

Overview of Maine's Demographics and Economy

Making Maine Work committee

APRIL 1, 2022

AMANDA RECTOR

MAINE STATE ECONOMIST

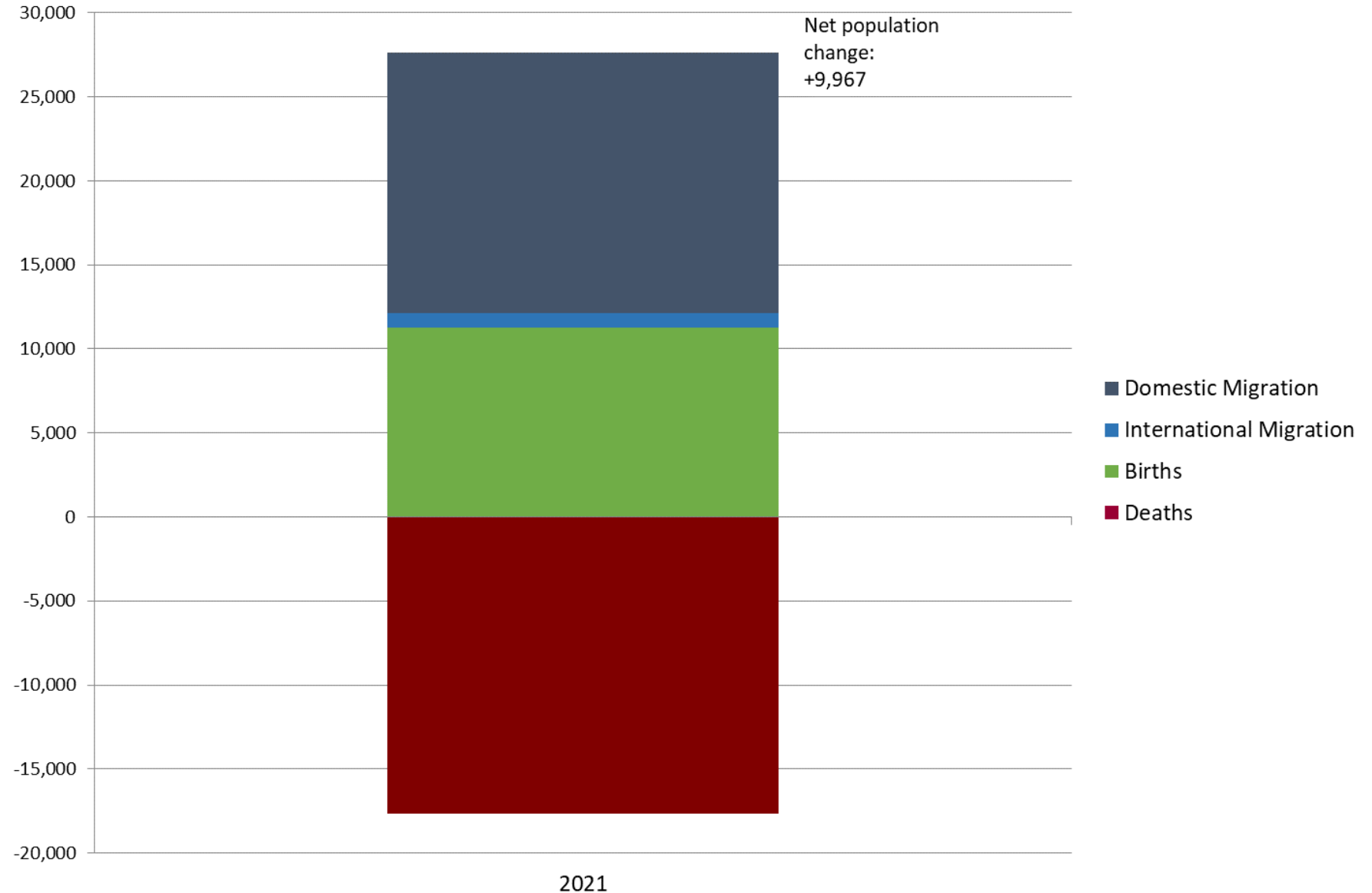
Components of Population Change, Maine

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

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

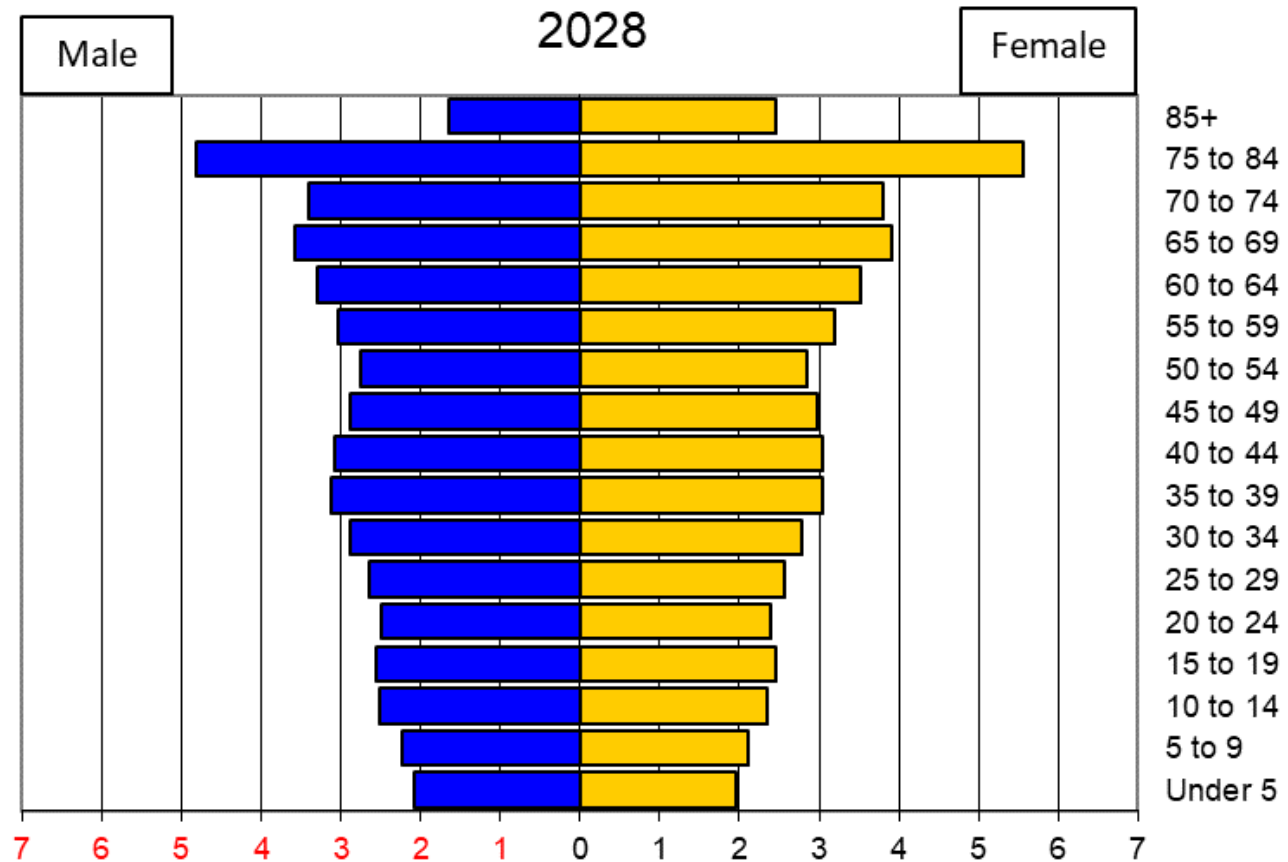
Population increase of 0.7%
from 2020-2021 (14th in U.S.)

2021 net migration = 12.0 per
thousand (7th in U.S.)

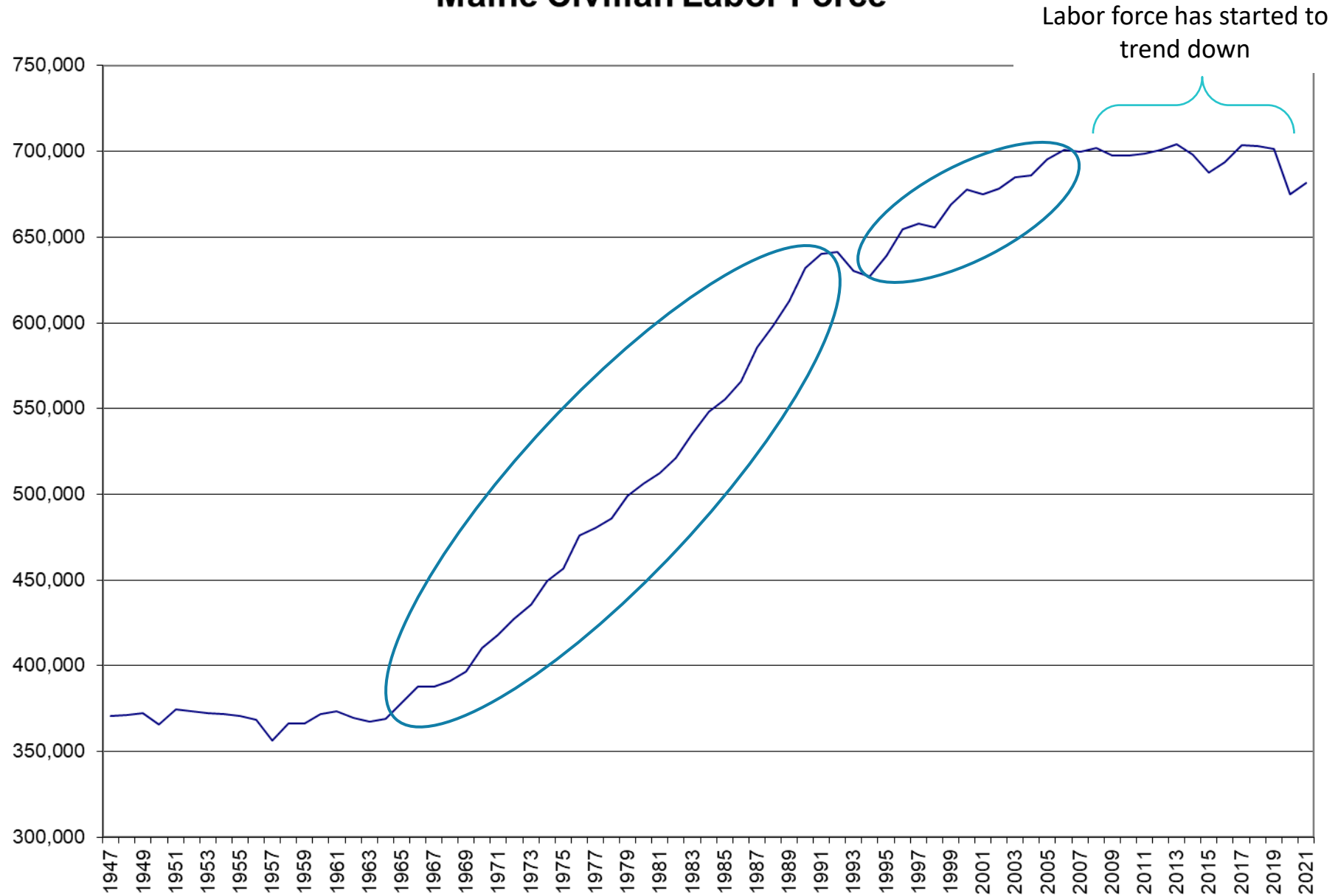


Maine is the oldest state

- by median age (45.0 years)
- by % of population age 65+ (21.3%)

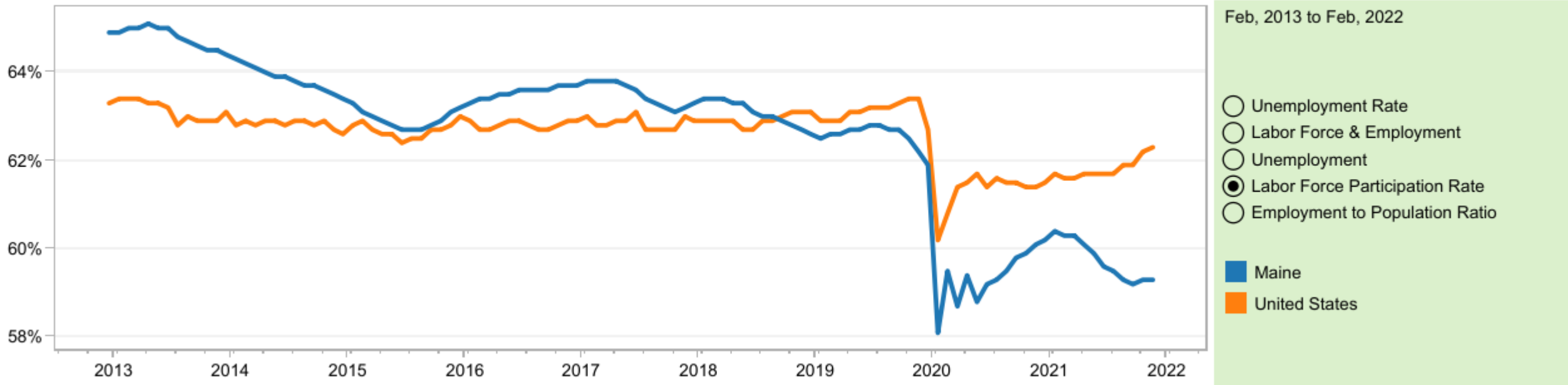


Maine Civilian Labor Force



In Feb. 2022, unemployment in Maine was 7,200 higher than in Feb. 2020 and the labor force was 19,500 lower

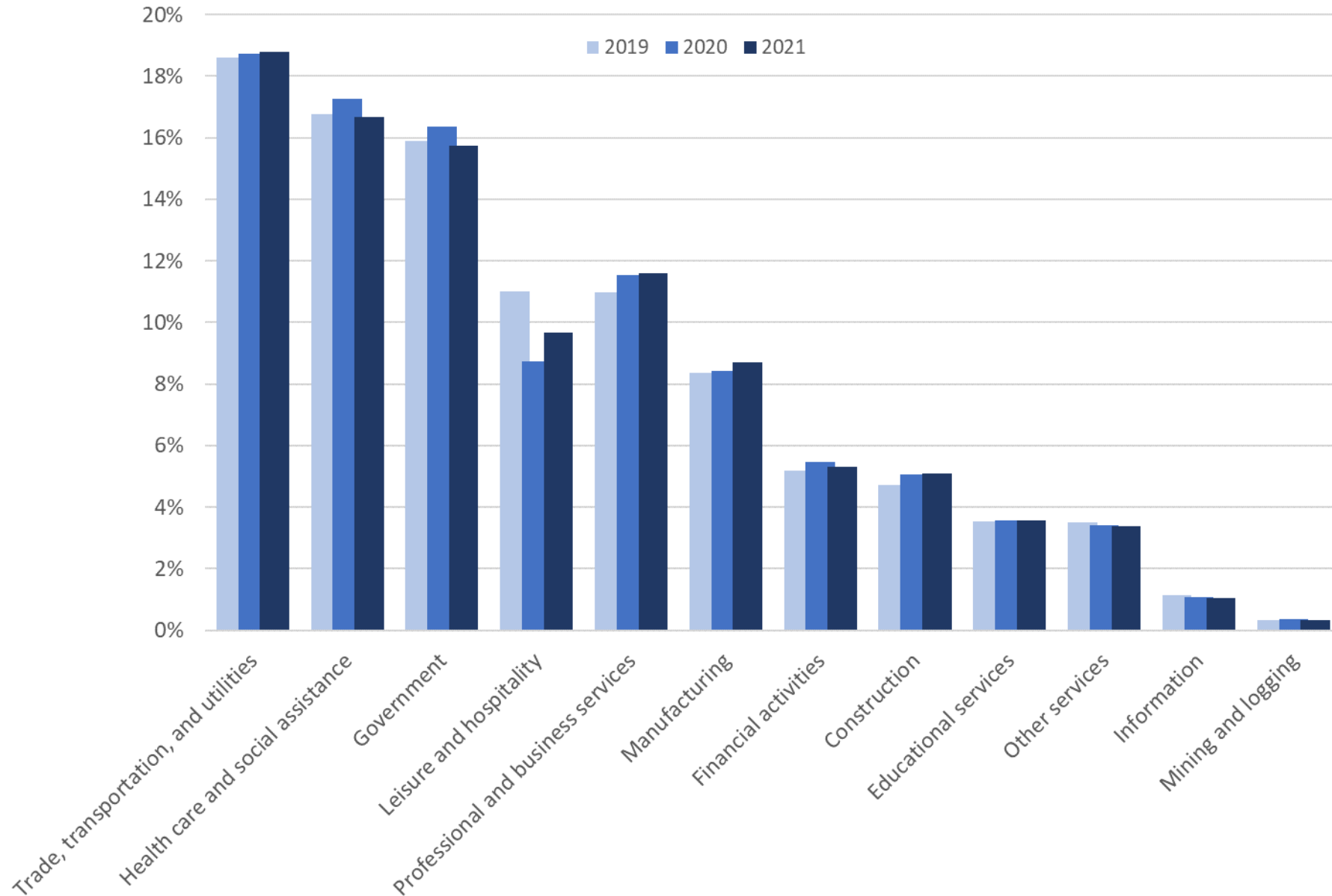
Labor Force Participation Rate
(seasonally adjusted)



The Maine Department of Labor estimates that around two-thirds of the people who have left the labor force during the pandemic could be retirees

Nationally, in 2020, 22% of all parents were either not working (9%) or working less (13%) due to disruptions to childcare or education

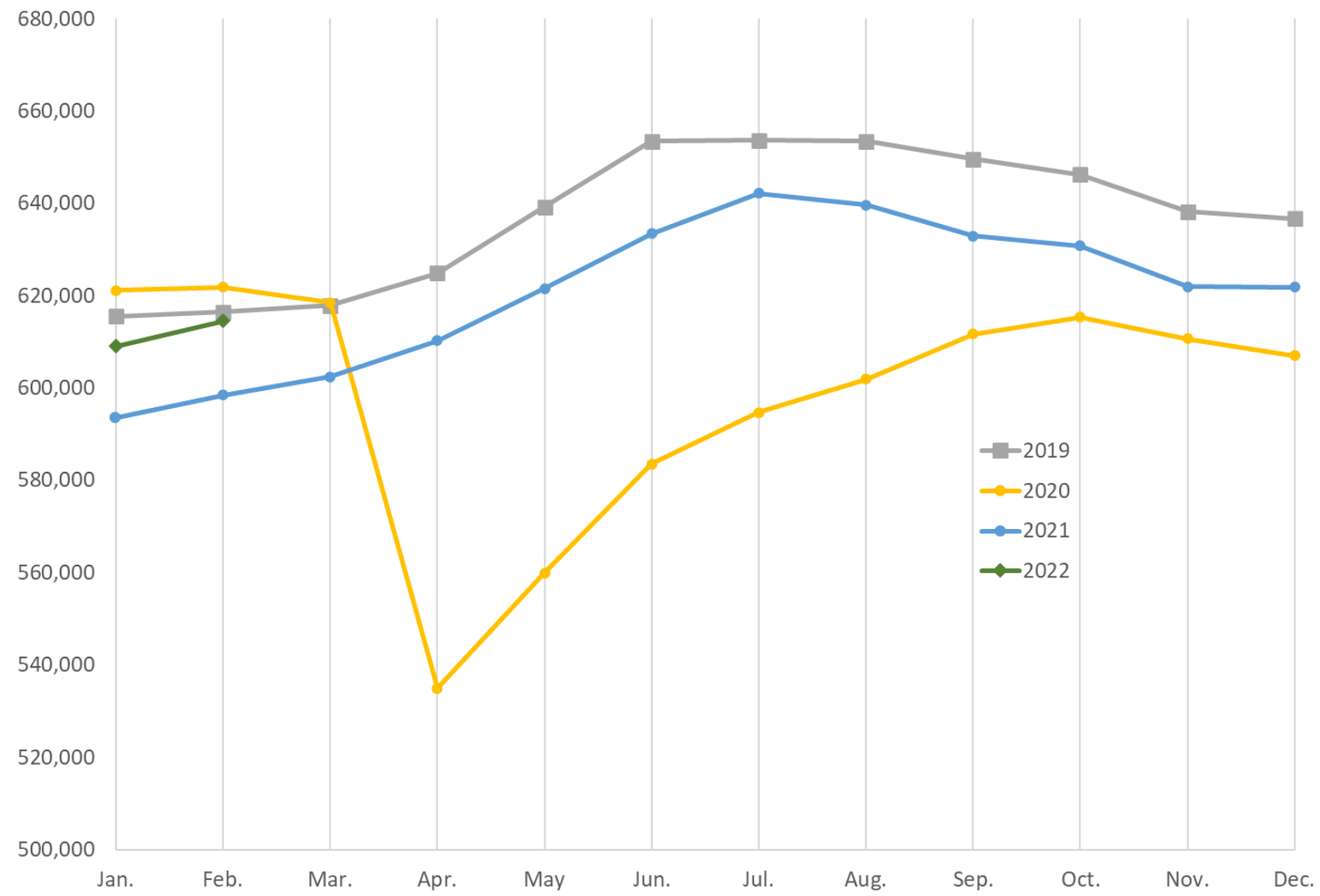
Share of Maine Nonfarm Employment by Industry



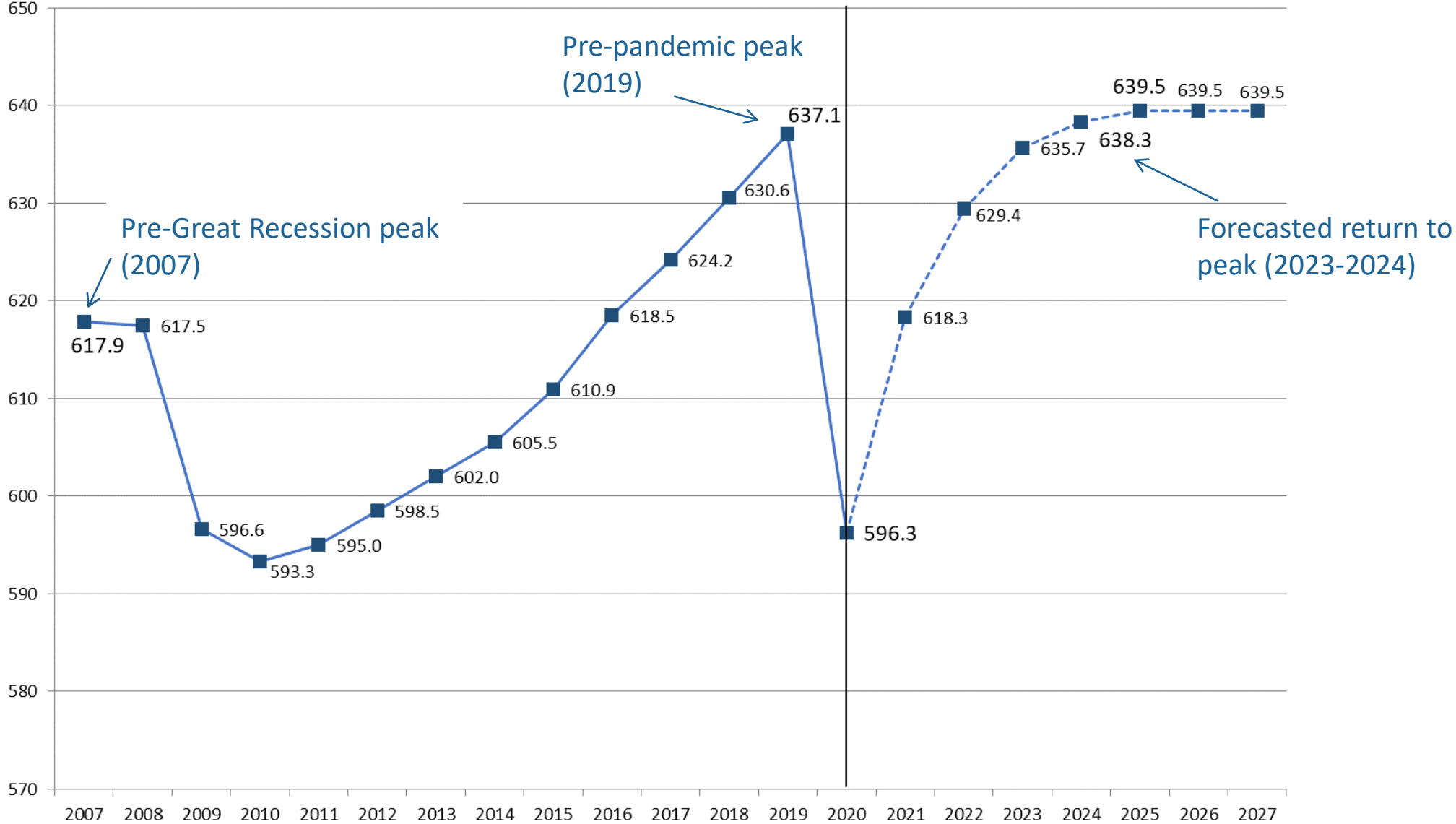
Sectors with remaining employment loss between Feb. 2020 and Feb. 2022:

- 5,700 in healthcare and social assistance (half in long-term care, half split between hospitals and social assistance)
- 4,300 in leisure and hospitality (mostly restaurants and bars)
- 4,100 in state and local government (about two-thirds public education)

Total Nonfarm Employment, Not Seasonally Adjusted

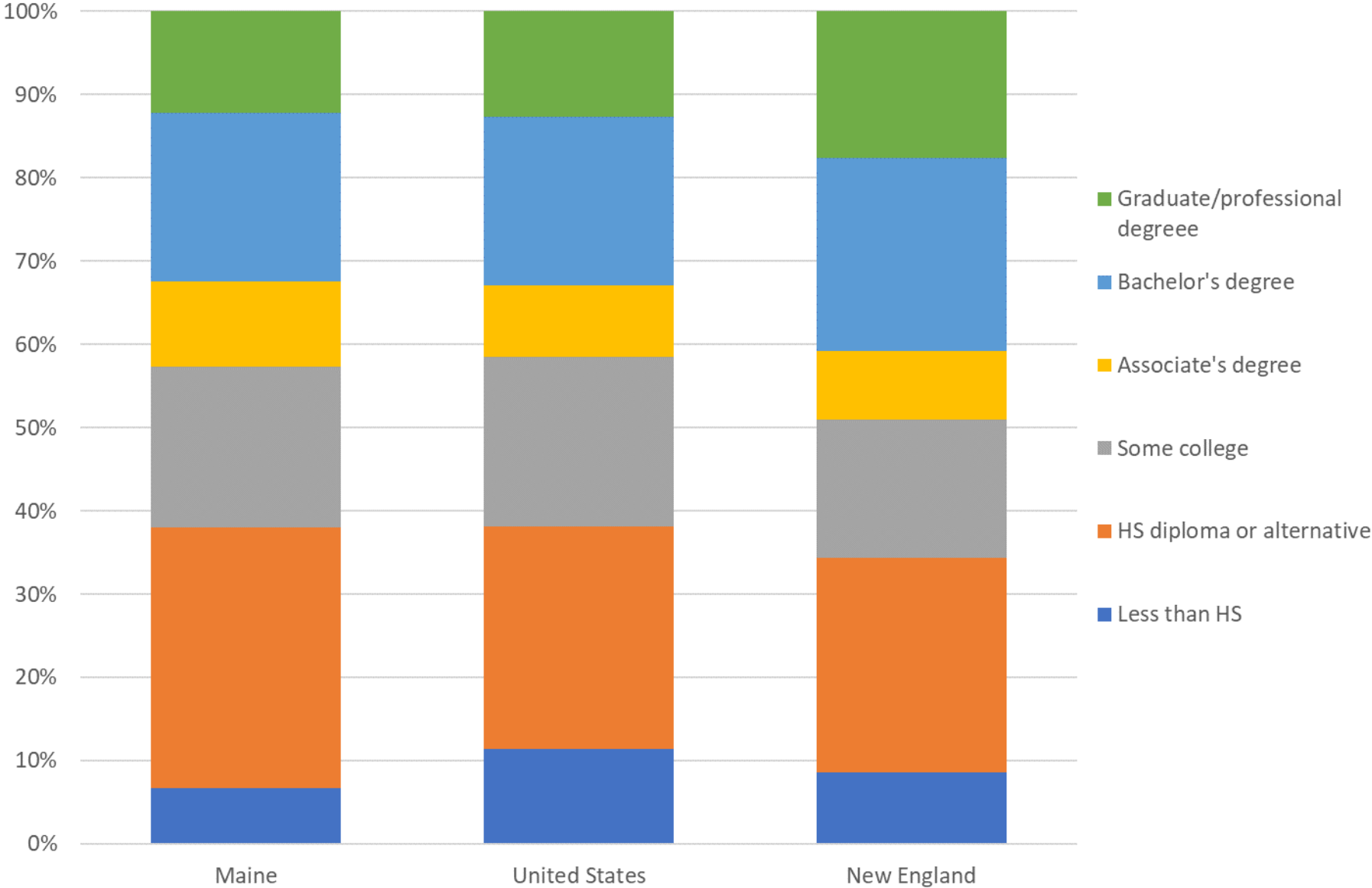


Total Nonfarm Employment (in thousands) History and CEFC forecast

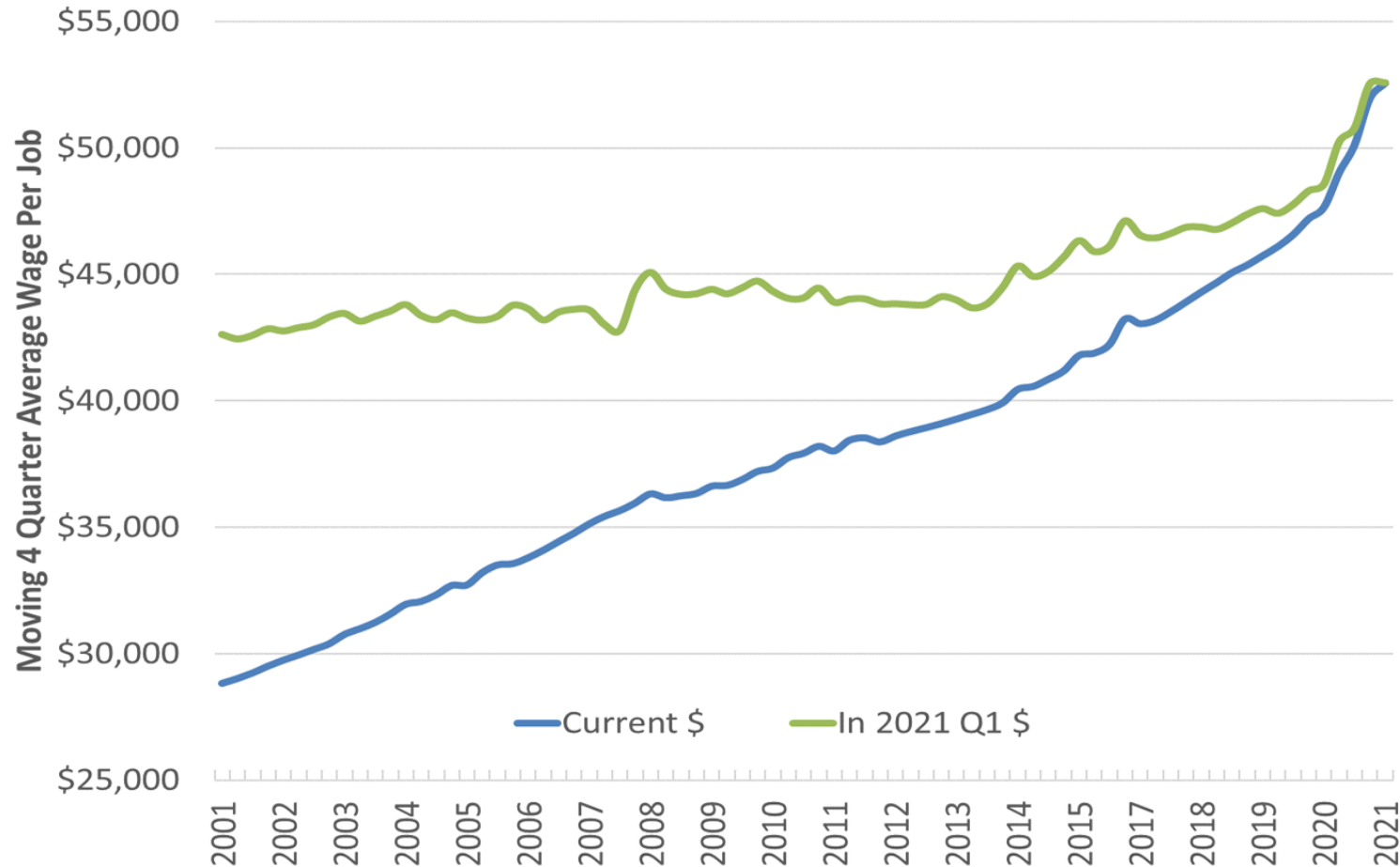


Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, February 1, 2022

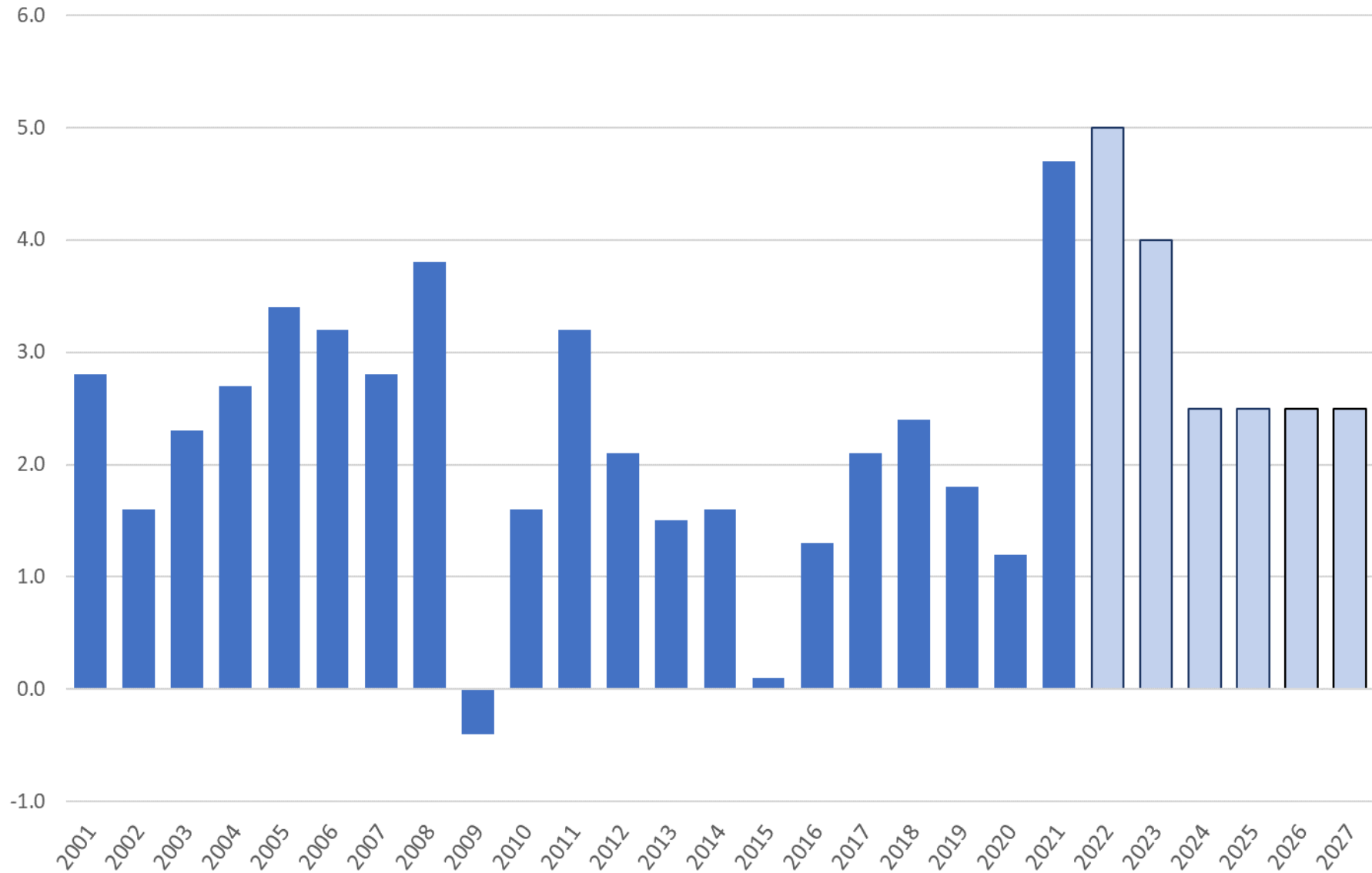
Educational Attainment of Population Age 25+



Higher total wages spread across fewer jobs drove the average wage per job up sharply in the pandemic era



Year-over-year percent change in Consumer Price Index (1982-84=100, seasonally adjusted)



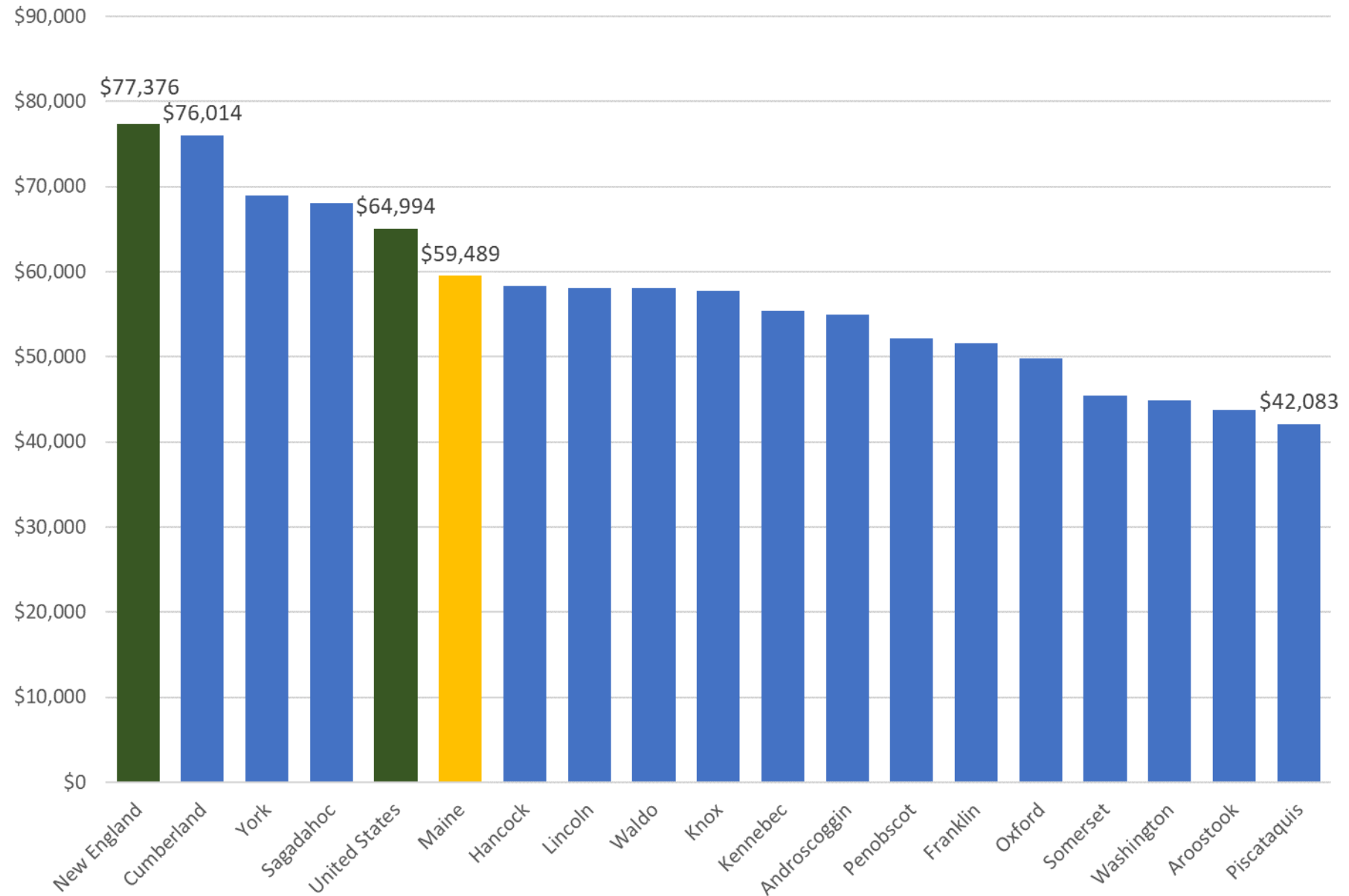
February 2022 inflation expectation from national Survey of Consumers (University of Michigan)

Next year: 4.9%
(up from 3.3% one year ago)

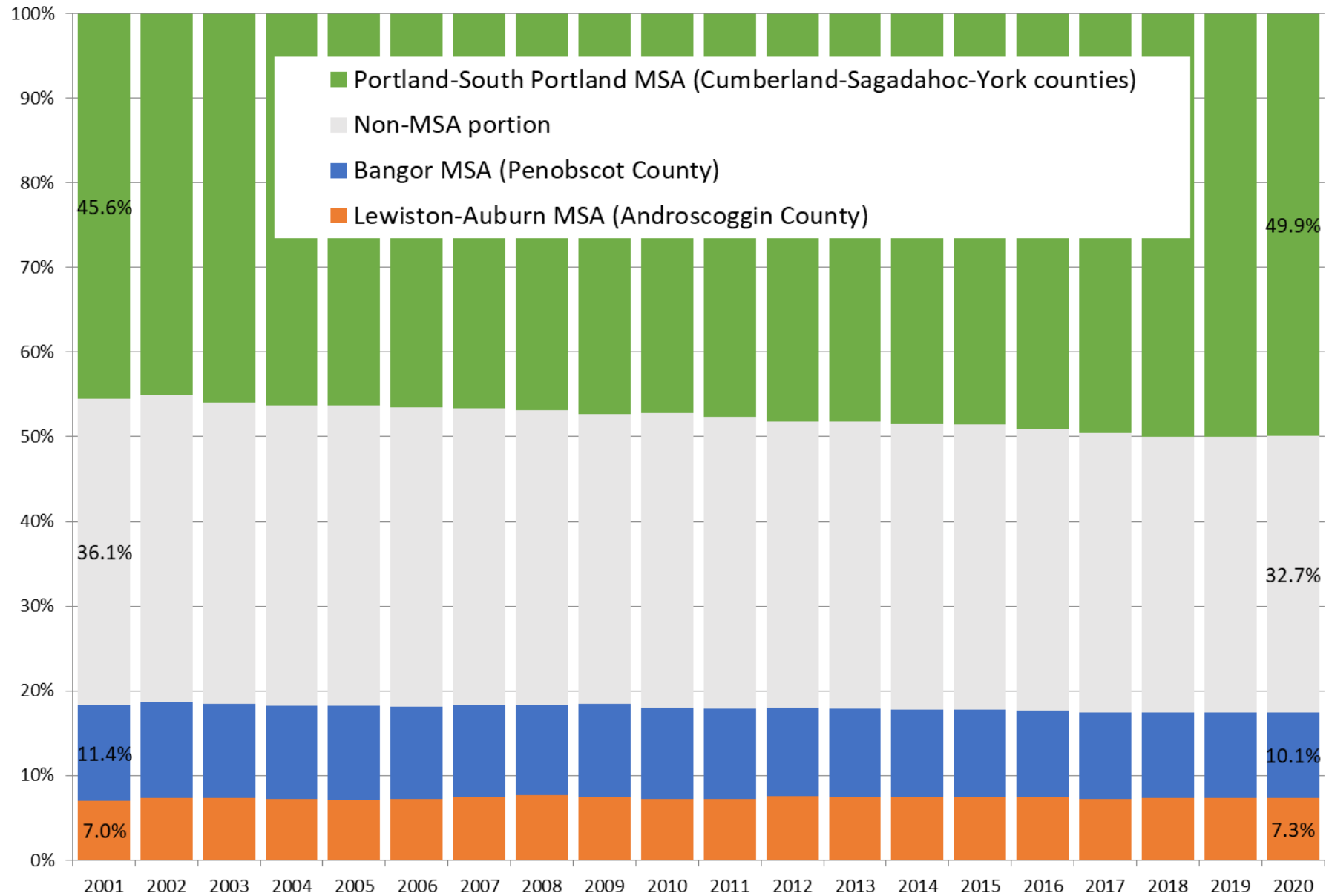
Next 5 years: 3.0%
(up from 2.7% one year ago)

Sources: U.S. Bureau of Labor Statistics; CEFC report, February 1, 2022; University of Michigan Survey of Consumers

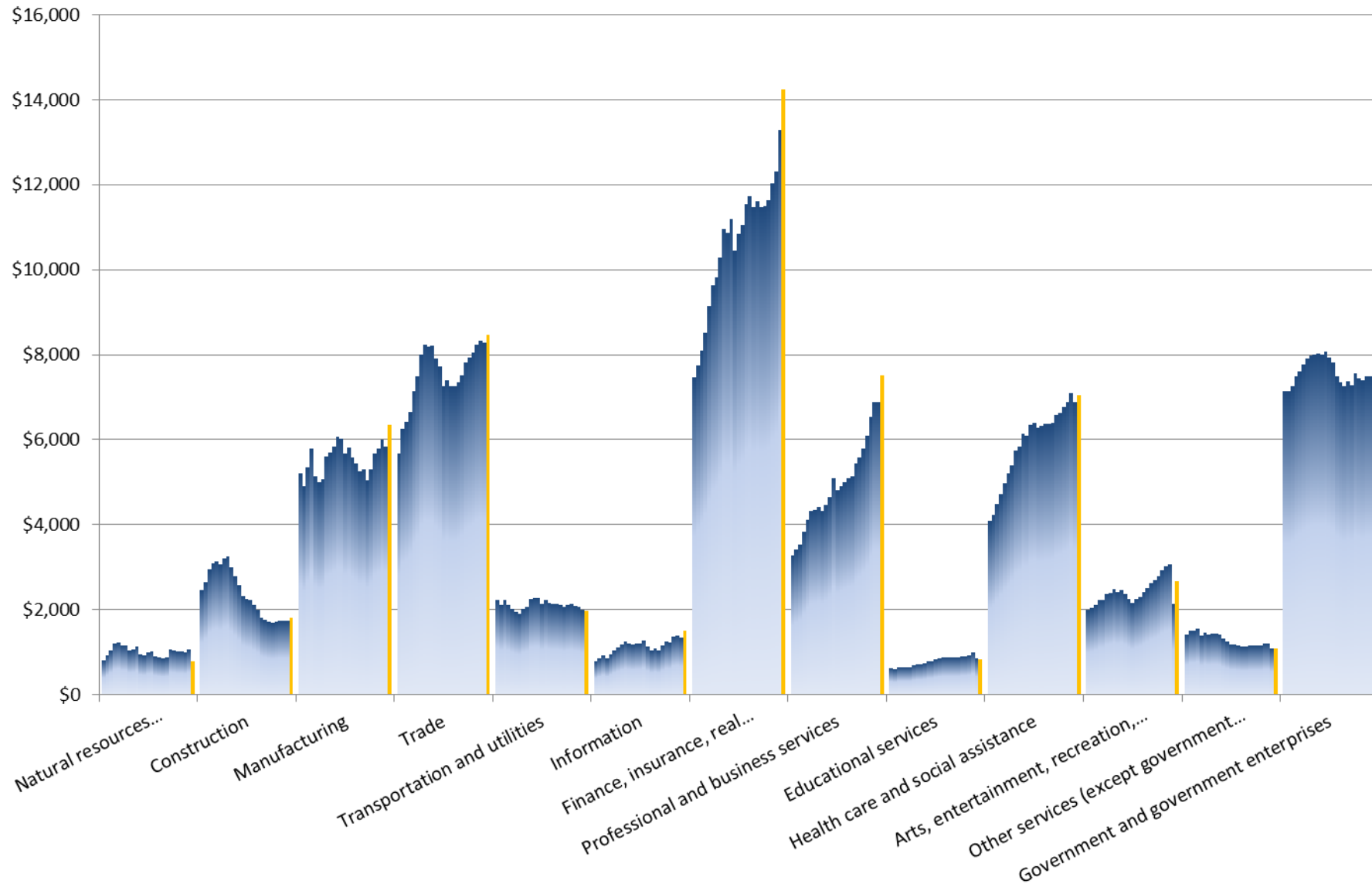
Median Household Income



Share of Maine Real GDP by Metropolitan Area



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



Maine's Value-Added trails the U.S., but made up some ground in 2020

Maine as % of nation	2017	2018	2019	2020
Maine	75%	75%	75%	77%

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

Things to keep in mind:

- The 2020 recession was both the deepest and the shortest (2 months) on record; federal support was crucial for staving off what could have been far worse economic consequences
- We're moving into an endemic phase of COVID, but widespread global vaccinations are needed to bring the public health crisis fully under control and minimize new variants
- Housing costs have increased sharply as demand far outstrips supply, limiting availability for workforce expansion; interest rate increases may cool some demand, but will make affordability a continuing problem
- Wages have increased, but so has inflation – real gains aren't as robust
- Other trends likely have been accelerated by the pandemic, e.g. gig work and automation
- What happens with remote work, retirements, migration, and job quality in the long term?
- Near- to medium-term global and national economic conditions are increasingly uncertain

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