



# **Maine's Labor Market Barriers**

**June 2, 2021**

# Labor Market Barriers

- **The pandemic has created a number of barriers temporarily preventing people from connecting or reconnecting to the labor force.**
- **At the same time, some employers seek to quickly increase their capacity.**
- **The labor market is still adjusting toward full reopening with nearly 7 out of 10 net job losses having been recovered.**
- **Many schools remain engaged in hybrid learning and childcare facilities may be operating at reduced capacity.**
- **Many people face an additional care burden and uncertainty about the spread of the virus that may lead to temporary school or childcare facility closures.**

# Childcare and other caregiving responsibilities may prevent individuals from re-entering the labor market.



**23% of households in Maine include children of the householder under 18.**

Source: 2019 5-year ACS



**25% of households in Maine include one or more people under 18.**

Source: 2019 5-year ACS



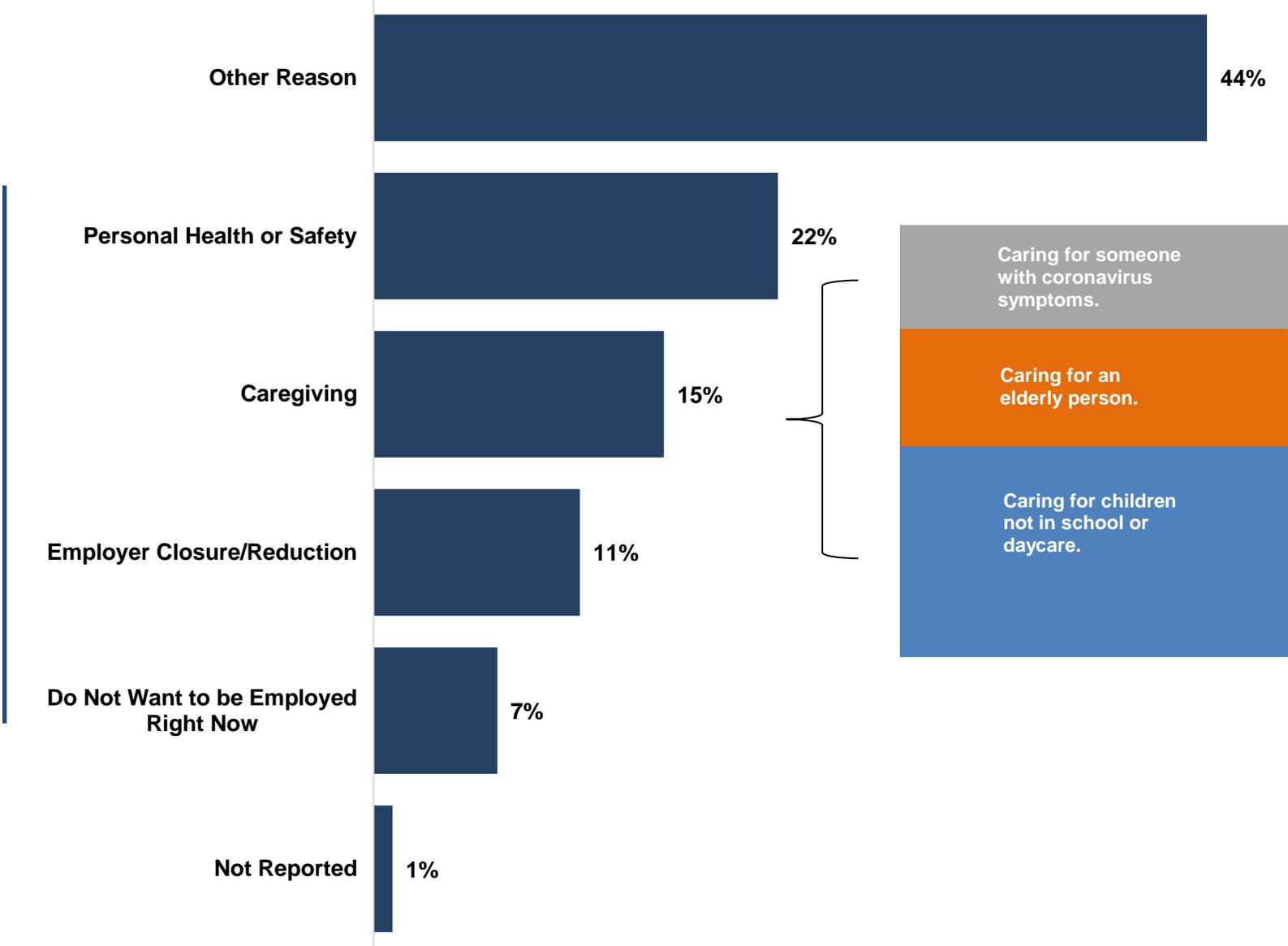
**As of 2015, 1 in 4 adults in Maine provided regular care to a friend or family member with a health problem or disability.**

Source: CDC

**According to the U.S. Census' Household Pulse Survey (March 17-29, 2021) among Maine residents not working that are not retired, 15% of respondents indicated that they were not working due to caregiving responsibilities.**

**Of those, nearly half cited childcare as the reason for not looking for work.**

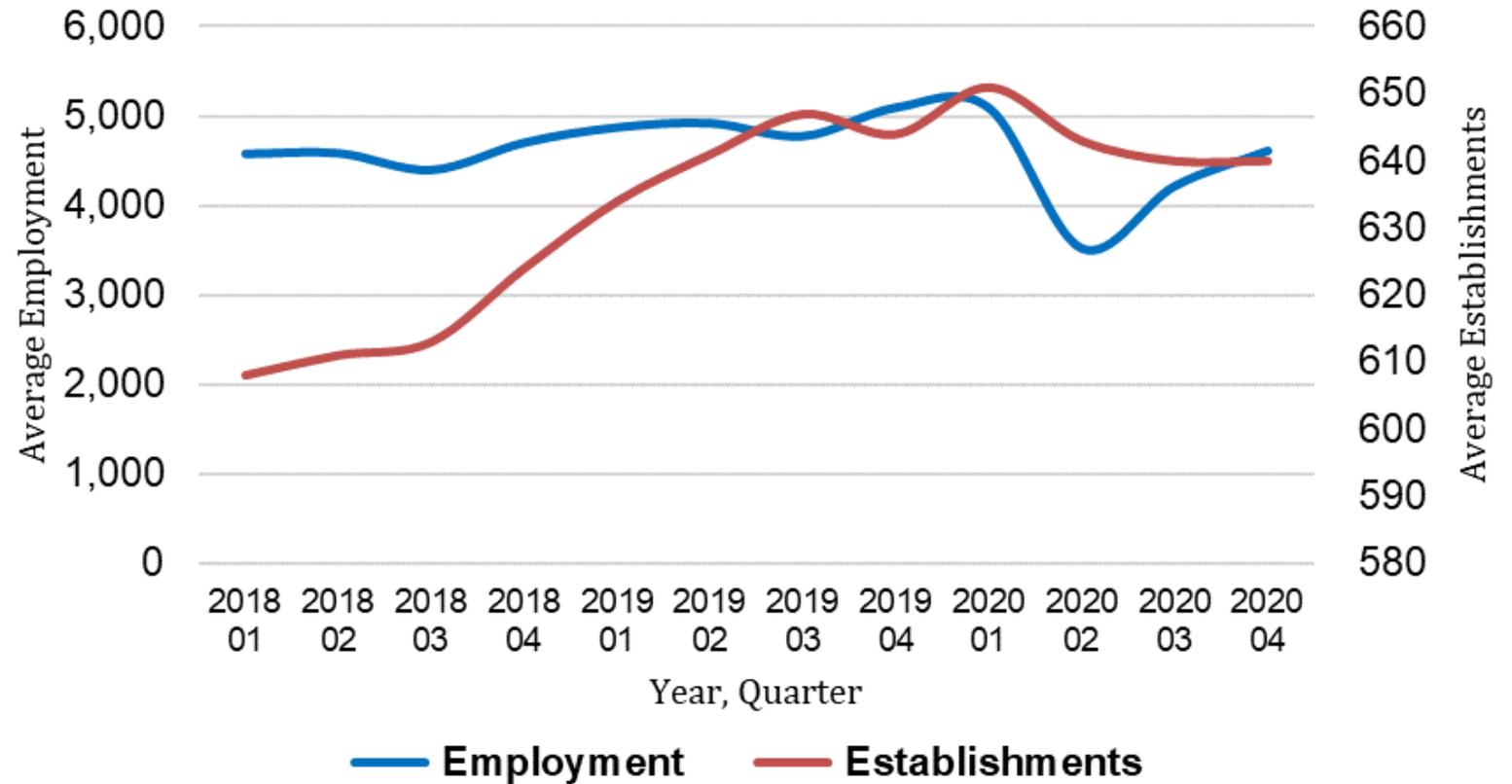
Data Source: U.S. Census Household Pulse Survey, Week 27, March 17-29, 2021  
\*Data are experimental: sample size is small and standard errors are large



Employment in child day care facilities was 9.5 percent lower over the year in the fourth quarter of 2020, though the total number of establishments was little changed.

The reduction in employment offers some evidence of reduced capacity at child day care service centers.

### Child Day Care Services Employment and Number of Establishments





**61 net  
closures**

**43% cannot  
meet demand**

**172 childcare centers or home based care facilities have closed while 111 have opened, a net closure of 61 facilities or 3 percent of the roughly 1,800 childcare facilities at the start of the pandemic.\***

**Among 600 center-based providers responding to a recent survey, 58 percent report that they are understaffed, 43 percent report that they cannot meet demand for care. Some parents may not feel comfortable enrolling children that are not yet vaccine eligible. 34 percent of family-based providers reported that they are under enrolled.\*\***

**\*Department of Health and Human Services**

**\*\*Maine Association for the Education of Young Children survey with nearly 600 center-based providers responding. Survey conducted in the spring of 2021**

**These data were cited in the Portland Press Herald “Another labor crisis hits Maine: Parents can’t find child care”, May 30, 2021**



65%

**65% of Maine household respondents with children used online resources because classes were moved to distance learning from March 17-29, 2021.**

**\*Respondents are those 18+ in households with children in public or private schools**

**Data Source: U.S. Census Household Pulse Survey, Week 27**

**\*Data are experimental: sample size is small and standard errors are large**



**21%**

**21% of Maine household respondents with children had classes cancelled (during the week preceding the survey) due to the pandemic from March 17-29, 2021.**

**\*Respondents are 18+ in households with children in public or private schools**

**Data Source: U.S. Census Household Pulse Survey, Week 27**

**\*Data are experimental: sample size is small and standard errors are large**

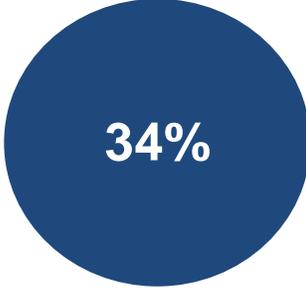
**The flexibility of telework may have helped workers manage a higher care burden.**

**But telework options are not available to most Maine workers, and access is uneven.**



**160,000  
jobs**

We identified **160,000 jobs** in Maine for which telework may be substituted for in-person work, though over **400,000** additional Maine jobs may not be suited to telework.\*



**34%**

**34%** of households in Maine had at least one adult working remotely instead of a typical work arrangement.\*\*

- Half of all workers with a Bachelor's degree or higher reported telework.
- Less than 15% of workers with a high school diploma or lower level of educational attainment reported telework.

Sources: \*2019 CWRI Occupational Employment Statistics and Jonathan I. Dingel and Brent Neiman, "How Many Jobs Can be Done at Home?", *Journal of Public Economics*, September 2020

\*\*U.S. Census Household Pulse Survey, Week 25. Data collected February 17 through March 1. Data are experimental: sample size is small and standard errors are large.

**27% of Maine businesses reported that they increased telework during the pandemic**

**57% reported having no telework arrangements either before or during the pandemic**

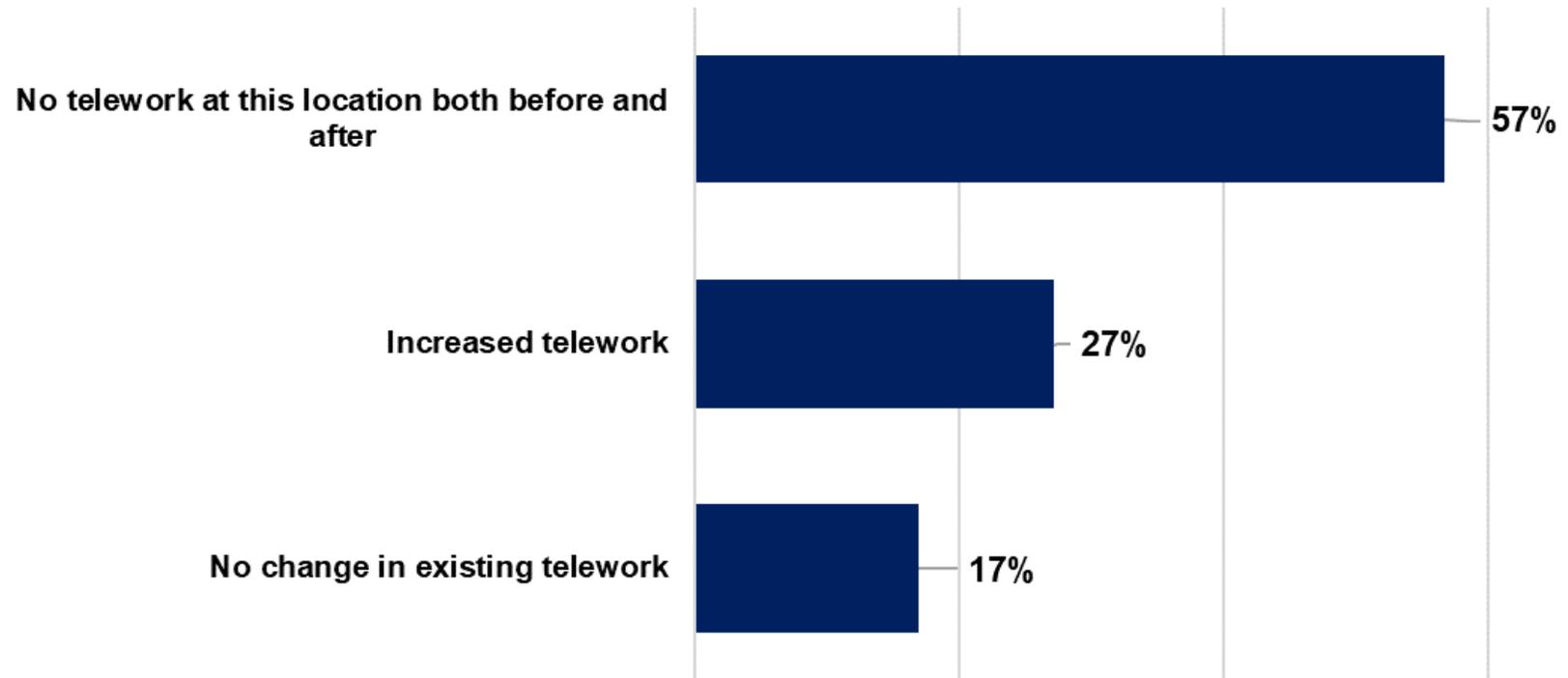
**Some businesses had preexisting telework arrangements**

Source: U.S. Bureau of Labor Statistics, Business Response Survey

Data collected during the summer of 2020.

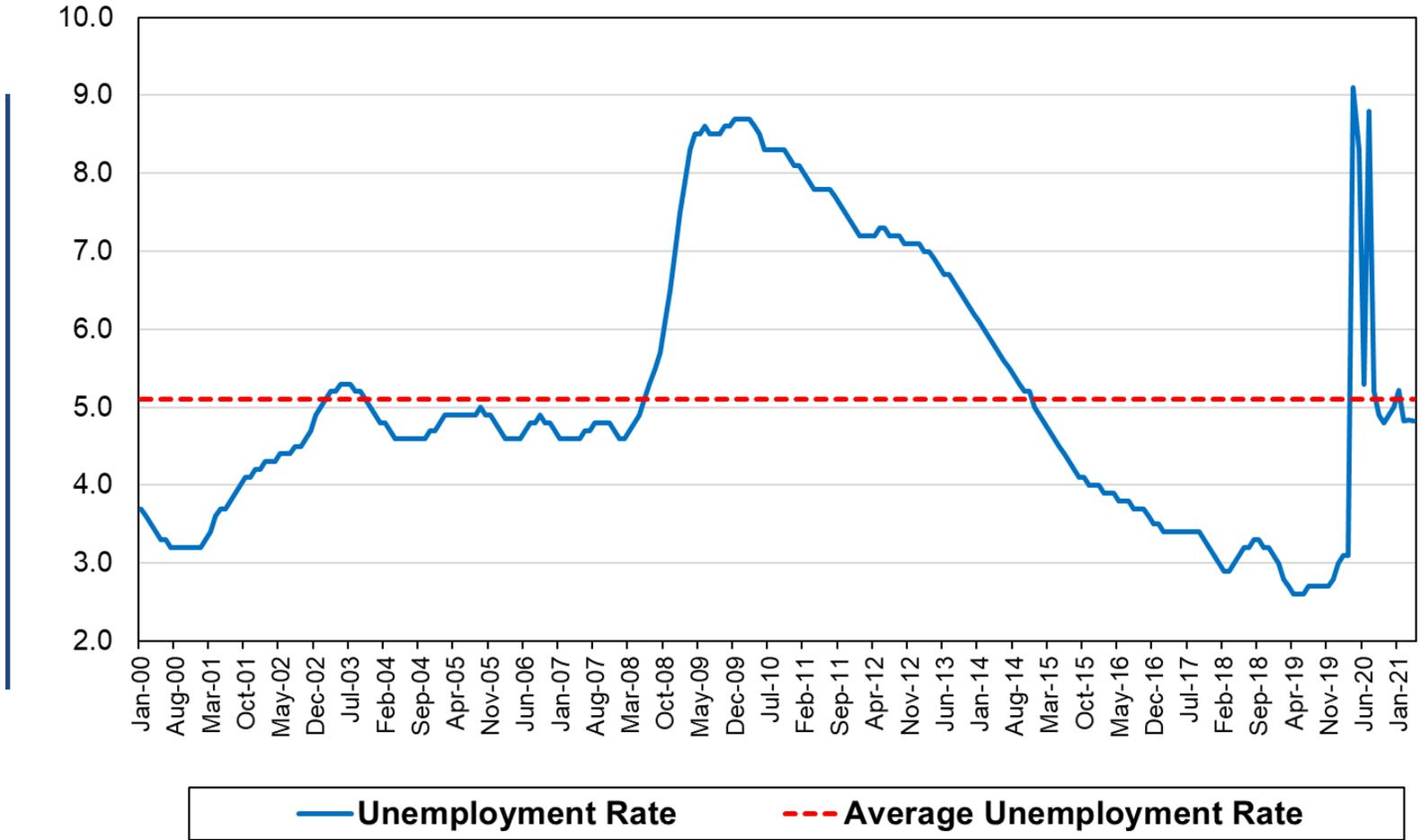
Data were collected from private-sector establishments only; government establishments were not surveyed

U.S. BLS Business Response Survey



# Maine Unemployment Rate

(Seasonally Adjusted)



Maine's seasonally adjusted unemployment rate of 4.8 percent in April has already decreased below the average unemployment rate from 2000-2021 of 5.1 percent.

The total number of unemployed in Maine is only 11,000 higher than 14 months earlier when the labor market was historically tight.

# Impact of Workforce Barriers

- The share of the population age 16 and over in the labor force increased 1.5 percentage points from April 2020 to April 2021
- The labor force participation rate remains 2.5 points lower than in February 2020
- If today's labor force participation rate matched that of February 2020, 28,300 more people would be in the labor force and the unemployment rate would be 8.7 percent

**With an enhanced federal unemployment benefit of \$300 per week, workers earning an average wage who lost a job in accommodation and food service, arts entertainment and recreation or retail trade may be eligible for a benefit at or above their replacement wage**

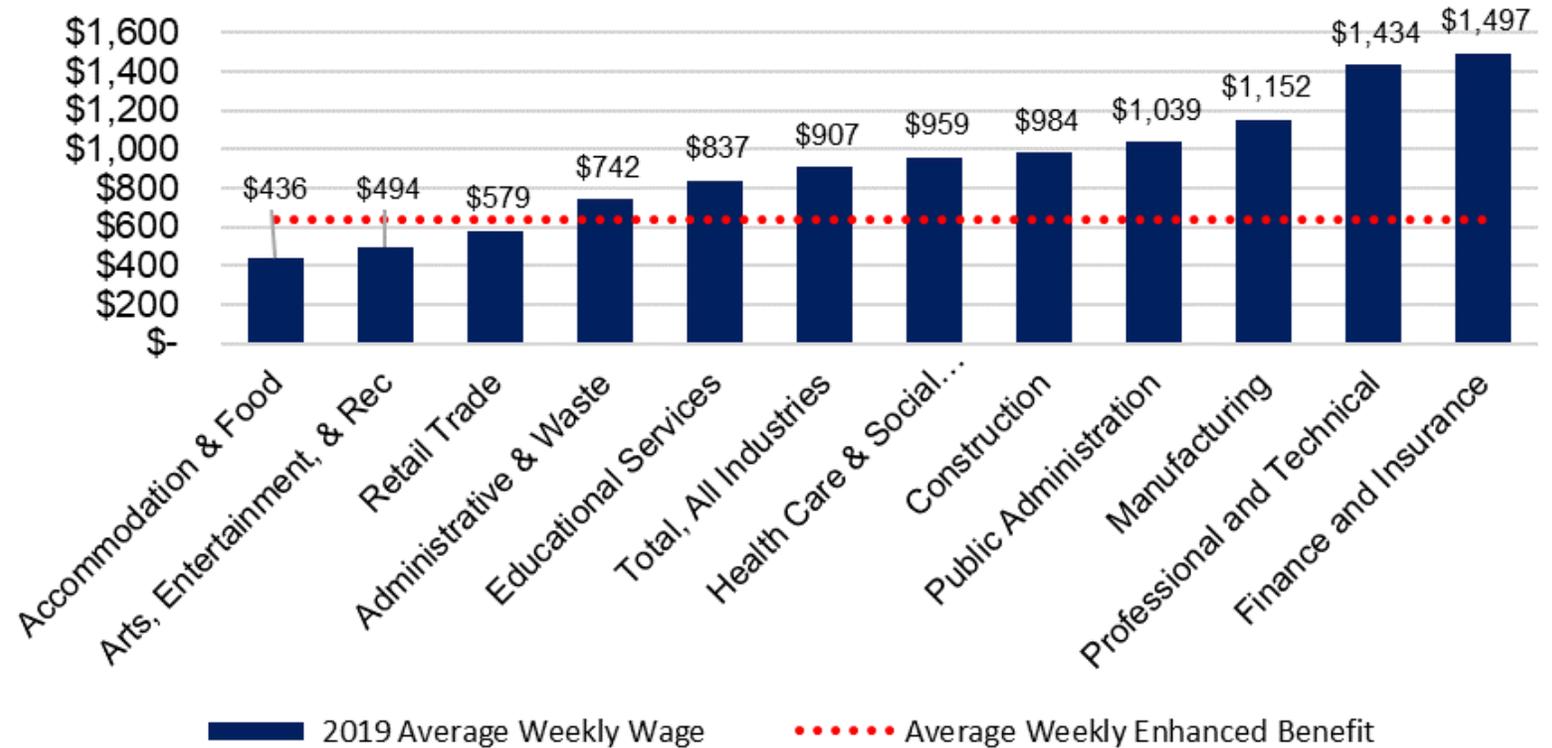
Source: Maine Department of Labor, Bureau of Unemployment Compensation

Average weekly benefit amount of \$338.70 in regular state unemployment insurance, March 2021

Assumption of eligibility for \$300 weekly Federal Pandemic Unemployment Compensation benefit

2019 Average Weekly Wage data from the Quarterly Census of Wages and Employment

**Average Weekly Wages and Enhanced Benefit Amount**



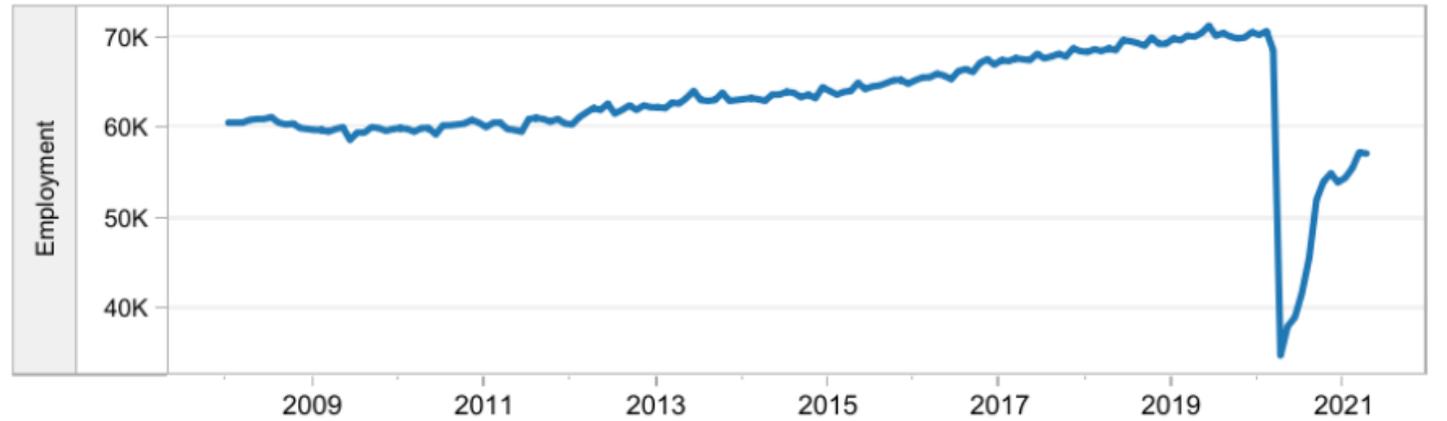
Many have returned to work or found new jobs, including in leisure and hospitality

22,300 jobs gained since April 2020 low

About 1 out of 3 jobs added throughout the state since April 2020 have been in the leisure and hospitality sector

Though 13,500 fewer jobs compared to before the pandemic

**Maine**  
Leisure and Hospitality



Hover over graphs to display details

■ Seasonally Adjusted

**Over-the-Year Change**

