

# The State of the State: An Economist's View of Maine's Demographics, Labor Market and the Road Ahead

Employer of Choice Summit

November 1, 2023

Amanda Rector

Maine State Economist

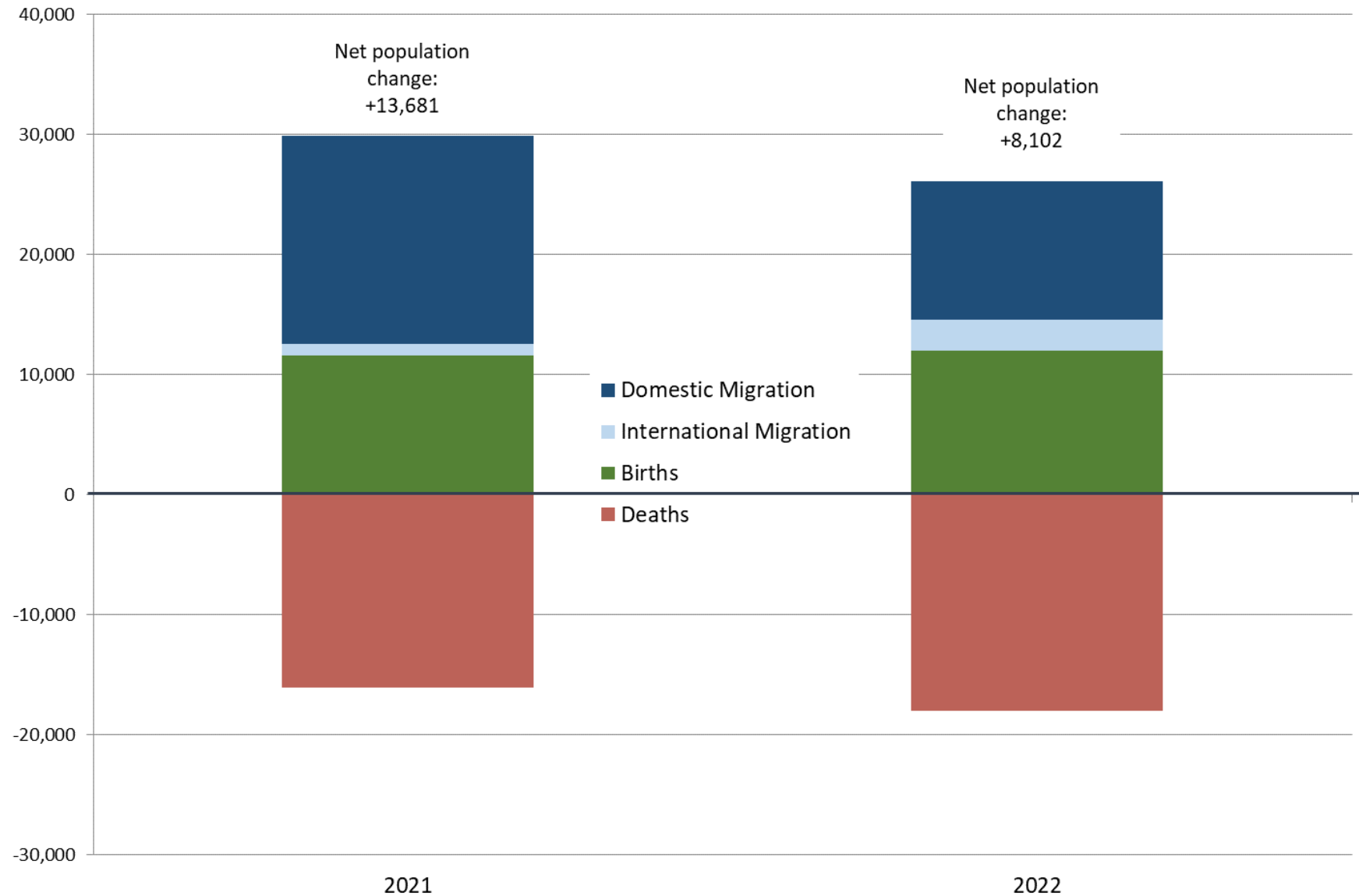
## Components of Population Change, Maine

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.)

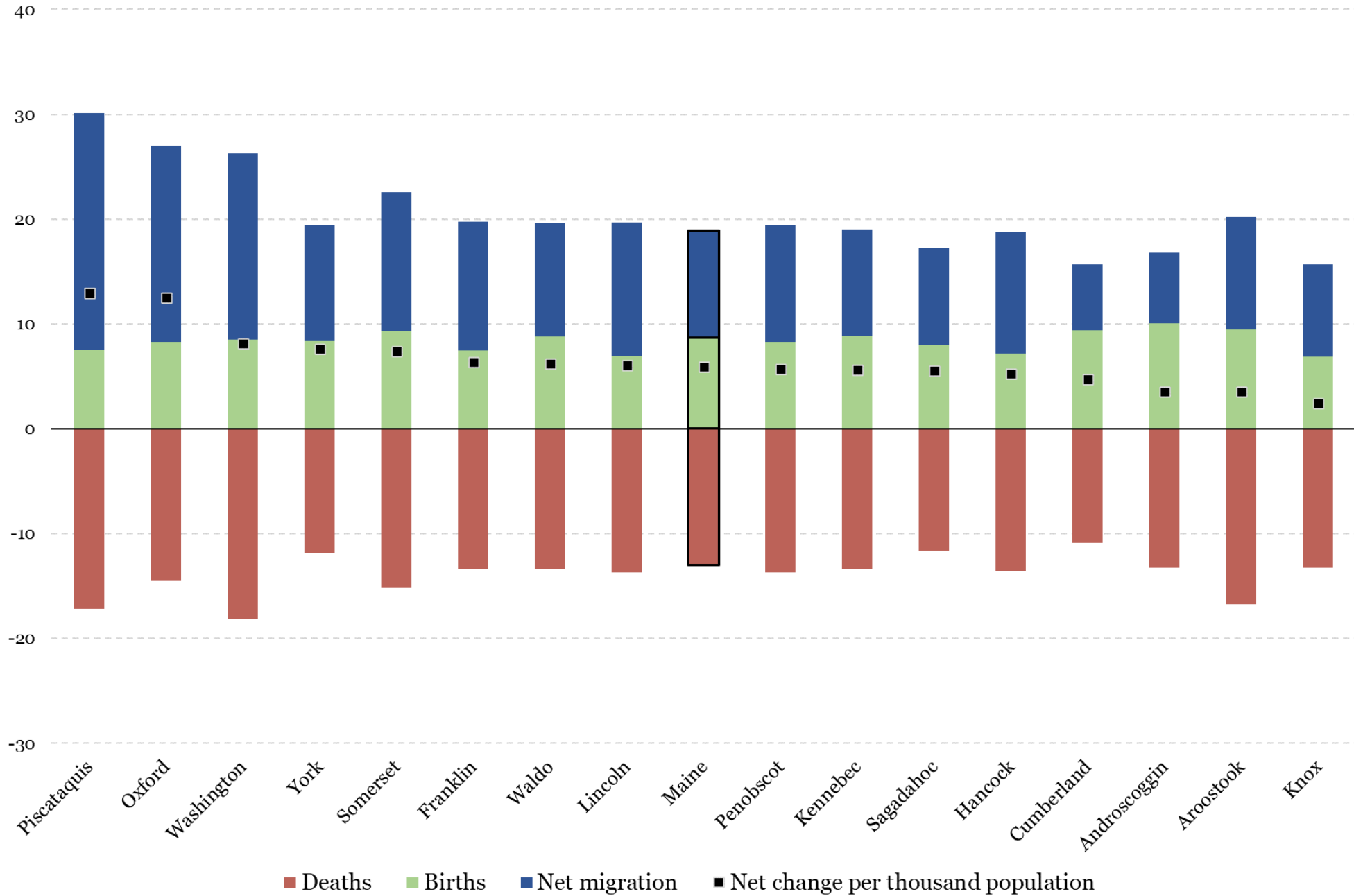
Population increase of  
1.7% from 2020-2022  
(14<sup>th</sup> in U.S.)

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

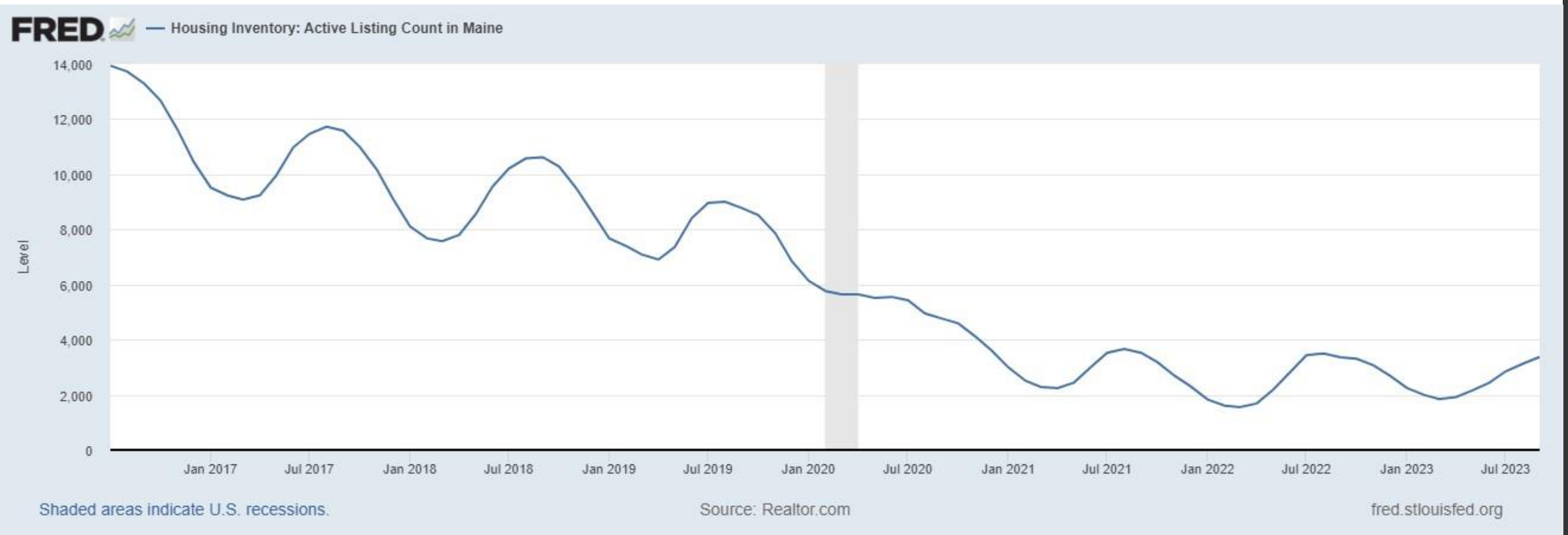


# Components of Population Change in Maine, 2022

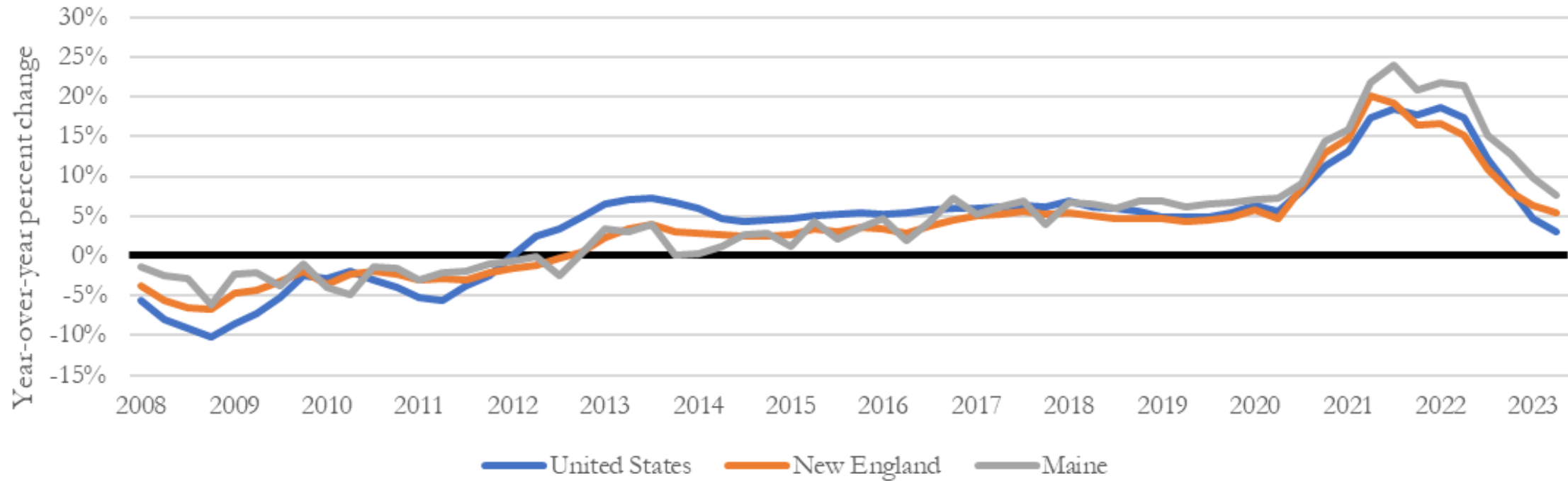
## Rate per thousand population



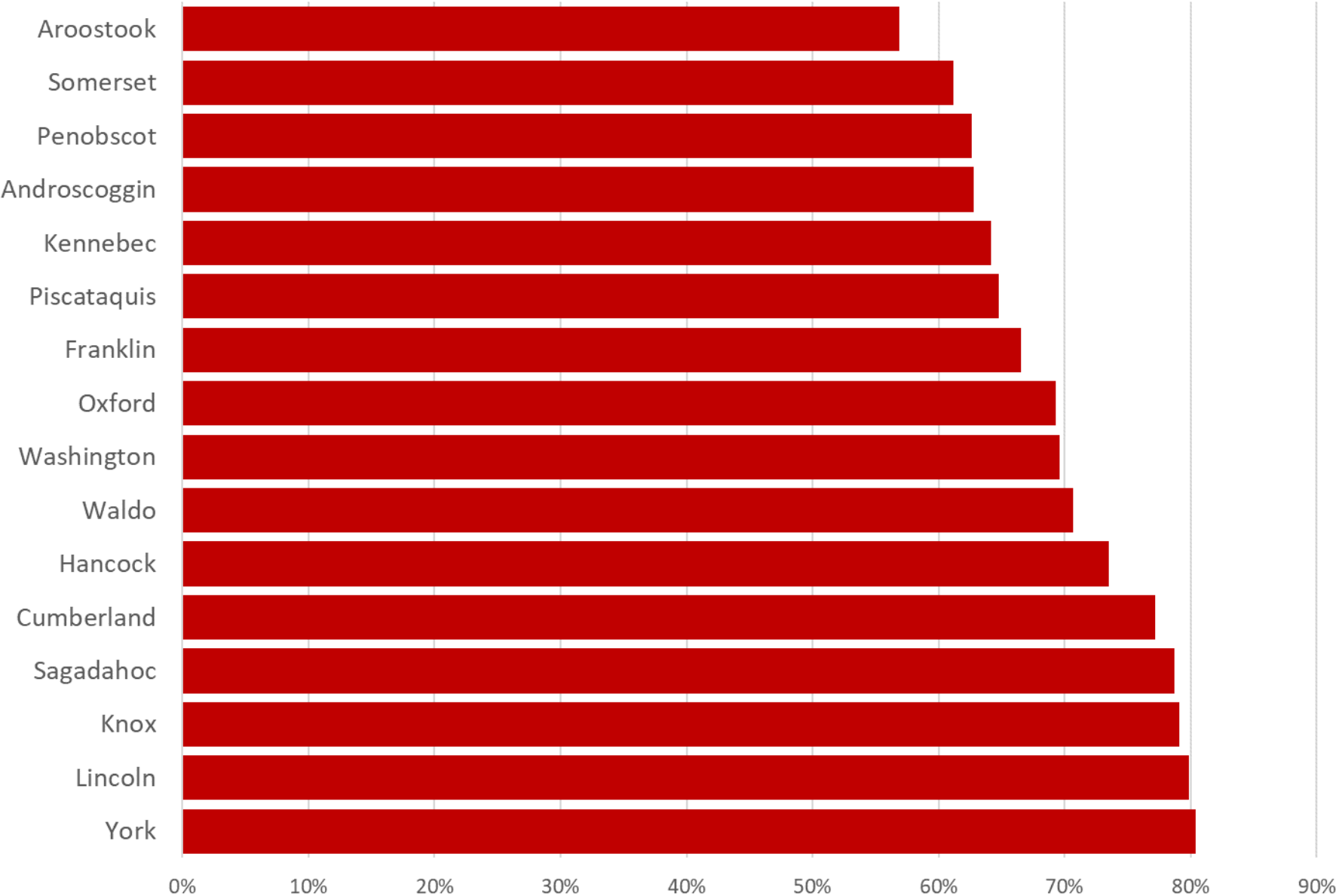
# Migration into the state drove up demand for housing and further reduced the available supply



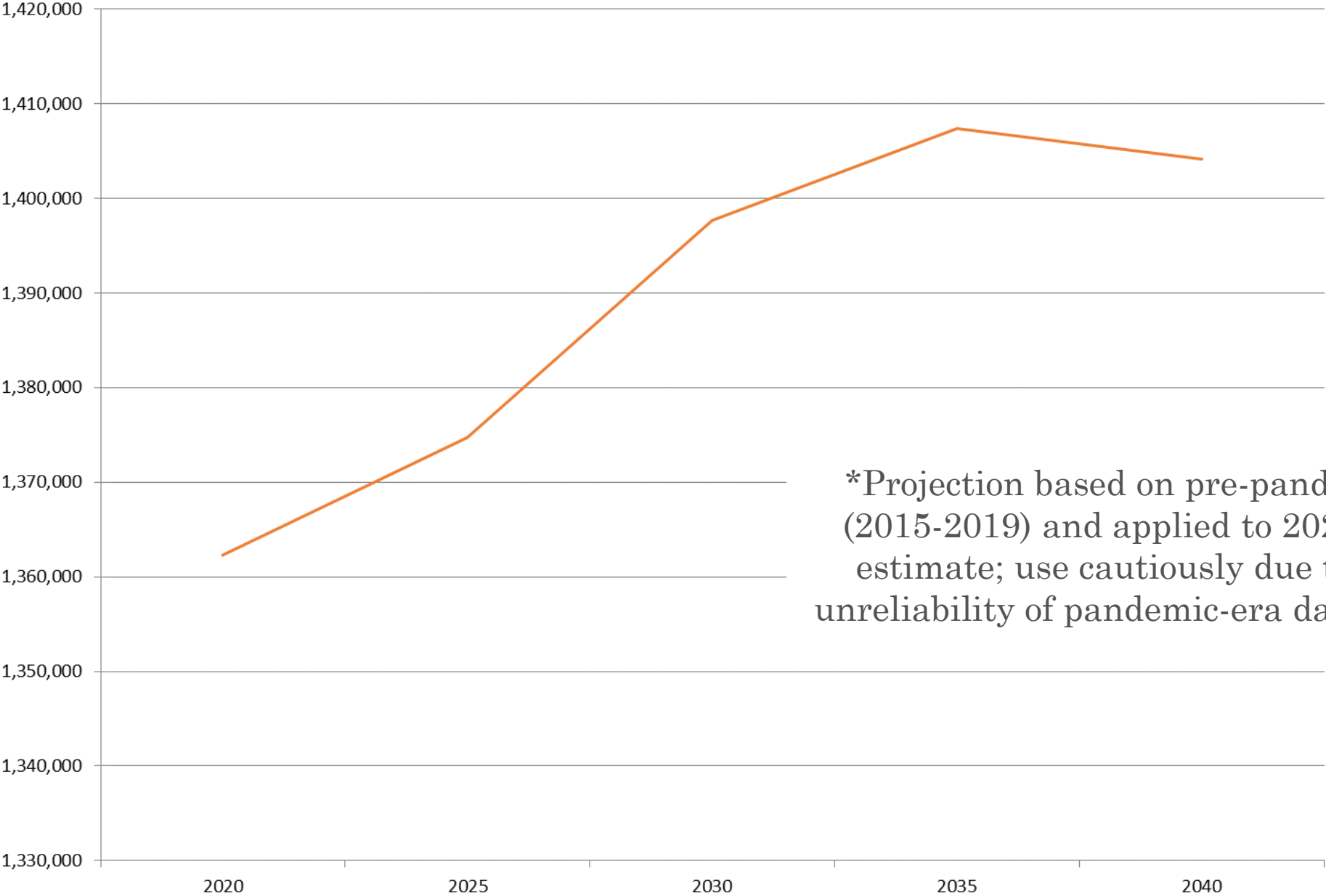
Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



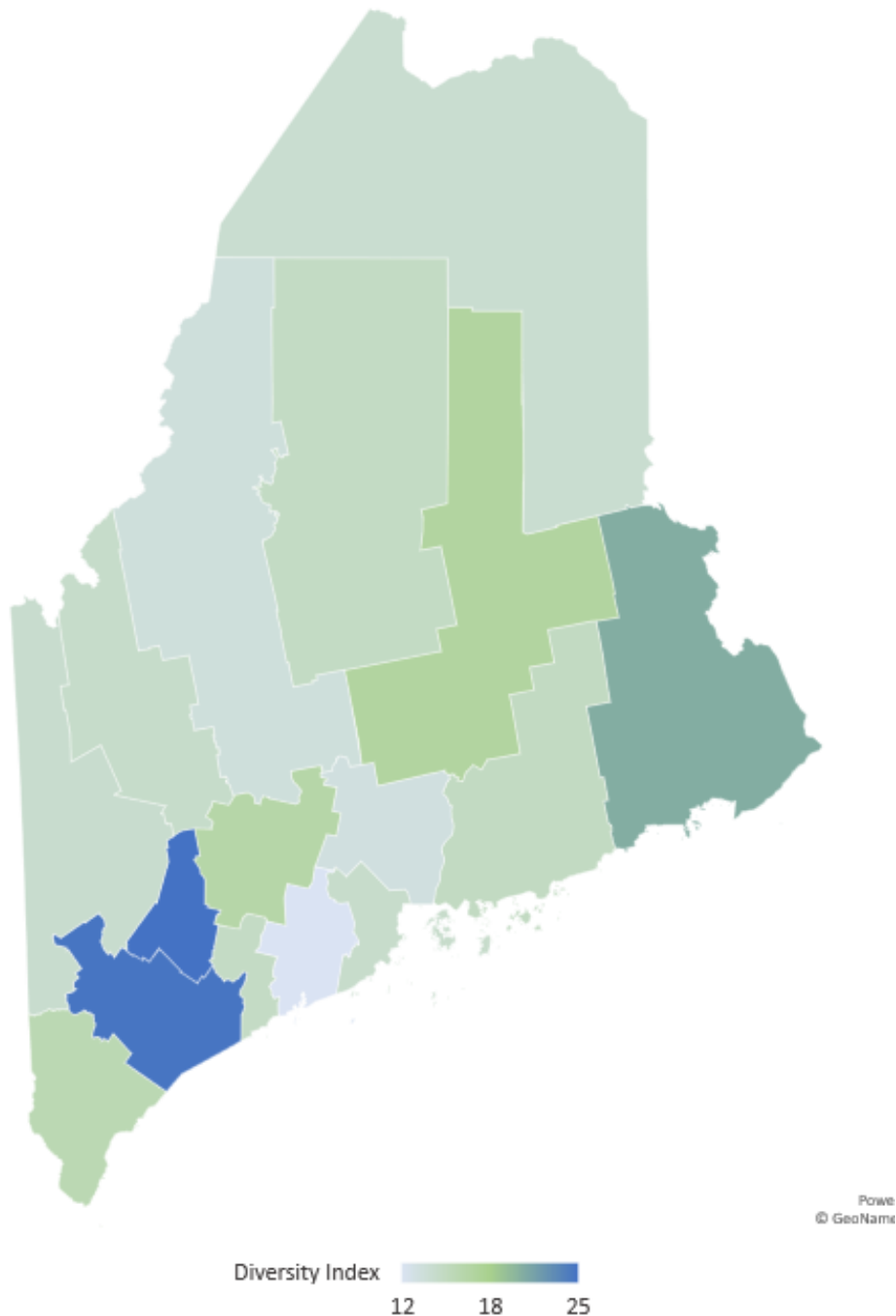
Percent of Households Unable to Afford Median Home, 2022



# 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

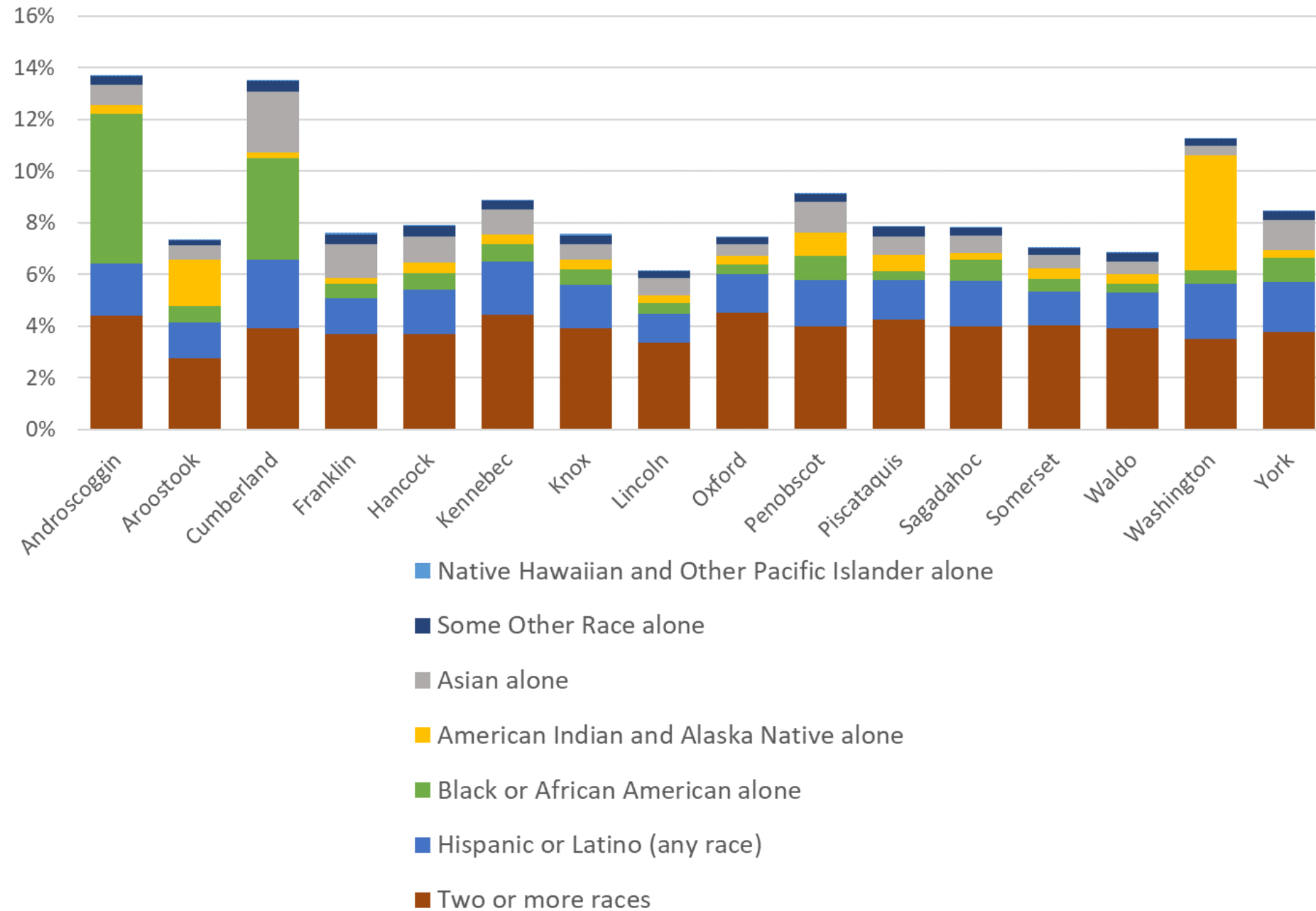


The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

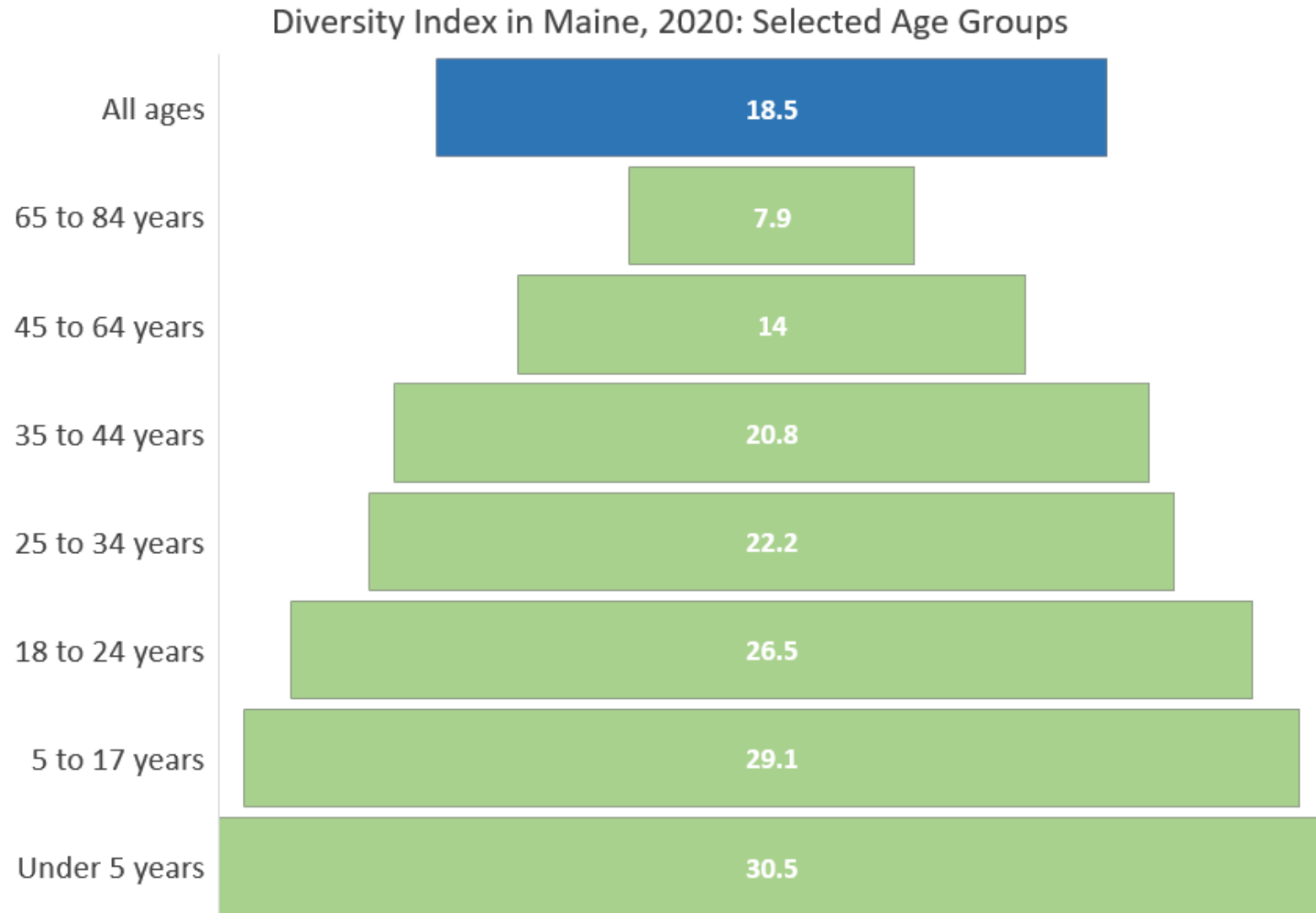
- In 2020, Maine ranked as the least diverse state in the U.S.
  - ME index = 18.5%
  - U.S. index = 61.1%
- But there is regional variation: Cumberland, Androscoggin, and Washington counties are more diverse



Share of 2020 Population by Race/Ethnicity Excluding White Alone

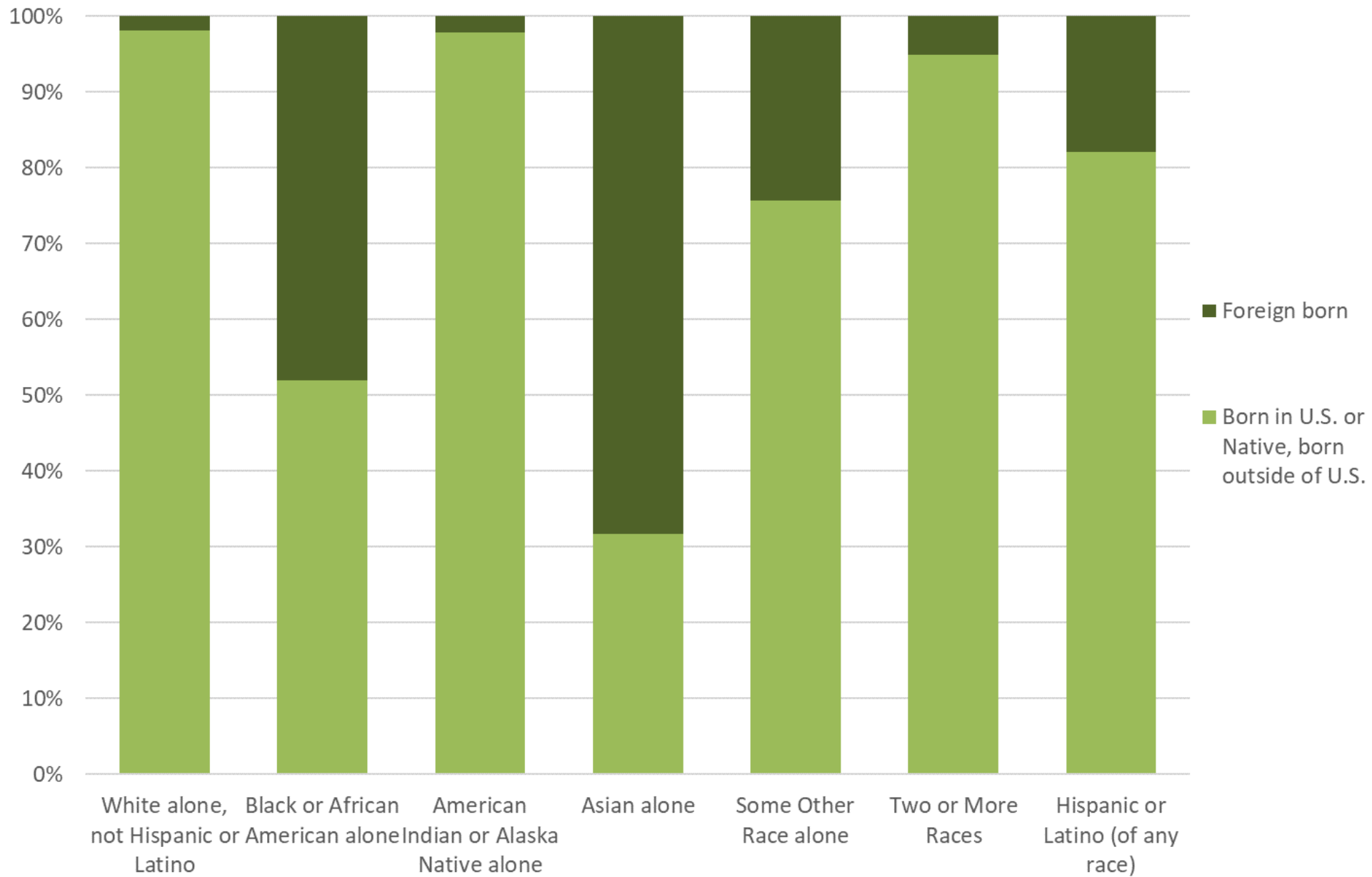


# Younger generations in Maine are more diverse than older generations



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

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

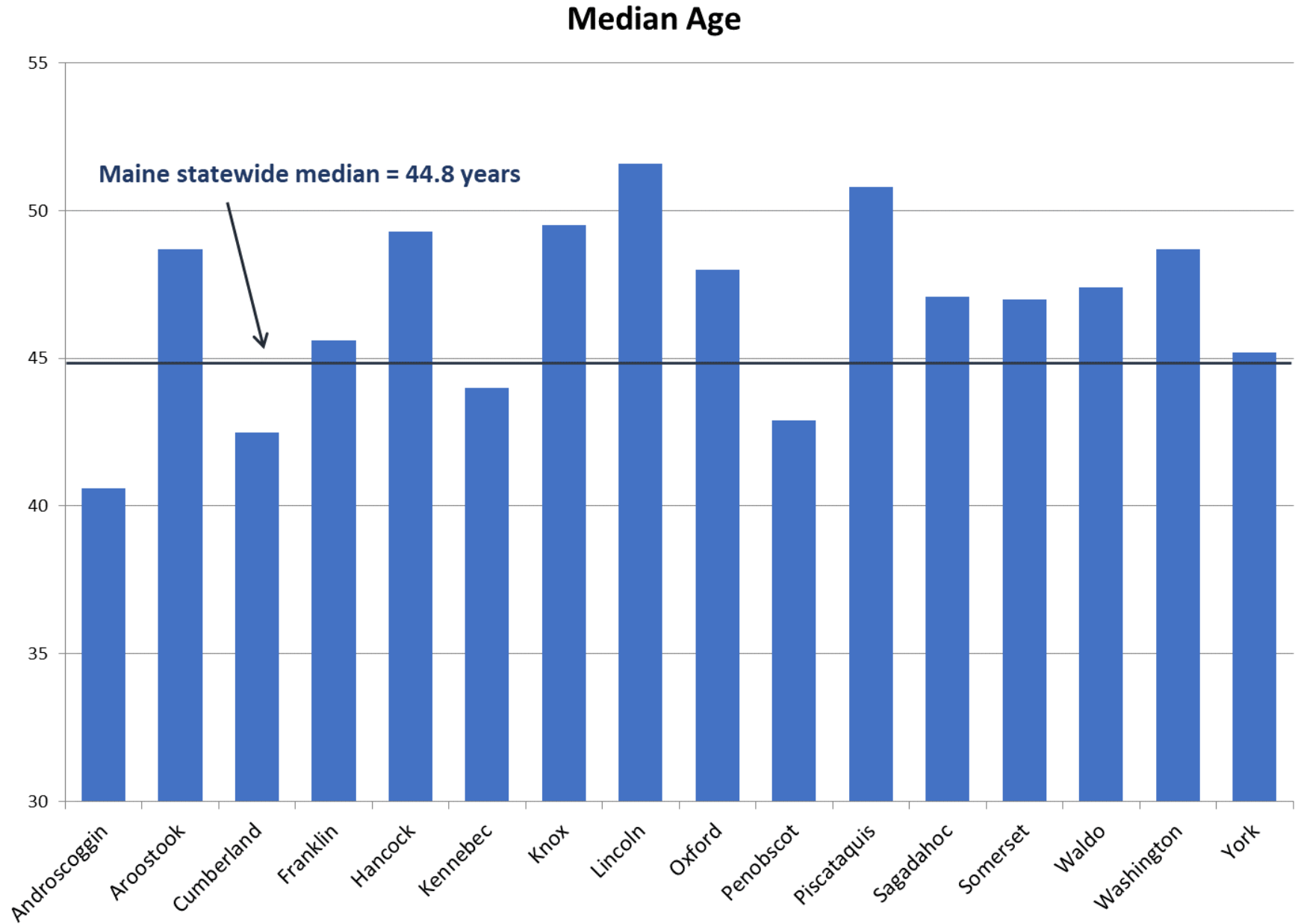


Maine has the oldest population...  
...by median age  
(44.8 years)  
...and by % of population  
age 65+ (22.5%)

**BUT!**

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

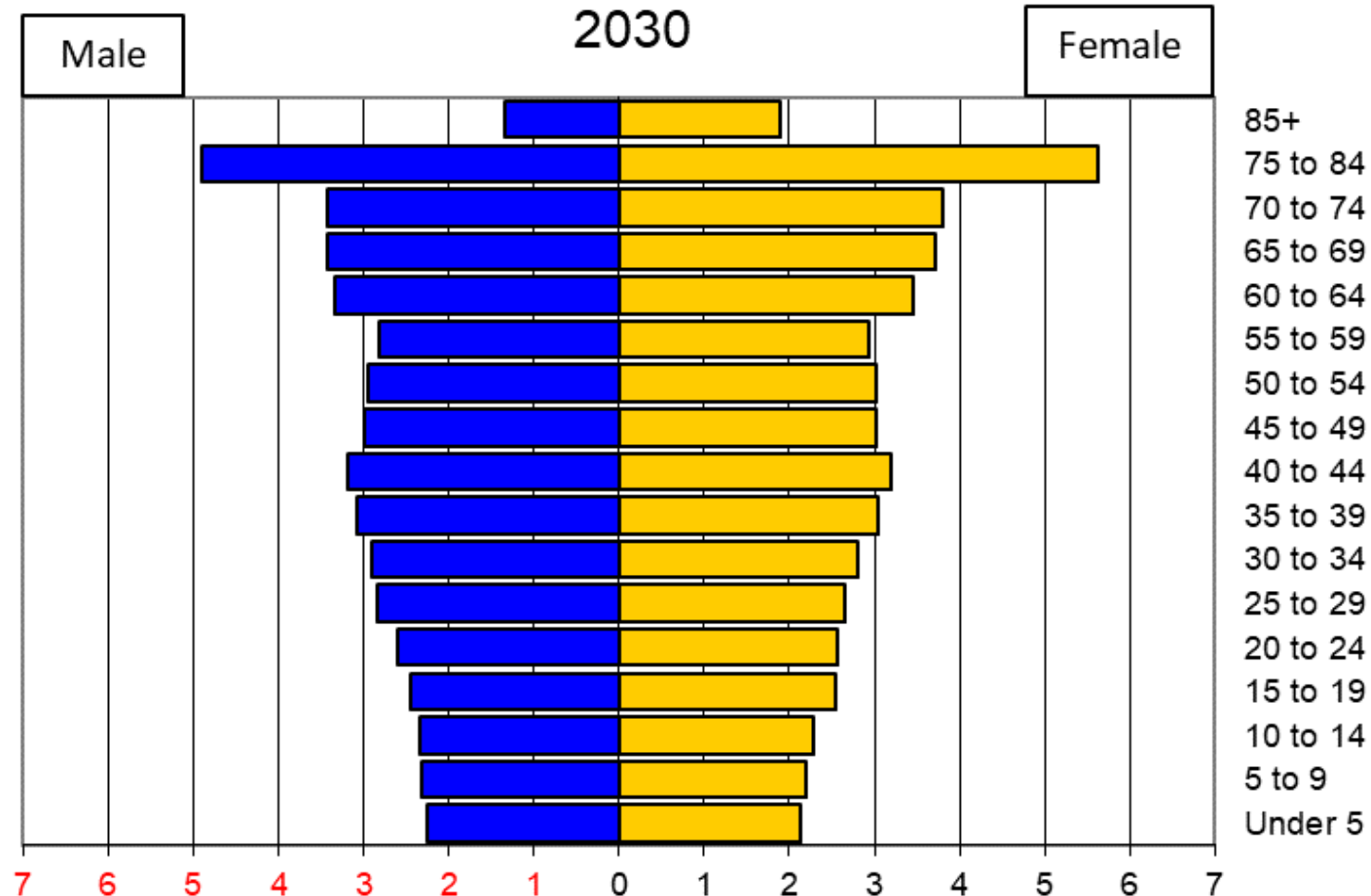
...and was one of only  
four states to not see an  
increase from 2021 to  
2022



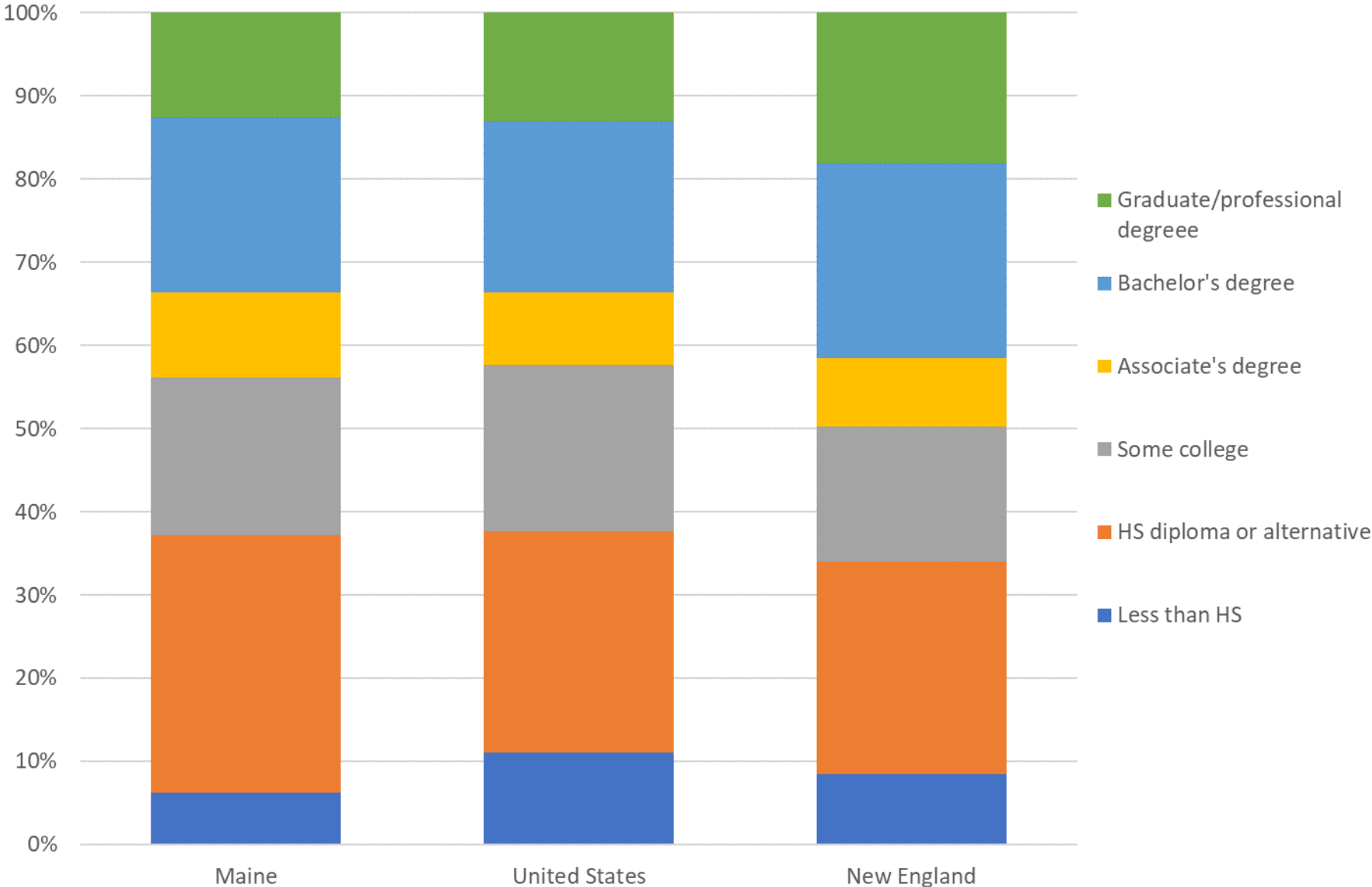
# The Baby Boom: 1946-1964

Baby Boom  
generation in  
2030: age 66-84

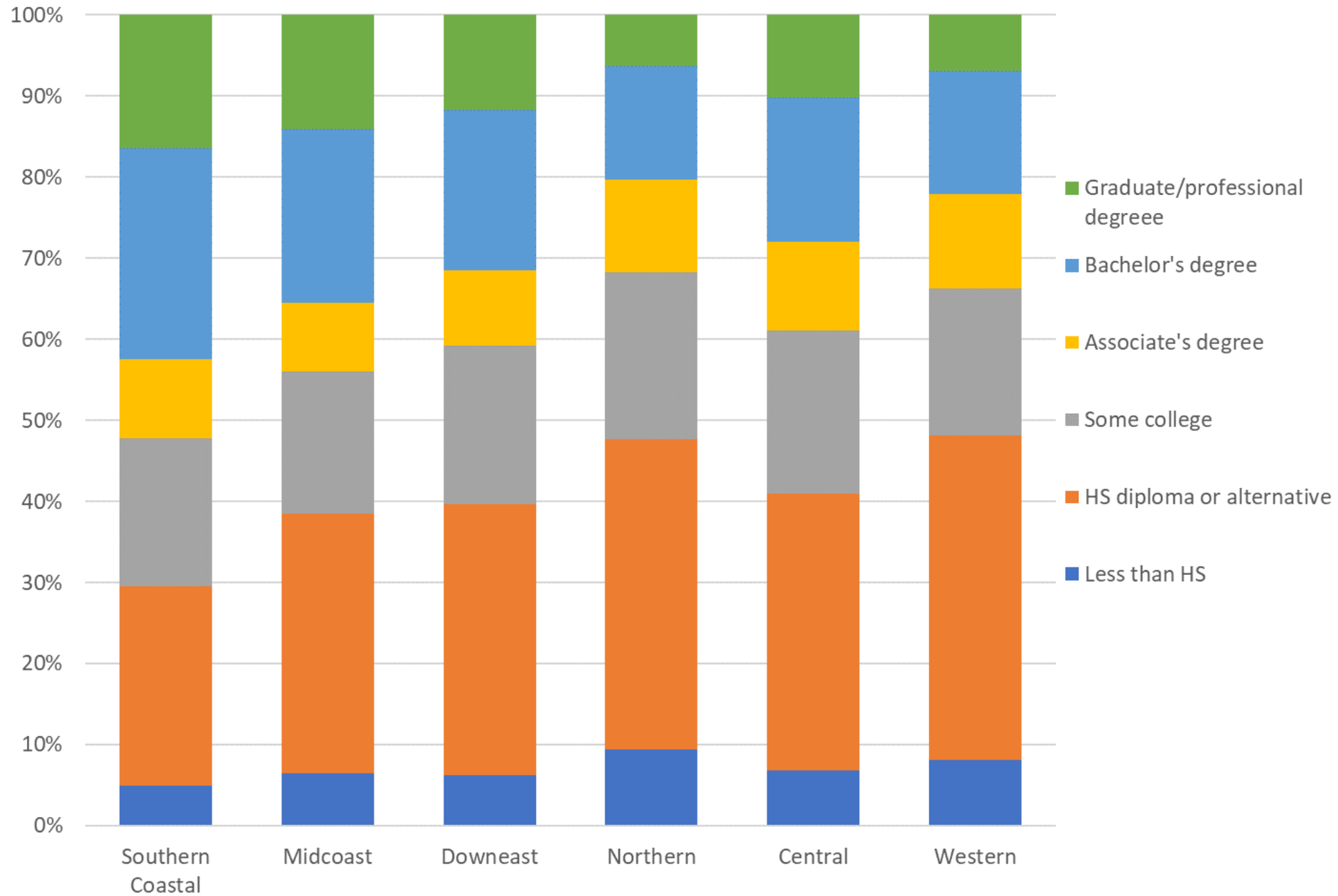
Baby Boom  
generation in  
2022: age 58-76



Educational Attainment of Population Age 25+

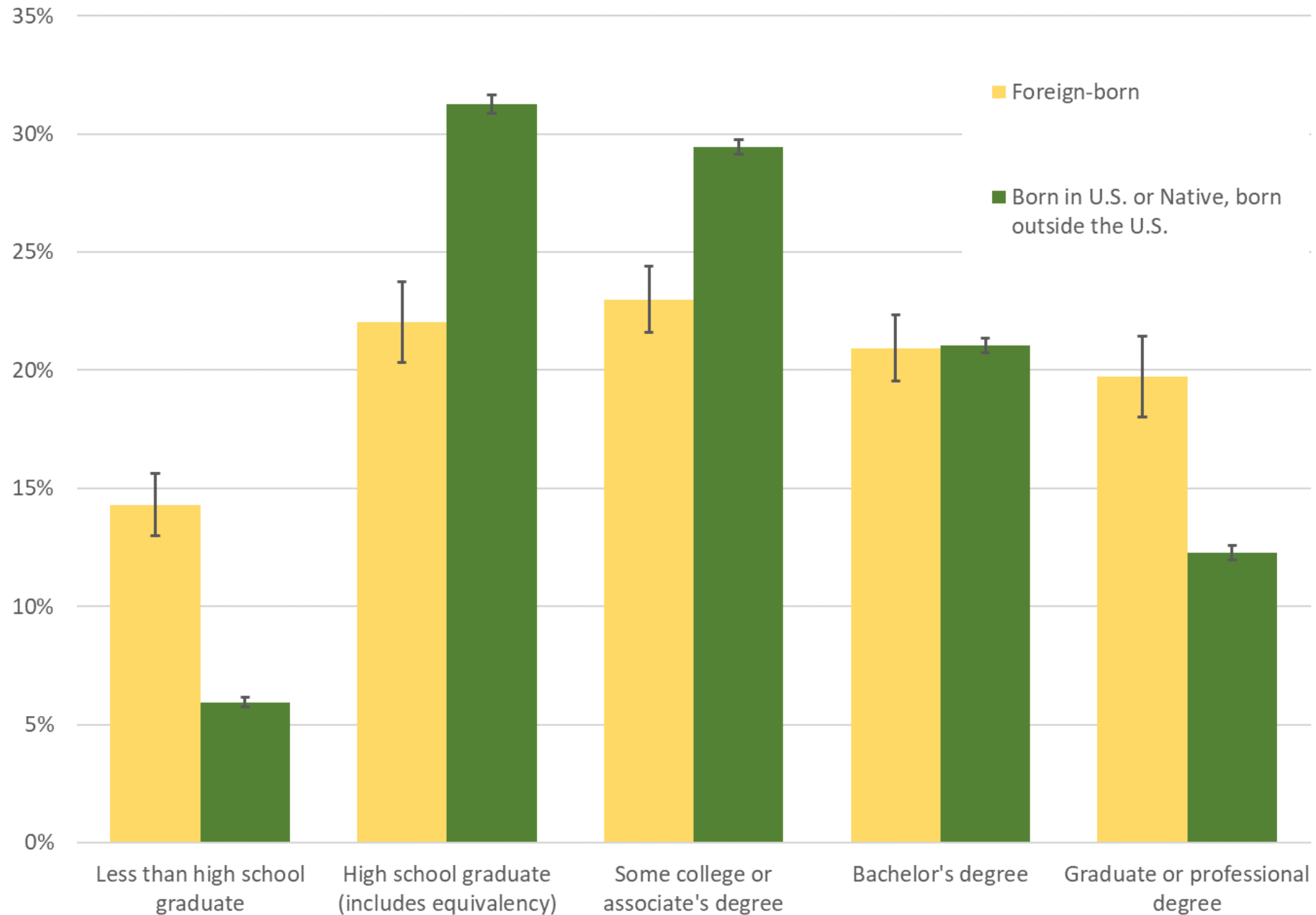


## Educational Attainment of Population Age 25+ by Region





## Educational Attainment of Maine Population Age 25+



## Key assumption from November 2023 Consensus Economic Forecasting Commission report (emphasis added)

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, despite constraints in the housing market.

# 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)