

Demographic and Economic Overview of Maine

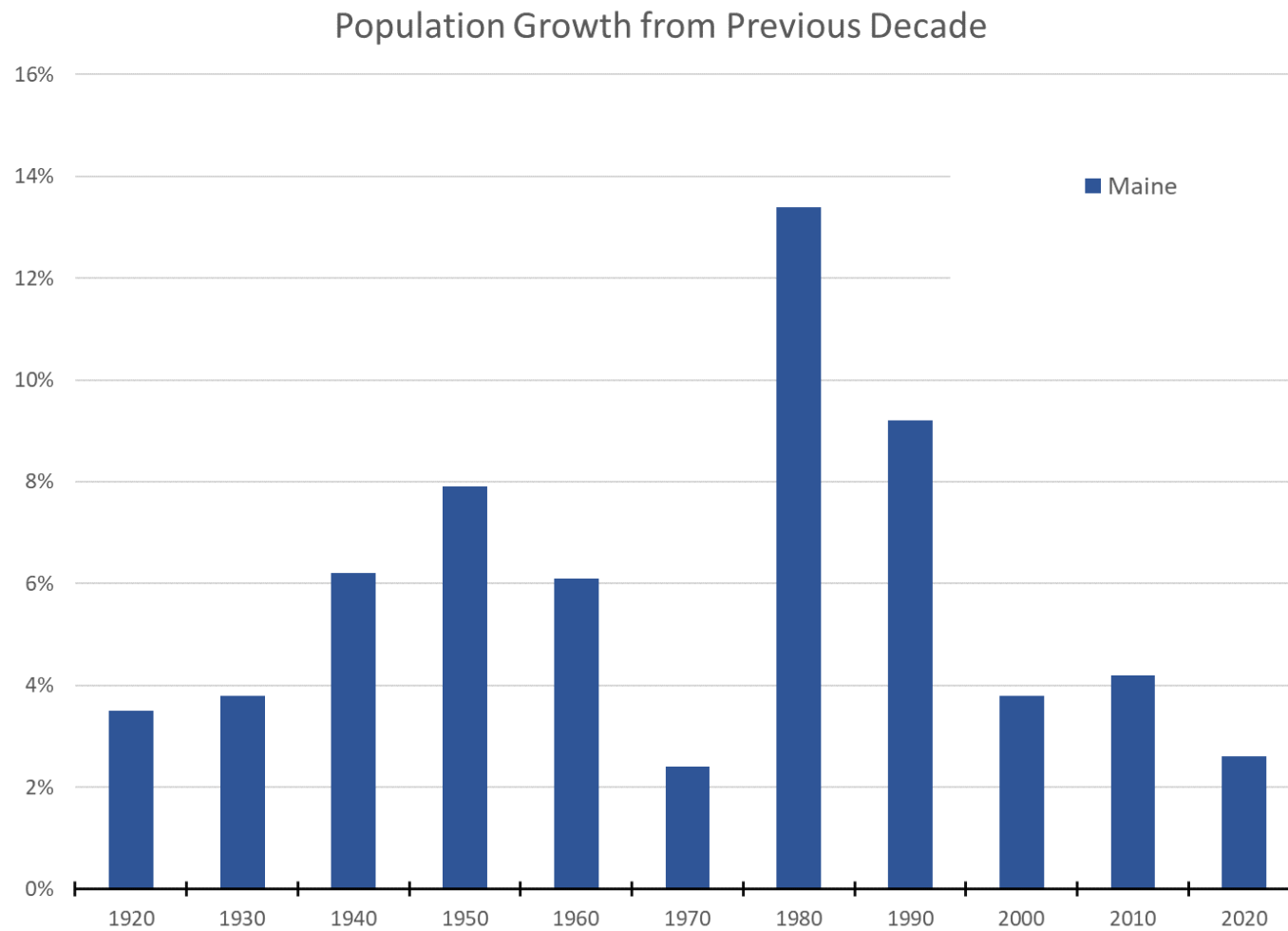
Muskie School of Public Service

February 12, 2025

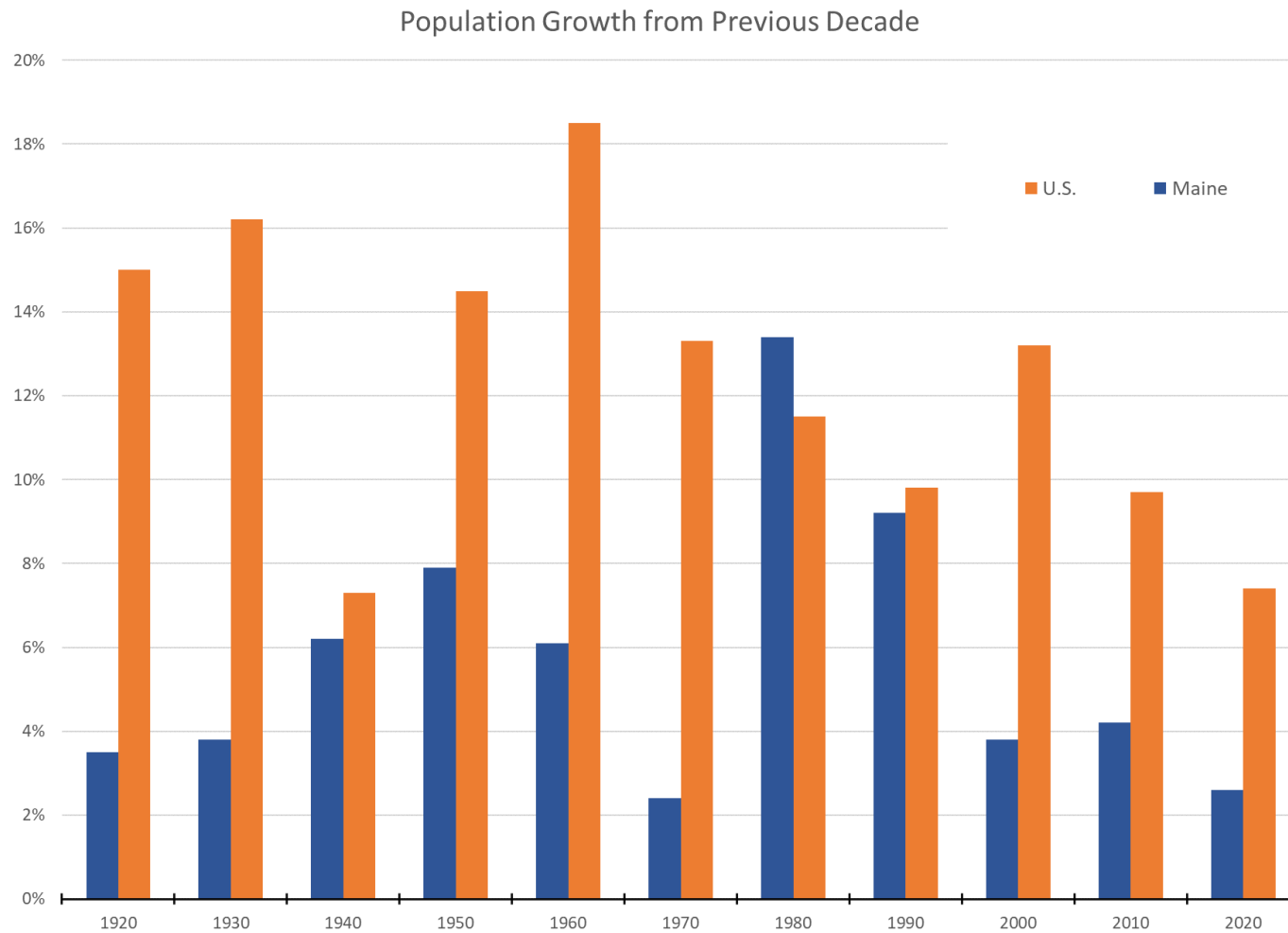
Amanda Rector

Maine State Economist

Population Change

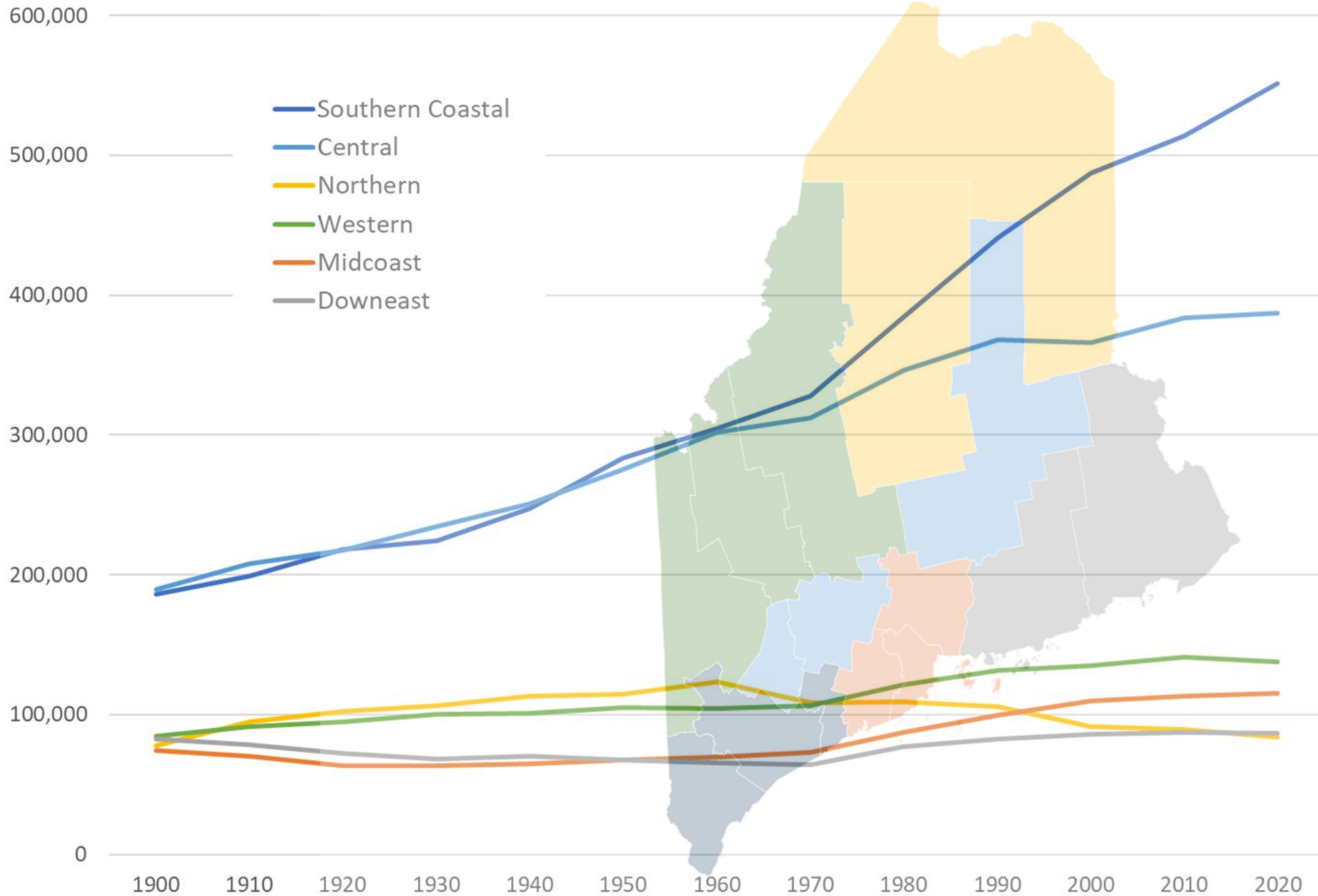


Maine
population
growth peaked
during “back
to the land”
movement in
the 1970s



U.S. population growth has generally been faster than Maine, apart from 1980, but the growth in 2020 was the slowest since 1940.

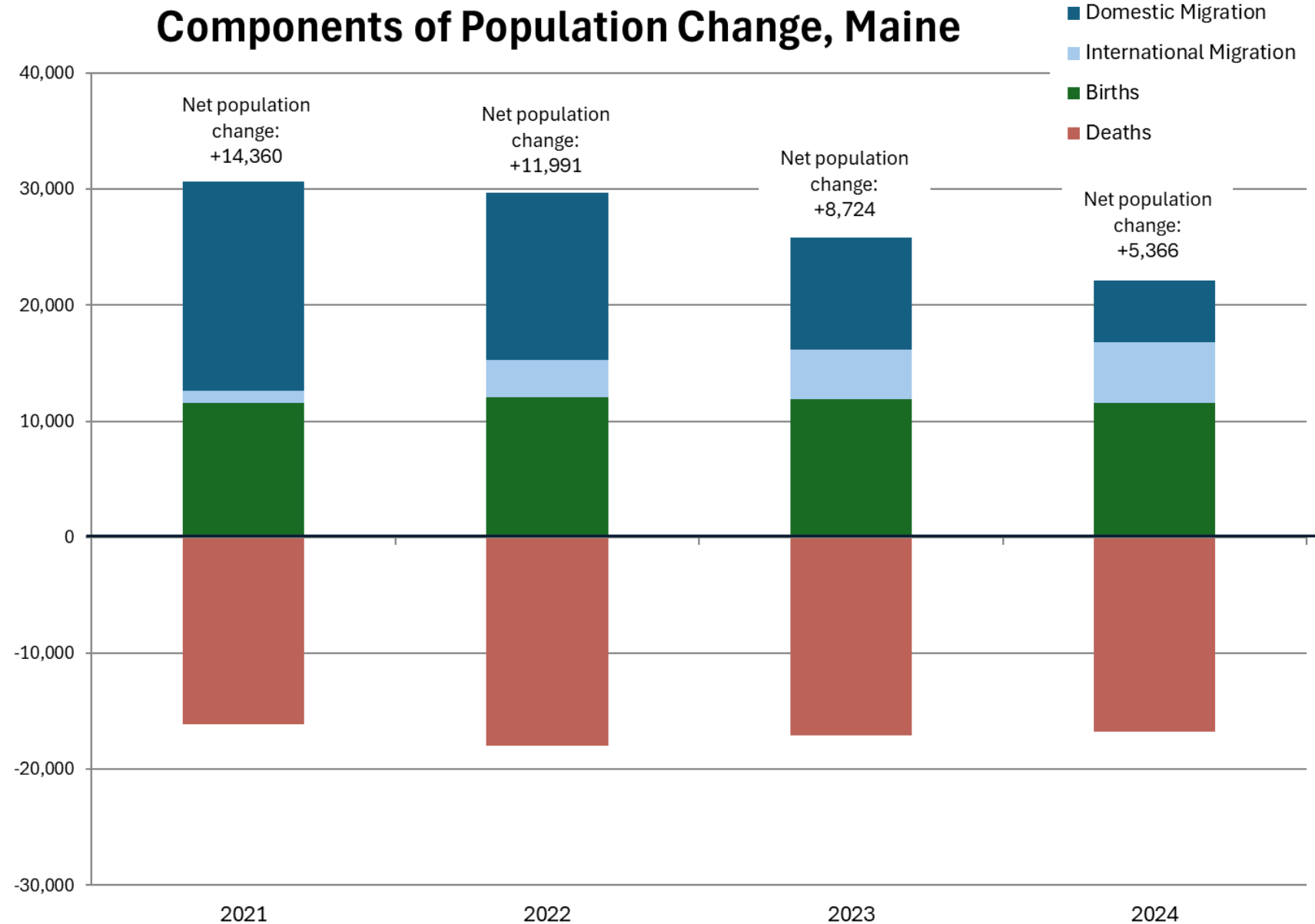
Population by Region



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

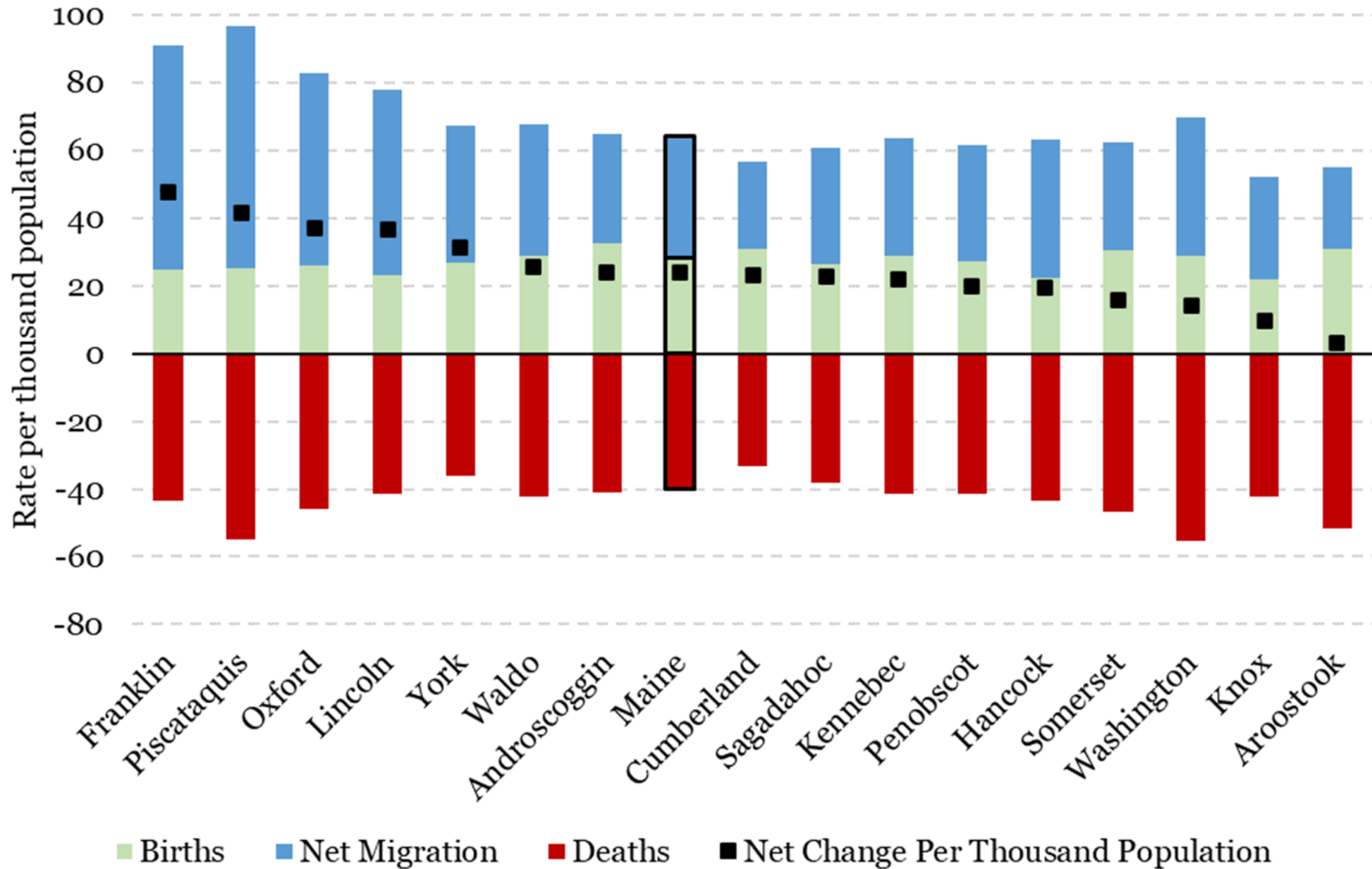


Net international
migration accounted for
84% of U.S. population
growth from 2023-2024

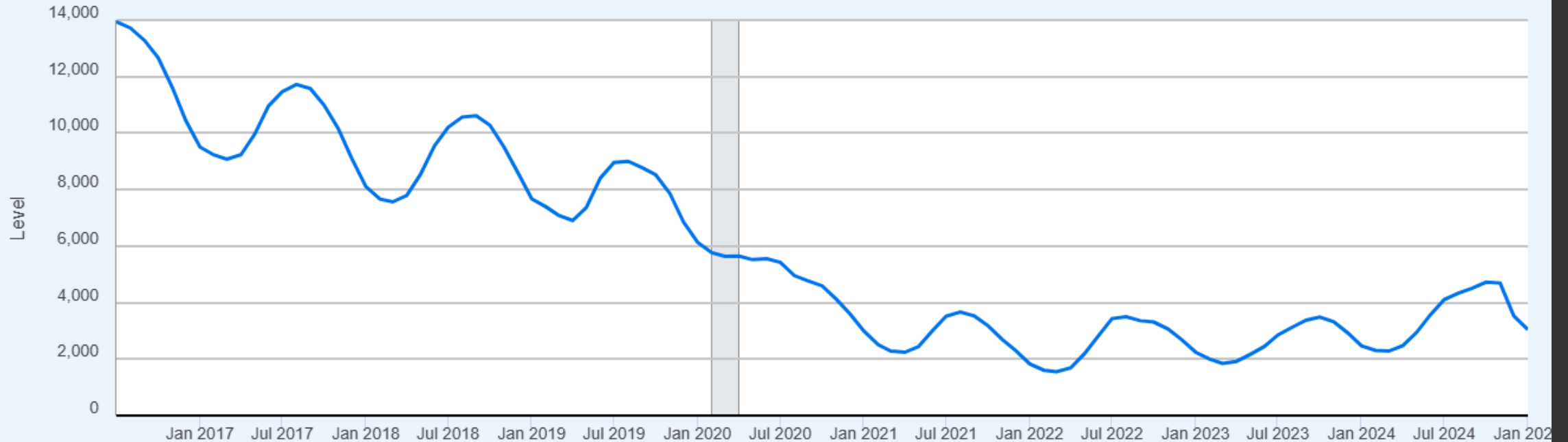
U.S. Census Bureau made significant methodological changes in 2024 to better account for humanitarian migrants, resulting in large upward revisions

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

Rate per thousand population



Housing

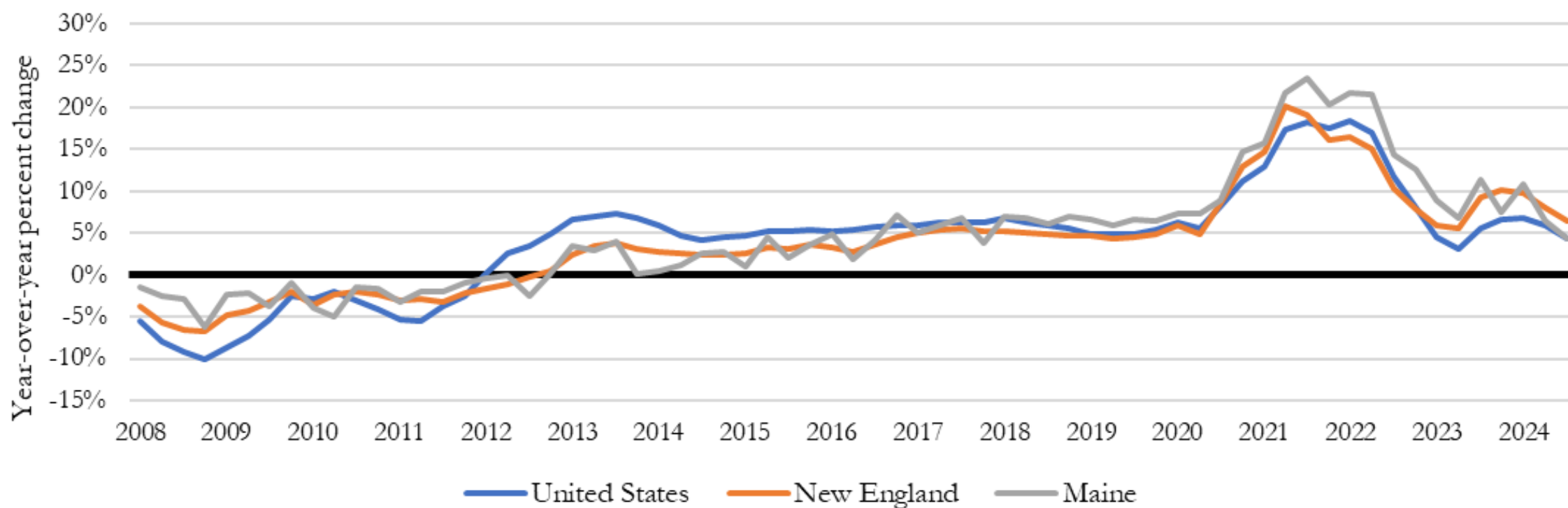


Source: Realtor.com via FRED®
Shaded areas indicate U.S. recessions.

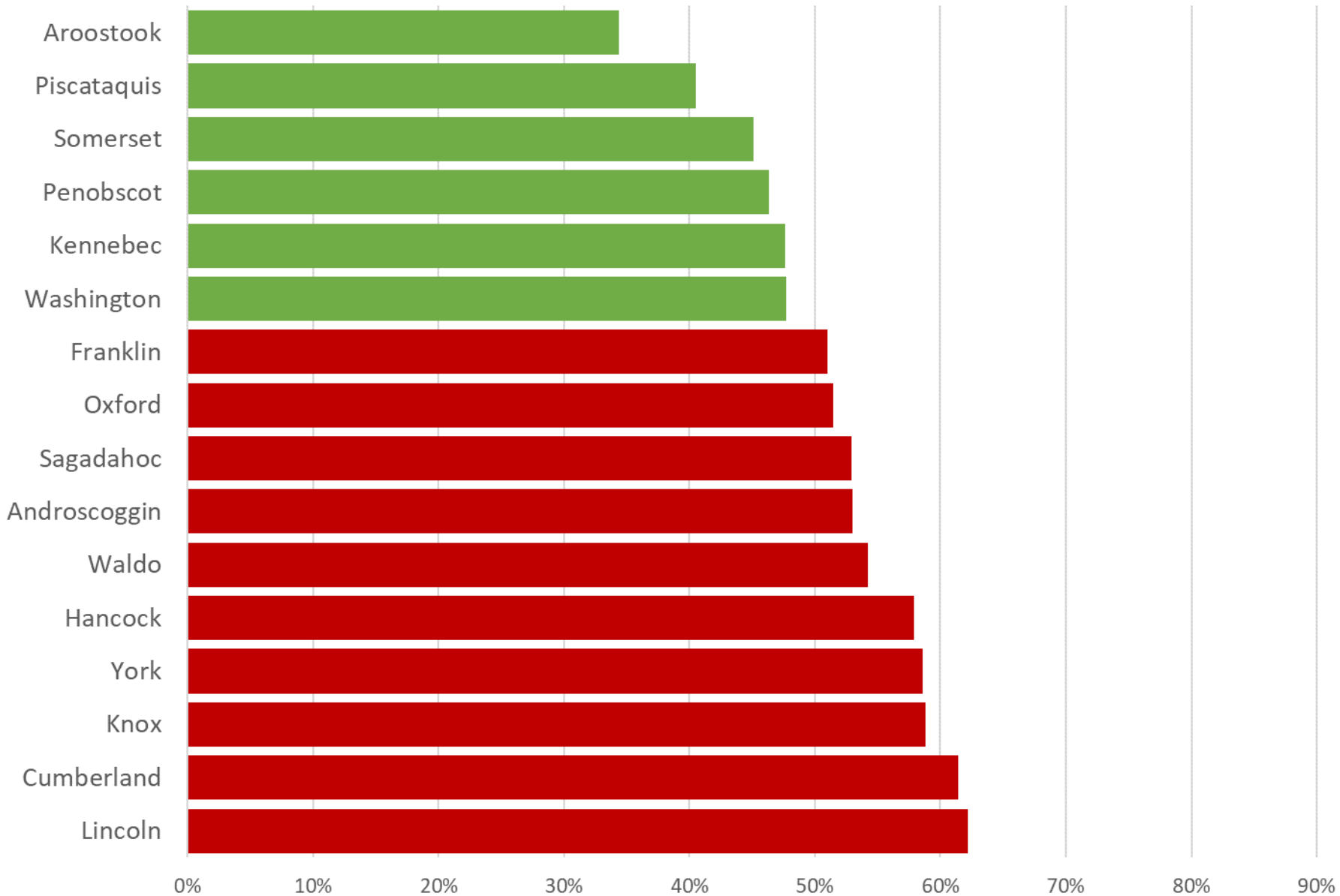
fred.stlouisfed.org

Migration into the state drove up demand for housing and further reduced the available supply and high mortgage rates locked people into existing homes – but there's been some improvement

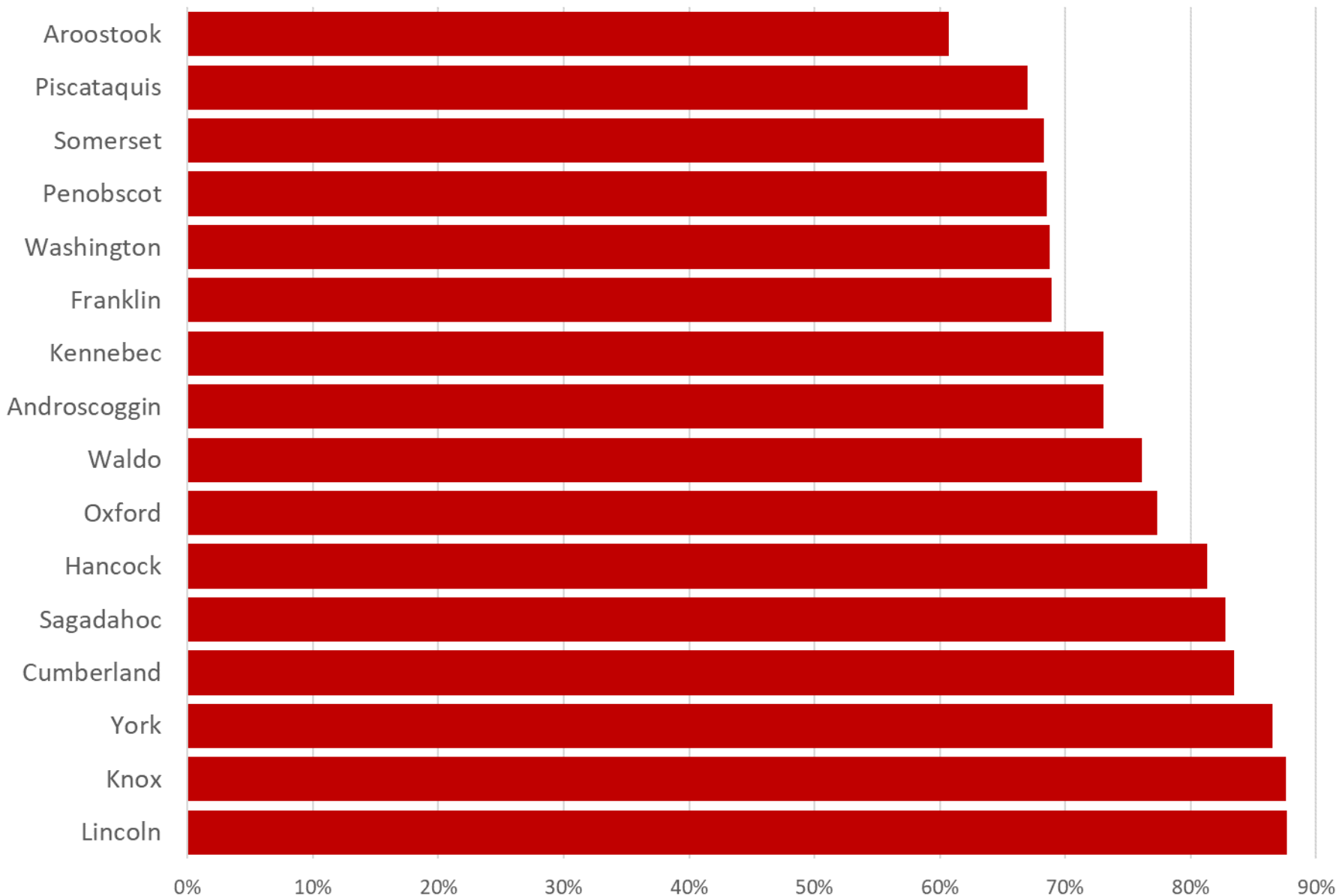
Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



Percent of Households Unable to Afford Median Home, 2020

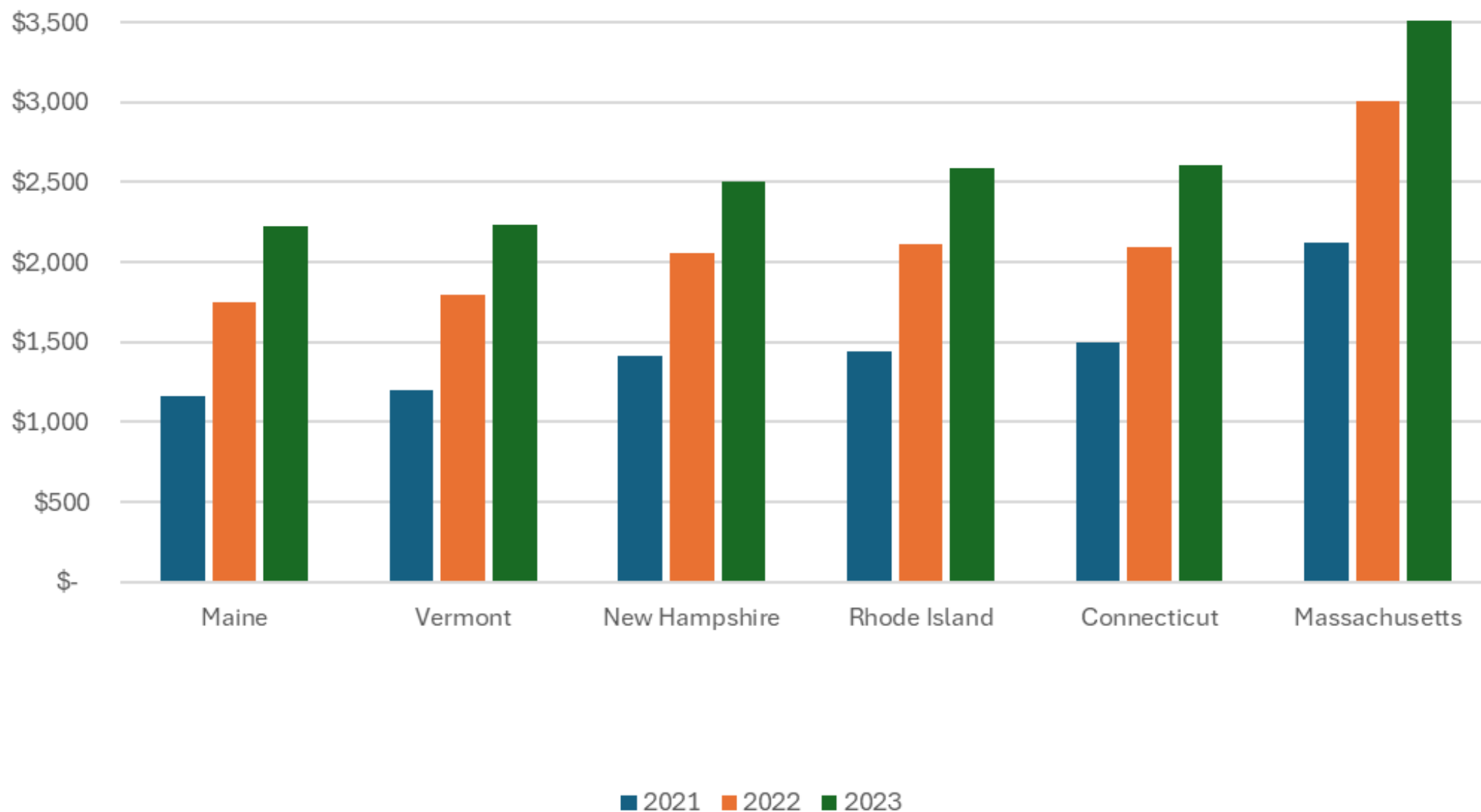


Percent of Households Unable to Afford Median Home, 2023



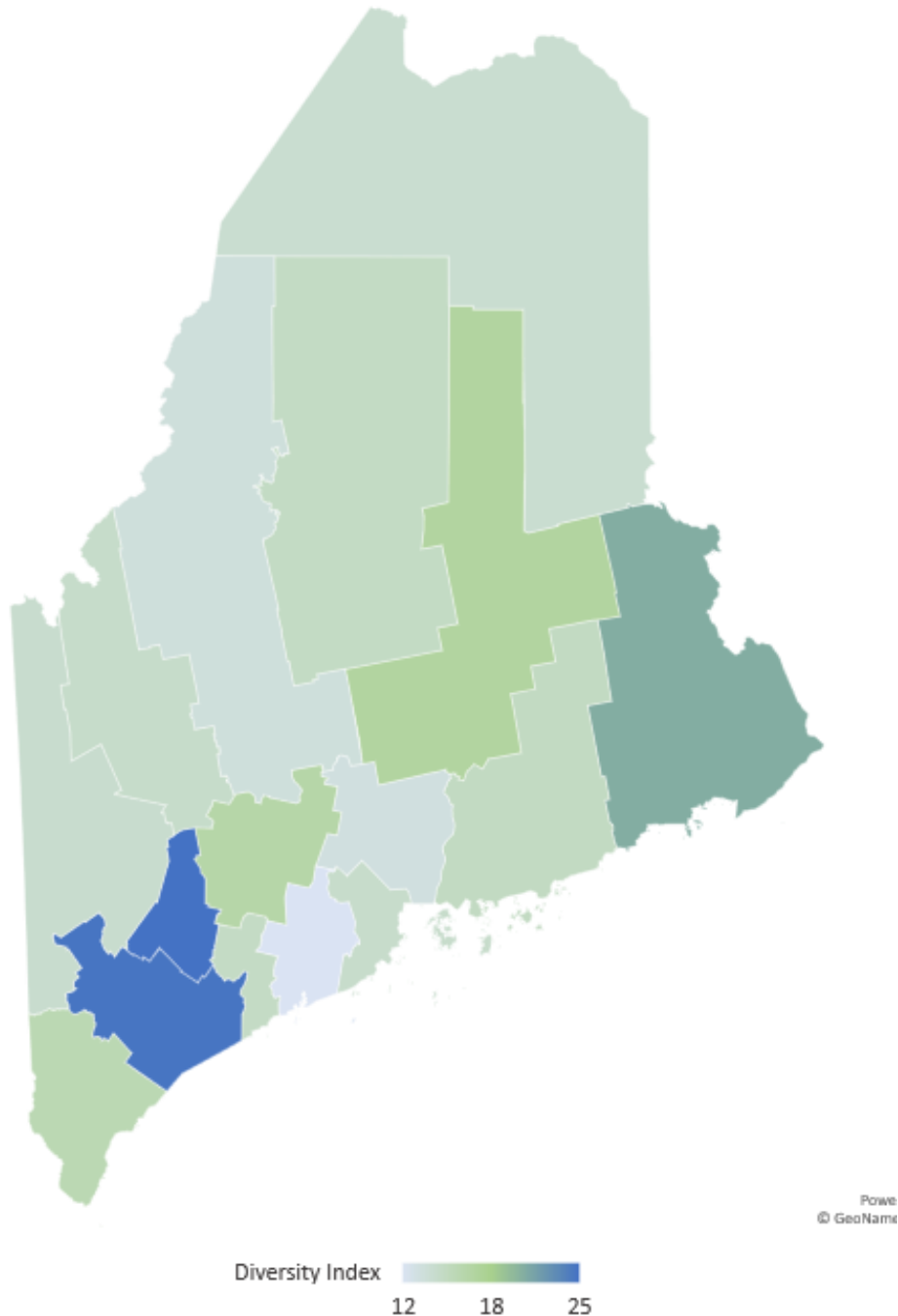
High demand
+ low supply
= price increases,
contributing to
sharp increase in
unaffordability

Monthly Mortgage Payment at the Median Sales Price 2021-2023



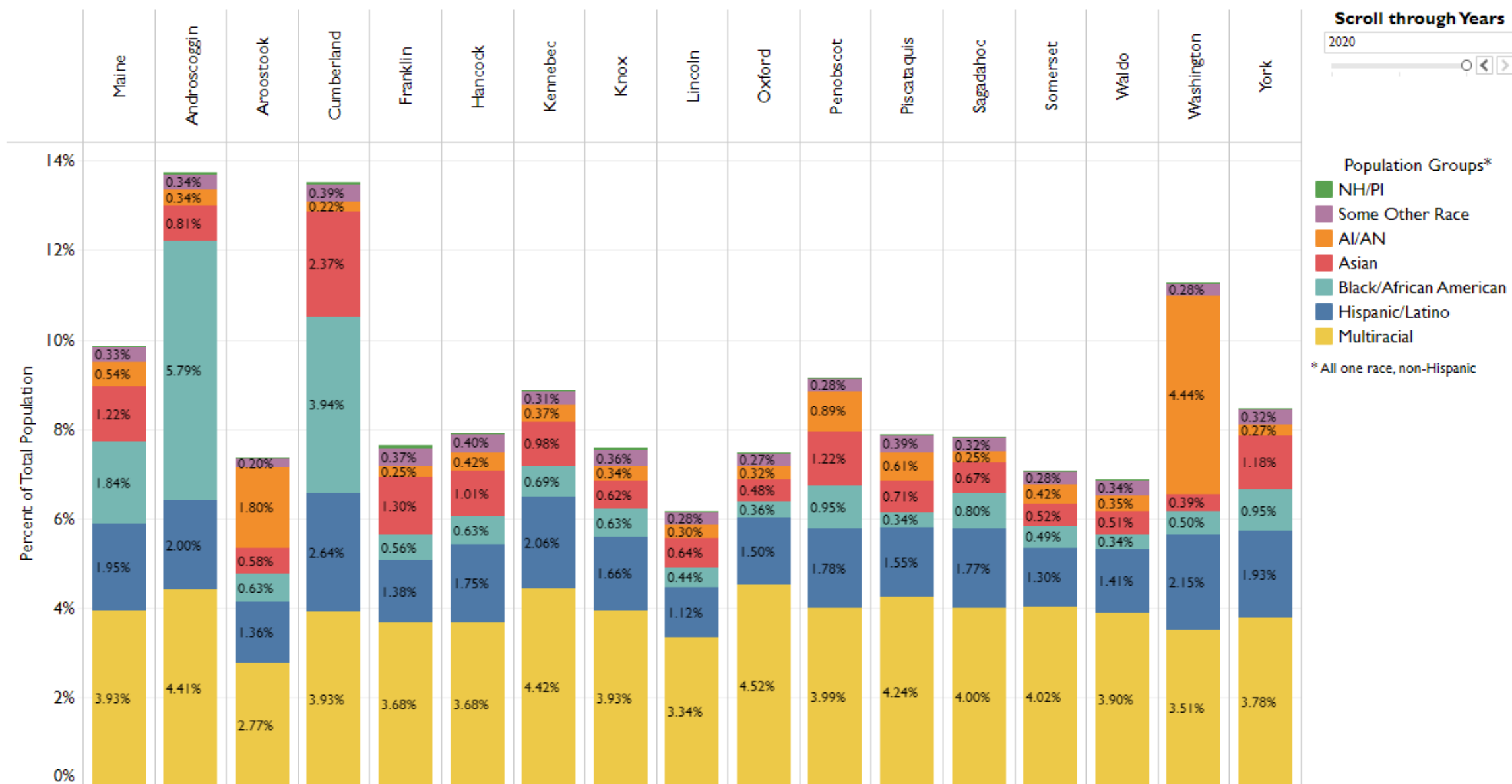
Sources: Moody's Analytics (median sale prices), FRED 30-year fixed rate mortgage rates, weekly (average of all weeks in the year). Assumes 30-year fixed rate mortgage and 10% down payment on a home at the median sales price.

Demographics



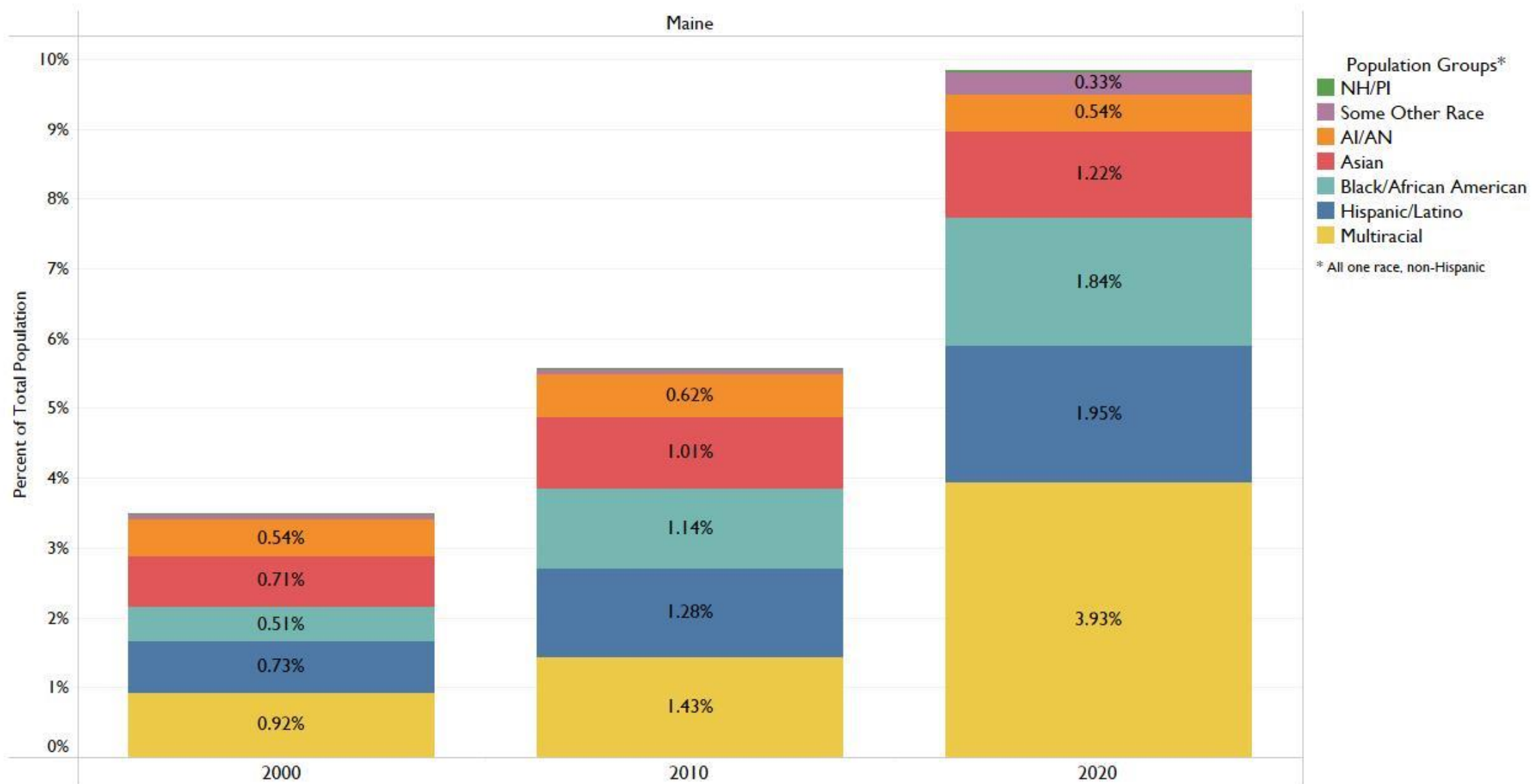
The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

- 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 Total Population by Population Group | Maine

Data source: 2000, 2010, and 2020 U.S. Decennial Census

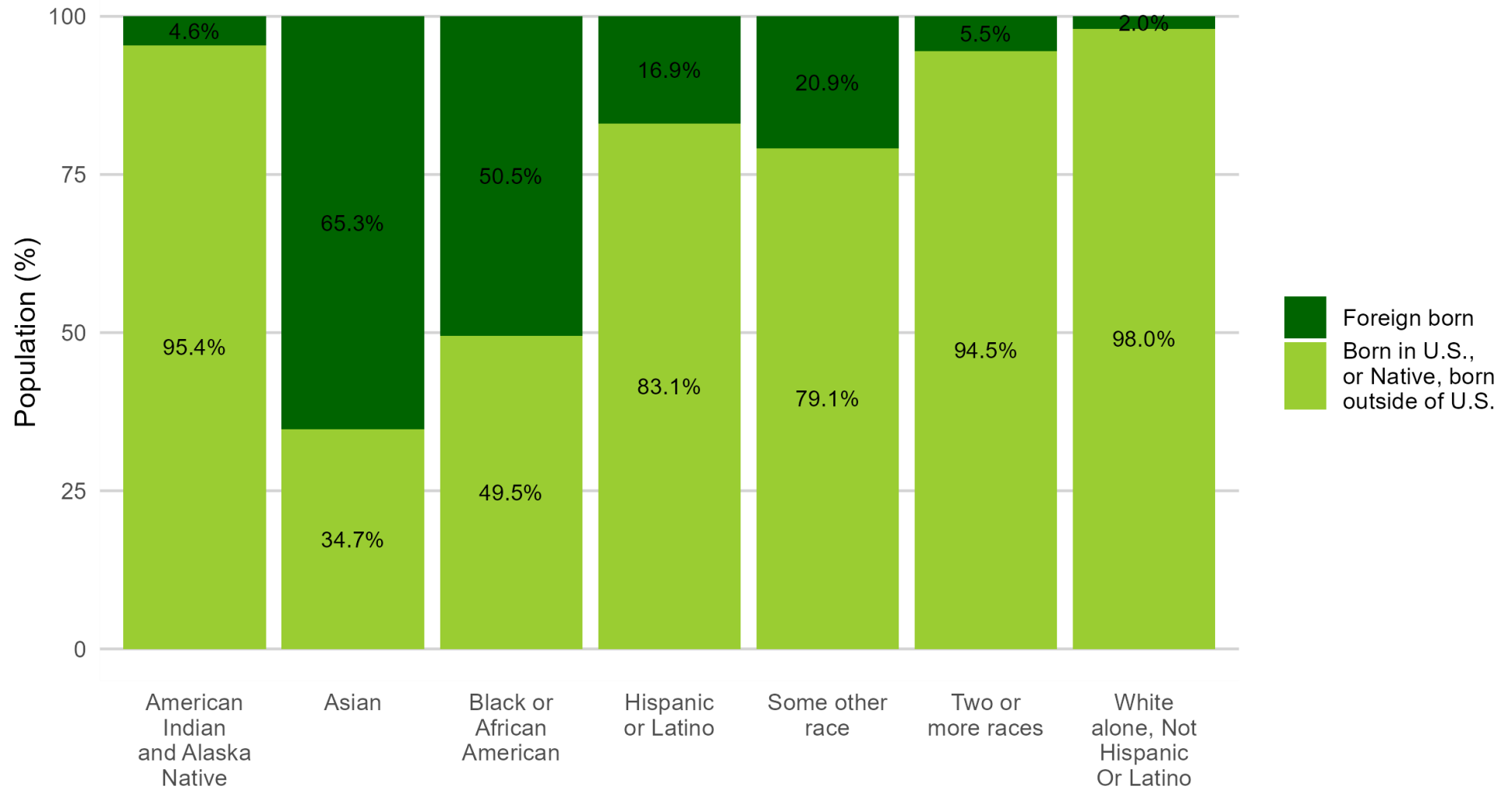


Note: Bars with less than 0.10% are not labeled for clarity and the White population is excluded from this figure because it comprises over 90% of the population.

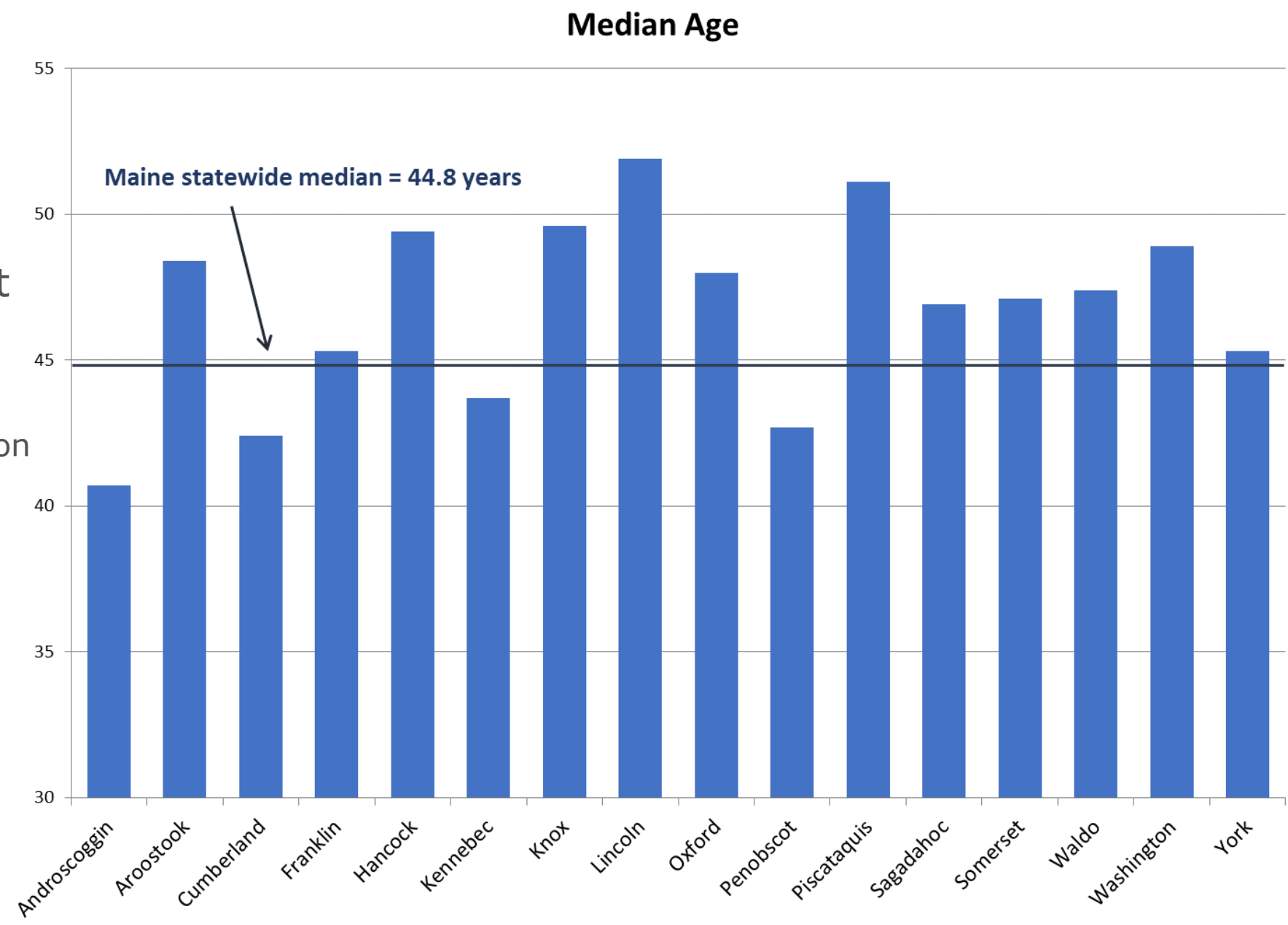
Race and/or ethnicity is not the same as place of birth

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

Foreign born statewide, 3.8%

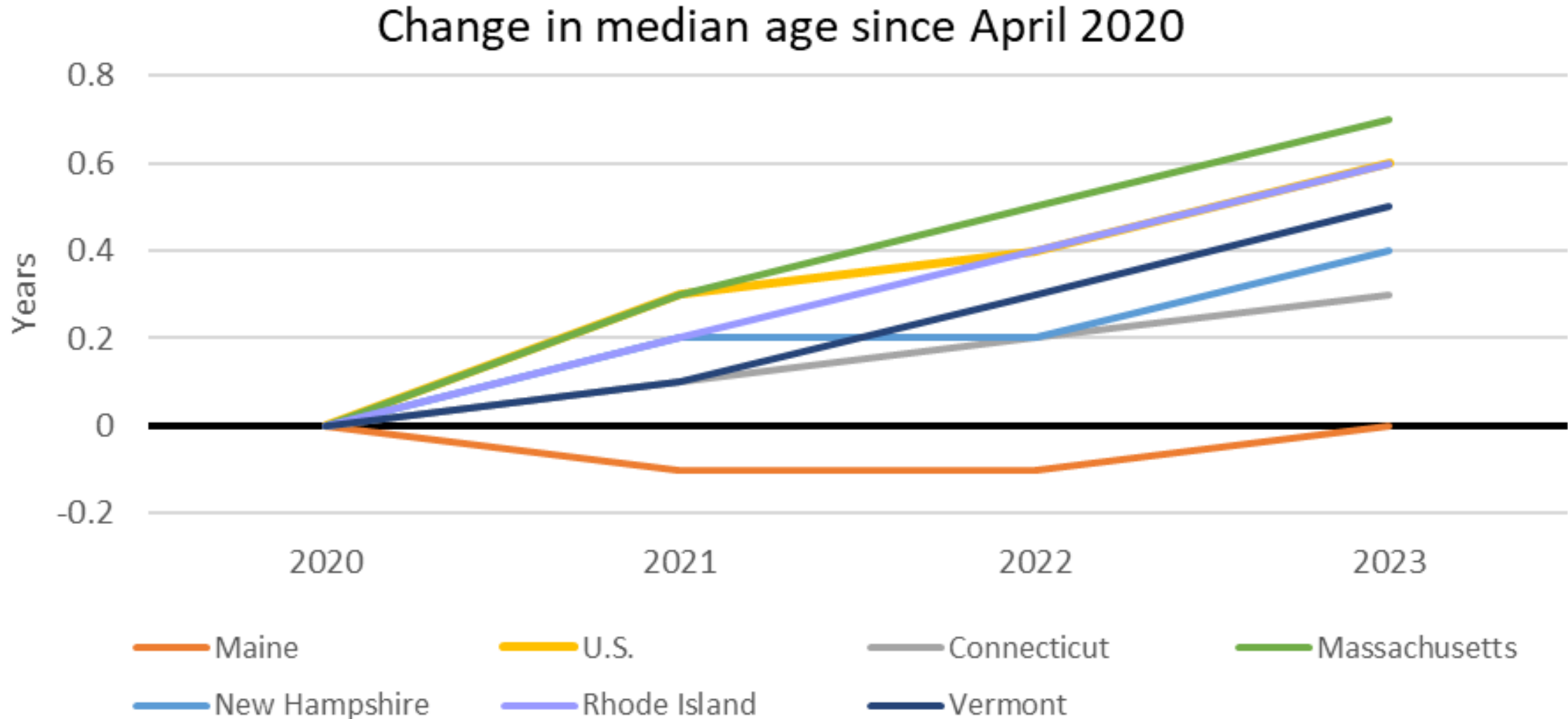


Maine has the oldest
population...
...by median age
(44.8 years)
...and by % of population
age 65+ (23.0%)



Migration has made a difference

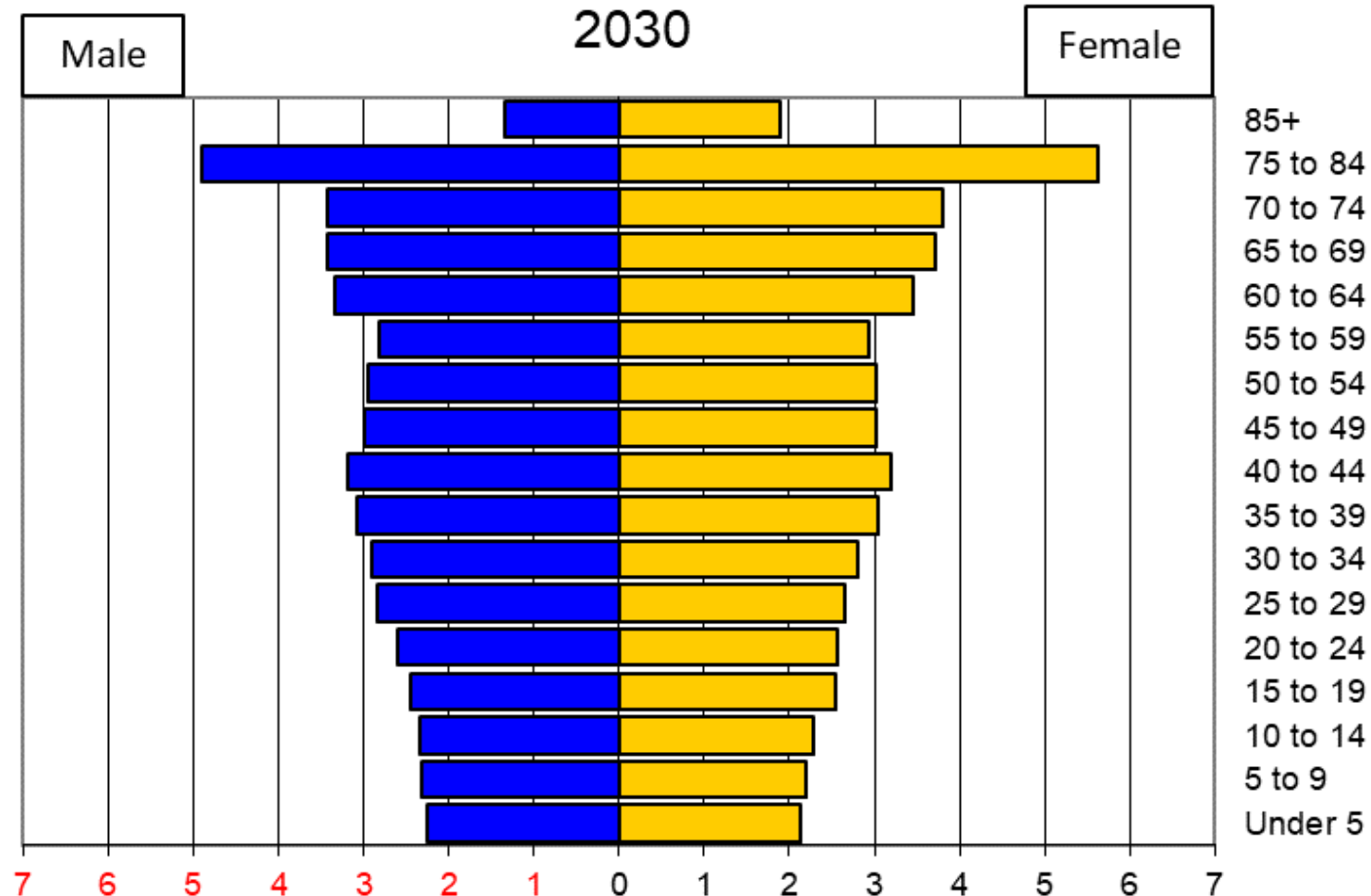
Maine's median age in 2023 is unchanged from 2020, while the U.S. median age has increased 0.6 years

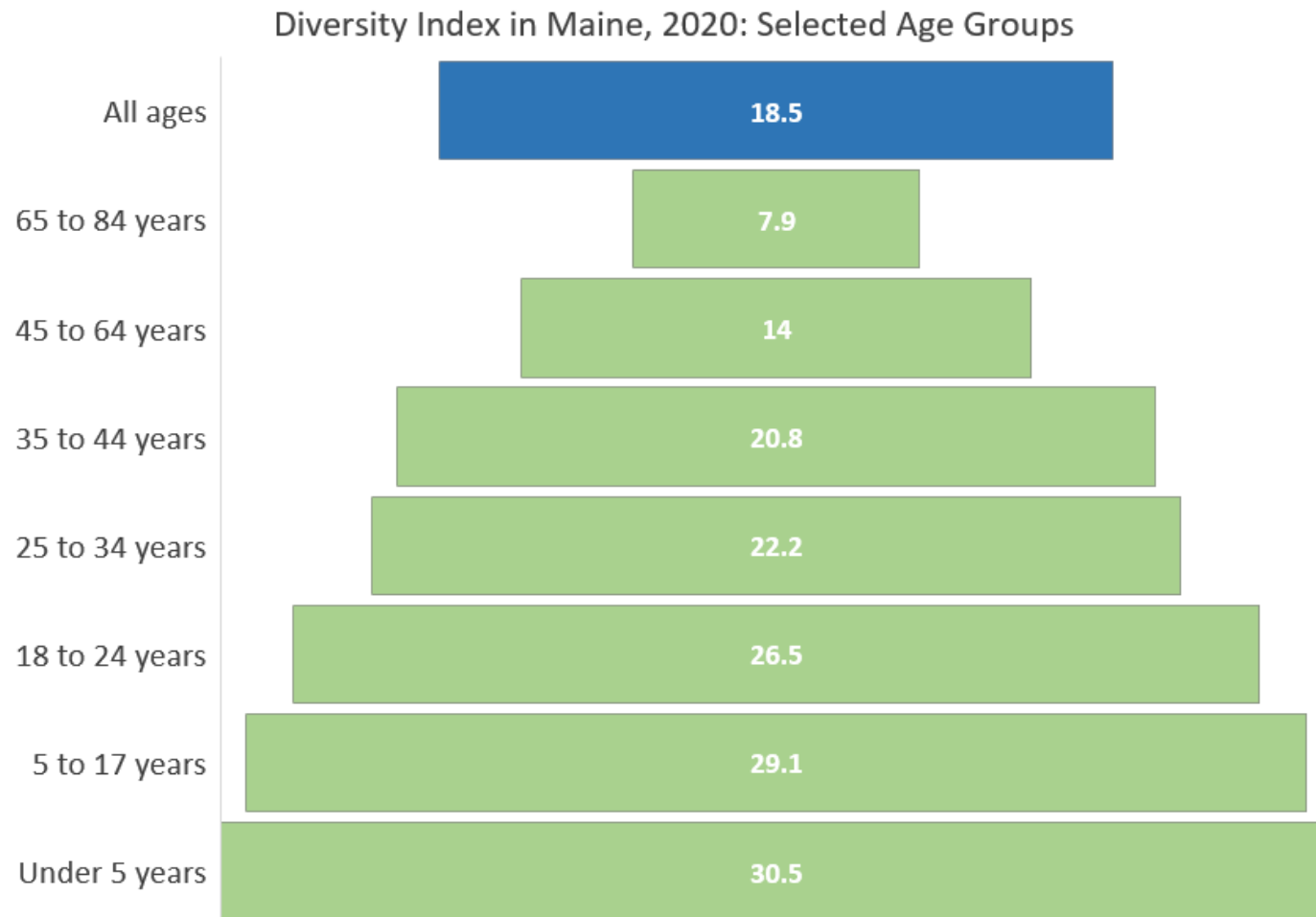


The Baby Boom: 1946-1964

Baby Boom
generation in
2030: age 66-84

Baby Boom
generation in
2023: age 59-77

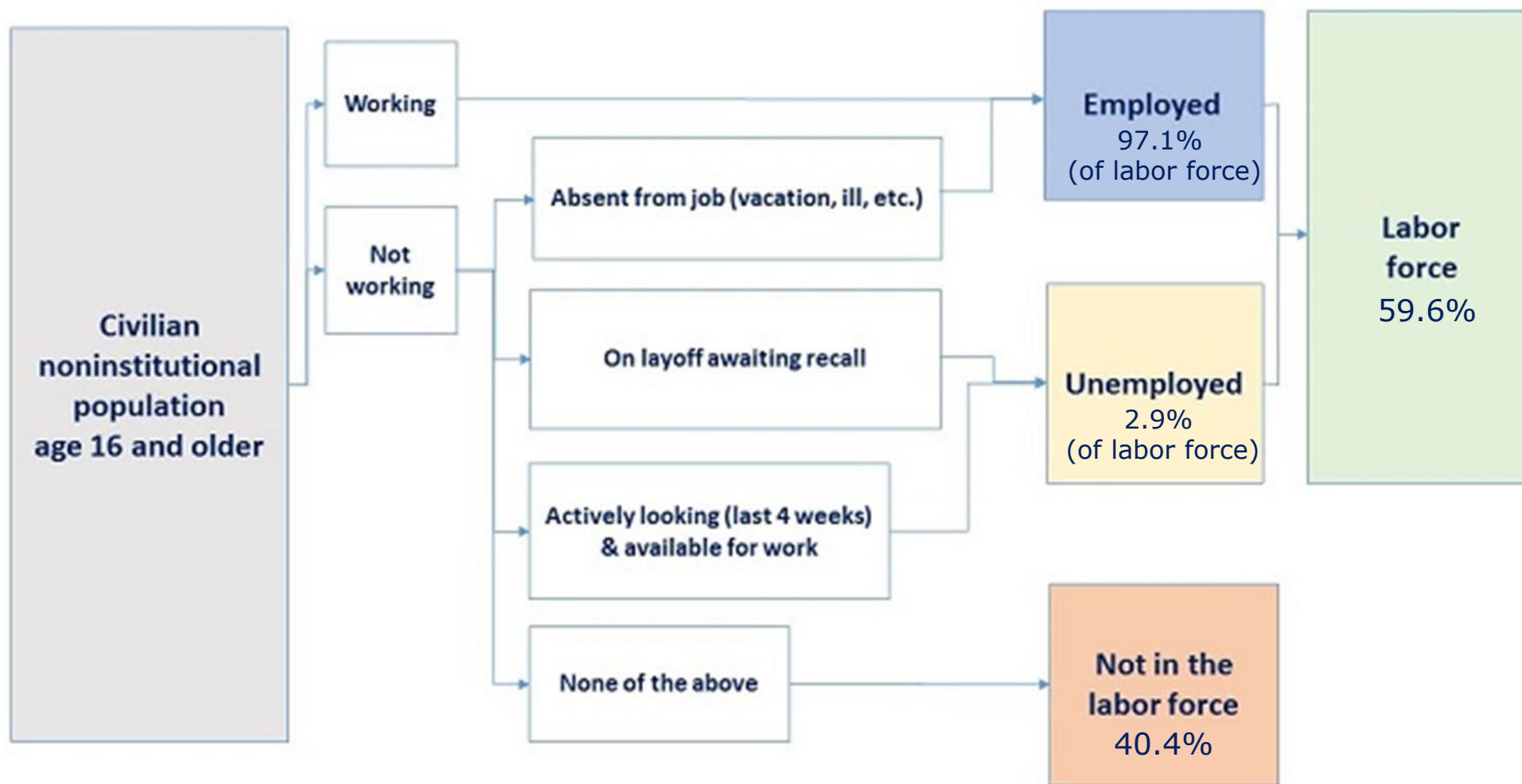




Younger generations in Maine are more diverse than older generations

Workforce 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

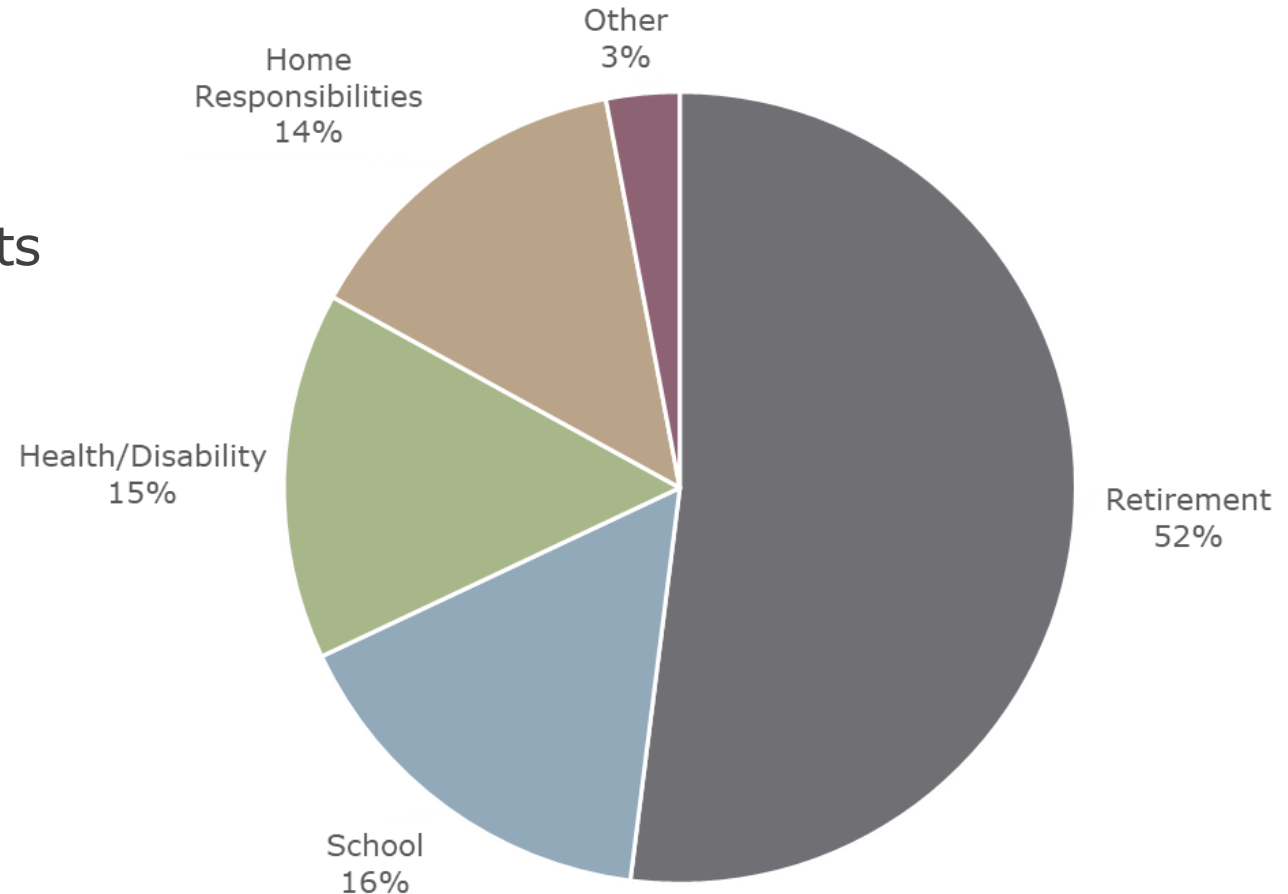
School attendance

Health/disability

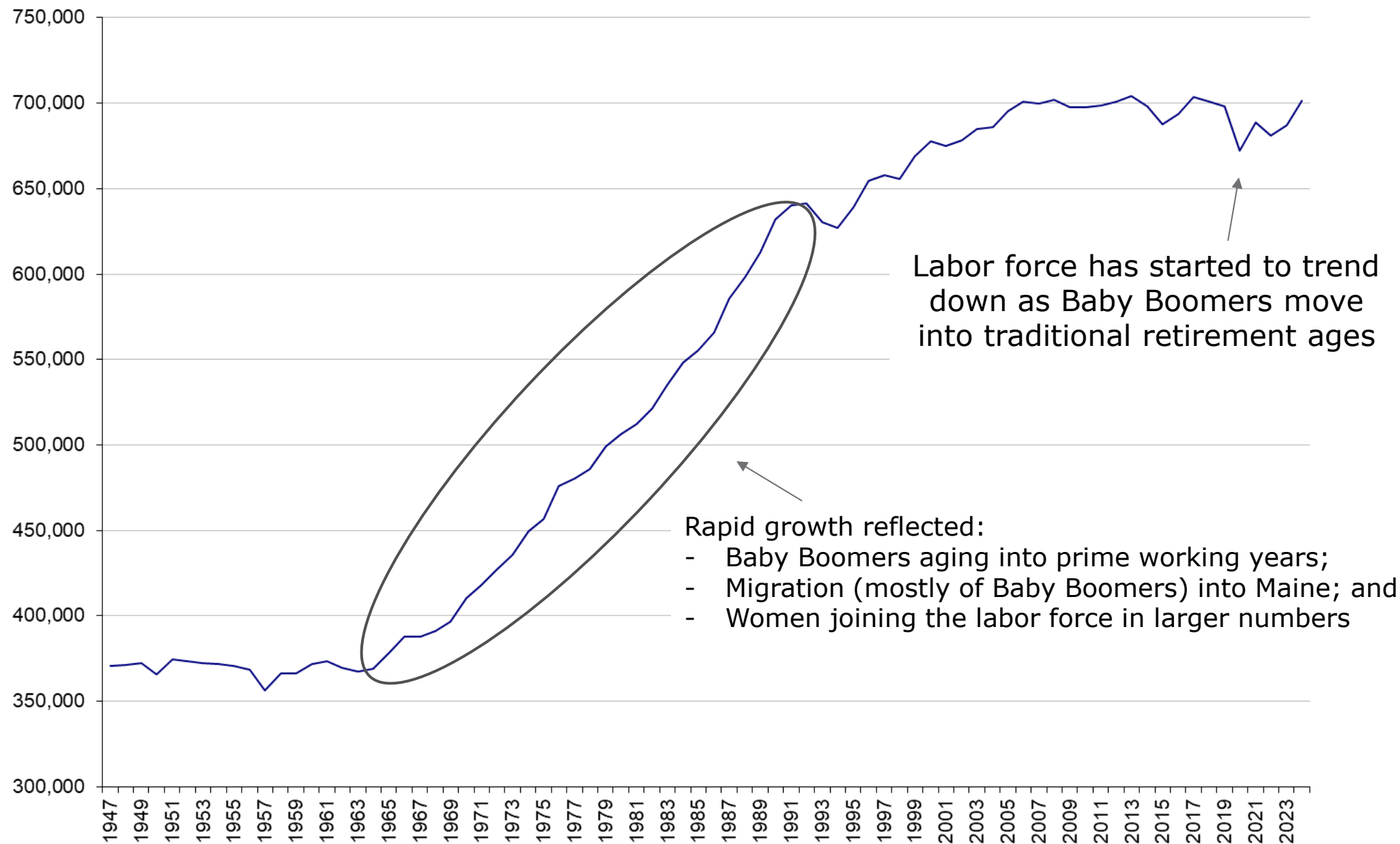
Home responsibilities

Other reasons

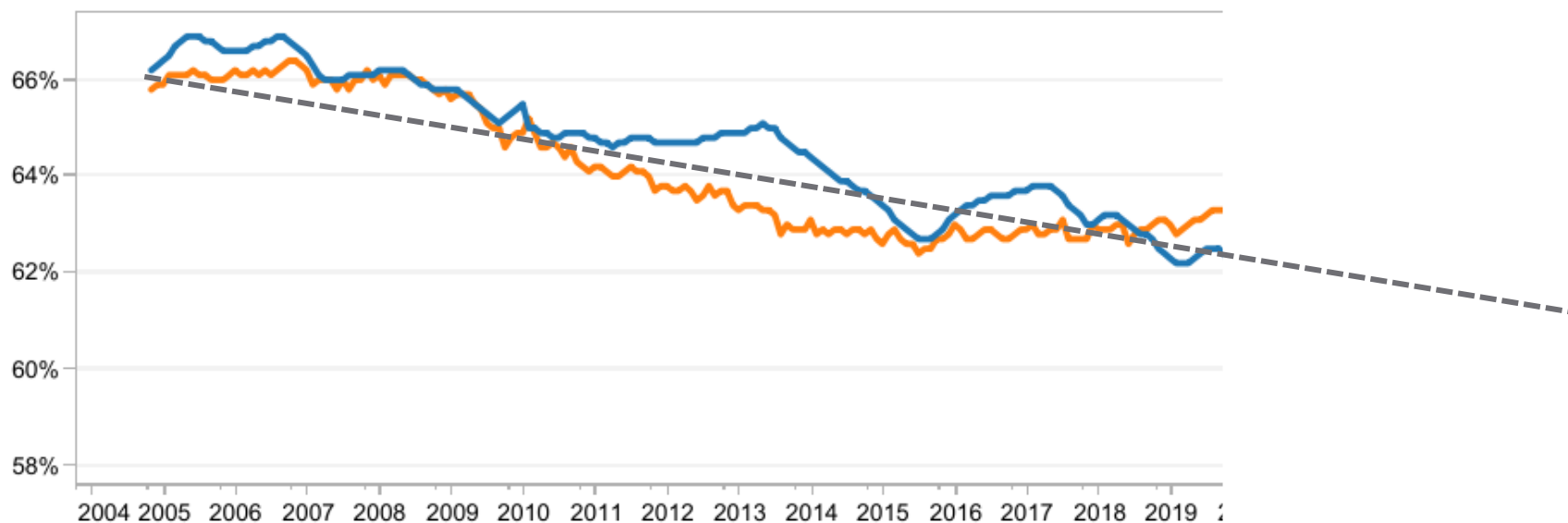
Share of Nonparticipants by Reason, 2022



Maine Civilian Labor Force



Labor Force Participation Rate (seasonally adjusted)

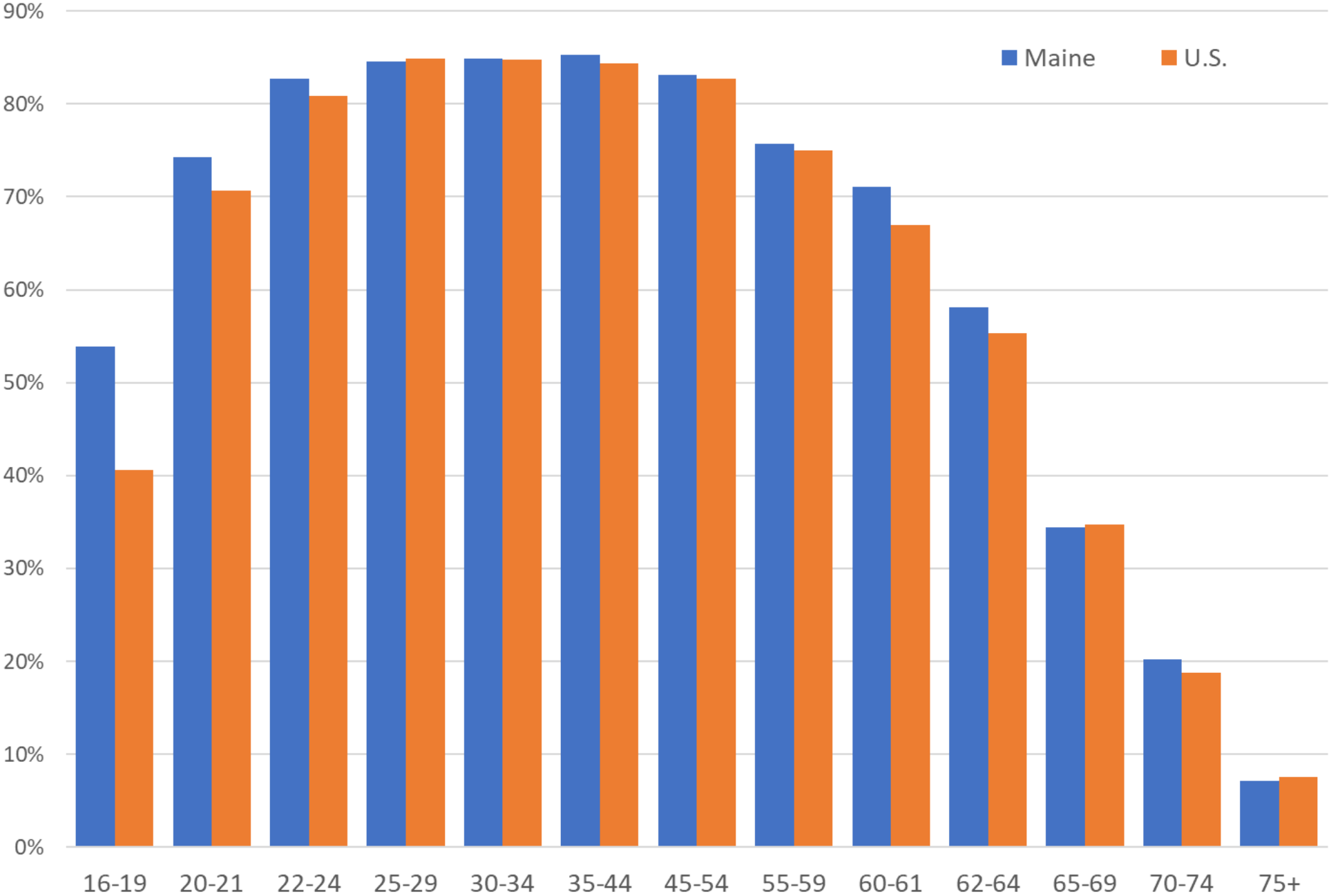


Dec, 2004 to Dec, 2024

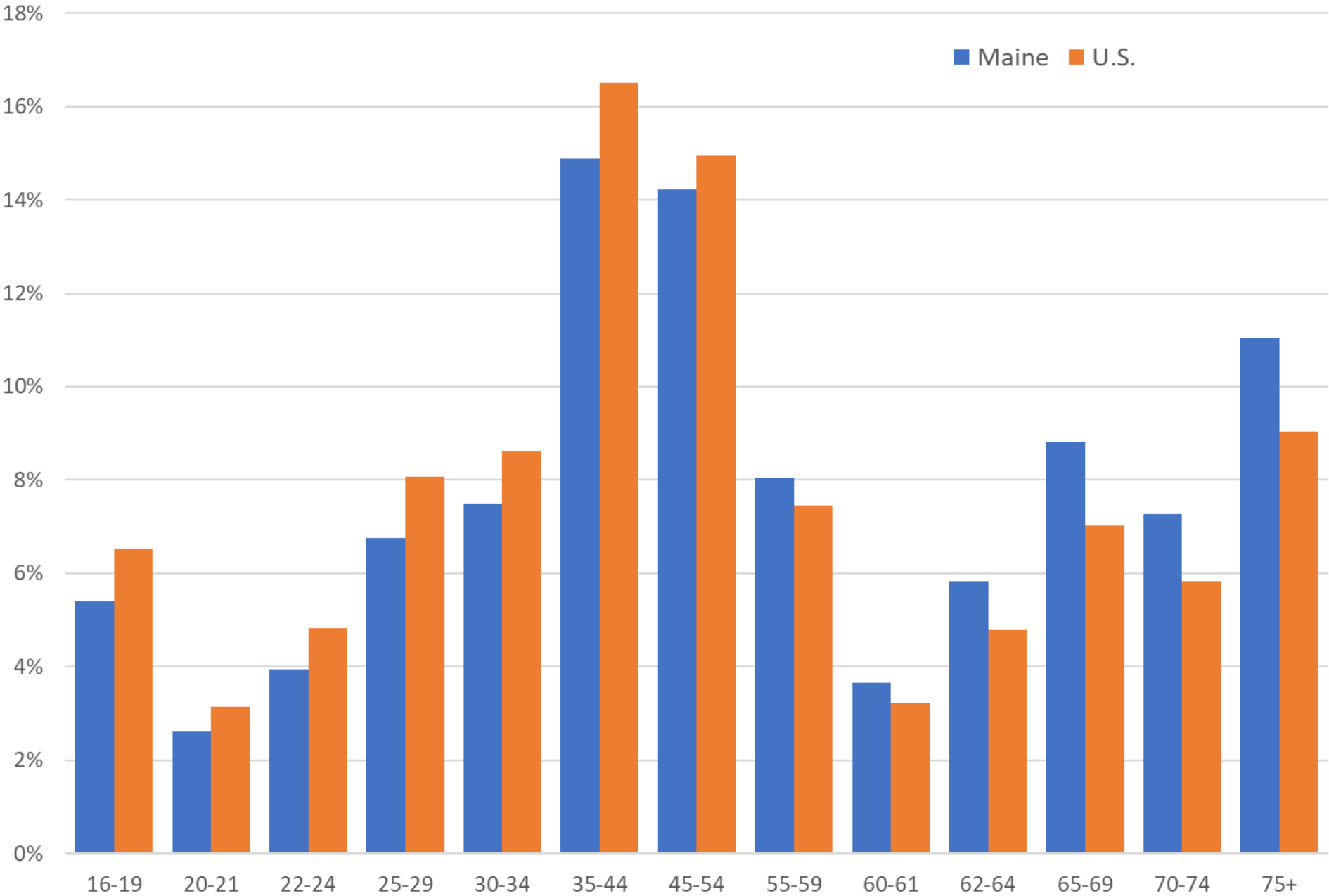
- Unemployment Rate
- Labor Force & Employment
- Unemployment
- Labor Force Participation Rate
- Employment to Population Ratio

■ Maine
■ United States

2023 Labor Force Participation Rate



Share of 16+ Population by Age, 2023



County Rates (not seasonally adjusted)

December, 2024

● Table

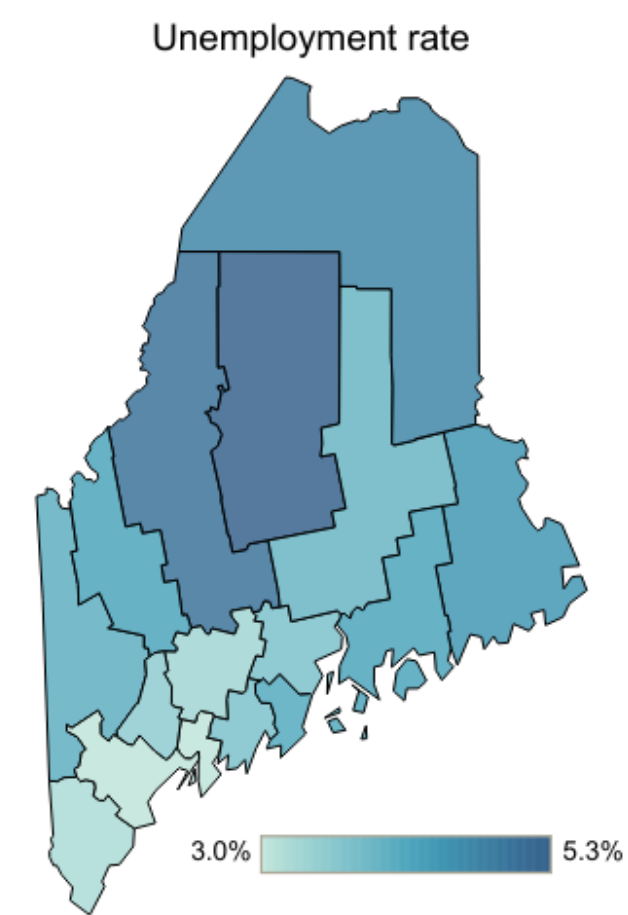
○ Graph

● Map/Graph Display

● Unemployment rate

○ One-year change

County	Rate	Year ago	One-yr change	
Maine	3.6%	3.5%	0.1	↑
Androscoggin	3.5%	3.5%	0.0	—
Aroostook	4.7%	4.9%	-0.2	↓
Cumberland	3.0%	2.9%	0.1	↑
Franklin	4.2%	4.3%	-0.1	↓
Hancock	4.2%	4.6%	-0.4	↓
Kennebec	3.3%	3.2%	0.1	↑
Knox	4.1%	3.8%	0.3	↑
Lincoln	3.7%	3.7%	0.0	—
Oxford	4.0%	3.8%	0.2	↑
Penobscot	3.9%	3.8%	0.1	↑
Piscataquis	5.3%	5.1%	0.2	↑
Sagadahoc	3.0%	2.8%	0.2	↑
Somerset	5.0%	5.0%	0.0	—
Waldo	3.7%	3.8%	-0.1	↓
Washington	4.4%	4.8%	-0.4	↓
York	3.2%	3.2%	0.0	—

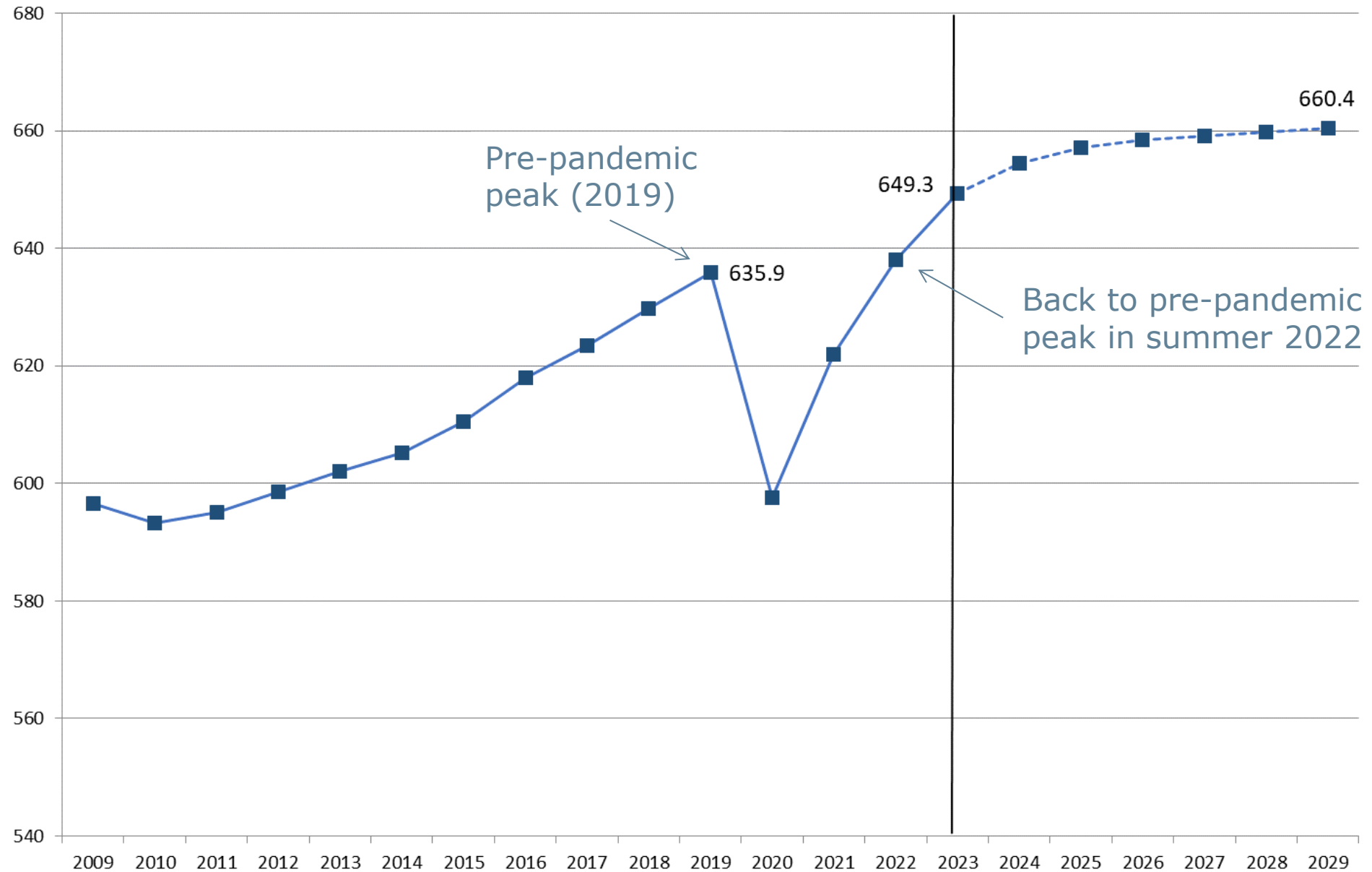


Maine Department of Labor, Center for Workforce Research and Information

Maine’s seasonally-adjusted 3.2% unemployment rate in December 2024 is below both the U.S. and New England rates

31

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



Unemployed Persons per Job Opening Ratio - Maine



How do we find enough workforce in the future?

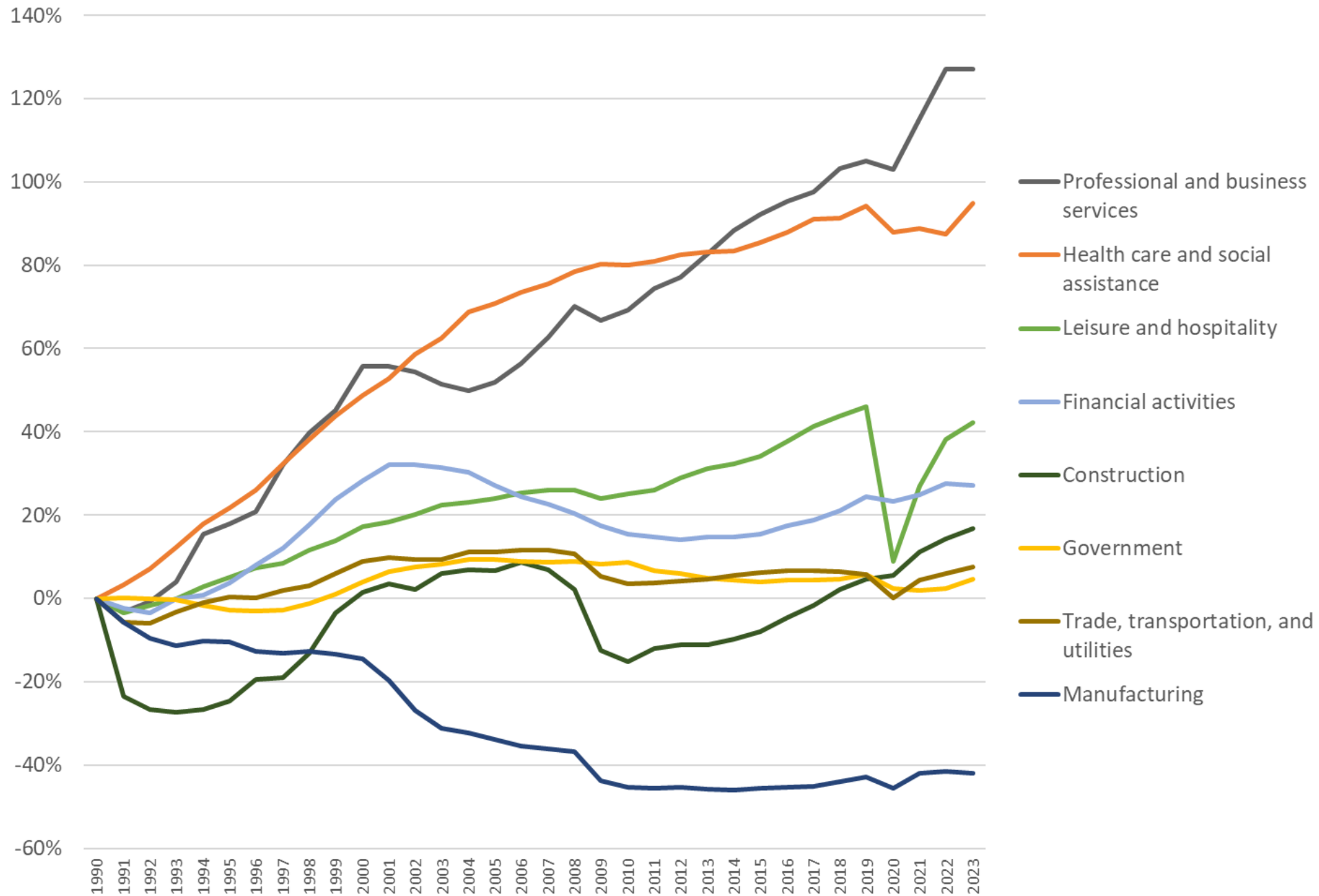
Migration: continue to attract workers to Maine; housing is currently a constraint

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

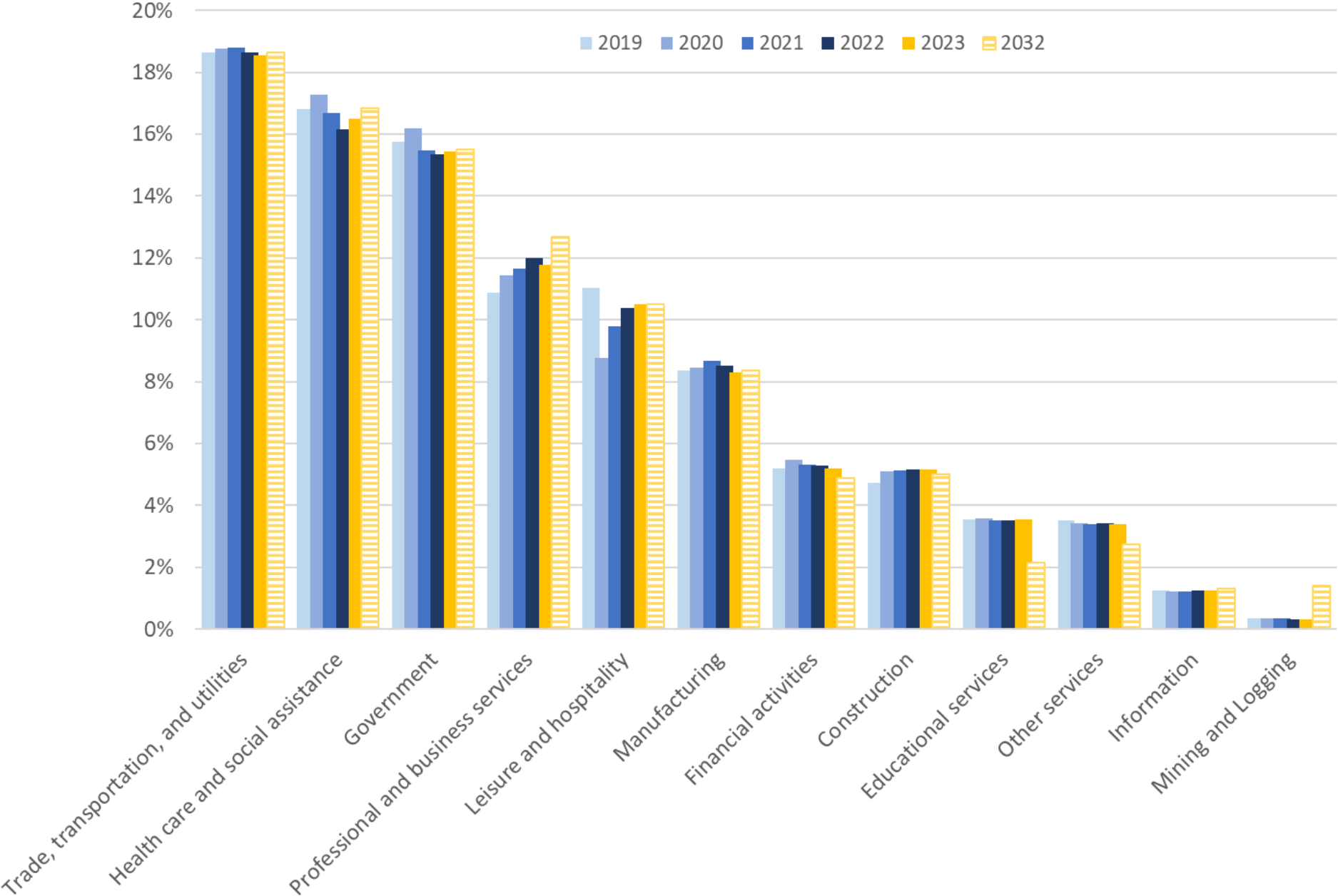
Labor Force Participation: remove roadblocks for historically underemployed populations

Automation: use technology to substitute for labor

Percent change in select Maine employment sectors since 1990

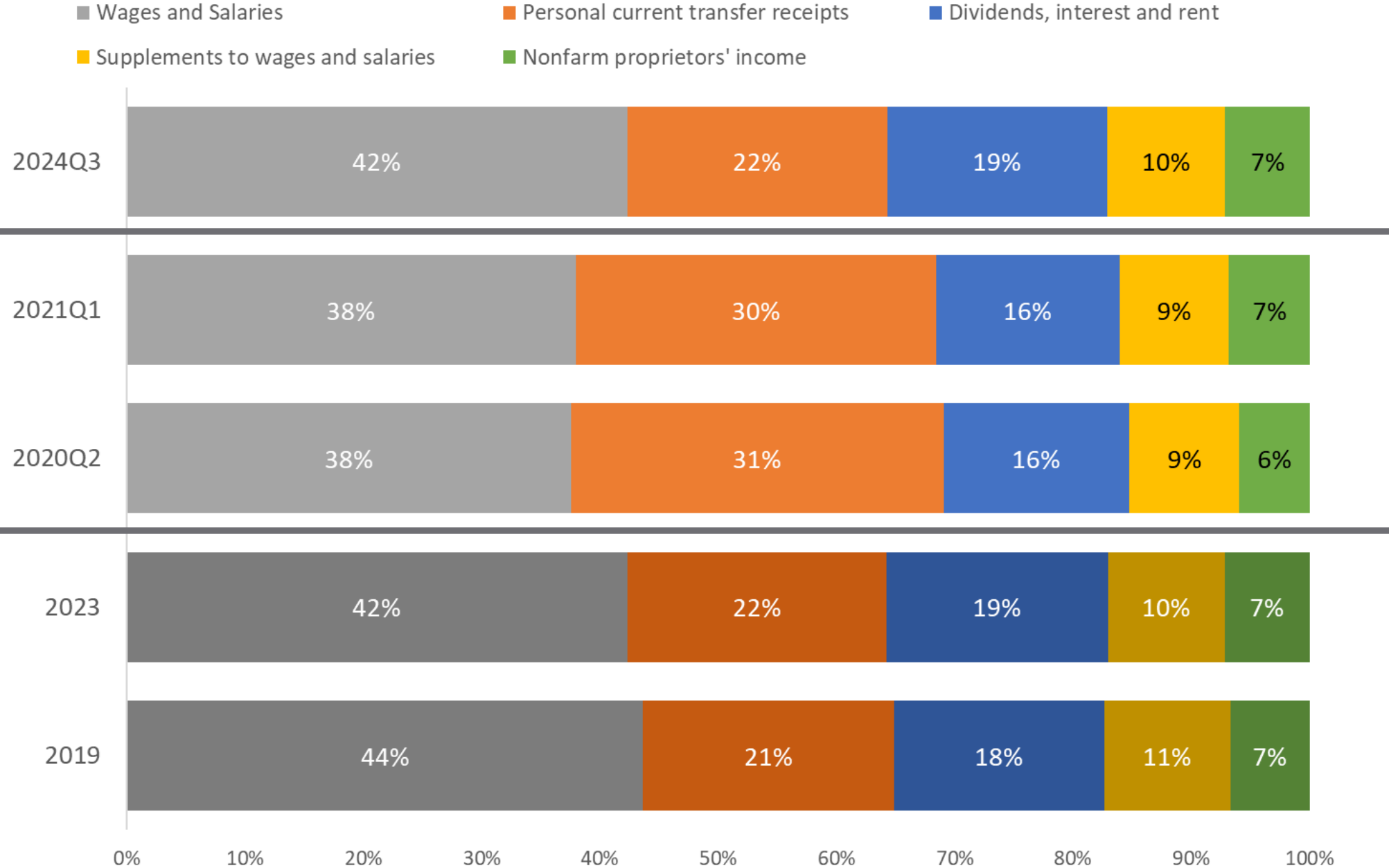


Share of Maine Nonfarm Employment by Industry

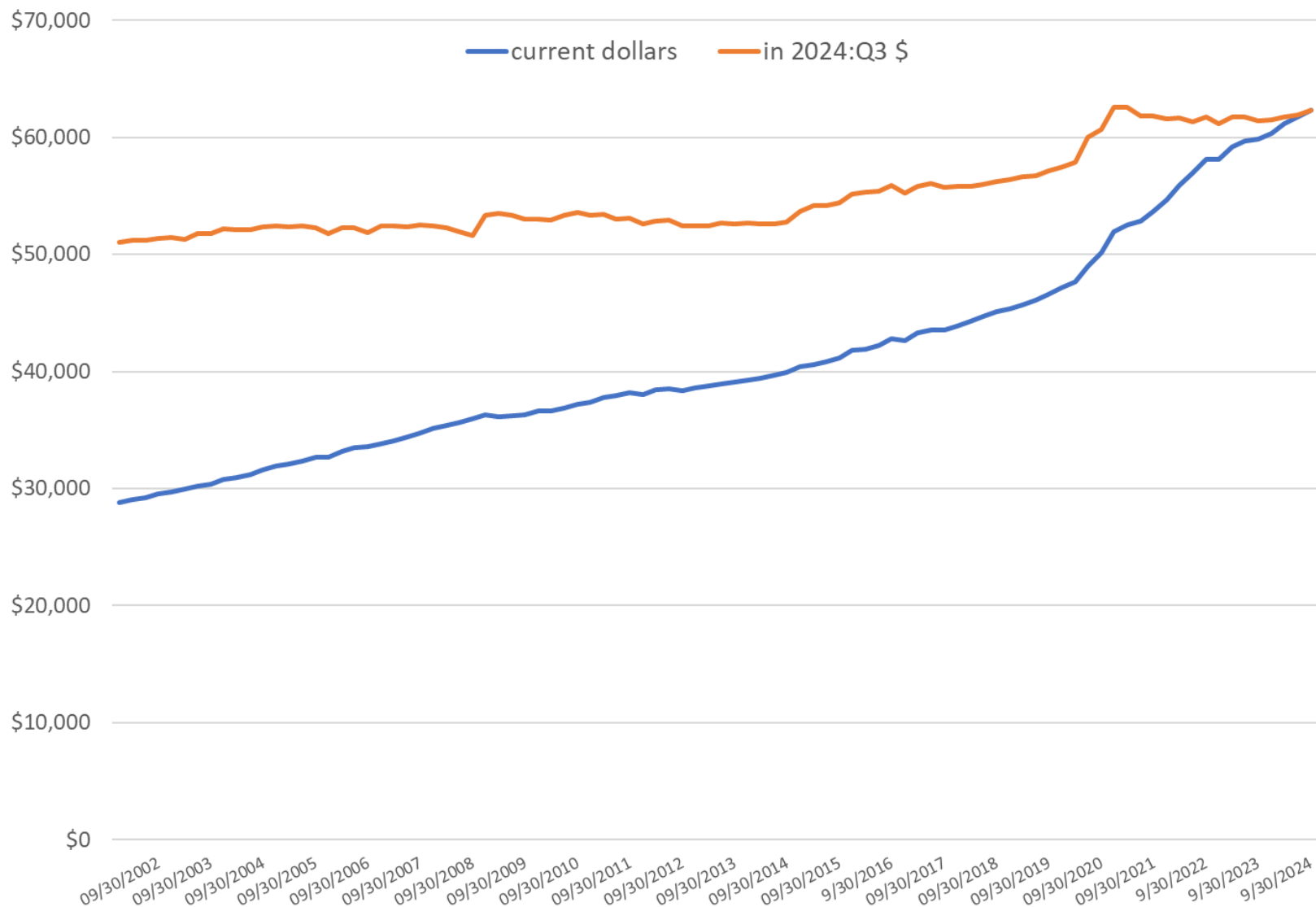


Wages, Income, and Inflation

Major Components of Personal Income, Maine

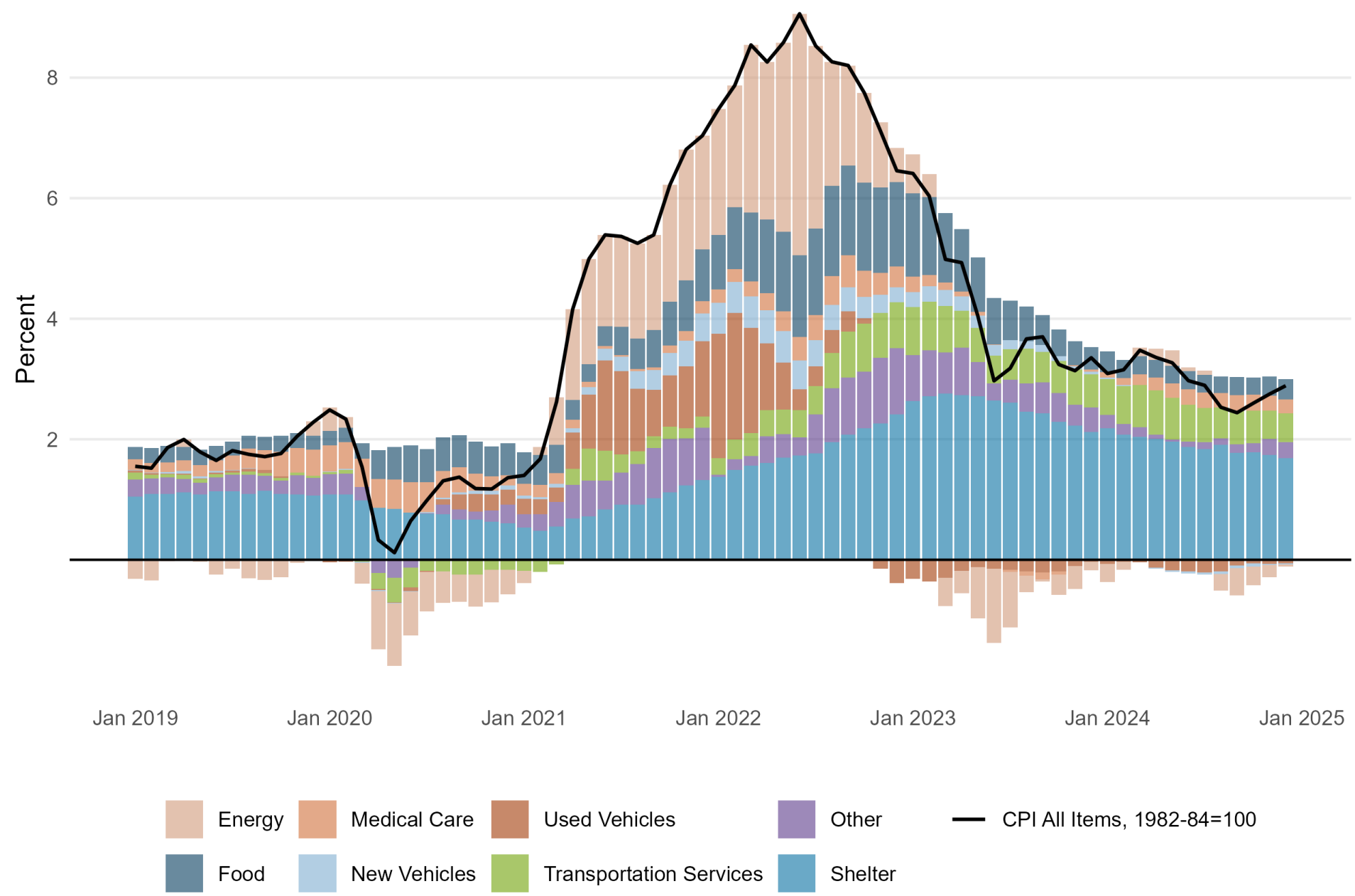


Moving Four Quarter Average Wage Per Job



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

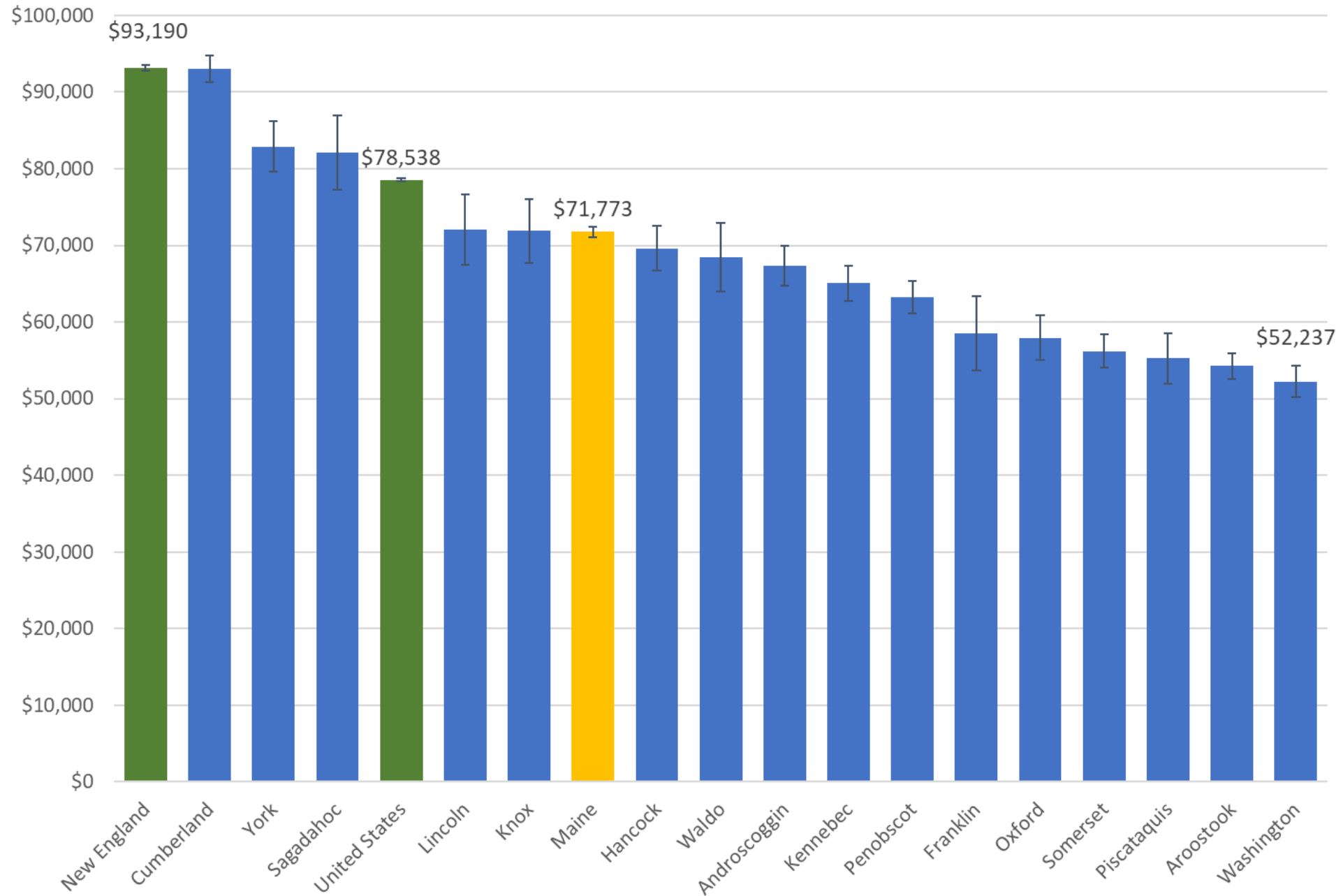
Percentage Point Contribution to YoY Percent Change in CPI



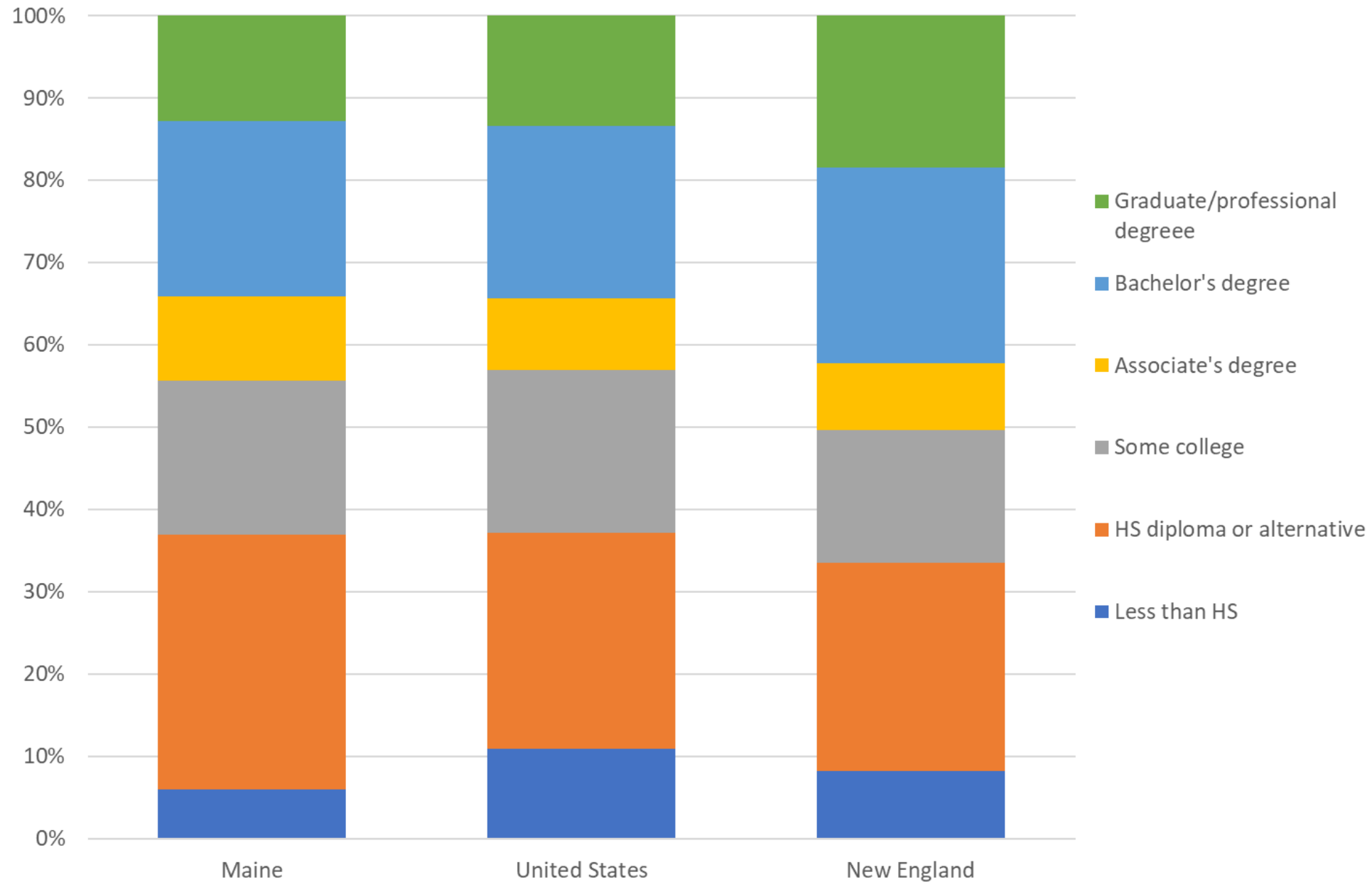
Source: US Bureau of Labor Statistics & Calculations by OSE Staff

Source: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, not seasonally adjusted)

Median Household Income

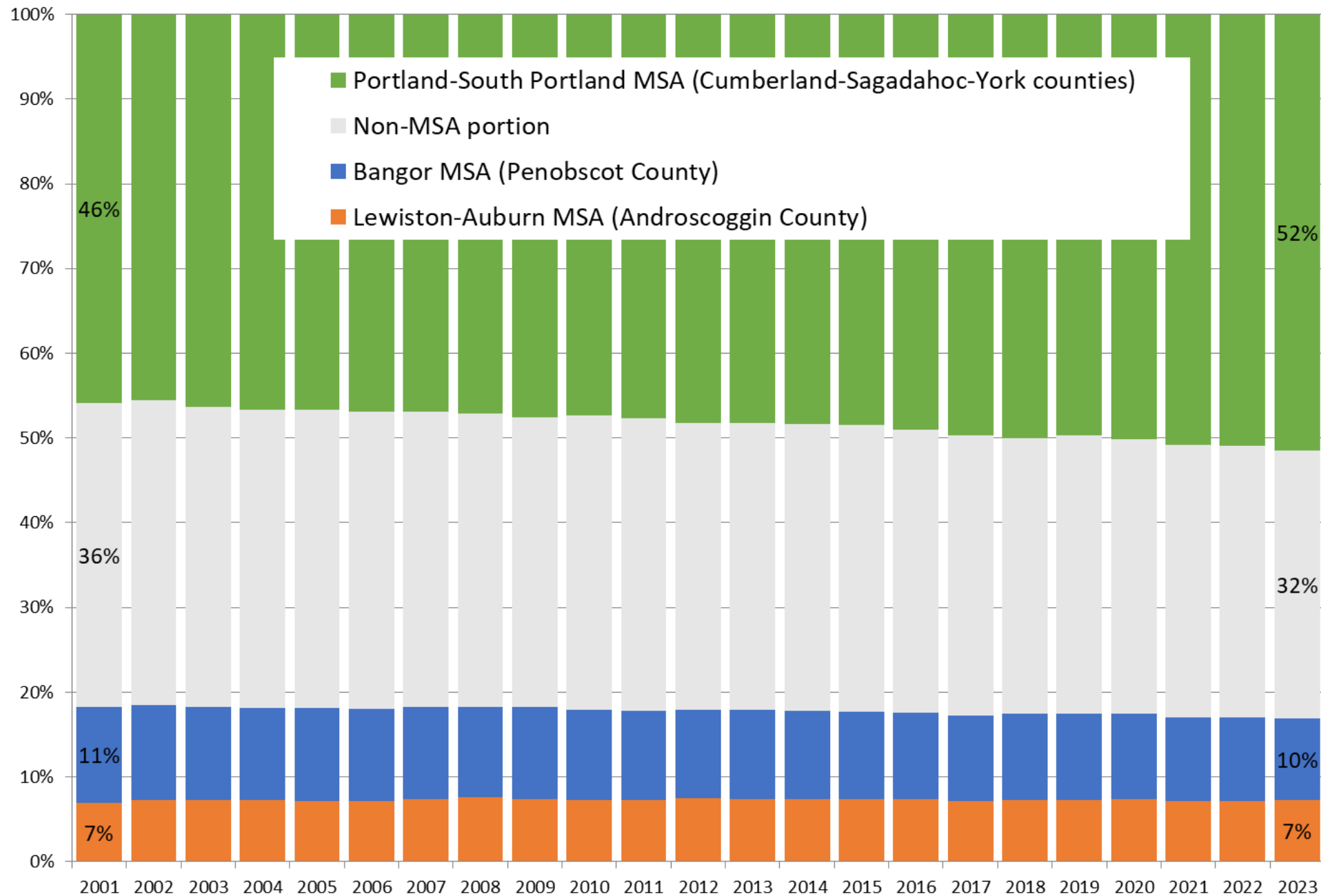


Educational Attainment of Population Age 25+

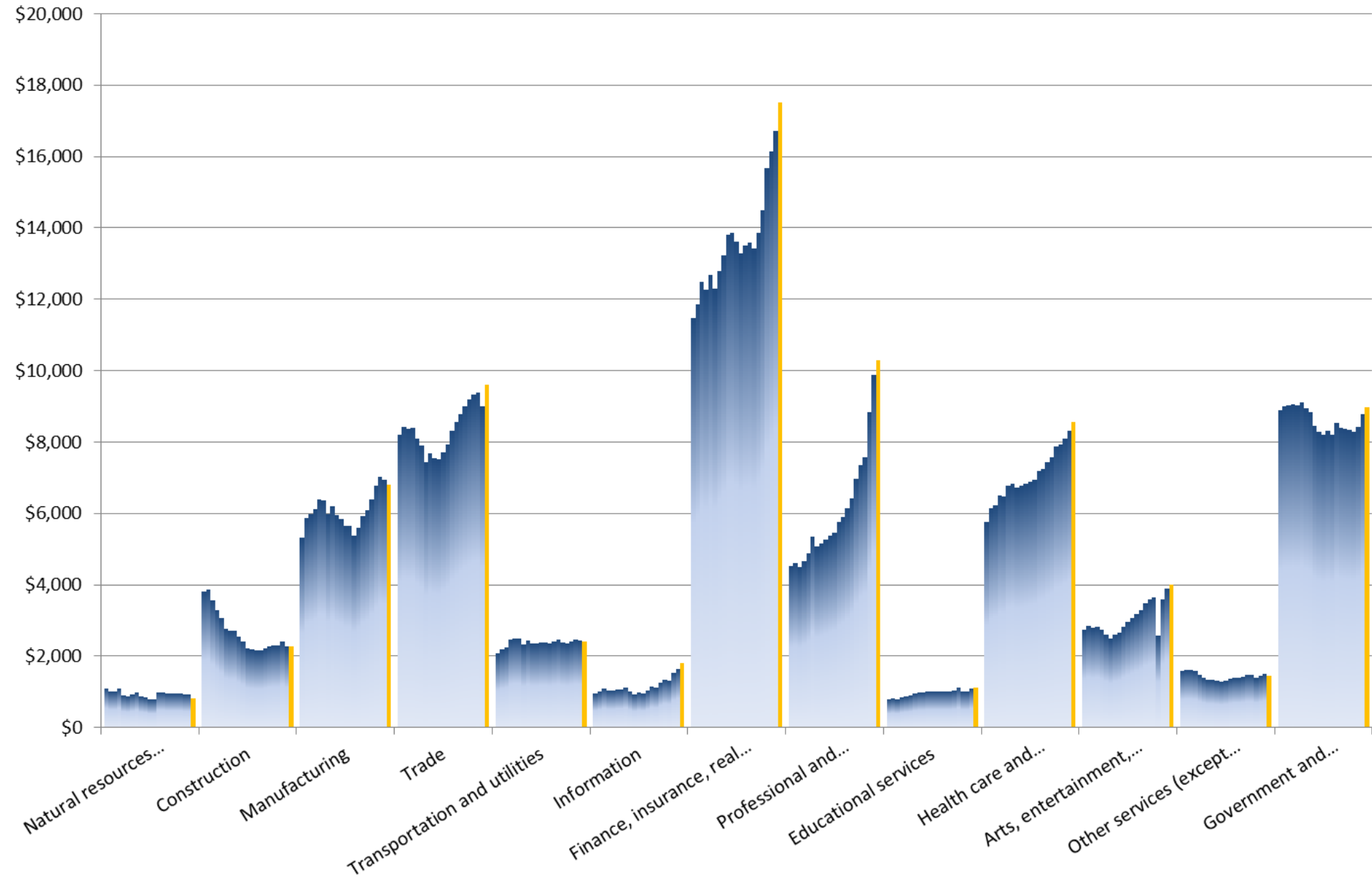


Gross Domestic Product (GDP)

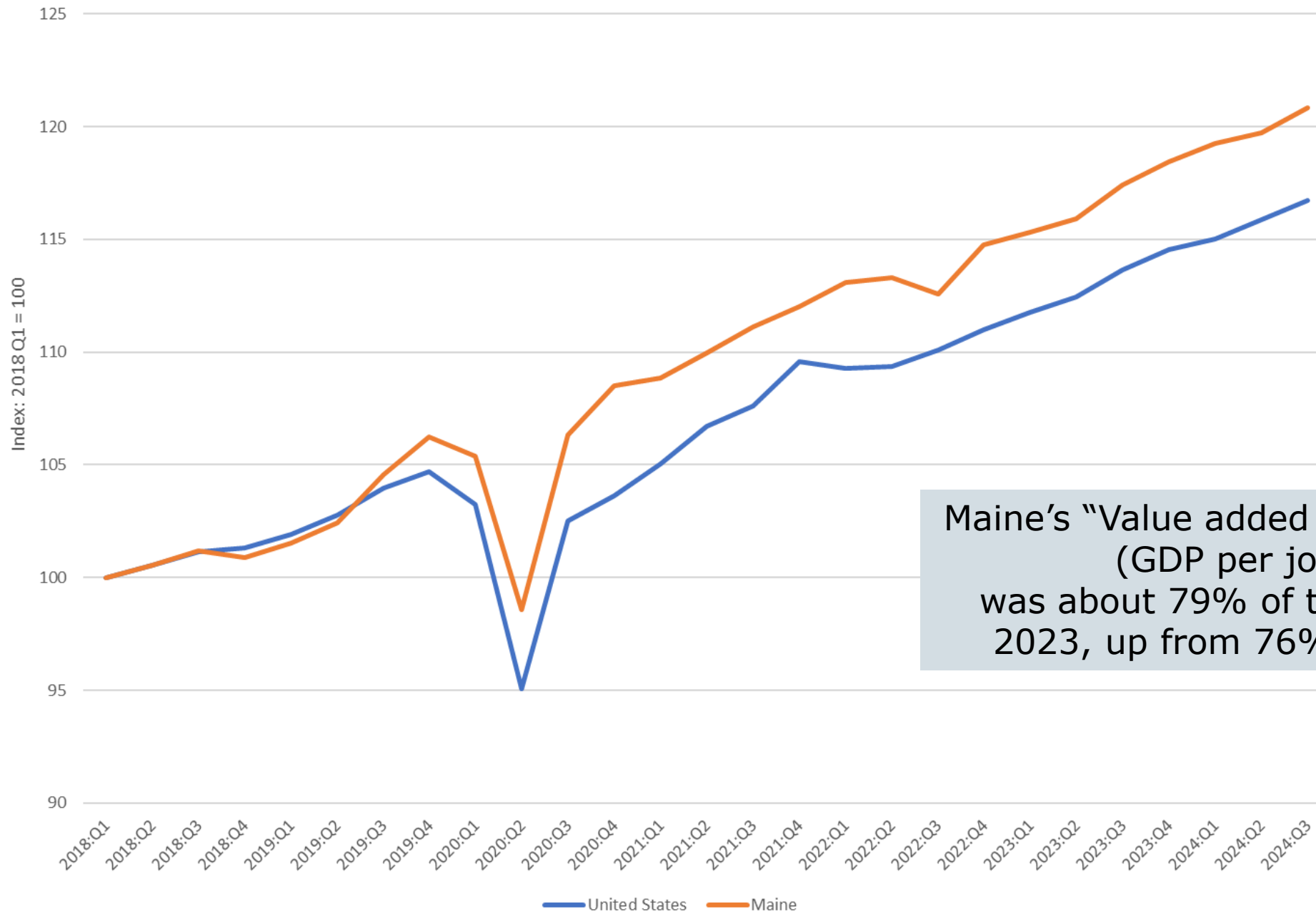
Share of Maine GDP by Metropolitan Area



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



Quarterly Real GDP (in millions of chained 2017 dollars)



Maine's "Value added per worker"
(GDP per job)
was about 79% of the U.S. in
2023, up from 76% in 2018

Wrapping up:

- Maine has a relatively small population that is both older and less diverse than the nation
- Migration picked up during the pandemic, but the continuation of this trend has been challenged by housing availability/affordability - additional supply and lower prices/mortgage rates will be key
- Employment growth is limited by labor force availability; increased labor force participation, continued in-migration of younger populations, and increased productivity can help
- There has been a shift in Maine's industry sectors over time, with professional and business services playing an increasingly important role in the economy

Contact Information

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