

Maine Workforce Conditions & Outlook

Presented to the Joint Standing Committee on
Labor, Commerce, Research, and Economic Development
January 29, 2013

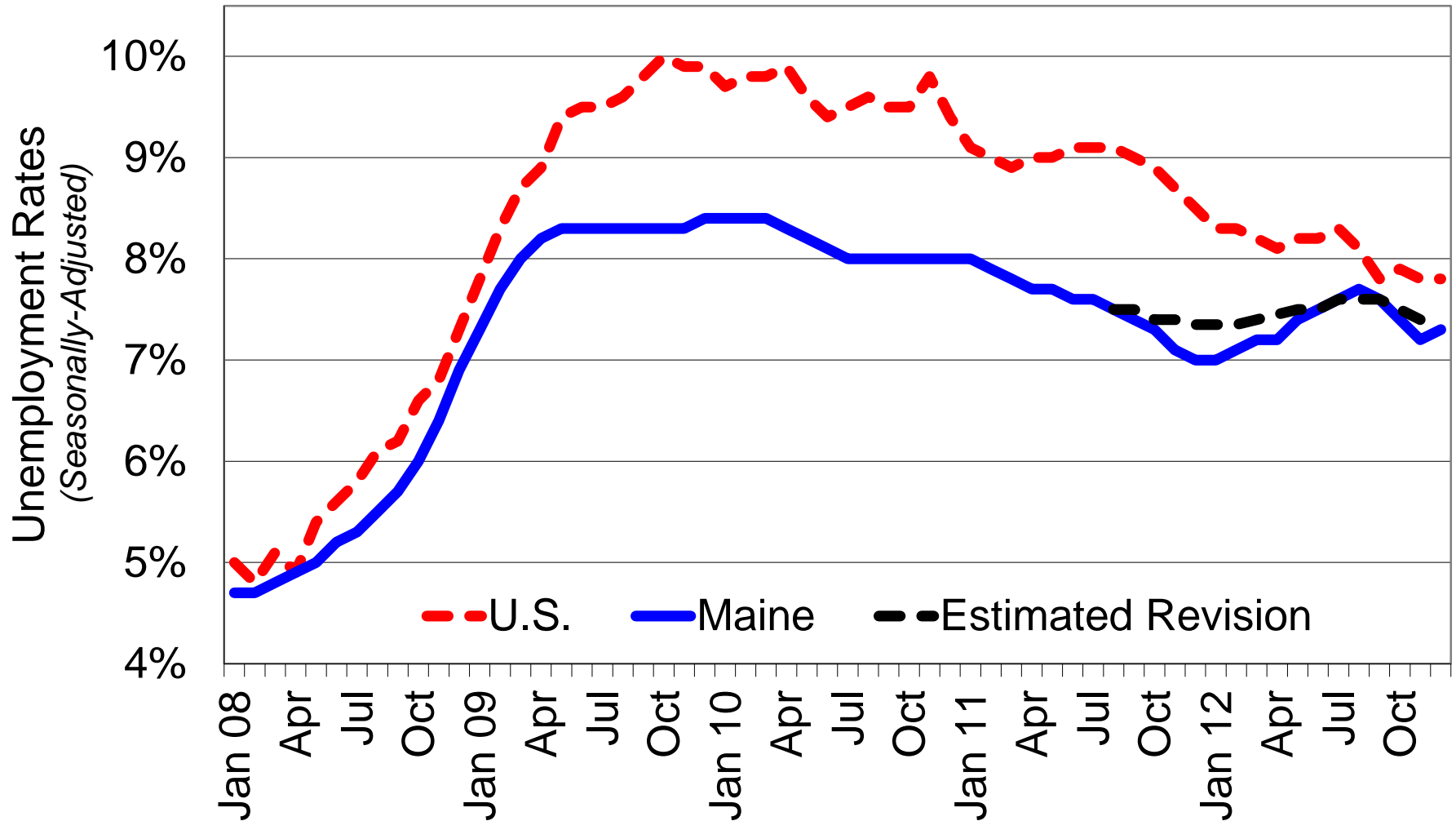
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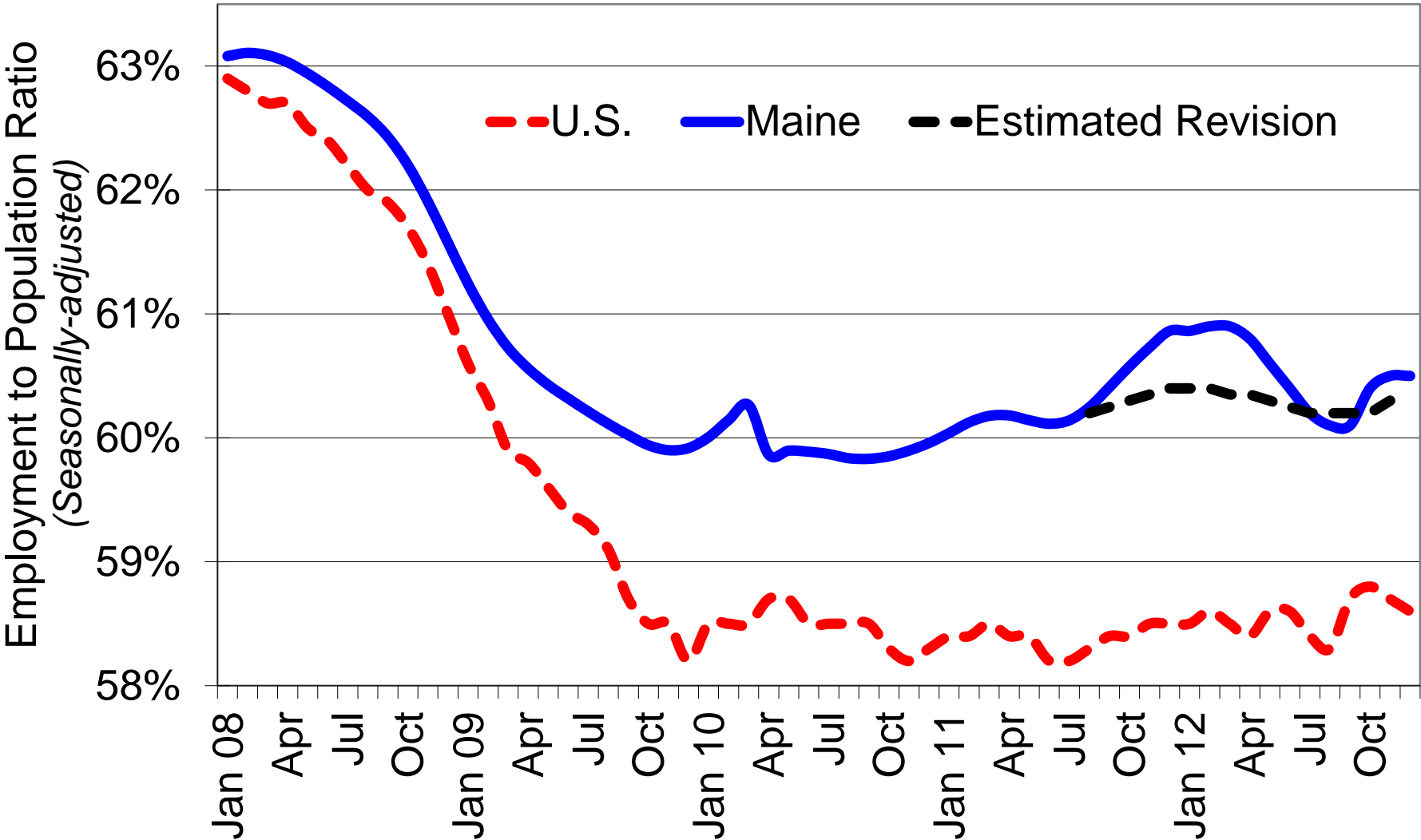
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Recent trends
in Maine...
where are we in
the recovery?

Unemployment rates have trended lower the last three years, the U.S. rate more than Maine's. Is this due to faster job growth for the nation?

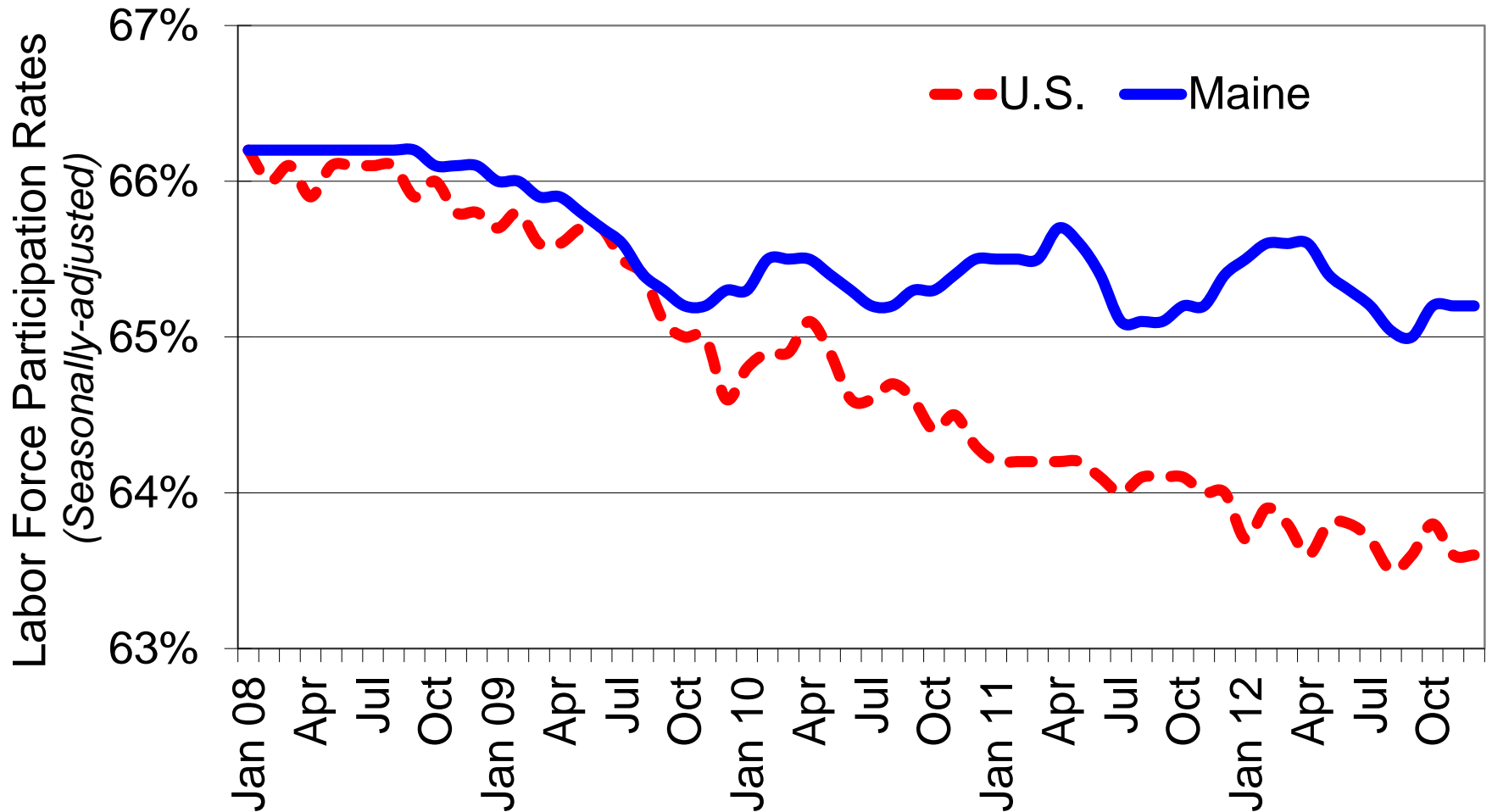


No! The share of the population that is employed is up modestly since 2010 – slightly more than the nation. Maine continues to have a higher share of employed population.



The U.S. unemployment rate declined due to millions leaving the labor force. Participation in Maine is down in-line with baby boomers aging to retirement. Demographically speaking, U.S. participation should be much higher than Maine.

(Jobless people not looking for work are not counted as unemployed; they are not in the labor force)



If U.S. labor force participation were as high as Maine's rate
the national unemployment rate would be near 10%;
if Maine participation were as low as the national rate
our unemployment rate would be near 5%

Unemployment Rate Estimates for December 2012 for Alternative Labor Force Participation Scenarios

	U.S.	Maine
Current Labor Force Participation Rate	63.6%	65.2%
Official Unemployment Rate	7.8%	7.3%

Unemployment rates under alternative participation scenarios:

65.2% (current for Maine)

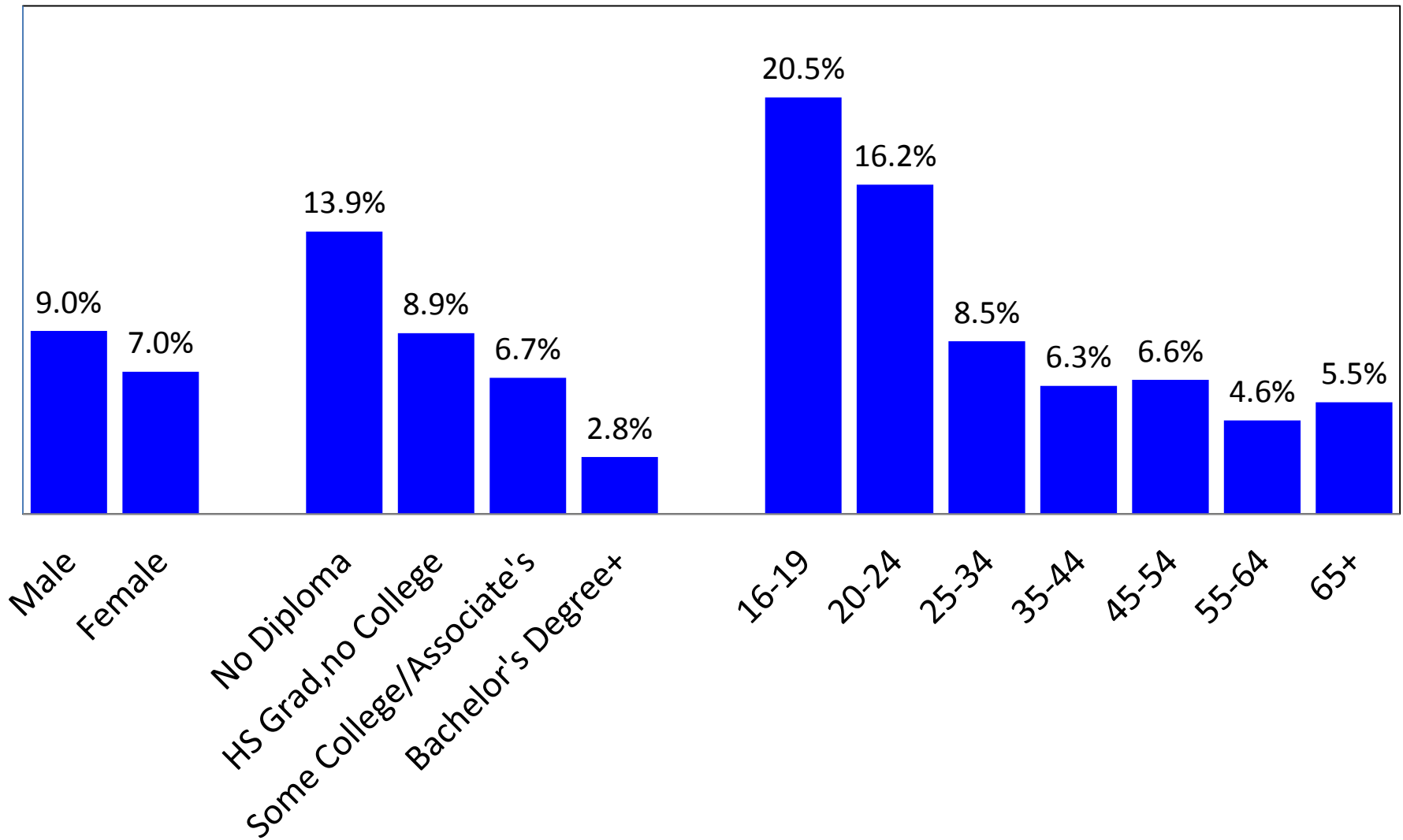
10%

63.6% (current for U.S.)

5%

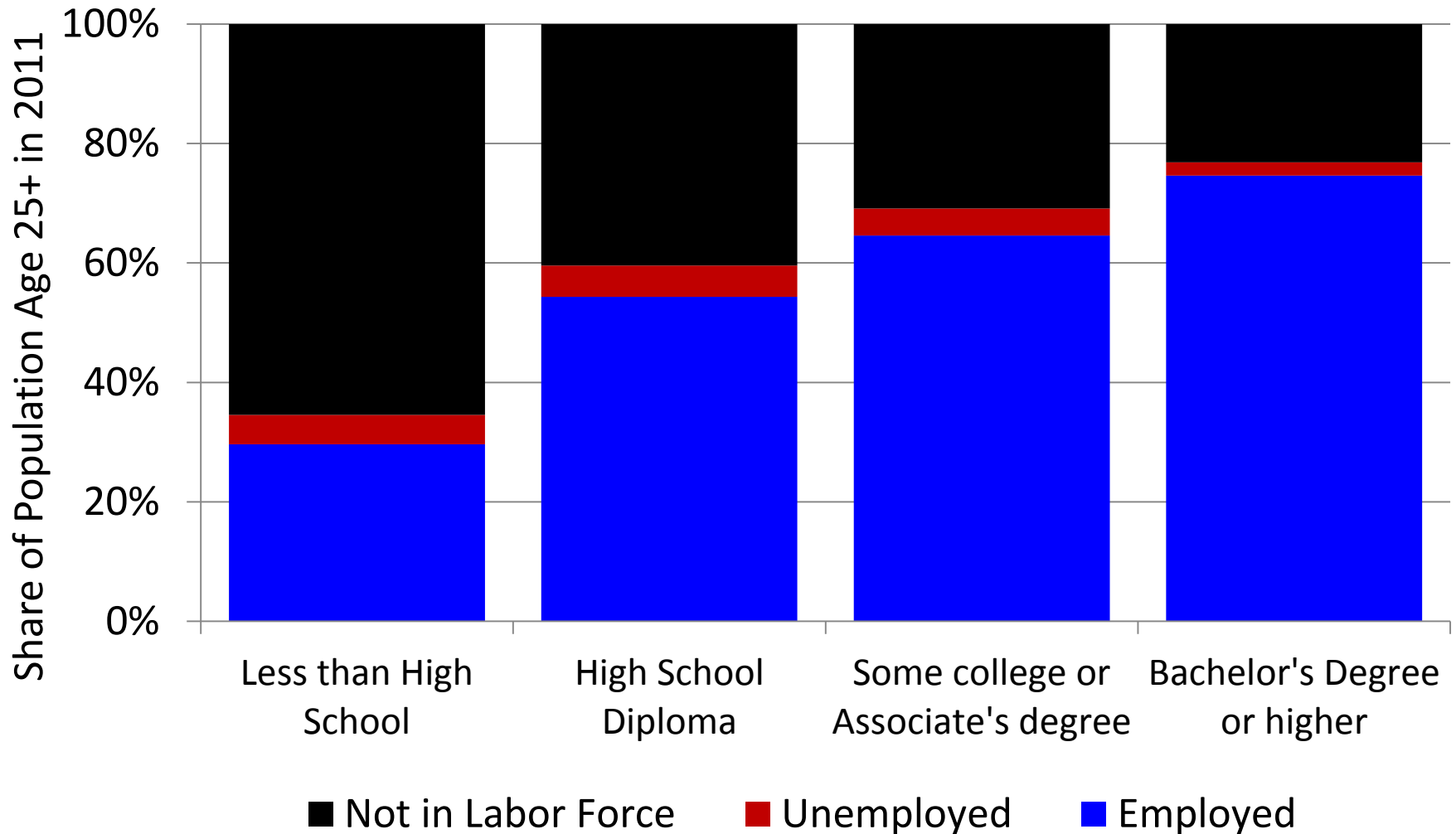
Unemployment is highest among those without post-secondary education and young people...

(2011 average unemployment rates in Maine)

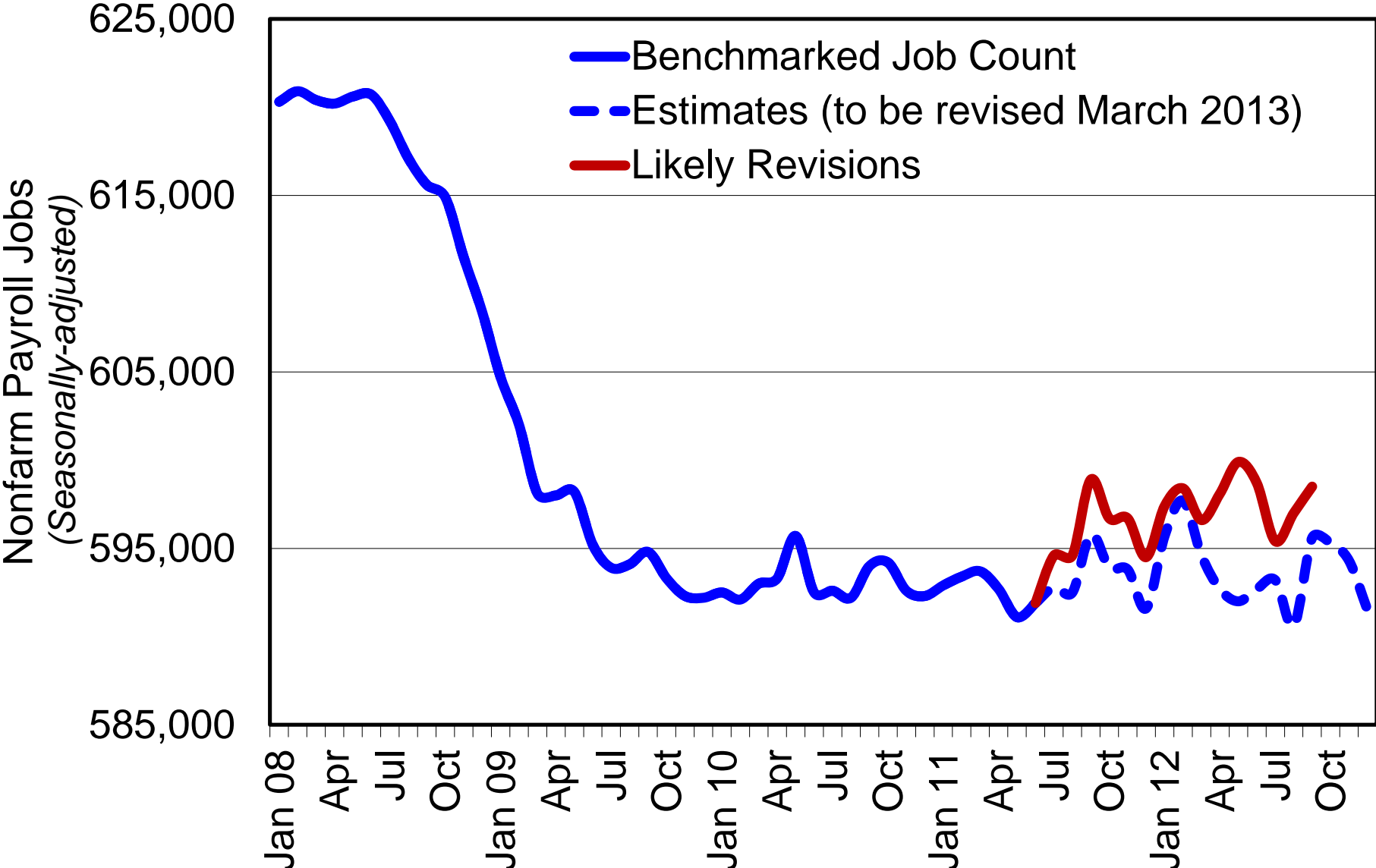


...Unemployment rates only reflect part of non-employment. Those without post-secondary education are less likely to be in the labor force.

(Jobless people not looking for work are not in the labor force)

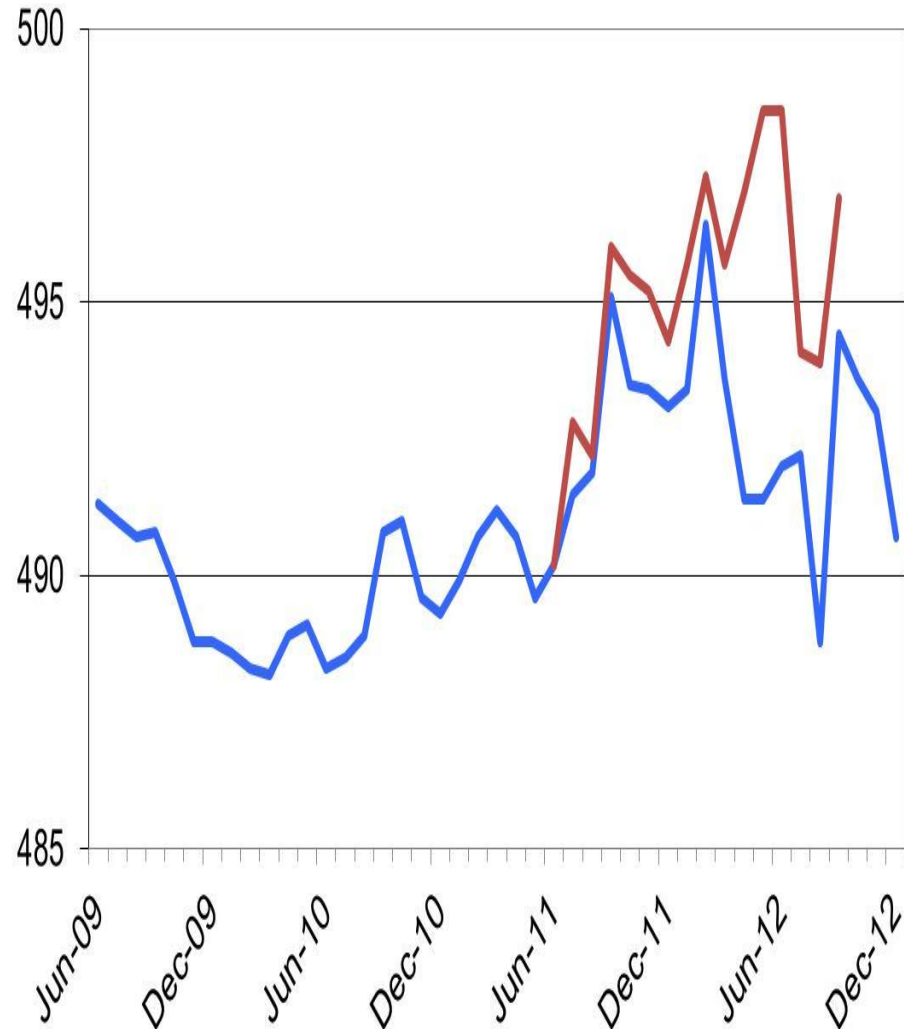


Maine lost nearly 30,000 jobs before stabilizing in 2010. Since mid 2011 we're up 5,000 to 6,000 jobs.

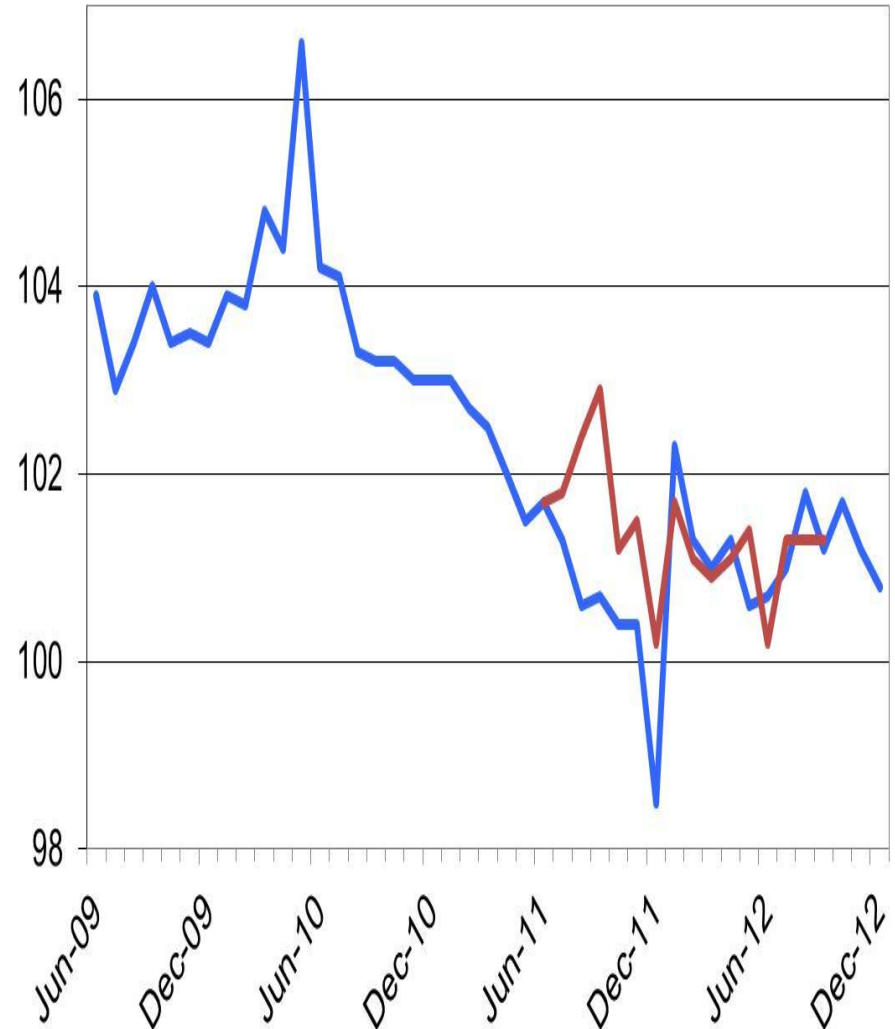


Private sector job growth is being partially offset by continuing declines in government

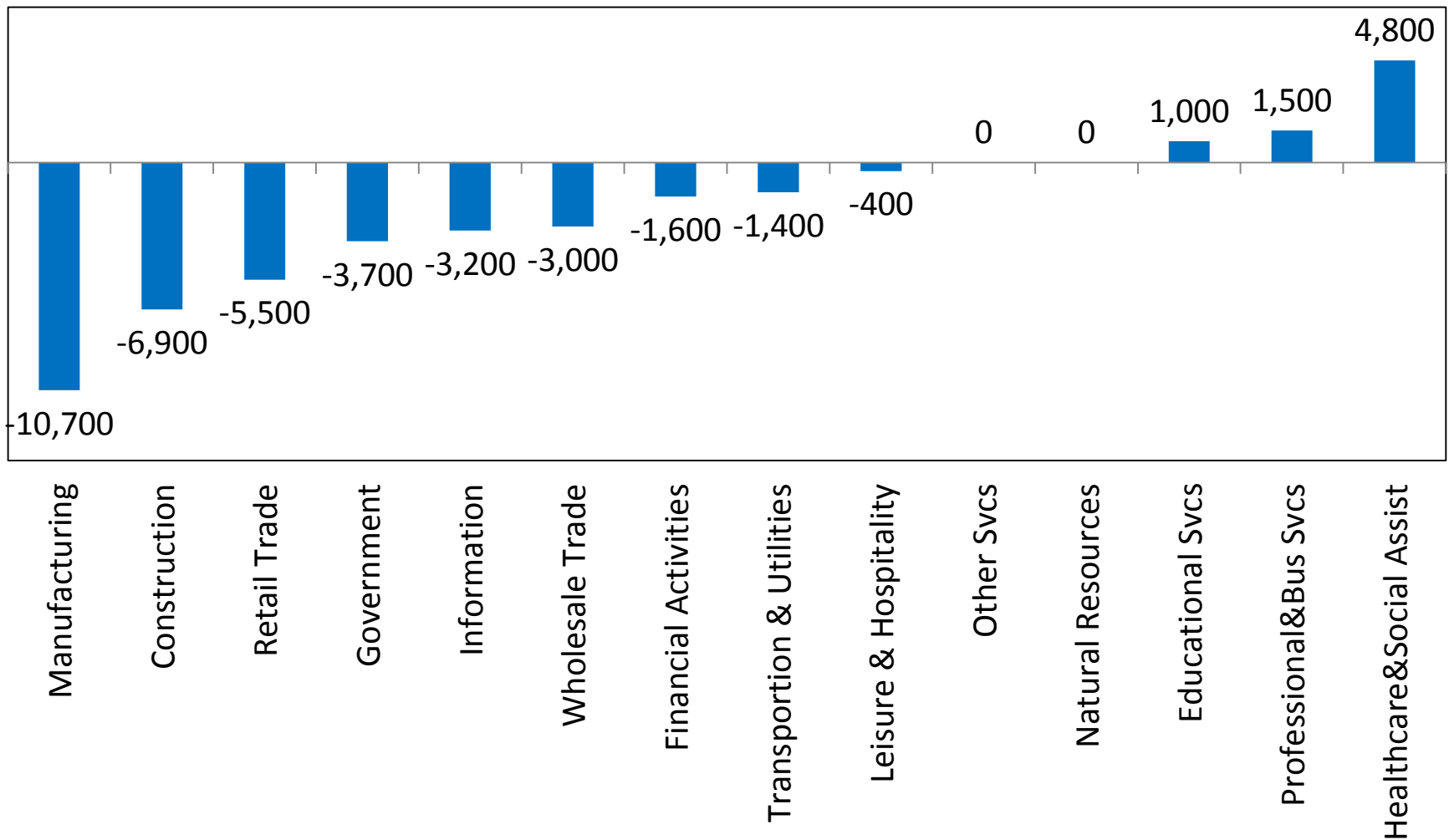
Private Sector Jobs (in thousands, seasonally-adjusted)



Government Jobs (in thousands, seasonally-adjusted)

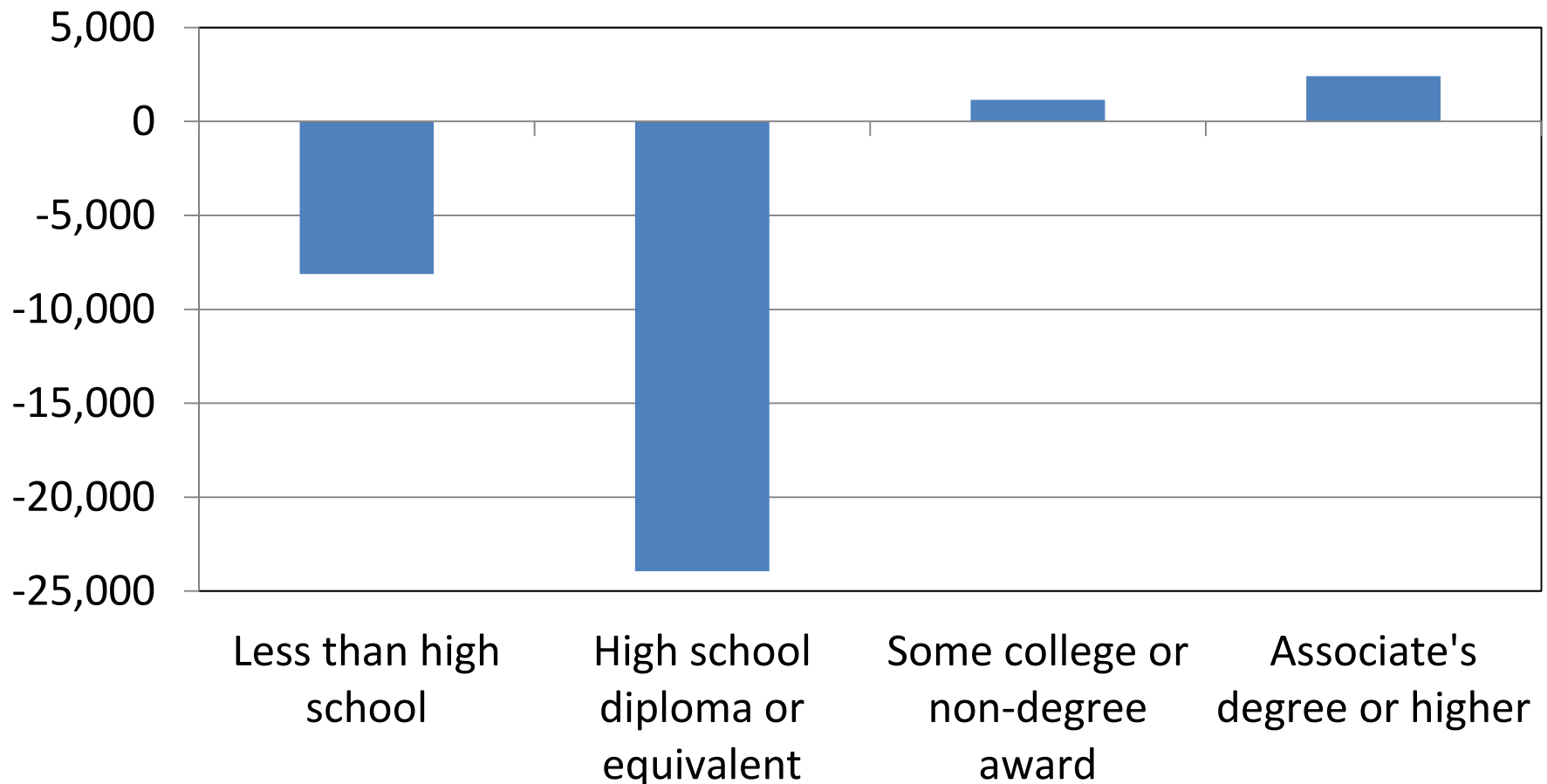


Sectors that have shed the most jobs involve making, moving or selling goods, as well as state & local gov't; sectors adding jobs are human capital intensive...
(Change in jobs from Dec 2007 to Dec 2012, seasonally-adjusted)

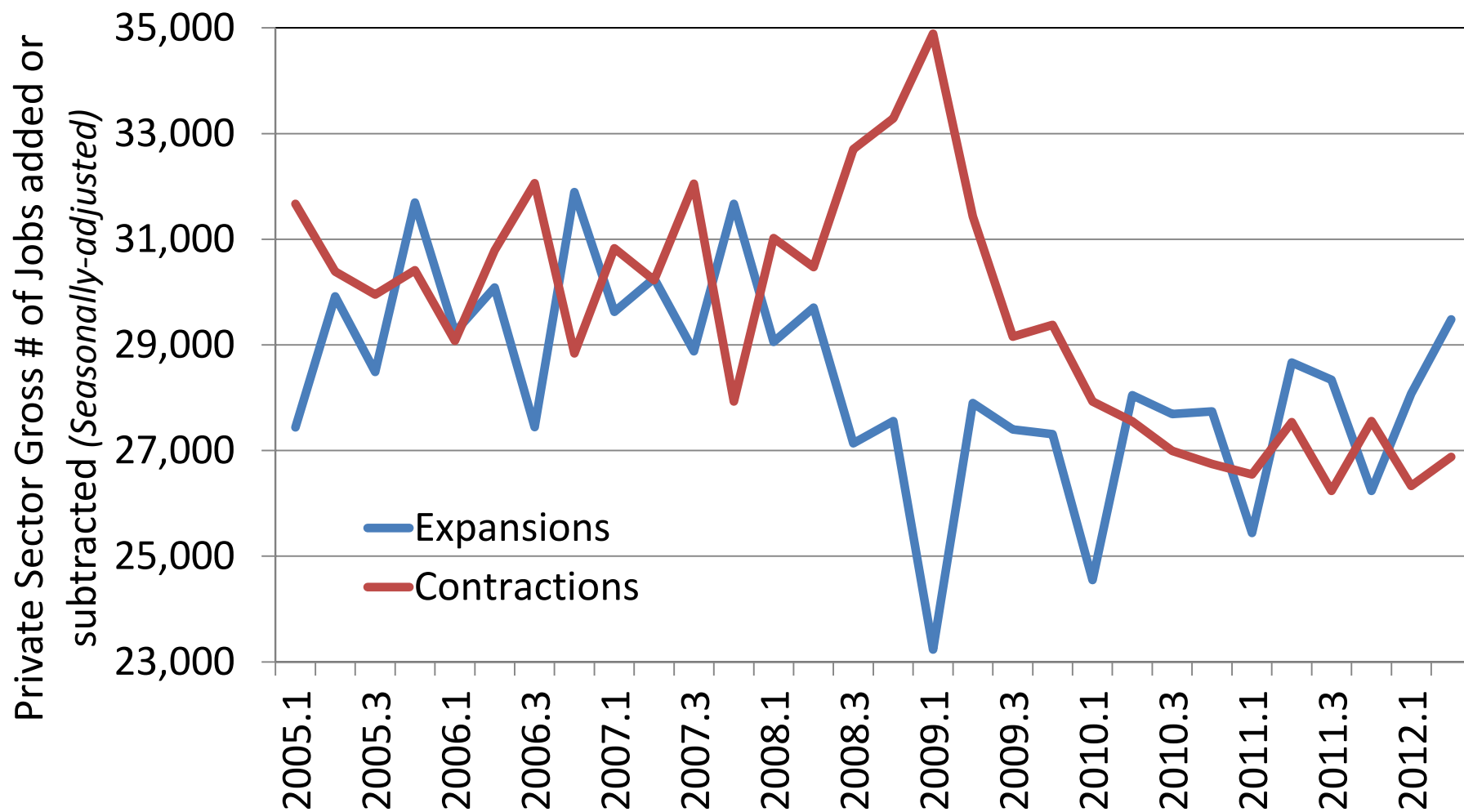


...The result of this trend has been significant displacement from occupations that do not require post-secondary education; jobs in occupations that do require post-secondary education have added jobs

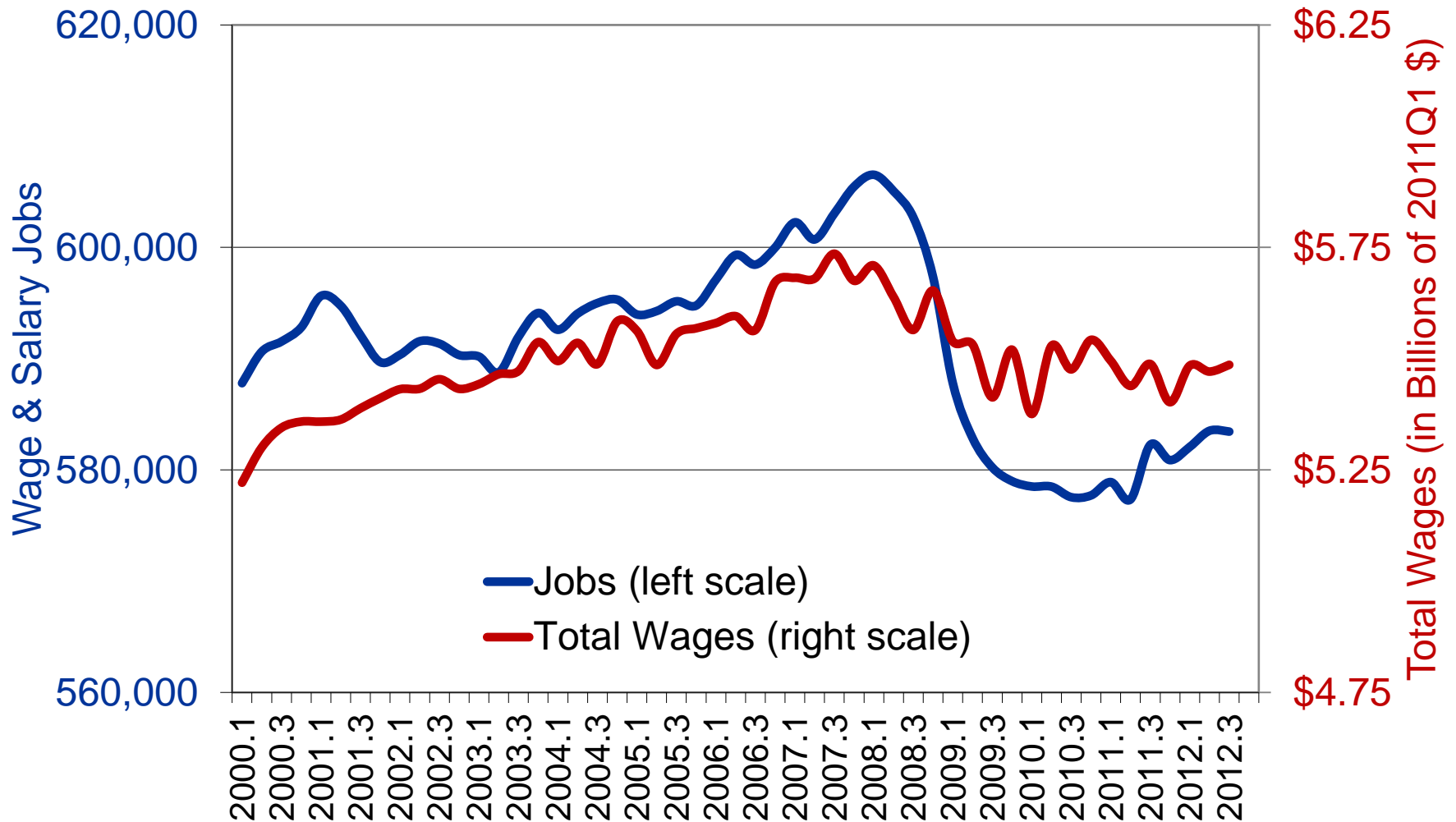
(These are rough estimates of the change in jobs by educational requirement from 2007 to 2011. This not official data.)



Since the recession job losses from business contractions have trended lower; job gains from expansions have trended up modestly...both remain below pre-recession levels. We have not yet returned to normal levels of job churn.

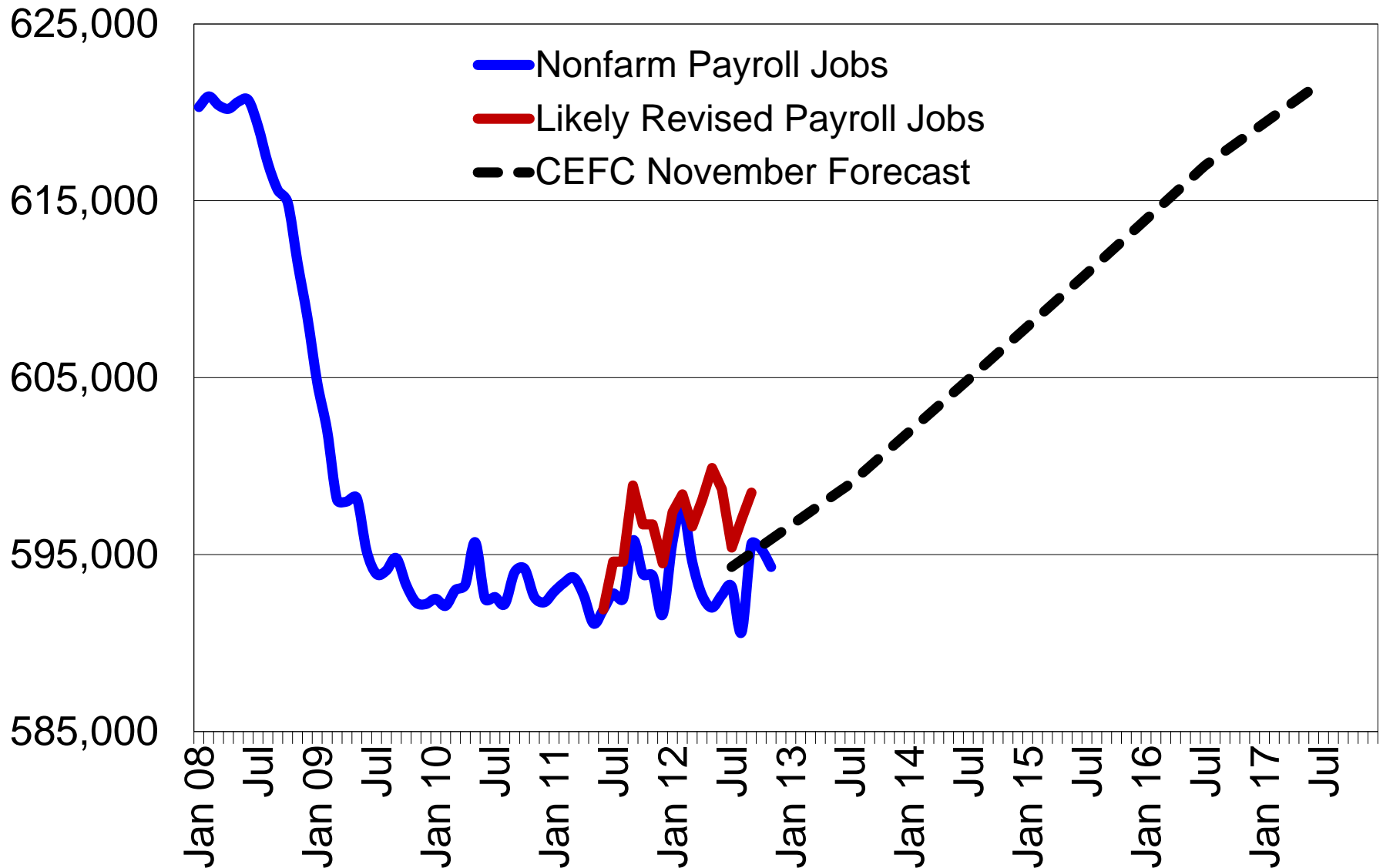


Total wages paid did not decline as much as jobs during the downturn, stabilized before job losses were stemmed, but have not rebounded significantly in the recovery
(wages inflation-adjusted)



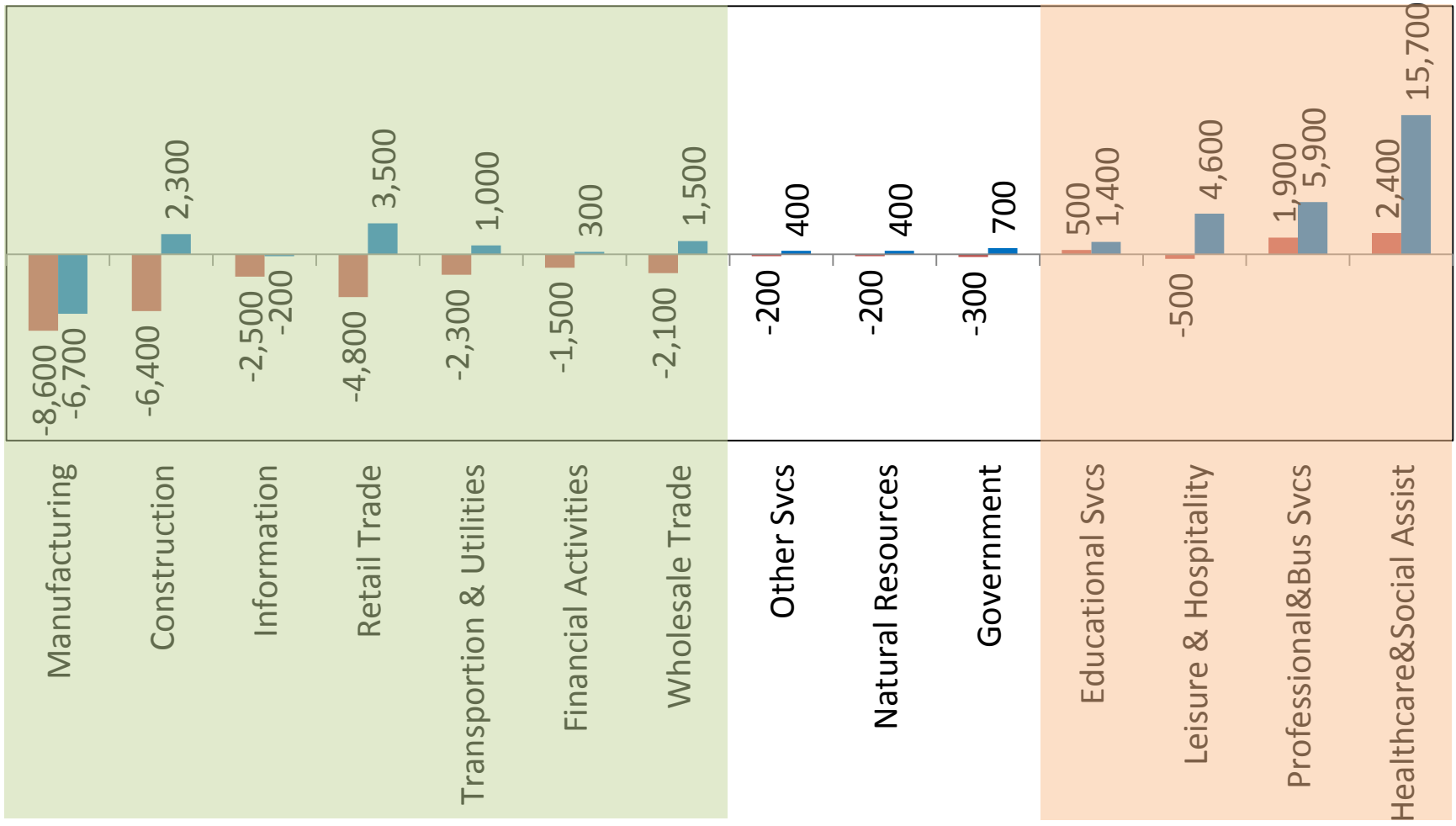
Job outlook & the demographic challenge

The Consensus Economic Forecasting Commission expects us to return to pre-recession job levels in 2017

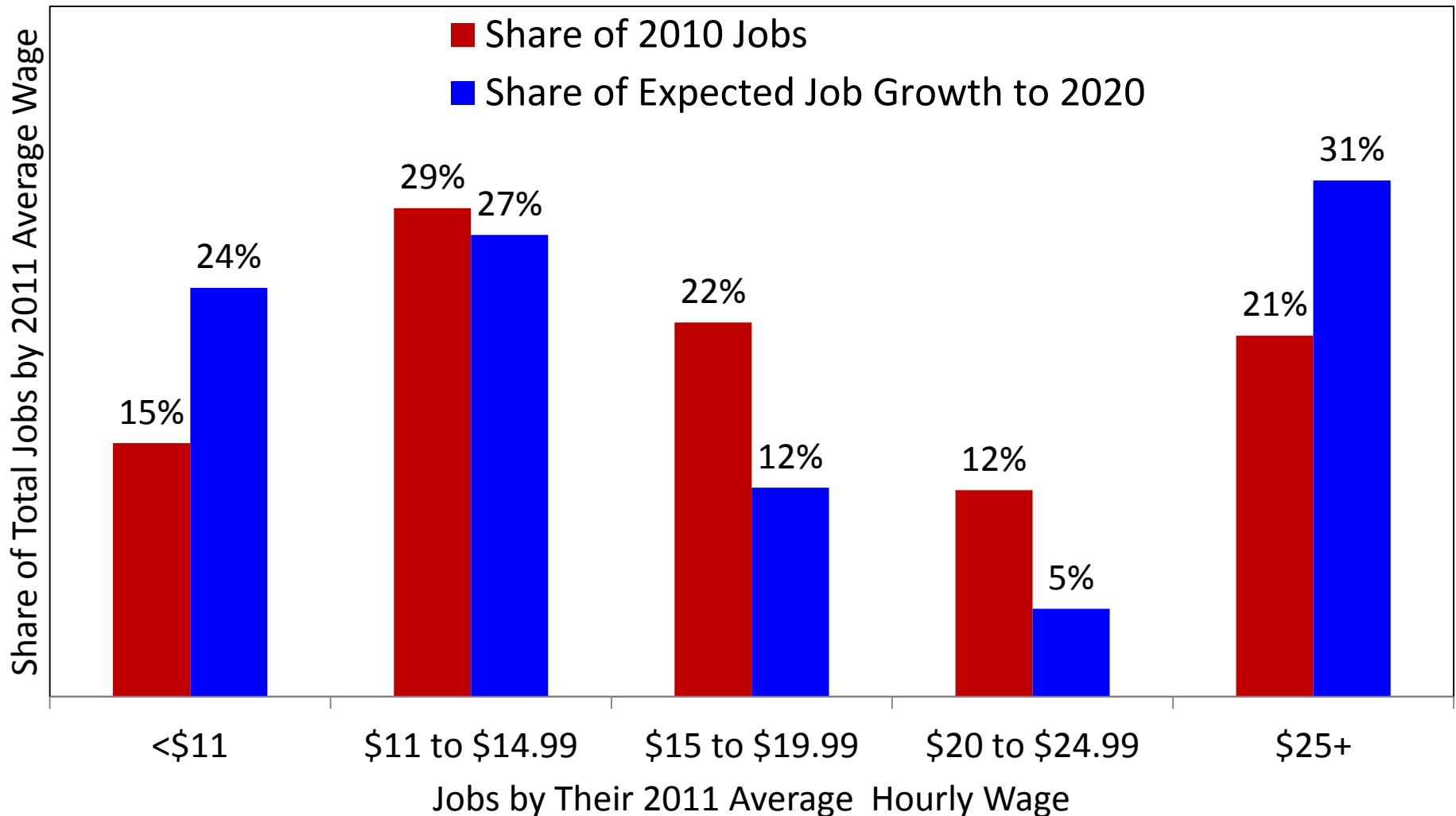


The outlook to 2020 is for job growth in most sectors, but only four are expected to have significantly more jobs than the pre-recession peak

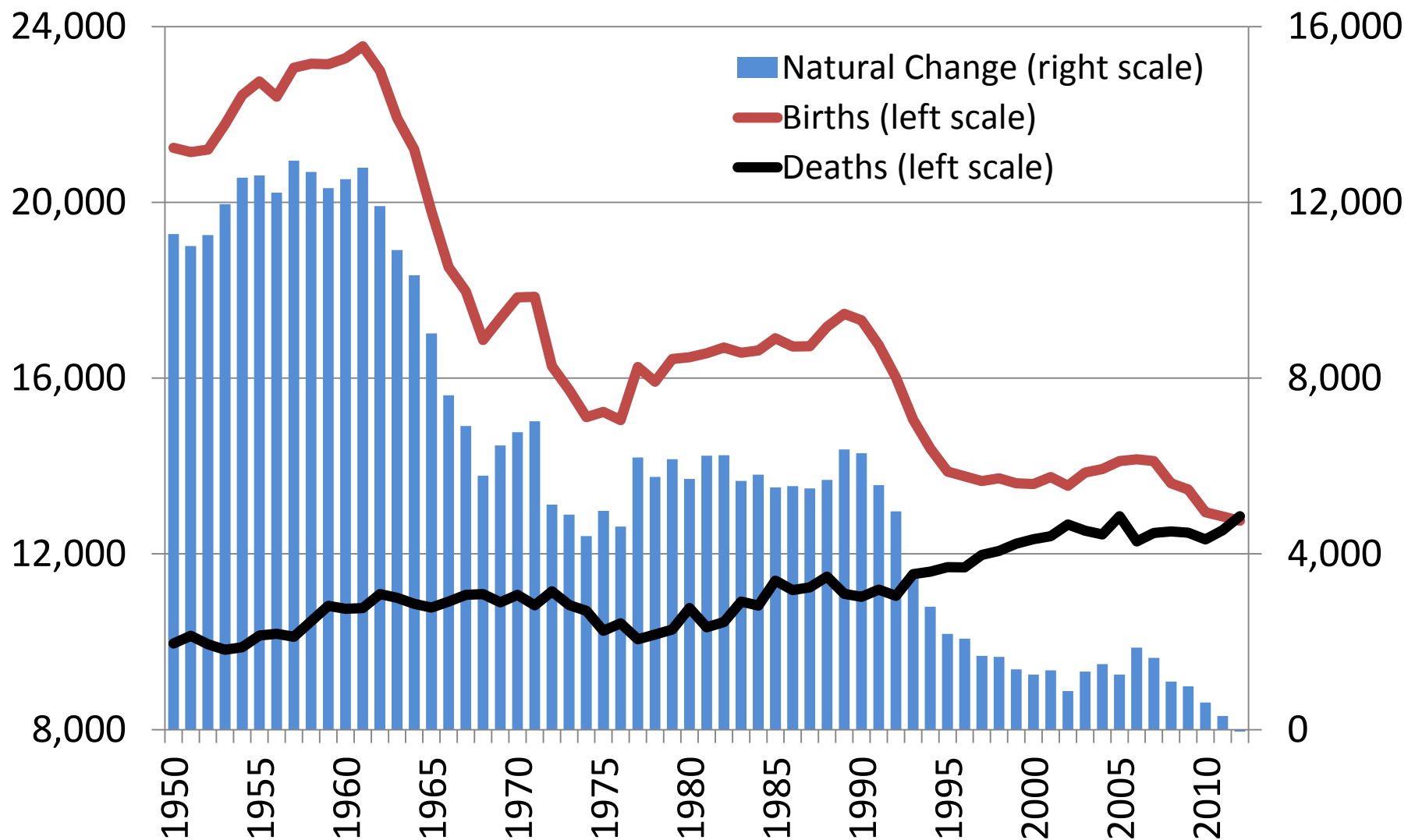
■ 2007 to 2010 ■ Outlook 2010 to 2020



Job growth is expected to be concentrated in occupations with high education & skill requirements at the upper end of the earnings spectrum and in occupations with limited skill requirements at the bottom of the earnings spectrum



We no longer have positive natural change, a trend that is expected to worsen as baby boomers advance in age.



The prime working-age population is declining...
and we're already the oldest state in the nation
(projected population change by age group, 2010 to 2020)

