

# Demographic and Economic Conditions in Maine

GEO/GOPIF meeting

August 16, 2023

Amanda Rector

Maine State Economist

# Demographics

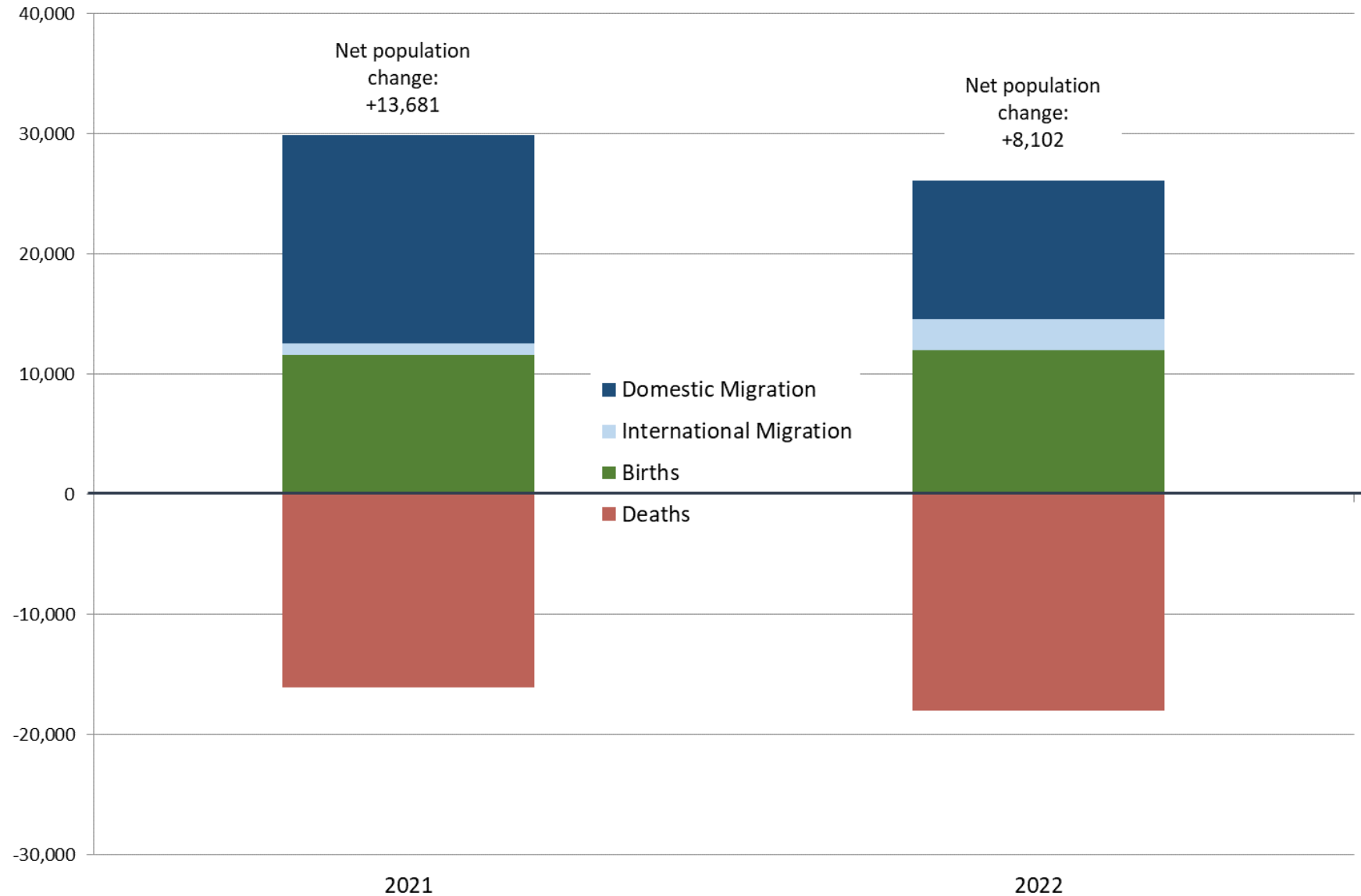
## Components of Population Change, Maine

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

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

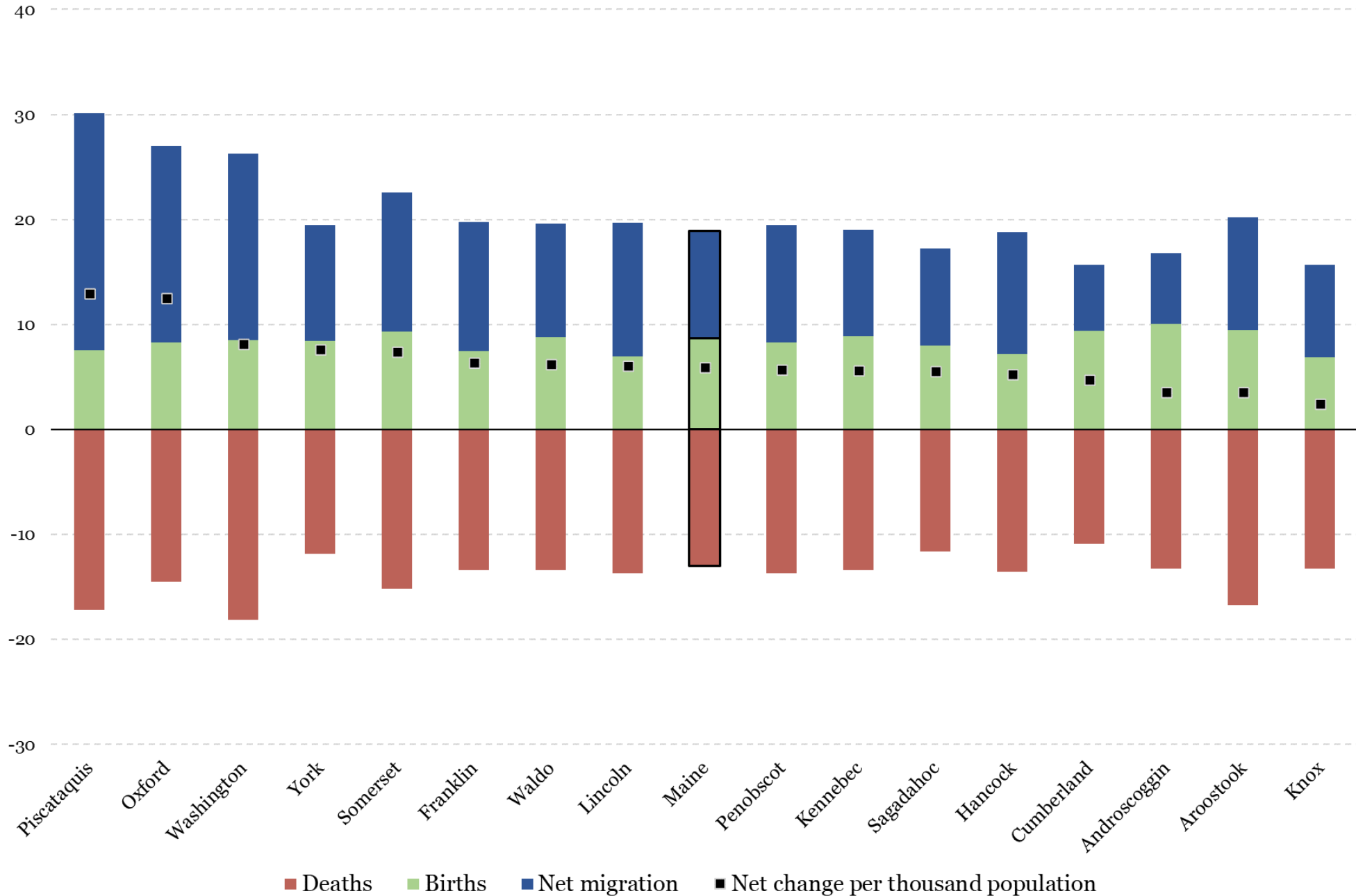
Population increase of  
1.7% from 2020-2022  
(14<sup>th</sup> in U.S.)

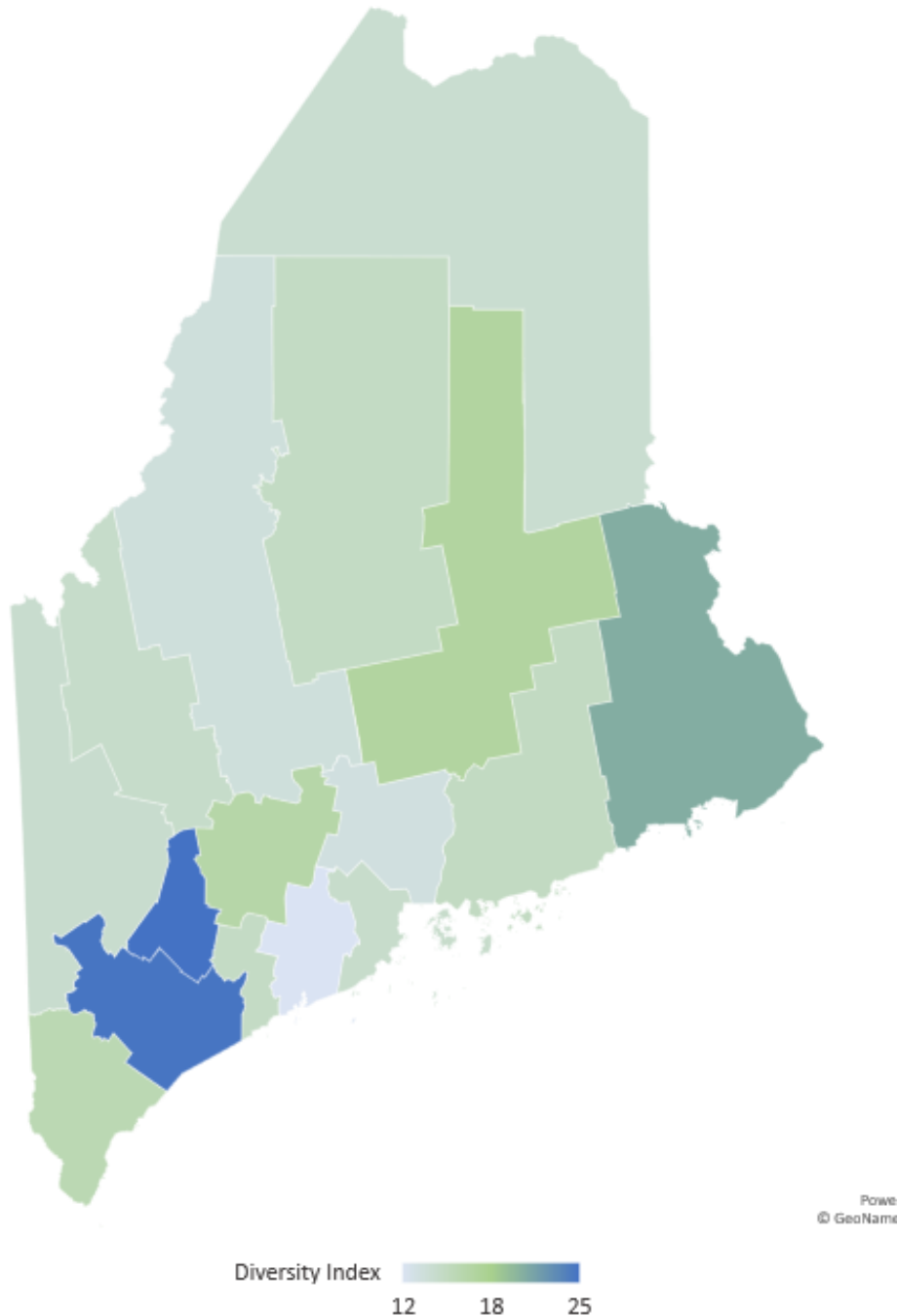
2022 net migration =  
10.2 per thousand  
(11<sup>th</sup> in U.S.)



# Components of Population Change in Maine, 2022

## Rate per thousand population

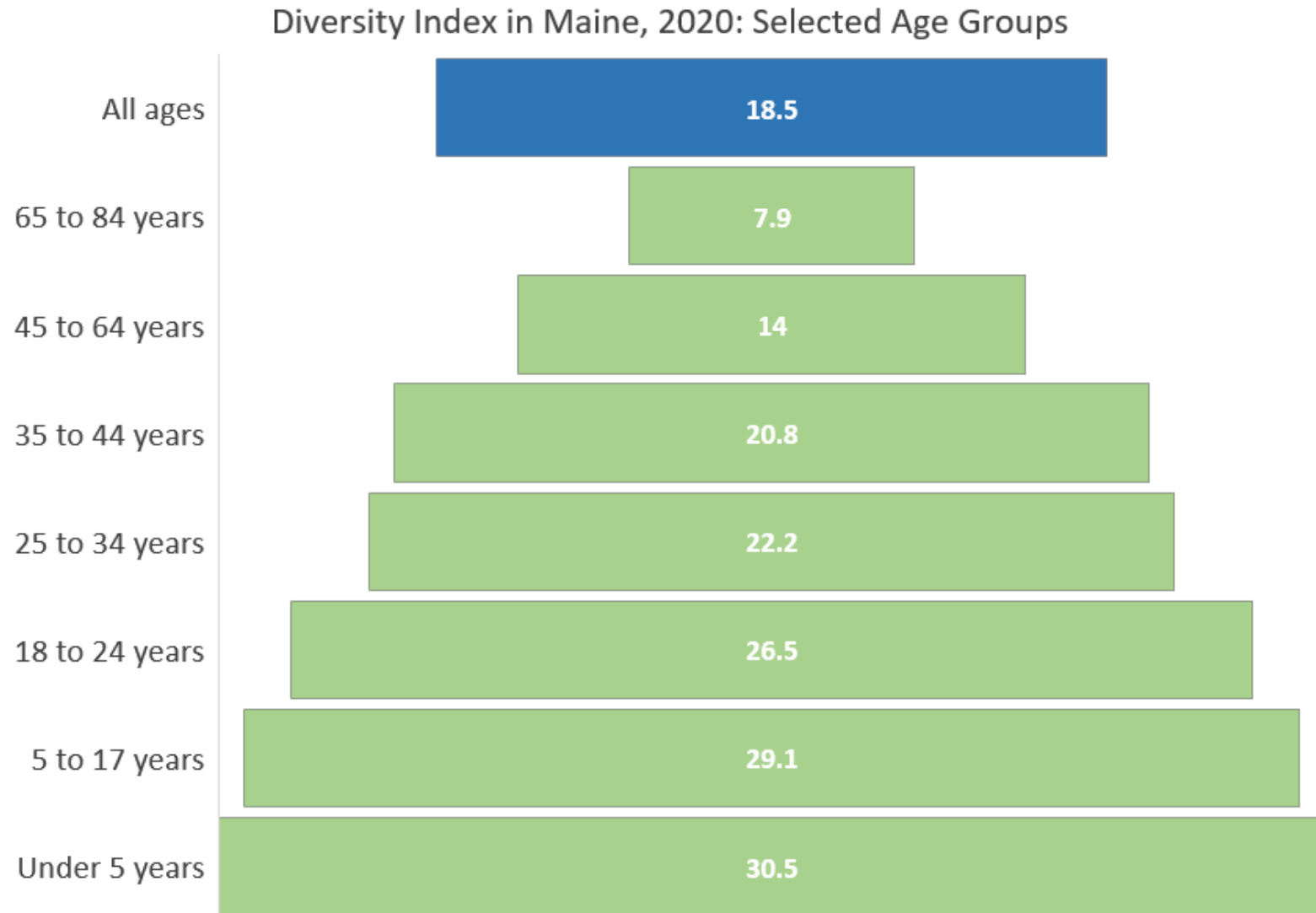




The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

- In 2020, Maine ranked as the least diverse state in the U.S.
  - ME index = 18.5%
  - U.S. index = 61.1%
- But there is regional variation: Cumberland, Androscoggin, and Washington counties are more diverse

# Younger generations in Maine are significantly more diverse than the state as a whole

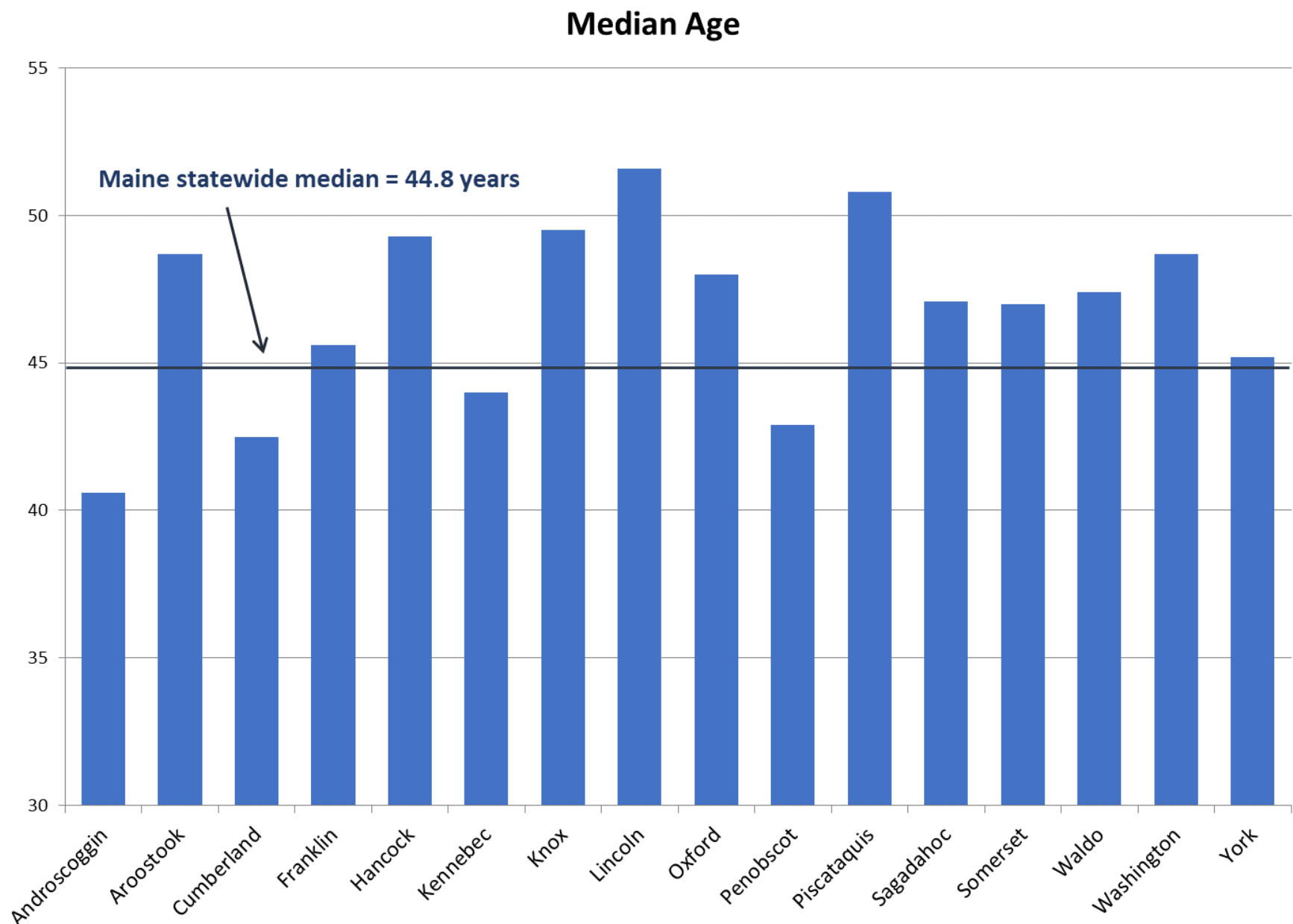


Maine has the oldest population...  
...by median age  
(44.8 years)  
...and by % of population  
age 65+ (22.5%)

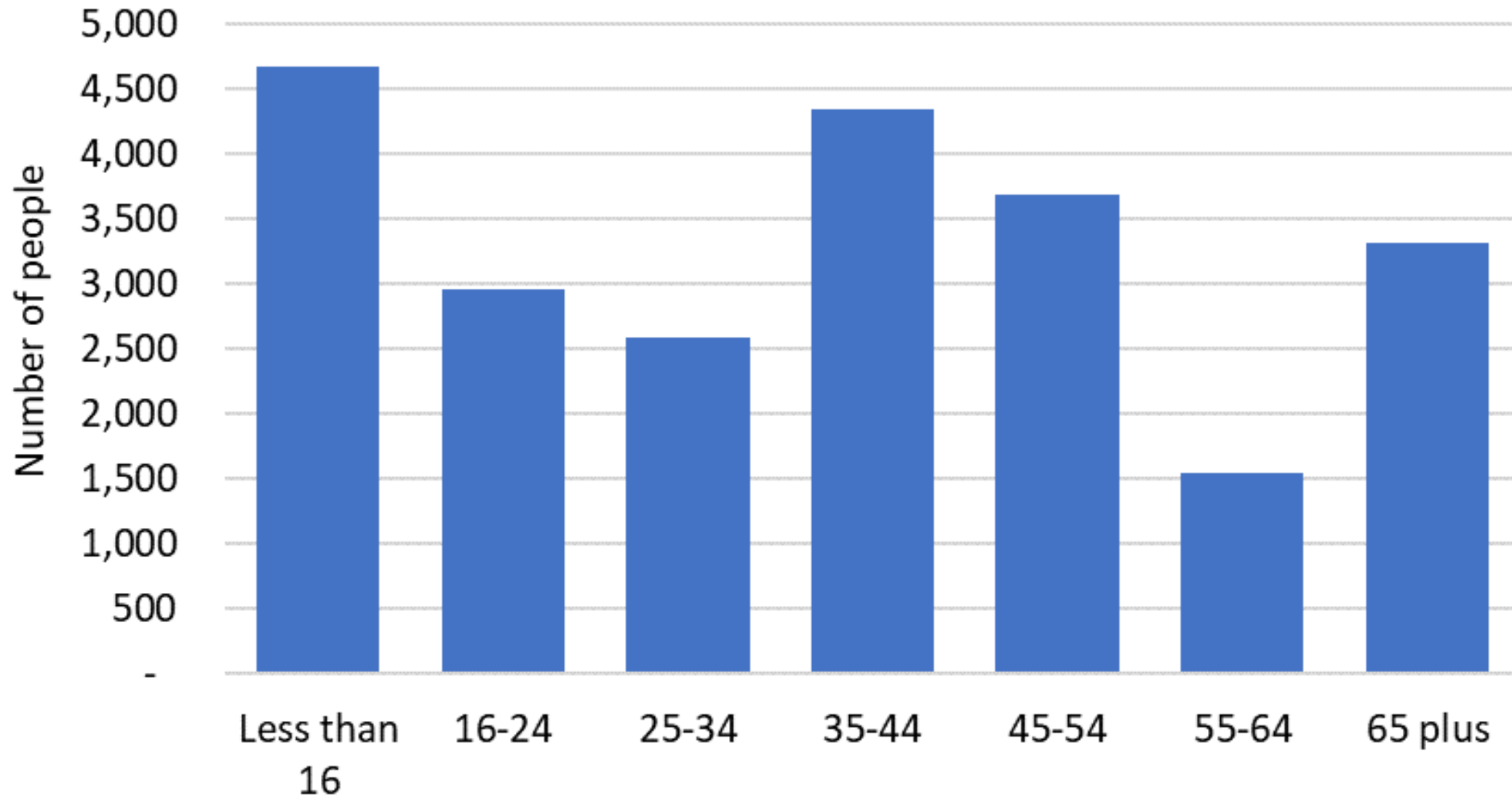
**BUT!**

Maine was one of only  
two states to see a  
decrease in median age  
from 2020 to 2021...

...and was one of only  
four states to not see an  
increase from 2021 to  
2022



## Net Migration by Age Cohort

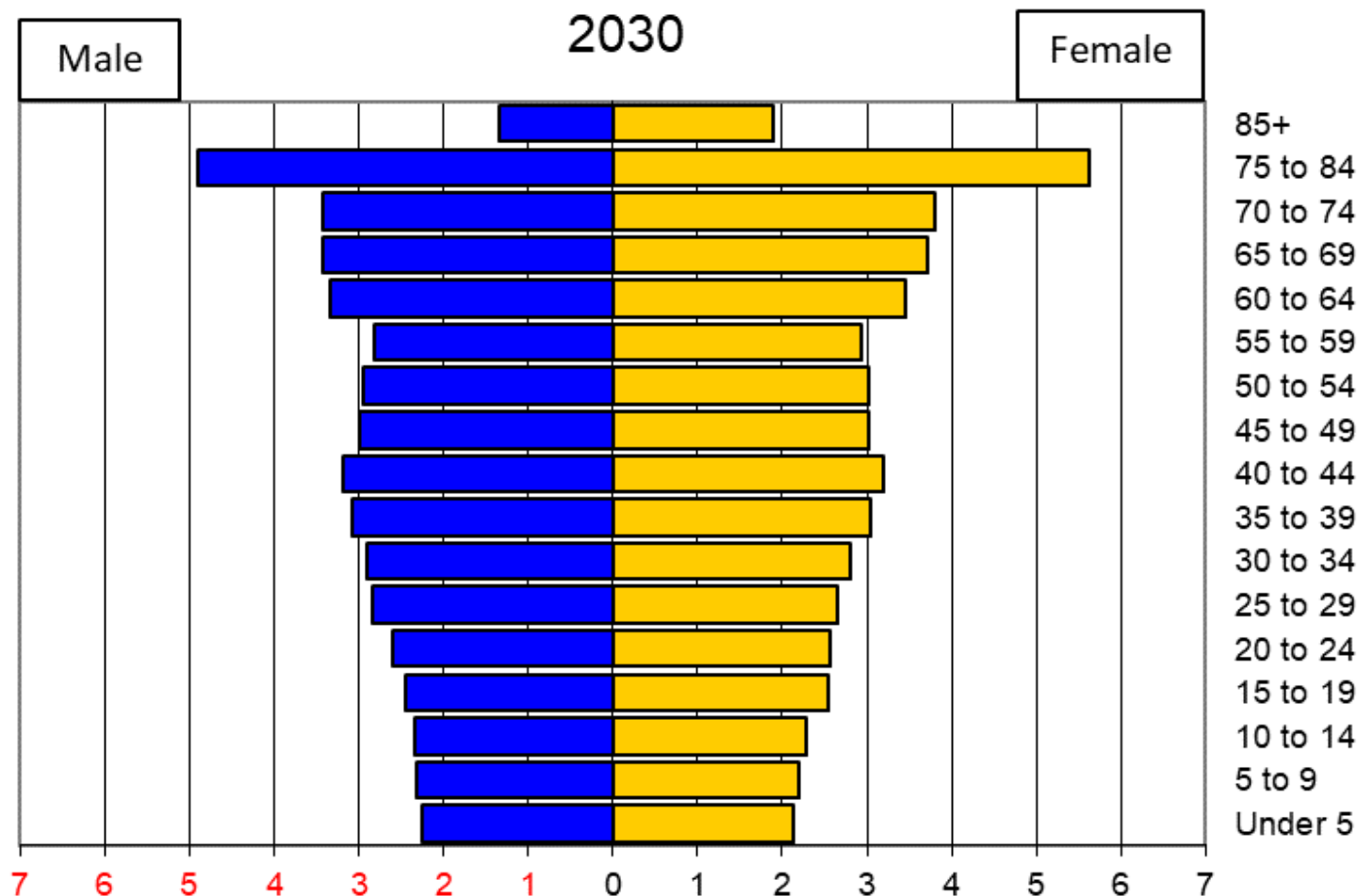




# The Baby Boom: 1946-1964

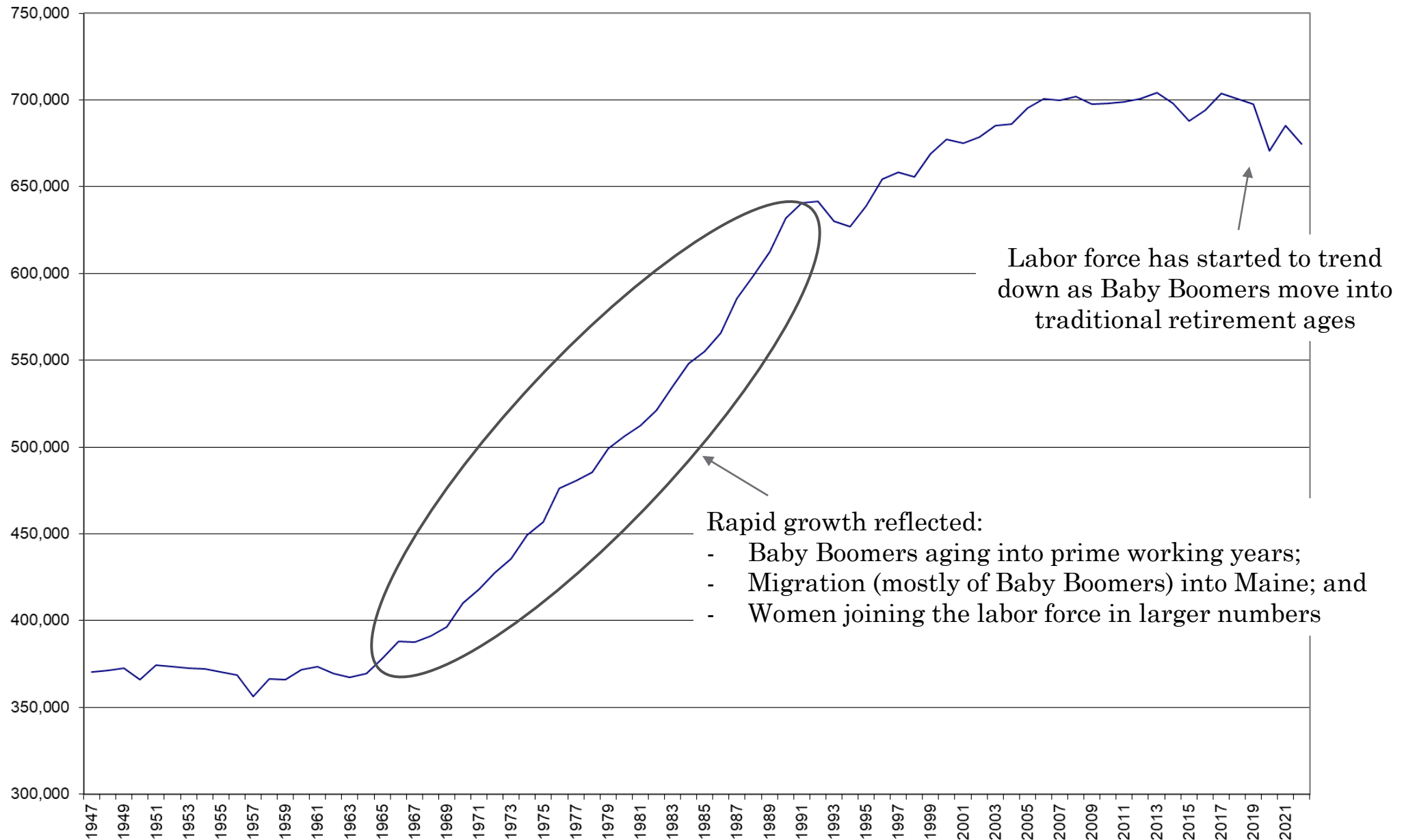
Baby Boom  
generation in  
2030: age 66-84

Baby Boom  
generation in  
2022: age 58-76

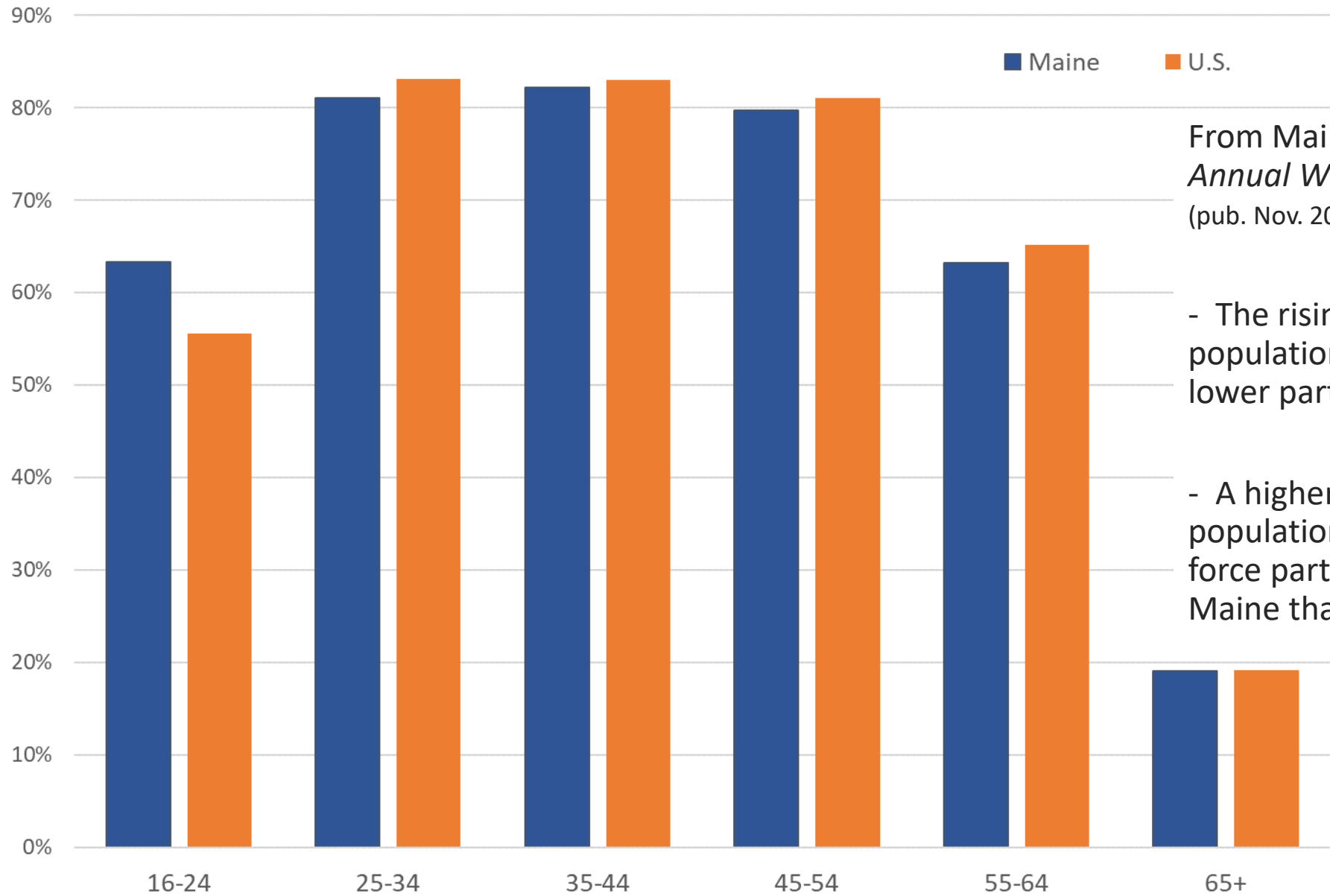


# Workforce and Employment

## Maine Civilian Labor Force



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

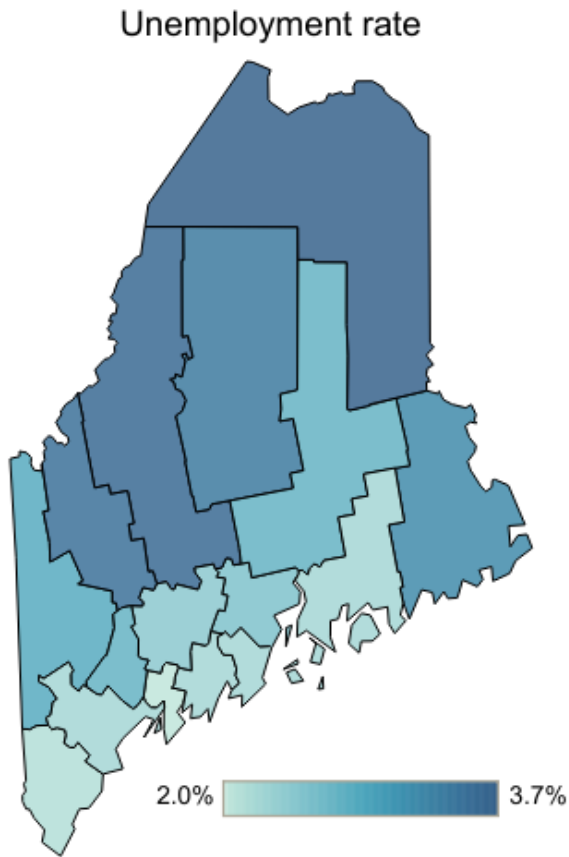
# Maine's unemployment rate in June 2023 was at a record low of 2.4% for a third consecutive month and is below the U.S. rate of 3.6%

## County Rates (not seasonally adjusted)

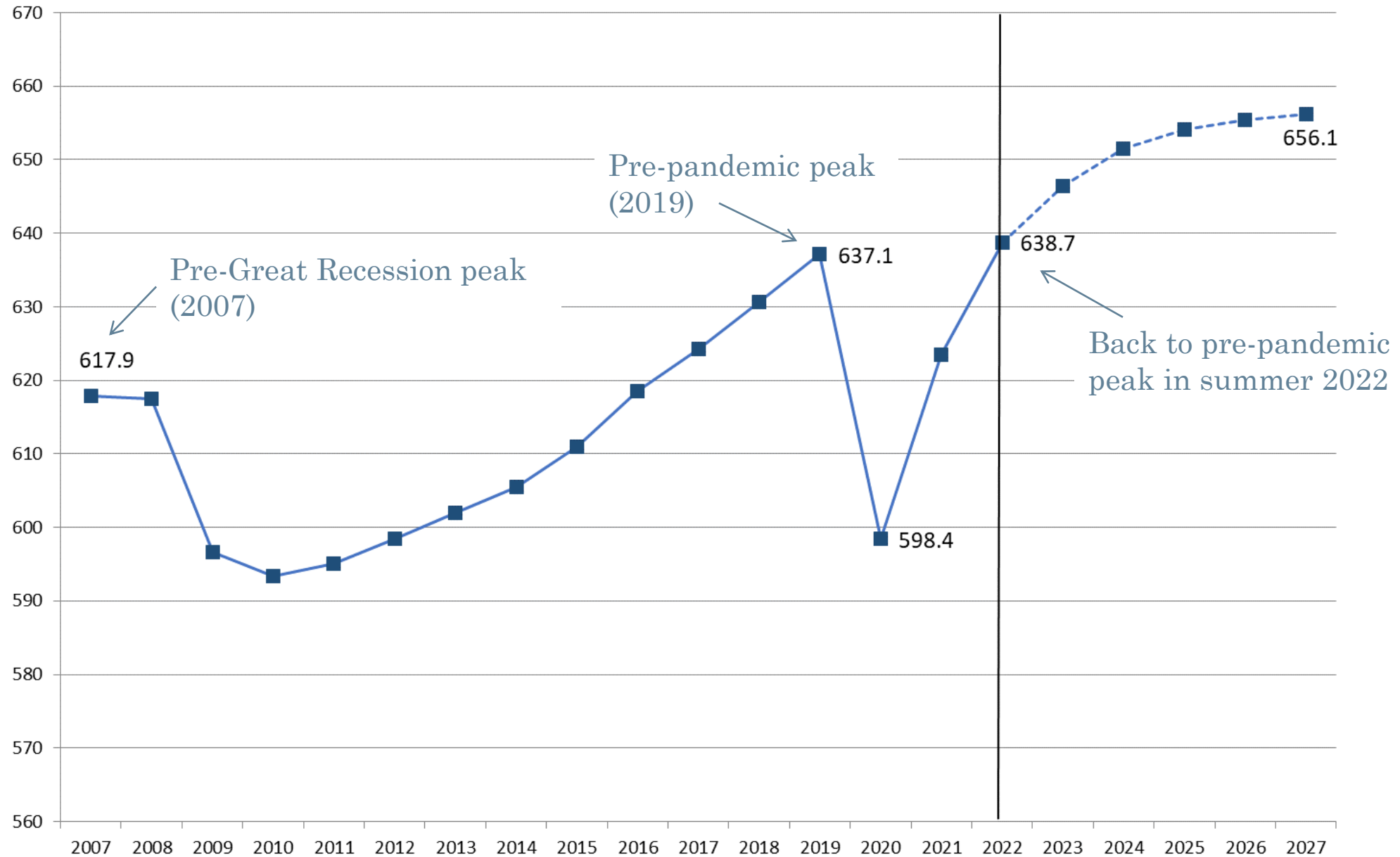
June, 2023

County	Rate	Year ago	One-yr change
Maine	2.5%	2.7%	-0.2
Androscoggin	2.7%	2.8%	-0.1
Aroostook	3.7%	4.0%	-0.3
Cumberland	2.2%	2.3%	-0.1
Franklin	3.5%	3.5%	0.0
Hancock	2.2%	2.5%	-0.3
Kennebec	2.4%	2.6%	-0.2
Knox	2.2%	2.5%	-0.3
Lincoln	2.2%	2.3%	-0.1
Oxford	2.8%	3.0%	-0.2
Penobscot	2.7%	2.9%	-0.2
Piscataquis	3.4%	3.4%	0.0
Sagadahoc	2.0%	2.1%	-0.1
Somerset	3.6%	3.5%	0.1
Waldo	2.5%	2.9%	-0.4
Washington	3.2%	3.6%	-0.4
York	2.1%	2.4%	-0.3

- ☒ Table
- ☐ Graph
- Map/Graph Display
- ☒ Unemployment rate
- ☐ One-year change

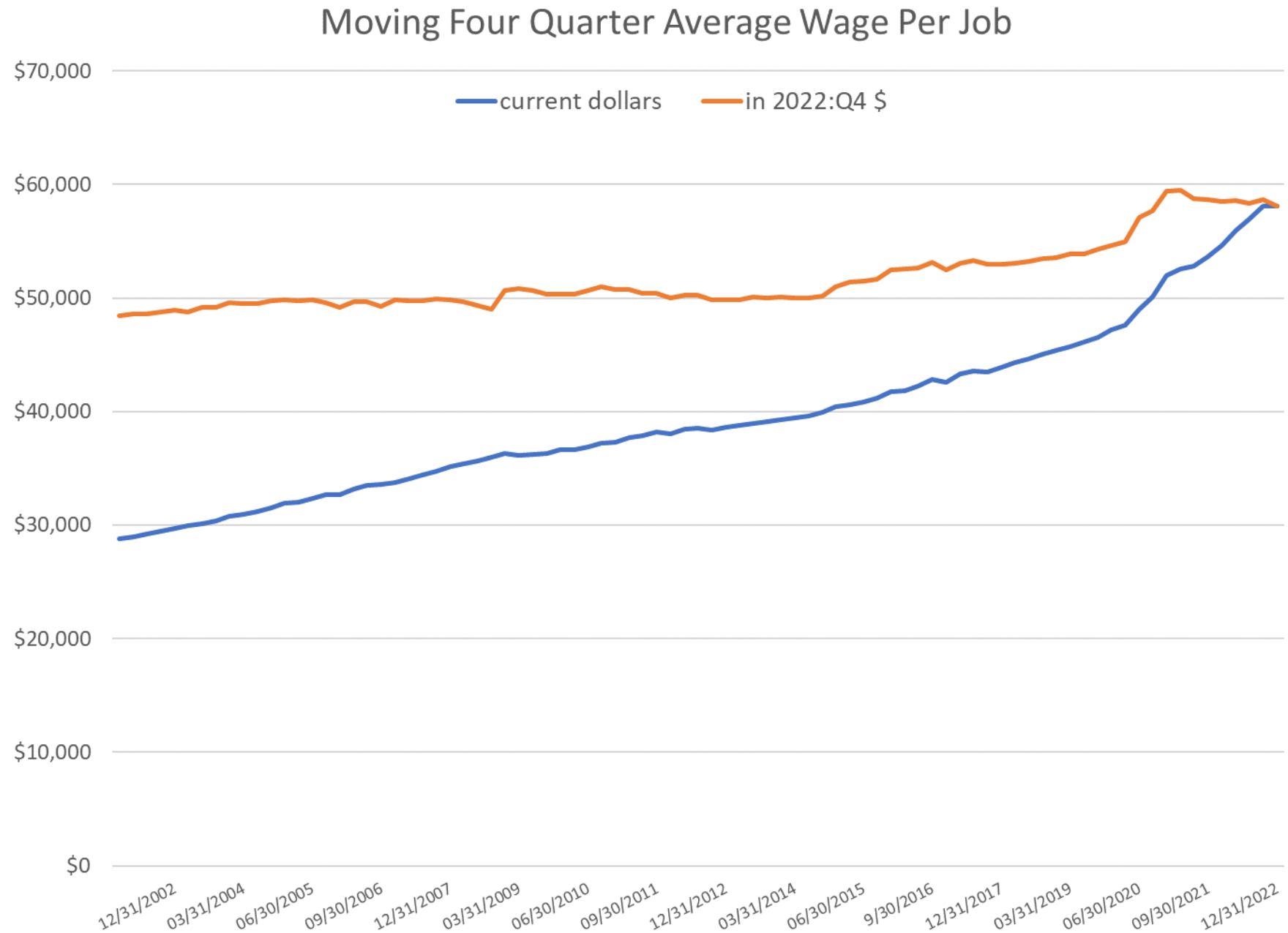


## Total Nonfarm Employment (in thousands) History and CEFC forecast



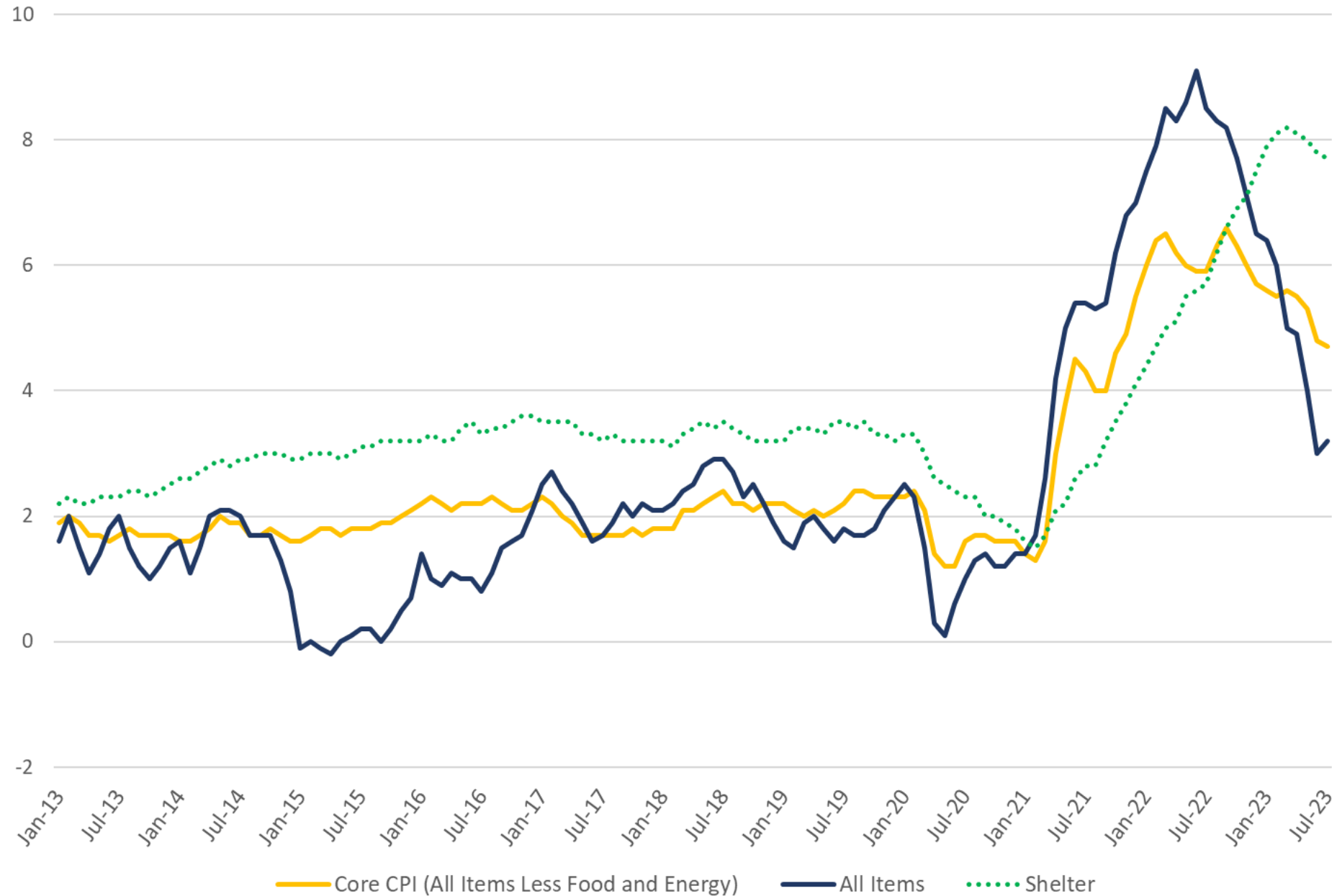
# Wages and Inflation

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



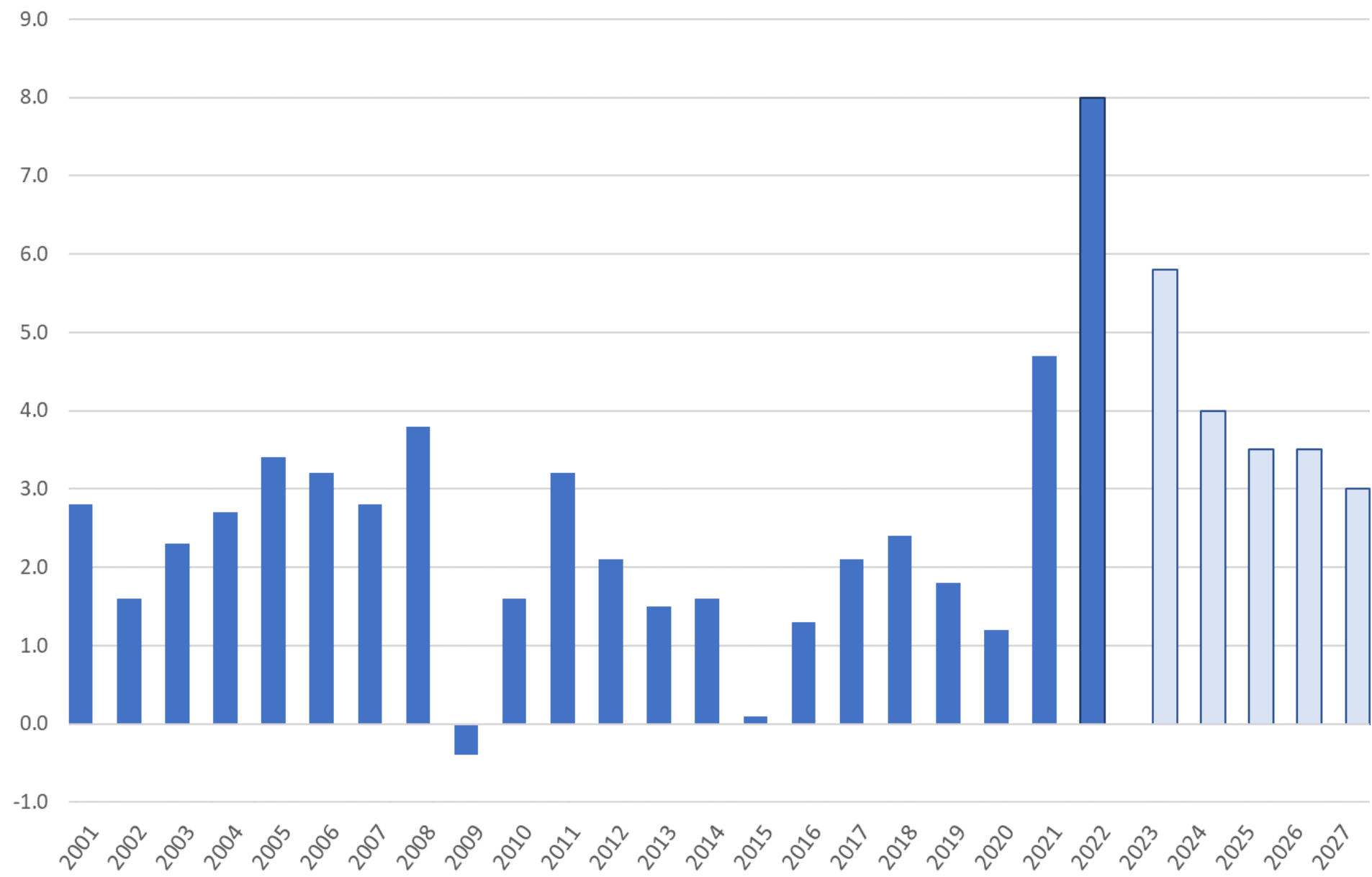


## Year-over-year percent change in Consumer Price Index



Source: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, not seasonally adjusted)

Year-over-year percent change in Consumer Price Index;  
2001-2022 historical and 2023-2027 forecast

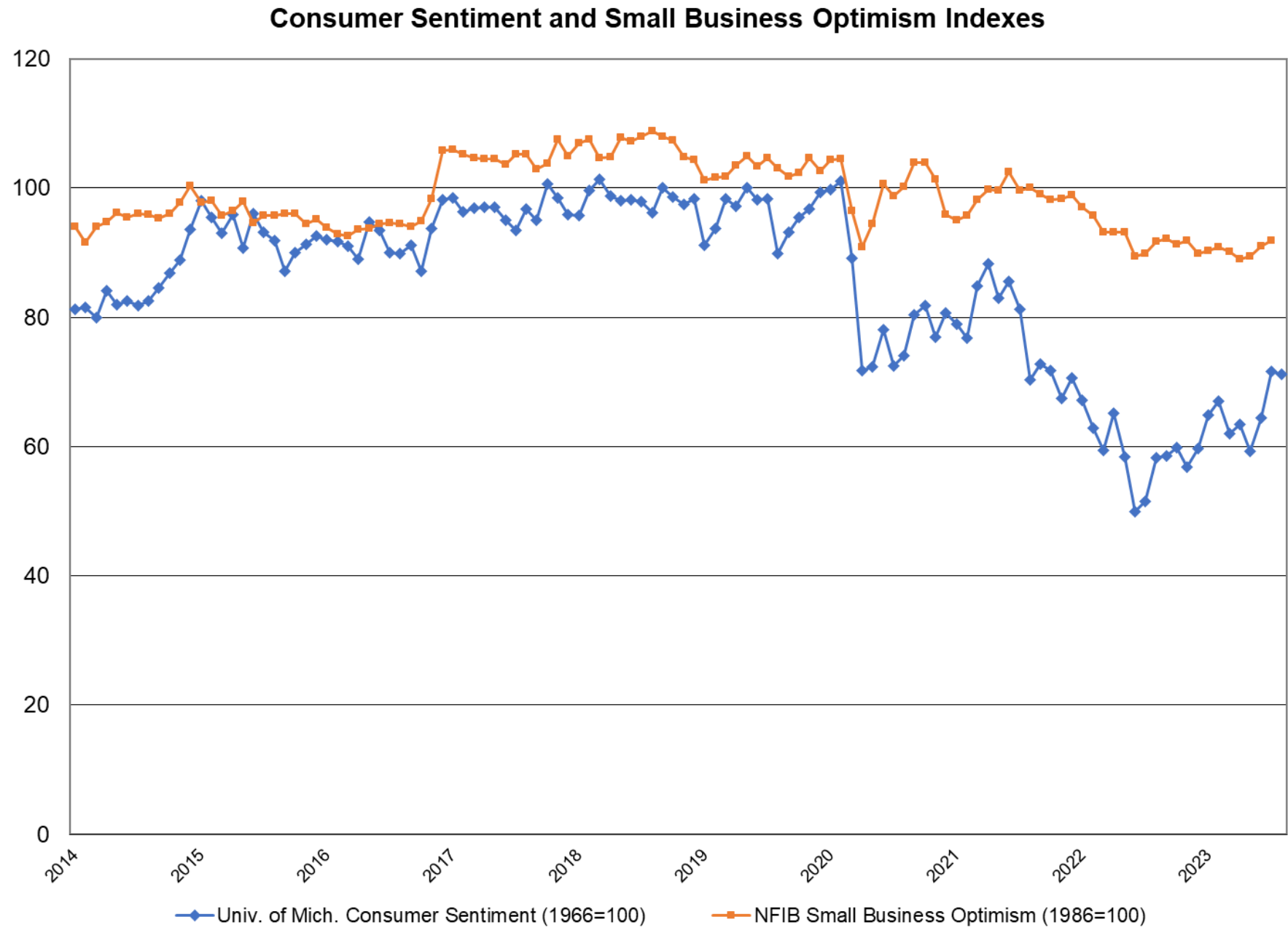


Sources: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, seasonally adjusted);  
CEFC report, April 1, 2023

# Outlook

Consumer sentiment has been trending up since its all-time-low in June 2022, rising rapidly in July 2023 as inflation cooled and labor markets were stable.

Lower-income consumers saw a drop in sentiment, though, reflecting concerns about inflation and wage outlook.



Sources: University of Michigan Survey of Consumers and NFIB Small Business Optimism Index

# Things to keep in mind:

- Housing costs increased sharply as demand far outstripped supply and then interest rate hikes made mortgages more expensive, locking people into existing lower-rate mortgages – this limits availability for ongoing migration and workforce expansion
- Inflation has started slowing, but not quickly – the Federal Reserve raised interest rates again in July, but will they raise them any further?
- Will we see continued migration into Maine? Telework, housing, and dependent care are three key determinants
- Recession threat seems to have faded, but economic uncertainty remains elevated
- Maine has a robust Budget Stabilization Fund (over \$950 million) and spending from pandemic-era infusion of federal funds (e.g. MJRP) is still ongoing, which will help Maine weather a potential slowdown

# Contact Information

Amanda Rector

Maine State Economist

Department of Administrative and Financial Services

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

[amanda.rector@maine.gov](mailto:amanda.rector@maine.gov)