

Shaping Maine's Economic Future

Maine Entrepreneurs Summit

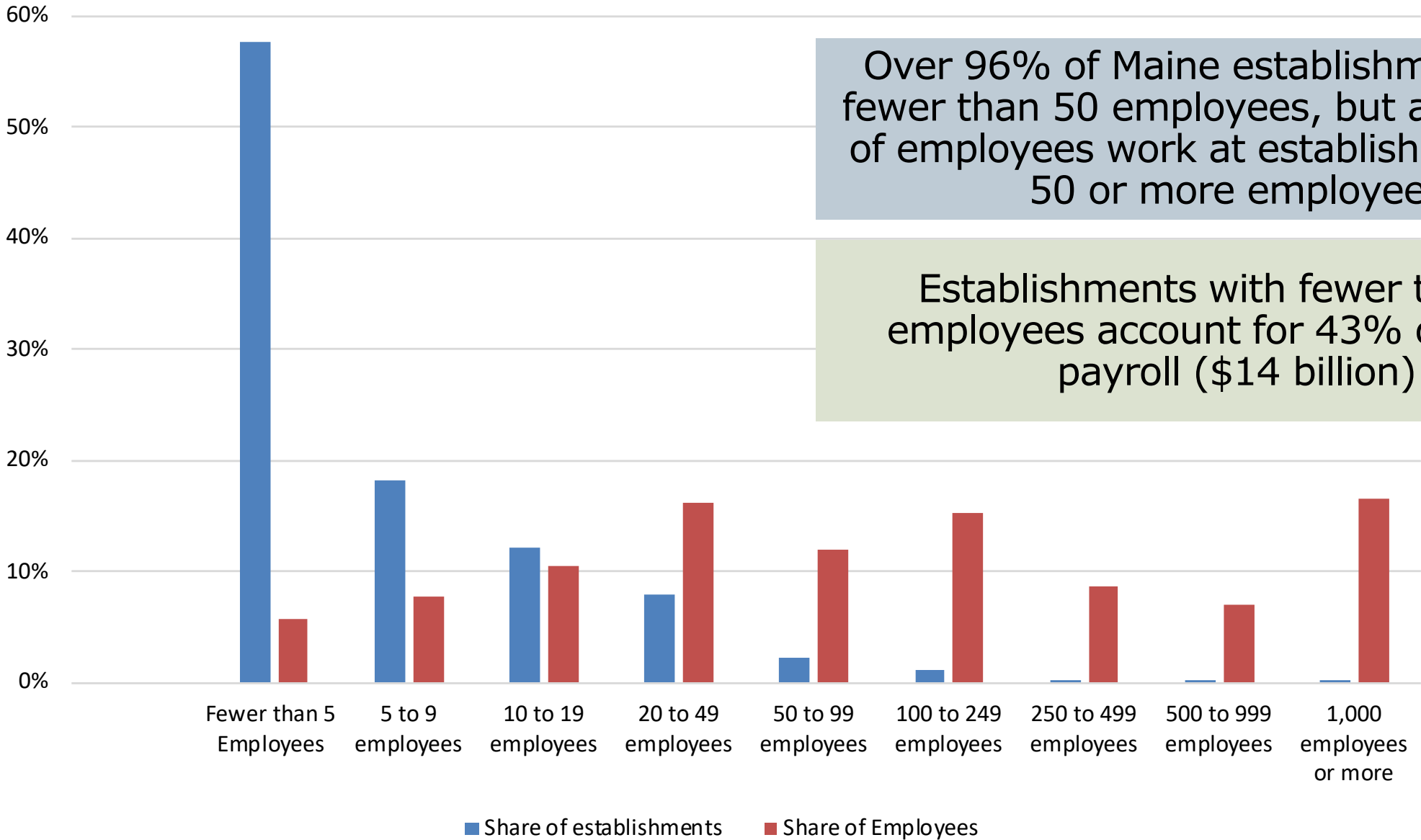
May 12, 2026

Amanda Rector

Maine State Economist

What role do small businesses and startups play in Maine's economy?

Share of Establishments and Employees by Establishment Class Size
Maine, 2023

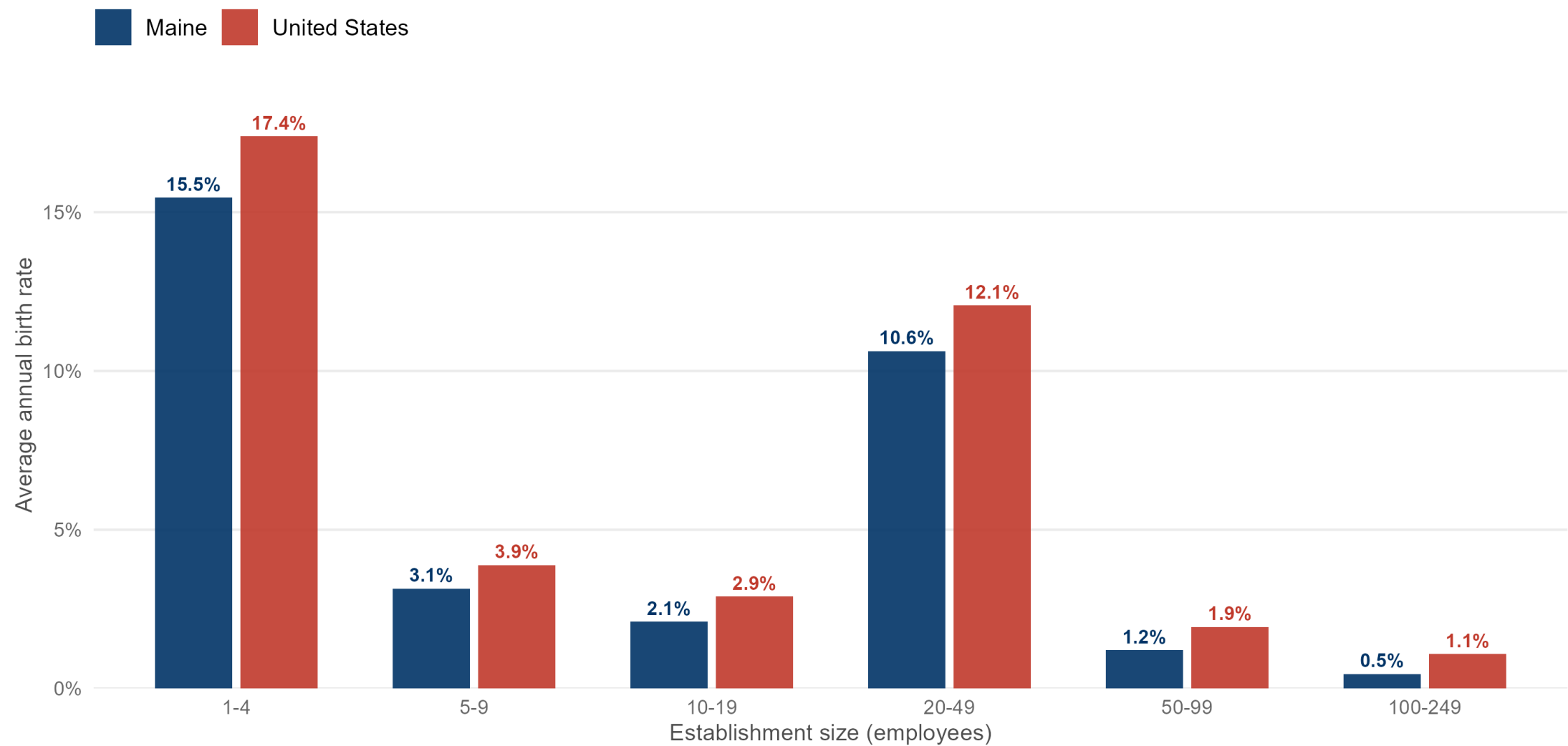


Over 96% of Maine establishments have fewer than 50 employees, but almost 60% of employees work at establishments with 50 or more employees

Establishments with fewer than 50 employees account for 43% of annual payroll (\$14 billion)

Establishment birth rate by size class, Maine vs. U.S.

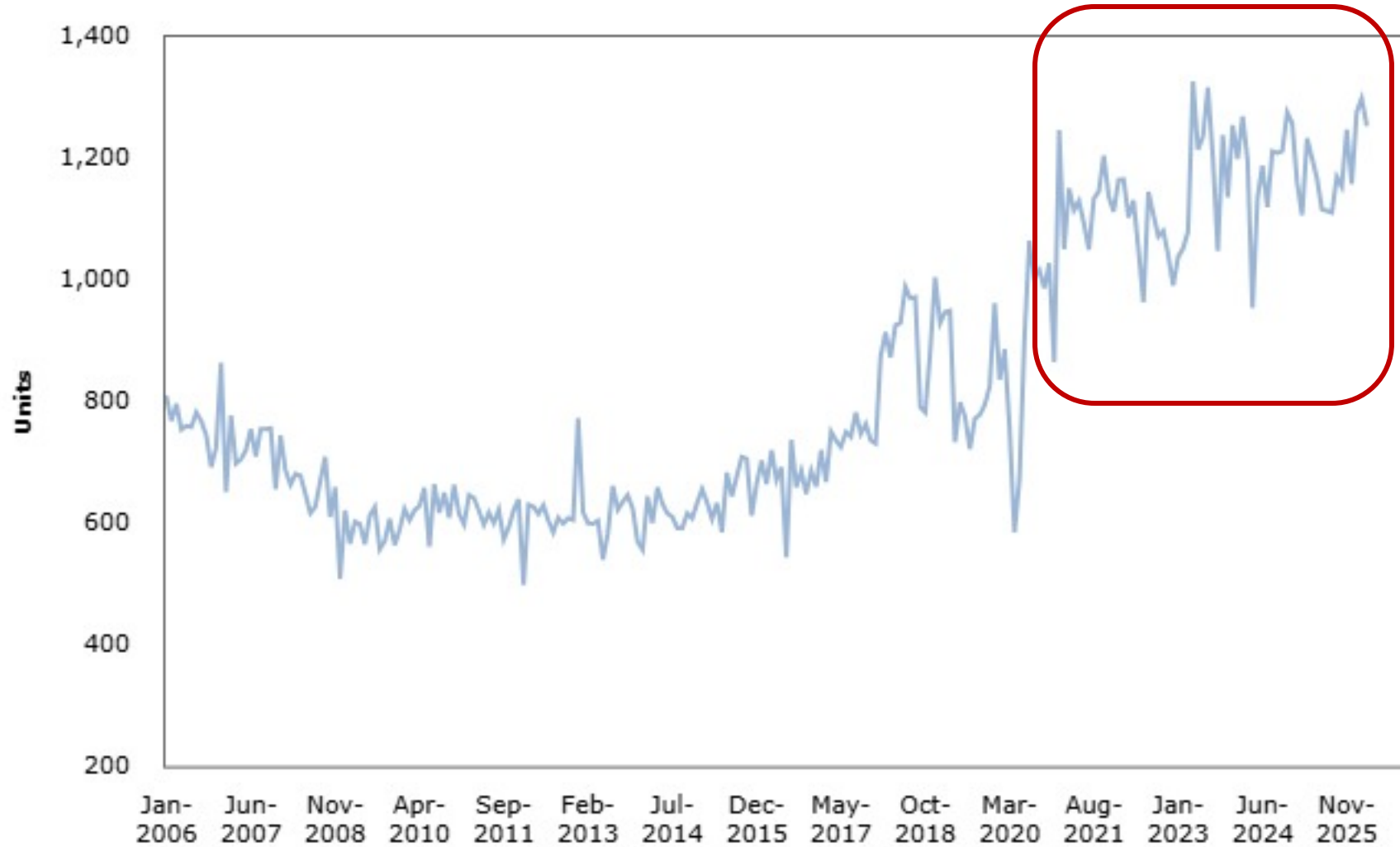
Average annual birth rate, 2019–2023



Source: U.S. Census Bureau, Business Dynamics Statistics (BDS), annual establishment-level data, 2019–2023.
Rates are defined by the U.S. Census Bureau's Business Dynamics Statistics (BDS) using the DHS (Davis–Haltiwanger–Schuh) methodology.

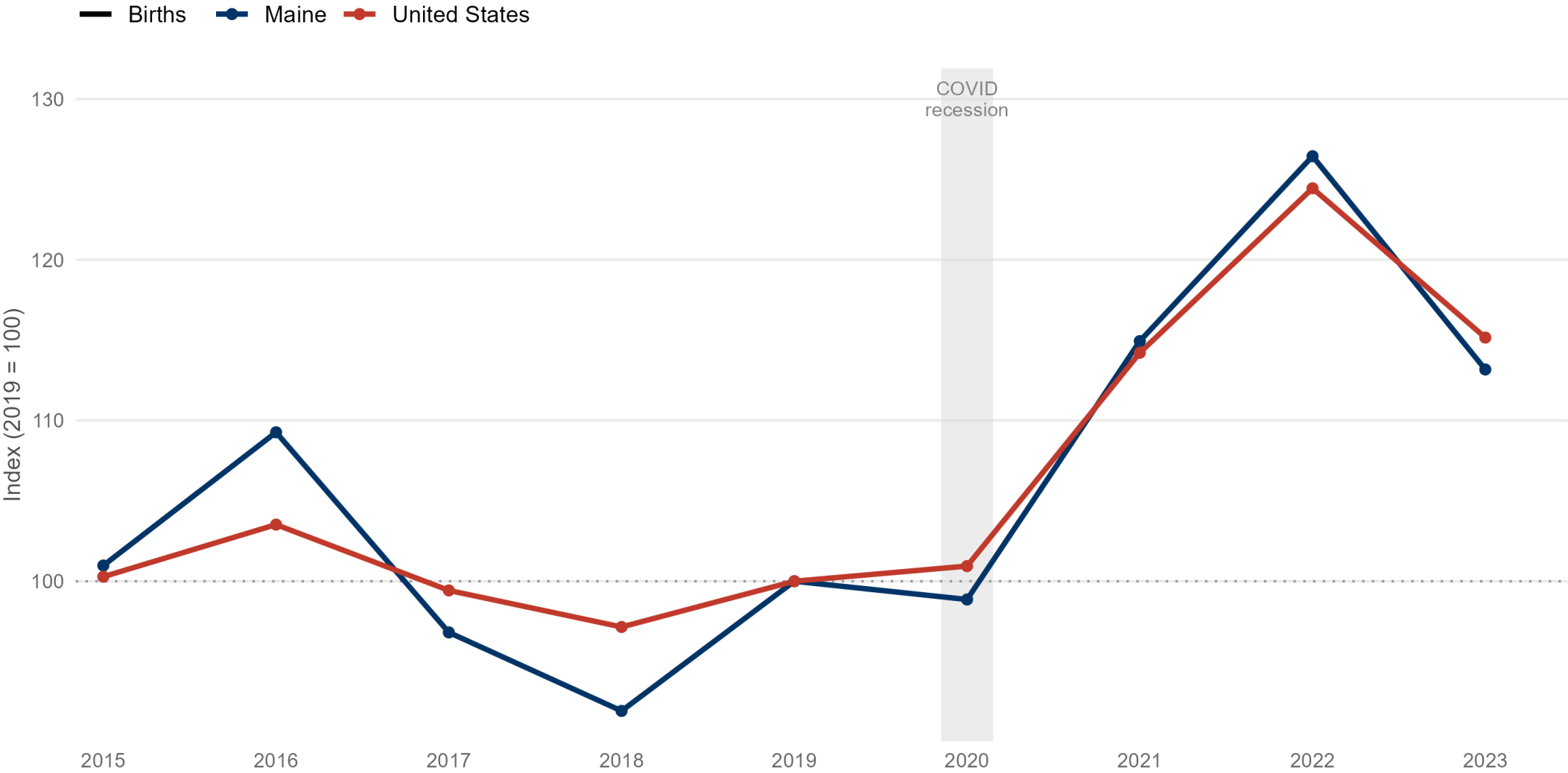
**Source: Business Formation Statistics
Total for All NAICS: Maine
Jan-2006 to Dec-2026**

Seasonally Adjusted Business Applications



Establishment births, Maine and U.S.

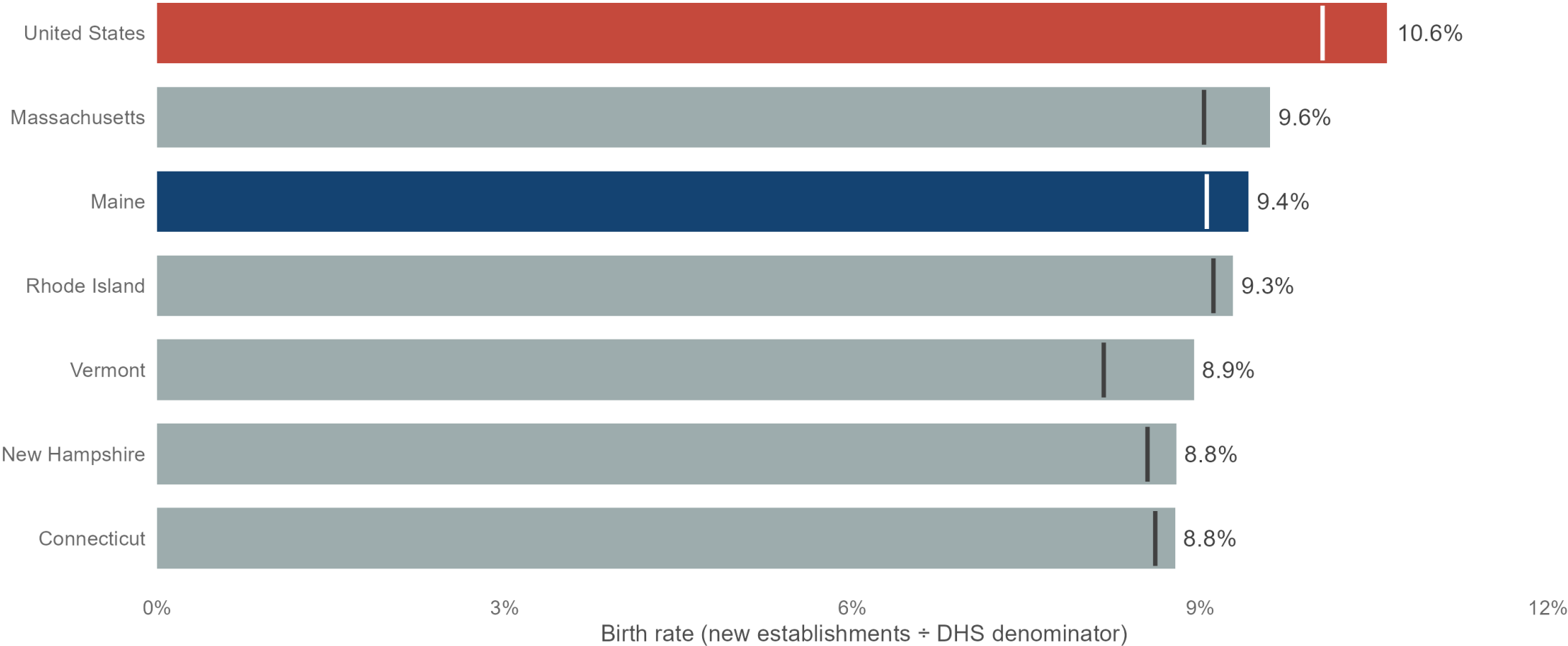
Annual counts indexed to 2019 = 100



Source: U.S. Census Bureau, Business Dynamics Statistics (BDS), annual establishment-level data, 2015–2023.

Establishment birth rates, New England states and U.S., 2023

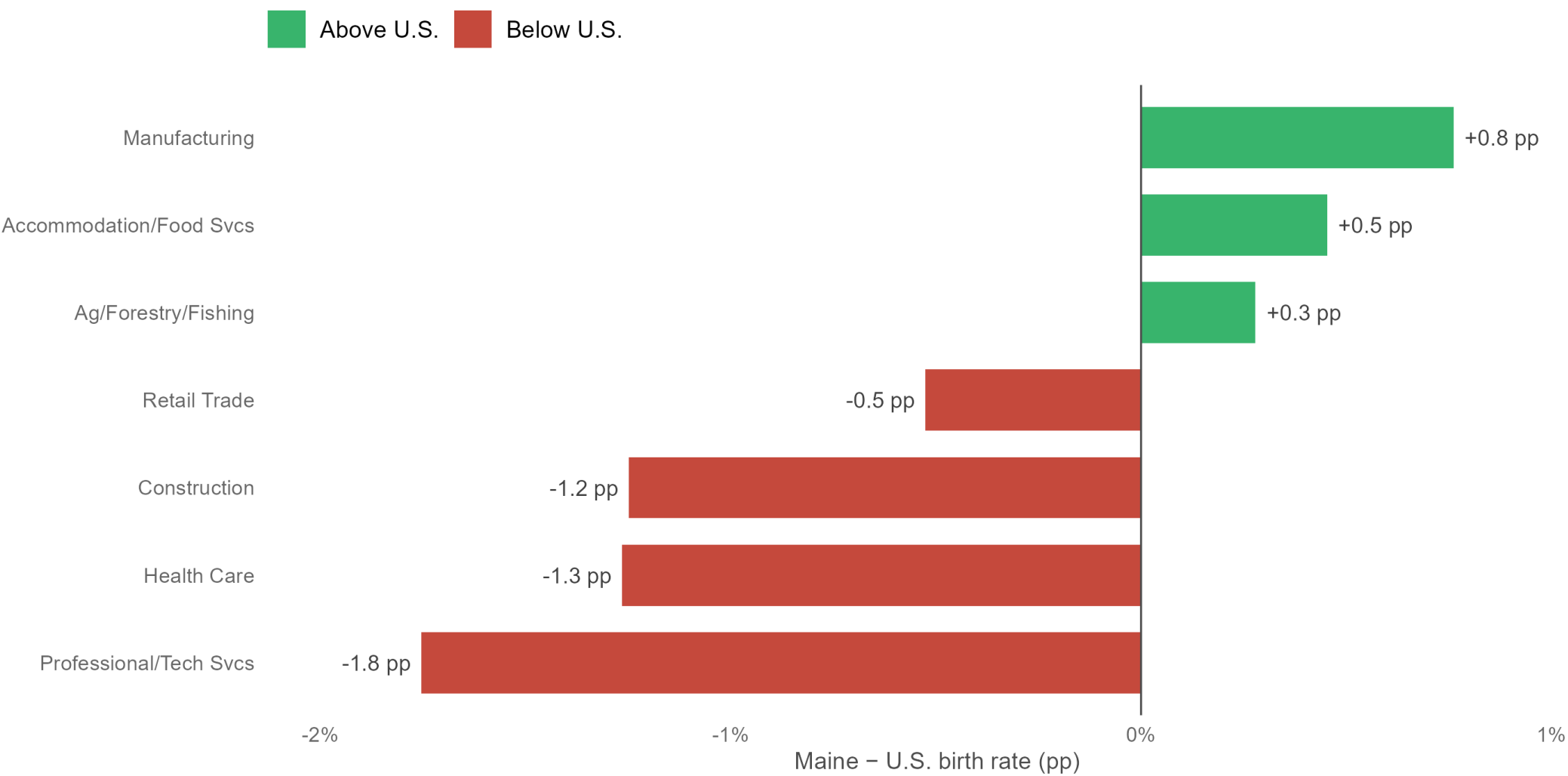
Bars show the 2023 rate; tick marks show the 2010–2023 average



Source: U.S. Census Bureau, Business Dynamics Statistics (BDS), annual establishment-level data, 2010–2023.
Rates are defined by the U.S. Census Bureau’s Business Dynamics Statistics (BDS) using the DHS (Davis–Haltiwanger–Schuh) methodology.

Maine minus U.S. establishment birth rate, by industry

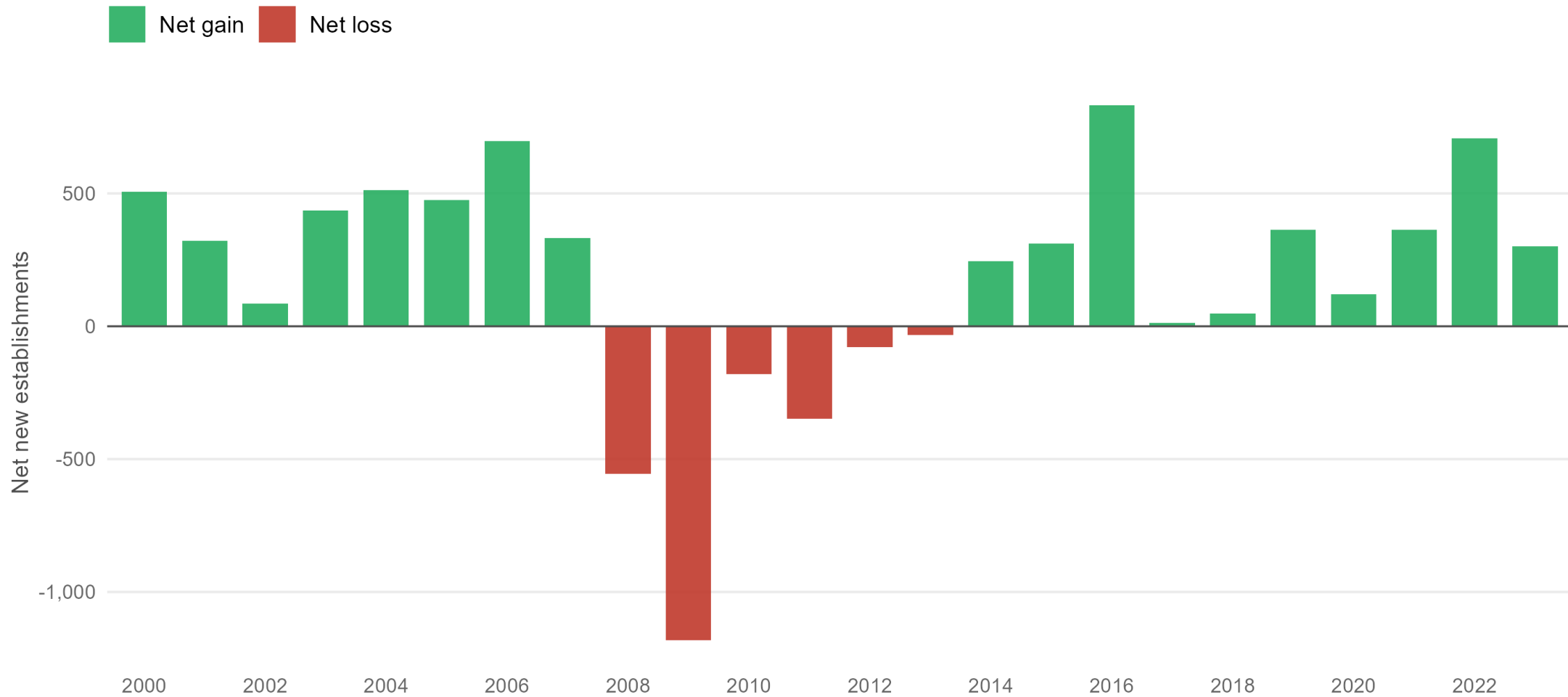
Average gap in percentage points, 2019–2023



Source: U.S. Census Bureau, Business Dynamics Statistics (BDS), annual establishment-level data, 2019–2023.
Rates are defined by the U.S. Census Bureau’s Business Dynamics Statistics (BDS) using the DHS (Davis–Haltiwanger–Schuh) methodology.

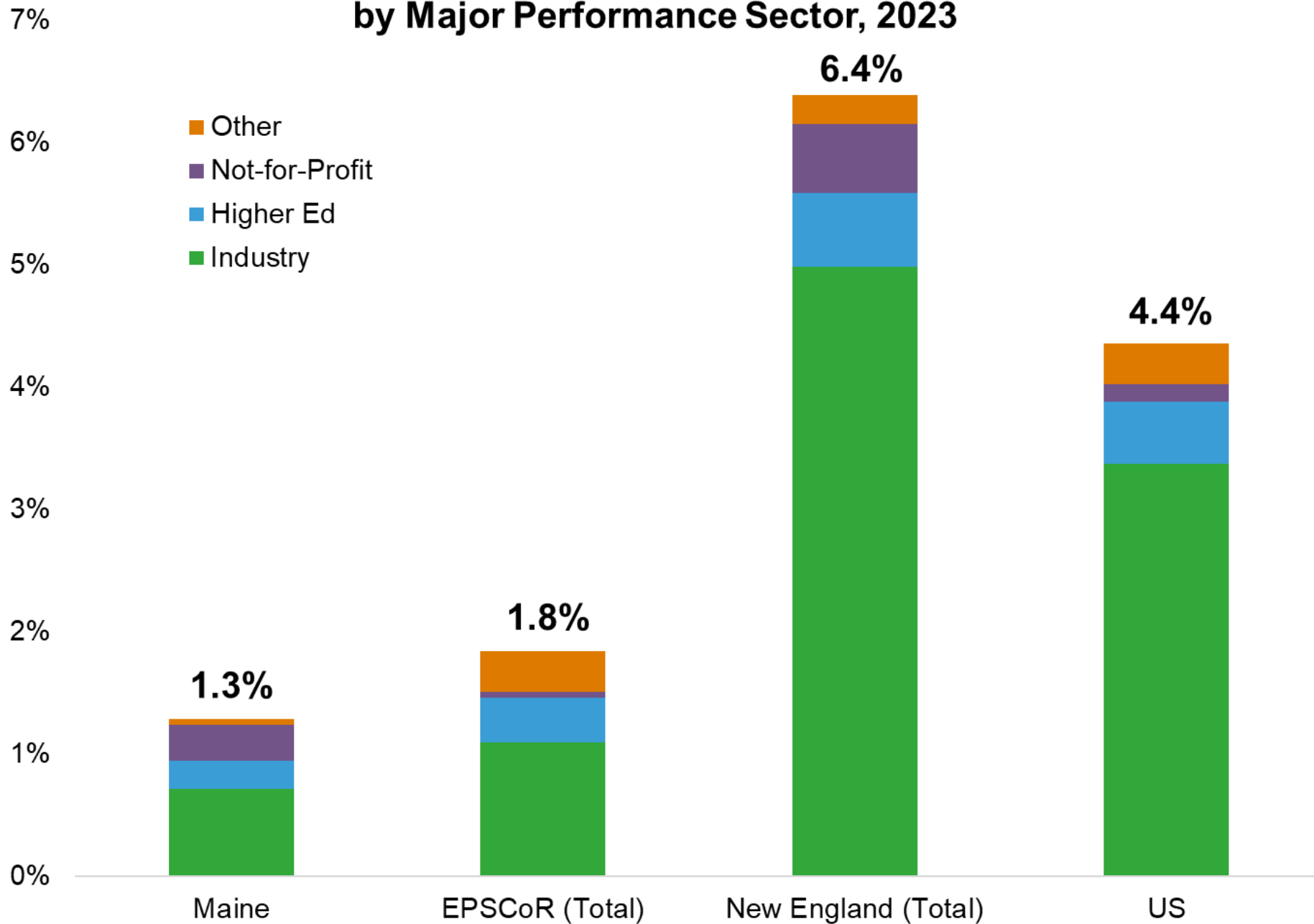
Net establishment formation in Maine

Births minus deaths each year (18 of 24 years positive; cumulative gain 4,297)

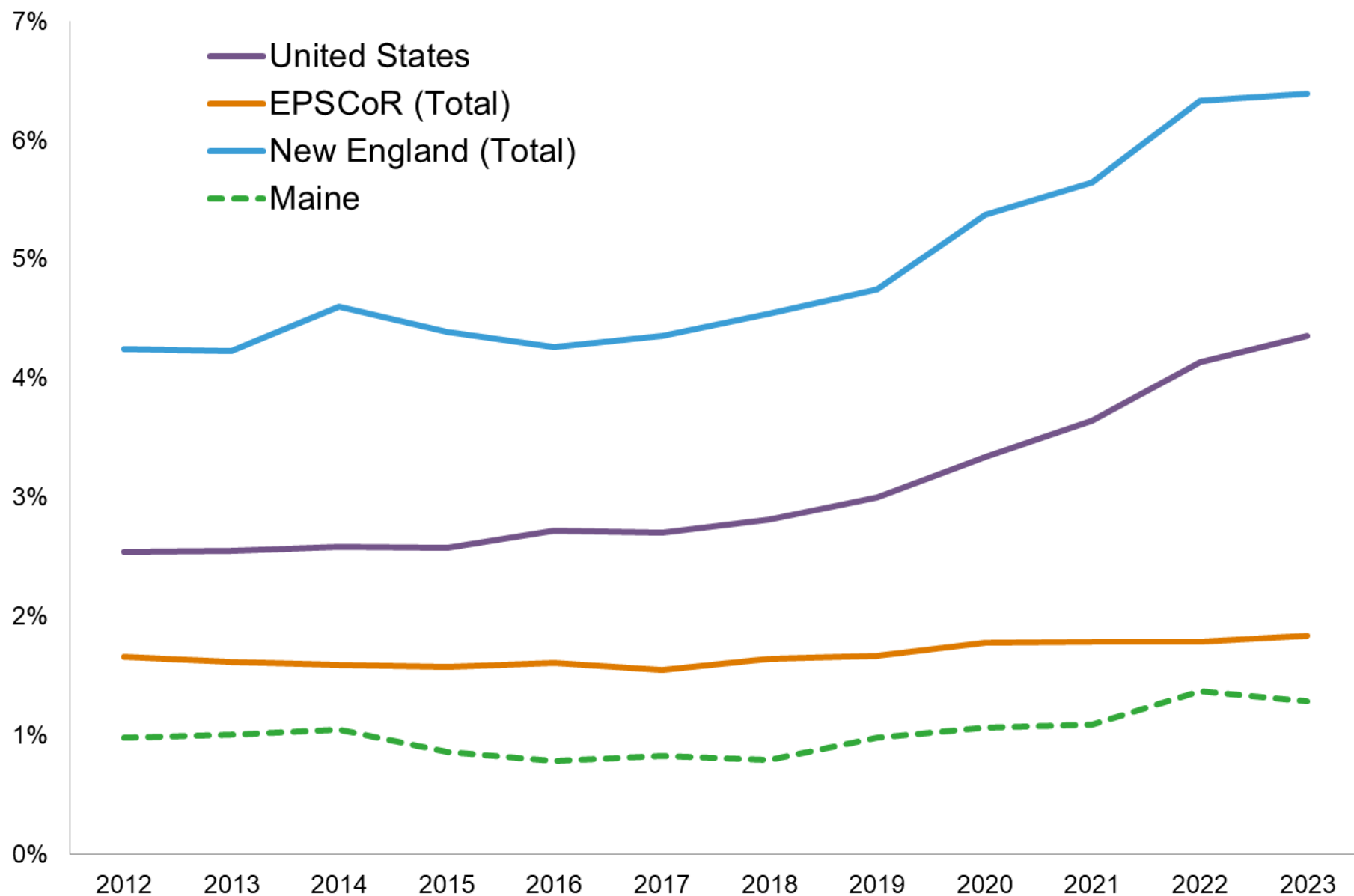


Source: U.S. Census Bureau, Business Dynamics Statistics (BDS), annual establishment-level data, 2000–2023.

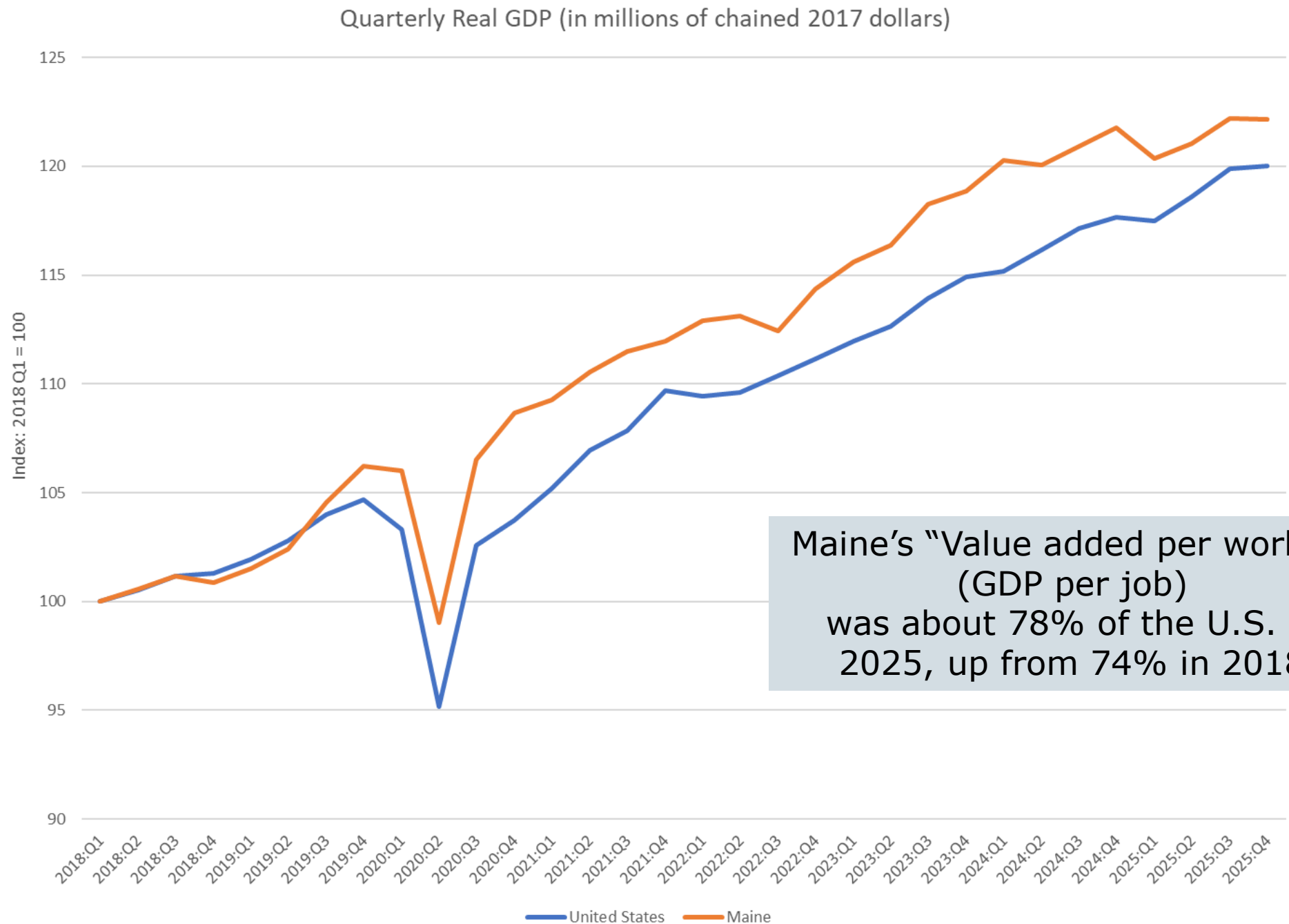
Total Percent of GDP Toward R&D by Major Performance Sector, 2023



Total R&D Spending as a Percent of Gross Domestic Product



Source: Camoin Associates & National Science Foundation

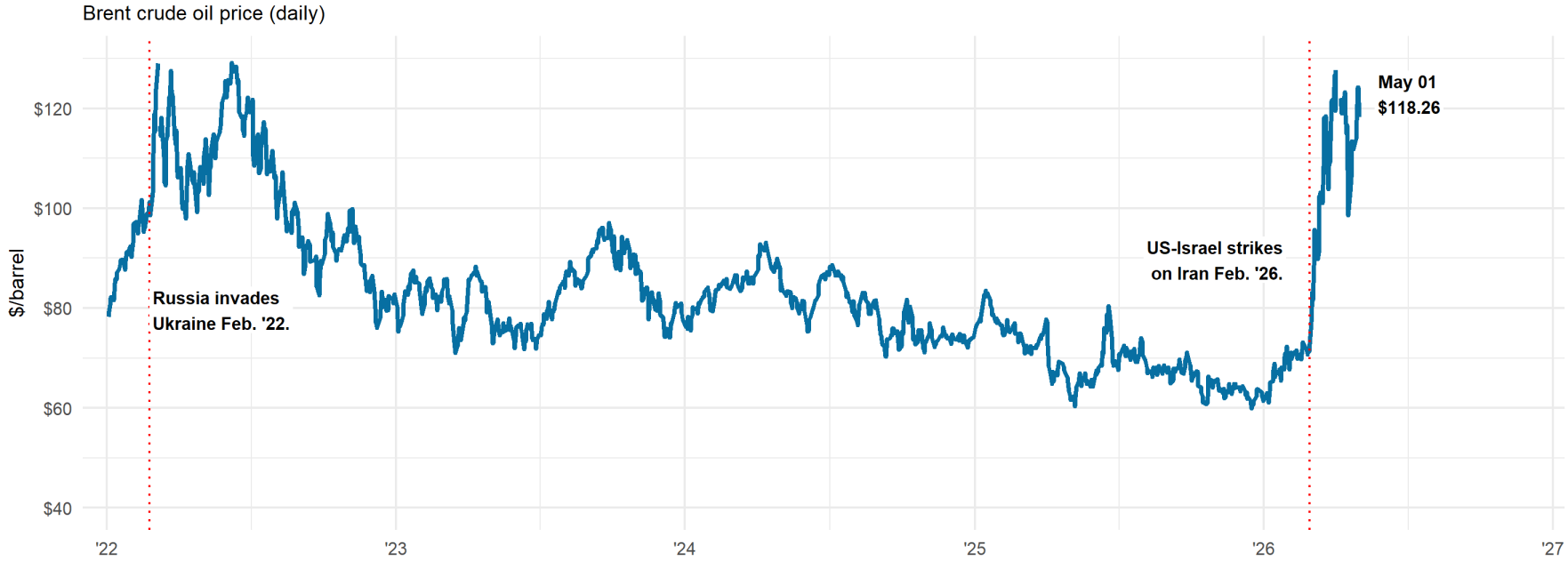


What is the landscape
for startups and small
businesses in Maine?

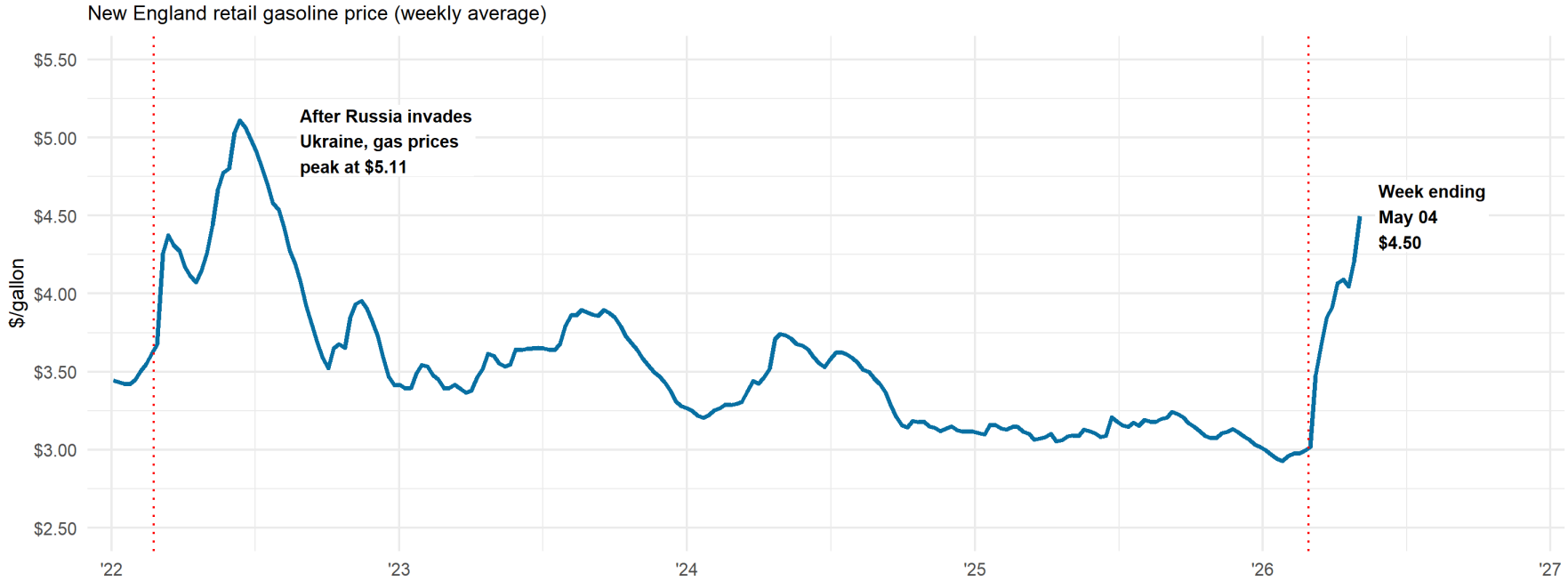
Summary of key assumptions in February 2026 CEFC report

- Maine is navigating a period of significant uncertainty around economic policy, government spending, geopolitical tensions, and consumer sentiment.
- The federal government has entered into a period of significant fiscal re-prioritization.
- Inflation remains elevated above target levels while consumer sentiment has weakened.
- Because of our state's demographics and close relationship with Canada, Maine may be particularly vulnerable to changes in federal funding and tariff policy.
- In the short term, net migration will be hampered by federal immigration policies and the housing market.

Daily Brent Crude and Weekly New England Gasoline Prices

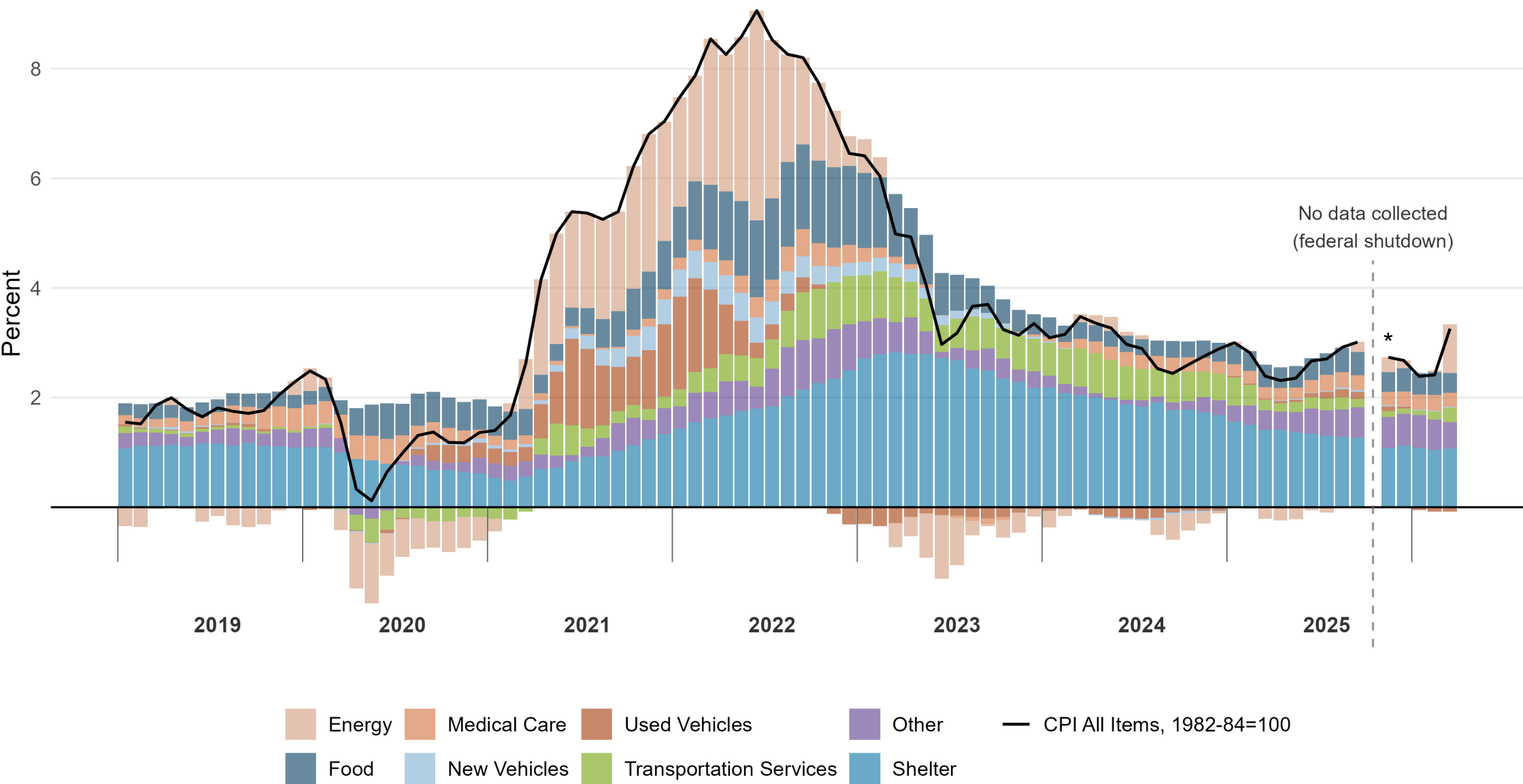


Brent crude, daily spot price



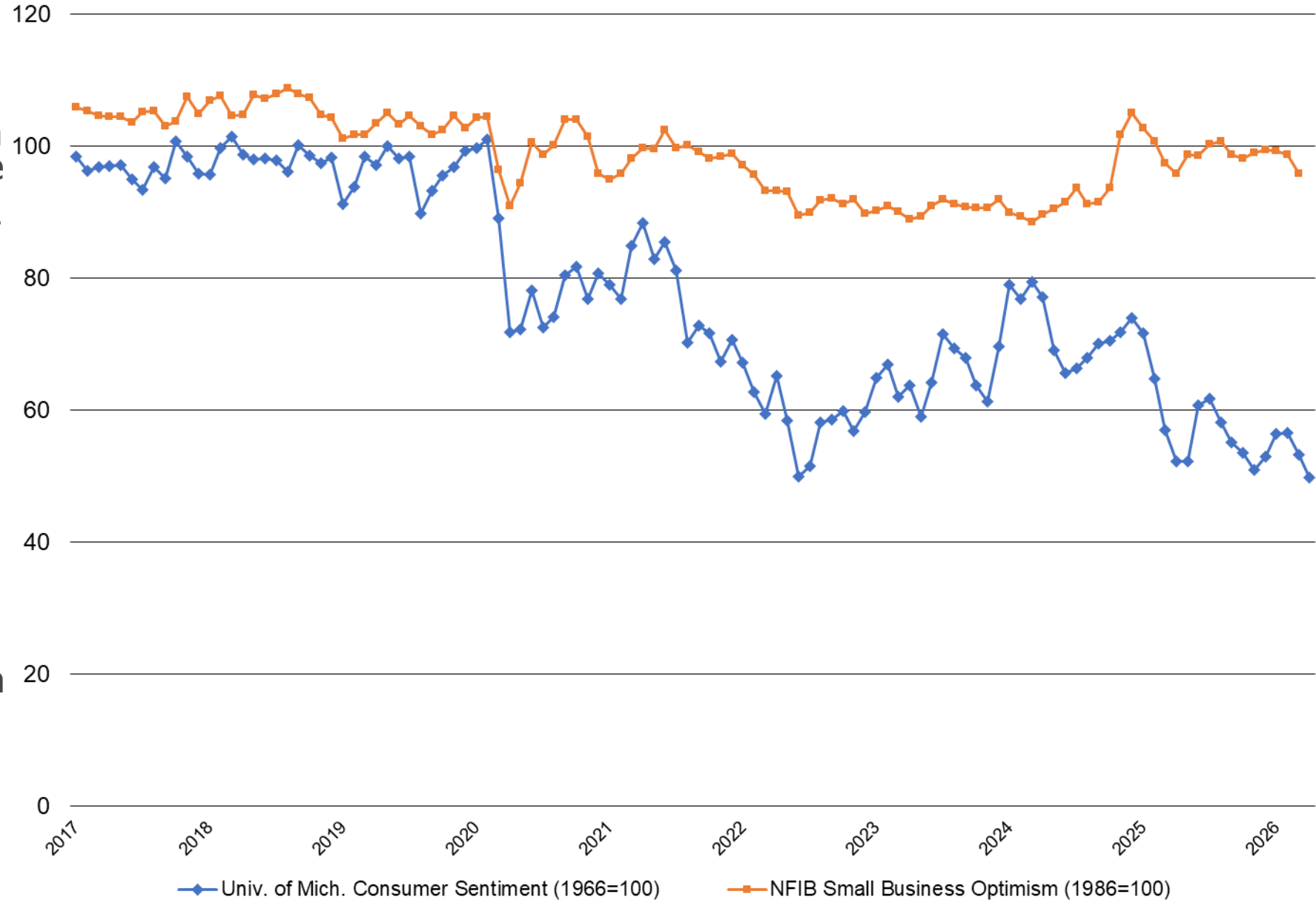
EIA weekly New England retail gasoline price
Weekly data shown; retail prices update more slowly than crude oil

Percentage Point Contribution to Year-Over-Year Percent Change in CPI



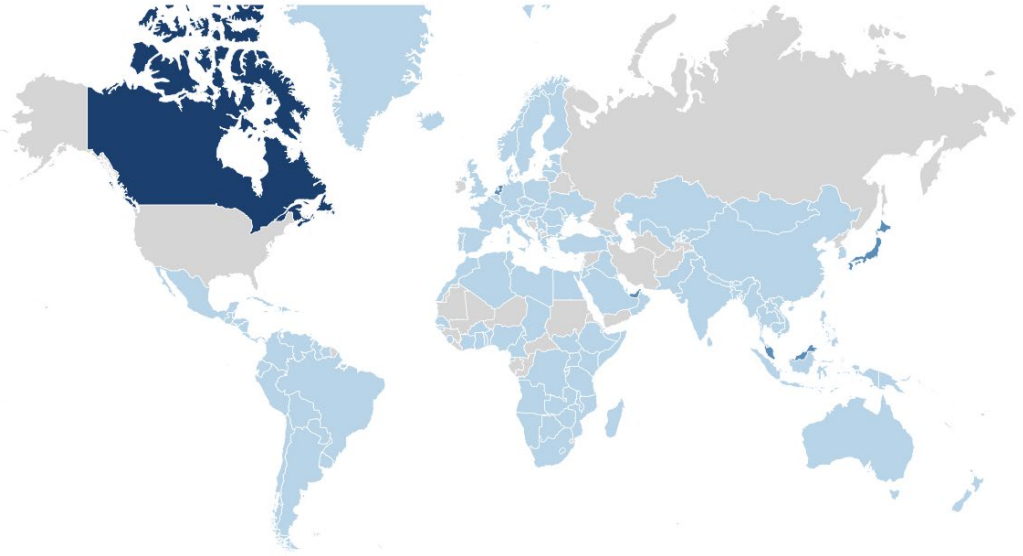
Source: US Bureau of Labor Statistics & Calculations by OSE Staff
*November 2025: Shutdown not resolved until Nov 12; BLS operated on truncated schedule. Second half of November (Black Friday, holiday shopping) may have distorting effect

Consumer Sentiment and Small Business Optimism Indexes



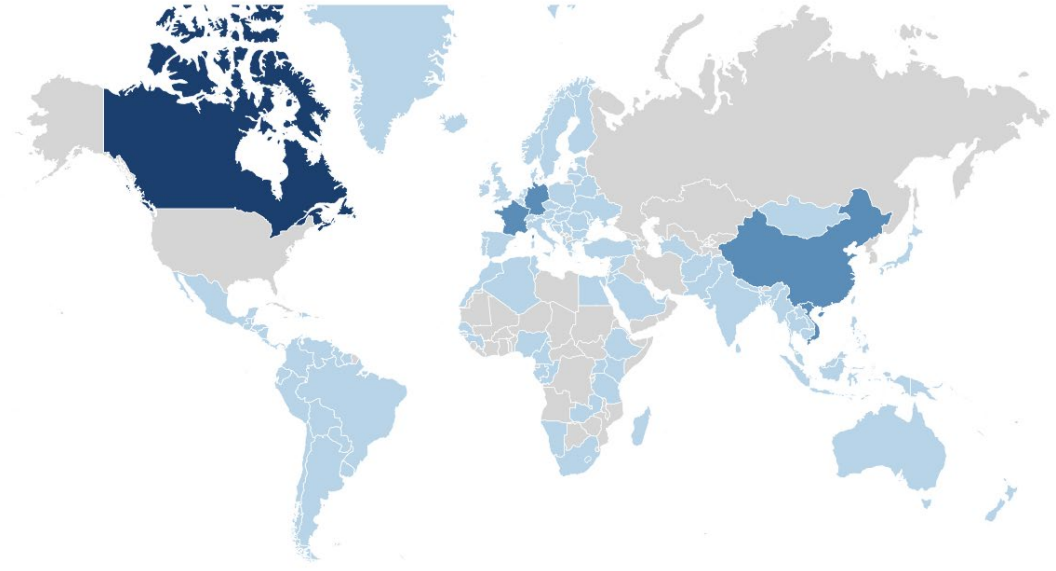
National small business optimism fell in March 2026, led by a decline in the frequency of positive profit trends and a decline in the percent of business owners expecting better business conditions.

National consumer sentiment was highly responsive to inflation expectations in 2025; April declined to match June 2022 trough as consumers saw higher gasoline prices from Iran War.



In 2025 Maine **exported** products to 171 countries and territories. Top export markets include:

1. Canada (41%)
2. Malaysia
3. Netherlands
4. Japan
5. United Arab Emirates

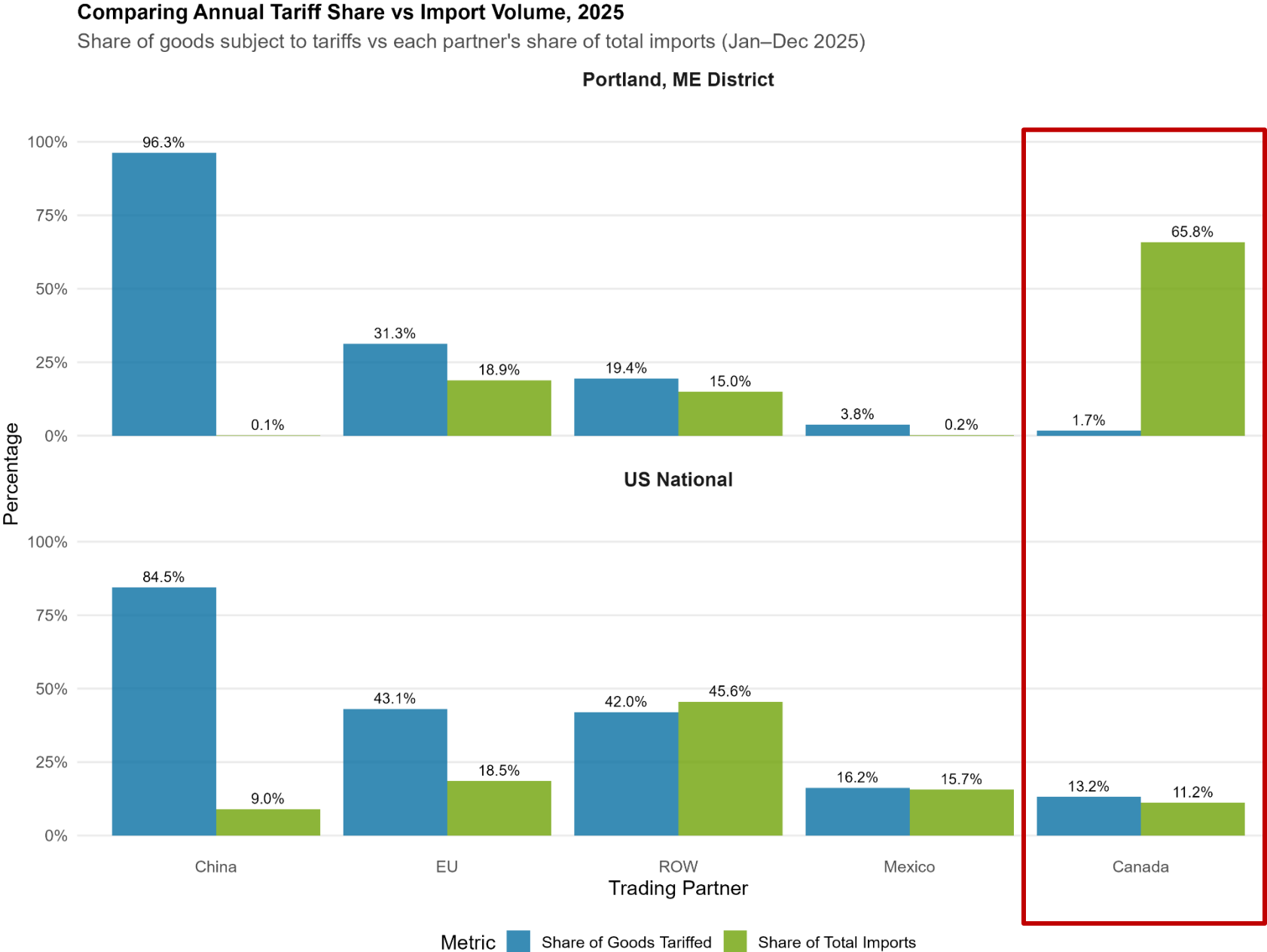


In 2025 Maine **imported** products from 125 countries and territories. Top import markets include:

1. Canada (69%)
2. Germany
3. China
4. France
5. Vietnam

For the Portland, ME District the story (in terms of the *direct* impact of tariffs) is all about maintaining favorable Canada trade relations.

But of course, we're also affected by indirect impacts of tariffs.



Methodology: Annual dutiable value divided by annual general import value (Jan–Dec 2025)
Portland, ME District includes all ports of entry in ME as well as Portsmouth, NH, Lebanon Airport, NH, and Manchester, NH
Data: U.S. Census Bureau | Methodology: Yale Budget Lab

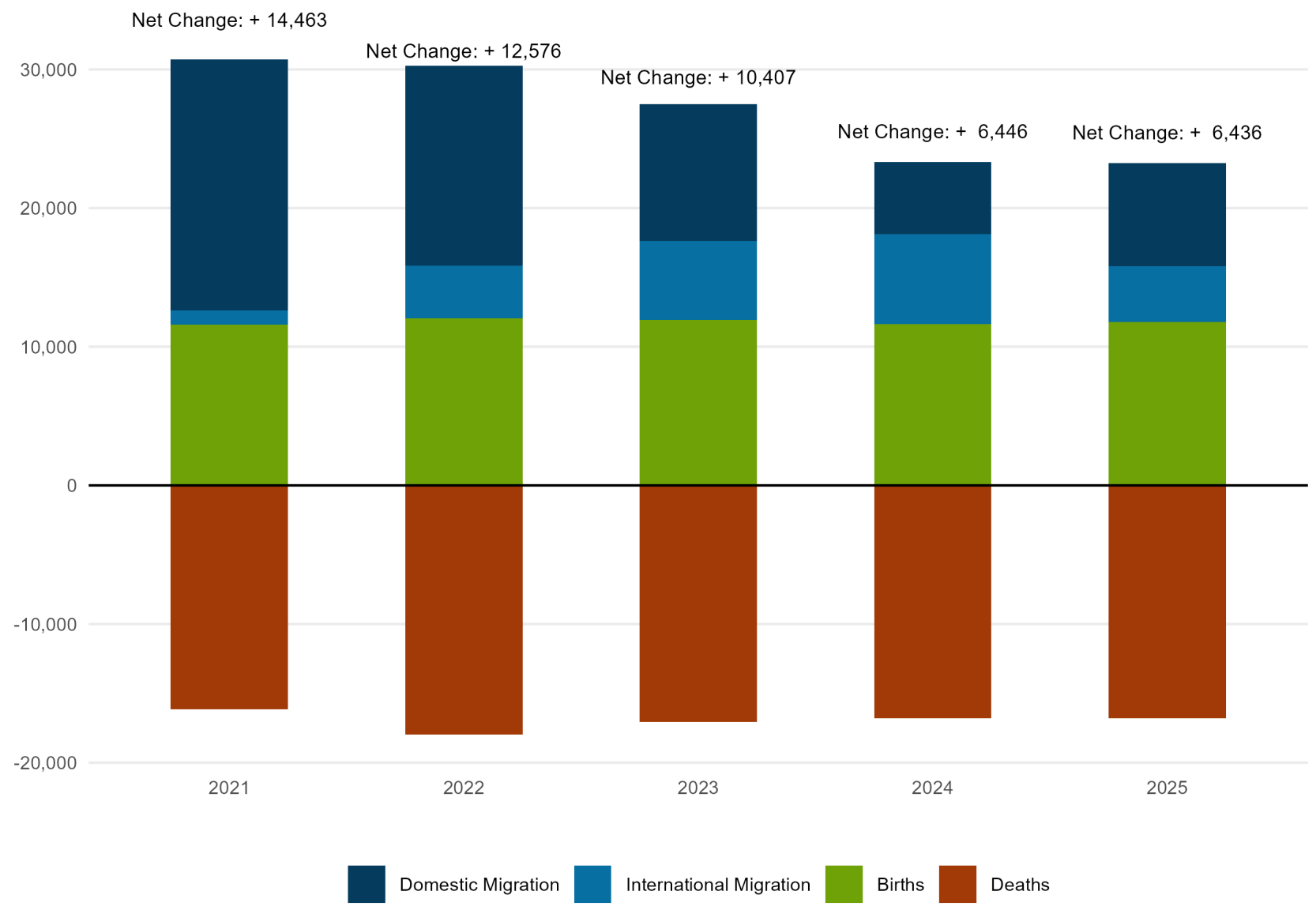
Changes to federal immigration policies are having an impact on business in Maine and across the country

2024 Total Population:
1,414,874

Population increase of
3.8% from 2020-2025
(17th in U.S.);
0.5% from 2024-2025
(25th in U.S.)

7th for total net
migration and net
domestic migration
and 25th for net
international migration
in 2025

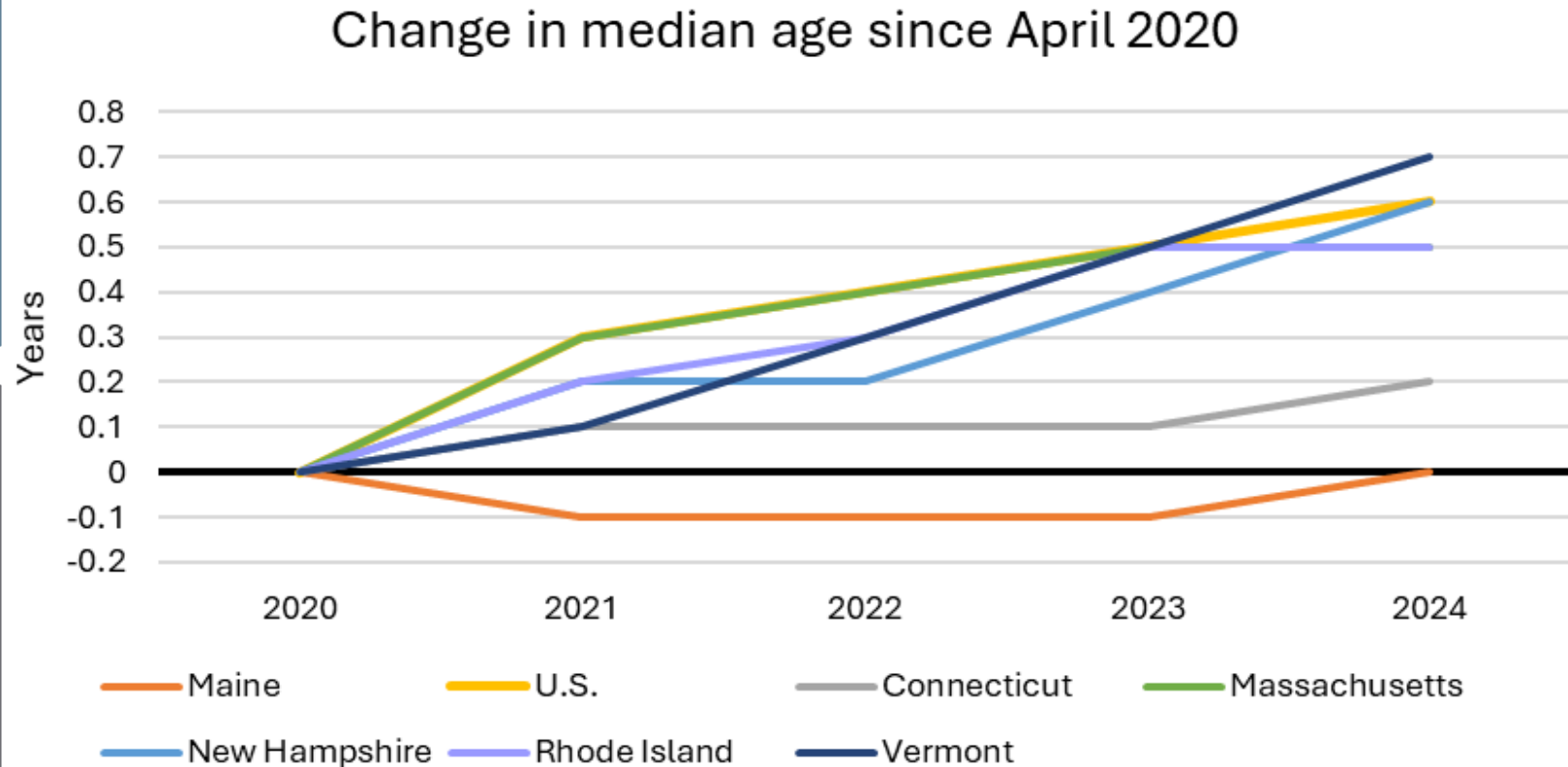
Components of Maine's Population Change



Source: US Census Bureau, Population Estimates Program, 2025 Vintage

Maine's median age in 2024 is unchanged from 2020, while the U.S. median age has increased 0.6 years

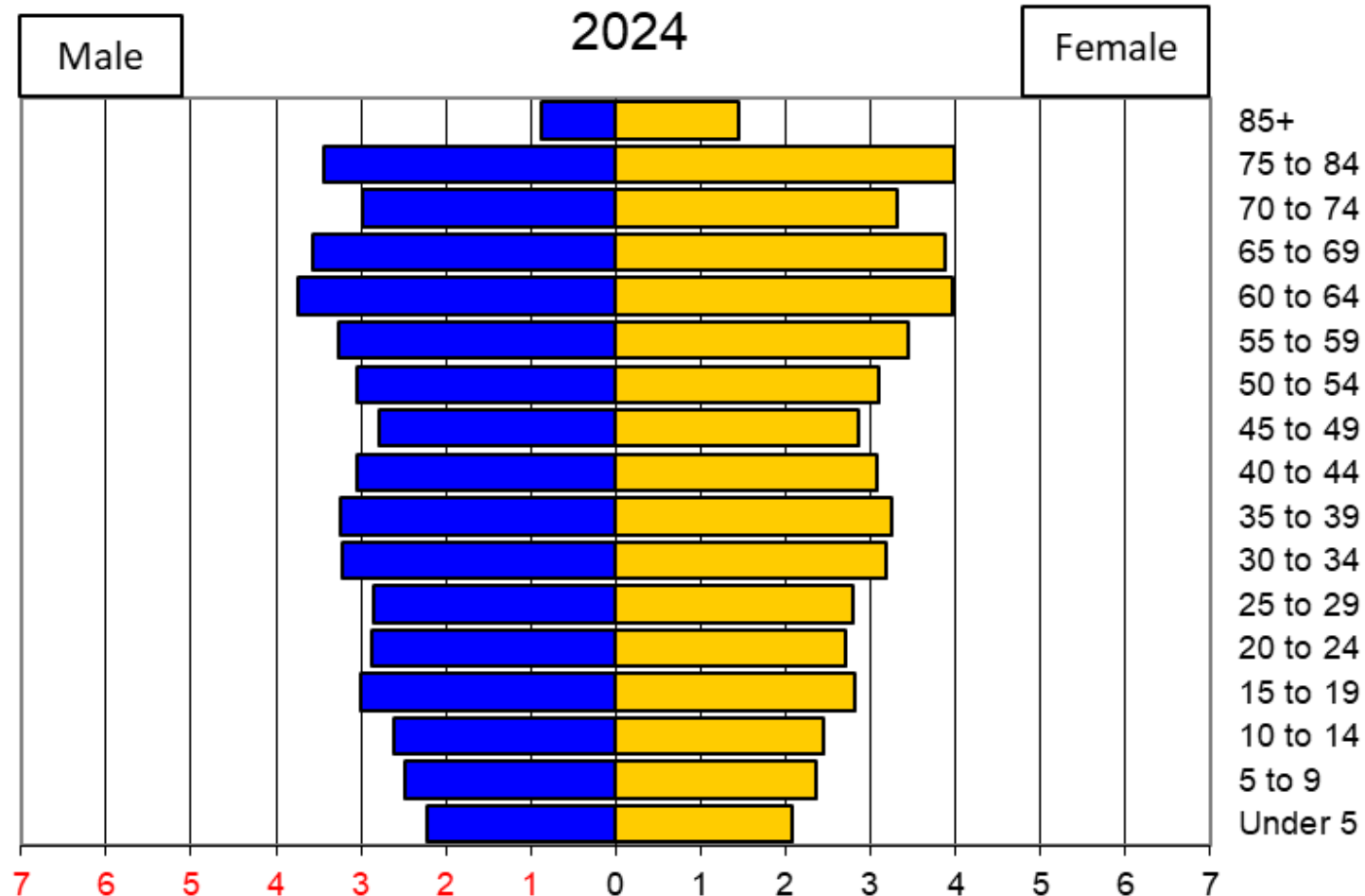
Maine still has the highest median age in the nation at 44.8 years; Vermont and New Hampshire are tied for second at 43.6 years



**Median age of recent movers to Maine is
31**

The Baby Boom: 1946-1964

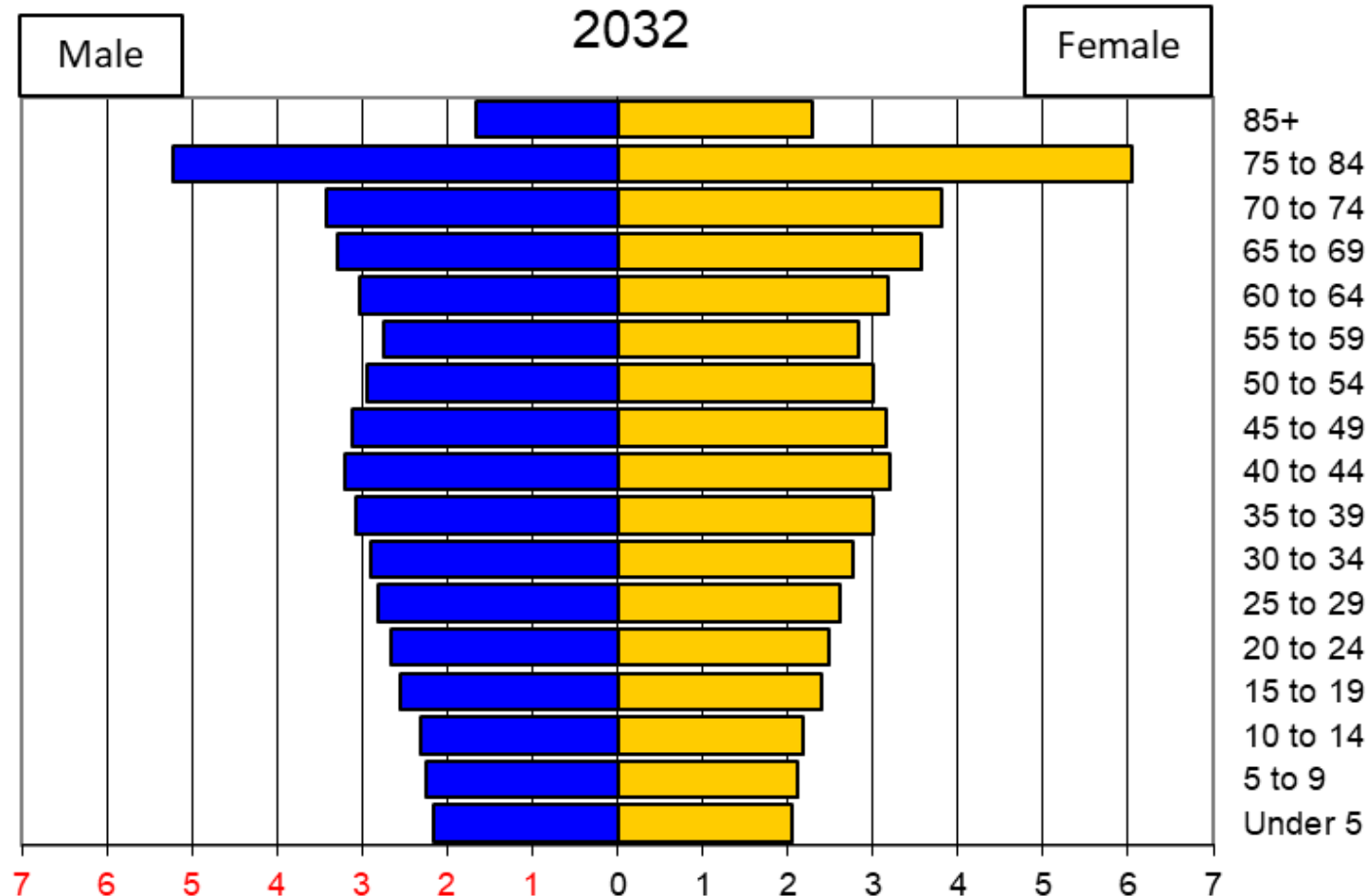
Baby Boom
generation in
2024: age 60-78



The Baby Boom: 1946-1964

Baby Boom generation in 2032: age 68-86

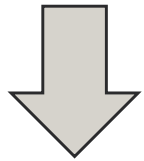
Prime working-age population (20-64 years) projected to decrease by 4.6% from 2022-2032



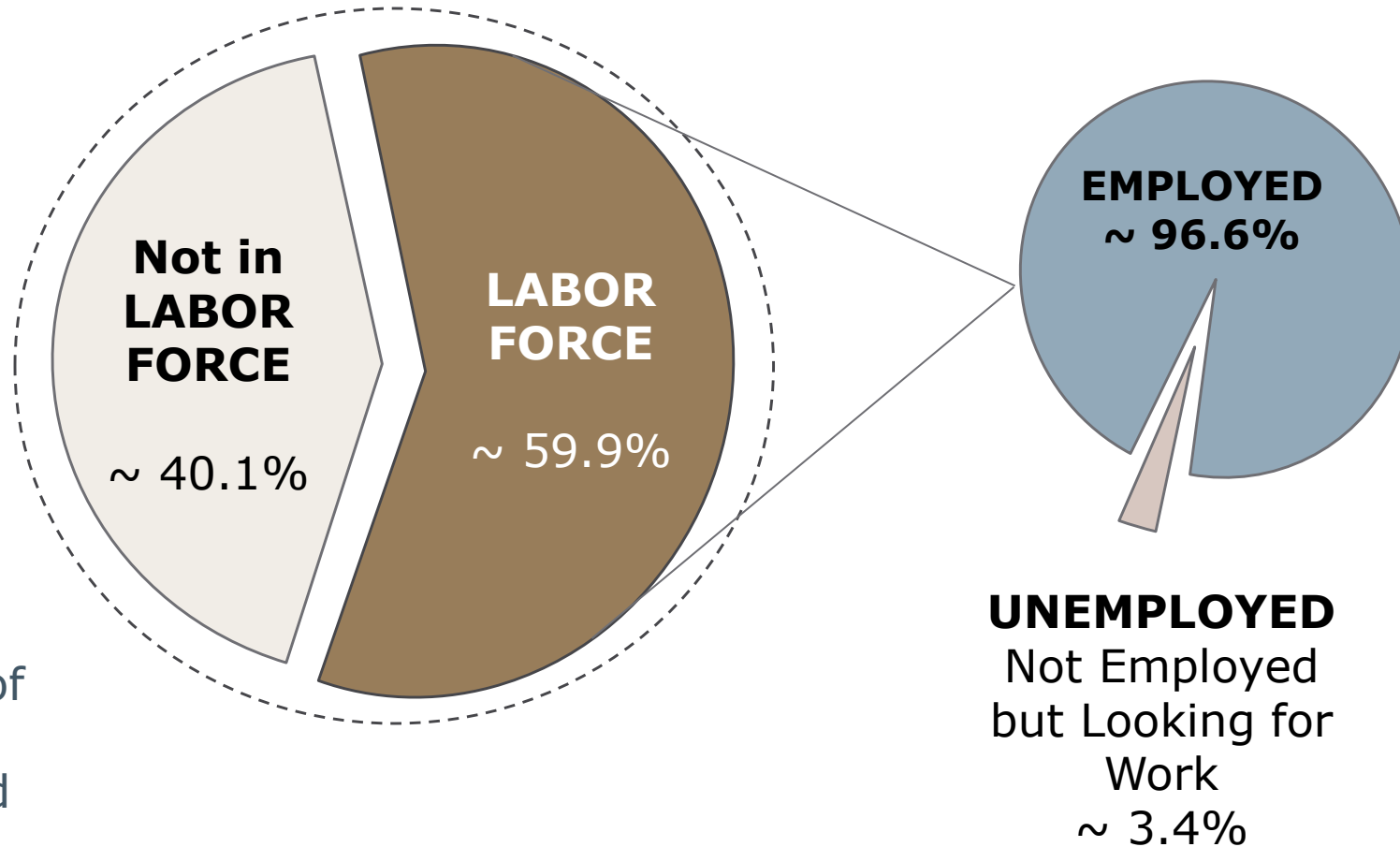
Who is in the labor force?

Civilian population, age 16+

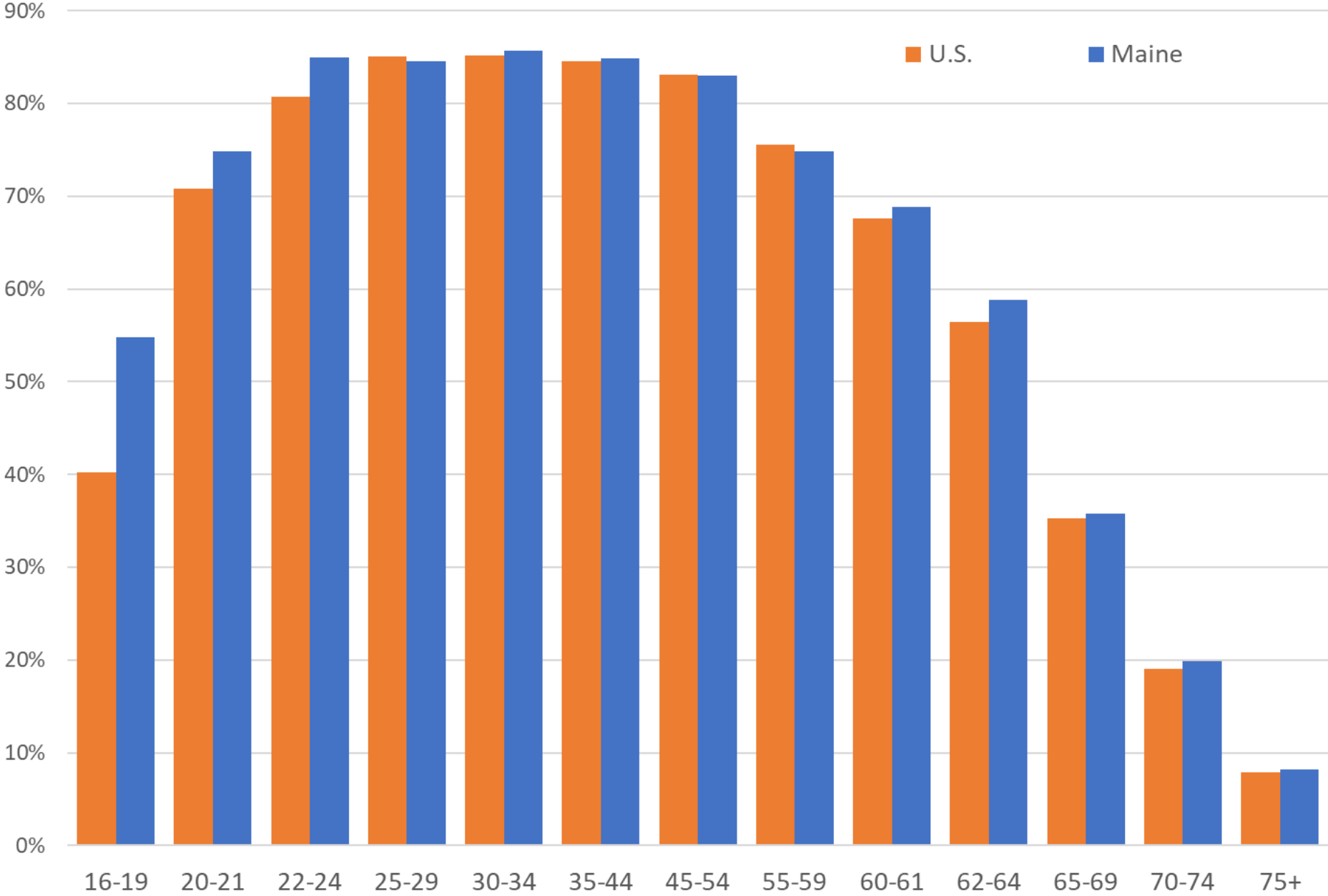
Not available and not looking for work. This could include people who are retired, full-time students, or full-time caregivers



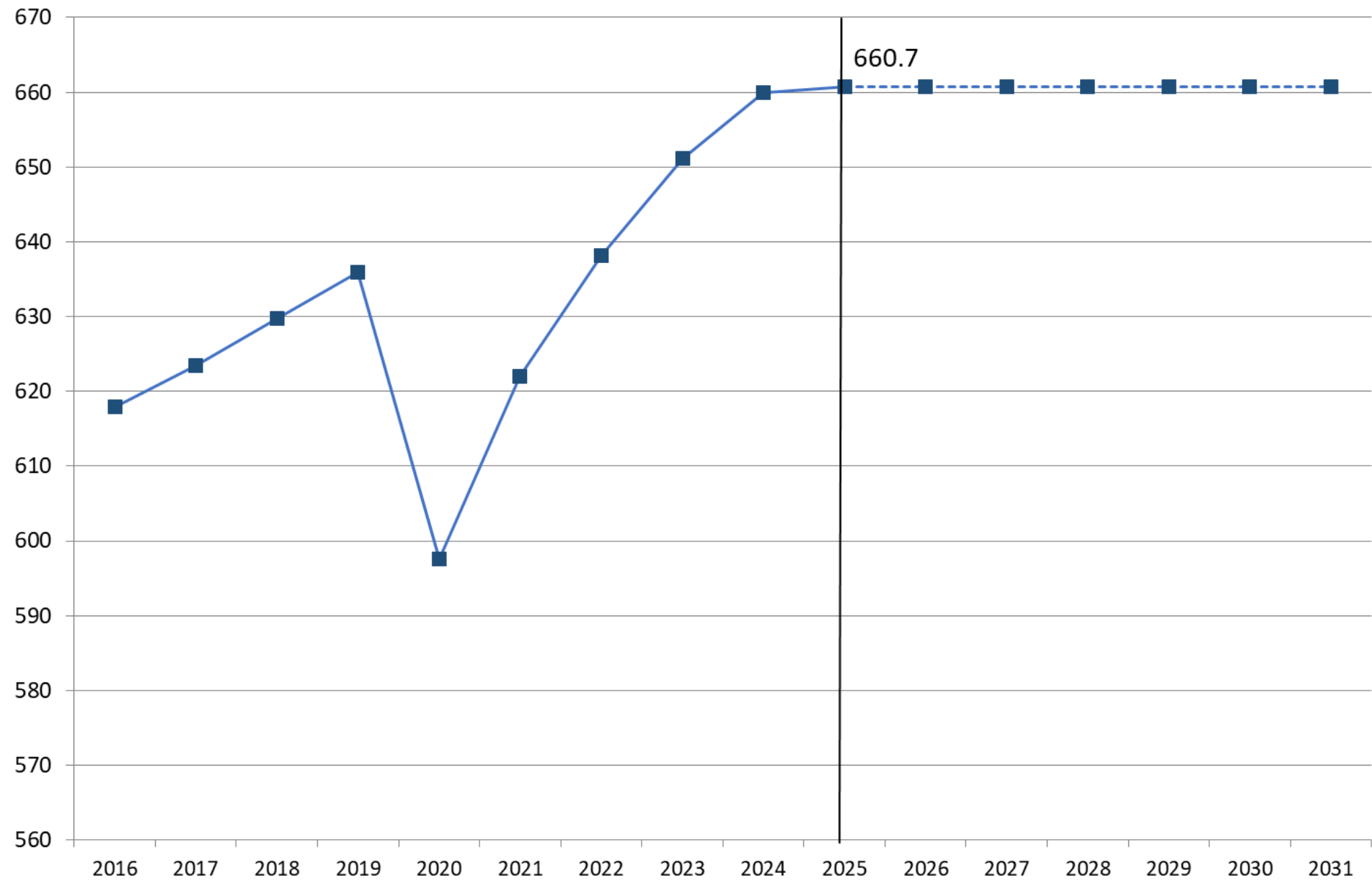
Nationally, over half of the people not in the labor force are retired



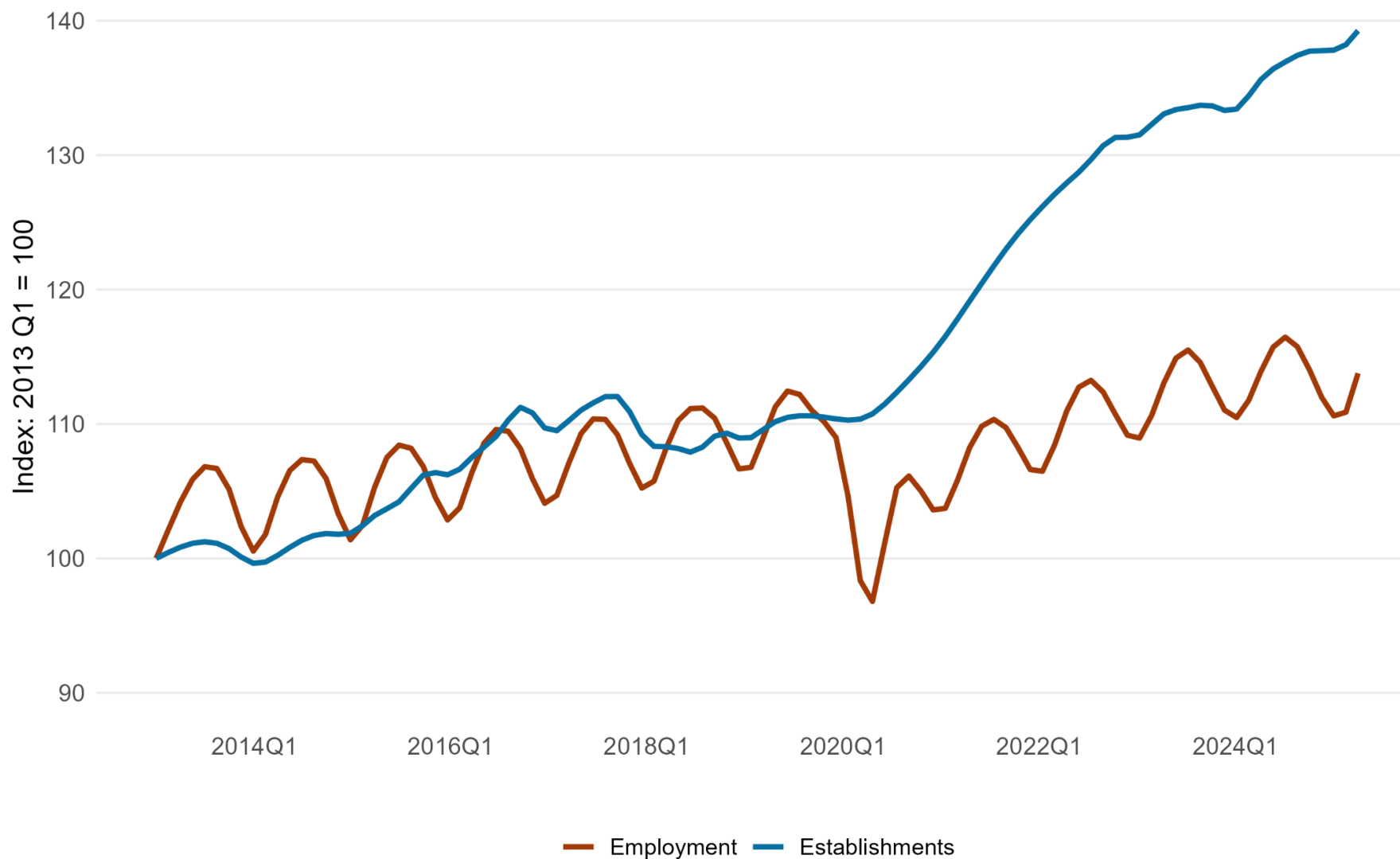
2024 Labor Force Participation Rate



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

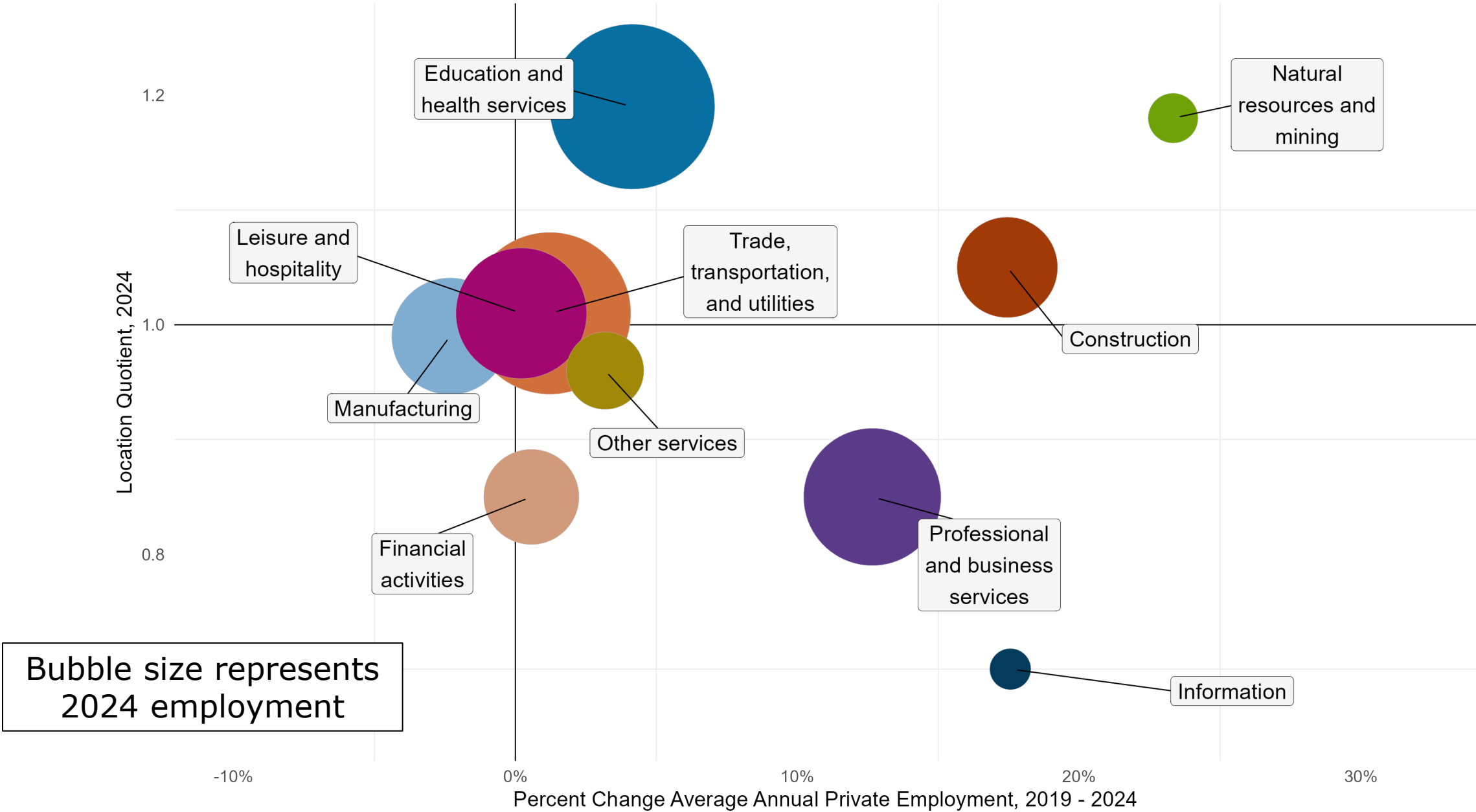


Maine Wage and Salary Employment & Private Employer Establishments



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.

Maine Location Quotients for Private Industry Super Sectors, 2019-2024



Maine's entrepreneurial
ecosystem is continuing
to evolve

Thank you!

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