

Demographic and Workforce Conditions in Maine

Maine County Commissioners Association

September 13, 2023

Amanda Rector

Maine State Economist

Demographics

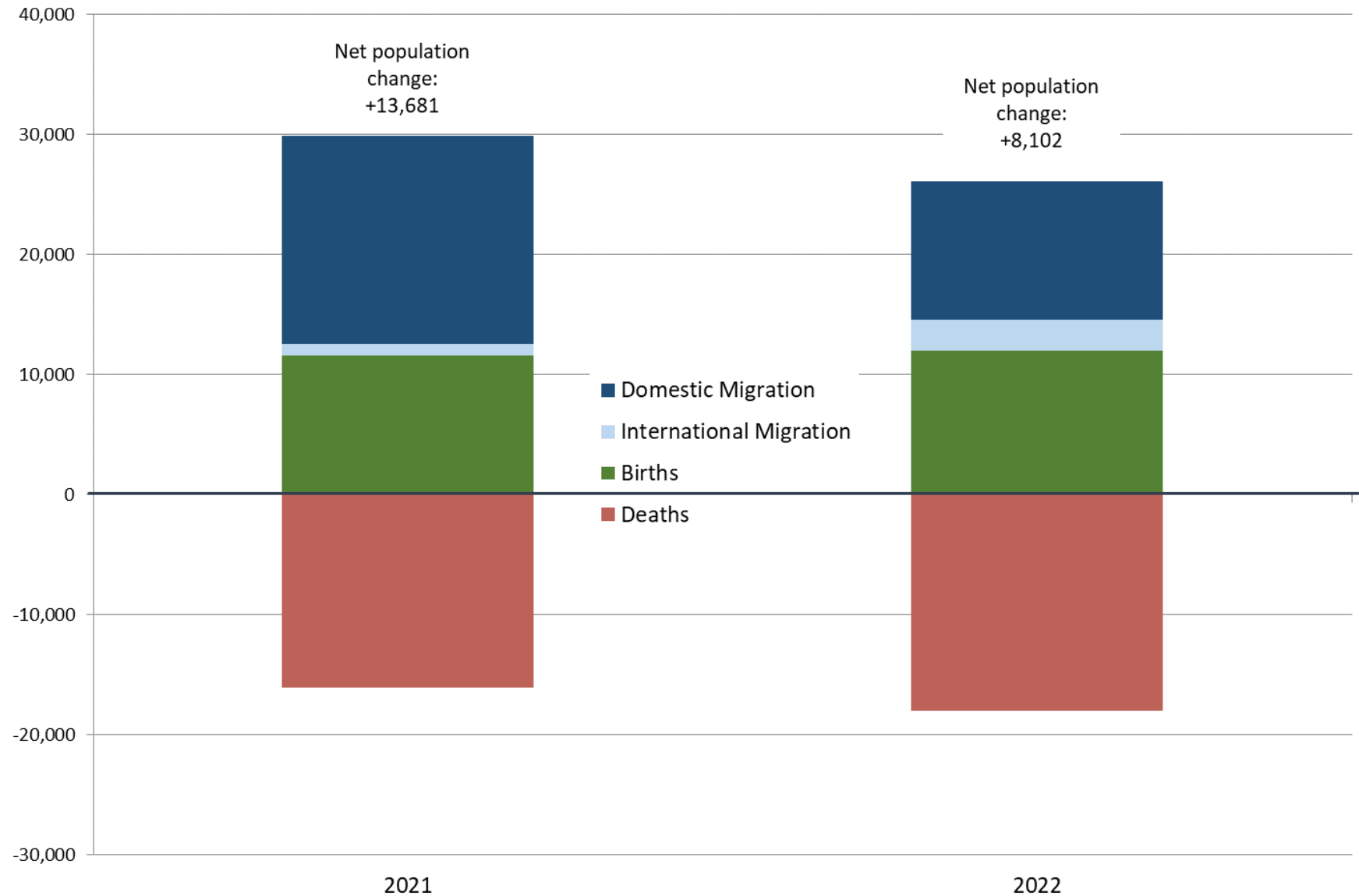
Components of Population Change, Maine

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

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

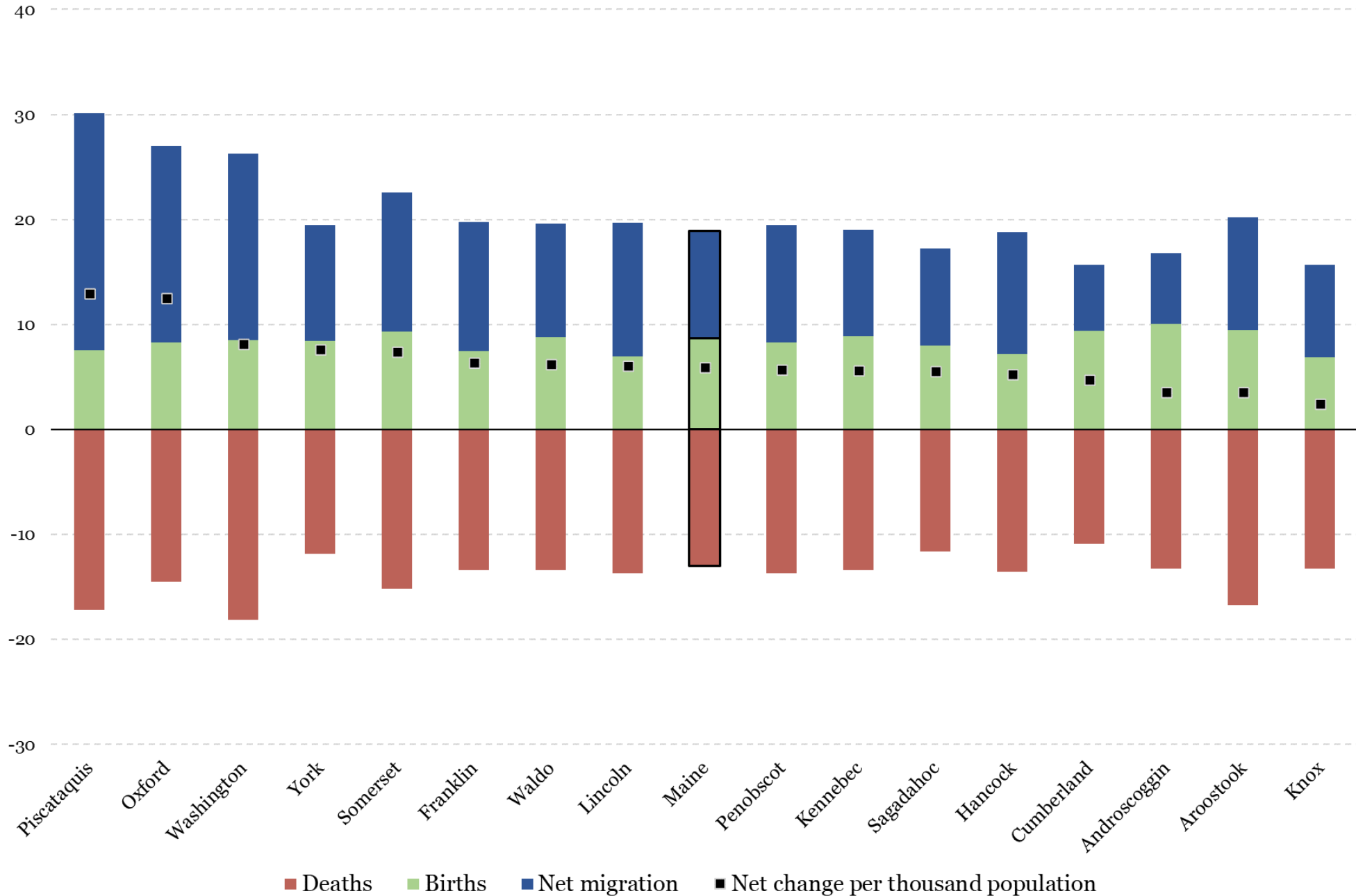
Population increase of
1.7% from 2020-2022
(14th in U.S.)

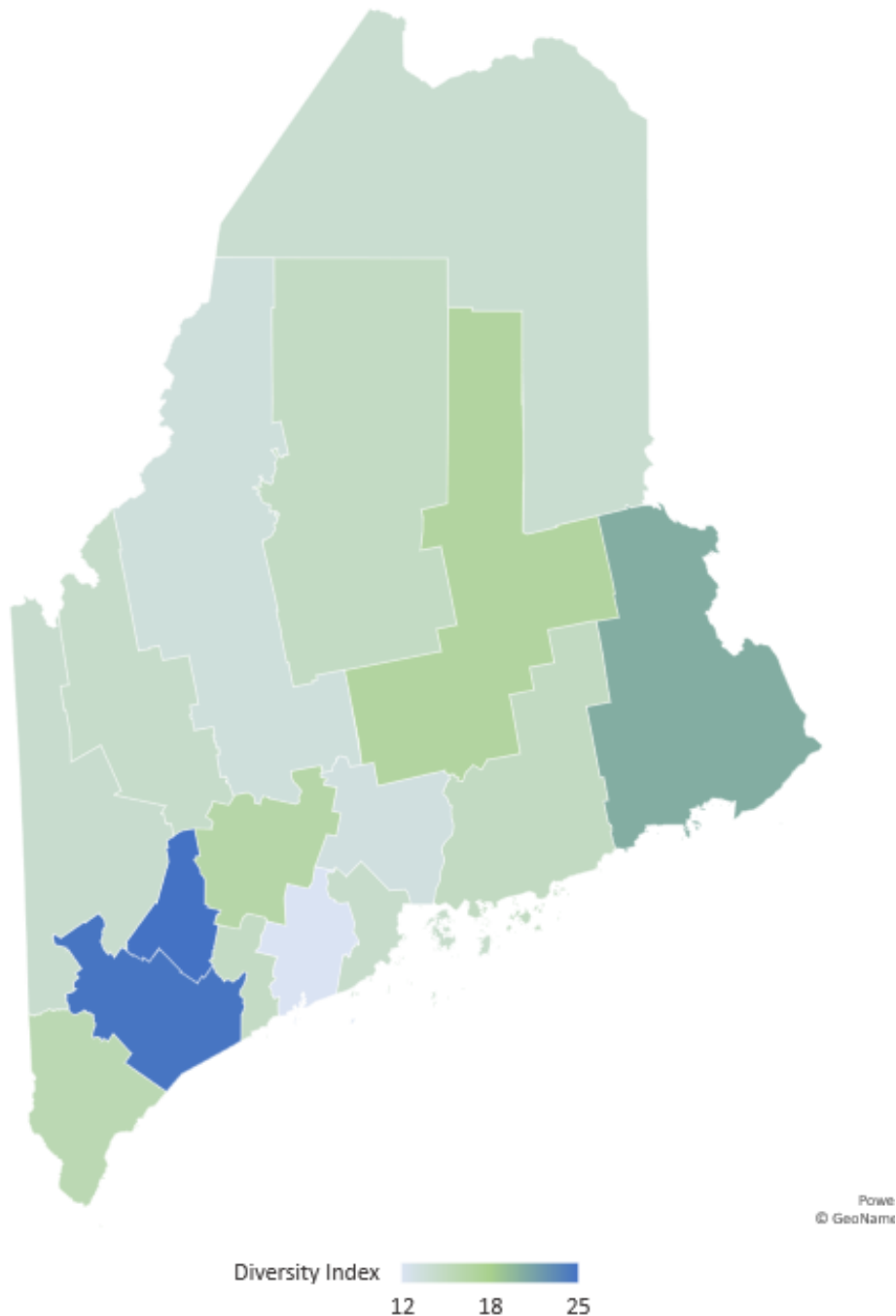
2022 net migration =
10.2 per thousand
(11th in U.S.)



Components of Population Change in Maine, 2022

Rate per thousand population

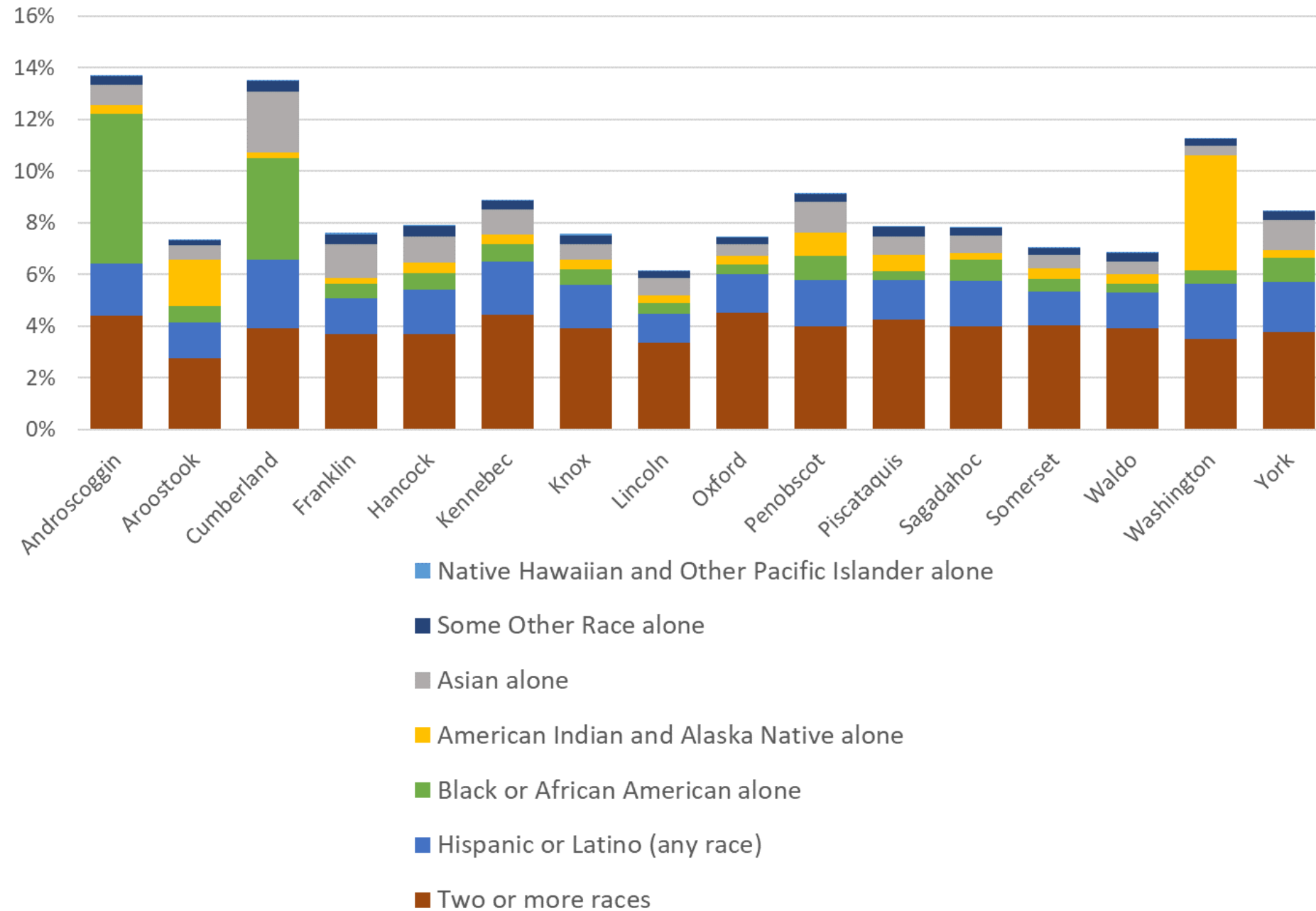




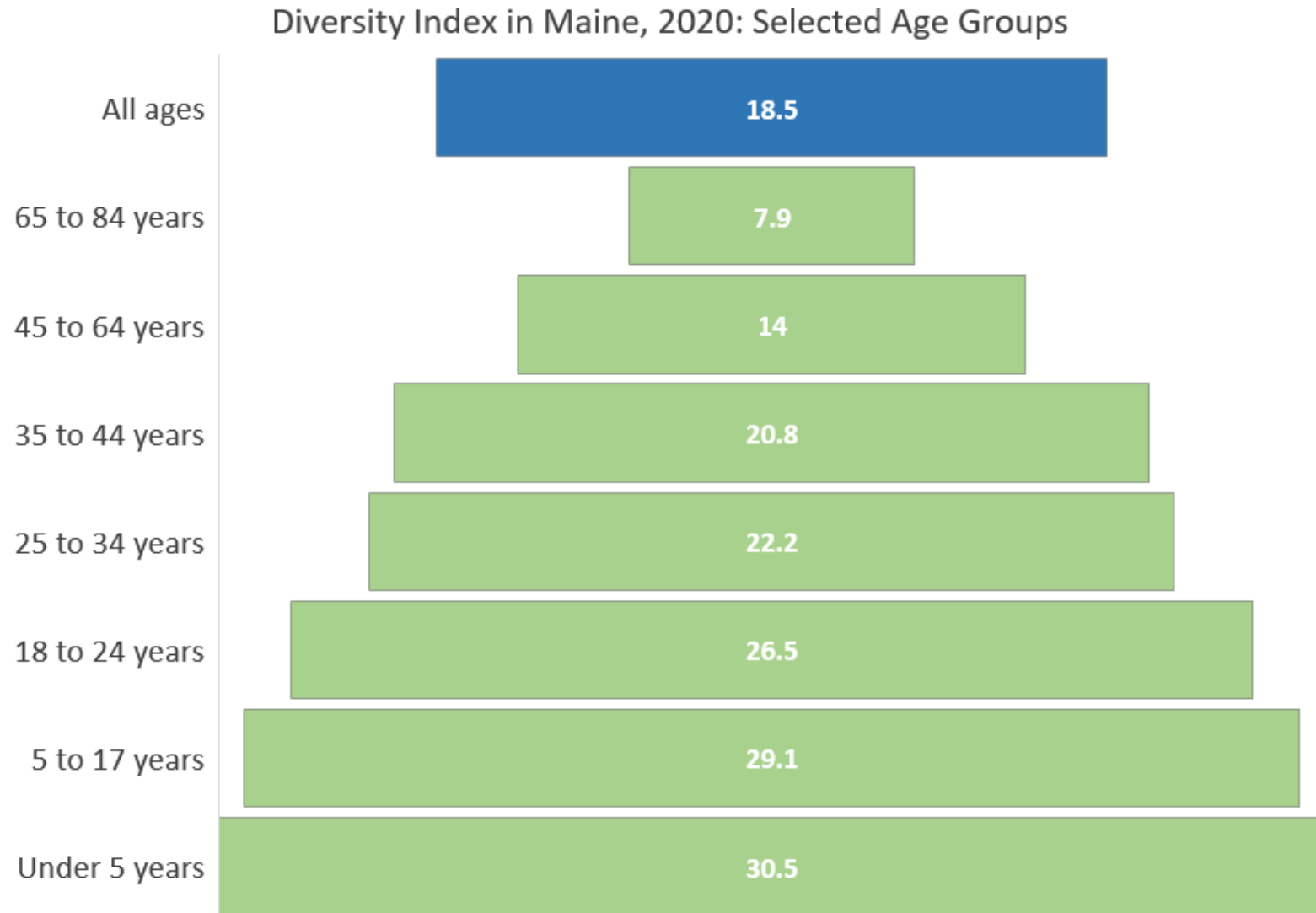
The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

- 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

Share of 2020 Population by Race/Ethnicity Excluding White Alone

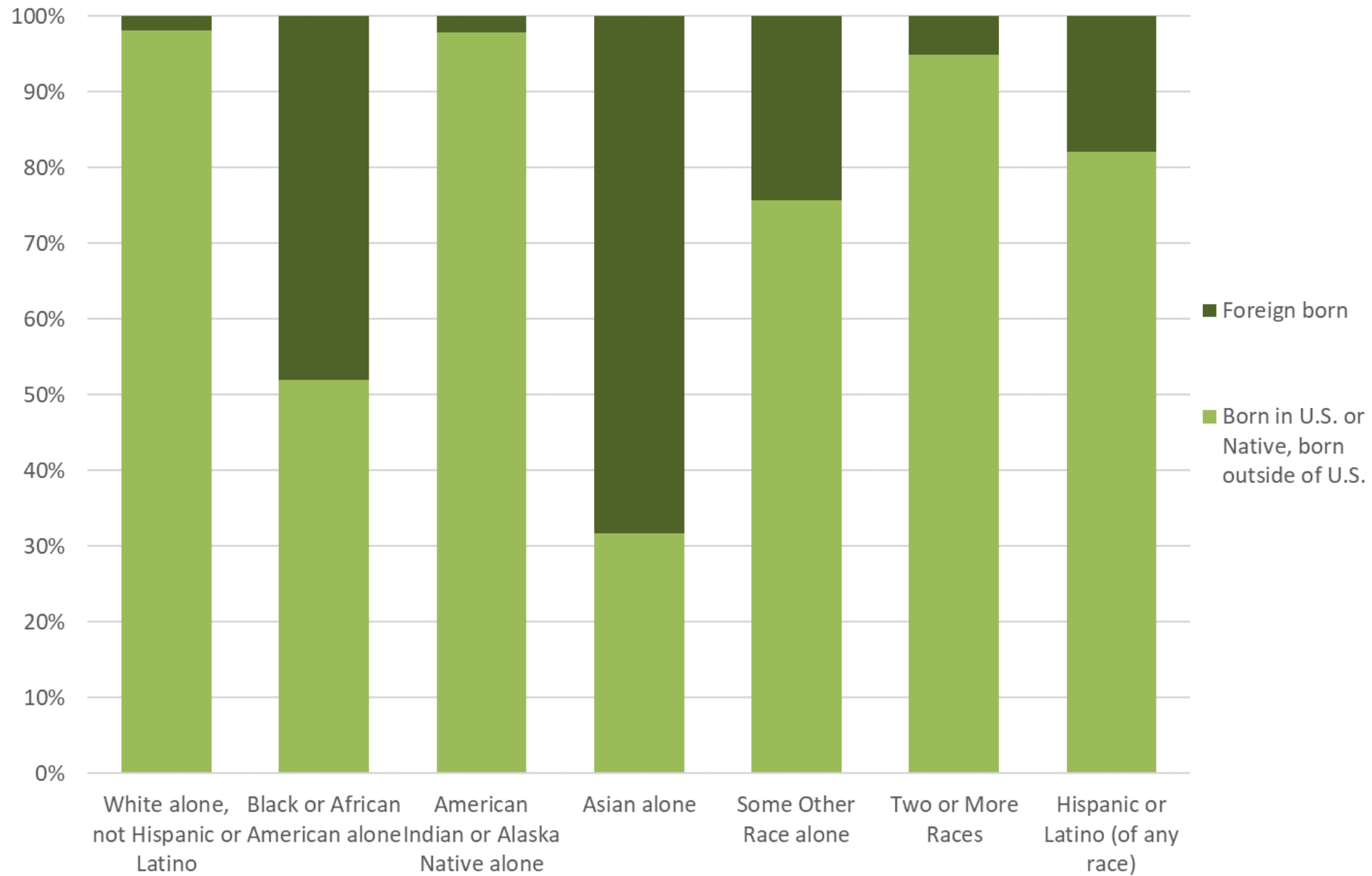


Younger generations in Maine are more diverse than older generations



Race and/or ethnicity
is not the same as
place of birth

Share of Maine Population by Region of Birth for Race/Ethnicity

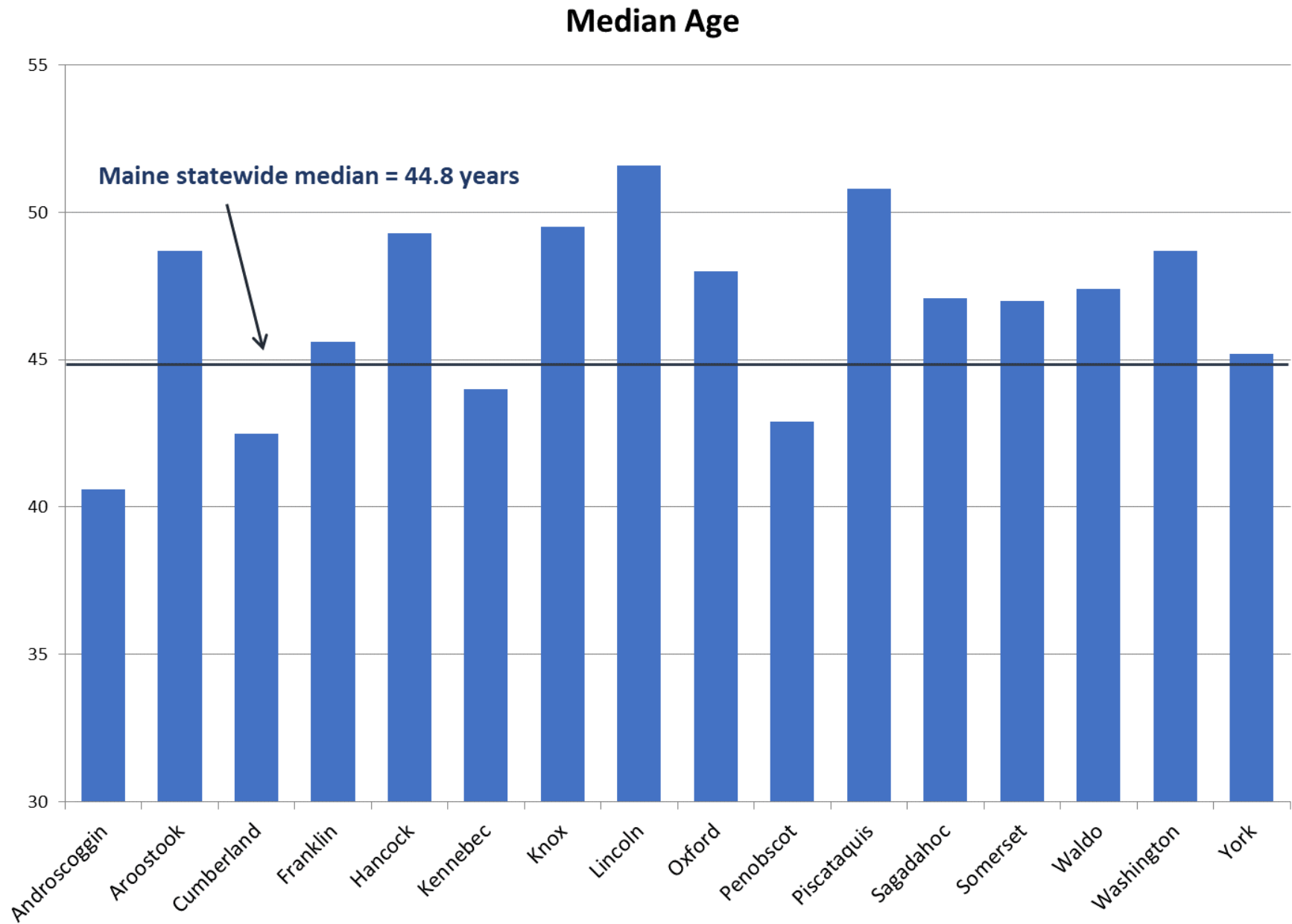


Maine has the oldest population...
...by median age
(44.8 years)
...and by % of population
age 65+ (22.5%)

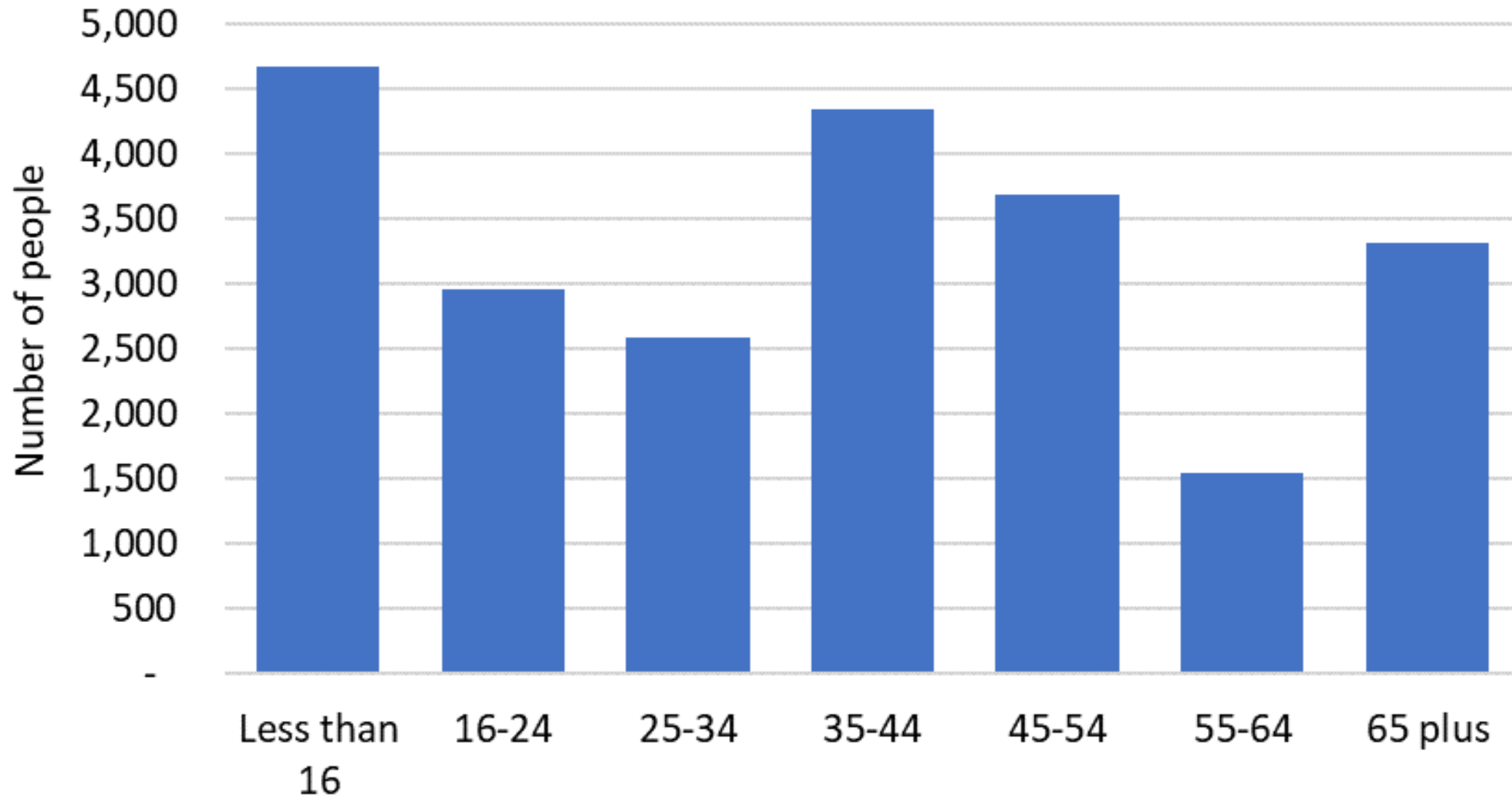
BUT!

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

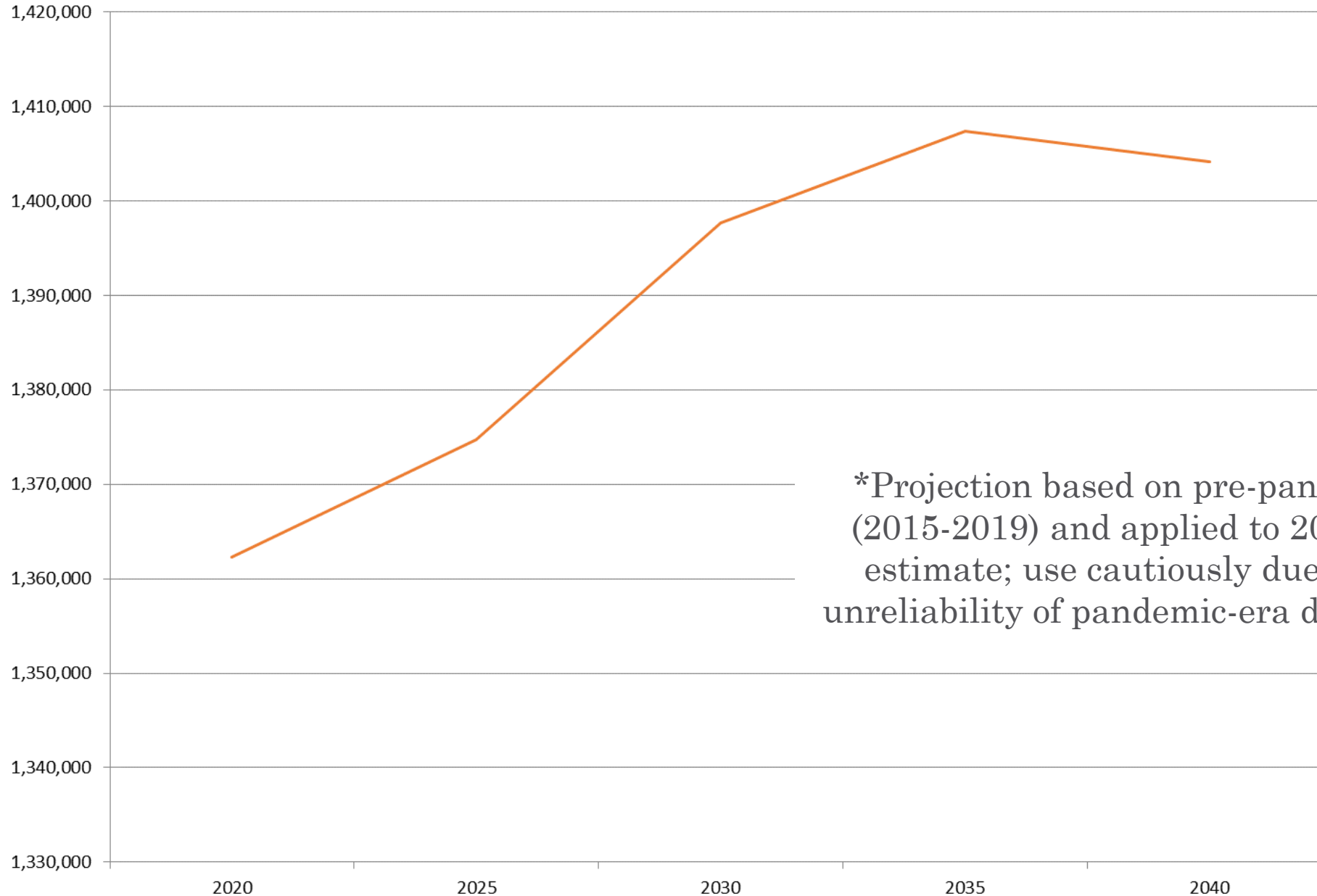
...and was one of only
four states to not see an
increase from 2021 to
2022



Net Migration by Age Cohort

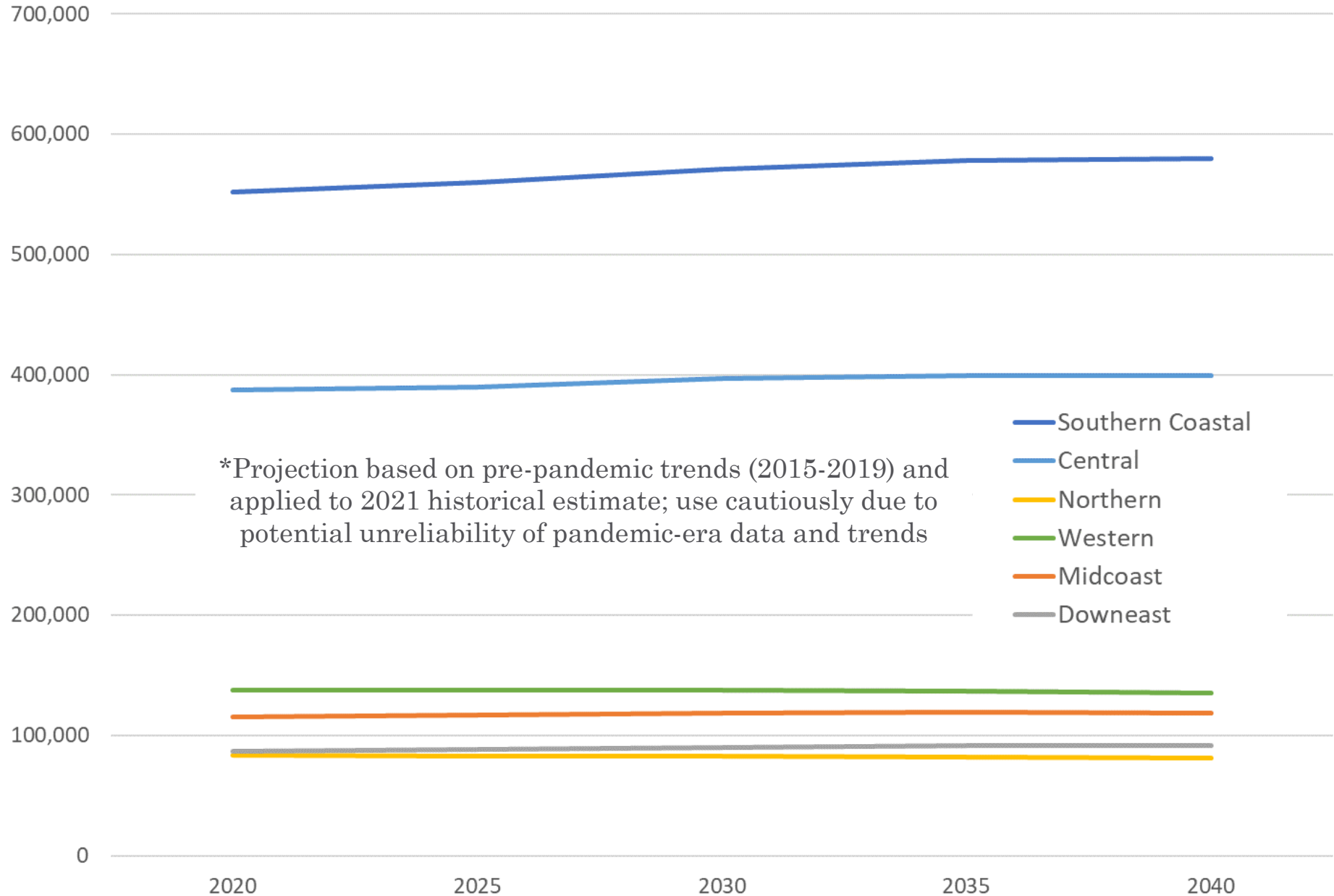


Projected Total Population, Maine



*Projection based on pre-pandemic trends (2015-2019) and applied to 2021 historical estimate; use cautiously due to potential unreliability of pandemic-era data and trends

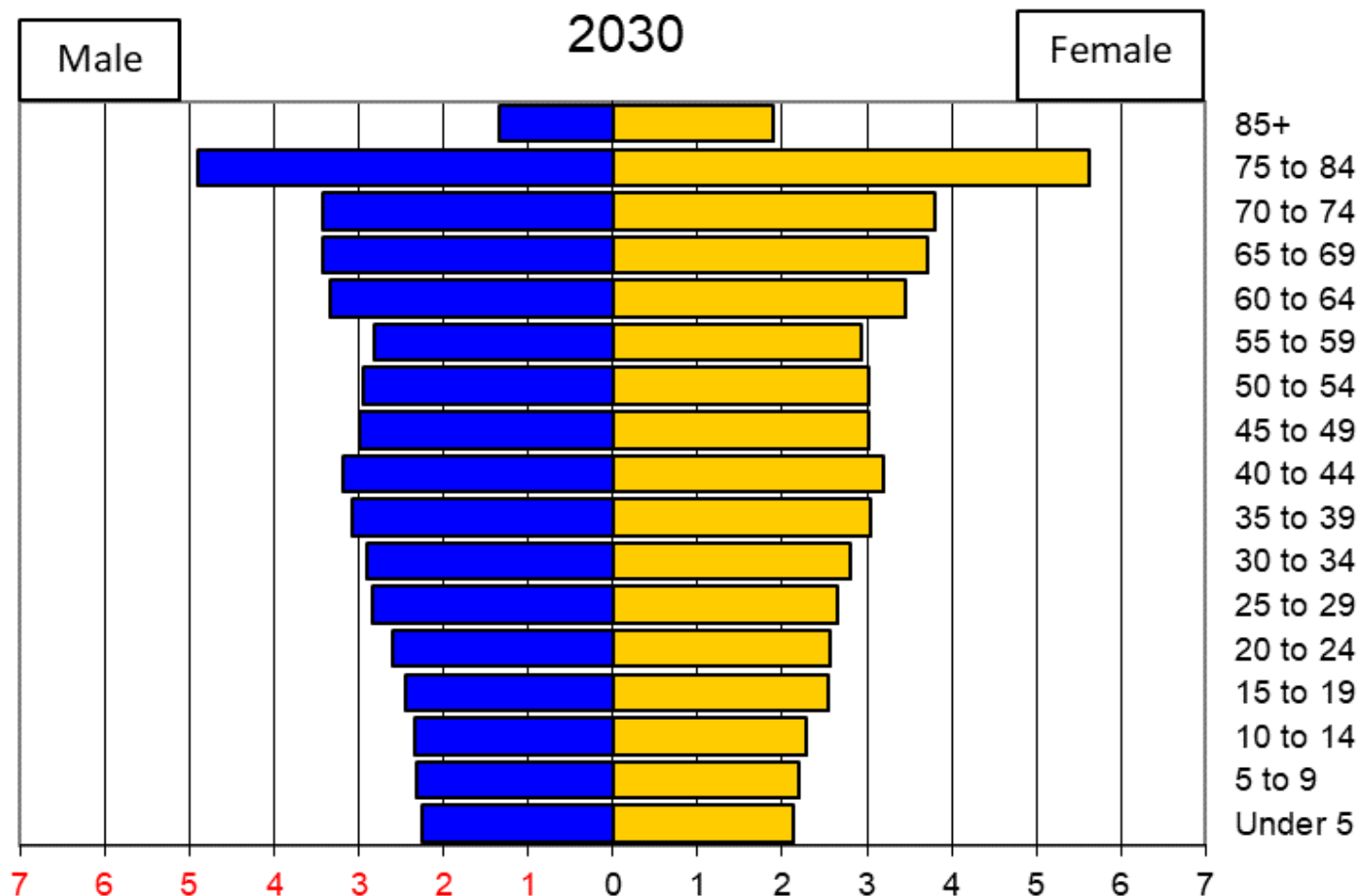
Projected Population by Region



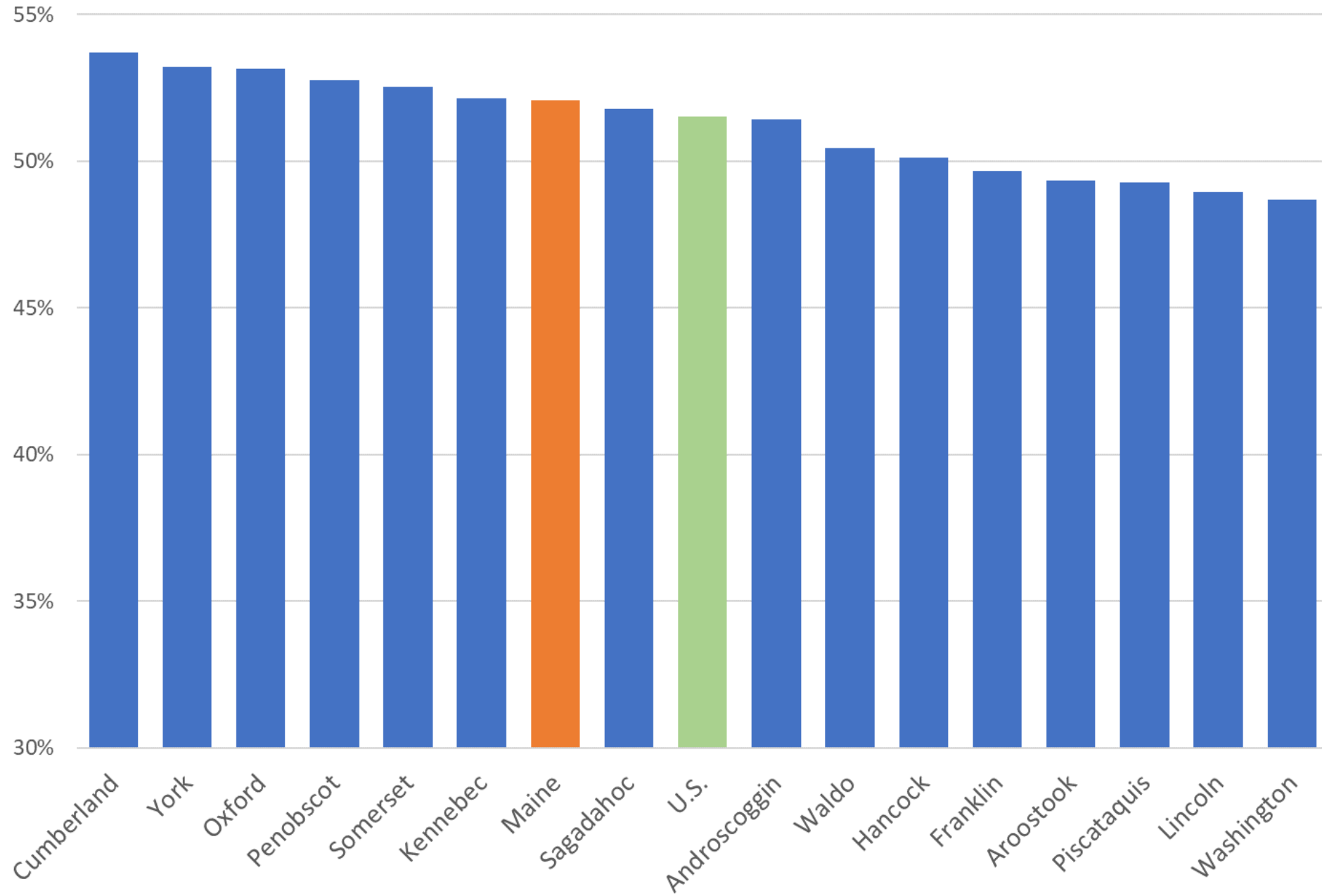
The Baby Boom: 1946-1964

Baby Boom
generation in
2030: age 66-84

Baby Boom
generation in
2022: age 58-76

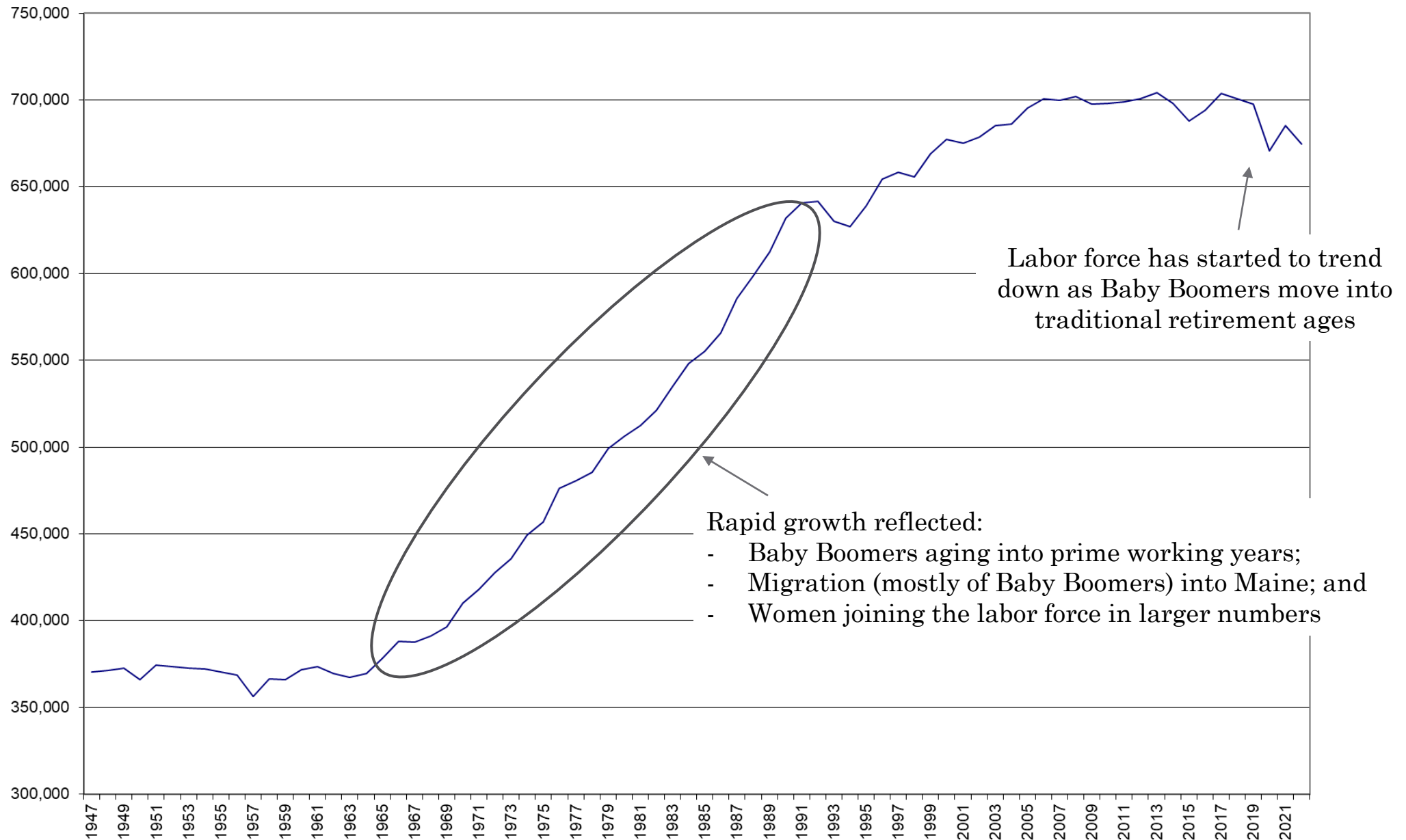


Percent of the population age 25 to 64 years

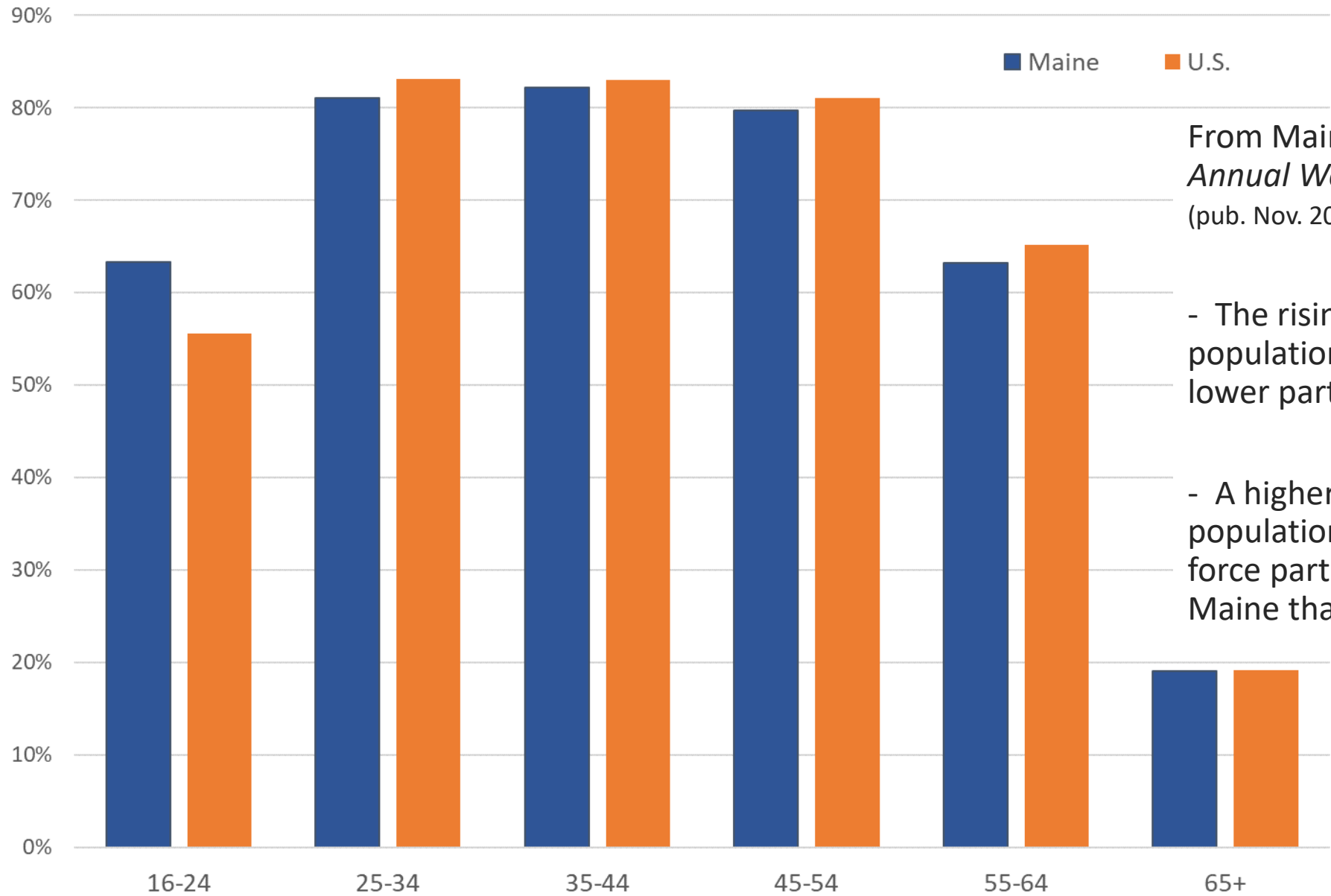


Workforce and Employment

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 July 2023 was at a record low of 2.4% for a fourth consecutive month and is below the U.S. rate of 3.5%

County Rates (not seasonally adjusted)

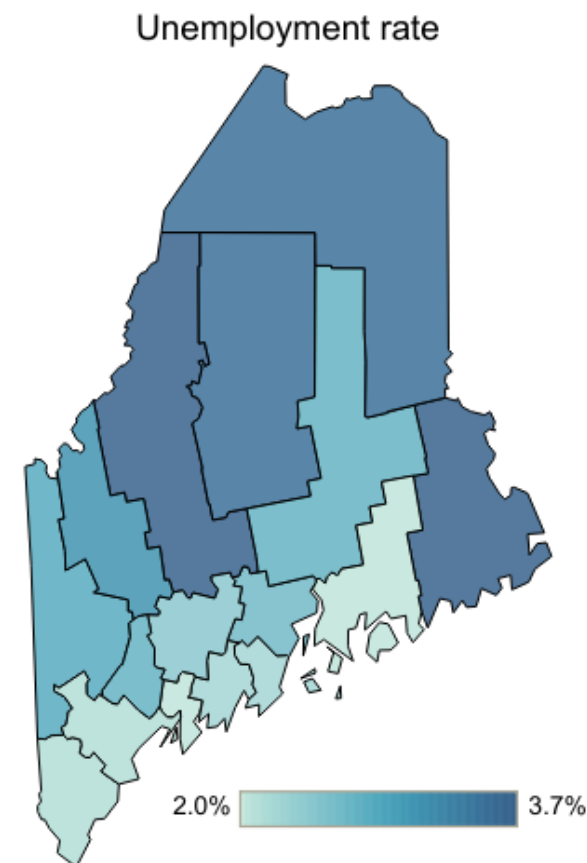
July, 2023

- ☒ Table
☐ Graph

Map/Graph Display

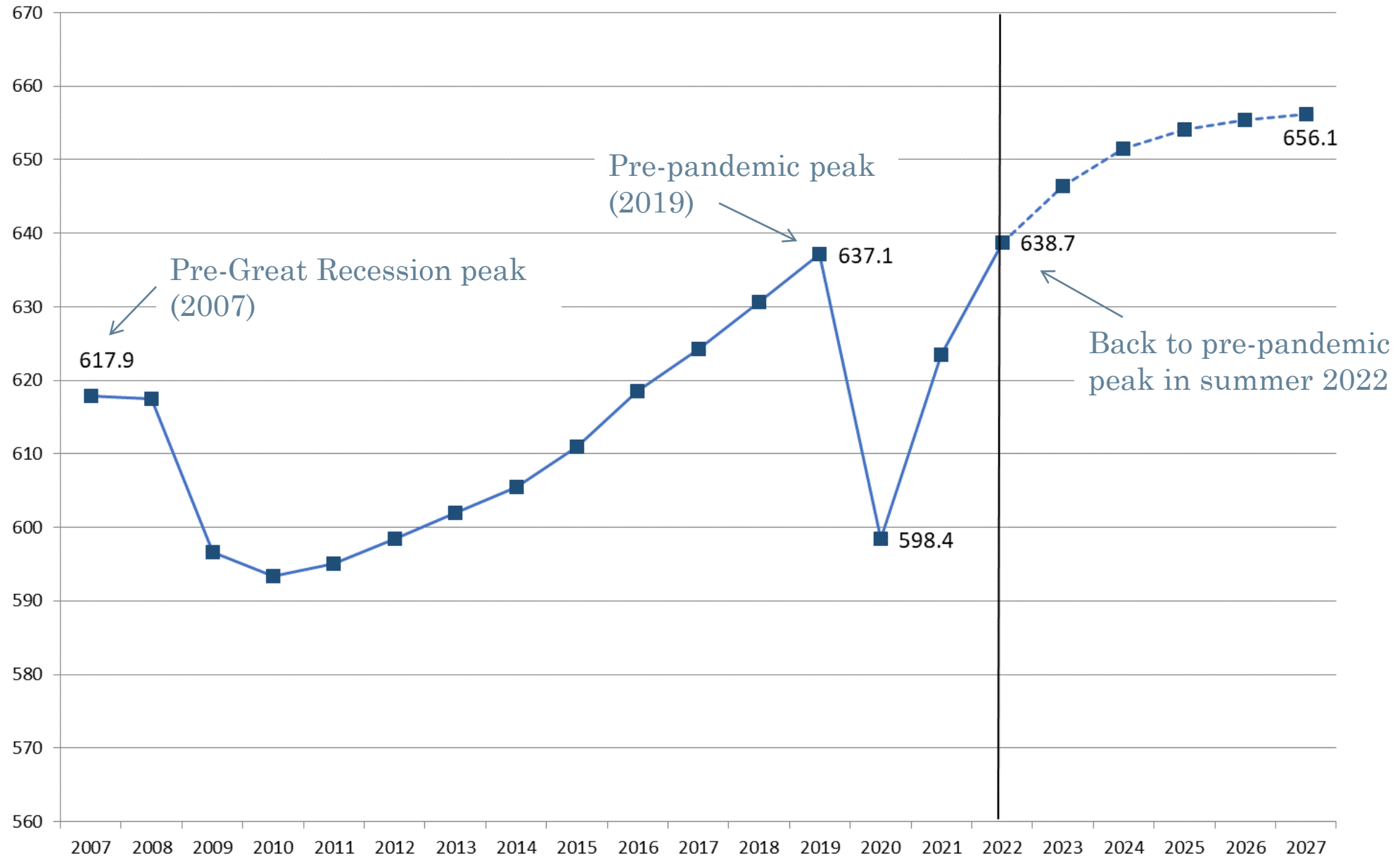
- ☒ Unemployment rate
☐ One-year change

County	Rate	Year ago	One-yr change	
Maine	2.5%	2.5%	0.0	—
Androscoggin	2.7%	2.7%	0.0	—
Aroostook	3.5%	3.5%	0.0	—
Cumberland	2.1%	2.1%	0.0	—
Franklin	3.1%	3.0%	0.1	↑
Hancock	2.0%	2.2%	-0.2	↓
Kennebec	2.4%	2.5%	-0.1	↓
Knox	2.2%	2.3%	-0.1	↓
Lincoln	2.2%	2.1%	0.1	↑
Oxford	2.8%	2.8%	0.0	—
Penobscot	2.7%	2.8%	-0.1	↓
Piscataquis	3.5%	3.1%	0.4	↑
Sagadahoc	2.0%	2.0%	0.0	—
Somerset	3.7%	3.5%	0.2	↑
Waldo	2.6%	2.6%	0.0	—
Washington	3.7%	3.3%	0.4	↑
York	2.1%	2.1%	0.0	—



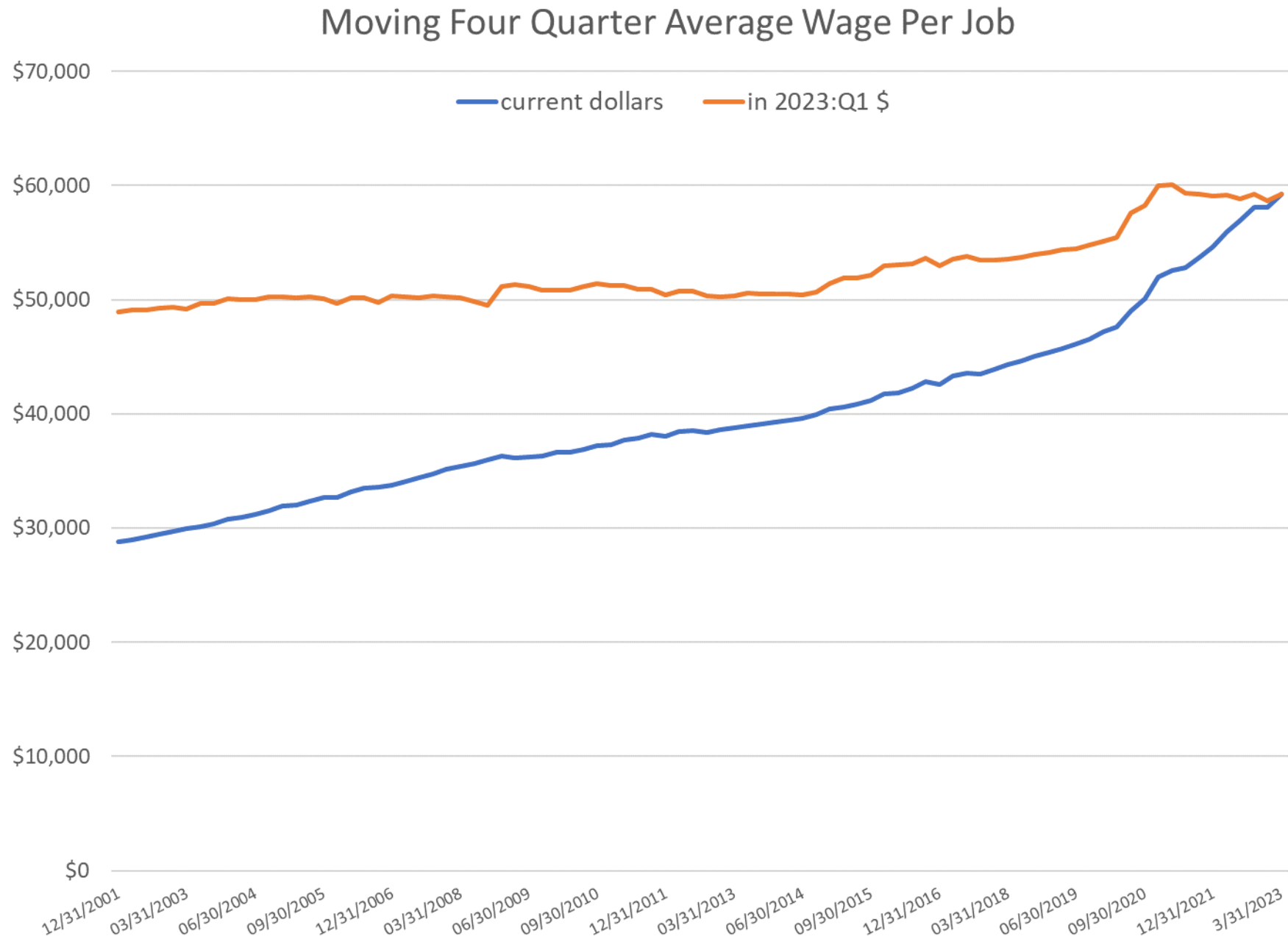
Source: Maine Department of Labor

Total Nonfarm Employment (in thousands) History and CEFC forecast

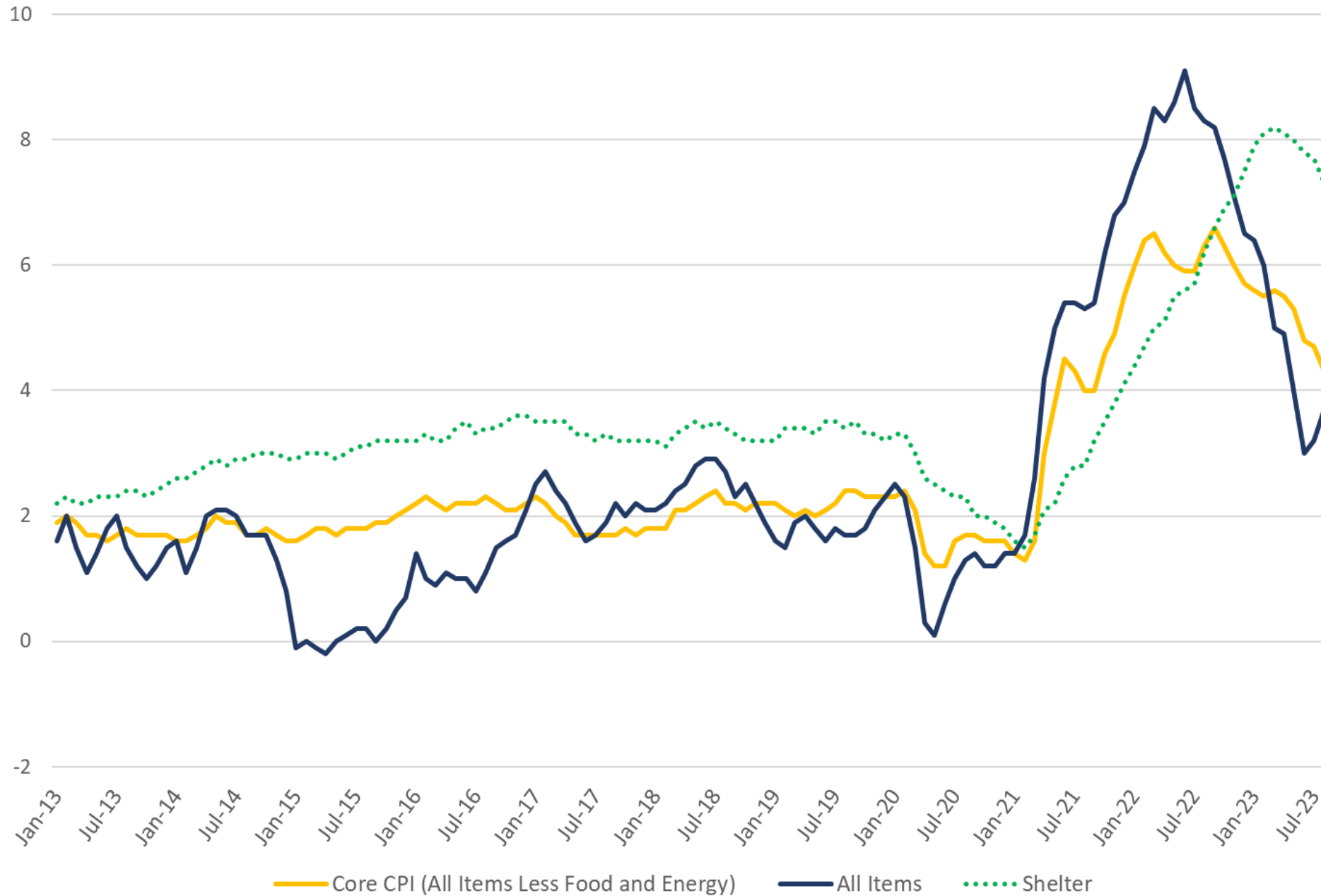


Wages and Inflation

Wages have increased sharply over the past three 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)

What does this mean for interest rates?

Current target range: 5.25% to 5.5%

Median projection for 2023 from June 2023 Federal Open Market Committee statement was 5.6%, implying another possible increase of 25 basis points later this year

Wrapping up...

Workforce considerations

- Migration: will the trends continue?
 - *Remote work*: 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: will workers who chose self-employment and gig work during the pandemic stick with it?
- Automation: will employers who struggle to find workers substitute with technology?

Contact Information

Amanda Rector

Maine State Economist

Department of Administrative and Financial Services

www.maine.gov/dafs/economist

amanda.rector@maine.gov