

DEMOGRAPHIC AND ECONOMIC CONDITIONS IN MAINE

Massachusetts Rhode Island and Maine Chapter
of the Appraisal Institute

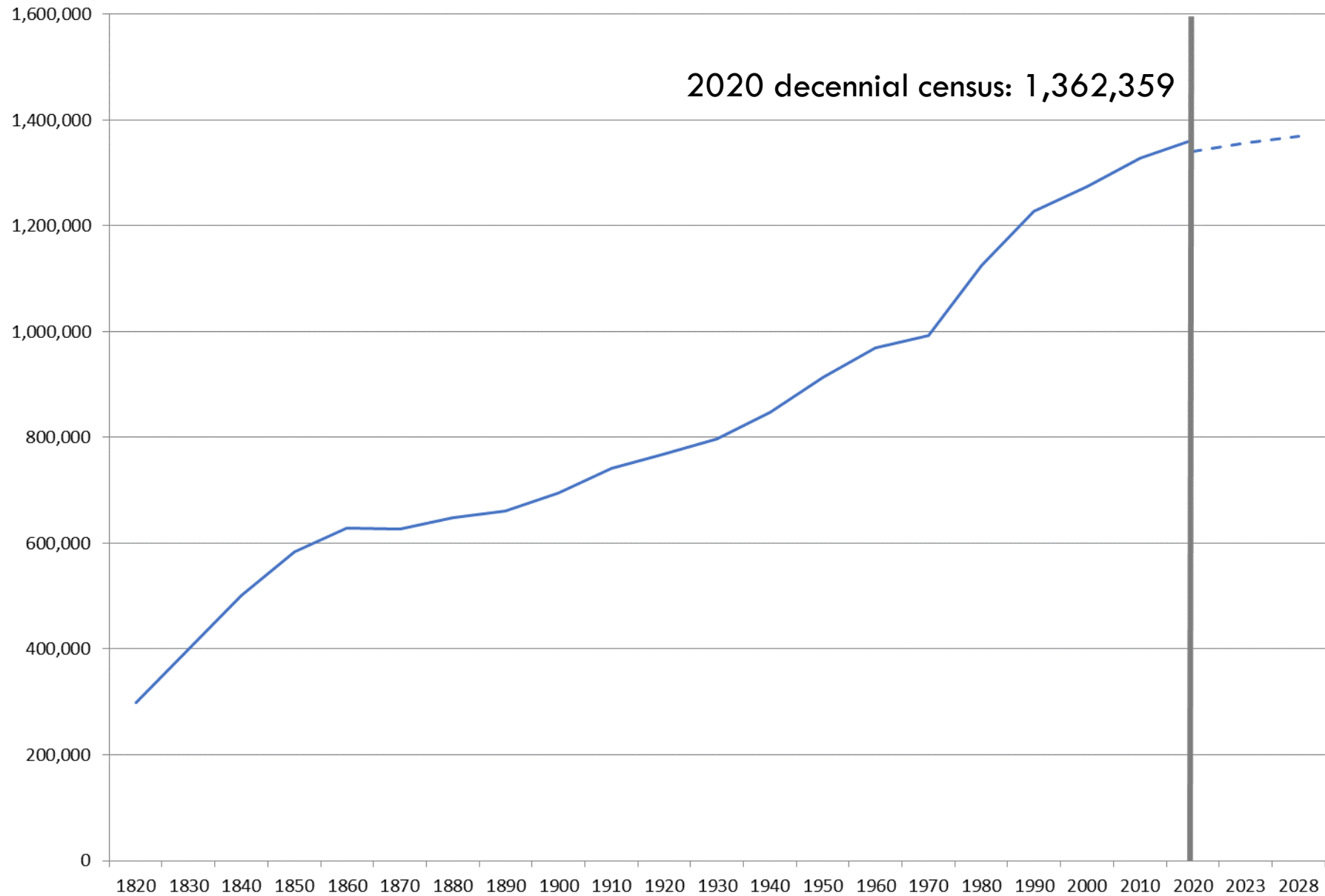
September 24, 2021

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Department of Administrative and Financial Services

Total Population, Maine

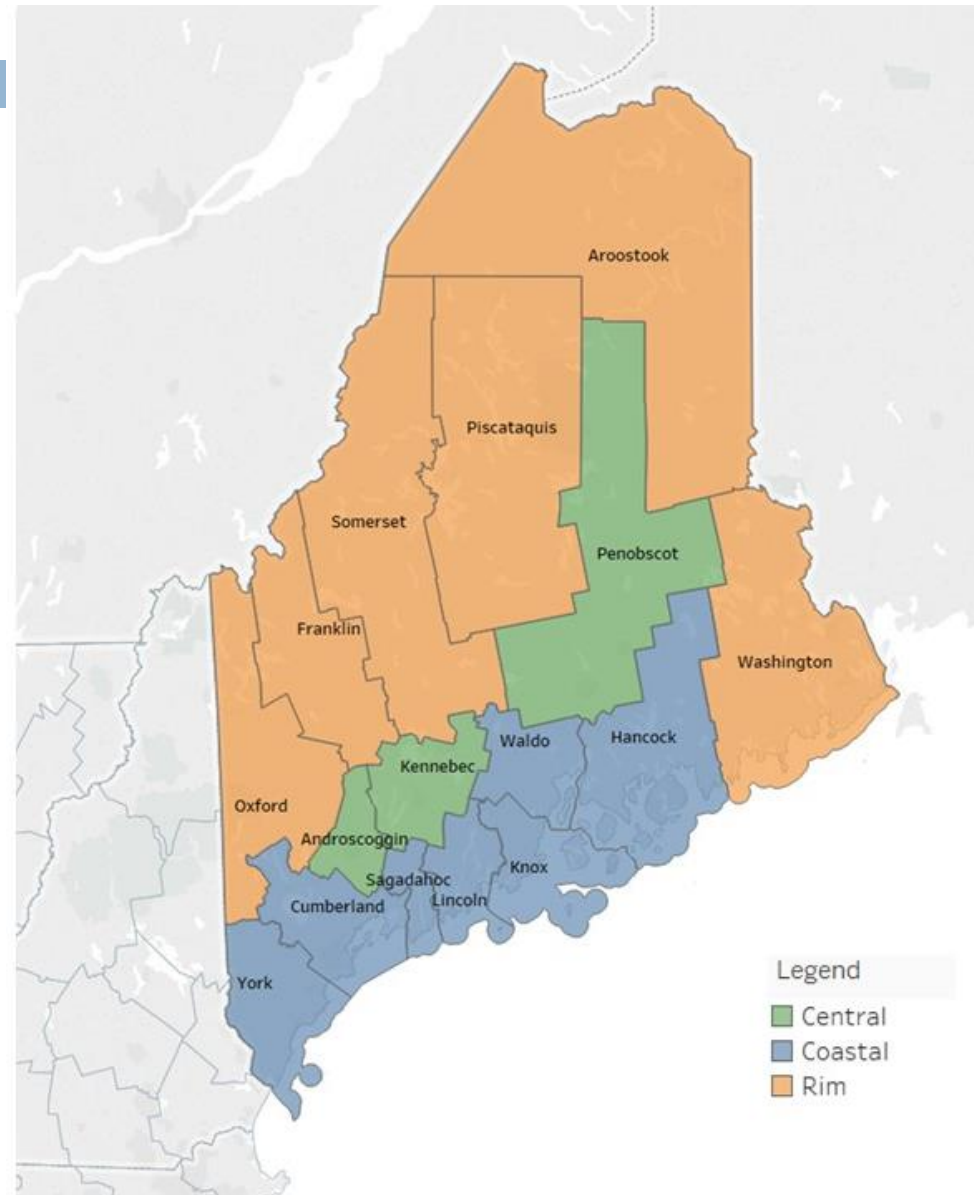


Sources: U.S. Census Bureau; State Economist population projections

Regions of Maine

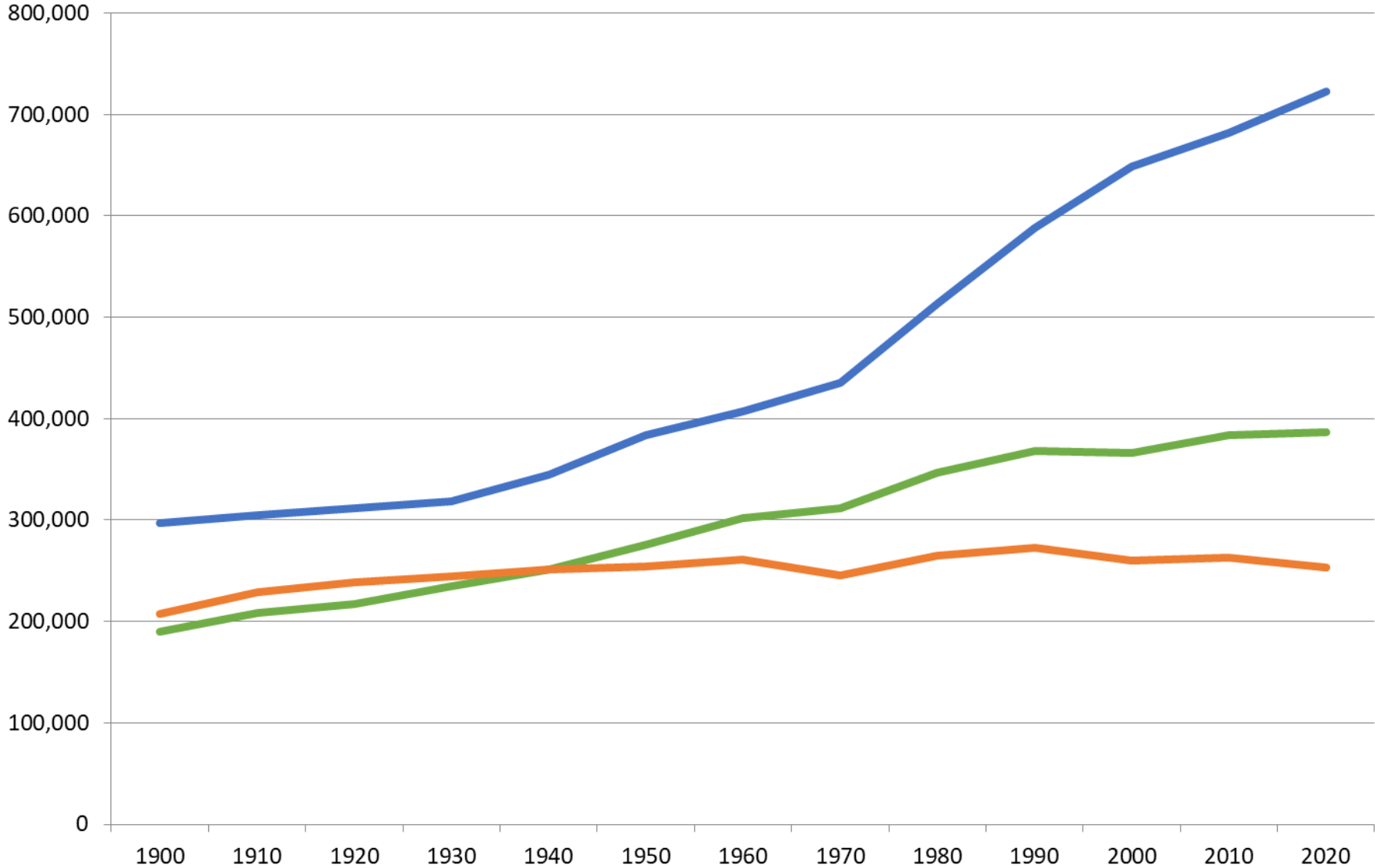
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- All six “rim” counties plus Penobscot had their highest decennial population count in a year other than 2020:
 - Aroostook: 1960
 - Franklin: 2010
 - Oxford: 2010
 - Penobscot: 2010
 - Piscataquis: 1920
 - Somerset: 2010
 - Washington: 1900



Total Population, Regions of Maine

Coastal Central Rim



Source: U.S. Census Bureau

Maine: a demographic snapshot

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- 2020 Decennial Population: 1,362,359
 - ▣ 42nd largest in U.S.

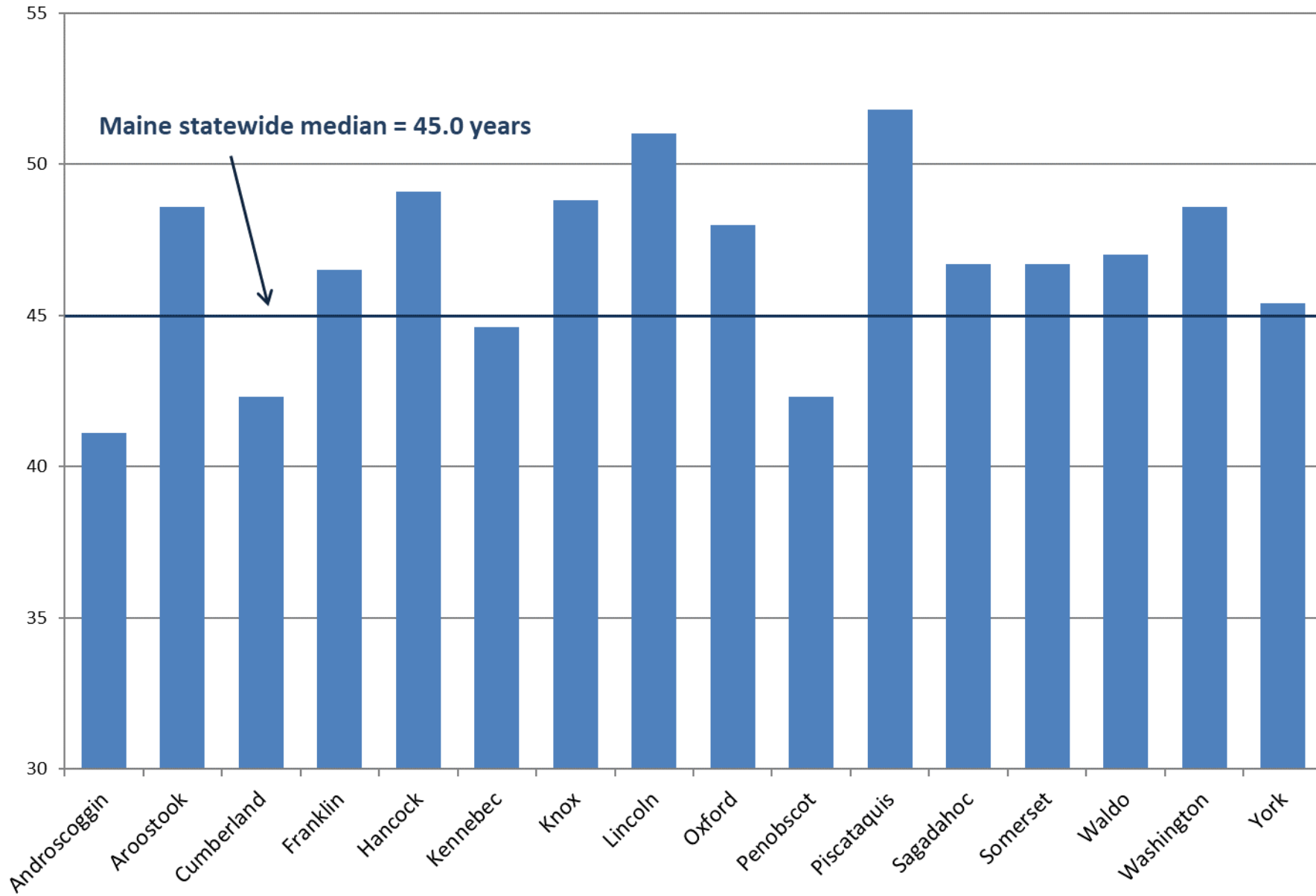
- 2010 – 2020 Population Change: +2.6%
 - ▣ 42nd among U.S. states (ahead of WV, MS, IL, CT, MI, OH, WY, PA)

- 2019 Median age: 45.0 years
 - ▣ Oldest in U.S.

- 9.8% Black, Indigenous, and People of Color
 - ▣ Lowest percentage in U.S., but improved from 5.6% in 2010

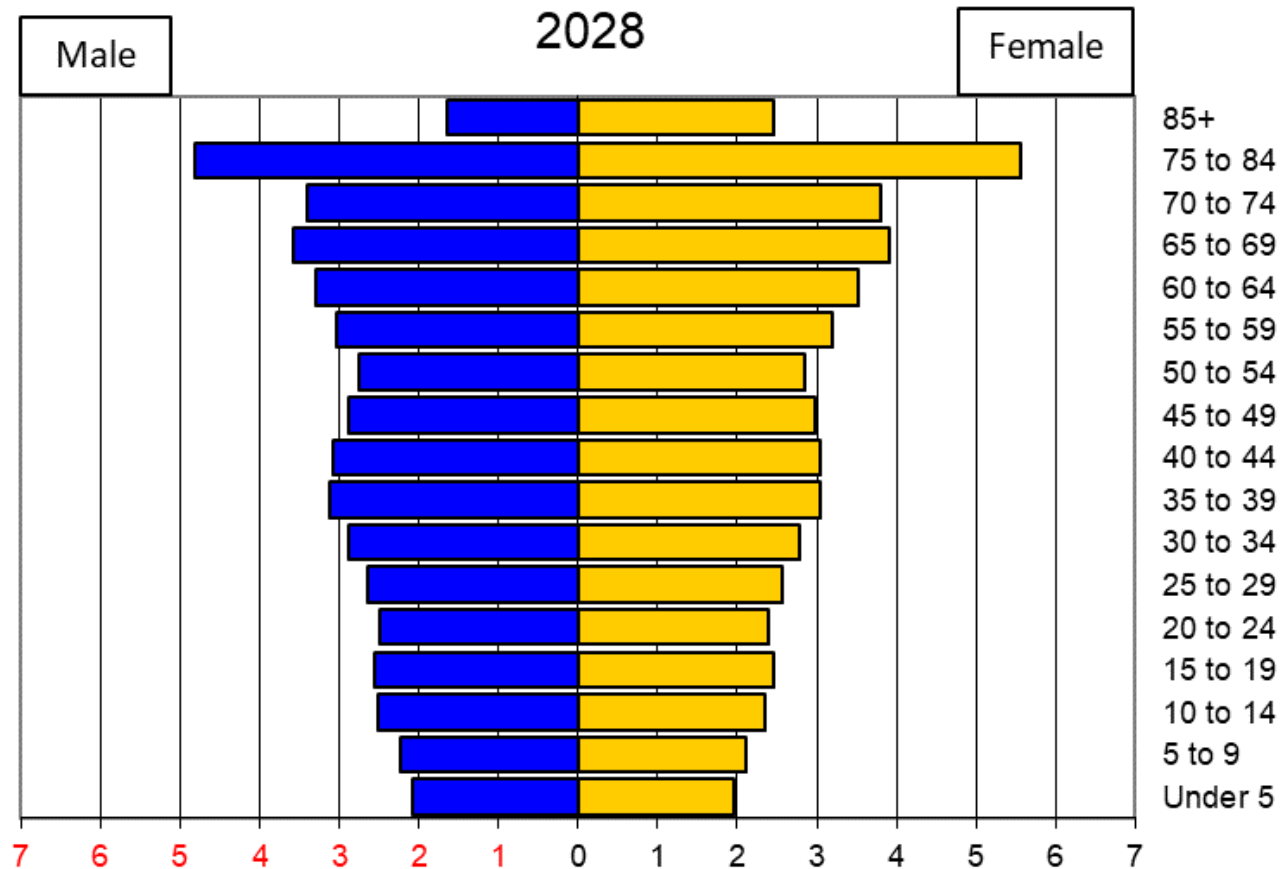


Median Age

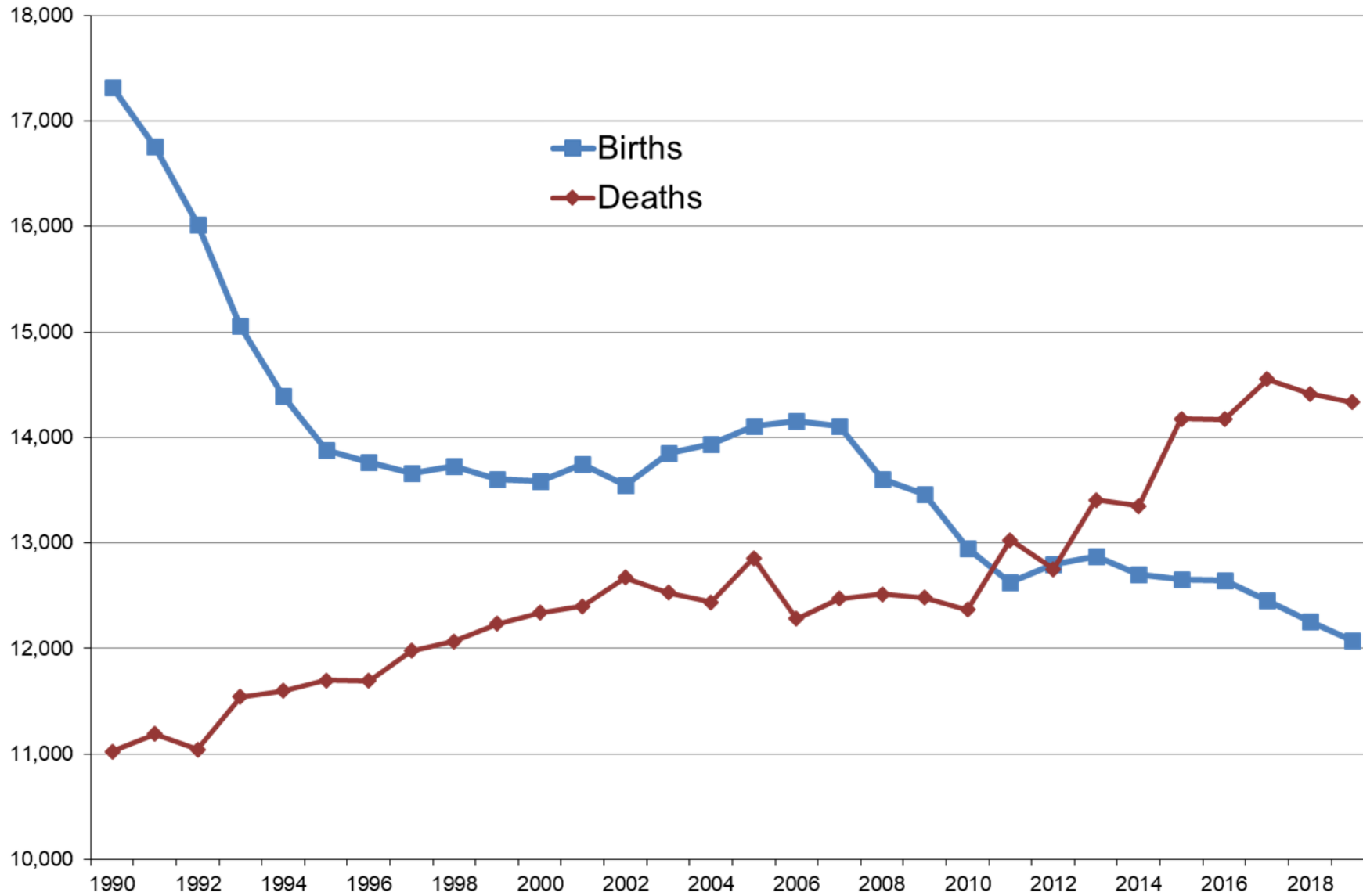


The Baby Boom Wave

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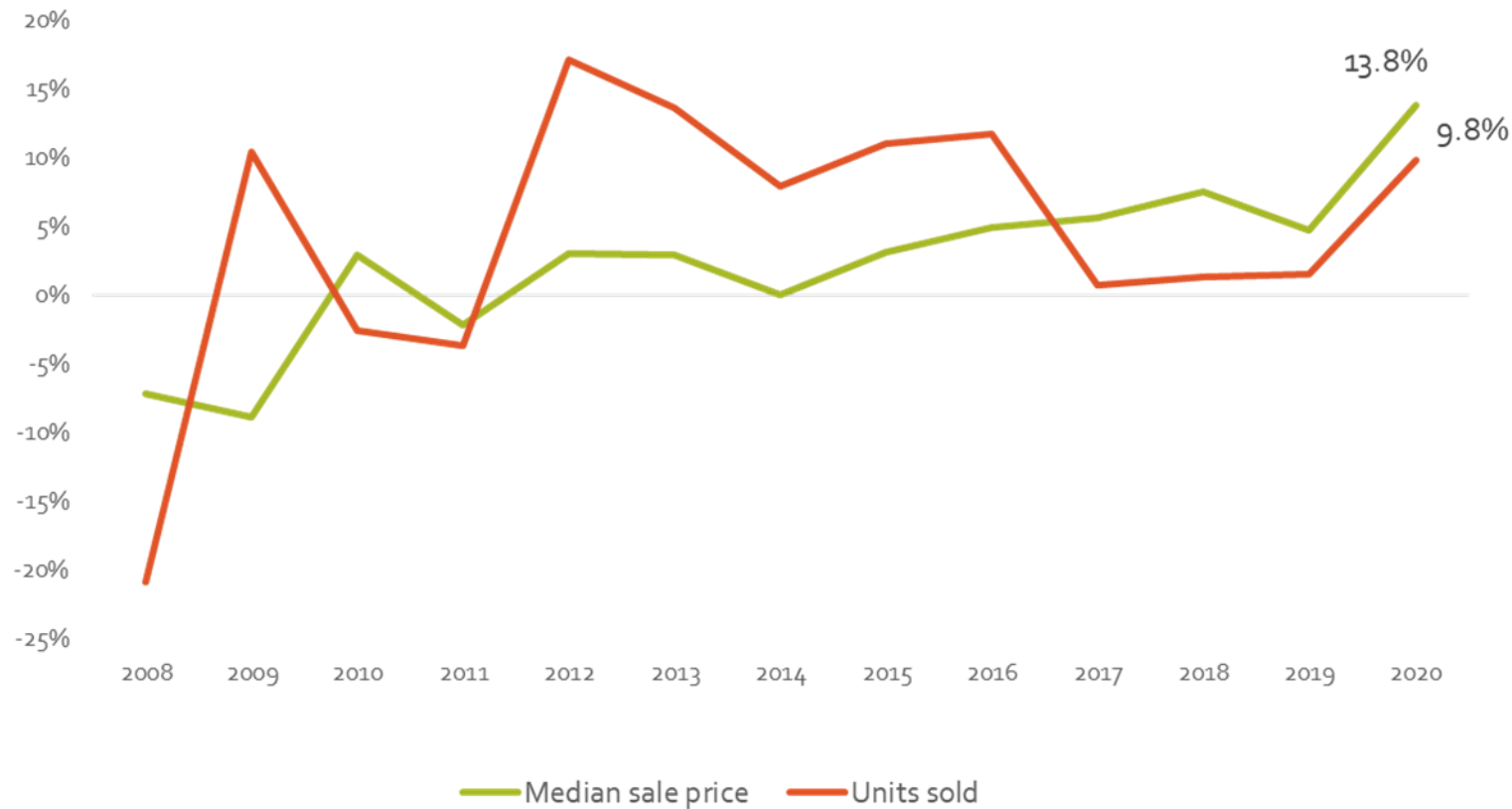
Births and Deaths per year in Maine



Maine has seen an influx of home buyers from out of state during the pandemic (but who are they and how long will they stay?)

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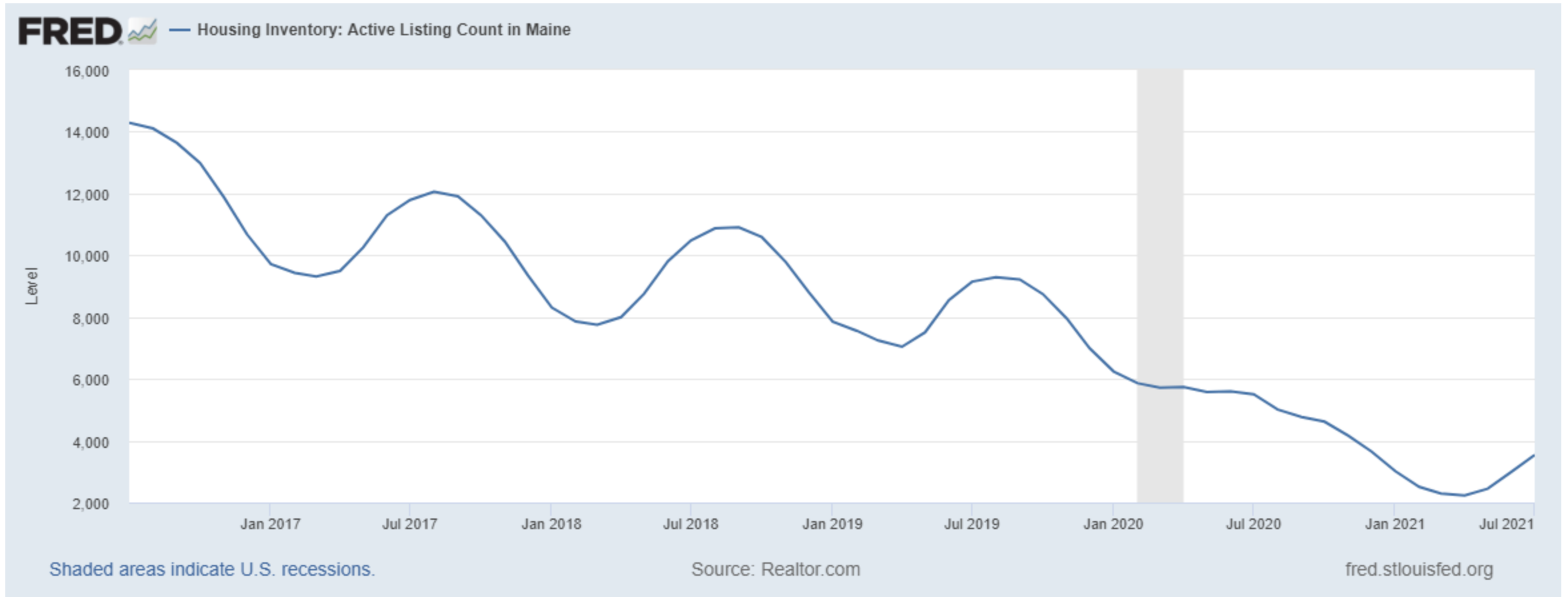
Year-Over-Year Growth of Real Estate Transactions, Maine



- Maine REALTORS noted in their August 2021 press release a 7% increase in single-family home sales in July 2021 vs July 2019 along with a 24% increase in the median sales price compared to July 2020
- Out-of-state buyers normally represent about 1/4 of sales; in late 2020 they represented about 1/3 of sales

In June 2021, listings were 6 Days on Market statewide, compared to 14 days in 2020 and 13 days in 2019

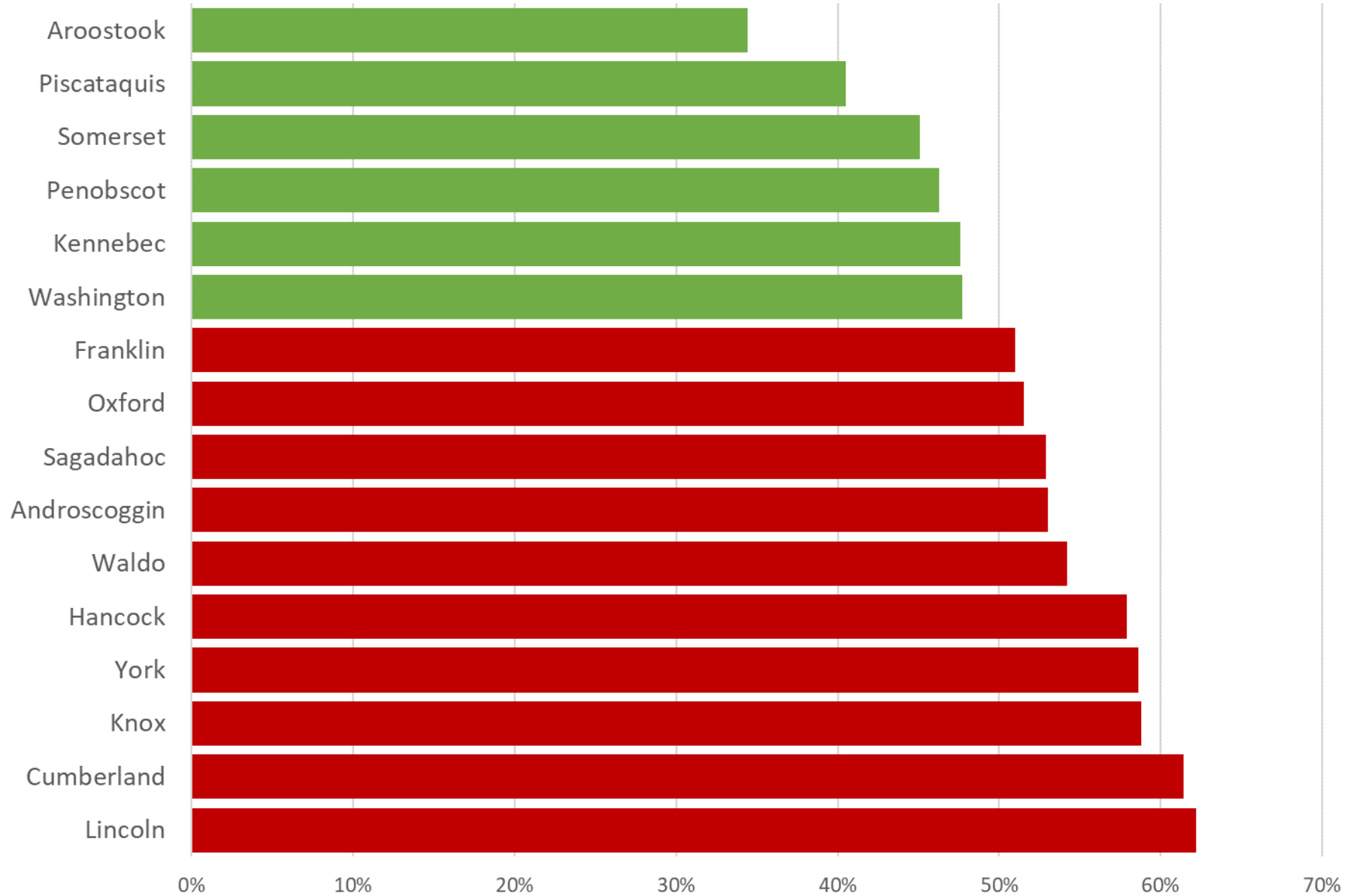
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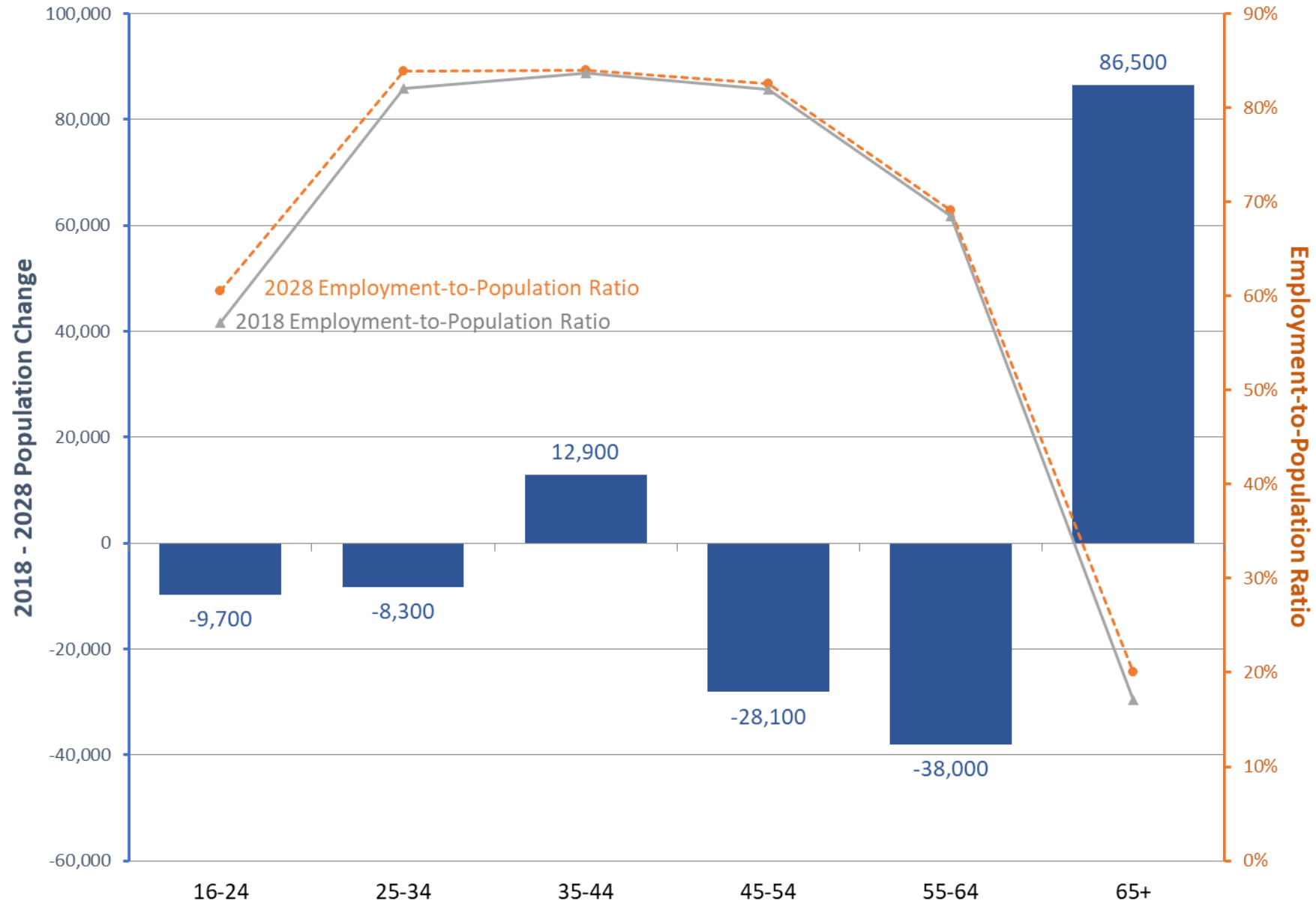
In July 2021, all counties but Franklin had year-over-year growth in the median sale price

Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)
Androscoggin	126	-11.3%	\$254,150	17.3%
Aroostook	92	3.4%	\$131,250	21.5%
Cumberland	408	-4.5%	\$446,140	20.6%
Franklin	59	-3.3%	\$205,000	-2.4%
Hancock	95	8.0%	\$314,000	37.1%
Kennebec	180	-12.6%	\$249,500	23.7%
Knox	90	26.8%	\$377,000	60.4%
Lincoln	54	-16.9%	\$364,500	37.6%
Oxford	94	-2.1%	\$256,500	33.3%
Penobscot	231	12.1%	\$220,000	29.5%
Piscataquis	36	-28.0%	\$190,000	19.0%
Sagadahoc	51	75.9%	\$376,632	39.6%
Somerset	57	-38.7%	\$185,000	19.4%
Waldo	56	-17.7%	\$290,000	41.5%
Washington	63	3.3%	\$147,000	13.1%
York	304	-12.1%	\$385,000	13.9%
Maine	1,996	-4.9%	\$315,000	23.6%

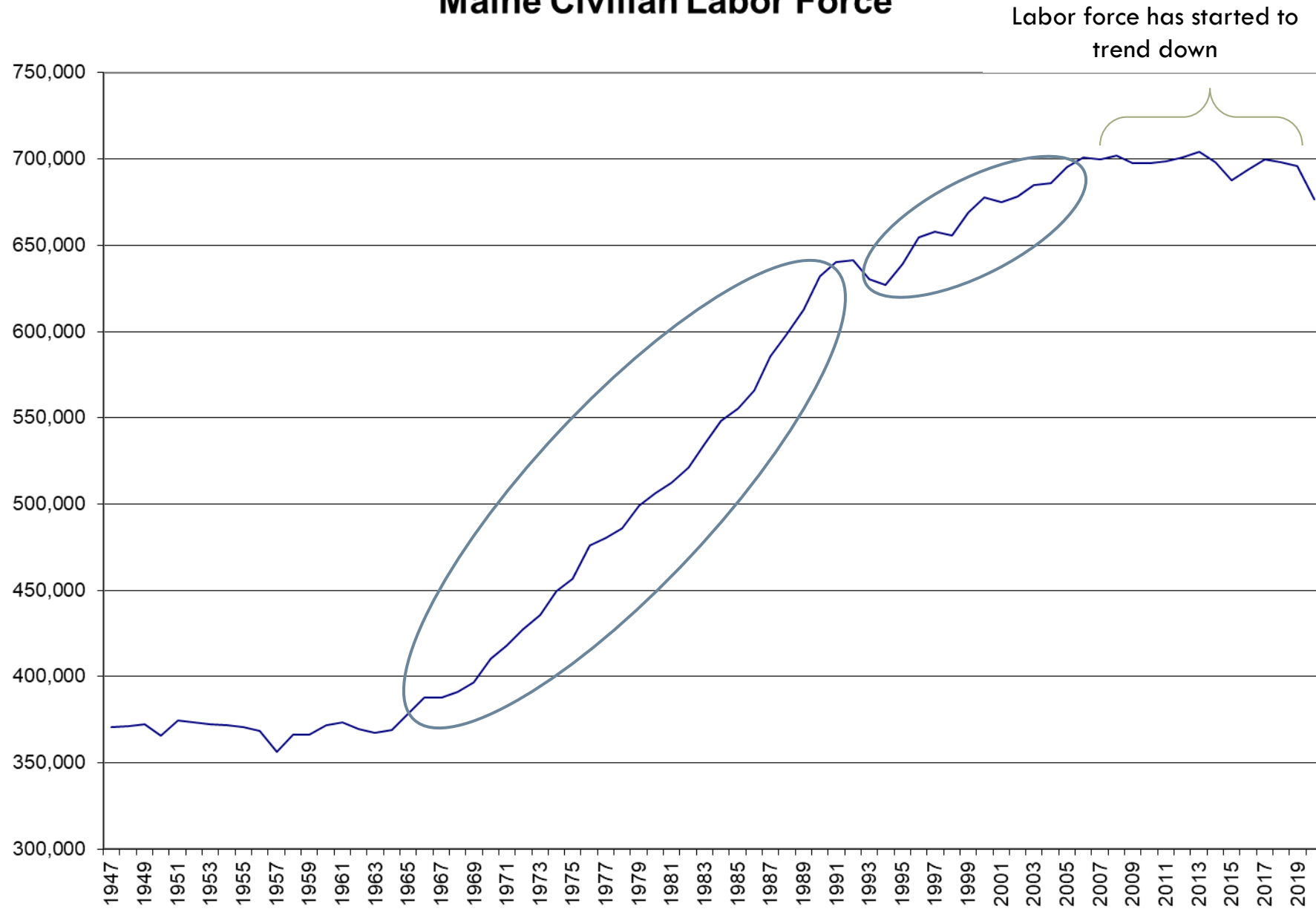
Percent of Households Unable to Afford Median Home



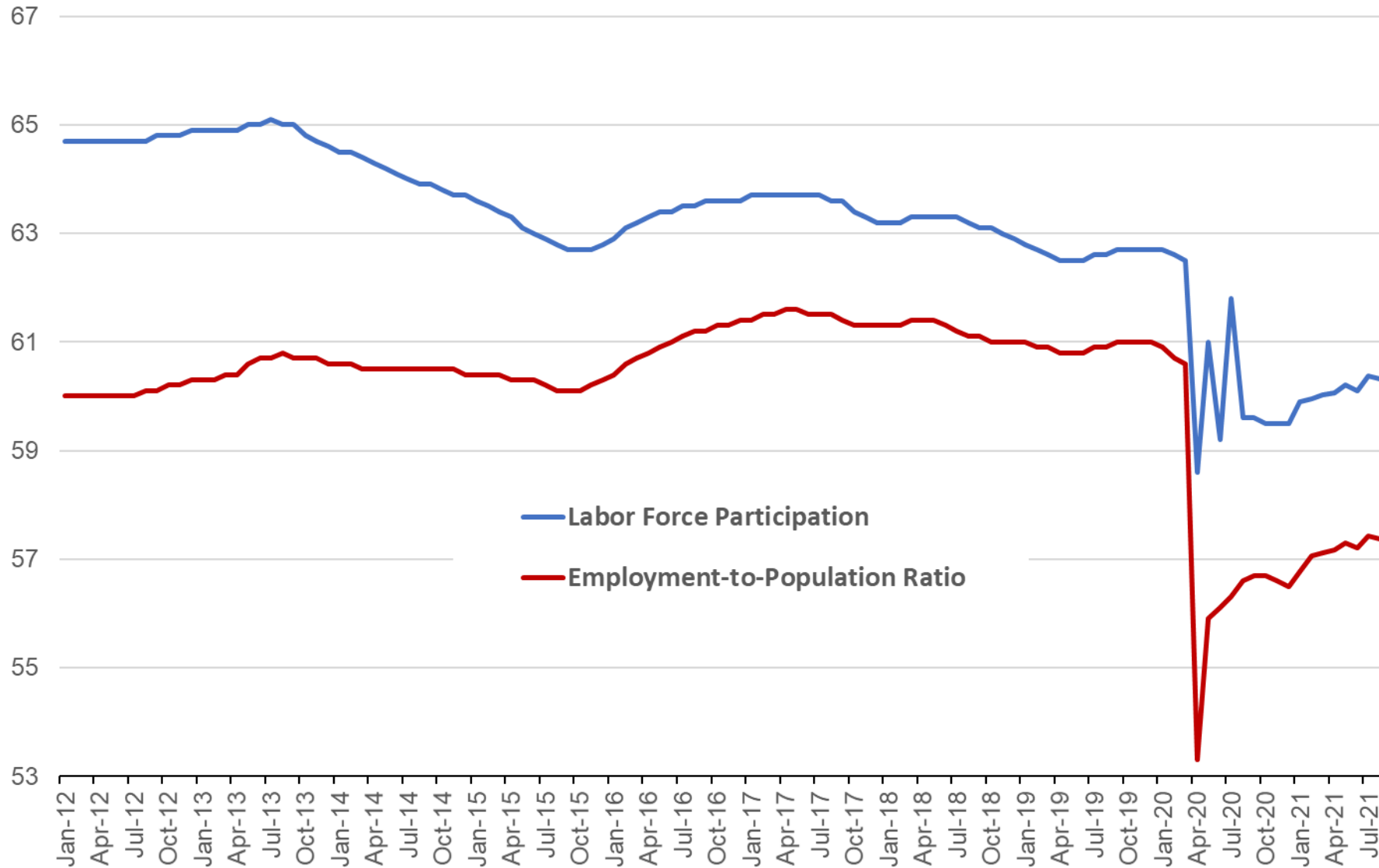
Population and Employment-to-Population Ratio Outlook by Age



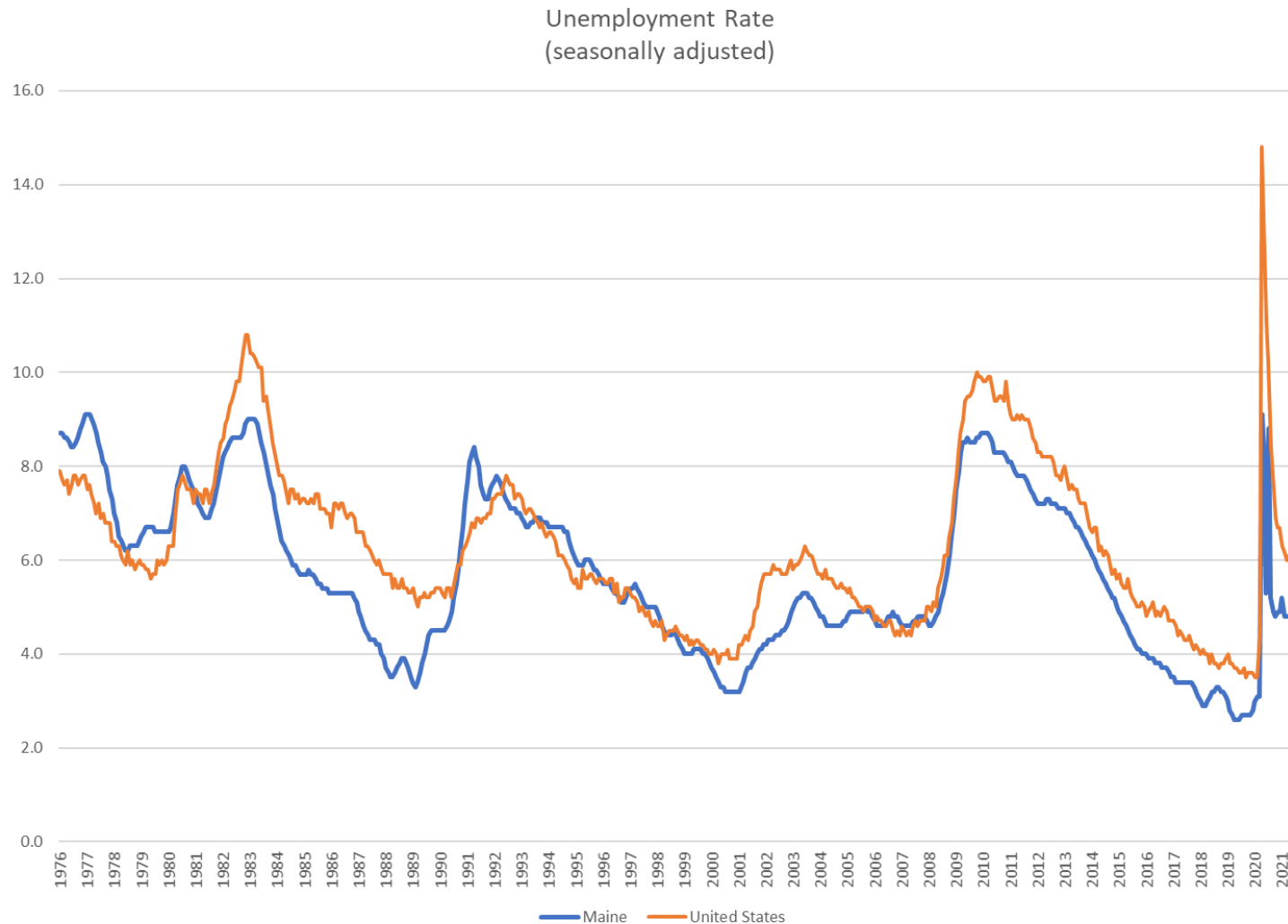
Maine Civilian Labor Force



Labor Force Participation & Employment-to-Population Ratio (Seasonally Adjusted)



In April 2020, Maine's official unemployment rate was 9.1% - the highest since February 1977. Even so, it underrepresented the true unemployment rate due to technical issues.



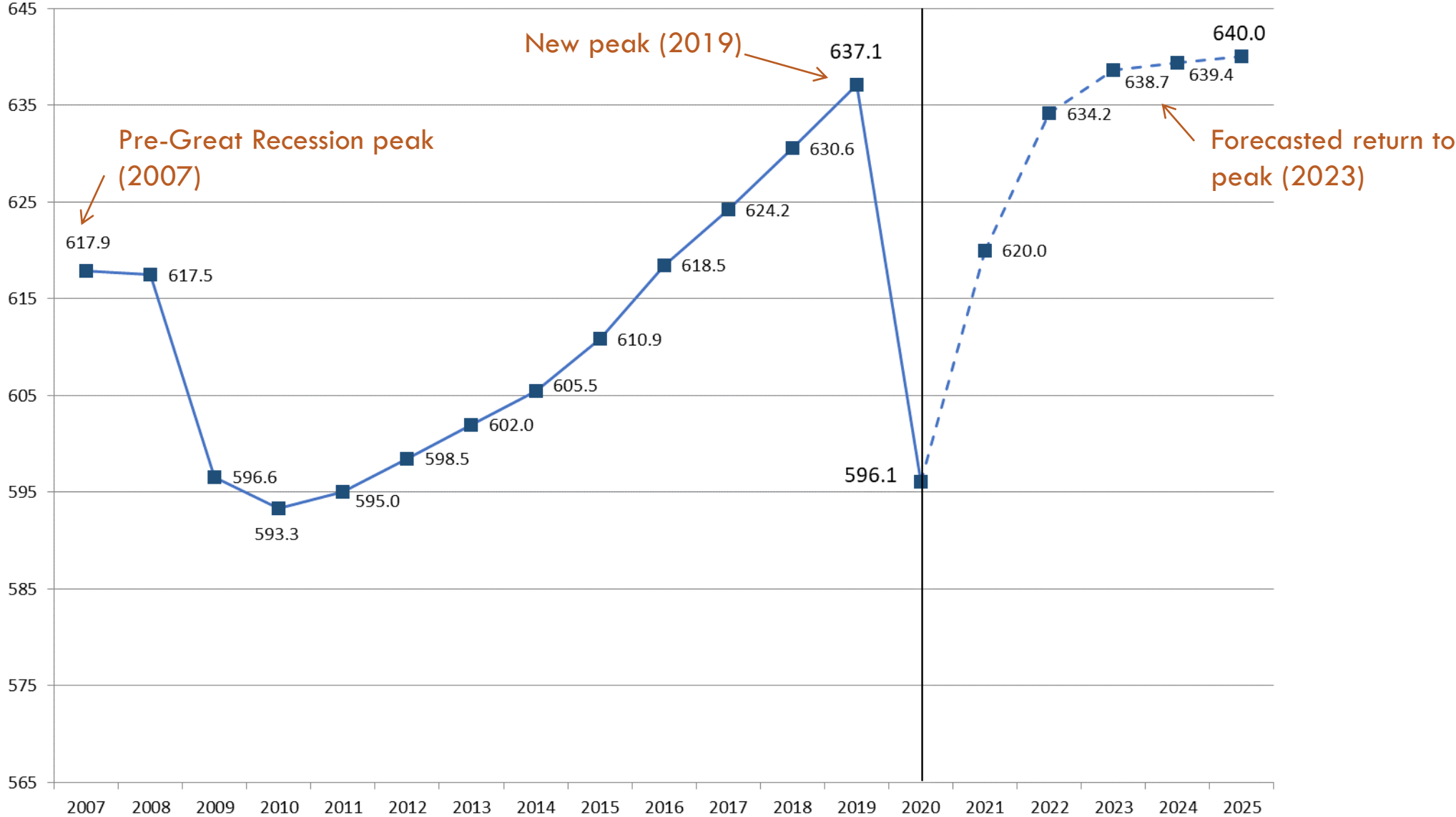
Maine's official unemployment rate in August 2021 was 4.9%, but the Maine Department of Labor estimates that if labor force participation were at Feb. 2020 levels the unemployment rate would be 8.4%

Maine DOL surveyed unemployment claimants and active job seekers on barriers to return to work

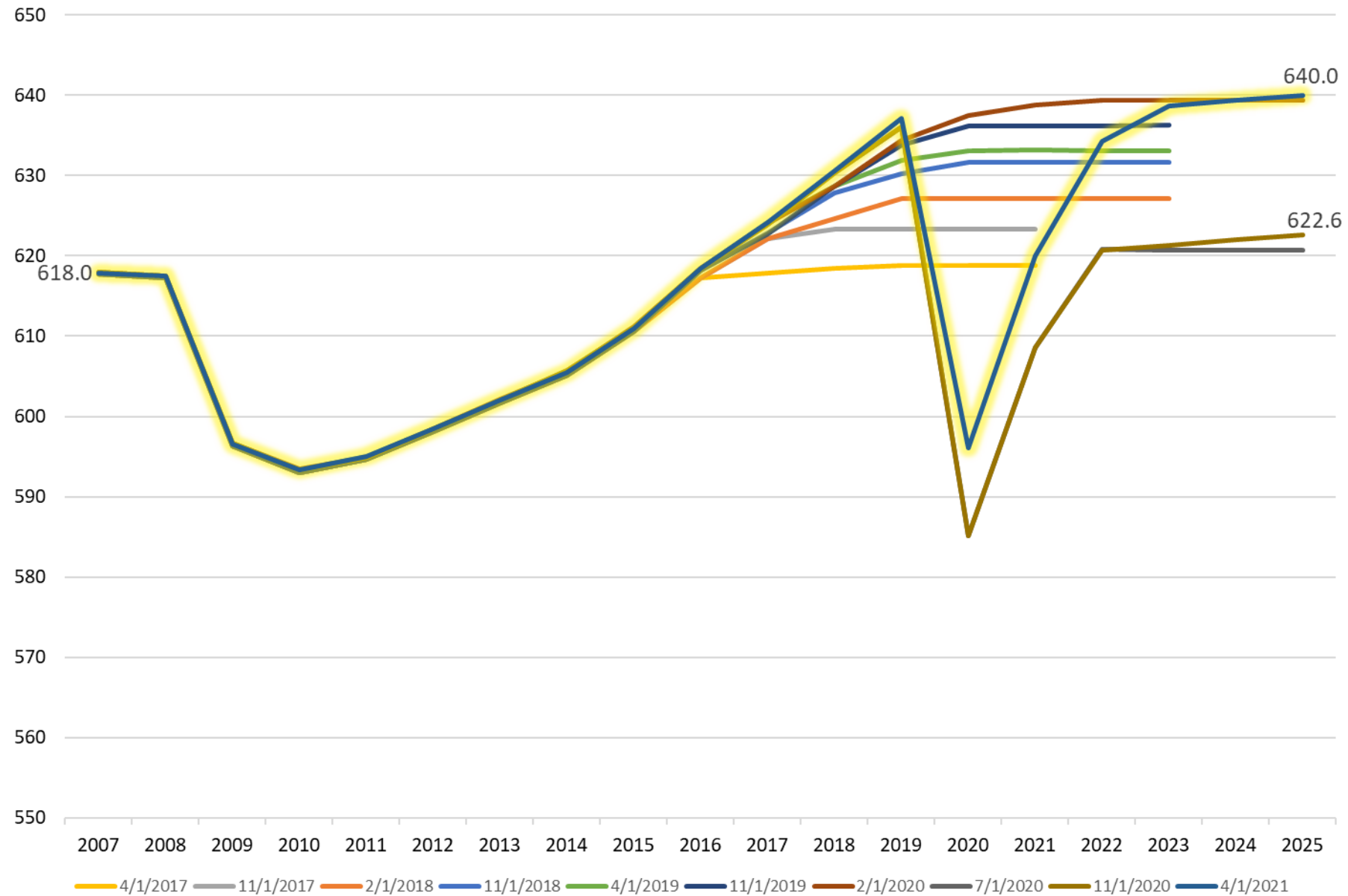
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- The most commonly cited barriers were “lack of opportunities that match my skill set” and “COVID health risks or concerns”
- Other reasons preventing return to work were concerns about job quality, inaccessibility of opportunities, and lack of social supports such as childcare or transportation
- Of those who did return to work, the most commonly cited enabling factors were that their previous employer rehired them (38%) and finding a job that matched their skillset (26%)

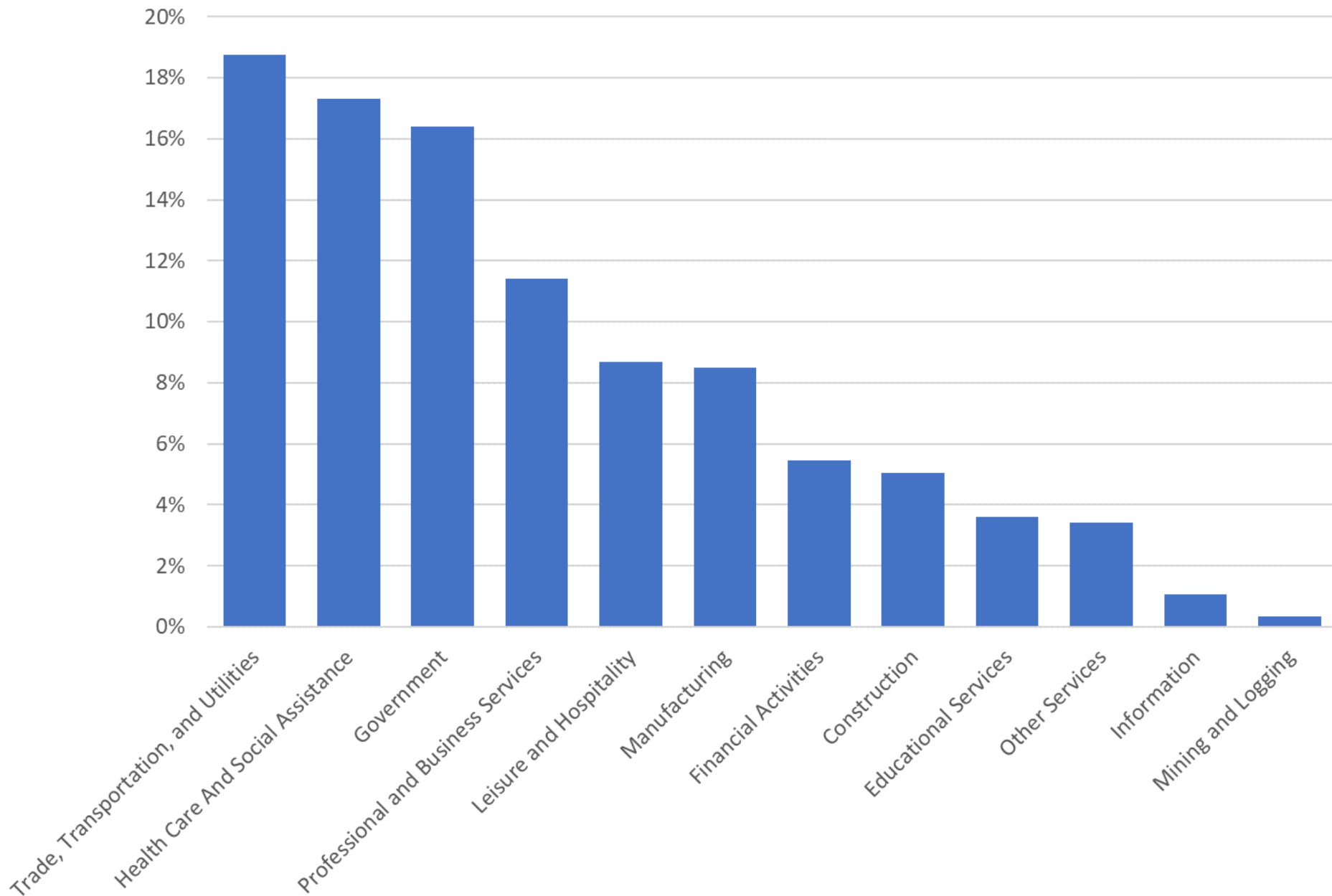
Total Nonfarm Employment (in thousands) History and CEFC forecast



Revisions to CEFC Forecast of Total Nonfarm Employment (in thousands)



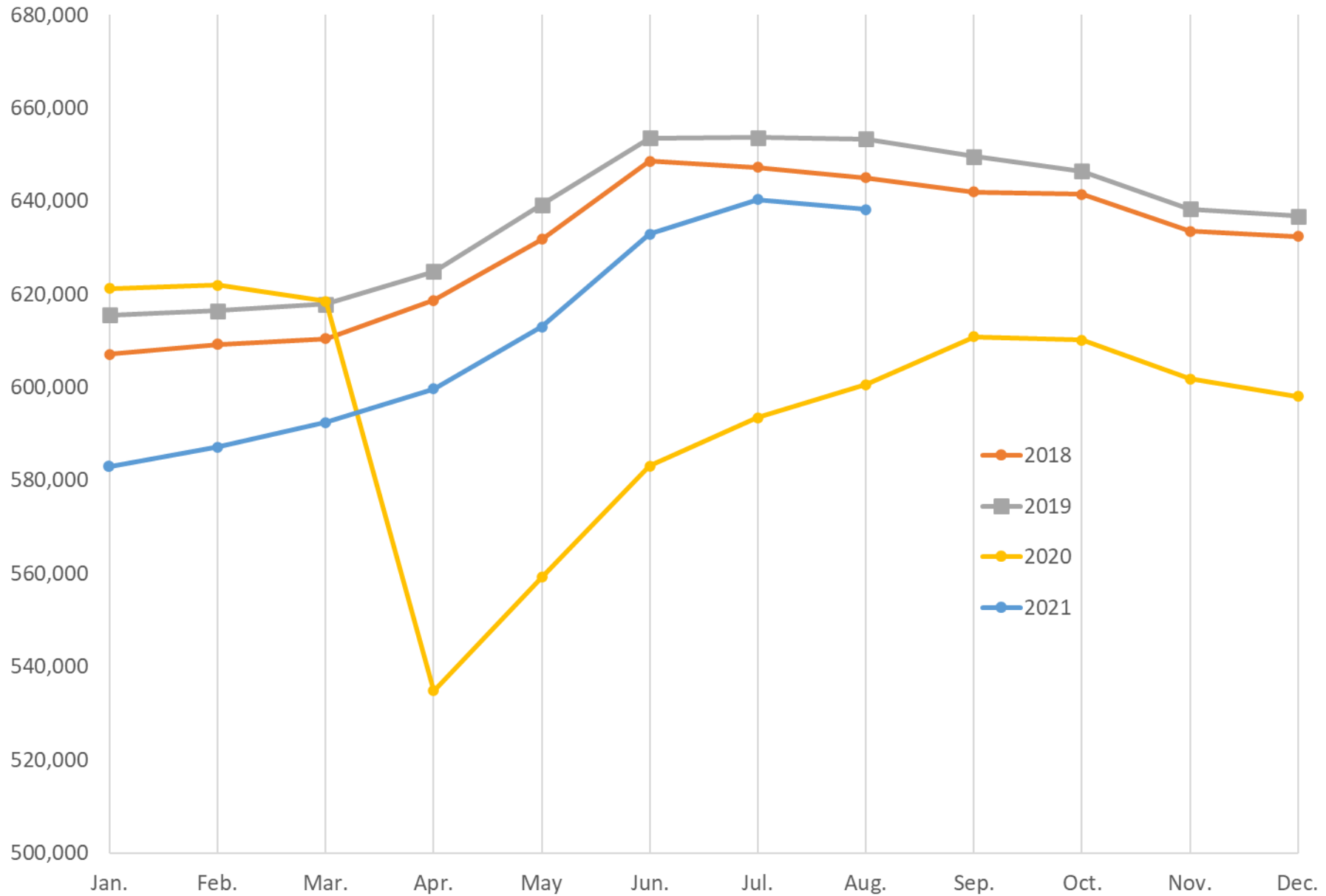
Share of Maine Nonfarm Employment by Industry, 2020



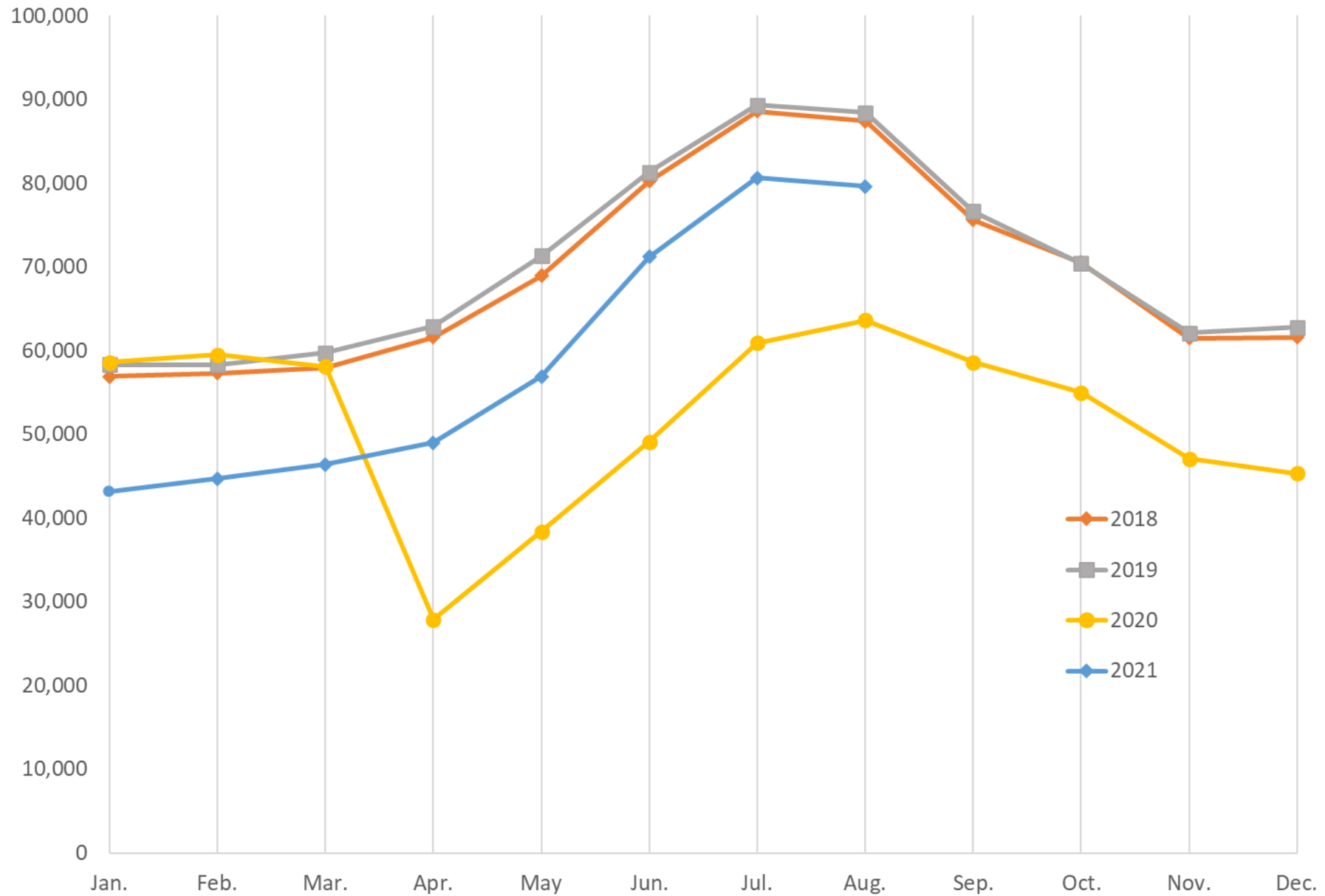
The net decrease in jobs is concentrated in low-wage sectors

	Net Change in Jobs February 2020 to August 2021				Average Weekly Wage	
					2019	2020
Professional & Business Services				600	\$1,180	\$1,270
Wholesale Trade				300	\$1,320	\$1,400
Federal Government				200	\$1,480	\$1,490
Private Educational Services				0	\$890	\$970
Other Services				0	\$680	\$760
Transportation, Warehousing & Utilities				-200	\$840	\$910
Manufacturing				-400	\$1,100	\$1,190
Information				-400	\$1,100	\$1,230
Construction				-700	\$990	\$1,070
Financial Activities				-1,100	\$1,150	\$1,460
Retail Trade				-1,100	\$580	\$650
State Government				-2,000	\$960	\$1,010
Healthcare & Social Assistance				-2,500	\$960	\$1,040
Local Government				-3,200	\$800	\$870
Leisure & Hospitality				-12,400	\$450	\$480

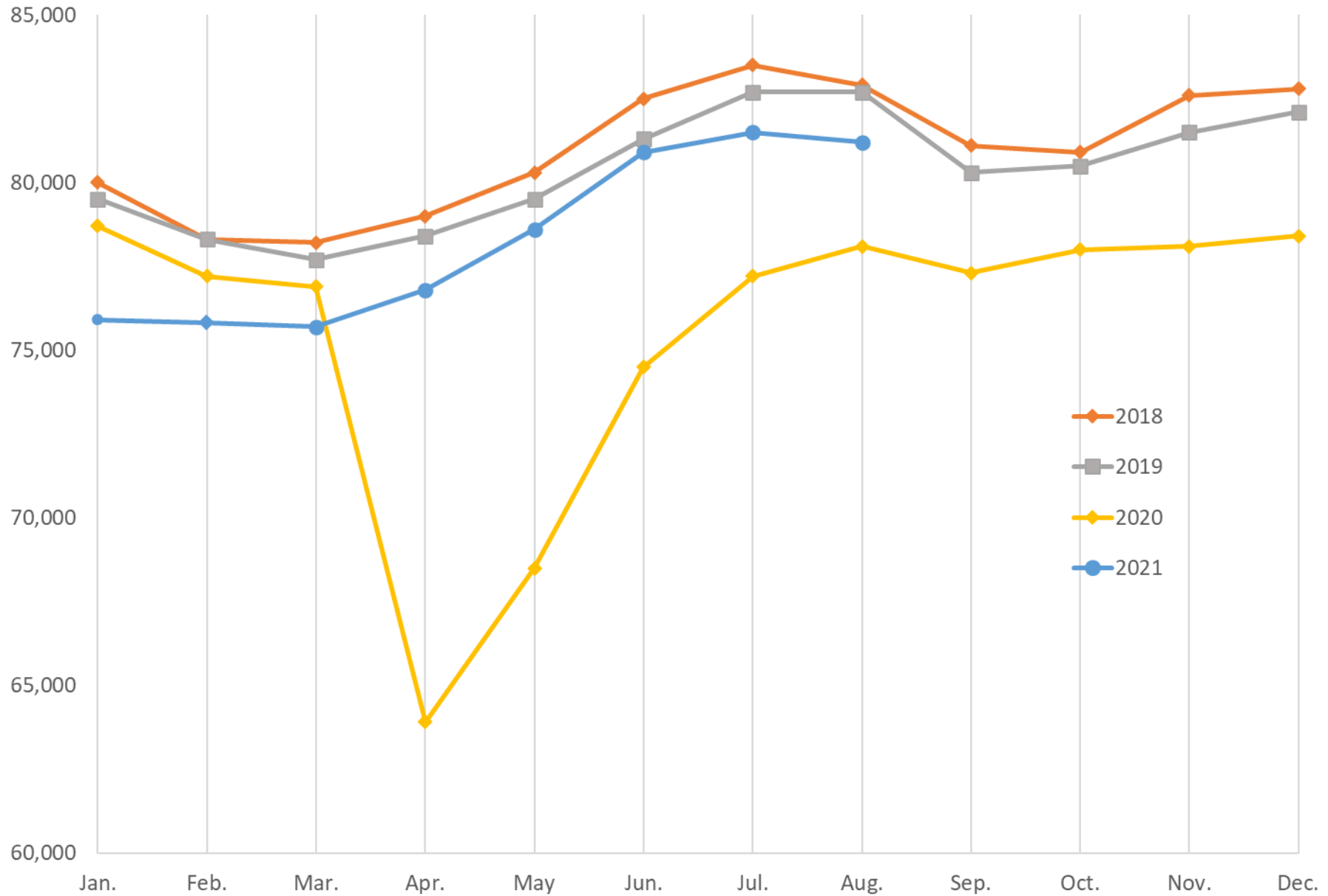
Total Nonfarm Employment, Not Seasonally Adjusted



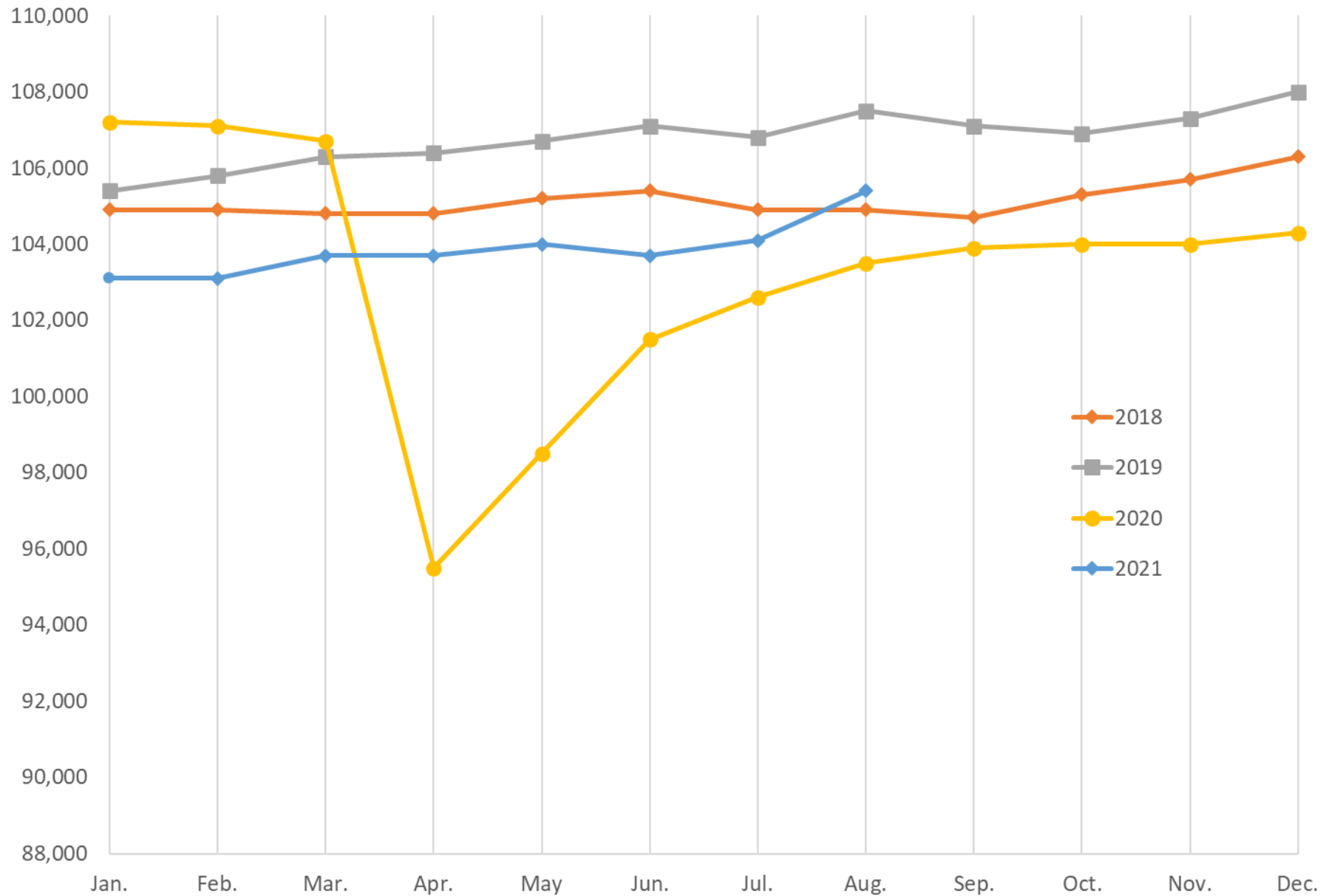
Leisure and Hospitality Employment, Not Seasonally Adjusted



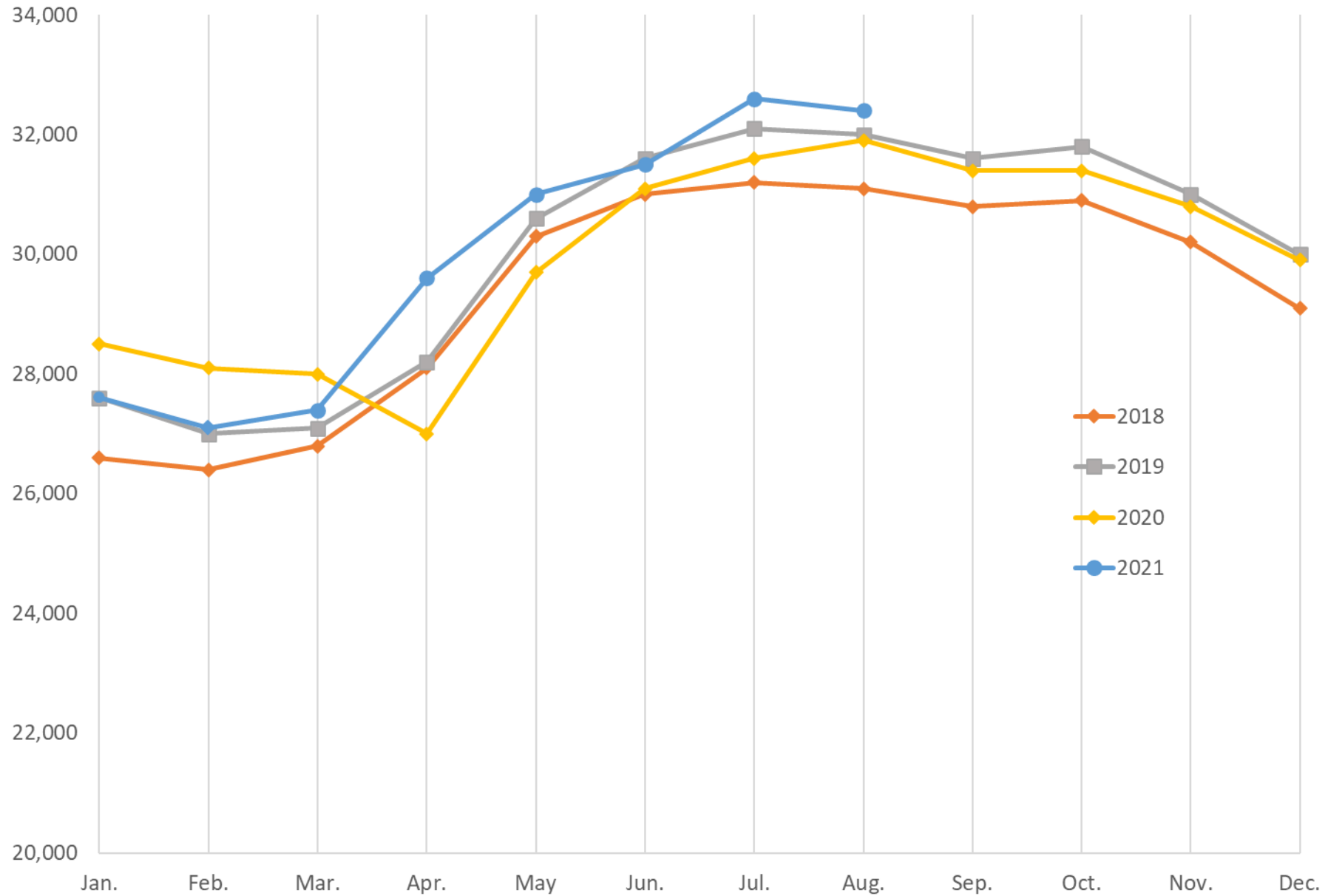
Retail Trade Employment, Not Seasonally Adjusted



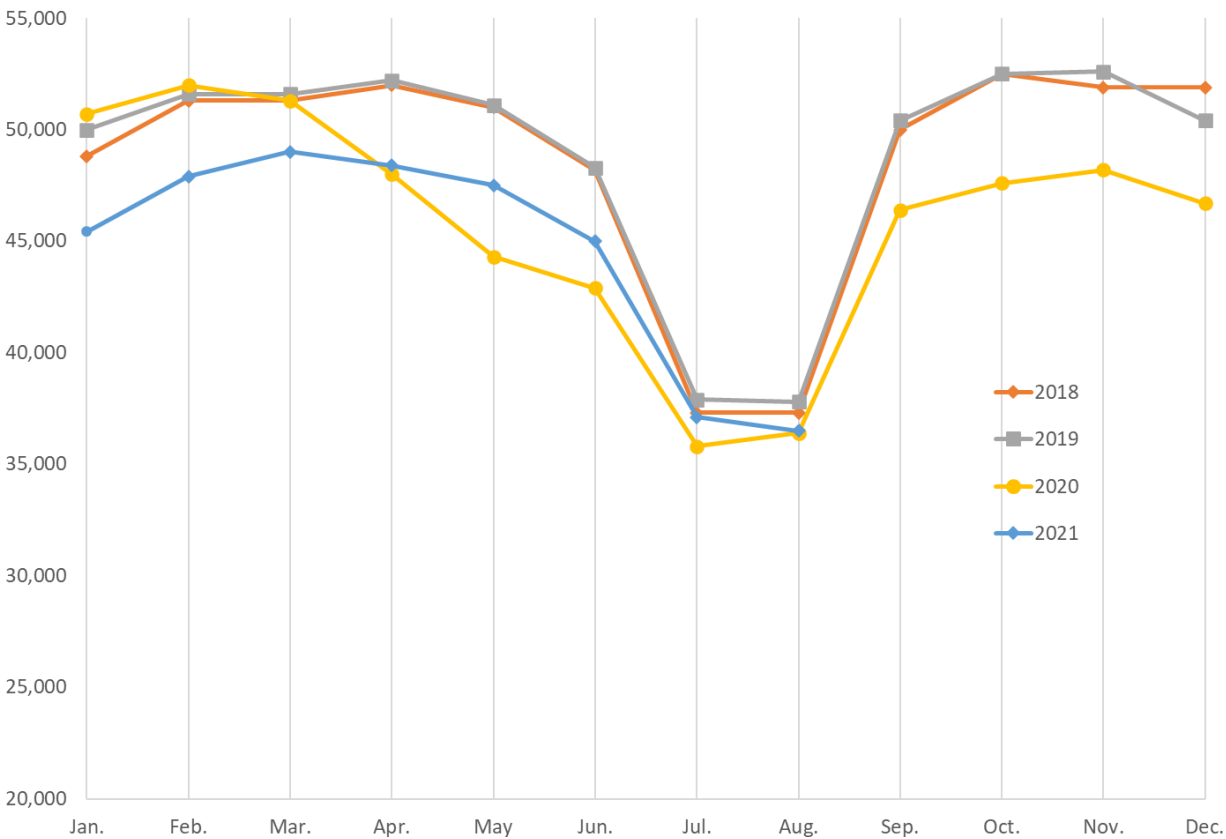
Health Care and Social Assistance Employment, Not Seasonally Adjusted



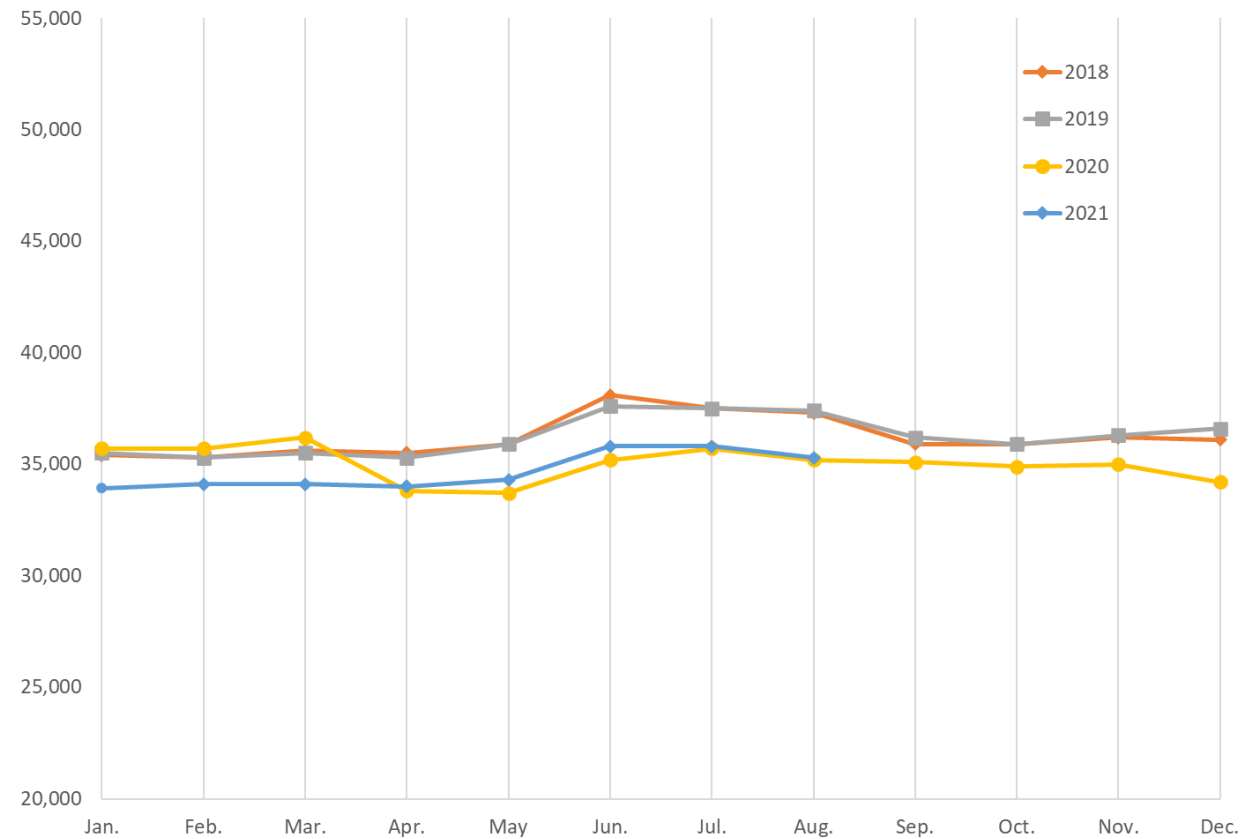
Construction Employment, Not Seasonally Adjusted



State & Local Government Education, Not Seasonally Adjusted



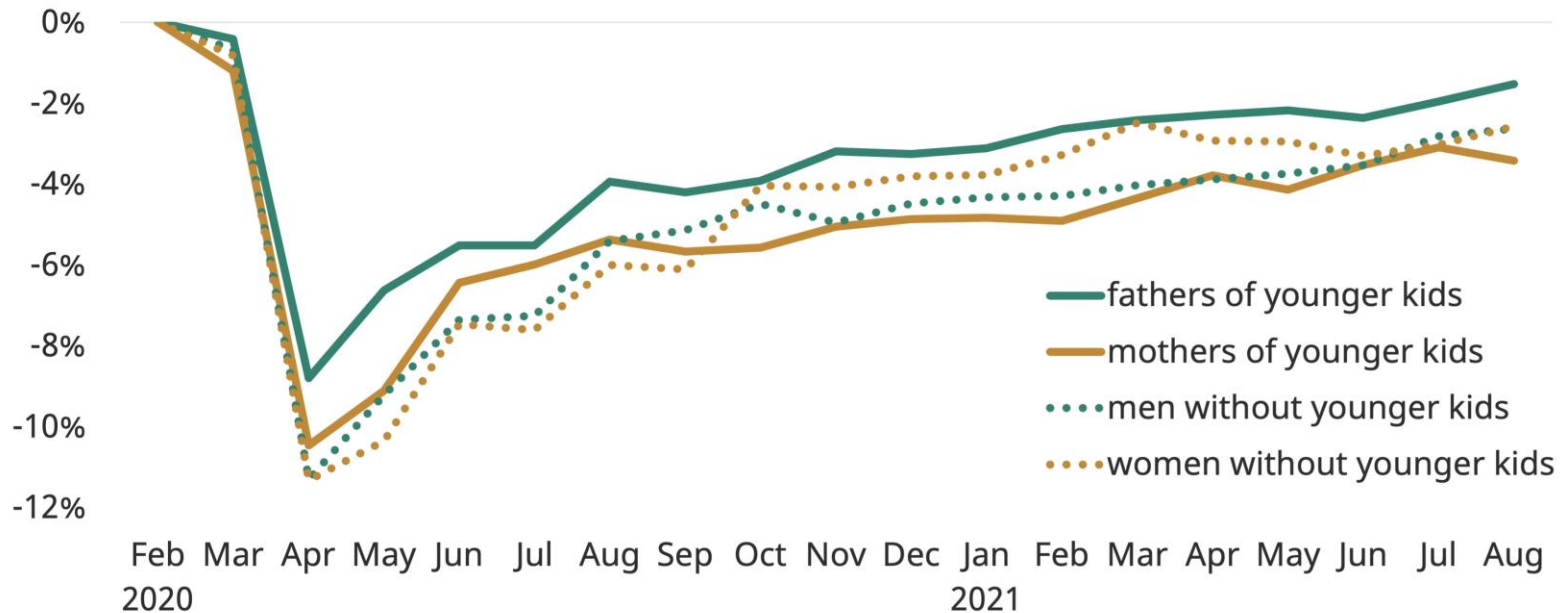
State & Local Government, Excluding Education, Not Seasonally Adjusted



Delta variant continues disparate impacts on mothers

Mothers' employment fell in August

%pt change in prime-age employment-population ratio vs Feb 2020



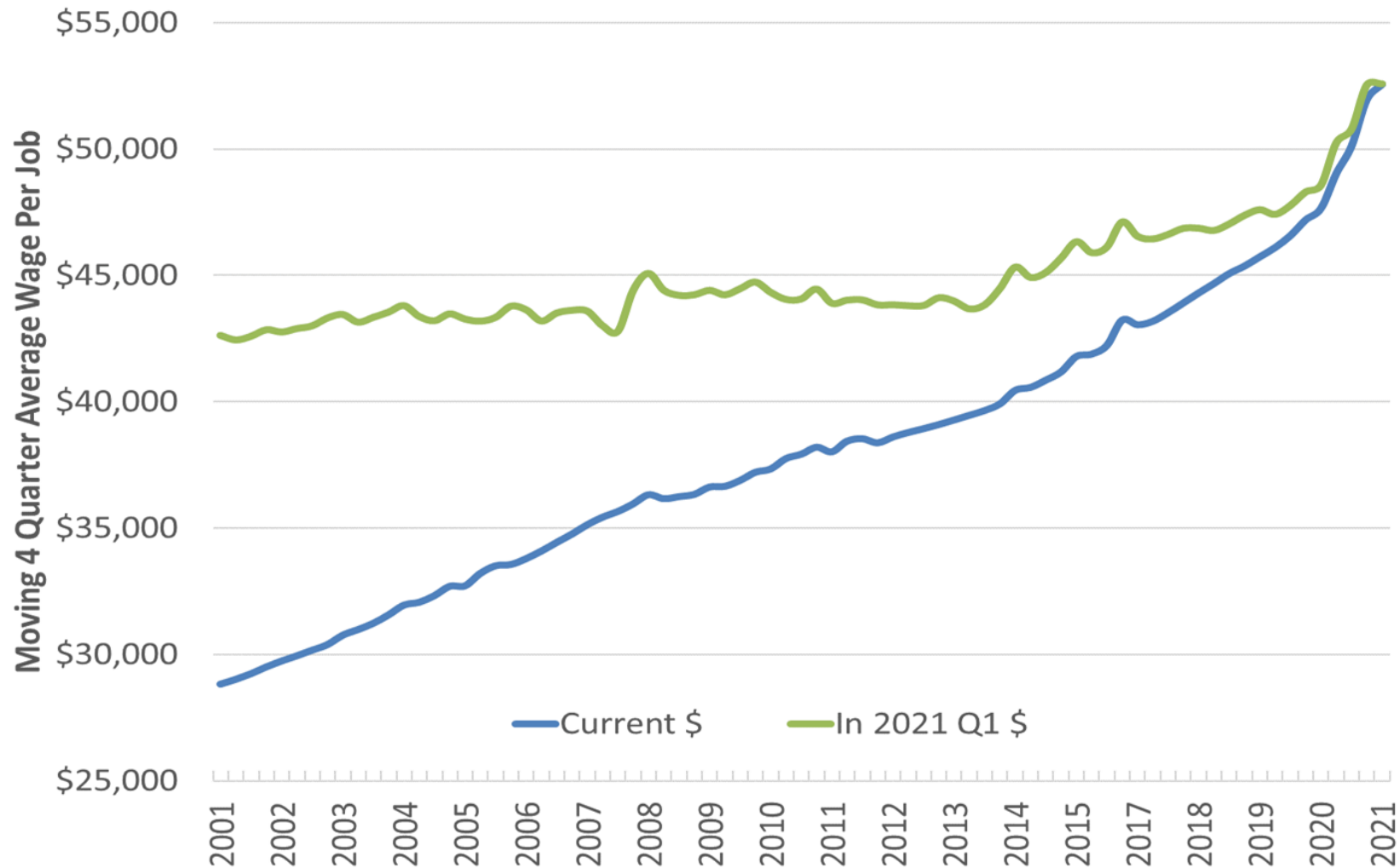
Source: CPS microdata, seasonally adjusted
Adults age 25-54; kids = any 13 or younger



- Slow reopening of school and daycare centers have affected mothers of young children
- The change in August 2021 is similar to that seen in Fall 2020
- This impact is greater for mothers of young (<13 years old) children than for mothers of older children
- In MDOL survey, 20% of women cited childcare as a barrier vs 8% of men

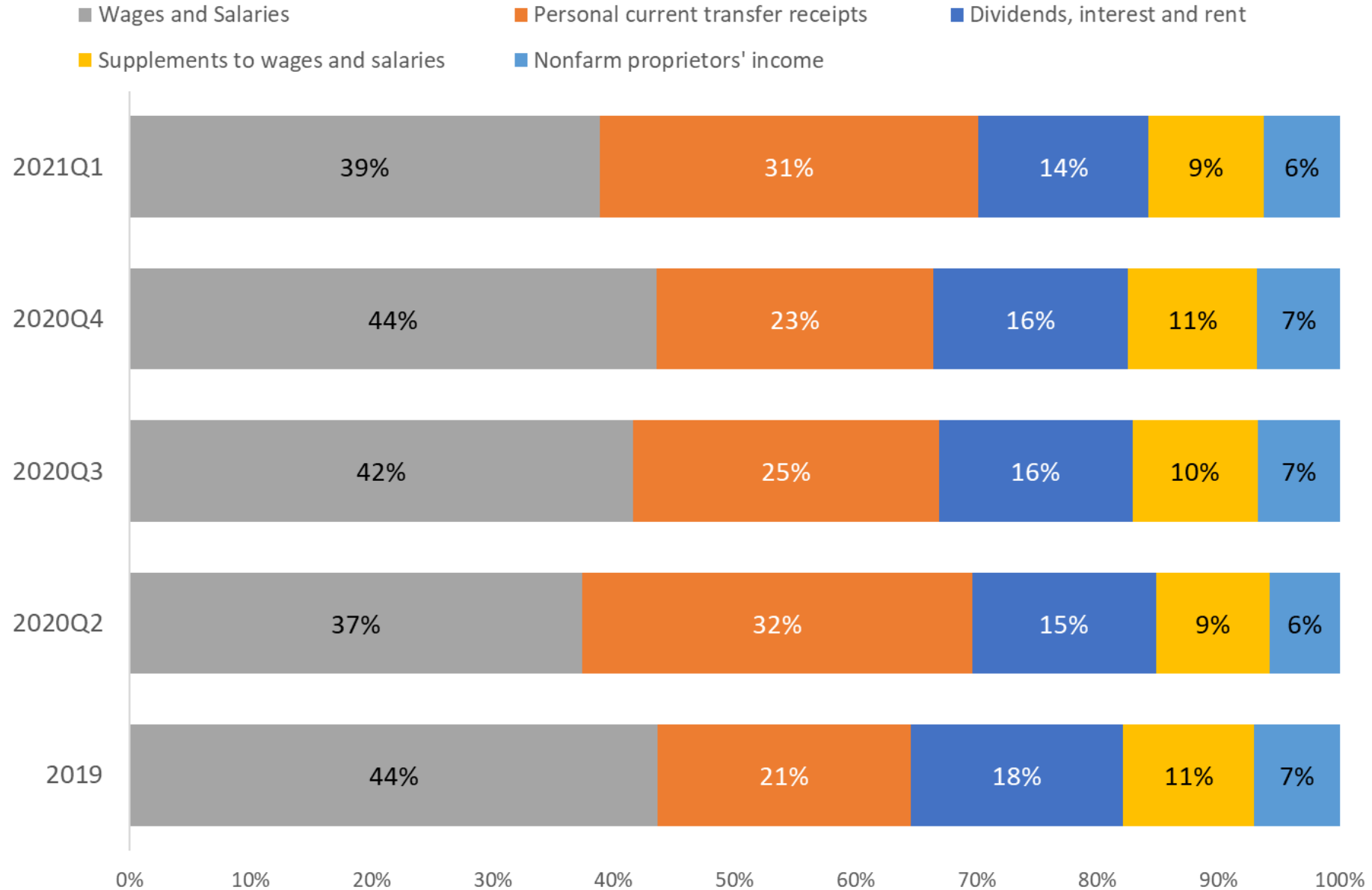
Higher total wages spread across fewer jobs drove the average wage per job up sharply in the pandemic era

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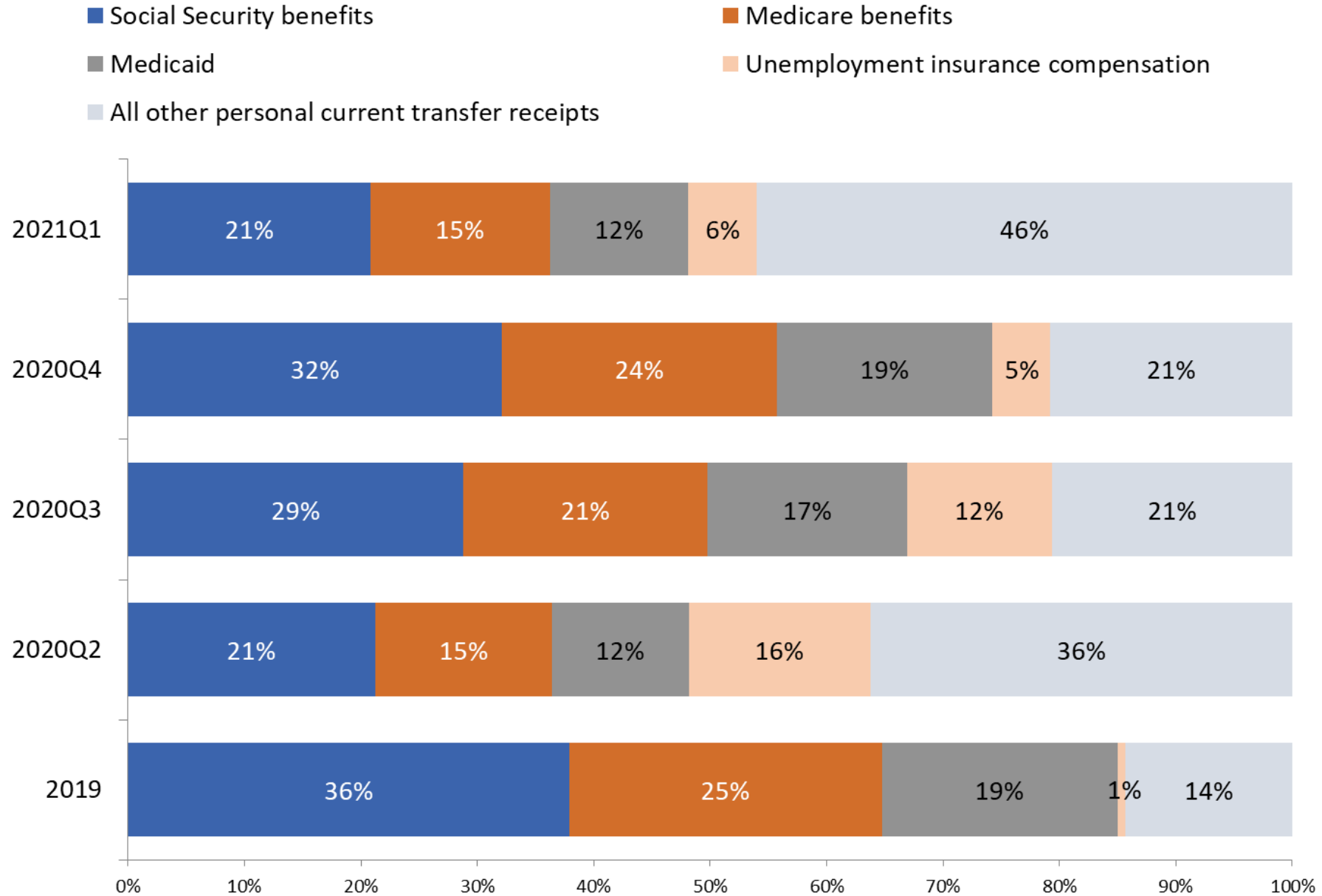


Source: Maine Department of Labor, Center for Workforce Research and Information,
<https://www.maine.gov/dafs/economist/sites/maine.gov.dafs.economist/files/inline-files/labor%20update.pdf>

Major Components of Personal Income, Maine



Components of Personal Current Transfer Receipts, Maine



Percent Change in Real Personal Income, Maine 2010-2020 and forecast to 2025



Federal supports including stimulus payments and enhanced UI played a role in reducing poverty in 2020

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- While the official poverty rate was 11.4% in the U.S. in 2020, 1.0 percentage points higher than 2019, the Supplemental Poverty Measure (SPM) was 9.1% nationally, 2.6 percentage points LOWER than 2019
- This was the first time in history the SPM was lower than the official poverty rate in the U.S.
- Maine was one of 30 states where the 2018-2020 SPM (7.3%) was lower than the official measure (10.0%)

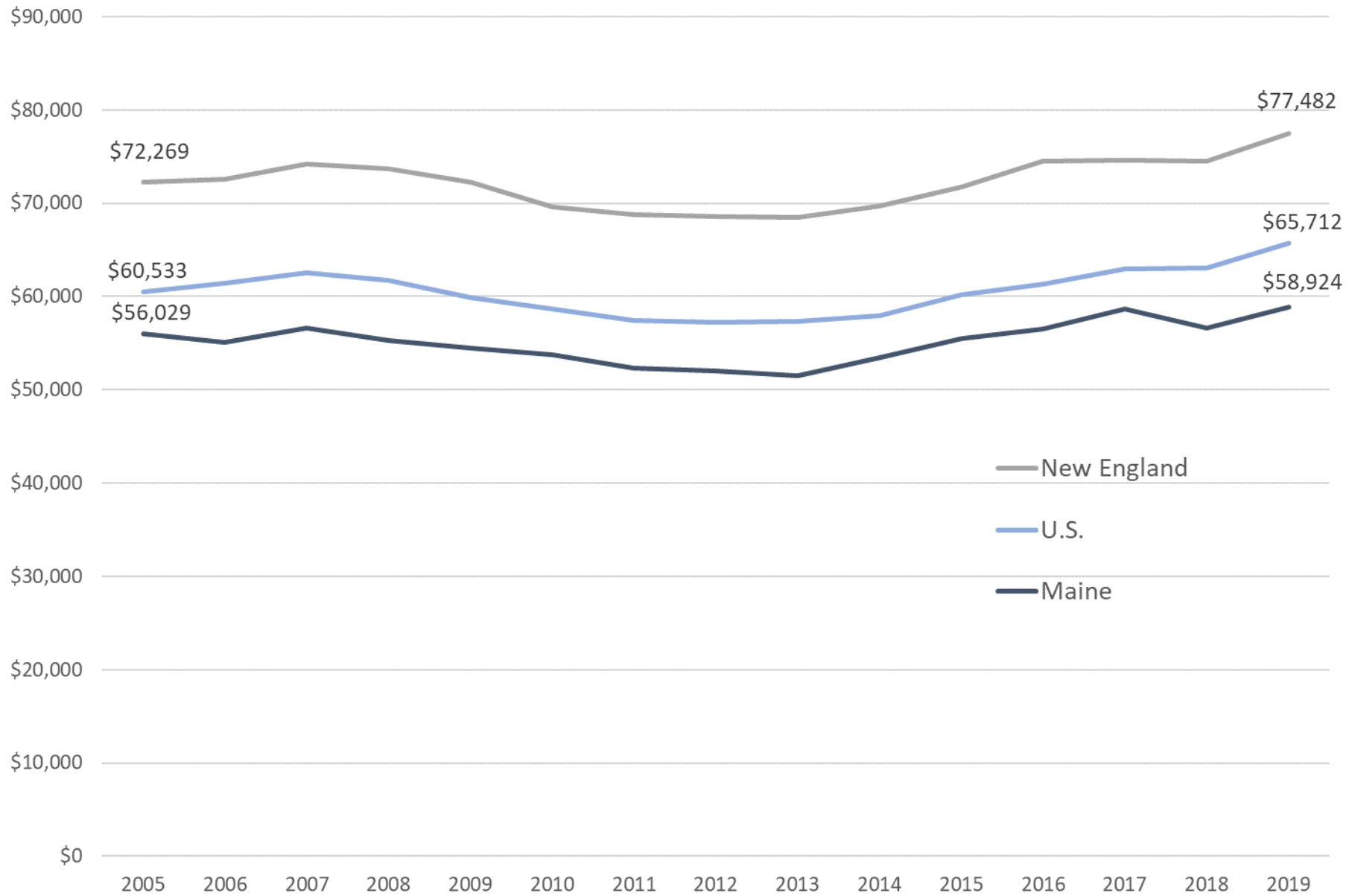
Federal supports including stimulus payments and enhanced UI played a role in reducing poverty in 2020

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- Nationally, people moved out of poverty due to federal programs:
 - ▣ Social Security moved 26.5 million people out of poverty
 - ▣ Unemployment benefits = 5.5 million
 - ▣ Stimulus payments = 11.7 million

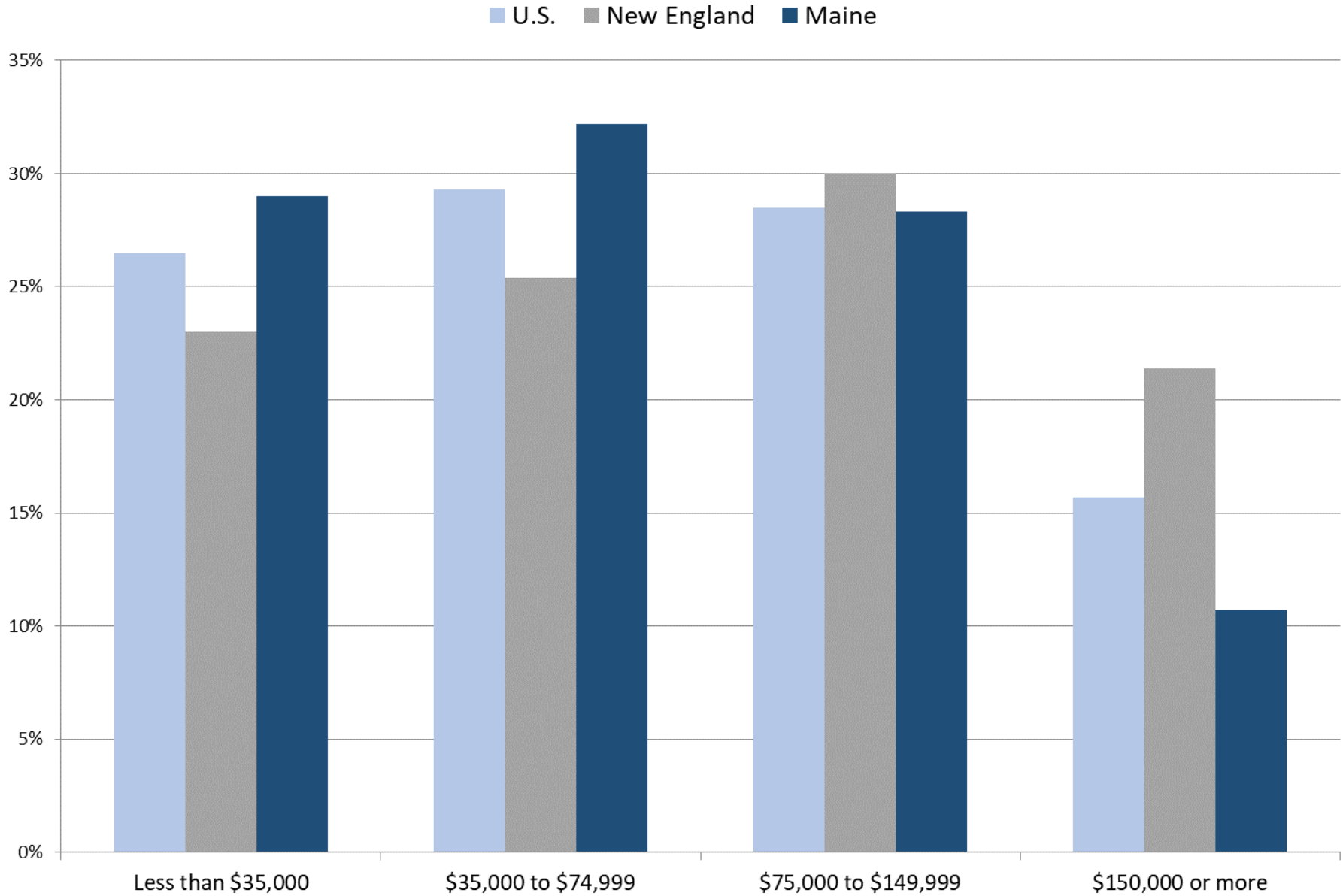
- Without stimulus payments, the SPM would have been 12.7% rather than 9.1%

Real Median Household Income (in 2019 \$)



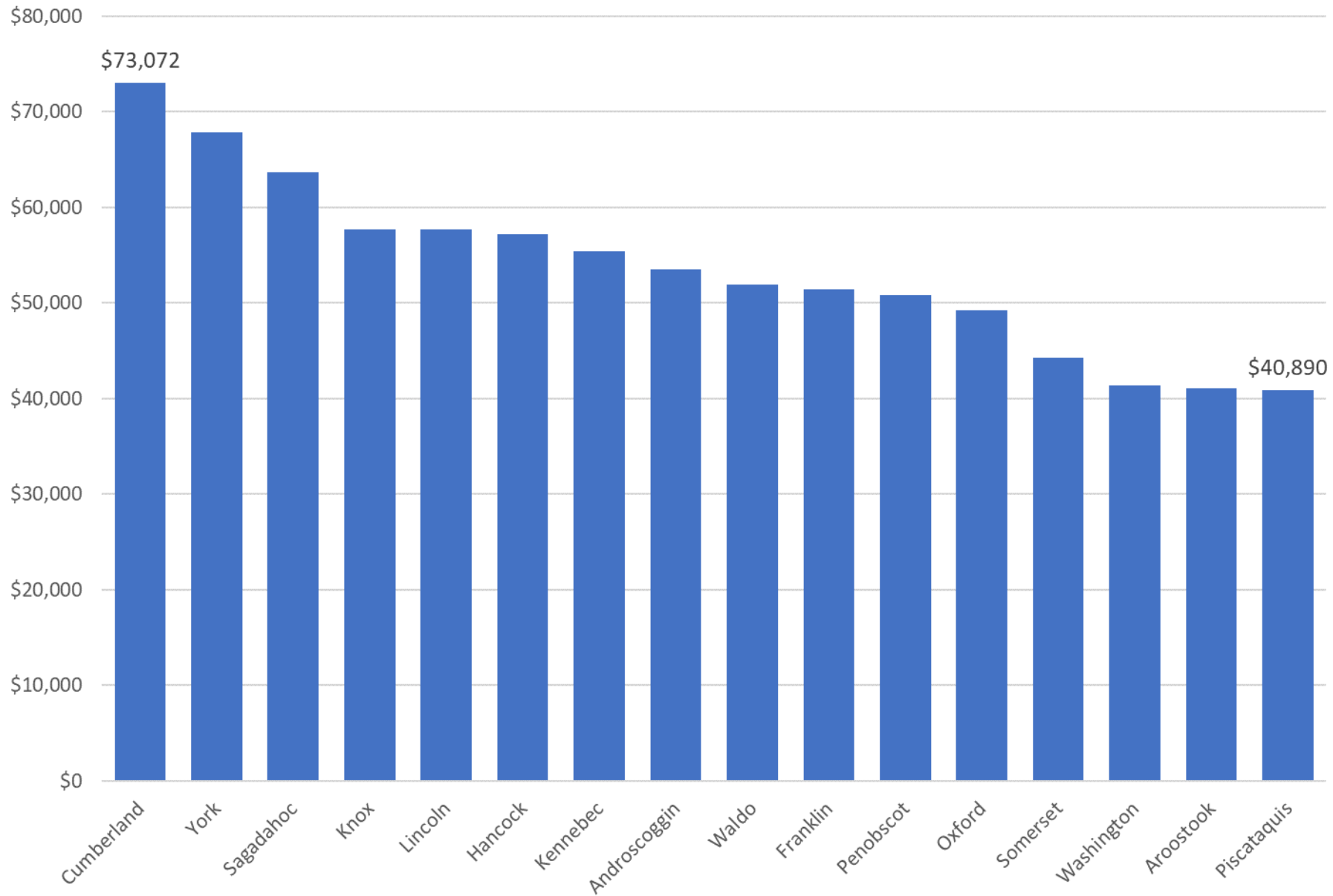
Source: U.S. Census Bureau, American Community Survey 1-year estimates

Percent of Households by Income Level, 2019



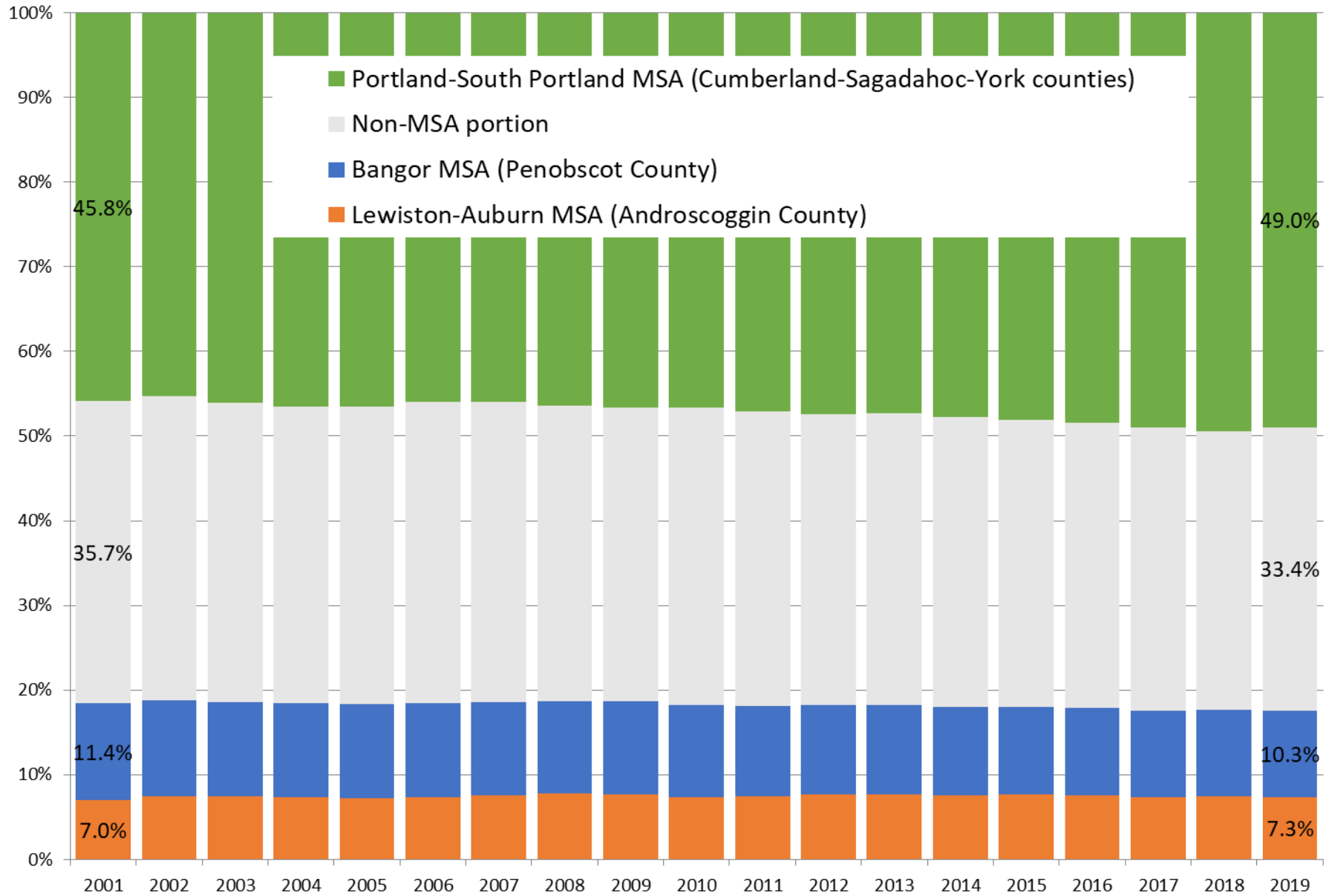
Source: U.S. Census Bureau, American Community Survey 1-year estimates

Median Household Income



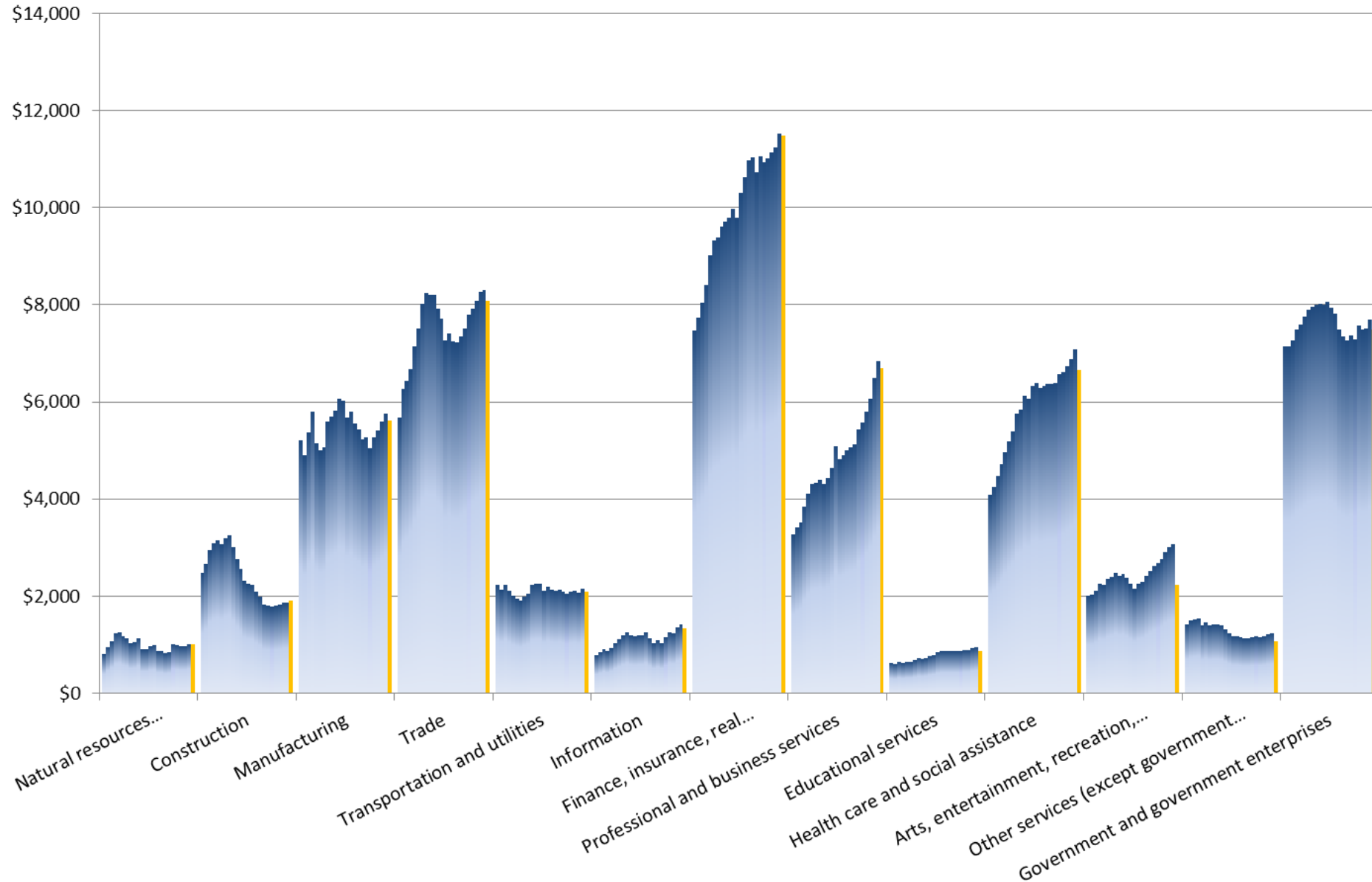
Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-year estimates

Share of Maine Real GDP by Metropolitan Area

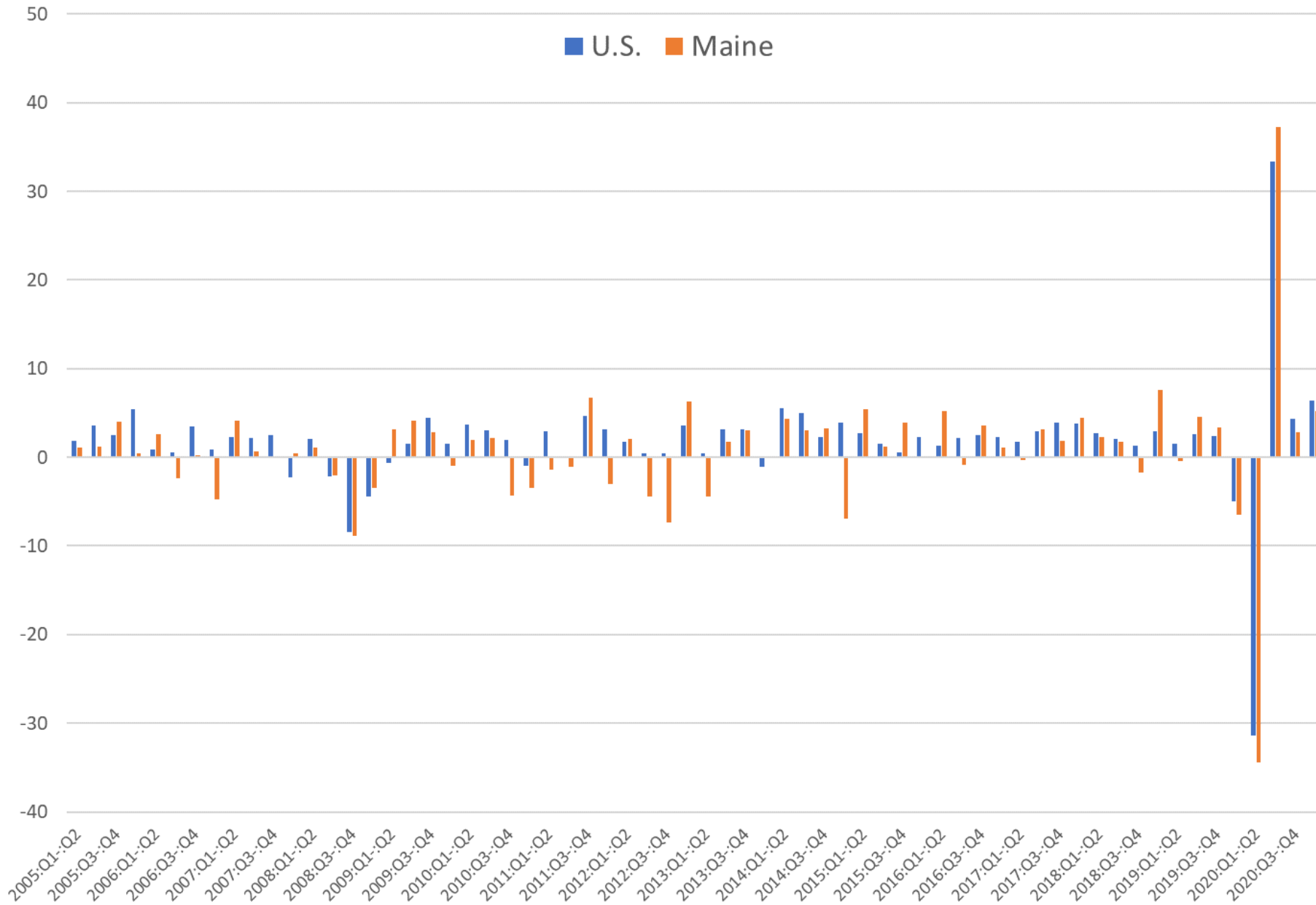


Source: U.S. Bureau of Economic Analysis

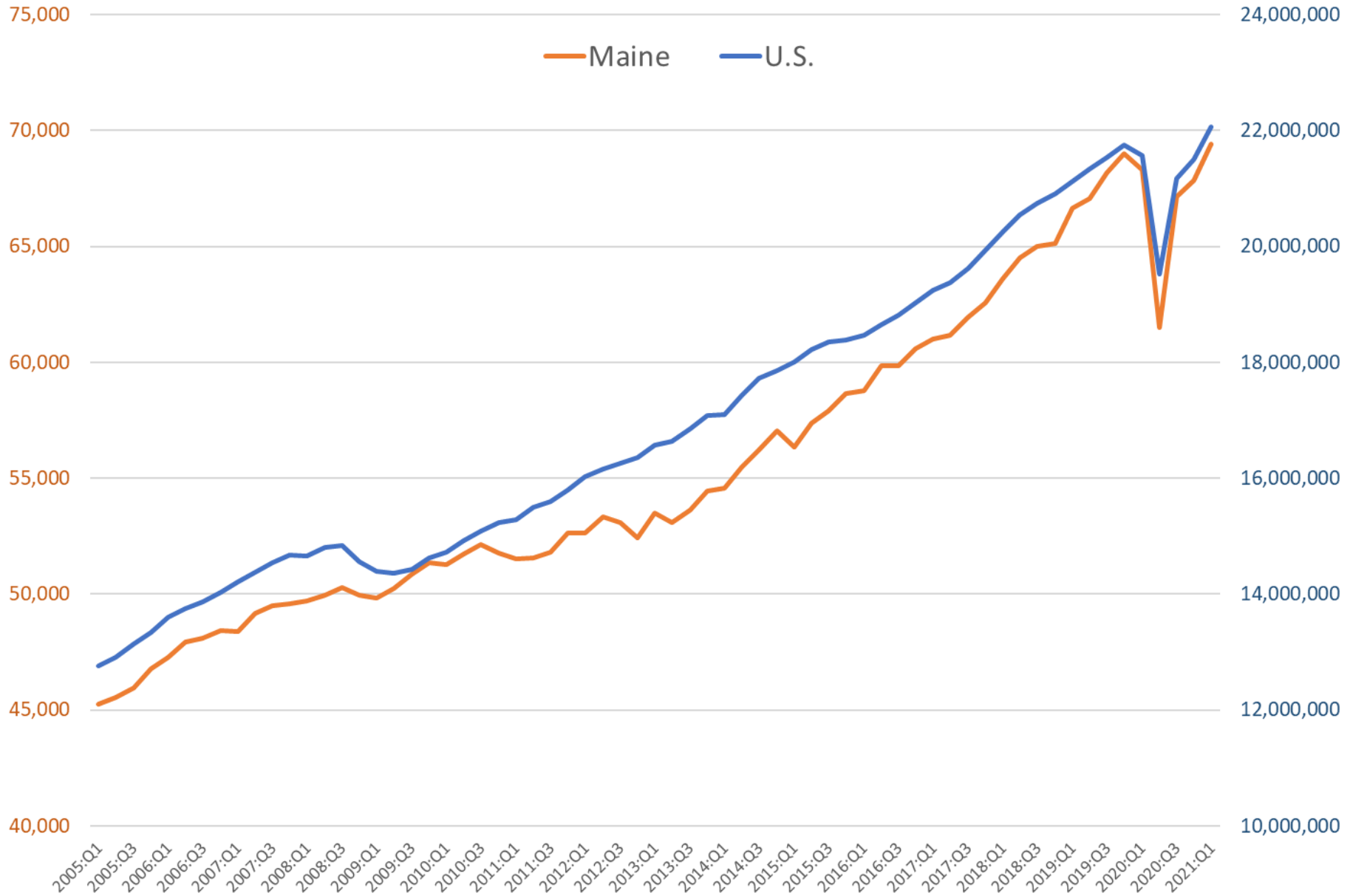
Maine Real GDP by Industry, 1997-2020 (in millions of chained 2012 dollars)



Quarterly Real GDP, Annualized Percent Change from Previous Quarter

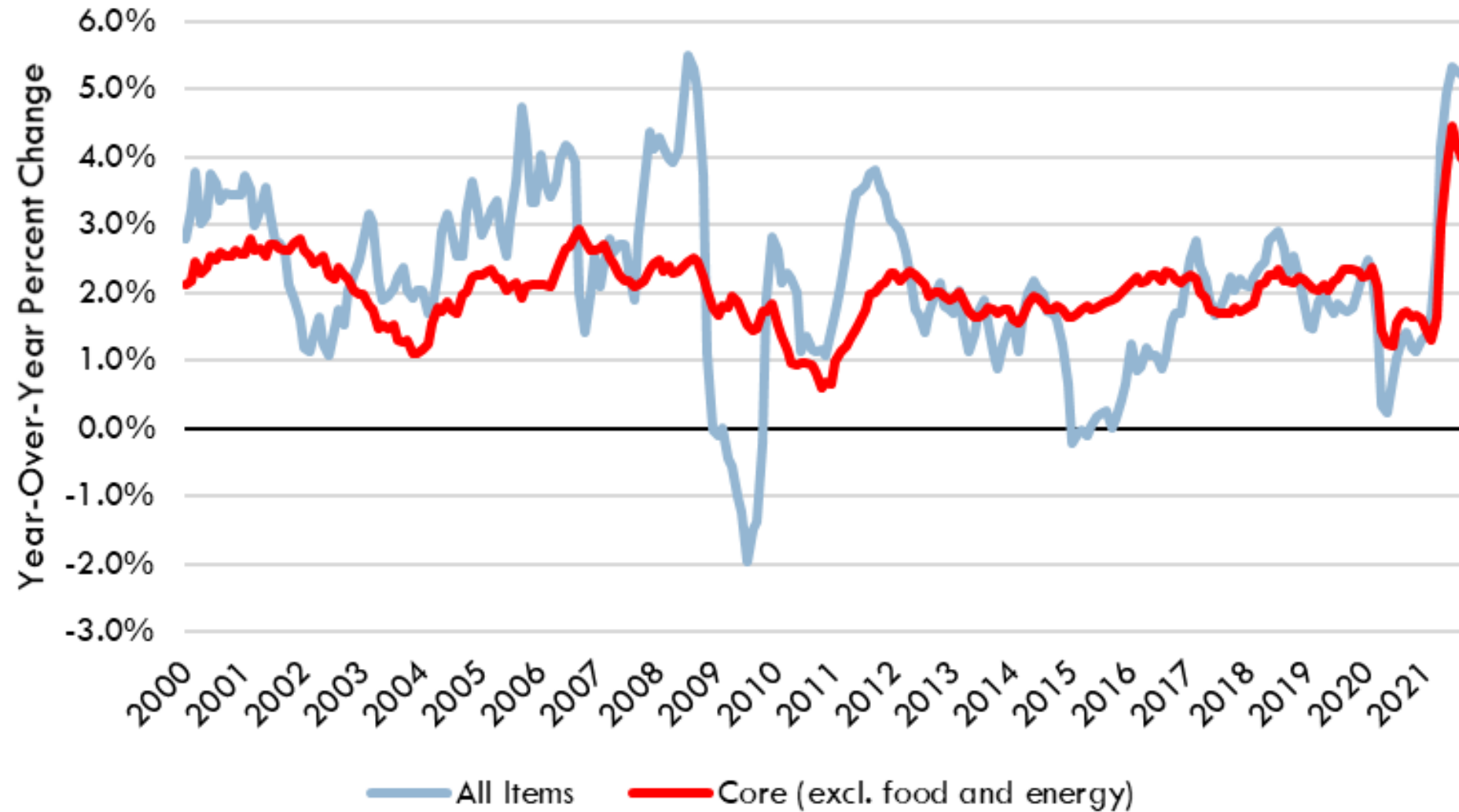


Quarterly GDP (in millions of current dollars)



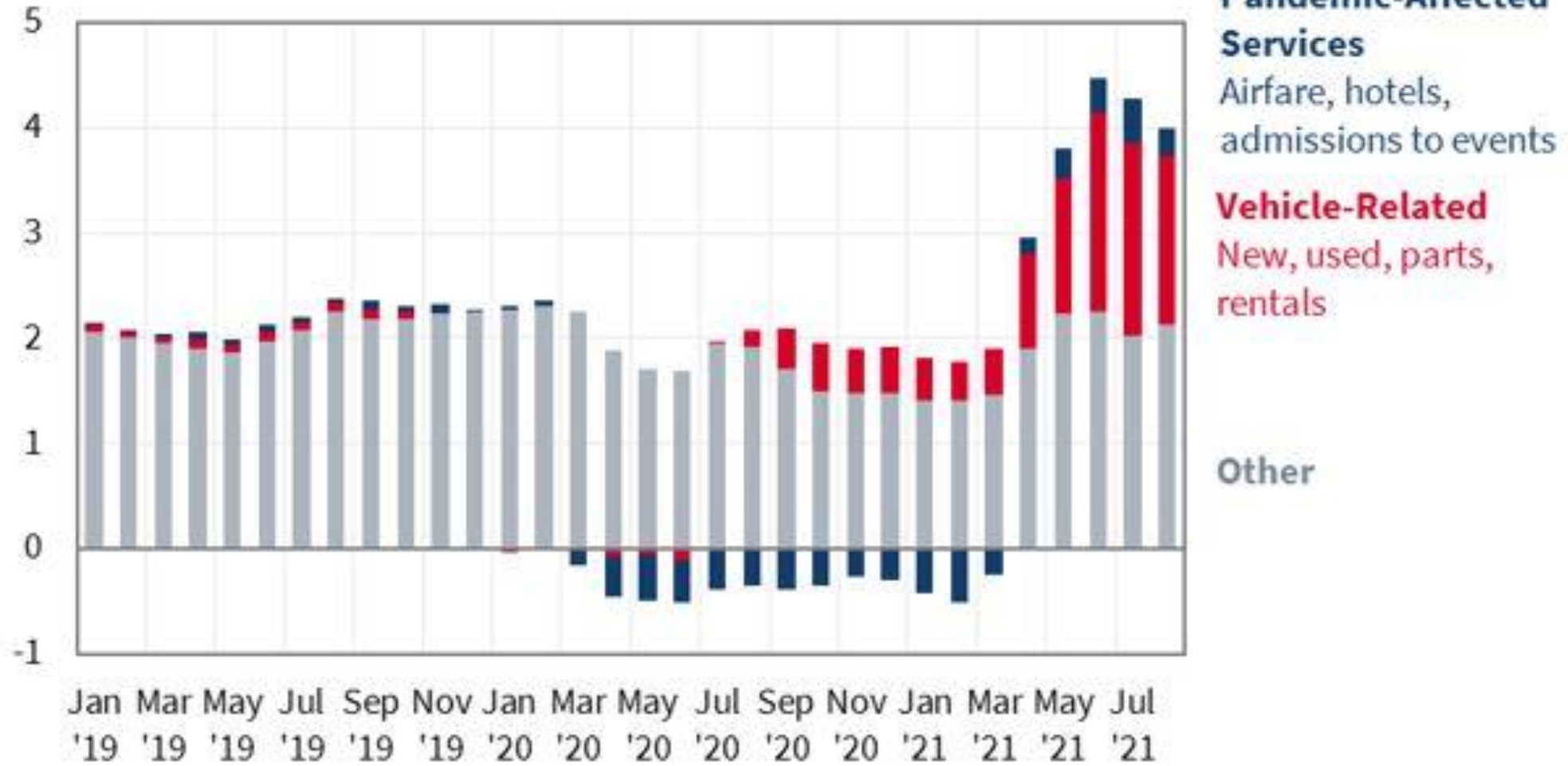
Maine Taxable Retail Sales	% Change from July 2020 to July 2021	% Change from July 2019 to July 2021	% Change last three months / same 3 month period one year ago
Building Supply	9.6%	24.7%	15.9%
Food Store	6.6%	5.8%	8.2%
General Merchandise	18.4%	14.1%	26.8%
Other Retail	16.4%	66.9%	17.9%
Restaurant	57.3%	11.3%	71.5%
Lodging	108.9%	26.0%	171.1%
Auto Transportation	4.6%	19.9%	15.3%
Total	21.2%	23.5%	26.1%
Business Operating	12.7%	22.8%	15.8%
Personal Consumption	22.1%	23.6%	27.2%

Consumer Price Index (1982-84=100, seasonally adjusted)



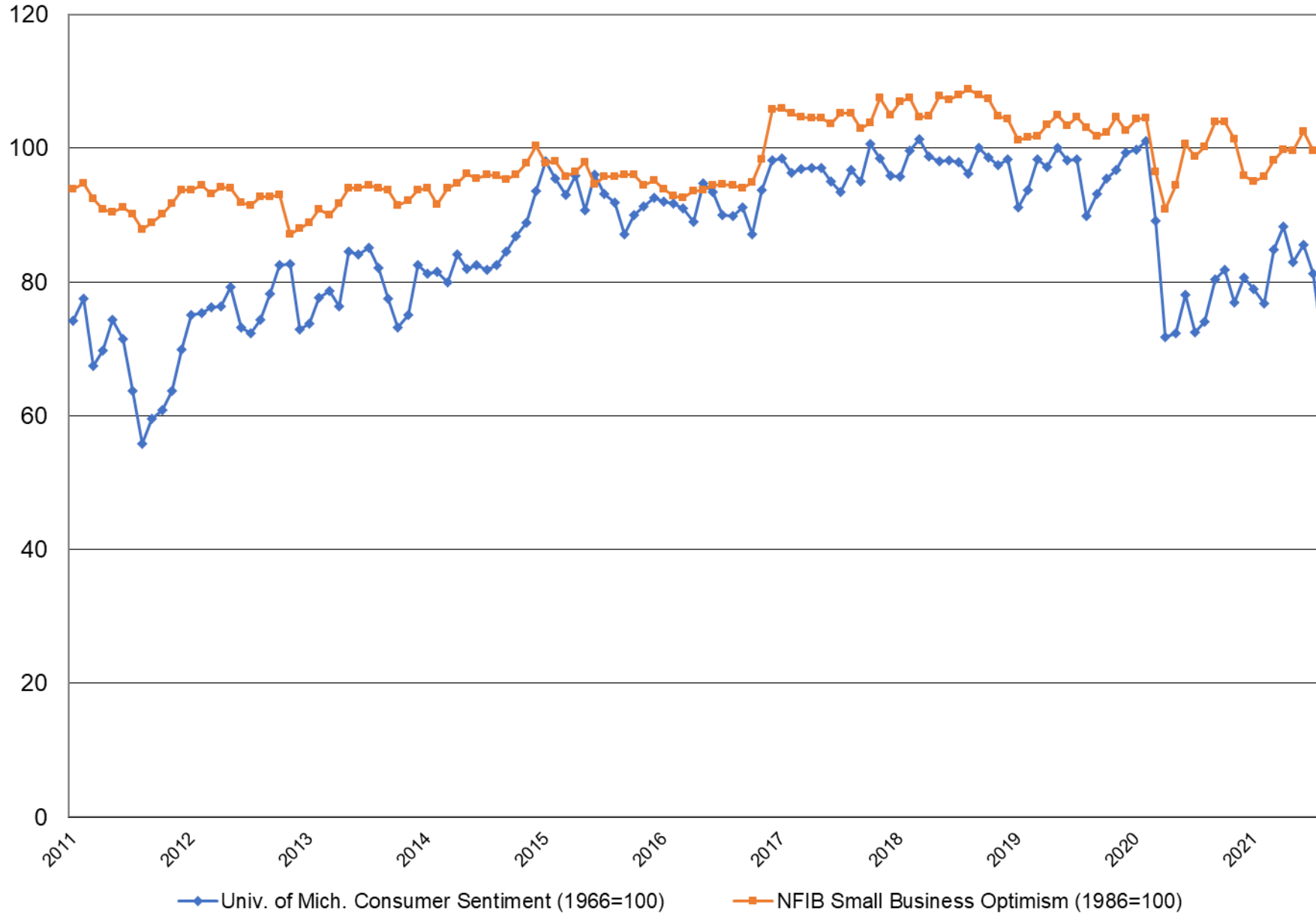
Contributions to Y-Y Core CPI Inflation

Percentage points, year-on-year



Source: BLS, CEA analysis.

Consumer Sentiment and Small Business Optimism Indexes



NFIB COVID-19 Small Business Survey

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- Half of respondents in Sept. 2021 reported a significant impact from supply chain issues
 - ▣ 86% expect the disruptions to continue for at least 5 more months

- 45% of respondents reported moderate to significant staffing shortages
 - ▣ 52% of those are reporting loss of sales opportunities due to staffing
 - ▣ 77% of respondents reported increasing wages to attract applicants

This was not a typical recession (as much as there is such a thing as a “typical” recession)

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Both the deepest and the shortest on record

Normally in a recession, we see more losses in goods-producing sectors while services hold up, but this time around, we've seen the opposite

- ▣ Leisure and hospitality plus state and local government (mostly public education) accounted for 77% of net job loss Feb. 2020 – Aug. 2021
- ▣ Auto sales (up 5.6%) and building supply sales (up 19.9%) did very well in 2020, but restaurant (down 25.5%) and lodging sales (down 35.2%) were well below normal levels

Impacts have been highly disparate, with women, BIPOC, low-income households, households with children, and younger workers more affected (share of employment in hard hit sectors is one of the contributing factors)

- ▣ This is exacerbating existing inequities and is somewhat disguised by top-level indicators

What to look for in the coming weeks/months

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- Economic health relies on public health, especially in key sectors of *Maine's* economy
- Supply chain issues have become a significant problem, contributing to increased inflation, and an extended period of supply chain disruptions could slow the recovery
- Federal support has been crucial, staving off what could have been far worse economic consequences

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