

# Maine's Economic and Workforce Outlook

Presented to:  
Innovate for Maine Fellows Program  
University of Maine

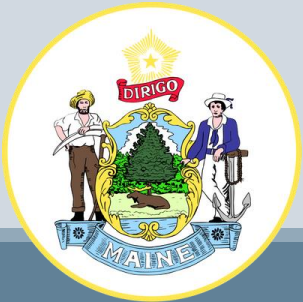
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MEGAN BAILEY

SENIOR ECONOMIC ANALYST | OFFICE OF THE STATE ECONOMIST

MAINE DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

MAY 24, 2023



# Agenda

Demographics

Workforce and Employment

Industries

Occupations

Looking Forward



# Demographics

# Maine is the 42<sup>nd</sup> largest state in the U.S. (in terms of population)

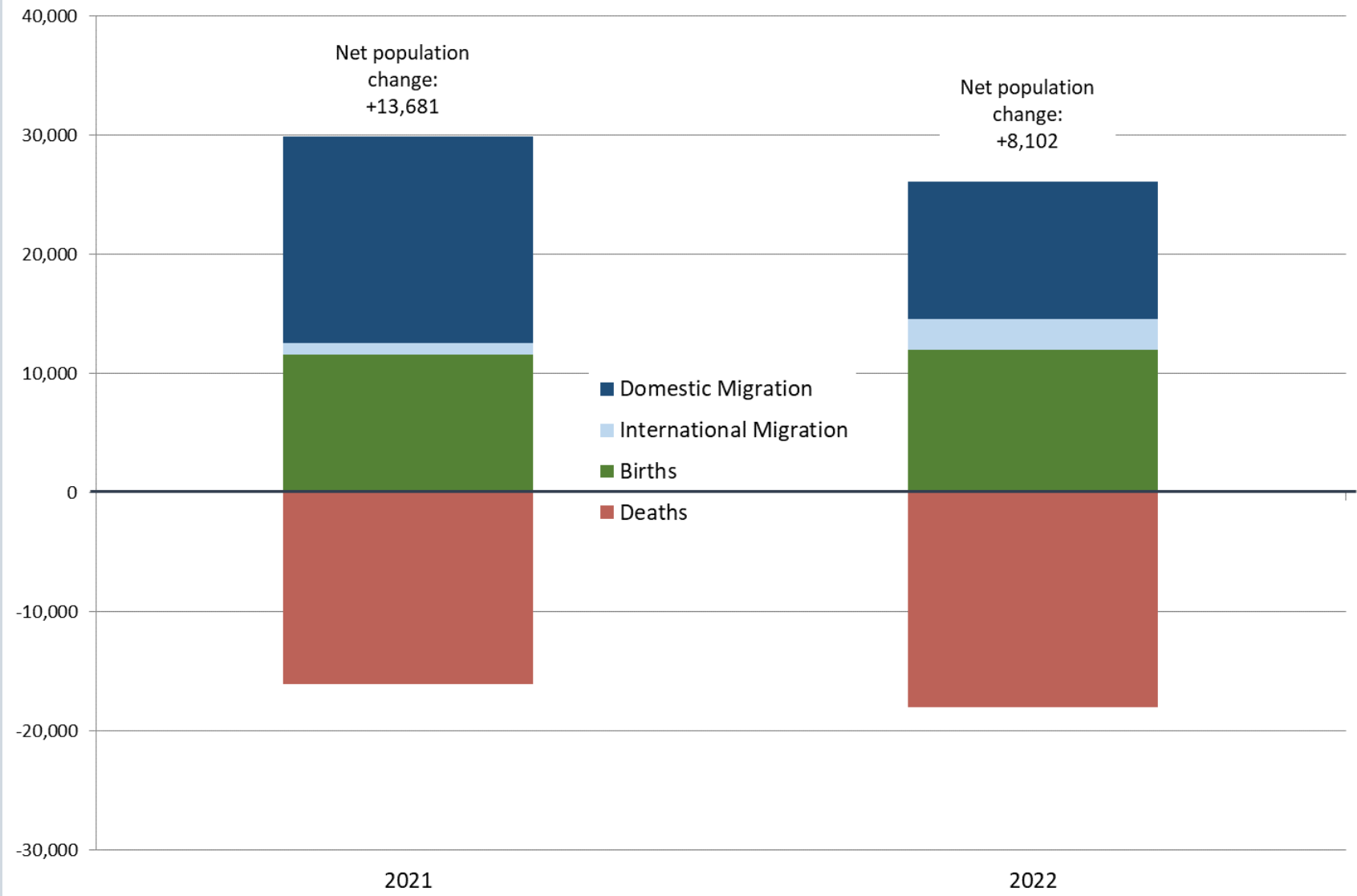
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2020 Decennial Population = 1,362,359

Population growth of 2.6% from 2010-2020 (42<sup>nd</sup> in U.S.)

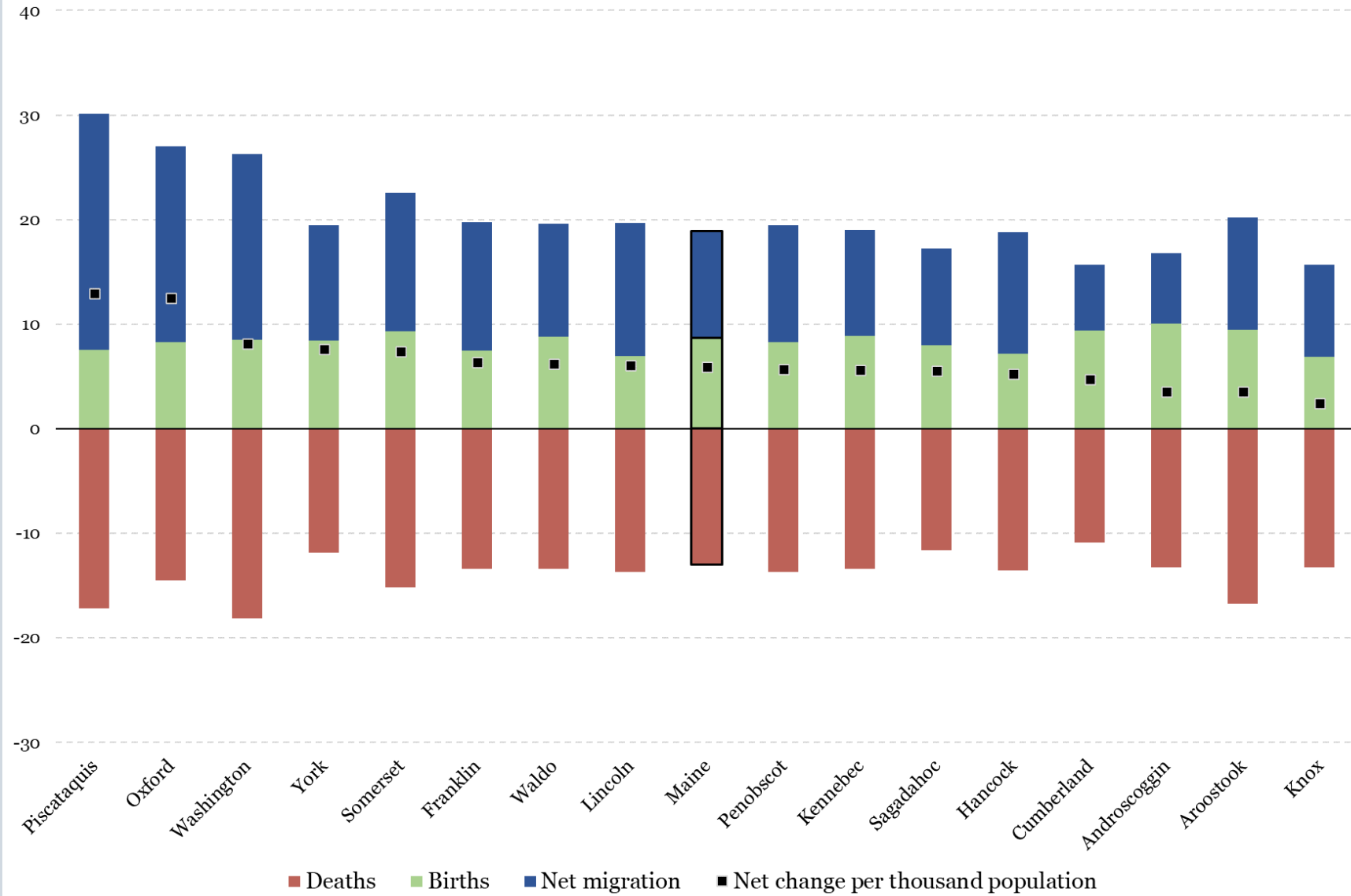
Population growth of 1.7% from 2020-2022 (14<sup>th</sup> in U.S.)

# Components of Population Change, Maine



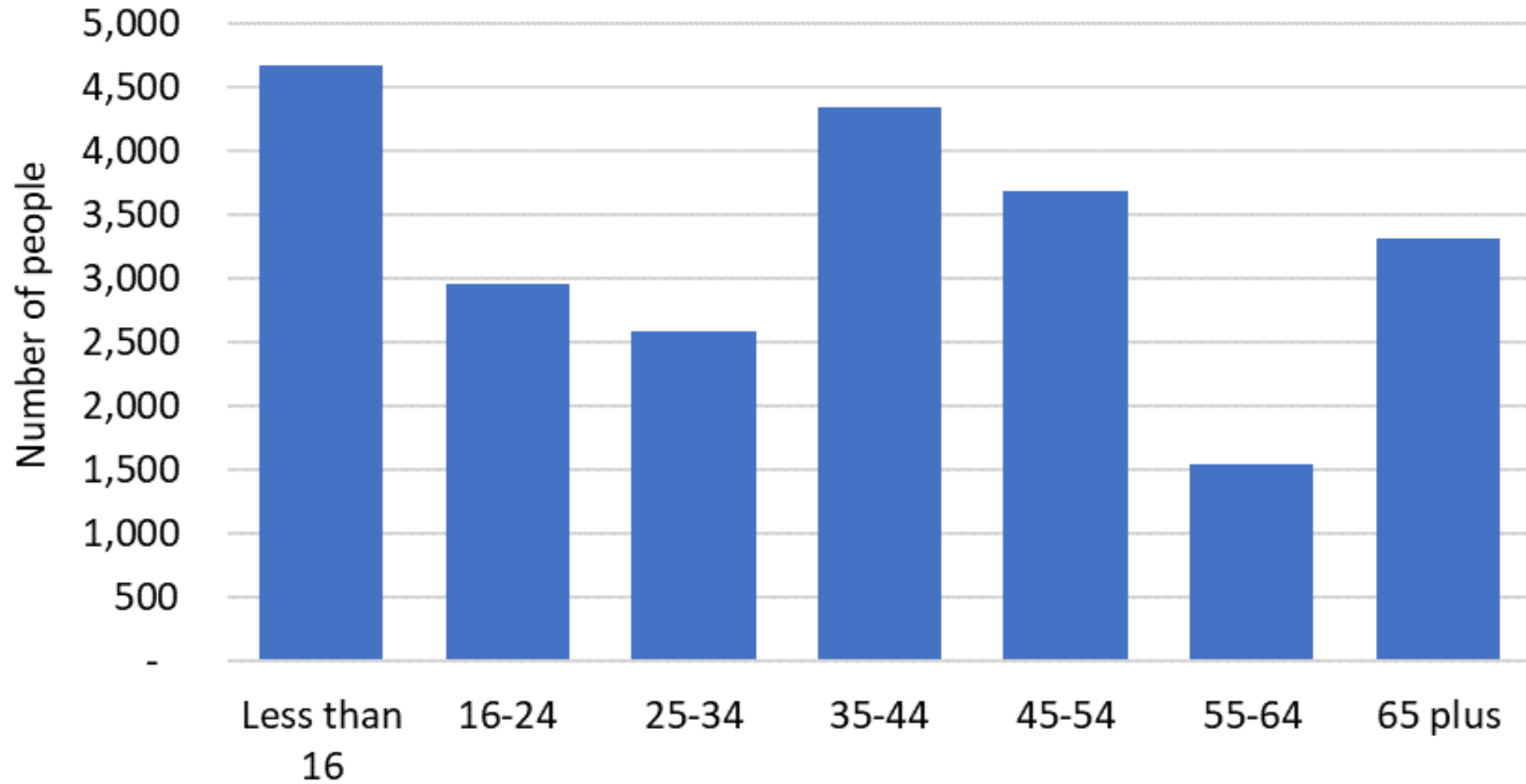
2022 net migration rate was 11<sup>th</sup> in U.S.

# Components of Population Change in Maine, 2022 Rate per thousand population



SOURCE: U.S. CENSUS BUREAU, POPULATION ESTIMATES PROGRAM VINTAGE 2022

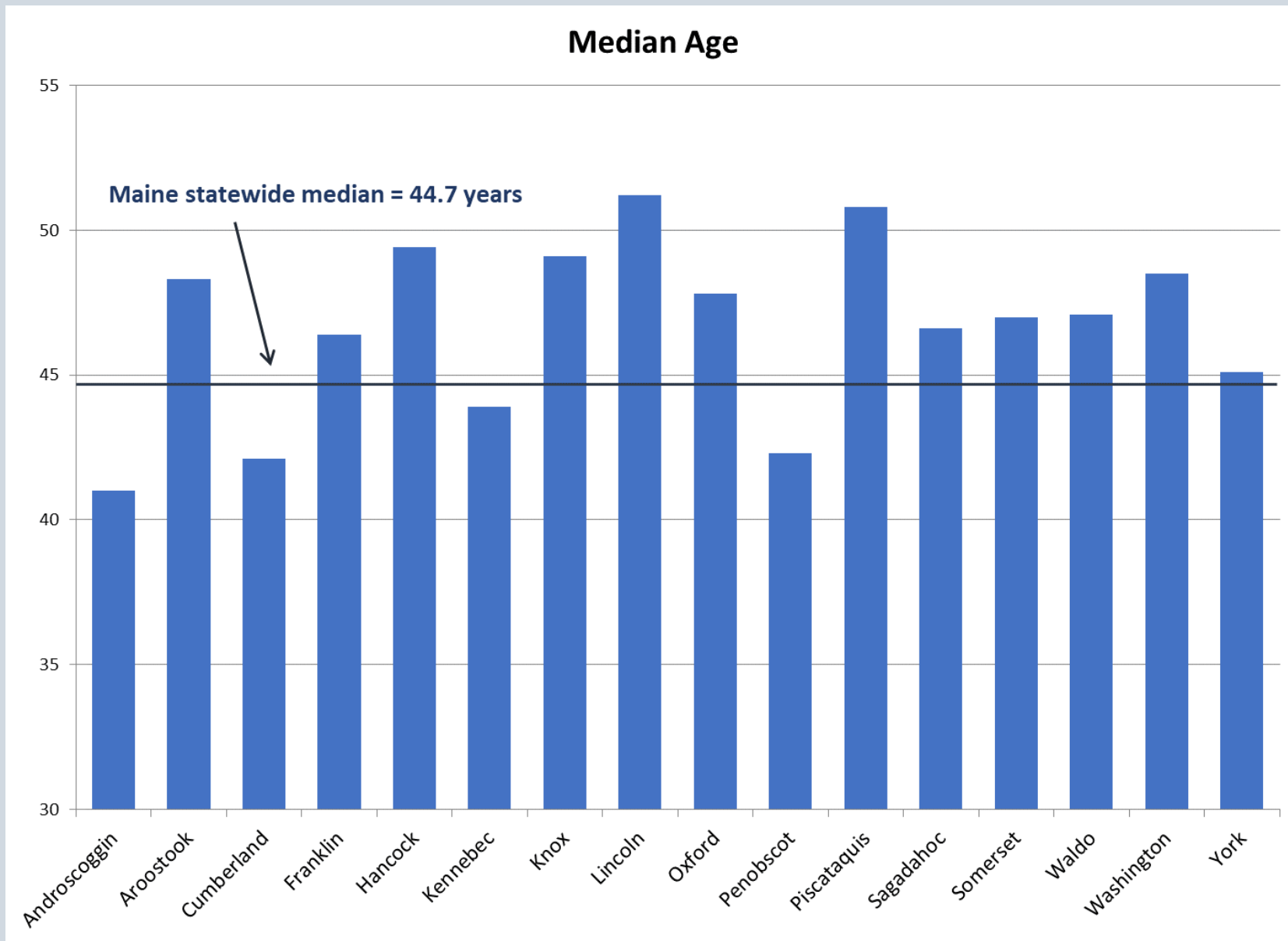
## Net Migration by Age Cohort



Maine has the oldest population...  
...by median age  
(44.7 years)  
...and by % of population age  
65+ (21.7%)

**BUT!**

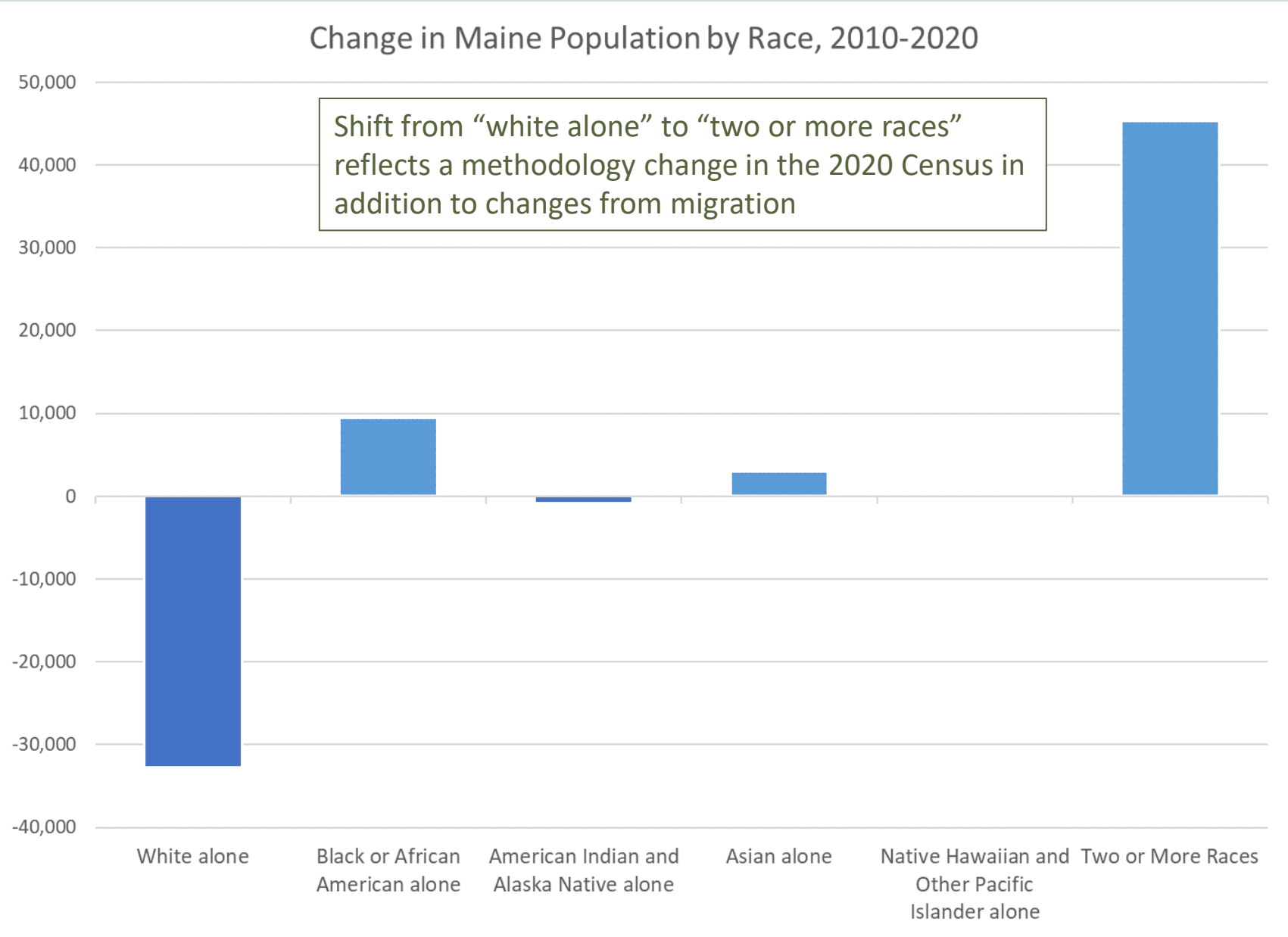
Maine was the **ONLY** state in  
the U.S. to see a decrease in  
median age from 2020 to 2021



SOURCE: U.S. CENSUS BUREAU, 2021 POPULATION ESTIMATES



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



SOURCE: U.S. CENSUS BUREAU



# Workforce and Employment

# Who is in the labor force?

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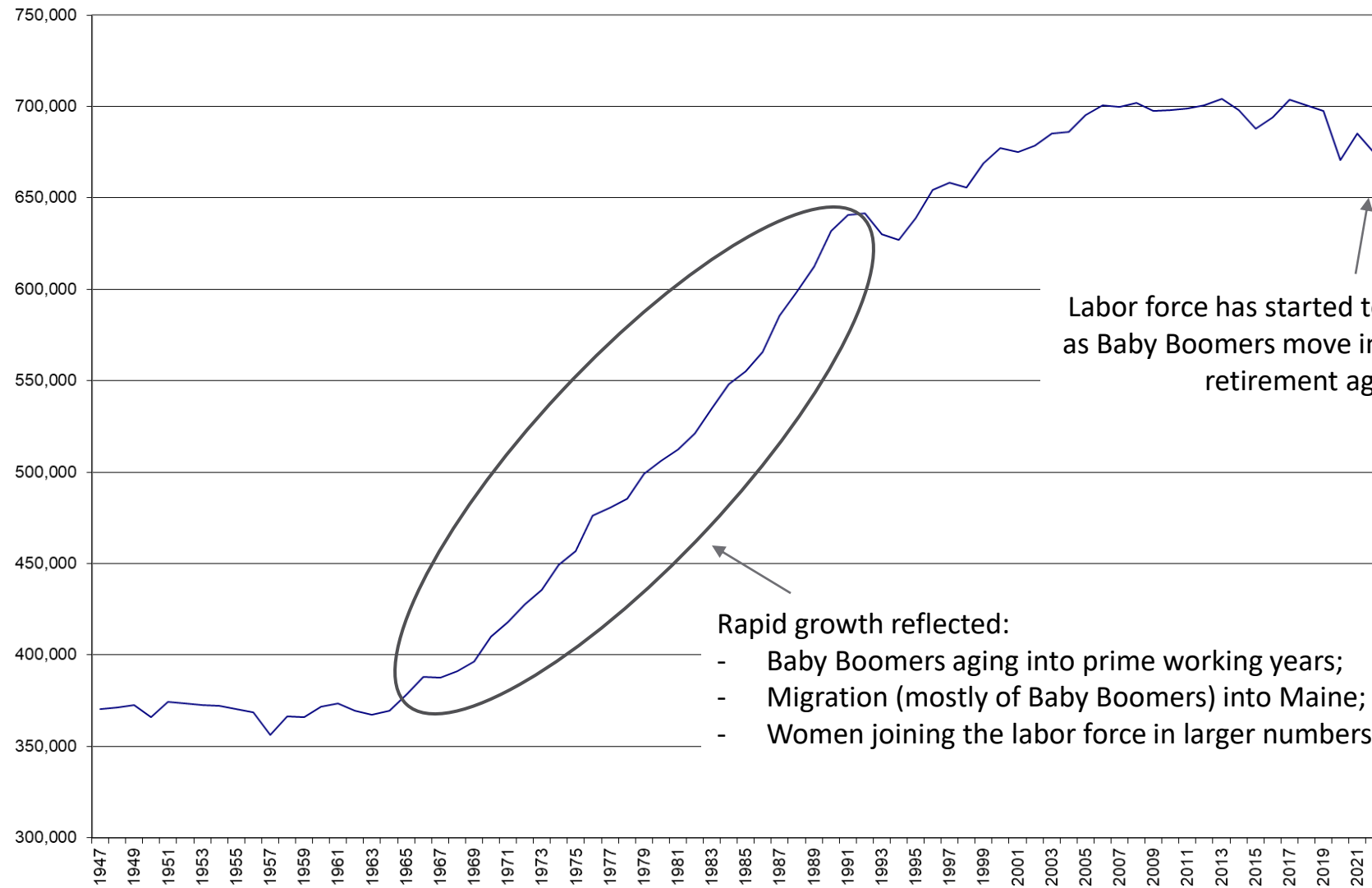
People who are employed

People who are unemployed and looking for work

## Who is not in the labor force?

- People under age 16 who are still in school
- People in the military (not counted in civilian labor force)
- People who are retired
- People who are unemployed and not looking for work (might be caring for children or older parents; might be in college full-time)

## Maine Civilian Labor Force

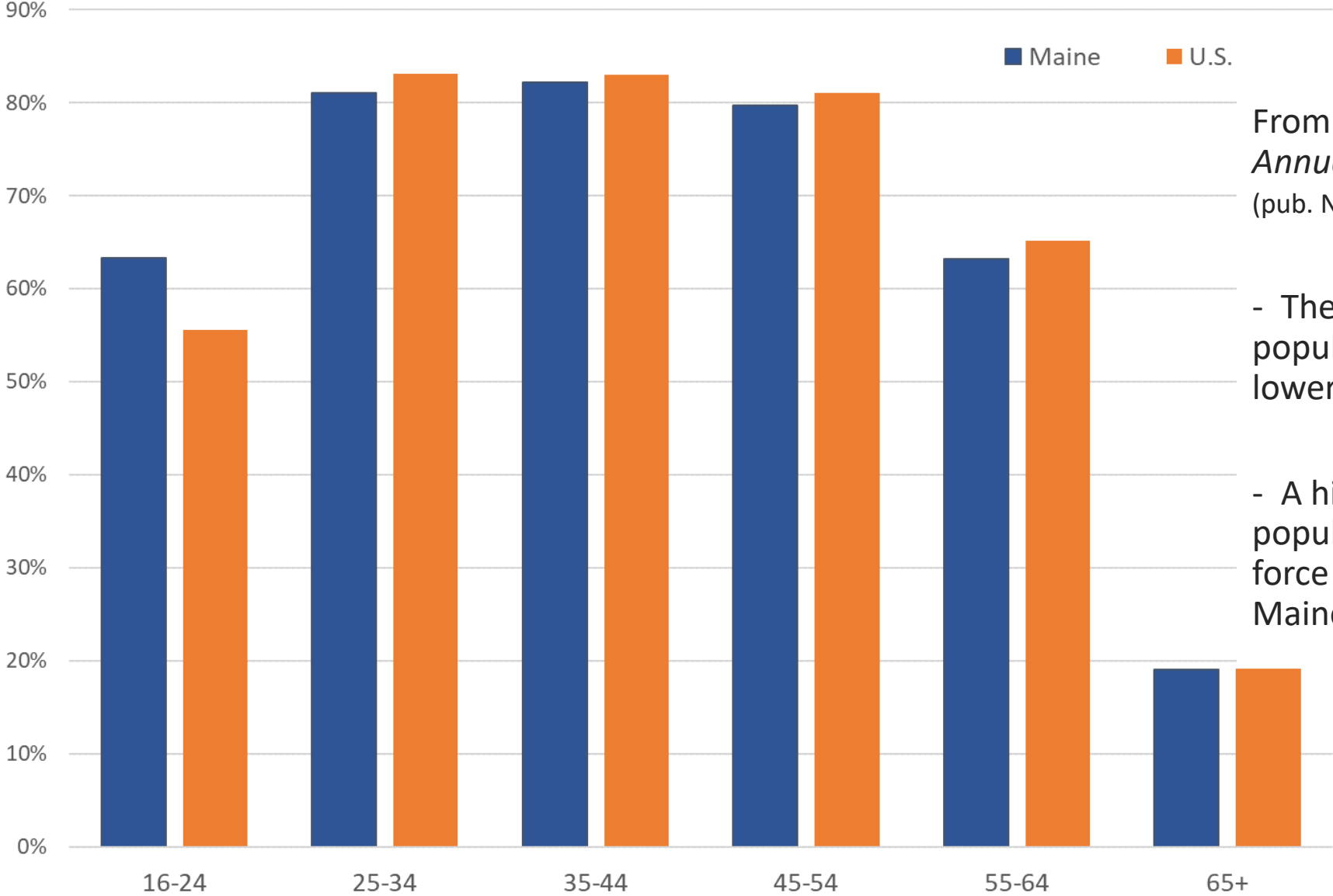


Labor force has started to trend down as Baby Boomers move into traditional retirement ages

Rapid growth reflected:

- Baby Boomers aging into prime working years;
- Migration (mostly of Baby Boomers) into Maine; and
- Women joining the labor force in larger numbers

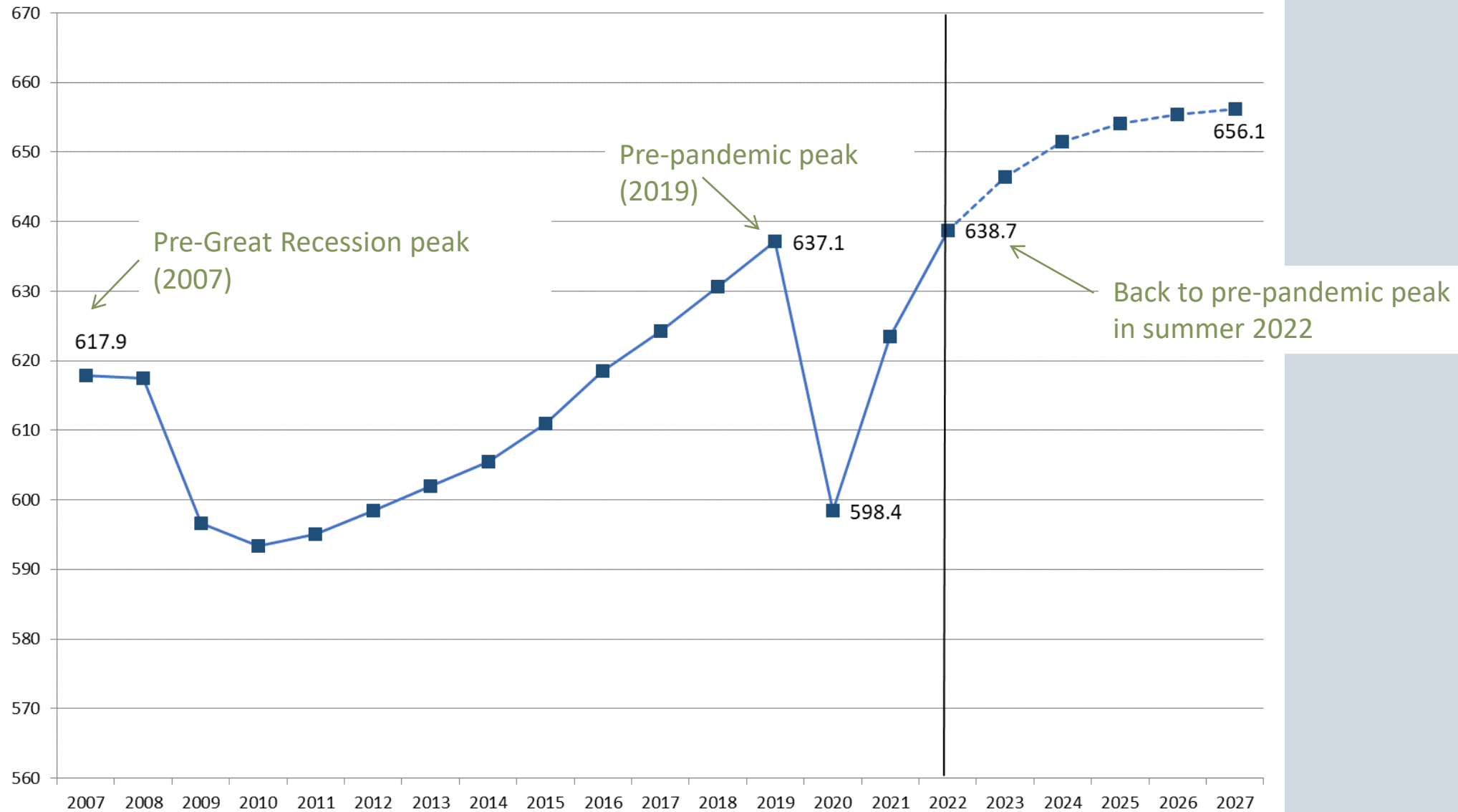
2022 Labor Force Participation Rate



From Maine Dept. of Labor’s  
*Annual Workforce Report for 2021*  
(pub. Nov. 2022):

- 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

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



# Maine’s unemployment rate in April 2023 is a record low and below the U.S.

## County Rates (not seasonally adjusted)

April, 2023

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Table

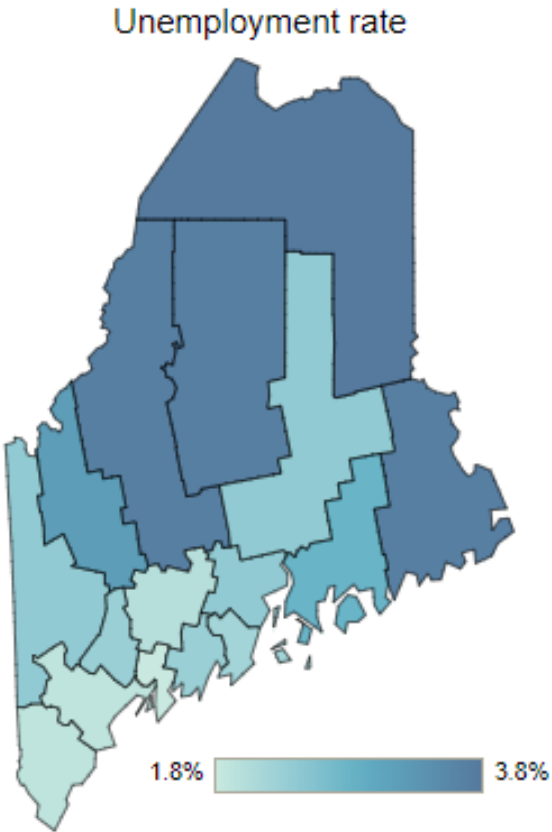
Graph

Map/Graph Display

Unemployment rate

One-year change

County	Rate	Year ago	One-yr change
Maine	2.3%	3.0%	-0.7
Androscoggin	2.3%	2.8%	-0.5
Aroostook	3.8%	5.3%	-1.5
Cumberland	1.9%	2.3%	-0.4
Franklin	3.2%	3.8%	-0.6
Hancock	2.8%	3.9%	-1.1
Kennebec	2.0%	2.7%	-0.7
Knox	2.2%	3.0%	-0.8
Lincoln	2.3%	3.0%	-0.7
Oxford	2.4%	3.2%	-0.8
Penobscot	2.4%	3.2%	-0.8
Piscataquis	3.7%	4.5%	-0.8
Sagadahoc	1.8%	2.4%	-0.6
Somerset	3.7%	4.3%	-0.6
Waldo	2.4%	3.3%	-0.9
Washington	3.7%	5.0%	-1.3
York	1.9%	2.6%	-0.7

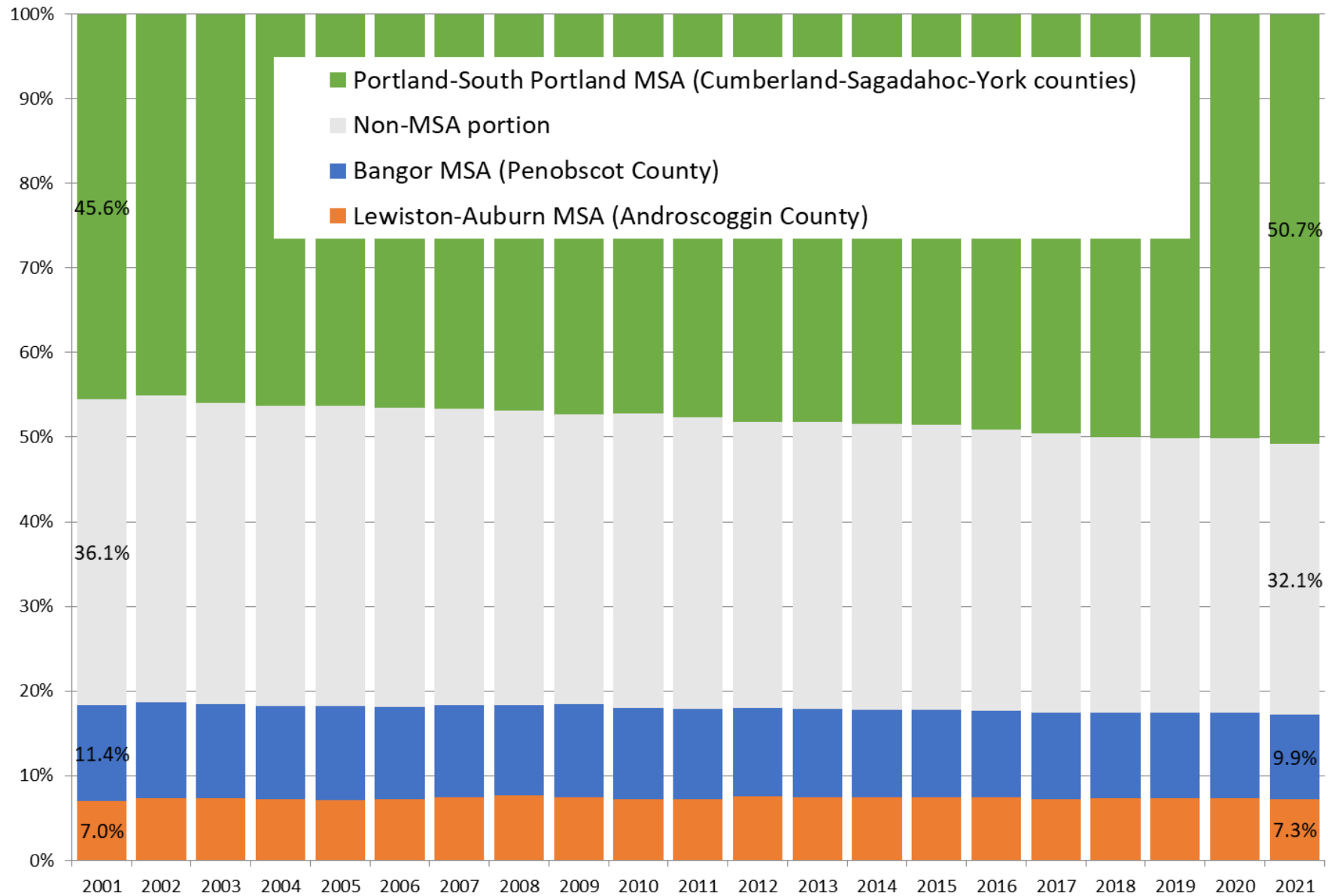




Industries

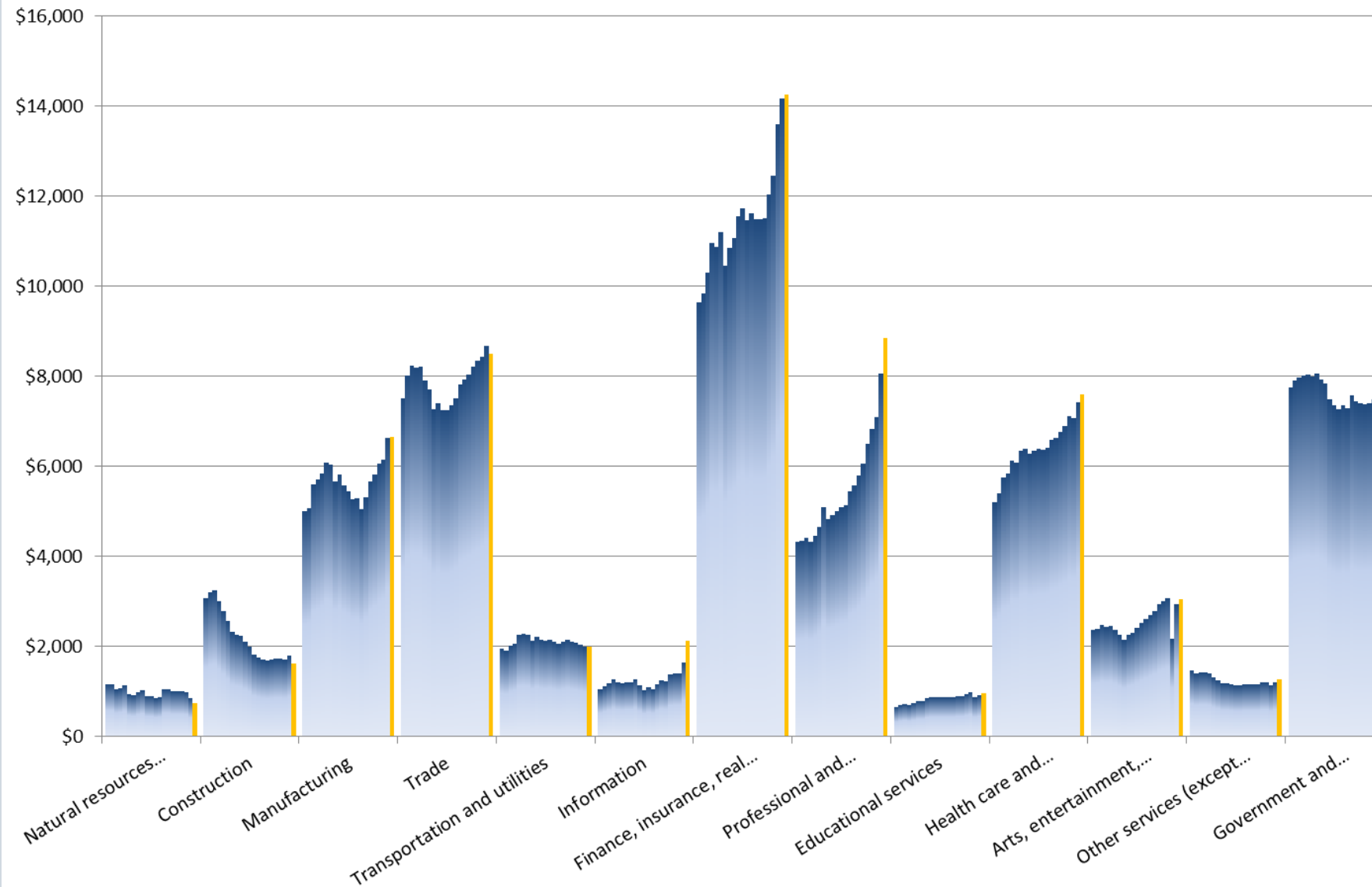


## Share of Maine Real GDP by Metropolitan Area



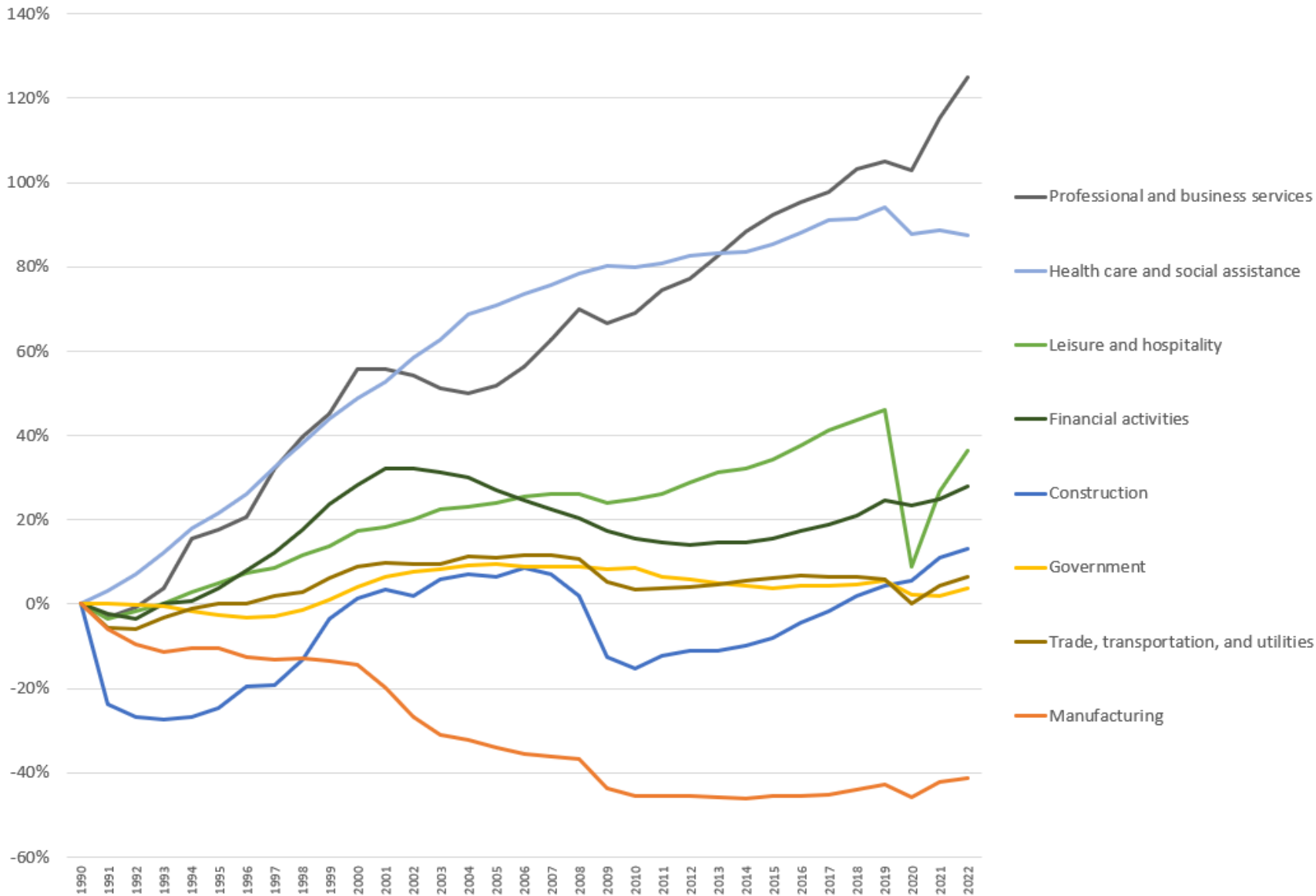
SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS

## Maine Real GDP by Industry, 2002-2022 (in millions of chained 2012 dollars)

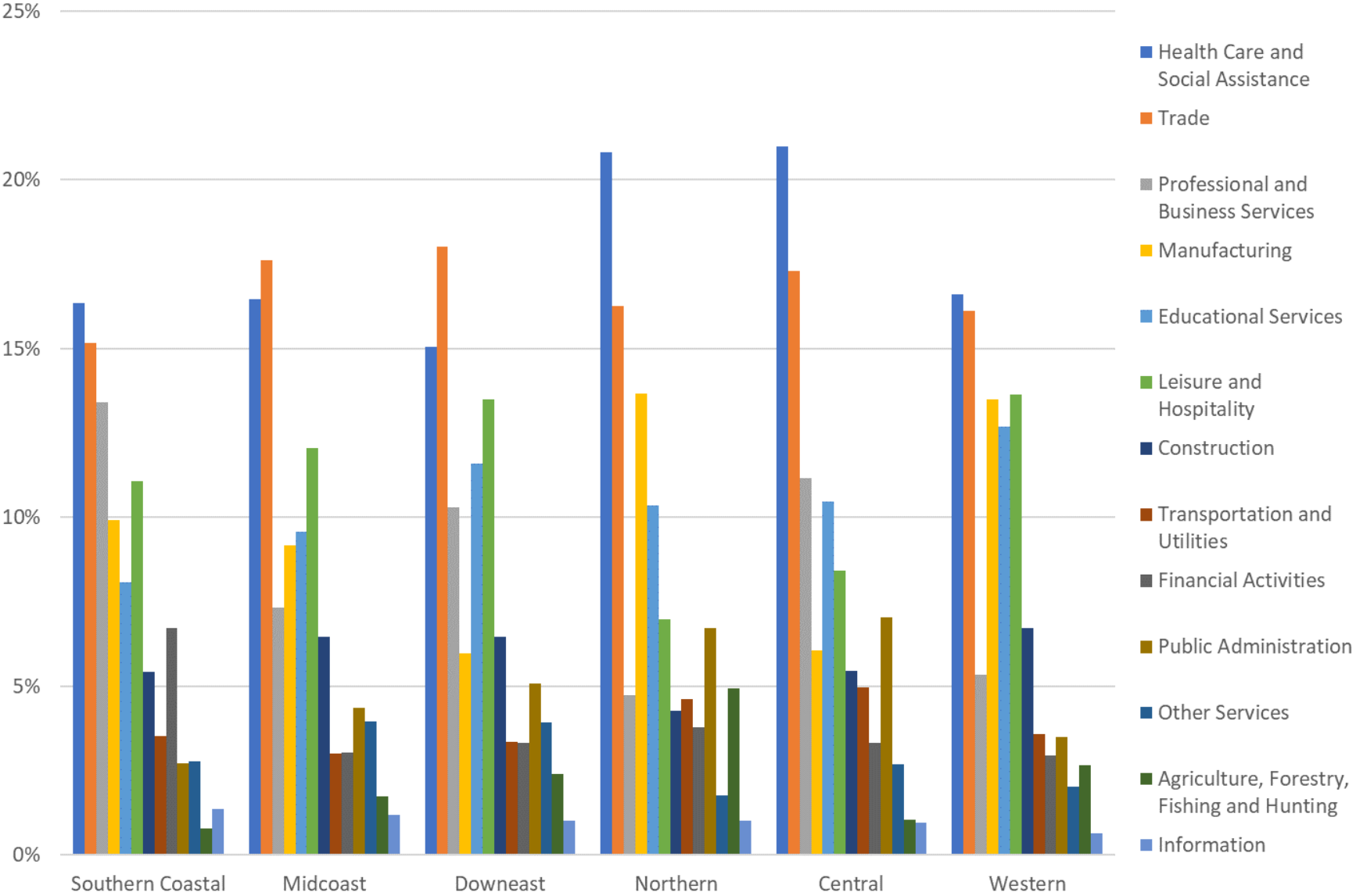


SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS

Percent change in select Maine employment sectors since 1990

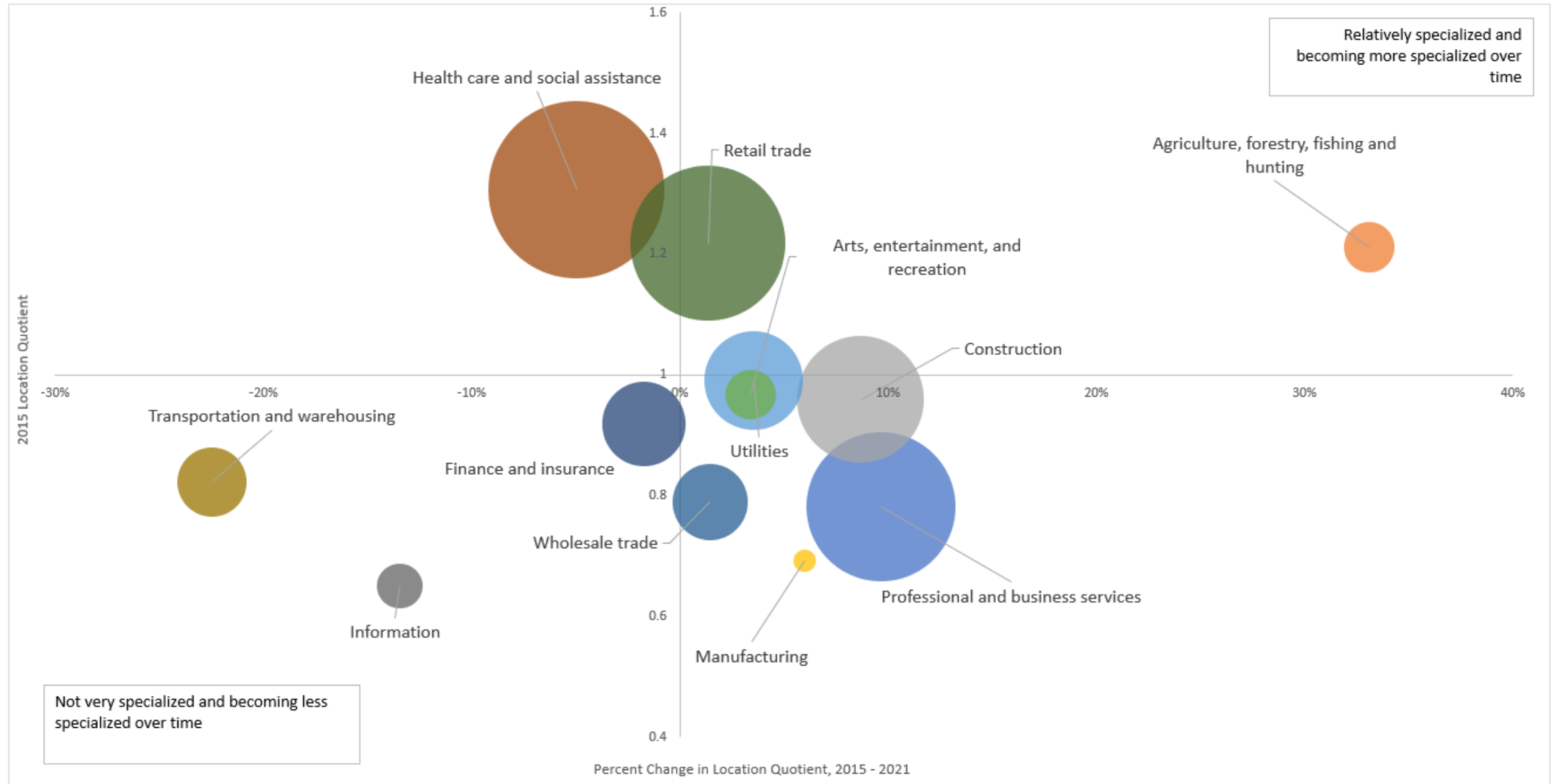


Share of 2021 Regional Employment by Industry Sector

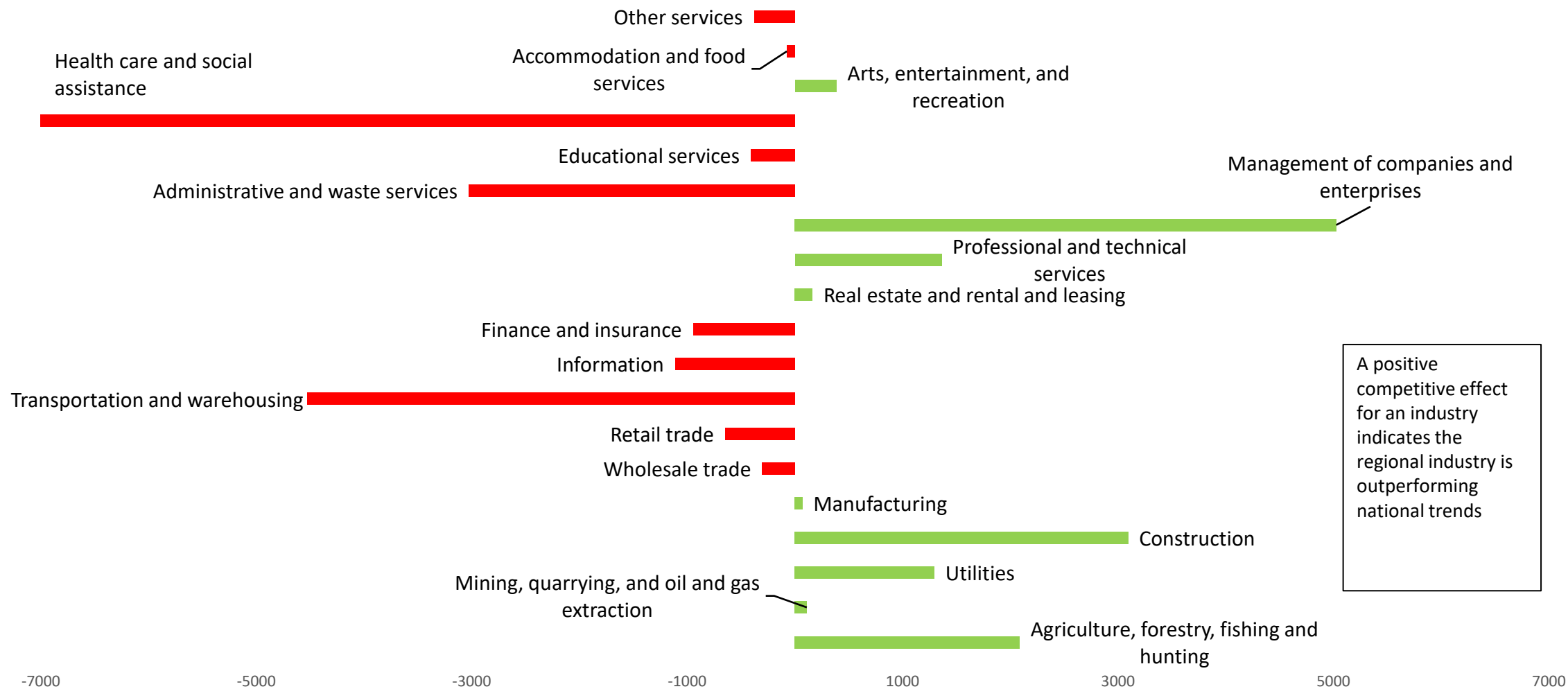


SOURCE: MAINE DEPARTMENT OF LABOR, CENTER FOR WORKFORCE RESEARCH AND INFORMATION

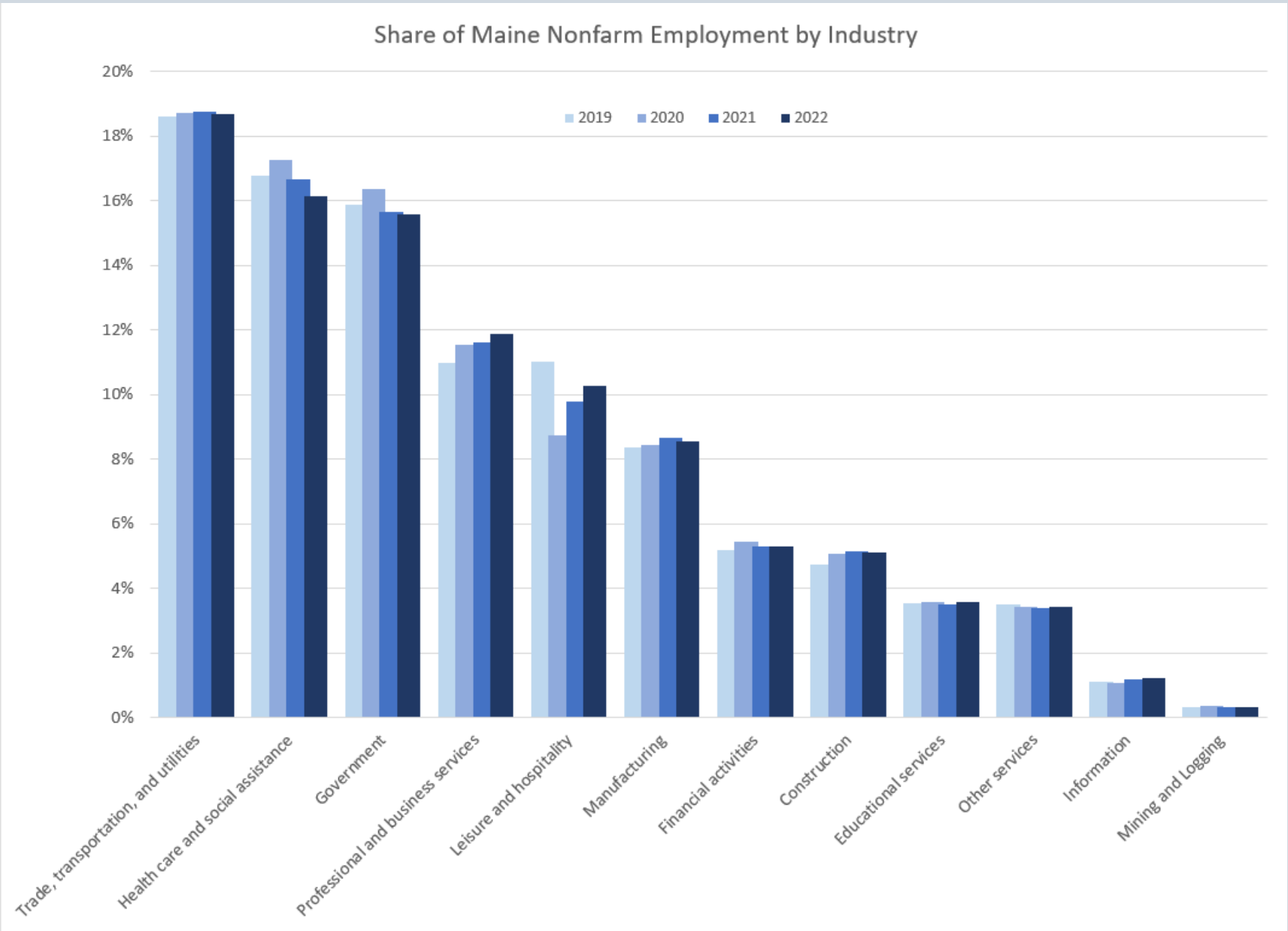
## Maine Location Quotients for Selected Industries, 2015 -2021



Shift Share Analysis: Employment Changes Due to Competitive Effect - Maine, 2015 - 2021



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

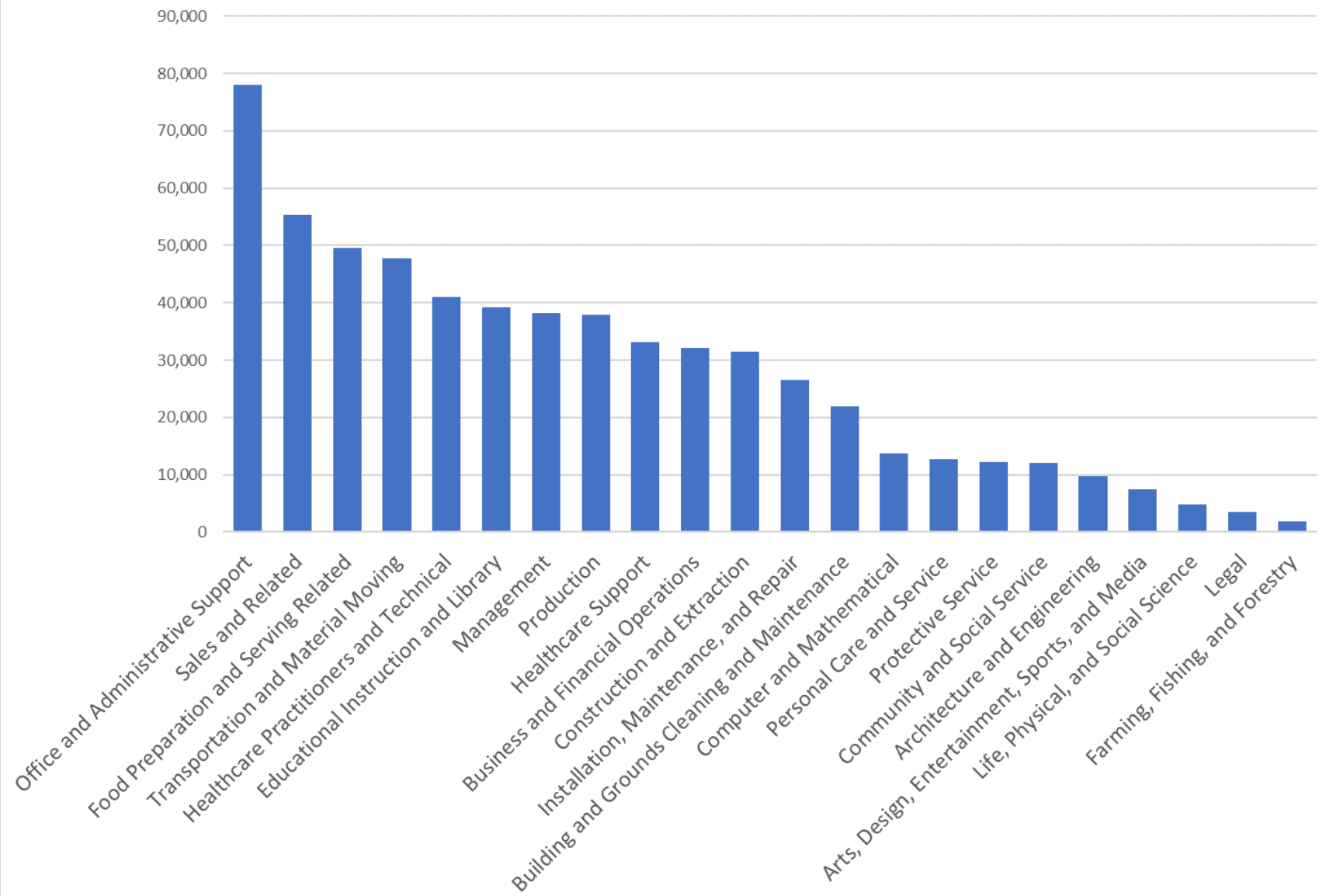




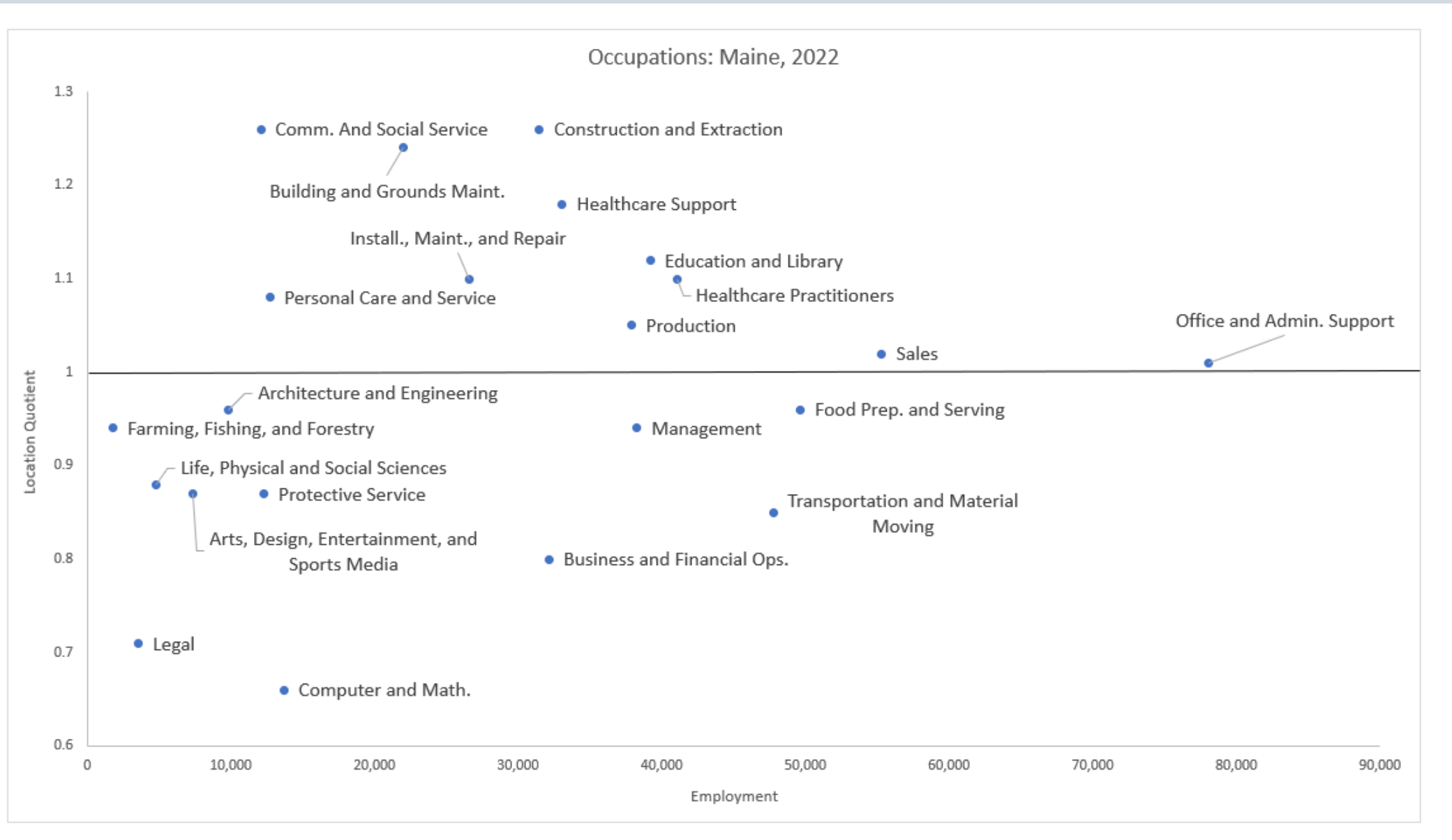
# Occupations



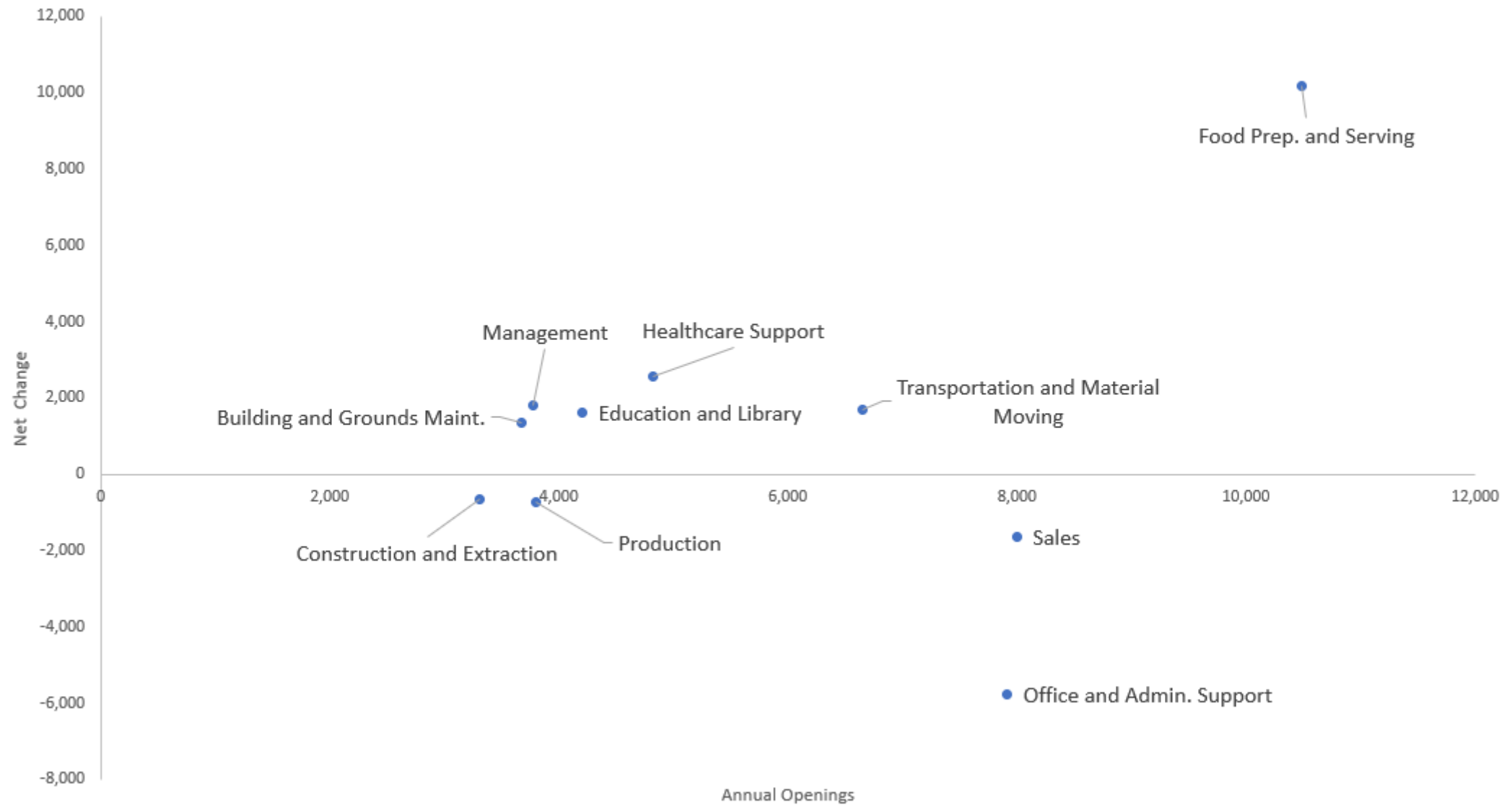
2022 Employment by Occupation, Maine



SOURCE: MAINE DEPARTMENT OF LABOR, CENTER FOR WORKFORCE RESEARCH AND INFORMATION

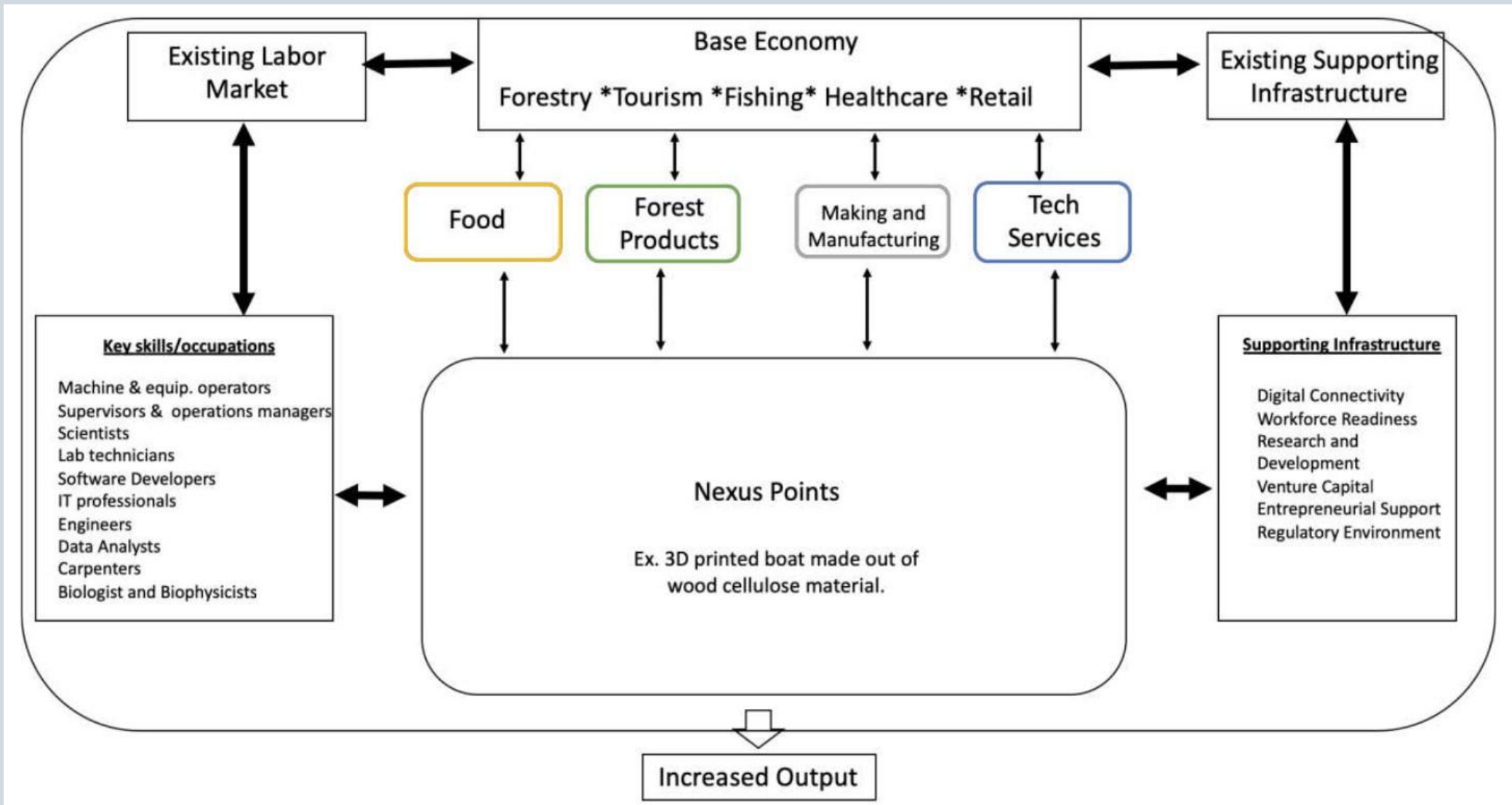


Largest Occupational Groups by Expected Net Job Change and Annual Openings in Maine, 2020 to 2030





Looking Forward



## One key assumption from April 2023 Consensus Economic Forecasting Commission report (emphasis added):

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There is an unequal distribution of supply and demand in the labor market. **Demand for labor is high, supply is low, and unemployment rates are near historic lows in Maine and nationwide.**

Workers are experiencing higher wage growth, particularly for lower wage jobs. Some demographic trends, including a **growing share of the population reaching retirement age**, will continue to constrain labor supply.

However, the Commission is optimistic that Maine will continue to see **higher in-migration of working-age people** in the coming years that will be more than sufficient to offset retirements in the forecast period.

# Future workforce considerations

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Migration: will the trends continue?

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

Retirements: will some retirees rejoin the workforce?

Wages: will the tight labor market continue to put upward pressure on wages?

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?

# Contact Information

Megan Bailey

Senior Economic Analyst | Office of the State Economist

Maine Department of Administrative and Financial Services

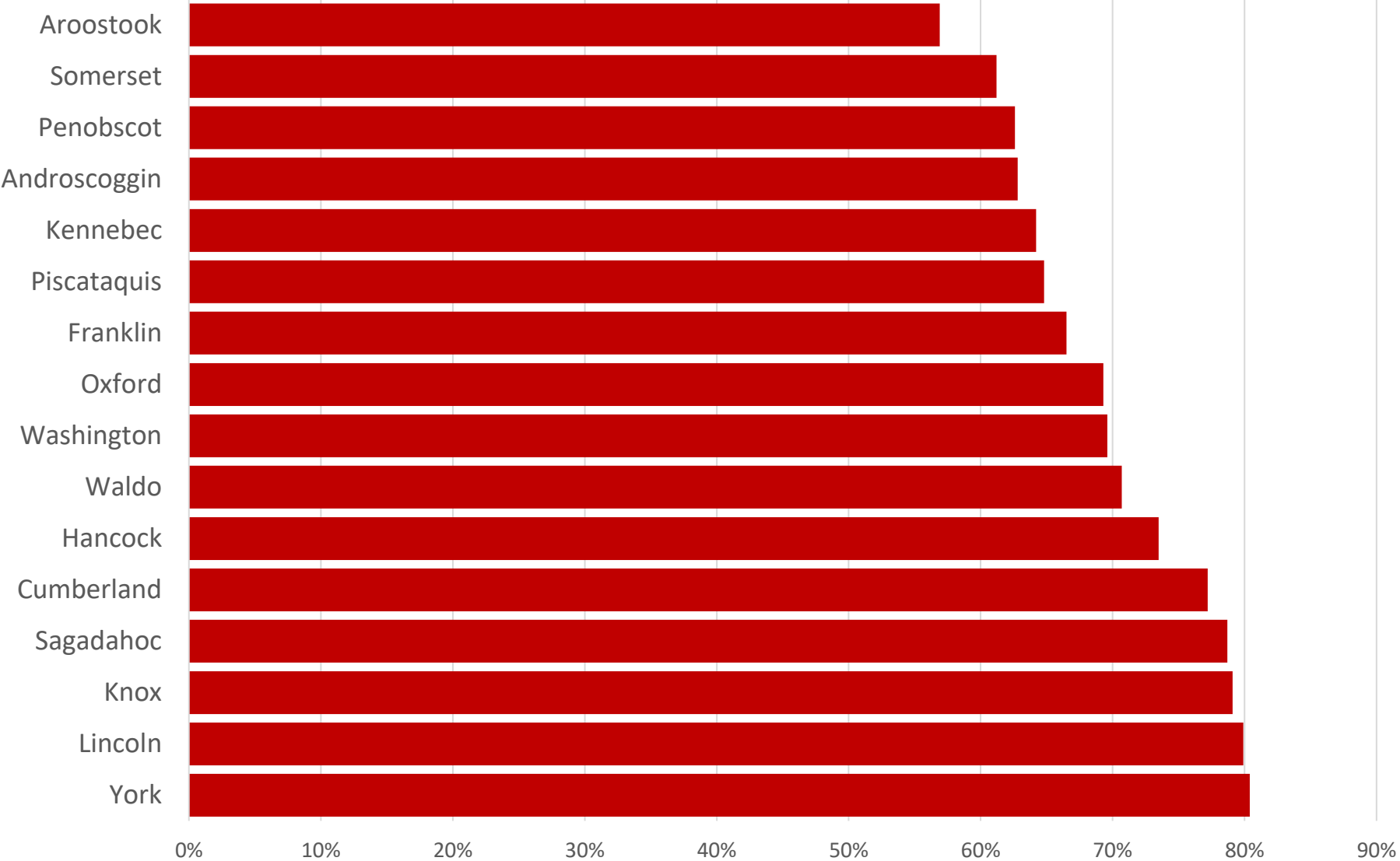
[www.maine.gov/dafs/economist](http://www.maine.gov/dafs/economist)

**[megan.bailey@maine.gov](mailto:megan.bailey@maine.gov)**

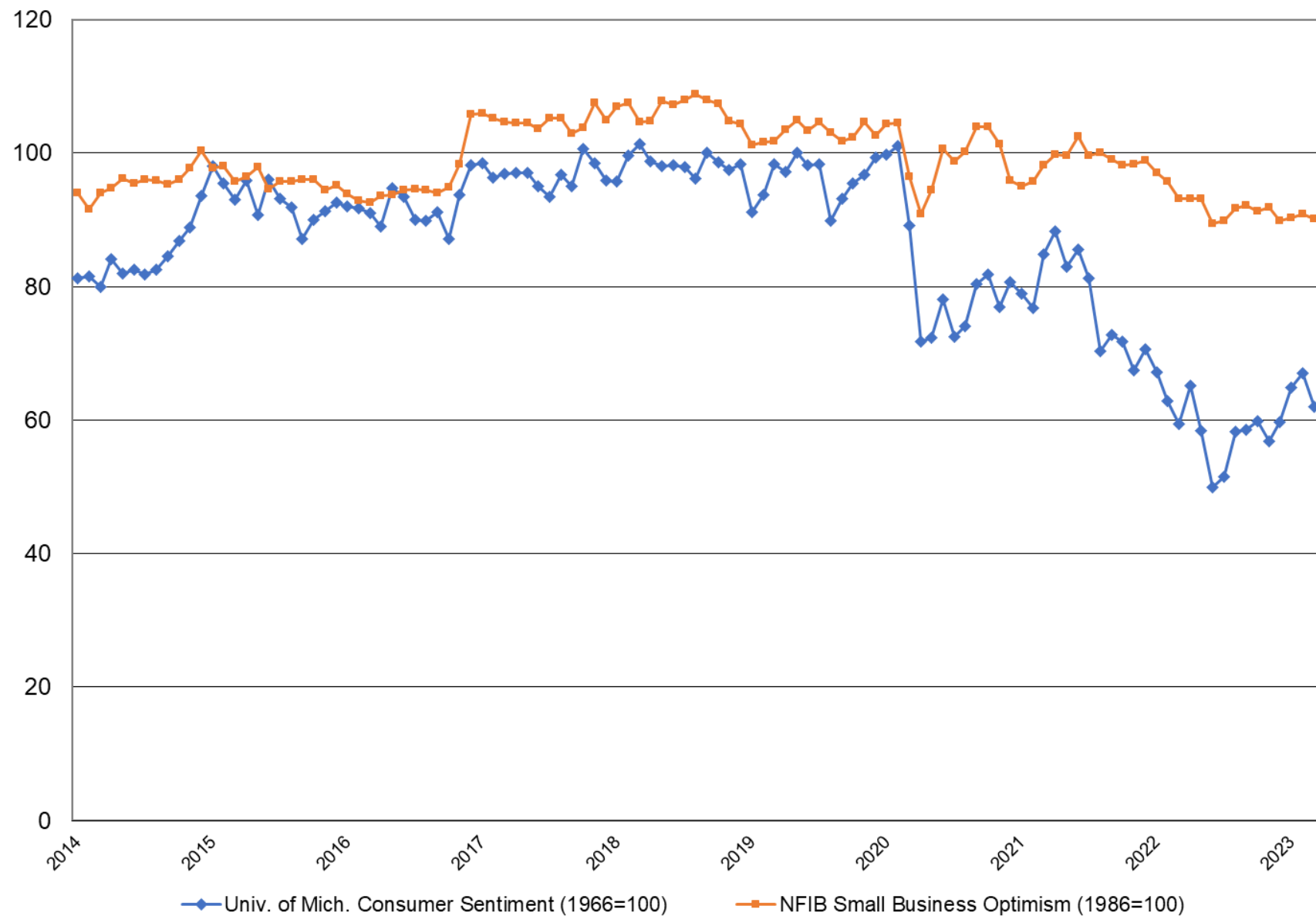


# Appendix Slides

Percent of Households Unable to Afford Median Home, 2022



## Consumer Sentiment and Small Business Optimism Indexes



Inflation has been a major contributor to the downward trend in small business and consumer sentiment; higher expenses continue to bring down these indices