

Who is not in the labor force?

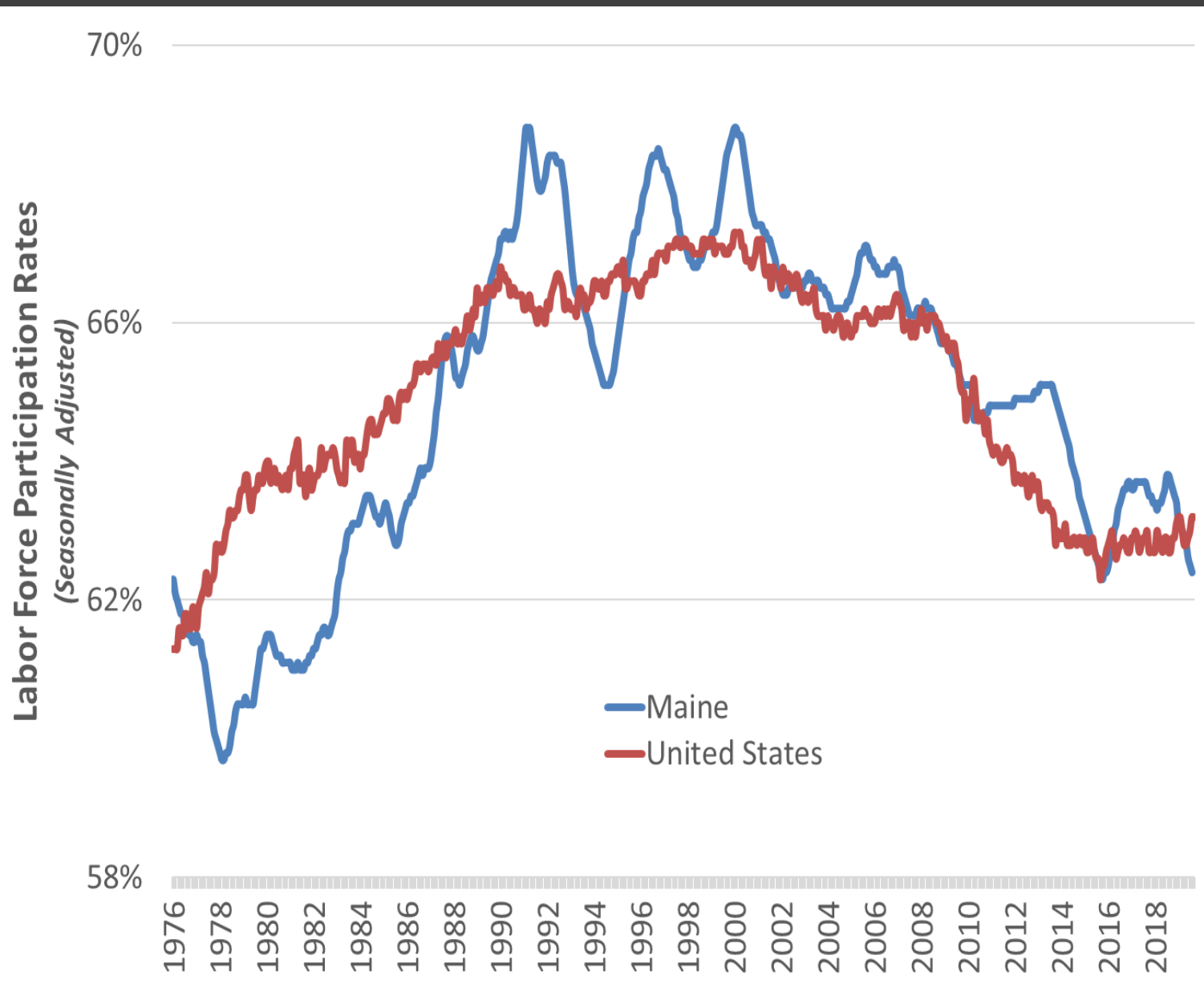
**Presentation to State Workforce
Board December 2019**

MAINE
DEPARTMENT OF
LABOR
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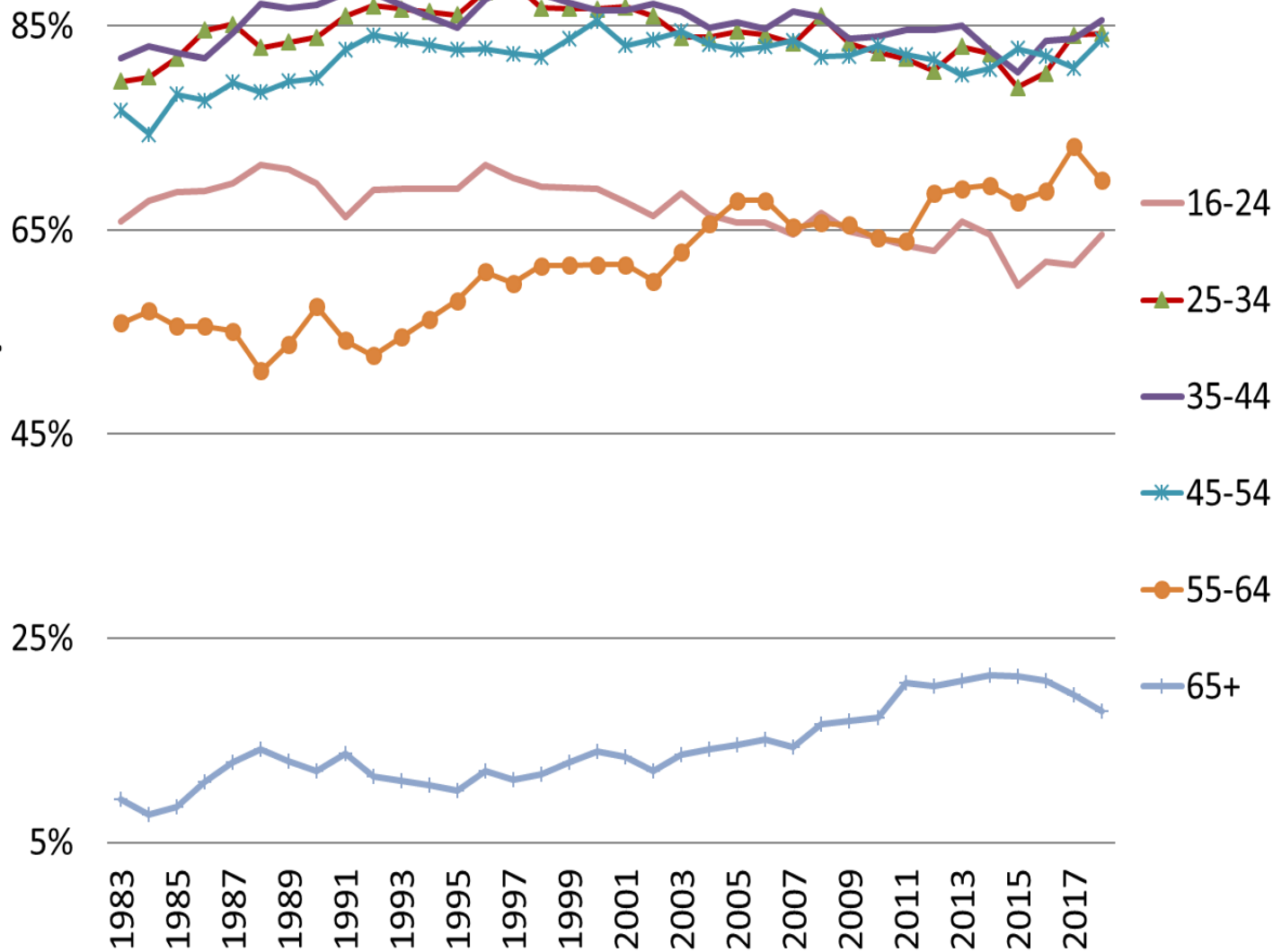
How many are not in the labor force?

- People with disabilities
- People without a high school diploma
- By region of the state
- On unemployment
- Single parent households
- Reentry from incarceration



Maine and the nation had a prolonged period of rising labor force participation from the 1960s to around 2000. About 68 percent of the population age 16 and over was in the labor force two decades ago. Since then participation has declined to around 63 percent today.

Labor Force Participation Rates



Participation in the labor force of people under age 25 has declined modestly, primarily due to a higher share of them enrolled in high school or college, or preparing for college. Participation of prime-age workers 25 to 54 has not changed significantly and is near 85 percent. Participation of people age 55 to 64 and 65+ has been gradually rising.

If the age structure of the population were the same today as in 2000, the overall participation rate would be nearly the same. Because the baby boom generation is so large, the advancing age of its members will continue to drive the overall participation rate down as more people will be retired.

Labor Force Participation in 2018

Population	1,340,000	
Institutionalized or Not Civilian Population	20,000	Cannot Participate in the Labor Force
Kids Under Age 16	220,000	
Civilian Non-Institutionalized Population Age 16+	1,100,000	100%
Civilian Labor Force	698,000	63%
Employed	675,000	61%
Unemployed	23,000	
<i>Unemployment Rate</i>		3.3%
Not in the Labor Force	402,000	37%
Age 65+	218,000	20%
Age 16 to 24 (Most in School)	55,000	5%
Age 25 to 64	129,000	12%
With a Disability, Not Working	64,600	6%
With a Disability That Prevents Them From Working	Unknown*	Unknown
Age 25 to 64 Enrolled in College or Graduate School	33,600*	Unknown
Total age 25 to 64 who are not in the labor force, not in school, and do not have a disability that prevents them from working.	Likely less than 50,000	Likely less than 5%

**It is not clear how many adults enrolled in college or graduate school are or are not in the labor force. It is not clear how many of those with a disability who are not working are prevented from working by their condition.*

Nearly half the population in Maine was not in the labor force in 2018. Many were children under age 16. Of the population age 16 and over, 63 percent were in the labor force and 37 percent were not. Of those not in the labor force, most were retired people age 65 and over; others were age 16 to 24, in high school or college. Among the 129,000 age 25 to 64 who were not in the labor force, some had a disability or other barriers to employment, some were in college or graduate school, and some were taking time out of the labor force to care for children or other family members.

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Work Experience by Disability Status of Population Age 18 to 64 in Maine, 2017

Work Status	Population	Number		Percent of Total		
		No Disability	With a Disability	No Disability	With a Disability	U.S. With a Disability
Total:	808,231	695,789	112,442	100%	100%	100%
Worked full-time, year round	430,726	407,334	23,392	59%	21%	23%
Worked less than full-time, year round	232,539	208,066	24,473	30%	22%	21%
Did not work	144,966	80,389	64,577	12%	57%	56%

Source: U.S. Census Bureau, American Community Survey, table C18121

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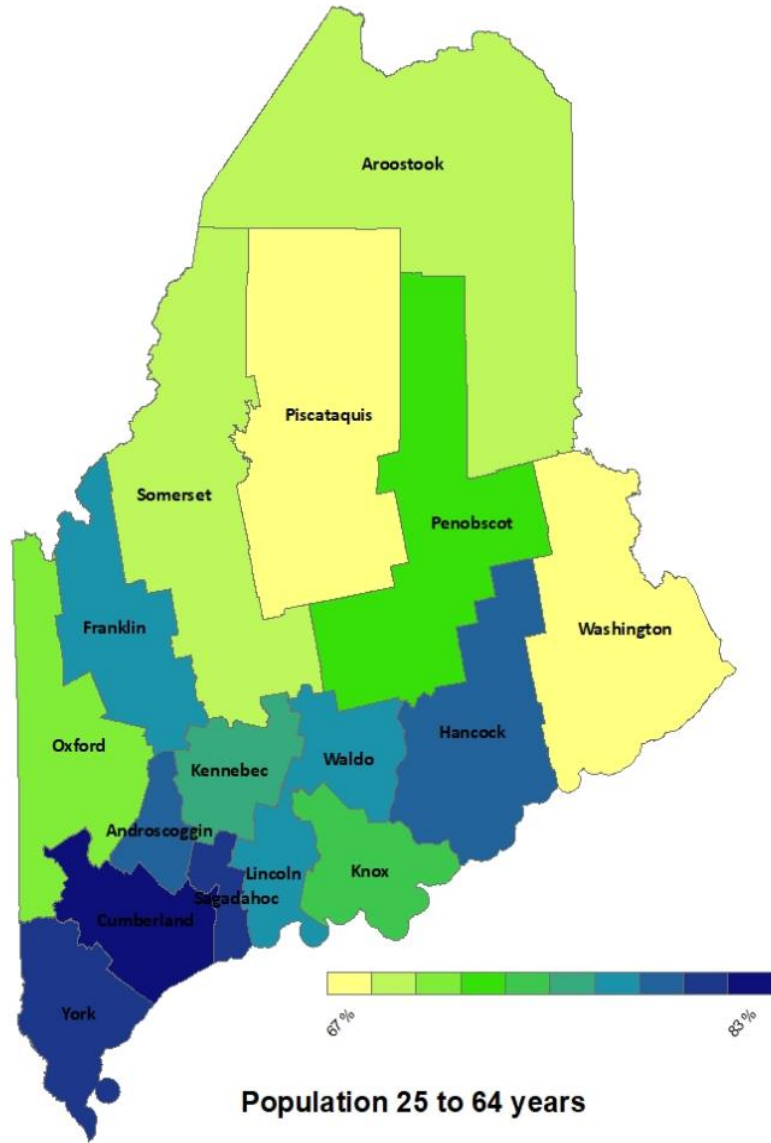
**Labor Force Status by Educational Attainment of
Maine Population Age 25 to 64, 2013 to 2017 Averages**

	Number		% of Total Population		% of Population Group	
	U.S.	Maine	U.S.	Maine	U.S.	Maine
Total:	168,539,255	710,955	100%	100%		
Less than high school graduate	19,230,541	42,809	11%	6%		
In labor force:	11,627,298	21,274			60%	50%
Employed	10,468,034	18,886				
Unemployed	1,157,159	2,388				
Unemployment Rate					10.0%	11.2%
<i>Not in labor force</i>	<i>7,603,243</i>	<i>21,535</i>			<i>40%</i>	<i>50%</i>
High school graduate (equivalent)	43,784,920	222,157	26%	31%		
In labor force:	31,709,619	161,010			72%	72%
Employed	29,387,684	151,002				
Unemployed	2,240,441	9,836				
Unemployment Rate					7.1%	6.1%
<i>Not in labor force</i>	<i>12,075,301</i>	<i>61,147</i>			<i>28%</i>	<i>28%</i>
Some college or associate's degree	51,003,146	226,063	30%	32%		
In labor force:	40,331,993	180,888			79%	80%
Employed	37,846,149	172,142				
Unemployed	2,186,416	8,003				
Unemployment Rate					5.5%	4.4%
<i>Not in labor force</i>	<i>10,671,153</i>	<i>45,175</i>			<i>21%</i>	<i>20%</i>
Bachelor's degree or higher	54,520,648	219,926	32%	31%		
In labor force:	47,009,225	192,748			86%	88%
Employed	45,337,225	188,400				
Unemployed	1,432,147	3,813				
Unemployment Rate					3.1%	2.0%
<i>Not in labor force</i>	<i>7,511,423</i>	<i>27,178</i>			<i>14%</i>	<i>12%</i>

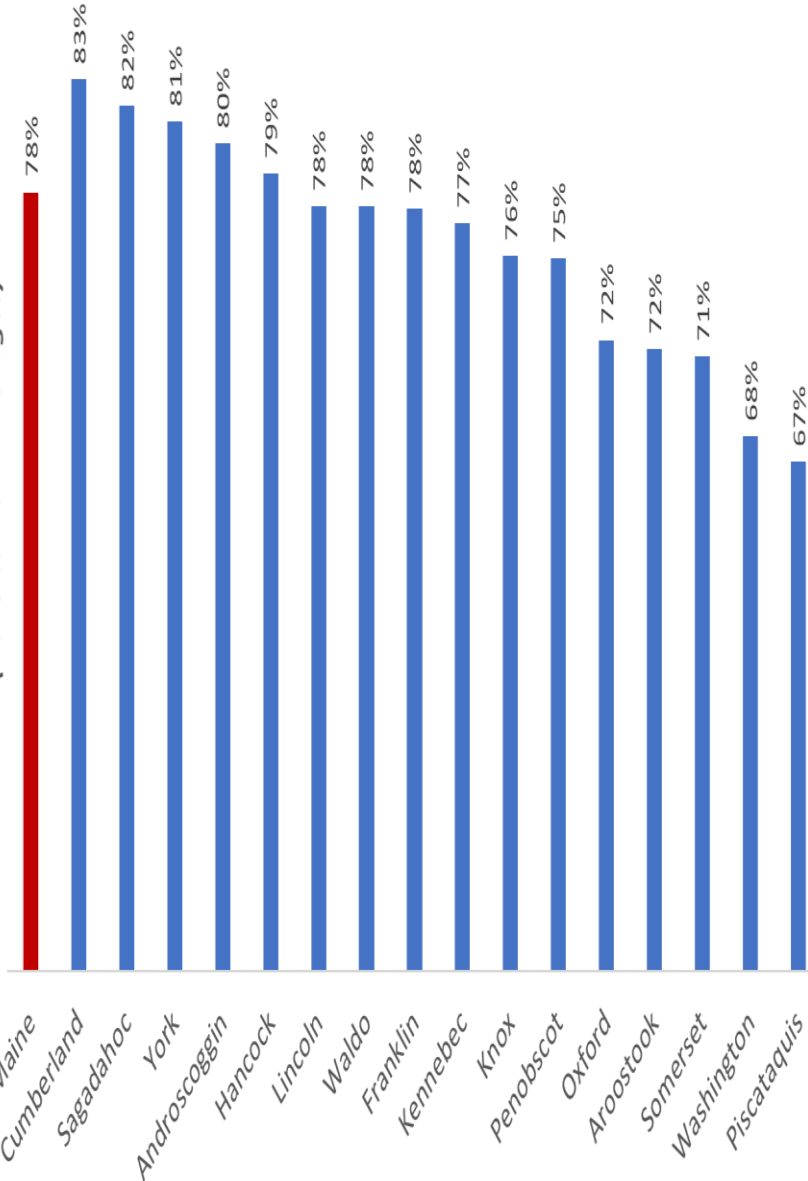
Source: U.S. Census Bureau, American Community Survey, table B23006

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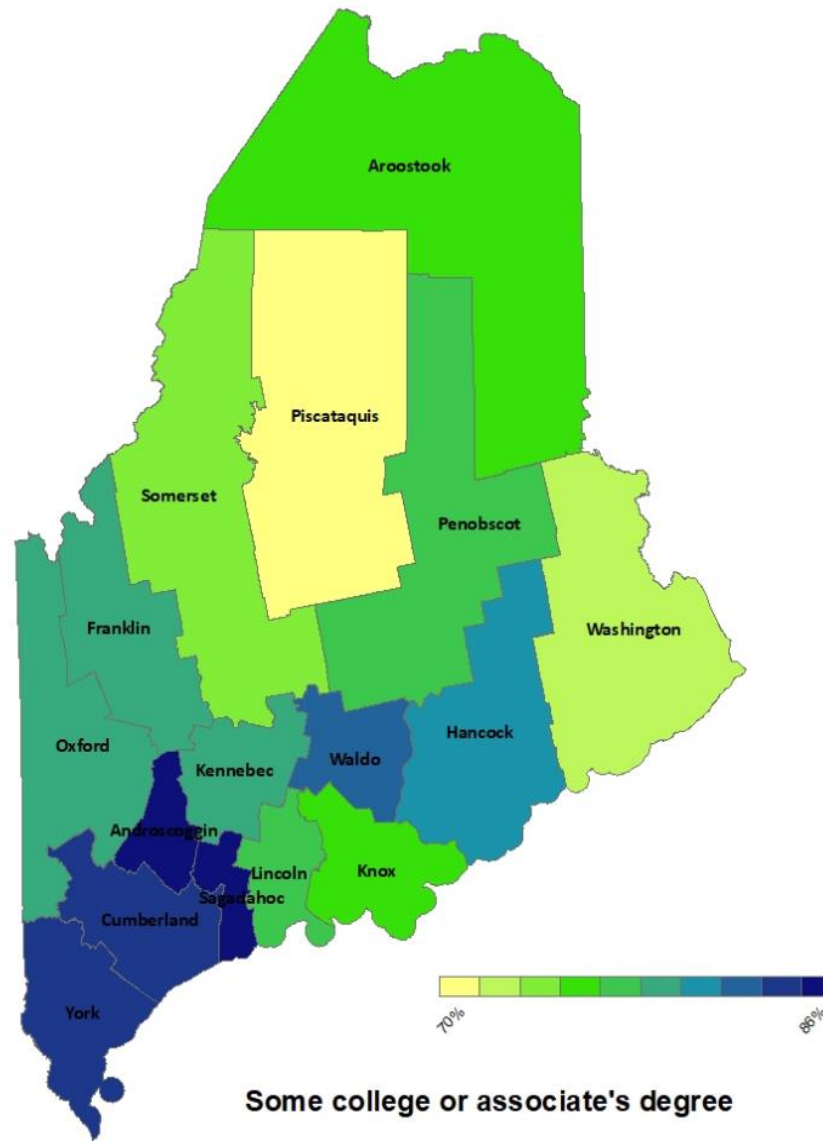
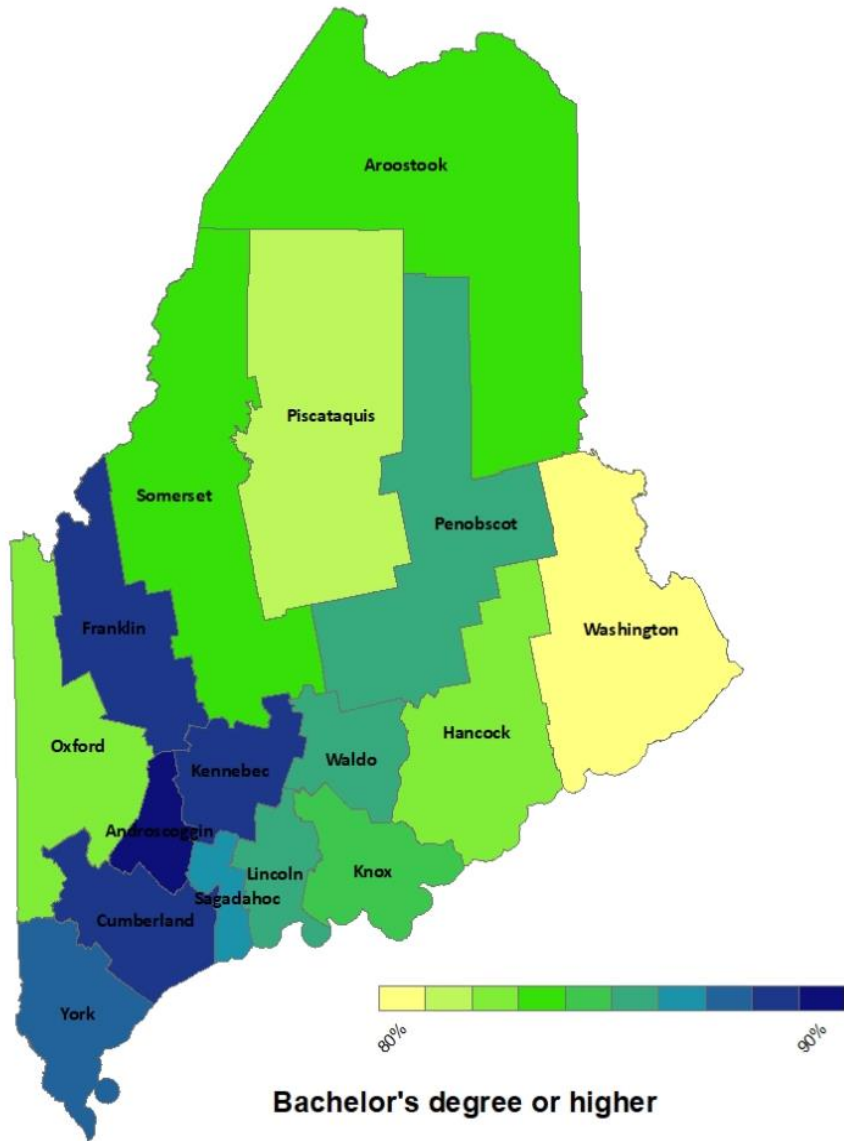
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**Age 25 to 64 Labor Force Participation Rates
(2013 to 2017 Averages)**

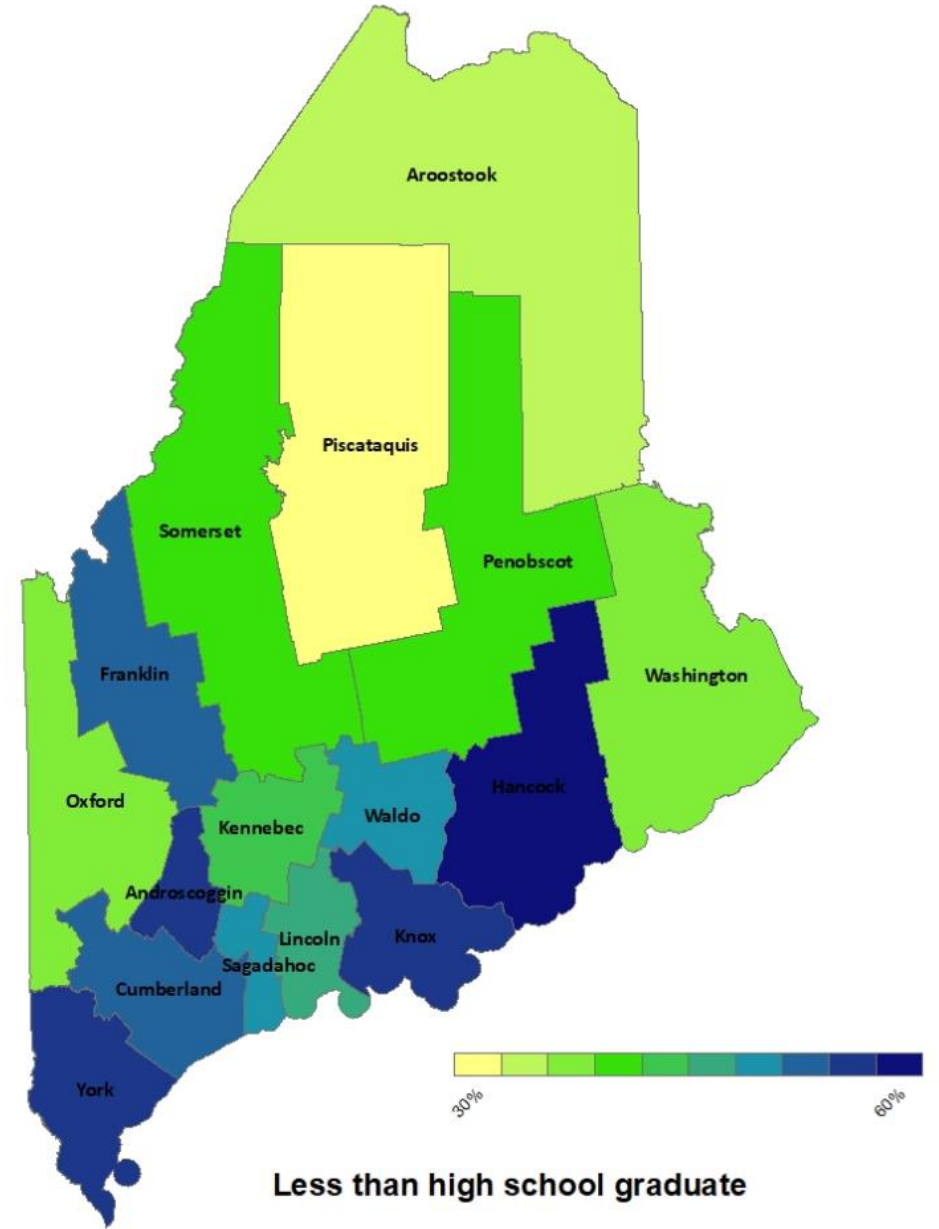
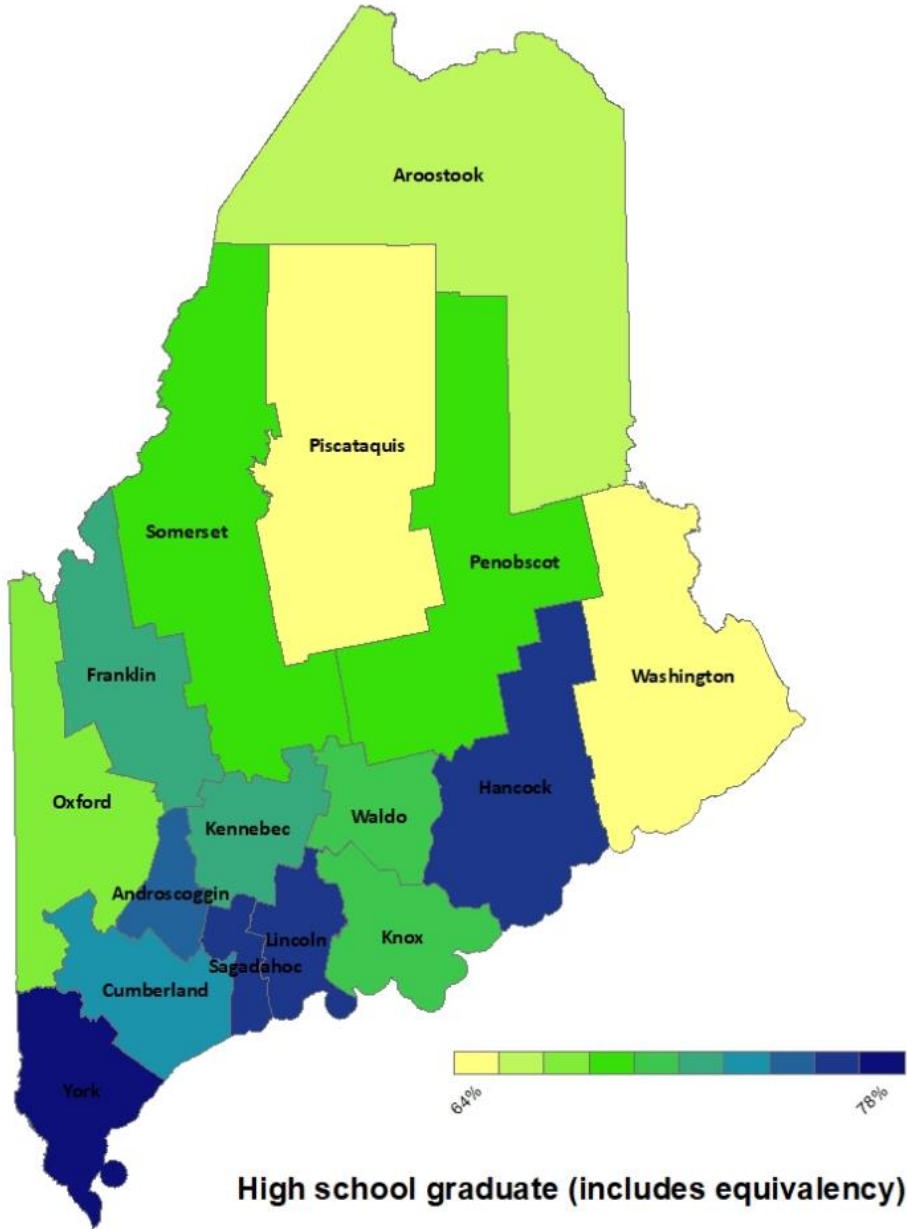


Labor force participation is strongly related to opportunity. Among those age 25 to 64, participation is highest in the southernmost counties, where population and job growth is strongest and unemployment is lowest. Participation is lowest in the northern rim of the state, where the population has been declining and unemployment is highest.



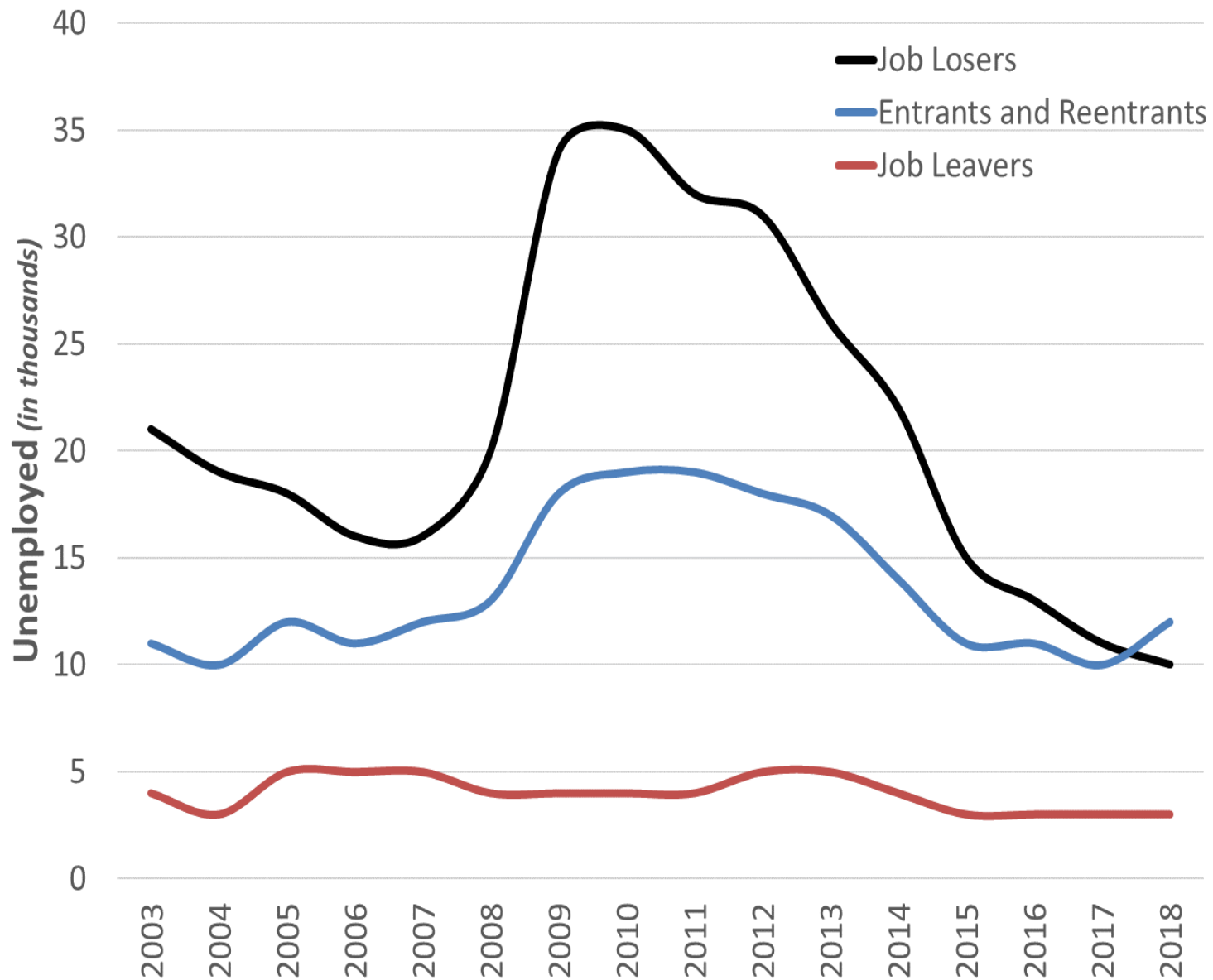
Labor force participation is highest among those with the most educational attainment, and it is highest in parts of the state where economic opportunity is highest.

In the south, where conditions are strongest, participation is higher at each level of education than in the north, where conditions are not as strong.



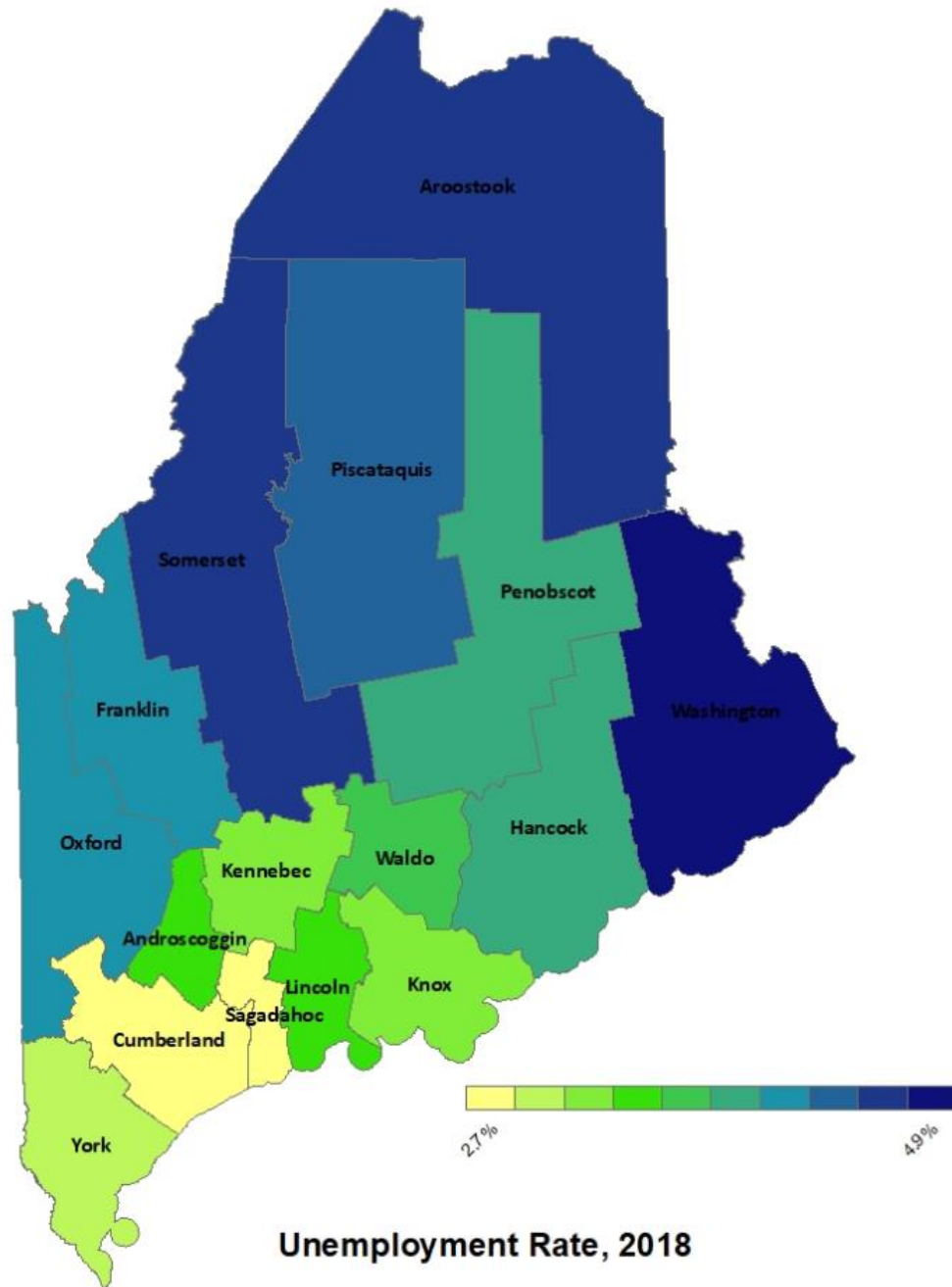
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A primary factor driving unemployment to historic lows was a sharp reduction in the number of people who lost their job. In 2018, 42% of those who were unemployed were job losers. The largest share were people who entered or reentered the labor force (by beginning work search or becoming available to work); a smaller number were those who left a job.

(Unemployed people are those who are both engaged in work search and are available to work. Retirees, full-time students, inmates, homemakers and others who are not employed and are not searching for work or are not available to work are not considered to be unemployed – they are not in the labor force.)



Unemployment Rate, 2018

Unemployment is low throughout the state, but highest along the northern rim and lowest along the south coast. This pattern has held for several decades. Forest products and agriculture long formed the economic base in much of the northern part of the state. Mechanization of timber and crop harvesting, closure of saw and paper mills, and other events disrupted the economy of the region. The southern part of the state, with higher population density, has faced similar disruptions in other industries, but greater economic diversity has generally made for less dramatic impacts.

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Households and Families in the United States and Maine, 2017

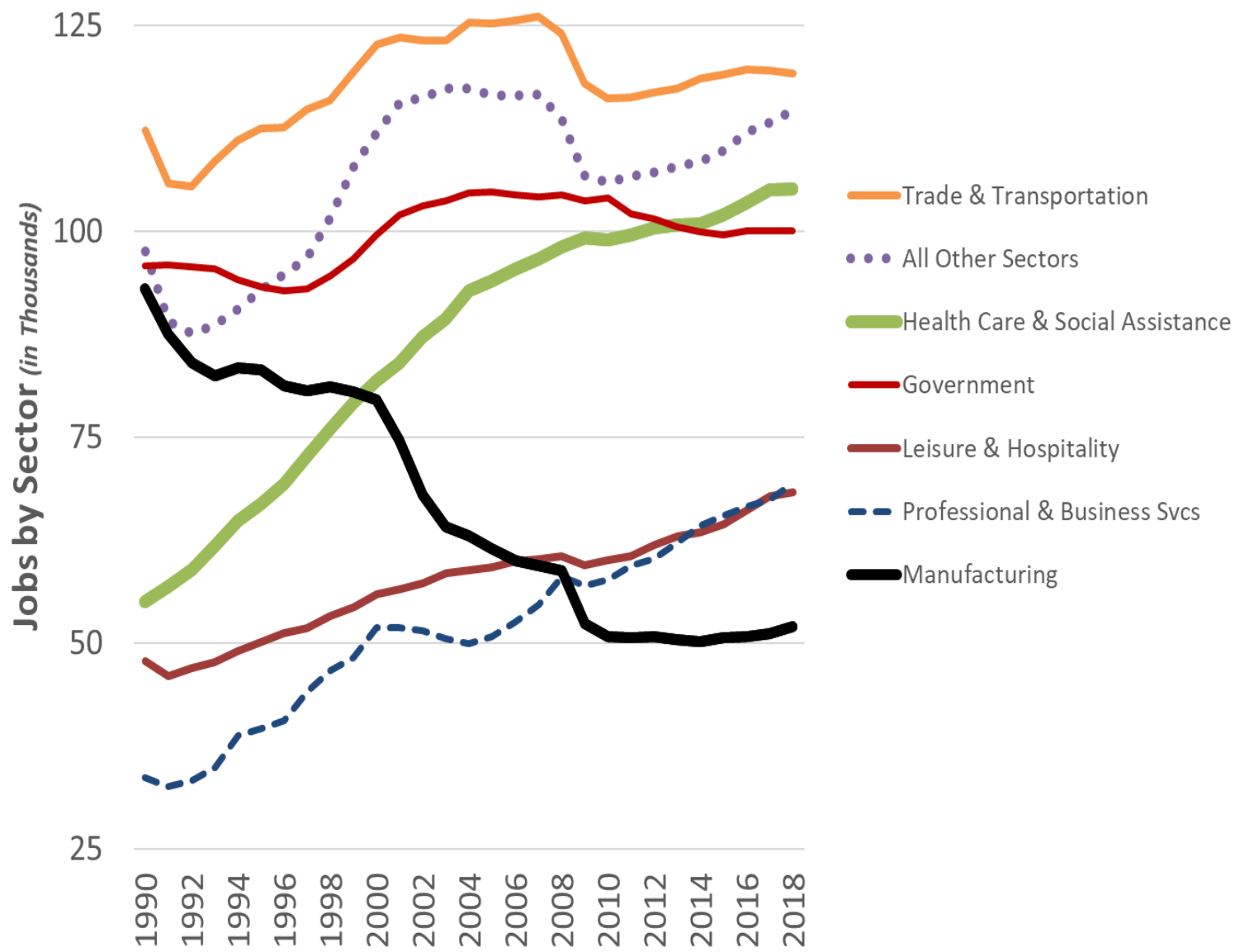
Household Type	United States					Maine				
	Total	Married-couple family household	Male householder, no wife present, family household	Female householder, no husband present, family household	Nonfamily household	Total	Married- couple family household	Male householder, no wife present, family household	Female householder, no husband present, family household	Nonfamily household
Total households	120,062,818	57,847,574	5,886,661	14,896,928	41,431,655	540,959	263,878	21,476	44,752	210,853
Average household size	2.65	3.29	3.52	3.55	1.29	2.4	2.99	3.72	3.44	1.31
FAMILIES										
Total families	78,631,163	57,847,574	5,886,661	14,896,928	(X)	330,106	263,878	21,476	44,752	(X)
Average family size	3.26	3.26	3.1	3.33	(X)	2.99	2.96	3.14	3.09	(X)
AGE OF OWN CHILDREN										
Households with children under 18 years	32,846,899	22,334,270	2,723,009	7,789,620	(X)	117,749	80,334	12,725	24,690	(X)
Under 6 years only	100%	70%	10%	20%		100%	73%	11%	15%	(X)
Under 6 years and 6 to 17 years	100%	71%	6%	22%		100%	74%	8%	19%	(X)
6 to 17 years only	100%	66%	8%	25%		100%	65%	11%	24%	(X)

Source: U.S. Census Bureau, American Community Survey, table S1101.

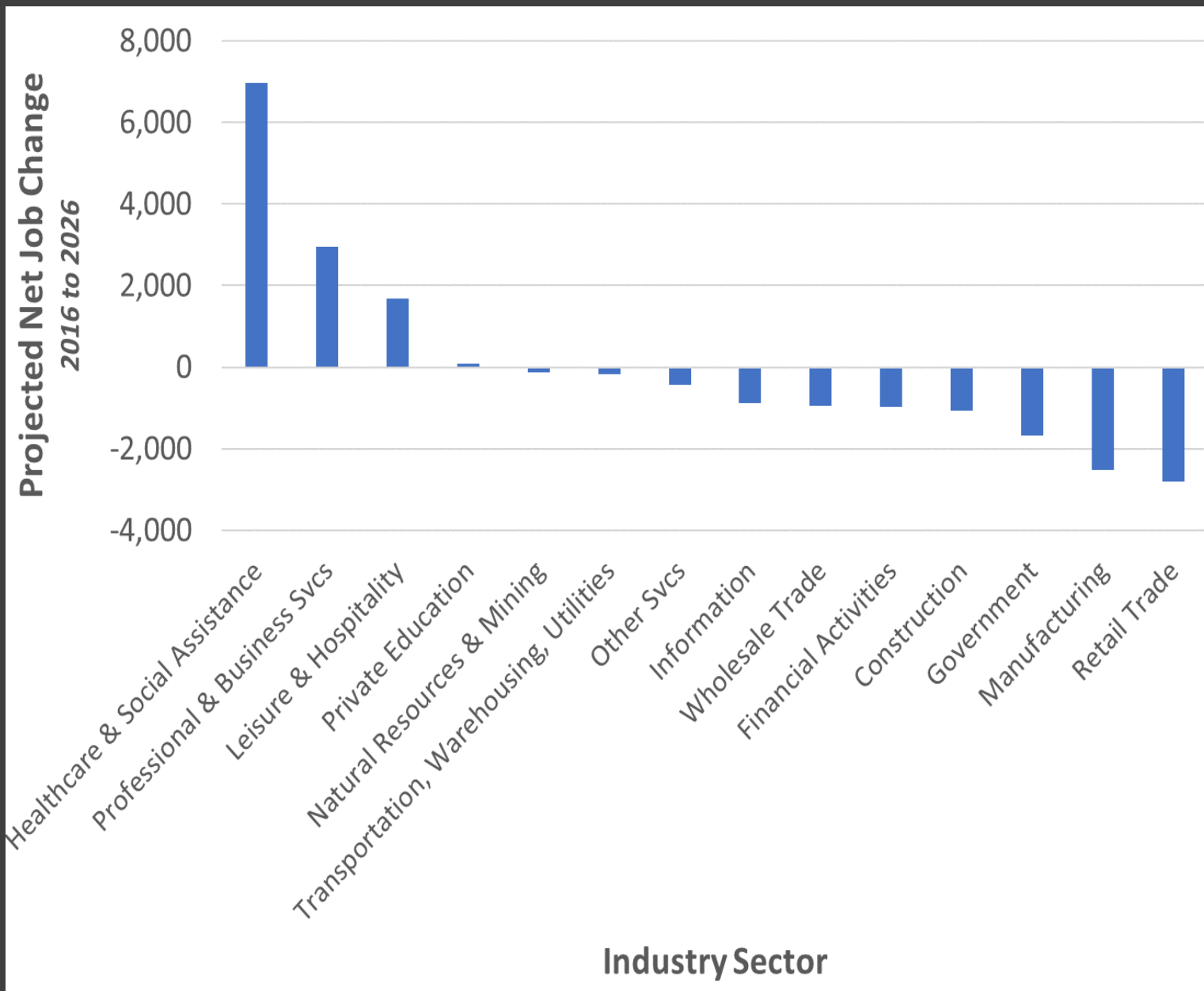
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A quick view of very broad labor market trends

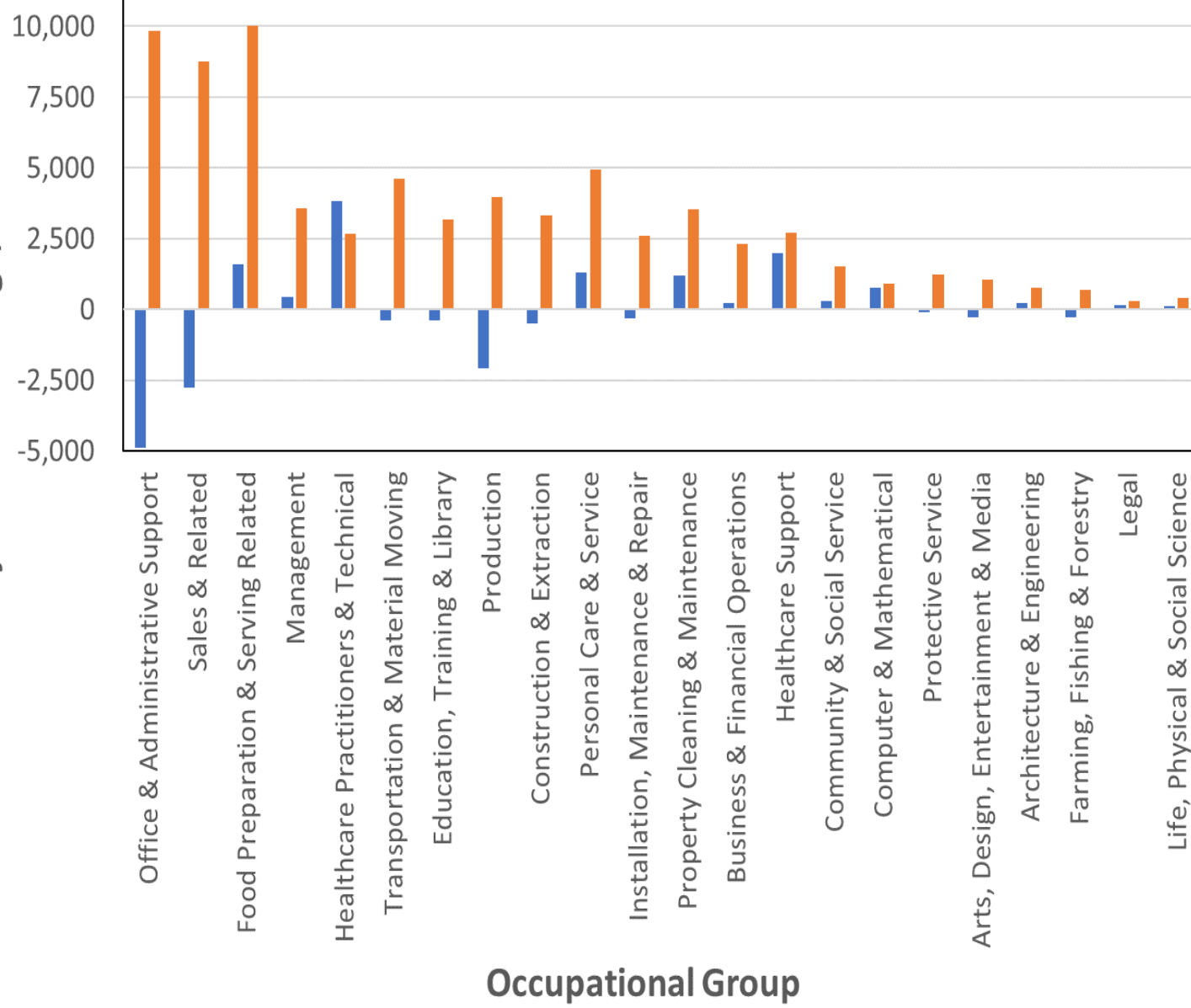


Over the last three decades, the industry structure of jobs changed significantly. The most prominent trends were the near doubling of jobs in the healthcare and social assistance and the professional and business services sectors, as well as the sharp decline in manufacturing jobs. The types of jobs in sectors that are growing have different education, skill, and performance requirements than the types of jobs in sectors that are declining.

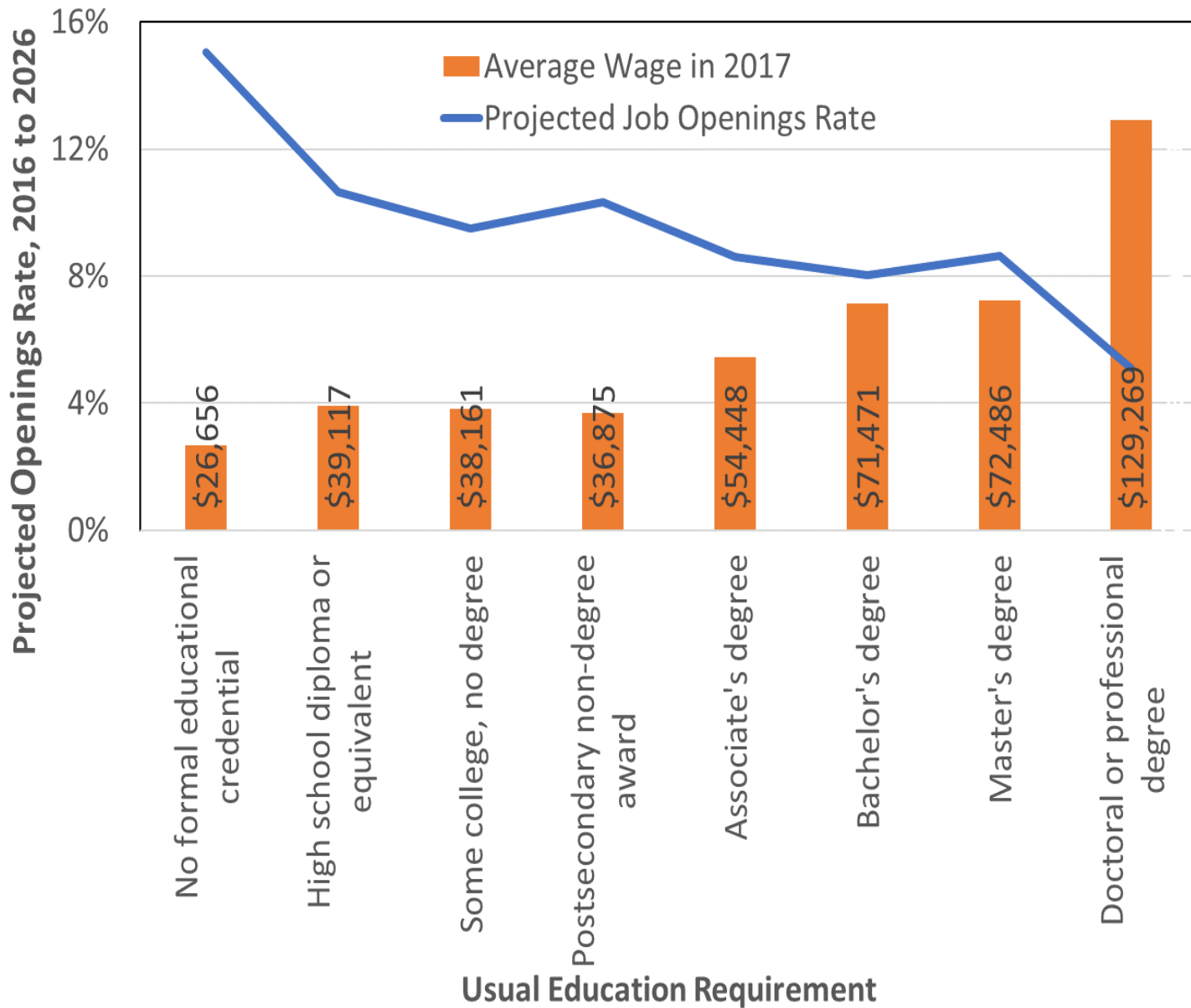


In the decade through 2026, job trends are expected to be similar to the last three decades. The healthcare and social assistance and the professional and business services sectors are expected to continue to be the major job creating sectors, while retail, manufacturing, and government continue to shed jobs. Most sectors are expected to have little net change in the number of jobs.

Projected Job Change, 2016 to 2026



The changes in jobs by industry and changes in technology and other work practices will cause the number of jobs to rise in some occupations and decline in others. Though the number of jobs in some occupations is expected to decline, there will be job openings in nearly every occupation, as people who retire or change their field of work need to be replaced.



Job openings rates are expected to be highest in occupations with limited educational requirements that offer relatively low pay. This is because turnover rates in those occupations are highest as many incumbents are young people who eventually move up the education and earnings ladder. Openings rates are lowest in occupations with the highest educational requirements and earnings.