

## The State of Working Maine in 2013

### Executive Summary

#### State of Working Maine Facts & Figures

**101,400**

Number of Mainers who can't find enough work or any work at all.<sup>1</sup>

**36%**

Percent of Maine's unemployed workers who have been without work for more than six months.<sup>2</sup>

**52%**

Increase in productivity of Maine workers since 1979.<sup>3</sup>

**28%**

Increase in compensation for the median Maine worker since 1979.<sup>4</sup>

**\$15.57**

Hourly wage for the median Maine worker in 2012.<sup>5</sup>

**\$16.09**

Hourly wage for the median Maine worker in 2002, adjusted for inflation.<sup>6</sup>

**\$7.50**

The current minimum wage in Maine.<sup>7</sup>

**\$9.06**

The inflation-adjusted value of the minimum wage in 1968.<sup>8</sup>

Workers in Maine and across the nation remain in crisis. The typical working Mainer has yet to find relief from a long-term economic malaise that began more than 30 years ago and the lingering effects of the Great Recession of 2007 to 2009.

#### Jobs and Unemployment

Employment opportunities for Maine workers are still scarce more than four years since the end of recession.

- The monthly unemployment rate in October 2013 was 6.7%. The pre-recession unemployment rate ranged from 4 to 5%.
- On average over the past twelve months, 49,400 Mainers were unemployed and actively searching for work. An additional 52,000 had recently left the labor force altogether or were working part-time for economic reasons.
- Maine has recovered 9,900 of the 29,100 payroll jobs lost as a result of the recession.
- More than one-third of Maine's unemployed workers have been without a job for more than six months. Long-term unemployment has shown little improvement since the end of the recession.

#### Wages, Income, and Compensation

Even with a job, many Mainers find their wages insufficient to support them and their families. Wages and incomes are not keeping pace with the growth in productivity or the growth of the overall economy.

- Worker productivity in Maine has increased by 52% over the past 30 years, but worker compensation has grown by only 28%.
- Wage inequality in Maine is growing. Wage growth for the median Maine worker began to stagnate in the late 1980's. The median wage didn't grow at all over the past decade and has grown by less than a dollar since 1990. Meanwhile, the highest wage earners have seen relatively steady income growth over the past 30+ years, and the top 10% of wage and salary earners experienced a 12.4% increase in real wages between 2002 and 2012.

- Income inequality in Maine is growing too. Between the late 1970's and the mid-2000s, the average income (after federal taxes and programs such as food stamps) for the poorest fifth of Maine households grew just 27%, from \$18,720 to \$23,825. Middle-income households fared slightly better, with average household income for the middle fifth of Maine households growing 47% over the same period. The top 20% of Maine households, meanwhile, saw their average income grow 67%.
- Workers across the country are getting less of the fruits of their labor. Nationally, the share of economic output accruing to workers fell from 64% in 2000 to less than 58% in 2012.
- Adjusted for inflation, the minimum wage in Maine is no higher than it was forty years ago and substantially lower than its peak in 1968.

### Additional Challenges and Opportunities in Maine's Changing Economy

- *Demographics.* Maine has one of the oldest and slowest growing populations among the states. This dampens economic growth and job creation, although it may also present new opportunities for younger Mainers.
- *The "New" Economy.* Since 1990, Maine has lost more than 40,000 manufacturing jobs. Mainers work increasingly in jobs that provide business services, health care, education and information, and leisure/hospitality services. In many Maine communities, the area's largest employer is no longer a mill or factory but a hospital or a retail business. Breakthroughs in technology and communications have eliminated geographic barriers and enabled Maine entrepreneurs and skilled workers to build thriving businesses based on innovation, technology, and expanded or new markets.
- *The "College Premium" and Job Training.* Data confirm that Mainers with college degrees fared better during the Great Recession than those without. Maine Department of Labor findings show that "High Wage in Demand" jobs require at least a bachelor's degree and the 14 jobs with the highest project growth all demand an associate degree at minimum. At the same time, wages for college-educated workers have not escaped stagnation over the past decade.

Go to [www.mecep.org](http://www.mecep.org) to read the full report: *The State of Working Maine in 2013*

#### Endnotes:

<sup>1</sup> US Bureau of Labor Statistics, Alternative Measures of Unemployment

<sup>2</sup> Economic Policy Institute analysis of Current Population Survey data

<sup>3-4</sup> Economic Policy Institute analysis of unpublished total economy data from Bureau of Labor Statistics, Labor Productivity and costs program; employment data from Bureau of Labor Statistics, Local Area Unemployment Statistics; wage data from the Current Population Survey and compensation data from the Bureau of Economic Analysis, State/National Income and Product Accounts public data series

<sup>5-6</sup> Economic Policy Institute analysis of Current Population Survey Data

<sup>7-8</sup> Author's analysis of data from the US Department of Labor, Bureau of Labor Statistics, and Maine Department of Labor