

Trends in Maine's Demographics, Labor Market, and Economy

MAINESPARK ADULT PROMISE
EQUITY IN EDUCATION

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AMANDA RECTOR
MAINE STATE ECONOMIST
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

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

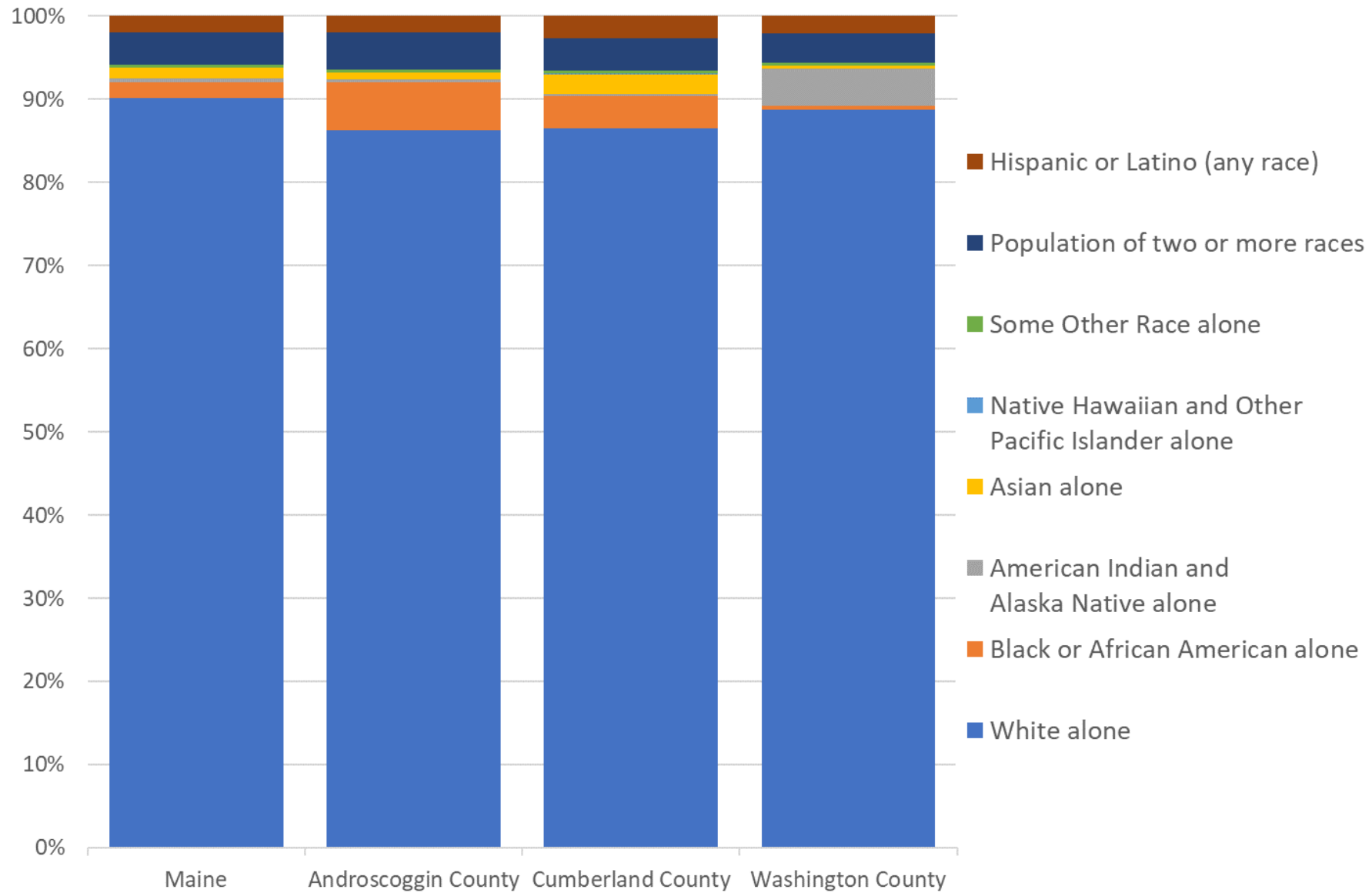
- Oldest in U.S.

9.8% Black, Indigenous, and People of Color

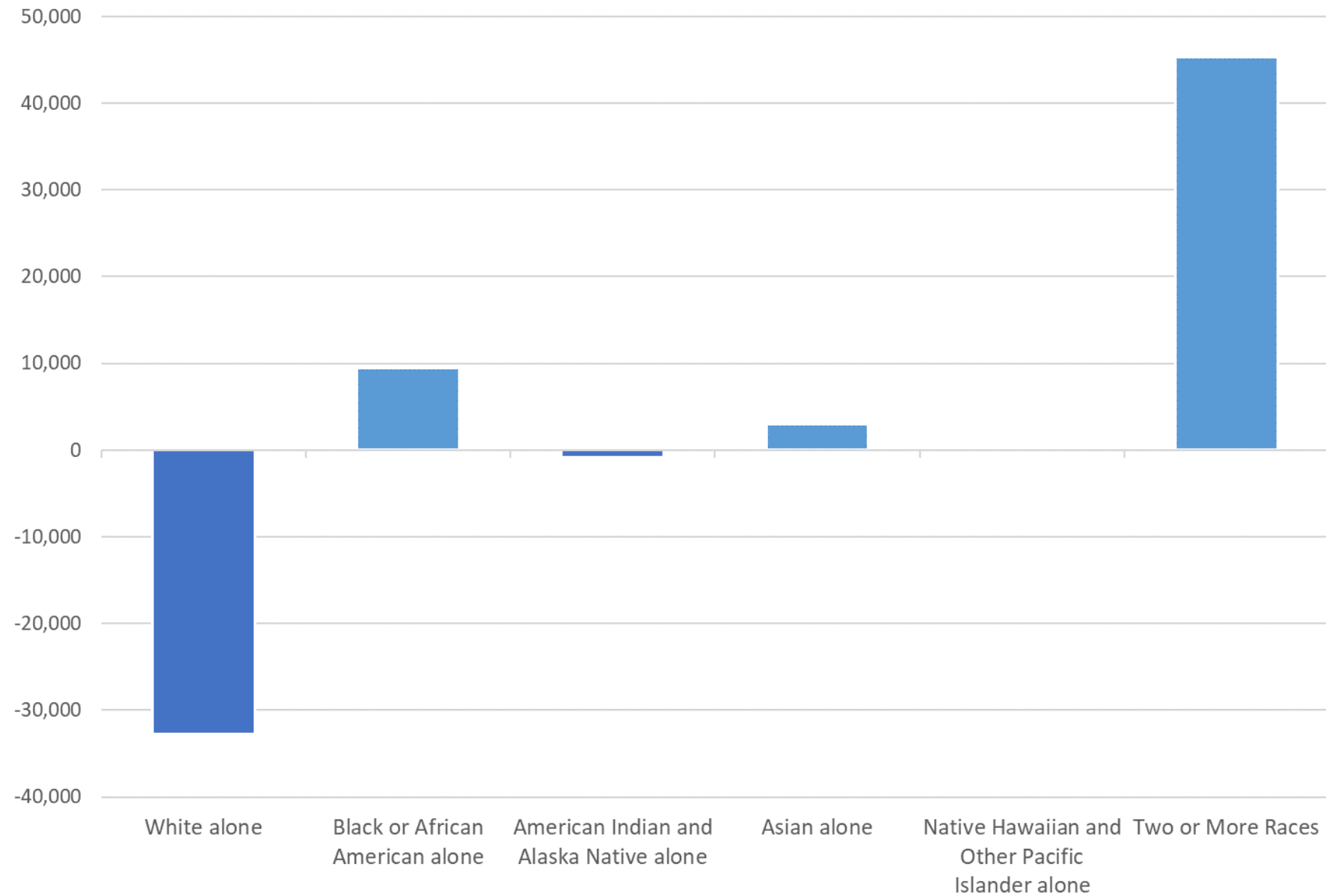
- Lowest percentage in U.S., but improved from 5.6% in 2010



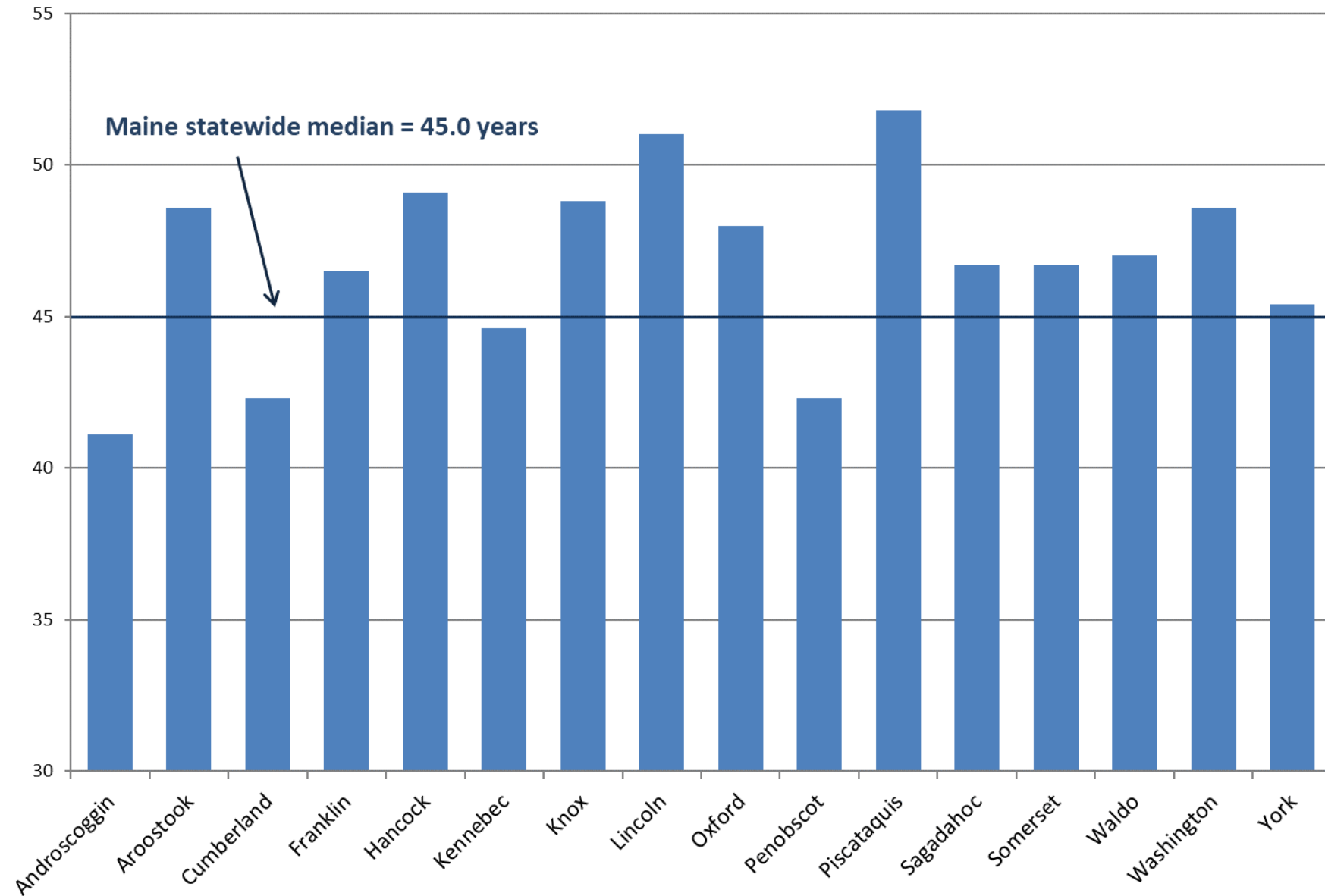
Percent of Population by Race and Ethnicity, 2020



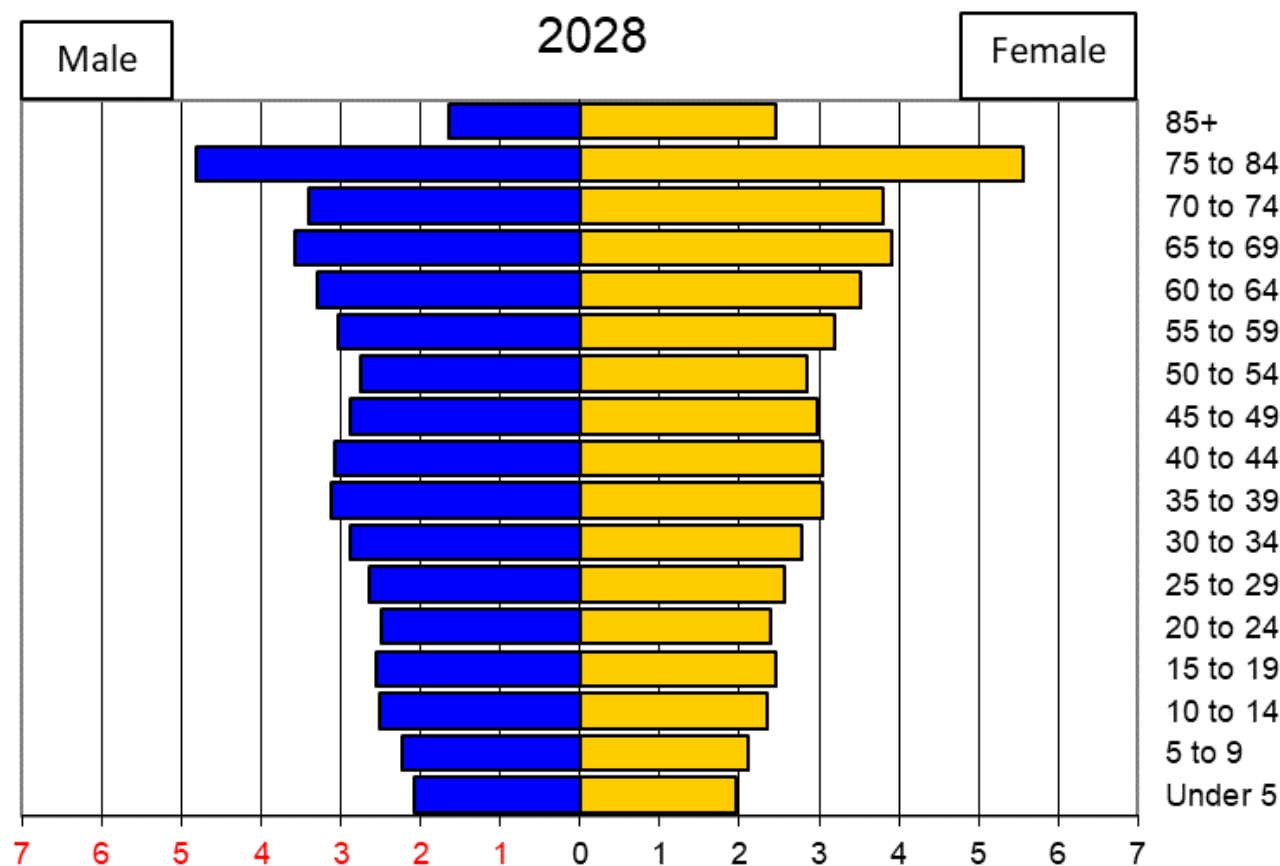
Change in Maine Population by Race, 2010-2020



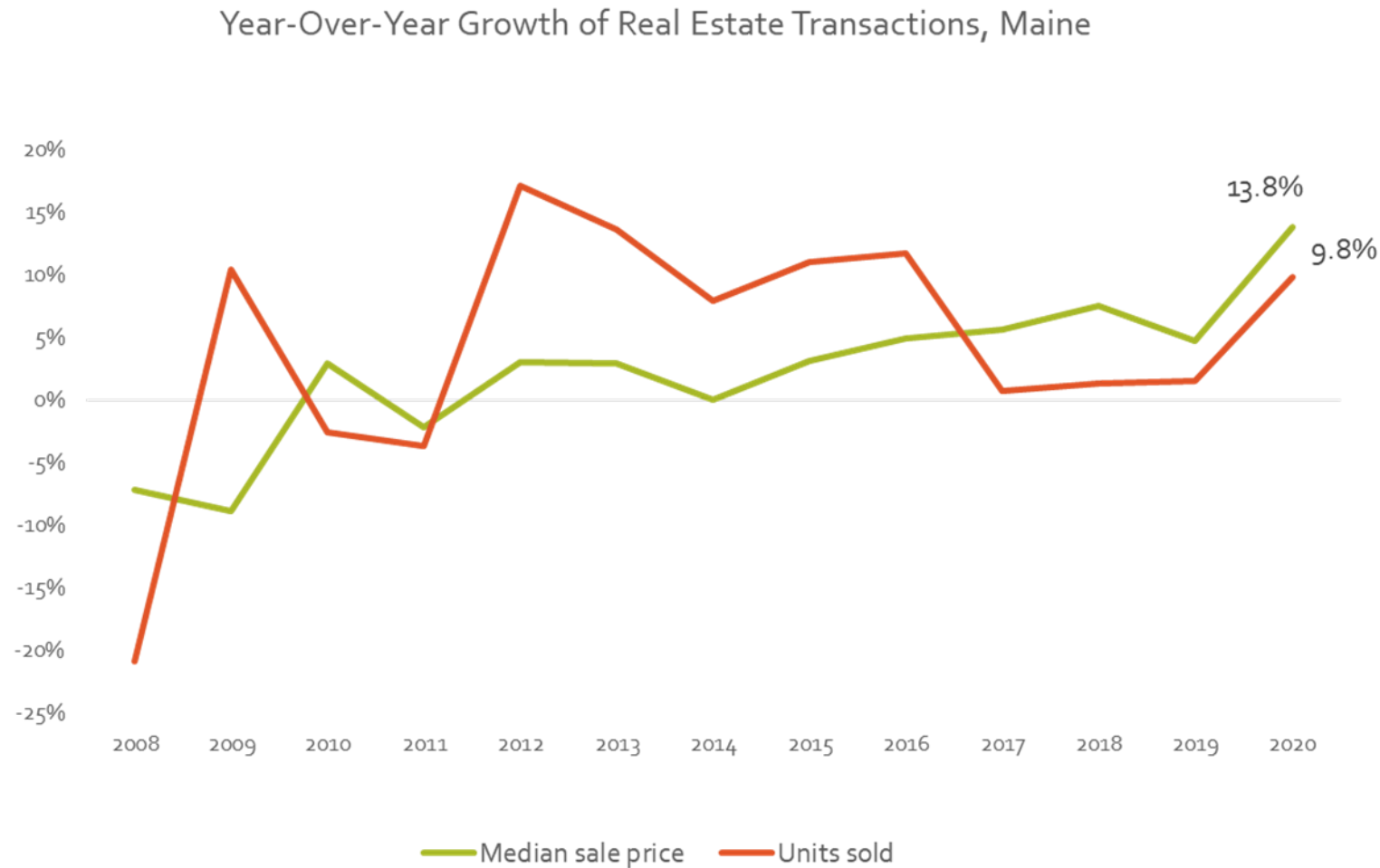
Median Age



The Baby Boom Wave



Maine has seen an influx of home buyers from out of state during the pandemic (but who are they and how long will they stay?)

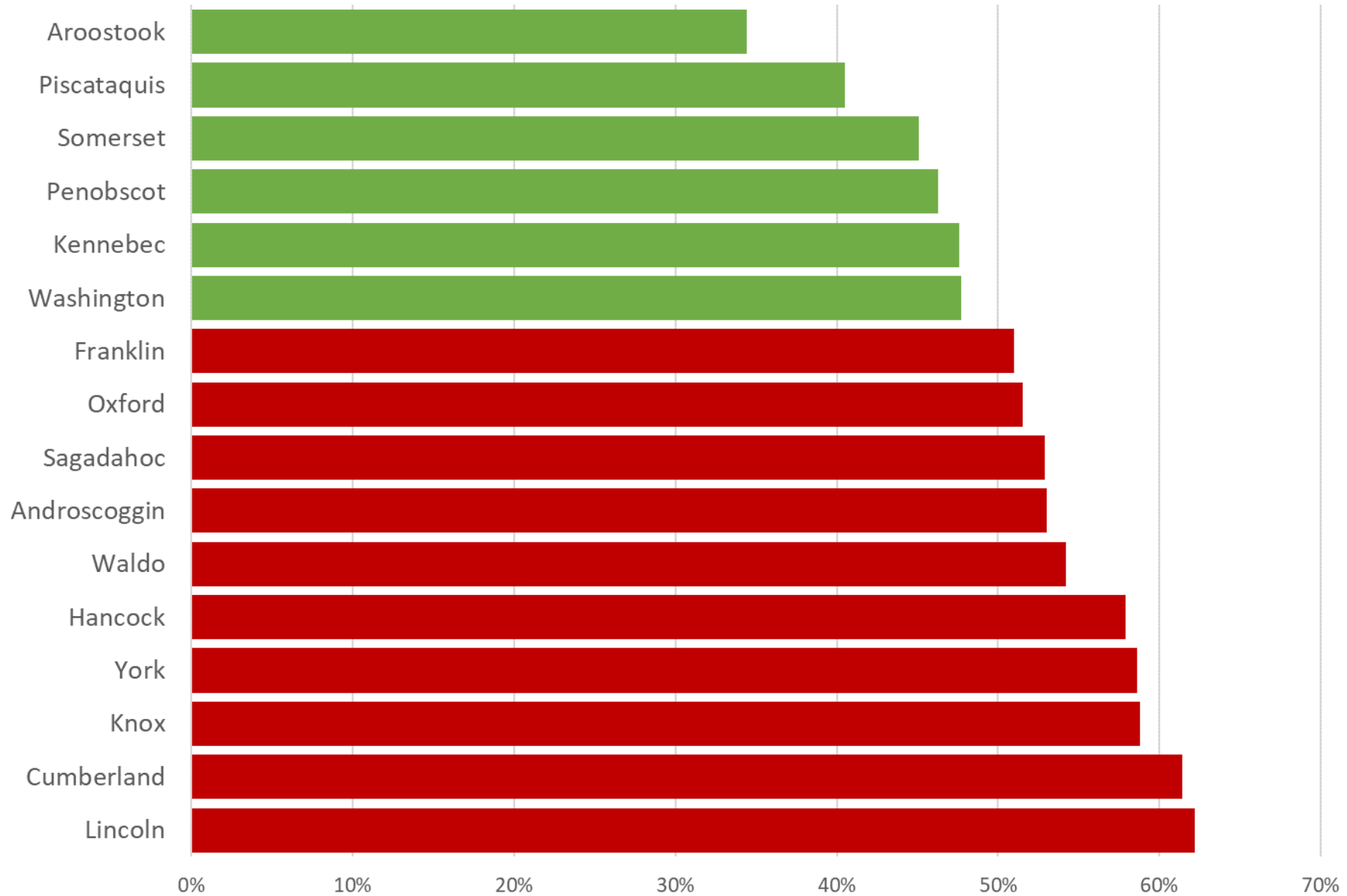


- Maine REALTORS noted in their October 2021 press release an 8.4% increase in single-family home sales in Jan.-Sep. 2021 vs Jan.-Sep. 2020 along with a 16.9% increase in the median sales price in September 2021 compared to September 2020
- Out-of-state buyers normally represent about 1/4 of sales; more recently they have represented about 1/3 of sales

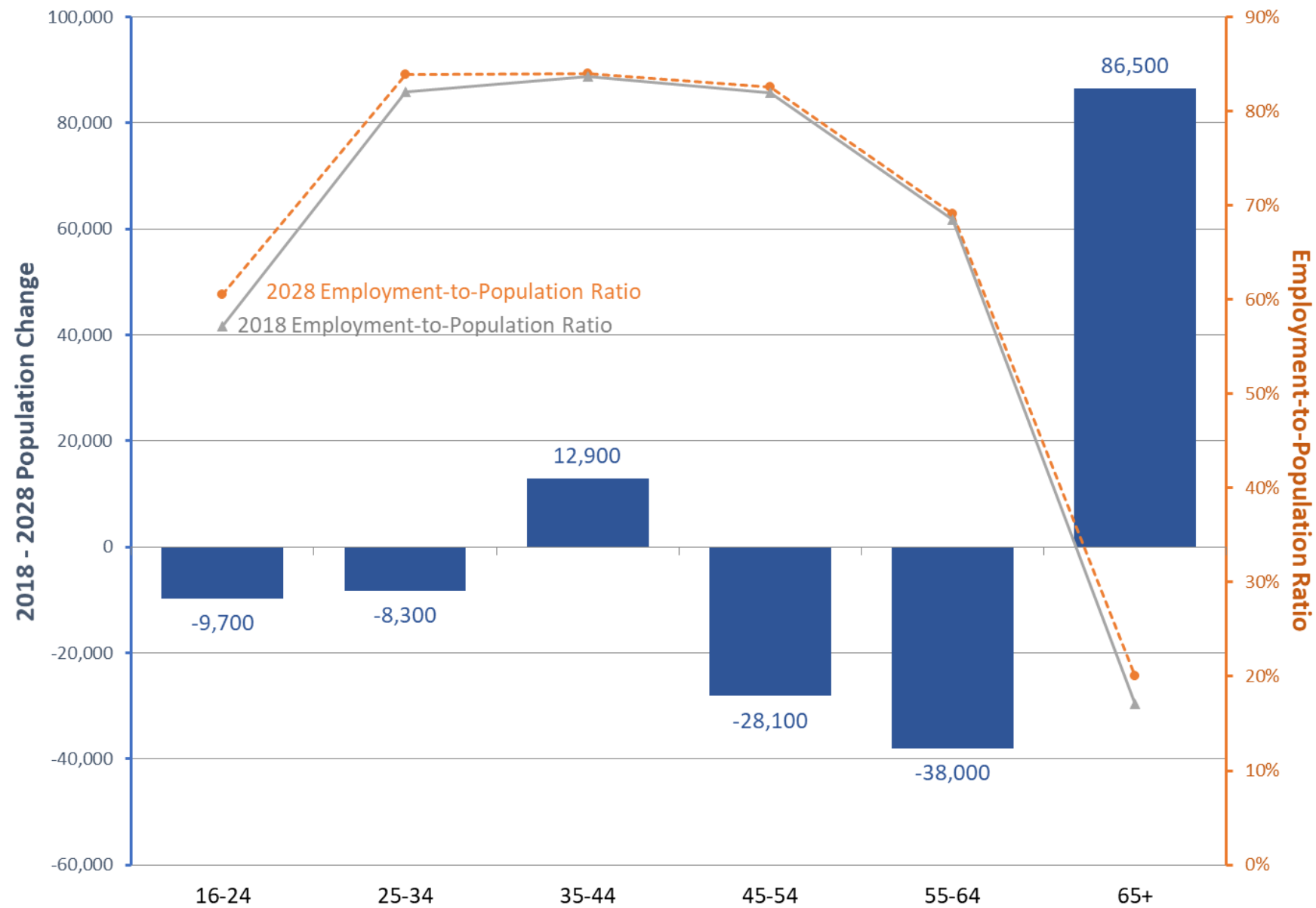
July-September 2021 compared to July-September 2020

Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)
Androscoggin	387	-4.21%	\$251,920	16.20%
Aroostook	285	12.36%	\$121,250	10.23%
Cumberland	1,286	-6.13%	\$449,950	19.99%
Franklin	173	-2.26%	\$215,000	10.82%
Hancock	312	-8.77%	\$326,000	25.38%
Kennebec	575	-6.35%	\$260,000	24.02%
Knox	232	-6.83%	\$369,500	39.43%
Lincoln	185	-27.17%	\$360,000	18.81%
Oxford	291	-5.21%	\$258,000	27.72%
Penobscot	601	-2.75%	\$210,000	20.00%
Piscataquis	111	-27.45%	\$190,000	22.58%
Sagadahoc	137	3.79%	\$355,000	25.78%
Somerset	208	-16.47%	\$188,250	23.04%
Waldo	190	-6.40%	\$285,000	23.38%
Washington	182	-6.19%	\$160,000	-3.32%
York	956	-6.37%	\$400,000	12.68%
Maine	6,126	-6.53%	\$315,000	18.87%

Percent of Households Unable to Afford Median Home

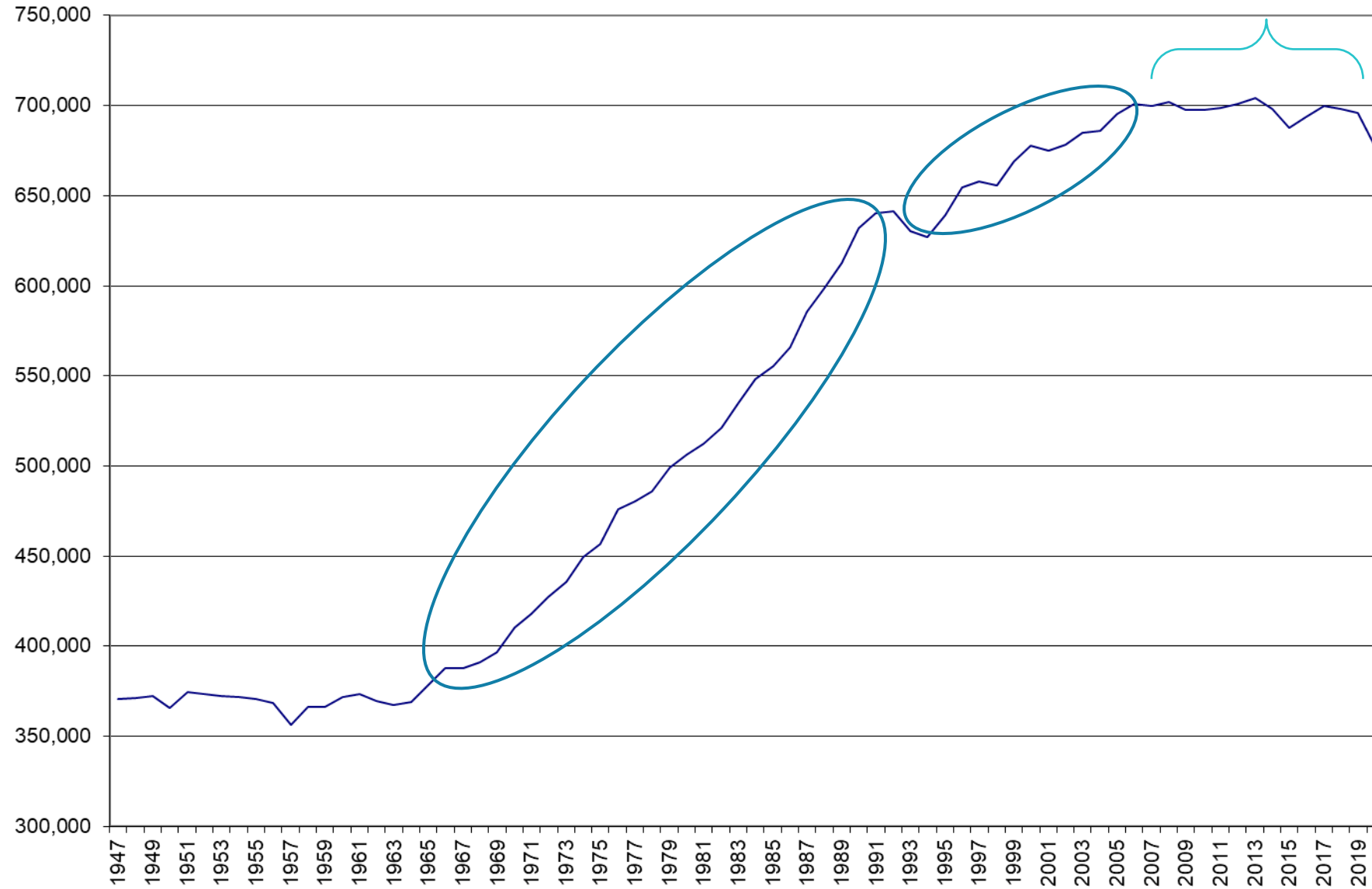


Population and Employment-to-Population Ratio Outlook by Age



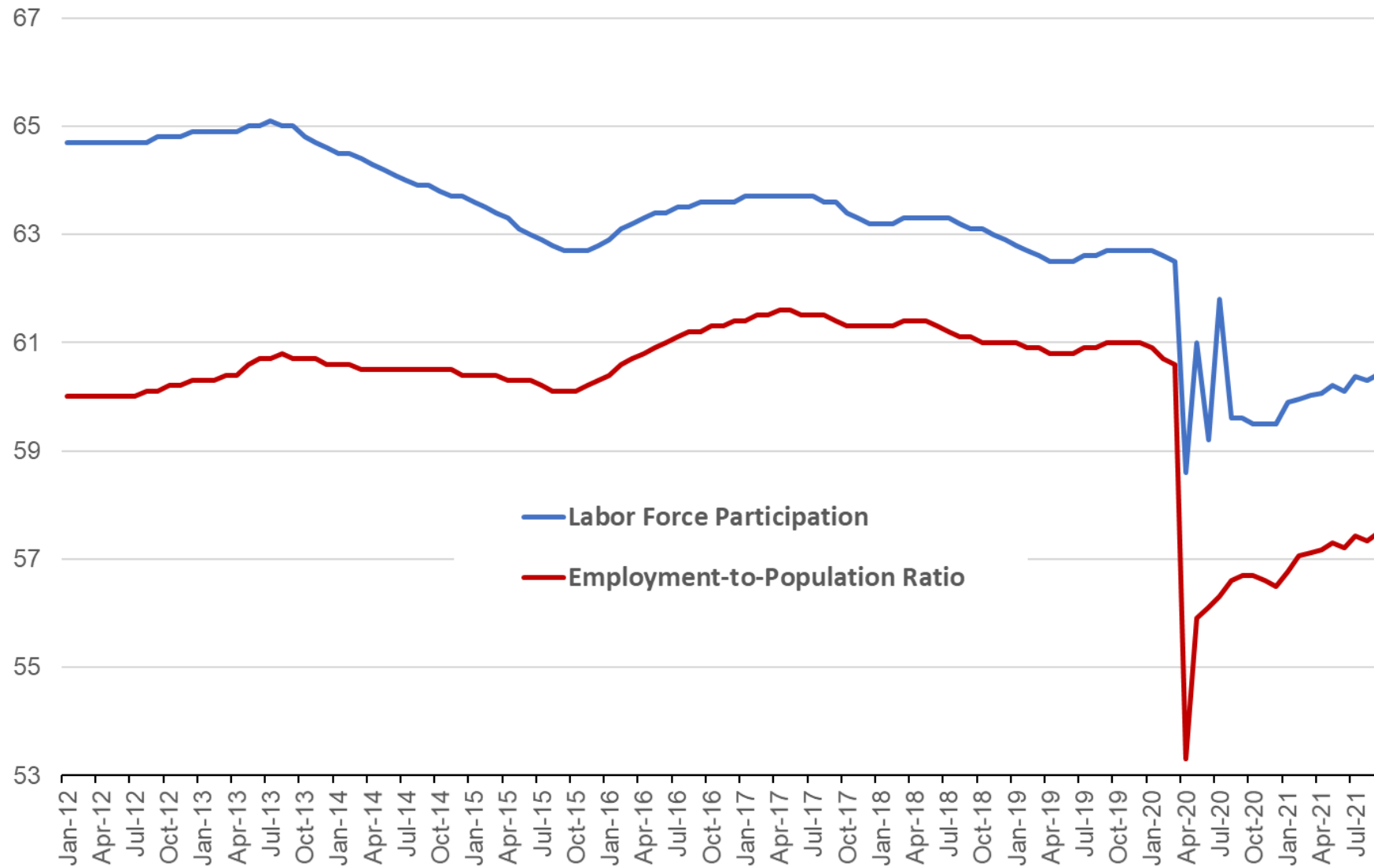
Maine Civilian Labor Force

Labor force has started to trend down

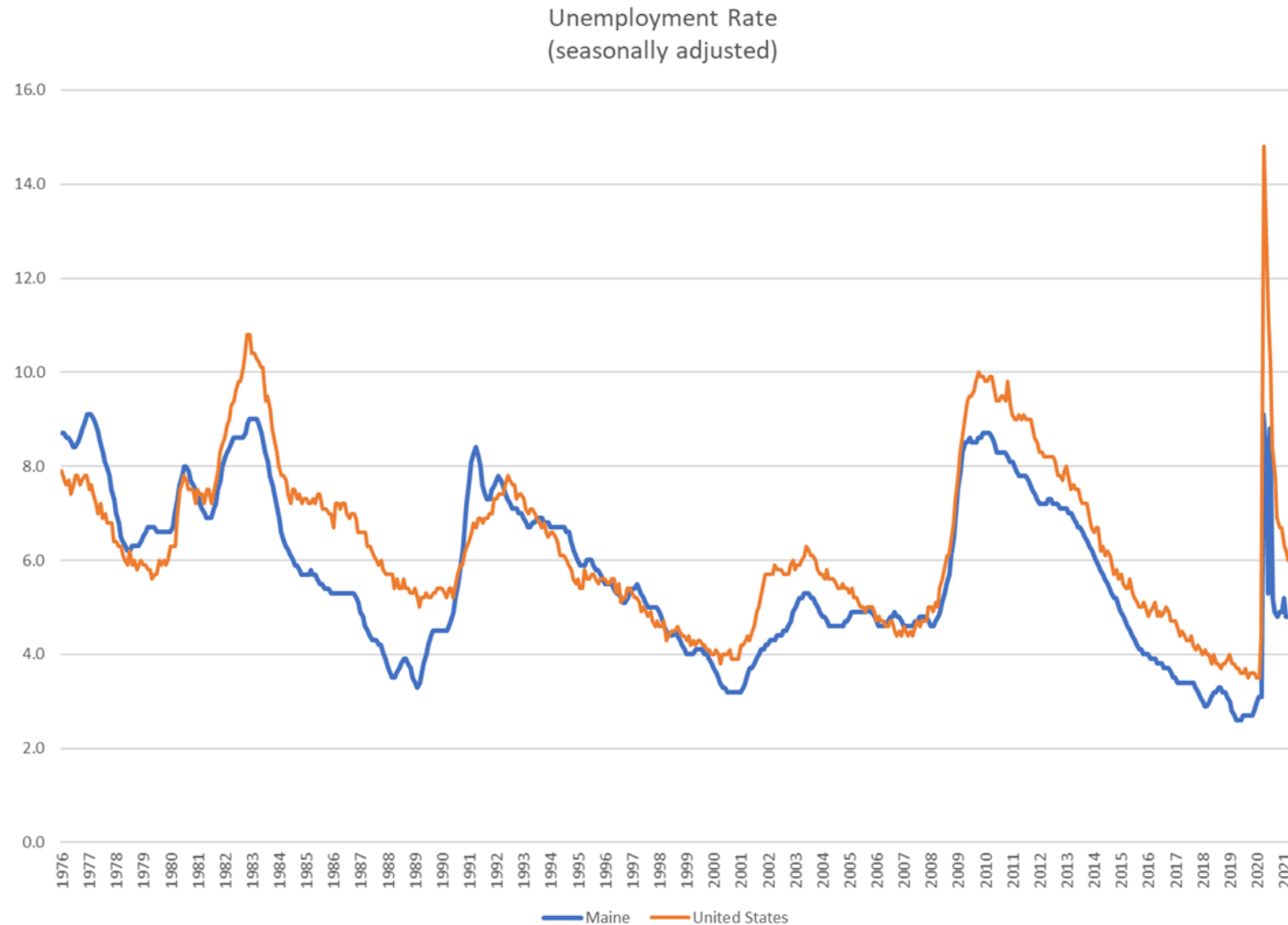


Labor Force Participation & Employment-to-Population Ratio

(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%

Maine DOL surveyed unemployment claimants and active job seekers on barriers to return to work

The most commonly cited barriers were “lack of opportunities that match my skill set” (34%) and “COVID health risks or concerns” (31%)

- COVID-related health concerns were cited by 44% of respondents age 55+ compared to 15% of respondents under age 24
- Around 25% of “other” barriers cited by age 55+ were related to ageism

Other reasons preventing return to work were concerns about job quality, inaccessibility of opportunities, and lack of social supports such as childcare or transportation

- Respondents outside of Cumberland and York counties were more likely to cite “no relevant jobs in my area,” especially in Franklin, Washington, and Piscataquis counties

Maine DOL surveyed unemployment claimants and active job seekers on barriers to return to work

Respondents said the most needed supports for return to work were “relevant job opportunities or leads” (32%) followed by “additional skills training opportunities” (20%)

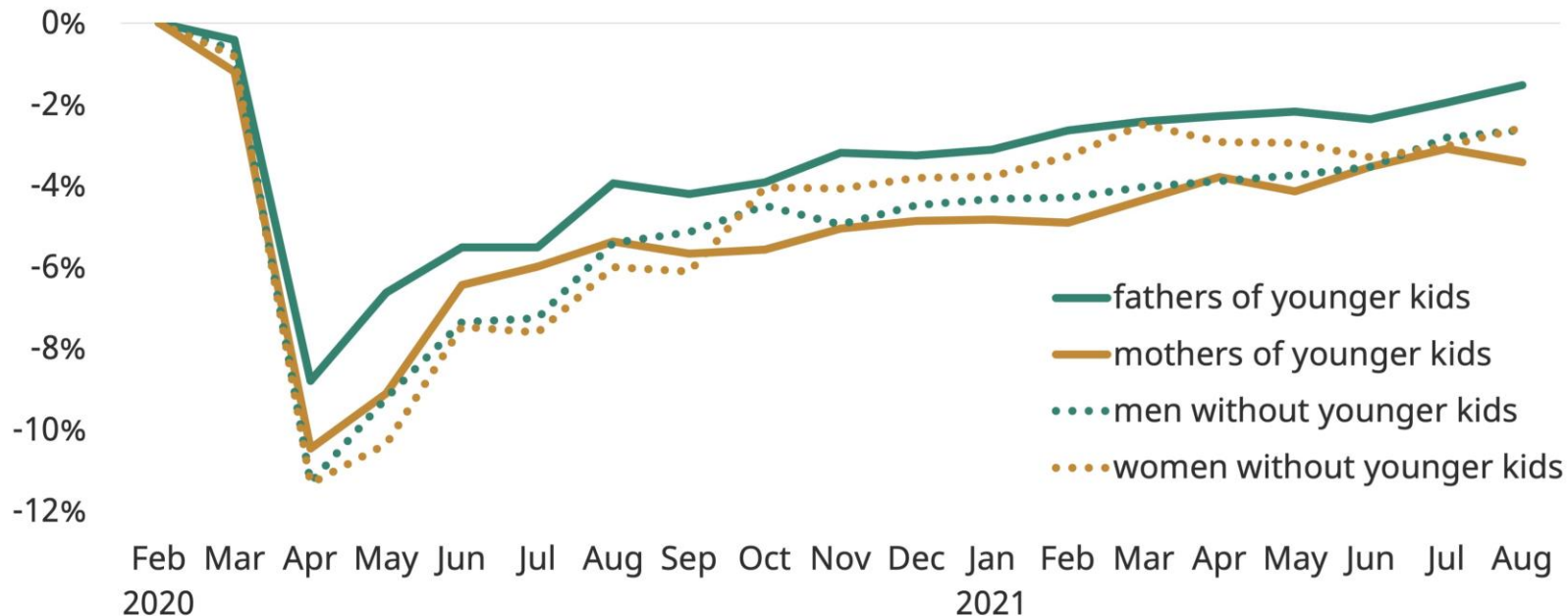
- 39% of respondents age 25-44 cited childcare as a need, compared to 16% overall
- Respondents age 18-35 were more likely to cite structural and social supports as needs, such as affordable housing (34%) and mental health support (27%)
- BIPOC respondents were more likely than white respondents to cite structural and social supports as needs, including affordable housing and transportation access

Of those who did return to work, the most commonly cited enabling factors were that their previous employer rehired them (38%) and finding a job that matched their skillset (26%)

Delta variant continues disparate impacts on mothers

Mothers' employment fell in August

%pt change in prime-age employment-population ratio vs Feb 2020

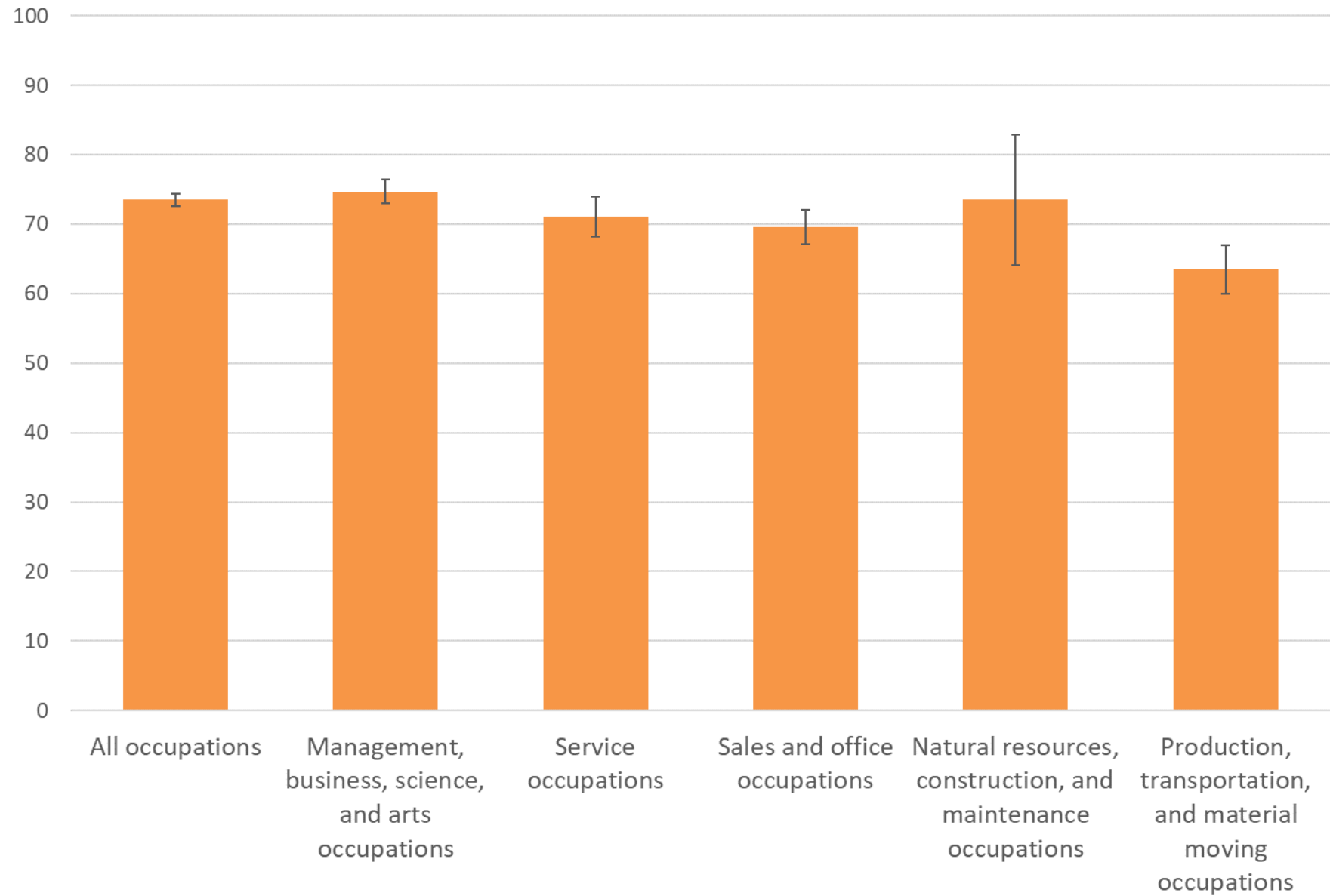


Source: CPS microdata, seasonally adjusted
Adults age 25-54; kids = any 13 or younger

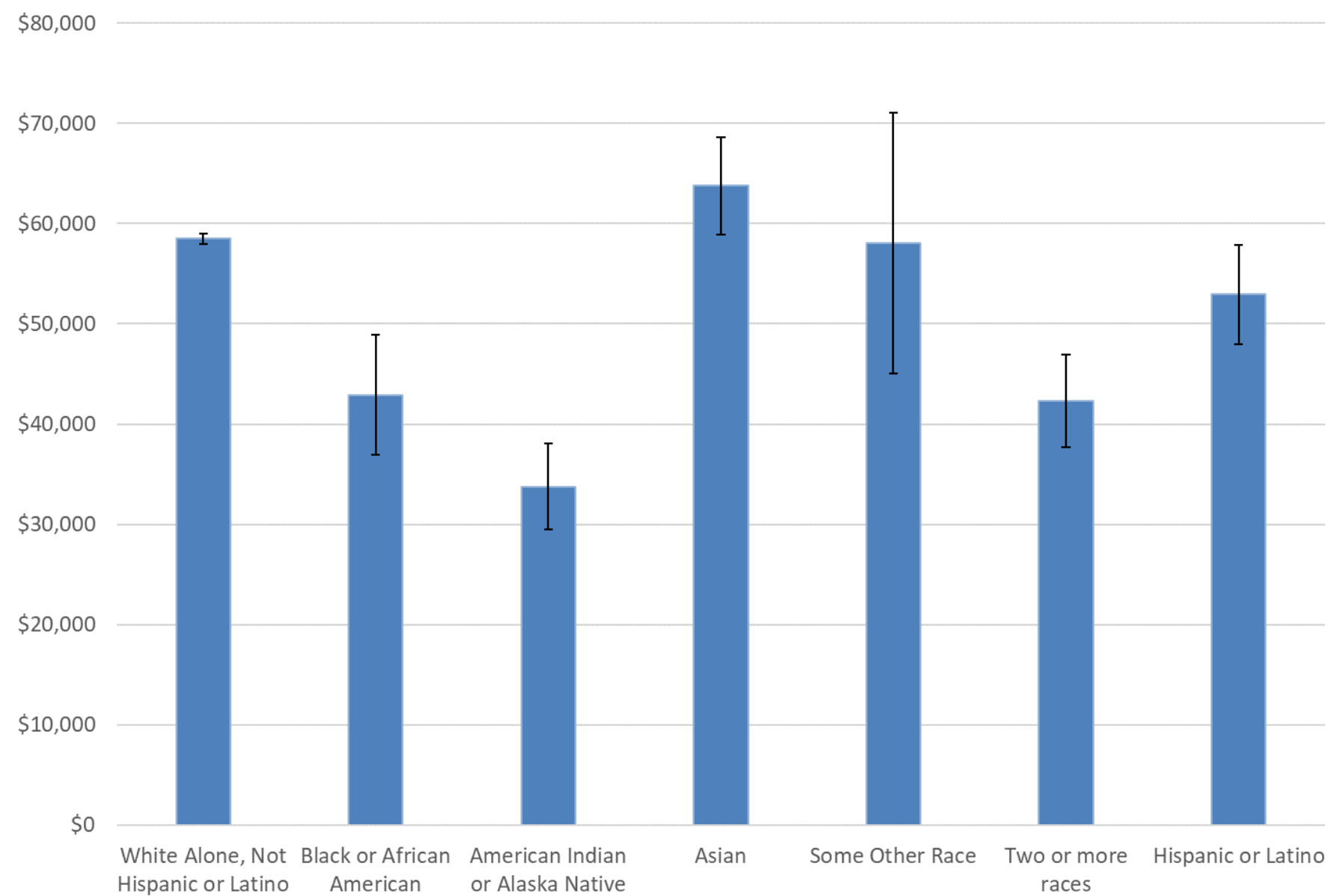


- Slow reopening of school and daycare centers have affected mothers of young children
- The change in August 2021 is similar to that seen in Fall 2020
- This impact is greater for mothers of young (<13 years old) children than for mothers of older children
- In MDOL survey, 20% of women cited childcare as a barrier vs 8% of men

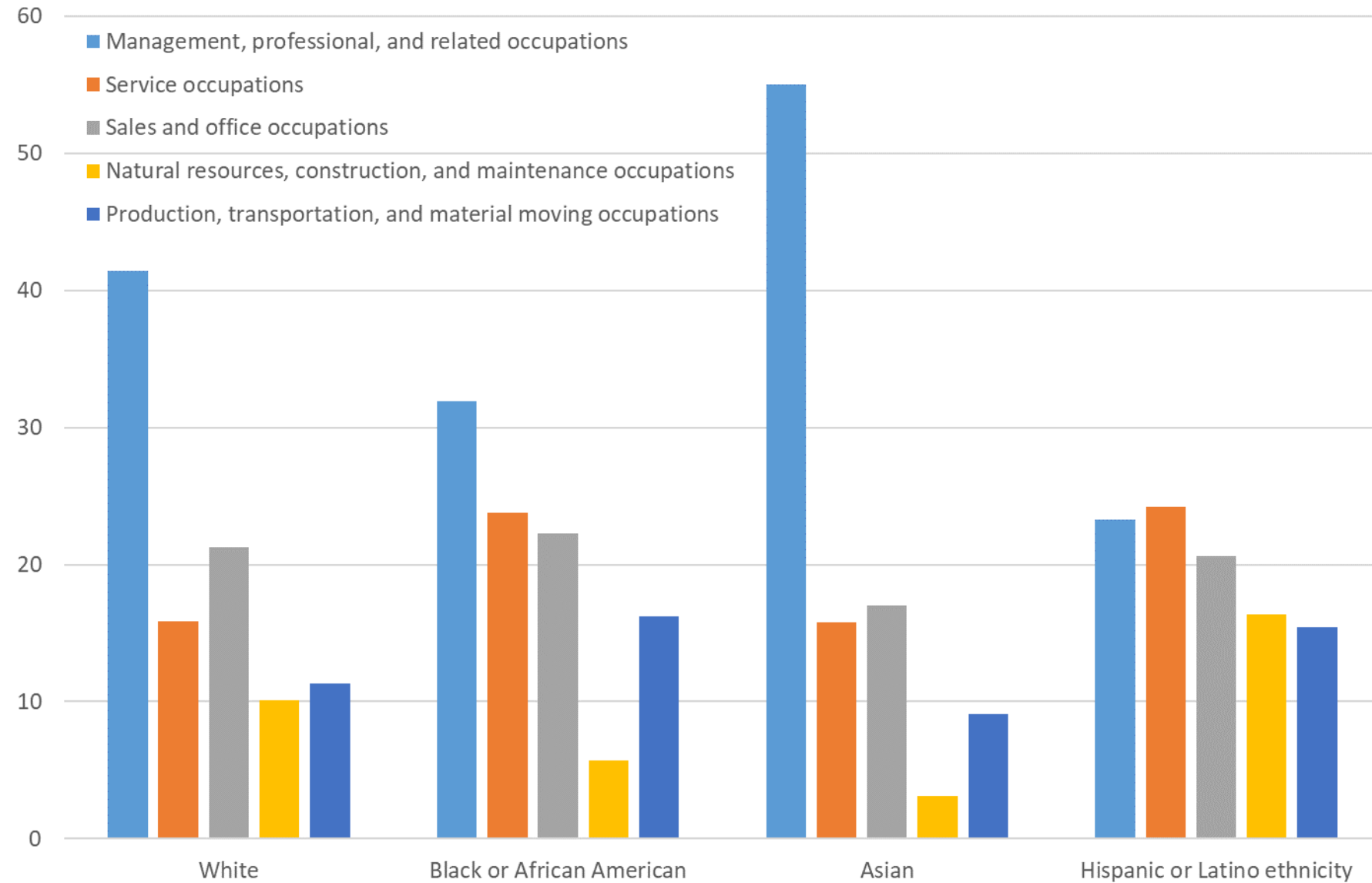
Women's Earnings as a Percent of Men's Earnings by Occupation, Maine



Median Household Income, Maine



Percent of Total Employed by Race/Ethnicity and Occupation; United States



Black, Indigenous, and People of Color have seen higher rates of employment income loss

*National data used for reliability, but Maine appears to have similar trends

White alone, not Hispanic: 12% of households reported experiencing a loss of employment income in the past four weeks, either for themselves or a household member

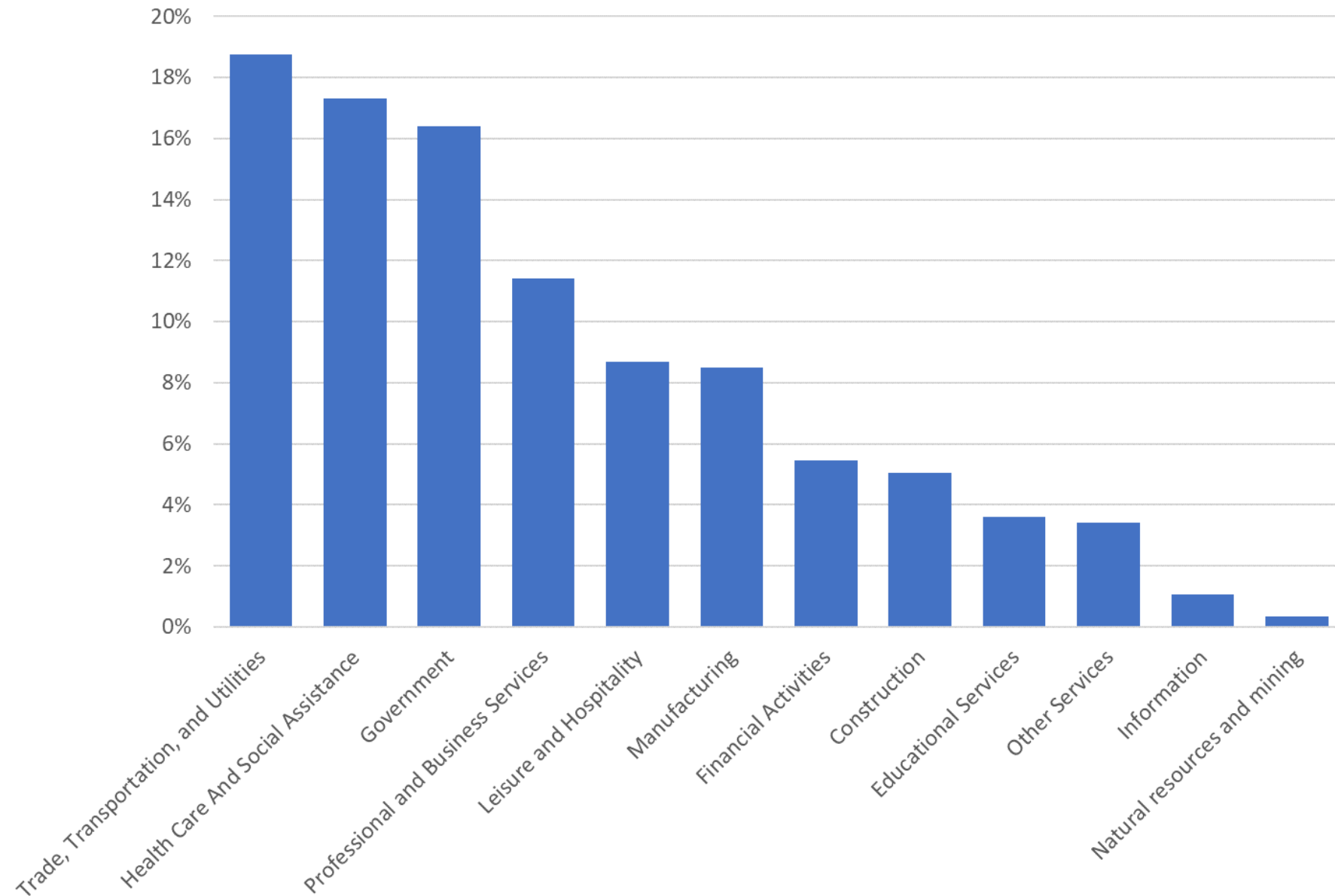
Black alone, not Hispanic: 21%

Asian alone, not Hispanic: 14%

Two or more races + Other races, not Hispanic: 22%

Hispanic or Latino (any race): 23%

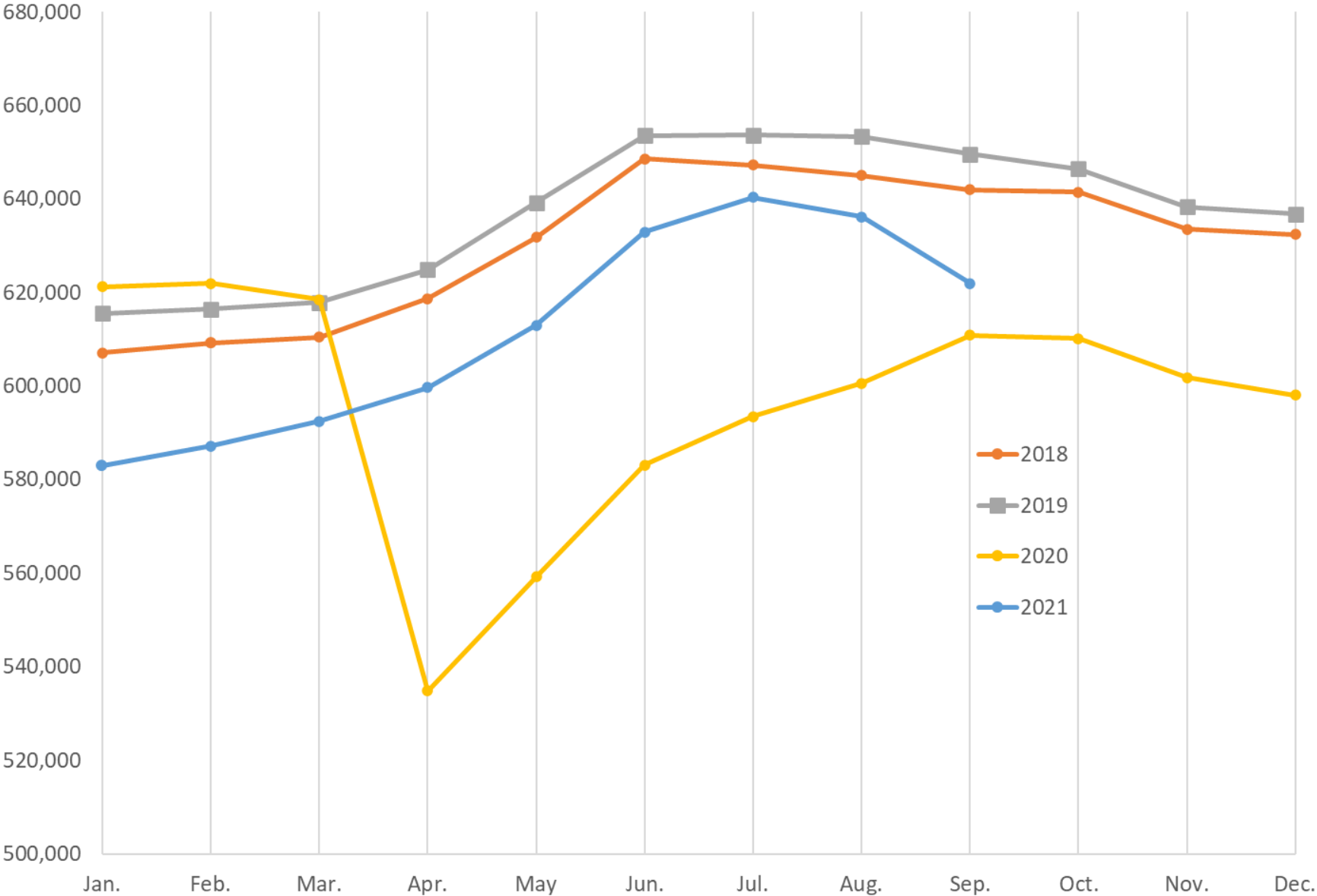
Share of Maine Nonfarm Employment by Industry, 2020



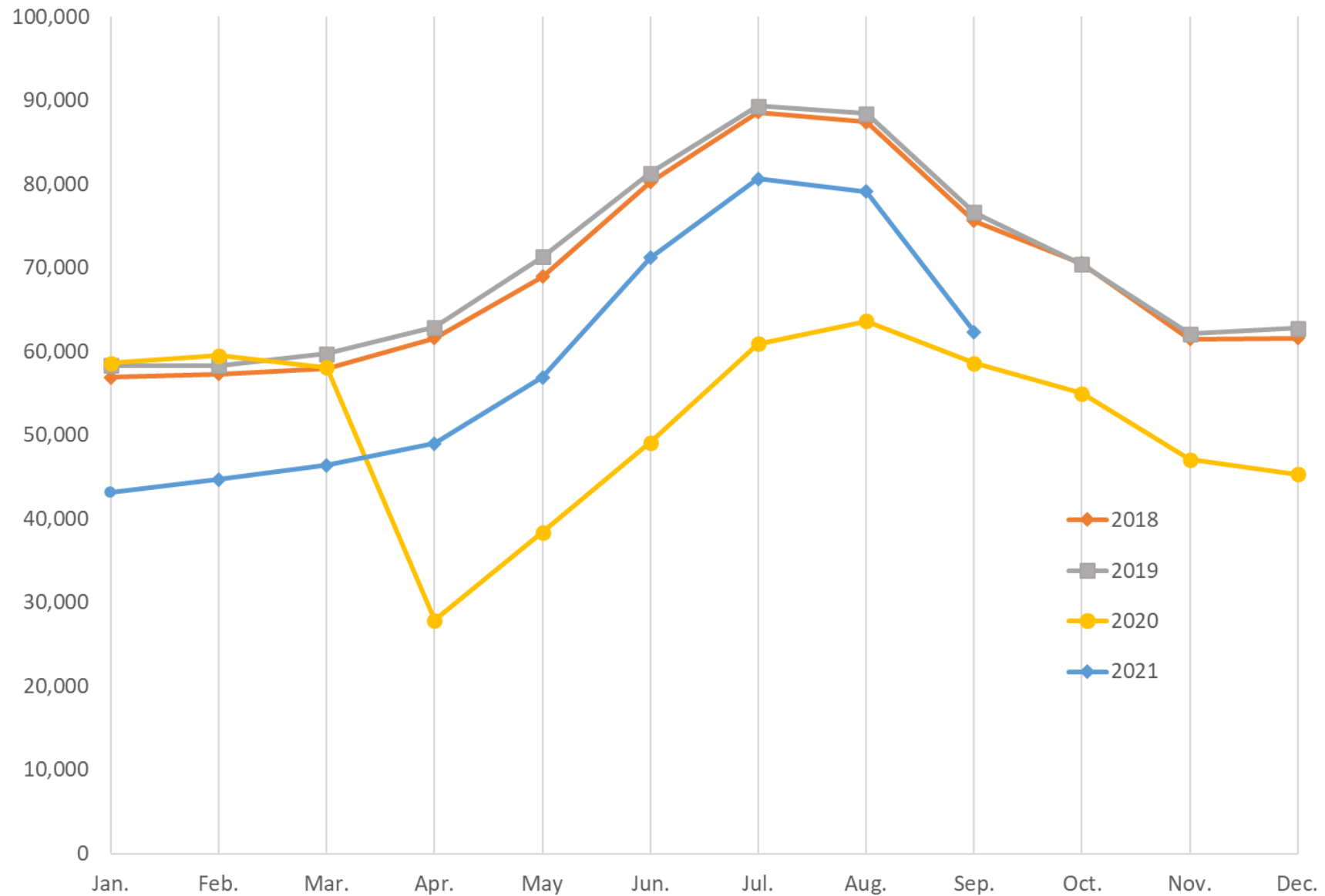
The net decrease in jobs is concentrated in low-wage sectors

Net Change in Jobs February 2020 to August 2021					Average Weekly Wage	
					2019	2020
Professional & Business Services				600	\$1,180	\$1,270
Wholesale Trade				300	\$1,320	\$1,400
Federal Government				200	\$1,480	\$1,490
Private Educational Services				0	\$890	\$970
Other Services				0	\$680	\$760
Transportation, Warehousing & Utilities				-200	\$840	\$910
Manufacturing				-400	\$1,100	\$1,190
Information				-400	\$1,100	\$1,230
Construction				-700	\$990	\$1,070
Financial Activities				-1,100	\$1,150	\$1,460
Retail Trade				-1,100	\$580	\$650
State Government				-2,000	\$960	\$1,010
Healthcare & Social Assistance				-2,500	\$960	\$1,040
Local Government				-3,200	\$800	\$870
Leisure & Hospitality				-12,400	\$450	\$480

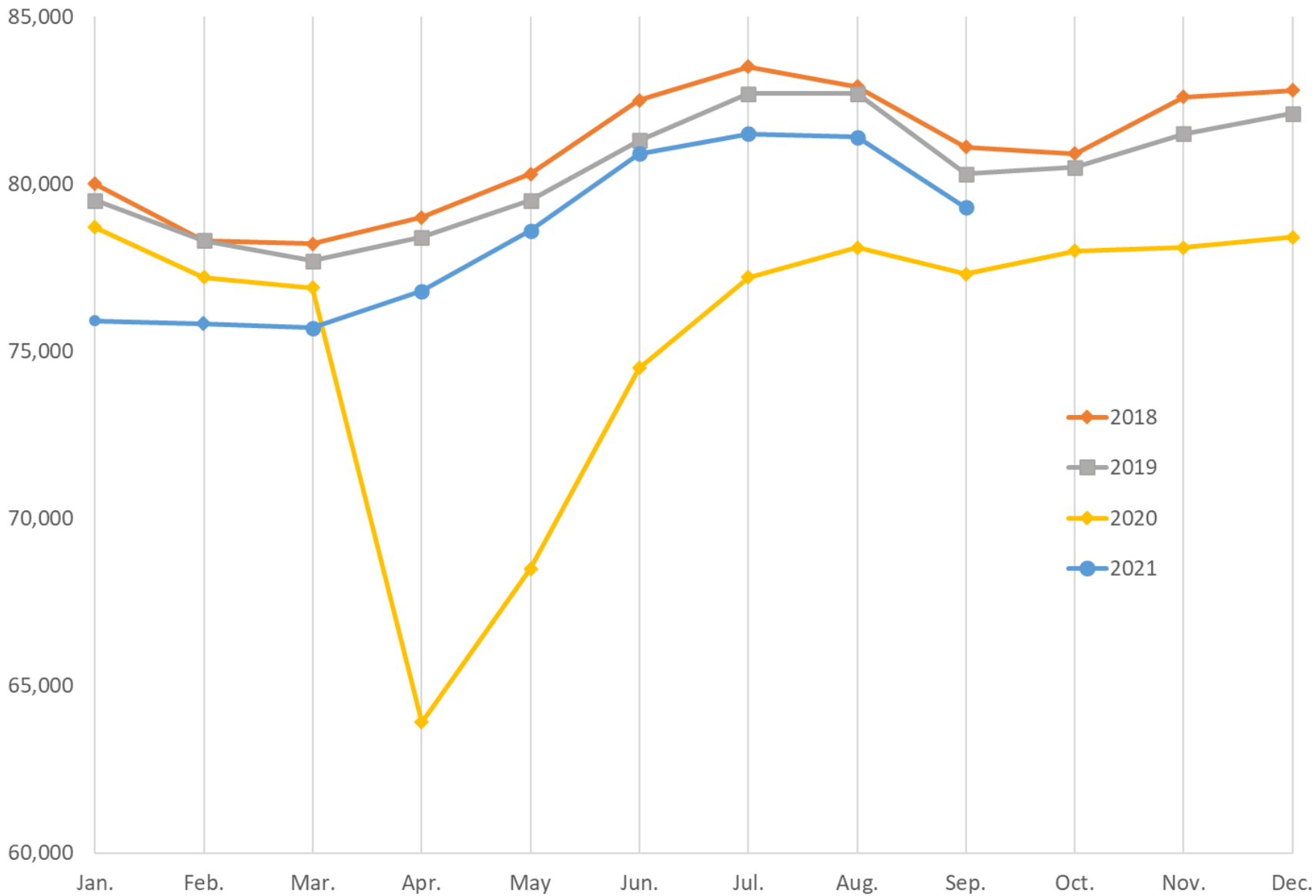
Total Nonfarm Employment, Not Seasonally Adjusted



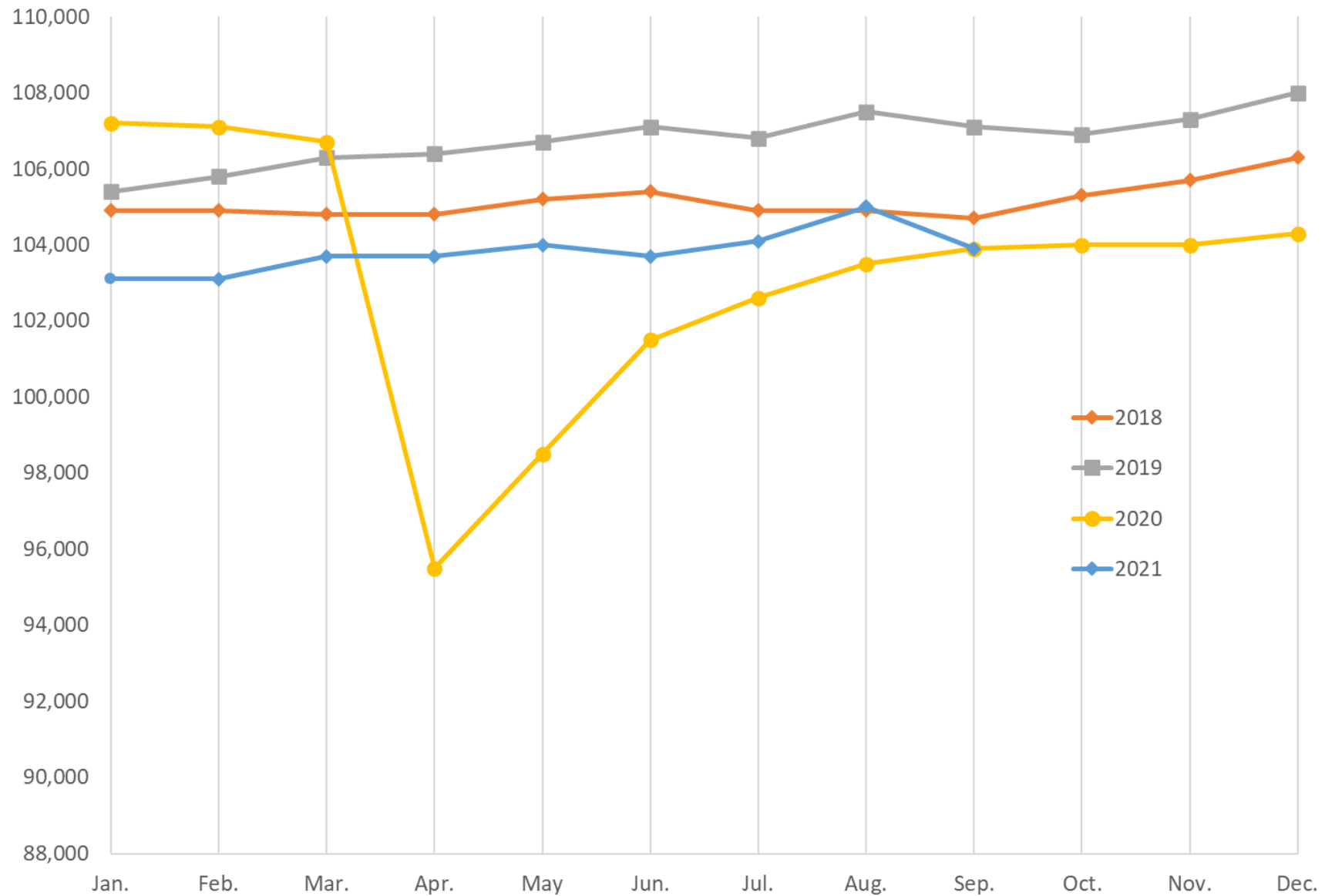
Leisure and Hospitality Employment, Not Seasonally Adjusted



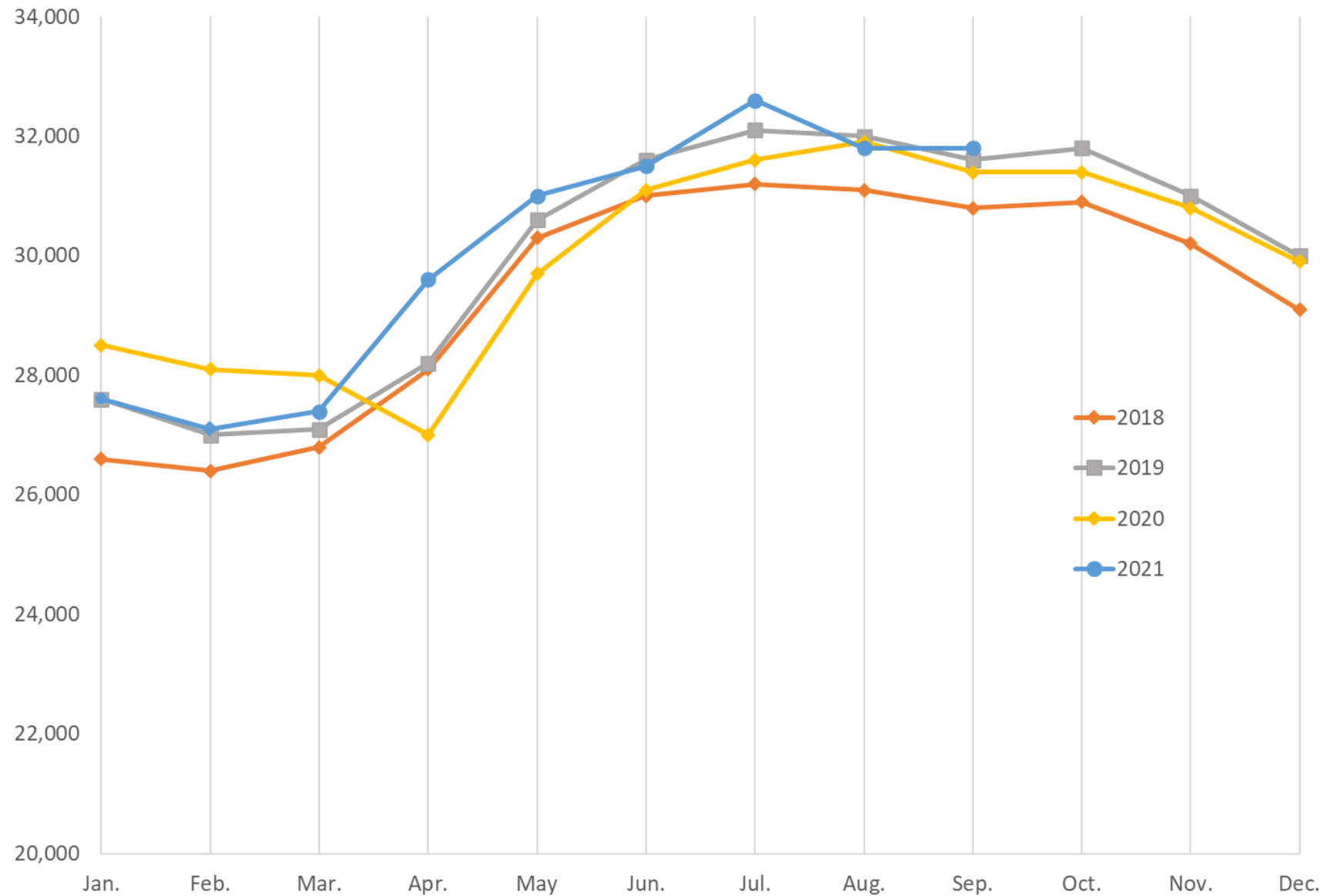
Retail Trade Employment, Not Seasonally Adjusted



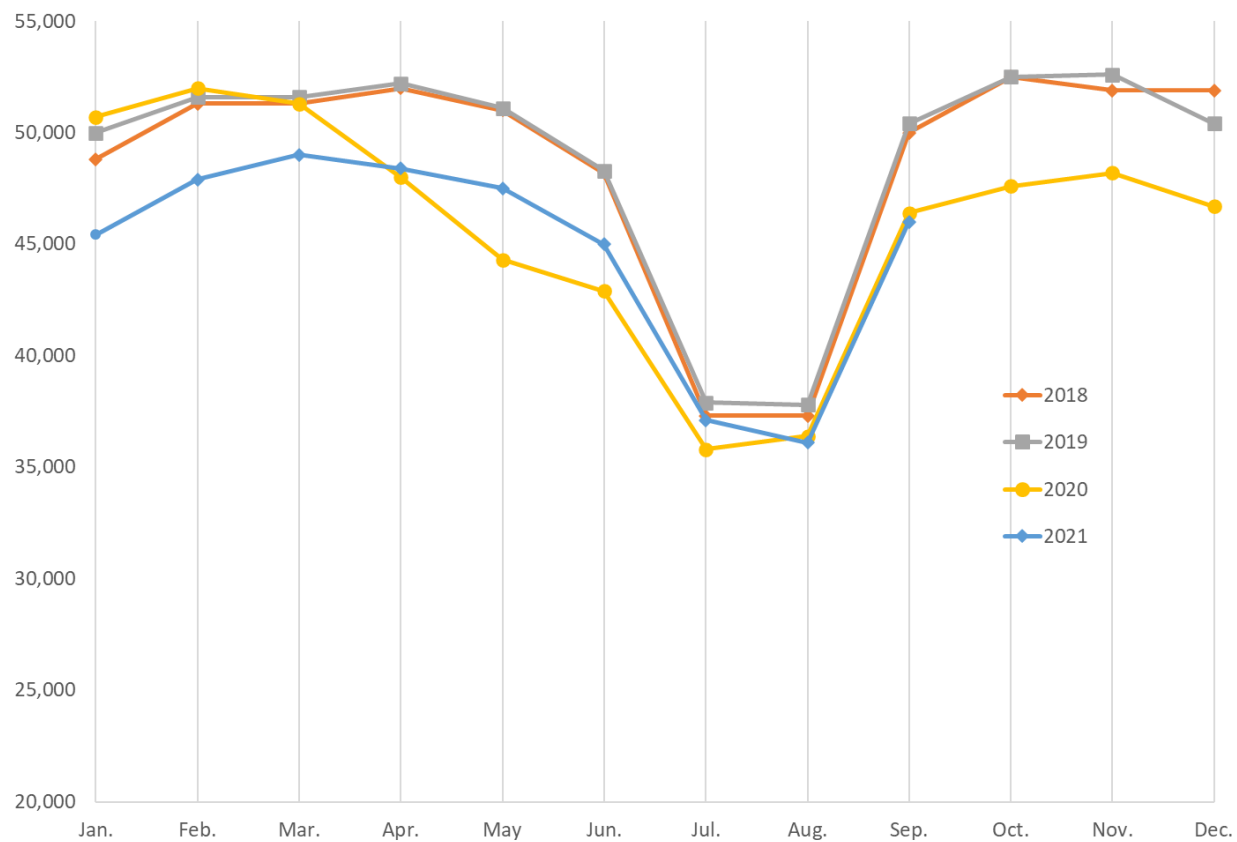
Health Care and Social Assistance Employment, Not Seasonally Adjusted



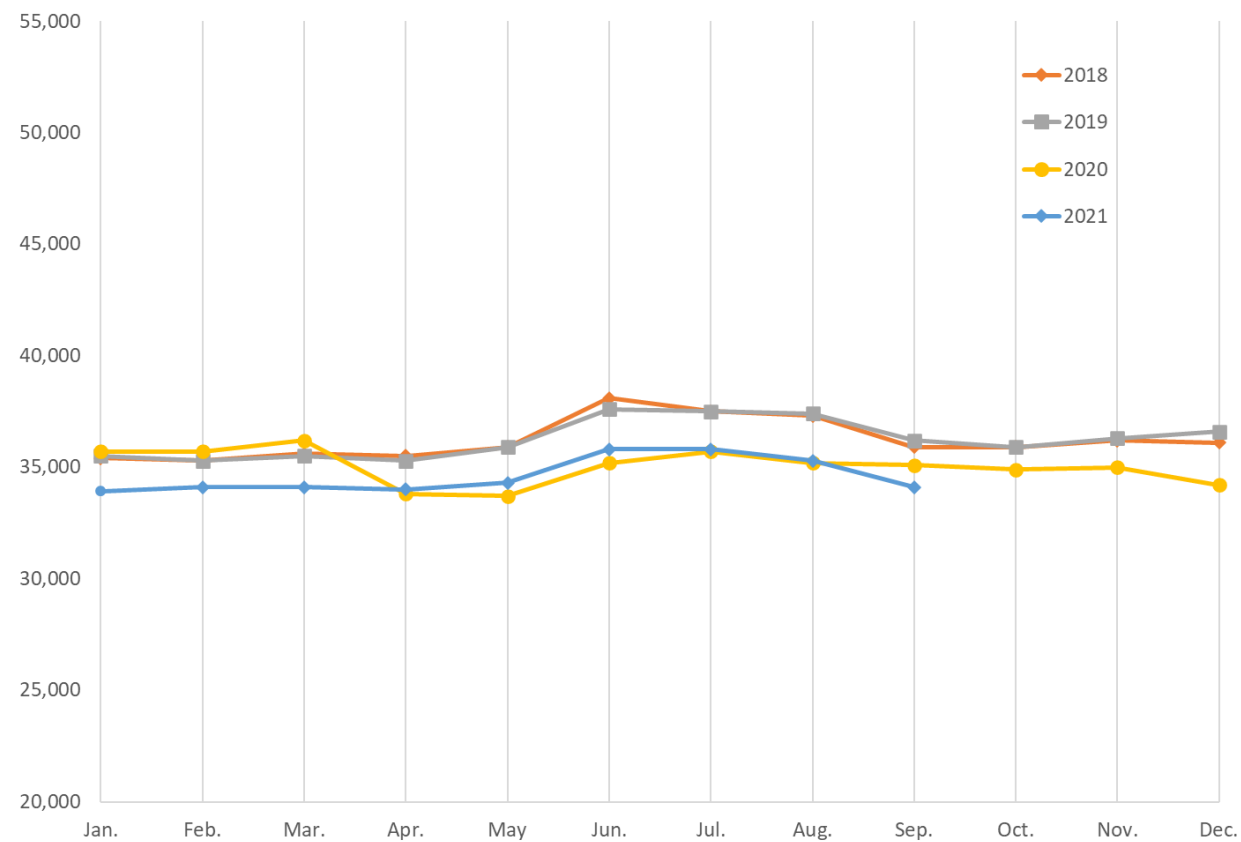
Construction Employment, Not Seasonally Adjusted



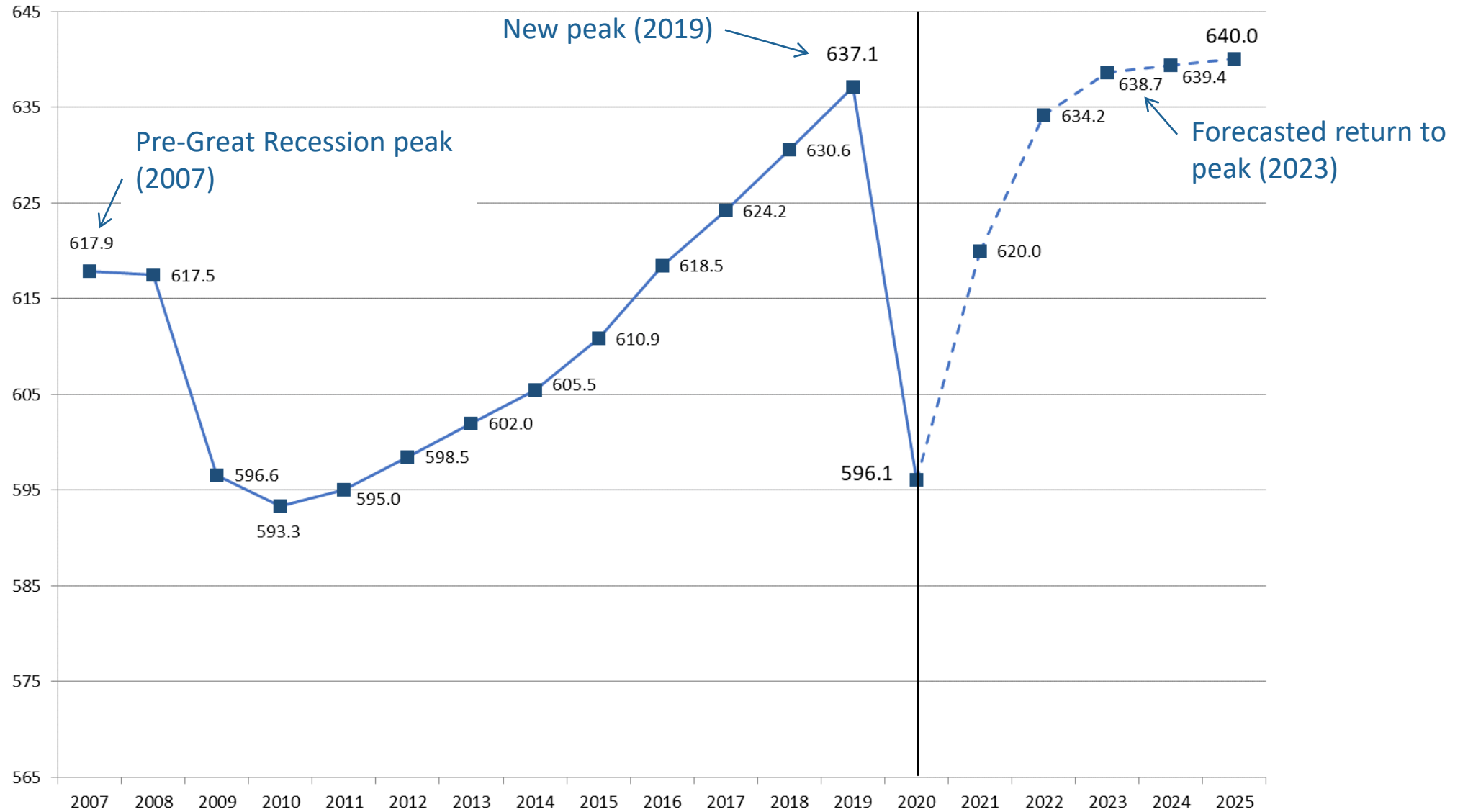
State & Local Government Education, Not Seasonally Adjusted



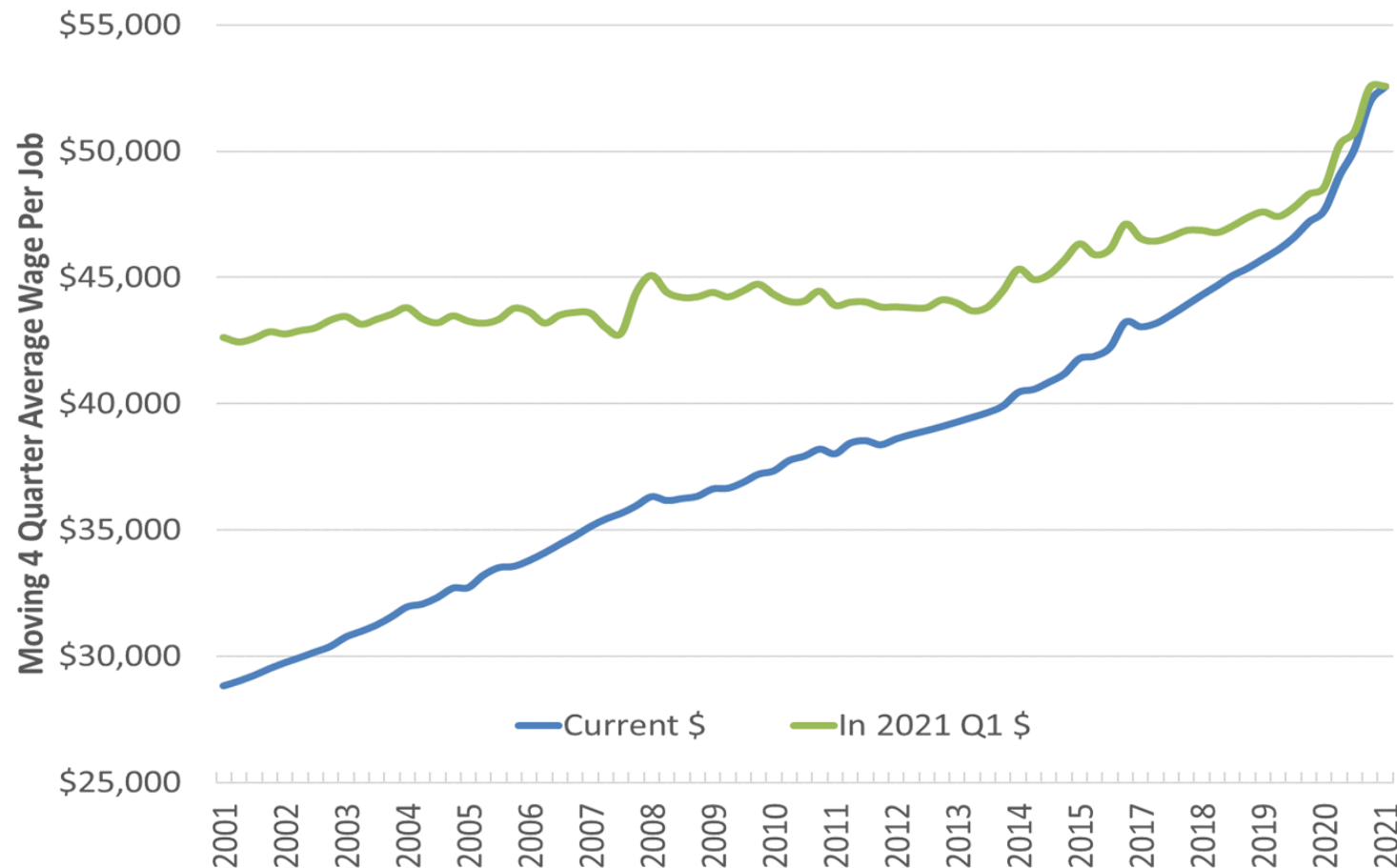
State & Local Government, Excluding Education, Not Seasonally Adjusted



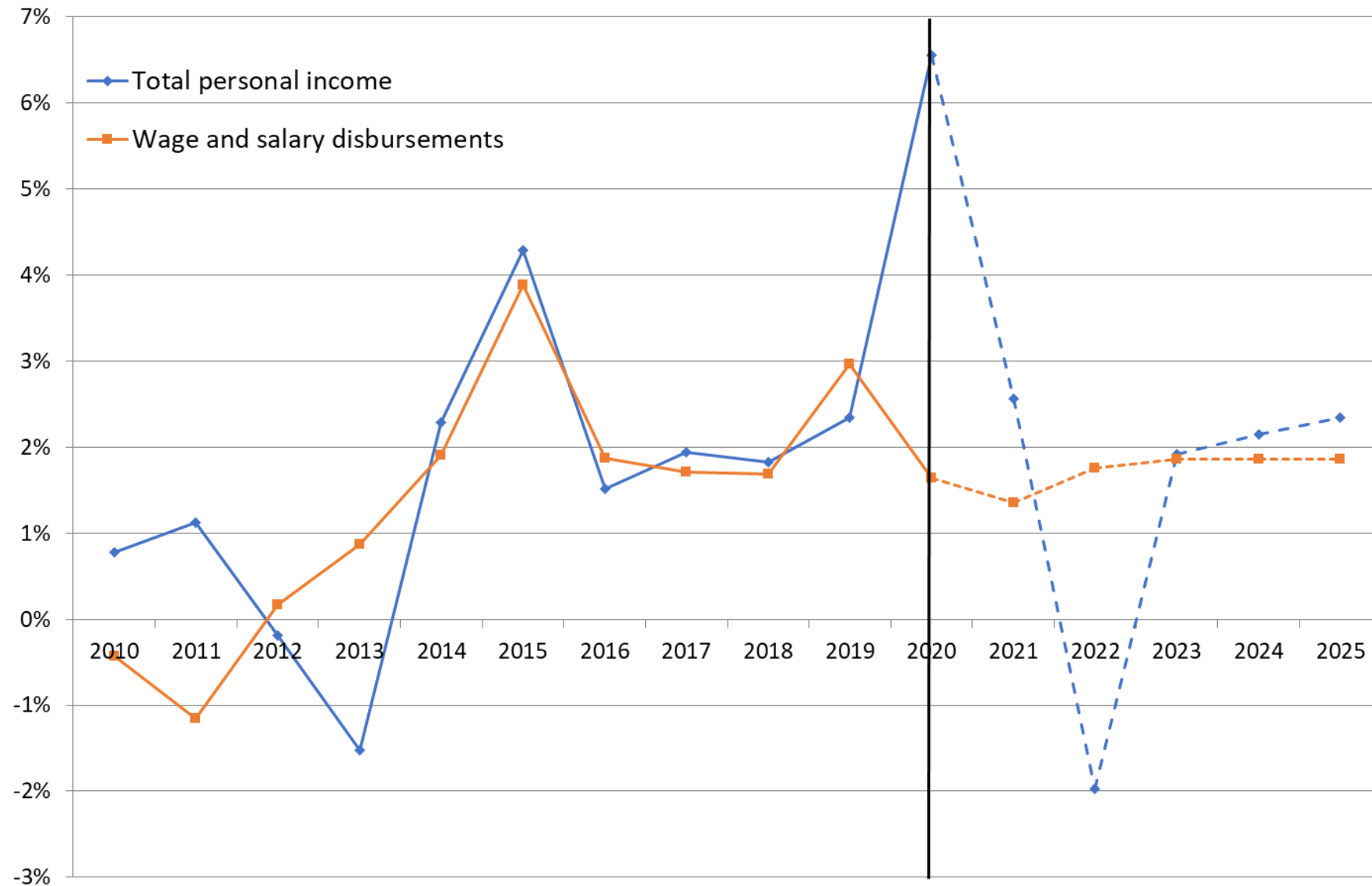
Total Nonfarm Employment (in thousands) History and CEFC forecast



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



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



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

While the official poverty rate was 11.4% in the U.S. in 2020, 1.0 percentage points higher than 2019, the Supplemental Poverty Measure (SPM) was 9.1% nationally, 2.6 percentage points LOWER than 2019

This was the first time in history the SPM was lower than the official poverty rate in the U.S.

Maine was one of 30 states where the 2018-2020 SPM (7.3%) was lower than the official measure (10.0%)

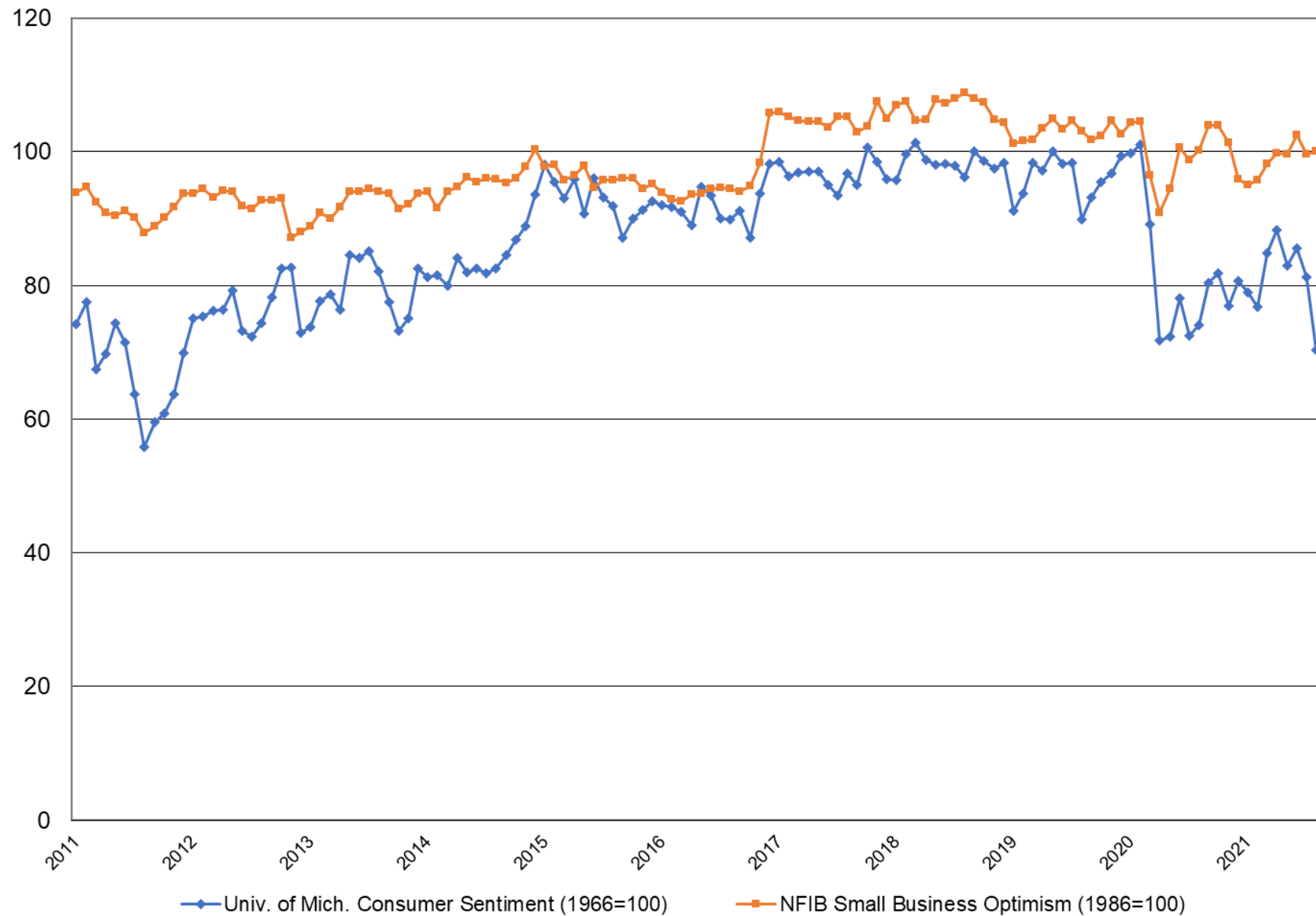
Federal supports including stimulus payments and enhanced UI played a role in reducing poverty in 2020

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

Without stimulus payments, the SPM would have been 12.7% rather than 9.1%

Consumer Sentiment and Small Business Optimism Indexes



NFIB COVID-19 Small Business Survey

Half of respondents in Sept. 2021 reported a significant impact from supply chain issues

- 86% expect the disruptions to continue for at least 5 more months

45% of respondents reported moderate to significant staffing shortages

- 52% of those are reporting loss of sales opportunities due to staffing
- 77% of respondents reported increasing wages to attract applicants

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’ve seen the opposite

- Leisure and hospitality plus state and local government (mostly public education) accounted for 77% of net job loss Feb. 2020 – Aug. 2021
- Auto sales (up 5.6%) and building supply sales (up 19.9%) did very well in 2020, but restaurant (down 25.5%) and lodging sales (down 35.2%) were well below normal levels

Impacts have been highly disparate, with women, BIPOC, low-income households, and households with children 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

What to look for in the coming weeks/months

- 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
- 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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