

**THE ECONOMIC
OUTLOOK FOR MAINE**

**MAINE CHAPTER
APPRAISAL INSTITUTE**

JUNE 15, 2020

**AMANDA RECTOR
MAINE STATE ECONOMIST**

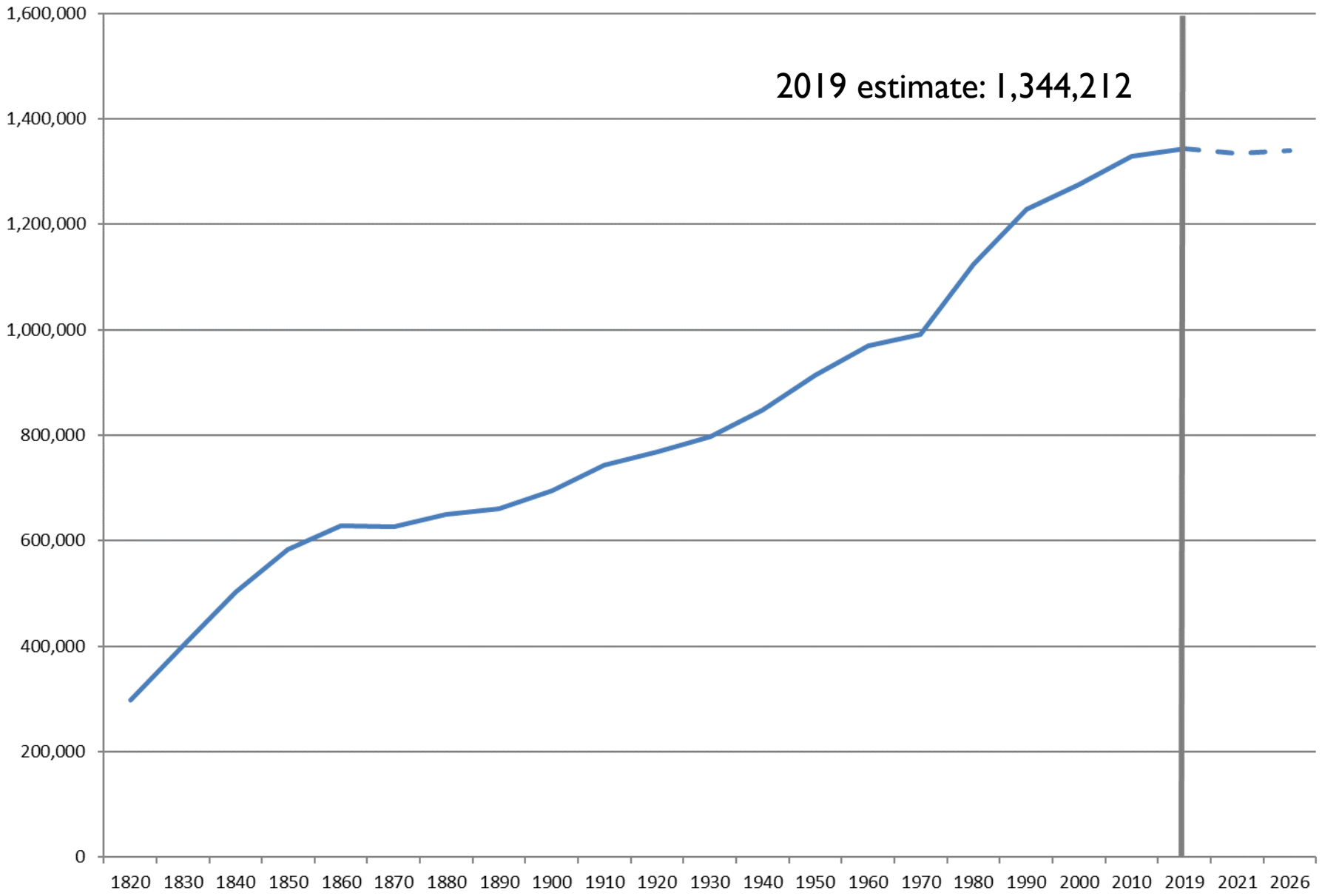
OVERVIEW

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



DEMOGRAPHICS

Total Population, Maine



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

MAINE: A DEMOGRAPHIC SNAPSHOT

- 2019 Population Estimate: 1,344,212
 - 42nd largest in US
- 2010 – 2019 Population Change: +1.2%
 - 40th among U.S. states (ahead of WV, IL, VT, CT, MS, NY, RI, PA, NJ, MI)
- 2018 Median age: 44.9 years
 - Oldest in US
- 6.9% not identifying as white, non-Hispanic
 - Lowest percentage in US



IMPROVING POPULATION GROWTH

- In 2019, Maine's rate of total population increase (0.4%) ranked 25th
- The annual rate of net migration (5.6 people per 1,000 population) ranked 16th in the nation

What's happening?

- Other states in the U.S. are starting to see their populations age and migration (both domestically and internationally) has slowed
- Maine has been at the leading edge and now other states are catching up

COUNTIES WITH POSITIVE NET MIGRATION

2010 - 2019

- Cumberland (11,817)
- York (11,346)
- Hancock (1,860)
- Kennebec (1,623)
- Oxford (1,481)
- Lincoln (1,445)
- Waldo (1,382)
- Knox (1,171)
- Sagadahoc (817)
- Piscataquis (144)
- Franklin (93)

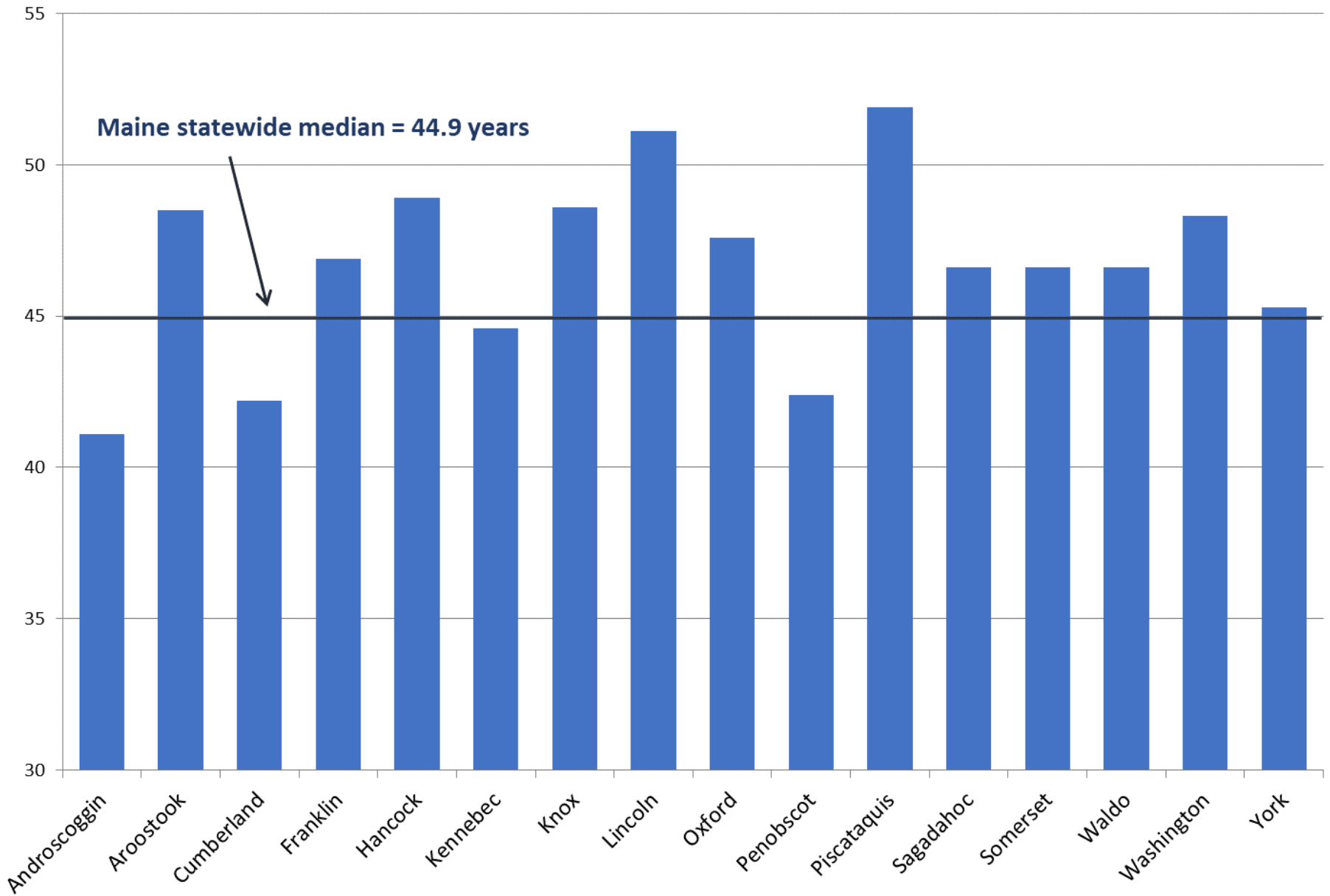
2018 - 2019

All counties had positive net migration with the exception of Aroostook, which was neutral (migration out = migration in)

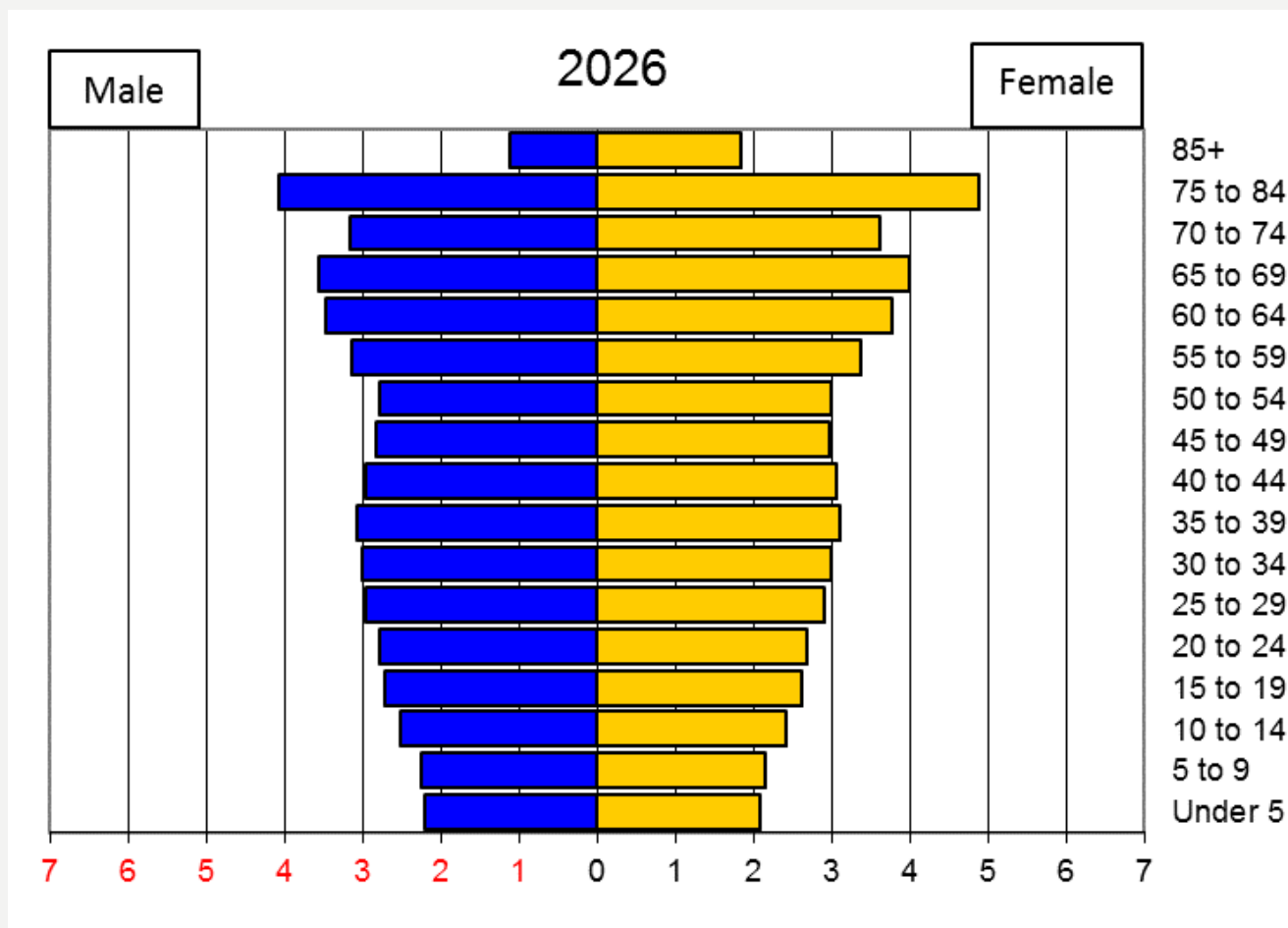
Topping the list were:

- York (2,052)
- Cumberland (1,328)

Median Age

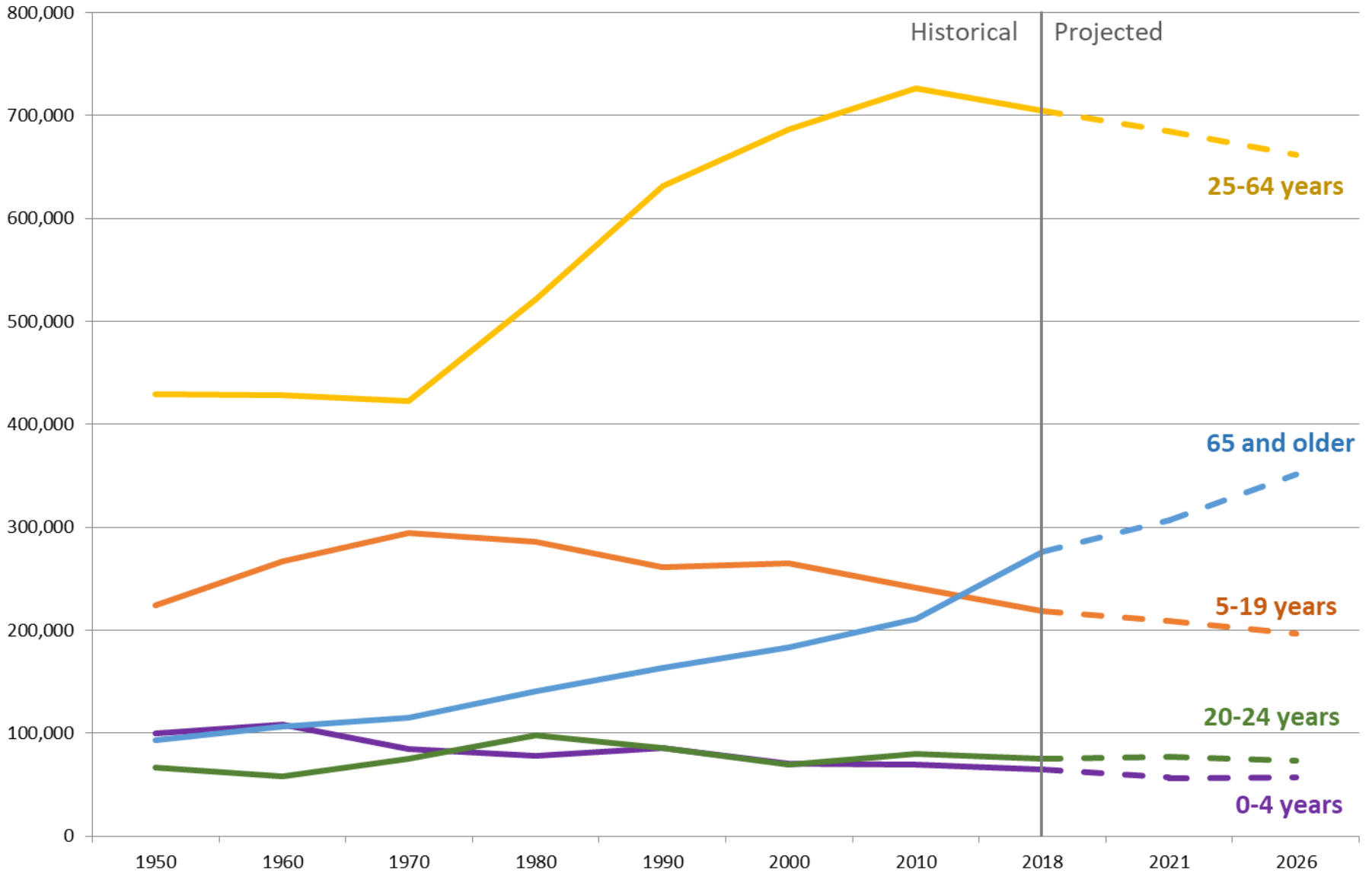


THE BABY BOOM WAVE



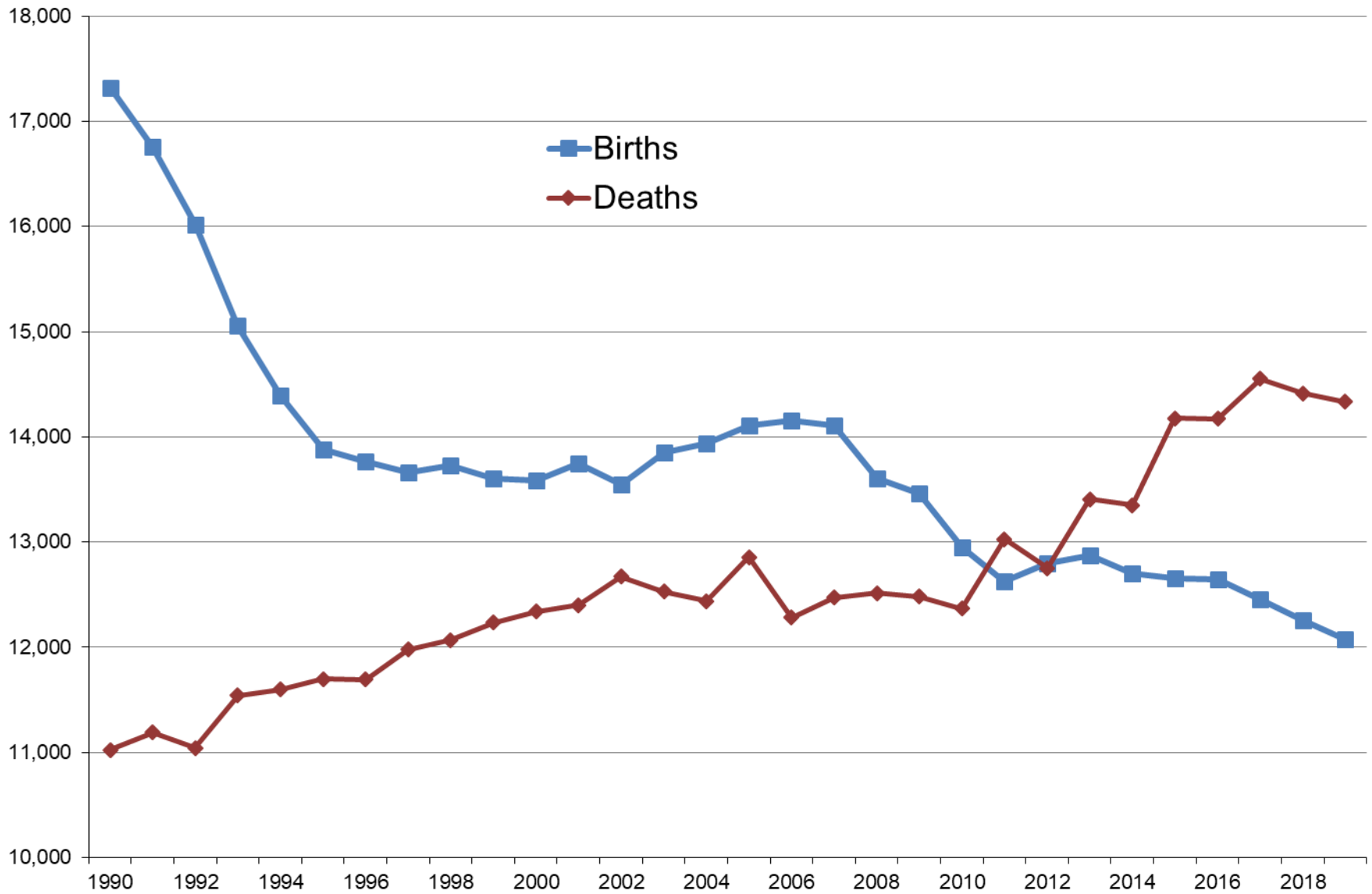
Maine Population Trends by Age

1950-2026

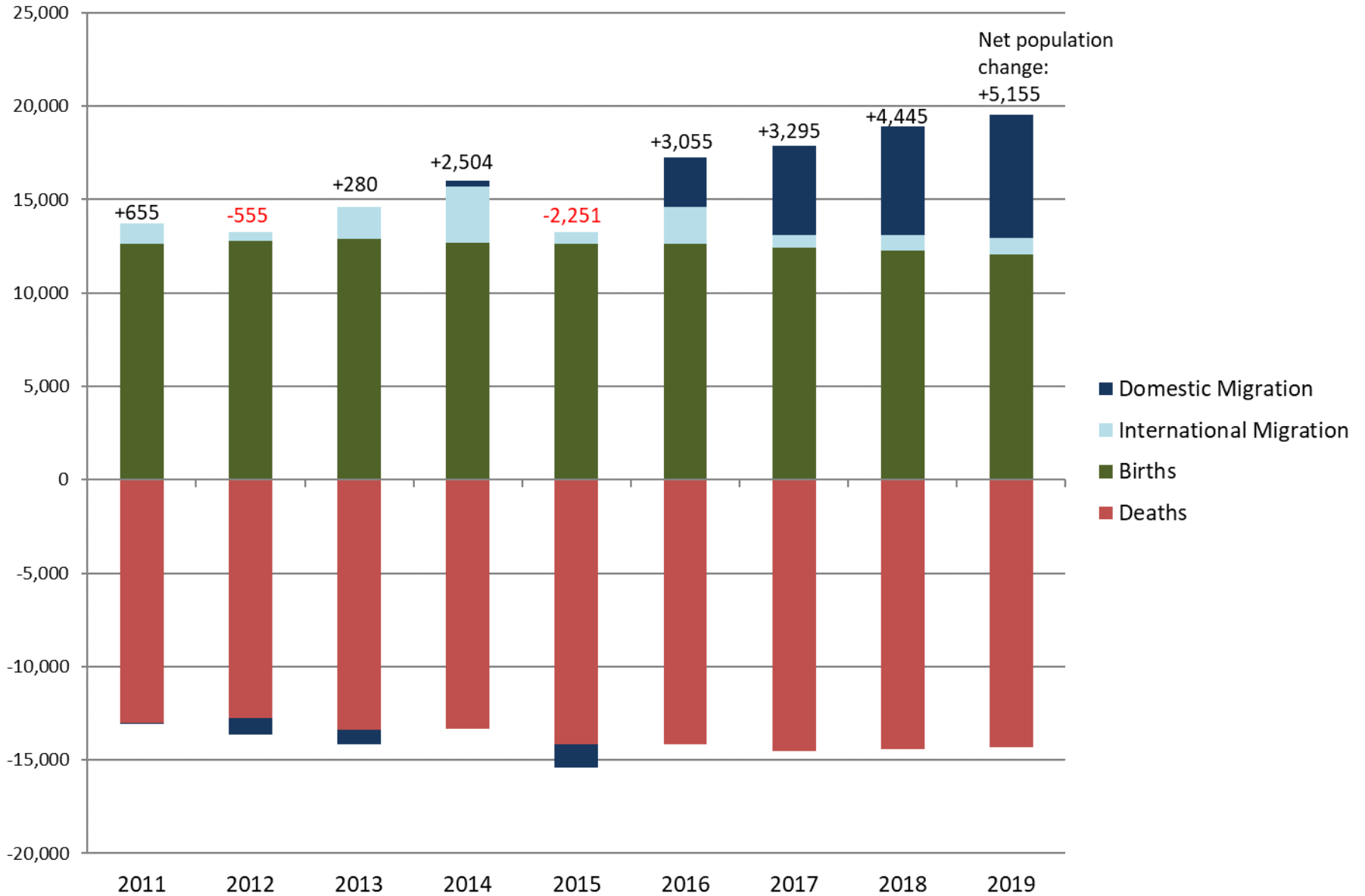


Sources: U.S. Census Bureau, Decennial Census; State Economist population projections

Births and Deaths per year in Maine



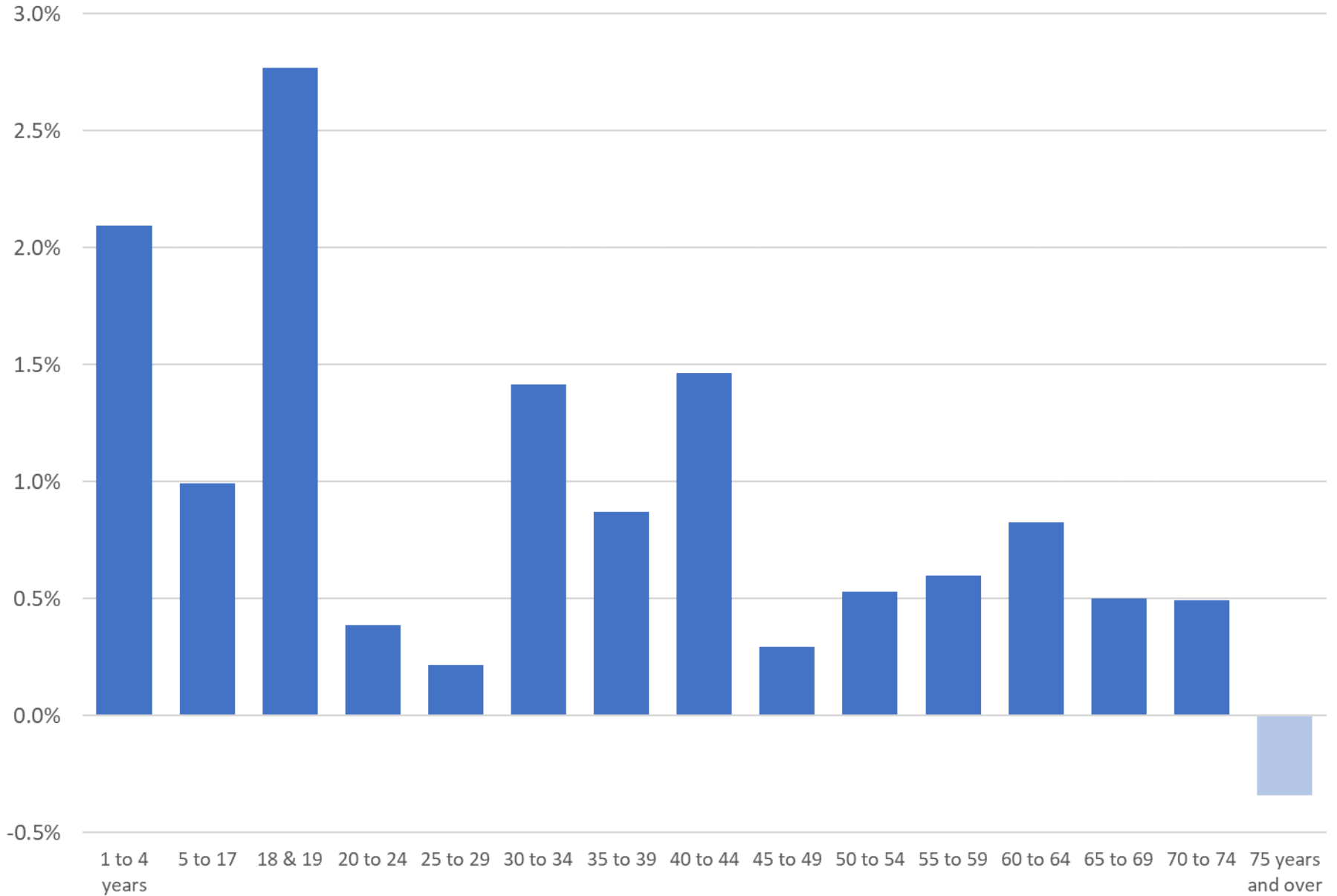
Components of Population Change, Maine



WHERE ARE PEOPLE MOVING TO/FROM?

2018 State-to-State Migration Patterns			
<i>Moved to Maine from:</i>		<i>Moved from Maine to:</i>	
Massachusetts	5,775	New Hampshire	4,016
New Hampshire	4,731	Massachusetts	3,188
New York	2,909	Florida	2,783
Texas	2,386	Connecticut	1,342
Florida	2,082	California	1,294
Connecticut	1,734	North Carolina	1,235
Pennsylvania	1,393	Maryland	990
Michigan	1,320	Pennsylvania	916
North Carolina	1,049	Colorado	912
Vermont	997	Texas	815

Annual Domestic Migration Rate by Age, 2018

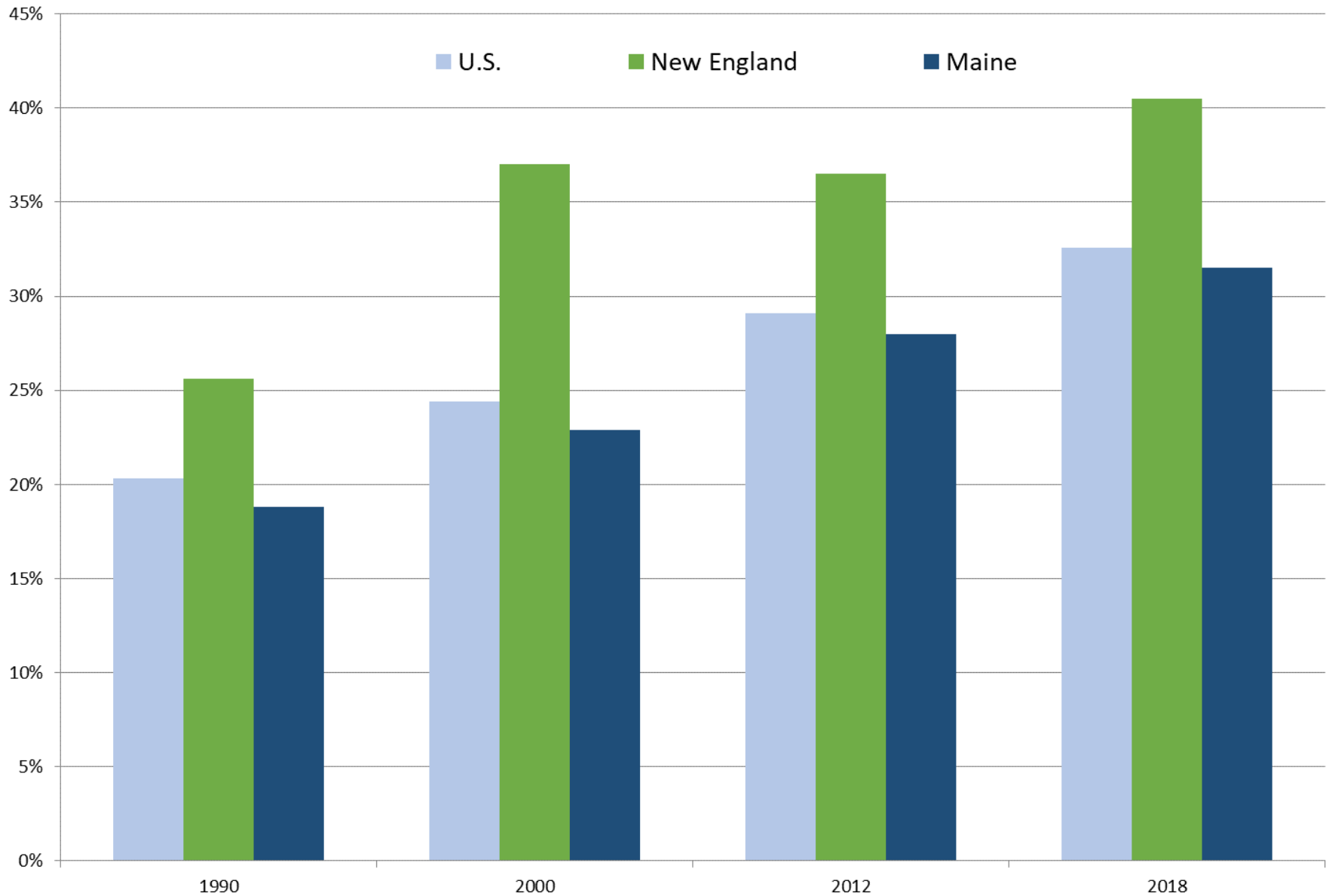


Source: U.S. Census Bureau, 2018 American Community Survey 1-year estimates

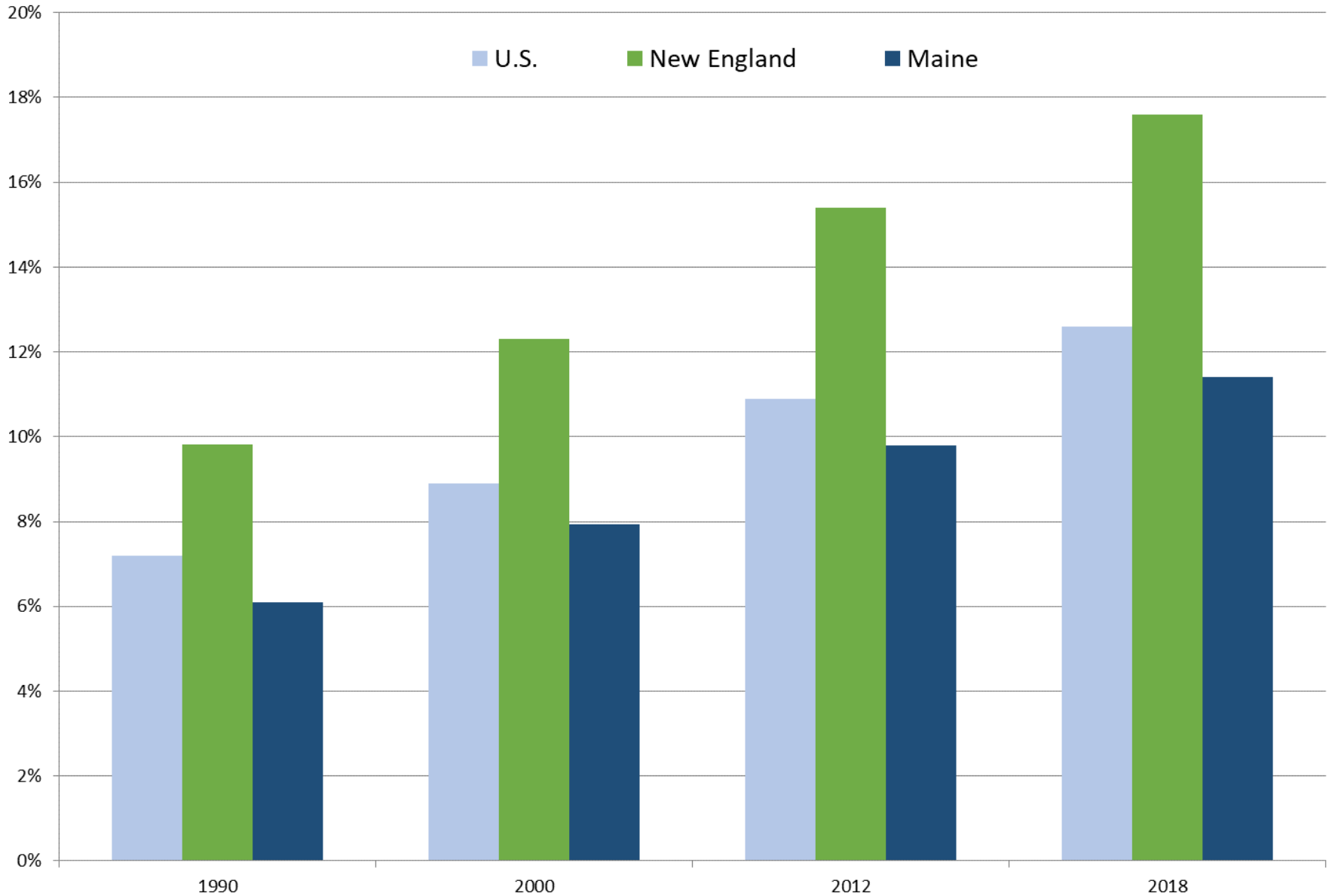
WHO ARE THE PEOPLE MOVING TO MAINE?

Net domestic migration, Maine, 2018		
	Number	Migration rate
Less than HS graduate	-870	-1.3%
HS graduate/equivalent	762	0.2%
Some college or associate's degree	1,374	0.5%
Bachelor's degree	2,152	1.1%
Graduate or professional degree	2,308	2.1%

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



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



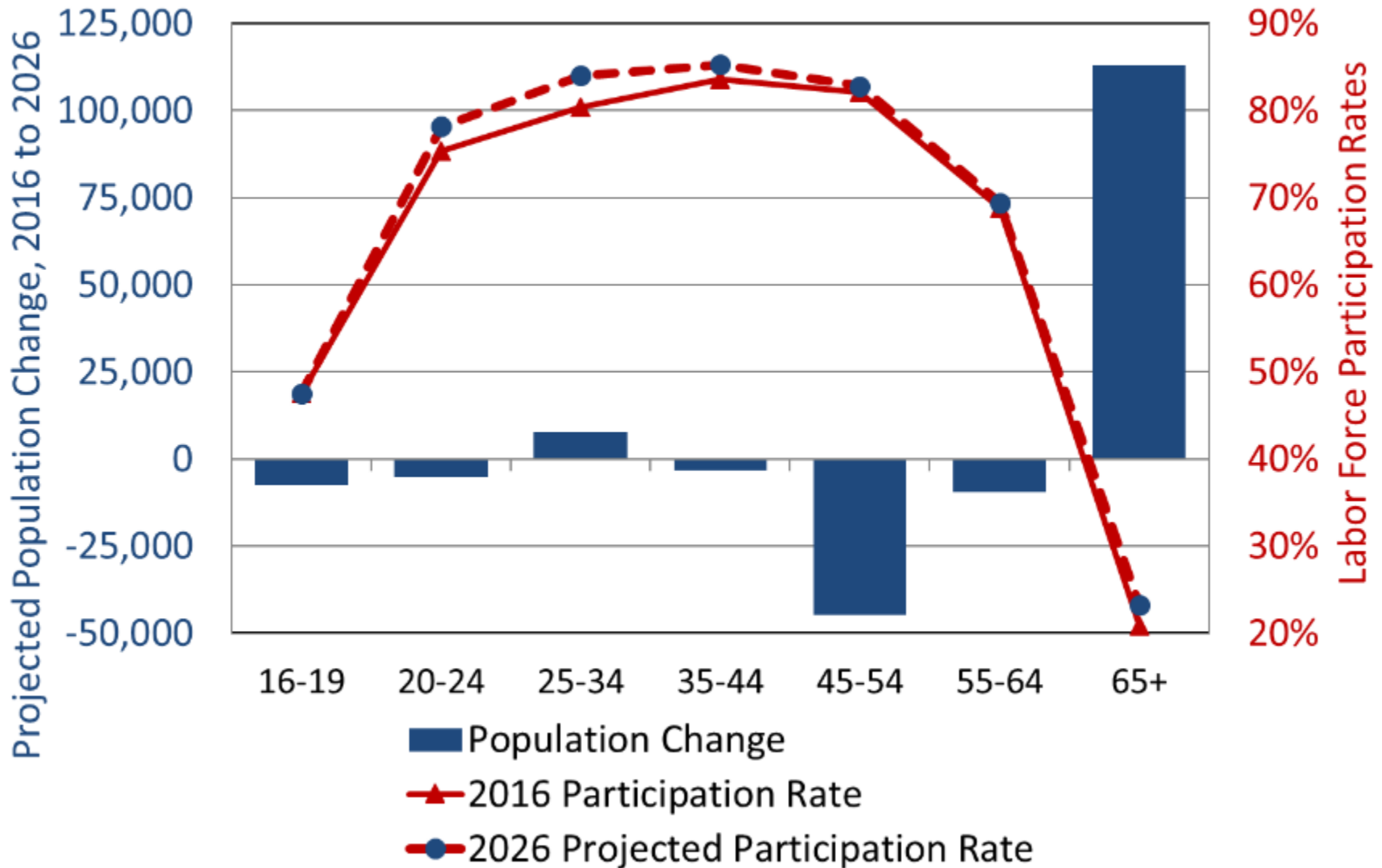
MIGRATION EFFECTS FROM COVID-19?

- Maine's lower population density may prove increasingly attractive to people in the coming months and years
- The ability to work remotely is making it easier for people to consider a move to Maine
- We'll be watching closely for indications of increased migration

WORKFORCE AND EMPLOYMENT

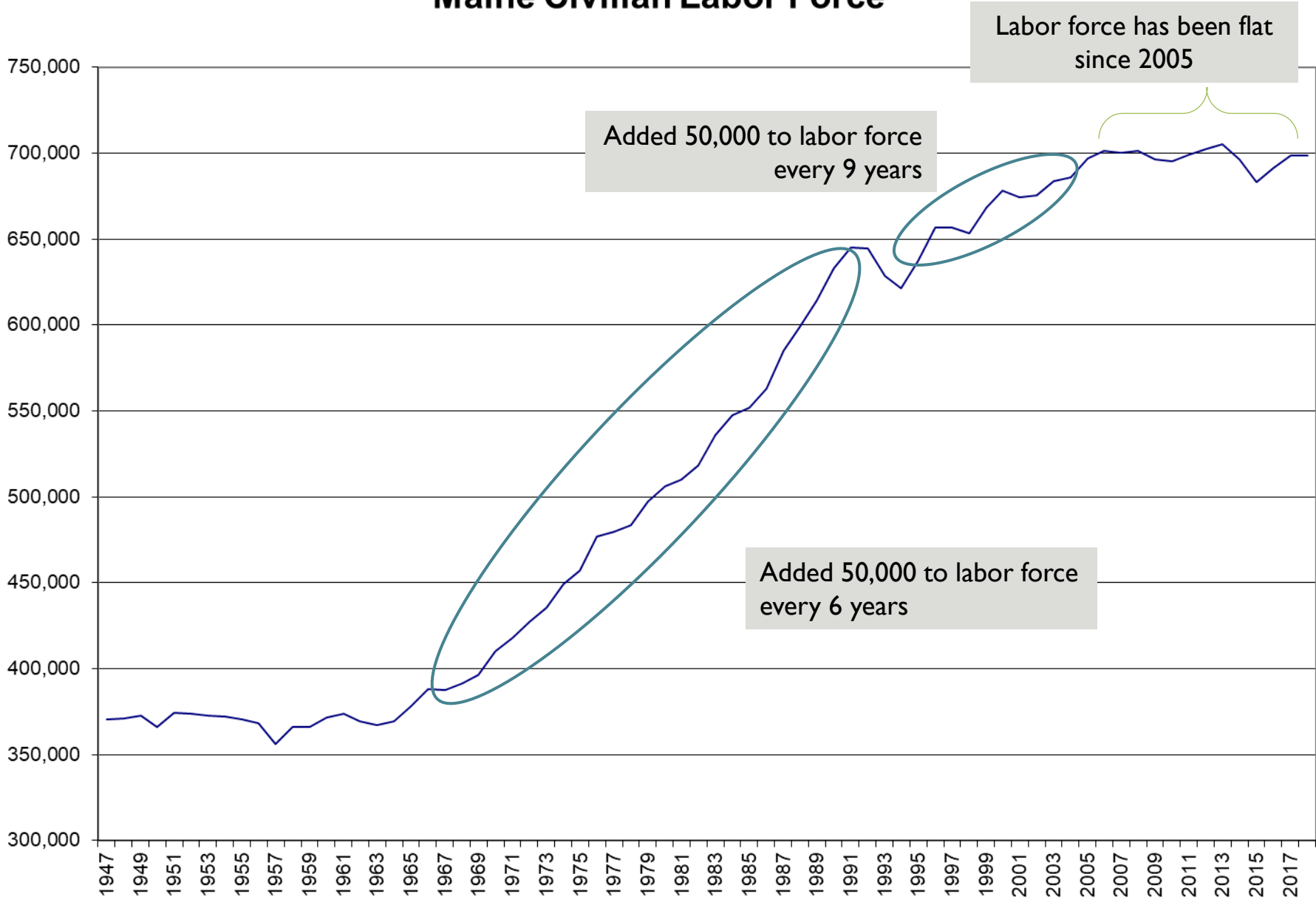


Projected Population Change and Participation Rates by Age Group in Maine



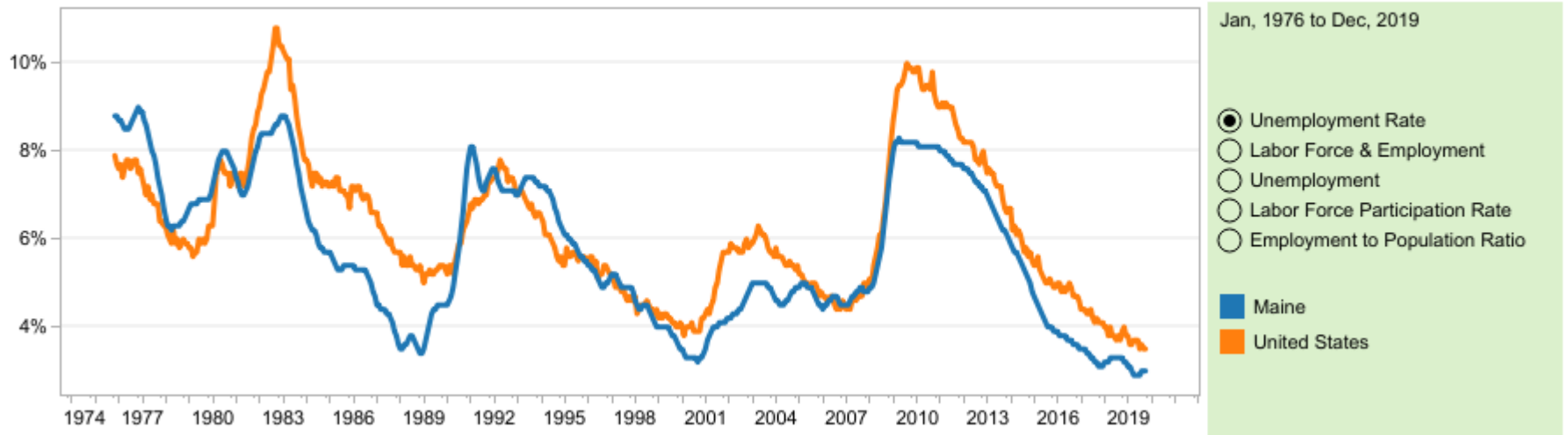
Source: Maine Department of Labor, *Employment Outlook to 2026*;
<https://cwrii.blogspot.com/2018/07/employment-outlookto-2026.html>

Maine Civilian Labor Force



UNEMPLOYMENT RATES IN MAINE AND THE U.S. WERE AT OR NEAR RECORD LOWS AT THE END OF 2019

Unemployment Rate
(seasonally adjusted)



UNEMPLOYMENT RATES IN ALL COUNTIES WERE LOWER AT THE END OF 2019 THAN AT THE END OF 2018

County Rates (not seasonally adjusted)

December, 2019

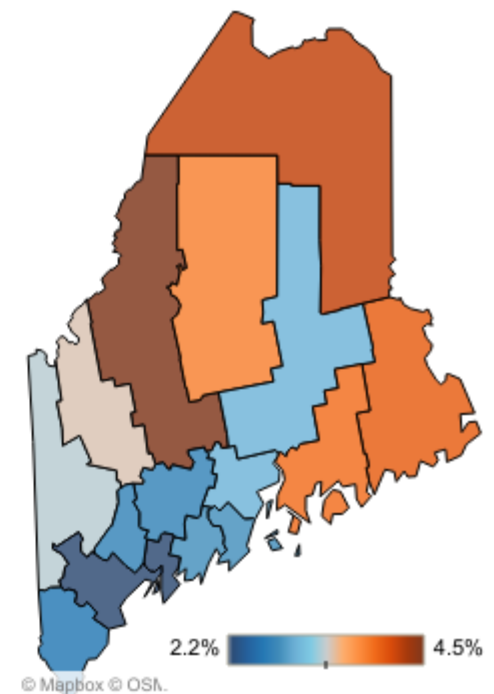
- Table
- Graph

Map/Graph Display

- Unemployment rate
- One-year change

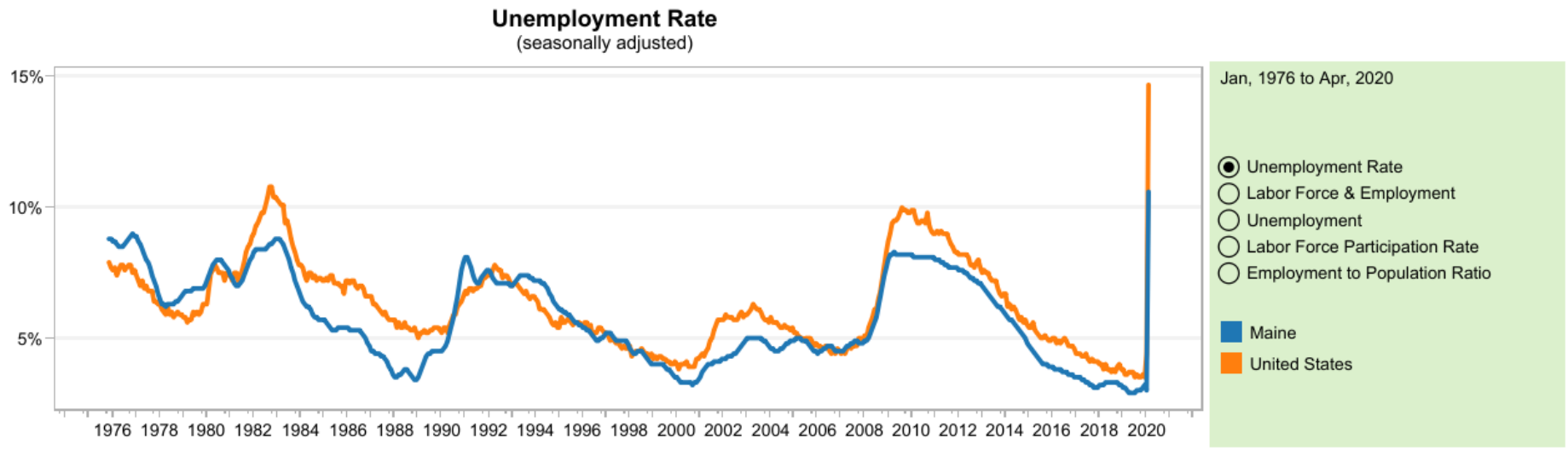
County	Rate	Year ago	One-yr change
Maine	2.8%	3.4%	-0.6 ↓
Androscoggin Cty	2.7%	3.1%	-0.4 ↓
Aroostook Cty	4.2%	5.0%	-0.8 ↓
Cumberland Cty	2.2%	2.5%	-0.3 ↓
Franklin Cty	3.4%	4.0%	-0.6 ↓
Hancock Cty	3.9%	4.6%	-0.7 ↓
Kennebec Cty	2.7%	3.2%	-0.5 ↓
Knox Cty	2.8%	3.1%	-0.3 ↓
Lincoln Cty	2.8%	3.3%	-0.5 ↓
Oxford Cty	3.3%	4.2%	-0.9 ↓
Penobscot Cty	3.0%	3.8%	-0.8 ↓
Piscataquis Cty	3.8%	4.4%	-0.6 ↓
Sagadahoc Cty	2.2%	2.5%	-0.3 ↓
Somerset Cty	4.5%	5.1%	-0.6 ↓
Waldo Cty	3.0%	3.6%	-0.6 ↓
Washington Cty	4.0%	4.7%	-0.7 ↓
York Cty	2.6%	3.0%	-0.4 ↓

Unemployment rate



Maine Department of Labor, Center for Workforce Research and Information

IN APRIL 2020, UNEMPLOYMENT RATES WERE THE HIGHEST ON RECORD AND ROSE MORE THAN IN ANY OTHER MONTH



UNEMPLOYMENT RATES JUMPED ACROSS ALL COUNTIES IN APRIL

County Rates (not seasonally adjusted)

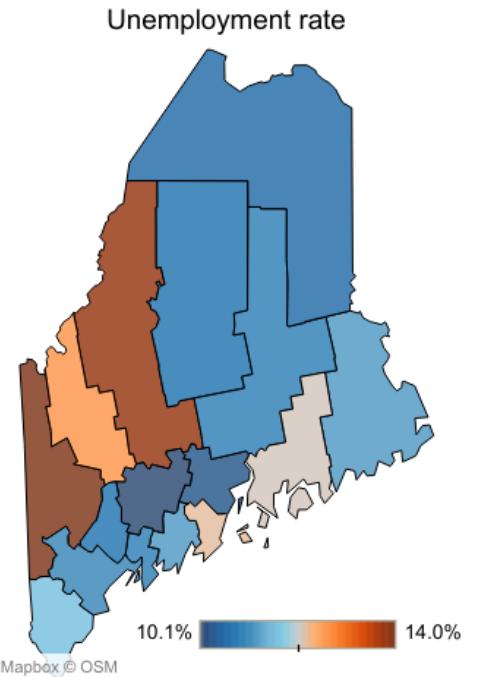
April, 2020

- Table
- Graph

Map/Graph Display

- Unemployment rate
- One-year change

County	Rate	Year ago	One-yr change
Maine	11.3%	3.4%	7.9 ↑
Androscoggin Cty	10.7%	3.2%	7.5 ↑
Aroostook Cty	10.6%	5.6%	5.0 ↑
Cumberland Cty	11.0%	2.6%	8.4 ↑
Franklin Cty	12.6%	4.3%	8.3 ↑
Hancock Cty	12.1%	4.4%	7.7 ↑
Kennebec Cty	10.1%	3.1%	7.0 ↑
Knox Cty	12.2%	3.6%	8.6 ↑
Lincoln Cty	11.2%	3.5%	7.7 ↑
Oxford Cty	14.0%	4.0%	10.0 ↑
Penobscot Cty	10.9%	3.5%	7.4 ↑
Piscataquis Cty	10.7%	4.3%	6.4 ↑
Sagadahoc Cty	10.9%	2.6%	8.3 ↑
Somerset Cty	13.8%	4.9%	8.9 ↑
Waldo Cty	10.3%	3.5%	6.8 ↑
Washington Cty	11.2%	5.8%	5.4 ↑
York Cty	11.6%	2.9%	8.7 ↑



Maine Department of Labor, Center for Workforce Research and Information

THE CENSUS BUREAU IS CONDUCTING WEEKLY PULSE SURVEYS OF HOUSEHOLDS AND SMALL BUSINESSES

- 50% of households with children under age 18 present reported a loss of employment income compared to 39% of households without children
- 40% of 25-39 year-olds reported a status of not employed in the past week compared to 28% of 40-54 year-olds
- 88% of those not working at the time of the survey reported receiving no pay during time not working
 - does not include unemployment benefits

DECLINES IN SMALL BUSINESS EMPLOYEE HOURS SEEM TO HAVE MOSTLY LEVELED OFF

Small Business Pulse Survey Updated June 11th, 2020



- DATA
- WEEKLY COMPARISONS
- DOWNLOADS
- ABOUT THE DATA
- HOW THE DATA ARE COLLECTED
- HELP

Survey Responses Weekly Comparison

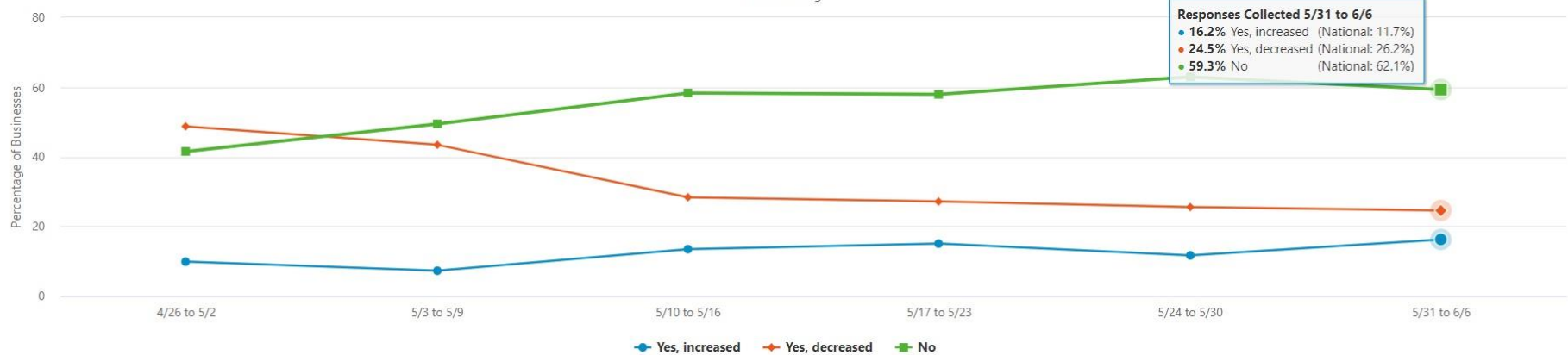
Need help understanding this page? [Download the Visualization Guide](#)

Survey Question:

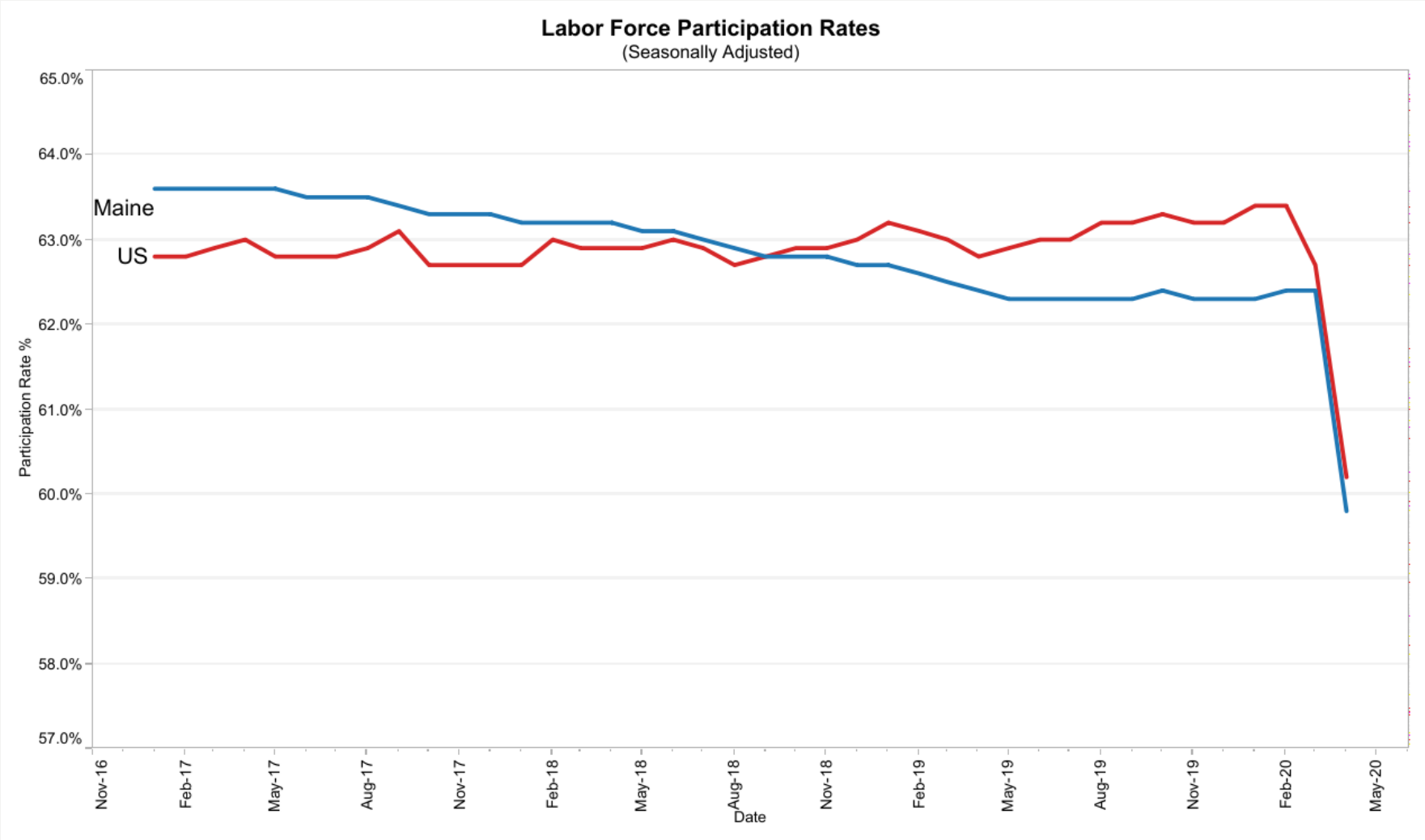
Filter:

In the last week, did this business have a change in the total number of hours worked by paid employees?

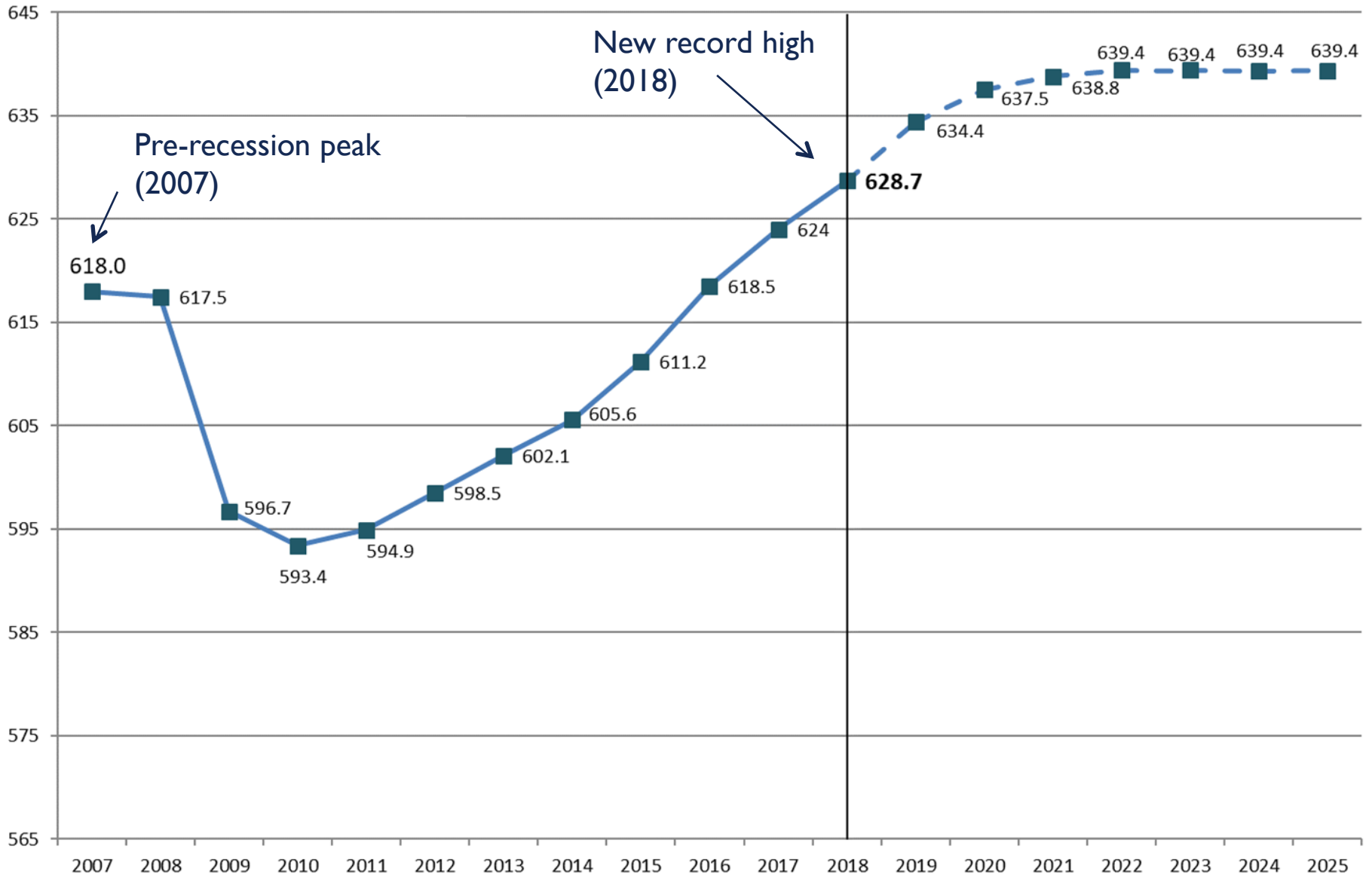
Maine Average



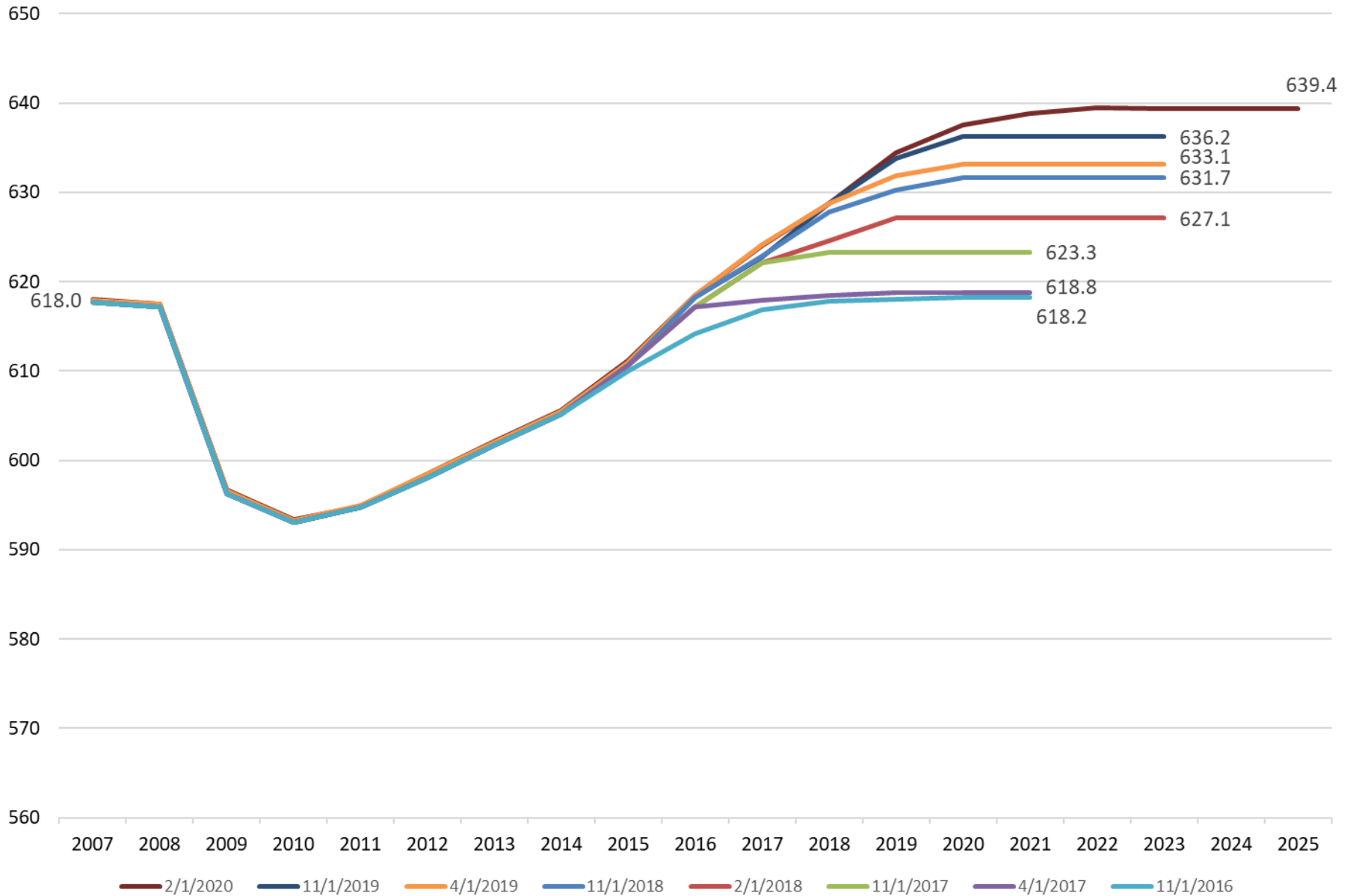
LABOR FORCE PARTICIPATION RATES DROPPED IN APRIL



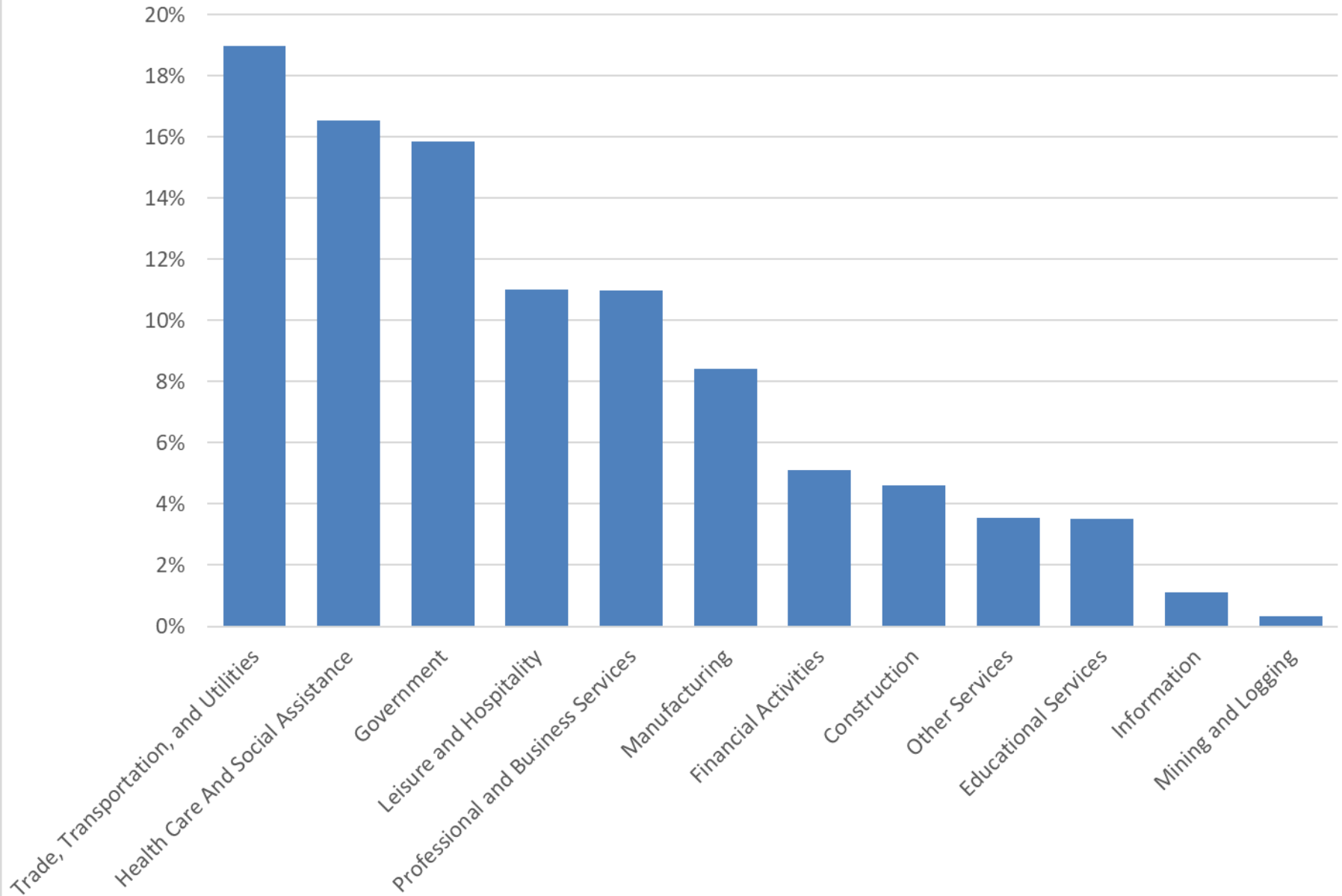
Total Nonfarm Employment (in thousands) History and CEFC forecast



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



Share of Maine Nonfarm Employment by Industry, 2019



Industry	Employment		% Change		Net Change		% of Total Jobs Lost	
	February 2020	April 2020	February 2020	April 2020	February 2020	April 2020	February 2020	April 2020
Total Nonfarm	637,300	531,700		-17%		-105,600		100%
Leisure and Hospitality	69,900	27,300		-61%		-42,600		40%
Health Care And Social Assista..	107,300	91,800		-14%		-15,500		15%
Retail Trade	80,800	68,800		-15%		-12,000		11%
Manufacturing	53,200	44,800		-16%		-8,400		8%
Professional and Business Ser..	68,200	61,900		-9%		-6,300		6%
Government	101,600	96,200		-5%		-5,400		5%
Other Services	23,100	18,800		-19%		-4,300		4%
Educational Services	22,700	19,000		-16%		-3,700		4%
Construction	30,200	28,100		-7%		-2,100		2%
Trans, Warehouse, Utilities	18,500	16,600		-10%		-1,900		2%
Information	7,400	5,800		-22%		-1,600		2%
Financial Activities	33,300	32,300		-3%		-1,000		1%
Wholesale Trade	19,100	18,100		-5%		-1,000		1%

IN MANY COUNTIES, THE LARGEST EMPLOYER IS THE LOCAL HOSPITAL/HEALTH CARE SYSTEM

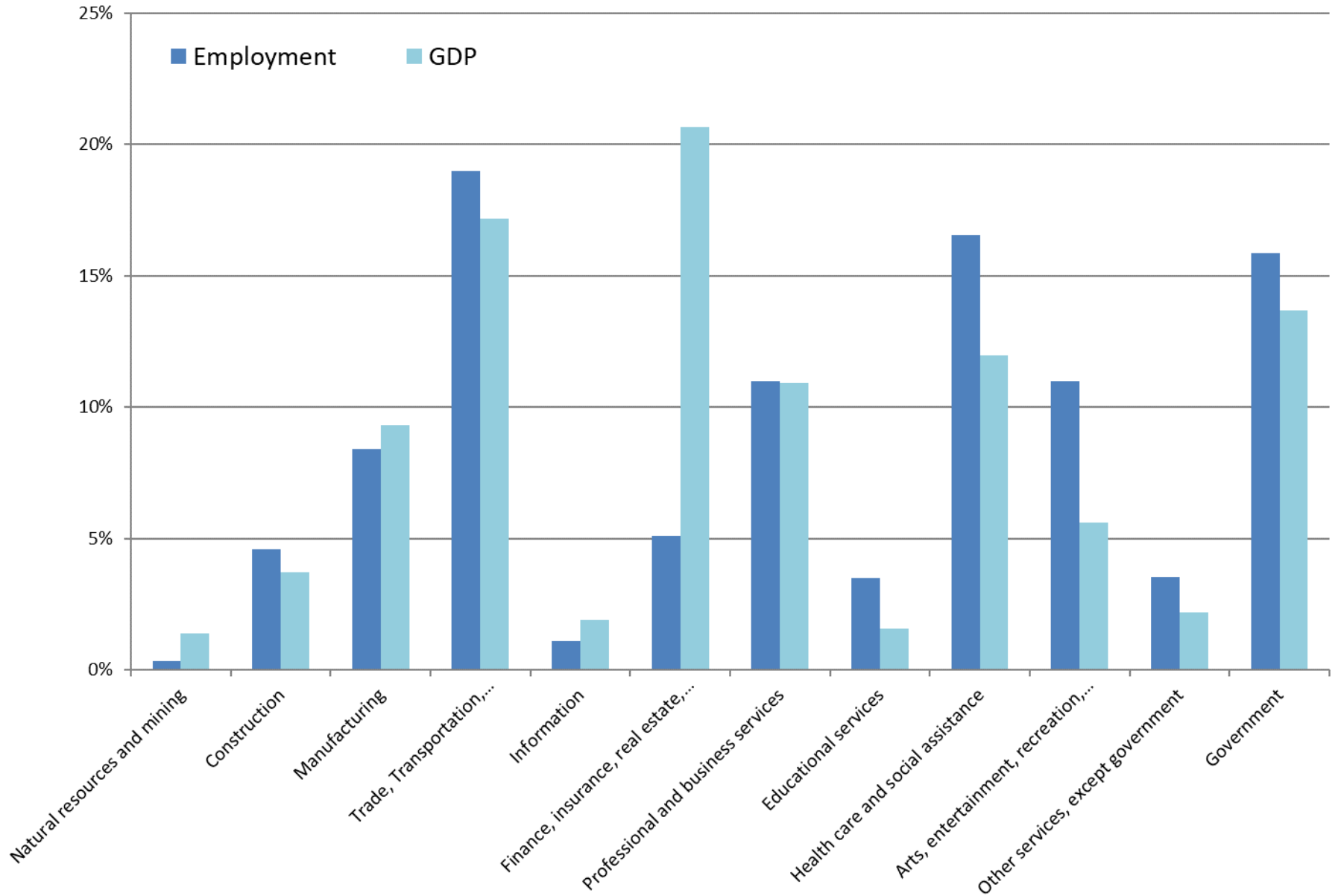
Employment Range:
All

Top 50 Private Employers in Maine by Average Monthly Employment 2nd Quarter 2019				
Name	Location	Business Description	Employment Range	Rank
MAINEHEALTH	STATEWIDE	General medical and surgical hospitals	18,001 to 18,500	1
HANNAFORD BROS CO	STATEWIDE	Supermarkets and other grocery stores	8,501 to 9,000	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	5,501 to 6,000	4
EASTERN MAINE MEDICAL CENTER	STATEWIDE	General medical and surgical hospitals	4,001 to 4,500	5
LL BEAN	STATEWIDE	Electronic Shopping and Mail-Order Houses	3,501 to 4,000	6
MAINEGENERAL MEDICAL CENTER	STATEWIDE	General medical and surgical hospitals	3,001 to 3,500	7
T D BANK	STATEWIDE	Commercial banking	3,001 to 3,500	8
UNUM GROUP	PORTLAND	Direct life insurance carriers	2,501 to 3,000	9
CENTRAL MAINE HEALTHCARE CO..	LEWISTON	General medical and surgical hospitals	2,501 to 3,000	10
SHAWS SUPERMARKETS	STATEWIDE	Supermarkets and other grocery stores	2,001 to 2,500	11
PRATT & WHITNEY AIRCRAFT GRO..	NORTH BERWI..	Aircraft engine and engine parts mfg.	2,001 to 2,500	12
LOWES HOME CENTERS	STATEWIDE	Home centers	1,501 to 2,000	13
ST MARY'S REGIONAL MEDICAL CE..	STATEWIDE	General medical and surgical hospitals	1,501 to 2,000	14
THE JACKSON LABORATORY	BAR HARBOR	Research and Development in Biotechnology..	1,501 to 2,000	15
MERCY HOSPITAL	PORTLAND	General medical and surgical hospitals	1,001 to 1,500	16
HOME DEPOT USA INC	STATEWIDE	Home centers	1,001 to 1,500	17
MID COAST HOSPITAL	BRUNSWICK	General medical and surgical hospitals	1,001 to 1,500	18
UNIVERSITY OF NEW ENGLAND	STATEWIDE	Colleges and universities	1,001 to 1,500	19
WEX LLC	SOUTH PORTL..	Financial transaction processing and clearing	1,001 to 1,500	20
BOWDOIN COLLEGE	BRUNSWICK	Colleges and universities	1,001 to 1,500	21
CIRCLE K	STATEWIDE	Gasoline stations with convenience stores	1,001 to 1,500	22
IDEXX LABORATORIES INC	WESTBROOK	Pharmaceutical preparation manufacturing	1,001 to 1,500	23
GOODWILL INDUSTRIES OF NORTH..	STATEWIDE	Vocational rehabilitation services	1,001 to 1,500	24
S D WADDEN	STATEWIDE	Paper, except newspaper mills	1,001 to 1,500	25

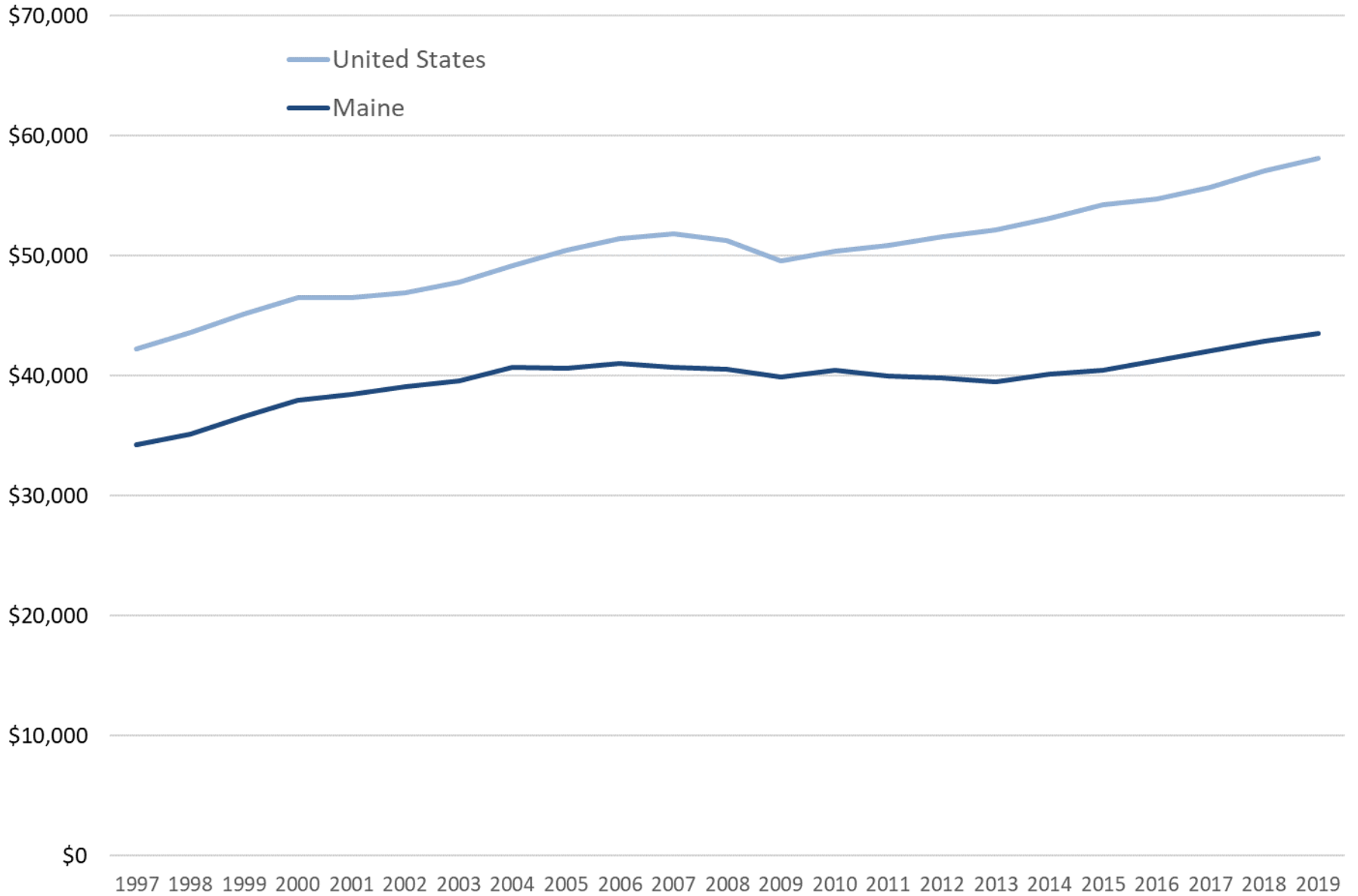


STATE GDP

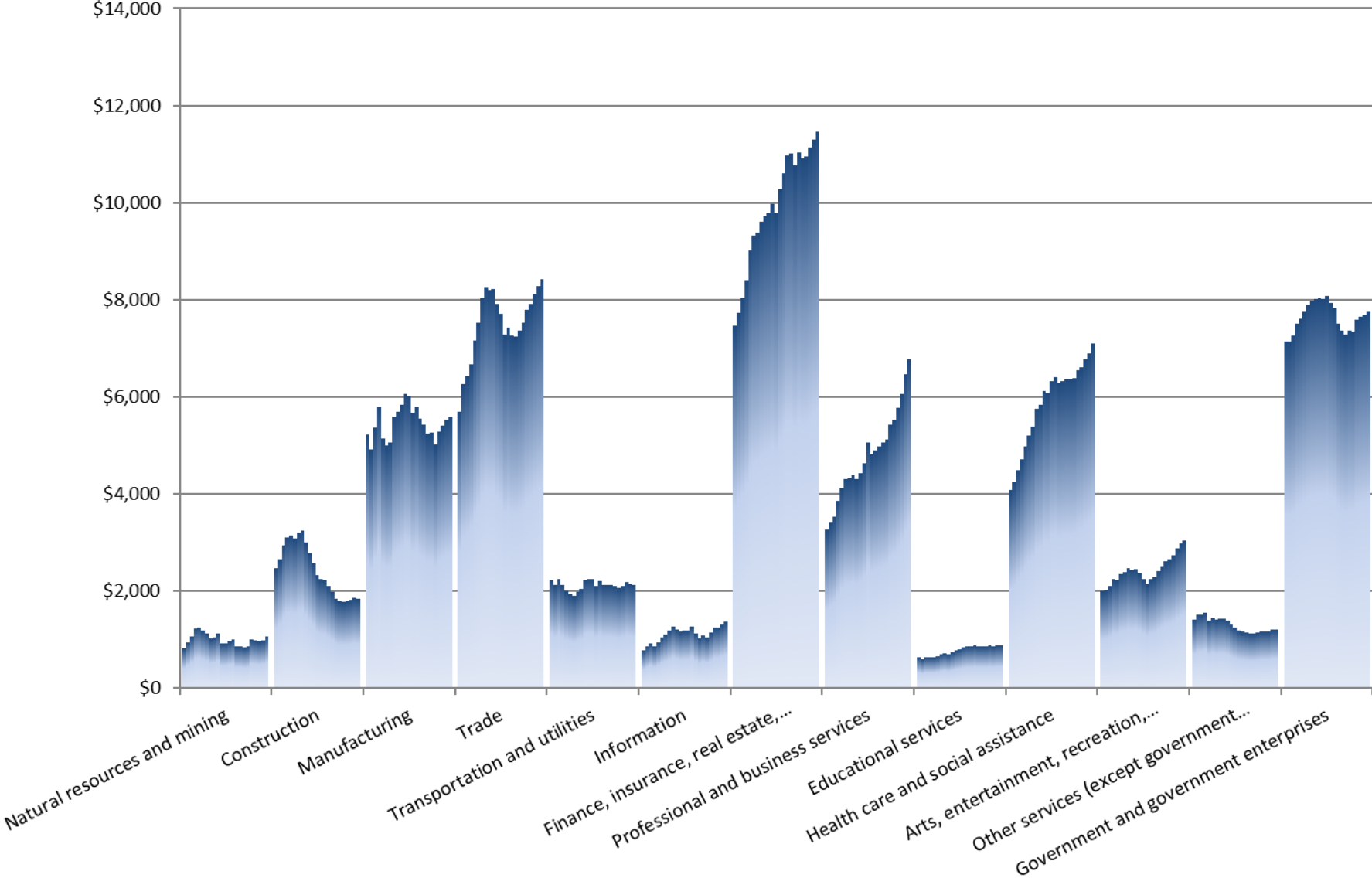
2019 Maine Employment and GDP by Industry



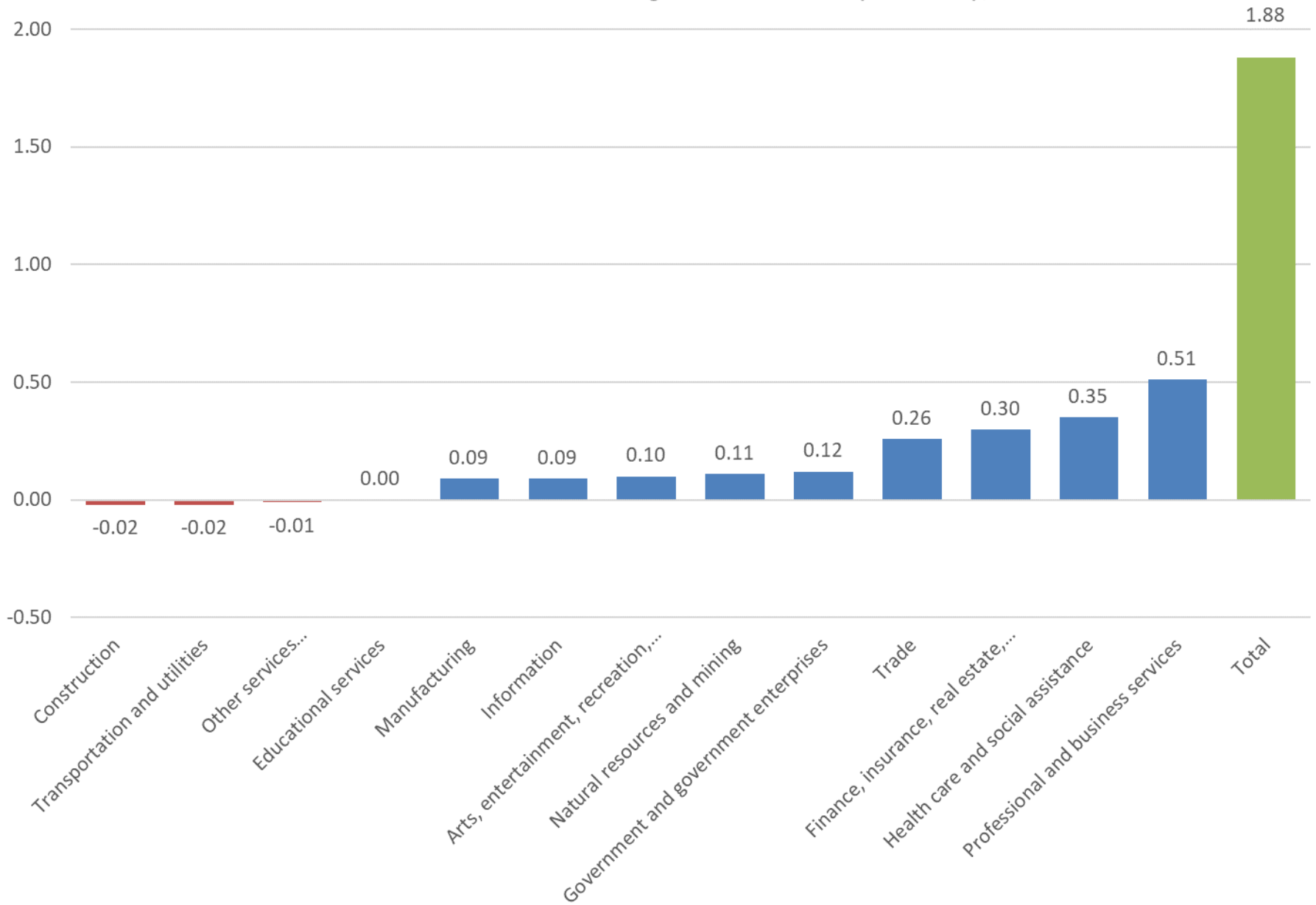
Per Capita Real Total GDP



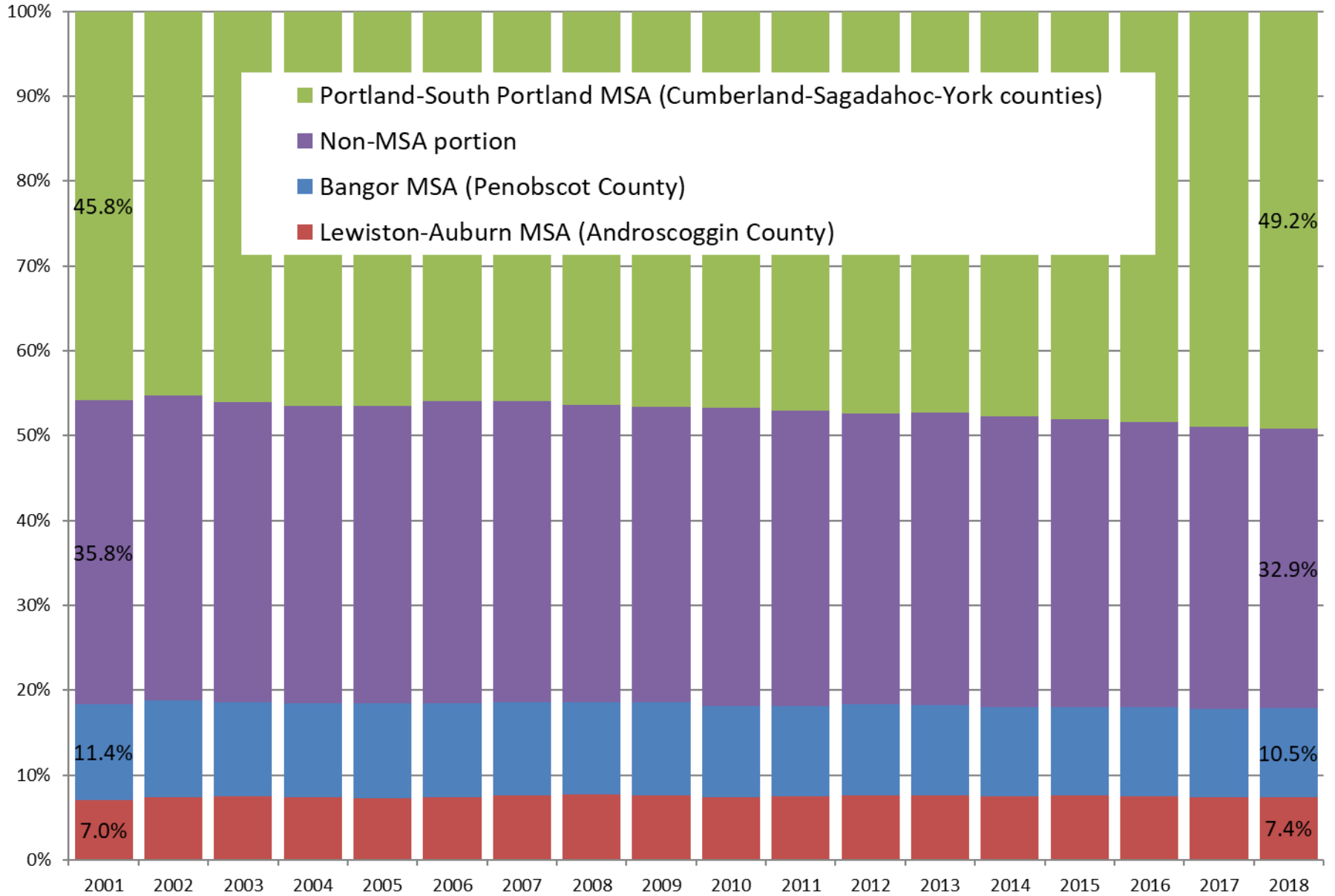
Maine Real GDP by Industry, 1997-2019 (in millions of chained 2012 dollars)



Contributions to Percent Change in Real GDP by Industry, 2019



Share of Maine Real GDP by Metropolitan Area





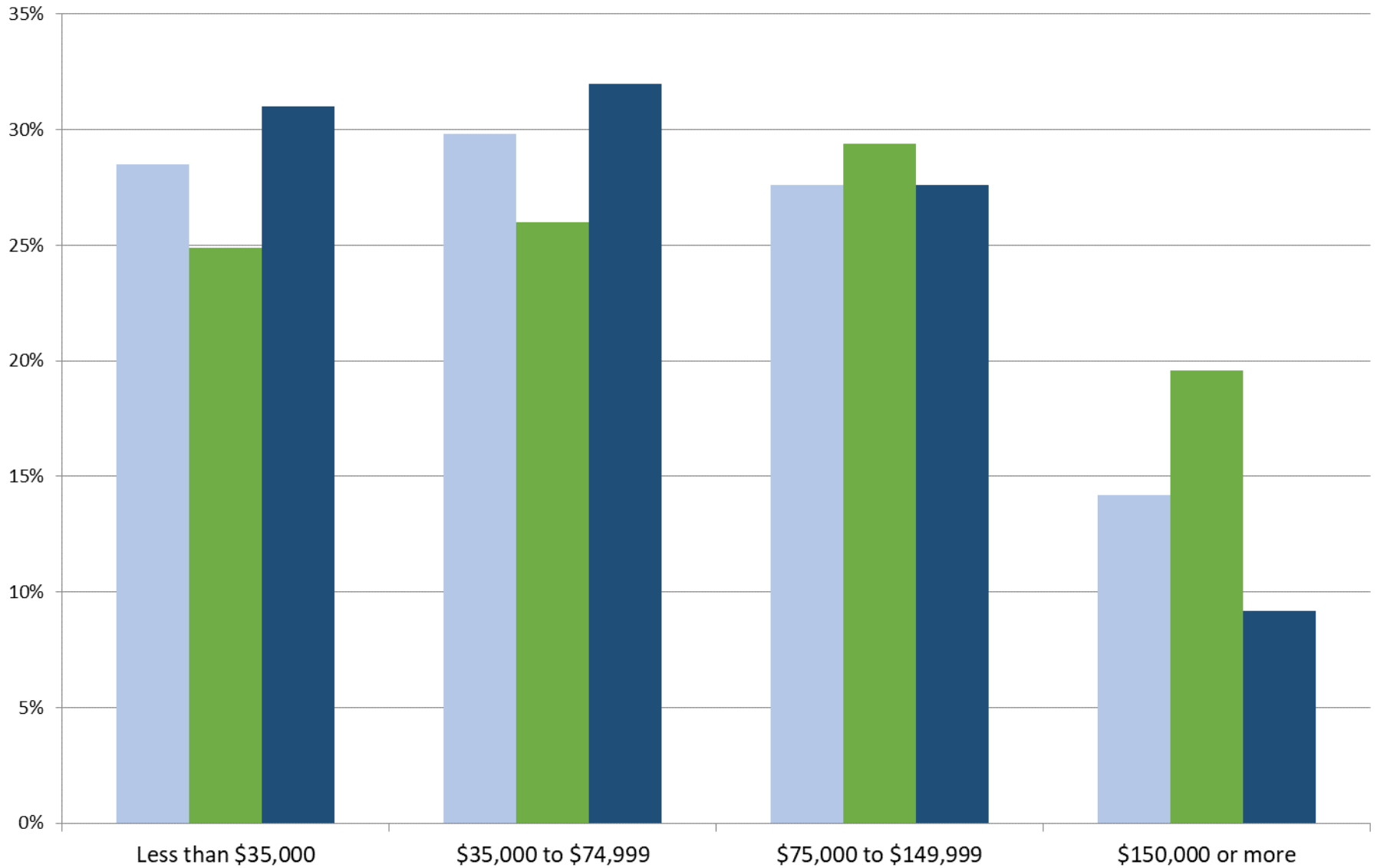
WAGES AND INCOME

THERE ARE LOTS OF WAYS TO MEASURE INCOME/WAGES AND SEVERAL SOURCES

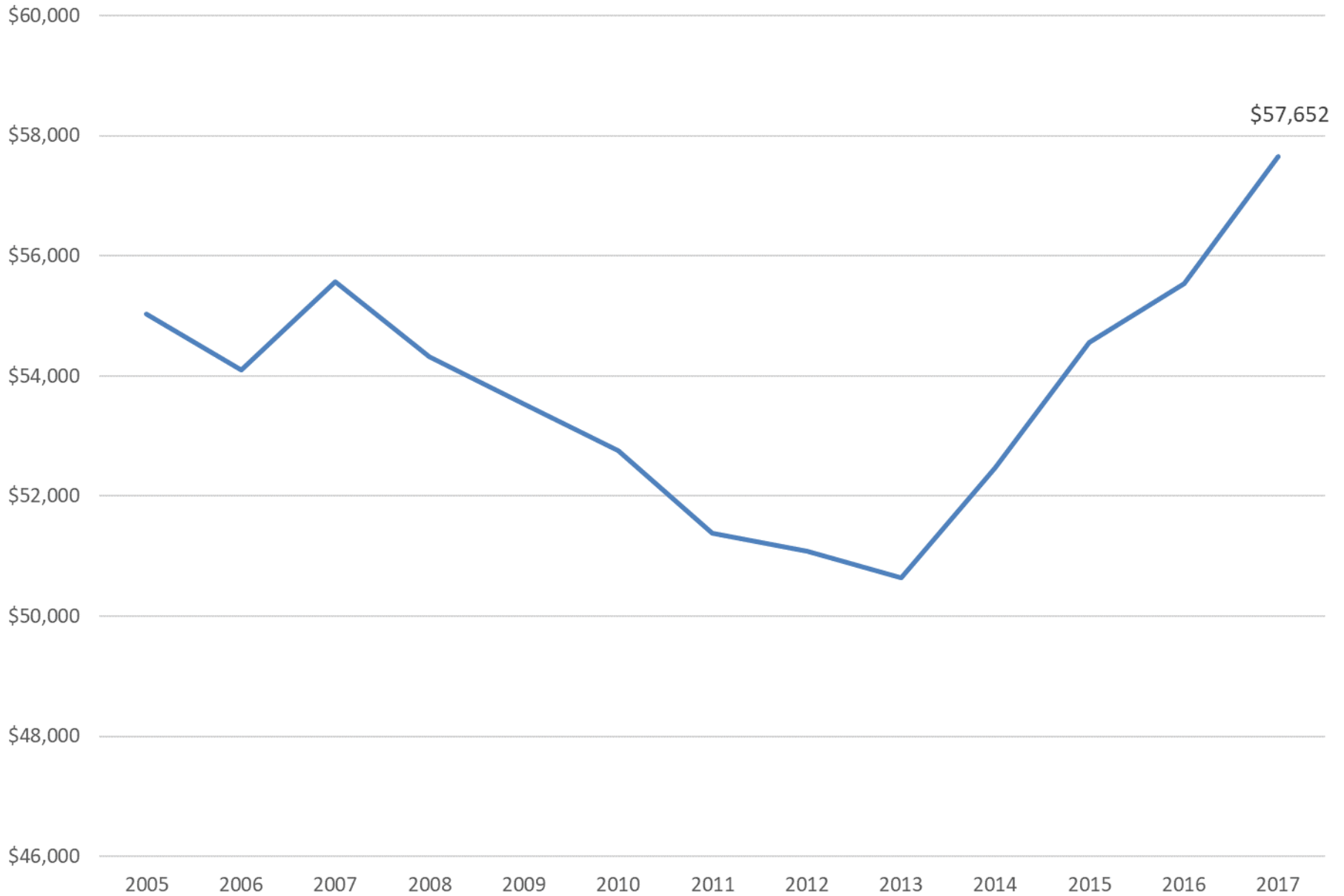
- U.S. Census Bureau, American Community Survey
 - Median household income (\$55,602)
 - Median family income (\$72,390)
 - Median earnings of full-time, year-round workers (\$44,884)
 - Per capita income (\$32,095)
- U.S. Bureau of Economic Analysis
 - Per capita personal income (\$50,950)
 - Average earnings per job (\$50,247)
 - Average compensation per job (\$58,308)
- U.S. Bureau of Labor Statistics
 - Average annual wages (\$48,470)

Percent of Households by Income Level, 2018

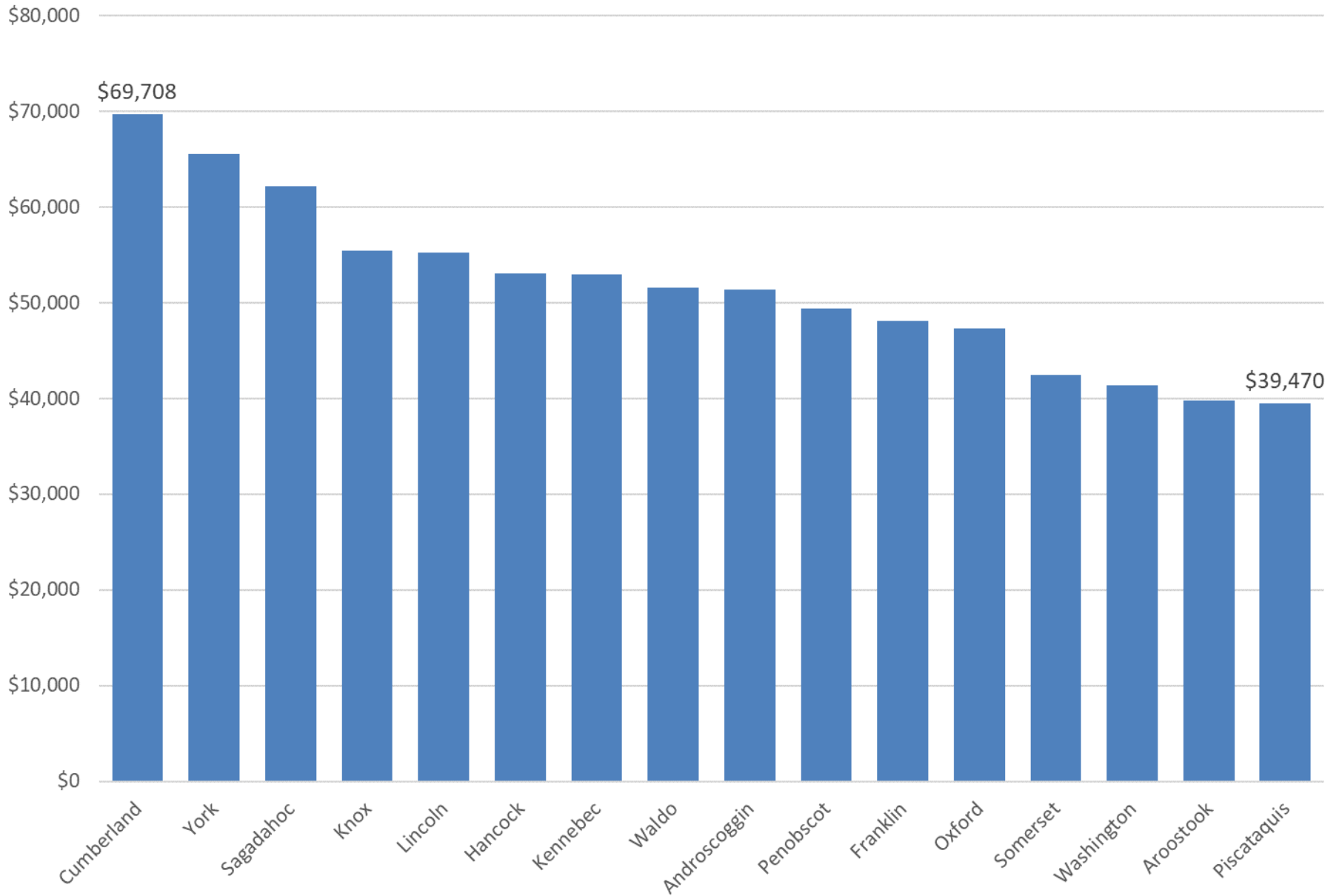
■ U.S. ■ New England ■ Maine



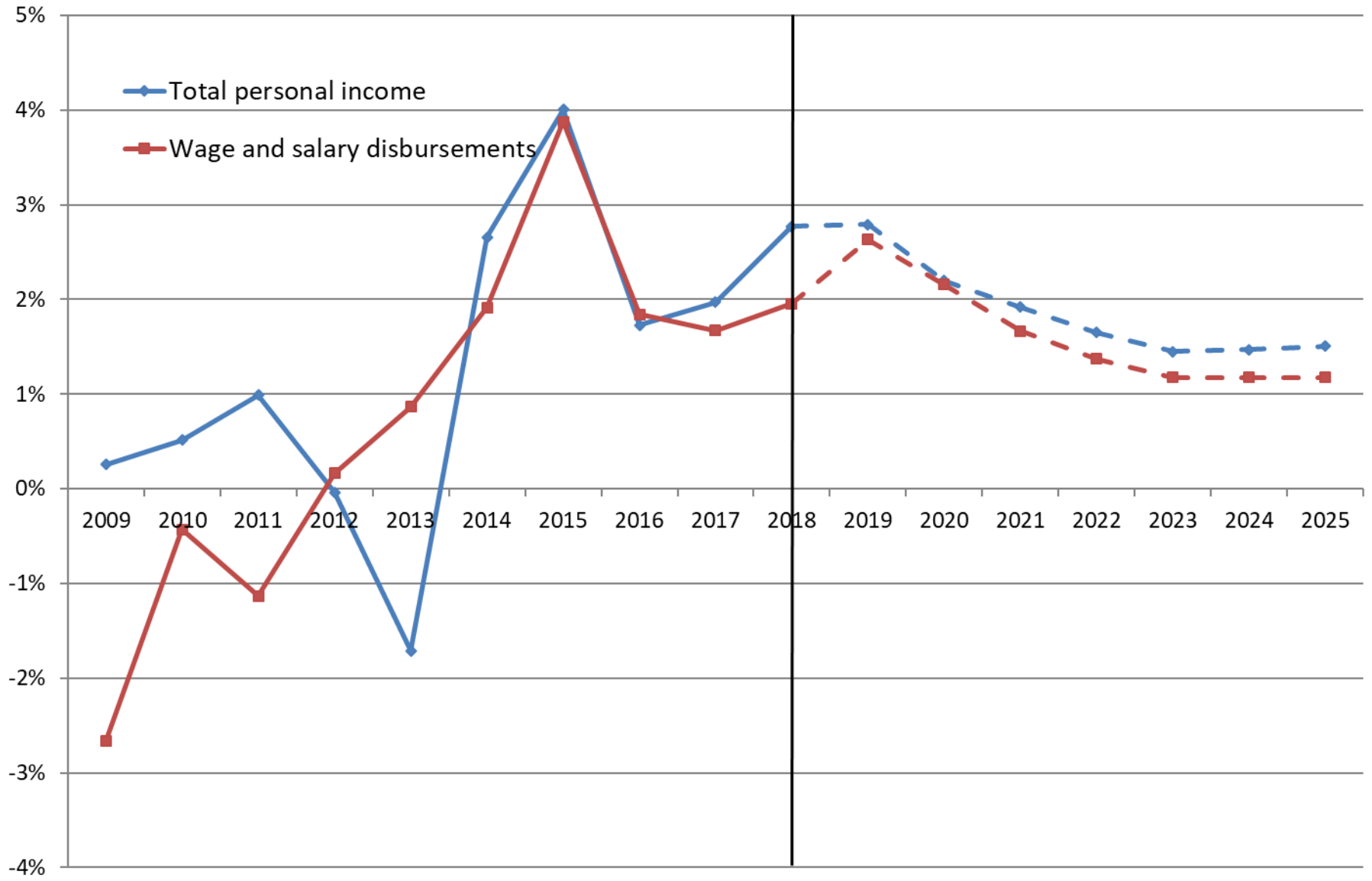
Real Median Household Income (in 2018 \$)



Median Household Income



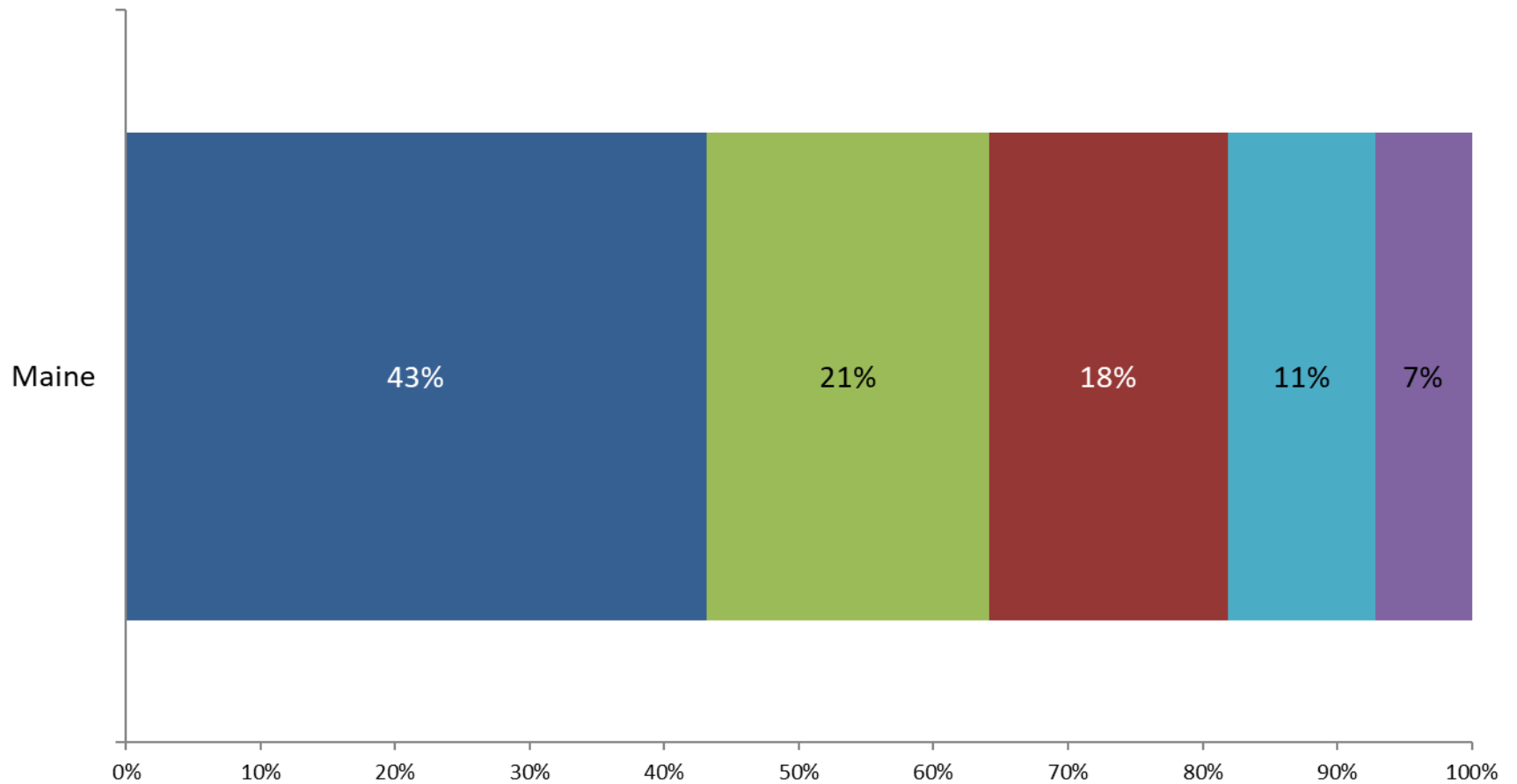
Percent Change in Real Personal Income, Maine 2009-2018 and forecast to 2025



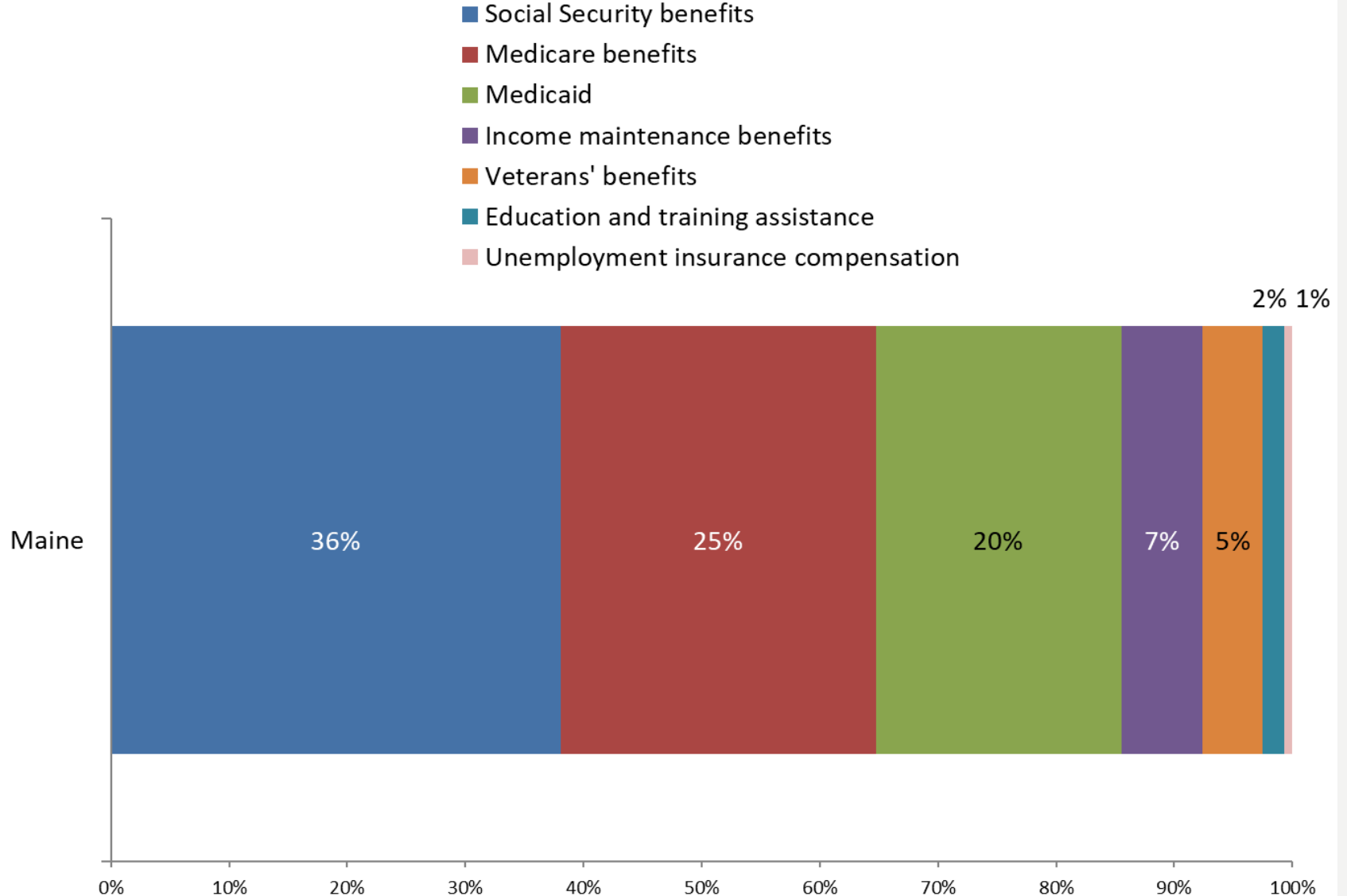
Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; CEFC report, February 1, 2020

Major Components of Personal Income, 2019

- Wages and salaries
- Personal current transfer receipts
- Dividends, interest, and rent
- Supplements to wages and salaries
- Proprietors' income

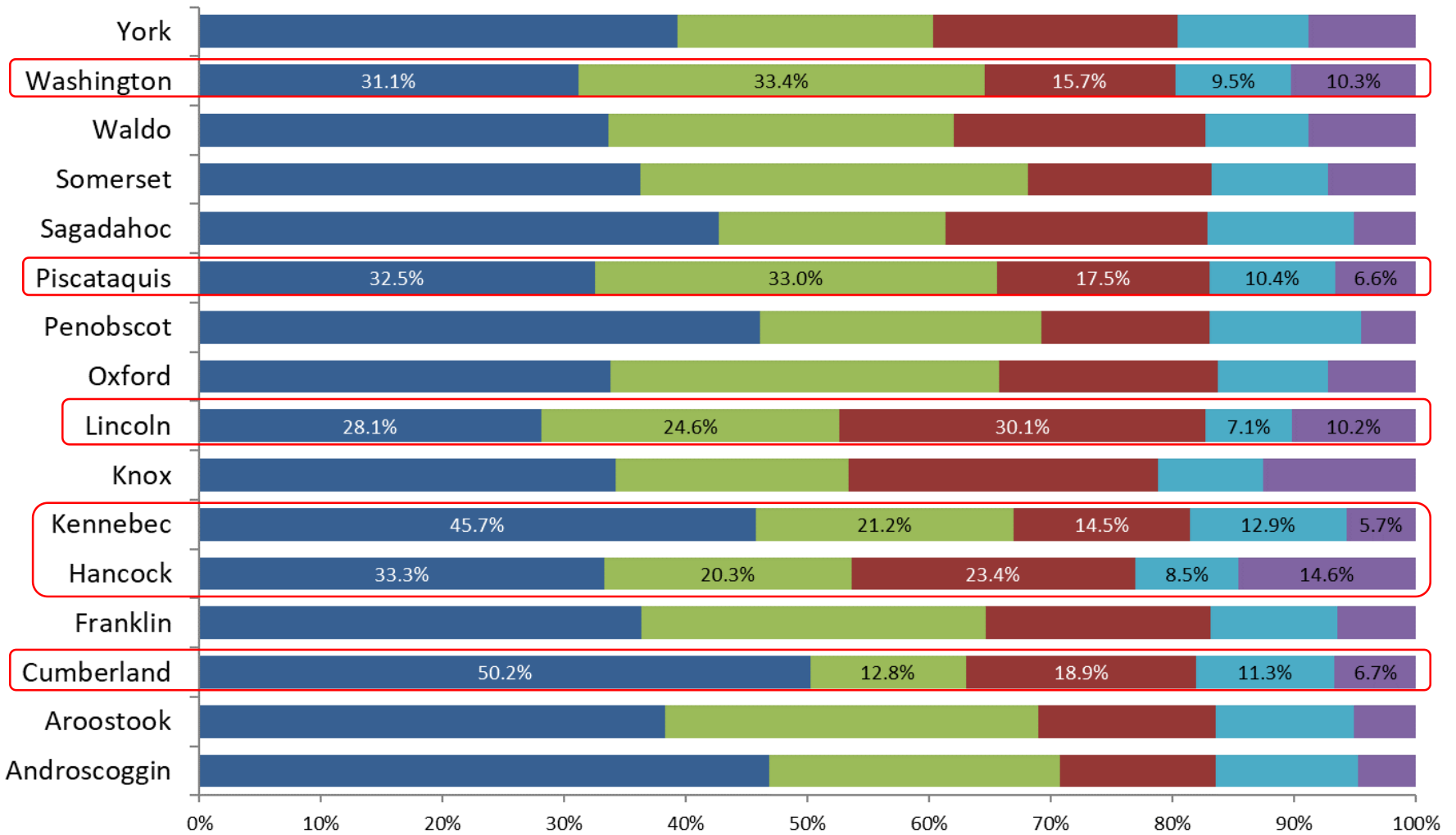


Components of Personal Current Transfer Receipts, 2018



Major Components of Personal Income, 2018

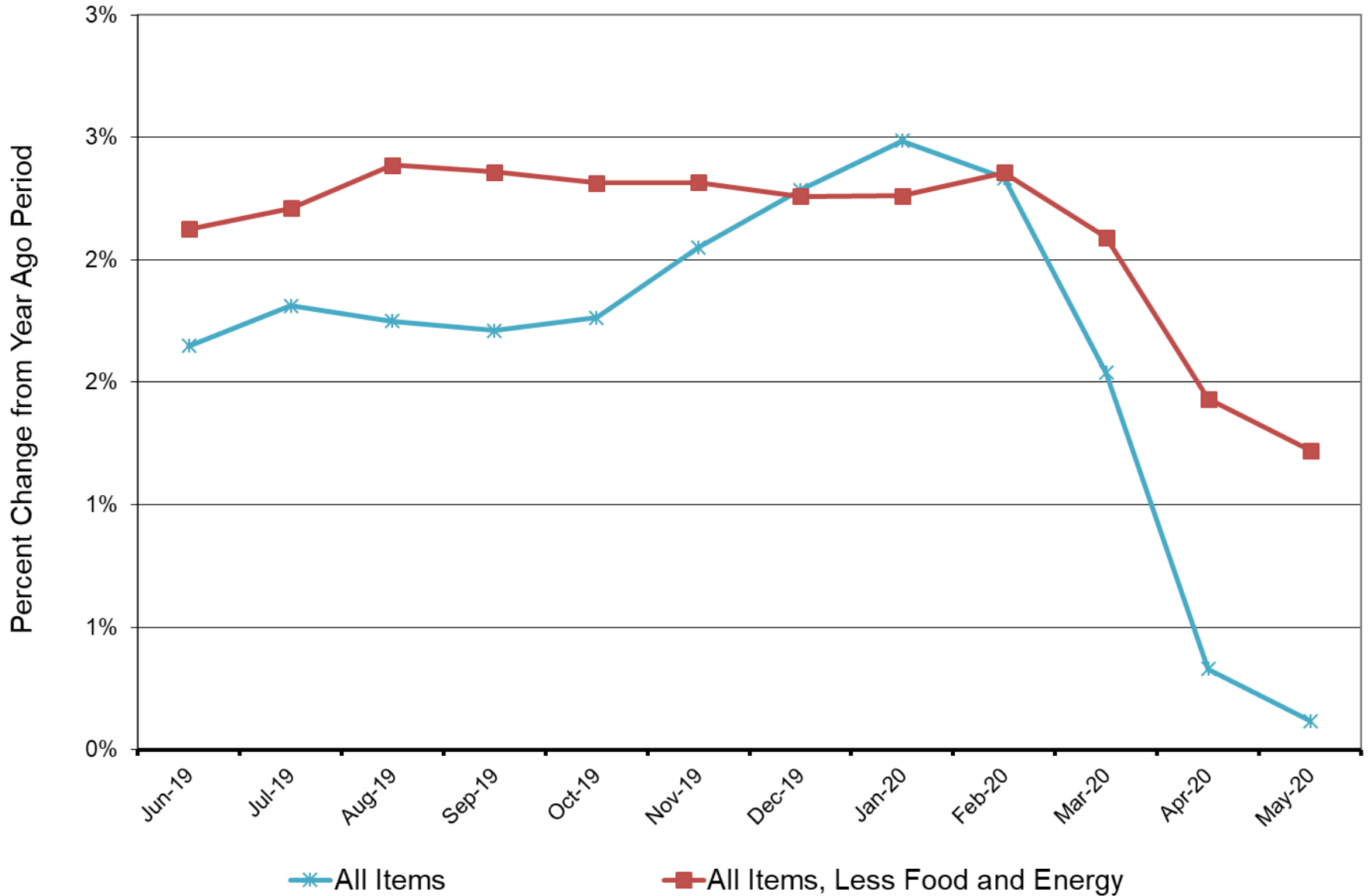
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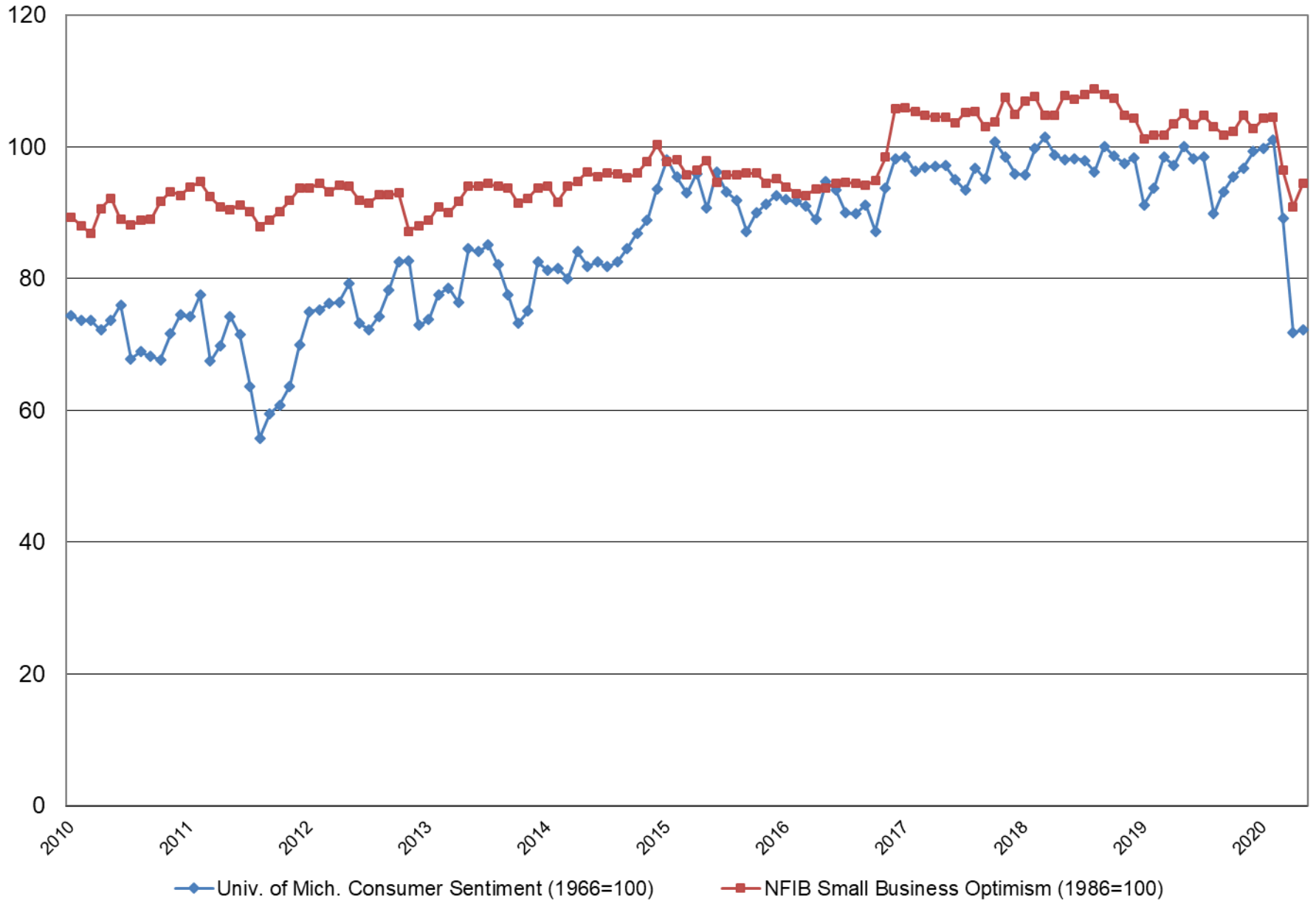


OTHER INDICATORS

Consumer Price Index- U.S. All Urban



Consumer Sentiment and Small Business Optimism Indexes



50% OF SMALL BUSINESSES EXPECT IT WILL TAKE MORE THAN 6 MONTHS TO RETURN TO NORMAL LEVELS OF OPERATIONS

// Census.gov > Data > Experimental Data Products > Small Business Pulse Survey > Small Business Pulse Survey Data

Small Business Pulse Survey Updated June 11th, 2020



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Survey Responses Weekly Comparison

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Survey Question: Outlook ▾
 Filter: State ▾ Maine ▾

In your opinion, how much time do you think will pass before this business returns to its normal level of operations relative to one year ago?

Maine Average



UMAINE SCHOOL OF ECONOMICS RAPID BUSINESS CLIMATE SURVEY (WEEK OF JUNE 2-7)

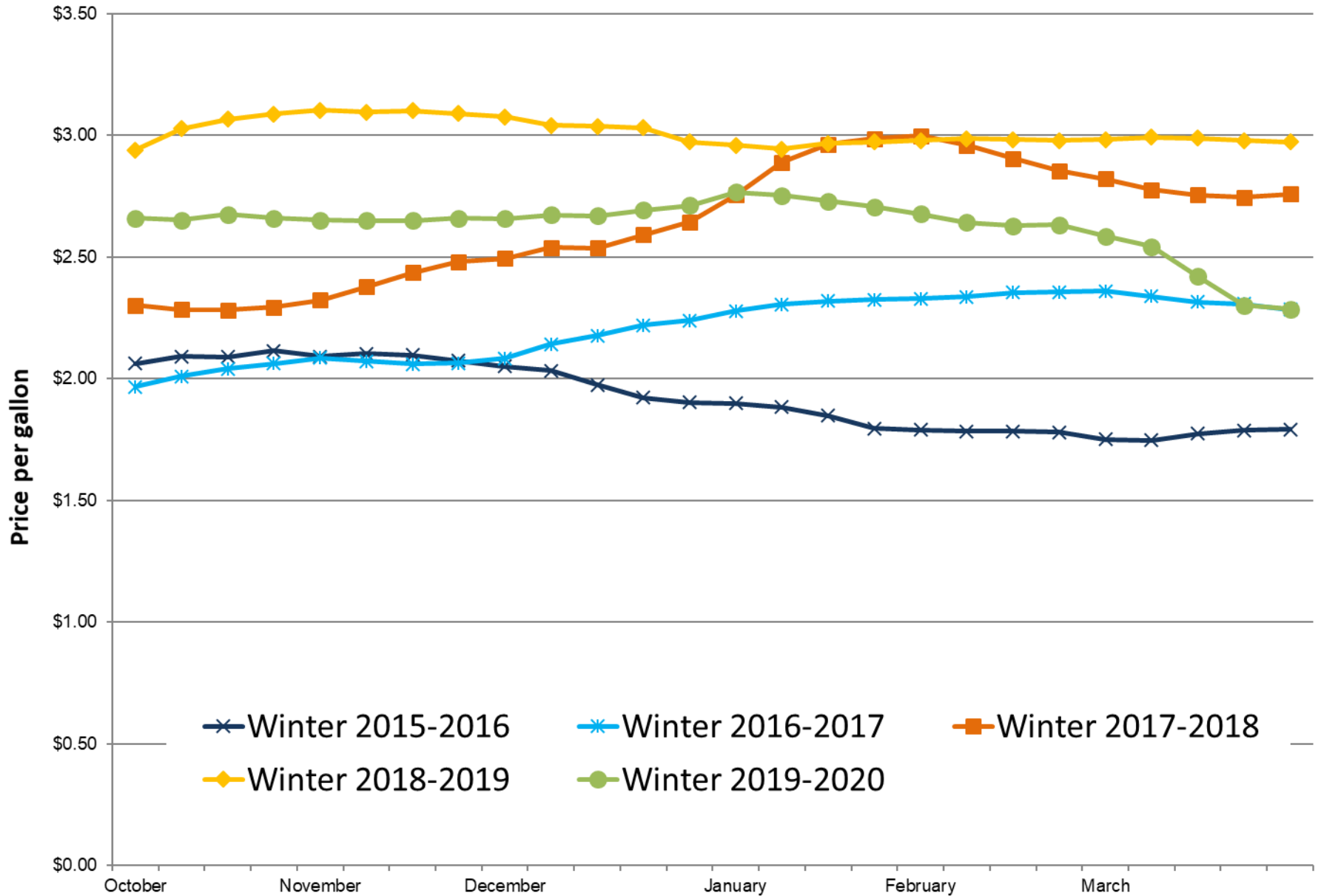
- 64% of businesses responded that they were operating with modifications to meet social distancing requirements
- 75% of businesses responded that they had seen a large negative effect from the COVID-19 pandemic
- Key challenges identified included:
 - Travel restrictions
 - Revenue/cash flow/finances
 - Social distancing/operating restrictions
 - Consumer confidence

Maine Taxable Retail Sales	% Change from March 2019 to March 2020	% Change last three months / same 3 month period one year ago
Building Supply	18.9%	13.8%
Food Store	12.3%	8.5%
General Merchandise	-11.2%	-0.7%
Other Retail	34.1%	37.7%
Restaurant	-33.4%	-6.5%
Lodging	-45.7%	-4.8%
Auto Transportation	-27.3%	-4.1%
Total	-5.8%	5.4%
Business Operating	-1.9%	-0.1%
Personal Consumption	-6.3%	6.2%

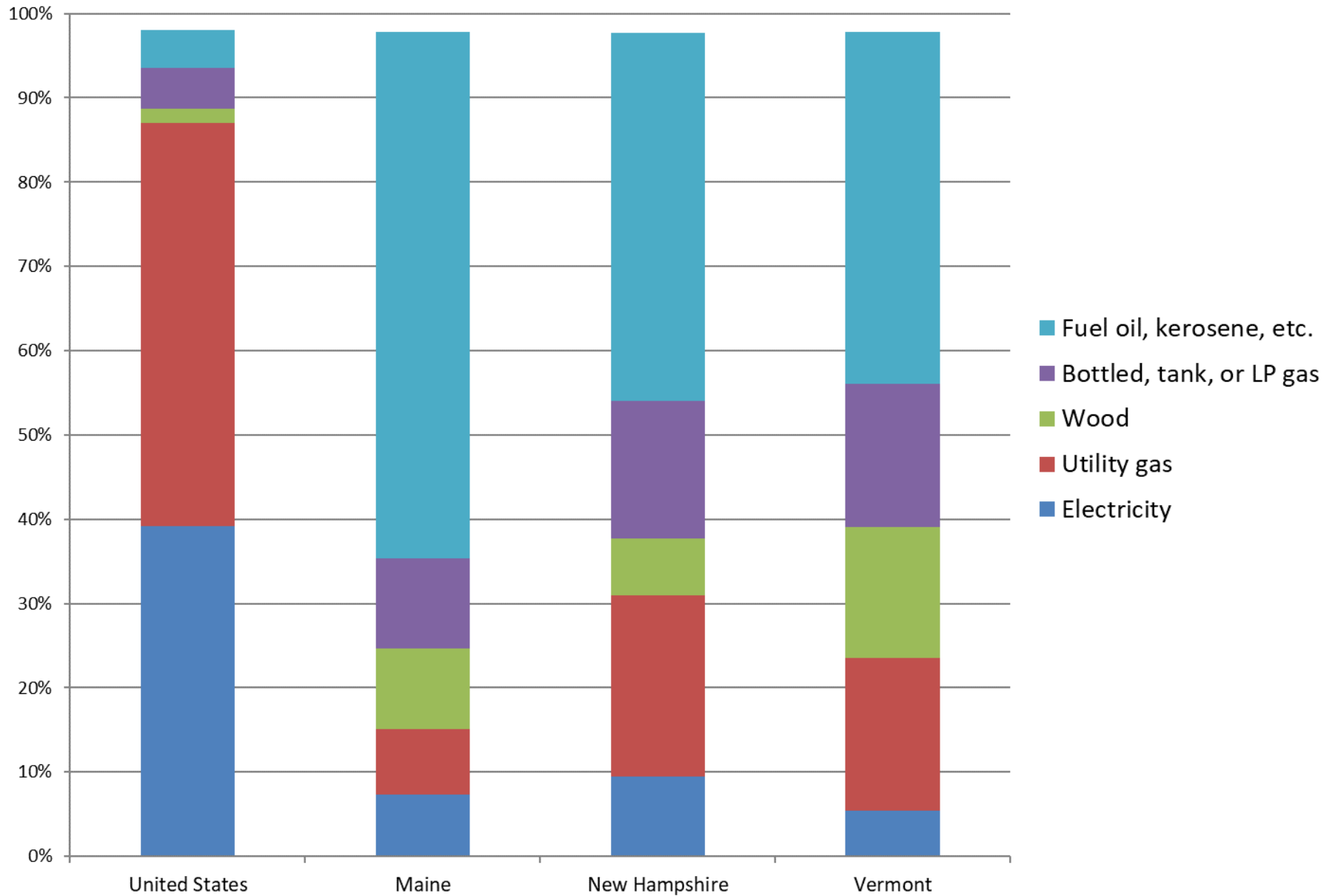
ENERGY

Maine relies heavily on heating oil and gasoline – as a result, crude oil prices have a big impact on Maine's economy (when we're driving, that is)

Maine No. 2 Heating Oil Residential Price



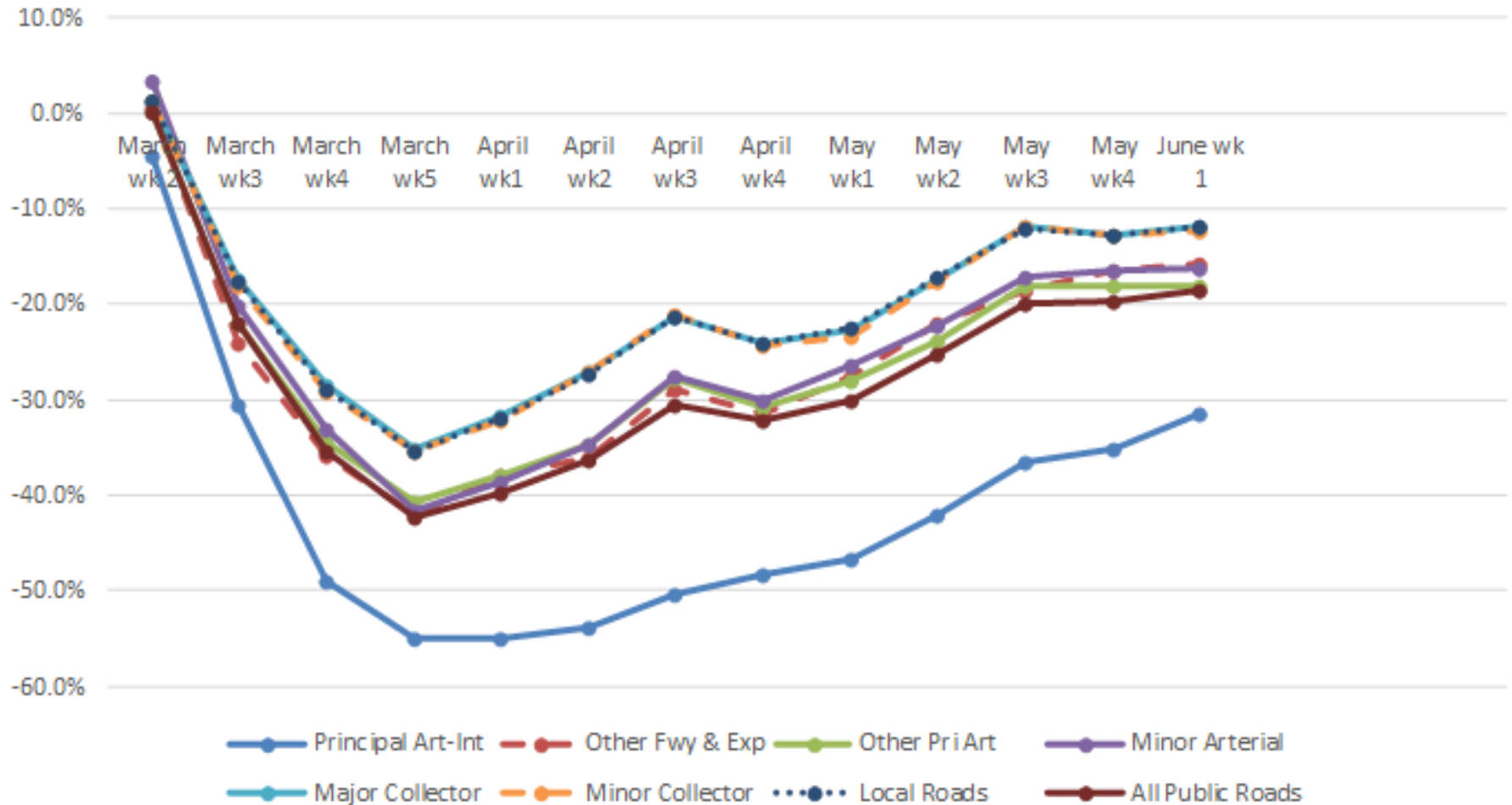
Percent of Housing Units by Type of Primary Heating Fuel (2018)



Weekly New England Retail Gasoline Prices (Dollars per Gallon)



Weekly Year-Over-Year Change in VMT (2020/2019) in Maine by Functional Class



IT'S NOT TOO LATE TO BE COUNTED IN THE 2020 CENSUS

- Once a decade chance to count everyone in the country
- Sets the benchmark for all other demographic data
- Around \$7.5 billion of federal funds are distributed to Maine each year on the basis of census data
- For the first time, people can self-respond online, by phone, or by mail
- Census workers take a lifetime oath not to reveal any personal information – violating this oath results in a fine of up to \$250,000 and five years in prison

To respond go to <http://my2020census.gov>

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