

Conditions & Labor Force Outlook Scenarios

Consensus Economic Forecasting Commission

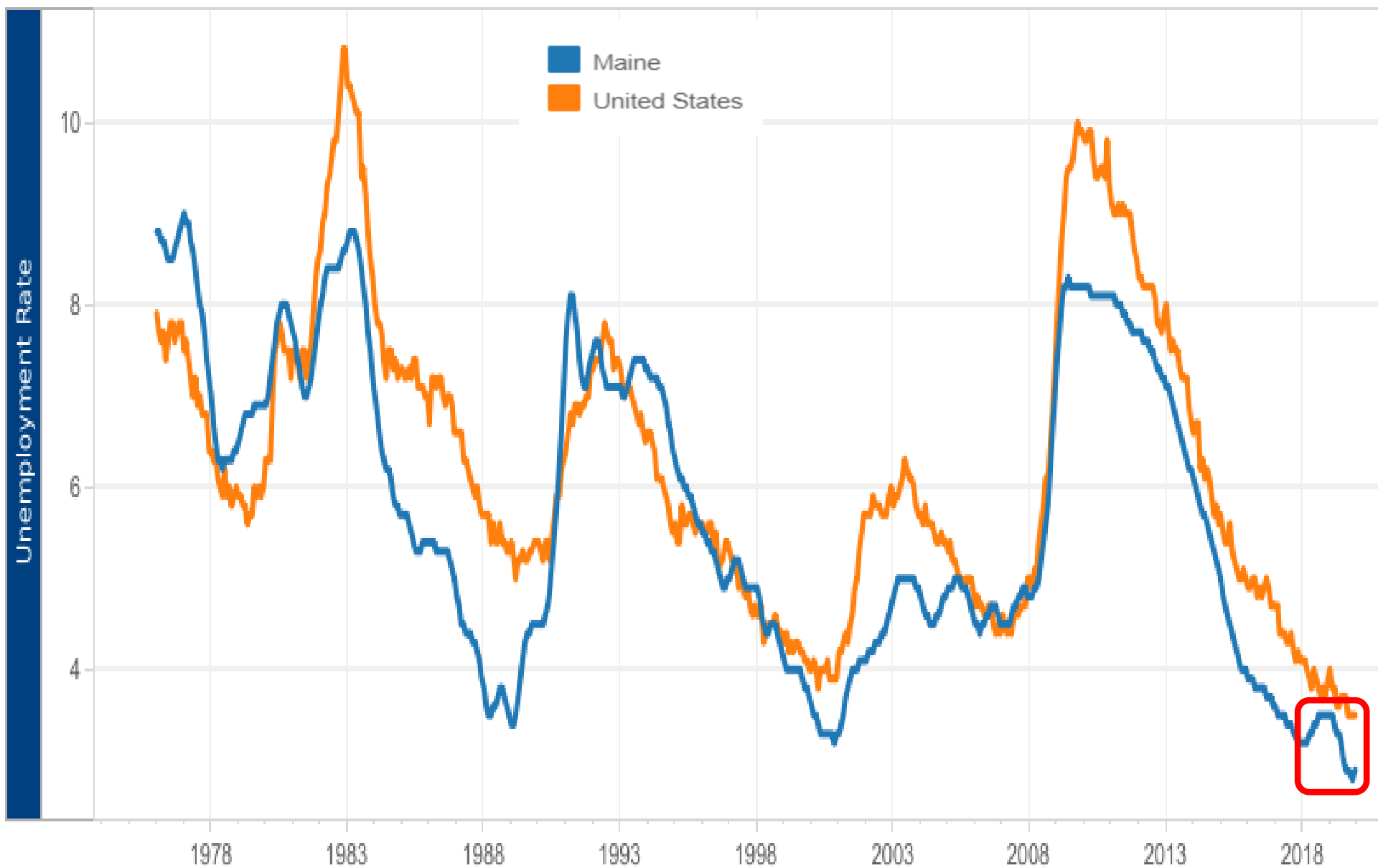
January 30, 2020



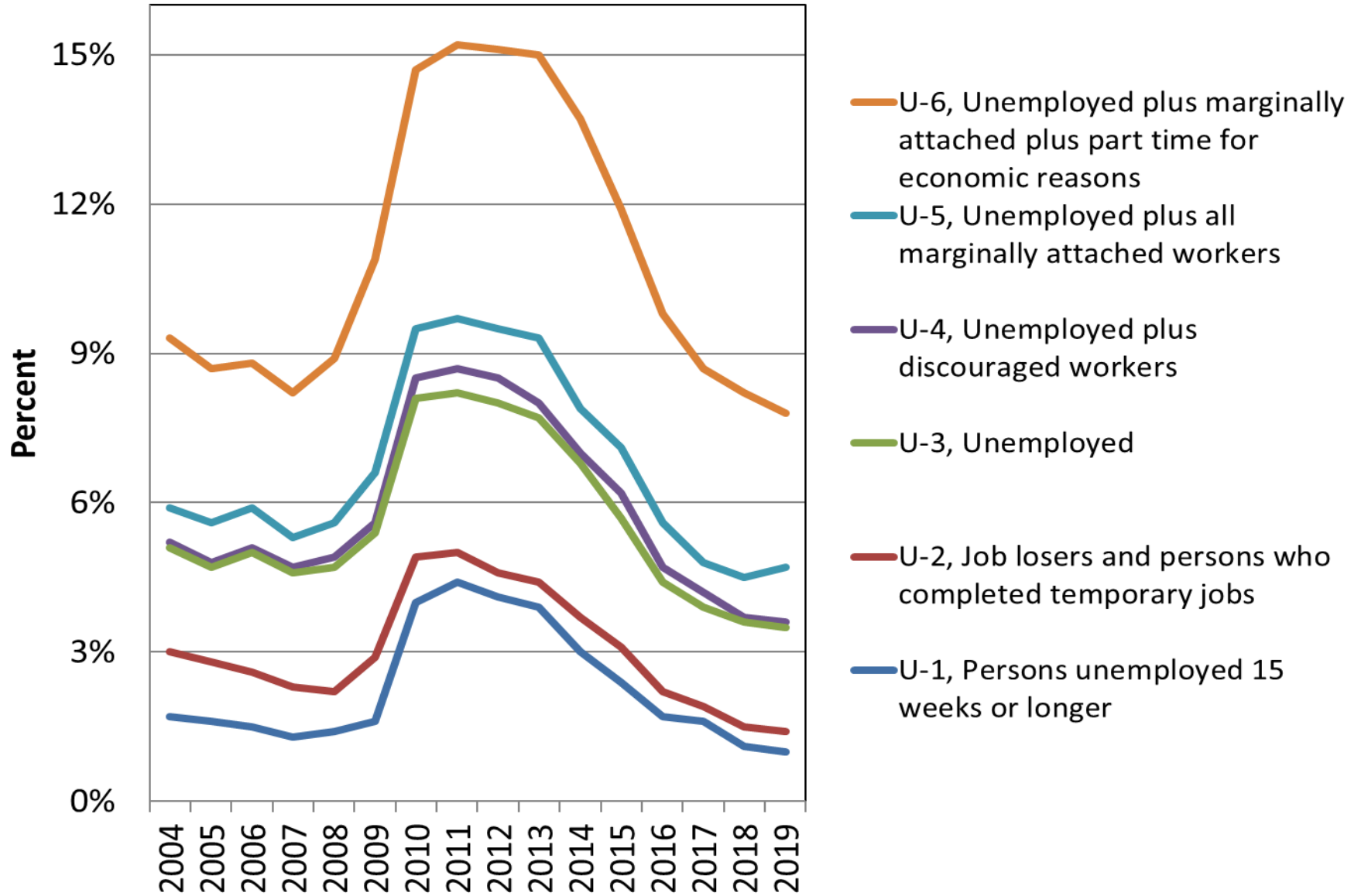
Glenn Mills
Chief Economist
Center for Workforce Research
Maine Dept. of Labor
www.maine.gov/labor/cwri
Glenn.mills@maine.gov
207-621-5192

Recent conditions

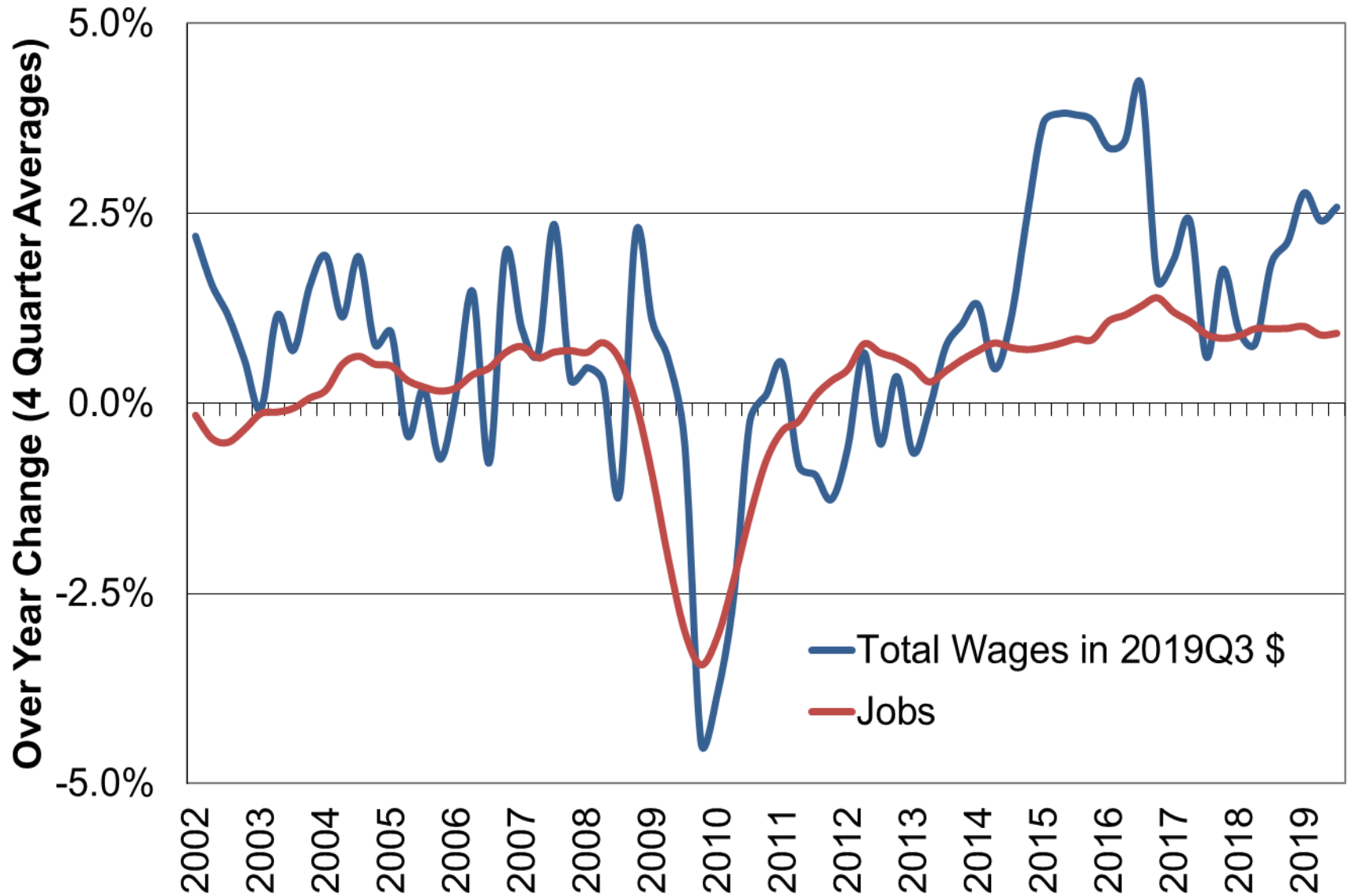
Unemployment is historically low, close to 3% throughout 2019



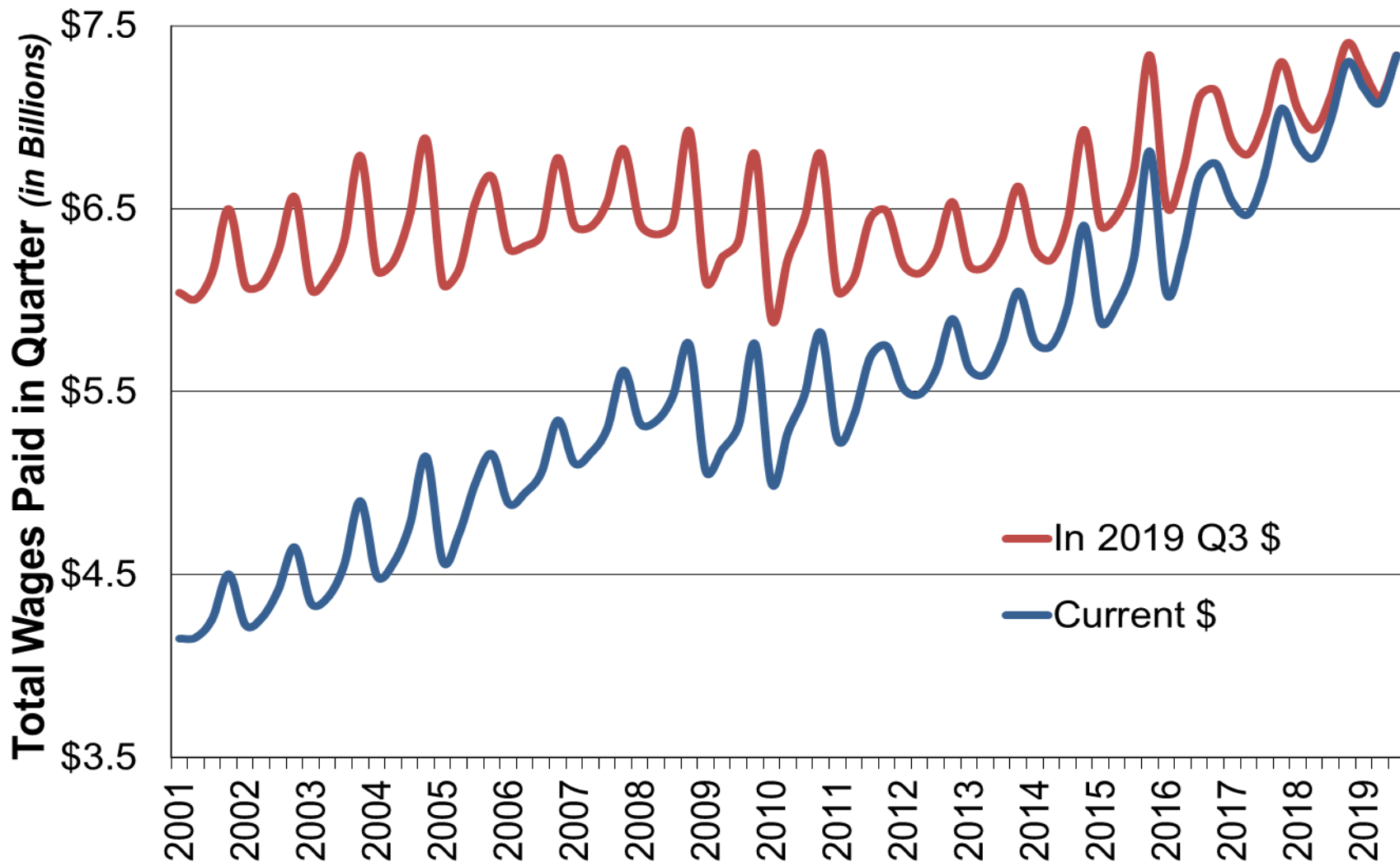
All six measures of labor underutilization are near series lows



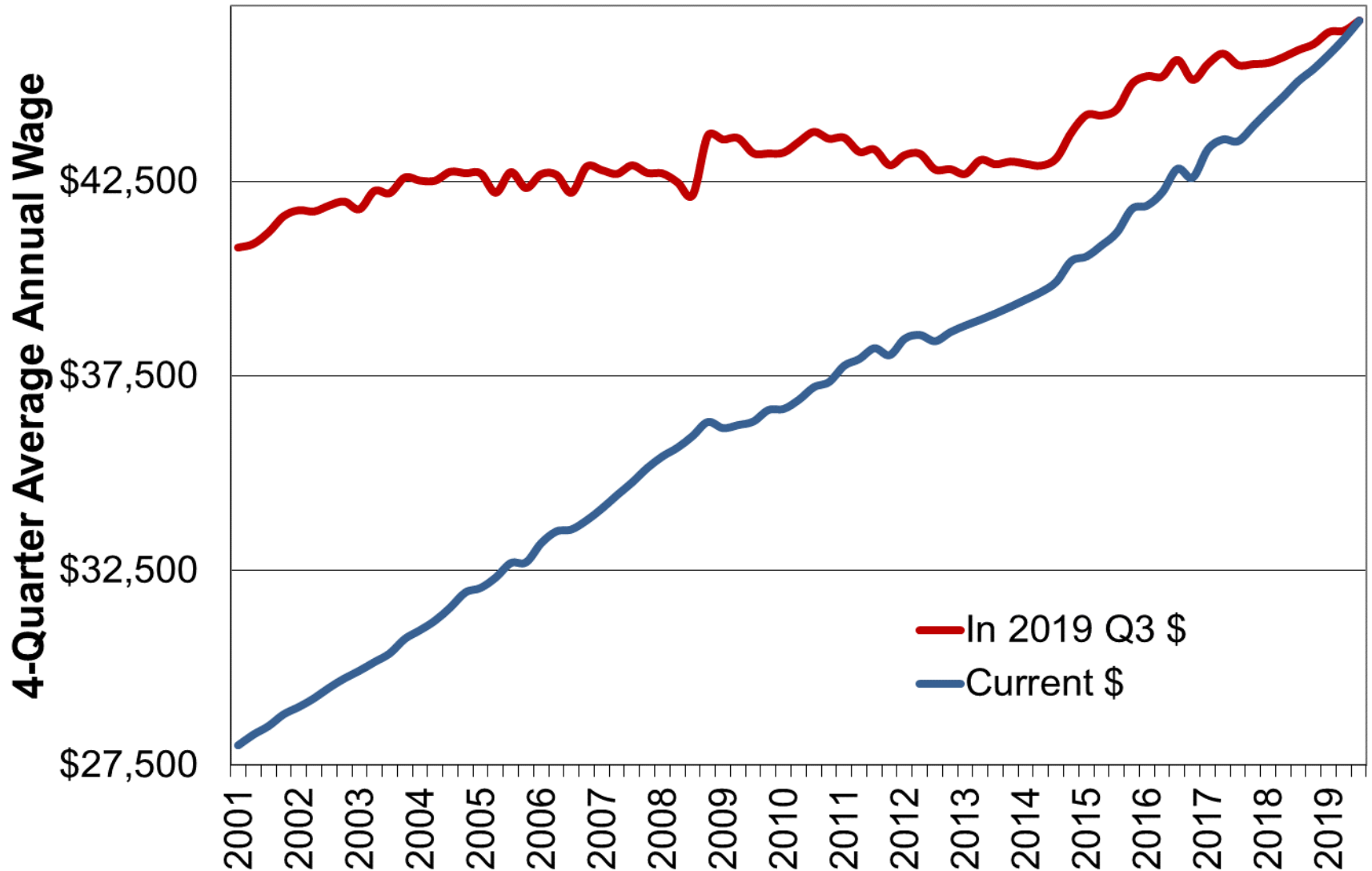
Growth in real total wages remains strong, well above job growth



Total wages paid in the first three quarters of 2019 were up 4.6% over the year, the fastest growth in the 2000s. Wages paid are likely to exceed \$29 billion in 2019.



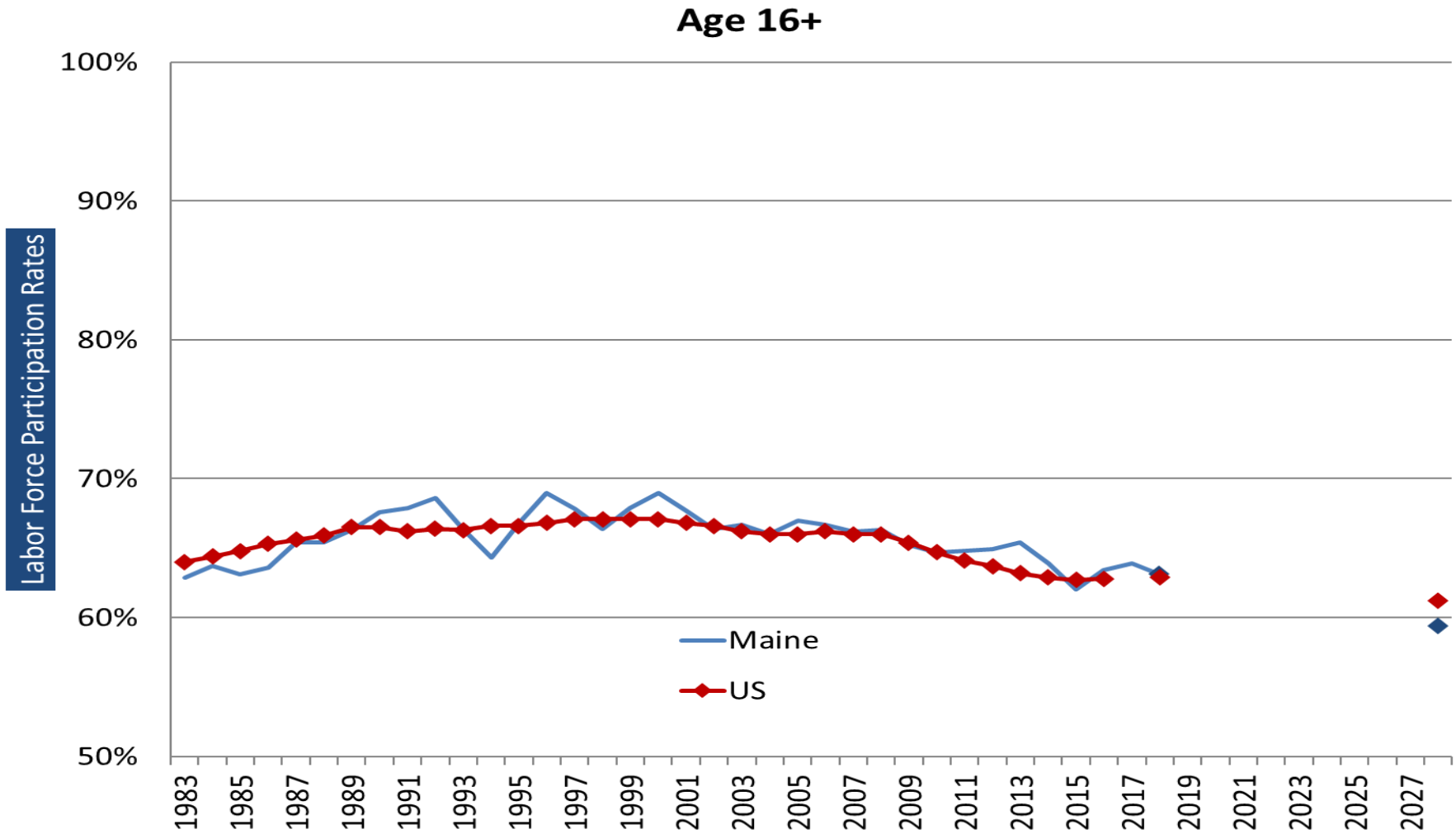
Over the last five years real average wages increased at the fastest rate in many decades



Labor force outlook, 2018 to 2028

Labor force participation
Population scenarios

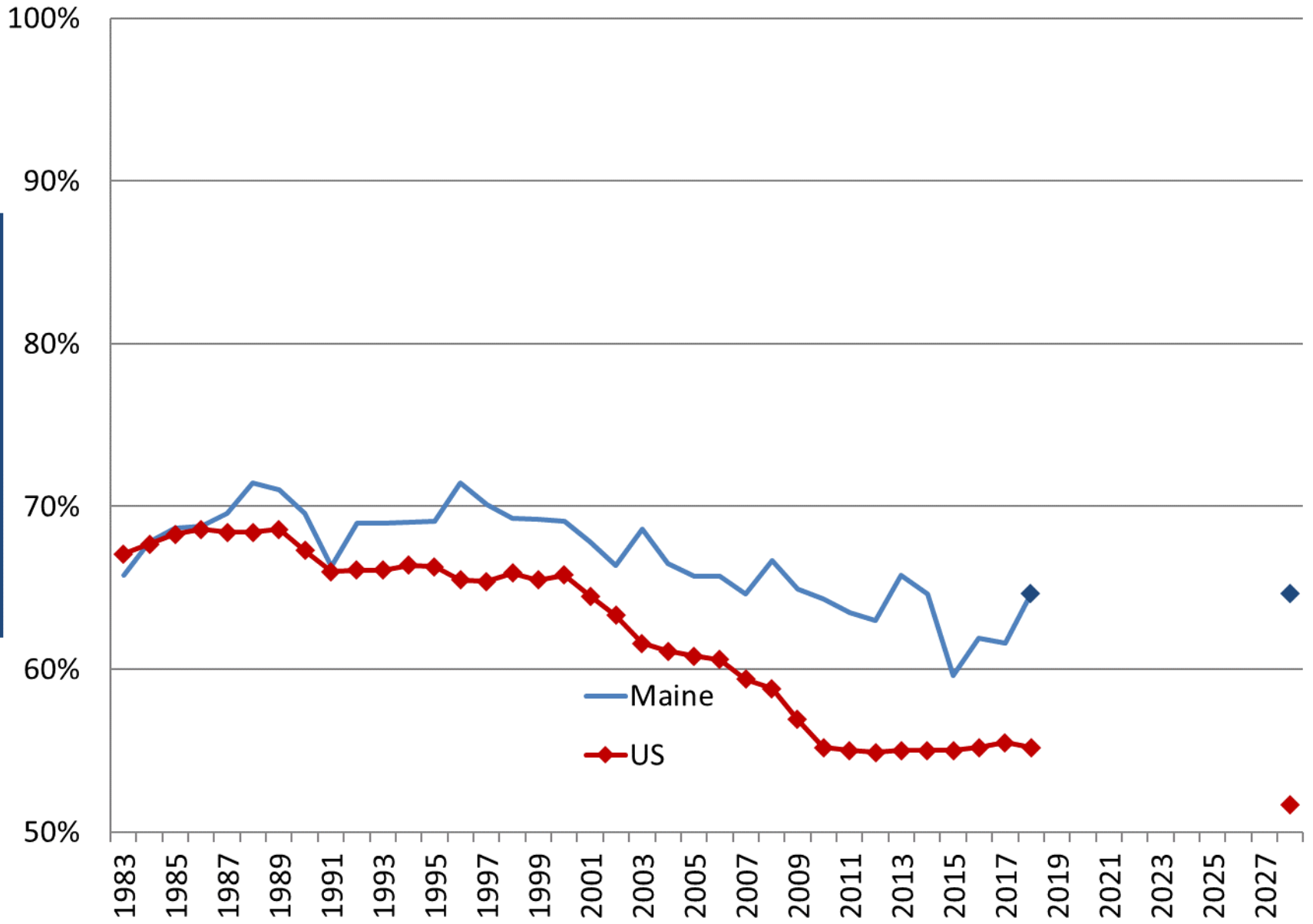
Through 2028 we expect the age 16+ labor force participation rate to decline due to a higher share of retirement age population



Maine forecast – Center for Workforce Research; U.S. forecast – U.S. Bureau of Labor Statistics.

Age 16-24

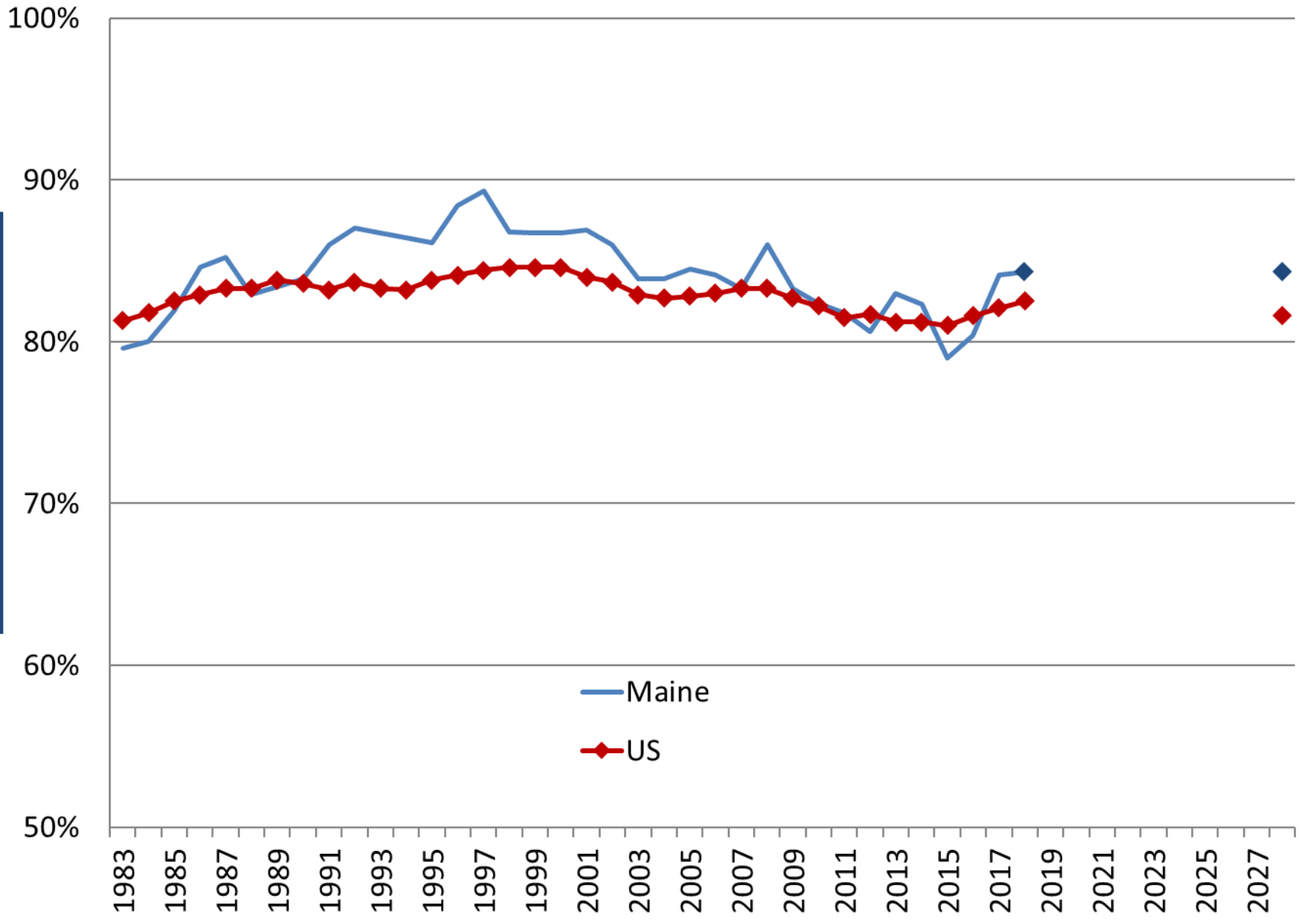
Labor Force Participation Rates



Maine forecast – Center for Workforce Research; U.S. forecast – U.S. Bureau of Labor Statistics.

Age 25-34

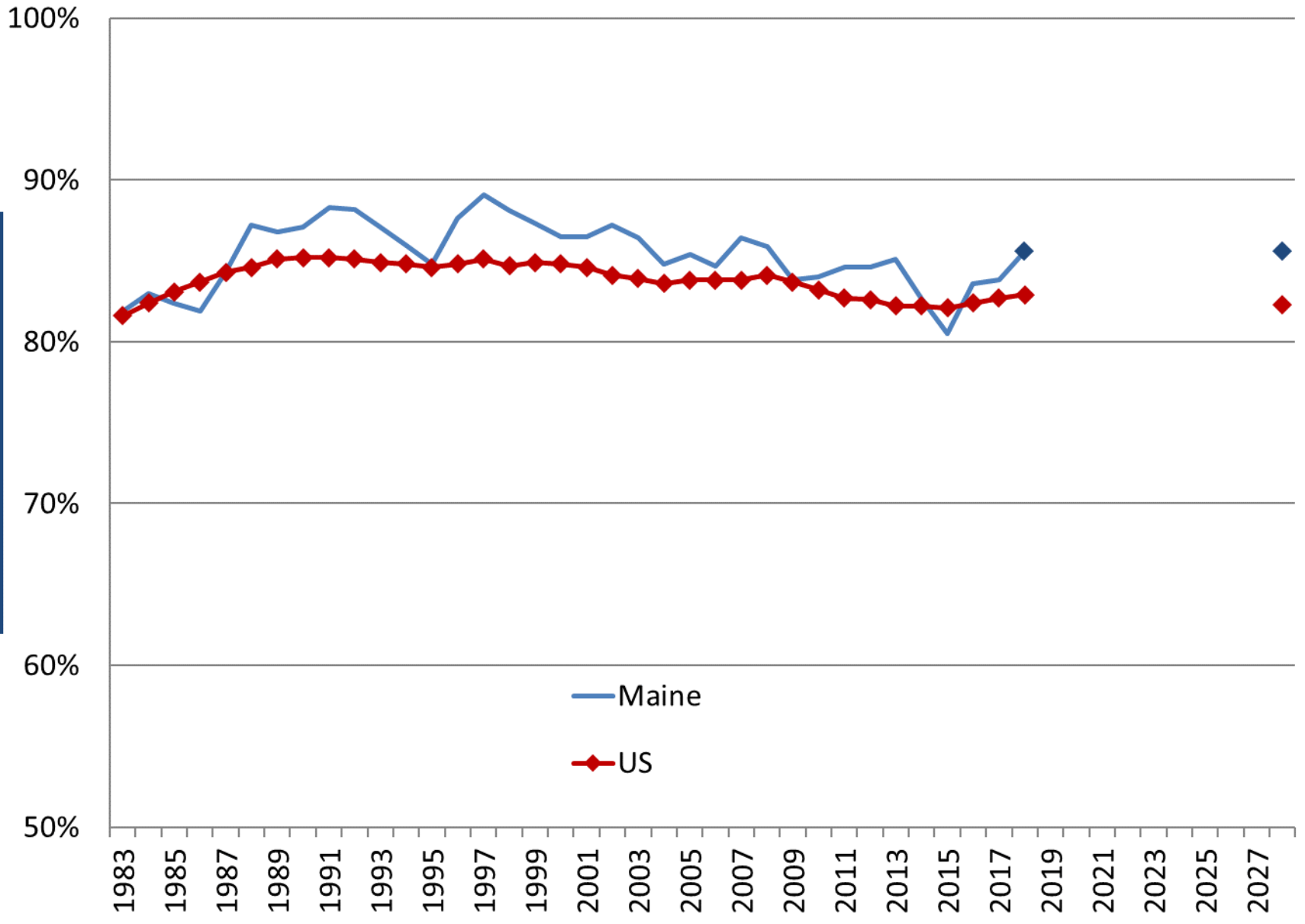
Labor Force Participation Rates



Maine forecast – Center for Workforce Research; U.S. forecast – U.S. Bureau of Labor Statistics.

Age 35-44

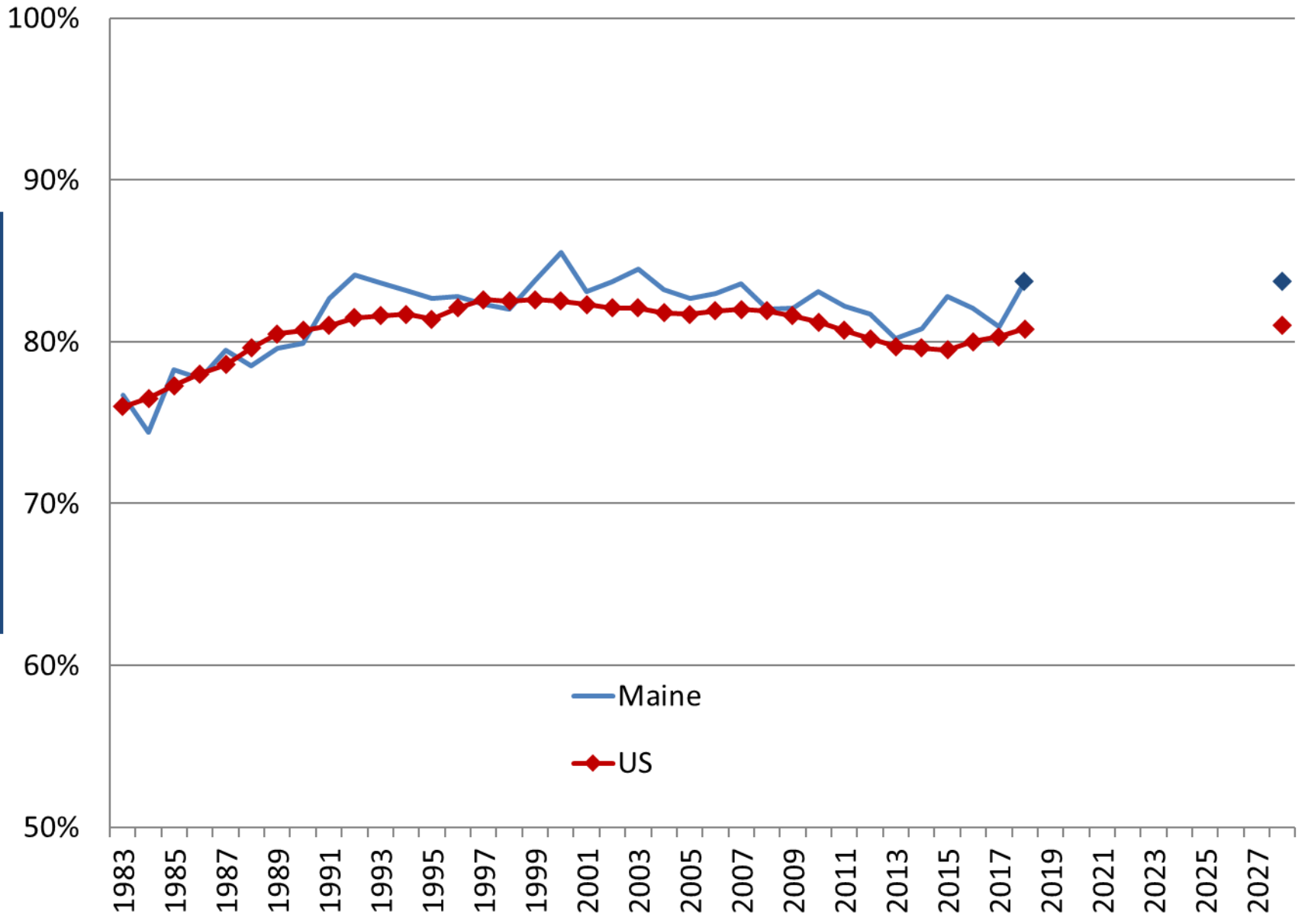
Labor Force Participation Rates



Maine forecast – Center for Workforce Research; U.S. forecast – U.S. Bureau of Labor Statistics.

Age 45-54

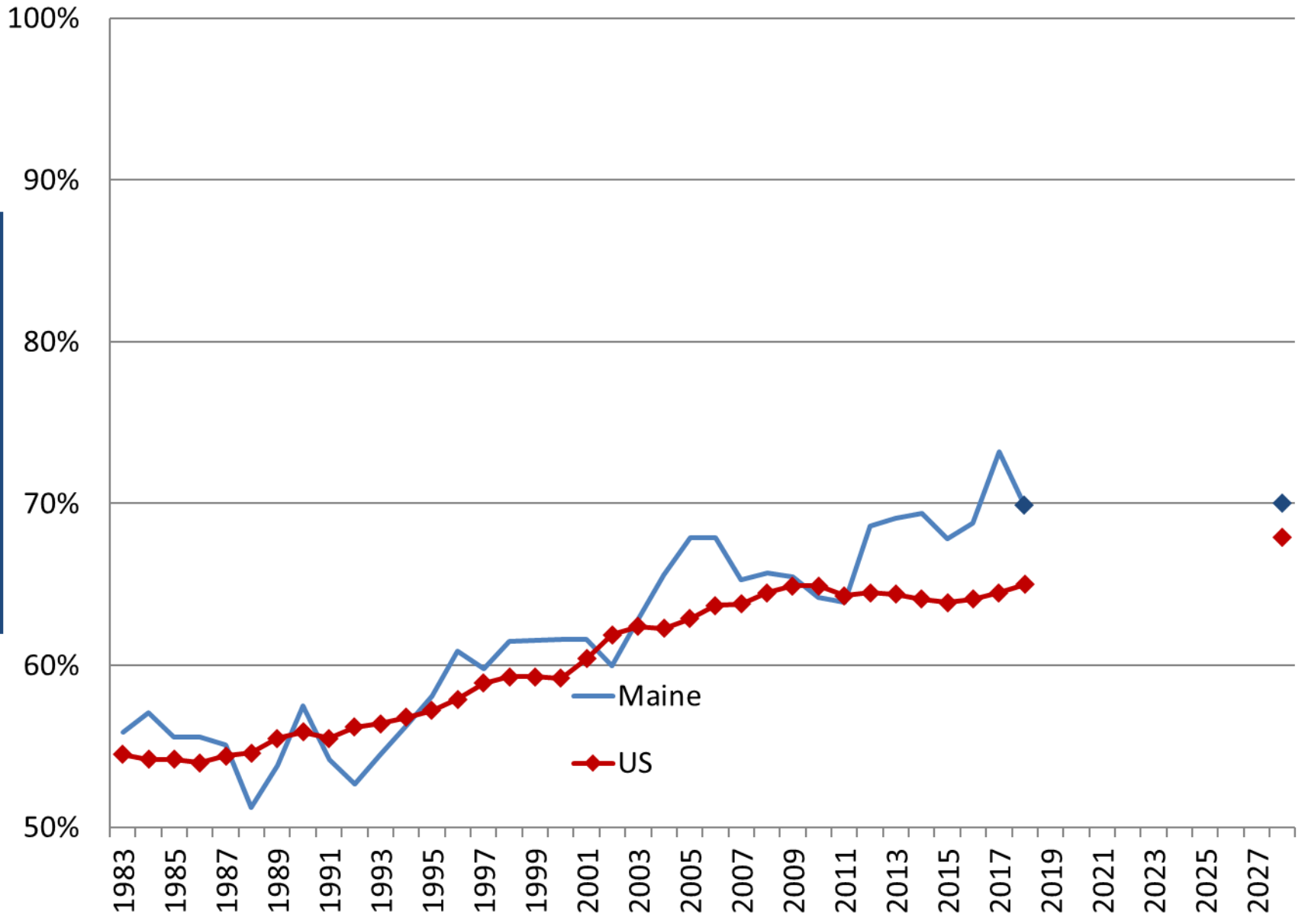
Labor Force Participation Rates



Maine forecast – Center for Workforce Research; U.S. forecast – U.S. Bureau of Labor Statistics.

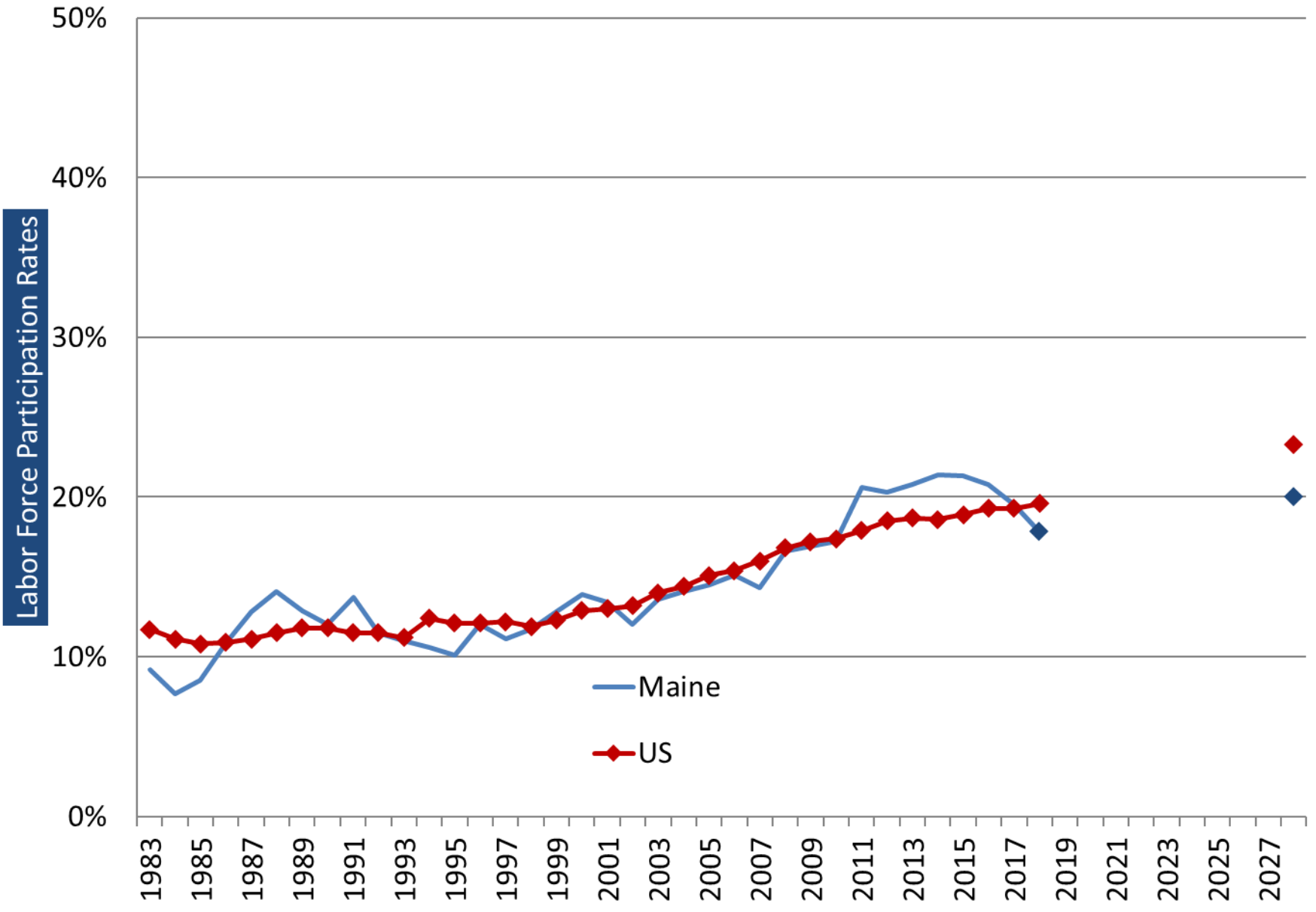
Age 55-64

Labor Force Participation Rates



Maine forecast – Center for Workforce Research; U.S. forecast – U.S. Bureau of Labor Statistics.

Age 65+



Maine forecast – Center for Workforce Research; U.S. forecast – U.S. Bureau of Labor Statistics.

Labor force outlook, 2018 to 2028

Labor force participation
Population scenarios

Wild cards in the outlook

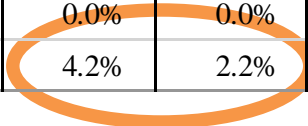
Within age groups, how will labor force participation and net migration change?

Six (of many) possible scenarios:

1. No change in LFP, except for seniors, and currently published DAFS population forecast
2. No change in LFP, except for seniors, and interim update of DAFS population forecast
3. No change in LFP, except for seniors, and alternative population forecast
4. 1.5 percentage point change in LFP, except for seniors, and currently published DAFS population forecast
5. 1.5 percentage point change in LFP, except for seniors, and interim update of DAFS population forecast
6. 1.5 percentage point change in LFP, except for seniors, and alternative population forecast

Labor Force Participation Rates in Maine

Age Group	2018	2023	2028	Change	
				5 Year	10 Year
Labor Force Participation Rate					
16+	63.1%	61.7%	59.6%	-1.4%	-3.5%
16-24	64.6%	64.6%	64.6%	0.0%	0.0%
25-34	84.3%	84.3%	84.3%	0.0%	0.0%
35-44	85.6%	85.6%	85.6%	0.0%	0.0%
45-54	83.7%	83.7%	83.7%	0.0%	0.0%
55-64	69.9%	69.9%	69.9%	0.0%	0.0%
65+	17.8%	22.0%	20.0%	4.2%	2.2%



DAFS Population Forecast (2016 Base)

Age Group	2018	2023	2028	Change	
				5 Year	10 Year
Civilian Noninstitutional Population					
16+	1,108,700	1,127,500	1,139,100	18,800	30,400
16-24	139,000	133,200	128,100	-5,800	-10,900
25-34	155,600	157,700	156,300	2,100	700
35-44	151,300	157,000	162,900	5,700	11,600
45-54	179,400	160,000	156,600	-19,400	-22,800
55-64	207,200	195,900	175,000	-11,300	-32,200
65+	276,200	323,700	360,200	47,500	84,000
Civilian Labor Force					
16+	694,700	695,300	679,400	600	-15,300
16-24	89,800	86,000	82,800	-3,800	-7,000
25-34	131,200	132,900	131,800	1,700	600
35-44	129,500	134,400	139,400	4,900	9,900
45-54	150,200	133,900	131,100	-16,300	-19,100
55-64	144,800	136,900	122,300	-7,900	-22,500
65+	49,200	71,200	72,000	22,000	22,800



DAFS Population Forecast (Partial Update)

Age Group	2018	2023	2028	Change	
				5 Year	10 Year
Civilian Noninstitutional Population					
16+	1,111,900	1,122,100	1,126,000	10,200	14,100
16-24	135,000	132,300	126,500	-2,700	-8,500
25-34	158,400	155,500	150,500	-2,900	-7,900
35-44	151,800	158,100	163,600	6,300	11,800
45-54	179,400	157,100	151,000	-22,300	-28,400
55-64	212,500	196,400	173,100	-16,100	-39,400
65+	274,800	322,700	361,300	47,900	86,500
Civilian Labor Force					
16+	703,200	696,400	673,100	-6,800	-30,100
16-24	87,700	85,900	82,200	-1,800	-5,500
25-34	134,800	132,300	128,100	-2,500	-6,700
35-44	131,300	136,800	141,600	5,500	10,300
45-54	151,100	132,200	127,100	-18,900	-24,000
55-64	149,200	137,900	121,500	-11,300	-27,700
65+	49,100	71,300	72,600	22,200	23,500



Alternative Population Forecast

Age Group	2018	2023	2028	Change	
				5 Year	10 Year
Civilian Noninstitutional Population					
16+	1,111,900	1,119,900	1,119,600	8,000	7,700
16-24	135,000	126,900	120,800	-8,100	-14,200
25-34	158,400	155,100	144,500	-3,300	-13,900
35-44	151,800	166,200	176,600	14,400	24,800
45-54	179,400	157,000	152,000	-22,400	-27,400
55-64	212,500	197,000	173,600	-15,500	-38,900
65+	274,800	317,700	352,100	42,900	77,300
Civilian Labor Force					
16+	703,200	698,800	675,000	-4,400	-28,200
16-24	87,700	82,400	78,500	-5,300	-9,200
25-34	134,800	132,000	123,000	-2,800	-11,800
35-44	131,300	143,800	152,900	12,500	21,600
45-54	151,100	132,100	128,000	-19,000	-23,100
55-64	149,200	138,300	121,900	-10,900	-27,300
65+	49,100	70,200	70,700	21,100	21,600



Labor Force Participation Rates in Maine

Age Group	2018	2023	2028	Change	
				5 Year	10 Year
Labor Force Participation Rate					
16+	63.1%	62.7%	60.7%	-0.4%	-2.4%
16-24	64.6%	66.1%	66.1%	1.5%	1.5%
25-34	84.3%	85.8%	85.8%	1.5%	1.5%
35-44	85.6%	87.1%	87.1%	1.5%	1.5%
45-54	83.7%	85.2%	85.2%	1.5%	1.5%
55-64	69.9%	71.4%	71.4%	1.5%	1.5%
65+	17.8%	22.0%	20.0%	4.2%	2.2%



DAFS Population Forecast (2016 Base)

Age Group	2018	2023	2028	Change	
				5 Year	10 Year
Civilian Noninstitutional Population					
16+	1,108,700	1,127,500	1,139,100	18,800	30,400
16-24	139,000	133,200	128,100	-5,800	-10,900
25-34	155,600	157,700	156,300	2,100	700
35-44	151,300	157,000	162,900	5,700	11,600
45-54	179,400	160,000	156,600	-19,400	-22,800
55-64	207,200	195,900	175,000	-11,300	-32,200
65+	276,200	323,700	360,200	47,500	84,000
Civilian Labor Force					
16+	694,700	707,400	691,100	12,700	-3,600
16-24	89,800	88,000	84,700	-1,800	-5,100
25-34	131,200	135,300	134,100	4,100	2,900
35-44	129,500	136,700	141,900	7,200	12,400
45-54	150,200	136,300	133,400	-13,900	-16,800
55-64	144,800	139,900	125,000	-4,900	-19,800
65+	49,200	71,200	72,000	22,000	22,800



DAFS Population Forecast (Partial Update)

Age Group	2018	2023	2028	Change	
				5 Year	10 Year
Civilian Noninstitutional Population					
16+	1,111,900	1,122,100	1,126,000	10,200	14,100
16-24	135,000	132,300	126,500	-2,700	-8,500
25-34	158,400	155,500	150,500	-2,900	-7,900
35-44	151,800	158,100	163,600	6,300	11,800
45-54	179,400	157,100	151,000	-22,300	-28,400
55-64	212,500	196,400	173,100	-16,100	-39,400
65+	274,800	322,700	361,300	47,900	86,500
Civilian Labor Force					
16+	703,200	708,600	684,600	5,400	-18,600
16-24	87,700	87,900	84,100	200	-3,600
25-34	134,800	134,700	130,300	-100	-4,500
35-44	131,300	139,200	144,100	7,900	12,800
45-54	151,100	134,600	129,400	-16,500	-21,700
55-64	149,200	140,900	124,100	-8,300	-25,100
65+	49,100	71,300	72,600	22,200	23,500



Alternative Population Forecast

Age Group	2018	2023	2028	Change	
				5 Year	10 Year
Civilian Noninstitutional Population					
16+	1,111,900	1,119,900	1,119,600	8,000	7,700
16-24	135,000	126,900	120,800	-8,100	-14,200
25-34	158,400	155,100	144,500	-3,300	-13,900
35-44	151,800	166,200	176,600	14,400	24,800
45-54	179,400	157,000	152,000	-22,400	-27,400
55-64	212,500	197,000	173,600	-15,500	-38,900
65+	274,800	317,700	352,100	42,900	77,300
Civilian Labor Force					
16+	703,200	711,100	686,500	7,900	-16,700
16-24	87,700	84,400	80,300	-3,300	-7,400
25-34	134,800	134,400	125,200	-400	-9,600
35-44	131,300	146,300	155,500	15,000	24,200
45-54	151,100	134,500	130,300	-16,600	-20,800
55-64	149,200	141,300	124,500	-7,900	-24,700
65+	49,100	70,200	70,700	21,100	21,600

