

DEMOGRAPHICS AND ECONOMIC DEVELOPMENT IN MAINE

FEBRUARY 11, 2020
AMANDA RECTOR
MAINE STATE ECONOMIST



FIRST... WHAT DOES
THE STATE ECONOMIST
DO, ANYWAY?

STATUTORY REQUIREMENTS

(I.E. STUFF THE LAW SAYS I HAVE TO DO)

- Consensus Revenue Forecasting
 - Provides staff support to Consensus Economic Forecasting Commission
 - Member of Revenue Forecasting Committee
 - Biennial “stress test” requirement
- Average Personal Income Growth
 - Calculation of average personal income growth for use in General Fund appropriations limitation and tax levy limits for municipalities/counties
- Median Household Income
 - Supplied using current data from U.S. Census Bureau

OTHER RESPONSIBILITIES

- All things Census...
 - Lead agency for Maine's State Data Center (U.S. Census Bureau program for data dissemination)
 - Governor's Liaison to the U.S. Census Bureau
 - Redistricting liaison (appointed by governor and legislative leadership)
 - Staff support for the Census 2020 Maine Complete Count Committee (est. by Executive Order)
- Odds and ends
 - Requests for data and analysis from Governor, other agencies, legislature, press, general public
 - Maintain an online data access portal and publish monthly Maine Economic Indicators report
 - Public speaking engagements
 - Part of state team that presents to bond rating agencies
- Demographic projections
 - Age/sex in 5-year increments 20 years out for state and counties; total population for cities/towns

DEMOGRAPHICS



MAINE: A DEMOGRAPHIC SNAPSHOT

- 2019 Population Estimate: 1,344,212

- 42nd largest in US

- 2010 – 2019 Population Change: +1.2%

- 40th among U.S. states (ahead of WV, IL, VT, CT, MS, NY, RI, PA, NJ, MI)

- 2018 Median age: 44.9 years

- Oldest in US

- 93.1% White, Non-Hispanic

- Highest percentage in US



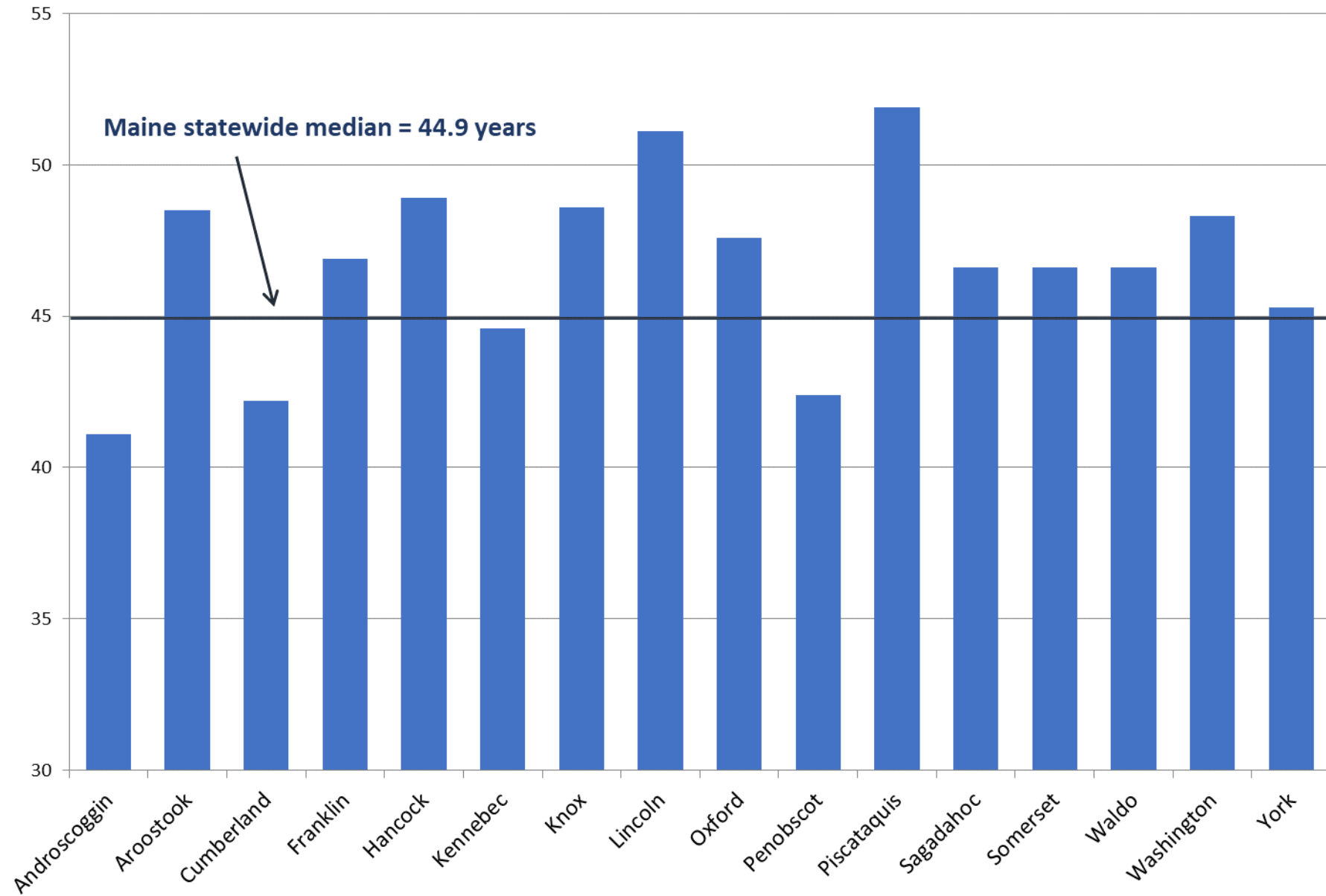
IMPROVING POPULATION GROWTH

- In 2019, Maine's rate of total population increase (0.4%) ranked 25th
- The annual rate of net migration (5.6 people per 1,000 population) ranked 16th in the nation

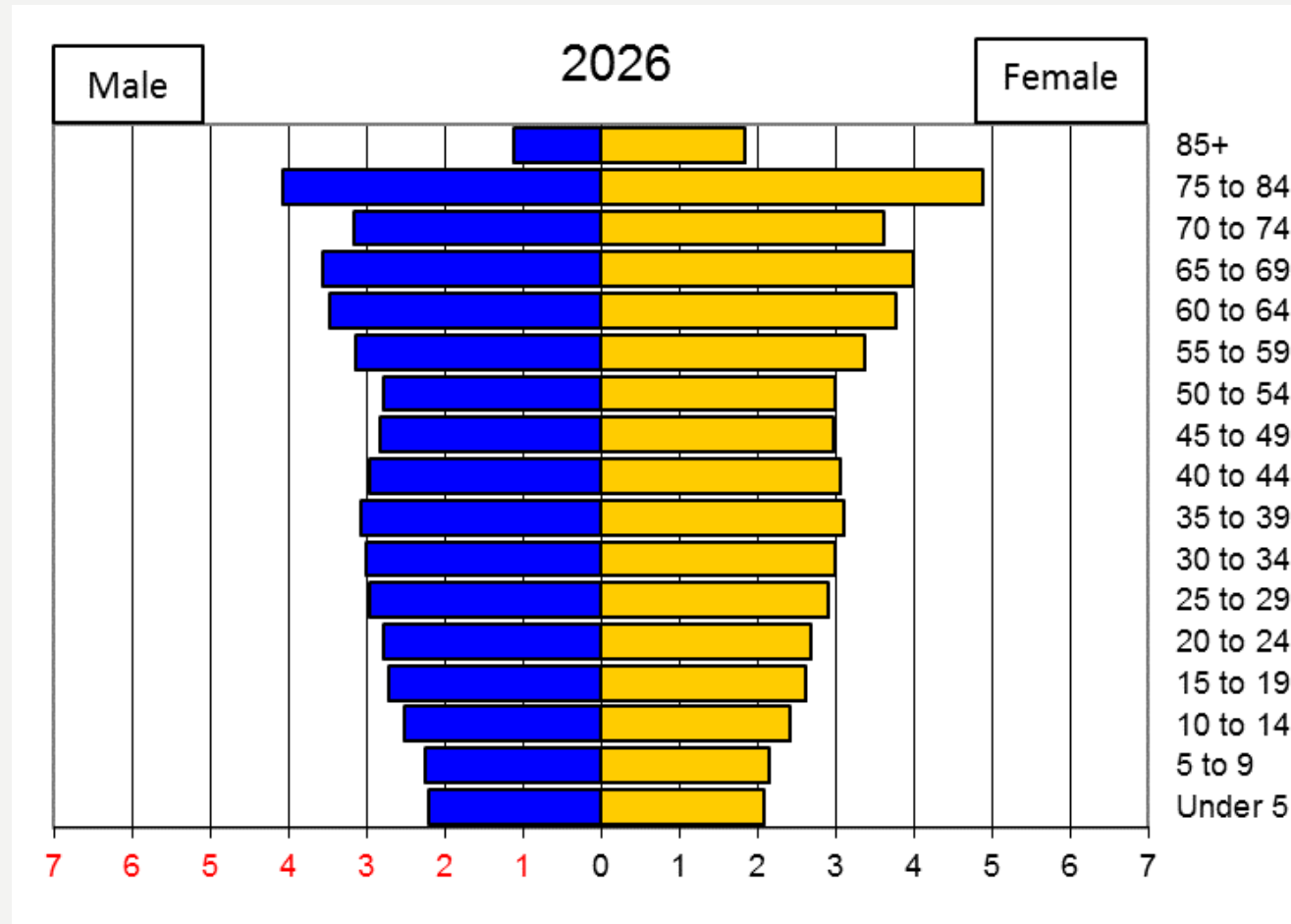
What's happening?

- Other states in the U.S. are starting to see their populations age and migration (both domestically and internationally) has slowed
- Maine has been at the leading edge and now other states are catching up

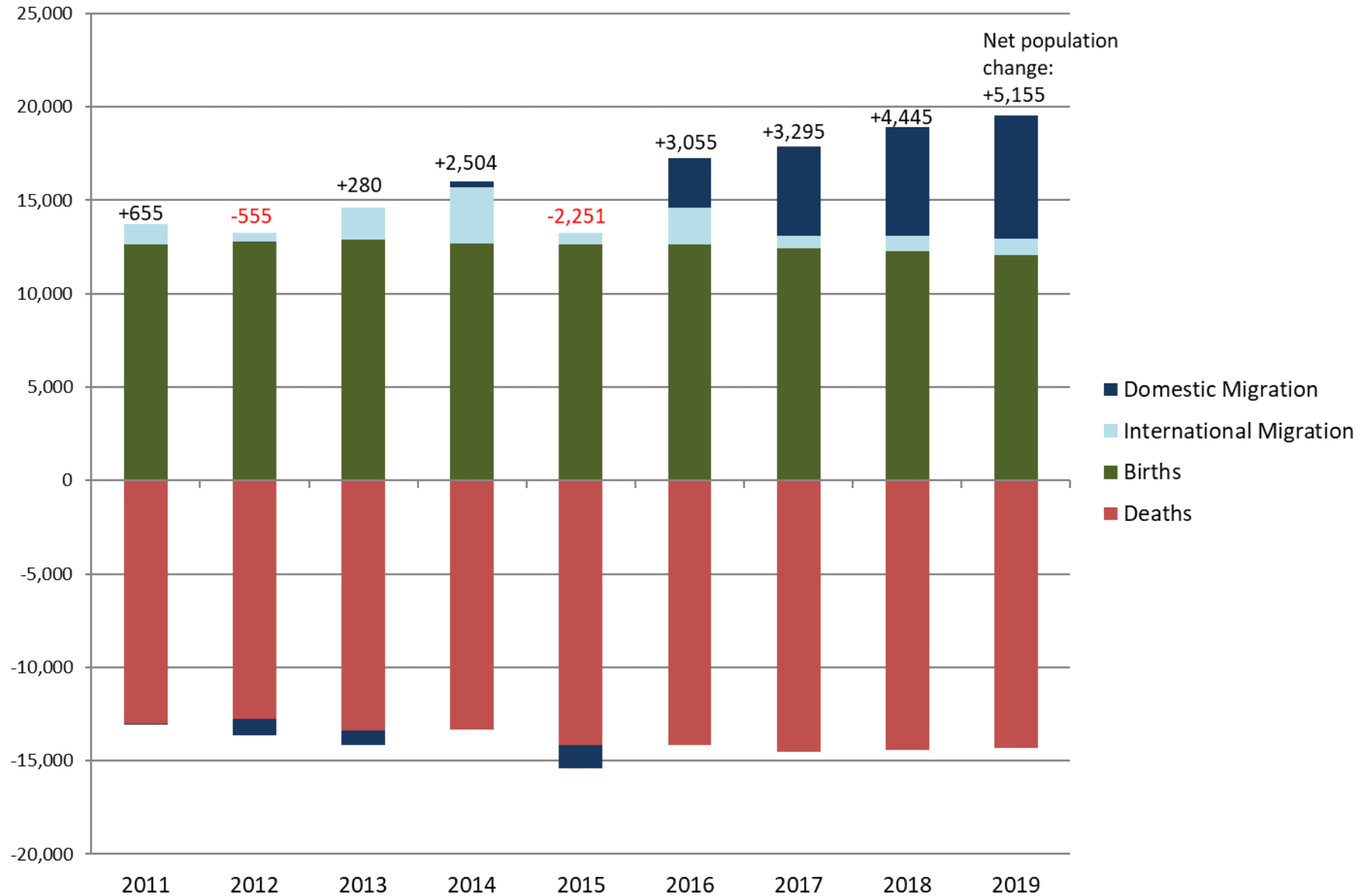
Median Age



THE BABY BOOM WAVE

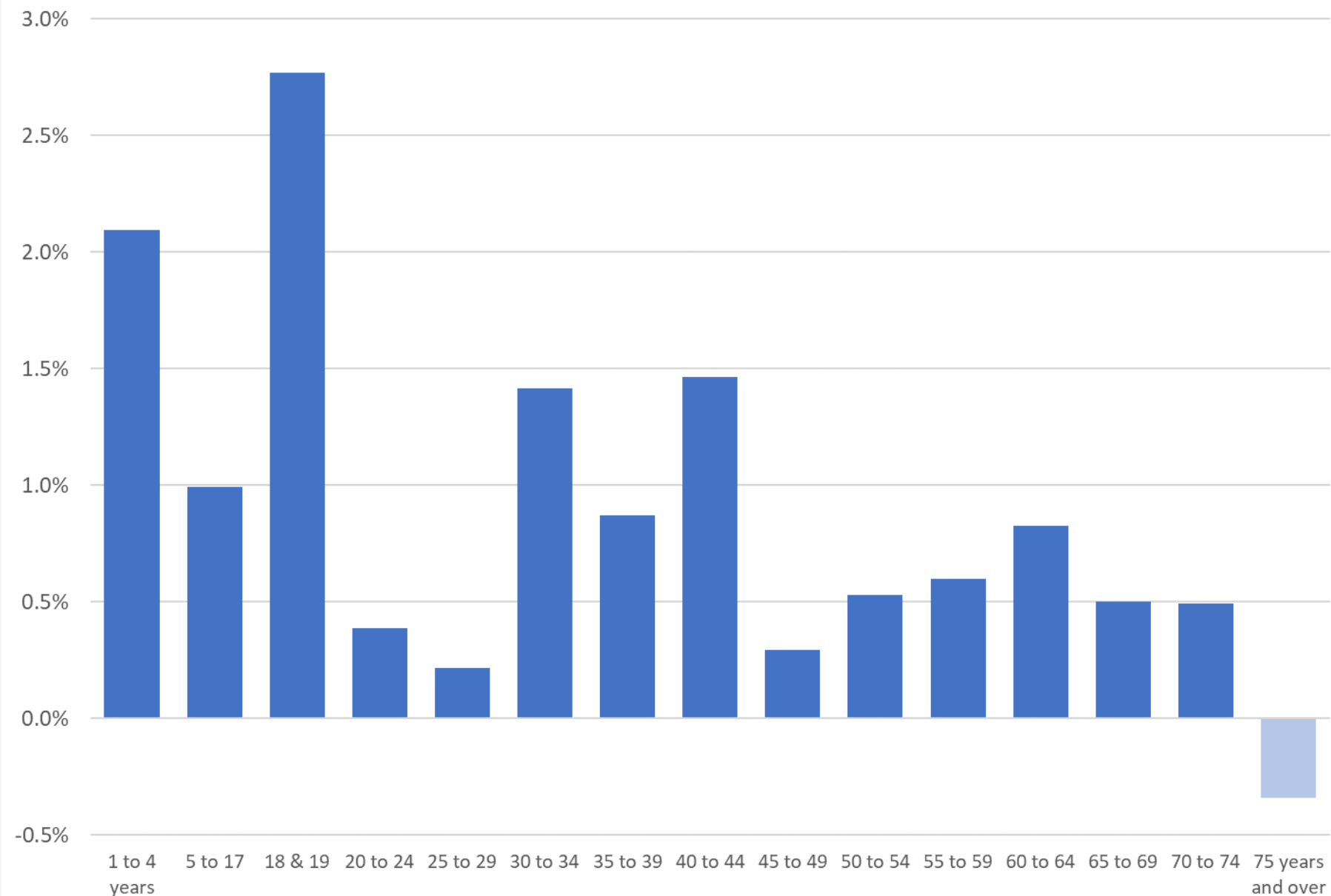


Components of Population Change, Maine



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

Annual Domestic Migration Rate by Age, 2018



Source: U.S. Census Bureau, 2018 American Community Survey 1-year estimates

WHERE DO WE GET ALL THIS DEMOGRAPHIC DATA?


The U.S. Census Bureau is the primary source for demographic data, with annual updates from both from the population estimates program and the American Community Survey.

But it all starts with the decennial census.

CENSUS 2020 IS COMING!

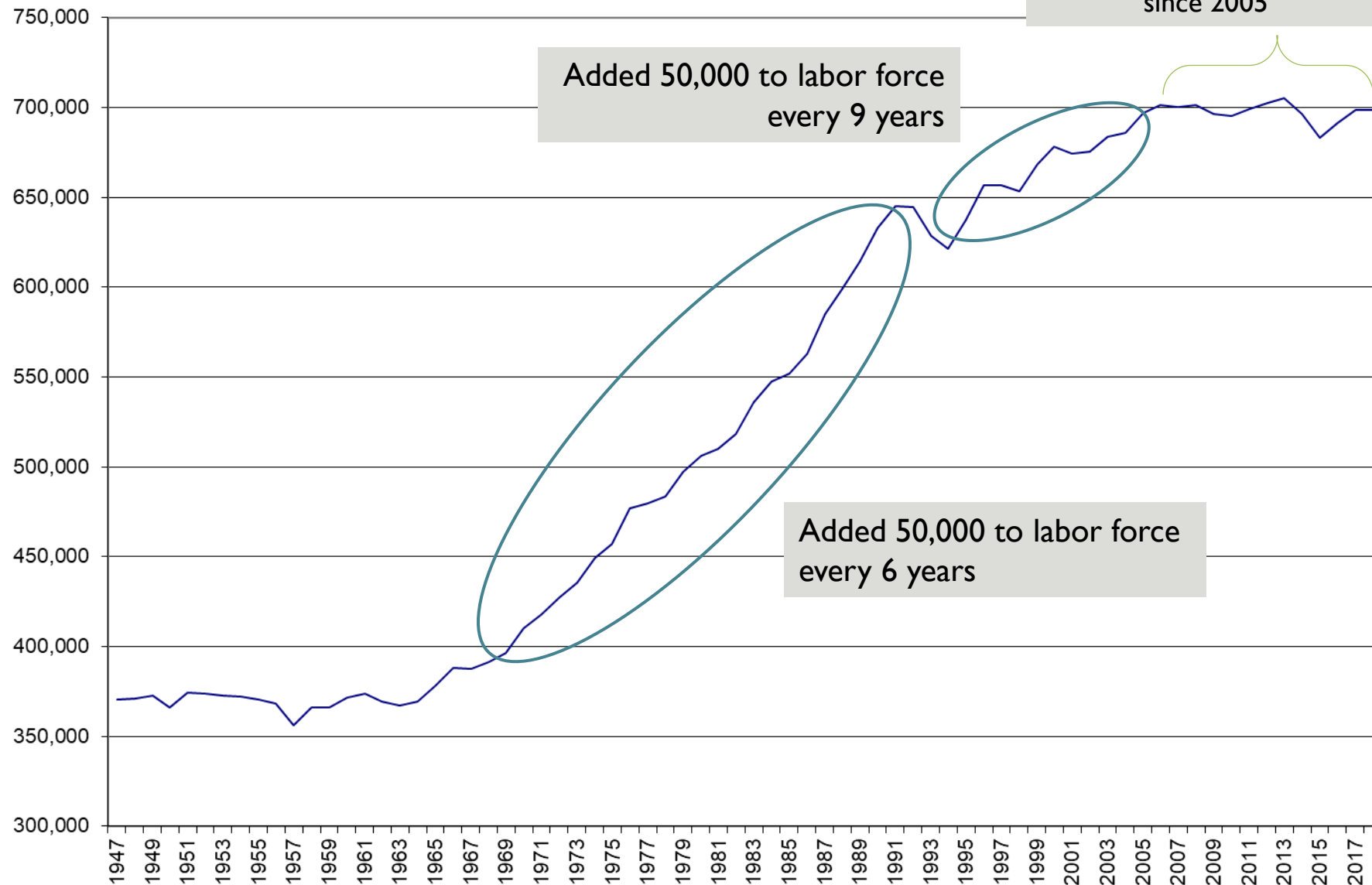
- Once a decade chance to count everyone in the country
- Sets the benchmark for all other demographic data
- Around \$4 billion of federal funds are distributed to Maine each year on the basis of census data
- For the first time, people can self-respond online, by phone, or by mail
- Census workers take a lifetime oath not to reveal any personal information – violating this oath results in a fine of up to \$250,000 and five years in prison

For more information go to <http://www.2020census.gov>

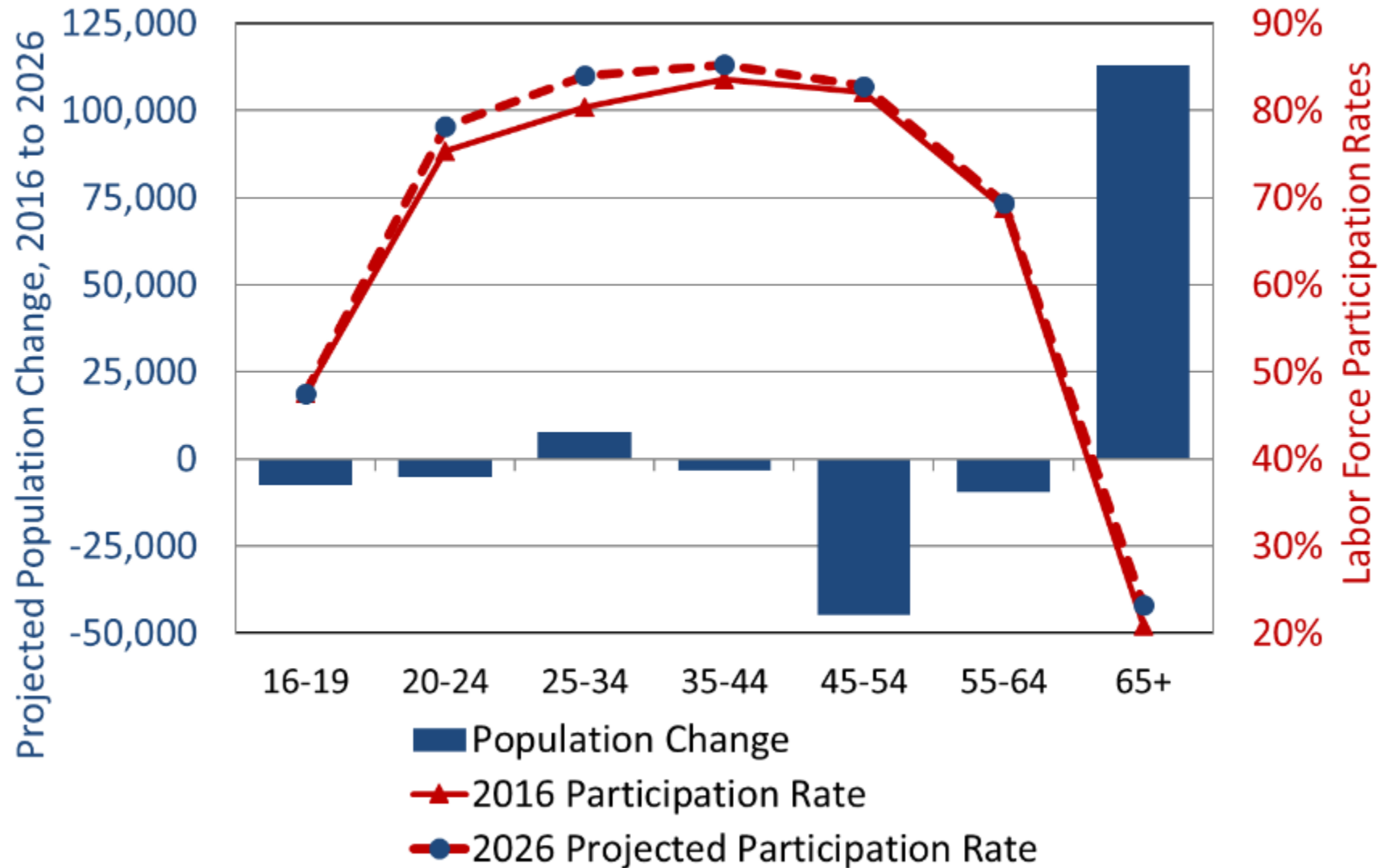


**WHY DO WE
CARE ABOUT
DEMOGRAPHICS,
ANYWAY?**

Maine Civilian Labor Force

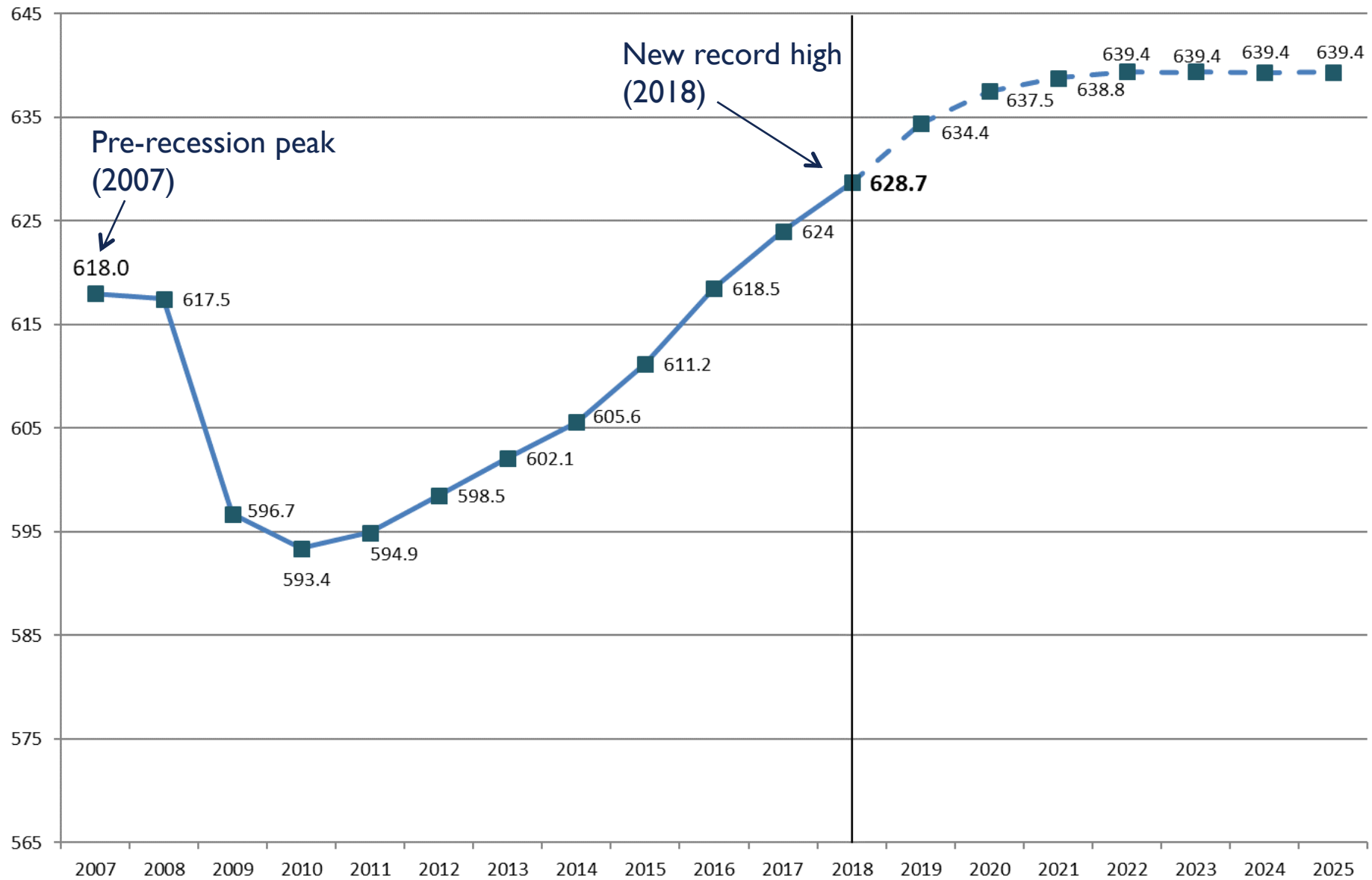


Projected Population Change and Participation Rates by Age Group in Maine



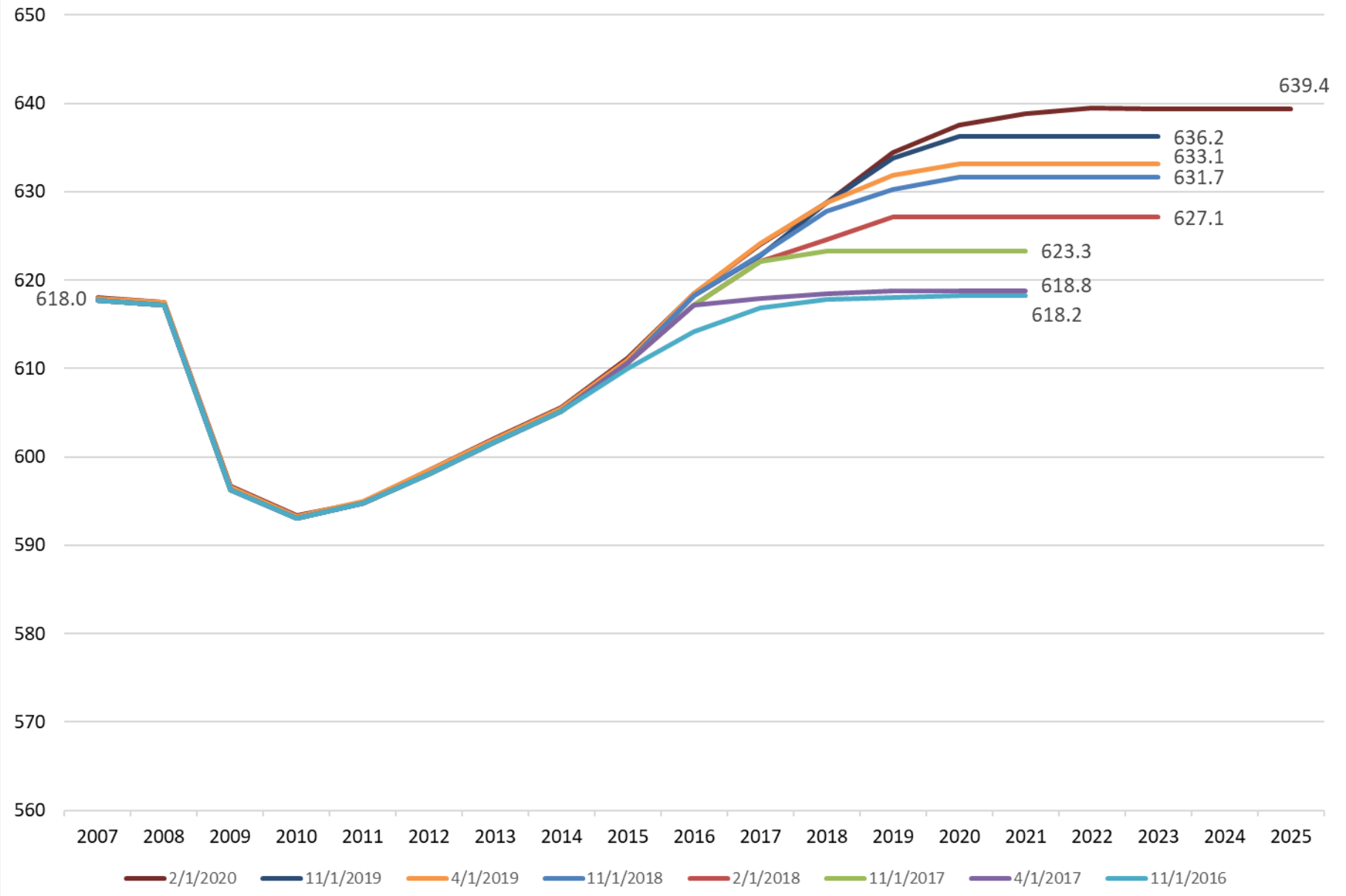
Source: Maine Department of Labor, *Employment Outlook to 2026*; <https://cwri1.blogspot.com/2018/07/employment-outlookto-2026.html>

Total Nonfarm Employment (in thousands) History and CEFC forecast



Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, February 1, 2020

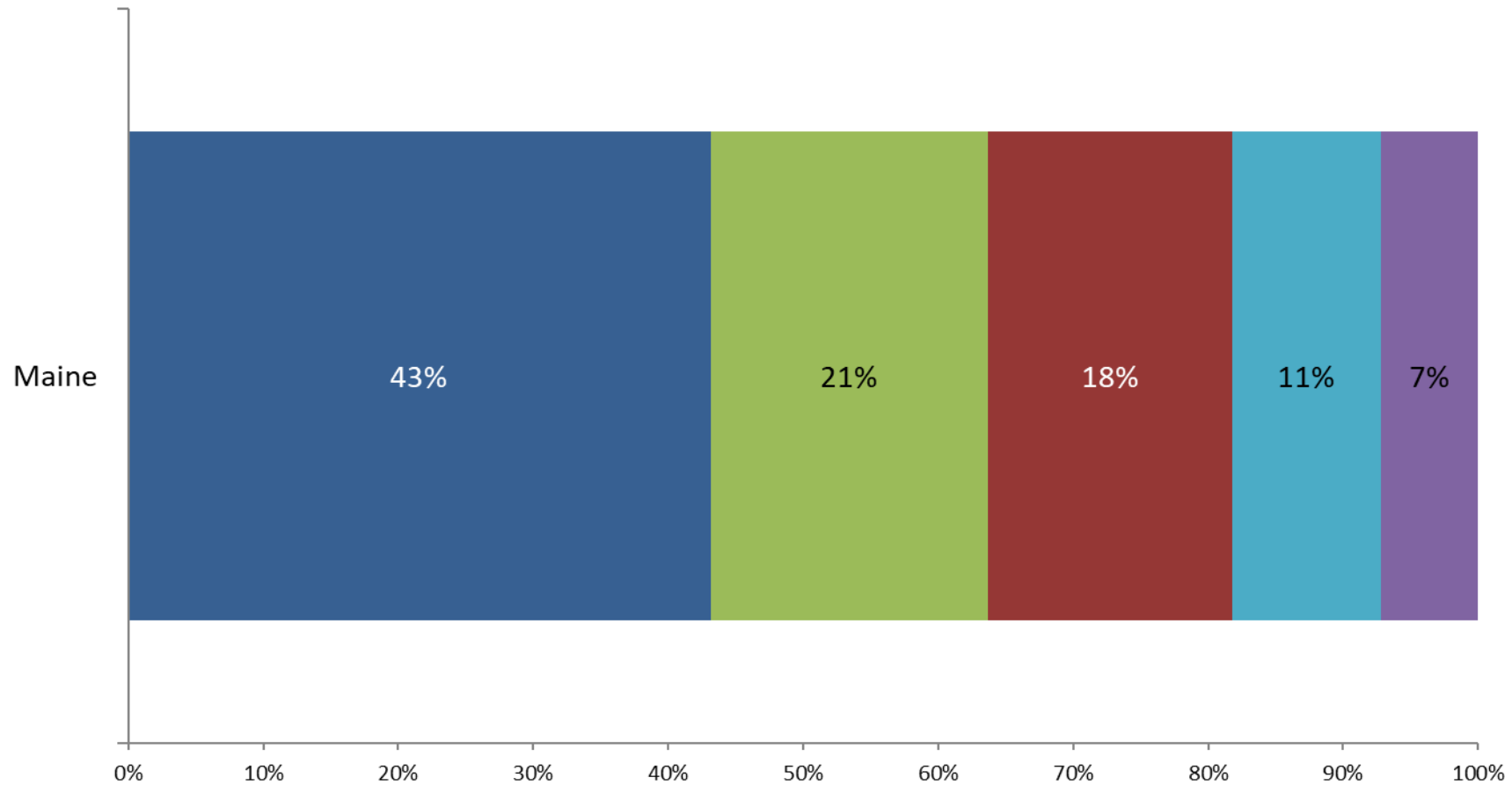
Revisions to CEFC Forecast of Total Nonfarm Employment (in thousands)



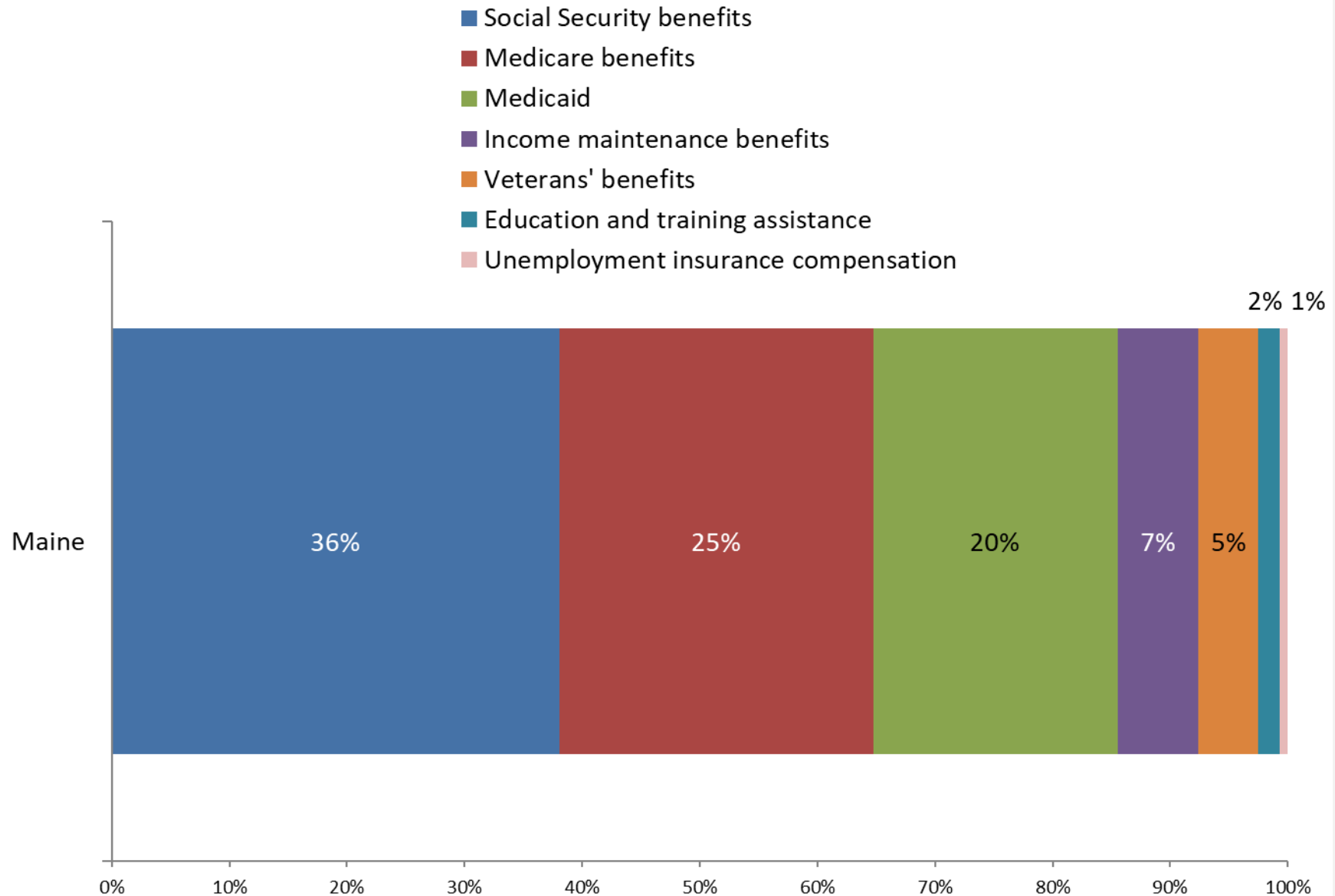
Source: Consensus Economic Forecasting Commission reports

Major Components of Personal Income, 2018

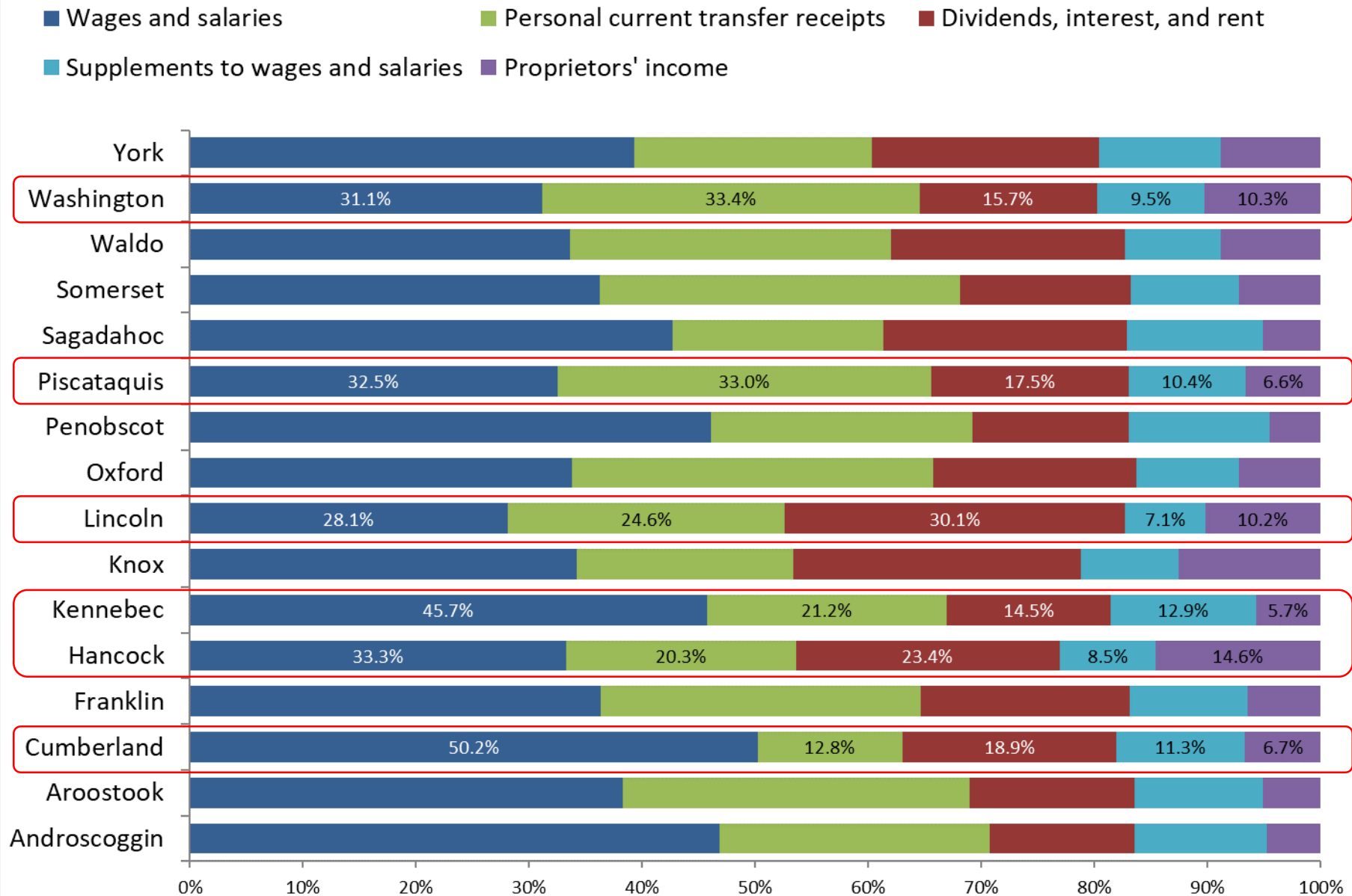
- Wages and salaries
- Personal current transfer receipts
- Dividends, interest, and rent
- Supplements to wages and salaries
- Proprietors' income



Components of Personal Current Transfer Receipts, 2018



Major Components of Personal Income, 2018



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DEMOGRAPHICS SHOW UP EVERYWHERE

- Labor force availability
- Employment growth
- Sources of personal income
- Tax revenue and government spending

You need to understand demographics to understand the economy

THANK YOU!

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