10-27-2014

Workforce Conditions through September 2014, Presented to the Consensus Economic Forecasting Commission, October 24, 2014

Maine Center for Workforce Research and Information

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Indications from the household survey
Maine’s unemployment rate is up since summer...

Seasonally Adjusted Unemployment Rate

Maine  U.S.
The employment to population ratio is down since Spring...
...And labor force participation is the lowest since 1988
The Bureau of Labor Statistics uses smoothing techniques to prevent large movements from one month to the next. The downside is rates tend to move in a direction for several months and then change course, which can lead to false indications of improving or deteriorating conditions. Revisions over the course of several years eliminate those undulations.
Preliminary unemployment rates undulate for months at a time. Annual revisions each March moderate those swings. Initial revisions are further revised in subsequent years, continuing to smooth rates.
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Despite the recent adverse turns in household survey metrics, there is little reason to believe conditions are deteriorating. After annual revisions in March, estimates for 2014 are likely to depict continued gradual improvement throughout the year.
Indications from the employer payroll jobs survey
Nonfarm payroll job growth continues
Total Nonfarm Jobs
(seasonally adjusted in thousands)

Benchmarked Job Count
Estimates (to be revised March 2015)
Likely Revisions
Retail Trade Jobs
(seasonally adjusted in thousands)

Benchmarked Job Count
Estimates (to be revised March 2015)
Likely Revisions
Transportation, Warehousing & Utilities Jobs
(seasonally adjusted in thousands)

- **Benchmarked Job Count**
- **Estimates (to be revised March 2015)**
- **Likely Revisions**

Jan-08 to Jan-14 chart showing job count trends.
Financial Activities Jobs
(seasonally adjusted in thousands)

Benchmarked Job Count
Estimates (to be revised March 2015)
Likely Revisions
Local Government Jobs
(seasonally adjusted in thousands)

Benchmarked Job Count

Estimates (to be revised March 2015)

Likely Revisions
Real total wages paid are rising about the same rate as jobs

*adjusted for inflation*
Demographic considerations
In the short period since 2010 there has been substantial upward shift in our age profile. Thousands will move to more limited work arrangements or retirement in coming years.
At 5.8% of the labor force, we currently have 40,000 unemployed. At a healthier 4.5% there would be 32,000 unemployed based on the size of the labor force today. For the near-term forecast, the question is if a gain of 8,000 (or more) jobs from lower unemployment will exceed reductions in labor force participation due to retirements. If so, by how much and for how long?