Workforce conditions in Maine

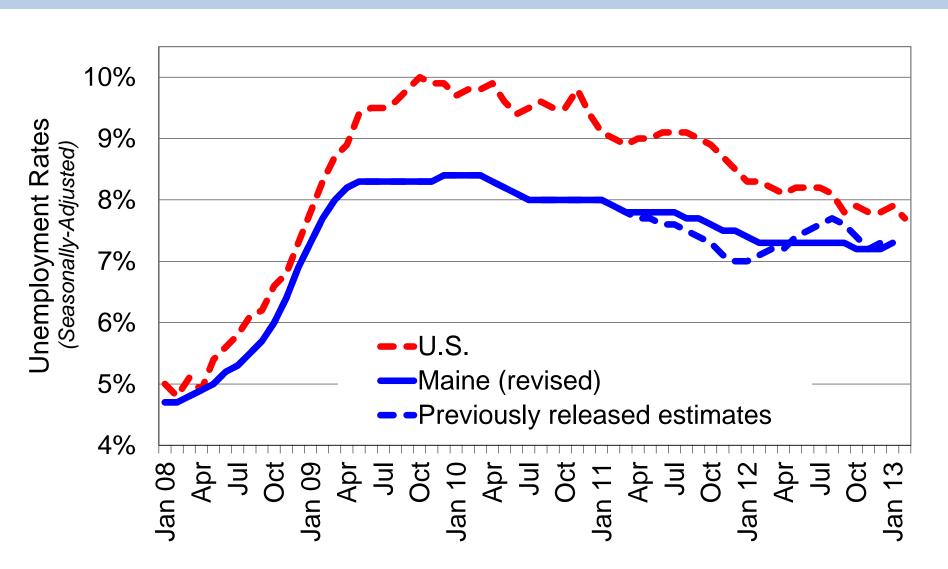
Presented to the Consensus Economic Forecasting Commission March 26, 2013

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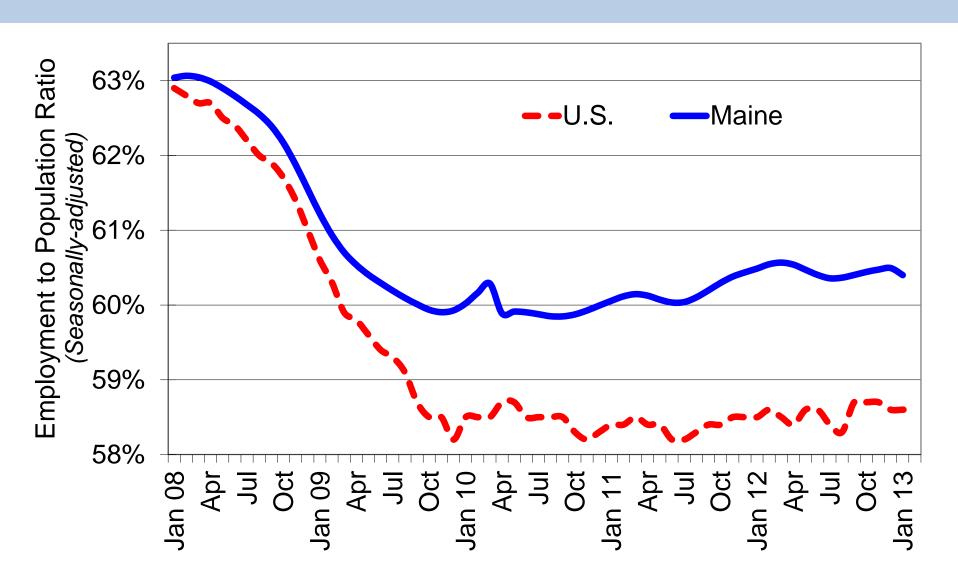
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Indications from the Survey of Households

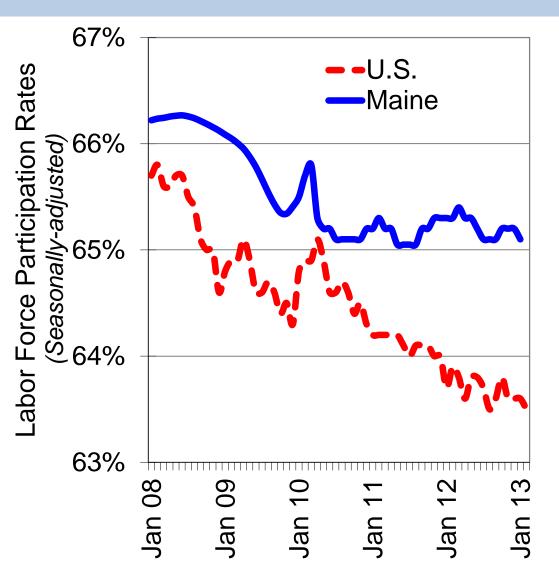
Unemployment rates continue to trend lower. Recently revised data for Maine is less volatile than what was previously released.



The share of the population that is employed in Maine has trended up modestly the last two years...a trend that has not yet taken hold nationally



How has the U.S. unemployment rate declined for three years when the share of the employed population did not rise?: Lower labor force participation.



The U.S. unemployment rate trended down solely due to declining labor force participation. That is, a declining share of jobless people looked for work. (Only those actively looking for work are counted as unemployed.) In Maine, labor force participation stabilized in 2010. Modestly rising employment is the reason our unemployment rate has trended lower the last three years.

Maine's modest decline in labor force participation is in-line with expectations based on baby boomers aging out of the labor force; only about half of the U.S. decline can be attributed to aging.

Adjusting for differences in labor force participation provides an instructive look at what unemployment rates could be U.S. Maine

Current Labor Force Participation Rate

U.S. Unemployment Rate if Labor Force

Participation Were as High as it is in Maine

Maine Unemployment Rate if Labor Force

Participation Were as Low as it is in U.S.

Official Unemployment Rate

63.6%

7.7%

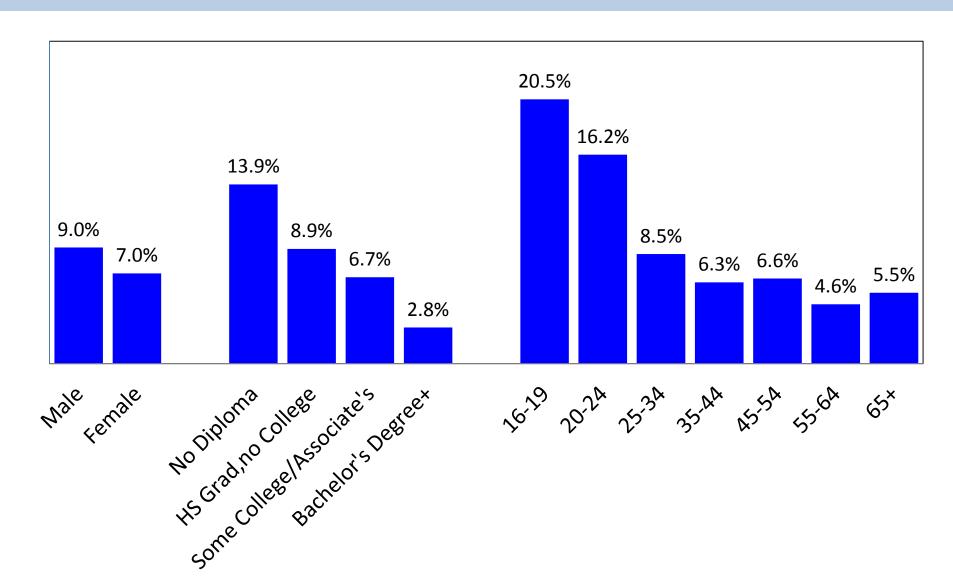
10%

65.1%

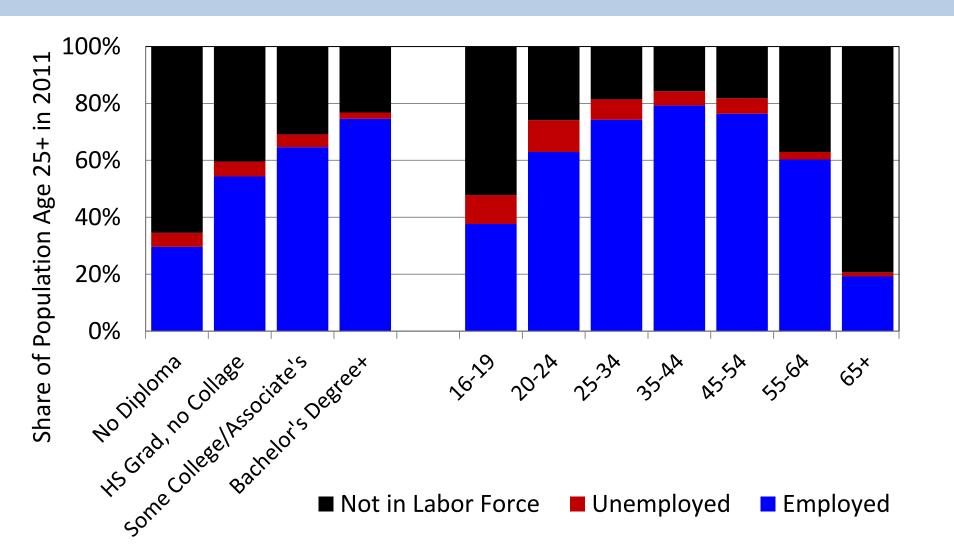
7.3%

Demographics of labor force participation & unemployment

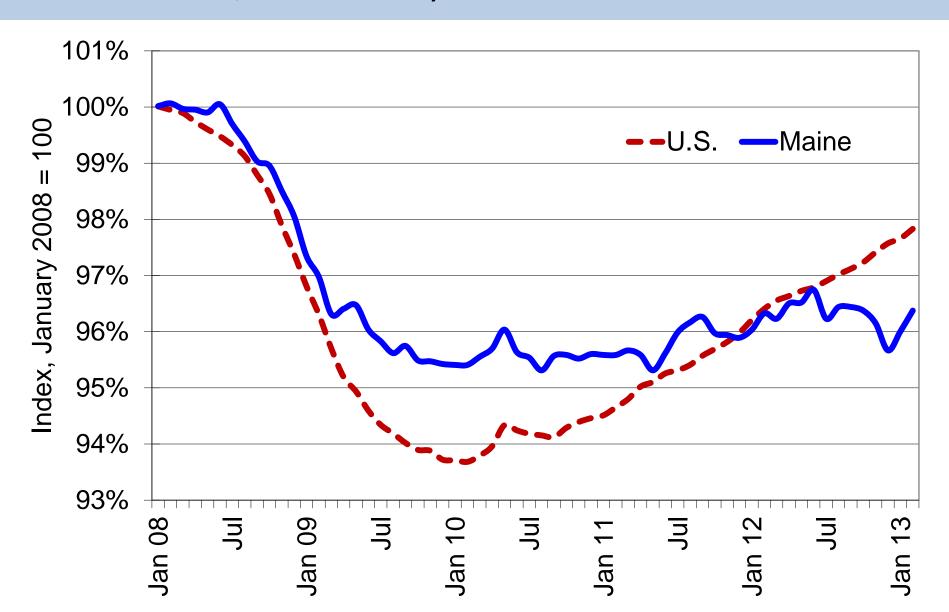
Unemployment is highest among those without post-secondary education and young people... (2011 average unemployment rates in Maine)



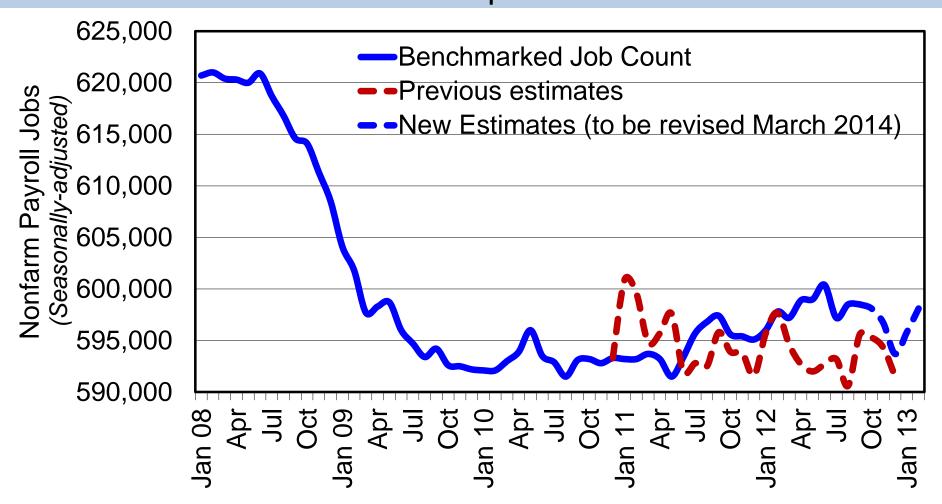
...Unemployment rates only reflect part of non-employment. Those without post-secondary education are less likely to be in the labor force, as are those under 25 and over 55 (Jobless people not looking for work are not in the labor force)



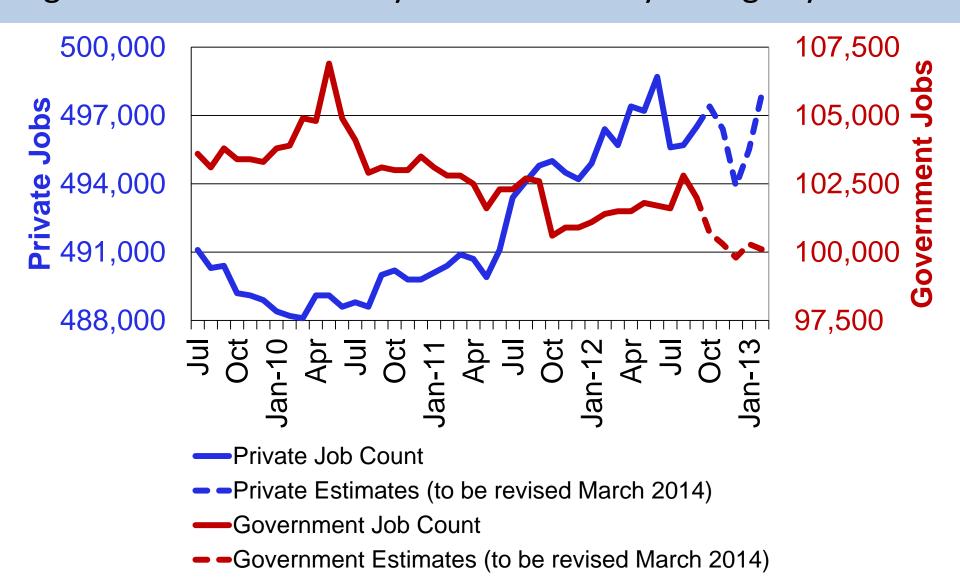
Indications of Nonfarm Jobs from the Employer Payroll Survey Maine did not go down as far as the nation during the downturn; the recovery has been more modest too.



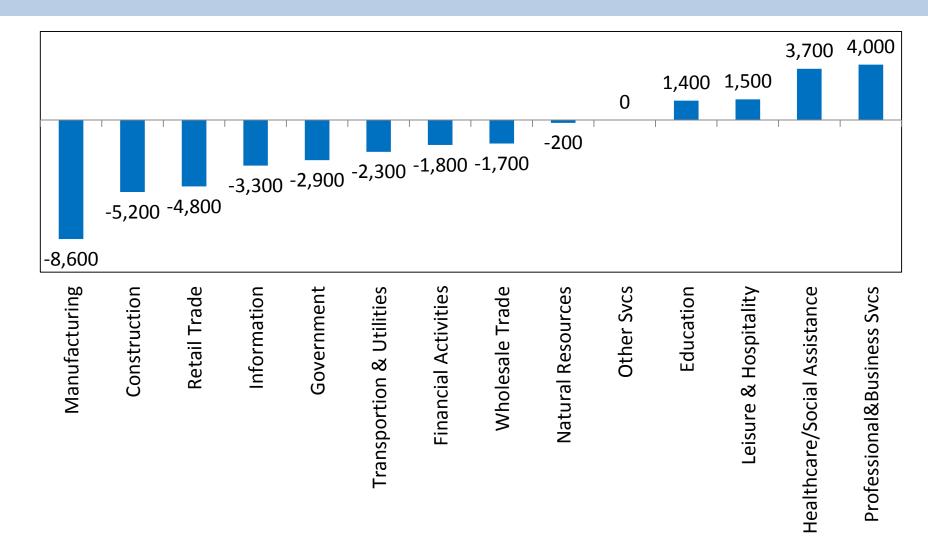
Recently revised nonfarm payroll jobs data is less volatile than previously released estimates, indicating a pattern of growth since the middle of 2011. Unfortunately, new estimates for the period since September are as volatile and unreliable as the previous estimates.



We have had private sector job growth for three years; declines in government have slowed, primarily due to growth in the University and Community College Systems

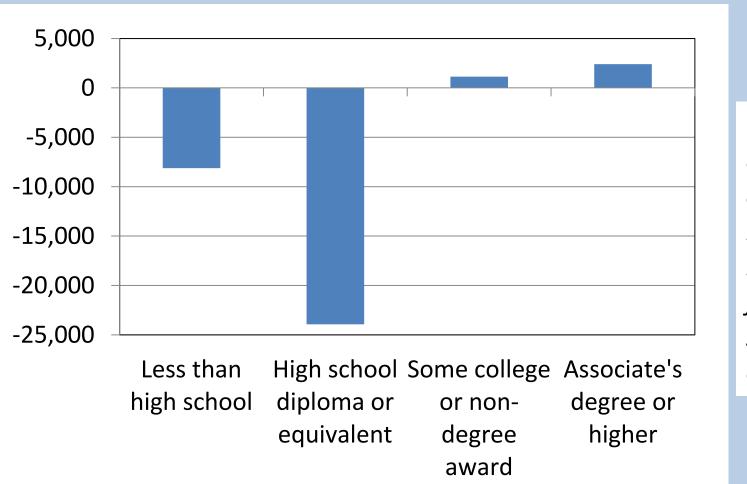


Sectors that have shed the most jobs involve making, moving or selling goods, as well as state & local gov't; sectors adding jobs tend to be human capital intensive (Change in jobs from 2007 to 2012)



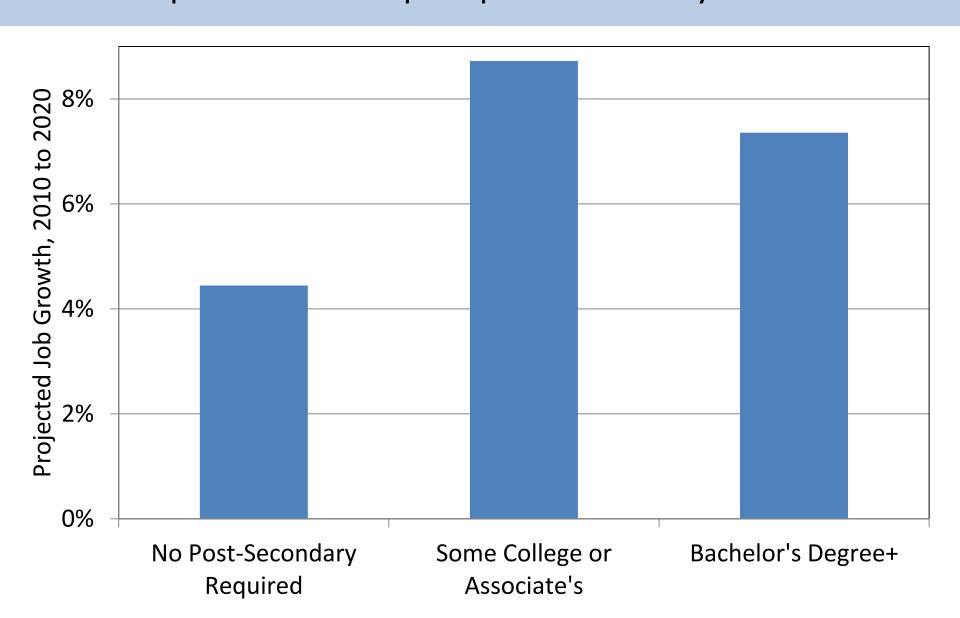
Other Indicators and Forecast Considerations

Displacement from manufacturing, construction, retail & transportation sectors eliminated thousands of jobs in occupations that require a high school diploma or less; growth in education, healthcare & professional services is driving growth in occupations that require post-secondary education.



These are rough estimates of the change in jobs by education requirement from 2007 to 2011. This is not official data.

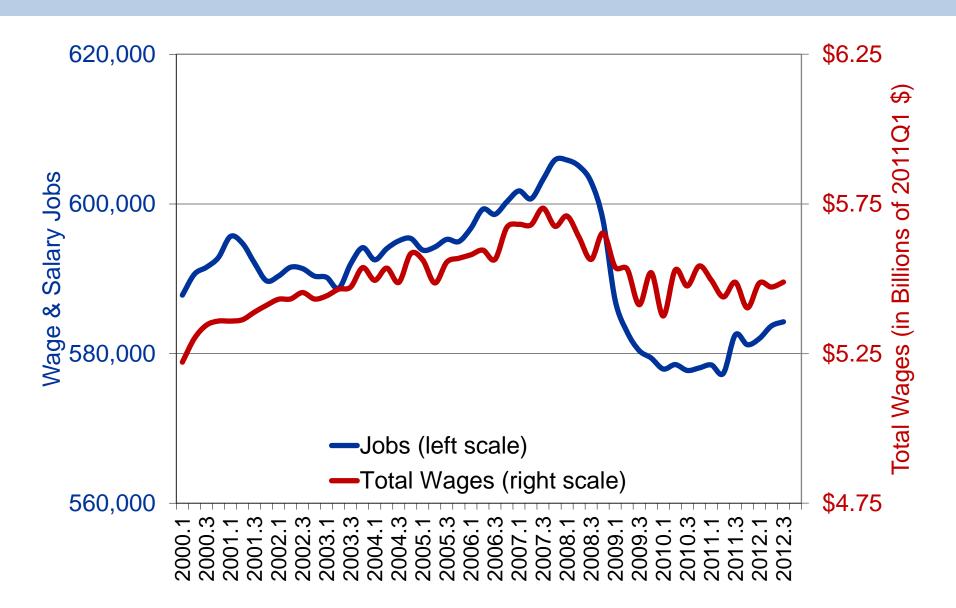
Job growth through 2020 is expected to continue to be faster in occupations that require post-secondary education...



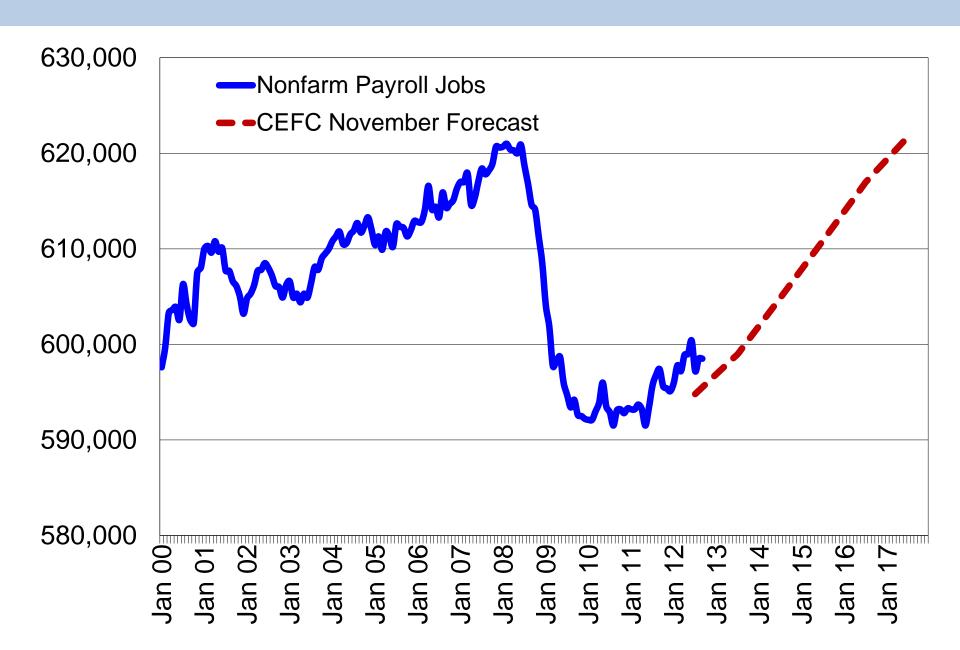
...and continue to be in occupations at the upper and lower ends of the earnings spectrum (*Projected change in jobs from 2010 to 2020 by occupation by their median wage in 2011*)



The gradual rise in jobs has not yet translated to rising total wages paid (adjusted for inflation)



The November CEFC forecast



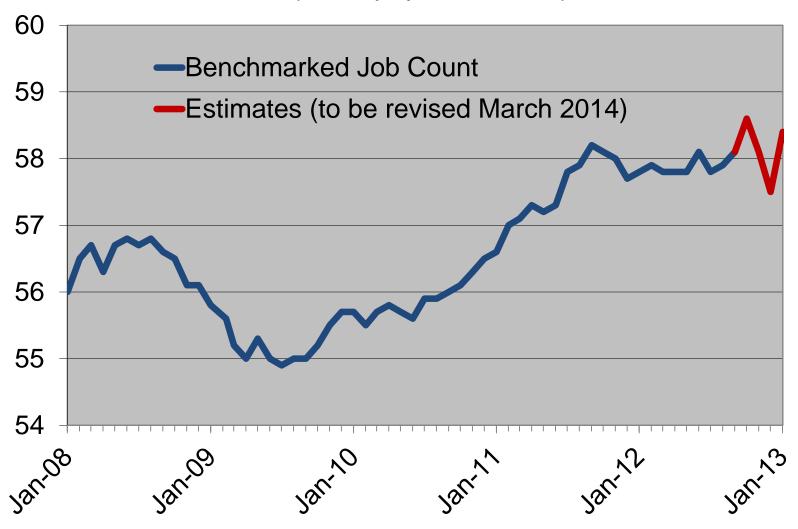
Appendix

Recent trends in payroll jobs

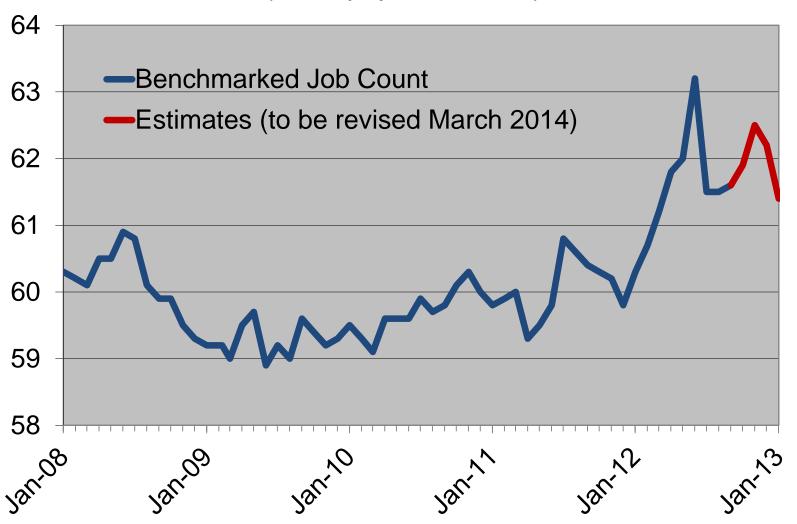
Highlights:

- The healthcare, professional & business services, leisure & hospitality, and educational services sectors are at or near all-time highs and adding jobs.
- Construction and wholesale trade jobs are up moderately from very low levels.
- Manufacturing, retail, and transportation/warehousing jobs have stabilized.

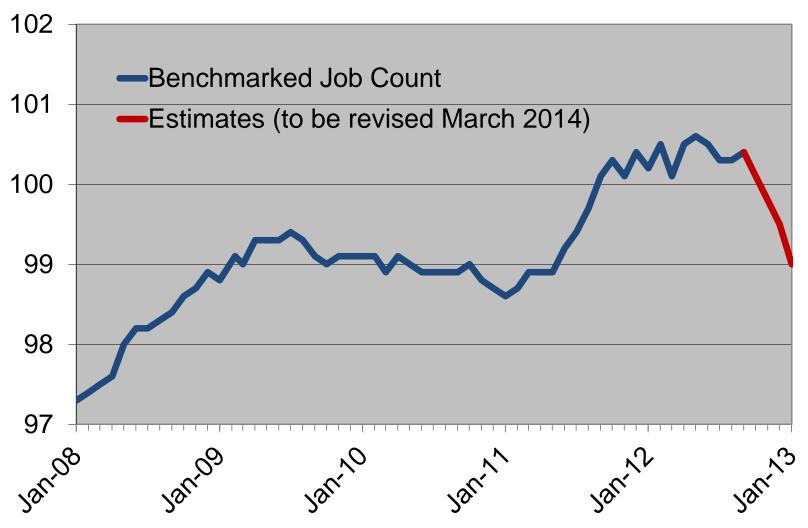
Professional & Business Services Jobs



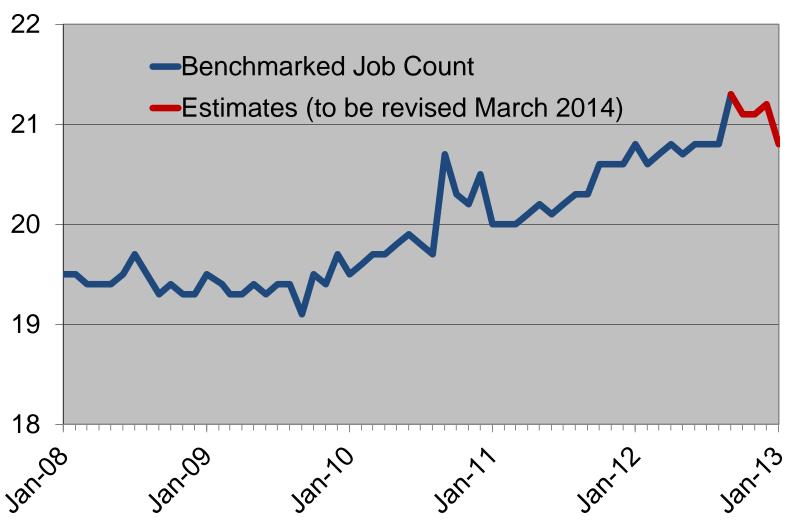
Leisure & Hospitality Jobs



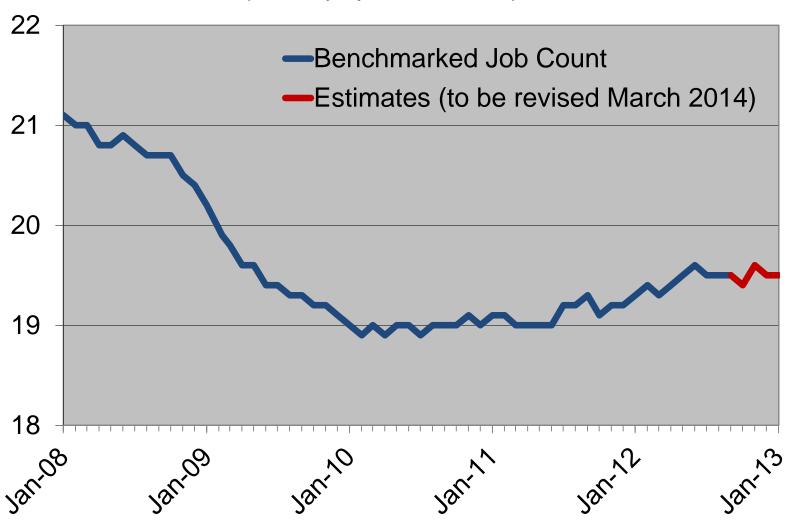
Healthcare & Social Assistance Jobs



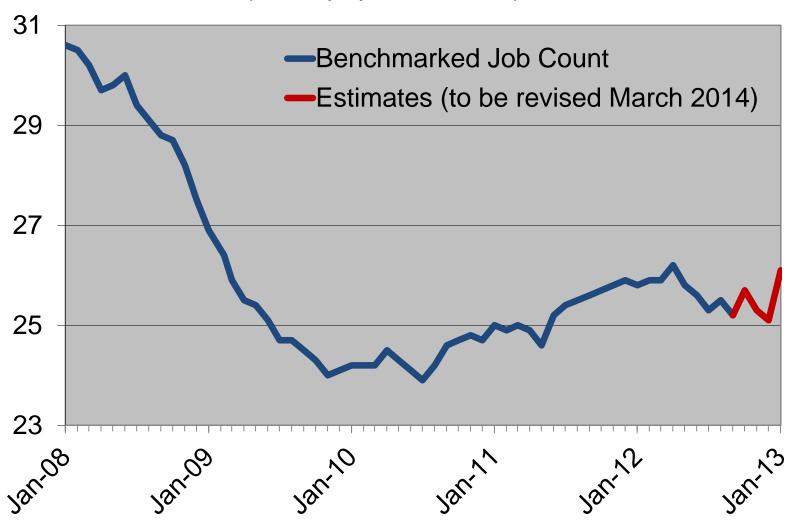
Educational Services Jobs



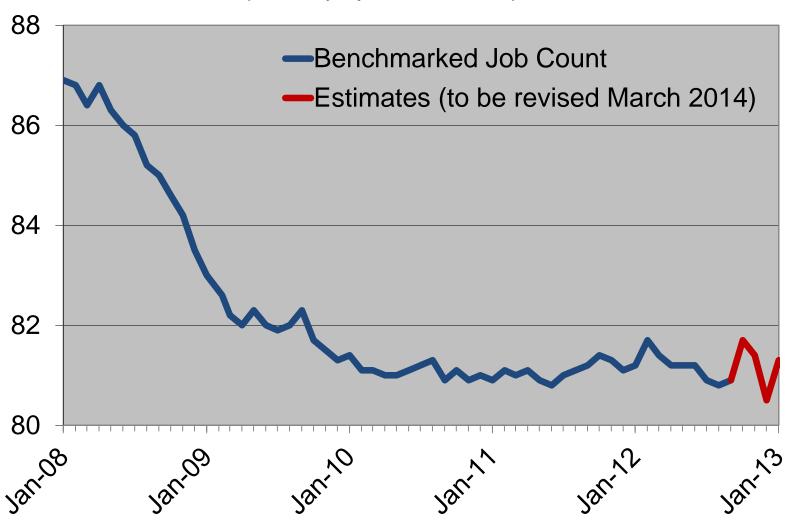
Wholesale Trade Jobs



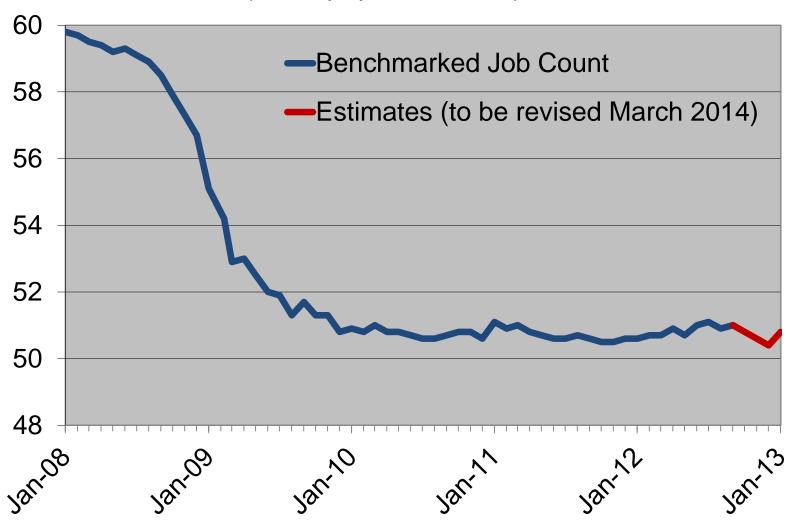
Construction Jobs



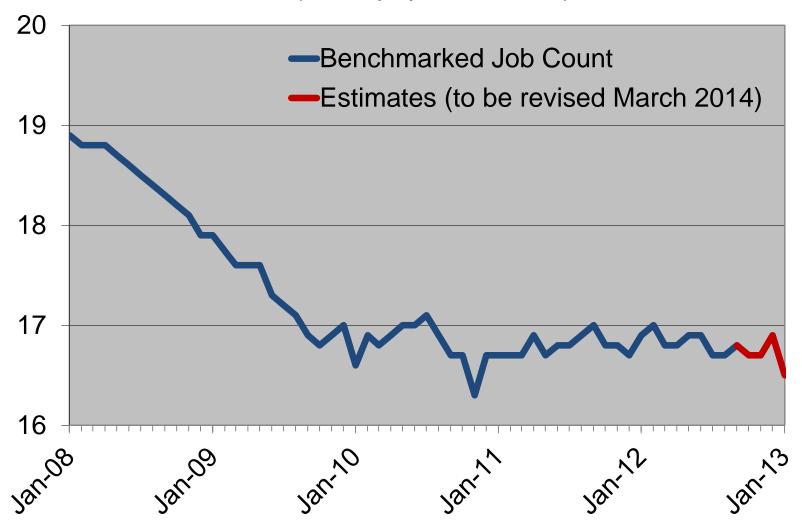
Retail Trade Jobs



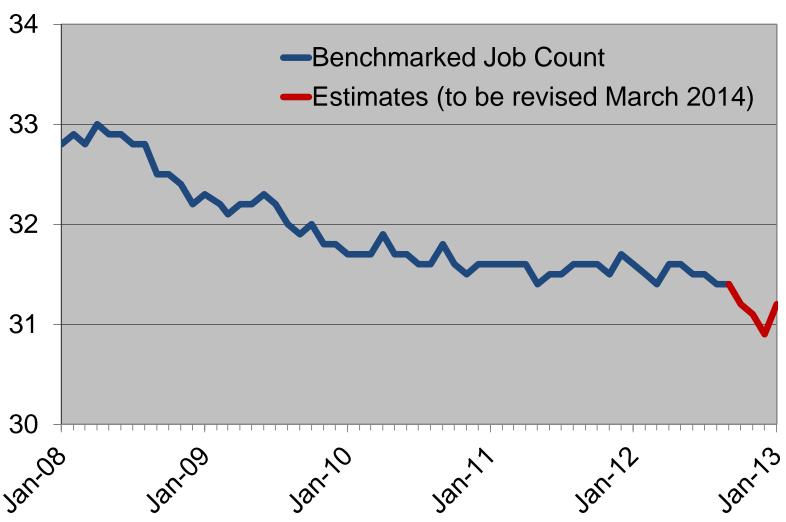
Manufacturing Jobs



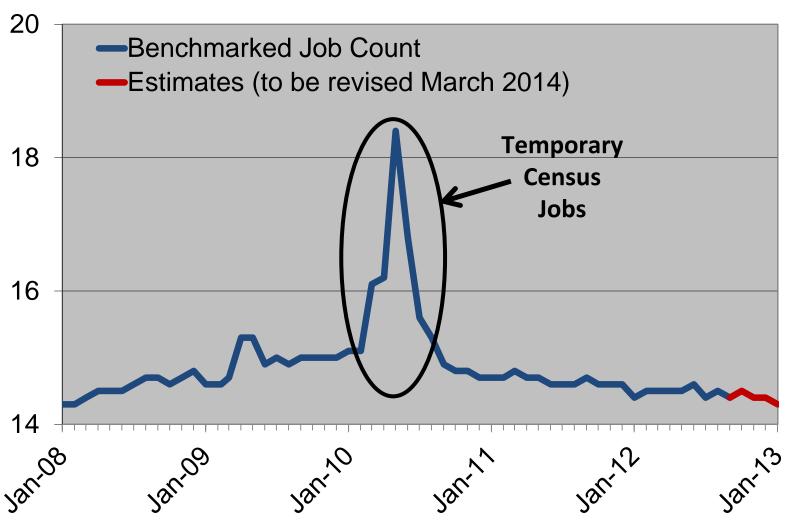
Transportation, Warehousing & Utilities Jobs



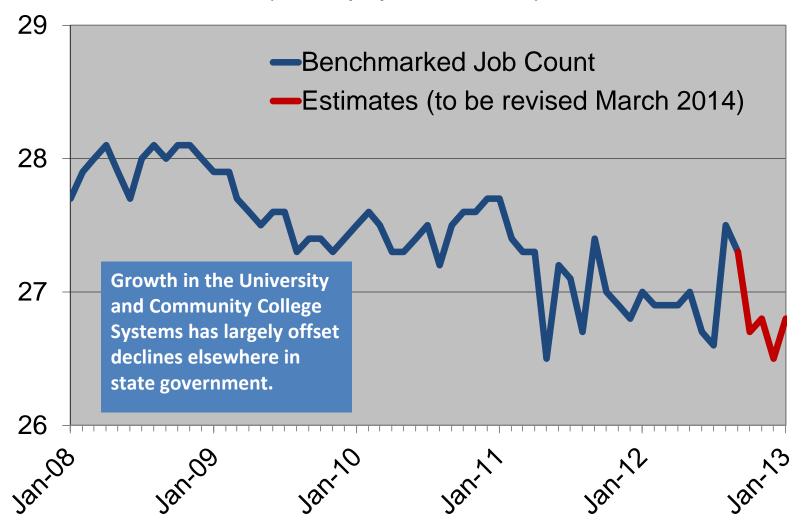
Financial Activities Jobs



Federal Government Jobs



State Government Jobs



Local Government Jobs

