MAINE ECONOMIC UPDATE

Camden National Bank
2018 Officer & AVP Leadership Conference

April 4, 2018

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Department of Administrative and Financial Services
Overview

- Demographics
- Employment and GDP
- Wages and Income
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
Median Age

Maine average = 44.6 years

Source: U.S. Census Bureau, 2016 Population Estimates
The Baby Boom Wave

Source: U.S. Census Bureau, Decennial Censuses and Governor's Office of Policy and Management population projections to 2034
Components of Population Change, Maine

Source: U.S. Census Bureau, Population Estimates Program
Baby Boomers in 2016 (52-70)

Baby Boomers in 2034 (70-88)

Sources: Governor’s Office of Policy and Management, Maine State and County Population Projections to 2034; U.S. Census Bureau 2016 Population Estimates
Maine Population Trends by Age
1950-2034

Sources: U.S. Census Bureau Decennial Census, Governor’s Office of Policy and Management, Maine State and County Population Projections to 2034
Population and Labor Force Participation Outlook by Age

Source: Maine Department of Labor, Maine Workforce Outlook 2014 to 2024
Implications for banking

- Where will the next generation of workers come from?

- How do the changing demographics impact the services and products needed by customers?
Employment and GDP
Annual Employment, Maine and Portland-South Portland Metro

Source: Maine Department of Labor, Center for Workforce Research and Information
Annual Unemployment Rate

Source: Maine Department of Labor, Center for Workforce Research and Information
Total Nonfarm Employment (in thousands)
History and CEFC forecast

Pre-recession peak (2007)

Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, February 1, 2018
2016 Maine Employment and GDP by Industry

Sources: Maine Department of Labor, Center for Workforce Research and Information and U.S. Bureau of Economic Analysis
Implications for banking

- What does the continued shift in industry growth mean for the products and services provided to companies?

- Will different ways of working (telework, job sharing, gig economy, etc.) require a different way of providing services?
Wages and Income
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)*.
### Percent Change in Personal Income

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Source: U.S. Bureau of Economic Analysis

### Percent Change in Per Capita Personal Income

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Source: U.S. Bureau of Economic Analysis
Major Components of Personal Income, 2016

Wages and salaries | Personal current transfer receipts
--- | ---
Dividends, interest, and rent | Supplements to wages and salaries
Proprietors' income

York:
- Wages and salaries: 40%
- Personal current transfer receipts: 22%
- Dividends, interest, and rent: 19%
- Supplements to wages and salaries: 11%
- Proprietors' income: 8%

Sagadahoc:
- Wages and salaries: 46%
- Personal current transfer receipts: 18%
- Dividends, interest, and rent: 19%
- Supplements to wages and salaries: 12%
- Proprietors' income: 5%

Piscataquis:
- Wages and salaries: 32%
- Personal current transfer receipts: 33%
- Dividends, interest, and rent: 16%
- Supplements to wages and salaries: 10%
- Proprietors' income: 8%

Lincoln:
- Wages and salaries: 30%
- Personal current transfer receipts: 25%
- Dividends, interest, and rent: 28%
- Supplements to wages and salaries: 7%
- Proprietors' income: 10%

Kennebec:
- Wages and salaries: 47%
- Personal current transfer receipts: 22%
- Dividends, interest, and rent: 13%
- Supplements to wages and salaries: 13%
- Proprietors' income: 5%

Cumberland:
- Wages and salaries: 52%
- Personal current transfer receipts: 13%
- Dividends, interest, and rent: 17%
- Supplements to wages and salaries: 11%
- Proprietors' income: 6%

Maine:
- Wages and salaries: 44%
- Personal current transfer receipts: 21%
- Dividends, interest, and rent: 16%
- Supplements to wages and salaries: 11%
- Proprietors' income: 7%

Source: U.S. Bureau of Economic Analysis
Consumer Price Index - U.S. All Urban

Source: U.S. Bureau of Labor Statistics
Annual Change in Consumer Price Index

Implications for banking

- Components of income change as demographics change; how will this change the services that are needed as customers move from wage and salary-based income to retirement and investment-based income?

- How will the forecasts for income and wages and inflation impact consumer buying decisions?
Summary

- Maine’s demographics pose challenges (and opportunities) in the coming years

- The economy as a whole is in good shape at the moment

- Now is the time to be thinking ahead to where Maine will be and where we want Maine to be
Contact Information

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