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# Maine's Workforce Challenges, November 13, 2013

Maine Department of Labor

Maine Center for Workforce Research and Information

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# Maine's Workforce Challenges

Presented to  
State Workforce Investment Board  
November 13, 2013

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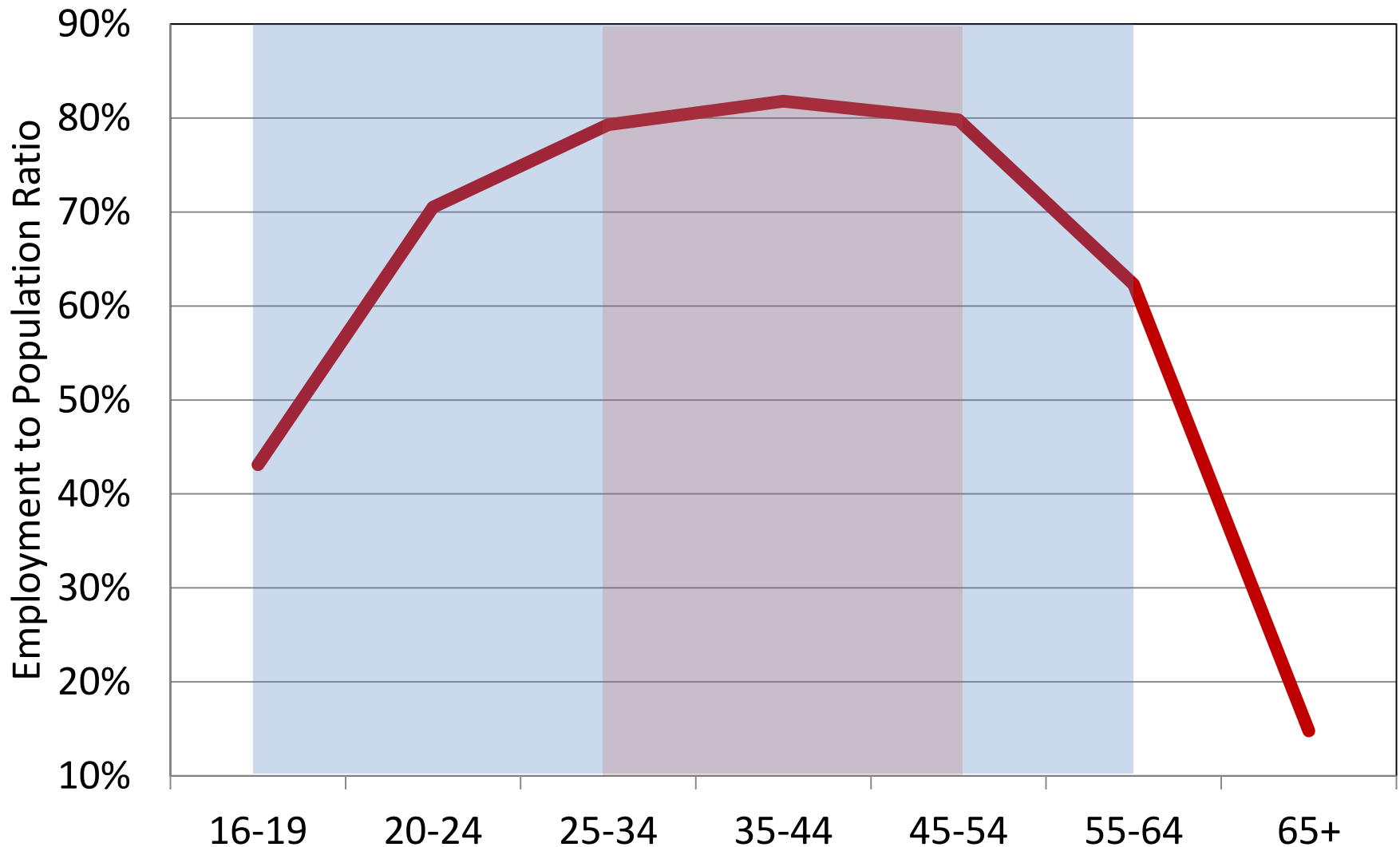
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# Maine faces major workforce development challenges:

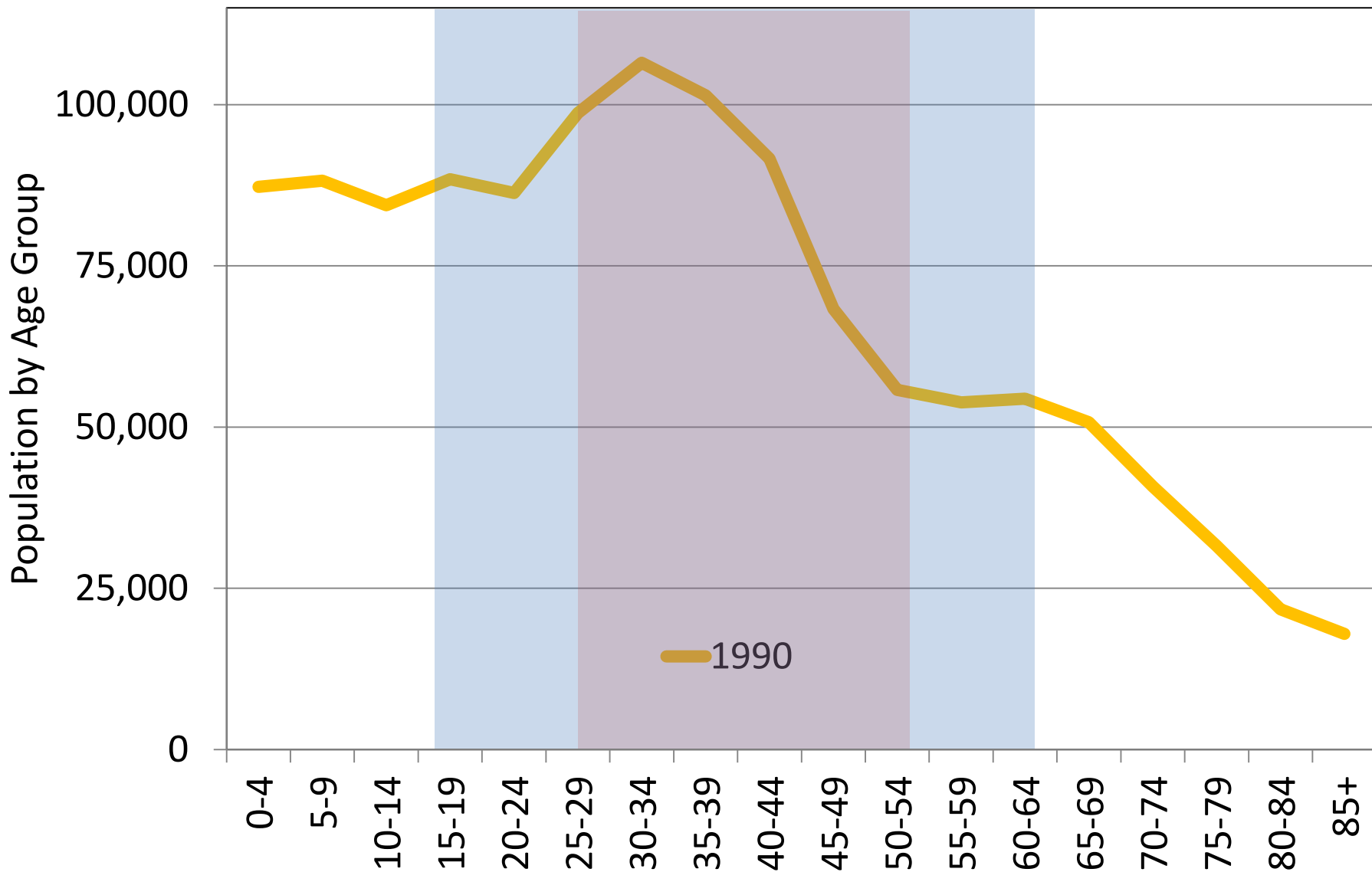
1. Aging
2. Structural shifts in employment are rapidly changing performance requirements of jobs

# Aging

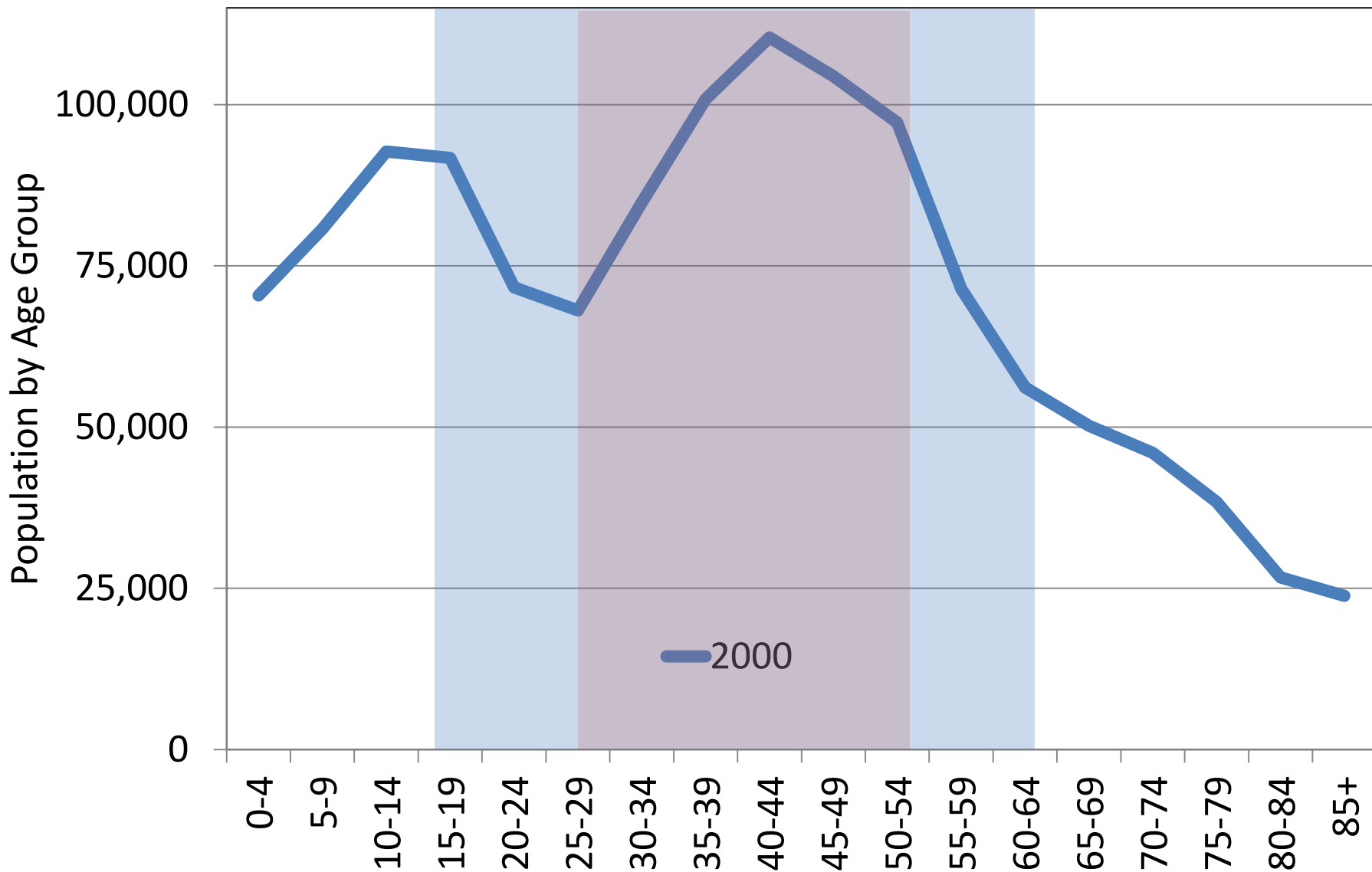
As we move through the lifecycle, our attachment to the labor force is highest between age 25 and 54 before declining at an accelerating rate with age...



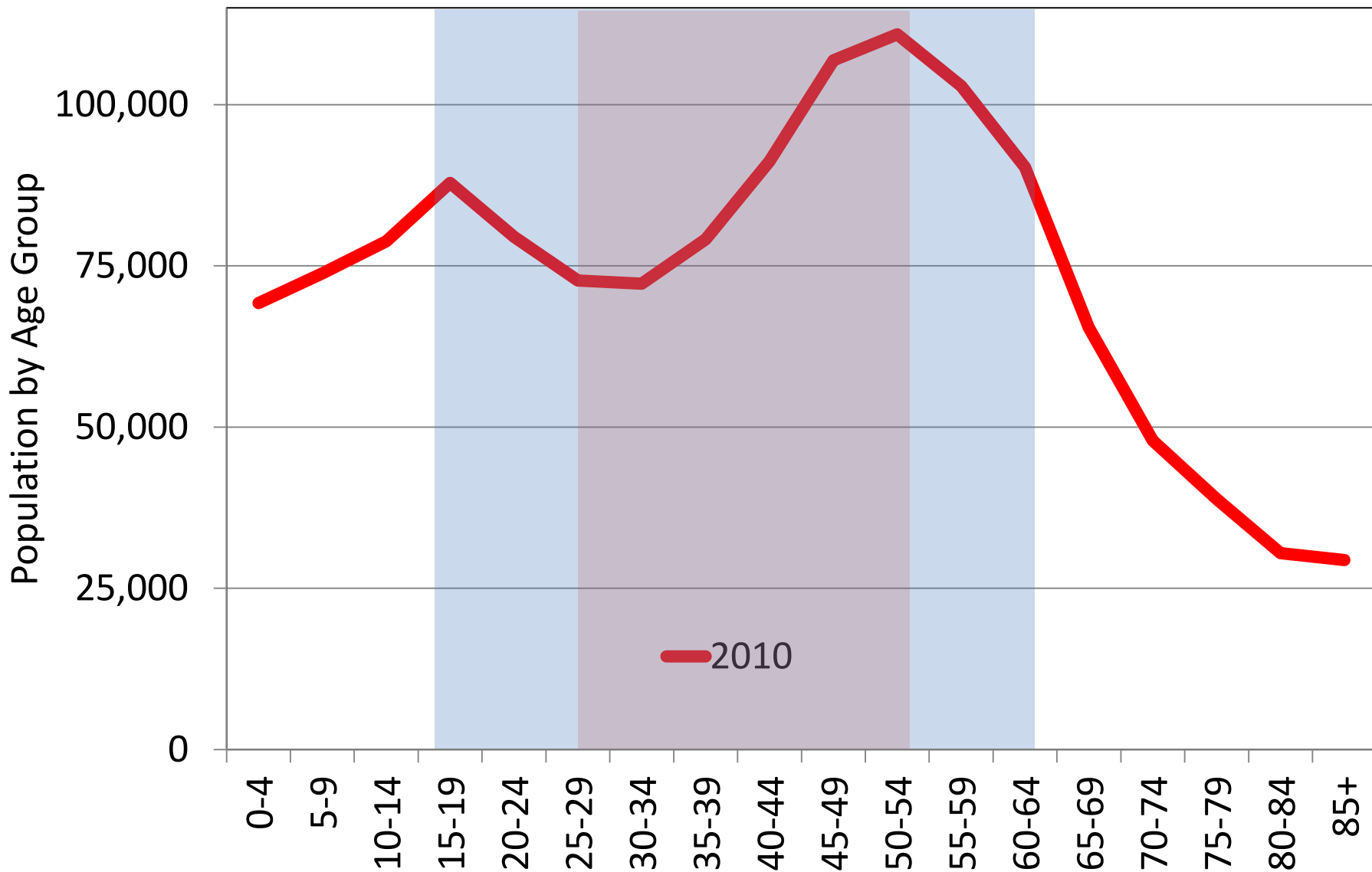
...This is important because Baby Boomers are aging beyond their peak years of labor force attachment



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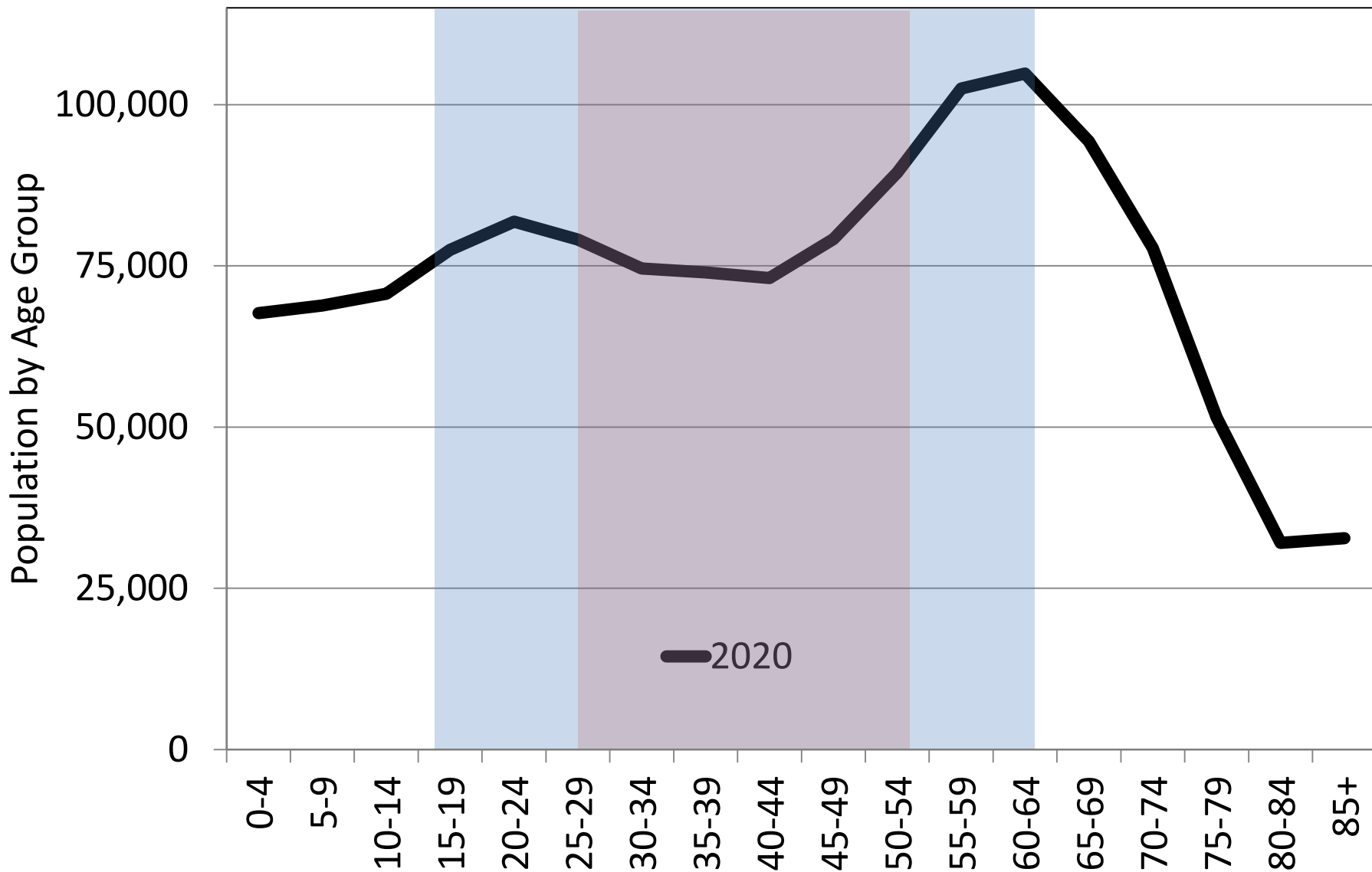


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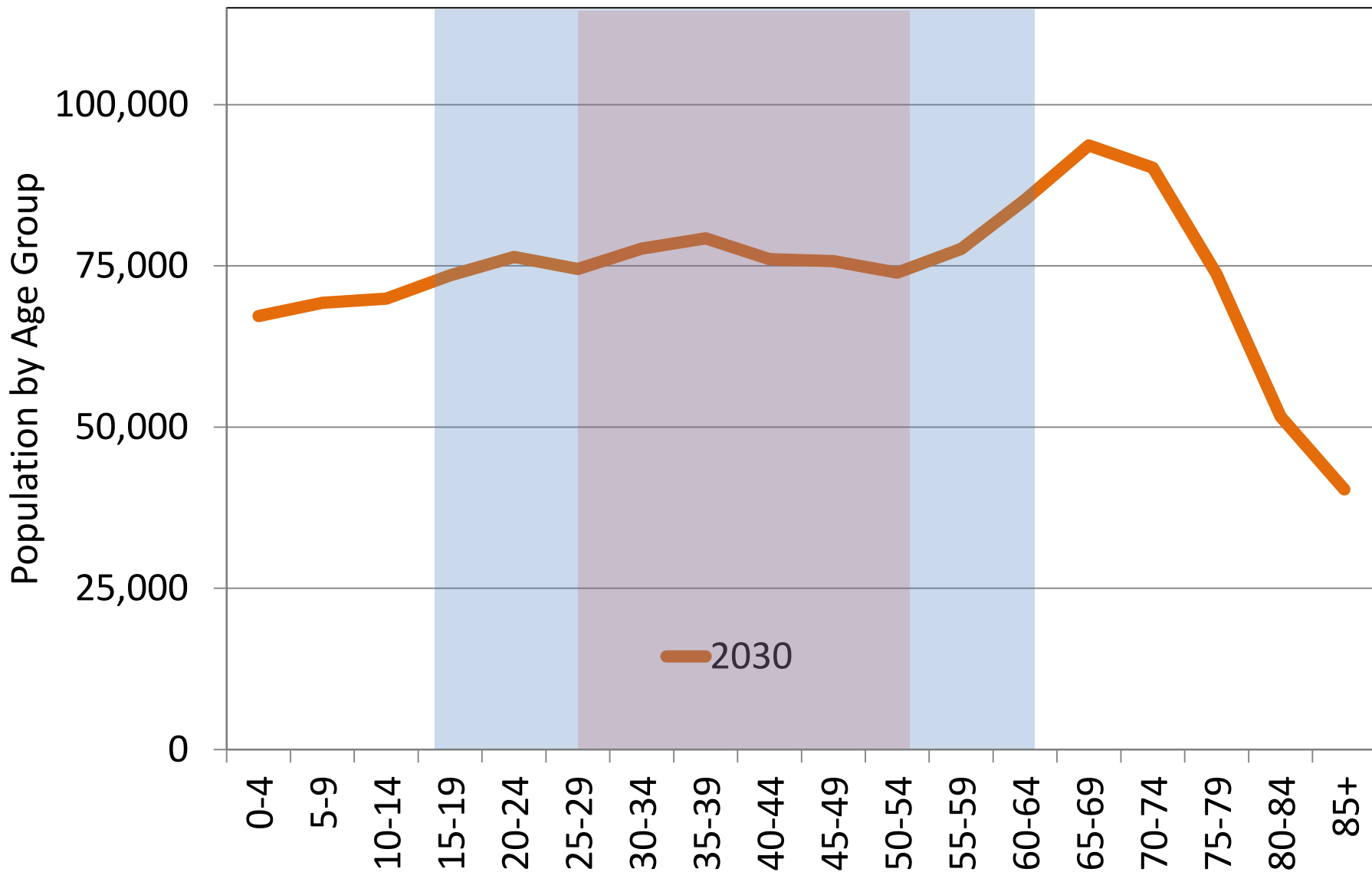




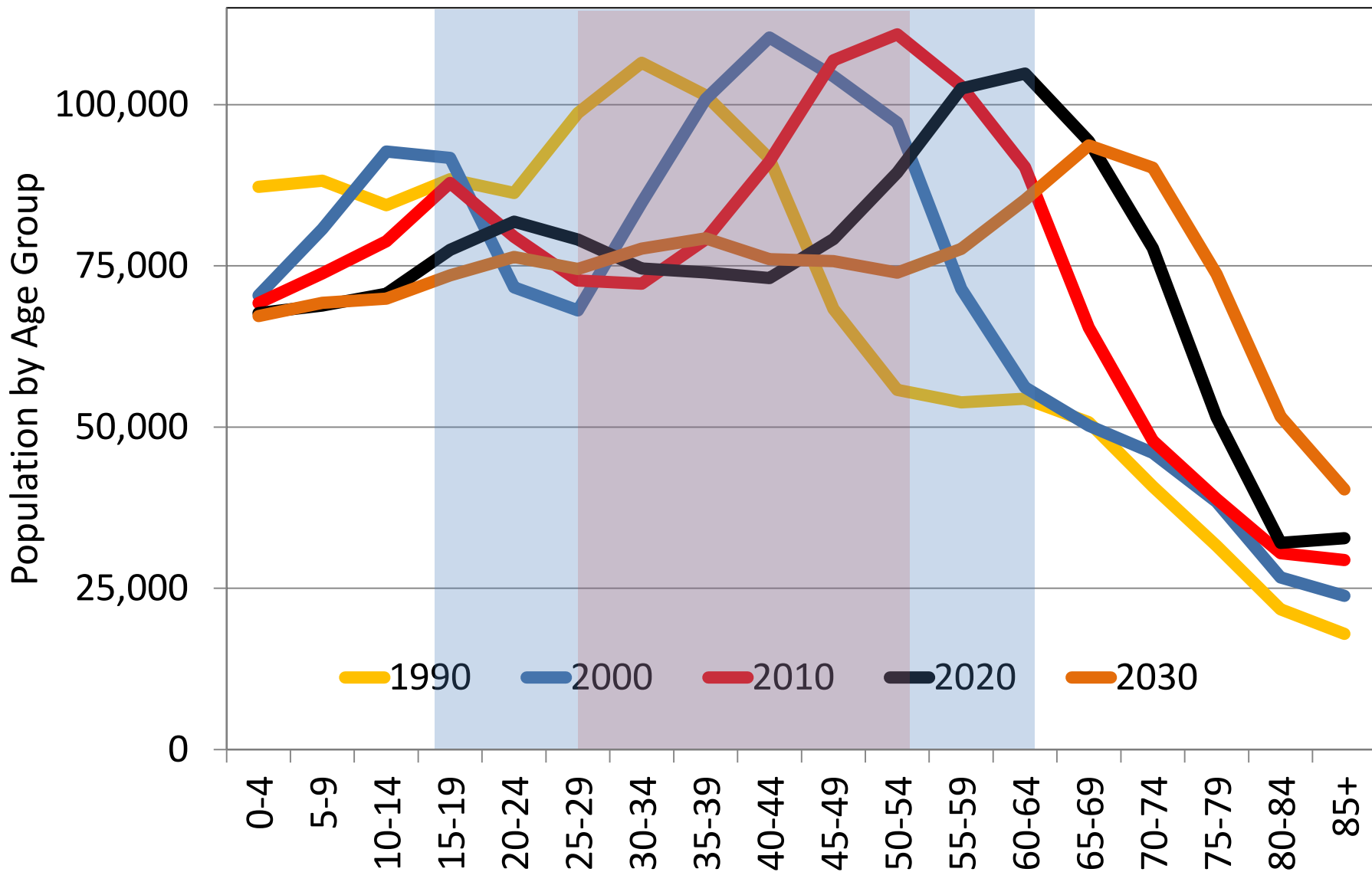
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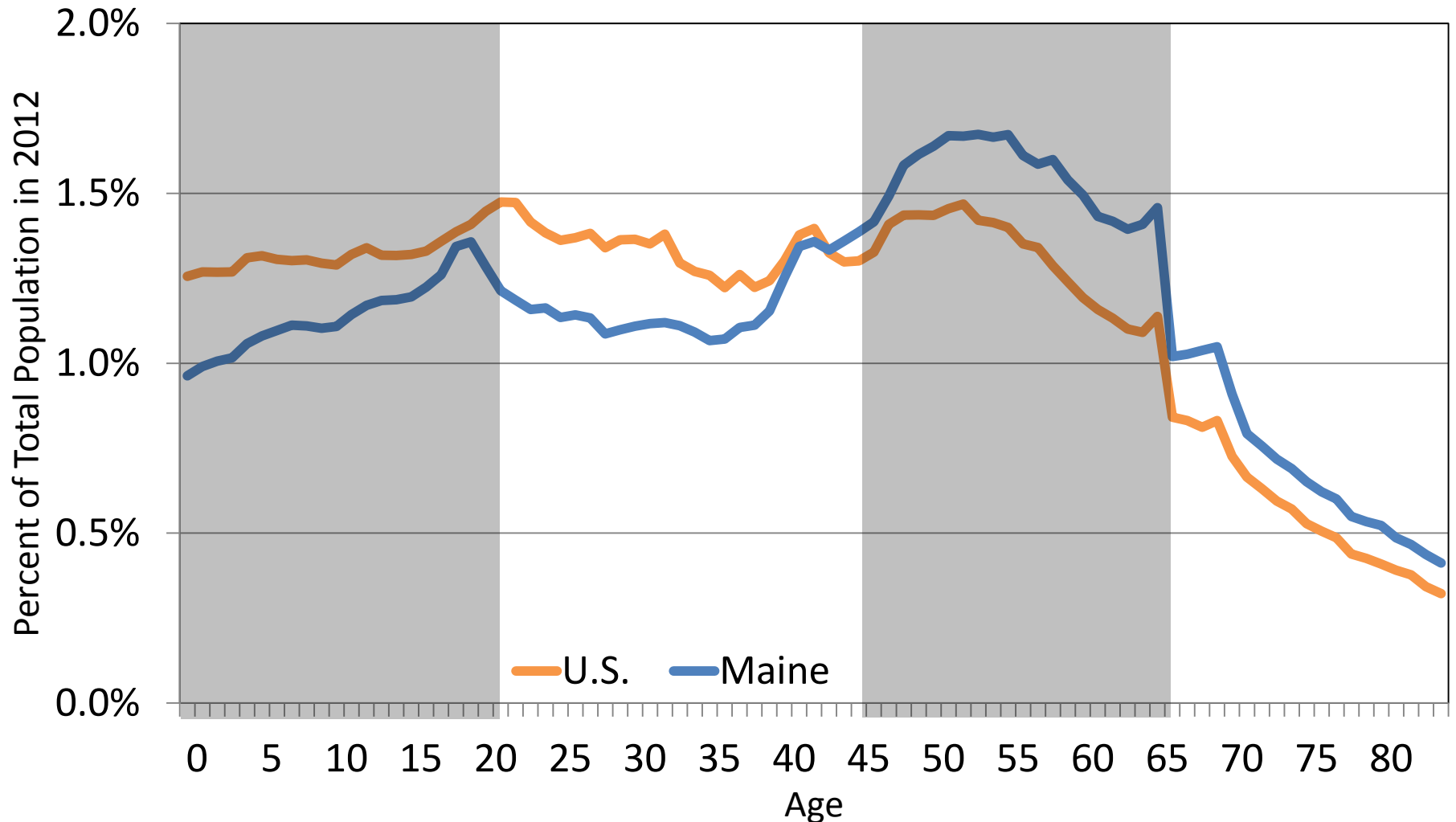
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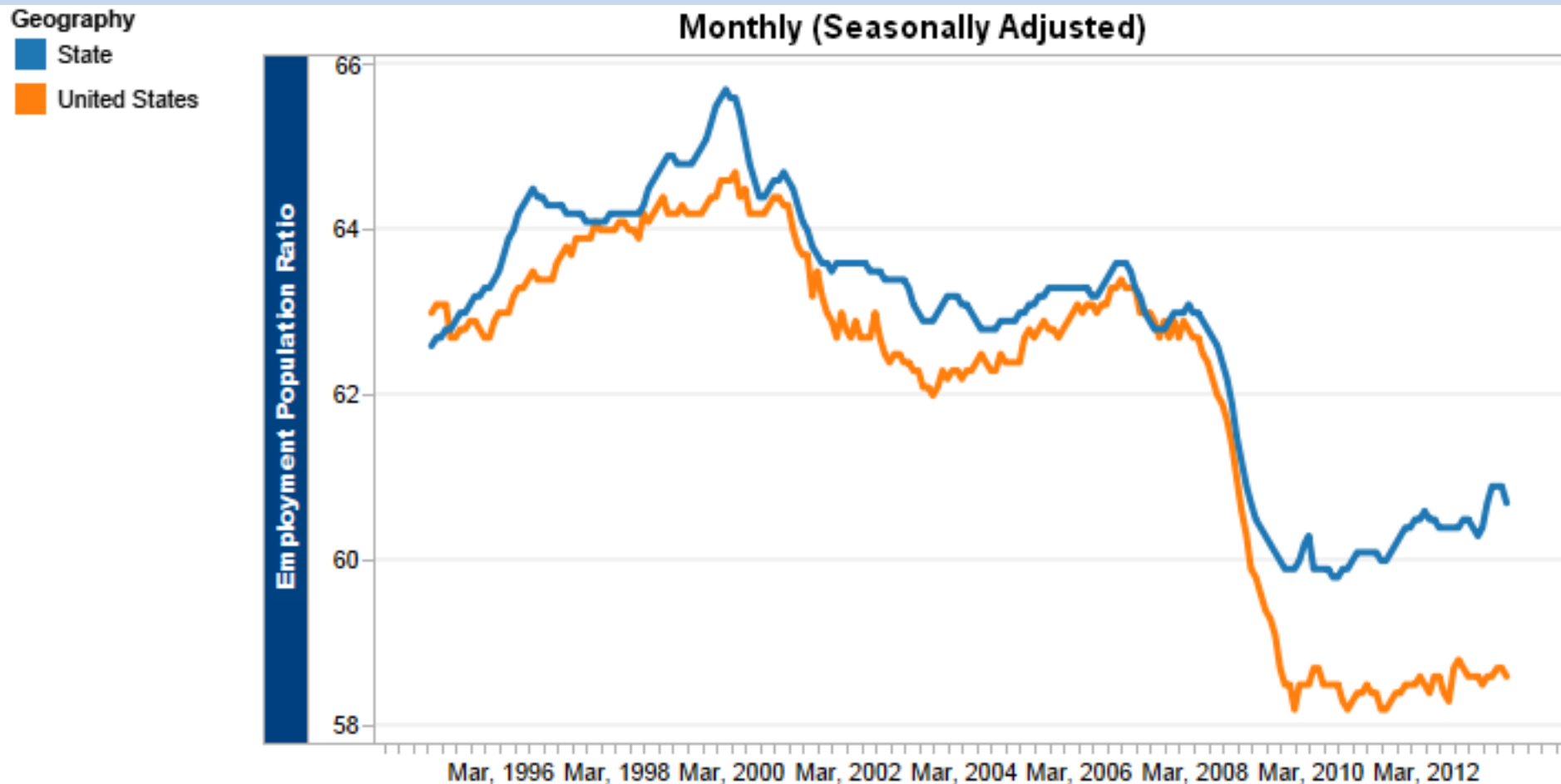
...This is important because Baby Boomers are aging beyond their peak years of labor force attachment



Our “oldest state in the nation” status has less to do with a high share of senior population than an unusually high share in their 50s & 60s who didn’t have many kids. To stem the demographic tide we must entice large numbers of working-age people to move here.



Aging has been impacting employment since 2000 when the share of employed population reached an all-time high. The recent rise is bounce-back from the recession, but the longer-term trend will be down as large numbers advance to retirement.



**Aging is having a major impact on our growth potential...not only for jobs, but GDP and total income as well.**

# **Structural shifts in employment**

# Skill Demands are Changing

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT



**High-skill Occupations:** Highly educated workers with analytical ability, problem solving, and creativity.

## *Automation*

~~**Middle-Skill Occupations:** Workers who perform routine tasks that are procedural and repetitive.~~

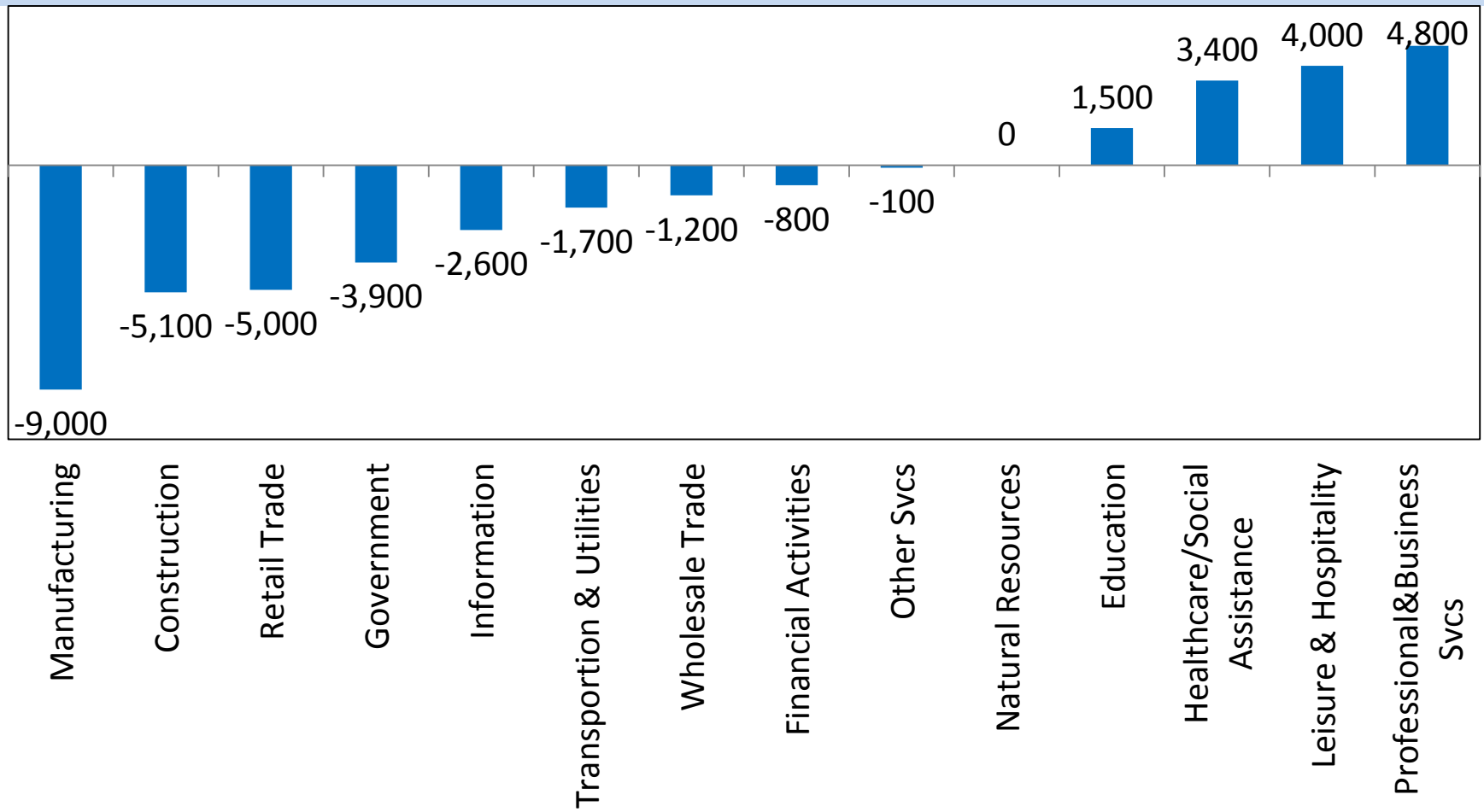
**Low-Skill Occupations:** Workers with no formal education beyond high school. They work in occupations that are physically demanding and cannot be automated.

Source: Kansas City Federal Reserve Bank, Didem Tüzemen and Jonathan Willis, (2013).  
"The Vanishing Middle: Job Polarization and Workers' Response to the Decline in Middle-Skill Jobs,"



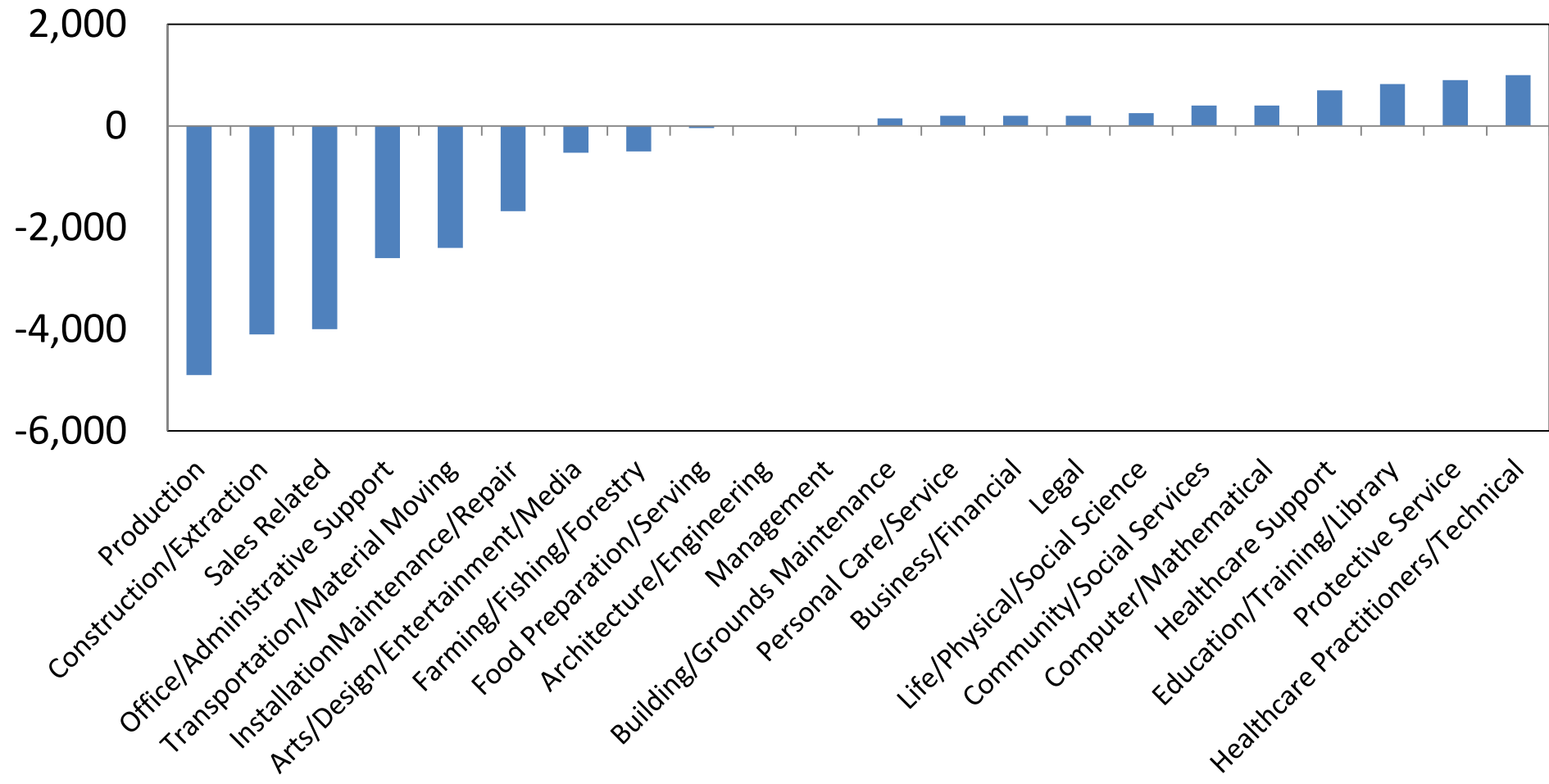
Job losses have primarily been in labor-intensive industries involved in making, moving, or selling goods as well as government; gains have primarily been in human capital-intensive industries...

*(Net change in jobs by sector since Dec 2007)*



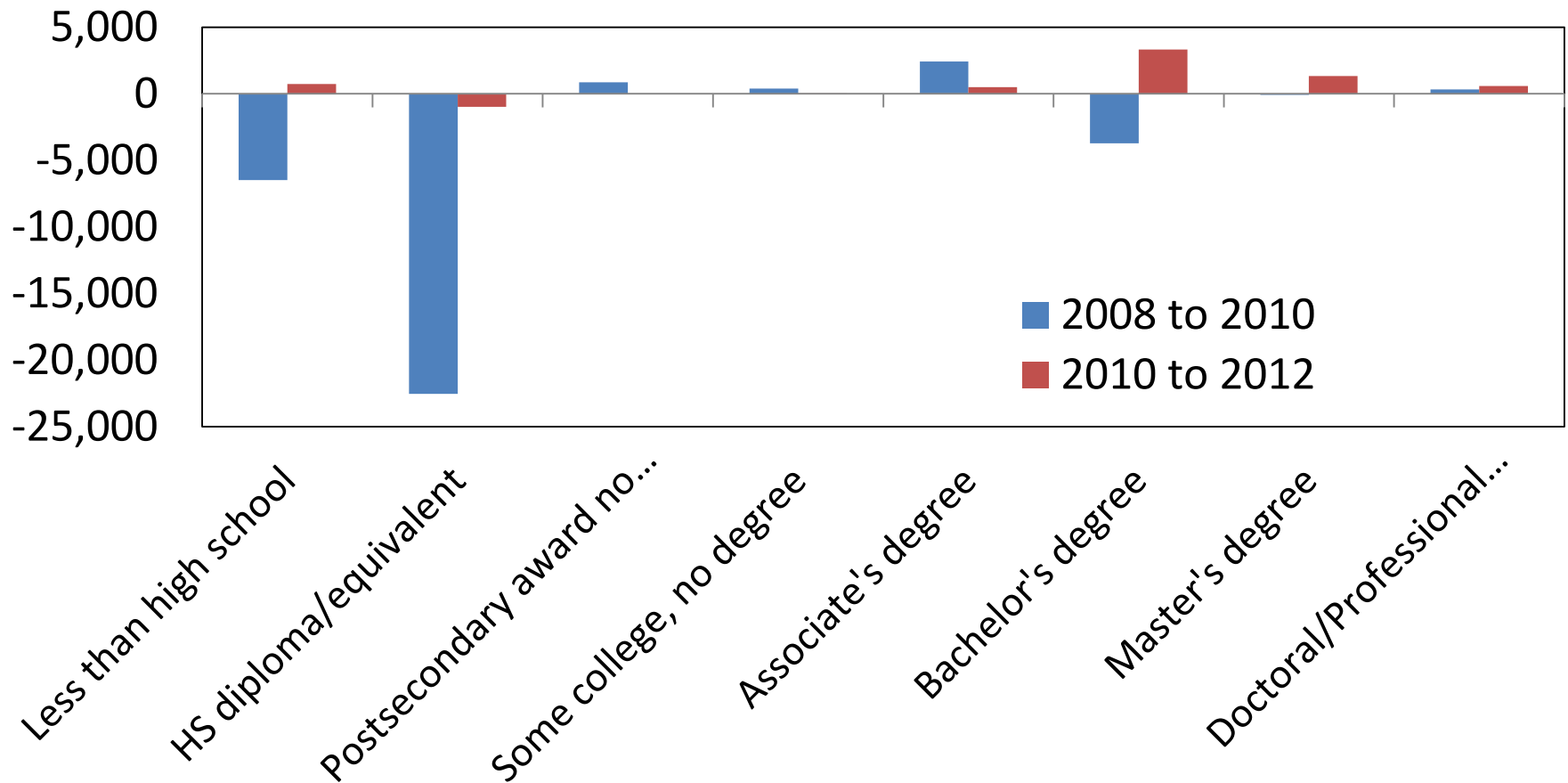
...This has caused major displacement in middle-skill blue-collar and administrative support occupations, which have been the primary path to a middle-class lifestyle for those without post-secondary education...

*(Change in jobs 2008 to 2012)*



...Jobs that do not require education beyond high school are way down. Growth has been concentrated in occupations that require post-secondary education. Many job seekers do not qualify for openings in growing fields of work. This is a serious impediment to growth.

*(Change in jobs by usual education requirement)*



**The work attributes valued in growing middle-income occupations are very different from those in declining occupations.**

**Examples of knowledge, skill, and ability requirements:**

### **Growing Occupations**

**Critical thinking, problem solving, decision making, mathematics, reading comprehension, deductive reasoning, processing information, analyzing data**

### **Declining Occupations**

**Machinery operation, equipment inspection, tool selection, physical strength, following instructions, manual dexterity, clerical functions**

**Structural changes in the economy are changing the types of jobs available and the performance requirements of all jobs. The skills and experience of many displaced workers do not match the needs of employers in growing sectors. This compounds our demographic challenge. How well we do providing people with the education and training to compete in the workforce of today and tomorrow is an important part of our response to the aging situation.**