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
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

Source: U.S. Census Bureau, Population Estimates Program
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
Maine statewide median = 44.9 years

Source: U.S. Census Bureau, 2018 Population Estimates
THE BABY BOOM WAVE

Source: U.S. Census Bureau, Decennial Censuses and State Economist population projections
Components of Population Change, Maine

Net population change: +5,155

- Domestic Migration
- International Migration
- Births
- Deaths

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

- Added 50,000 to labor force every 6 years
- Added 50,000 to labor force every 9 years
- Labor force has been flat since 2005

Source: Maine Department of Labor
Projected Population Change and Participation Rates by Age Group in Maine

Total Nonfarm Employment (in thousands)
History and CEFC forecast

Pre-recession peak (2007)

New record high (2018)

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

Maine

43% 21% 18% 11% 7%

Source: U.S. Bureau of Economic Analysis
Components of Personal Current Transfer Receipts, 2018

Source: U.S. Bureau of Economic Analysis
Major Components of Personal Income, 2018

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

Source: U.S. Bureau of Economic Analysis
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!

Contact information:
Amanda Rector
Maine State Economist
Dept. of Administrative and Financial Services
78 State House Station
Augusta, ME 04330
(207) 287-2873
amanda.rector@maine.gov