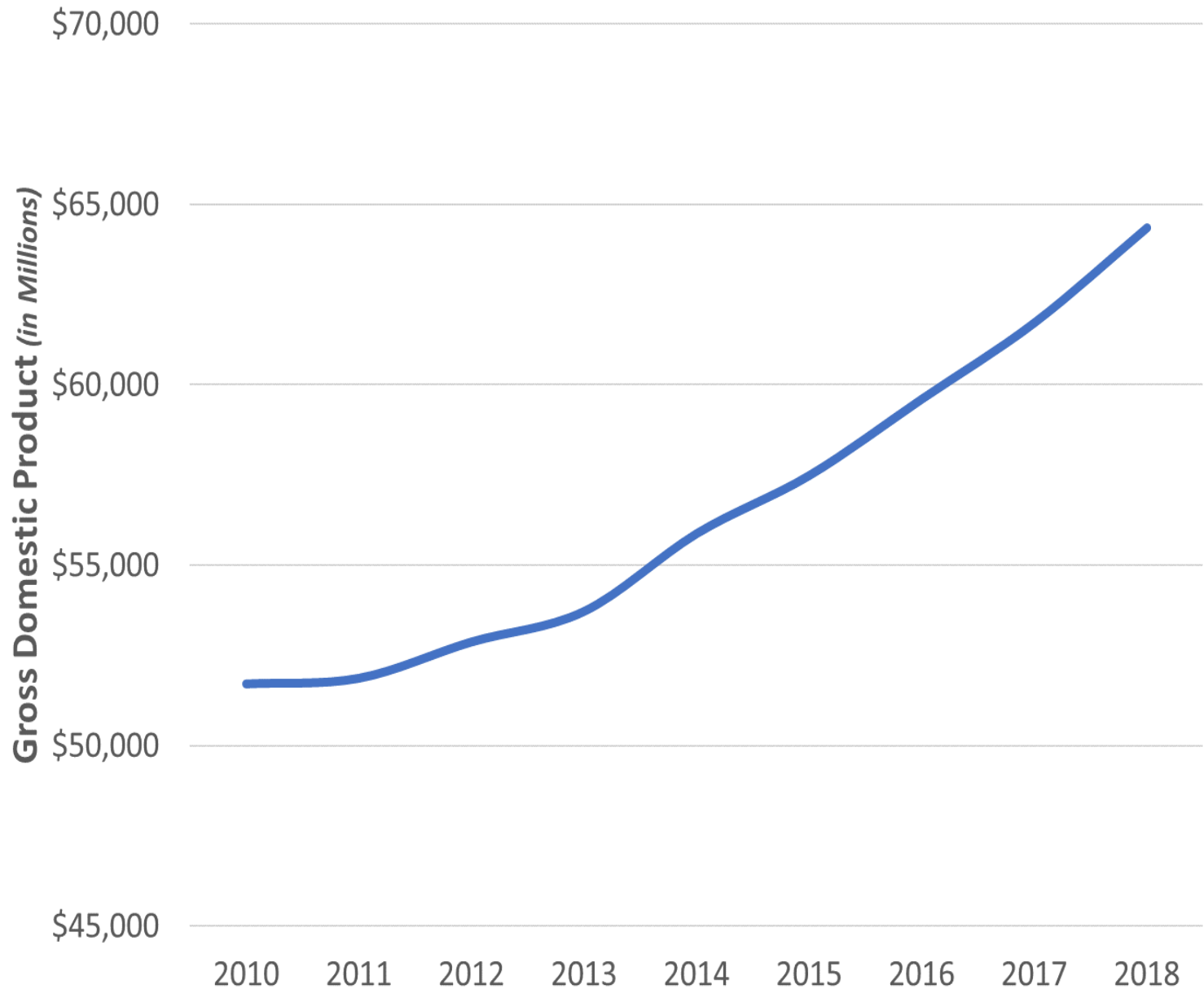


# Maine's Workforce in 2019

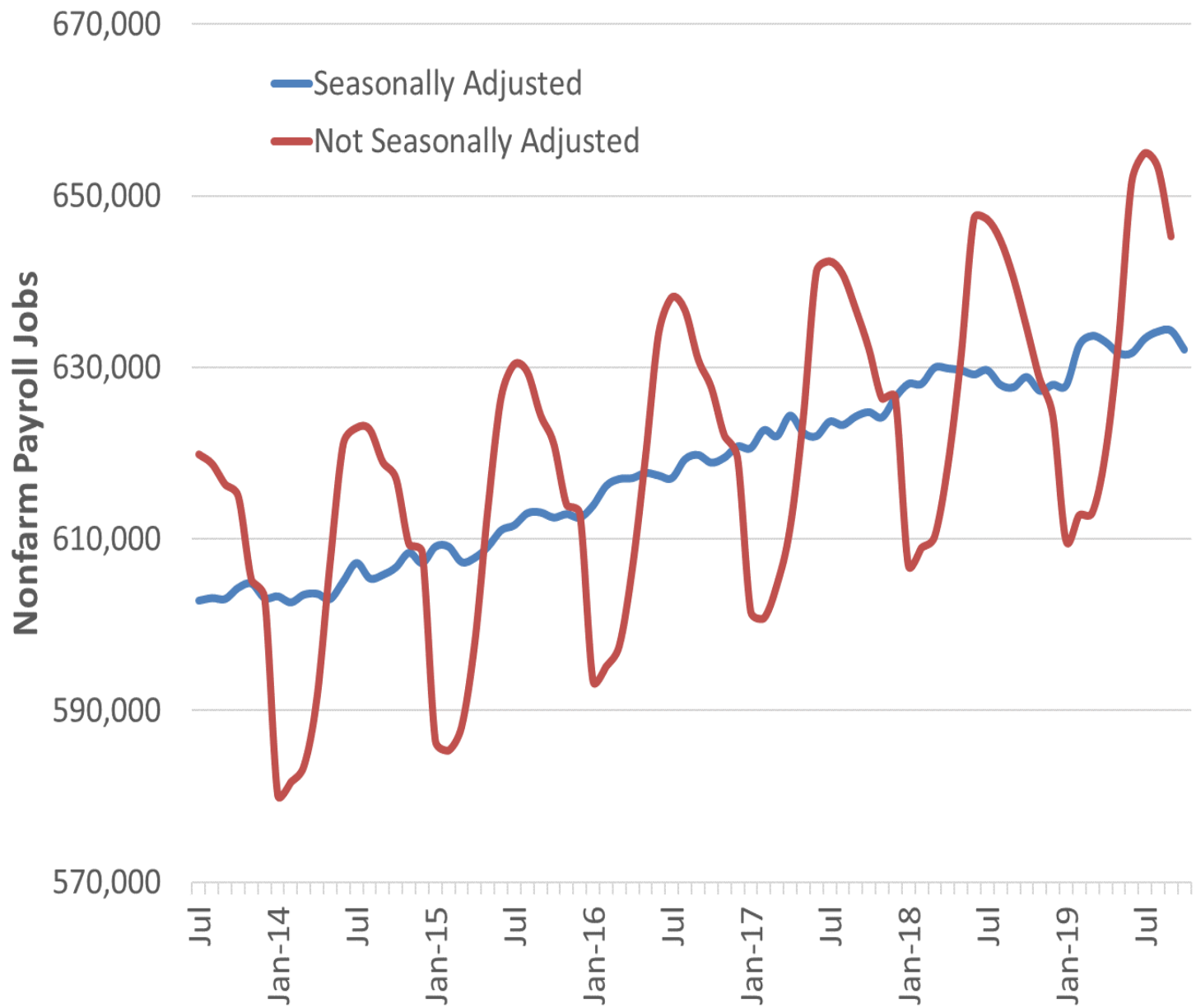
Published October 2019  
[www.maine.gov/labor/cwri](http://www.maine.gov/labor/cwri)

## **Statewide labor market conditions**

**Economic conditions in much of Maine are favorable. The size of the economy and the number of jobs continue to reach new highs, driving unemployment and other measures of labor market slack to new lows. These tight labor market conditions provide a positive environment for individuals with high numbers of job openings and rising wages, but they are a challenge for employers, who are concerned about finding the staff they need.**

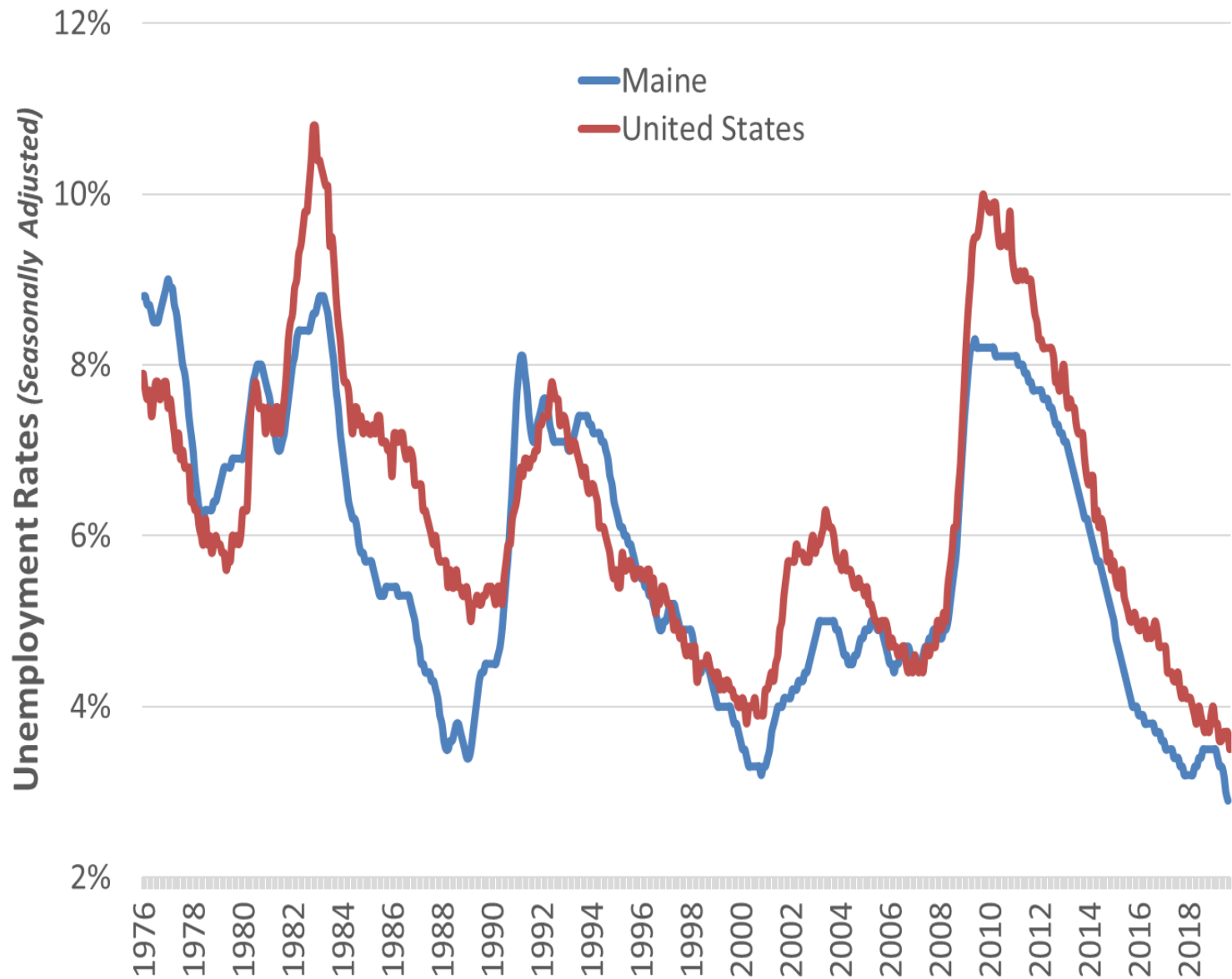


**The economy continues to grow. Total output, measured by gross domestic product, has been increasing at an accelerating rate in recent years. GDP in Maine reached \$64 billion in 2018.**

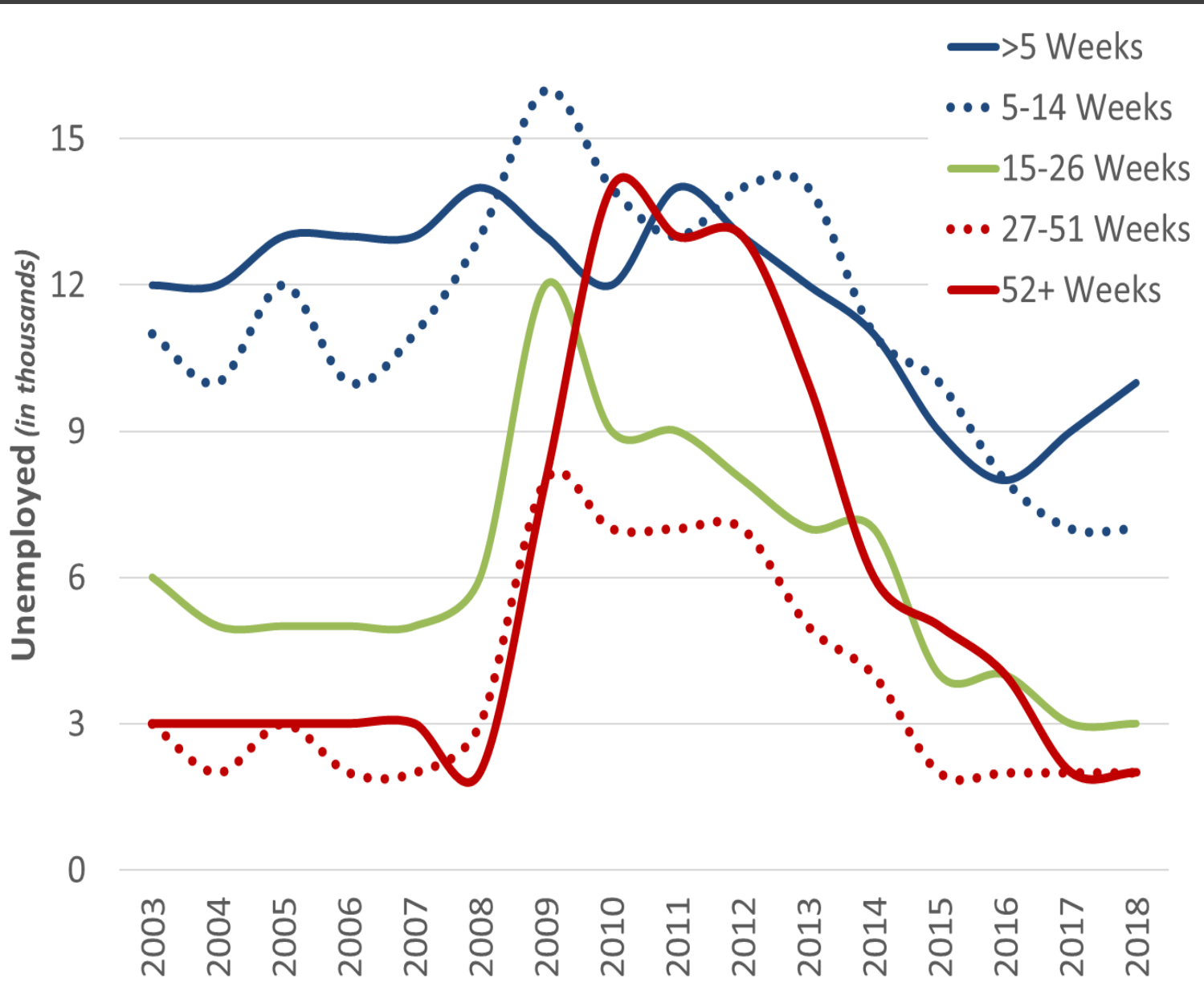


**Economic growth is creating jobs. The number of nonfarm wage and salary jobs steadily increased through the middle of 2019.**

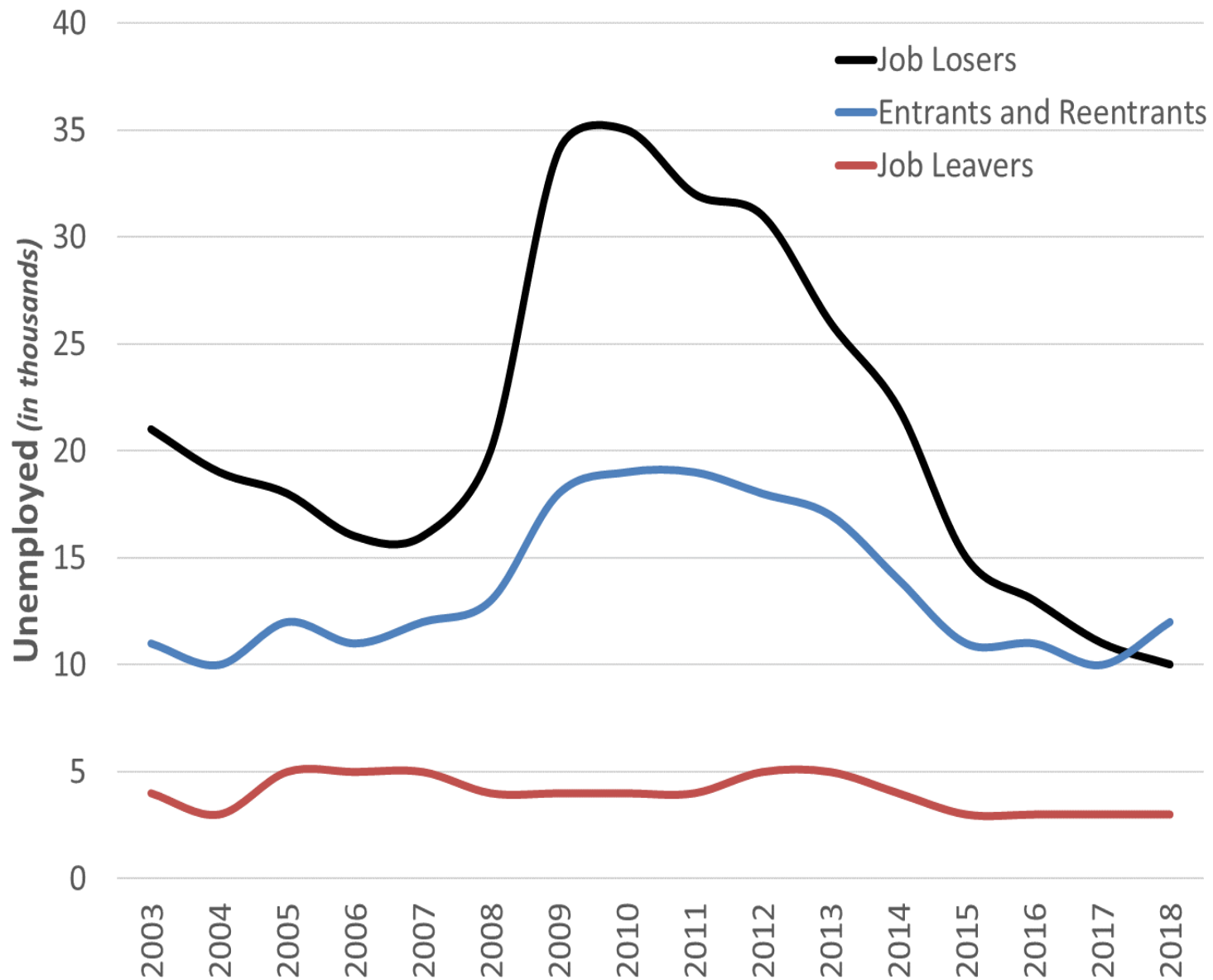
**Maine has larger seasonal swings in jobs than the nation and most states. This is primarily due to the large number of jobs associated with the influx of summer tourists, combined with the seasonal exodus of many retirees, and lower levels of construction and some other activities during the winter.**



**The statewide seasonally adjusted unemployment rate has been below 4% each month since the beginning of 2016, the longest period on record. Unemployment has been close to 3% throughout the second half of 2019.**



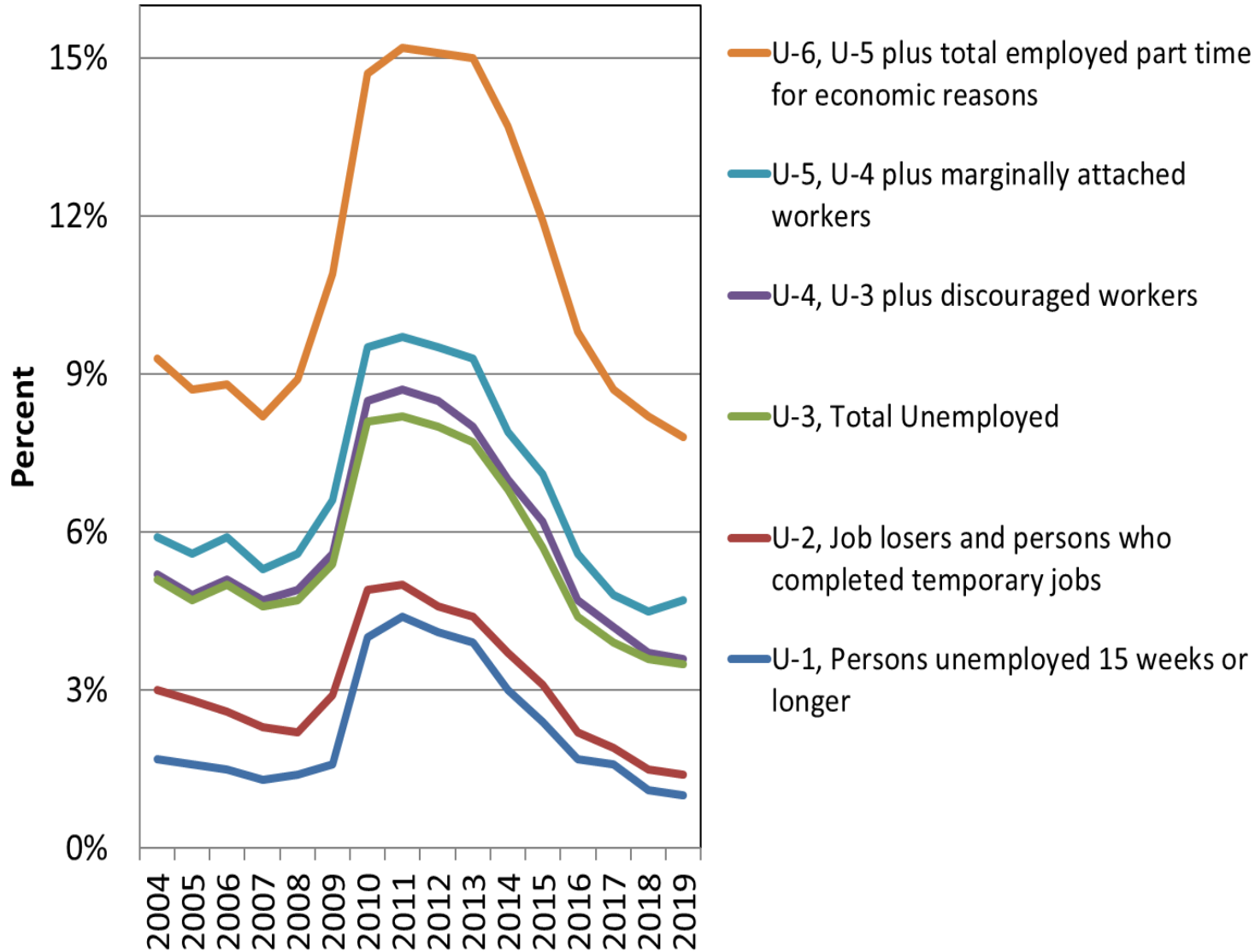
As the economic expansion has advanced, the number of long-term unemployed (more than 26 weeks) has come down sharply. The number of short-term unemployed is now lower than prior to the decade-ago recession.



A primary factor driving unemployment to historic lows was a sharp reduction in the number of people who lost their job. In 2018, 42% of those who were unemployed were job losers. The largest share were people who entered or reentered the labor force (by beginning work search or becoming available to work); a smaller number were those who left a job.

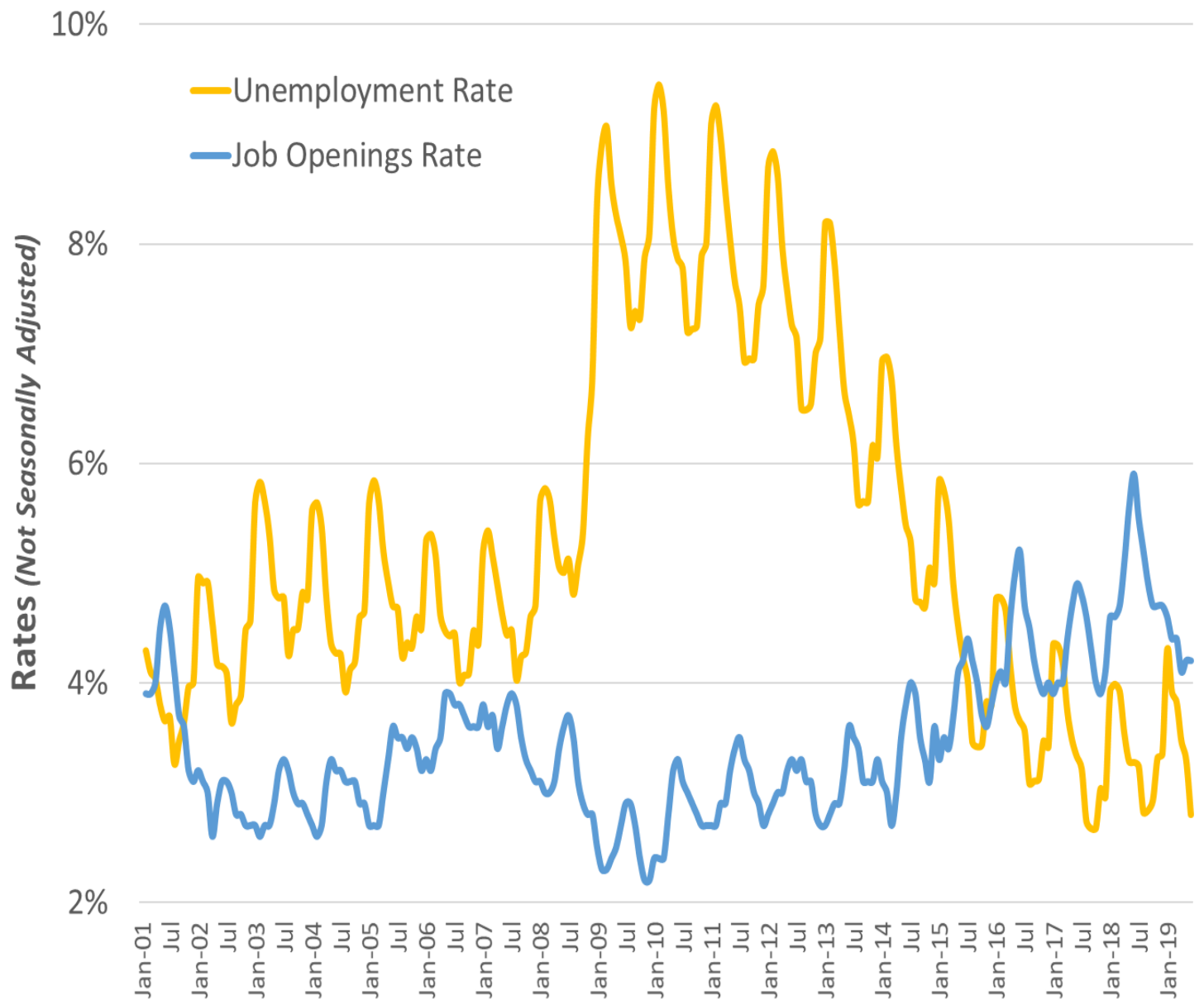
*(Unemployed people are those who are both engaged in work search and are available to work. Retirees, full-time students, inmates, homemakers and others who are not employed and are not searching for work or are not available to work are not considered to be unemployed – they are not in the labor force.)*

### Alternative Measures of Labor Underutilization - Maine

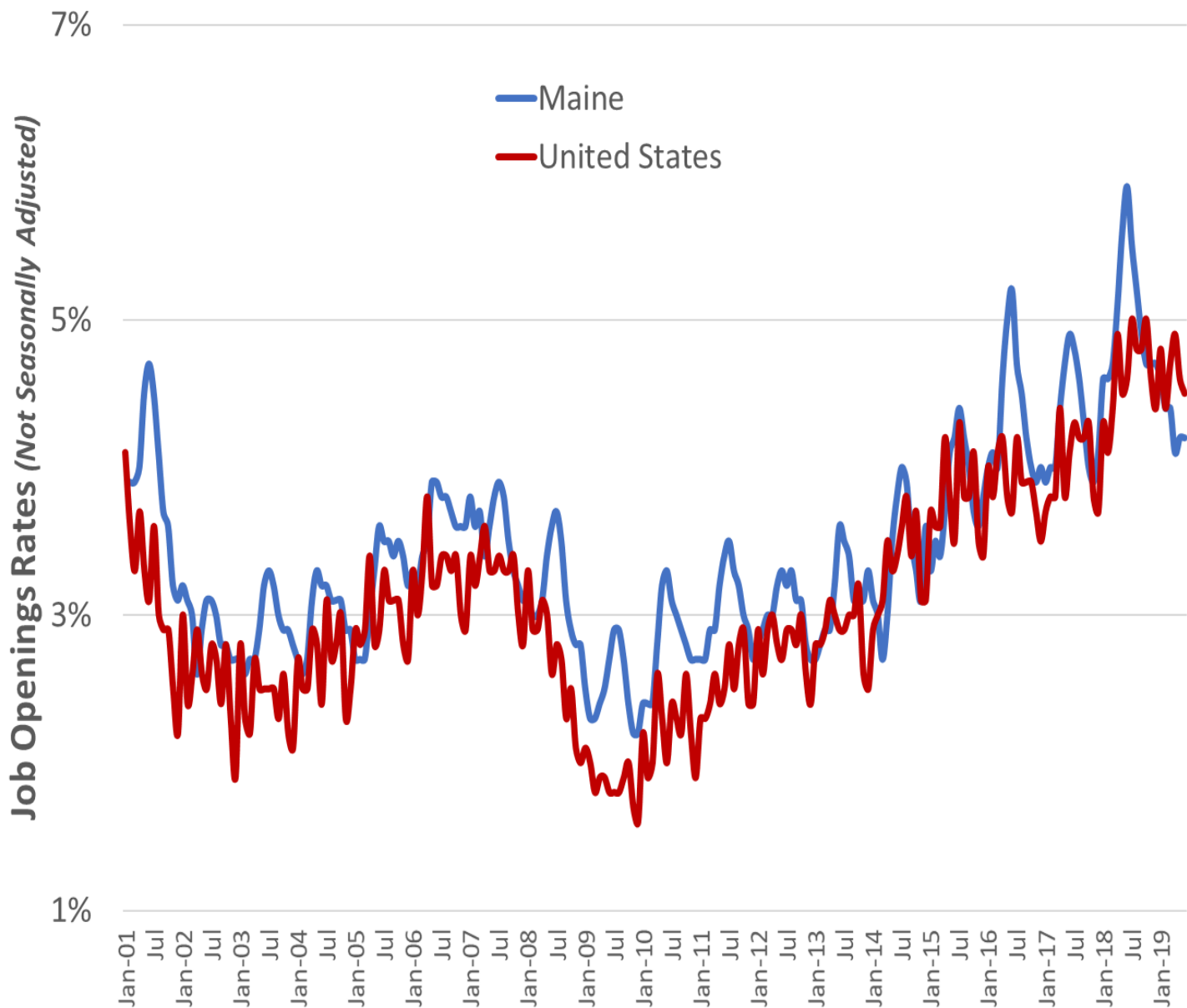


The unemployment rate is one of six measures of labor underutilization. 5 of the 6 are the lowest on record in 2019 and are lower than comparable U.S. rates. By any measure, labor market conditions are unusually tight.





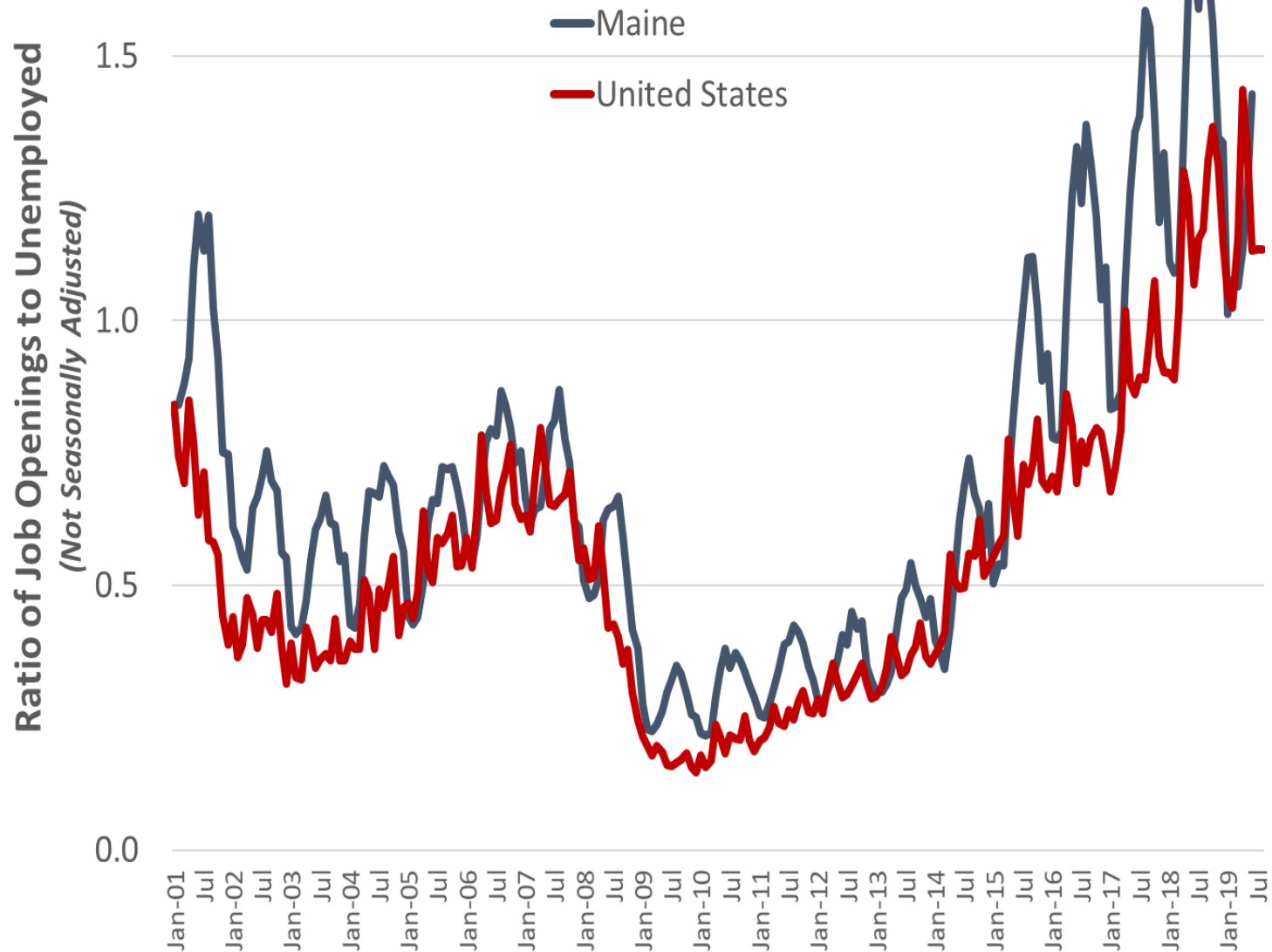
**Another indication of tight labor market conditions in 2019 is the high job openings rate. Job openings are inversely correlated to unemployment. In the last three years, when unemployment has been historically low, the job openings rate has been the highest since at least 2001.**



Despite much slower change in the working-age population and the labor force over the last two decades, Maine's job openings rate is similar to the national rate.

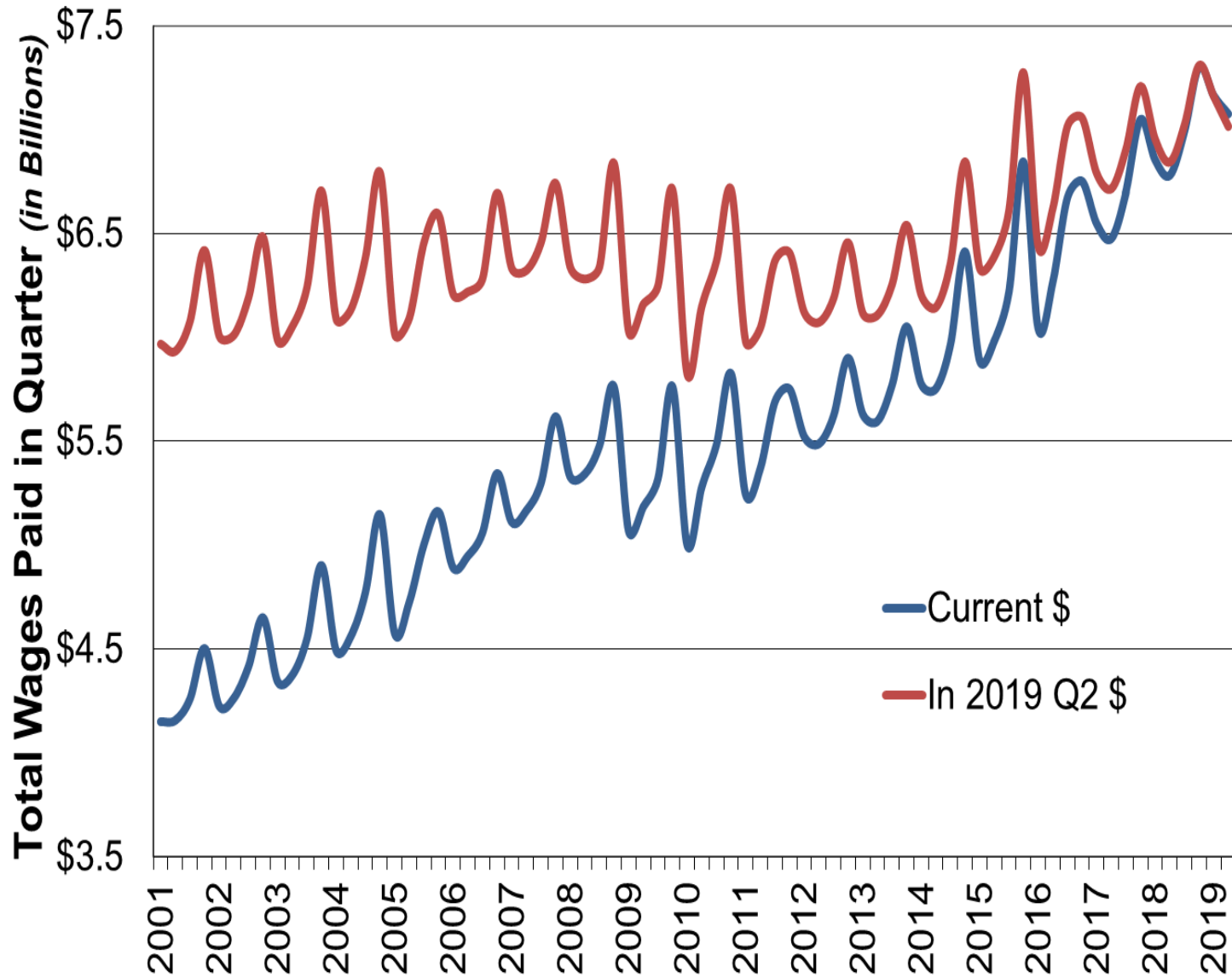
Like the number of jobs and unemployment, the job openings rate in Maine has more seasonal variation than the nation.

The size of the labor force is well-aligned with the population. The staffing challenges that some businesses have faced stem from the strong economic conditions that have driven unemployment to historic lows.

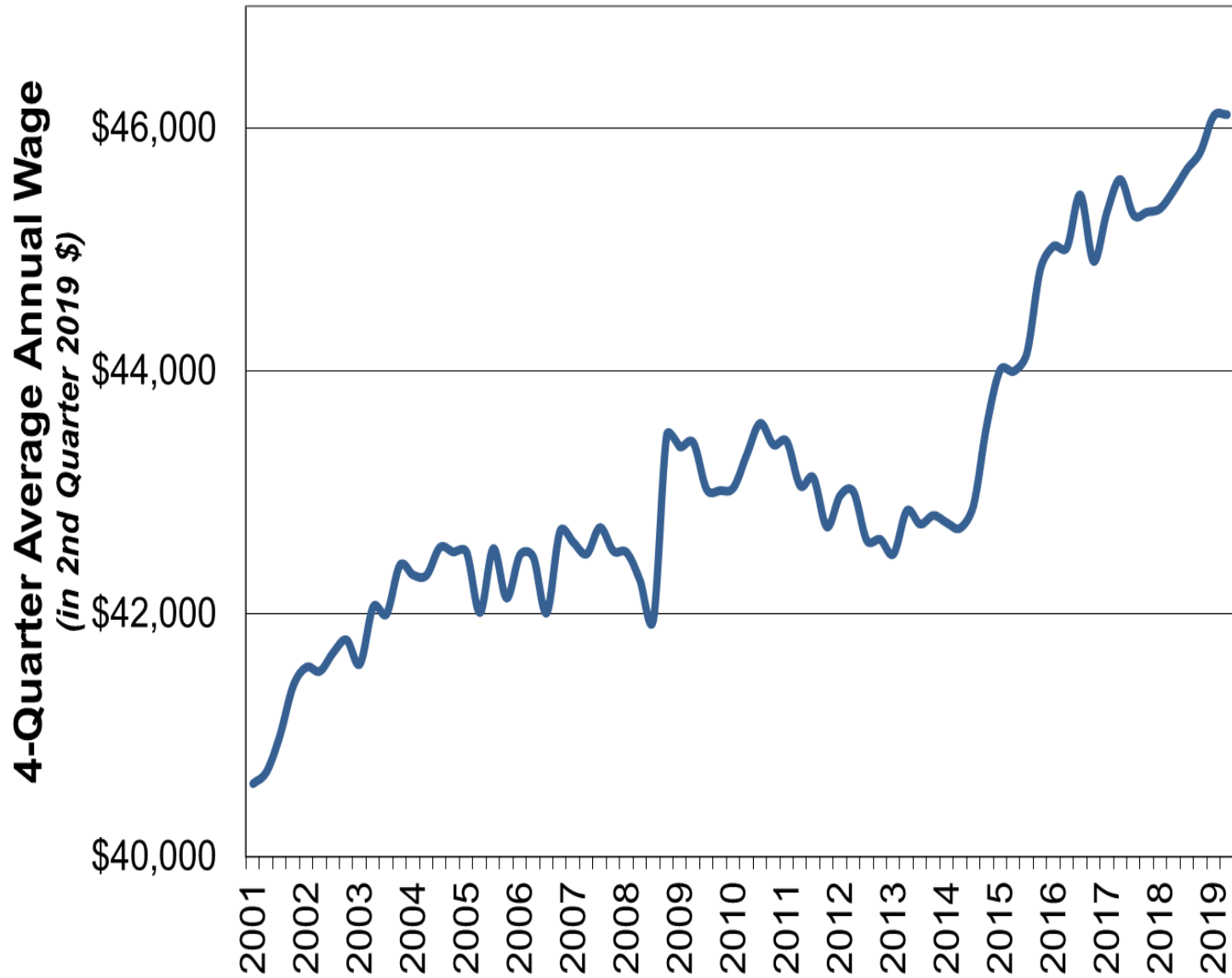


The strong economic conditions of the last few years that drove the number of unemployed down also drove the number of job openings up. For more than three years there have been more openings than unemployed in the state. Nationally that has been the case for two years.

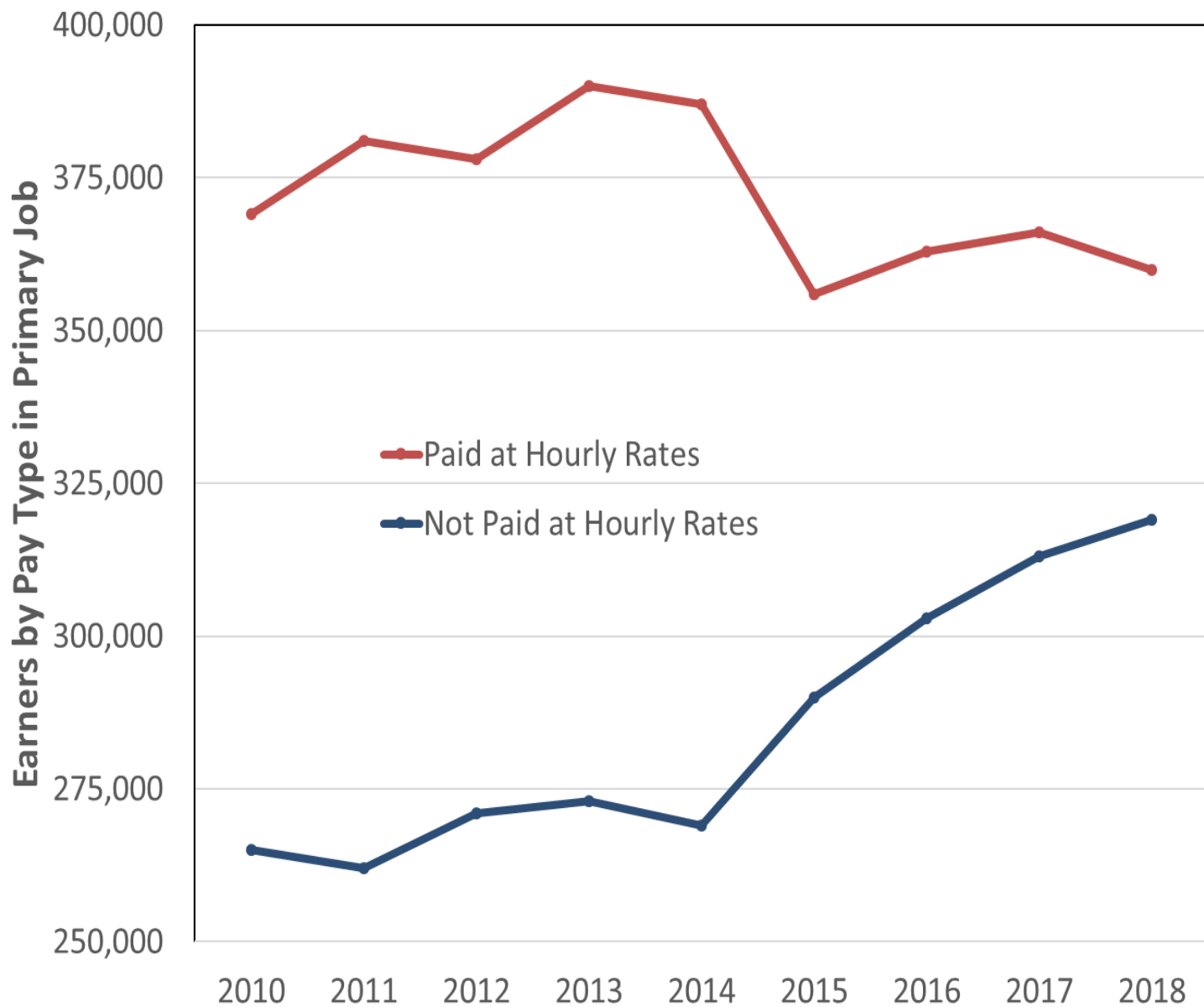
There has not previously been a period when job openings exceeded the number of unemployed people in Maine, except for the summer season of 2001.



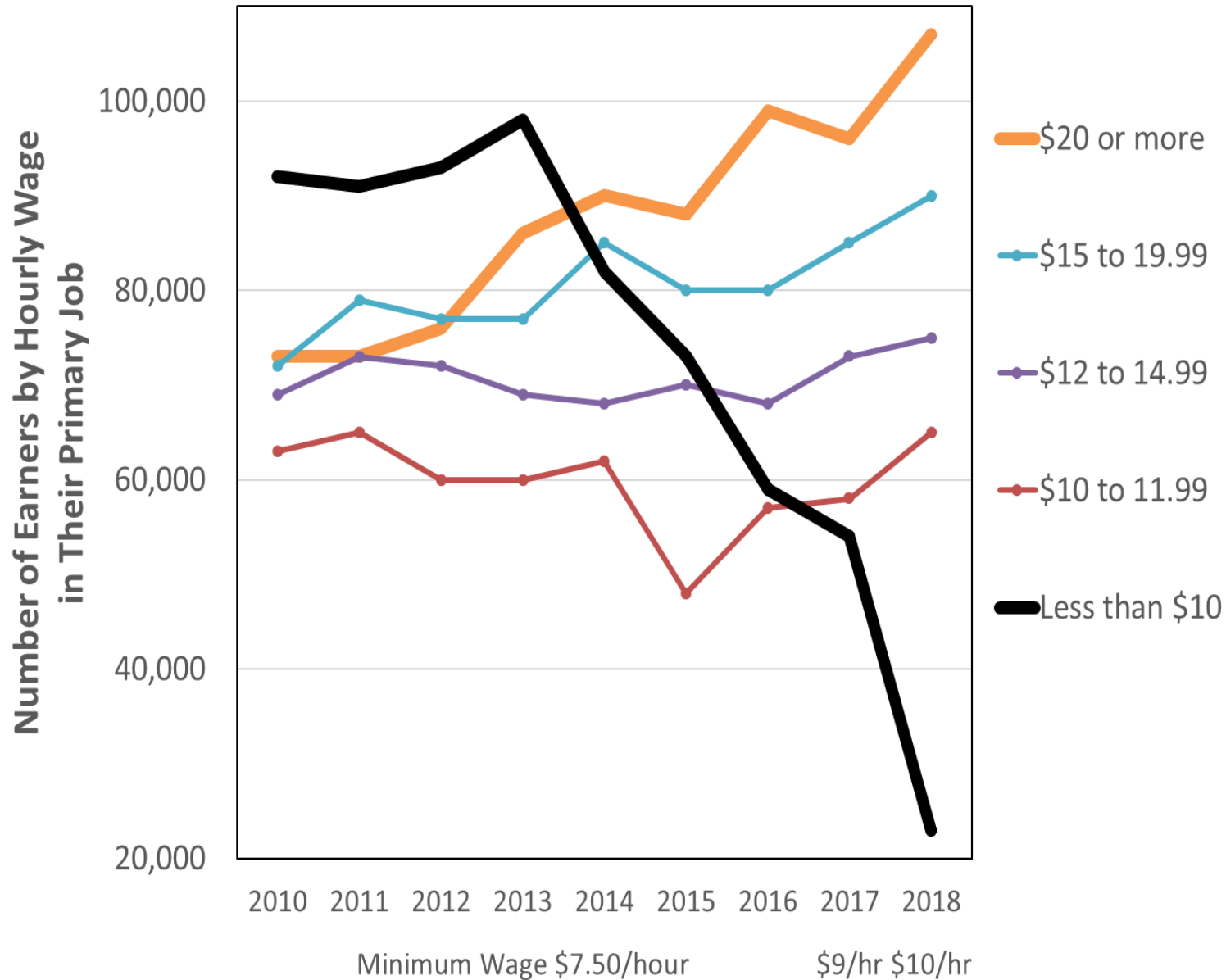
Along with the size of the economy and jobs, total wages paid continue to rise. After adjusting for inflation, in the last four years wages paid increased at the fastest rate in decades. A total of \$28.5 billion in wages were paid to wage and salary workers in Maine in the 12 month period through June 2019.



The tight labor market is driving wages up. Over the last four years the average wage paid in Maine has increased at the fastest rate in decades after adjusting for inflation. In the 12 months through June 2019 the average wage per job reached \$46,100.

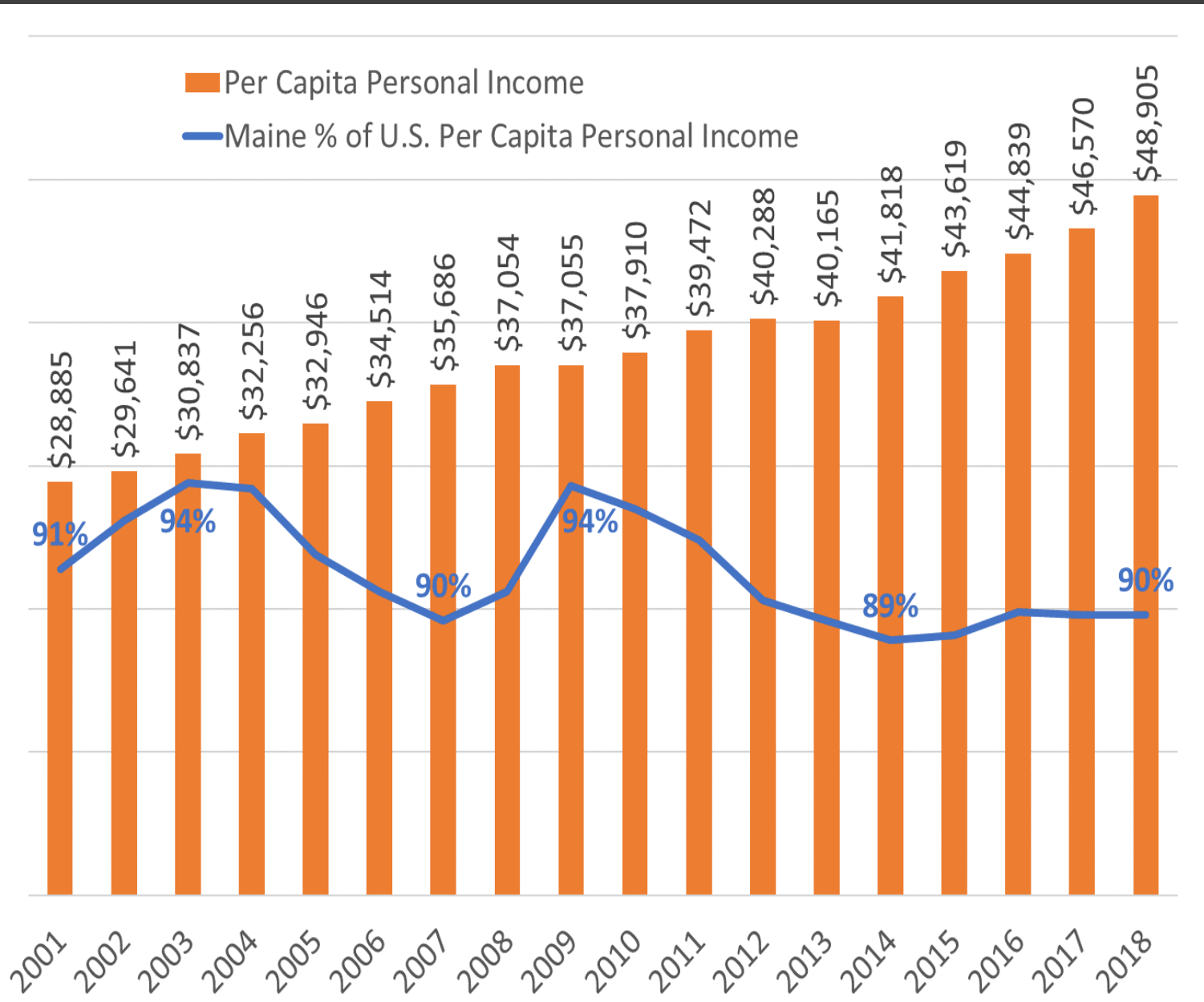


**A rising share of people are paid salary, commission, or through another non-hourly arrangement. In 2018, 53% of workers were paid at hourly rates in their primary job, the lowest share on record.**



The rise in average wages reflects gains not only among higher-earning salaried and commission-paid workers, but also among the lowest paid hourly workers. Among those paid hourly in their primary job, the number earning less than \$10 per hour began to decline sharply after 2013 as the labor market began to tighten. The increased minimum wage also contributed after 2016.

*(Maine's minimum hourly wage increased from \$7.50 to \$9 in 2017, to \$10 in 2018, and to \$11 in 2019. It will increase to \$12 in 2020.)*



Per capita personal income has steadily increased. Over the last two decades, per capita income in Maine relative to the nation was higher in the two recessionary periods (early 2000s and 2008 & 2009) than it was during expansionary periods. That is because the downturns were not as deep here as in much of the country.

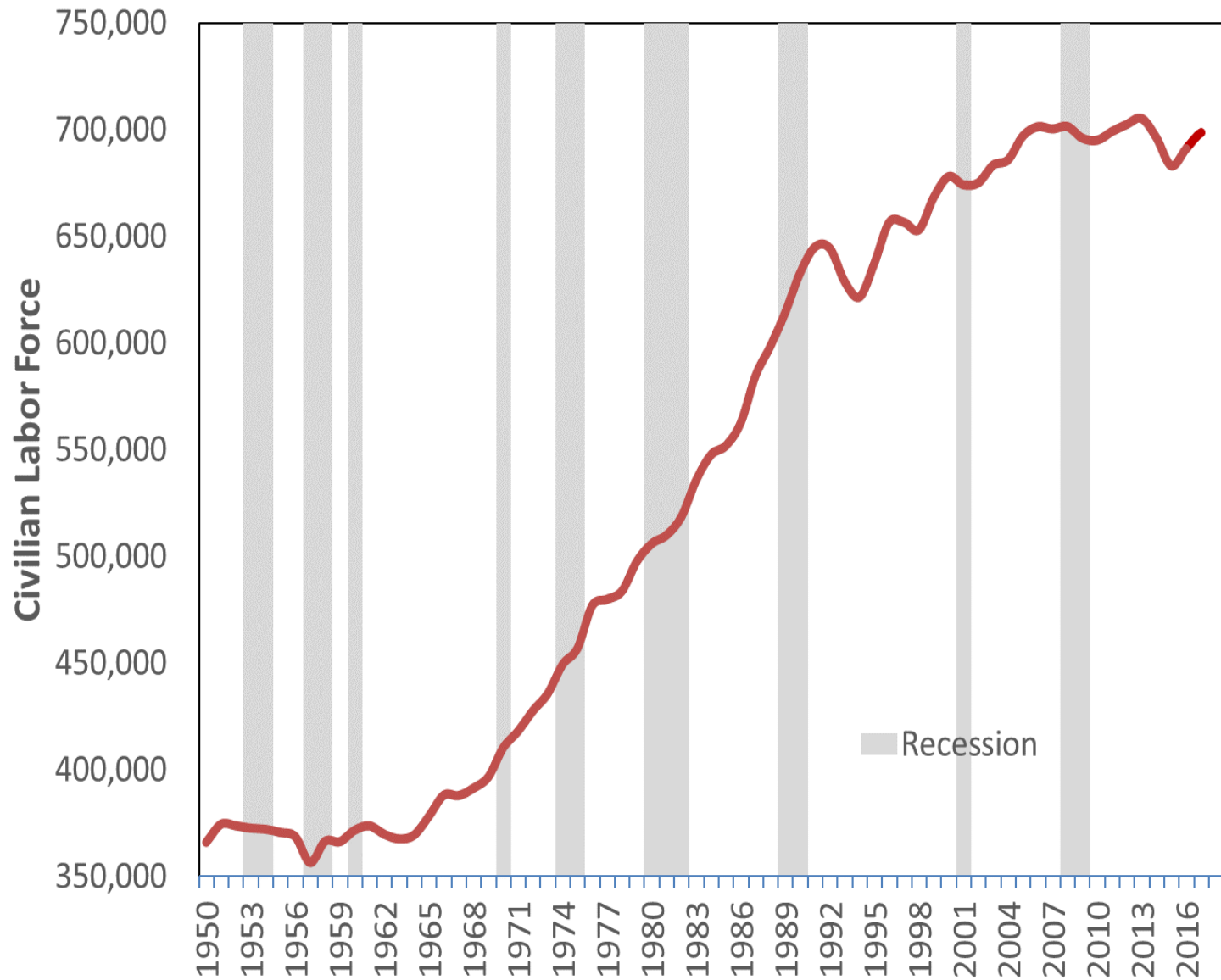
For the last seven years per capita income in Maine was close to 90% of the national level.

*(Per capita personal income includes all sources of income – earnings from work, dividends, interest, rent, and transfer payments – divided by all people in the state, including children, and retired people, as well as those who are working or of working-age.)*

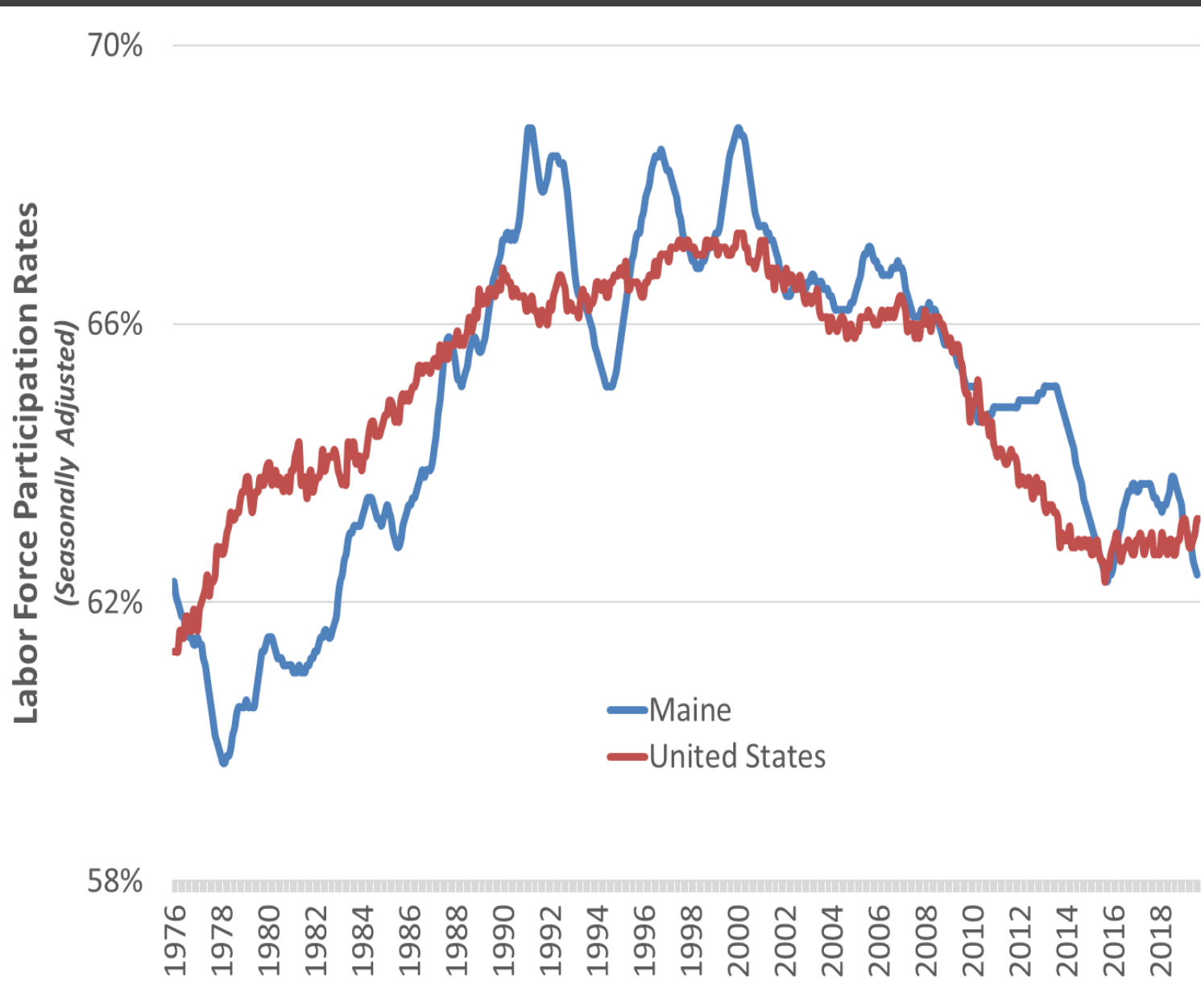


## Labor force participation

The labor force participation rate has declined in Maine for nearly 20 years and the size of the labor force has not changed appreciably in 14 years. The primary reasons labor force participation has declined, and is expected to continue to do so, are the advancing age structure of the population and lower participation in areas of the state where the economic base has eroded.



The size of the labor force in Maine increased sharply from the mid-1960s through the 1980s as large numbers of baby boomers reached working-age. Growth slowed in the 1990s and early 2000s as fewer young people reached working-age. Since 2005 the size of the labor force has not changed significantly, remaining close to 700,000.



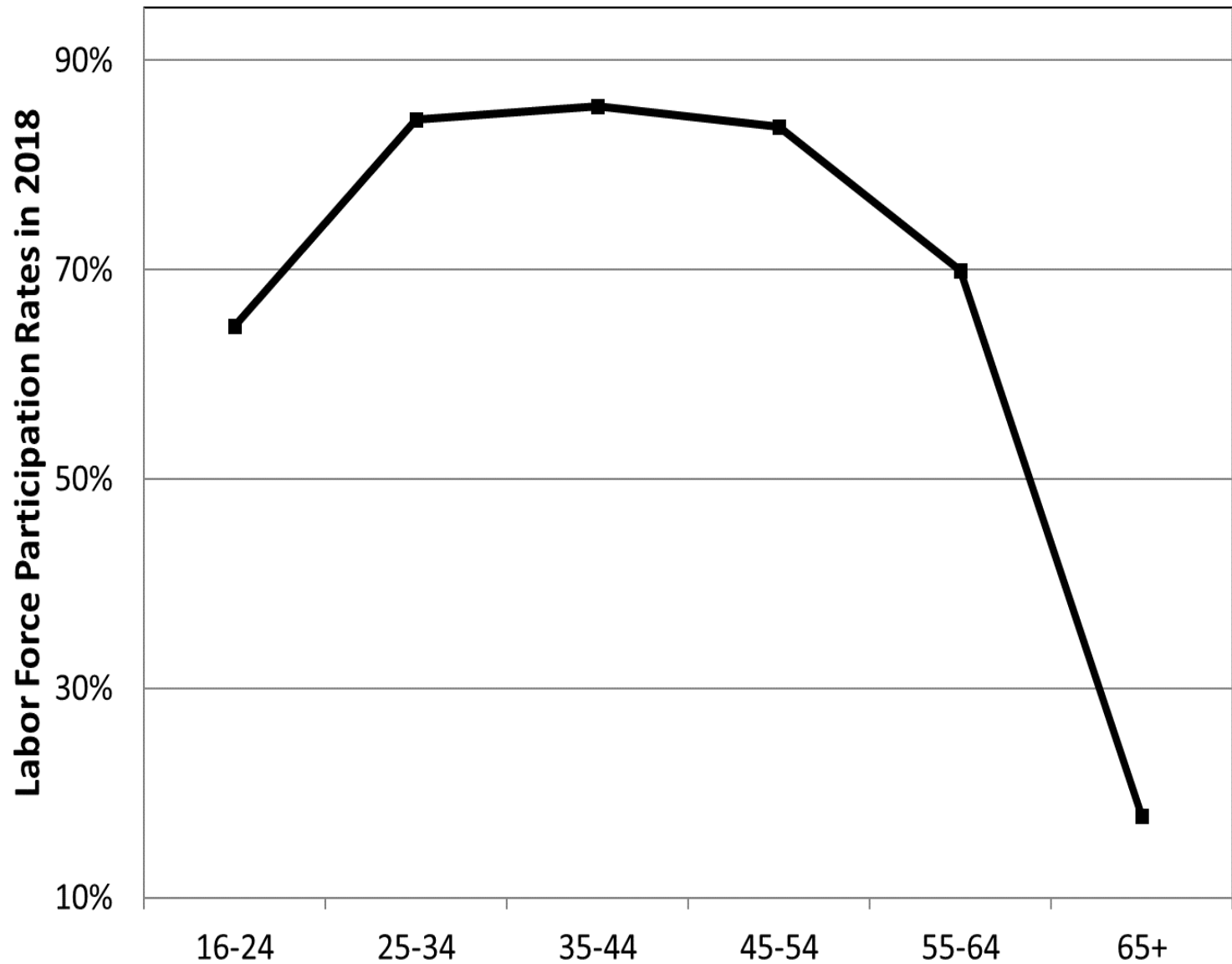
Maine and the nation had a prolonged period of rising labor force participation from the 1960s to around 2000. About 68 percent of the population age 16 and over was in the labor force two decades ago. Since then participation has declined to around 63 percent today.

## Labor Force Participation in 2018

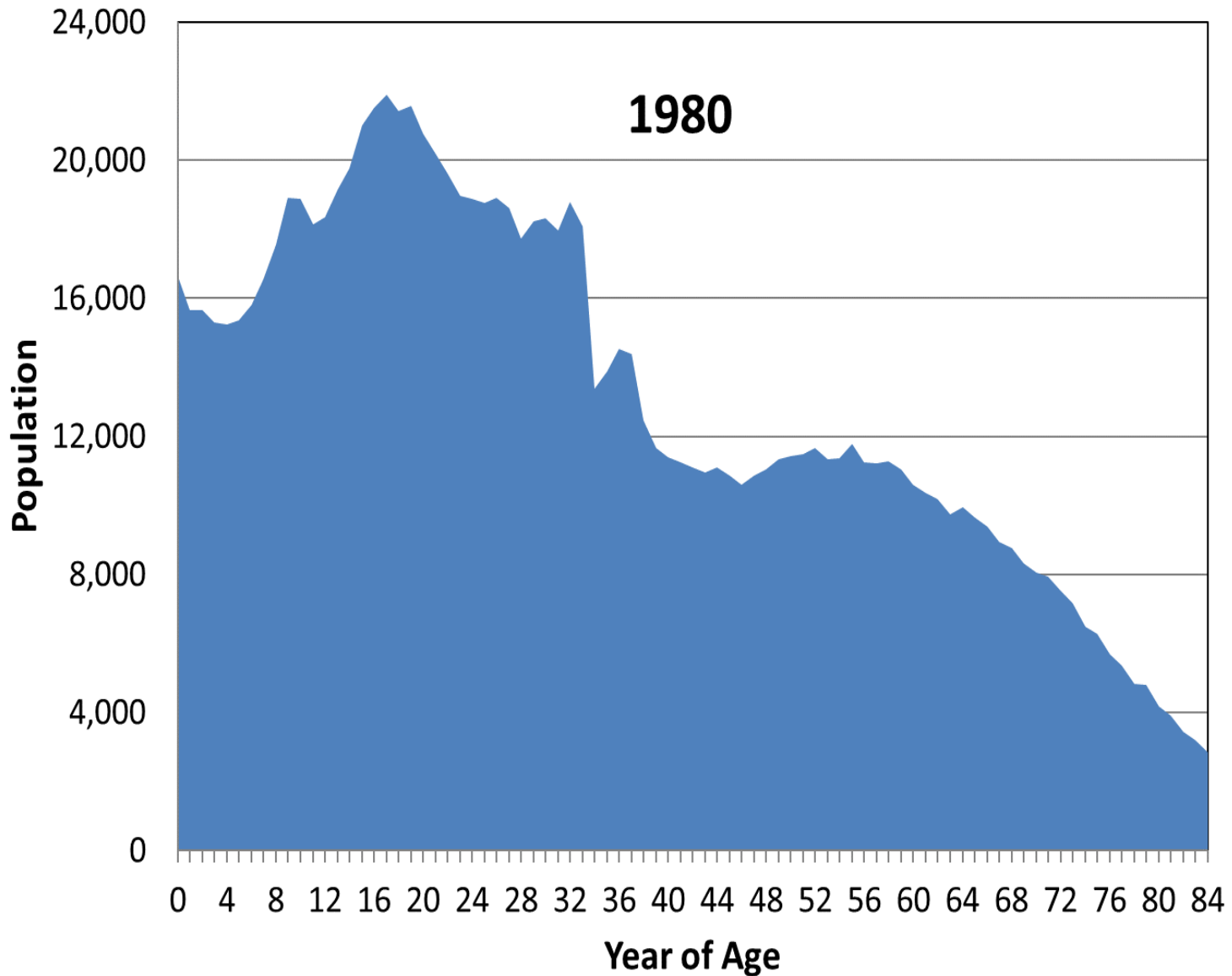
Population	1,340,000	
Institutionalized or Not Civilian Population	20,000	Cannot Participate in the Labor Force
Kids Under Age 16	220,000	
Civilian Non-Institutionalized Population Age 16+	1,100,000	100%
Civilian Labor Force	698,000	63%
Employed	675,000	61%
Unemployed	23,000	
<i>Unemployment Rate</i>		3.3%
Not in the Labor Force	402,000	37%
Age 65+	218,000	20%
Age 16 to 24 (Most in School)	55,000	5%
Age 25 to 64	129,000	12%
With a Disability, Not Working	64,600	6%
With a Disability That Prevents Them From Working	Unknown*	Unknown
Age 25 to 64 Enrolled in College or Graduate School	33,600*	Unknown
Total age 25 to 64 who are not in the labor force, not in school, and do not have a disability that prevents them from working.	Likely less than 50,000	Likely less than 5%

*\*It is not clear how many adults enrolled in college or graduate school are or are not in the labor force. It is not clear how many of those with a disability who are not working are prevented from working by their condition.*

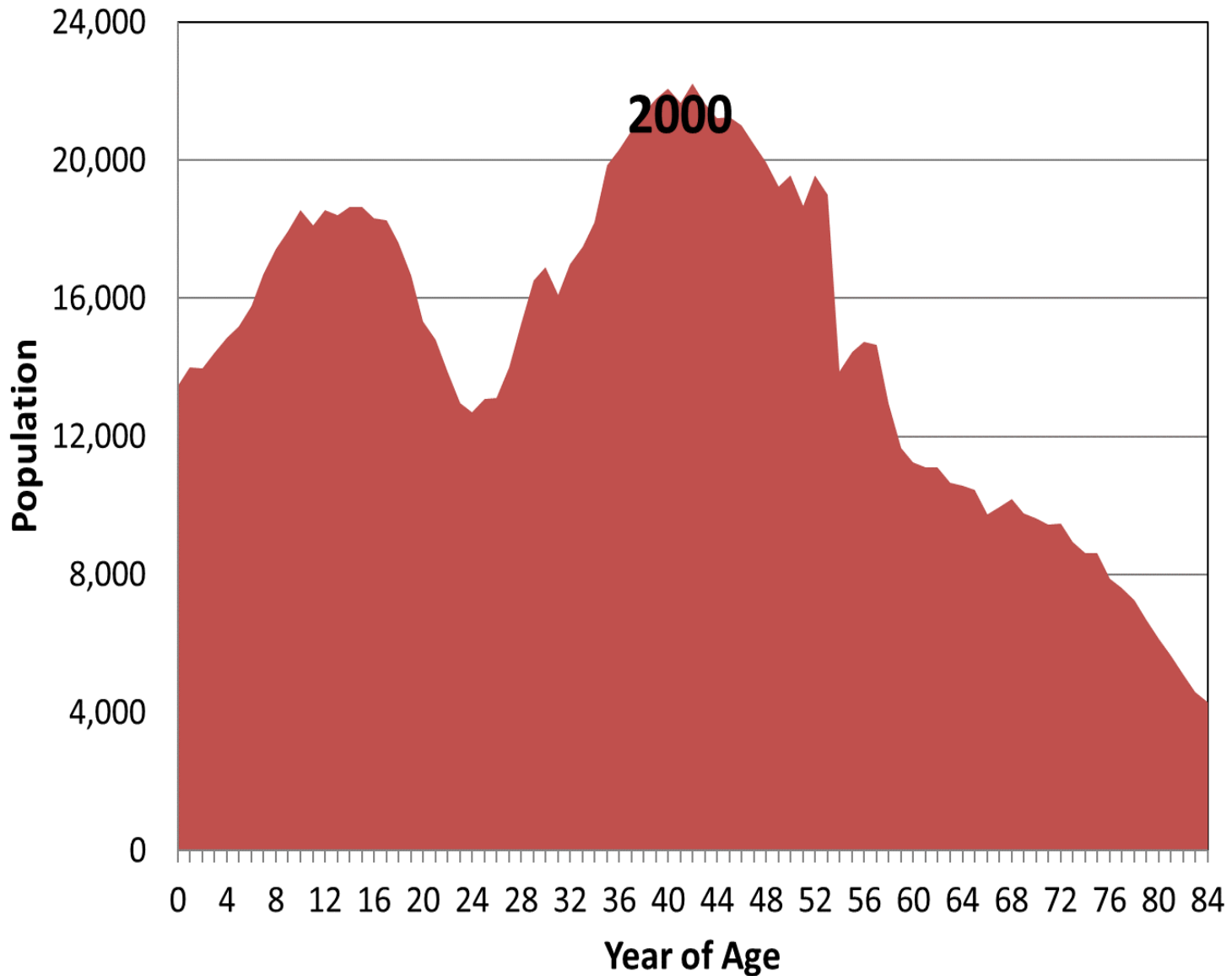
Nearly half the population in Maine was not in the labor force in 2018. Many were children under age 16. Of the population age 16 and over, 63 percent were in the labor force and 37 percent were not. Of those not in the labor force, most were retired people age 65 and over; others were age 16 to 24, in high school or college. Among the 129,000 age 25 to 64 who were not in the labor force, some had a disability or other barriers to employment, some were in college or graduate school, and some were taking time out of the labor force to care for children or other family members.



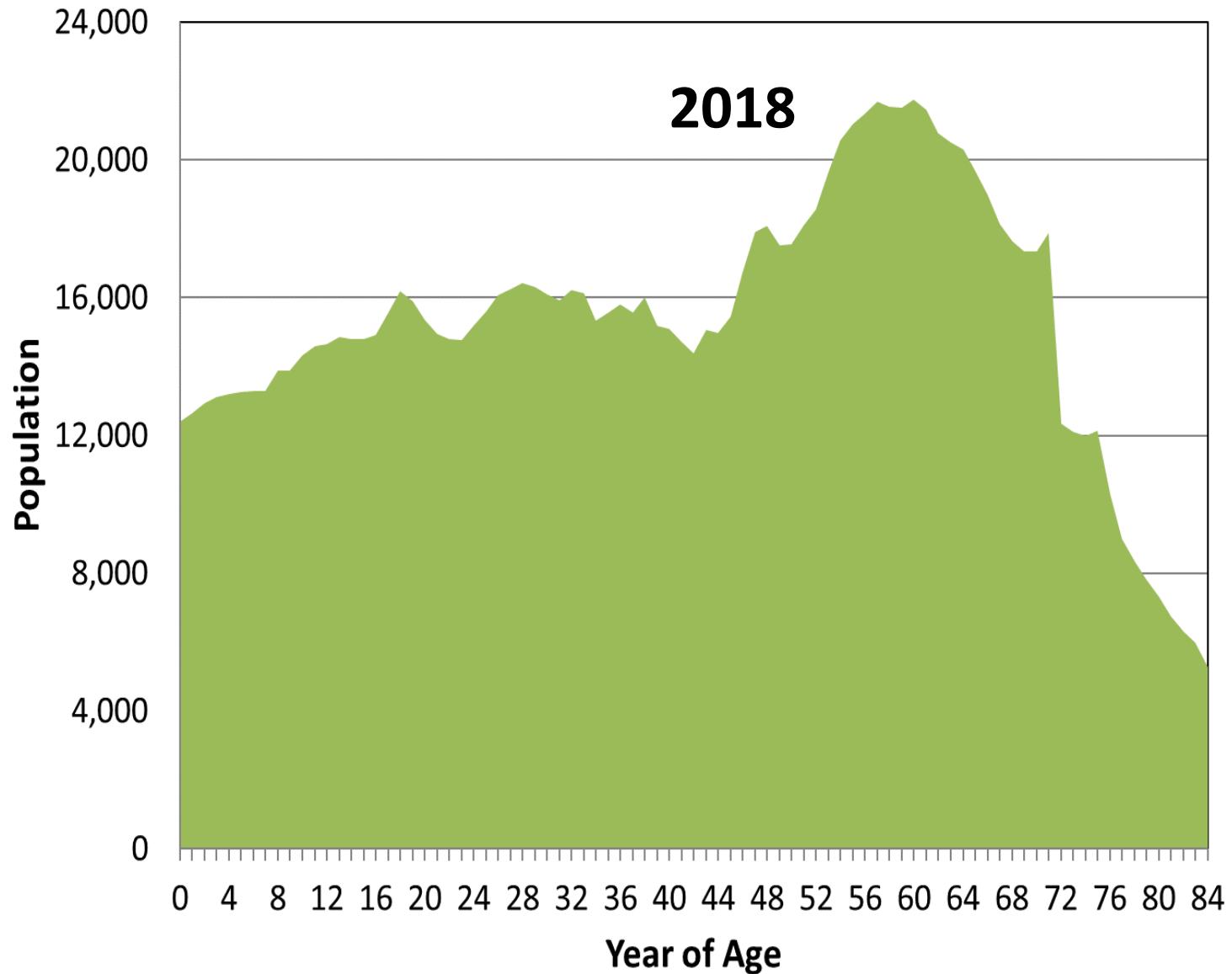
Labor force participation varies with age. Nearly 85 percent of the population age 25 to 54 is in the labor force (working or engaged in work search). Participation is lower for teens and young adults, primarily due to schooling, and for those age 65 and over, most of whom are retired. This pattern has been consistent through the years.



The 1970s and 1980s rise in participation occurred primarily because most of the large baby boom generation reached working-age and because a higher share of baby boom women were in the labor force than in previous generations.



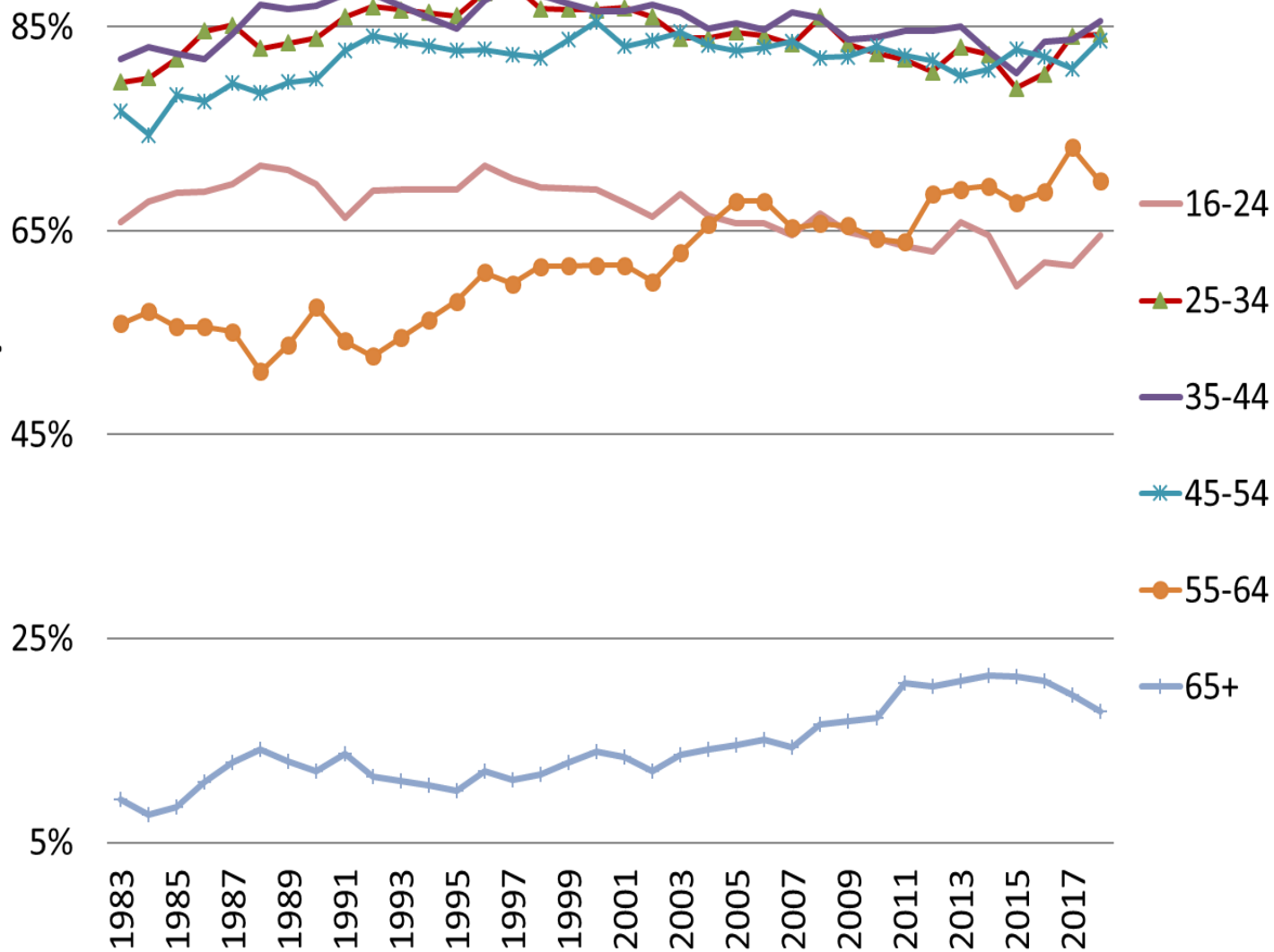
Participation peaked around 2000 because baby boomers were mostly in their 30s and 40s, the age of the highest connection to the workforce.



The decrease in participation since 2000 occurred because the share of population in their high labor force participation years was lower.



## Labor Force Participation Rates

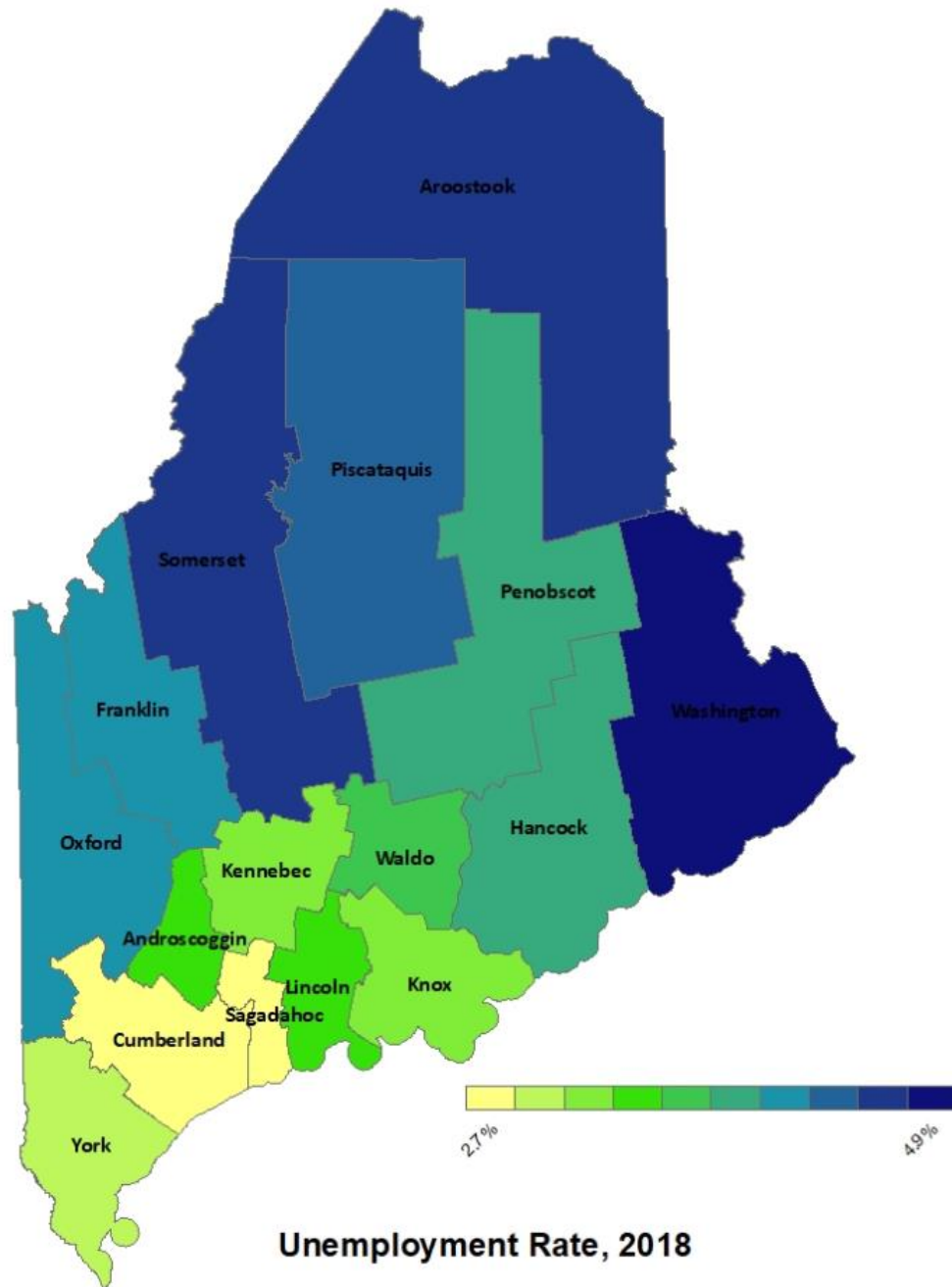


Participation in the labor force of people under age 25 has declined modestly, primarily due to a higher share of them enrolled in high school or college, or preparing for college. Participation of prime-age workers 25 to 54 has not changed significantly and is near 85 percent. Participation of people age 55 to 64 and 65+ has been gradually rising.

If the age structure of the population were the same today as in 2000, the overall participation rate would be nearly the same. Because the baby boom generation is so large, the advancing age of its members will continue to drive the overall participation rate down as more people will be retired.

## **Around the state**

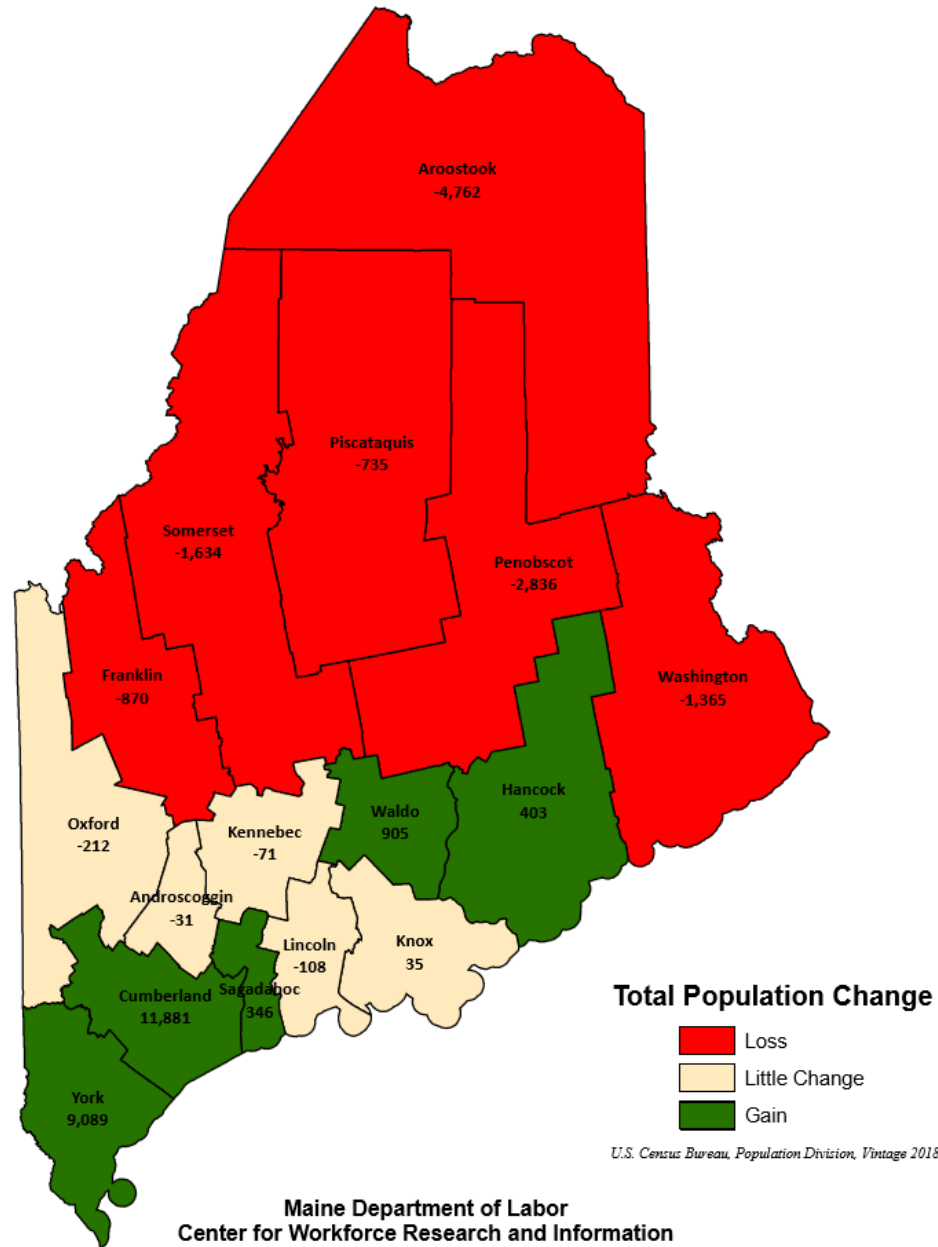
Labor market conditions are uneven across the state. Though unemployment is lower than usual in all parts of the state, some areas are losing population and jobs. Growth, both population and jobs, is concentrated in the south, especially in York and Cumberland counties.



Unemployment Rate, 2018

Unemployment is low throughout the state, but highest along the northern rim and lowest along the south coast. This pattern has held for several decades. Forest products and agriculture long formed the economic base in much of the northern part of the state. Mechanization of timber and crop harvesting, closure of saw and paper mills, and other events disrupted the economy of the region. The southern part of the state, with higher population density, has faced similar disruptions in other industries, but greater economic diversity has generally made for less dramatic impacts.

# Total Population Change 2010-2018

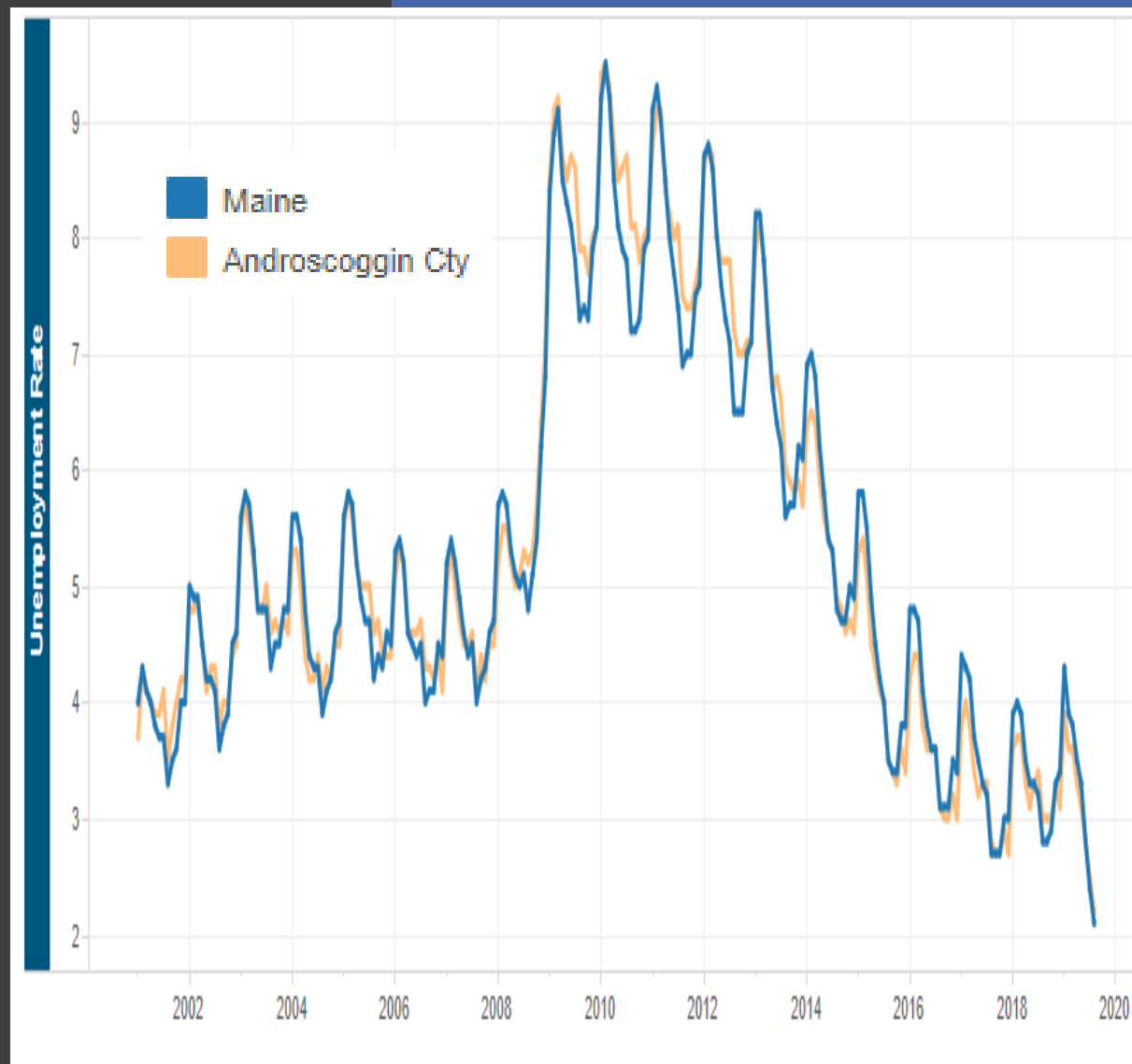
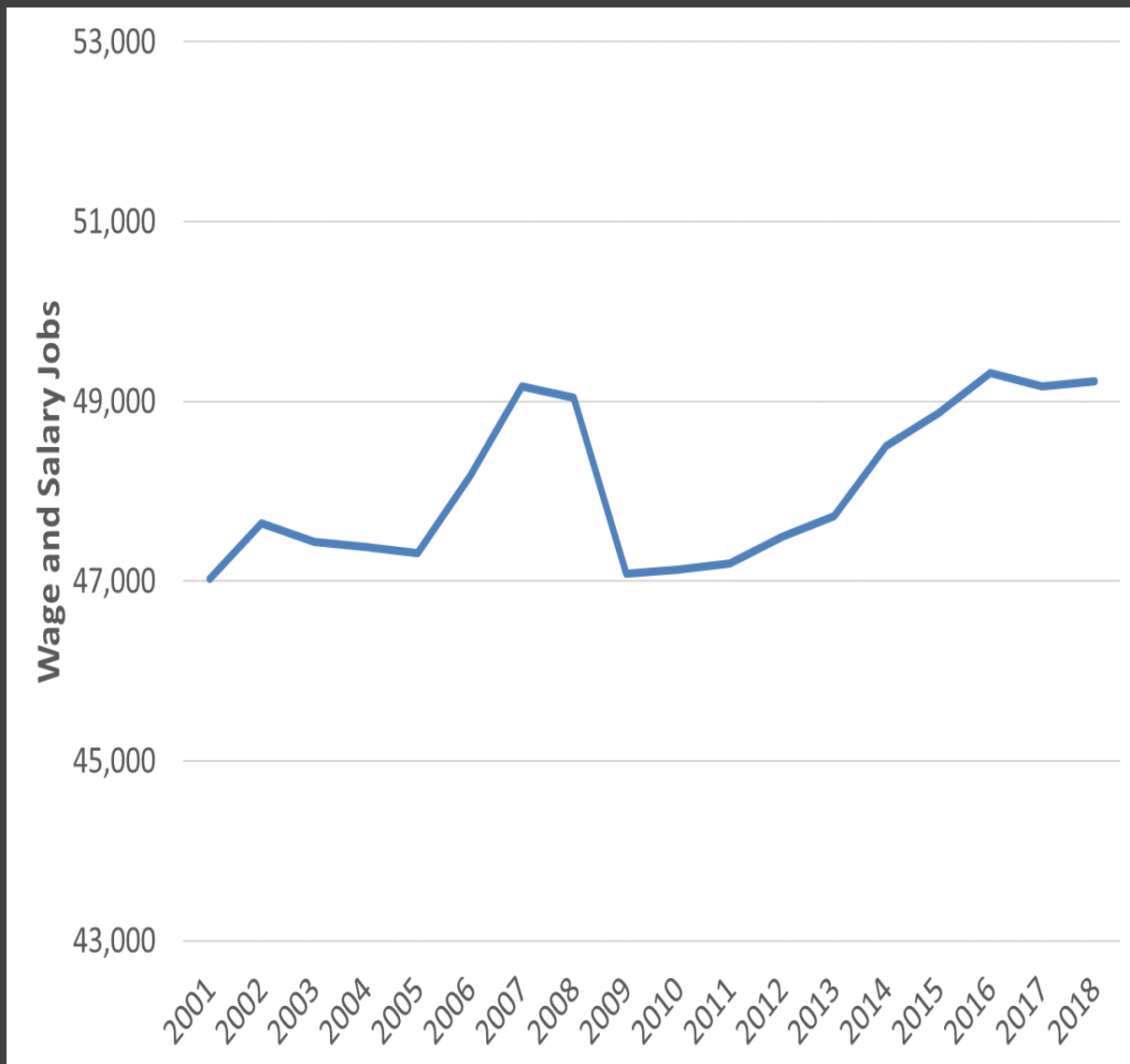


The northern region of the state has lost population since 2010 (and for many more years before that in several counties). Labor market disruptions significantly reduced labor demand.

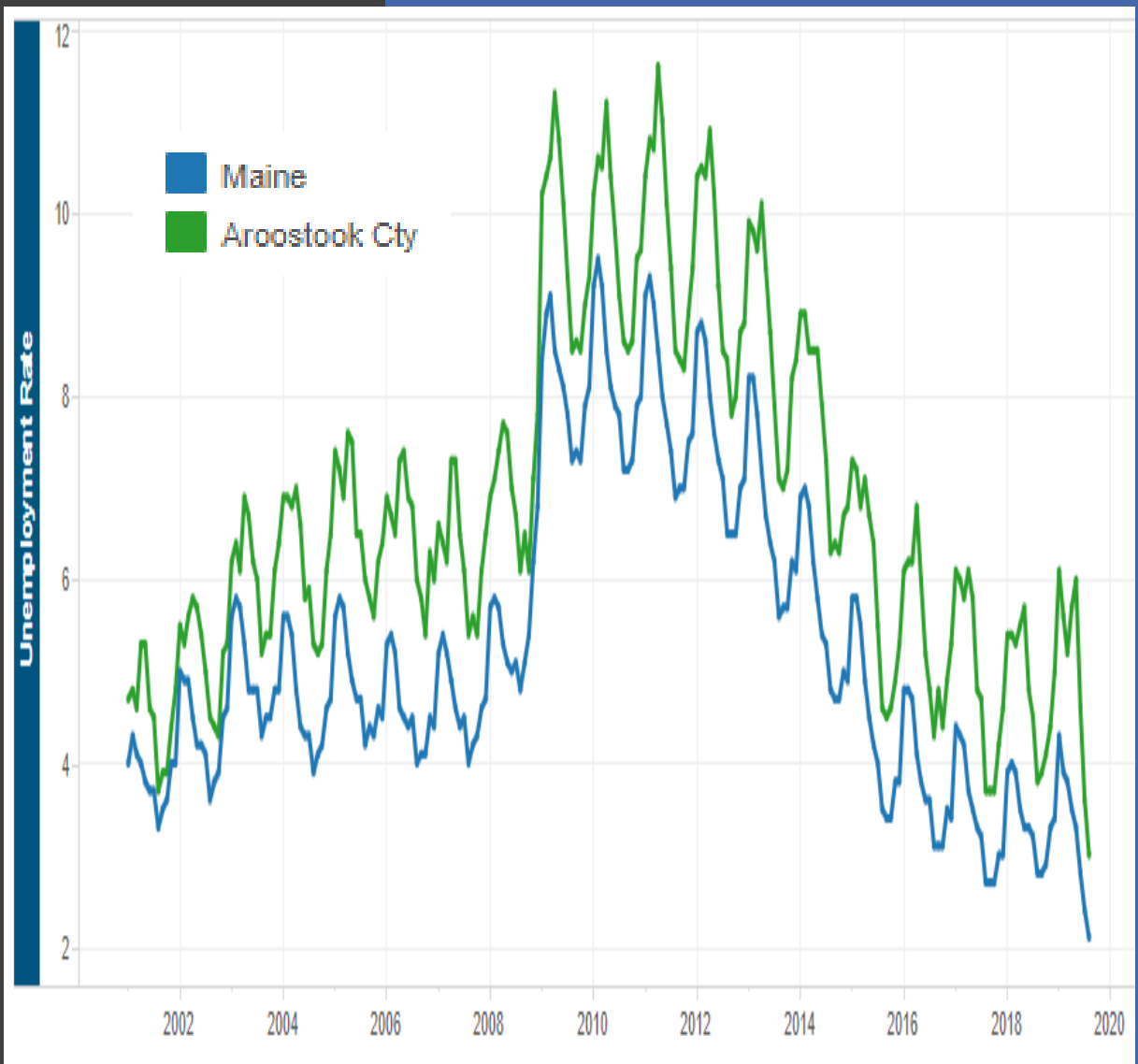
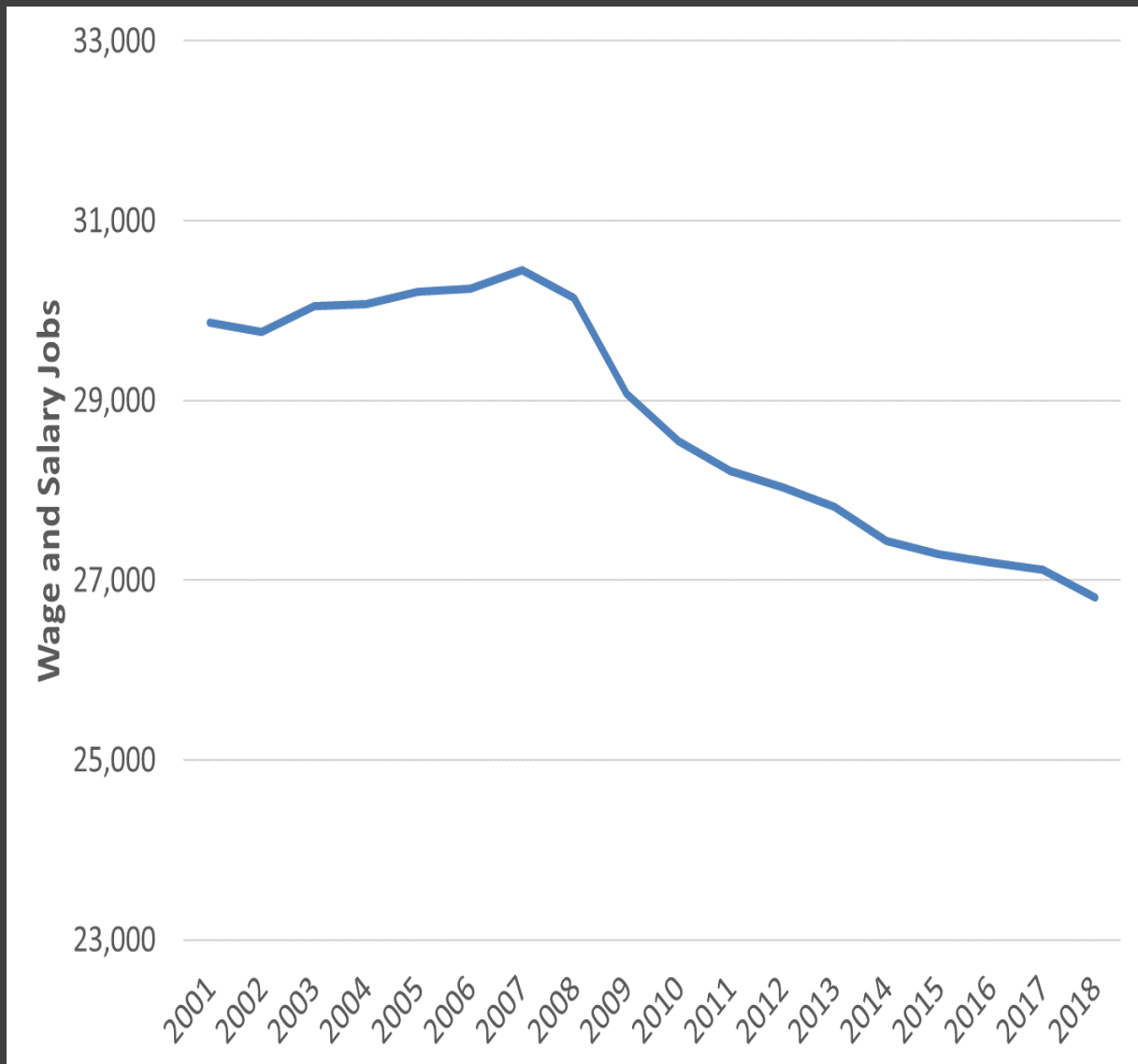
There has been little change in the population in the central region.

Growth has been concentrated in the more diverse coastal region, especially farthest south in York and Cumberland counties.

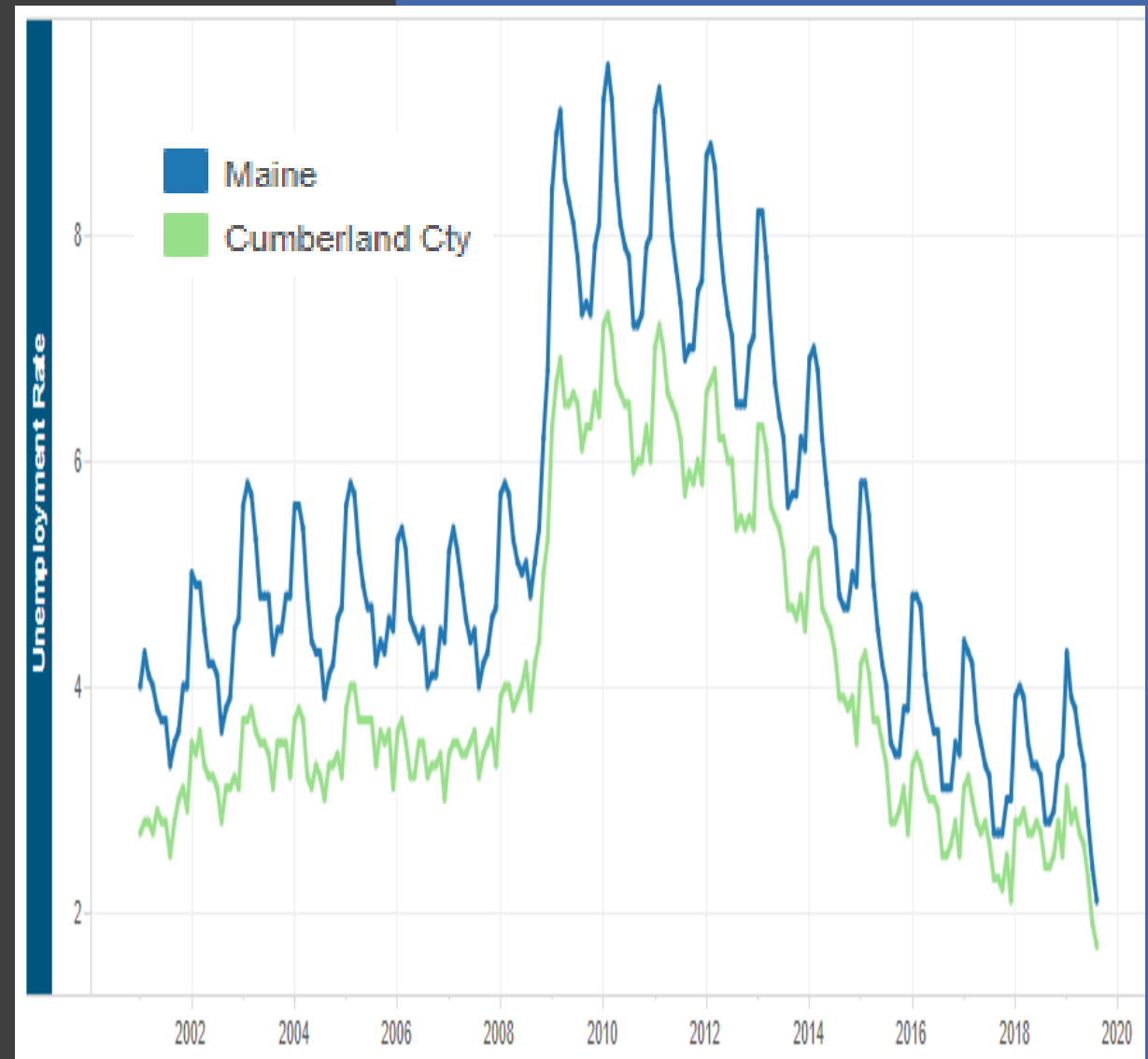
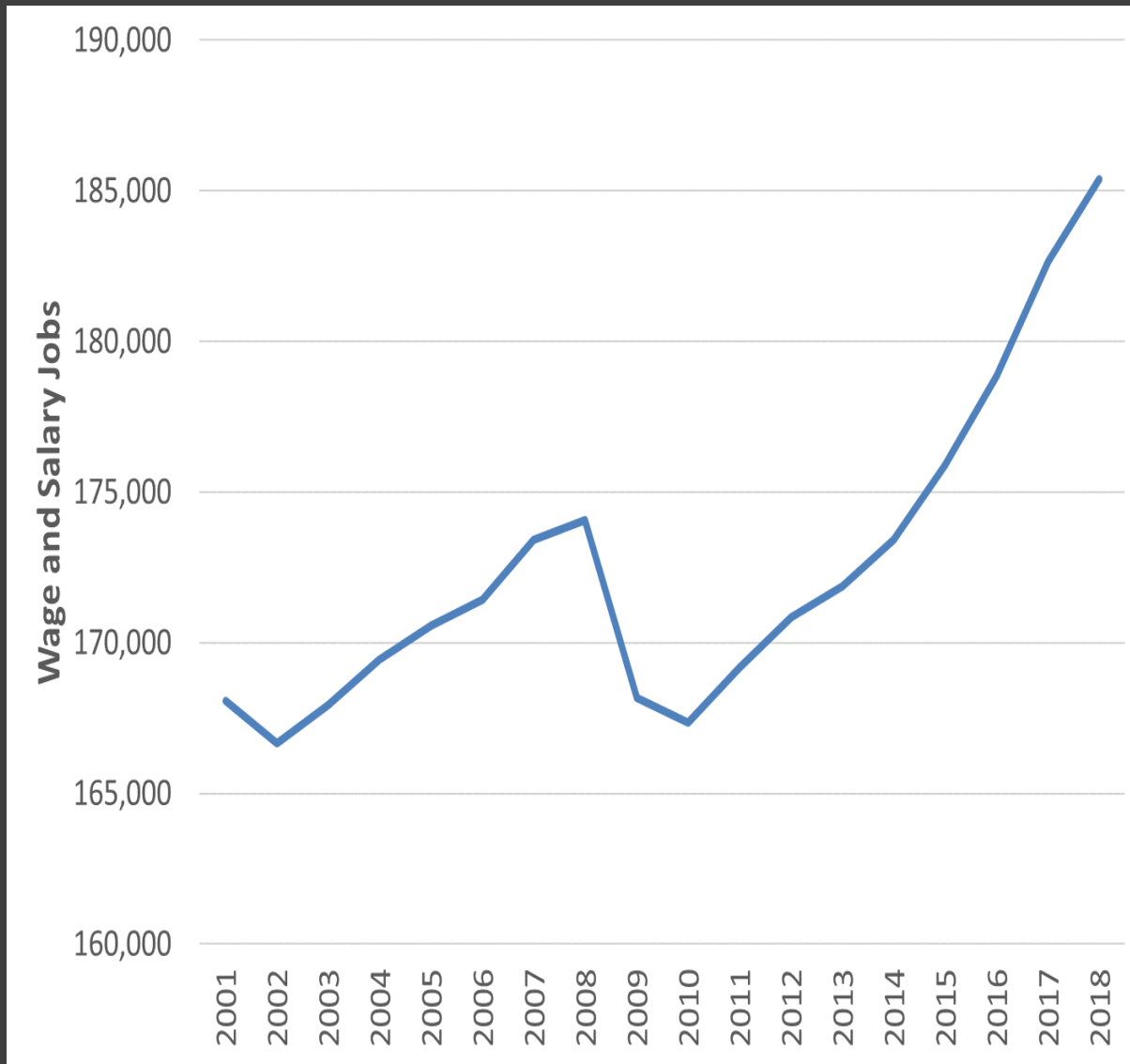
**Androscoggin County** - The number of jobs has recovered to about the same level as before the last recession a decade ago. The unemployment rate is extremely low and has remained close to the statewide average. The area has somewhat less seasonality than the state as a whole.



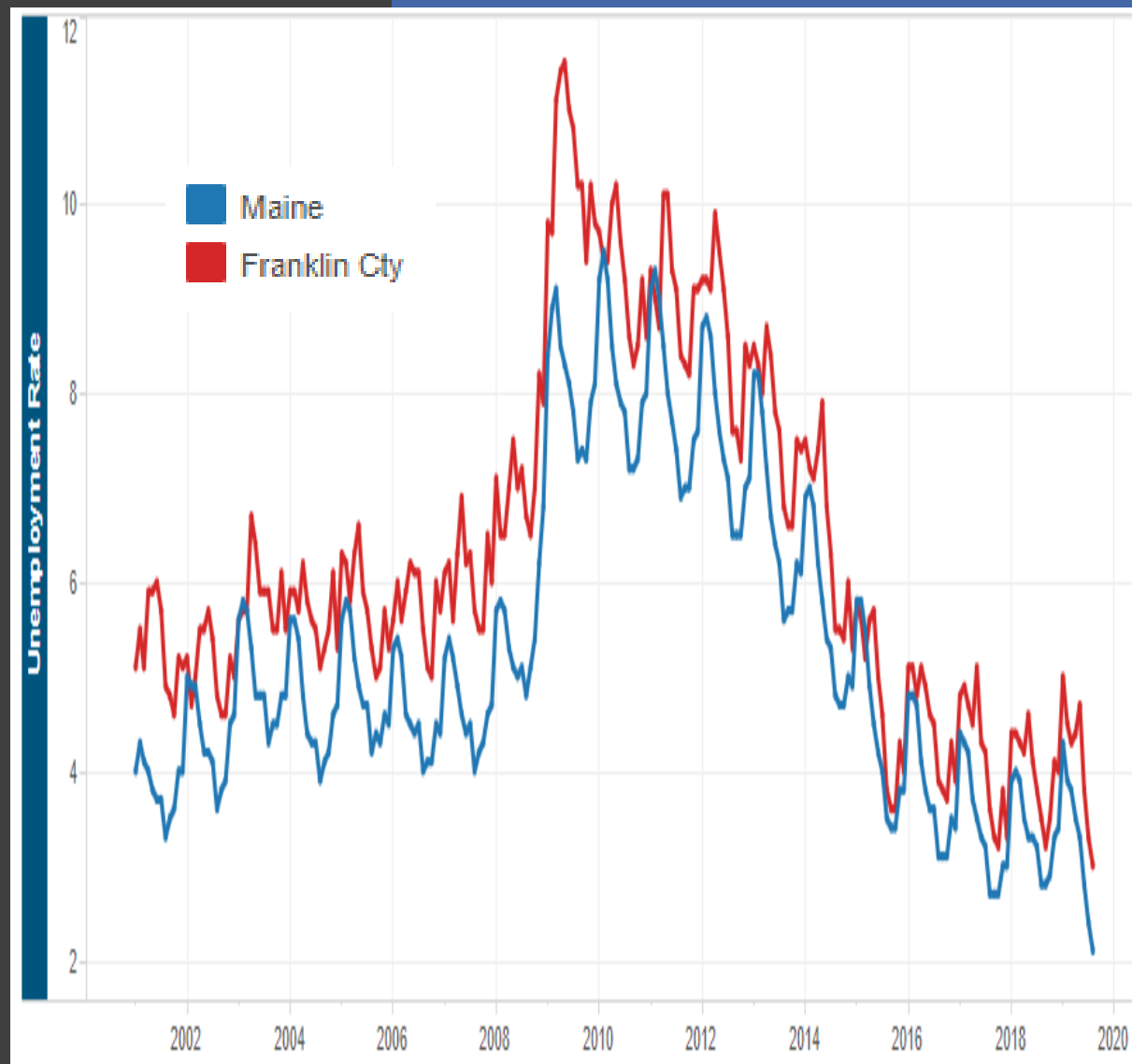
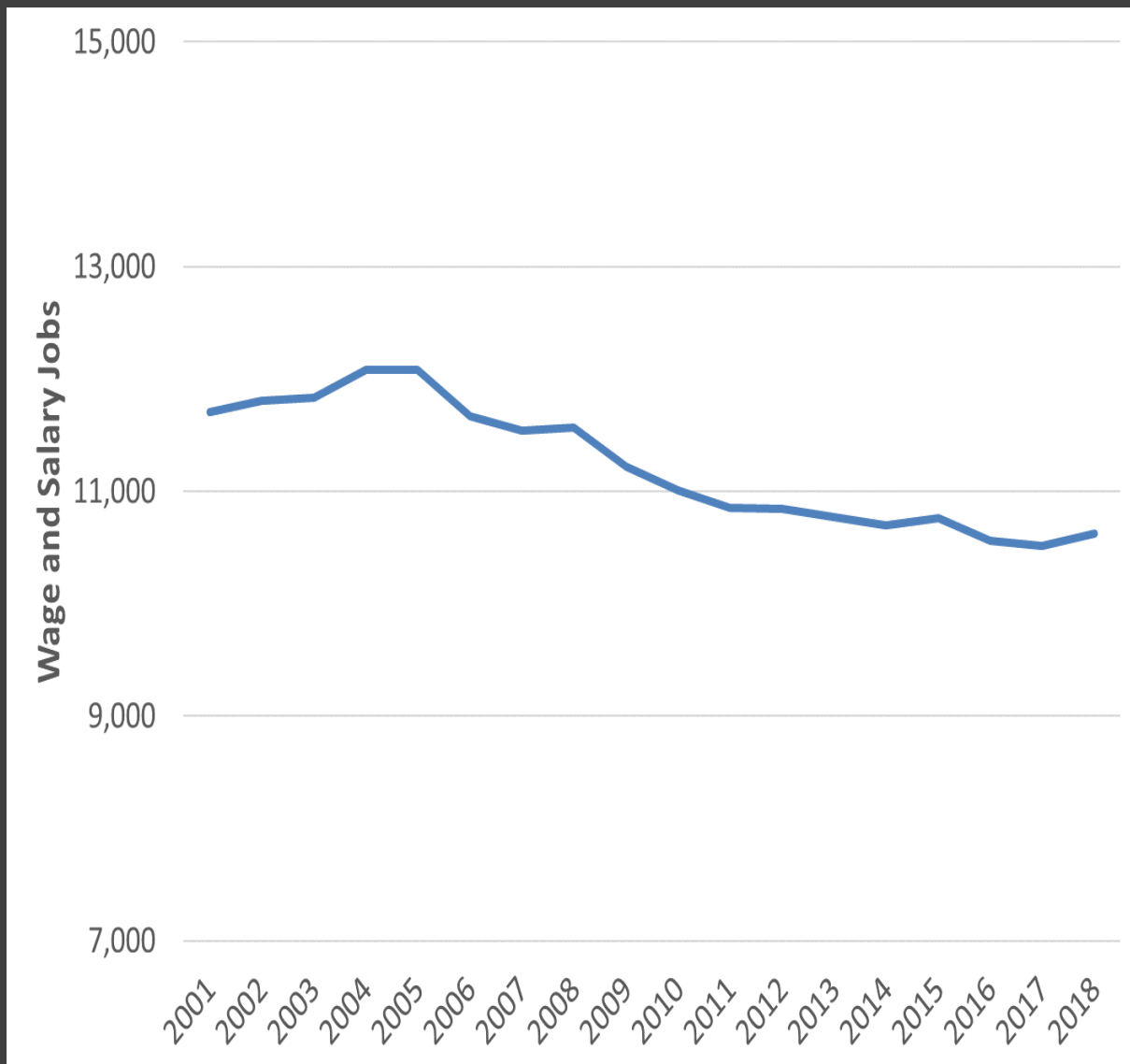
**Aroostook County** - The number of jobs has continued to trend lower during the statewide economic expansion of the last decade. The jobs decline is partly the result of, and partly the cause of the declining population. The unemployment rate has consistently been higher than the statewide average with higher seasonal variation.



**Cumberland County** - The number of jobs continues to reach new highs. The unemployment rate has consistently been among the lowest in the state and has the lowest seasonal variation. The economic base is diverse, with higher concentrations of growing industries than most counties.

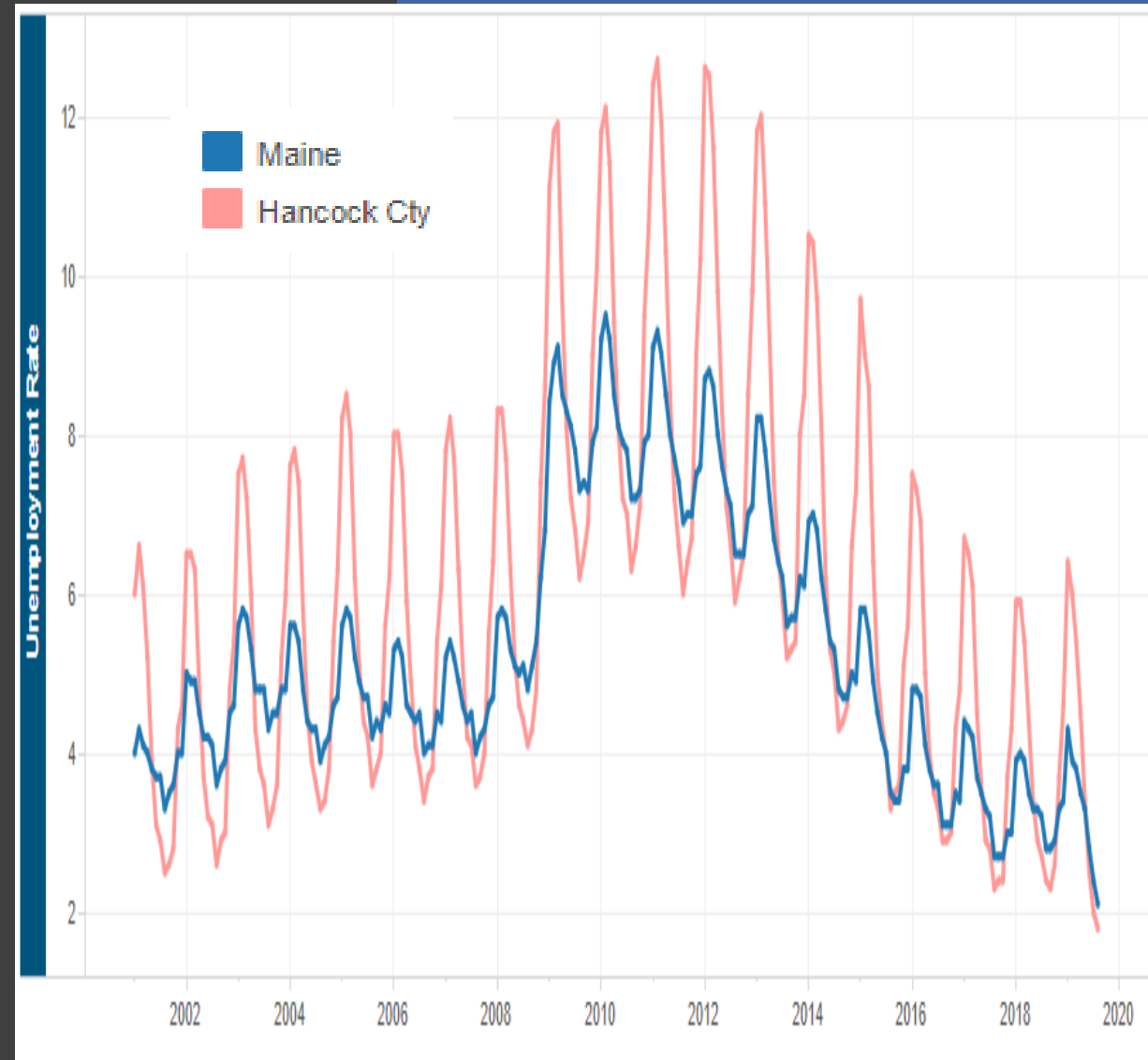
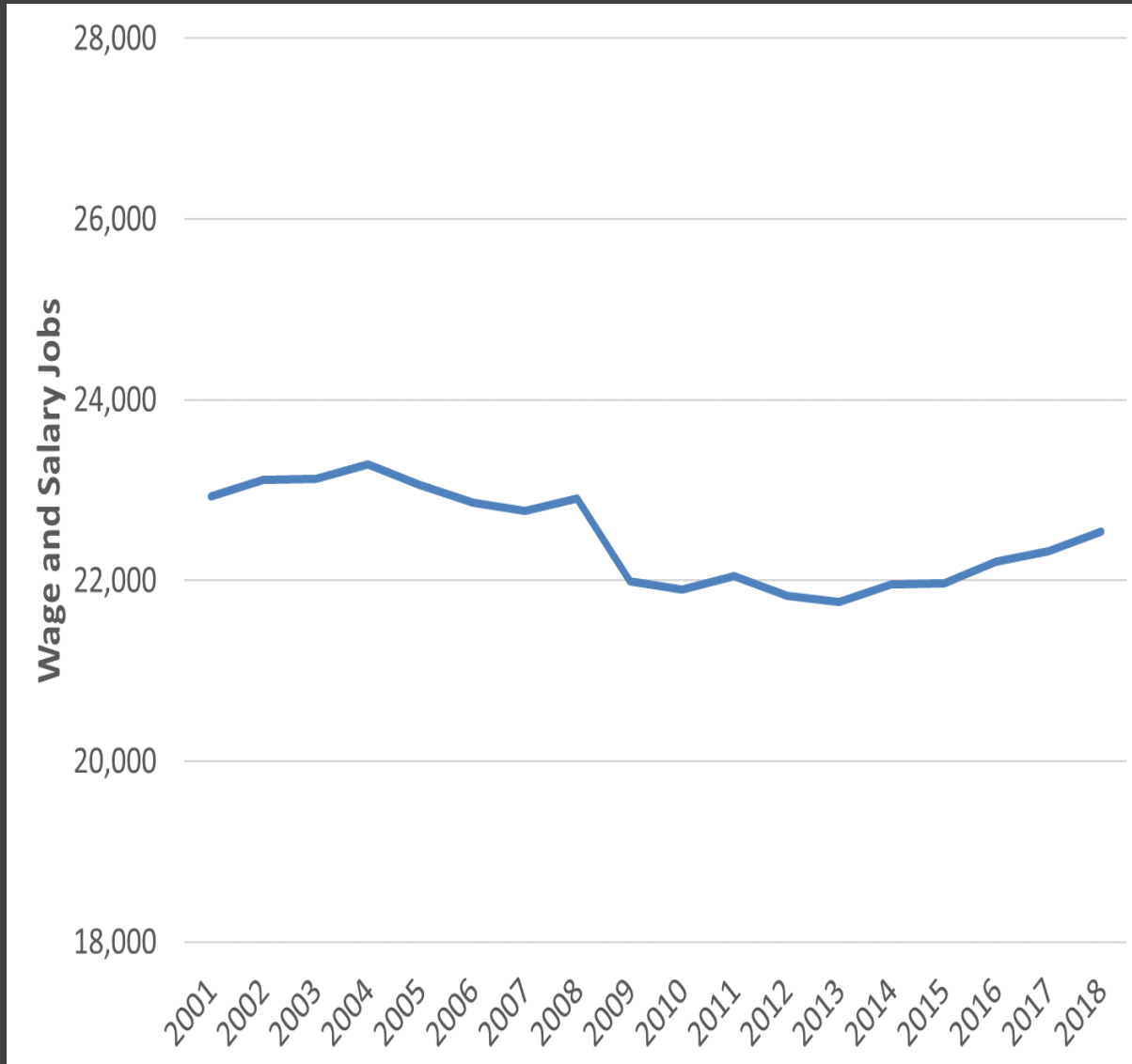


**Franklin County** - The number of jobs has gradually declined for more than a decade, about in line with the population. The unemployment rate has consistently been higher than the statewide average with similar rates of seasonality.

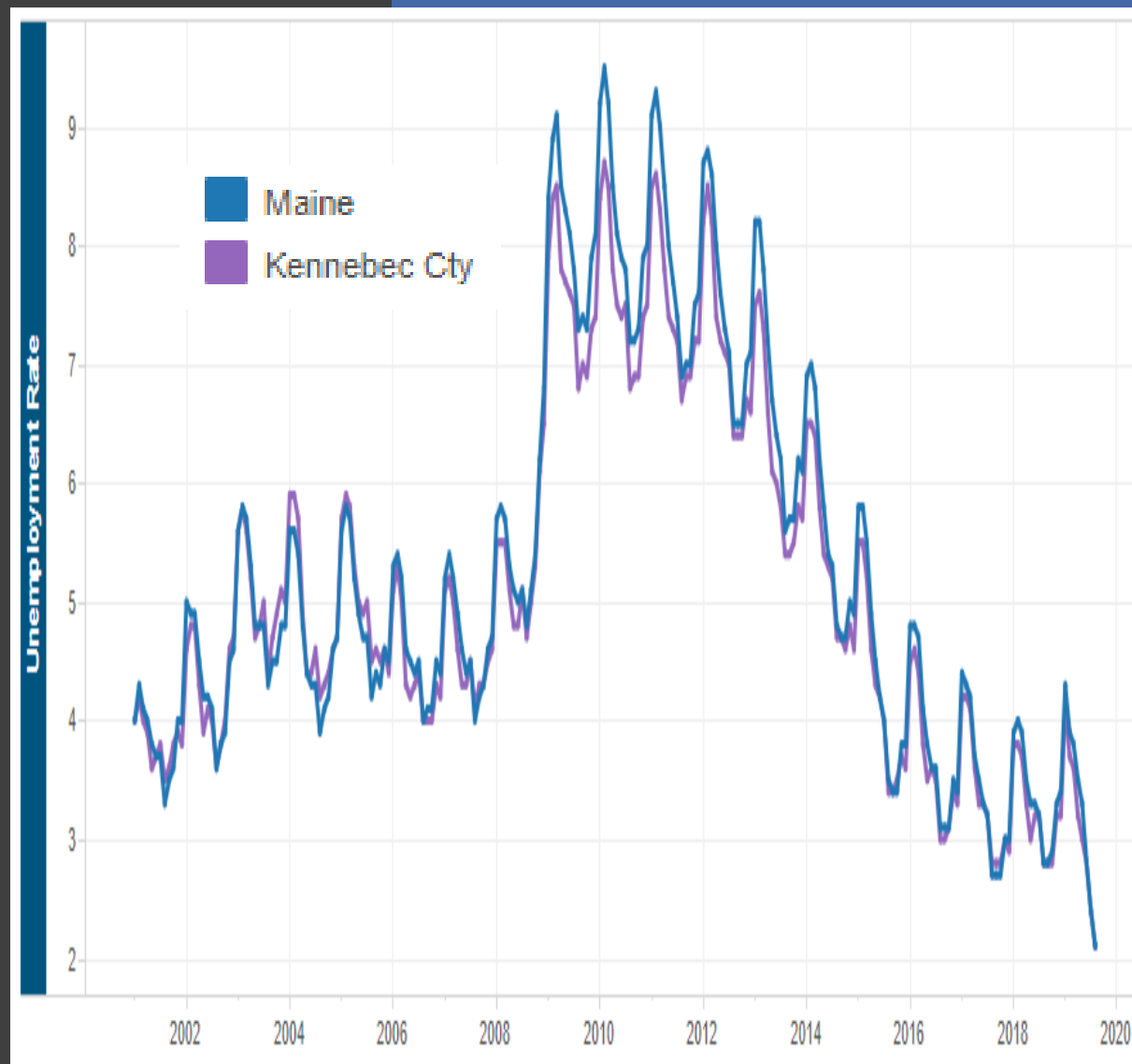
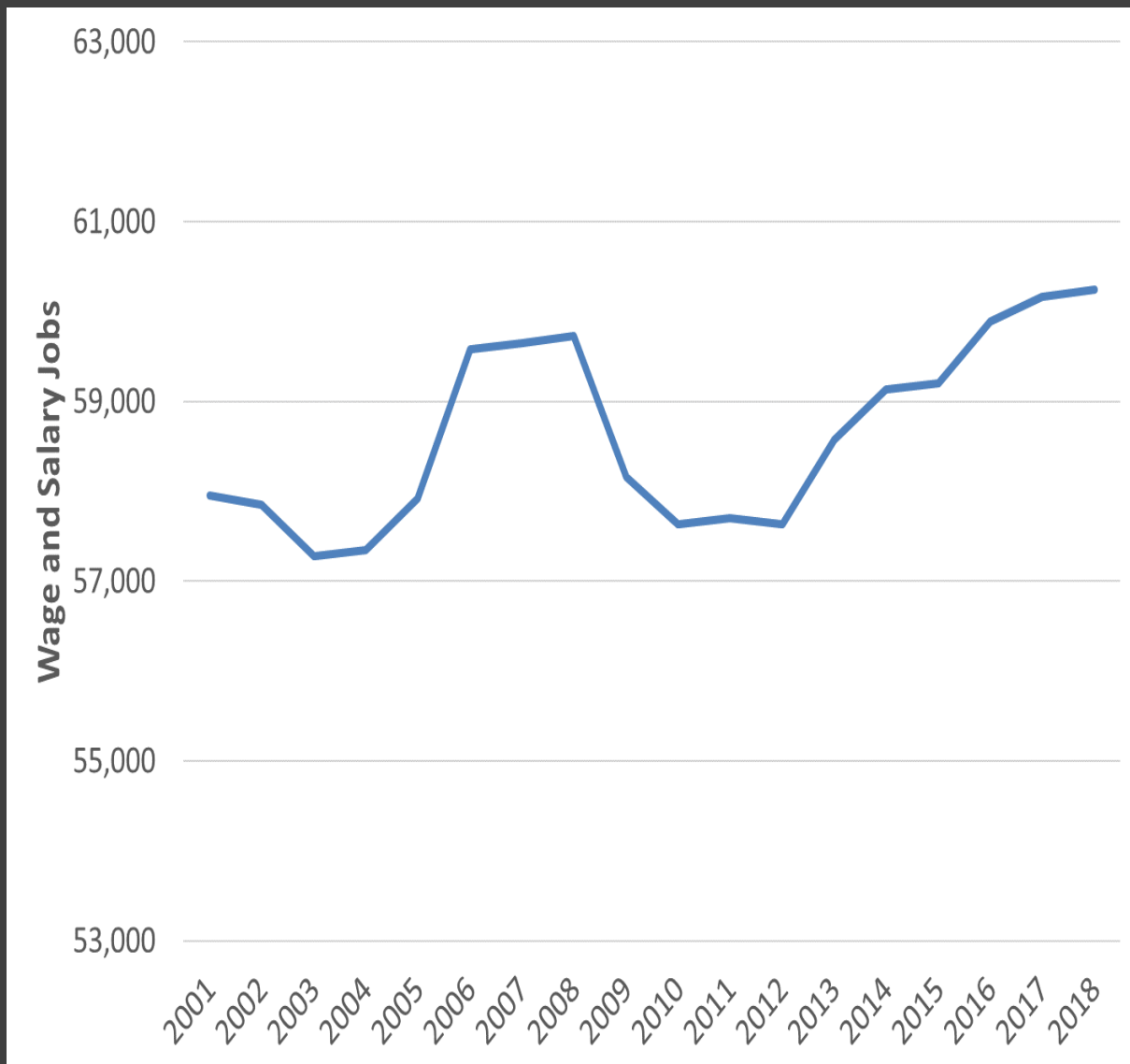




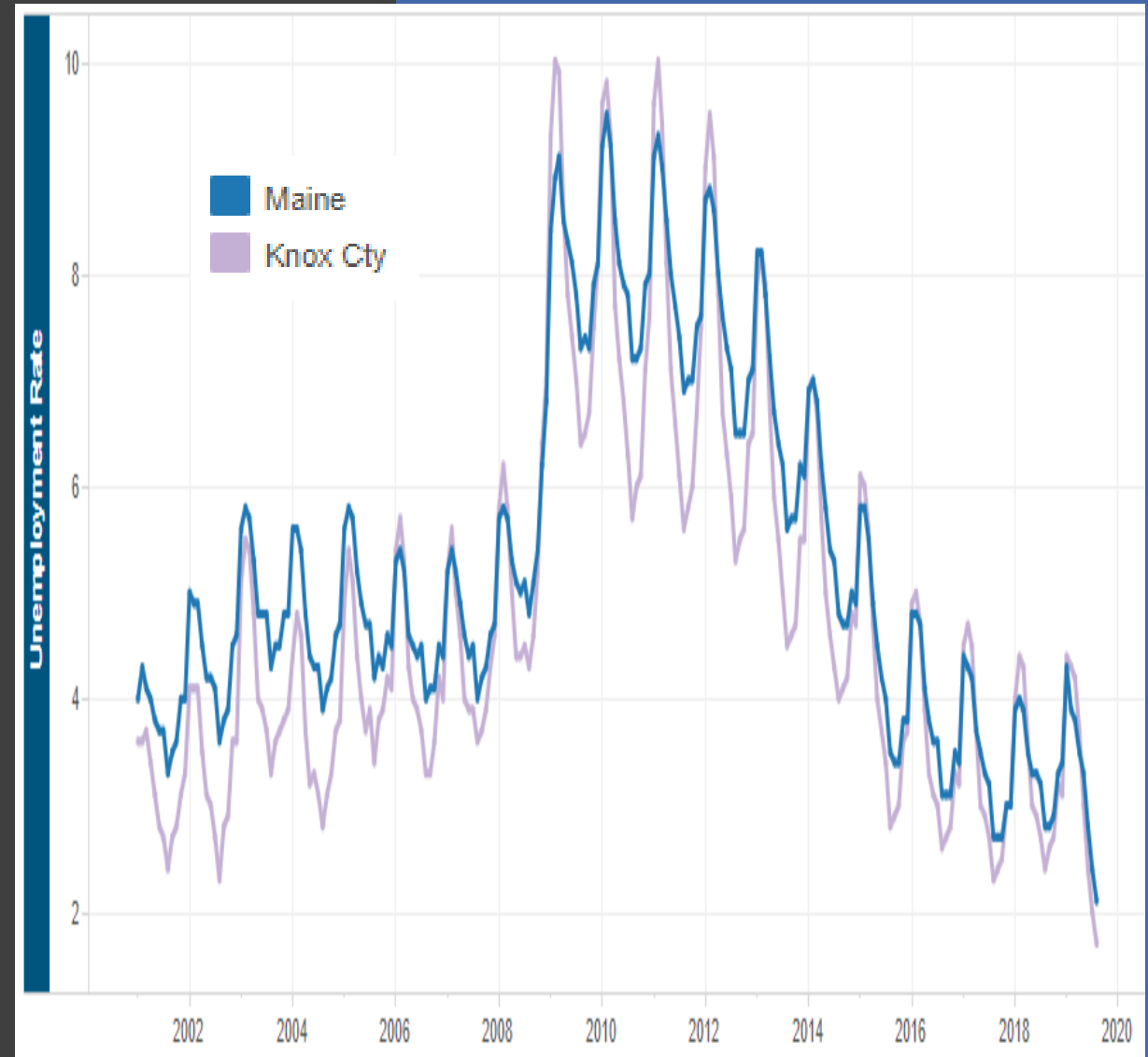
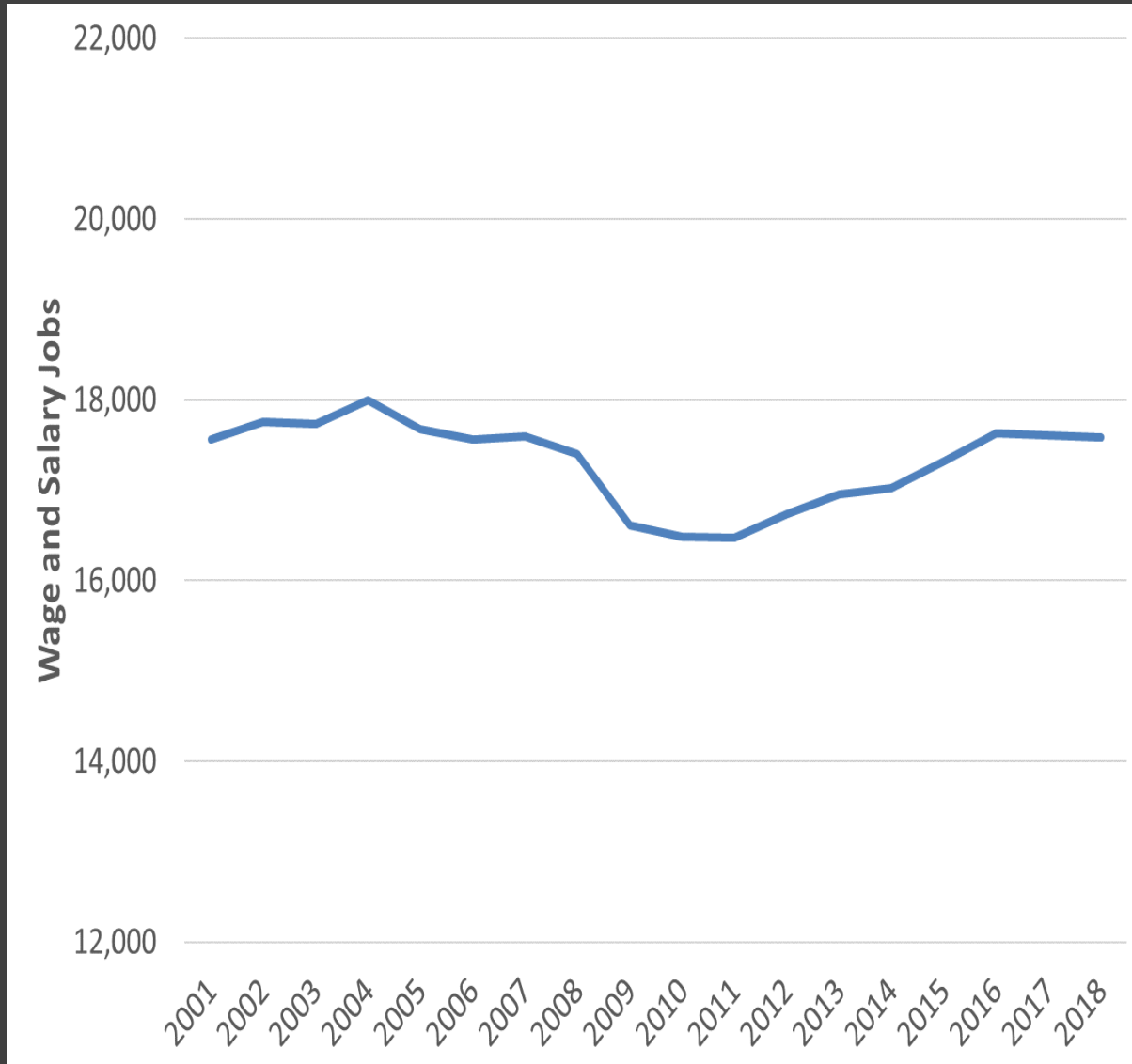
**Hancock County** - The number of jobs has modestly increased since 2013, but remains lower than a decade ago. The economic base is primarily related to summer tourism. The area has some of the largest seasonal variations in unemployment in the nation.



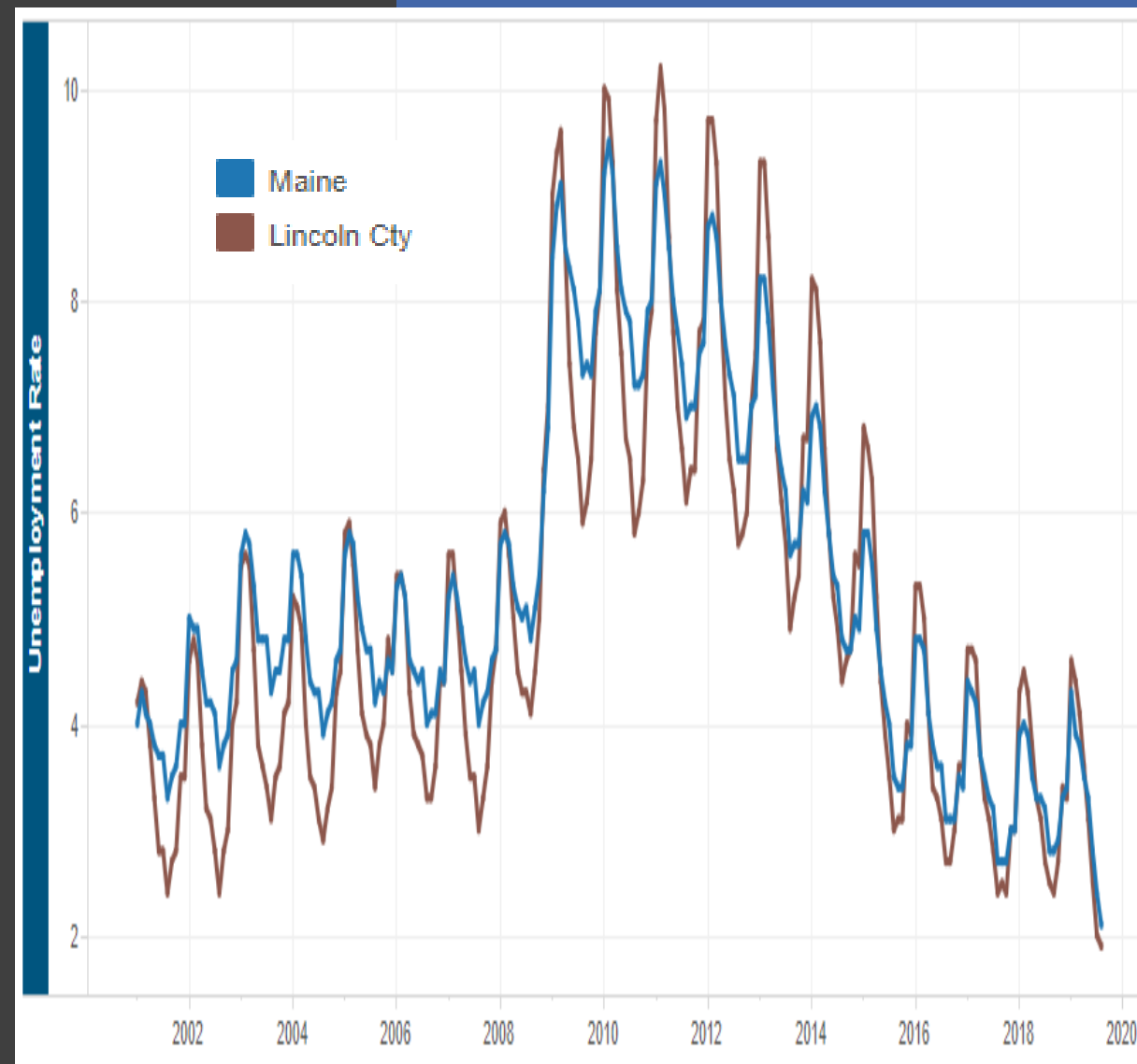
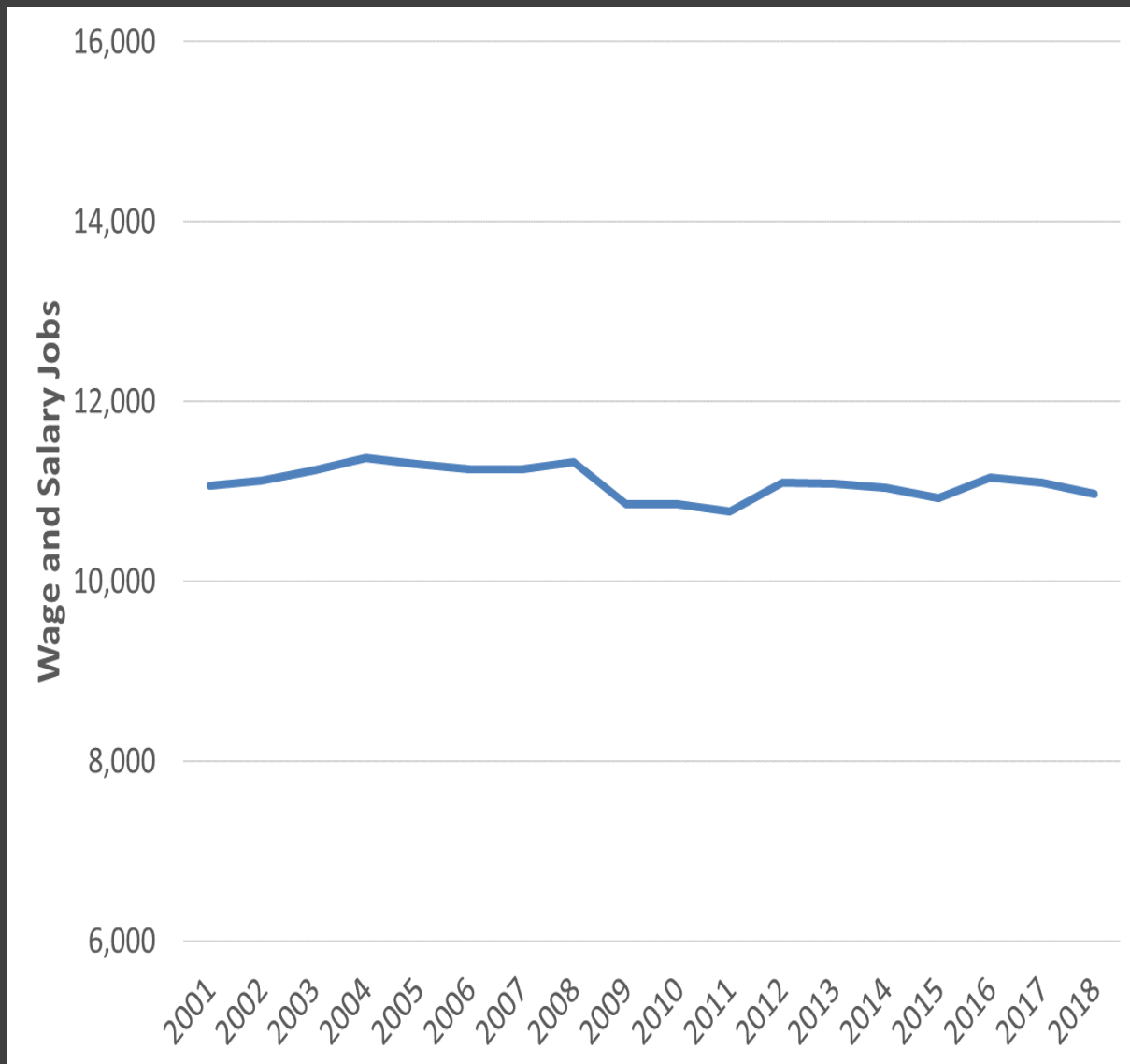
**Kennebec County** - The number of jobs has steadily increased since 2012, reaching new highs each of the last three years. Unemployment has remained close to the statewide average as has the rate of seasonality.



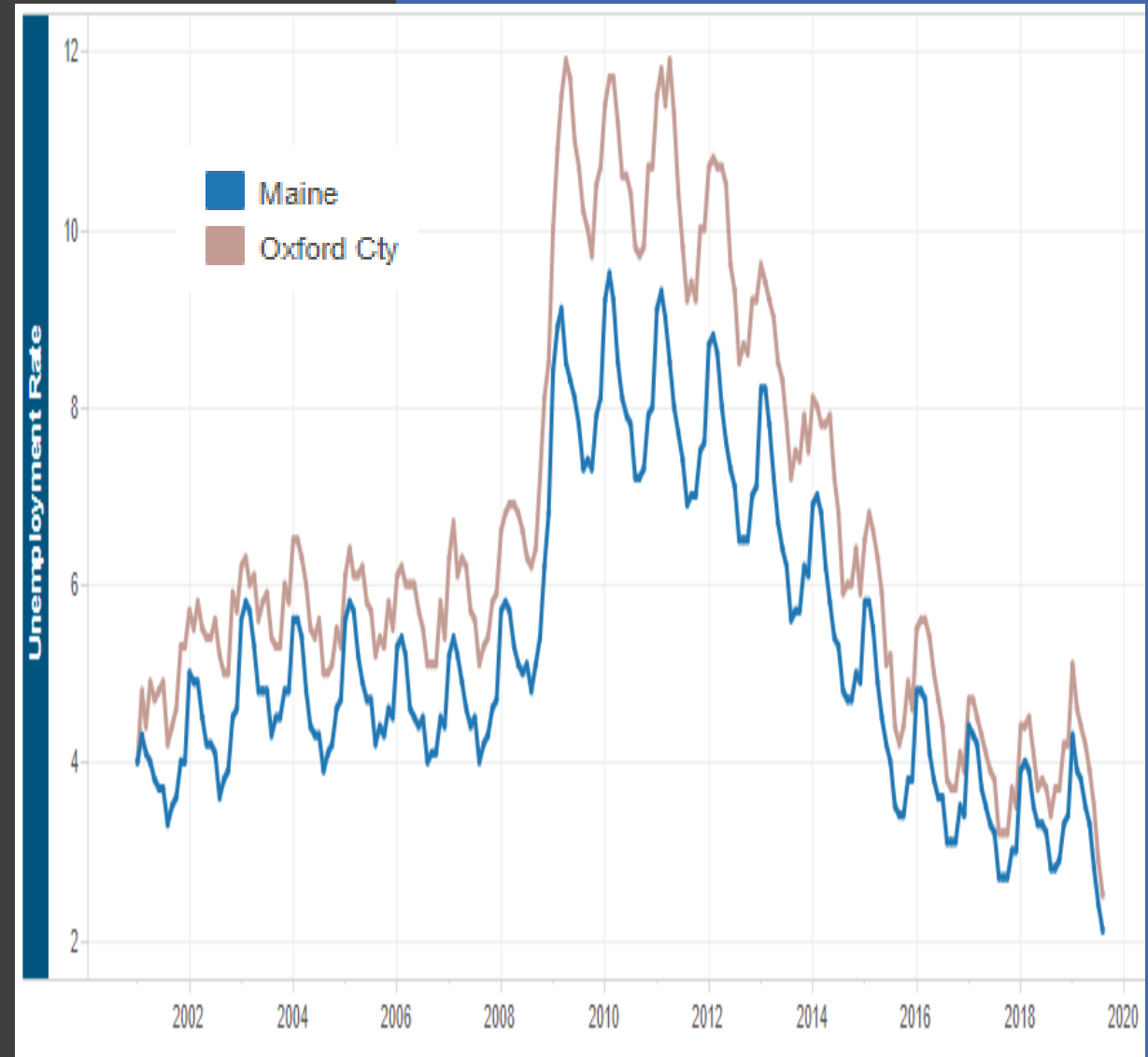
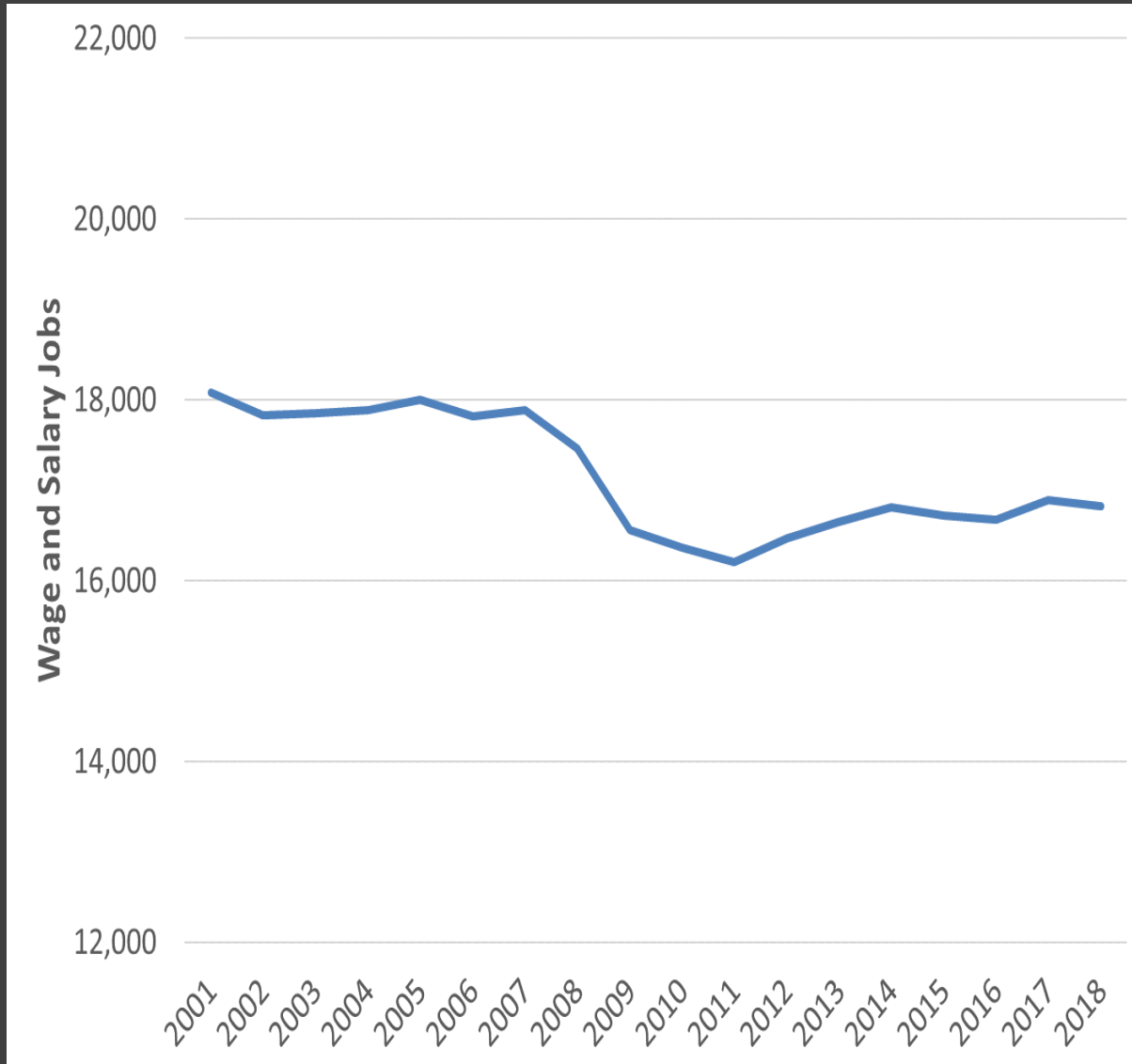
**Knox County** - The number of jobs has modestly increased since 2011 to about the level of two decades ago. The economic base is primarily related to summer tourism, which contributes to large seasonal variations in unemployment.



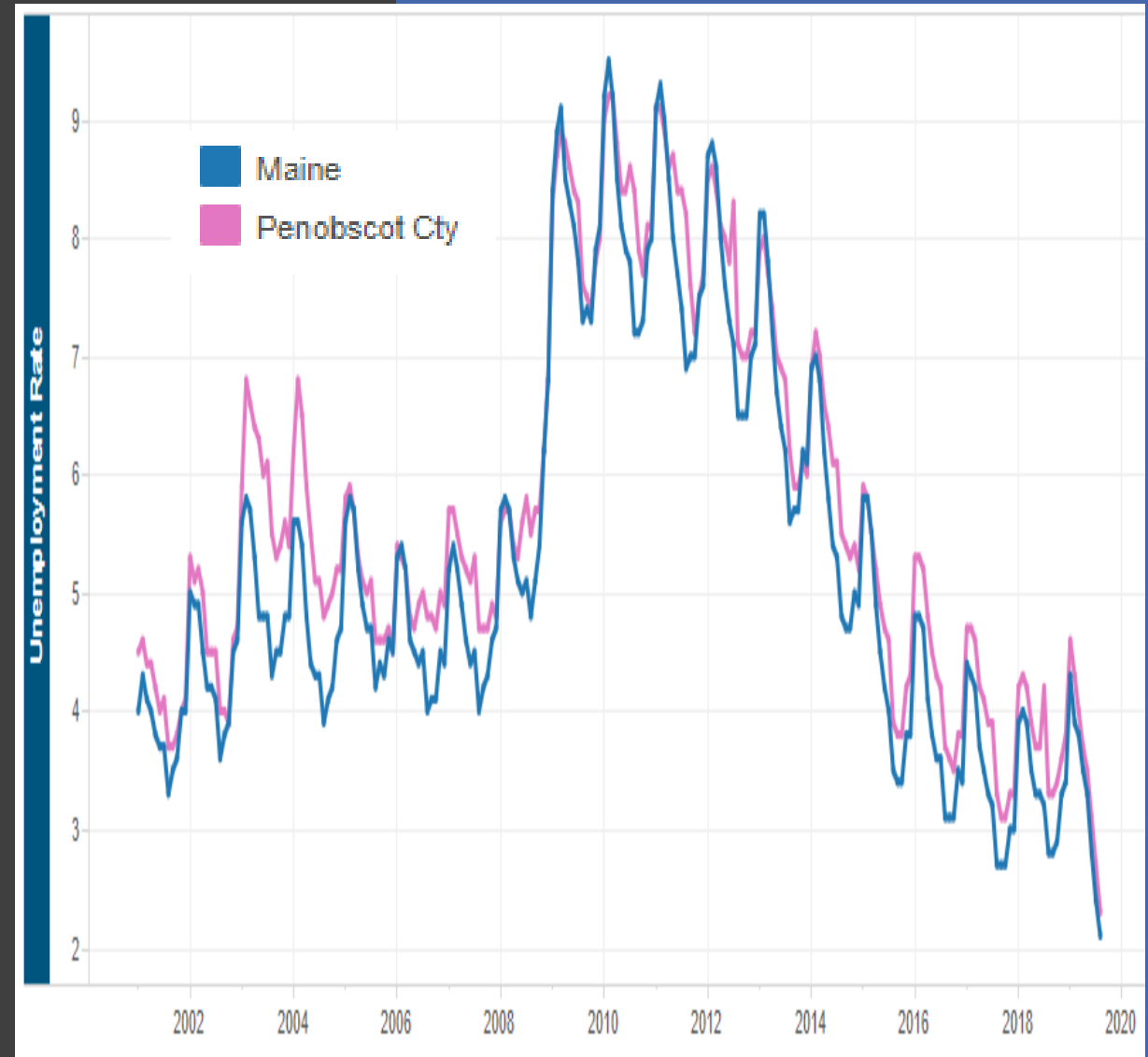
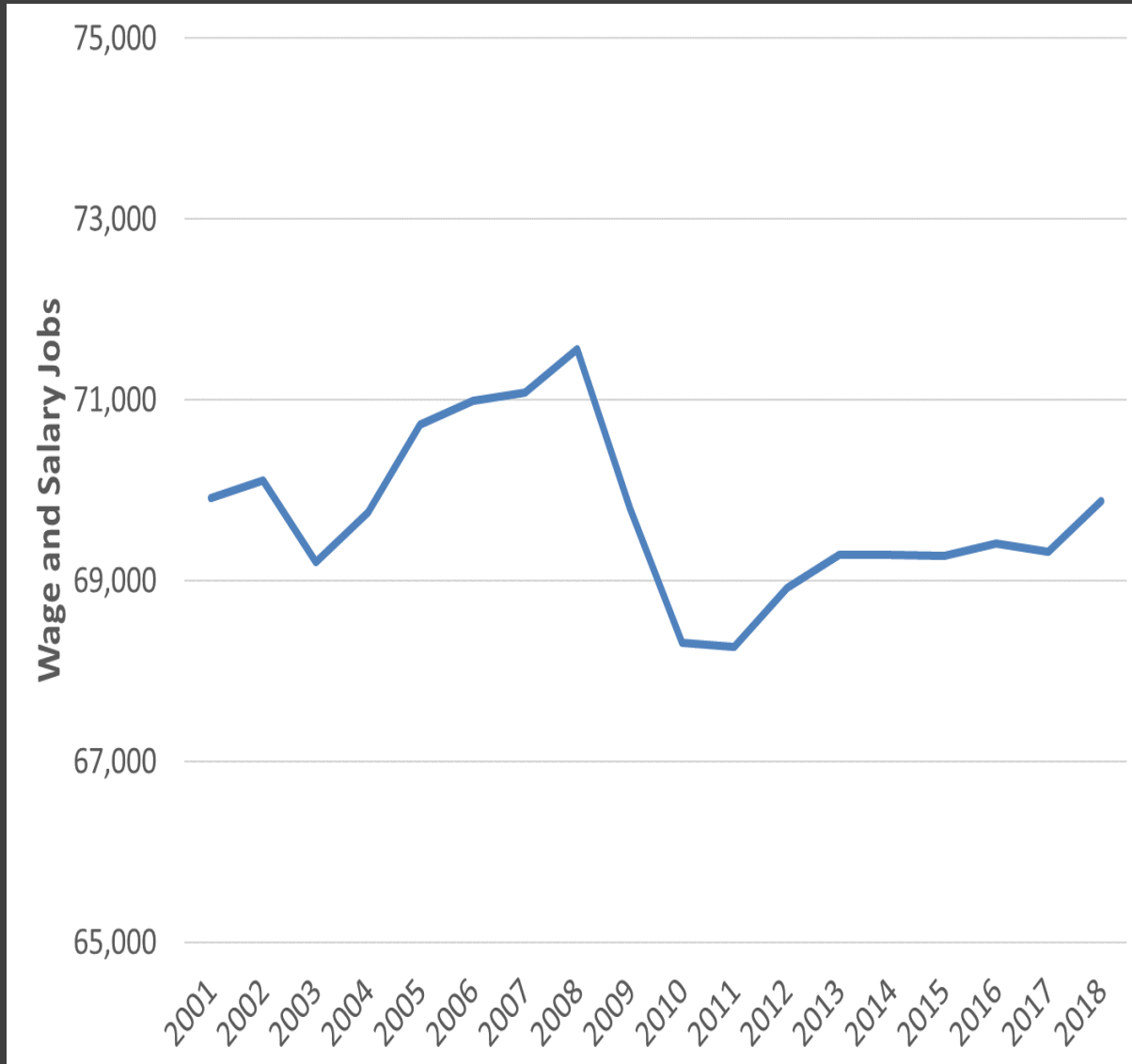
**Lincoln County** - The number of jobs has been nearly unchanged in the 2000s. The economic base has become somewhat less concentrated in summer tourism than other mid-coast counties, which has contributed to a decrease in the rate of seasonal variation in unemployment.



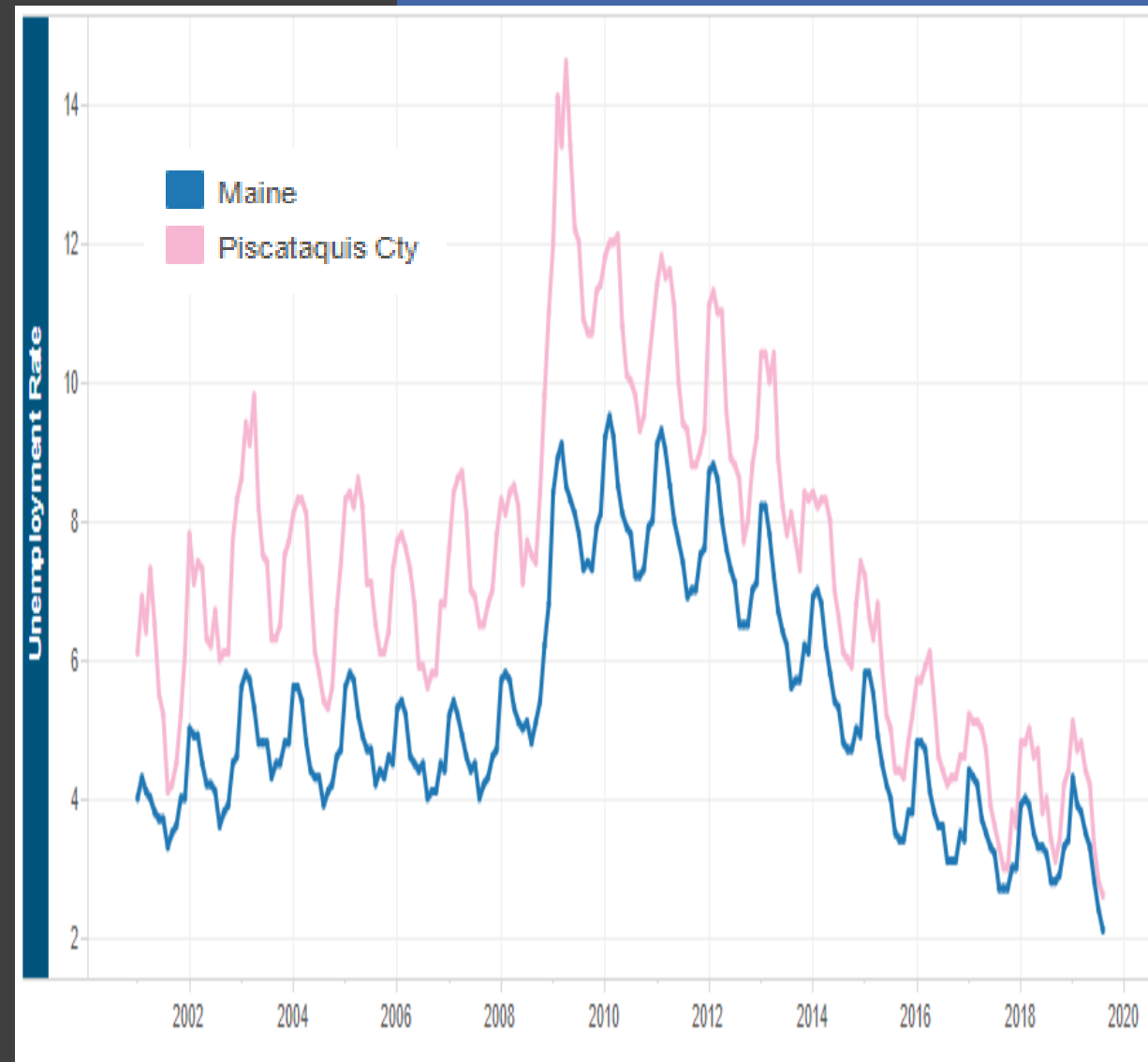
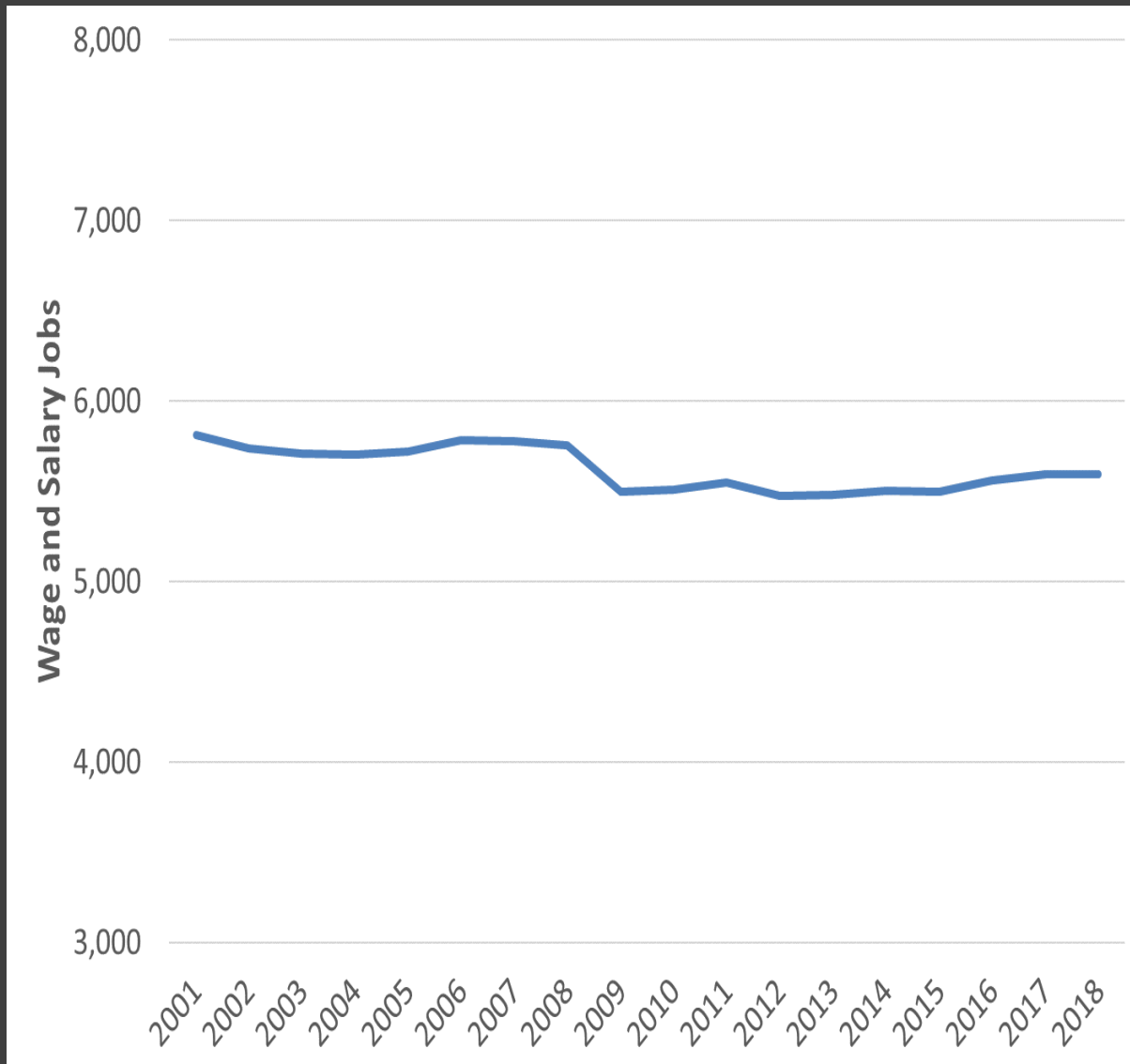
**Oxford County** - The number of jobs has not changed significantly in the last five years and is modestly down from the early 2000s. Unemployment rates have consistently been higher than the statewide average with more seasonal variation.



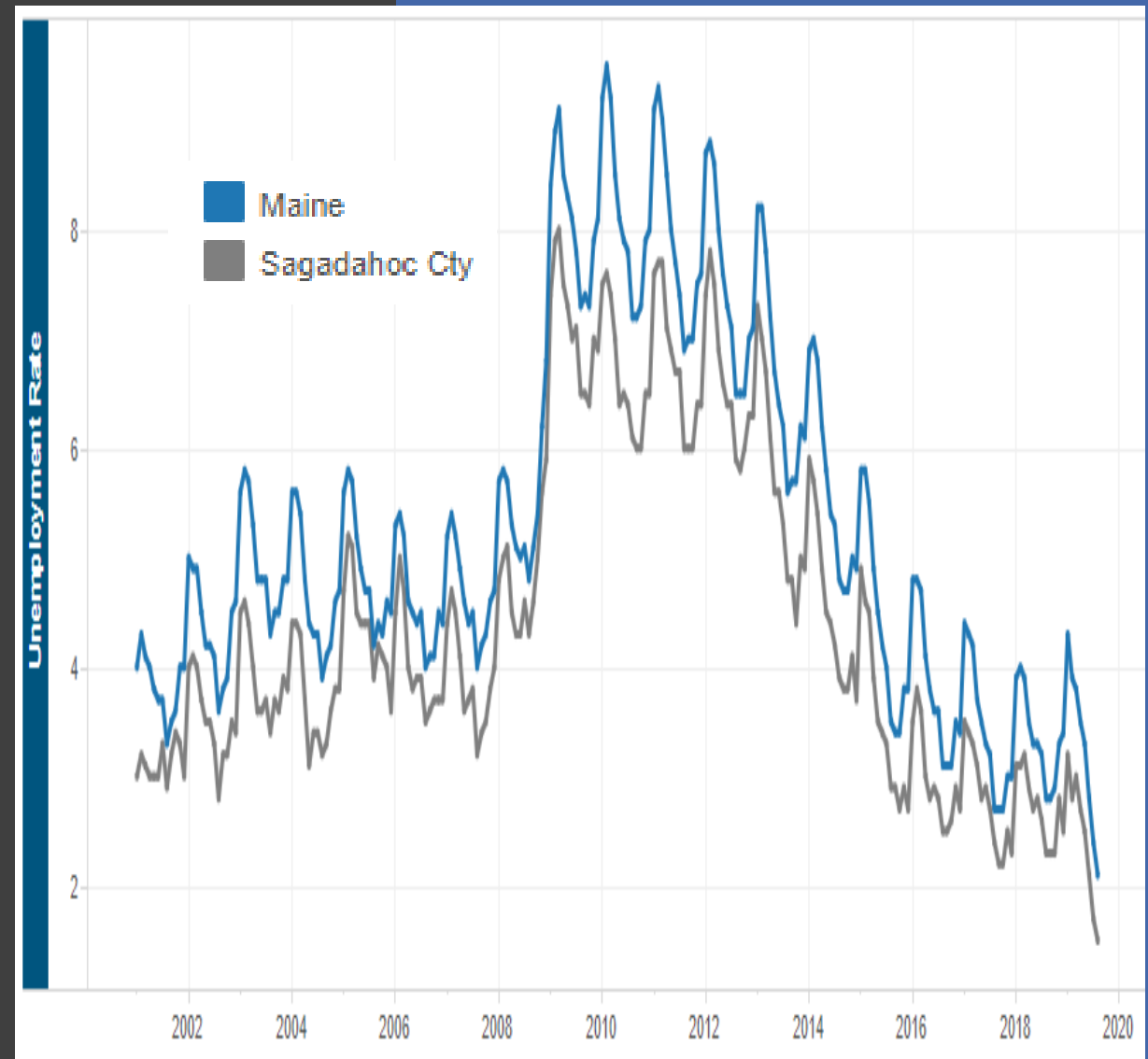
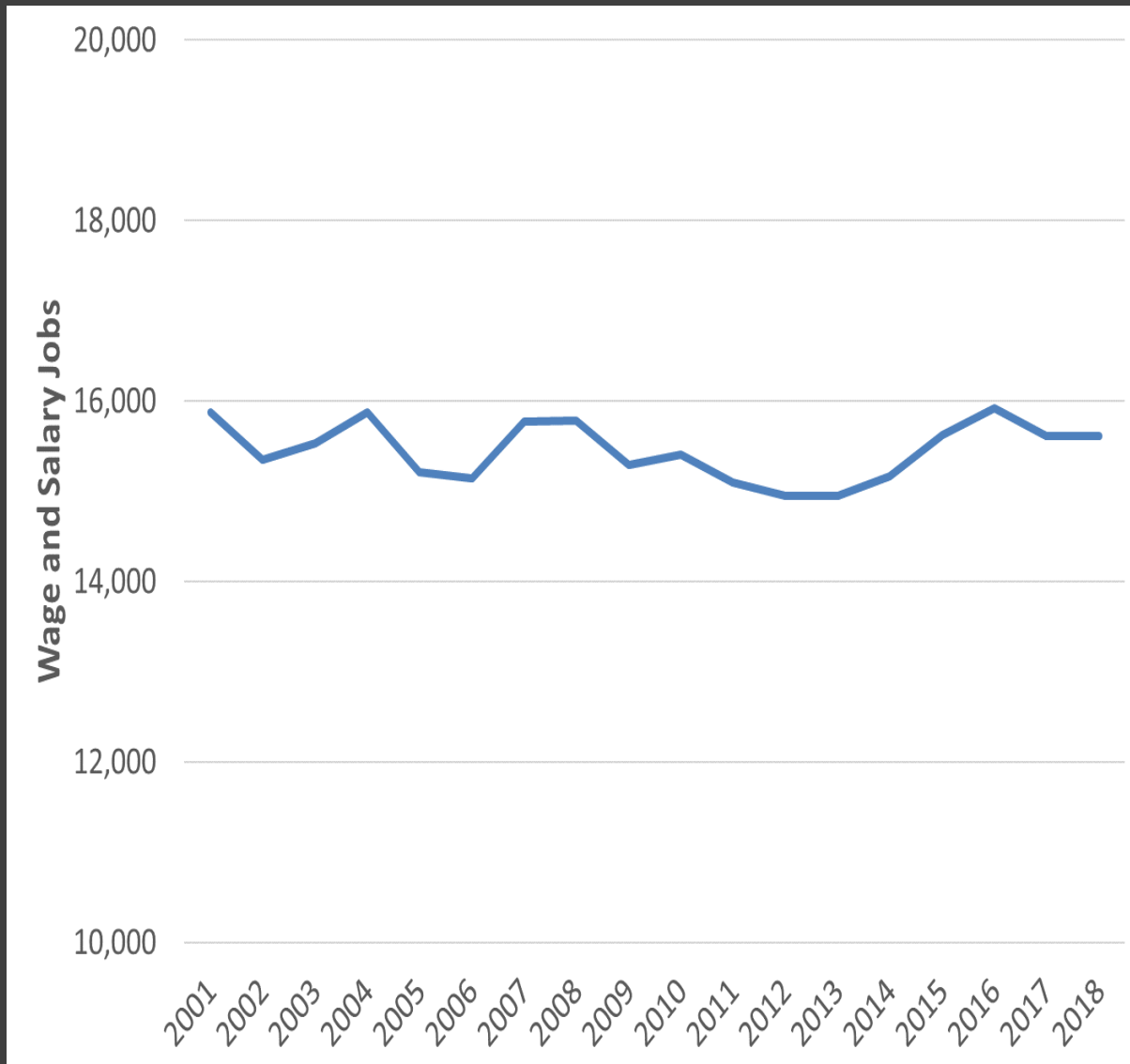
**Penobscot County** - The number of jobs has been little changed since 2013, but is down from the early 2000s due to paper mill closures in the north. The situation in the southern part of the county around Bangor has been more positive due to a more diverse economic base. Unemployment has generally been somewhat higher than statewide averages.



**Piscataquis County** - The number of jobs in the state's least populous county has been nearly unchanged in the 2000s. Unemployment rates have consistently been higher than the statewide average with more seasonal variation.

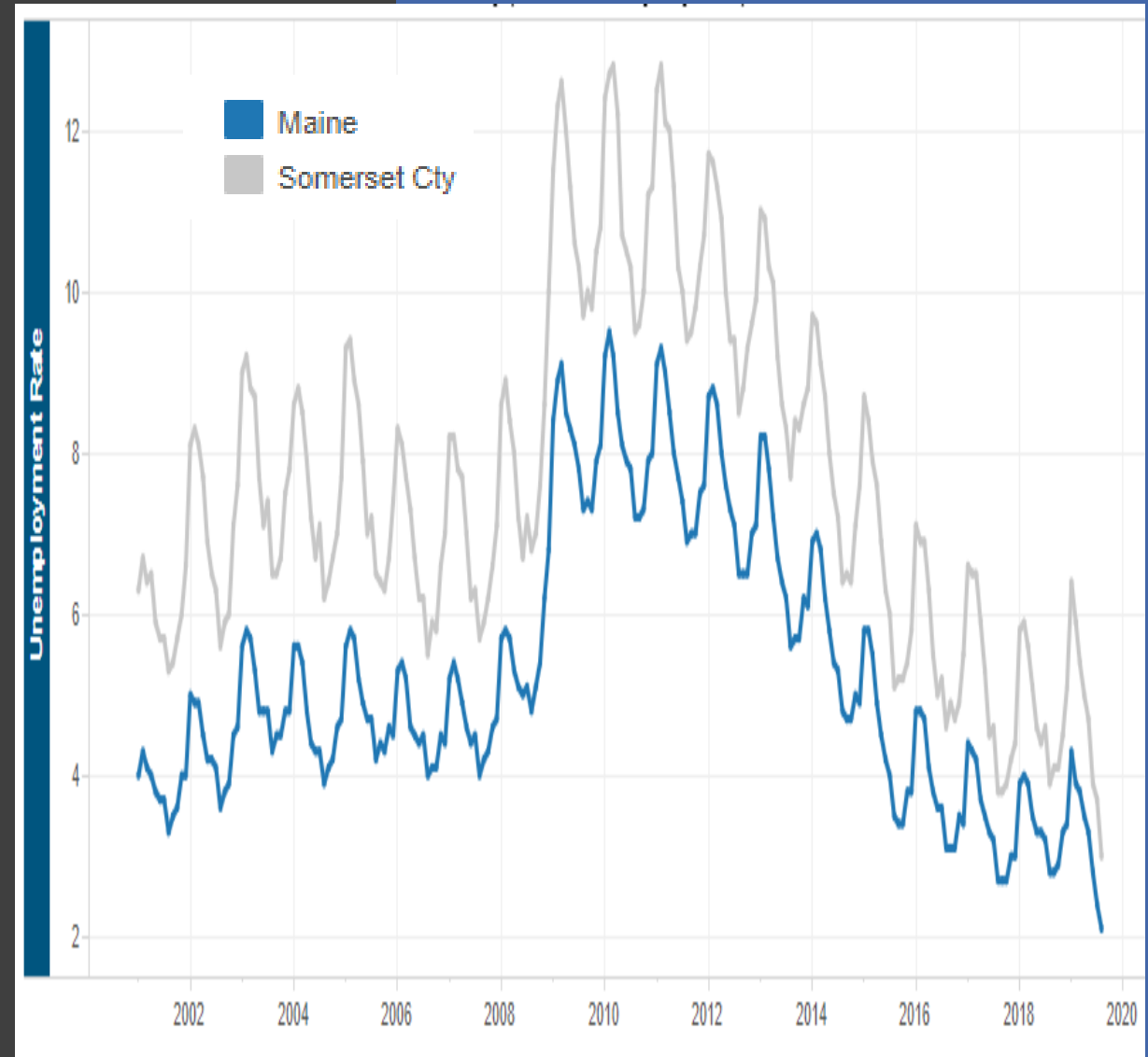
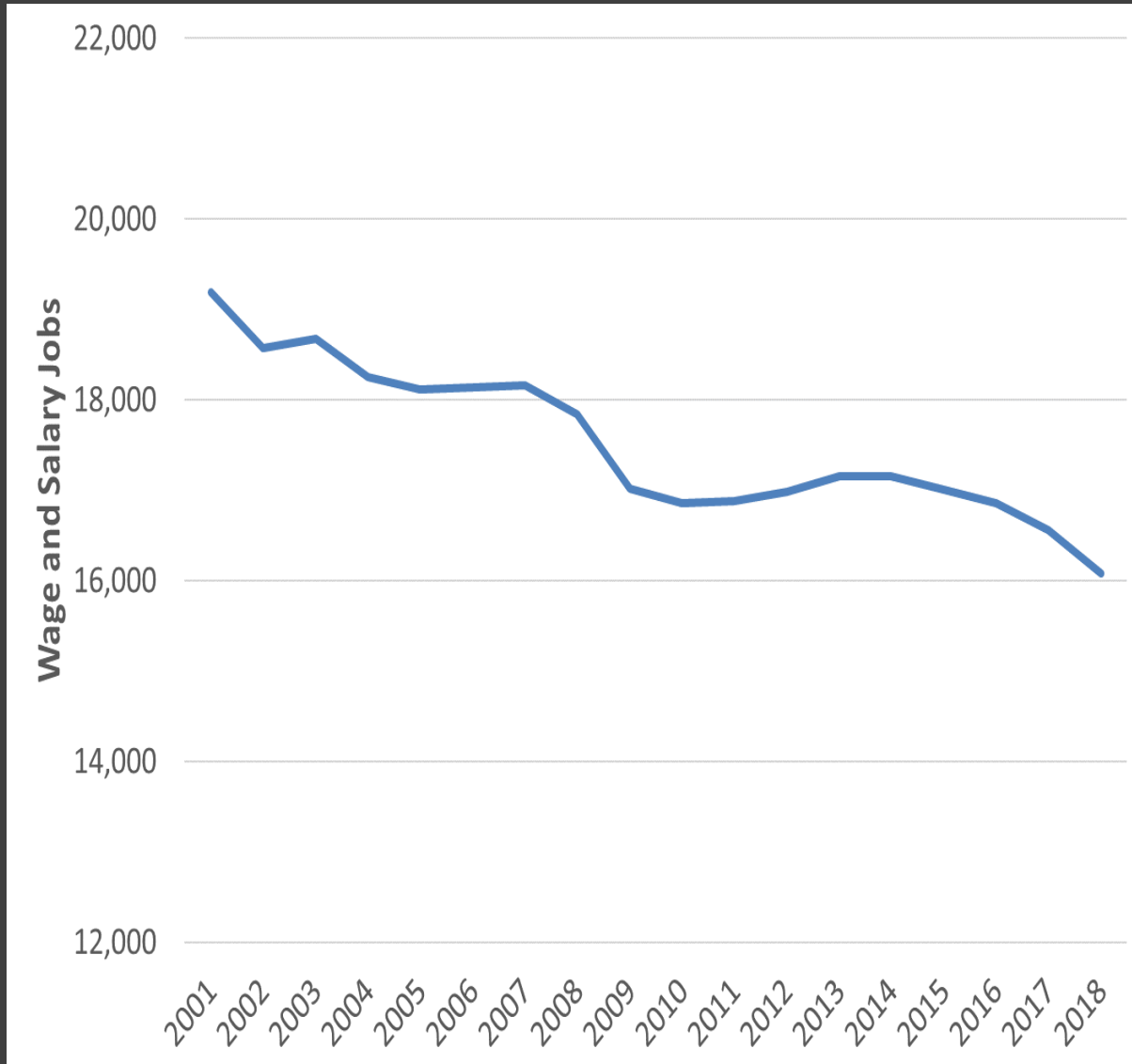


**Sagadahoc County** - The number of jobs has been nearly unchanged in the 2000s. Unemployment rates have consistently been among the lowest in the state with less seasonal variation.

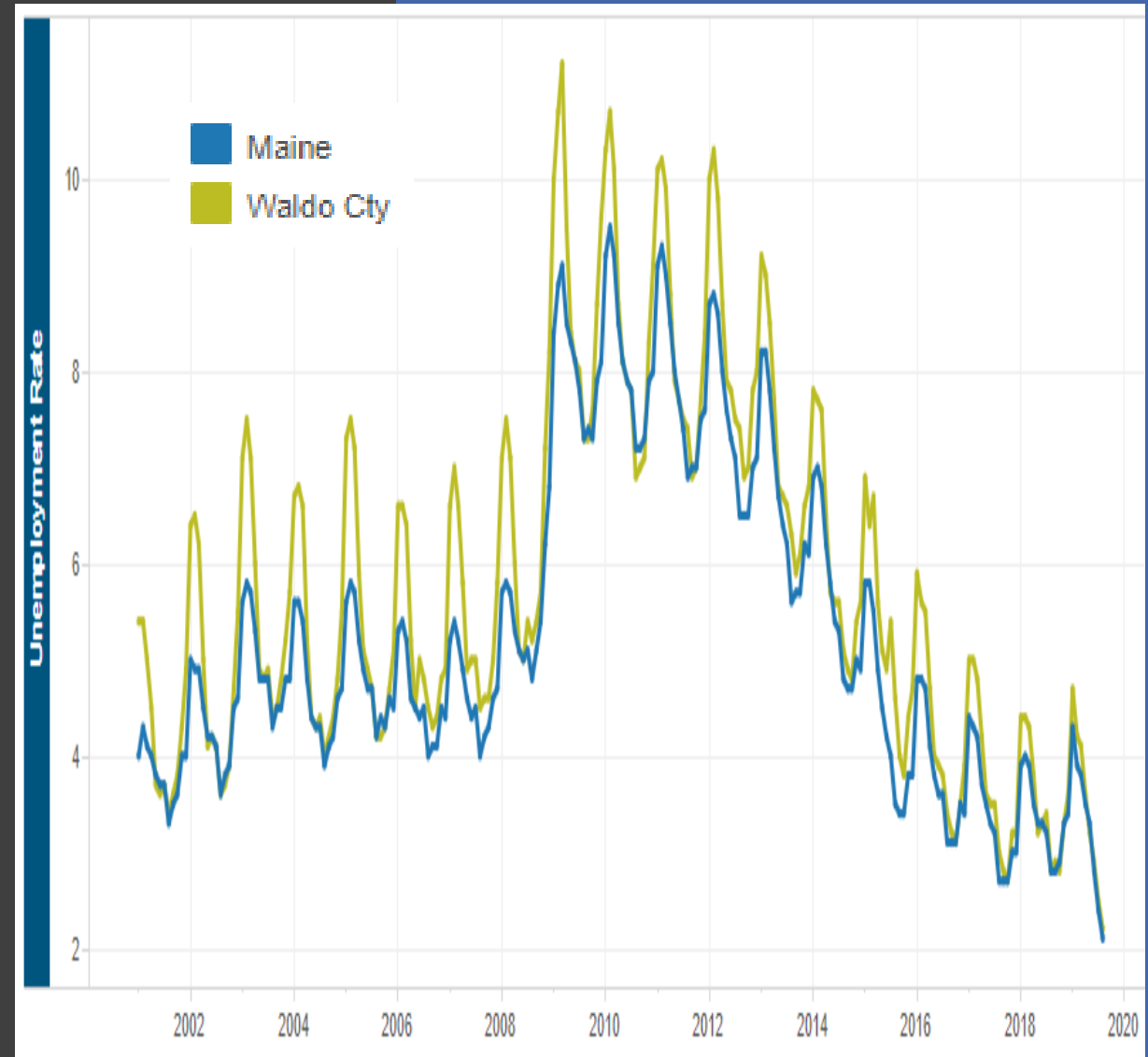
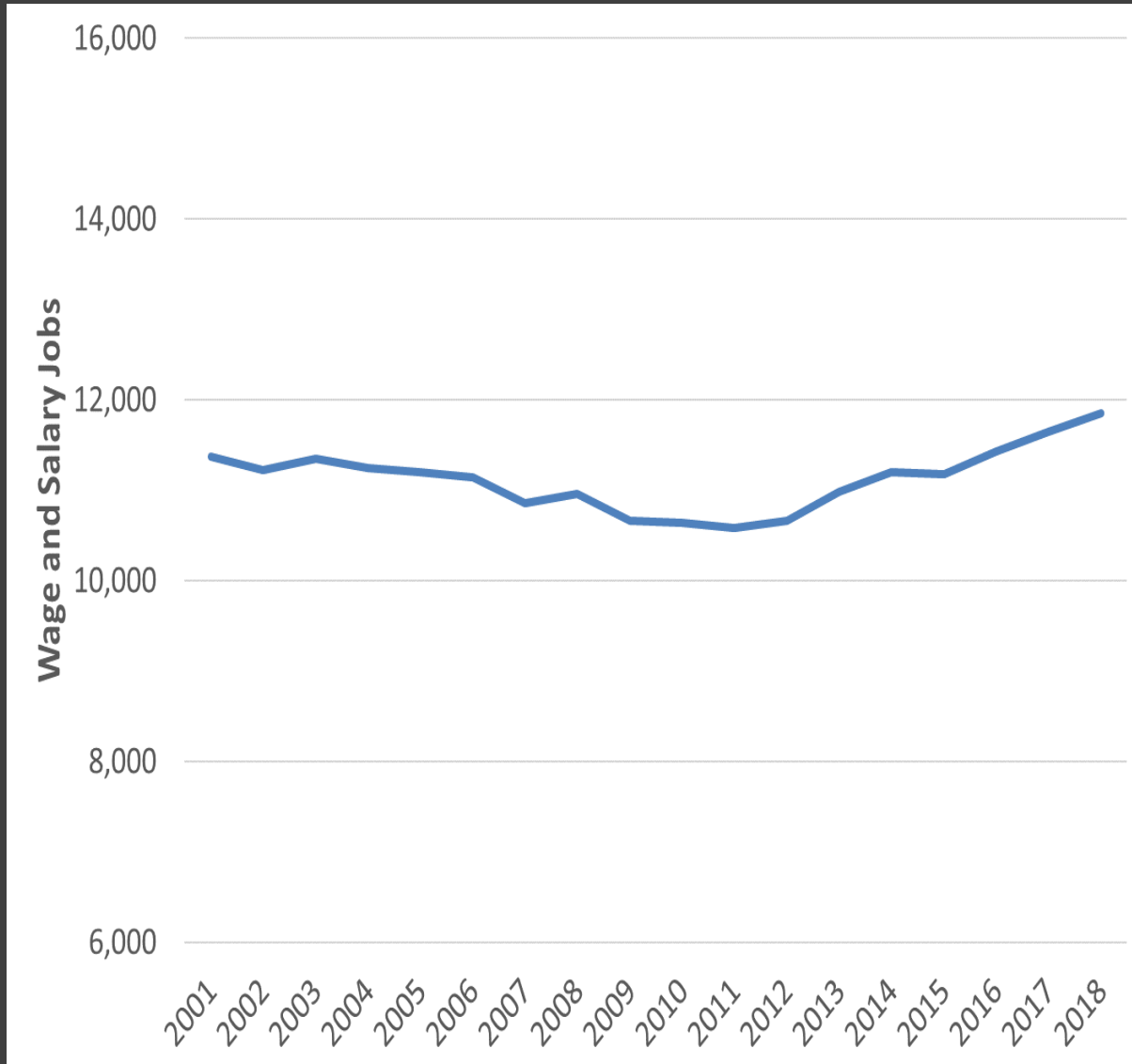




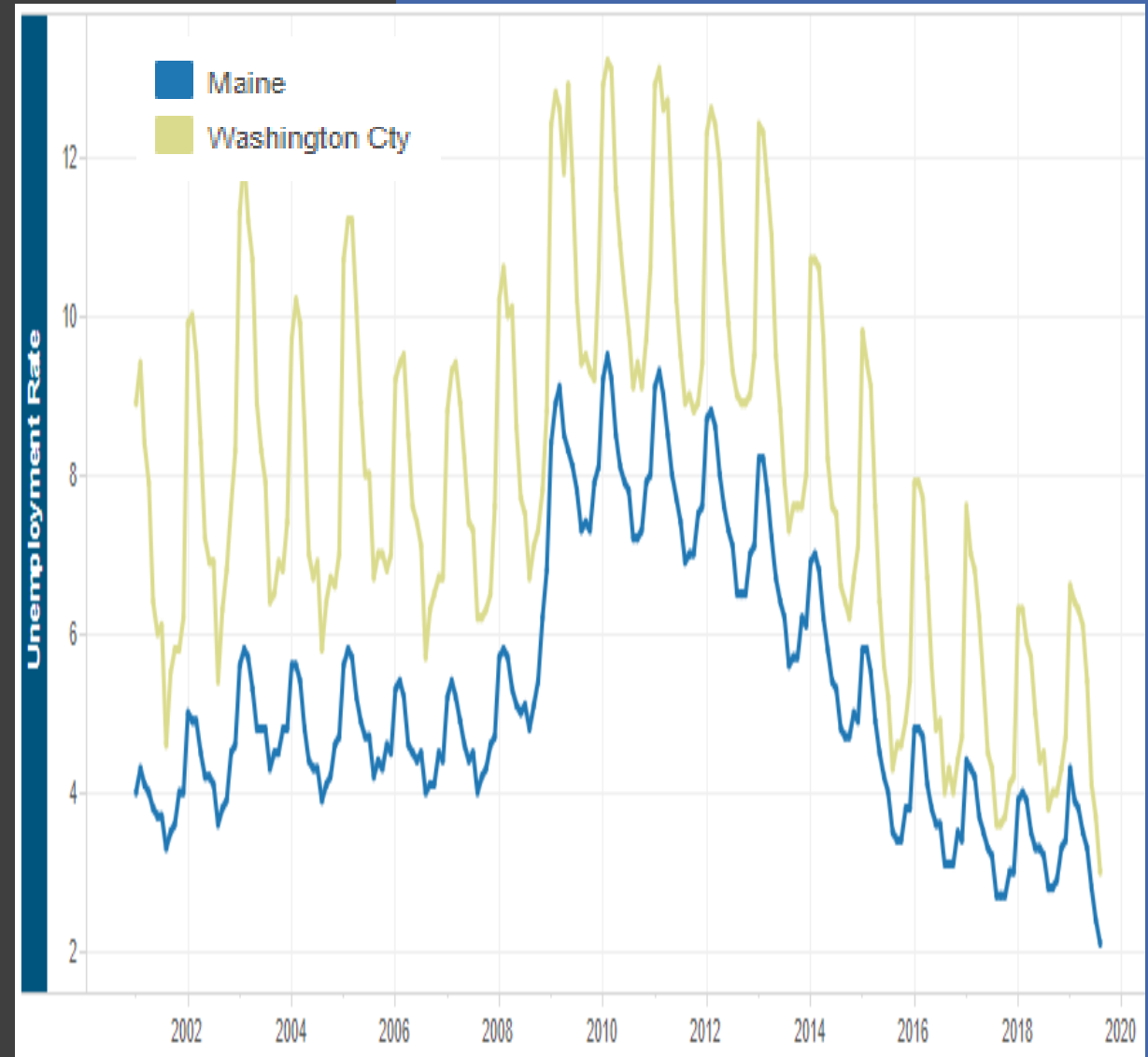
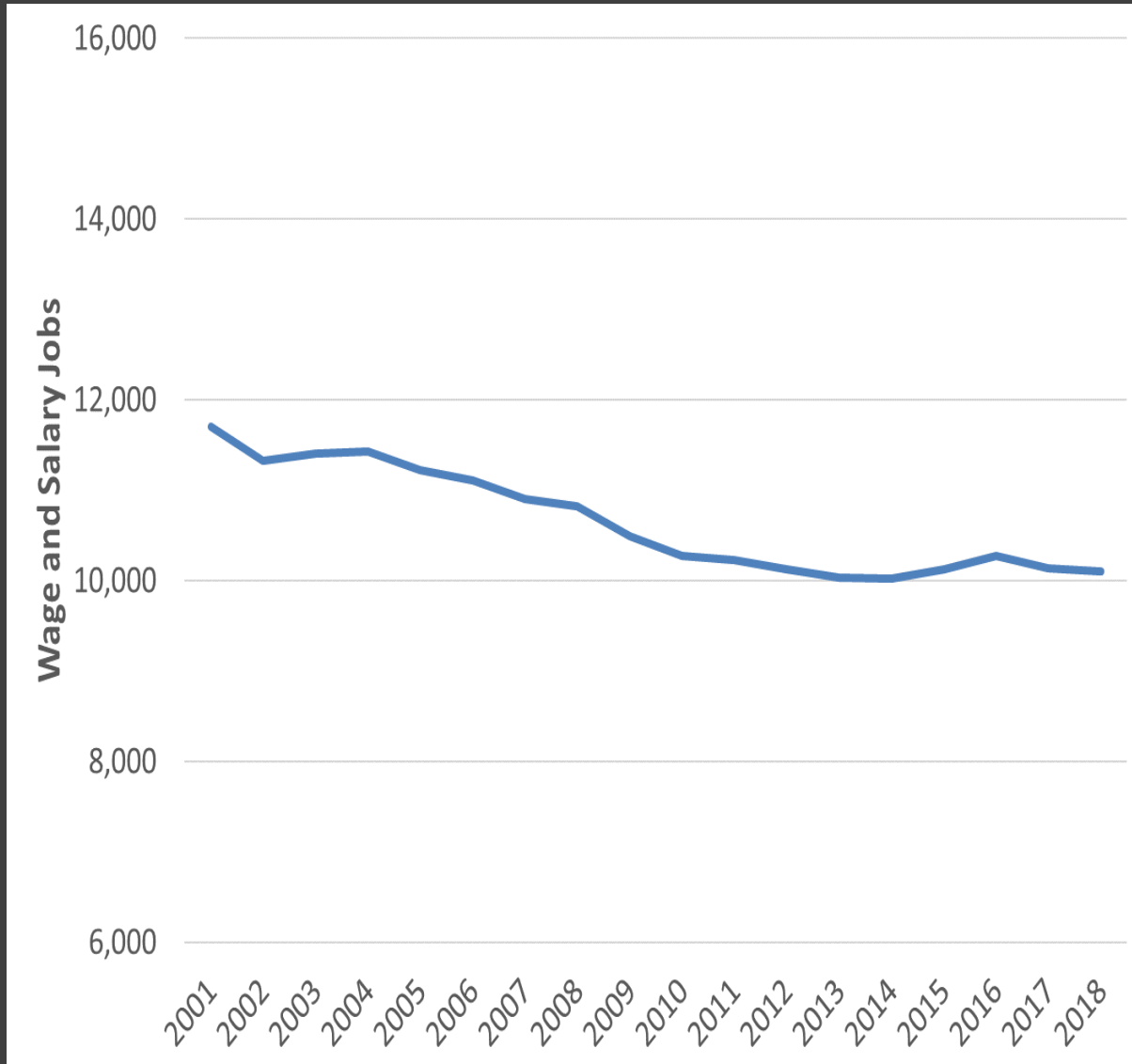
**Somerset County - The number of jobs has declined in the 2000s. Unemployment rates have consistently been higher than the statewide average with more seasonal variation.**



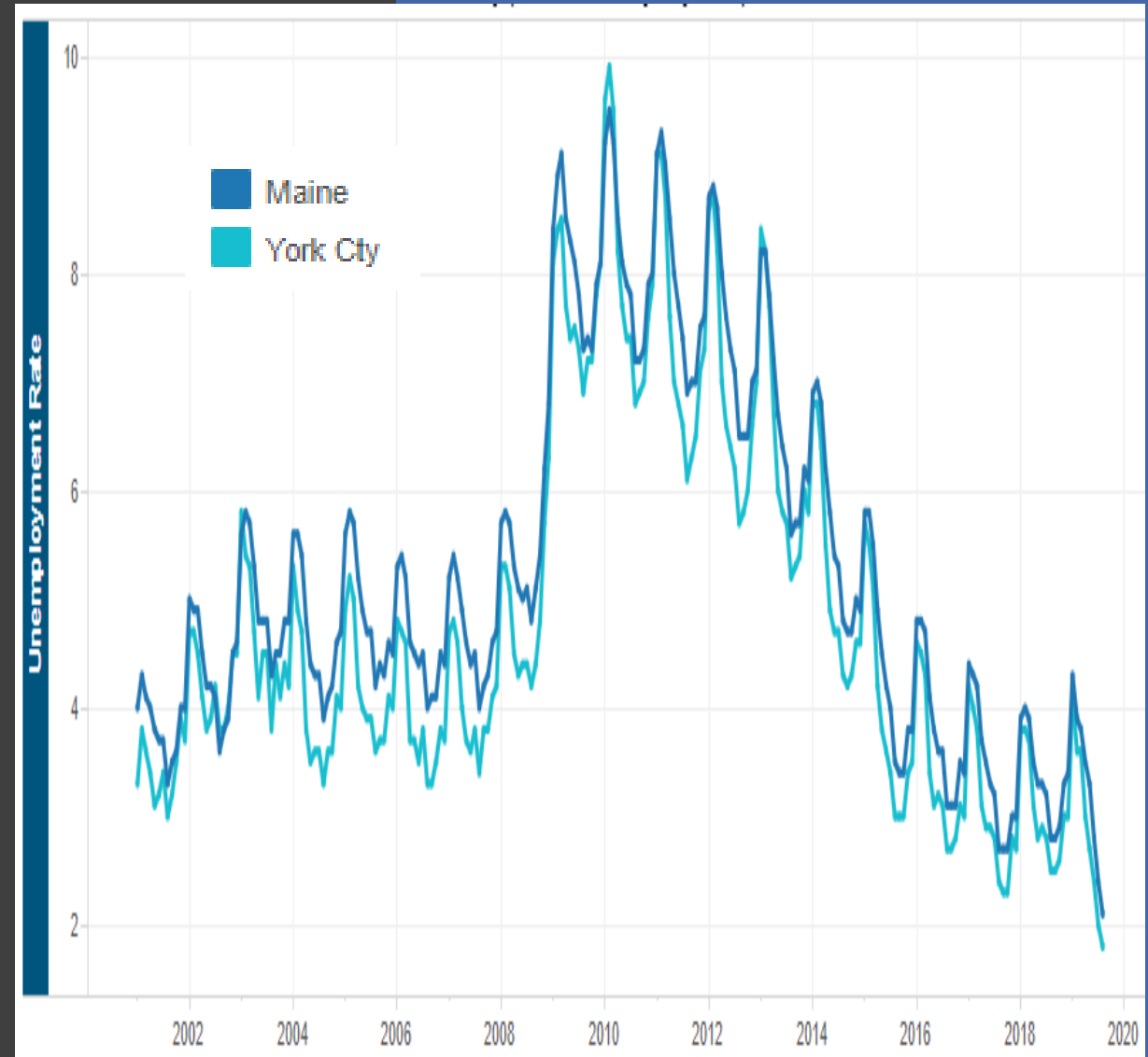
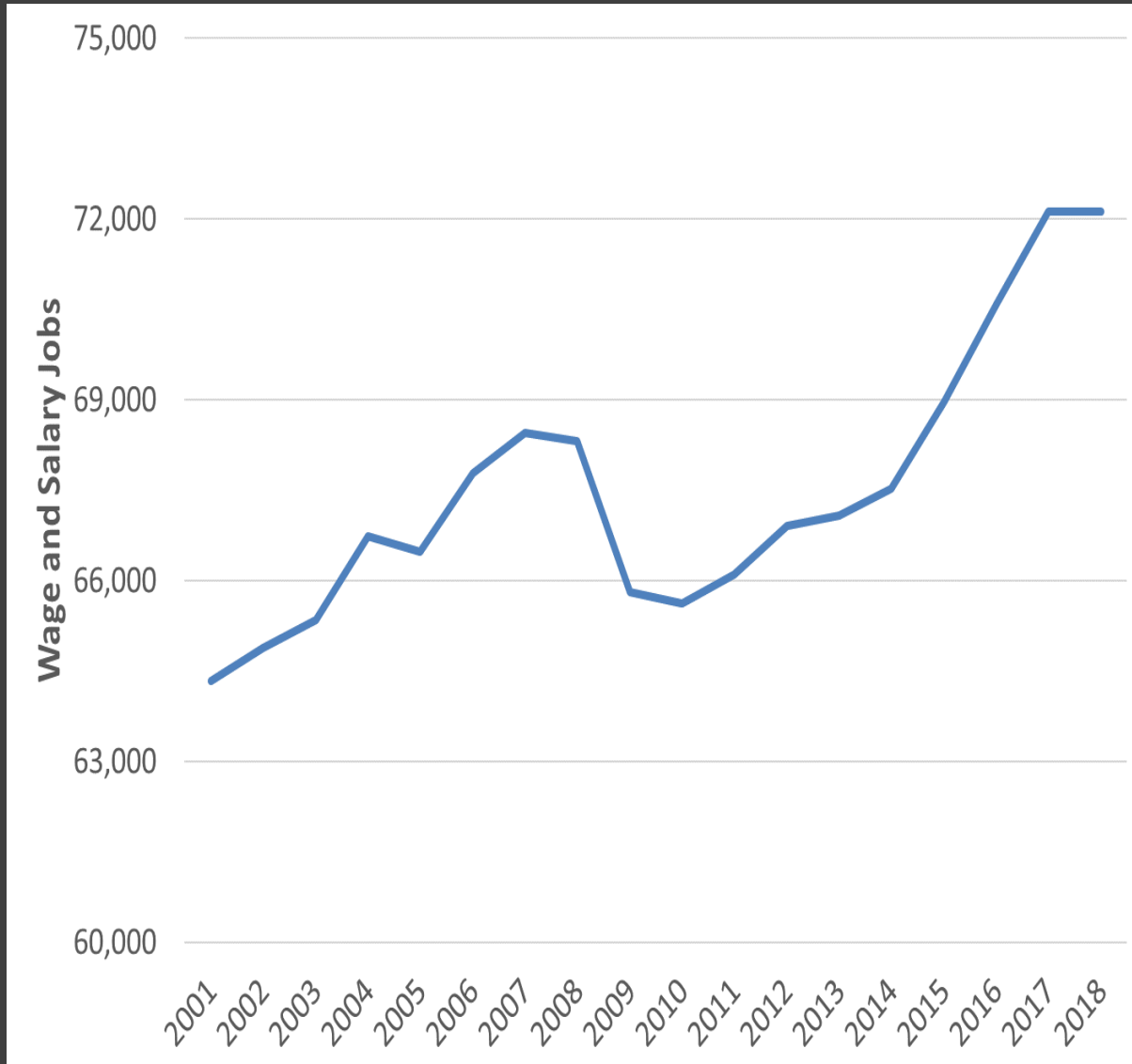
**Waldo County** - The number of jobs is up modestly from 2011, but hasn't changed significantly in the 2000s. Unemployment rates have been close to statewide averages and seasonal variation has declined recently after being much higher for many years.

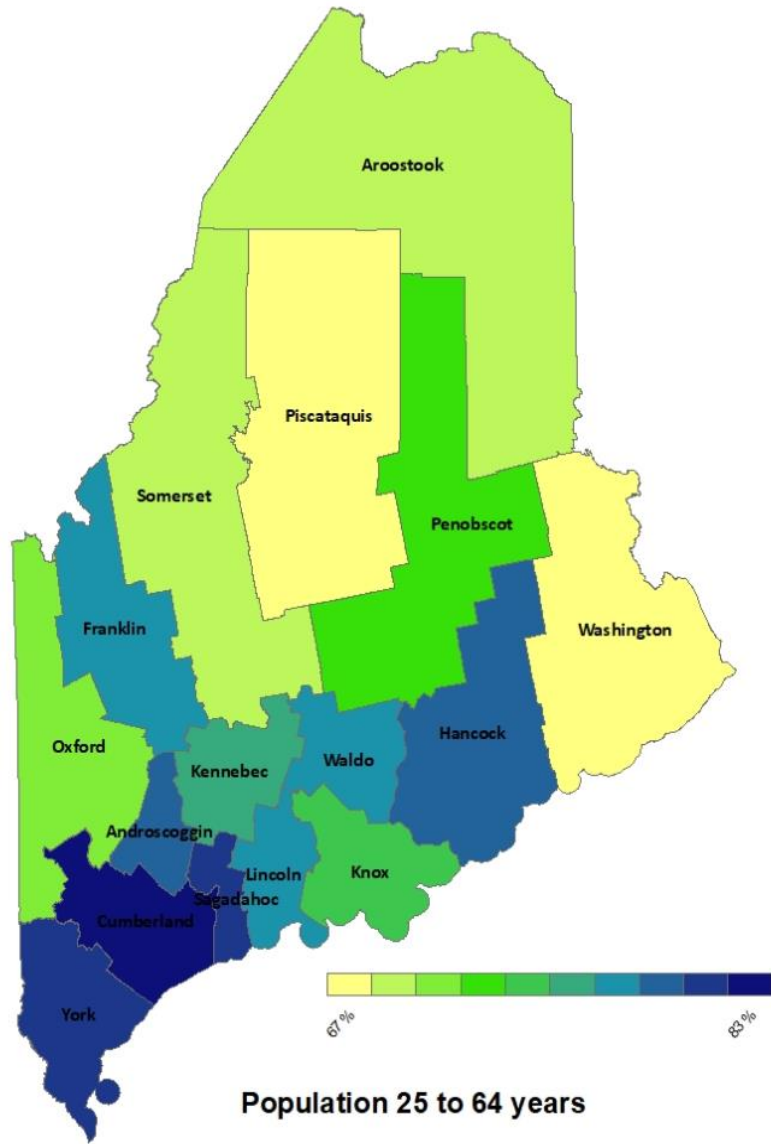


**Washington County** - The number of jobs has been relatively unchanged the last five years after gradually declining in the first decade of the 2000s. Unemployment rates have consistently been much higher than statewide averages with large seasonal variation.

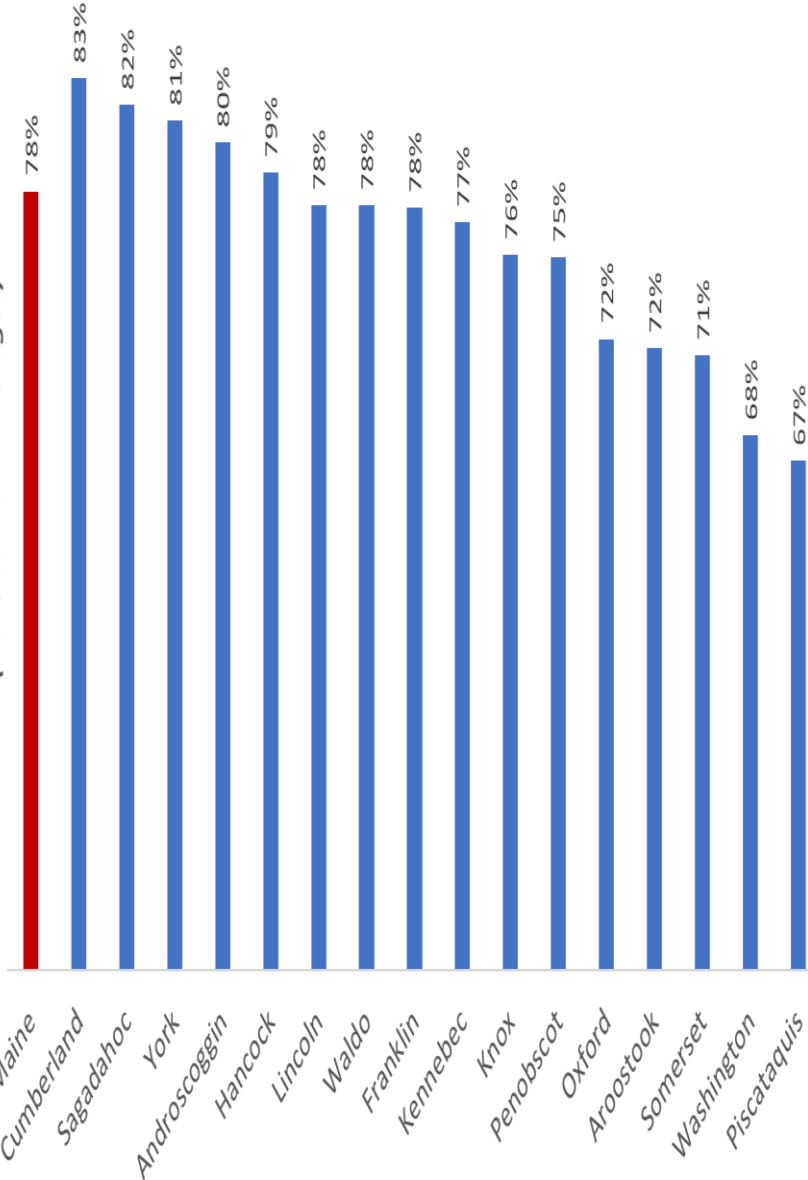


**York County** - The number of jobs continues to reach new highs. The unemployment rate has consistently been among the lowest in the state, though there is significant seasonal variation due to high levels of summer tourism in some coastal towns.

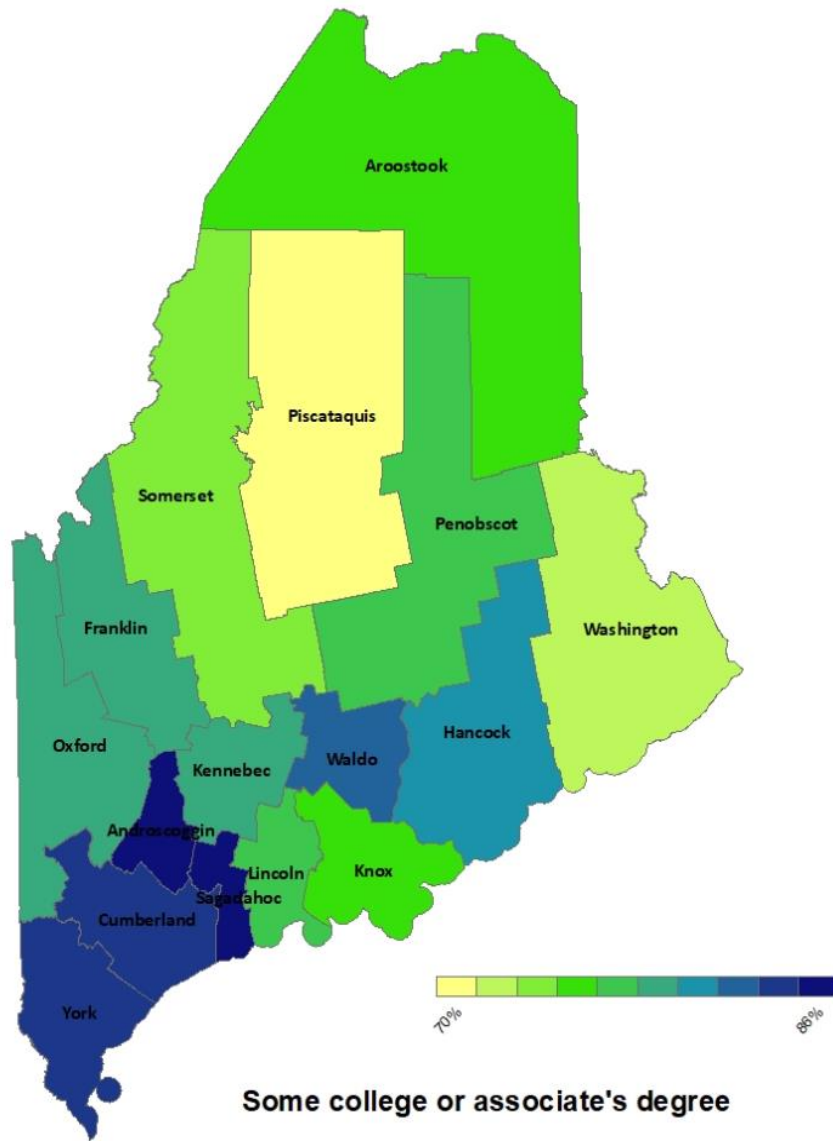
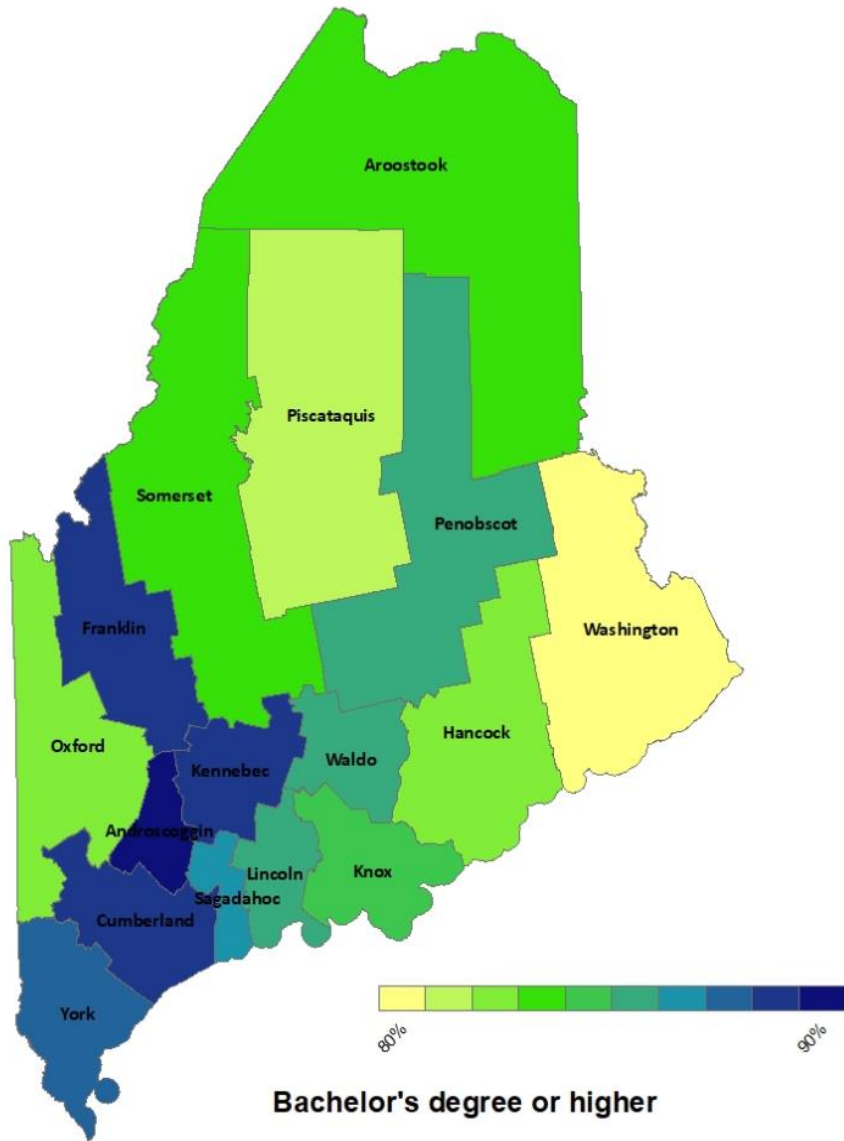




**Age 25 to 64 Labor Force Participation Rates  
(2013 to 2017 Averages)**



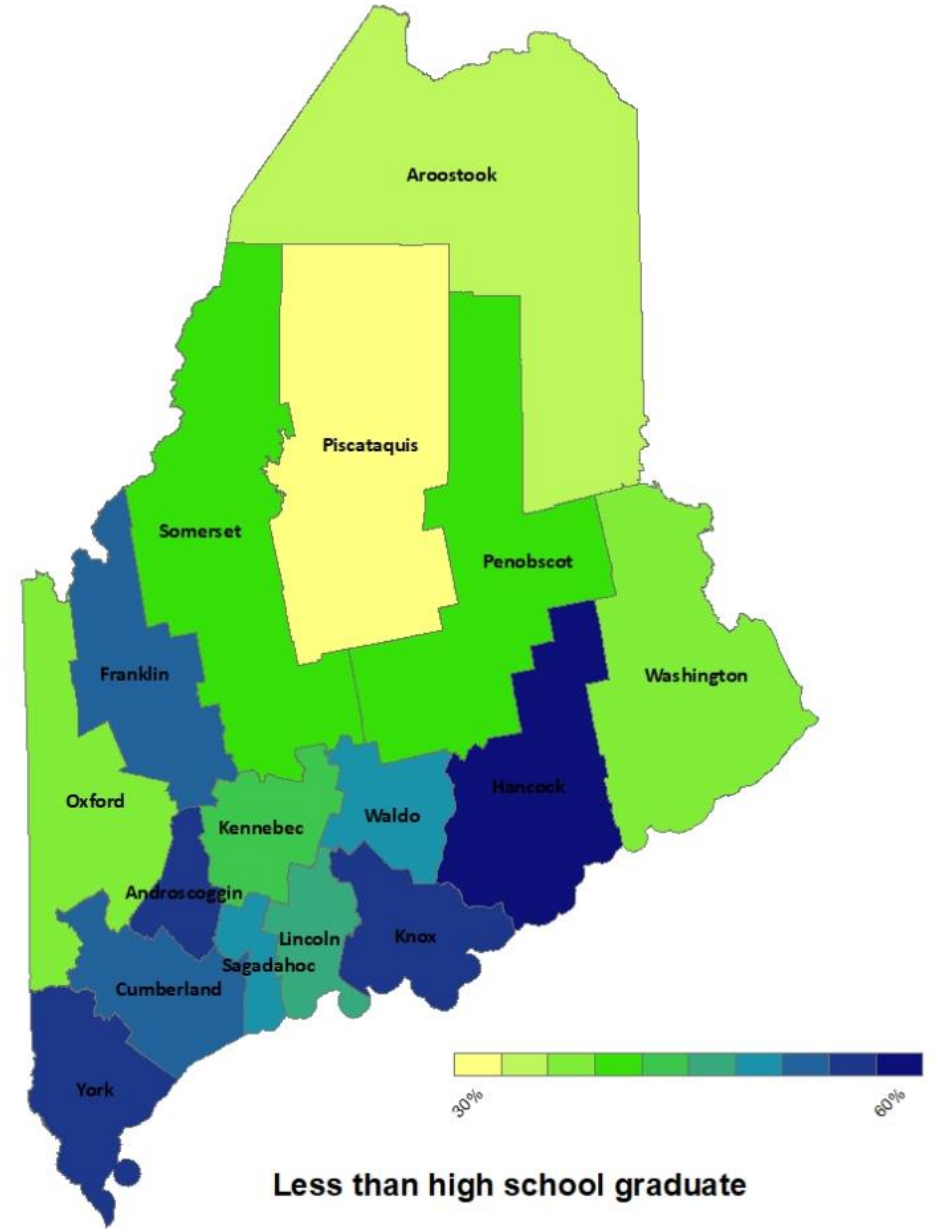
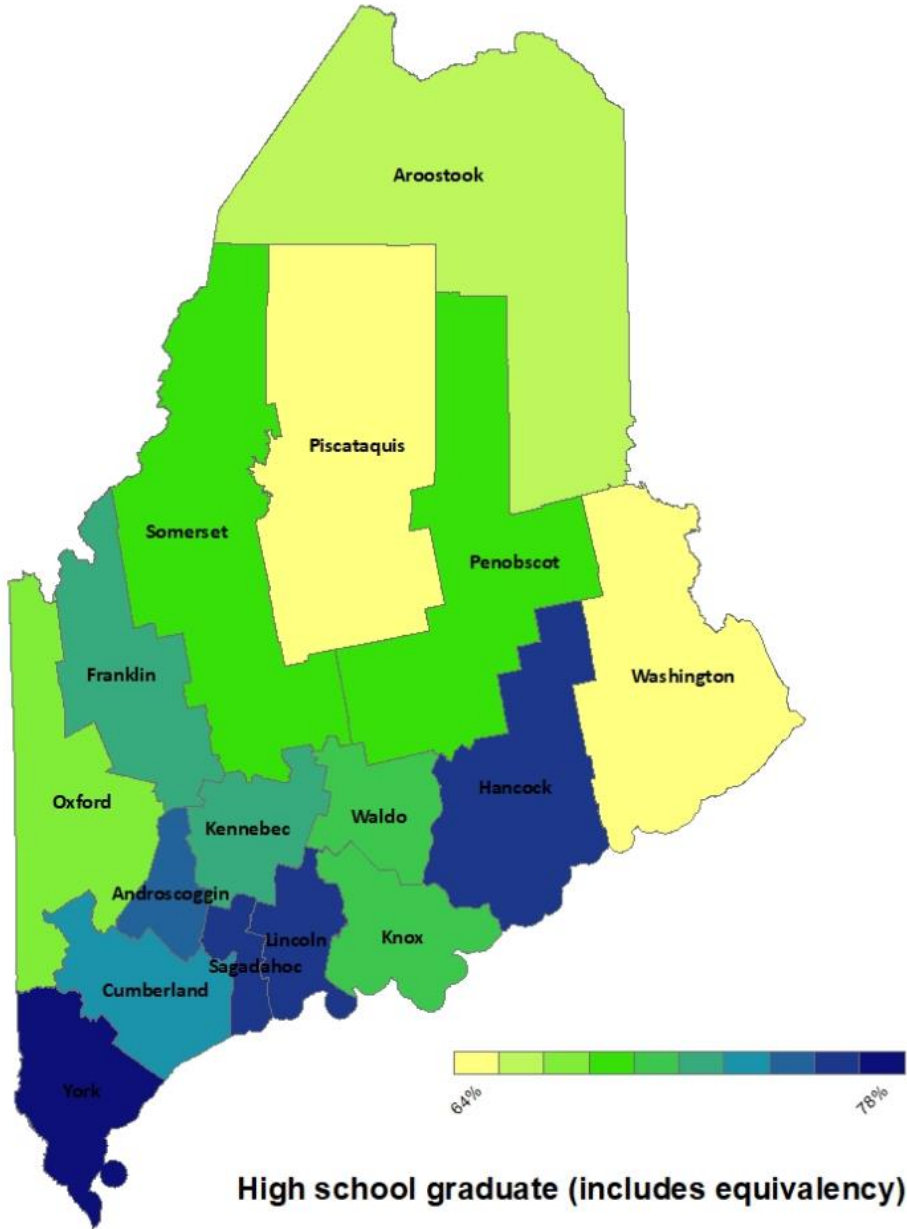
Labor force participation is strongly related to opportunity. Among those age 25 to 64, participation is highest in the southernmost counties, where population and job growth is strongest and unemployment is lowest. Participation is lowest in the northern rim of the state, where the population has been declining and unemployment is highest.



Labor force participation is highest among those with the most educational attainment, and it is highest in parts of the state where economic opportunity is highest.

In the south, where conditions are strongest, participation is higher at each level of education than in the north, where conditions are not as strong.



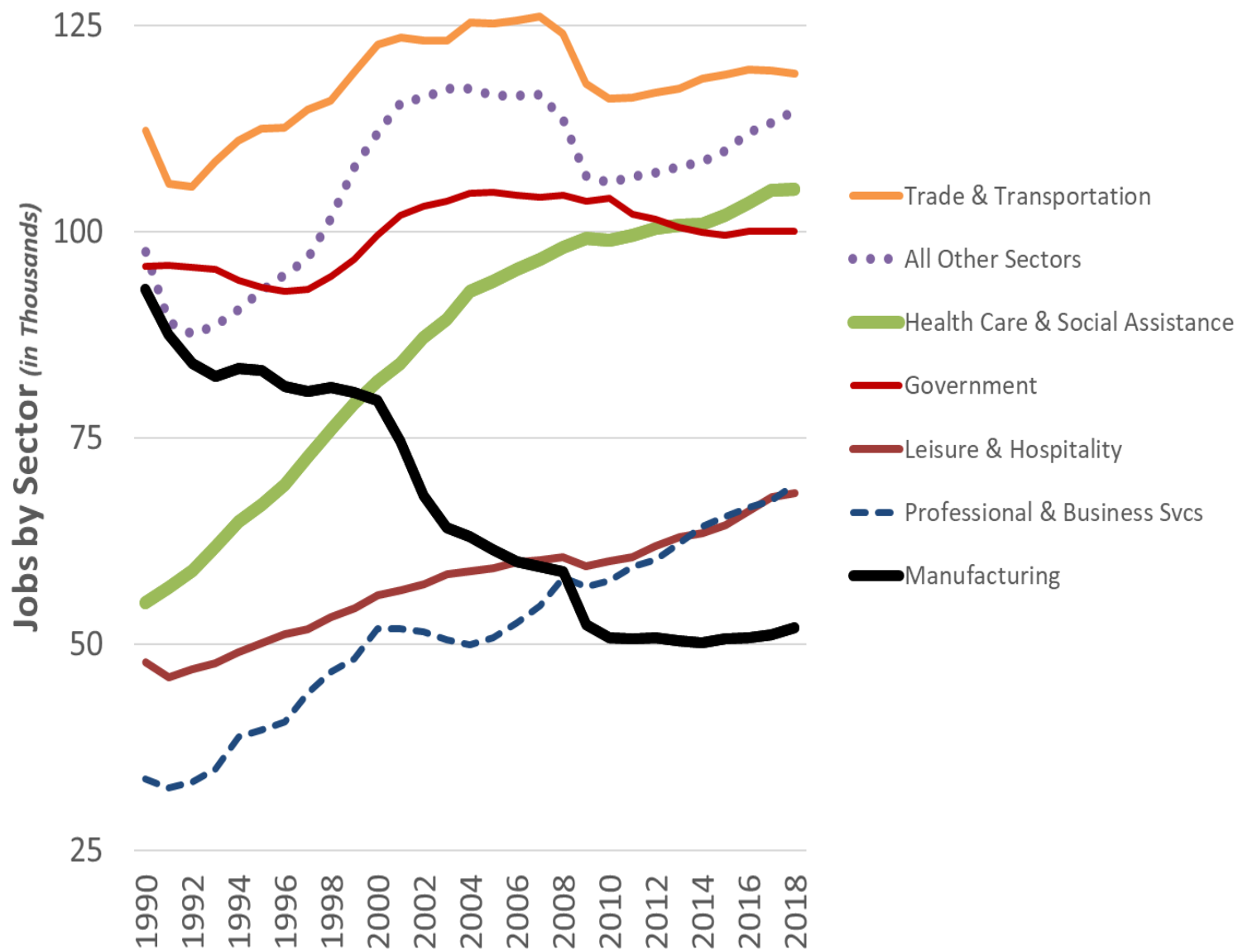


## **Shifting job structure**

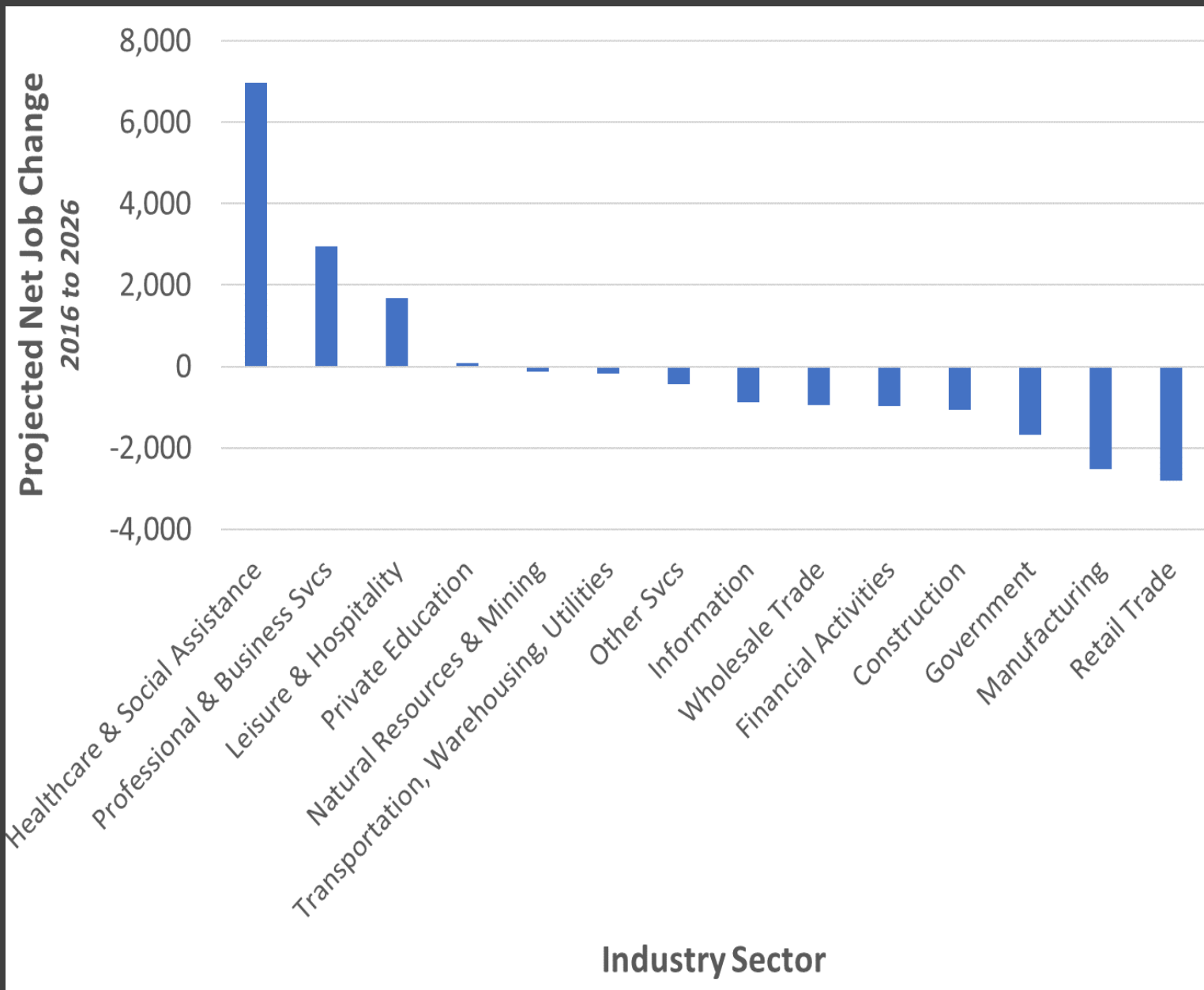
**Maine's labor market is constantly changing. Demand for products and services shifts. Companies flourish or fail. Innovations create new product segments and new fields of work and make others obsolete. Technology adds to what is possible, sometimes enhancing and other times replacing human labor.**

**Jobs today are very different than they were a generation ago. A range of factors caused the number of jobs to rise or decline across a broad spectrum of industries. The most certain thing about the labor market of the future is that it will be different than it is today.**



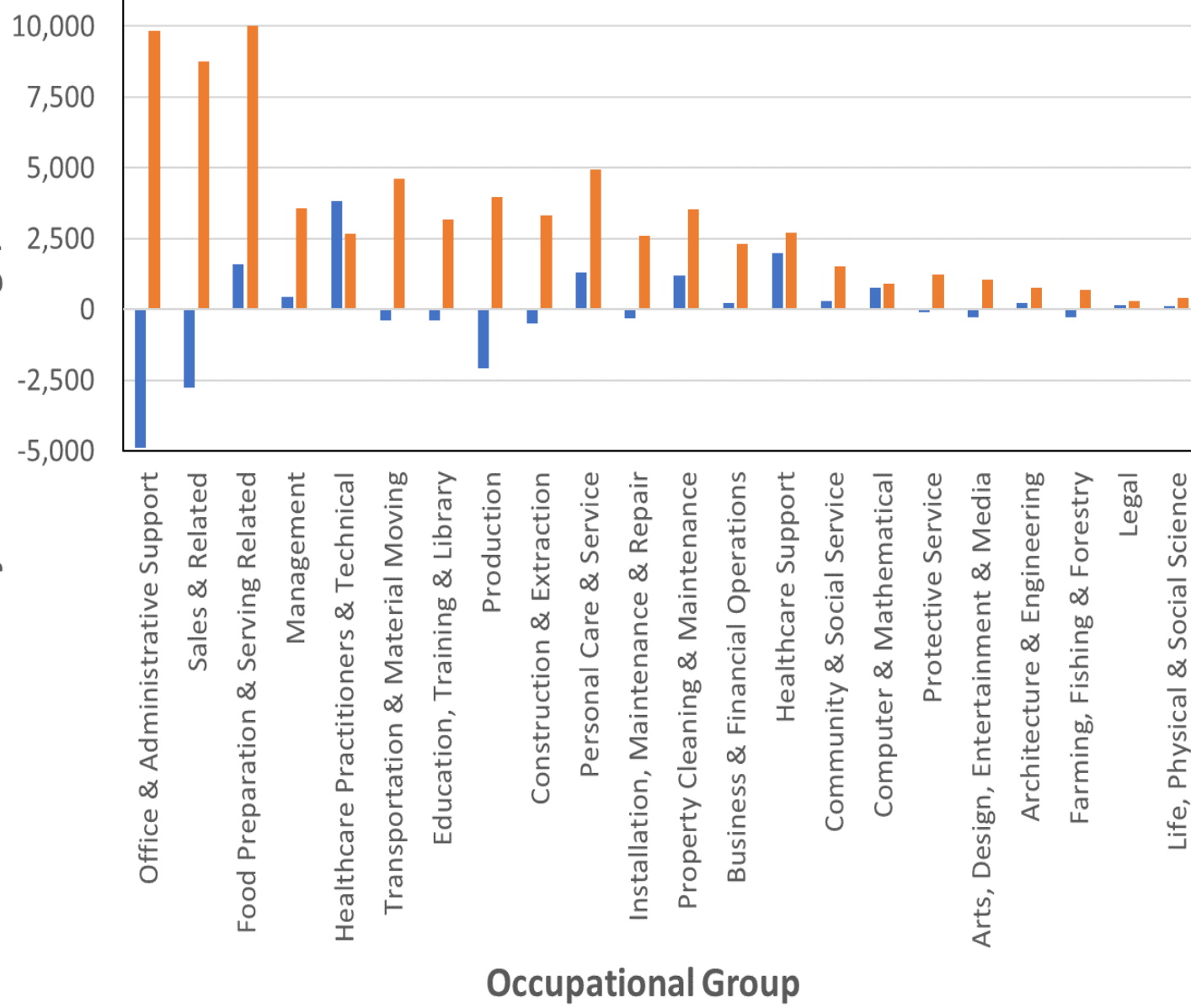


Over the last three decades, the industry structure of jobs changed significantly. The most prominent trends were the near doubling of jobs in the healthcare and social assistance and the professional and business services sectors, as well as the sharp decline in manufacturing jobs. The types of jobs in sectors that are growing have different education, skill, and performance requirements than the types of jobs in sectors that are declining.

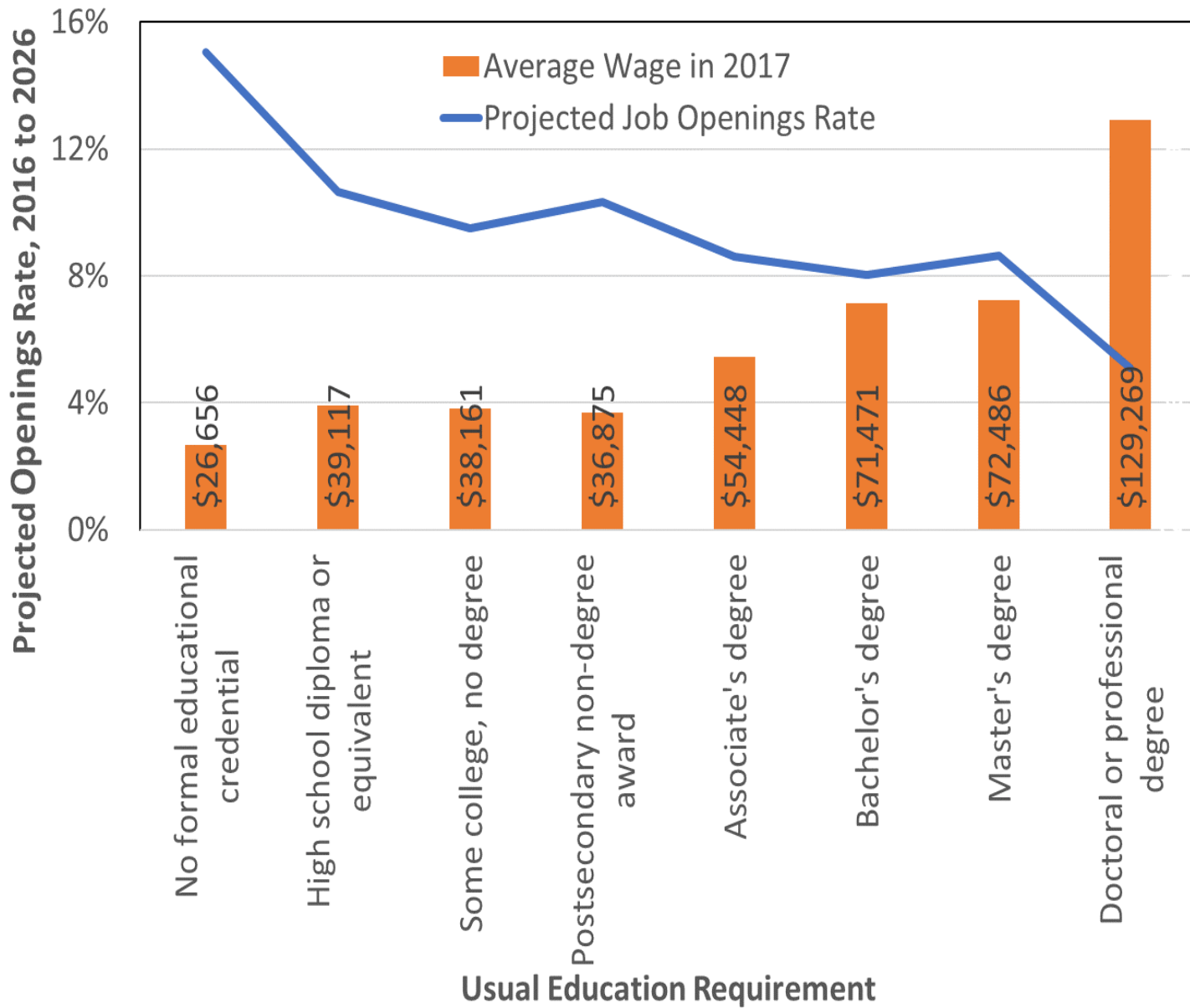


In the decade through 2026, job trends are expected to be similar to the last three decades. The healthcare and social assistance and the professional and business services sectors are expected to continue to be the major job creating sectors, while retail, manufacturing, and government continue to shed jobs. Most sectors are expected to have little net change in the number of jobs.

**Projected Job Change, 2016 to 2026**



The changes in jobs by industry and changes in technology and other work practices will cause the number of jobs to rise in some occupations and decline in others. Though the number of jobs in some occupations is expected to decline, there will be job openings in nearly every occupation to replace people who retire or change their field of work.



Job openings rates are expected to be highest in occupations with limited educational requirements that offer relatively low pay. This is because turnover rates in those occupations are highest as many incumbents are young people who eventually move up the education and earnings ladder. Openings rates are lowest in occupations with the highest educational requirements and earnings.

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