

# THE STATE OF MAINE'S ECONOMY

Midcoast Assessors Meeting

April 18, 2018

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Maine State Economist

# Overview



- Demographics
- Business and Industry
- Wages and Income
- Housing
- Energy

# Demographics

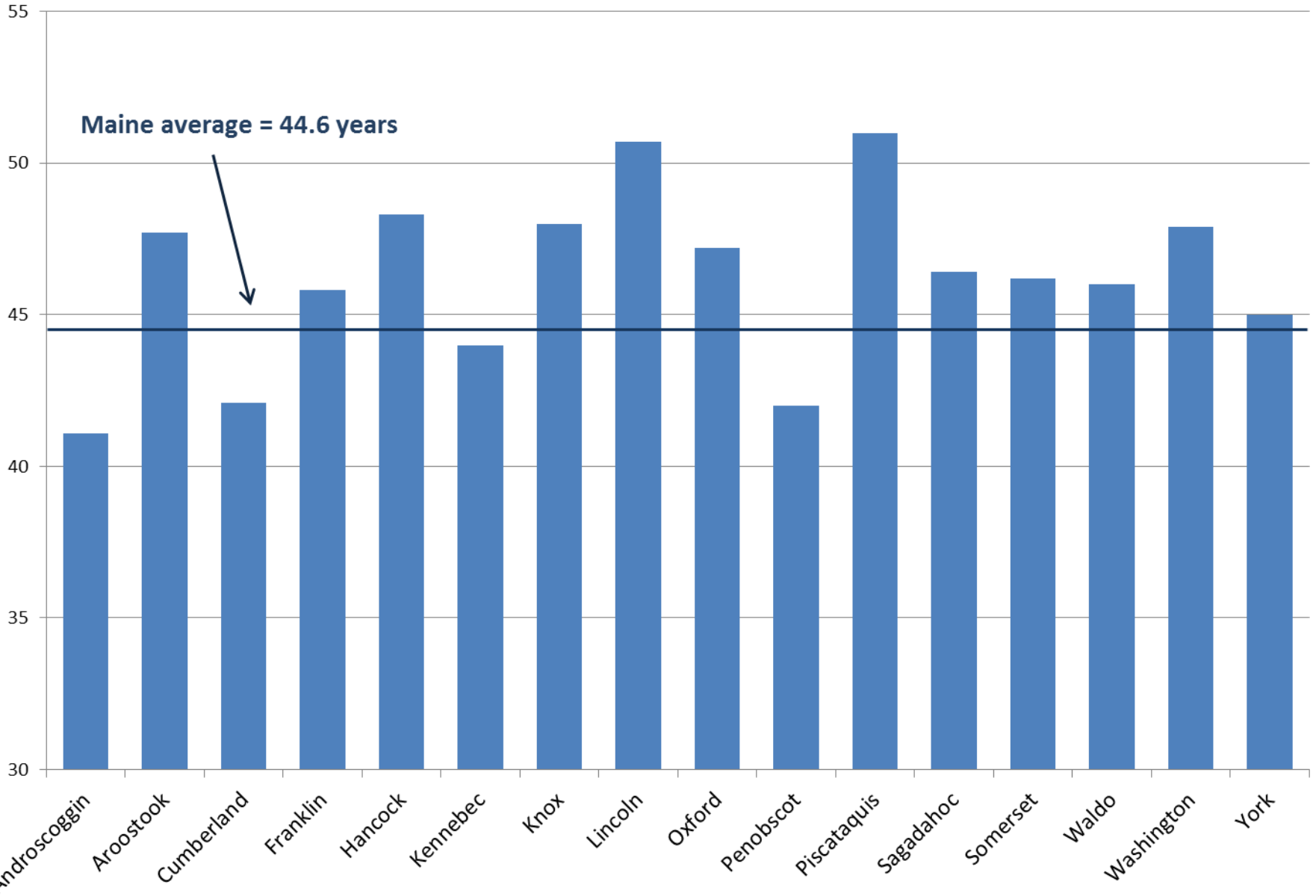


# Maine

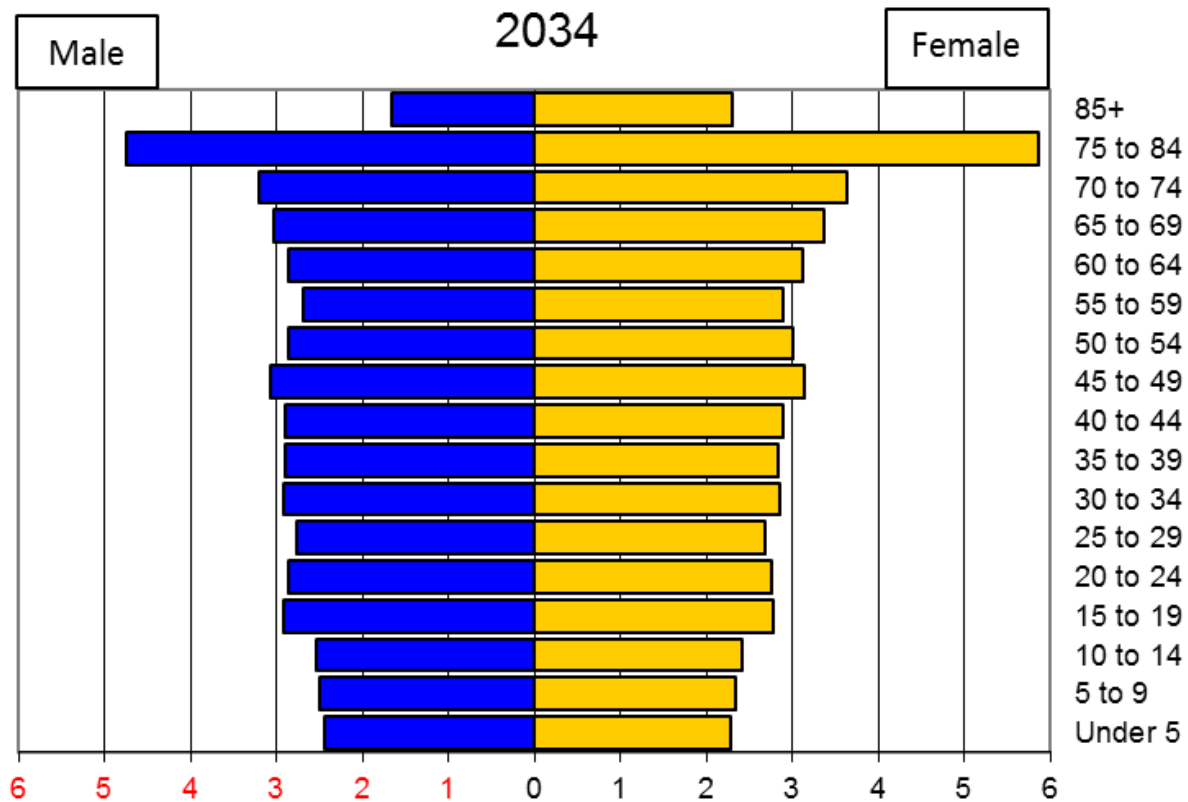
- 2017 Population Estimate: 1,335,907
  - 42<sup>nd</sup> largest in US
- 2010 – 2017 Population Change: +0.6%
  - 45<sup>th</sup> in US (ahead of WV, VT, IL, CT, and MS)
- 2016 Median age: 44.6
  - Oldest in US
- 93.5% White, Non-Hispanic
  - Highest percentage in US



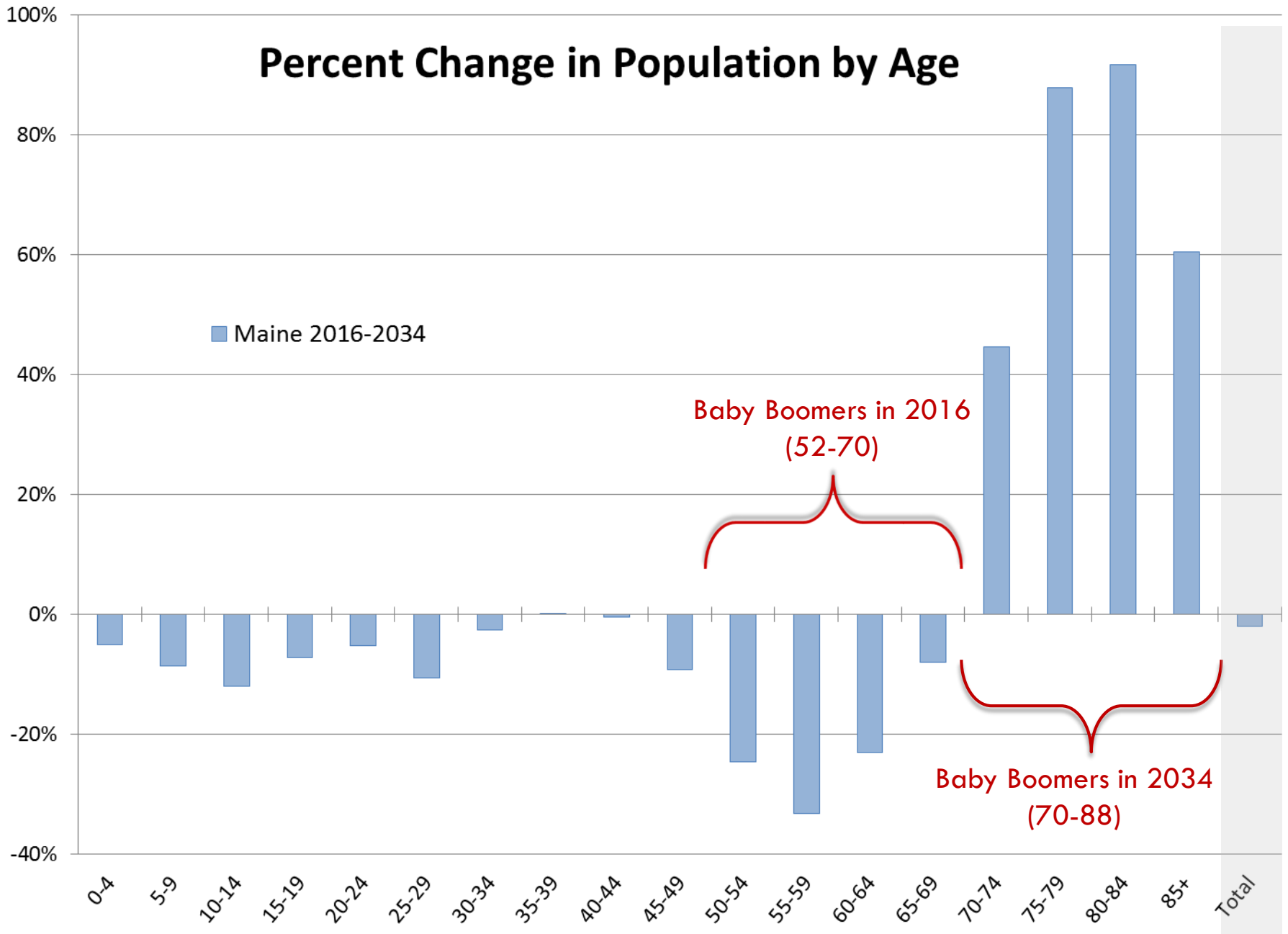
# Median Age



# The Baby Boom Wave

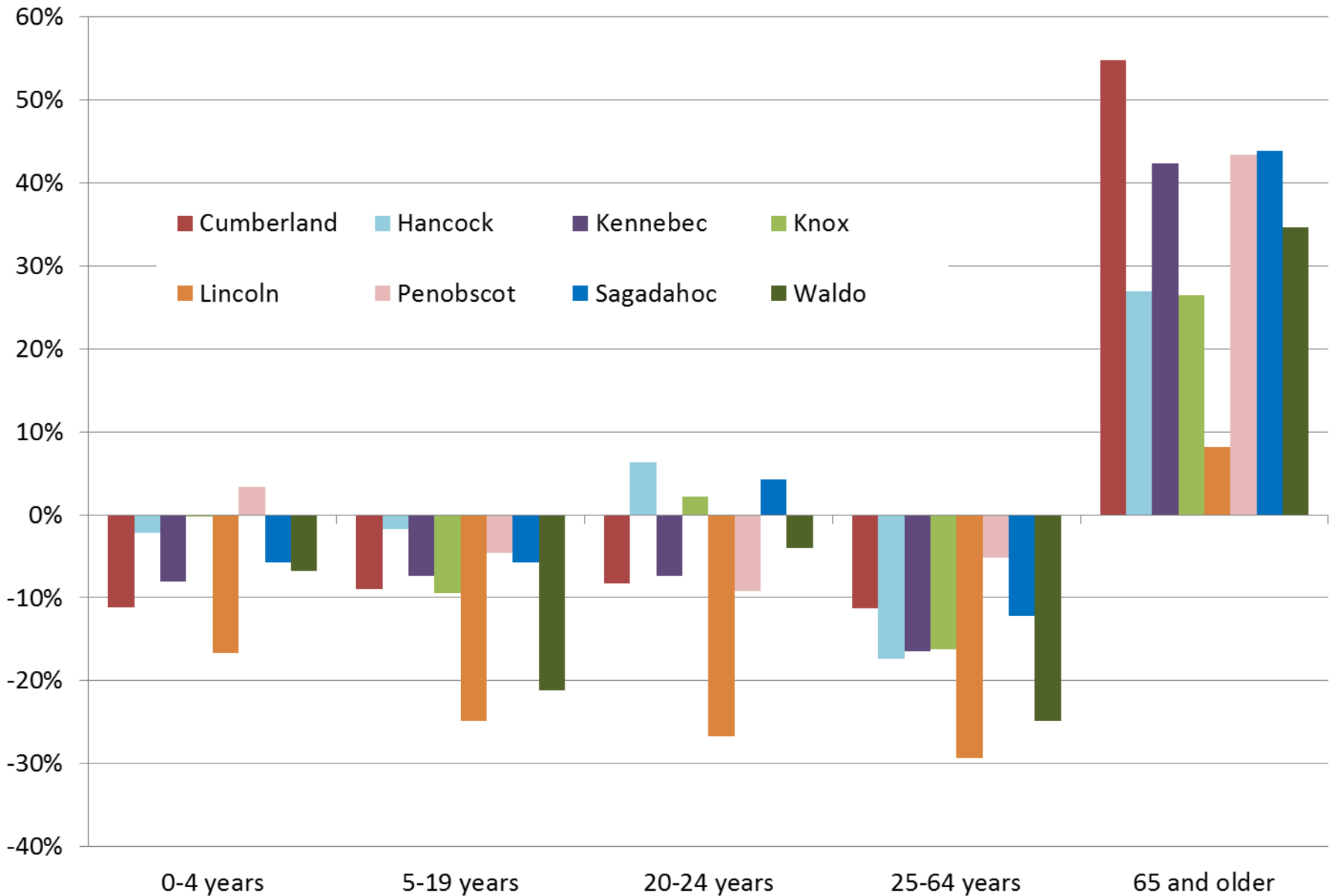


# Percent Change in Population by Age



Sources: Governor's Office of Policy and Management, *Maine State and County Population Projections to 2034*; U.S. Census Bureau 2016 Population Estimates

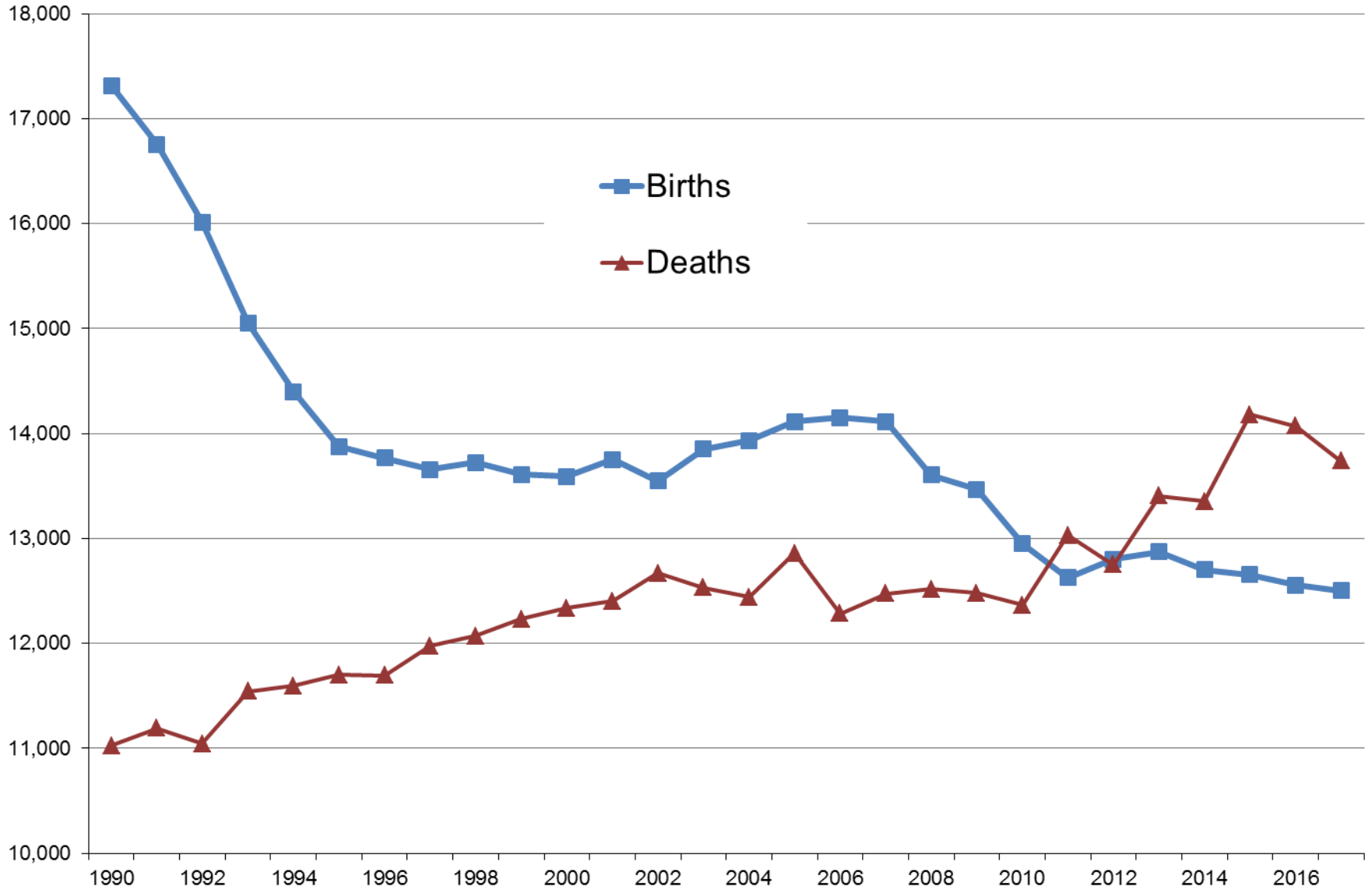
# Projected Population Change by Age, 2016-2034



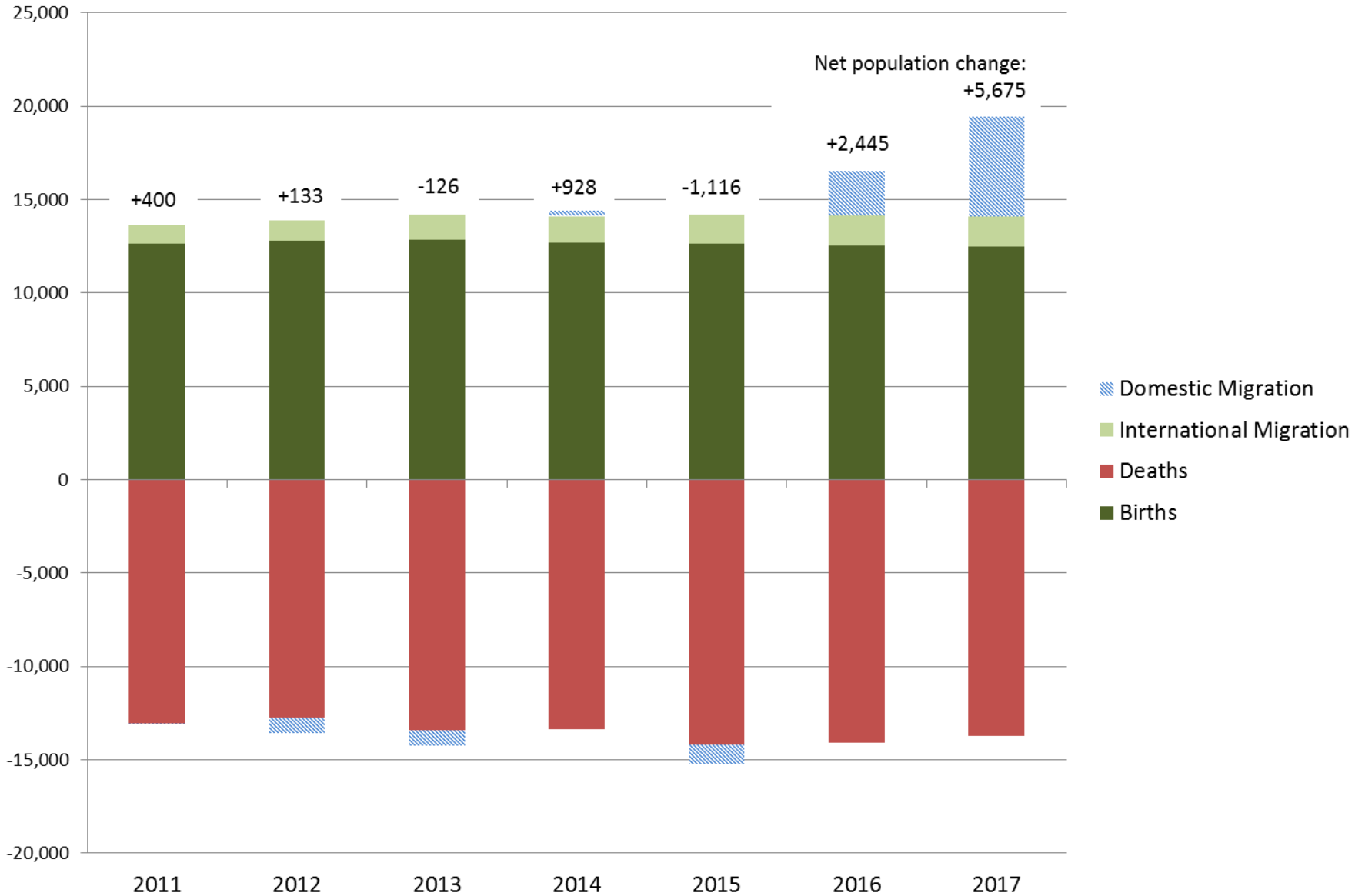
Sources: U.S. Census Bureau 2016 Population Estimates; Governor's Office of Policy and Management, *Maine State and County Population Projections to 2034*



# Births and Deaths per year in Maine



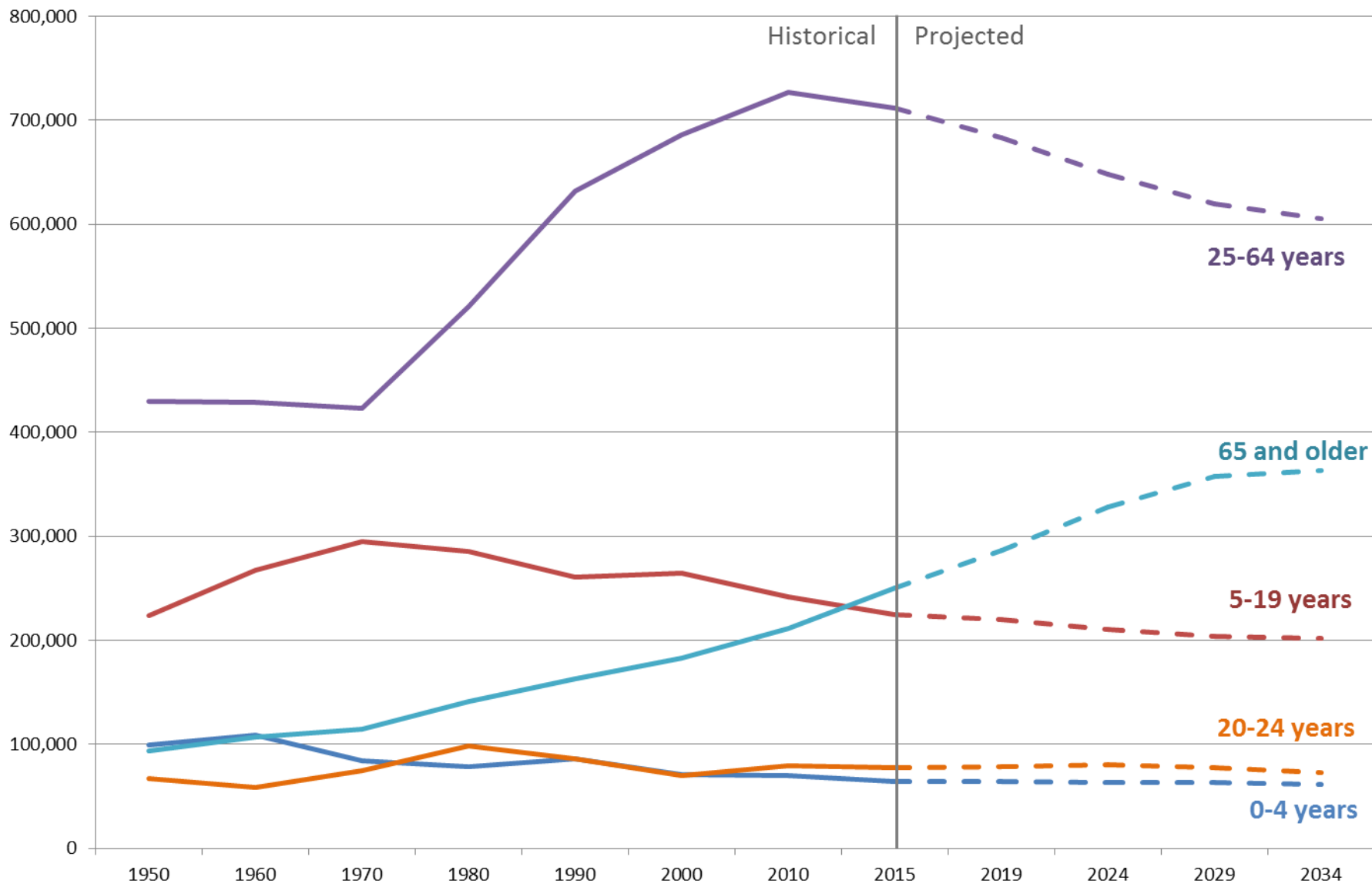
# Components of Population Change, Maine



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

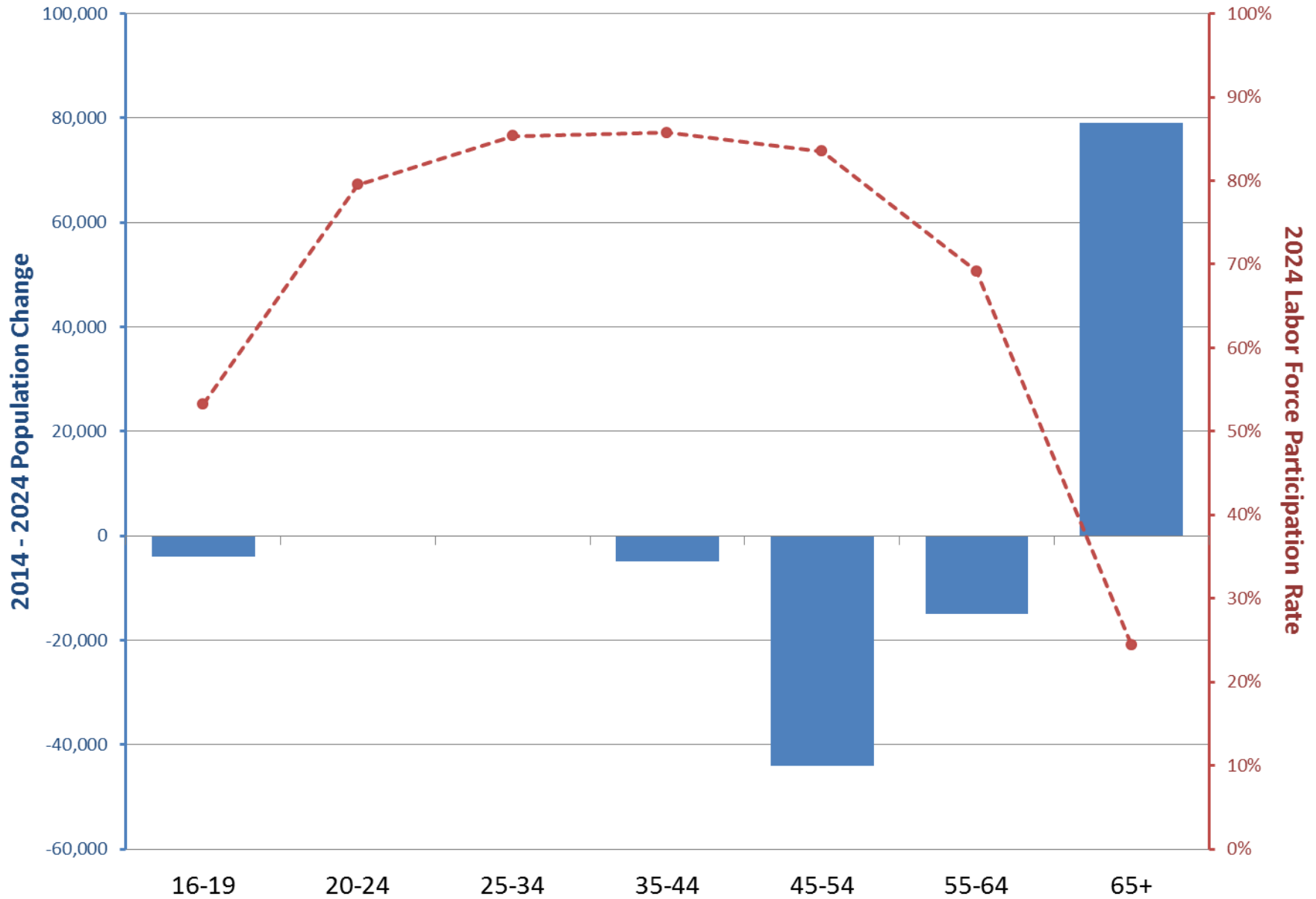
# Maine Population Trends by Age

## 1950-2034



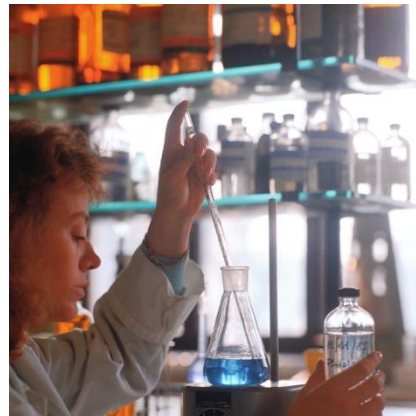
Sources: U.S. Census Bureau Decennial Census, Governor's Office of Policy and Management, *Maine State and County Population Projections to 2034*

# Population and Labor Force Participation Outlook by Age

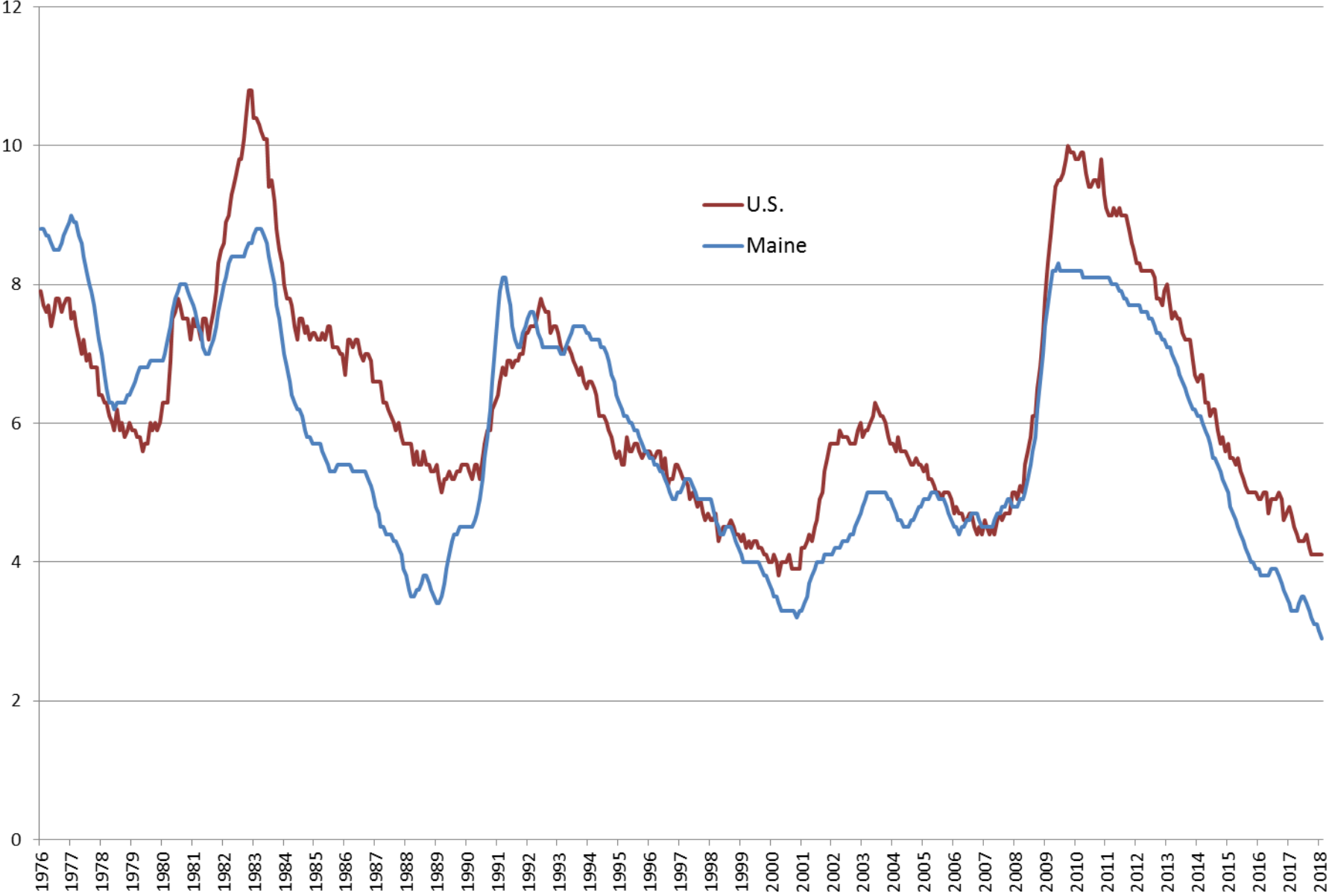


Source: Maine Department of Labor, *Maine Workforce Outlook 2014 to 2024*

# Business and Industry in Maine

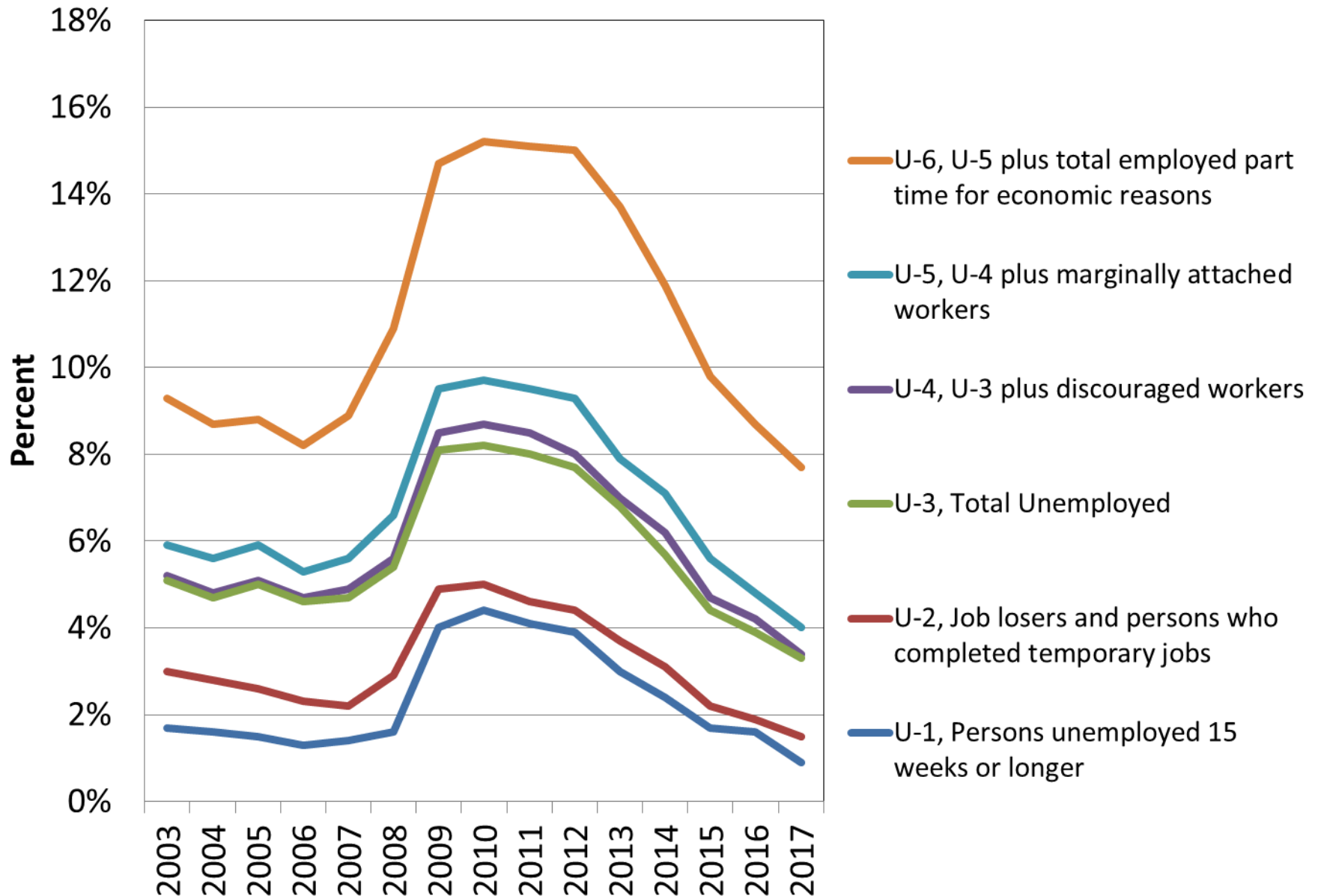


# Monthly Unemployment Rate, Seasonally Adjusted

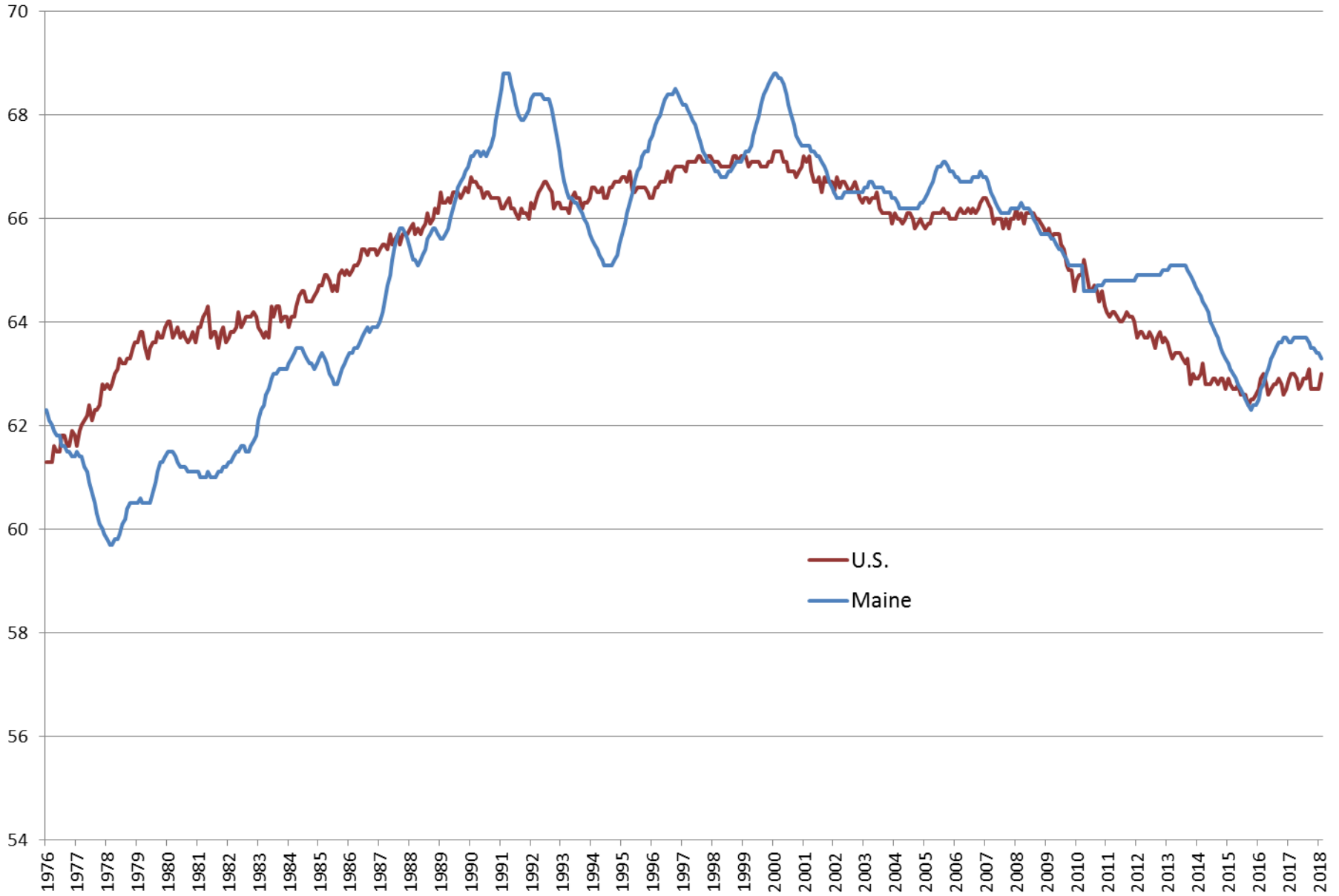


Source: Maine Department of Labor, Local Area Unemployment Statistics program

## Alternative Measures of Labor Undertutilization - Maine



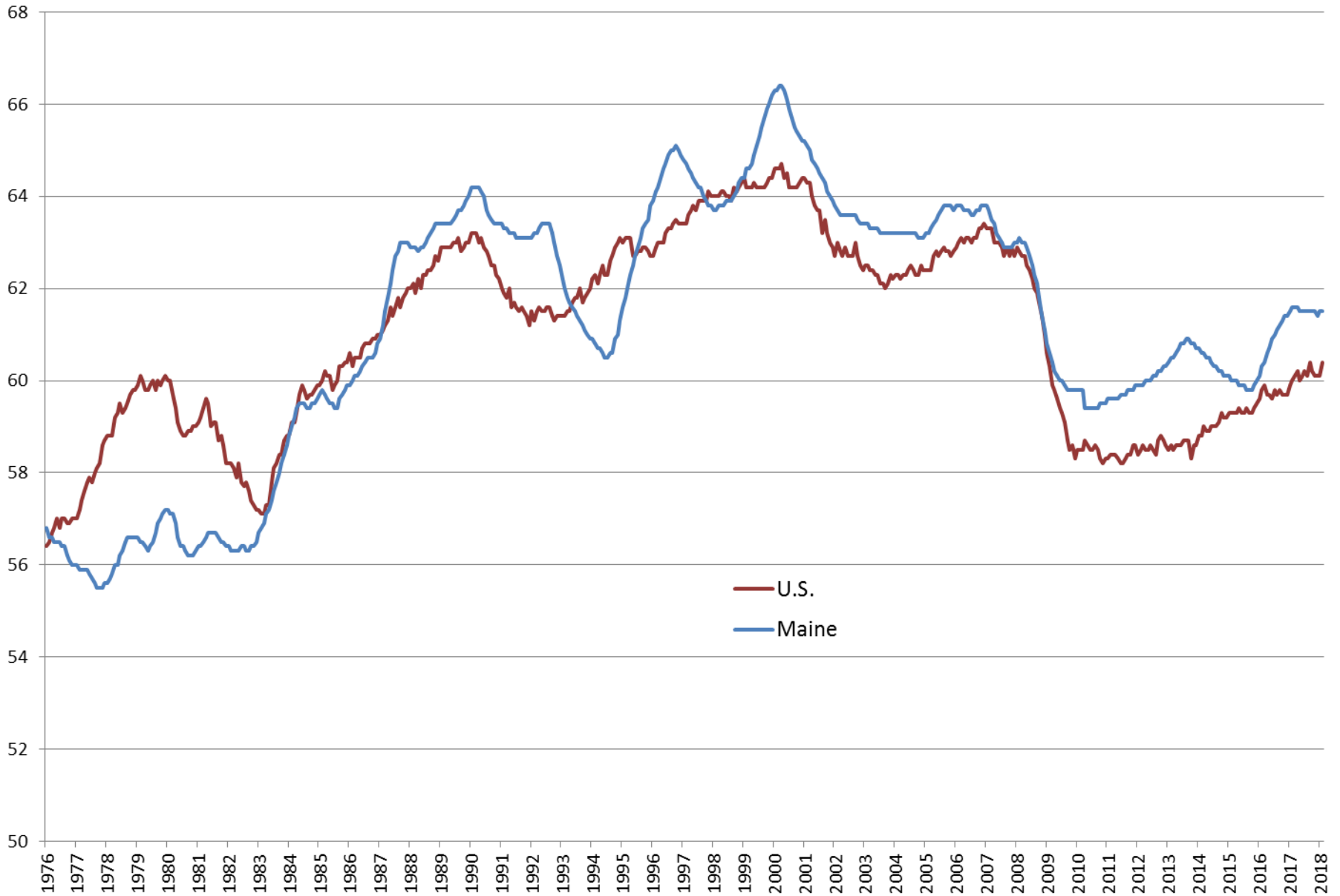
# Labor Force Participation Rate, Seasonally Adjusted



Source: Maine Department of Labor, Local Area Unemployment Statistics program

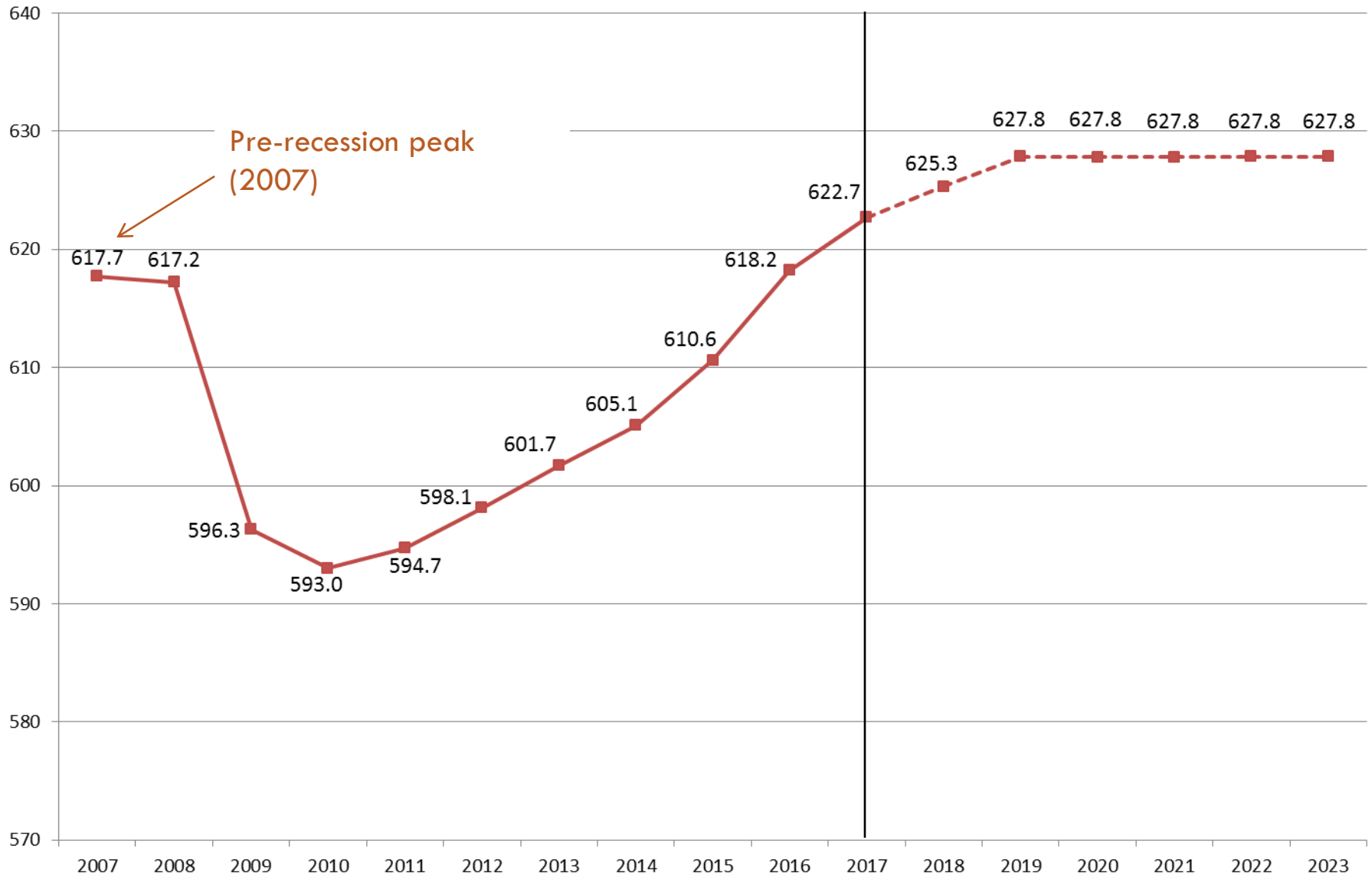


# Employment to Population Ratio, Seasonally Adjusted



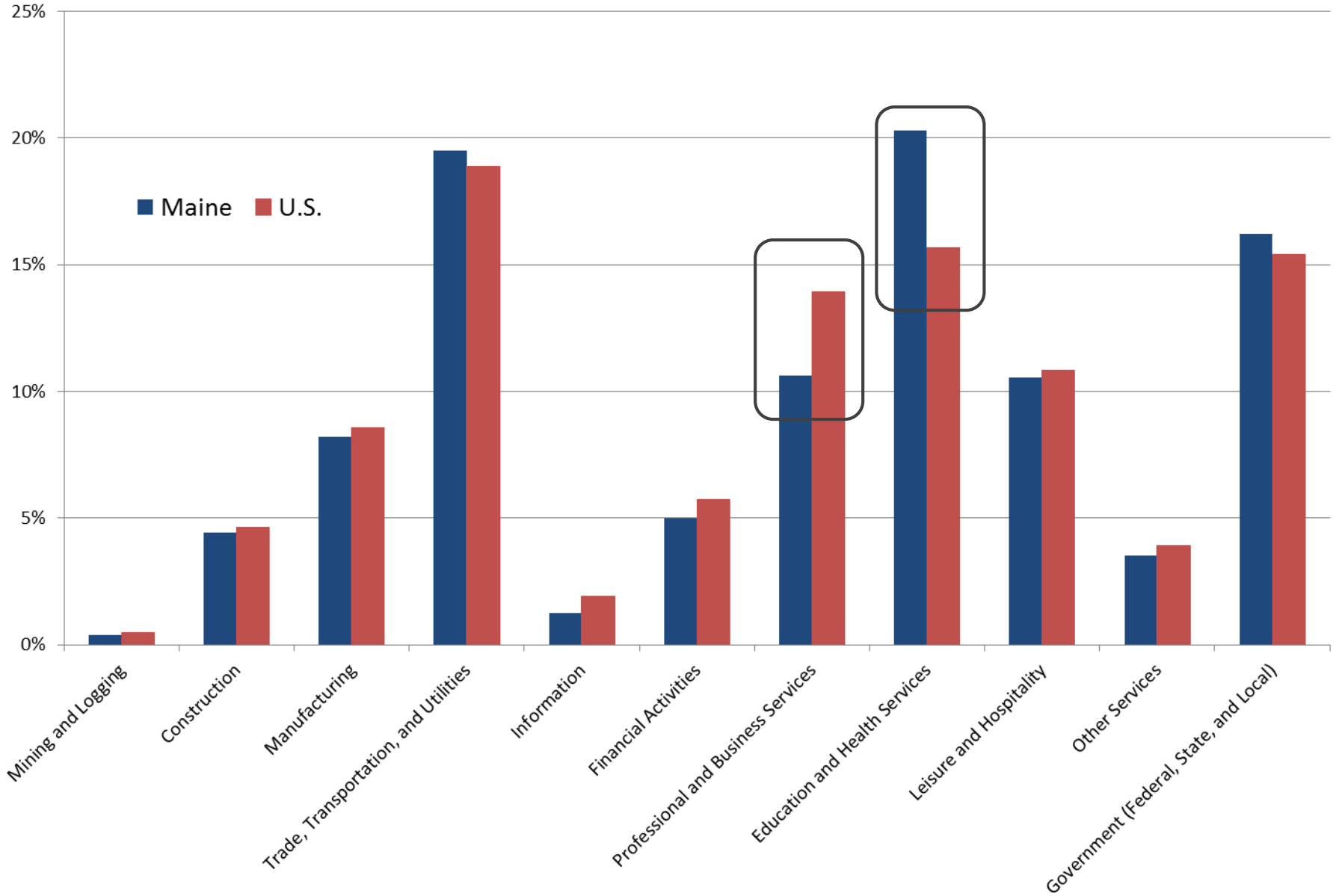
Source: Maine Department of Labor, Local Area Unemployment Statistics program

# Total Nonfarm Employment (in thousands) History and CEFC forecast

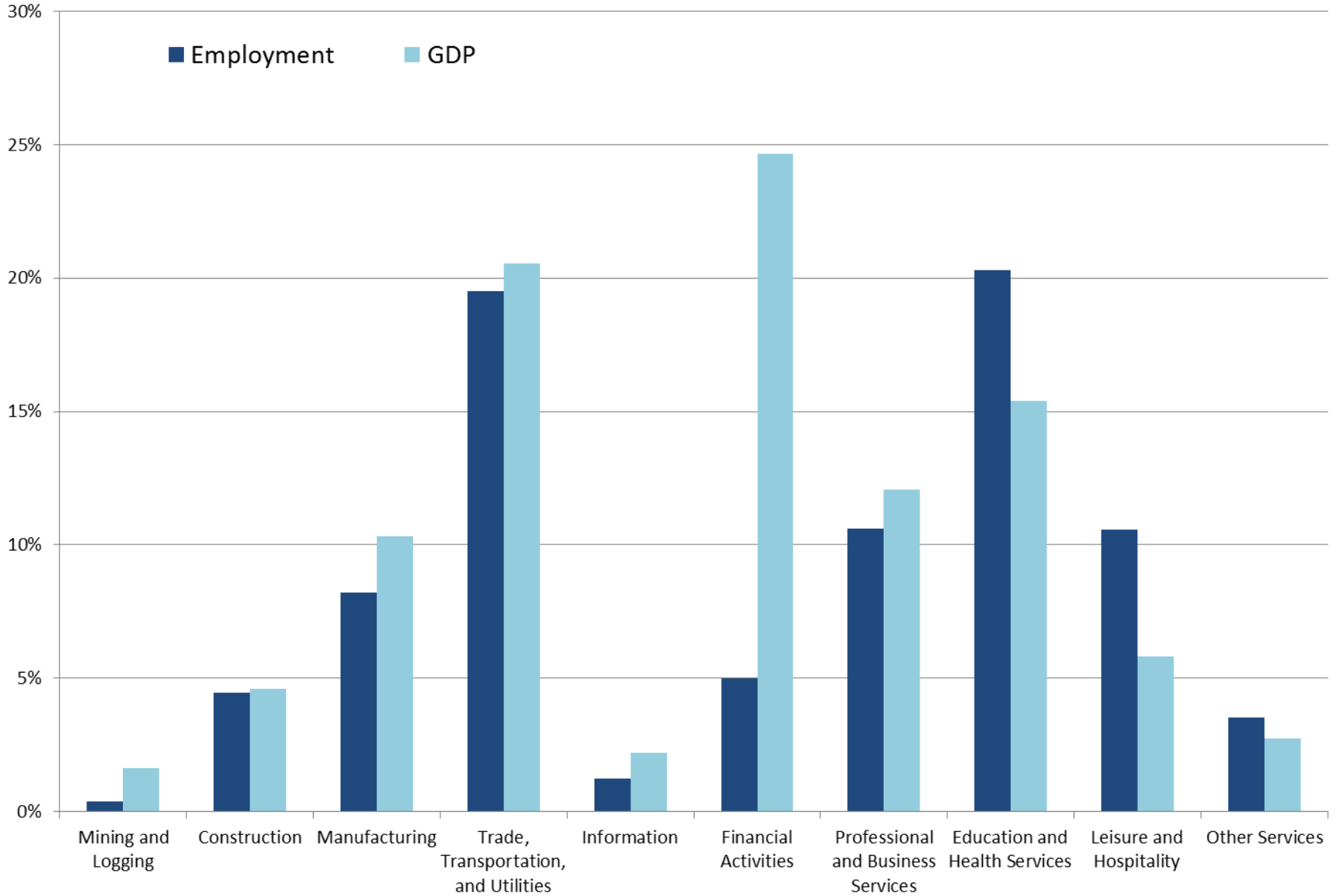


Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, February 1, 2018

# 2016 Share of Employment by Industry



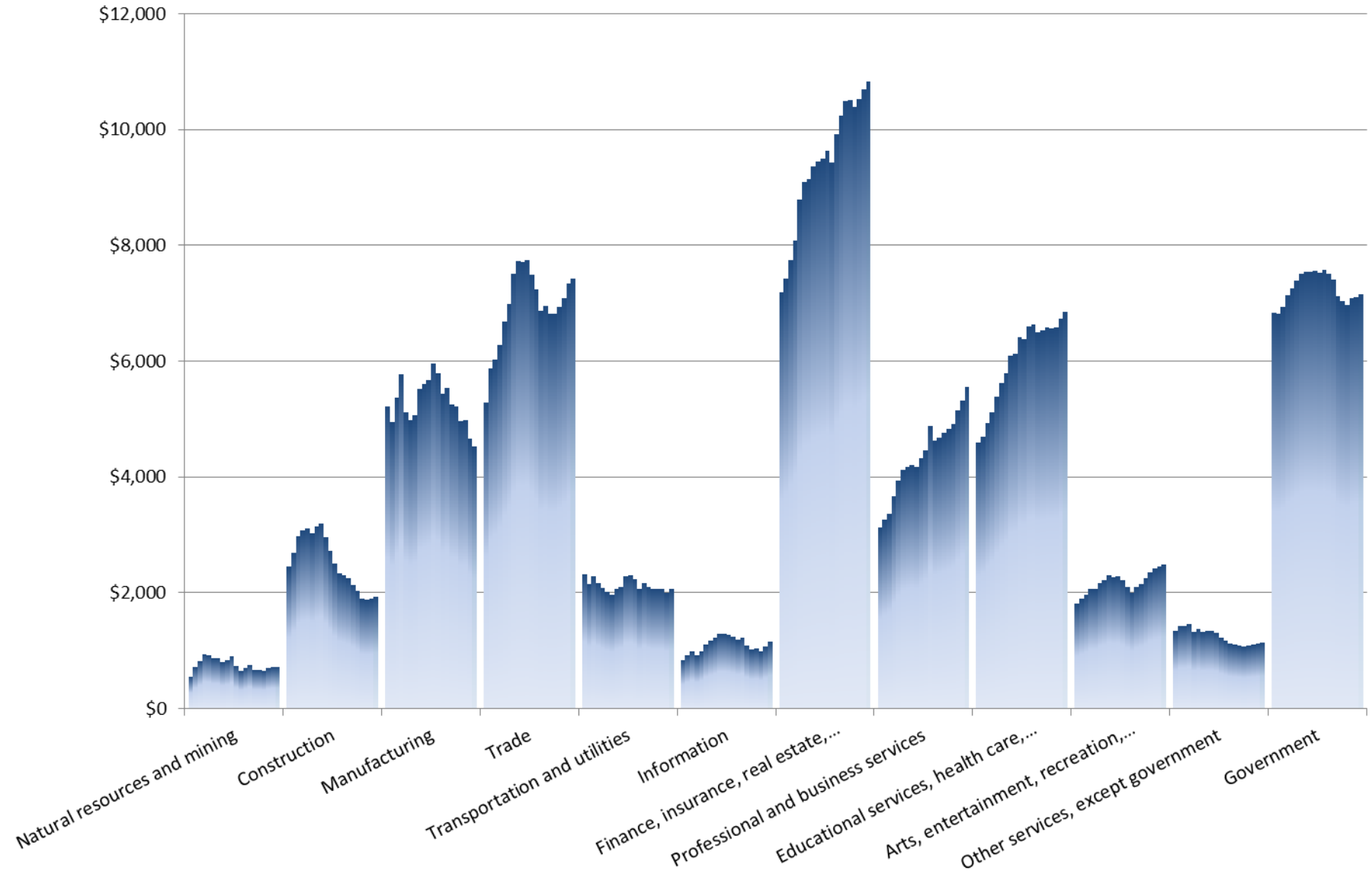
# 2016 Maine Employment and GDP by Industry



Sources: Maine Department of Labor, Center for Workforce Research and Information and U.S. Bureau of Economic Analysis

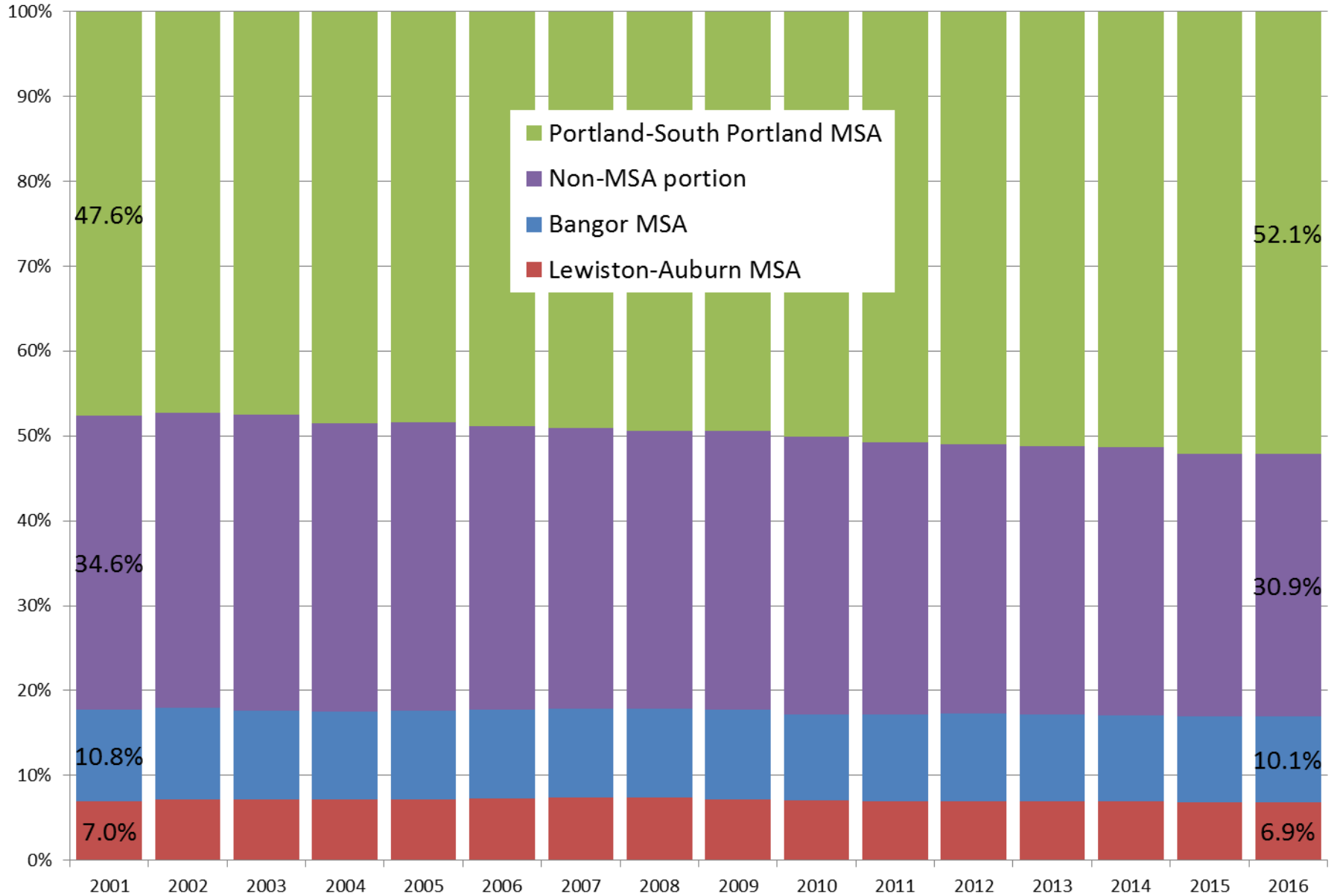
# Maine Real GDP by Industry, 1997-2016

(in thousands of 2009 dollars)



Source: U.S. Bureau of Economic Analysis

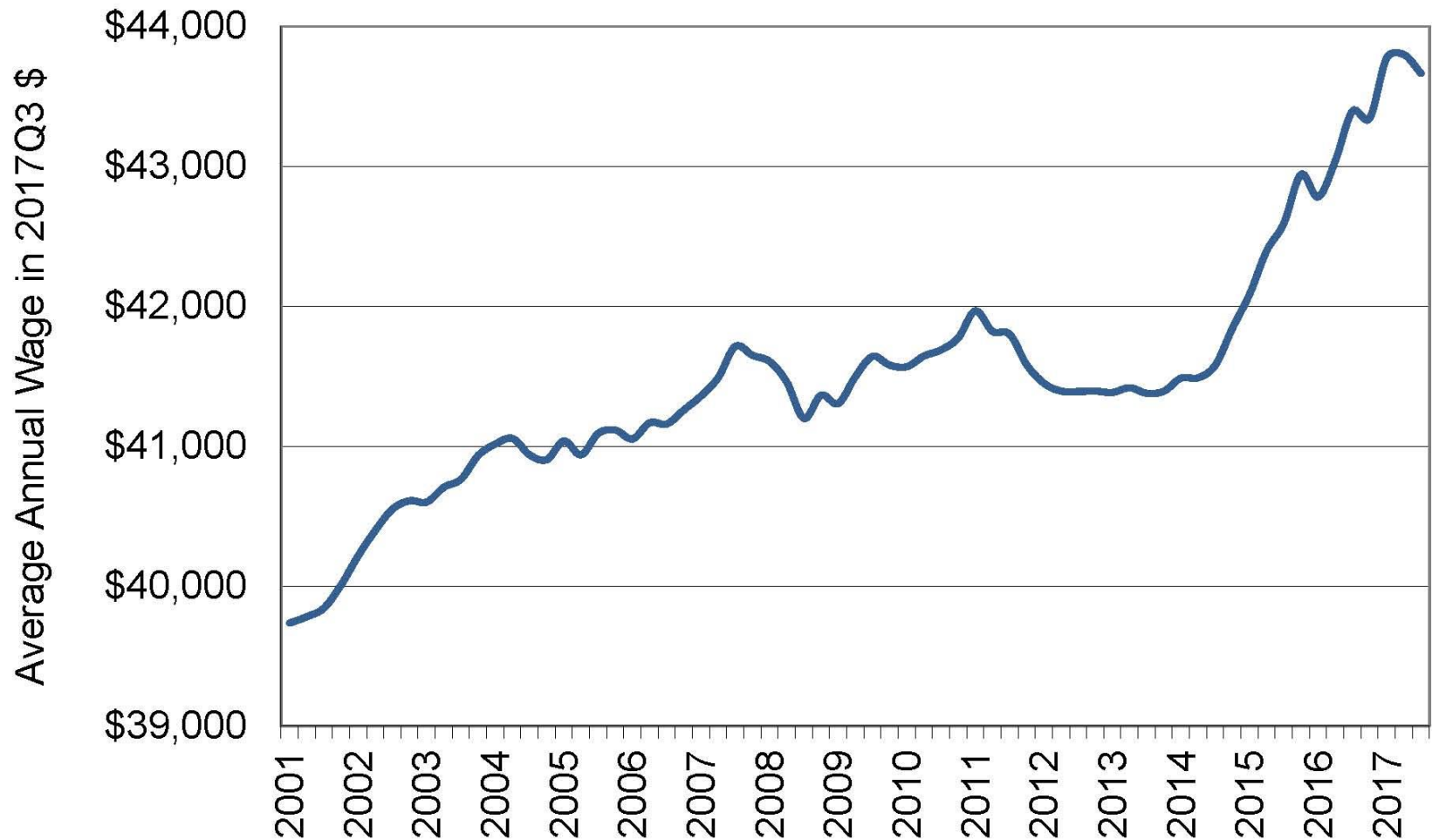
# Share of Maine Real GDP by Metropolitan Area



# Wages and Income



**The average wage per job has been rising at the fastest rate in nearly two decades, reflecting the competitive hiring and retention environment** *(adjusted for inflation to 2017 Q3 dollars)*





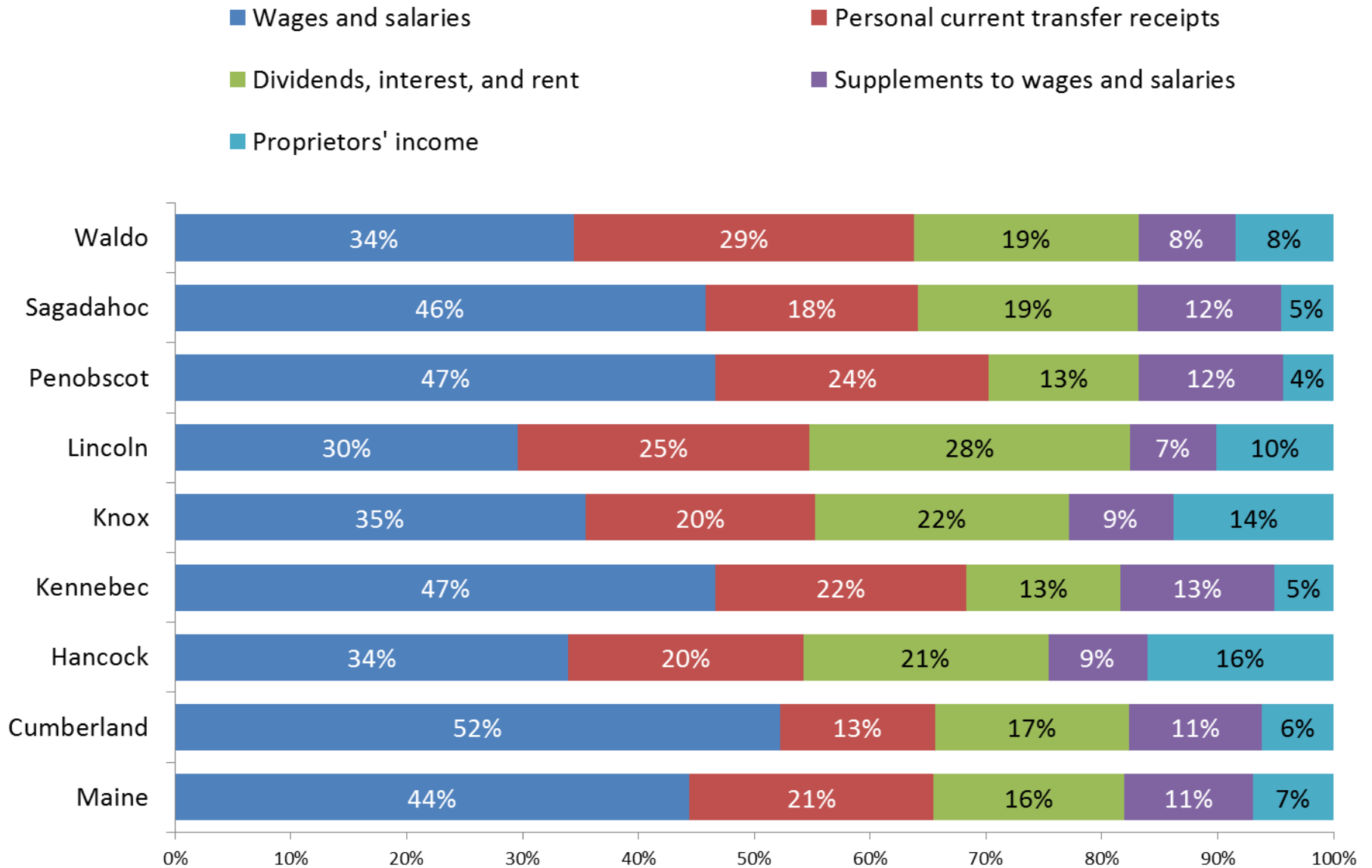
### Percent Change in Total Personal Income

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
United States	5.1	1.2	5.3	5.0	2.3	3.1
Connecticut	2.0	-1.3	3.7	2.5	1.2	1.5
<b>Maine</b>	<b>2.3</b>	<b>-0.3</b>	<b>3.9</b>	<b>4.0</b>	<b>3.0</b>	<b>2.7</b>
Massachusetts	4.3	0.7	4.4	6.5	2.6	3.3
New Hampshire	4.8	-0.3	2.0	4.2	2.9	3.5
Rhode Island	4.2	0.4	3.4	4.1	1.4	2.4
Vermont	3.3	1.7	3.3	3.6	2.0	2.1

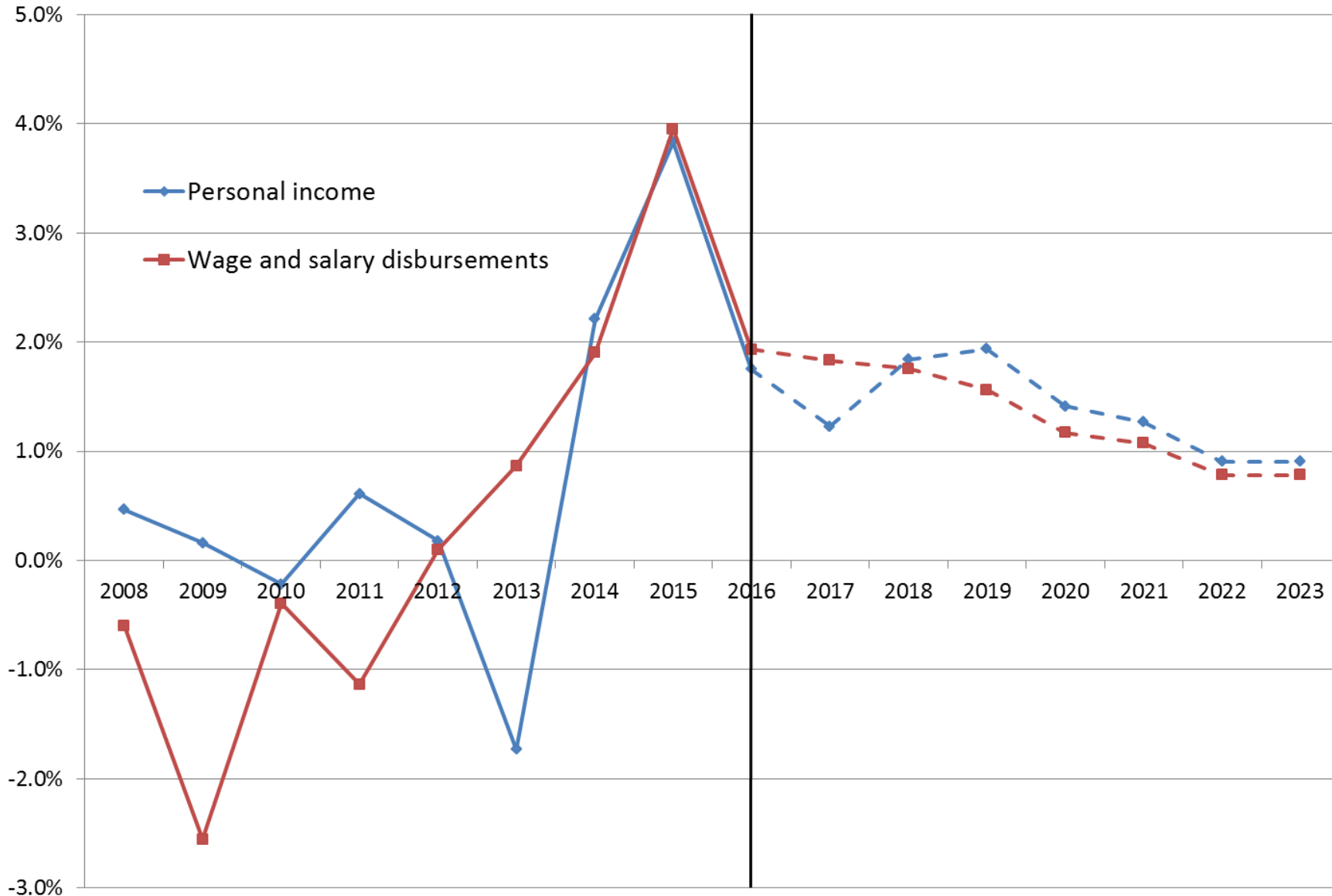
### Percent Change in Per Capita Personal Income

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
United States	4.3	0.5	4.5	4.2	1.6	2.4
Connecticut	1.8	-1.5	3.7	2.6	1.4	1.5
<b>Maine</b>	<b>2.2</b>	<b>-0.3</b>	<b>3.8</b>	<b>4.0</b>	<b>2.8</b>	<b>2.2</b>
Massachusetts	3.5	-0.1	3.6	6.0	2.2	2.8
New Hampshire	4.6	-0.4	1.5	4.1	2.6	2.9
Rhode Island	4.1	0.3	3.2	4.0	1.3	2.2
Vermont	3.4	1.6	3.4	3.8	2.2	2.1

## Major Components of Personal Income, 2016

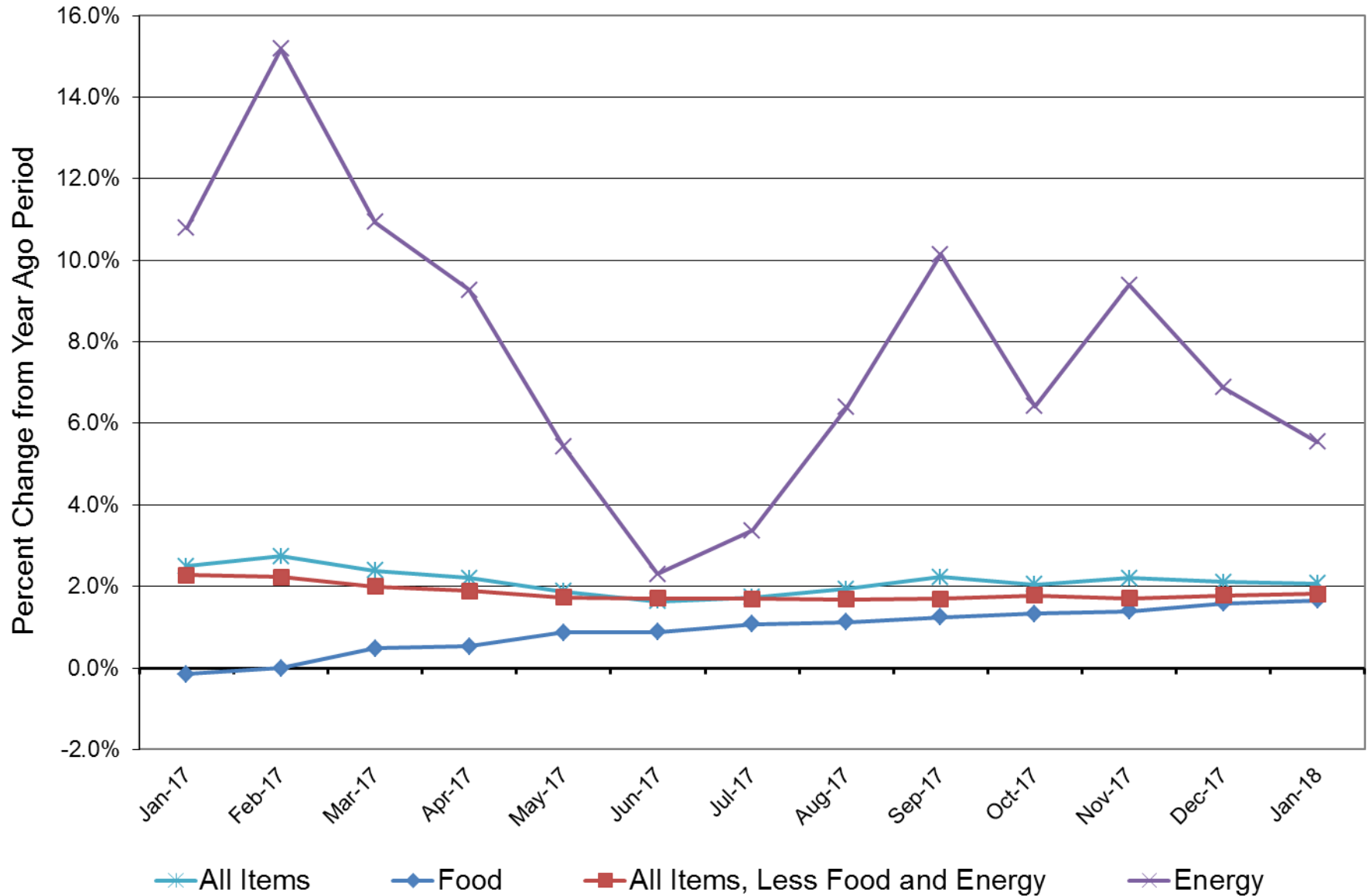


# Percent Change in Real Personal Income, Maine



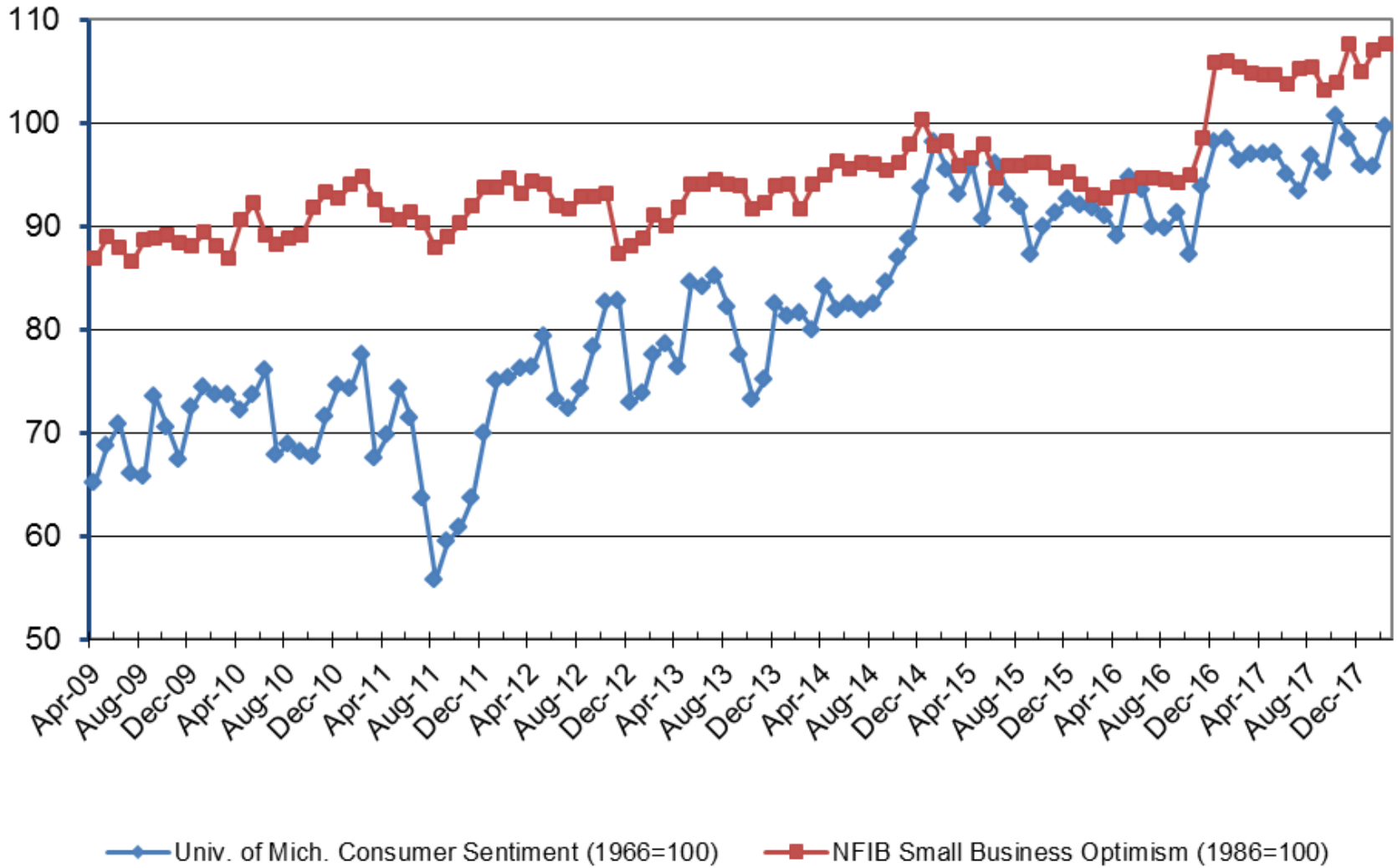
Sources: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, and Consensus Economic Forecasting Commission report, February 1, 2018

# Consumer Price Index- U.S. All Urban



Maine Retail Sales	% Change from December 2016 to December 2017	% Change last three months / same 3 month period one year ago
Building Supply	8.5%	10.0%
Food Store	4.1%	4.5%
General Merchandise	8.9%	10.0%
Other Retail	-5.5%	-1.0%
Restaurant	4.1%	5.8%
Lodging	-7.3%	6.5%
Auto Transportation	-1.1%	3.7%
Total	2.2%	5.4%
Business Operating	0.4%	3.7%
Personal Consumption	2.5%	5.6%

## Consumer Sentiment and Small Business Optimism Indexes



# Housing



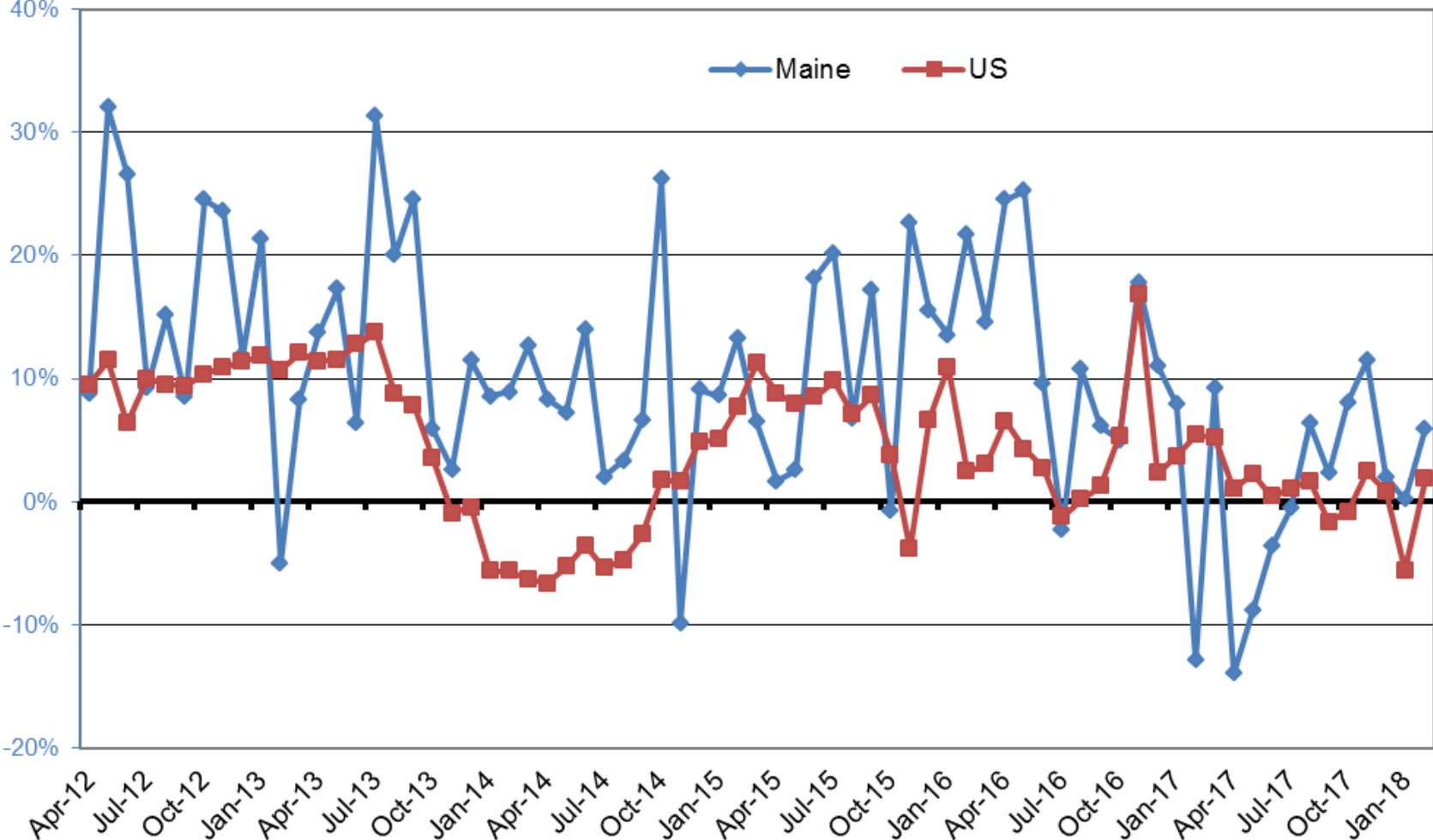
### Homeownership Affordability - 2017

	Index	Median Home Price	Median Income	Income Needed to Afford Median Home Price	Home Price Affordable to Median Income
Maine	0.93	\$197,000	\$53,190	\$57,089	\$183,546
Augusta Micropolitan	1.15	\$156,900	\$52,087	\$45,406	\$179,985
Belfast LMA	0.84	\$175,000	\$43,961	\$52,204	\$147,365
Boothbay Harbor LMA	0.76	\$274,000	\$55,518	\$73,132	\$208,006
Brunswick Micropolitan	0.86	\$238,000	\$58,367	\$68,121	\$203,921
Camden LMA	0.82	\$235,000	\$55,535	\$67,610	\$193,027
Ellsworth LMA	0.86	\$207,500	\$48,470	\$56,672	\$177,470
Portland-South Portland MA	0.83	\$270,000	\$64,581	\$77,593	\$224,721
Rockland Micropolitan	0.99	\$192,950	\$53,686	\$54,231	\$191,011
Waldoboro LMA	0.94	\$210,250	\$54,338	\$57,847	\$197,499



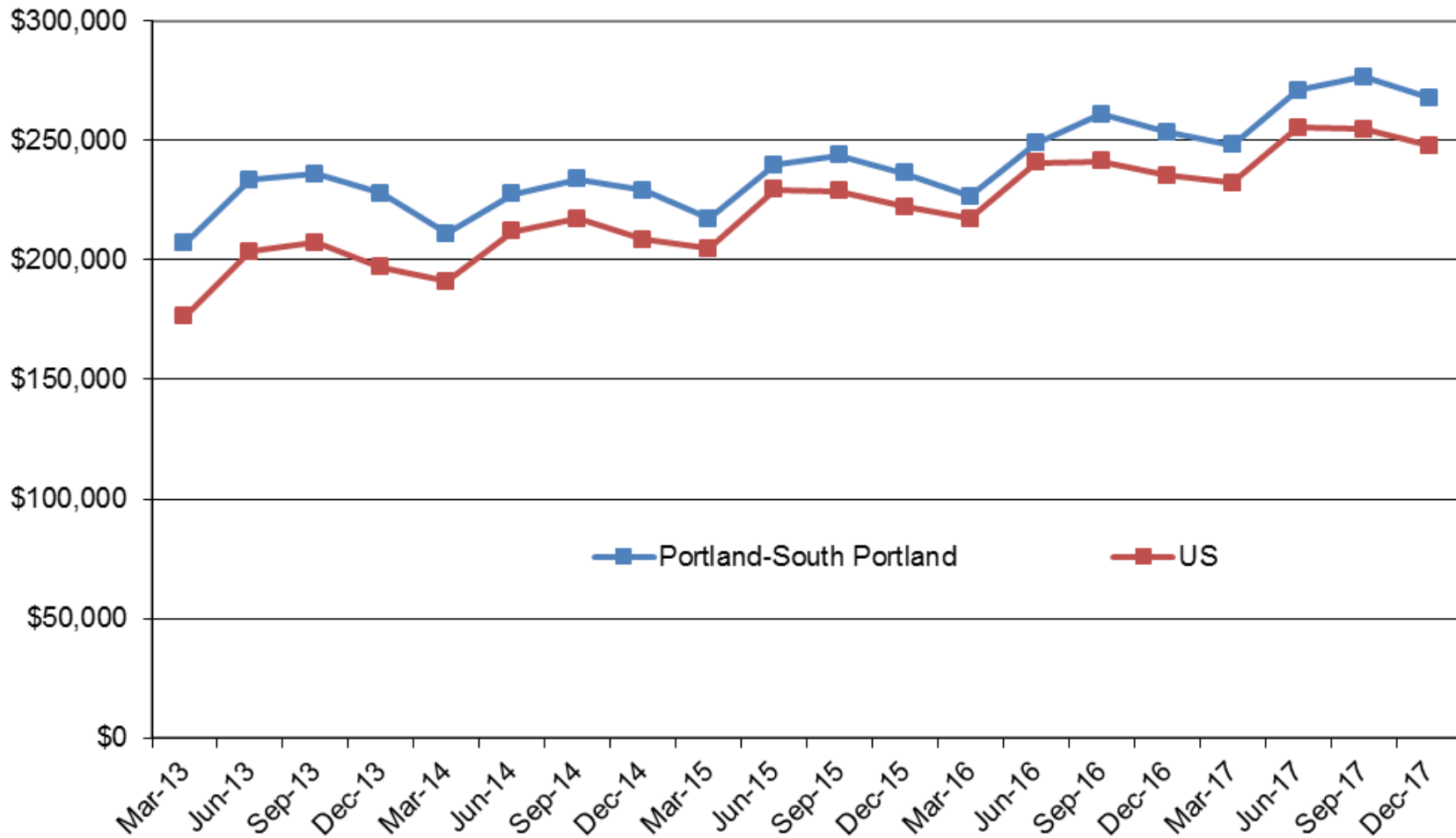
<b>Rental Affordability - 2017</b>					
	Index	Average 2 BR Rent (with utilities)	Renter Household Median Income	Income Needed to Afford Average 2 BR Rent	2 BR Rent Affordable to Median Income
Maine	0.88	\$880	\$30,804	\$35,181	\$770
Augusta Micropolitan	1.01	\$782	\$31,675	\$31,293	\$792
Belfast LMA	0.8	\$780	\$24,938	\$31,209	\$623
Boothbay Harbor LMA	1.1	\$680	\$29,904	\$27,200	\$748
Brunswick Micropolitan	1.04	\$790	\$32,939	\$31,616	\$823
Camden LMA	0.93	\$925	\$34,309	\$37,012	\$858
Ellsworth LMA	0.86	\$814	\$28,112	\$32,543	\$703
Portland-South Portland MA	0.92	\$1,027	\$37,824	\$41,077	\$946
Rockland Micropolitan	1.08	\$812	\$34,943	\$32,472	\$874
Waldoboro LMA	0.91	\$888	\$32,145	\$35,506	\$804

### Single Family Existing-Home Sales, Percent Change from Year Ago

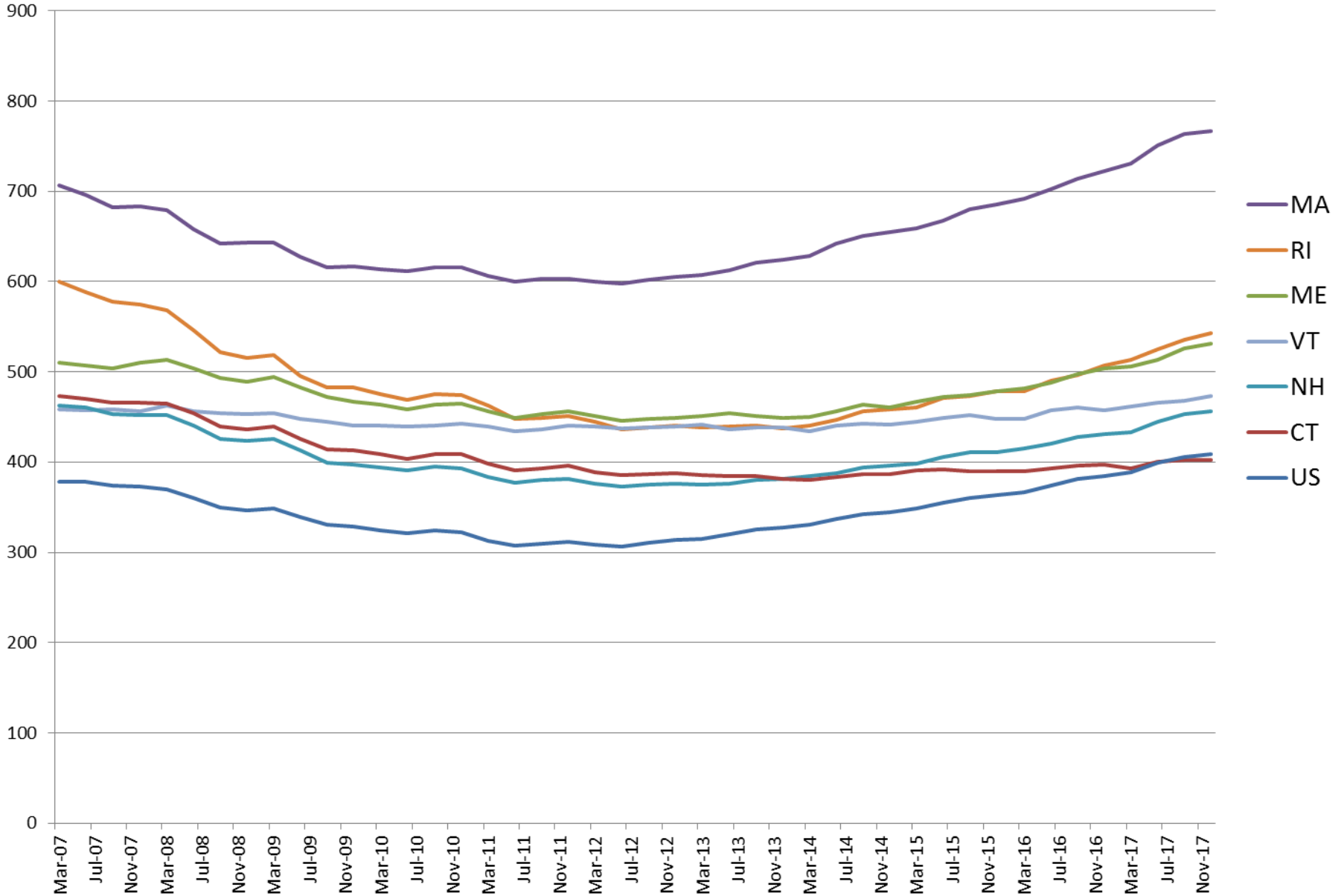


Sources: National Association of REALTORS and Maine Association of REALTORS

## Median Sales Price Of Existing Single-Family Homes

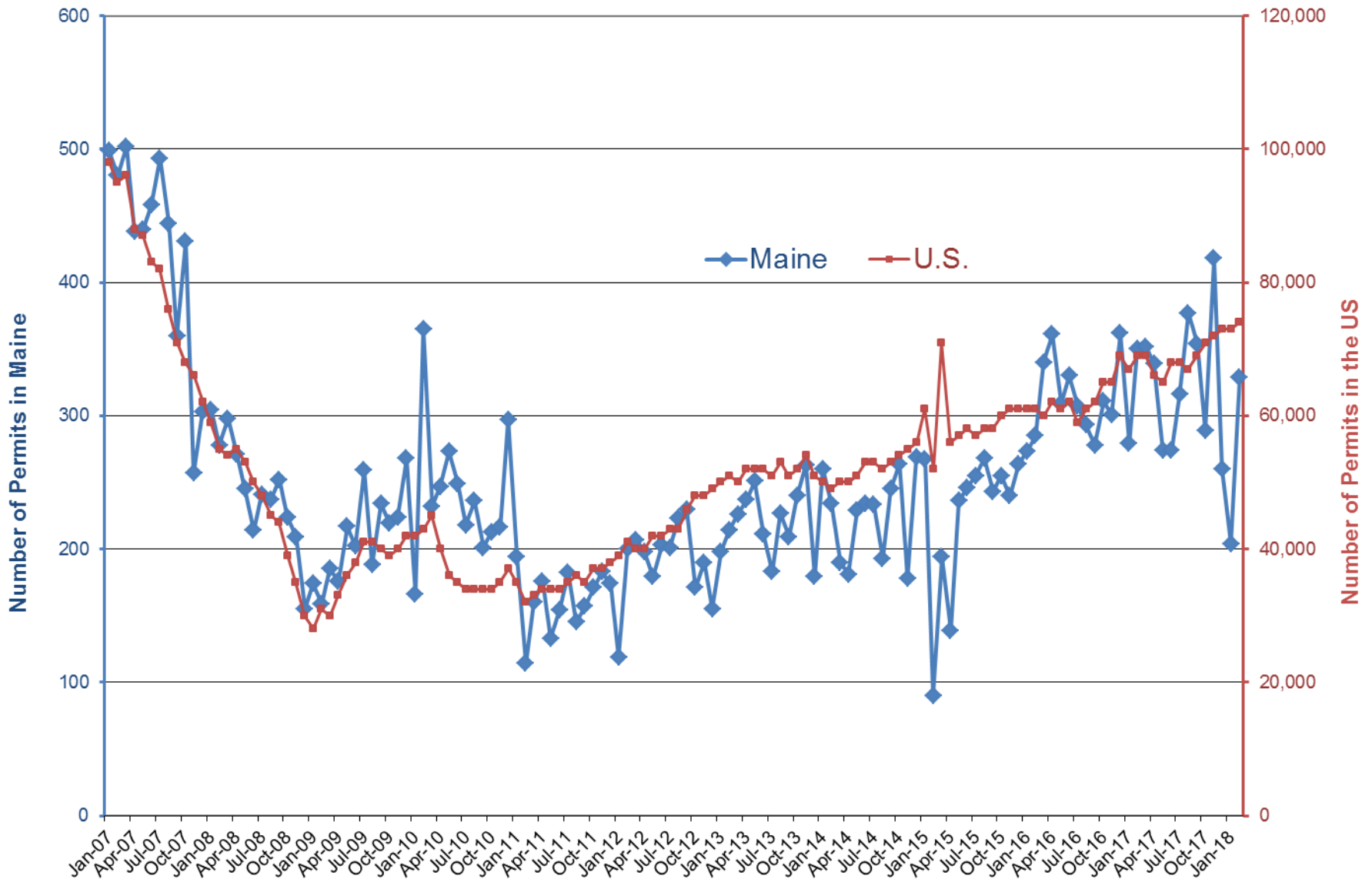


# Home Price Index: Federal Housing Finance Agency (Q1 1980 = 100)



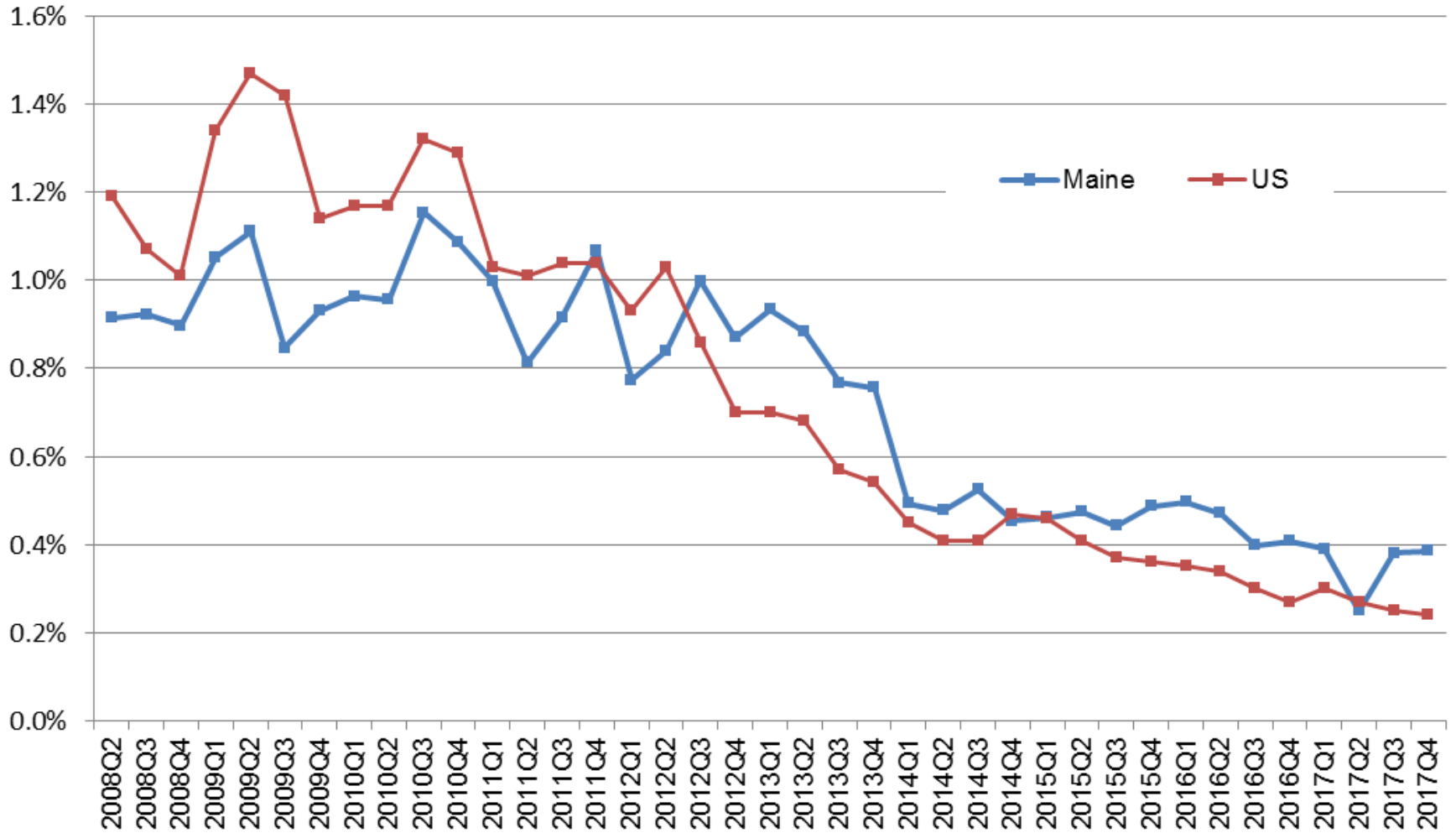
Source: Federal Housing Finance Agency, via Federal Reserve Bank of Boston

# Single Unit Housing Permits Authorized (Monthly, SA)

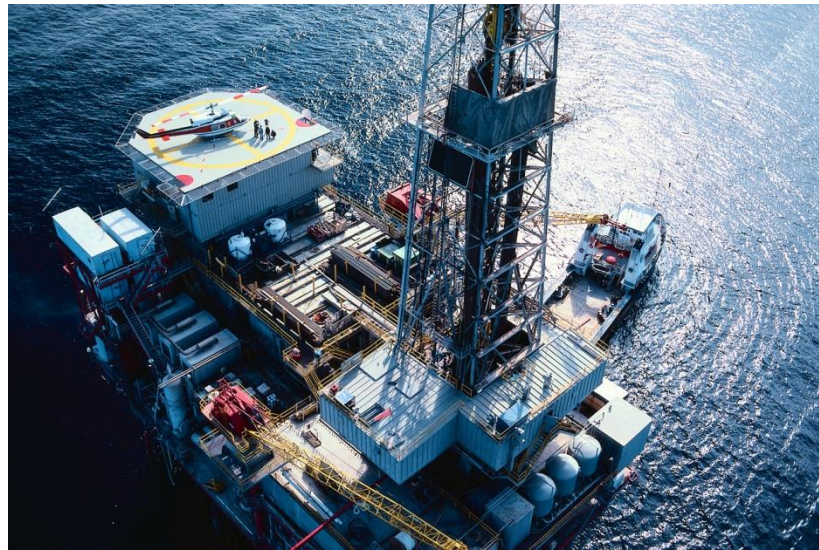


Source: U.S. Census Bureau via Federal Reserve Bank of Boston

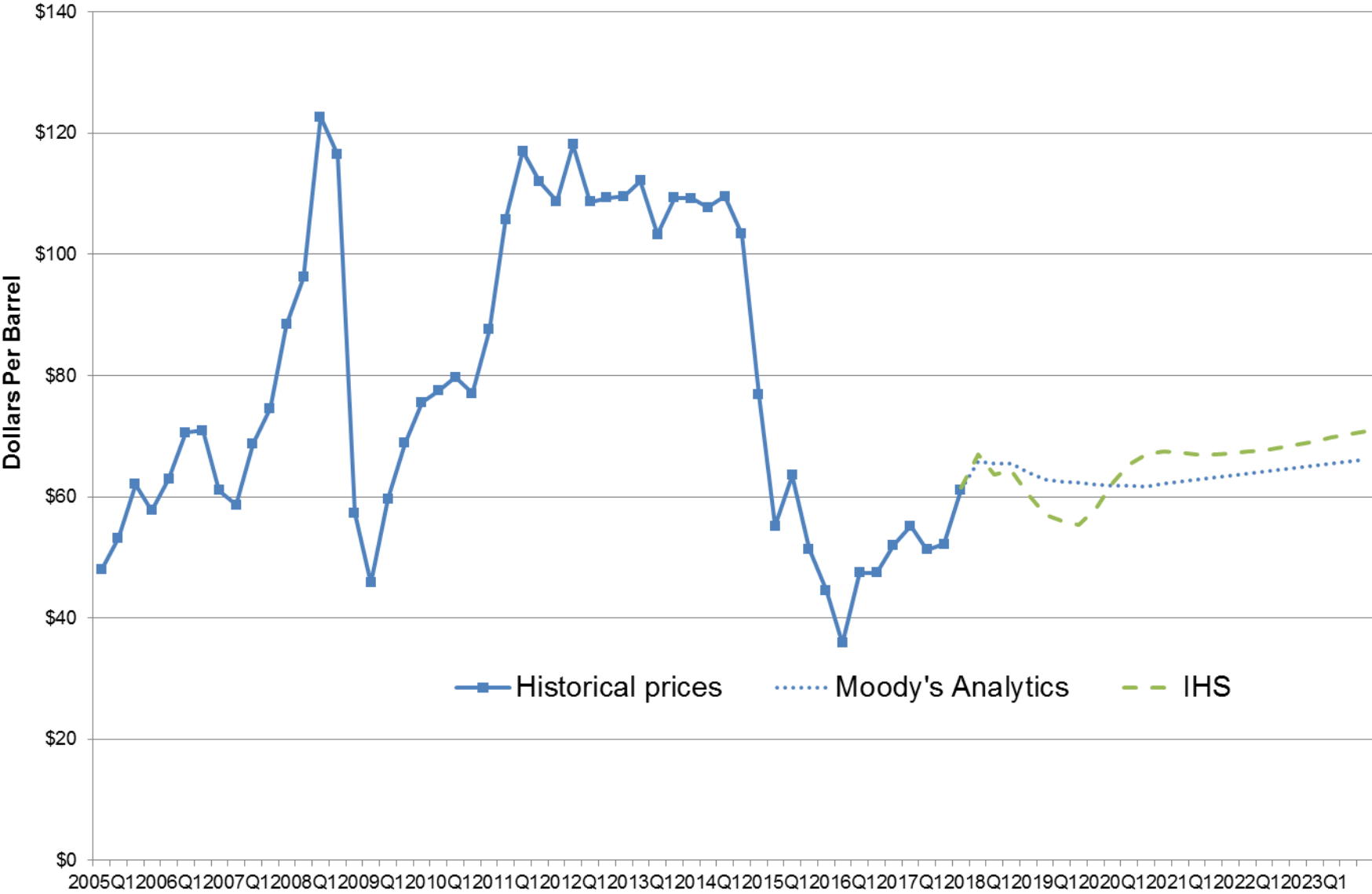
## MBA Foreclosures Started as a Percent of All Loans, Seasonally Adjusted



# Energy Prices



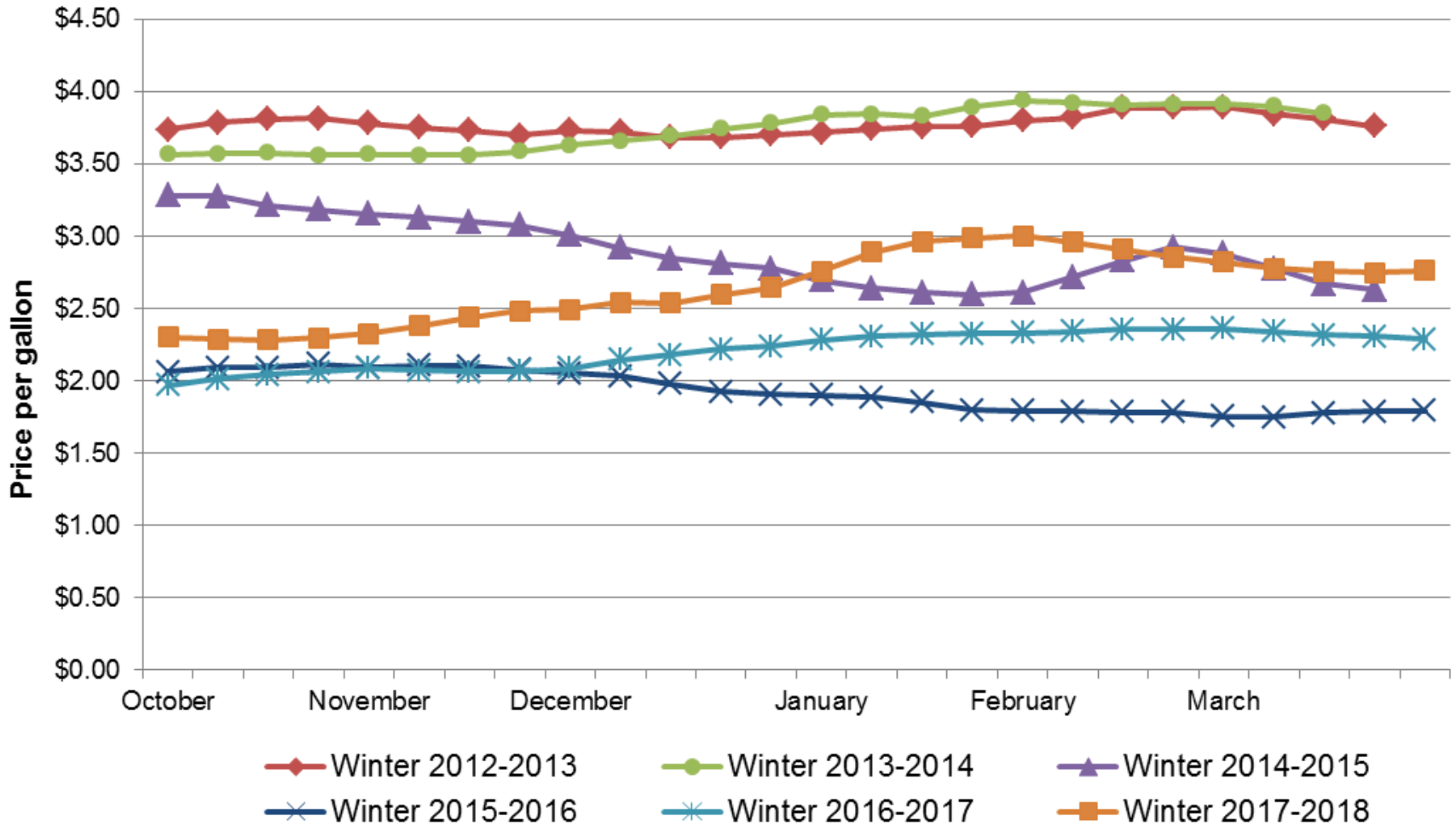
# Petroleum Crude Oil Price: Brent



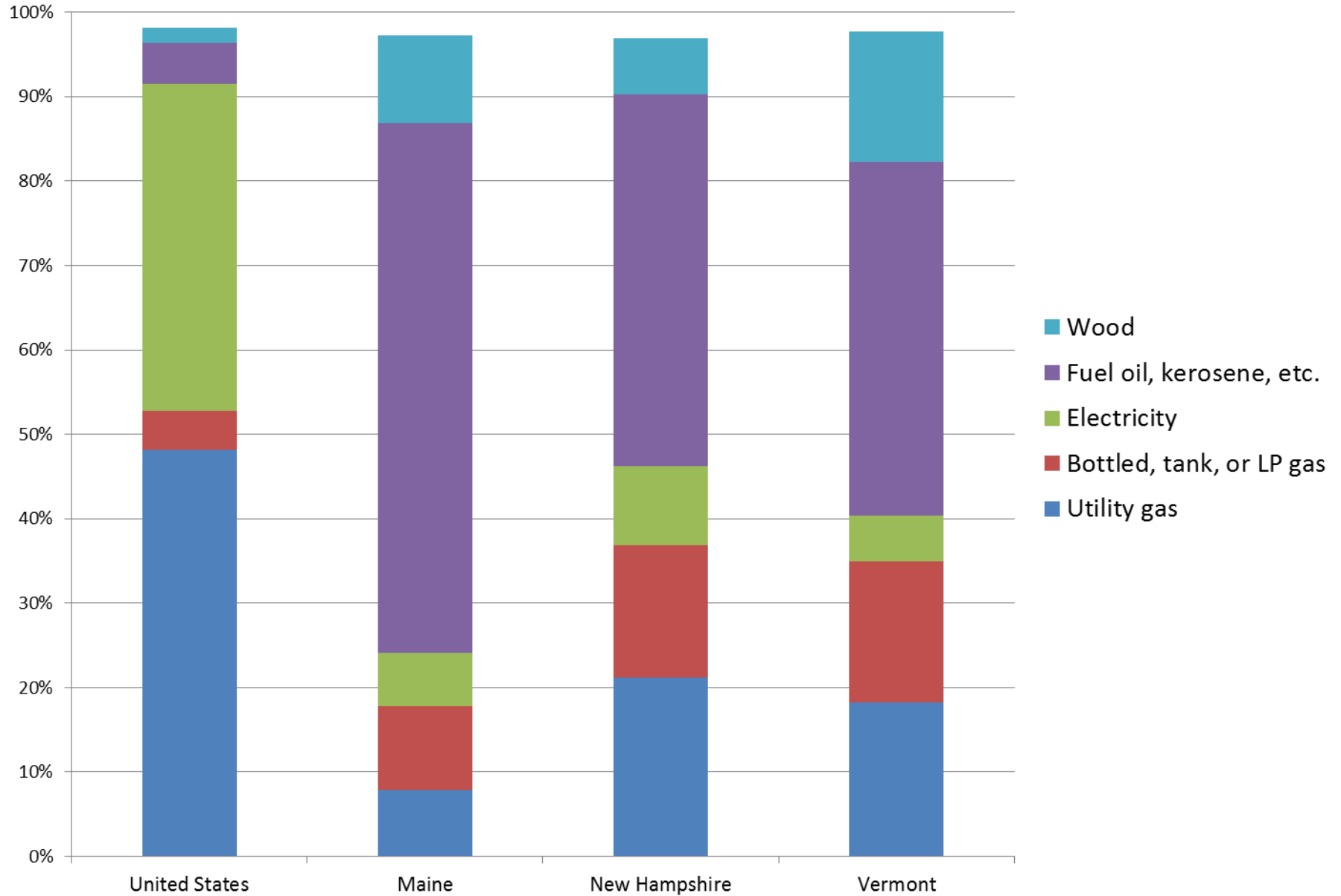
Sources: Moody's Analytics, IHS



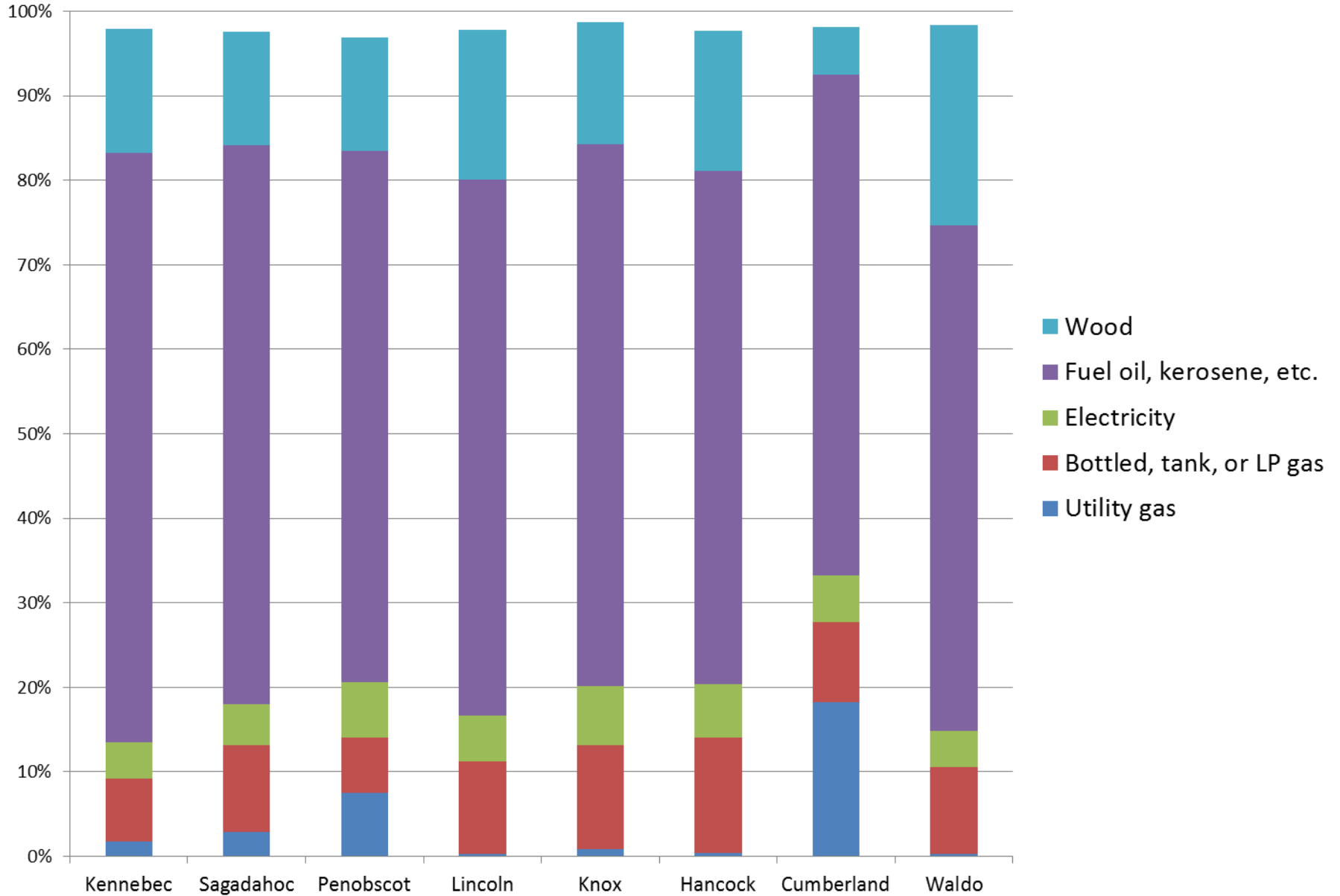
## Maine No. 2 Heating Oil Residential Price



# Percent of Housing Units by Type of Primary Heating Fuel (2016)



# Percent of Housing Units by Type of Primary Heating Fuel



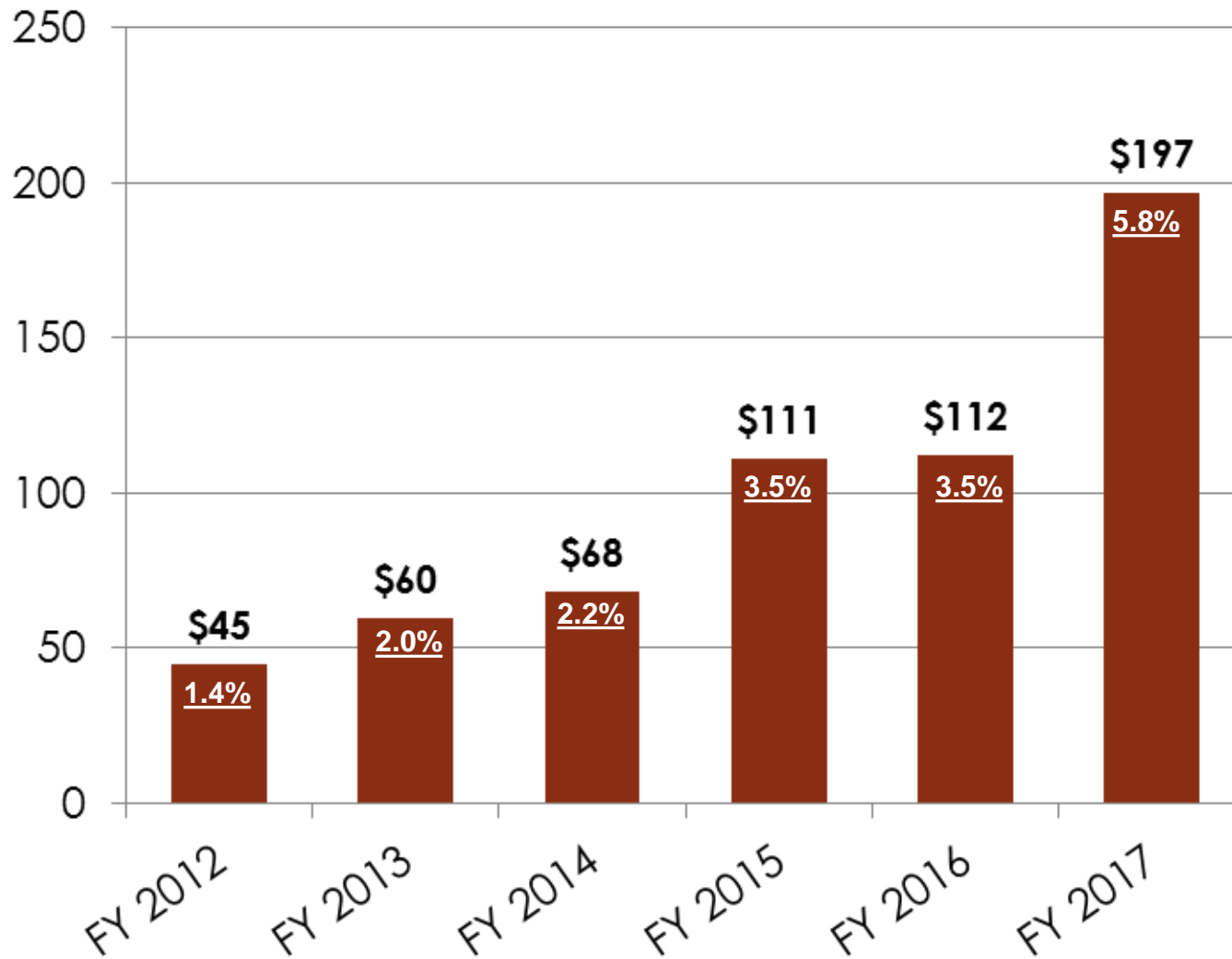
# Weekly New England Retail Gasoline Prices (Dollars per Gallon)





...And One More Thing

## \$ Budget Stabilization Fund / % of GF



# Summing up

- Maine's demographics are a limiting factor for employment and economic growth – but there are recent signs of improvement!
- Broad economic conditions are good, but uncertainty around federal policies has ticked up recently
- Maine must craft policies that make the state competitive for residents and businesses

# Contact Information

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