

Healthcare and Maine's Economy

HANLEY CENTER

HEALTH LEADERSHIP DEVELOPMENT PROGRAM

JANUARY 17, 2025

AMANDA RECTOR

MAINE STATE ECONOMIST

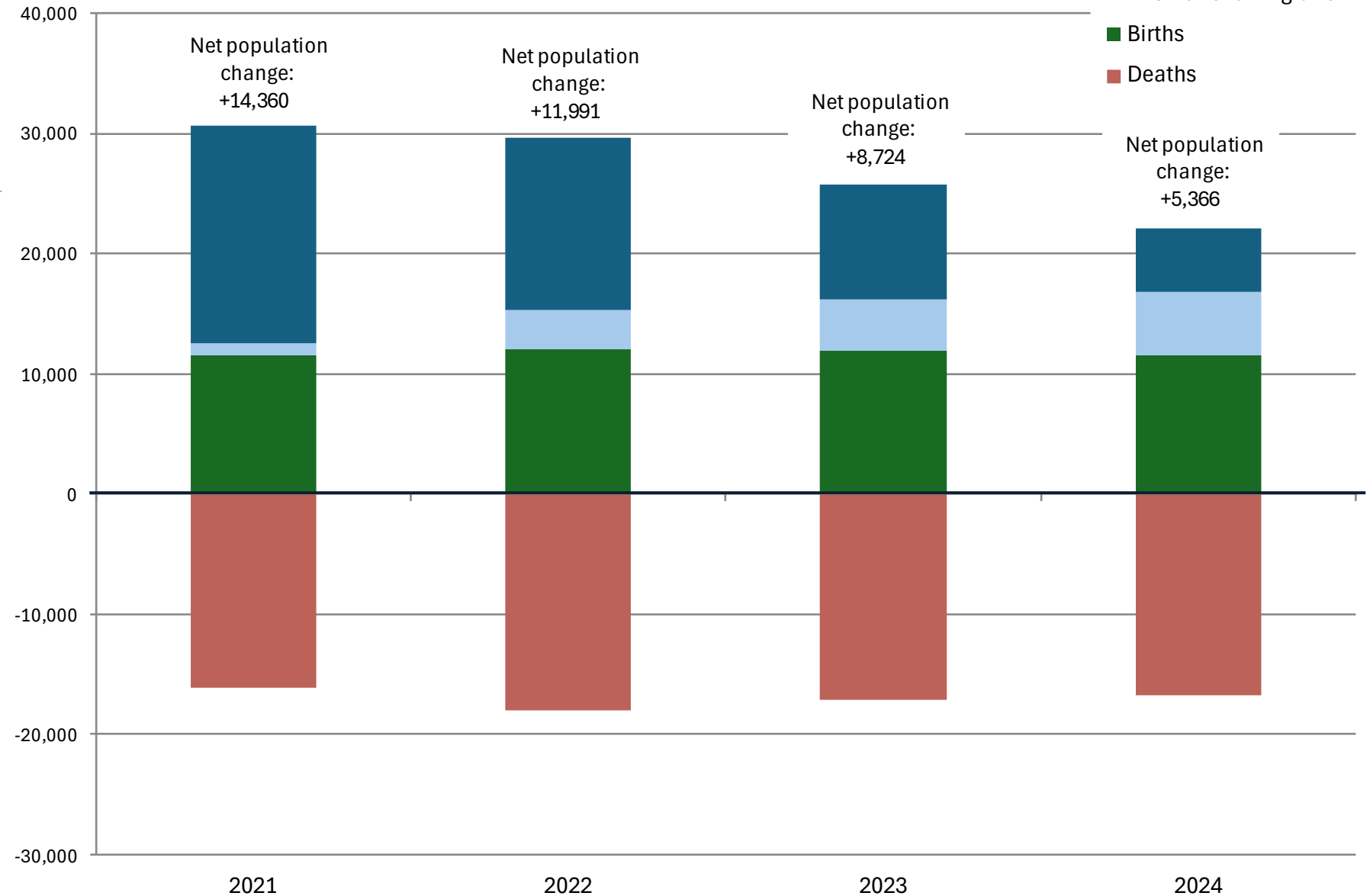
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES



Demographics

Components of Population Change, Maine

- Domestic Migration
- International Migration
- Births
- Deaths



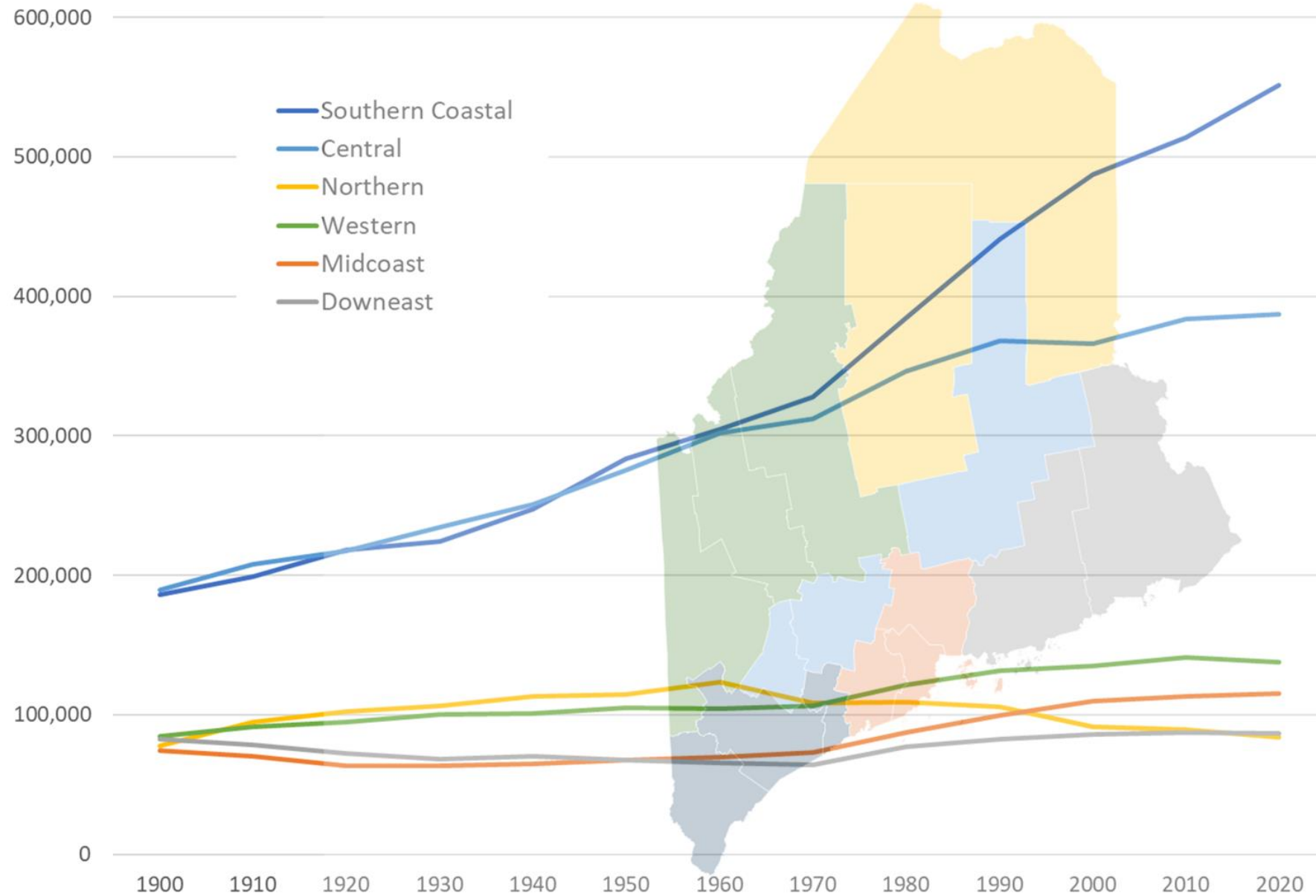
Population increase of 2.6%
from 2010-2020
(42nd in U.S.)

Population increase of 3.1%
from 2020-2024
(17th in U.S.)

2024 net migration =
7.5 per thousand
(20th in U.S.)

2024 Total Population =
1,405,012

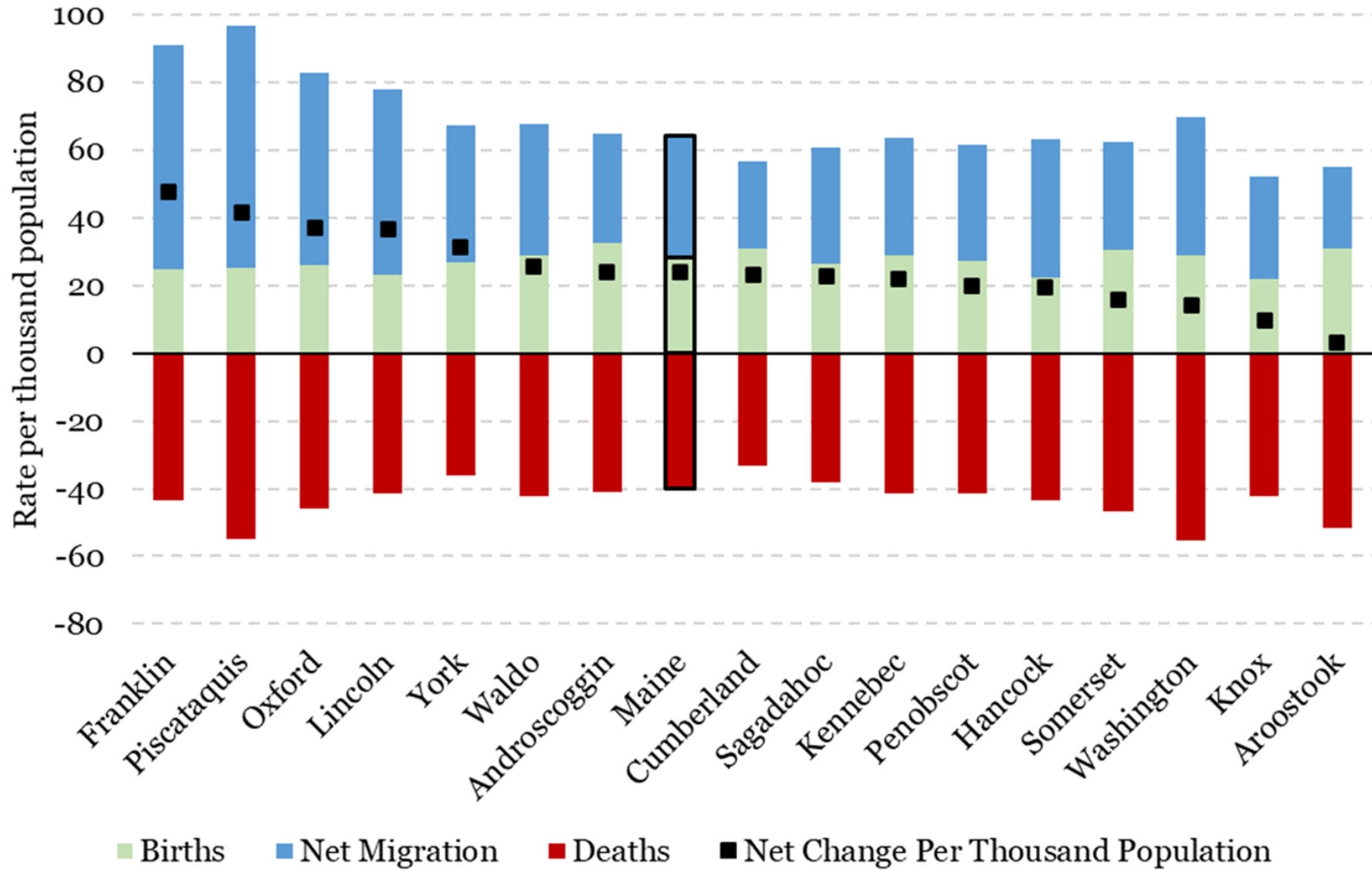
Population by Region



Powered by Bing
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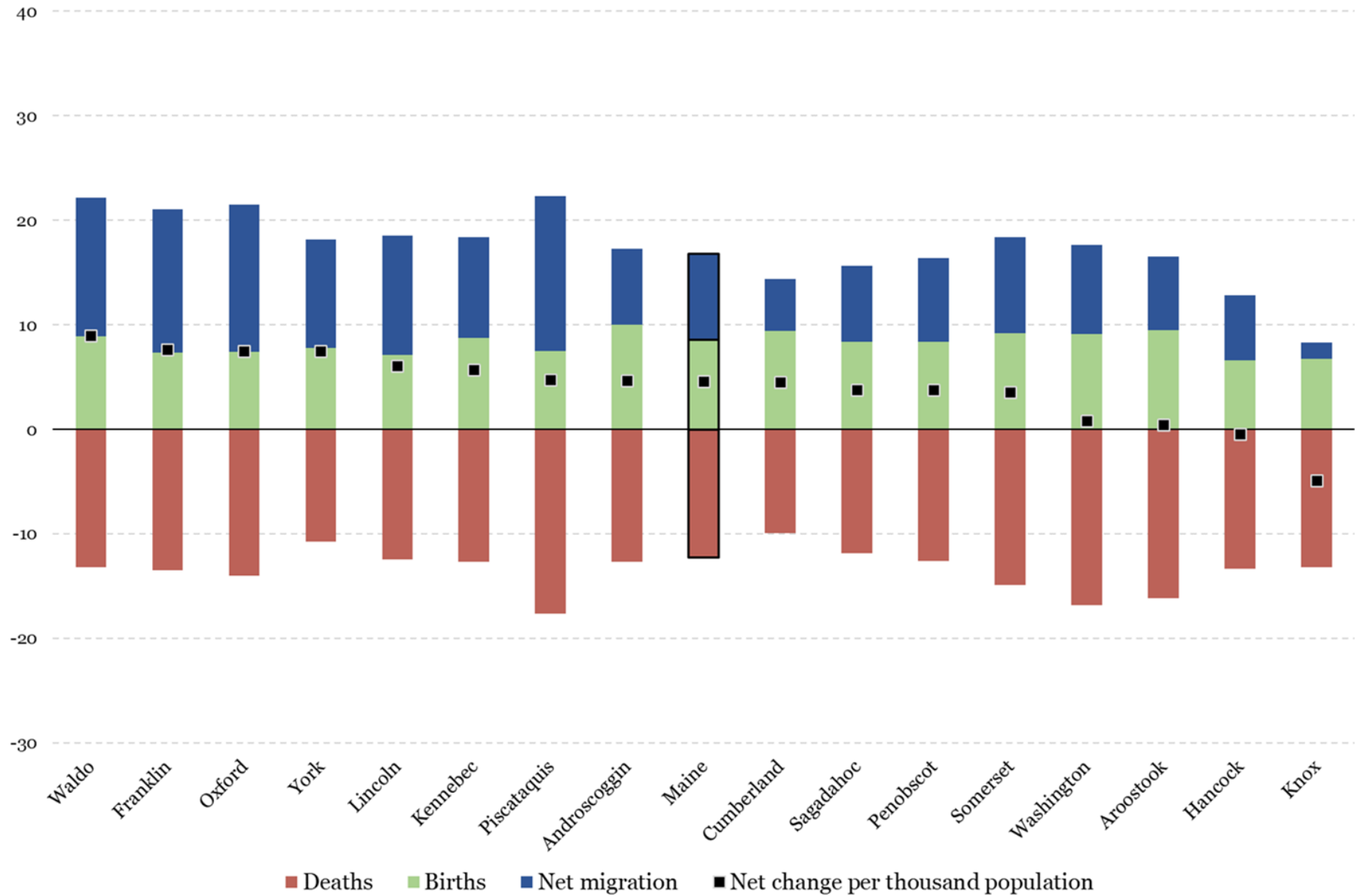
Components of Population Change in Maine, 4/2020-7/2023

Rate per thousand population

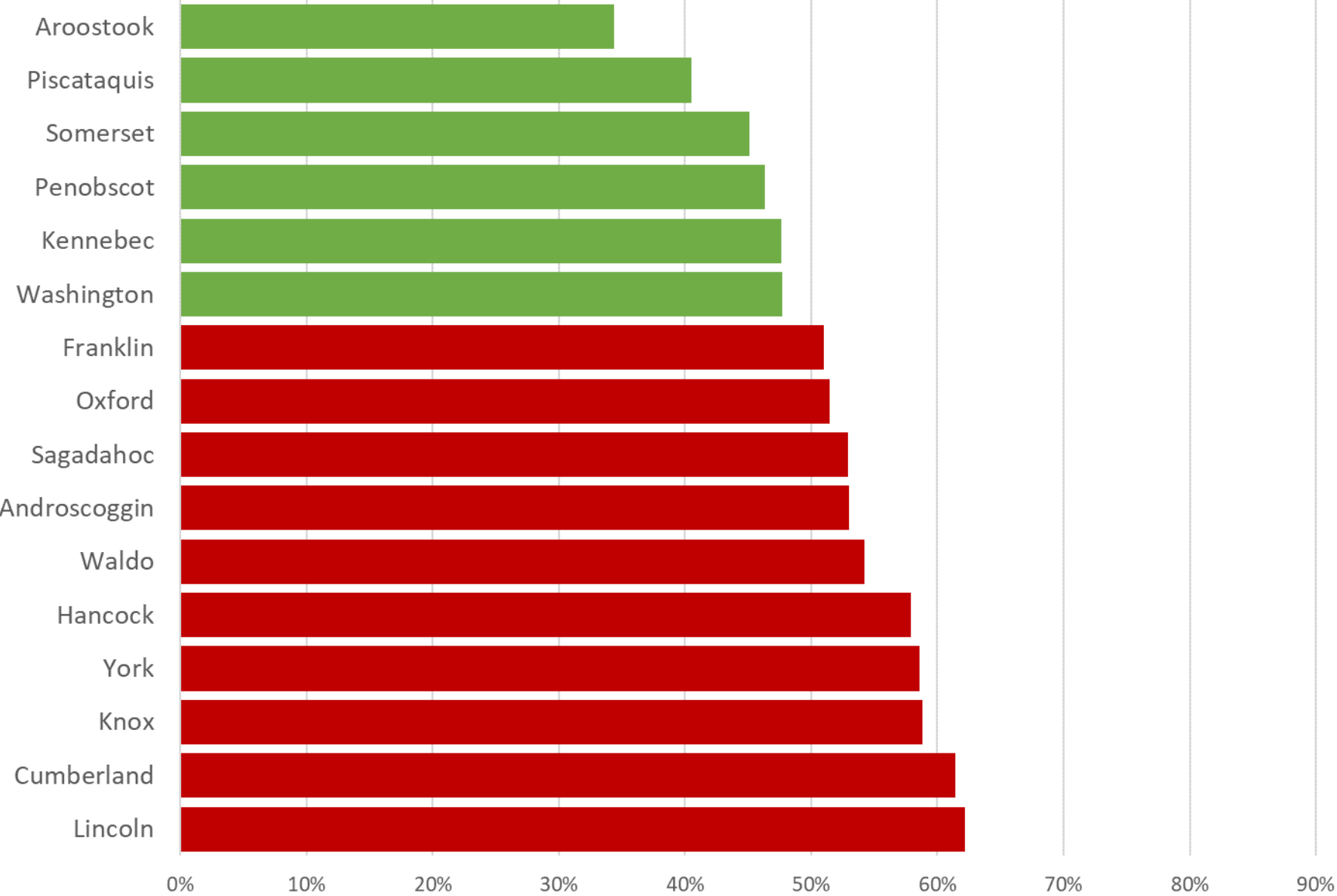


Components of Population Change in Maine, 2023

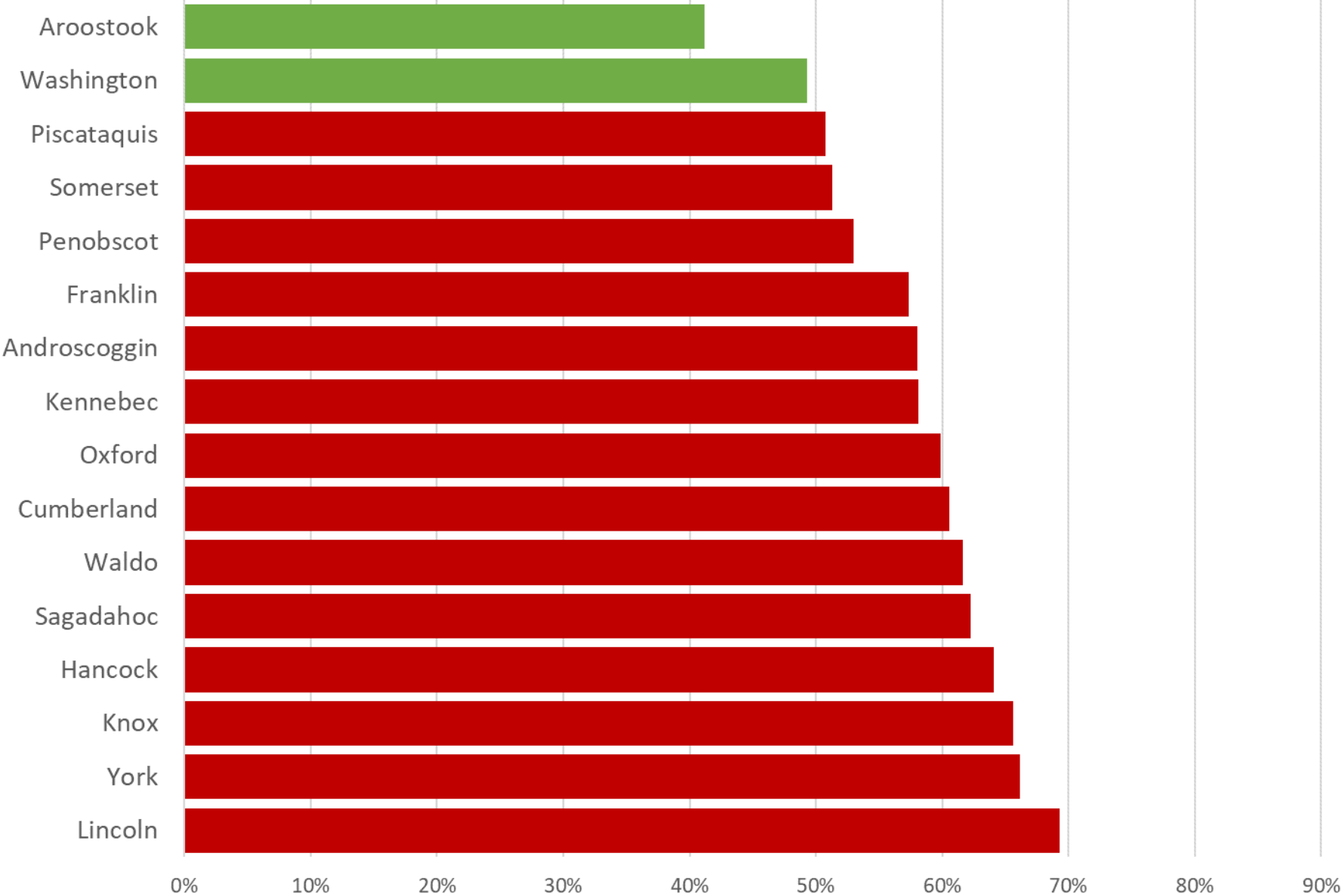
Rate per thousand population



Percent of Households Unable to Afford Median Home, 2020

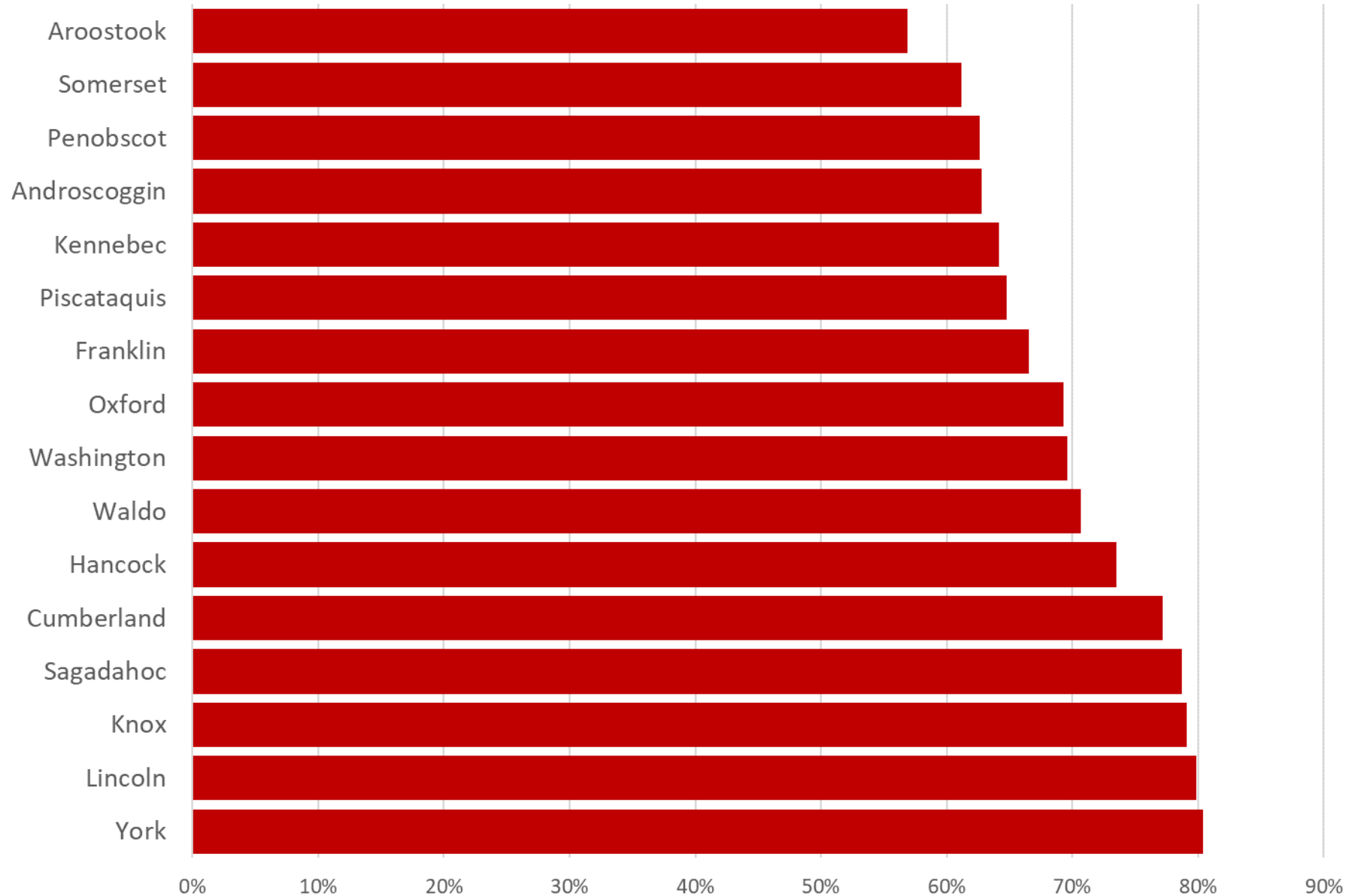


Percent of Households Unable to Afford Median Home, 2021



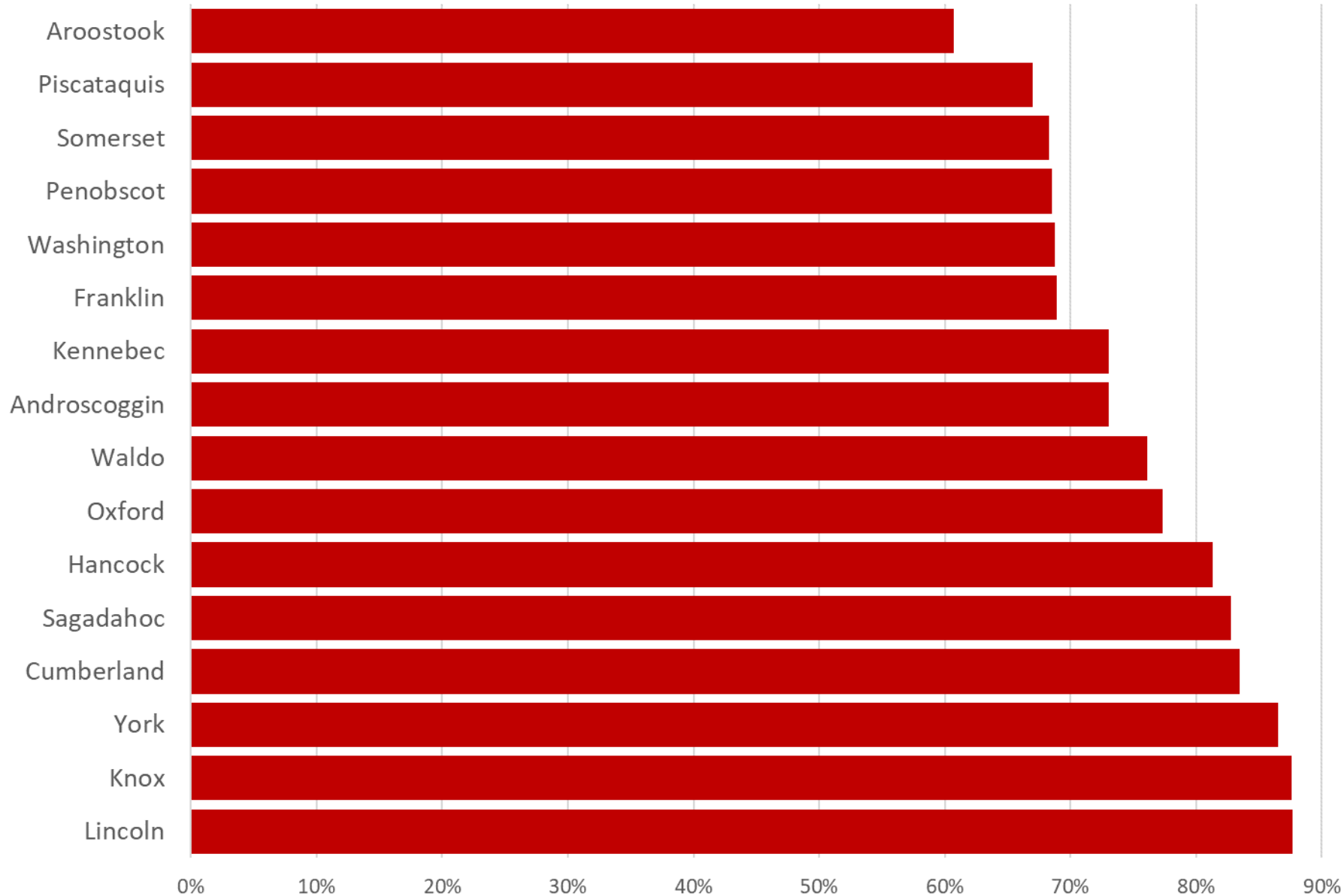
High demand
+ low supply
= price increases,
contributing to
sharp increase in
unaffordability

Percent of Households Unable to Afford Median Home, 2022

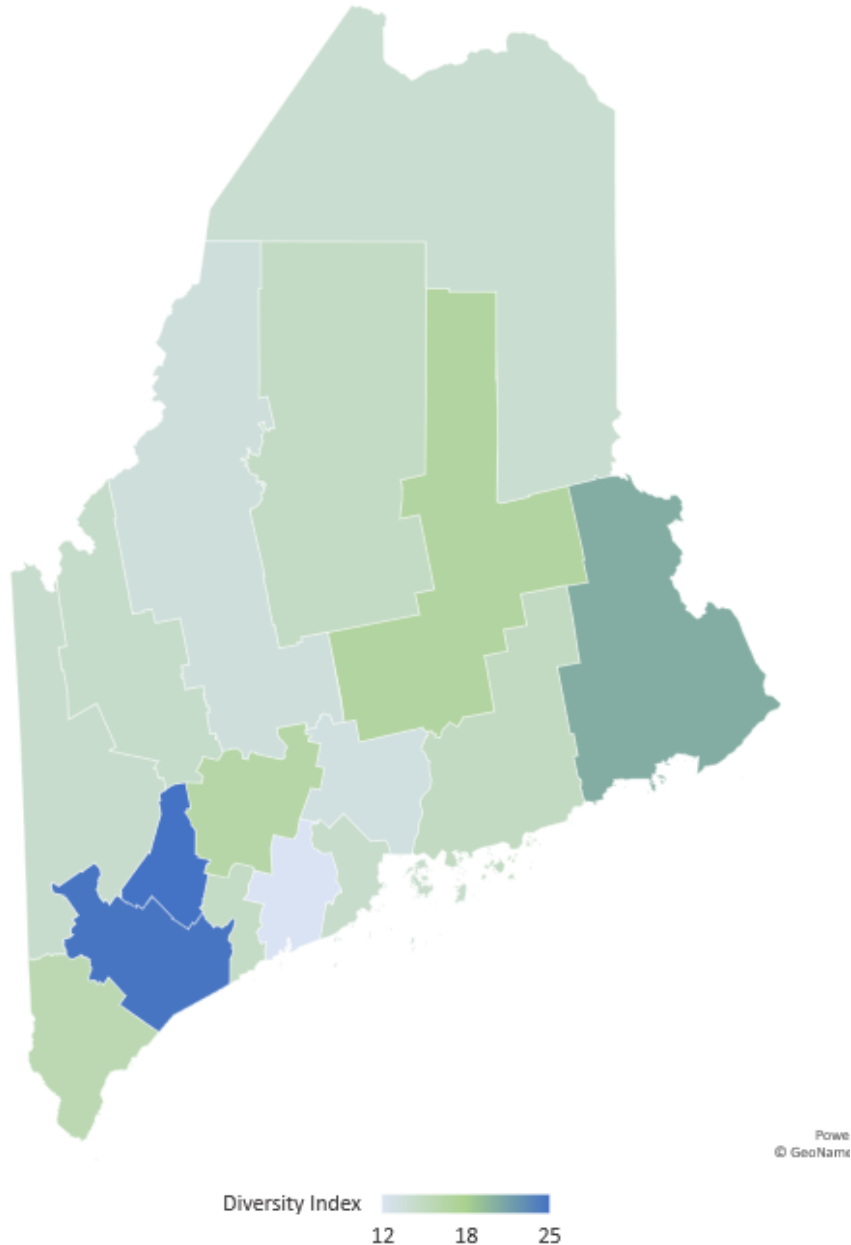


High demand
+ low supply
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Percent of Households Unable to Afford Median Home, 2023

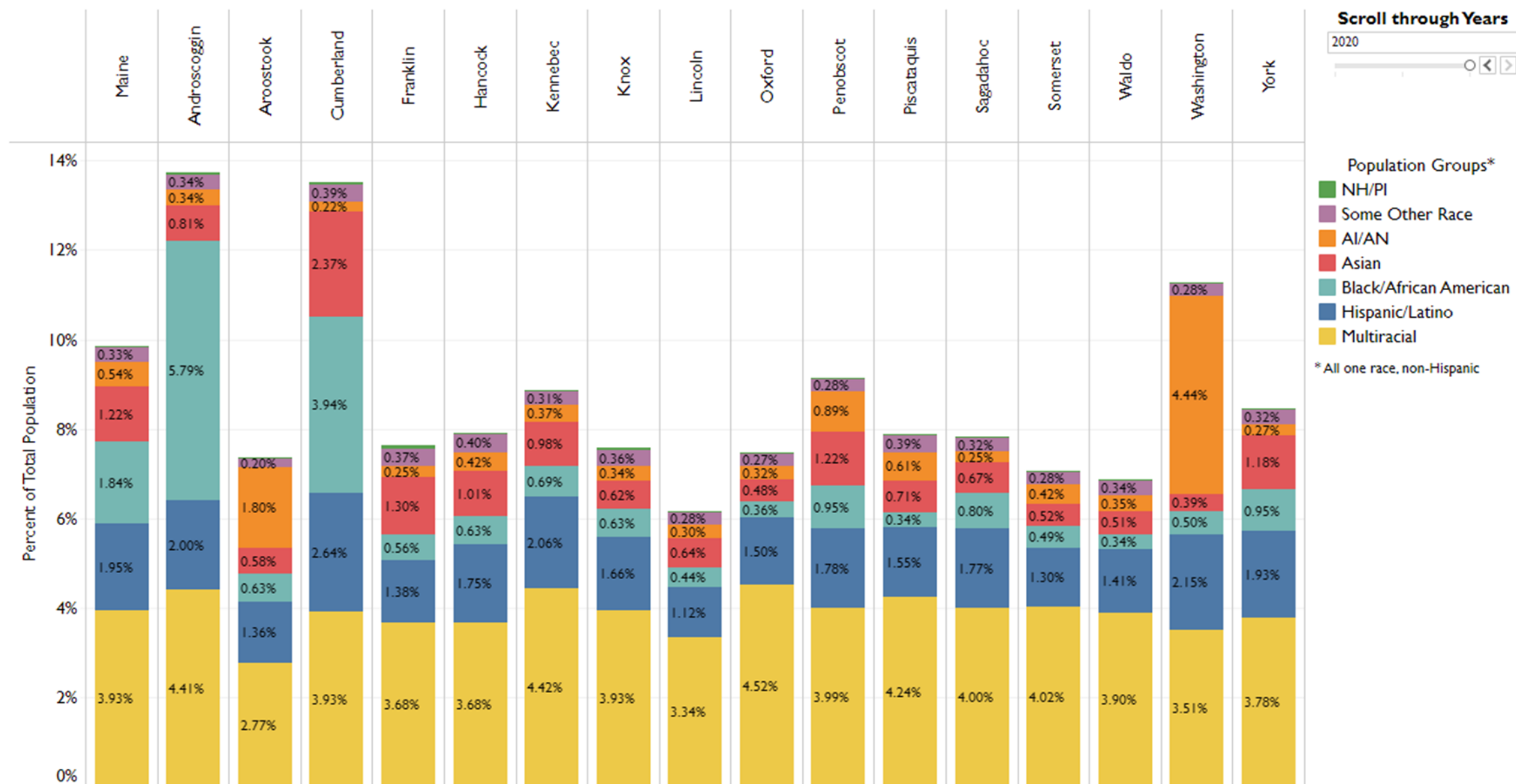


High demand
+ low supply
= price increases,
contributing to
sharp increase in
unaffordability



The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

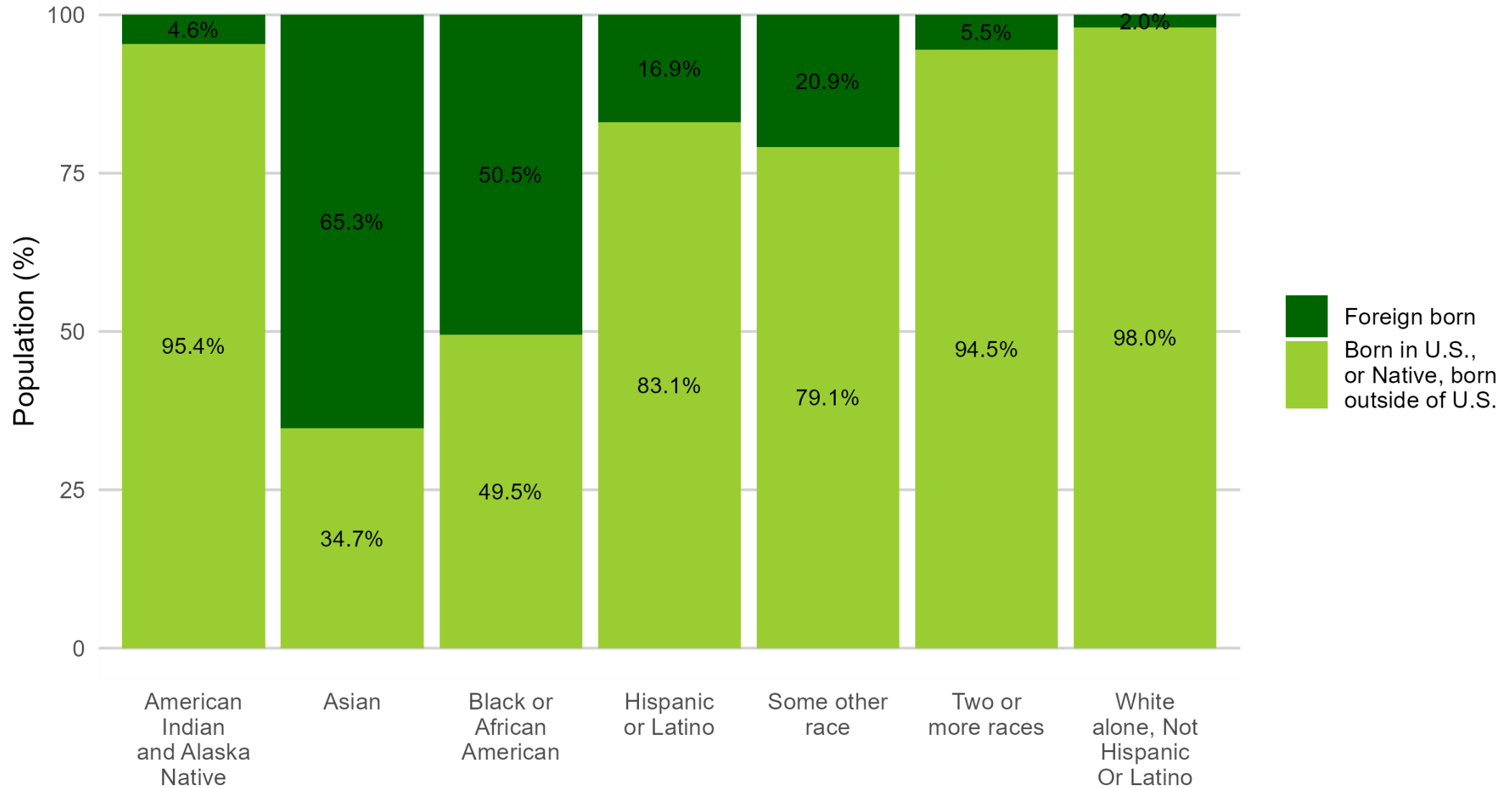
- In 2020, Maine ranked as the least diverse state in the U.S.
 - ME index = 18.5
 - U.S. index = 61.1
- But there is regional variation: Cumberland, Androscoggin, and Washington counties are more diverse



Share of Maine Population by Region of Birth by Race/Ethnicity, 2023

Foreign born statewide, 3.8%

Race and/or ethnicity is not the same as place of birth

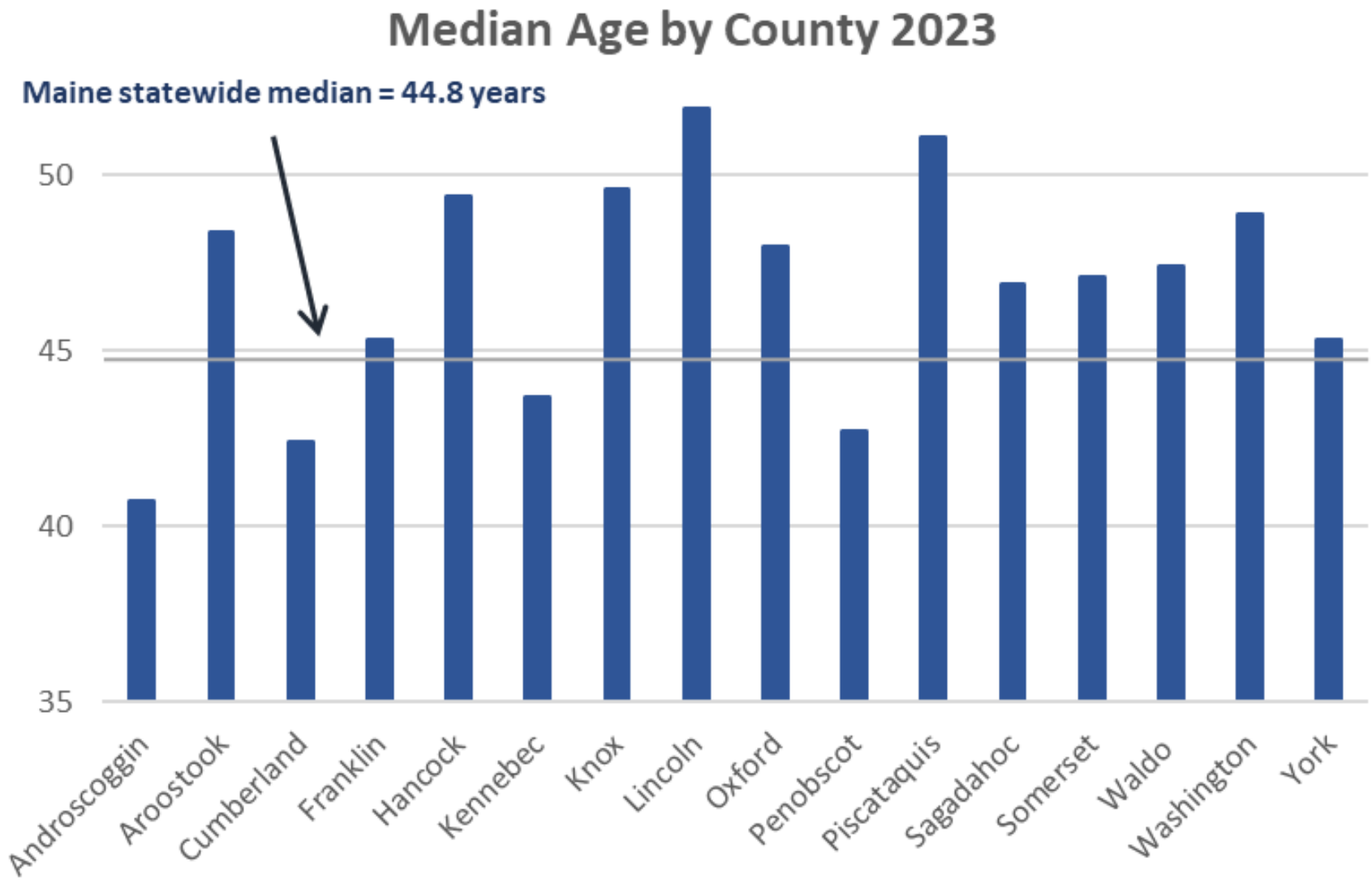


Maine has the highest...
...median age (44.8 years)
...and % of population age 65+ (23%)

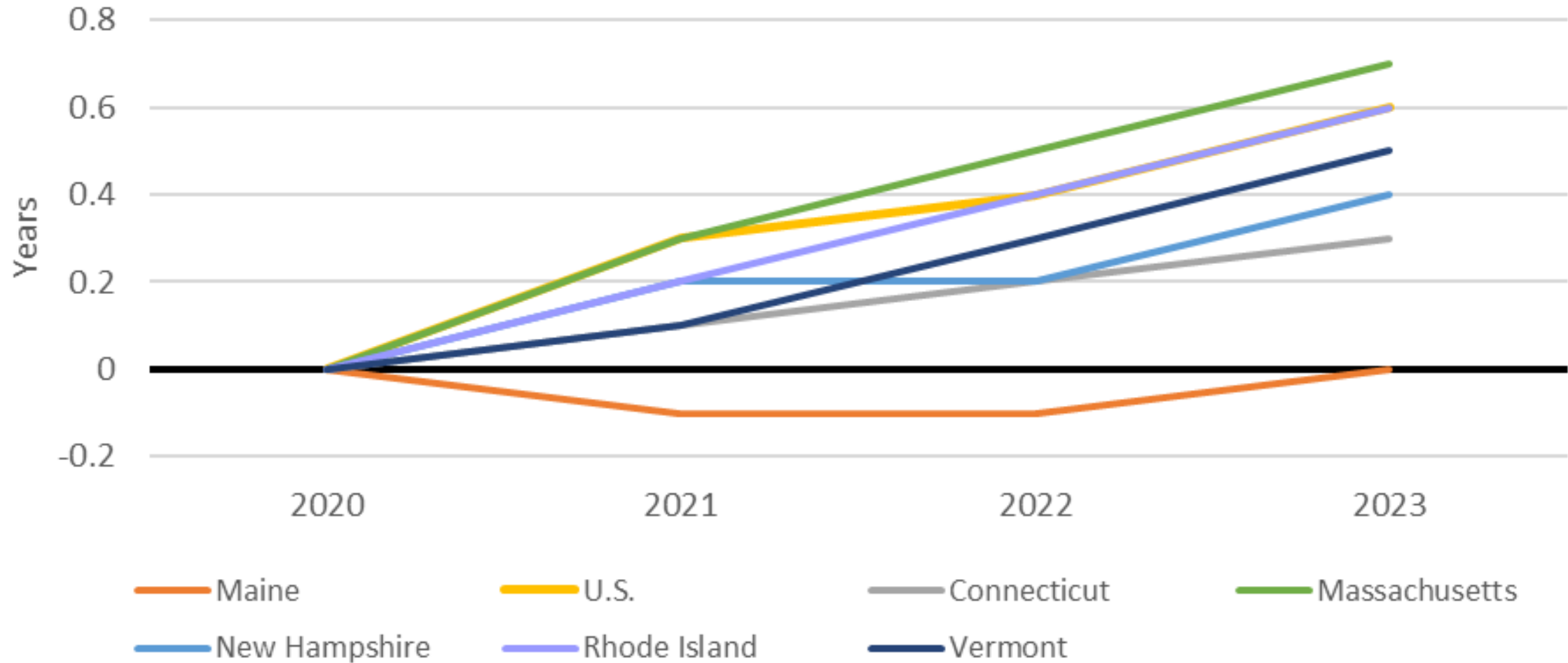
But migration has made a
difference:

Maine's median age was relatively
stable from 2020-2023 and was the
same in 2023 as in April 2020.

Meanwhile, the US median age
increased by 0.6 years during this
period.



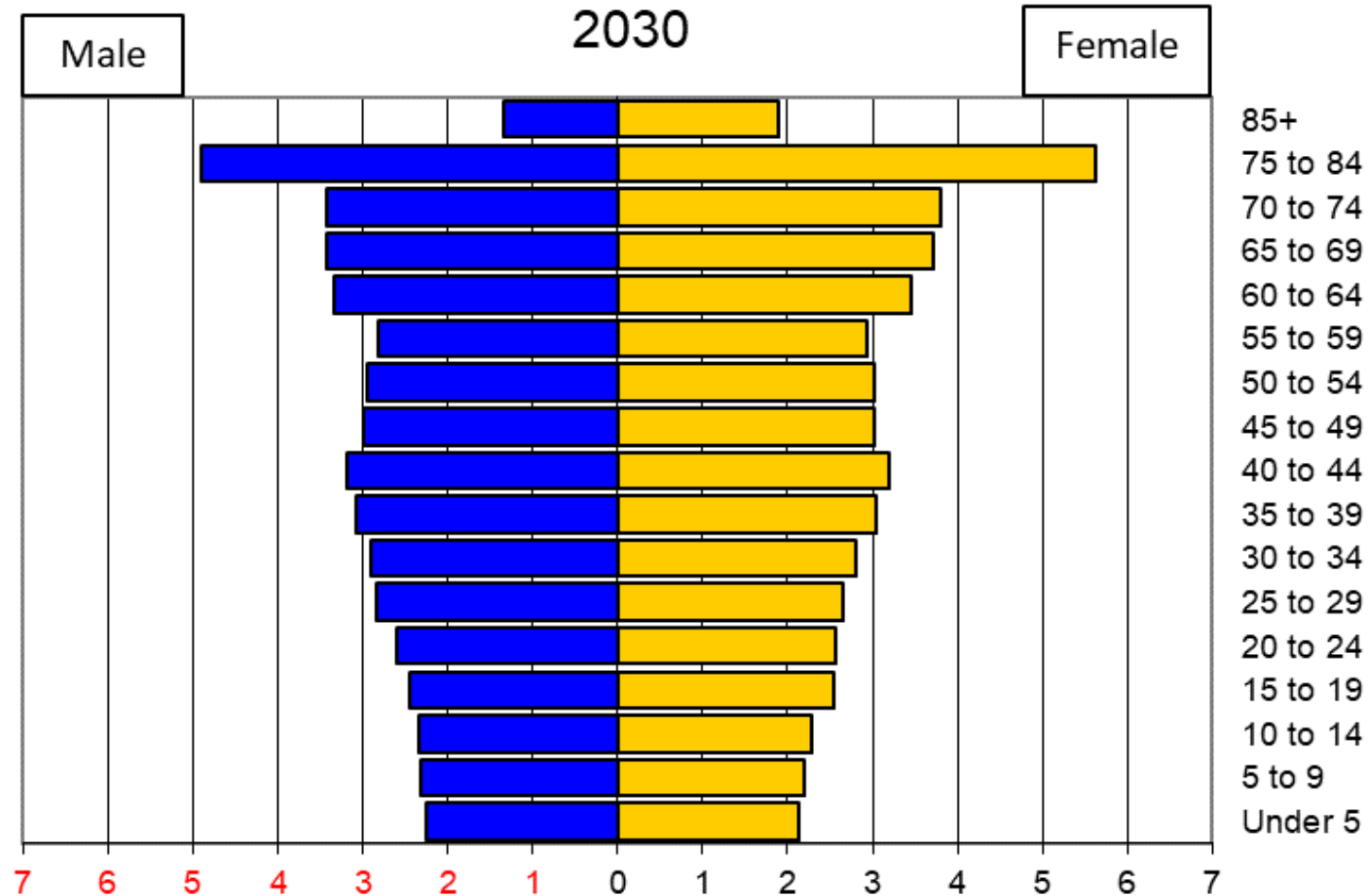
Change in median age since April 2020



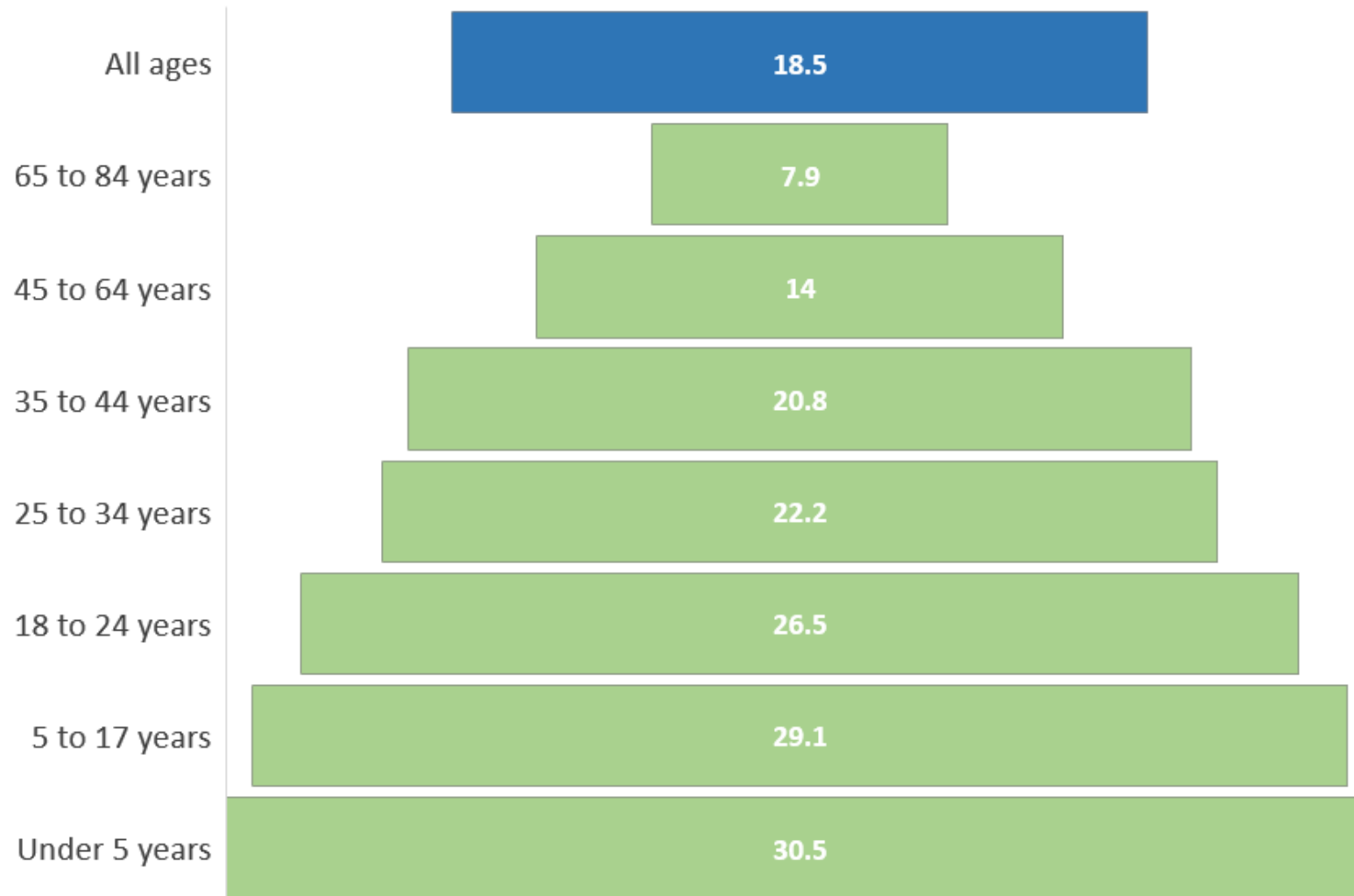
The Baby Boom: 1946-1964

Baby Boom
generation in
2030: age 66-84

Baby Boom
generation in
2023: age 59-77

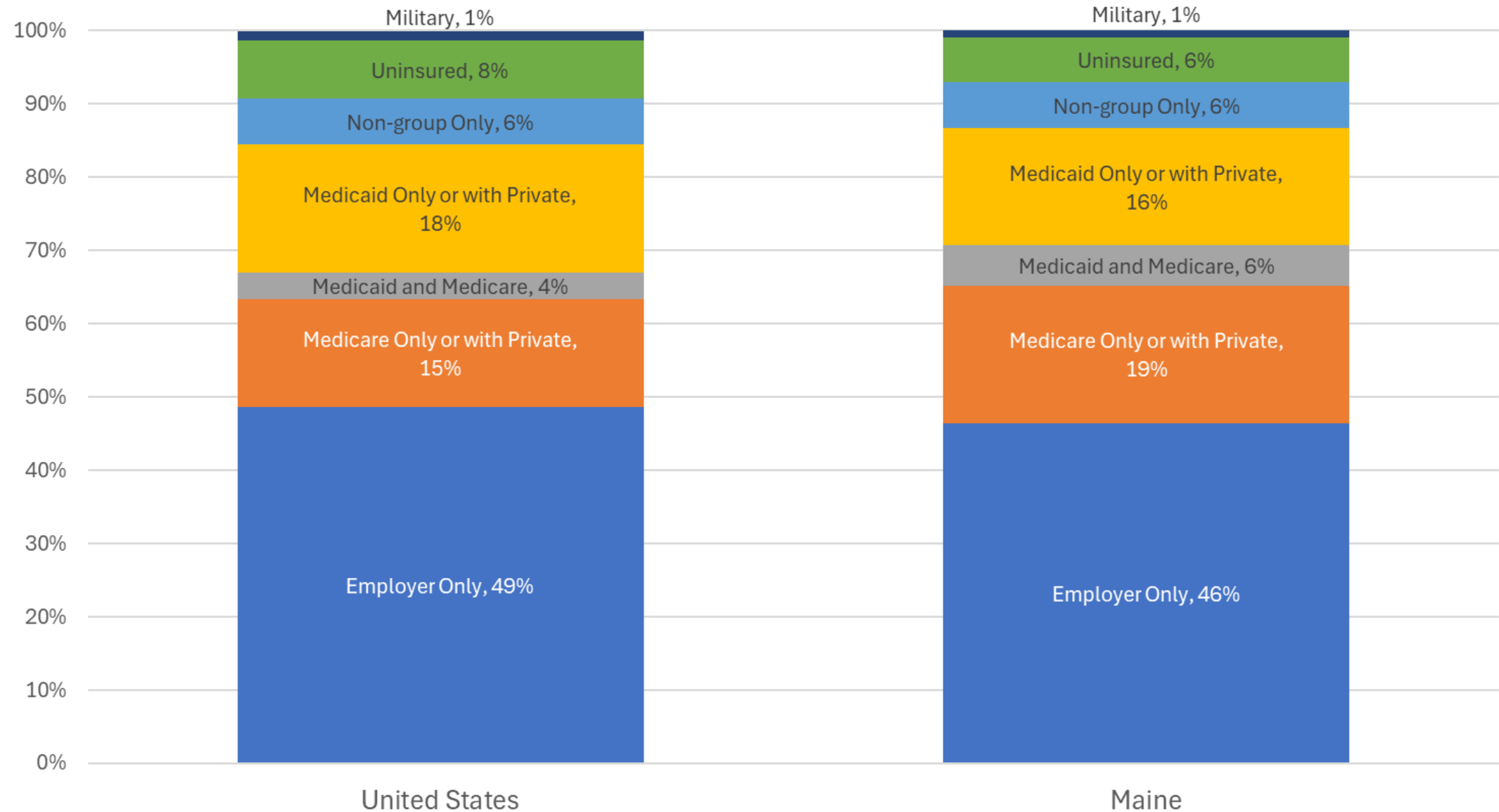


Diversity Index in Maine, 2020: Selected Age Groups



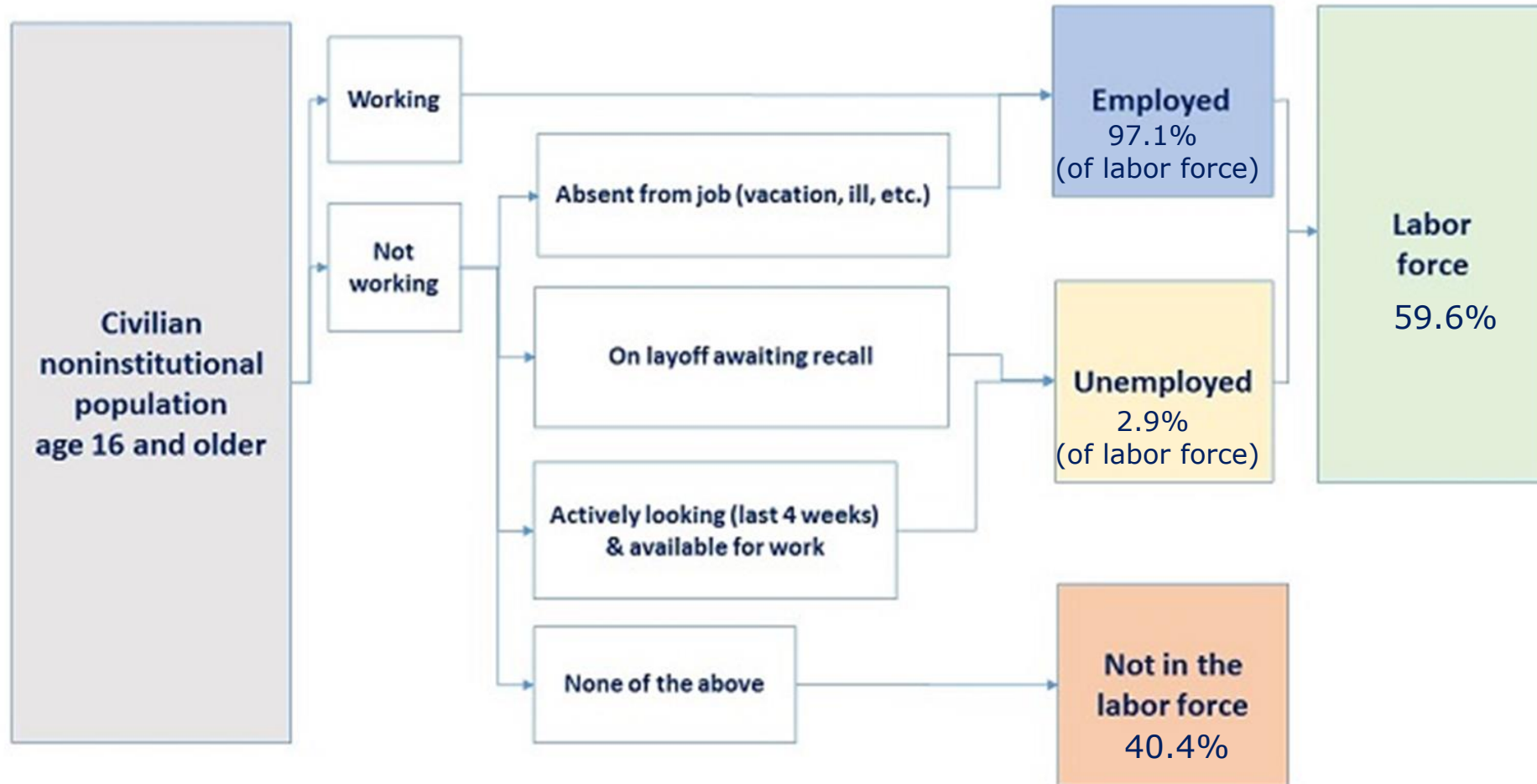
Younger generations in Maine are more diverse than older generations

Health Insurance Coverage of the Population, 2023



Labor Force and Employment

Who is in the labor force?



What are the reasons people nationally are not in the labor force?

Retirement (primarily age 55+)

$\frac{3}{4}$ of difference in nonparticipation
from 1999-2022 due to retirements

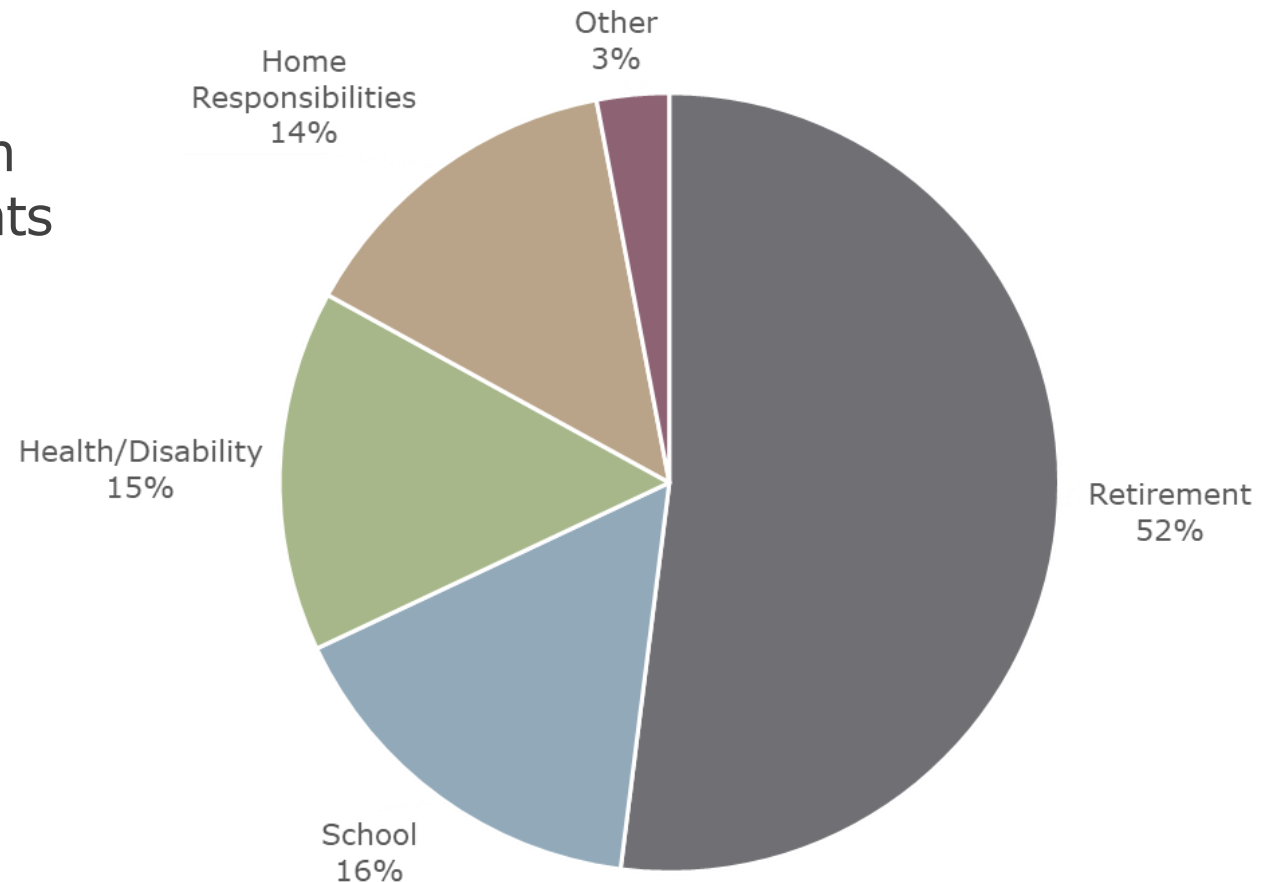
School attendance

Health/disability

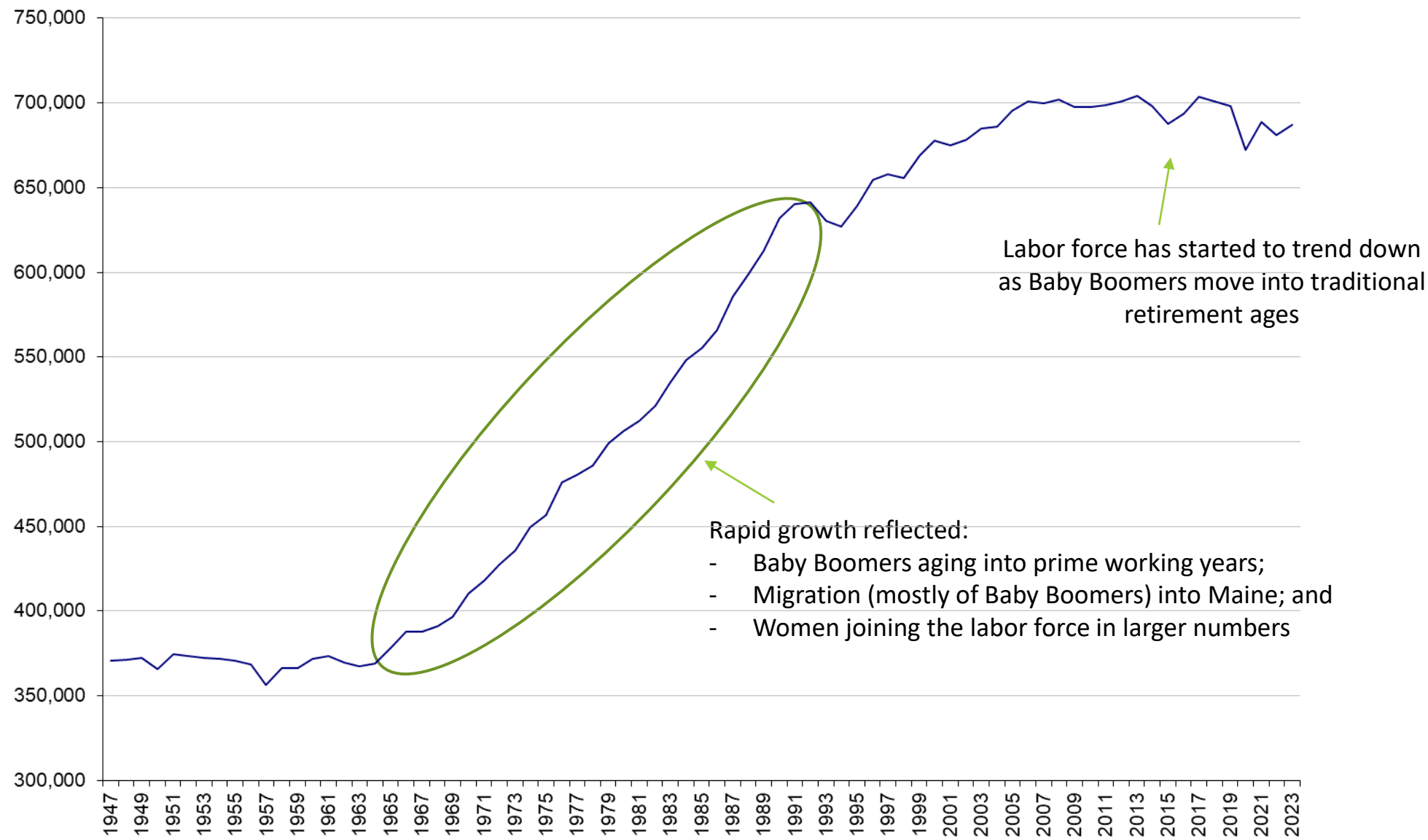
Home responsibilities

Other reasons

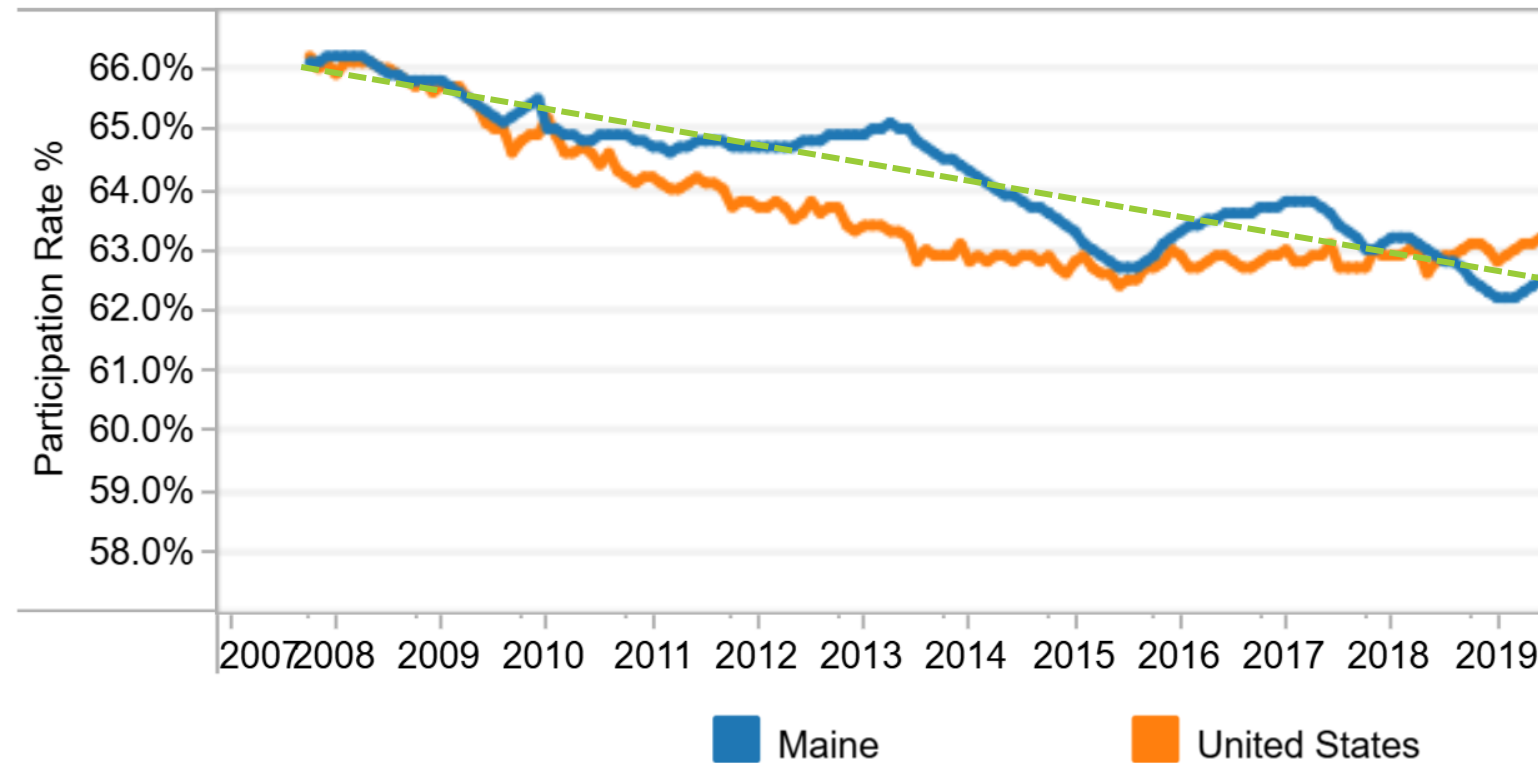
Share of Nonparticipants by Reason, 2022



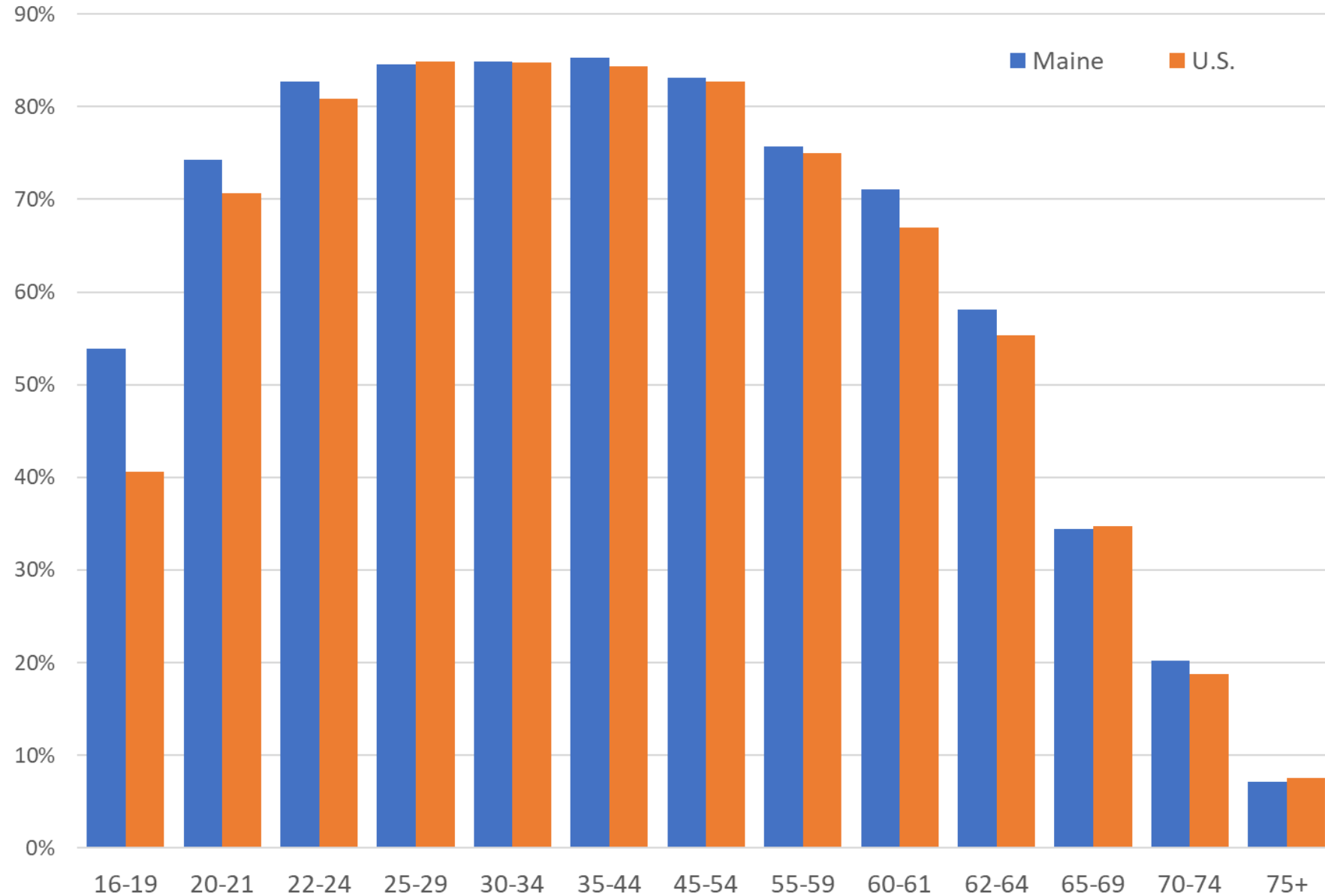
Maine Civilian Labor Force



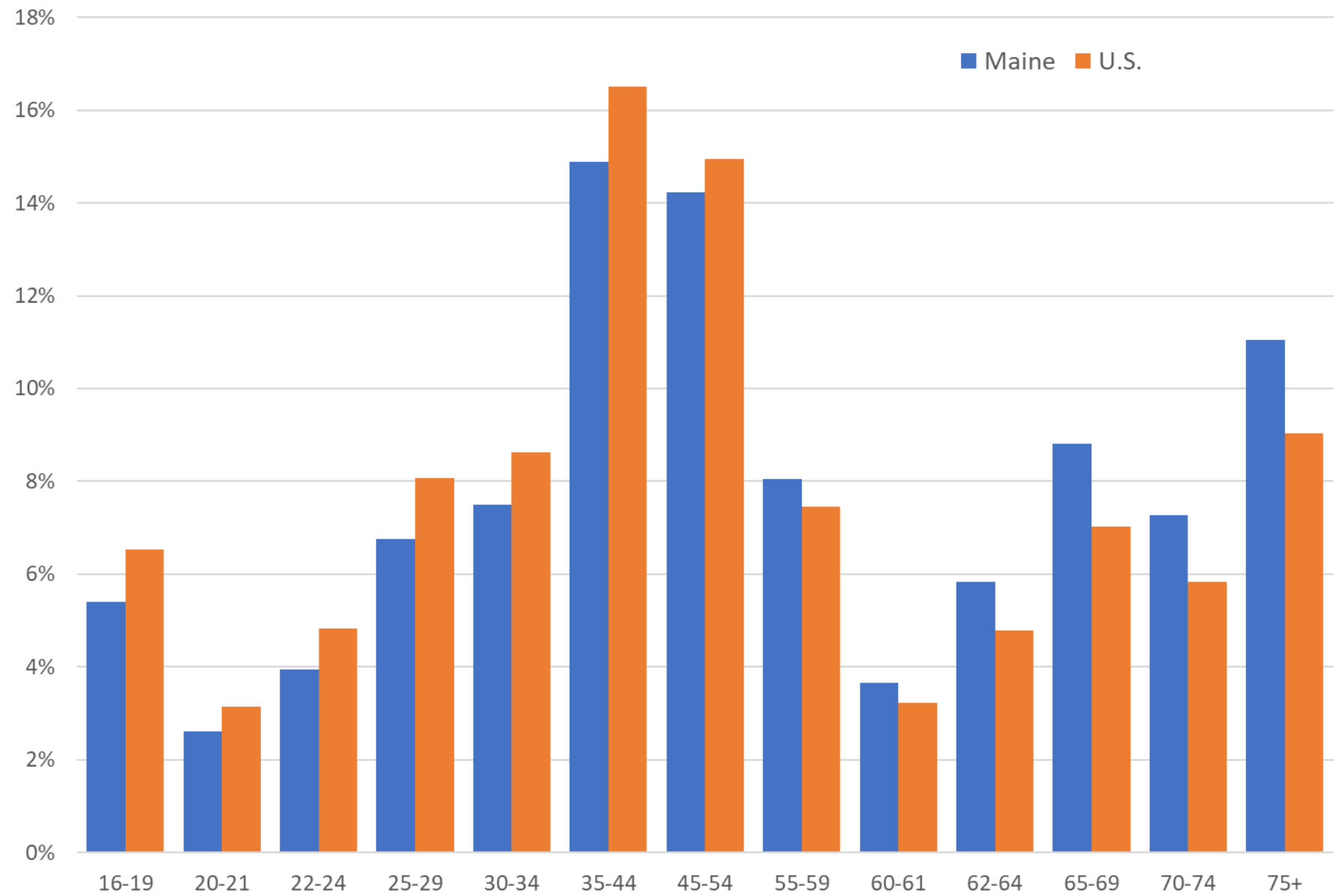
Labor Force Participation Rate (seasonally adjusted)



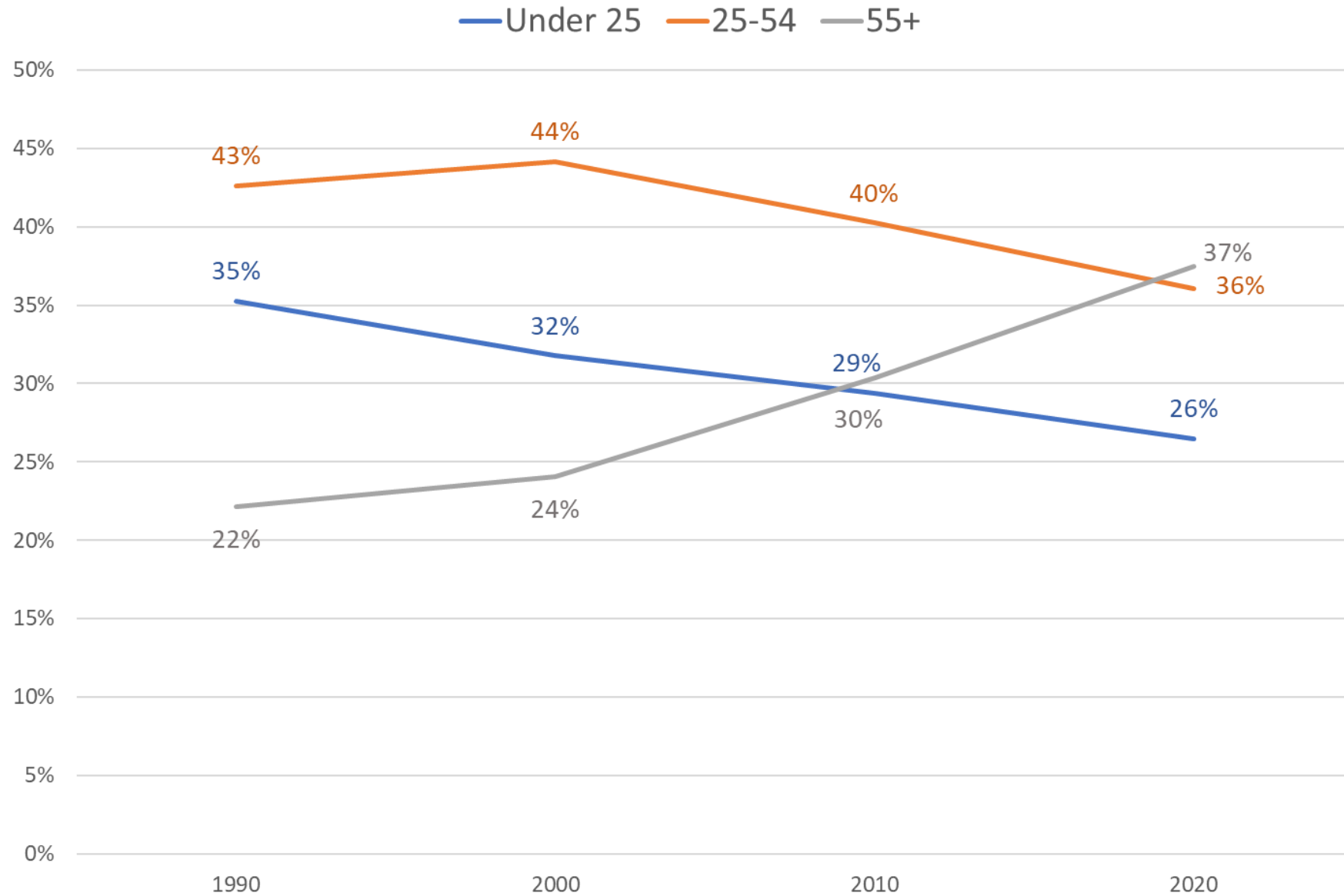
2023 Labor Force Participation Rate



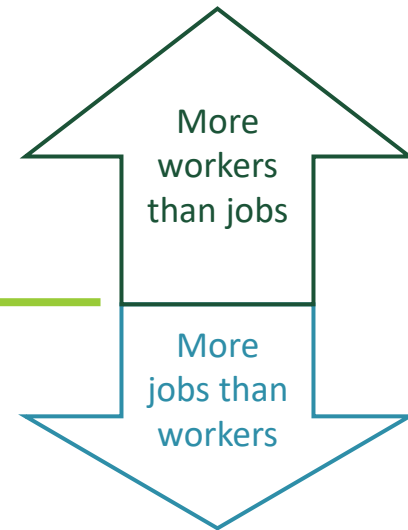
Share of 16+ Population by Age, 2023



Share of Total Maine Population by Age



Unemployed Persons per Job Opening Ratio - Maine



Maine’s seasonally-adjusted 3.1% unemployment rate in November 2024 is below both the U.S. and New England rates

County Rates (not seasonally adjusted)

November, 2024

<

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Table

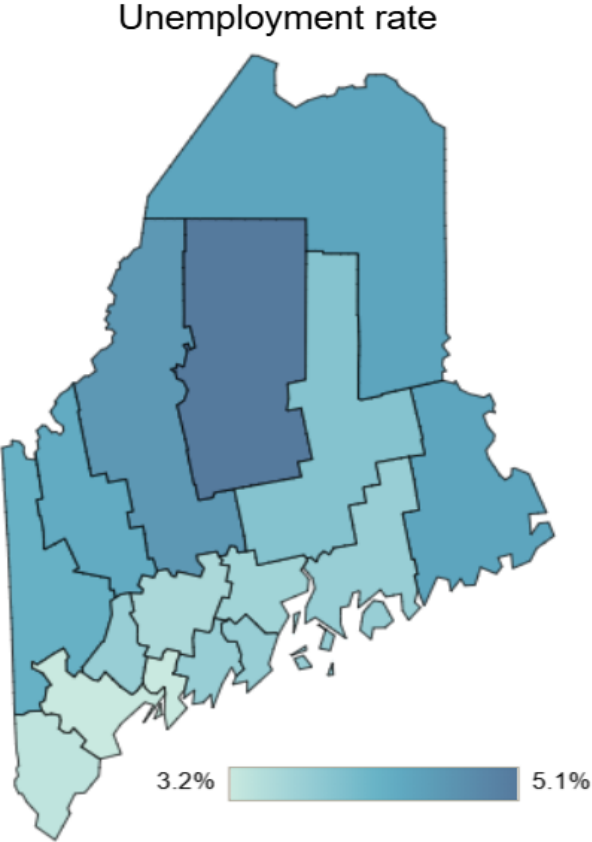
Graph

Map/Graph Display

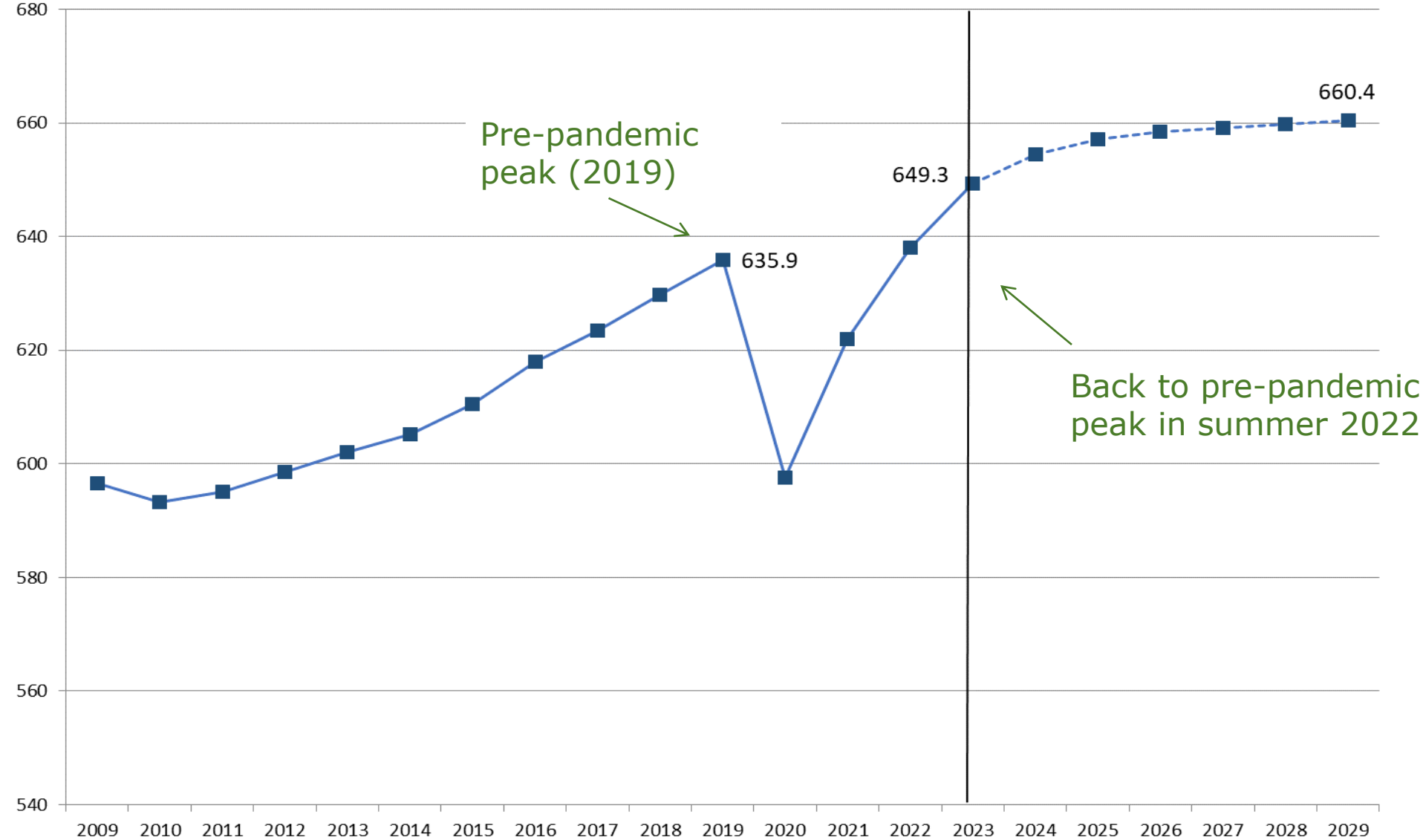
Unemployment rate

One-year change

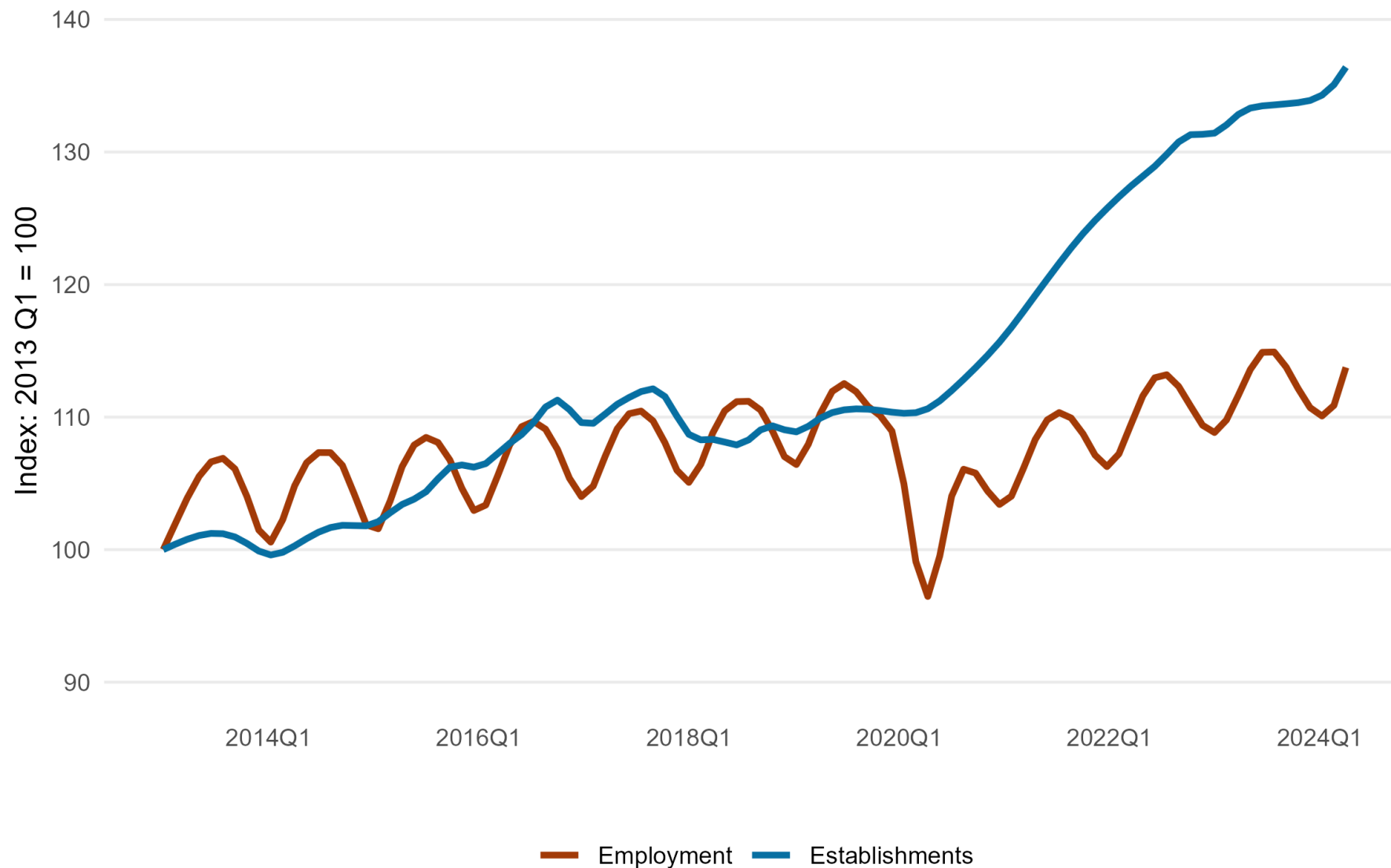
County	Rate	Year ago	One-yr change	
Maine	3.6%	3.4%	0.2	↑
Androscoggin	3.7%	3.3%	0.4	↑
Aroostook	4.4%	4.1%	0.3	↑
Cumberland	3.2%	2.9%	0.3	↑
Franklin	4.3%	4.4%	-0.1	↓
Hancock	3.7%	3.7%	0.0	—
Kennebec	3.5%	3.1%	0.4	↑
Knox	3.7%	3.4%	0.3	↑
Lincoln	3.7%	3.4%	0.3	↑
Oxford	4.2%	3.9%	0.3	↑
Penobscot	3.9%	3.7%	0.2	↑
Piscataquis	5.1%	4.6%	0.5	↑
Sagadahoc	3.2%	2.7%	0.5	↑
Somerset	4.6%	4.7%	-0.1	↓
Waldo	3.6%	3.4%	0.2	↑
Washington	4.4%	4.8%	-0.4	↓
York	3.3%	3.1%	0.2	↑



Total Nonfarm Employment (in thousands)
History and Consensus Economic Forecasting Commission forecast

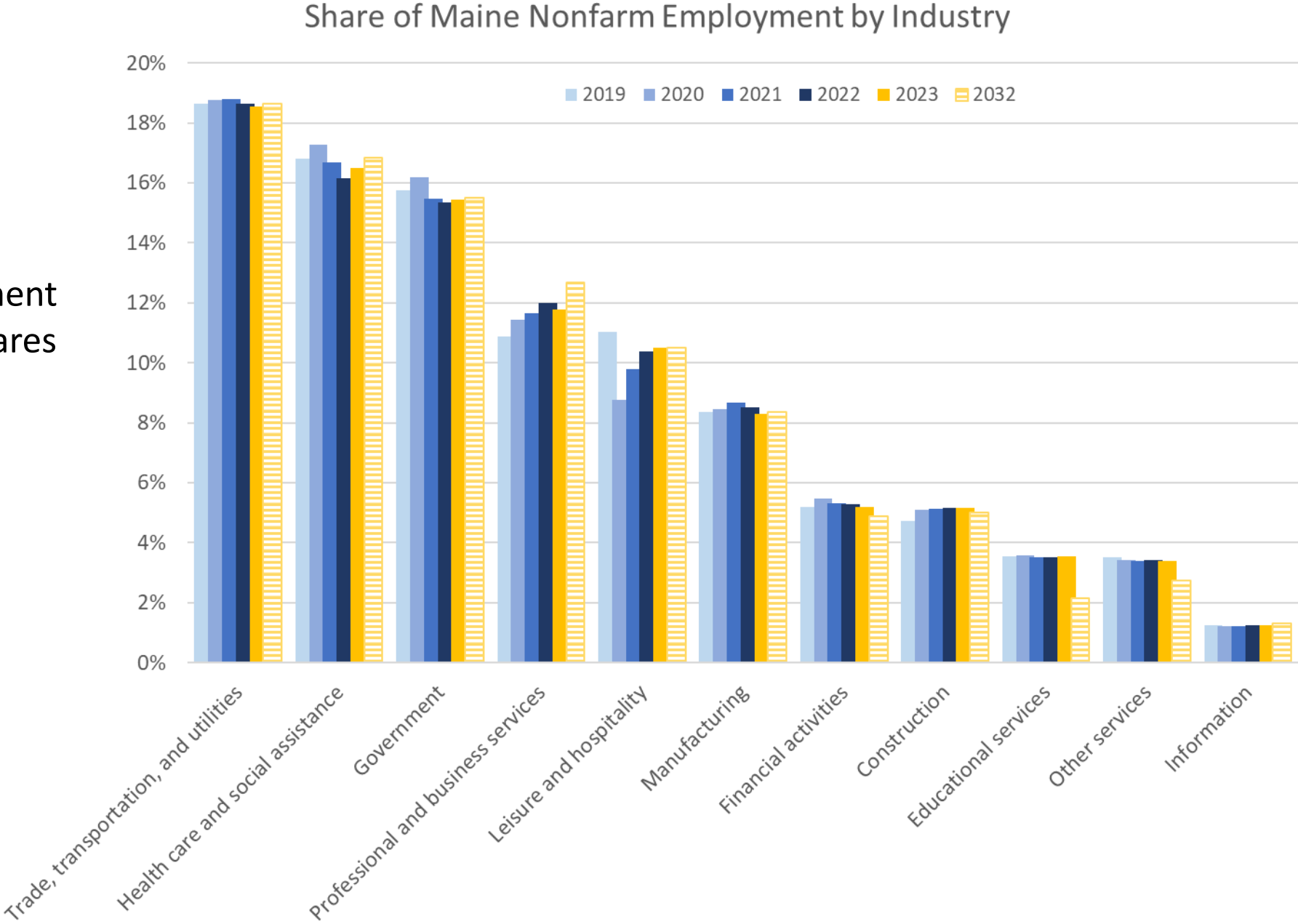


Wage and Salary Employment & Private Employer Establishments | Maine

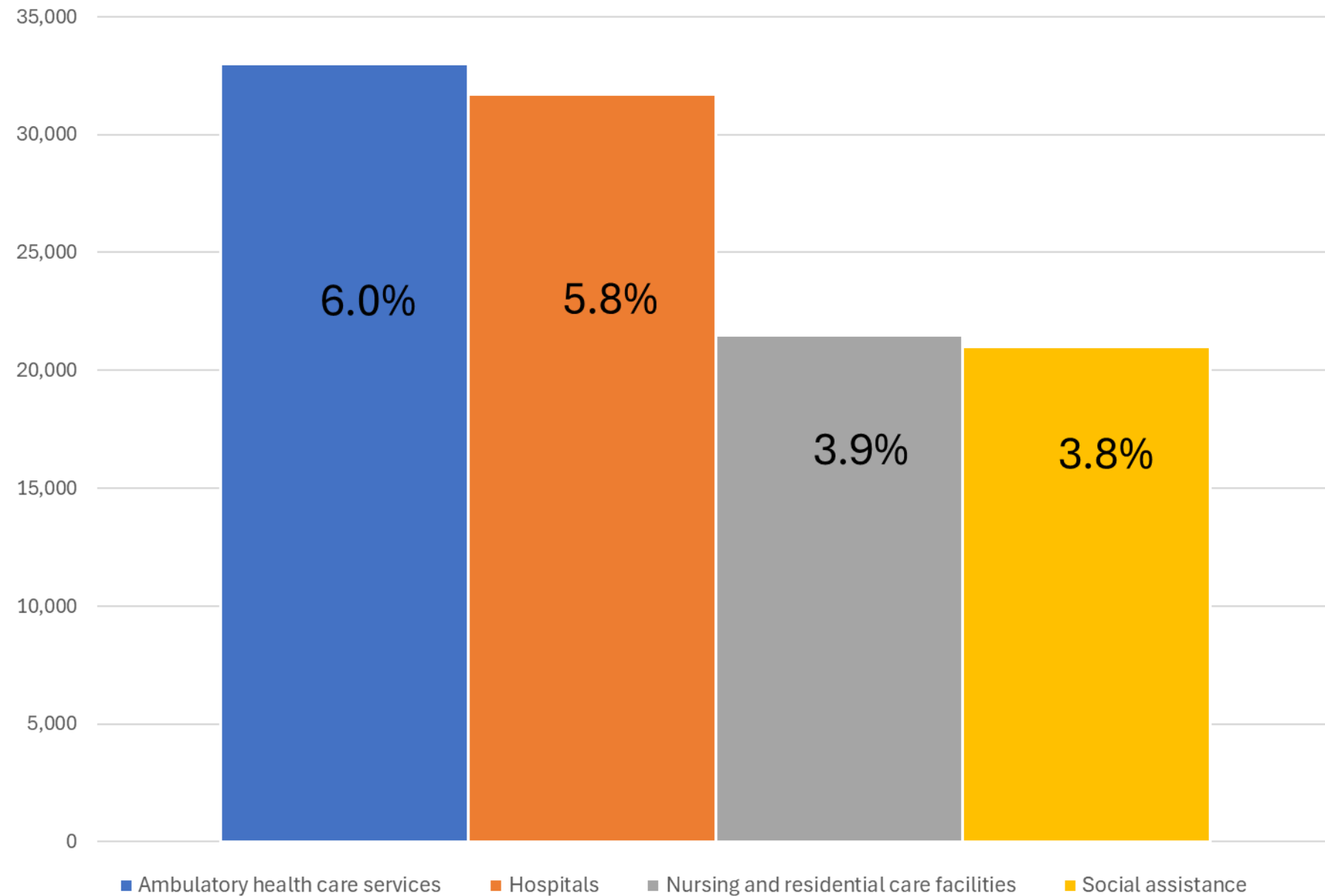


As remote work grew during the pandemic, Maine saw employer establishments grow at a faster rate than jobs as out-of-state firms reported small numbers of workers now in Maine.

According to the Maine Department of Labor’s Employment Outlook to 2032, the relative shares are not expected to change by much (the same sectors are still expected to be the largest)



Healthcare & Social Assistance Private Employment in Maine (2023)



Display:

☒ Bar Graph

☐ Table

☐ Bubble Graph

Occupation

(All)

SOC Code

(All)

Typical Education Required

(All)

Typical Education Level Required (Graphs Only)

Associate's degree

Bachelor's degree

Doctoral or professional degree

High school diploma or equivalent

Master's degree

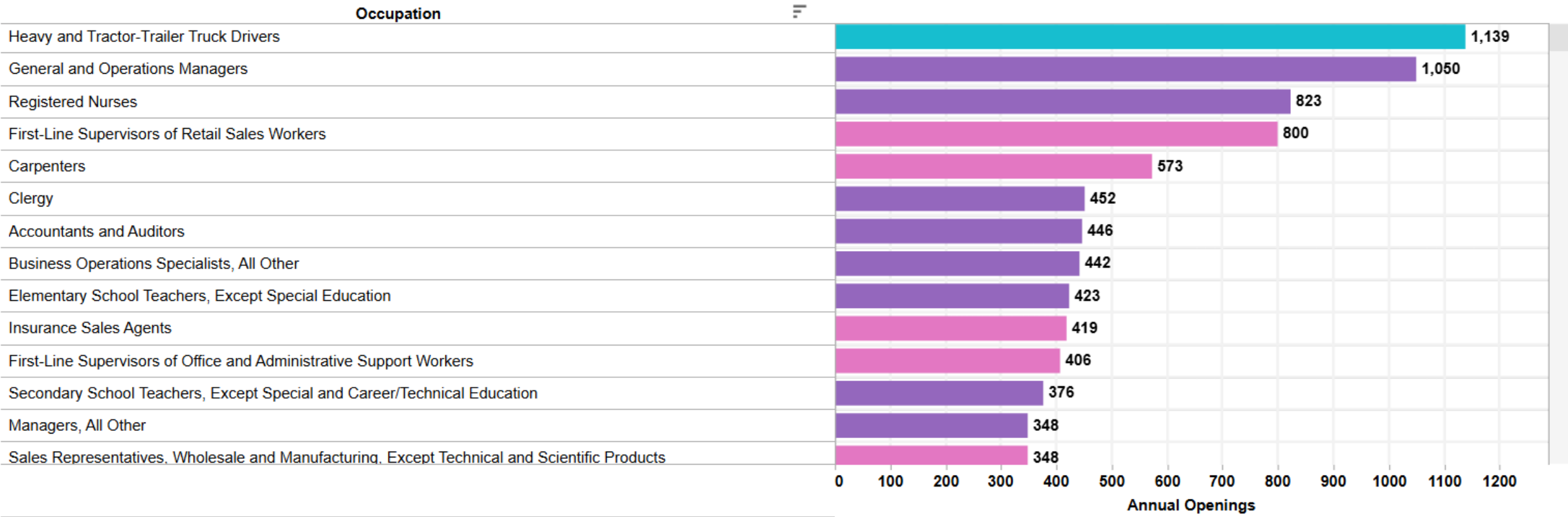
No formal educational credential

Postsecondary non-degree award

Some college, no degree

Maine High-Wage, In-Demand Jobs by Education

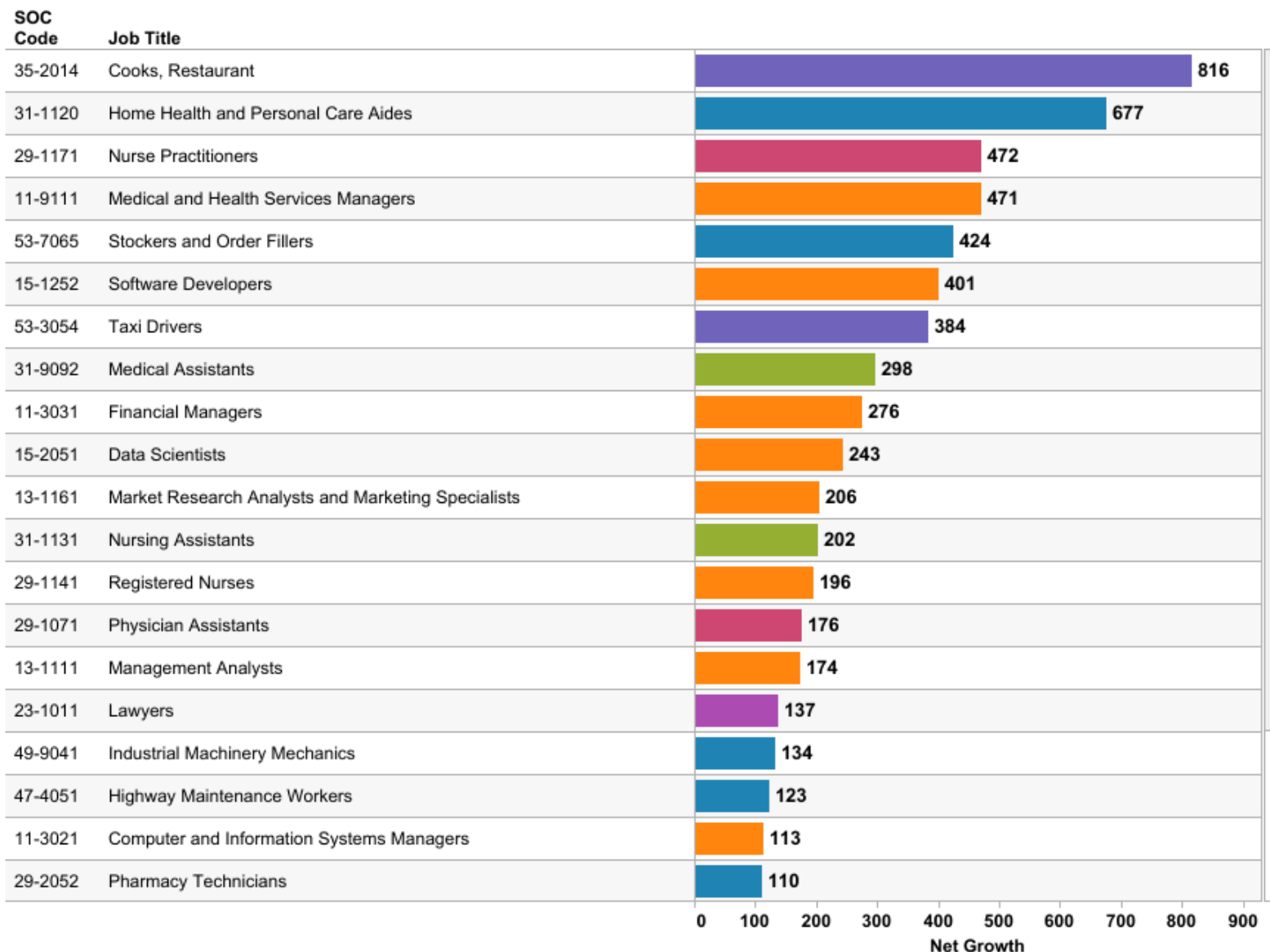
Education Requirement: All



Source: Maine Department of Labor, Center for Workforce Research and Information, 2022-2032 Occupational Employment Projections and 2023 Occupational Employment and Wage Estimates for Maine.

Display☒ Graph☐ Table**Top**

25

Education Requirement:☒ All☐ High School Diploma or Less☐ Some College or Associate's Degree☐ Bachelor's Degree or Higher**Select Topic:**☐ Largest Annual Openings☒ Largest Net Job Growth☐ Fastest Rate of Job Growth☐ Largest Net Job Loss☐ Fastest Rate of Job Loss☐ Associate's degree☐ Bachelor's degree☐ Doctoral or professional degree☐ High school diploma or equivalent☐ Master's degree☐ No formal educational credential☐ Postsecondary non-degree award**25 Occupations with the Largest Projected Net Job Growth in Maine**

How do we find enough workforce in the future?

Migration: continue to attract workers to Maine; housing is currently a constraint

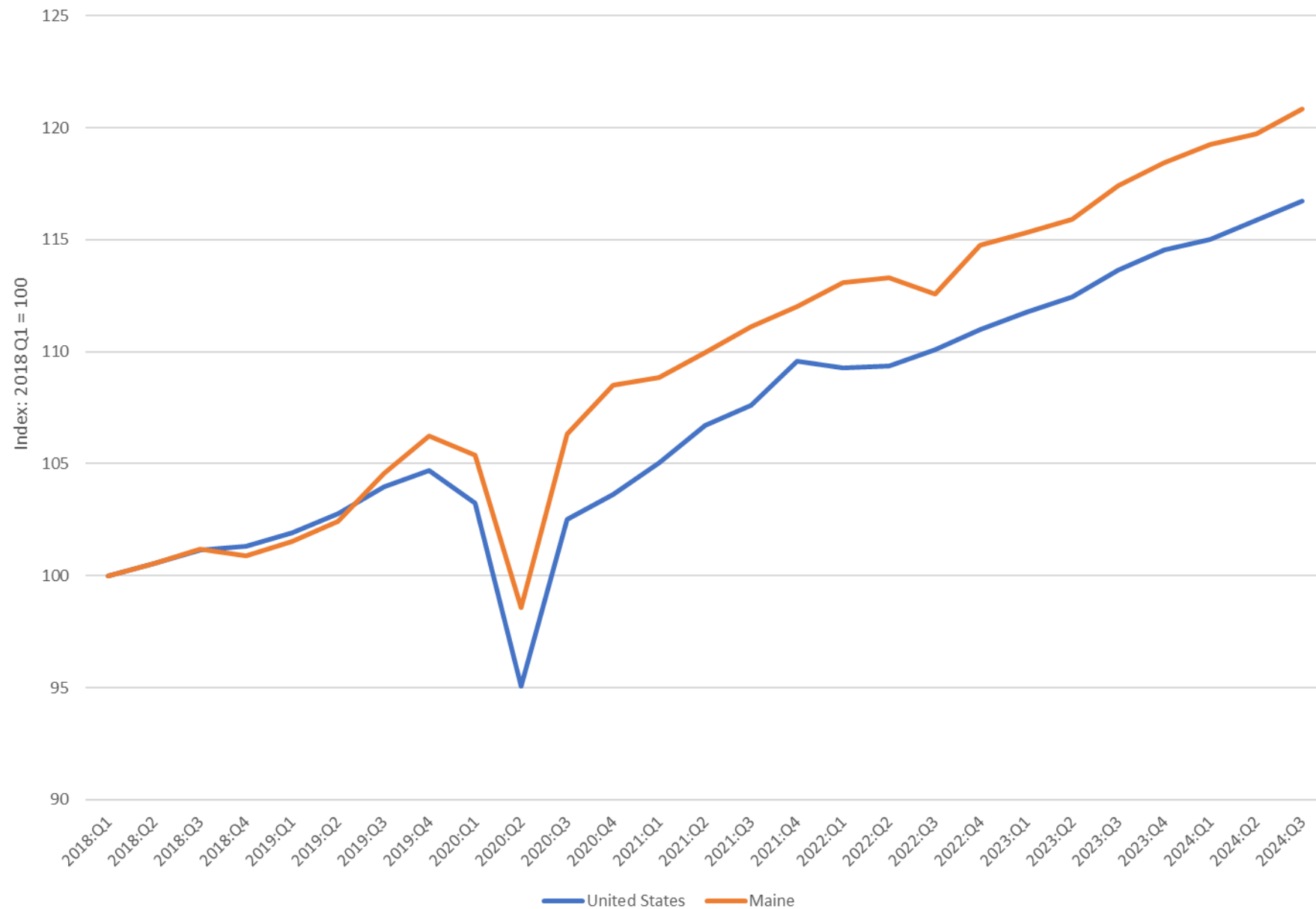
Retirements: find creative ways to keep older adults engaged in the workforce

Labor Force Participation: remove roadblocks for historically underemployed populations

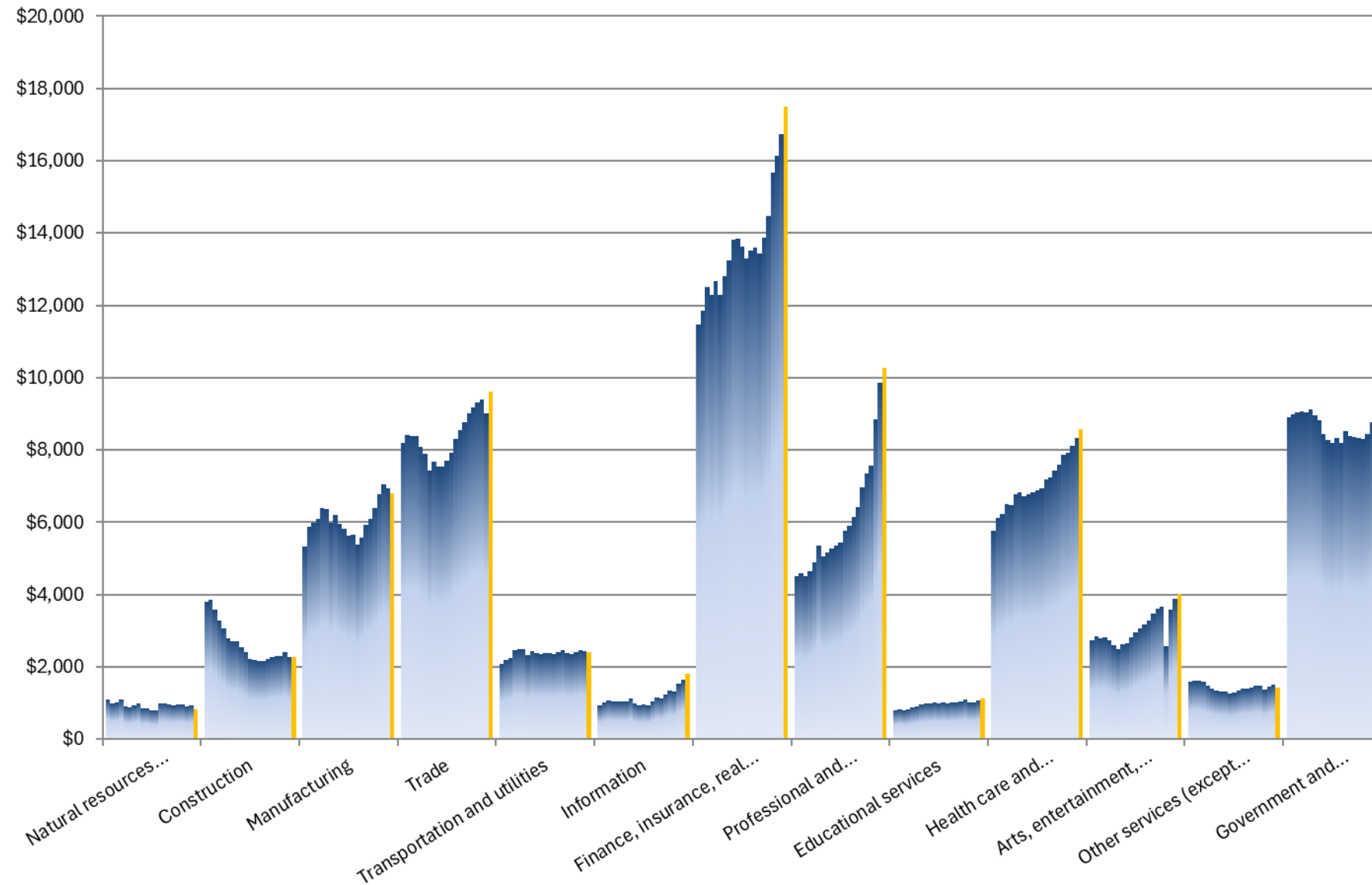
Automation: use technology to substitute for labor

Gross Domestic Product, Income, and Spending

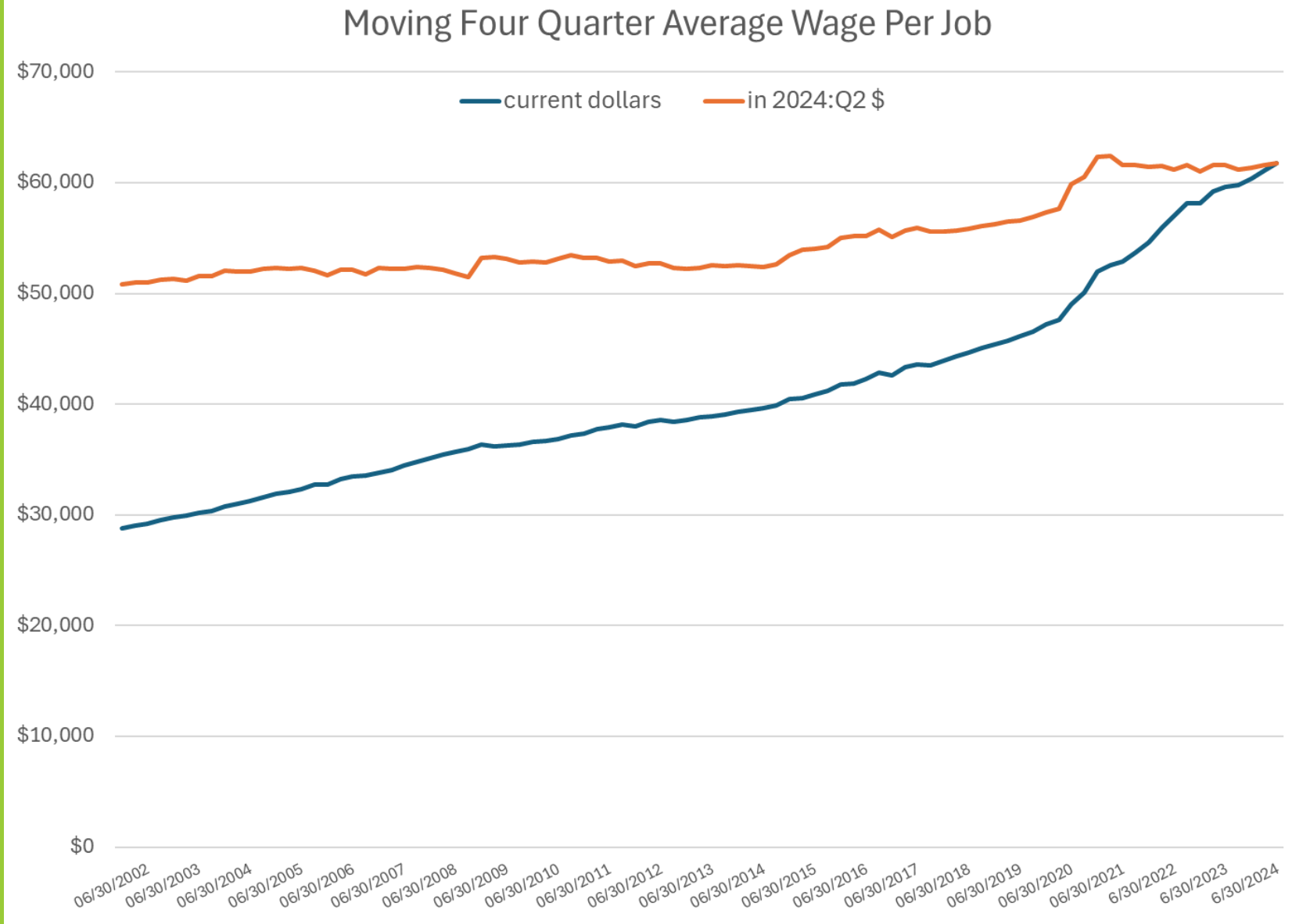
Quarterly Real GDP (in millions of chained 2017 dollars)



Maine Real GDP by Industry, 2003-2023 (in millions of chained 2017 dollars)



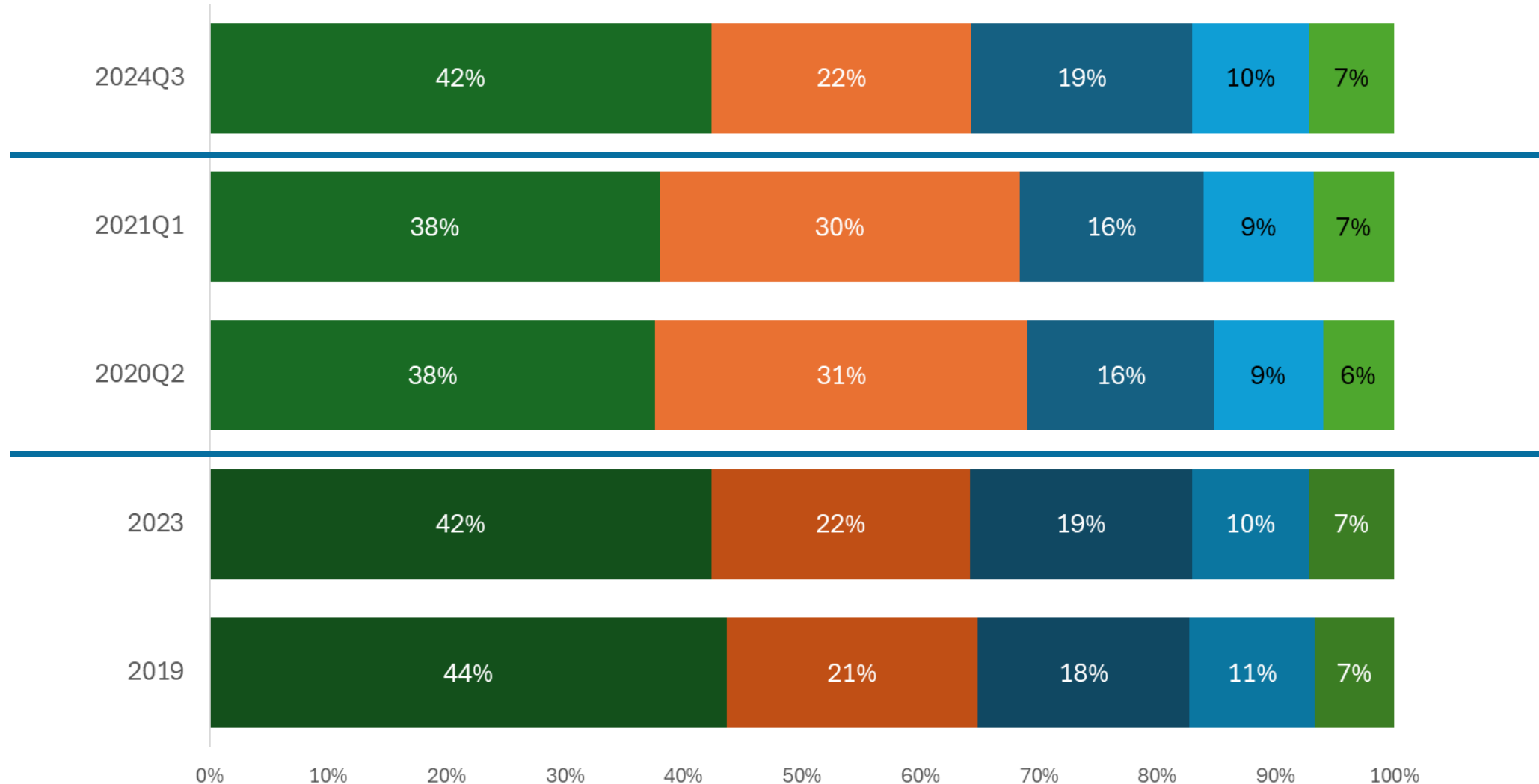
Wages increased sharply during the first part of the pandemic, but increases since then have just kept pace with inflation



SOURCES: MAINE DEPARTMENT OF LABOR, CENTER FOR WORKFORCE RESEARCH AND INFORMATION; U.S. BUREAU OF LABOR STATISTICS

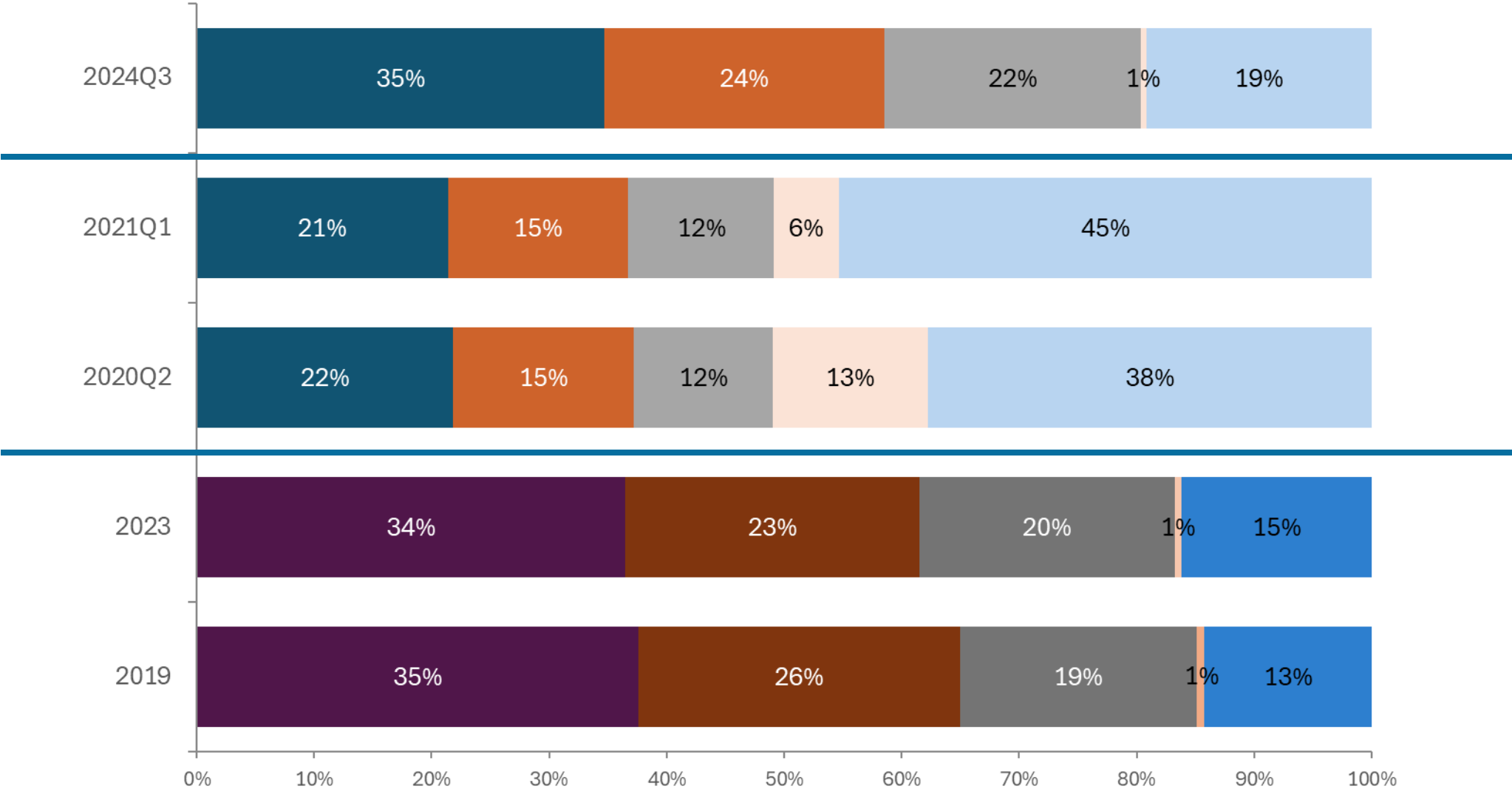
Major Components of Personal Income, Maine

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



Components of Personal Current Transfer Receipts,

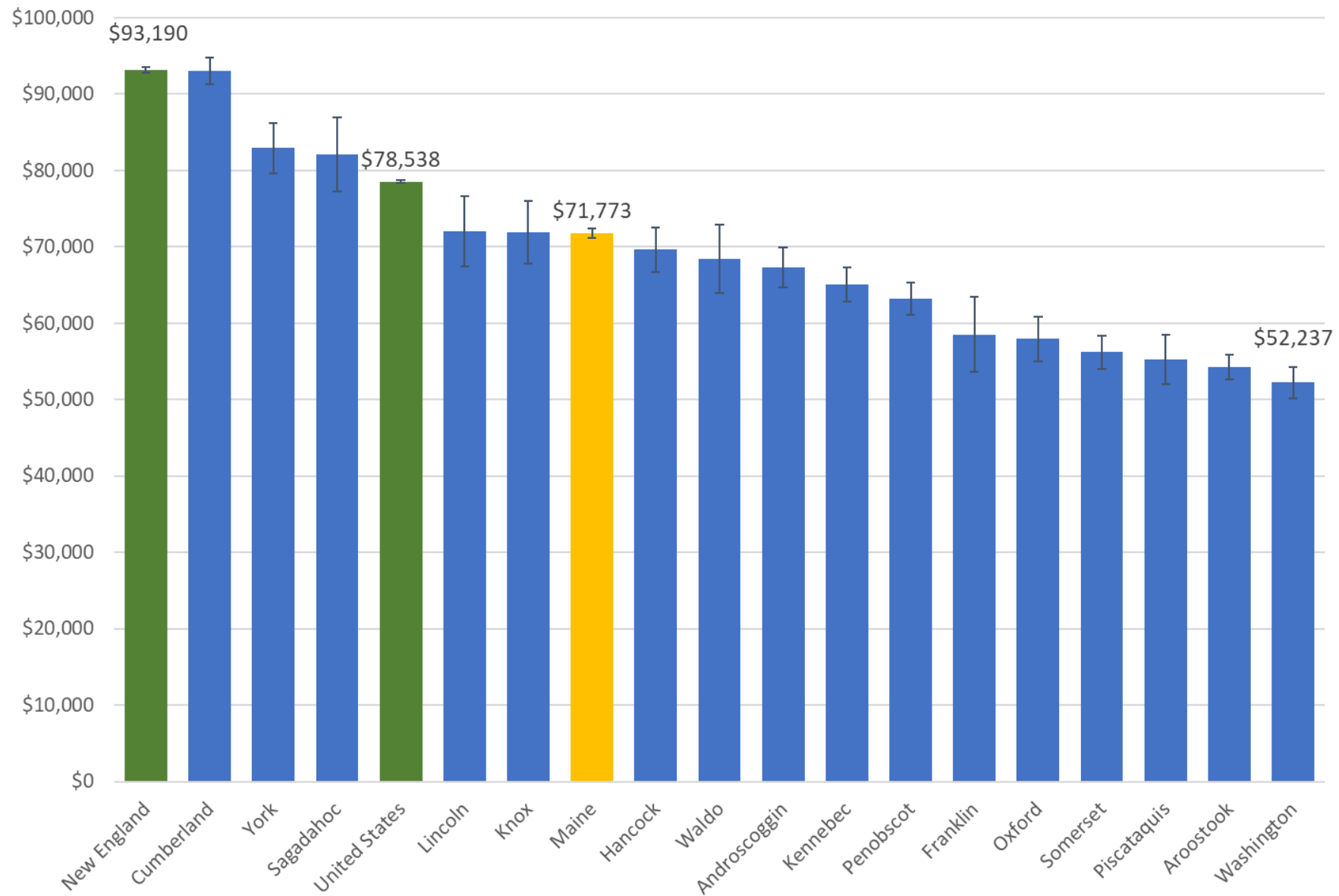
- Social Security benefits
- Medicare benefits
- Medicaid
- Unemployment insurance compensation
- All other personal current transfer receipts



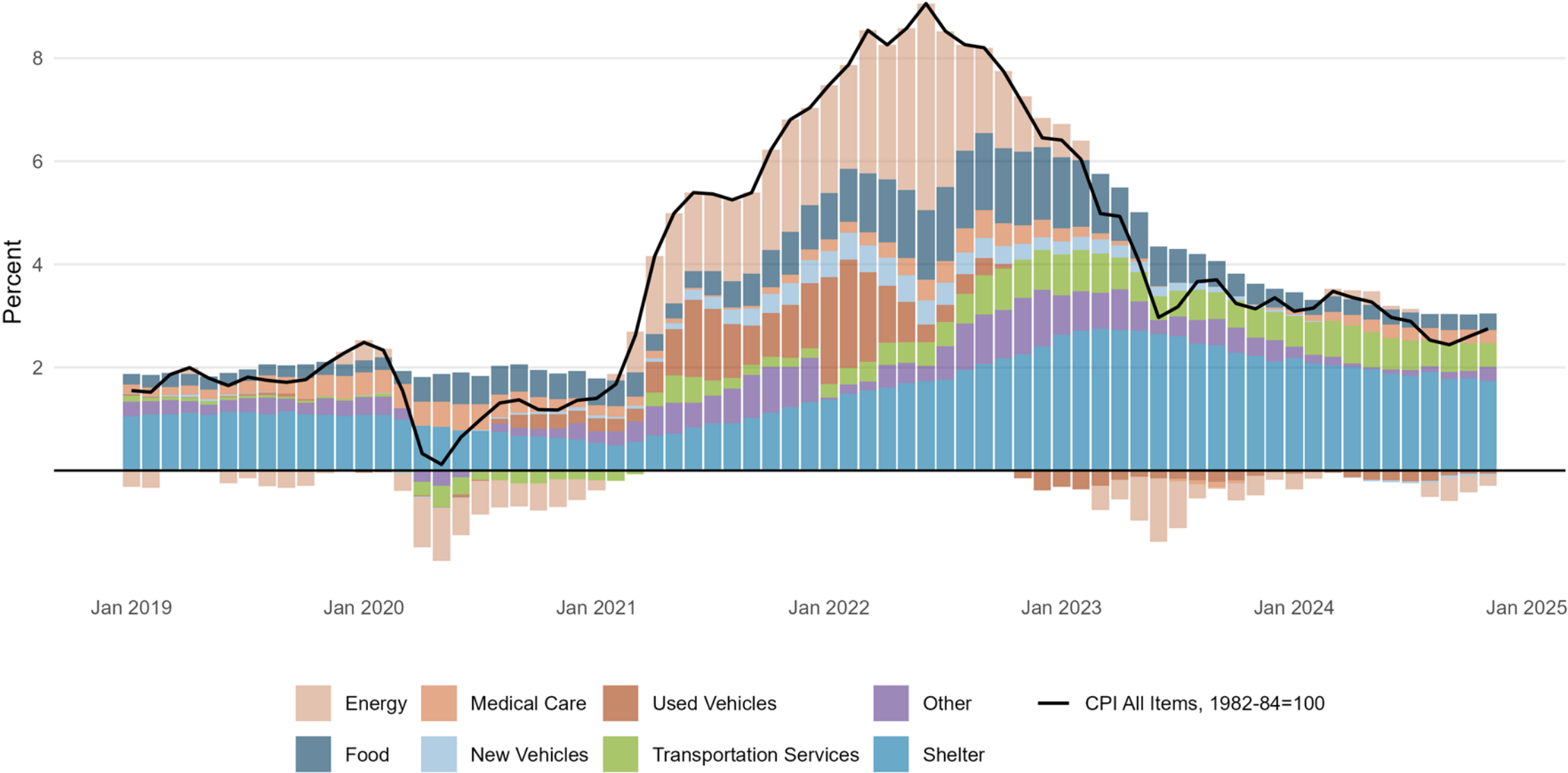
Percent Change in Real Personal Income (2023 \$), Maine 2014-2023 and forecast to 2029



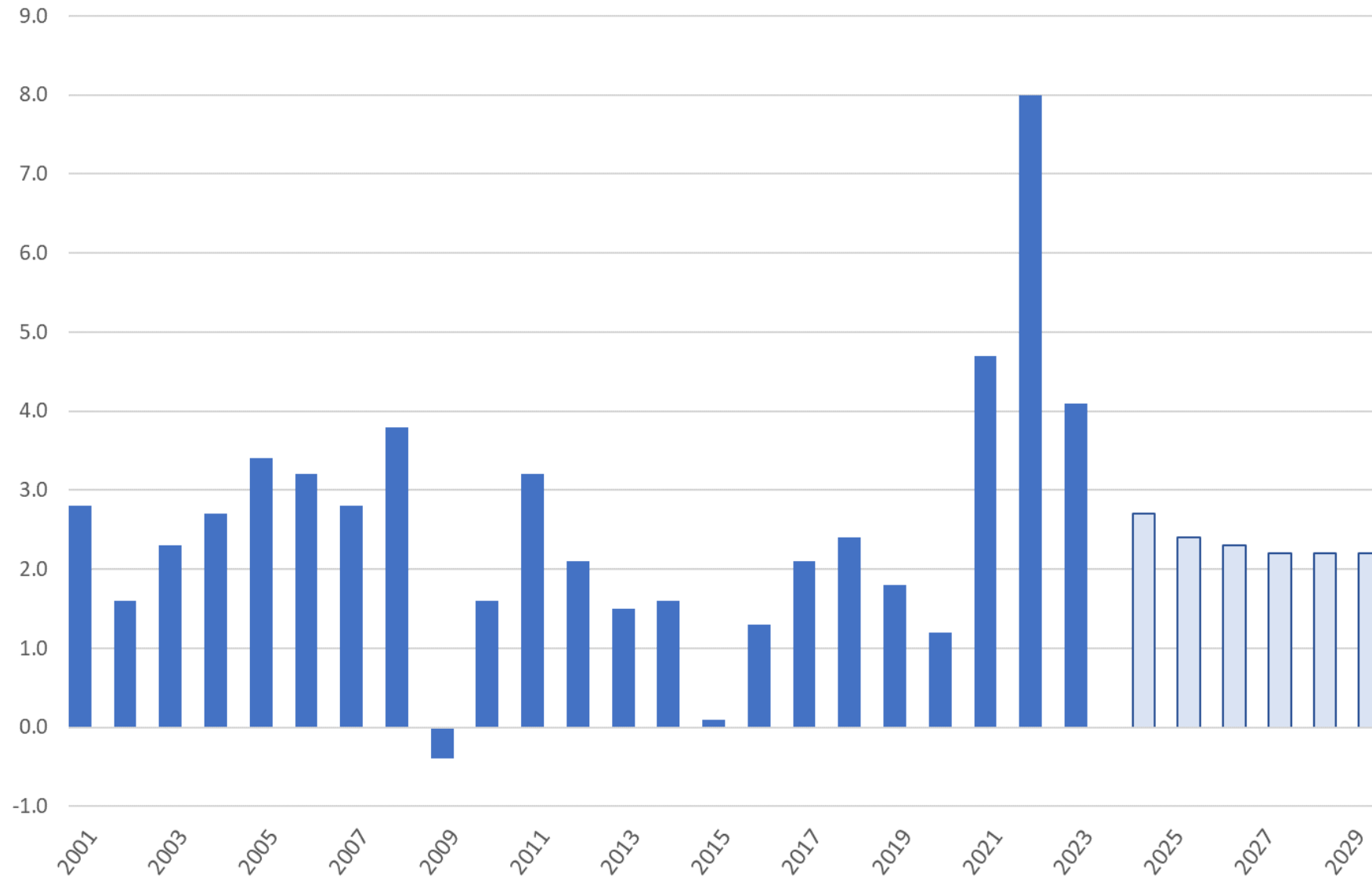
Median Household Income



Percentage Point Contribution to YoY Percent Change in CPI

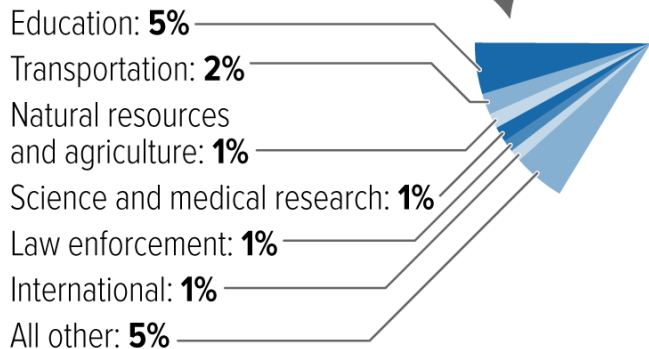
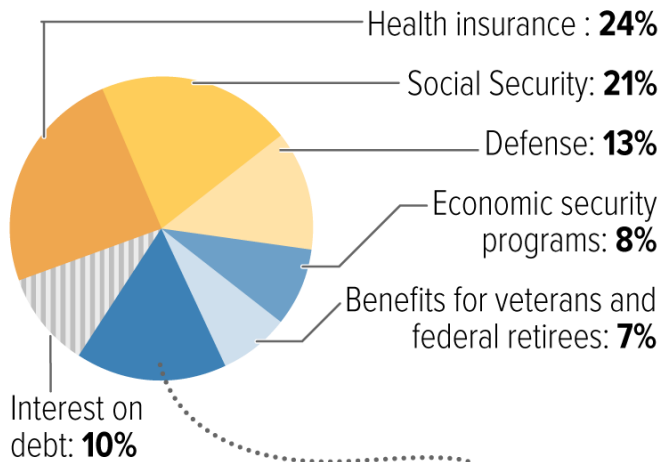


Year-over-year percent change in Consumer Price Index; 2001-2023 historical and 2024-2029 forecast



Federal

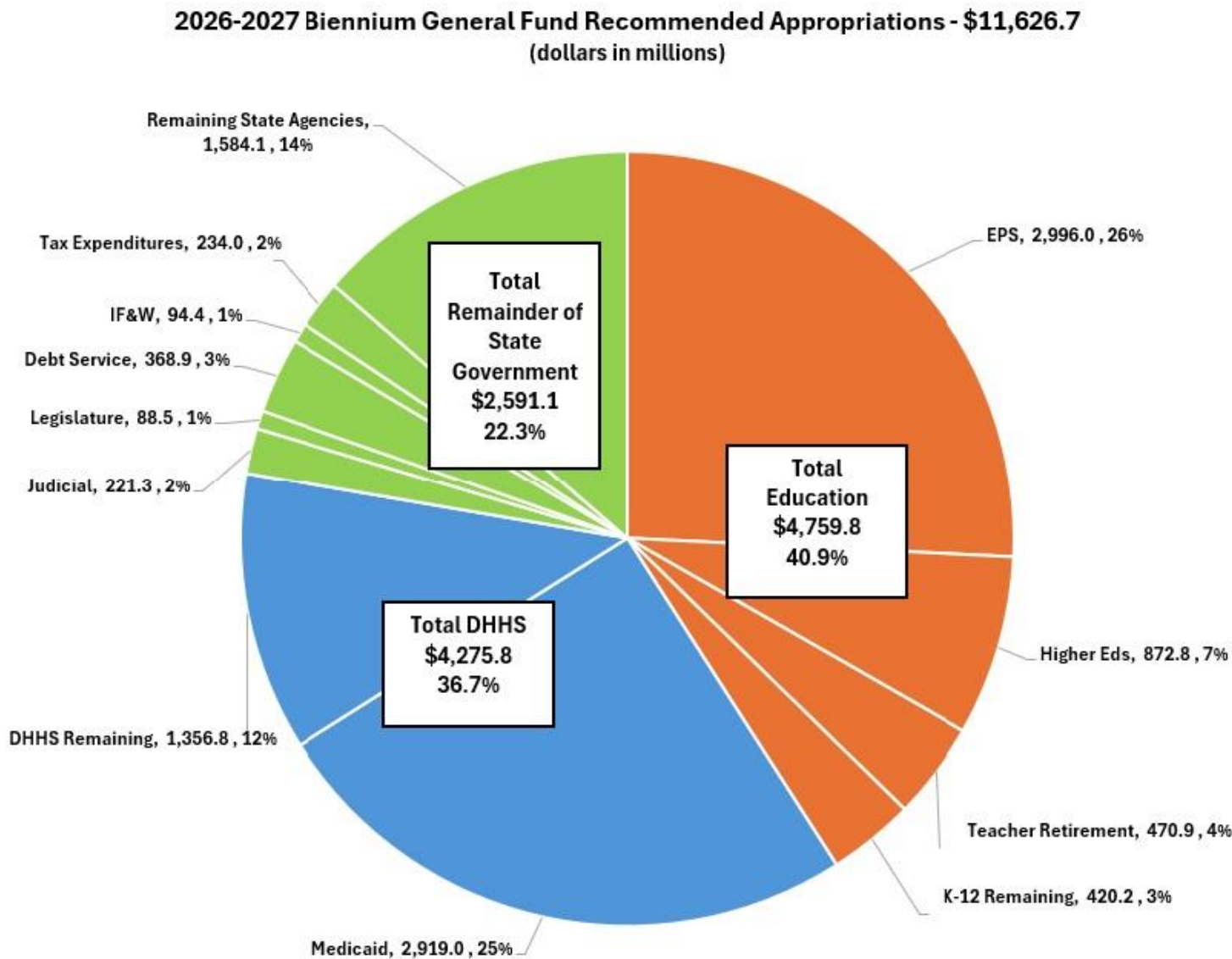
The Majority of the Budget Goes For Health, Social Security, and Defense



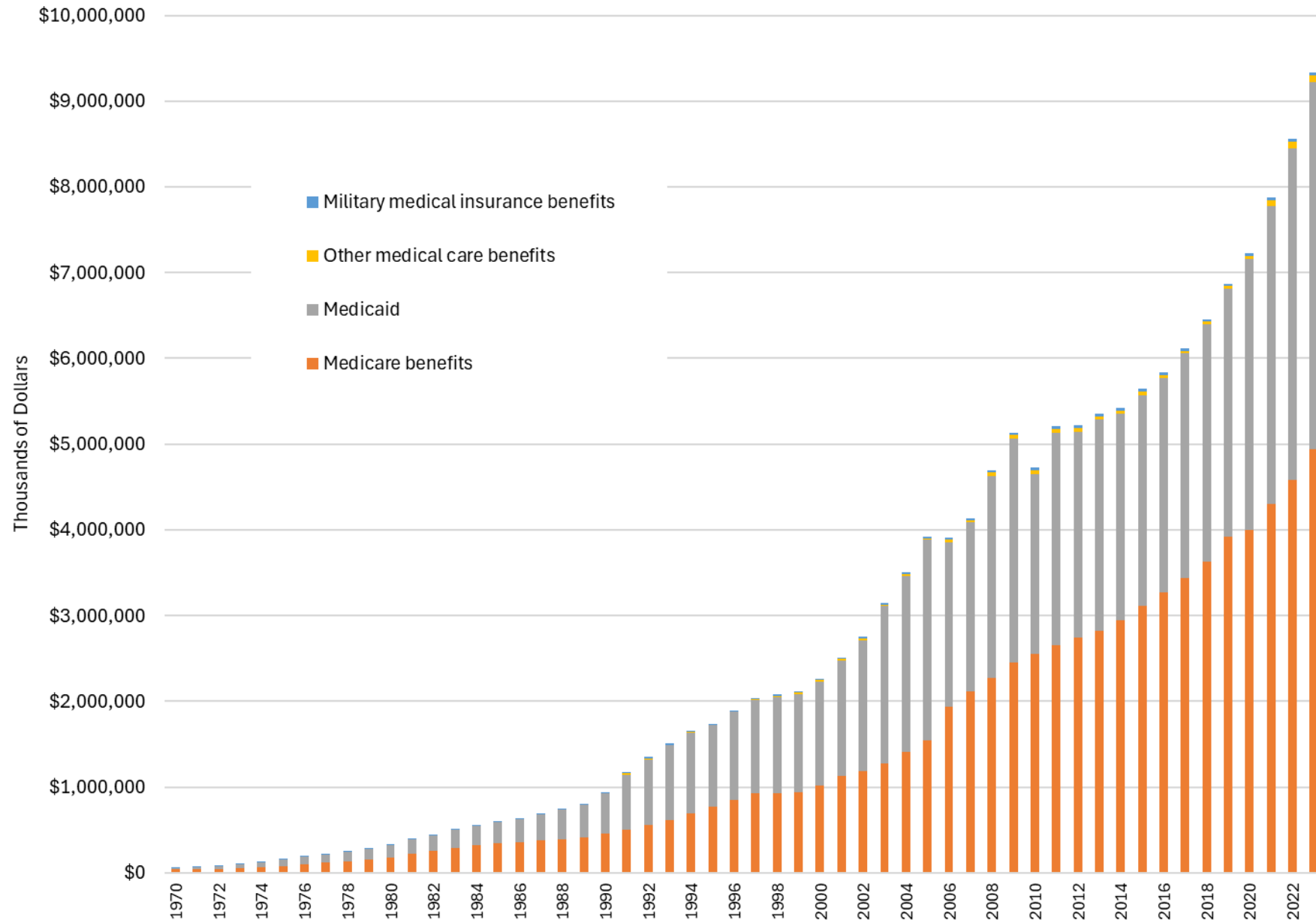
Note: Figures differ from OMB's for technical reasons related to the shifting status of the Administration's 2022 student loan forgiveness policy and its effect in 2023. Percentages do not add to 100 due to rounding.

Source: 2023 figures from the Office of Management and Budget, March 11, 2024

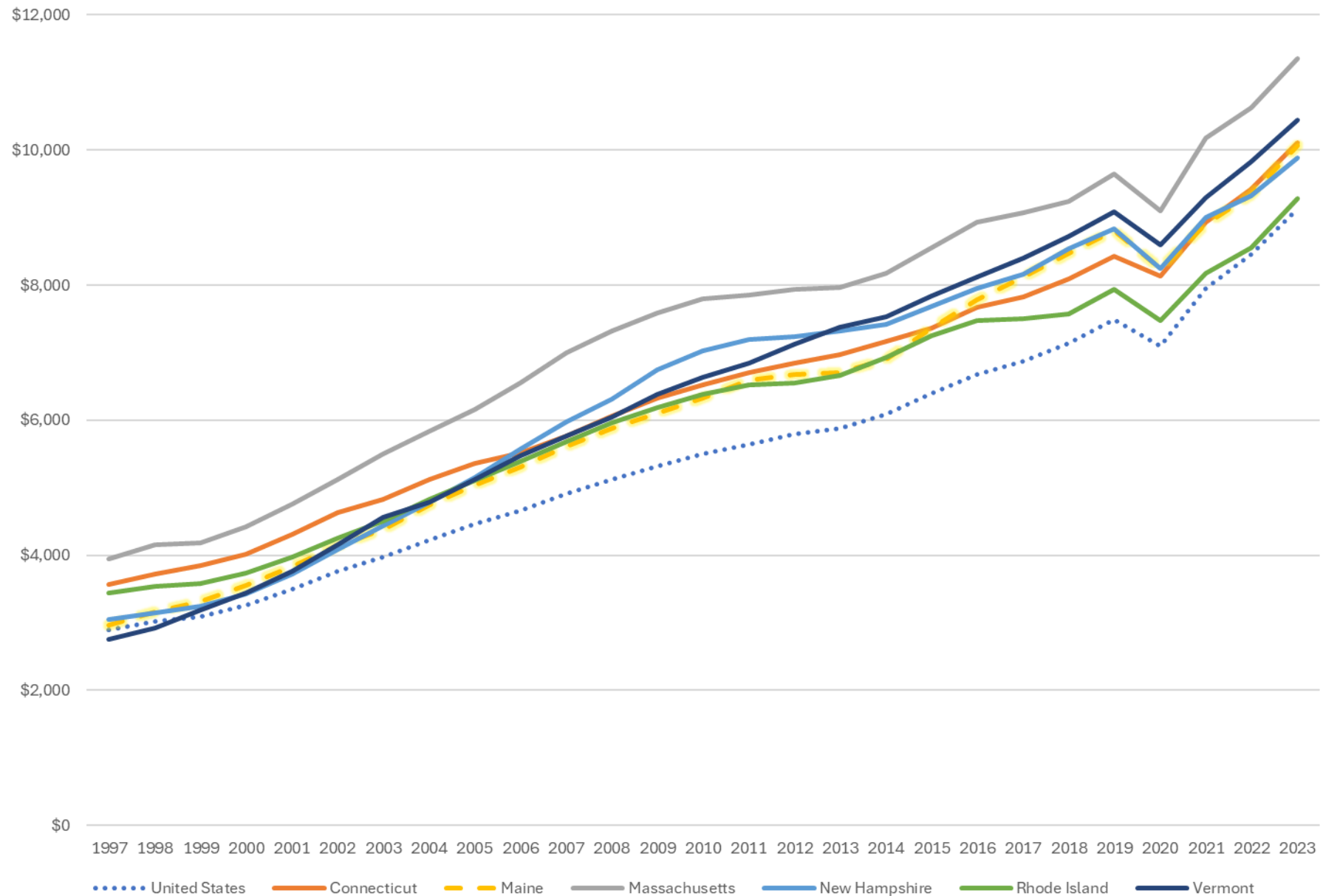
State



Maine Personal Current Transfer Receipts: Medical Benefits



Per Capita Personal Consumption Expenditures on Healthcare (current dollars)



Contact Information

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