

Maine Workforce Conditions and Outlook

Presented to the
Mid-Maine Chamber of Commerce
January 10, 2013

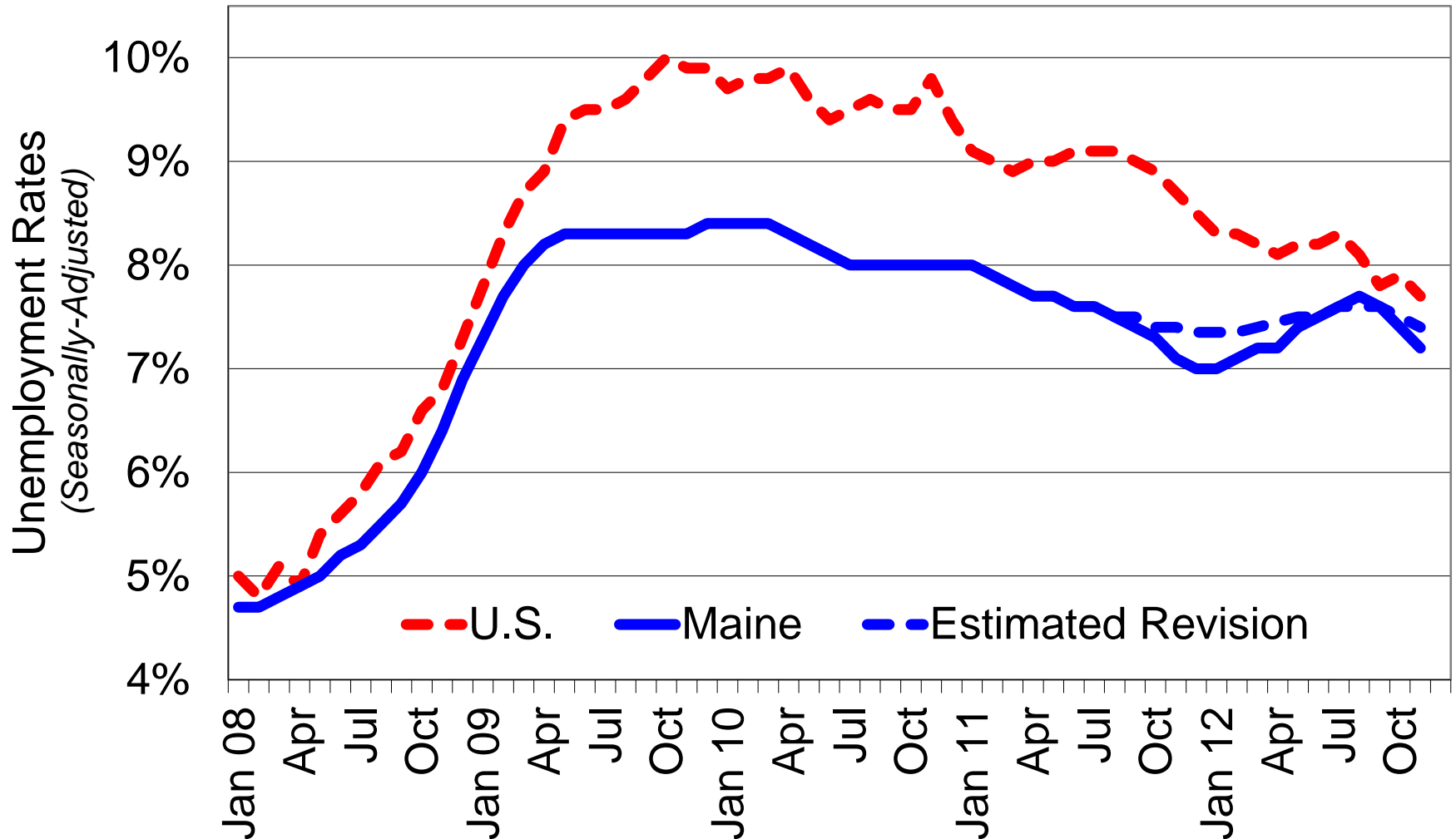
Glenn Mills
Chief Economist
Center for Workforce Research
Maine Dept. of Labor
www.maine.gov/labor/cwri/

Glenn.mills@maine.gov

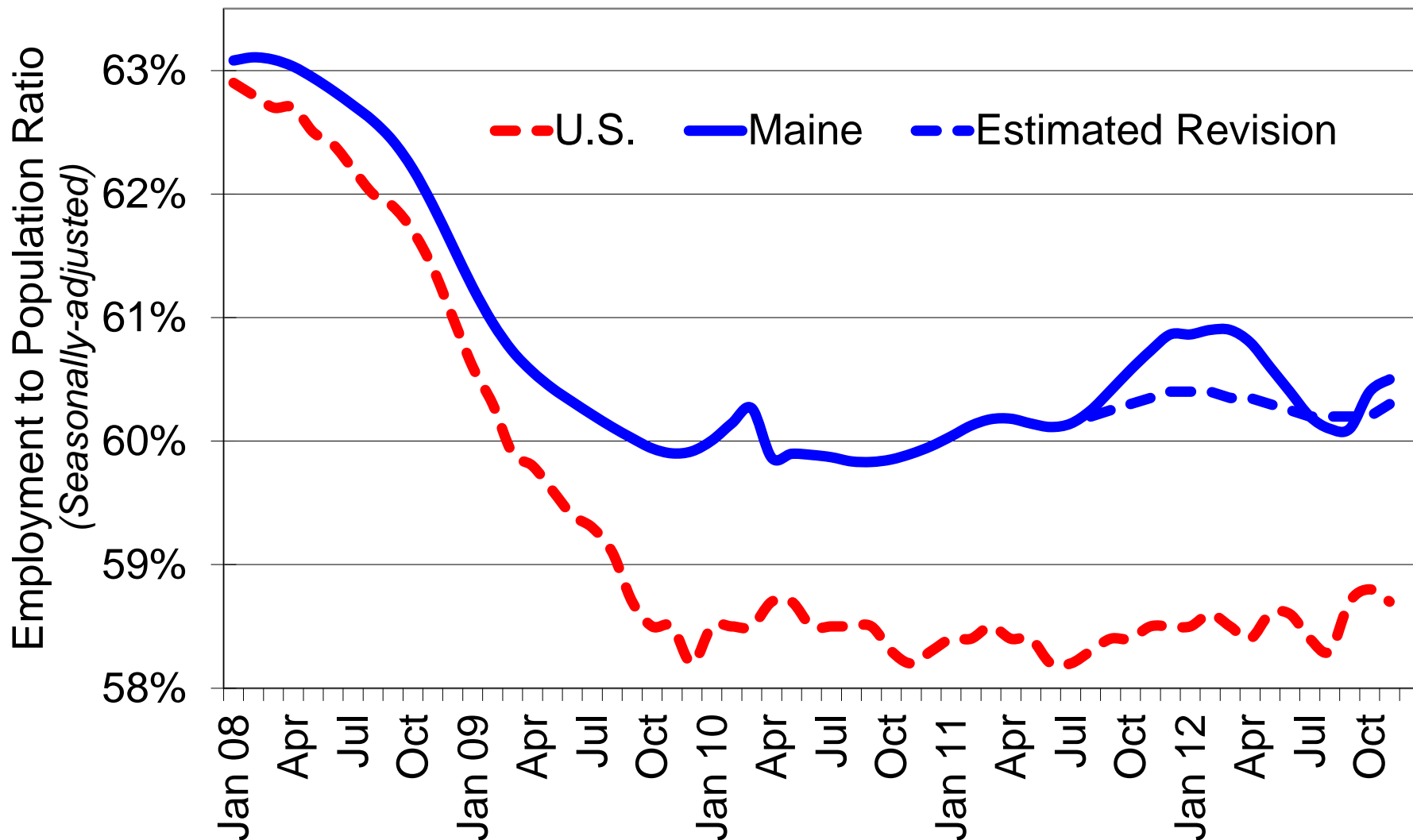
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Recent trends
in Maine...
where are we in
the recovery?

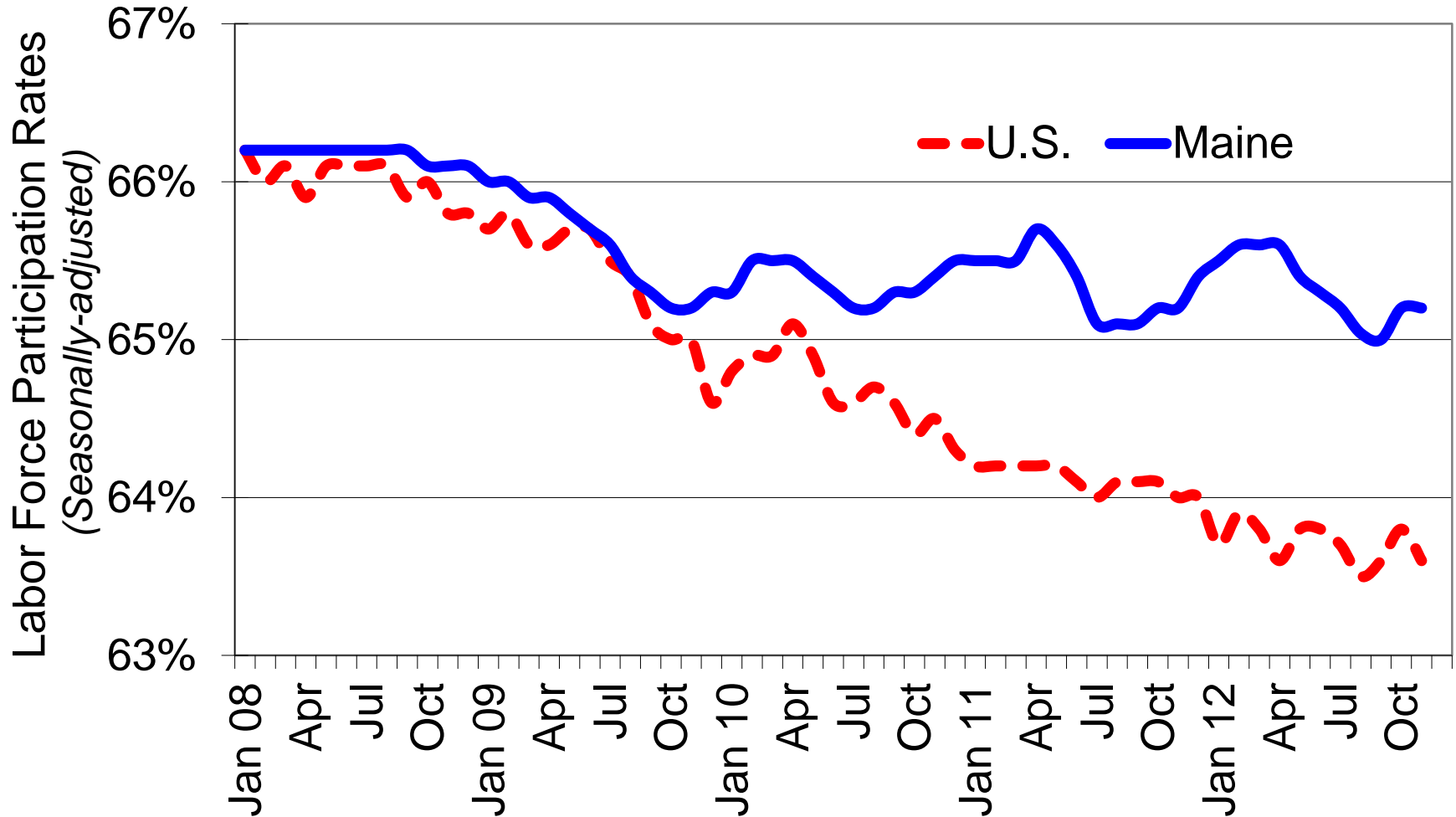
Unemployment rates have trended lower the last two years. The U.S. rate is down more than Maine's rate. Is our recovery is lagging the nation?



NO! Maine continues to have a higher share of employed population and the gap has increased slightly



The U.S. unemployment rate has declined because millions have left the labor force. Maine's labor force participation rate has not declined near as much. (*Jobless people not actively looking for work are not counted as unemployed – they are not in the labor force*)



If U.S. labor force participation matched Maine's the national unemployment rate in November would have been 10.0%; if Maine participation were as low as the nation our unemployment rate would have been 4.9%

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

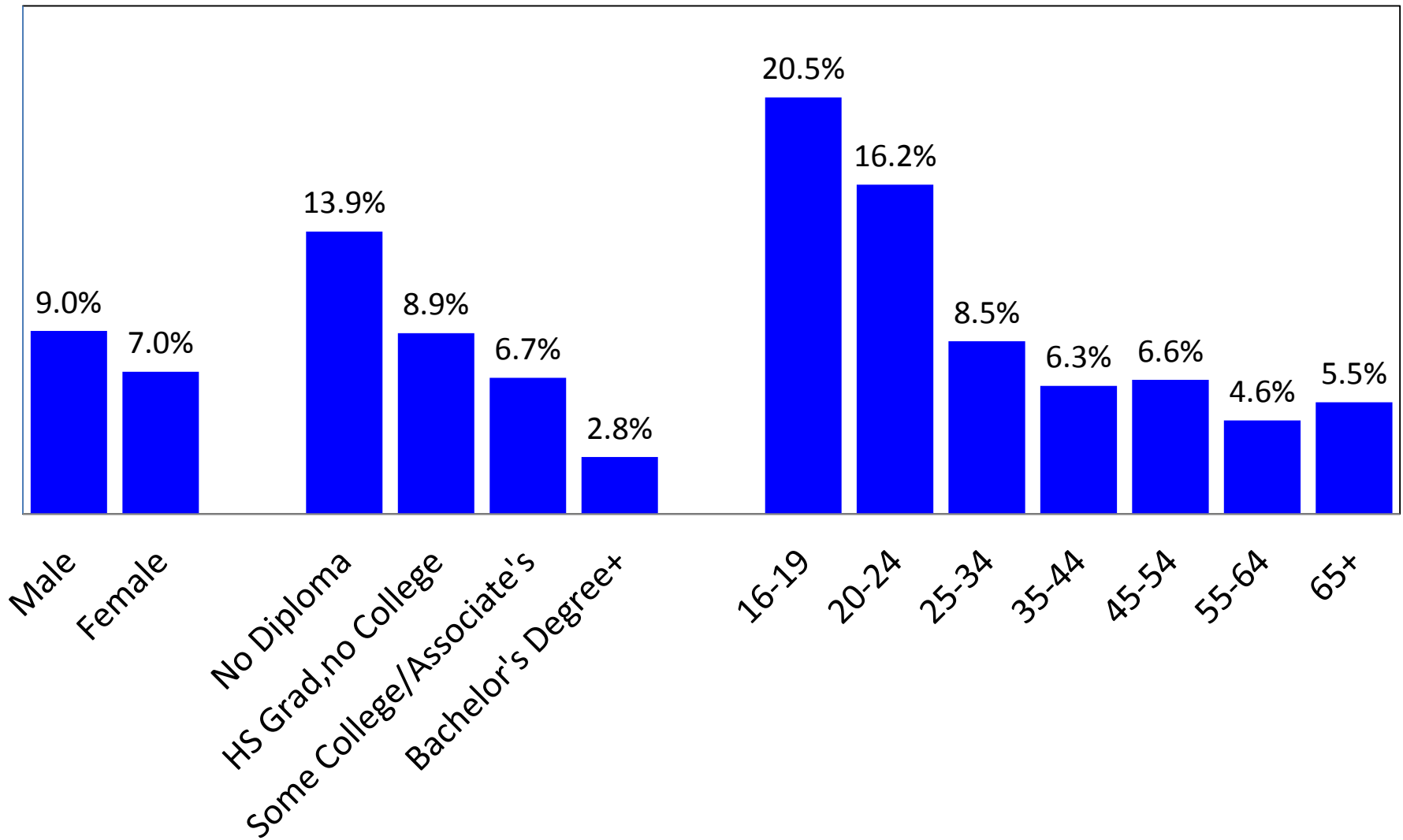
	U.S.	Maine
Current Labor Force Participation Rate	63.6%	65.2%
Official Unemployment Rate	7.8%	7.2%

Unemployment rates under alternative participation scenarios:

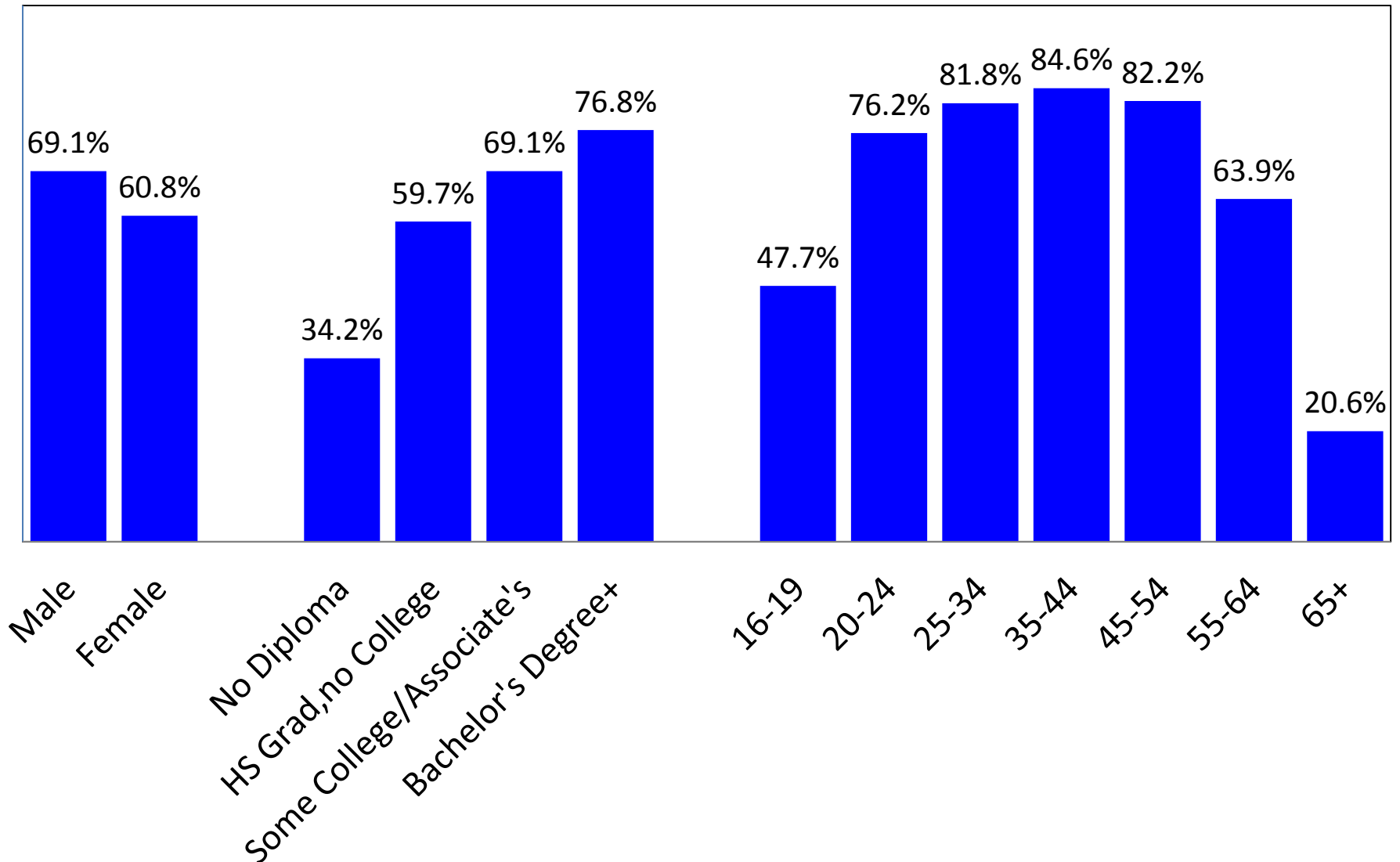
65.2% (current for Maine)	10.0%	7.2%
63.6% (current for U.S.)	7.8%	4.9%
66.2% (January 2008 for both Maine & U.S. at beginning of recession)	11.4%	8.6%

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

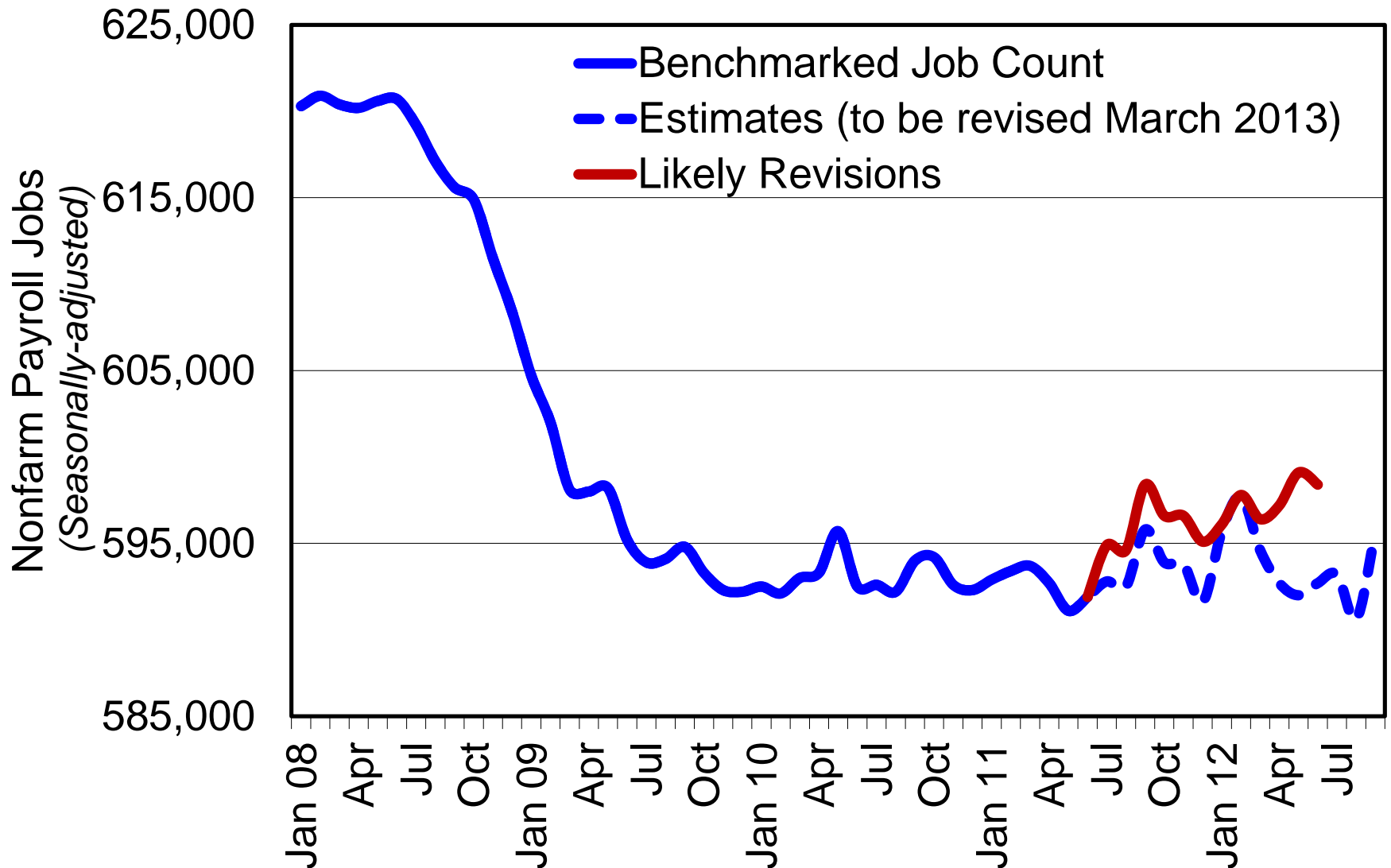
(2011 average unemployment rates in Maine)



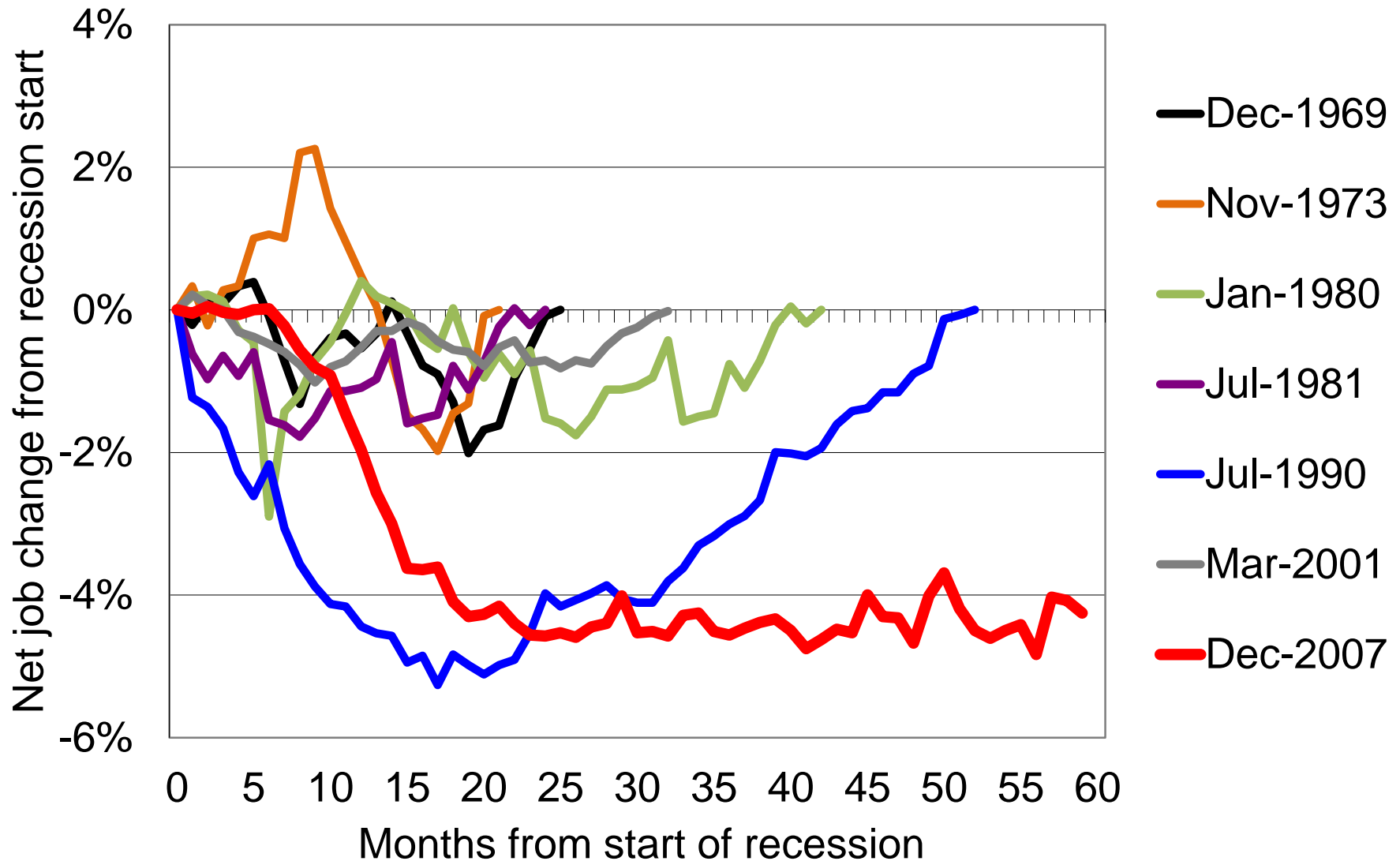
...who are less likely to be in the labor force or employed (2011 average labor force participation rates in Maine)



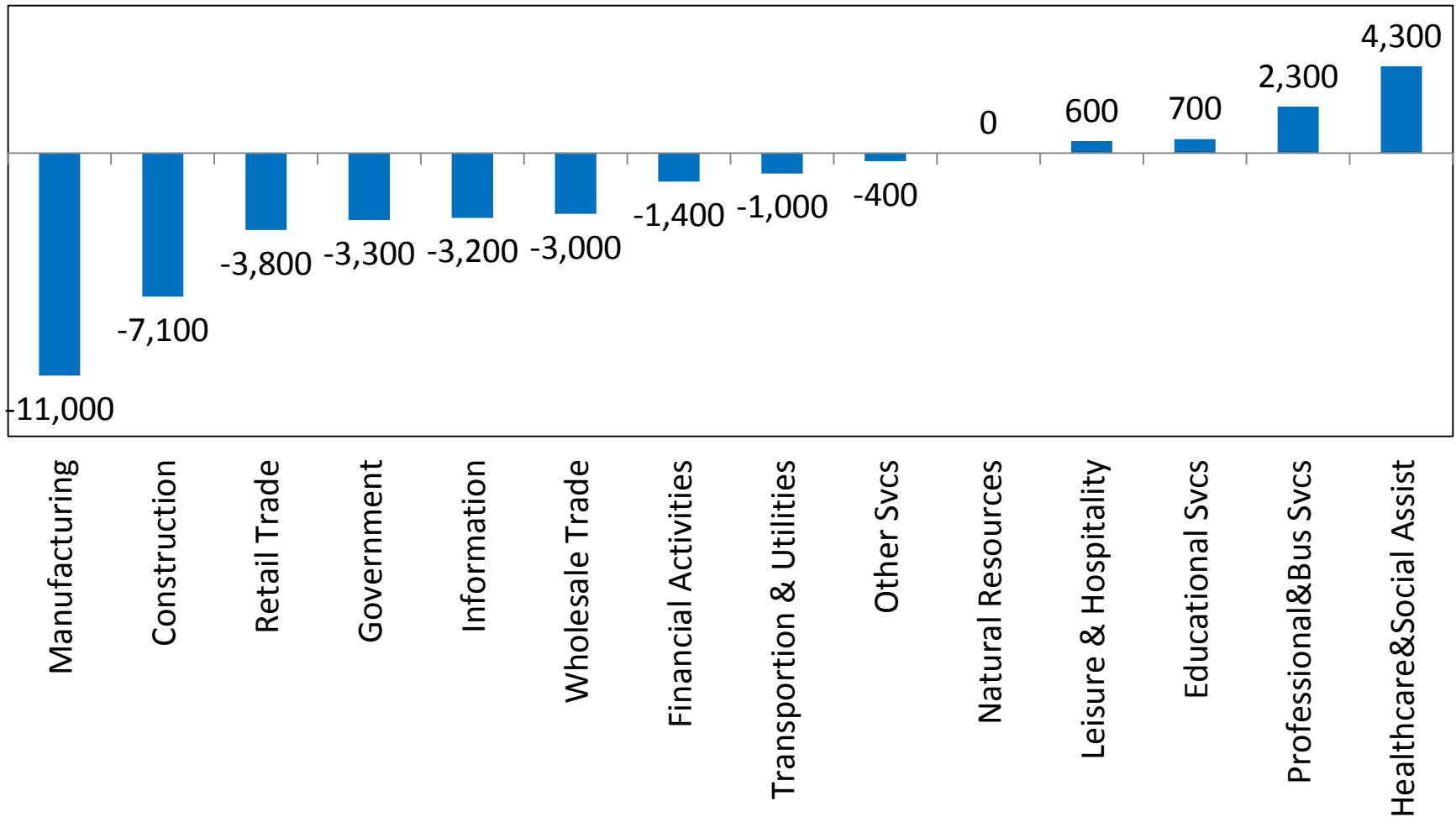
Maine lost nearly 30,000 jobs before stabilizing in 2010. From June 2011 to June 2012 we're up more than 6,000 jobs.



The average time to full job recovery was 27 months for the previous six recessions...this recovery is different.

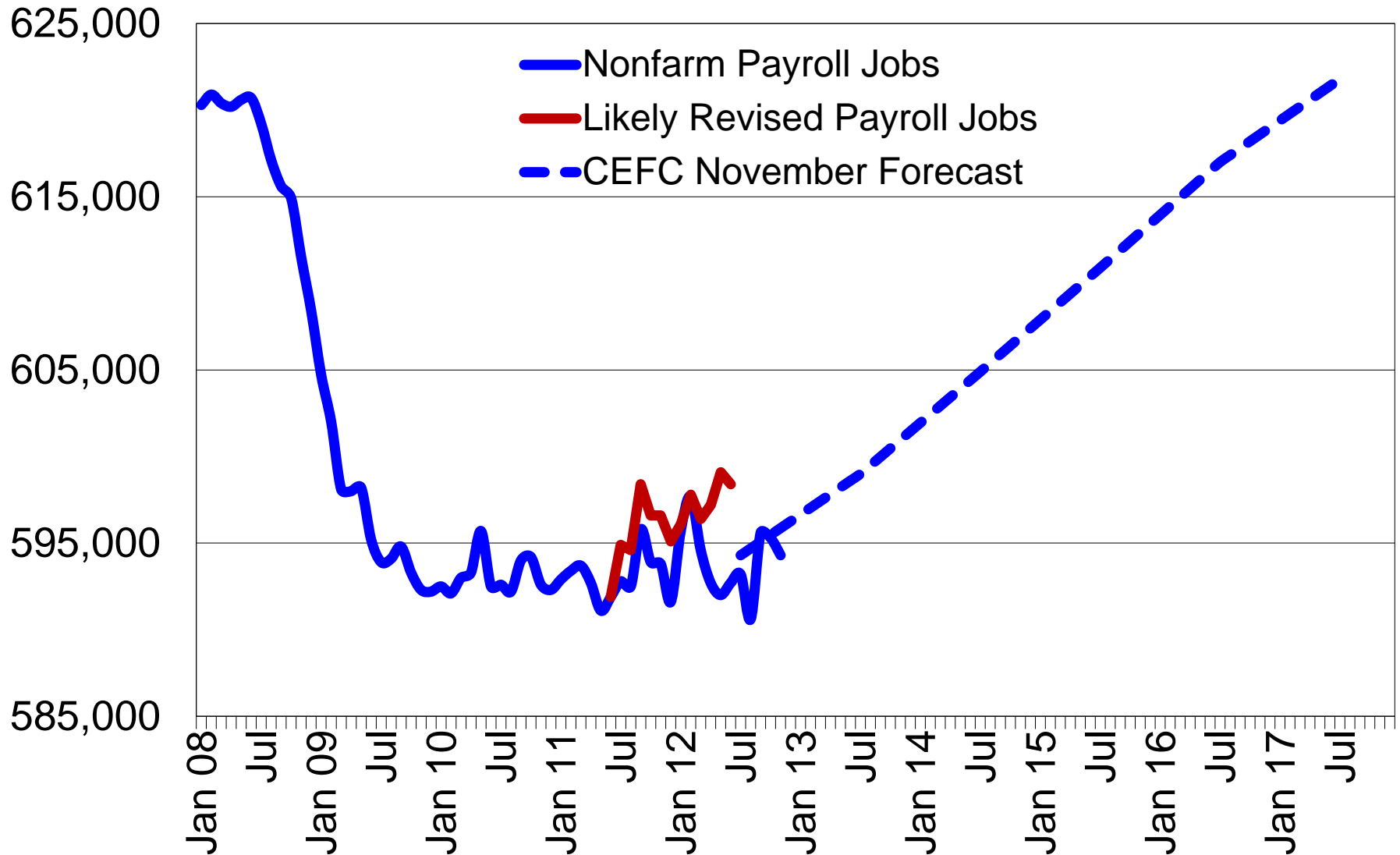


The number of jobs are down in most sectors since 2007, though manufacturing and construction account for two-thirds of net losses. Four sectors have posted job gains. *(Change in jobs from Dec 2007 to Nov 2012, seasonally-adjusted)*

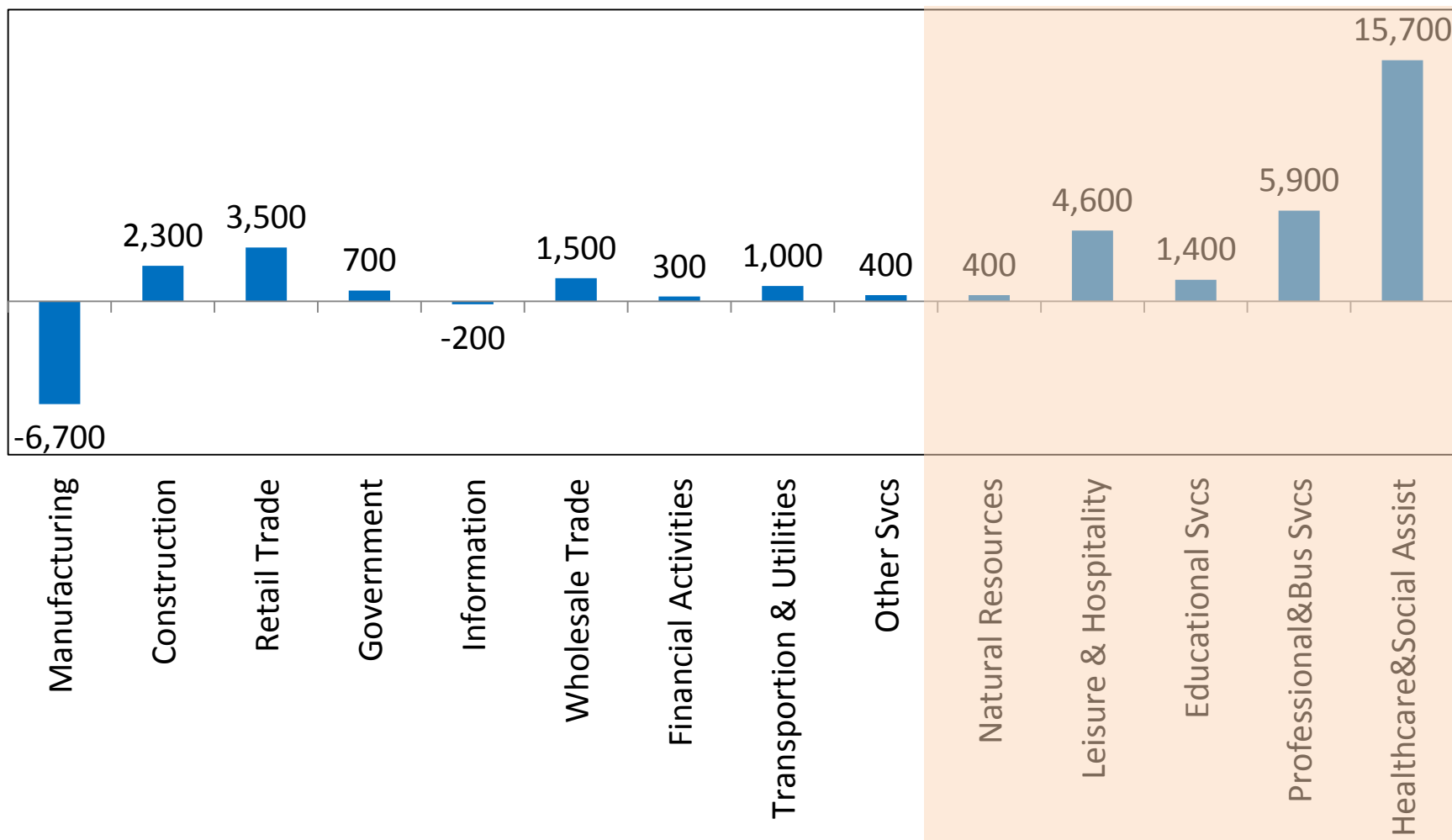


Job outlook &
re-employment
challenges...
skill gaps

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 five are expected to gain back all the jobs lost since the pre-recession peak. Manufacturing is expected to continue to shed jobs.



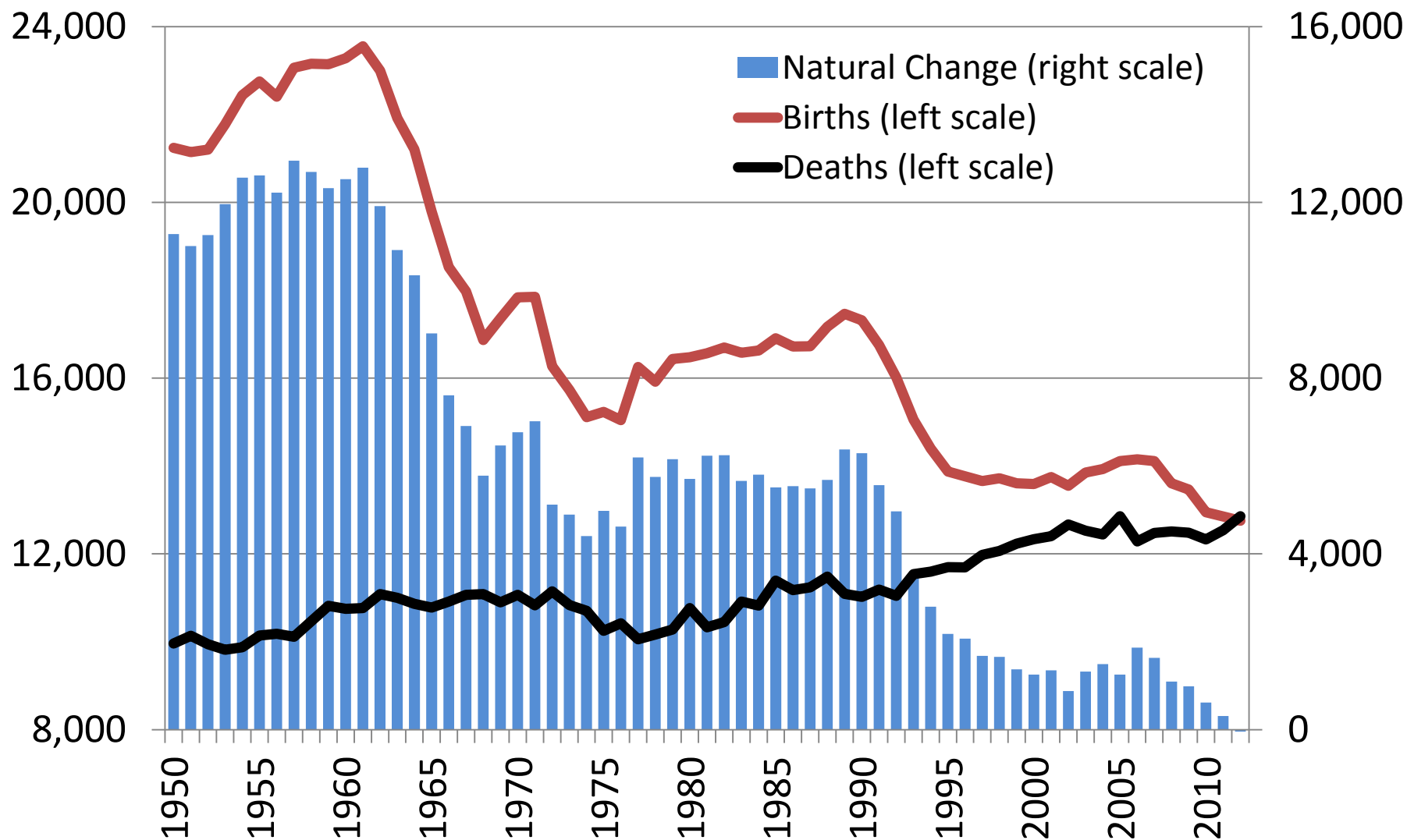
The shifting structure of employment has created geographic and skill mismatches between job seekers and employers in growing industries

Geographic mismatch – Industries that are growing or primed to hire workers tend to be concentrated in service-center communities. A high share of job displacement has been in outlying areas, often beyond commuting distance to service centers.

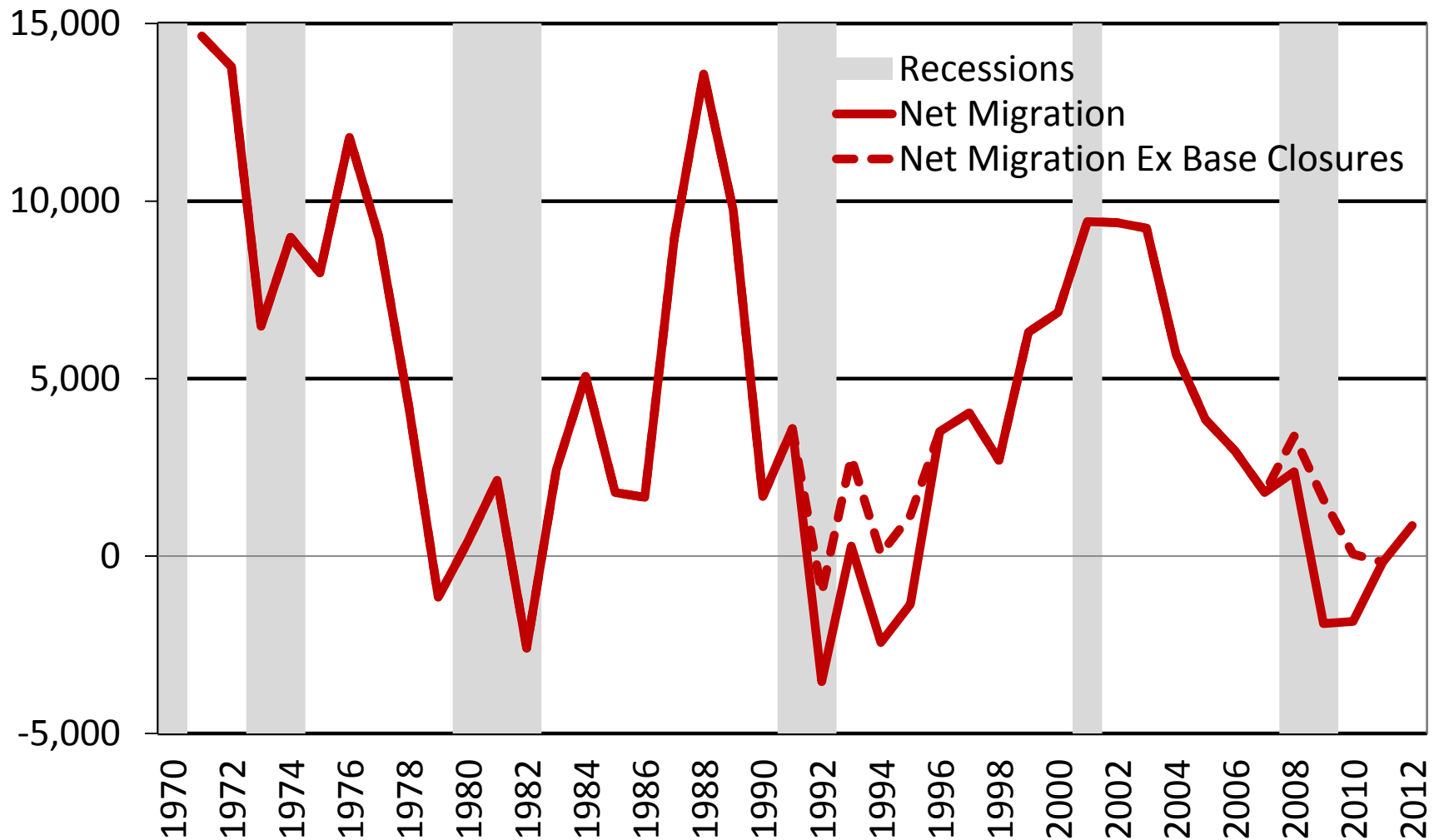
Knowledge & skill mismatch – A high share of job openings are in occupations requiring post-secondary education, often specific education such as in health professions. A high share of job seekers do not have the education or work experience necessary for entry into those fields of work.

The demographic challenge

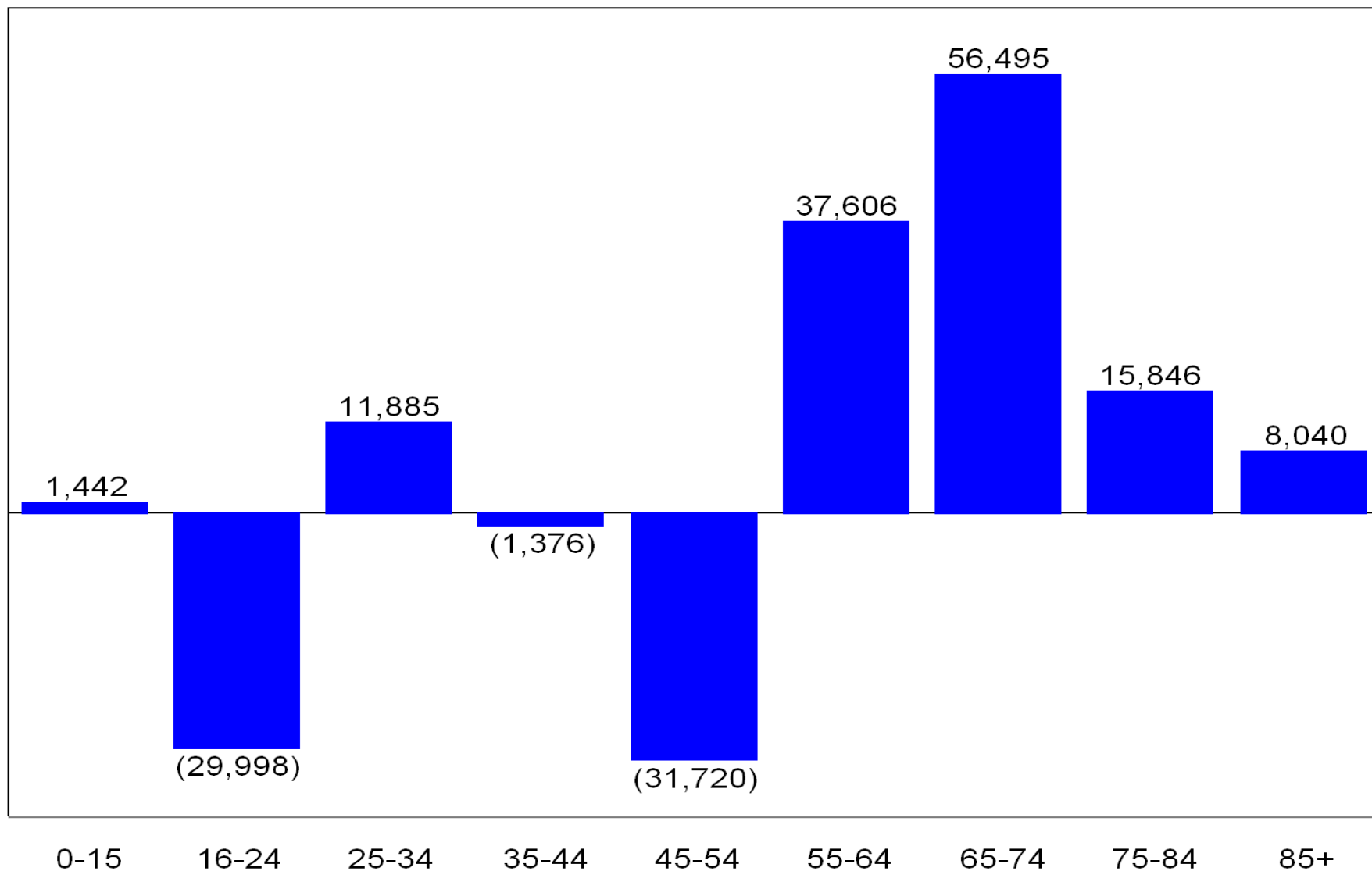
We no longer have positive natural change, a trend that is expected to worsen as baby boomers advance in age.



It is critical that we attract young people to stay and others to relocate here. Since 1970, the only periods of net out-migration were during recessionary periods and when military bases closed.

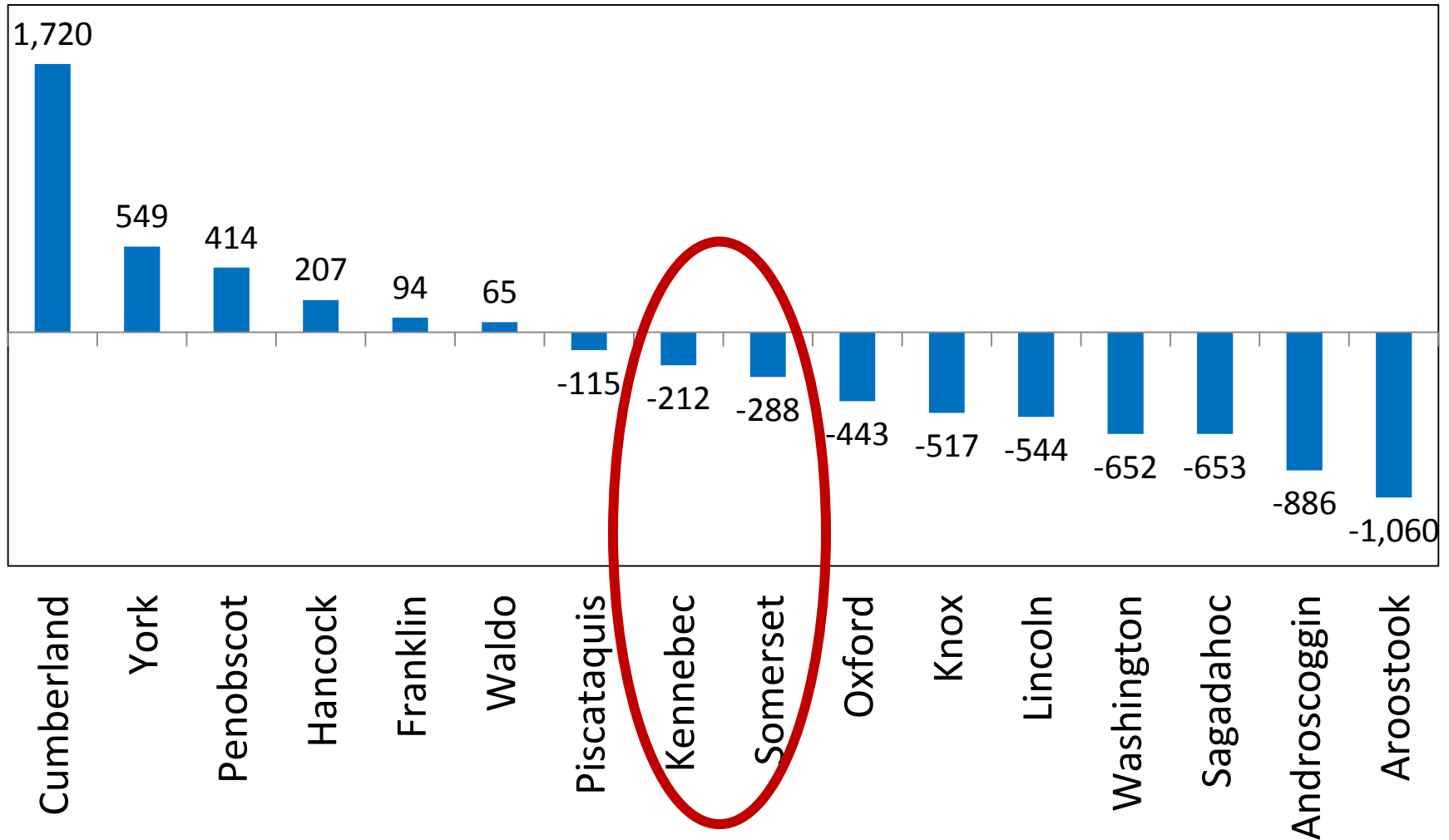


The prime working-age population is declining...
and we're already the oldest state in the nation
(projected population change by age group, 2008 to 2018)



What about
the Kennebec
Somerset region?

Maine's population has declined slightly since 2008.
Kennebec and Somerset were among the
ten counties with net population loss.



The structure of employment in the region is heavily weighted to slow growth industries, especially state government

Industry	Share of Jobs		Statewide Outlook to 2020
	Kennebec & Somerset	Maine	
Total Employment	100%	100%	6%
Private Sector	75%	83%	6%
Natural Resources and Mining	1%	1%	6%
Construction	4%	4%	10%
Manufacturing	7%	9%	-13%
Wholesale Trade	4%	3%	8%
Retail Trade	14%	14%	4%
Transportation and Warehousing	1%	3%	8%
Utilities	0%	0%	-5%
Information	1%	1%	-2%
Financial Activities	3%	5%	1%
Professional and Business Services	8%	10%	11%
Educational Services	2%	2%	16%
Health Care and Social Assistance	18%	17%	16%
Leisure and Hospitality	8%	10%	8%
Other Services	3%	3%	2%
Government	25%	17%	1%
Federal Gov't	3%	3%	-2%
State Gov't	13%	4%	2%
Local Gov't	10%	10%	1%