

Past, Present, and Future: Changes in Maine's Demographic and Workforce Trends

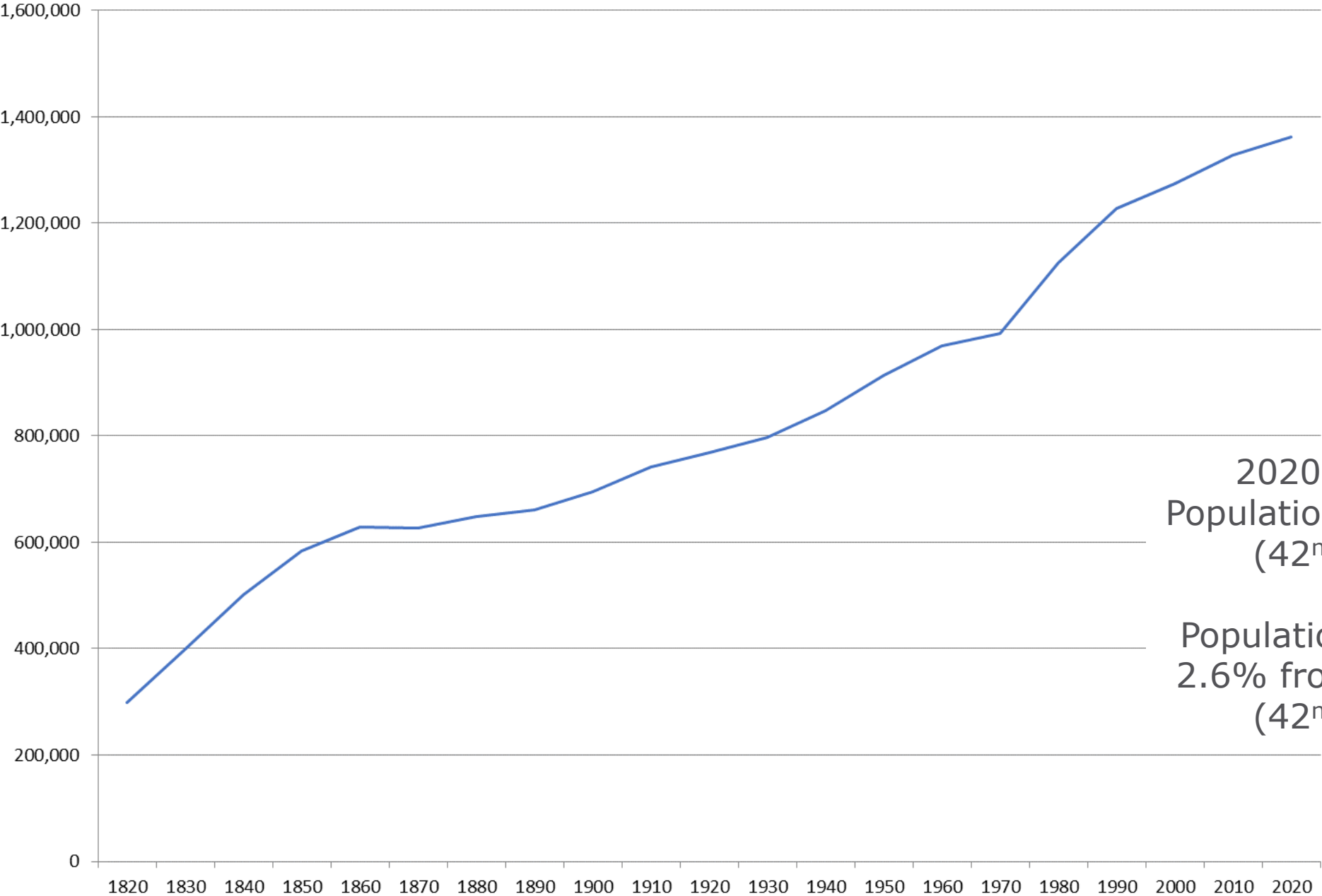
Maine Career Development Association
2024 Annual Conference

Amanda Rector

Maine State Economist

Population growth

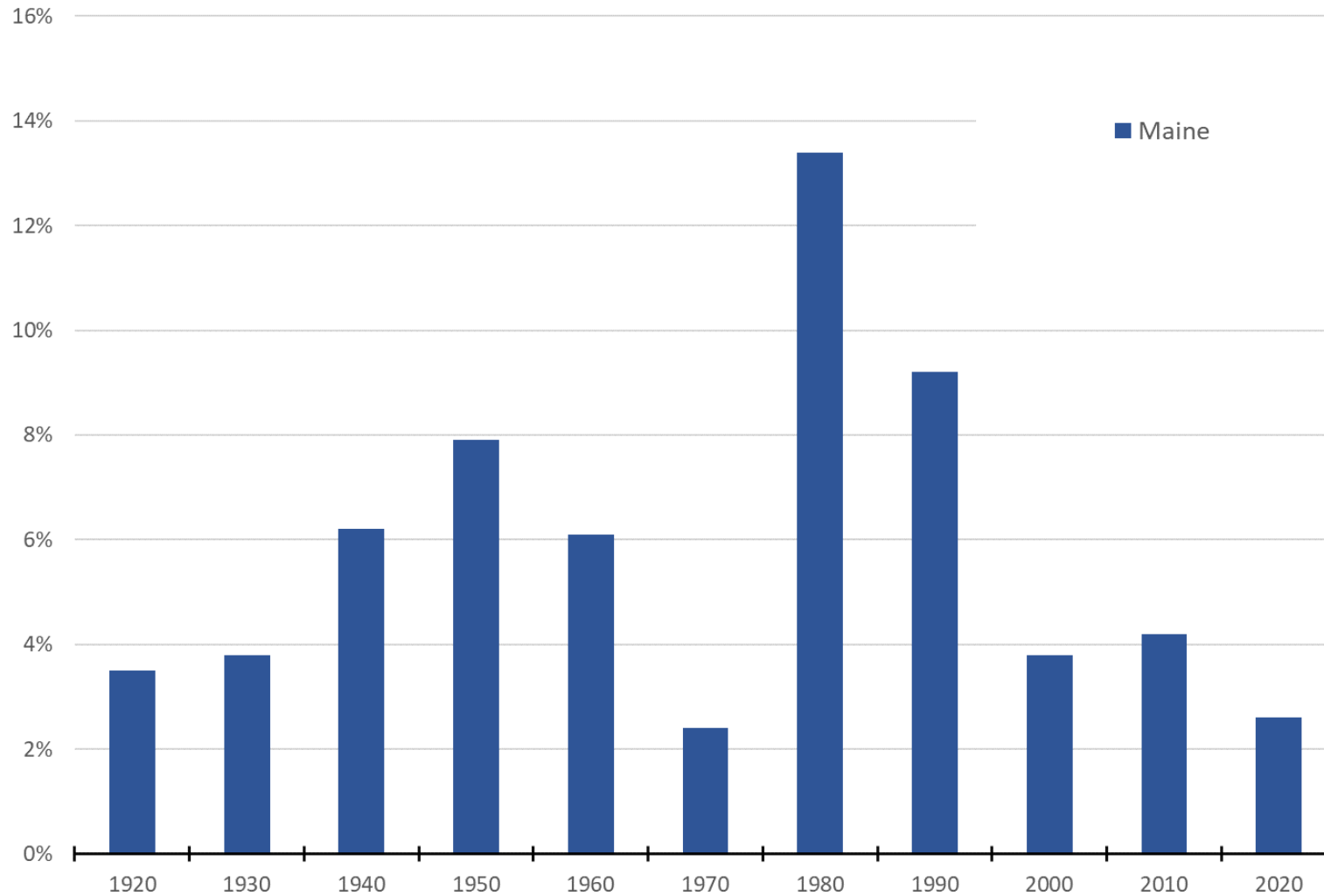
Total Population, Maine



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

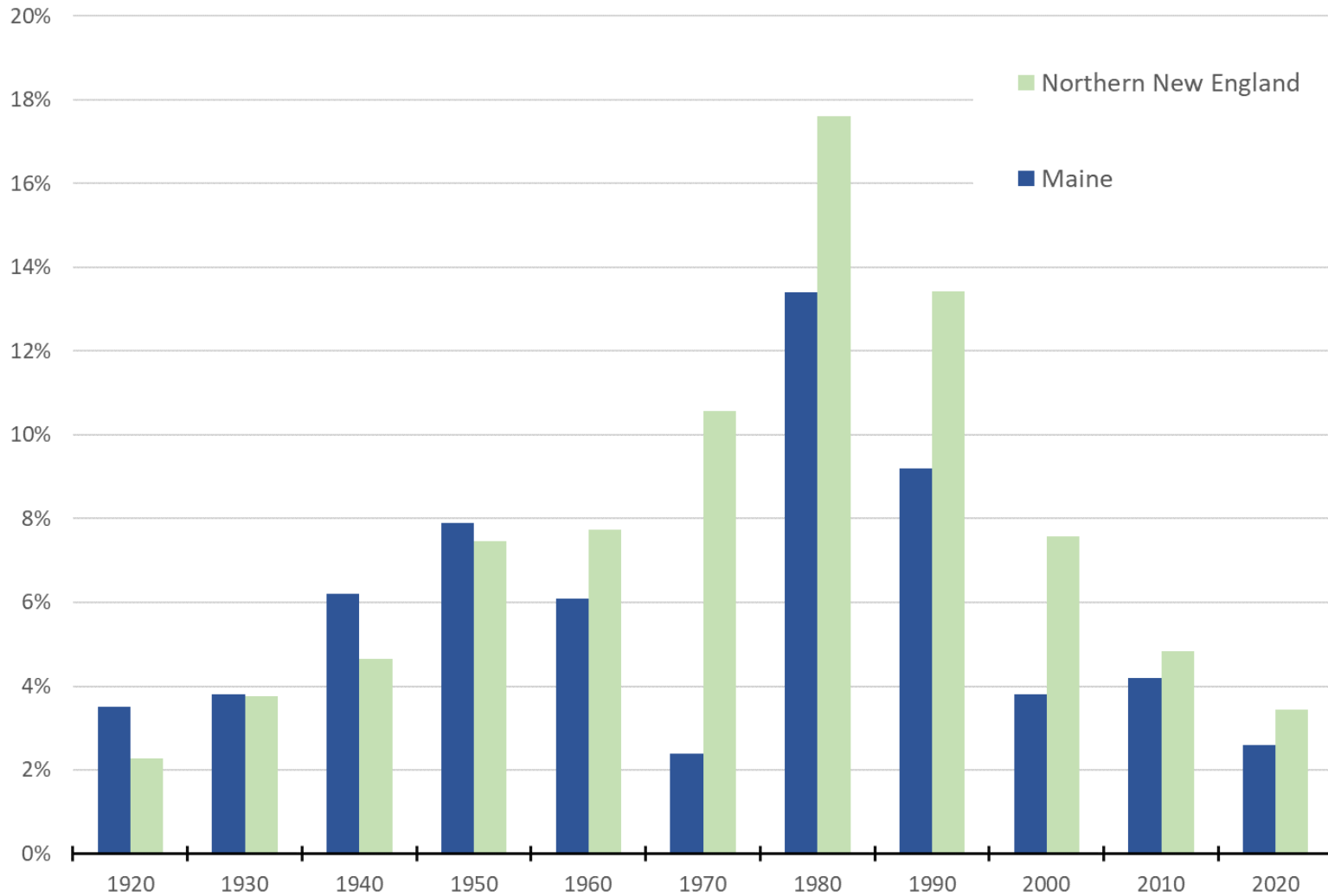
Population increase of
2.6% from 2010-2020
(42nd in U.S.)

Population Growth from Previous Decade



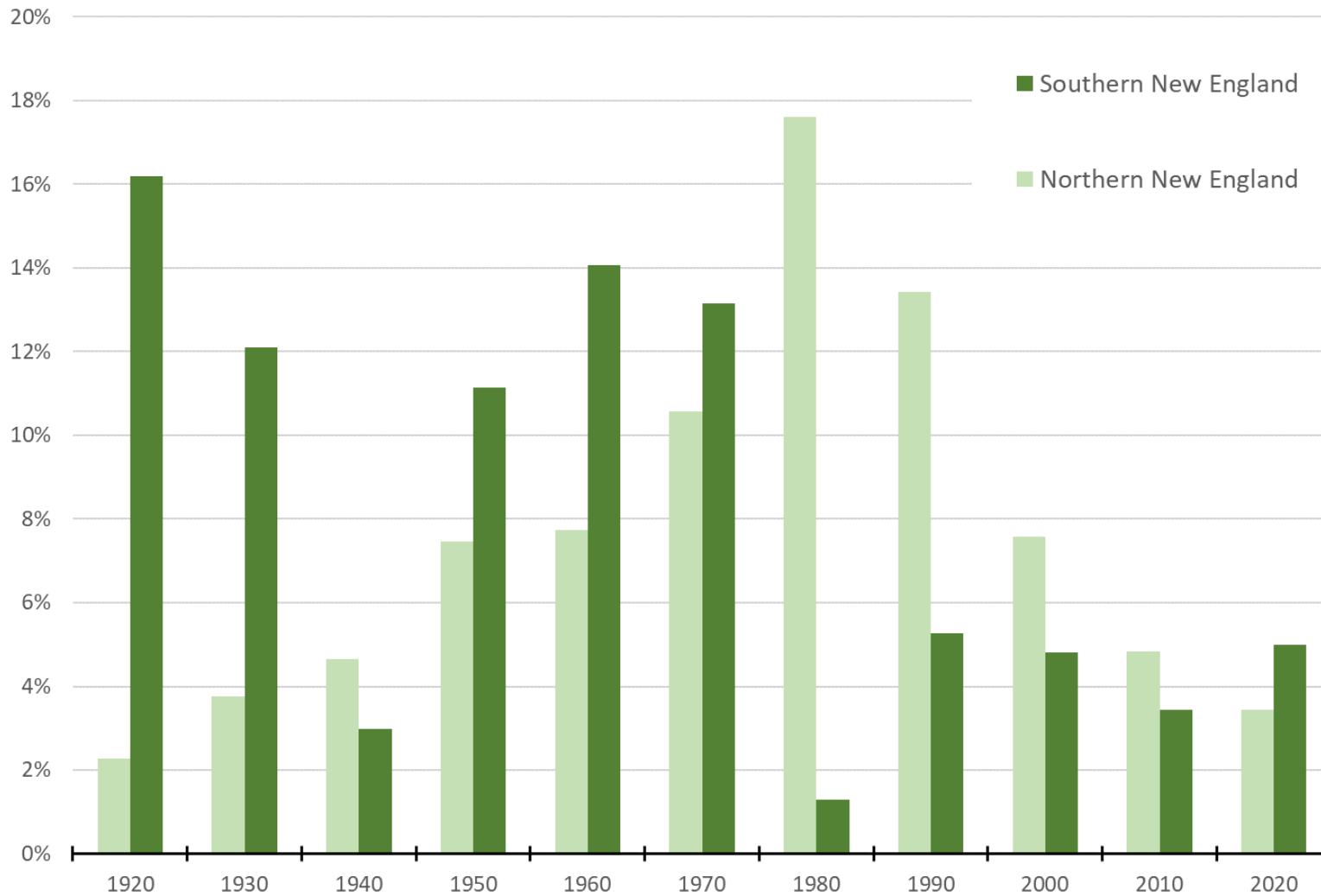
Maine population growth peaked during “back to the land” movement in the 1970s

Population Growth from Previous Decade



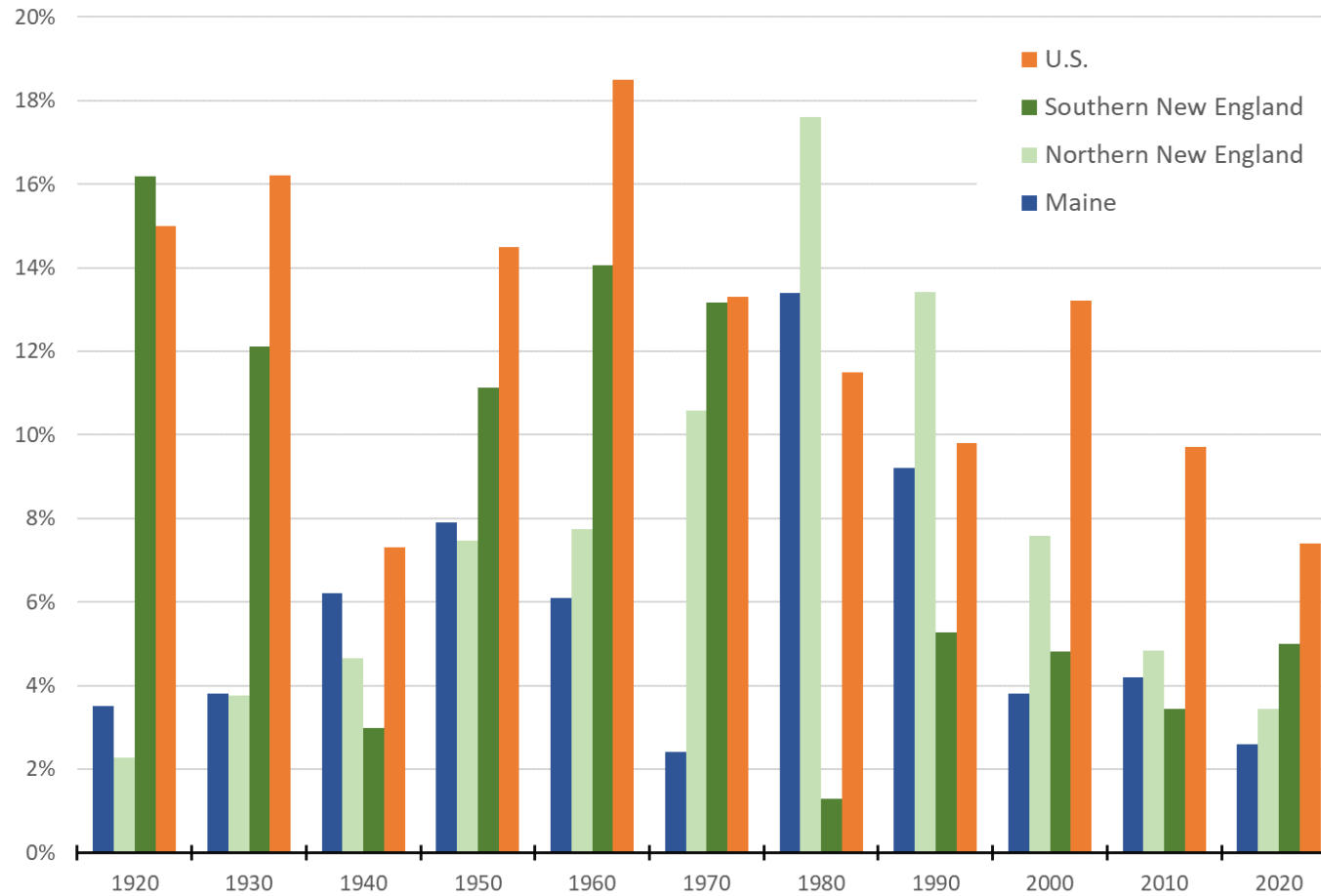
Maine and Northern New England have similar growth patterns, but where Maine was outpacing the region in 1920-1950, it lagged after that (especially in 1960s)

Population Growth from Previous Decade



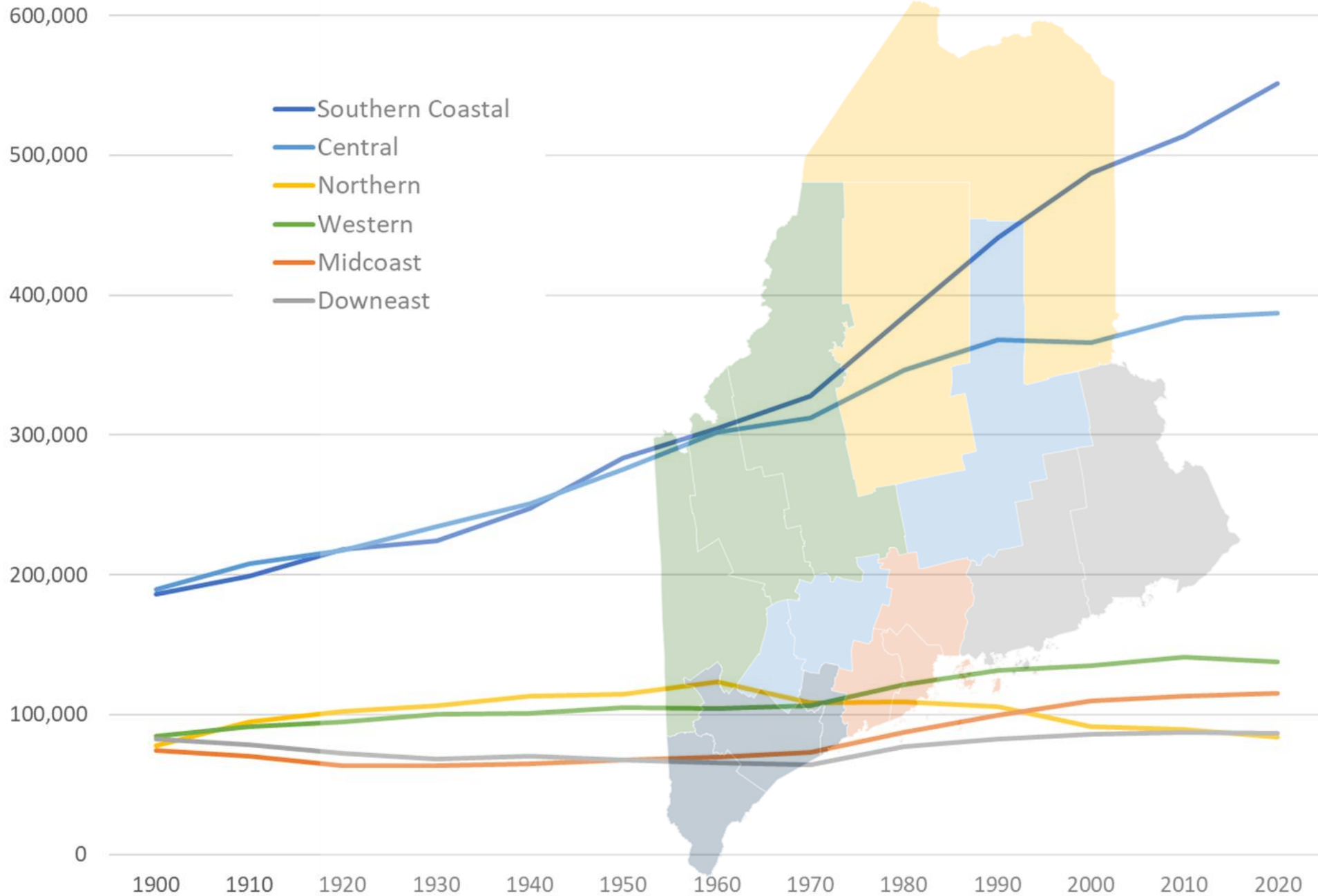
Southern New England outpaced Northern New England before 1970s – and then finally grew faster again in the 2010s, but growth rates have been much lower since 1980.

Population Growth from Previous Decade



U.S. population growth has generally been faster than Northern or Southern New England, with a few exceptions. The growth in 2020, though, was the slowest since 1940.

Population by Region

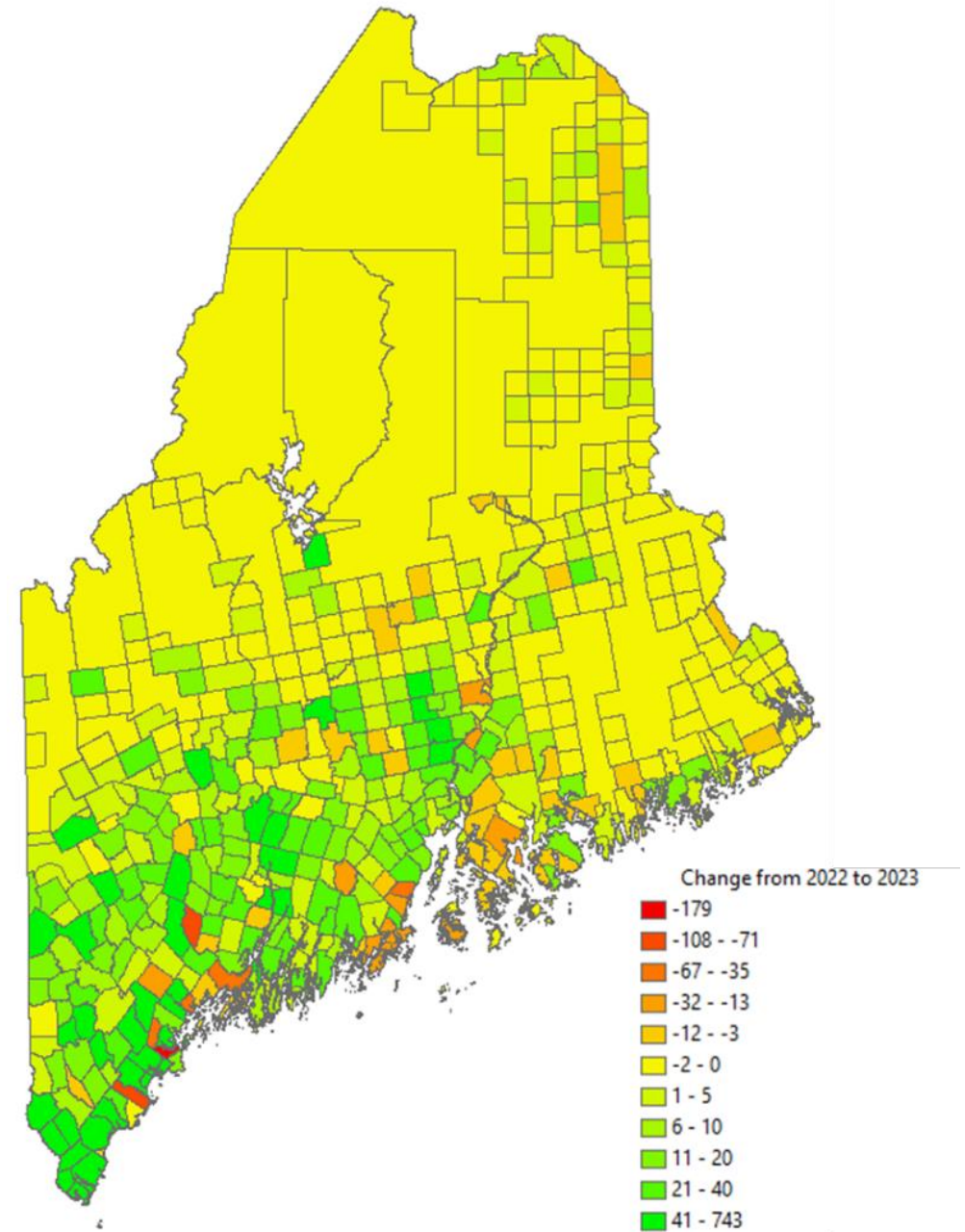


During the pandemic, growth shifted towards more rural areas

	2023 Total Population	Change from 2010-2020			Change from 2020-2023		
Geography		Number	Percent	% Ranking	Number	Percent	% Ranking
U.S.	334,914,895	22,703,743	7.4%	-	3,449,947	1.0%	-
Connecticut	3,617,176	31,845	0.9%	47	11,264	0.3%	31
Massachusetts	7,001,399	482,320	7.4%	20	(31,534)	-0.4%	43
Rhode Island	1,095,962	44,804	4.3%	31	(1,409)	-0.1%	39
Maine	1,395,722	33,980	2.6%	42	32,545	2.4%	14
New Hampshire	1,402,054	61,048	4.6%	30	24,530	1.8%	18
Vermont	647,464	17,344	2.8%	38	4,387	0.7%	25

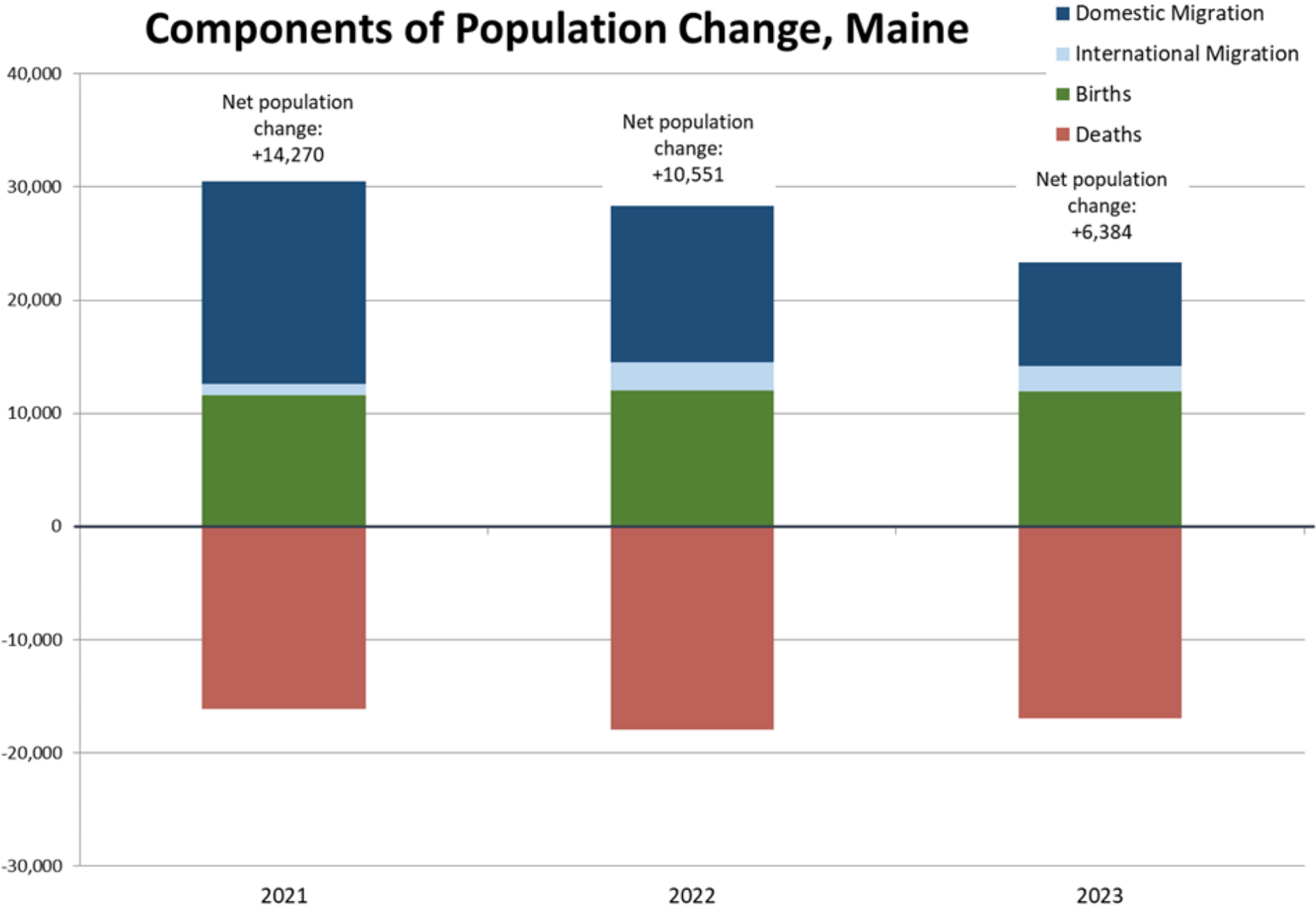
Between 2022 and 2023, percentage growth in population was **geographically dispersed**, with rural and interior regions particularly well represented

The 10 fastest growing towns were in **six different counties.**



Components of Population Change

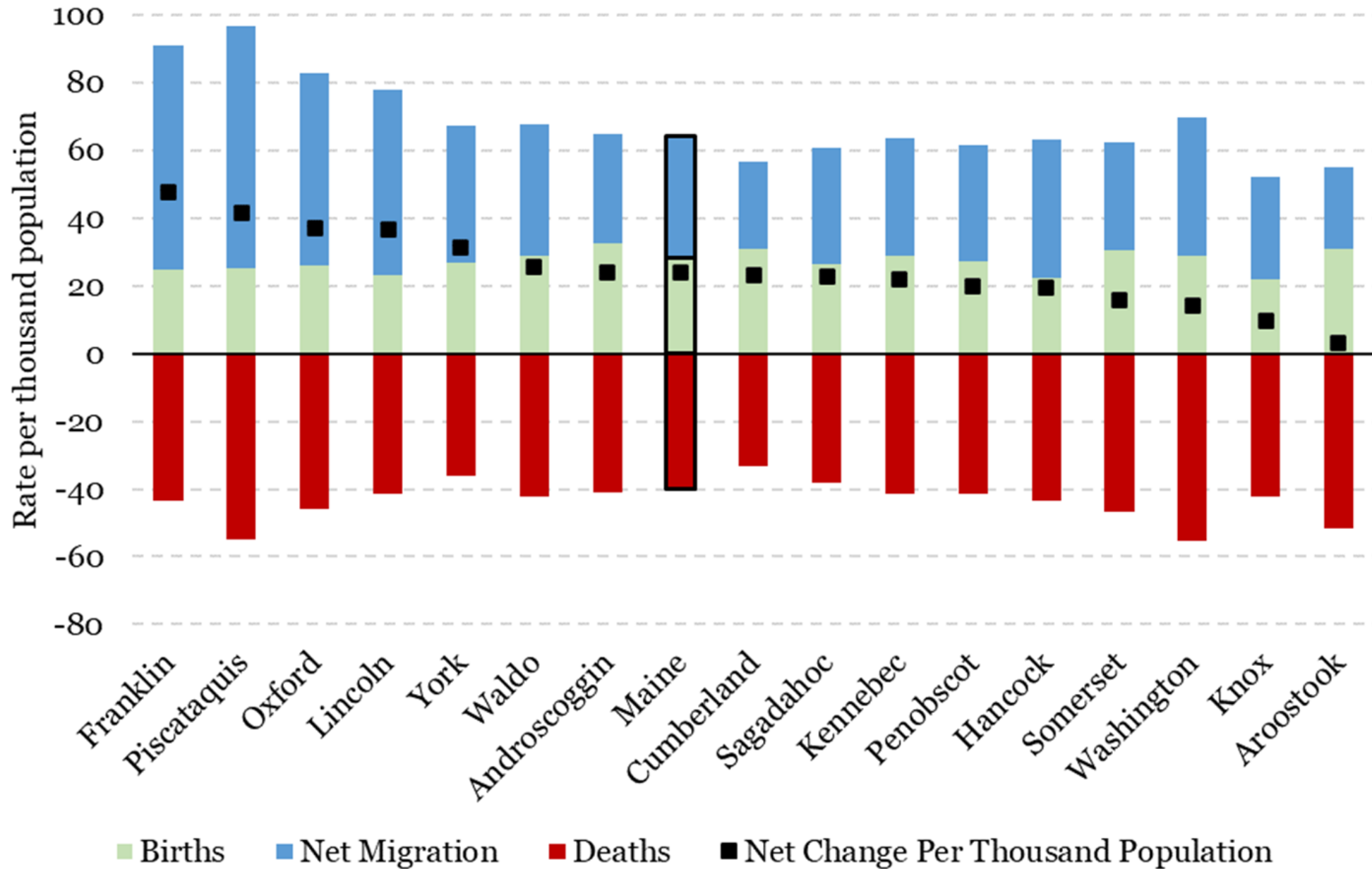
Components of Population Change, Maine



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

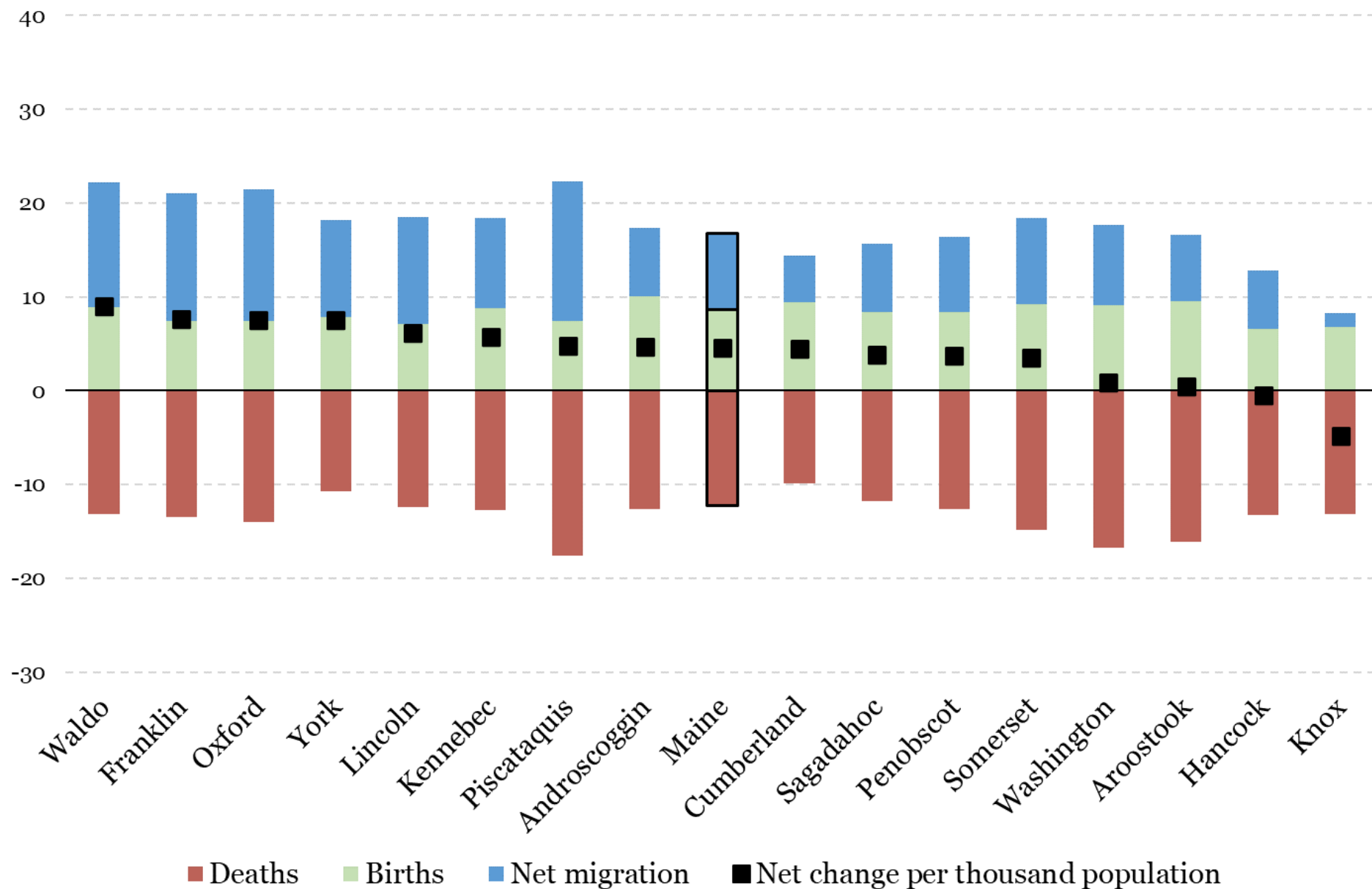
Components of Population Change in Maine, 4/2020-7/2023

Rate per thousand population

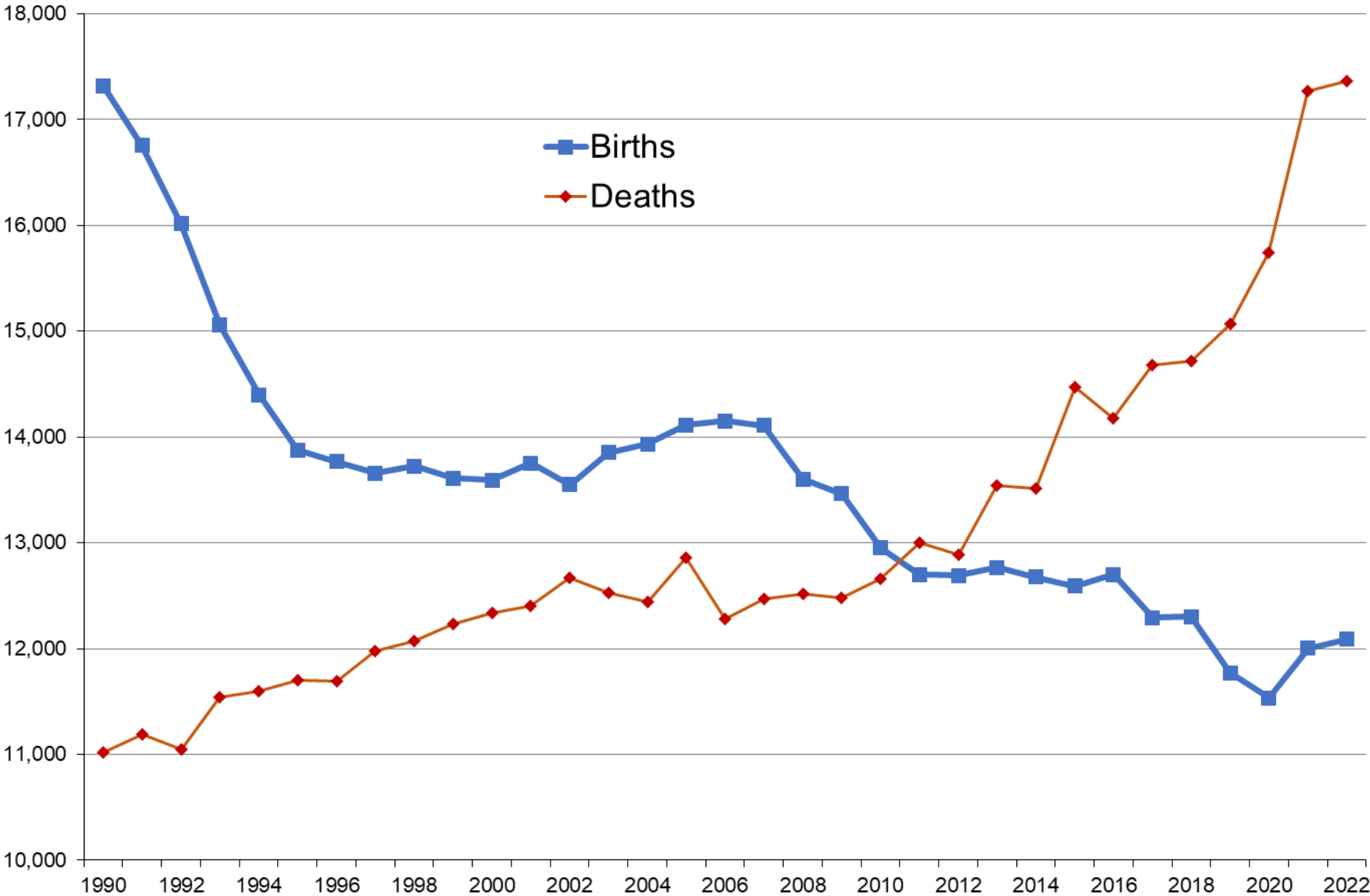


Components of Population Change in Maine, 2023

Rate per thousand population



Births and Deaths per year in Maine



Maine is not the only state seeing natural population declines

- In 2021, 26 states had natural decline, including all of New England except MA; in 2022, 25 states had natural decline
- In 2023, trends returned to normal, but 19 states still had natural decline, including ME, VT, NH, and RI (which were ranked 2, 3, 4, and 11, respectively, in terms of greatest rate of decline)

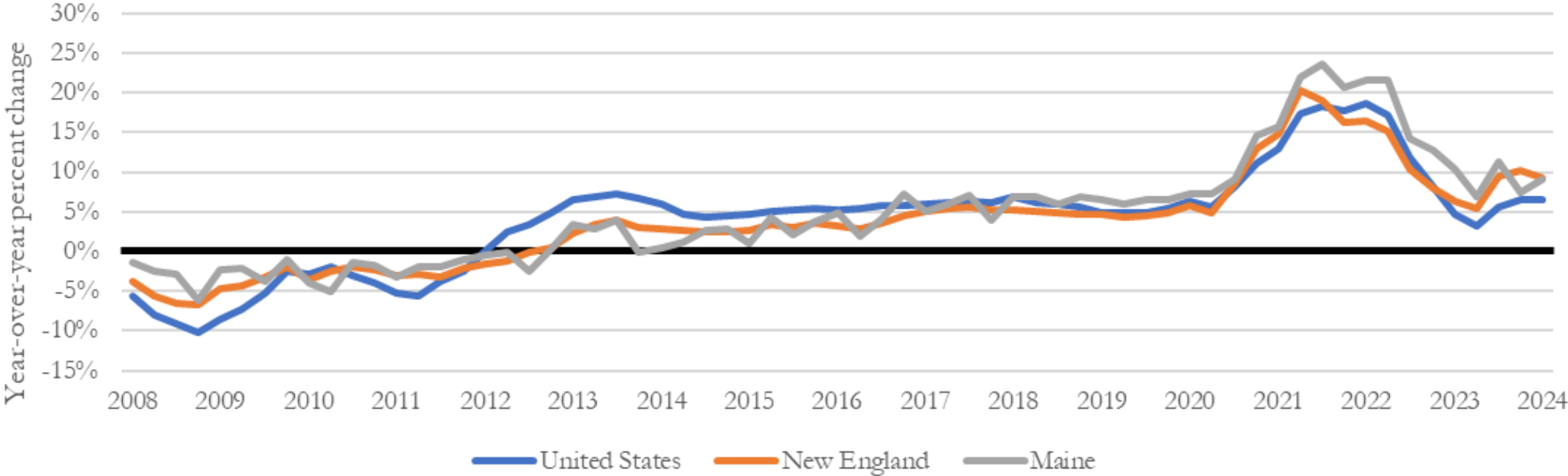
And this trend isn't confined to the U.S.

- According to Eurostat, the European Union has seen natural population decrease almost every year since 2012, with the decline accelerating over time



Migration into the state drove up demand for housing and further reduced the available supply; high mortgage rates locked people into existing homes

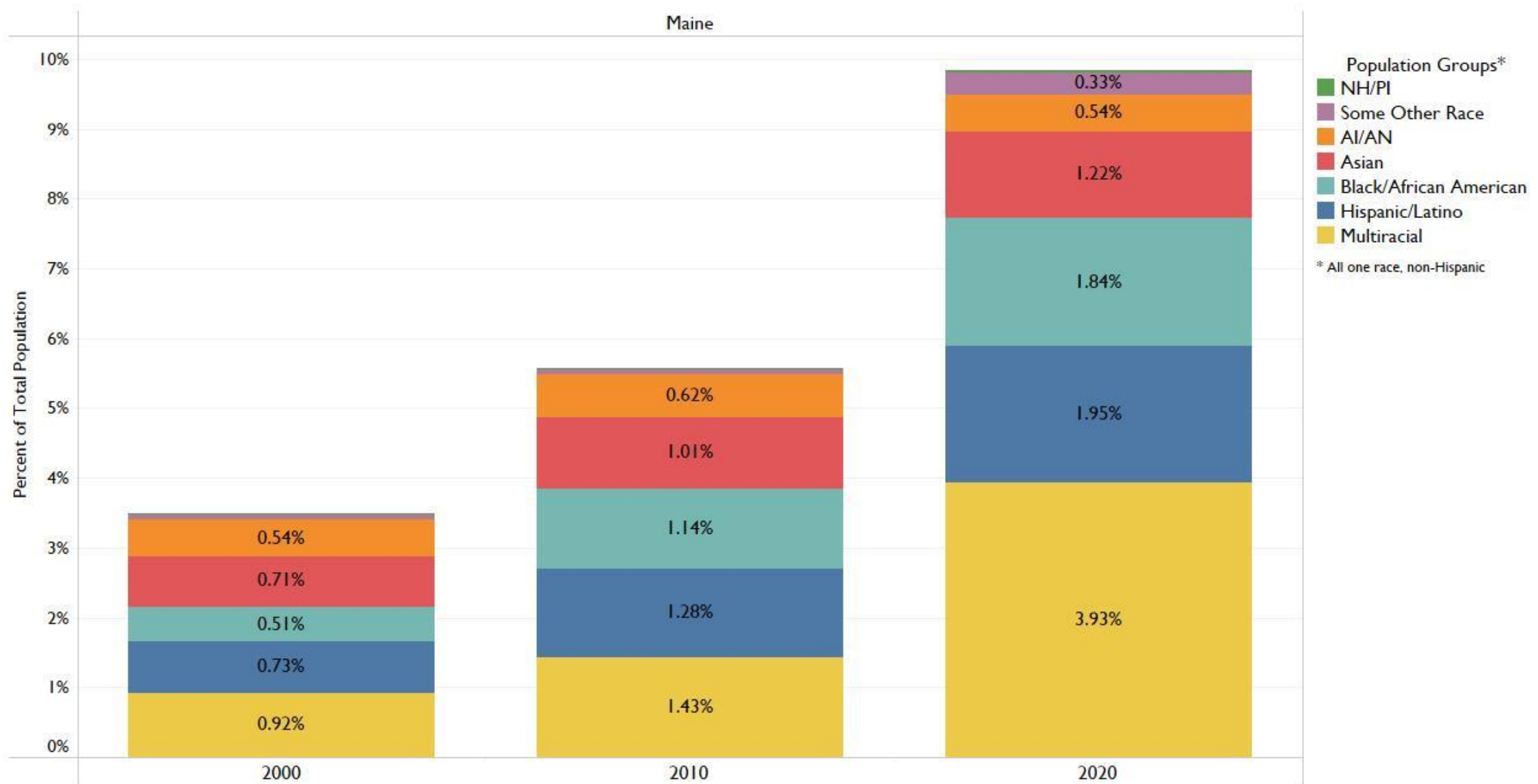
Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



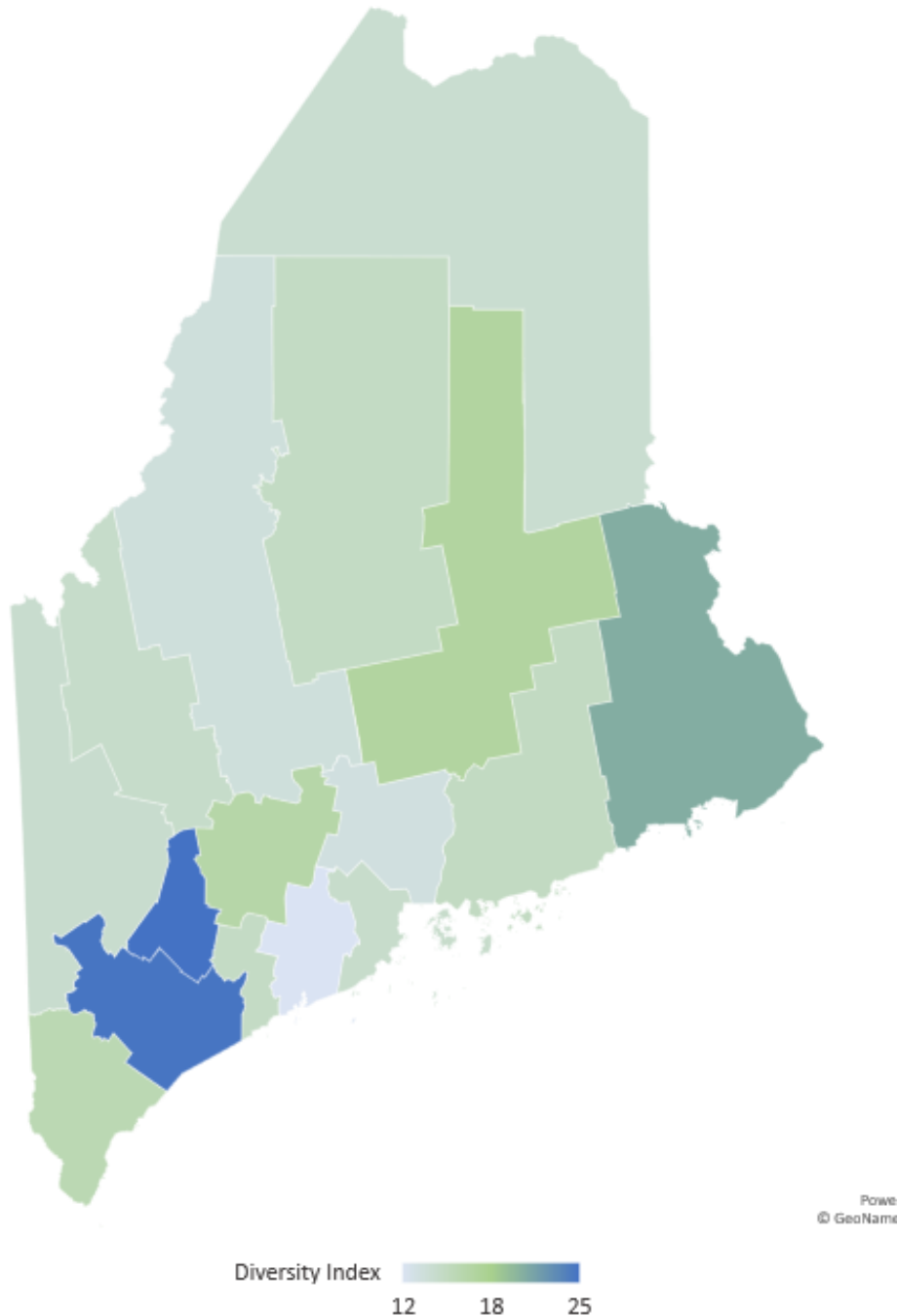
Race, ethnicity, and
place of birth

Share of Total Population by Population Group | Maine

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

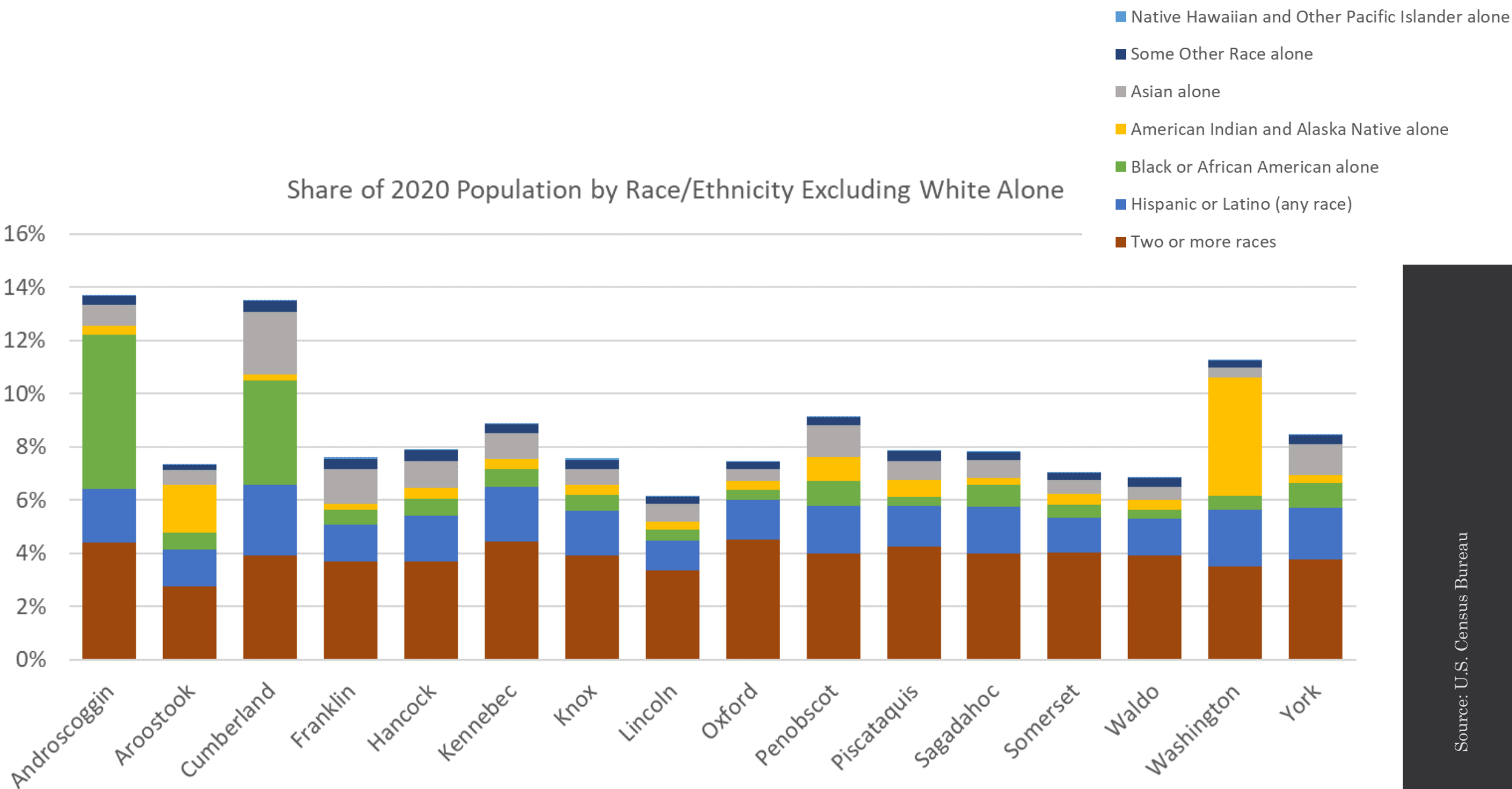


Note: Bars with less than 0.10% are not labeled for clarity and the White population is excluded from this figure because it comprises over 90% of the population.

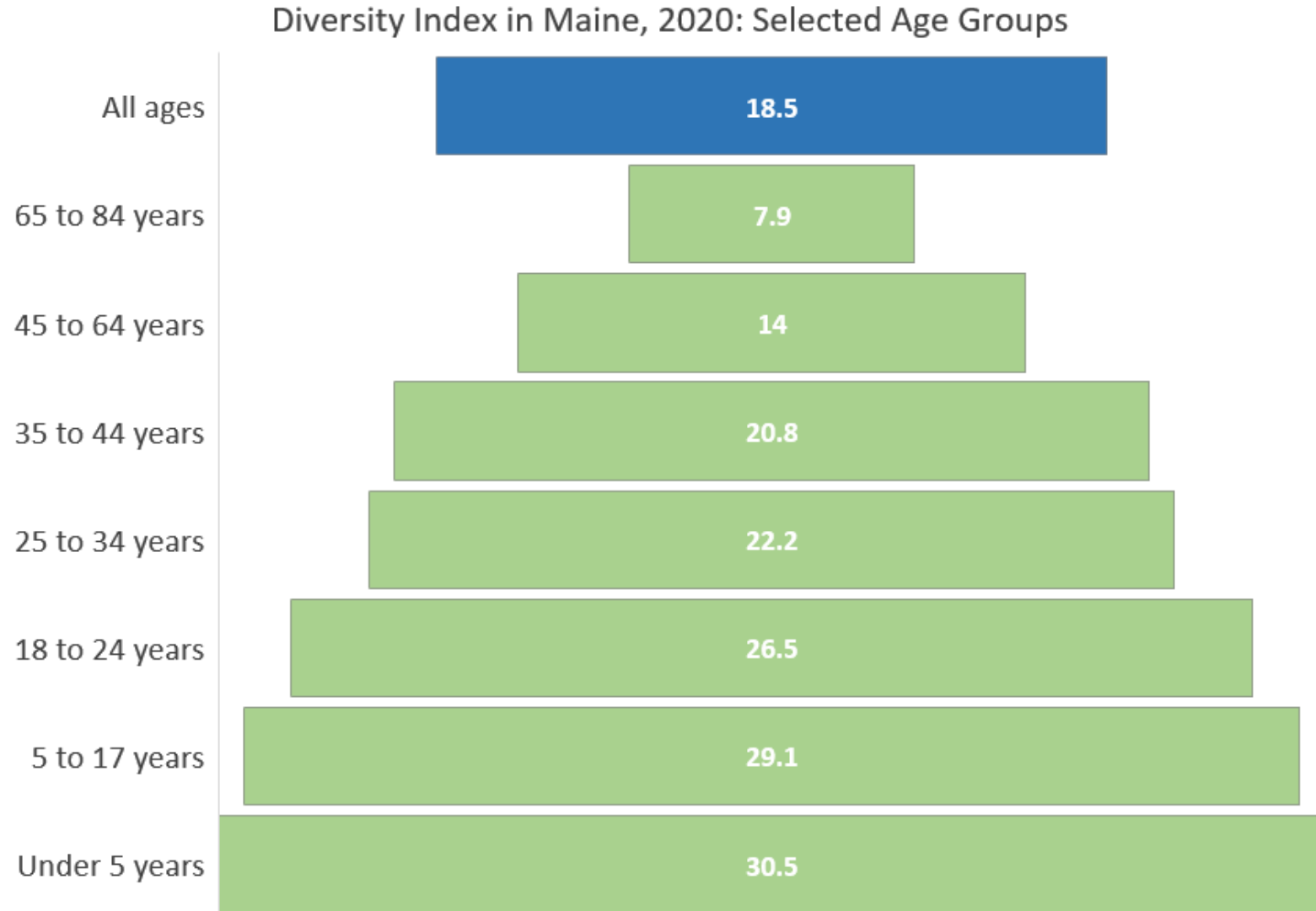


The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

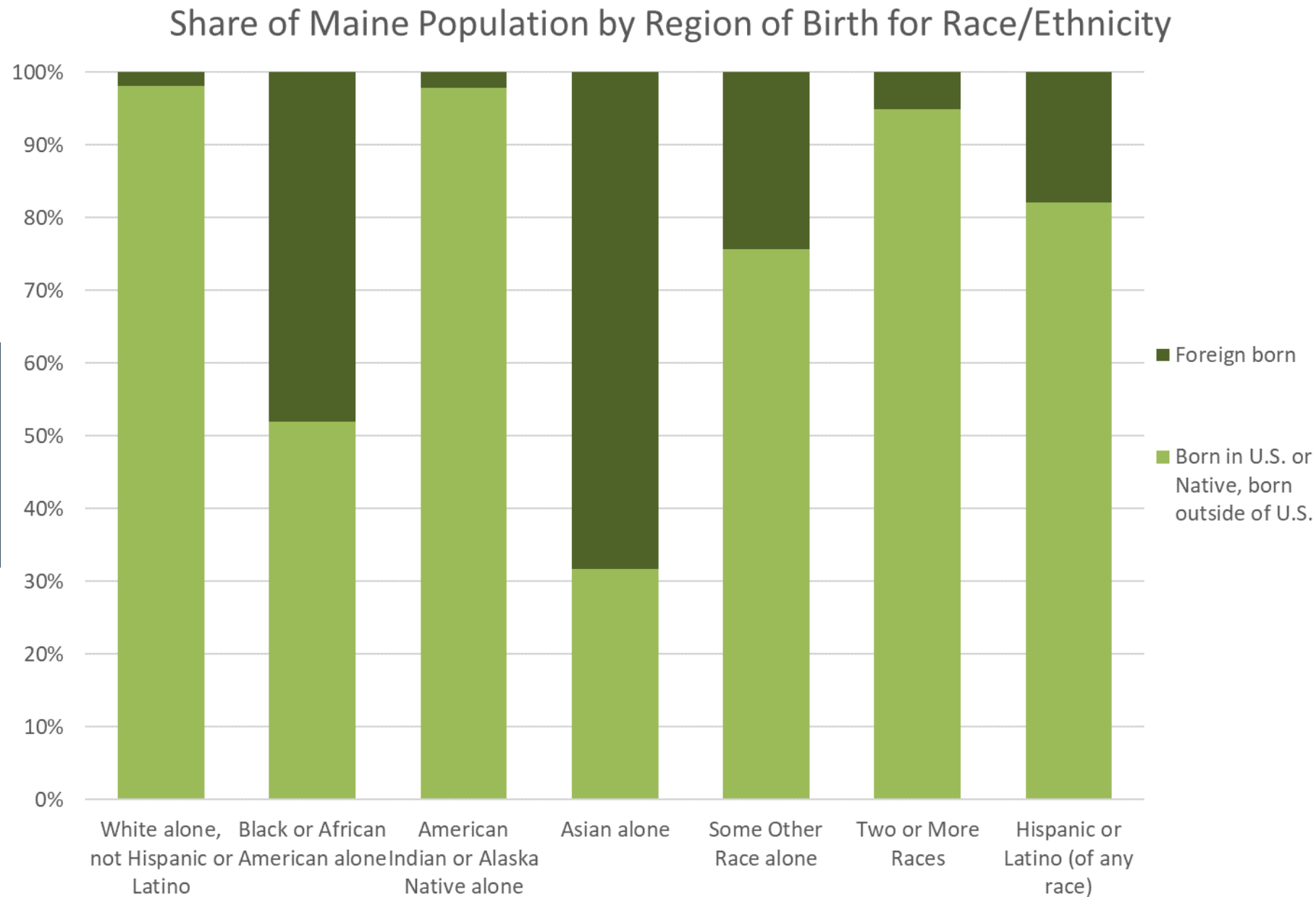
- In 2020, Maine ranked as the least diverse state in the U.S.
 - ME index = 18.5
 - U.S. index = 61.1
- But there is regional variation: Cumberland, Androscoggin, and Washington counties are more diverse



Younger generations in Maine are more diverse than older generations



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



Age

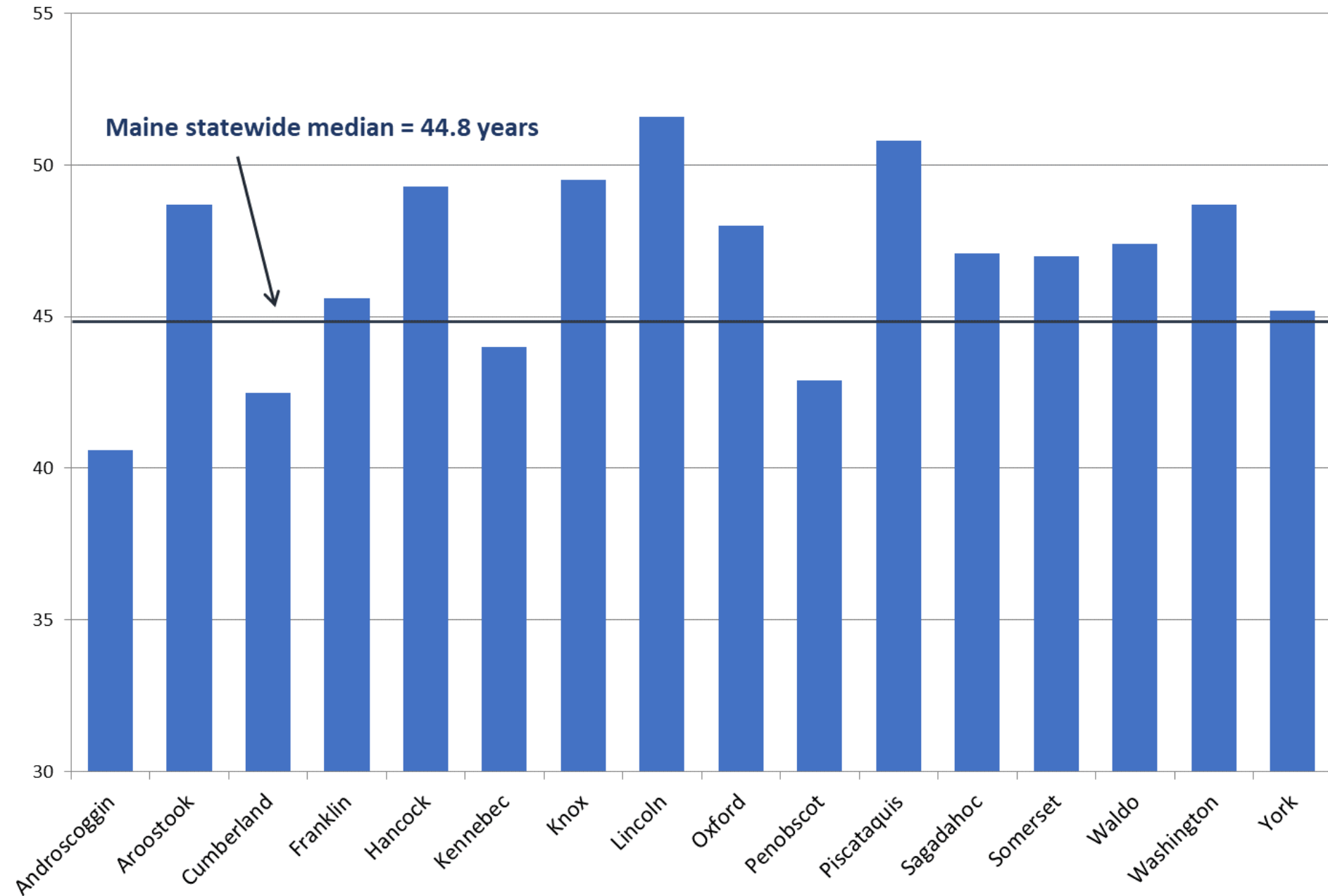
New England has the highest median age in the U.S. and the three states with the highest median ages (ME, NH, VT)

- CT and ME were the only two states in the U.S. to see a decline in the median age in 2021

- ME was one of only four states in the U.S. to see no increase in the median age in 2022

	2022 Median Age	2022 National Rank	Change from 2020 to 2021	Change from 2021 to 2022
Massachusetts	40.1	34	0.1	0.2
Rhode Island	40.6	41	0.2	0.2
Connecticut	40.9	43	-0.1	0.1
Vermont	43.2	48	0.0	0.2
New Hampshire	43.3	49	0.2	0.1
Maine	44.8	50	-0.1	0.0

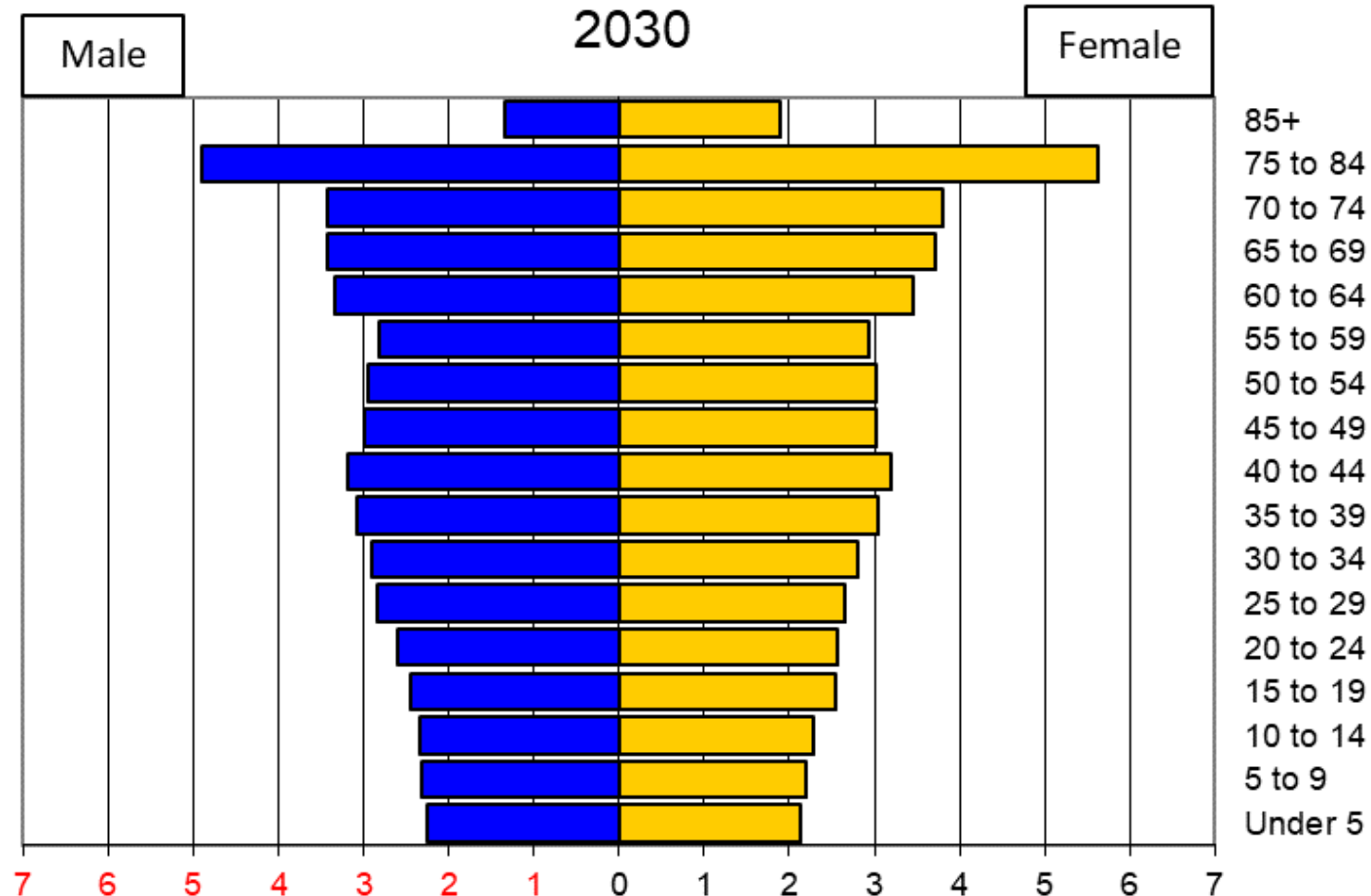
Median Age



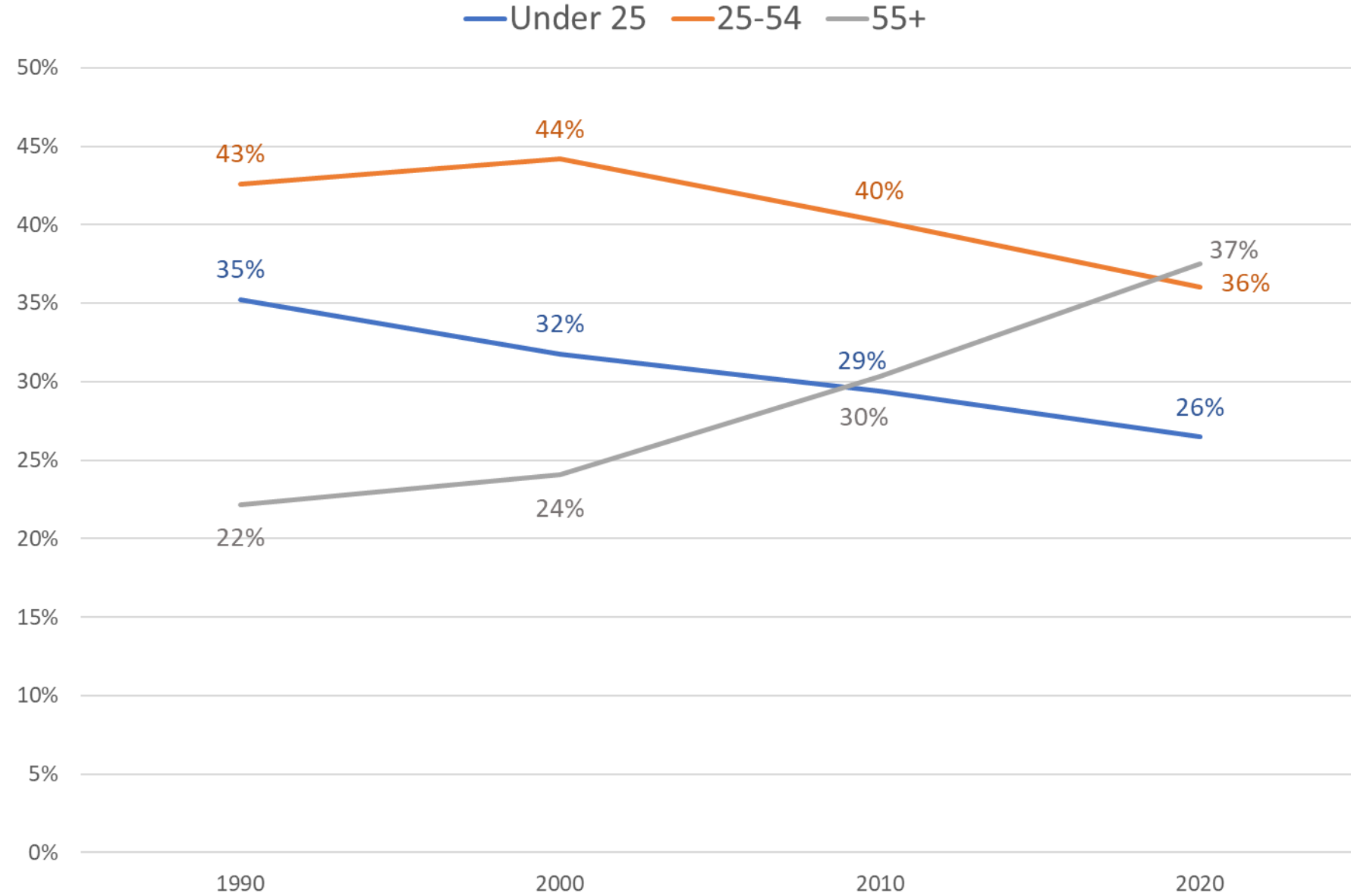
The Baby Boom: 1946-1964

Baby Boom
generation in
2030: age 66-84

Baby Boom
generation in
2022: age 58-76



Share of Total Maine Population by Age

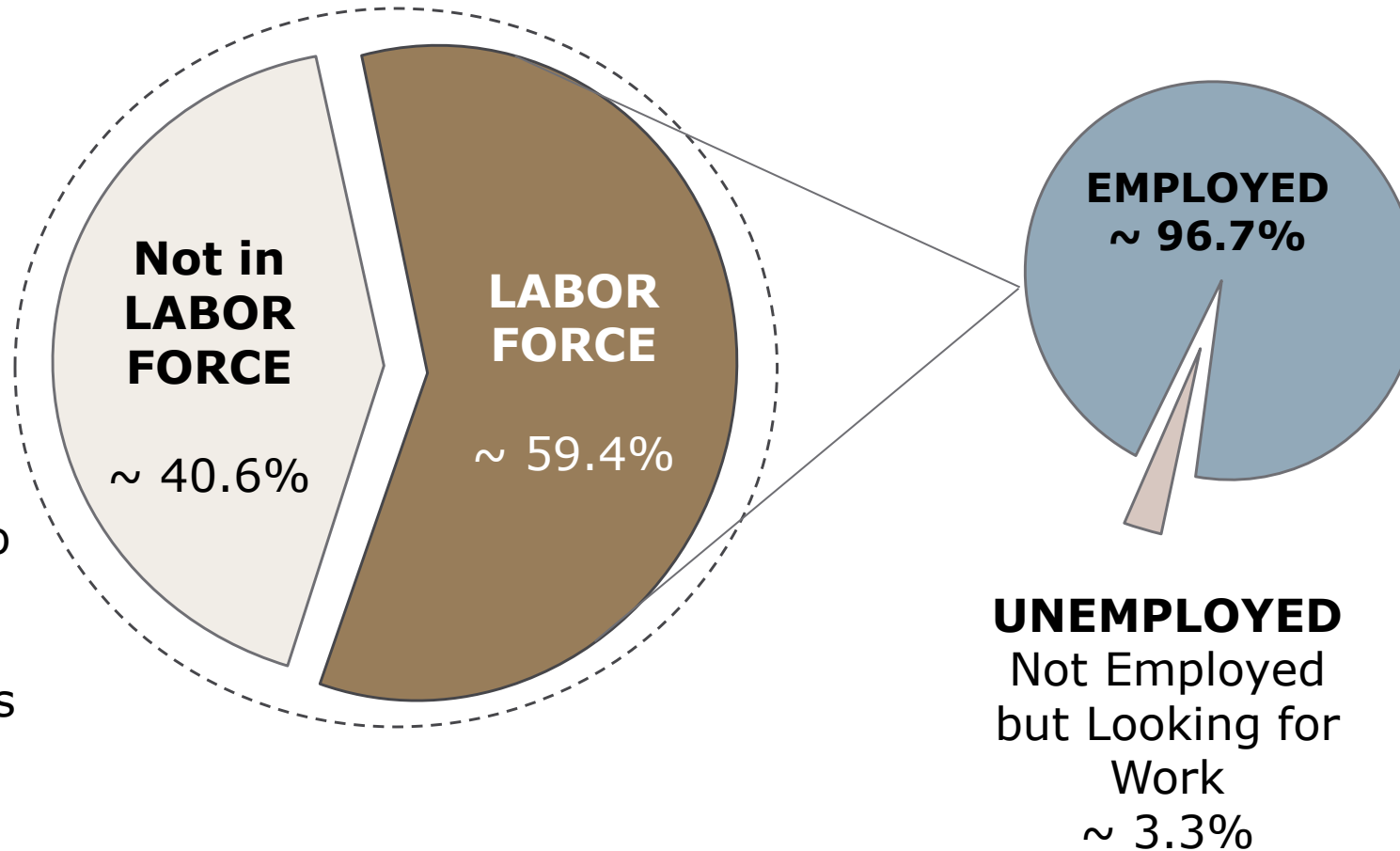


Labor force

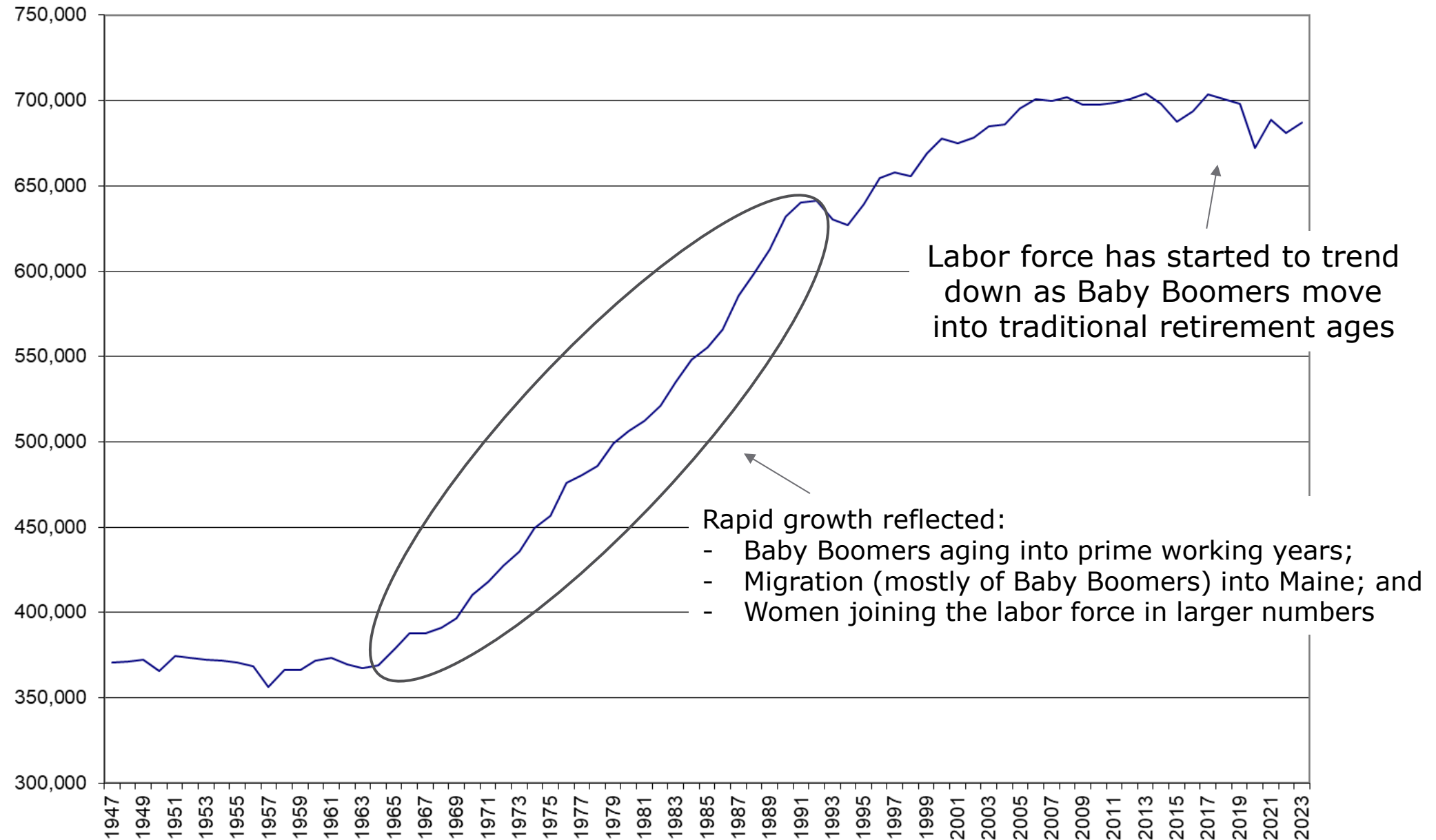
Who is in the labor force?

Civilian population, age 16+

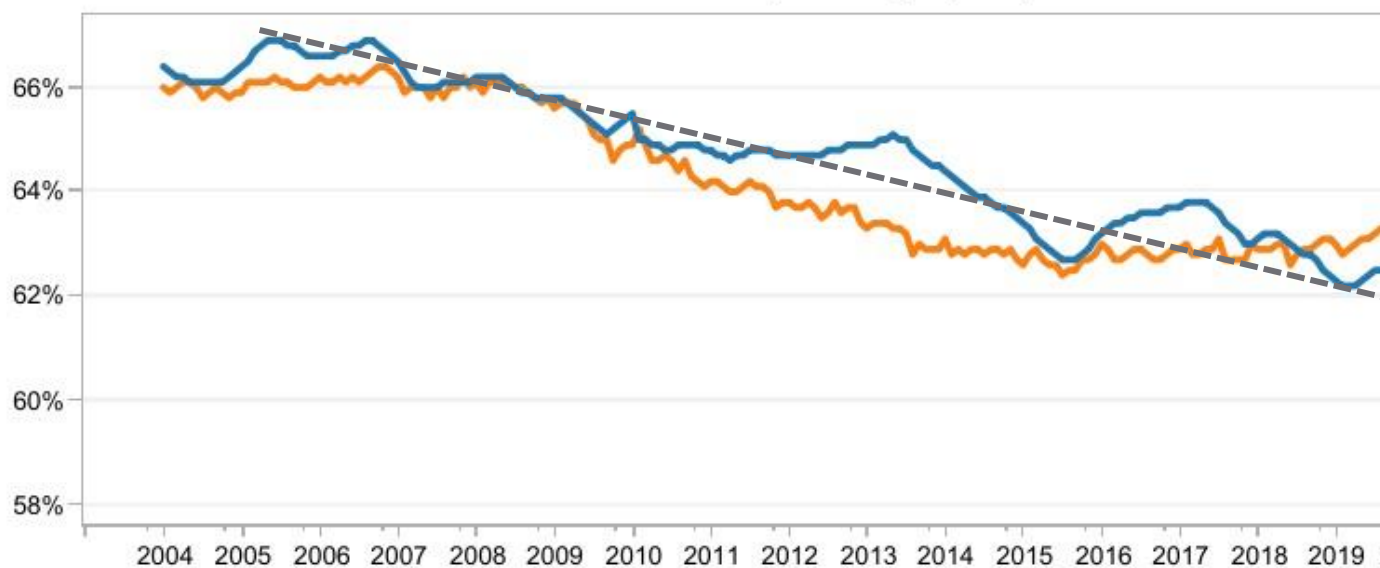
Not available and not looking for work. This could include people who are retired, full-time students, or full-time caregivers



Maine Civilian Labor Force



Labor Force Participation Rate (seasonally adjusted)

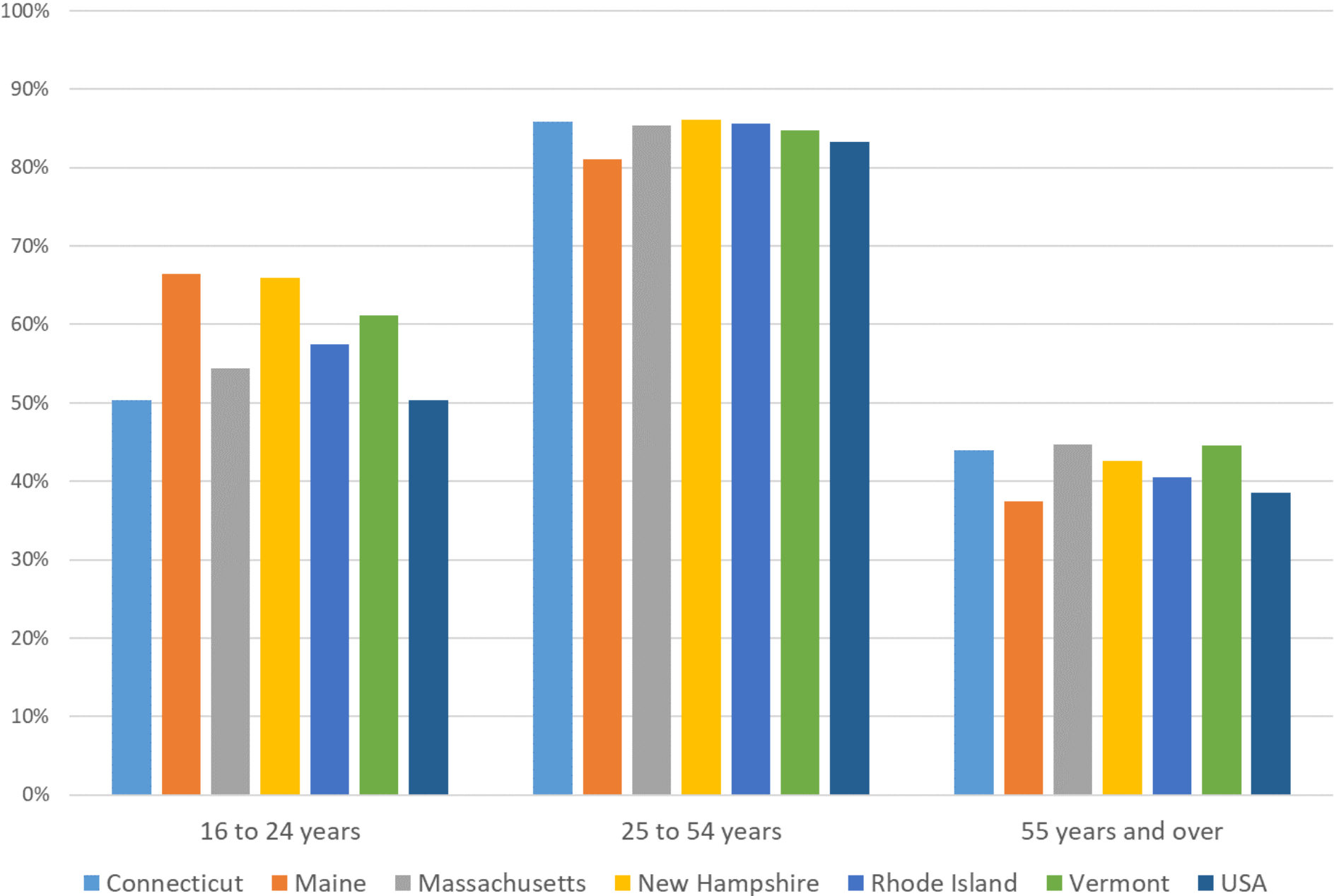


Feb, 2004 to Jan, 2024

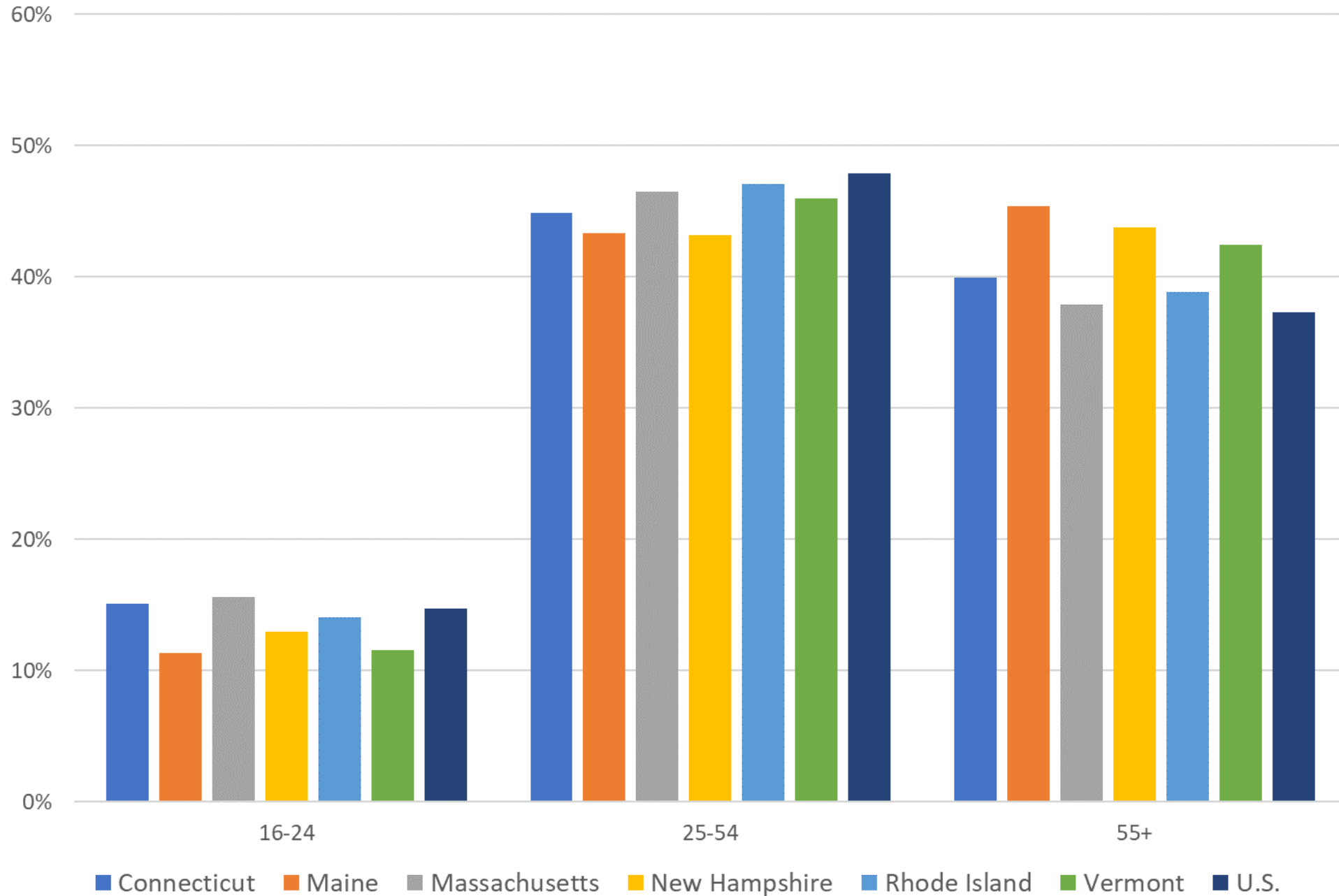
- Unemployment Rate
- Labor Force & Employment
- Unemployment
- Labor Force Participation Rate
- Employment to Population Ratio

■ Maine
■ United States

Labor Force Participation Rate, 2023



Civilian Noninstitutional Population by Age, 2023



Unemployment and Employment

County Rates (not seasonally adjusted)

April, 2024

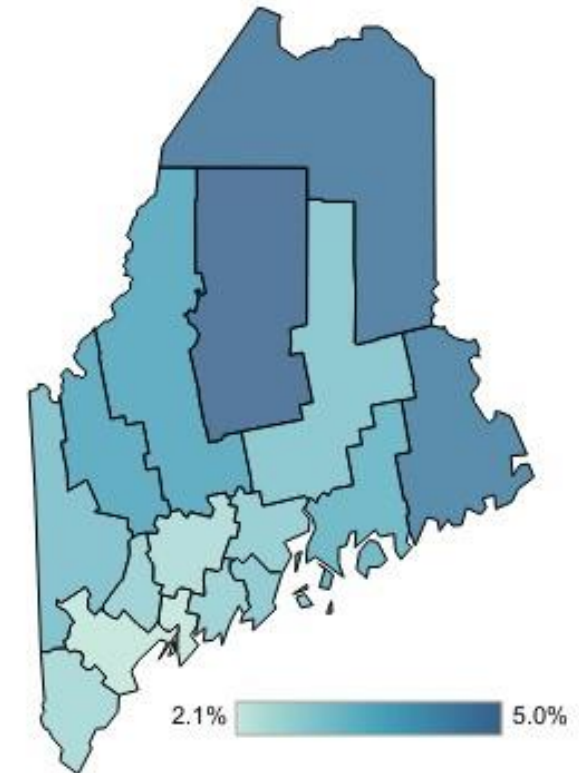
- ☒ Table
☐ Graph

Map/Graph Display

- ☒ Unemployment rate
☐ One-year change

County	Rate	Year ago	One-yr change
Maine	2.8%	2.5%	0.3 ↑
Androscoggin	2.7%	2.6%	0.1 ↑
Aroostook	4.7%	4.1%	0.6 ↑
Cumberland	2.1%	2.0%	0.1 ↑
Franklin	3.7%	3.5%	0.2 ↑
Hancock	3.4%	3.0%	0.4 ↑
Kennebec	2.4%	2.1%	0.3 ↑
Knox	2.9%	2.4%	0.5 ↑
Lincoln	2.7%	2.5%	0.2 ↑
Oxford	3.1%	2.6%	0.5 ↑
Penobscot	3.0%	2.6%	0.4 ↑
Piscataquis	5.0%	4.2%	0.8 ↑
Sagadahoc	2.1%	1.9%	0.2 ↑
Somerset	3.7%	4.0%	-0.3 ↓
Waldo	2.8%	2.6%	0.2 ↑
Washington	4.5%	4.0%	0.5 ↑
York	2.5%	2.1%	0.4 ↑

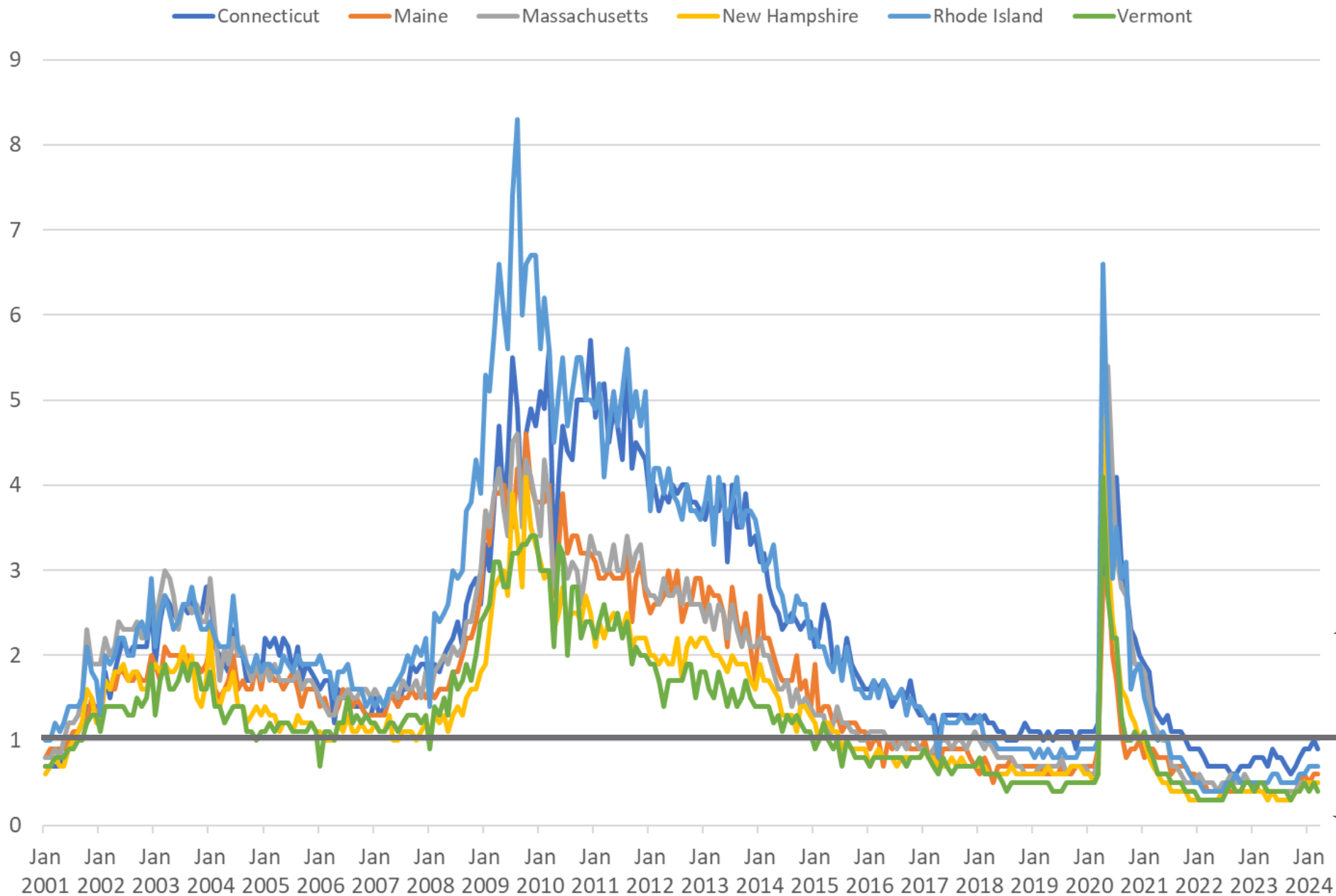
Unemployment rate



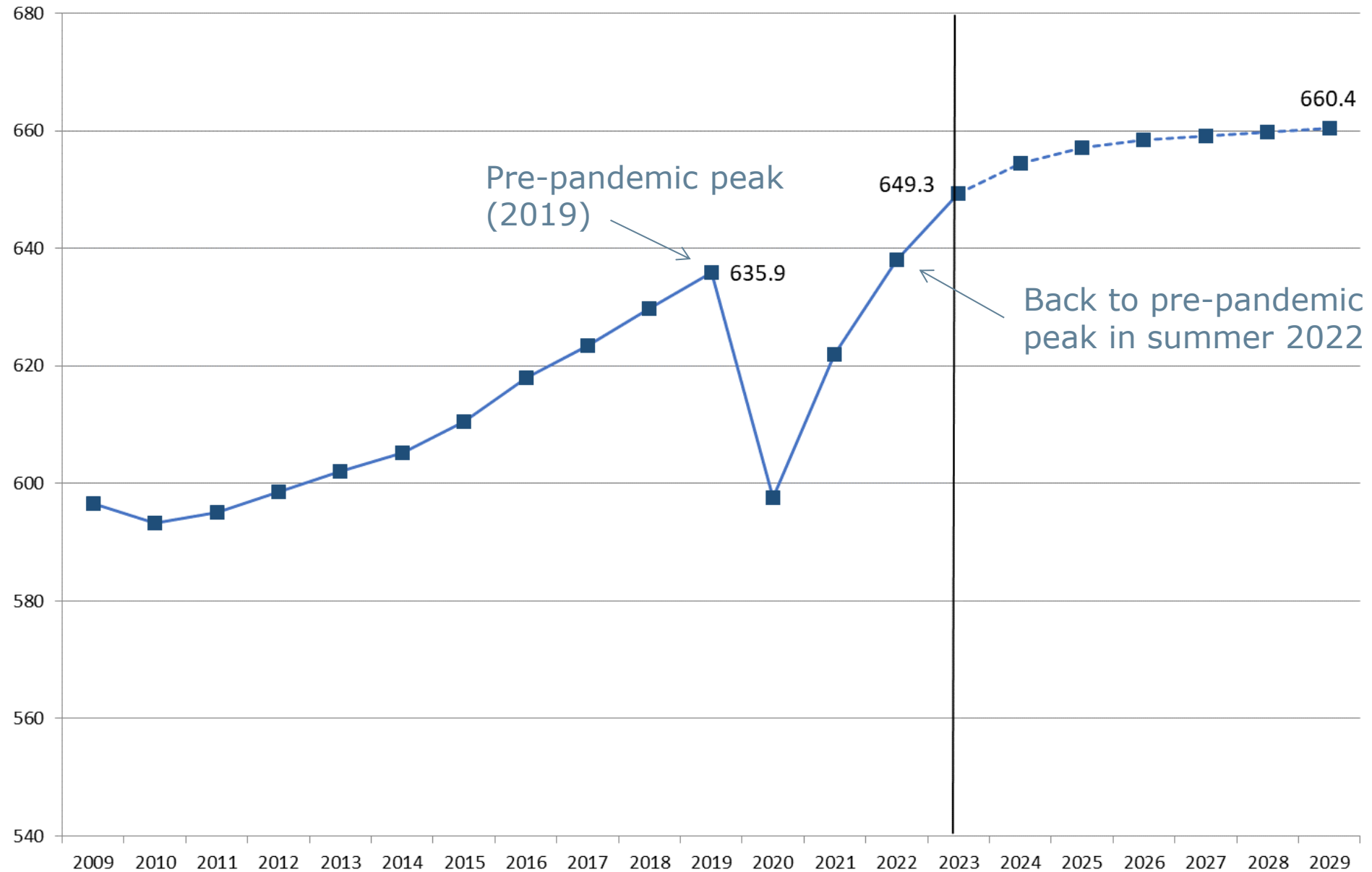
Maine Department of Labor, Center for Workforce Research and Information

Maine's 3.1% unemployment rate in April 2024 was close to recent record lows and little changed over the past six months

Unemployed Persons per Job Opening Ratio



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



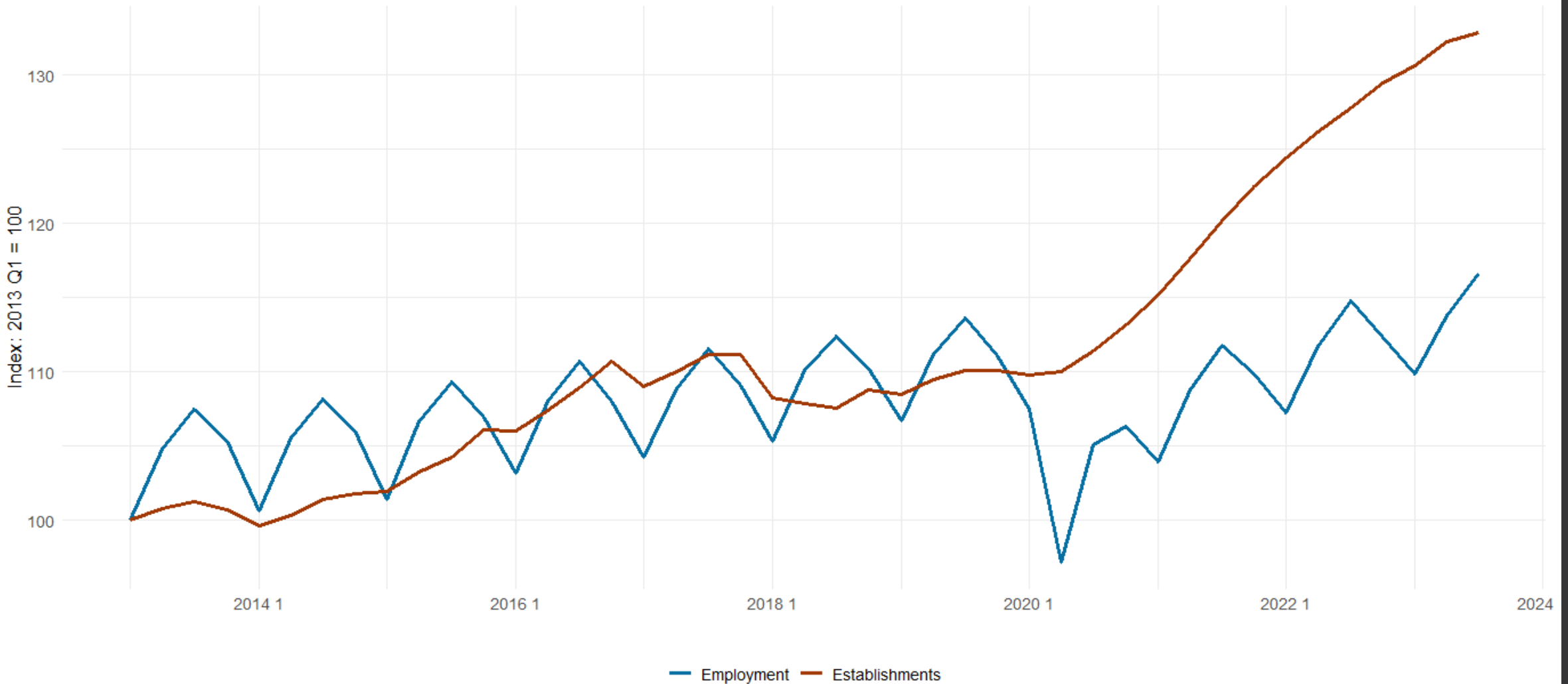
Key assumption from February 2024 CEFC report (emphasis added)

There is an unequal distribution of supply and demand in the labor market. Demand for labor is high, supply is low, and unemployment rates are near historic lows in Maine and nationwide.

Workers are experiencing higher wage growth, particularly for lower wage jobs. Some demographic trends, including a growing share of the population reaching retirement age, will continue to constrain labor supply.

While Maine will continue to see higher in-migration of working-age people in the coming years, this may not be sufficient to fully offset retirements in the future.

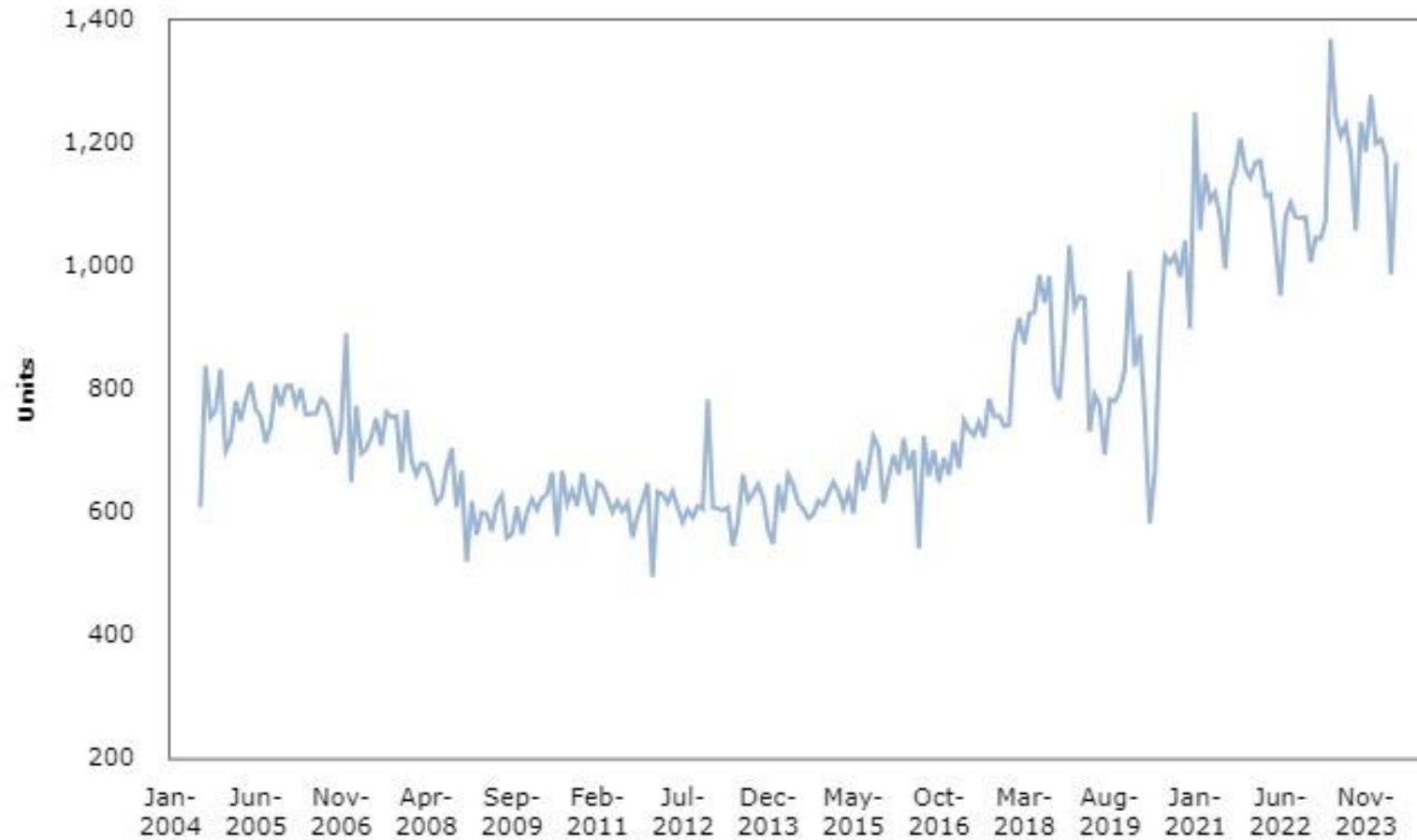
Wage and Salary Employment and Establishments



Since 2020, employer establishments have increased at a greater rate than jobs.
This is primarily due to the expansion of remote work.

Source: Business Formation Statistics
Total for All NAICS: Maine
Jan-2004 to Dec-2024

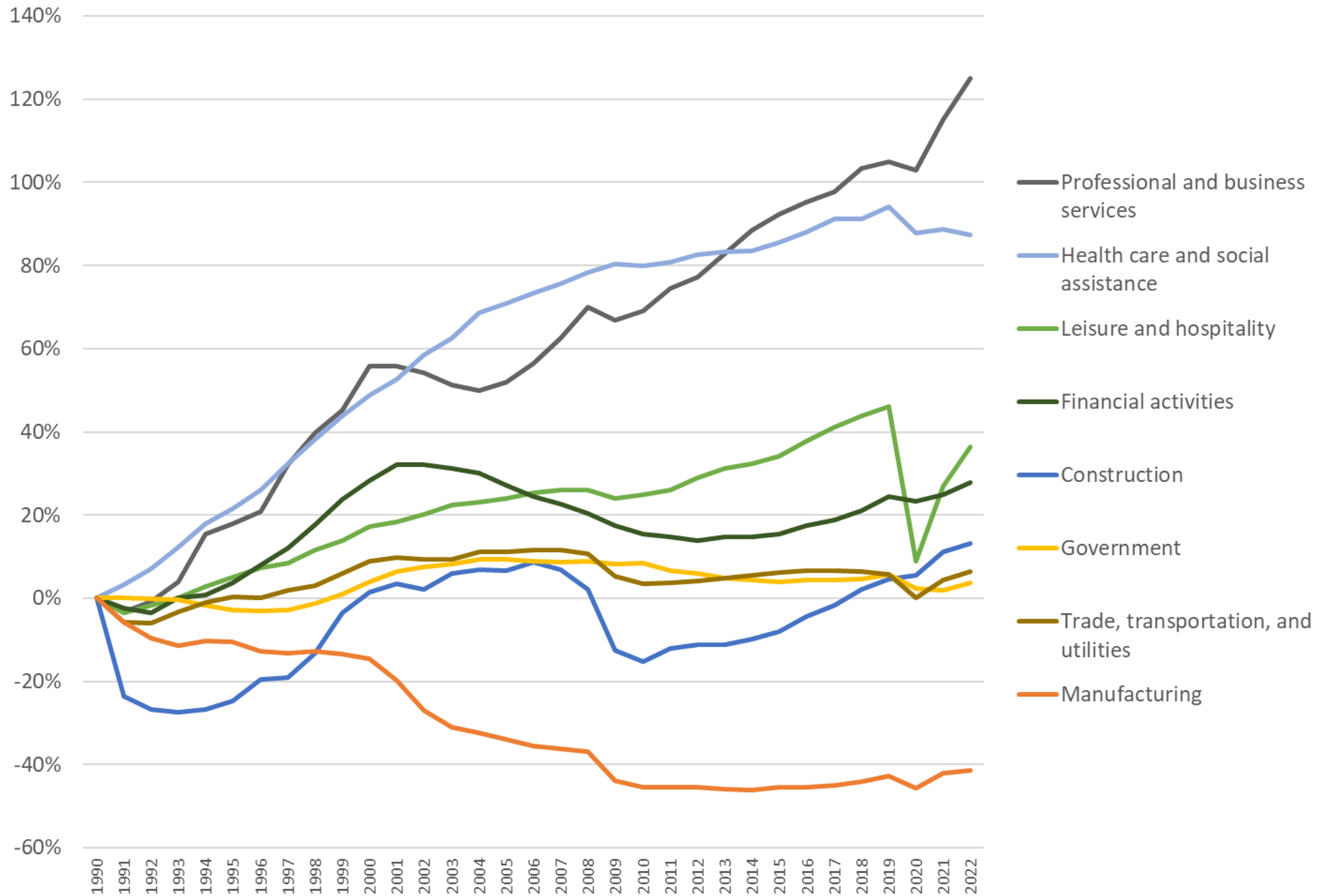
Seasonally Adjusted Business Applications



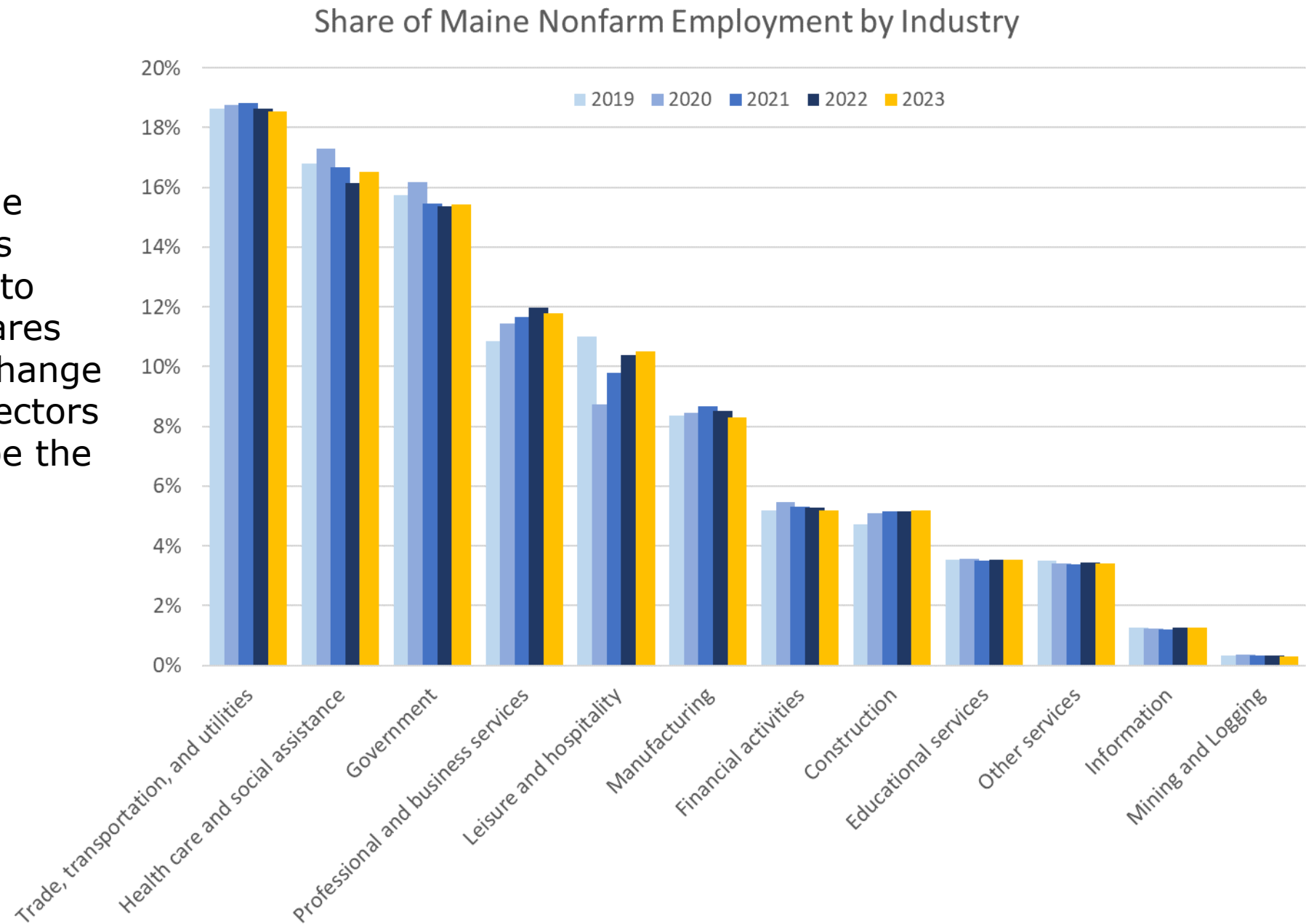
Data Extracted on: June 17, 2024 (11:11 am) EDT

These data are subject to sampling and nonsampling error. For more information see
<https://www.census.gov/econ/bfs/technicaldocumentation/methodology.html>

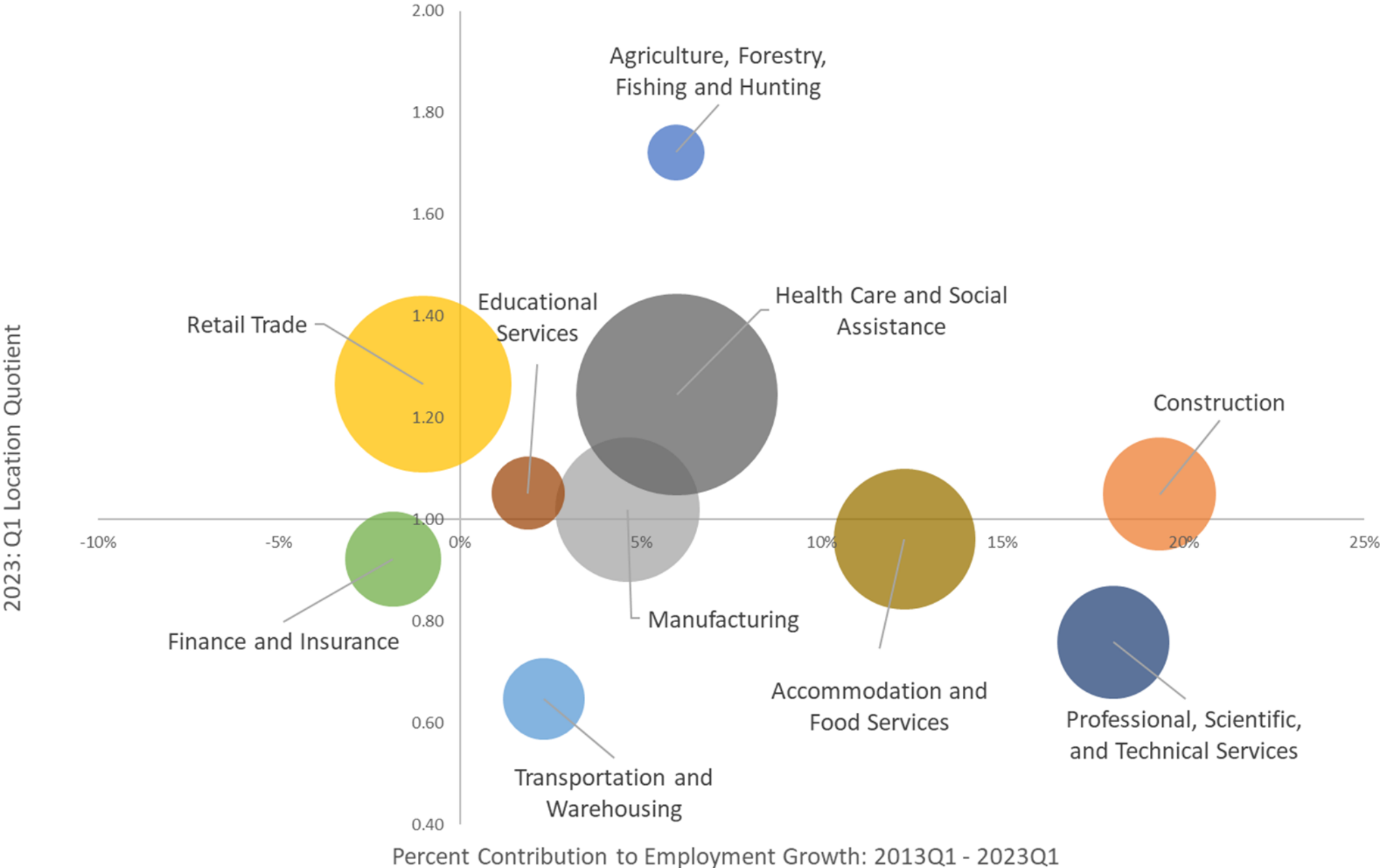
Percent change in select Maine employment sectors since 1990



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)



Maine Location Quotients for Private Industry Super Sectors



☒ Bar Graph
☐ Table
☐ Bubble Graph

All

All

Associate's degree

■ Bachelor's degree

■ Doctoral or professional degree

High school diploma or equivalent

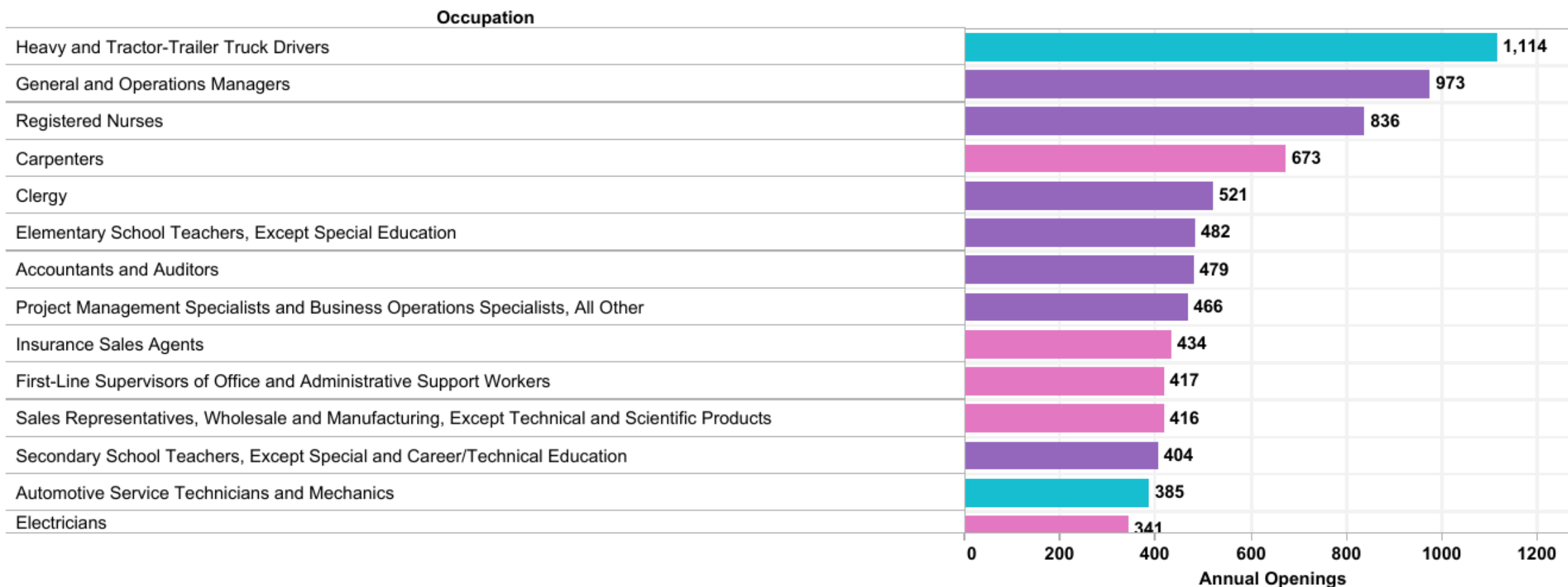
■ Master's degree

- No formal educational credential

■ Postsecondary non-degree award

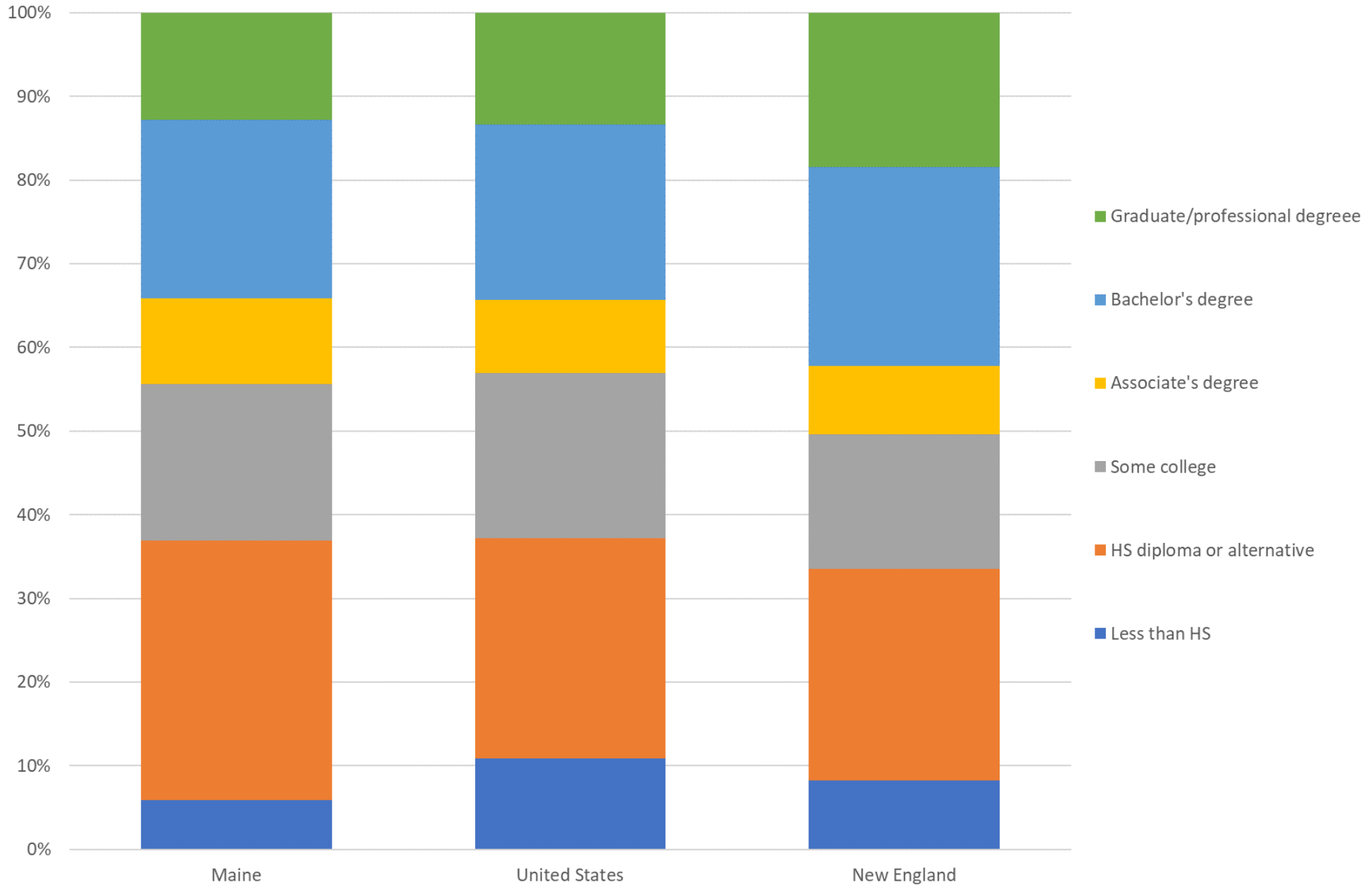
- Some college, no degree

Education Requirement: **All**

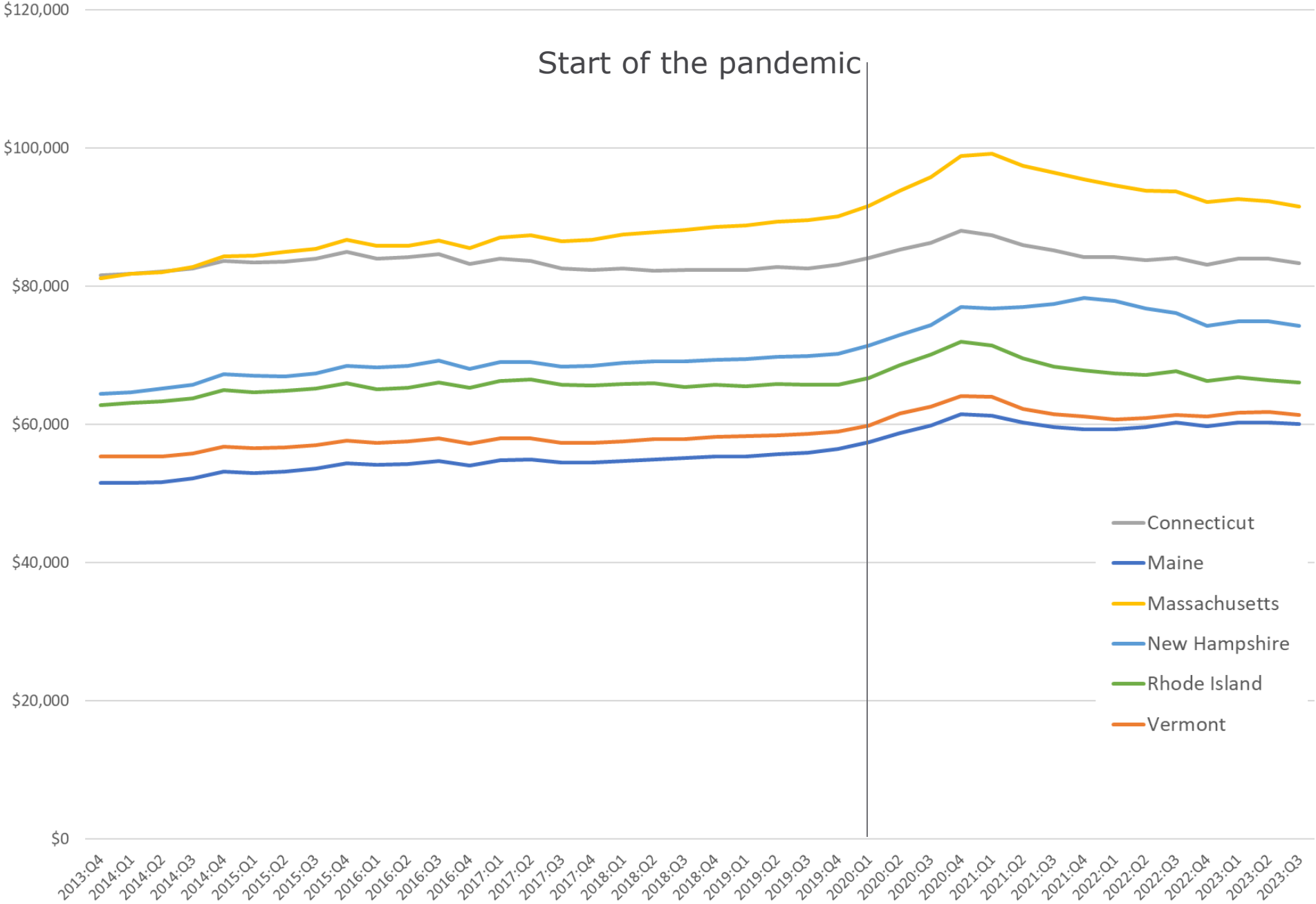


Source: Maine Department of Labor, Center for Workforce Research and Information, 2020-2030 Occupational Employment Projections and 2021 Occupational Employment and Wage Estimates for Maine.

Educational Attainment of Population Age 25+



Real Moving Four Quarter Average Annual Wage Per Job (in 2023:Q3 dollars)



Source: U.S. Bureau of Labor Statistics; calculations by staff in
Maine Office of the State Economist

The Crystal Ball...

- Workplaces becoming more diversified
- The “warm bodies” problem
 - Need to keep older workers engaged
 - Fully engage existing underutilized potential workforce
 - Bring more workforce into the state
- Remote work can offer some solutions
- Technology can supplement labor, but it’s a bumpy road

Long story short...

- Maine is part of a larger trend of slow population growth and an aging demographic
- Many regions are experiencing or looking ahead to shrinking labor force – meaning we're competing for the same pool of workers
- The workforce is becoming increasingly diverse, and this will accelerate as the Baby Boom generation moves out and Gen Z moves in
- There are changes in the skill sets needed as well as the ways we measure those skills and credentials
- Technology advancements provide opportunities, but not without challenges
- Creativity in how we educate, train, attract, and retain tomorrow's workforce will be crucial for economic success

Contact Information

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