THE ECONOMICS AND DEMOGRAPHICS OF MAINE

UMaine Faculty Fellows Opening Session

November 22, 2019

Amanda Rector
Maine State Economist
Department of Administrative and Financial Services
Overview

- Demographics
- Employment and GDP
- Wages and Income
- Other Indicators
- 10-Year Economic Strategic Planning
Demographics
Total Population, Maine

Sources: U.S. Census Bureau; State Economist population projections

2018 estimate: 1,338,404
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
Maine: A Demographic Snapshot

  - 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
Maine statewide median = 44.9 years

Source: U.S. Census Bureau, 2018 Population Estimates
The Baby Boom Wave

Source: U.S. Census Bureau, Decennial Censuses and State Economist population projections
Sources: Maine Office of Data, Research, and Vital Statistics; U.S. Census Bureau Population Estimates Program
Components of Population Change, Maine

Net population change: +3,341

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Migration</th>
<th>International Migration</th>
<th>Deaths</th>
<th>Births</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>+518</td>
<td>+1,013</td>
<td>-5,000</td>
<td>+5,518</td>
</tr>
<tr>
<td>2012</td>
<td>-459</td>
<td>-967</td>
<td>+5,459</td>
<td>+5,000</td>
</tr>
<tr>
<td>2013</td>
<td>+505</td>
<td>+1,064</td>
<td>-5,064</td>
<td>+5,569</td>
</tr>
<tr>
<td>2014</td>
<td>+2,564</td>
<td>+2,564</td>
<td>-5,130</td>
<td>+5,724</td>
</tr>
<tr>
<td>2015</td>
<td>-2,276</td>
<td>-2,276</td>
<td>+5,552</td>
<td>+5,326</td>
</tr>
<tr>
<td>2016</td>
<td>+2,886</td>
<td>+2,886</td>
<td>-5,772</td>
<td>+5,658</td>
</tr>
<tr>
<td>2017</td>
<td>+3,693</td>
<td>+3,693</td>
<td>-5,986</td>
<td>+5,679</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Population Estimates Program
### 2018 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>New Hampshire</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>Massachusetts</td>
</tr>
<tr>
<td>New York</td>
<td>Florida</td>
</tr>
<tr>
<td>Texas</td>
<td>Connecticut</td>
</tr>
<tr>
<td>Florida</td>
<td>California</td>
</tr>
<tr>
<td>Connecticut</td>
<td>North Carolina</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>Maryland</td>
</tr>
<tr>
<td>Michigan</td>
<td>Pennsylvania</td>
</tr>
<tr>
<td>North Carolina</td>
<td>Colorado</td>
</tr>
<tr>
<td>Vermont</td>
<td>Texas</td>
</tr>
</tbody>
</table>

Where are people moving to/from?

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
Maine Civilian Labor Force

- Added 50,000 to labor force every 6 years
- Added 50,000 to labor force every 9 years
- Labor force has been flat since 2005

Source: Maine Department of Labor
Projected Population Change and Participation Rates by Age Group in Maine

Monthly Unemployment Rate
(Seasonally Adjusted)

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.

### County Rates (not seasonally adjusted)

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

Maine Department of Labor, Center for Workforce Research and Information
Total Nonfarm Employment (in thousands)
History and CEFC forecast

Pre-recession peak (2007)
New record high (2018)

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

Source: Consensus Economic Forecasting Commission reports
Manufacturing has changed over time

"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
Income and GDP
Latest Personal Income Release

- Total personal income growth for Maine in 2018 was revised up from 4.0% (ranking 27th) to 5.3% (ranking 30th)

- Estimate of annualized growth for 2019:Q1 was revised up from 5.4% (ranking 3rd) to 7.9% (ranking 8th)

Source: U.S. Bureau of Economic Analysis
Major Components of Personal Income, 2018

- Wages and salaries: 43%
- Personal current transfer receipts: 21%
- Dividends, interest, and rent: 18%
- Supplements to wages and salaries: 11%
- Proprietors' income: 7%

Source: U.S. Bureau of Economic Analysis
Components of Personal Current Transfer Receipts, 2018

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

Source: U.S. Bureau of Economic Analysis
Major Components of Personal Income, 2018

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

York: 31.1% Wages and salaries, 33.4% Personal current transfer receipts, 15.7% Dividends, interest, and rent, 9.5% Supplements to wages and salaries, 10.3% Proprietors' income

Washington: 31.1% Wages and salaries, 33.4% Personal current transfer receipts, 15.7% Dividends, interest, and rent, 9.5% Supplements to wages and salaries, 10.3% Proprietors' income

Waldo: 31.1% Wages and salaries, 33.4% Personal current transfer receipts, 15.7% Dividends, interest, and rent, 9.5% Supplements to wages and salaries, 10.3% Proprietors' income

Somerset: 31.1% Wages and salaries, 33.4% Personal current transfer receipts, 15.7% Dividends, interest, and rent, 9.5% Supplements to wages and salaries, 10.3% Proprietors' income

Sagadahoc: 31.1% Wages and salaries, 33.4% Personal current transfer receipts, 15.7% Dividends, interest, and rent, 9.5% Supplements to wages and salaries, 10.3% Proprietors' income

Piscataquis: 32.5% Wages and salaries, 33.0% Personal current transfer receipts, 17.5% Dividends, interest, and rent, 10.4% Supplements to wages and salaries, 6.6% Proprietors' income

Penobscot: 32.5% Wages and salaries, 33.0% Personal current transfer receipts, 17.5% Dividends, interest, and rent, 10.4% Supplements to wages and salaries, 6.6% Proprietors' income

Oxford: 32.5% Wages and salaries, 33.0% Personal current transfer receipts, 17.5% Dividends, interest, and rent, 10.4% Supplements to wages and salaries, 6.6% Proprietors' income

Lincoln: 28.1% Wages and salaries, 24.6% Personal current transfer receipts, 30.1% Dividends, interest, and rent, 7.1% Supplements to wages and salaries, 10.2% Proprietors' income

Knox: 28.1% Wages and salaries, 24.6% Personal current transfer receipts, 30.1% Dividends, interest, and rent, 7.1% Supplements to wages and salaries, 10.2% Proprietors' income

Kennebec: 45.7% Wages and salaries, 21.2% Personal current transfer receipts, 14.5% Dividends, interest, and rent, 12.9% Supplements to wages and salaries, 5.7% Proprietors' income

Hancock: 33.3% Wages and salaries, 20.3% Personal current transfer receipts, 23.4% Dividends, interest, and rent, 8.5% Supplements to wages and salaries, 14.6% Proprietors' income

Franklin: 33.3% Wages and salaries, 20.3% Personal current transfer receipts, 23.4% Dividends, interest, and rent, 8.5% Supplements to wages and salaries, 14.6% Proprietors' income

Cumberland: 50.2% Wages and salaries, 12.8% Personal current transfer receipts, 18.9% Dividends, interest, and rent, 11.3% Supplements to wages and salaries, 6.7% Proprietors' income

Aroostook: 50.2% Wages and salaries, 12.8% Personal current transfer receipts, 18.9% Dividends, interest, and rent, 11.3% Supplements to wages and salaries, 6.7% Proprietors' income

Androscoggin: 50.2% Wages and salaries, 12.8% Personal current transfer receipts, 18.9% Dividends, interest, and rent, 11.3% Supplements to wages and salaries, 6.7% Proprietors' income

Source: U.S. Bureau of Economic Analysis
Median Household Income

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-year estimates
Per Capita Real Total GDP

Source: U.S. Bureau of Economic Analysis
Latest GDP Release

- Real GDP growth for Maine in 2018 was revised up from 1.9% (ranking 28th) to 2.2% (ranking 33rd)

- Estimate of growth for 2019:Q1 was revised up from 2.6% (ranking 34th) to 4.8% (ranking 9th)

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

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

Source: U.S. Bureau of Economic Analysis
Other Indicators
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
# Taxable Retail Sales for Maine

<table>
<thead>
<tr>
<th>Maine Retail Sales</th>
<th>% Change from August 2018 to August 2019</th>
<th>% Change last three months / same 3 month period one year ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Supply</td>
<td>-0.7%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Food Store</td>
<td>-6.5%</td>
<td>-7.7%</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>4.4%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Other Retail</td>
<td>10.5%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Restaurant</td>
<td>5.8%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Lodging</td>
<td>17.5%</td>
<td>16.1%</td>
</tr>
<tr>
<td>Auto Transportation</td>
<td>2.2%</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4.3%</strong></td>
<td><strong>5.3%</strong></td>
</tr>
<tr>
<td>Business Operating</td>
<td>4.3%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Personal Consumption</td>
<td>4.3%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

Source: Maine Revenue Services
Percent of Housing Units by Type of Primary Heating Fuel (2018)

Source: U.S. Census Bureau, 2018 American Community Survey 1-year estimates
Weekly New England Retail Gasoline Prices
(Dollars per Gallon)

Source: U.S. Energy Information Administration
10-Year Economic Strategic Plan
Strategic Planning
Process Flow

- Trends Analysis
- Preliminary SWOT
- Vision Statement
- Strategic Goals
- Barrier Analysis
- Solution Planning
  - SWOT
- Strategic Deployment
  - Accountability
- Tracking Metrics
Strategic Goals

Equitably grow the real average annual wage 10% by investing in long-term talent development.

Drive the real dollar value added\(^1\) contribution per job by 10% while protecting Maine’s quality of life by focusing on sectors of promise in each region of the state.

Attract 75,000 people to Maine’s workforce. The target addresses the increase in people entering retirement age and the current shortage.

\(^1\) Value added is GDP/employment
Key Themes

- Talent is the economic driver at the heart of the plan.
- Maine must grow its workforce to grow the economy.
- Business climate must be stable and predictable to grow GDP
- Innovation is key for growth
- Ubiquitous connectivity enables access for economic growth and is required to attract talent.
- Modern infrastructure needed for business to thrive and to retain and attract talent.
Contact Information

Amanda Rector
Maine State Economist
Department of Administrative and Financial Services

amanda.rector@maine.gov
(207) 287-2873