

SPOTLIGHT ON THE MAINE ECONOMY

Maine Bankers Association – Women in Banking Conference

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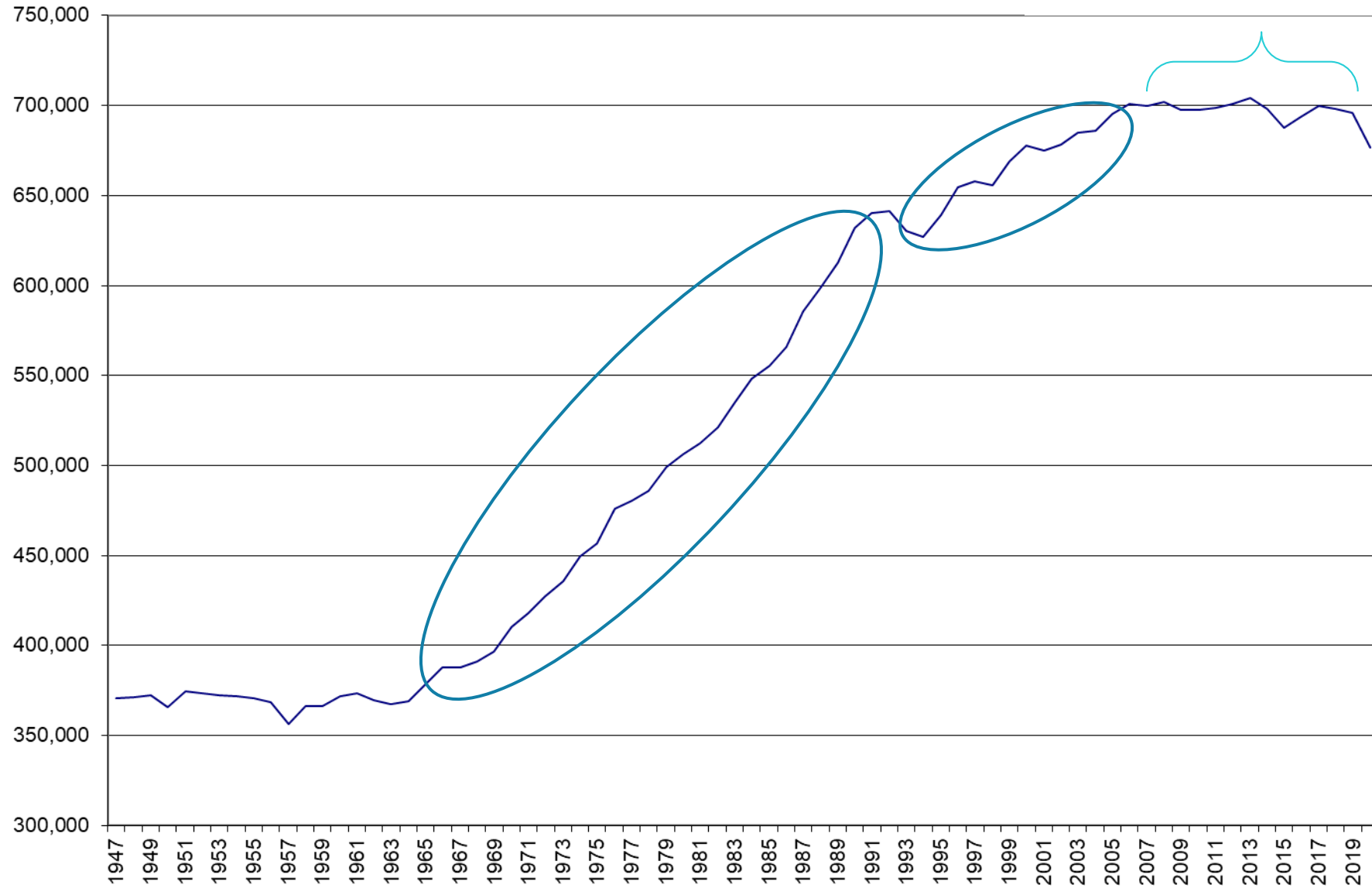
Maine: a demographic snapshot

- 2020 Decennial Population: 1,362,359
 - 42nd largest in U.S.
- 2010 – 2020 Population Change: +2.6%
 - 42nd among U.S. states (ahead of WV, MS, IL, CT, MI, OH, WY, PA)
- 2019 Median age: 45.0 years
 - Oldest in U.S.
- 9.8% Black, Indigenous, and People of Color
 - Lowest percentage in U.S., but improved from 5.6% in 2010



Maine Civilian Labor Force

Labor force has started to trend down





— Housing Inventory: Active Listing Count in Maine

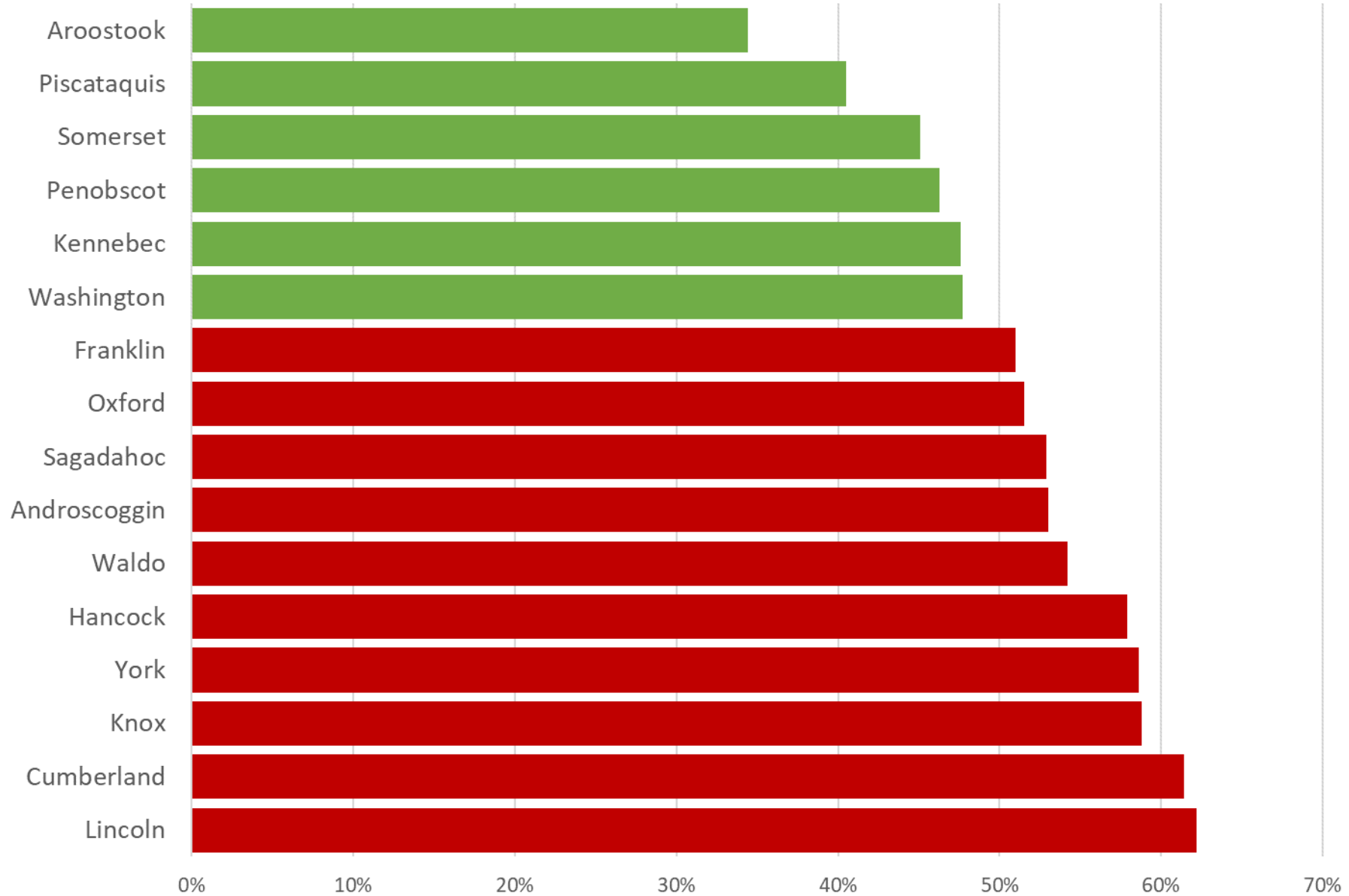


Shaded areas indicate U.S. recessions.

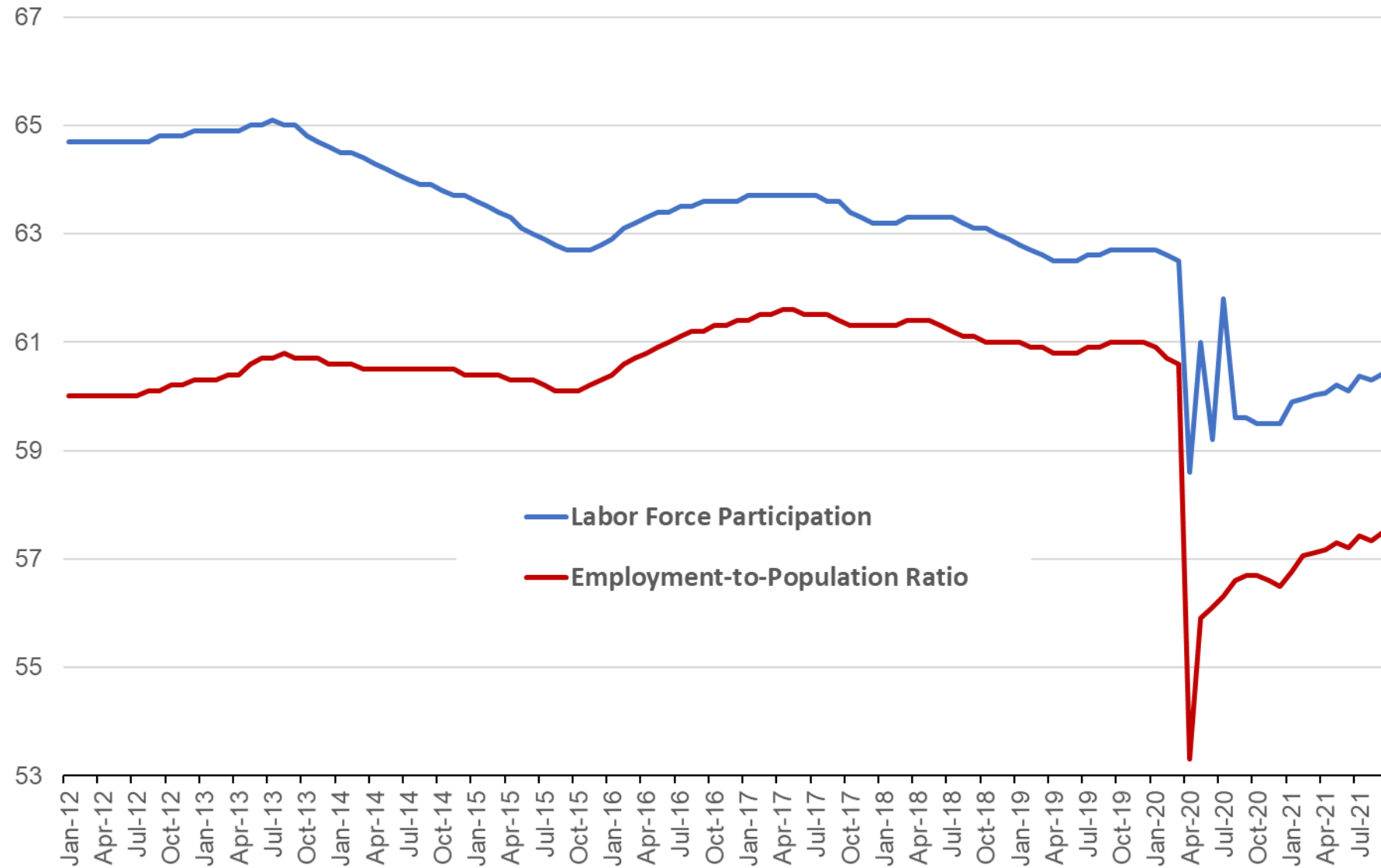
Source: Realtor.com

fred.stlouisfed.org

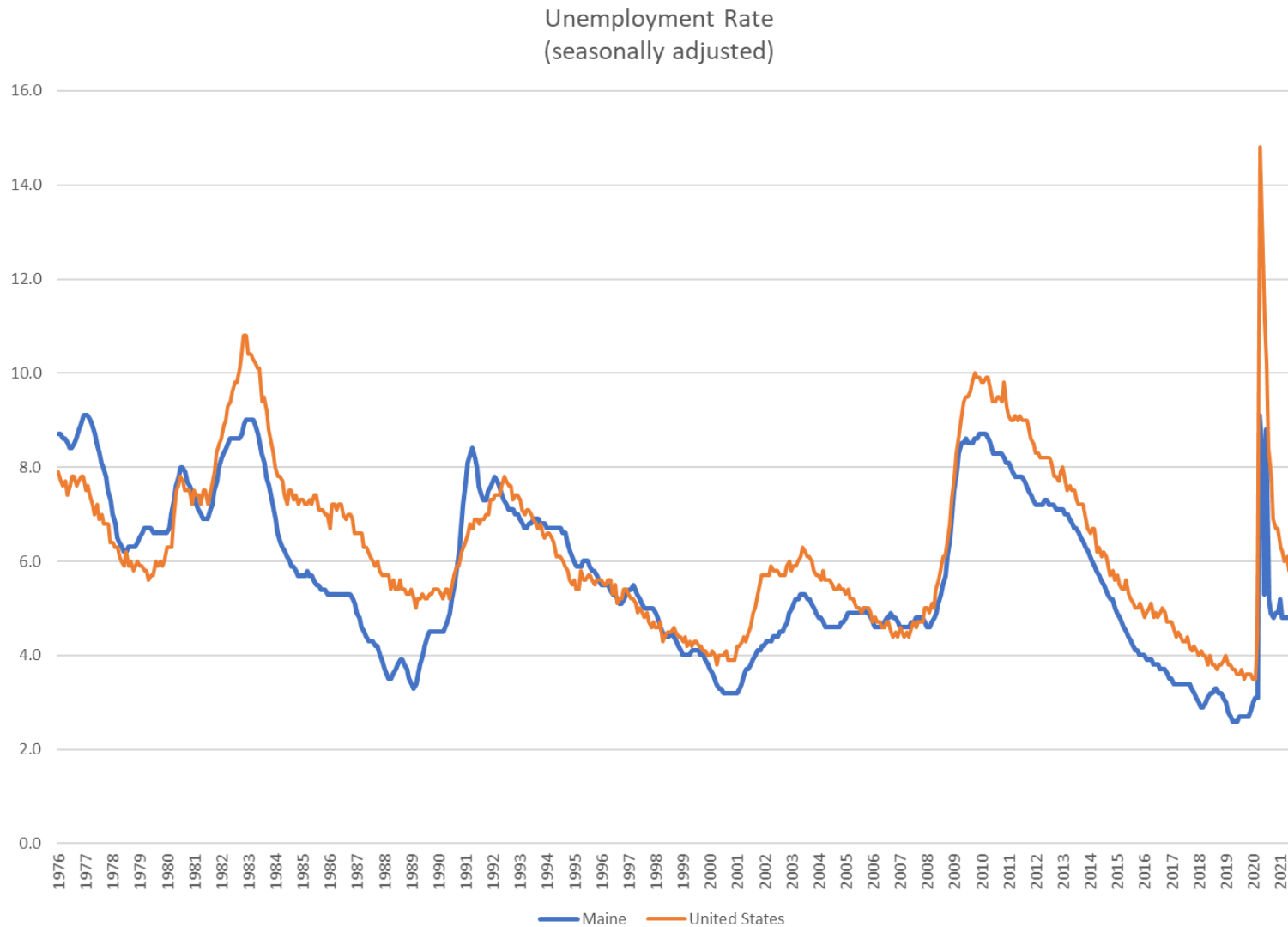
Percent of Households Unable to Afford Median Home



Labor Force Participation & Employment-to-Population Ratio (Seasonally Adjusted)

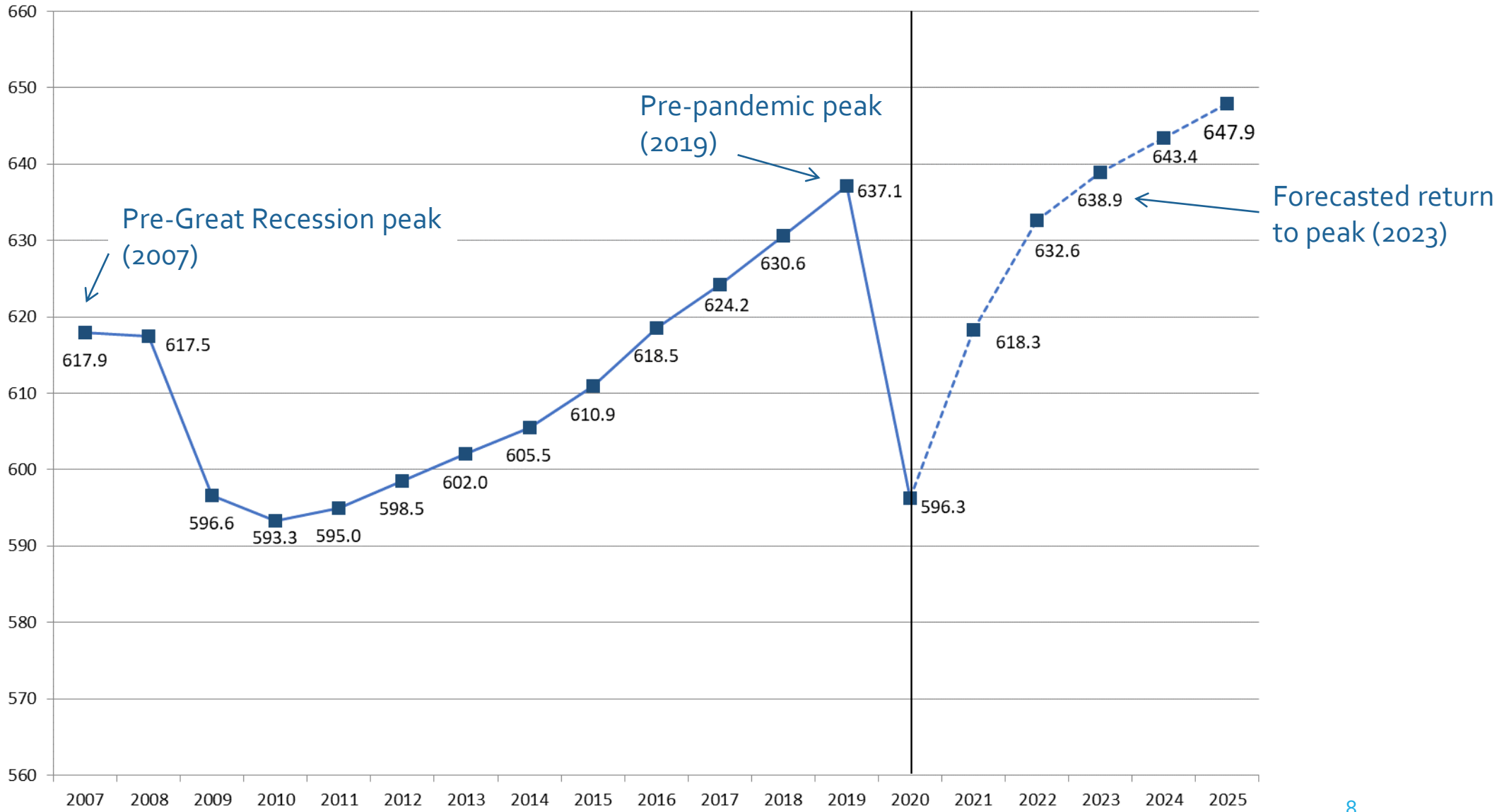


In April 2020, Maine's official unemployment rate was 9.1% - the highest since February 1977. Even so, it underrepresented the true unemployment rate due to technical issues.



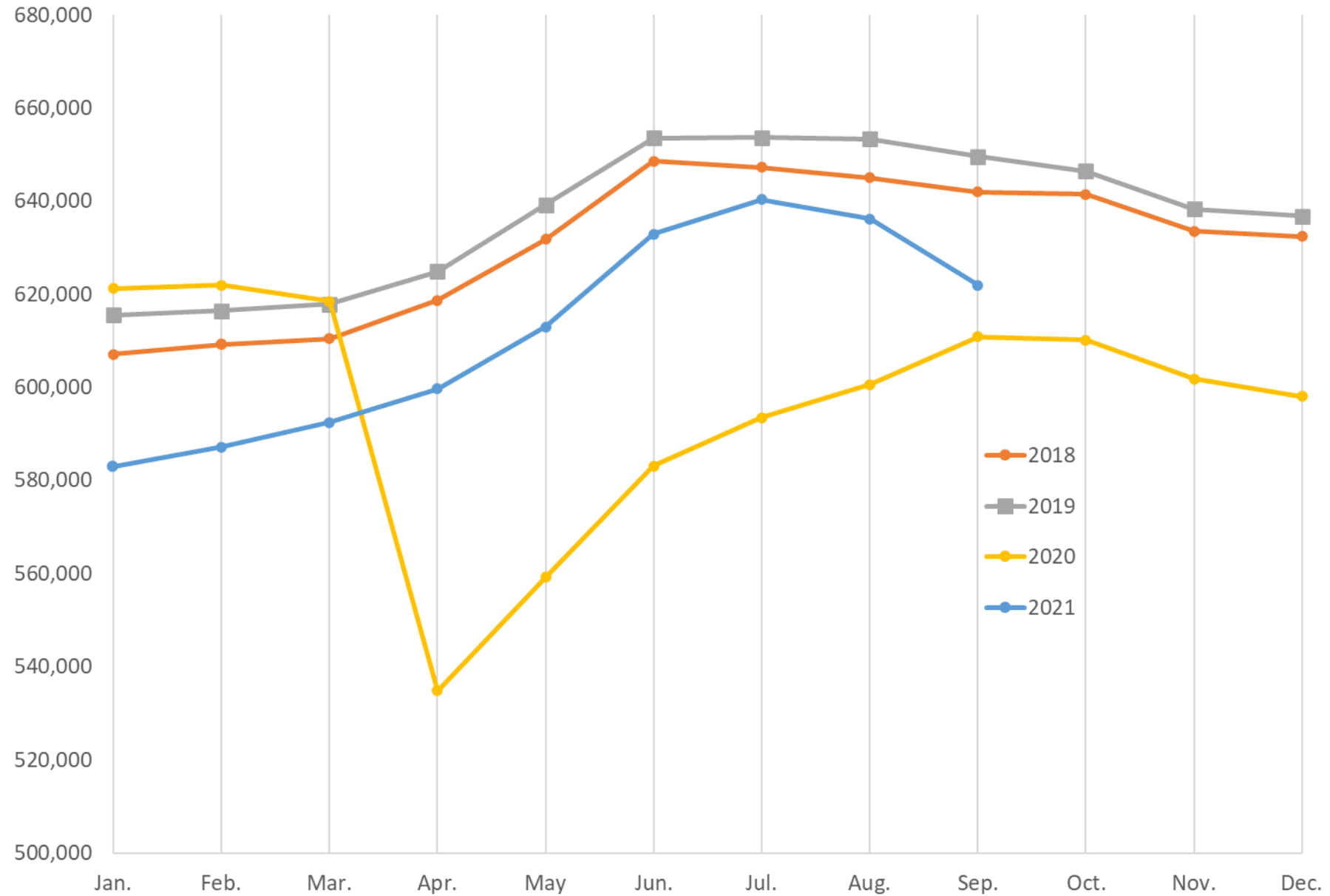
Maine's official unemployment rate in September 2021 was 4.8%, but the Maine Department of Labor estimates that if labor force participation were at Feb. 2020 levels the unemployment rate would be 8.4%

Total Nonfarm Employment (in thousands) History and CEFC forecast

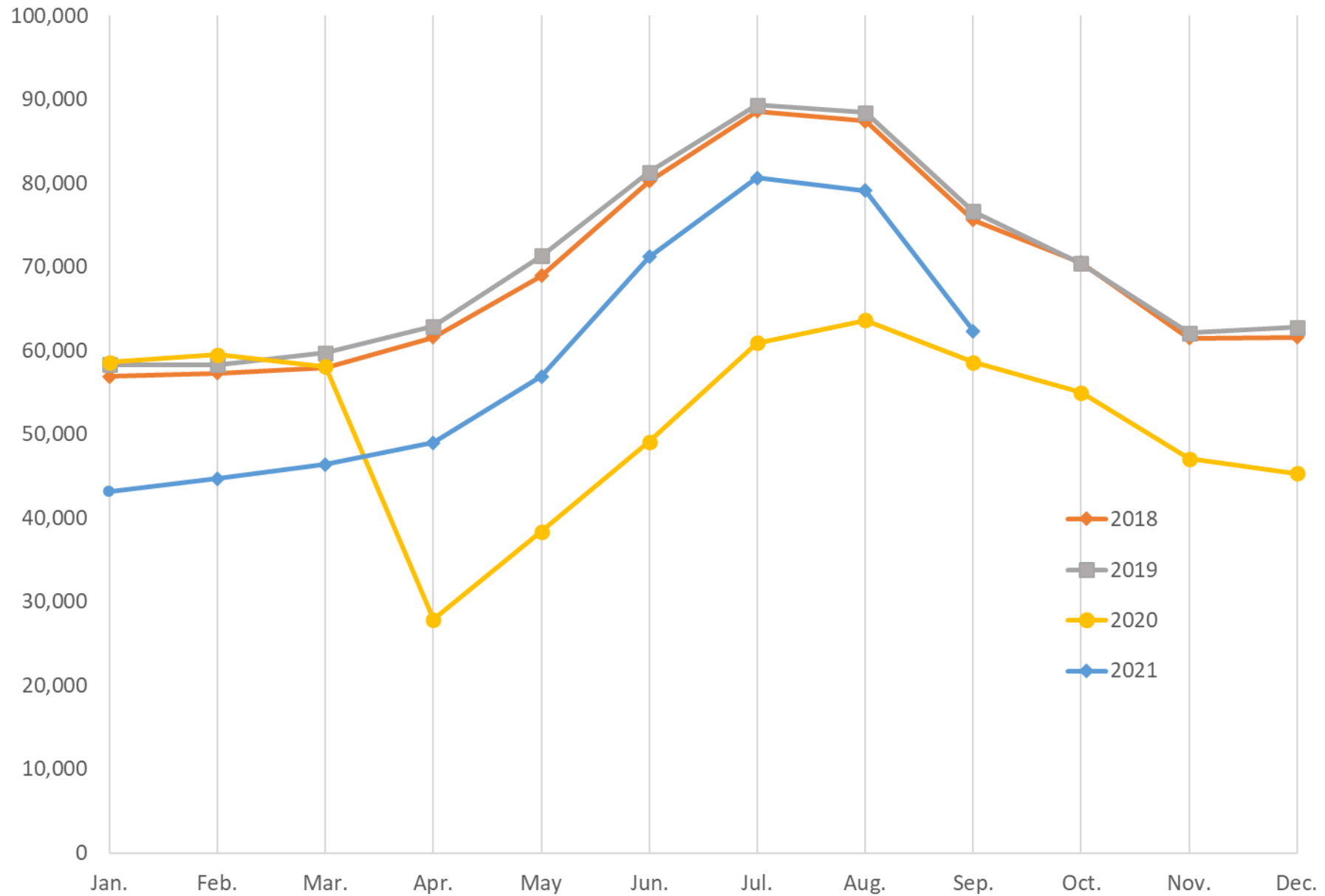


Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, November 1, 2021

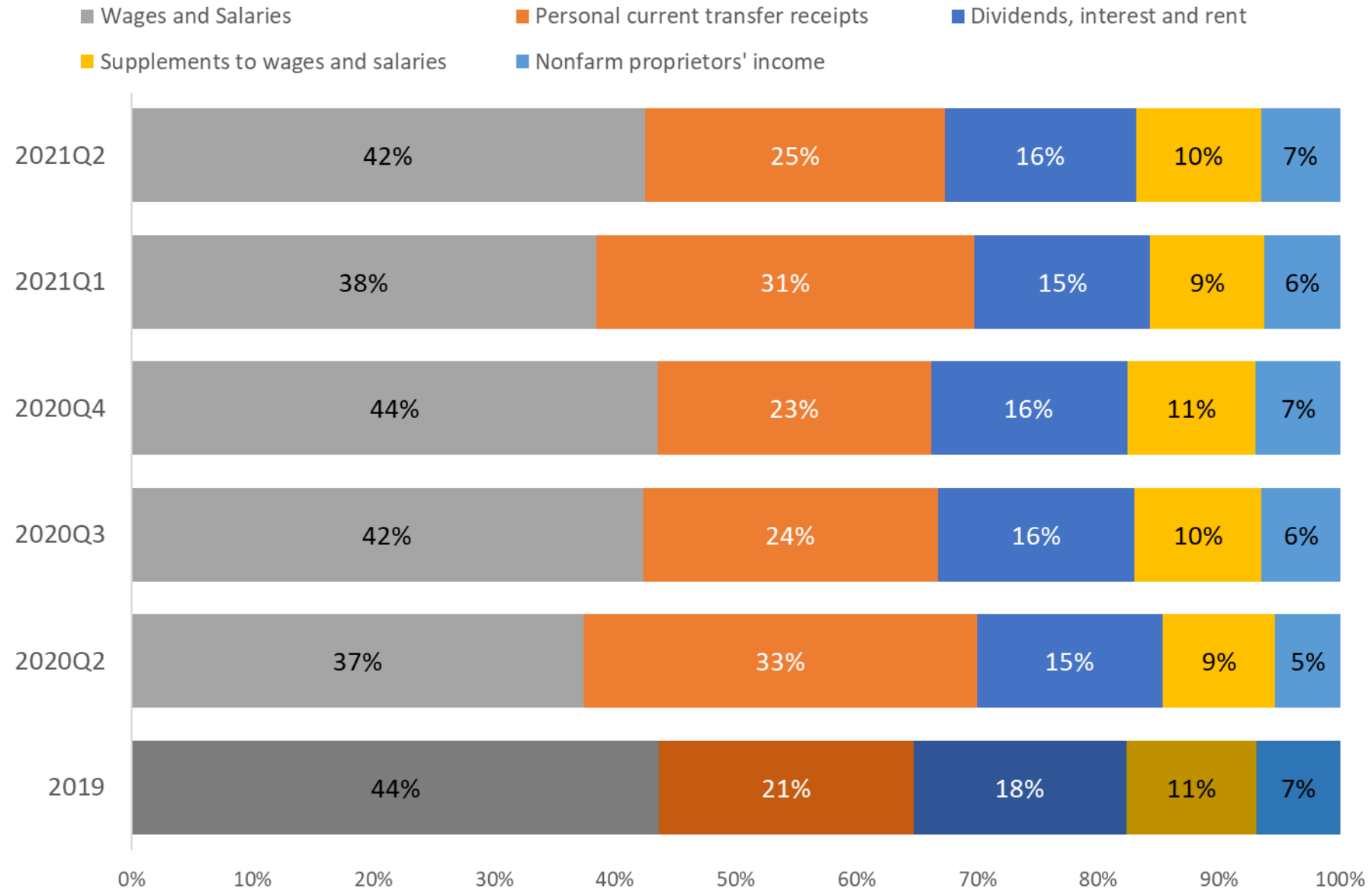
Total Nonfarm Employment, Not Seasonally Adjusted



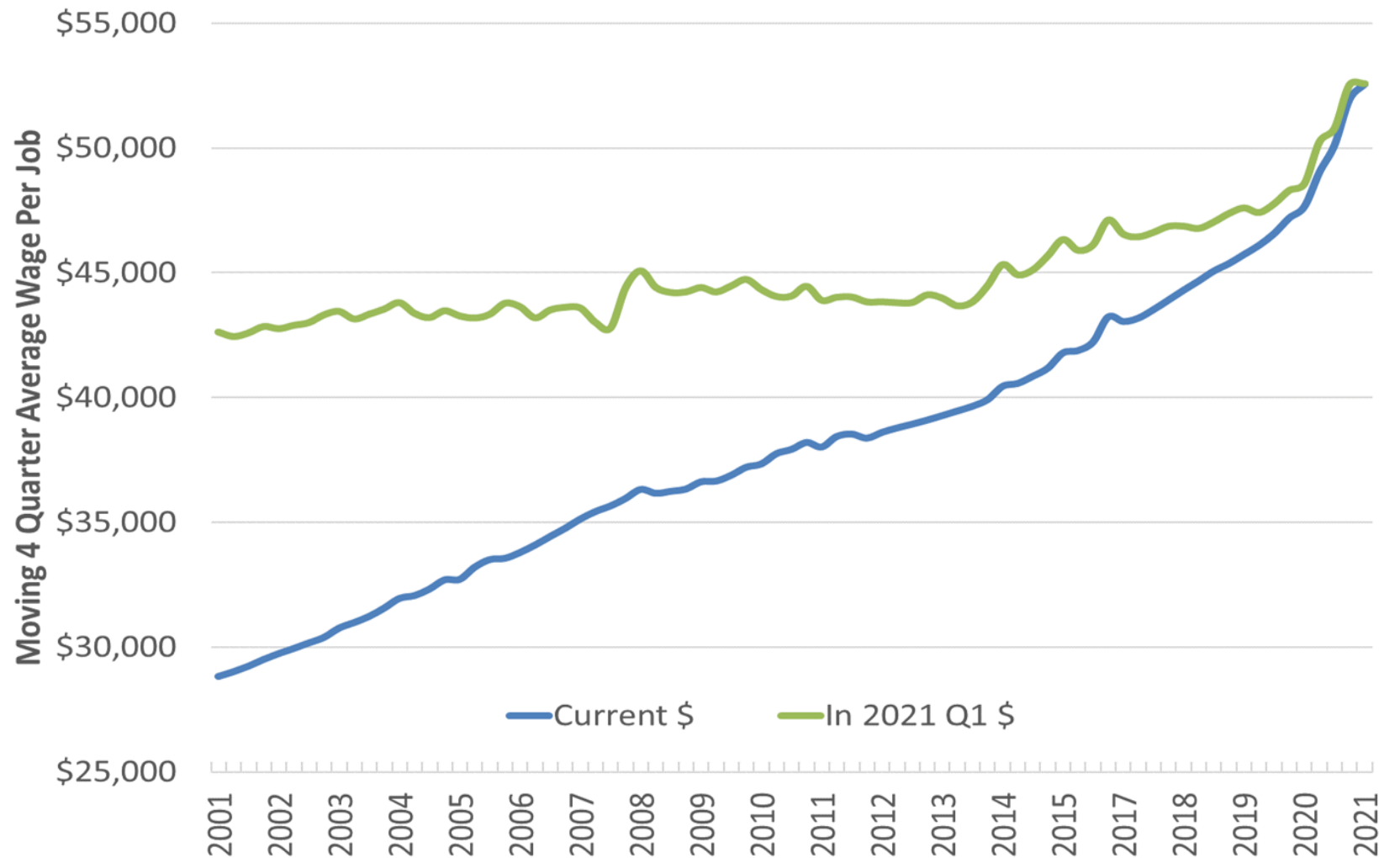
Leisure and Hospitality Employment, Not Seasonally Adjusted



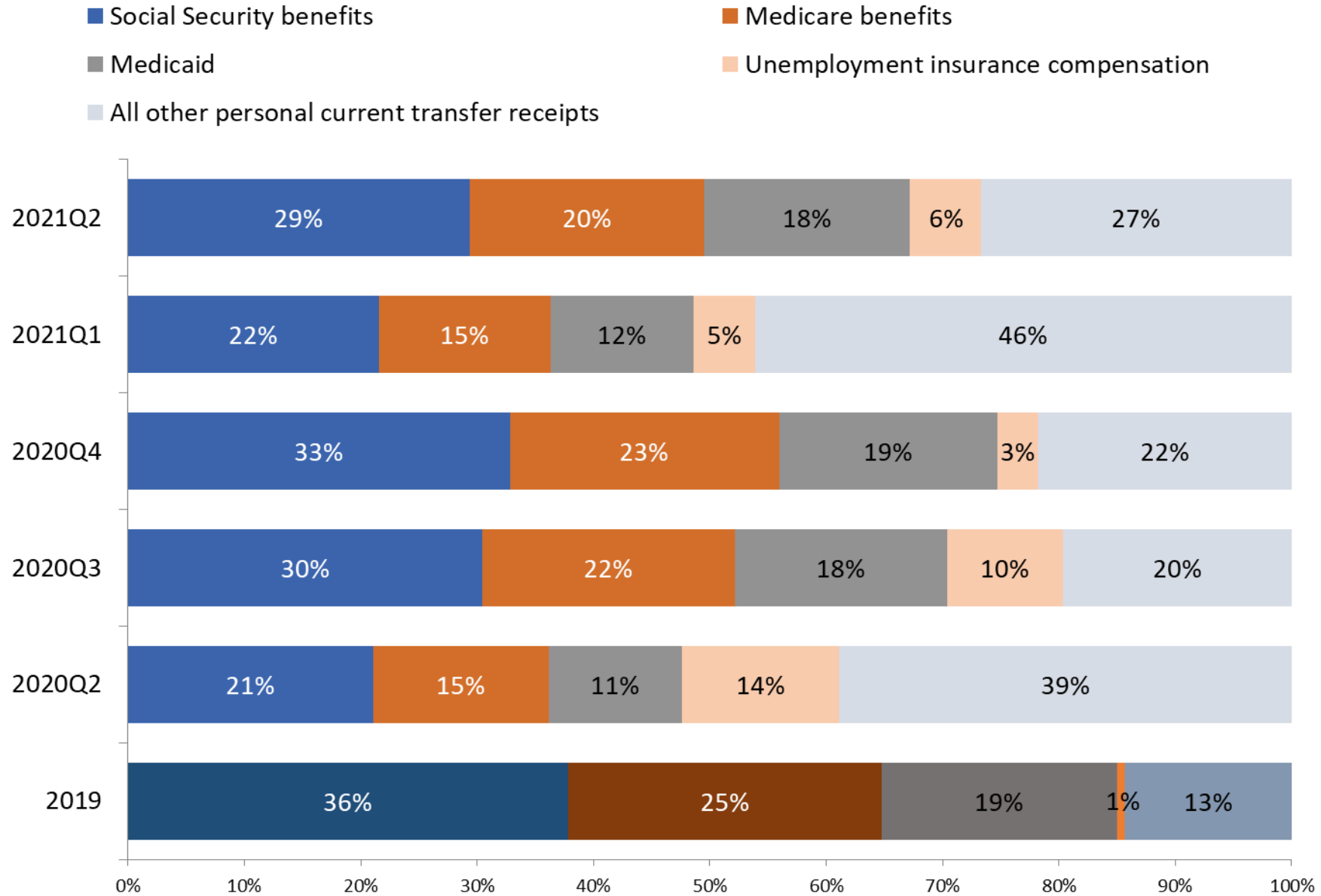
Major Components of Personal Income, Maine



Higher total wages spread across fewer jobs drove the average wage per job up sharply in the pandemic era



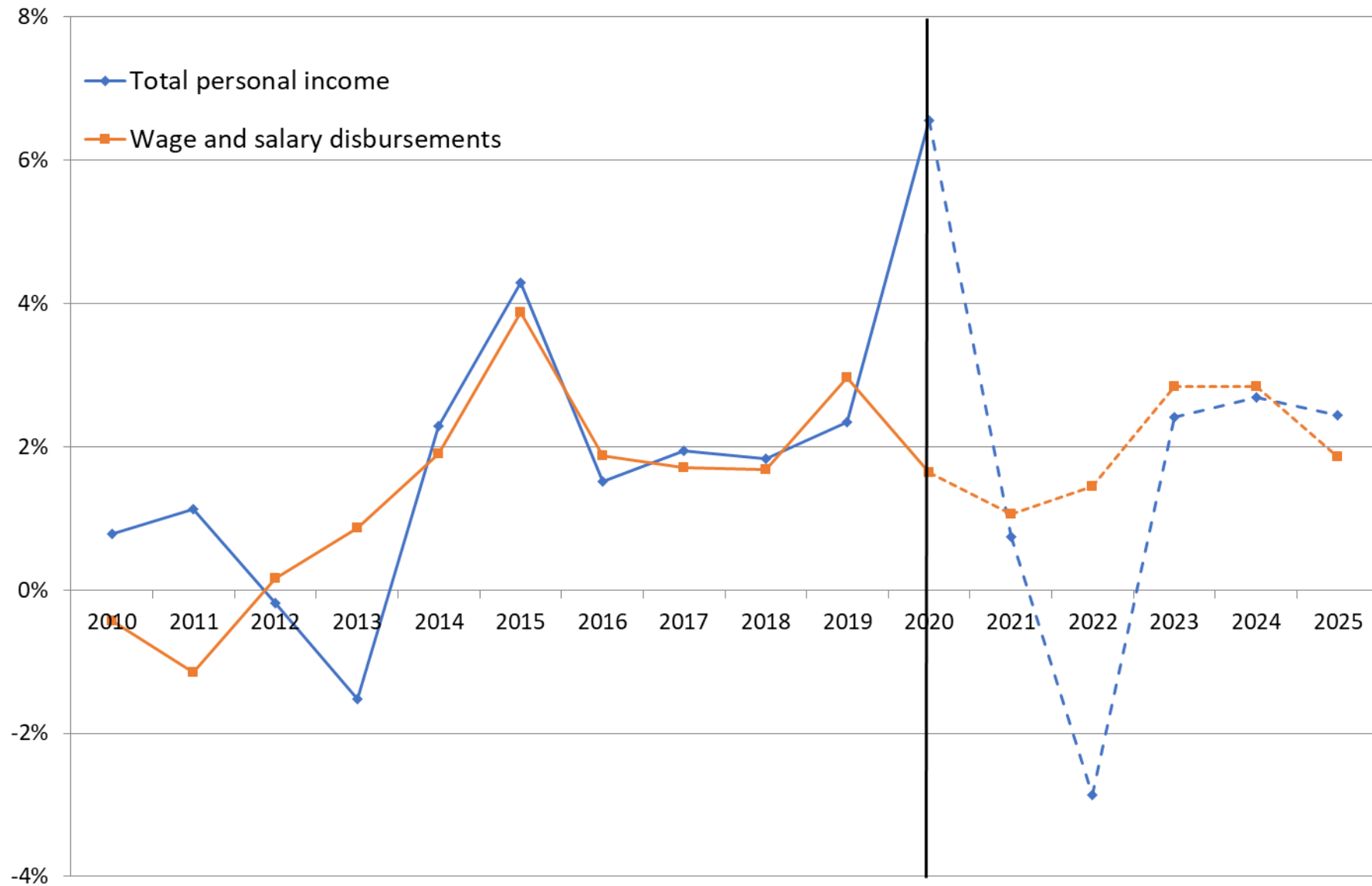
Components of Personal Current Transfer Receipts, Maine



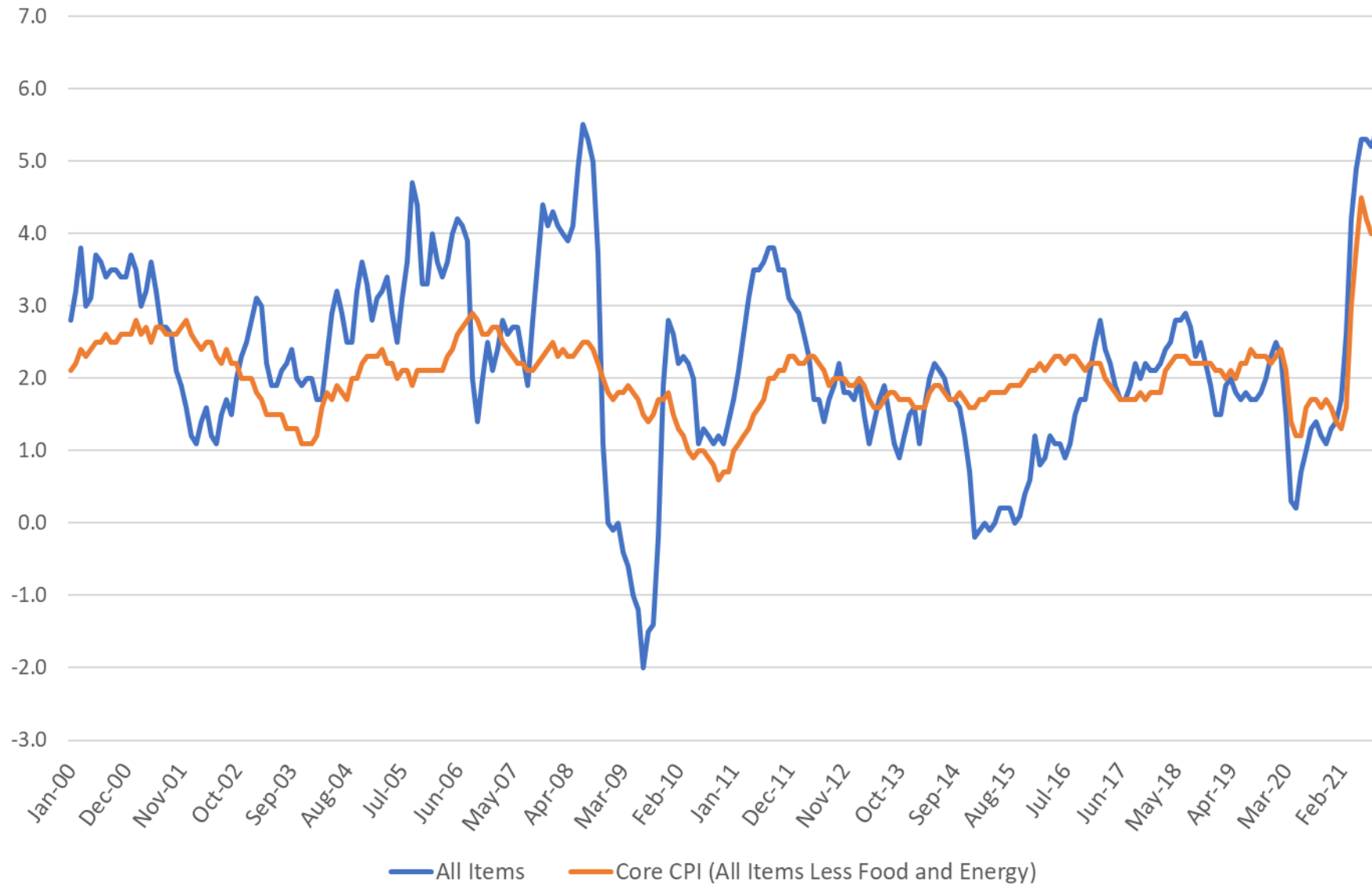
Federal supports including stimulus payments and enhanced UI played a role in reducing poverty in 2020

- Official 2020 U.S. poverty rate = 11.4%, 1.0 percentage points higher than 2019
- Supplemental Poverty Measure (SPM) = 9.1%, 2.6 percentage points LOWER than 2019
 - Without stimulus payments, the SPM would have been 12.7%
- Maine was one of 30 states where the 2018-2020 SPM (7.3%) was lower than the official measure (10.0%)
- Nationally, people moved out of poverty due to federal programs:
 - Social Security moved 26.5 million people out of poverty
 - Unemployment benefits = 5.5 million
 - Stimulus payments = 11.7 million

Percent Change in Real Personal Income, Maine 2010-2020 and forecast to 2025



Year-over-year percent change in Consumer Price Index (1982-84=100, seasonally adjusted)



This was not a typical recession (as much as there is such a thing as a “typical” recession)

Both the deepest and the shortest on record

Normally in a recession, we see more losses in goods-producing sectors while services hold up, but this time around, we saw the opposite

Impacts have been highly disparate, with women, BIPOC, low-income households, households with children, and younger workers more affected (share of employment in hard hit sectors is one of the contributing factors)

- This is exacerbating existing inequities and is somewhat disguised by top-level indicators

Things to keep in mind:

- Economic health relies on public health, especially in key sectors of Maine's economy
- Supply chain issues have become a significant problem, contributing to increased inflation, and an extended period of supply chain disruptions could slow the recovery
 - Higher and more persistent inflation could lead to earlier and faster interest rate increases
- Federal support has been crucial, staving off what could have been far worse economic consequences
- What happens with remote work, migration, and job quality in the long term?

Contact Information

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