



A Year of Recovery from the Pandemic
Annual Workforce Report For 2021

SECTIONS

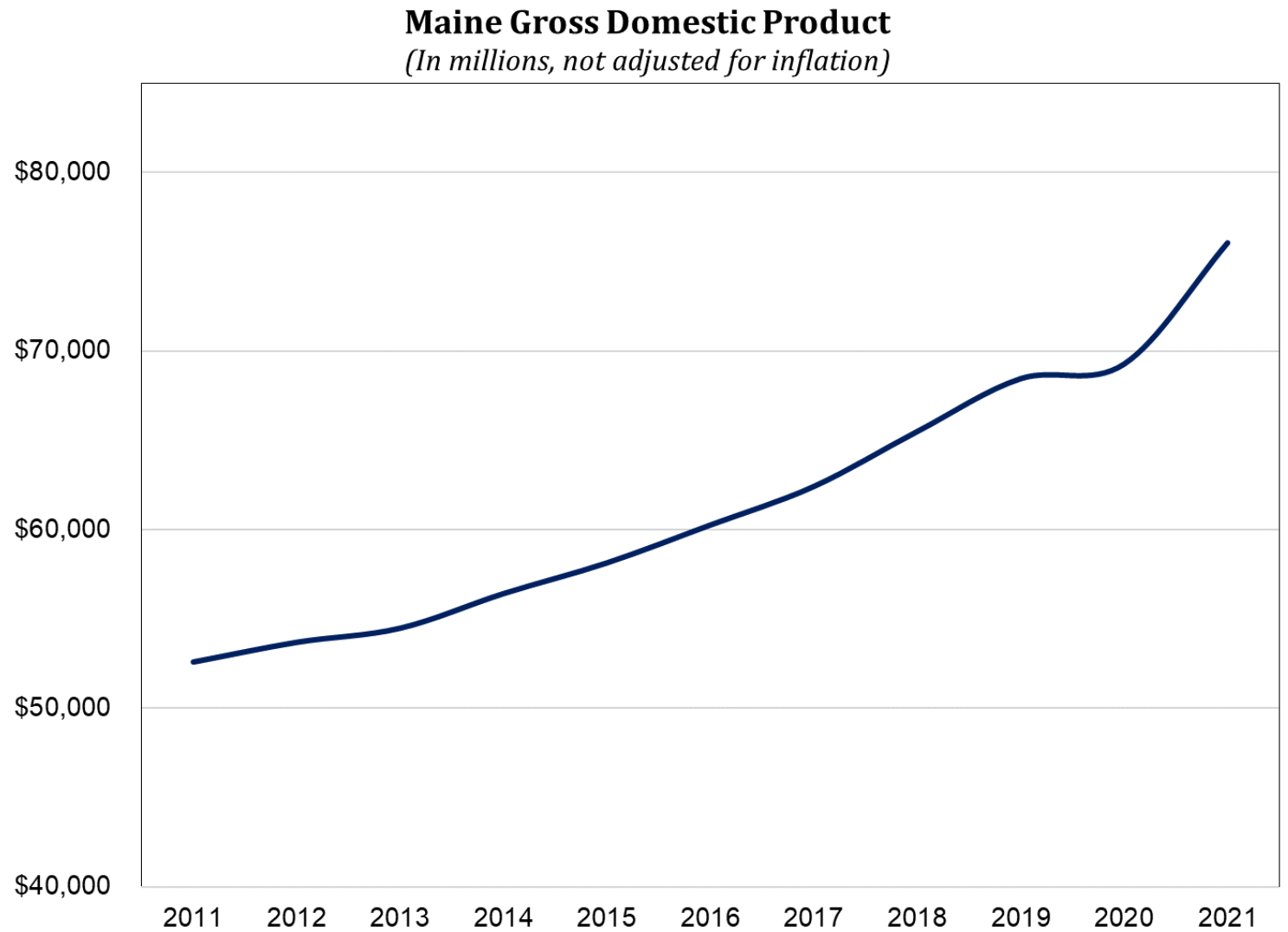
1. Statewide Labor Market Conditions
2. Labor Force Participation
3. Around the State



Statewide Labor Market Conditions

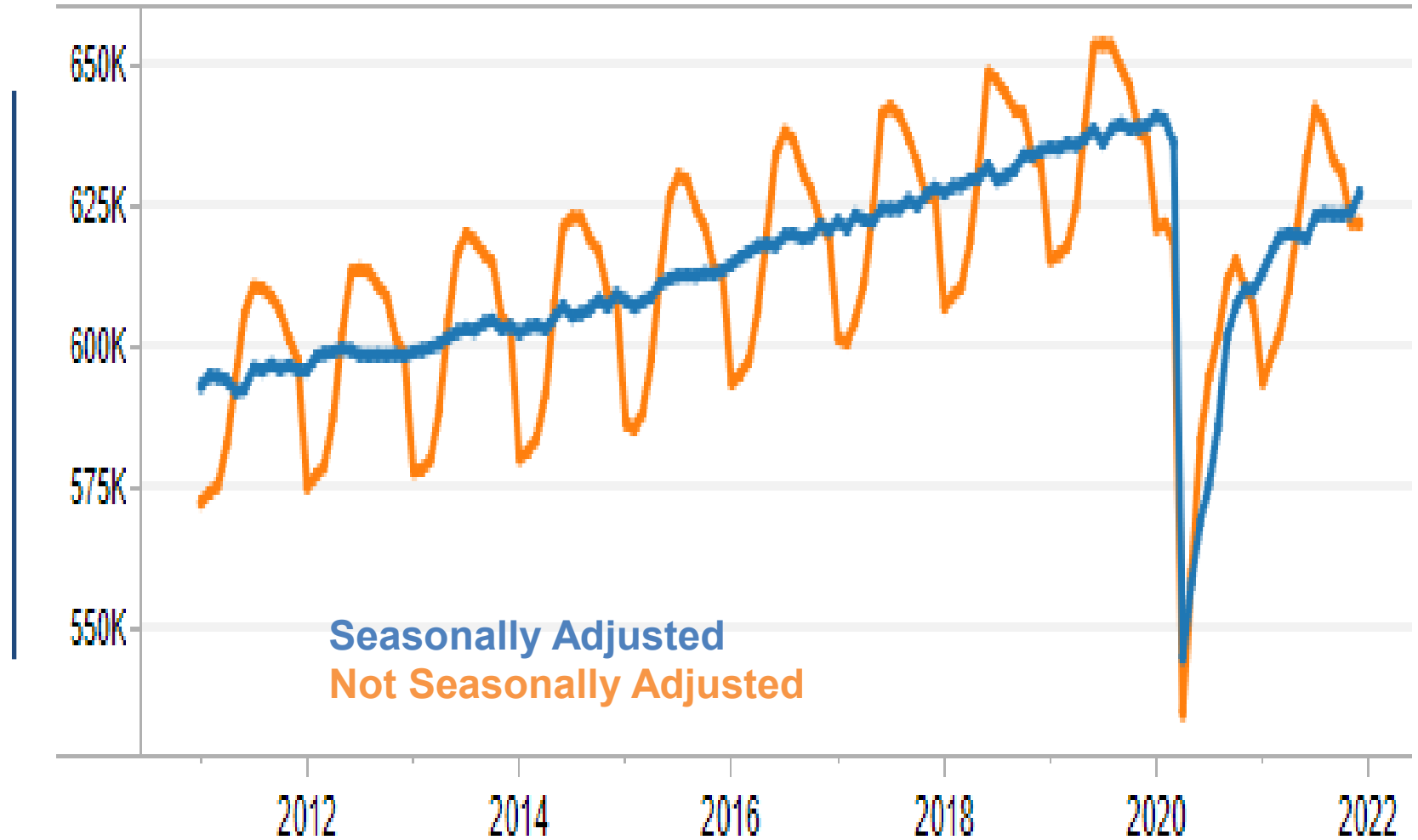
- Economic output increased and labor market conditions improved by nearly every measure in 2021.
- The number of jobs and unemployment approached pre-pandemic levels by the end of the year.
- Some sectors of the economy and areas of the state were closer to full recovery than others.

- Total output of the economy, measured by GDP, increased 10% to \$76 billion in 2021. This was a sharp increase after growth stalled in 2020 at the onset of the pandemic.



Nonfarm Wage and Salary Jobs

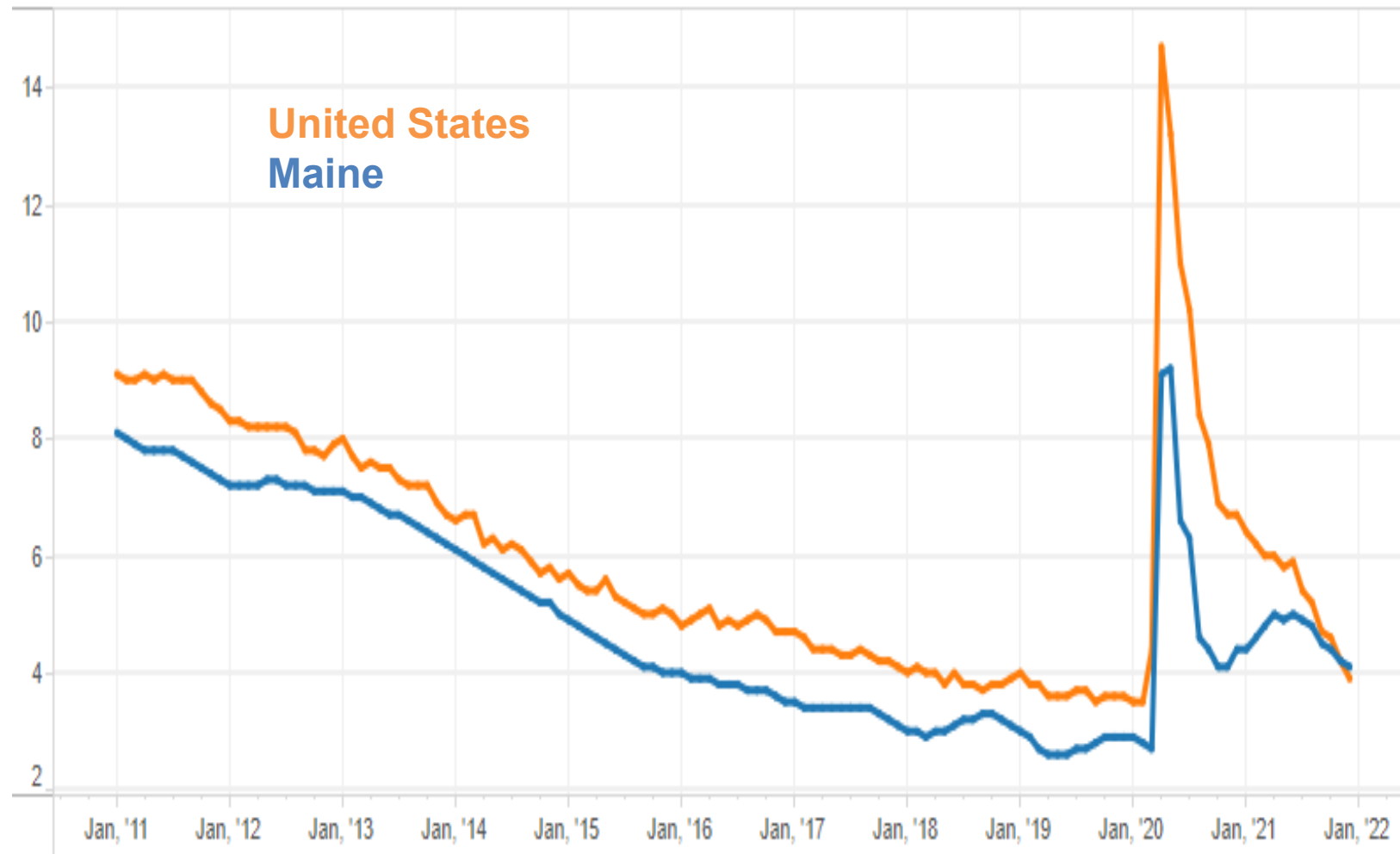
- Nonfarm jobs increased in 2021. Jobs remained lower than before the pandemic during the summer but approached 2019 levels by the end of the year.



Unemployment Rates

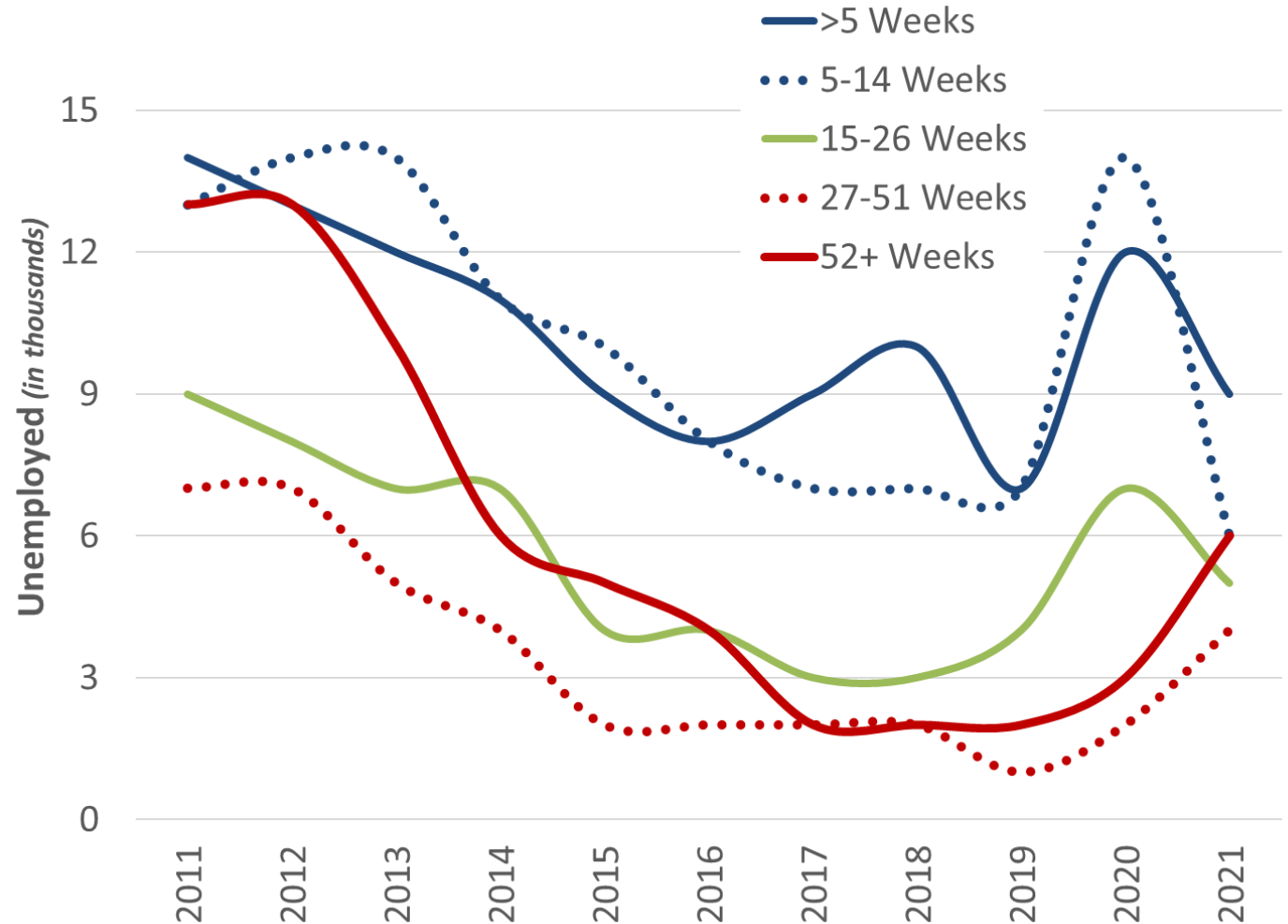
(Seasonally Adjusted)

- Unemployment increased somewhat in the early part of 2021 when some people returned to the labor force. It trended lower in the second half of year to around four percent – higher than immediately before the pandemic, but lower than the long-term average.



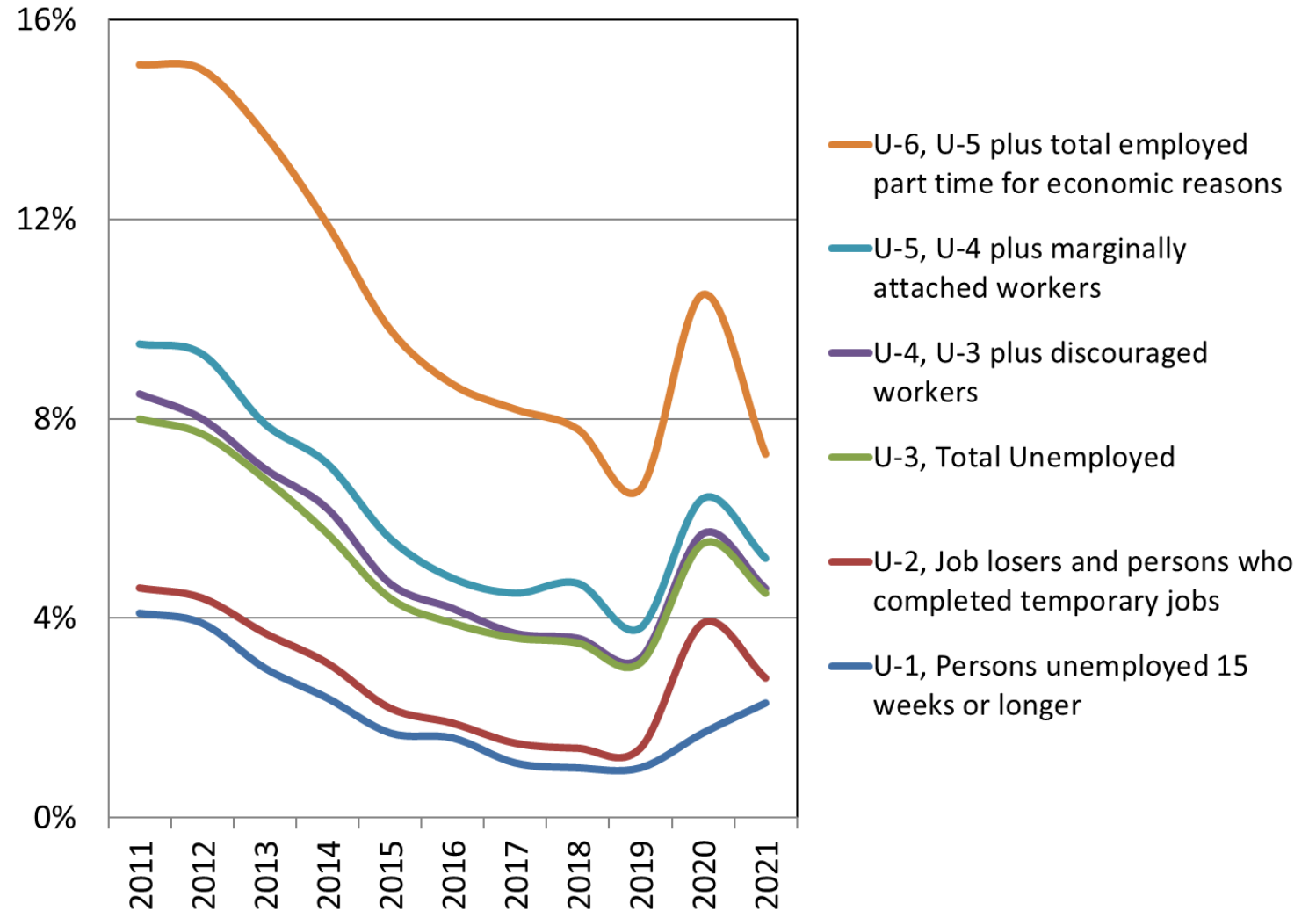
Duration of Unemployment

- The average duration of unemployment increased to 27 weeks in 2021. Though reliable monthly data is not available, duration undoubtedly was shorter toward the end of the year.
- Though the number of long-term unemployed increased during the year, fewer experienced prolonged periods of joblessness than a decade ago when the labor market was still recovering from the 2008 and 2009 recession.



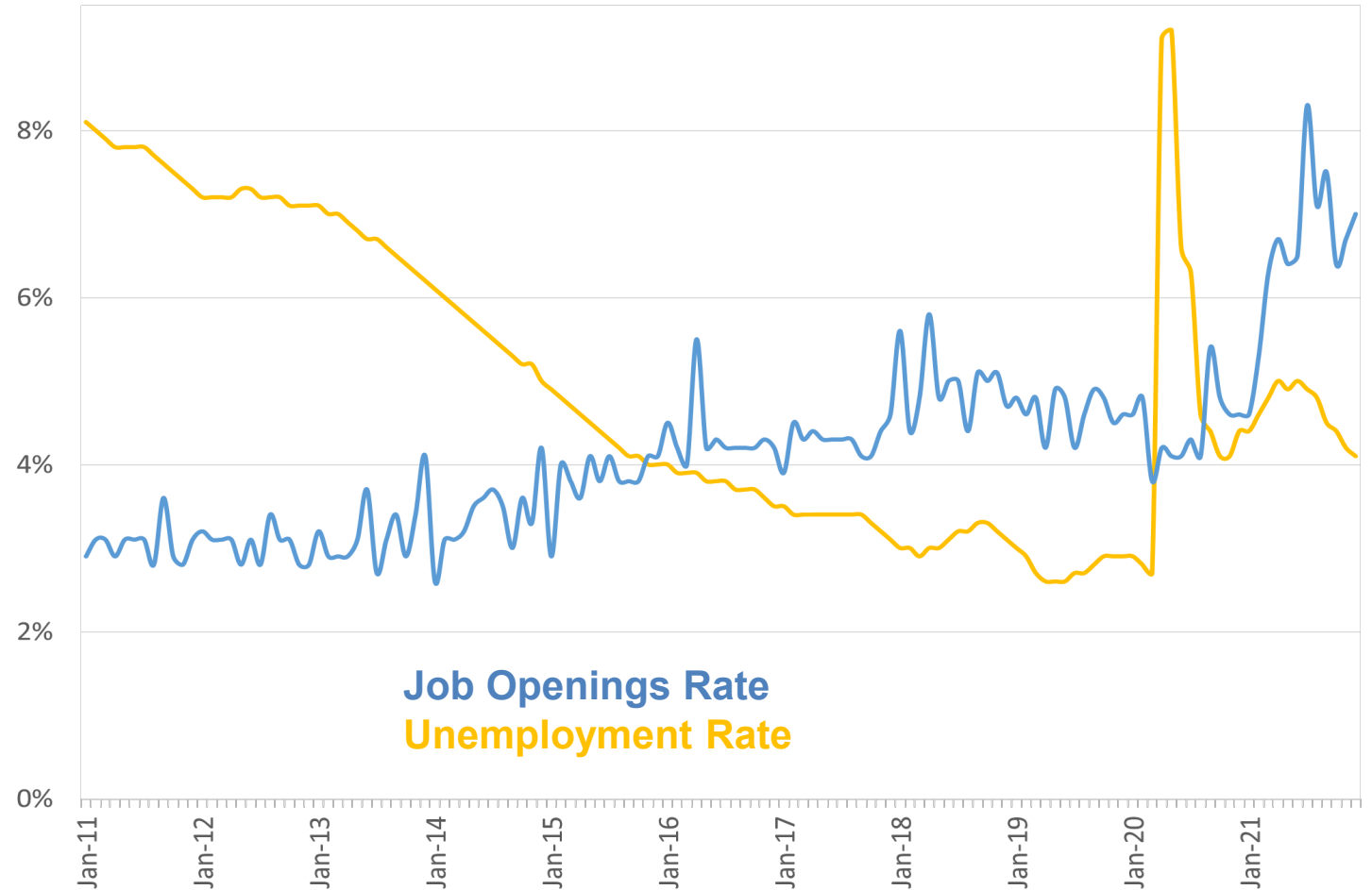
- The unemployment rate is the best known of six measures of labor underutilization. During 2021 unemployment and four of the other measures improved. The exception was an increase in people unemployed 15 or more weeks.
- The sharpest decrease was in the broadest measure, which adds those working part-time who prefer full-time employment to the unemployed and those that are marginally attached to the labor force.

Labor Underutilization



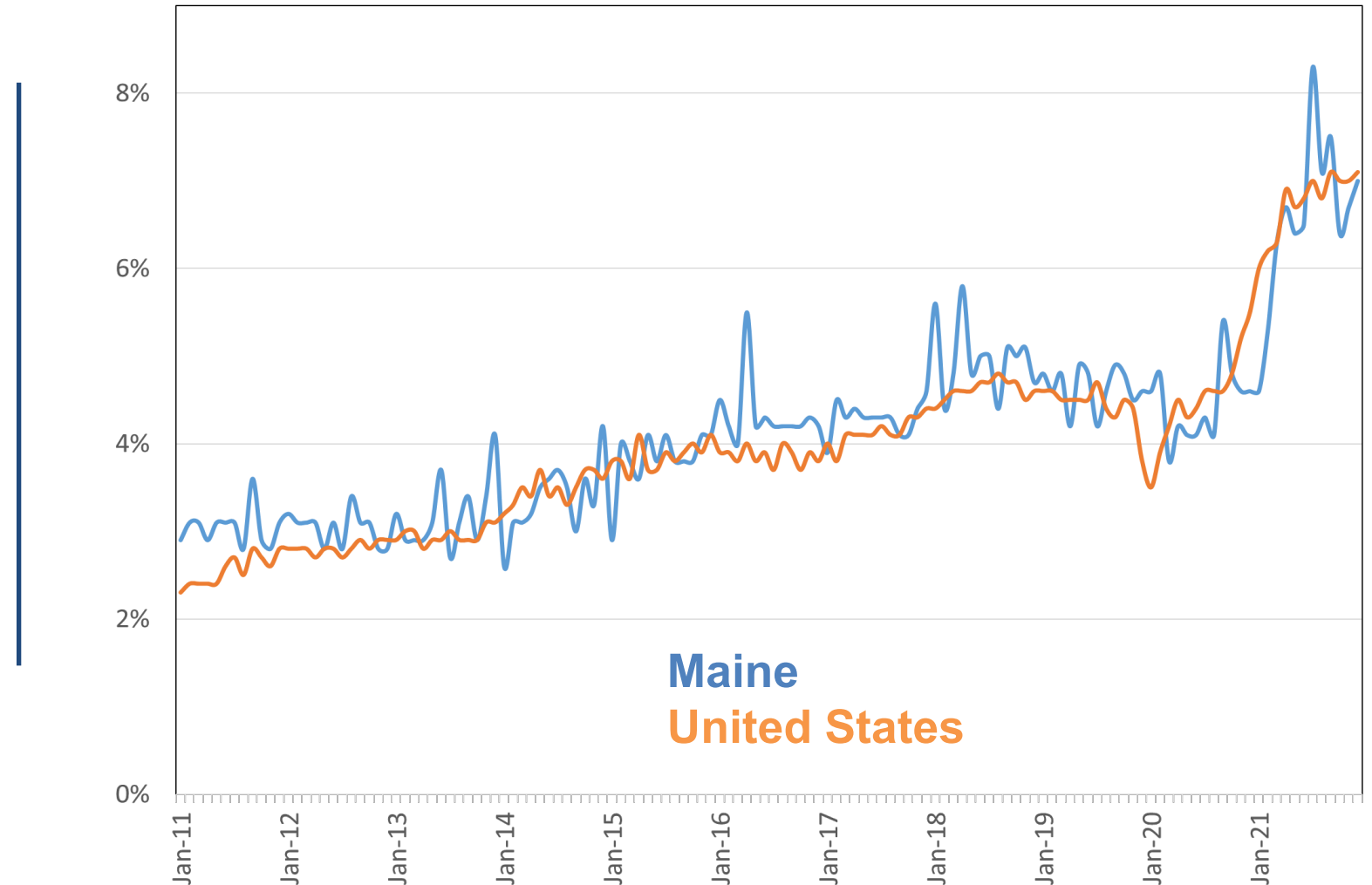
Unemployment and Job Openings Rates (Seasonally Adjusted)

- The strong economic recovery in 2021 that drove unemployment down also spiked the job openings rate to new highs as employers sought staff to meet rising demand.



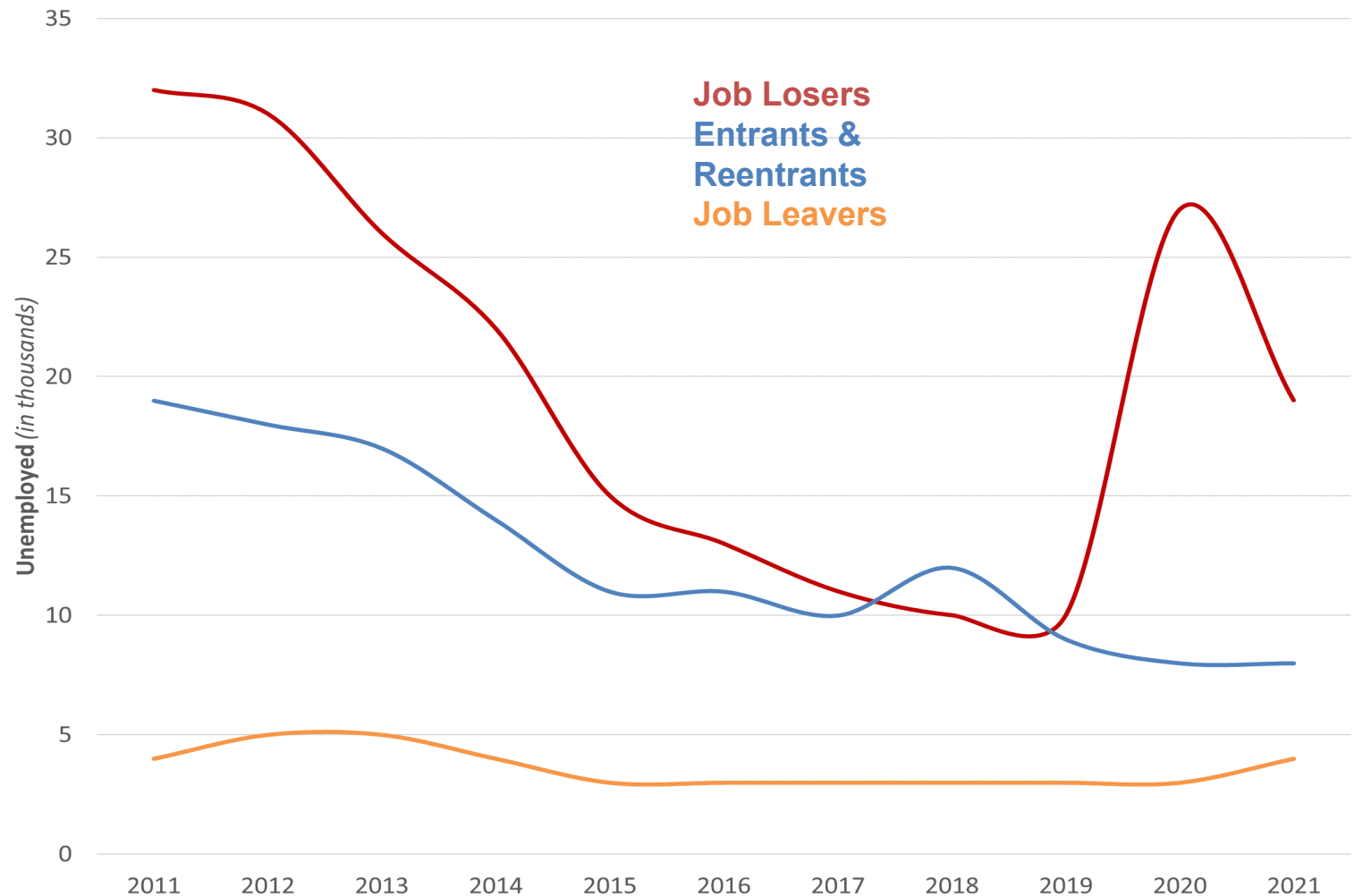
Job Openings Rates (Seasonally Adjusted)

- Rising numbers of job openings in Maine paralleled the national pattern during the year.



Job Entrants, Losers and Leavers

- The number of people that were unemployed because they lost their job decreased in 2021. The total remained higher than in the four years preceding the pandemic, but well below levels from a decade earlier.
- The numbers of unemployed because they entered or reentered the labor force, or because they left a job did not change much in the year.

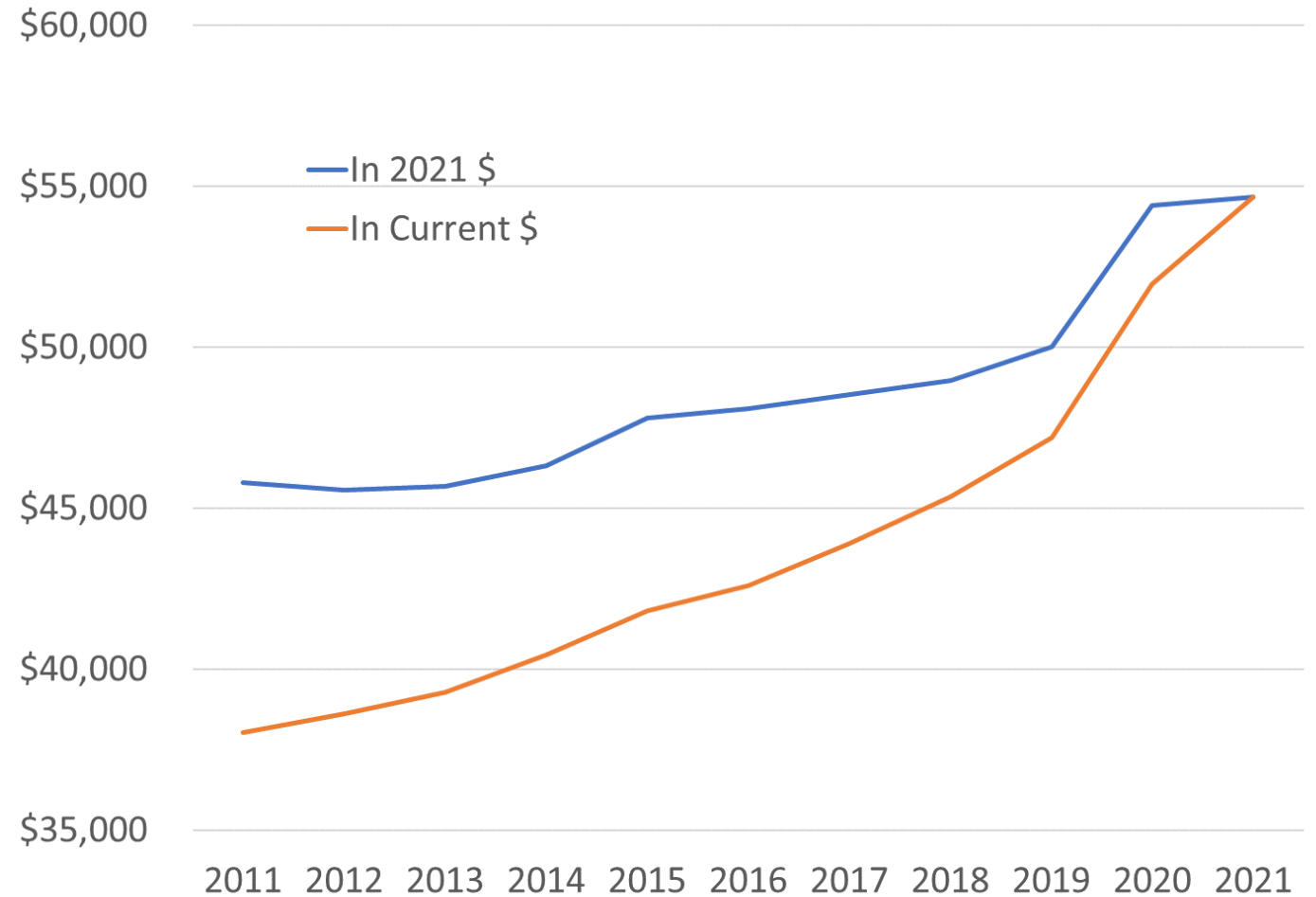


Wage & Income Growth

- Wages continued to increase at a historically high rate in 2021.
- Some of the fastest rates of increase were in industries with the lowest average pay, including leisure and hospitality.
- Per capita personal income also continued to rise during the year.

- Average wages continued the trend of rapid gains in 2021.
- The 5.2 percent increase in average wages exceeded the 4.7 percent increase in the Consumer Price Index. (The sharp run-up in inflation began in the latter part of the year and continued into 2022.)

Average Annual Wages



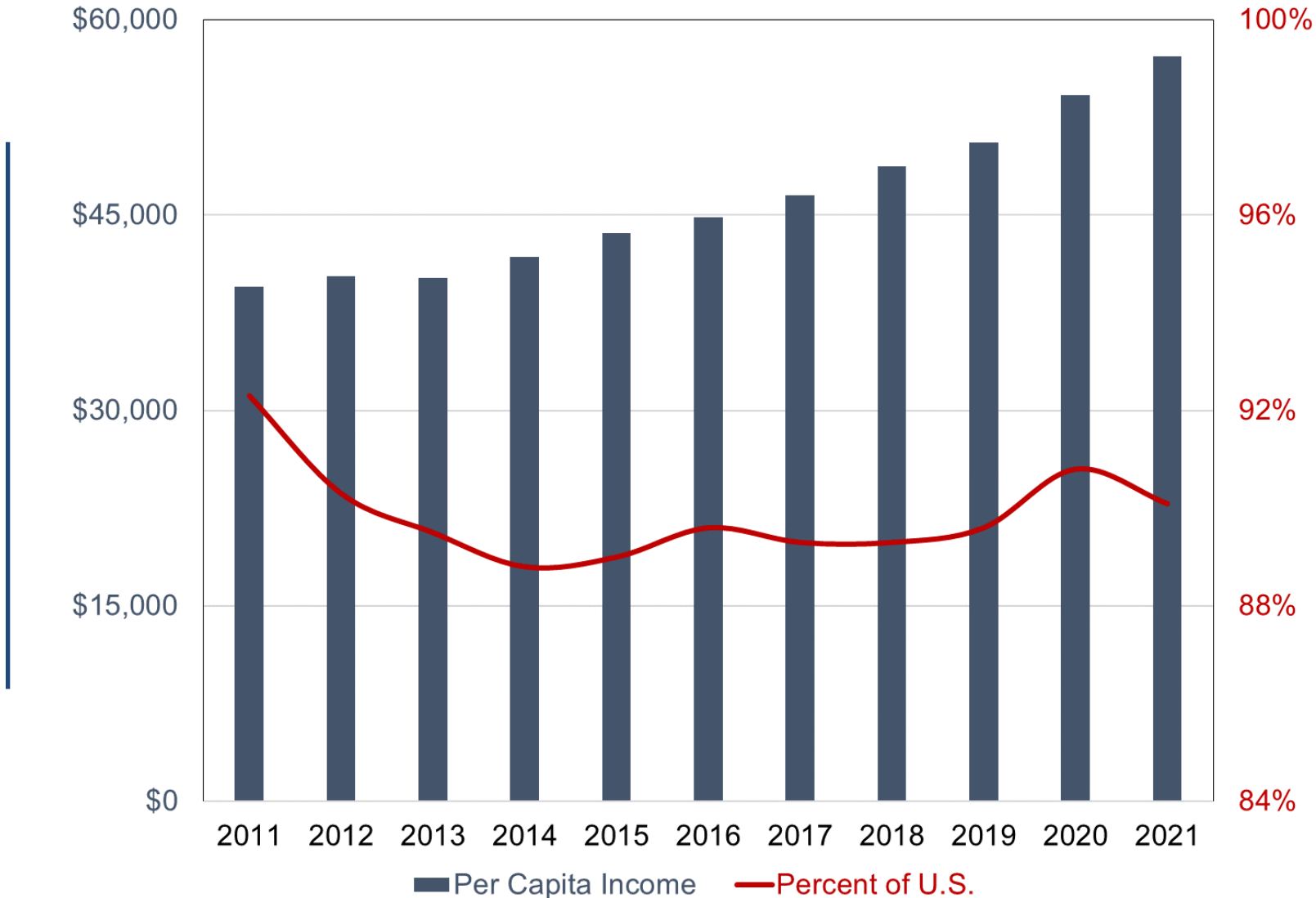
Jobs and Wages by Sector

- Average wages increased in all sectors during the year. The strongest gain was in leisure and hospitality, as employers sought to attract staff back to the industry after many were closed for a period in 2020.

Sector	2021 Averages		Change in Avg Wage from 2020
	Jobs	Annual Wage	
Total, All Industries	514,932	\$54,626	5.4%
Leisure & Hospitality	60,252	\$28,377	13.2%
Wholesale Trade	19,081	\$80,370	9.7%
Professional & Business Services	72,961	\$72,281	9.1%
Information	6,667	\$70,201	9.0%
Financial Activities	30,196	\$82,457	8.8%
Retail Trade	79,334	\$35,531	5.8%
Transportation and Warehousing	15,927	\$49,892	5.4%
Construction	31,870	\$58,180	4.7%
Health Care and Social Assistance	103,451	\$56,481	4.4%
Other Services, Except Public Administration	16,641	\$41,291	4.0%
Transportation, Warehousing Utilities	17,596	\$54,051	4.0%
Natural Resources & Mining	8,636	\$42,336	2.1%
Educational Services	12,705	\$51,544	1.8%
Manufacturing	53,728	\$61,914	0.3%

Per Capita Personal Income

- Per capita personal income increased to over \$57,000.
- PCPI in Maine was 90 percent of national level, similar to previous years.

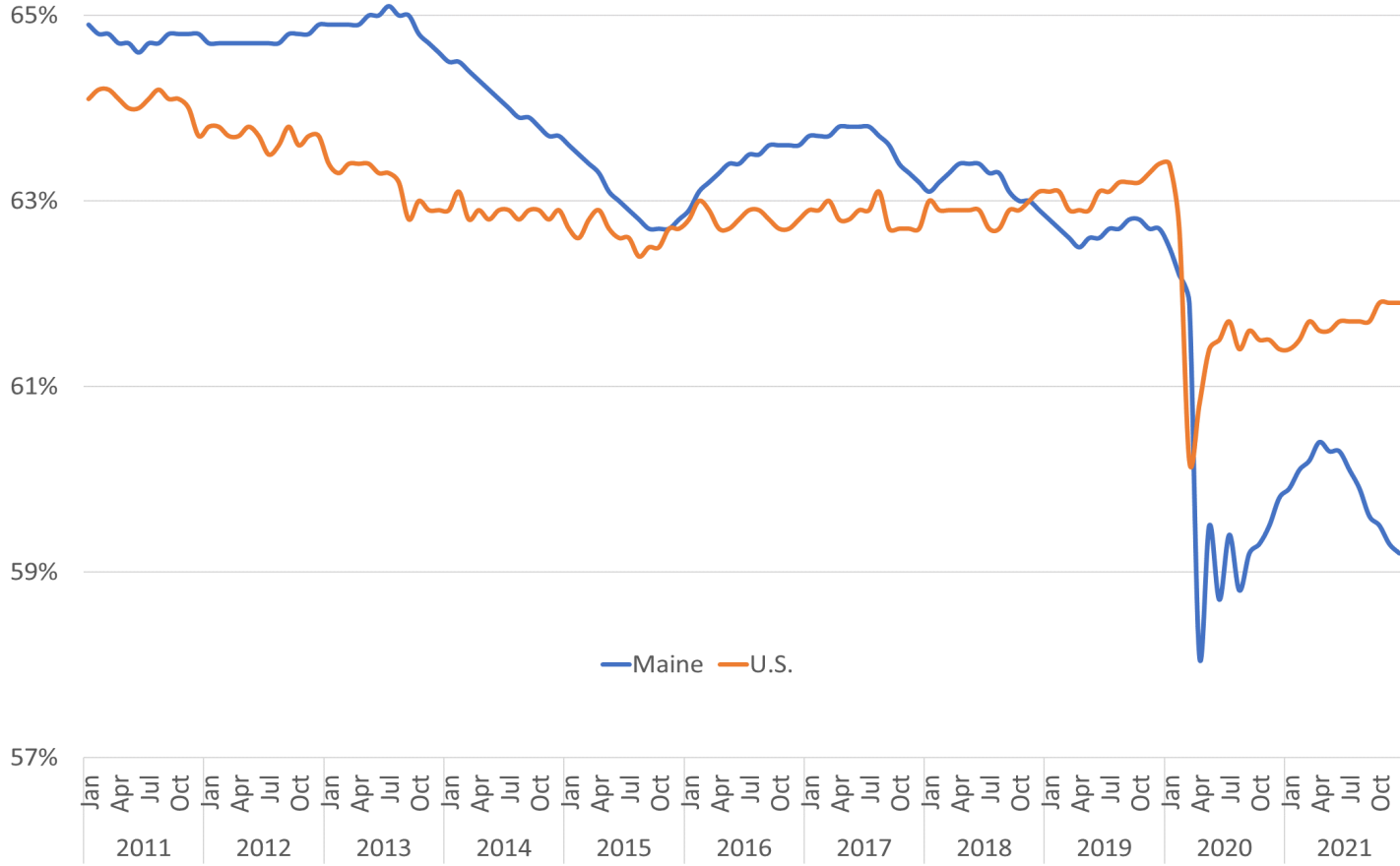


Labor Force Participation

- Labor force participation increased from 2020 lows but remained below pre-pandemic rates both in Maine and the U.S. in 2021.
- Participation is higher in Maine than the nation in most age groups.
- The rising share of retired population is the primary factor in lower participation in the state.
- A higher share of retirement age population is the reason total labor force participation is lower in Maine than the nation.

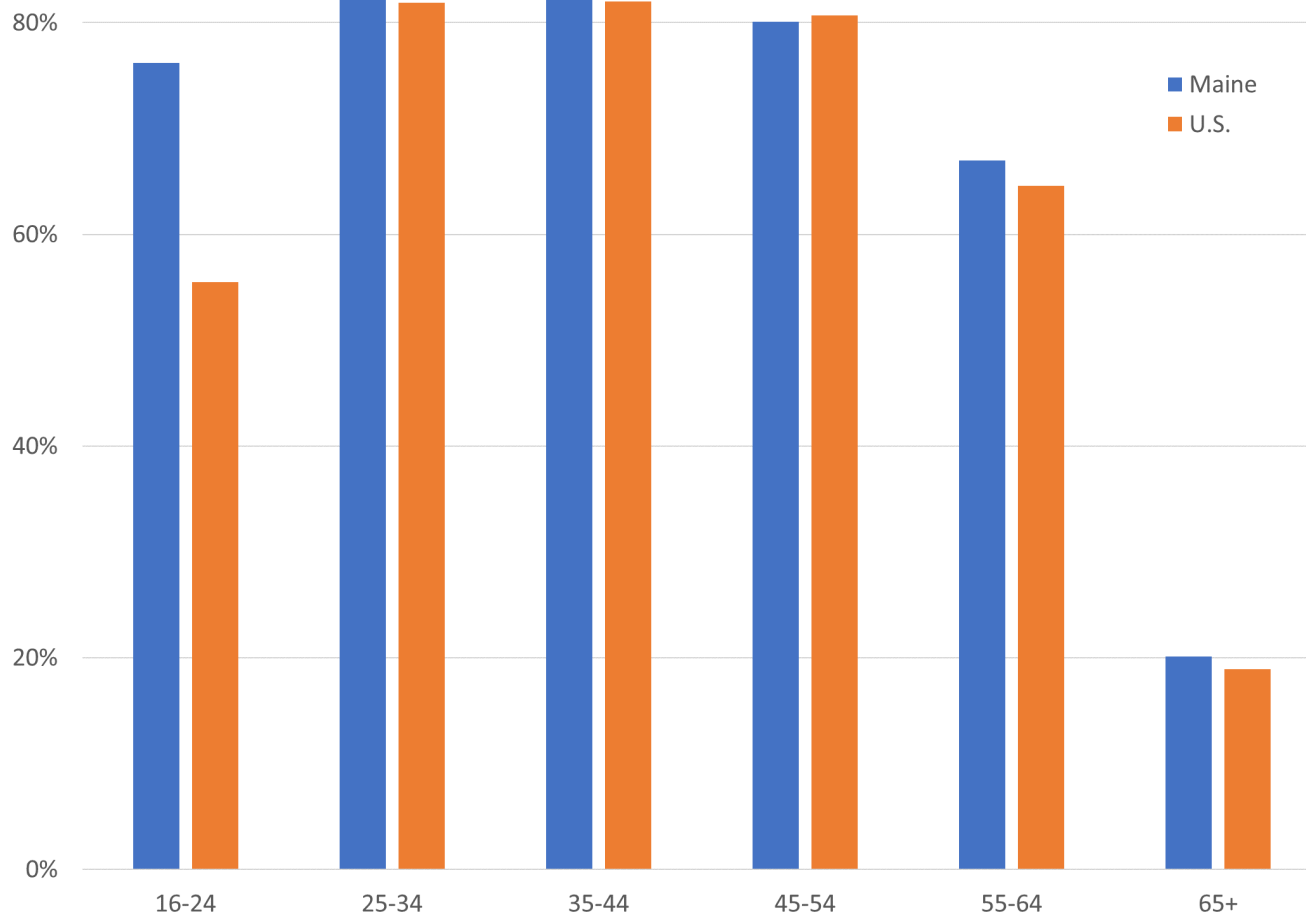
Labor Force Participation Rate *(Seasonally Adjusted)*

- The labor force participation rate for the age 16 and over population continued to move in a variable pattern in the second year of the pandemic, moving higher then lower throughout 2021.



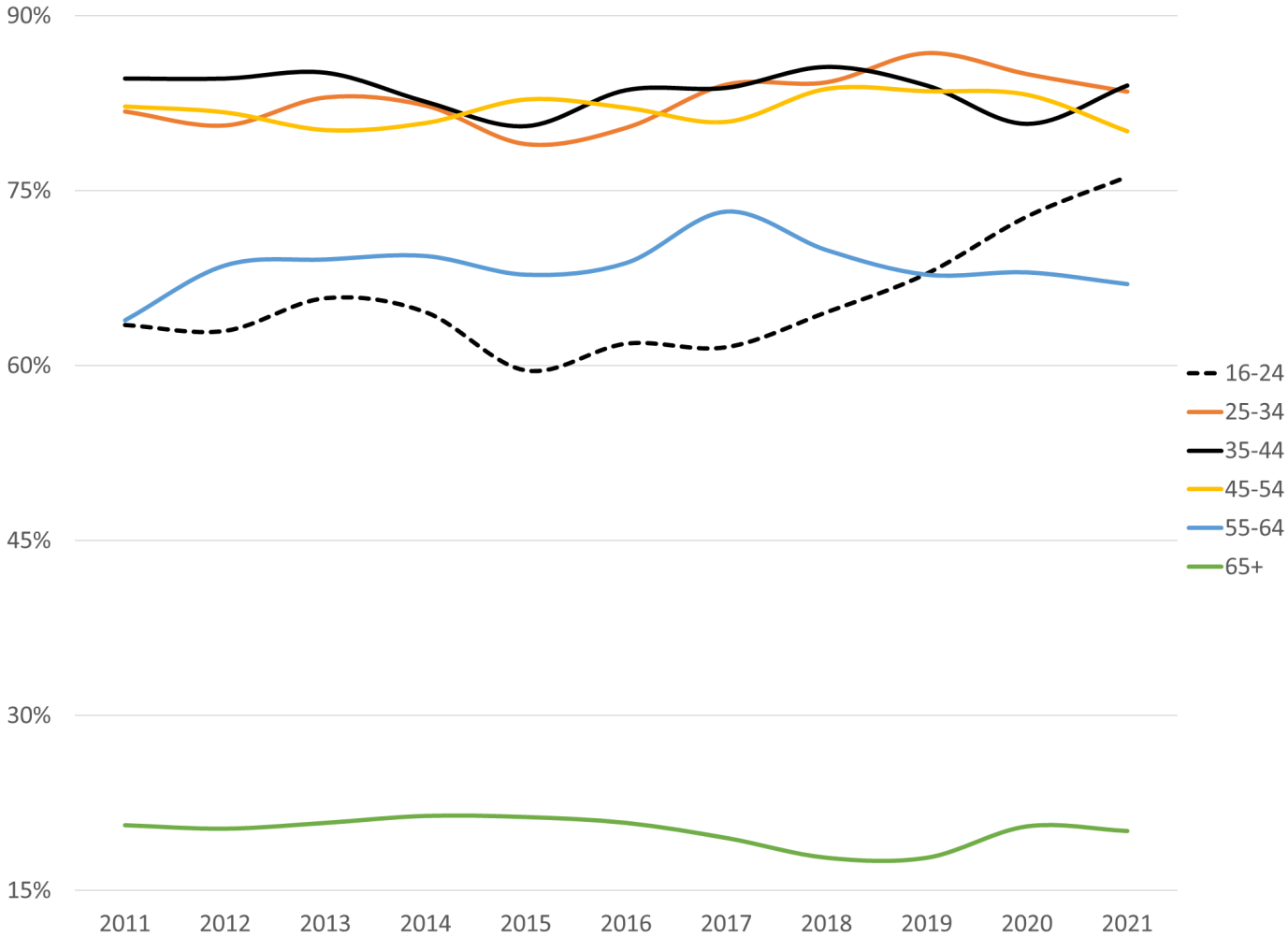
Labor Force Participation by Age Group in 2021

- Labor force participation in Maine was above or at the national rate in every age cohort, especially among young people.
- The total participation rate is lower than for the nation because the population is older and a higher share are retired.



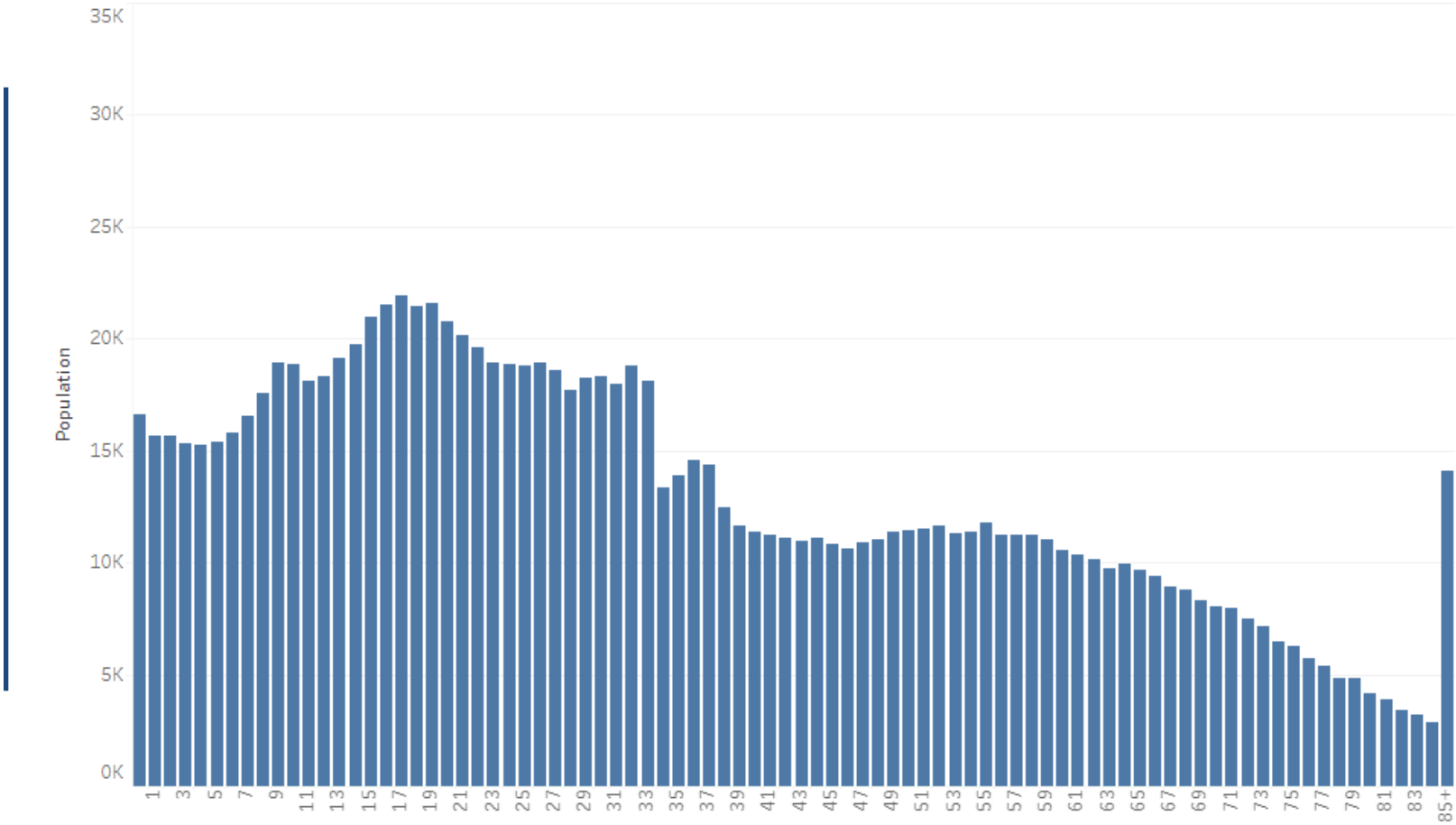
Labor Force Participation Rates by Age

- Labor force participation in Maine has not changed much for age groups age 25 and over, while it has steadily increased among young people in the last five years.
- The reason that labor force participation is lower today than it was one and two decades ago is that the age structure of the population has changed, with more people retirement age and fewer in their peak years of attachment to work.



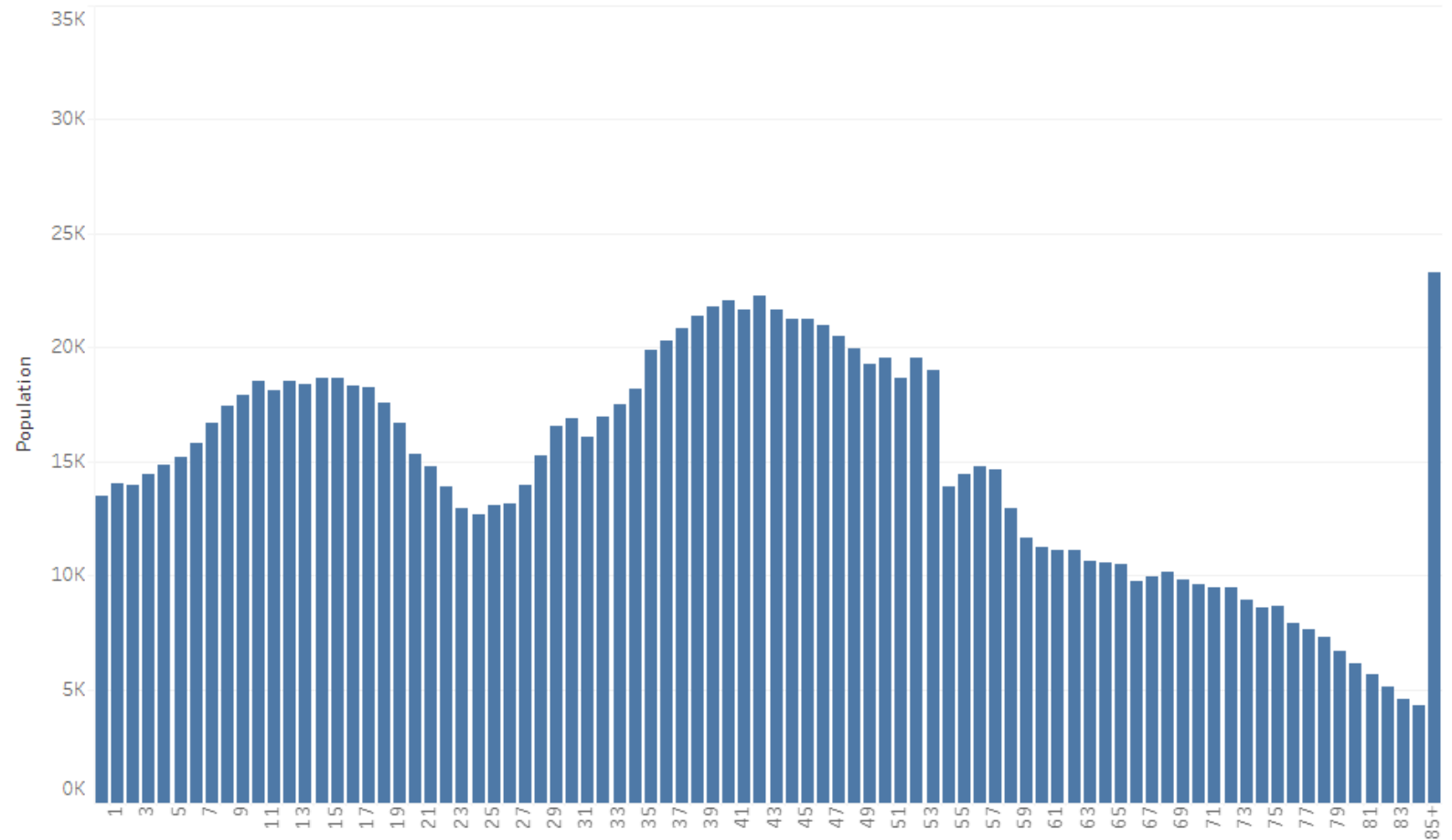
1980 Population by Year of Age

- A large share of the population was young 40 years ago.



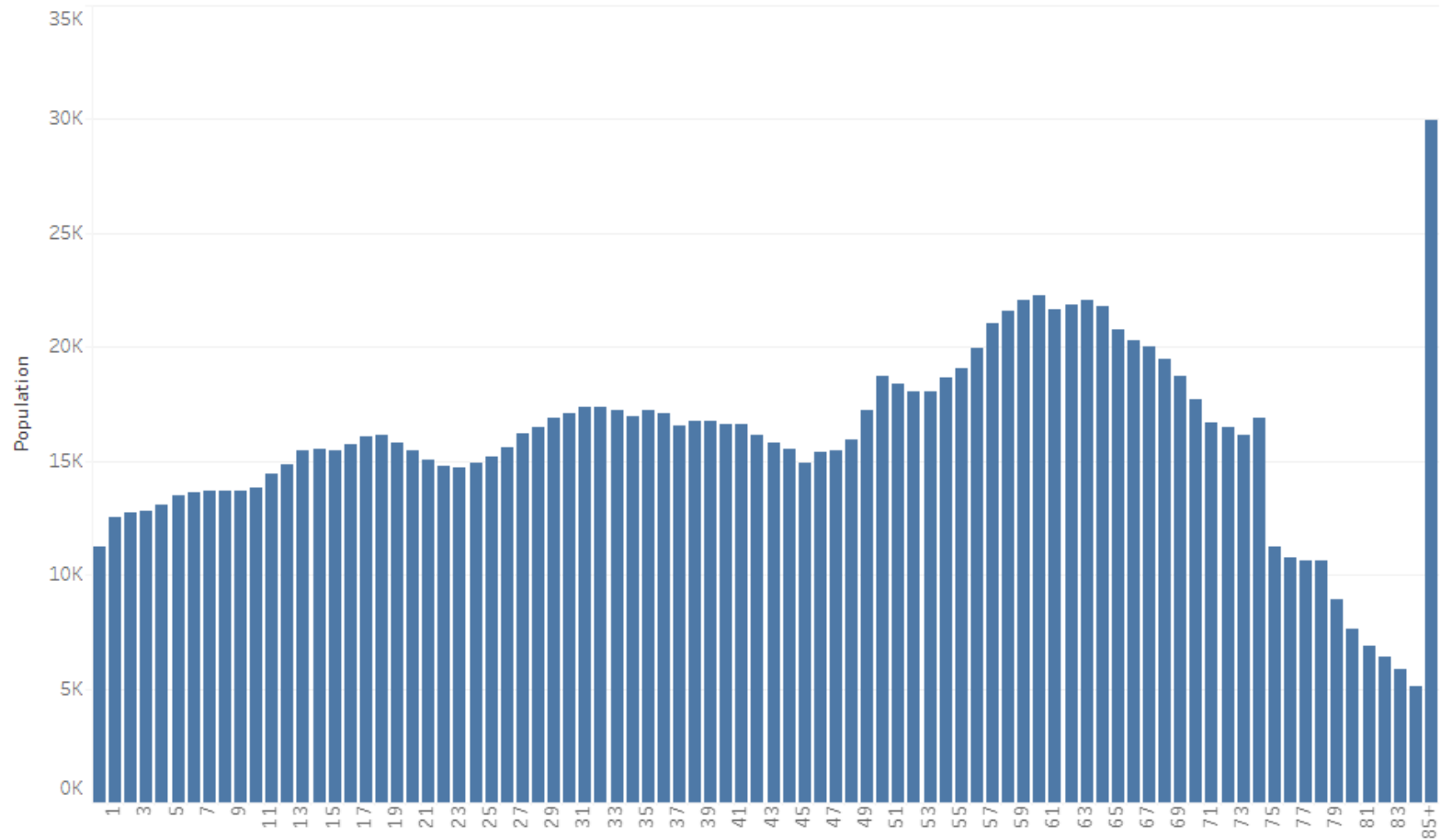
2000 Population by Year of Age

- Labor force participation peaked in 2000 when the large baby boom generation was 36 to 54 years old.



2021 Population by Year of Age

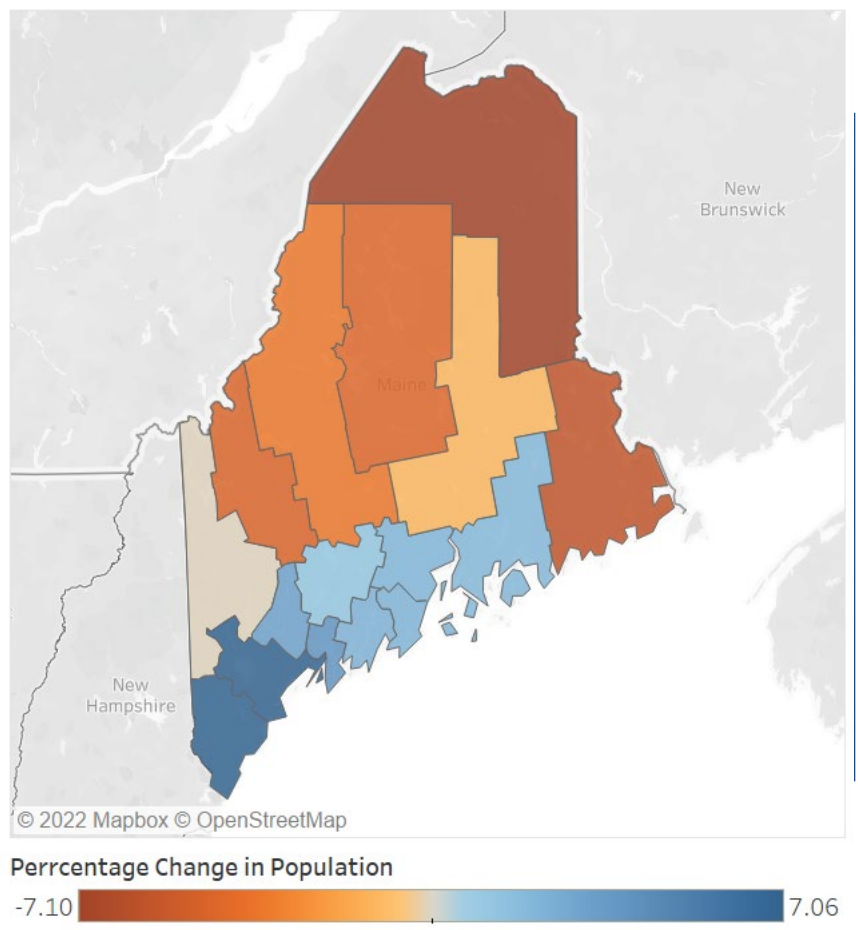
- In 2021 baby boomers were 57 to 76. Many were retired and many others were approaching retirement.
- The number of young people who will age into the labor force to replace them is much smaller.



Around the State

- Unemployment, labor force participation, and educational attainment are uneven across the state.
- Conditions are generally better in the south and along the coast where the economic structure is most diverse.
- Conditions generally are less favorable in the northern part of the state where the economic structure is less diverse and the population is older.

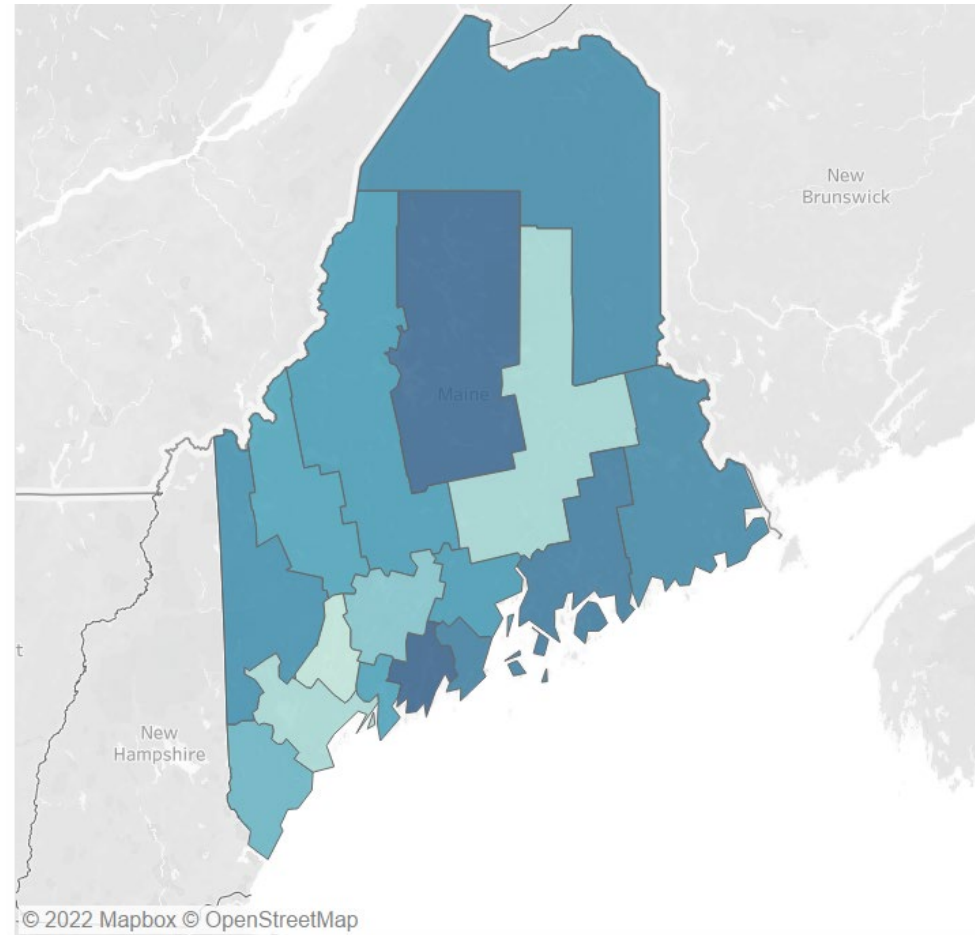
Population Change by County 2010 to 2020 Census



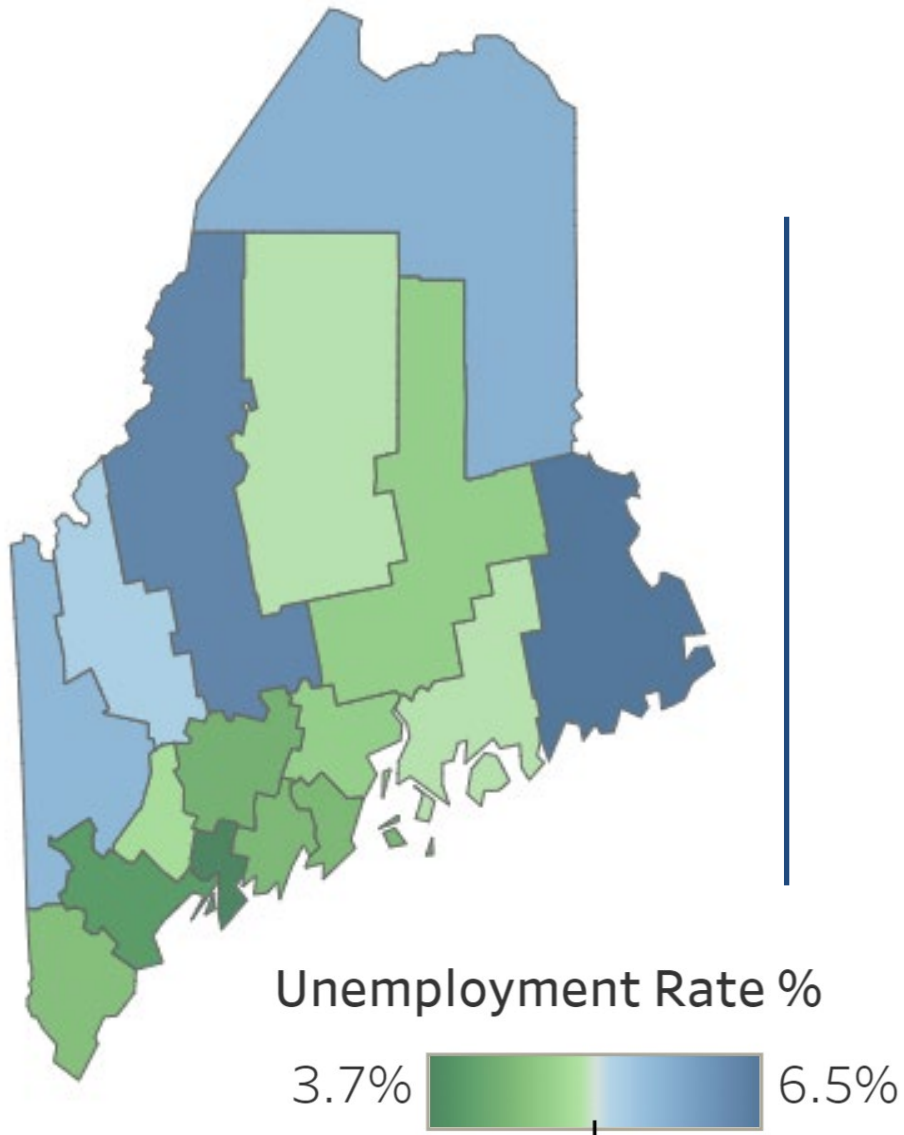
Area	Percent Change	2020 Share of State total
Maine	2.5%	100.0%
Cumberland County	7.1%	22.2%
York County	7.0%	15.6%
Sagadahoc County	3.8%	2.7%
Androscoggin County	3.1%	8.2%
Lincoln County	2.2%	2.6%
Knox County	2.1%	3.0%
Waldo County	2.1%	2.9%
Hancock County	1.9%	4.1%
Kennebec County	1.2%	9.1%
Oxford County	-0.1%	4.2%
Penobscot County	-1.1%	11.2%
Somerset County	-3.5%	3.7%
Piscataquis County	-4.4%	1.2%
Franklin County	-4.5%	2.2%
Washington County	-5.7%	2.3%
Aroostook County	-7.1%	4.9%

2021 Median Age by County

County	Median Age
Lincoln	51.2
Piscataquis	50.8
Hancock	49.4
Knox	49.1
Washington	48.5
Aroostook	48.3
Oxford	47.8
Waldo	47.1
Somerset	47
Sagadahoc	46.6
Franklin	46.4
York	45.1
Kennebec	43.9
Penobscot	42.3
Cumberland	42.1
Androscoggin	41



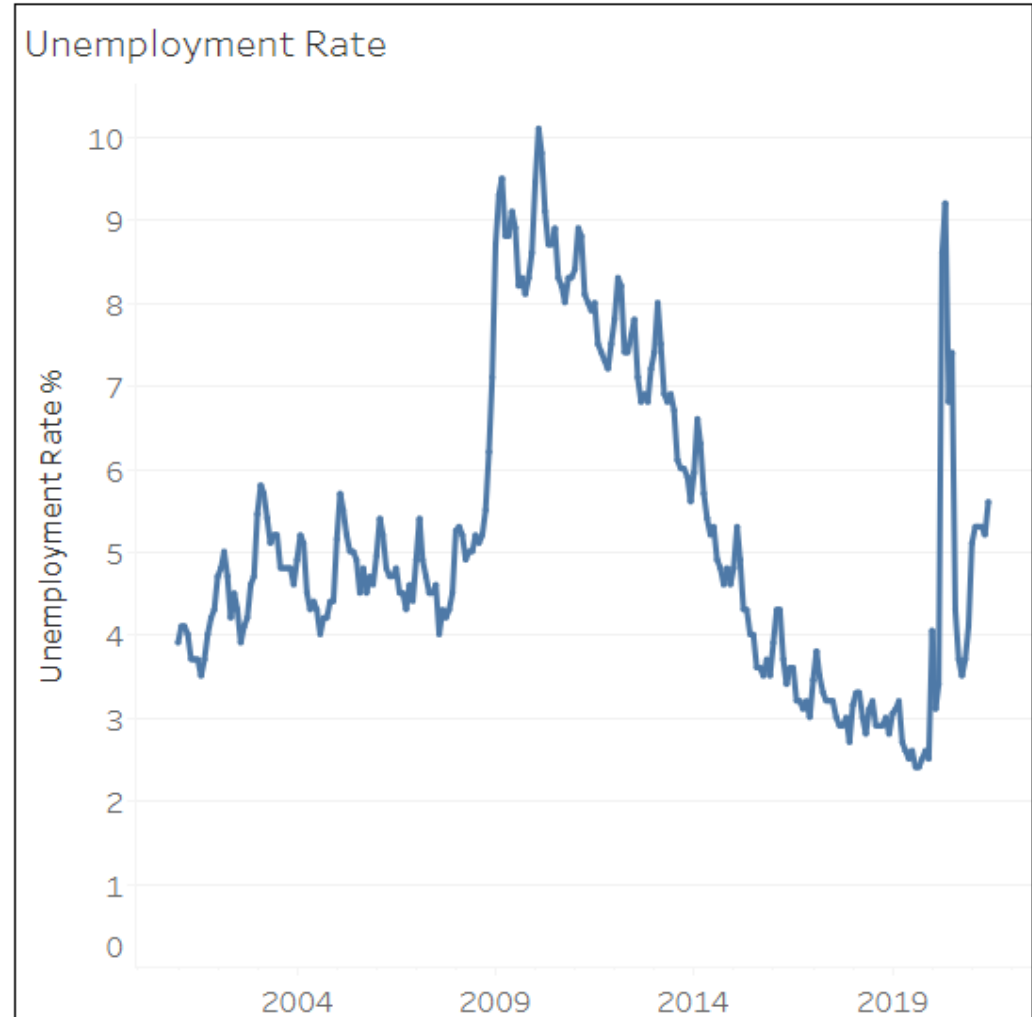
2021 Unemployment Rates by County



- Unemployment was lower along the coast and I-95 corridor
- It was higher in the rim region of the state

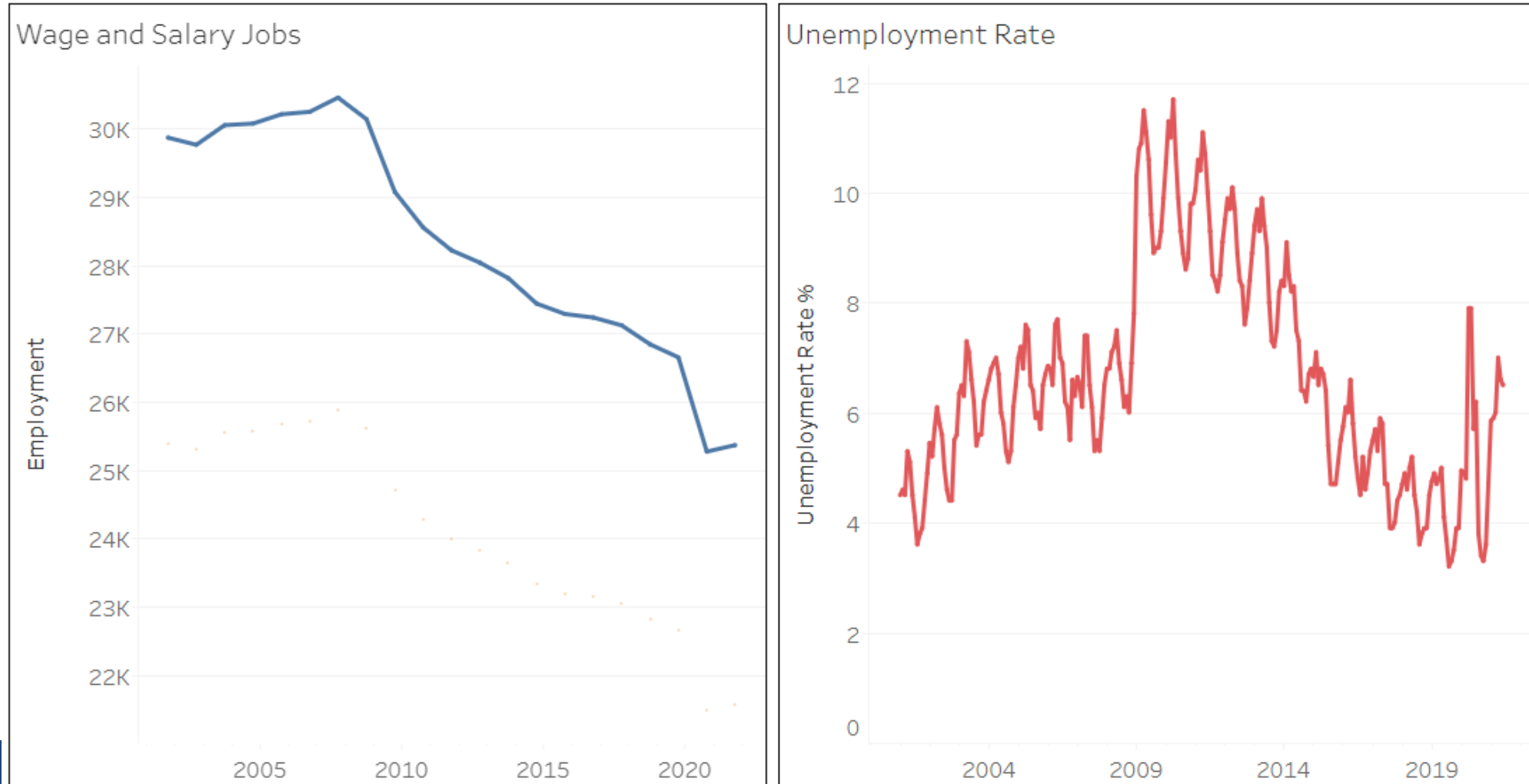
Androscoggin

Jobs rebounded in 2021 but remained below 2019 levels. The unemployment rate has generally tracked the statewide average. The area has somewhat less seasonality than the state as a whole.



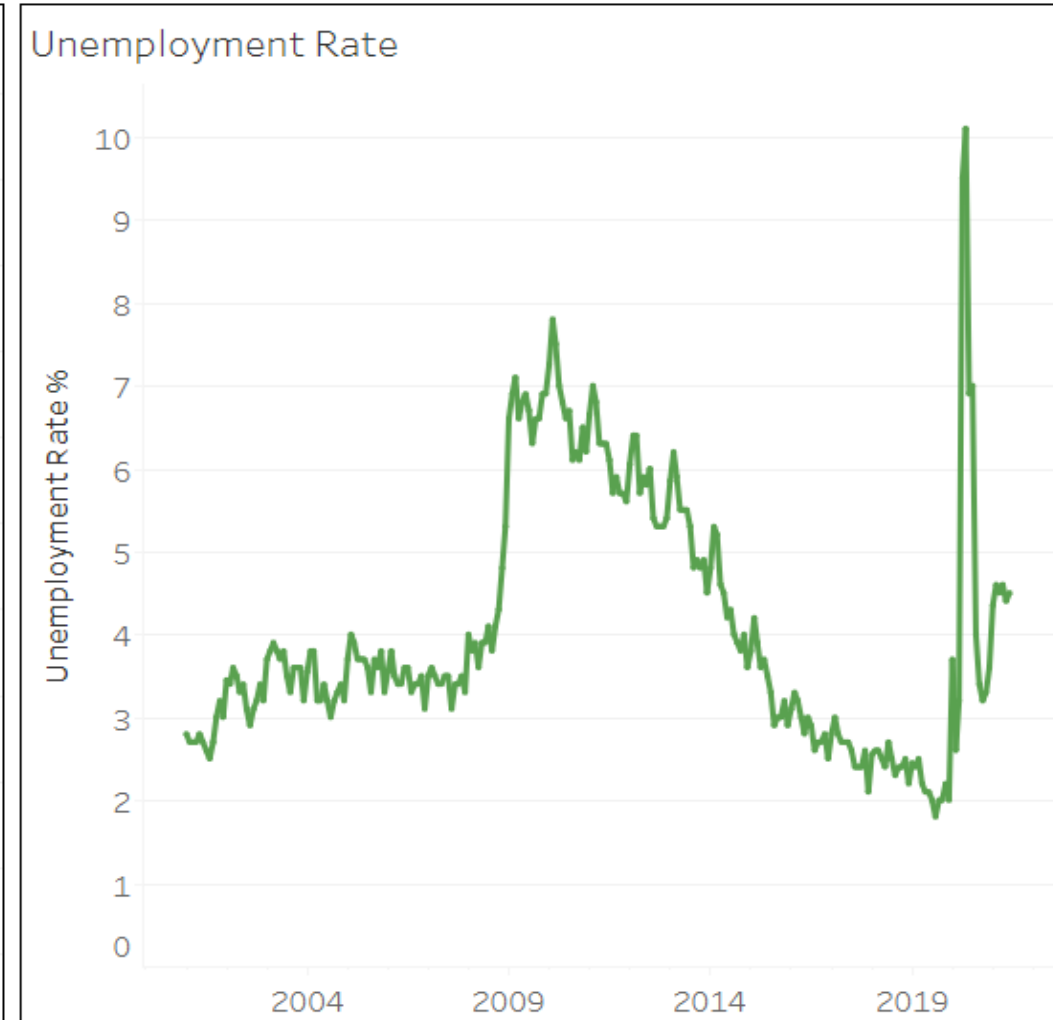
Aroostook

The number of jobs was relatively unchanged in 2021, though the long-term trend has been downward. The unemployment rate has consistently been higher than the statewide average with greater seasonal variation.

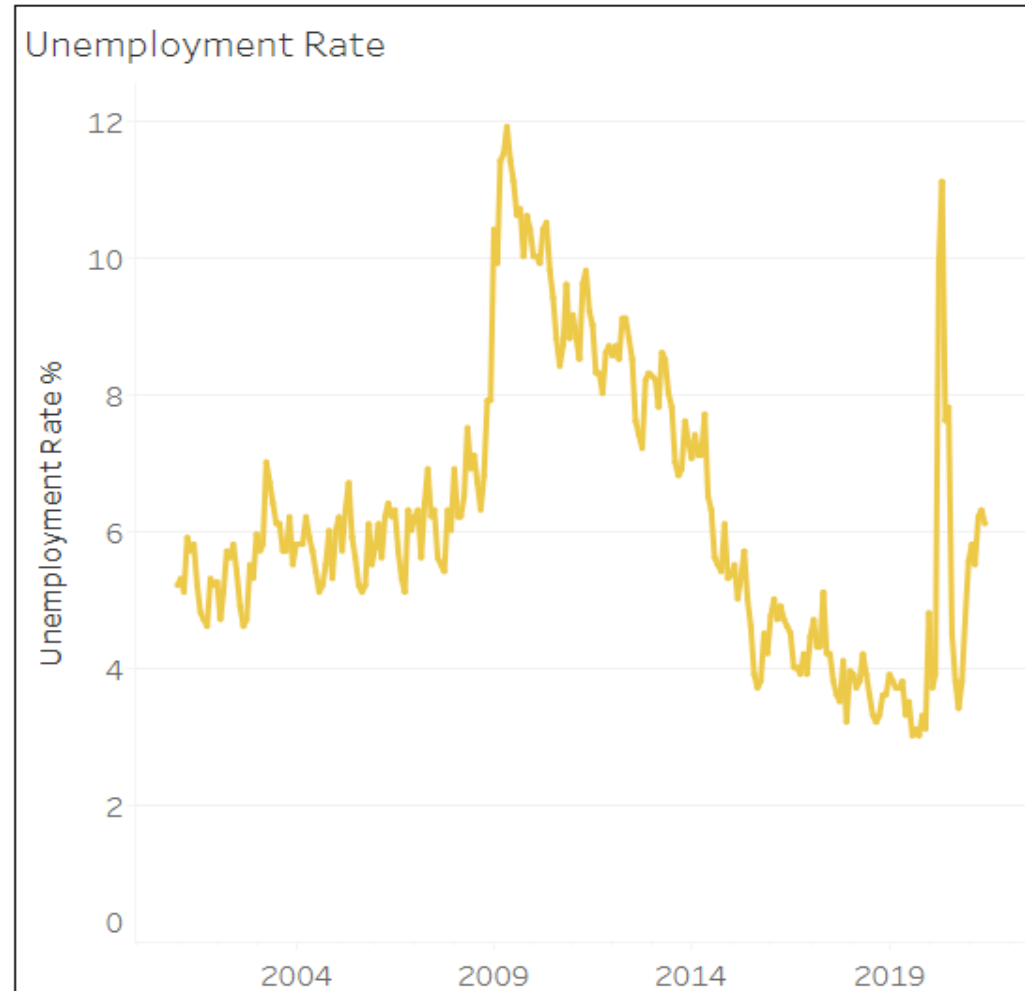
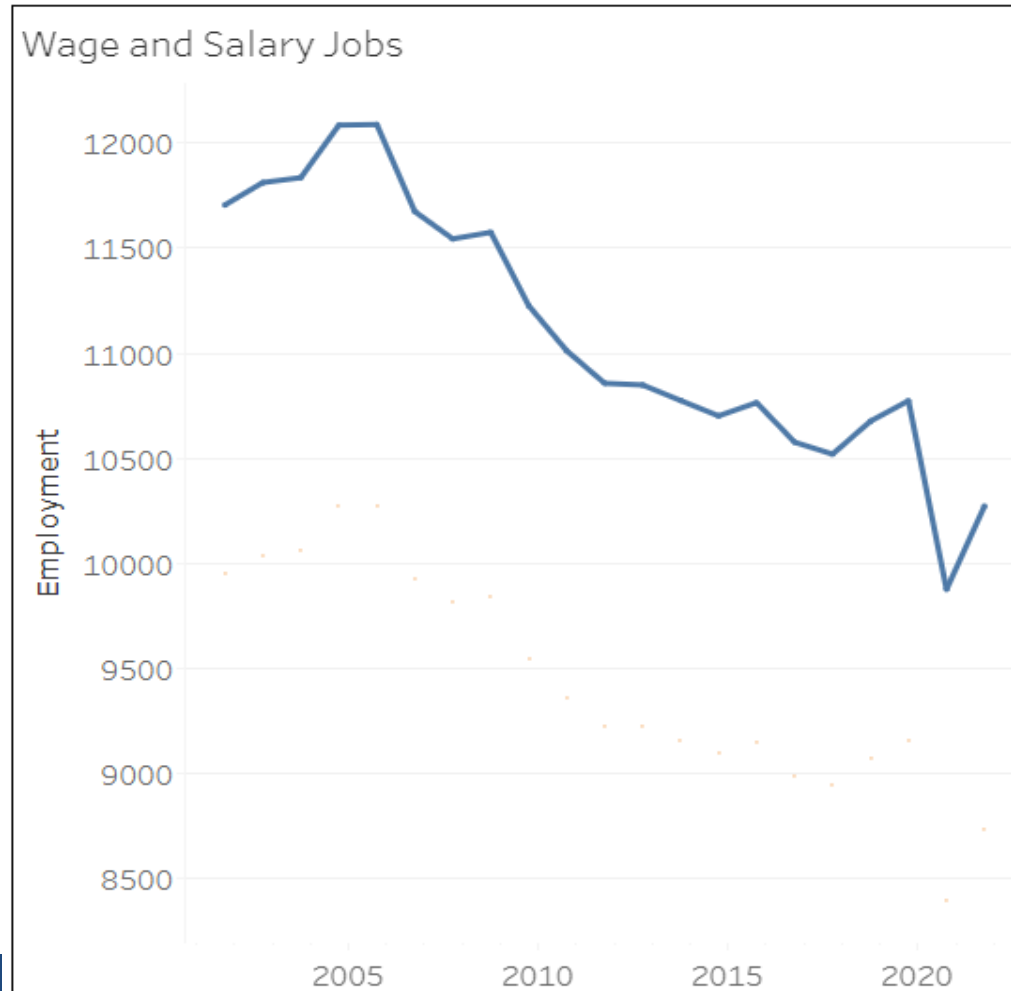


Cumberland

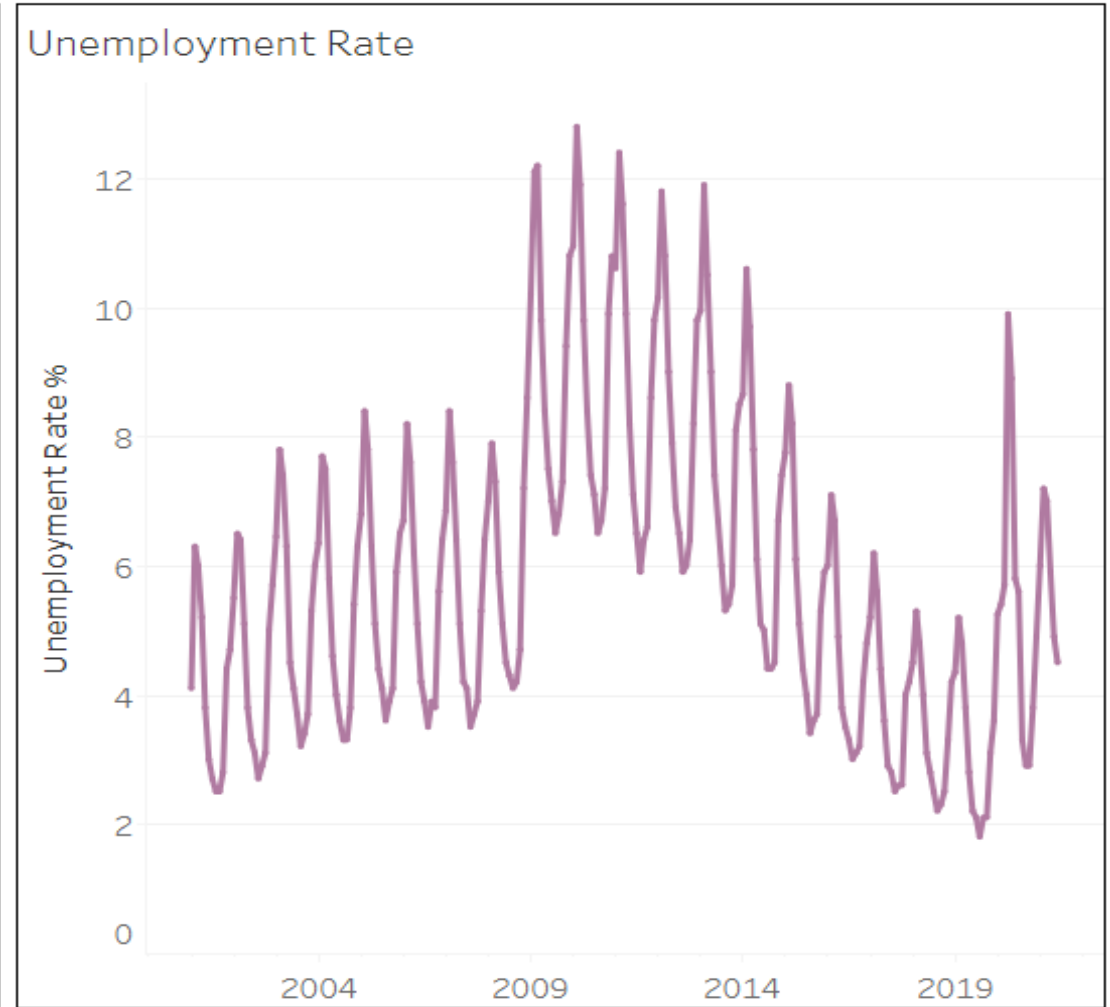
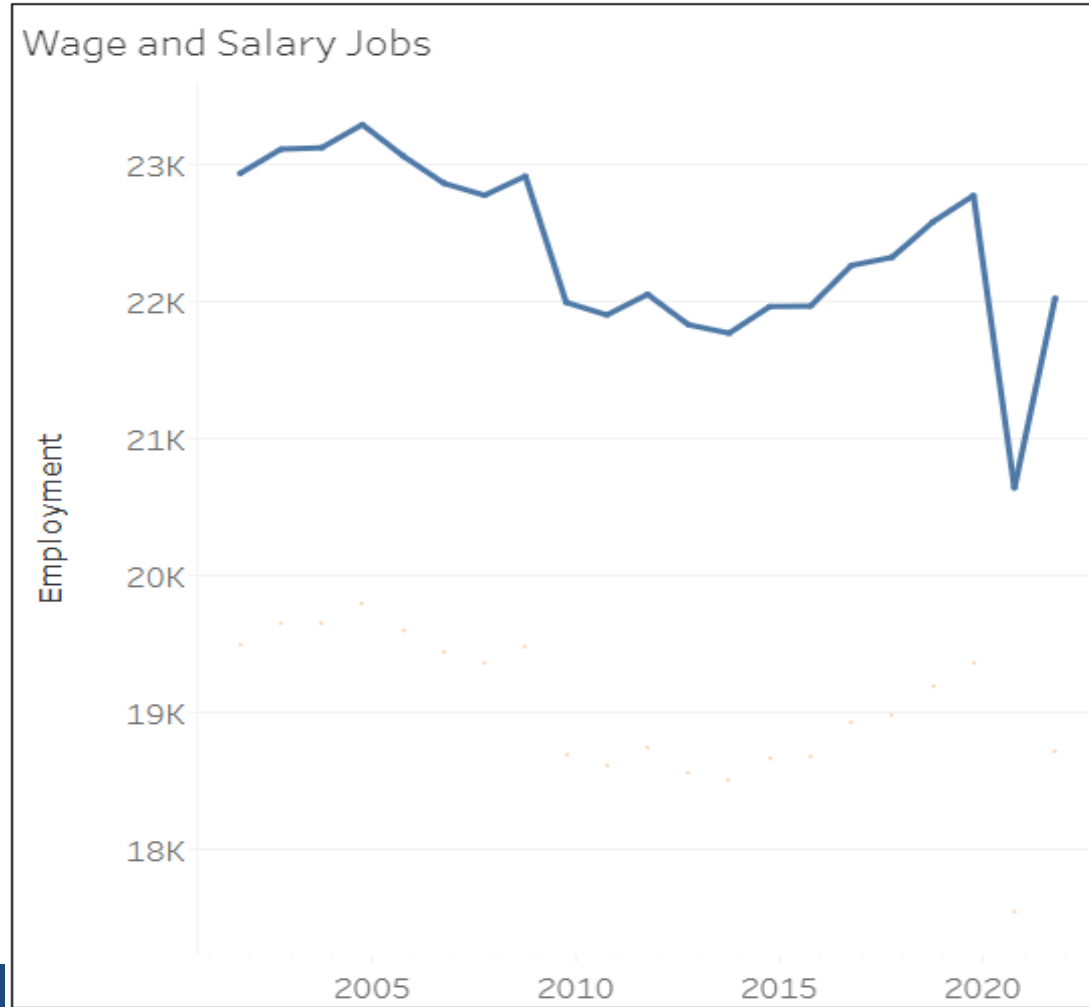
Jobs rebounded in 2021 but remained below 2019 levels. The unemployment rate has consistently been among the lowest with the least seasonal variation. The economic base is diverse with concentrations of growing industries.



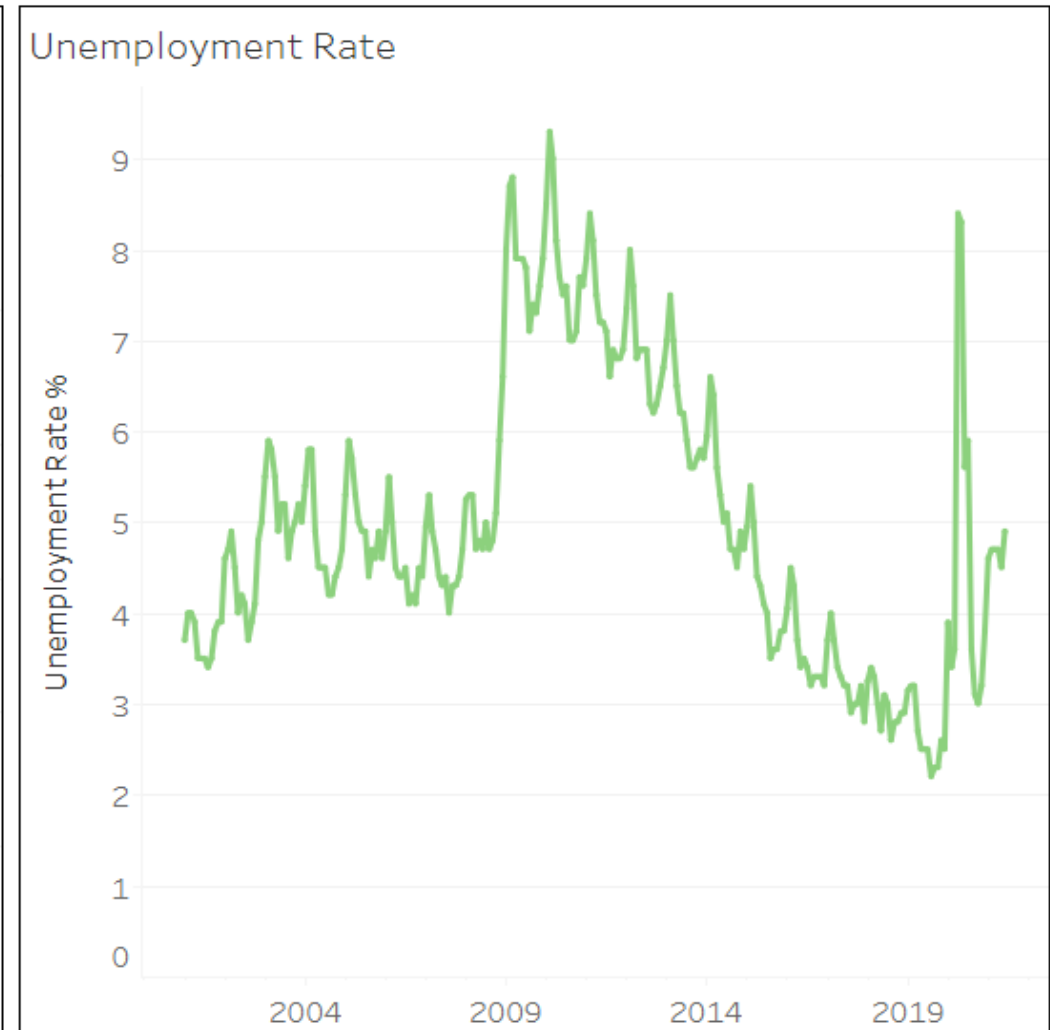
The number of jobs rebounded in 2021 but the level remained somewhat lower than in 2019. The unemployment rate has consistently been higher than the statewide average with similar rates of seasonality.



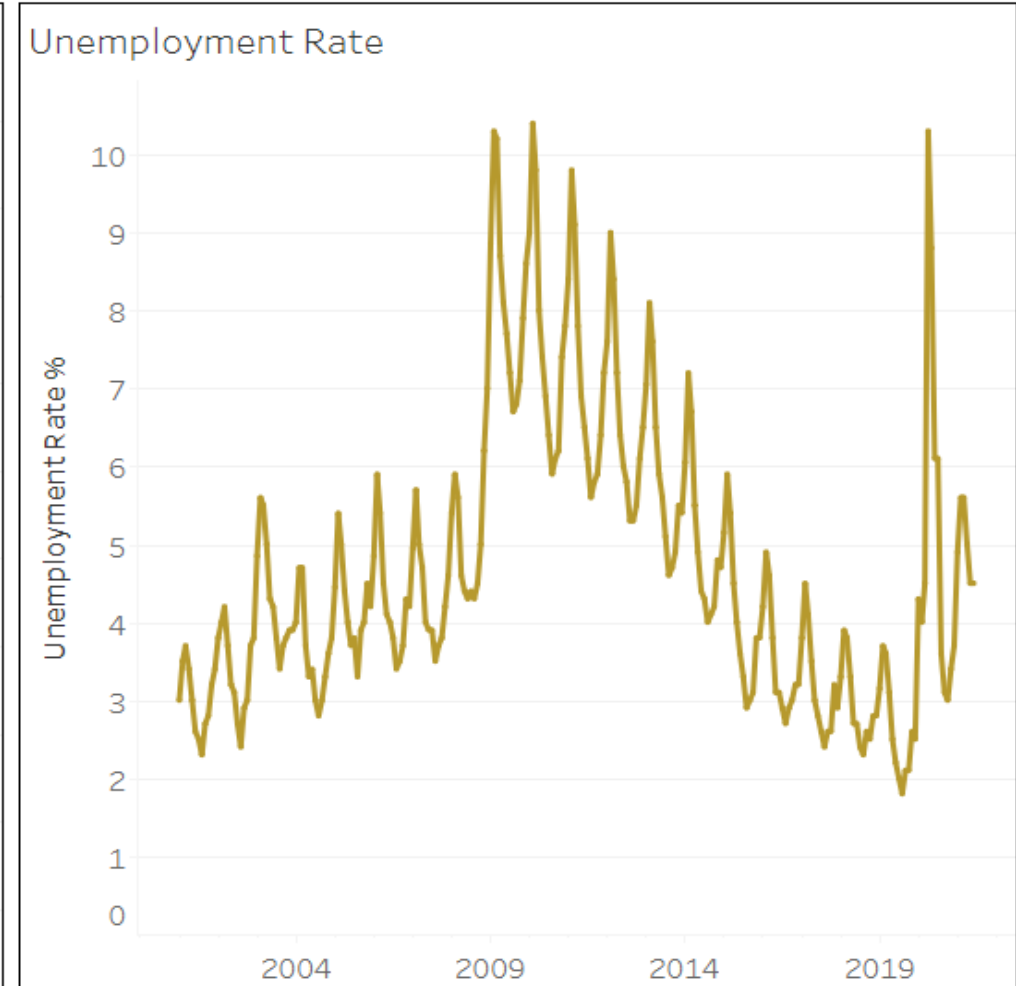
The number of jobs in 2021 remained somewhat lower than in 2019. The economic base is primarily related to summer tourism and the area has some of the largest seasonal variations in unemployment in the nation.



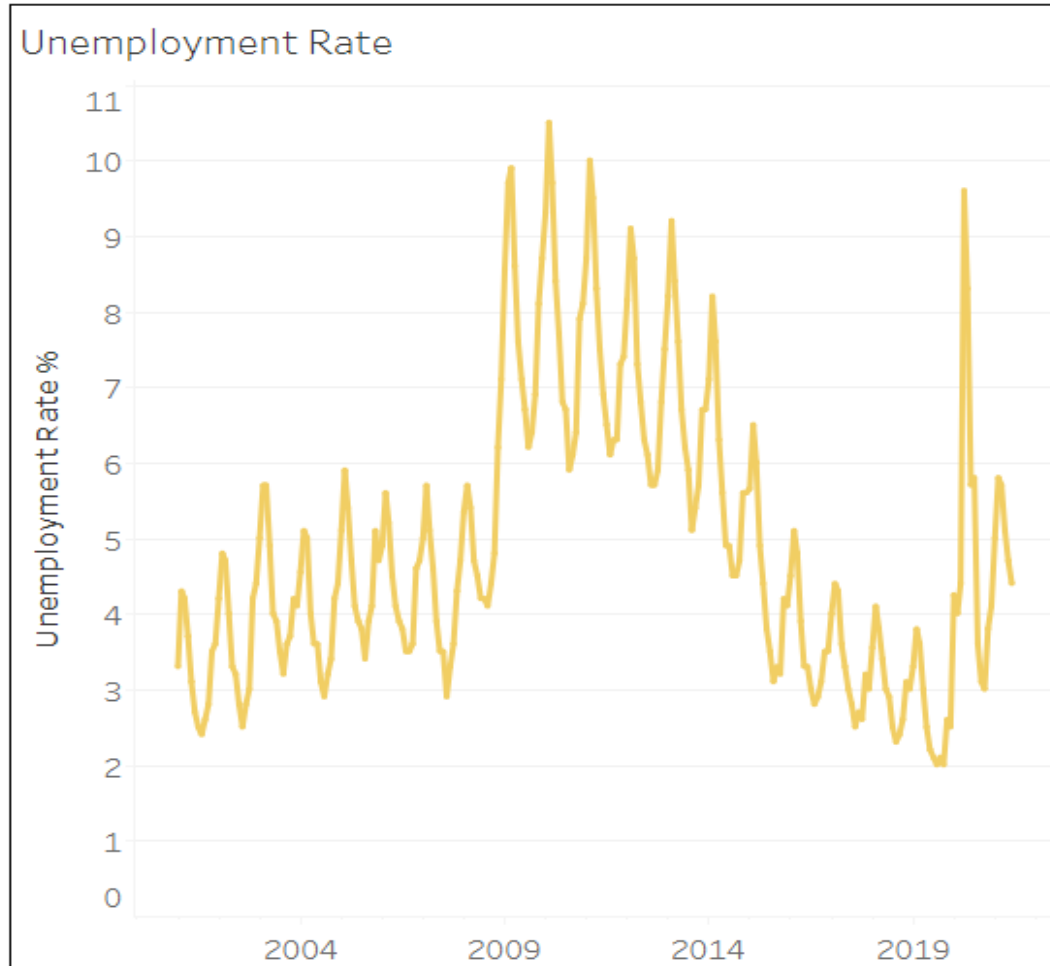
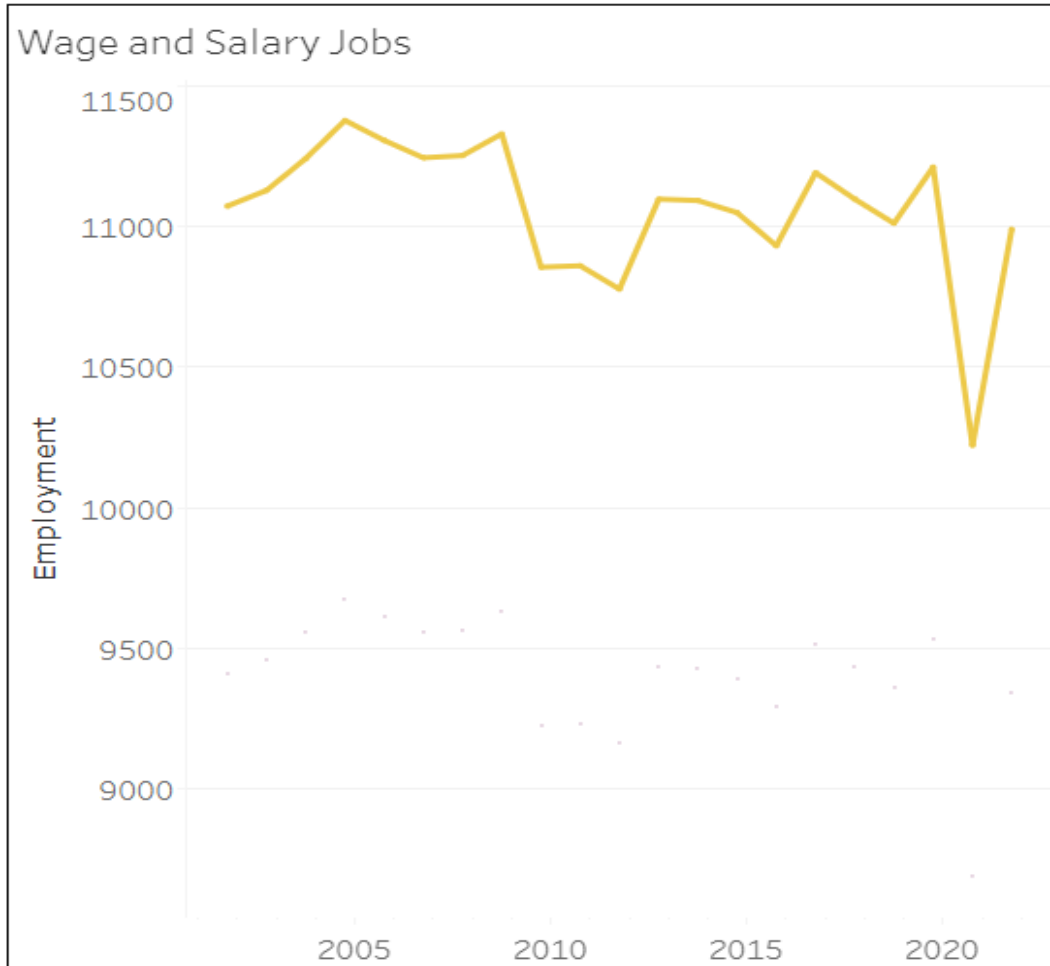
The number of jobs in 2021 remained below 2019 levels. Unemployment has been similar to the statewide average as has the rate of seasonality.



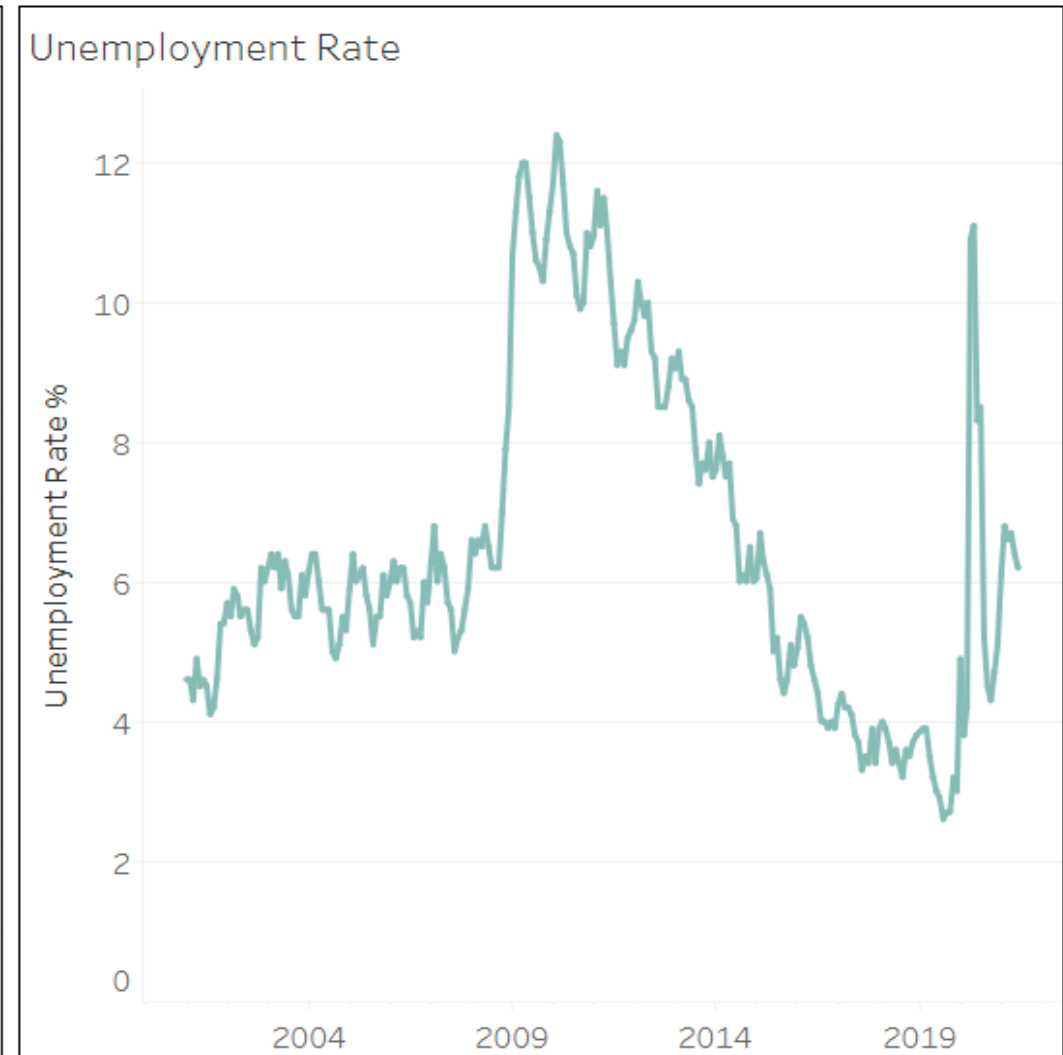
The number of jobs in 2021 remained below 2019 levels. The economic base is primarily related to summer tourism, which contributes to large seasonal variations in unemployment.



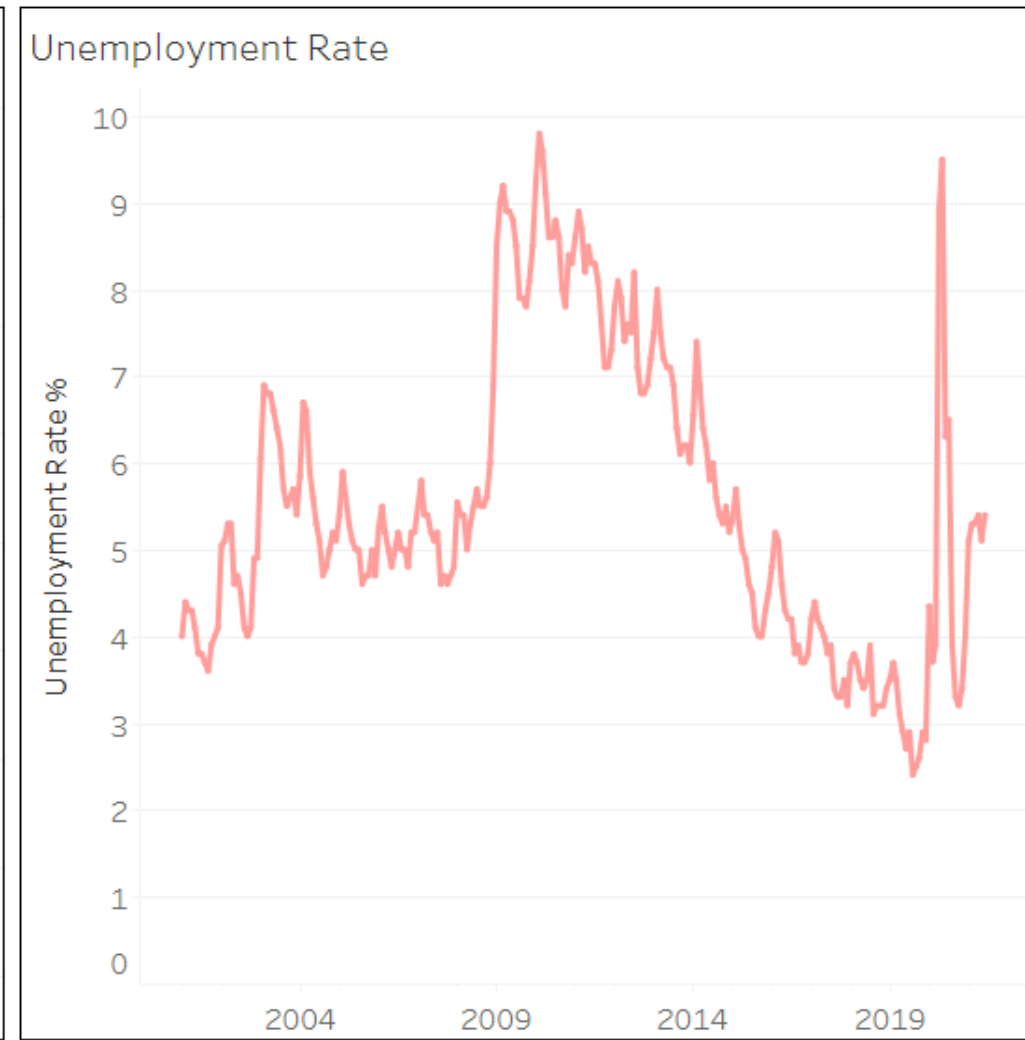
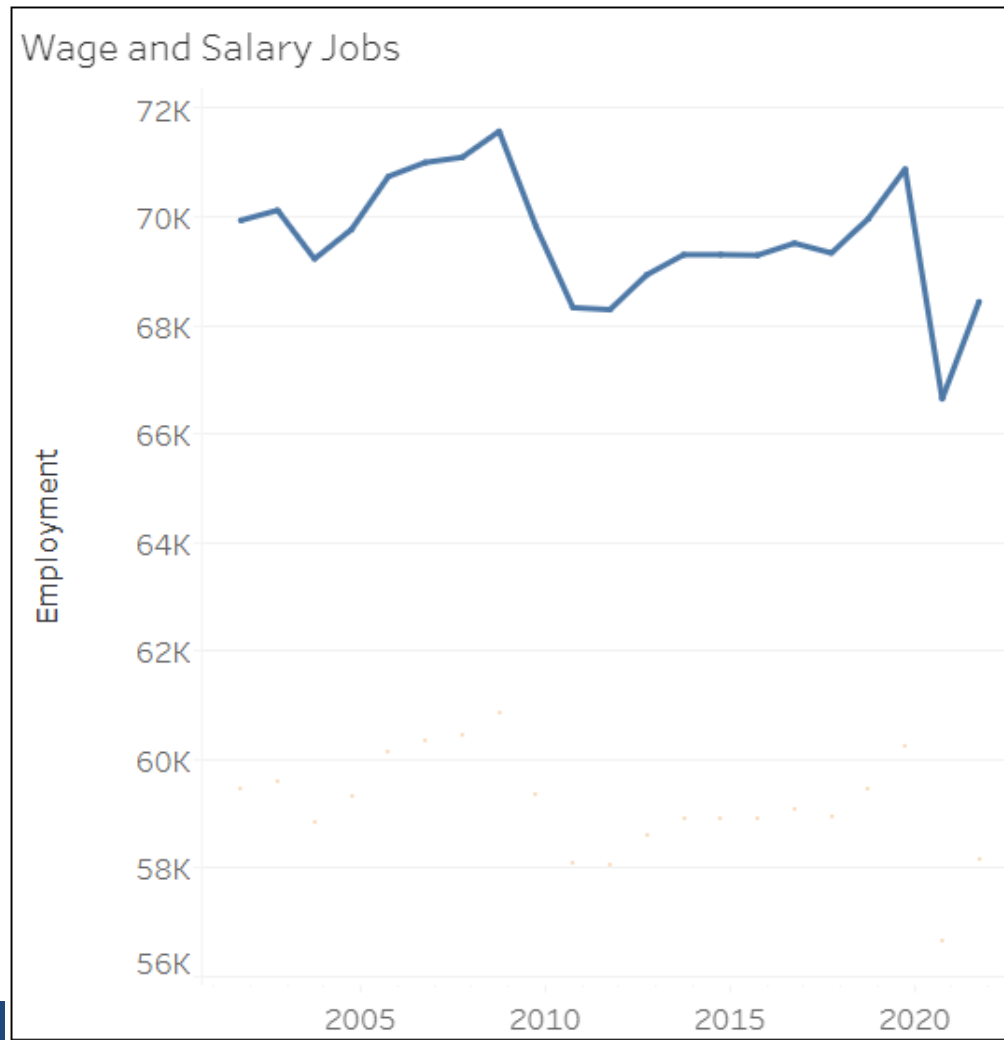
The number of jobs in 2021 was similar to 2019 levels, continuing a two-decade long trend of little change. The economic base is not as concentrated in summer tourism, making for less seasonal variation in unemployment than other mid-coast counties.



Jobs mostly recovered in 2021 and have been little changed for a decade, other than 2020. Unemployment has consistently been higher than the statewide average.

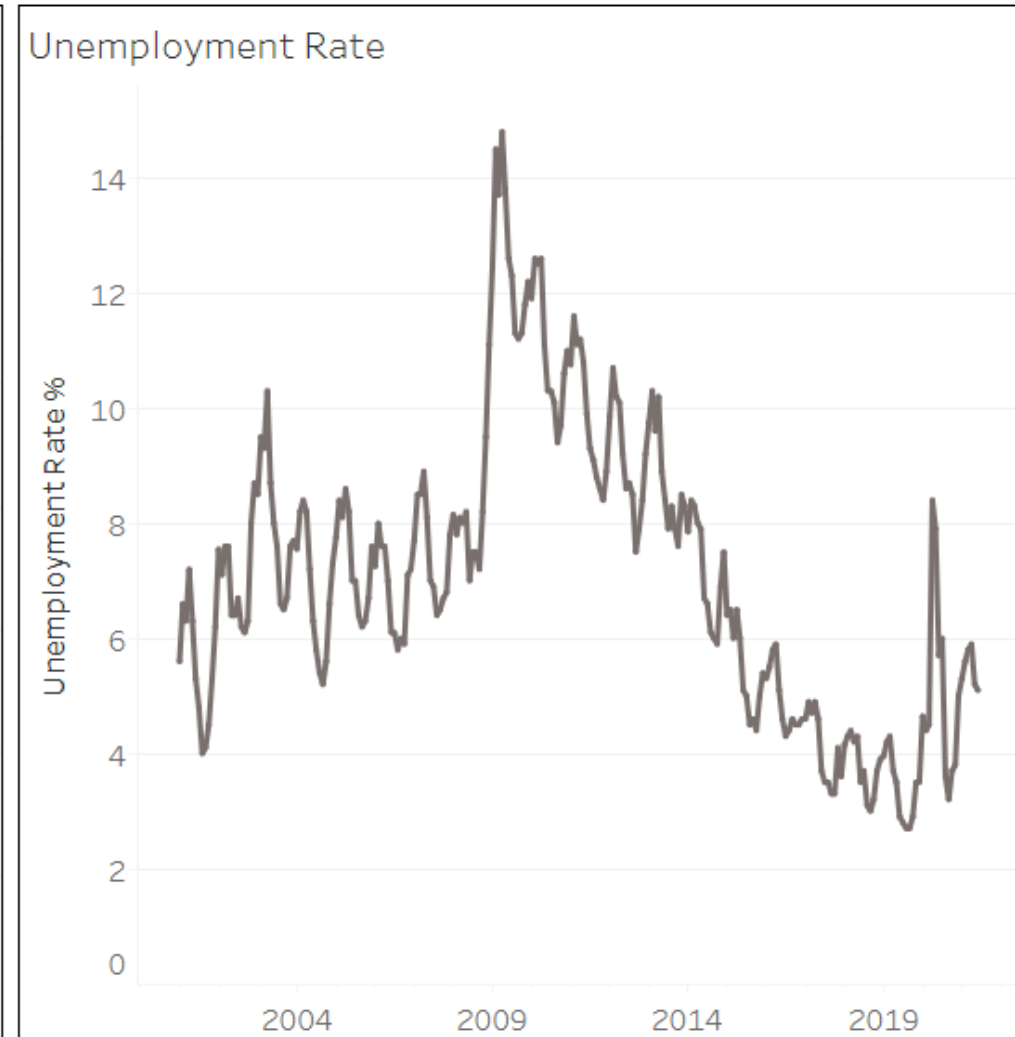


Jobs continued to recover in 2021 but remained below 2019 levels. Unemployment has generally been somewhat higher with less seasonal variation than statewide averages.



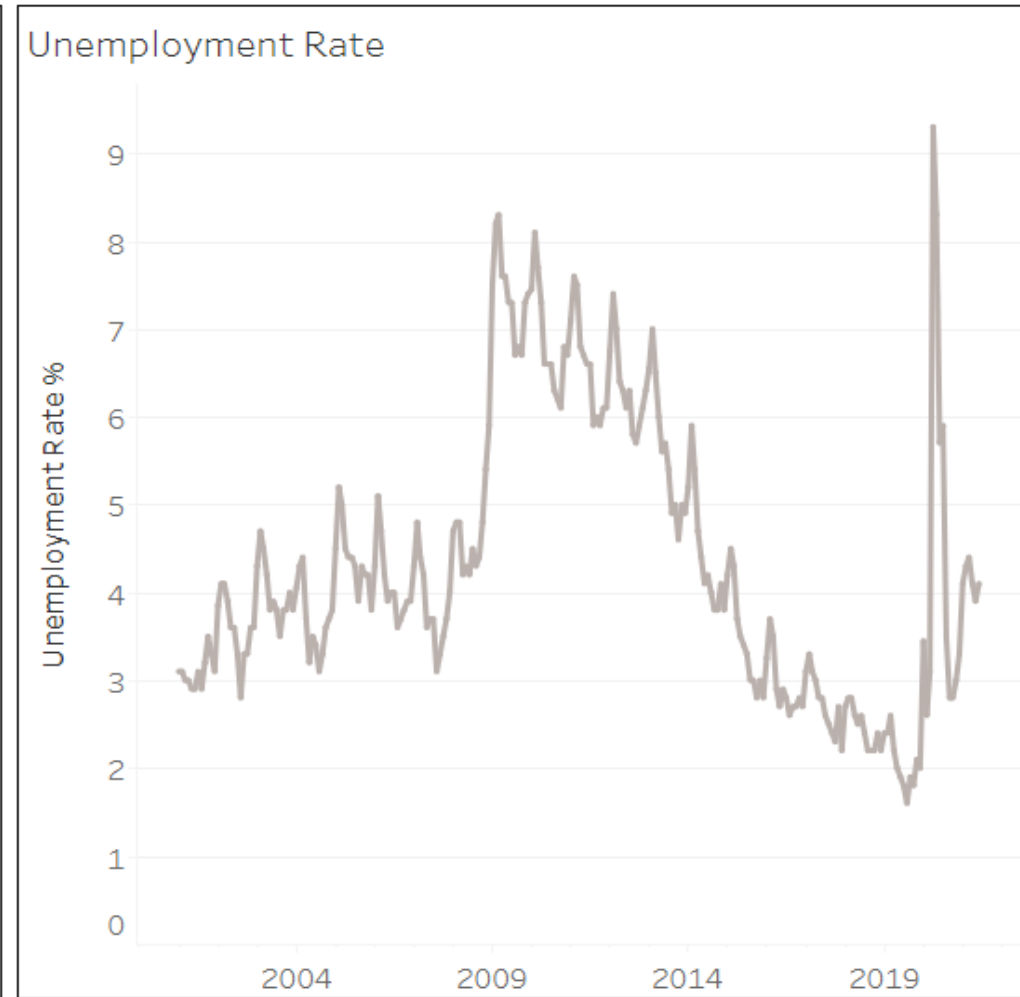
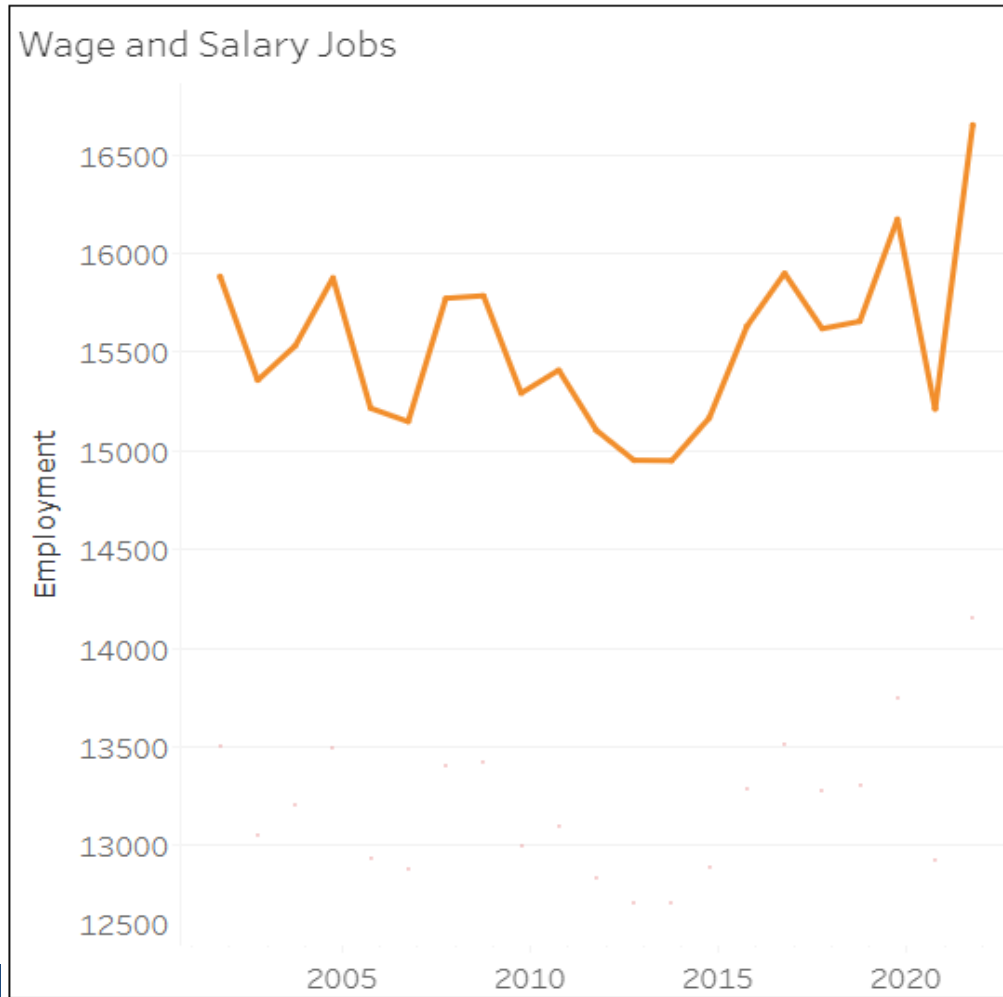
Piscataquis

The number of jobs reached a more than 20 year high in the state's least populous county in 2021, driven by manufacturing of COVID testing supplies. Unemployment rates have consistently been higher than the statewide average with more seasonal variation.



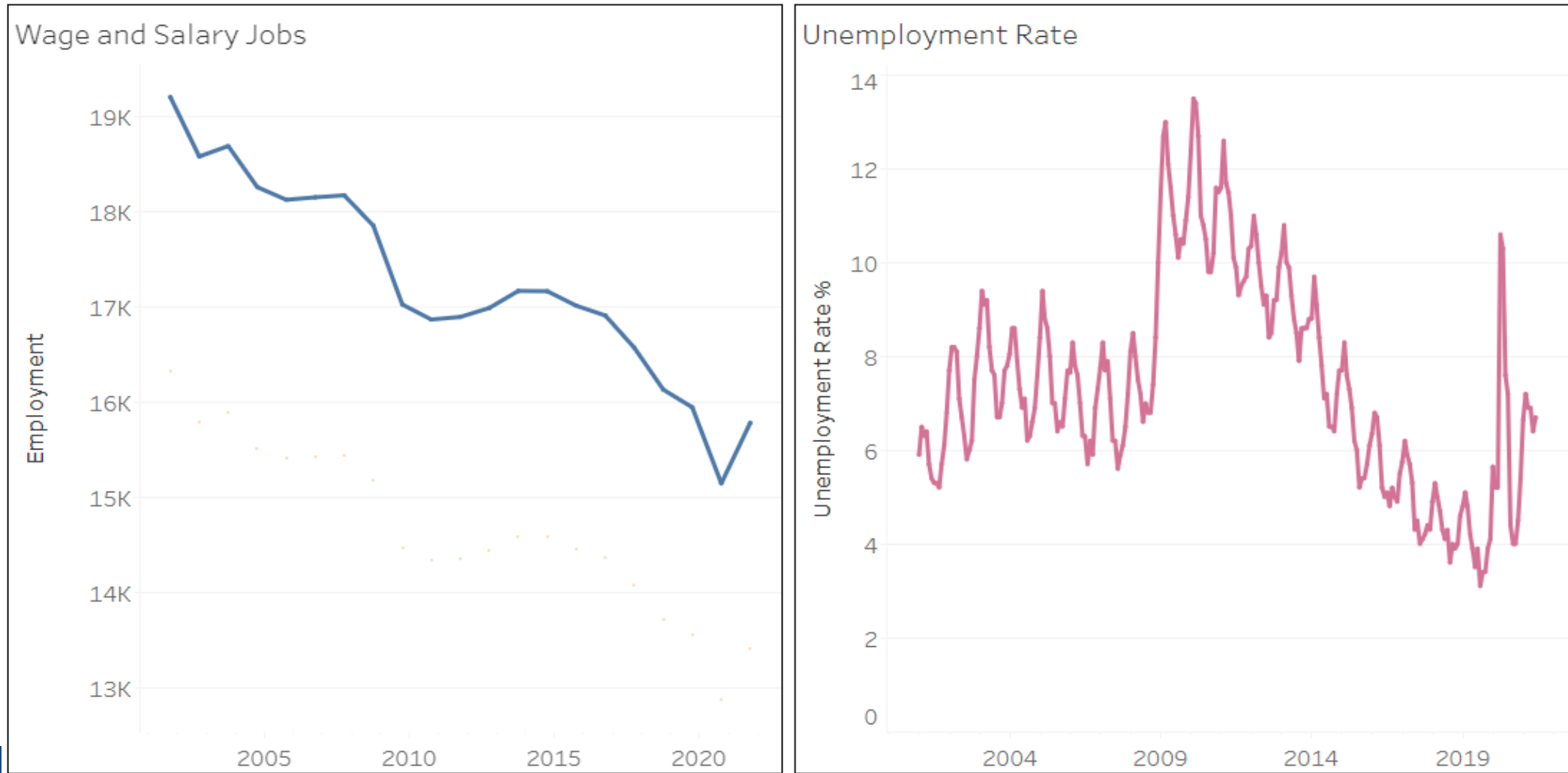
Sagadahoc

The number of jobs reached a more than two decade high in 2021. Unemployment has consistently been among the lowest in the state with less seasonal variation. A concentration manufacturing jobs draws a workforce from a wide region.

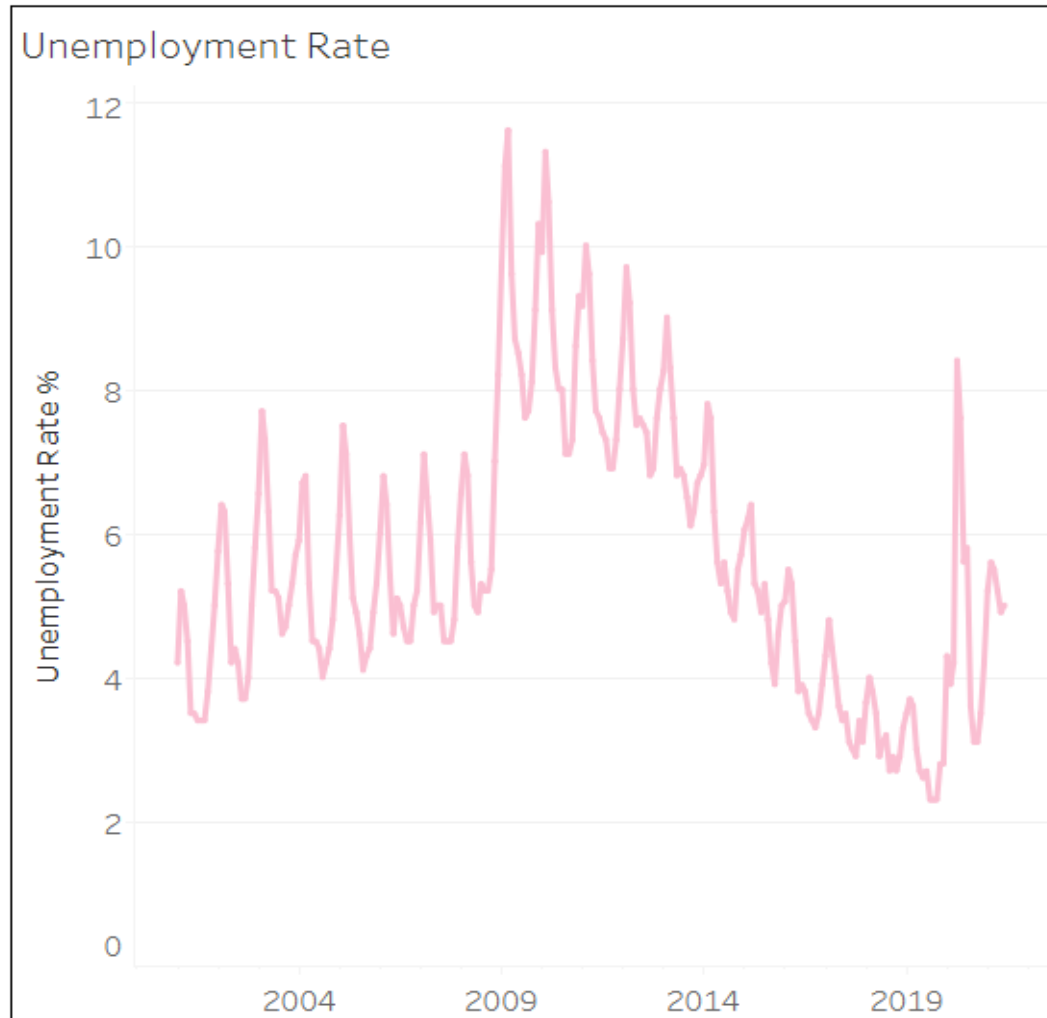


Somerset

Jobs rebounded from 2020 lows, but the long-term downward trend continued. Unemployment has consistently been higher than the statewide average with more seasonal variation.

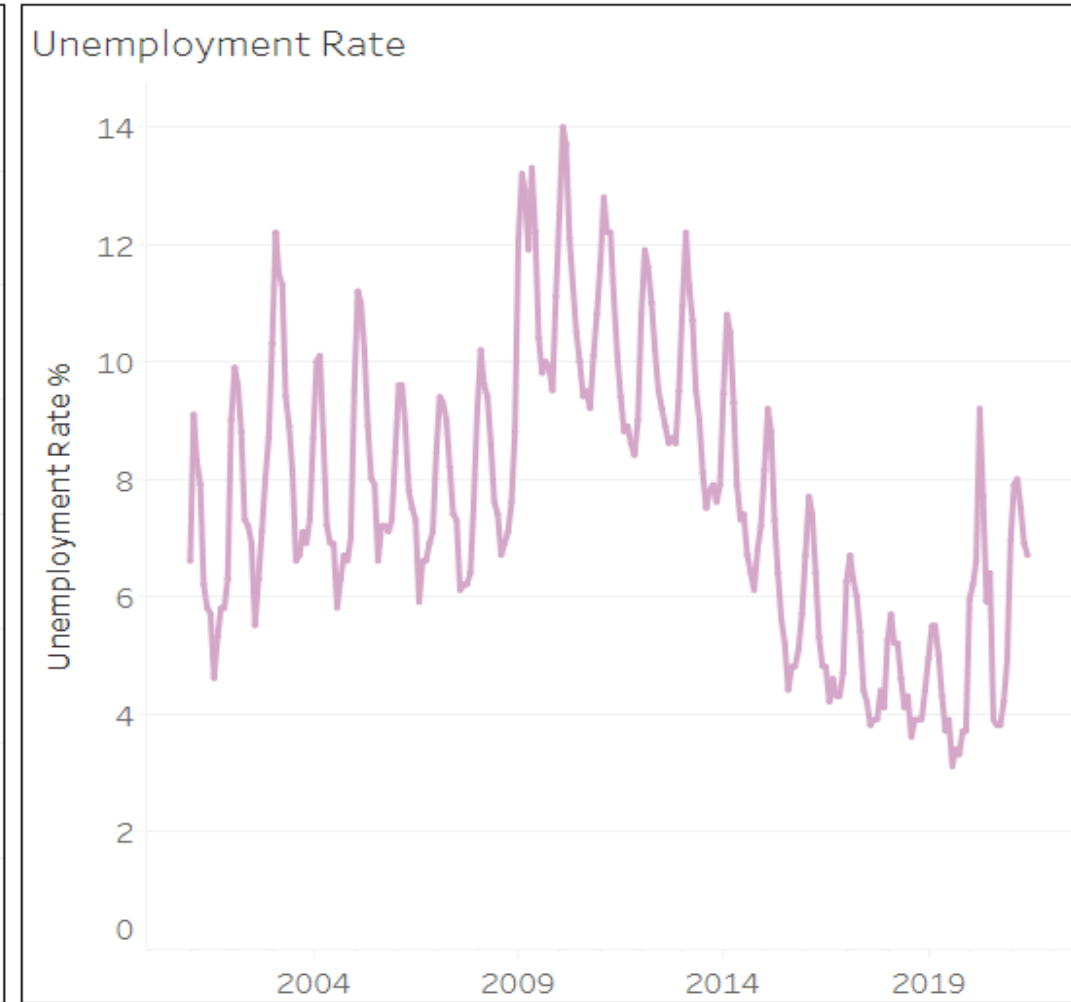


Jobs increased in 2021 but remained below 2019 levels. Unemployment has been close to statewide averages and seasonal variation has decreased in recent years.

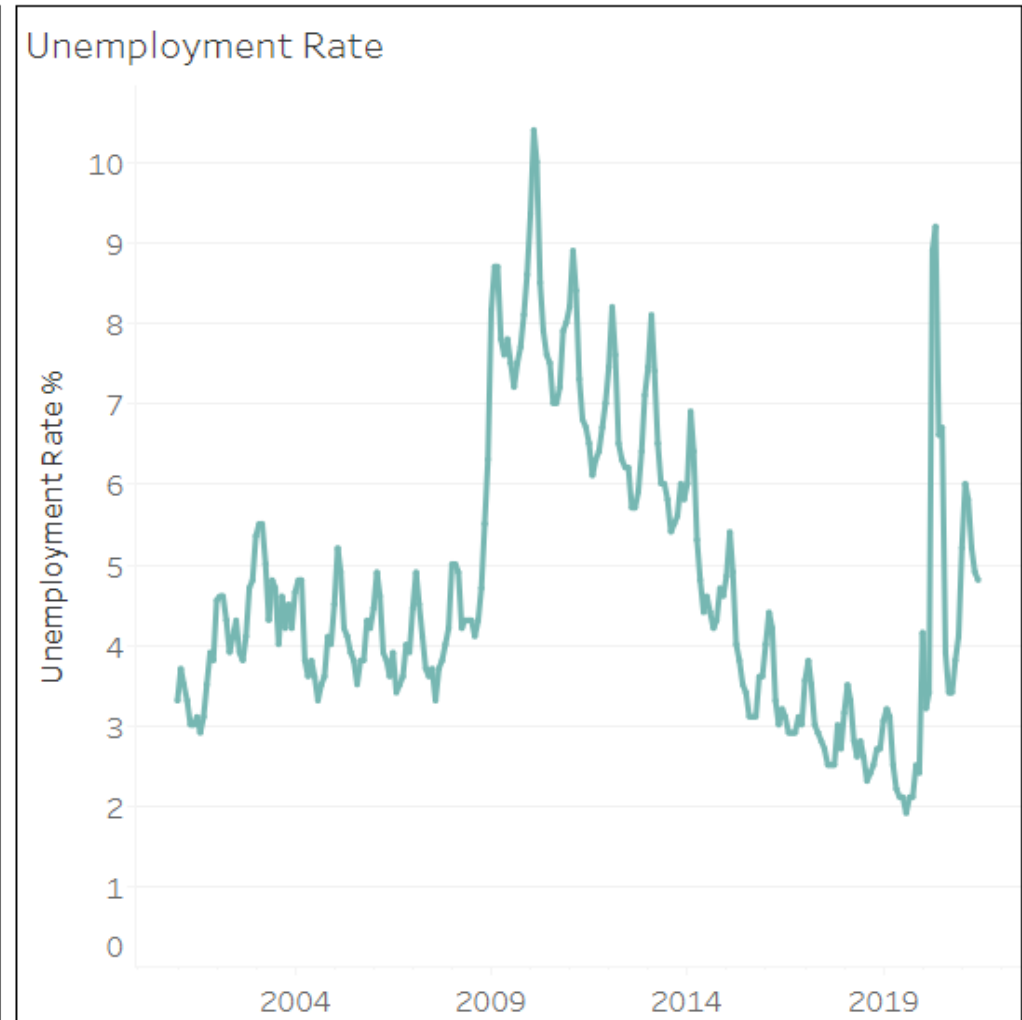


Washington

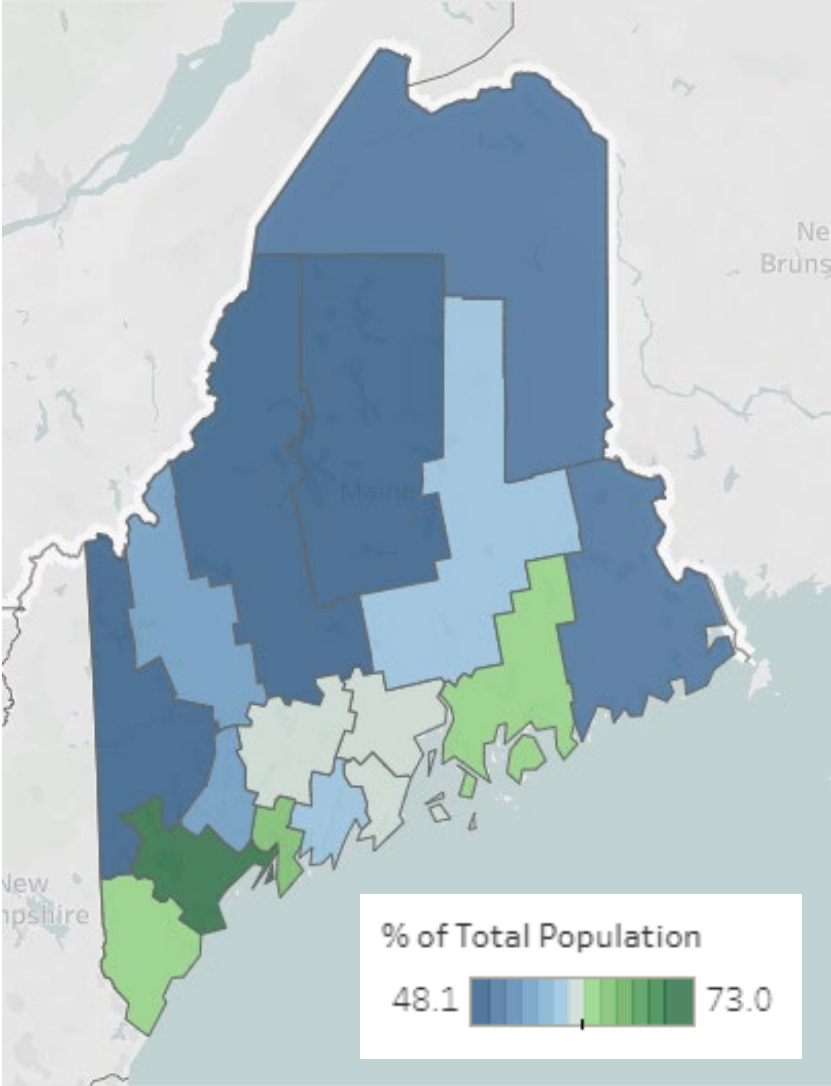
The pandemic had a less notable impact on jobs than most other areas of the state in 2020, but there was little rebound in 2021. Unemployment has consistently been much higher than statewide averages with large seasonal variation.



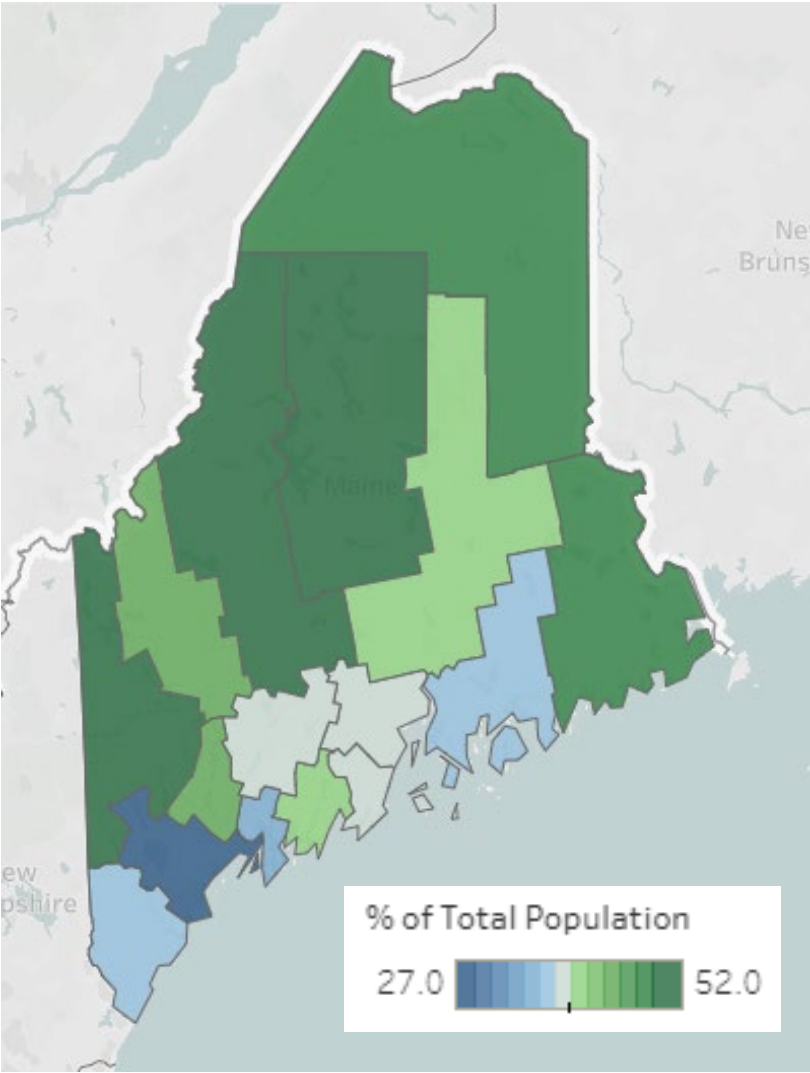
Jobs rebounded but remained below 2019 levels in 2021. Unemployment has consistently been lower than the statewide average, with significant seasonal variation due to high levels of summer tourism in some coastal towns.



Educational Attainment by County

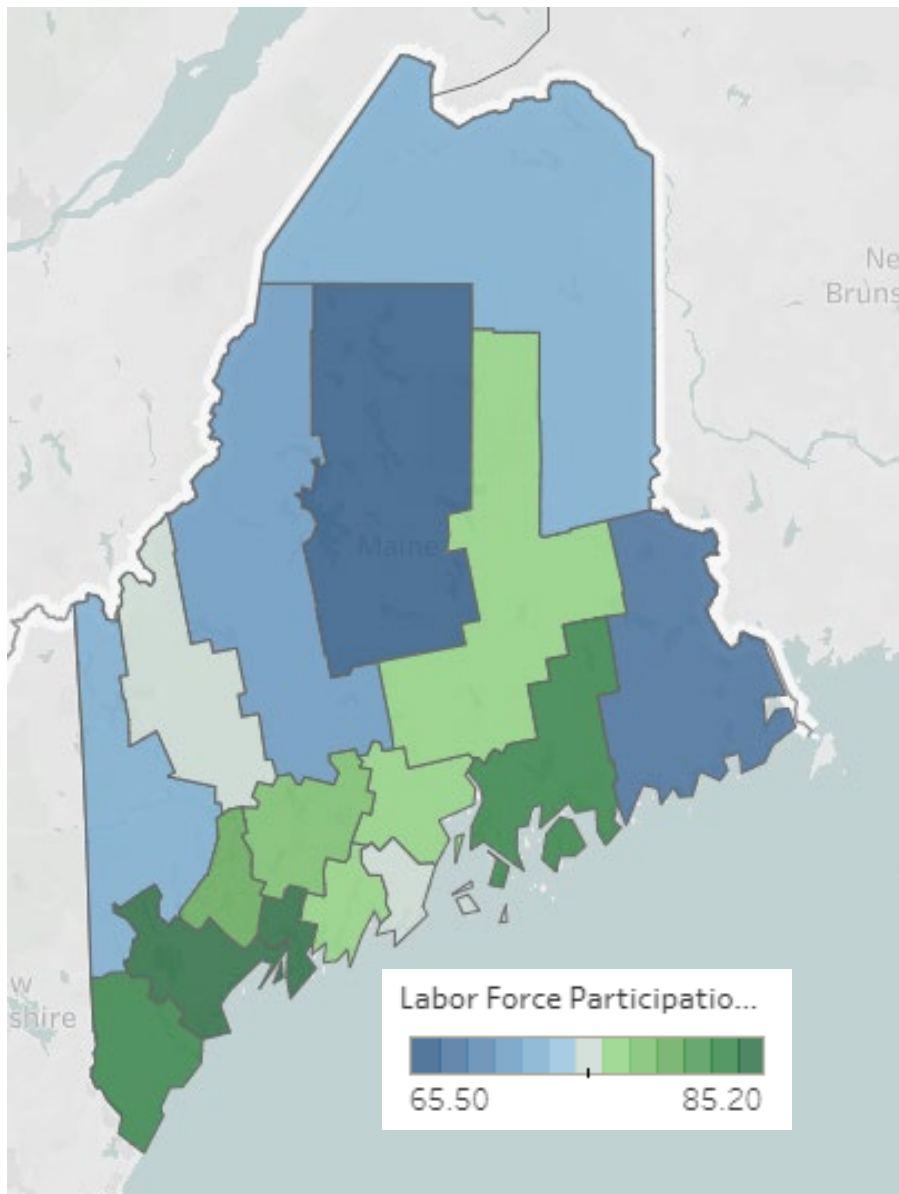


- Left Figure: Some college or higher level of educational attainment
- Right Figure: High school diploma or lower



Labor Force Participation Rate by County

- Labor force participation is strongly related to economic opportunity. It is highest in the southernmost counties, where population and job growth has been strongest, and the economic structure is more diverse. It is lowest in the northern rim of the state, where the population is older and labor market opportunities are fewer.



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