# Maine Economic Update

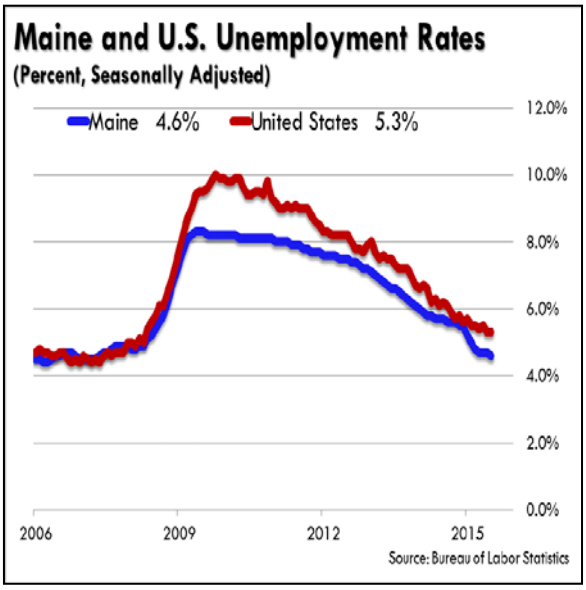
August 21, 2015


Summary

Nonfarm payroll employment in Maine declined by 300 jobs and the unemployment rate fell to 4.6 percent in July according to data released by the Bureau of Labor Statistics (BLS).


Maine Unemployment Rate

During July, the unemployment rate in Maine declined by 0.1 percentage point to 4.6 percent. The number of people counted as unemployed fell by 823 in July to 31,986, while the labor force fell by 715 to 692,194. Among the 50 states and the District of Columbia, 15 posted lower unemployment rates for the month than Maine. A year earlier, the unemployment rate in Maine stood at 5.7 percent.




The 10 year peak for the unemployment rate in Maine was 8.3 percent in July 2009. The series high for the unemployment rate in Maine occurred in January 1977 when the unemployment rate reached 9.0 percent. The 10 year low for the unemployment rate in Maine was 4.4 percent in April 2006. The series low for the unemployment rate in Maine occurred in December 2000 when the unemployment rate reached 3.2 percent. BLS began publishing the state unemployment rate series in 1976.

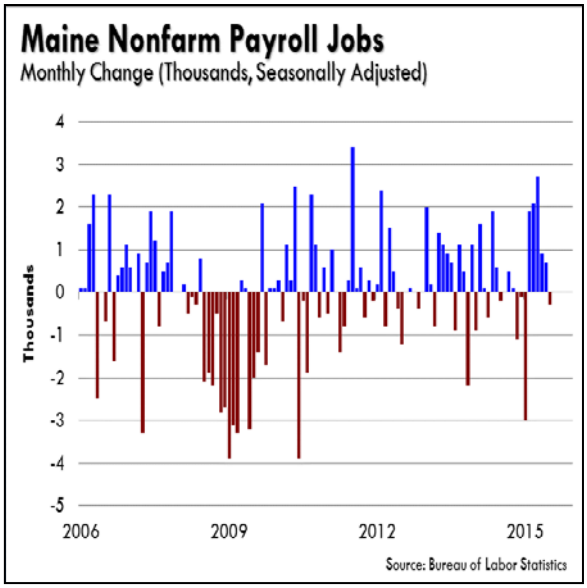
The national unemployment rate was unchanged at 5.3 percent in July. July's unemployment rate was 0.9 percentage point lower than a year earlier when the rate stood at 6.2 percent. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.


Prepared by the Joint Economic Committee

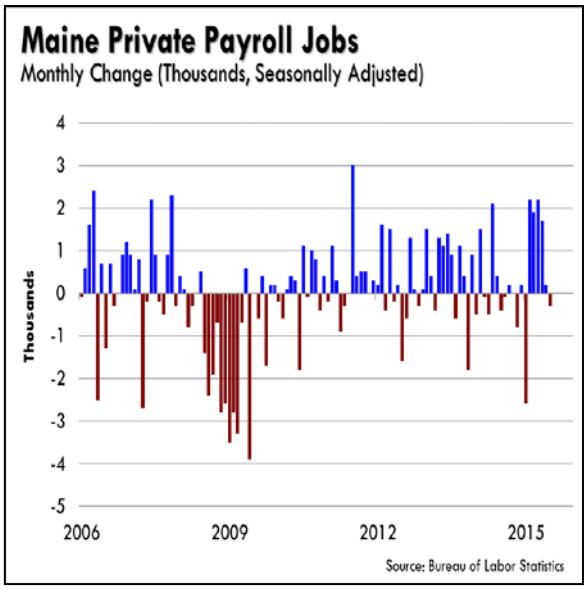
Senator Dan Coats, Chairman Rep. Kevin Brady, Vice Chairman

Maine Payroll Employment

Maine nonfarm payrolls declined by 300 jobs, or 0.05 percent, on a seasonally adjusted basis during July. In the prior month, nonfarm payrolls increased by 700. Over the past 12 months nonfarm payrolls in Maine increased by 4,400, or 0.73 percent. Maine nonfarm payroll employment has increased in 7 of the past 12 months.




Nationally nonfarm payrolls increased by 215,000 jobs in July, or 0.15 percent. Over the 12 month period ending in July 2015, nonfarm payrolls grew by 2,915,000 jobs, or 2.09 percent. Maine ranks 40th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

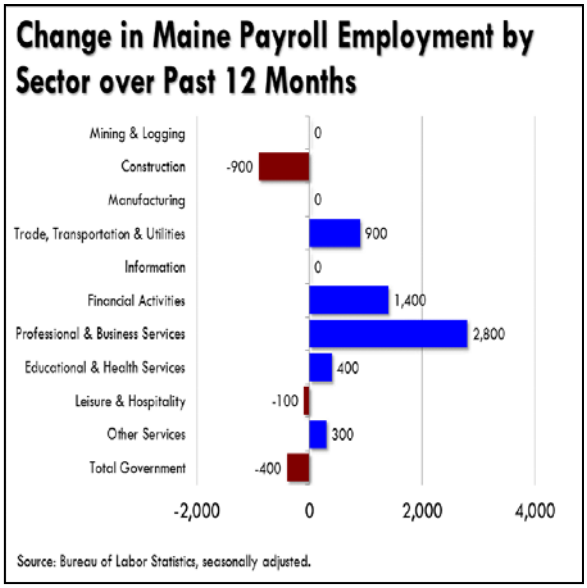



During July, Maine private sector payrolls declined by 300, or 0.06 percent. Private sector payrolls increased by 200 jobs in the prior month. Over the past 12 months, private sector payrolls in Maine increased by 4,800, or 0.95 percent. Maine private sector payroll employment has increased in 7 of the past 12 months.

Nationally, private sector payroll jobs increased by 210,000 in July, or 0.18 percent. Over the past 12 months, the nation's economy has added 2,853,000 private sector payroll jobs, an increase of 2.43 percent. Maine ranks 40th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During July, total government payroll employment in Maine was unchanged. Federal government payroll employment declined by 100, or 0.69 percent. State government payroll employment declined by 100, or 0.38 percent, while local government payroll employment increased by 200, or 0.34 percent.

Over the past year, total government payroll employment declined by 400, or 0.40 percent. State government payroll employment declined by 400, or 1.51 percent. Local government payroll employment declined by 300, or 0.51 percent.

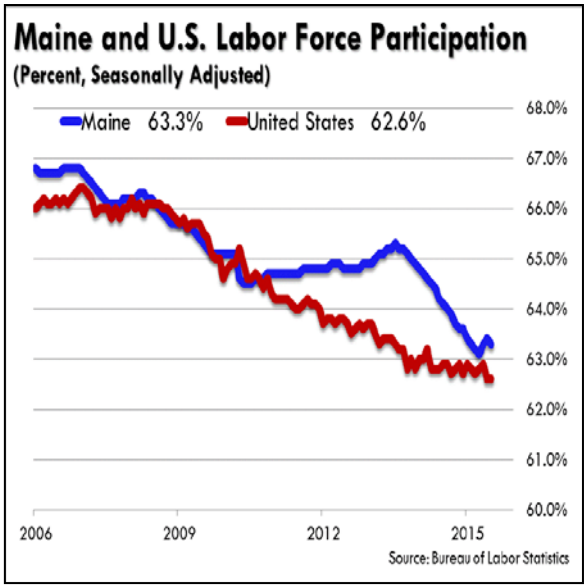



The best performing sectors on a seasonally adjusted basis during July were Professional & Business Services (+600) and Manufacturing (+600). The poorest performing sectors during the month were Leisure & Hospitality (-800) and Educational & Health Services (-600).

The best performing sectors during the last twelve months were Professional & Business Services (+2,800) and Financial Activities (+1,400). The poorest performing sectors for the year were Construction (-900) and Total Government (-400).

<u>Other Maine Labor Force Statistics</u>

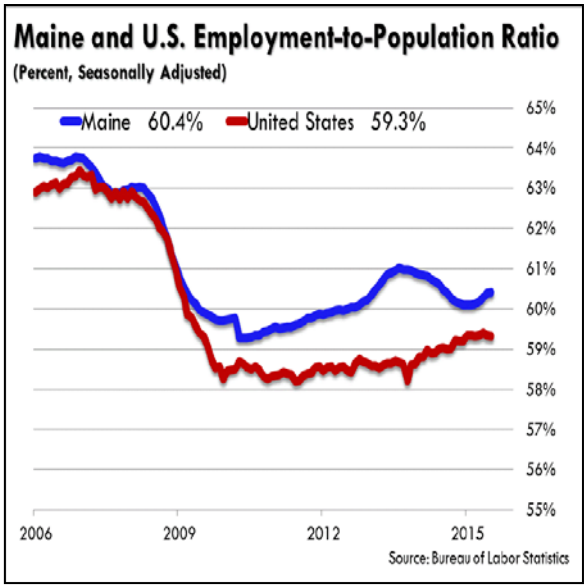
The labor force participation rate in Maine declined to 63.3 percent in July from 63.4 percent the prior month. Among the 50 states and the District of Columbia, 27 have a higher labor force participation rate than Maine. The labor force participation rate in Maine is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.




The 10 year high for the labor force participation rate in Maine was 67.1 percent in September 2005. The series high for the labor force participation rate in Maine occurred in March 1991 when the labor force participation rate hit 68.9 percent. The 10 year low for the labor force participation rate was 63.1 percent in April 2015. The series low for the labor force participation rate occurred in March 1978 when the labor force participation rate hit 59.7 percent.

The national labor force participation rate remained at 62.6 percent in July. That rate is 0.2 percentage point lower than a year earlier. The rate for June and July are the lowest recorded since October 1977.

The employment-to-population ratio, or the percentage of the Maine civilian noninstitutionalized population 16 years and older counted as employed, was unchanged at 60.4 percent in July. Among the 50 states and the District of Columbia, 25 have higher employment-to-population ratios than Maine. The employment-to-population ratio in Maine is 0.1 percentage point lower than a year earlier.




The 10 year high for the employment-to-population ratio in Maine was 63.8 percent in January 2007. The series high for the employment-to-population ratio in Maine occurred in April 2000 when the employment-to-population ratio hit 66.4 percent. The 10 year low for the employment-to-population ratio was 59.3 percent in September 2010. The series low for the employment-to-population ratio occurred in December 1977 when the employment-to-population ratio hit 55.5 percent.

The national employment-to-population ratio held steady at 59.3 percent in July. At 59.3 percent, the national employment-to-population ratio is below its level of 59.4 percent when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in April 2000. The 10 year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for August is scheduled for release on Friday, September 18. The national employment situation report for August will be released on Friday, September 4.