OVERVIEW

- Demographics
- Employment and GDP
- Wages and Income
- Sales and Housing
- Energy
DEMOGRAPHICS
MAINE

- 2017 Population Estimate: 1,335,907
  - 42nd largest in US

- 2010 – 2017 Population Change: +0.6%
  - 45th in US (ahead of WV, VT, IL, CT, and MS)

- 2016 Median age: 44.6
  - Oldest in US

- 93.5% White, Non-Hispanic
  - Highest percentage in US

Source: U.S. Census Bureau, Population Estimates Program
2017 Population Estimate:
- Cumberland: 292,500 (1st in Maine)
- Lincoln: 34,204 (13th)
- Sagadahoc: 35,392 (12th)

2010 – 2017 Population Change:
- Cumberland: +3.8% (1st in Maine)
- Lincoln: -0.7% (10th)
- Sagadahoc: +0.3% (4th)

2016 – 2017 Population Change:
- Cumberland: +0.5% (6th in Maine)
- Lincoln: +0.6% (4th)
- Sagadahoc: +0.7% (3rd)

Source: U.S. Census Bureau, Population Estimates Program
THE FOUR COUNTIES BELOW THE STATEWIDE MEDIAN AGE HAVE SOMETHING IN COMMON

Median Age

Maine average = 44.6 years

Source: U.S. Census Bureau, 2016 Population Estimates
LINCOLN COUNTY HAS MANY MORE HOUSEHOLDS WITH 65+ THAN <18

Source: U.S. Census Bureau, 2016 American Community Survey 5-year estimates
THE BABY BOOM WAVE
BABY BOOMERS WILL BE AGING INTO POST-RETIREMENT YEARS

Sources: Governor’s Office of Policy and Management, Maine State and County Population Projections to 2034; U.S. Census Bureau 2016 Population Estimates
POPULATION LOSS IN KEY WORKING-AGE GROUPS; GAIN IN OLDER COHORTS

Projected Population Change by Age, 2016-2034

Source: Governor’s Office of Policy and Management population projections to 2034
WHAT DOES THIS MEAN?

- Changing demand for goods and services
- Fewer available workers
- Low birth rates; population growth reliant on in-migration
SOME GOOD NEWS ON MIGRATION...

Components of Population Change, Maine

Source: U.S. Census Bureau, Population Estimates Program
EMPLOYMENT AND GDP
TOTAL EMPLOYMENT HAS SURPASSED PRE-RECESSION PEAK LEVEL

Total Nonfarm Employment (in thousands)
History and CEFC forecast

ALL MEASURES OF UNEMPLOYMENT ARE AT RECORD LOWS

Alternative Measures of Labor Underutilization - Maine

Source: Maine Department of Labor, Center for Workforce Research and Information
PROFESSIONAL AND BUSINESS SERVICES FORECAST TO CONTRIBUTE MOST GAINS

Maine Industry Sector Employment

WHAT IS THE LARGEST INDUSTRY IN MAINE?

2016 Maine Employment and GDP by Industry

PORTLAND-SOUTH PORTLAND MSA HAS AN INCREASING SHARE OF STATE GDP

Share of Maine Real GDP by Metropolitan Area

Source: U.S. Bureau of Economic Analysis
INCOME AND WAGES
The average wage per job has been rising at the fastest rate in nearly two decades, reflecting the competitive hiring and retention environment *(adjusted for inflation to 2017 Q3 dollars)*.
CUMBERLAND HAS HIGHER SHARE OF HOUSEHOLDS AT TOP INCOME LEVELS

Source: U.S. Census Bureau, 2016 American Community Survey 5-year estimates
MEDIAN HOUSEHOLD INCOME

- U.S.: $55,322
- Maine: $50,826
- Cumberland County: $61,902
- Lincoln County: $53,515
- Sagadahoc County: $55,766

Source: U.S. Census Bureau, 2016 American Community Survey 5-year estimates
MEDIAN FAMILY INCOME

- U.S.: $67,871
- Maine: $64,294
- Cumberland County: $80,740
- Lincoln County: $65,281
- Sagadahoc County: $69,509

Source: U.S. Census Bureau, 2016 American Community Survey 5-year estimates
Lincoln County is less reliant on wage and salary income.

Source: U.S. Bureau of Economic Analysis

**Major Components of Personal Income, 2016**

- **Wages and salaries**
  - Sagadahoc: 46%
  - Lincoln: 30%
  - Cumberland: 52%
  - Maine: 44%

- **Personal current transfer receipts**
  - Sagadahoc: 18%
  - Lincoln: 25%
  - Cumberland: 13%
  - Maine: 21%

- **Dividends, interest, and rent**
  - Sagadahoc: 19%
  - Lincoln: 28%
  - Cumberland: 17%
  - Maine: 16%

- **Proprietors’ income**
  - Sagadahoc: 5%
  - Lincoln: 10%
  - Cumberland: 6%
  - Maine: 7%

- **Supplements to wages and salaries**
  - Sagadahoc: 12%
  - Lincoln: 7%
  - Cumberland: 11%
  - Maine: 11%
REAL PERSONAL INCOME IS FORECAST TO CONTINUE GROWING

Percent Change in Real Personal Income, Maine

Sources: U.S. Bureau of Economic Analysis and Maine Consensus Economic Forecasting Commission (Feb. 1, 2018 report)
INFLATION IS FORECAST TO REMAIN BETWEEN 2.0% AND 2.5%

Consumer Price Index (Annual Percent Change), 2008-2017 and forecast to 2023

ENERGY PRICES NOT EXPECTED TO SPIKE (BUT VERY DIFFICULT TO FORECAST)

Consumer Price Index - Energy (Annual Percent Change), 2008-2017 and forecast to 2023

Sources: U.S. Bureau of Labor Statistics and Maine Consensus Economic Forecasting Commission
<table>
<thead>
<tr>
<th>Maine Retail Sales</th>
<th>% Change from December 2016 to December 2017</th>
<th>% Change last three months / same 3 month period one year ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Supply</td>
<td>8.5%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Food Store</td>
<td>4.1%</td>
<td>4.5%</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>8.9%</td>
<td>10.0%</td>
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<tr>
<td>Other Retail</td>
<td>-5.5%</td>
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<tr>
<td>Restaurant</td>
<td>4.1%</td>
<td>5.8%</td>
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<tr>
<td>Lodging</td>
<td>-7.3%</td>
<td>6.5%</td>
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<tr>
<td>Auto Transportation</td>
<td>-1.1%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Total</td>
<td>2.2%</td>
<td>5.4%</td>
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<tr>
<td>Business Operating</td>
<td>0.4%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Personal Consumption</td>
<td>2.5%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

Source: Maine Revenue Services
HOUSING PERMIT GROWTH TREND HAS LEVELLED OFF IN MAINE

Single Unit Housing Permits Authorized (Monthly, SA)

Sources: U.S. Census Bureau via Federal Reserve Bank of Boston
GROWTH IN EXISTING HOME SALES IN MAINE HAS SLOWED

Sources: National Association of REALTORS® and Maine Association of REALTORS®
HOME PRICES HAVE RISEN ABOVE PRE-RECESSION LEVELS

Source: Federal Housing Finance Agency, via Federal Reserve Bank of Boston

Home Price Index: Federal Housing Finance Agency (Q1 1980 = 100)
OIL PRICES INCREASES ARE EXPECTED TO LEVEL OFF THIS YEAR

Sources: U.S. Energy Information Administration and Moody’s Analytics
GASOLINE PRICES HAVE BEEN INCREASING GRADUALLY BUT REMAIN RELATIVELY LOW

Source: U.S. Energy Information Administration

Weekly New England Retail Gasoline Prices
(Dollars per Gallon)

Source: U.S. Energy Information Administration
HEATING OIL PRICES ENDED THE SEASON SOMEWHAT HIGHER THAN THEY STARTED

Source: U.S. Energy Information Administration
MAINE HAS THE HIGHEST SHARE OF HOMES IN THE U.S. HEATED PRIMARILY WITH FUEL OIL

Source: U.S. Census Bureau, 2016 American Community Survey 5-year estimates
Maine’s demographics are a challenge, but there are some signs of improvement.

Overall, the economy is in a pretty good place.

Region includes areas with strong economic growth as well as older populations.

Maine must continue to work on policies that will help the state compete for workers and businesses.
THANK YOU!

Further questions?

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