinists (31).
- Apprentices with full time equivalent earnings increased from 38% one year before entry to 70% one year after completion.
- 74% of all completers were working with their sponsoring employer in the year after they completed the program.

- Apprentices saw significant increases in their wages upon completion of the program.
- Median annual earnings more than doubled the year after completion from the year before entering the program, increasing from \$26,500 to \$55,500 (where earnings in different time periods are adjusted for inflation in 2022 dollars).

Adjusted Median Wage of Completers by Outcome Year



Source: Registered Apprenticeship Partners Information Data System (RAPIDS) system and MDOL Employment and Wage Records.

Notes: These data do not capture jobs in other states among those who may have moved from or to another state or may be commuting to another state for work. As well, these data do not capture employment not covered by Maine unemployment insurance such as federal government, the unincorporated self-employed, or independent contractors.

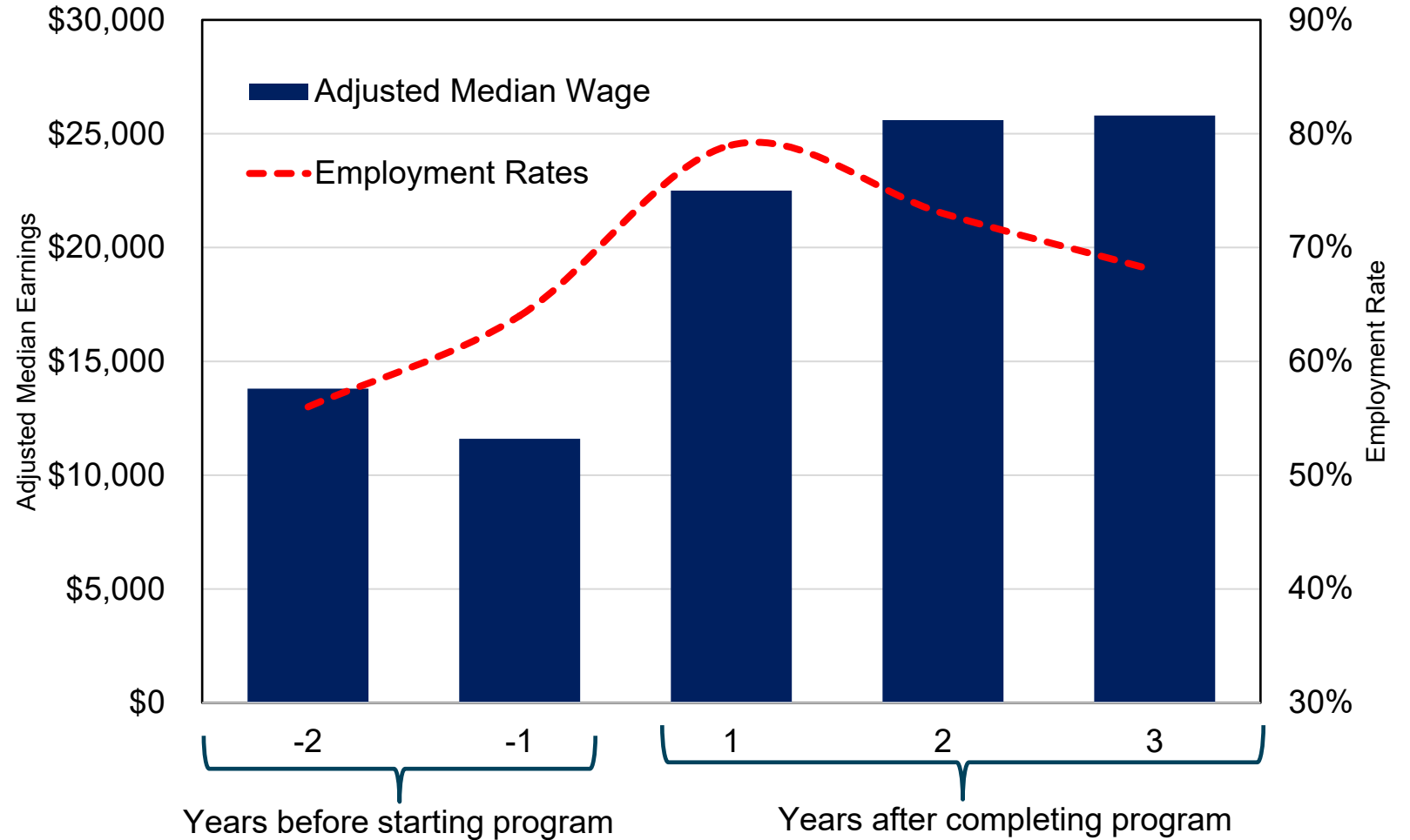
Workforce Innovation and Opportunity Act (WIOA) Adult Program

- The Workforce Innovation and Opportunity Act (WIOA) Adult program serves low-income people who meet certain eligibility criteria through education or skill training to connect to employment, improve job stability and earnings.
- Among those who started the program on or after July 1, 2016 and had completed the program by July 1, 2021, about 1,600 participants completed services through the program.
- The majority were female, under 45 years of age, and had somewhat lower educational attainment than the population of Maine residents.
- A higher than average share were in historically marginalized groups, headed a single parent household, had a disability or faced other barriers to employment.

[Read the full report here](#)

- Earnings had nearly doubled from \$13,800 two years before enrollment to \$25,600 two years after completion (earnings in different time periods are adjusted for inflation in 2021 dollars).
- The share of participants that were employed in Maine increased from 56 percent two years before starting the program to 73 percent two years after completion.

WIOA Adult Program Participant Earnings and Employment Rate



Notes: Wage and employment records from Maine’s unemployment insurance system include a vast majority of employment within the state. These data do not capture jobs in other states among those who may have moved from or to another state or may be commuting to another state for work. As well, these data do not capture employment not covered by unemployment insurance such as unincorporated self-employed or independent contractors.

Summary

- Economic conditions are quite favorable by many measures:
 - characterized by steady growth of jobs and economic output, low unemployment rates and opportunities for job seekers in many sectors.
- The labor market remains tight, challenging employers seeking to hire. Many employers face persistent job vacancies that are difficult to fill.
- Job opening rates and inflation have fallen though remain somewhat elevated.
- Demographic factors are playing, and are expected to continue to play a critical role in shaping workforce and job trends.
- In-migration has offset the population age structure to some extent in recent years.
- Workforce Investment Regions face distinct challenges due to an economic base that has shifted over many decades, long term population and migration trends. The result is a very different set of challenges, barriers to economic opportunity across the three regions and geographic mismatches between people in rural areas, economic opportunities and services.