2022 Workforce Data Revisions

More Jobs Than Previously Indicated

Each month estimates from two surveys provide the most current indications of workforce conditions. The Current Population Survey, often referred to as the "household survey," provides information on the labor force status of the civilian non-institutionalized population, including labor force participation and unemployment. The Current Employment Statistics "payroll survey" provides estimates of the number and change in jobs in many nonfarm industries.

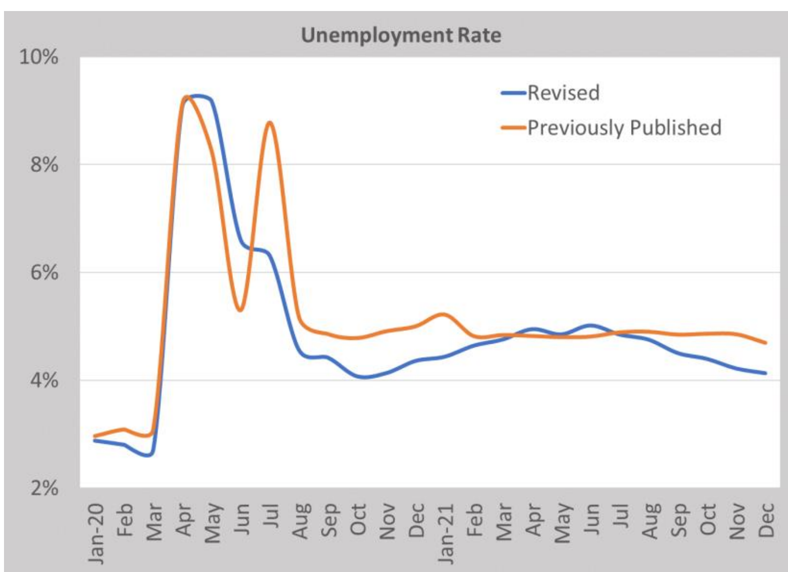
In the winter of each year estimates from those programs are revised based on more complete information. Revisions tend to be largest for the most recent year, and then for the year before that. Compared to previously published estimates, now official revised data indicates that:

- Unemployment was lower for most months and was less variable in 2020 and somewhat more variable in 2021
- Labor force participation was lower and less variable in most of 2020 and more variable in 2021, declining in the latter part of the year
- The number of nonfarm payroll jobs was somewhat higher in 2020 and significantly higher for much of 2021

Data cited in this brief is seasonally adjusted.

Unemployment Rate

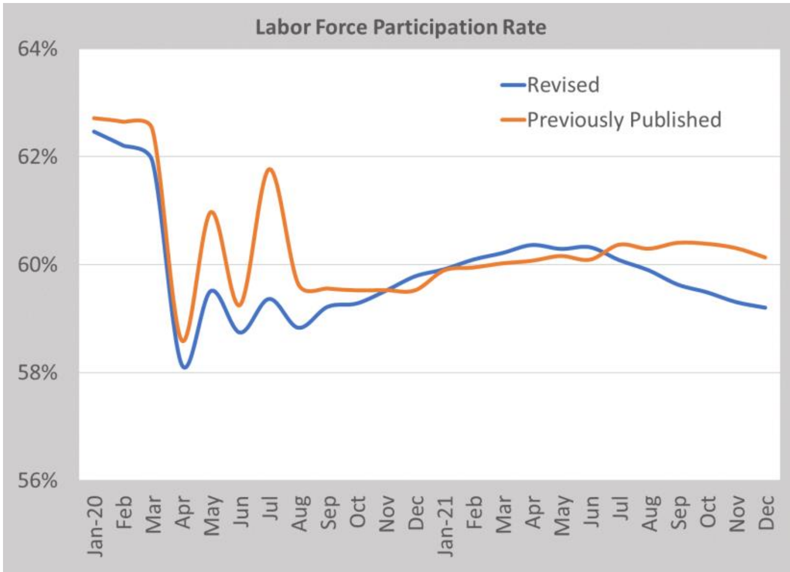
Previously published estimates indicated that the unemployment rate moved sharply up, down, up, and back down in the spring and summer of 2020, before settling into a period of little change through 2021. After the initial sharp rise in the spring of 2020 at the onset of the pandemic, the variability that followed over a short period did not appear to be a reasonable reflection of adjustments occurring in the labor force.



Revised rates indicate unemployment shot up to 9.1 percent in April and a record 9.2 percent in May 2020, at the onset of the pandemic. In the following months rates subsided to as low as 4.1 percent in the fall and then gradually rose to five percent in the middle of 2021. Rates steadily decreased in the second half of the year, ending at 4.1 percent in December.

Labor Force Participation

Previously published estimates indicated that the rate of labor force participation moved sharply down, up, down, up, and down in the spring and summer of 2020, generally in the opposite direction from unemployment. Through the remainder of 2020 participation was little changed, before gradually rising in much of 2021, remaining well below pre-pandemic rates.

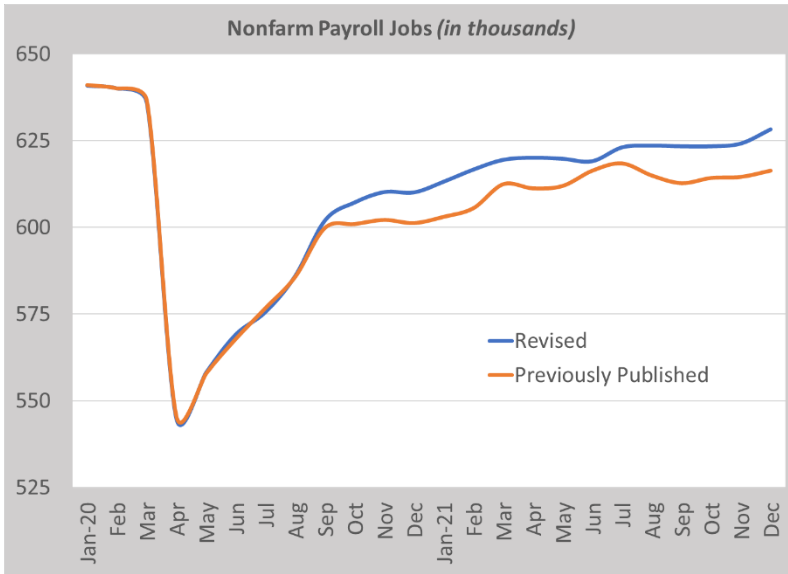


[Revised rates]() indicate the pattern of movements in the spring and summer was more modest. After the initial impacts from the pandemic, labor force participation steadily increased until the summer of 2021, before subsiding through the end of the year. Now official data indicates that labor force participation ended the year at 59.2 percent in December, three percentage points lower than in February 2020, immediately before the pandemic impacted the labor market.

Several factors contributed to the variability of labor force participation and unemployment rates that began in the spring of 2020. Stay-at-home orders and the closures and re-openings of businesses, schools, and daycares, and health concerns impacted whether many people had a job or could be available for work. Uncertainty over how long the pandemic would impact workplaces left many people unsure whether they had a job to return to or whether they should look for a new job. Also, response rates to the household survey were much lower during the pandemic and the statistical models used to produce these estimates were not designed to handle this once in a century situation.

Nonfarm Payroll Jobs

Previously published estimates indicated the number of nonfarm payroll jobs decreased by nearly 15 percent in March and April of 2020 at the beginning of the pandemic's impact on the labor market. This was followed by a strong rebound from May to September, a period of flatness until the end of the year, and then uneven, relative flatness through 2021. Those estimates indicated that there were 3.7 percent fewer jobs in December 2021 than in February 2020, immediately before the pandemic disrupted labor market activity.



Revised estimates for the first eight months of 2020 are little changed from previously published figures. From September 2020 until the end of 2021 there were steadier job gains than previously indicated, though at a much slower rate than in the months shortly after the onset of the pandemic. For 2020 there was an average of 2,100 more jobs and for 2021 there was an average of 8,600 more jobs than previously published estimates indicated. In December 2021 there were 1.8 percent fewer jobs than in February 2020.

The number of nonfarm jobs increased year by year from 2010 to an all-time high of 637,900 in 2019. There was an average of 39,000 fewer jobs in 2020 and 16,200 fewer in 2021 than in 2019. In 2021, the number of jobs was close to the 2019 average in most sectors. There were more jobs in the professional and business services, construction, and manufacturing sectors, as well as the federal government (mostly at Portsmouth Naval Shipyard). Leisure and hospitality (mostly eating and drinking places), healthcare and social assistance (mostly social assistance and nursing and residential care facilities), and local and state governments (mostly K-12 and higher education) remained well below 2019 staffing levels.

Average Nonfarm Payroll Jobs in Maine by Sector, 2016 to 2021 ***(in thousands)***

Sector	2016	2017	2018	2019	2020	2021	2019 to 2021 Change	
							Net	Percent
Nonfarm Payroll Jobs	**618.5**	**624.3**	**630.8**	**637.4**	**598.4**	**621.2**	**-16.2**	**-2.5%**
Professional and Business Services	66.5	67.3	69.4	70.0	69.0	72.0	2.0	2.9%
Construction	27.5	28.3	29.4	30.1	30.4	31.8	1.7	5.6%
Manufacturing	50.8	51.1	52.1	53.3	50.5	54.1	0.8	1.5%
Federal Government	15.0	15.2	15.5	16.1	16.9	16.4	0.3	1.9%
Financial Activities	31.1	31.5	32.1	33.0	32.7	33.0	0.0	0.0%
Mining and Logging	2.3	2.2	2.2	2.2	2.1	2.1	-0.1	-4.5%
Transportation, Warehousing, and Utilities	18.0	18.8	18.6	18.7	17.7	18.3	-0.4	-2.1%
Private Educational Services	21.7	22.0	22.1	22.5	21.4	22.1	-0.4	-1.8%
Wholesale Trade	19.7	19.4	19.5	19.6	18.6	19.1	-0.5	-2.6%
Information	7.7	7.5	7.4	7.2	6.4	6.6	-0.6	-8.3%
Retail Trade	82.0	81.4	81.0	80.4	75.8	79.4	-1.0	-1.2%
Other Services	21.7	21.8	22.2	22.3	20.5	21.1	-1.2	-5.4%
State Government	25.8	25.7	25.5	25.5	24.6	24.0	-1.5	-5.9%
Local Government	59.2	59.2	59.4	59.7	56.4	57.3	-2.4	-4.0%
Health Care and Social Assistance	103.4	105.1	105.2	106.8	103.3	103.6	-3.2	-3.0%
Leisure and Hospitality	66.1	67.8	69.1	70.3	52.1	60.4	-9.9	-14.1%

Annual revisions improve the quality of workforce data and provide a better indication of overall trends. Variability in preliminary estimates is expected to continue in 2022 and beyond. This is due to several factors, including changes in the sample of survey respondents, and to the statistical methods used, as well as the incomplete information provided by the surveys. As 2022 progresses, we recommend looking at trends over many months to draw conclusions about the direction and state of labor market conditions, rather than at a single month or the change from one month to another.