

Demographic and Economic Conditions in Maine

Camden Rotary Club

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Maine State Economist

Demographics

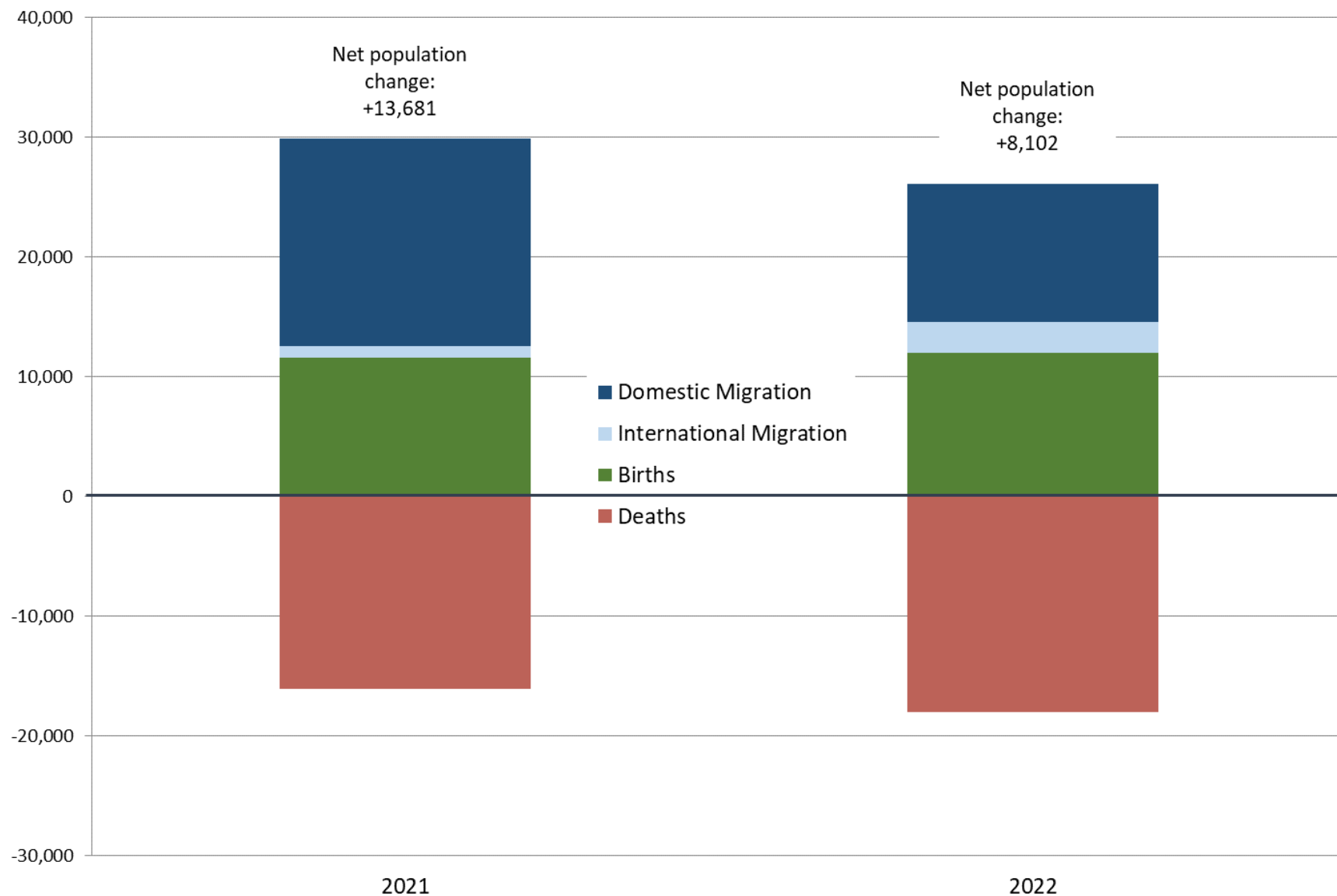
2020 Decennial
Population = 1,362,359
(42nd in U.S.)

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

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

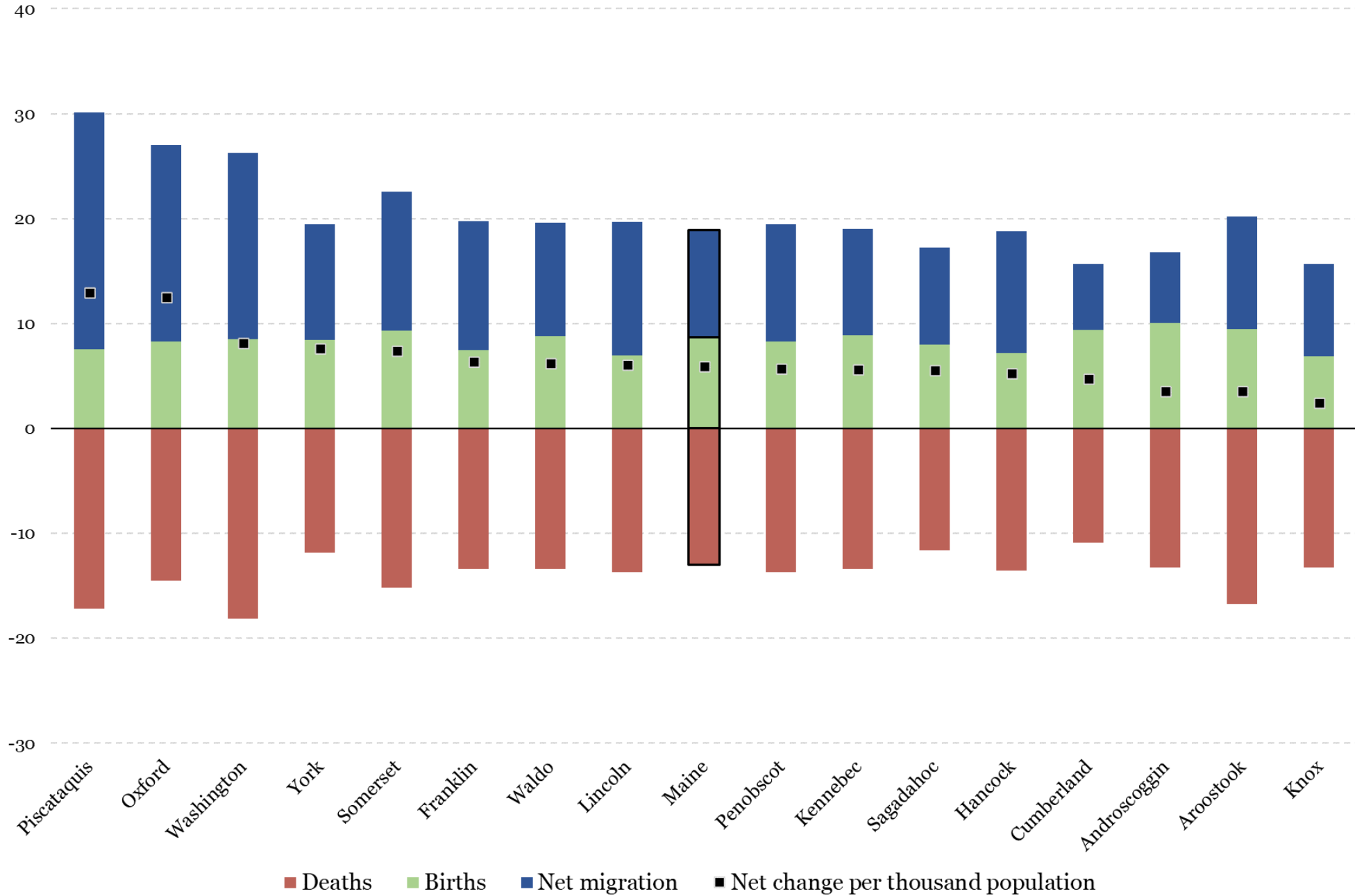
2022 net migration =
10.2 per thousand
(11th in U.S.)

Components of Population Change, Maine

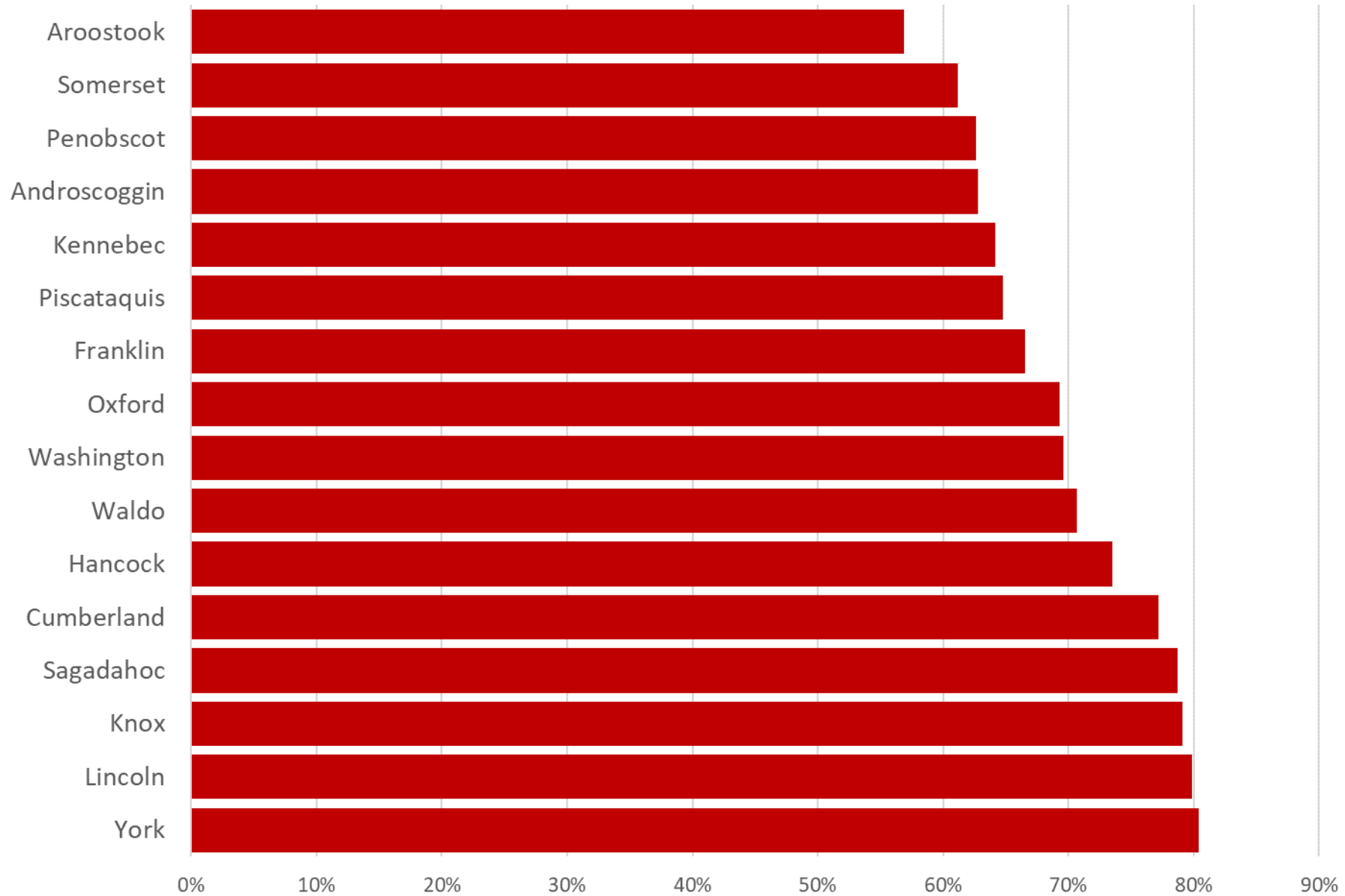


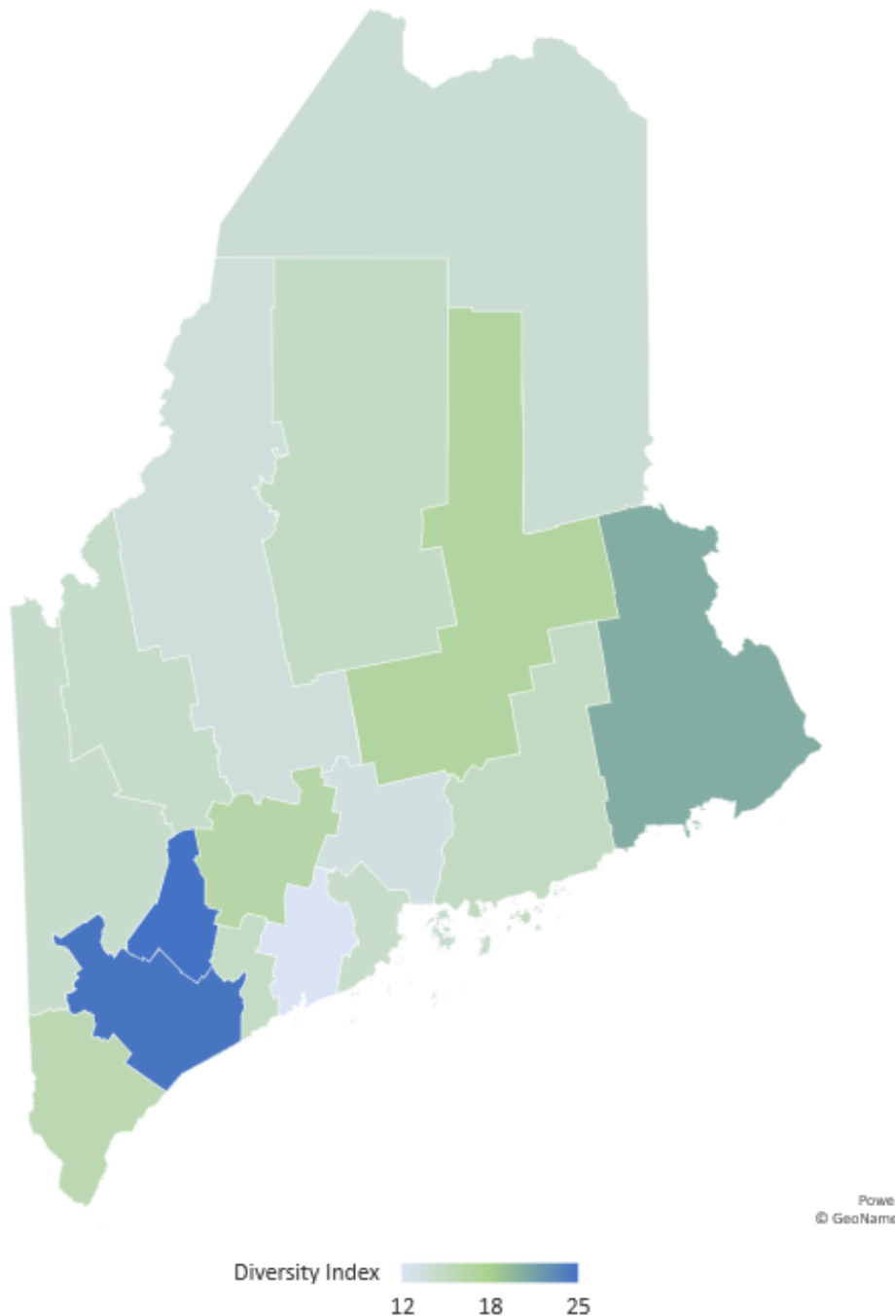
Components of Population Change in Maine, 2022

Rate per thousand population



Percent of Households Unable to Afford Median Home, 2022

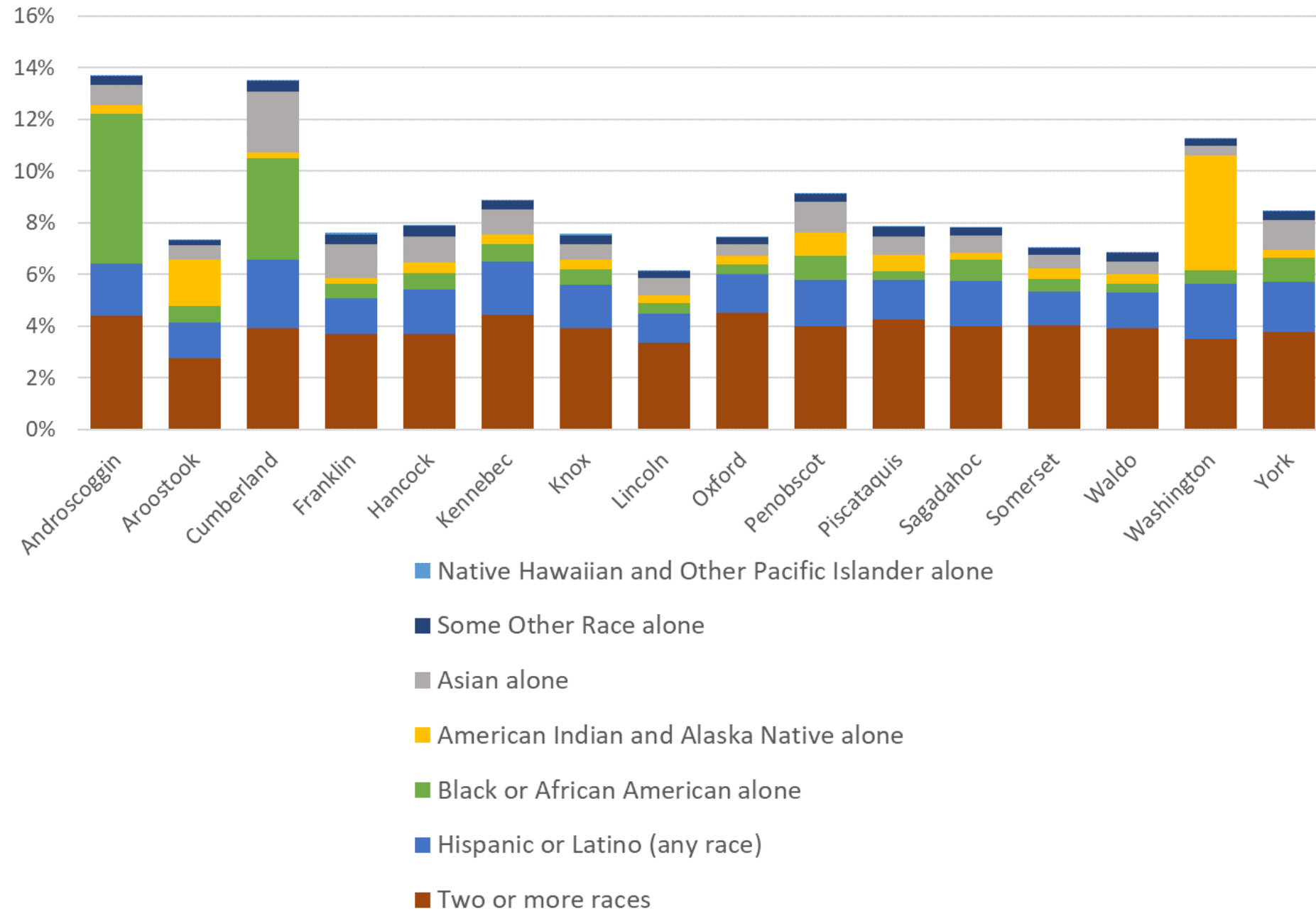




The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

- 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

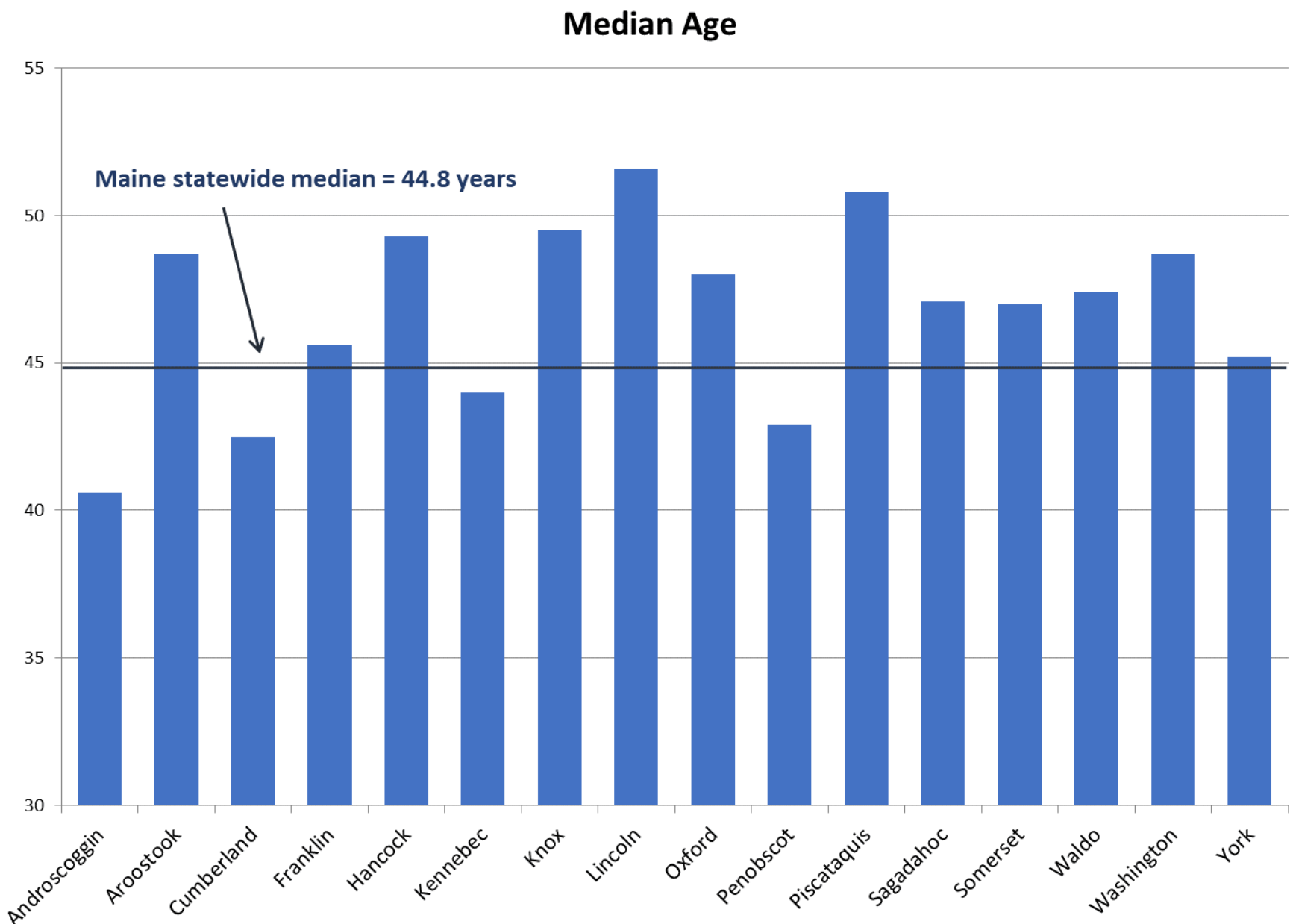


Maine has the oldest population...
...by median age
(44.8 years)
...and by % of population
age 65+ (22.5%)

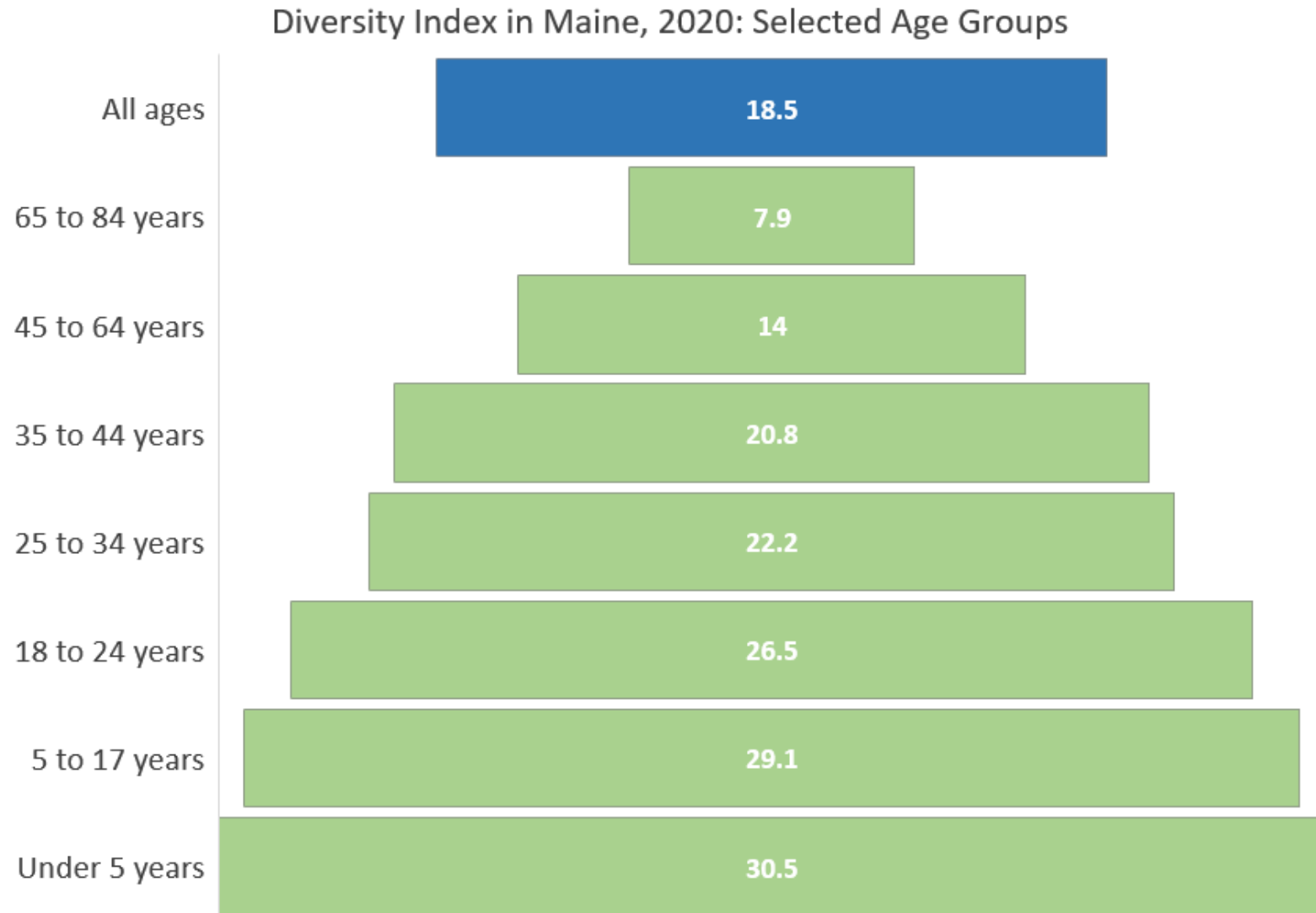
BUT!

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



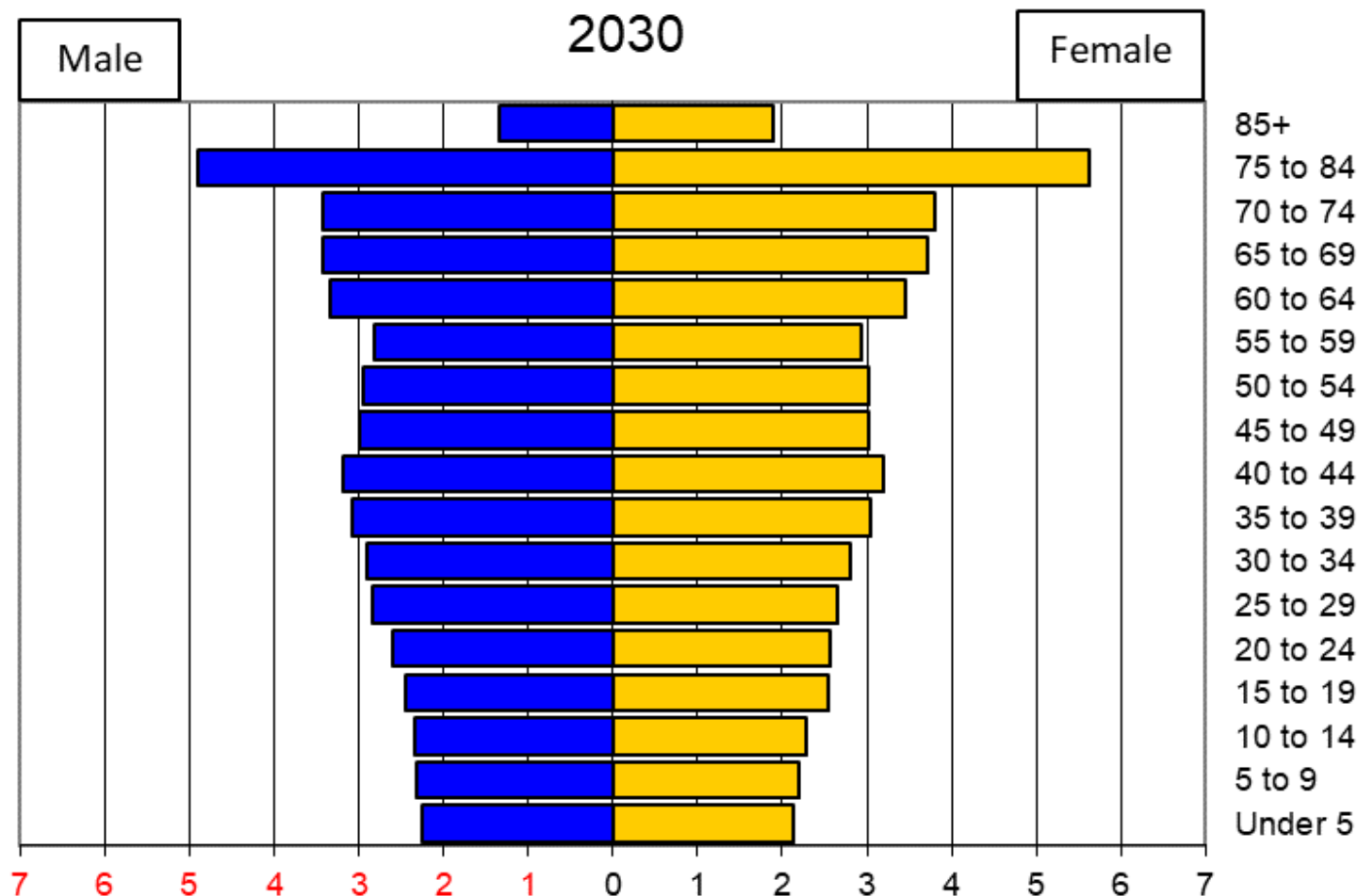
Younger generations in Maine are more diverse than older generations



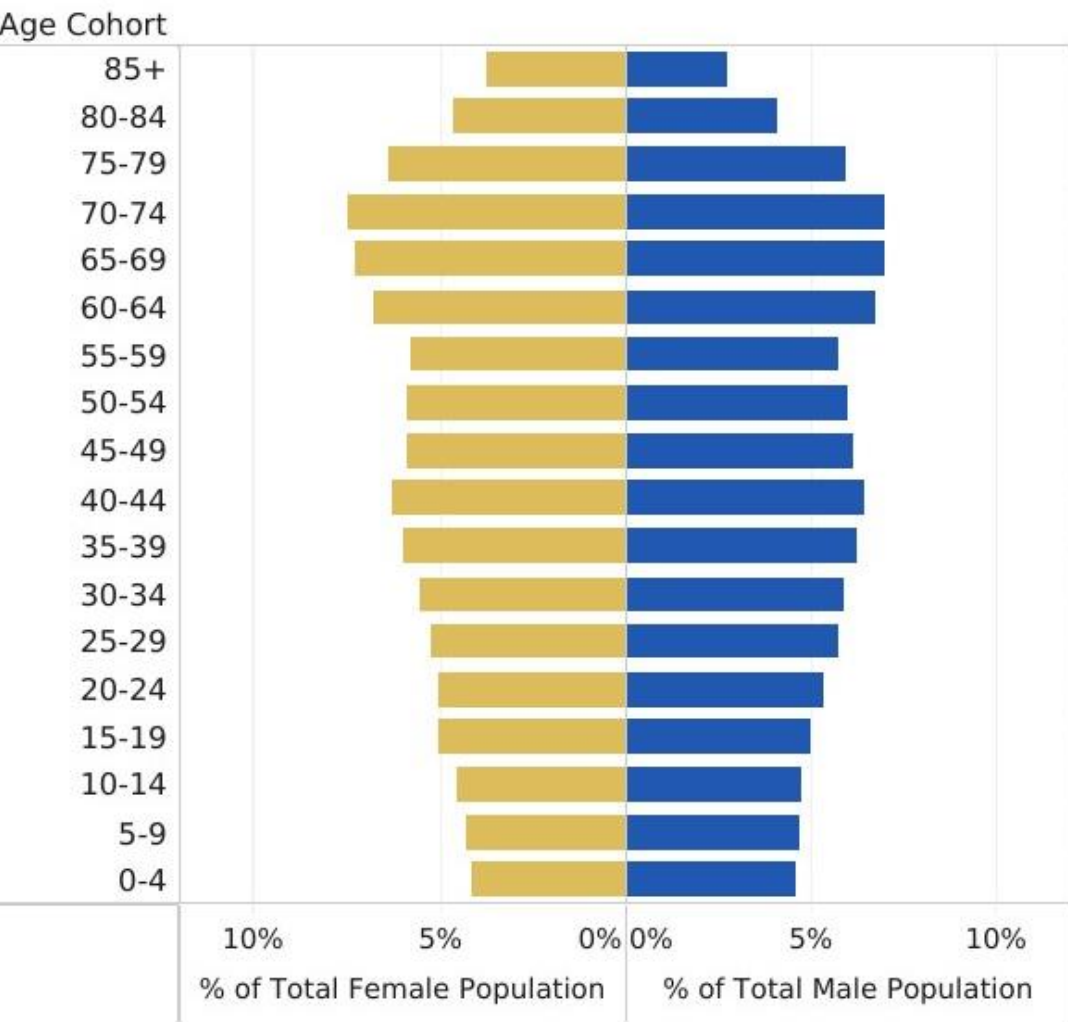
The Baby Boom: 1946-1964

Baby Boom
generation in
2030: age 66-84

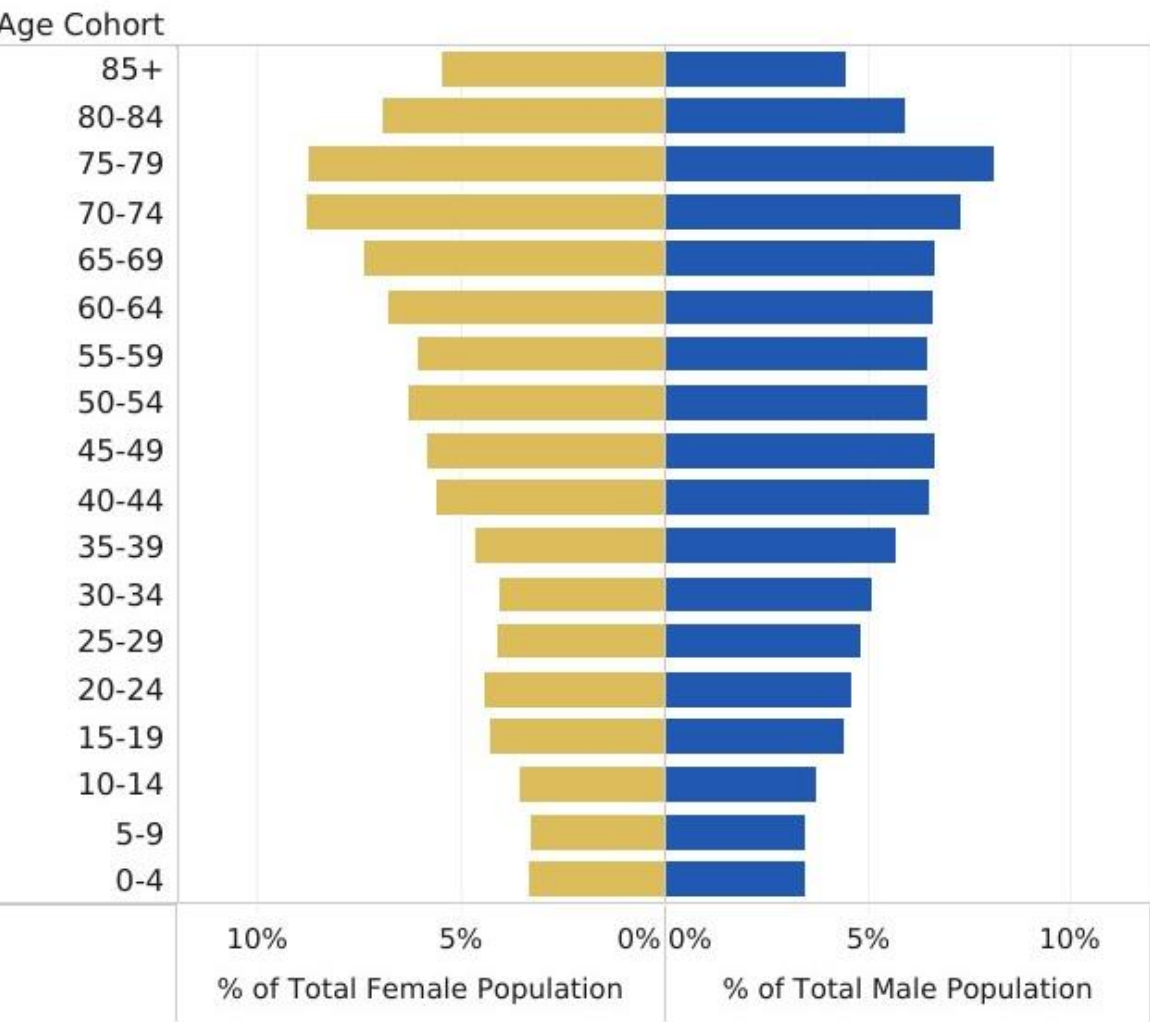
Baby Boom
generation in
2022: age 58-76



Maine, 2030, Projected Population



Knox County, 2030, Projected Population

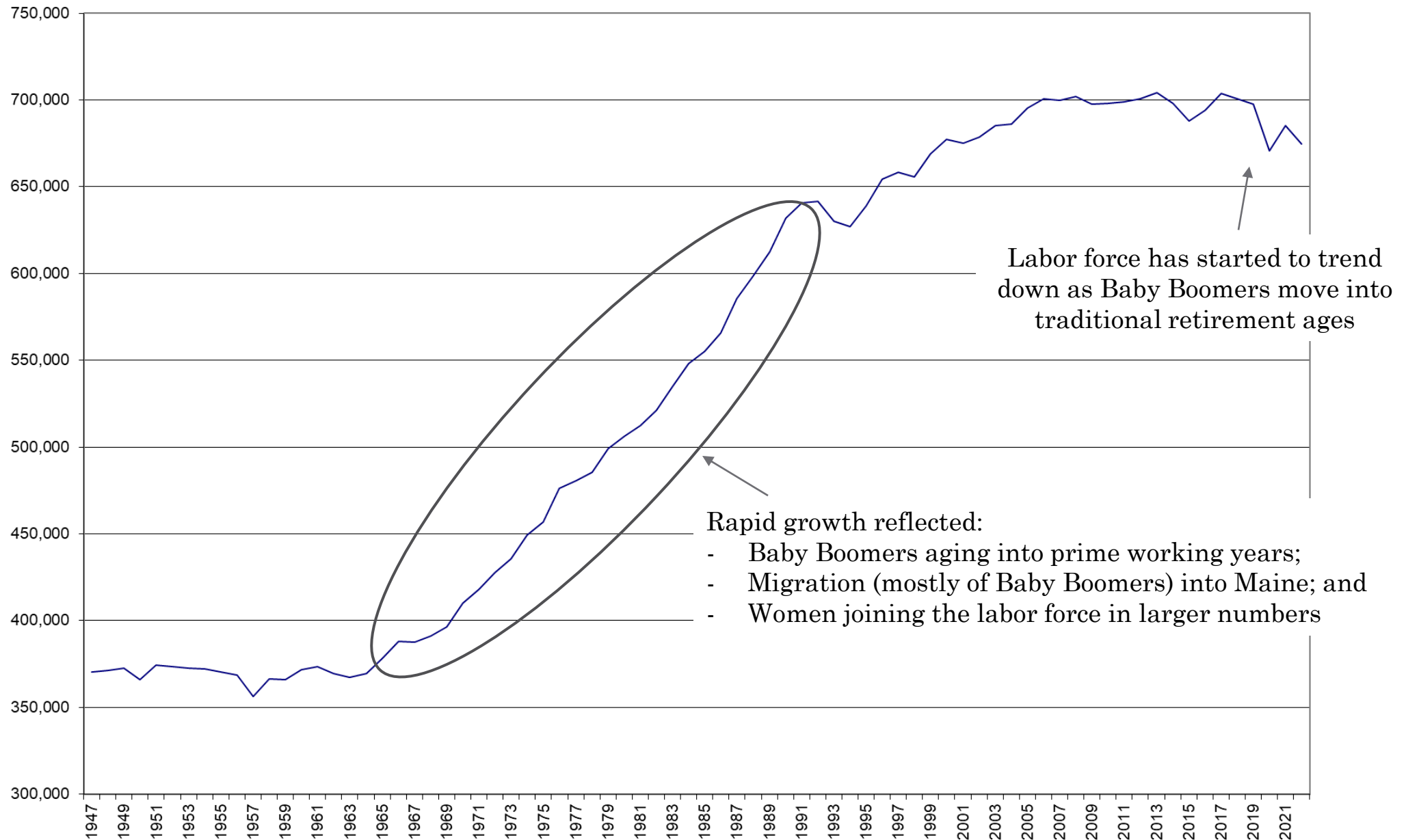


Source: The Office of the State Economist, Maine State and County Population Projections, 2040. June 2023 release.

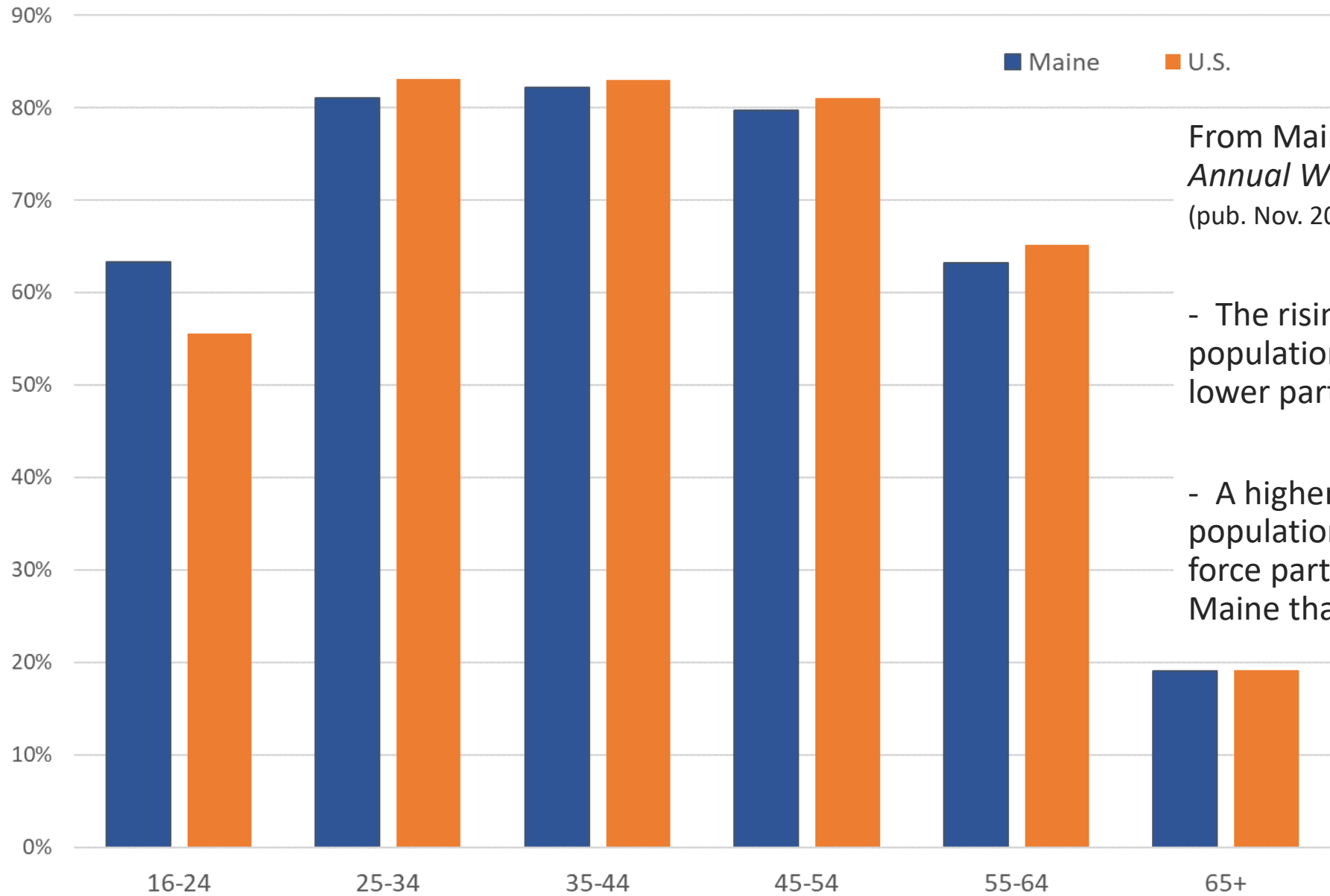
[Click to view methodology & report \(PDF\)](#)

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

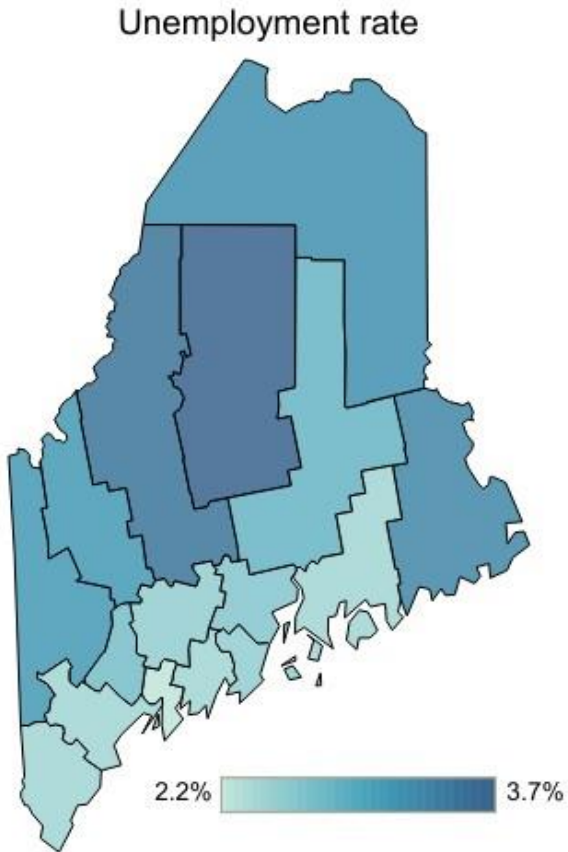
Maine’s 2.8% unemployment rate in October 2023 was close to recent record lows, with the slight rise coming from an increase in labor force participation, and was below the U.S. rate of 3.9%

County Rates (not seasonally adjusted)

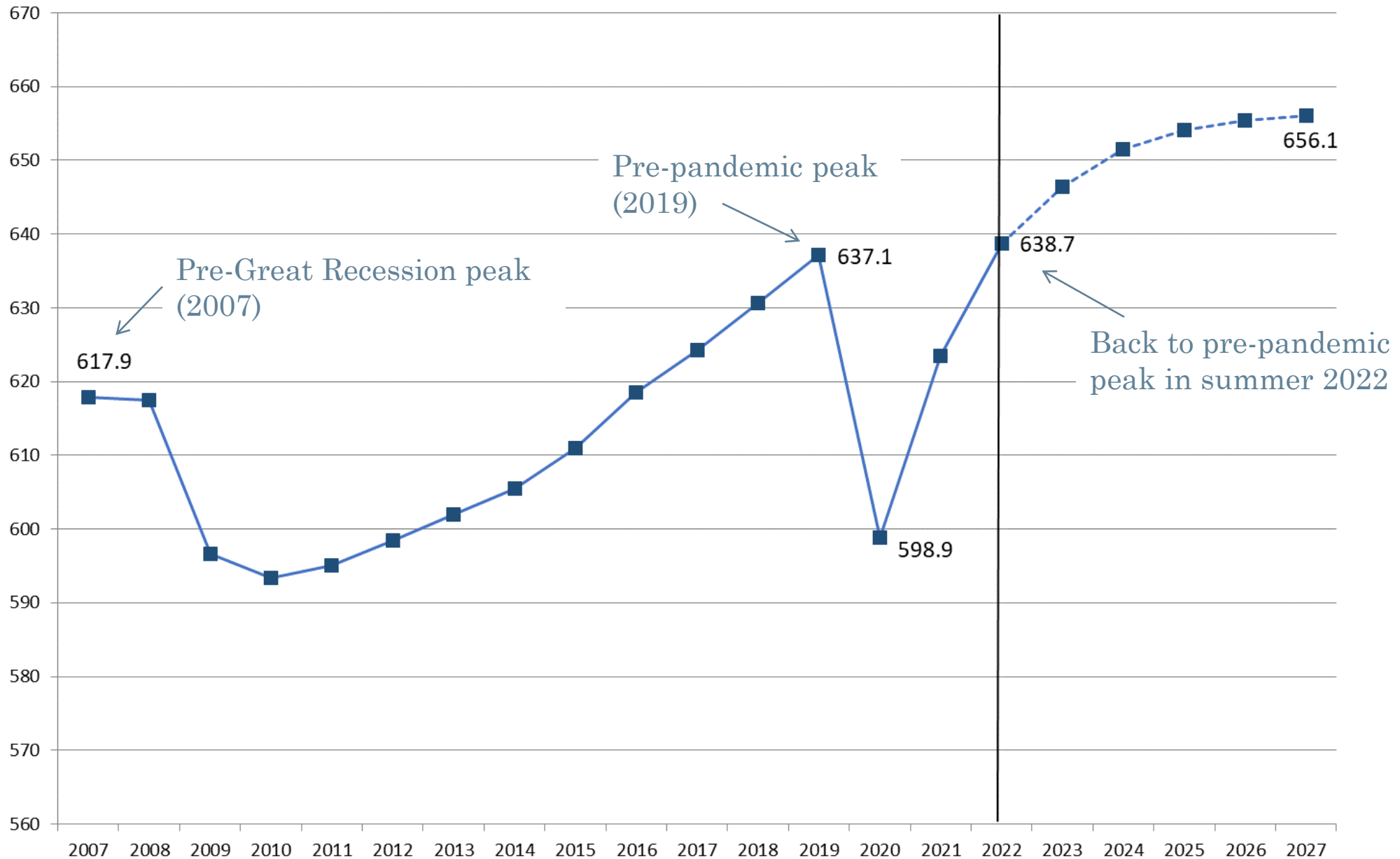
October, 2023

County	Rate	Year ago	One-yr change
Maine	2.6%	2.5%	0.1
Androscoggin	2.7%	2.7%	0.0
Aroostook	3.2%	3.2%	0.0
Cumberland	2.4%	2.3%	0.1
Franklin	3.1%	3.0%	0.1
Hancock	2.4%	2.4%	0.0
Kennebec	2.5%	2.5%	0.0
Knox	2.5%	2.5%	0.0
Lincoln	2.4%	2.5%	-0.1
Oxford	3.1%	2.9%	0.2
Penobscot	2.8%	2.7%	0.1
Piscataquis	3.7%	3.1%	0.6
Sagadahoc	2.2%	2.2%	0.0
Somerset	3.5%	3.4%	0.1
Waldo	2.6%	2.5%	0.1
Washington	3.3%	3.2%	0.1
York	2.4%	2.2%	0.2

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

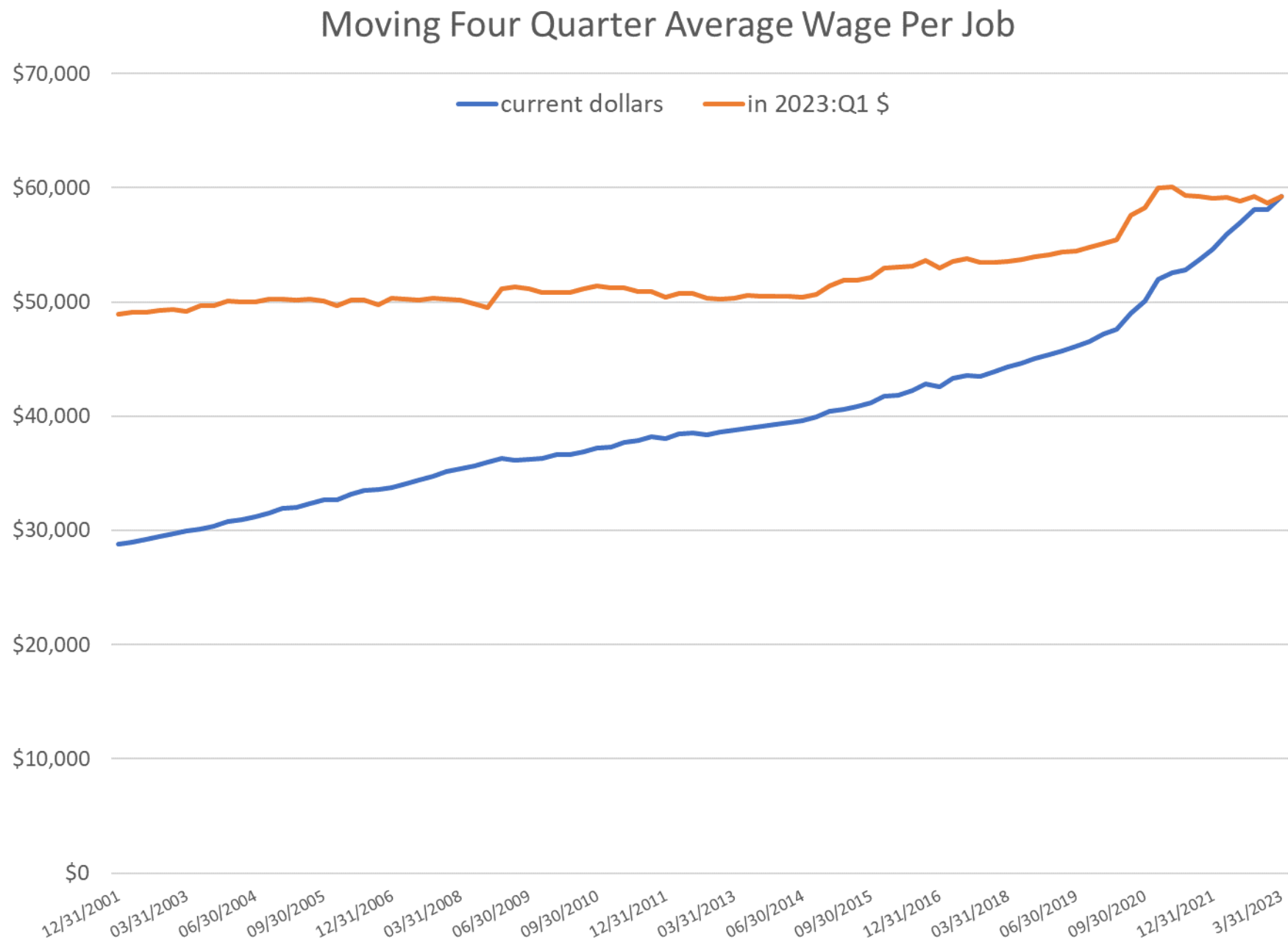


Total Nonfarm Employment (in thousands) History and CEFC forecast

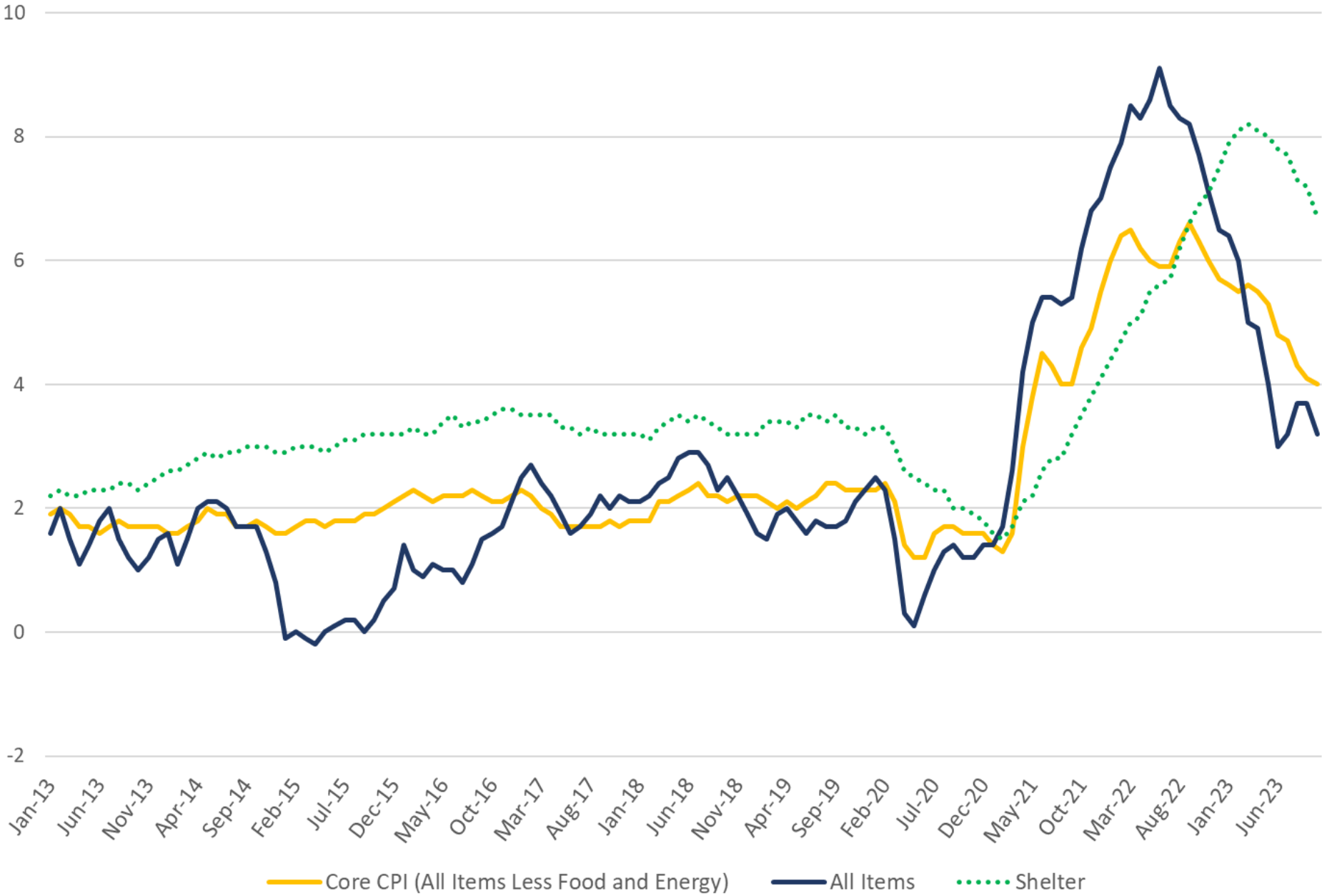


Wages and Inflation

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



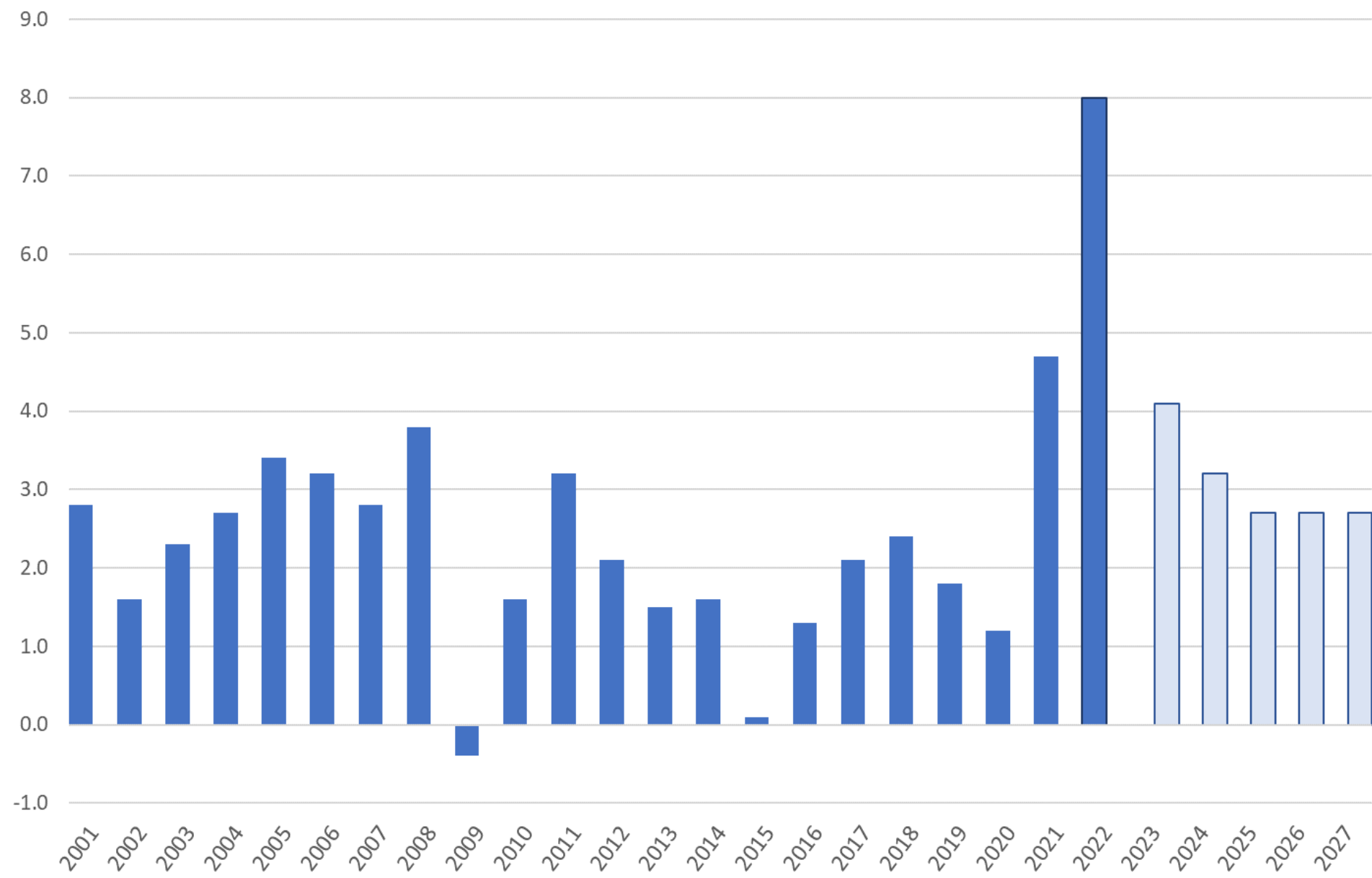
Source: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, not seasonally adjusted)

What does
this mean
for interest
rates?

Current target range:
5.25% to 5.5%

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

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, November 1, 2023

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 remains elevated – will the Federal Reserve raise interest rates again?
- Will we see continued migration into Maine? Telework, housing, and dependent care are three key determinants
- Economic uncertainty remains elevated, especially with geopolitical upheaval, the resumption of student loan payments, and ongoing federal budget challenges
- Maine has a robust Budget Stabilization Fund (\$969.5 million – the statutory maximum) and spending from pandemic-era infusion of federal funds (e.g. MJRP, BIL) is still ongoing, which will help Maine weather a potential slowdown

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