

Healthcare and Maine's Economy

HANLEY CENTER

HEALTH LEADERSHIP DEVELOPMENT PROGRAM

JANUARY 19, 2024

AMANDA RECTOR

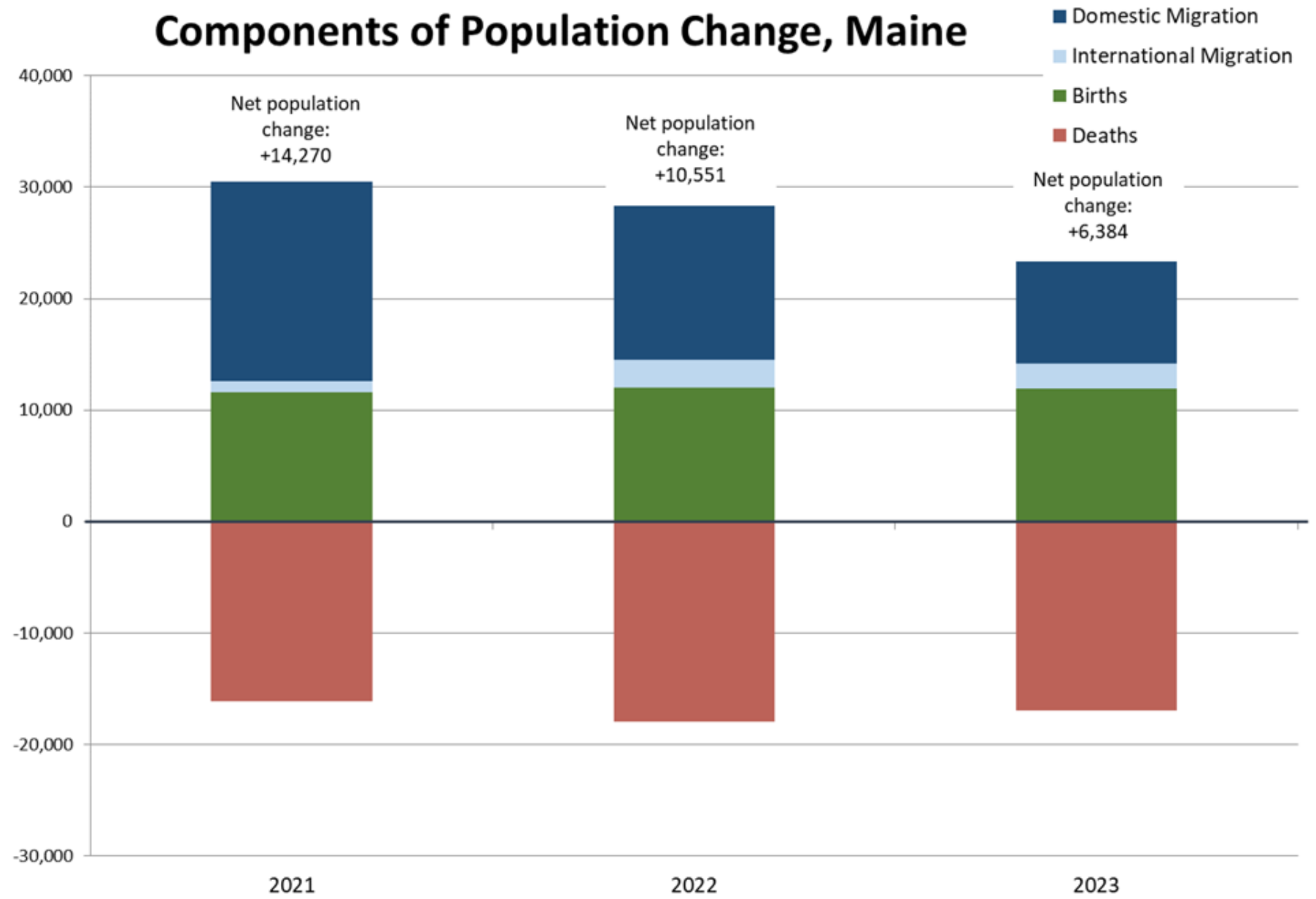
MAINE STATE ECONOMIST

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES



Demographics

Components of Population Change, Maine



2020 Decennial Population
= 1,362,359 (42nd in U.S.)

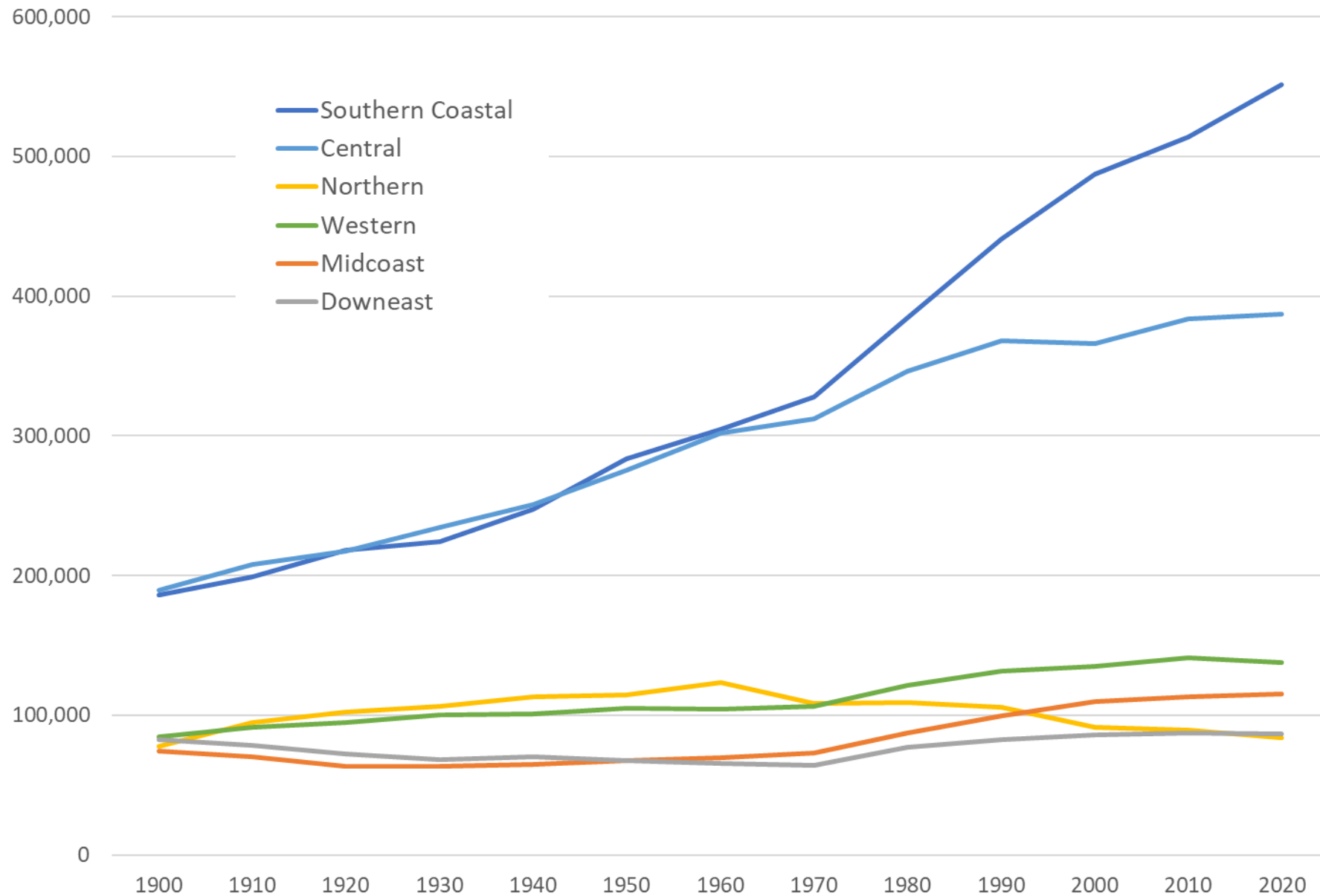
Population increase of 2.6%
from 2010-2020 (42nd in
U.S.)

Population increase of 2.4%
from 2020-2023
(14th in U.S.)

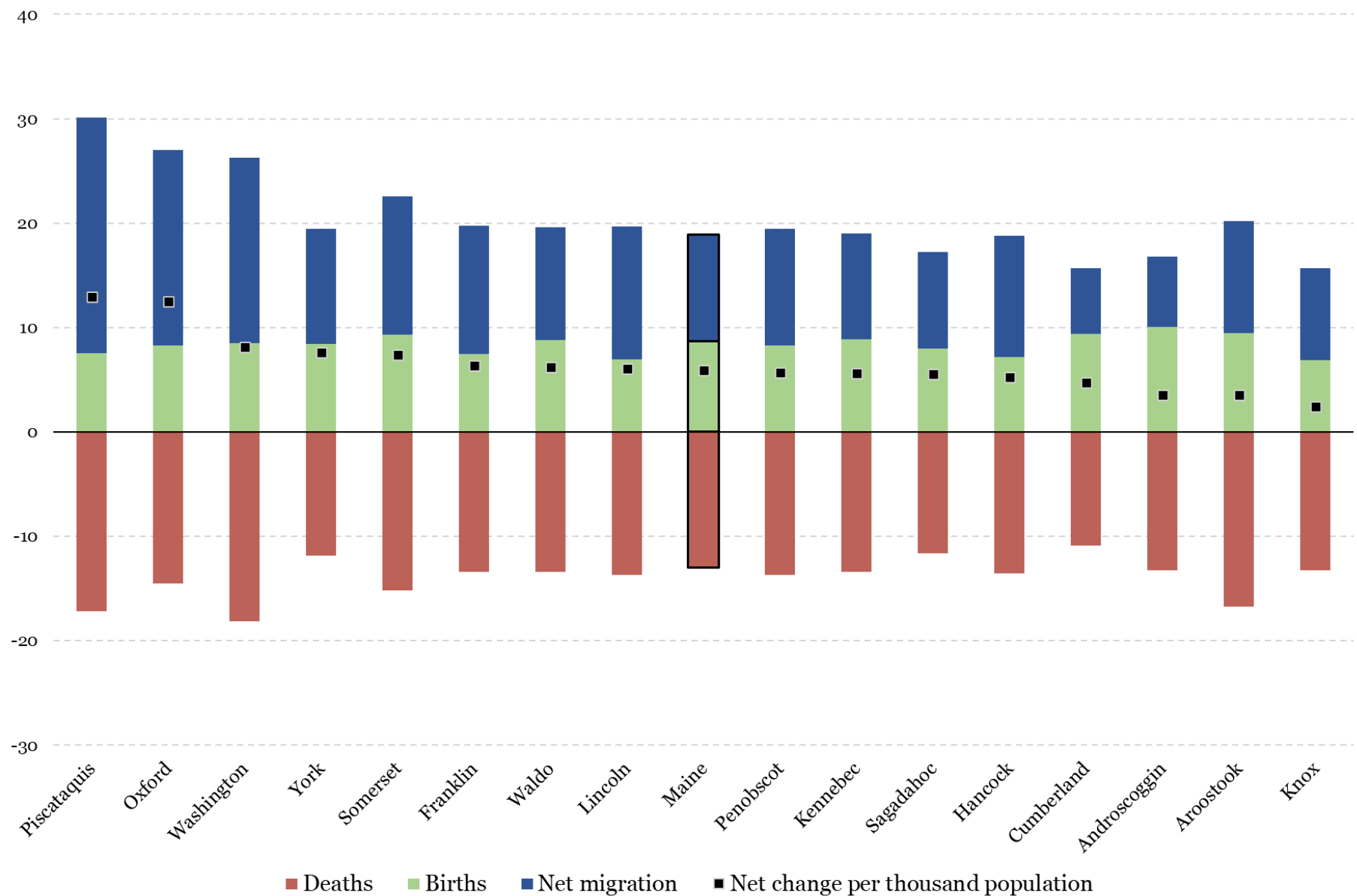
2023 net migration =
8.2 per thousand
(9th in U.S.)

Source: U.S. Census Bureau, Population Estimates Program, 2023 vintage

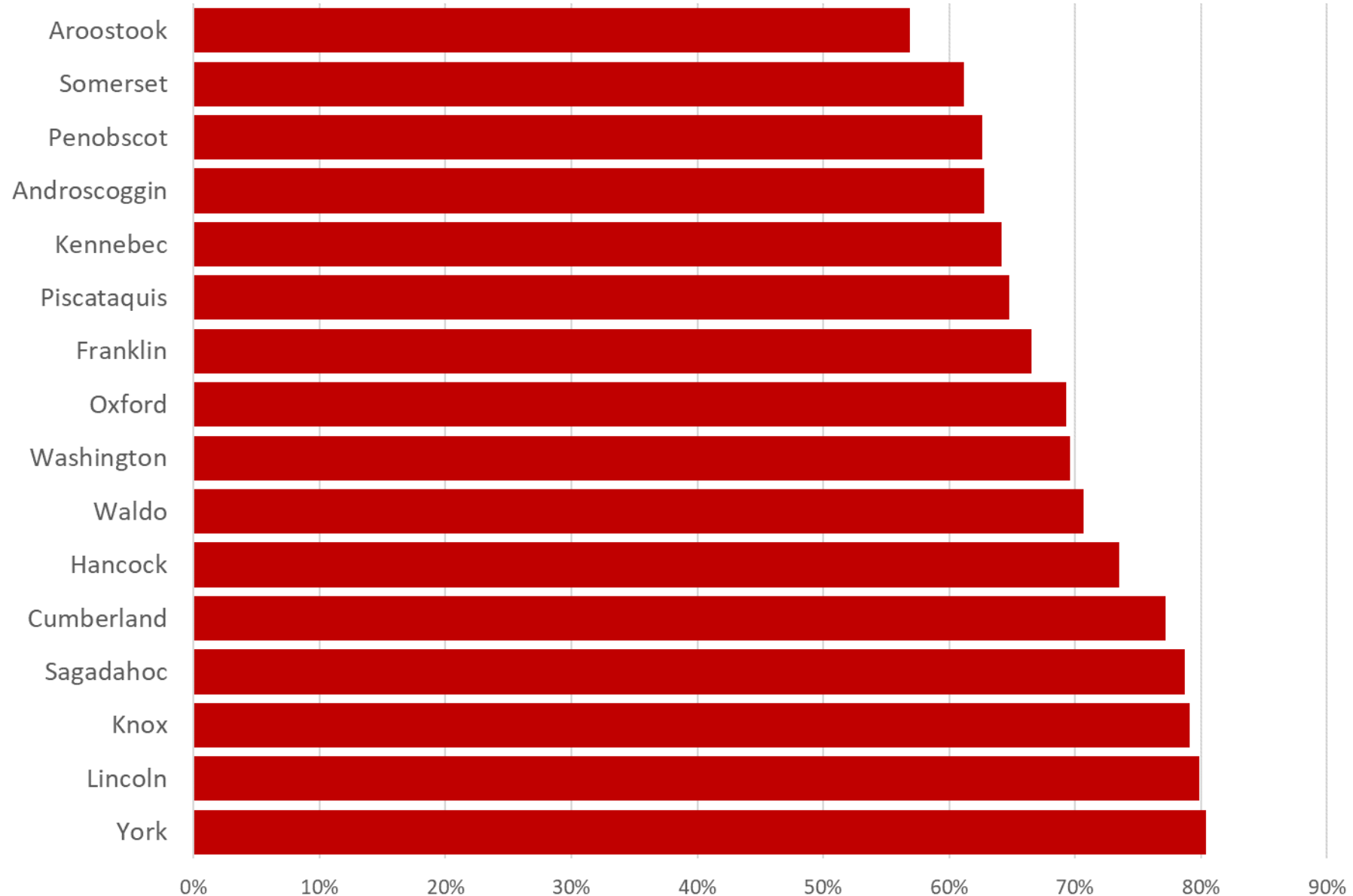
Population by Region

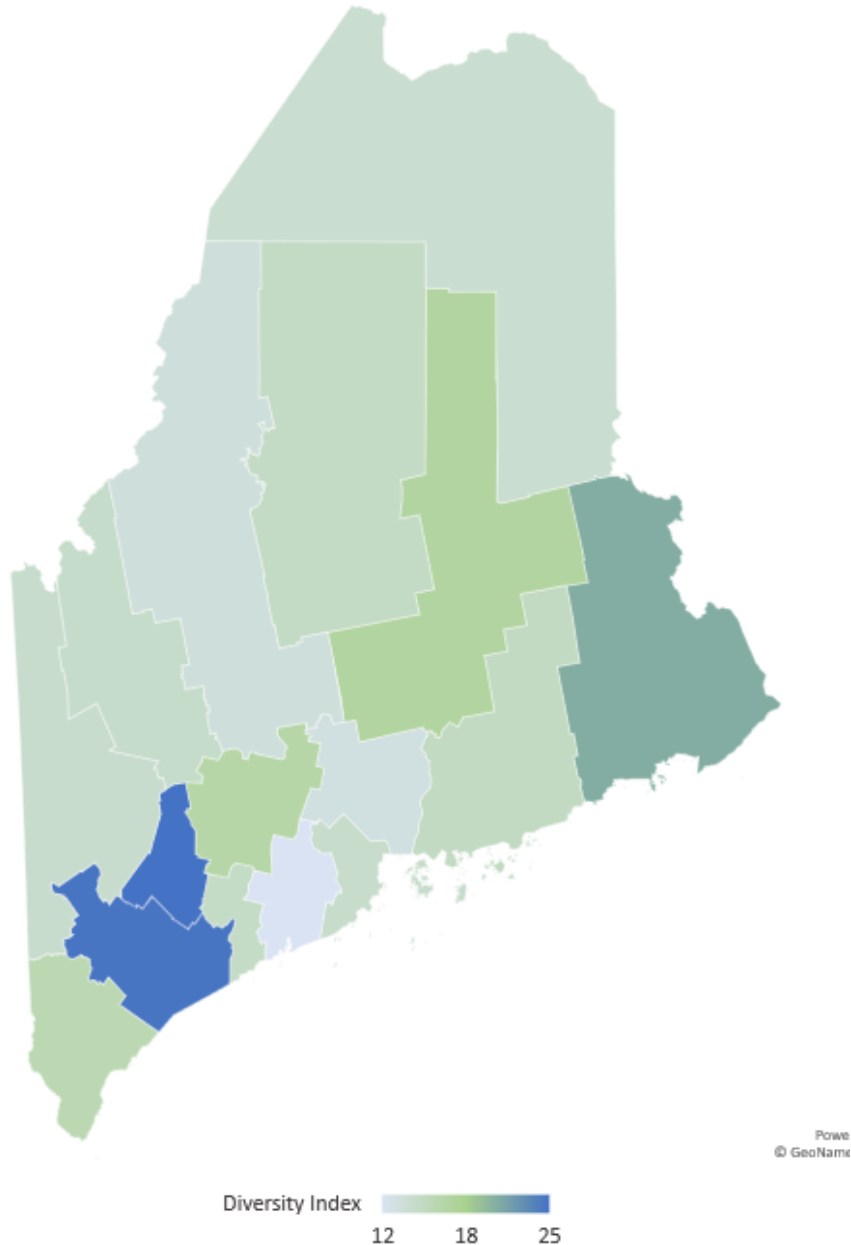


Components of Population Change in Maine, 2022 Rate per thousand population



Percent of Households Unable to Afford Median Home, 2022

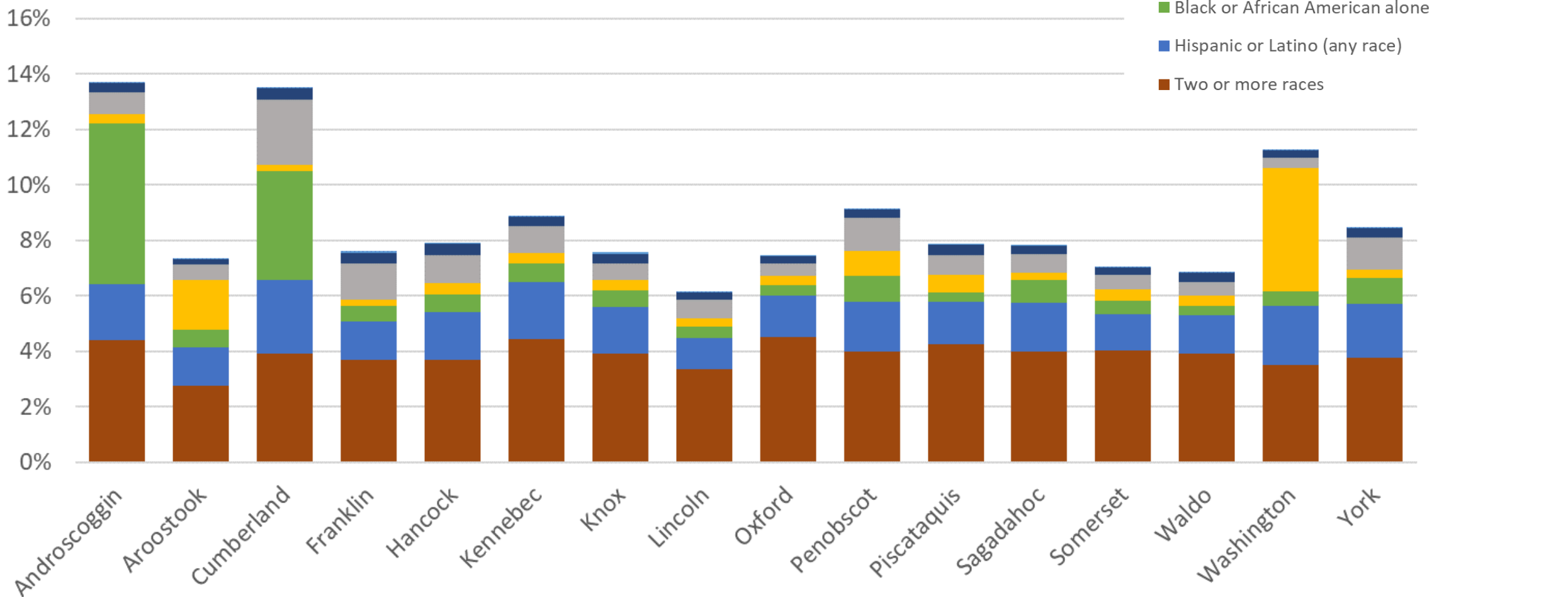




The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

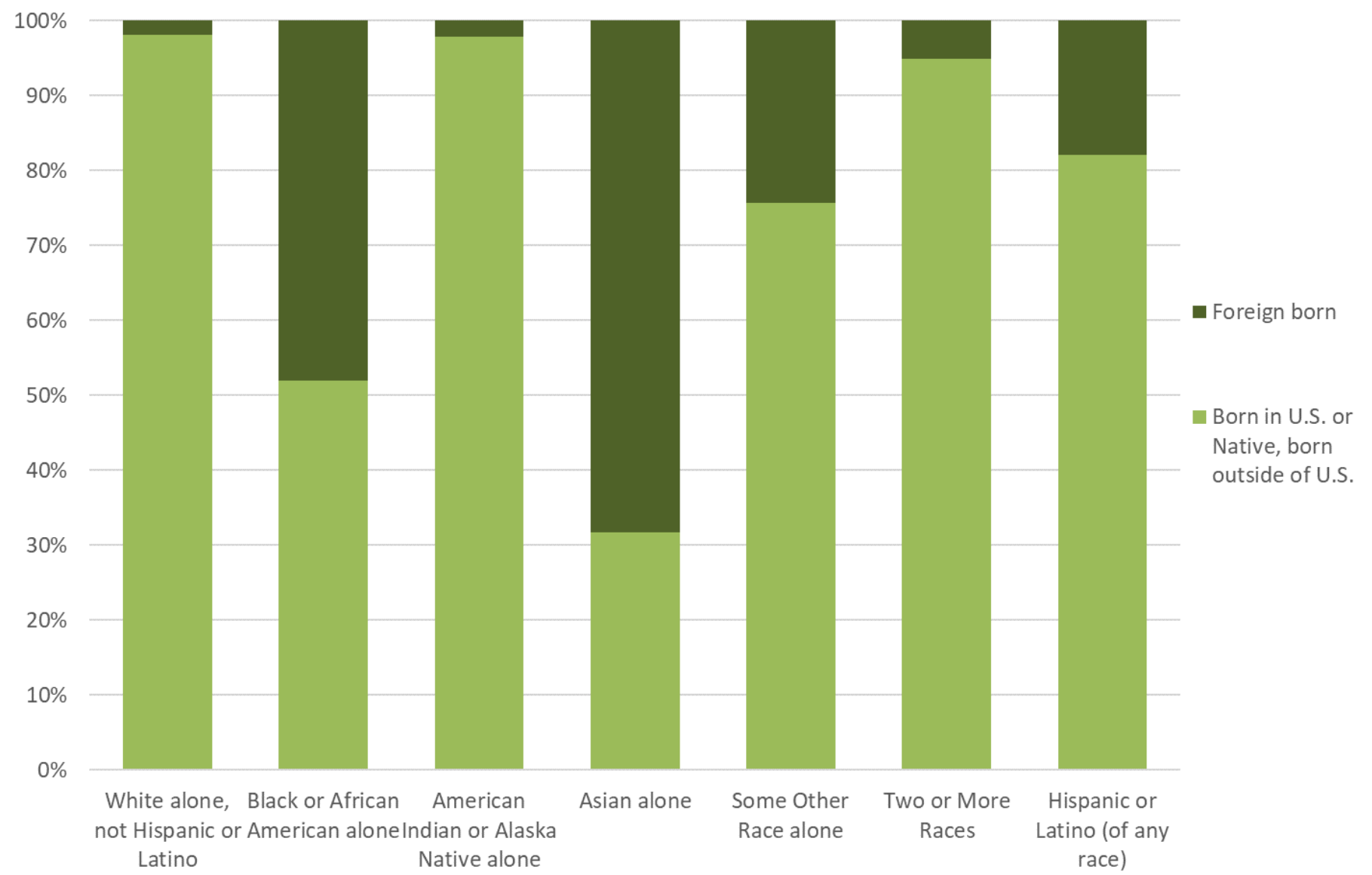
- In 2020, Maine ranked as the least diverse state in the U.S.
 - ME index = 18.5
 - U.S. index = 61.1
- But there is regional variation: Cumberland, Androscoggin, and Washington counties are more diverse

Share of 2020 Population by Race/Ethnicity Excluding White Alone

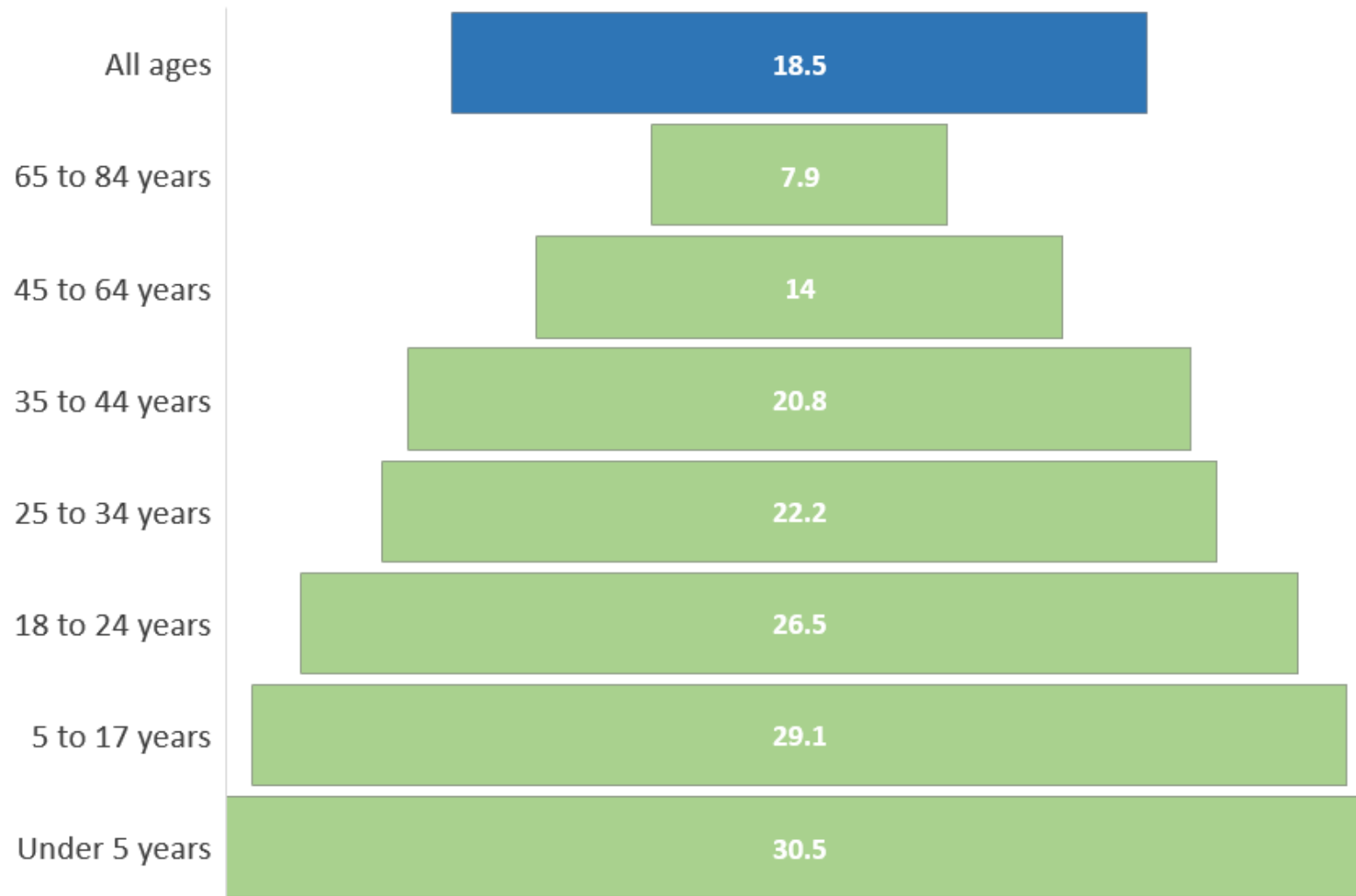


Race and/or ethnicity is not
the same as place of birth

Share of Maine Population by Region of Birth for Race/Ethnicity



Diversity Index in Maine, 2020: Selected Age Groups



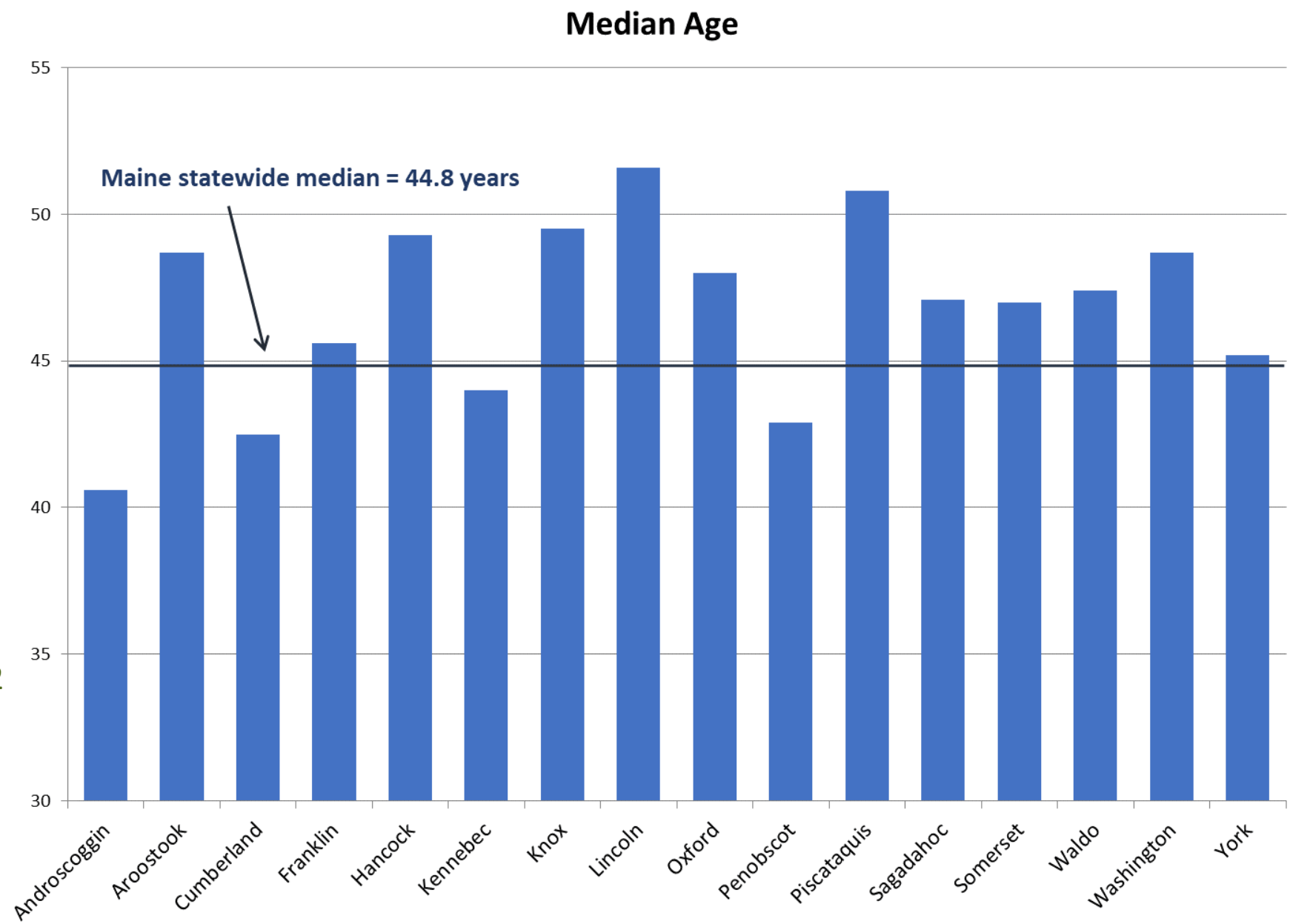
Younger generations in Maine are more diverse than older generations

Maine has the highest...
...median age (44.8 years)
...and % of population age 65+ (22.5%)

BUT!

Maine was one of only two states to
see a decrease in median age from
2020 to 2021...

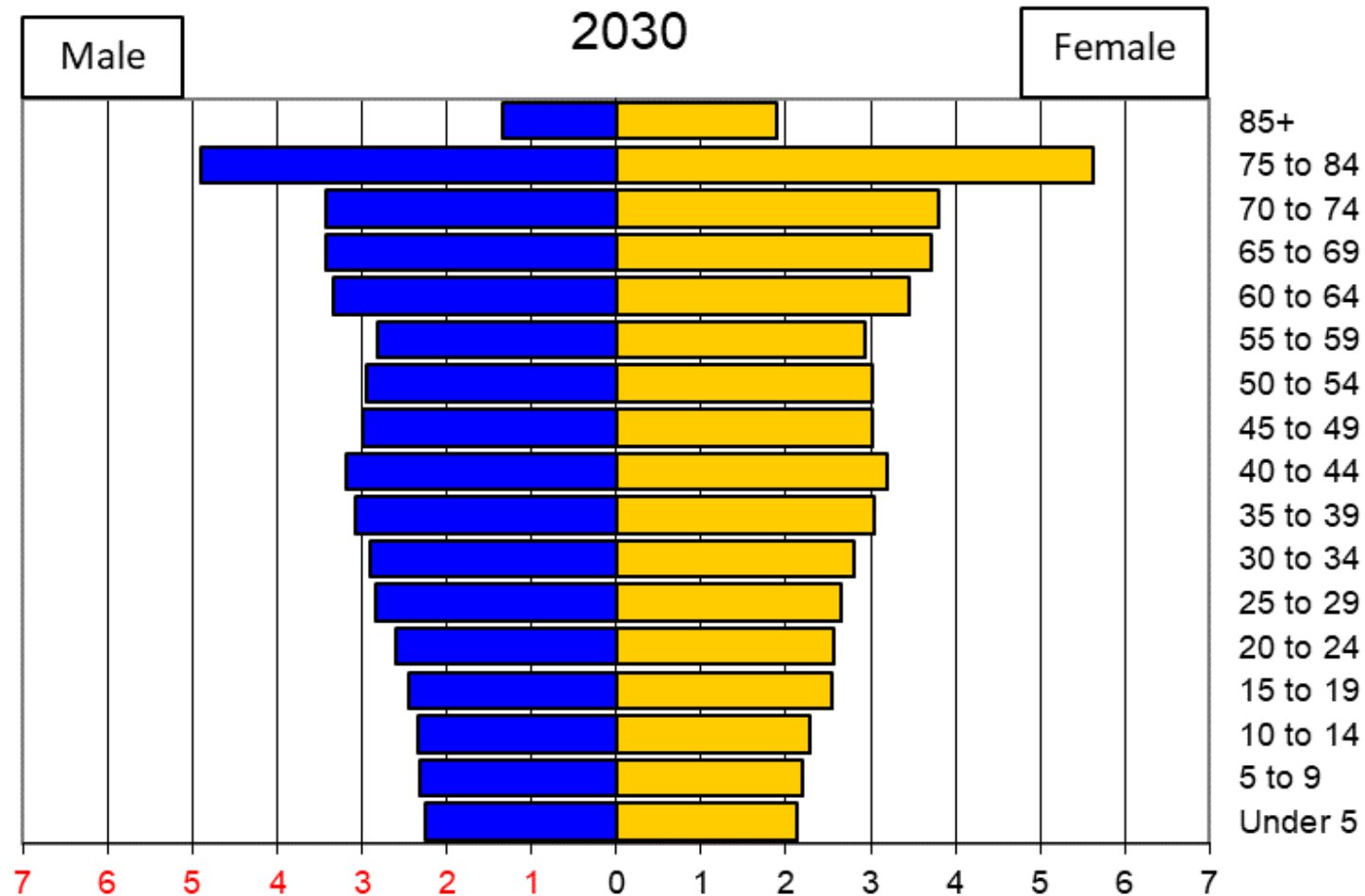
...and was one of only four states to
not see an increase from 2021 to 2022



The Baby Boom: 1946-1964

Baby Boom
generation in
2030: age 66-84

Baby Boom
generation in
2022: age 58-76

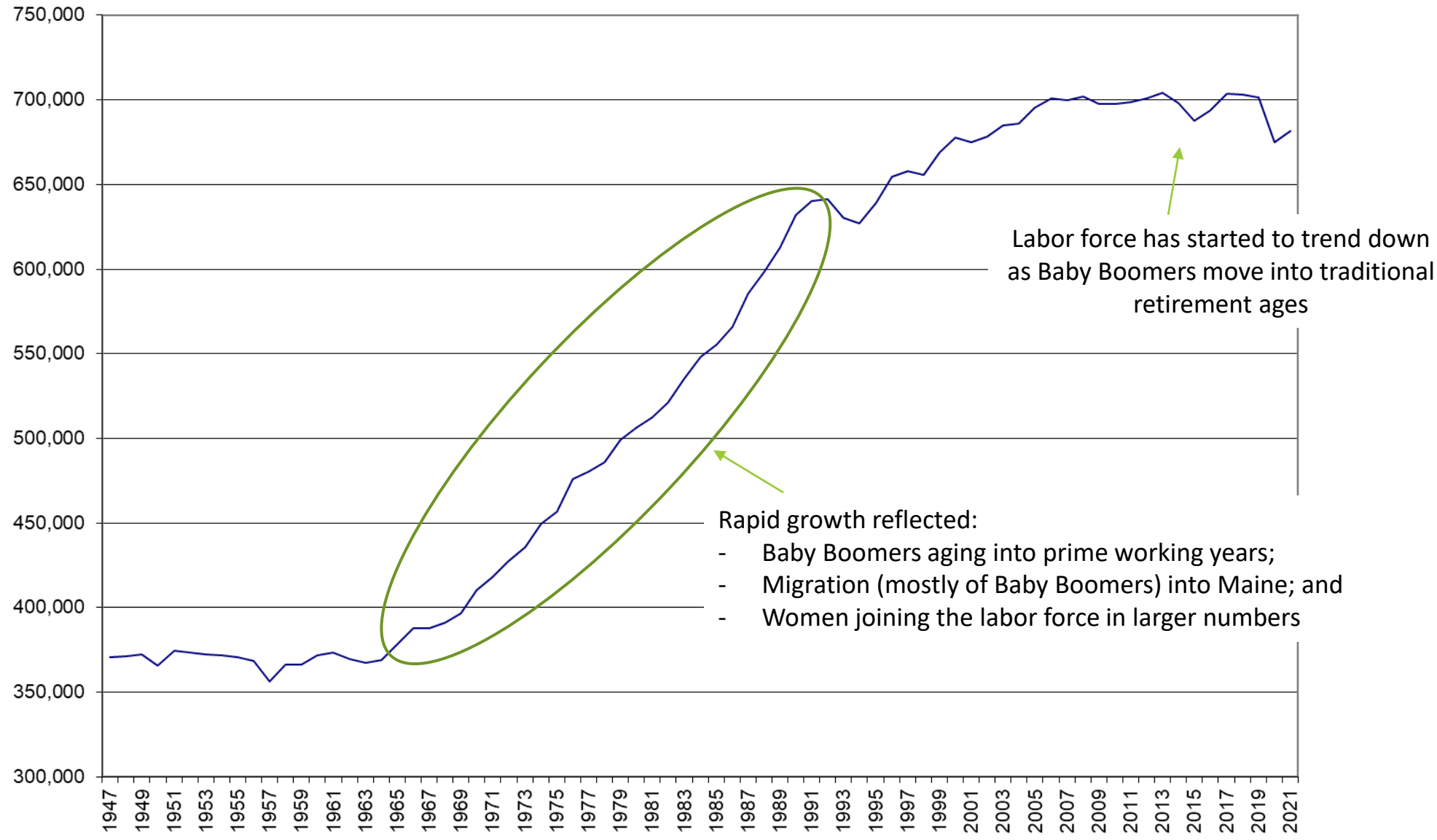


Health Insurance Coverage of the Population, 2022

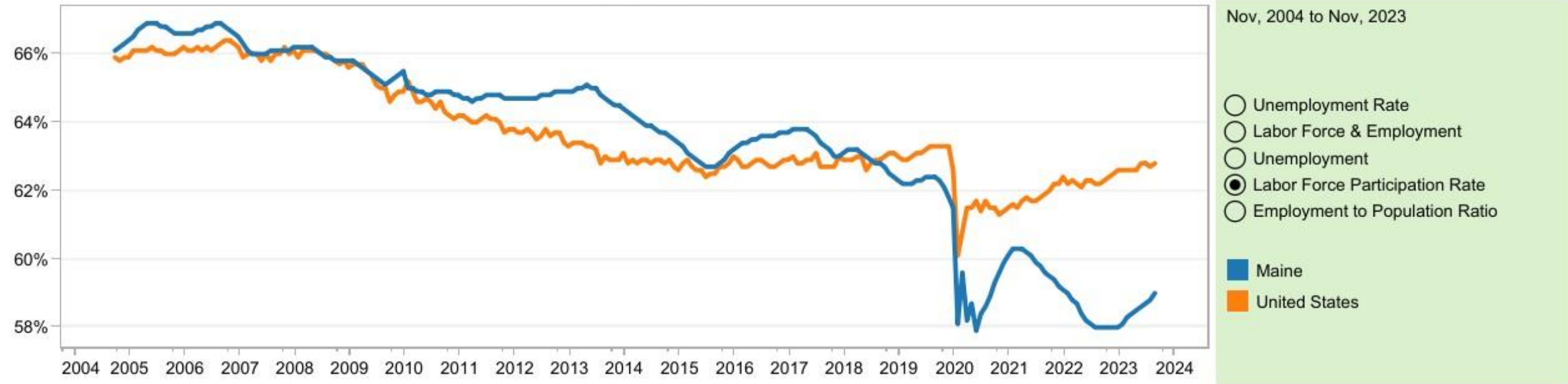


Labor Force and Employment

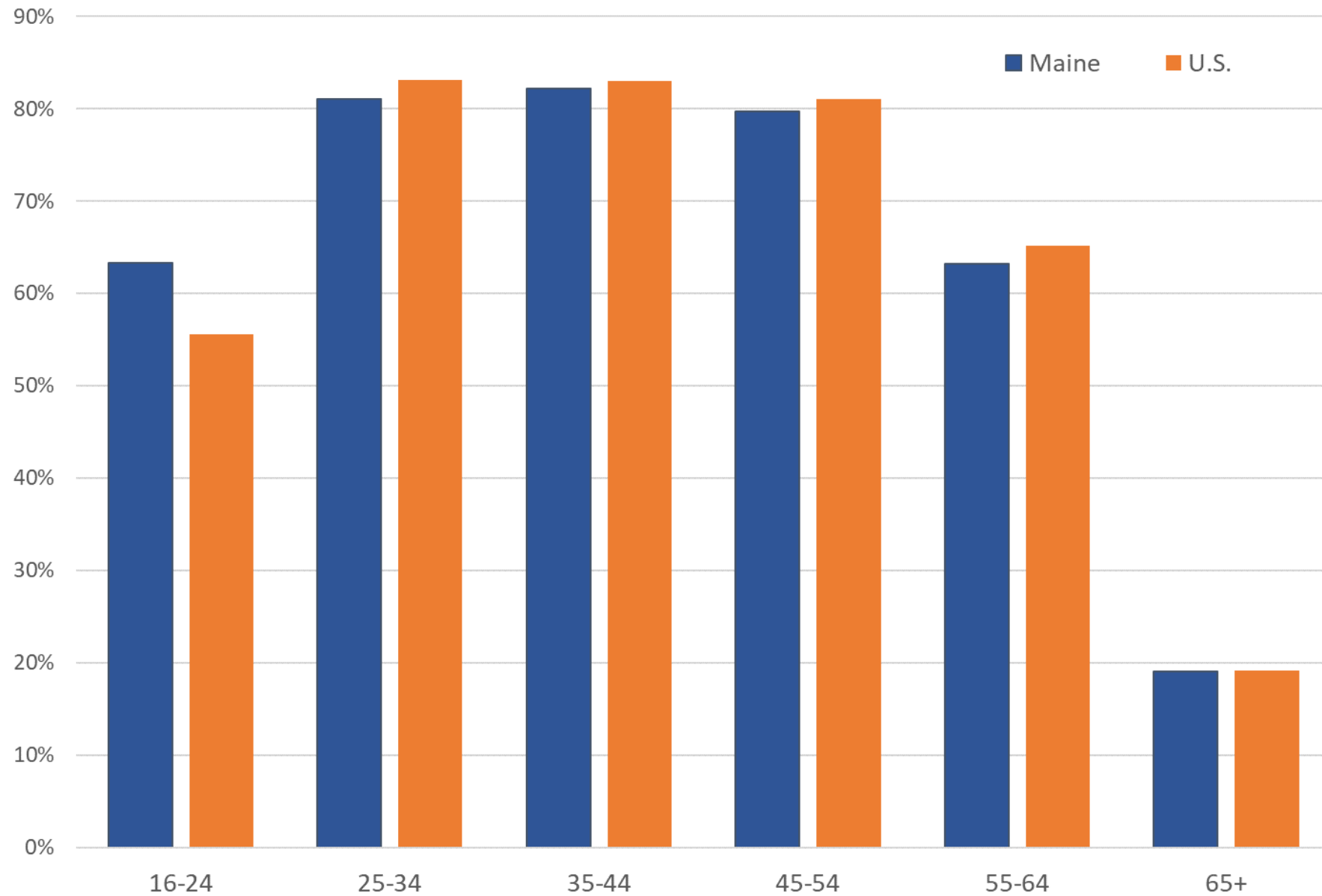
Maine Civilian Labor Force



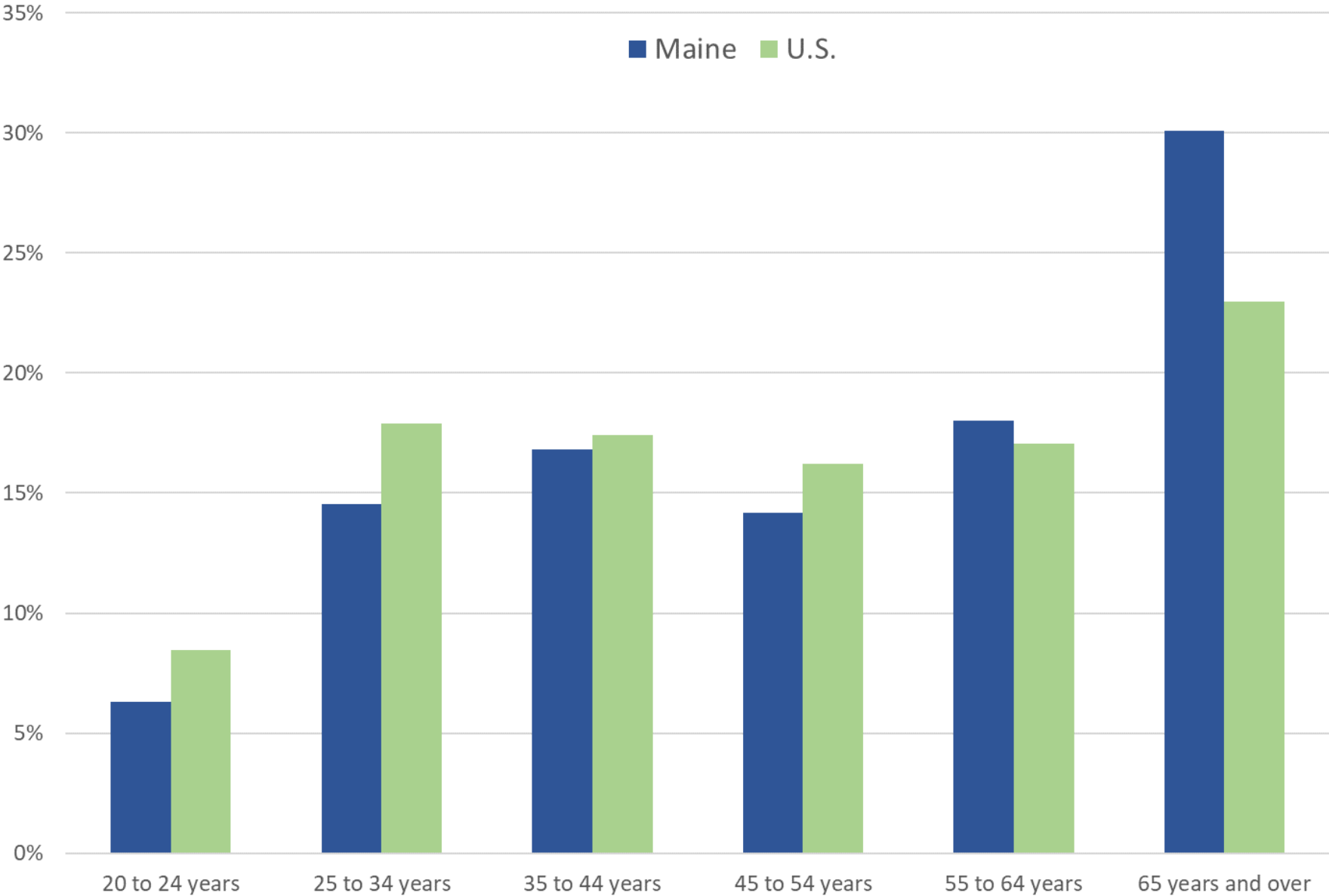
Labor Force Participation Rate (seasonally adjusted)



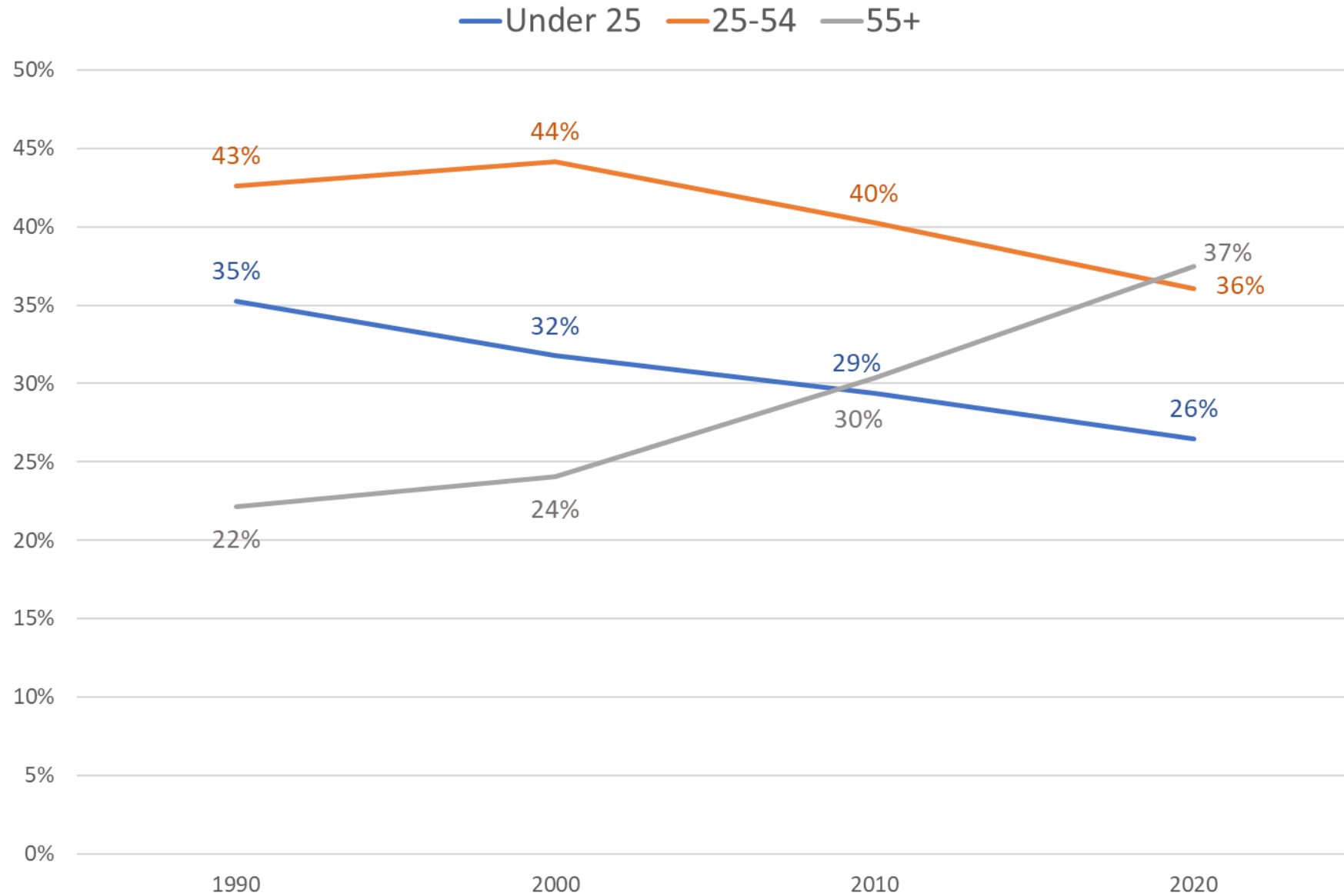
2022 Labor Force Participation Rate



Civilian Noninstitutional Population by Age, 2022



Share of Total Maine Population by Age



Unemployed Persons per Job Opening Ratio - Maine



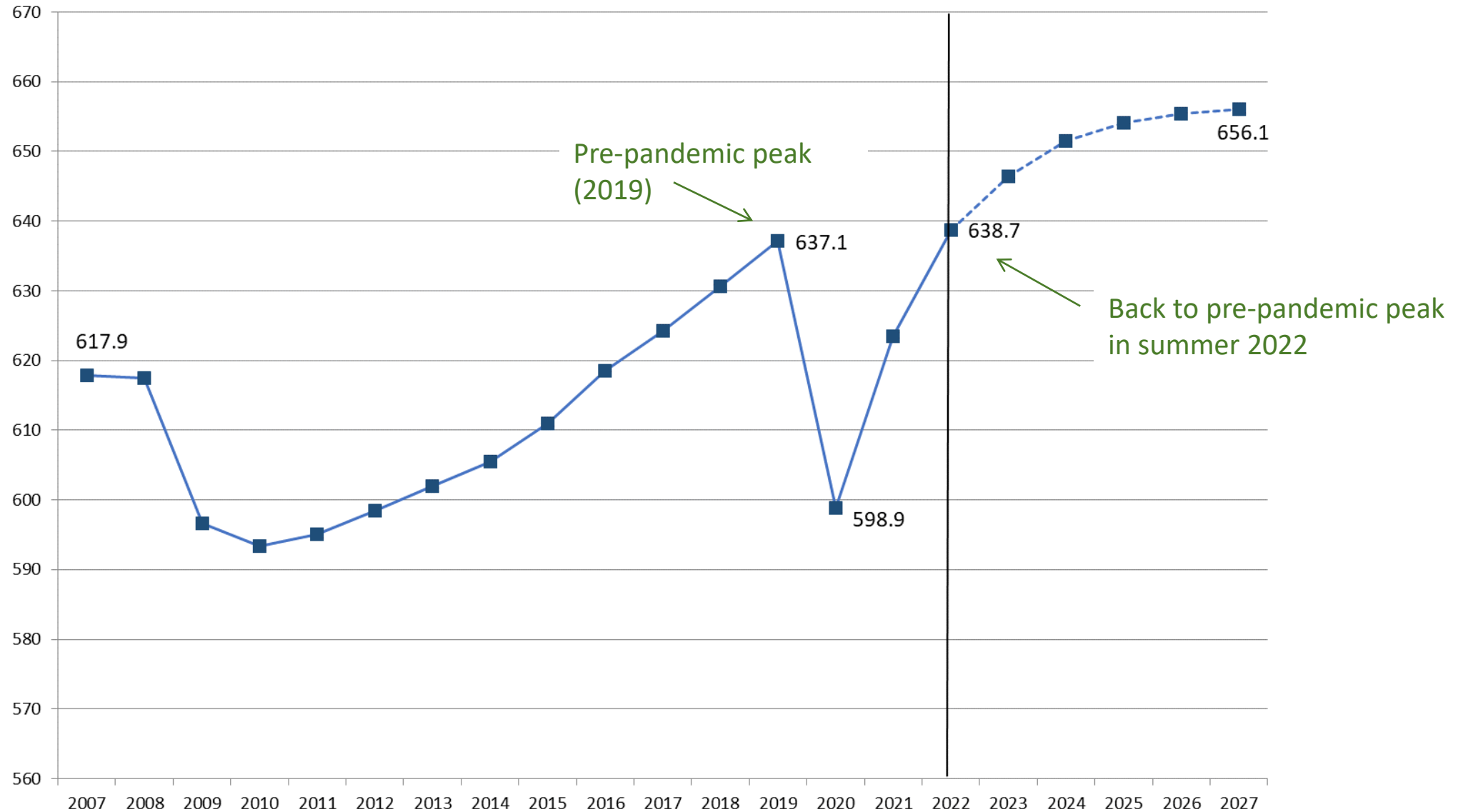
Maine's 3.0% unemployment rate in November 2023 was close to recent record lows, with the slight rise coming from an increase in labor force participation, and was below the U.S. rate of 3.7%

County Rates (not seasonally adjusted)

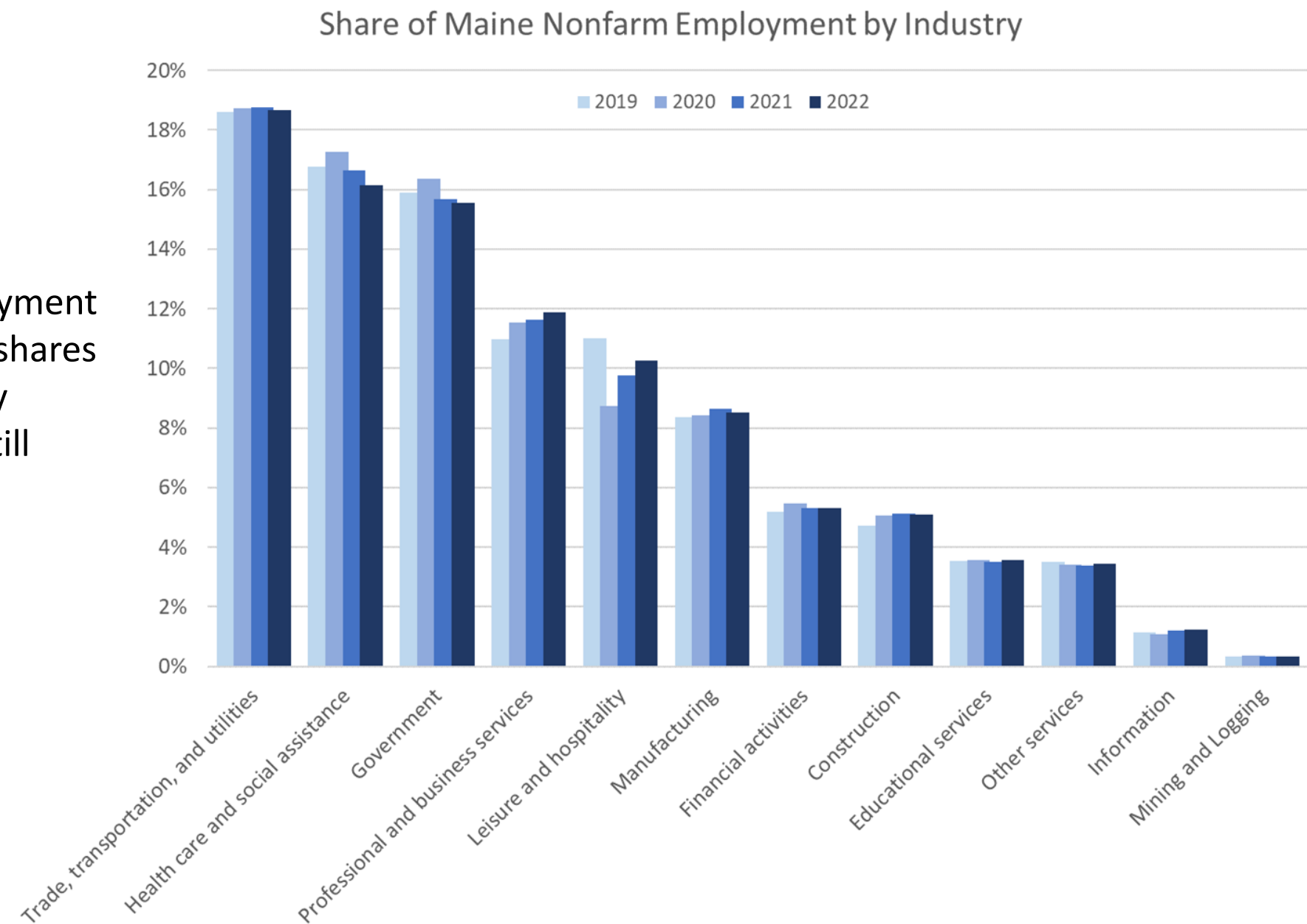


Maine Department of Labor, Center for Workforce Research and Information

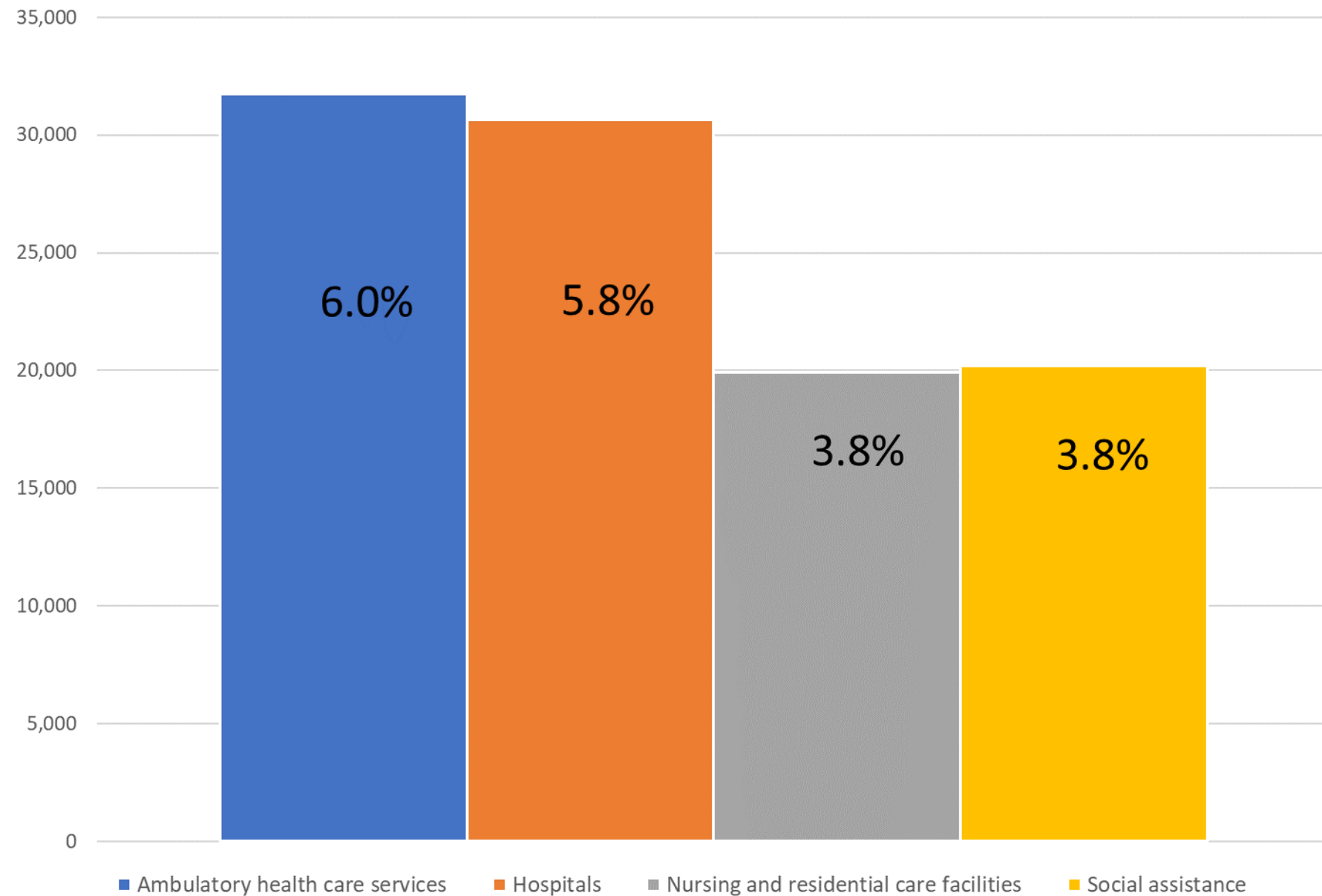
Total Nonfarm Employment (in thousands) History and CEFC forecast



According to the Maine Department of Labor's Employment Outlook to 2030, 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 (2022)



Display:
☒ Bar Graph
☐ Table
☐ Bubble Graph

Occupation
 All

SOC Code
 All

Typical Education..
 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

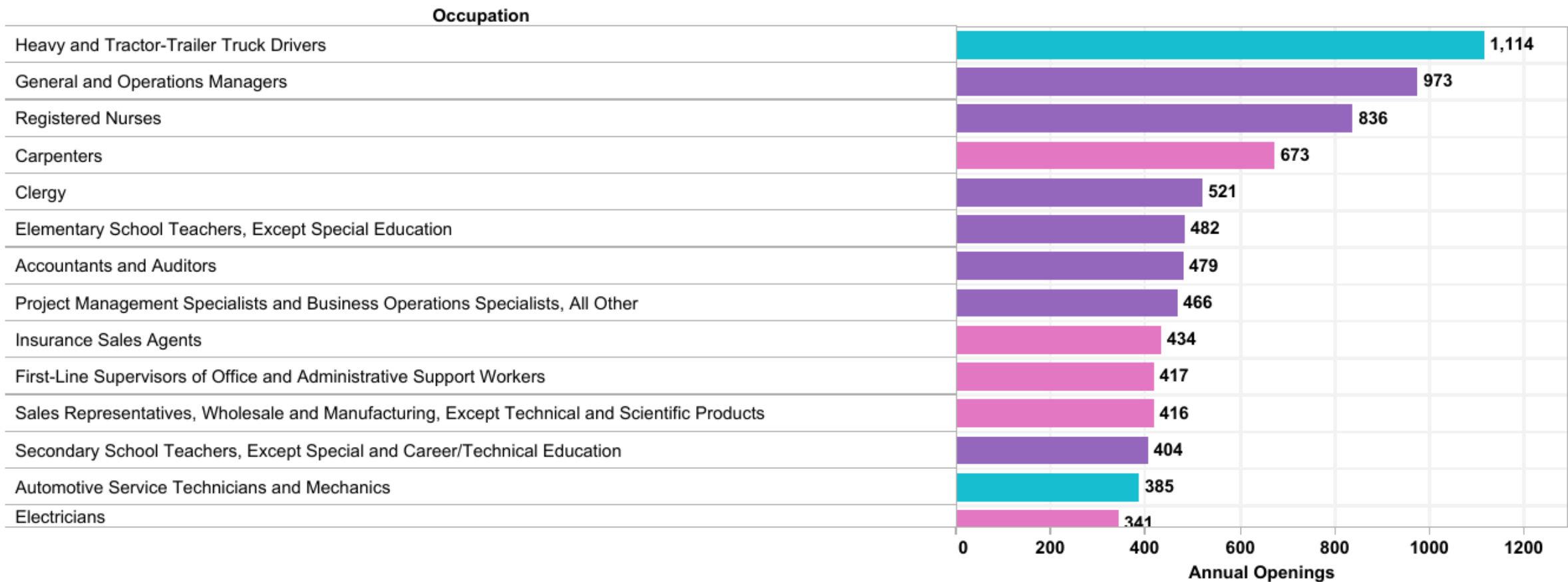
No formal educational credential

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, 2020-2030 Occupational Employment Projections and 2021 Occupational Employment and Wage Estimates for Maine.

Workforce considerations

Migration: 2023 was a return to normal, and Maine still saw solid in-migration; housing is a key limiting factor along with dependent care

Retirements: will some pandemic-era retirees rejoin the workforce?

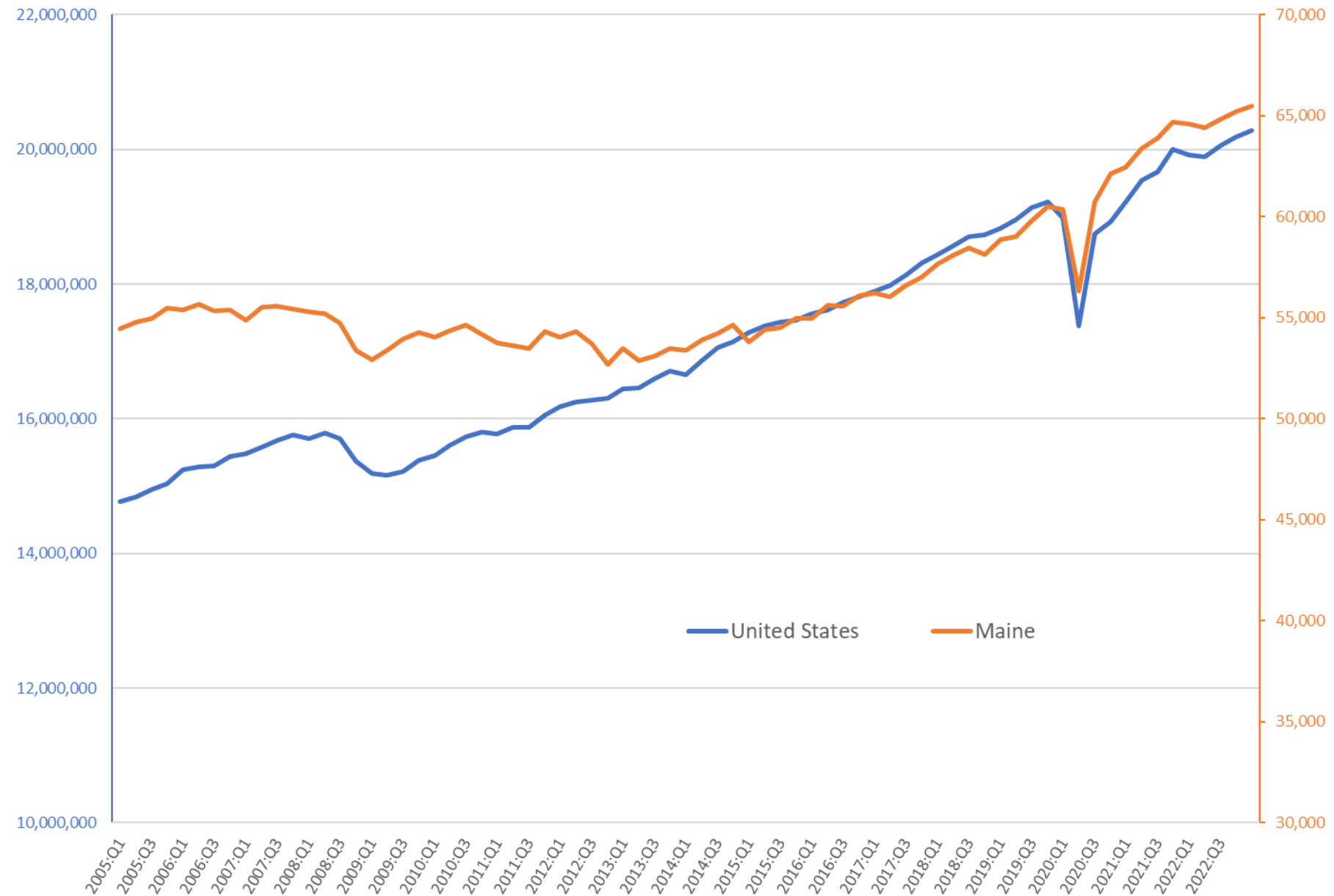
Wages: inflation is slowing, but labor markets remain tight - how will wage expectations adjust?

The Great Reshuffle: how does the search for “better” work pan out in the long run?

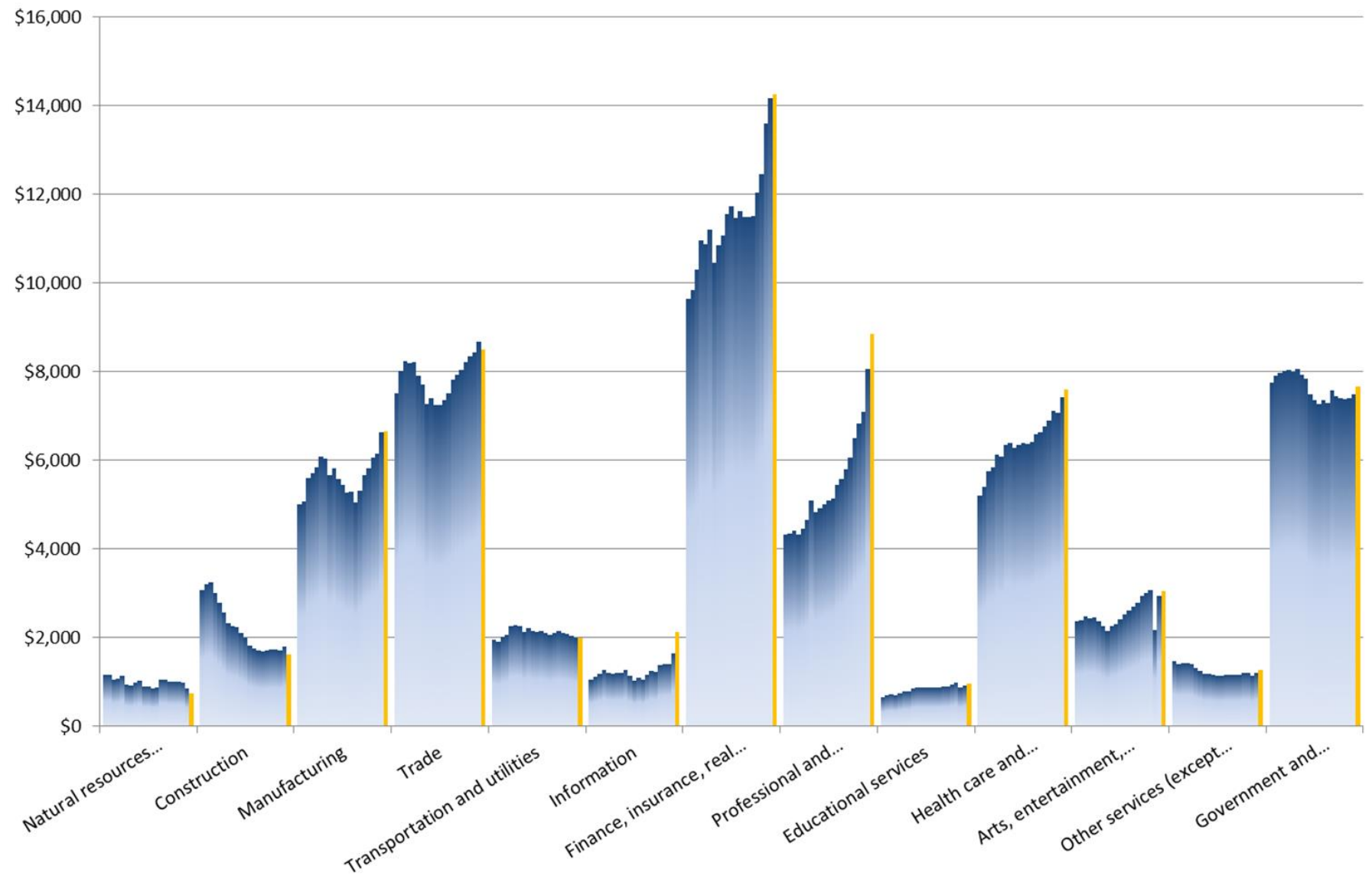
Automation: will employers who struggle to find workers substitute with technology?

Gross Domestic Product, Income, and Spending

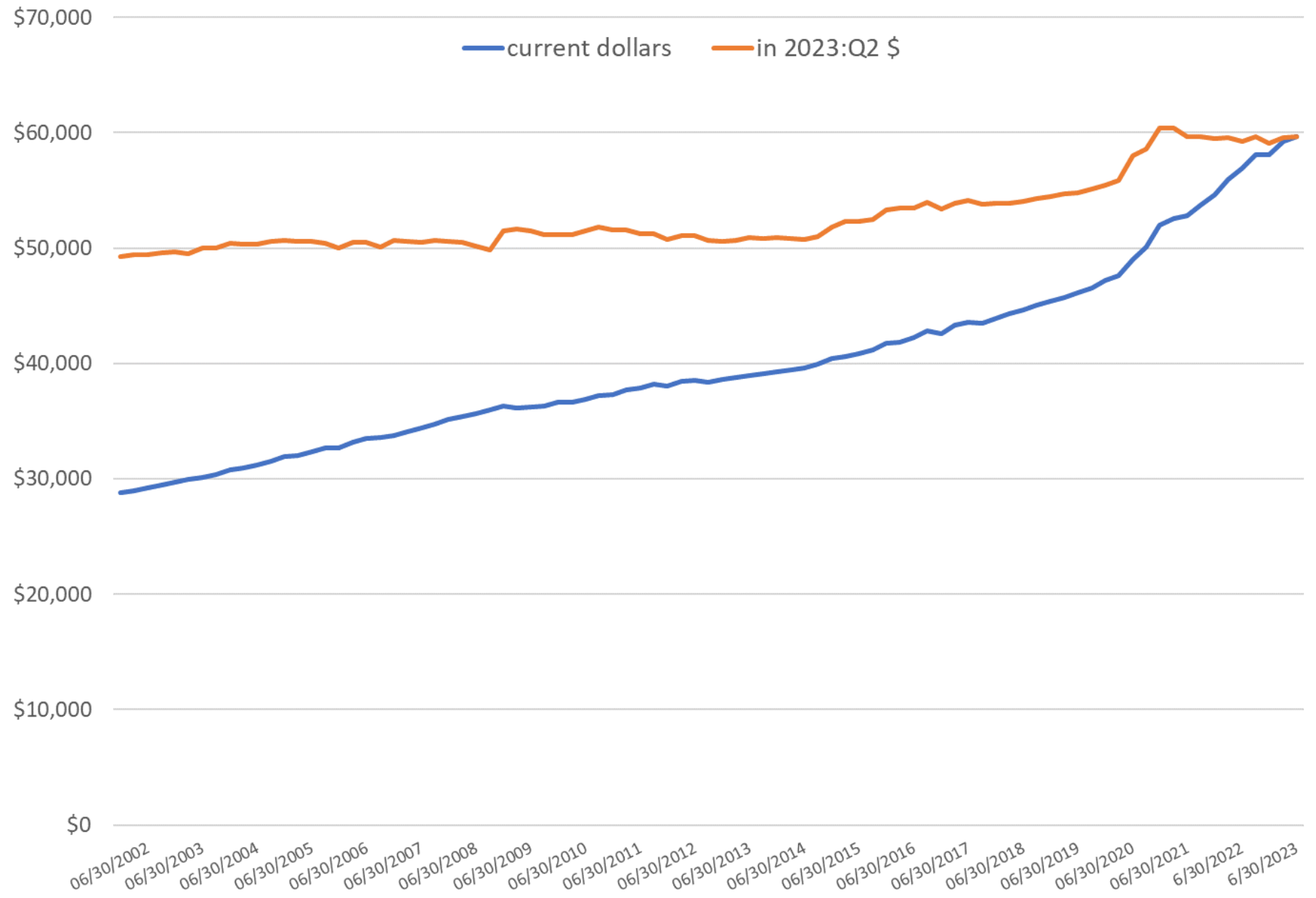
Quarterly Real GDP (in millions of chained 2012 dollars)



Maine Real GDP by Industry, 2002-2022 (in millions of chained 2012 dollars)



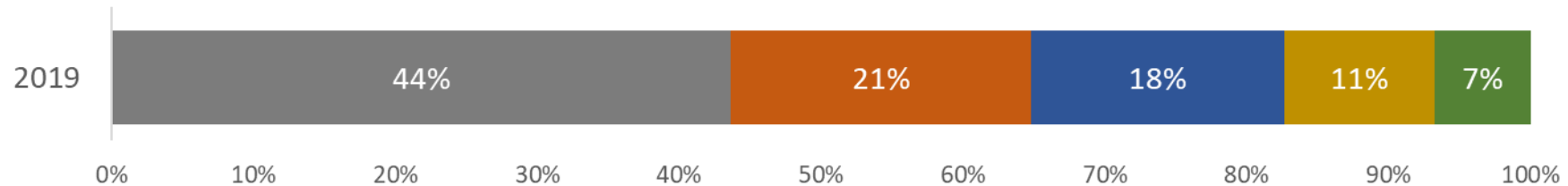
Moving Four Quarter Average Wage Per Job



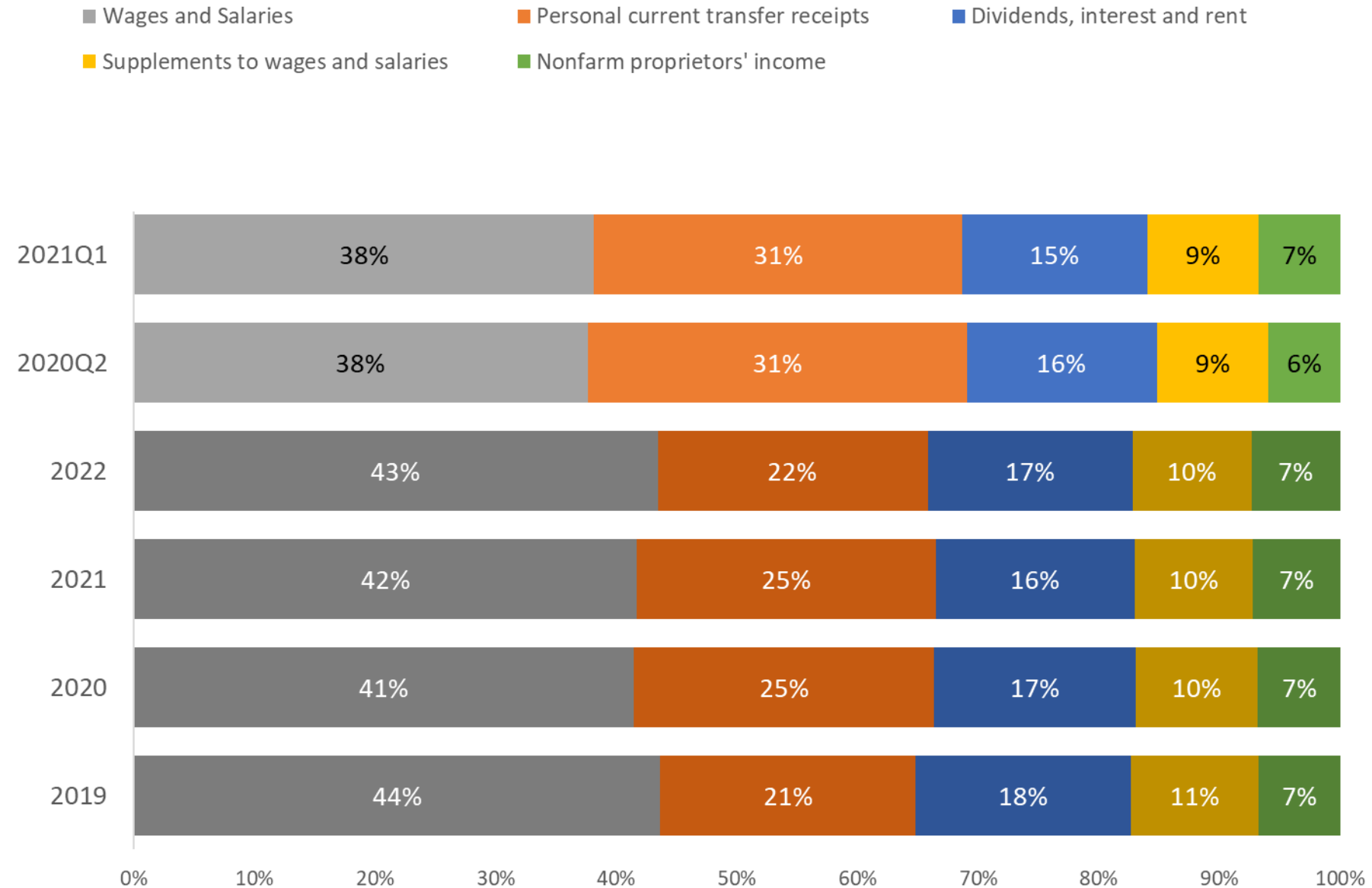
Wages increased sharply during the first part of the pandemic, but higher inflation has flattened out recent gains

Major Components of Personal Income, Maine

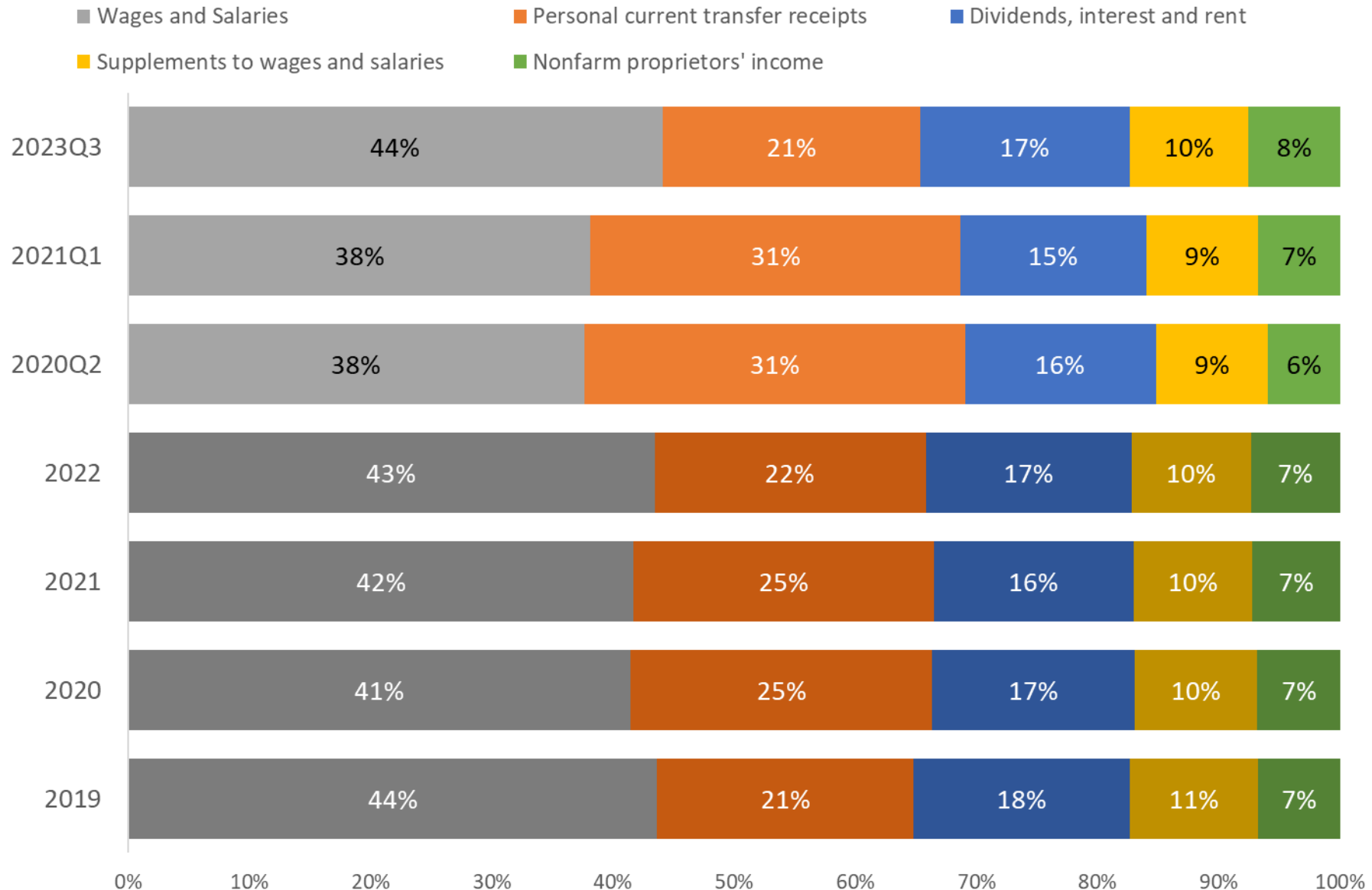
- Wages and Salaries
- Personal current transfer receipts
- Dividends, interest and rent
- Supplements to wages and salaries
- Nonfarm proprietors' income



Major Components of Personal Income, Maine

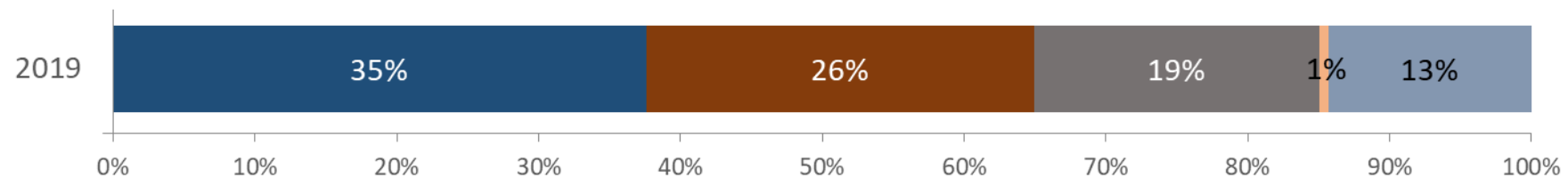


Major Components of Personal Income, Maine

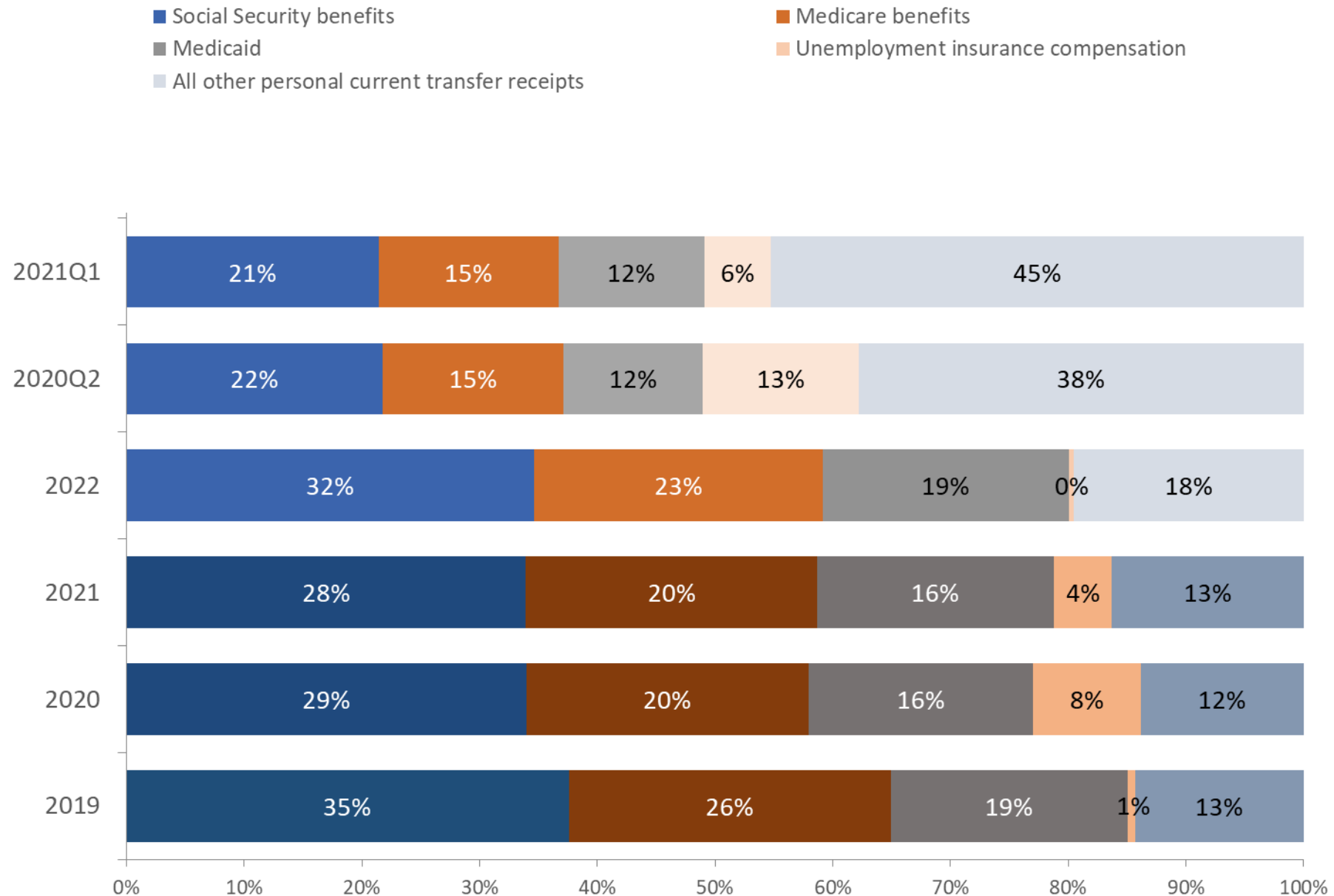


Components of Personal Current Transfer Receipts, Maine

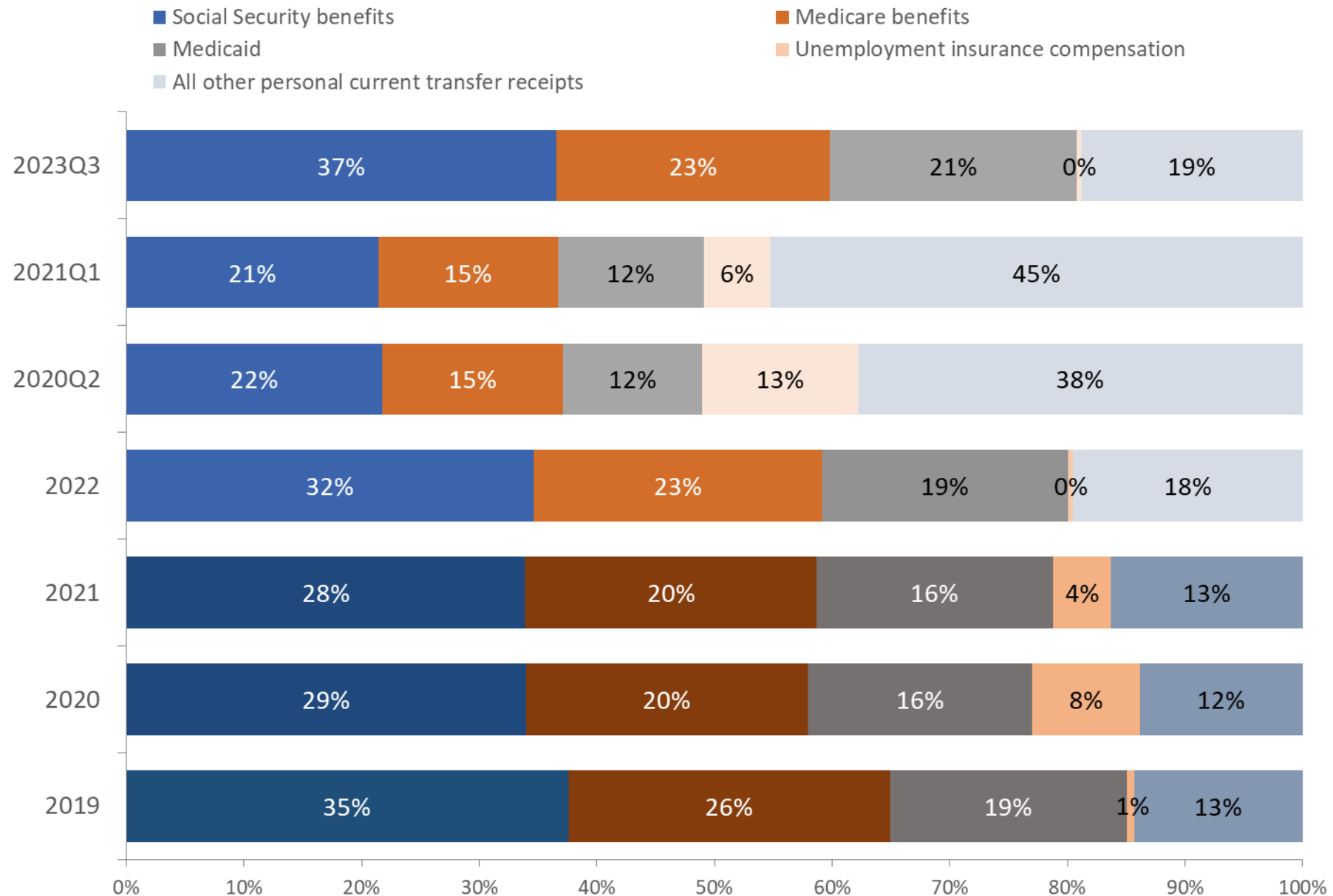
- Social Security benefits
- Medicare benefits
- Medicaid
- Unemployment insurance compensation
- All other personal current transfer receipts



Components of Personal Current Transfer Receipts, Maine



Components of Personal Current Transfer Receipts, Maine



Percent Change in Real Personal Income (2022 \$), Maine 2012-2022 and forecast to 2027



Federal supports including stimulus payments and Child Tax Credit played a role in reducing poverty in 2021; expiration of those supports caused poverty to rise in 2022

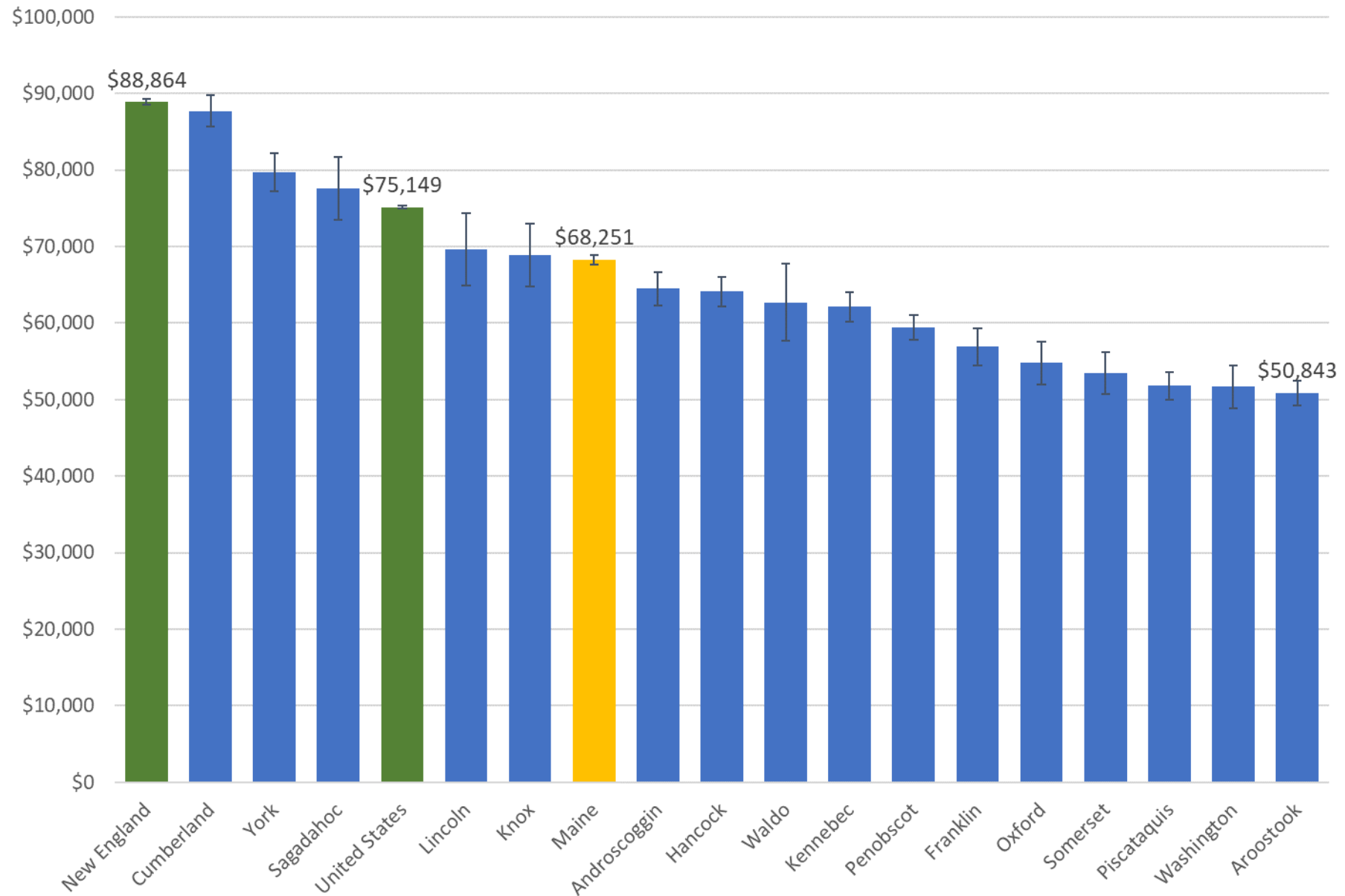
National Supplemental Poverty Measure (SPM) = 12.4%, 4.6 percentage points higher than 2021 and the first increase in the overall rate since 2010

The SPM child poverty rate more than doubled from 5.2% in 2021 to 12.4% in 2022

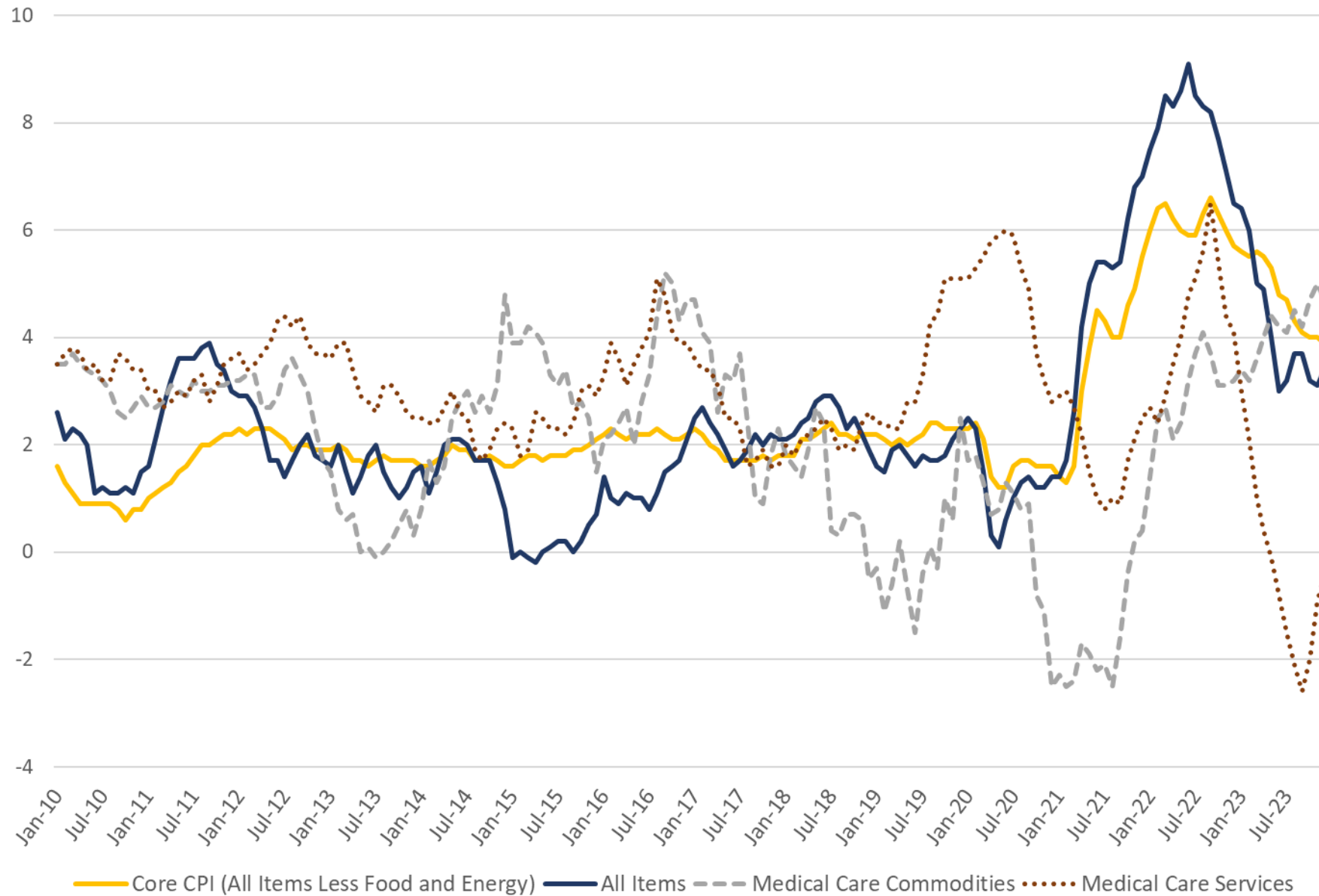
Social Security is the most significant antipoverty program, moving 28.9 million people nationally out of poverty as measured by the SPM

In Maine, the 3-year average SPM for 2020-2022 was 4.6%, 4.3 percentage points below the official poverty rate of 8.9% and the lowest in the nation

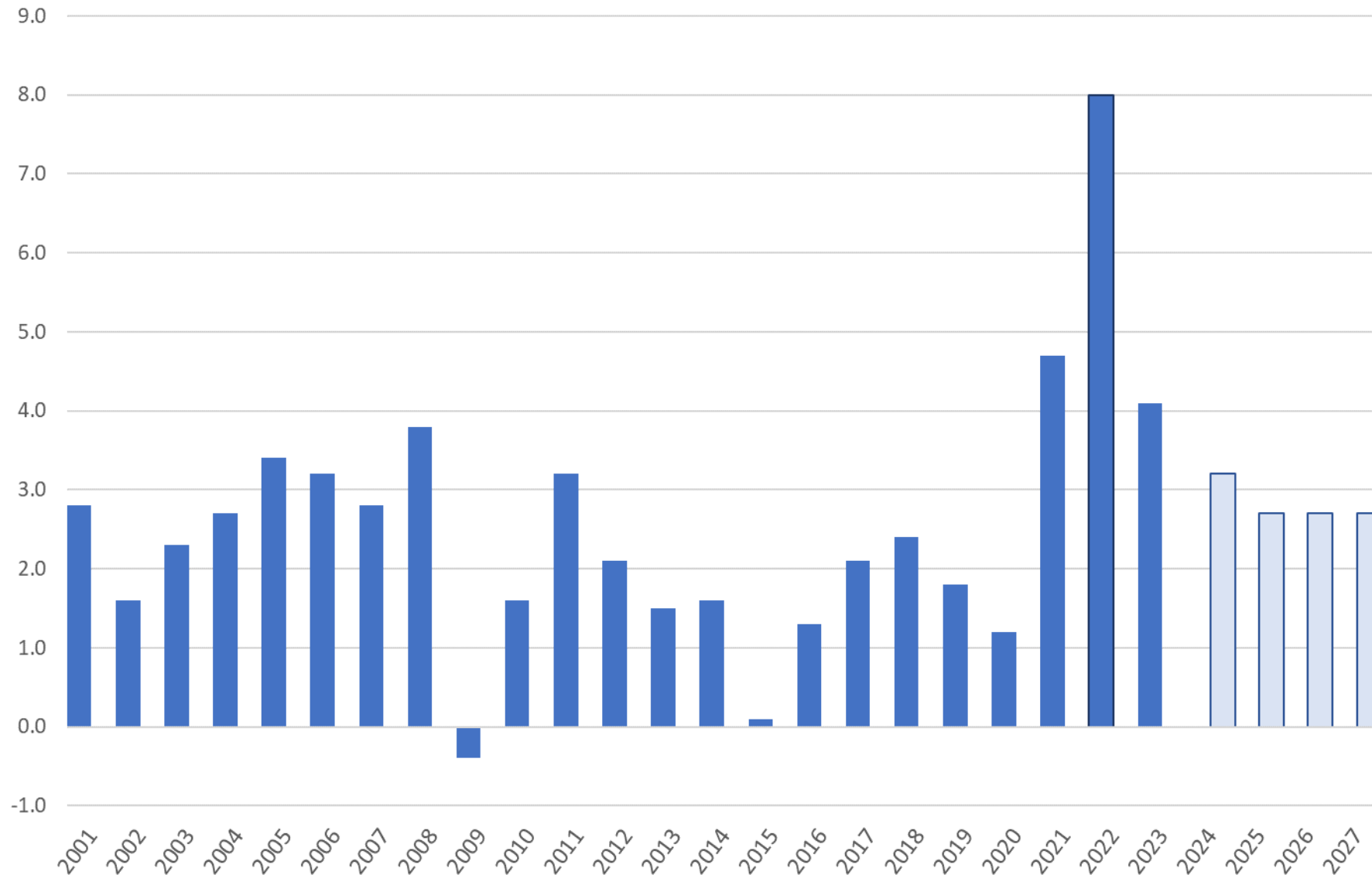
Median Household Income



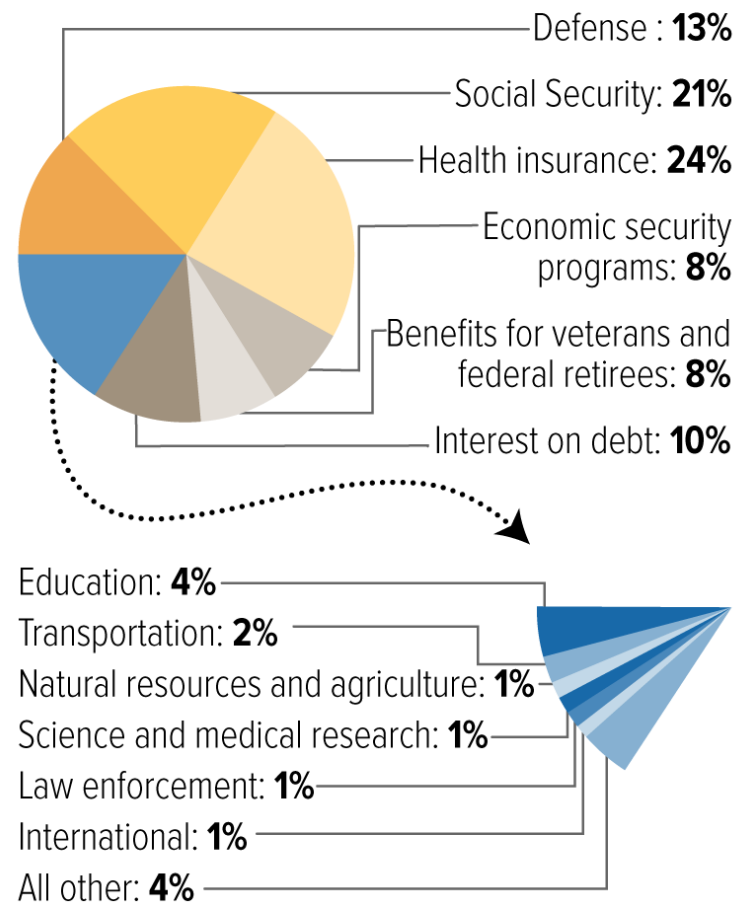
Year-over-year percent change in Consumer Price Index



Year-over-year percent change in Consumer Price Index; 2001-2023 historical and 2024-2027 forecast



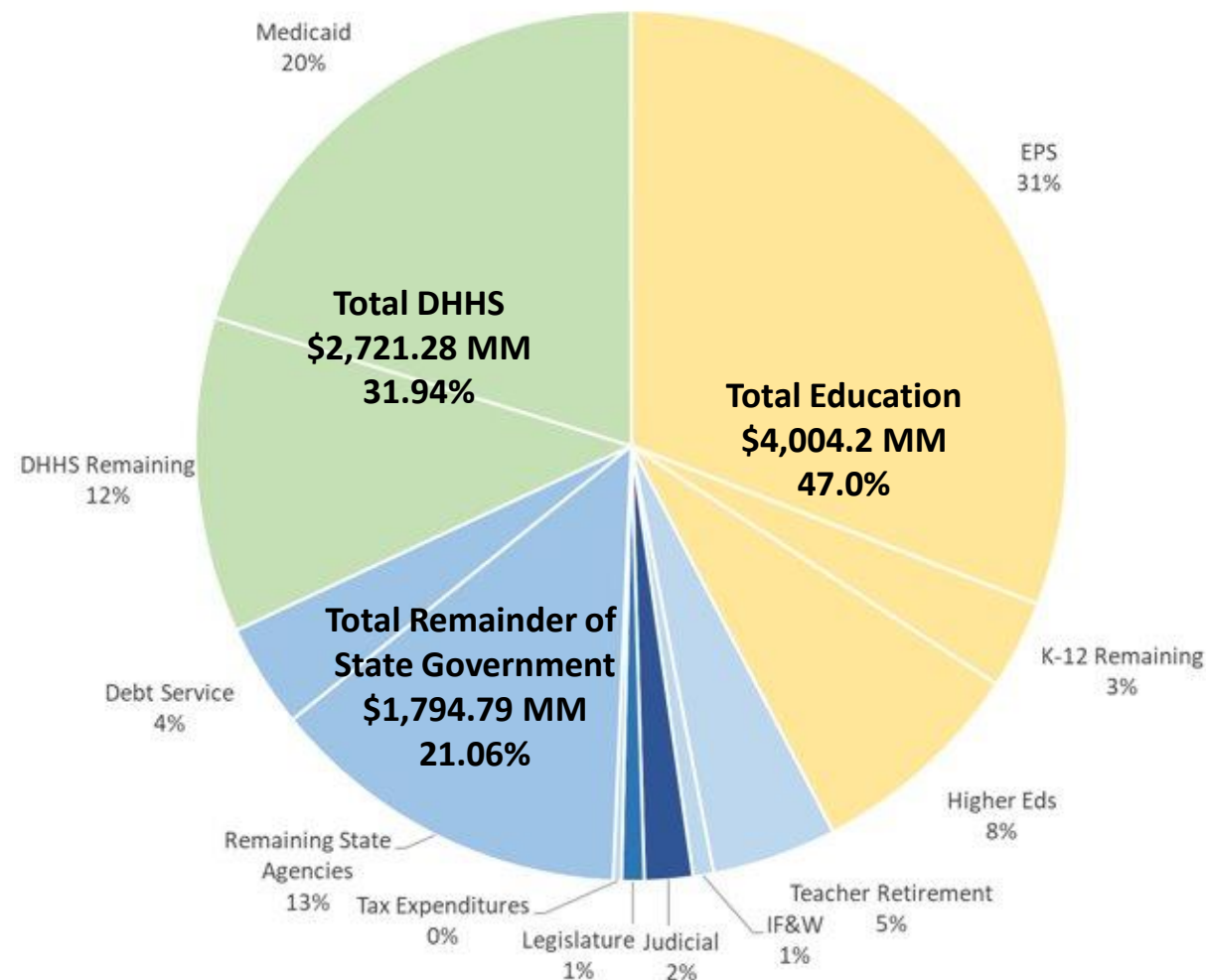
Most of the Budget Goes Toward
Defense, Social Security, and Major
Health Programs



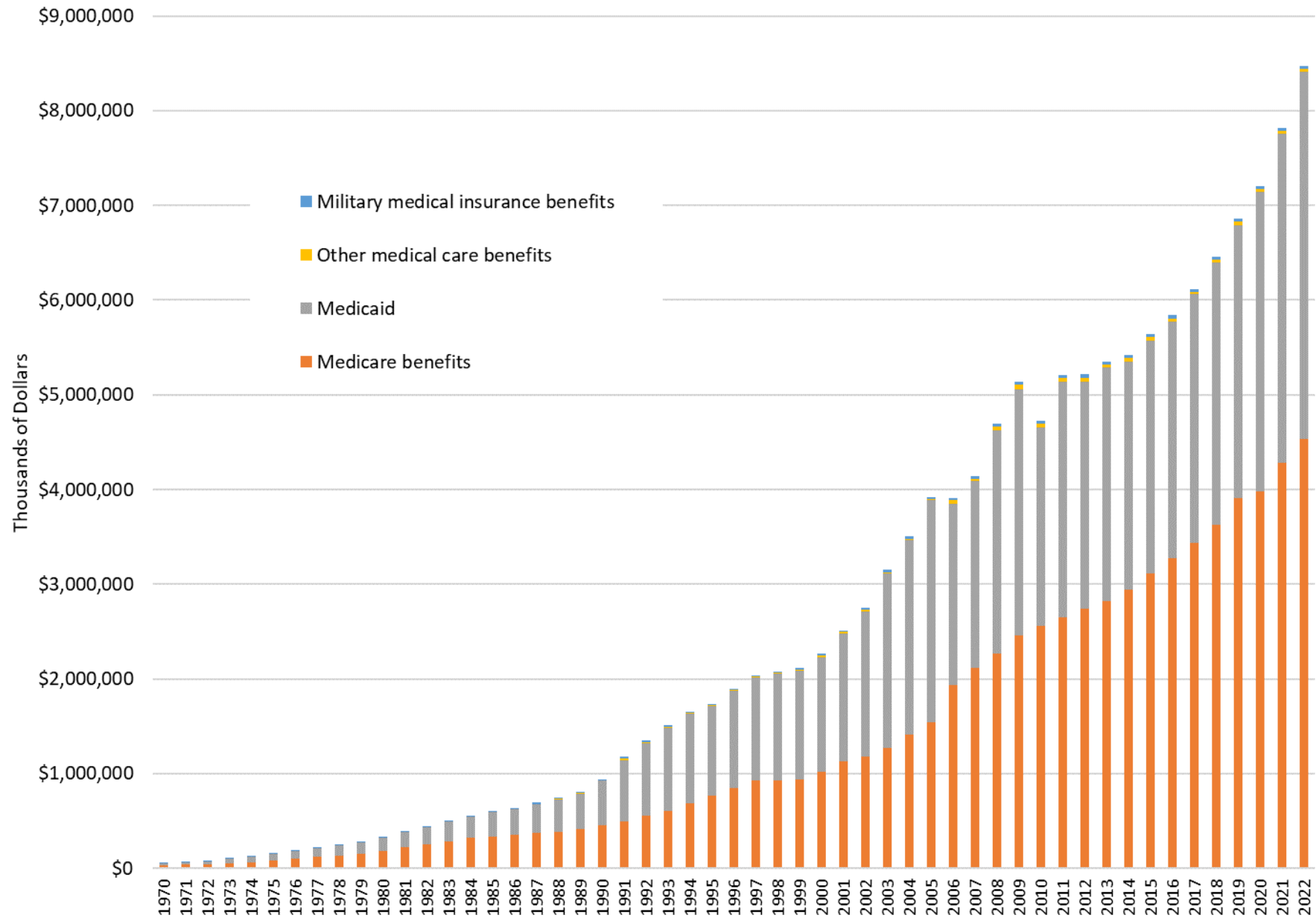
Note: Percentages do not add to 100 percent due to rounding.
Source: 2023 figures from the Congressional Budget Office, May 12, 2023

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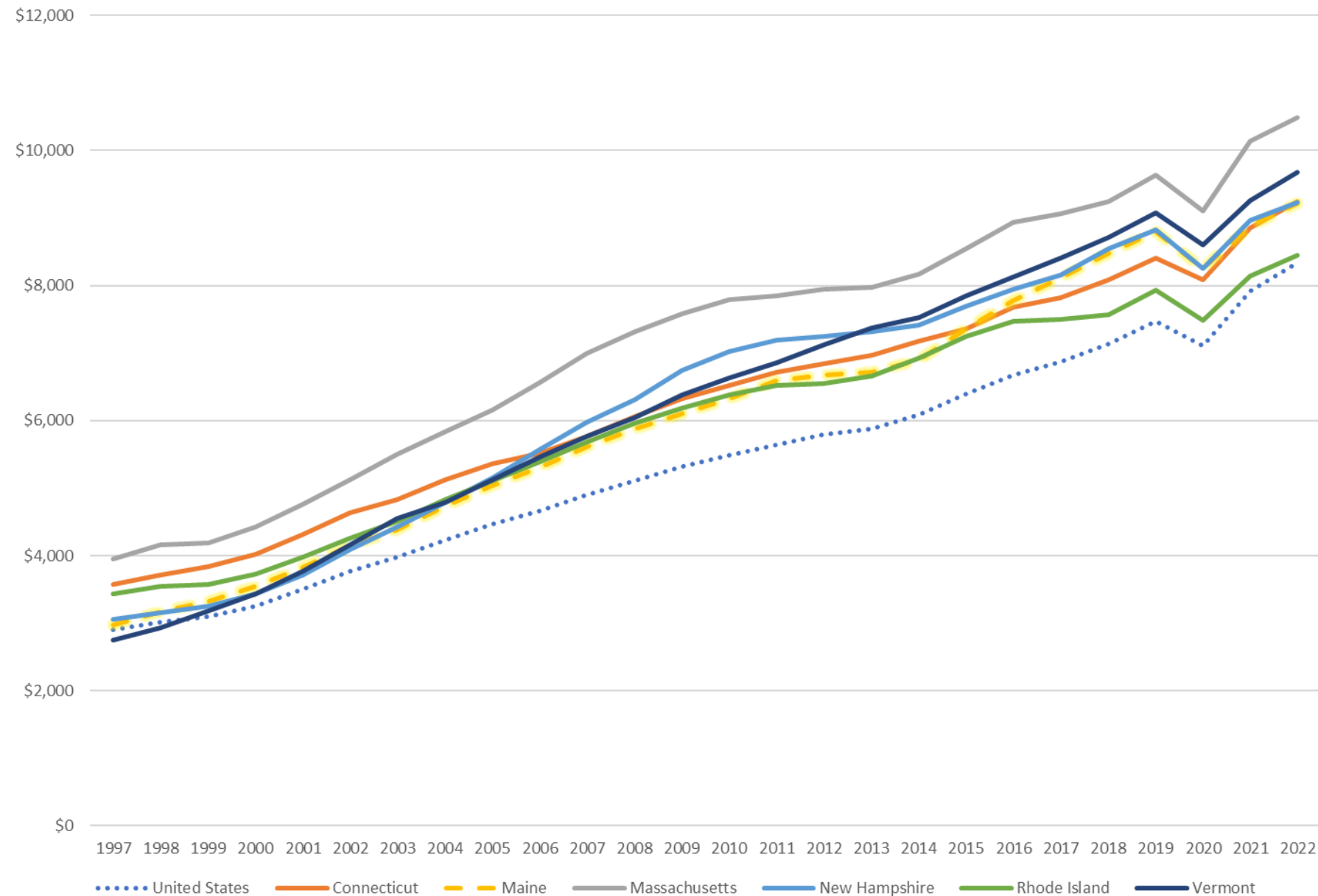
Federal and State spending on healthcare



Maine Personal Current Transfer Receipts: Medical Benefits



Per Capita Personal Consumption Expenditures on Healthcare (current dollars)



Contact Information

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