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The Employment Situation in Maine – January 2025

Nonfarm jobs and unemployment have changed little in the five months through January. These indications follow annual revisions to data for prior years. In 2023 there was an average of 1,600 more jobs and unemployment was lower in the latter part of the year than previously estimated. In 2024 there was an average of 1,000 more jobs and unemployment was higher in the latter months. An article comparing previously published to revised data is here.

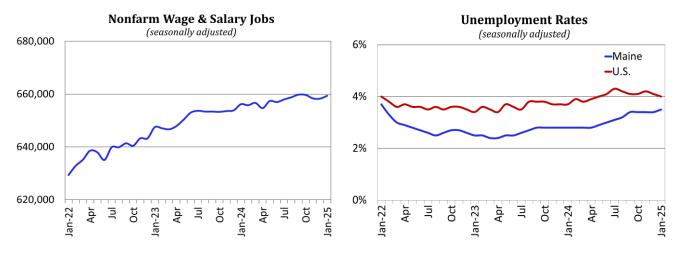


Figure 1: Nonfarm Wage and Salary Jobs

Figure 2: Unemployment Rates, Maine and U.S.

These estimates are derived from two monthly surveys. The Current Population Survey collects information from households on labor force status, including labor force participation, employment, and unemployment. The Current Employment Statistics survey collects information from nonfarm employers by industry on the number of wage and salary jobs, hours worked, and wages paid to individuals on their payrolls. Both surveys are administered by the U.S. Bureau of Labor Statistics. Preliminary estimates from the two surveys sometimes diverge in direction or magnitude of change. Over extended periods they tend to be more aligned.

Seasonally Adjusted Statewide Labor Force Estimates

The 3.5 percent preliminary unemployment rate for January was little changed from the revised 3.4 percent for the prior four months. Unemployment has been below four percent for 38 months – the second longest such period – and below the U.S. average for all but three months for 17 years. The rate continued to be below the long-term average of 5.4 percent for the state since January 1976, when the current methodology was adopted.

Statewide Labor Force Estimates (seasonally adjusted)									
	La	st Two Mor	nths	Three-Month Averages					
Metric	Dec	Jan	Change	Aug to Oct	Nov to Jan	Change			
Labor Force Participation Rate	60.3%	60.3%	0.0%	60.4%	60.4%	0.0%			
Employment Rate (Employment to Population Ratio)	58.2%	58.2%	0.0%	58.4%	58.3%	-0.1%			
Unemployment Rate	3.4%	3.5%	0.1%	3.3%	3.4%	0.1%			

Figure 3: Statewide Labor Force Estimates (Seasonally Adjusted)

Unemployment averaged 3.7 percent for New England and 4.0 percent for the U.S. in January. (The U.S. rate for February was 4.1 percent. State rates are released about two weeks after the national rate in 11 months of each year. The exception is January, which is delayed about three weeks for annual revisions to state estimates.)

Note on Preliminary Unemployment Estimates: They should be considered in the context of whether they are below, near, or above historical or U.S. averages, rather than if they are up or down a few tenths of a point from some other month. The household survey sample they are derived from is large enough for direct estimates for the nation. For states it is much smaller and <u>statistical modeling</u> is used to prevent large single-month changes that may overstate the magnitude or the direction of changes in labor market conditions.

One result of this is that preliminary unemployment rates for Maine tend to follow an undulating pattern, moving in one direction for several months and then the other through the course of a year. Revisions, published annually in March, have consistently smoothed these patterns. Upward or downward changes in preliminary unemployment or labor force participation rates often are not as indicative of improvement or deterioration in conditions as may appear. Though rates for many months will change when revised, unemployment rates for the early and latter parts of 2024 certainly will remain well below the long-term average.

Seasonally Adjusted Statewide Nonfarm Jobs Estimates

Nonfarm wage and salary jobs increased 1,100 in the month and 3,200 in the last year, an average of 300 per month. Most job gains occurred in the first half of 2024. Since then there has been some monthly variability, but little net job change. The over-the-year increase was primarily in healthcare and social assistance and in leisure and hospitality, each of which accounted for one-third of the net gain. Changes in other sectors were smaller.

Statewide Nonfarm Wage & Salary Jobs Estimates (seasonally adjusted)											
		Jobs (thousands & percent)					Change in Jobs (thousands & percent)				
Industry	2024		2025	Share of Jobs		Dec to Jan		Jan 24 to Jan 25			
,	Jan	Dec	Jan	Jan 24	Jan 25	Net	Percent	Monthly Average	Net	Percent	
Total Nonfarm	656.2	658.3	659.4	100%	100%	1.1	0.2%	0.3	3.2	0.5%	
Total Private	554.4	556.4	557.2	84%	85%	0.8	0.1%	0.2	2.8	0.5%	
Healthcare & Social Assistance	109.6	110.8	110.7	17%	17%	-0.1	-0.1%	0.1	1.1	1.0%	
Retail Trade	82.2	82.7	82.8	13%	13%	0.1	0.1%	0.0	0.6	0.7%	
Professional & Business Services	77.9	79.4	78.5	12%	12%	-0.9	-1.1%	0.0	0.6	0.8%	
Leisure & Hospitality	70.1	70.7	71.2	11%	11%	0.5	0.7%	0.1	1.1	1.6%	
Manufacturing	52.5	51.6	51.7	8%	8%	0.1	0.2%	-0.1	-0.8	-1.5%	
Construction	35.1	35.1	35.1	5%	5%	0.0	0.0%	0.0	0.0	0.0%	
Financial Activities	33.4	33.1	33.0	5%	5%	-0.1	-0.3%	0.0	-0.4	-1.2%	
Educational Services	22.5	22.8	23.8	3%	4%	1.0	4.4%	0.1	1.3	5.8%	
Other Services	23.0	22.5	22.6	4%	3%	0.1	0.4%	0.0	-0.4	-1.7%	
Transportation, Warehousing, Utilities	18.6	18.8	18.8	3%	3%	0.0	0.0%	0.0	0.2	1.1%	
Wholesale Trade	19.2	18.6	18.6	3%	3%	0.0	0.0%	0.0	-0.6	-3.1%	
Information	8.3	8.3	8.4	1%	1%	0.1	1.2%	0.0	0.1	1.2%	
Mining & Logging	2.0	2.0	2.0	0.3%	0.3%	0.0	0.0%	0.0	0.0	0.0%	
Government	101.8	101.9	102.2	16%	15%	0.3	0.3%	0.0	0.4	0.4%	
Local	61.4	60.9	61.4	9%	9%	0.5	0.8%	0.0	0.0	0.0%	
State	23.3	23.6	23.3	4%	4%	-0.3	-1.3%	0.0	0.0	0.0%	
Federal	17.1	17.4	17.5	3%	3%	0.1	0.6%	0.0	0.4	2.3%	

 $Industries\ in\ descending\ order\ by\ number\ of\ jobs\ in\ current\ month.\ Numbers\ may\ not\ add\ due\ to\ rounding.$

Figure 4: Statewide Nonfarm Wage and Salary Estimates (Seasonally Adjusted)

Note on Preliminary Nonfarm Jobs Estimates: Preliminary estimates of nonfarm jobs from the payroll survey of employers tend to provide a better indication of the magnitude and direction of change than labor force and unemployment estimates from the household survey. The payroll survey is much larger and revisions to jobs estimates tend to be smaller.

Not Seasonally Adjusted County and Metro Area Labor Force Estimates

On a not seasonally adjusted basis the statewide unemployment rate was 3.9 percent. Rates were at least 0.3 percentage points higher than that in eleven counties, at least 0.3 points lower than that in three, and close to the average in two. The lowest rates were in southern and central areas; the highest were in the north and the mid-coast.

Among the three metro areas of the state, unemployment was below the statewide average in Portland-S. Portland and close to the average in Bangor and Lewiston-Auburn.

(Labor force estimates for substate areas, including unemployment rates, are not seasonally adjusted. Because of this, estimates for a certain month should be compared to the same month in other years and should not be compared to other months in the same or other years.)

January Labor Force Estimates (not seasonally adjusted)									
Area	Emp	oyed	Unemp	loyed	Unemployment Rate				
Area	2024	2025	2024	2025	2024	2025			
Maine	666,740	672,640	23,050	27,660	3.3%	3.9%			
U.S. (in thousands)	159,650	162,350	6,780	7,470	4.1%	4.4%			
Counties									
Androscoggin	53,580	53,490	1,740	2,070	3.1%	3.7%			
Aroostook	27,480	27,650	1,320	1,670	4.6%	5.7%			
Cumberland	166,630	169,240	4,210	5,100	2.5%	2.9%			
Franklin	13,810	13,690	530	660	3.7%	4.6%			
Hancock	24,840	25,170	1,410	1,600	5.4%	6.0%			
Kennebec	60,560	61,580	1,910	2,200	3.1%	3.4%			
Knox	18,420	18,340	690	820	3.6%	4.3%			
Lincoln	15,340	15,120	570	670	3.6%	4.3%			
Oxford	25,670	25,550	900	1,160	3.4%	4.3%			
Penobscot	72,150	73,010	2,640	3,220	3.5%	4.2%			
Piscataquis	6,230	6,180	340	440	5.2%	6.6%			
Sagadahoc	18,750	18,930	460	620	2.4%	3.2%			
Somerset	21,400	21,490	1,050	1,310	4.7%	5.7%			
Waldo	17,650	17,650	750	870	4.1%	4.7%			
Washington	11,530	11,290	740	820	6.0%	6.7%			
York	112,710	114,260	3,790	4,460	3.3%	3.8%			
Metropolitan Areas									
Bangor	72,150	73,010	2,640	3,220	3.5%	4.2%			
Lewiston-Auburn	53,580	53,490	1,740	2,070	3.1%	3.7%			
Portland-S Portland	298,090	302,430	8,460	10,180	2.8%	3.3%			

Figure 5: January Not Seasonally Adjusted Labor Force Estimates

Not Seasonally Adjusted Statewide and Metro Area Hours and Earnings Estimates

The private sector workweek averaged 33.2 hours and earnings averaged \$32.38 per hour in January. Average hours increased 0.5 and hourly earnings increased 4.0 percent from a year ago. The workweek was longest in construction and shortest in leisure and hospitality. Earnings were highest in professional and business services and lowest in leisure and hospitality.

Hourly earnings were higher than the statewide average in the Portland-S. Portland metro and slightly lower in the Bangor and Lewiston-Auburn metros.

January Private Sector Average Hours & Earnings Estimates (not seasonally adjusted)									
Sector/Area	W	eekly Hou	ırs	Hourly Earnings					
	2024	2025	Change	2024	2025	Change			
Maine	32.7	33.2	0.5	\$31.13	\$32.38	4.0%			
United States	33.8	33.7	-0.1	\$34.64	\$36.00	3.9%			
Sectors Statewide									
Construction	38.8	39.8	1.0	\$32.11	\$33.14	3.2%			
Manufacturing	36.7	37.1	0.4	\$30.75	\$33.36	8.5%			
Trade, Transportation & Utilities	30.9	31.9	1.0	\$25.81	\$27.08	4.9%			
Professional & Business Services	33.8	33.7	-0.1	\$36.95	\$37.55	1.6%			
Education & Health Services	33.1	33.7	0.6	\$34.81	\$34.02	-2.3%			
Leisure & Hospitality	25.8	24.9	-0.9	\$22.69	\$23.12	1.9%			
Metropolitan Areas									
Bangor	34.4	33.6	-0.8	\$30.07	\$30.90	2.8%			
Lewiston-Auburn	34.4	34.2	-0.2	\$28.80	\$30.54	6.0%			
Portland-S Portland	31.9	33.0	1.1	\$34.19	\$34.72	1.6%			

Figure 6: January Private Sector hour and Earnings Estimates (Not Seasonally Adjusted)

February 2025 workforce estimates will be published Friday, March 28 at 10 a.m. The data release schedule is here

Nonfarm jobs data is available here

Unemployment and labor force data is available here

NOTES:

- 1. Preliminary seasonally adjusted labor force estimates, including rates (labor force participation, employment, and unemployment rates), and levels (labor force, employed, and unemployed), as well as nonfarm wage and salary job estimates are inexact. Annual revisions (published in March each year) add accuracy. A comparison of 2023 and 2024 revised and previously published estimates is available in this blog.
- 2. The 90 percent confidence interval for the statewide seasonally adjusted unemployment rate for January was between 2.8 and 4.2 percent.
- 3. Nonfarm wage and salary jobs from the payroll survey provide a better indication of changes in employment than resident employment from the household survey. The payroll survey is larger and has smaller margins of error.
- 4. Nonfarm payroll jobs estimates tend to be variable from month to month because the representativeness of reporting employers can differ. Seasonal adjustment is imperfect because weather, the beginning and ending of school semesters, and other events do not always occur with the same timing relative to the pay period that includes the 12th day of the month, which is the survey reference period. This sometimes exacerbates monthly changes in jobs estimates. Users should look to the trend over multiple months rather than the change from one specific month to another. Jobs estimates for the period from April 2024 to September 2025 will be replaced with payroll data in March 2026. Those benchmark revisions usually show less monthly variability than previously published estimates.