

Public Policy Options for Maine: Economic Development, Workforce Preparation and Education & Training Infrastructure

Council for Adult and Experiential Learning

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The Knowledge Economy & Human Capital

- Knowledge-based economies, marked by rapidly changing technological advances, depend on the ability of individuals and organizations to produce new ideas
- State fortunes will be determined more by human capital potential than by physical capital and natural resources
- The need for states and policy-makers to critically examine their human capital infrastructure in order to transition to a knowledge economy is further impacted by changes in the state and national workforce
- Retirement of Baby-Boomers is projected to lead to a national deficit of about 12 million workers with some postsecondary education by 2020



Maine's “Human Capital” Picture

In order to focus resources & consider policy options we need to consider:

- ❑ The Current Economy—Industries and Occupations
- ❑ Economic Changes-- Desired and Planned
- ❑ The Current workforce (2008)
- ❑ The Projected workforce
- ❑ Education and Training Infrastructure to deliver the workforce of the future



Maine's Economy Today

- Employment in goods-producing industries (manufacturing, construction, & natural resources) accounted for nearly half of jobs in Maine 60 years ago; today those industries account for 14% of jobs
- More than 25,000 jobs have been lost in Maine in the current recession
- Manufacturing, construction, and retail trade accounted for 60% of job loss; while health care, professional, scientific, and technical services jobs actually recorded gains



Maine's Economy Today

- Median Income of households \$46,807, (*need US comparison*)
- Unemployment rate of 8.X% July 2009
- *Unemployment by educational attainment*

Economic Characteristics: Leading Industries, 2008

Leading industries (by number of employees) are:

- Education Services, Healthcare, & Social Assistance (25% of employment)
- Retail Trade (14%)
- Manufacturing (11%)
- **Health care industry is the largest in Maine with an average of 84,200 jobs in 2008 and accounts for 14% of wage and salary employment**

Economic Characteristics: Employment by Occupation

“In the last 60 years blue collar jobs declined from more than half to less than one quarter of jobs; managerial, professional, and technical jobs increased from one-fifth to one-third of jobs” (Maine Department of Labor):

- 33% Management & Professional
- 25% Sales & Office
- 17% Service
- 13% Production, transportation, material moving
- 10% Construction, extraction, maintenance & repair



Employment Projections (2006-2016)

- Employment opportunities will be concentrated in service-producing industries
- Education, health services, retail trade, and hospitality services will create about 3/4th of all new jobs
- Many of the fastest growing jobs will be health care related
- Technology will continue to impact the structure of employment—computer related occupations will grow faster than average

Maine Employment Outlook to 2016, August 2008



Employment Projections (2006-2016)

- Average of 19,404 job openings expected each year—4,600 from growth; 14,800 due to replacement
- Number of jobs in occupations requiring PSE or training will rise by 8.1%; those requiring only a high school education will rise by 3.7%
- Despite the slower than average growth in occupations at the lower end of the education/training spectrum, they will still make up 70% of the total jobs in Maine **if no change to industry mix**

Employment Projections (2006-2016)

High Wage/High Demand

AVERAGE ANNUAL JOB OPENINGS EXPECTED IN MAINE 2006-2016

EDUCATION OR TRAINING REQUIREMENT	TOTAL ANNUAL OPENINGS (ALL)	HIGH WAGE IN-DEMAND ANNUAL OPENINGS	% OF OPENINGS THAT ARE HIGH WAGE IN DEMAND
Total, All Levels of Education & Training	19,404	6,602	34.0%
Bachelor's Degree or Higher	3,591	2,529	70.4%
PSE Beyond High School, Less than BA	2,556	1,128	44.1%
High School Diploma or Less	12,229	2,945	23.9%

Maine Department of Labor, Center for Workforce Research & Information September 2009



Occupations Providing the Greatest # of Jobs over the Next Decade

7 of the 10 are low-skill, low wage, but almost all require some education beyond high school:

- Registered Nurses
- Home Health Aides
- Customer Service Reps
- Food Prep and Service
- Personal and Home Care Aides
- Retail Salespersons
- Office Clerks
- Accountants
- Nursing Aides
- Postsecondary Teachers

Maine Department of Labor



Potential Labor Force Issues

- ❑ Maine Labor Force Participation is declining and will continue to decline through 2016 due largely to the aging of the population
- ❑ Current and persistent demand for health care workers—7,000 ads for health care occupations in Maine in August 2009 & over 30% of net job gain 2006-16 expected to come from health care
- ❑ Bio-Fuels, Wind Energy, Green Jobs???

Maine Demographics

- Population Estimate 1.3M (2008)
- 310,326 under 18 years of age, 842,530 18-64 years of age, 163,600 over 65 years of age
- Median age of 42 years—oldest median age in the U.S.
- **Maine's Overall Population and Workforce are aging. According to Planning Office Projections (2002-2012):**
 - Overall projection of growth in last decade 0.4%**
 - 51% growth rate 55-64 age group**
 - 43% growth rate 65-69 age group**
 - At the same time the population under 20 is expected to decline by 9%**

Educational Attainment by Workforce Age Population (18-64)

EDUCATIONAL ATTAINMENT BY AGE (2008)

AGE:	Less than High School	High School Only	Some College No Degree	Associate or Higher Degree
18-64 (842,53)	8.2% (68,689)	34.3% (288,734)	24.3% (204,458)	33.3% (280,649)
18-24 (113,101)	14% (15,957)	33.4% (37,804)	41.8% (47,265)	10.7% (12,075)
25-44 (330,638)	6% (19,610)	34.4% (113,895)	23.4% (77,530)	36.2% (119,603)
45-64 (398,791)	8.3% (33,122)	34.4% (137,035)	20% (79,663)	37.4% (148,971)



Potential Educational Attainment Issues for Workforce

- ❑ Greater number of high school dropouts in youngest age group
- ❑ Number of residents without a high school diploma or GED
- ❑ Most educated group is group nearest retirement age
- ❑ Large number with only a high school diploma

How Does Maine Measure Up? (18-64 Age Group)

- Maine has a higher percentage with a high school diploma than the U.S. average (85.9%)
- Maine has a higher percentage with an Associates Degree than the U.S. Average (8.3%)
- Maine has lower percentage with a Bachelor's degree or higher (29.2%)

How Does Maine Measure Up? (Postsecondary Education)

- ❑ Maine Students pay less than the U.S. average for PSE at public 4-year institutions and about the average at public 2-year institutions
- ❑ After attaining their degrees, increase in earnings over a high school diploma is below the U.S. average
- ❑ Maine's investment in PSE relative to its 18-44 year old population with a high school diploma or some college no degree is below the U.S. average and produces fewer undergraduate credentials than the U.S. average



How Does Maine Measure Up?

- Regional pockets of ‘critical need’: Oxford, Franklin, and Somerset counties are experiencing economic and educational attainment challenges that are greater than peers nationally
- Overall conditions in Maine are most heavily impacted by the labor and earnings statistics—especially the western and northern areas of the state



A Central Issue

“As policymakers in Maine struggle to balance issues surrounding human capital, they must remain cognizant of the inter-relations between educational conditions and future economic and population demands...how to create and sustain economic and community development strategies that attract technology based business and industry to the state and couple these with educational access programs for students currently in the P-16 educational pipeline” and for those who need to enter education and training programs in order to enter and remain in the workforce.



Policy Discussion

- Economic Development

- New industries and jobs—'green'
- Strong existing industries and jobs

Workforce Development

- Shrinking labor force
- Education and skills

- Education and Training Programs and Access

- Access, affordability, awareness

- Regional Differences and Access