THE ECONOMICS AND DEMOGRAPHICS OF MAINE

Maine Municipal Association
Annual Convention

October 3, 2018

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Department of Administrative and Financial Services
Overview

- Demographics
- Employment and GDP
- Wages and Income
- Other Indicators
Demographics
Total Population, Maine

2017 estimate: 1,335,907

Projections are two years old (based on 2014) and are being updated this year.
Total Population, Regions of Maine

Source: U.S. Census Bureau; State Economist population projections
Maine

- 2017 Population Estimate: 1,335,907
  - 42nd largest in US

- 2010 – 2017 Population Change: +0.6%
  - 45th in US (ahead of WV, VT, IL, CT, and MS)

- 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 Outlook to 2034
Components of Population Change, Maine

Net population change: +5,675

Source: U.S. Census Bureau, Population Estimates Program
Who are the people moving to Maine?

- **Age:**
  - 25-29: net gain of 2,658 (annual migration rate 3.5%)
  - 30-34: +1,565 (2.0%)

- **Educational attainment:**
  - Bachelor’s Degree: net gain of 2,966
  - Graduate or Professional Degree: +1,896
Baby Boomers in 2016 (52-70)

Baby Boomers in 2034 (70-88)

Sources: State Economist Population Projections to 2034; U.S. Census Bureau 2016 Population Estimates
Projected Population Change and Participation Rates by Age Group in Maine

Employment and GDP
Total Nonfarm Employment (in thousands)
History and CEFC forecast

Pre-recession peak (2007)

New record high (2017)

Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, February 1, 2018
Maine Wage and Salary Employment by Industry (in thousands)

Source: Maine Department of Labor, Center for Workforce Research and Information
Share of Maine Real GDP by Metropolitan Area

- **Portland-South Portland MSA**
- **Non-MSA portion**
- **Bangor MSA**
- **Lewiston-Auburn MSA**

Source: U.S. Bureau of Economic Analysis
Wages and Income
The average wage per job has been rising at the fastest rate in nearly two decades, reflecting the competitive hiring and retention environment (adjusted for inflation to 2017 Q3 dollars)

Source: Presentation by Glenn Mills, Maine Department of Labor, to Consensus Economic Forecasting Commission, Jan. 26, 2018
Latest Personal Income Release

- Total personal income growth for Maine in 2017 was revised up from 2.7% (ranking 31\textsuperscript{st}) to 4.2% (ranking 20\textsuperscript{th})

- Preliminary estimate of growth in 2018:Q2 is 4.2% (ranking 25\textsuperscript{th})
  - Largest contributor was net earnings, which saw growth of 5.1%, highest in New England and 15\textsuperscript{th} nationally
Educational Attainment of Population Age 25+

Source: U.S. Census Bureau, American Community Survey 1-year estimates
Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)

<table>
<thead>
<tr>
<th>Reference Period</th>
<th>Maine</th>
<th>New England</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018:Q1 - 2018:Q2</td>
<td>HPI percent change from previous quarter</td>
<td>2.5%</td>
<td>1.1%</td>
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<tr>
<td>Maine Retail Sales</td>
<td>% Change from July 2017 to July 2018</td>
<td>% Change last three months / same 3 month period one year ago</td>
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<tr>
<td>----------------------------</td>
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<tr>
<td>Building Supply</td>
<td>9.2%</td>
<td>8.6%</td>
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<tr>
<td>Food Store</td>
<td>3.3%</td>
<td>4.3%</td>
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<tr>
<td>General Merchandise</td>
<td>-3.2%</td>
<td>-6.8%</td>
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<tr>
<td>Other Retail</td>
<td>16.0%</td>
<td>14.9%</td>
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<tr>
<td>Restaurant</td>
<td>3.4%</td>
<td>5.5%</td>
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<tr>
<td>Lodging</td>
<td>0.2%</td>
<td>3.4%</td>
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<tr>
<td>Auto Transportation</td>
<td>5.6%</td>
<td>3.7%</td>
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<tr>
<td>Total</td>
<td>5.6%</td>
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<tr>
<td>Business Operating</td>
<td>17.3%</td>
<td>12.0%</td>
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<tr>
<td>Personal Consumption</td>
<td>4.6%</td>
<td>4.3%</td>
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</tbody>
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Source: Maine Revenue Services
To sum up

- Demographics are a continuing factor, but…

- Some signs of improvement, and…

- Recent economic growth (personal income, GDP, wages) has been strong, with no immediate cause for concern
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