THE MAINE ECONOMY AND INTERNATIONAL TRADE
(THE PART ABOUT THE ECONOMY)

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Overview

- Demographics

- Labor force and employment

- Income and GDP

- Macroeconomic outlook

Demographics

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)

- 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 2018, Maine's rate of total population increase ranked 34th and the rate of total net migration ranked 19th in the U.S.

- ◻ Other states in the U.S. are starting to see their populations age and in-migration slow
- ◻ Maine has been at the leading edge and now other states are catching up

The Baby Boom Wave

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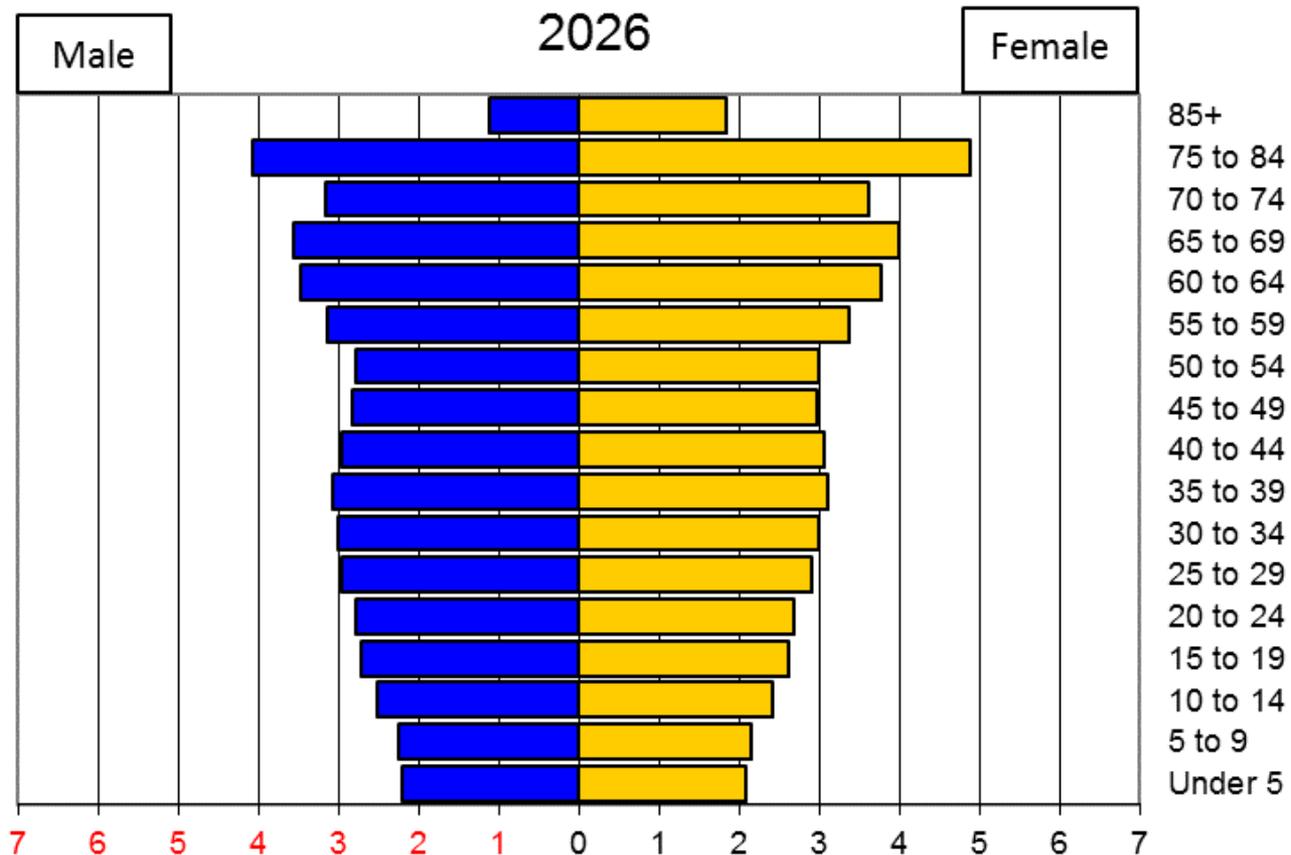
Births and Deaths per year in Maine

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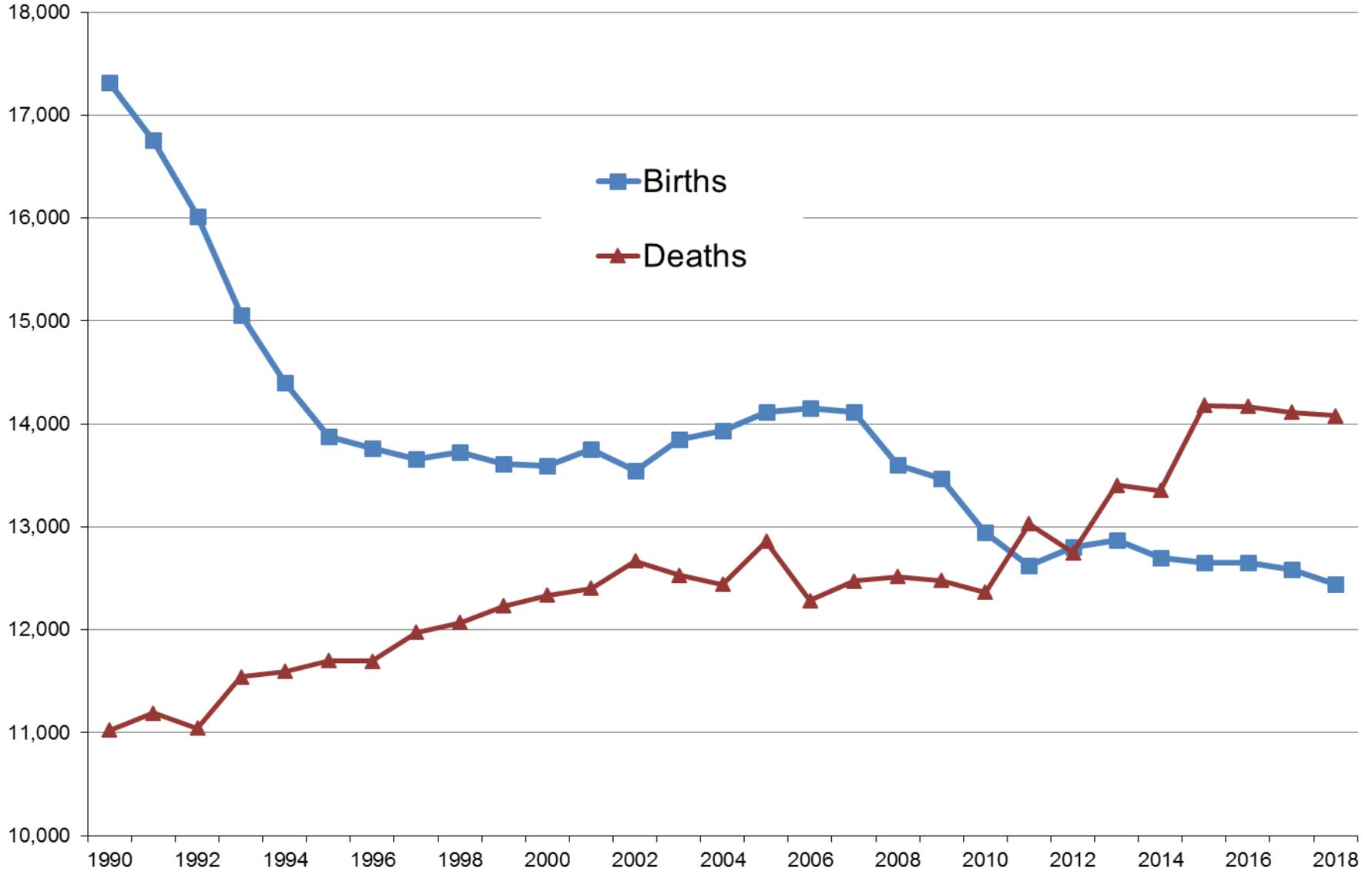
Components of Population Change, Maine

Net population change:

2011: +518
2012: -459
2013: +505
2014: +2,564
2015: -2,276
2016: +2,886
2017: +3,693
2018: +3,341

Legend:
- Domestic Migration
- International Migration
- Deaths
- Births

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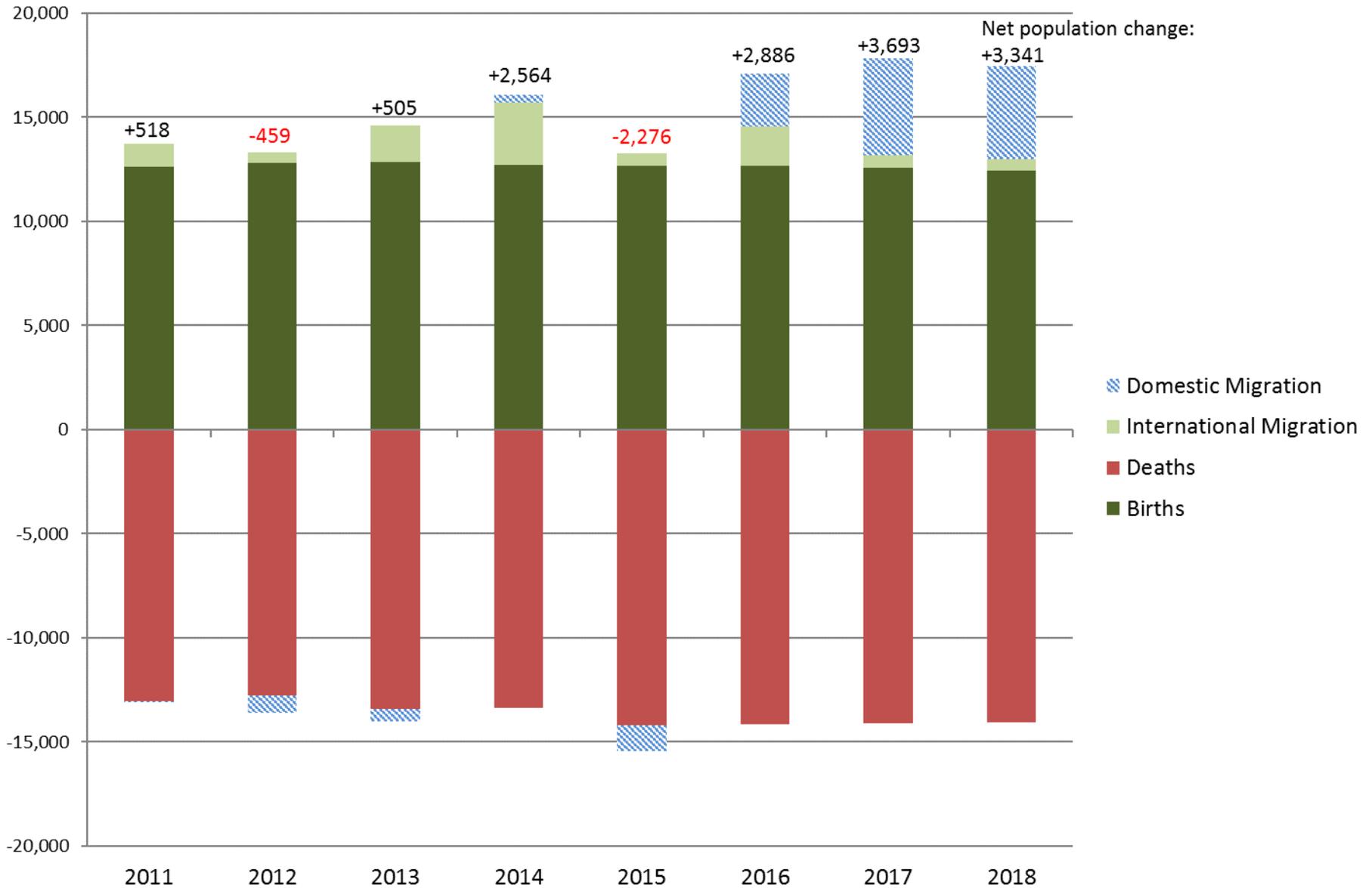
Where are people moving to/from?

2018 State-to-State Migration Patterns			
Moved to Maine from:		*Moved from Maine to:*	
Massachusetts	5,775	New Hampshire	4,016
New Hampshire	4,731	Massachusetts	3,188
New York	2,909	Florida	2,783
Texas	2,386	Connecticut	1,342
Florida	2,082	California	1,294
Connecticut	1,734	North Carolina	1,235
Pennsylvania	1,393	Maryland	990
Michigan	1,320	Pennsylvania	916
North Carolina	1,049	Colorado	912
Vermont	997	Texas	815

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

Annual Domestic Migration Rate by Age, 2018

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

Median Age

Maine statewide median = 44.9 years

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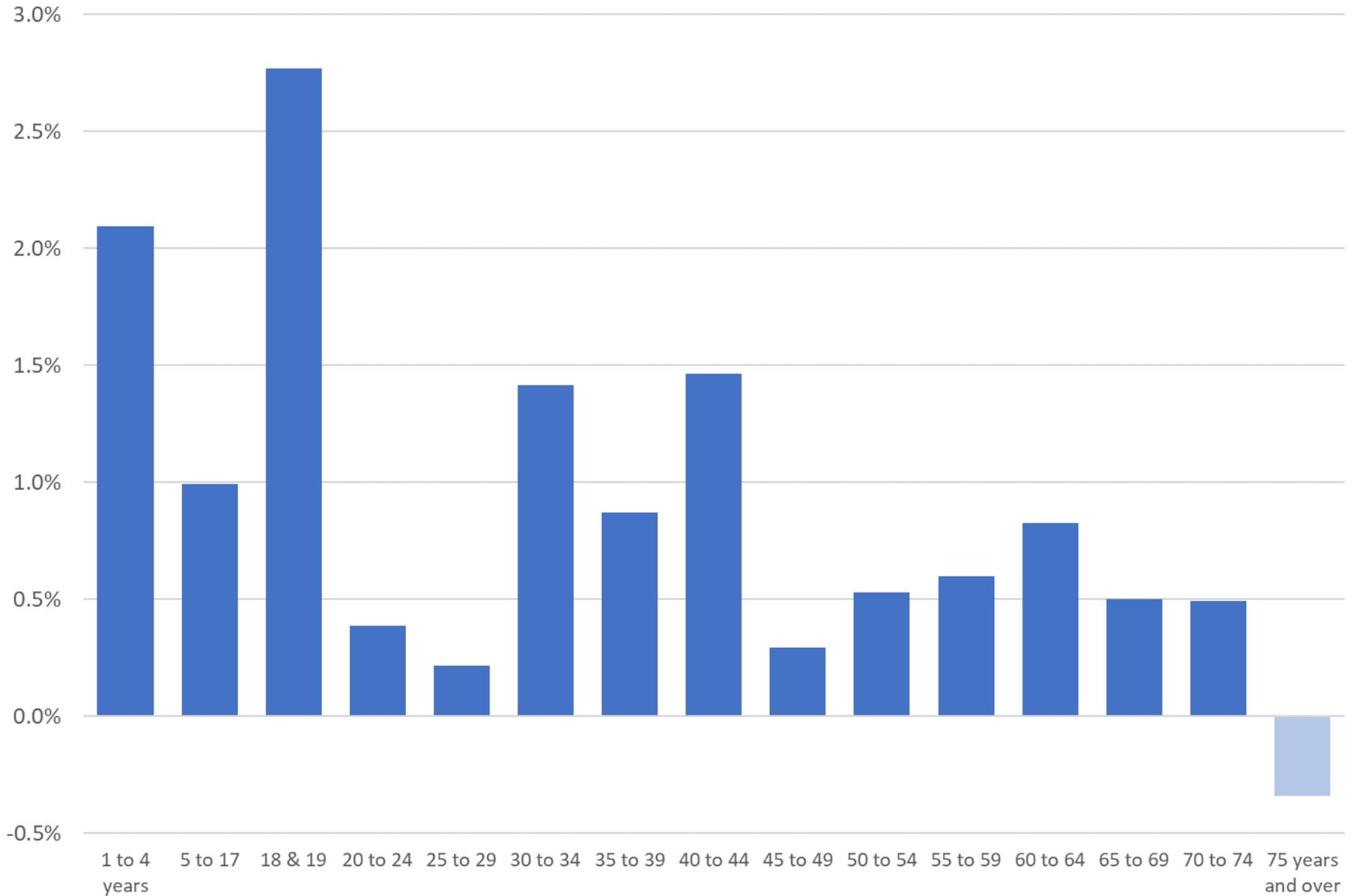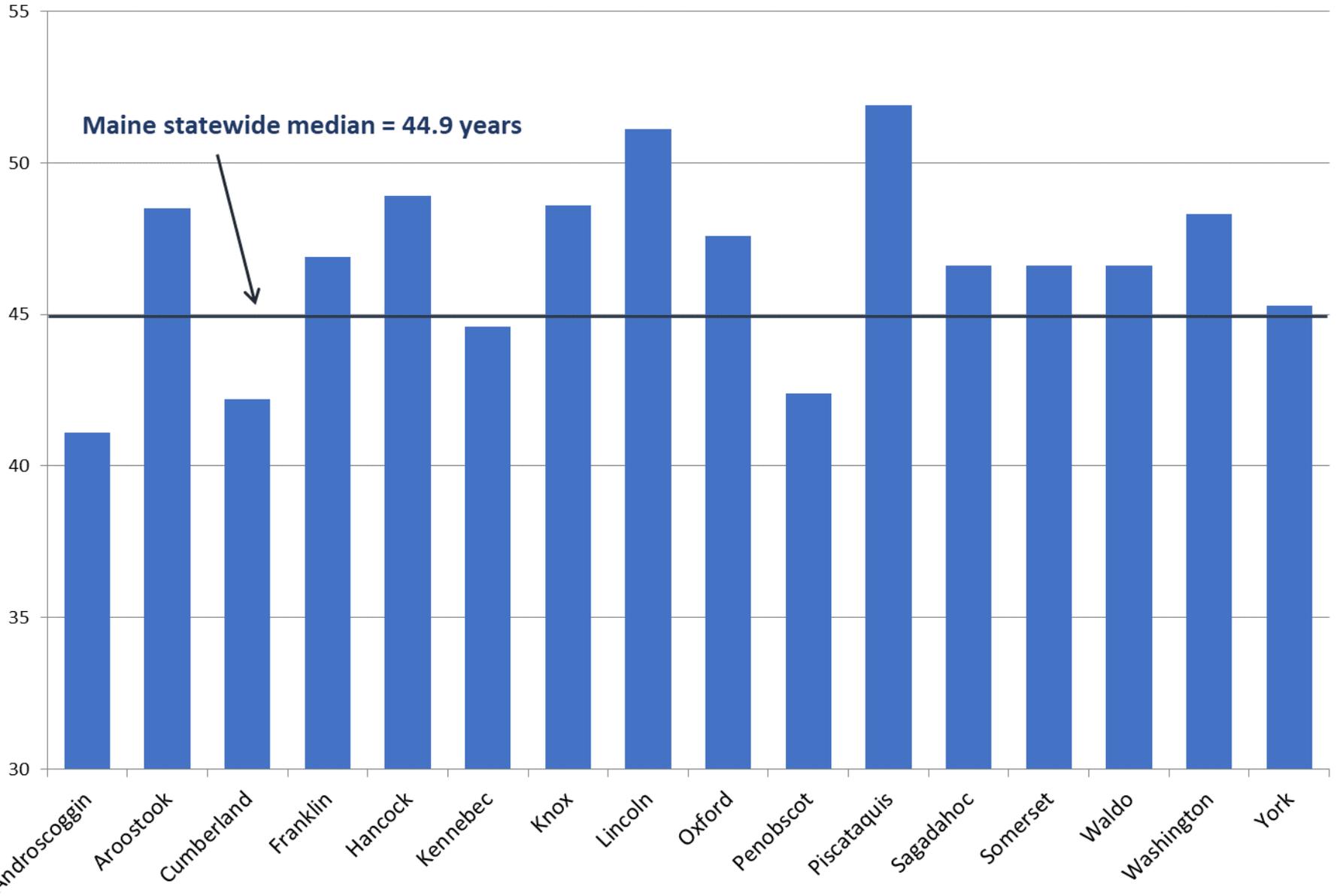
Births and Deaths, 2017-2018

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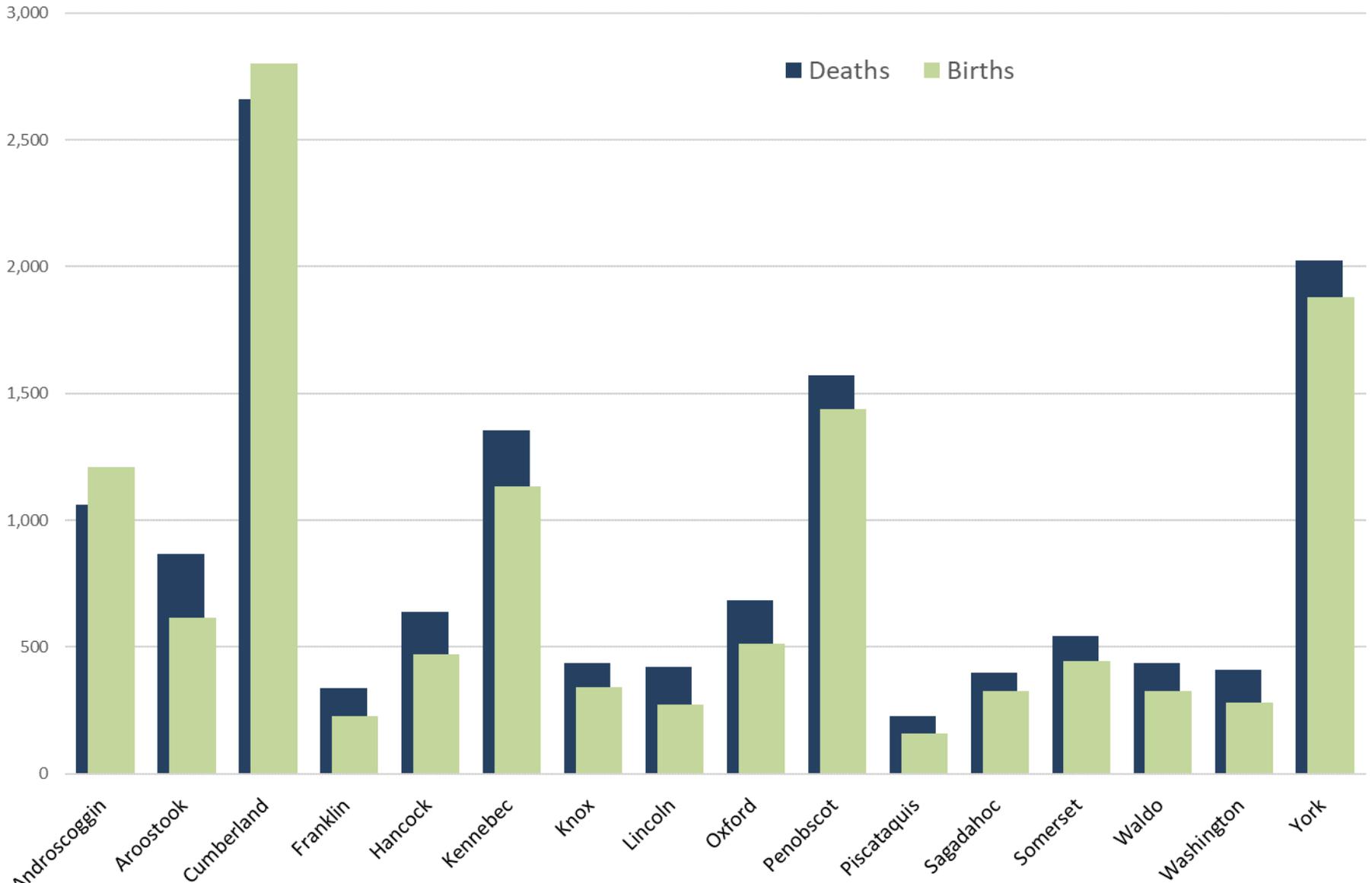
Counties with positive net migration

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

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Maine Civilian Labor Force

Labor force has been flat since 2005

Added 50,000 to labor force every 9 years

Added 50,000 to labor force every 6 years

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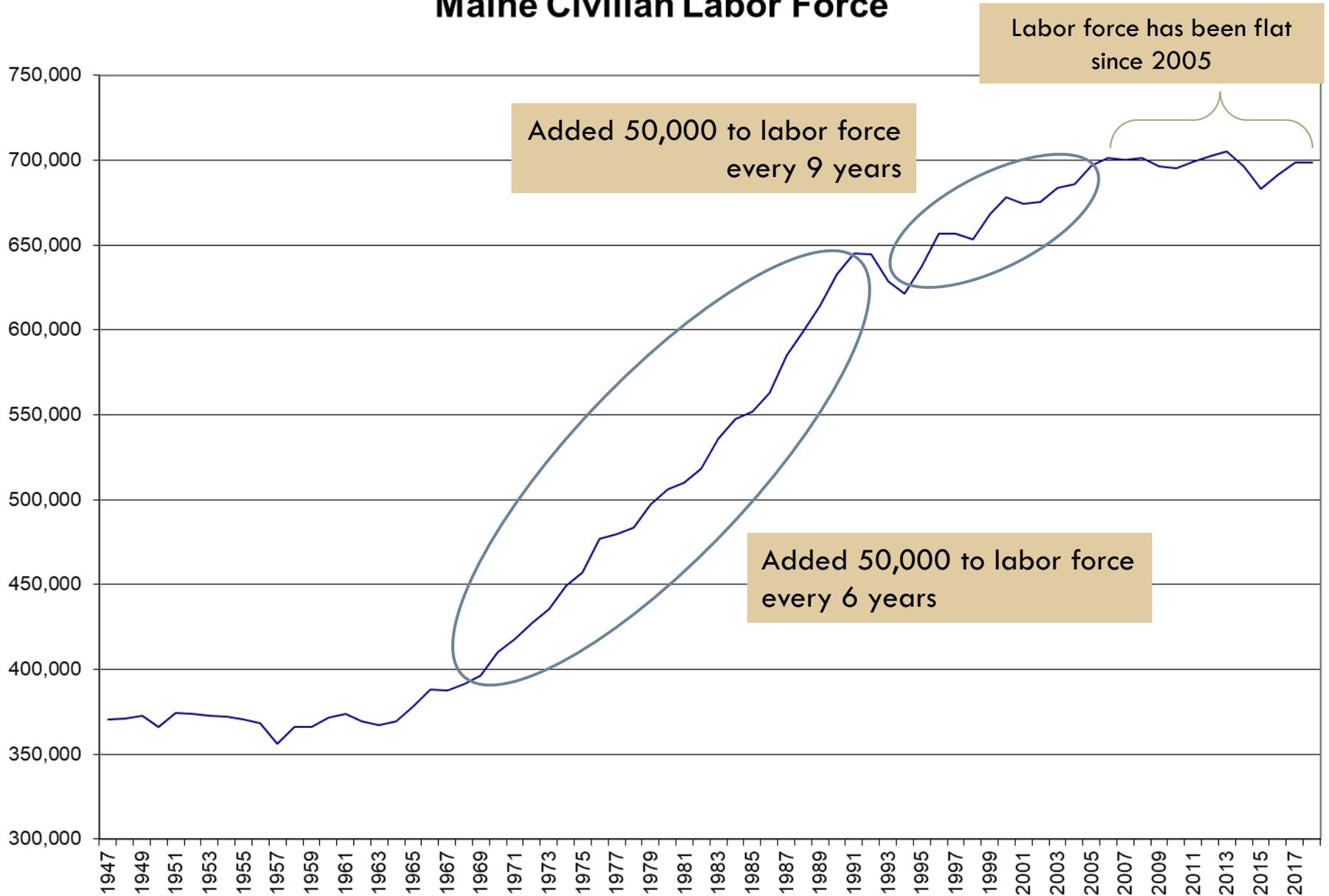
Projected Population Change and Participation Rates by Age Group in Maine

Source: Maine Department of Labor, *Employment Outlook to 2026;*
https://cwri1.blogspot.com/2018/07/employment-outlookto-2026.html
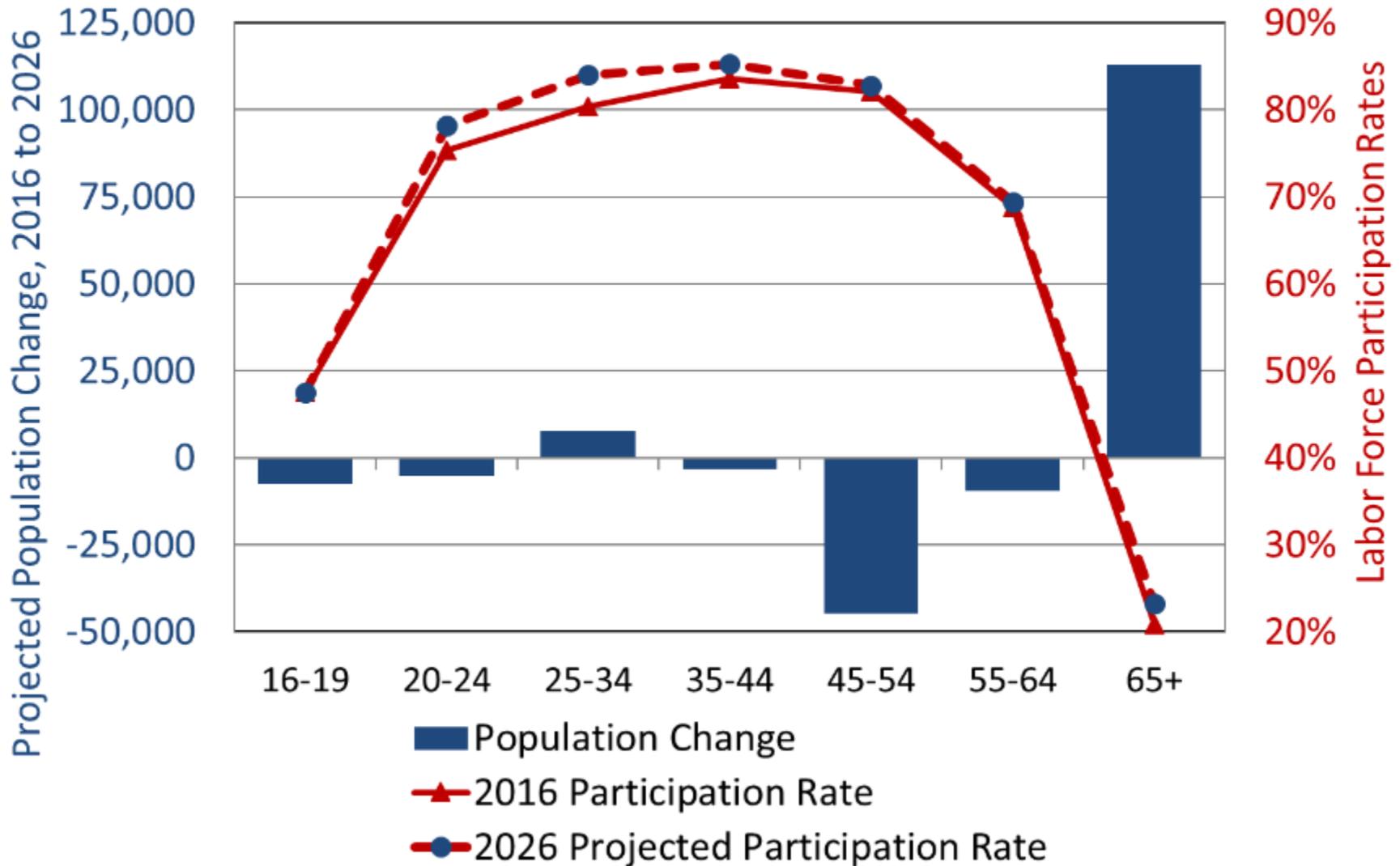
Monthly Unemployment Rate
(Seasonally Adjusted)

Legend: Maine, U.S., New England avg (Maine excluded)

Source: Maine Department of Labor, Center for Workforce Research and Information
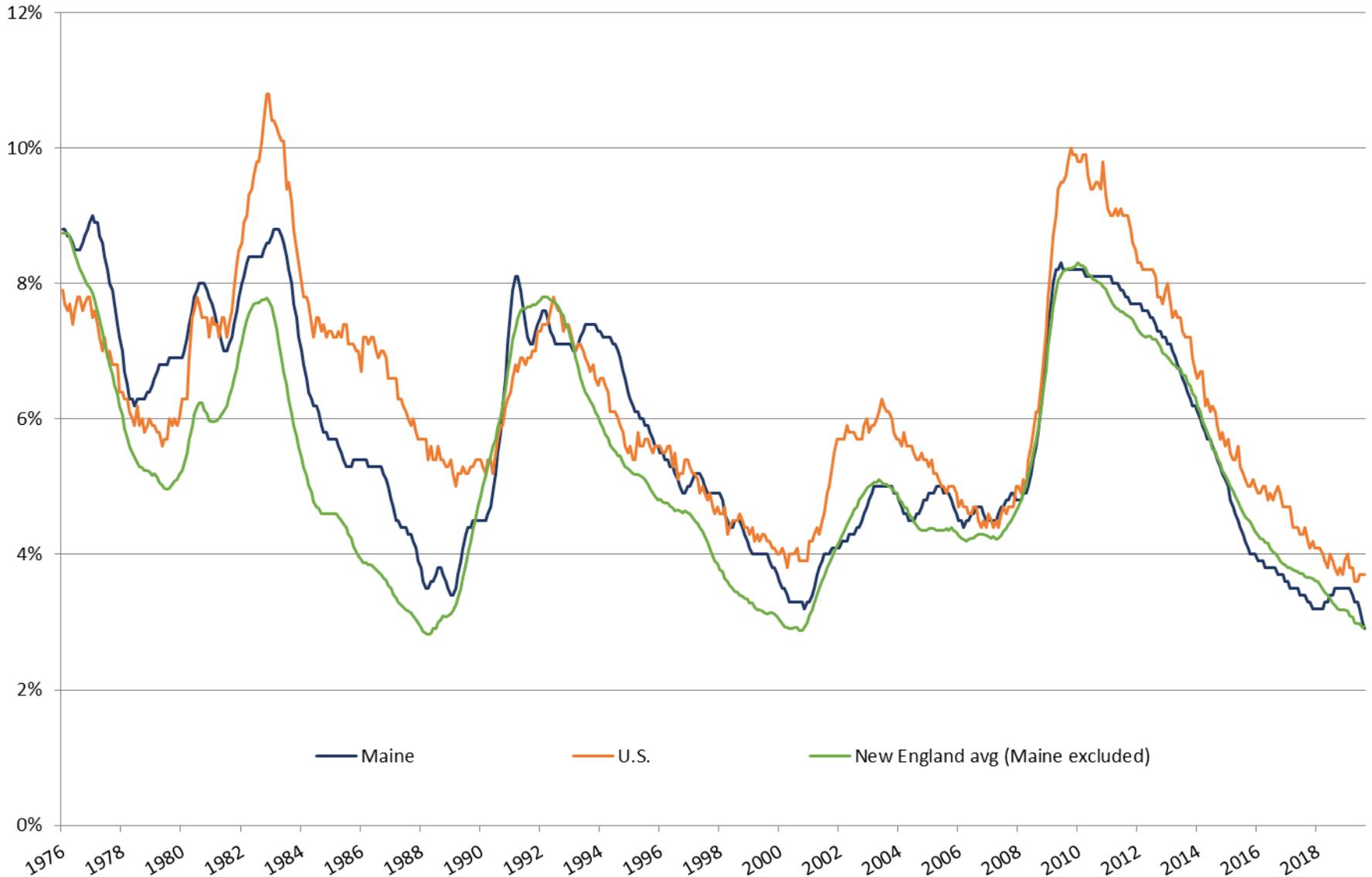
Regional variations persist in unemployment rates, although all are lower than one year prior

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County Rates (not seasonally adjusted)

September, 2019

- ◉ Table
- ○ Graph

Map/Graph Display
- ◉ Unemployment rate
- ○ One-year change

County	Rate	Year ago	One-yr change	
Maine	2.3%	2.8%	-0.5	⬇
Androscoggin Cty	2.3%	3.0%	-0.7	⬇
Aroostook Cty	3.3%	3.9%	-0.6	⬇
Cumberland Cty	1.9%	2.4%	-0.5	⬇
Franklin Cty	3.1%	3.2%	-0.1	⬇
Hancock Cty	2.0%	2.3%	-0.3	⬇
Kennebec Cty	2.3%	2.8%	-0.5	⬇
Knox Cty	2.0%	2.6%	-0.6	⬇
Lincoln Cty	2.1%	2.4%	-0.3	⬇
Oxford Cty	2.7%	3.7%	-1.0	⬇
Penobscot Cty	2.4%	3.3%	-0.9	⬇
Piscataquis Cty	2.6%	3.1%	-0.5	⬇
Sagadahoc Cty	1.8%	2.3%	-0.5	⬇
Somerset Cty	3.3%	4.1%	-0.8	⬇
Waldo Cty	2.2%	2.9%	-0.7	⬇
Washington Cty	3.3%	4.0%	-0.7	⬇
York Cty	2.0%	2.5%	-0.5	⬇

Maine Department of Labor, Center for Workforce Research and Information

Unemployment rate

1.8% ▬ 3.3%

© Mapbox © OSM
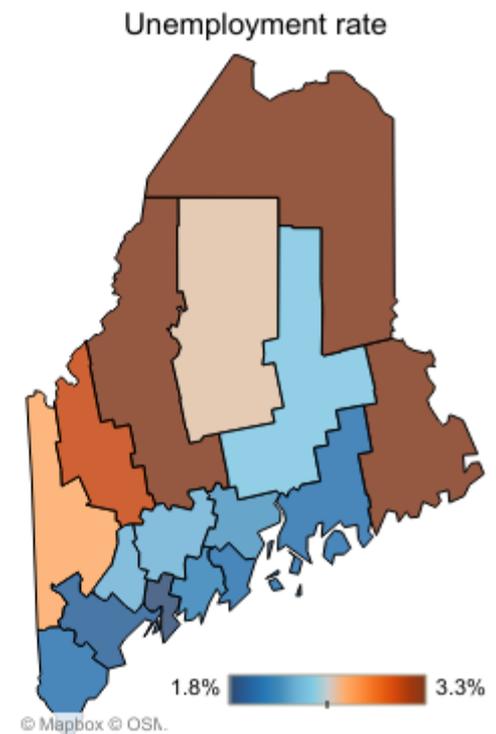
Total Nonfarm Employment (in thousands)
History and CEFC forecast

Pre-recession peak (2007)

New record high (2018)

617.9 617.5 596.6 593.3 595.0 598.5 602.0 605.5 610.9 618.5 624.1 628.7 633.8 636.2 636.2 636.2 636.2

2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, November 1, 2019
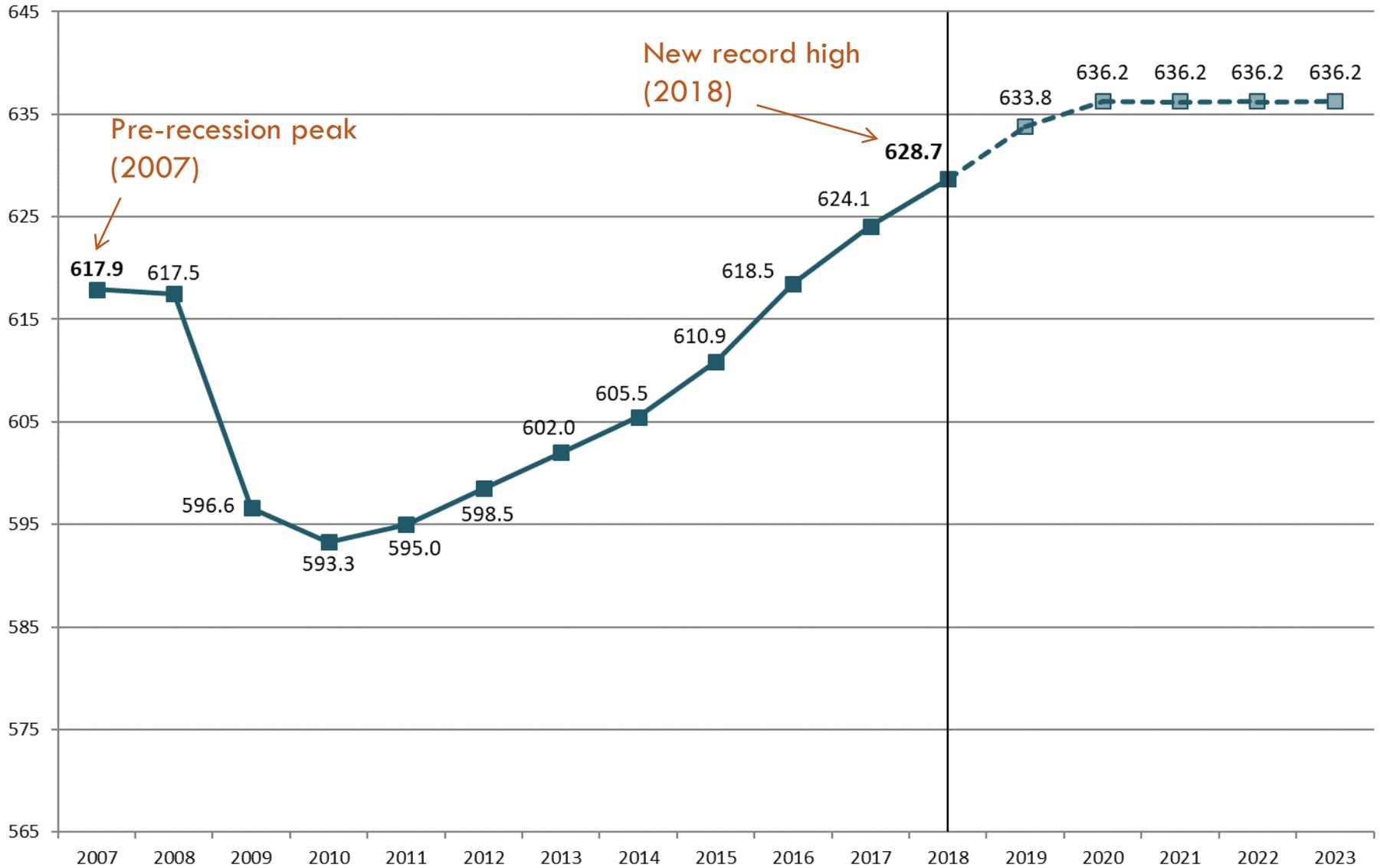
Revisions to CEFC Forecast of Total Nonfarm Employment (in thousands)

636.2
633.1
631.7
627.1
623.3
618.8
618.2
617.9

Legend: 11/1/2019 · 4/1/2019 · 11/1/2018 · 2/1/2018 · 11/1/2017 · 4/1/2017 · 11/1/2016

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Source: Consensus Economic Forecasting Commission reports
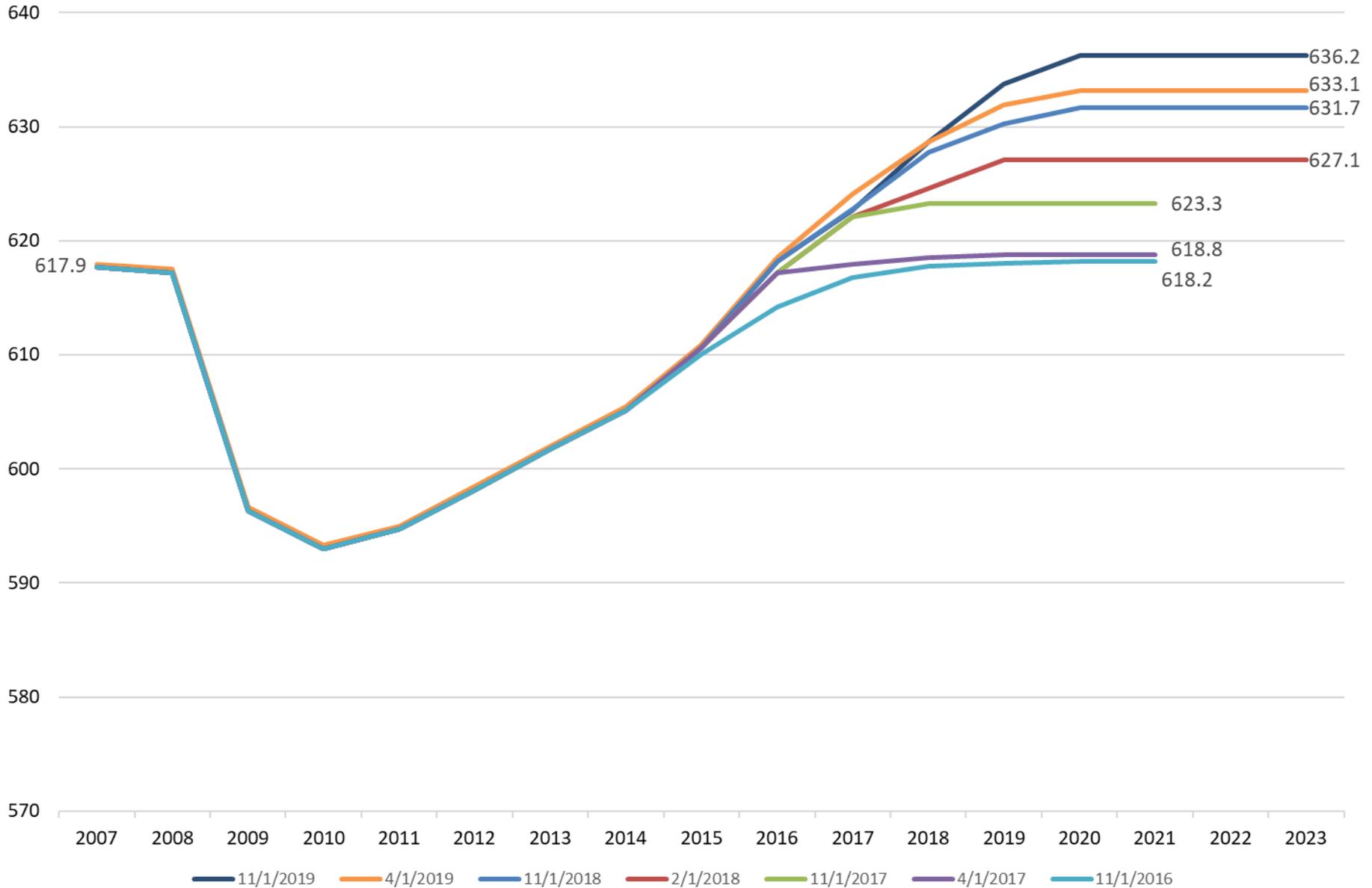
Income and GDP

**Percent Change in Real Personal Income, Maine
2009-2018 and forecast to 2023**

Legend:
- Total personal income
- Wage and salary disbursements

Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; CEFC report, November 1, 2019
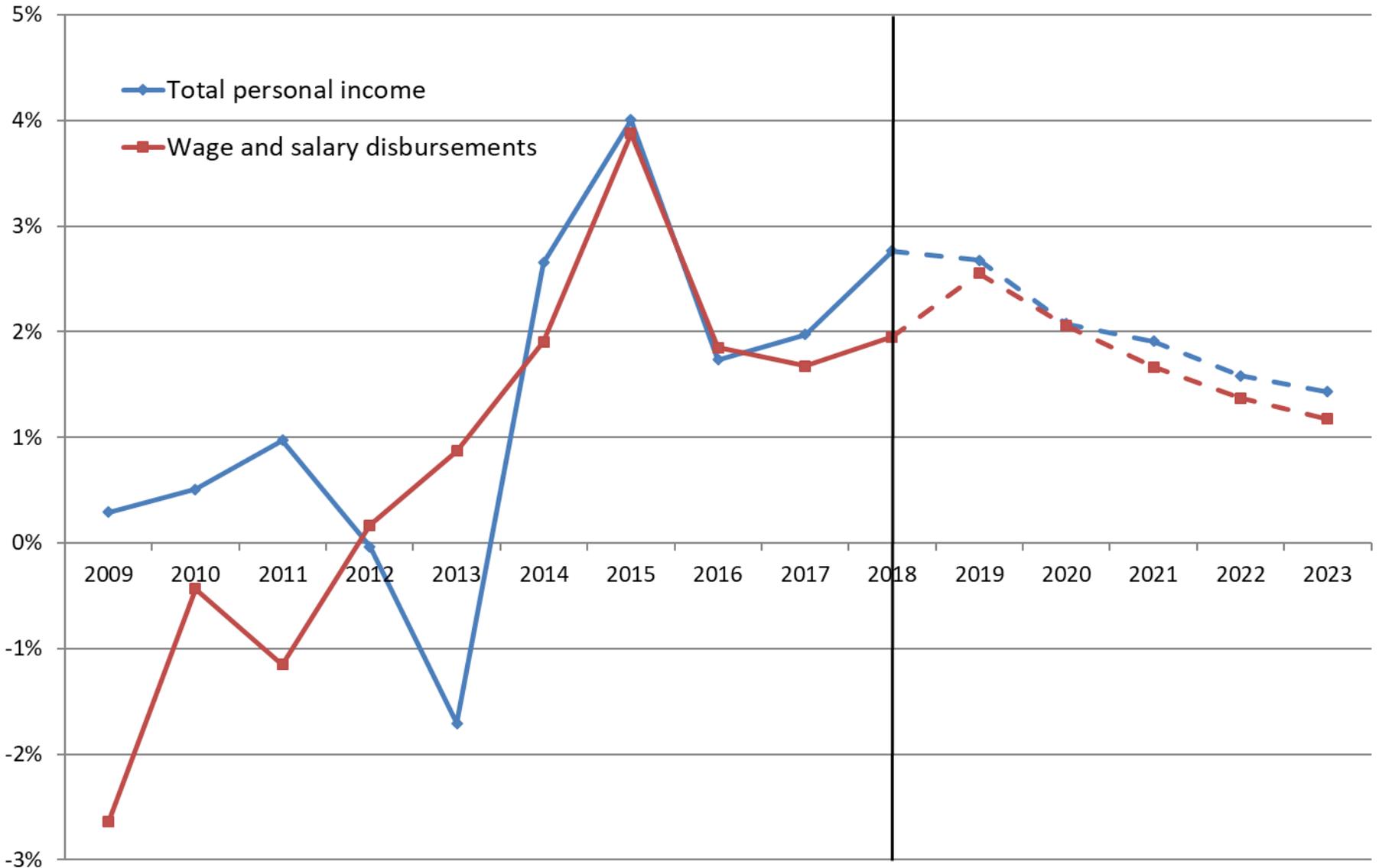
Major Components of Personal Income, 2018

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

| Maine | 43% | 21% | 18% | 11% | 7% |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

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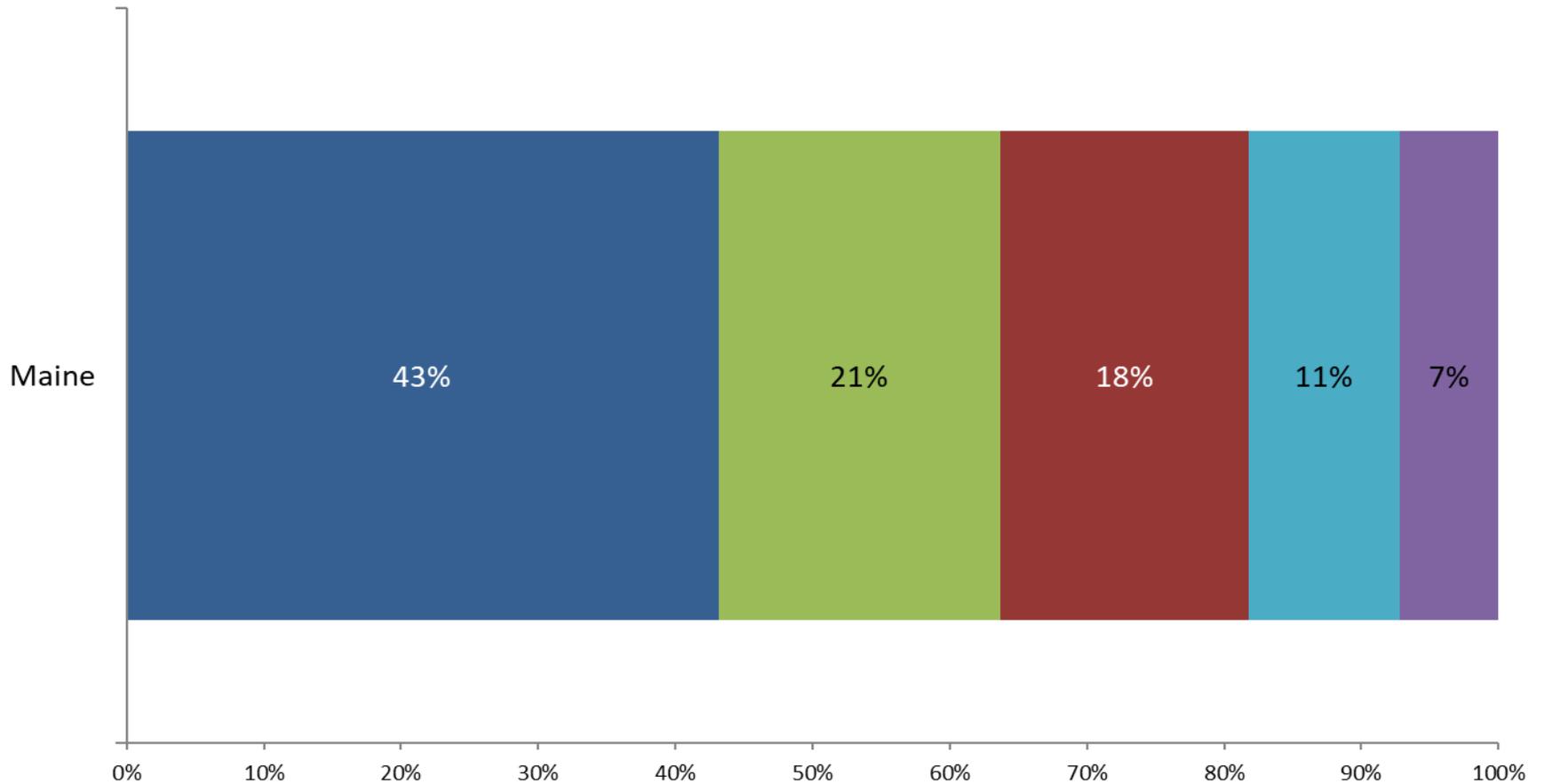
Components of Personal Current Transfer Receipts, 2018

Legend:
- Social Security benefits
- Medicare benefits
- Medicaid
- Income maintenance benefits
- Veterans' benefits
- Education and training assistance
- Unemployment insurance compensation

Maine

Social Security benefits	Medicare benefits	Medicaid	Income maintenance benefits	Veterans' benefits	Education and training assistance	Unemployment insurance compensation
36%	25%	20%	7%	5%	2%	1%

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Major Components of Personal Income, 2017

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

| County	Wages and salaries	Personal current transfer receipts	Dividends, interest, and rent	Supplements to wages and salaries	Proprietors' income
Washington	31.3%	33.5%	15.3%	9.4%	10.5%
Piscataquis	32.8%	33.6%	17.6%	10.2%	5.7%
Lincoln	28.5%	24.6%	29.5%	7.1%	10.4%
Kennebec	46.0%	21.3%	14.2%	12.7%	5.7%
Hancock	33.4%	20.1%	23.1%	8.4%	15.0%
Cumberland	51.1%	12.9%	18.1%	11.1%	6.8%

Counties (top to bottom): York, Washington, Waldo, Somerset, Sagadahoc, Piscataquis, Penobscot, Oxford, Lincoln, Knox, Kennebec, Hancock, Franklin, Cumberland, Aroostook, Androscoggin

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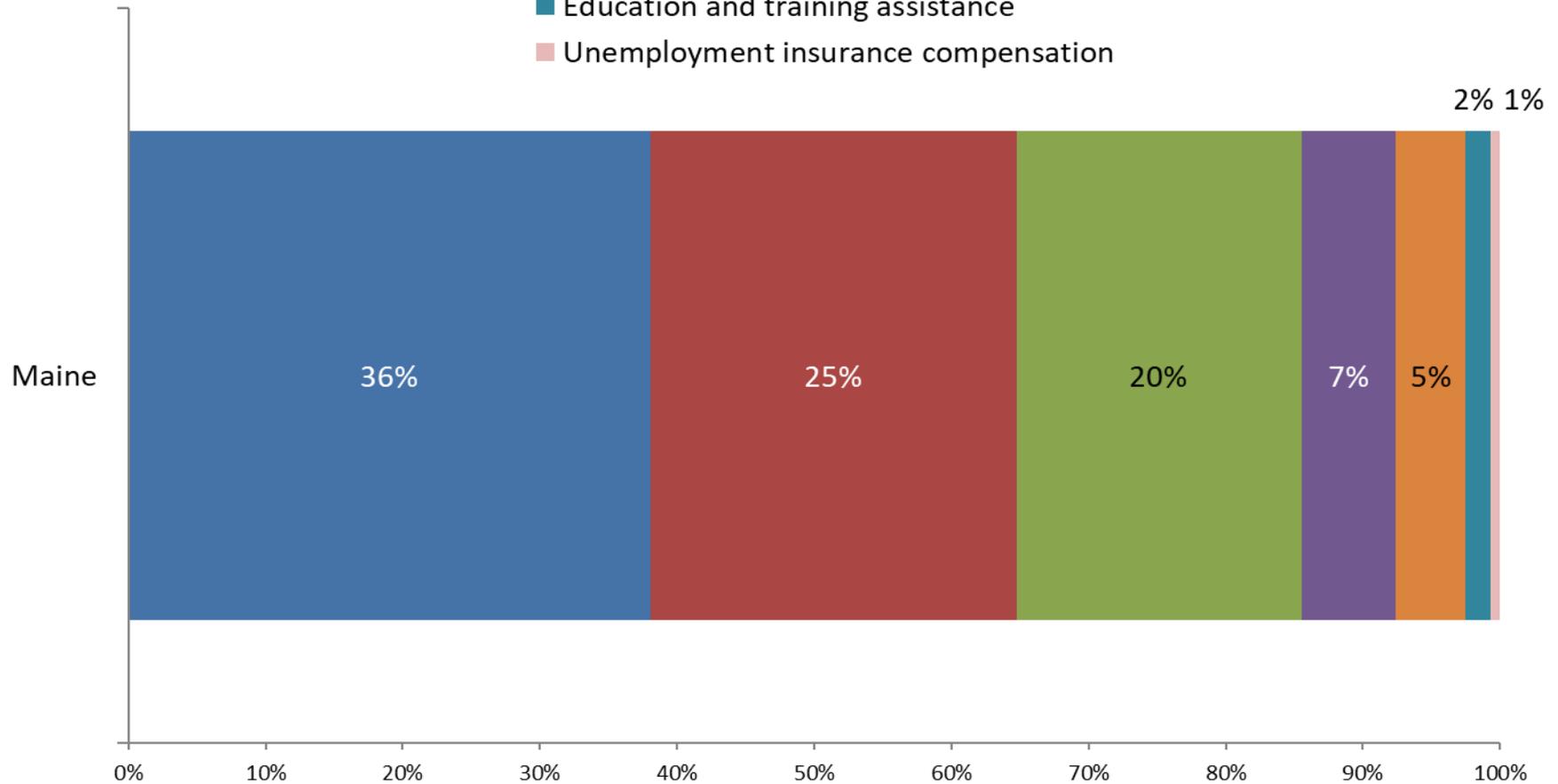
Median Household Income

$65,702

$38,797

Cumberland, York, Sagadahoc, Lincoln, Knox, Hancock, Waldo, Kennebec, Androscoggin, Penobscot, Franklin, Oxford, Somerset, Washington, Aroostook, Piscataquis

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Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-year estimates
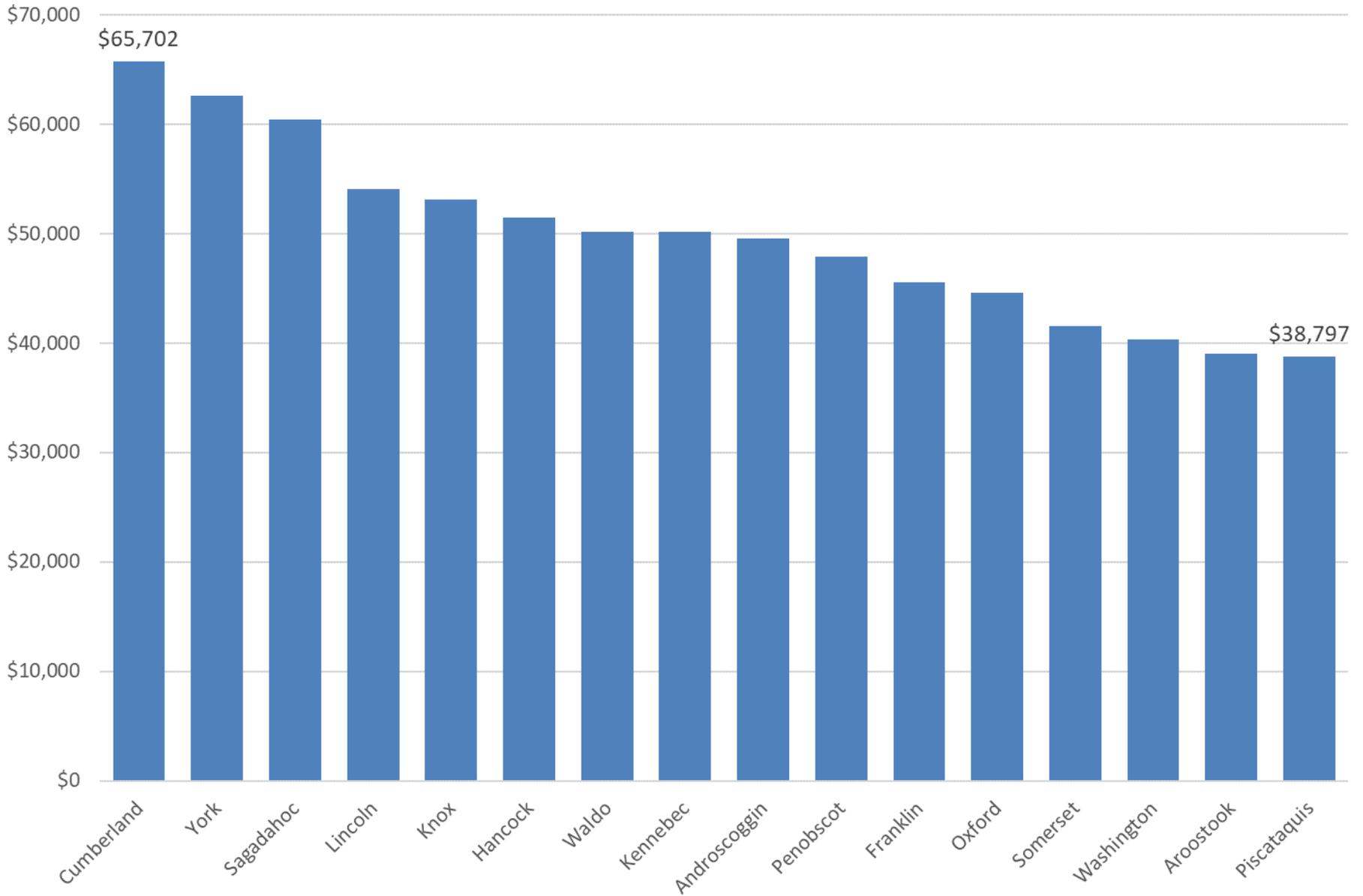
Percent of Households by Income Level, 2018

■ U.S. ■ New England ■ Maine

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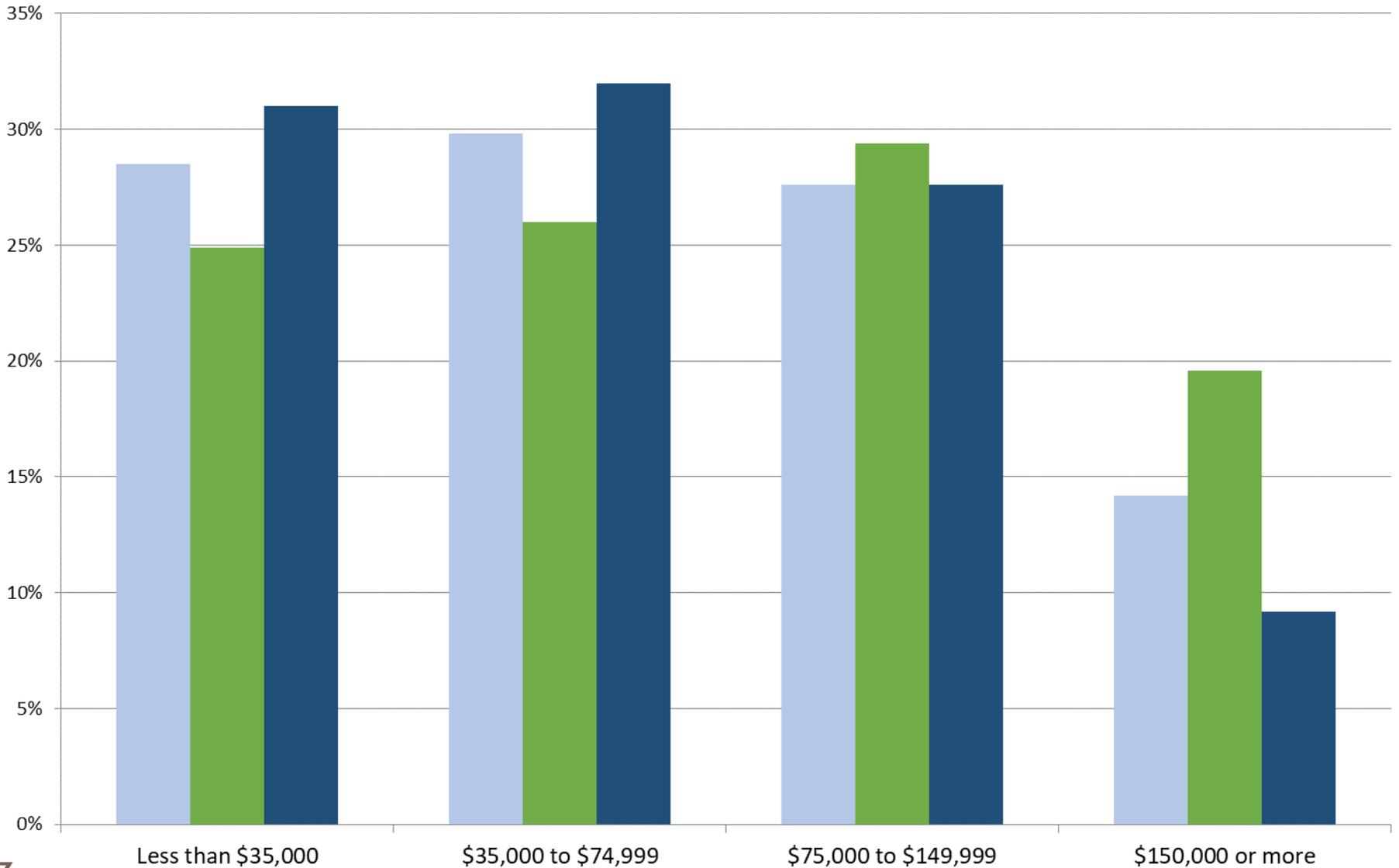
Per Capita Real Total GDP

United States
Maine

Source: U.S. Bureau of Economic Analysis
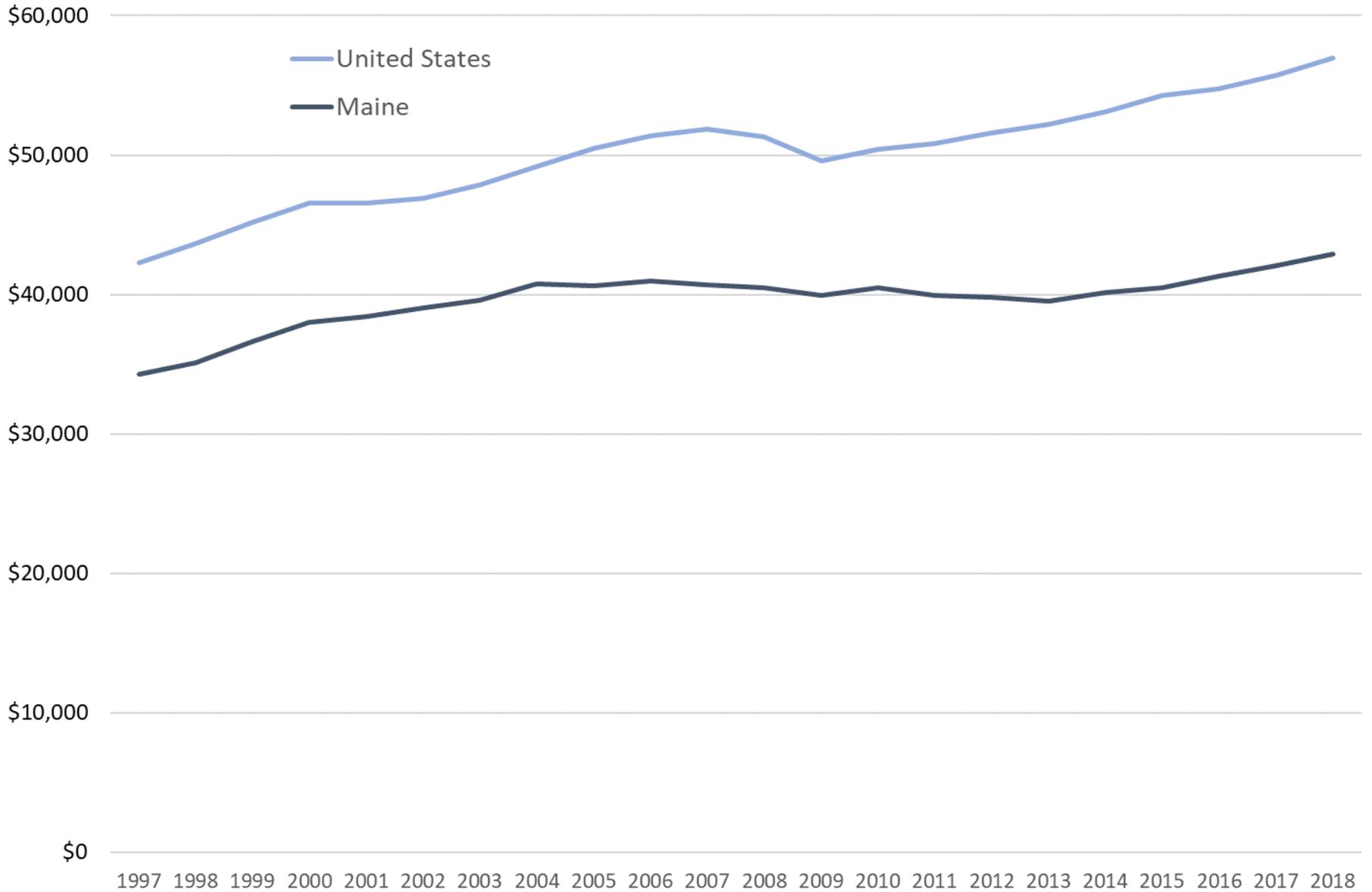
Share of Maine Real GDP by Metropolitan Area

Legend:
- Portland-South Portland MSA (Cumberland-Sagadahoc-York counties)
- Non-MSA portion
- Bangor MSA (Penobscot County)
- Lewiston-Auburn MSA (Androscoggin County)

2001 values: 47.6%, 34.6%, 10.8%, 7.0%

2017 values: 52.7%, 30.5%, 9.9%, 6.9%

Source: U.S. Bureau of Economic Analysis
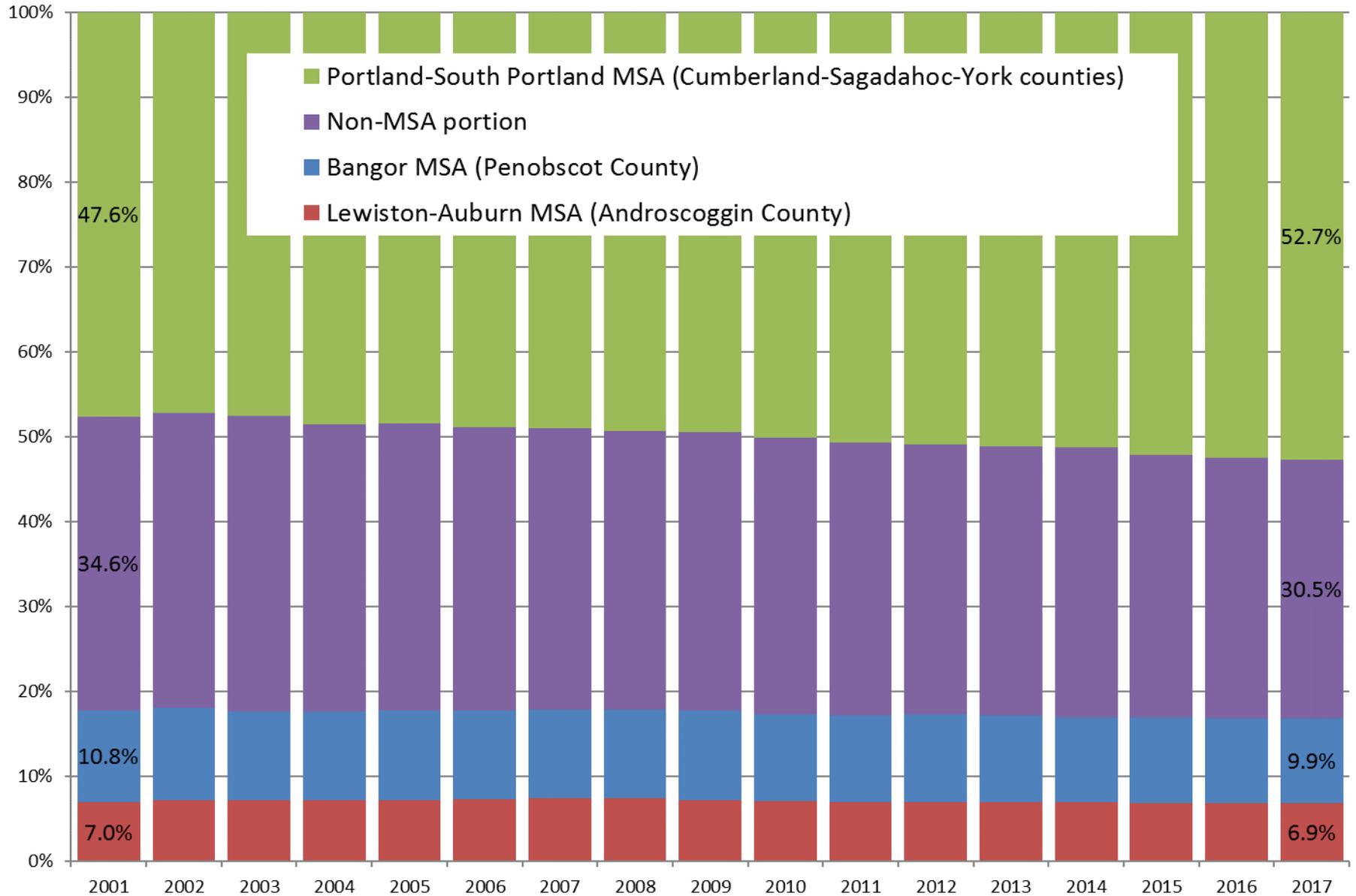
Maine Real GDP by Industry, 1997-2018
(in millions of chained 2012 dollars)

Categories (left to right): Natural resources and mining, Construction, Manufacturing, Trade, Transportation and utilities, Information, Finance, insurance, real estate,…, Professional and business services, Educational services, health care,…, Arts, entertainment, recreation,…, Other services (except government…, Government and government enterprises

Source: U.S. Bureau of Economic Analysis

Macroeconomic Conditions

Macroeconomic conditions

- We are now in the longest period of economic expansion on record

- Some early warning signs of economic slowdown on the horizon (e.g. inverted yield curve), but…

GDP-Based Recession Indicator remains low

FRED — GDP-Based Recession Indicator Index

Percentage Points
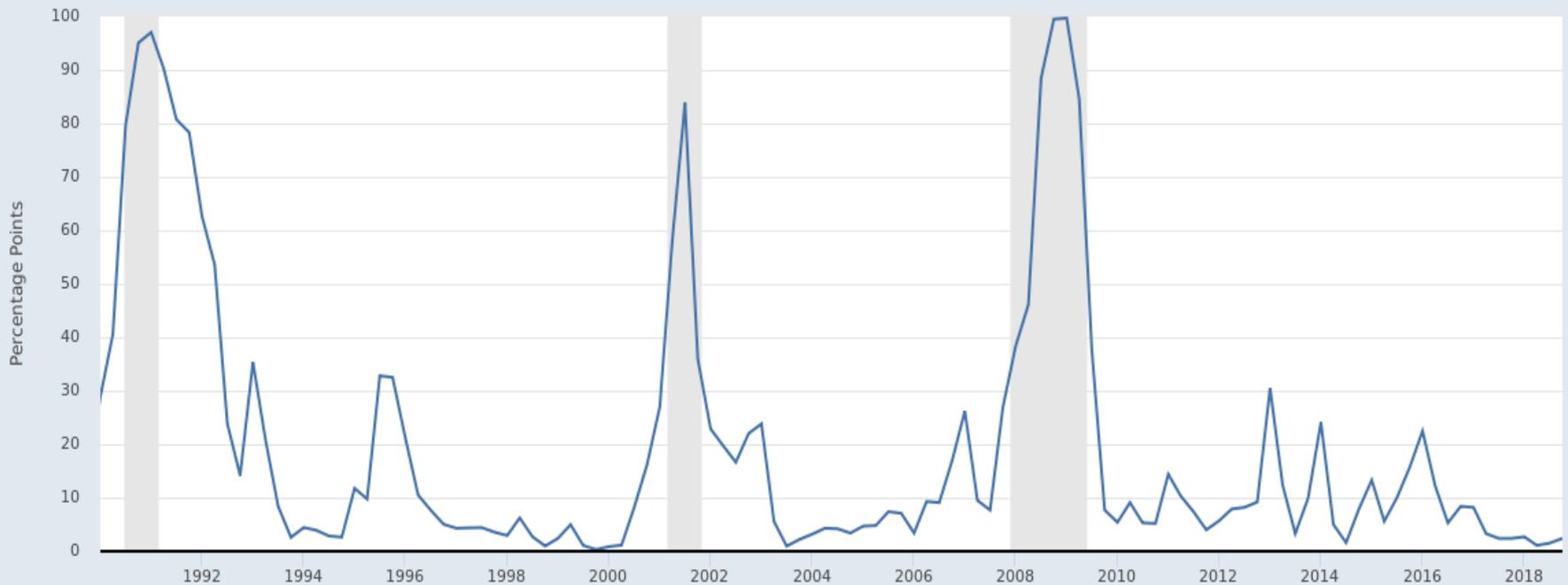
Shaded areas indicate U.S. recessions   Source: Hamilton, James   myf.red/g/nVa0

# Sahm Rule Recession Indicator also remains low
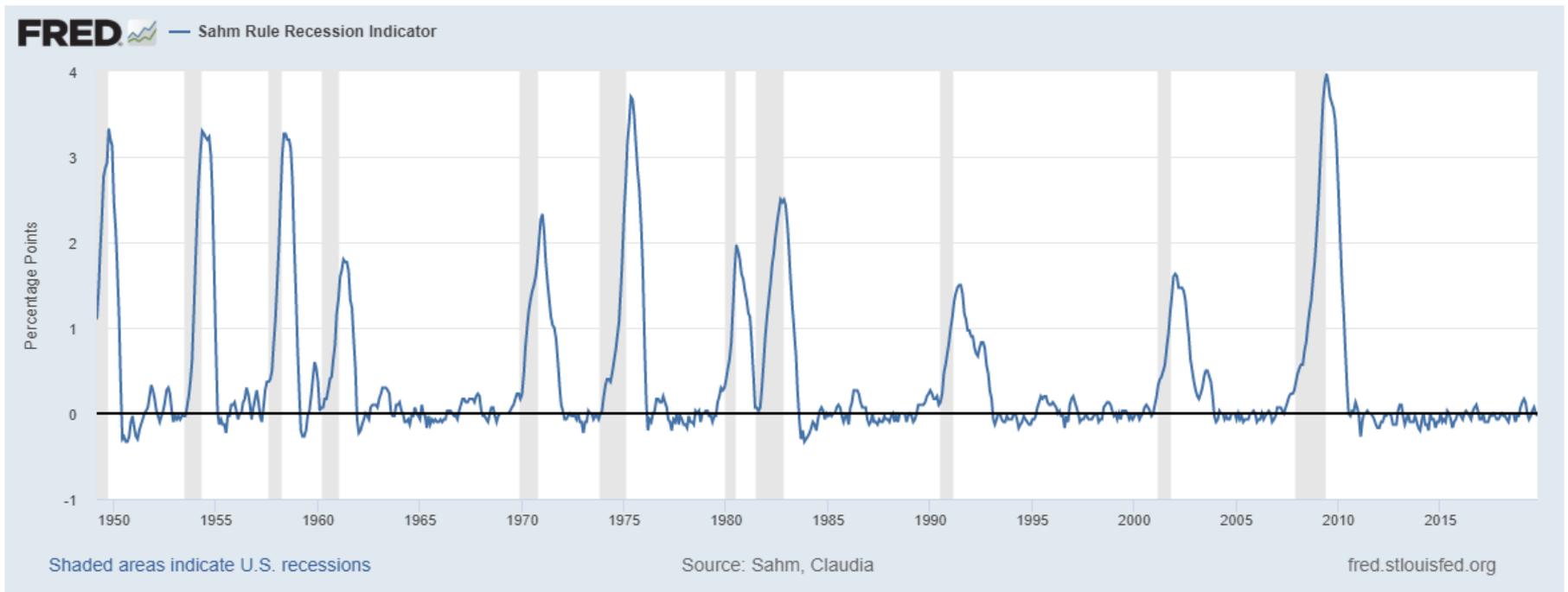
One possible trigger: tariffs

- Trade war has created uncertainty for businesses and is starting to impact consumers

- Slowdown in consumer spending could lead to larger economic slowdown

- More on this in the second half…

Energy Prices

Recent spike in
oil prices was
relatively small
and diminished
quickly;
forecast is for
stable prices,
but that could
change quickly

**Petroleum Crude Oil Price: Brent**

Source: U.S. Energy Information Administration, IHS Markit
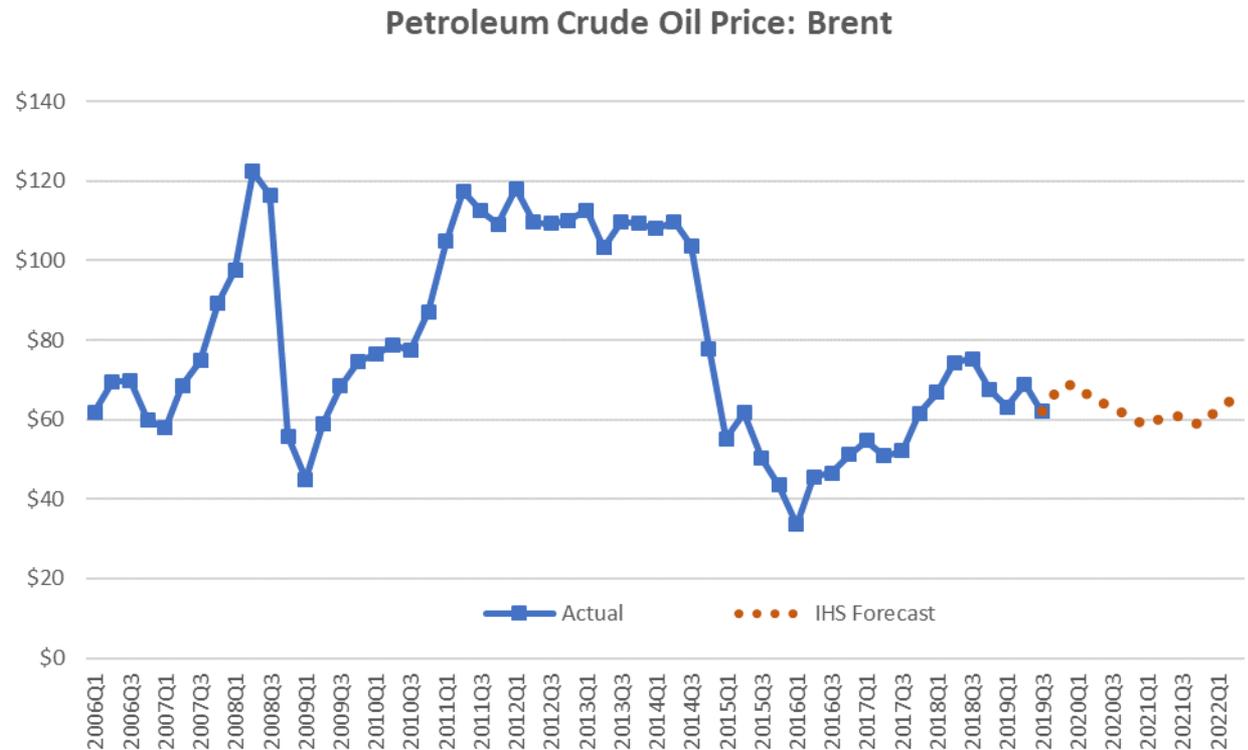
Weekly New England Retail Gasoline Prices (Dollars per Gallon)

Oct 14, 2019, $2.60

Source: U.S. Energy Information Administration
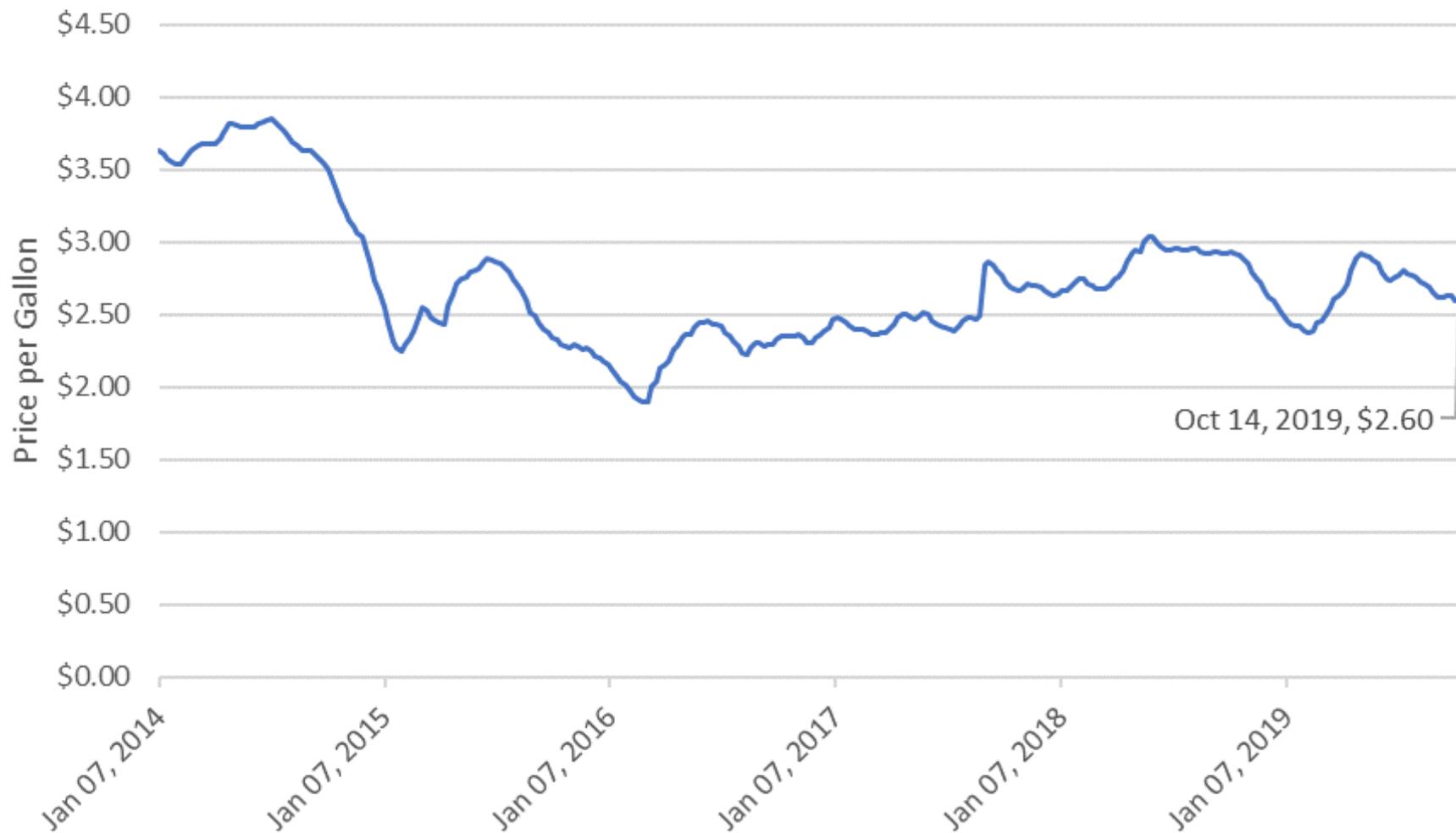
Maine No. 2 Heating Oil Residential Price

Legend:
- Winter 2014-2015
- Winter 2015-2016
- Winter 2016-2017
- Winter 2017-2018
- Winter 2018-2019
- Winter 2019-2020

Y-axis: Price per gallon ($0.00 to $3.50)

X-axis: October, November, December, January, February, March

Source: U.S. Energy Information Administration
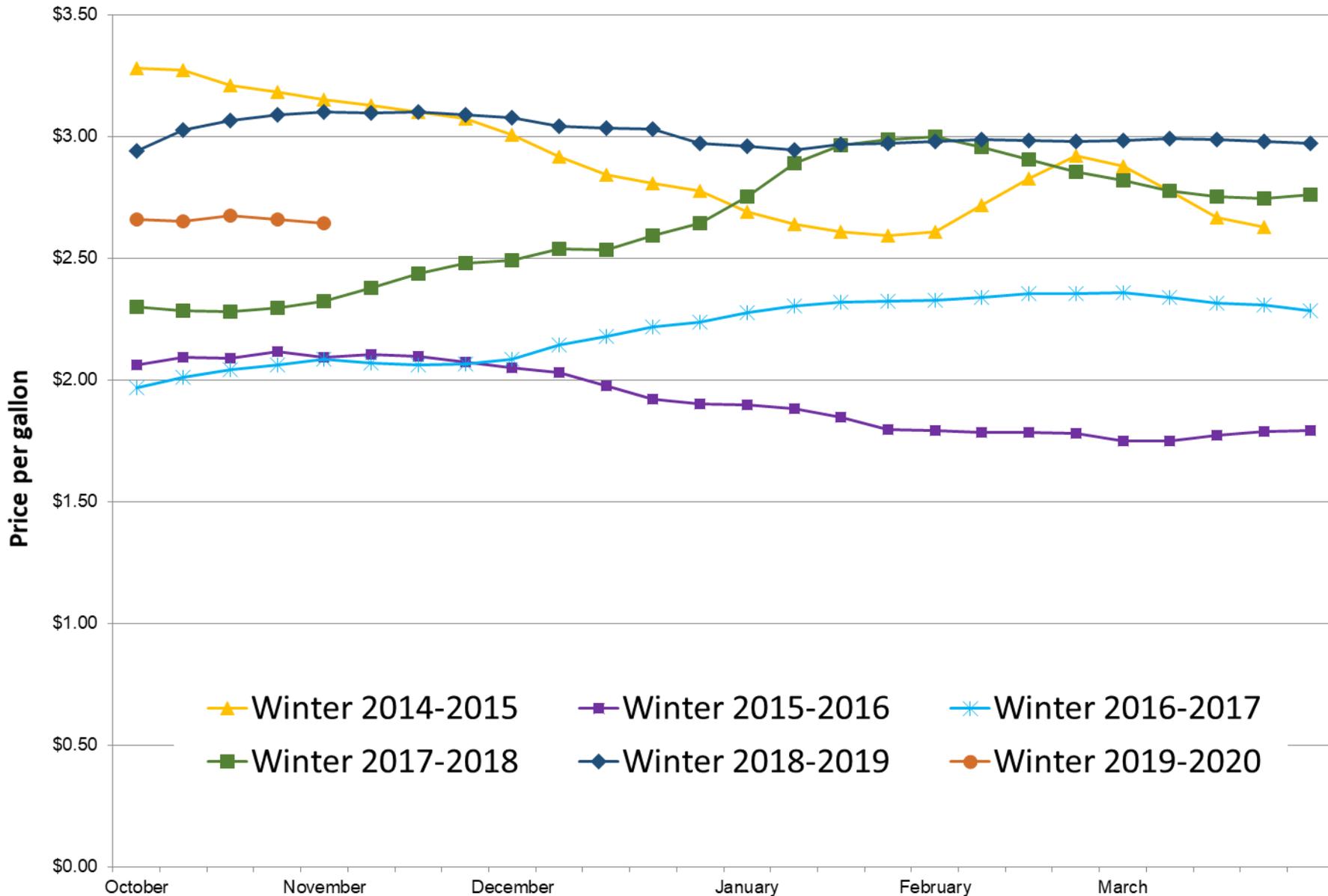
Percent of Housing Units by Type of Primary Heating Fuel (2018)

Legend:
- Fuel oil, kerosene, etc.
- Bottled, tank, or LP gas
- Wood
- Utility gas
- Electricity

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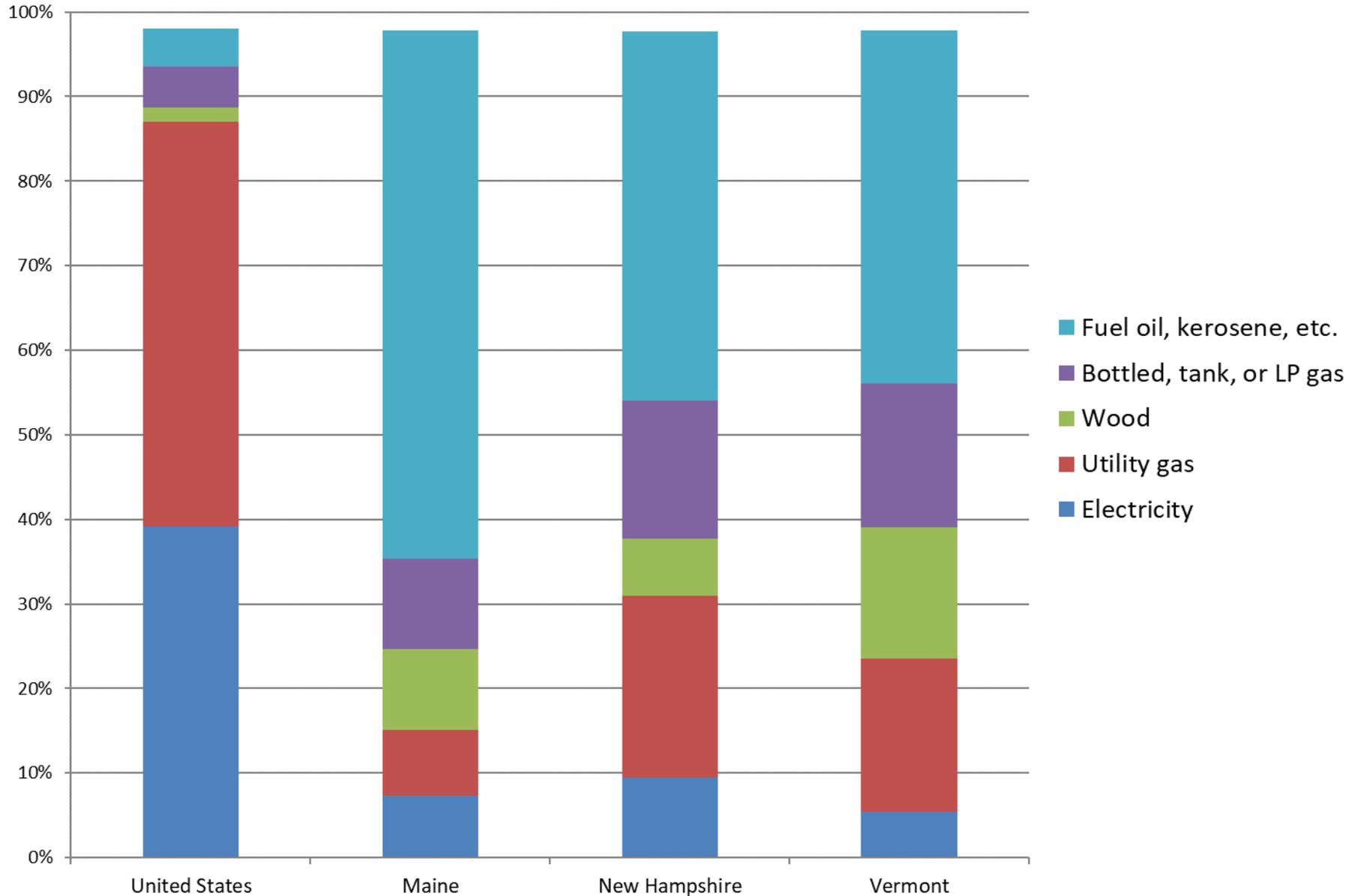
Looking ahead

- 10-year economic development strategic plan will be released in December

    - Nine-month process to develop the strategies, based on data and feedback from people around the state

    - Deployment will be a partnership among public, private, and non-profit

Contact Information

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