MAINE’S ECONOMIC AND DEMOGRAPHIC CONDITIONS

Maine Appraisal Institute

May 21, 2019

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Maine State Economist
Department of Administrative and Financial Services
Overview

- Demographics
- Workforce and Employment
- State Gross Domestic Product (GDP)
- Wages and Income
- Other Economic Indicators
Demographics
Key questions - demographics

- Why are demographics important?
- What are some recent population trends?
- What are the different age cohorts in Maine and what role do the Baby Boomers play?
- What is projected to happen with Maine’s population in the future?
- How do the regions of the state differ?
Sources: U.S. Census Bureau; State Economist population projections

2018 estimate: 1,338,404
Maine: a demographic snapshot

- **2018 Population Estimate:** 1,338,404
  - 42nd largest in US

- **2010 – 2018 Population Change:** +0.8%
  - 42nd in US (ahead of WV, IL, CT, VT, RI, MS, NY, PA)

- **2017 Median age:** 44.7 years
  - Oldest in US

- **93.3% White, Non-Hispanic**
  - Highest percentage in US

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

Source: U.S. Census Bureau, Decennial Censuses and State Economist population projections
Baby Boomers in 2016 (52-70)

Baby Boomers in 2026 (62-80)

Sources: State Economist population projections (Maine) and U.S. Census Bureau population projections (U.S.)
Maine Population Trends by Age
1950-2026

Historical | Projected

Sources: U.S. Census Bureau, Decennial Census; State Economist population projections
Births and Deaths per year in Maine

Sources: Maine Office of Data, Research, and Vital Statistics; U.S. Census Bureau Population Estimates Program
Components of Population Change, Maine

Source: U.S. Census Bureau, Population Estimates Program
Where are people moving to/from?

### 2017 State-to-State Migration Patterns

<table>
<thead>
<tr>
<th>Moved to Maine from:</th>
<th>Moved from Maine to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>7,567</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>4,274</td>
</tr>
<tr>
<td>Florida</td>
<td>3,059</td>
</tr>
<tr>
<td>New York</td>
<td>2,478</td>
</tr>
<tr>
<td>Connecticut</td>
<td>1,690</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>1,629</td>
</tr>
<tr>
<td>California</td>
<td>1,578</td>
</tr>
<tr>
<td>Georgia</td>
<td>1,241</td>
</tr>
<tr>
<td>Virginia</td>
<td>1,162</td>
</tr>
<tr>
<td>North Carolina</td>
<td>1,074</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>4,099</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>3,950</td>
</tr>
<tr>
<td>Florida</td>
<td>2,960</td>
</tr>
<tr>
<td>California</td>
<td>2,578</td>
</tr>
<tr>
<td>New York</td>
<td>1,611</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>1,156</td>
</tr>
<tr>
<td>Virginia</td>
<td>1,135</td>
</tr>
<tr>
<td>North Carolina</td>
<td>1,014</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>904</td>
</tr>
<tr>
<td>Texas</td>
<td>648</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2017 American Community Survey 1-year estimates
Annual Domestic Migration Rate by Age, 2017

Source: U.S. Census Bureau, 2017 American Community Survey 1-year estimates
Who are the people moving to Maine?

- Educational attainment:
  - High School Graduate: net gain of 457
  - Some College or Associate’s: +2,555
  - Bachelor’s Degree: +2,966
  - Graduate or Professional Degree: +1,896

Source: U.S. Census Bureau, 2017 American Community Survey 1-year estimates
Three counties had peak decennial population in a year other than 2010:

- Aroostook: 1960
- Piscataquis: 1920
- Washington: 1900
Total Population, Regions of Maine

Sources: U.S. Census Bureau; State Economist population projections
Cumulative Births and Deaths, 2010-2018

Source: U.S. Census Bureau, Population Estimates Program
Births and Deaths, 2017-2018

Source: U.S. Census Bureau, Population Estimates Program
Counties with positive net migration

**2010 - 2018**
- Cumberland (10,151)
- York (9,412)
- Hancock (1,408)
- Waldo (1,200)
- Lincoln (1,083)
- Kennebec (1,067)
- Knox (911)
- Oxford (840)
- Sagadahoc (533)

**2017 - 2018**
- York (1,856)
- Cumberland (1,080)
- Kennebec (386)
- Hancock (382)
- Oxford (366)
- Lincoln (304)
- Sagadahoc (288)
- Somerset (273)
- Franklin (155)
- Washington (85)
- Piscataquis (68)
- Penobscot (51)

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

Maine average = 44.7 years

Source: U.S. Census Bureau, 2017 Population Estimates
Workforce and Employment
Key questions – workforce and employment

- How do demographics affect workforce?
- What are some recent labor force and education trends and what is the future outlook?
- What are recent trends in employment and unemployment?
- What does employment by industry look like?
- What are the short-term and long-term employment forecasts?
Projected Population Change and Participation Rates by Age Group in Maine

Source: Maine Department of Labor, *Employment Outlook to 2026*;
Total Nonfarm Employment (in thousands)
History and CEFC forecast


Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, April 1, 2019
In most counties, the largest employer is the local hospital/health care system

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Business Description</th>
<th>Employment Range</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAINEHEALTH</td>
<td>STATEWIDE</td>
<td>General medical and surgical hospitals</td>
<td>15,001 to 15,500</td>
<td>1</td>
</tr>
<tr>
<td>HANNAFORD BROS CO</td>
<td>STATEWIDE</td>
<td>Supermarkets and other grocery stores</td>
<td>8,001 to 8,500</td>
<td>2</td>
</tr>
<tr>
<td>WAL MART / SAM’S CLUB</td>
<td>STATEWIDE</td>
<td>Warehouse Clubs and Supercenters</td>
<td>6,501 to 7,000</td>
<td>3</td>
</tr>
<tr>
<td>BATH IRON WORKS CORP GEN DYN.</td>
<td>BATH</td>
<td>Ship building and repairing</td>
<td>5,001 to 5,500</td>
<td>4</td>
</tr>
<tr>
<td>L.L.BEAN, INC.</td>
<td>STATEWIDE</td>
<td>Electronic Shopping and Mail-Order Houses</td>
<td>4,501 to 5,000</td>
<td>5</td>
</tr>
<tr>
<td>EASTERN MAINE MEDICAL CENTER</td>
<td>STATEWIDE</td>
<td>General medical and surgical hospitals</td>
<td>4,001 to 4,500</td>
<td>6</td>
</tr>
<tr>
<td>MAINE GENERAL MEDICAL CTR</td>
<td>STATEWIDE</td>
<td>General medical and surgical hospitals</td>
<td>3,001 to 3,500</td>
<td>7</td>
</tr>
<tr>
<td>T D BANK N A</td>
<td>STATEWIDE</td>
<td>Commercial banking</td>
<td>3,001 to 3,500</td>
<td>8</td>
</tr>
<tr>
<td>CENTRAL MAINE HEALTHCARE CO.</td>
<td>LEWISTON</td>
<td>General medical and surgical hospitals</td>
<td>2,501 to 3,000</td>
<td>9</td>
</tr>
<tr>
<td>UNUM PROVIDENT</td>
<td>PORTLAND</td>
<td>Direct life insurance carriers</td>
<td>2,501 to 3,000</td>
<td>10</td>
</tr>
<tr>
<td>SHAW'S SUPERMARKETS INC</td>
<td>STATEWIDE</td>
<td>Supermarkets and other grocery stores</td>
<td>2,501 to 3,000</td>
<td>11</td>
</tr>
<tr>
<td>PRATT &amp; WHITNEY AIRCRAFT GRO.</td>
<td>NORTH BERWI.</td>
<td>Aircraft engine and engine parts mfg.</td>
<td>1,501 to 2,000</td>
<td>12</td>
</tr>
<tr>
<td>HOME DEPOT USA INC</td>
<td>STATEWIDE</td>
<td>Home centers</td>
<td>1,501 to 2,000</td>
<td>13</td>
</tr>
<tr>
<td>LOWES HOME CENTERS LLC</td>
<td>STATEWIDE</td>
<td>Home centers</td>
<td>1,501 to 2,000</td>
<td>14</td>
</tr>
<tr>
<td>ST MARY'S REGIONAL MEDICAL CTR</td>
<td>STATEWIDE</td>
<td>General medical and surgical hospitals</td>
<td>1,001 to 1,500</td>
<td>15</td>
</tr>
<tr>
<td>MERCY HOSPITAL</td>
<td>PORTLAND</td>
<td>General medical and surgical hospitals</td>
<td>1,001 to 1,500</td>
<td>16</td>
</tr>
<tr>
<td>THE JACKSON LABORATORY</td>
<td>BAR HARBOR</td>
<td>Research and Development in Biotechnology..</td>
<td>1,001 to 1,500</td>
<td>17</td>
</tr>
<tr>
<td>UNIVERSITY OF NEW ENGLAND</td>
<td>STATEWIDE</td>
<td>Colleges and universities</td>
<td>1,001 to 1,500</td>
<td>18</td>
</tr>
<tr>
<td>MID COAST HOSPITAL</td>
<td>BRUNSWICK</td>
<td>General medical and surgical hospitals</td>
<td>1,001 to 1,500</td>
<td>19</td>
</tr>
<tr>
<td>CIRCLE K</td>
<td>STATEWIDE</td>
<td>Gasoline stations with convenience stores</td>
<td>1,001 to 1,500</td>
<td>20</td>
</tr>
<tr>
<td>SAPPI NORTH AMERICA INC</td>
<td>STATEWIDE</td>
<td>Paper, except newsprint, mills</td>
<td>1,001 to 1,500</td>
<td>21</td>
</tr>
<tr>
<td>GOODWILL INDUSTRIES OF NORTH..</td>
<td>STATEWIDE</td>
<td>Vocational rehabilitation services</td>
<td>1,001 to 1,500</td>
<td>22</td>
</tr>
<tr>
<td>BOWDOIN COLLEGE</td>
<td>BRUNSWICK</td>
<td>Colleges and universities</td>
<td>1,001 to 1,500</td>
<td>23</td>
</tr>
<tr>
<td>IDEXX LABORATORIES INC</td>
<td>WESTBROOK</td>
<td>Pharmaceutical preparation manufacturing</td>
<td>1,001 to 1,500</td>
<td>24</td>
</tr>
<tr>
<td>WAG EMPI OYFF SERVICES INC</td>
<td>STATFORD</td>
<td>Pharmacies and drug stores</td>
<td>1,001 to 1,500</td>
<td>25</td>
</tr>
</tbody>
</table>

Maine Department of Labor, Center for Workforce, Research and Information, Quarterly Census of Employment and Wages survey.
Maine Wage and Salary Employment by Industry

Source: Maine Department of Labor, Center for Workforce Research and Information
Industries Projected to Gain the Largest Number of Jobs in Maine Between 2016 and 2026

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals</td>
<td>3,453</td>
</tr>
<tr>
<td>Ambulatory health care services</td>
<td>2,726</td>
</tr>
<tr>
<td>Administrative and support services</td>
<td>2,009</td>
</tr>
<tr>
<td>Food services and drinking places</td>
<td>1,506</td>
</tr>
<tr>
<td>Nursing and residential care facilities</td>
<td>947</td>
</tr>
<tr>
<td>Accommodation</td>
<td>220</td>
</tr>
<tr>
<td>Beverage and tobacco product manufacturing</td>
<td>204</td>
</tr>
<tr>
<td>Waste management and remediation services</td>
<td>202</td>
</tr>
<tr>
<td>Animal production</td>
<td>200</td>
</tr>
<tr>
<td>Chemical manufacturing</td>
<td>186</td>
</tr>
</tbody>
</table>

Source: Maine Department of Labor, Center for Workforce Research and Information
Percent of Population Age 25+ with a Bachelor's Degree or Higher

Source: U.S. Census Bureau, Decennial Census and American Community Survey 1-year estimates
Percent of Population Age 25+ with a Graduate or Professional Degree

Source: U.S. Census Bureau, Decennial Census and American Community Survey 1-year estimates
Percent of Population Age 25+ with Some College, No Degree

Source: U.S. Census Bureau, Decennial Census and American Community Survey 1-year estimates
Key questions – state GDP

- How is GDP by industry different from employment by industry?
- How do different industries contribute to current GDP growth?
- How has real GDP by industry changed over time?
- What are some regional GDP trends?
Contributions to Percent Change in Real GDP by Industry, 2018

Transportation & warehousing: -0.1
Utilities: -0.1
Agriculture, forestry, fishing, and hunting: -0.1
Government and government enterprises, and food: -0.1
Construction: 0.1
Information: 0.1
Finance, insurance, real estate, rental, and leasing: 0.2
Educational services, health care, and social assistance: 0.2
Wholesale trade: 0.3
Retail trade: 0.3
Manufacturing: 0.4
Professional & business services: 0.7
Total: 1.9

Source: U.S. Bureau of Economic Analysis
Maine Real GDP by Industry, 1997-2017
(in millions of chained 2012 dollars)

Source: U.S. Bureau of Economic Analysis
Wages and Income
Key questions – wages and income

- How are wages and income related to demographics and employment?
- How do the different measures of wages and income compare?
- What are the recent trends in wages, personal income, and household income?
- What trends are forecast for personal income?
- How do regions of the state differ?
There are LOTS of ways to measure income/wages and several sources

- U.S. Census Bureau, American Community Survey
  - Median household income ($53,024)
  - Median family income ($67,340)
  - Median earnings of full-time, year-round workers ($43,158)
  - Per capita income ($29,886)

- U.S. Bureau of Economic Analysis
  - Per capita personal income ($46,485)
  - Average earnings per job ($48,622)
  - Per capita wages and salaries ($45,053)

- U.S. Bureau of Labor Statistics
  - Average annual wages ($43,911)
Percent of Households by Income Level, 2017

- **Less than $35,000**
  - U.S.: 28%
  - New England: 28%
  - Maine: 31%

- **$35,000 to $74,999**
  - U.S.: 30%
  - New England: 29%
  - Maine: 31%

- **$75,000 to $149,999**
  - U.S.: 29%
  - New England: 28%
  - Maine: 31%

- **$150,000 or more**
  - U.S.: 14%
  - New England: 15%
  - Maine: 10%

Source: U.S. Census Bureau, 2017 American Community Survey 1-year estimates
Median Household Income

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-year estimates
Percent Change in Real Personal Income, Maine
2009-2017 and forecast to 2023

Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; CEFC report, April 1, 2019
Major Components of Personal Income, 2017

Sources: U.S. Bureau of Economic Analysis; State Economist calculations
Other Economic Indicators
Consumer Price Index - U.S. All Urban

Source: U.S. Bureau of Labor Statistics
Home Price Index: Federal Housing Finance Agency (Q1 1980 = 100)

Source: Federal Housing Finance Agency, via Federal Reserve Bank of Boston
Maine relies heavily on heating oil and gasoline – as a result, crude oil prices have a big impact on Maine’s economy.
Percent of Housing Units by Type of Primary Heating Fuel (2017)

Source: U.S. Census Bureau, 2017 American Community Survey 1-year estimates
Weekly New England Retail Gasoline Prices
(Dollars per Gallon)

Source: U.S. Energy Information Administration
# Taxable Retail Sales

<table>
<thead>
<tr>
<th>Maine Retail Sales</th>
<th>% Change from Mar. 2018 to Mar. 2019</th>
<th>% Change last three months / same 3 month period one year ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Supply</td>
<td>2.8%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Food Store</td>
<td>0.8%</td>
<td>1.2%</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>5.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Other Retail</td>
<td>7.1%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Restaurant</td>
<td>4.9%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Lodging</td>
<td>17.4%</td>
<td>20.1%</td>
</tr>
<tr>
<td>Auto Transportation</td>
<td>6.4%</td>
<td>4.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5.9%</strong></td>
<td><strong>5.2%</strong></td>
</tr>
<tr>
<td><strong>Business Operating</strong></td>
<td><strong>11.2%</strong></td>
<td><strong>12.3%</strong></td>
</tr>
<tr>
<td><strong>Personal Consumption</strong></td>
<td><strong>5.2%</strong></td>
<td><strong>4.3%</strong></td>
</tr>
</tbody>
</table>

*Source: Maine Revenue Services*
Average 2017 Visitor Spending on Trips to Maine per Travel Party (excluding parties who did not spend money in that category)

Source: Maine Office of Tourism, 2017 Visitor Tracking Research Annual Report
Manufacturing is more diverse now

“All Other” in 2016:
- Fabricated metal product (7.7%)
- Beverage and tobacco product (5.2%)
- Plastics and rubber products (4.7%)
- Chemical (4.2%)
- Machinery (4.2%)
- And more!

Sources: Maine Department of Labor, Census of Maine Manufactures and U.S. Census Bureau, Annual Survey of Manufactures
Government
Original General Fund Budgeted Appropriations through the 128th 2nd Special Session for the FY 2018-2019 biennium were $7.215 billion.
To sum up

- Maine’s demographics are reflected in
  - population growth,
  - labor force availability,
  - employment growth,
  - income and wages,
  - and more.

In order to understand the economy, you have to understand the demographics.
The Near-Universal Challenge: Workforce

- Existing workforce is aging, population growth has been slow (although starting to accelerate), and unemployment is at historic lows

- Solution: need to continue attracting new workers and utilizing all the potential workers we already have

How do we make sure workers know there are jobs in Maine?
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Department of Administrative and Financial Services

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