

MAINE ECONOMIC UPDATE

Camden National Bank
2018 Officer & AVP Leadership Conference

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Overview



- Demographics
- Employment and GDP
- Wages and Income

Demographics

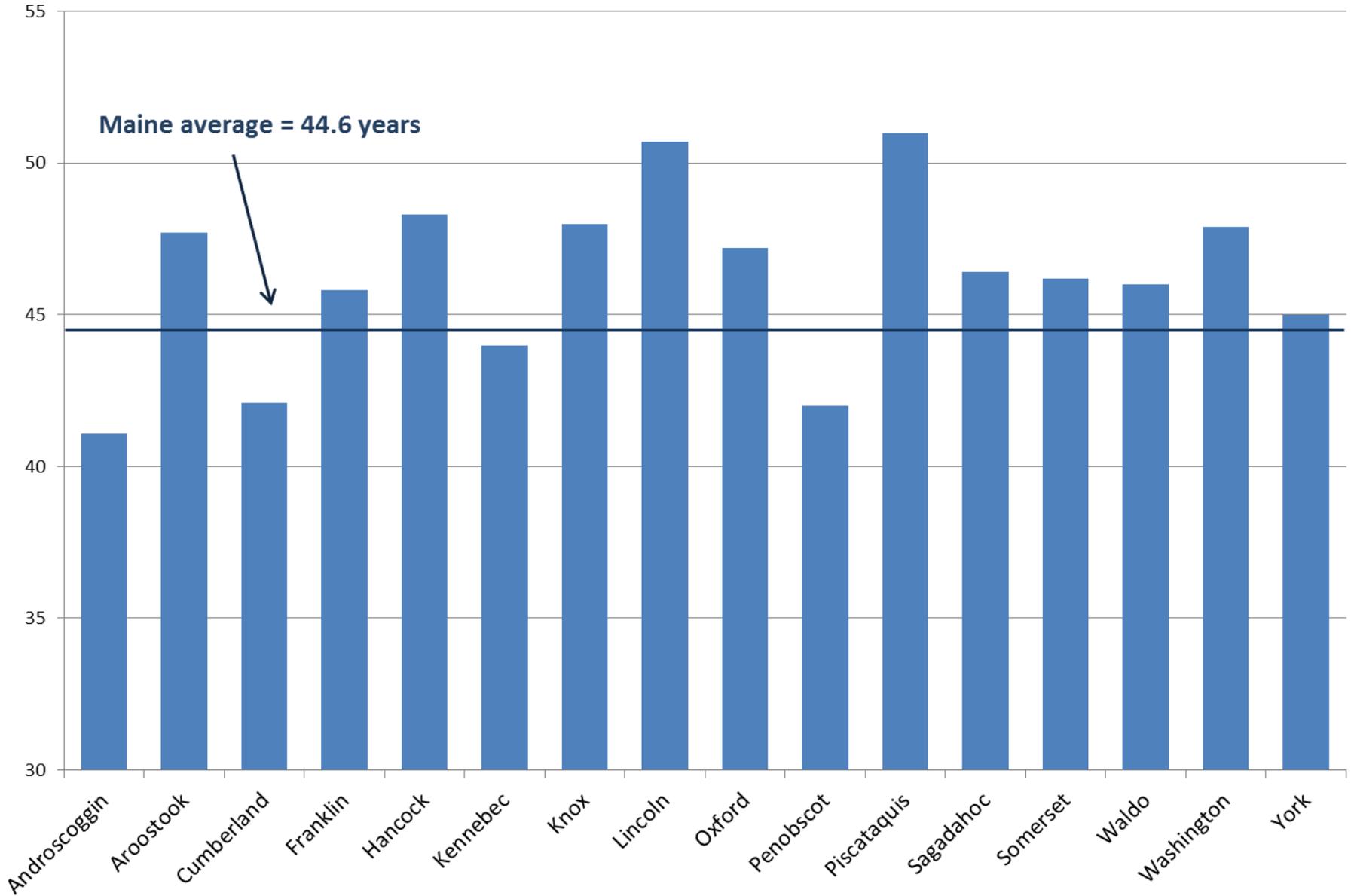


Maine

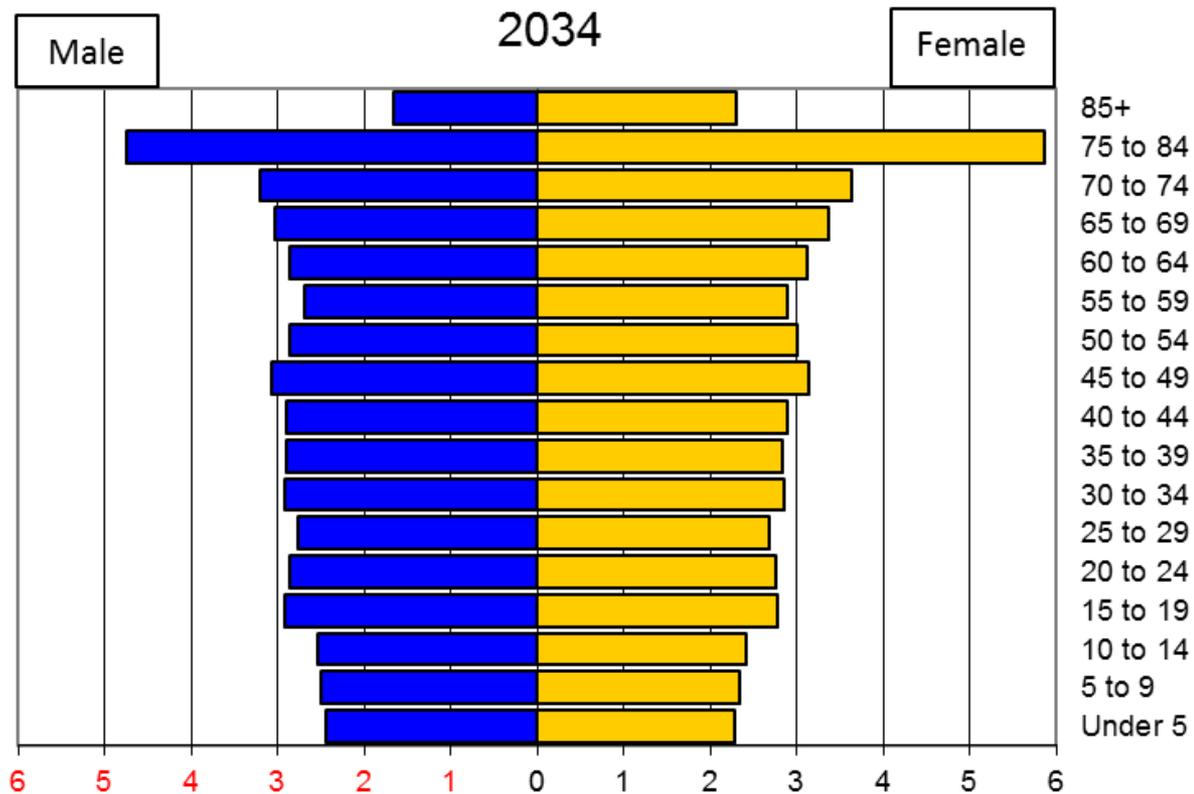
- 2017 Population Estimate: 1,335,907
 - 42nd largest in US
- 2010 – 2017 Population Change: +0.6%
 - 45th in US (ahead of WV, VT, IL, CT, and MS)
- 2016 Median age: 44.6
 - Oldest in US
- 93.5% White, Non-Hispanic
 - Highest percentage in US



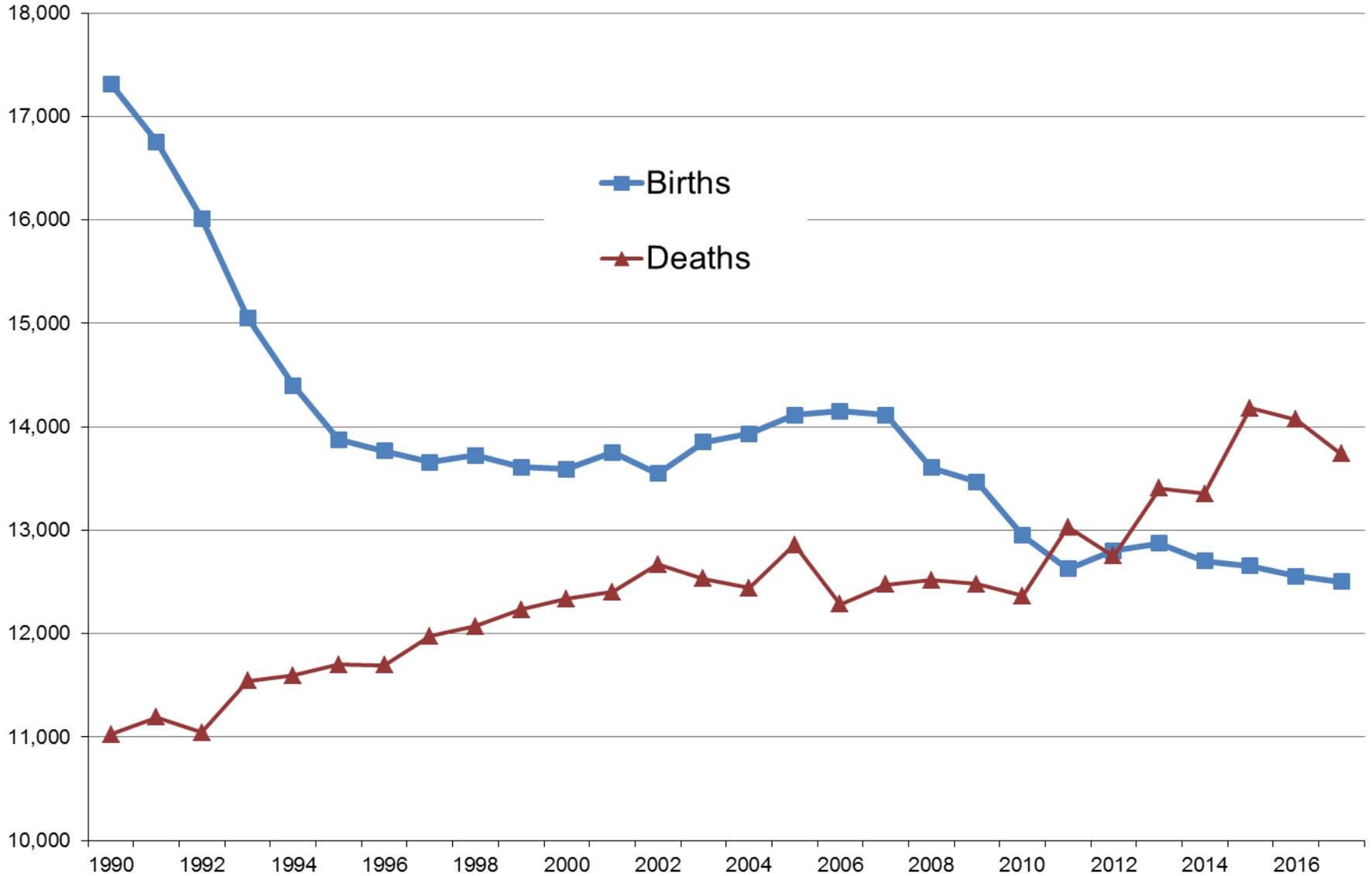
Median Age



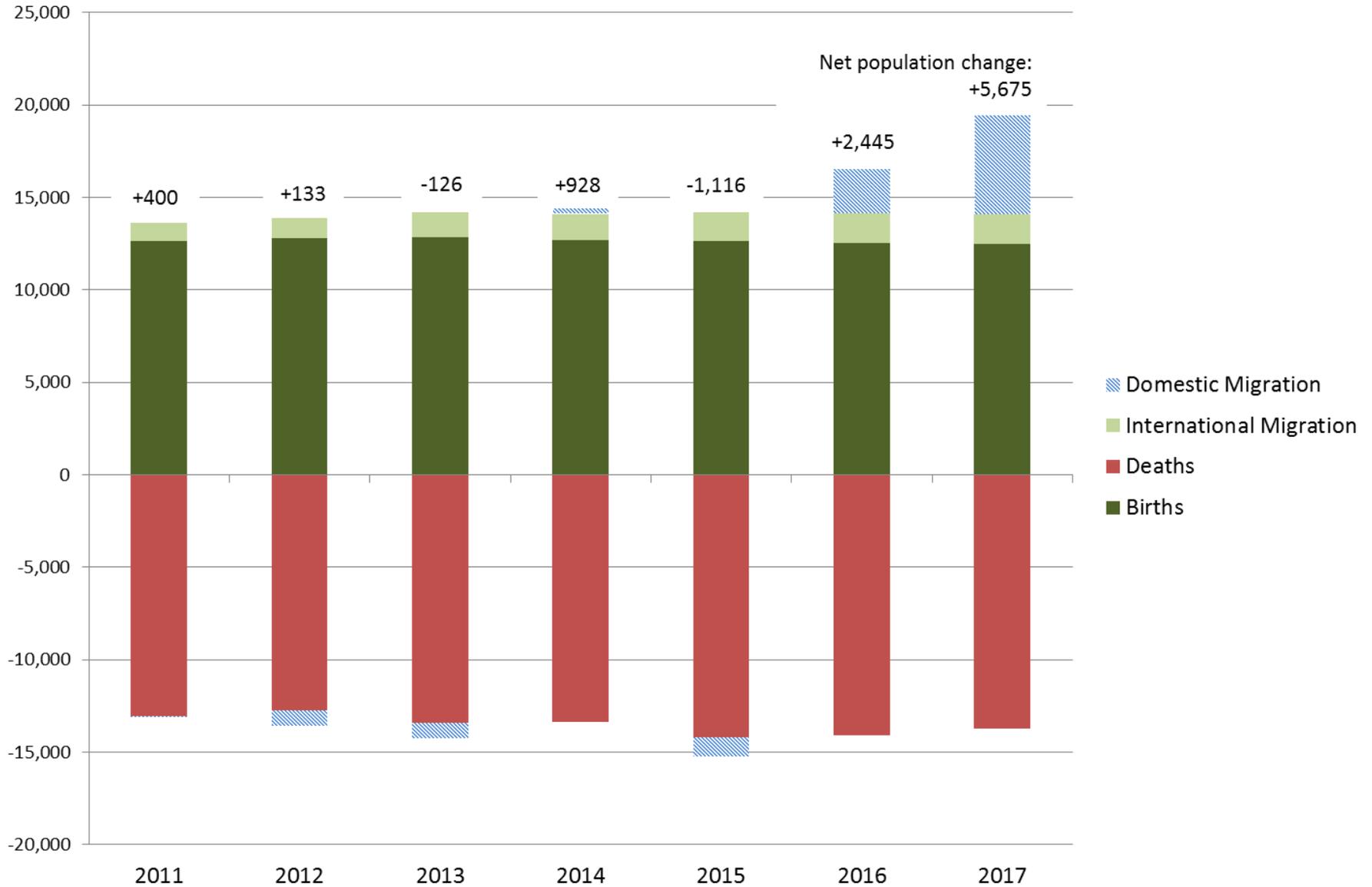
The Baby Boom Wave



Births and Deaths per year in Maine

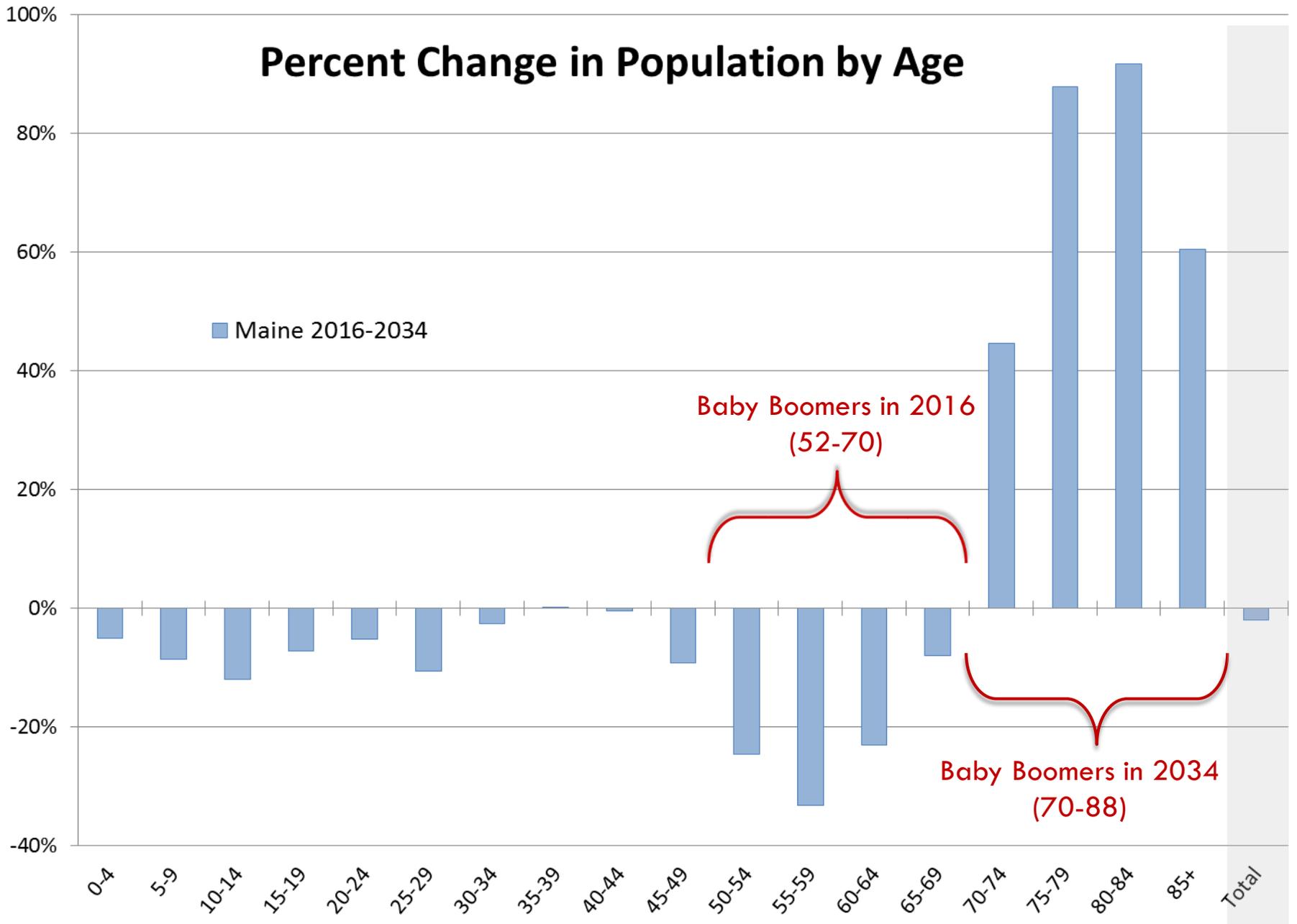


Components of Population Change, Maine



Source: U.S. Census Bureau, Population Estimates Program

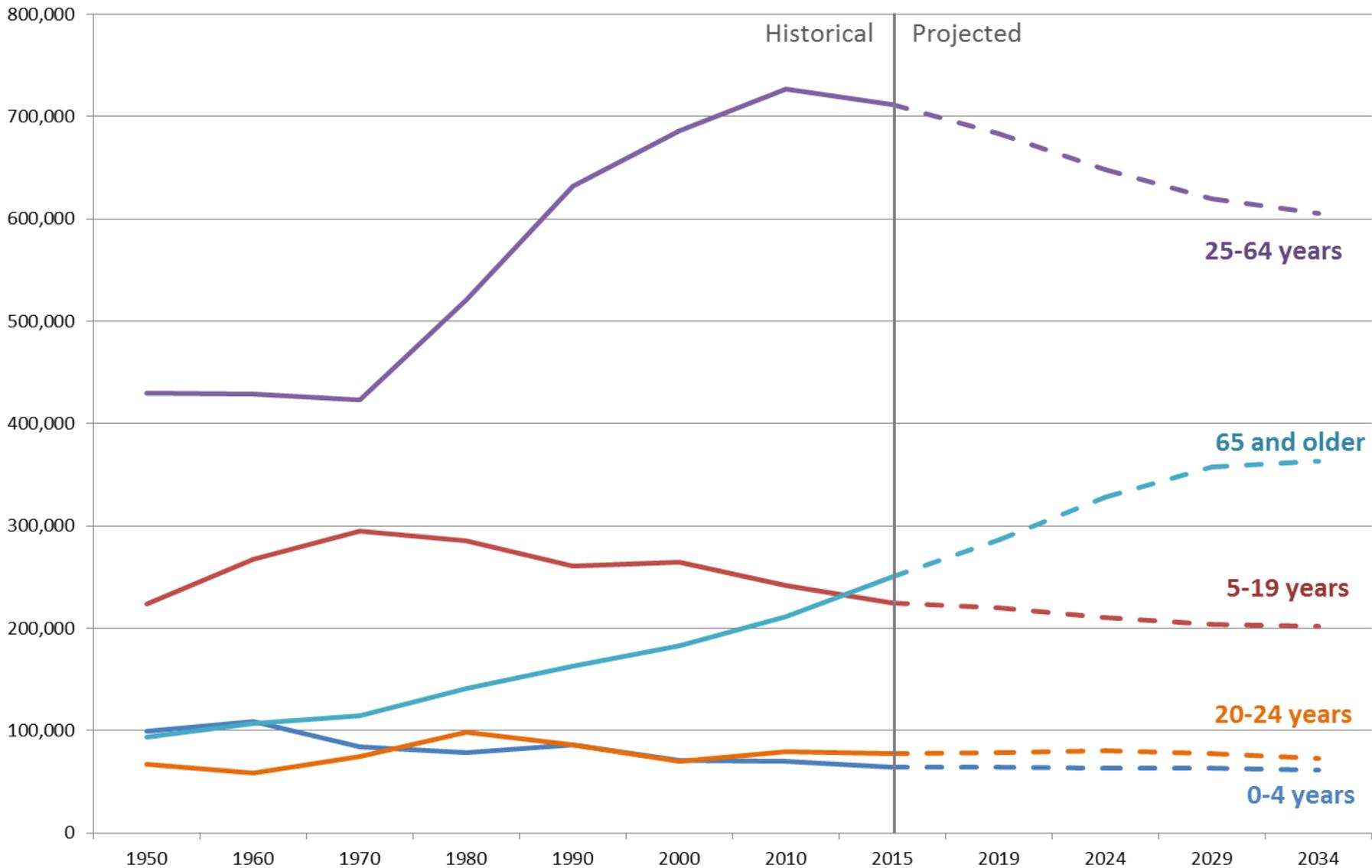
Percent Change in Population by Age



Sources: Governor's Office of Policy and Management, *Maine State and County Population Projections to 2034*; U.S. Census Bureau 2016 Population Estimates

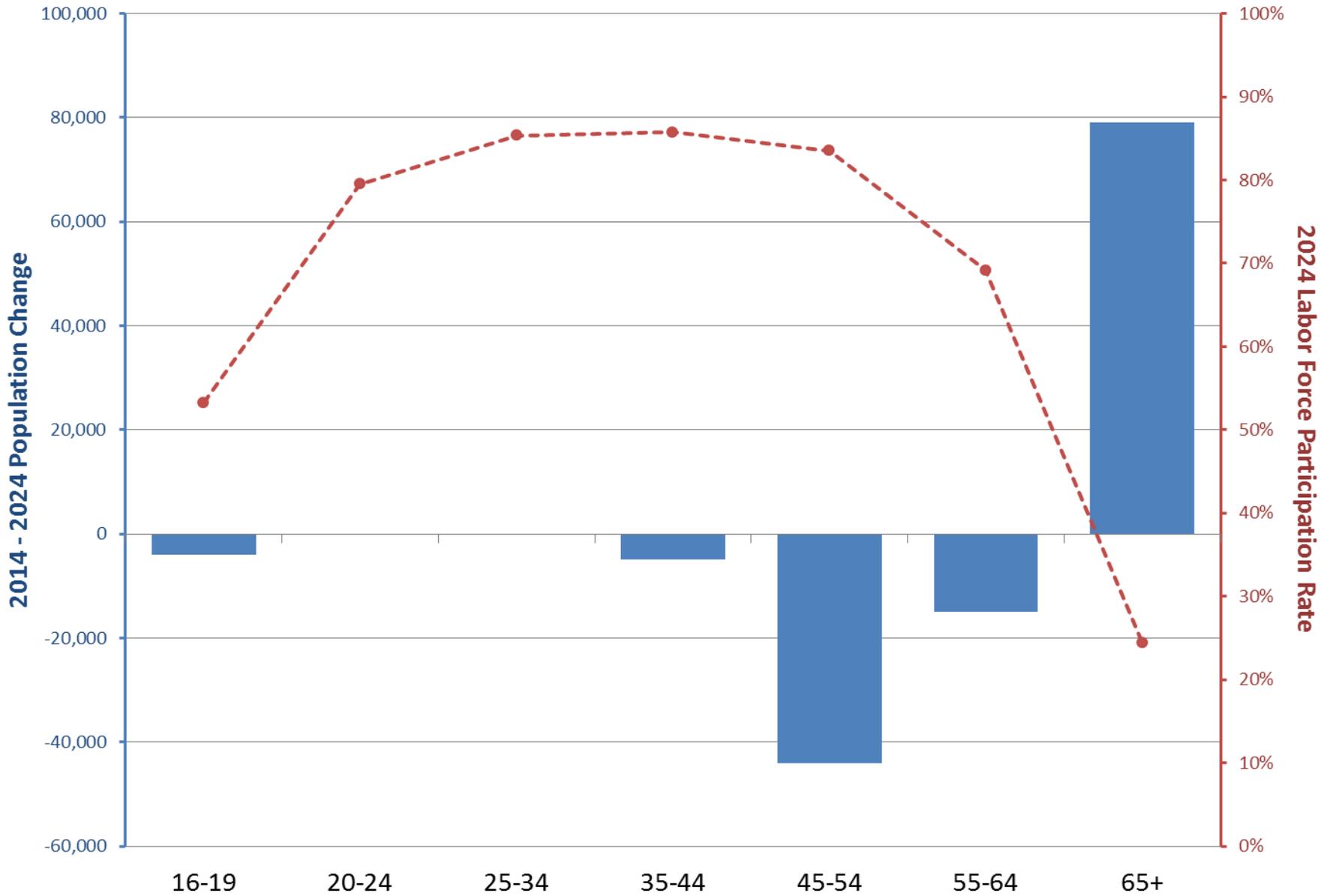
Maine Population Trends by Age

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*

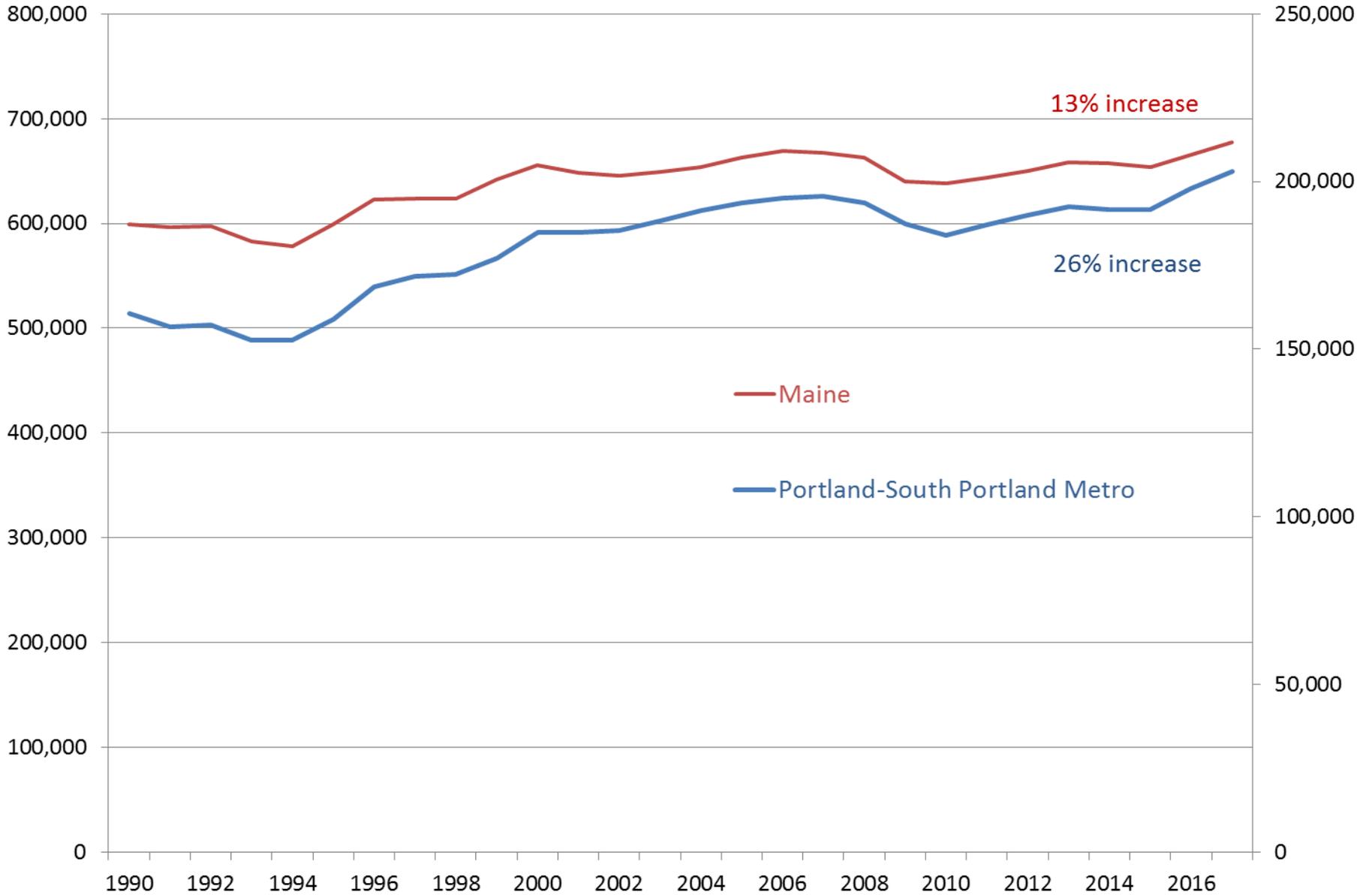
Implications for banking

- 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

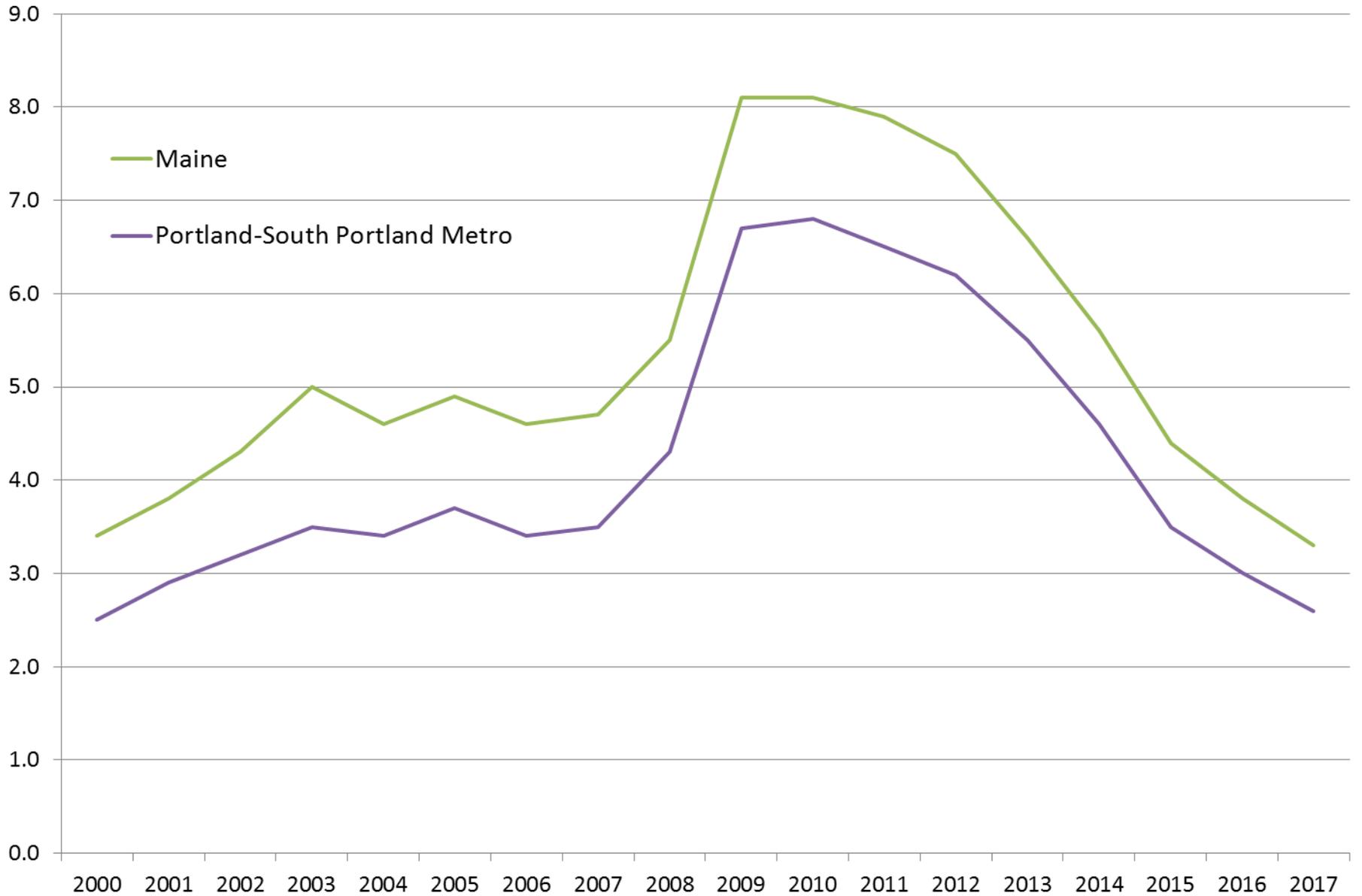


Annual Employment, Maine and Portland-South Portland Metro



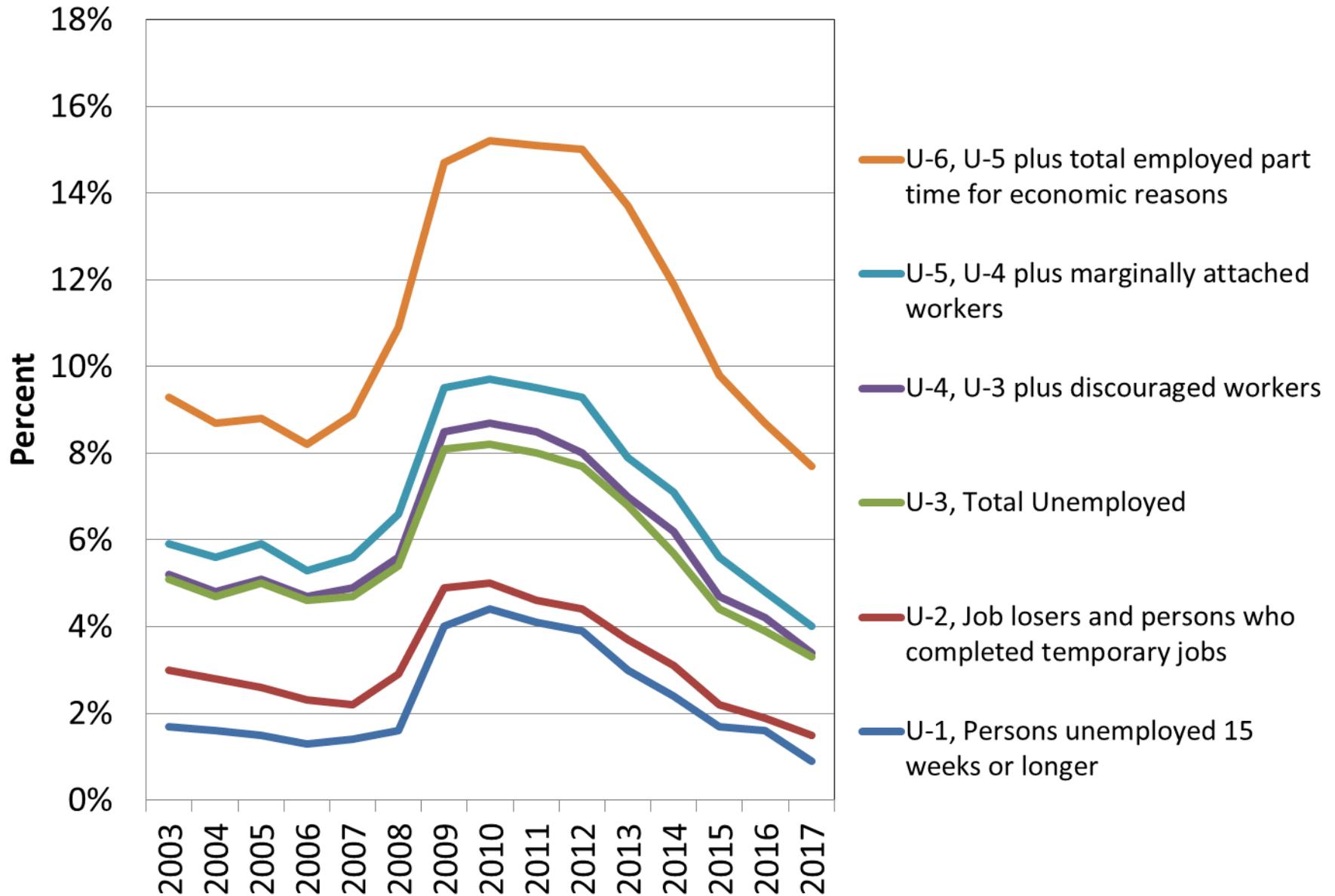
Source: Maine Department of Labor, Center for Workforce Research and Information

Annual Unemployment Rate

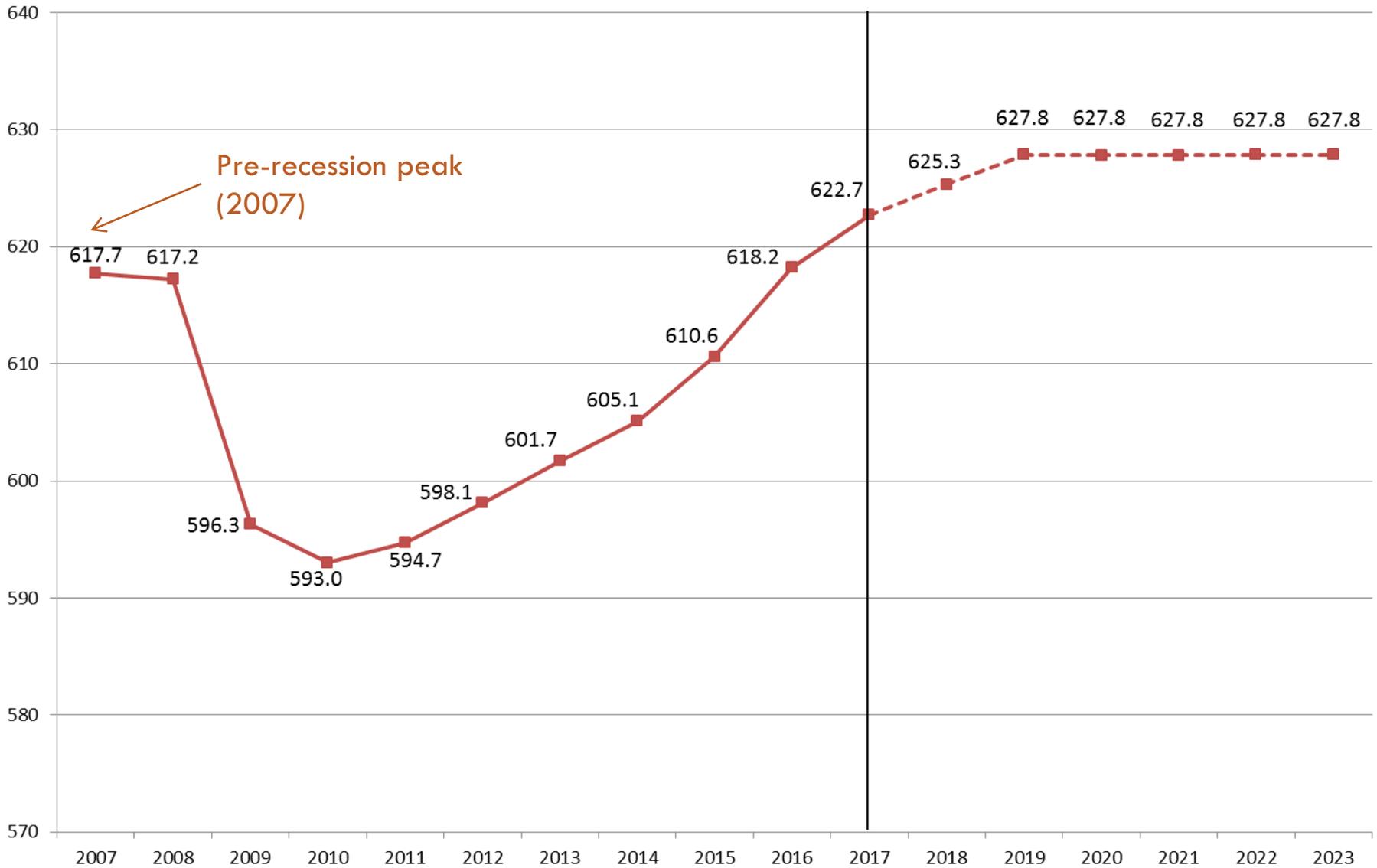


Source: Maine Department of Labor, Center for Workforce Research and Information

Alternative Measures of Labor Undertutilization - Maine

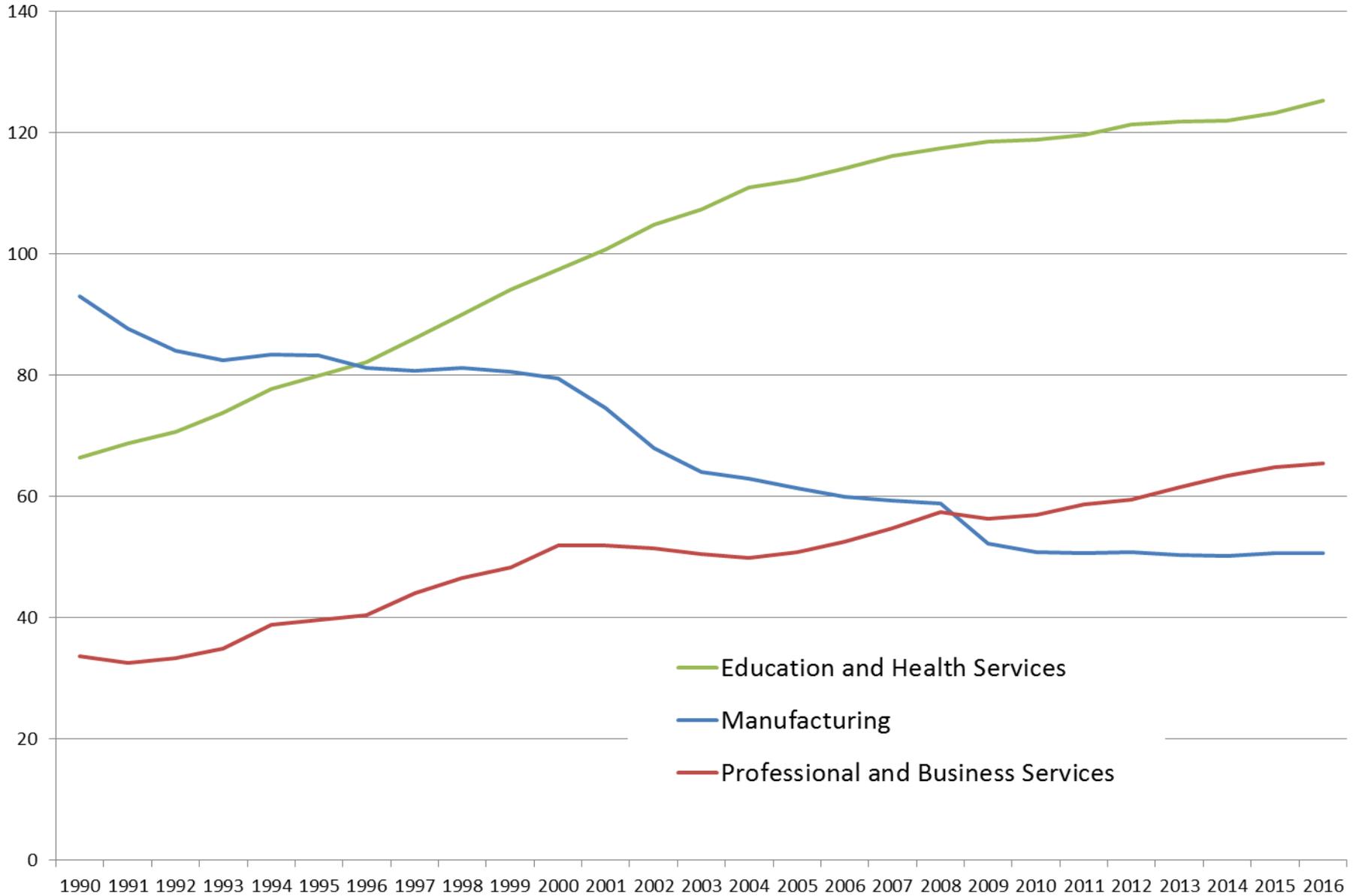


Total Nonfarm Employment (in thousands) History and CEFC forecast

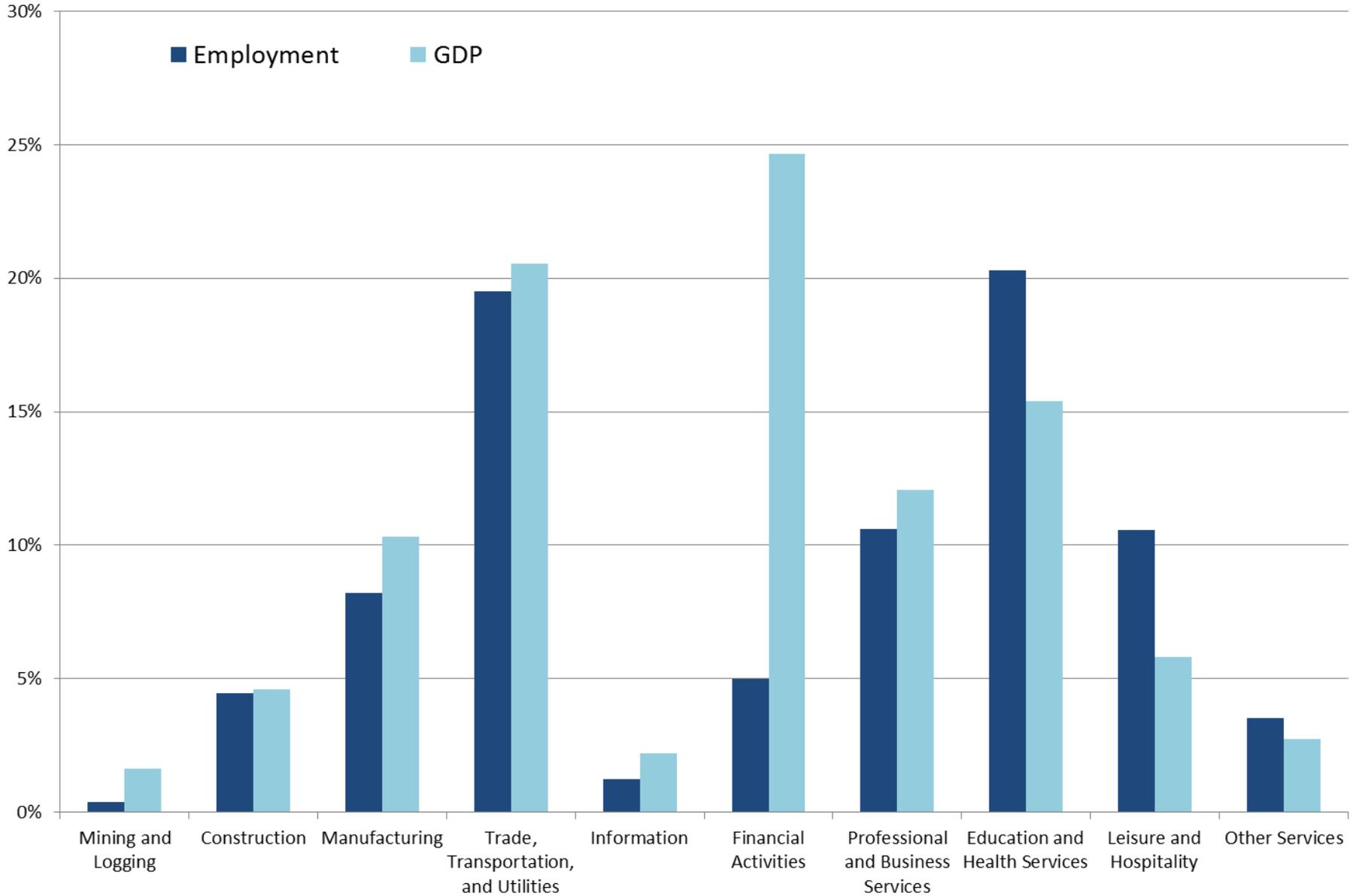


Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, February 1, 2018

Maine Wage and Salary Employment by Industry (in thousands)

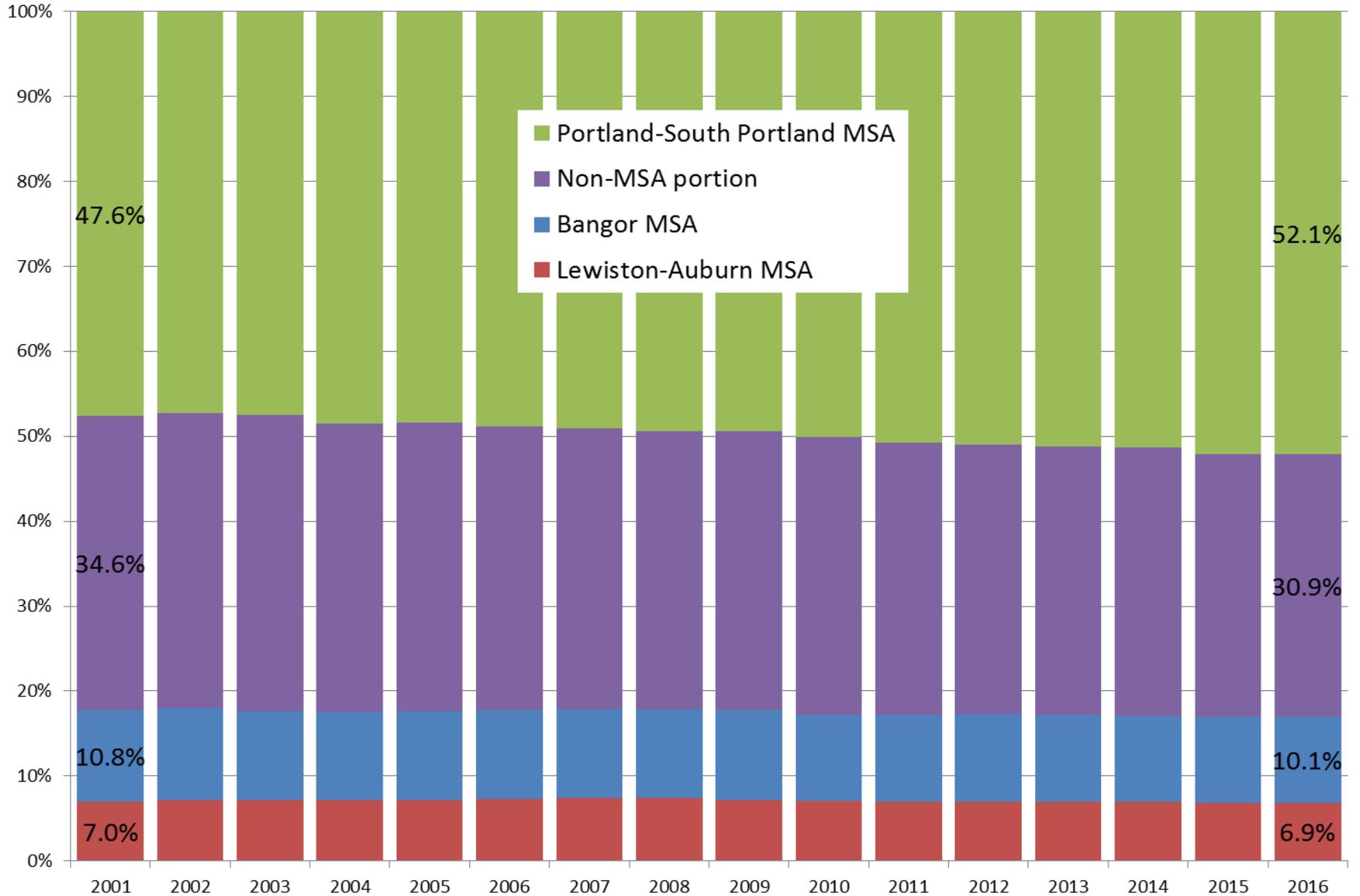


2016 Maine Employment and GDP by Industry



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

Share of Maine Real GDP by Metropolitan Area



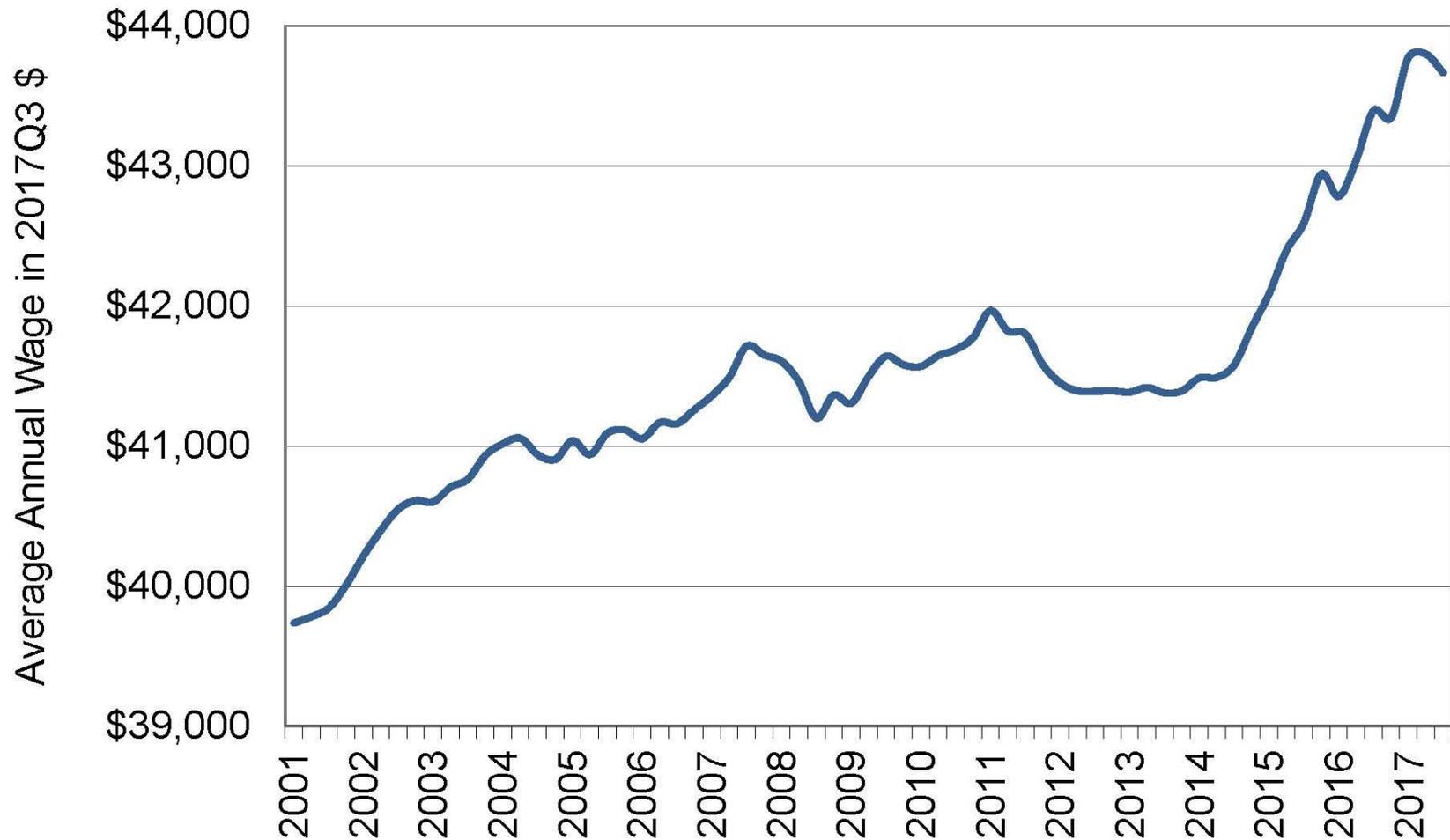
Implications for banking

- 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



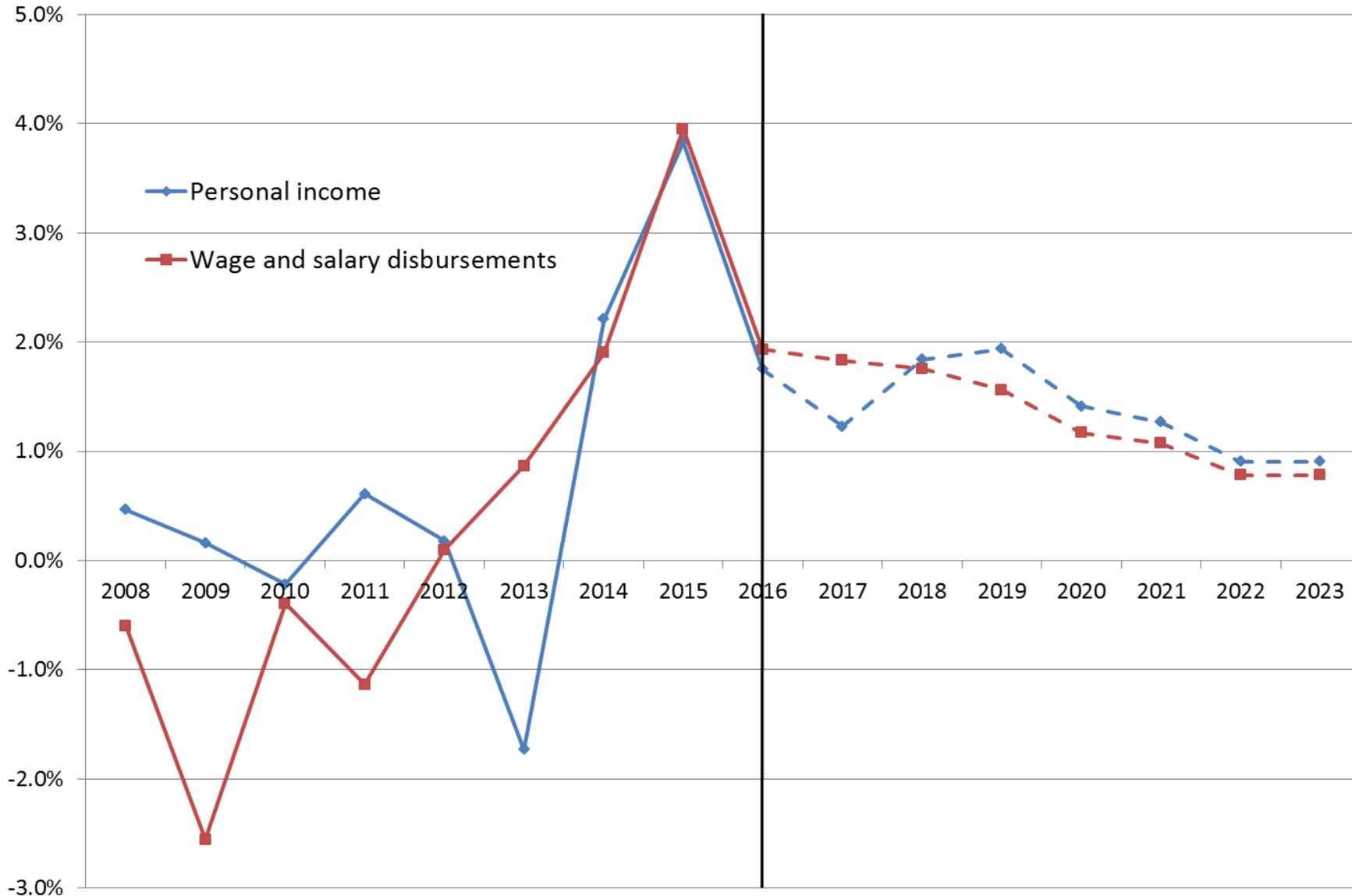
The average wage per job has been rising at the fastest rate in nearly two decades, reflecting the competitive hiring and retention environment *(adjusted for inflation to 2017 Q3 dollars)*



Percent Change in Personal Income					
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
United States	5.1	1.2	5.3	5.0	2.3
Connecticut	2.0	-1.3	3.7	2.5	1.2
Maine	2.3	-0.3	3.9	4.0	3.0
Massachusetts	4.3	0.7	4.4	6.5	2.6
New Hampshire	4.8	-0.3	2.0	4.2	2.9
Rhode Island	4.2	0.4	3.4	4.1	1.4
Vermont	3.3	1.7	3.3	3.6	2.0

Percent Change in Per Capita Personal Income					
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
United States	4.3	0.5	4.5	4.2	1.6
Connecticut	1.9	-1.4	3.8	2.7	1.4
Maine	2.2	-0.3	3.7	4.1	2.9
Massachusetts	3.5	0.0	3.7	6.0	2.2
New Hampshire	4.6	-0.4	1.5	4.1	2.6
Rhode Island	4.2	0.3	3.3	4.0	1.3
Vermont	3.4	1.6	3.3	3.8	2.3

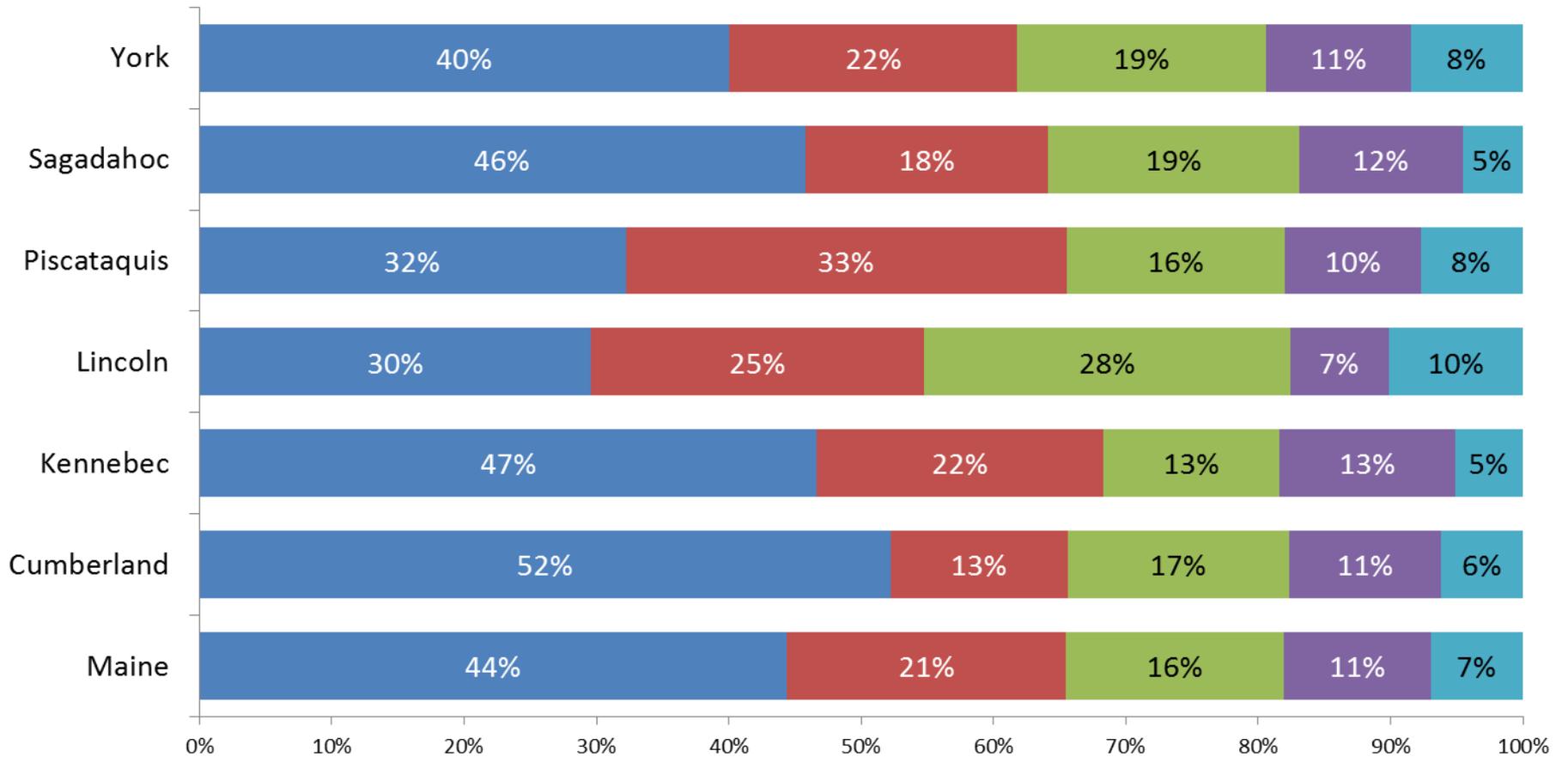
Percent Change in Real Personal Income, Maine



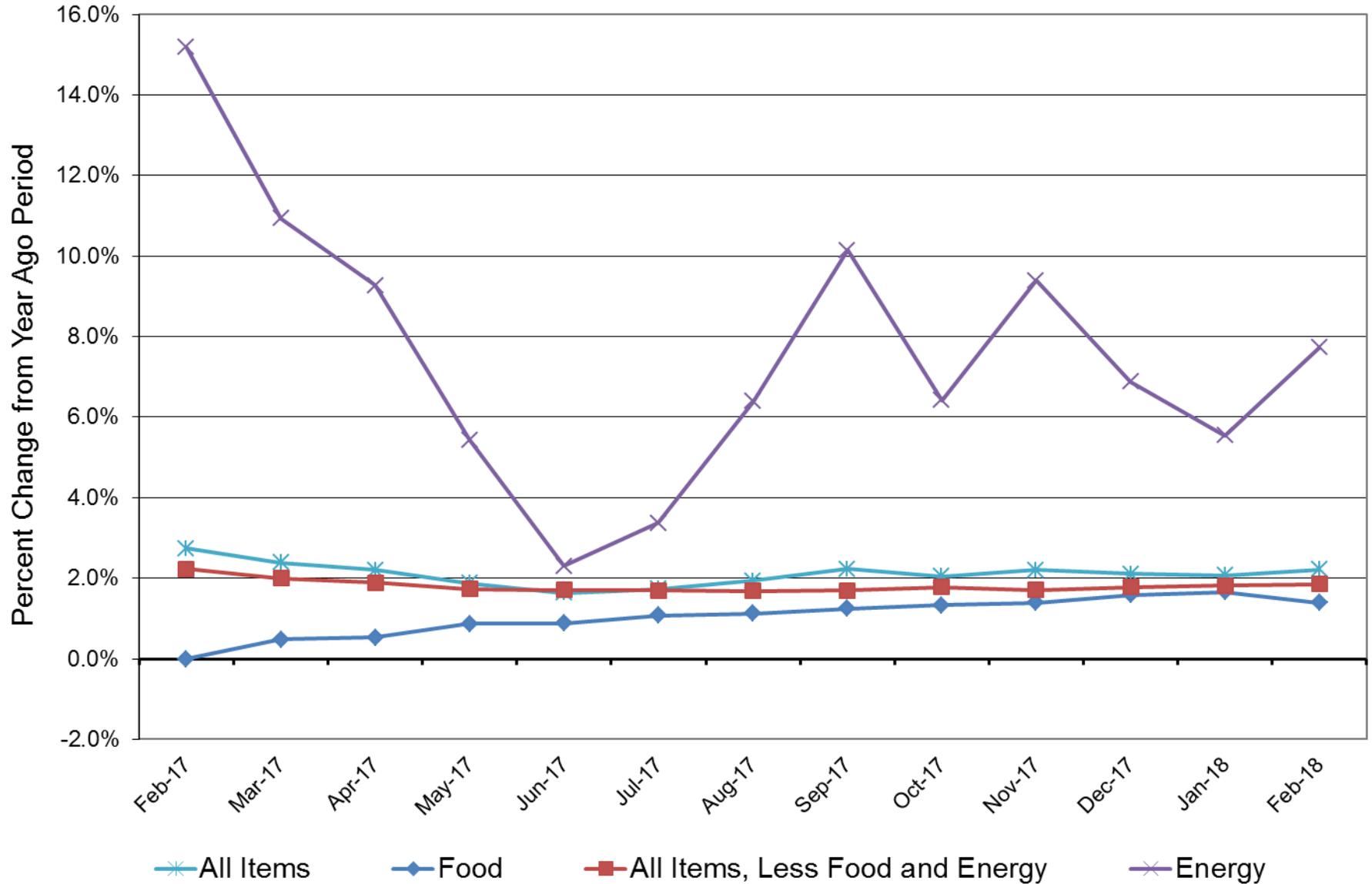
Sources: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, and Consensus Economic Forecasting Commission report, February 1, 2018

Major Components of Personal Income, 2016

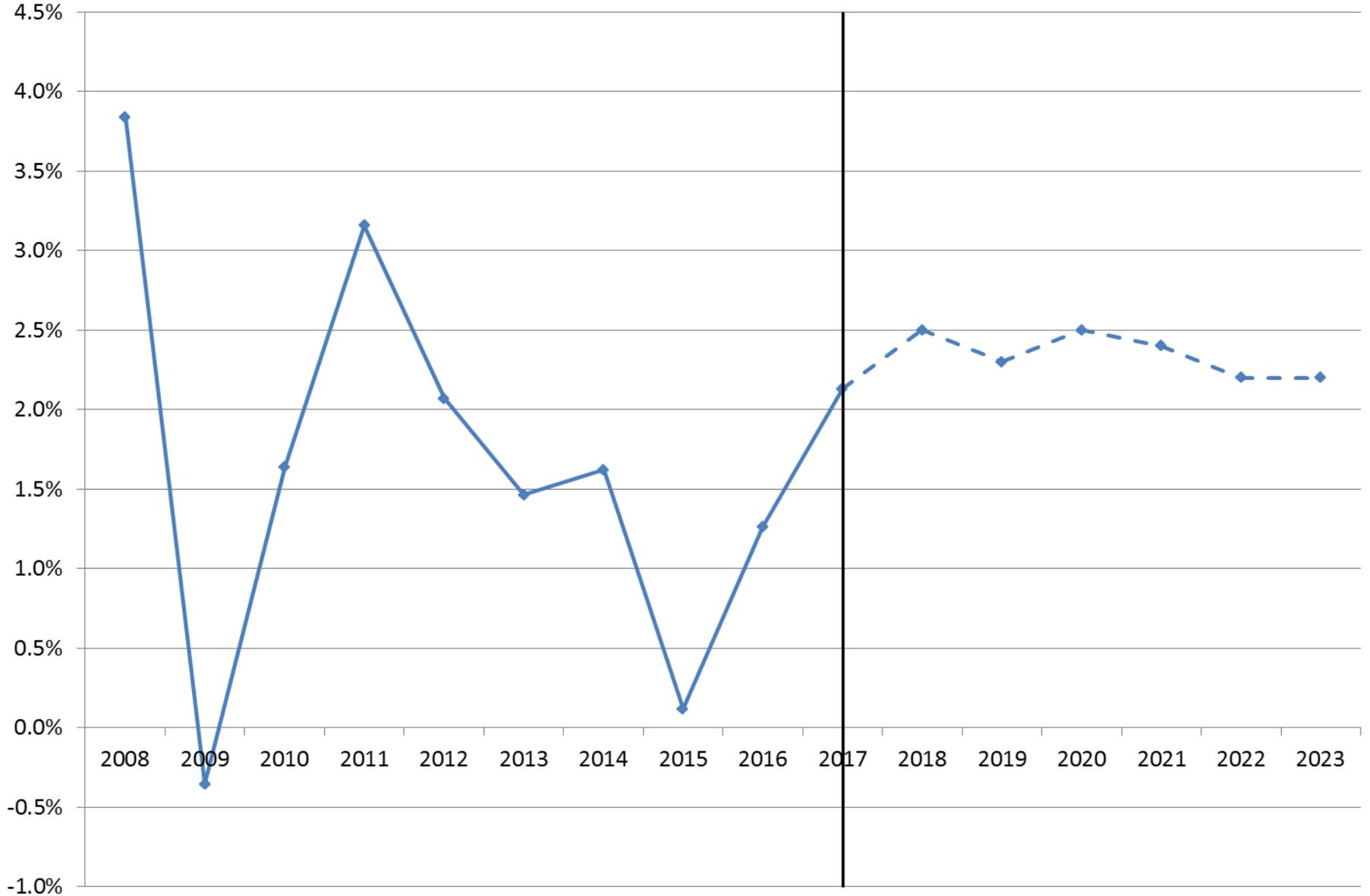
- Wages and salaries
- Personal current transfer receipts
- Dividends, interest, and rent
- Supplements to wages and salaries
- Proprietors' income



Consumer Price Index- U.S. All Urban



Annual Change in Consumer Price Index



Sources: U.S. Bureau of Labor Statistics; Maine Consensus Economic Forecasting Commission, Feb. 1, 2018 report

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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