

Maine Demographic and Economic Update

AGC Maine Economic Forum

January 29, 2025

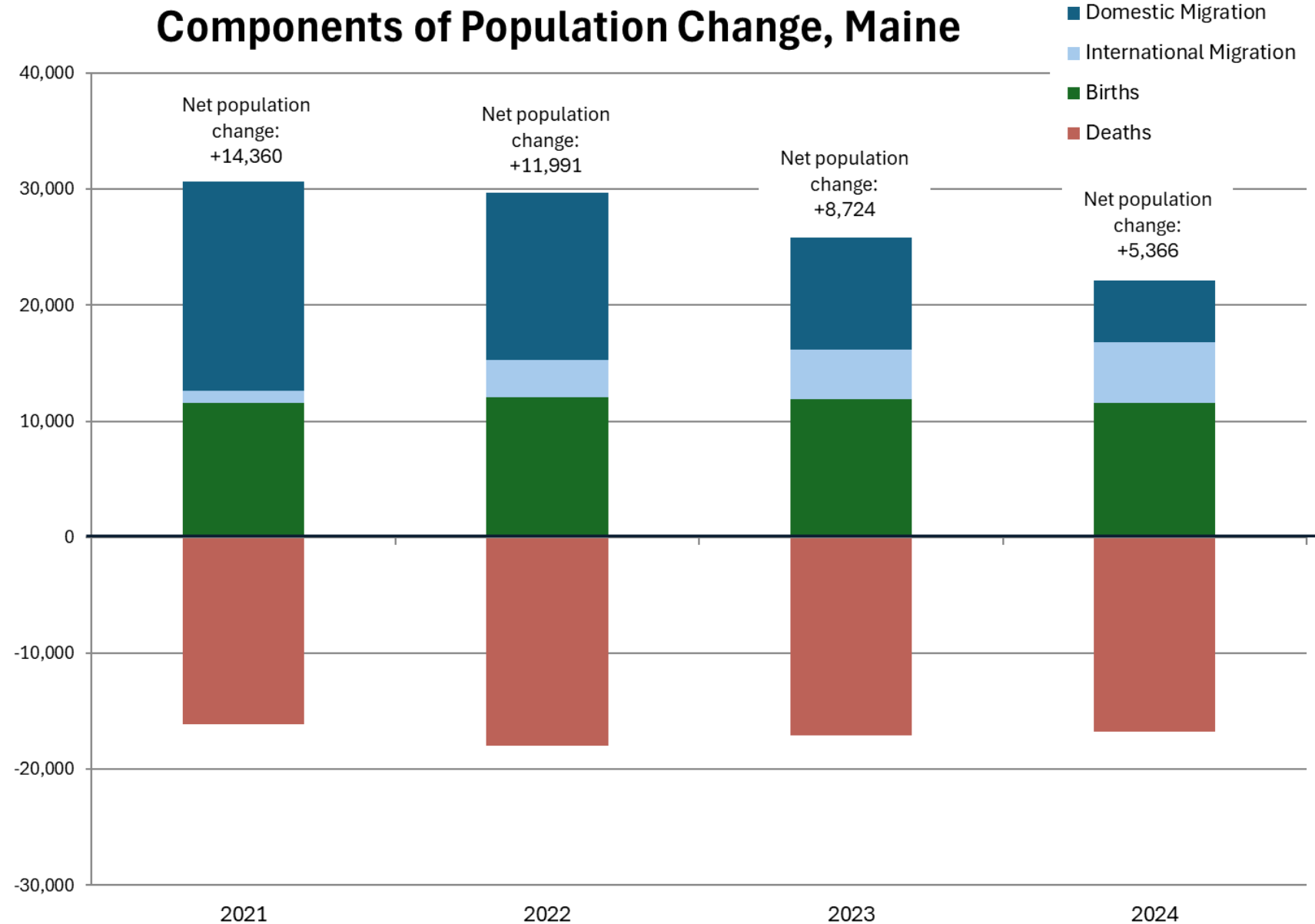
Amanda Rector

Maine State Economist

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

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

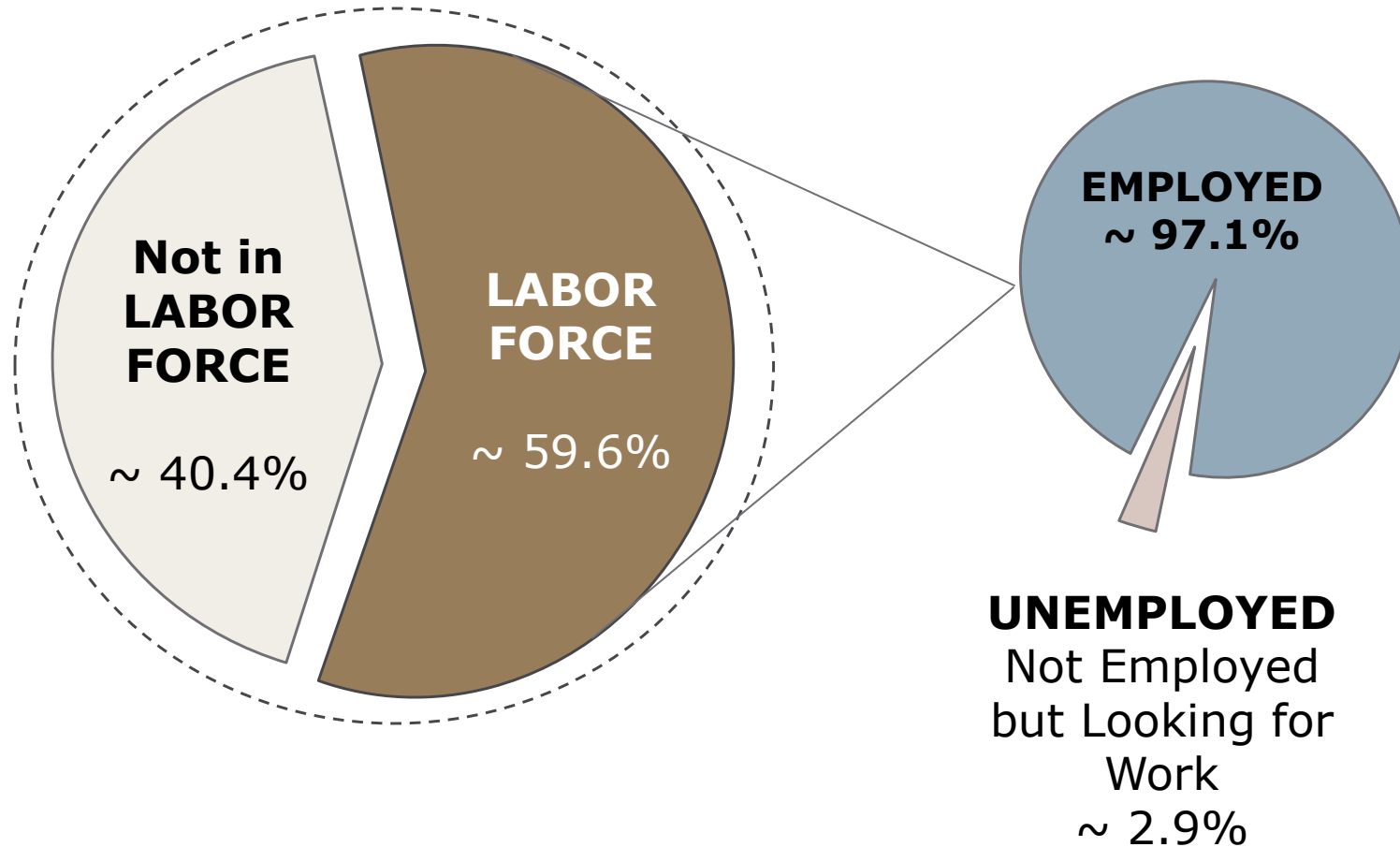
2024 Total Population:
1,405,012



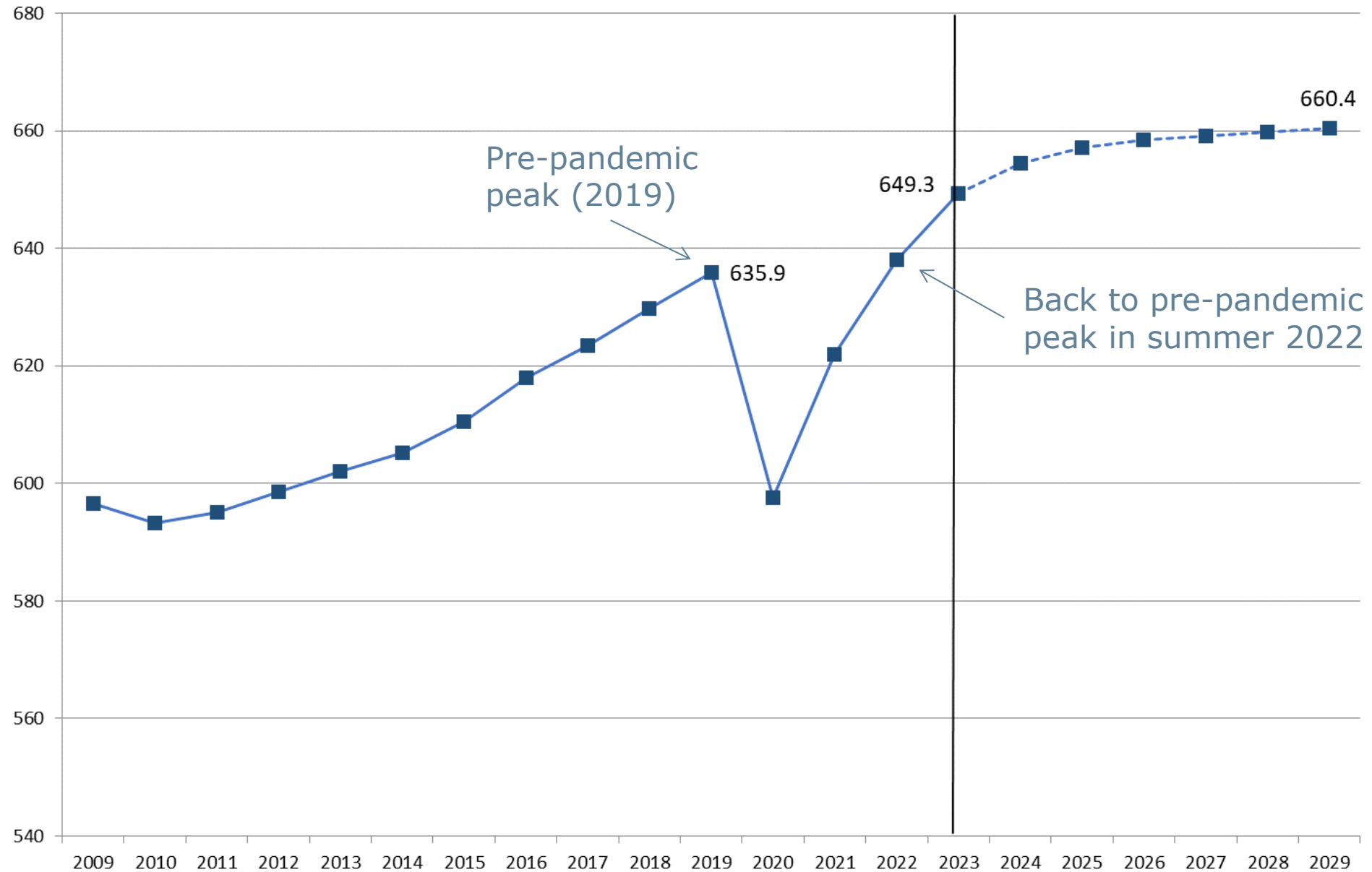
Who is in the labor force?

Civilian population, age 16+

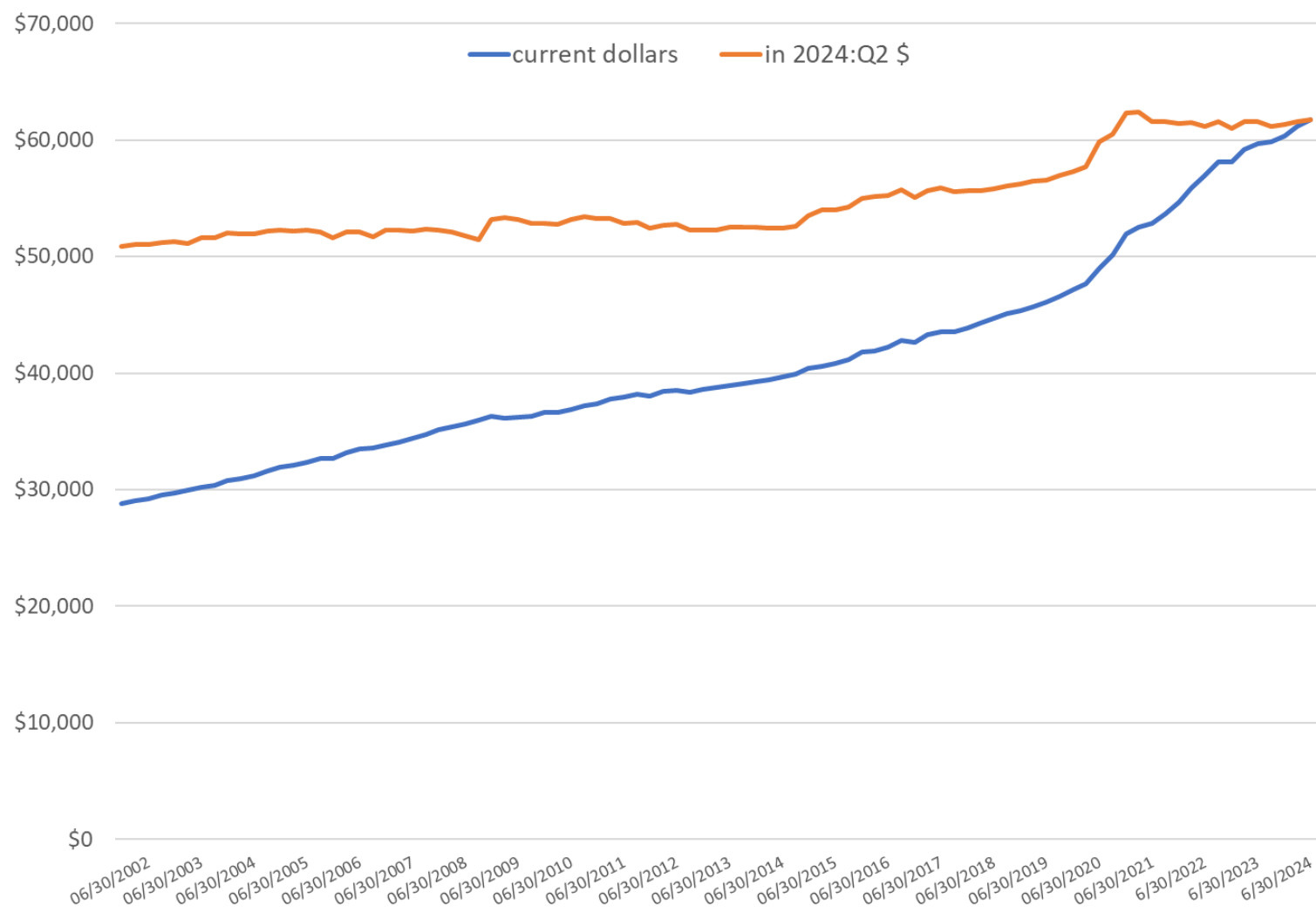
Not available and not looking for work. This could include people who are retired, full-time students, full-time caregivers, etc.



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

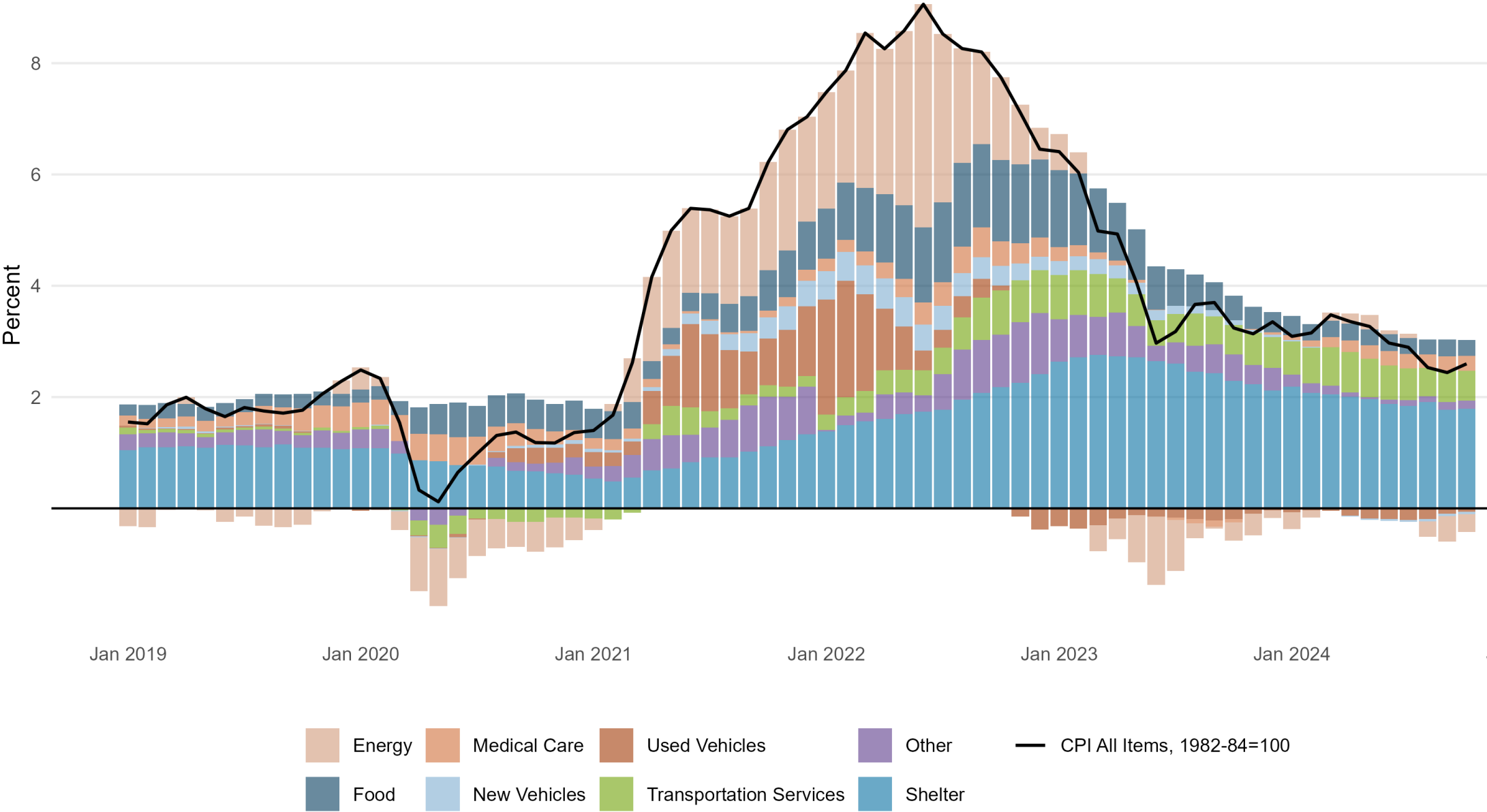


Moving Four Quarter Average Wage Per Job



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

Percentage Point Contribution to YoY Percent Change in CPI



Source: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100) and calculations by staff in Maine Office of the State Economist

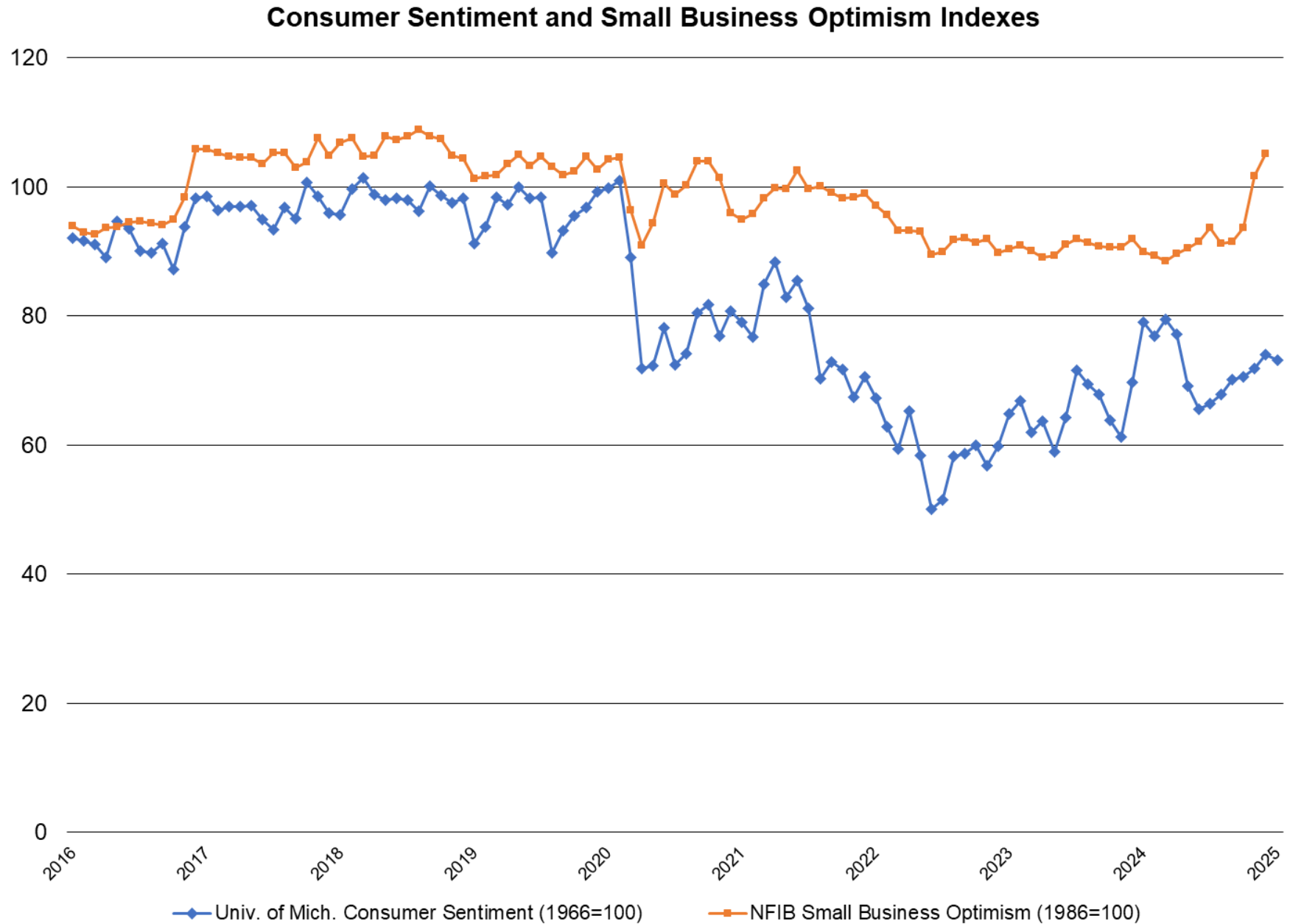
Current target range:
4.25% to 4.5%

Median projection for 2025 from
September 2024 Federal Open Market
Committee statement was 3.4%

Median projection for 2025 from
December 2024 Federal Open Market
Committee statement was 3.9%

Consumer sentiment has been gradually improving over the past six months

Small business optimism spiked following the election, with a large increase in the net percent of owners expecting the economy to improve



Excerpts from key assumptions in November 2024 CEFC report

- Some demographic trends, including a growing share of the population reaching retirement age will continue to constrain labor supply. Maine's net migration is likely to be positive in the coming years and may play a role in the future supply of, and demand for, jobs. Some of the future demand for labor may be filled through productivity gains.
- High interest rates, low supply of available properties, and ongoing in-migration are continuing to impact the housing market
- Absent any unexpected cuts, Maine will continue to see impacts of large, federally funded infrastructure programs throughout the duration of the forecast
- The Federal Reserve, in its mission to find a 'soft landing', is expected to continue pursuing policies that will constrain inflation to its target levels
- Geopolitical tensions remain elevated and continue to pose a negative risk to the forecast
- Climate shocks are beginning to impact some sectors of Maine's economy, particularly hospitality

Tariffs and Immigration

Latest talk is of 25% tariffs on Canada and Mexico, 10% on China, with other targeted tariffs – could trigger a trade war and higher inflation

Nationally, 84% of population growth from 2023-2024 came from international immigration; this is a key source of labor nationally - a slowdown could result in higher wages and prices

Contact Information

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