Maine has had no real GDP growth in the last decade.
More recently, job growth has been slower than the nation in the recovery from the 2008-09. Maine still has fewer jobs than before the recession.
This the slowest recovery since the 1930s depression
Maine’s labor force participation rate is at a 29 year low.

Labor force participation rate is the share of the population age 16+ working or actively seeking work.
On the other hand, the unemployment rate is lower than the U.S. average.
And the share of employed population is higher and has increased faster than the nation in the last five years.
How can we have slower job and GDP growth and declining labor force participation, but a better unemployment rate and faster rising, higher share of employed population than the nation?

Underlying these trends is different population dynamics and age structure
After consistently rising for generations, the population in Maine has been virtually unchanged the last six years...
This is because the number of births per year is way down and the number of deaths is rising. We no longer have natural population growth.
And net-migration is down to near zero per year
Plunging births in the 1990s caused the median age in Maine to surge from close to the U.S. average 25 year ago to the highest in the nation...with NH & VT right behind us.
Birth rates are down throughout the nation, but much more in Maine and northeastern states than other regions...

Why?
We now have a very advanced age structure with a high share of population in their 60s, soon to exit the workforce, and the low share of young people to replace them.
Workforce Outlook
Through 2022, the total population is not expected to change, but the number of seniors is expected to rise significantly while the prime working-age population declines.
This is important because labor force participation differs by age. The 25 to 54 age group that has the highest attachment to the workforce is declining.
As a result, for the first time we forecast that the size of the labor force will decline through 2022.

![Bar chart showing the change in civilian labor force from various periods.]

- 16% for 1962-72
- 22% for 1972-82
- 23% for 1982-92
- 6% for 1992-02
- 4% for 2002-12
- -1% for 2012-22
The labor force peaked in the middle of 2013.

Baby boomers beginning to exit workforce

Baby boomers entering workforce
Index of GDP in 2013 \(1975=100\)

- **United States**
- **Maine**
Aging is constraining our growth potential for jobs, GDP, and total income as well. The tightening labor market will create a more competitive landscape for employers to attract staff. This should lead to rising wages – and a very favorable situation for young people.
Industry Job Trends & Outlook
Employment has long been shifting from businesses that produce goods to those that provide services.
<table>
<thead>
<tr>
<th></th>
<th>1953</th>
<th>1983</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>276</td>
<td>425</td>
<td>602</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>115</td>
<td>109</td>
<td>50</td>
</tr>
<tr>
<td>Manufacturing Share of Jobs</td>
<td>42%</td>
<td>26%</td>
<td>8%</td>
</tr>
<tr>
<td>Lumber</td>
<td>20</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Paper</td>
<td>18</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Textiles</td>
<td>24</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Leather</td>
<td>20</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>4 Heritage Mfg Industries</td>
<td>82</td>
<td>59</td>
<td>18</td>
</tr>
<tr>
<td>Heritage Share of Jobs</td>
<td>30%</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>?</td>
<td>35</td>
<td>101</td>
</tr>
<tr>
<td>Healthcare Share of Jobs</td>
<td>?</td>
<td>8%</td>
<td>17%</td>
</tr>
</tbody>
</table>
Growth is primarily expected in healthcare, professional services, and hospitality, offset by declines in manufacturing and government. Little net job change is expected in most other sectors.

*Projected change in jobs by sector, 2012-2022*

- Health Care & Social Assistance: +13,100 jobs
- Professional & Business Services: +3,500 jobs
- Leisure & Hospitality: +2,400 jobs
- Retail Trade: +1,200 jobs
- Construction: +500 jobs
- Educational services: +500 jobs
- Wholesale Trade: +300 jobs
- Transportation & Warehousing: +300 jobs
- Other Services: +200 jobs
- Financial Activities: +200 jobs
- Natural Resources & Mining: +0 jobs
- Utilities: -200 jobs
- Information: -800 jobs
- Government: -2,900 jobs
- Manufacturing: -4,400 jobs
Occupational Job Trends & Outlook
The occupational structure of employment has shifted away from blue-collar jobs.
Skill Demands are Changing

- **High Skill Occupations** – Functions require analytical ability, critical thinking, problem solving, reasoning, and creativity. Most require post-secondary education.

- **Middle Skill Occupations** – Routine and repetitive tasks that tend to be procedural. Often require on-the-job or other forms of training.

- **Low Skill Occupations** – Physical work that cannot be (or has not yet been) automated. Limited educational requirements.
Growth is expected to continue to be concentrated in occupations that require post-secondary education that pay well and in low-skill, low-paying occupations.
The work attributes valued in growing occupations are very different from those in declining occupations.

Examples of knowledge, skill, and ability requirements:

<table>
<thead>
<tr>
<th>Growing Occupations</th>
<th>Declining Occupations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical thinking, problem solving, decision making,</td>
<td>Machinery operation, equipment inspection, tool selection, physical strength,</td>
</tr>
<tr>
<td>mathematics, reading comprehension, deductive reasoning,</td>
<td>following instructions, manual dexterity, clerical functions</td>
</tr>
<tr>
<td>processing information, analyzing data</td>
<td></td>
</tr>
</tbody>
</table>
Veterans
Labor force participation of Veterans is lower than for non-Veterans
Though participation of Vets is higher in most age groups. The average is lower because a much larger share of Vets are retirement age.
Unemployment rates continue to trend lower for Vets and non-Vets. Estimates for Vets are based on small data samples, so there is more variability.