

Healthcare and Maine's Economy

HEALTH LEADERSHIP DEVELOPMENT

JANUARY 13, 2023

AMANDA RECTOR

MAINE STATE ECONOMIST

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES



Demographics

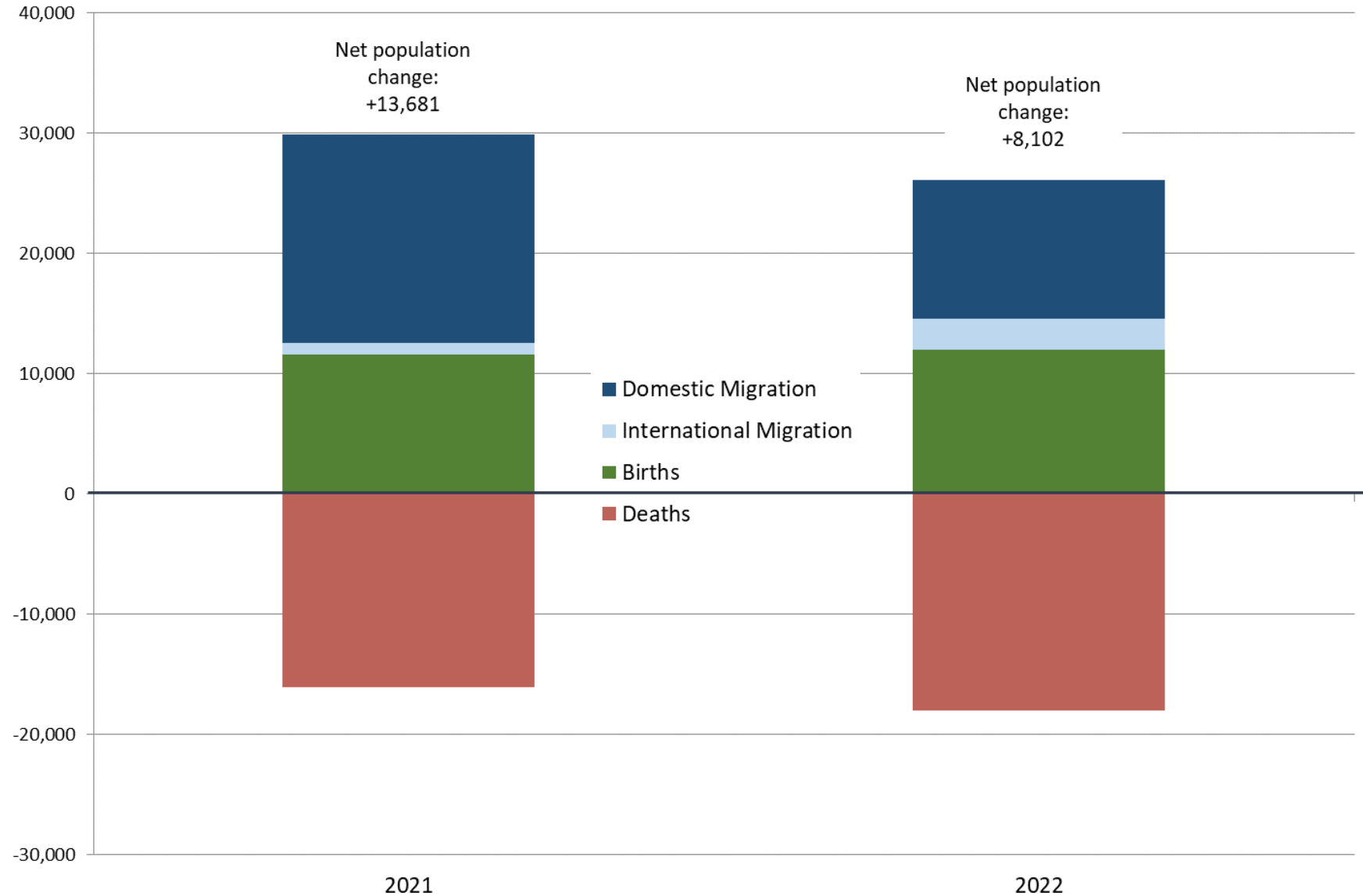
Components of Population Change, Maine

2020 Decennial Population =
1,362,359 (42nd in U.S.)

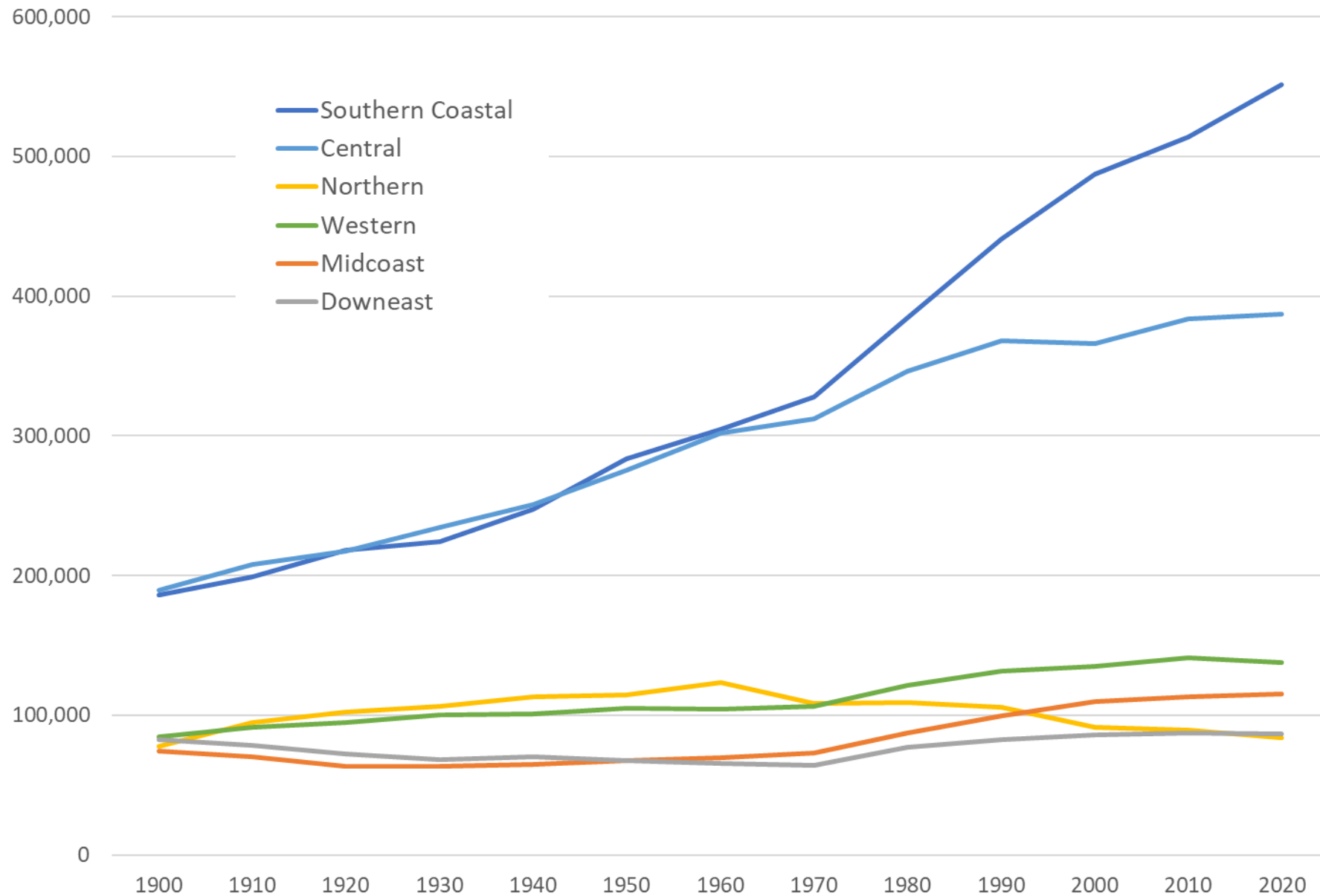
Population increase of 2.6%
from 2010-2020 (42nd in U.S.)

Population increase of 1.7%
from 2020-2022
(14th in U.S.)

2022 net migration =
10.2 per thousand
(11th in U.S.)

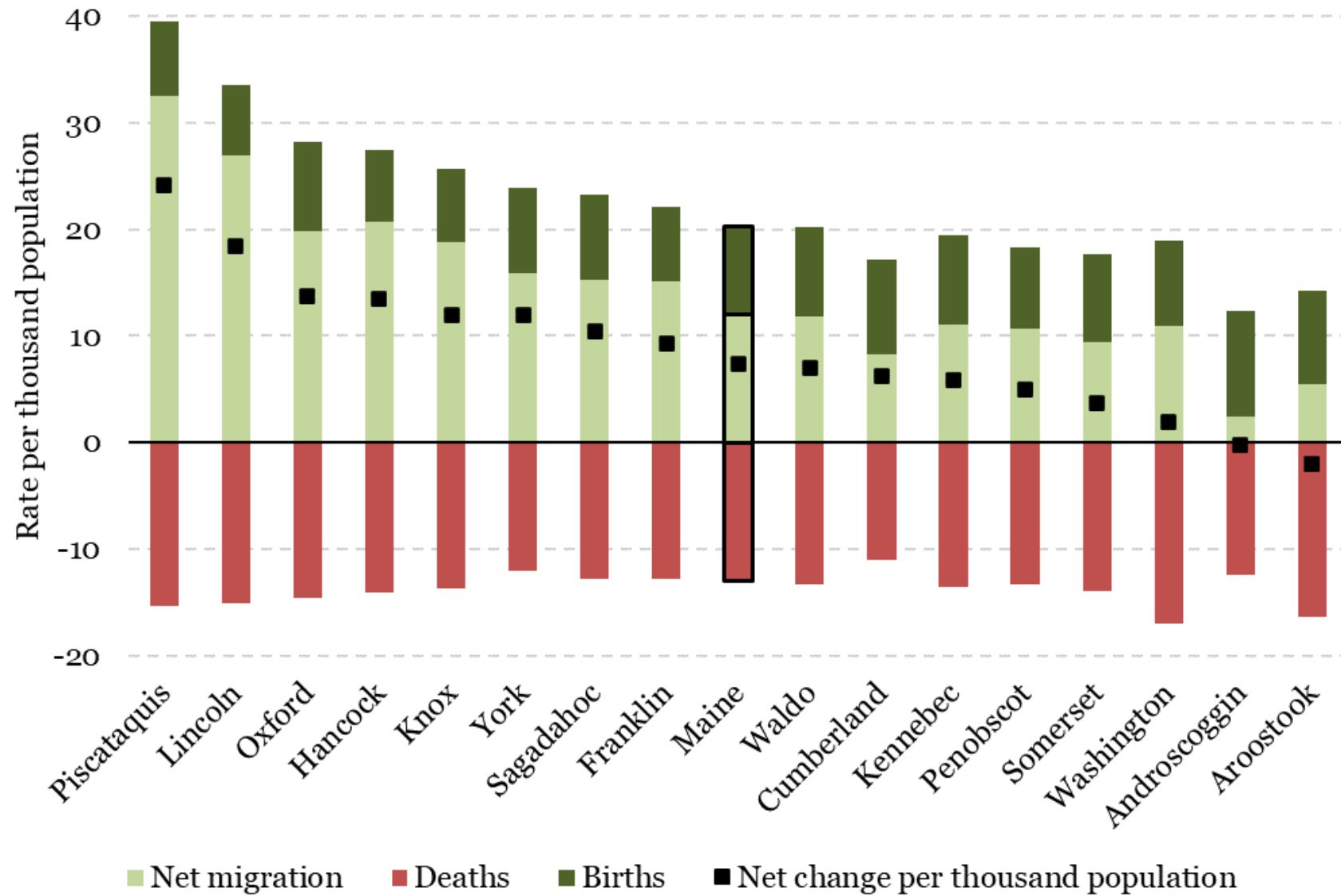


Population by Region

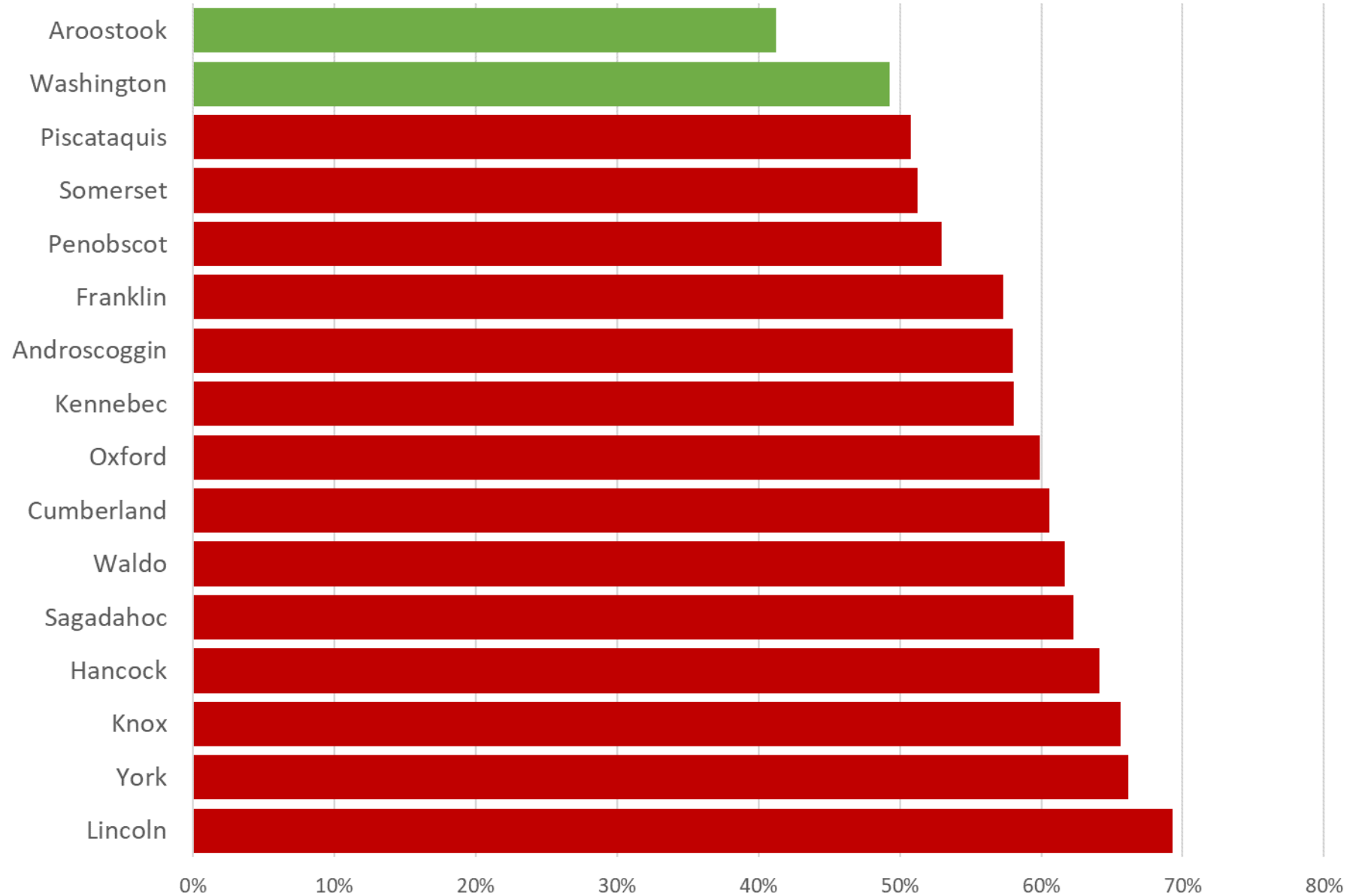


Components of Population Change in Maine, 2021

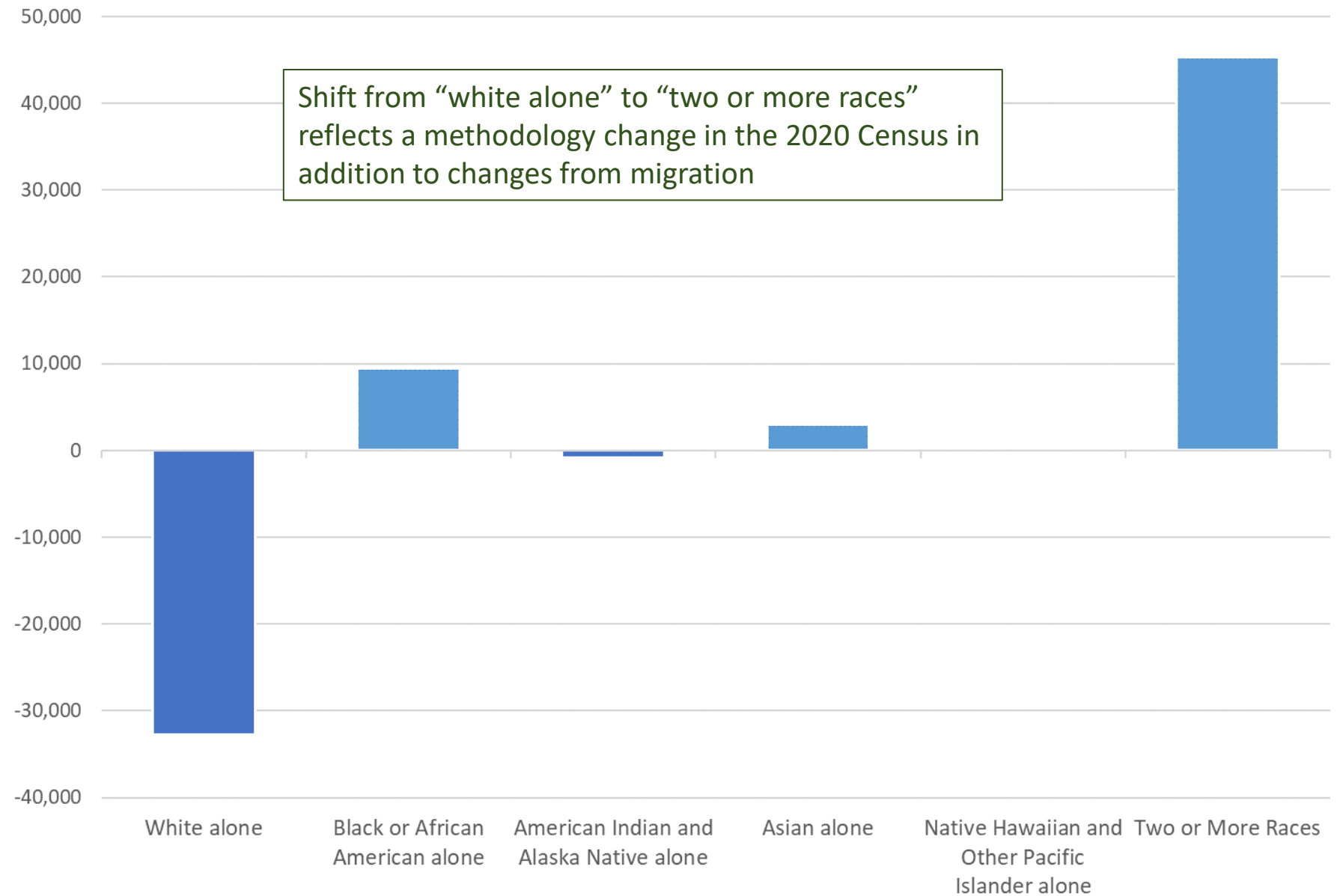
Rate per thousand population



Percent of Households Unable to Afford Median Home, 2021

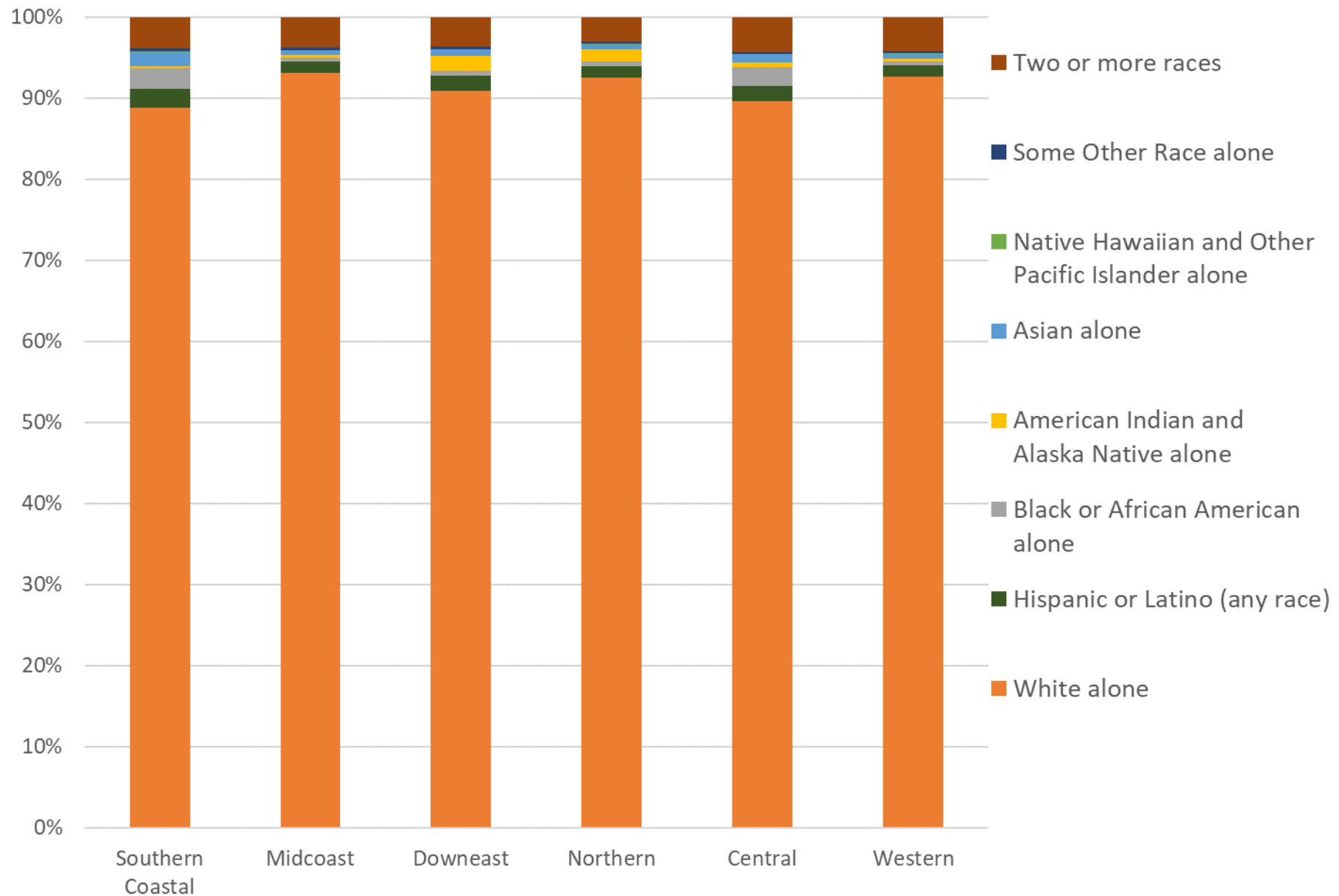


Change in Maine Population by Race, 2010-2020



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

Share of 2020 Population by Race/Ethnicity



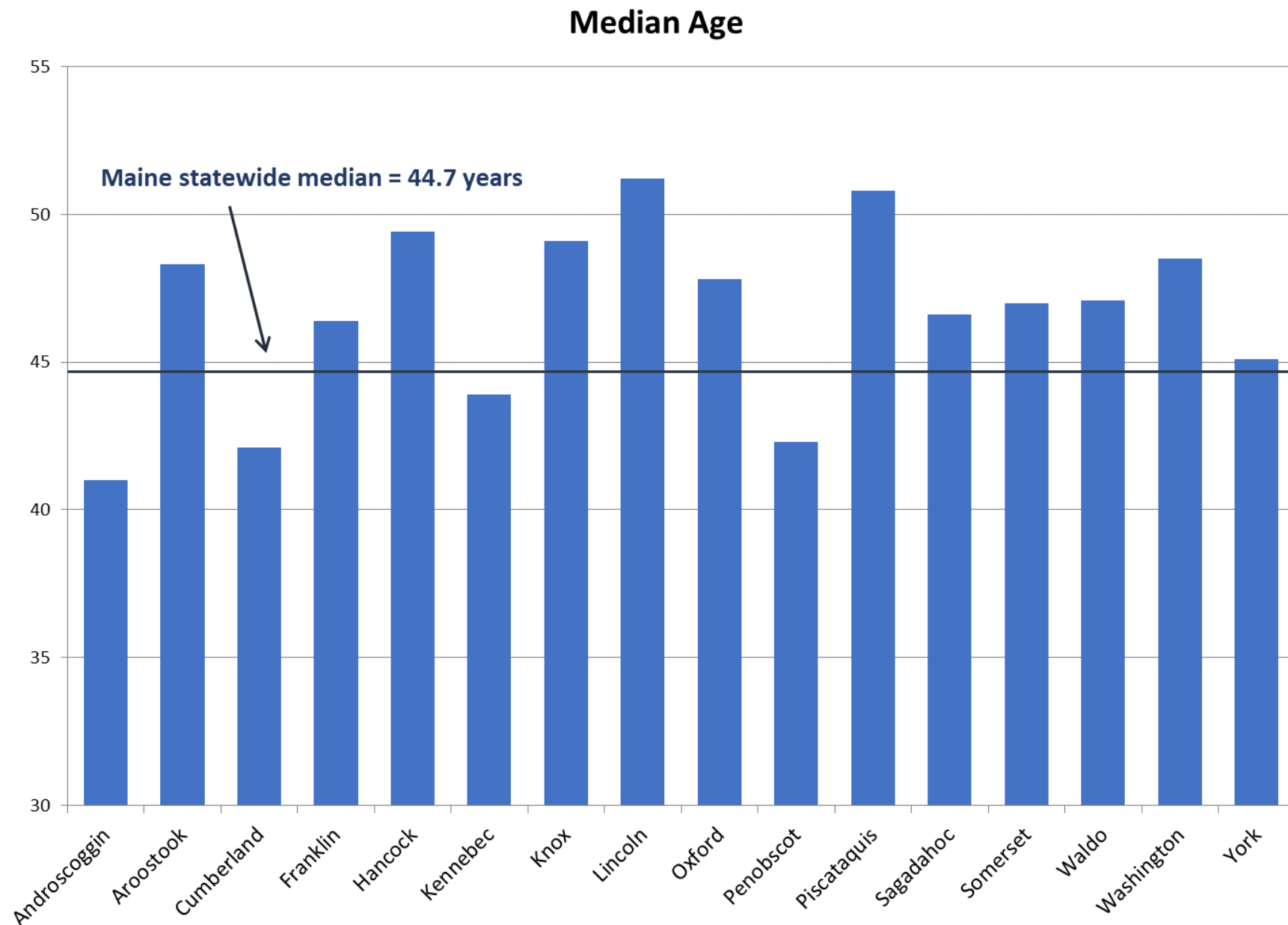
Maine has the oldest
population...

...by median age
(44.7 years)

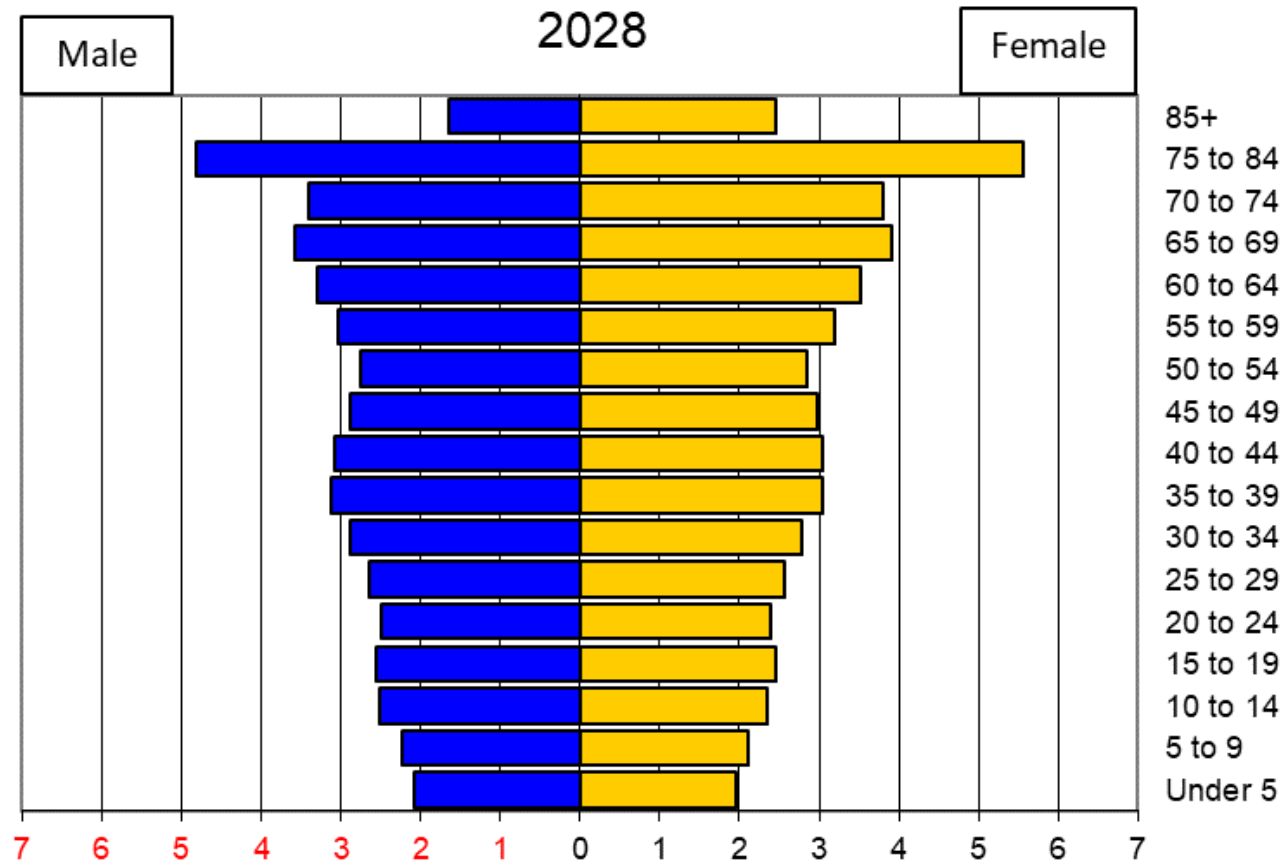
...and by % of population age
65+ (21.7%)

BUT!

Maine was the ONLY state in
the U.S. to see a decrease in
median age from 2020 to 2021



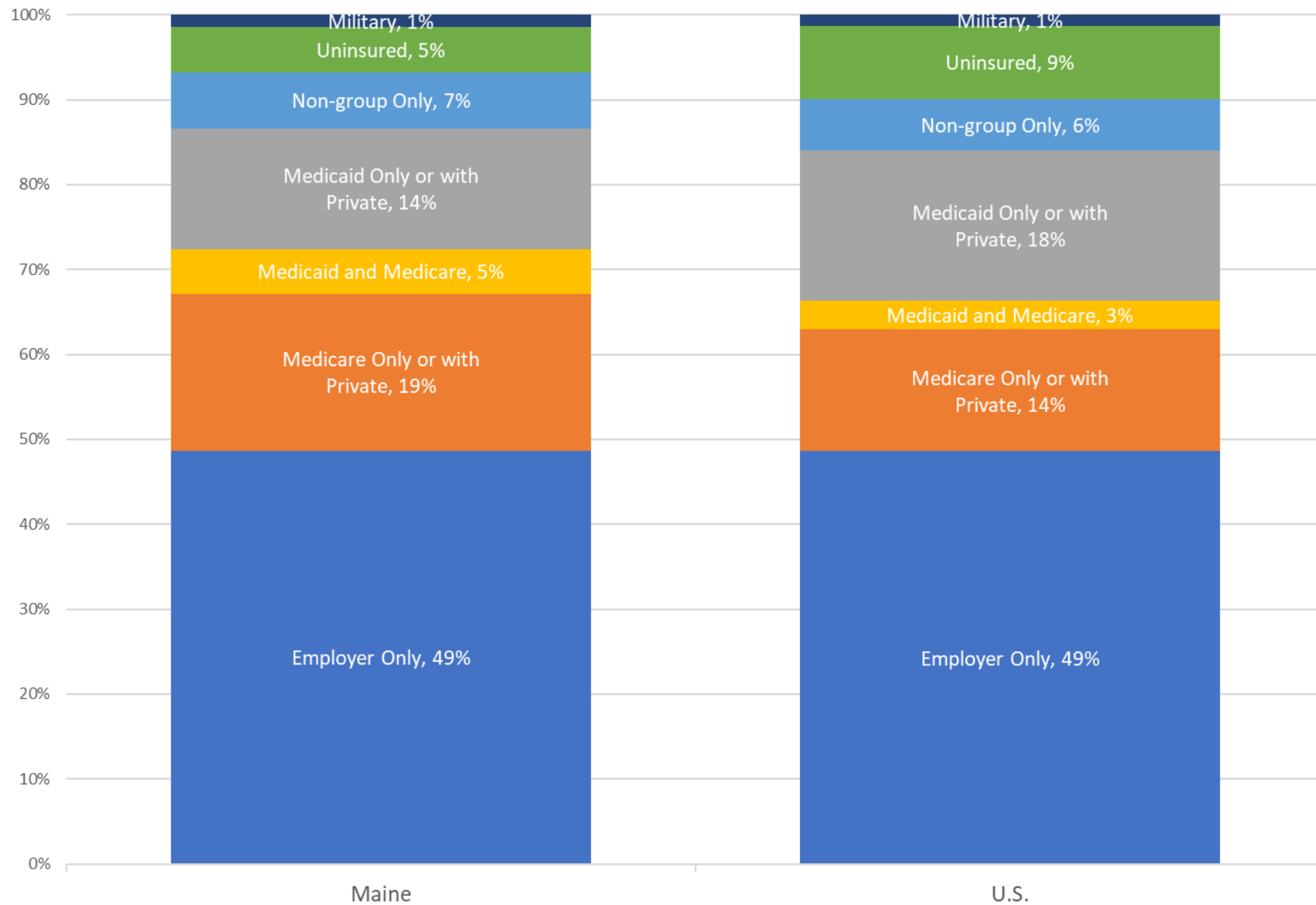
The Baby Boom: 1946-1964



Baby Boom
generation in
2021: age 57-75

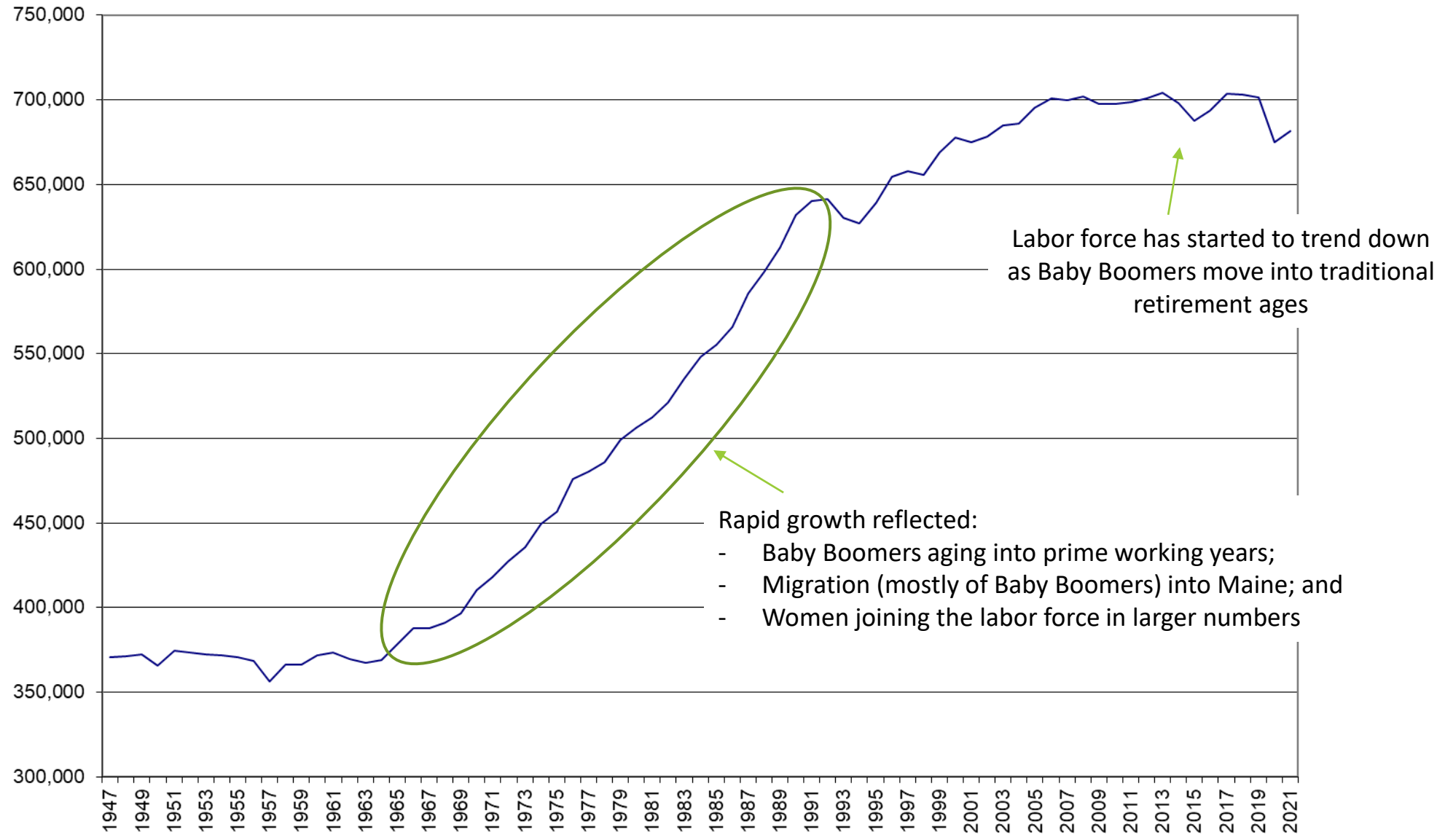
Baby Boom
generation in
2028: age 64-82

Health Insurance Coverage of the Population, 2021



Labor Force and Employment

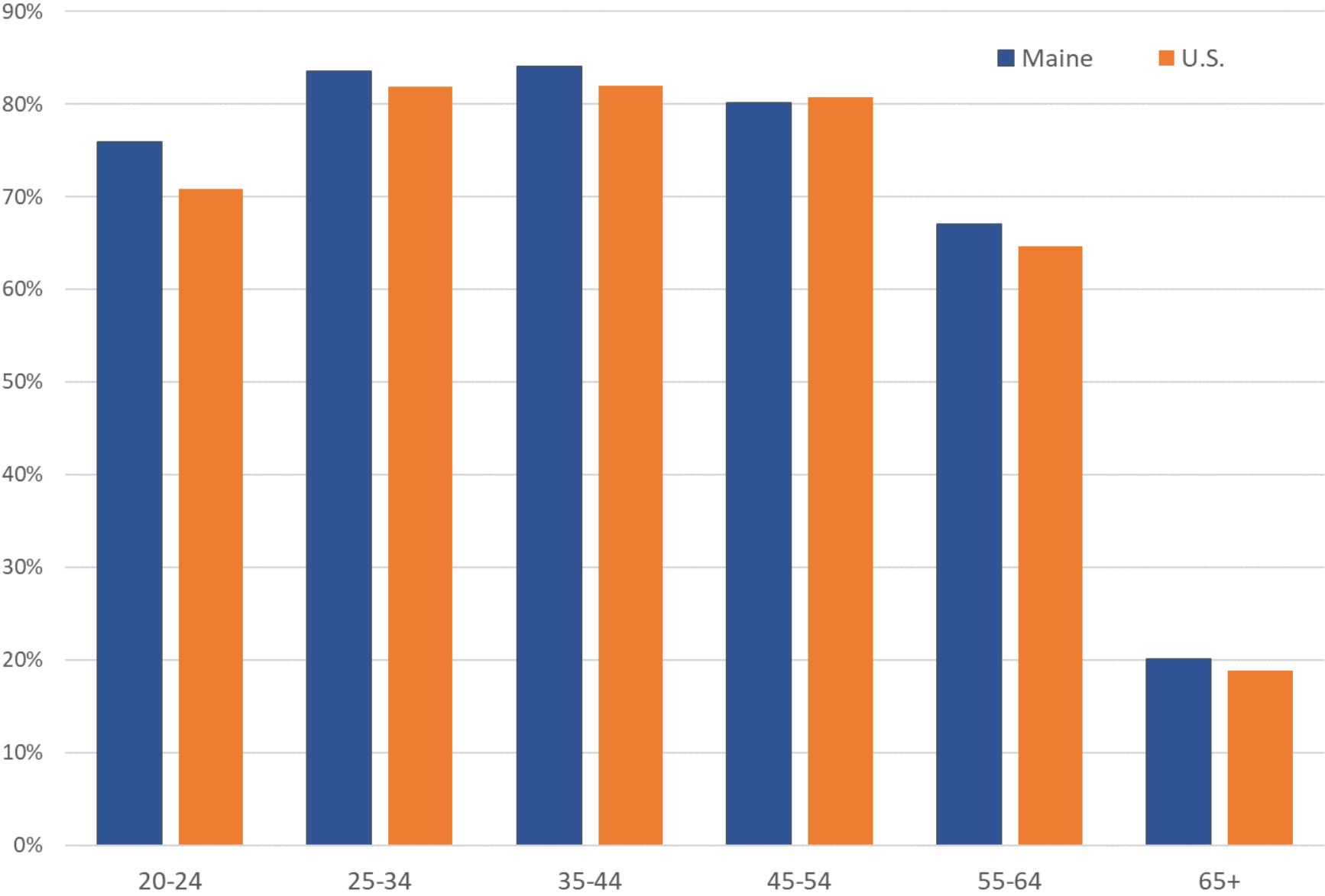
Maine Civilian Labor Force



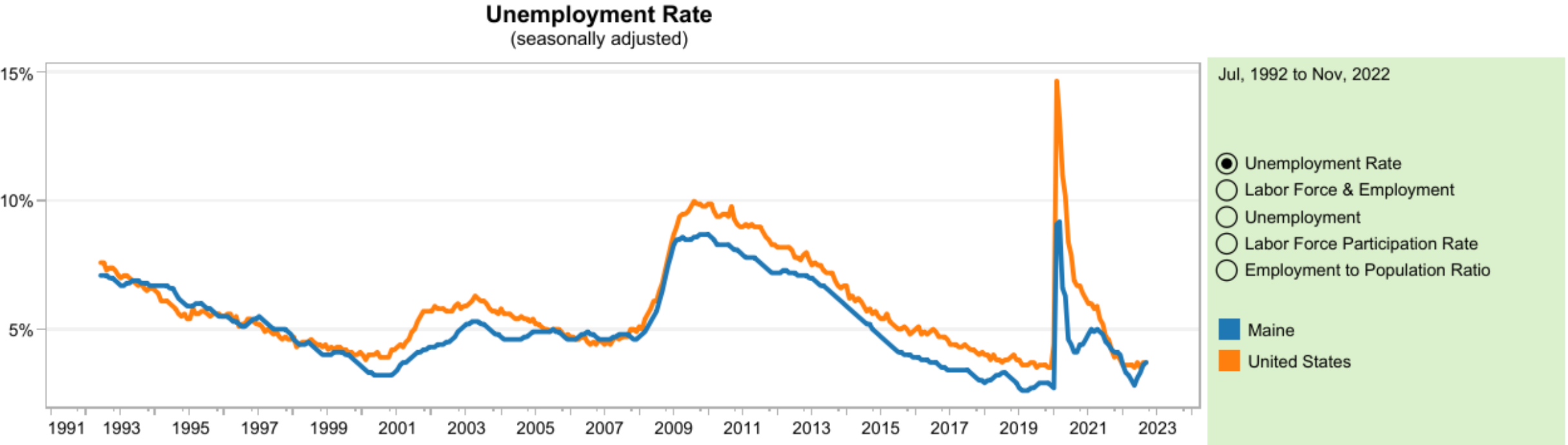
In the *Annual Workforce Report for 2021*, the Maine Department of Labor notes:

- The rising share of retired population is the primary factor in lower participation in the state.
- A higher share of retirement age population is the reason total labor force participation is lower in Maine than the nation.

2021 Labor Force Participation Rate



Maine's unemployment rate in November 2022 is above pre-pandemic levels but well below the long-run average unemployment



Unemployment rates in nearly all counties are lower than one year prior

County Rates (not seasonally adjusted)

November, 2022

| County | Rate | Year ago | One-yr change | |
|--------------|------|----------|---------------|---|
| Maine | 3.5% | 3.8% | -0.3 | ↓ |
| Androscoggin | 3.6% | 4.0% | -0.4 | ↓ |
| Aroostook | 4.7% | 4.9% | -0.2 | ↓ |
| Cumberland | 2.9% | 3.4% | -0.5 | ↓ |
| Franklin | 4.6% | 4.8% | -0.2 | ↓ |
| Hancock | 4.2% | 4.5% | -0.3 | ↓ |
| Kennebec | 3.4% | 3.7% | -0.3 | ↓ |
| Knox | 3.8% | 3.7% | 0.1 | ↑ |
| Lincoln | 3.7% | 3.8% | -0.1 | ↓ |
| Oxford | 4.1% | 4.4% | -0.3 | ↓ |
| Penobscot | 3.6% | 3.9% | -0.3 | ↓ |
| Piscataquis | 4.4% | 4.7% | -0.3 | ↓ |
| Sagadahoc | 2.8% | 3.1% | -0.3 | ↓ |
| Somerset | 5.2% | 5.4% | -0.2 | ↓ |
| Waldo | 3.5% | 4.0% | -0.5 | ↓ |
| Washington | 4.9% | 5.1% | -0.2 | ↓ |
| York | 3.1% | 3.5% | -0.4 | ↓ |

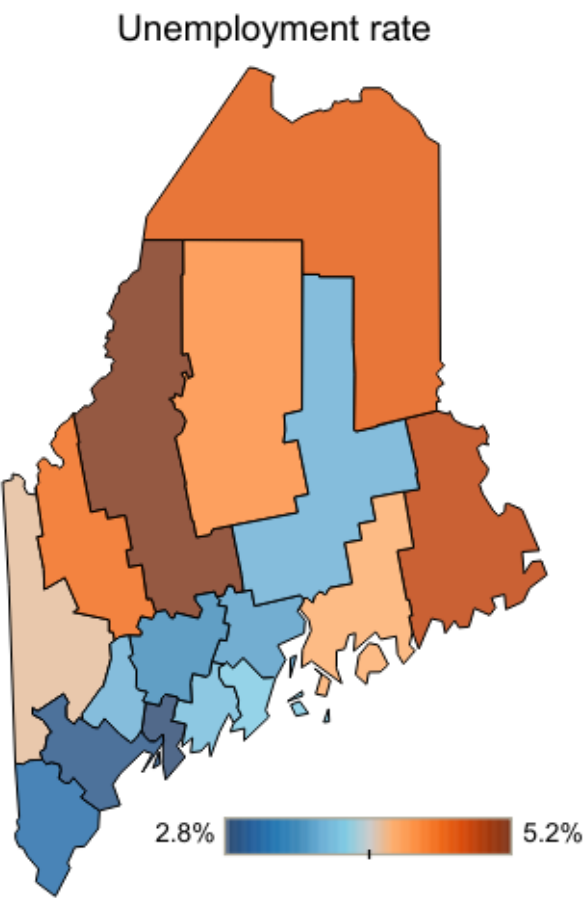
● Table

○ Graph

● Map/Graph Display

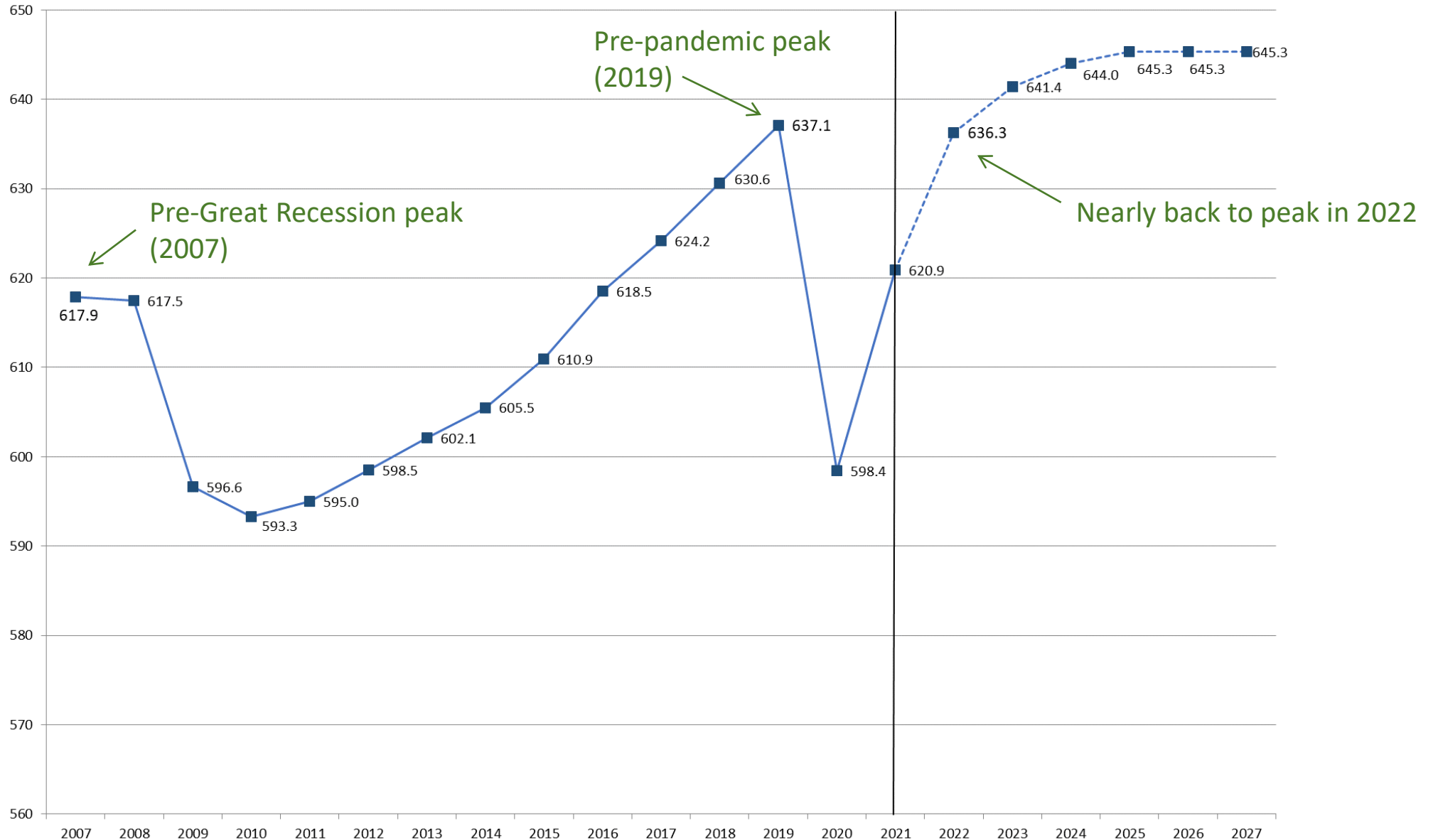
● Unemployment rate

○ One-year change

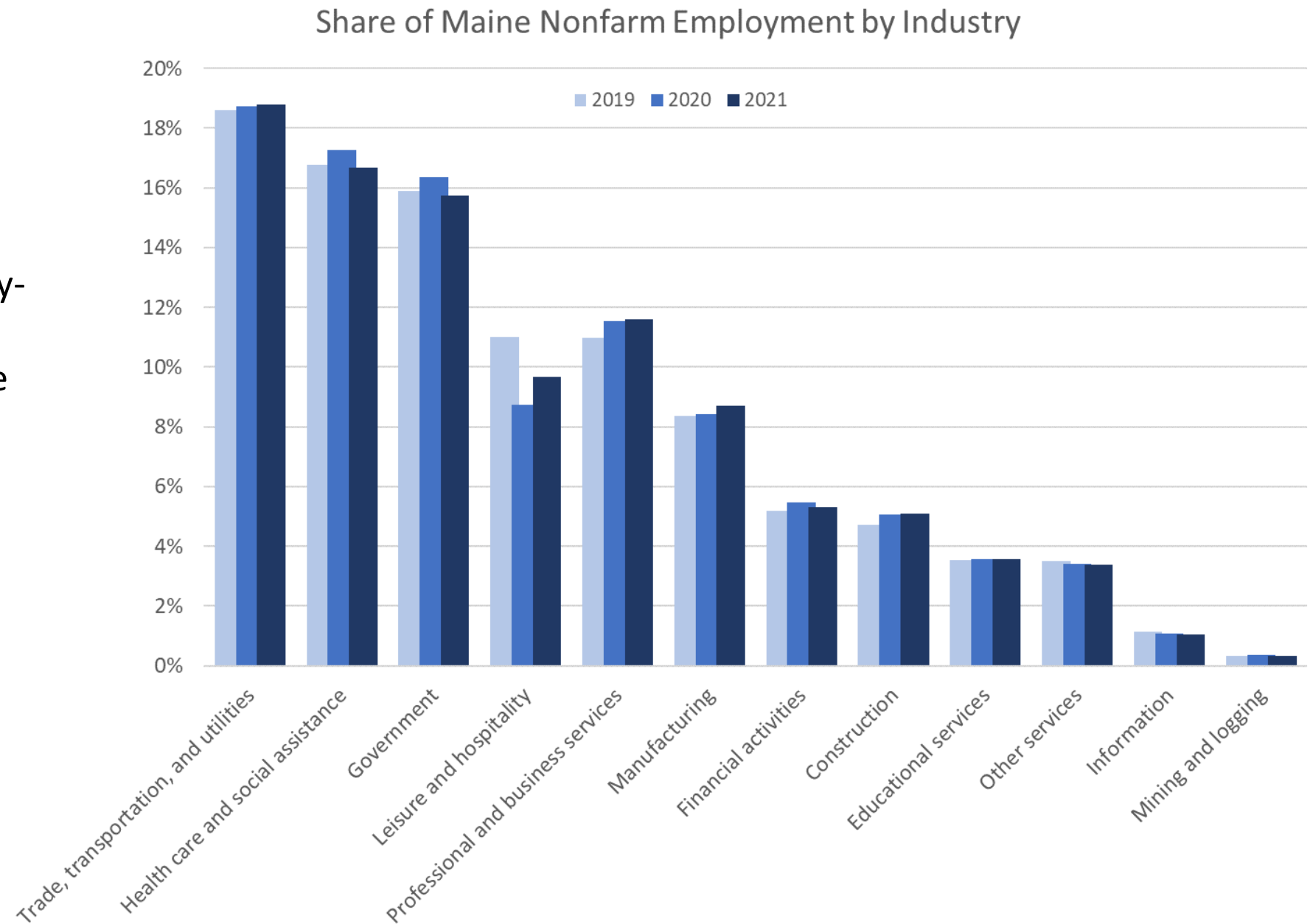


Maine Department of Labor, Center for Workforce Research and Information

Total Nonfarm Employment (in thousands) History and CEFC forecast

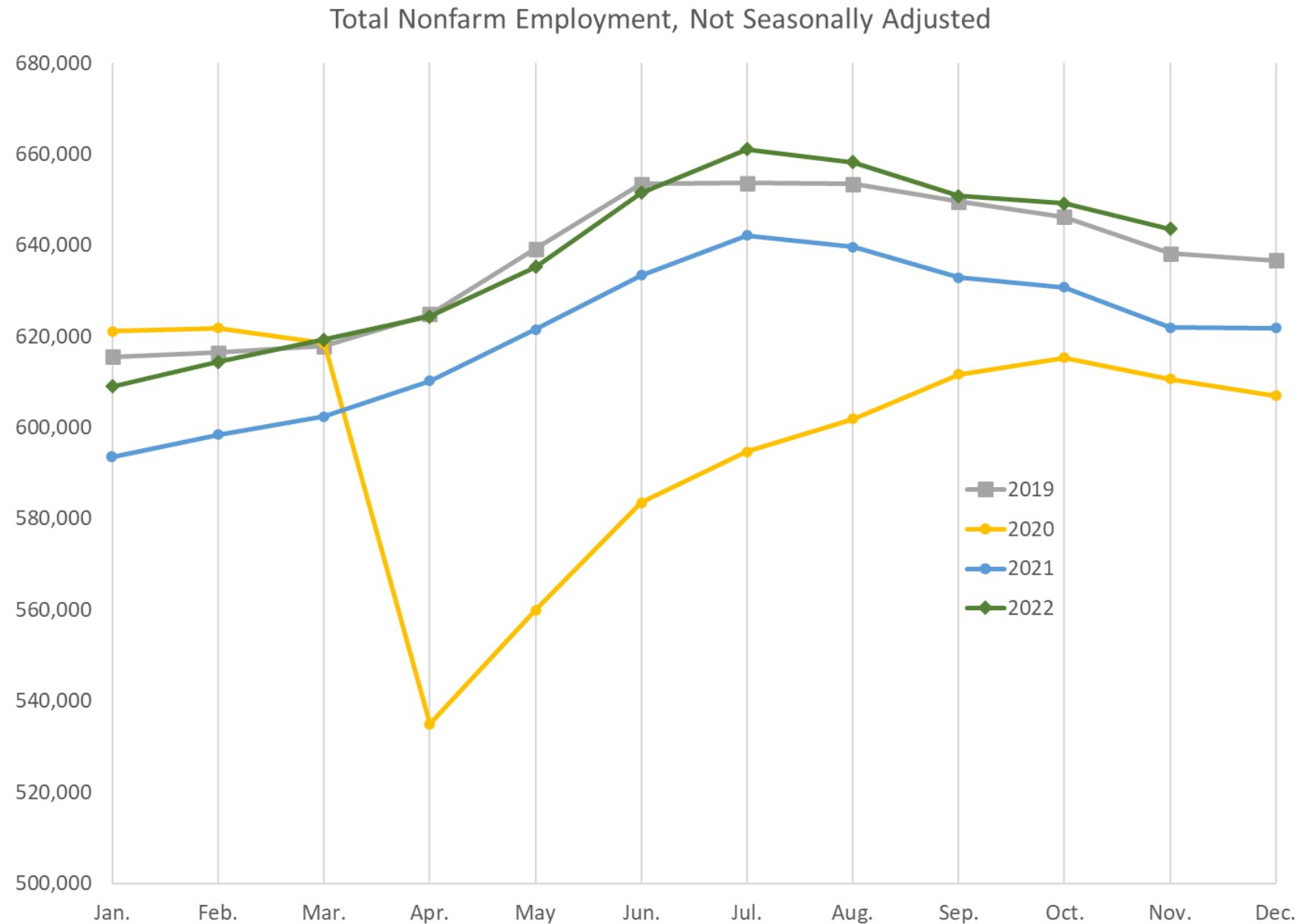


According to the Maine Department of Labor's newly-released Employment Outlook to 2030, the relative shares are not expected to change by much (the same sectors are still expected to be the largest)

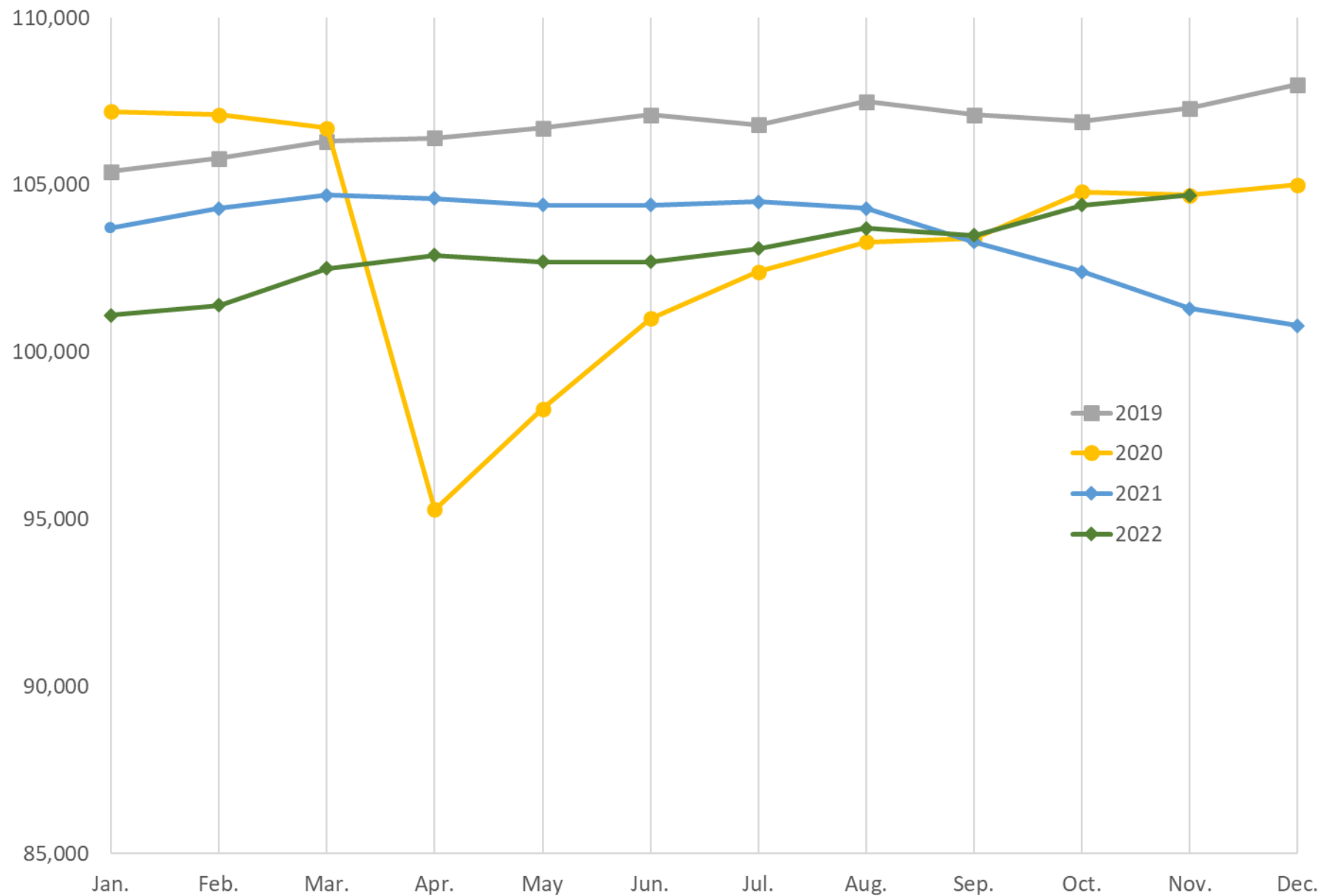


Most sectors in November 2022 were near or above November 2019 levels, the exceptions being:

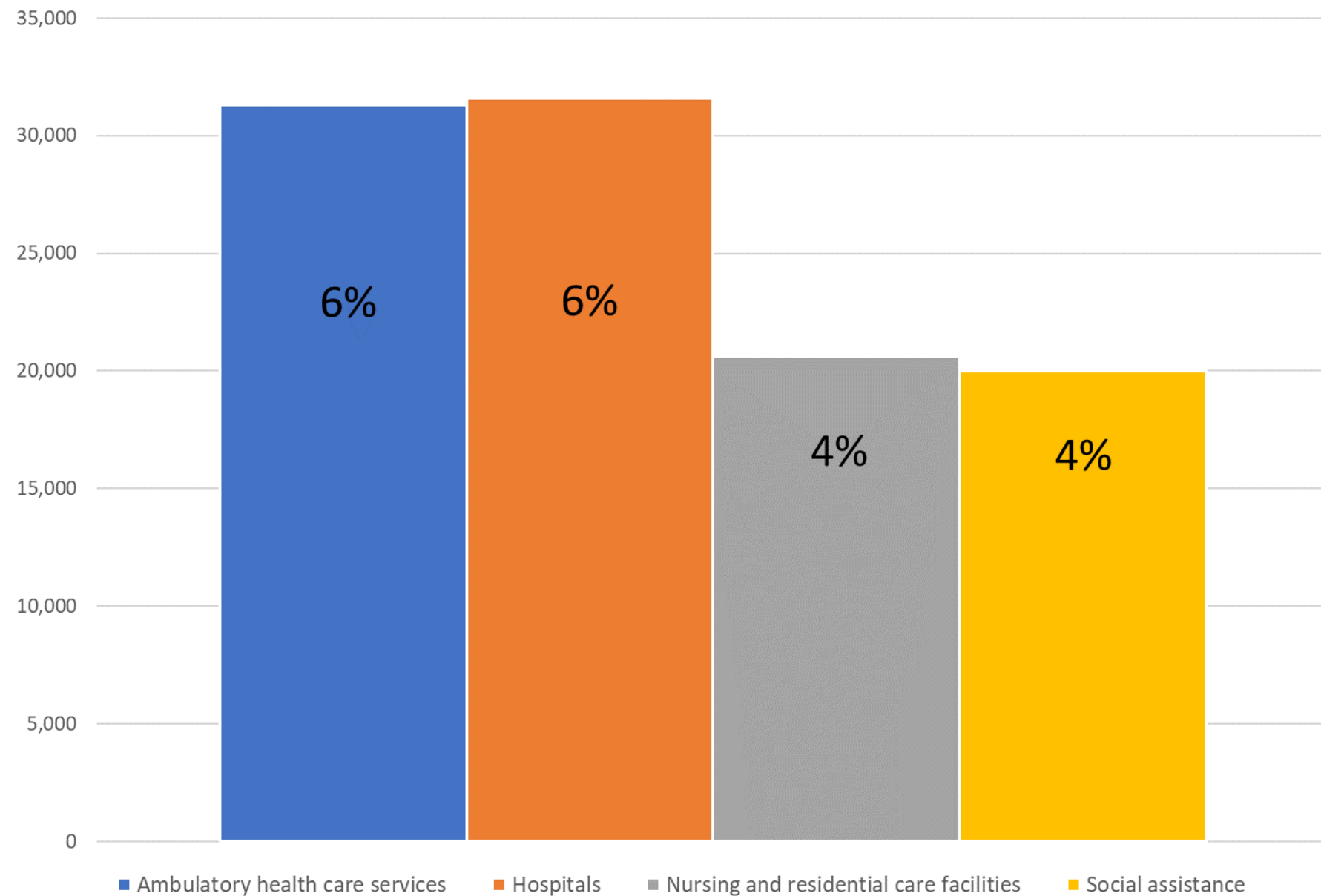
- healthcare and social assistance (mostly long-term care and social assistance)
- state government education (public higher education)



Health Care and Social Assistance Employment, Not Seasonally Adjusted



Healthcare & Social Assistance Private Employment in Maine (2021)



Display:
☒ Bar Graph
☐ Table
☐ Bubble Graph

Occupation
 All

SOC Code
 All

Typical Education..
 All

Typical Education Level Required (Graphs Only)

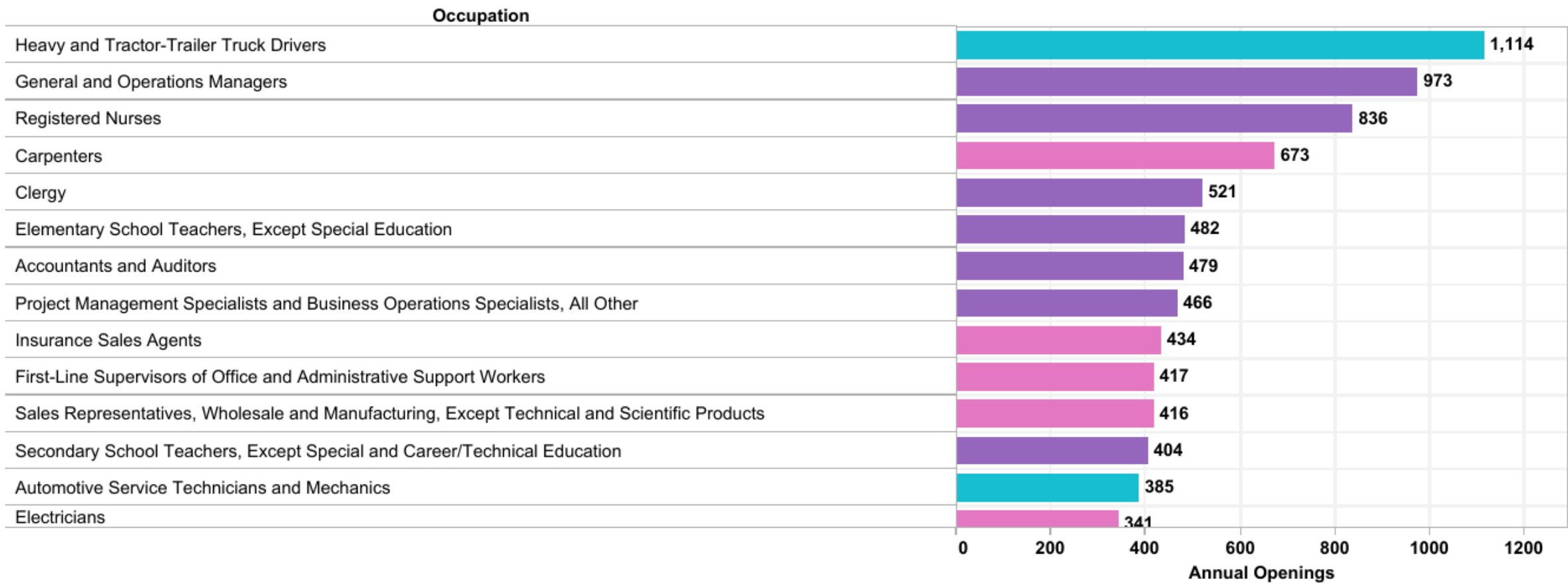
Associate's degree
Bachelor's degree
Doctoral or professional degree

High school diploma or equivalent
Master's degree
No formal educational credential

Postsecondary non-degree award
Some college, no degree

Maine High-Wage, In-Demand Jobs by Education

Education Requirement: All



Source: Maine Department of Labor, Center for Workforce Research and Information, 2020-2030 Occupational Employment Projections and 2021 Occupational Employment and Wage Estimates for Maine.

Workforce considerations

Migration: will the trends continue?

- *Remote work*: here to stay, but hybrid situations are geographically limiting
- *Housing*: limited availability and unaffordability
- *Childcare*: limited availability and unaffordability

Retirements: will some retirees rejoin the workforce?

Wages: how will wage expectations adjust to inflation and the tight labor market?

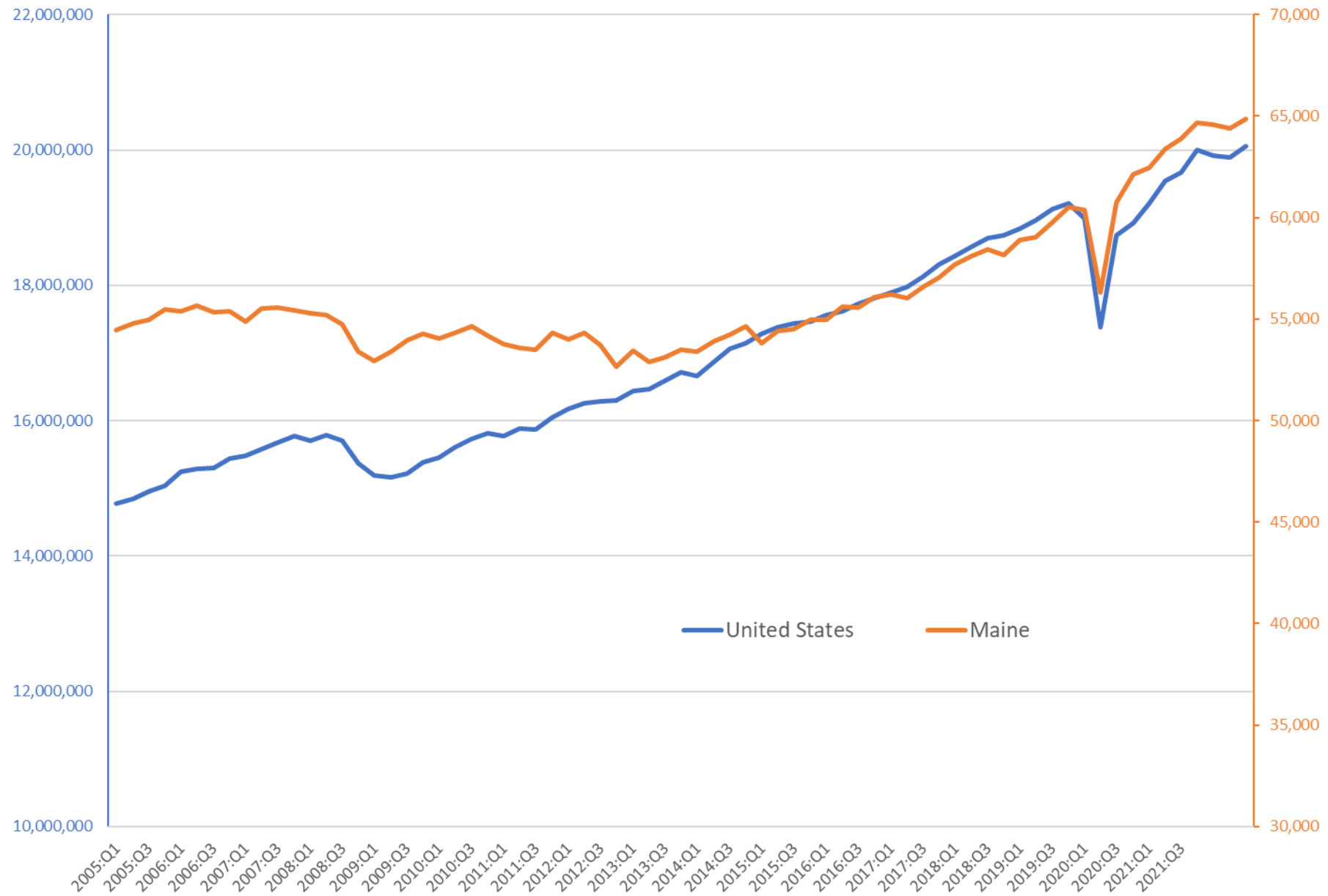
The Great Reshuffle: how does the search for “better” work pan out in the long run?

Self-employment: are more workers choosing self-employment and gig work?

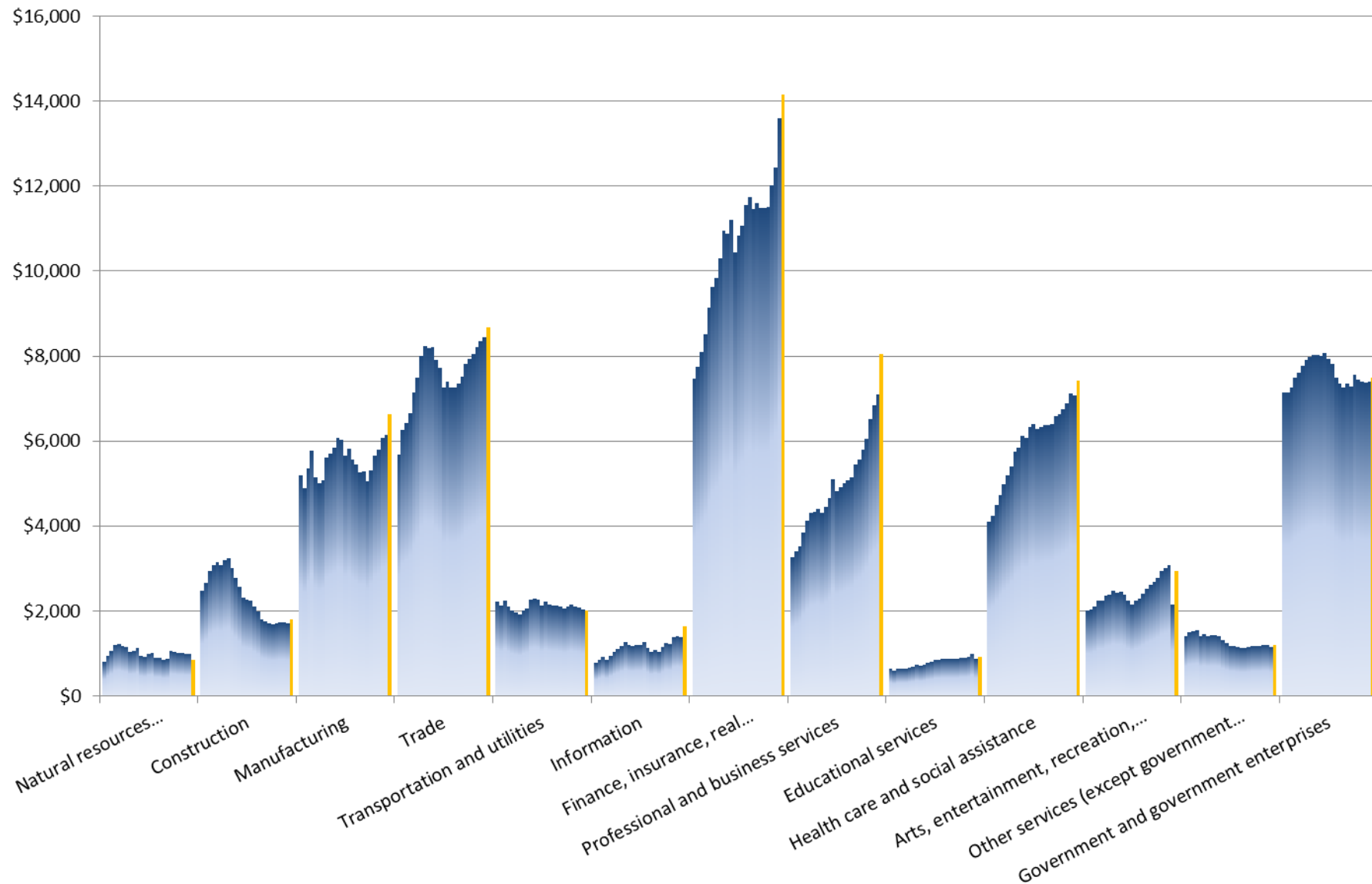
Automation: will employers who struggle to find workers substitute with technology?

Gross Domestic Product, Income, and Spending

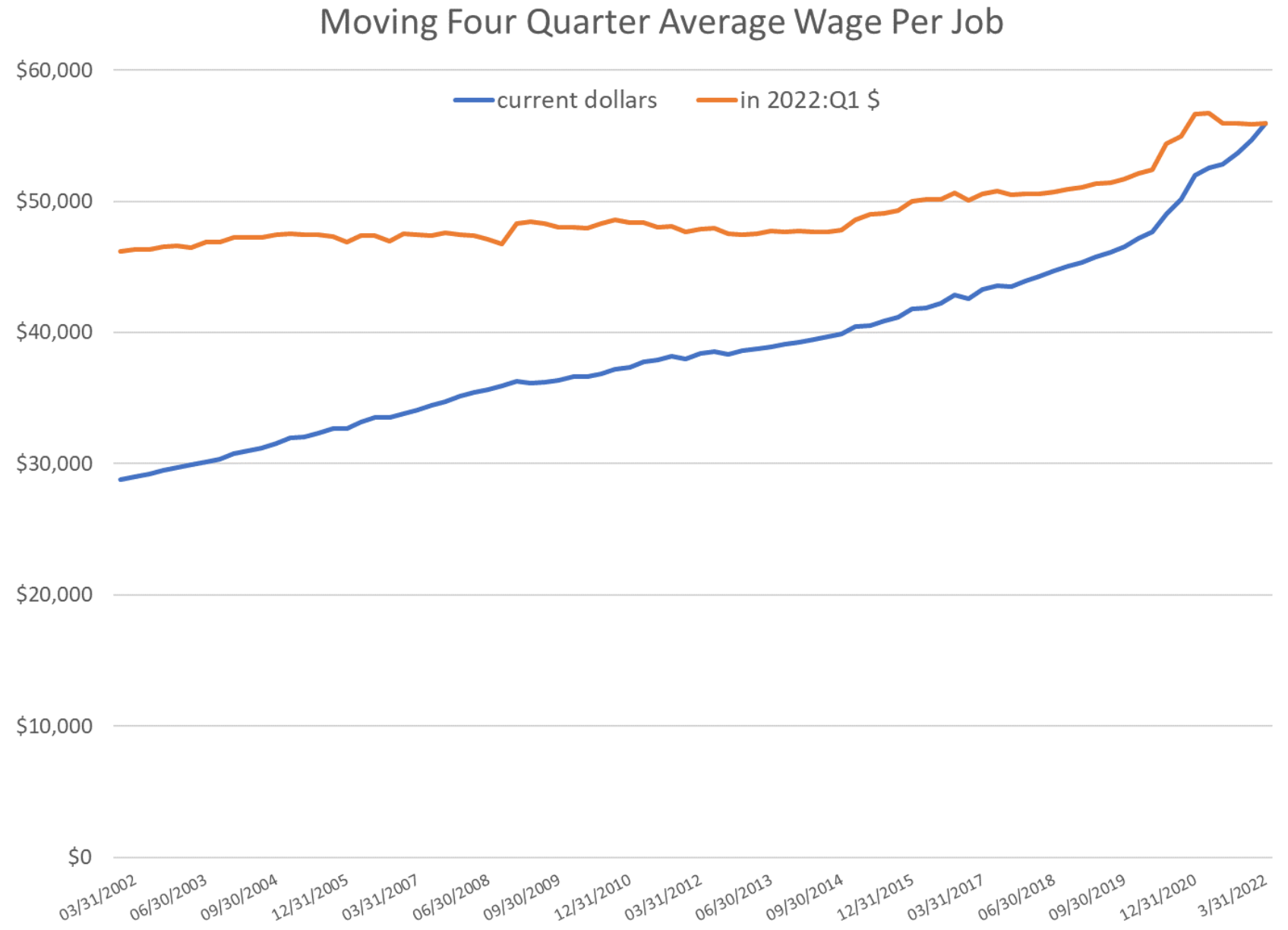
Quarterly Real GDP (in millions of chained 2012 dollars)



Maine Real GDP by Industry, 1997-2021 (in millions of chained 2012 dollars)

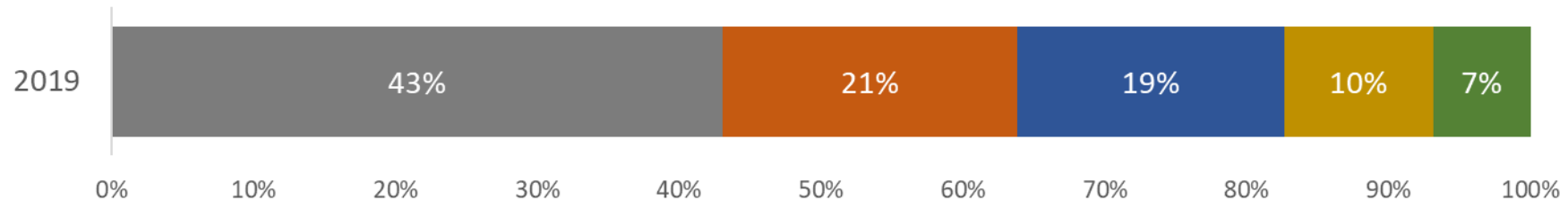


Wages have increased sharply over the past two years, but higher inflation has flattened out recent gains

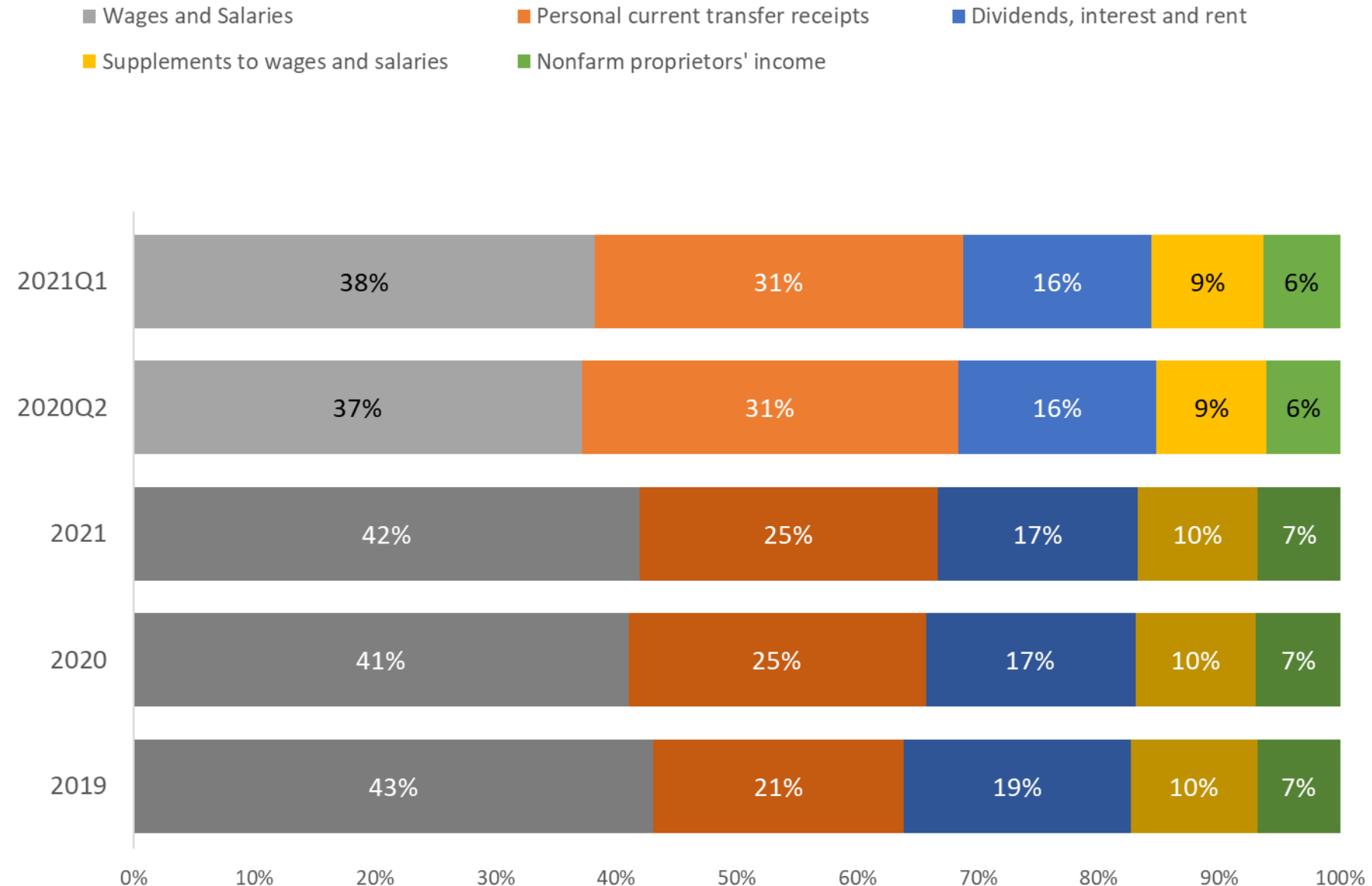


Major Components of Personal Income, Maine

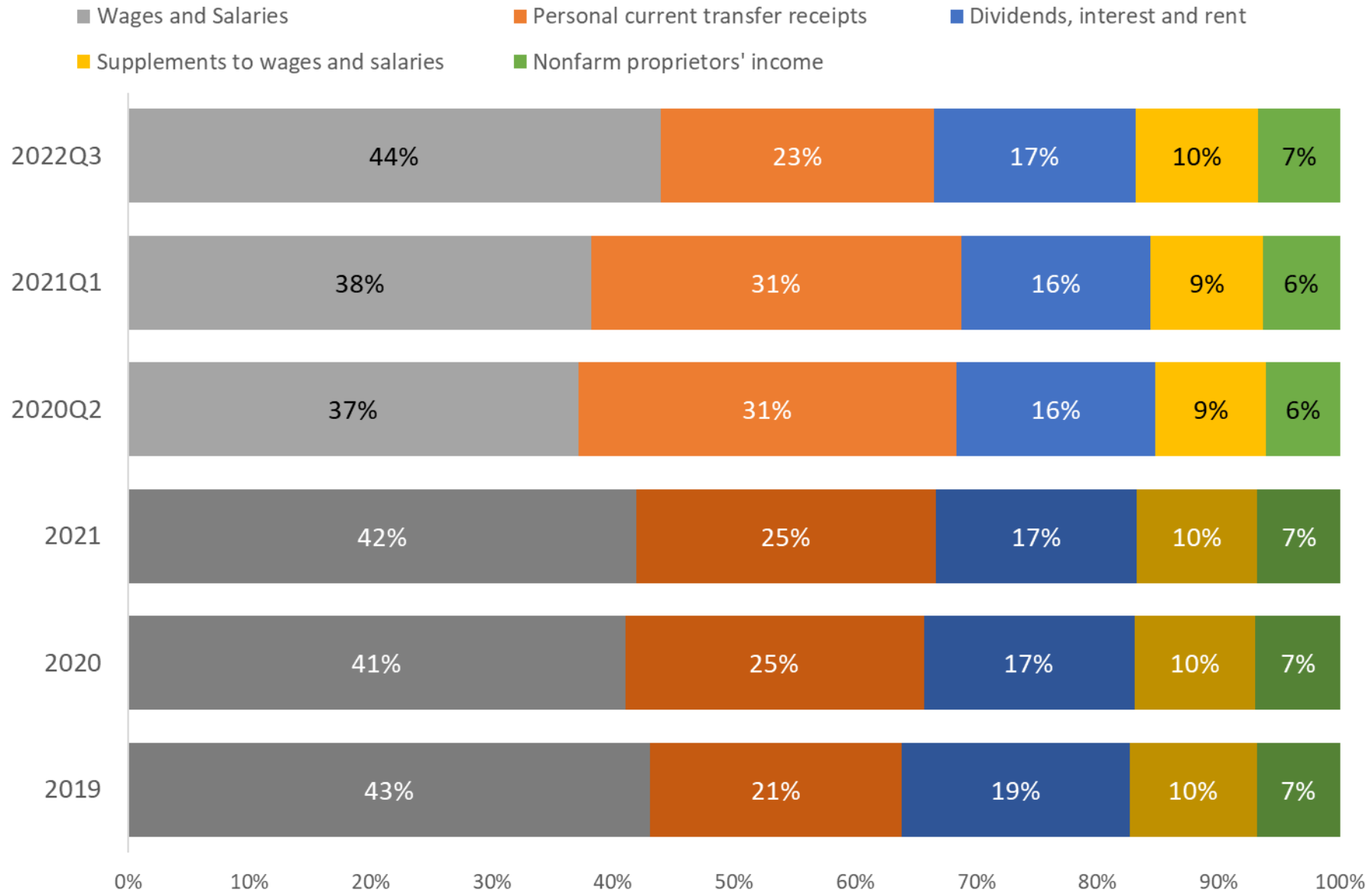
- Wages and Salaries
- Personal current transfer receipts
- Dividends, interest and rent
- Supplements to wages and salaries
- Nonfarm proprietors' income



Major Components of Personal Income, Maine

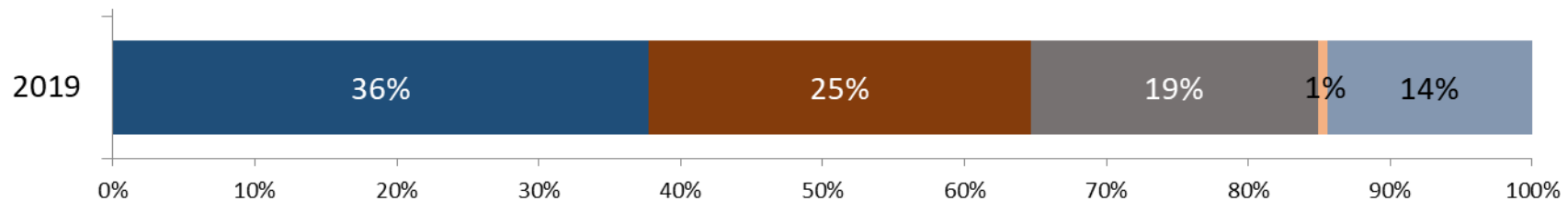


Major Components of Personal Income, Maine

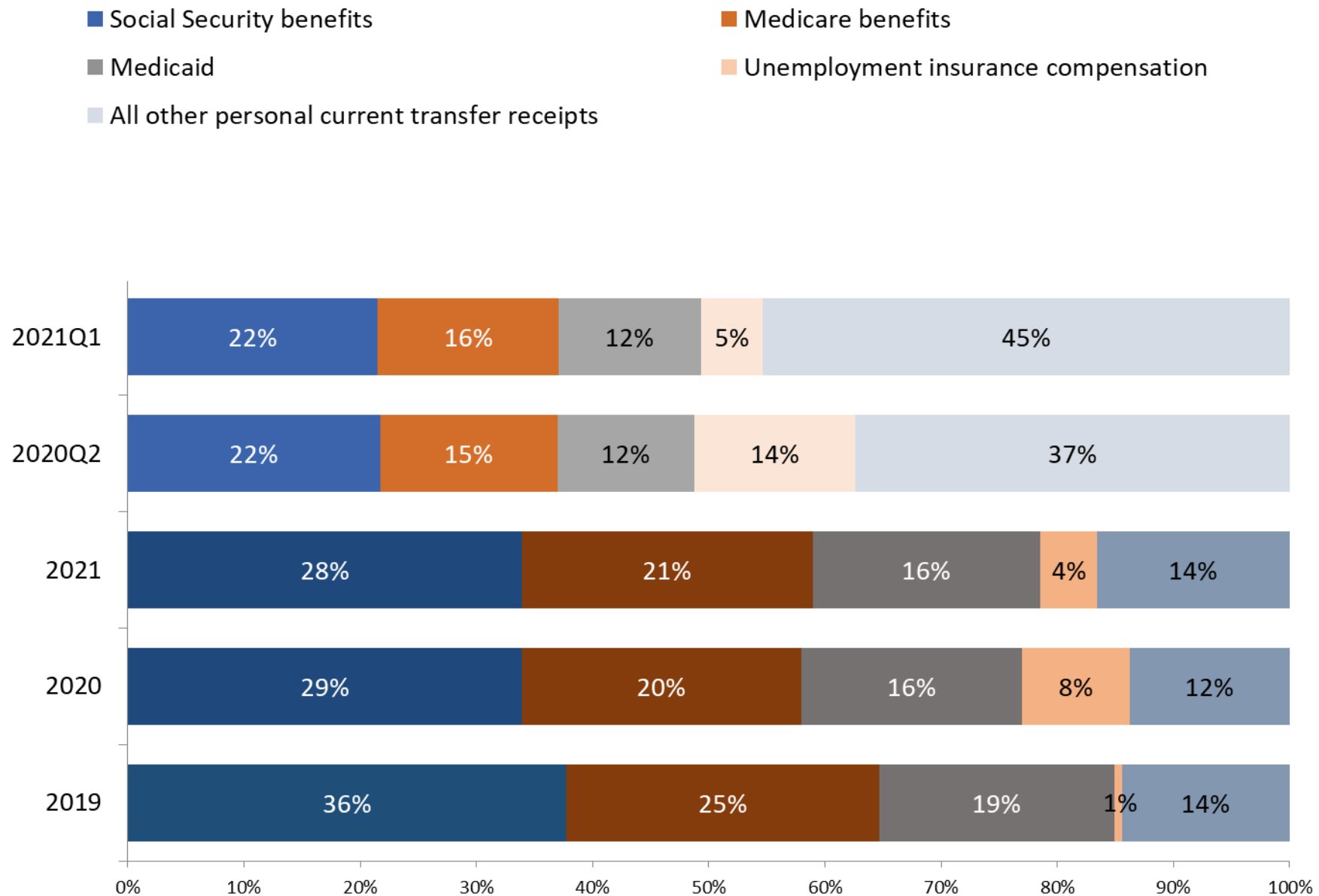


Components of Personal Current Transfer Receipts, Maine

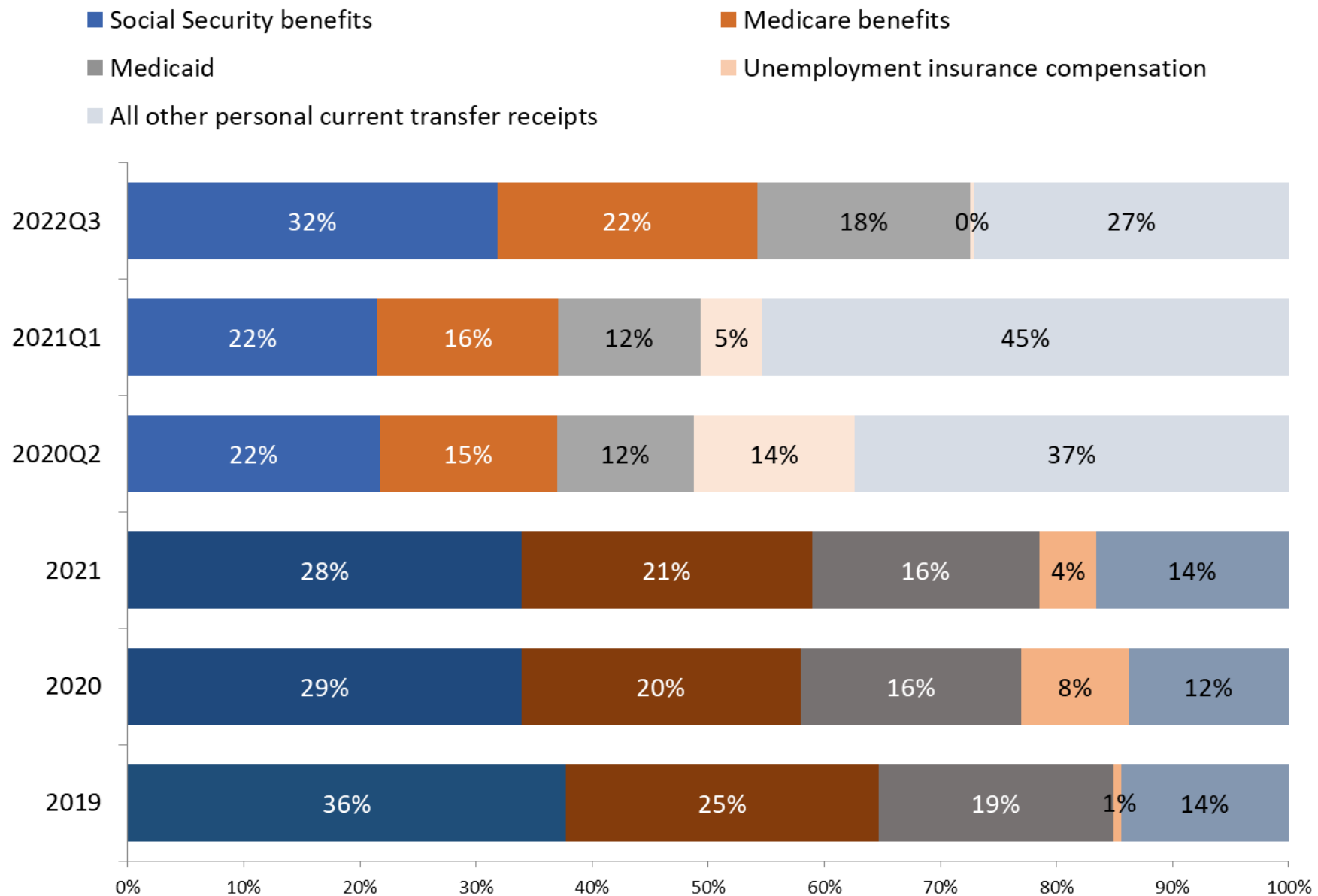
- Social Security benefits
- Medicare benefits
- Medicaid
- Unemployment insurance compensation
- All other personal current transfer receipts



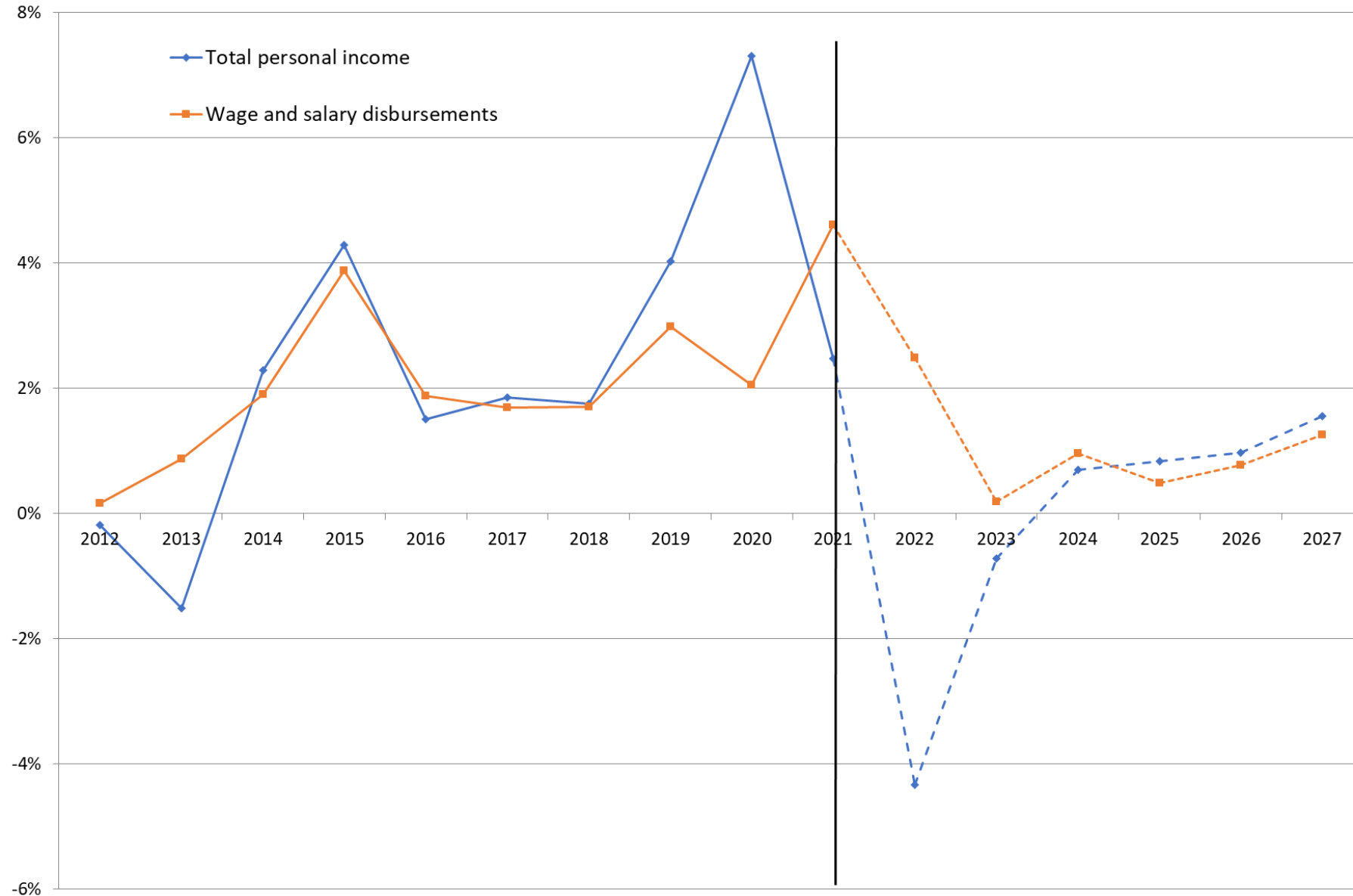
Components of Personal Current Transfer Receipts, Maine



Components of Personal Current Transfer Receipts, Maine



Percent Change in Real Personal Income, Maine 2012-2021 and forecast to 2027



Federal supports including stimulus payments and Child Tax Credit played a role in reducing poverty in 2021

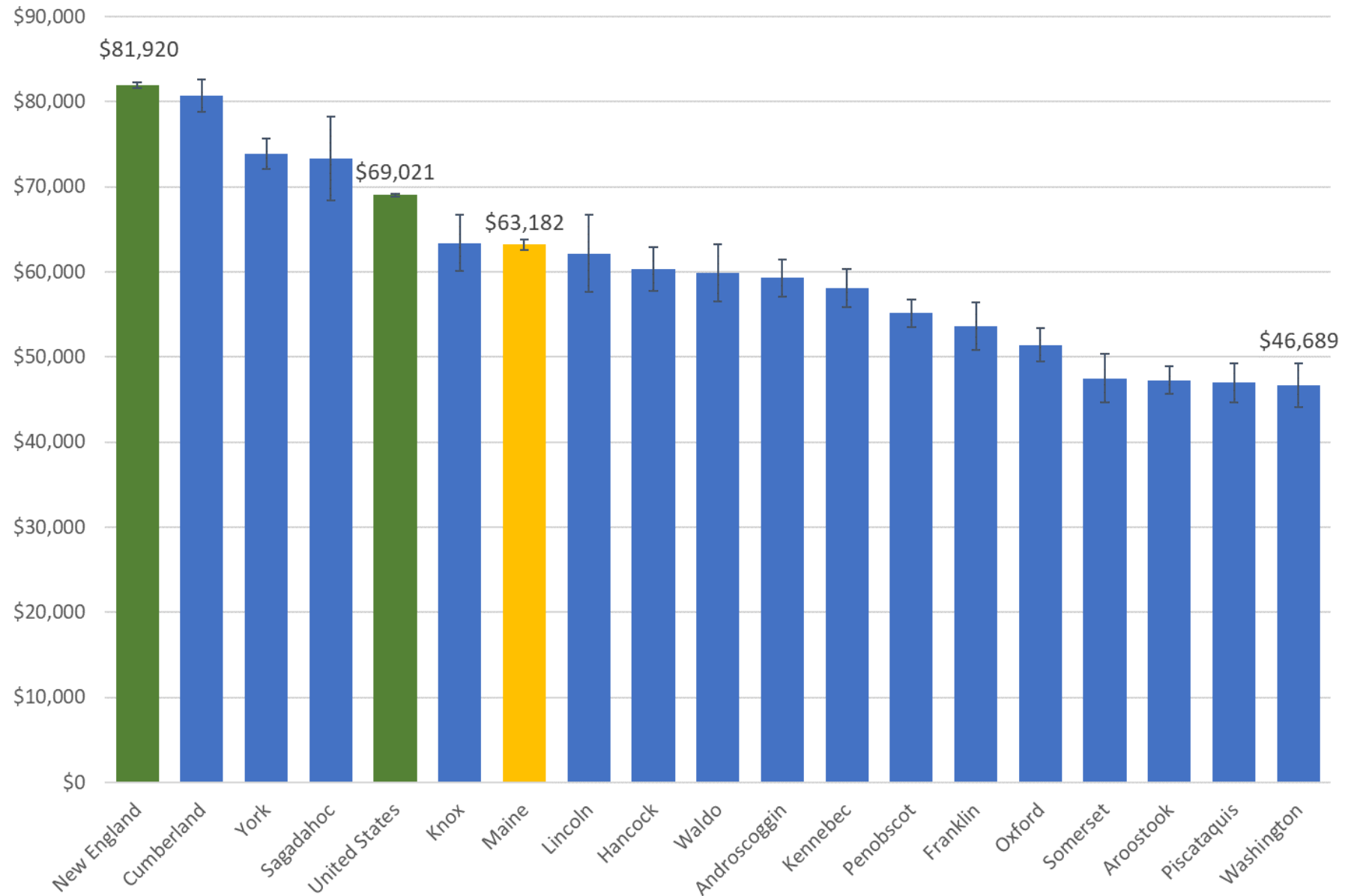
National Supplemental Poverty Measure (SPM) = 7.8%, 1.4 percentage points lower than 2020 and the lowest rate since the measure was first published

The SPM child poverty rate fell 46% in 2021, from 9.7% to 5.2%, the lowest rate on record

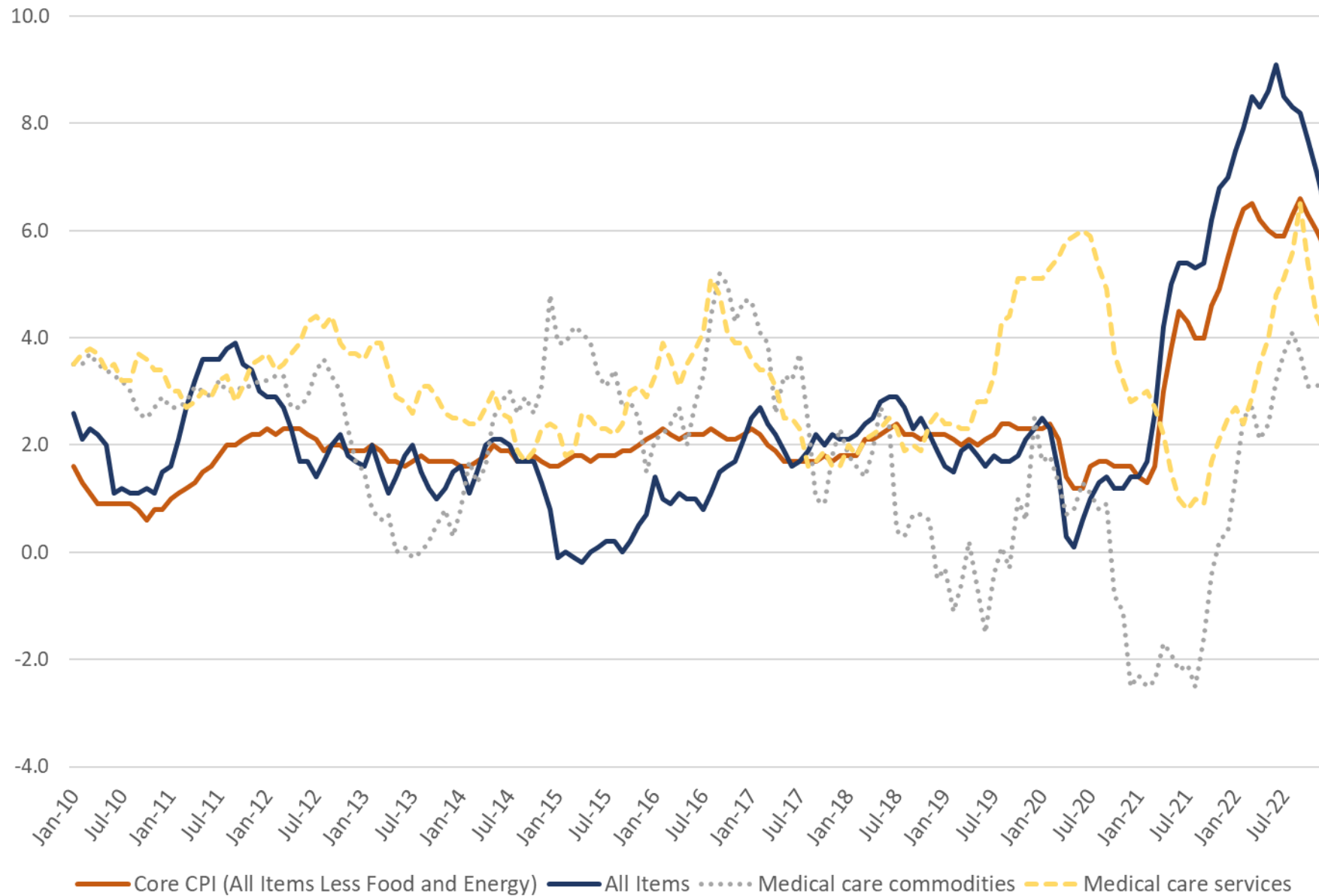
Social Security is the most significant antipoverty program, moving 26.3 million people nationally out of poverty as measured by the SPM

In Maine, the 3-year average SPM for 2019-2021 was 5.4%, 3.8 percentage points below the official poverty rate of 9.2% and the second-lowest in the nation along with Wisconsin

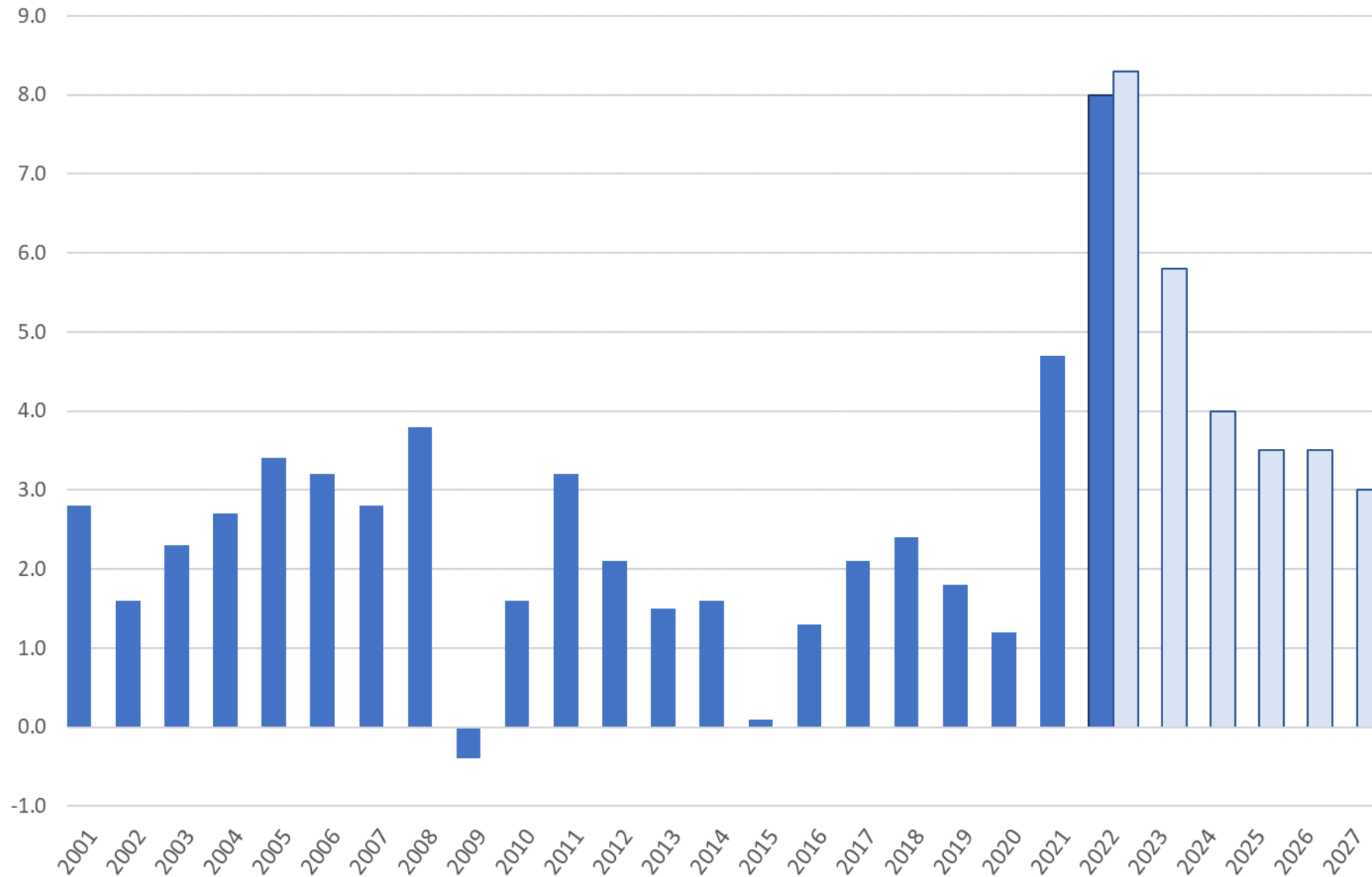
Median Household Income



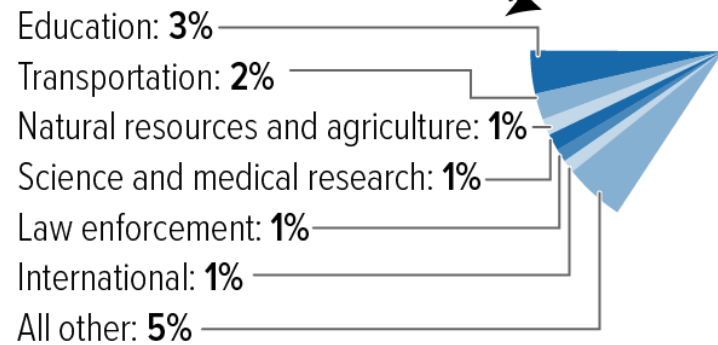
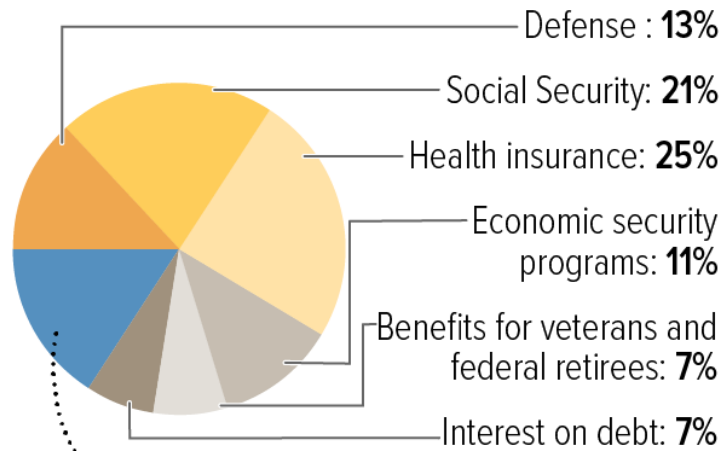
Year-over-year percent change in Consumer Price Index



Year-over-year percent change in Consumer Price Index; 2001-2022 historical and 2022-2027 forecast



Most of the Budget Goes Toward Defense, Social Security, and Major Health Programs

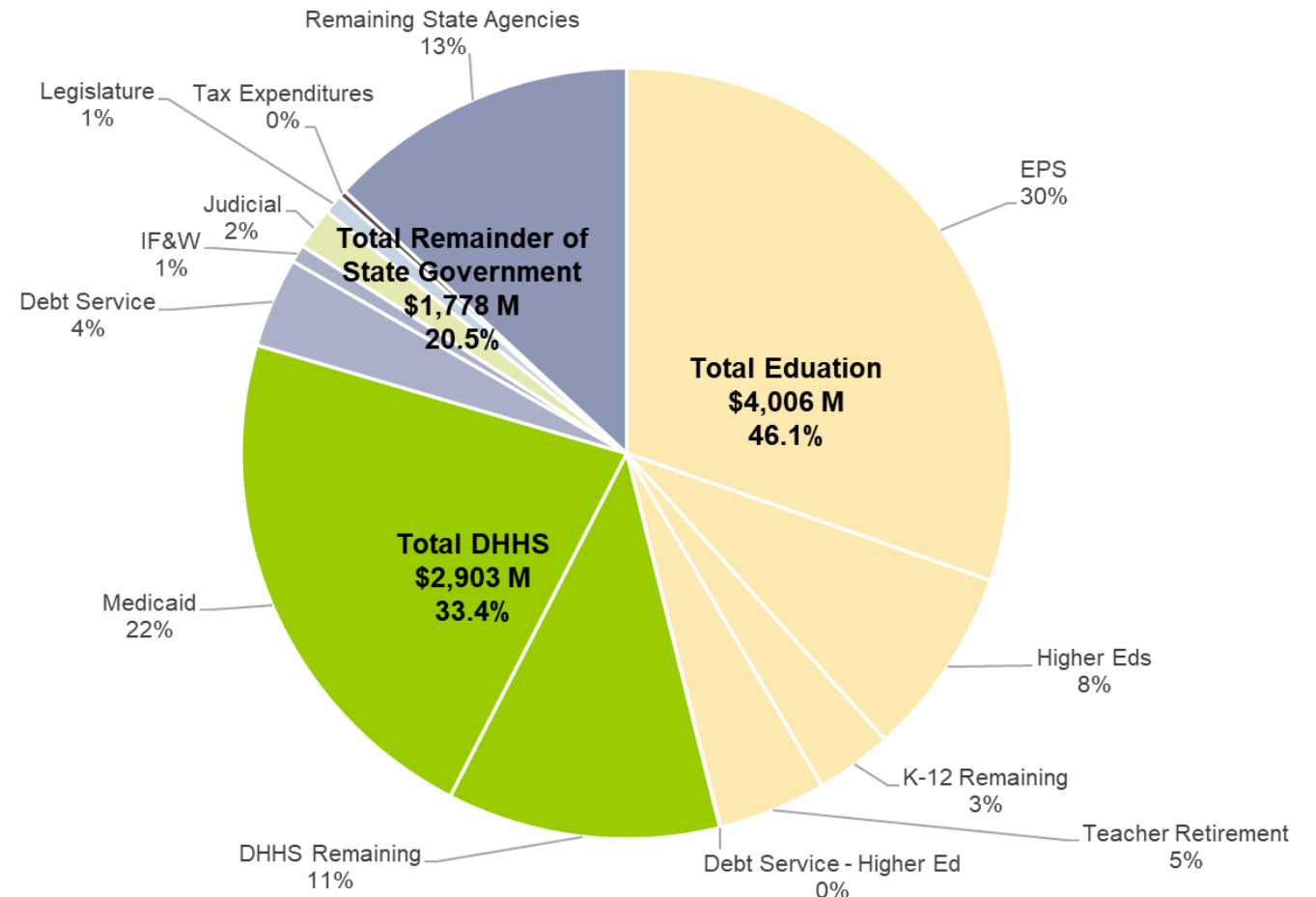


Note: Percentages do not add to 100 percent due to rounding.

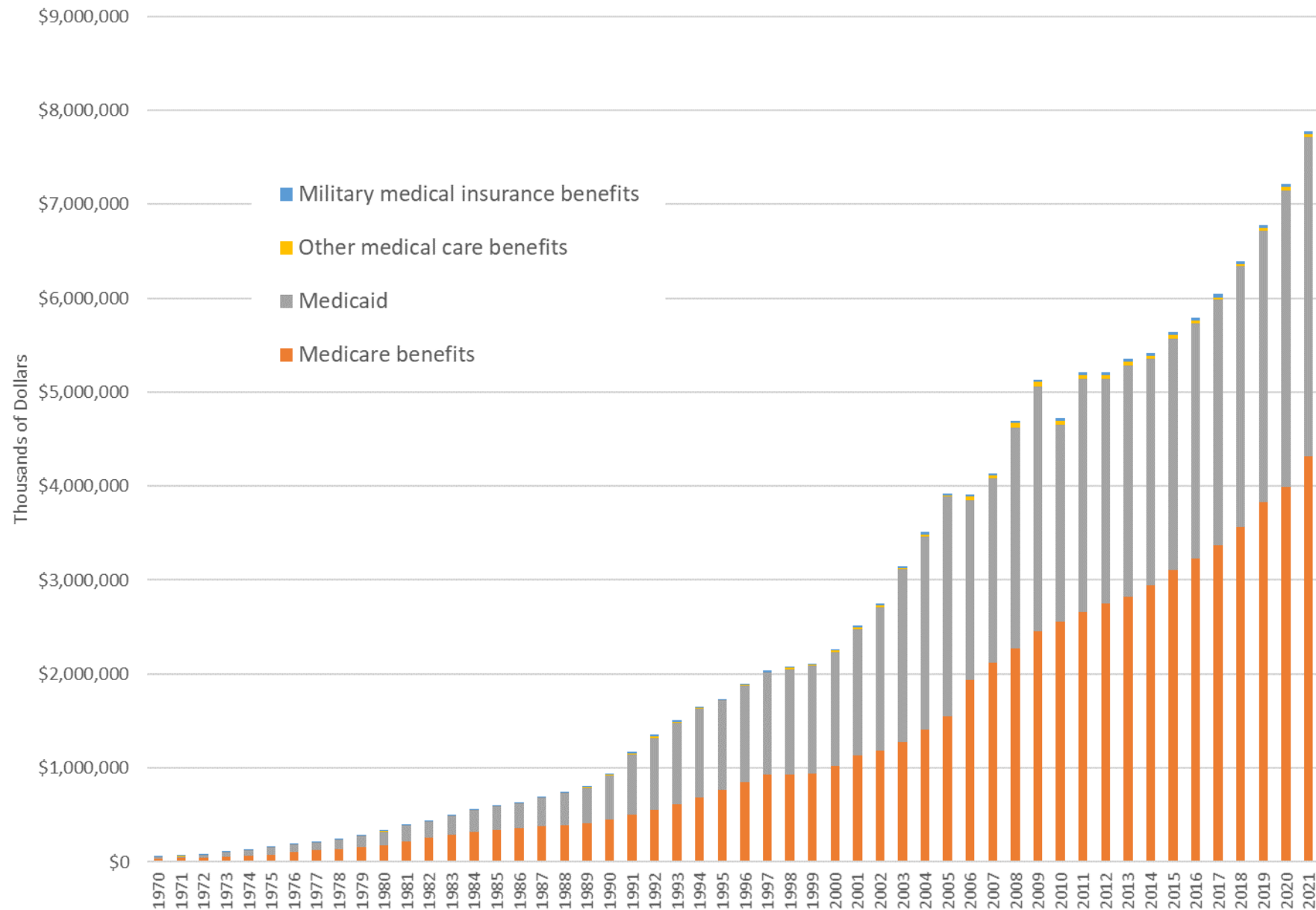
Source: 2022 figures from the Congressional Budget Office, May 25, 2022

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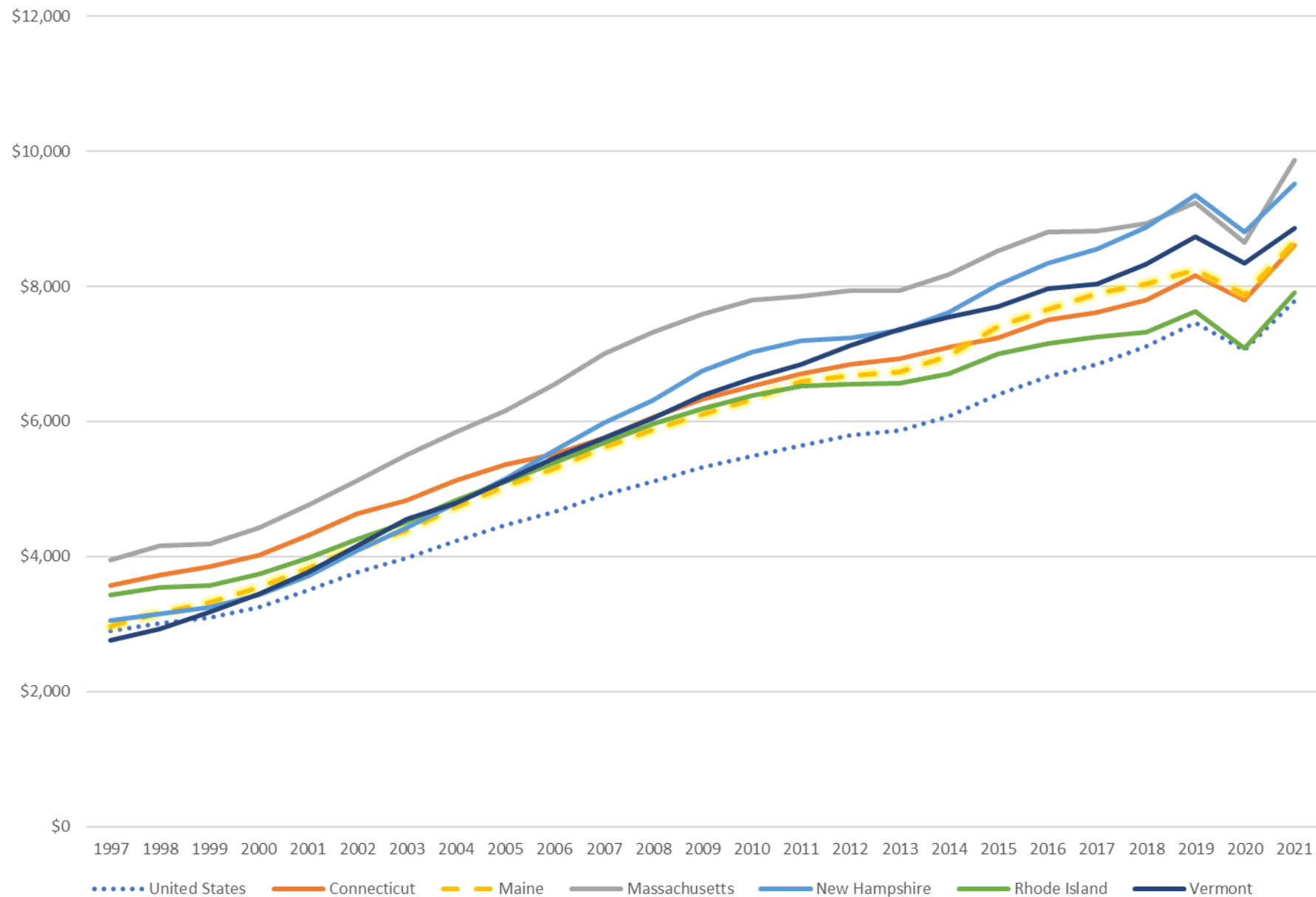
Federal and State spending on healthcare



Maine Personal Current Transfer Receipts: Medical Benefits



Per Capita Personal Consumption Expenditures on Healthcare (current dollars)



Contact Information

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Group Discussion
