

THE MAINE ECONOMY: FUNDAMENTALS

Policy Leaders Academy

December 16, 2020

Amanda Rector

Maine State Economist

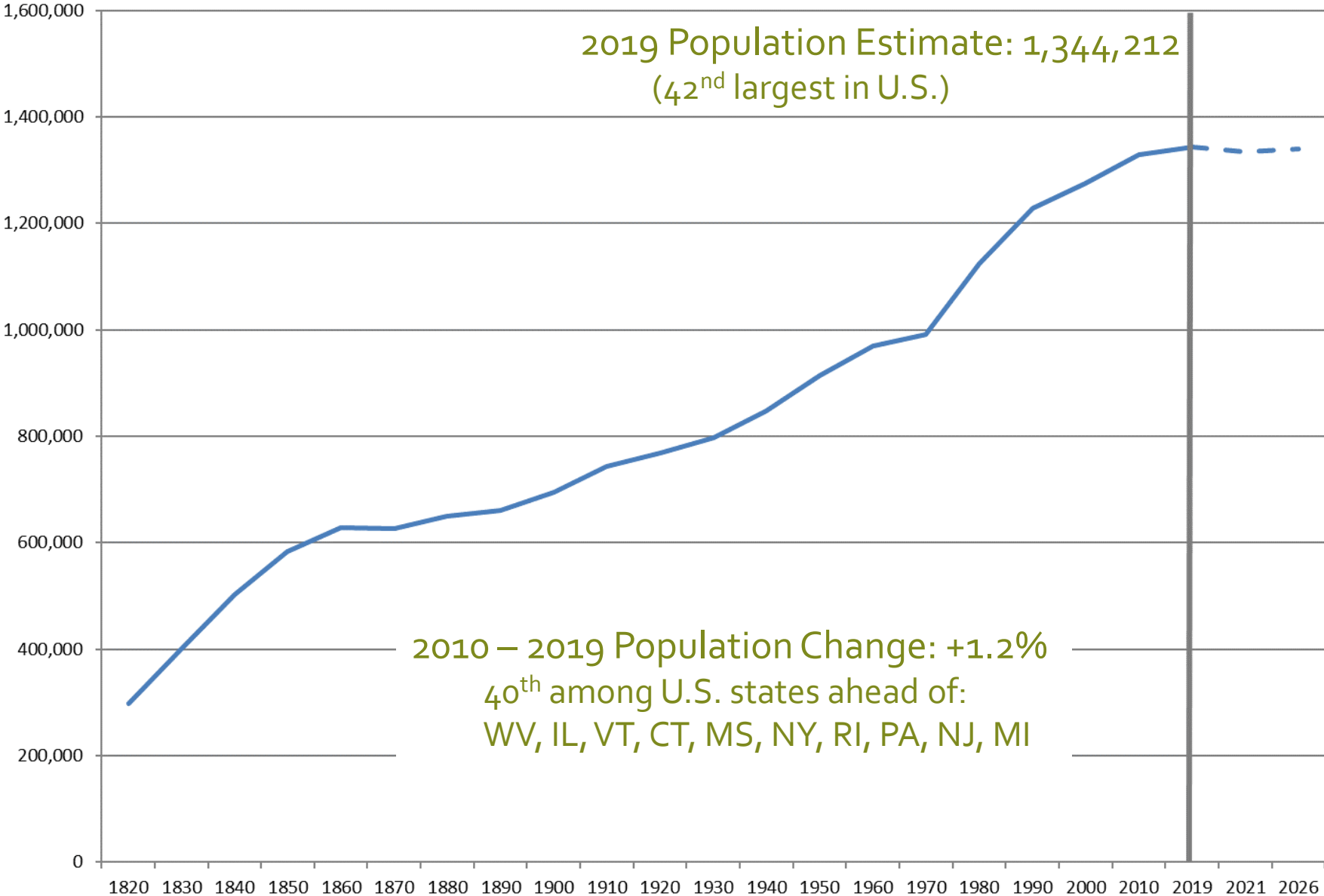
Department of Administrative and Financial Services

Overview

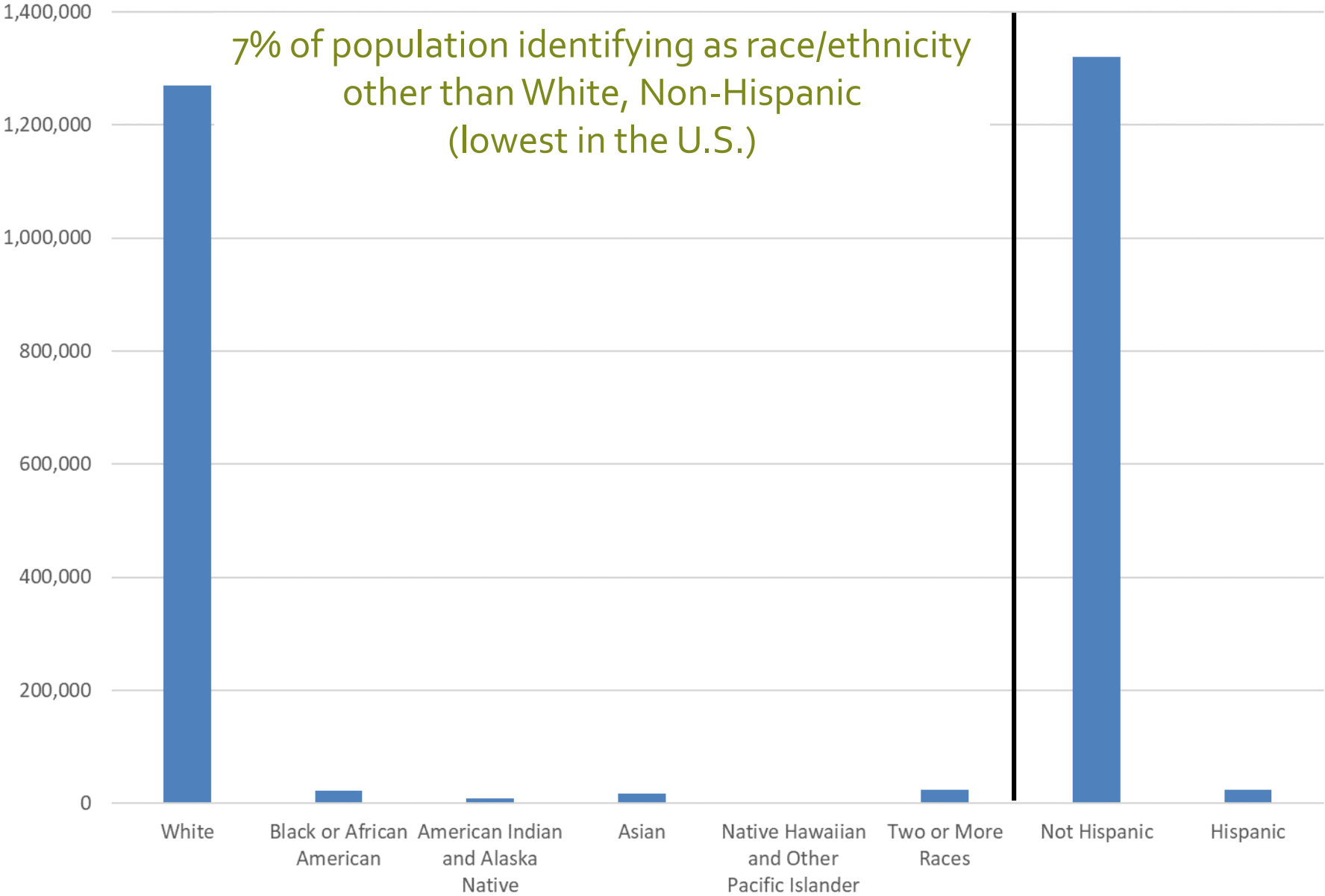
- Demographics
- Employment
- Income
- State Gross Domestic Product (GDP)

DEMOGRAPHICS

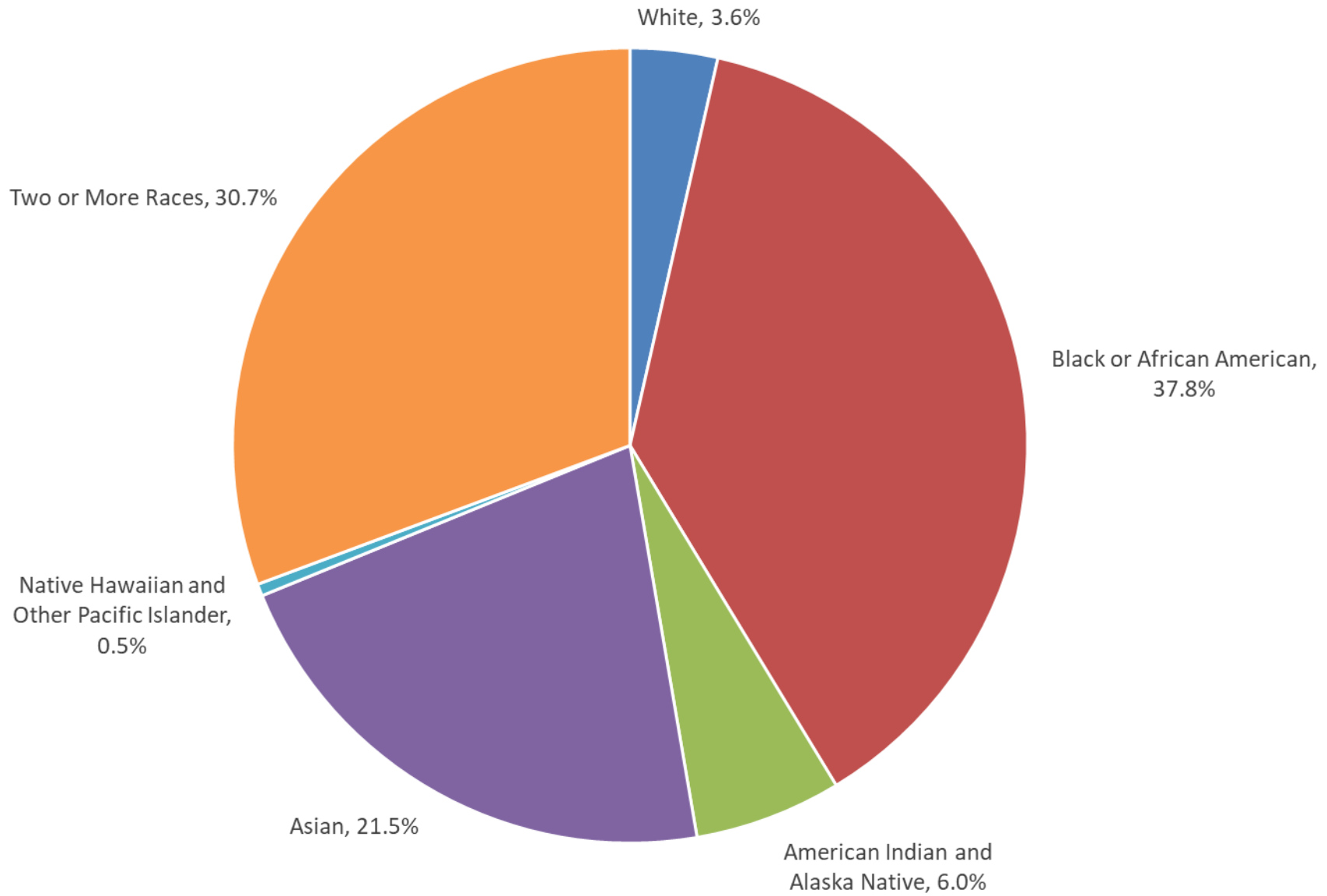
Total Population, Maine



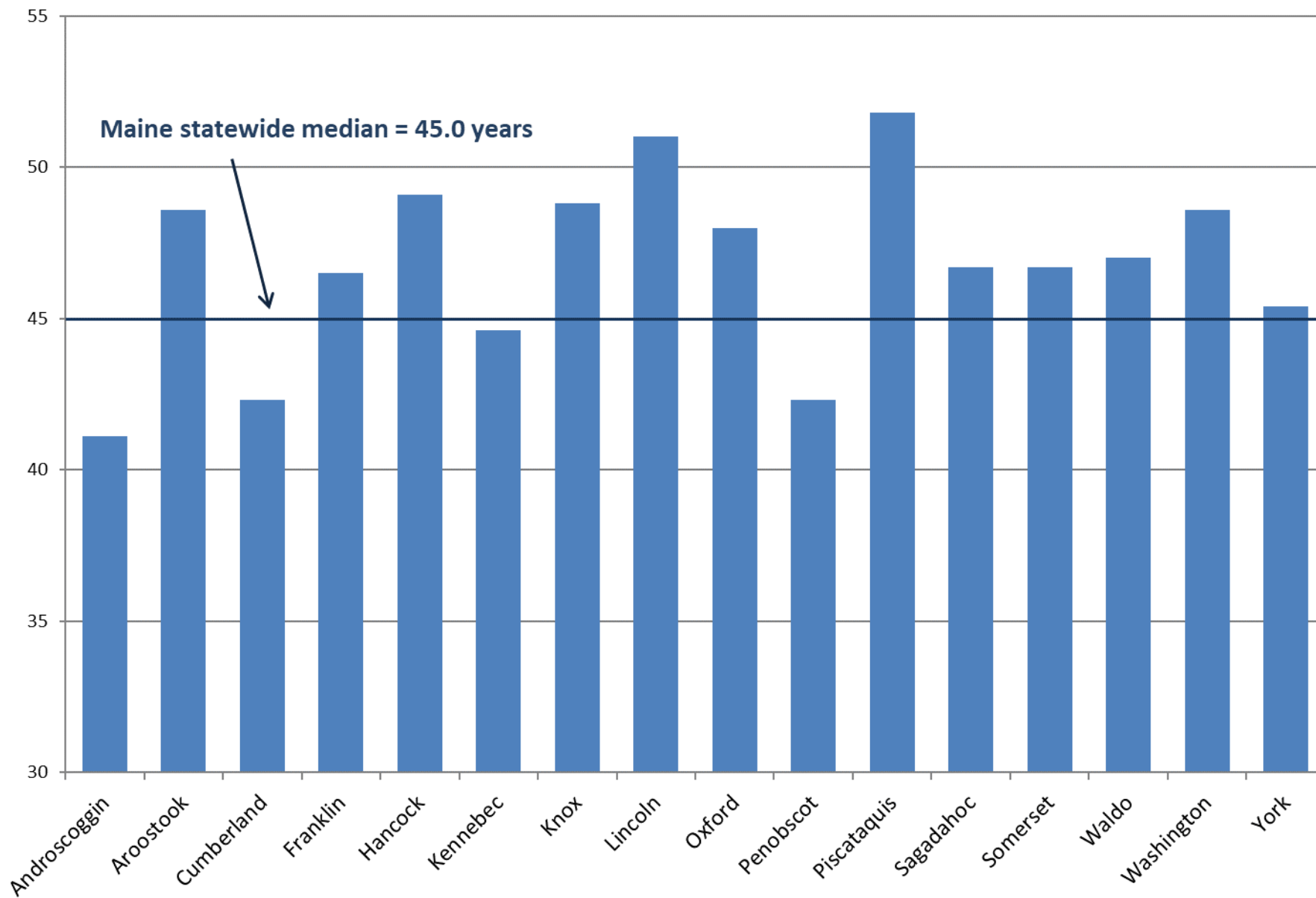
Population by Race and Ethnicity, Maine, 2019



Contribution to overall population growth in Maine, 2010-2019

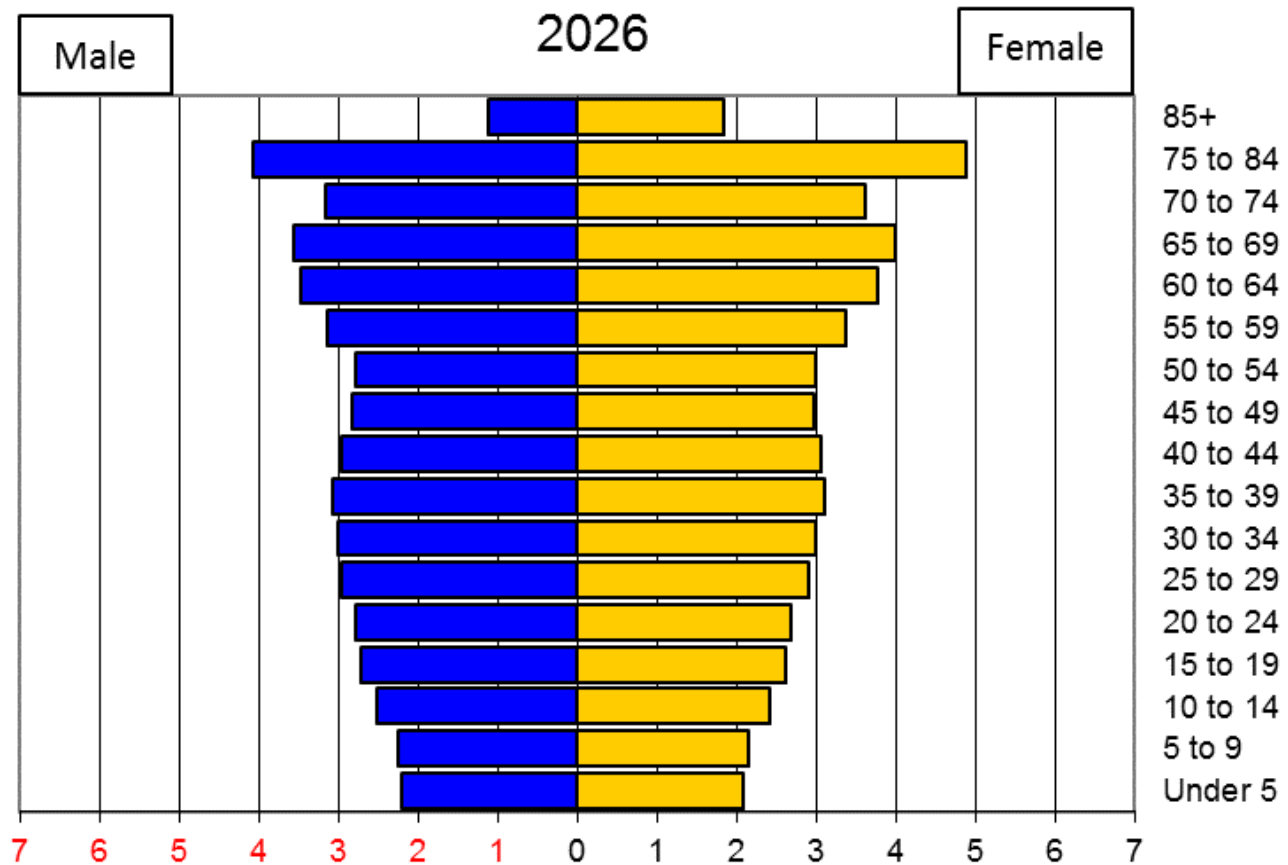


Median Age

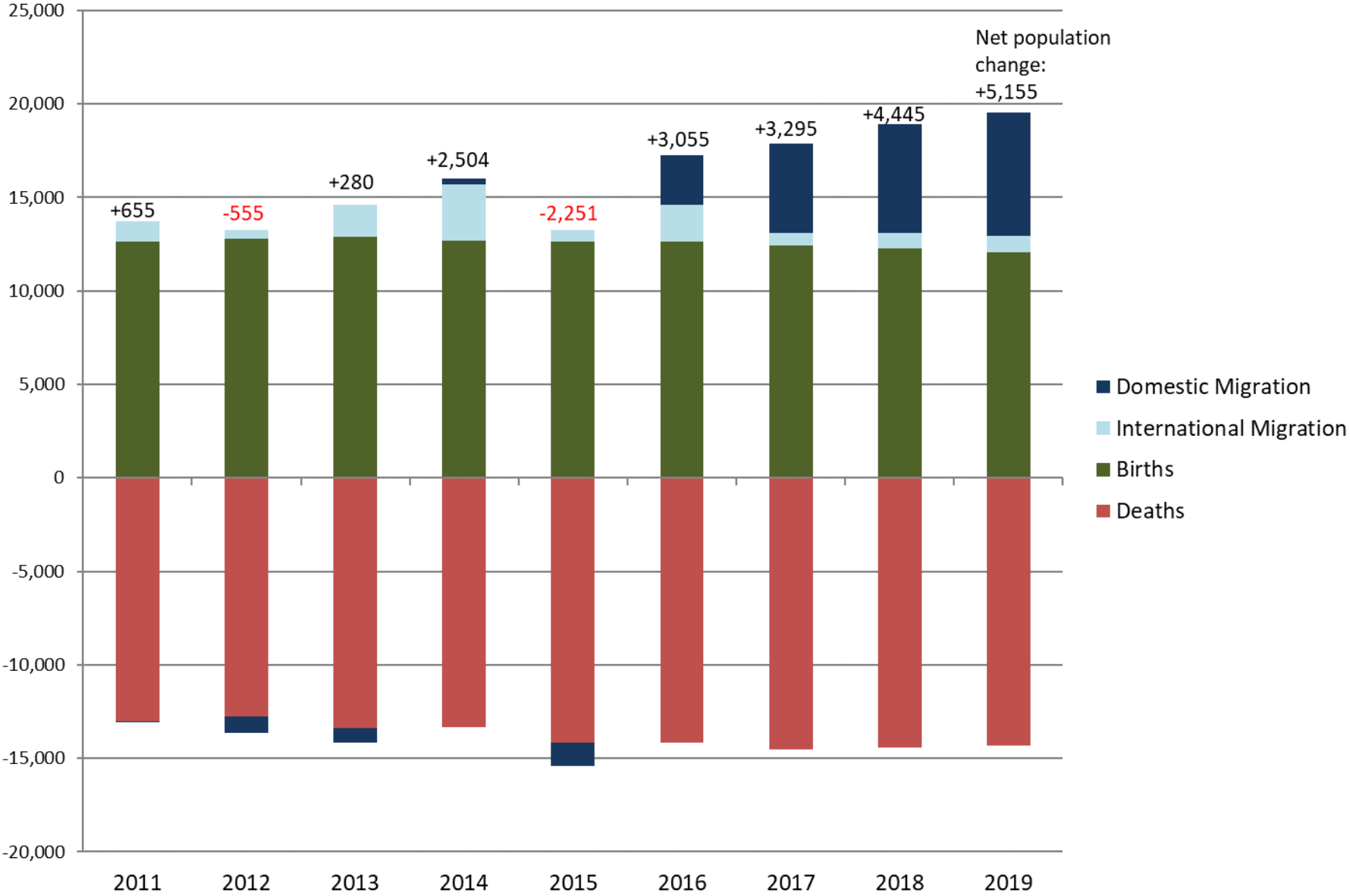


Maine is oldest in the U.S. by two measures: median age and percent of the population age 65+

The Baby Boom Wave



Components of Population Change, Maine



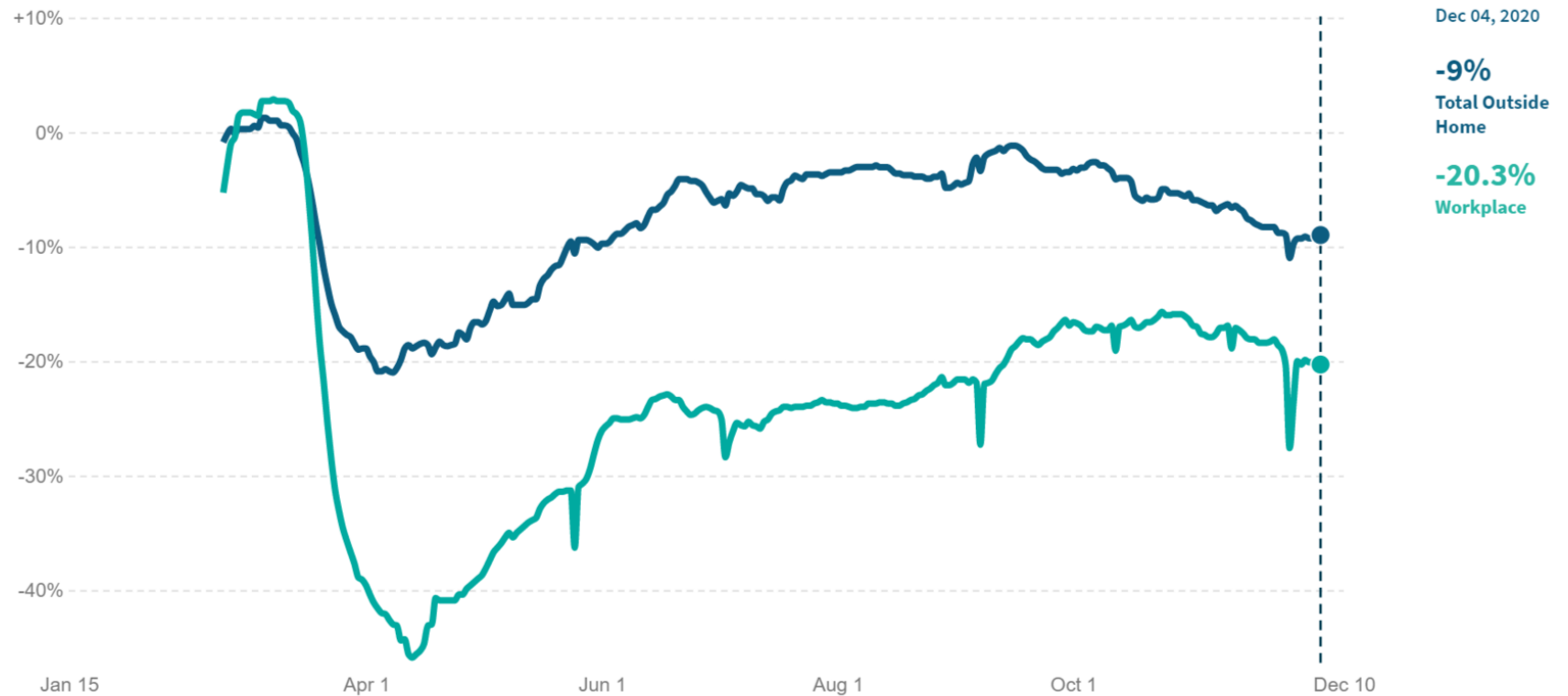
Source: U.S. Census Bureau, Population Estimates Program

Migration effects from COVID-19?

- Maine has been seen as a safer place to be in recent months due to lower case counts and infection rates
- 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, especially if high speed internet access improves

Percent Change in Time Spent Outside Home*

In **Maine**, as of **December 04, 2020**, total time spent away from home **decreased** by **9%** compared to January 2020.



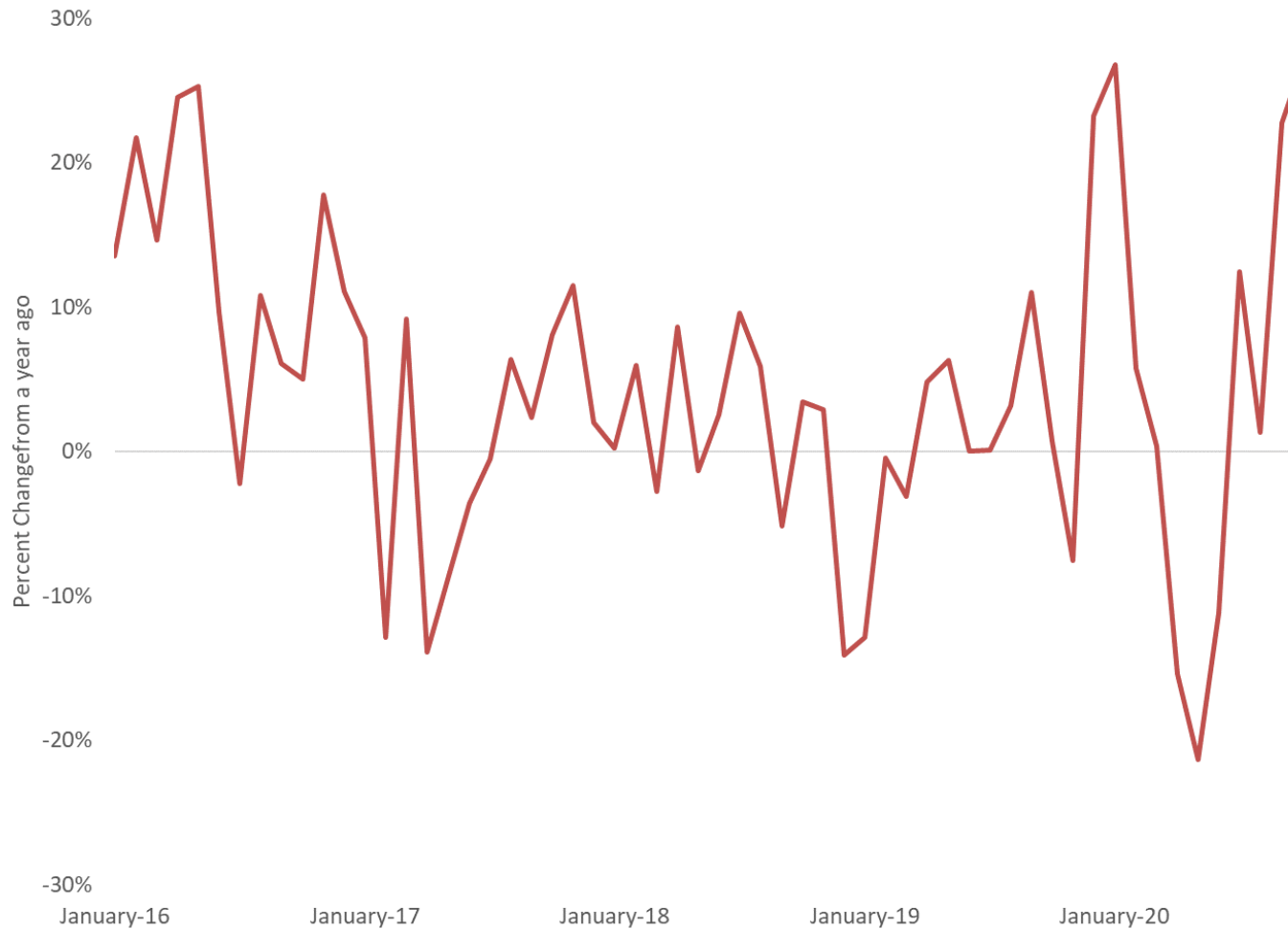
*Change in the average time spent outside of residential locations indexed to the period between Jan 3-Feb 6 2020. This series uses data from Google's COVID-19 Community Mobility reports.

last updated: **December 07, 2020** next update expected: **December 11, 2020**

Time spent outside the home at the workplace fell sharply in March and has remained well below January levels, only recovering about halfway through June

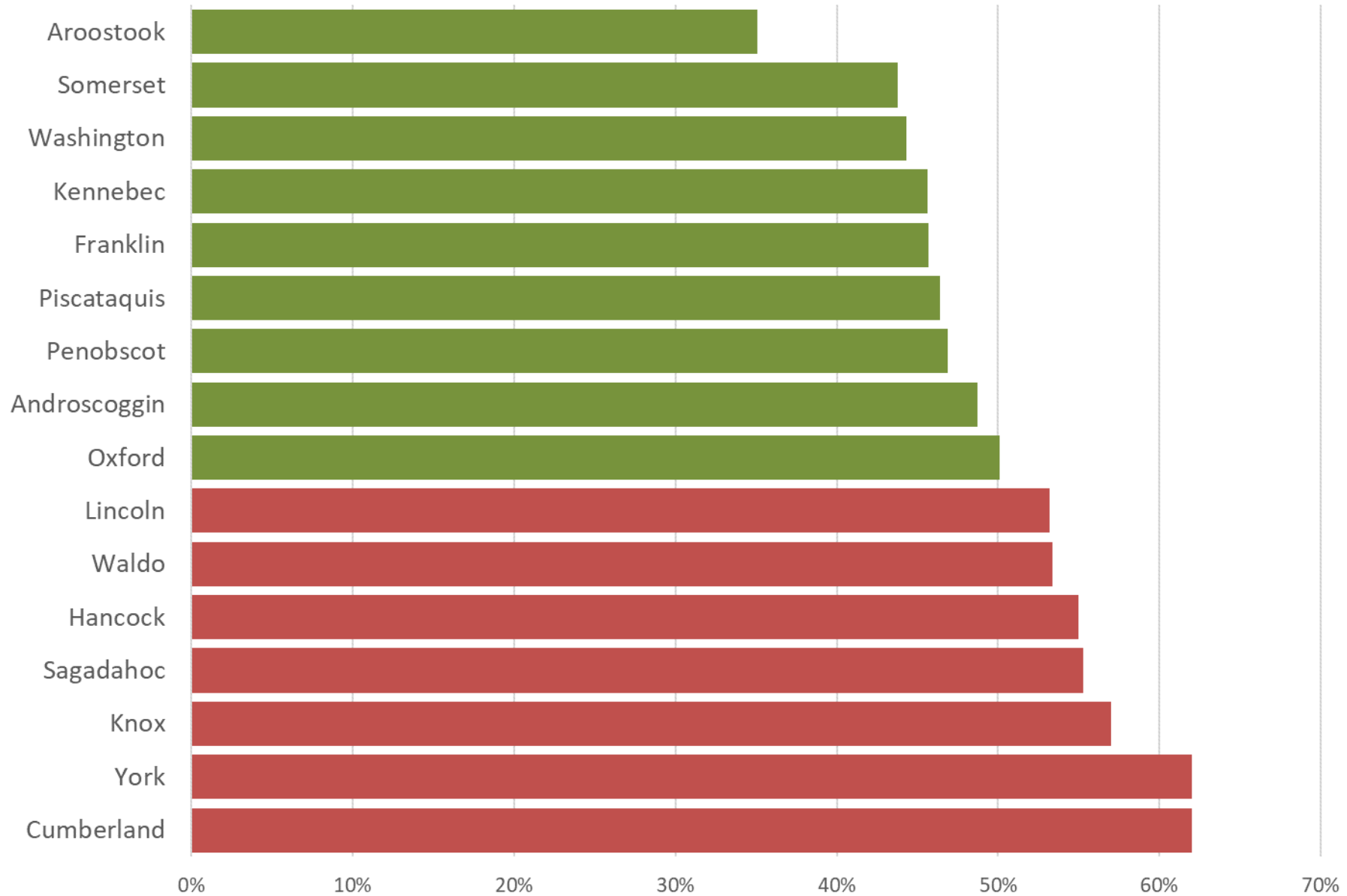
Maine has already seen an influx of home buyers from out of state (but who are they and how long will they stay?)

Single Family Existing-Home Sales



- Maine REALTORS noted in their November press release a nearly 27% increase in home sales in October 2020 vs October 2019 along with a 24.5% increase in the median sale price
- Out-of-state buyers normally represent about 25% of sales; in October they were 36% of sales

Percent of Households Unable to Afford Median Home



EMPLOYMENT

Maine Civilian Labor Force

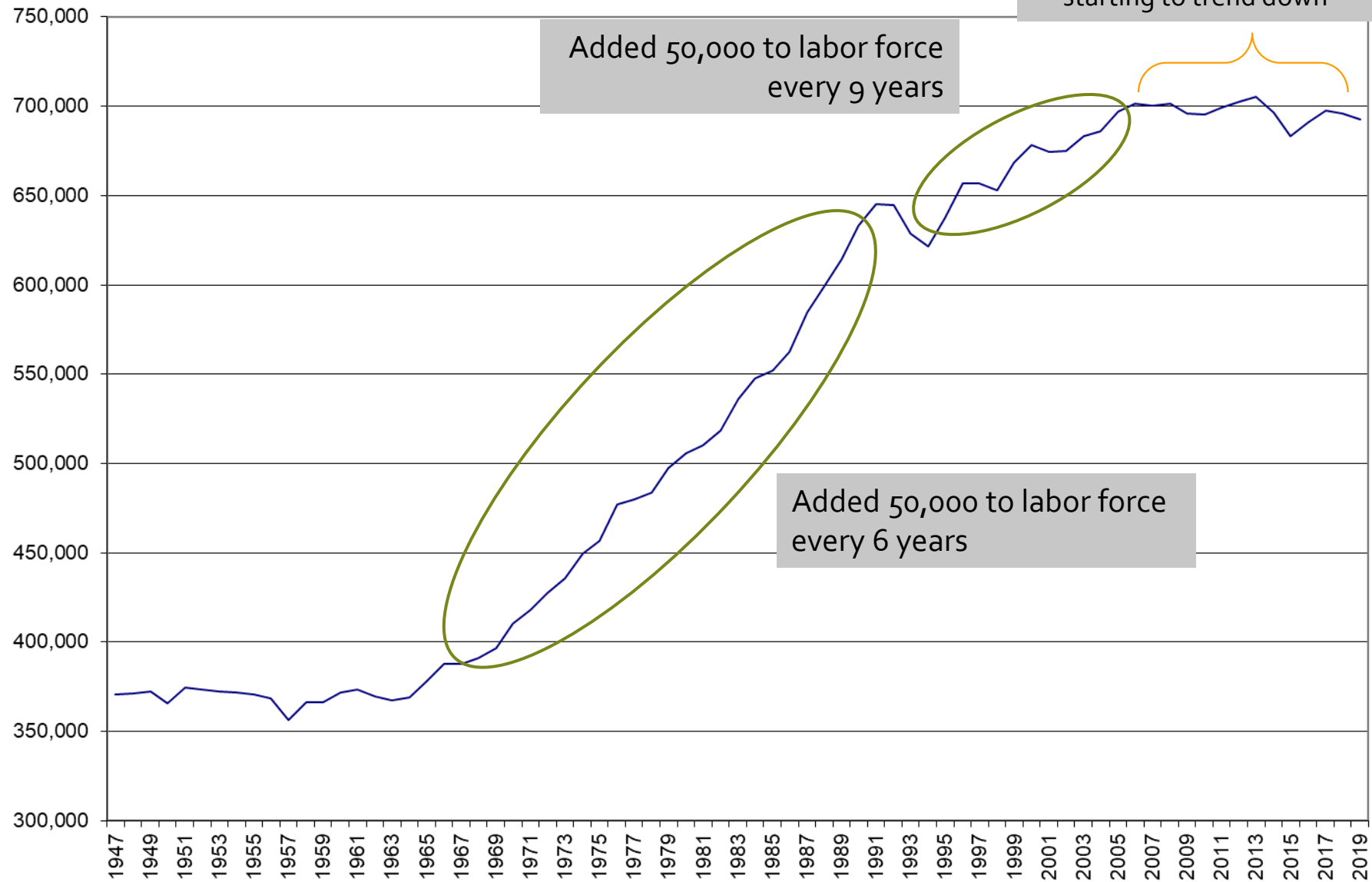
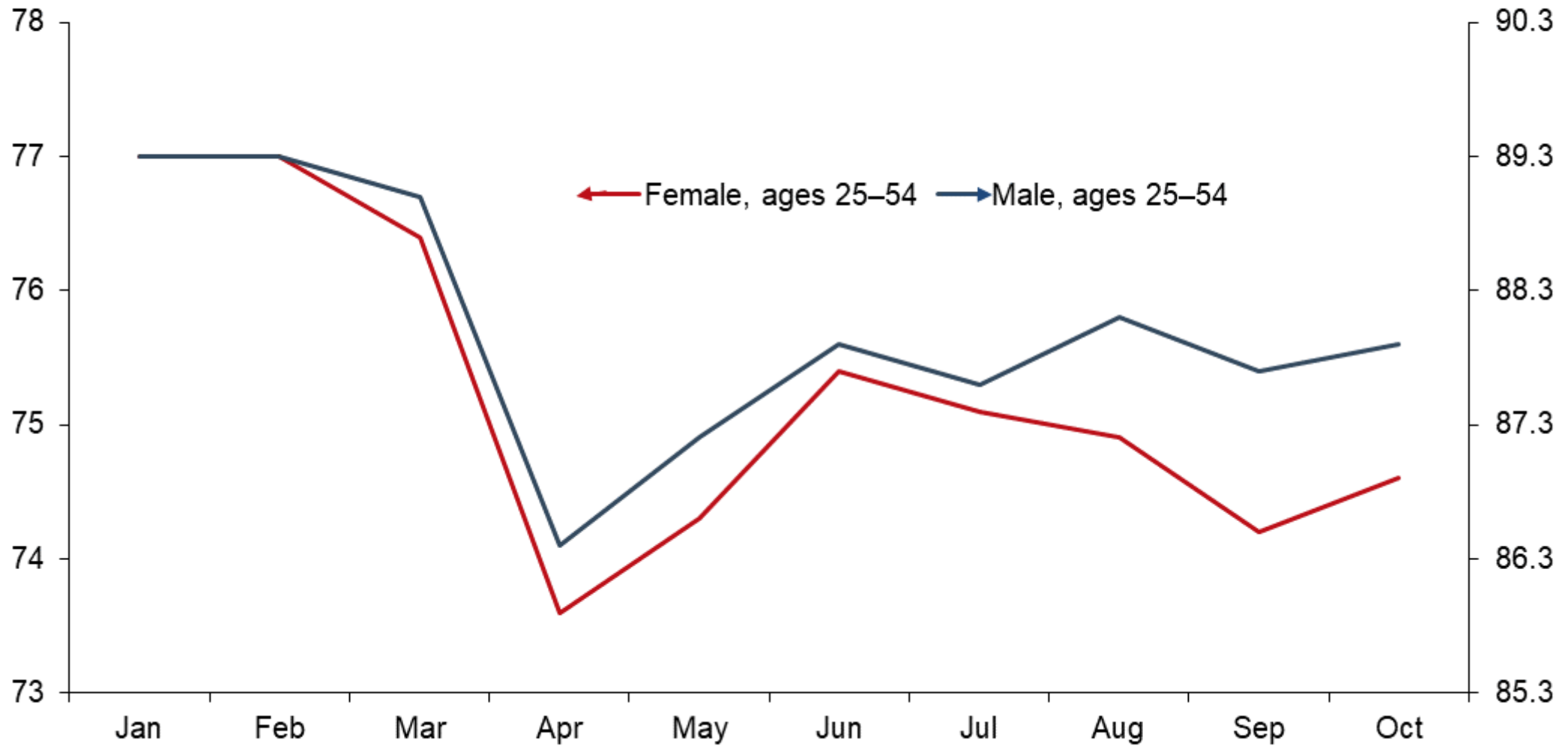


Chart 1

Female Prime-Age Labor Force Participation Rates Steadily Decline Since June

Percent, seasonally adjusted

Percent, seasonally adjusted



SOURCE: Bureau of Labor Statistics.

Federal Reserve Bank of Dallas

In Maine, 52% of households with children under age 18 present reported a loss of employment income compared to 38% of households without children

With disruptions to schools and child care, many children were suddenly home all day.

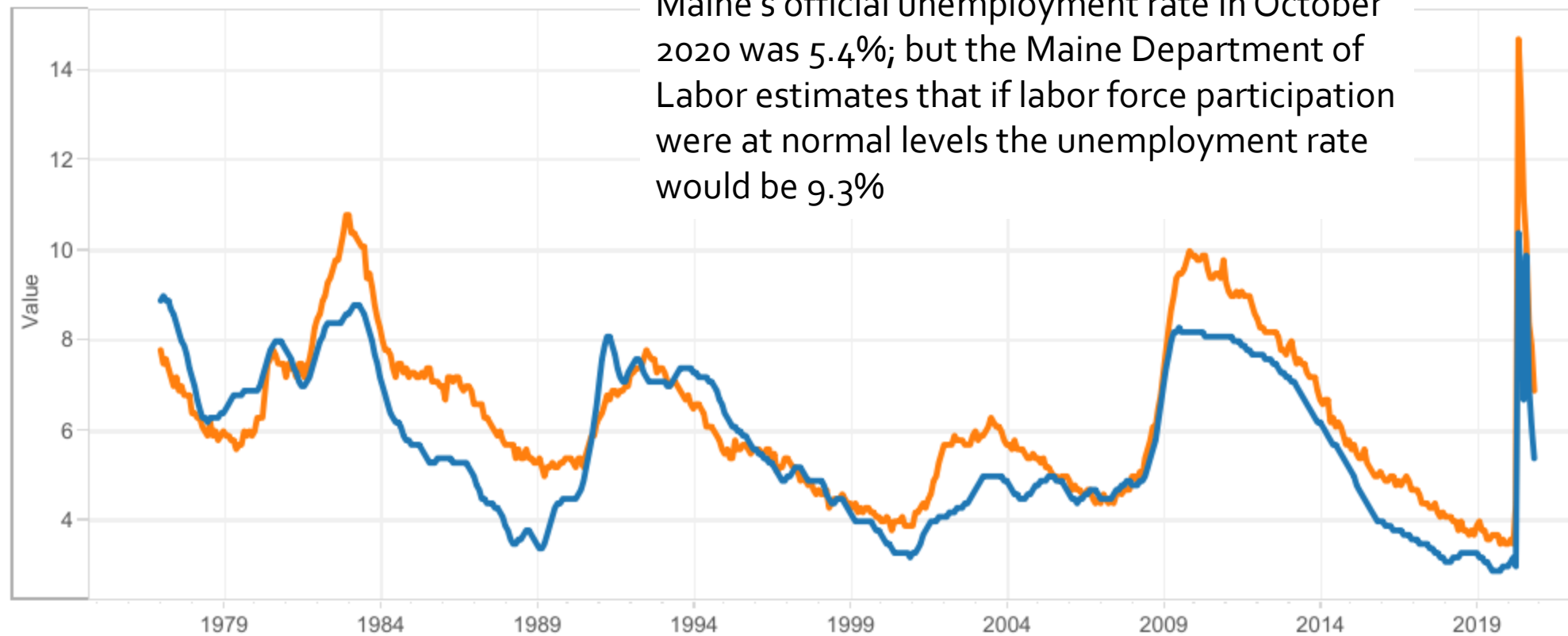
This resulted in people – more women than men – leaving the labor force to care for children.

For these people to re-enter the labor force, they not only need a job to return to, they also need safe, reliable, in-person school and/or child care

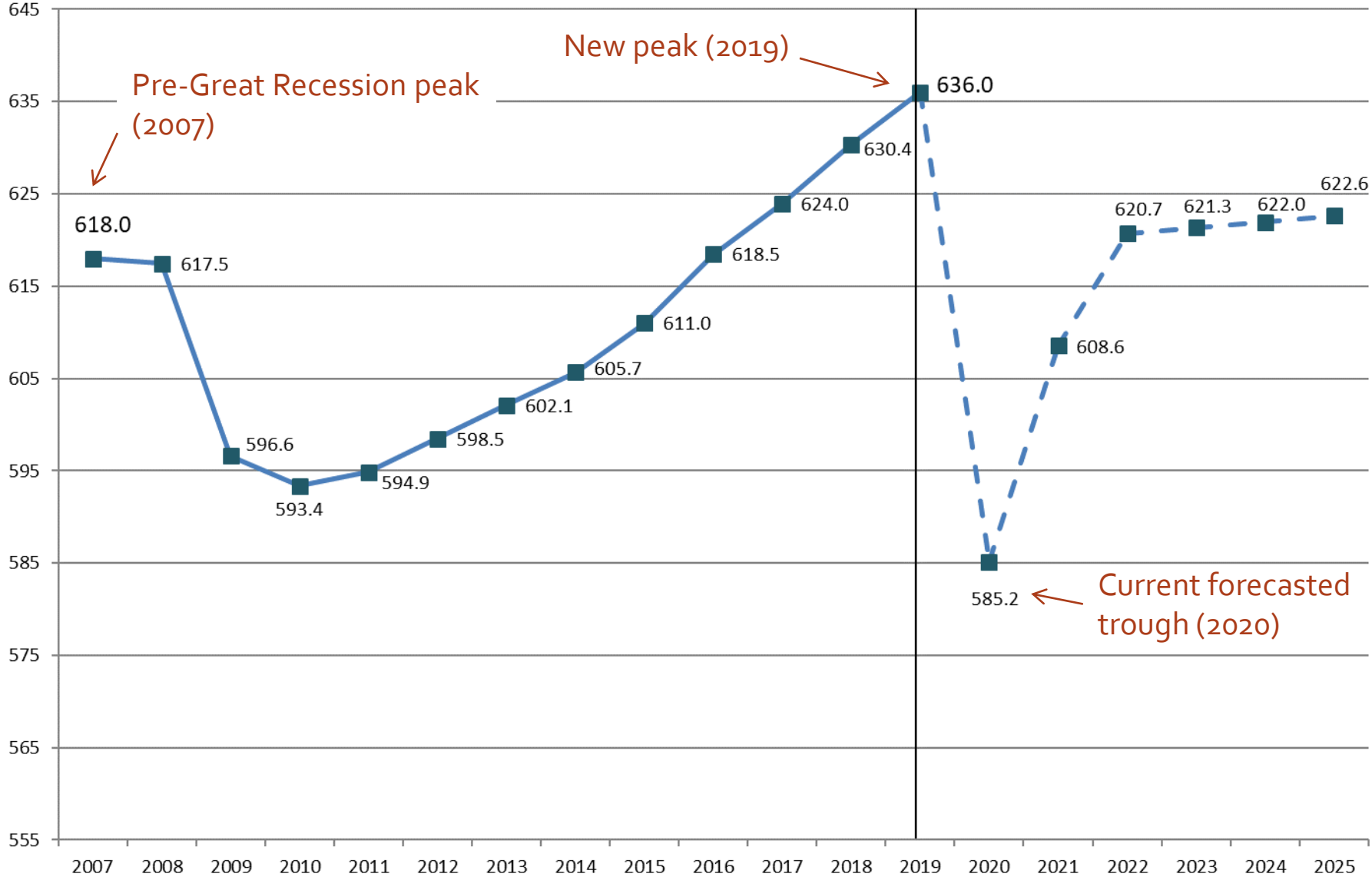
In April 2020, unemployment rates were the highest on record and rose more than in any other month; even so, they underrepresented the true unemployment rate due to technical issues

■ Maine, Seasonally Adjusted
■ United States, Seasonally Adju..

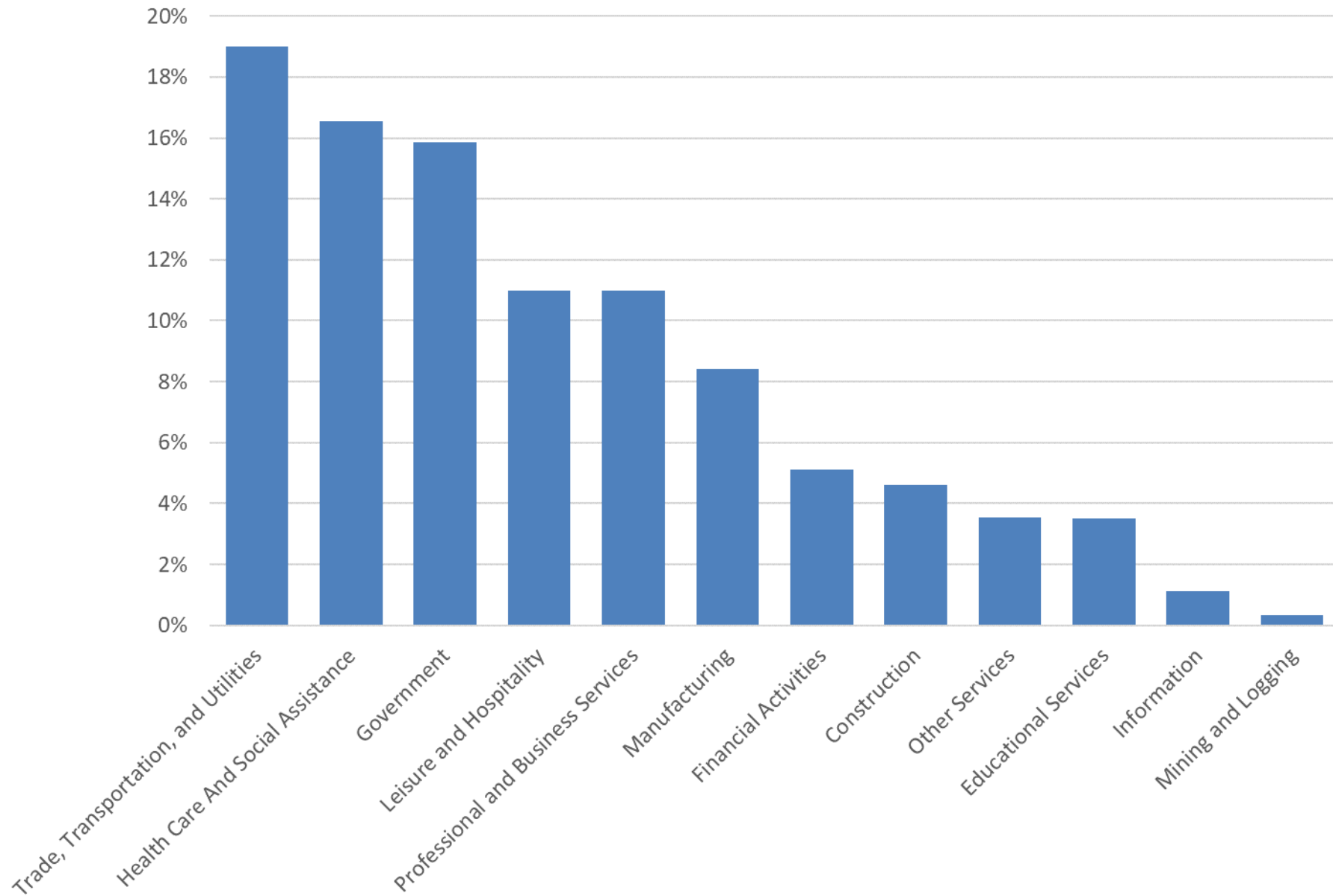
Monthly (Seasonally Adjusted)



Total Nonfarm Employment (in thousands) History and CEFC forecast



Share of Maine Nonfarm Employment by Industry, 2019



Employment impacts and recoveries have been uneven

Less impacted:

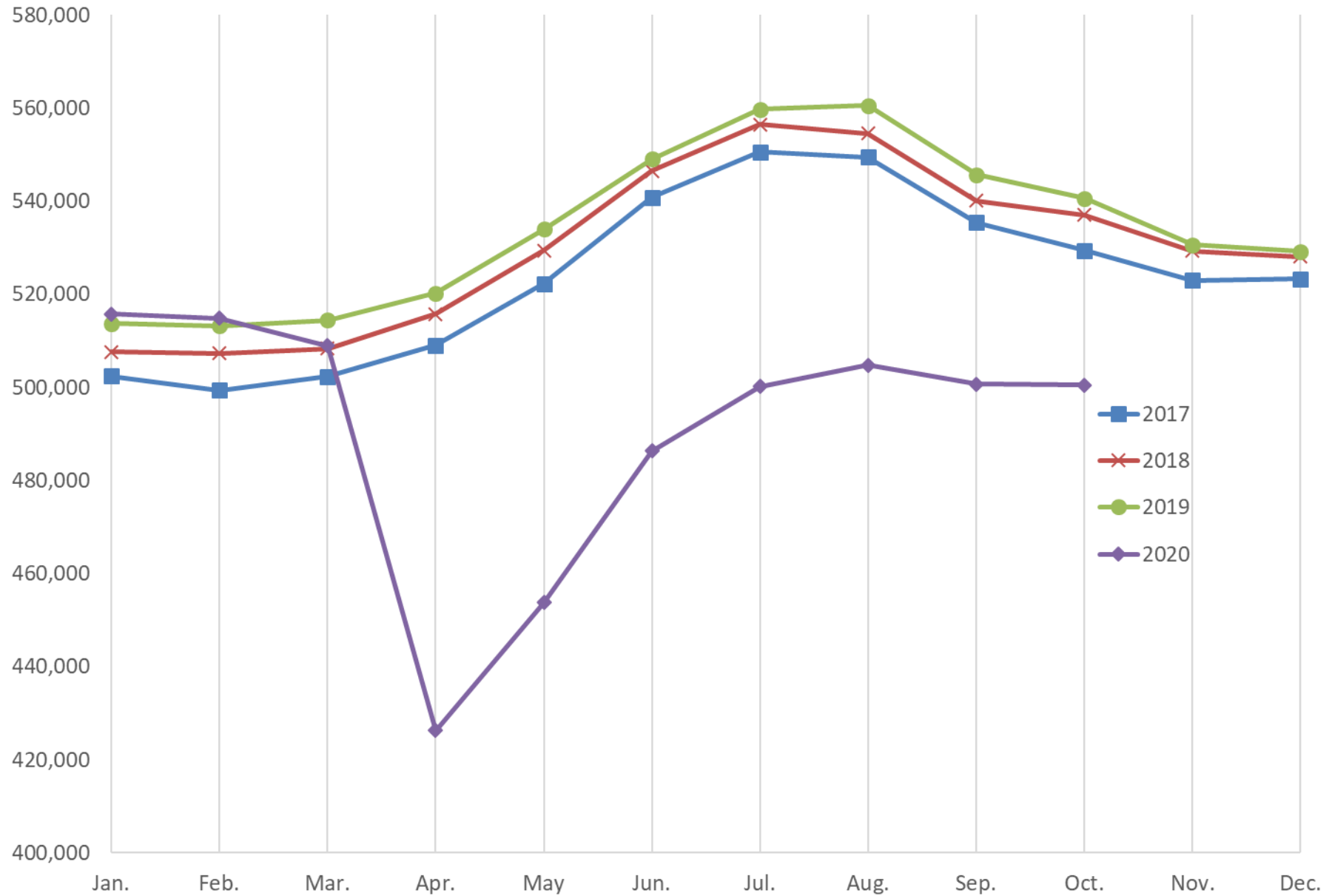
- Jobs that could easily transition to remote work
- Sectors related to pandemic response and increased migration and time spent at home
 - Some manufacturing, retail, construction, health care

More impacted:

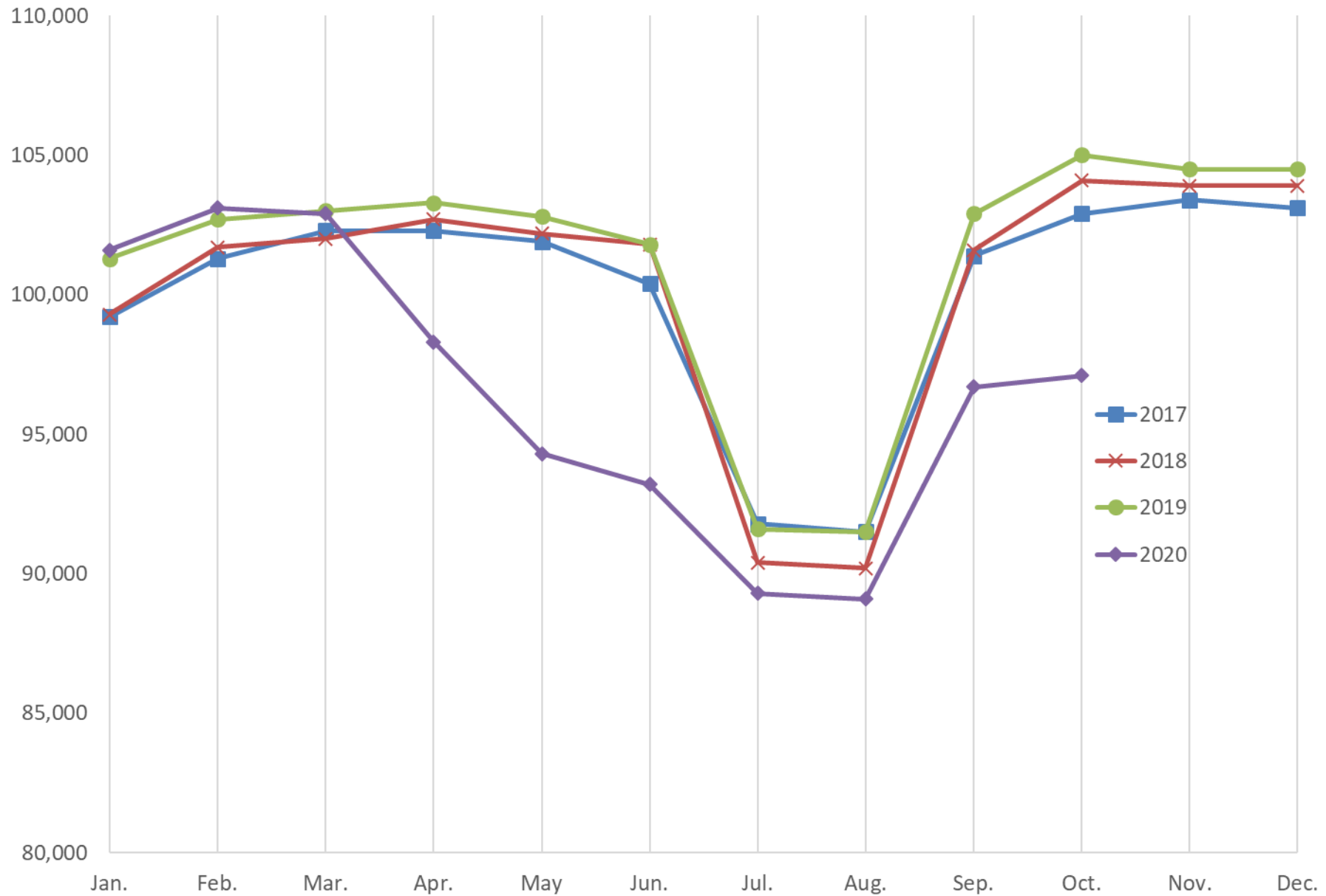
- “High-touch” jobs where face to face interactions are frequent
- Activities reliant on large gatherings (movie theaters, concerts/arts venues)
- Sectors tied to tourism

Not seasonally adjusted employment data can help us see some of these differences

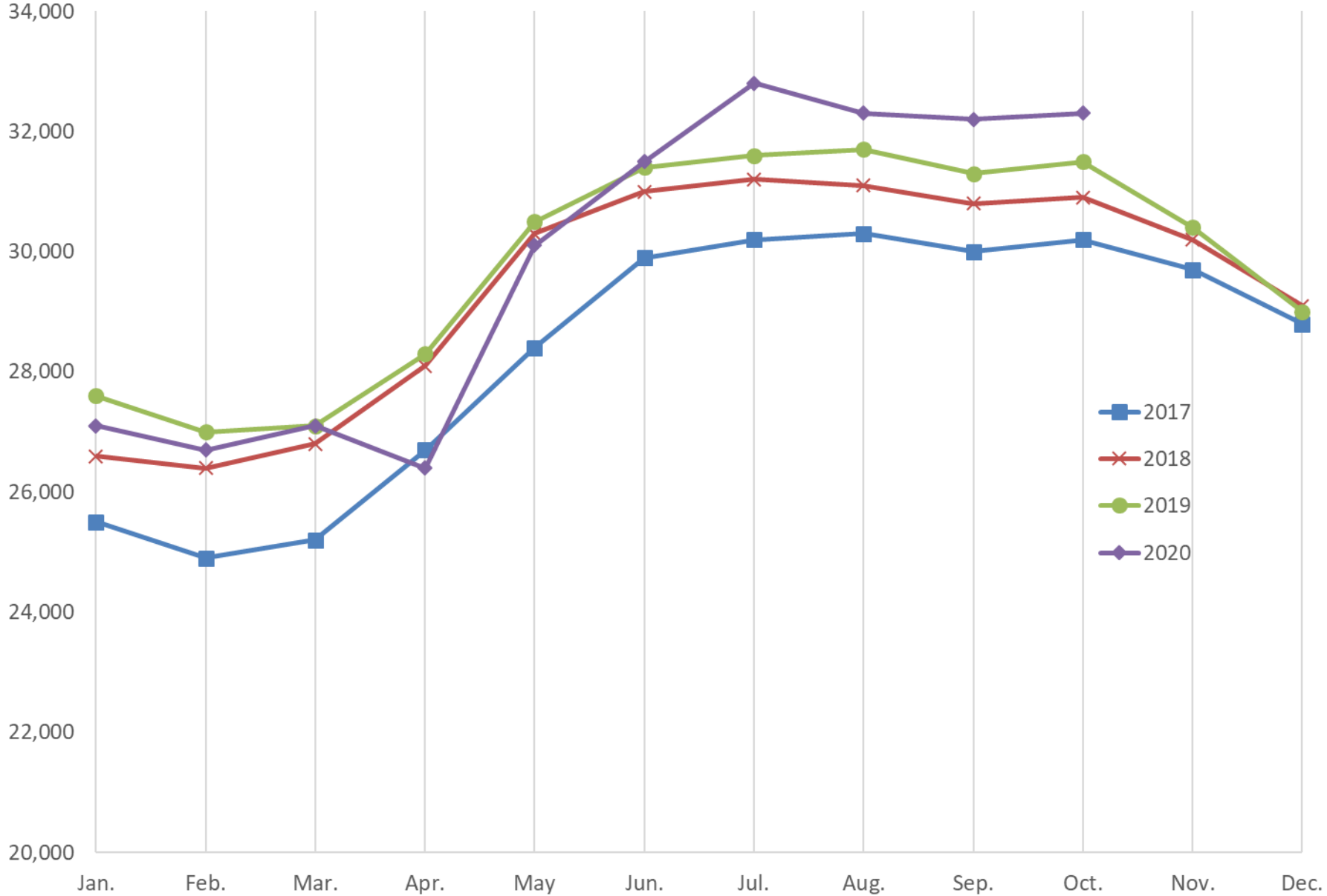
Total Private Employment, Not Seasonally Adjusted



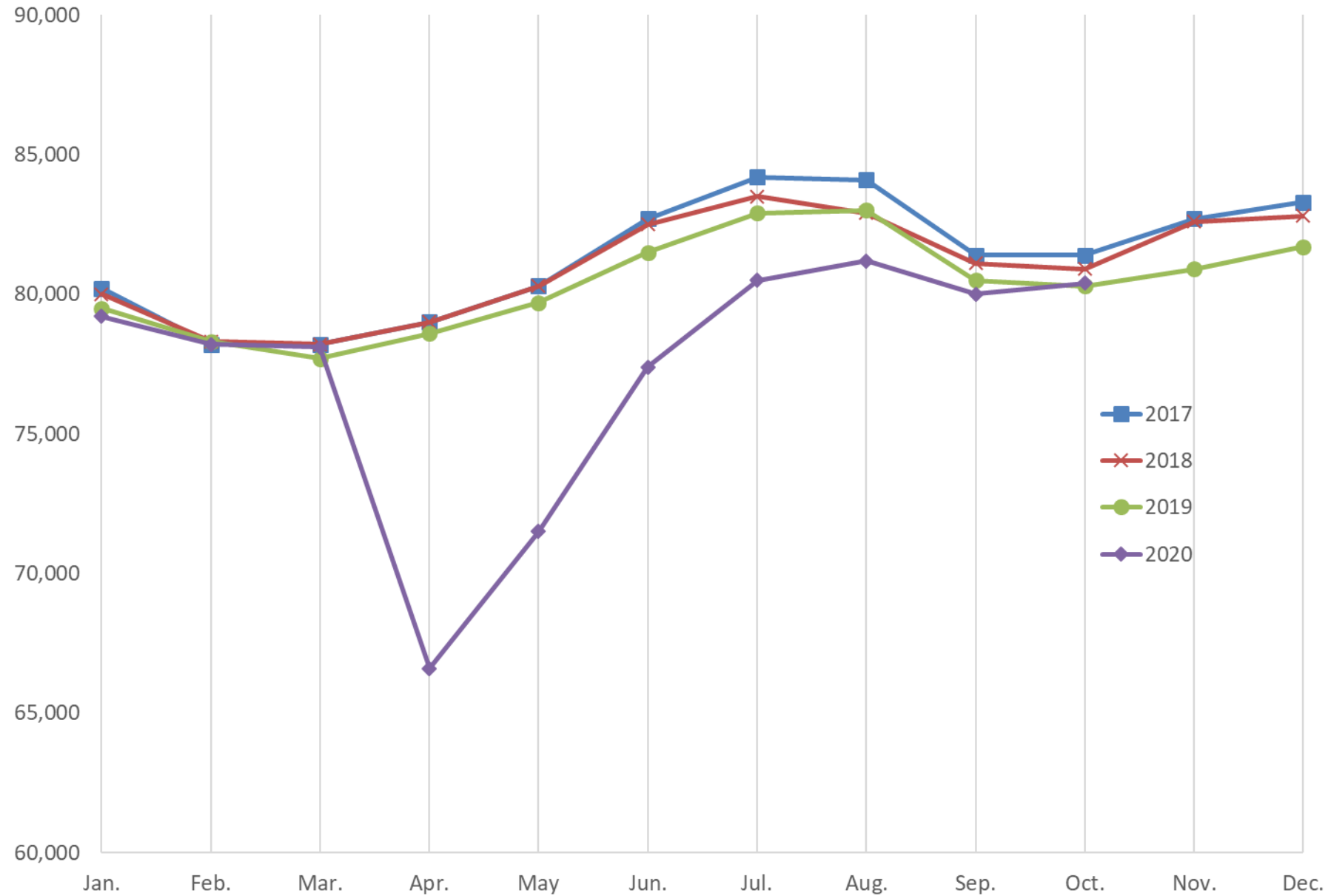
Government Employment, Not Seasonally Adjusted



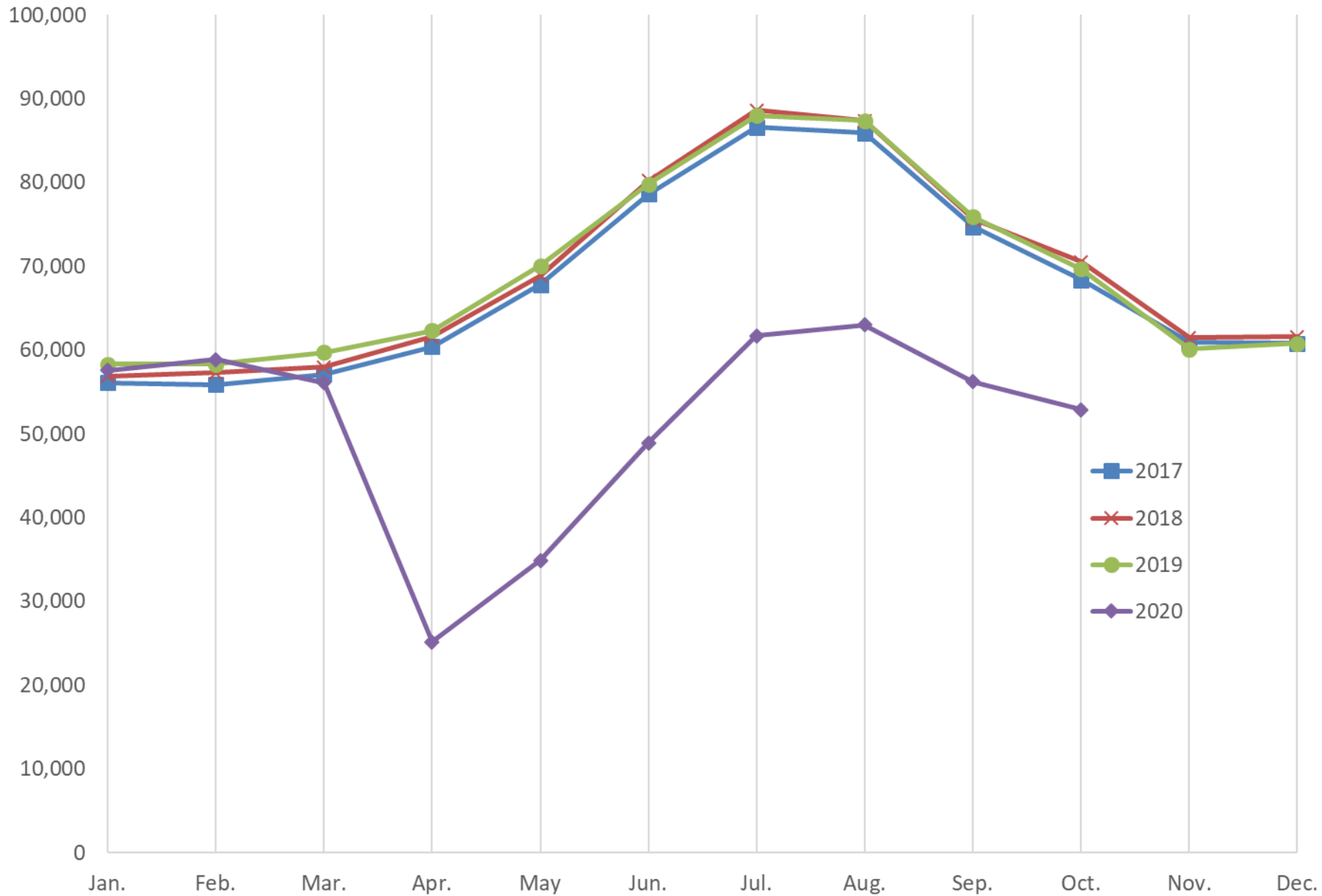
Construction Employment, Not Seasonally Adjusted



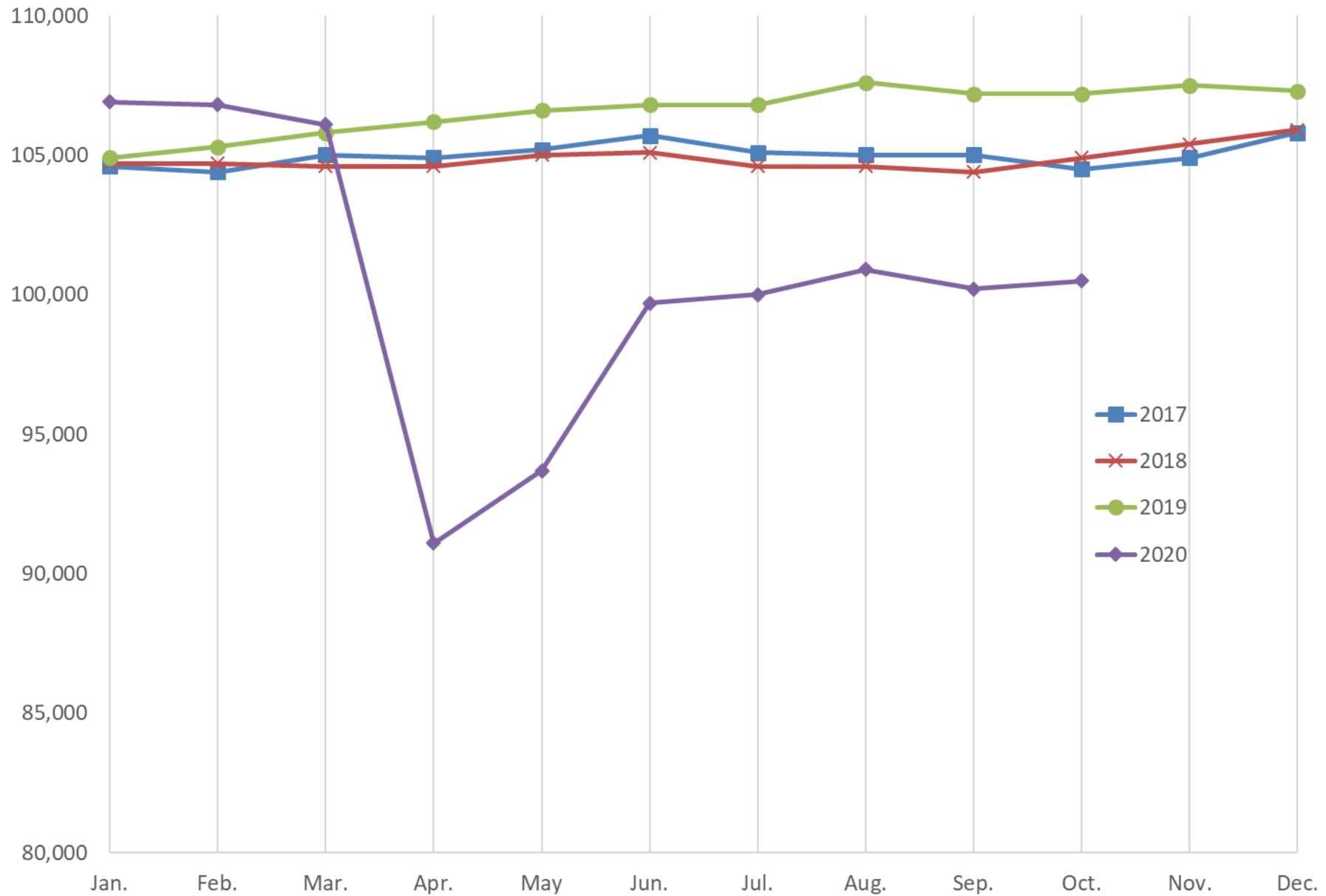
Retail Trade Employment, Not Seasonally Adjusted



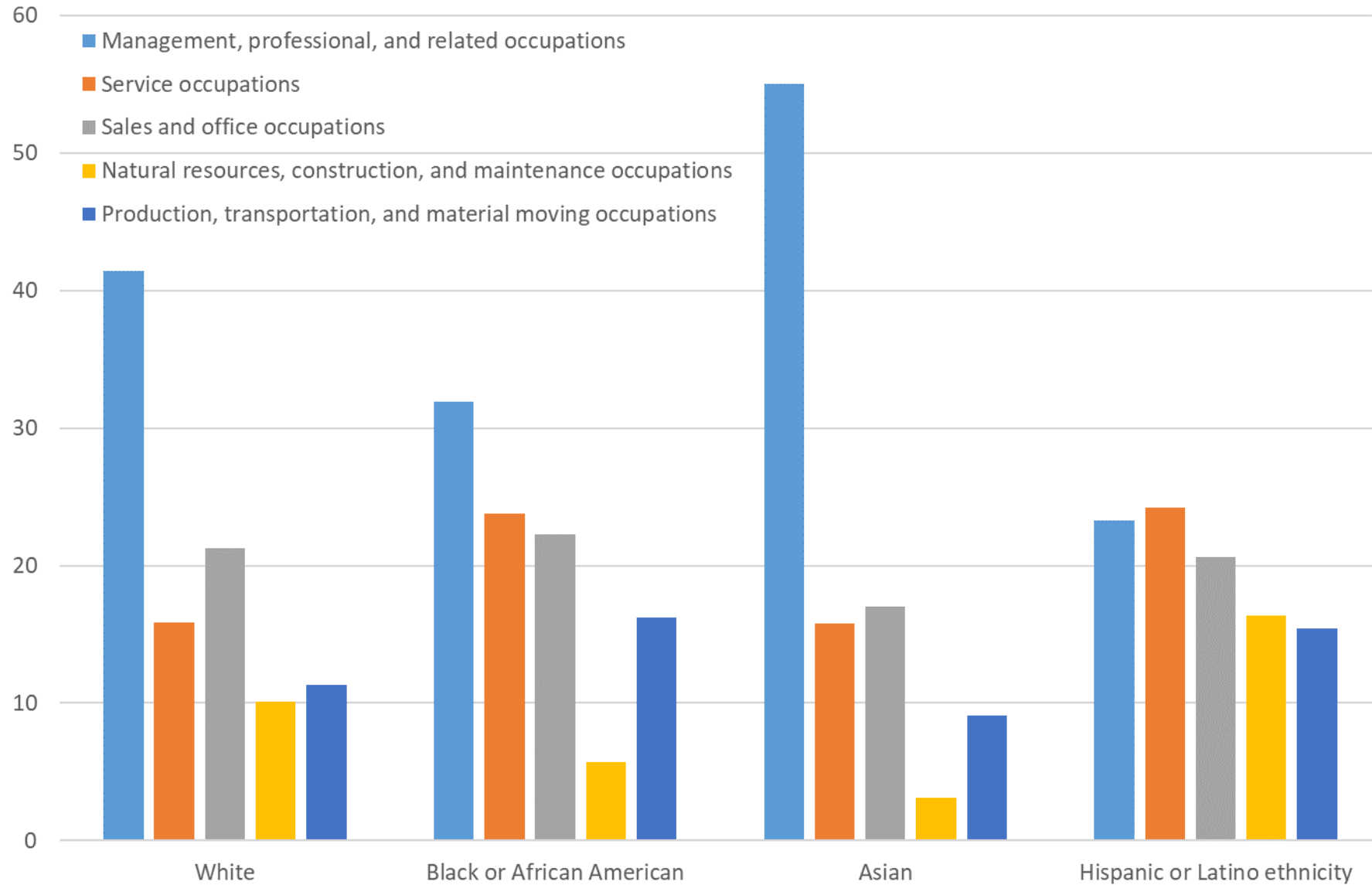
Leisure and Hospitality Employment, Not Seasonally Adjusted



Health Care and Social Assistance Employment, Not Seasonally Adjusted



Percent of Total Employed by Race/Ethnicity and Occupation; United States



Nationwide, Black, Indigenous, and People of Color have seen higher rates of employment income loss since March

- White alone, not Hispanic: 42% of households reported experiencing a loss of employment income since March 13, either for themselves or a household member
- Black alone, not Hispanic: 55%
- Asian alone, not Hispanic: 48%
- Two or more races + Other races, not Hispanic: 56%
- Hispanic or Latino (any race): 60%

Analysis by the Federal Reserve Bank of Boston found disparate impacts by age

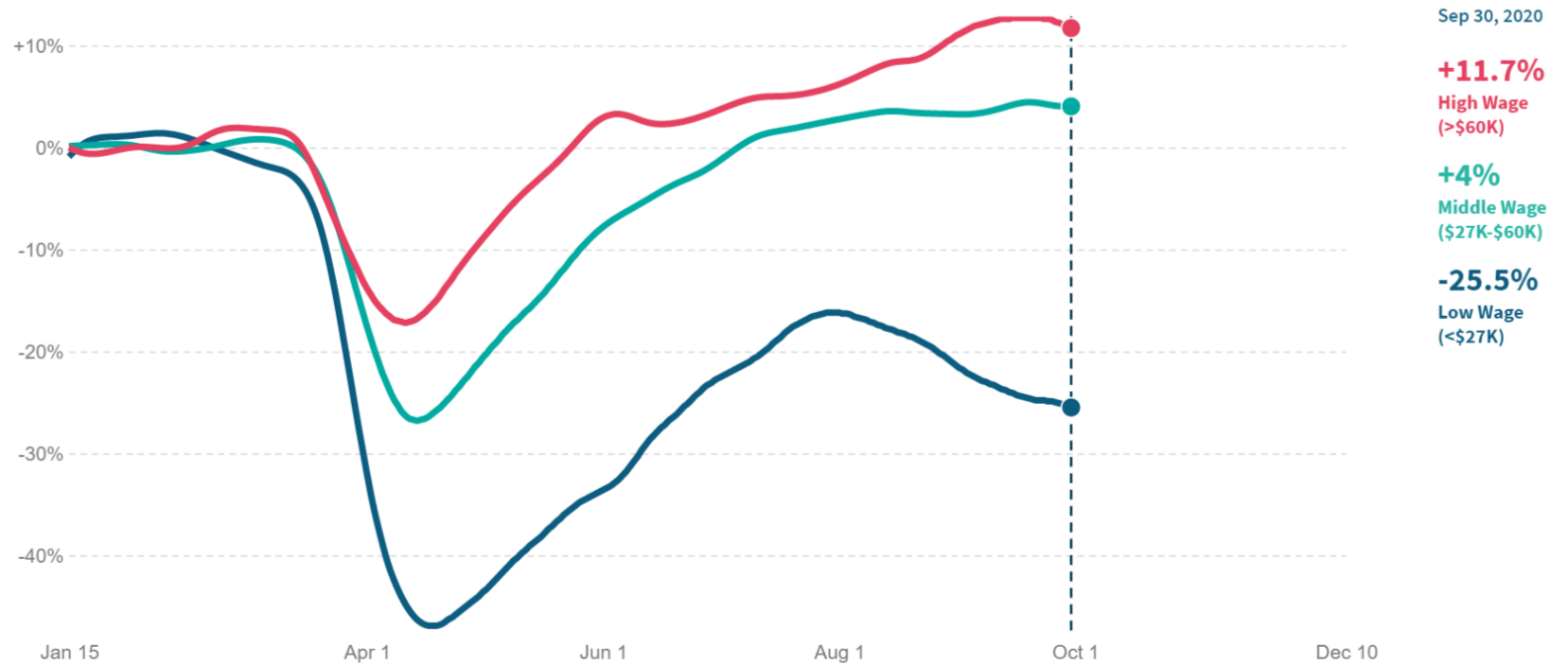
In July 2020 in Maine, age **22-24** had the highest unemployment insurance claimant rate as a share of the workforce by age, followed by age **25-34**

Employment is beginning to look like a “K-shaped” recovery.

In late September, low wage employment was around 25% below January 2020 levels, while high wage employment was nearly 12% higher

Percent Change in Employment*

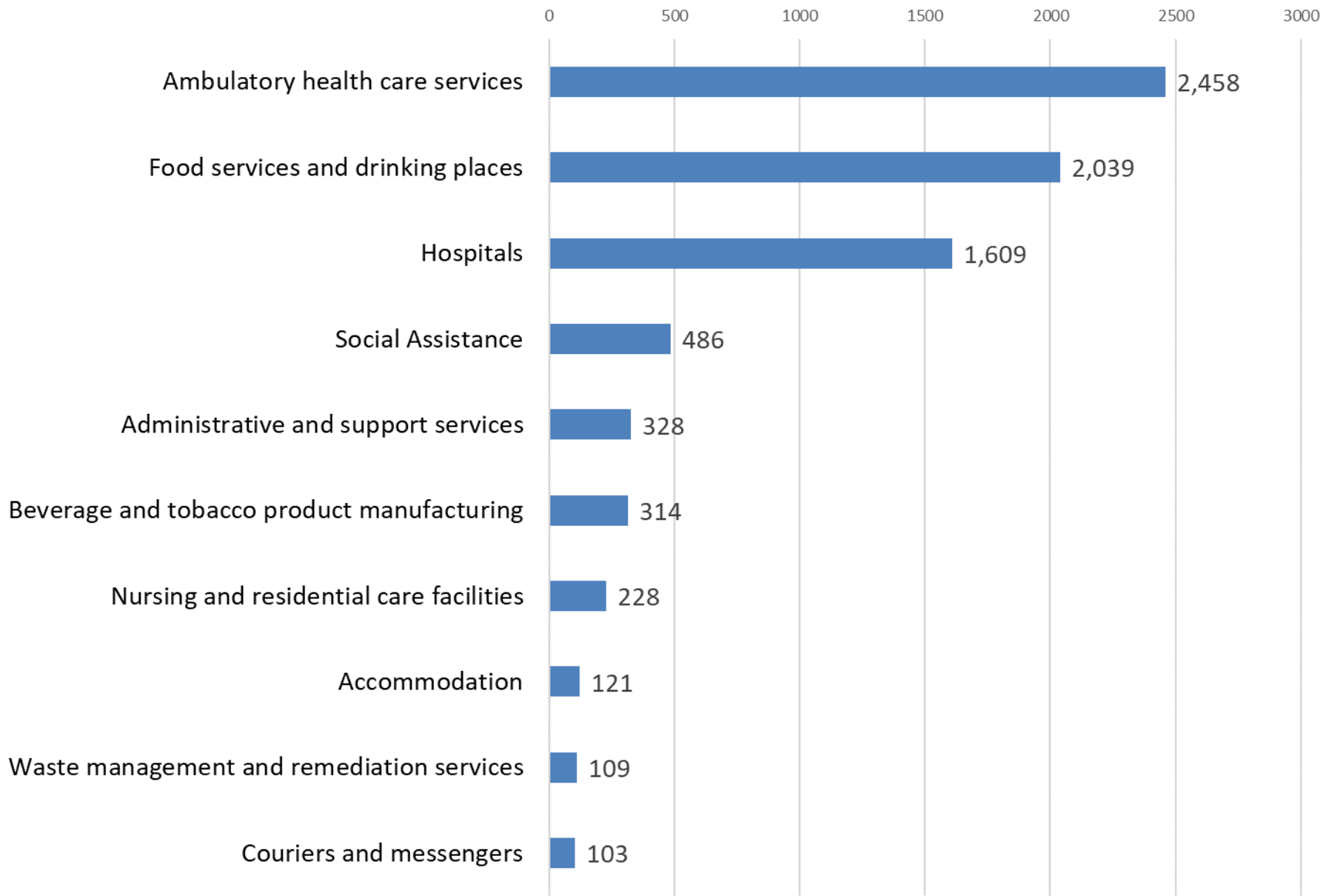
In **Maine**, as of **September 30 2020**, employment rates among workers in the bottom wage quartile **decreased** by **25.5%** compared to January 2020 (not seasonally adjusted).



*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos. The dotted line in the low-wage series is a prediction of employment rates based on Kronos data.

last updated: **December 02, 2020** next update expected: **December 11, 2020**

Industries Projected to Gain the Largest Number of Jobs in Maine Between 2018 and 2028



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

Display

- Graph
 Table

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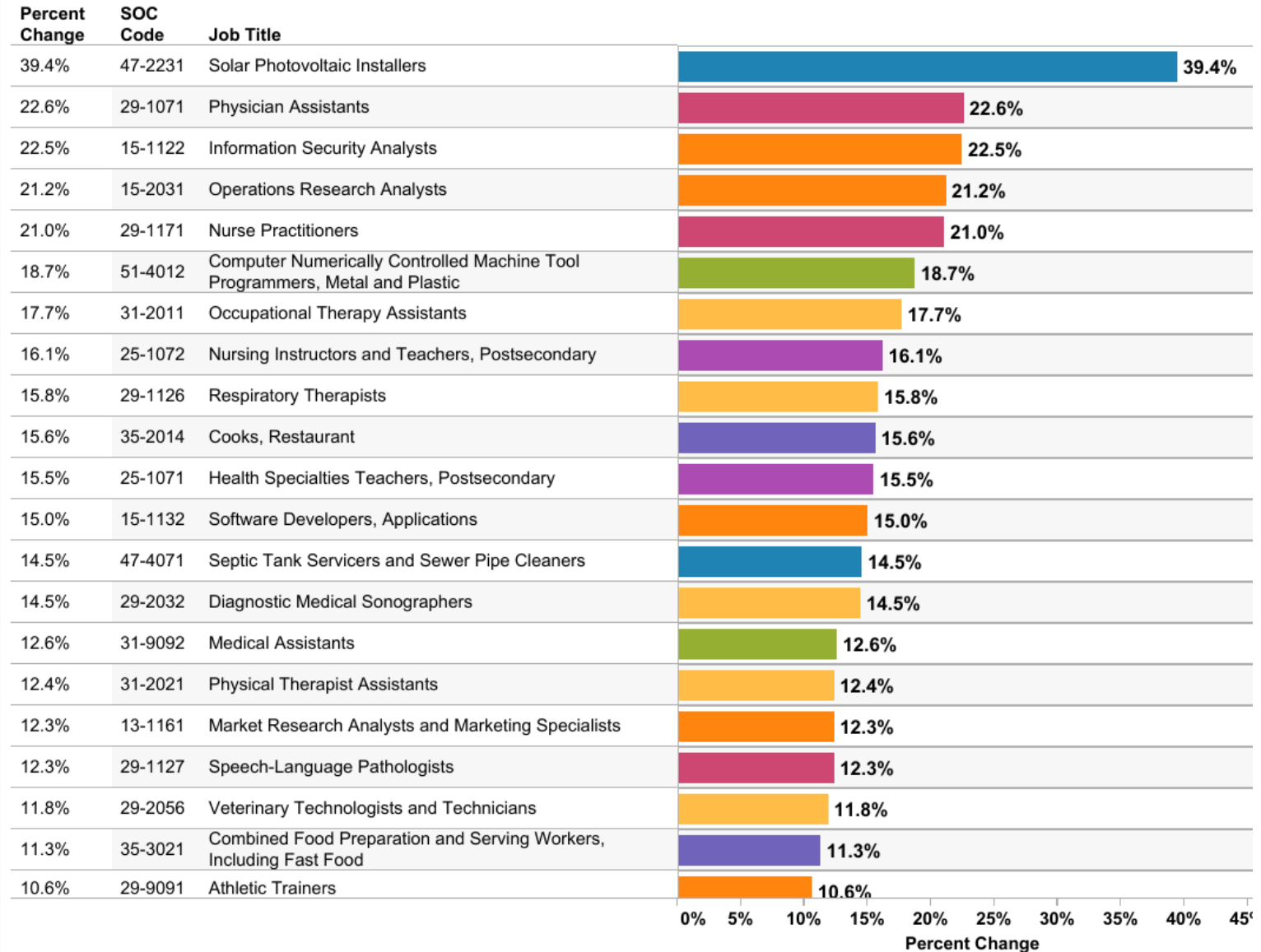
Education Requirement:

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

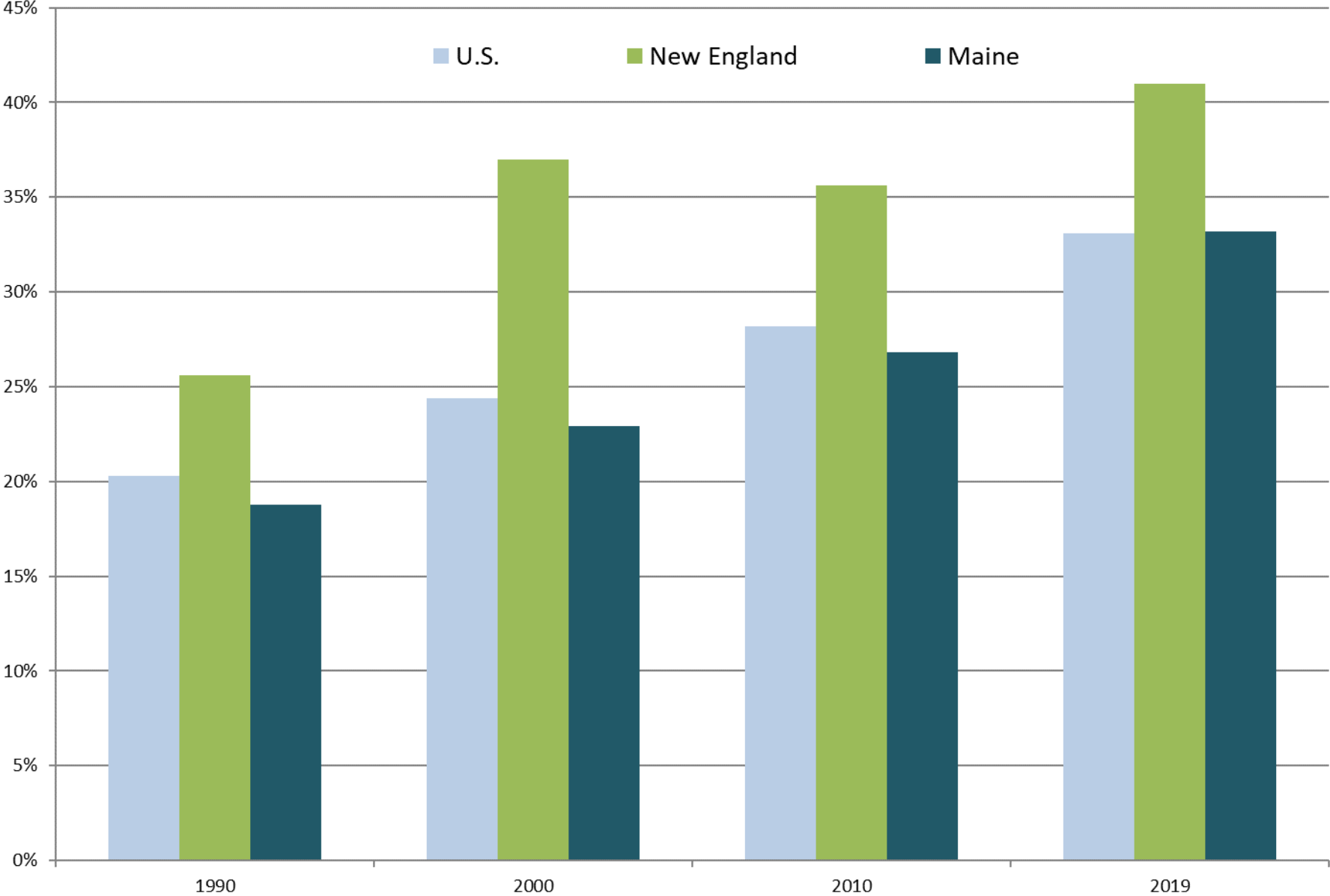
Select Topic:

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

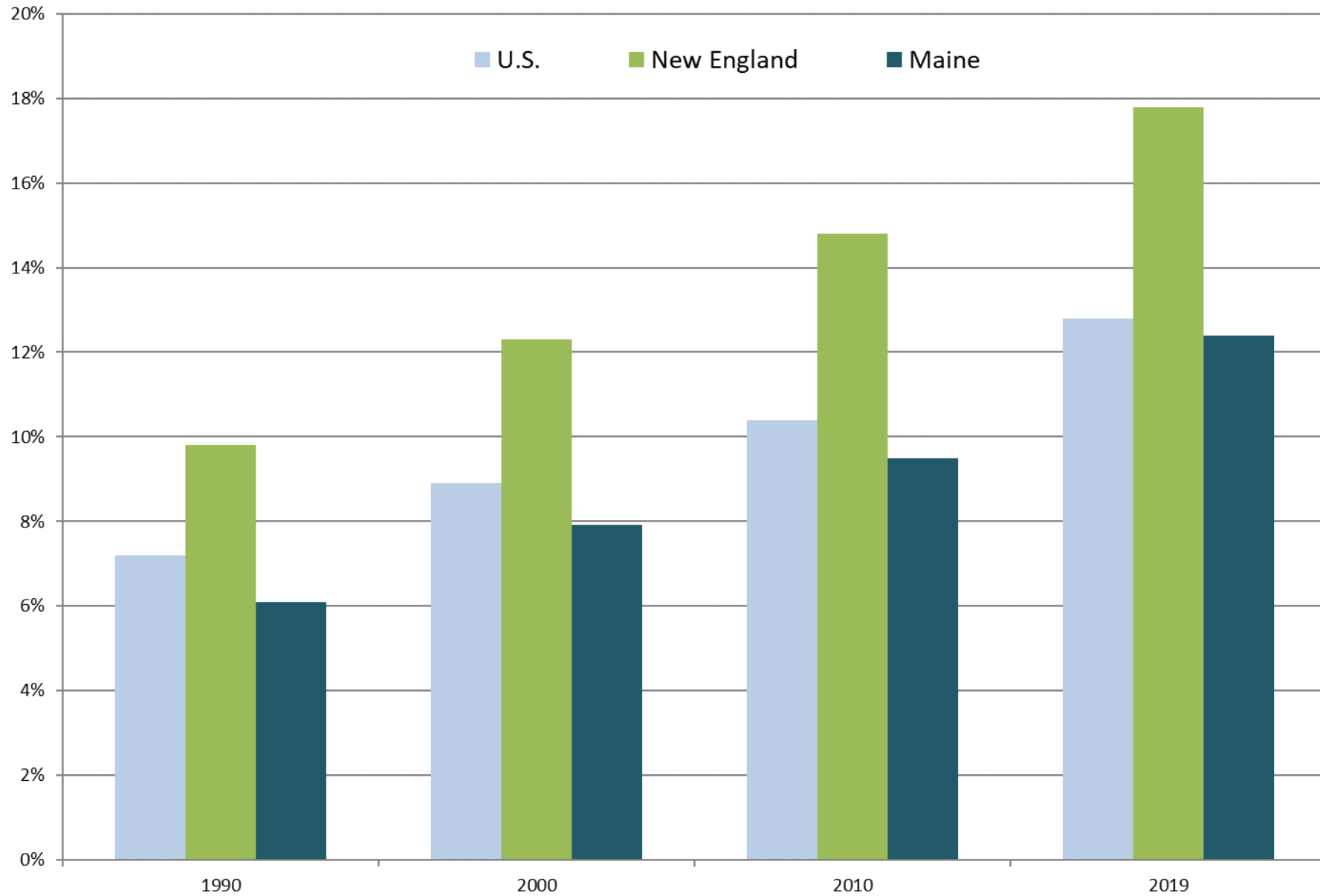
- Associate's degree
 Bachelor's degree
 Doctoral or professional degree
 High school diploma or equivalent
 Master's degree
 No formal educational credential
 Postsecondary non-degree award



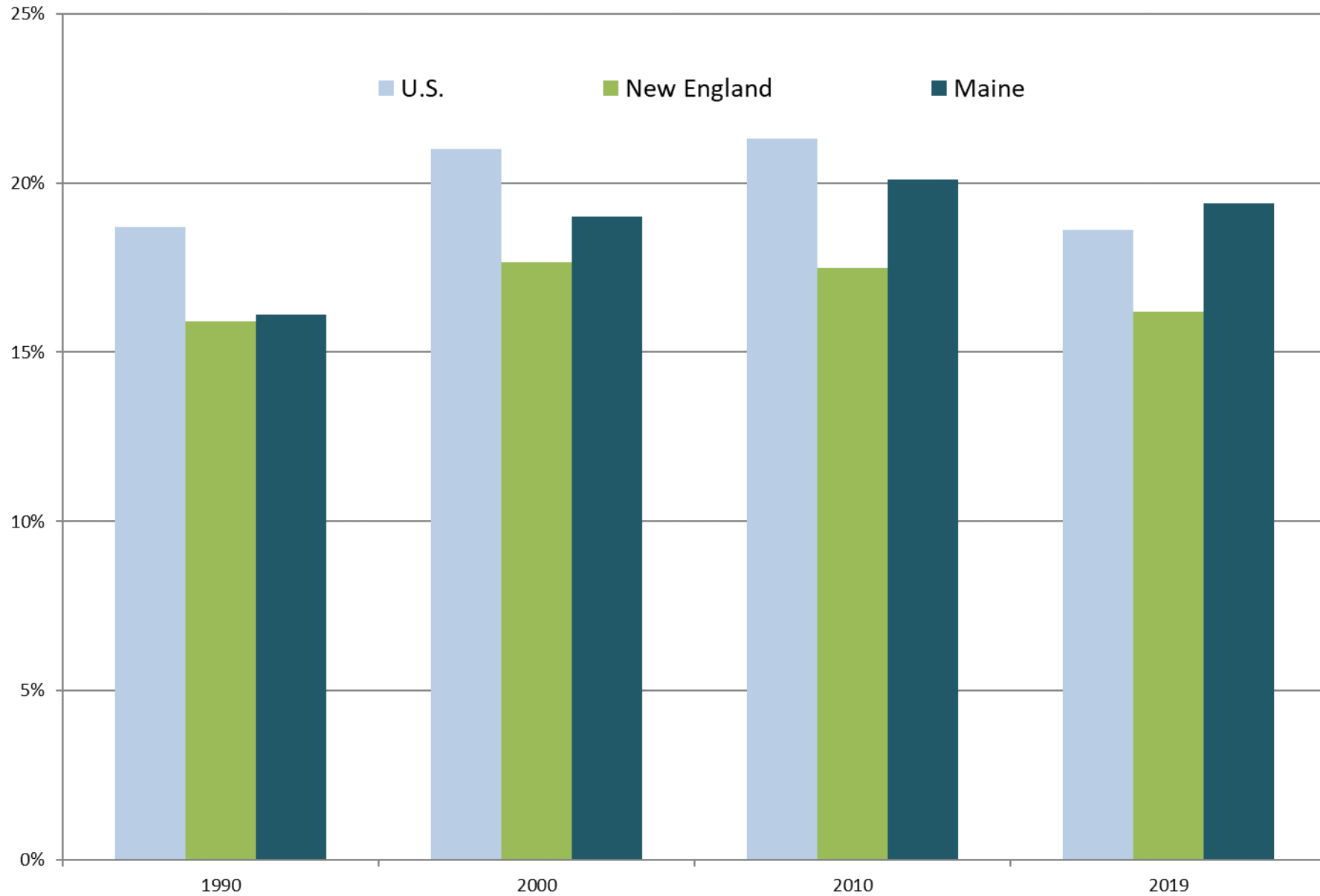
Percent of Population Age 25+ with a Bachelor's Degree or Higher



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

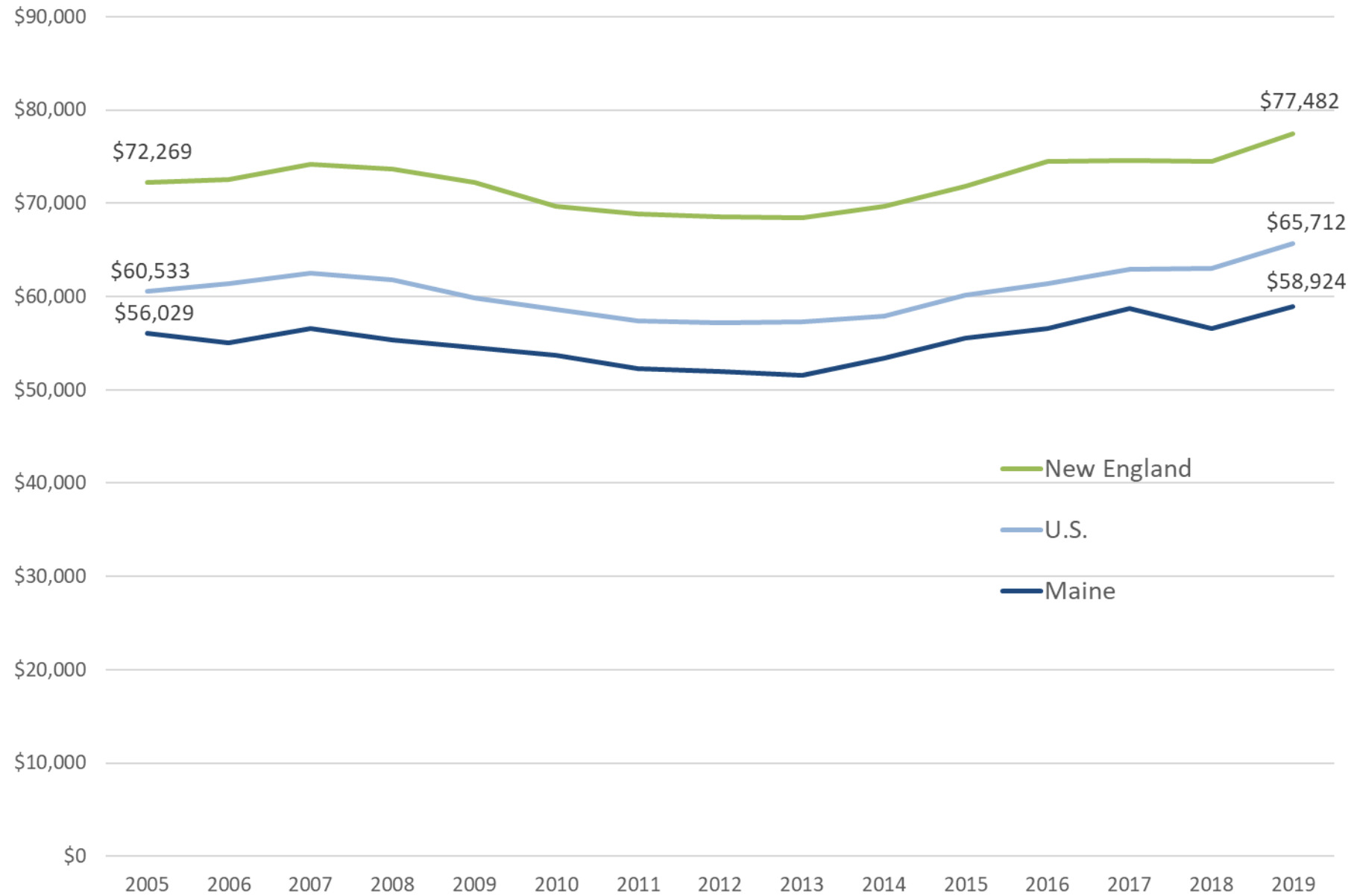


Percent of Population Age 25+ with Some College, No Degree

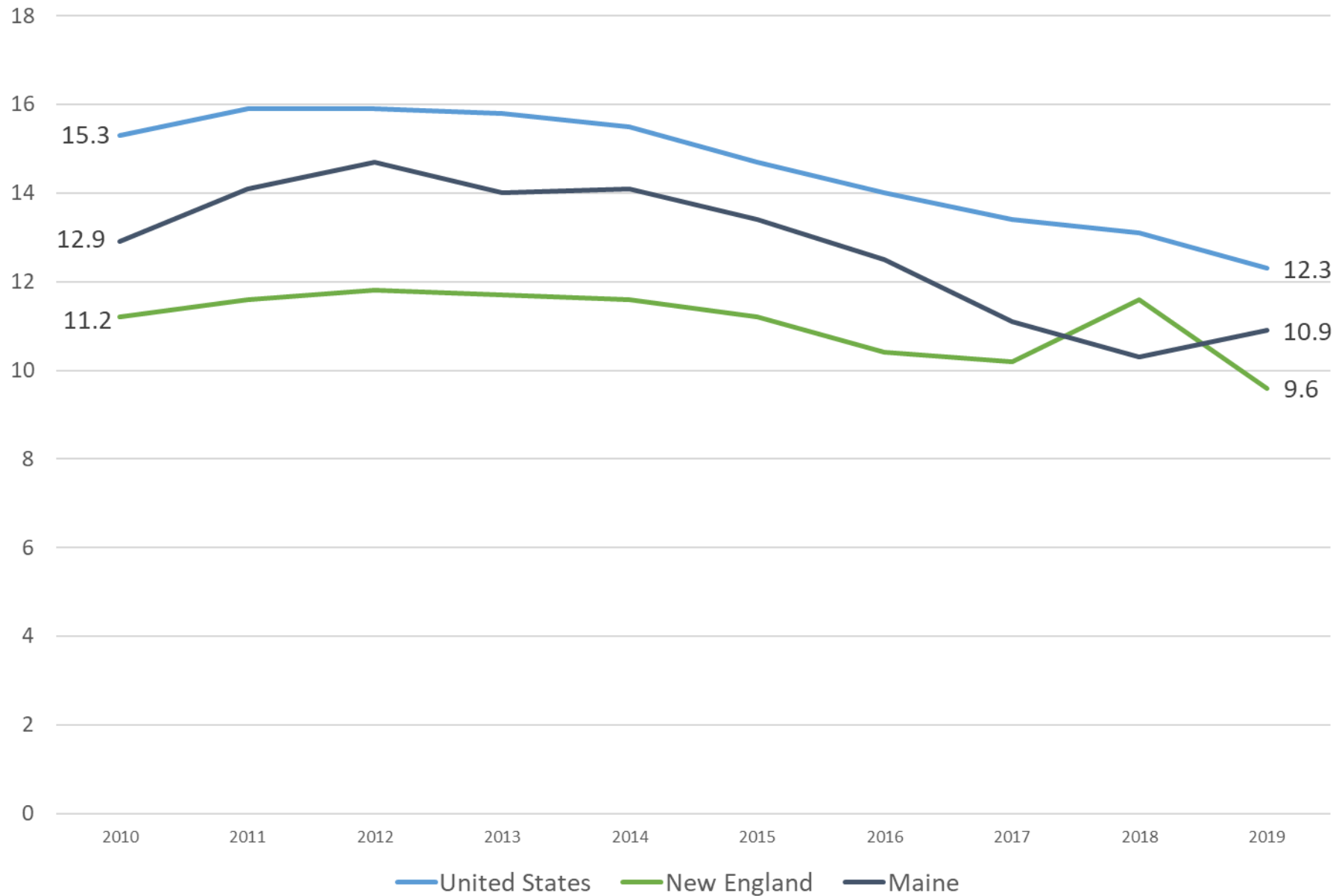


INCOME

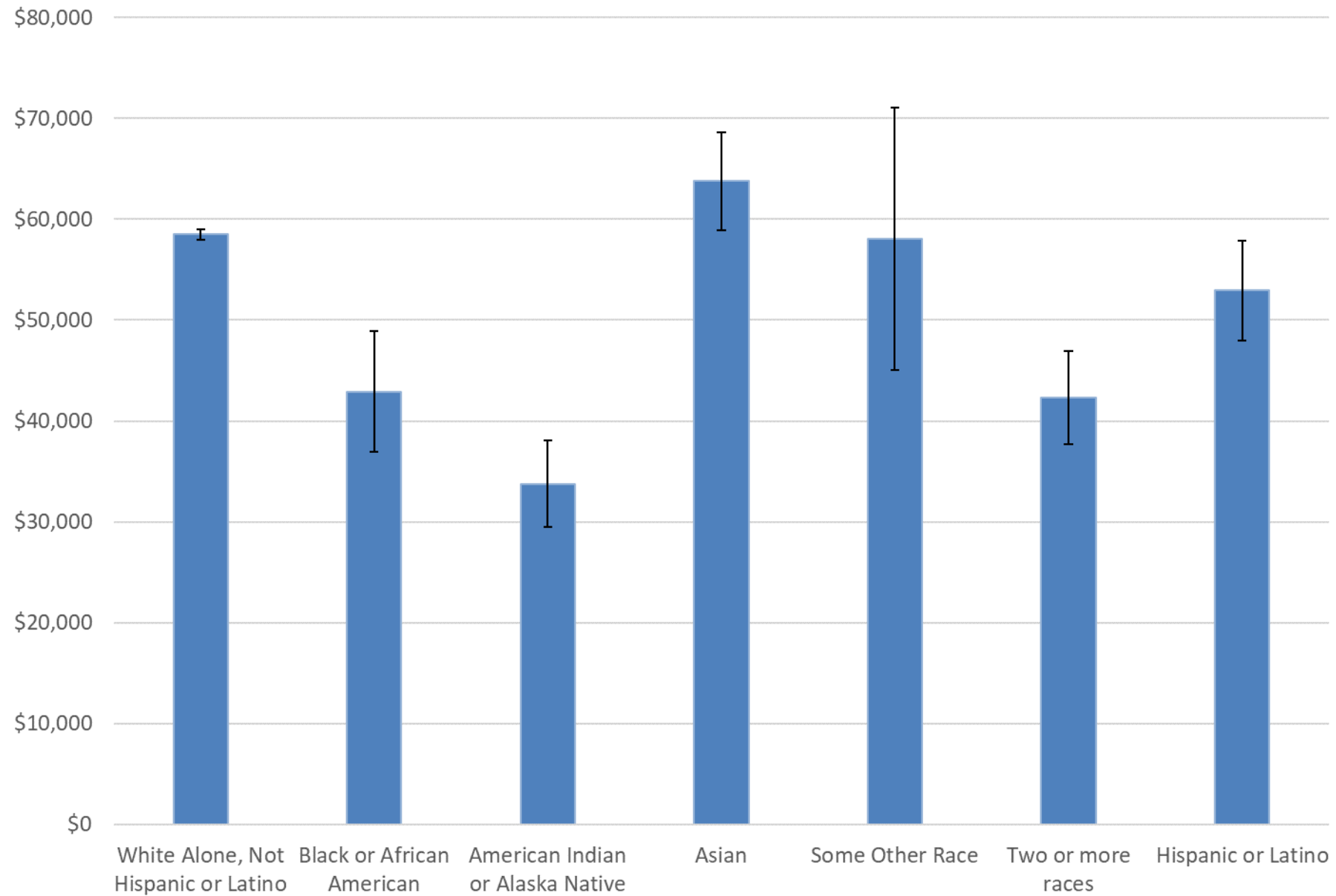
Real Median Household Income (in 2019 \$)



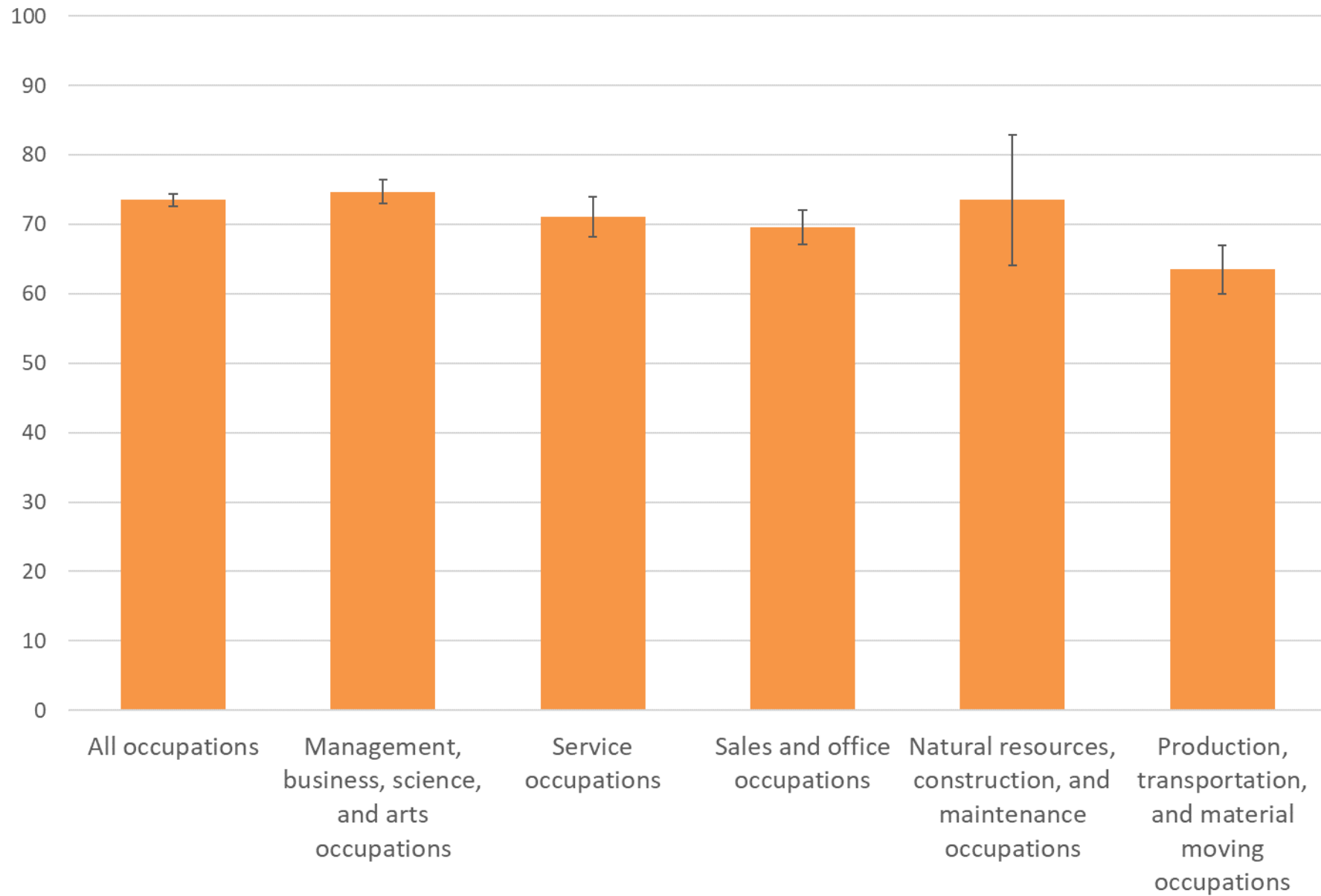
Percent Below Poverty Level; Population for whom poverty status is determined



Median Household Income, Maine



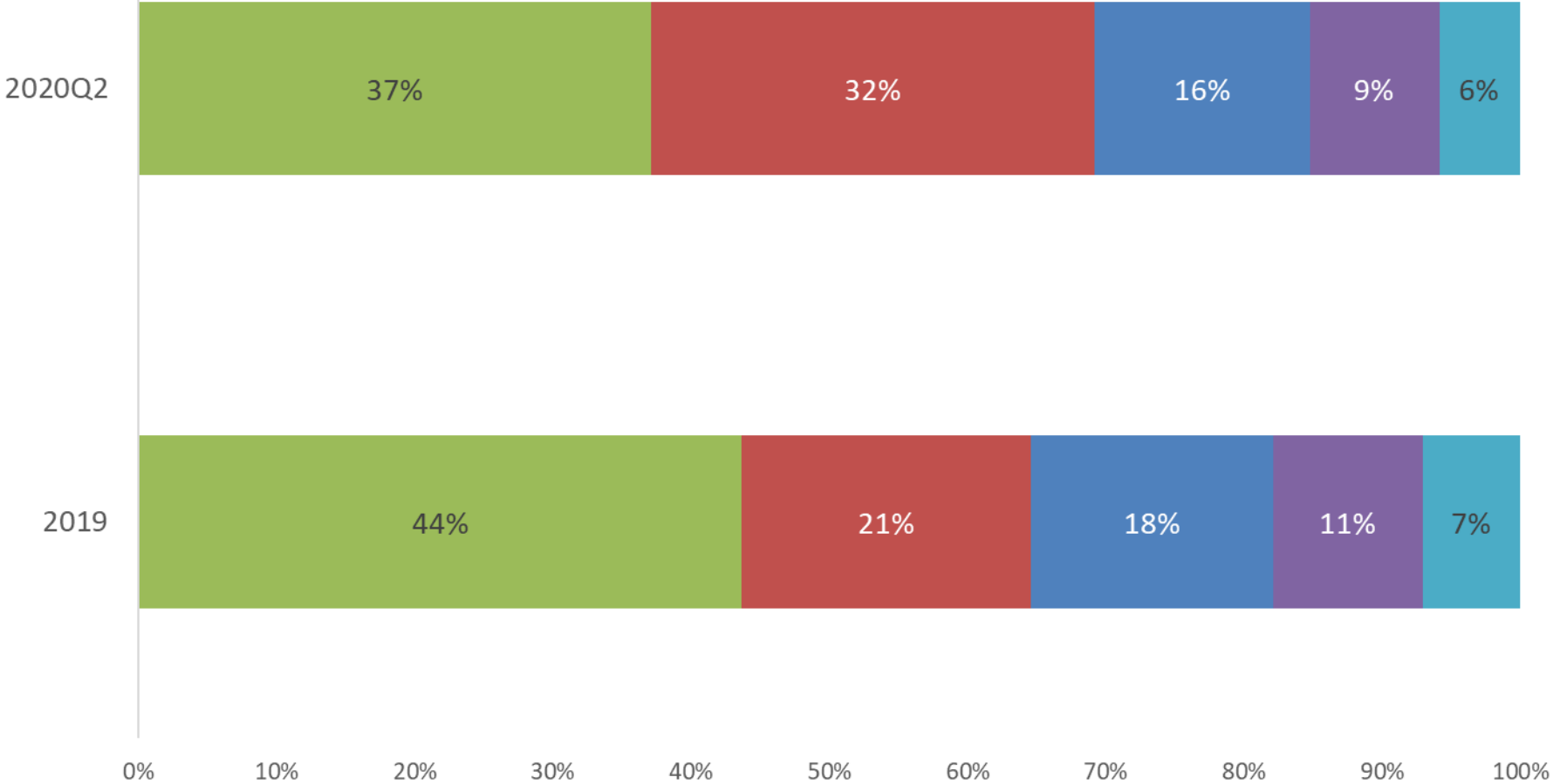
Women's Earnings as a Percent of Men's Earnings by Occupation, Maine



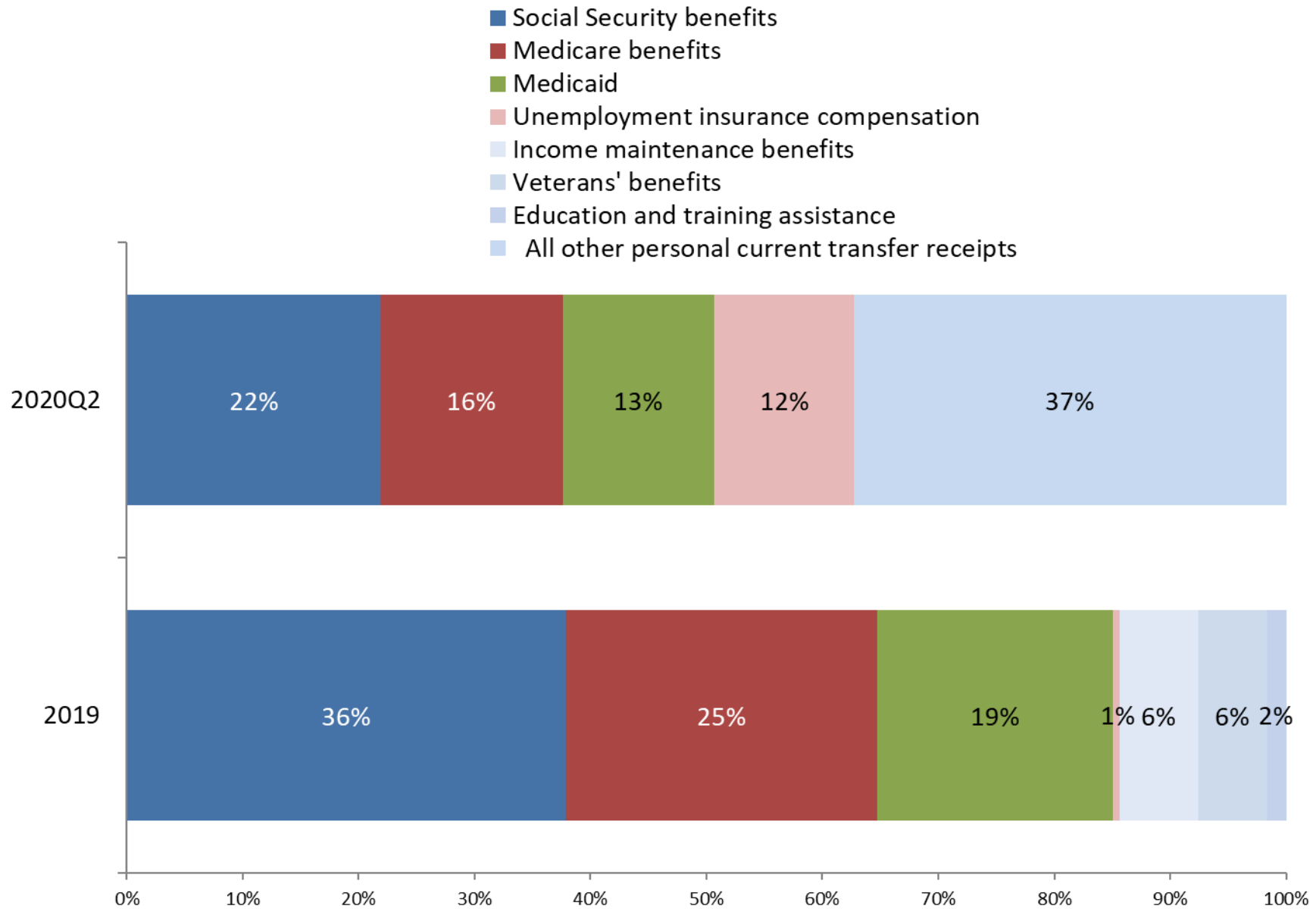
Major Components of Personal Income, Maine

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

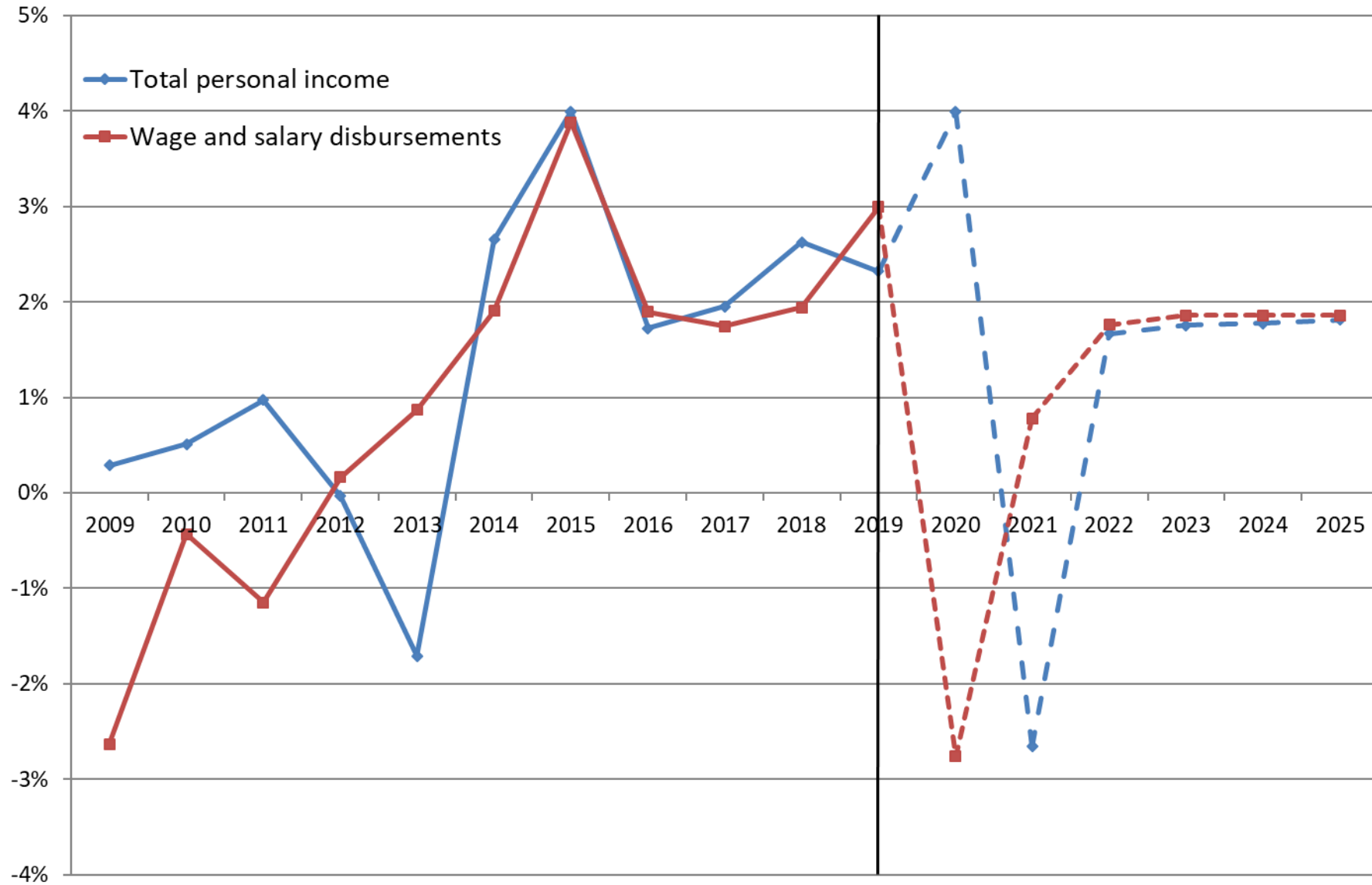
<u>Percent Change From Preceding Period</u> <u>(2020:Q2)</u>	<u>Maine</u>	<u>U.S.</u>
Personal income	41.0	34.2
Wages and salaries	-28.8	-25.8
Supplements to wages and salaries	-21.7	-19.2
Dividends, Interest, and Rent	-7.5	-8.6
Personal Current Transfer Receipts	615.3	853.9
Proprietor's Income	-37.3	-38.5



Components of Personal Current Transfer Receipts, Maine

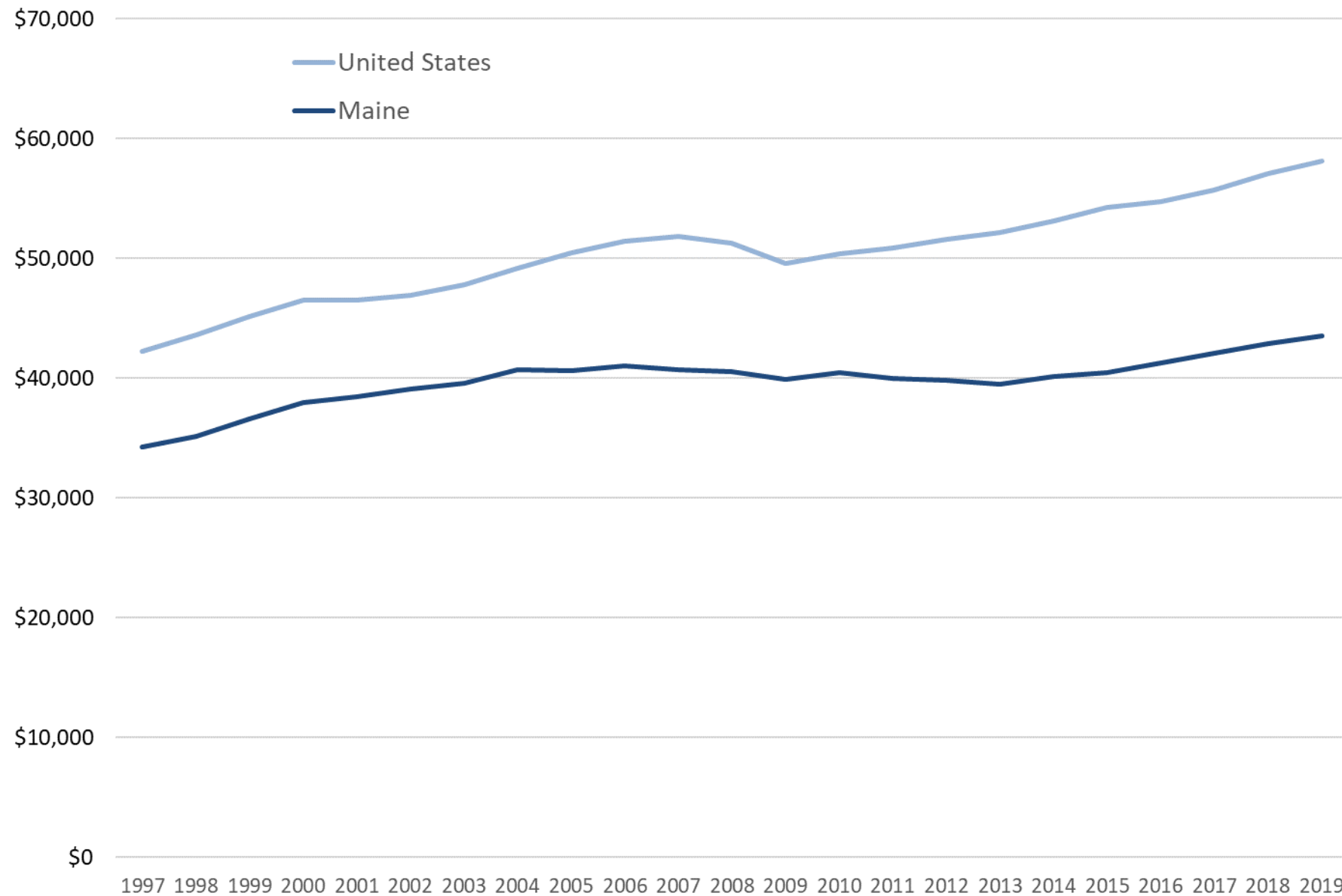


Percent Change in Real Personal Income, Maine 2009-2019 and forecast to 2025



STATE GDP

Per Capita Real Total GDP

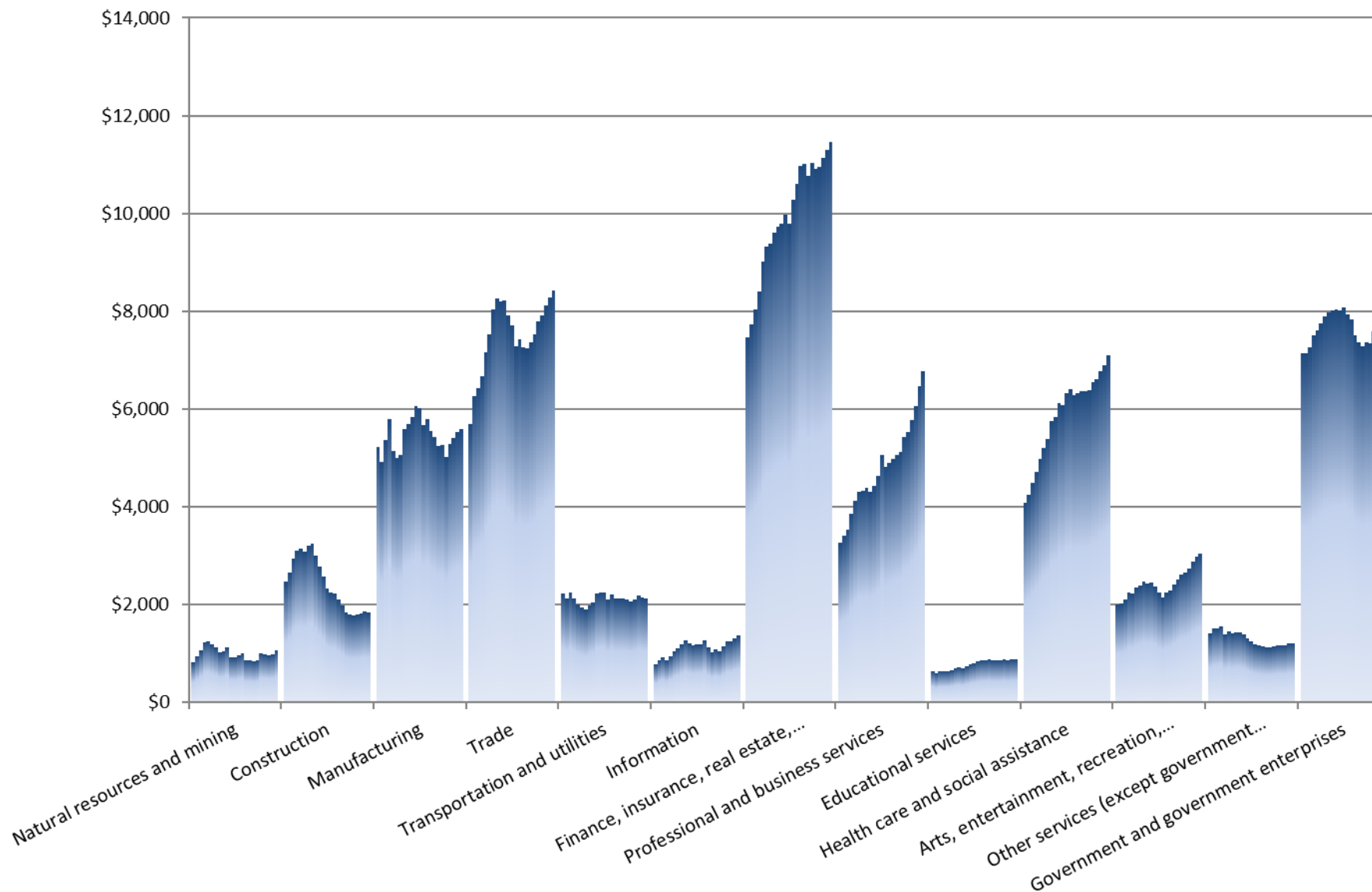


Maine's Value-Added also trails the U.S.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Maine as % of nation	77%	75%	74%	73%	74%	73%	74%	73%	73%	74%

Calculated as Real GDP divided by Total Full-Time and Part-Time Employment

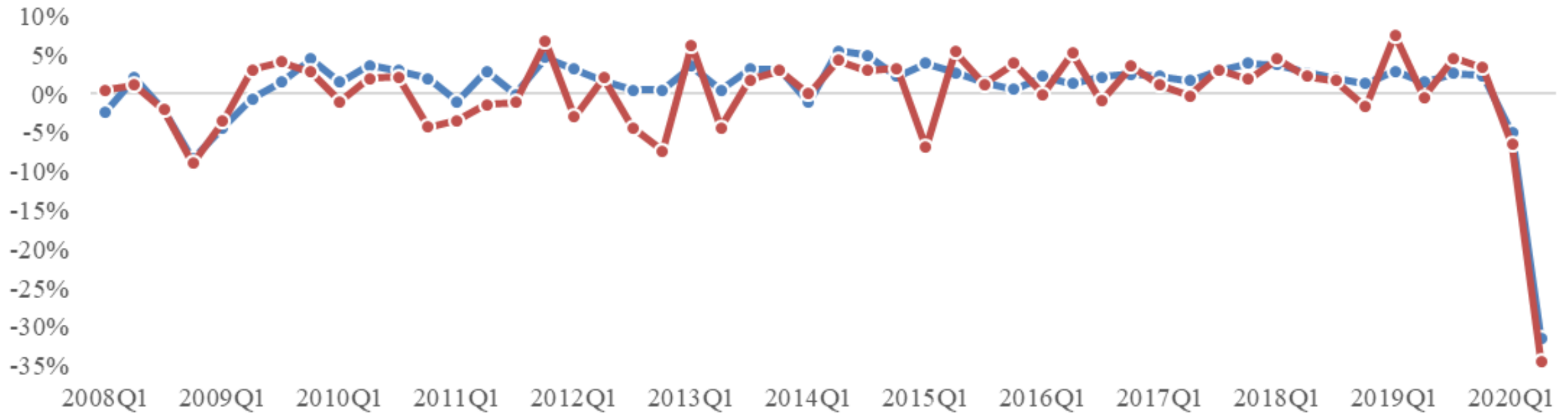
Maine Real GDP by Industry, 1997-2019 (in millions of chained 2012 dollars)



Real Gross Domestic Product by State, 2020:Q2

Real GDP Percent Change from Previous Quarter

—●— United States —●— Maine

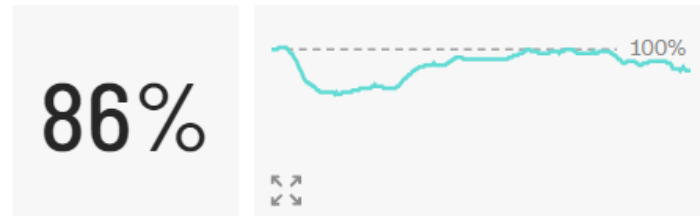


The industry sectors that contributed the most to Maine's second quarter decline in GDP were accommodation and food services (-7.09 percentage points) and health care and social assistance (-6.07 percentage points).

The Back-to-Normal Index

The pandemic economy is far from normal. So Moody's Analytics and CNN Business have partnered to create a proprietary Back-to-Normal Index, comprised of 37 national and seven state-level indicators. The index ranges from zero, representing no economic activity, to 100%, representing the economy returning to its pre-pandemic level in March.

Maine



The economy in Maine is operating at 86% of where it was in early March.

New coronavirus cases in the last 7 days

1,339 ▲

Back-to-Normal state rank
(1 = Best, 50 = Worst)

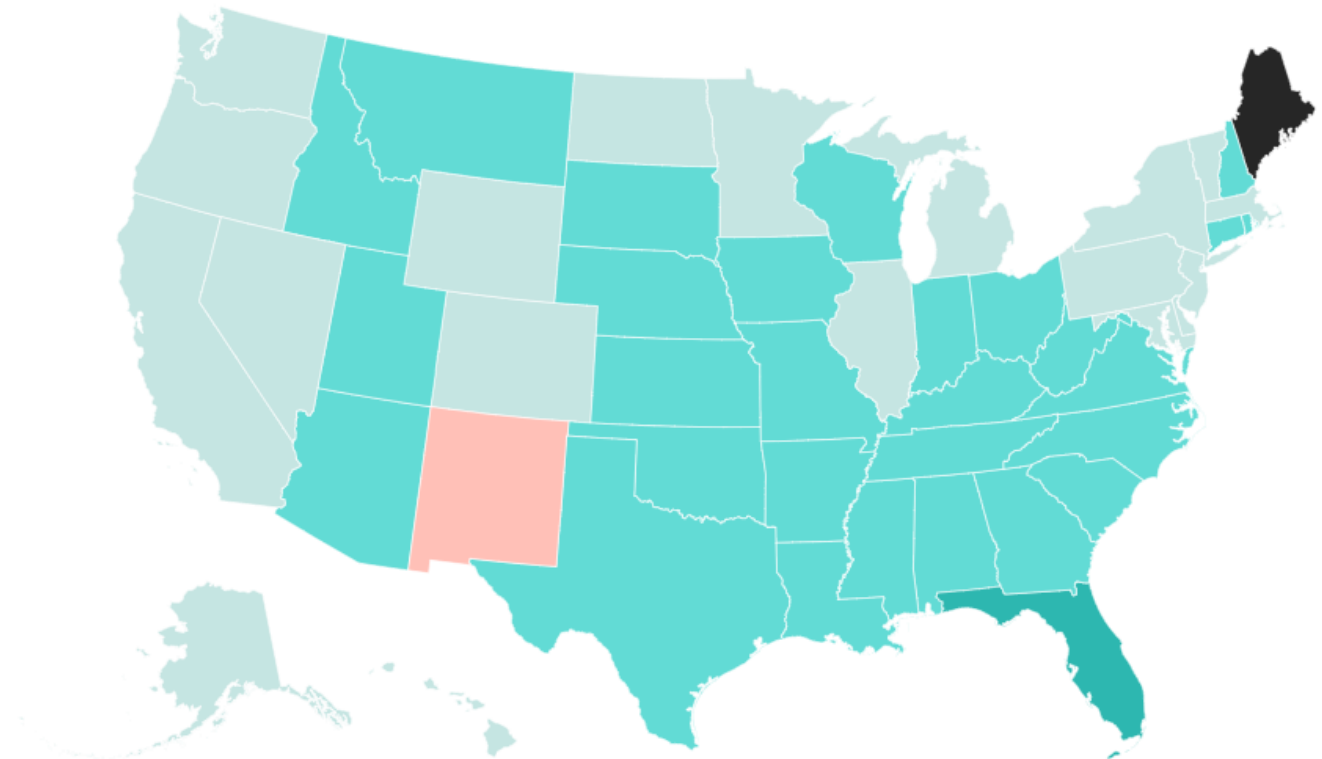
12 ▲

[Learn how](#) we created the Back-to-Normal Index

Source: [Moody's Analytics](#), [JHU CSSE COVID-19 Data](#)

Percent of the way back to normal (100%=normal):

● Less than 60% ● 60% to 69% ● 70% to 79% ● 80% to 89% ● 90% to 99% ● 100% or more



Data as of December 11, 2020

WHAT HAS 2020 TAUGHT US?

**PUBLIC HEALTH AND
ECONOMIC HEALTH ARE
INTERTWINED**

Contact Information

Amanda Rector

Maine State Economist

Department of Administrative and Financial Services

www.maine.gov/dafs/economist

amanda.rector@maine.gov