

Maine's Economy and Housing Conditions

Federal Home Loan Bank of Boston

June 26, 2025

Amanda Rector

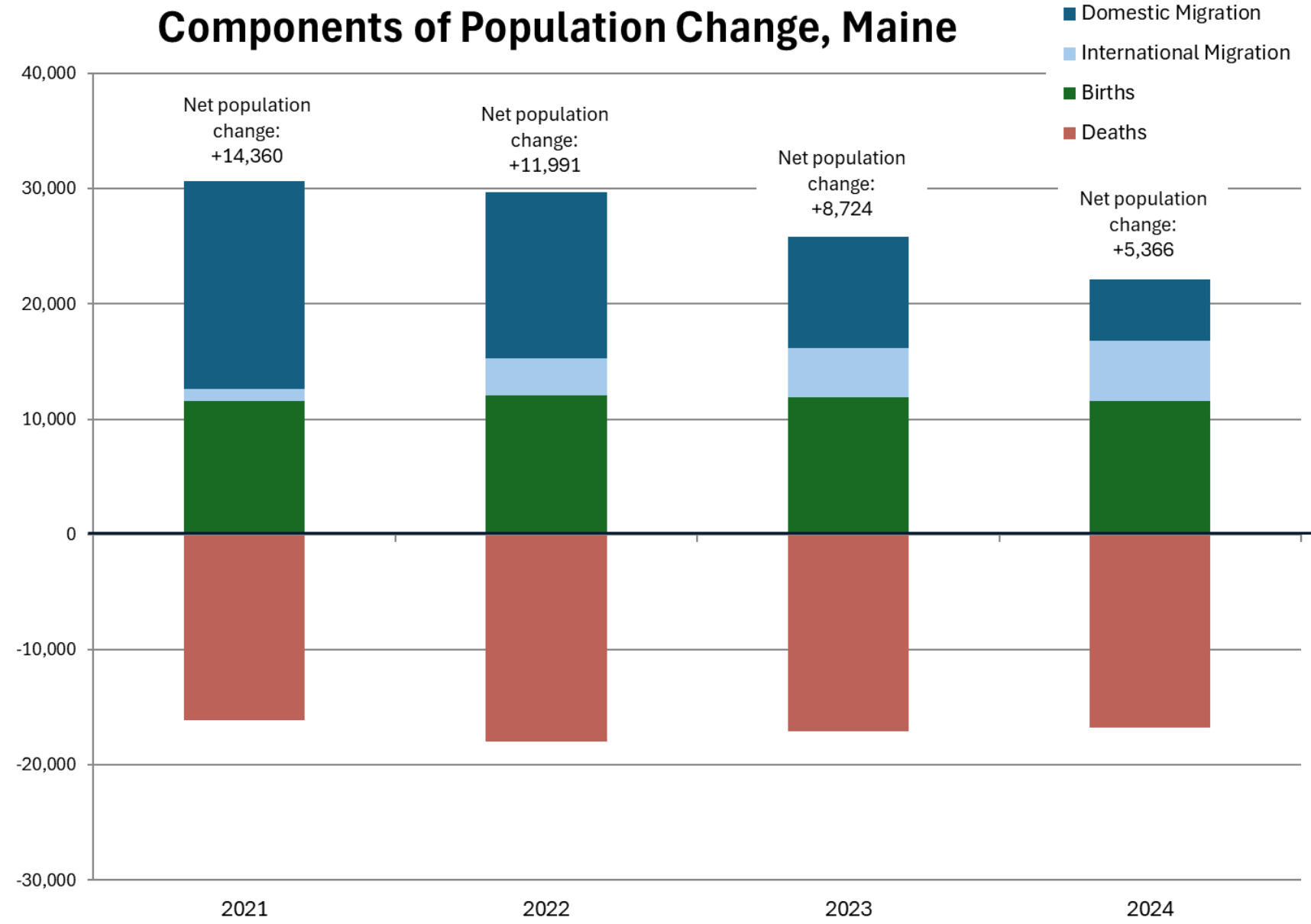
Maine State Economist

Population and demographics

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

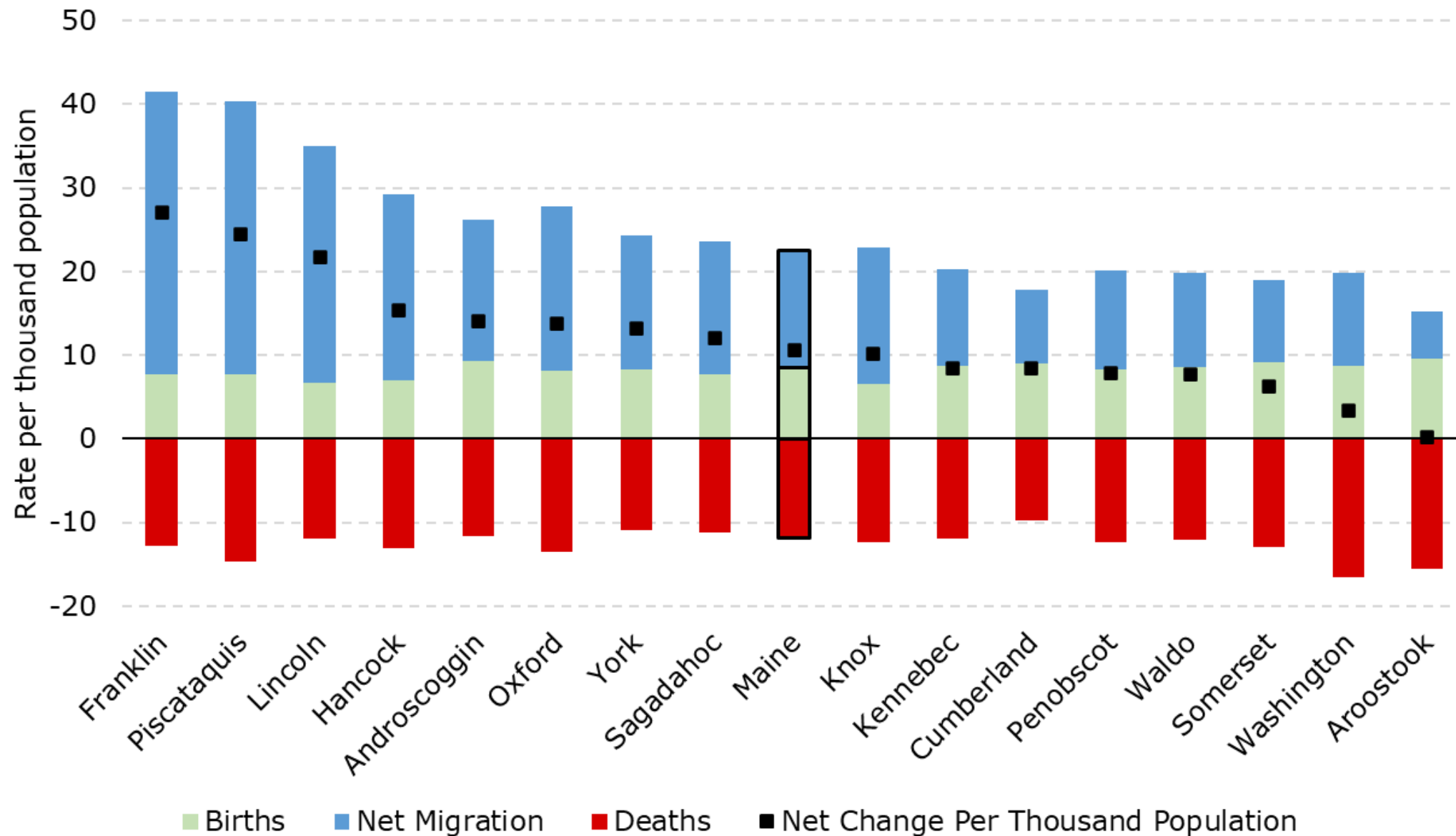
Population increase of 3.1% from 2020-2024 (17th in U.S.)

2024 Total Population: 1,405,012



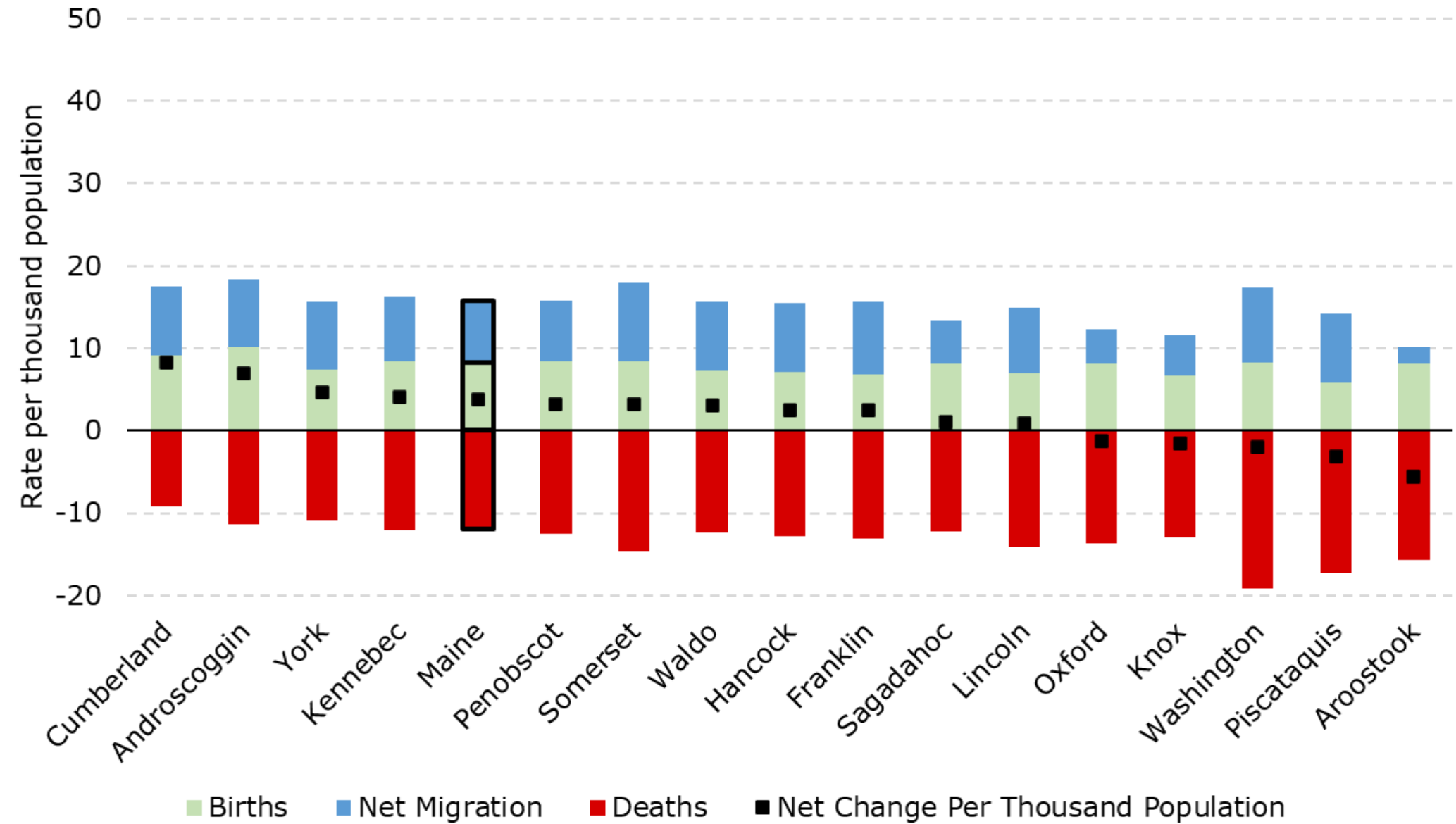
Components of Population Change, 7/1/2020-7/1/2021

Rate per thousand population

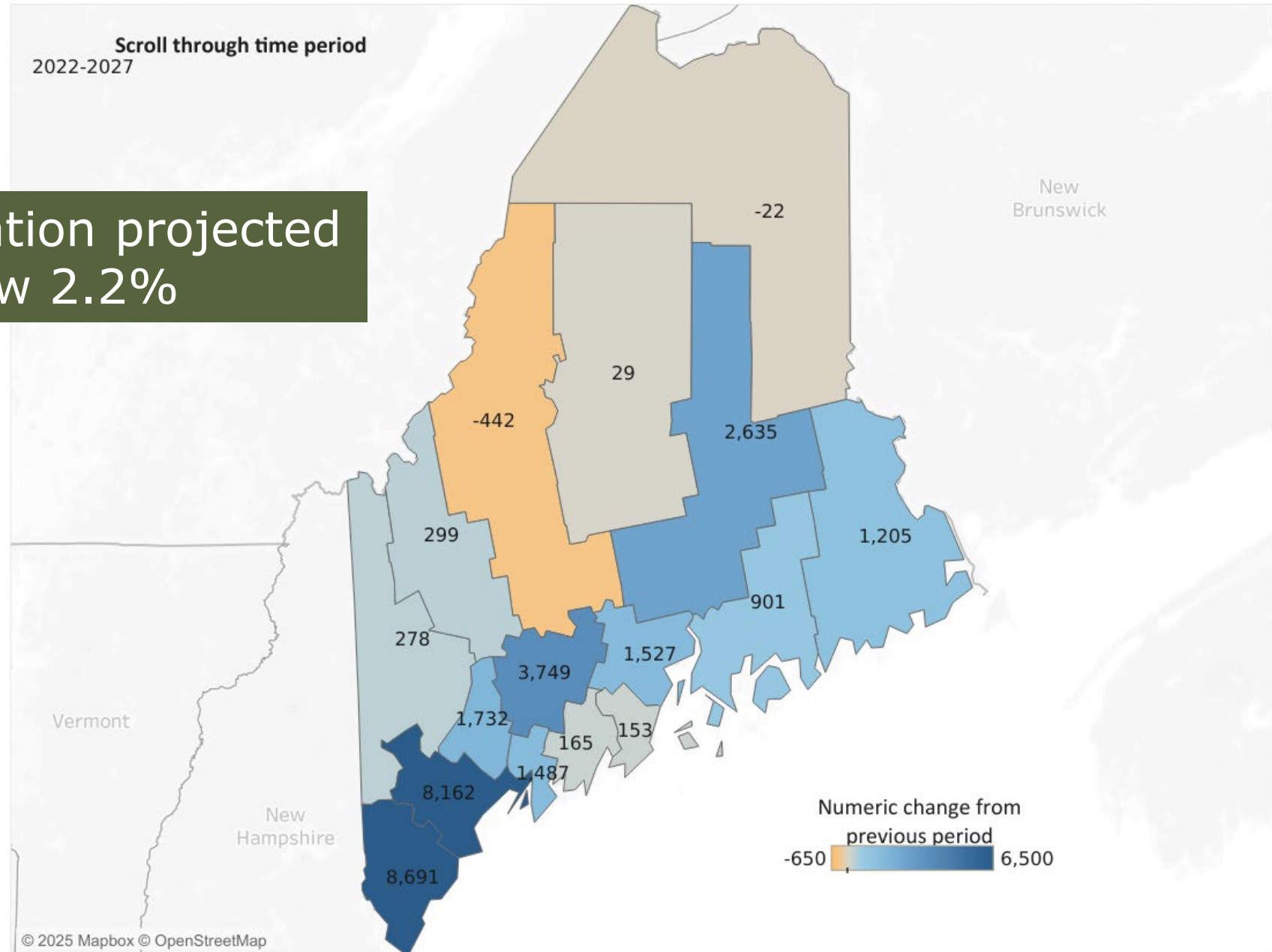


Components of Population Change, 7/1/2023-7/1/2024

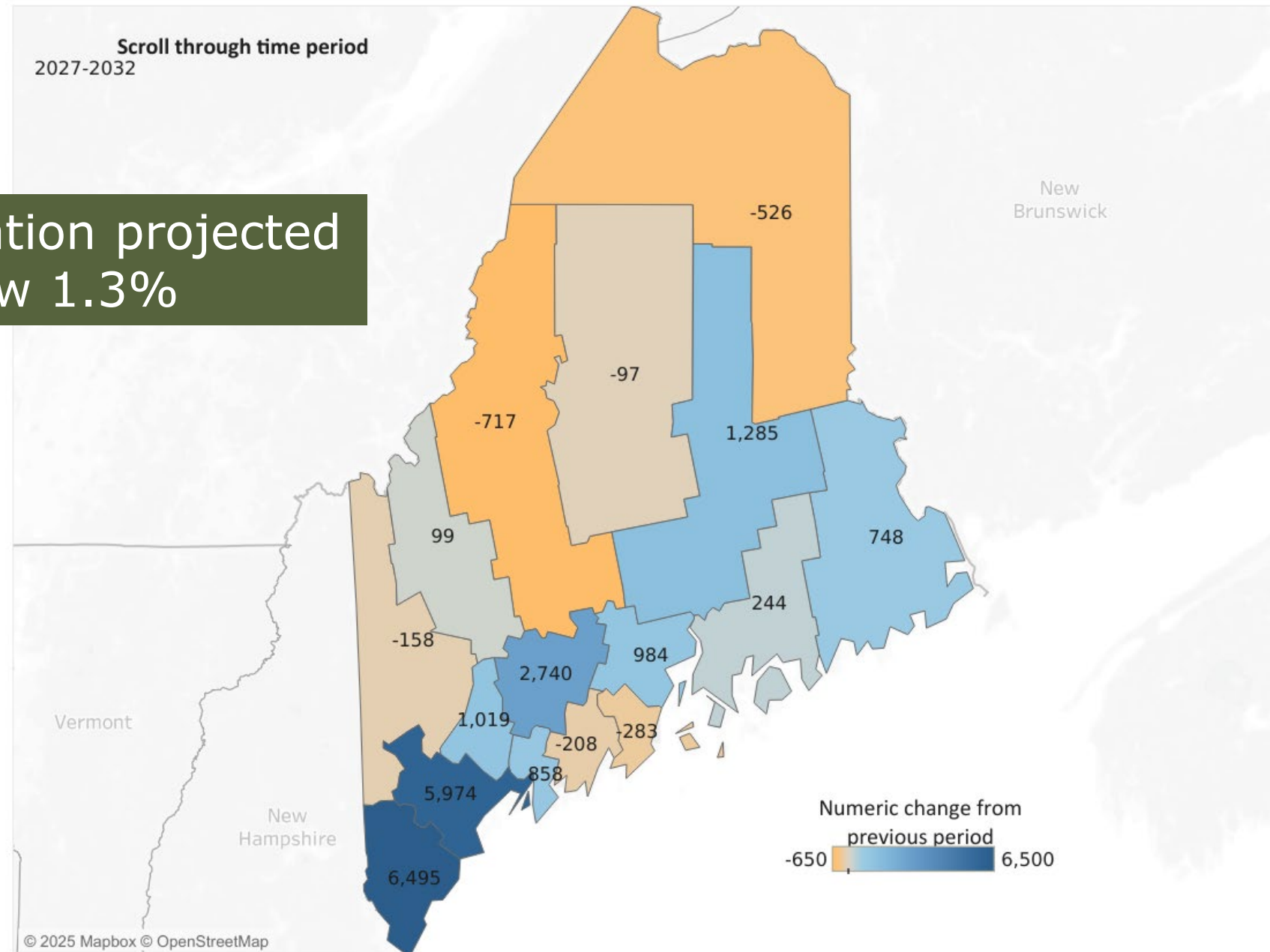
Rate per thousand population



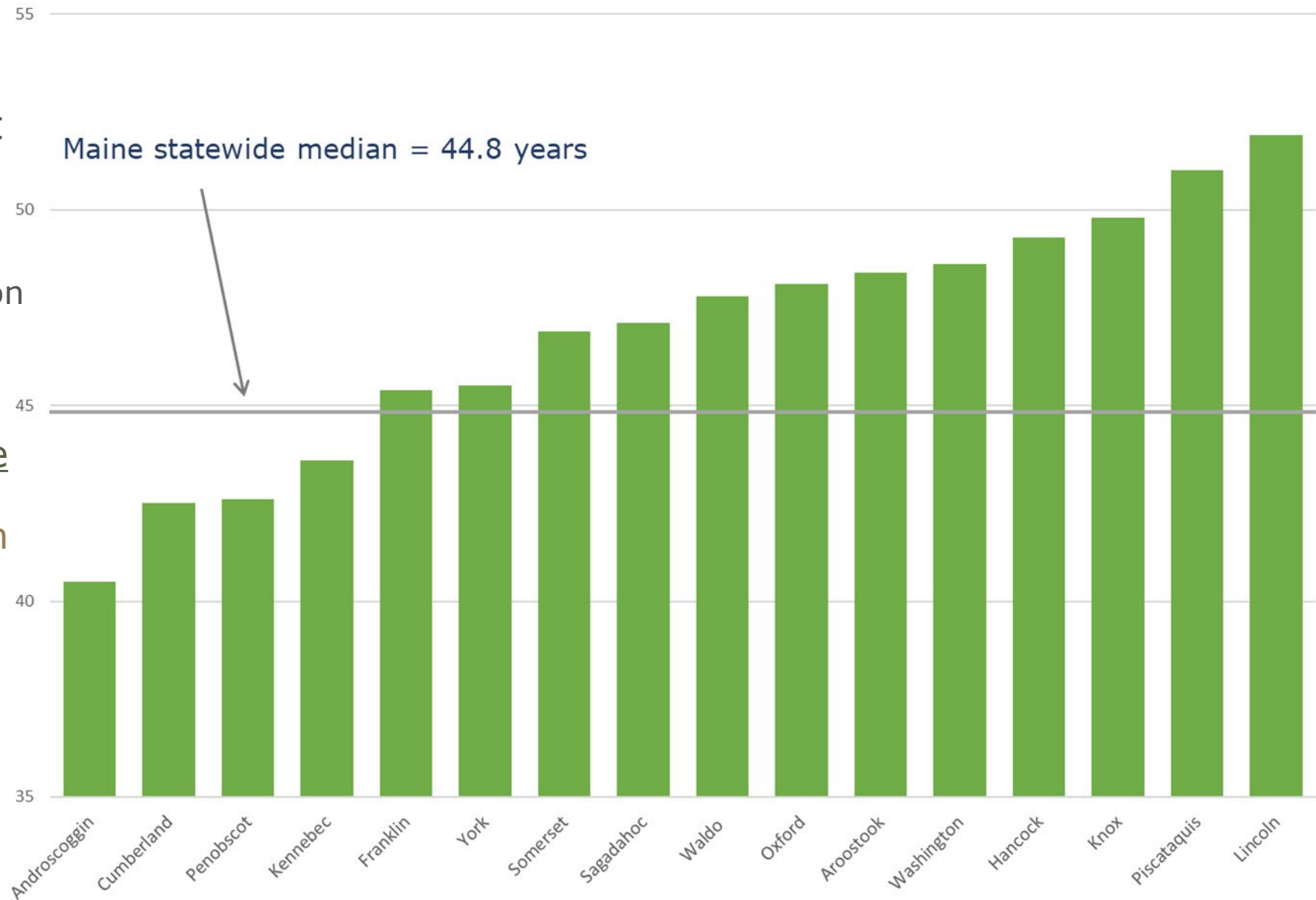
Maine population projected to grow 2.2%



Maine population projected
to grow 1.3%



Median Age by County 2024



Maine has the oldest population...

...by median age (44.8 years)

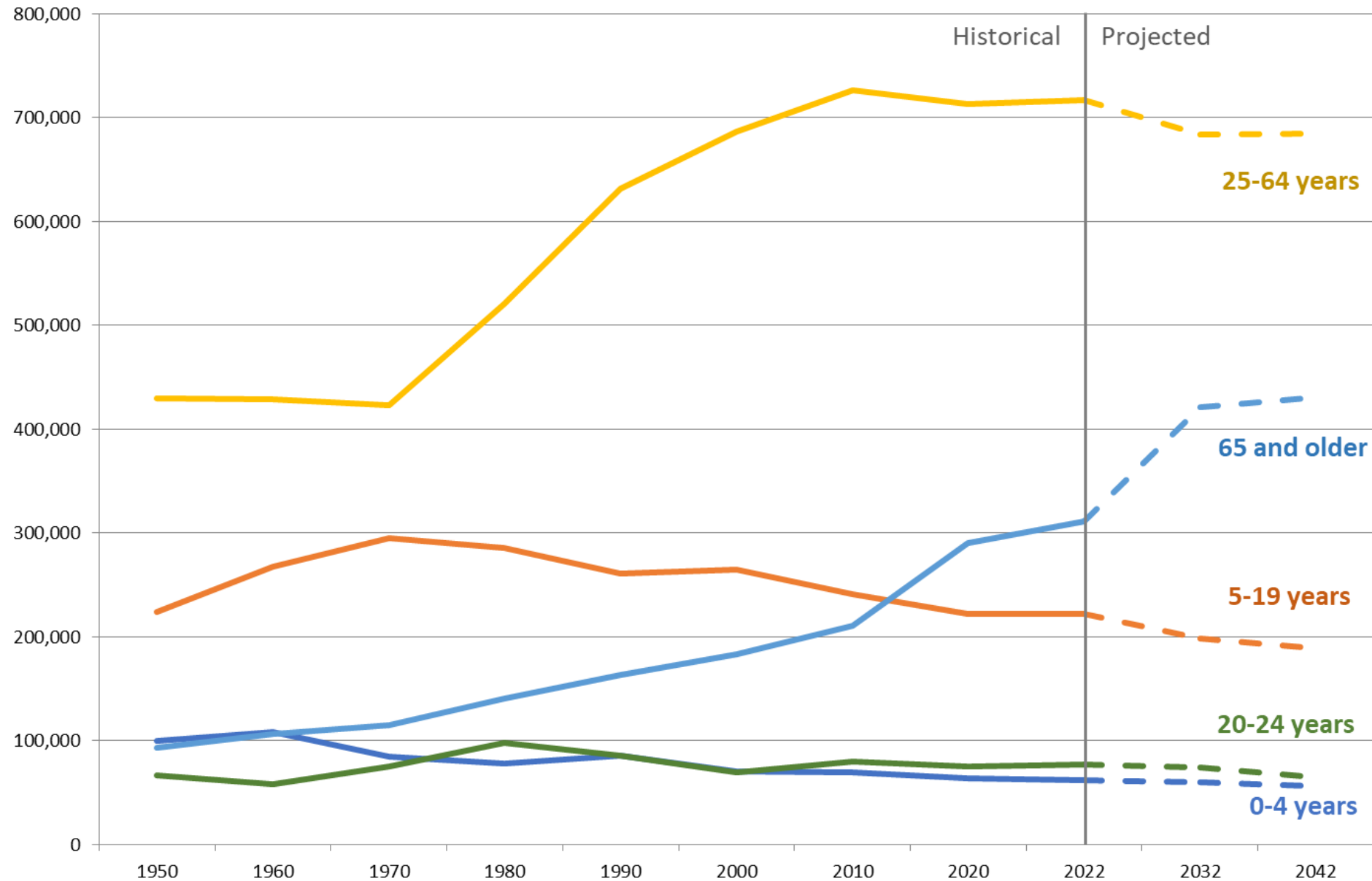
...and by % of population age 65+ (23.5%)

But recent migration has made a difference

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

Maine Population Trends by Age

1950-2042

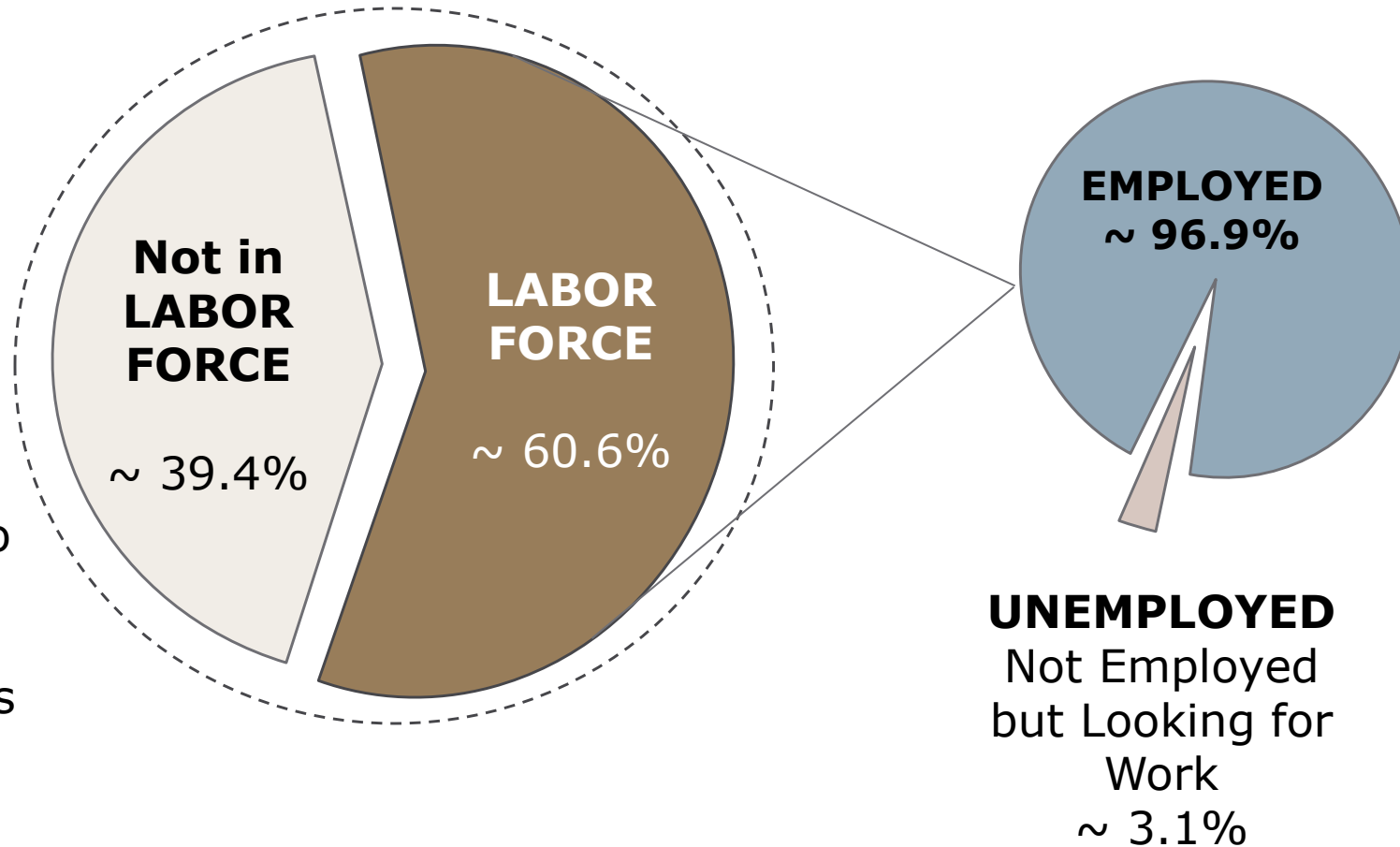


Labor force and employment

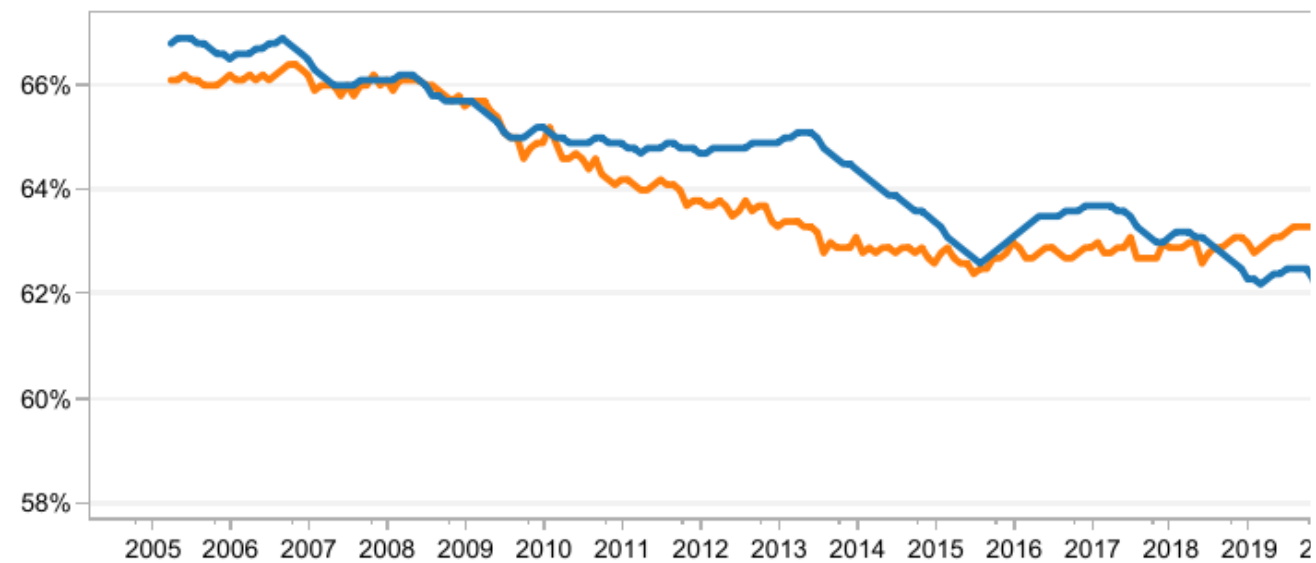
Who is in the labor force?

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



Labor Force Participation Rate (seasonally adjusted)

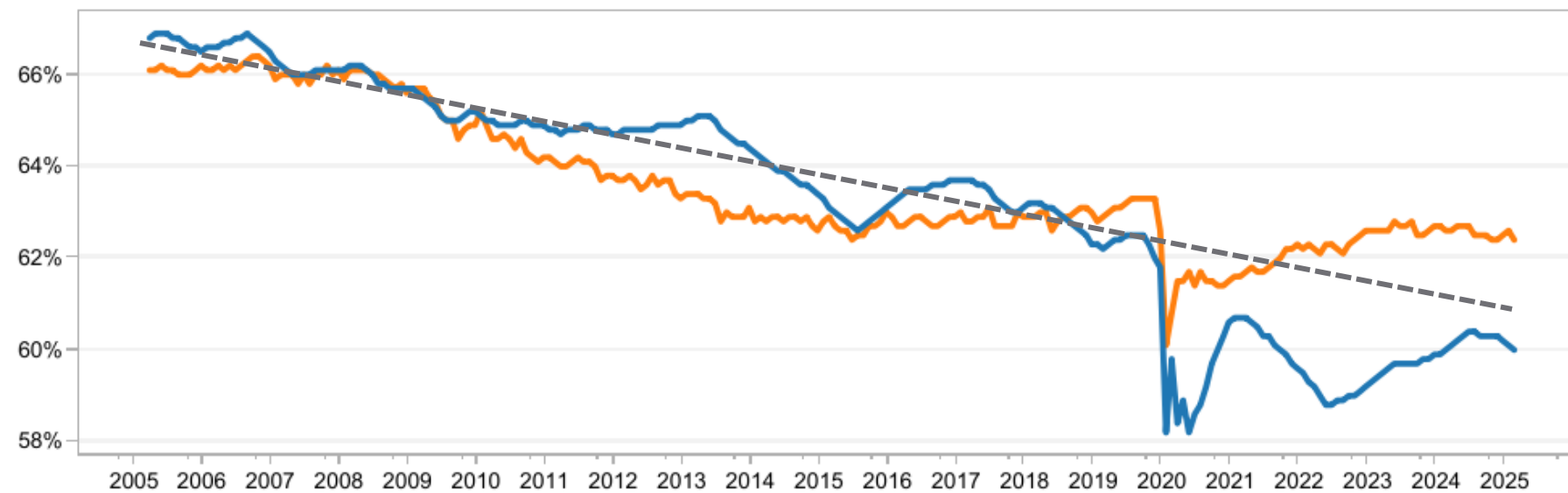


May, 2005 to May, 2025

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

■ Maine
■ United States

Labor Force Participation Rate (seasonally adjusted)

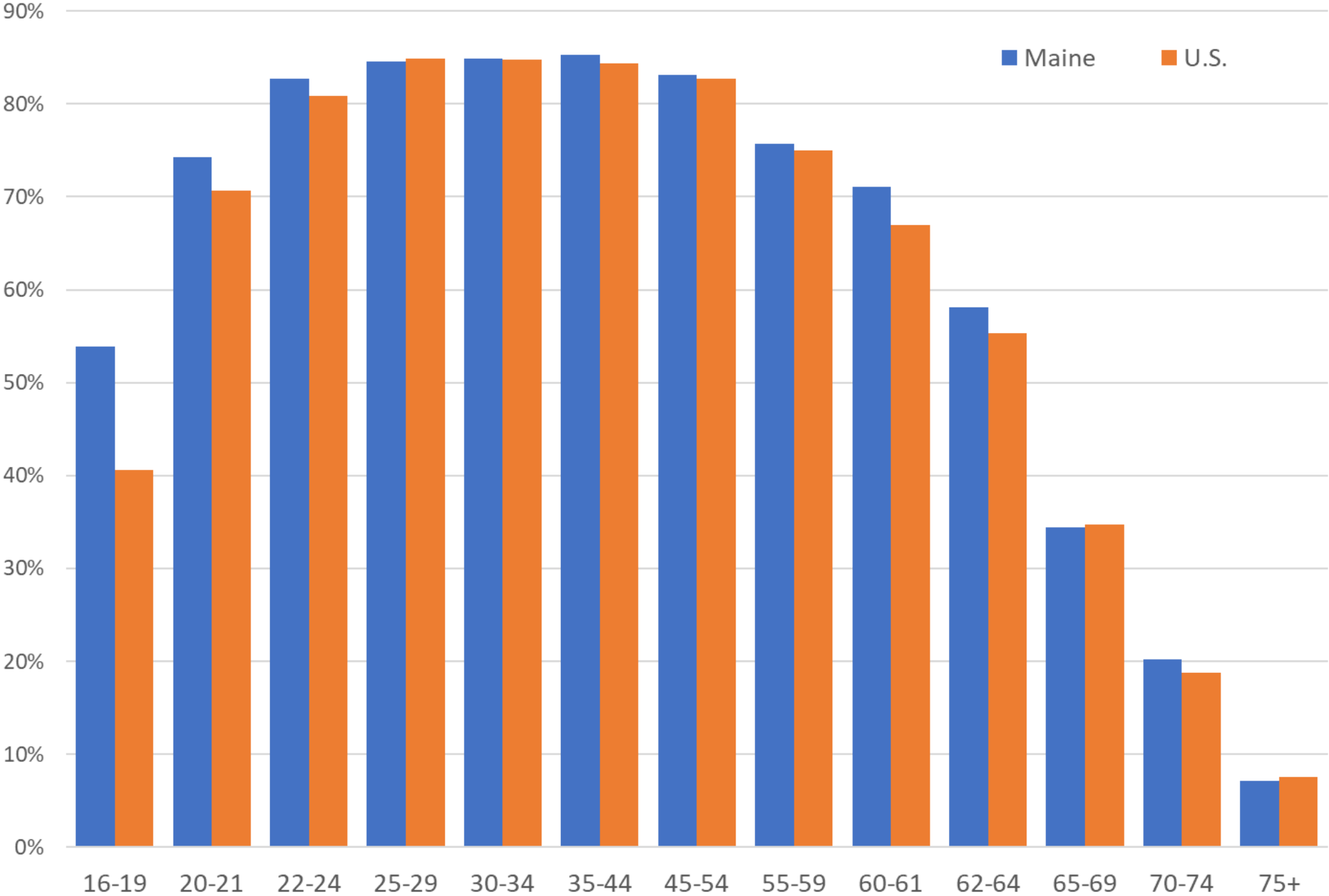


May, 2005 to May, 2025

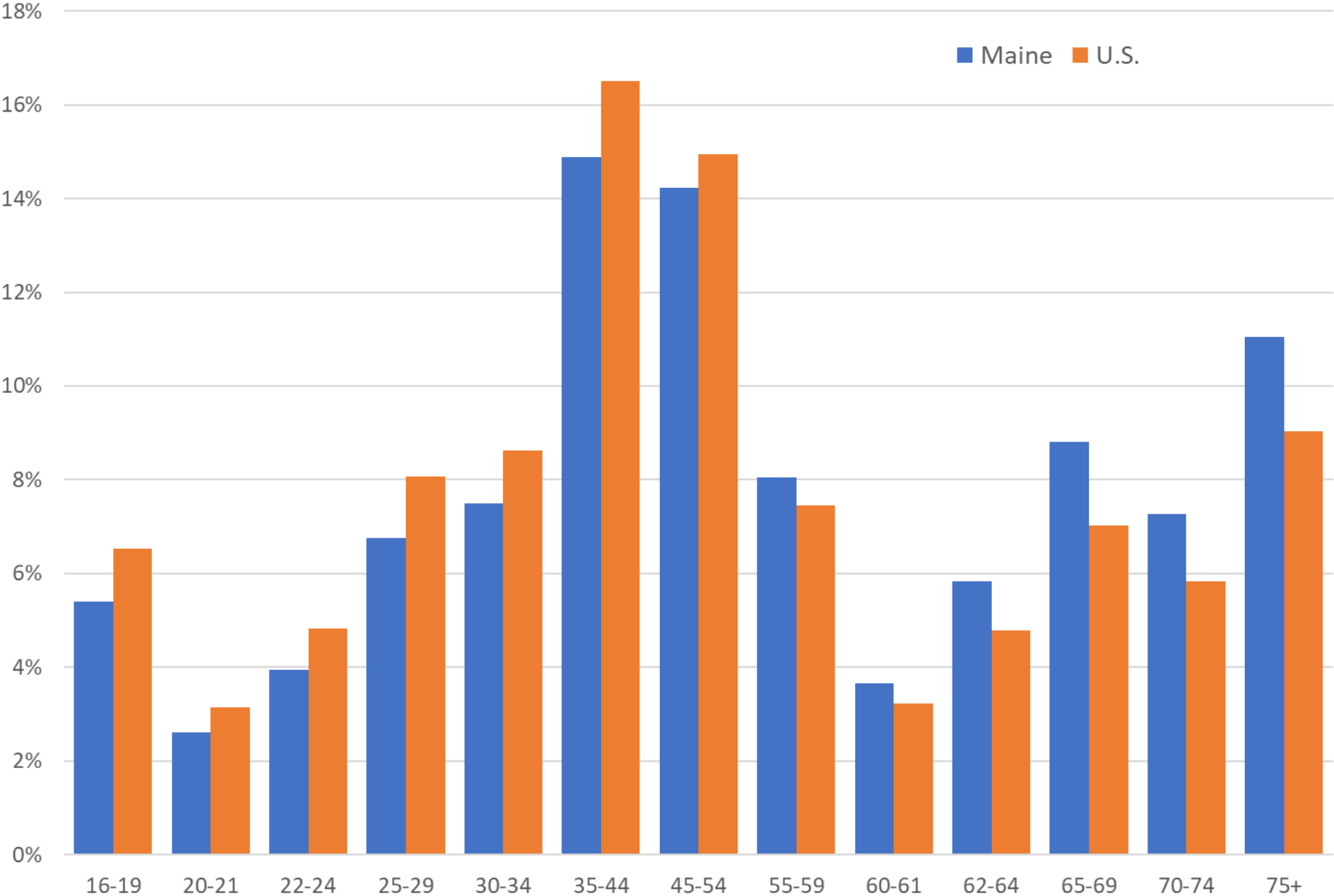
- Unemployment Rate
- Labor Force & Employment
- Unemployment
- Labor Force Participation Rate
- Employment to Population Ratio

■ Maine
■ United States

2023 Labor Force Participation Rate



Share of 16+ Population by Age, 2023



County Rates (not seasonally adjusted)

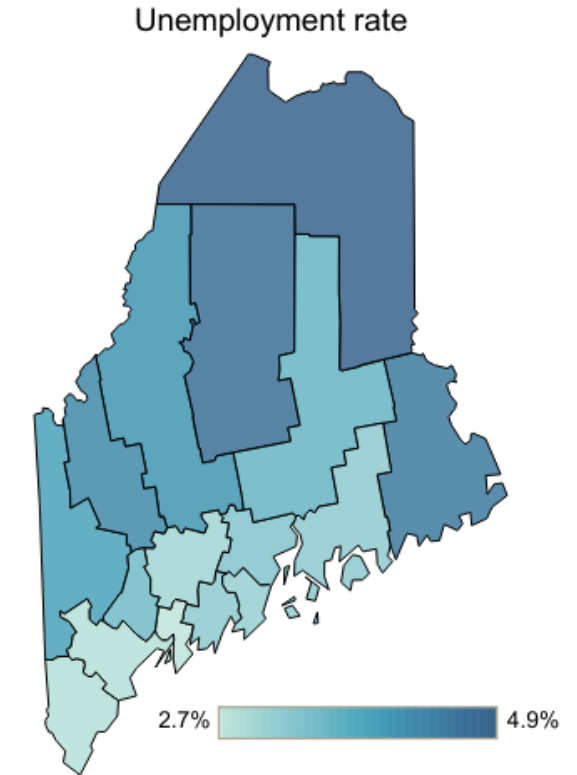
May, 2025

- ☒ Table
- ☐ Graph

Map/Graph Display

- ☒ Unemployment rate
- ☐ One-year change

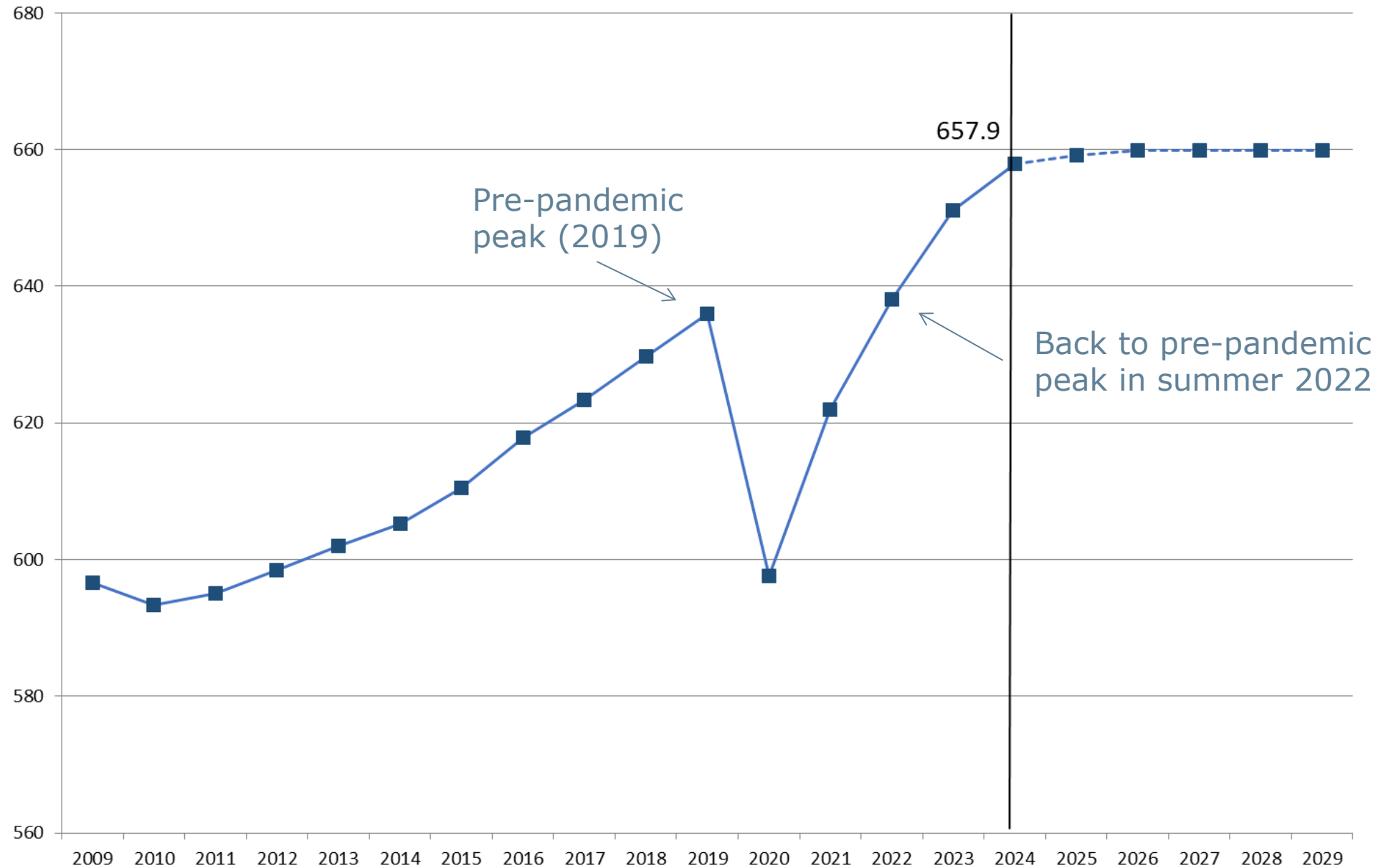
County	Rate	Year ago	One-yr change	
Maine	3.2%	2.8%	0.4	↑
Androscoggin	3.5%	3.0%	0.5	↑
Aroostook	4.9%	4.2%	0.7	↑
Cumberland	2.8%	2.4%	0.4	↑
Franklin	4.3%	4.1%	0.2	↑
Hancock	3.2%	2.8%	0.4	↑
Kennebec	3.0%	2.7%	0.3	↑
Knox	3.1%	2.8%	0.3	↑
Lincoln	3.2%	2.7%	0.5	↑
Oxford	3.9%	3.4%	0.5	↑
Penobscot	3.6%	3.0%	0.6	↑
Piscataquis	4.7%	4.9%	-0.2	↓
Sagadahoc	2.7%	2.3%	0.4	↑
Somerset	4.1%	3.5%	0.6	↑
Waldo	3.3%	3.0%	0.3	↑
Washington	4.5%	4.0%	0.5	↑
York	2.8%	2.5%	0.3	↑



Maine Department of Labor, Center for Workforce Research and Information

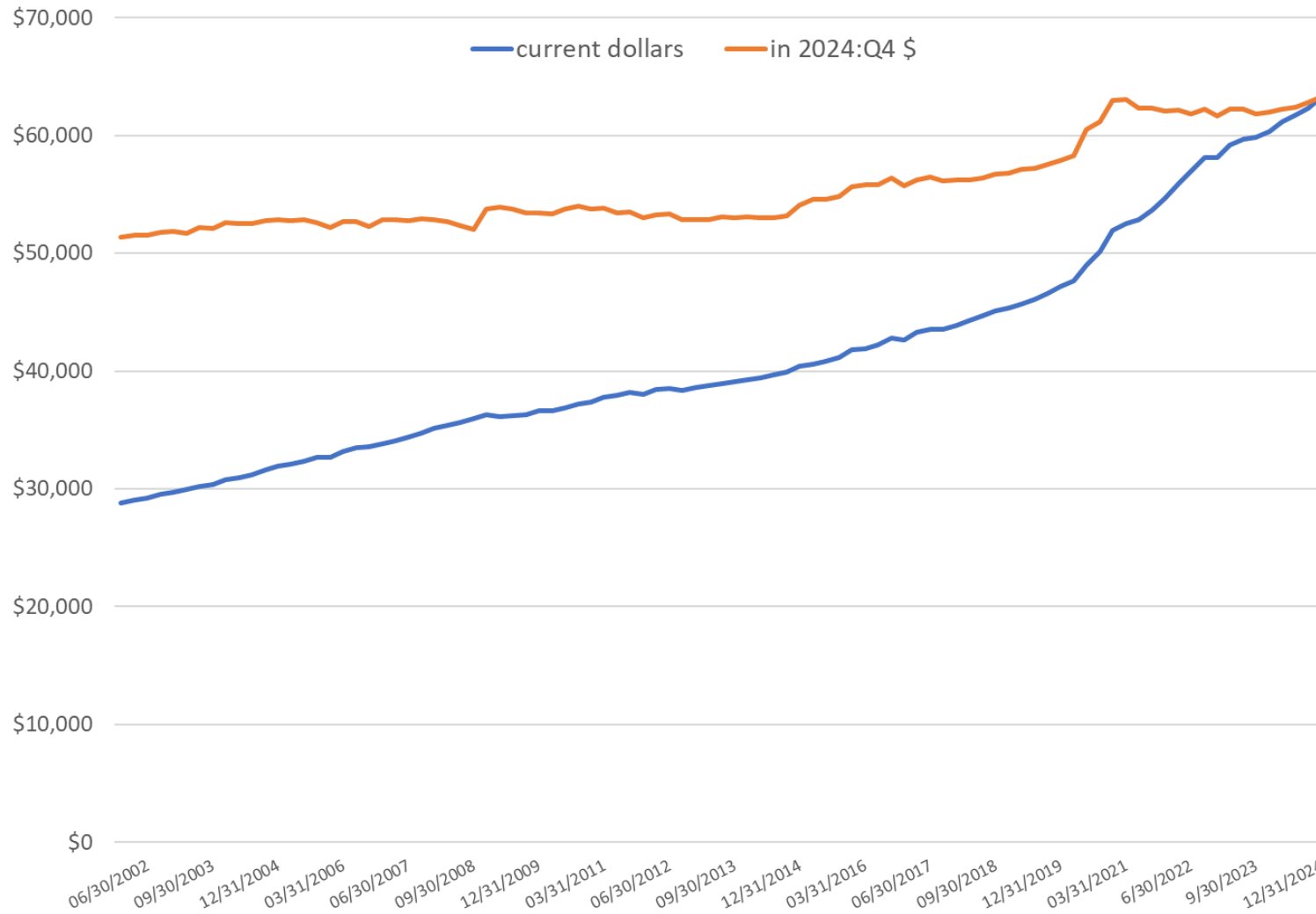
Maine's seasonally-adjusted 3.4% unemployment rate in May 2025 is below both the U.S. and New England rates, but nearly all Maine counties are higher than one year ago

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



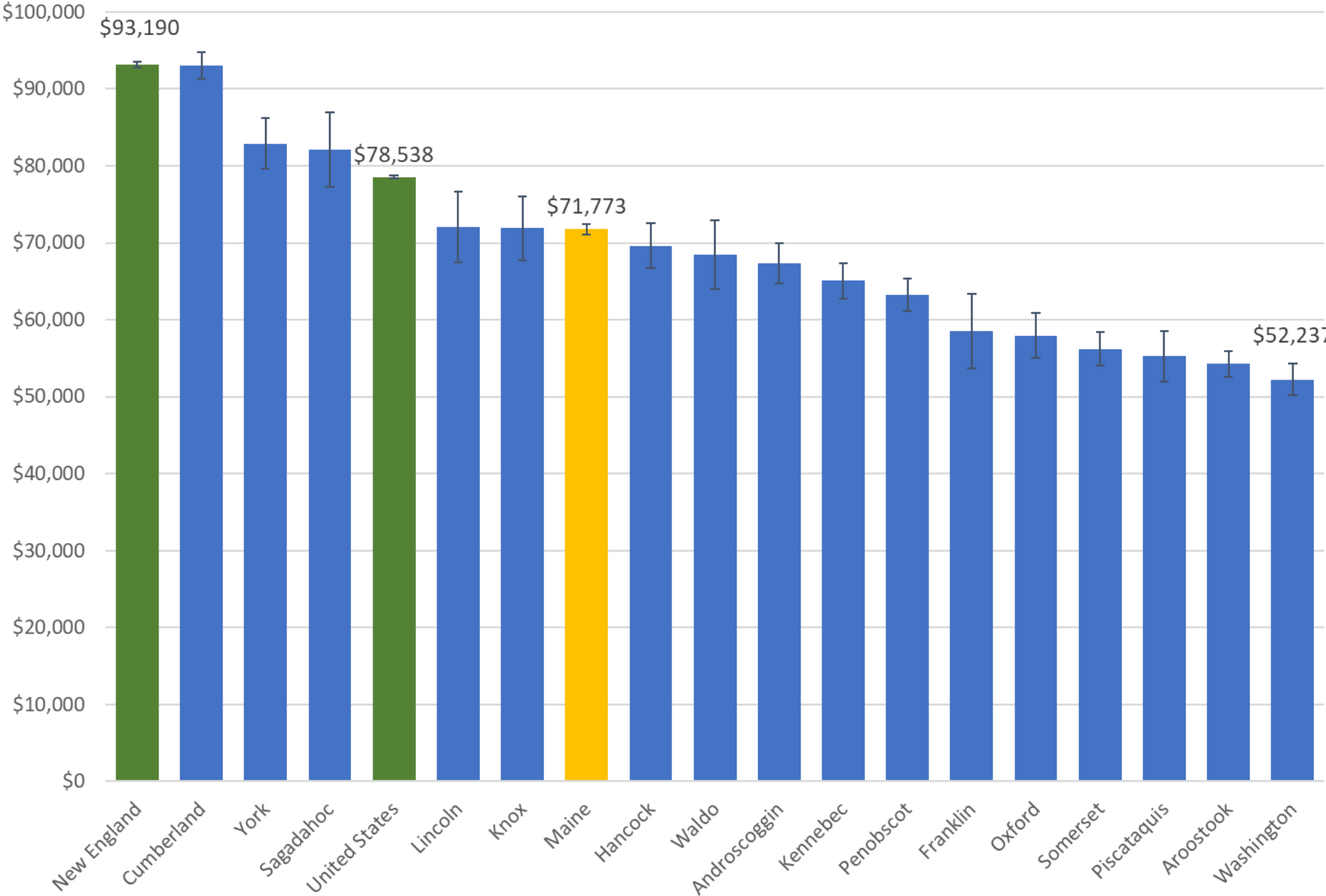
Wages and income

Moving Four Quarter Average Wage Per Job



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

Median Household Income

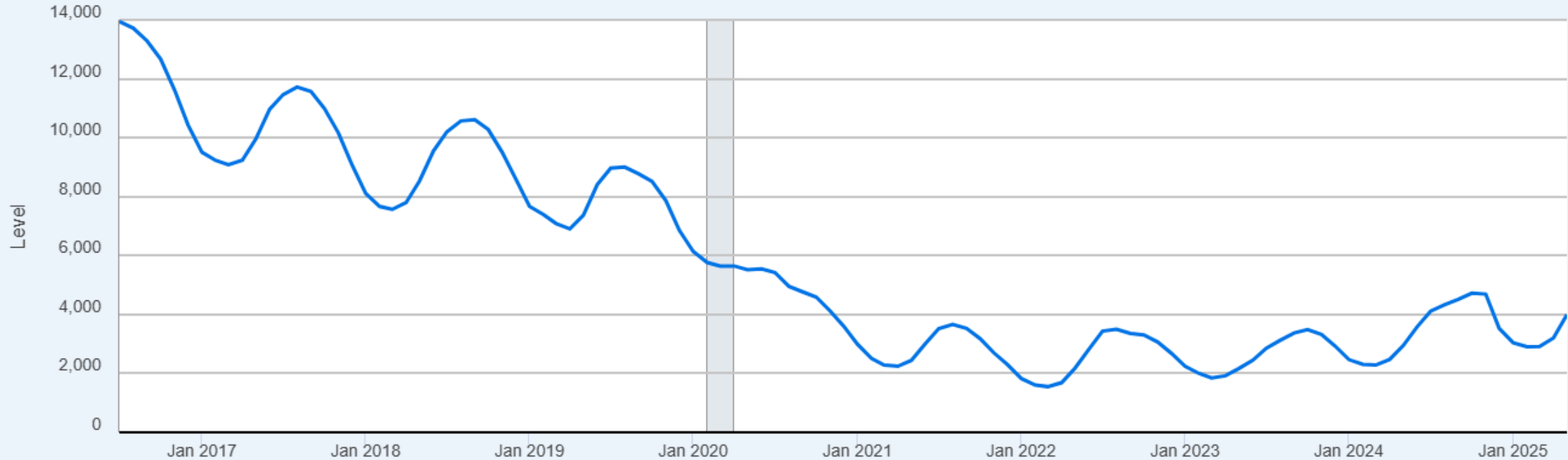


Major Components of Personal Income, 2023

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

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Housing

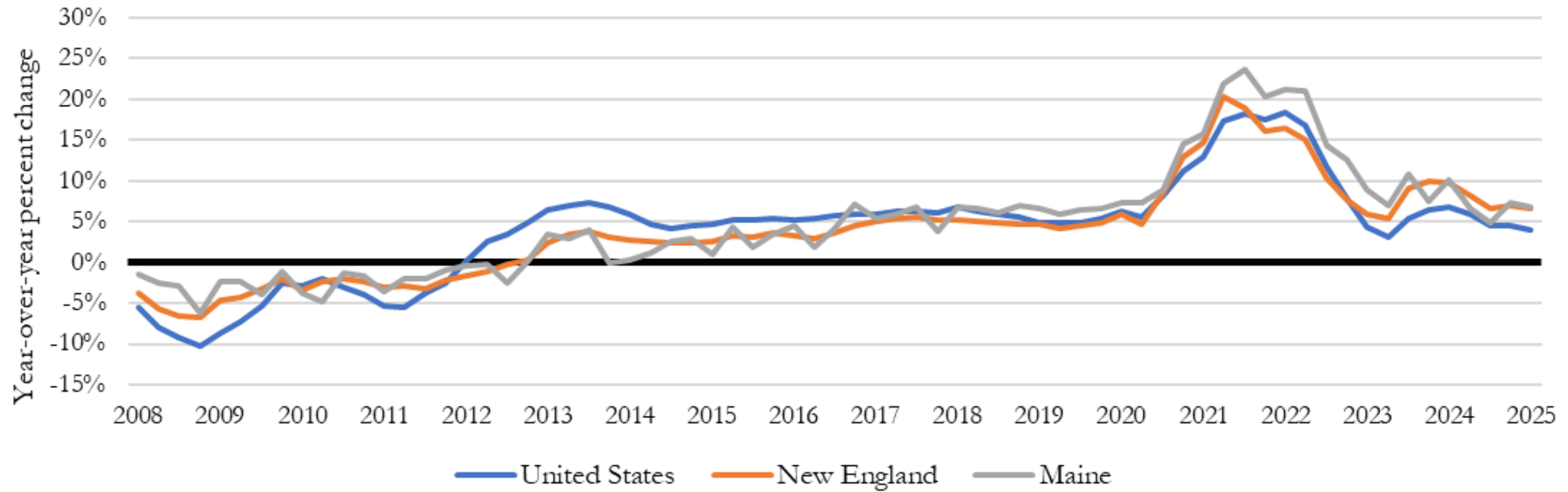


Source: Realtor.com via FRED®
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

Migration into the state drove up demand for housing and further reduced the available supply while high mortgage rates locked people into existing homes – but there's been some improvement (May 2025 about 36% higher than May 2024)

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

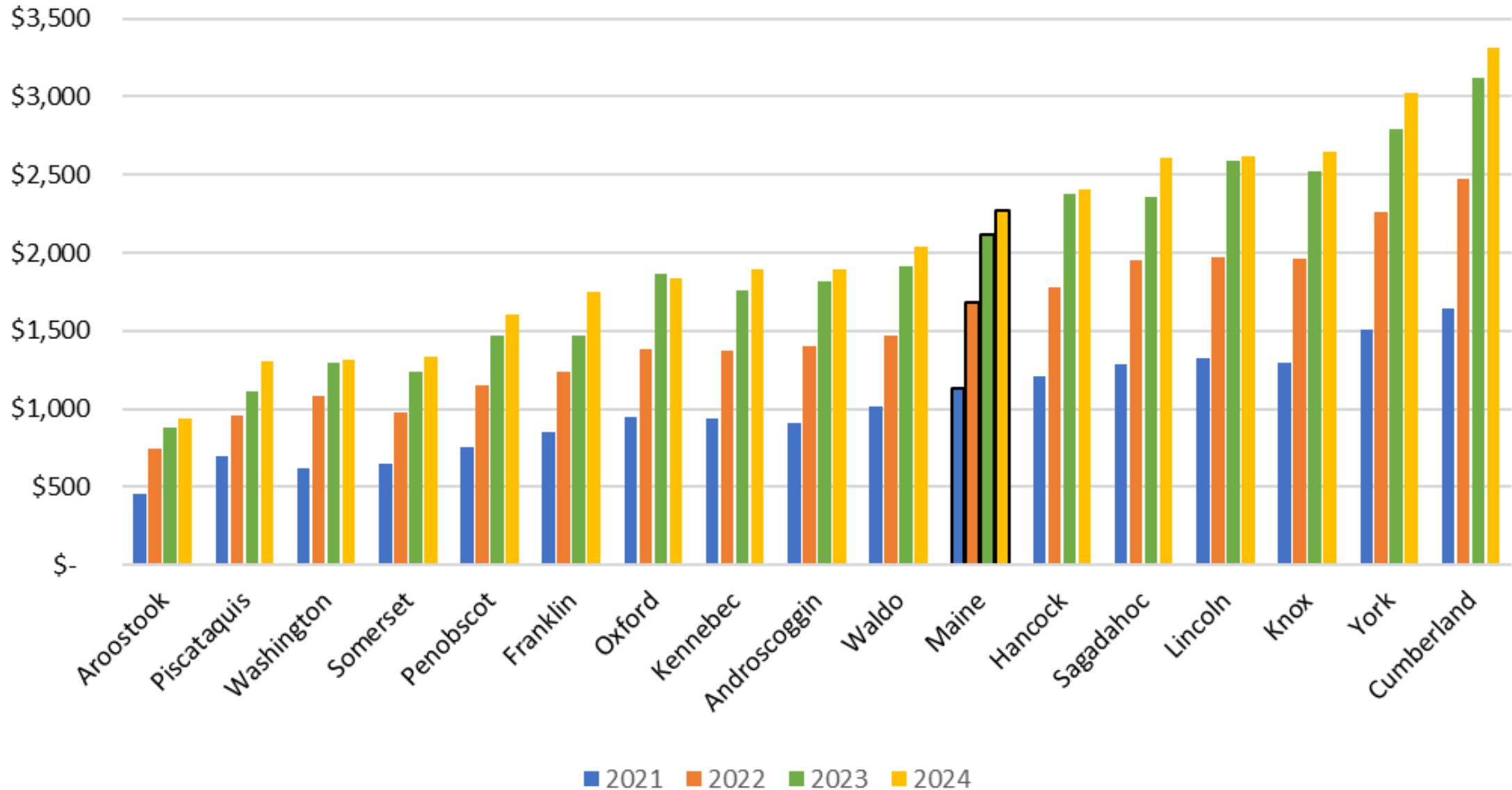


30-Year Fixed Rate Mortgage Average United States



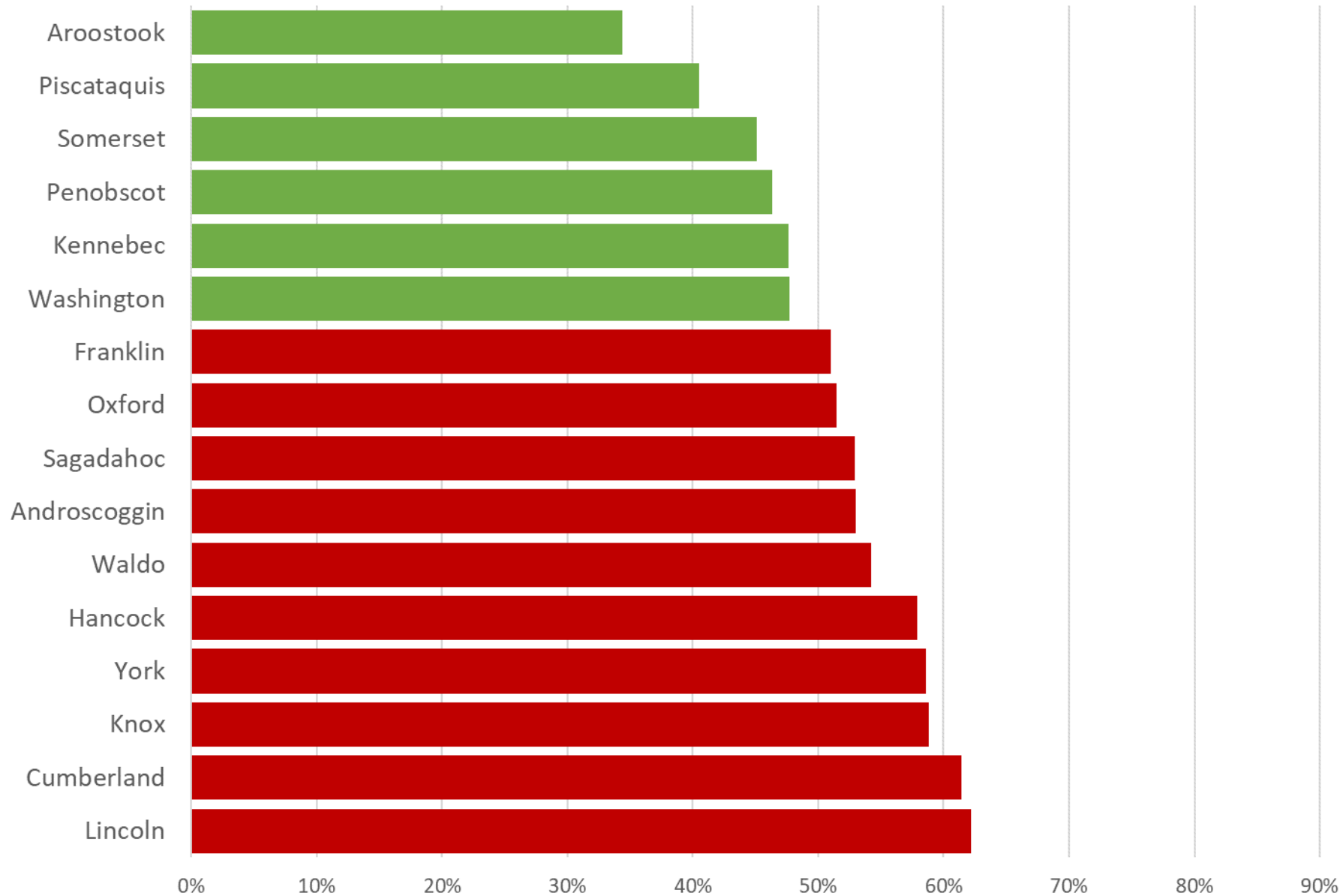
Source: Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States [MORTGAGE30US], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MORTGAGE30US>, June 11, 2025.

Monthly Mortgage Payment at the Median Sales Price 2021-2024

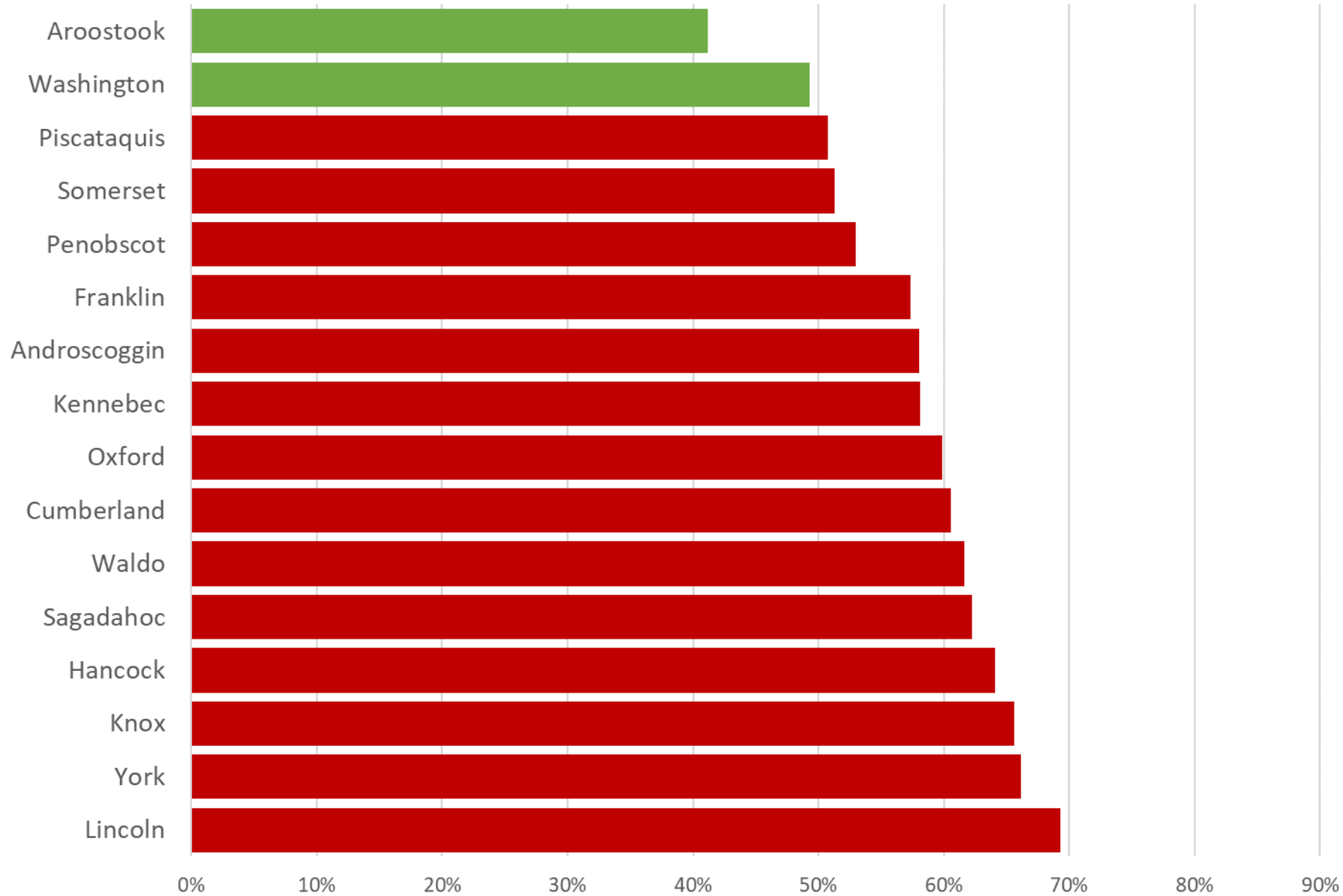


Sources: Maine Association of Realtors (median sale prices), FRED 30-year fixed rate mortgage rates, weekly (average of all weeks in the year). Assumes 30-year fixed rate mortgage and 10% down payment on a home at the median sales price.

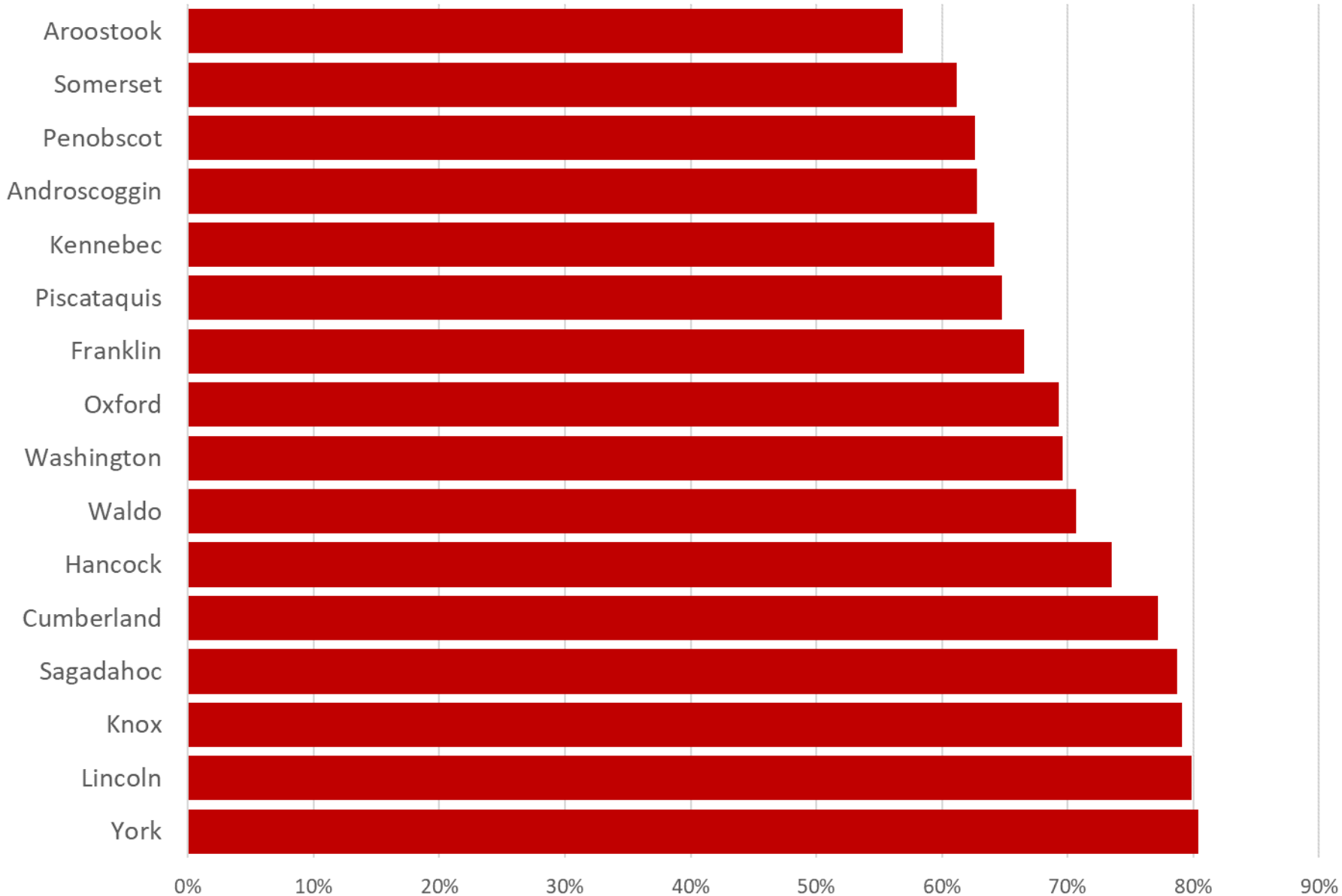
Percent of Households Unable to Afford Median Home, 2020



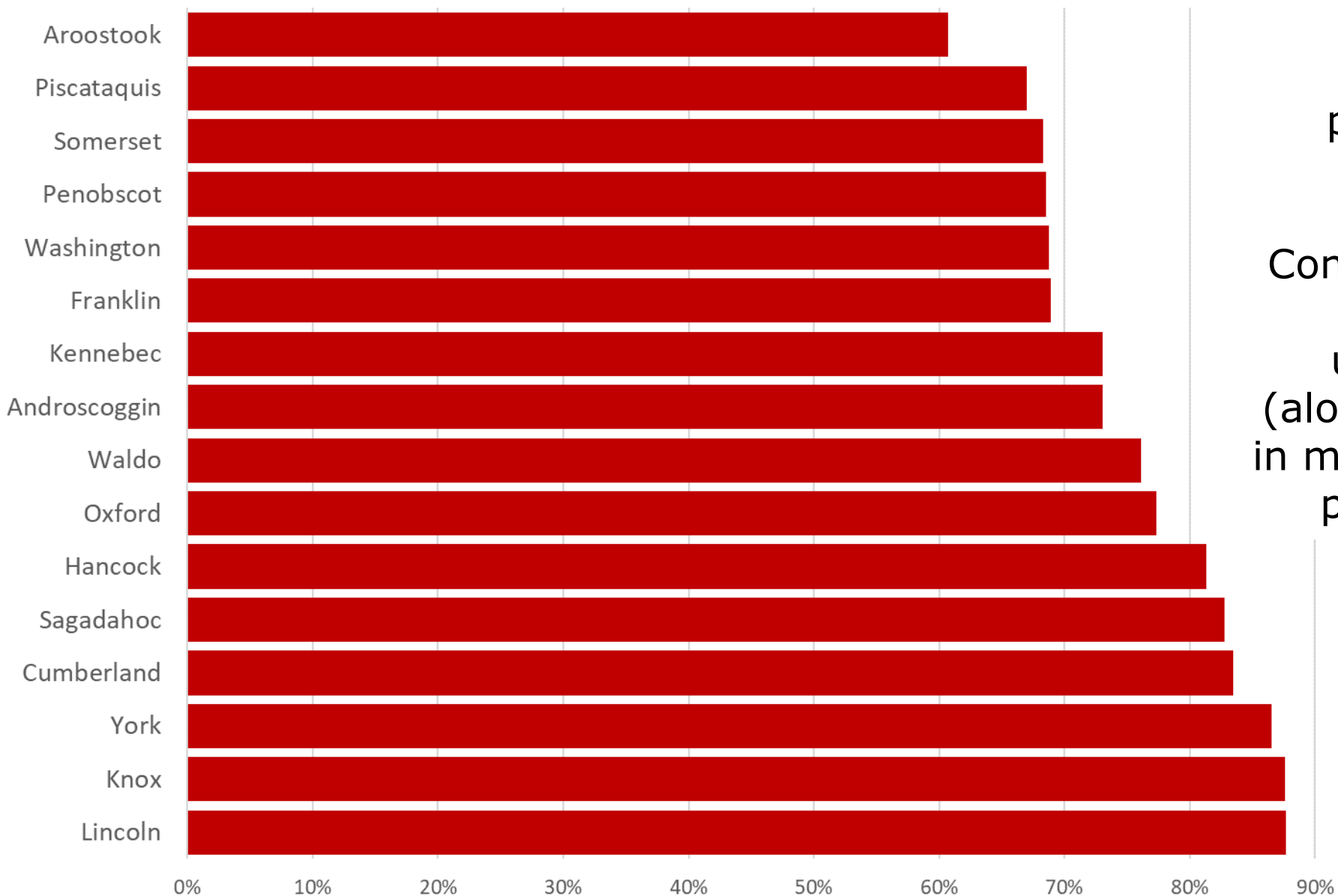
Percent of Households Unable to Afford Median Home, 2021



Percent of Households Unable to Afford Median Home, 2022



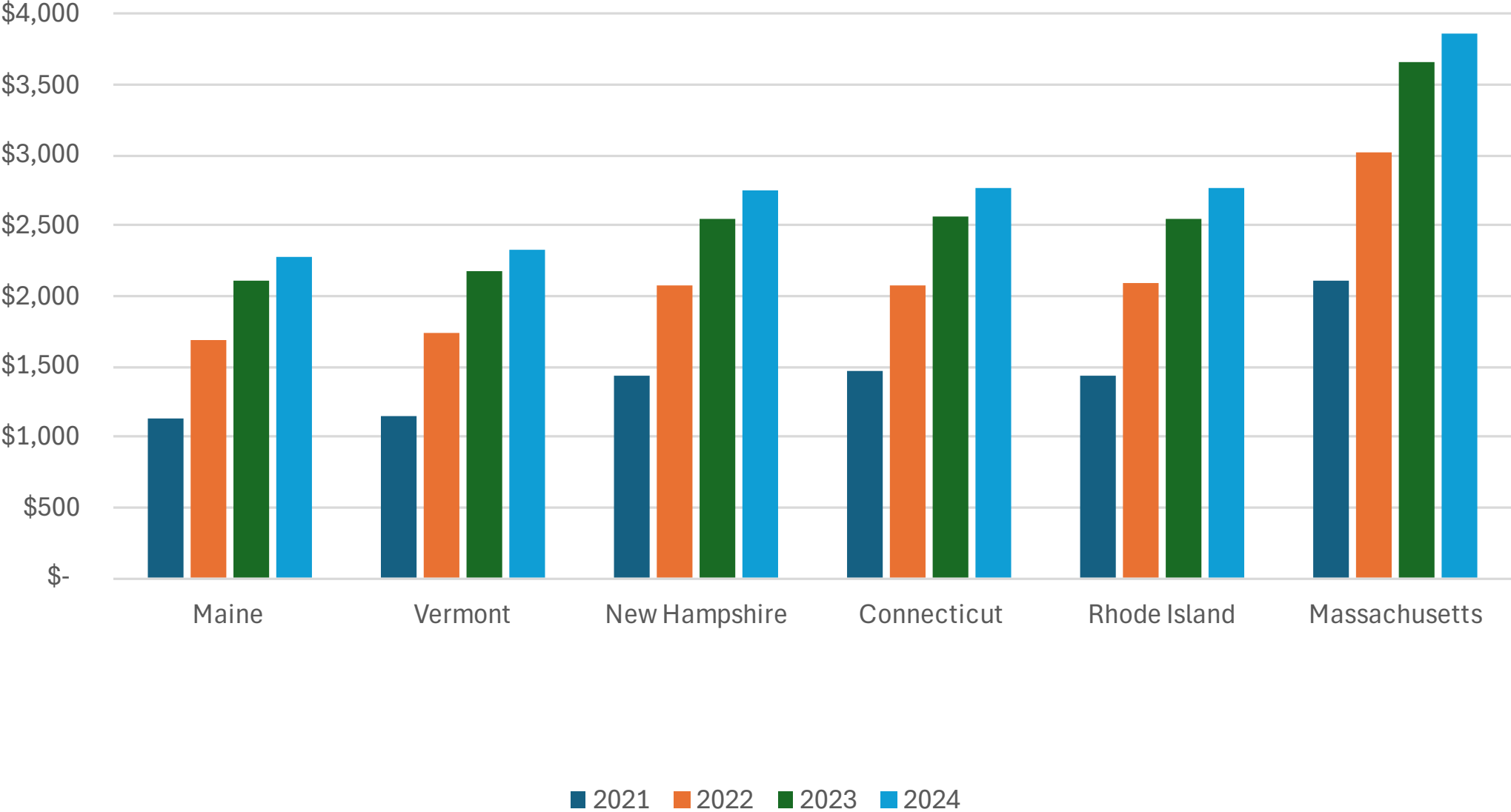
Percent of Households Unable to Afford Median Home, 2023



High demand
+ low supply
price increases

Contributed to sharp
increase in
unaffordability
(along with increases
in mortgage rates and
property taxes)

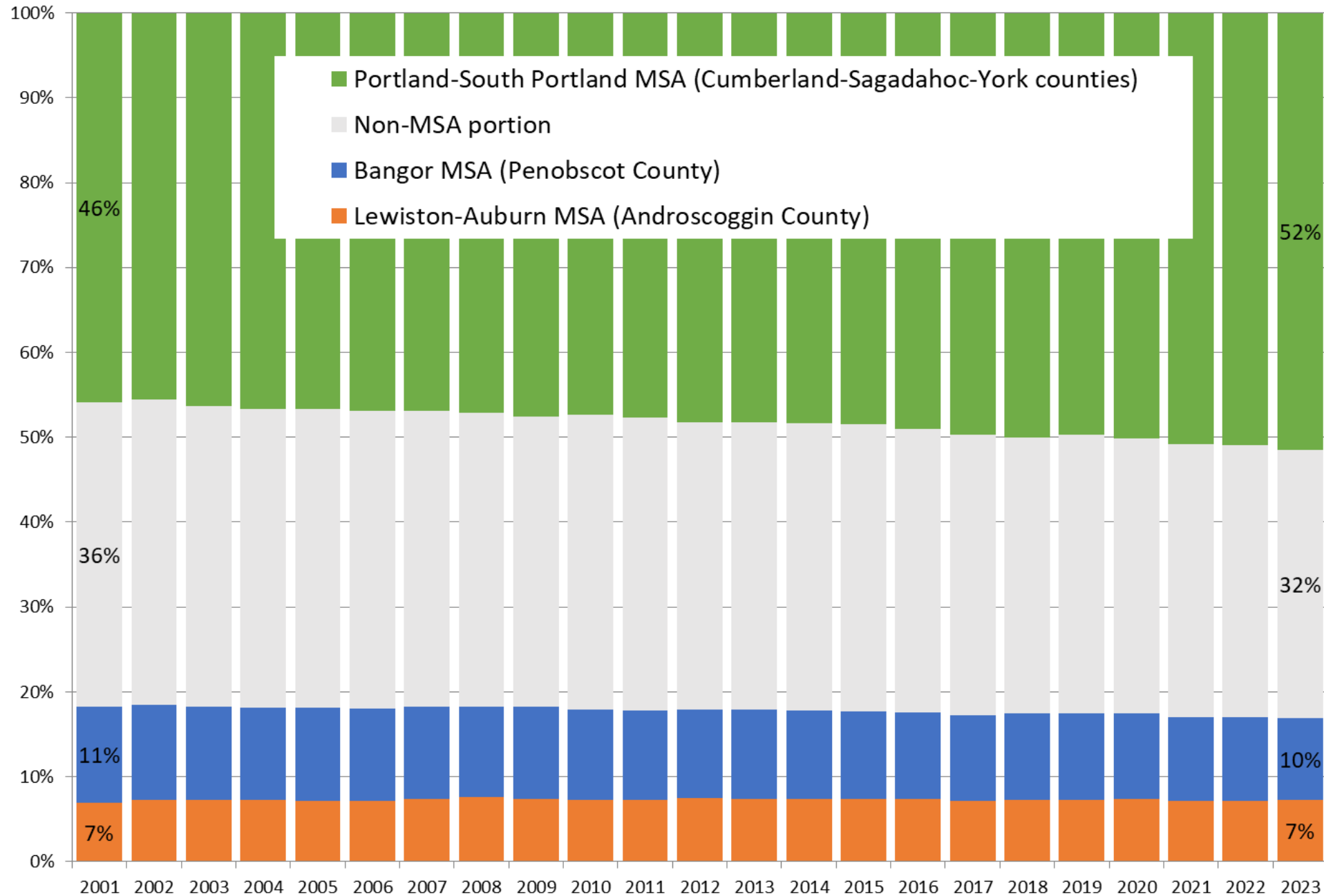
Monthly Mortgage Payment at the Median Sales Price 2021-2024



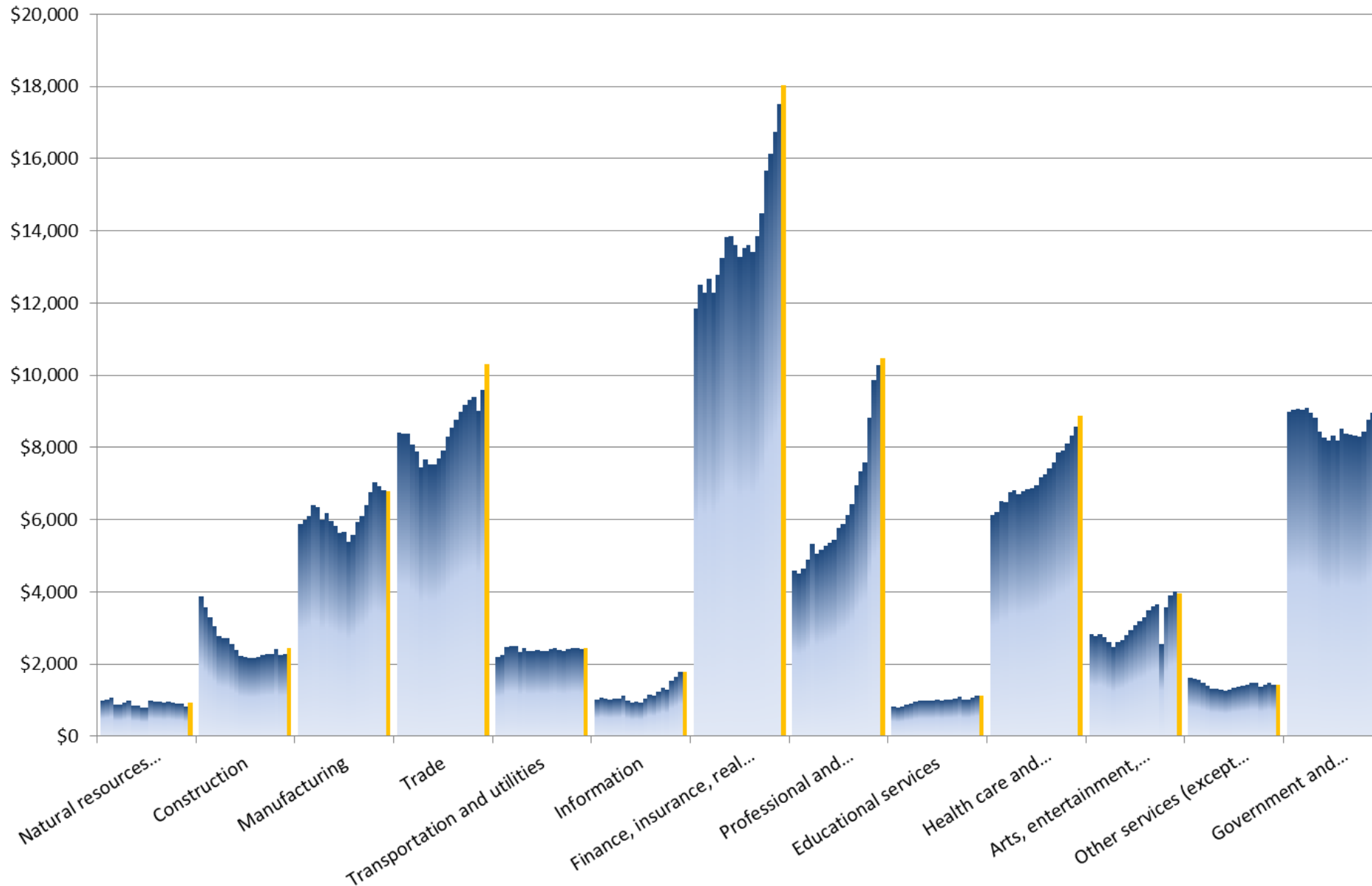
Sources: Moody's Analytics (median sale prices), FRED 30-year fixed rate mortgage rates, weekly (average of all weeks in the year). Assumes 30-year fixed rate mortgage and 10% down payment on a home at the median sales price.

Gross Domestic Product (GDP)

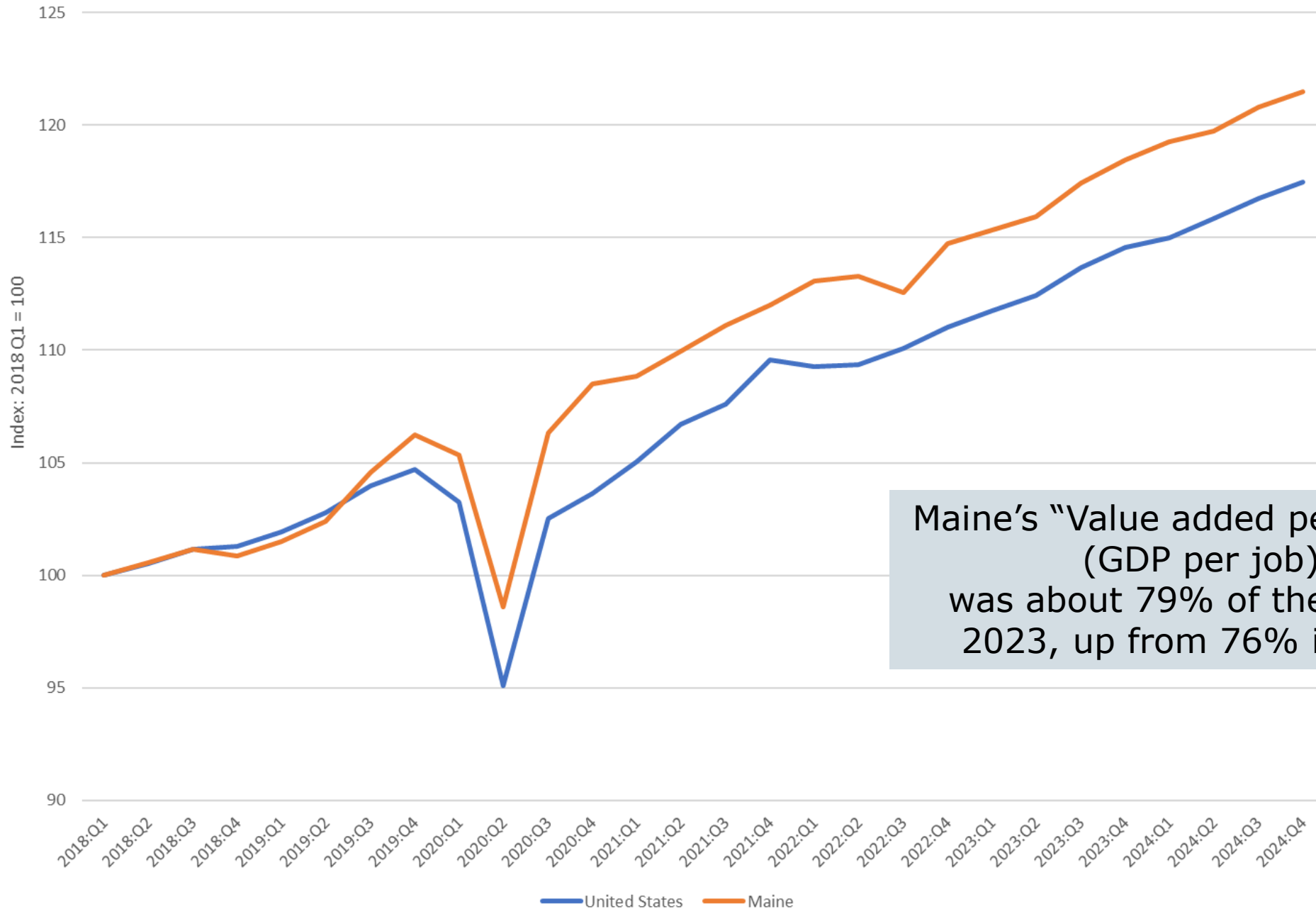
Share of Maine GDP by Metropolitan Area



Maine Real GDP by Industry, 2004-2024 (in millions of chained 2017 dollars)



Quarterly Real GDP (in millions of chained 2017 dollars)



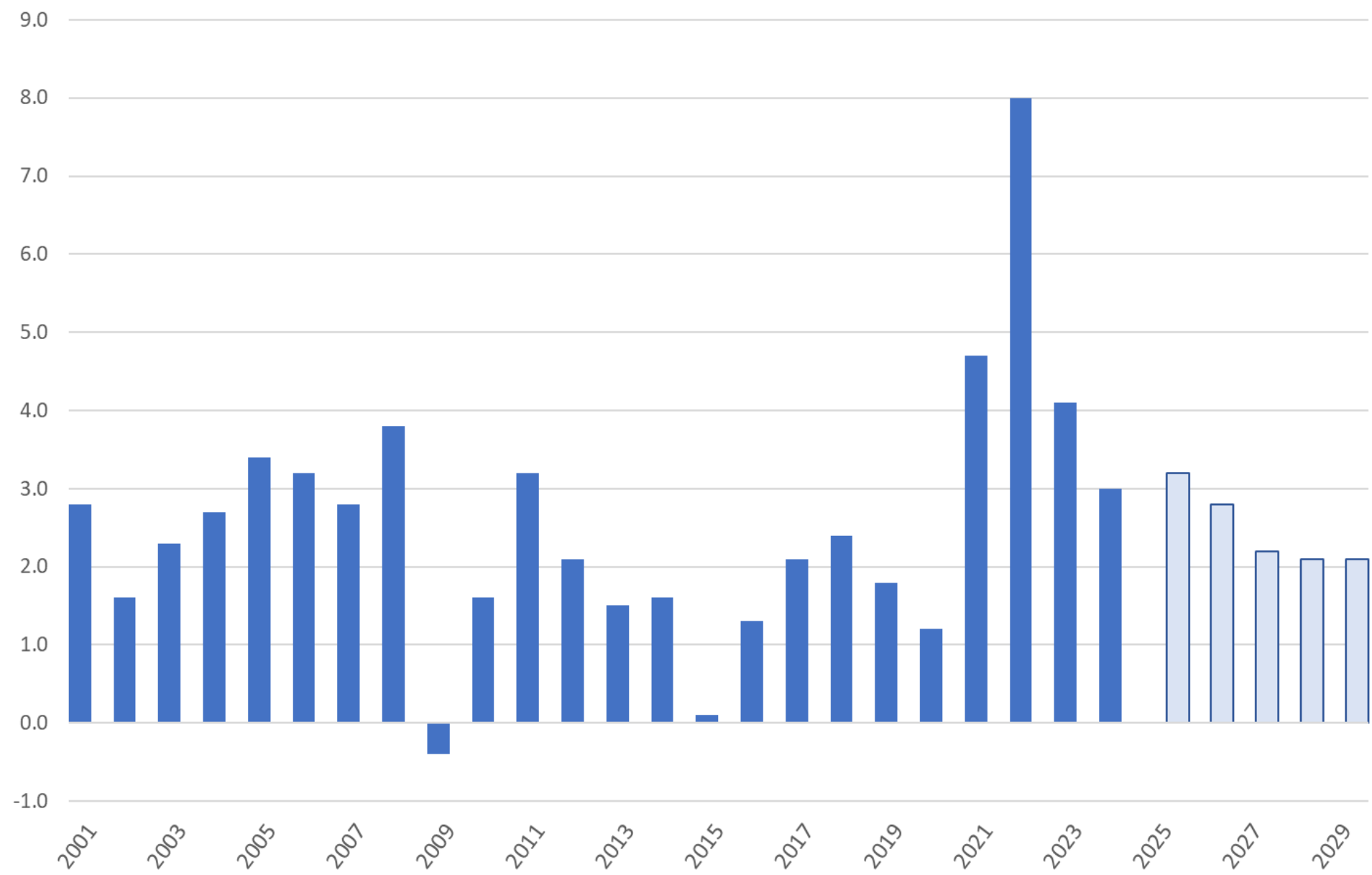
Maine's "Value added per worker"
(GDP per job)
was about 79% of the U.S. in
2023, up from 76% in 2018

Macroeconomic conditions

Excerpts from key assumptions in April 2025 CEFC report

- Geopolitical tensions remain elevated (...). Rapidly changing tariff policies are contributing to the possibility of a global trade war. Strained relations between the U.S. and China, European nations, and Canada contribute to additional uncertainty, as does the risk of escalating tensions between China and Taiwan.
- The federal government has entered into a period of significant fiscal austerity. (...) Maine's economy will be impacted by any reduction of federal funding (...). Federal funds not only flow into Maine through state and local governments, but also through payments to individuals, contracts with nonprofits and businesses, grants to higher education and research institutions. (...)
- Inflation growth remains elevated above target levels and will face upward pressure from tariffs. Consumer sentiment has declined as expectations about future personal financial wellbeing have deteriorated (...).
- Maine may be at greater risk from federal funding and tariff policy changes. Maine has seen some targeted impacts from the federal government. (...) the tensions between Canada and the U.S. may also drive a decline in Canadian tourism to Maine.

Year-over-year percent change in Consumer Price Index;
2001-2024 historical and 2025-2029 forecast



Impacts from Tariffs

Uncertainty in trade policies (like tariffs) contributes to an unsettled economic environment and higher risk

Prices and availability both will likely be affected as supply chains are shaken

Tense U.S. relations with Canada may impact the tourism and retail sectors if Canadian tourists avoid travel to the U.S.

Things to keep in mind:

- Migration picked up during the pandemic, but the continuation of this trend has been challenged by housing availability/affordability
- Employment growth is limited by labor force availability; increased labor force participation, continued in-migration of younger populations, and increased productivity can help
- Economic uncertainty is extremely high, particularly related to federal policies, and national trends will impact Maine's economy

Contact Information

Amanda Rector

Maine State Economist

Department of Administrative and Financial Services

www.maine.gov/dafs/economist

amanda.rector@maine.gov