

MAINE'S ECONOMIC AND DEMOGRAPHIC CONDITIONS

Maine Appraisal Institute

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Department of Administrative and Financial Services

Overview



- Demographics
- Workforce and Employment
- State Gross Domestic Product (GDP)
- Wages and Income
- Other Economic Indicators

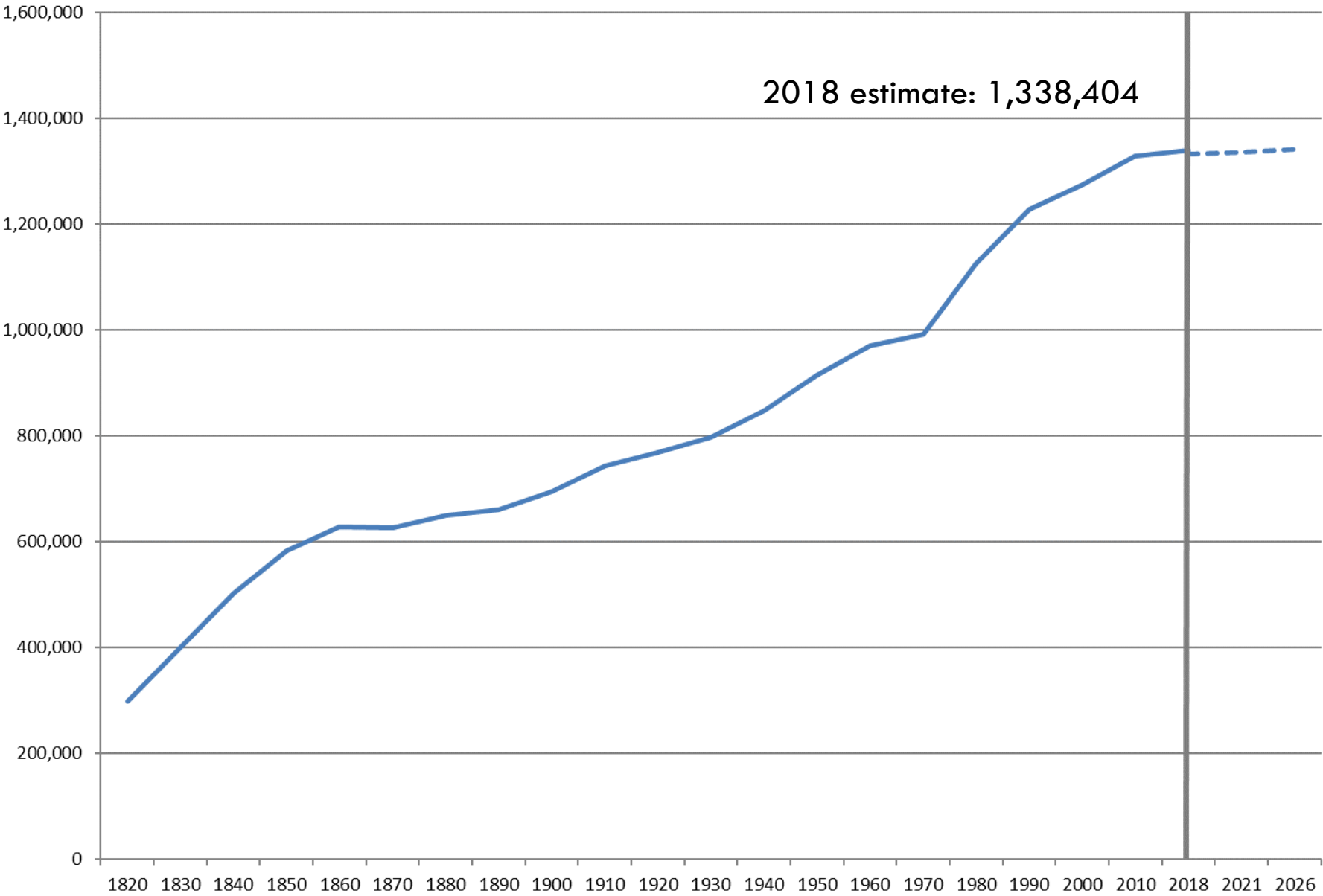
Demographics



Key questions - demographics

- Why are demographics important?
- What are some recent population trends?
- What are the different age cohorts in Maine and what role do the Baby Boomers play?
- What is projected to happen with Maine's population in the future?
- How do the regions of the state differ?

Total Population, Maine



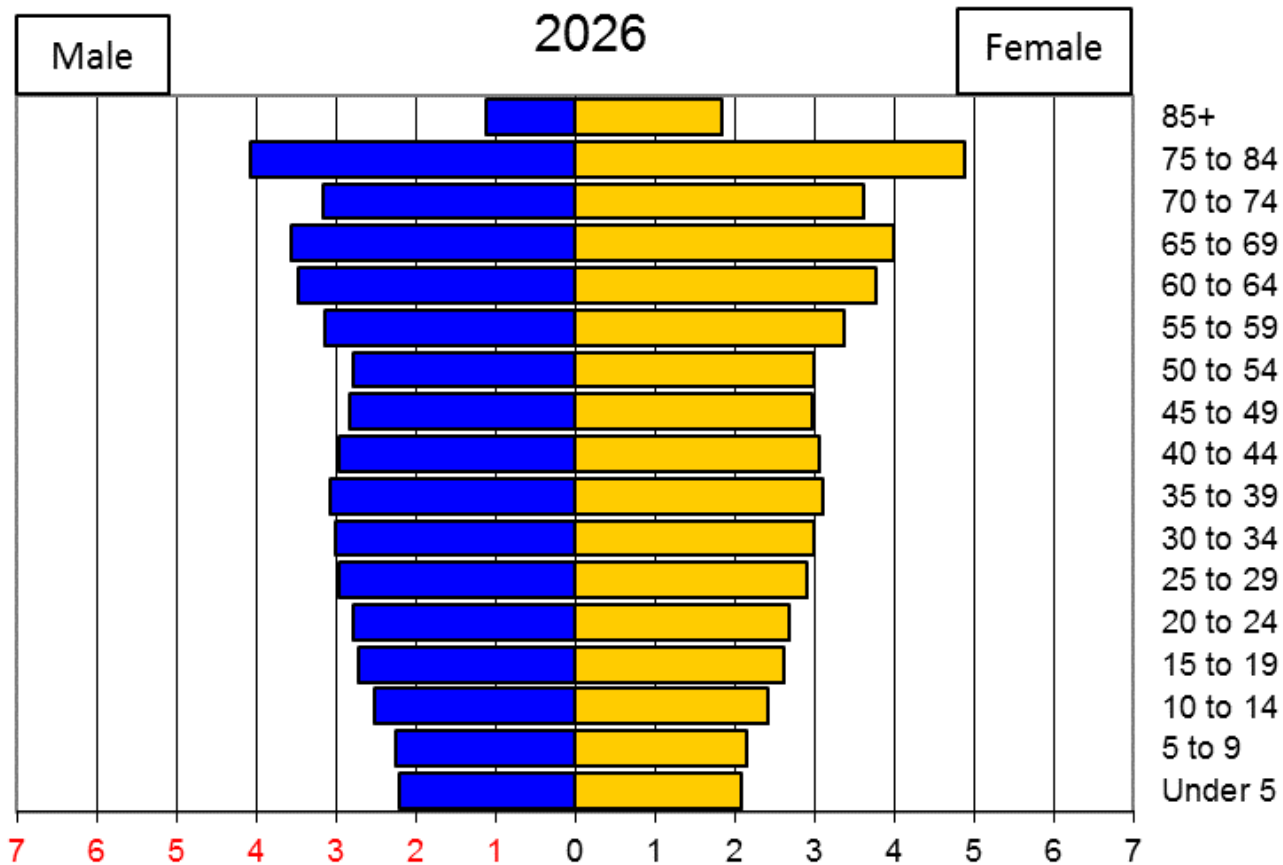
Sources: U.S. Census Bureau; State Economist population projections

Maine: a demographic snapshot

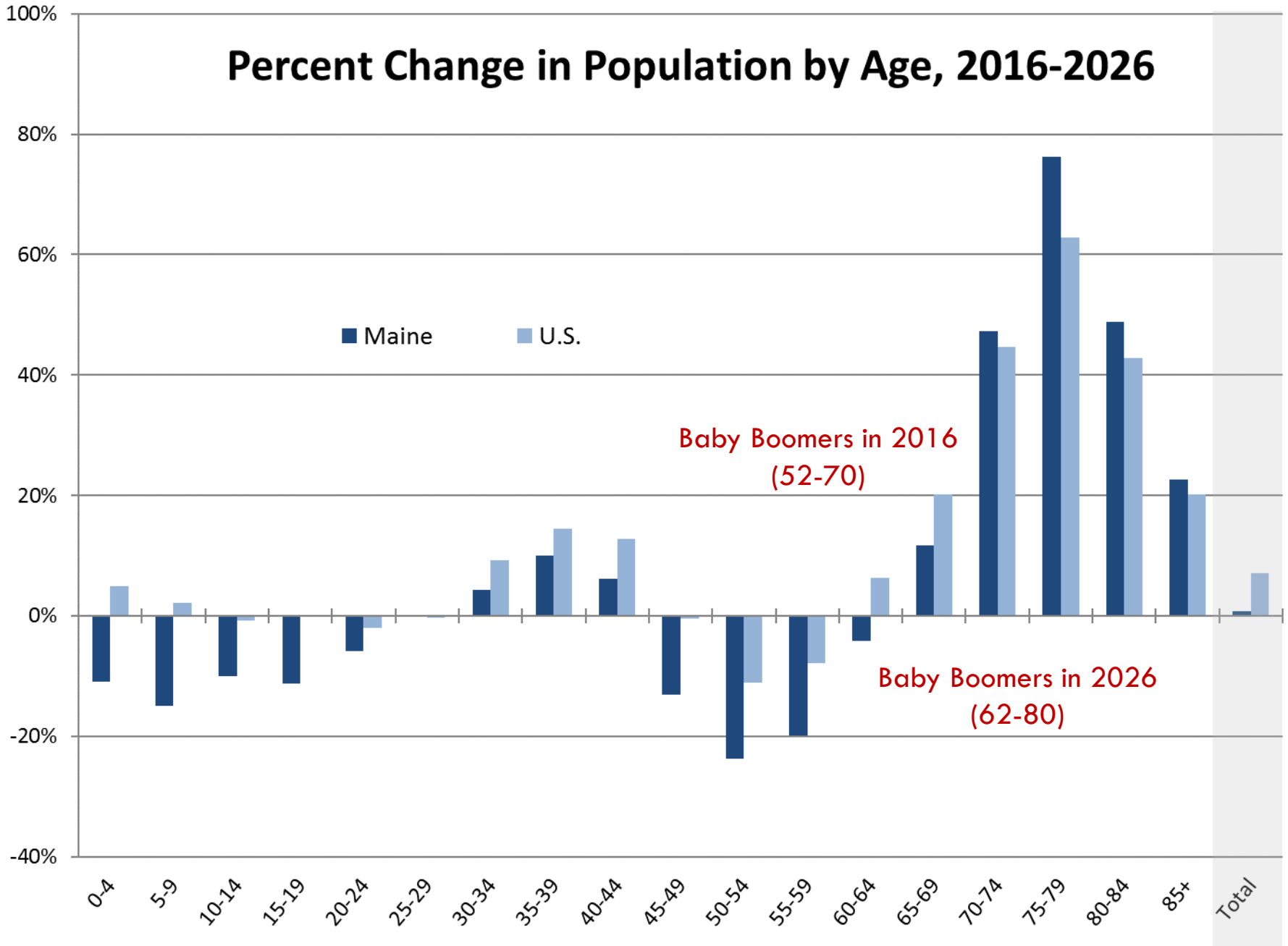
- 2018 Population Estimate: 1,338,404
 - 42nd largest in US
- 2010 – 2018 Population Change: +0.8%
 - 42nd in US (ahead of WV, IL, CT, VT, RI, MS, NY, PA)
- 2017 Median age: 44.7 years
 - Oldest in US
- 93.3% White, Non-Hispanic
 - Highest percentage in US



The Baby Boom Wave



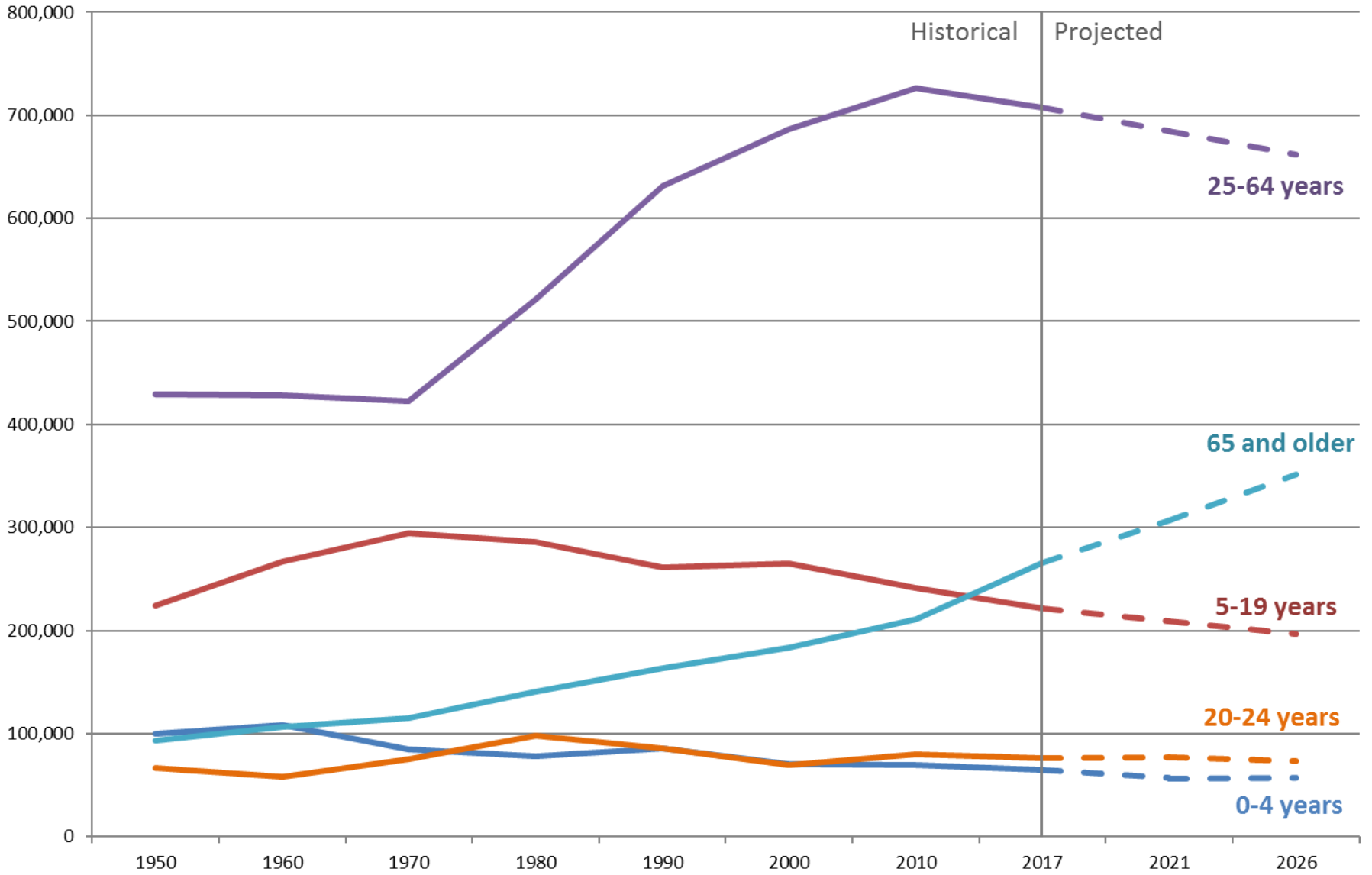
Percent Change in Population by Age, 2016-2026



Sources: State Economist population projections (Maine) and U.S. Census Bureau population projections (U.S.)

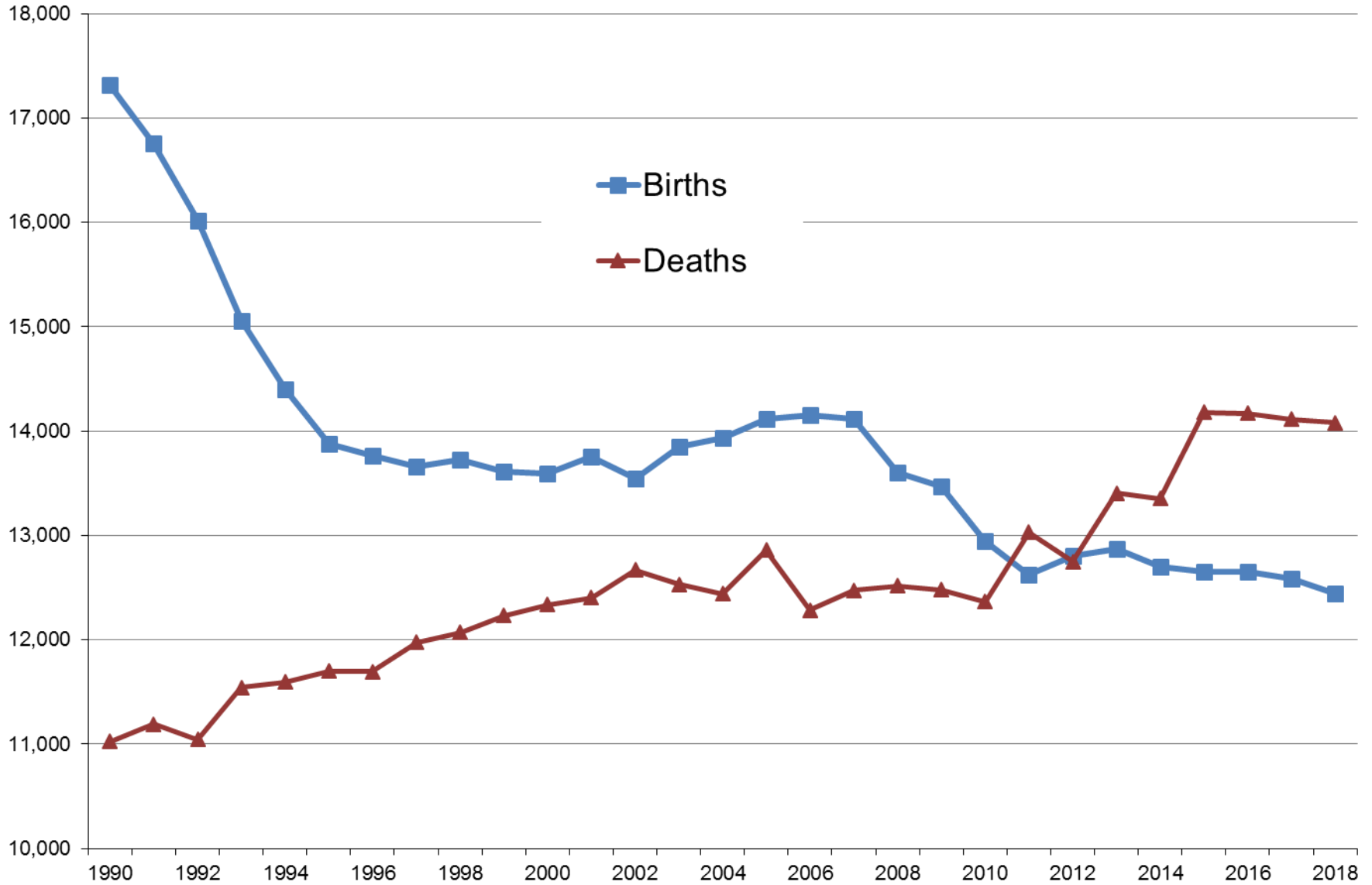
Maine Population Trends by Age

1950-2026

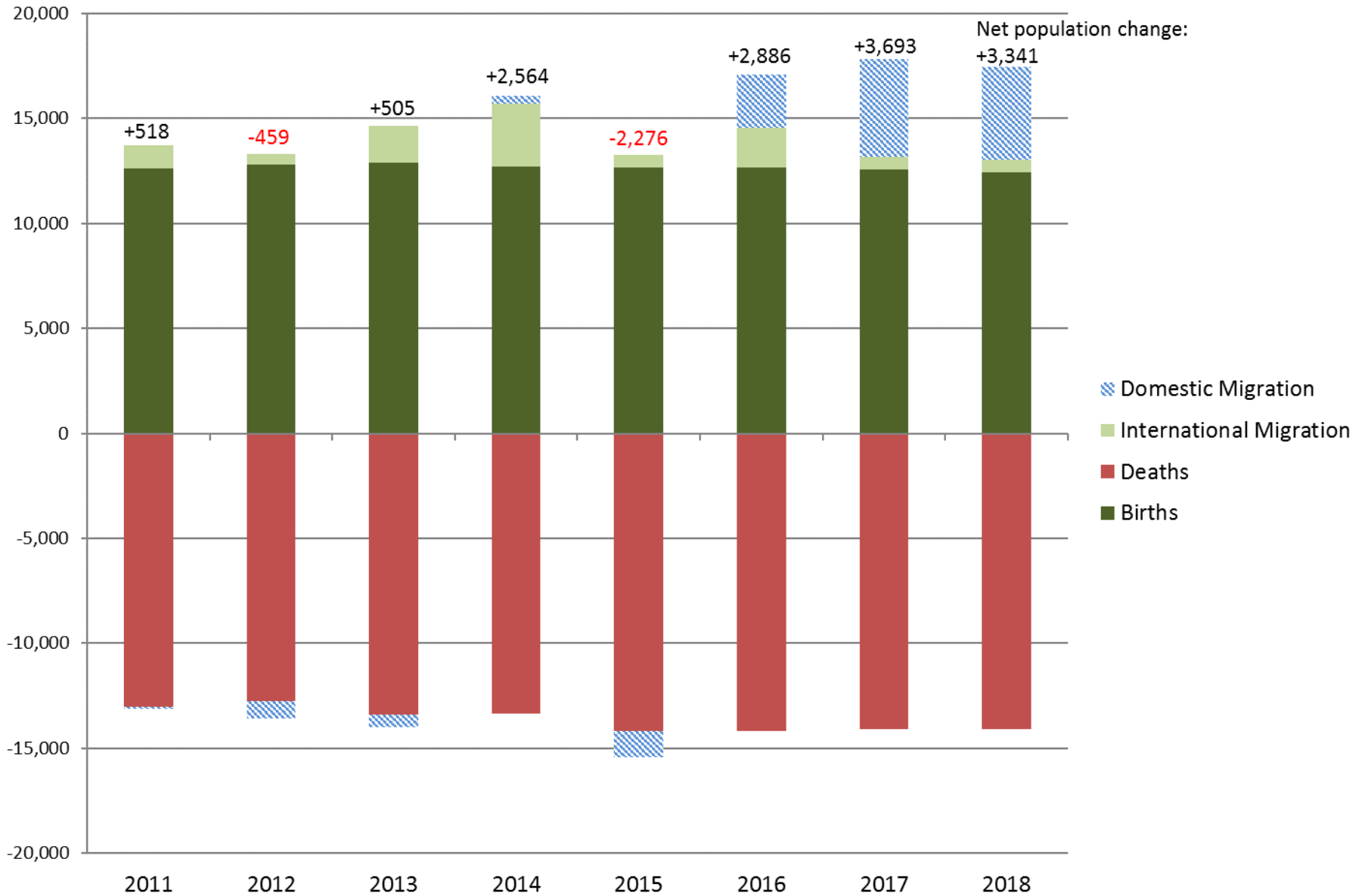


Sources: U.S. Census Bureau, Decennial Census; State Economist population projections

Births and Deaths per year in Maine



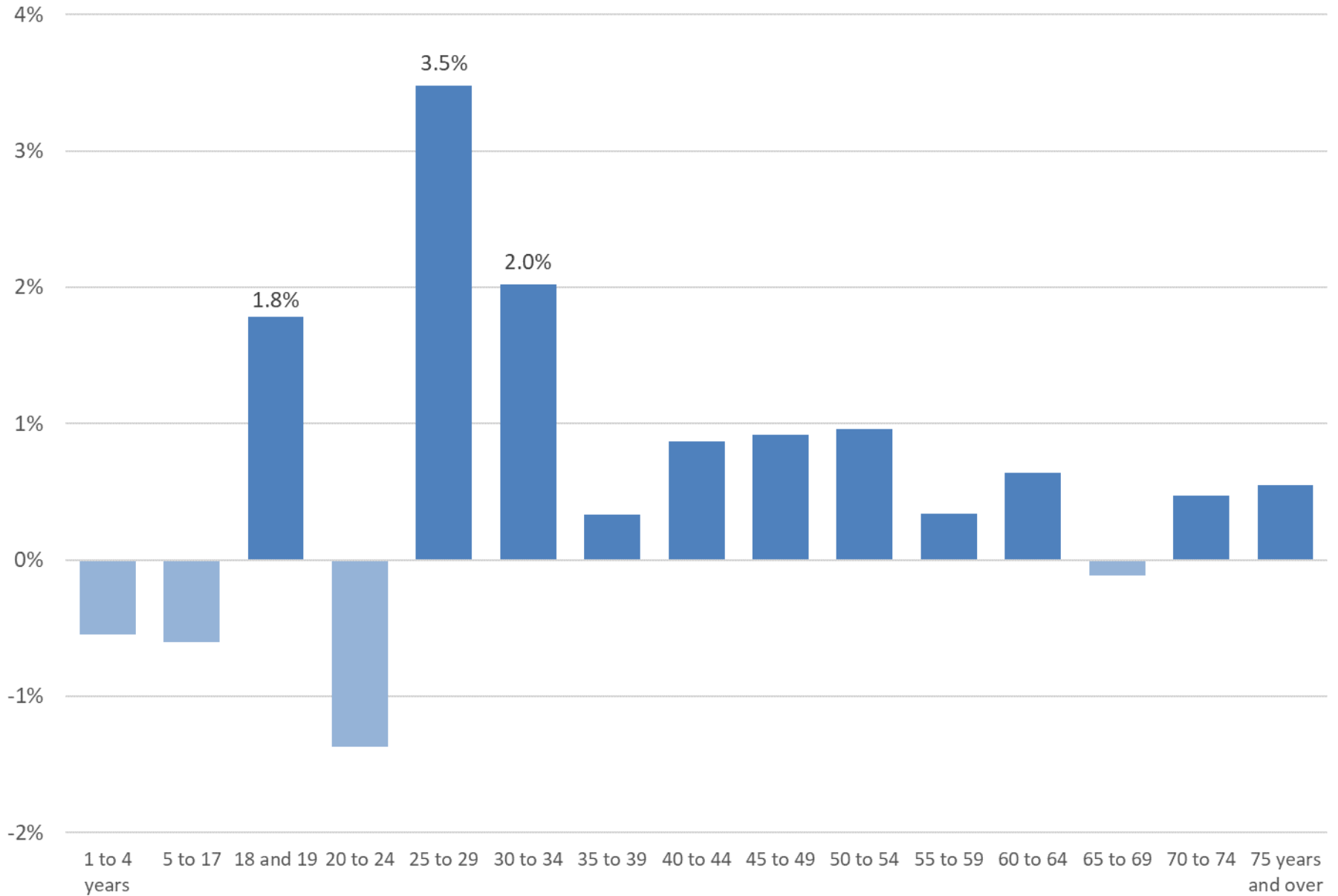
Components of Population Change, Maine



Where are people moving to/from?

2017 State-to-State Migration Patterns			
<i>Moved to Maine from:</i>		<i>Moved from Maine to:</i>	
Massachusetts	7,567	Massachusetts	4,099
New Hampshire	4,274	New Hampshire	3,950
Florida	3,059	Florida	2,960
New York	2,478	California	2,578
Connecticut	1,690	New York	1,611
Pennsylvania	1,629	Pennsylvania	1,156
California	1,578	Virginia	1,135
Georgia	1,241	North Carolina	1,014
Virginia	1,162	Wisconsin	904
North Carolina	1,074	Texas	648

Annual Domestic Migration Rate by Age, 2017



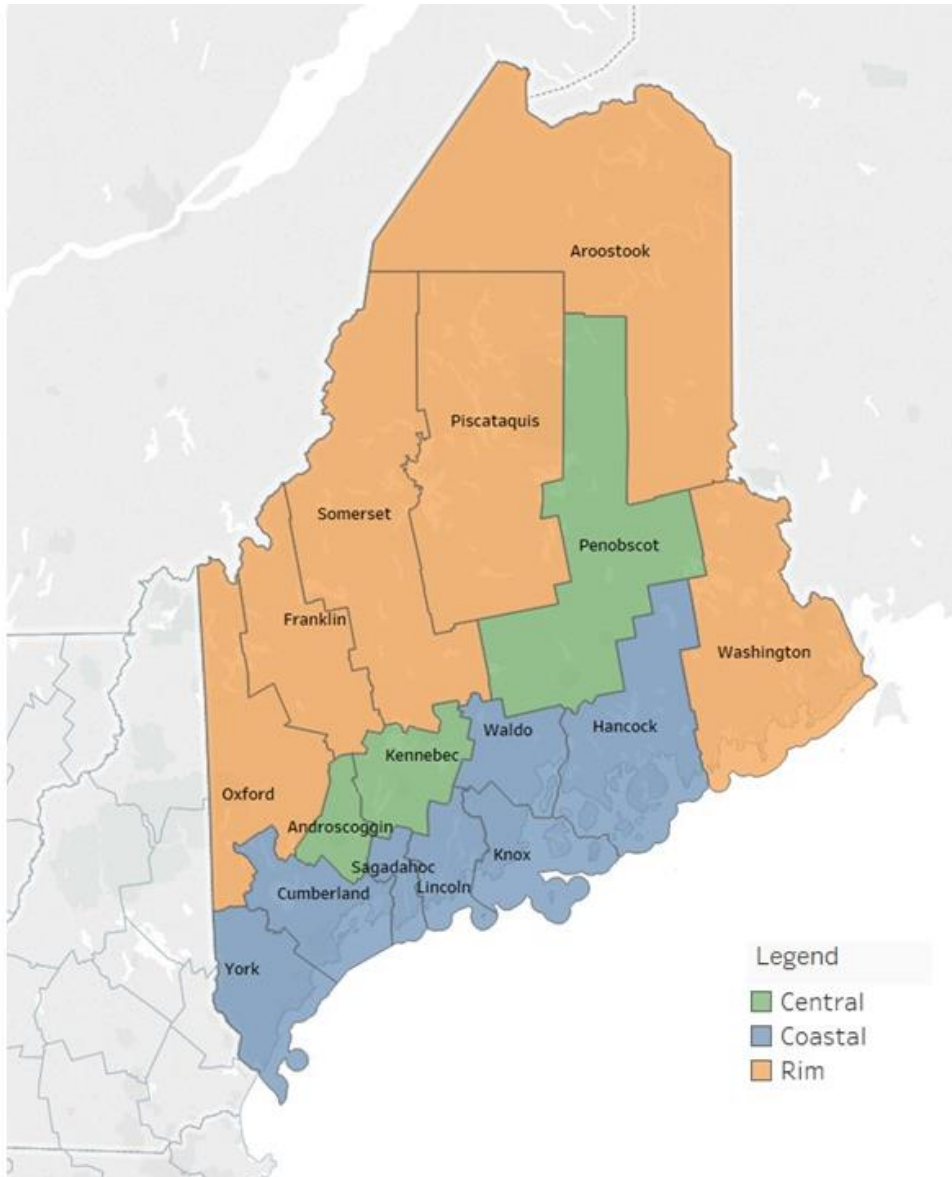
Source: U.S. Census Bureau, 2017 American Community Survey 1-year estimates

Who are the people moving to Maine?

□ Educational attainment:

- High School Graduate: net gain of 457
- Some College or Associate's: +2,555
- Bachelor's Degree: +2,966
- Graduate or Professional Degree: +1,896

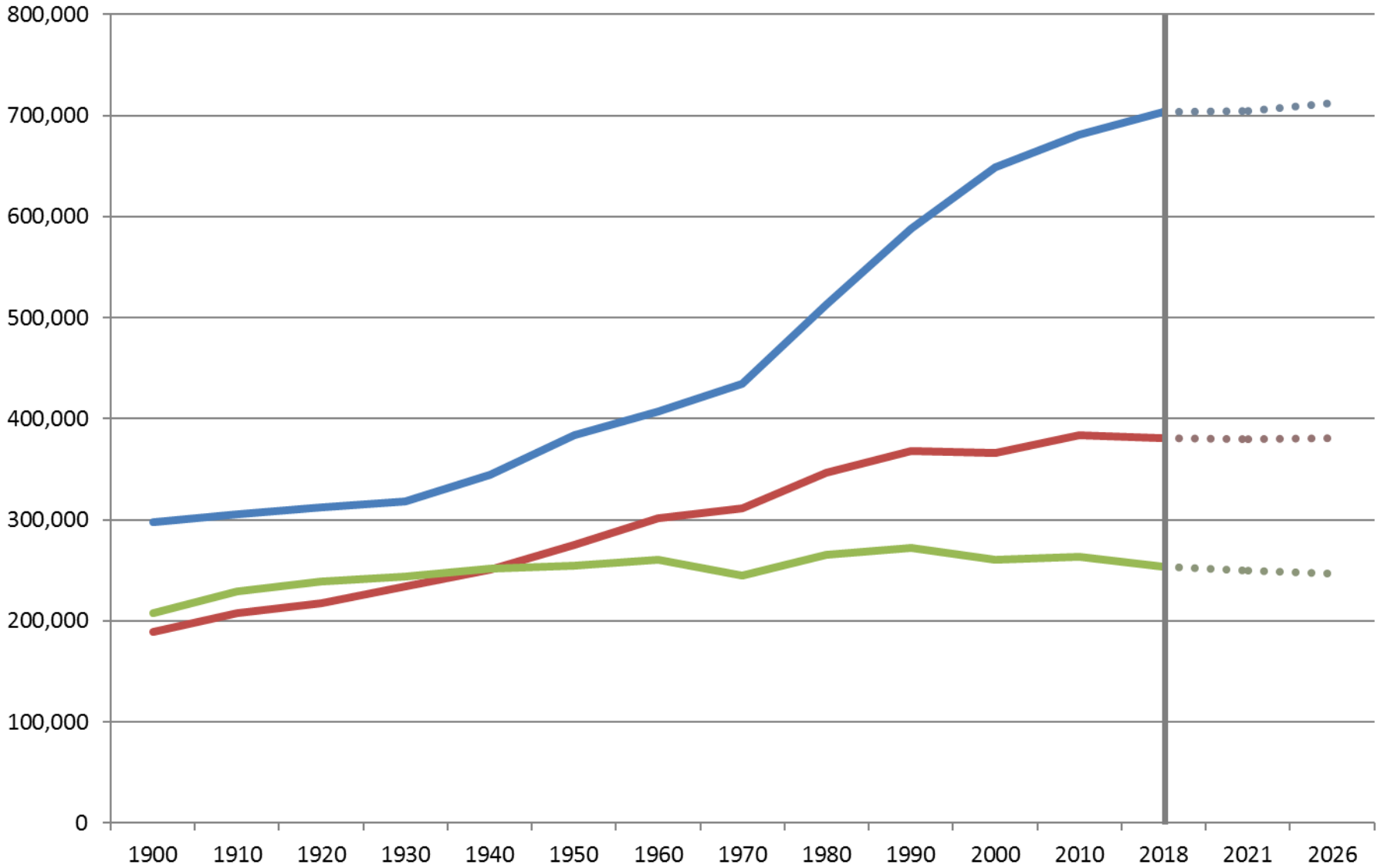
Regions of Maine



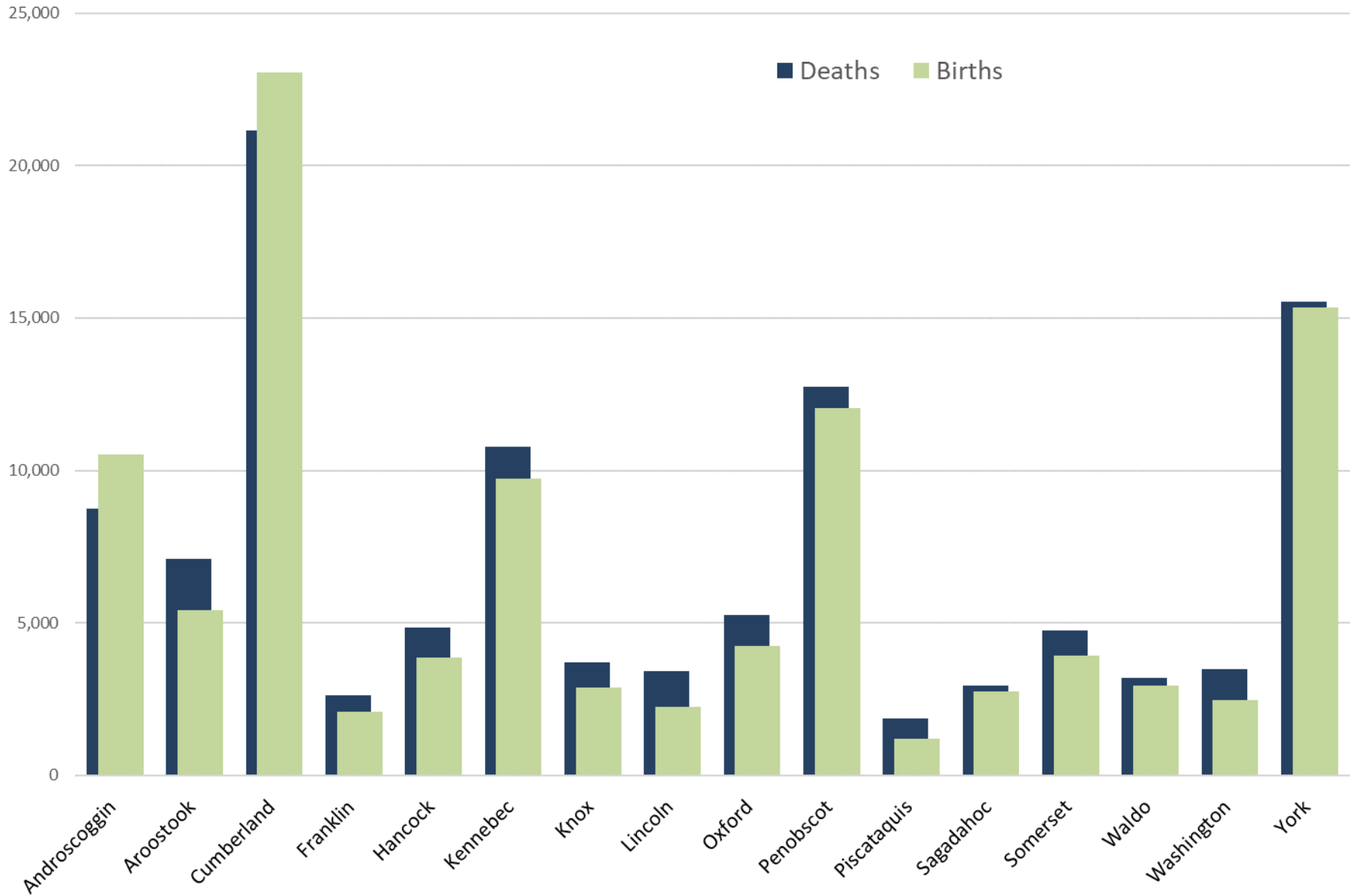
- Three counties had peak decennial population in a year other than 2010:
 - Aroostook: 1960
 - Piscataquis: 1920
 - Washington: 1900

Total Population, Regions of Maine

Coastal Central Rim

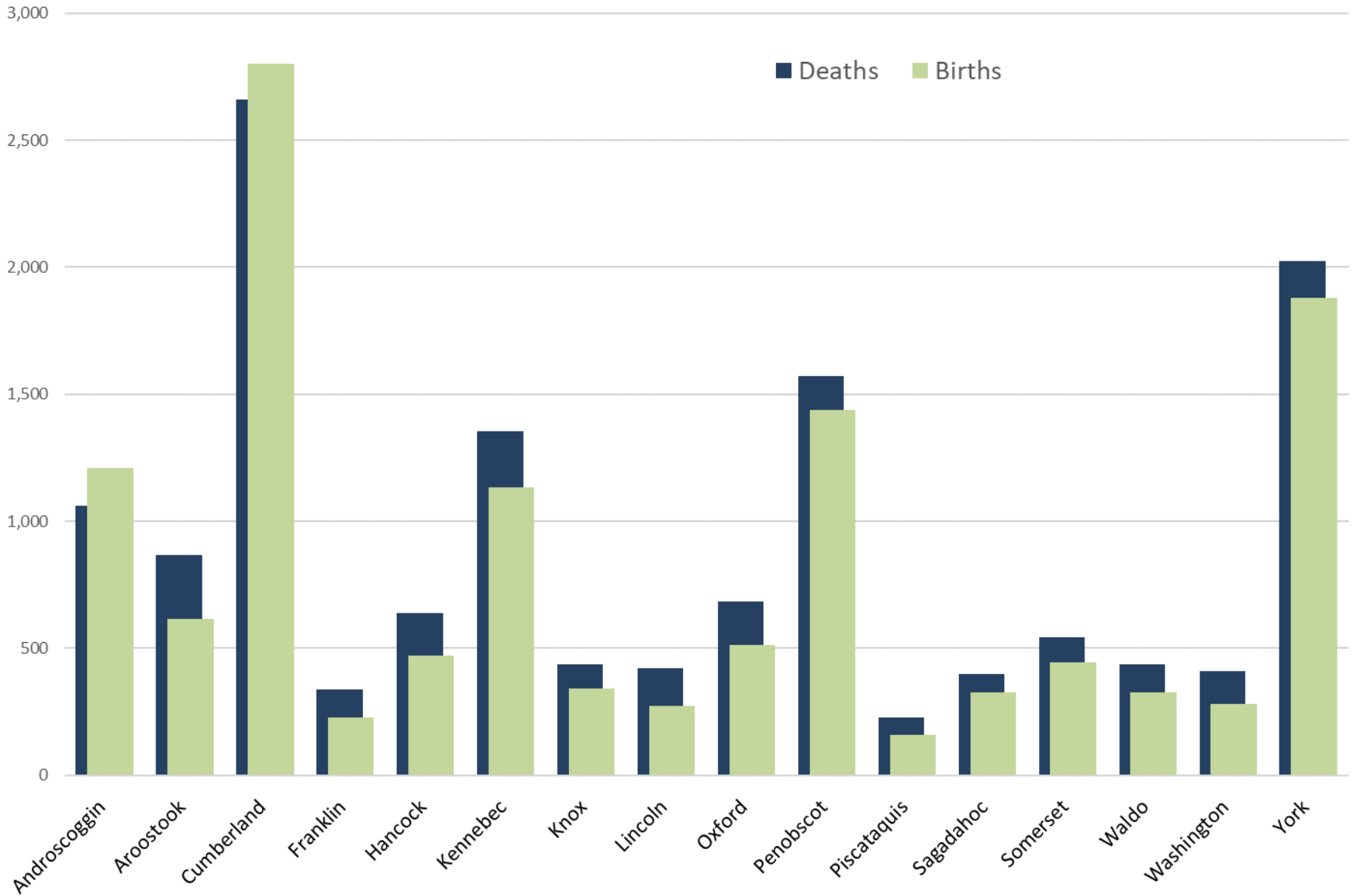


Cumulative Births and Deaths, 2010-2018



Source: U.S. Census Bureau, Population Estimates Program

Births and Deaths, 2017-2018



Source: U.S. Census Bureau, Population Estimates Program

Counties with positive net migration

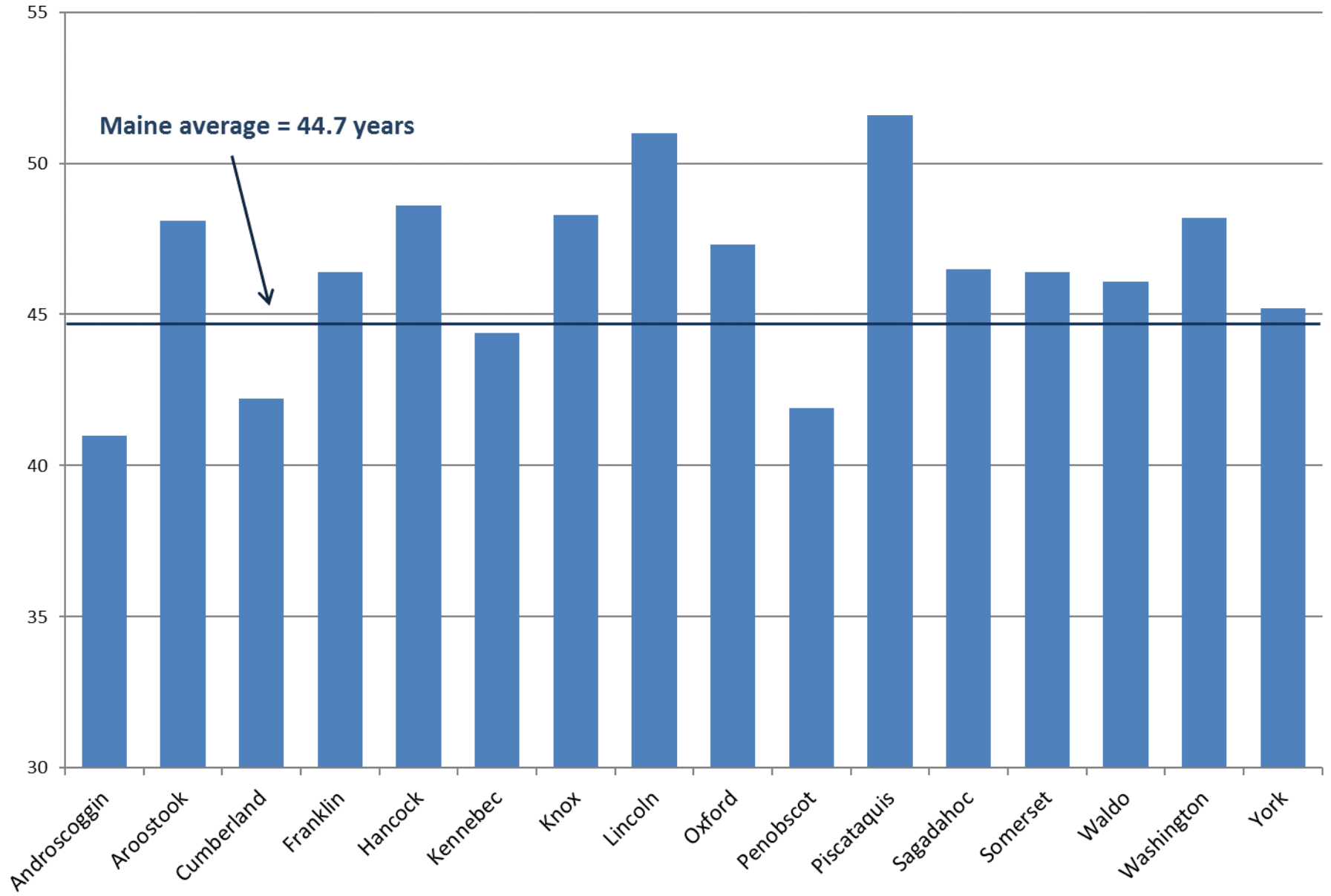
2010 - 2018

- Cumberland (10,151)
- York (9,412)
- Hancock (1,408)
- Waldo (1,200)
- Lincoln (1,083)
- Kennebec (1,067)
- Knox (911)
- Oxford (840)
- Sagadahoc (533)

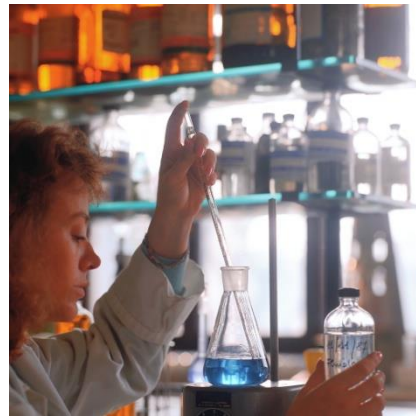
2017 - 2018

- York (1,856)
- Cumberland (1,080)
- Kennebec (386)
- Hancock (382)
- Oxford (366)
- Lincoln (304)
- Sagadahoc (288)
- Somerset (273)
- Franklin (155)
- Washington (85)
- Piscataquis (68)
- Penobscot (51)

Median Age



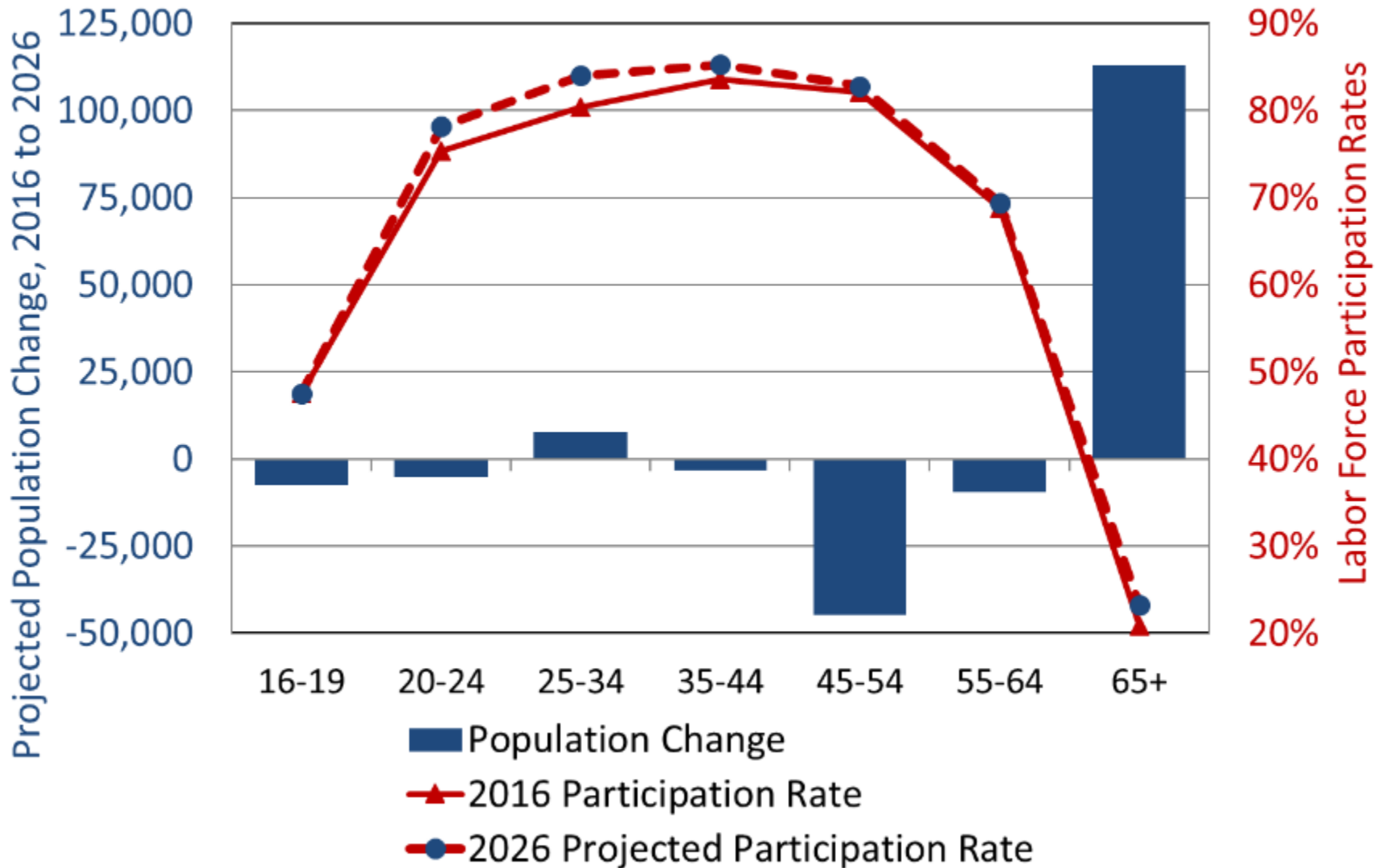
Workforce and Employment



Key questions – workforce and employment

- How do demographics affect workforce?
- What are some recent labor force and education trends and what is the future outlook?
- What are recent trends in employment and unemployment?
- What does employment by industry look like?
- What are the short-term and long-term employment forecasts?

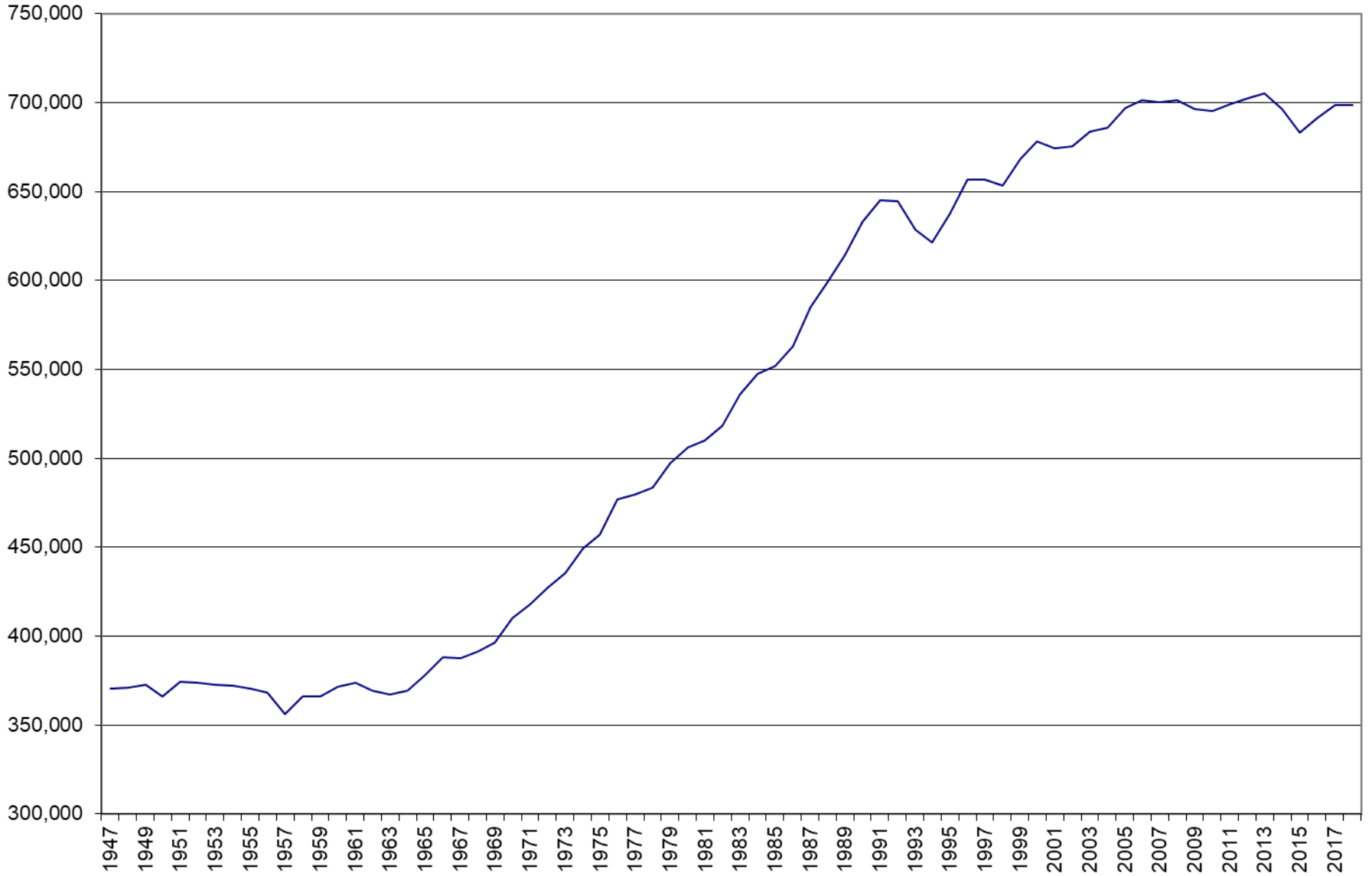
Projected Population Change and Participation Rates by Age Group in Maine



Source: Maine Department of Labor, *Employment Outlook to 2026*;

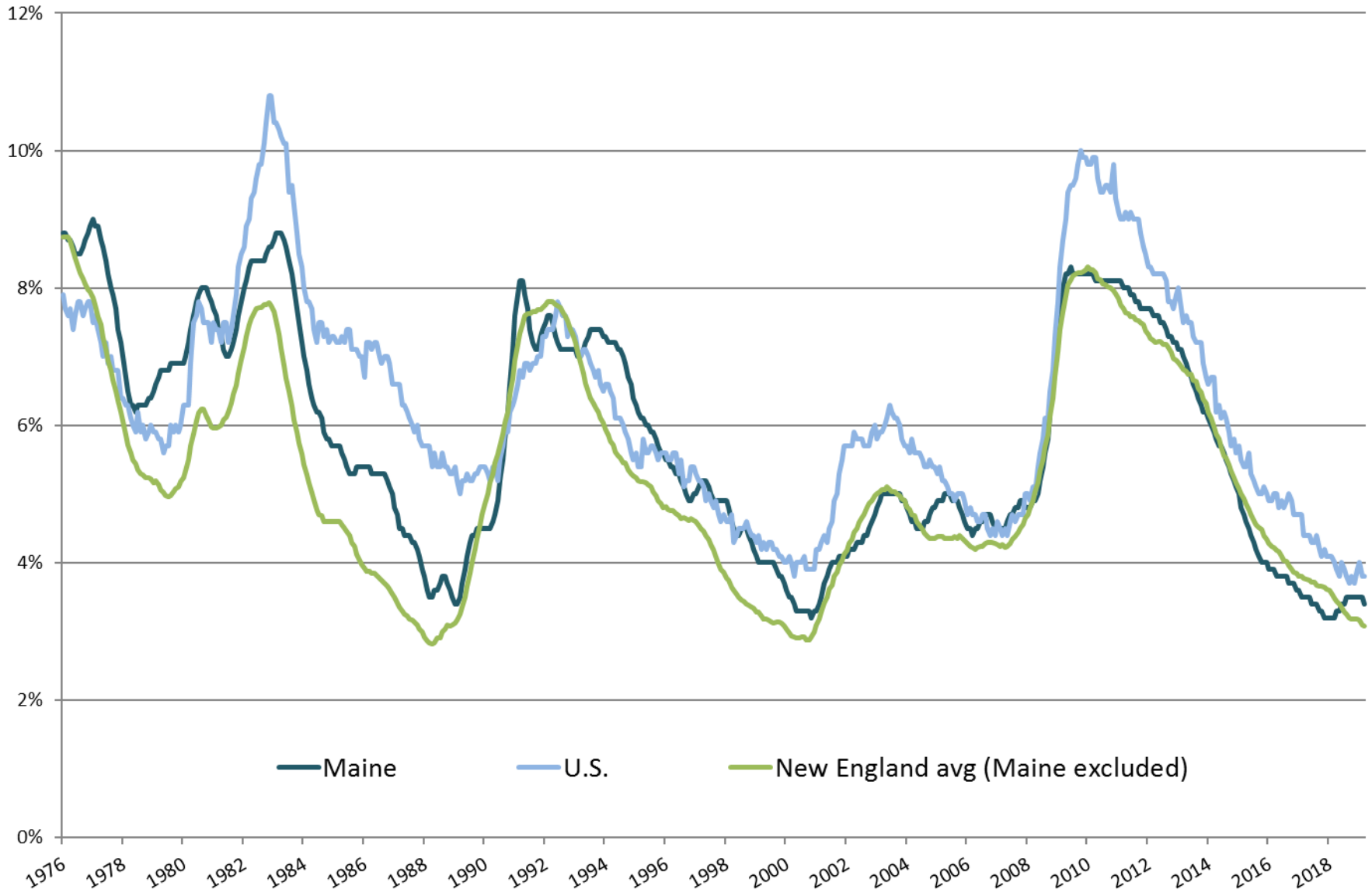
<https://cwri1.blogspot.com/2018/07/employment-outlookto-2026.html>

Maine Civilian Labor Force

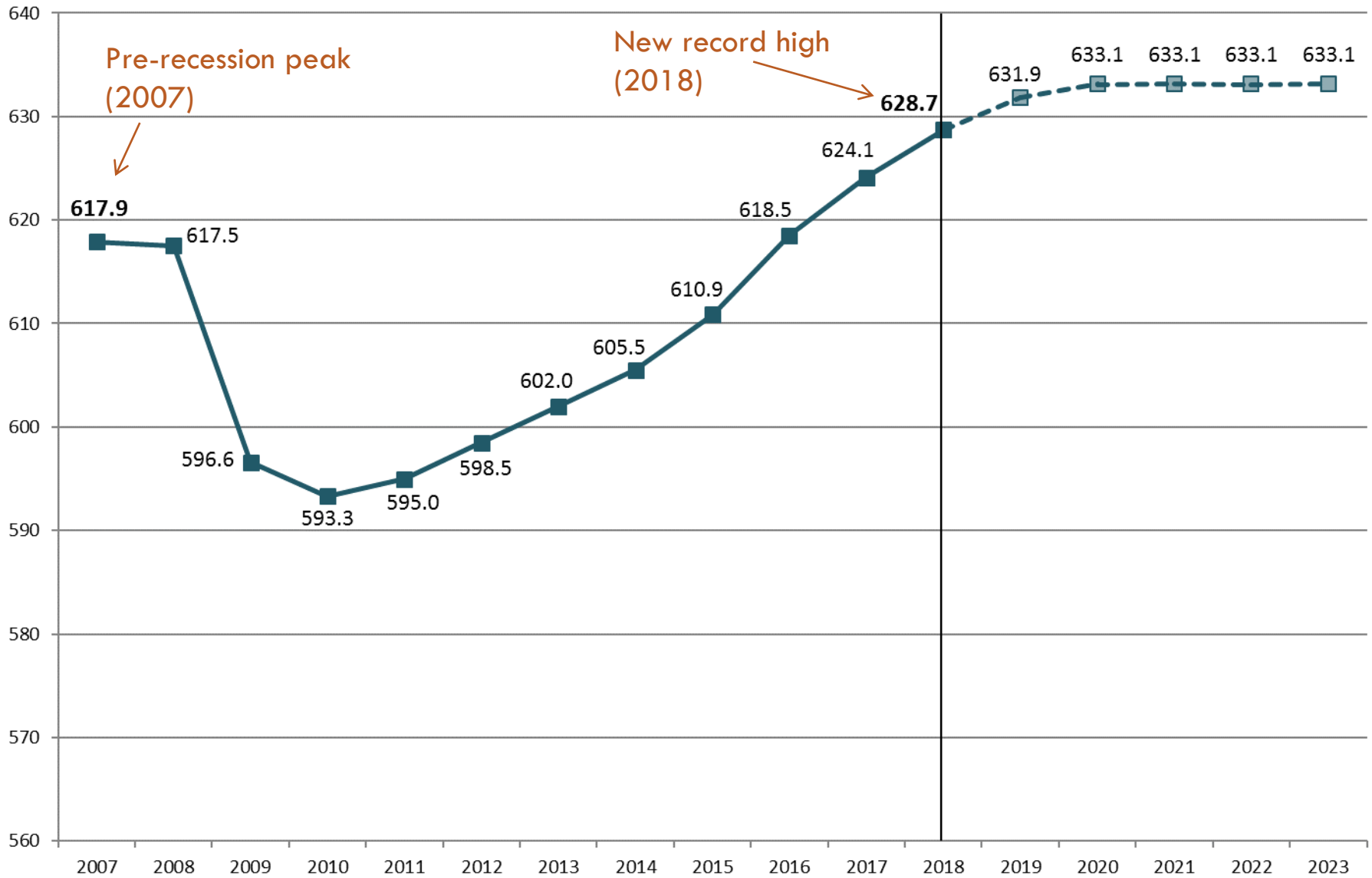


Source: Maine Department of Labor

Monthly Unemployment Rate (Seasonally Adjusted)

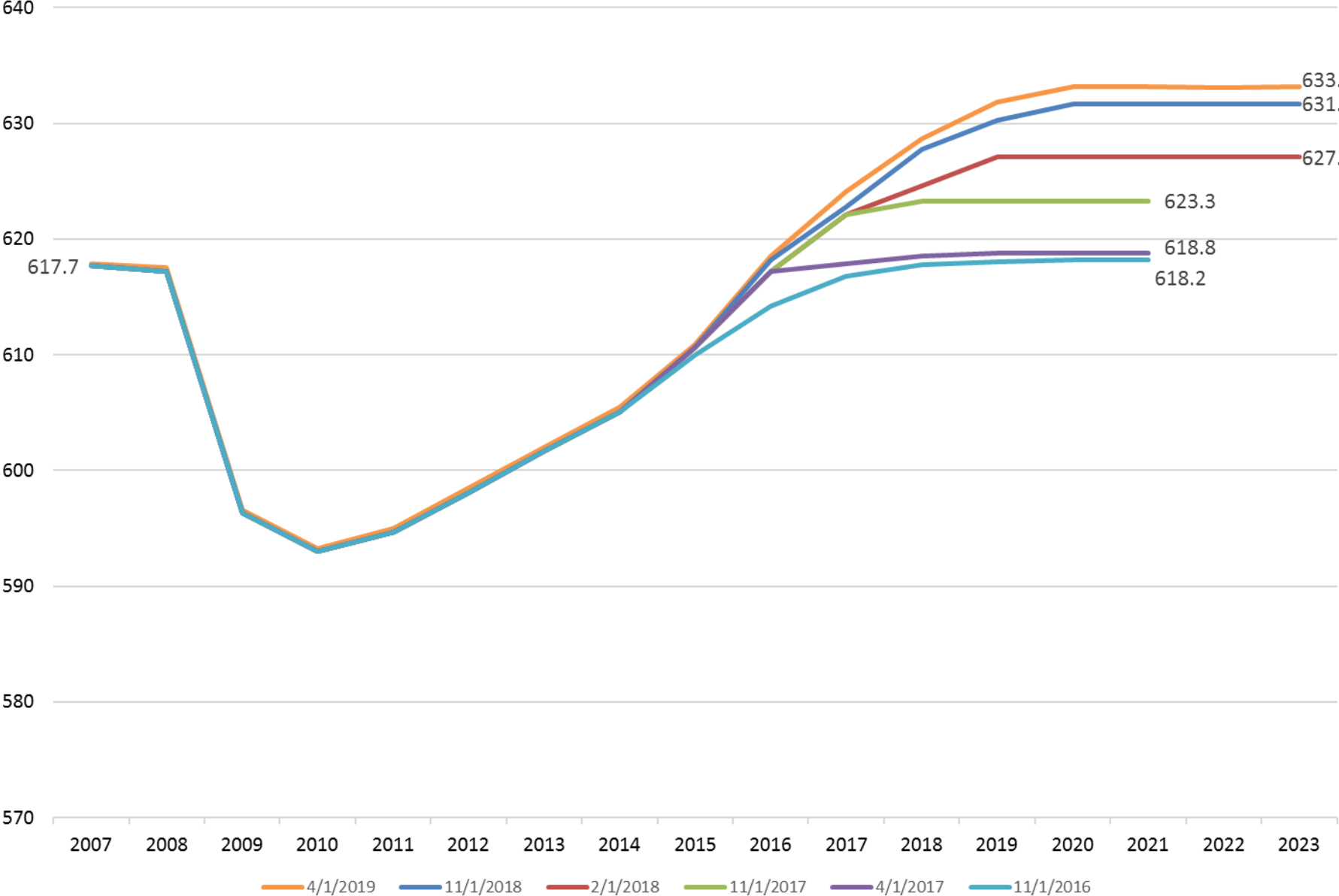


Total Nonfarm Employment (in thousands) History and CEFC forecast



Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, April 1, 2019

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



Source: Consensus Economic Forecasting Commission reports

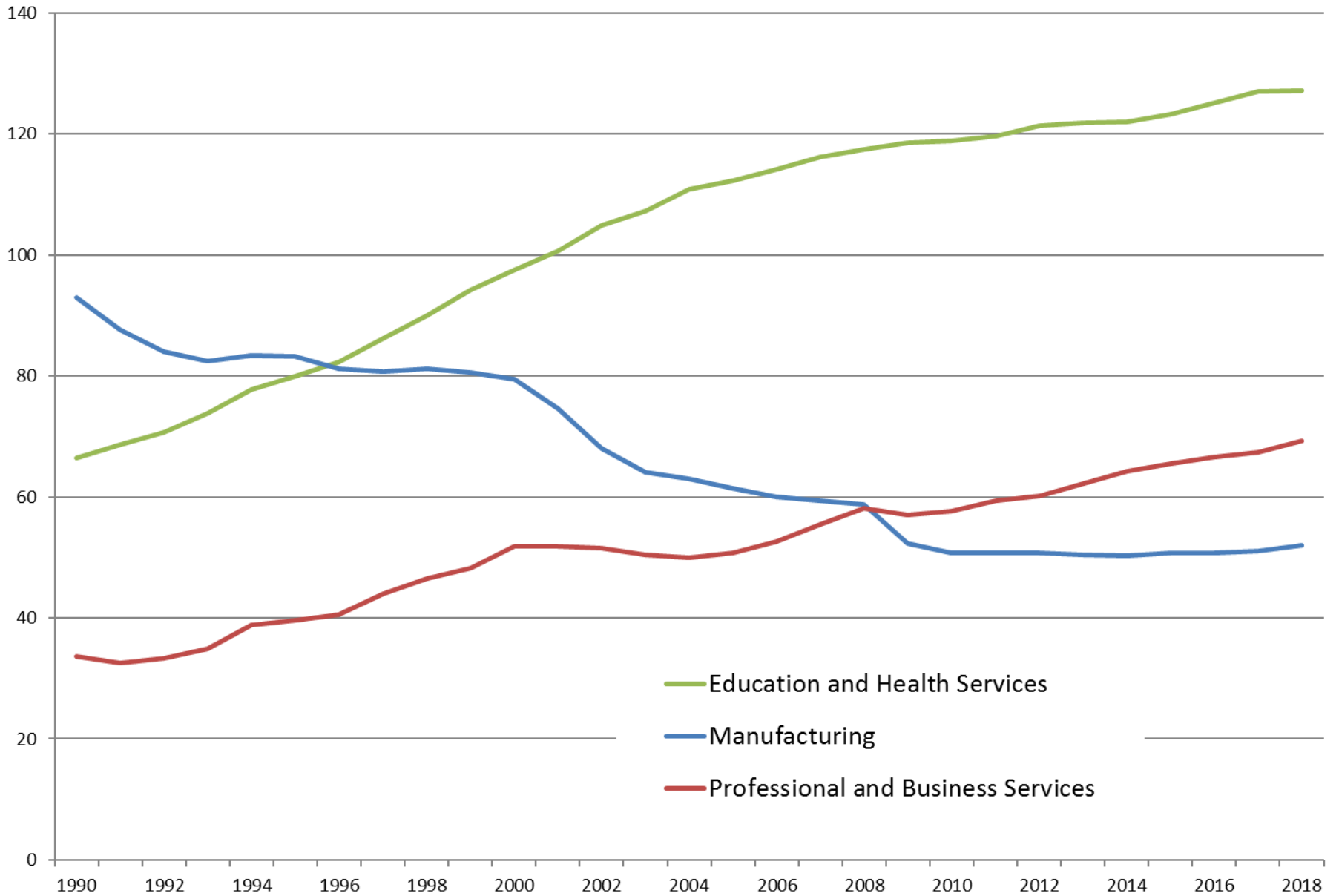
In most counties, the largest employer is the local hospital/health care system

Employment Range:
All

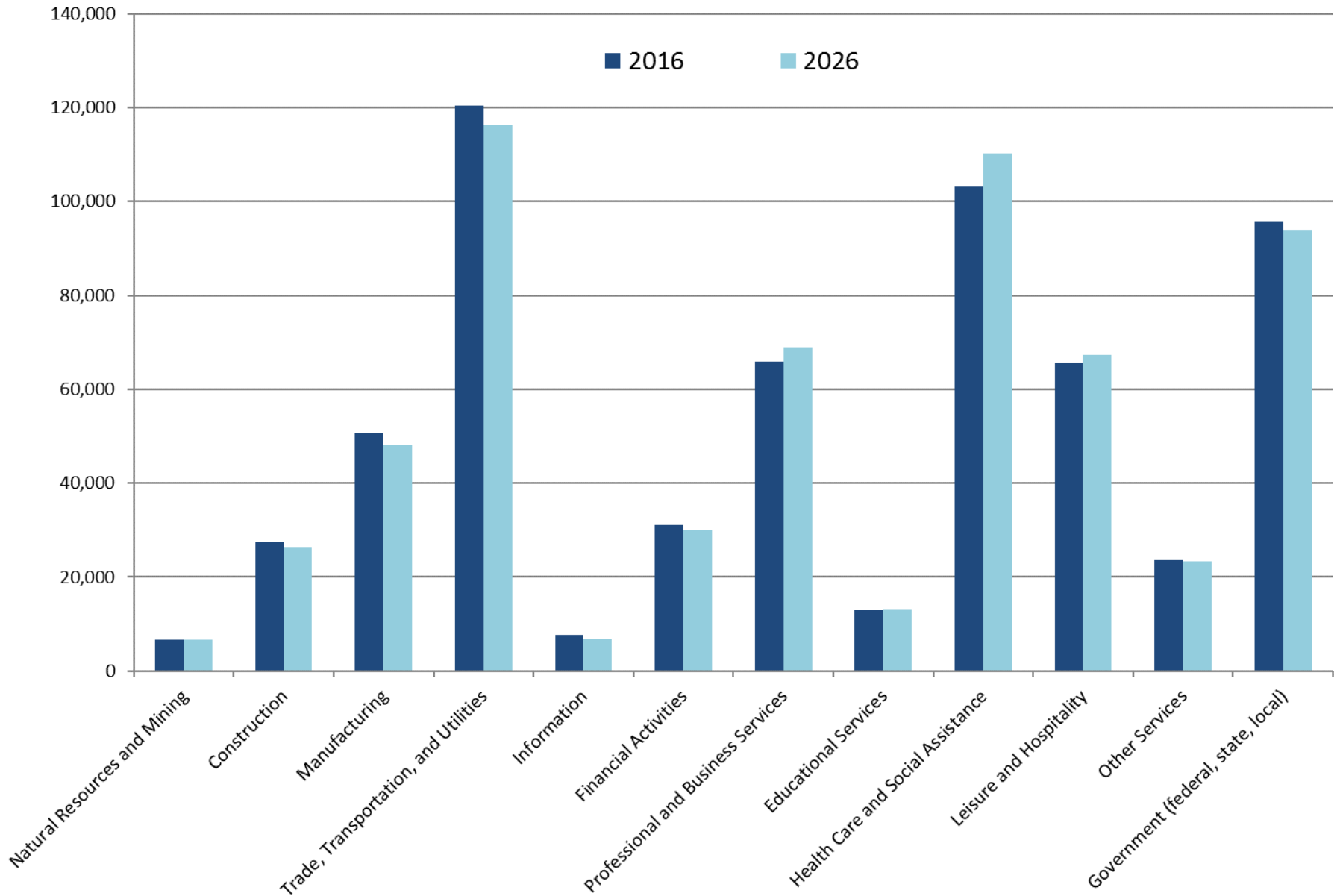
Top 50 Private Employers in Maine by Average Monthly Employment 2nd Quarter 2018

Name	Location	Business Description	Employment Range	Rank
MAINEHEALTH	STATEWIDE	General medical and surgical hospitals	15,001 to 15,500	1
HANNAFORD BROS CO	STATEWIDE	Supermarkets and other grocery stores	8,001 to 8,500	2
WAL MART / SAM'S CLUB	STATEWIDE	Warehouse Clubs and Supercenters	6,501 to 7,000	3
BATH IRON WORKS CORP GEN DYN..	BATH	Ship building and repairing	5,001 to 5,500	4
L.L.BEAN, INC.	STATEWIDE	Electronic Shopping and Mail-Order Houses	4,501 to 5,000	5
EASTERN MAINE MEDICAL CENTER	STATEWIDE	General medical and surgical hospitals	4,001 to 4,500	6
MAINEGENERAL MEDICAL CTR	STATEWIDE	General medical and surgical hospitals	3,001 to 3,500	7
T D BANK N A	STATEWIDE	Commercial banking	3,001 to 3,500	8
CENTRAL MAINE HEALTHCARE CO..	LEWISTON	General medical and surgical hospitals	2,501 to 3,000	9
UNUM PROVIDENT	PORTLAND	Direct life insurance carriers	2,501 to 3,000	10
SHAW'S SUPERMARKETS INC	STATEWIDE	Supermarkets and other grocery stores	2,501 to 3,000	11
PRATT & WHITNEY AIRCRAFT GRO..	NORTH BERWI..	Aircraft engine and engine parts mfg.	1,501 to 2,000	12
HOME DEPOT USA INC	STATEWIDE	Home centers	1,501 to 2,000	13
LOWES HOME CENTERS LLC	STATEWIDE	Home centers	1,501 to 2,000	14
ST MARY'S REGIONAL MEDICAL CTR	STATEWIDE	General medical and surgical hospitals	1,001 to 1,500	15
MERCY HOSPITAL	PORTLAND	General medical and surgical hospitals	1,001 to 1,500	16
THE JACKSON LABORATORY	BAR HARBOR	Research and Development in Biotechnology..	1,001 to 1,500	17
UNIVERSITY OF NEW ENGLAND	STATEWIDE	Colleges and universities	1,001 to 1,500	18
MID COAST HOSPITAL	BRUNSWICK	General medical and surgical hospitals	1,001 to 1,500	19
CIRCLE K	STATEWIDE	Gasoline stations with convenience stores	1,001 to 1,500	20
SAPPI NORTH AMERICA INC	STATEWIDE	Paper, except newsprint, mills	1,001 to 1,500	21
GOODWILL INDUSTRIES OF NORTH..	STATEWIDE	Vocational rehabilitation services	1,001 to 1,500	22
BOWDOIN COLLEGE	BRUNSWICK	Colleges and universities	1,001 to 1,500	23
IDEXX LABORATORIES INC	WESTBROOK	Pharmaceutical preparation manufacturing	1,001 to 1,500	24
WAG FMPI OYFF SFRVICFS INC	STATFWIDF	Pharmacies and drug stores	1 001 to 1 500	25

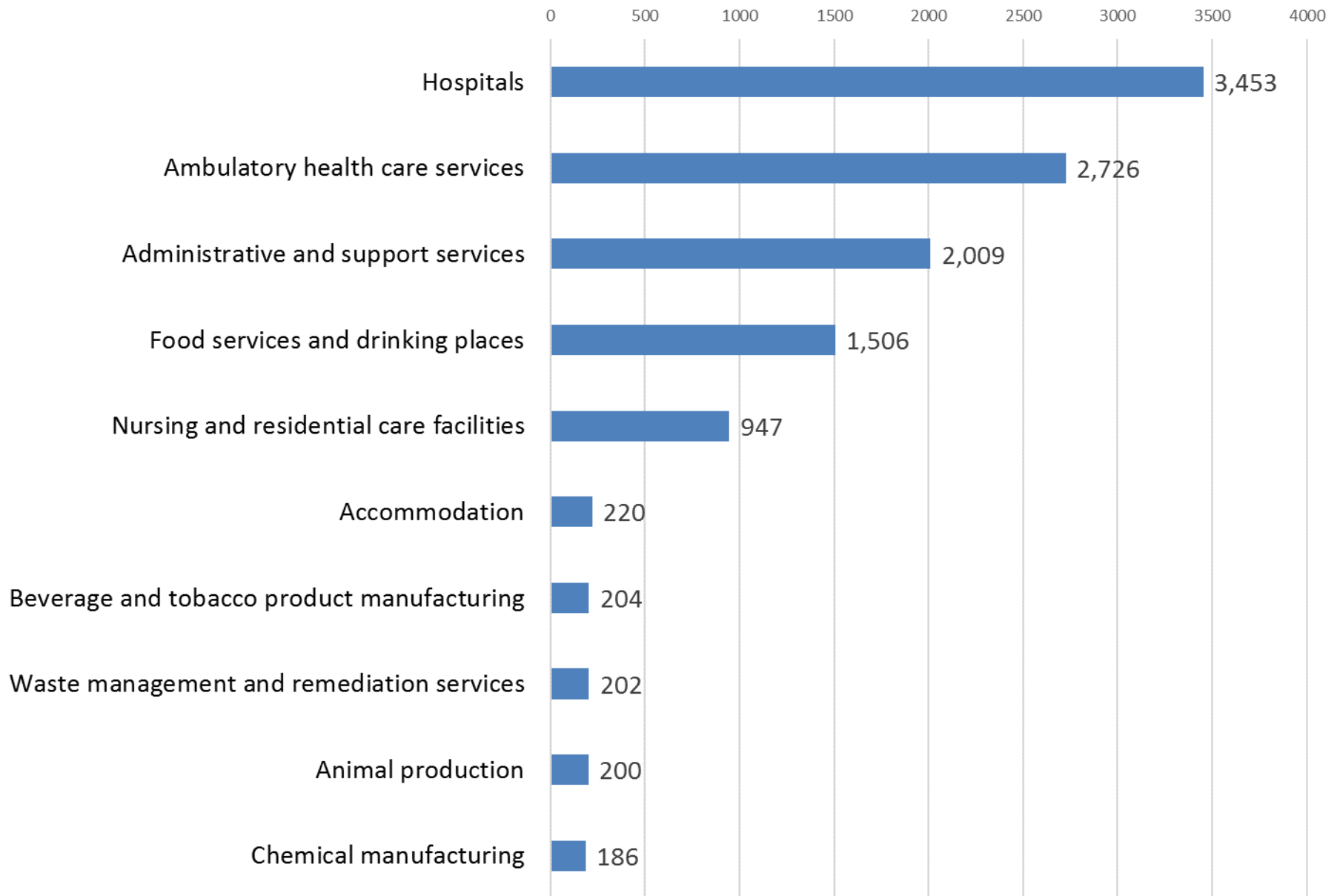
Maine Wage and Salary Employment by Industry (in thousands)



Maine Wage and Salary Employment by Industry



Industries Projected to Gain the Largest Number of Jobs in Maine Between 2016 and 2026



25 Occupations with the Fastest Projected Rate of Job Growth in Maine

Display

- Graph
 Table

Top

25

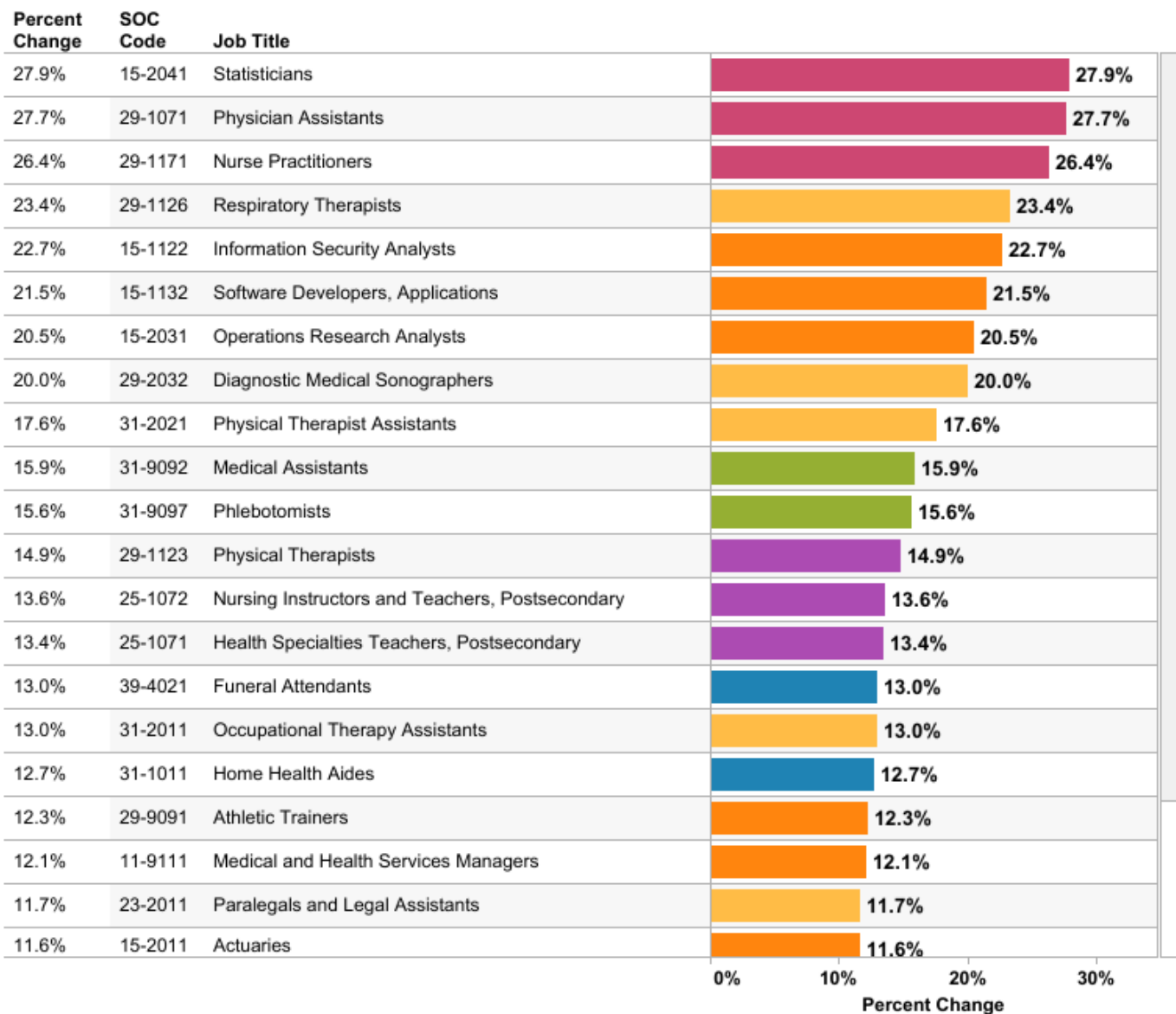
Education Requirement:

- All
 High School Diploma or Less
 Some College or Associate's De..
 Bachelor's Degree or Higher

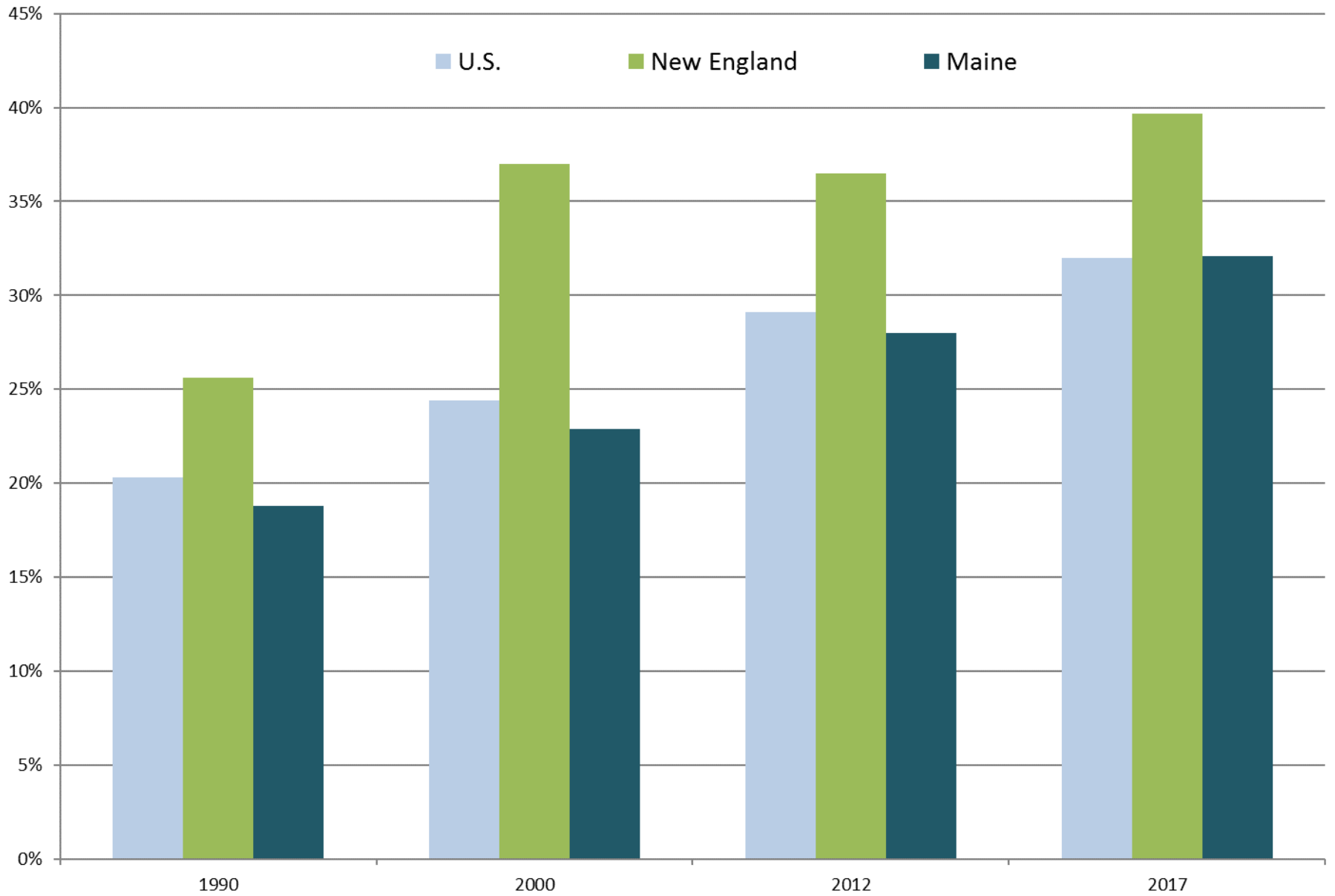
Select Topic:

- Largest Annual Openings
 Largest Net Job Growth
 Fastest Rate of Job Growth
 Largest Net Job Loss
 Fastest Rate of Job Loss

- High school diploma or equiv..
 Postsecondary non-degree a..
 Associate's degree
 Bachelor's degree
 Master's degree
 Doctoral or professional degr..
 No formal educational crede..

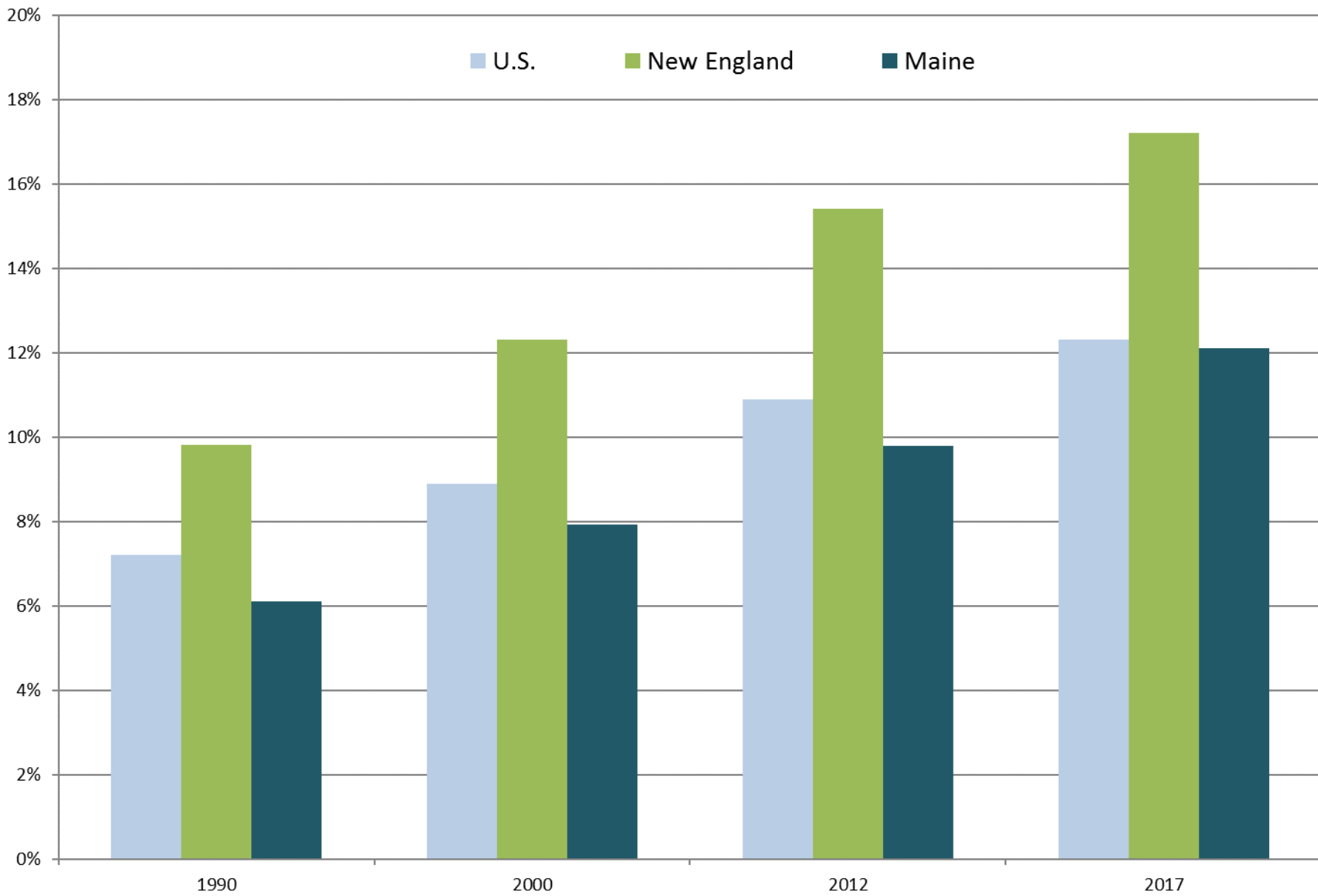


Percent of Population Age 25+ with a Bachelor's Degree or Higher



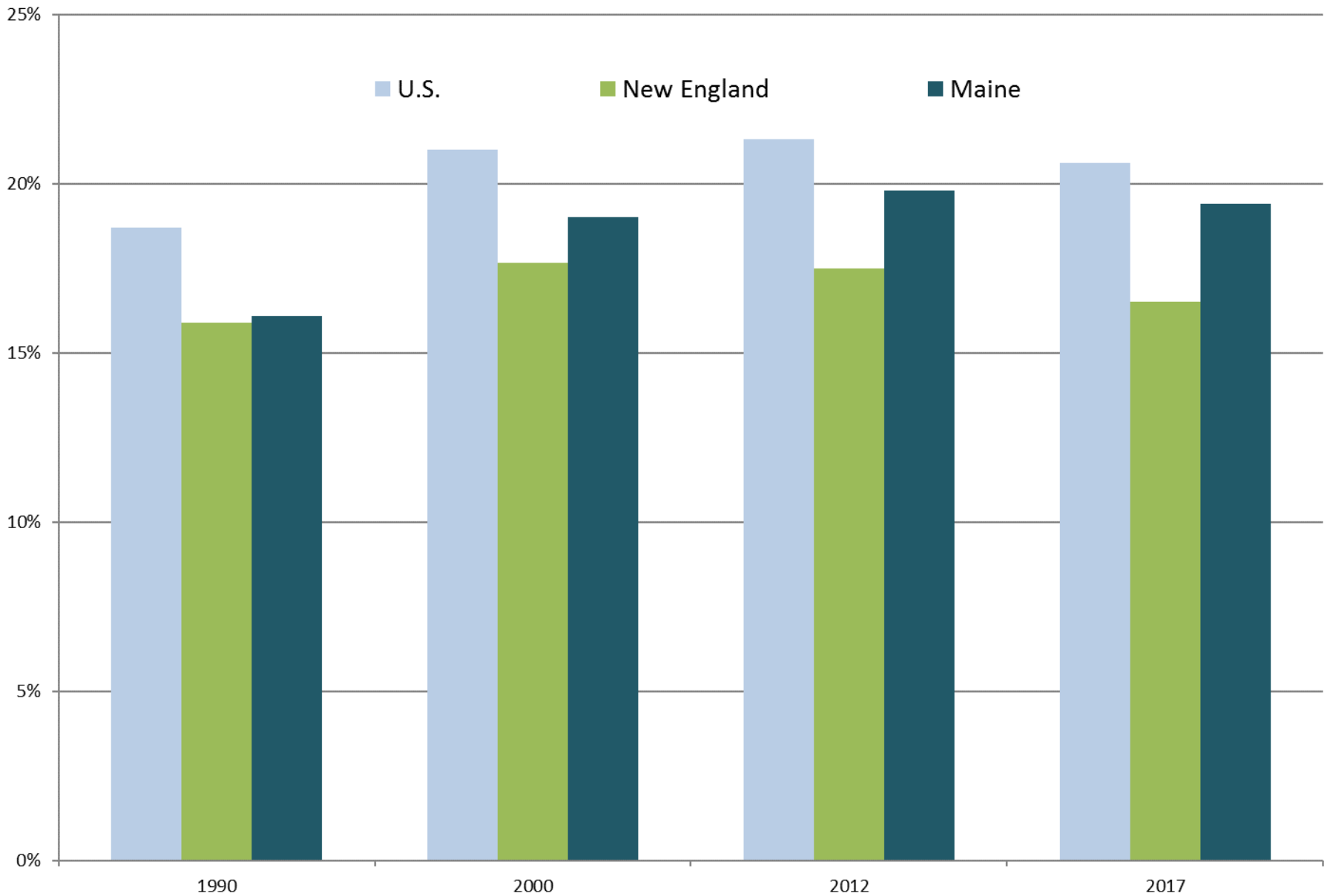
Source: U.S. Census Bureau, Decennial Census and American Community Survey 1-year estimates

Percent of Population Age 25+ with a Graduate or Professional Degree



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

Percent of Population Age 25+ with Some College, No Degree



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

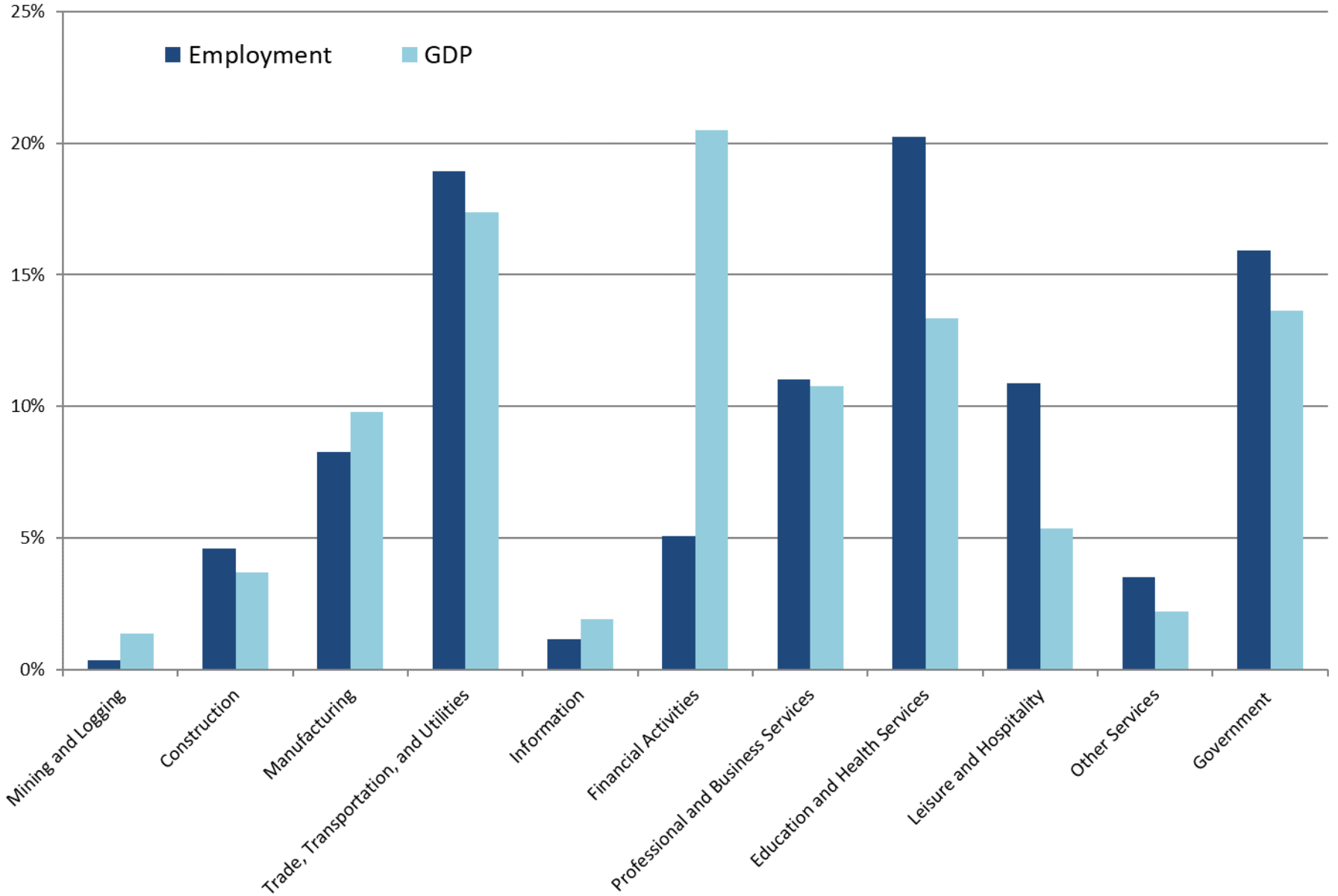
State GDP



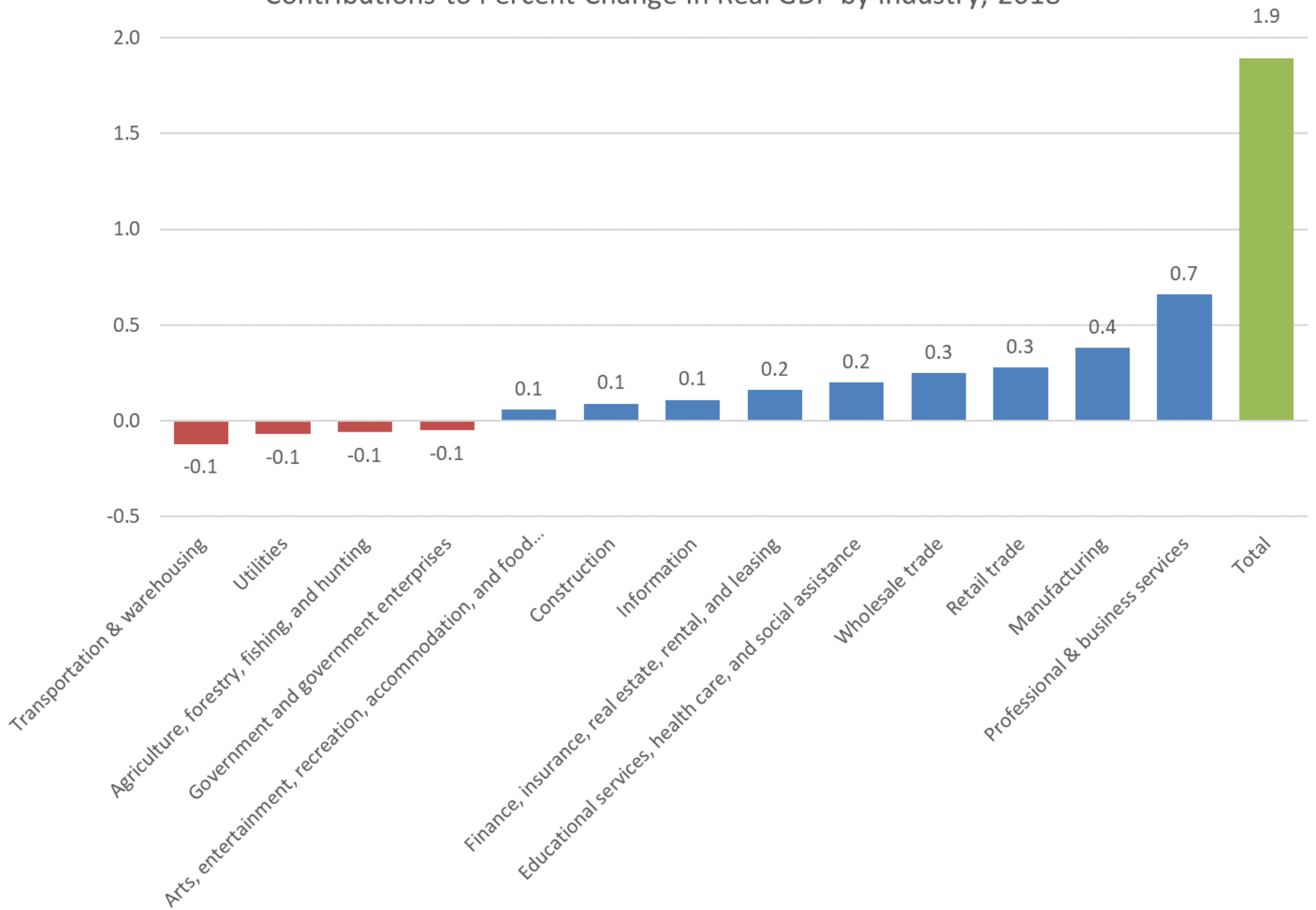
Key questions – state GDP

- How is GDP by industry different from employment by industry?
- How do different industries contribute to current GDP growth?
- How has real GDP by industry changed over time?
- What are some regional GDP trends?

2018 Maine Employment and GDP by Industry

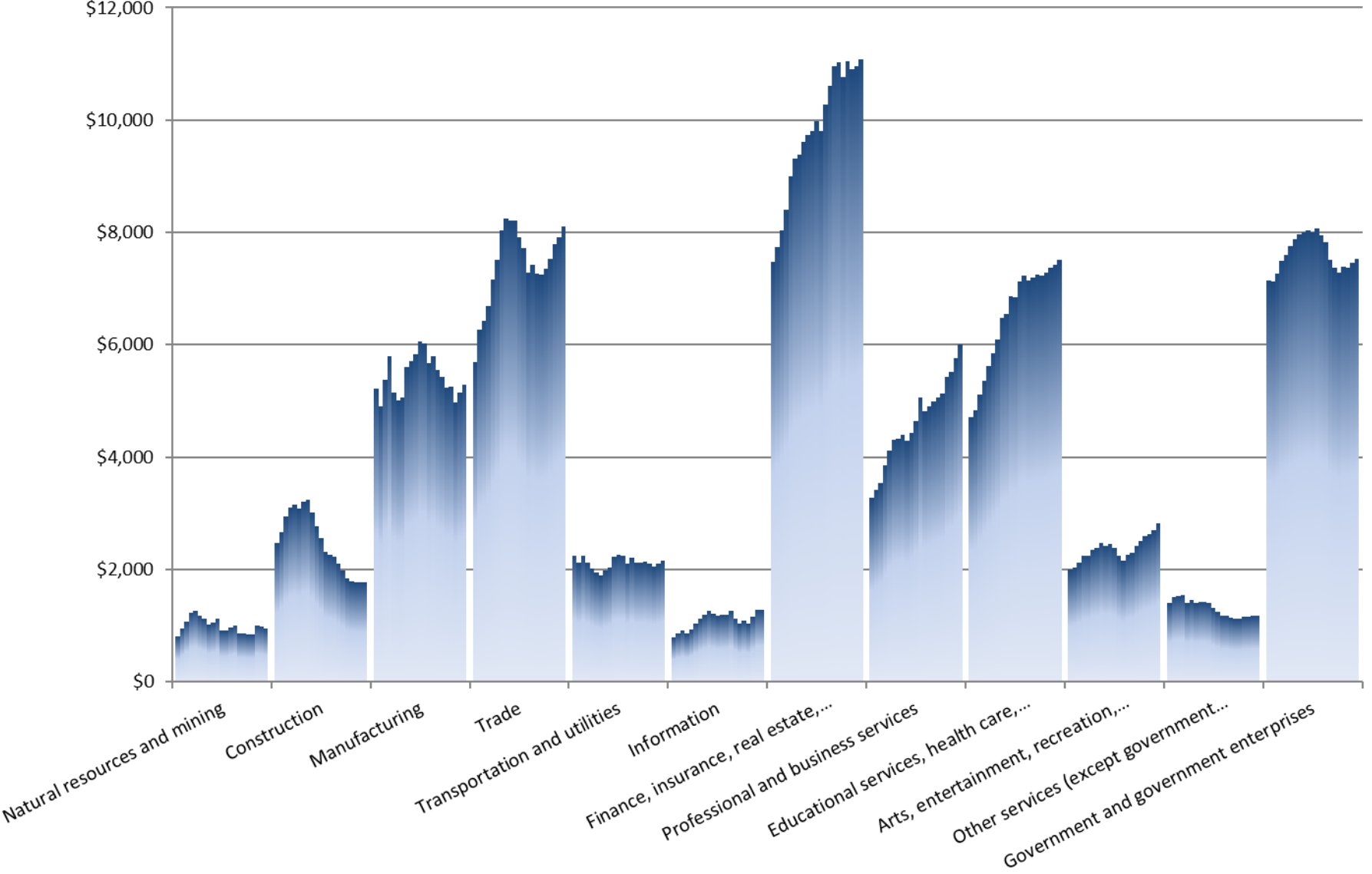


Contributions to Percent Change in Real GDP by Industry, 2018



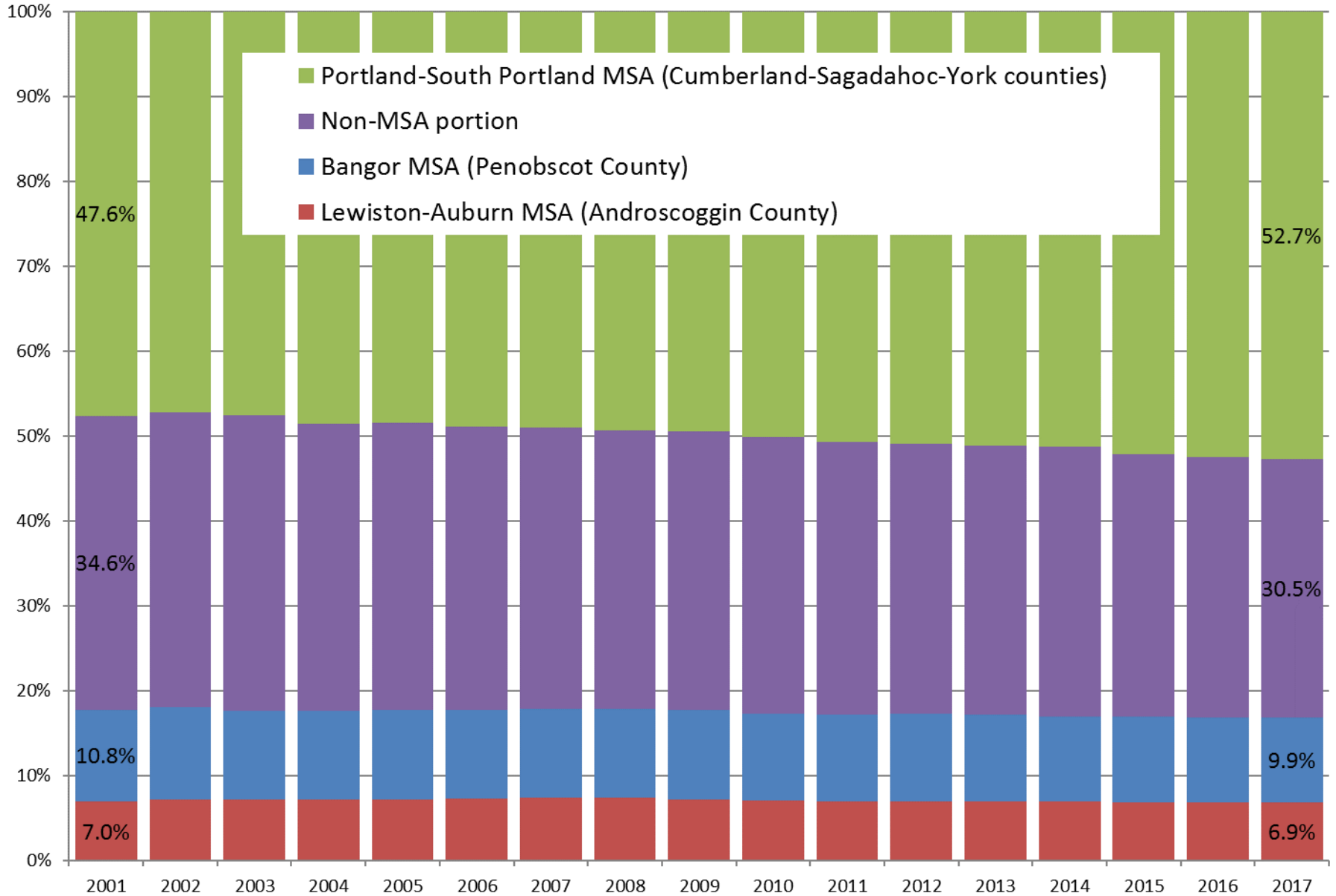
Maine Real GDP by Industry, 1997-2017

(in millions of chained 2012 dollars)



Source: U.S. Bureau of Economic Analysis

Share of Maine Real GDP by Metropolitan Area



Wages and Income



Key questions – wages and income

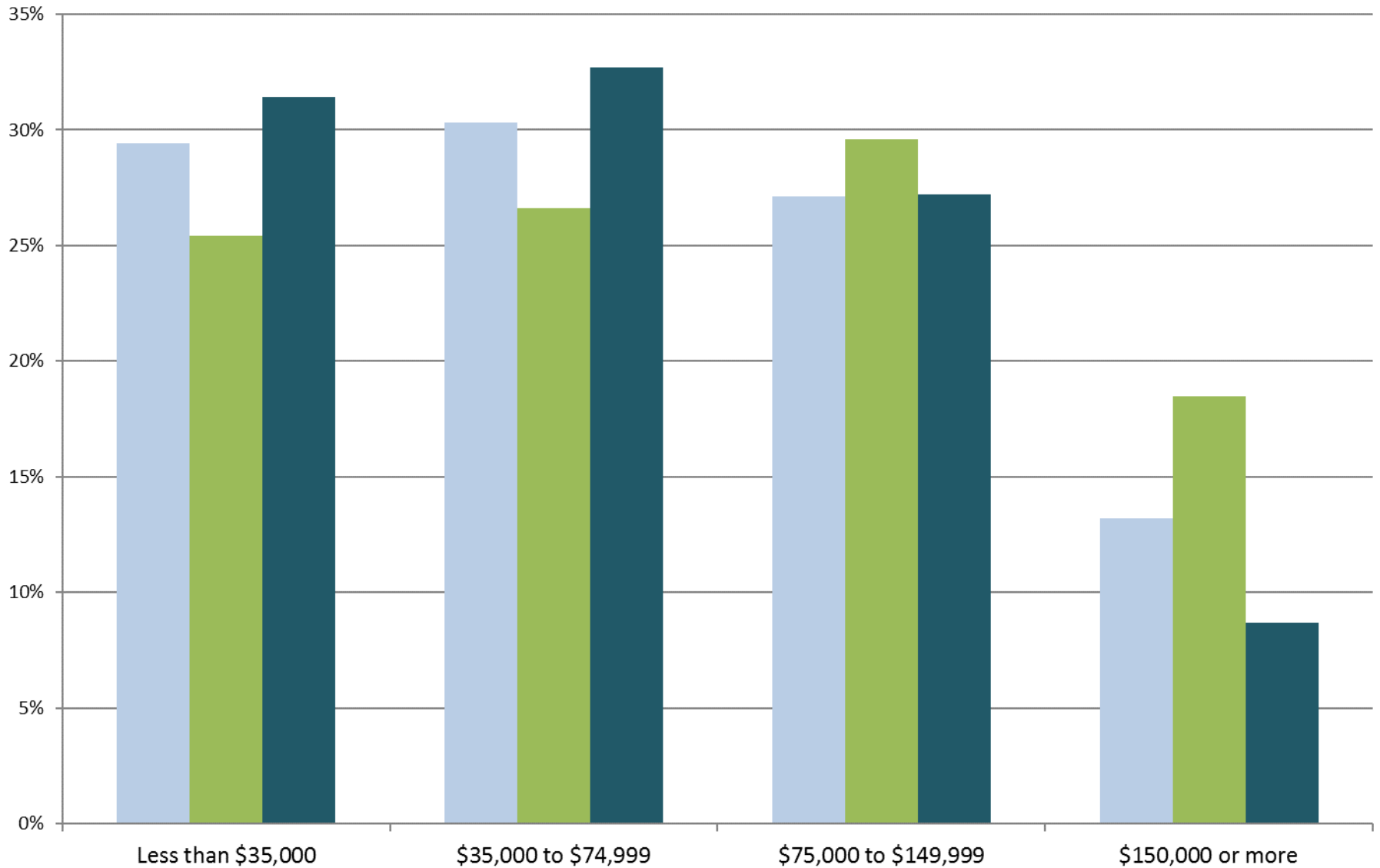
- How are wages and income related to demographics and employment?
- How do the different measures of wages and income compare?
- What are the recent trends in wages, personal income, and household income?
- What trends are forecast for personal income?
- How do regions of the state differ?

There are LOTS of ways to measure income/wages and several sources

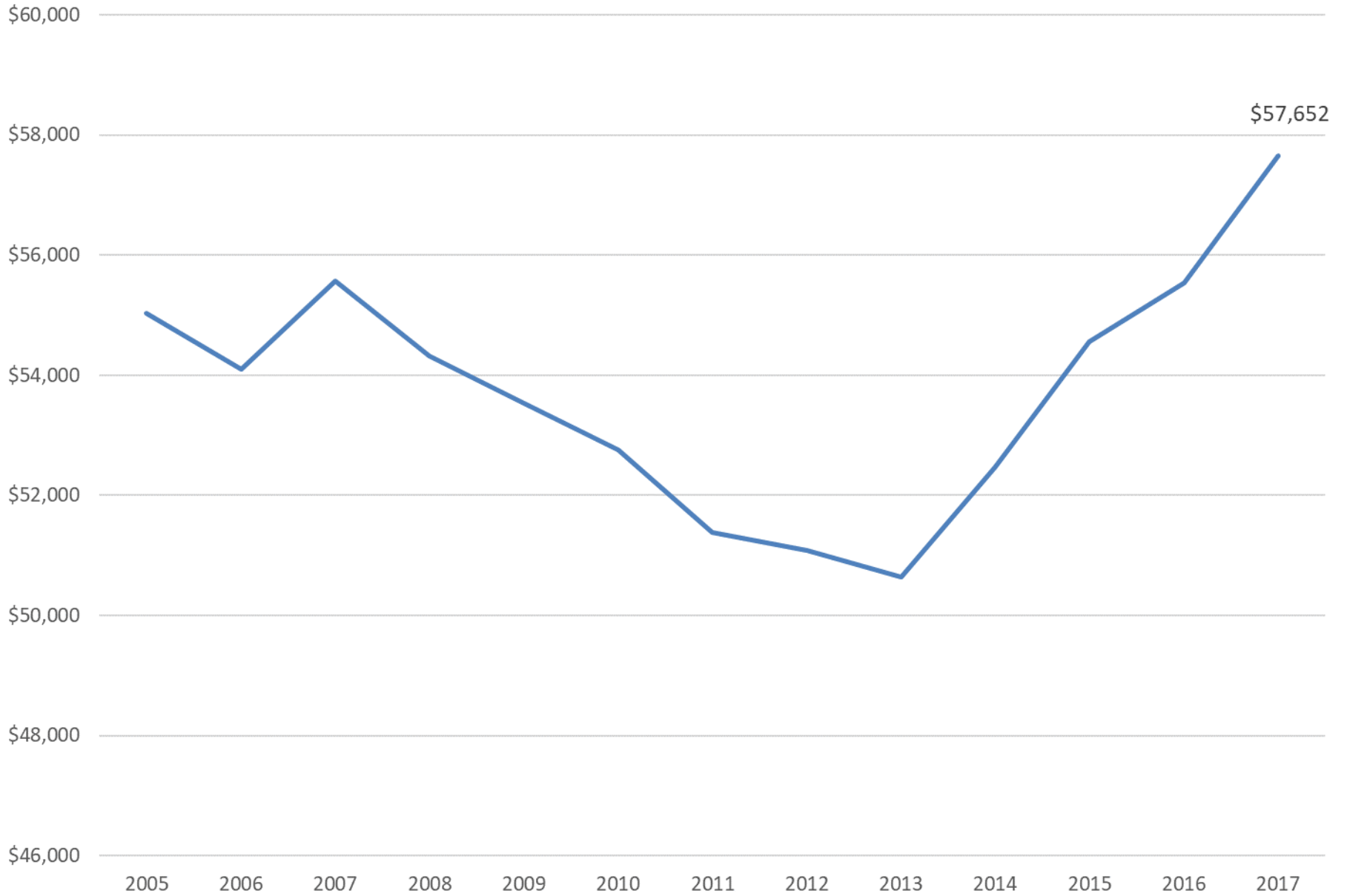
- U.S. Census Bureau, American Community Survey
 - ▣ Median household income (\$53,024)
 - ▣ Median family income (\$67,340)
 - ▣ Median earnings of full-time, year-round workers (\$43,158)
 - ▣ Per capita income (\$29,886)
- U.S. Bureau of Economic Analysis
 - ▣ Per capita personal income (\$46,485)
 - ▣ Average earnings per job (\$48,622)
 - ▣ Per capita wages and salaries (\$45,053)
- U.S. Bureau of Labor Statistics
 - ▣ Average annual wages (\$43,911)

Percent of Households by Income Level, 2017

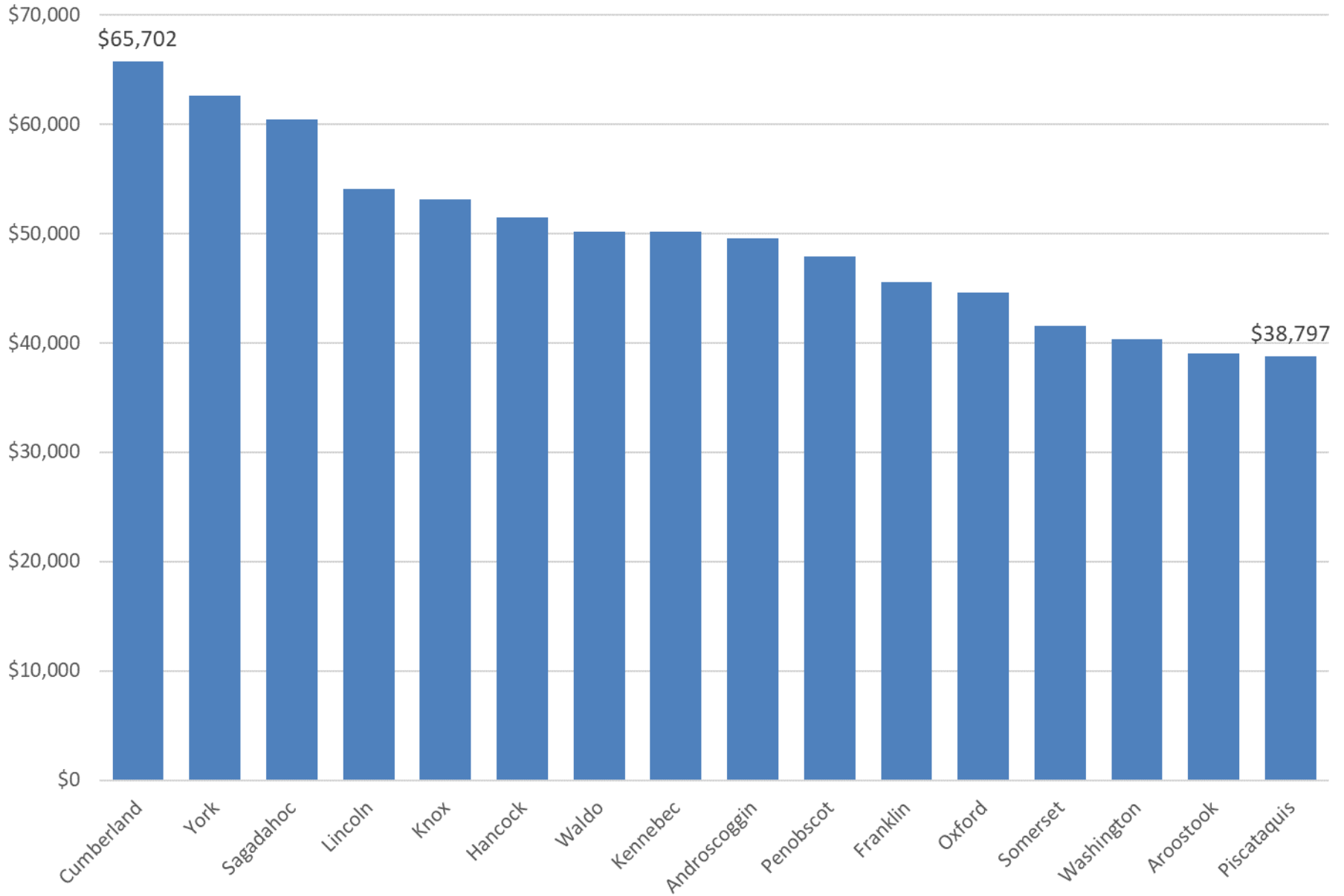
■ U.S. ■ New England ■ Maine



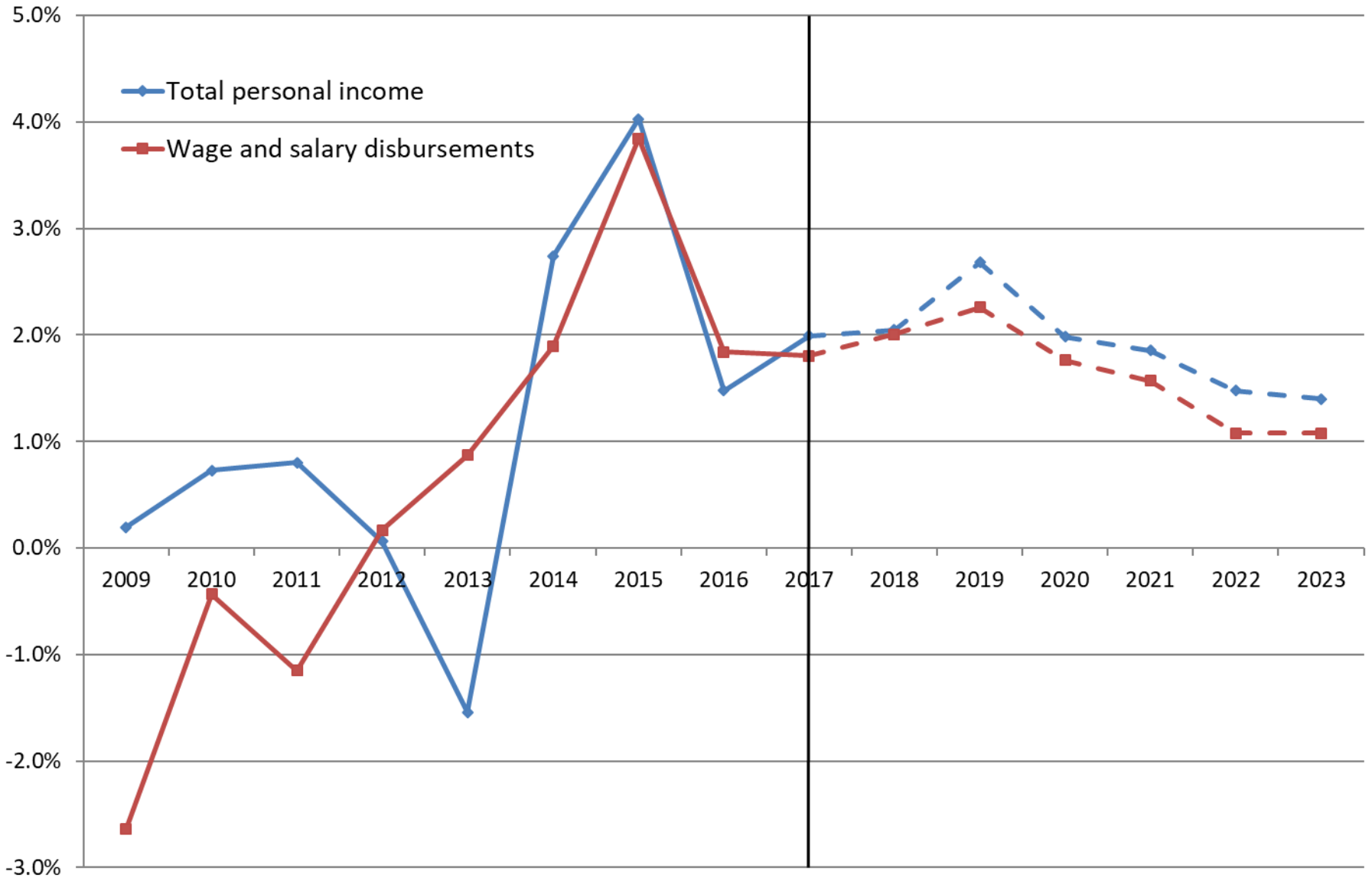
Real Median Household Income (in 2018 \$)



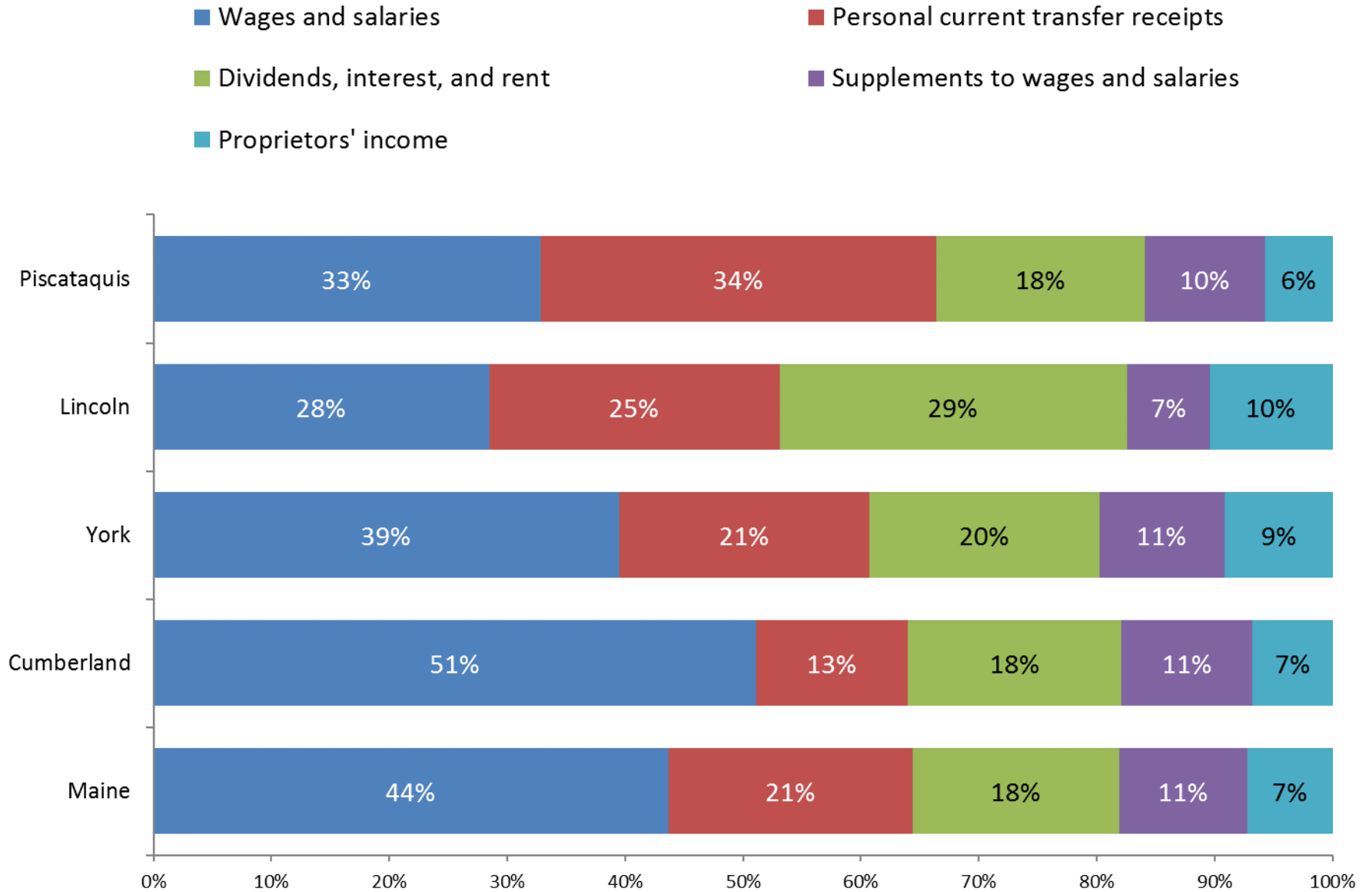
Median Household Income



Percent Change in Real Personal Income, Maine 2009-2017 and forecast to 2023



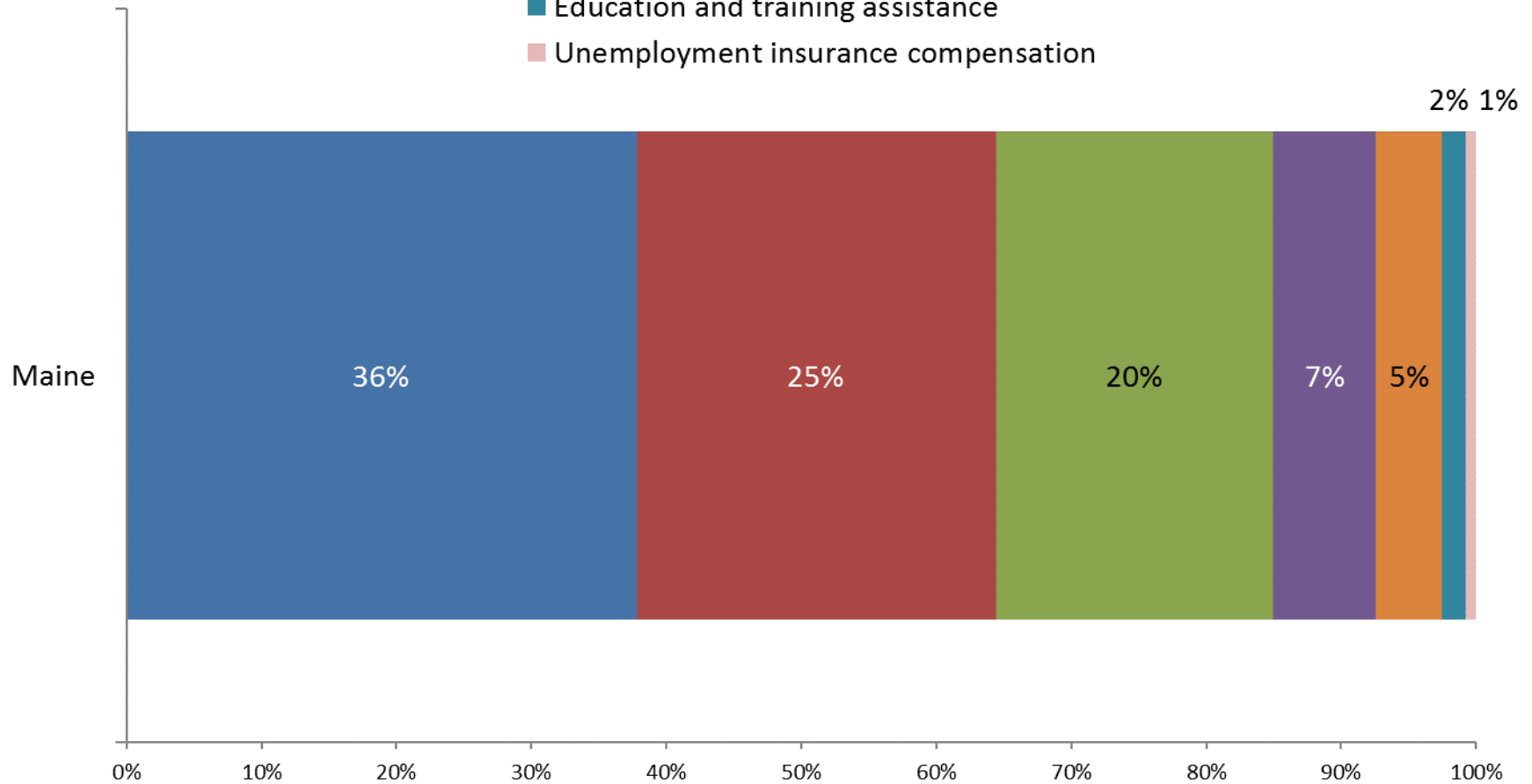
Major Components of Personal Income, 2017



Sources: U.S. Bureau of Economic Analysis; State Economist calculations

Components of Personal Current Transfer Receipts, 2017

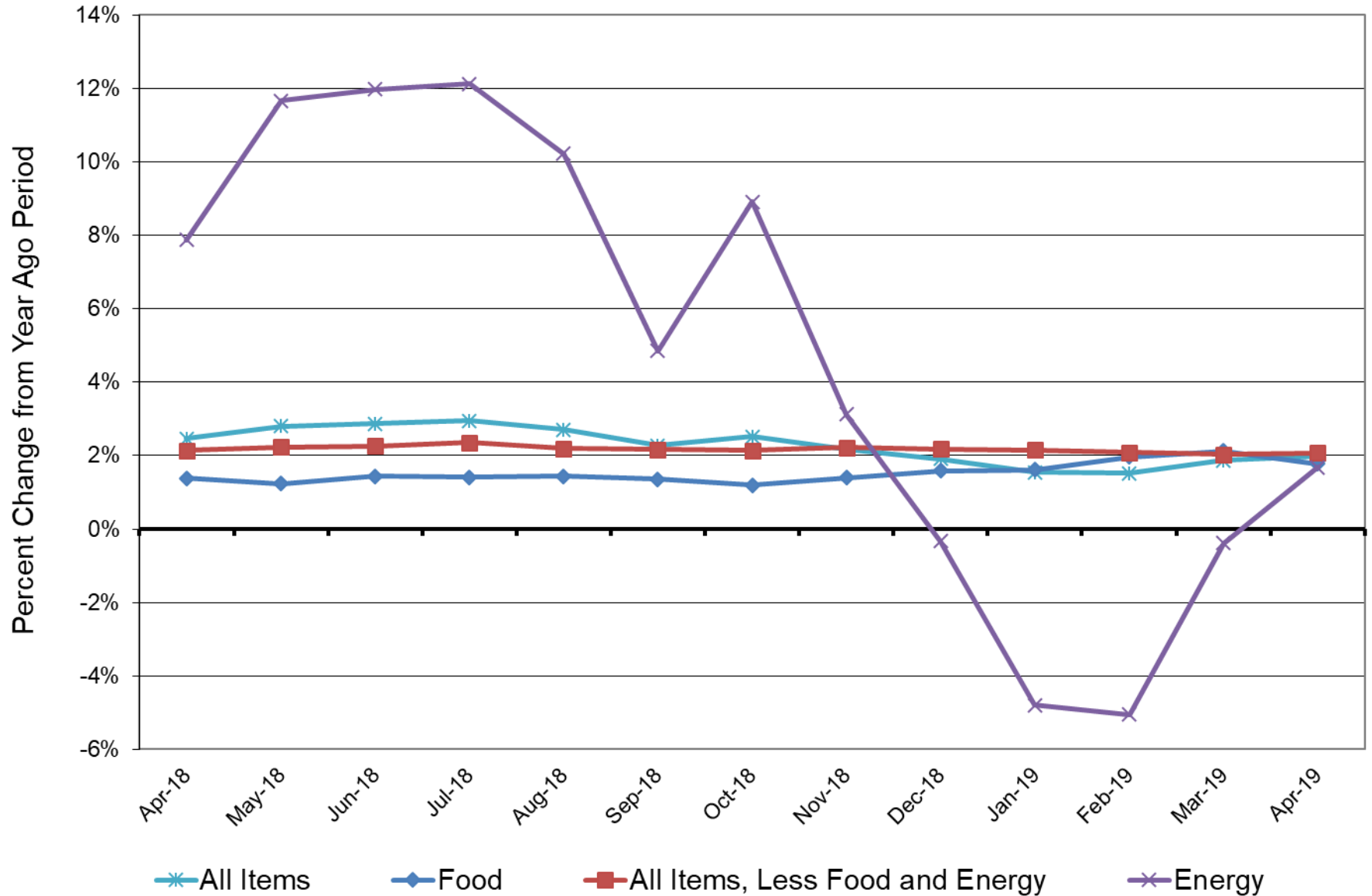
- Social Security benefits
- Medicare benefits
- Medicaid
- Income maintenance benefits
- Veterans' benefits
- Education and training assistance
- Unemployment insurance compensation



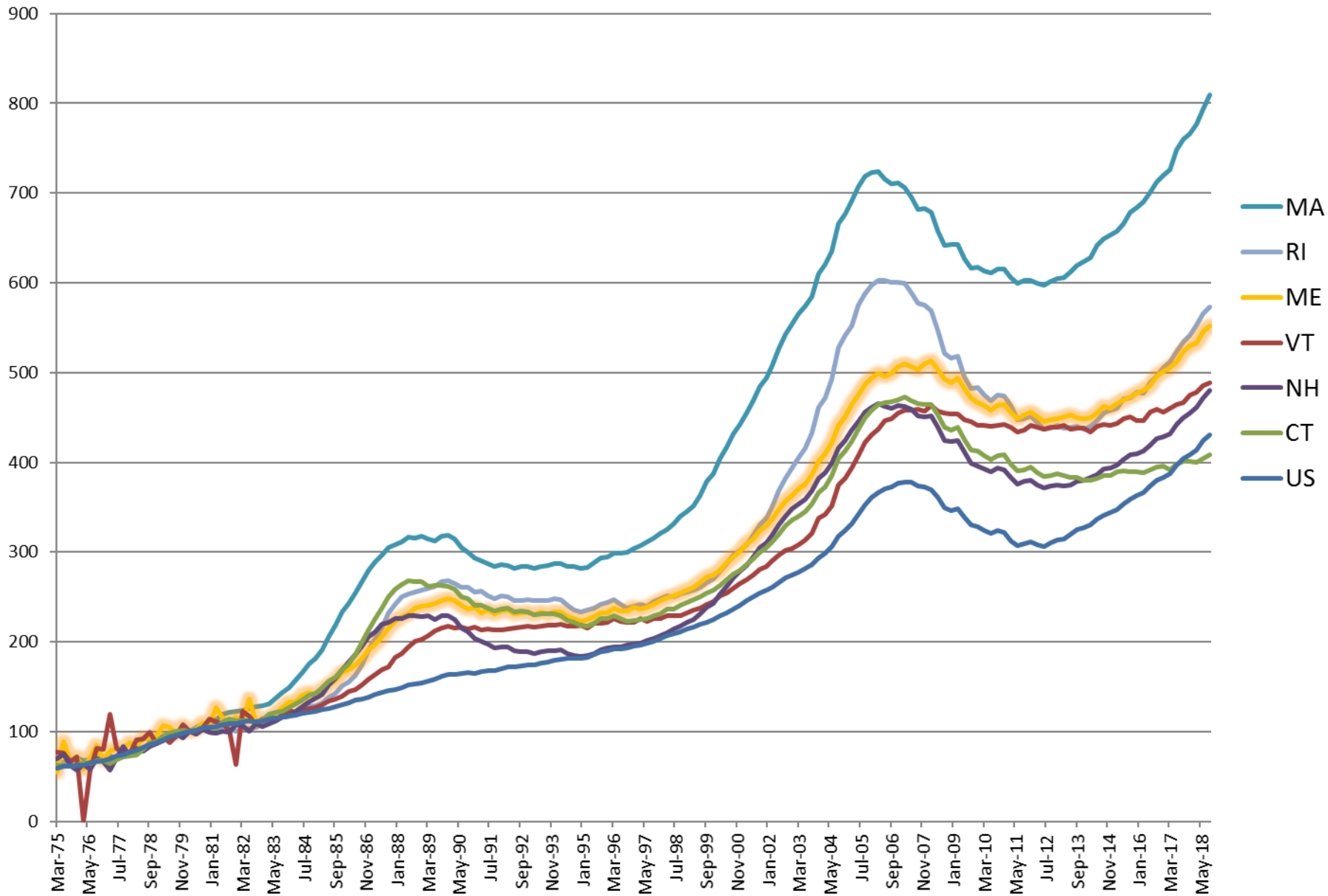
Other Economic Indicators



Consumer Price Index- U.S. All Urban



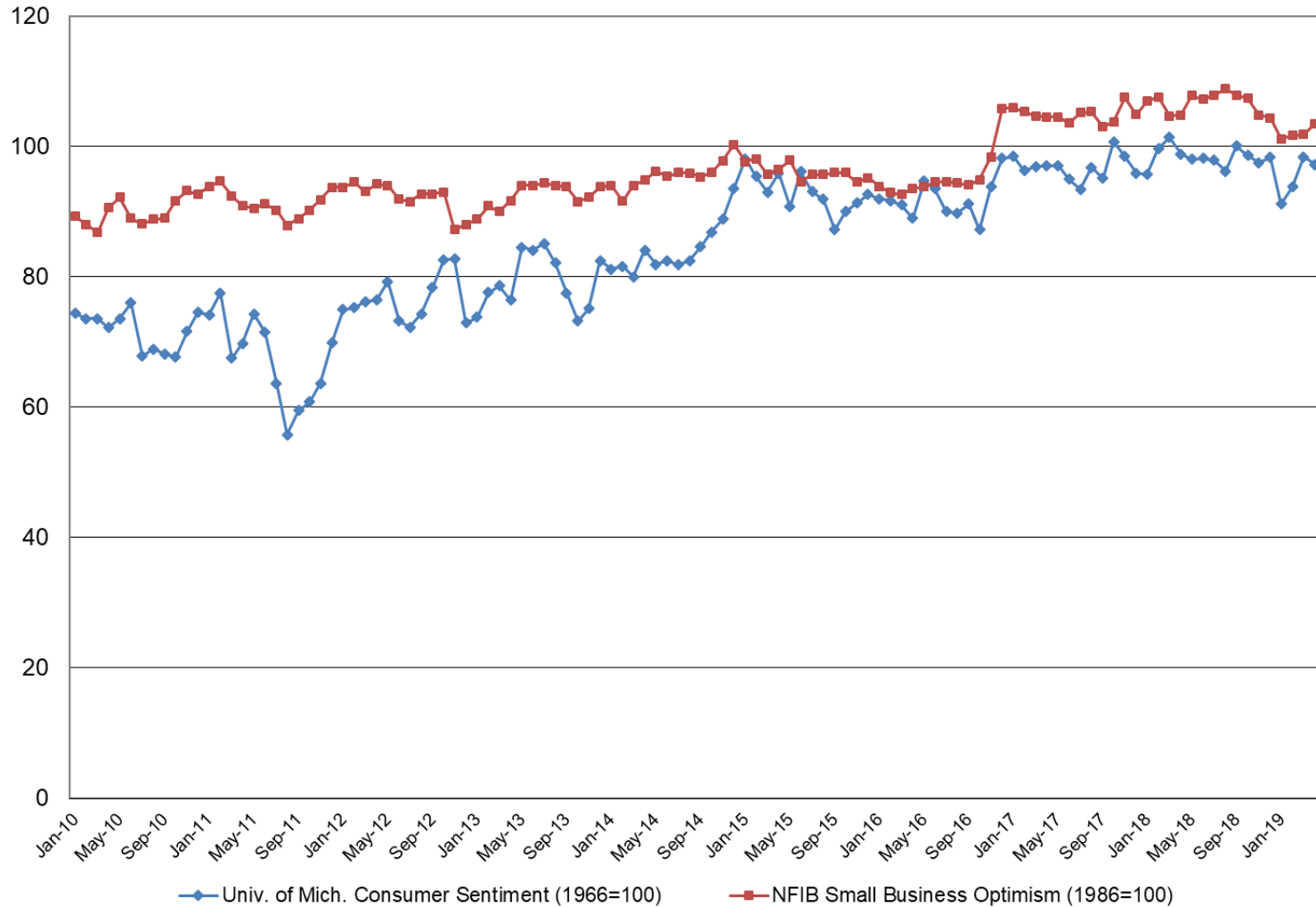
Home Price Index: Federal Housing Finance Agency (Q1 1980 = 100)



Source: Federal Housing Finance Agency, via Federal Reserve Bank of Boston

Consumer and Business Sentiment

Consumer Sentiment and Small Business Optimism Indexes

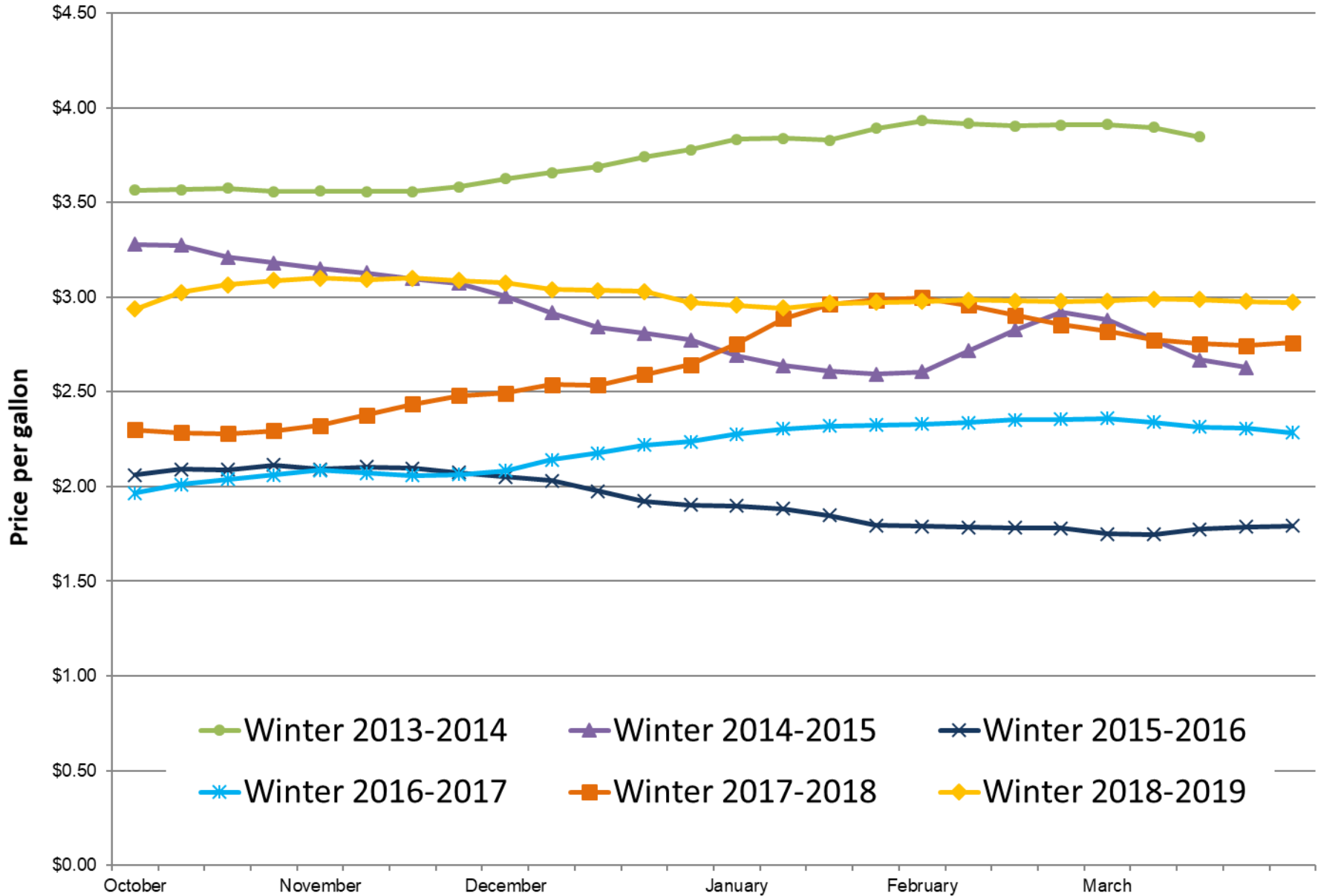


Energy

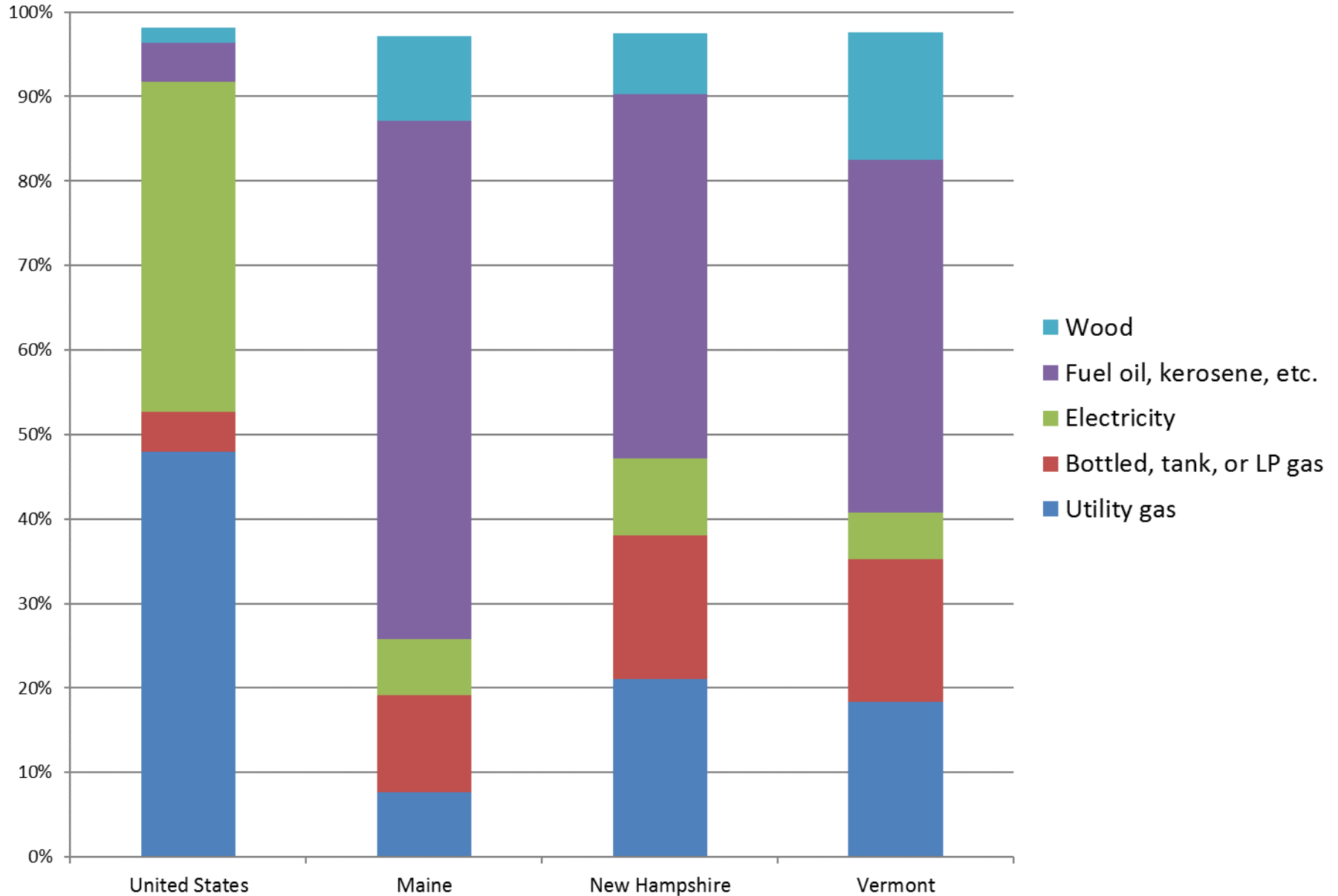


Maine relies heavily on heating oil and gasoline – as a result, crude oil prices have a big impact on Maine's economy

Maine No. 2 Heating Oil Residential Price



Percent of Housing Units by Type of Primary Heating Fuel (2017)



Weekly New England Retail Gasoline Prices (Dollars per Gallon)

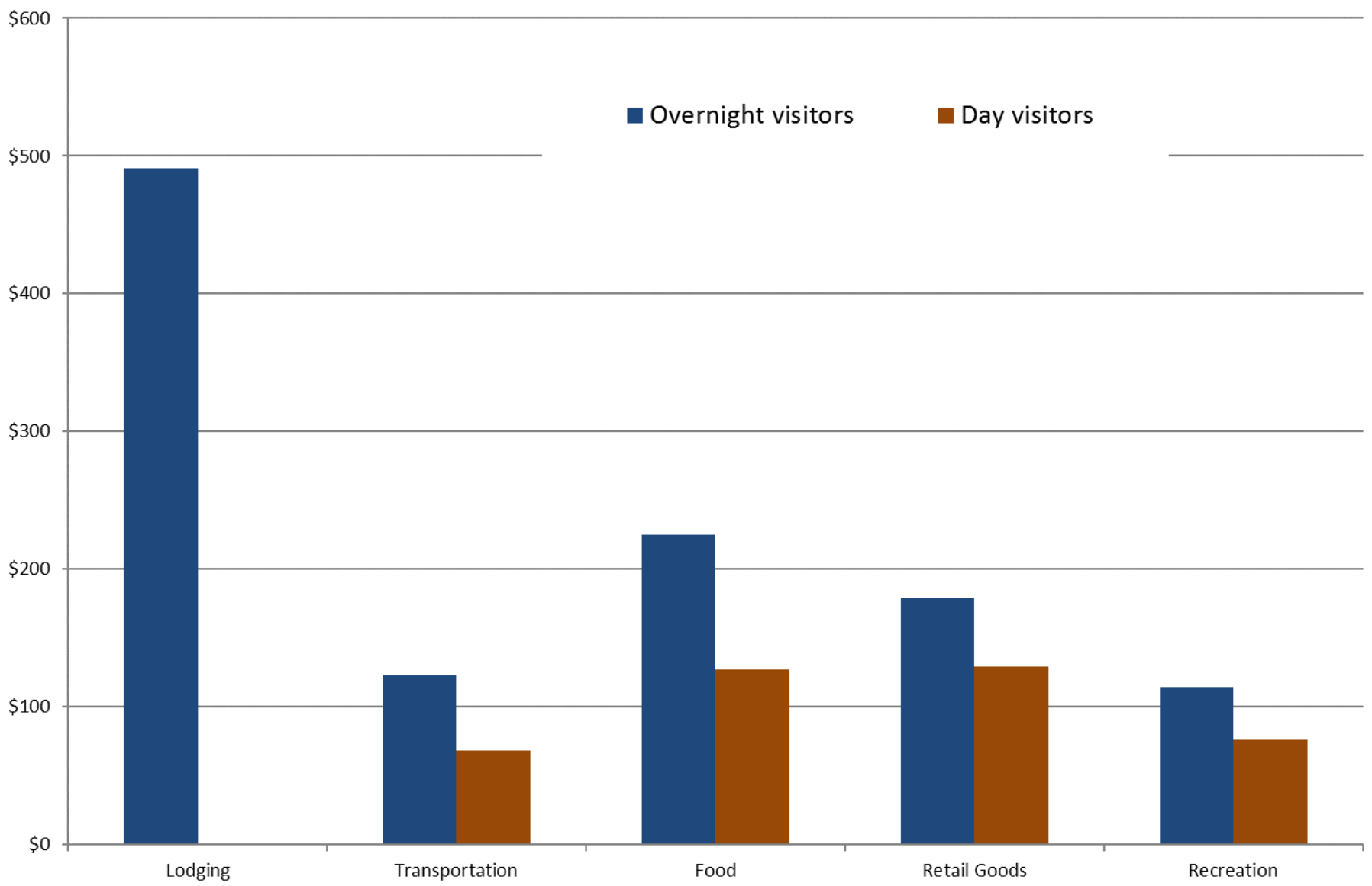


Source: U.S. Energy Information Administration

Taxable Retail Sales

Maine Retail Sales	% Change from Mar. 2018 to Mar. 2019	% Change last three months / same 3 month period one year ago
Building Supply	2.8%	3.5%
Food Store	0.8%	1.2%
General Merchandise	5.0%	2.0%
Other Retail	7.1%	7.6%
Restaurant	4.9%	4.3%
Lodging	17.4%	20.1%
Auto Transportation	6.4%	4.4%
Total	5.9%	5.2%
Business Operating	11.2%	12.3%
Personal Consumption	5.2%	4.3%

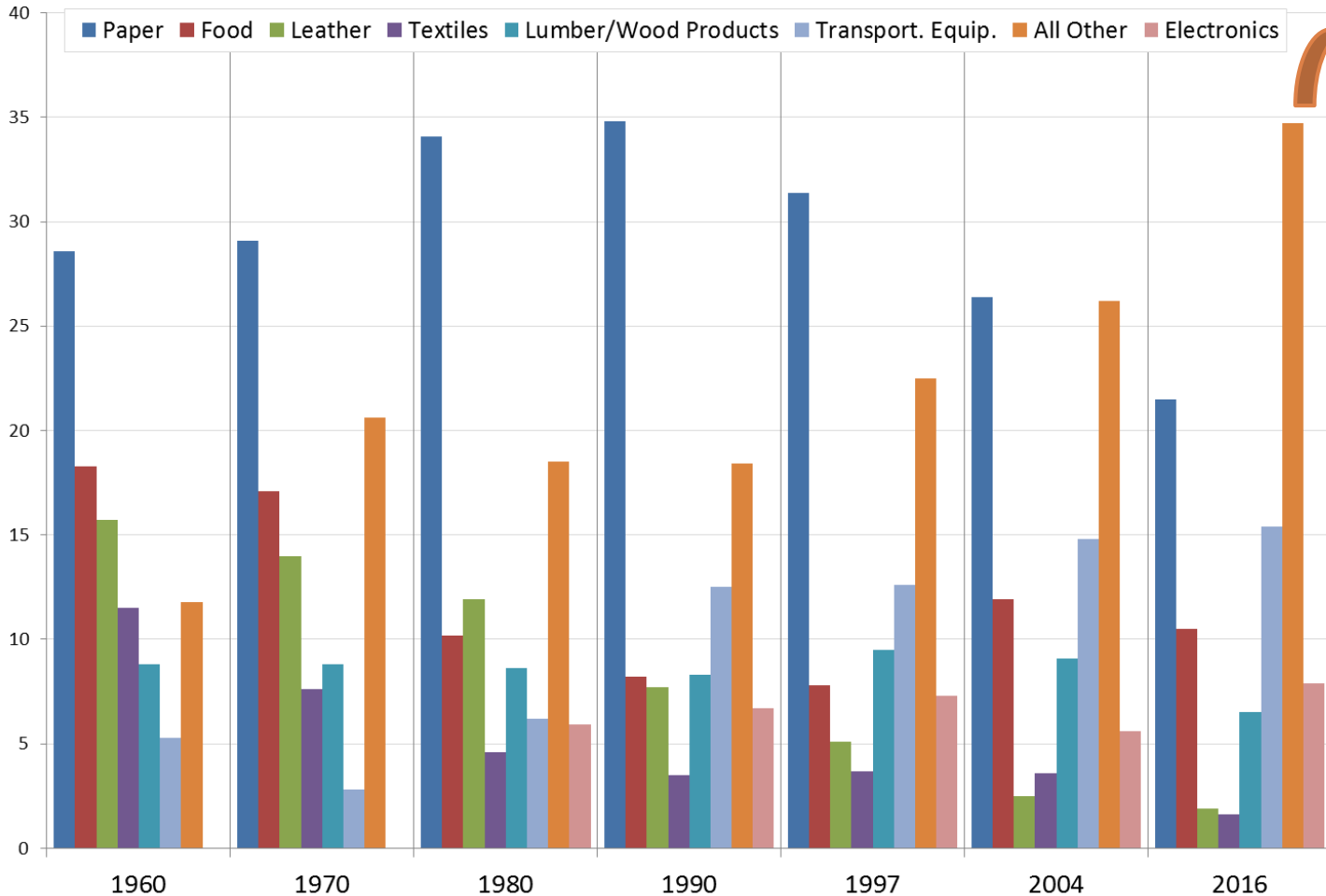
Average 2017 Visitor Spending on Trips to Maine per Travel Party (excluding parties who did not spend money in that category)



Source: Maine Office of Tourism, 2017 Visitor Tracking Research Annual Report

Manufacturing is more diverse now

Share of Value of Manufactured Product by Selected Industry Groups



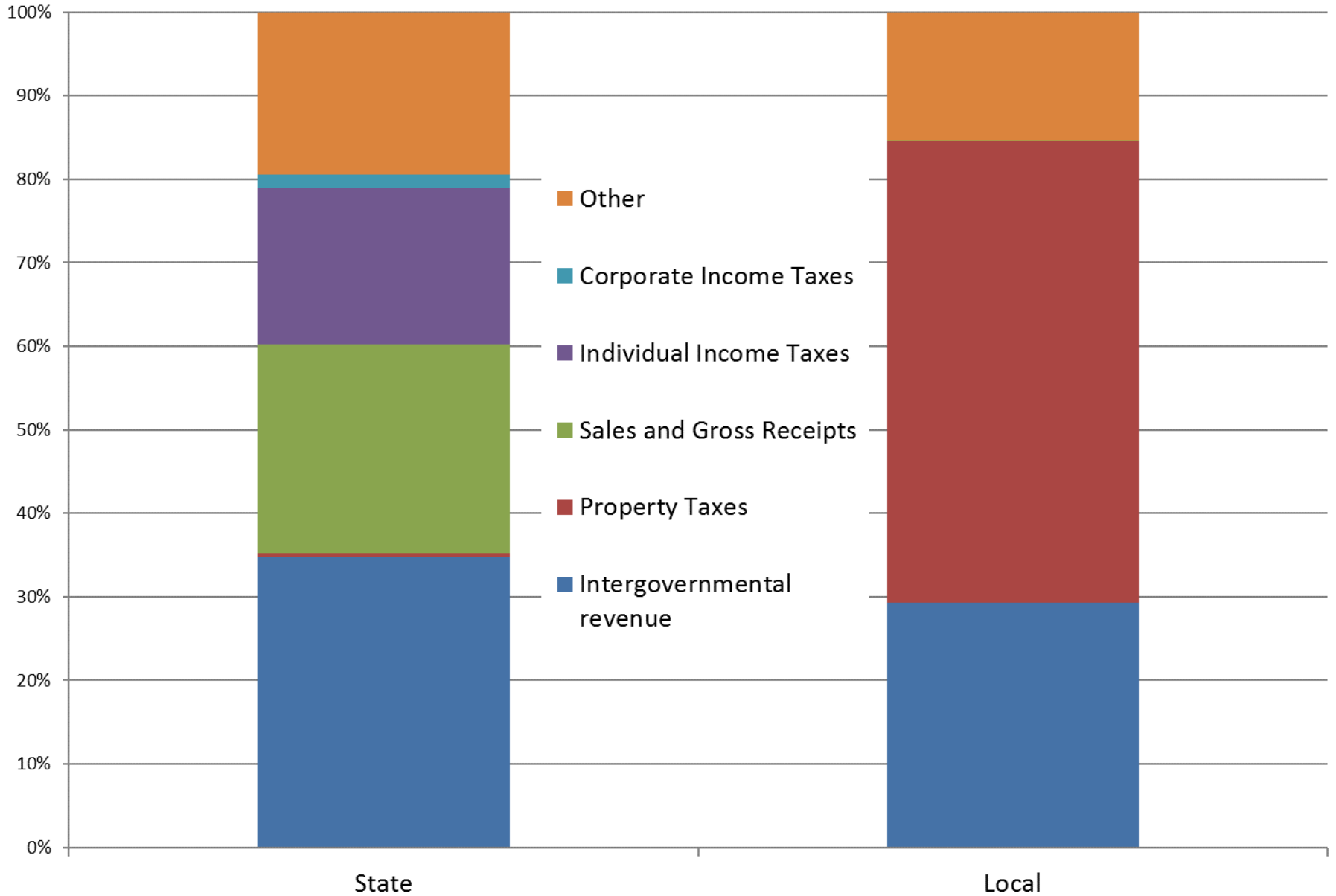
“All Other” in 2016:

- Fabricated metal product (7.7%)
- Beverage and tobacco product (5.2%)
- Plastics and rubber products (4.7%)
- Chemical (4.2%)
- Machinery (4.2%)
- And more!

Government



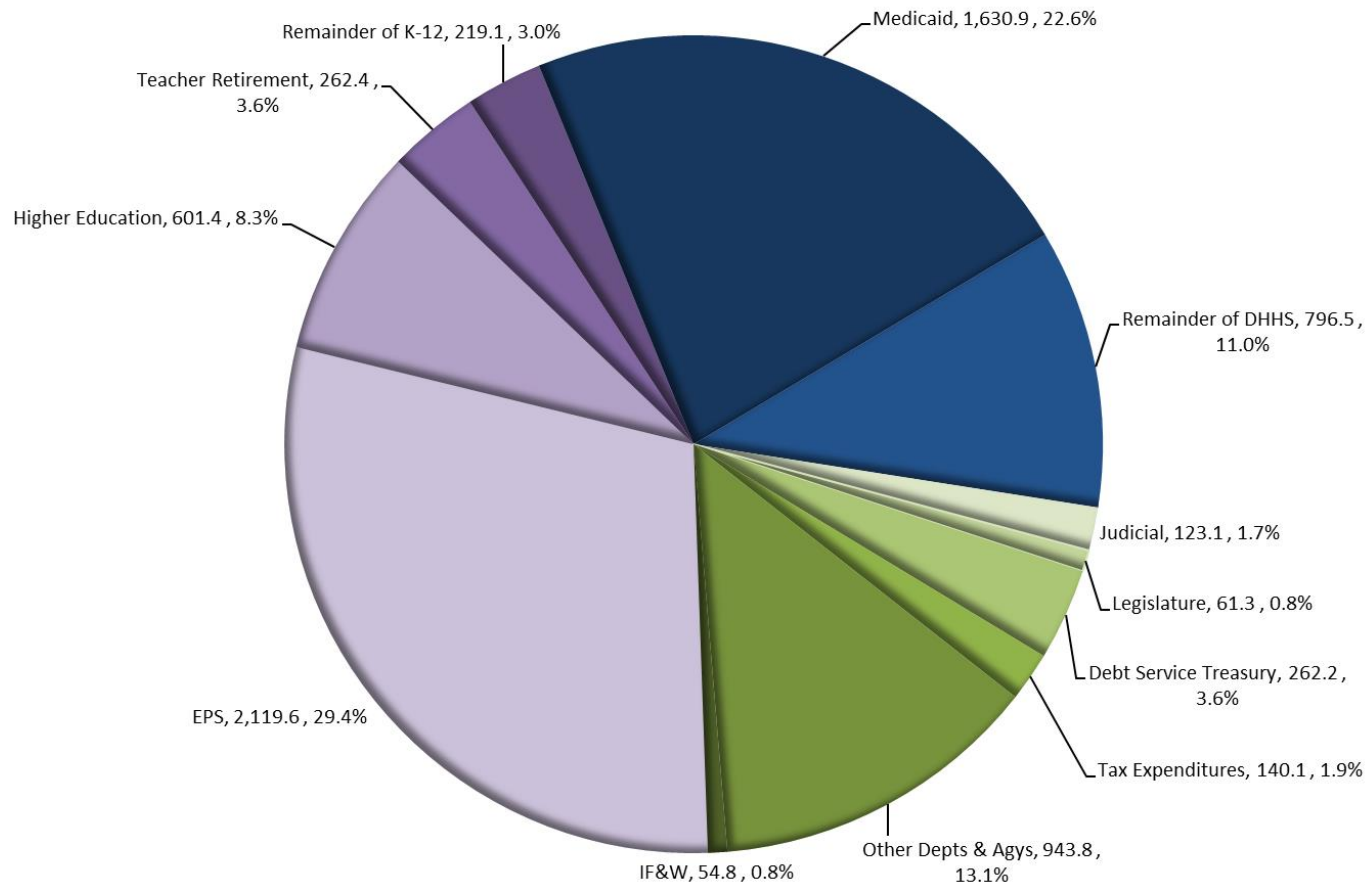
General Revenues by Source, 2016



Source: U.S. Census Bureau, 2016 Annual Survey of State and Local Government Finances

Original General Fund Budgeted Appropriations through the 128th 2nd Special Session for the FY 2018-2019 biennium were \$7.215 billion

2018-2019



To sum up

- Maine's demographics are reflected in
 - population growth,
 - labor force availability,
 - employment growth,
 - income and wages,
 - and more.

In order to understand the economy, you have to understand the demographics.

The Near-Universal Challenge: Workforce

- Existing workforce is aging, population growth has been slow (although starting to accelerate), and unemployment is at historic lows
- *Solution: need to continue attracting new workers and utilizing all the potential workers we already have*

How do we make sure workers know there are jobs in Maine?

Contact Information

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