A Profile of the Workforce in Aroostook County in 2007

Prepared for

Northern Maine Development Commission
Aroostook-Washington Workforce Investment Board
Maine Department of Labor

UNIVERSITY OF SOUTHERN MAINE

Center for Business and Economic Research

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Introduction

In 1999-2001, the University of Southern Maine Center for Business and Economic Research (CBER) conducted a series of surveys in seventeen regions in Maine to assess key characteristics of the Maine labor force with funding from the Maine Department of Economic and Community Development. In 2006, the Northern Maine Development Commission received funding from the Regional Business Opportunity Grant program of the U.S. Department of Agriculture's Rural Development Administration to repeat the survey of workforce characteristics and to investigate particular issues related to the aging workforce in Aroostook County. This report summarizes the results of two surveys and of interviews with employers conducted during the spring of 2007.

The first survey was a random sample telephone survey of households in Aroostook County. Interview subjects were those over eighteen and who were not in the military or a full time student. A total of 812 interviews were completed. Because of the emphasis in this study on issues of an aging workforce, the population aged 55 and over was over-sampled. 296 of the 812 respondents were over 55 (36% of the sample v. 30% of the population in this age group).

A mail-out, mail-back survey was sent to 2,433 employers in Aroostook County based on Department of Labor records. Both post-card and phone reminders (to selected employers) were used as follow up to the initial mailing. A total of 264 usable surveys were returned, a return rate of 11%.

In the analysis, comparison with data collected in the 1999-2001 project is made where appropriate. Aroostook County was analyzed in three separate regions in that project: central Aroostook (the Presque Isle-Caribou labor market area); northern Aroostook (Fort Kent, Madawaska, Van Buren) and southern Aroostook (the Houlton area plus some towns in northern Penobscot County). The Aroostook regions were surveyed in late 1999 and in 2000, and are referred to in this report as the "2000" data. All records from the earlier employer and employee surveys with a residence or location in Aroostook County were selected for comparison with the 2007 data.

Dr. Charles Colgan, Professor of Public Policy and Management and Associate Director of CBER was Principal Investigator, and Dr. Bruce Andrews, Professor of Quantitative Business and Director of CBER was Project Director. Al Leighton, Director of the Muskie School Survey Research Center, oversaw administration of the surveys.

CBER research assistants included Anil Oztuncer, Brett Wilson, and Baris Sagiroglu. Kris Hultgren conducted interviews with a number of Aroostook employers as part of his capstone project for the masters degree in community planning and development on issues related to the aging workforce. Richard Kelso also interviewed employers as part of this project.

Mike Eisensmith served as project coordinator for the Northern Maine Development Commission. John Dorrer was project liaison for the Maine Department of Labor and Pat Boucher was project liaison for the Aroostook-Washington Workforce Investment Board.

Summary: The Aroostook Workforce in 2007

Employment Mobility

- The Aroostook Workforce tends to be very stable in terms of length of employment. Over half of the employees indicate they have been with their current employer and/or in their current position over 7 years.
- Turnover in the Aroostook workforce is a little below that of Maine as a whole (9.2% for Aroostook v. 9.8% for Maine as measured by the Department of Labor Local Employment Dynamics Data). Highest turnover is in the industries such as construction and accommodation/food service where turnover is normally higher.
- Employers report that the time to fill positions has lengthened somewhat for most position types since 2000.
- Taking into account unemployed and those looking for a new job, there were about 6,100 or 17% of the labor force (compared to an unemployment rate in July, 2007 of 4.3%).

Unemployment and Underemployment

- Those who experience permanent layoffs report finding work more quickly in 2007 than in 2000. However, the proportion reporting deterioration in the quality of subsequent jobs rose very slightly.
- Part time (<35 hour) and part year (<52 week) employment are essentially unchanged from 2000. As in 2000, the significant majority of those who work part time or part year prefer to do so.

Compensation

- The number of employees eligible for benefits has increased somewhat since 2000, both in terms of the range of benefits and range of employees.
- However, the number of employers reporting that offer benefits is essentially unchanged from 2000. There is also a noticeable drop in the number of firms contemplating additional benefits for their employees.
- Most employers report unchanged benefits over the past year. Few employers have reduced benefits (though among those who indicate they have reduced benefits, health insurance is the most likely to have been affected.
- About a quarter of employee respondents. Employers report generally good relations with unions, and union employees indicate unions are effective on their behalf. But most Aroostook non-union employees indicate it is very unlikely they would vote to join a union.

Skills, Education and Training

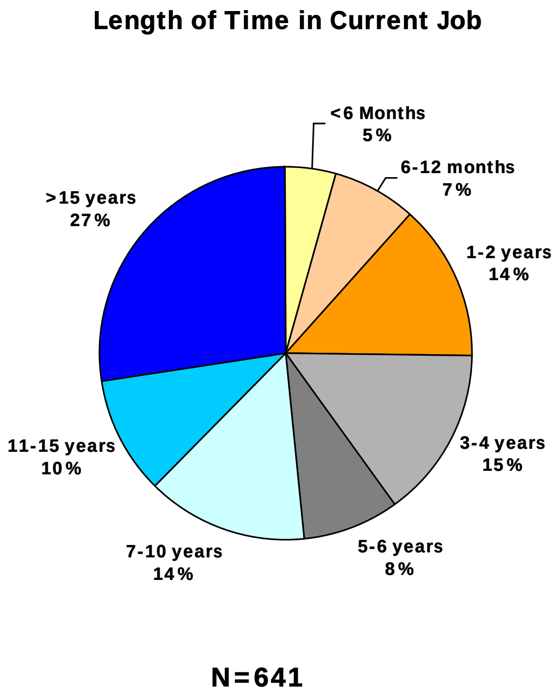
- Aroostook employers rate the labor force highest on communication and interaction skills, lowest on analytic-math and writing skills. This is consistent in both 2007 and 2000.
- Over 95% of the work force has a high school diploma or better. While the County continues to lag the state in the proportion of the workforce with a higher education degree, the proportion with a bachelor's degree has increased since 2000.
- The County has a high proportion of multi-lingual workers, with French as the most common second language. The proportion of Spanish speakers has risen somewhat since 2000.
- A majority of employers in Aroostook offer training of some kind for their employees, primarily in technical areas related to the organizations functions, followed by training in customer service and computers.
- A little less than half of employers use outside training organizations, with various private vendors the most common. While private vendors are the most common, they receive the lowest satisfaction ratings. In contrast, the higher education institutions of Aroostook are less used but highly rated by those who do use them.

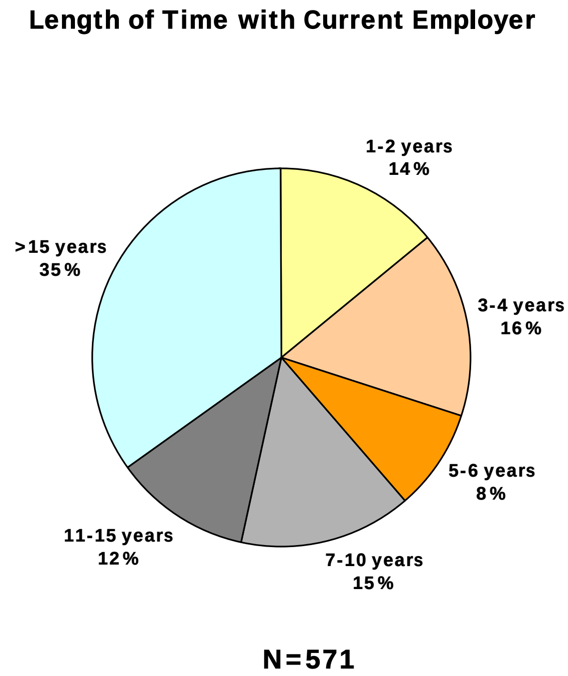
Commuting

- Commute times have lengthened somewhat since 2000. There is a definite relationship between wages paid and length of commute, indicating higher wages will increase the size of the "commuter shed". A weaker relationship exists between salaries and commuting time.

Employment Mobility Trends

Length of Employment: Primary Job Aroostook County has a very stable labor force in terms of longevity. Over half of the employee respondents indicate they have been in their current position over 7 years, and over 60% have been with their current employer over 7 years.

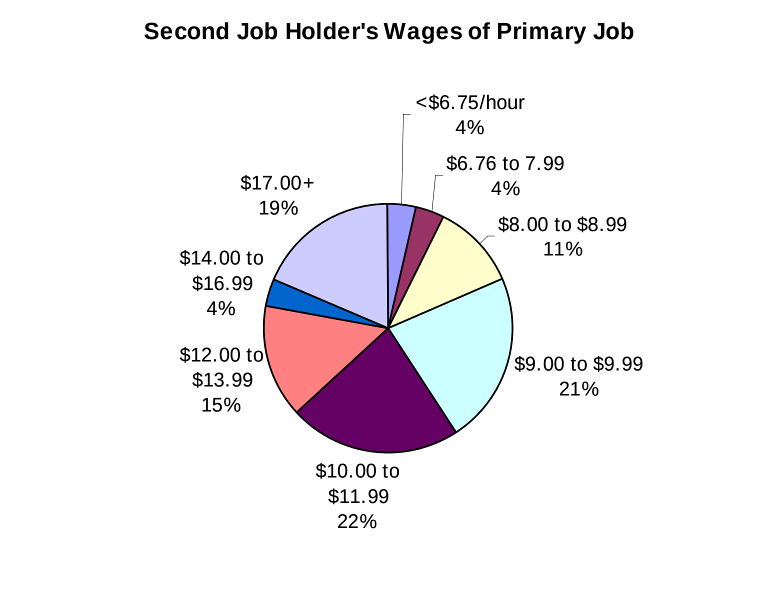


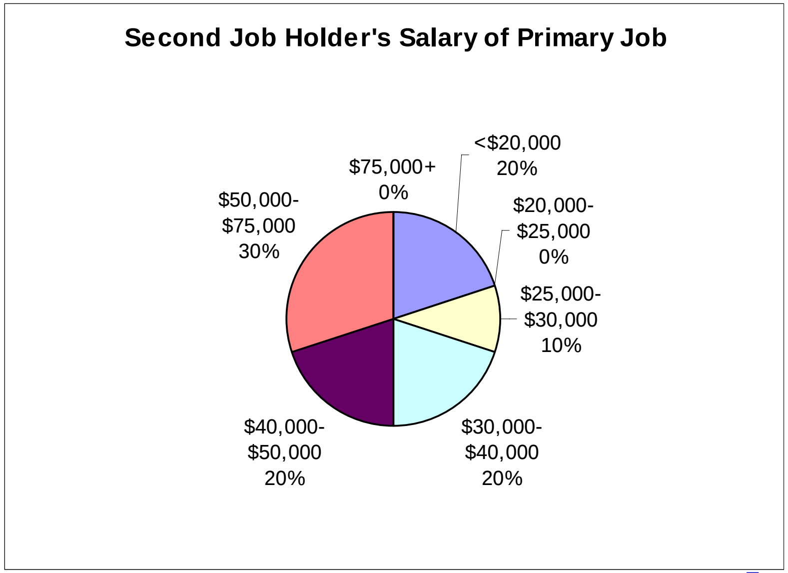


Length of Employment: Second Job Second jobs are generally held for much shorter times than primary jobs, with over half of second job holders reporting they have been in their current job less than 6 months and with their current employer less than 2 years. The relatively wide distribution of primary job wages among secondary job holders suggests that taking a second job is driven by more than pay considerations.

Time in Position-Secondary Job		
	N	Percent
< 6 months	22	51.2%
6-12 months	3	7.0%
1-2 years	3	7.0%
2-4 years	15	34.9%
TOTAL	43	

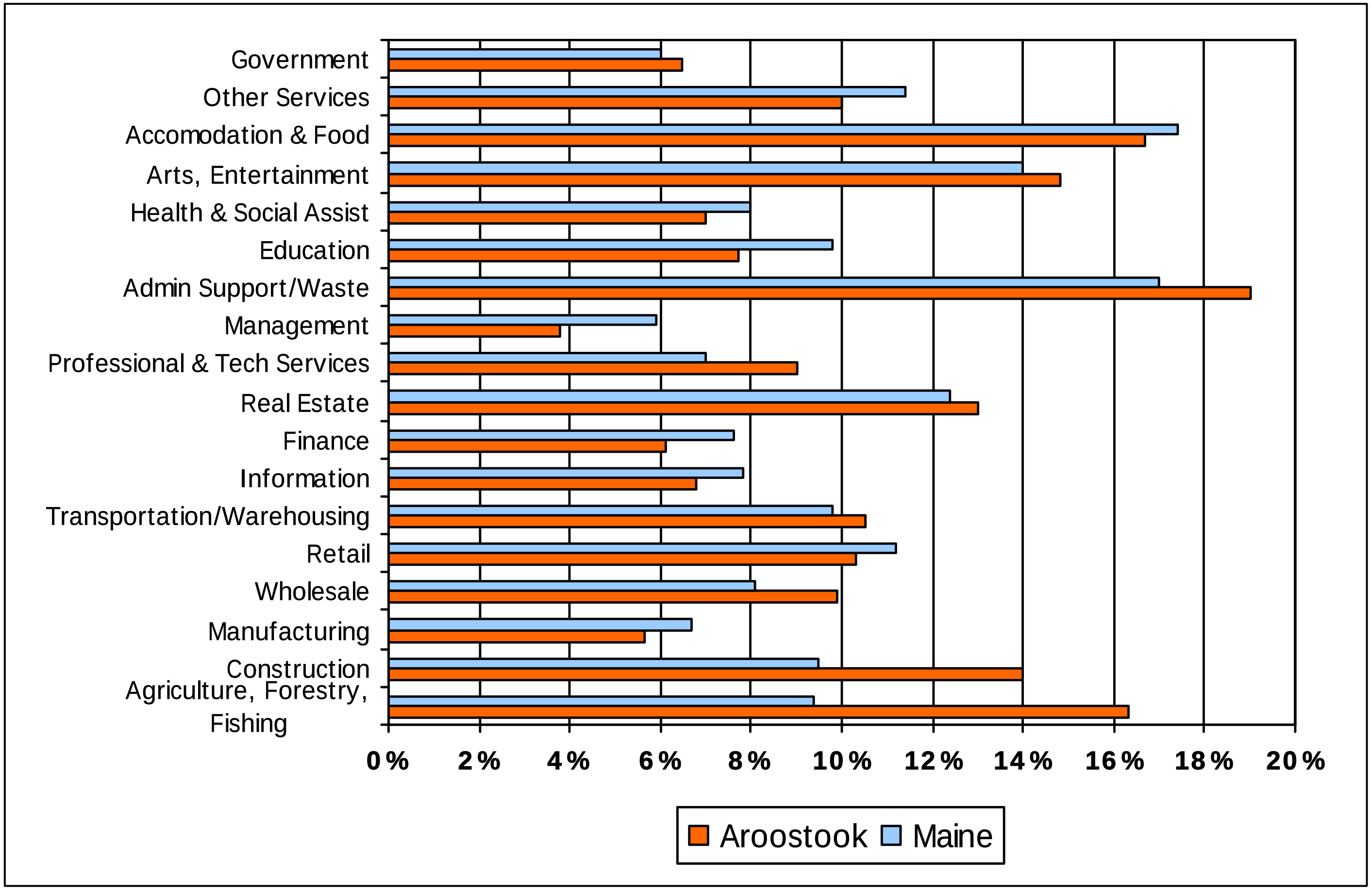
Time with Employer- Secondary Job		
	N	Percent
< 6 months	2	4.7%
1-2 years	24	55.8%
2-4 years	3	7.0%
4-6 years	1	2.3%
6-10 years	8	18.6%
10-15 years	3	7.0%
>15 years	2	4.7%
TOTAL	43	





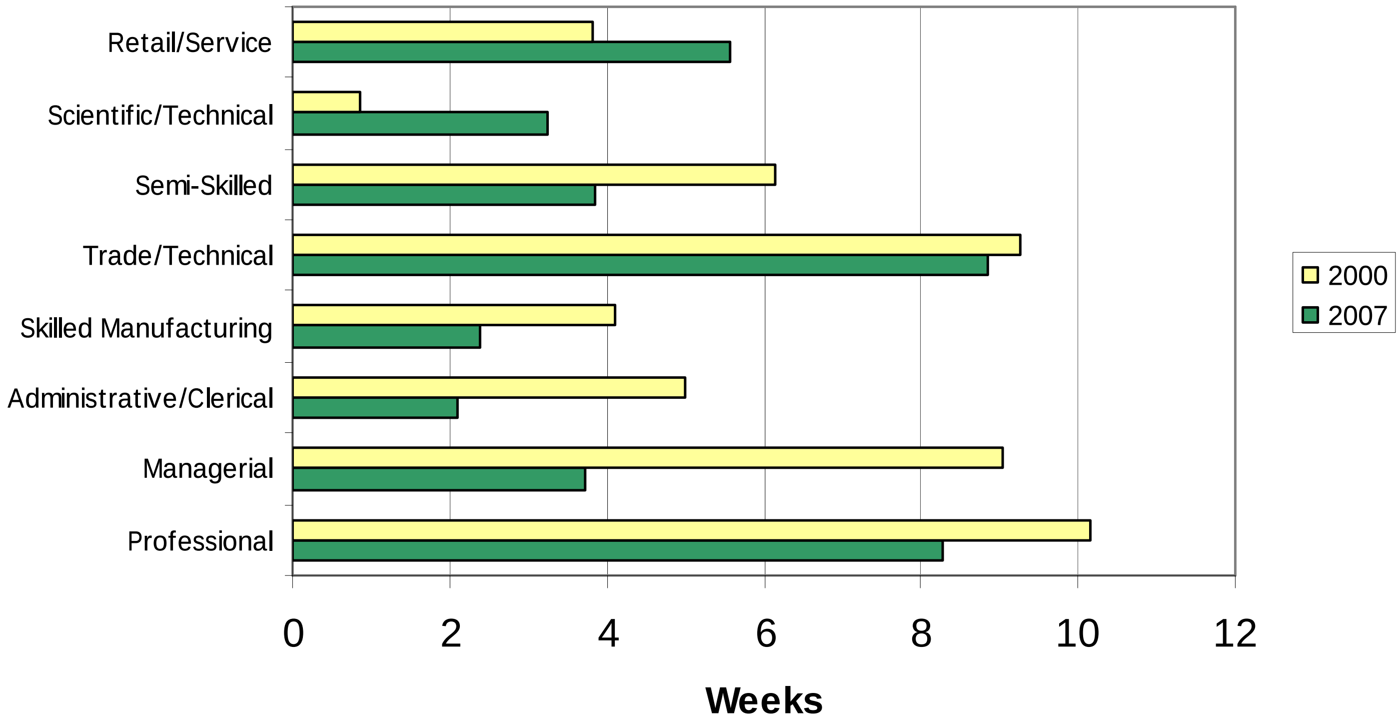
Employee Turnover Rates To measure employee turnover, the Department of Labor's Local Employment Dynamics database was used in place of the survey, as this provides a more consistent measure and a larger data set. Turnover is the net of job creation plus new hires minus separations. Data is shown for the period from 2005Q3 to 2006Q4.

Overall, the Aroostook turnover rate (9.2%) was comparable to the Maine turnover rate of 9.8%. Aroostook has turnover rates lower than Maine in half of the eighteen NAICS sectors. The lowest turnover rates in Aroostook are in education, government, health, management of enterprises, information, and retail.

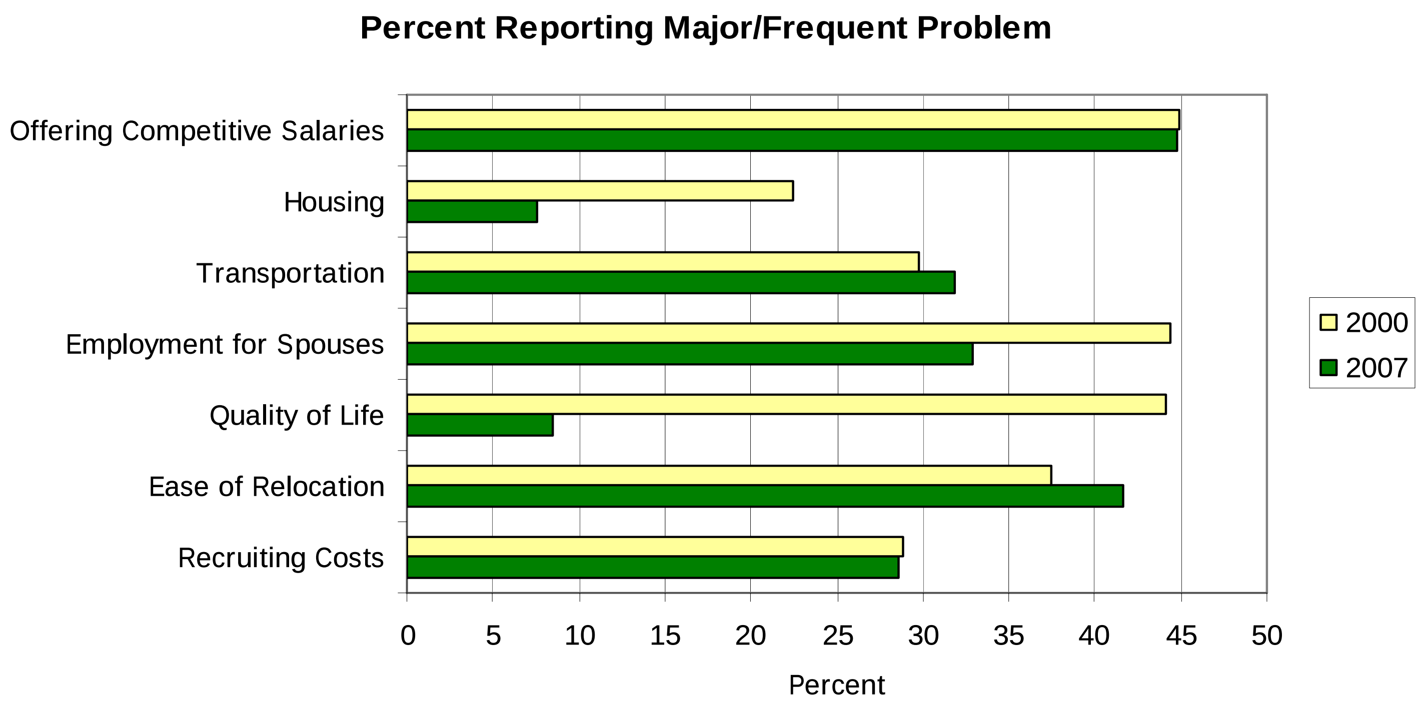


Time to Fill Positions Employers were asked how long, on average it takes to fill certain types of positions. Clerical positions and manufacturing positions took the shortest amount of time (about 2 weeks). Professional and technical positions were reported to take the longest (more than 8 weeks). This is consistent with reports in 2000.

The time to fill most positions has risen since 2000 for all job types except retail and scientific/technical positions.

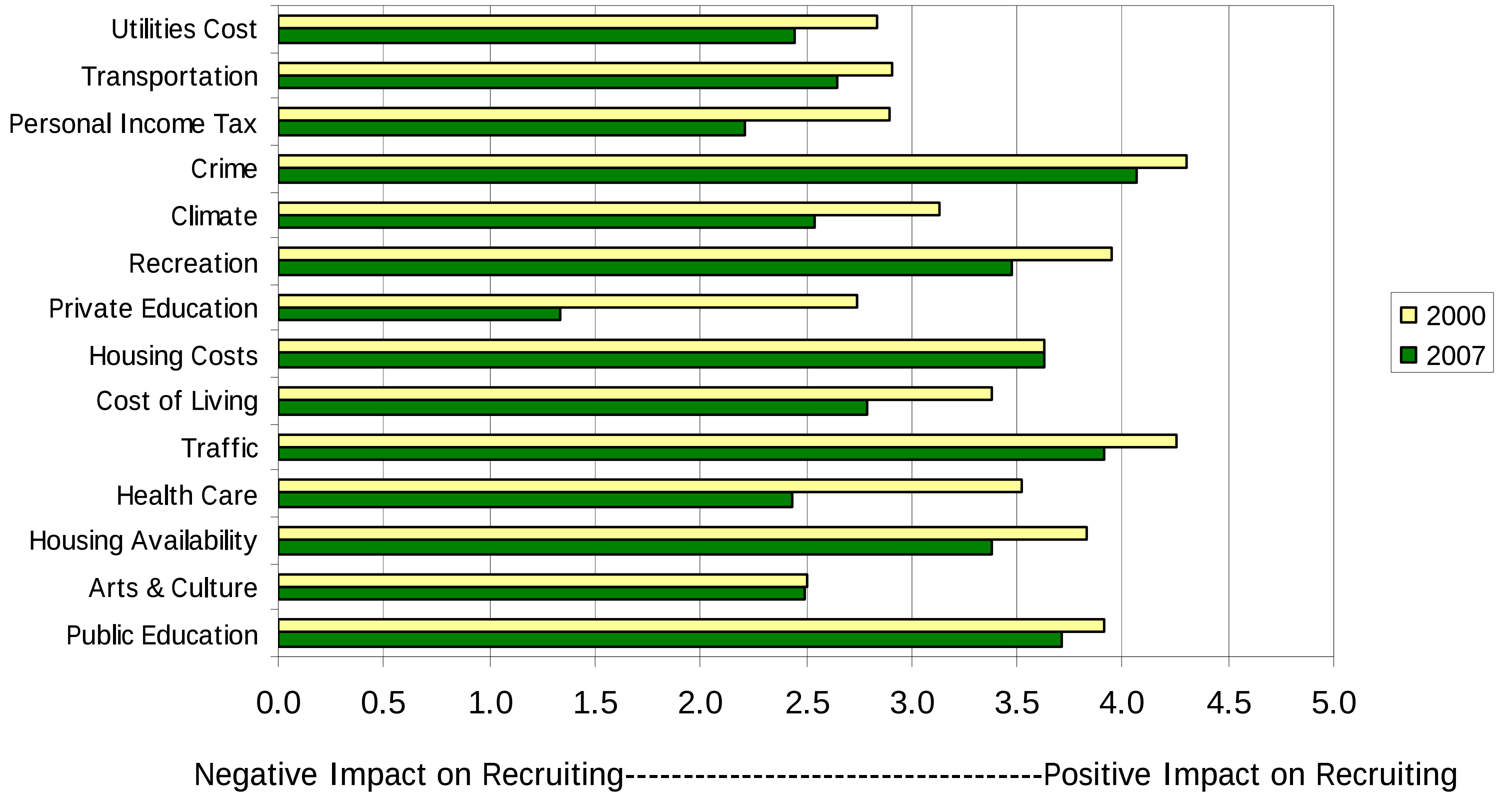


Evaluation of Recruiting Problems Employers who recruited employees from outside the immediate area were asked what kinds of problems they faced. In both 2000 and 2007, the most frequently cited issue was "offering competitive salaries". The number of employers mentioning housing and "quality of life" as problems in recruiting employees dropped substantially since 2000. Only the number of employers expressing concern about "ease of relocation" increased slightly since 2000.



Rating of Quality of Life Factors Affecting Employee Recruiting

Employers were asked whether various aspects of "quality of life" had a positive or negative impact on their ability to recruit employees from outside the immediate area. Overall, most aspects were reported as having a positive impact, which was also true in 2000. Lack of crime, traffic, recreational opportunities, housing availability, and costs have consistently been rated as positives, while the availability of private education was reported as the biggest negative. Between 2000 and 2007 concern about income taxes, health care, and private education grew the most.



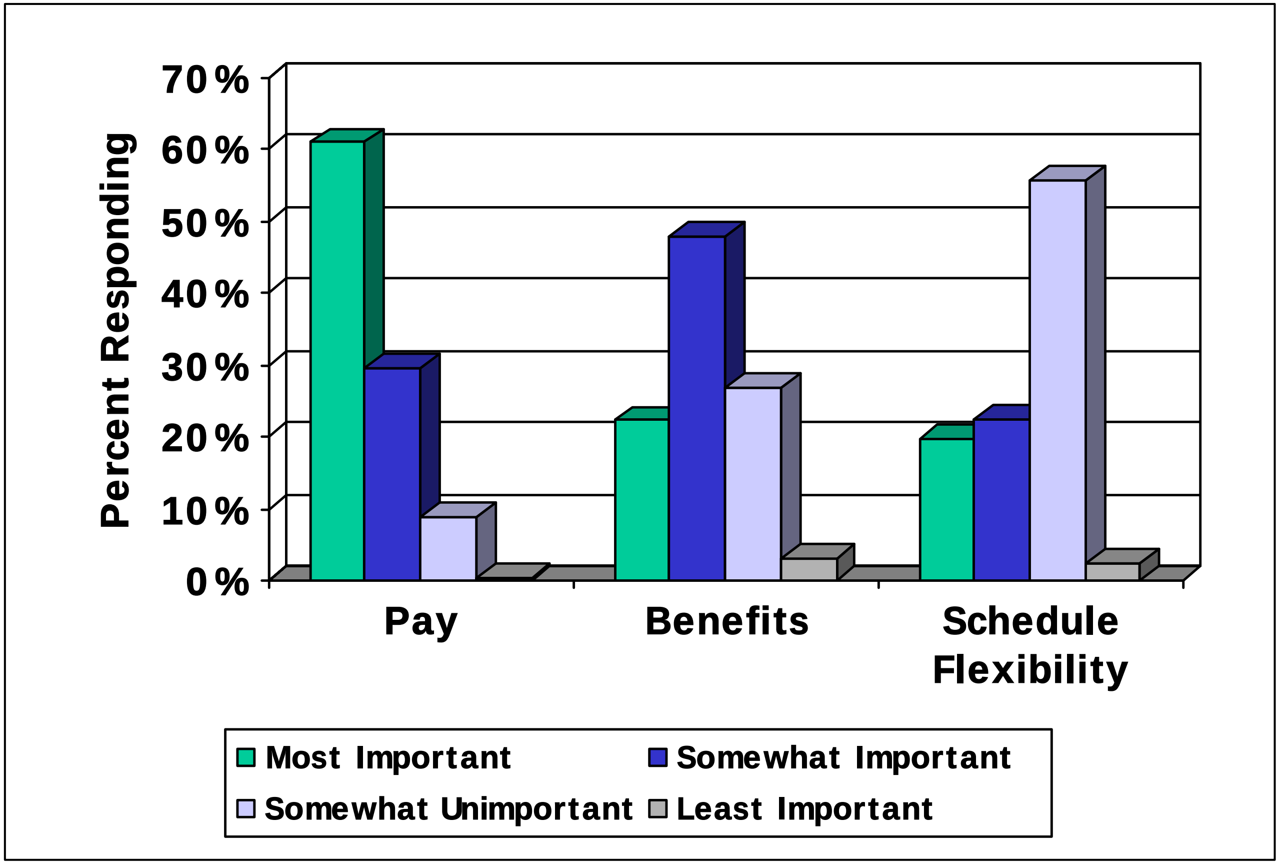
Approaches to Employee Recruiting Employers report that the local news paper and referrals by current employees (including internal postings) are the most widely used ways of finding employees. Local newspapers and internal postings are also rated the most effective. Although relatively few employers use them, hiring bonuses and the use of internet advertising on the employer's own website are rated highly in terms of effectiveness.

Employers Evaluation of Employee Recruiting Methods

	% Currently Using	Evaluation*
Local Newspaper	28.2%	3.22
Radio	7.6%	2.90
Houlton Career Center	5.7%	2.47
Presque Isle Career Center	9.8%	0.77
Other Career Center	3.8%	2.20
Employee Referrals	27.9%	2.76
Referral Bonuses	5.0%	2.69
Temporary Employment Services	6.8%	0.53
Job Fairs	5.7%	2.27
Walk-ins	22.5%	2.73
Hiring Bonuses	3.8%	3.40
Internal Postings	13.4%	3.09
Internet-Company Websites	9.9%	2.77
Internet-Commercial Job Service	6.1%	2.25
College Placement Office	9.2%	1.92

* Scale 1-5 where 1 is very ineffective and 5 is very effective

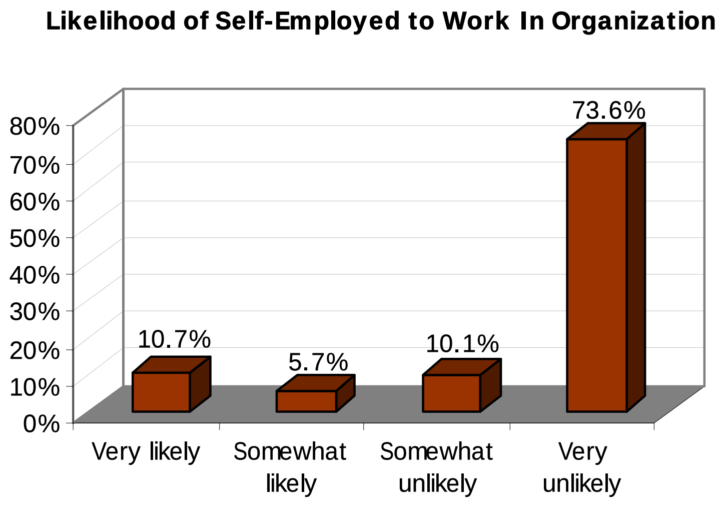
Most Important Issues in Building the Firm's Workforce When asked what issues are most important in building an effective workforce, Aroostook employers rate providing adequate pay as the most important problem, followed by providing adequate benefits. Allowing employee scheduling flexibility is ranked third, but it is not viewed as nearly as serious an issue as pay and benefits by those who do mention it.



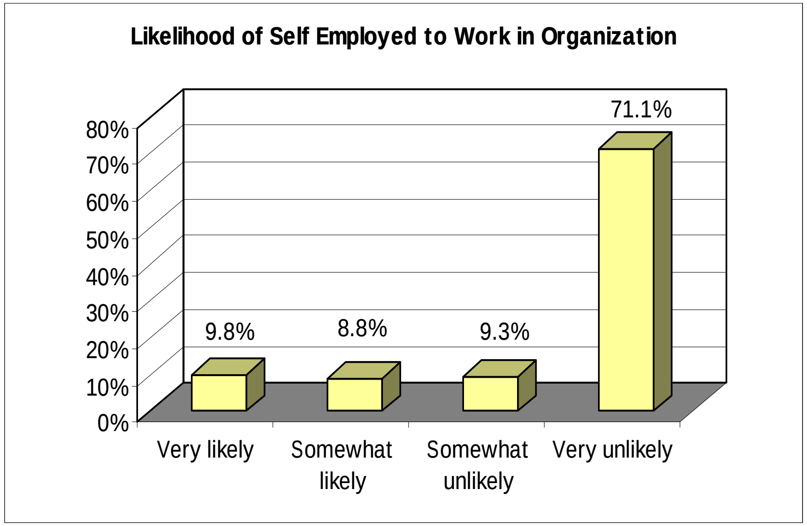
Self Employed Twenty-two percent of respondents indicate they are self-employed. Of these, three quarters indicate that self-employment is their sole source of income. Over half of the self employed work in the natural resources (farming), construction, and transportation (truck driving) sectors.

For the most part, the self employed are satisfied in being self employed; only about 10% indicate that they are very likely to switch to employment in an organization if offered the chance. This has remained constant between 2000 and 2007.

2007

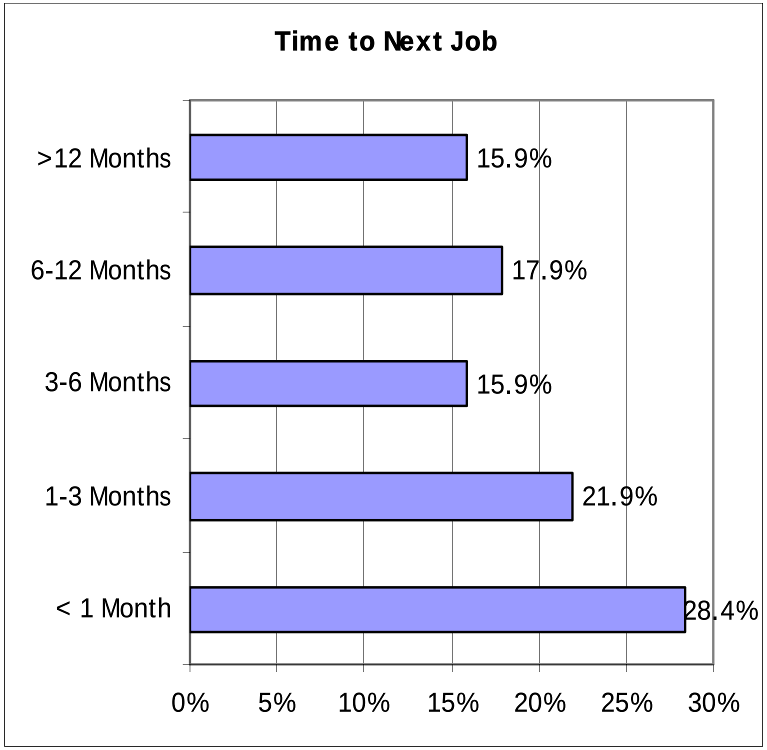


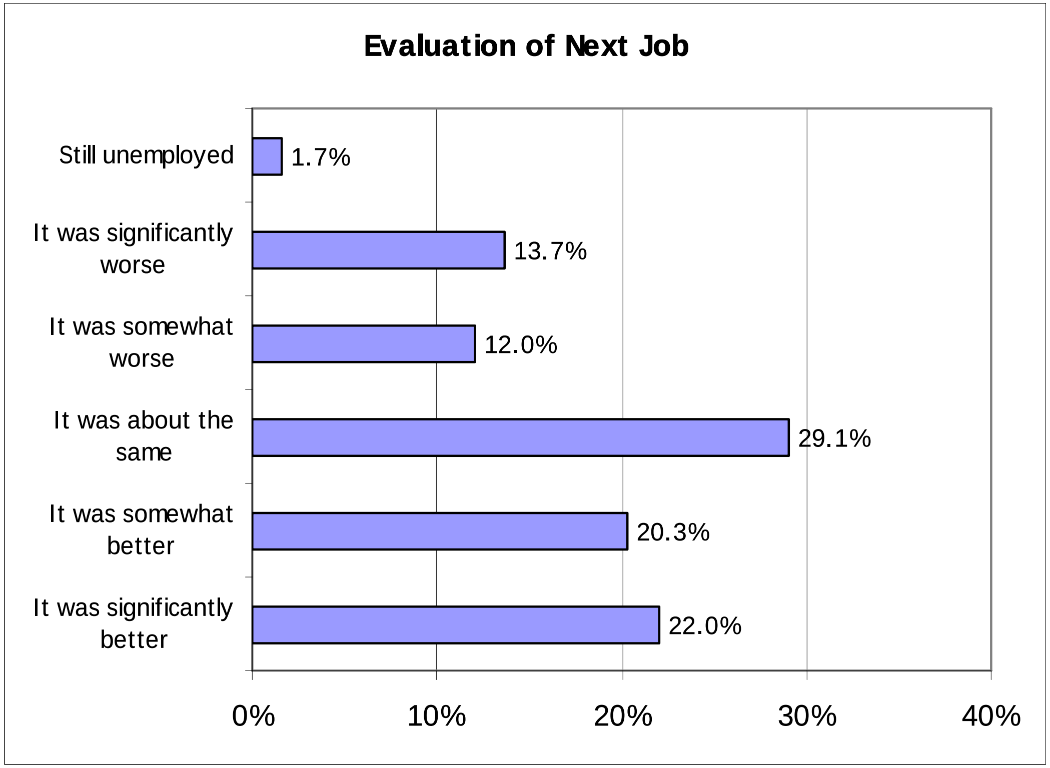
2000



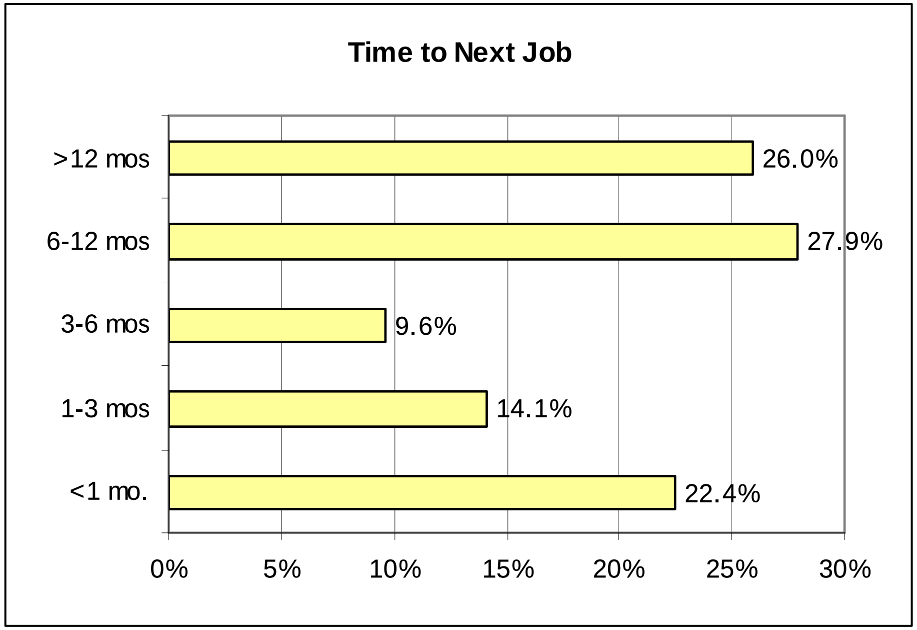
Unemployment and Underemployment

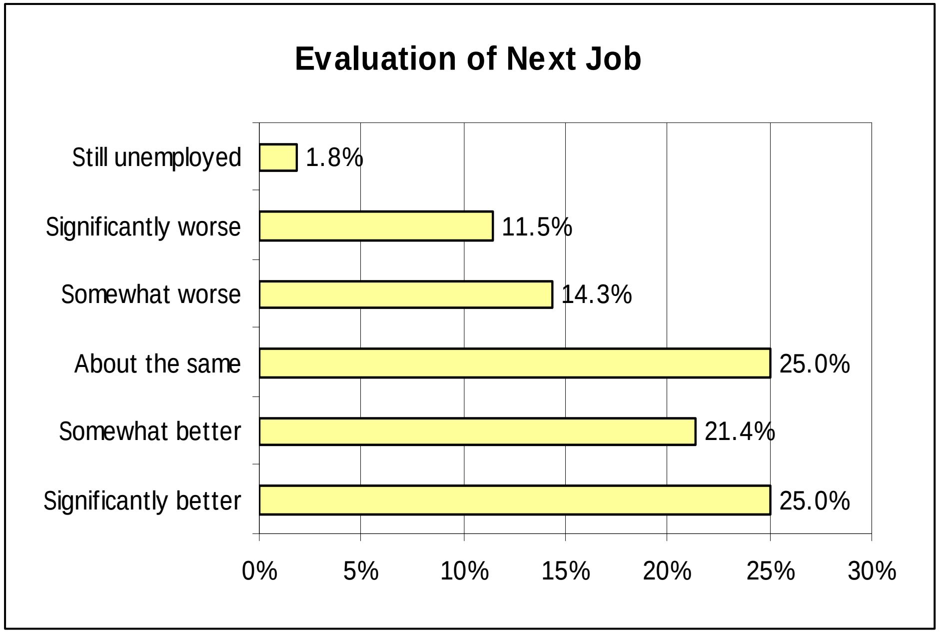
Experience after Permanent Layoff: 2007 Employees were asked whether they had ever been permanently laid off from a position. About 30% of respondents indicated they had been laid off at least once; of this group 40% indicated they had been permanently laid off more than once. Those who had experienced permanent layoffs were asked how long it took them to find their next job after their most recent layoff. About half reported finding a new job within 3 months, but 16% indicated it took more than a year. Seventy-one percent indicated that their next job was about the same or better in terms of pay and working conditions, while a quarter of respondents indicated their next job was worse in pay and working conditions.





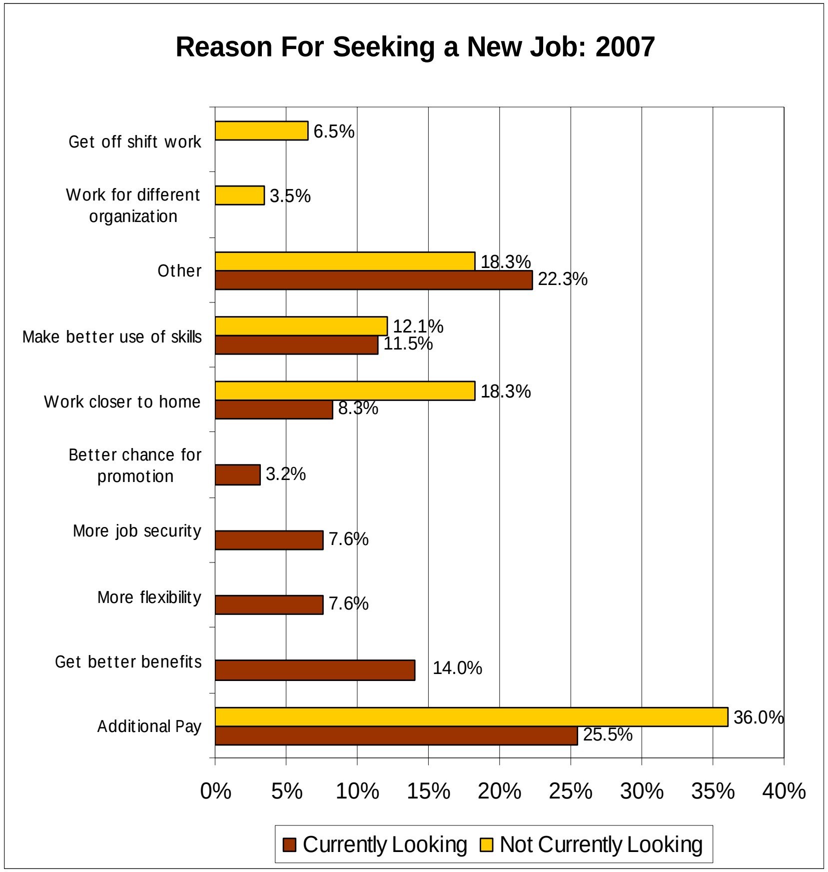
Experience after Permanent Layoff: 2000 The experience of workers who have been permanently laid off in finding new employment has change somewhat since 2000. The figures on this page show the responses from the 2000 survey. The speed with which new employment was found has changed significantly. Only 36% of respondents in 2000 indicated that they found a new job within 3 months, while nearly 60% of those surveyed in 2007 indicated they found a new job within 3 months. The proportion of respondents who took more than a year to find a new job fell from 26% in 2000 to 16% in 2007. About the same proportion (25%) indicated their next job was “somewhat” or “significantly” worse in both surveys, but the proportion indicating the next job was “significantly worse” did increase slightly from 11.5% to 13.7%.

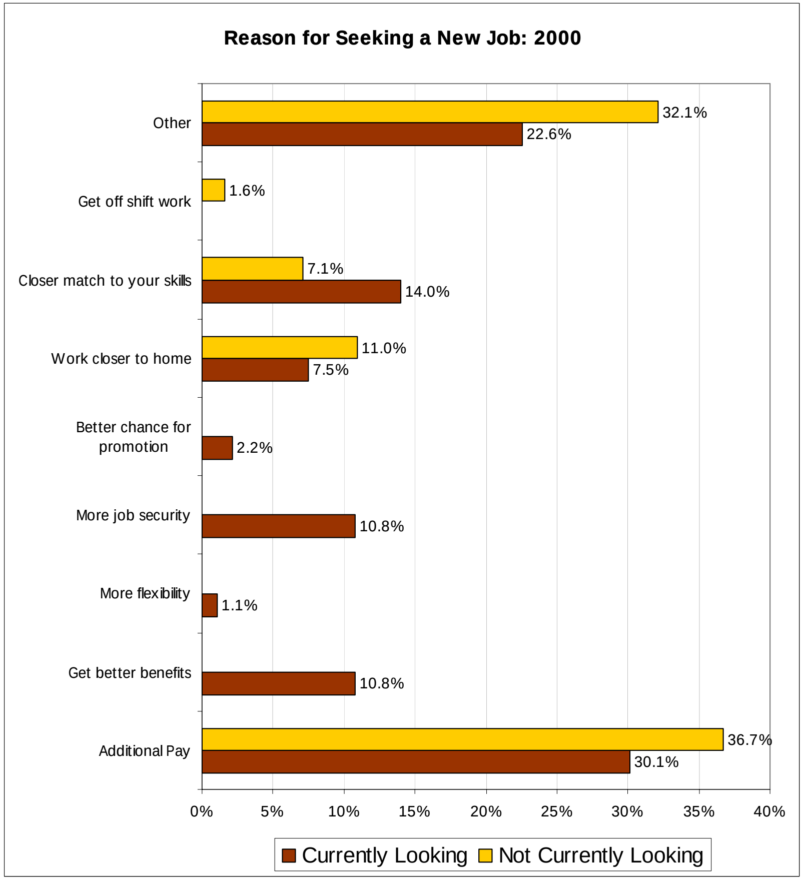




Seeking a New Job At the time of the survey in May-June 2007, 14.5% of employed respondents indicated they were looking for a different job. With resident employment in Aroostook during the same period of about 33,000, this would imply about 4,900 potentially available employees. When 2,200 unemployed are added, the available labor pool in mid-2007 is estimated at about 6,100, or about 17% of the labor force (compared with an unemployment rate of 4.3%).

Employees seeking better pay was the most common reason given (as was true in 2000). The proportion of respondents looking for better benefits increased between 2000 and 2007, while job security declined somewhat as an incentive.

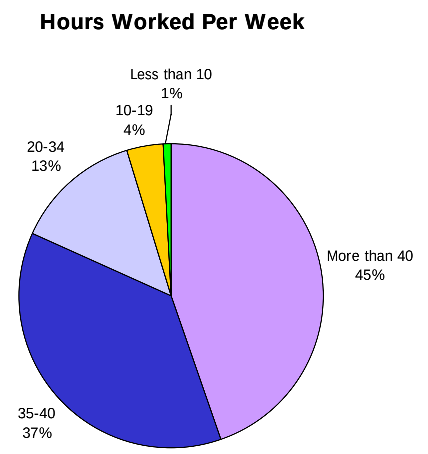


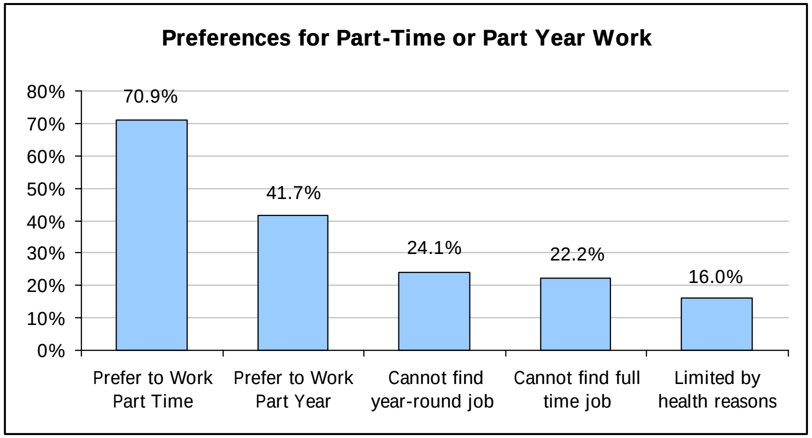


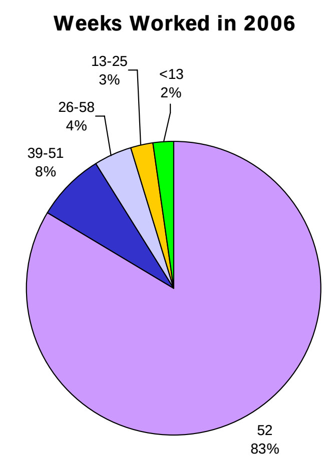
Part-Time and Part-Year Work: 2007

More than three quarters (82%) of employed respondents indicated they worked full time (35 or more hours per week, and a similar proportion of respondents they worked for the full year in 2006. Thus, about 17% of the workforce worked part time or part year.

Of those who work part time, 71% indicate they prefer to work part time, but less than half of those who worked part year expressed a preference for part year work. Between one fifth and one quarter of respondents indicated they could not find a full time or year round job.

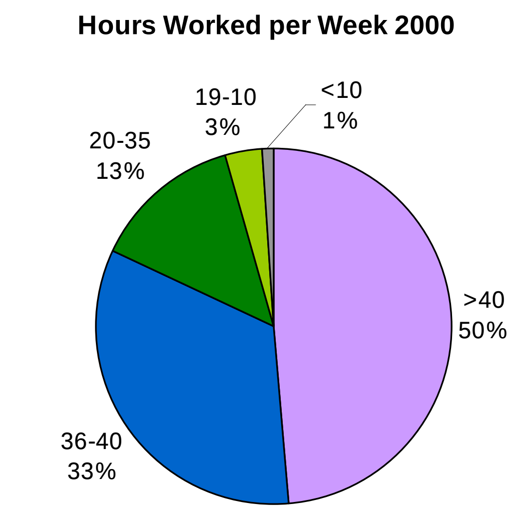


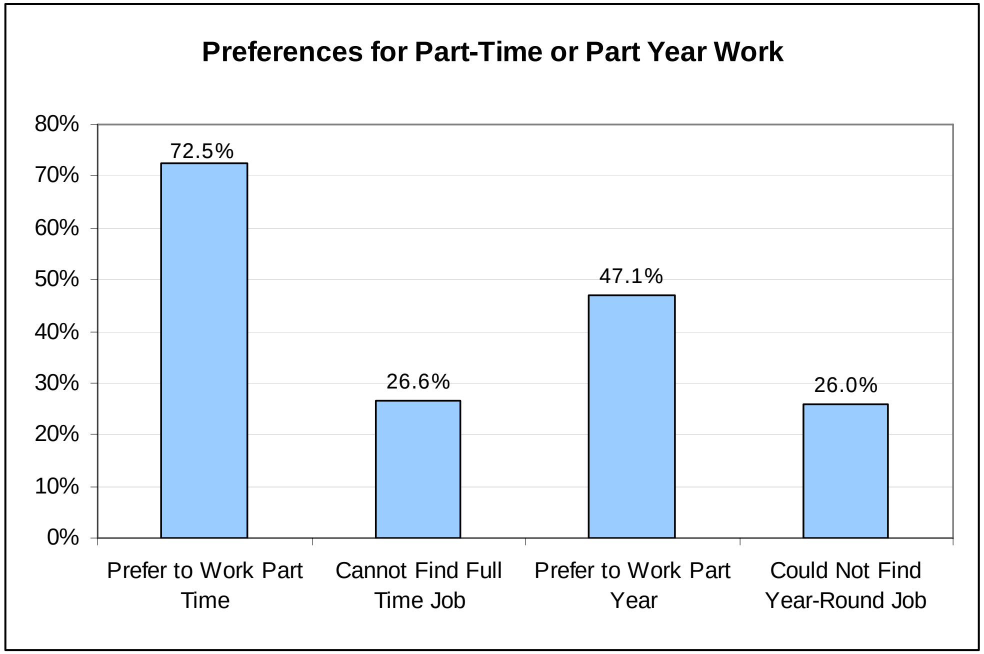


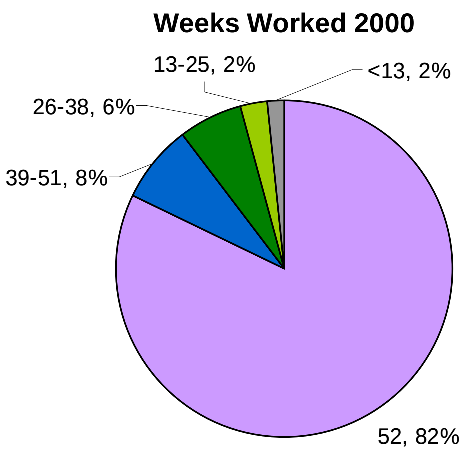


Part-Time and Part-Year Work: 2000

The proportion of part time and part year employment in 2007 was essentially the same as in 2000. In both years, a little more than 80% of the workforce reported working more than 35 hours a week and 52 weeks a year. The preferences for part time and part year employment have also remained essentially constant.







Employment Costs

Wages by Job Classification This table shows the wages reported by employee respondents based on their occupation type.

Occupation Type	minimum wage ($6.75/hour) or less	$6.76 to 7.99	$8.00 to $8.99	$9.00 to $9.99	$10.00 to $11.99	$12.00 to $13.99	$14.00 to $16.99	$17.00 or more per hour
Management			16.7%		16.7%	25.0%		41.7%
Business/Financial			2.1%	4.3%	19.2%	23.4%	38.3%	12.8%
Computer/Math				20.0%	20.0%	60.0%		
Life/Physical/Social Science					66.7%		33.3%	
Community/Social Service	7.7%		7.7%	30.8%	23.1%	15.4%	7.7%	7.7%
Legal						50.0%		50.0%
Education/Library		4.6%	13.6%	9.1%	40.9%	18.2%	9.1%	4.6%
Arts, Design, Entertainment, Media			20.0%	20.0%	40.0%	20.0%		
Healthcare Professonals				8.3%	8.3%	12.5%	8.3%	62.5%
Healthcare Support	3.1%	3.1%	12.5%	43.8%	15.6%	18.8%		3.1%
Protective Service			9.1%			18.2%	27.3%	45.5%
Food Preparation/Serving	20.8%	12.5%	20.8%	12.5%	29.2%	4.2%		
Buildings & Grounds Cleaning	15.8%	10.5%	21.1%	5.3%	15.8%	15.8%	10.5%	5.3%
Personal Care & Service			100.0%					
Sales	10.5%	21.1%	13.2%	31.6%	7.9%	7.9%	7.9%	
Office Support	5.0%	5.0%	20.0%	12.5%	20.0%	20.0%	12.5%	5.0%
Farming, Forestry	16.7%			16.7%		16.7%	33.3%	16.7%
Construction						22.2%	22.2%	55.6%
Installation/Maintenance/Repair				6.3%	9.4%	15.6%	21.9%	46.9%
Production	1.7%	5.2%	1.7%	6.9%	19.0%	12.1%	17.2%	36.2%
Transportation	3.9%	7.7%	3.9%	3.9%	42.3%	19.2%	7.7%	11.5%
TOTAL Respondents	19	22	41	55	81	71	60	83

Note: Row Percents

Salary by Job Classification Salaries reported by employee survey respondents by occupation type

Occupation Type	$20,000 or under	$20,000 to $25,000	$25,000 to $30,000	$30,000 to $40,000	$40,000 to $50,000	$50,000 to $75,000	Over $75,000
Management	4.7%	2.3%	2.3%	11.6%	7.0%	51.2%	20.9%
Business/Financial	5.9%		17.7%	29.4%	17.7%	17.7%	11.8%
Computer/Math					50.0%	50.0%	
Life/Physical/Social Science		50.0%				50.0%	
Community/Social Service				66.7%	33.3%		
Legal							
Education/Library	10.6%	2.1%	6.4%	31.9%	38.3%	10.6%	
Arts, Design,Entertainment,Media	25.0%			50.0%		25.0%	
Healthcare Professonals					9.1%	18.2%	72.7%
Healthcare Support							
Protective Service				100.0%			
Food Preparation/Serving		33.3%		33.3%		33.3%	
Buildings & Grounds Cleaning	50.0%					50.0%	
Personal Care & Service	100.0%						
Sales	10.0%	10.0%	20.0%	30.0%	10.0%	10.0%	10.0%
Office Support	14.3%	14.3%	57.1%	14.3%			
Farming, Forestry				20.0%	40.0%	20.0%	20.0%
Construction							
Installation/Maintenance/Repair				50.0%	25.0%	25.0%	
Production			12.5%	12.5%	37.5%	25.0%	12.5%
Transportation	50.0%				25.0%	25.0%	
TOTAL Respondents	15	6	15	40	38	45	23

Note: Row Percents

Wages and Salaries by Time on Job

Wages and salaries reported by employee respondents based on time in current job

Hourly Wage by Time on Job								
	minimum wage ($6.75/hour) or less	$6.76 to 7.99	$8.00 to $8.99	$9.00 to $9.99	$10.00 to $11.99	$12.00 to $13.99	$14.00 to $16.99	$17.00 or more per hour
<6 Months	16.0%	20.0%	20.0%	4.0%	16.0%	8.0%	12.0%	4.0%
6-12 months	6.3%	9.4%	18.8%	12.5%	12.5%	15.6%	9.4%	15.6%
1-2 years	6.5%	11.3%	11.3%	12.9%	19.4%	11.3%	16.1%	11.3%
3-4 years	6.2%	4.6%	10.8%	15.4%	21.5%	21.5%	13.9%	6.2%
5-6 years	4.9%	4.9%	7.3%	26.8%	14.6%	12.2%	7.3%	22.0%
7-10 years	3.0%	3.0%	10.6%	13.6%	30.3%	12.1%	9.1%	18.2%
11-15 years	0.0%	0.0%	9.1%	15.2%	27.3%	15.2%	15.2%	18.2%
>15 years	1.0%	0.0%	1.0%	6.7%	11.4%	22.9%	20.0%	37.1%
Total	19	22	39	55	81	70	60	83

Annual Salary by Time on Job							
	$20,000 or under	$20,000 to $25,000	$25,000 to $30,000	$30,000 to $40,000	$40,000 to $50,000	$50,000 to $75,000	Over $75,000
<6 Months	25.0%	25.0%	25.0%	25.0%	0.0%	0.0%	0.0%
6-12 months	10.0%	0.0%	10.0%	20.0%	20.0%	20.0%	20.0%
1-2 years	26.1%	4.4%	13.0%	17.4%	13.0%	17.4%	8.7%
3-4 years	7.4%	7.4%	11.1%	29.6%	22.2%	14.8%	7.4%
5-6 years	0.0%	0.0%	22.2%	0.0%	11.1%	33.3%	33.3%
7-10 years	4.0%	0.0%	8.0%	28.0%	20.0%	32.0%	8.0%
11-15 years	12.0%	0.0%	12.0%	12.0%	28.0%	24.0%	12.0%
>15 years	1.7%	3.3%	0.0%	25.0%	21.7%	33.3%	15.0%
Total	15.0%	6.0%	15.0%	40.0%	37.0%	47.0%	23.0%

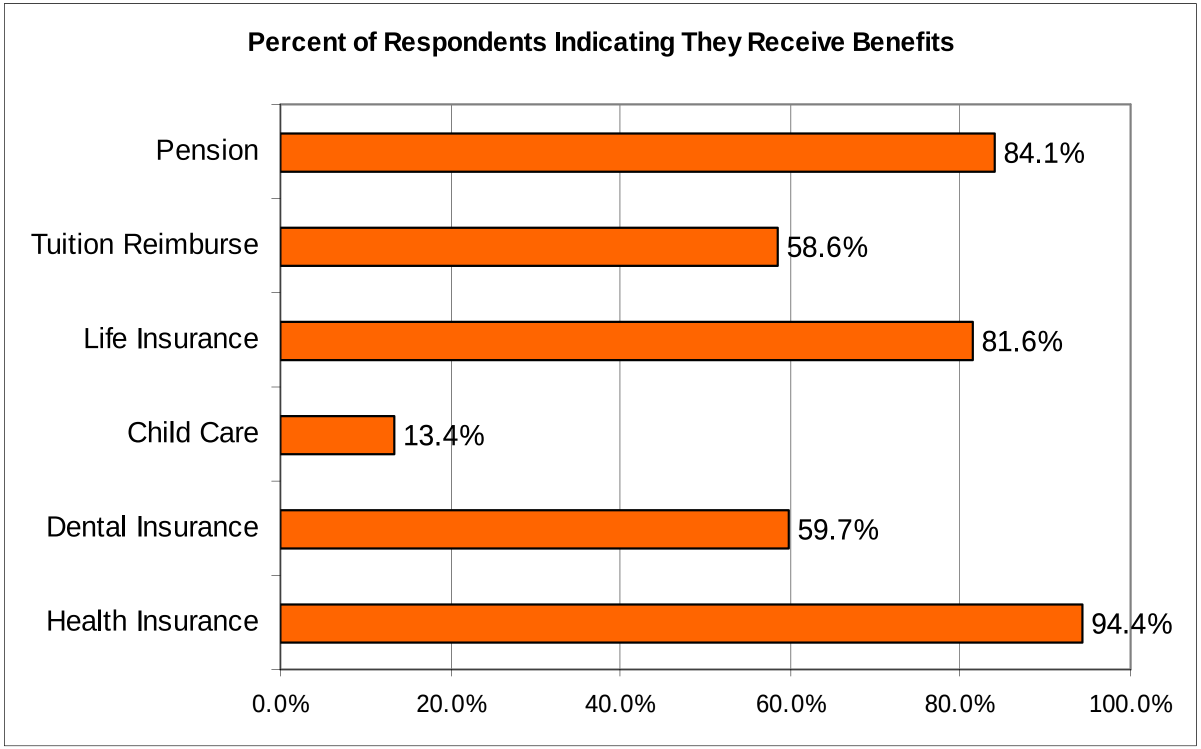
Starting Wages and Salaries by Occupation The following table shows the average starting wage or salary reported by employers in the survey for six broad categories of occupations.

	Starting Wages/Hour	N	Starting Salary/Year	N
Professional	$17.06	44	$46,115	56
Managerial	$14.26	49	$40,305	68
Admin./Clerical	$10.36	110	$25,891	31
Skilled Trade/Technical	$12.84	73	$30,275	8
Scientific/Technical	$10.28	14	$41,333	3
Other	$8.14	31	$21,180	5

Employee-Reported Benefits 2007

Eighty-four percent of employees indicate that they are eligible for benefits at their work place. Health care is the most common, followed by pension and life insurance. Child care is the least common benefit.

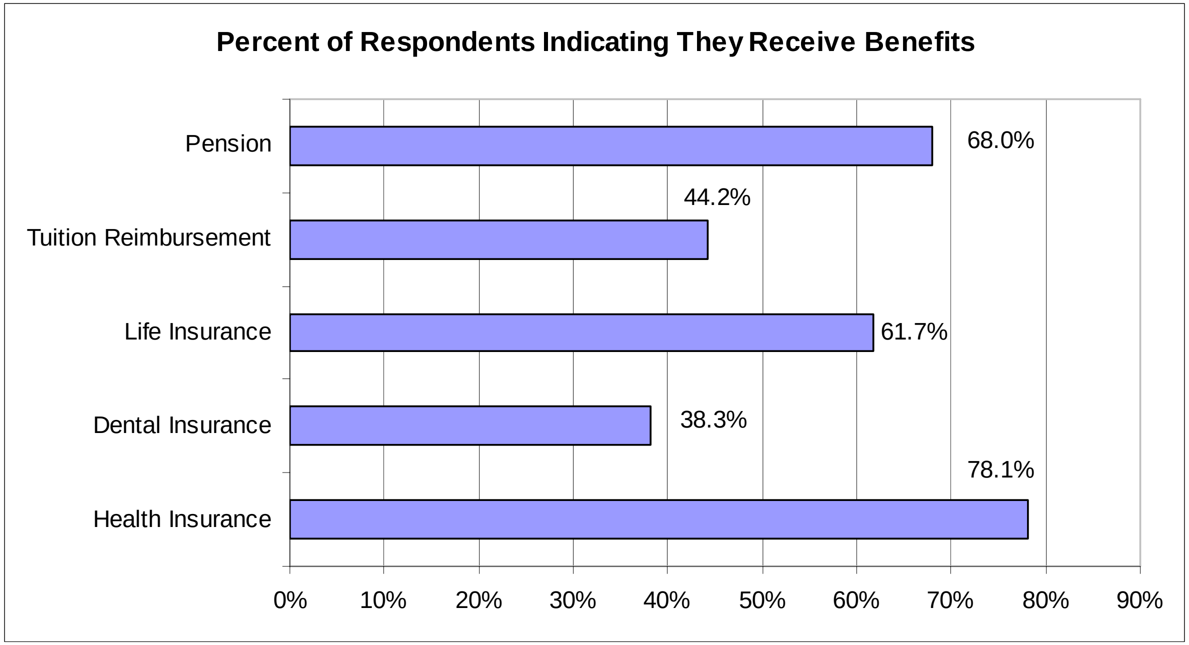
Health insurance is more likely to be available to employees who work more hours per week, but health insurance is the only one of the benefits examined where a majority of employee respondents indicate they are eligible across all categories of hours worked. Other benefits are much less likely to be available if an employee works less than 20 hours per week.



Percent Receiving Benefits by Hours Worked Per Week					
	40+	35-40	20-35	10-20	<10
Health Insurance	97.3%	96.3%	75.0%	75.0%	66.7%
Dental Insurance	58.1%	65.9%	47.1%	50.0%	0.0%
Child Care	14.6%	13.7%	7.0%	0.0%	0.0%
Life Insurance	81.3%	87.9%	61.2%	50.0%	33.3%
Tuition Reimbursement	59.8%	60.3%	45.5%	75.0%	0.0%
Pension	89.1%	84.1%	61.2%	75.0%	33.3%

Employee-Reported Benefits
2000

The 2007 reported benefits from employees indicate that larger portions of employees indicate they are eligible for benefits in 2007 than in 2000. This applies to all of the types of reported benefits as well as the proportions of employees eligible for benefits by hours worked per week.



Percent Receiving Benefits by Hours Worked per Week					
	40+	35-40	20-34	10-19	< 10
Health Insurance	90.6%	87.3%	55.2%	30.0%	25.0%
Dental Insurance	43.7%	43.5%	28.7%	10.0%	25.0%
Life Insurance	71.0%	72.1%	40.2%	10.0%	25.0%
Tuition Reimbursement	47.2%	54.1%	35.6%	25.0%	0.0%
Pension	78.3%	77.4%	48.3%	20.0%	25.0%

Benefits Reported in the Employer Survey: 2007 Employers were asked to indicate which types of benefits they offered to full and part time employees and which benefits were under consideration for possible provision to employees. Vacation benefits were the most frequently mentioned benefits for full time employees, with health insurance the next most common benefit reported. Just over half of employers indicated they offered health insurance to full time employees and only 13% indicated they offered it to part time employees. Slightly more employers offer health insurance than offer sick leave as a benefit for full time employees (though more offer sick leave than health insurance for part time employees). Life insurance, a pension, personal time, and tuition reimbursement are the next most commonly offered benefits to full time employees.

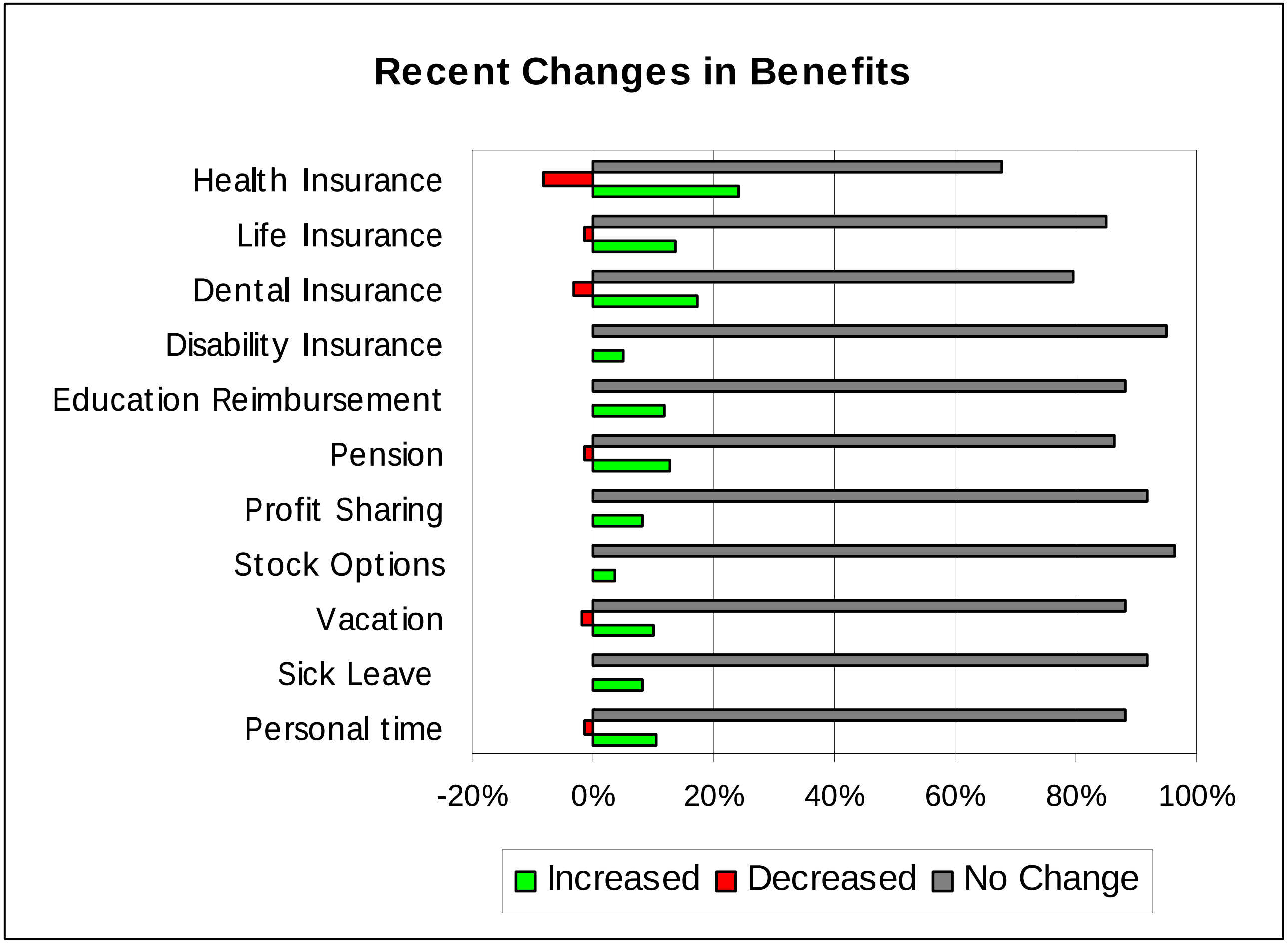
Very few firms indicated they were considering extending additional benefits to employees, full or part time.

	Provided for Current Employees		Under Consideration for	
Benefit Category	Full Time	Part Time	Full Time	Part Time
Health Insurance	54.72%	13.2%	4.2%	1.1%
Life Insurance	31.7%	10.6%	1.1%	0.8%
Dental Insurance	20.8%	7.9%	1.9%	1.1%
Disability Insurance	9.8%	1.9%	0.8%	0.8%
Tuition Reimbursement	23.8%	9.8%	1.1%	0.8%
Pension	31.7%	9.4%	0.8%	0.0%
Profit Sharing	10.6%	2.6%	0.8%	0.4%
Stock Options	2.6%	0.4%	0.4%	0.4%
Vacation	69.4%	24.2%	1.1%	0.8%
Sick Leave	52.5%	20.8%	1.5%	0.0%
Personal Time	38.1%	16.2%	0.8%	0.0%

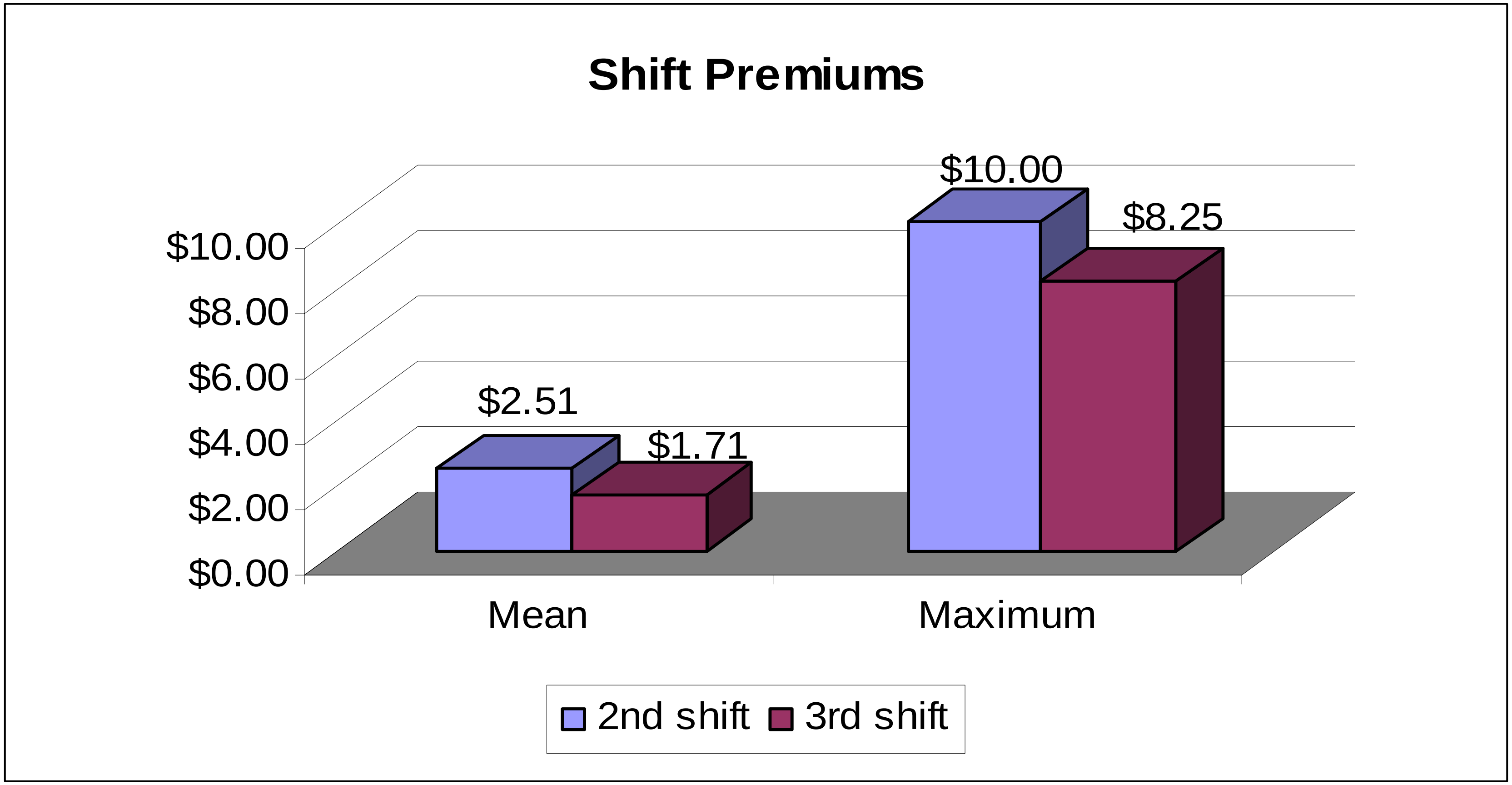
Benefits Reported in the Employer Survey: 2000 This table shows the employer responses regarding benefits in the 2000 surveys. For the most part, the provision of benefits is similar in 2000 and 2007. For current full time employees, dental insurance, sick leave and pensions have risen slightly, while disability insurance has declined markedly. The number of firms who indicated they were considering benefits was also noticeably higher in 2000 than in 2007.

	Provided for Current Employees		Under Consideration for	
	Full Time	Part Time	Full Time	Part Time
Health Insurance	55.3%	10.0%	5.3%	2.9%
Life Insurance	32.6%	6.8%	2.3%	1.4%
Dental Insurance	14.6%	4.3%	2.6%	1.4%
Disability Insurance	26.5%	5.1%	2.4%	1.4%
Education Reimbursement	24.3%	6.8%	1.6%	1.3%
Pension	25.1%	7.4%	3.4%	1.4%
Profit Sharing	4.2%	1.0%	1.4%	0.6%
Stock Options	3.2%	1.0%	1.8%	1.3%
Vacation	68.3%	20.6%	1.8%	0.8%
Sick Leave	46.5%	13.8%	1.9%	1.3%
Personal time	35.0%	11.1%	2.3%	1.3%

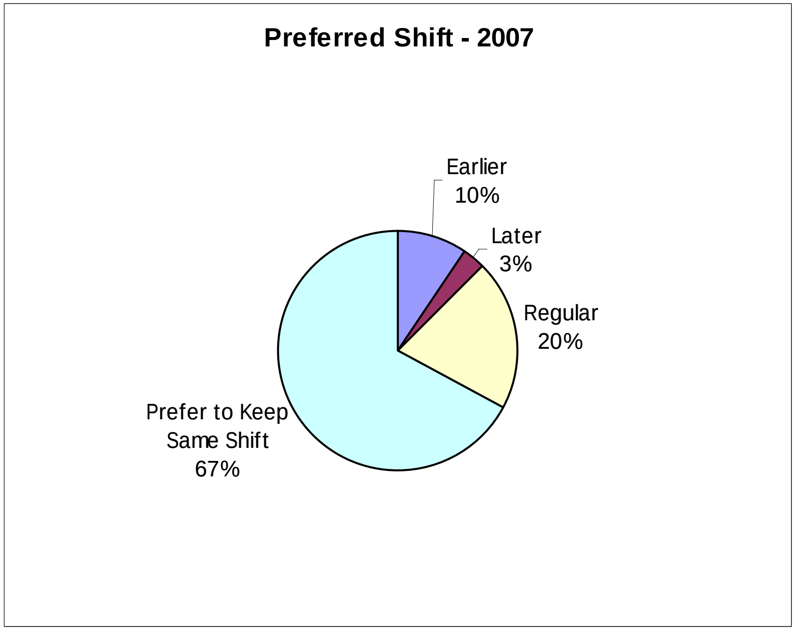
Changes in benefits within past year As indicated on the previous page, there is relatively little change being contemplated in benefits. This is confirmed in the analysis of responses to questions about whether any benefits have recently changed in terms of eligibility or value. Health insurance is the benefit most likely to have been both expanded and been reduced, followed by dental insurance. Fewer than 20% of employer respondents indicate an increase in any benefits.

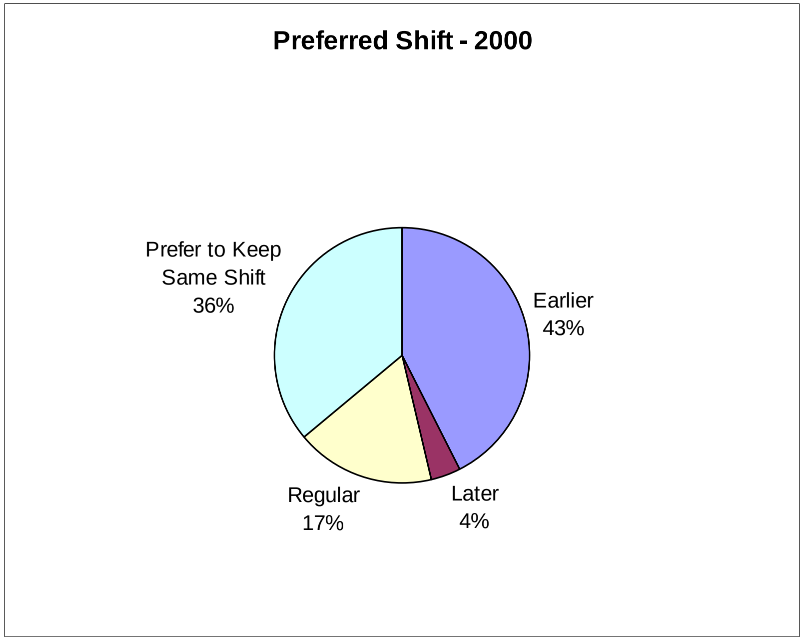


Shift Premiums About 17% of employers reported that they used shift work, but only a quarter of these indicated that they offer second and third shift premiums. The mean and maximum premiums reported are shown below.

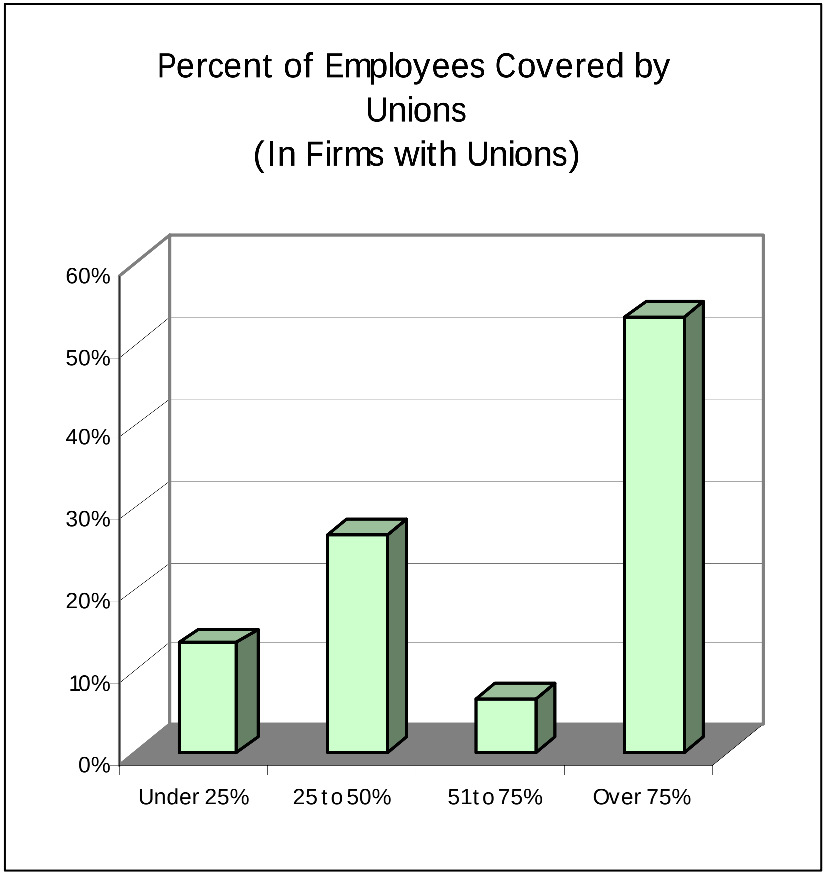


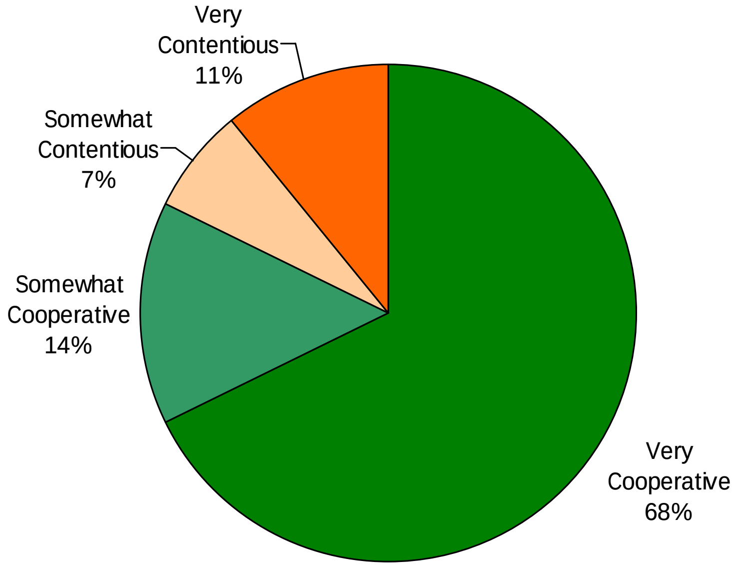
Willingness to Change Shifts There has been a significant change in the responses of employees who do shift work to the question of whether they wish to change shifts. In 2000, the largest preference was for an earlier shift, while in 2007 the largest preference was to keep the employee's current shift. The preference for a regular shift was about the same in both years.



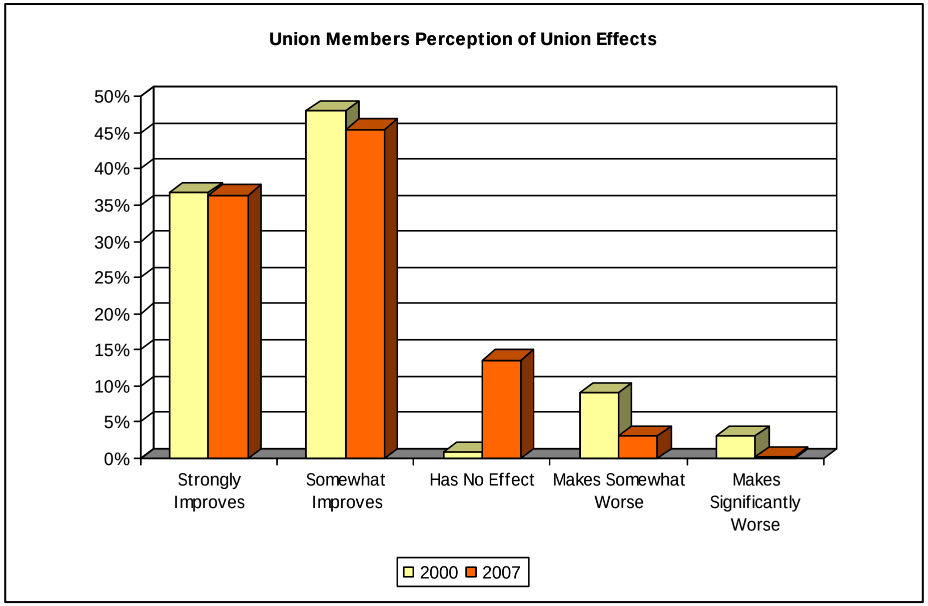


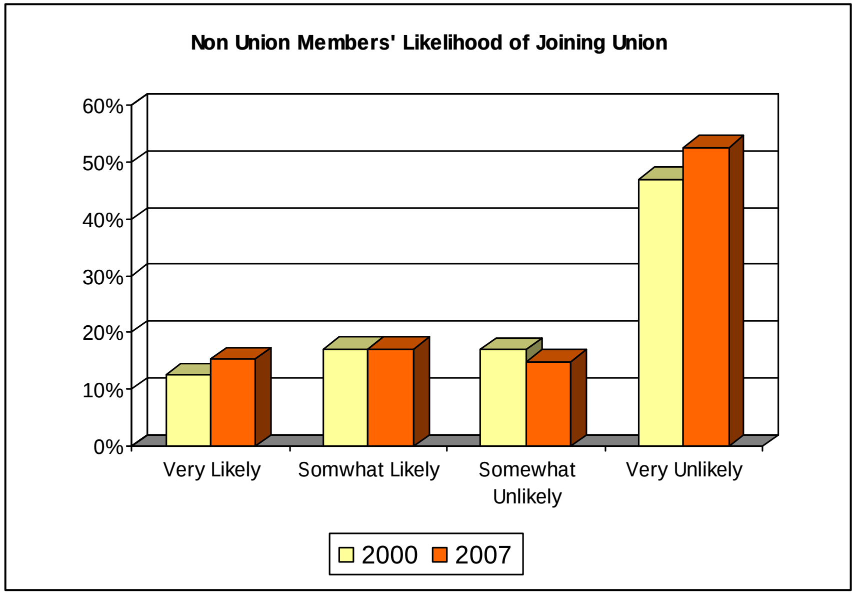
Employer-Union Relationships Twenty-five percent of employee respondents indicate that they are covered by a union at the workplace. Unions cover more than three quarters of the employees in more than half of those organizations with unions. Employers report generally good relations with their unions, with over 80% of organizations with unions reporting “somewhat” or “very cooperative” relationships.





Union Membership Union members in the employee survey tended to be very supportive of the benefits of union membership, with over 90% expressing the belief that unions improve pay and working conditions. Non-union members in the employee survey were asked whether, given the opportunity, they would be likely to vote to join a union. A majority in both 2000 and 2007 indicated that they were unlikely to vote for a union, although the proportion indicating that they would be "very likely" to join a union rose slightly.

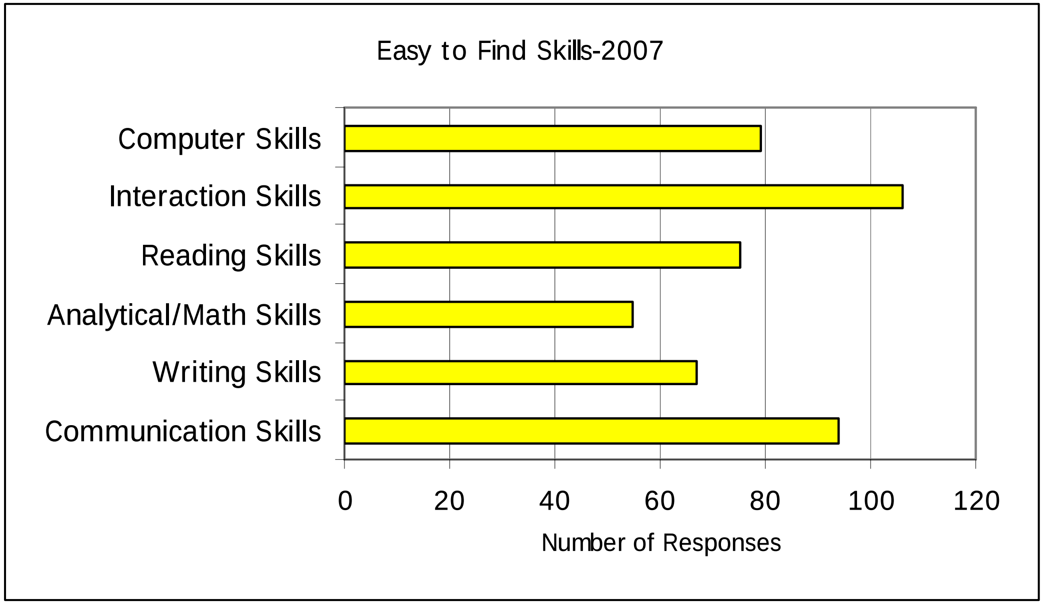


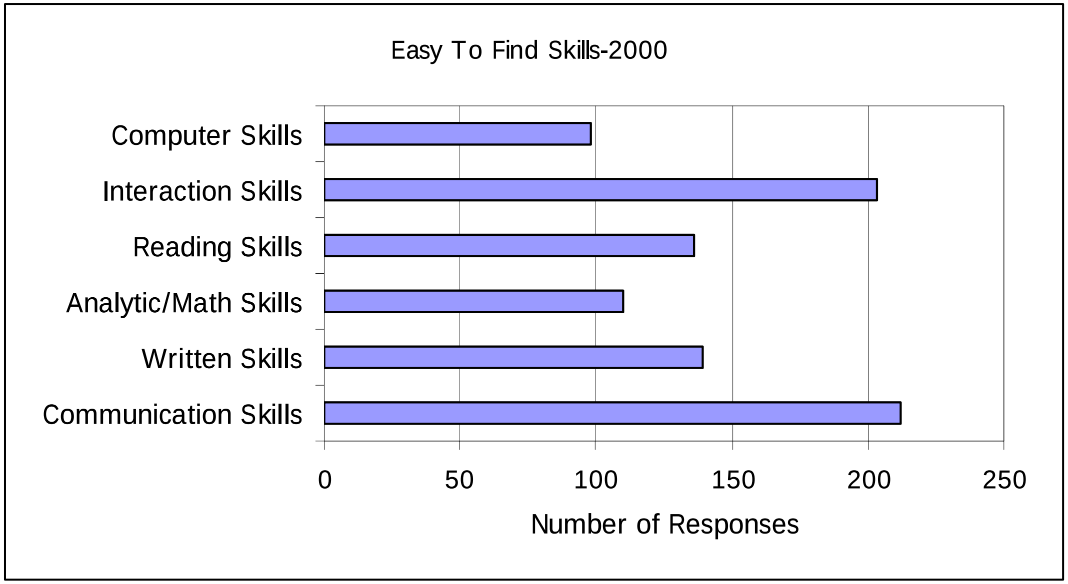


Skills, Education, & Training

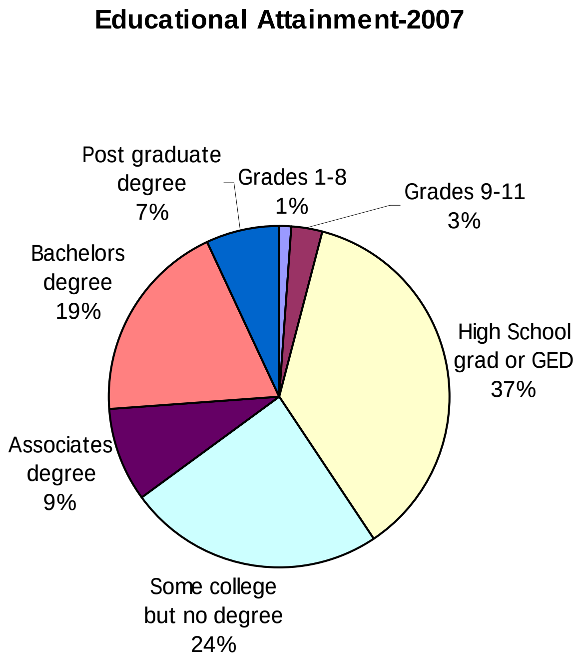
Skills of New Hires

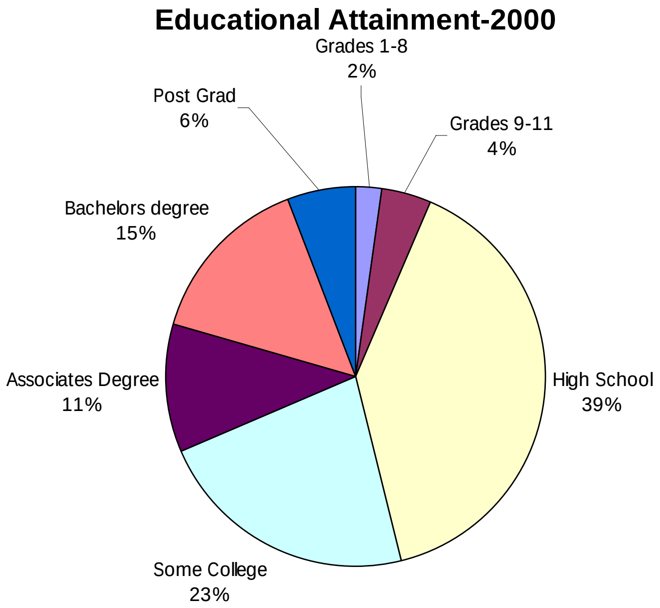
Employers were asked to evaluate the ease of finding skills appropriate to their organization in several different categories of skills. Aroostook employers rated their new hires most highly on interaction and communication skills, and this was true in both 2007 and 2000. Analytic and math skills were the weakest in both 2007 and 2000. Computer skills were also weak in 2007, but were improved in 2007.



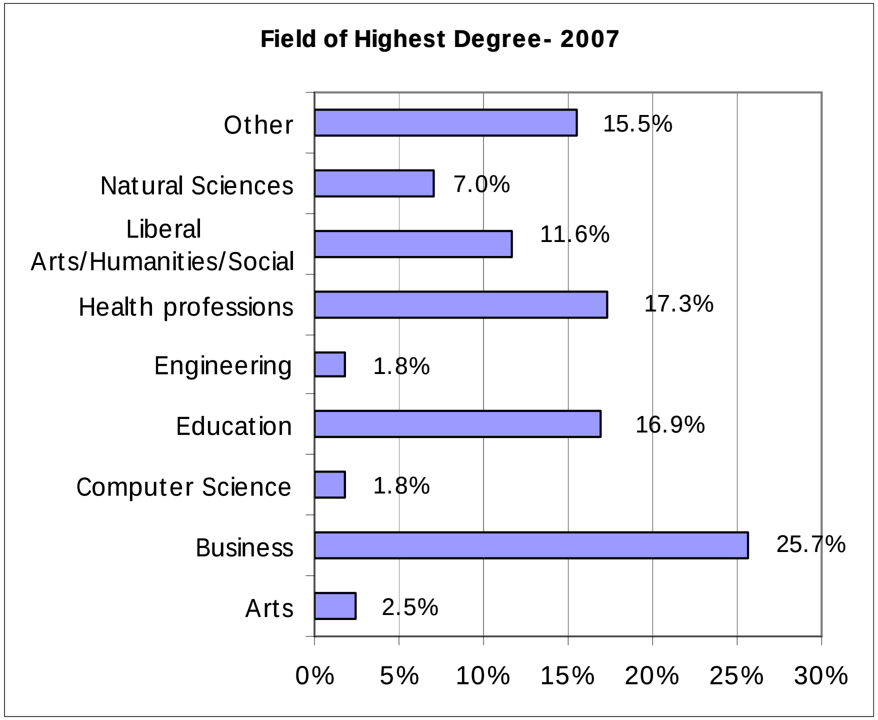


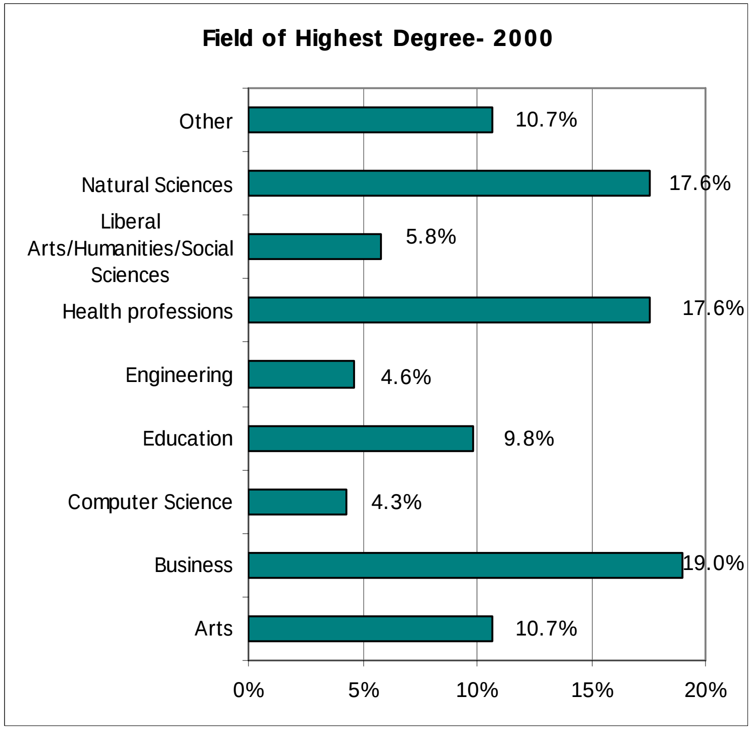
Educational Attainment Over 95% of the workforce in Aroostook County has a high school diploma or better, with more than one third holding an Associate's Degree or better. The County lags behind the state in the proportion of the workforce with a college degree, but the proportion of both bachelors and graduate degree holders has risen since the 2000 survey. The largest change has been in the number of bachelor's degree holders.





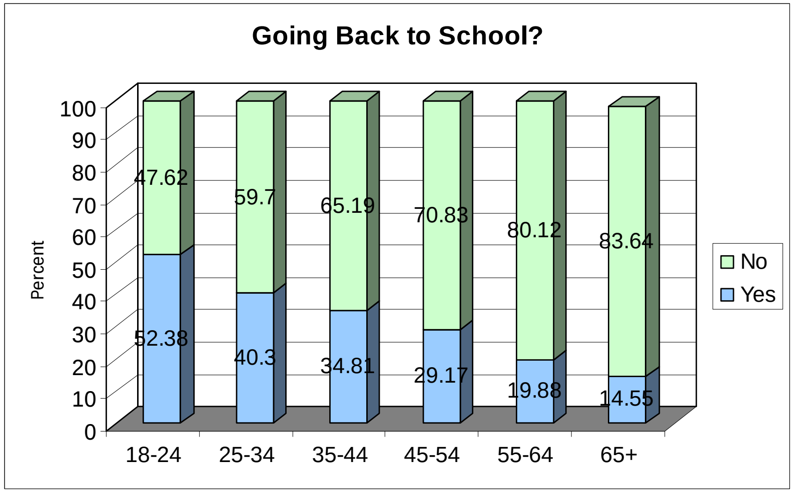
Educational Attainment- Field of Highest Degree Business related degrees are the most common among higher education degree holders in the survey sample. This was also true in 2000. Degrees in health fields were the second most common in both years. The proportion of degree holders in the natural sciences, engineering, computer science and the arts declined between 2000 and 2007, while the proportion of degree holders in education and “other” fields (primarily associate degrees in technical fields rose.

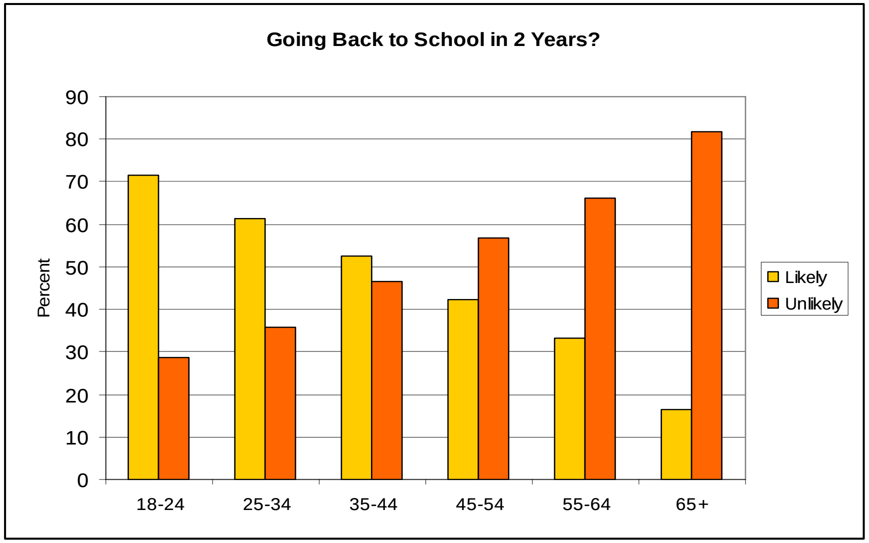




Going Back to School Given the County's lag in education, an important issue is whether the workforce is seeking additional education. Overall, 28.5% of employee respondents indicate that they have gone back to school within the past two years; this response includes traditional higher education institutions and workplace-specific training. Forty-three percent indicate that it is likely they will go back to school in the next two years. However, this is highly age-dependent. Over half of respondents under 25 indicate they have gone back to school, and over 40% of those between 25-34 so indicate. But less than 20% of those 55-64 indicate they have gone back to school and only 30% in this age group report that it is likely they will go back in the next two years.

Satisfaction with the current level of education is the most common reason for not going back to school, but concerns about time, costs, and availability of desired programs are also common.

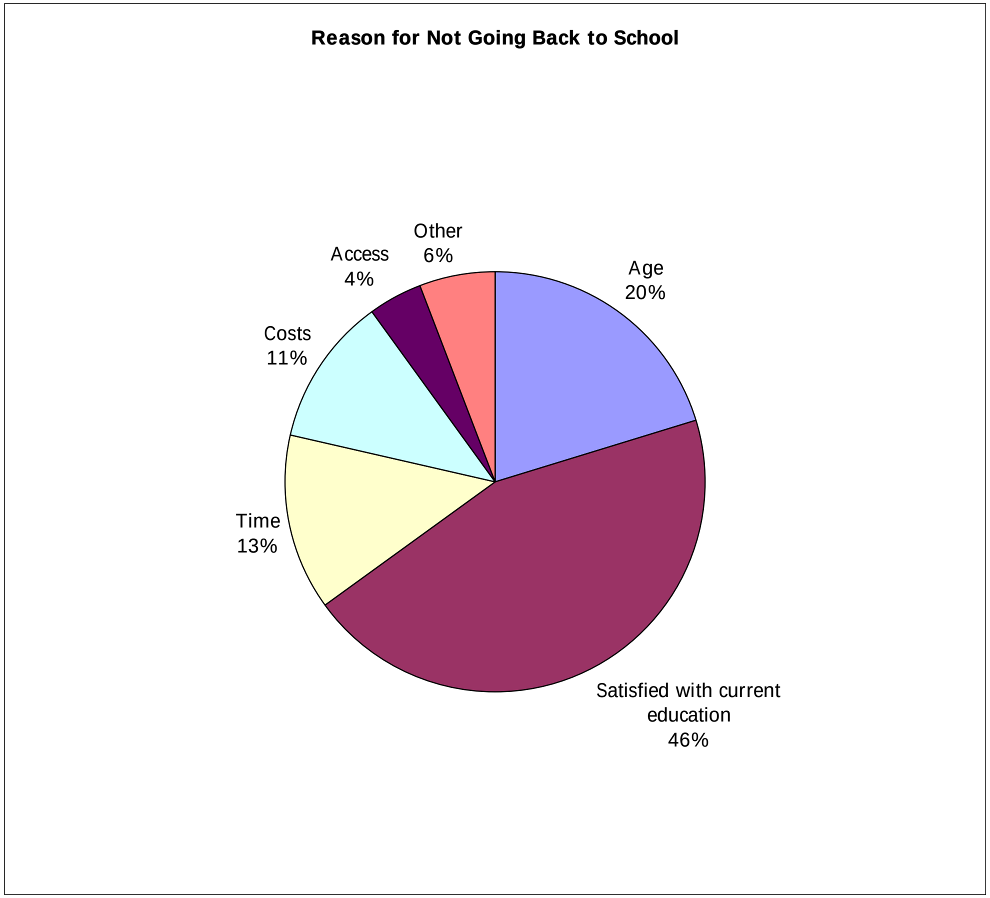




Reasons for Not Going Back to School

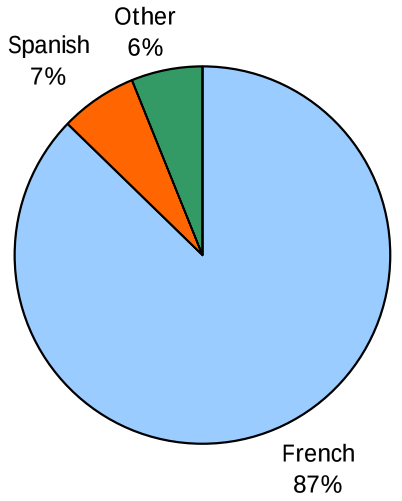
When asked why they were unlikely to go back to school within the next two years, age is an important factor, as suggested by the previous page. However, the most common reason given is that the respondent is satisfied with their current level of education. Not having enough time and concern about costs were the next most common reasons given.

Other reasons cited included family considerations (young children or children going to college). Some respondents did indicate that work considerations made it impossible to go back to work, but the proportion was very small (less than 1%)

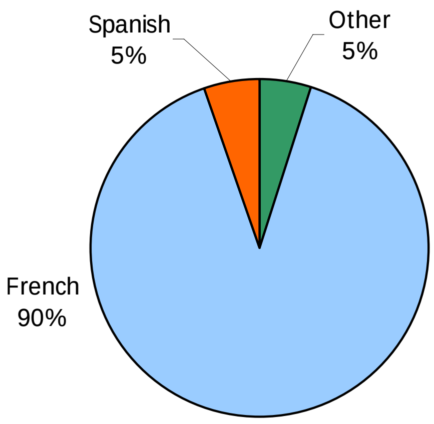


Language Skills Seven percent of employers indicate that they need someone with foreign language skills. Over three quarters of those employers indicate the availability of workers with required language skills is good or excellent. Employee respondents indicate that French is by far the most common second language spoken, with Spanish next. The proportion of employee respondents who speak Spanish has increased since 2000 from 5% to 7%.

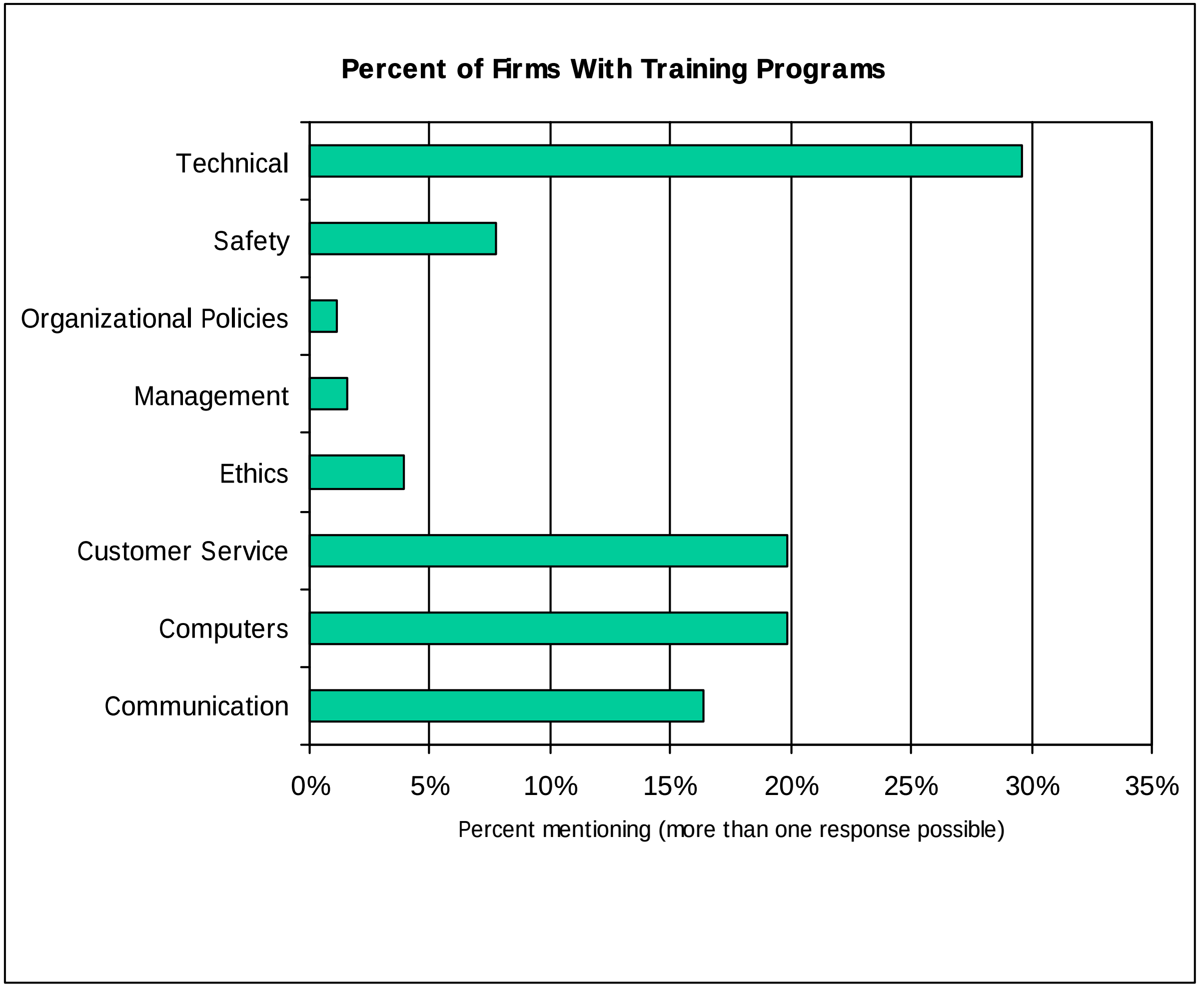
Second Language Spoken-2007



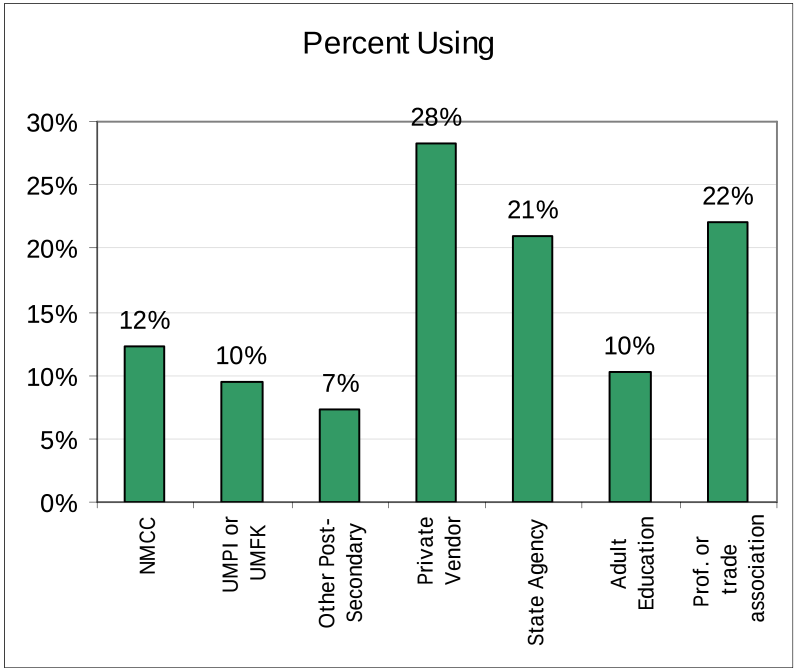
Second Language Spoken-2000

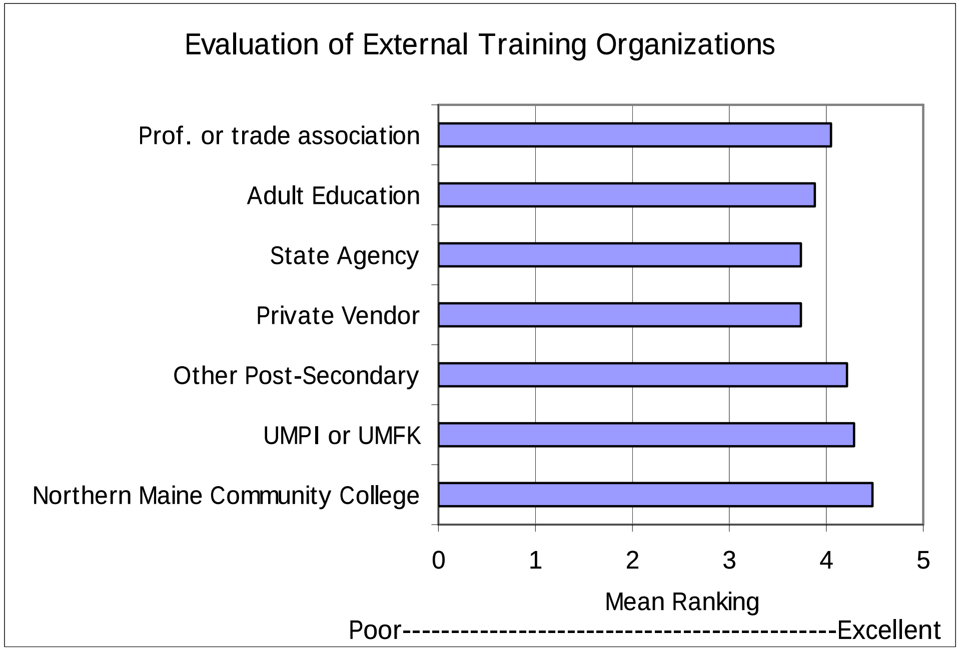


Training by Employers Fifty-seven percent of employer respondents indicate that they offer training for their employees. The most common areas of training are employer-specific technical issues, customer service, and computers. Communication training (within the organization and with customers) is also common.



External Training Organizations Almost half (43%) of employers also use a variety of external training organizations. The most commonly used (28% of those indicating they use external training organizations) are various private vendors, followed by trade associations and then public agencies. The higher education institutions of Aroostook are used by only about 1 in 10 of those employers who use external training organizations, but these institutions are the highest rated by those who do use them. Although private vendors are most commonly used, they are also the lowest rated.



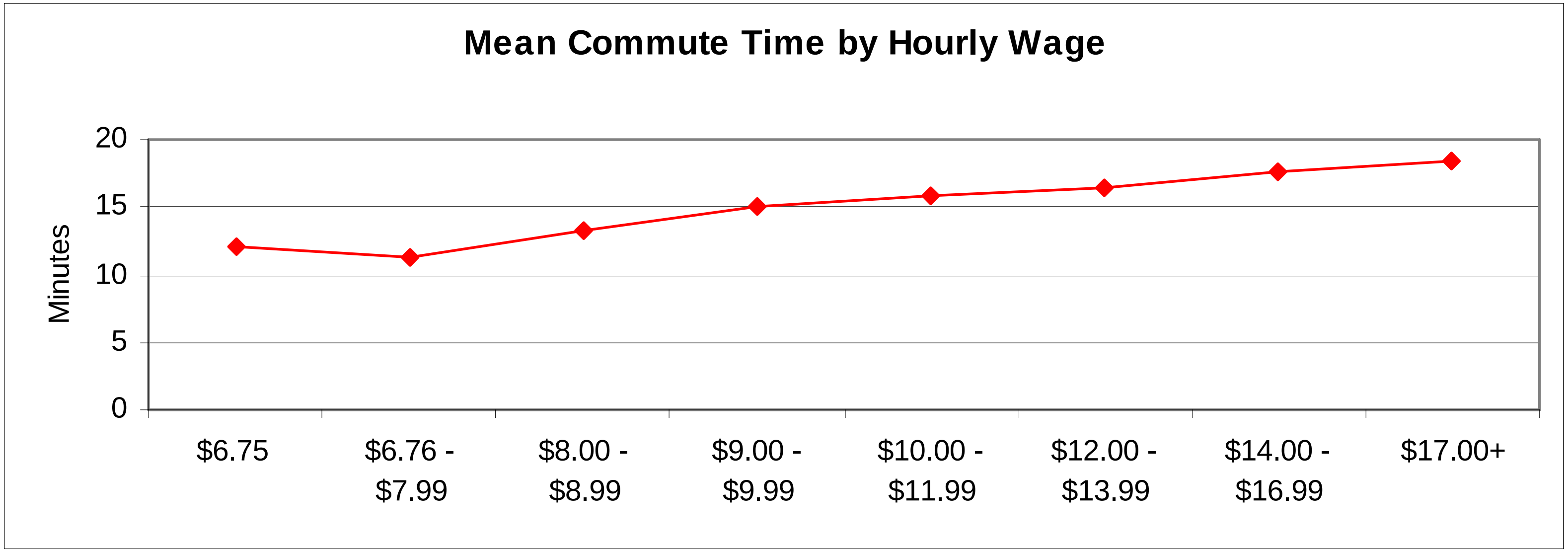


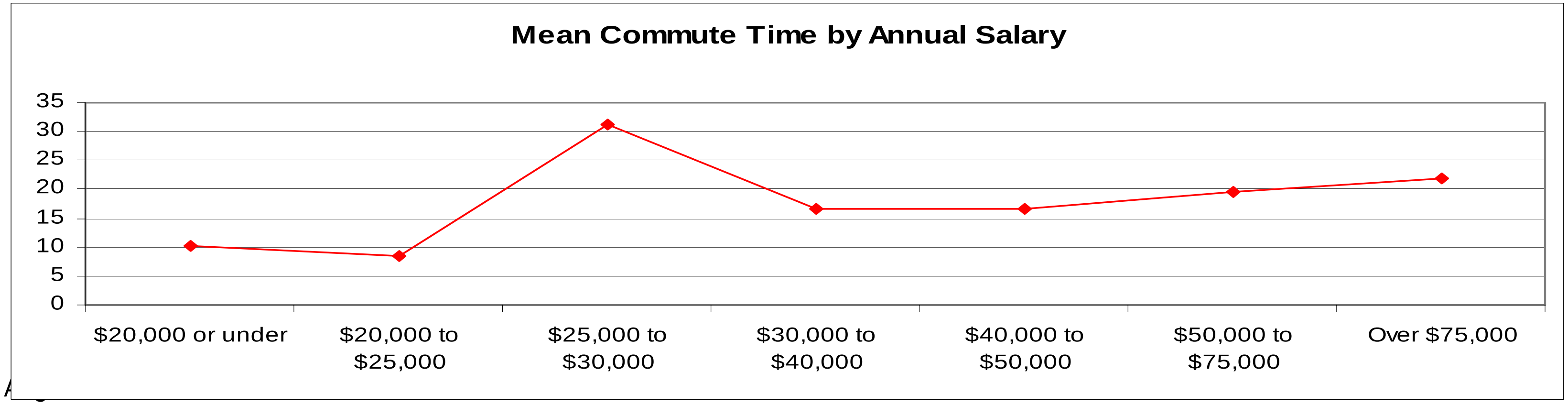
Commuting

Commuting More than two thirds of employees (69%) report that they commute less than 20 minutes to work. This is actually a somewhat smaller proportion than in 2000, when more than 75% of employee respondents indicated their commute was less than 20 minutes, indicating a lengthening of commute times despite higher fuel prices.

There is a definite relationship between wages paid and distance commuted, indicating that employers can increase the size of their "commuter shed" by using pay. There is a weaker relationship between distance and pay for those workers who earn salaries.

Commute Time Range		
	N	Percent
<10 minutes	242	38.9%
10-19 minutes	185	29.7%
20-29 minutes	96	15.4%
>30 minutes	99	15.9%





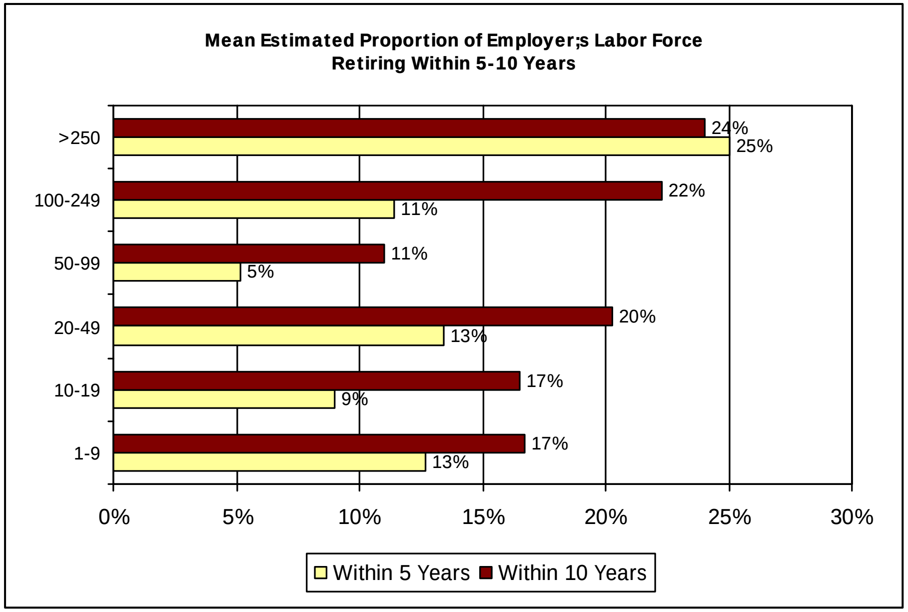
The Challenges of an Aging Workforce

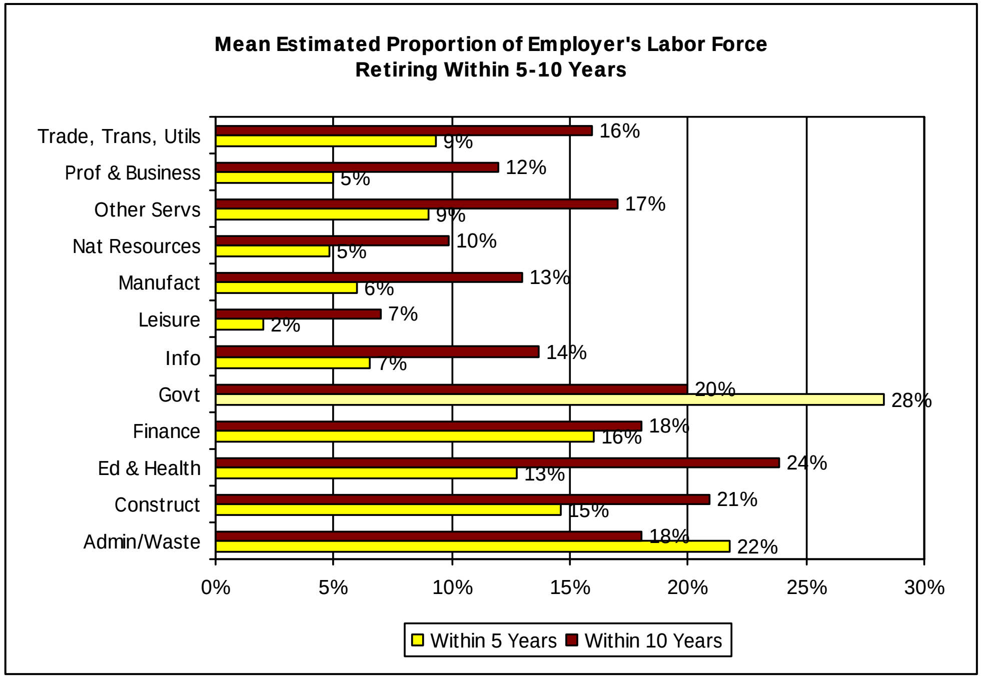
Impending Retirement by Employer Type

In 2005, 30% of the Aroostook County population was 55 or older, compared with 26% in Maine and 22% in the U.S. Employer respondents estimate that within 5 years, 11% of their employees will be eligible for retirement, and within 10 years, 16% of their employees will be eligible for retirement. With only 16% of its population between 20 and 34 (compared with 17% in Maine and 20% in the U.S.), a large replacement population for the retirees is not easily available.

The issues of an aging workforce will not be experienced uniformly across the County. Government and Administrative Support-Waste Management, Finance, and Education-Health report the highest proportion of workers eligible to retire within 5 years, while Education-Health, Construction, Government, and Finance report the largest proportions eligible to retire within 10 years.

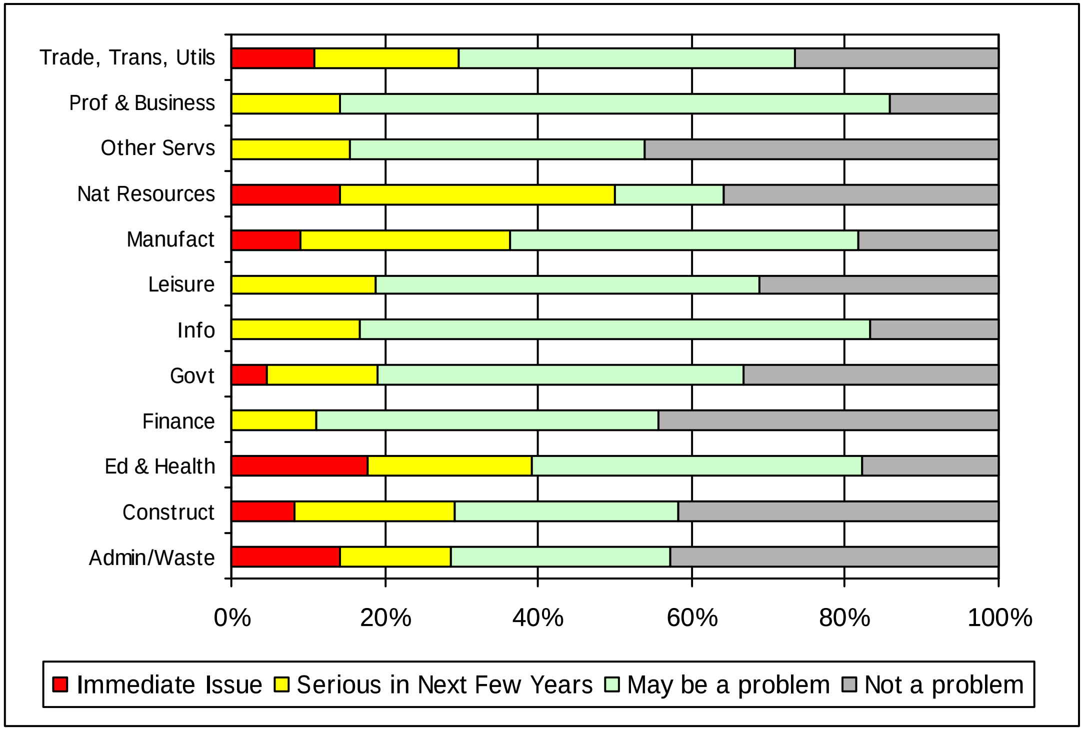
Larger employers (those over 100 employees) also report higher proportions of workers eligible for retirement. This is related to the Education-Health sector where interviews show that retirement is seen as a major issue in the hospitals and in the higher education institutions. Particular concern is expressed about nurses and technical specialists in the health care industry, and faculty in higher education.

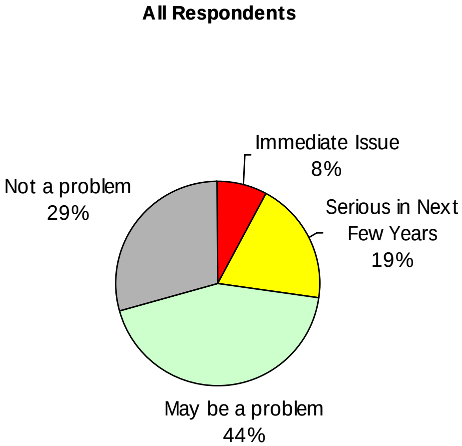




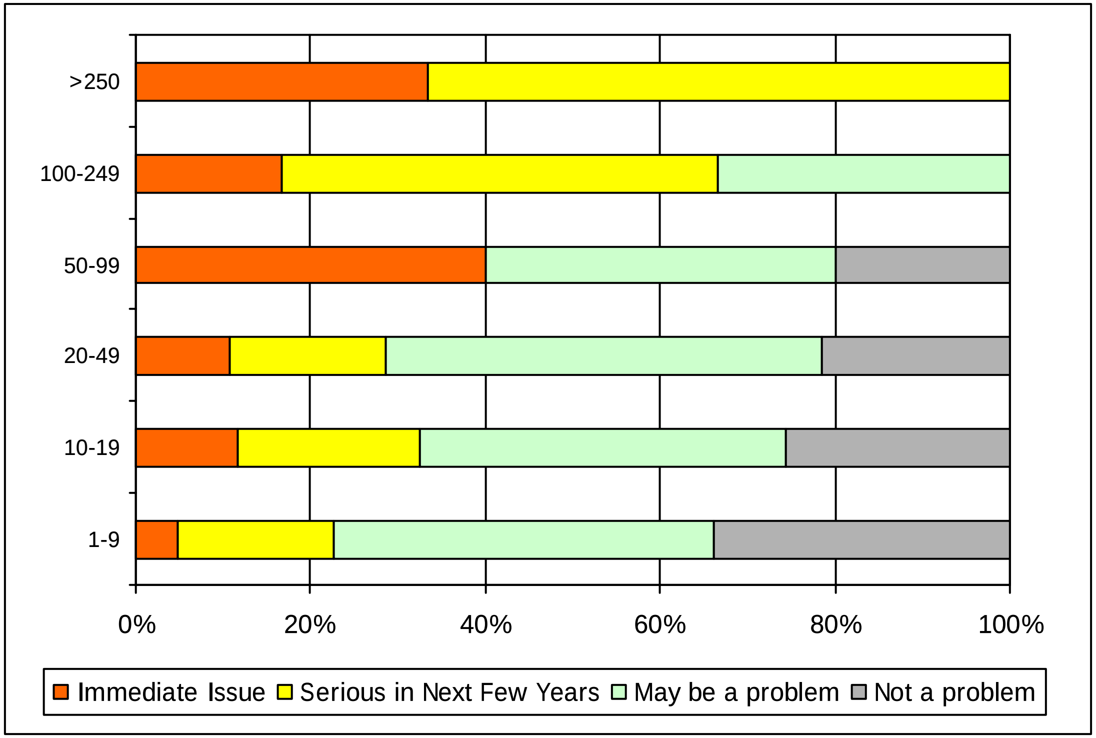
Employer Perception of Retirement Issue Only 8% of employer respondents identify impending retirement as an immediate issue, but over a quarter of respondents (27%) indicate it is now, or soon will be, a major issue. Less than a third of respondents do not expect retirement to present a major problem. Education & Health and employers in natural resource industries lead the region in concern. Manufacturers are also concerned about impending retirement with just under 40% indicating it is or soon will be a major problem. Fraser Paper, the largest manufacturing company in the County, has already recognized this as a critical issue for it, particularly in a number of highly specialized fields where replacements will take considerable time to train.

The service industries other than Education & Health are not as concerned about retirement affecting their workforce. Other Services has the highest proportion indicating they think it will be a problem, while the Professional & Business Services, Leisure & Hospitality, and Finance sectors have low proportions indicating it may be a problem.





Employer Perception of Retirement Issue by Employer Size Concern about the effects of retirement on the workforce clearly increases with company size. All of the employers in the survey with more than 250 employees indicate retirement will present a major problem immediately or within the next few years, and no employer respondents over 100 employees indicate they do not think it will be a problem at all. In contrast, about one third of small employers do not believe it will be a problem and less than 10% indicate it is an immediate issue.

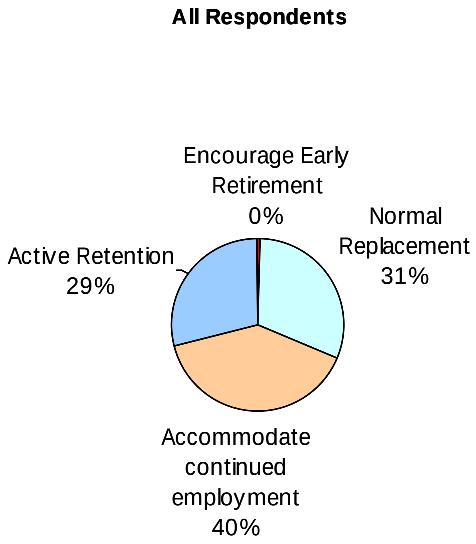


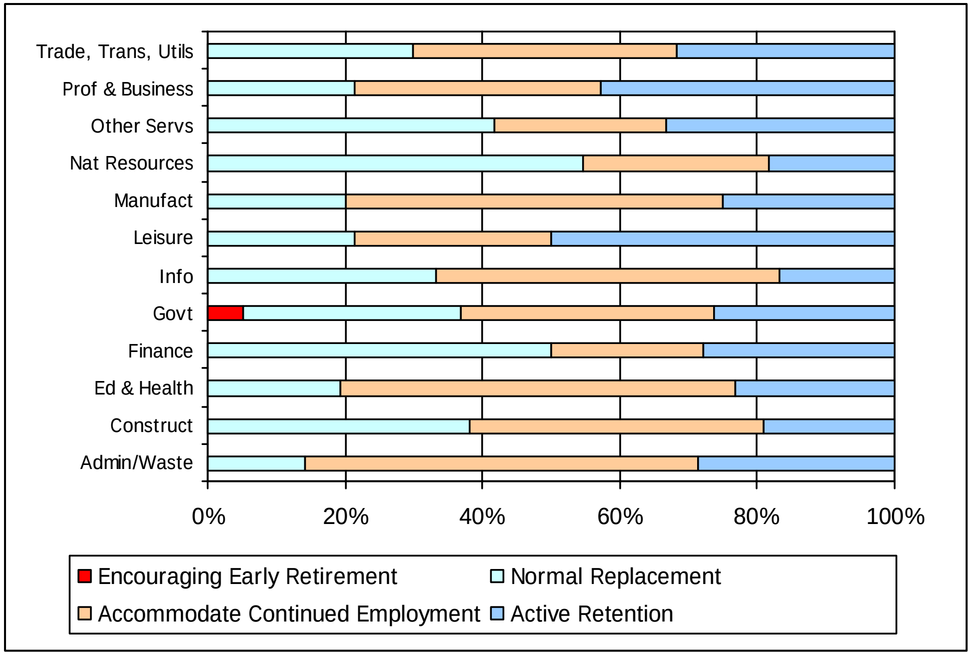
Employer Responses to Retirement

Employers were asked whether their current policies towards retirement encouraged early retirement, assumed retirees would be replaced on a normal hiring basis, accommodated the desire to work longer but made no special efforts to retain workers, or actively promoted retention of retirement-eligible workers. Forty percent of respondents indicated they were accommodating but not actively promoting retention.

Less than one third indicated they were actively promoting retention; this was most common in Leisure & Hospitality, which is noteworthy as this industry does not face a major retirement-eligible population. Industries that do face a major retirement issue but who are relying on only "normal replacement" include natural resources and manufacturing (although some firms like Fraser Paper recognize the issue).

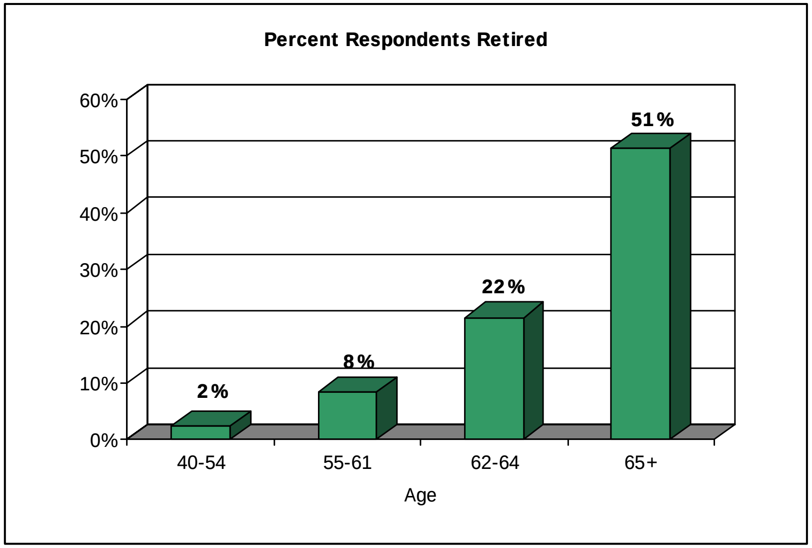
Only 1 respondent (in government) indicated they were promoting early retirement. This is noteworthy as a sector that faces a large proportion of its workforce at or near retirement age. However, government is under significant financial pressure which may explain the use of early retirement incentives. Interviews with town government officials indicate they believe they will have no trouble replacing retirees because theirs are often among "the best jobs around". In the near term, this approach may suffice but its viability in the future is uncertain.

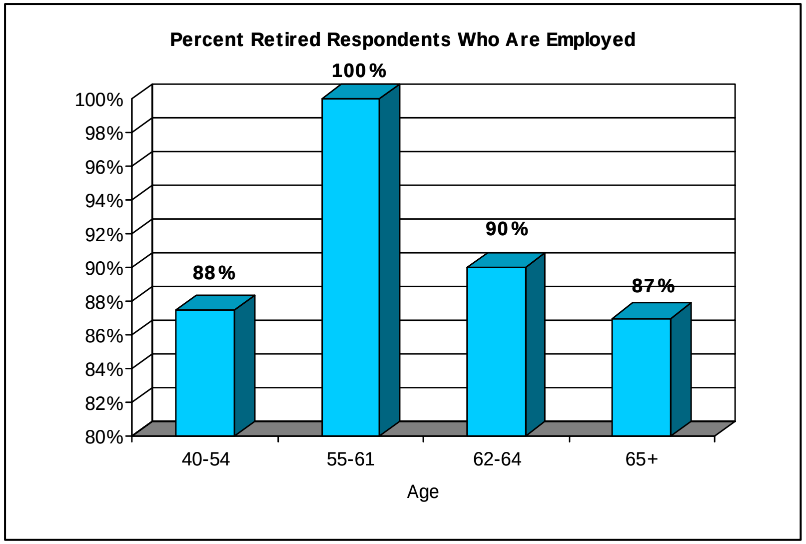




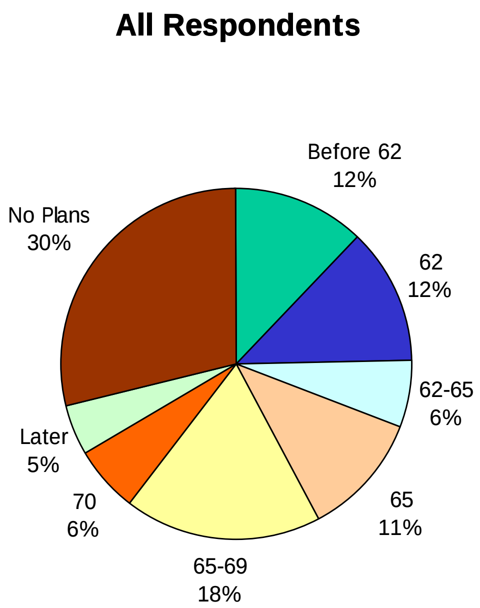
Employee Retirement Twenty-two percent of employee respondents age 55 and older indicate they are retired from a career or profession (a small number of respondents between 40 and 54 also indicate they are retired). The proportion of retirees obviously rises with age, but even among those 65 and older, only half indicate they are retired, which suggests that Aroostook residents are likely to work past "normal" retirement age.

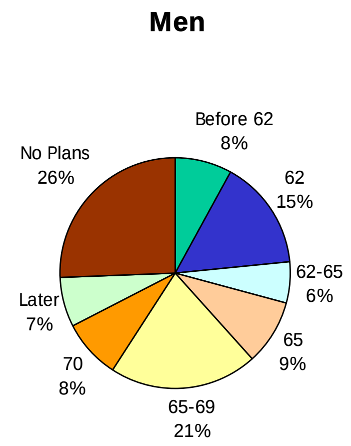
This is confirmed when those who are retired are asked whether they are also currently employed. Over 90% of respondents younger than 65 who report they are retired also indicate they are currently employed, and even after age 64, nearly 90% also indicate they are currently employed.

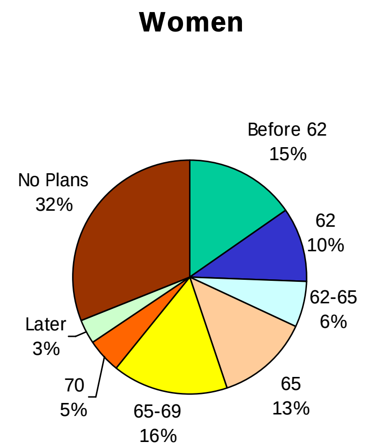




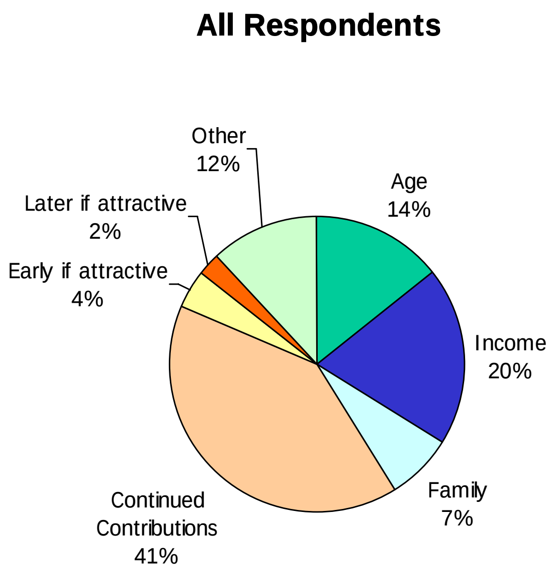
Employee Retirement Plans When asked about the age at which they plan to retire, 40% indicate they will retire at age 65 or later, 30% expect to retire before age 65, and 30% have no particular plans at the time of the interview. Women are more likely than men to have no planned age at which to retire. Women are more likely to want to retire younger; 29% of men indicate they will retire before 65 compared with 31% of women (this difference is not statistically significant).

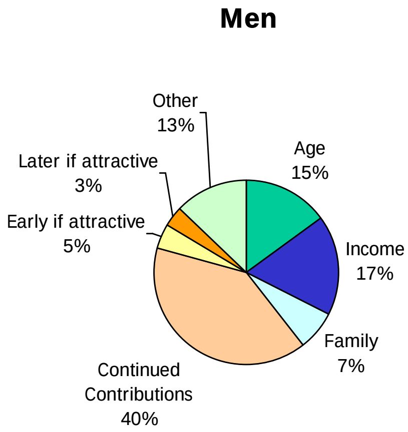


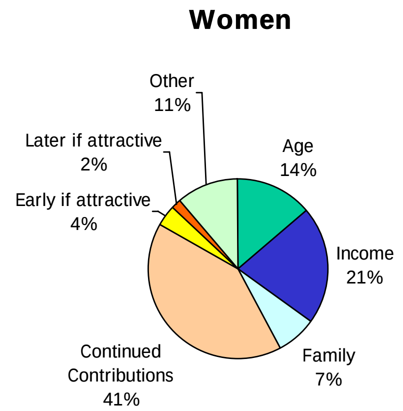




Factors Affecting Employee Retirement Decisions A number of factors will influence decisions about when to retire, but forty percent of respondents indicate they will continue to work as long as they are healthy and able to make continued contributions. Income considerations are the second most commonly cited, followed by reaching a specific age and then family considerations. Only 6% indicate they will be most influenced by early or late retirement incentives. There are no significant differences in these factors between men and women.

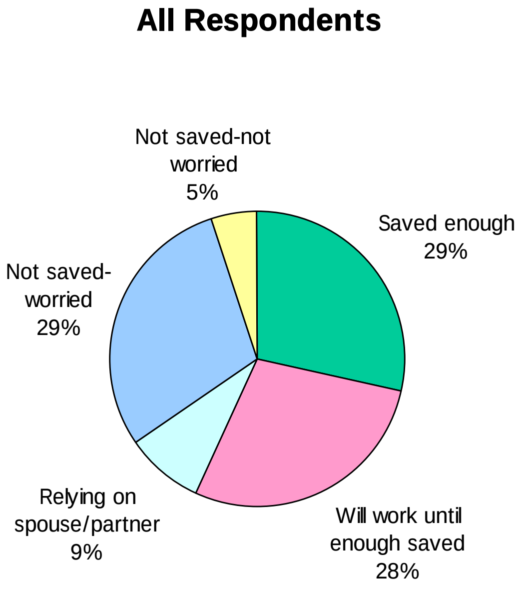


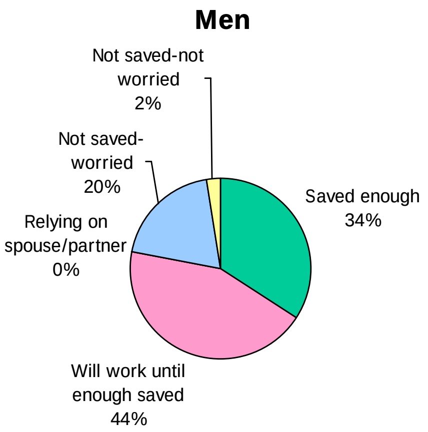


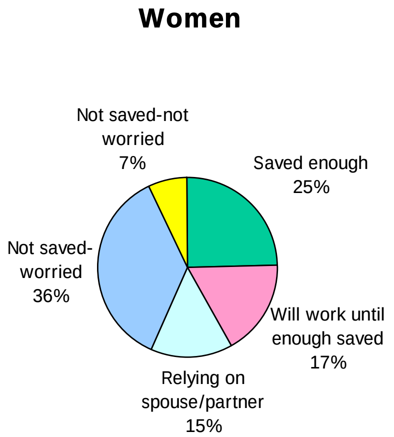


Factors Affecting Employee Retirement Decisions- Savings and Income One fifth of respondents indicate that money will be the key factor in deciding when to retire. This raises a key question about the relationship between savings and income. Less than a third of employee respondents indicate they have saved enough for “a comfortable retirement. Fifty seven percent indicate they either have not saved enough and must either continue working or are worried about their retirement income.

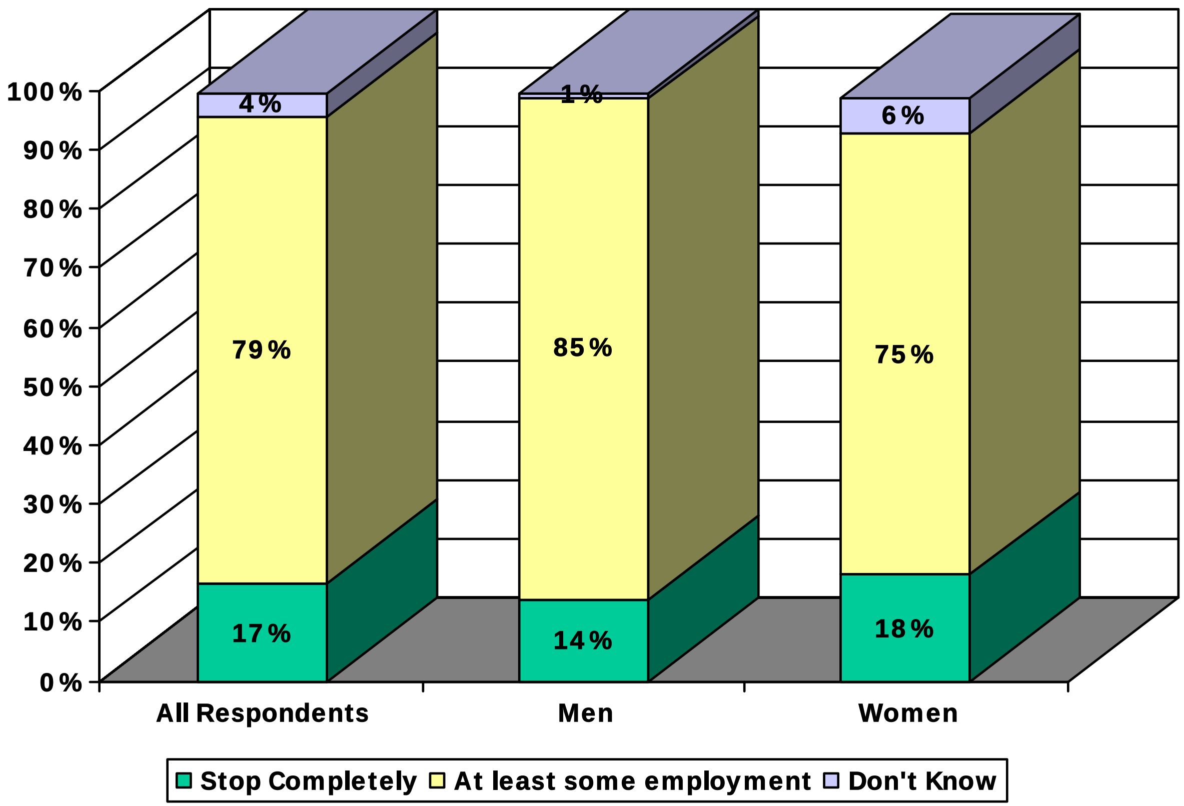
There are important differences between men and women. Men are much more likely to say they have saved enough or will work until enough is saved than women. Women are much more likely to say they have not saved and are worried about their future. Only women responded that they are relying on the income of a spouse or partner in their retirement.





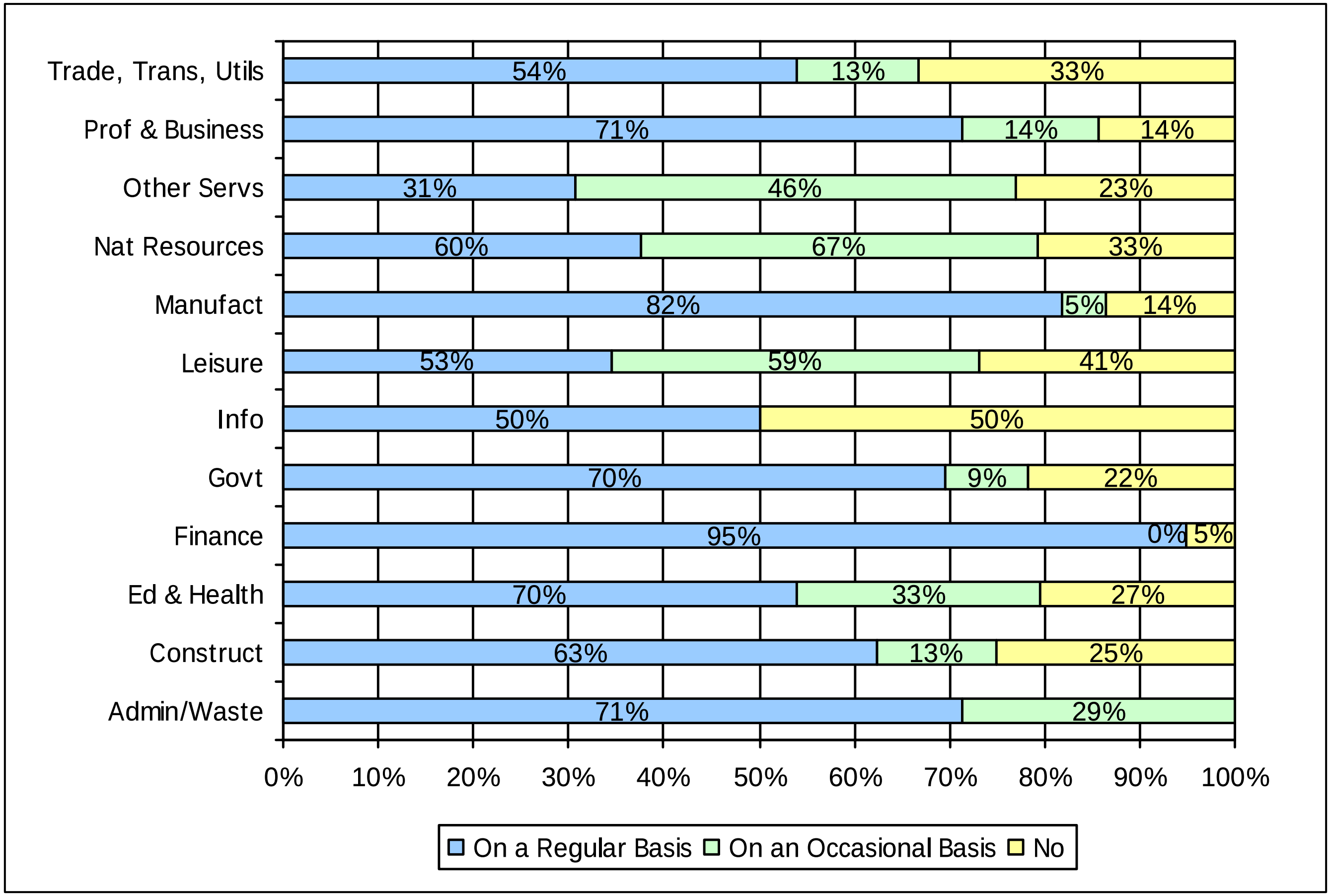


Likelihood of Working After Retirement Nearly 80% of respondents indicate they will probably seek some kind of employment after working rather than stopping work completely. Men, however, are much more likely than women to indicate a preference to continue some kind of work. Women are also slightly more likely to not know what they will do.



Employer Recruitment of Retirees

Sixty-four percent of employers indicate they regularly recruit retirees as employees, and an additional 11% indicate that they do so occasionally. The industries which most commonly recruit retirees are administrative support-waste management, finance, manufacturing, and professional and business services. Leisure and hospitality is the least likely to recruit retirees. (The information sector had too few respondents for interpretation.)

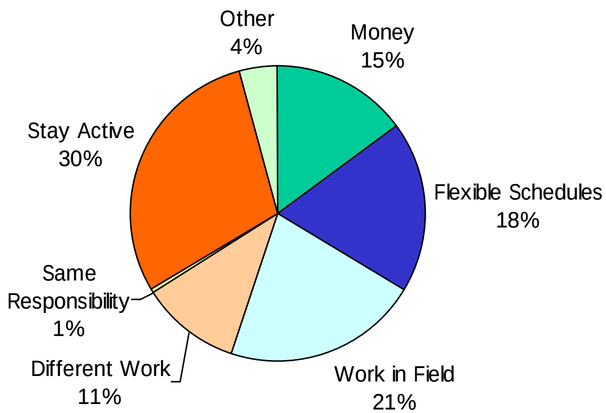


Desirable Characteristics of Work After Retirement The most important factor that potential employees will consider in deciding which job to take after retirement is the ability to stay active mentally and physically. Jobs that let people stay in their field of work and have flexible schedules are also mentioned. However, 11% of respondents indicate they would like to work in a field different from that in which they worked in pre-retirement. Pay is mentioned as the critical factor by only 15% of respondents.

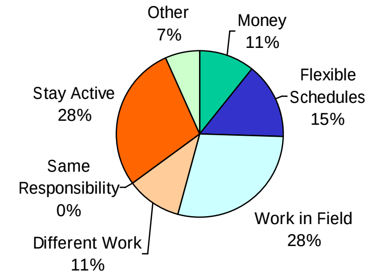
There are some important differences between men and women. Women are more likely to mention staying active, money, and flexibility of schedules. Men are more likely to want to work in their same field of work.

The relatively small proportion of respondents who indicate that money is not a prime consideration in what employment they may take after retirement is in noteworthy contrast to the relatively high proportion of respondents who indicate they have not saved enough for retirement. This may reflect respondents who lack of a clear picture of future income needs and resources, at least at the time of the interview.

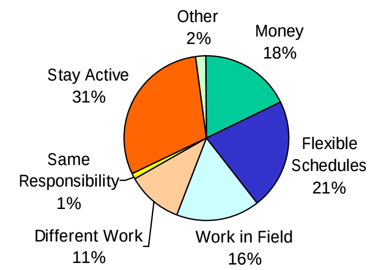
All Respondents



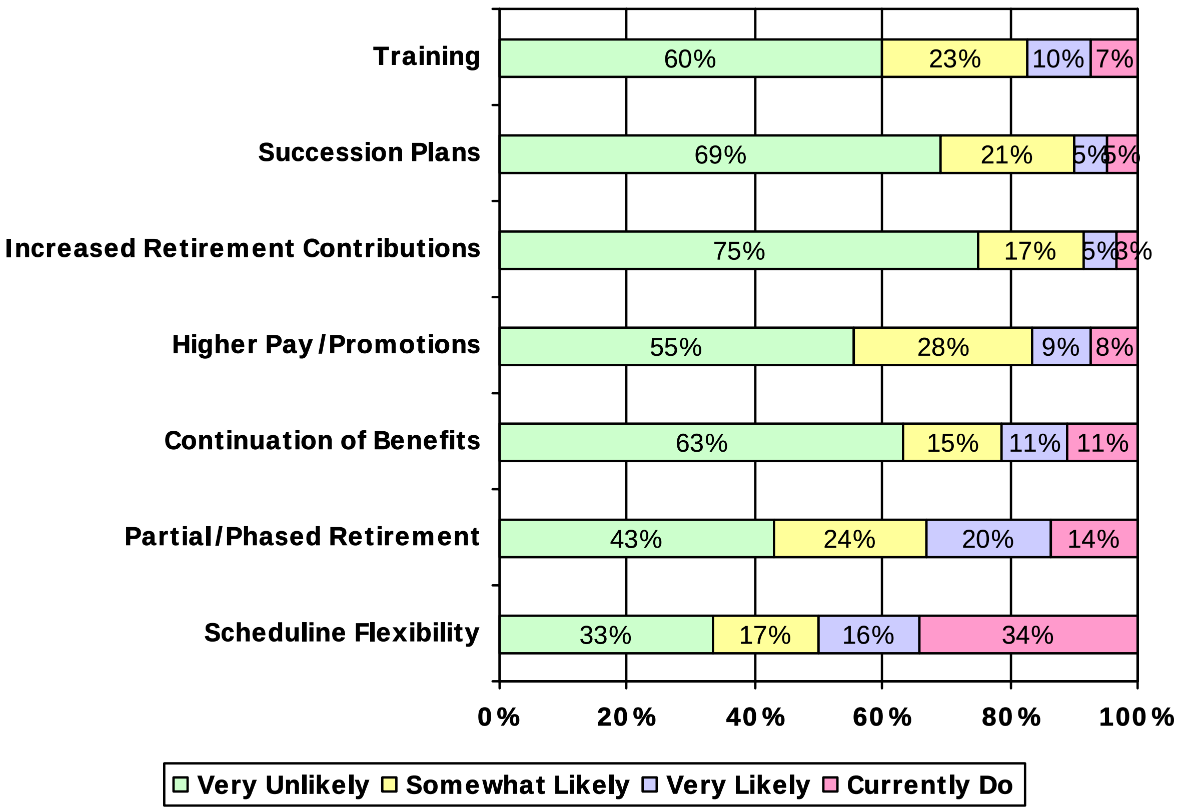
Men



Women



Employer Actions Regarding Retirement   Employees indicate that scheduling flexibility is an important consideration in deciding which jobs to take after retirement, and two-thirds of employers indicate they either currently offer flexible scheduling or are likely to do so. Forty-six percent of employee respondents indicate that some form of partial or phased retirement is desirable to them and 58% of employers indicate they either currently or are likely to offer such programs. Relatively few organizations indicate they are or are likely to take other actions such as increasing retirement contributions, providing higher pay or promotions or additional training. However, these actions are not mentioned often by employees as critical to their retirement decisions.



Conclusions: Meeting the Challenges of an Aging Workforce

It is clear that Aroostook County faces a formidable demographic challenge in maintaining an adequate workforce to assure economic growth. Simply put, keeping a significant proportion of the workforce that is eligible for retirement actively employed will be essential for the County's economy.

This challenge is easily visible, but not widely understood. Larger employers, particularly those in health care and manufacturing are already confronting the issue and taking steps to address it. Smaller employers, as evidenced both by the survey and information from the Chamber of Commerce, are much less aware of the issue and much less likely to be concerned about it. While very few employers are actively trying to reduce their older workforce through early retirement, more than two thirds anticipate no major changes in their employment policies will be needed.

Fortunately, the residents of Aroostook surveyed indicate a high degree of willingness, indeed expectation, that they will continue to work even after retirement from their primary career. A very high percent of those over 65 are still employed. Most employees indicate they will wait until age 65 or later to retire, or currently have no specific plans about when to retire. This means there is a significant window in the next five years or so to shape expectations and behavior about retirement and employment.

Aroostook residents appear very receptive to the idea of continuing to work after retirement-eligible age or remaining in the workforce at some level even after retirement. Fewer than 1 in 5 respondents indicated they intended to "stop work completely" after retirement (the number was slightly higher for women). Two in five employees indicate they will work "as long as they feel they are making a contribution", and only 14% indicate that reaching retirement age will be the key factor in deciding whether they will retire.

When asked about the type of work they would consider taking after retirement, the number one consideration among both men and women is the "ability to stay active", suggesting a wide range of possible employment will be considered. Scheduling flexibility is also an important factor (which is something most employers already report they are doing or are likely to do).

Pay is not reported to be a major factor, but it is critical to note that fewer than a third of respondents now report they have saved enough for retirement (the proportion is even smaller for women). Nearly 30% indicate they are worried about not having saved enough, and this proportion is even higher (36%) for women. While some women say they will rely on a spouse/partner's retirement income, it is clear that women will be more likely to be sensitive about income earned near or after retirement. Indeed, the reported lack of savings in the employee responses suggests that pay will probably be a larger factor in decisions about continued or after-retirement employment than is revealed by current answers to the survey questions.

Scheduling flexibility is seen as a key component for older workers. This will have to take many forms, and employers will have to be creative in the use of approaches such as job sharing, the availability of "care-giver" days for older workers who must also care for household members who require increased personal attention, and perhaps the development of pools of older workers available for multiple employers. Employers will need to work together in ways that have been very rare in the past to make best use of an older workforce that may be more limited in some ways and more flexible in others, but which clearly wants to continue to contribute.

In sum, Aroostook employees are ready to continue to make contributions as part of the workforce past "normal" retirement age, and Aroostook employers are, for the most part, getting ready to take advantage of that willingness. But much still needs to be done to assure a smooth transition over the next decade to a workforce heavily influenced by retired and retirement-eligible workers. Several actions are suggested by this research:

1. Communication Employers and older employees need to begin and maintain communications about retirement sooner rather than later. This is probably particularly the case with small employers who have most likely been used to long periods of stability with their workforce. It is likely that in many organizations, neither employer nor employee knows what will happen, and simply starting the communications process will benefit both by clarifying thinking and permitting planning. Organizations such as Chambers of Commerce or other business organizations can assist by helping members develop effective and timely communications processes with their employees about these issues as well as develop and share widely ideas about "best practices" for effectively using an older workforce.

2. Rethinking Supportive Resources There is a large network of public and private organizations that deal with issues of the older population, but the vast majority of these are organized on the assumption of a bright line between the world of work and the world of retirement. That bright line is fast becoming a grey blur, and many organizations, from economic development to social service organizations, are going to have rethink the way they operate and forge new ways of working together. This also applies to the health care sector, which will be called upon to assist workers in prolonging their work lives to a degree that has not been encountered in the past. This is actually an issue that is state-wide, indeed nation-wide, in scope, but it is probably going to fall to places like Aroostook County which must confront these questions sooner, to both lead the way at the local level and call on state and national policy makers to follow. The 2006 Blaine House Conference on Aging began to address some of these issues in Maine, but much work remains to be done.

3. Connections to Youth Even though the focus of this study has been the older workforce, the younger workforce should not be ignored. As CBER documented in a 2004 report for NMDC[1], many Aroostook youth do want to stay in the County. The adaptation to an older workforce actually presents many opportunities to address youth retention. The use of internships, apprenticeships and co-op education to transition youth into the workforce will be an important way to address employers needs as older workers transition out. Both employers and employees indicate that phased retirement is likely to be both desirable and common, and it is precisely during this phasing process that older workers can pass on skills to younger workers. Such transition programs are not automatic and not always easy, so both business- and workforce-related organizations need to work together to support employers who undertake such efforts through information, help in recruiting younger workers, and development of "best practices" information to be shared widely.

4. Mobility An older workforce is likely to be a less mobile workforce. This will present major challenges to a region almost exclusively dependent on the auto for transportation. Employers will increasingly have to balance scheduling issues and employees will have to develop alternatives to single occupancy vehicle transportation if the older workforce is going to continue to be the asset it potentially could be. The "older workforce" should become an important part of the transportation planning agenda in the County (and in other parts of Maine).

1. Center for Business and Economic Research 2004. *Migration and Youth Migration from Aroostook County: Trends, Factors, and Implications.* Portland: University of Southern Maine

Information About Survey Respondents

Industry in which Employee Respondents Work

Employee survey respondents are primarily employed in Education & Health Services, followed by Trade, Transportation & Utilities and Manufacturing. Education and Health Services is also the most common sector for second jobs. The 2007 sample can be compared with the 2000 sample using the Standard Industrial Classification (SIC). Overall the samples are similar, but there has been a drop in employees in manufacturing and an increase in employment in trade and government.

NAICS Basis

2007 Industry of Employment - Primary Job		
	N	Percent
Construction	29	3.8%
Education & Health	236	30.6%
Finance	29	3.8%
Government	62	8.0%
Information	11	1.4%
Leisure & Hospitality	26	3.4%
Manufacturing	101	13.1%
Natural Resources	43	5.6%
Other Services	43	5.6%
Professional & Business Services	50	6.5%
Trade, Transportation, Utilities	139	18.0%
Waste Management	2	0.3%

2007 Industry of Second Job		
	N	Percent
Construction	1	2.2%
Education & Health	16	34.8%
Finance	1	2.2%
Government	3	6.5%
Leisure & Hospitality	4	8.7%
Natural Resources	1	2.2%
Other Services	7	15.3%
Professional & Business Services	1	2.2%
Trade, Transportation, Utilities	12	26.1%
TOTAL	46	

SIC Basis

2007 Industry of Employment - Primary Job		
	N	Percent
Agriculture, Foresty, Fishing	19	3.0%
Construction	6	0.9%
Finance, Insurance, Real Estate	22	3.4%
Government	82	12.8%
Manufacturing	94	14.6%
Services	287	44.6%
Trade	100	15.6%
Transporation & Utilities	33	5.1%
TOTAL	643	

2000 Industry of Employment - Primary Job		
	N	Percent
Agriculture, Forestry, Fishing	13	2.0%
Construction	19	2.9%
Finance, Insurance, Real Estate	26	4.0%
Government	56	8.7%
Manufacturing	136	21.0%
Services	283	43.9%
Trade	69	10.7%
Transportation & Utilities	42	6.5%
Total	644	

Occupation of Employee Survey Respondents

The employee survey respondents are shown by occupation for 2007 and 2000. The 2007 data uses Standard Occupation Codes, while the 2000 data uses another classification. However, the distribution of occupational types shows no major changes between the two surveys.

2007

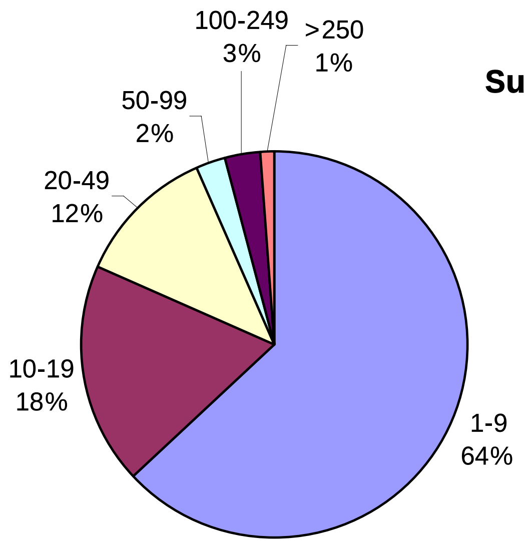
Occupation of Primary Job		
	N	Percent
Management	78	10.0%
Business/Financial	76	9.7%
Computer/Math	7	0.9%
Life/Physical/Social Science	5	0.6%
Community/Social Service	19	2.4%
Legal	6	0.8%
Education/Library	73	9.4%
Arts, Design,Entertainment,Media	17	2.2%
Healthcare Professonals	40	5.1%
Healthcare Support	33	4.2%
Protective Service	14	1.8%
Food Preparation/Serving	30	3.9%
Buildings & Grounds Cleaning	31	4.0%
Personal Care & Service	14	1.8%
Sales	56	7.2%
Office Support	54	6.9%
Farming, Forestry	36	4.6%
Construction	28	3.6%
Installation/Maintenance/Repair	43	5.5%
Production	83	10.6%
Transportation	37	4.7%
TOTAL	780	

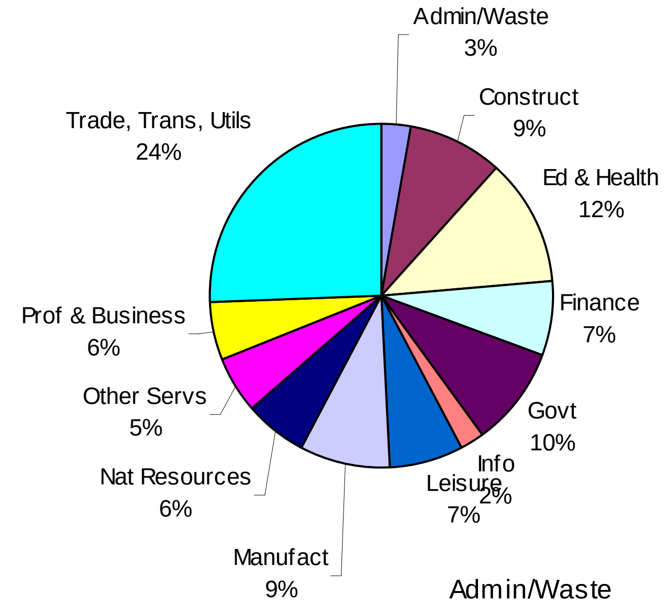
2000

Occupation - Primary Job		
	N	Percent
Professional	102	11.4%
Management	108	12.0%
Supervisors	46	5.1%
Sales	25	2.8%
Clerical	59	6.6%
Retail	24	2.7%
Non-Health Services	69	7.7%
Health Services	105	11.7%
Banking/Real Estate	22	2.5%
Transportation	73	8.1%
Skilled Trades	84	9.4%
Skilled Manufacturing	103	11.5%
Agriculture	3	0.3%
Forestry	11	1.2%
Laborer	17	1.9%
Food Service	38	4.2%
Government	9	1.0%
TOTAL	898	

Characteristics of Employer Survey Respondents The employer survey respondents are compared with the County as a whole in terms of industry (using NAICS sectors) and employment size. The survey sample does not differ significantly from the County in either of these characteristics.

Survey Respondents





Region