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Labor Market Digest, January 2010

Maine Department of Labor

Maine Center for Workforce Research and Information

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MAINE DEPARTMENT OF LABOR

Center for Workforce
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Nonfarm employment declined by 16,500 over the year.....page 6

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the*

MAINE DEPARTMENT OF LABOR
Center for Workforce
Research and Information

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LABOR MARKET DIGEST

January Data

March 2010

The Labor Market Challenges for Maine Workers

In the two years since January 2008 Maine has lost 32,000 nonfarm payroll jobs and the number of unemployed increased to 58,000 in January 2010. Job losses resulted in longer periods of unemployment, with the average duration for collecting unemployment compensation in the regular program rising from 14.0 to 17.4 weeks, and the number exhausting 26 weeks of benefits rising 165 percent. These numbers omit the plight of those who are underemployed and those who became discouraged and stopped looking for work.

Though the bulk of job losses occurred in construction, manufacturing, and retail trade, virtually all sectors have been impacted. This downturn has been among the most severe since the Great Depression, impacting workers across a broad spectrum of industries and occupations.

In January there were 2.5 unemployment compensation claimants for every posted job opening. For certain occupational groups the ratio is much higher. The 5,041 claimants who had been displaced from jobs in production occupations were competing for just 384 posted job openings — 13.1 claimants per opening. With the number of production jobs expected to continue to decline even after the economy returns to growth, the prospects for most of those workers to return to work in a comparable occupation are not good.

Traditional industries such as footwear, wood, paper, and textile product manufacturing that once were the economic backbone of many Maine communities have shed thousands of jobs in the last few decades. Even relatively modern industries such as computer and electronic manufacturing shed jobs in recent years. Large employment changes have not been limited to manufacturing industries. MBNA entered Maine in the early 1990s and quickly expanded call centers supporting their credit card operations to communities throughout the state, eventually employing more than 4,000 people. A change in ownership and business strategy resulted in closure of many of those facilities and major workforce reductions.

The Consensus Economic Forecasting Commission expects job growth to slowly return in 2010, accelerating in 2011. As hiring picks up, many un- and underemployed workers will be challenged by a mismatch between their skills and experience and the needs of employers in industries that will be hiring. The application of new technologies, introduction of advanced work processes, and globalization have been transforming workplaces and the skills needed by workers for some time. With the recent acceleration of structural shifts in employment from manufacturing to other sectors, the re-employment challenges many workers face have become even more formidable. Investing in the education and skill development of unemployed workers remains fundamental to returning them to job stability.

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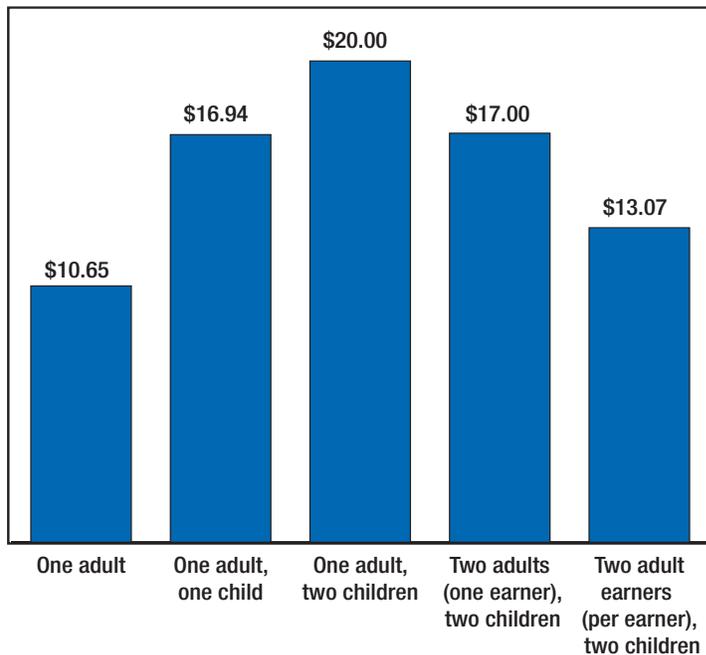
2008 Livable Wage Report Released

In response to a growing recognition that neither federal poverty thresholds nor the minimum wage provides a standard of livability for many families, the Maine Center for Economic Policy developed livable wage estimates that provide an alternative measure of income adequacy to cover a “basic needs” budget. MECEP estimated basic needs budgets for four different family compositions for all counties and metropolitan areas in the state. In 2007 the legislature charged the Maine Department of Labor with responsibility for calculating livable wages using the methodology established by MECEP. DOL recently published their 2008 findings and will publish updated estimates every two years.

The livable wage methodology employs a market basket approach, identifying common expenses incurred by working families to maintain a standard of living. It includes seven expense groups: food, housing, transportation, health care, child care, clothing, and personal care. The livable wage is that level of income that equals expenses plus taxes. Published hourly rates are based on a full-time, year round work schedule (40 hours, 52 weeks).

In 2008 livable wages ranged from \$9.94 for a single-person household in Aroostook County, to \$23.55 for a single earner with two children in the Portland metropolitan area. Among households that did not incur child care expenses, food and housing accounted for about 50 percent of expenses, and health care around 15 percent. Among households that did incur child care expenses, food and housing accounted for about 40 percent of expenses, and child and health care accounted for another 40 percent of expenses. Variation in livable wages across regions is due to differences in local rents and child care costs. The full report is available at www.maine.gov/labor/lmis/publications/pdf/LivableWageReport2008.pdf.

2008 Statewide Livable Wage
Estimates by Family Type



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