

# Workforce Conditions and Demographic Trends Impacting the Labor Force in Maine

Coastal Counties Workforce Board  
March 10, 2022

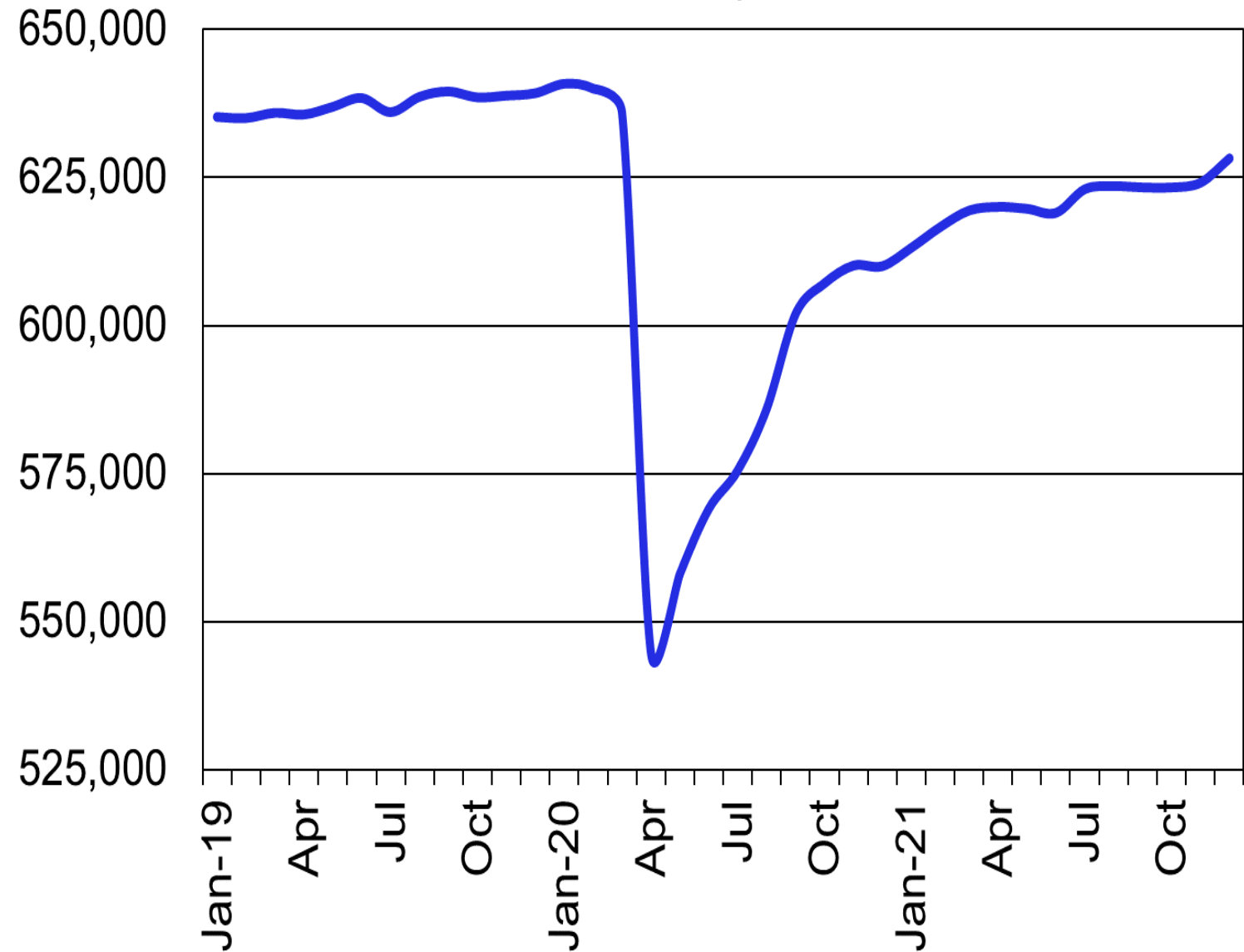


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# Current Conditions

The jobs recovery continues. It stalled with each surge in coronavirus case counts. In December there were 1.8% fewer jobs than immediately before the pandemic.

## Nonfarm Payroll Jobs (Seasonally Adjusted)



Most sectors have fully recovered. The decrease in jobs is concentrated in:

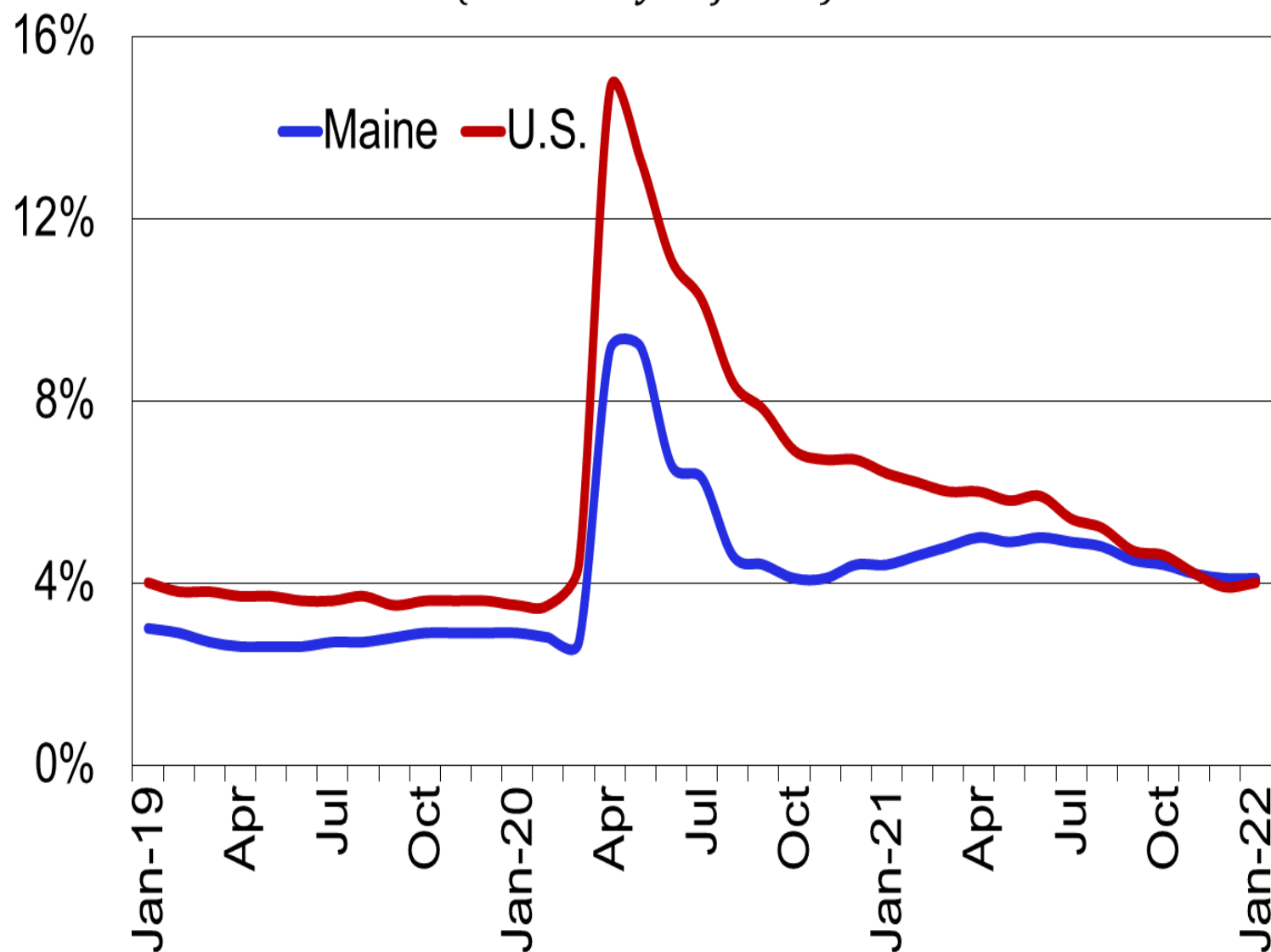
- Healthcare and social assistance, primarily social assistance and nursing care facilities
- Hospitality, primarily restaurants and pubs
- State and local governments, primarily K-12 and higher education.

## Net Job Change Feb 2020 to Dec 2021 *(Seasonally Adjusted)*

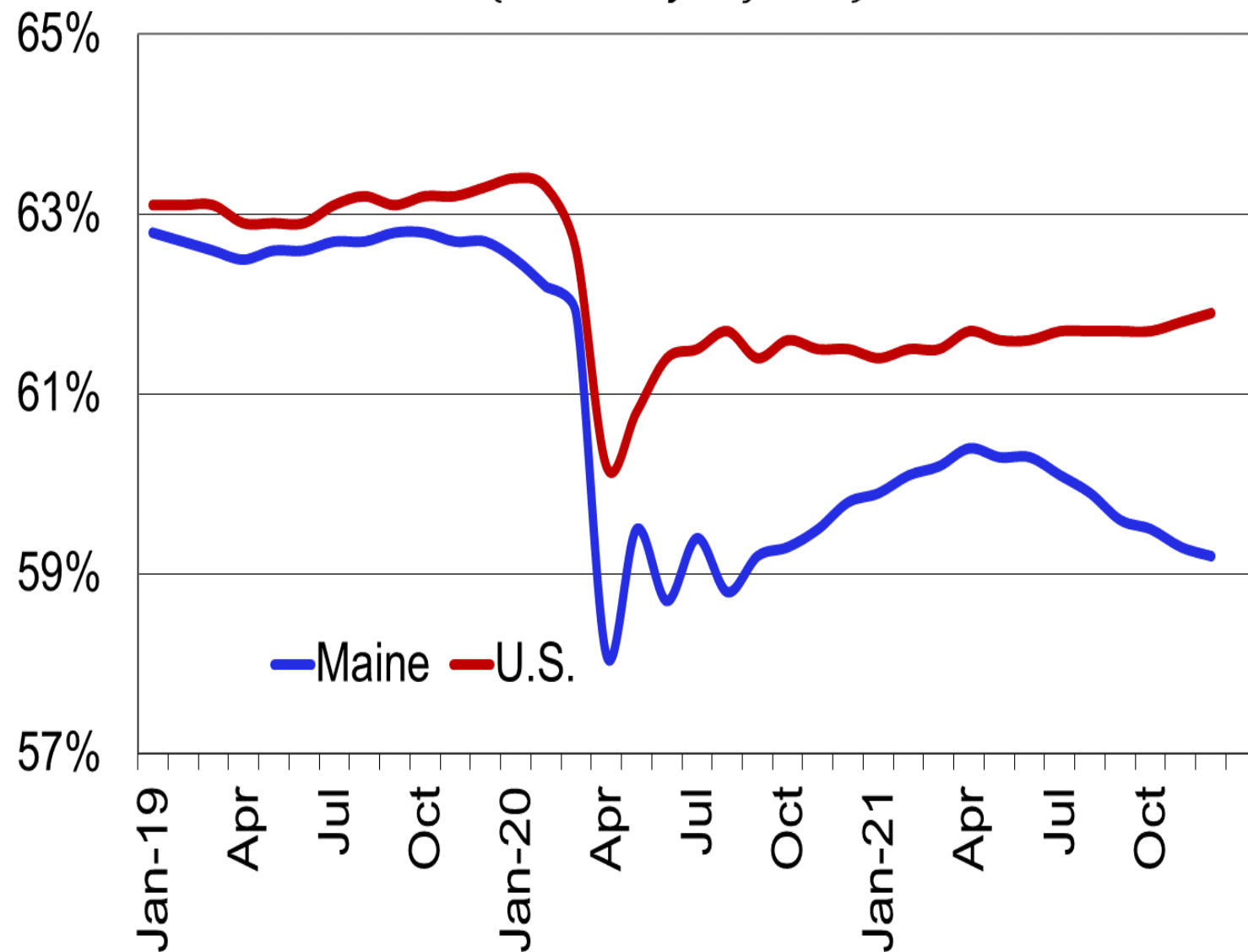
Professional and Business Services			2,100
Construction			1,800
Manufacturing			1,200
Educational Services			800
Wholesale Trade		100	
Federal Government		0	
Financial Activities		0	
Transportation, Warehousing, and Utilities		0	
Mining and Logging		0	
Information		-500	
Retail Trade		-800	
State Government		-2,000	
Local Government		-2,300	
Leisure and Hospitality		-4,700	
Healthcare and Social Assistance		-6,700	

Unemployment has steadily decreased, reaching 4.1% in December. It remains higher than before the pandemic, but is below the long-term average.

## Unemployment Rates *(Seasonally Adjusted)*

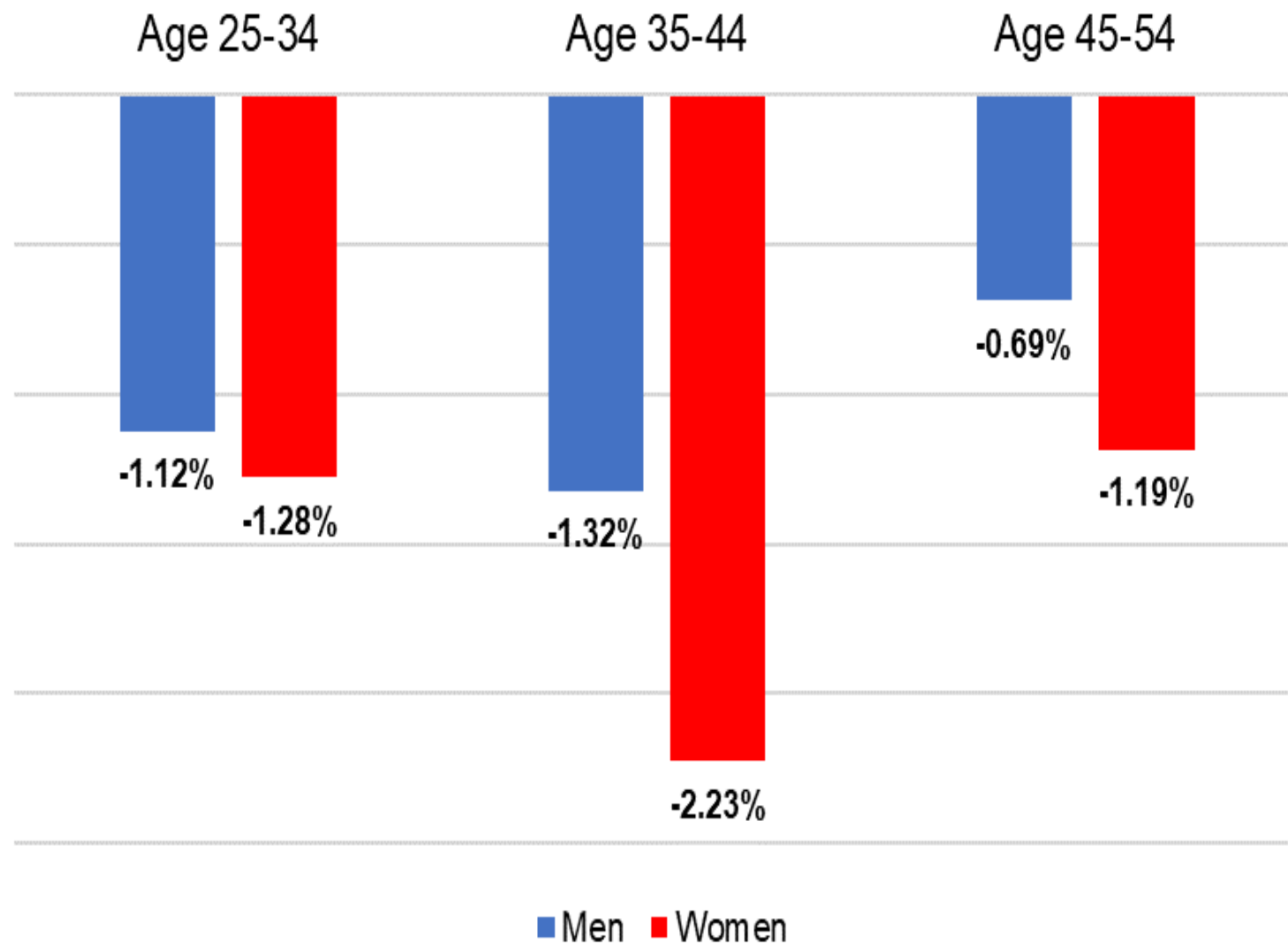


## Labor Force Participation Rates *(Seasonally Adjusted)*



Labor force participation steadily recovered through summer, but backtracked in the second half of the year.

## U.S. Labor Force Participation rate Change by Gender and Age, Feb 2020-Nov 2021



Labor force participation is  
down more among women  
than men

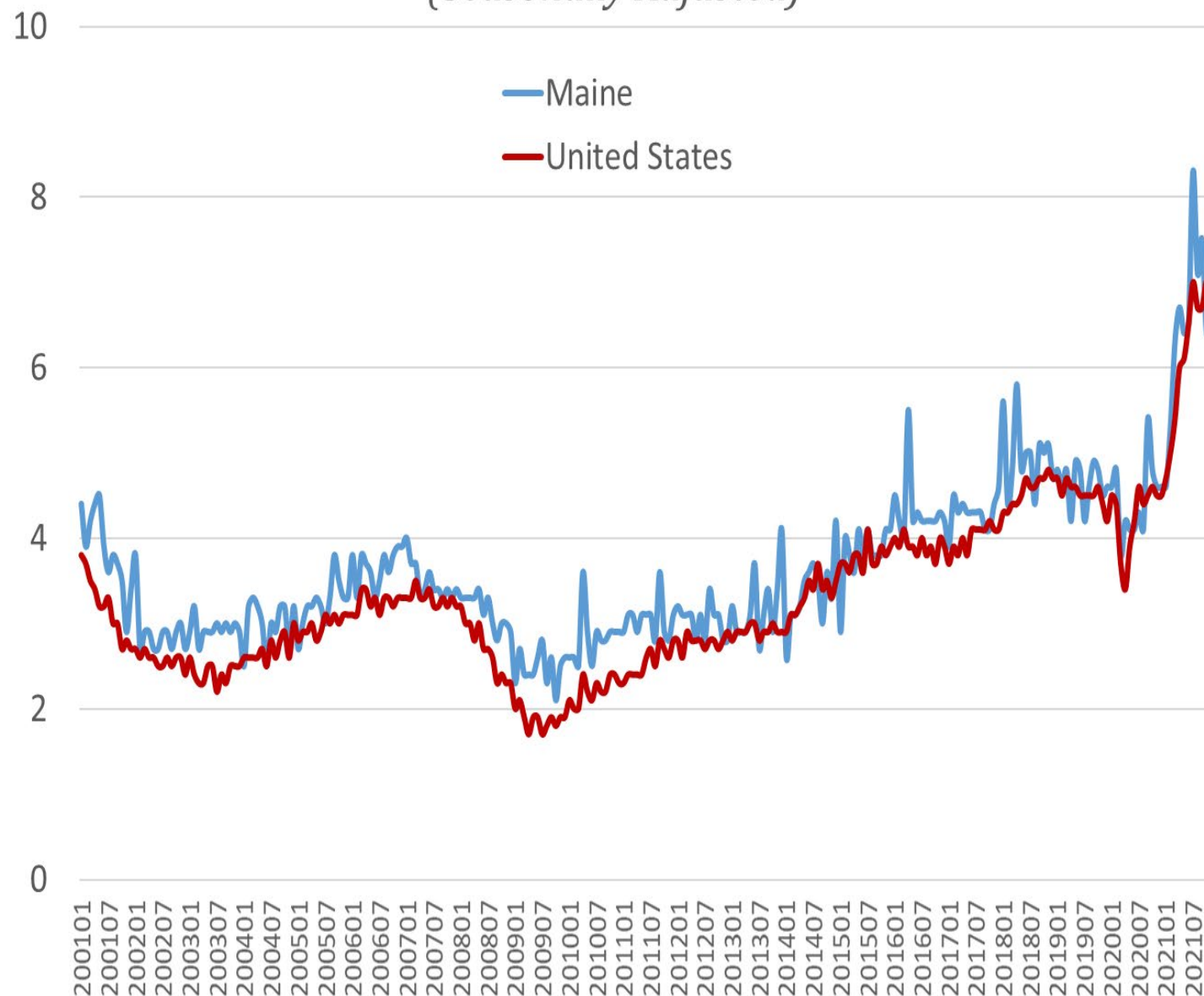
# Retirements are a factor in lower labor force participation

- Nationally, the sharpest decrease in participation has been among those age 55+
- The [Federal Reserve estimated](#) more than half of the decrease in may be due to retirement
- Retirement decisions are not necessarily *permanent*
- High financial and real estate valuations enabled some to retire younger than their predecessors. Improvements in the covid situation may prompt some to eventually return to the workforce

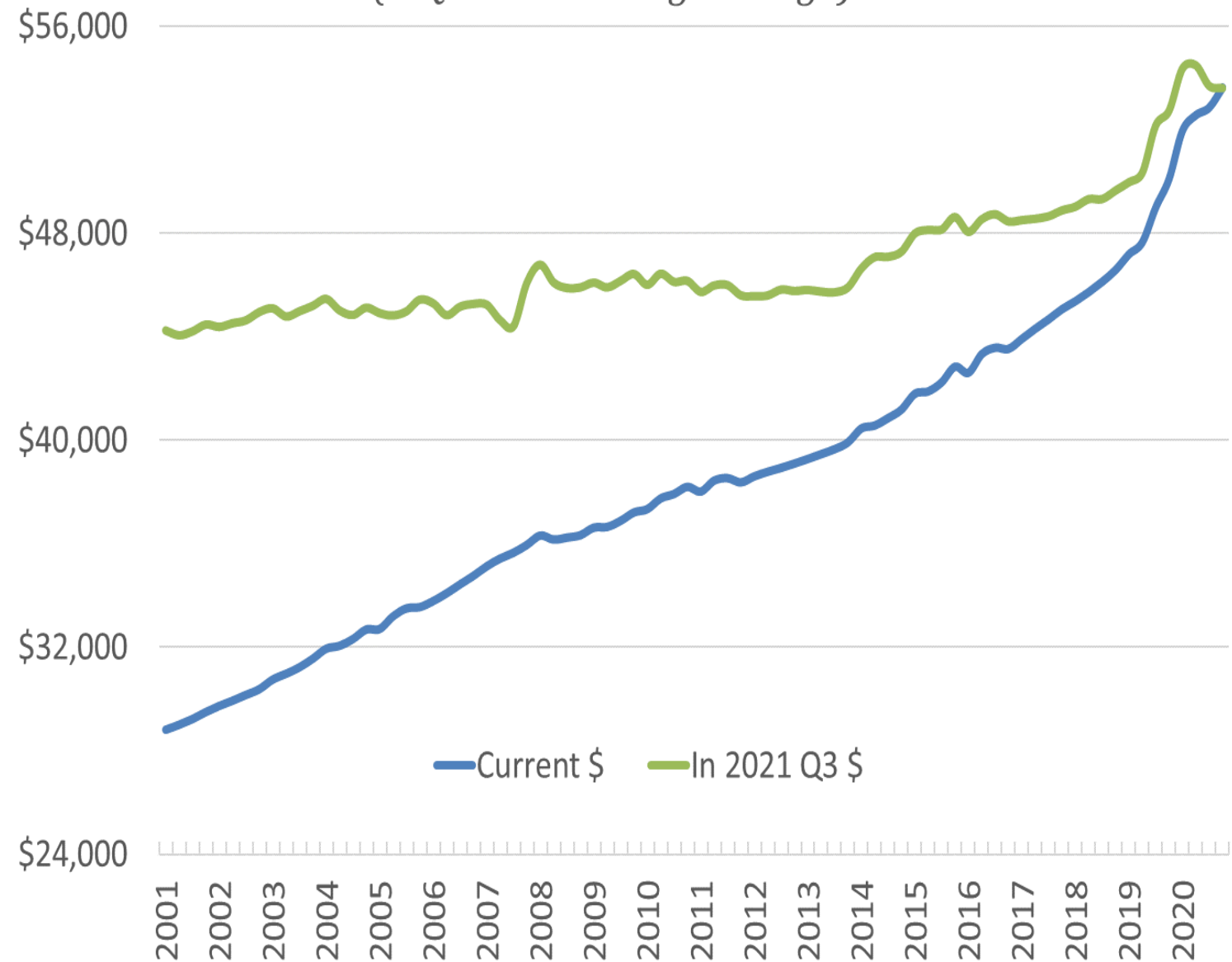


Fewer people in the labor force, combined with fiscal and monetary stimulus that pumped up demand, has resulted in historically high job openings rates...

## Job Openings Rates *(Seasonally Adjusted)*



## Average Wage Per Job (4-Quarter Moving Average)



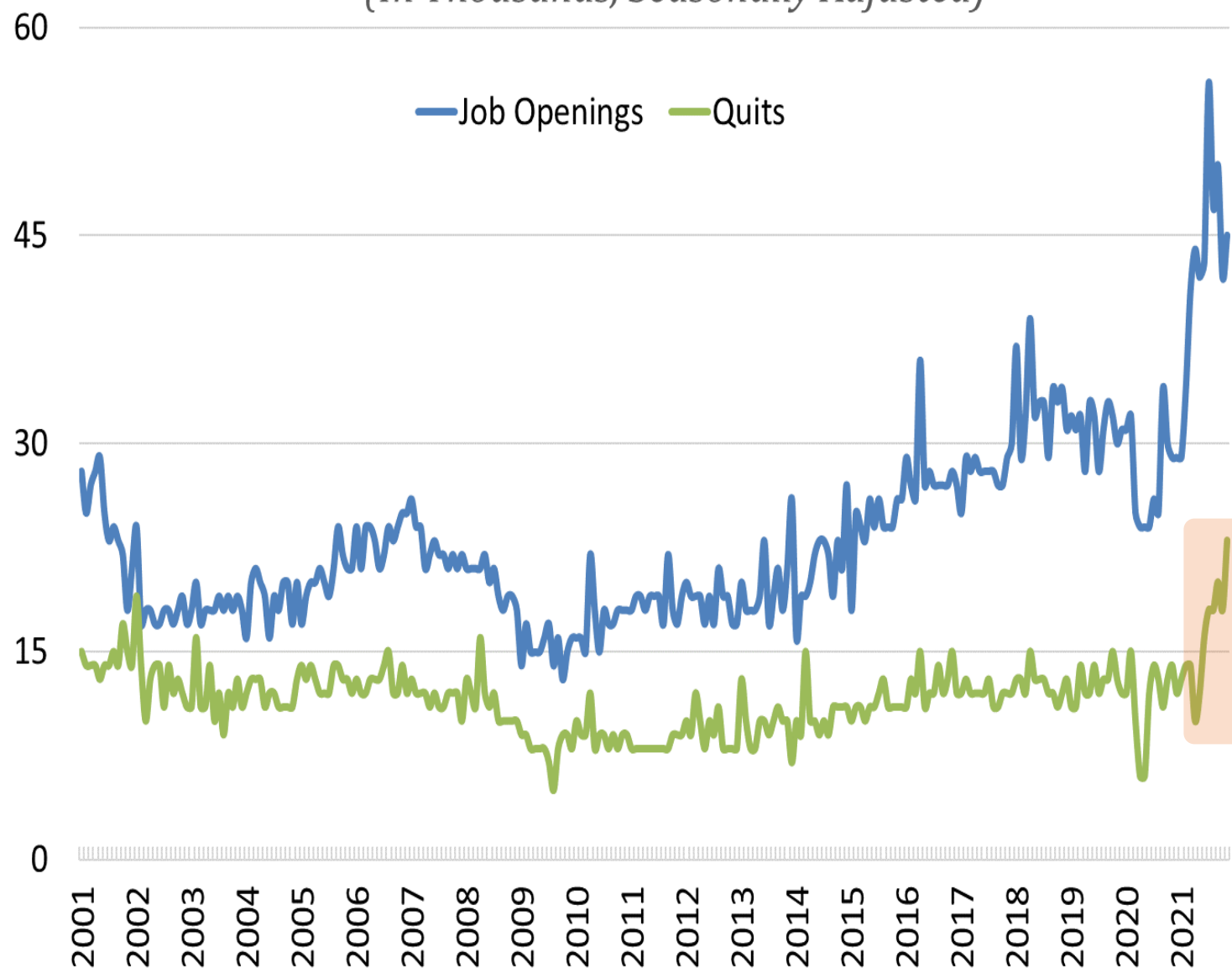
...strong gains in average wages...

...and rising numbers of quits

The spike in quits tracked rising job openings in the second half of 2021. The popular characterization of a “Great Resignation” appears to be a combination of large numbers of retirements and a reshuffling of the workforce as thousands take the opportunity to change jobs in favor of better pay or work conditions.

## Job Openings & Quits in Maine

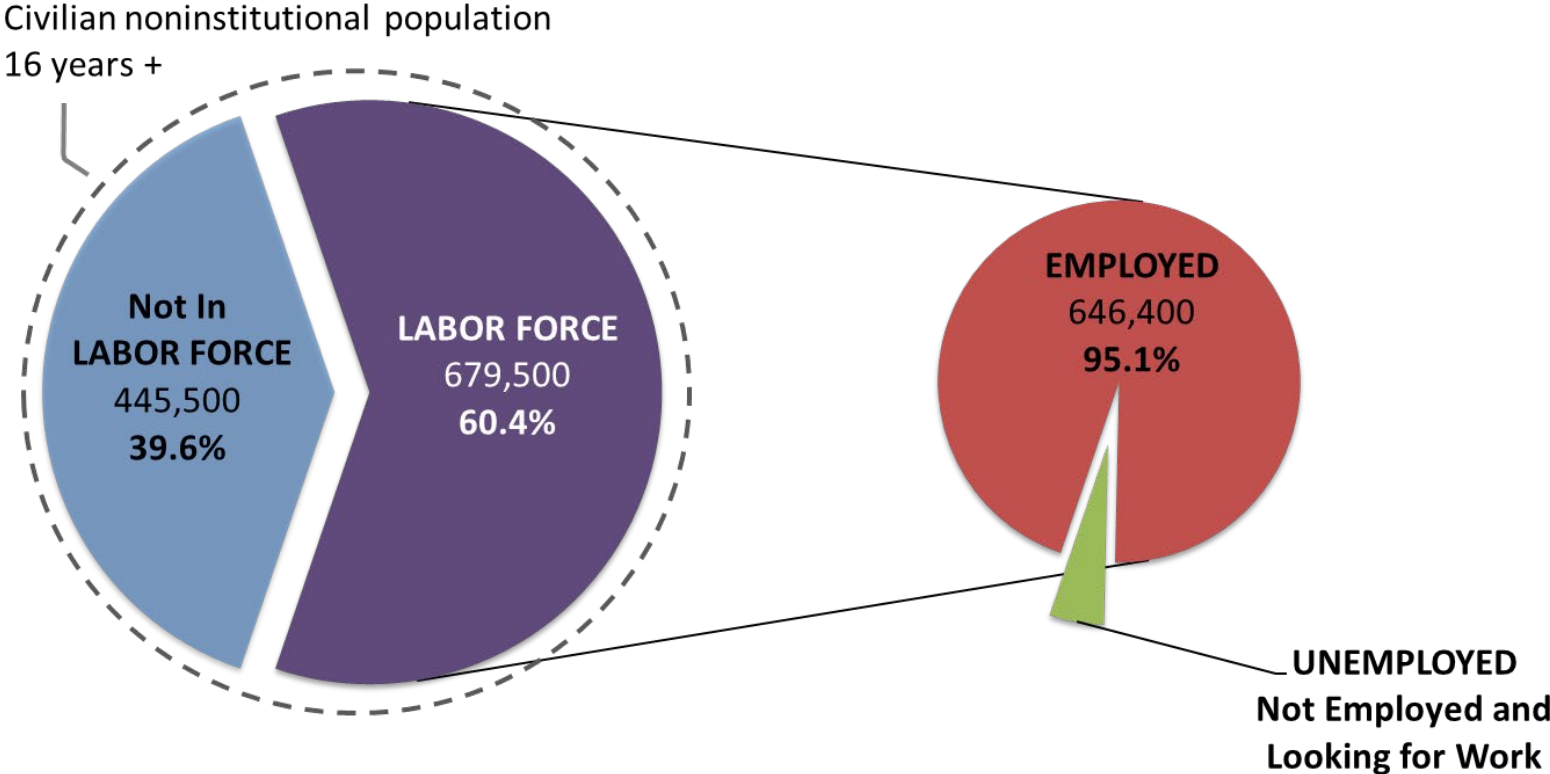
*(In Thousands, Seasonally Adjusted)*



# Labor market tightness is the result of

- Continuation of long-term trends, including an aging population
- Challenges parents face with school and childcare disruptions
- Personal concerns for those with health conditions that might be impacted by covid
- Altered retirement decisions in an environment of surging asset valuations
- Fewer foreign visa workers, particularly in summer tourism destinations

# Maine's Labor Force (Oct 2021)



**LABOR FORCE** = Employed + Unemployed.

**LABOR FORCE PARTICIPATION RATE** = 60.4%

**NOT in LABOR FORCE** = Not working nor available nor seeking work

**UNEMPLOYED** = not working but *available and looking for work*

**UNEMPLOYMENT RATE** = percent of *LABOR FORCE* that is not employed = 4.9%

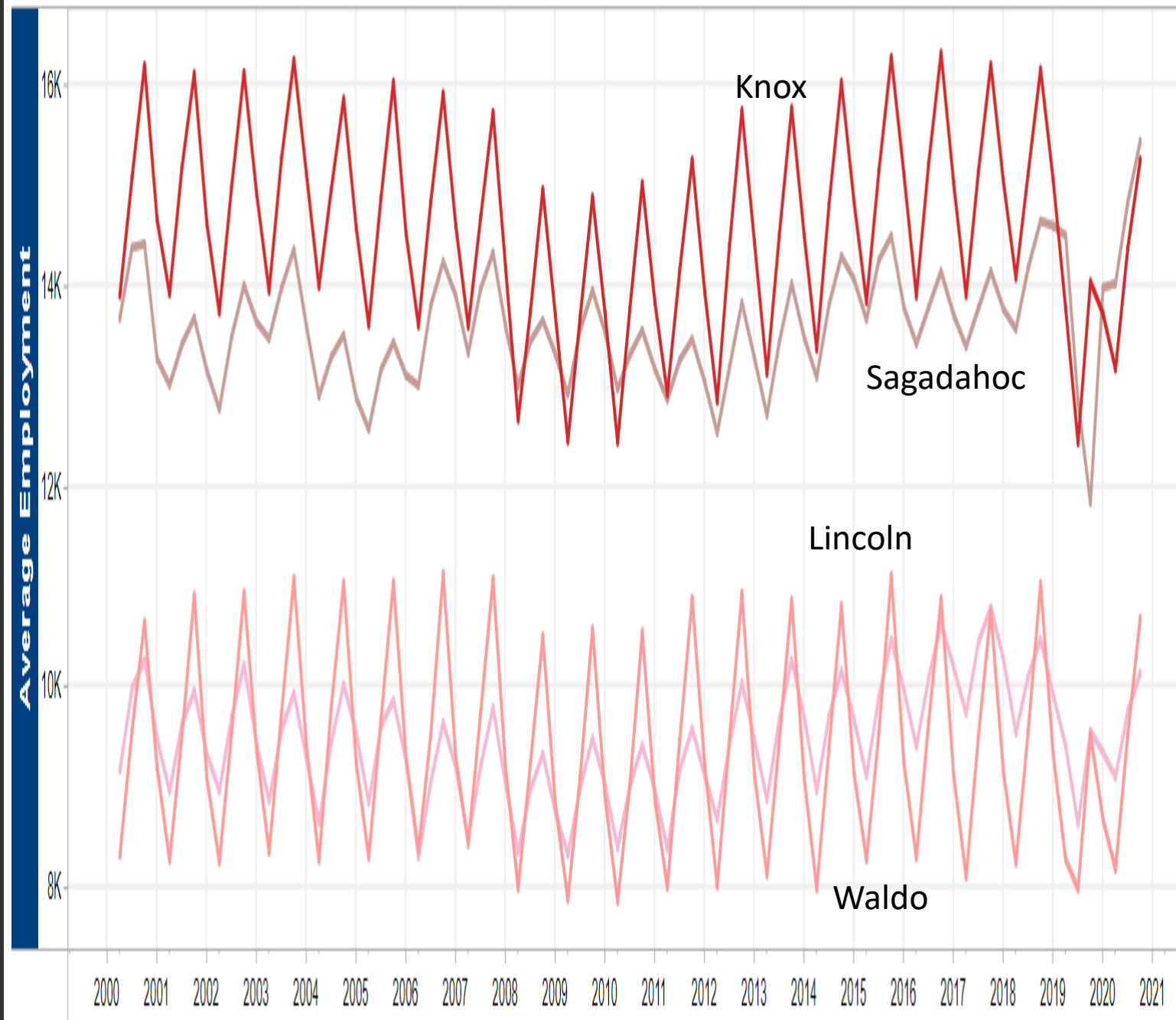
# Unemployment Rate: what it measures

- Primarily determined by a monthly survey of households
- Identifies labor force status of people age 16+ (employed, unemployed, or not in the labor force)
- Unemployment measures more than those who lost a job. It also includes:
  - Labor force entrants, such as young people beginning job search
  - Labor force re-entrants, such as those seeking work after a period raising their children or returning to the workforce after a time out to advance their education

# Unemployment Insurance Claims

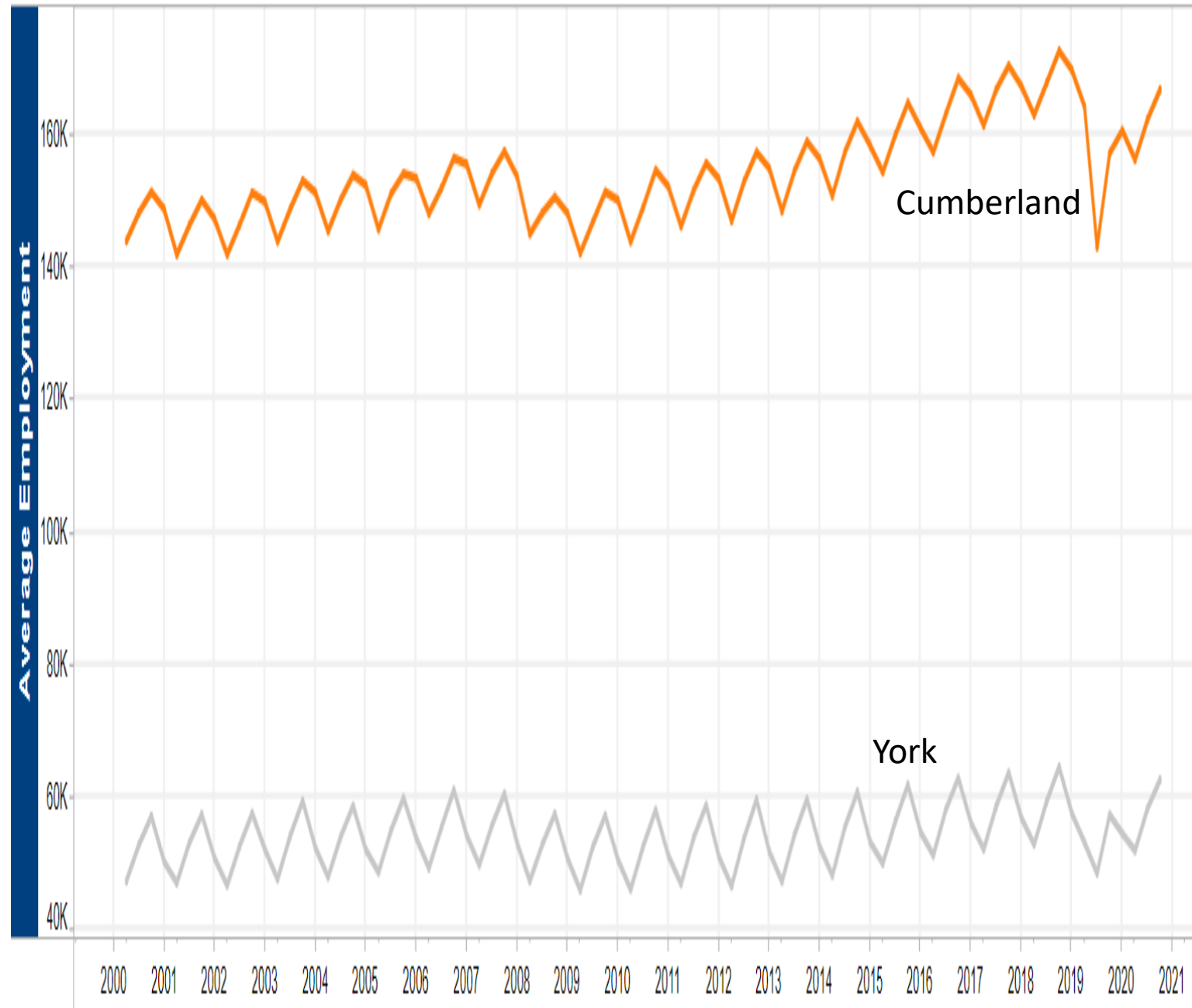
- The unemployment rate and unemployment insurance claims tend to move together
- They don't measure the same group of people
- Claims capture those who lost a job and applied for benefits
- Some people exhaust the 26 weeks of unemployment benefits
- Many are not eligible for or delay applying for benefits

In the last two decades the number of jobs in the mid-coast region has not changed much.

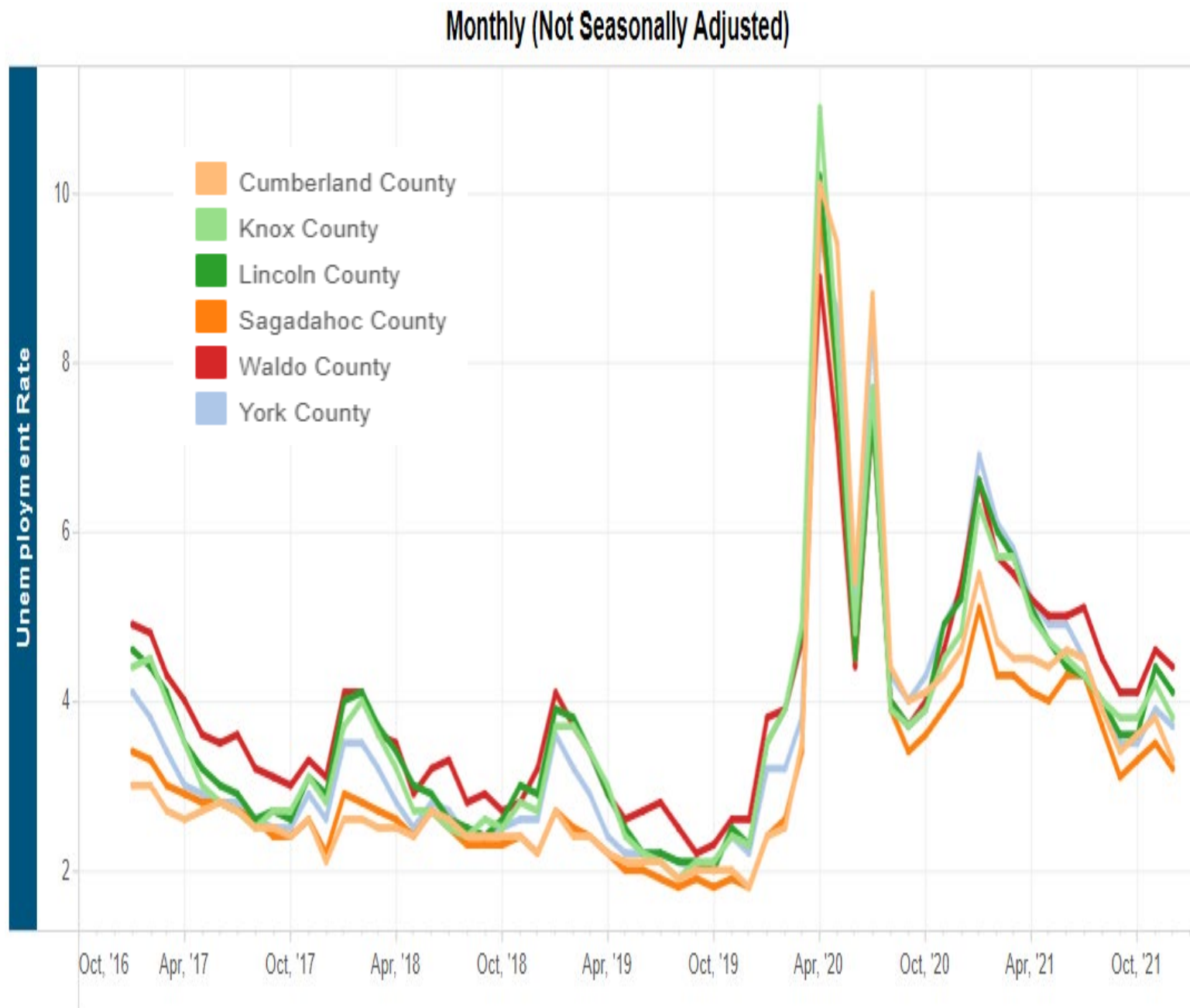




Most job growth has been in  
the southern two counties



Unemployment has come down throughout the Coastal Counties region. There is far less seasonality in Cumberland and Sagadahoc counties than the others, which are more driven by summer tourism.

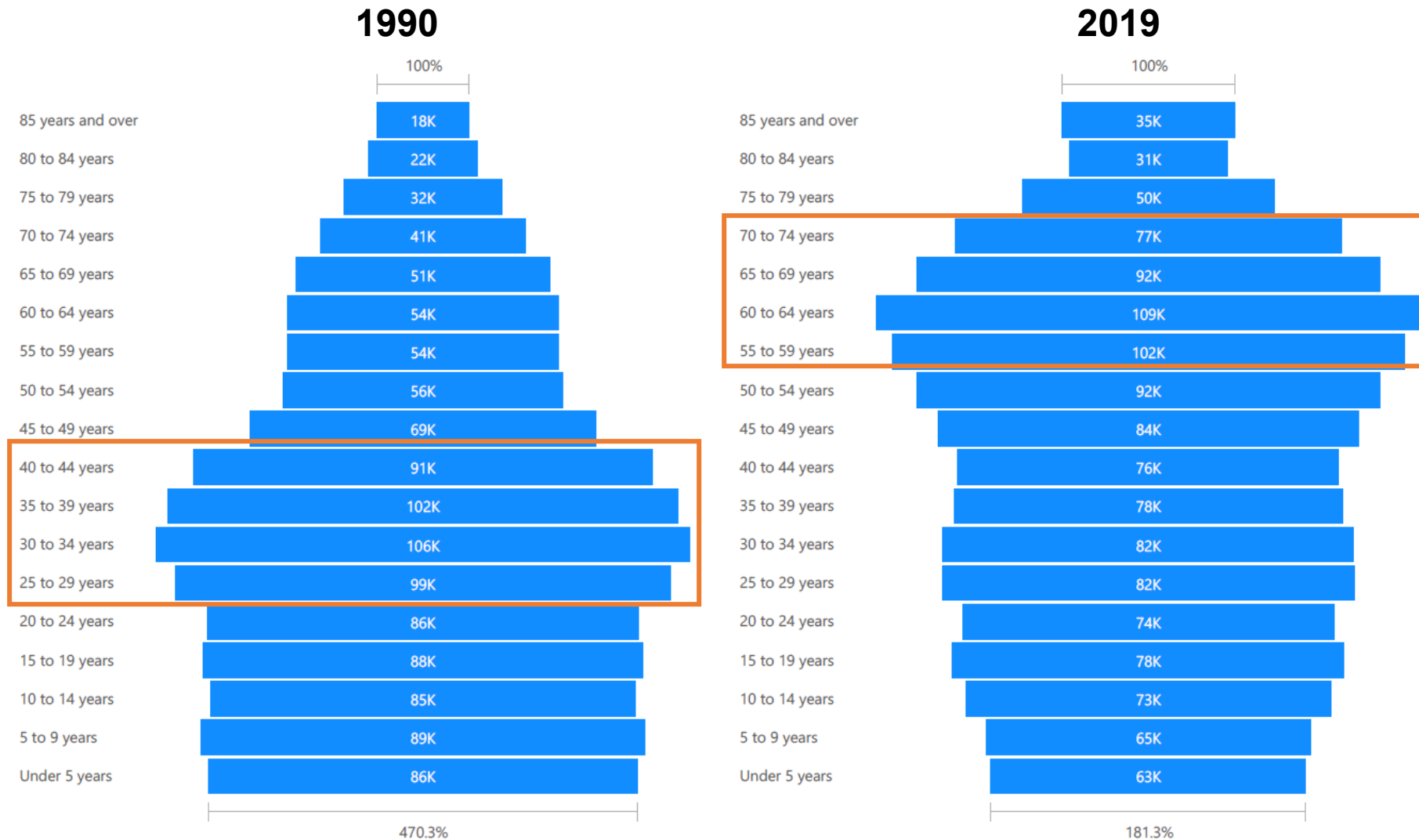


# Demographic Trends Impacting the Labor Force

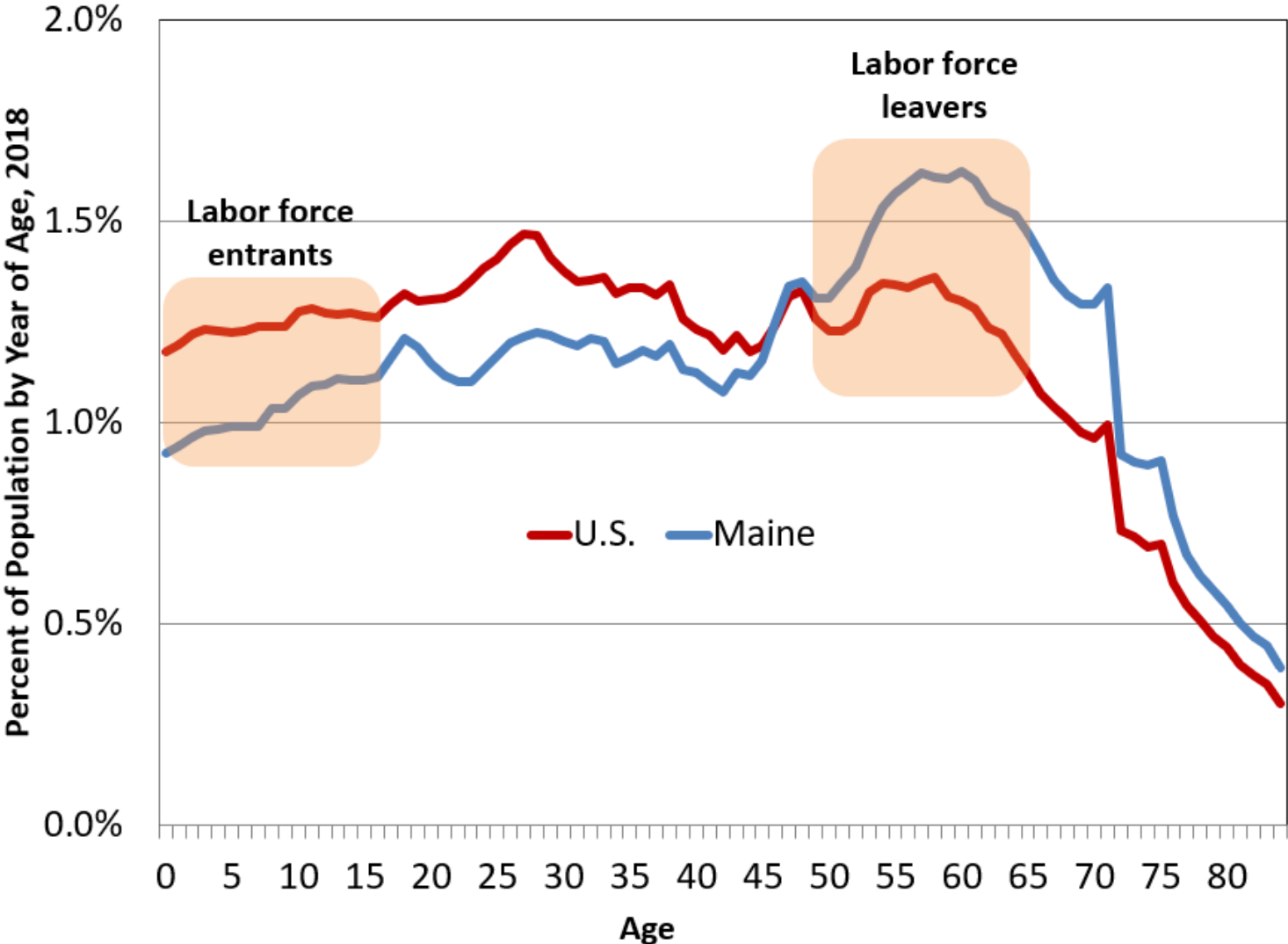
# Demographic Overview

- The population of the state hasn't changed much in the last 15 years
- This is primarily due to declining numbers of births
- There has been negative natural change (fewer births than deaths) 8 of the last 9 years
- Positive net migration (more people moving into the state than out) has more than offset the negative natural change to maintain a pattern of modest net population growth

# A large share of the population is at or approaching retirement age



# Fewer births left Maine with an imbalanced population structure



The population age 45-64 is expected to decline as baby boomers advance in age

