

Executive Summary

Working in Maine

The Labor Market Experiences of the 1998 Graduating Class of Jobs for Maine's Graduates

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Employment and Wage Analysis

- The average quarterly wage for the JMG graduates was \$5,273.83. This exceeded the average for all Maine workers, age 22 to 24, by eight percent.
- Data from covered employment wage records revealed that 341 of the 530 participants (64.3%) drew wages in Maine during the study period.
- The average quarterly wage was significantly higher for males than for females with females earning 76 cents for every dollar males earned.
- Analysis of employment by number of employers strongly suggests that job stability leads to higher earnings. Employed individuals who had fewer employers in a quarter earned a higher average quarterly wage. Despite the fact that some of those with multiple employers probably held multiple jobs at some point in a quarter, those with fewer employers in a quarter had higher quarterly wages. Individuals with a single employer in the year averaged \$5,625.03 while, for those with multiple employers, average wages decreased as the number of employers increased.
- Average earnings for JMG participants revealed a mobility premium. Overall, participants employed in a county other than the one in which they had been living earned average quarterly wages that were 6.5 percent higher than those who remained in the same county. More graduates found employment outside their high school county of residence than within.
- Distribution of employment by North American Industry Classification System (NAICS) sector for JMG graduates was similar to that of all Maine workers in their age range. In both groups, workers were most commonly employed in manufacturing; retail trade; accommodation and food services; or health care and social assistance.
- JMG graduates, for the most part, work in industries projected to grow in Maine over the next decade.
- Around 13 percent of the JMG graduates are employed in manufacturing, a sector that is projected for an employment decline over the next decade. There will, however, still be significant opportunity in that sector as companies replace retiring workers.
- Participants who were employed at the time of profiling were more likely to have current wages and had an employment rate of 66 percent compared to a 62 percent employment rate among those not employed at the time of profiling. However, those not employed at the time of profiling earned a slightly higher average quarterly wage.
- In general, family receipt of government assistance seems to have had little impact on current employment status; however, those who had received government assistance at time of profiling earned lower wages. Family composition and employment status of a participant's parents did not have a dramatic impact on that participant's current employment nor did the degree of educational attainment achieved by the parents of JMG participants.

In terms of rescuing individuals "at risk" of dropping out and shortchanging their potential as members of the labor force, JMG is succeeding significantly. The JMG participants, rather than being "left behind" in the Maine economy, actually earn more than the majority of their contemporaries.

Characteristics of the JMG Class

- There was a slightly lower percentage of females in the JMG program than in the JAG program. Both groups had more female than male participants.
- JMG participants were slightly older than JAG participants.
- A majority of participants lived in a two-parent household.
- Nearly a third of participants lived in a single parent household with their mother.
- Over three-fourths of the participants lived in families of three to five members.
- Over 42 percent of the participants lived in Cumberland, Androscoggin, or Aroostook counties.
- For the majority of the participants, at least one parent had earned a high school diploma or equivalent. Over one-fourth, of the participants had at least one parent who had completed college. For just under half of the participants neither parent had attended college.

Economic/Demographic Context

- The population of the state is growing slowly, particularly in the younger age groups, which will provide a much smaller pool of workers as baby boomers begin to retire.
- The state workforce as a percentage of the state population is projected to increase slightly by 2010 and then decrease dramatically through the year 2030. The change will be due primarily to the fact that the number of workers reaching age 65 and presumably exiting the workforce will greatly exceed the number of people expected to enter the workforce, whether as a result of new births or immigration.
- As the “baby boom” cohort passes through the population it creates a demographic bubble. This bubble is now spread across the 35 to 44, 45 to 54, and 55 to 64 age groups. In 2005, Maine had a median age of 41.2 and, by this measure, was the oldest state in the nation. As these baby boomers retire and exit the workforce, there will be a dramatic shift in the demand for services, both public and private, in the state.
- The impact of the aging of the baby boomers is particularly troubling because between 1990 and 2000 there was a decline in the number of young working-age adults (age 25-34) in Maine.
- Workforce growth based on increased female participation will slow.
- “Disengaged youth,” in neither school nor the labor force, could fill critical gaps in the economy.
- The traditional industrial base of manufacturing and natural resources is in decline and service-providing industries represent a progressively greater share of economic activity in the state.
- The greatest net growth will be in health care and social assistance, particularly in sectors targeting the aging population of the state.
- Projections indicate that the healthcare, social, and personal service occupational groups will be the fastest growing areas through 2014.
- Manufacturing jobs learned through on-the-job training are largely disappearing and being supplanted by new positions, particularly in the healthcare and professional service areas, requiring higher levels of skill and technical knowledge.
- While an increasing number of jobs in the emerging economy of the 21st century require post-secondary education or formal training, the greatest number of projected annual openings require only short-term on-the-job training.

Methodology

- JMG provided demographic data along with select educational outcomes for a single class, the 530 members of the graduating class of 1998. These demographic data were then matched to the MDOL wage record data. These records were for the third quarter of 2004 through second quarter of 2005 and correspond to the seventh year after graduation for the JMG study group.
- The wage records are limited to Maine covered employment, and so exclude anyone who may have been working out of state, in the federal government or military, or self-employed. In such instances, omission of wages from non-covered employment would cause their overall wages to appear artificially low.