

# Who is not participating in the labor force?

A great deal of attention has been paid recently to the fact that Maine is the oldest state in the nation (by median age) with a large share of our population on the verge of aging out of the labor force. Less well-known, our share of the population not in the labor force has been rising at a much faster rate than the share in the workforce. This trend has been occurring for more than a decade, well before the oldest Baby Boomers turned 65 in 2011. From 2000 to 2012 the number of labor force participants increased just 5 percent while the number not in the labor force increased 23 percent.

The labor force is the sum of people age 16 and over who are employed or unemployed. Jobless individuals are considered unemployed if they were available for work and they actively engaged in work search activities. If they were not available for work or they did not look for work they were not in the labor force. In 2012, just 12 percent of the more than 442,500 jobless people in Maine were unemployed; the rest were not in the labor force.

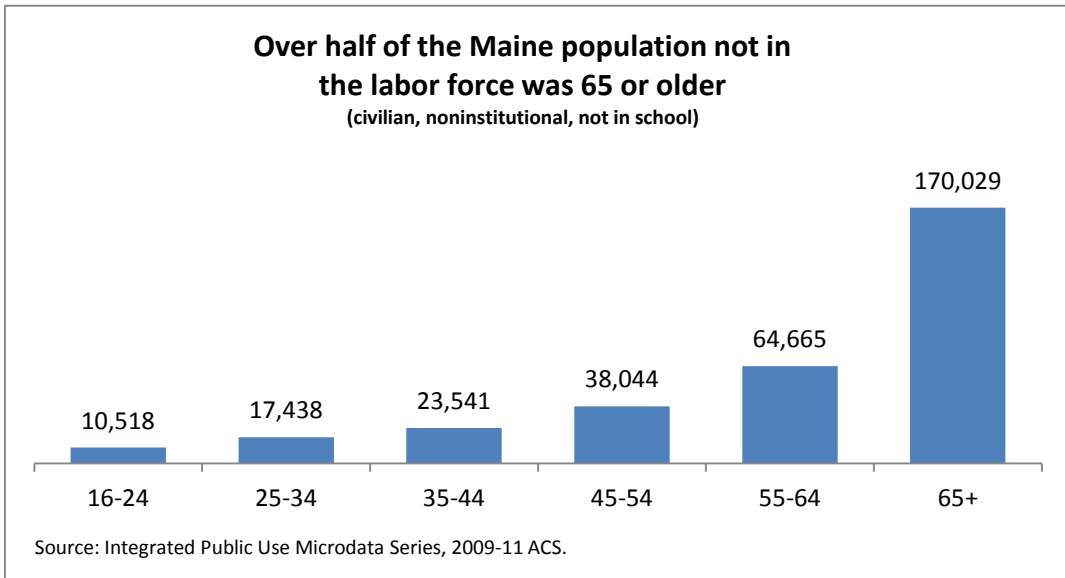
With little working-age population growth expected over the next two decades, increased participation among those not currently engaged in the workforce is a potential source of labor supply. Therefore, it is important to determine what groups are not in the labor force.

## About 388,000 civilian residents are not in the labor force

The population aged 16 or over averaged nearly 1.1 million between 2009 and 2011, with 64 percent in the civilian labor force and 2,800 in the armed forces. The remaining 388,000 residents were not in the labor force. Of that number, 12,000 of were institutionalized (i.e., as in correctional institutions, hospitals for people with mental illness, and nursing homes and long-term care facilities thus unavailable to work), 52,000 were in school, more than 80 percent of whom were under age 24, and 170,000 were age 65 or older. Though labor force participation of seniors has been rising and is expected to continue to rise for another 10 or 15 years, overwhelmingly, seniors are not in the labor force due to their choice to retire.

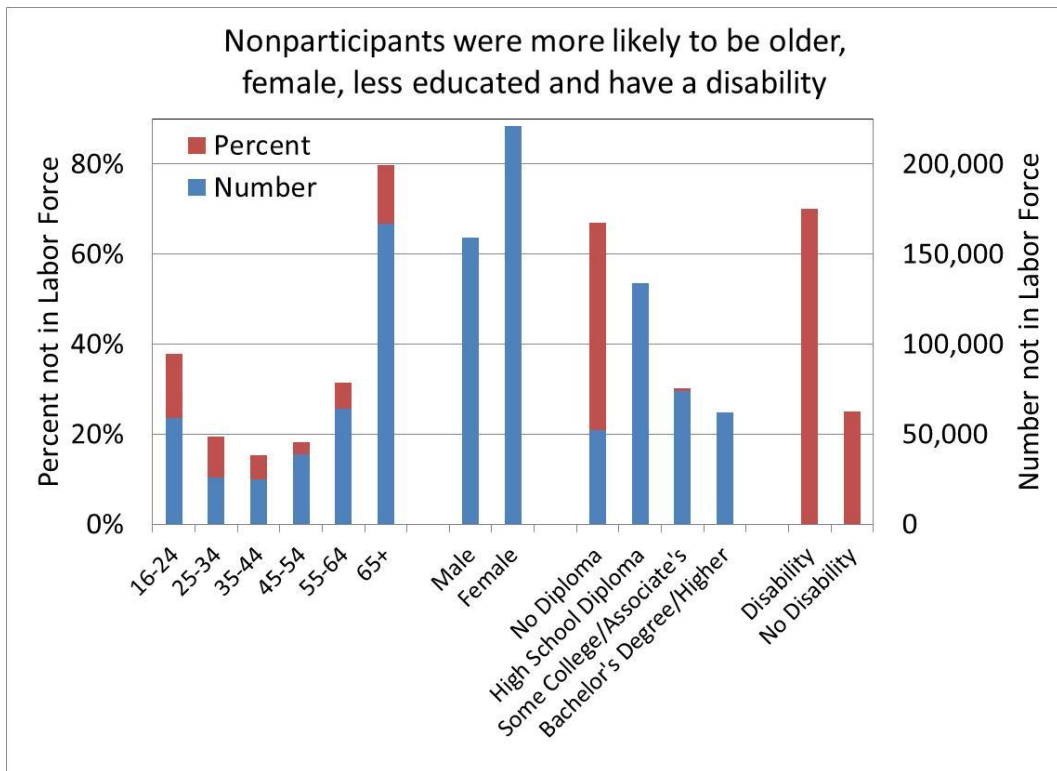
Labor Force Status of the Population Age 16 and Over (2009–2011 Averages)	
Characteristic	Number
Total Population Age 16+	1,089,538
Civilian Non-Institutional Population	
In Labor Force	698,348
Employed	644,242
Unemployed	54,106
Not in Labor Force	388,351
Active Military	2,839

Source: Integrated Public Use Microdata Series, 2009–11 ACS.

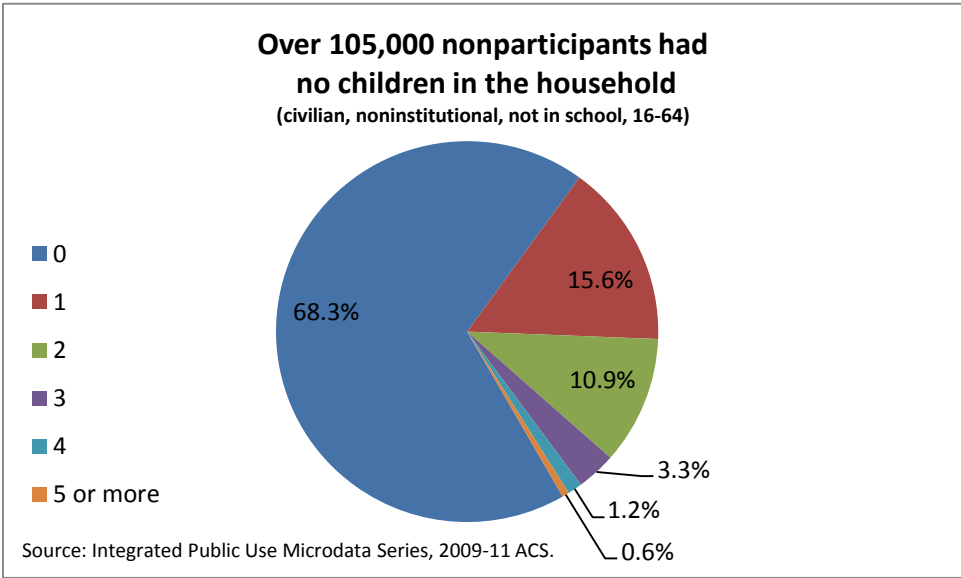


### Working-Age Nonparticipants

There were 154,000 residents not in the civilian labor force, military, school, or institutionalized age 16 to 64. Compared to those in the labor force, nonparticipants generally were more likely to be older, female, less educated, and have a disability.

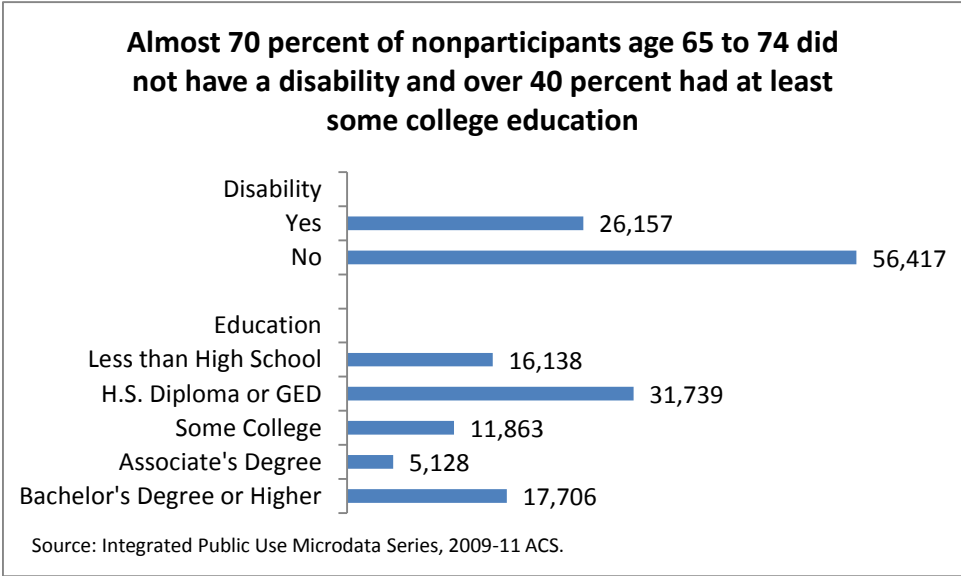


Many families make a choice to have a parent to take time out of the labor force to raise children, especially those with pre-school age kids. This is a major reason for lower labor force participation among women, especially those in their 20s and 30s, though 70 percent of the nonparticipants age 16 to 64 had no children in the household.



**Nonparticipants 65 years of age or older**

About 170,000 nonparticipants were at or above the traditional retirement age of 65. This number is increasing rapidly as the 1946 to 1964 Baby Boom generation advances in age. Although the dramatic increase in older adults raises challenges, it also affords opportunities to tap a group of individuals, some with high skills, to work and learn new skills. Labor force participation of seniors, particularly those age 65 to 74, has been rising. Increased participation by this age group will be needed in the future to help grow the labor force. Currently (2009–11 average), almost half the nonparticipants over 64 years of age are under 75.



Growing the labor force by keeping more people in Maine and encouraging more people to come here is not the only way to offset the impending wave of retirements. With appropriate training or accommodation, individuals currently not in the labor force could meet the needs of many employers. With so many advancing in age, strategies to reduce barriers and misconceptions about the abilities of older adults will be increasingly important.

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Data in this report is from the U.S. Census Bureau's American Community Survey. Another source, the Current Population Survey, provides similar data on labor force participation. Users can view charts and select alternate years of Maine CPS data at [www.maine.gov/labor/cwri/cps.html](http://www.maine.gov/labor/cwri/cps.html).