

# Demographic and Economic Conditions in Maine

Leadership Maine

June 27, 2025

Amanda Rector (Pi Class)

Maine State Economist

Population and migration

Housing

Demographics

Workforce and employment

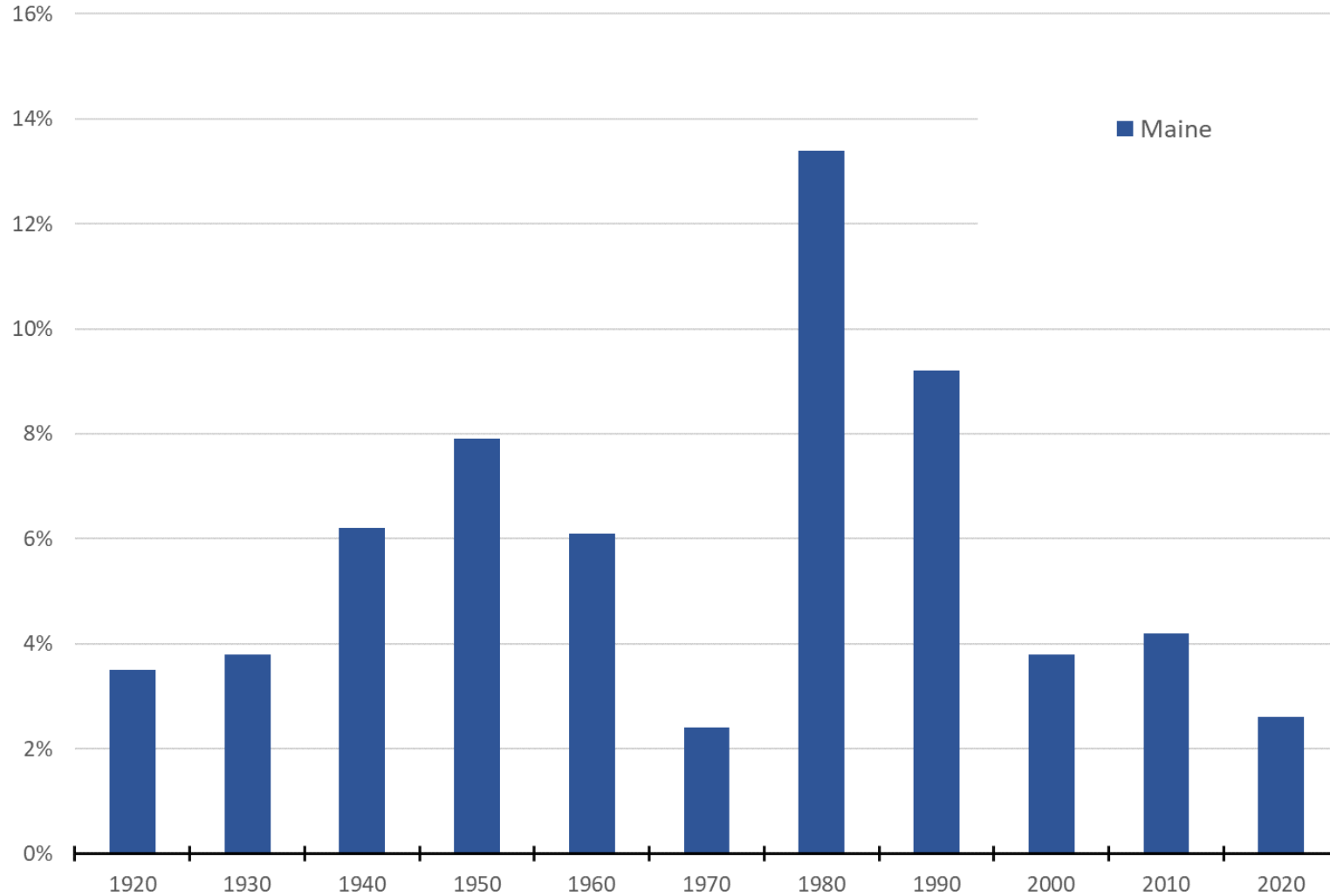
Wages, income, and spending

Gross Domestic Product (GDP)

Macroeconomic conditions

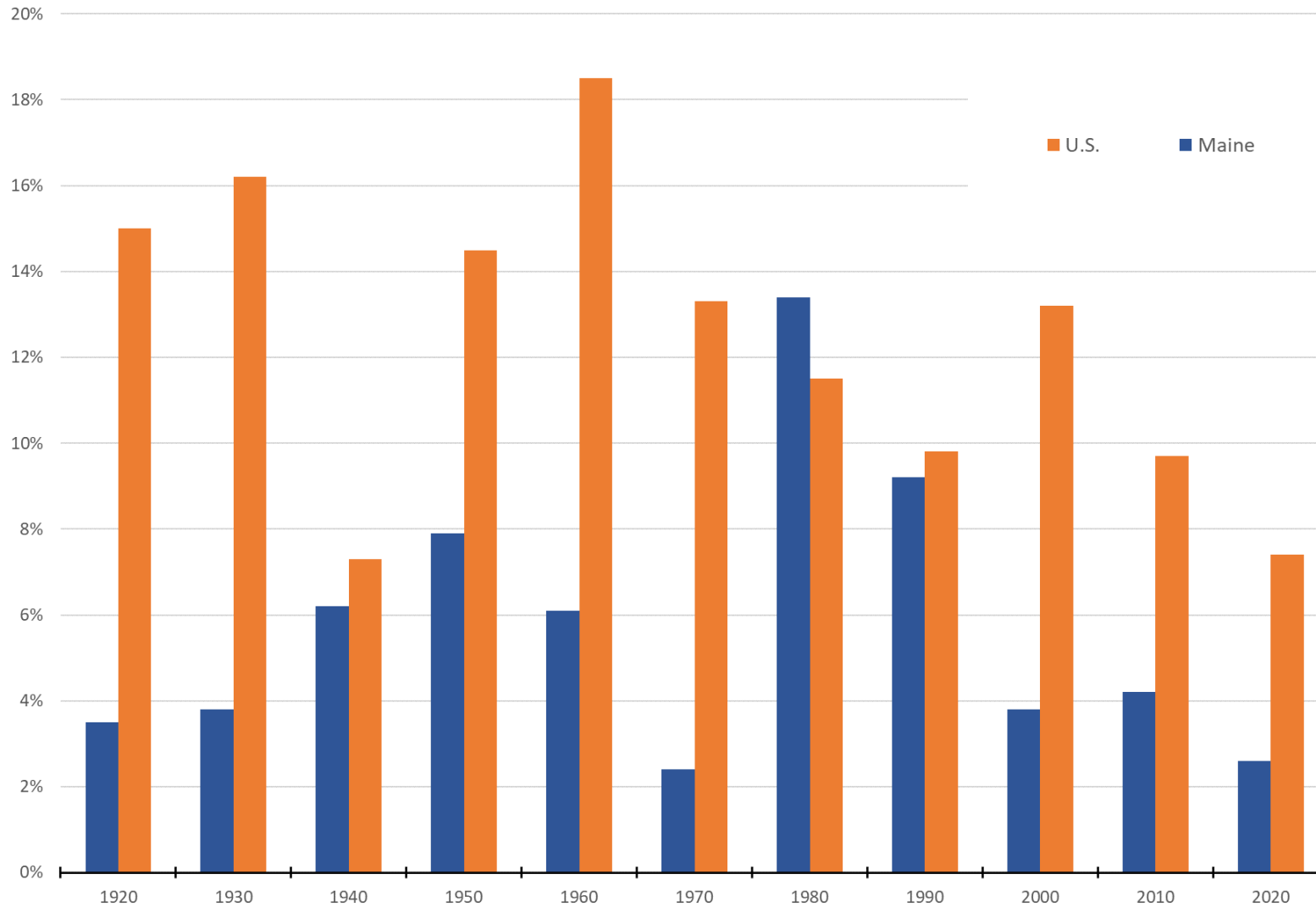
# Population and migration

Population Growth from Previous Decade



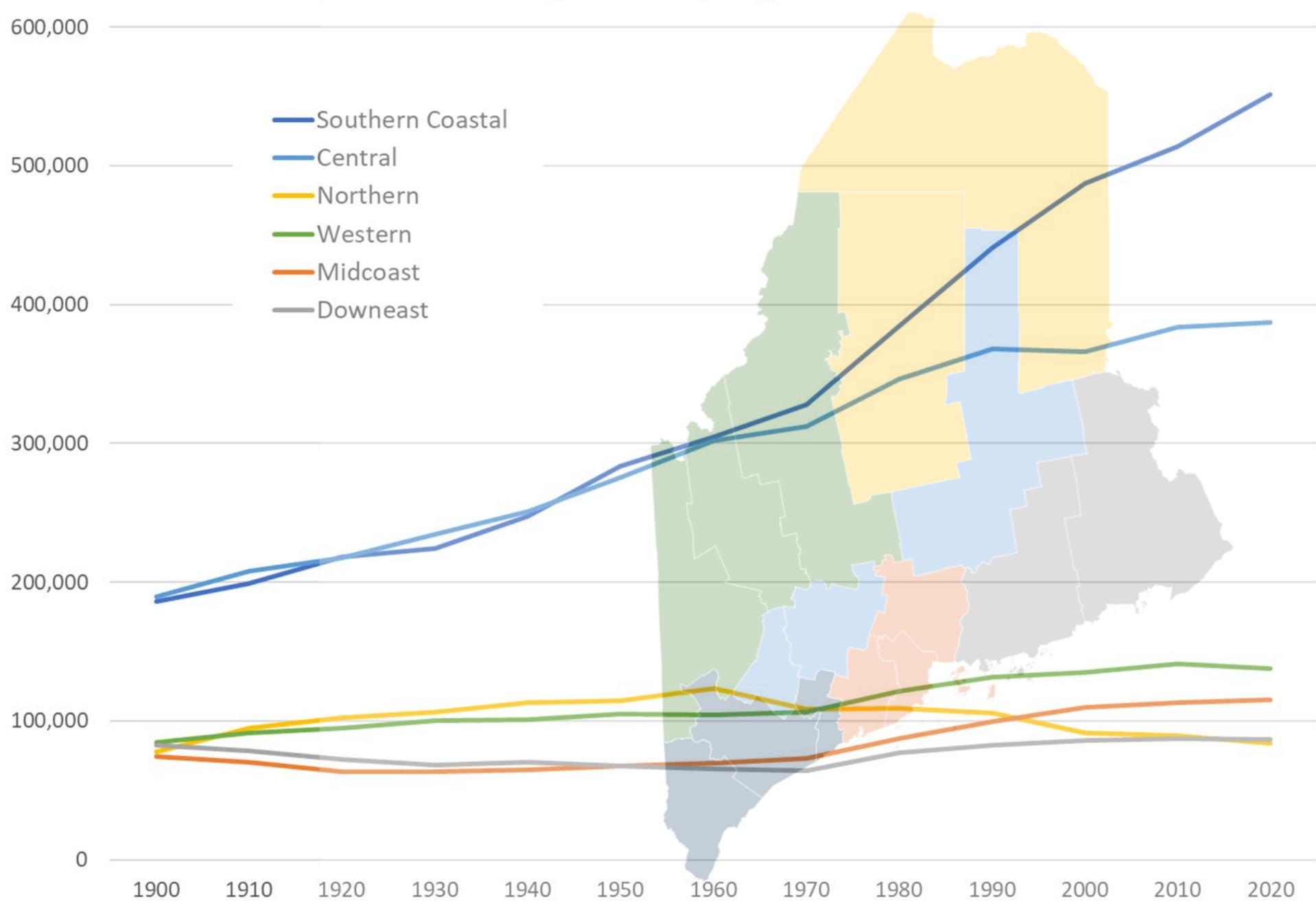
Maine population growth peaked during “back to the land” movement in the 1970s

Population Growth from Previous Decade



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

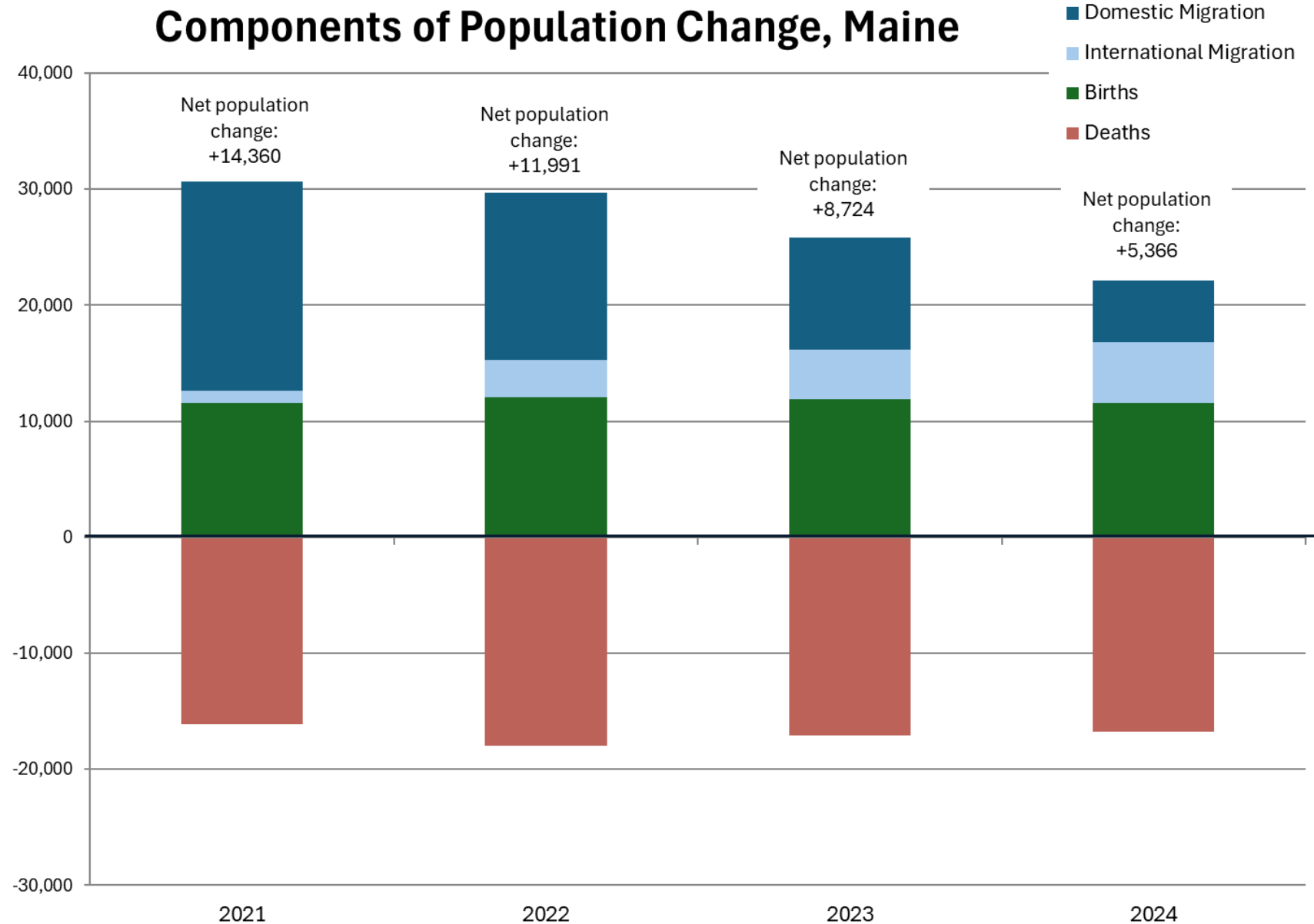


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Population increase of  
2.6% from 2010-2020  
(42<sup>nd</sup> in U.S.)

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

2024 Total Population:  
1,405,012



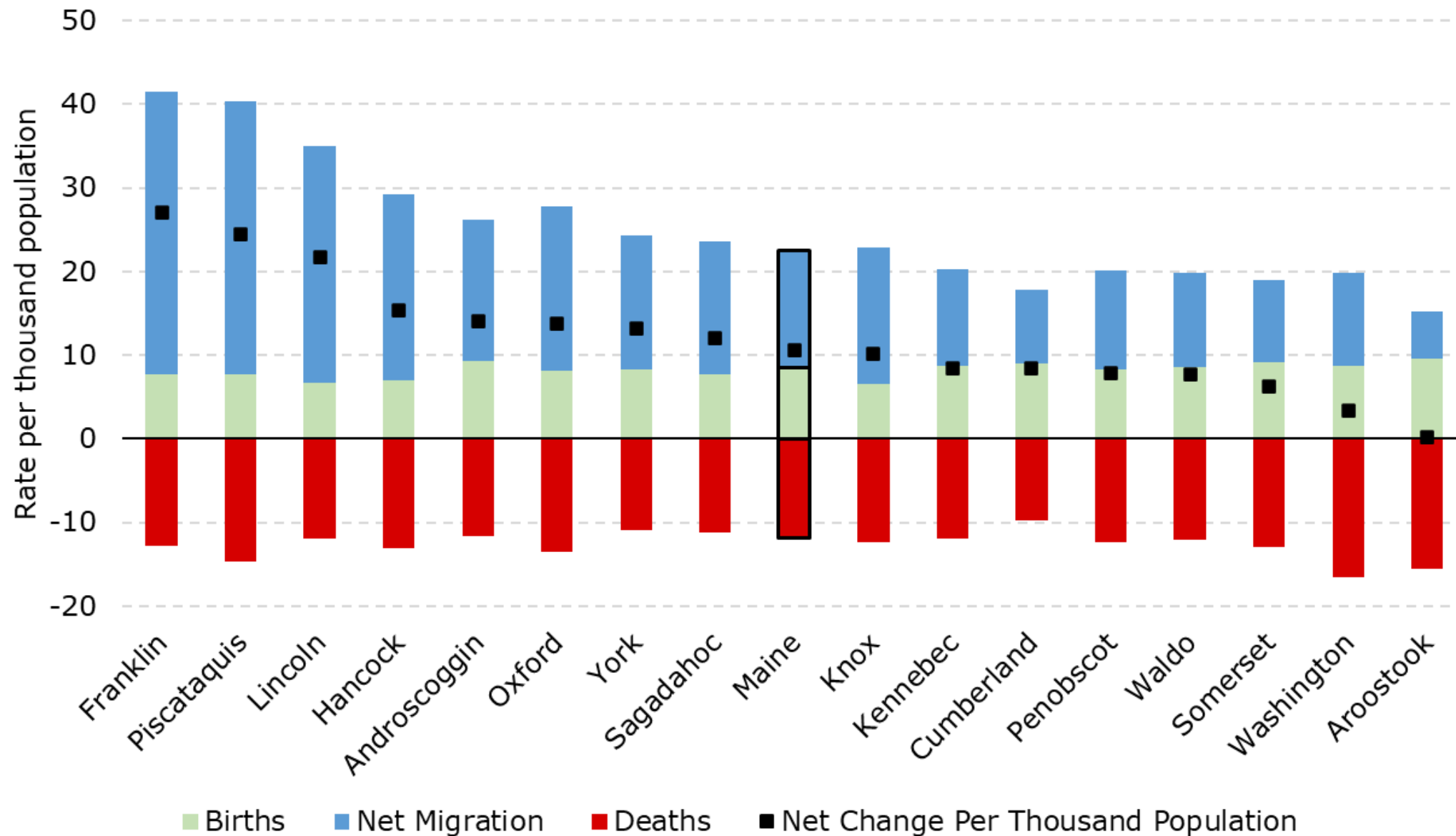
Net international  
migration accounted for  
84% of U.S. population  
growth from 2023-2024

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

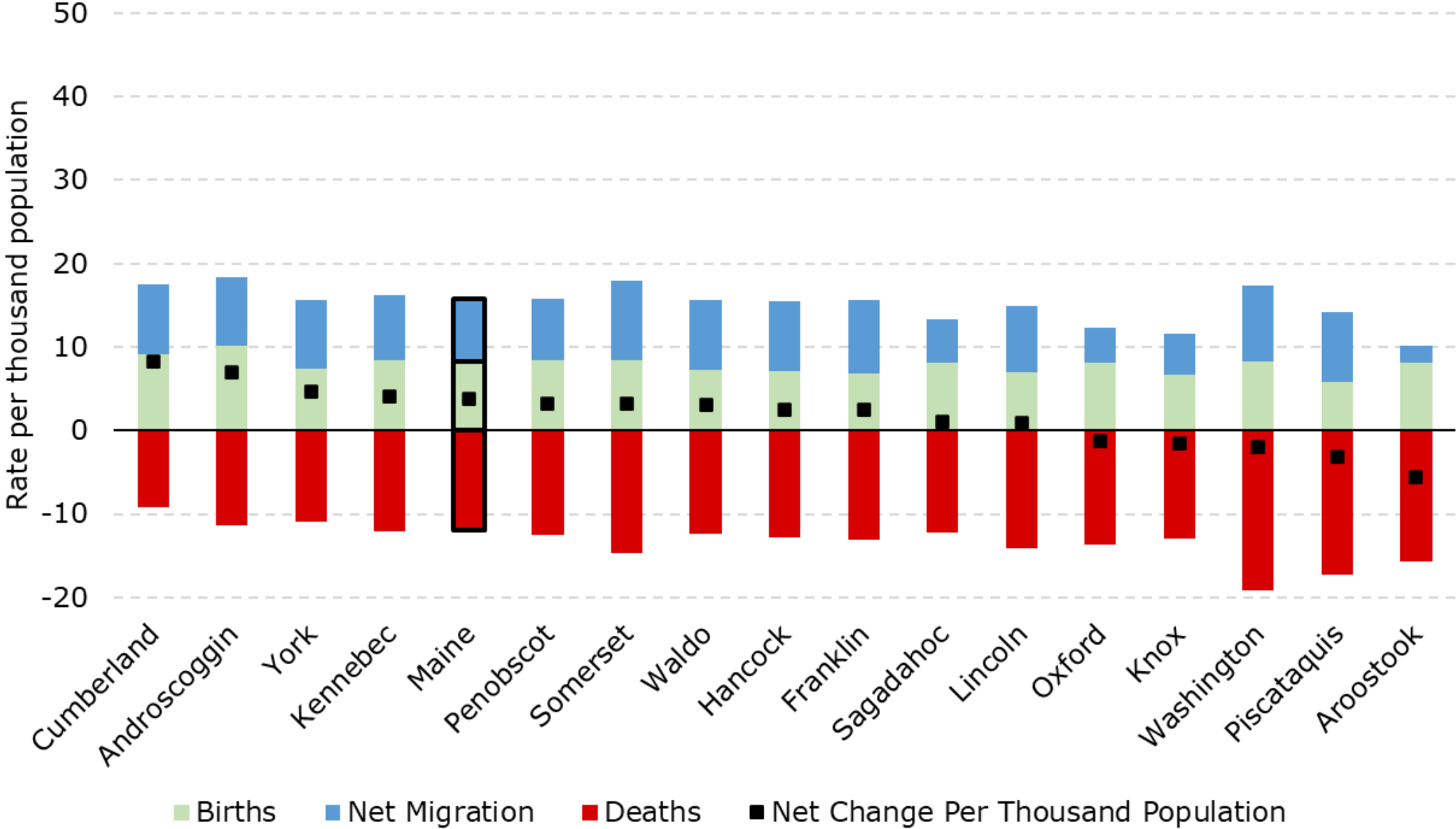


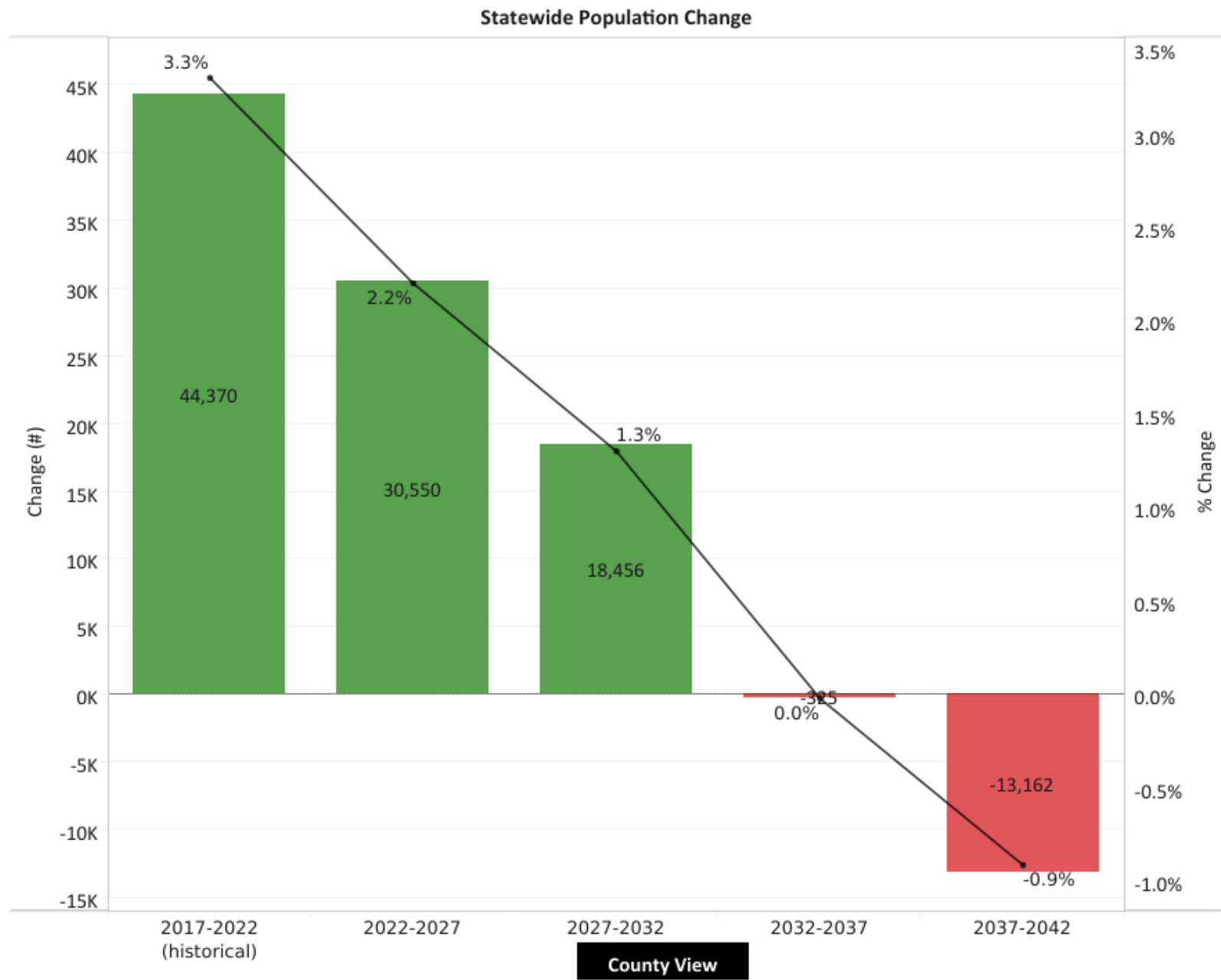
# Components of Population Change, 7/1/2020-7/1/2021

## Rate per thousand population

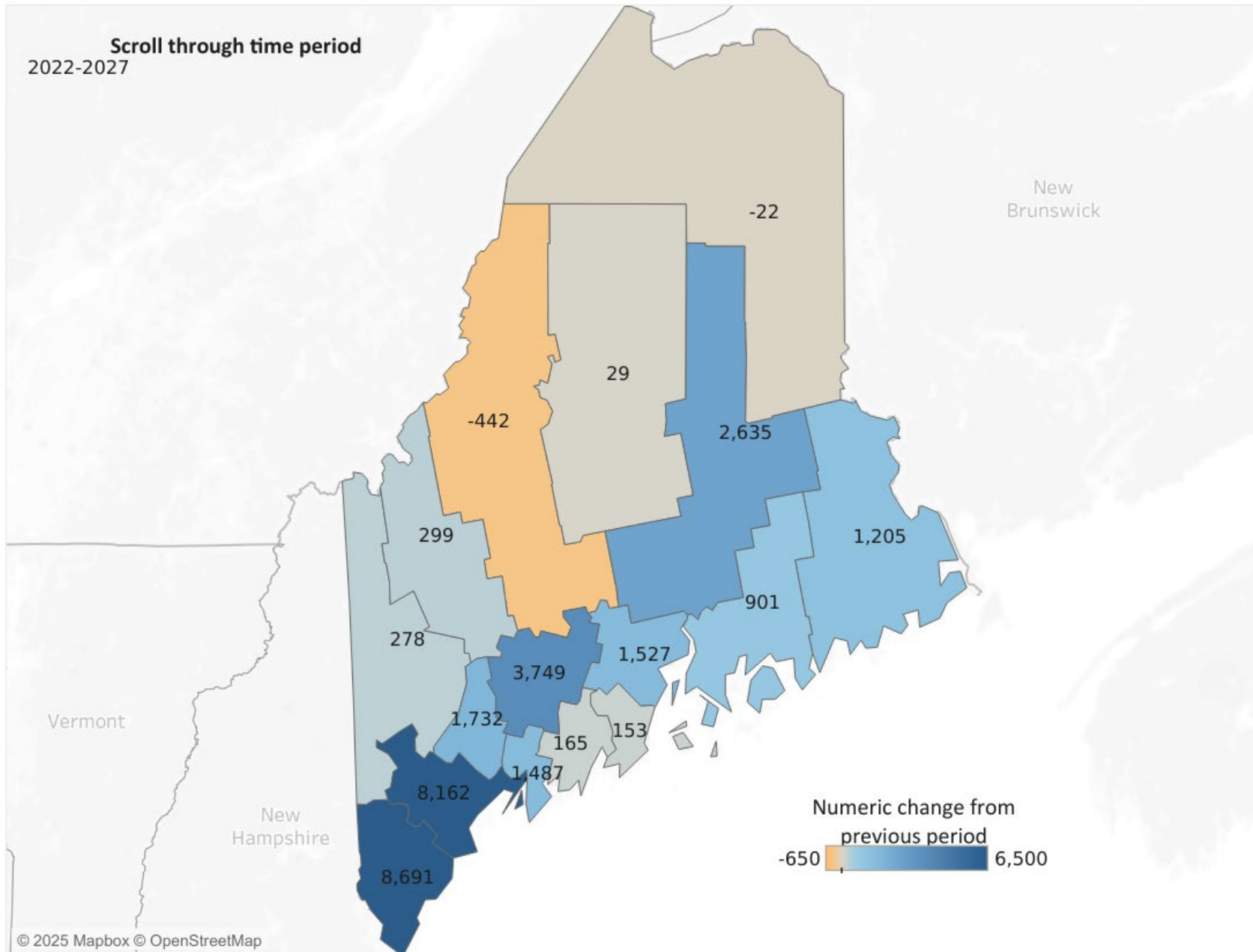


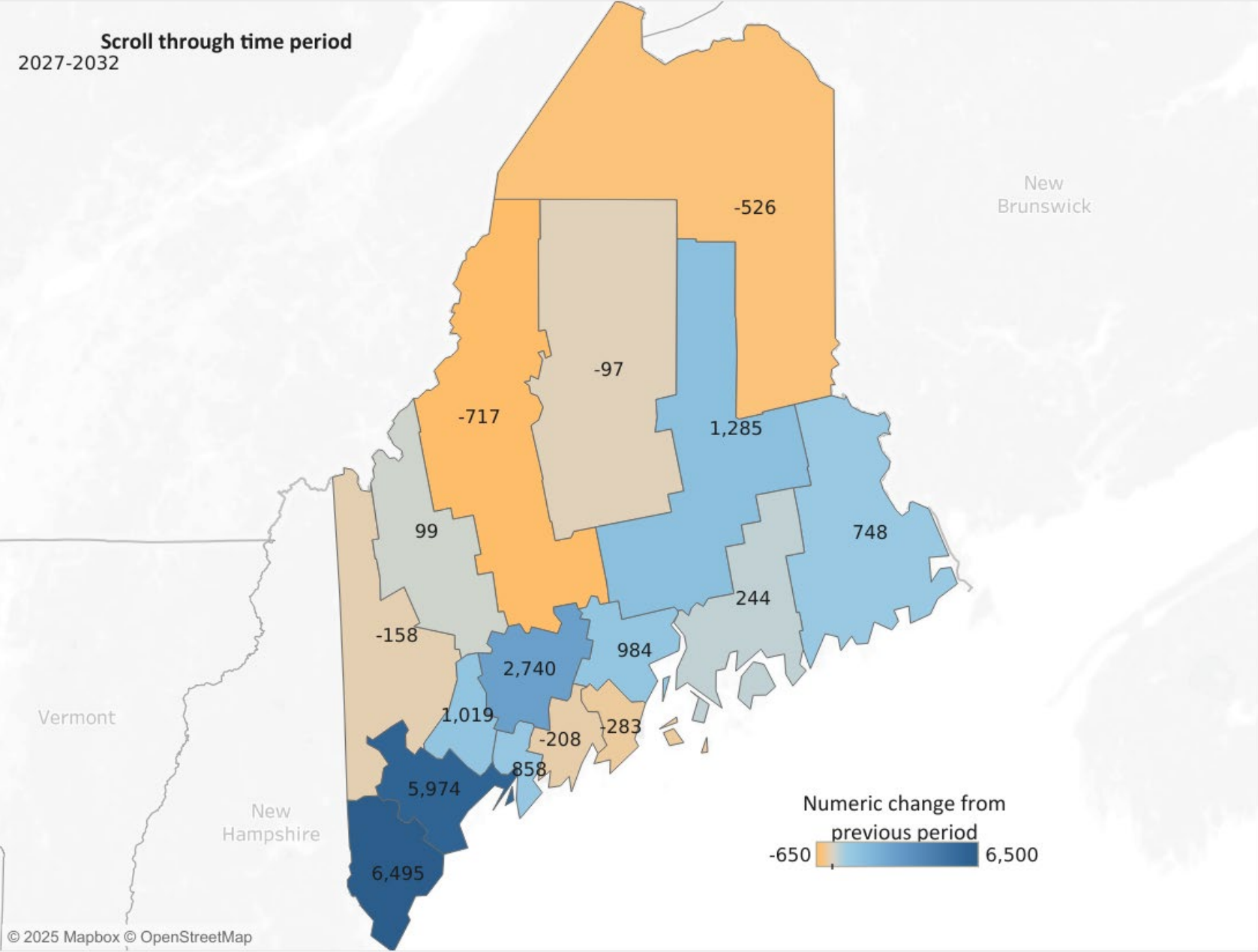
Components of Population Change, 7/1/2023-7/1/2024  
Rate per thousand population





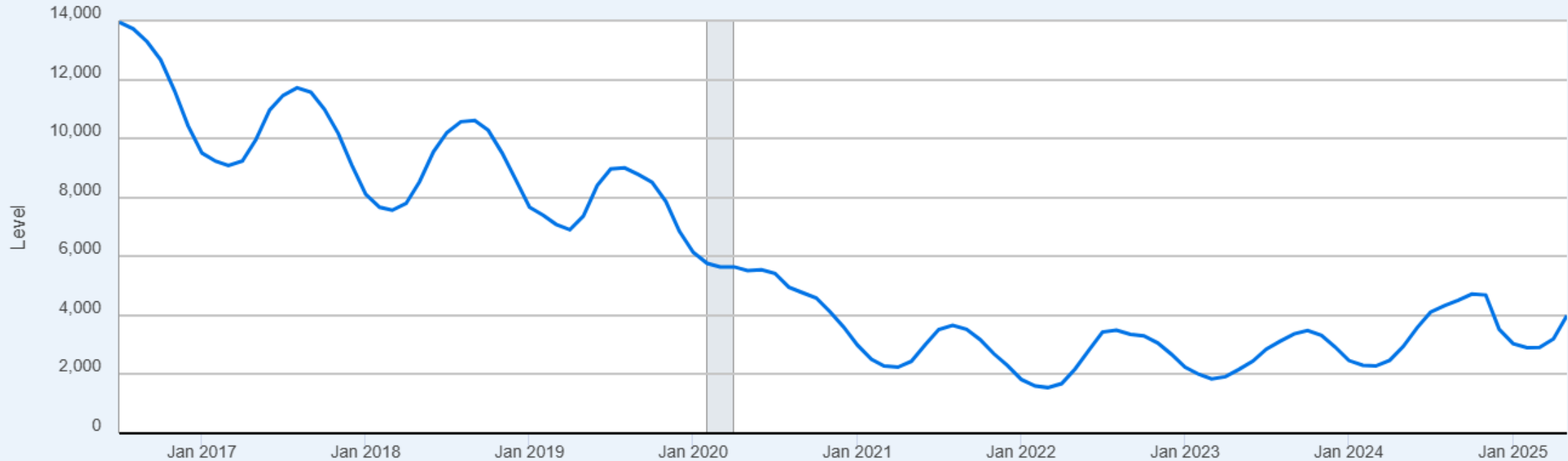
Source: The Office of the State Economist, Maine State and County Population Projections, 2042. April 2025 release.





Source: The Office of the State Economist, Maine State and County Population Projections, 2042. April 2025 release.

# Housing

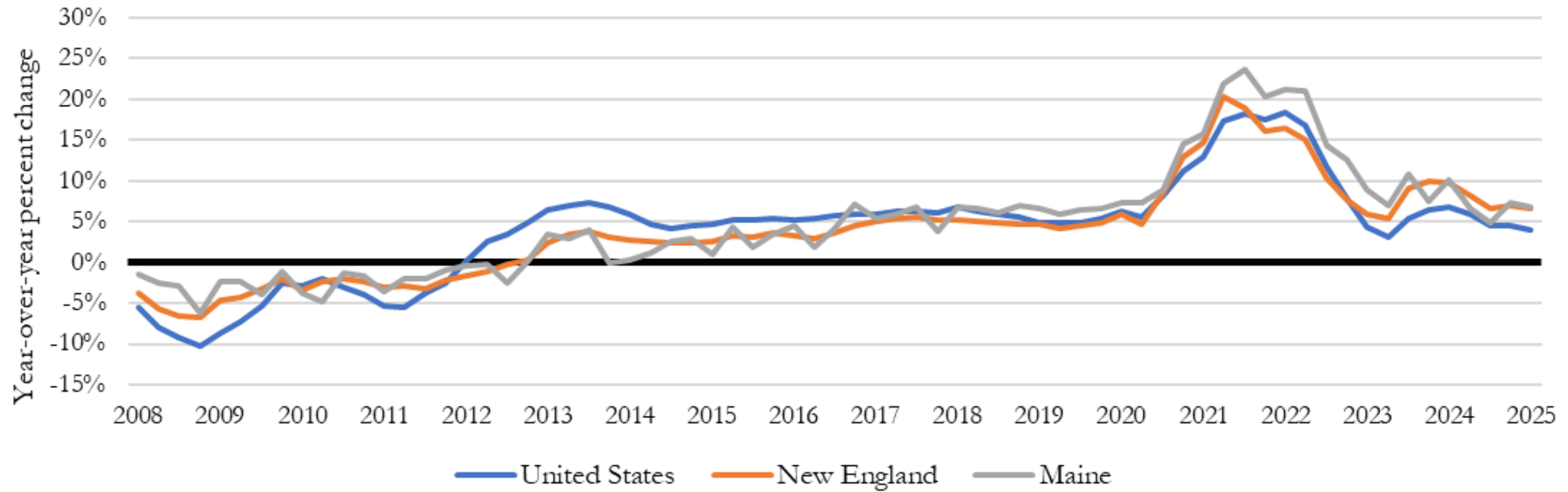


Source: Realtor.com via FRED®  
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

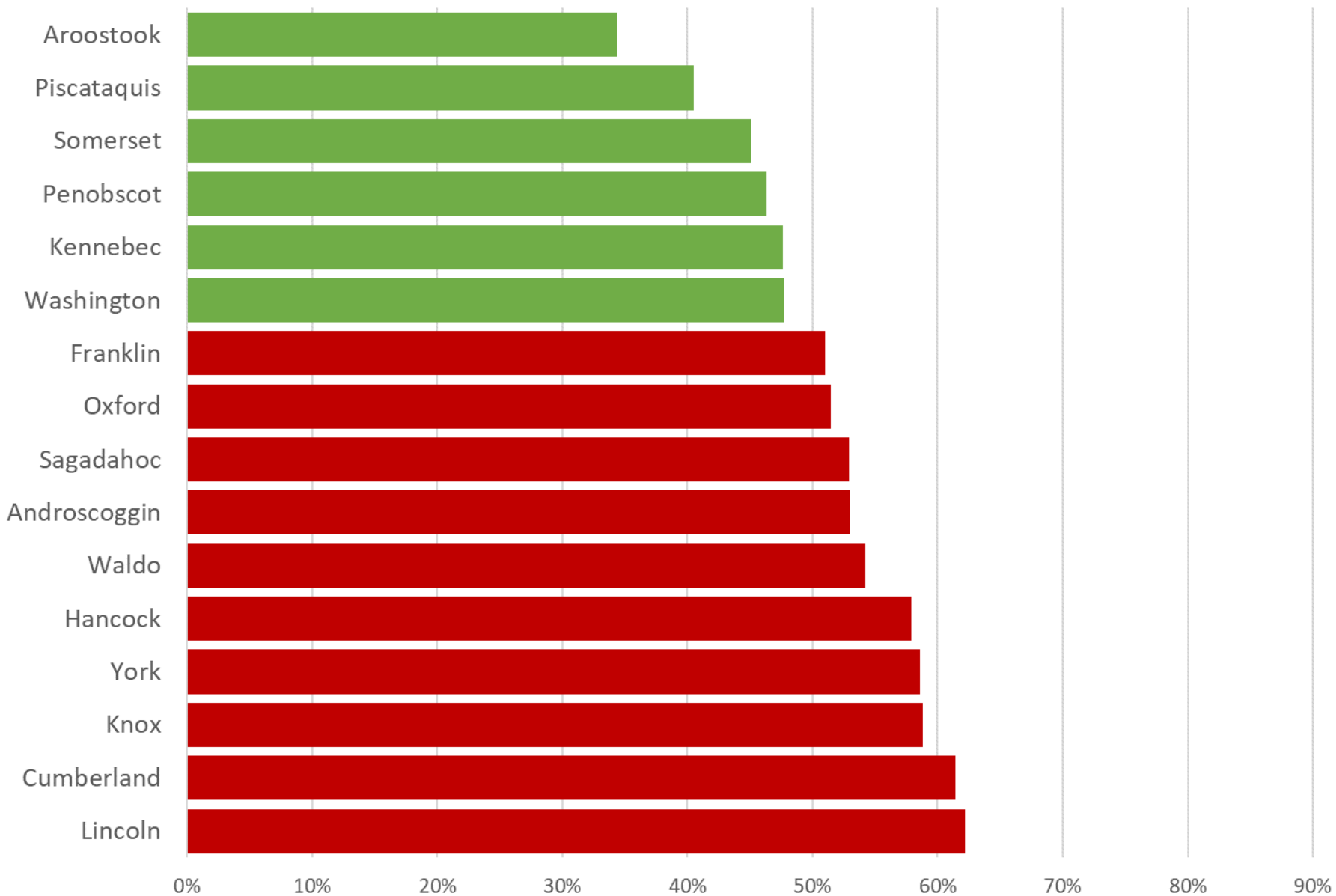
Migration into the state drove up demand for housing and further reduced the available supply while high mortgage rates locked people into existing homes – but there's been some improvement (May 2025 about 36% higher than May 2024)

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

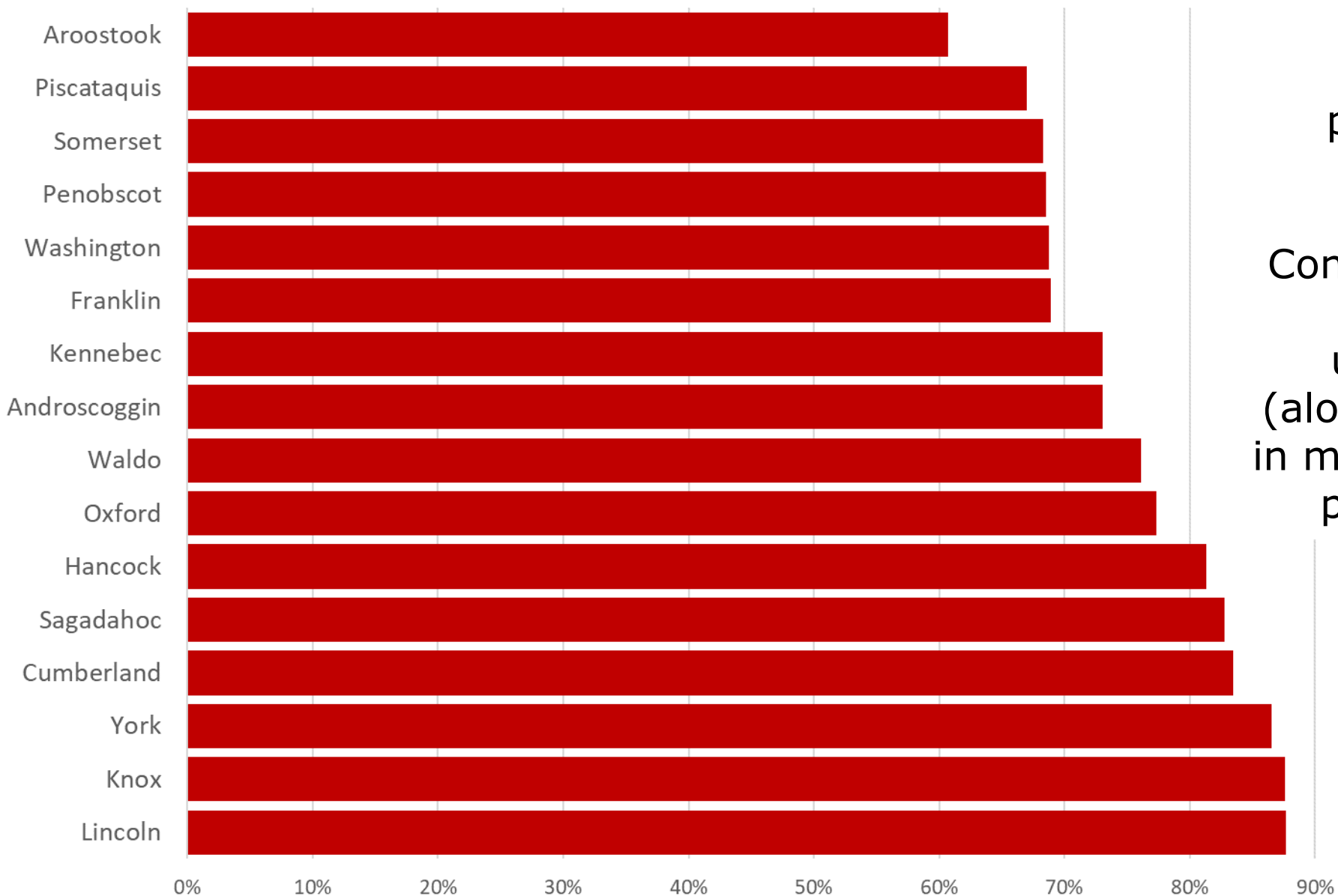




Percent of Households Unable to Afford Median Home, 2020



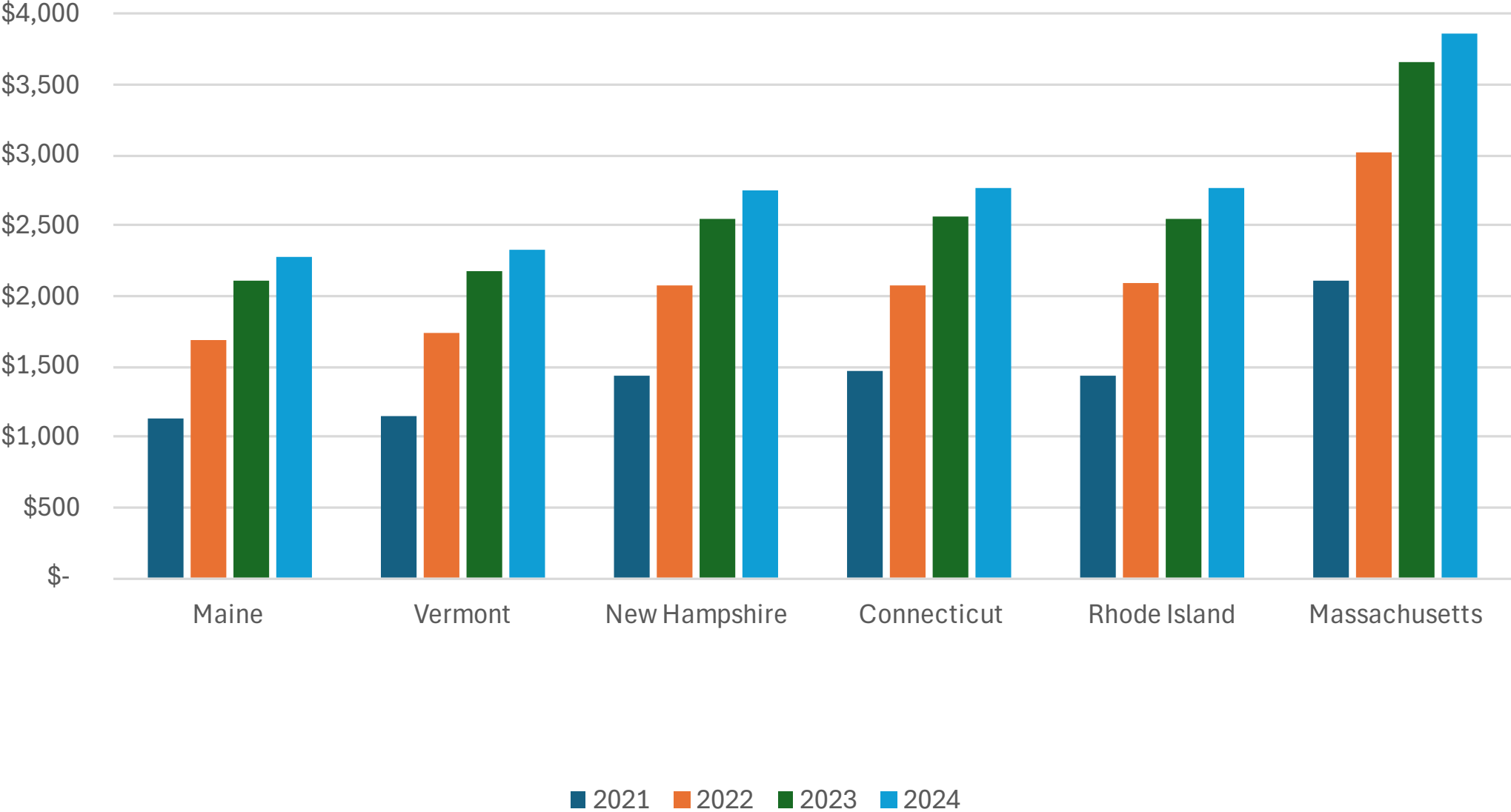
## Percent of Households Unable to Afford Median Home, 2023



High demand  
+ low supply  
price increases

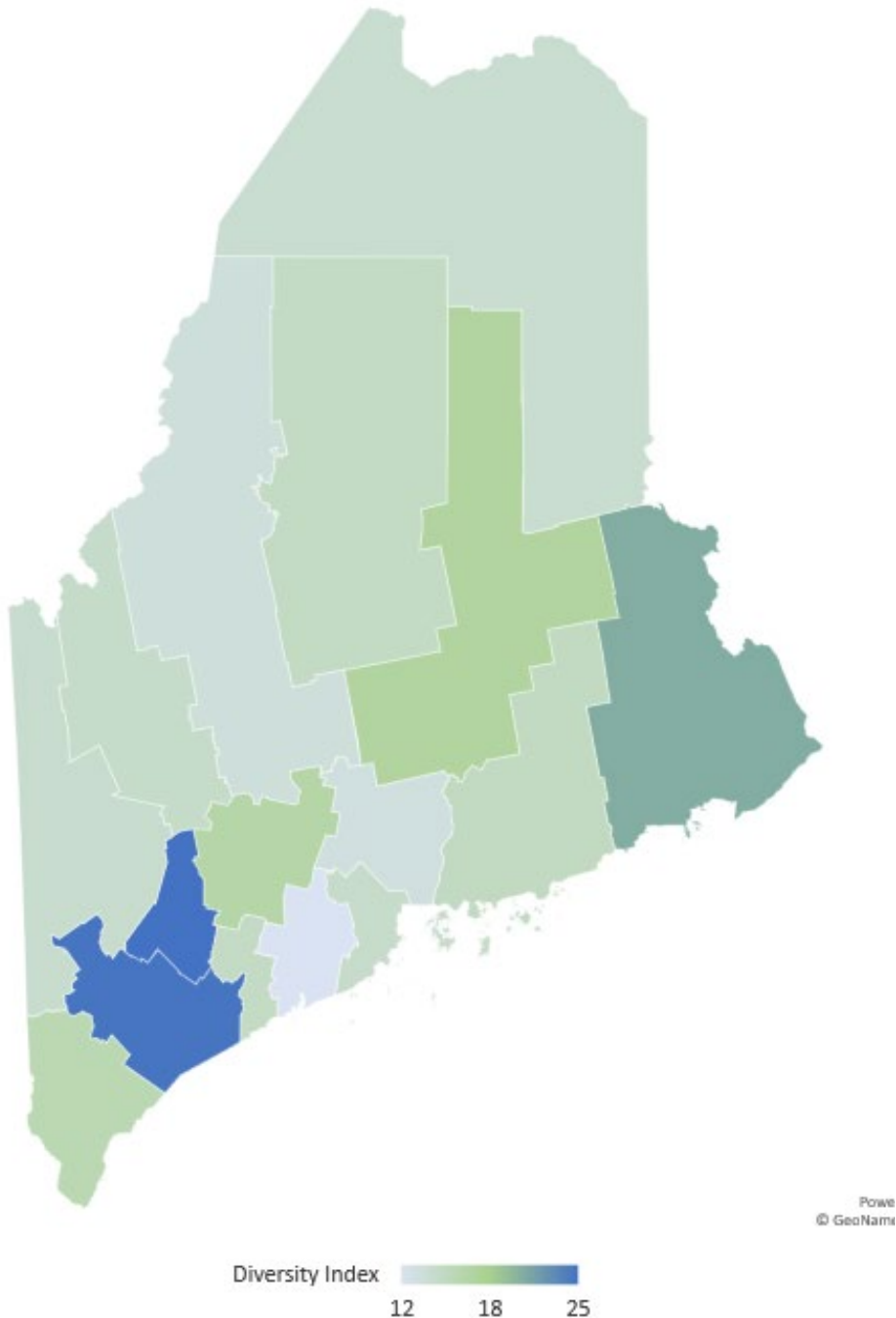
Contributed to sharp  
increase in  
unaffordability  
(along with increases  
in mortgage rates and  
property taxes)

# 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.

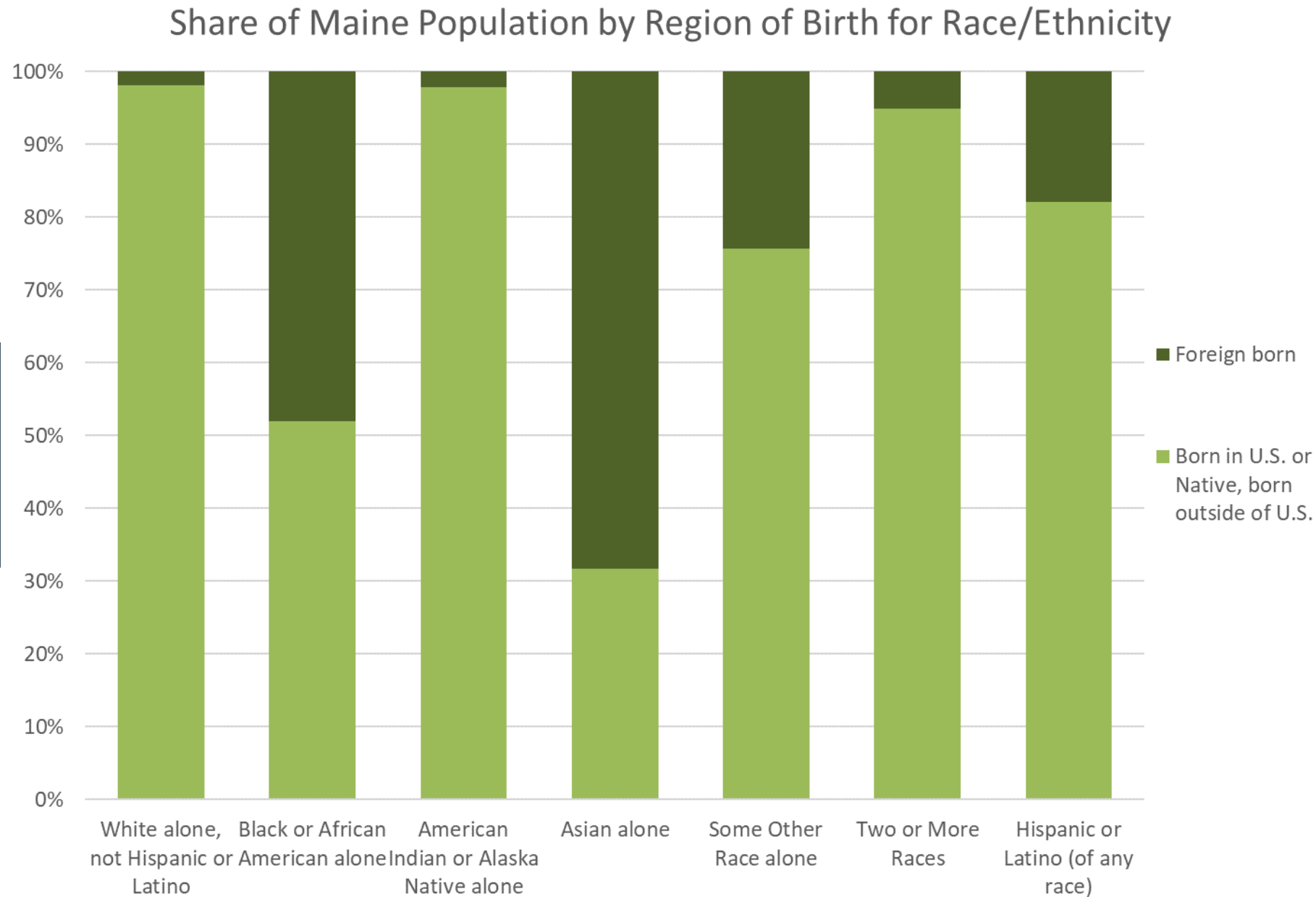
# Demographics



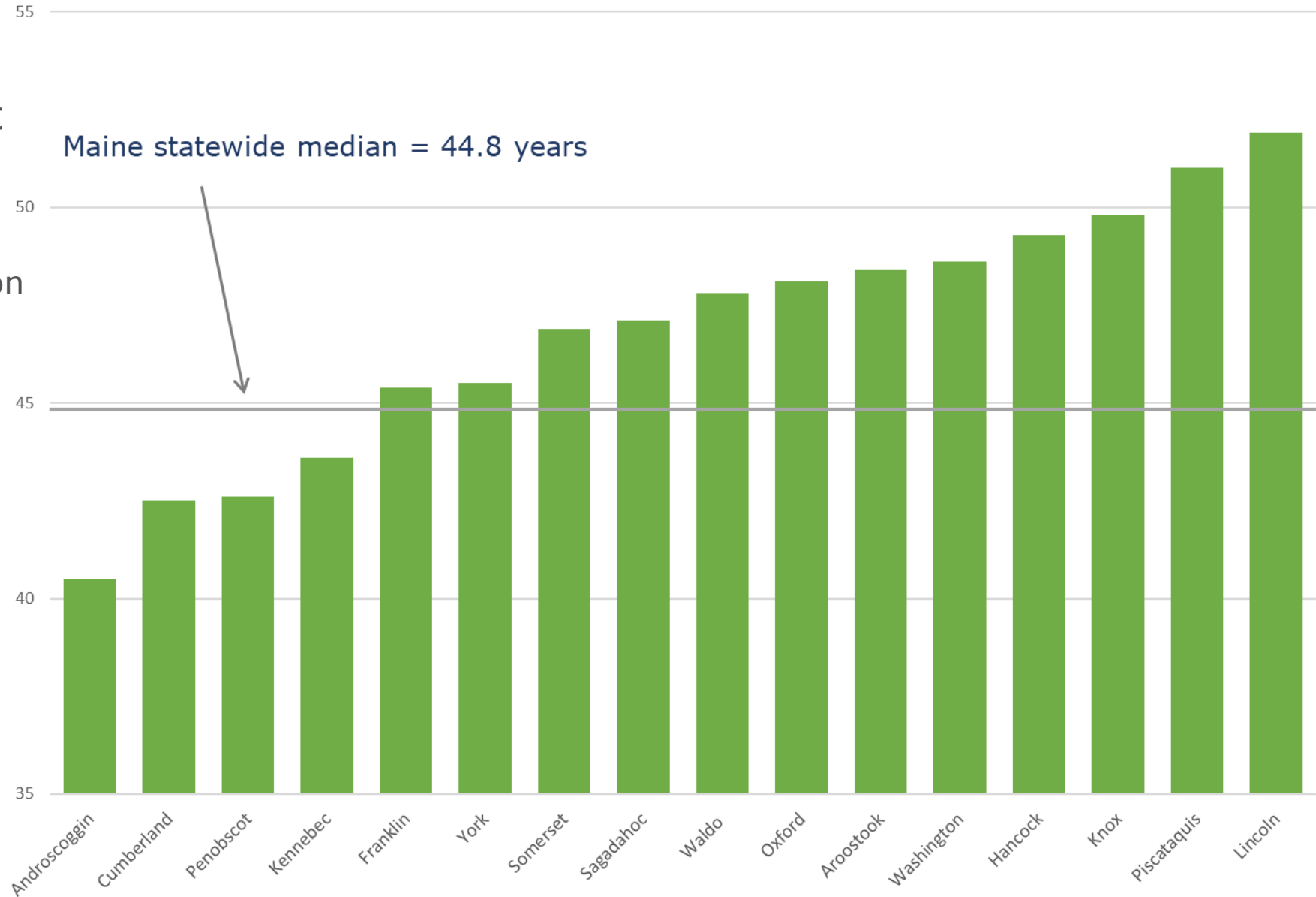
The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

- 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

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



Median Age by County 2024

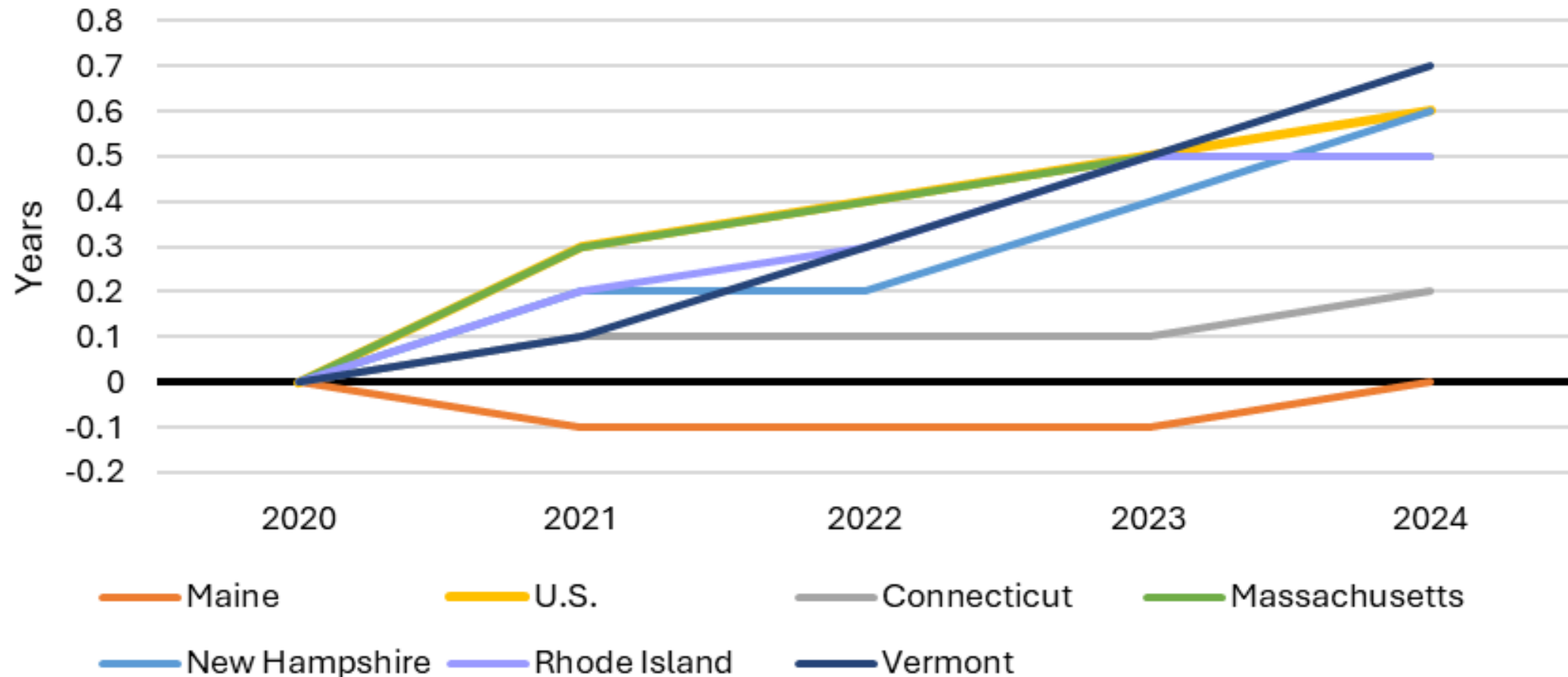


Maine has the oldest  
population...  
...by median age  
(44.8 years)  
...and by % of population  
age 65+ (23.5%)

## Migration has made a difference

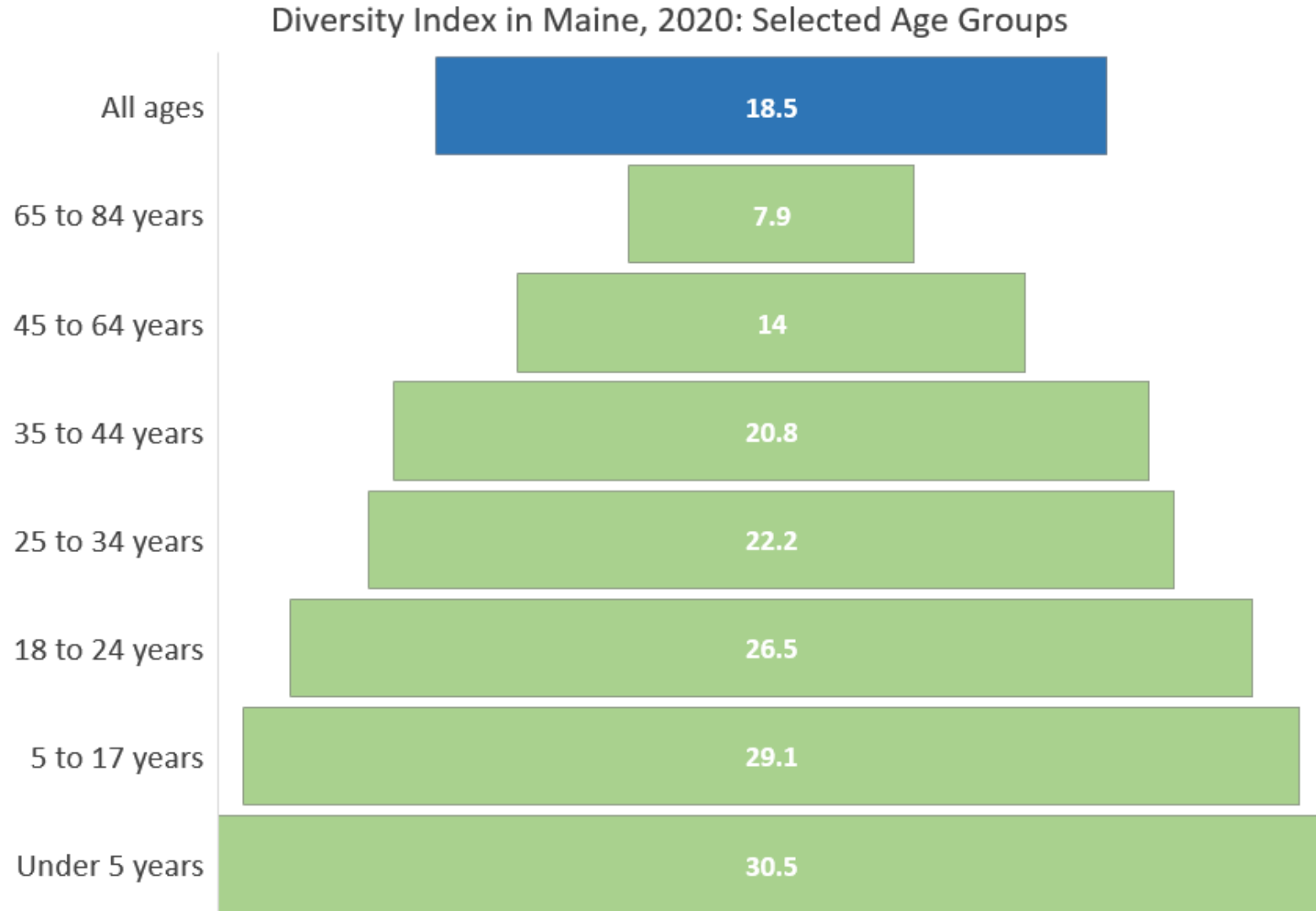
Maine's median age in 2024 is unchanged from 2020, while the U.S. median age has increased 0.6 years (but Maine still has the highest median age in the nation)

Change in median age since April 2020

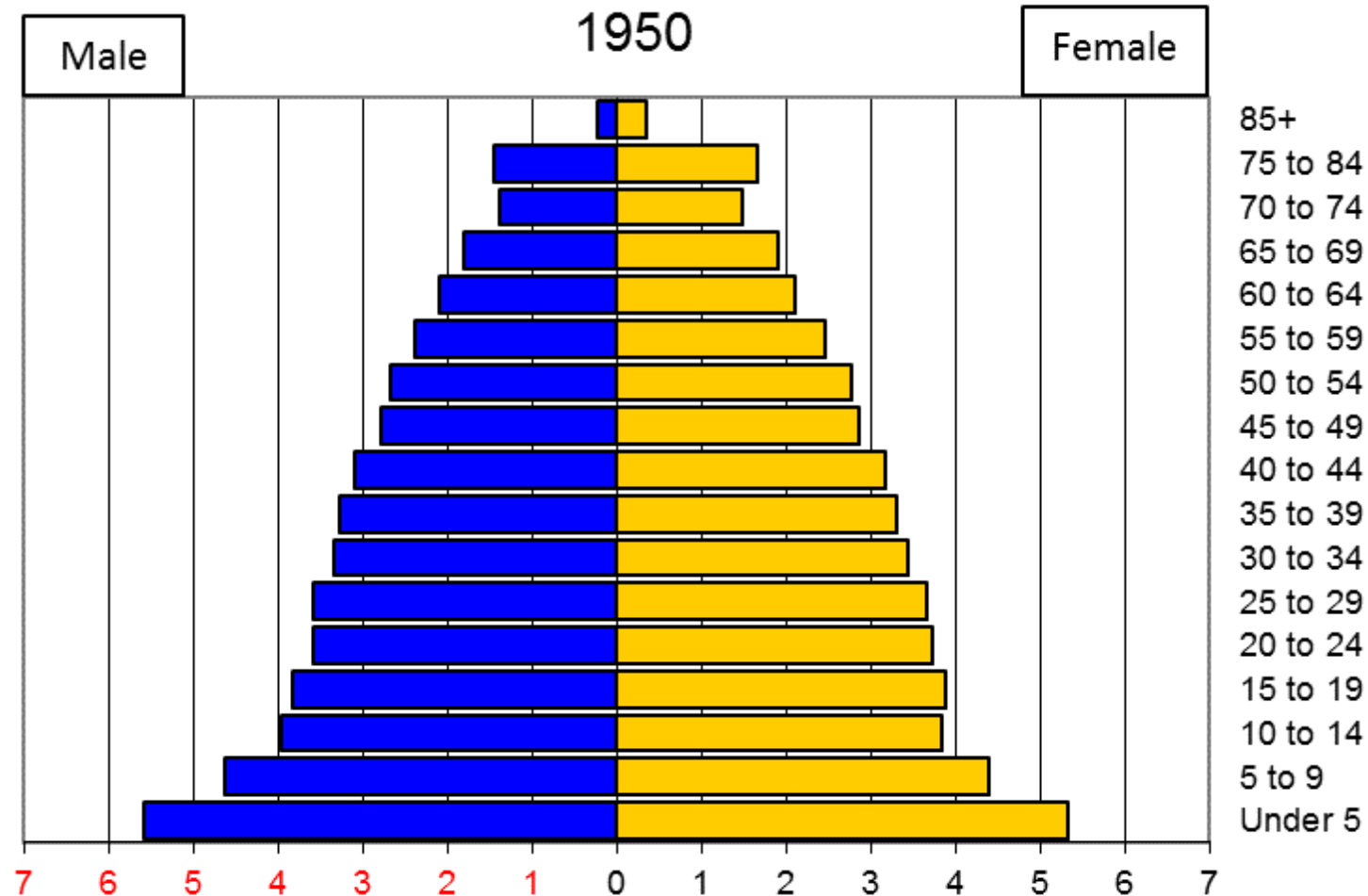




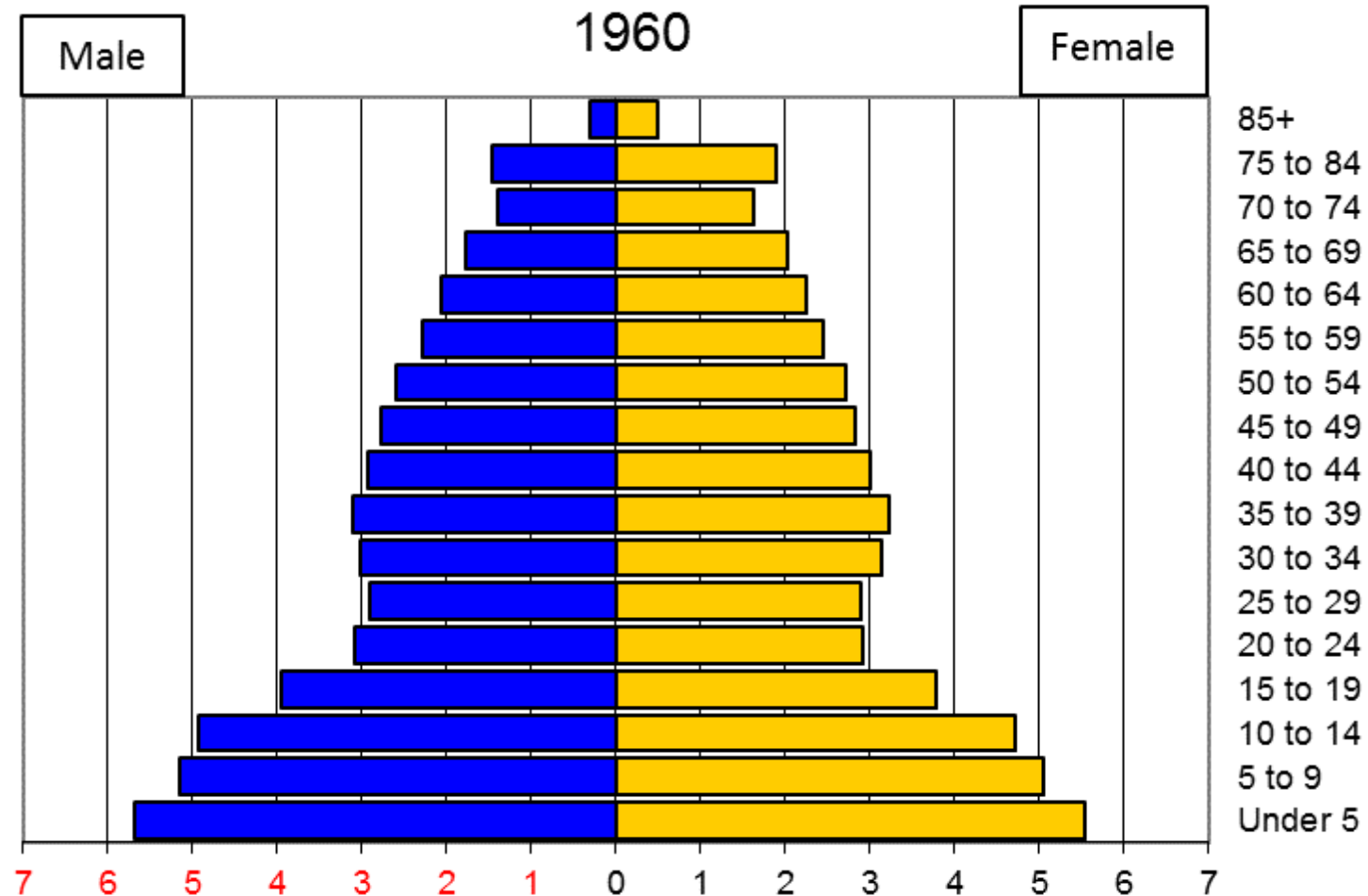
# Younger generations in Maine are more diverse than older generations



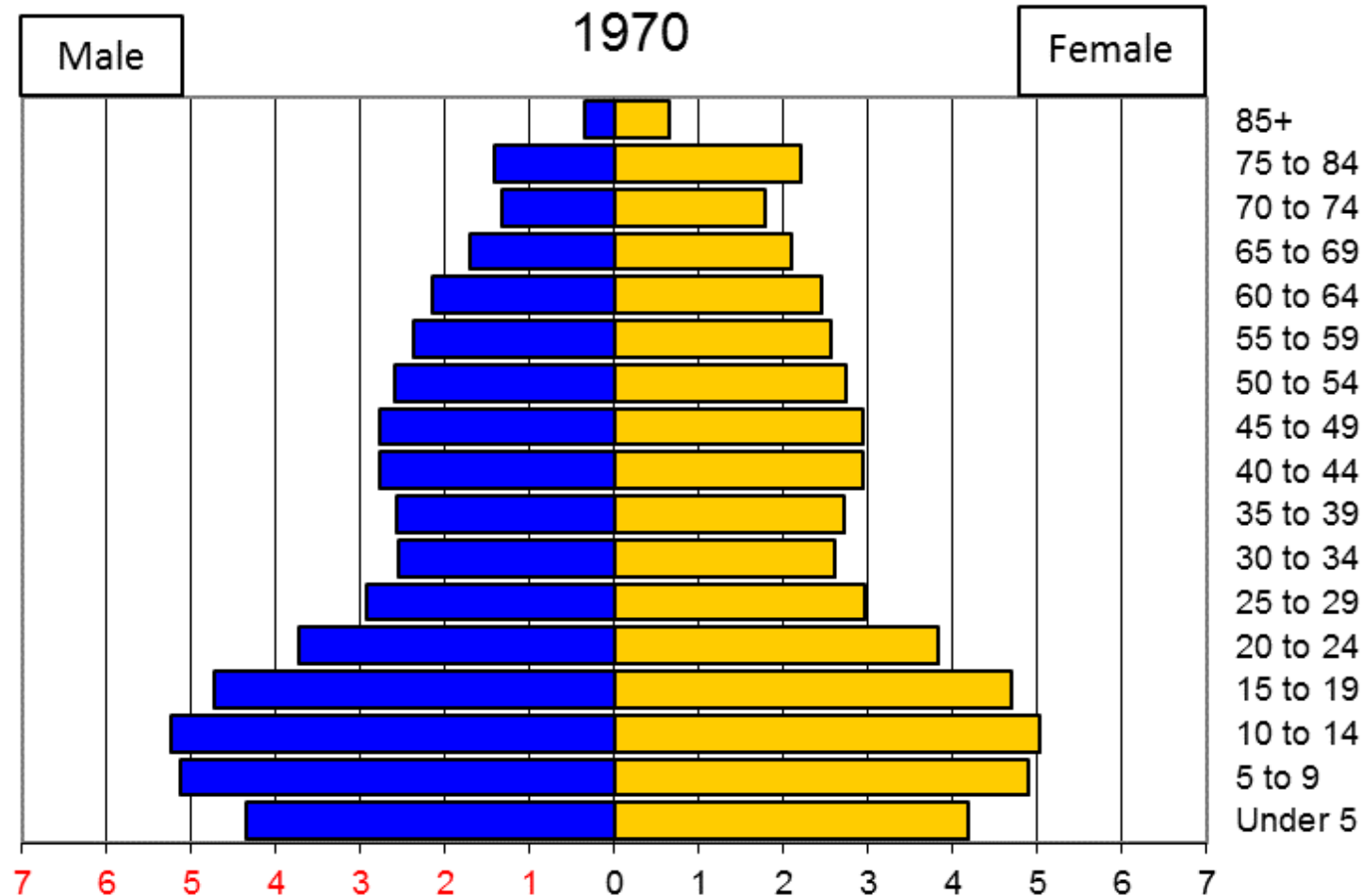
# The Baby Boom: 1946-1964



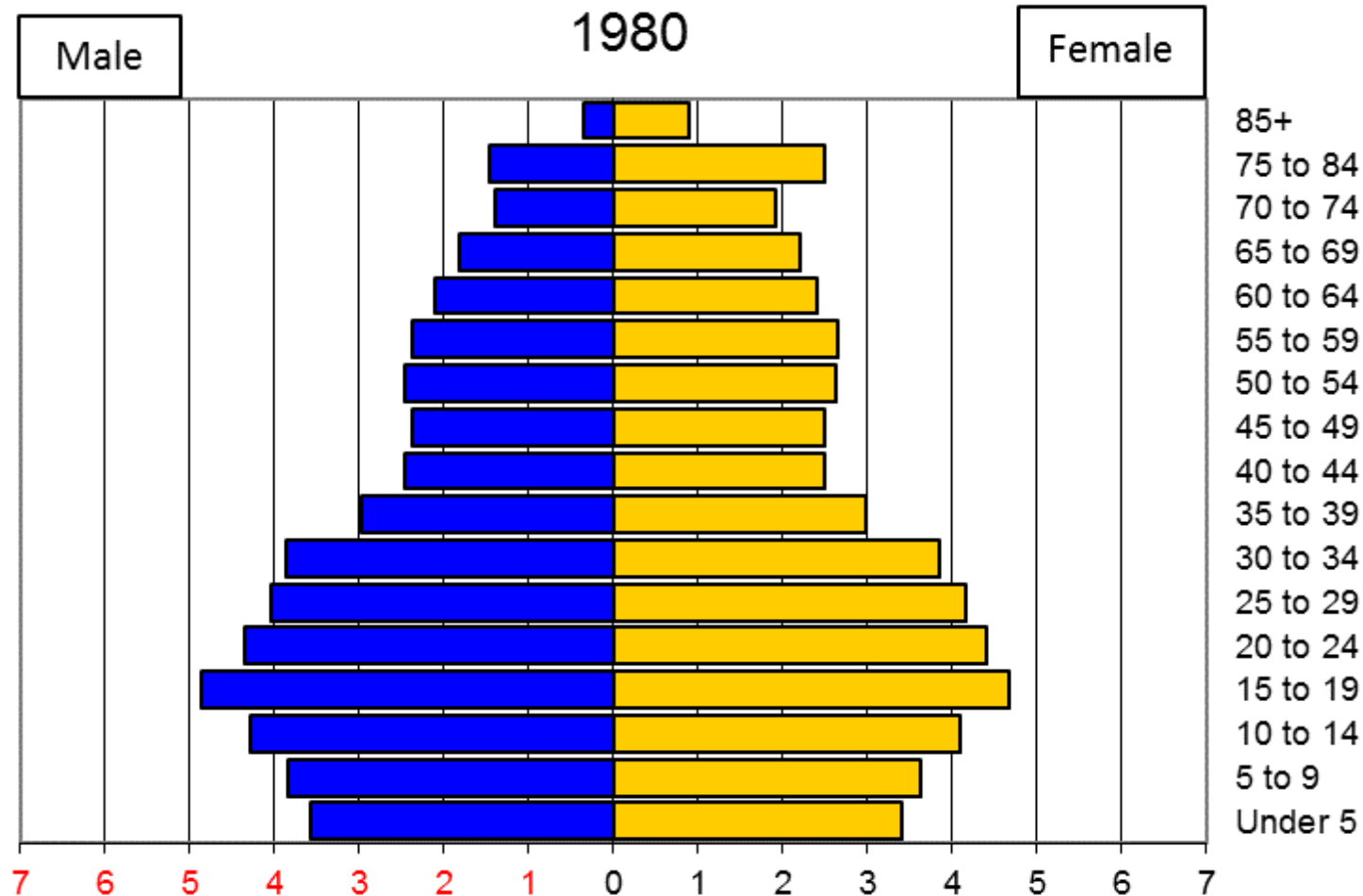
# The Baby Boom: 1946-1964



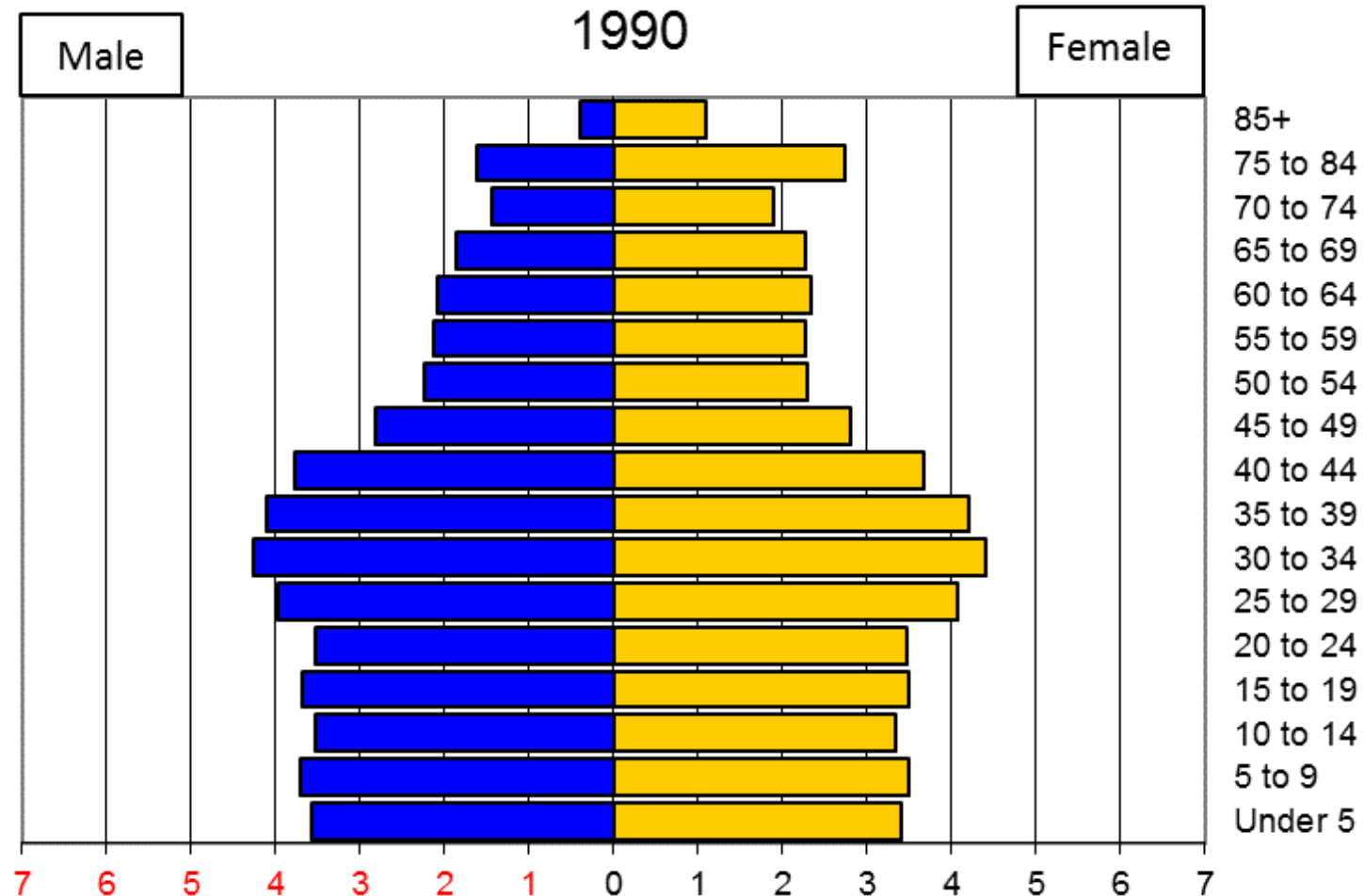
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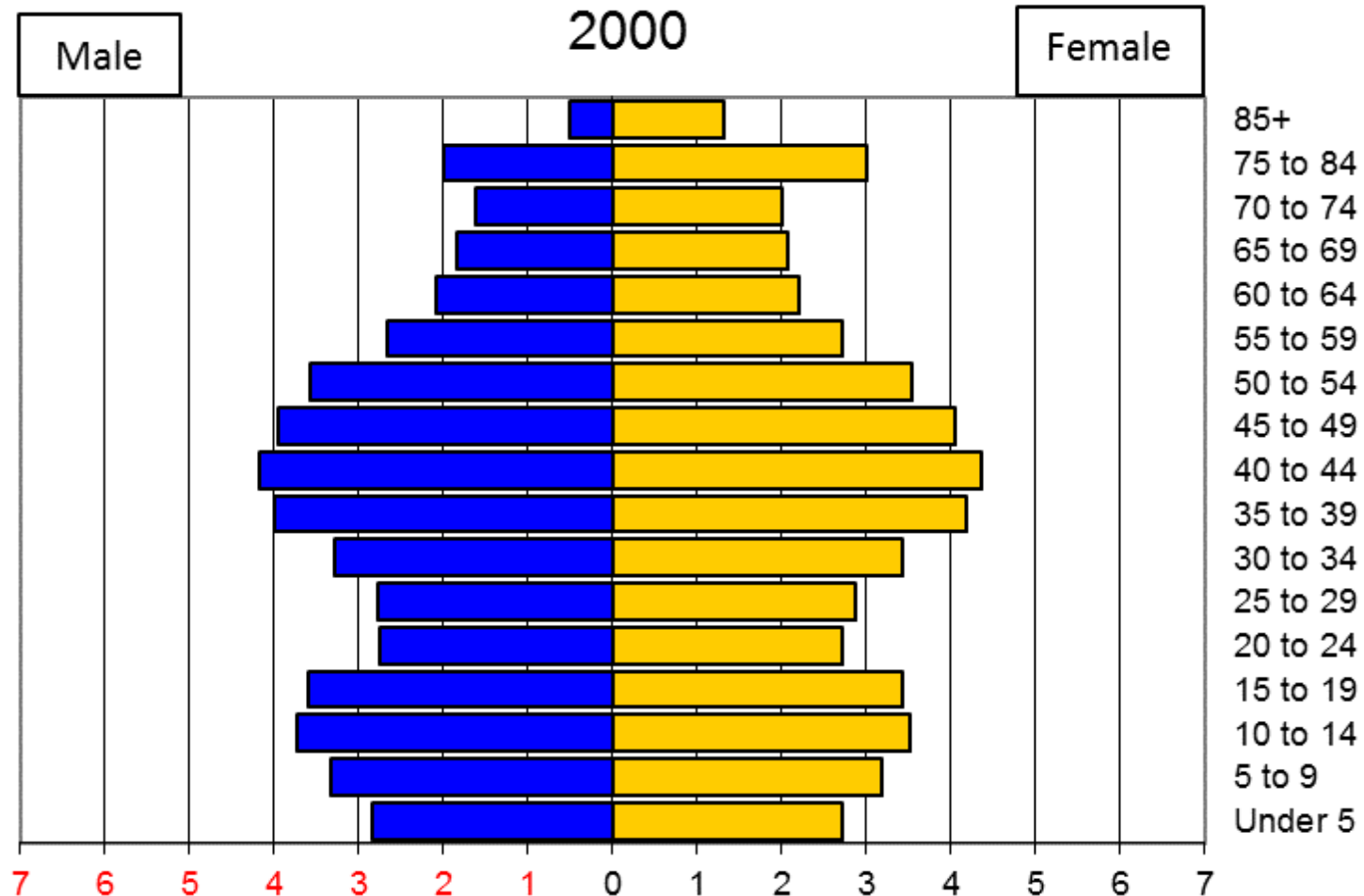
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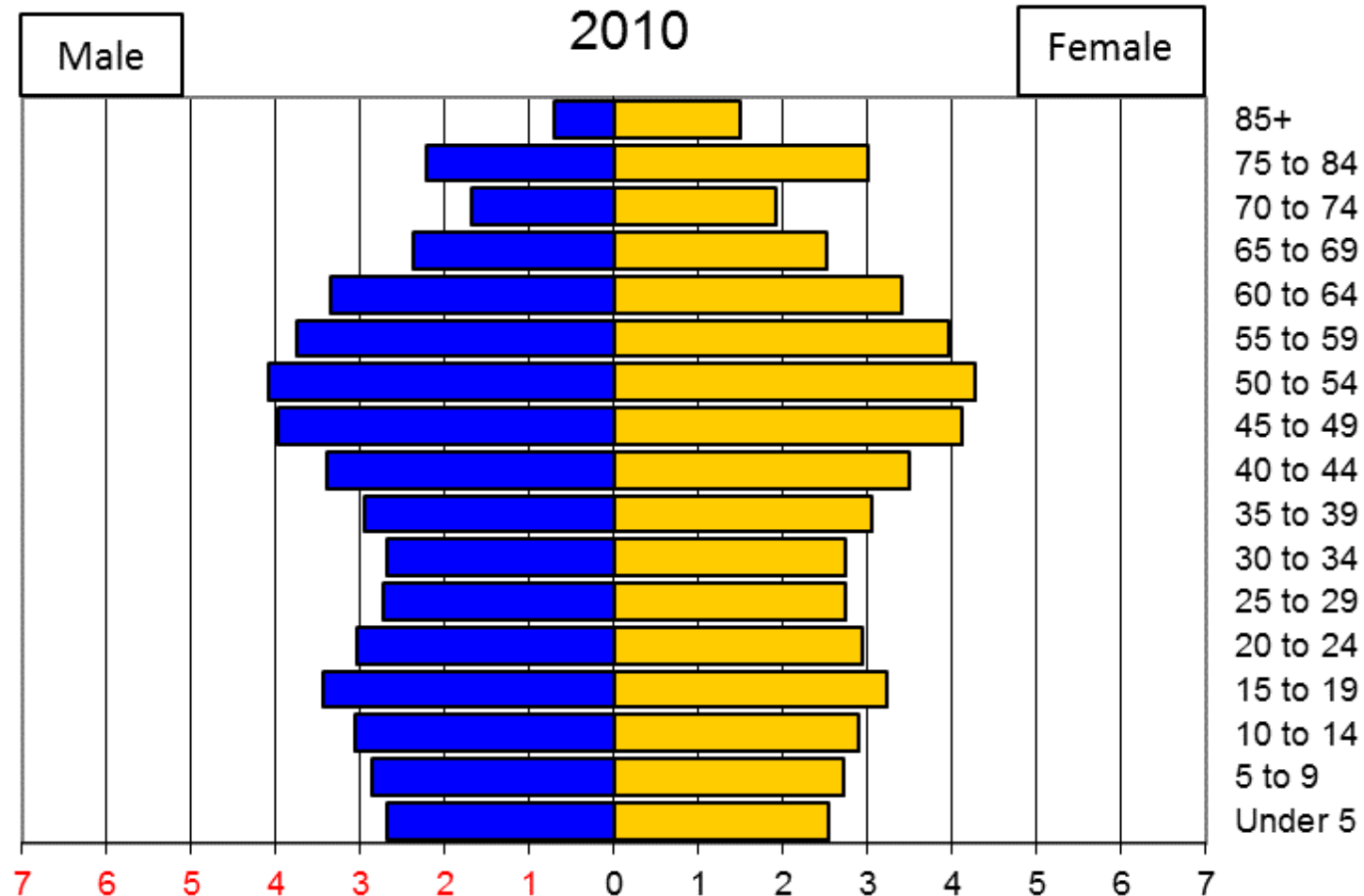
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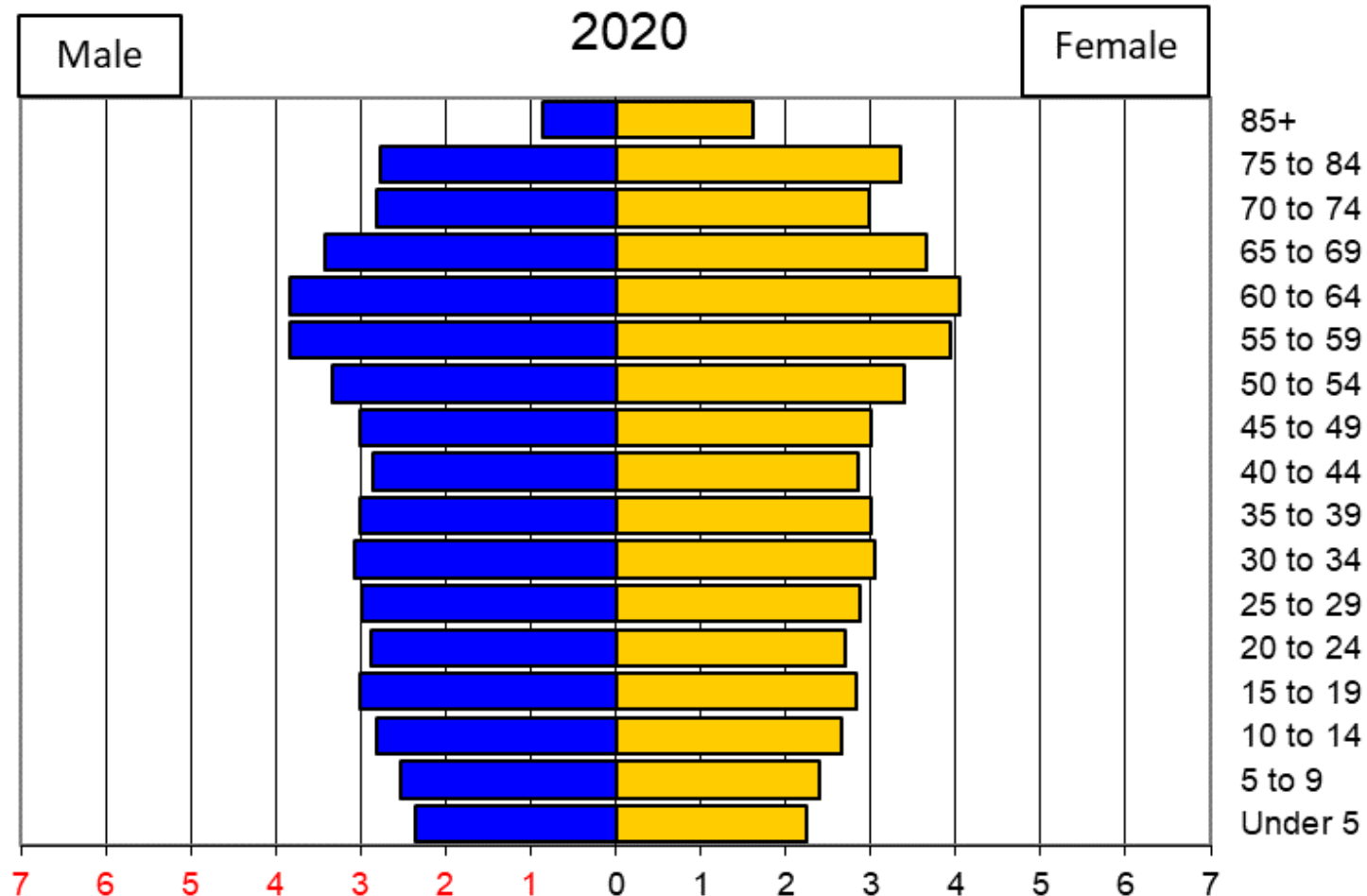


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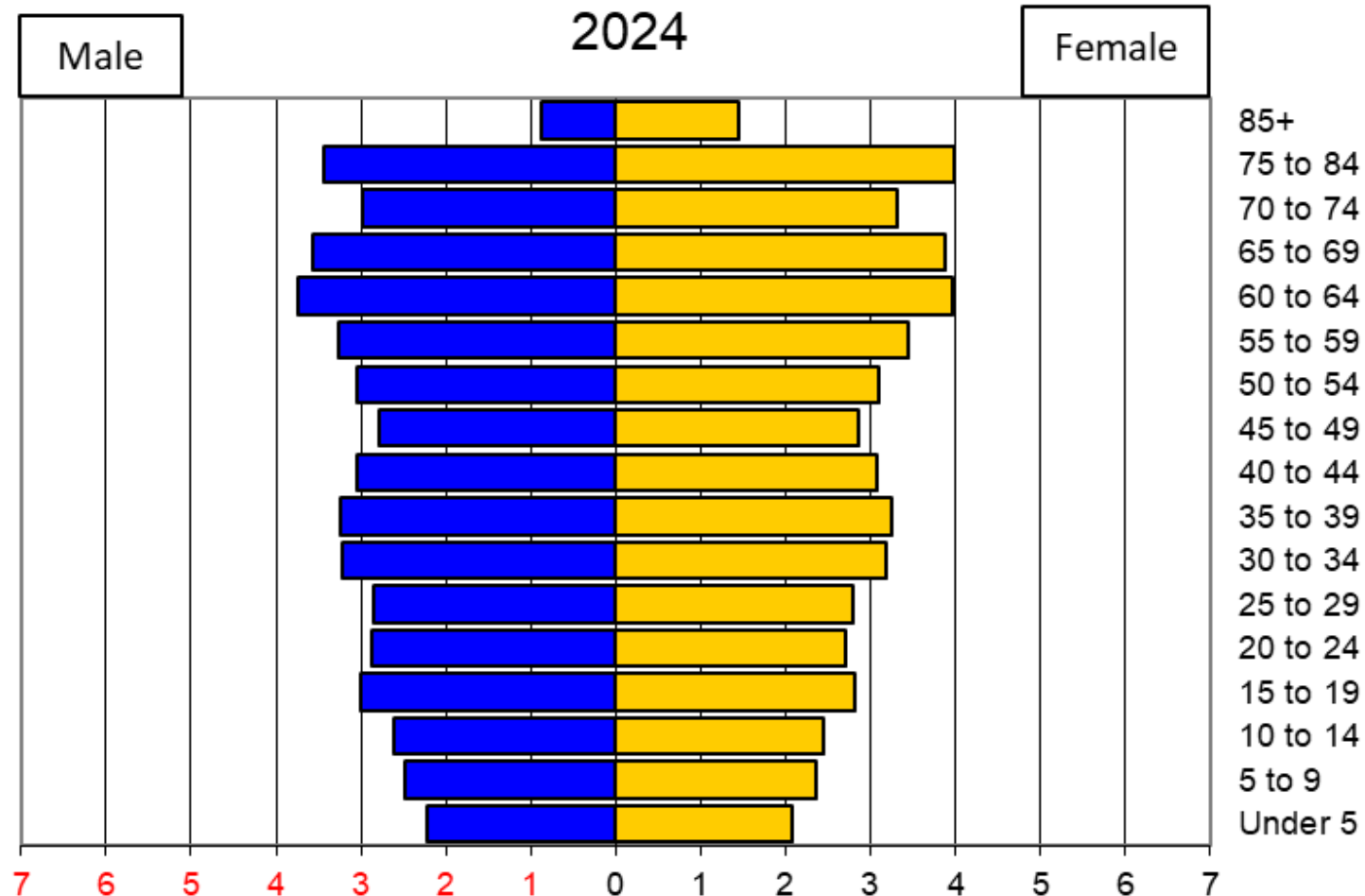


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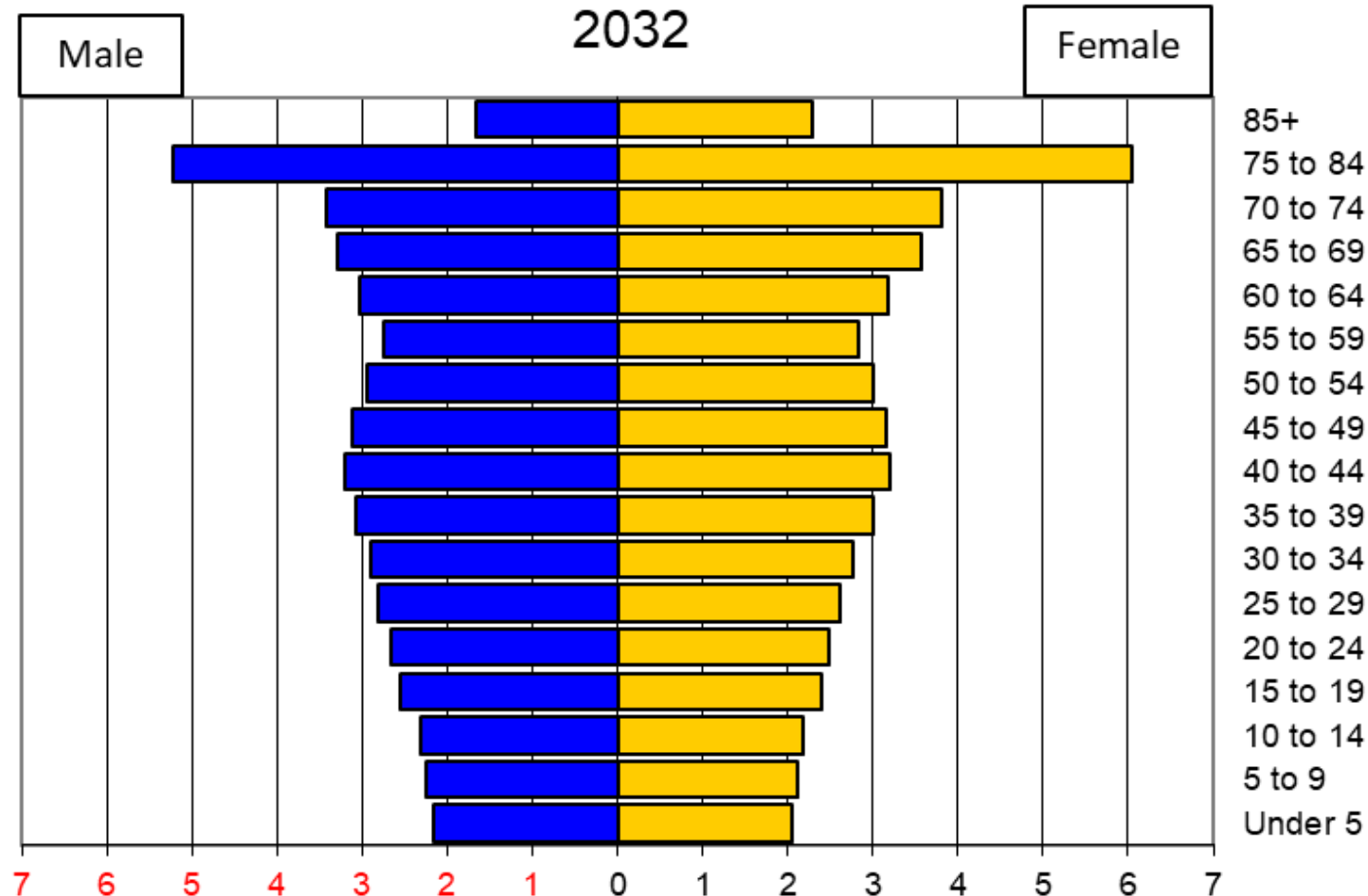
Baby Boom  
generation in  
2024: age 60-78



# 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

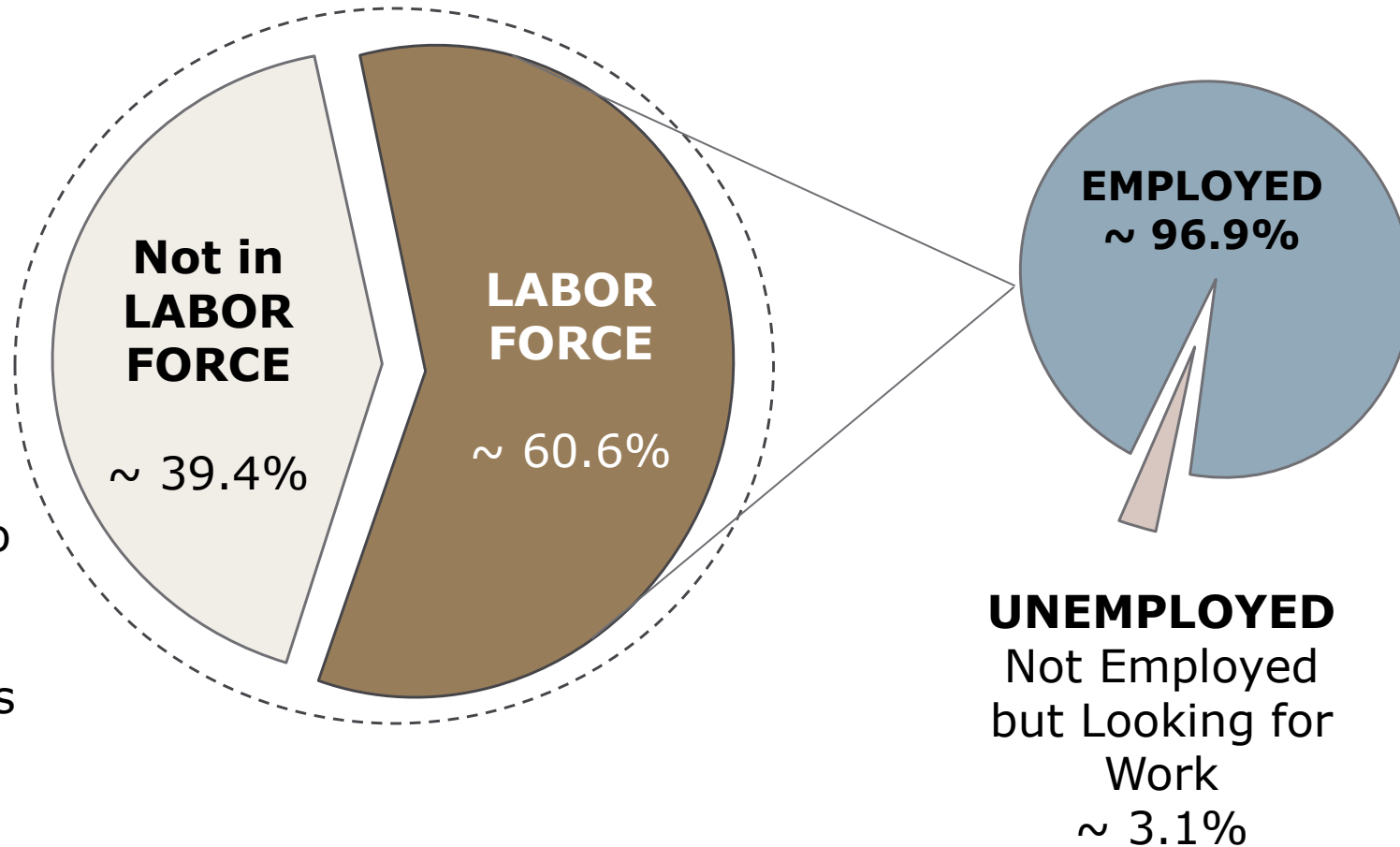


# Workforce and Employment

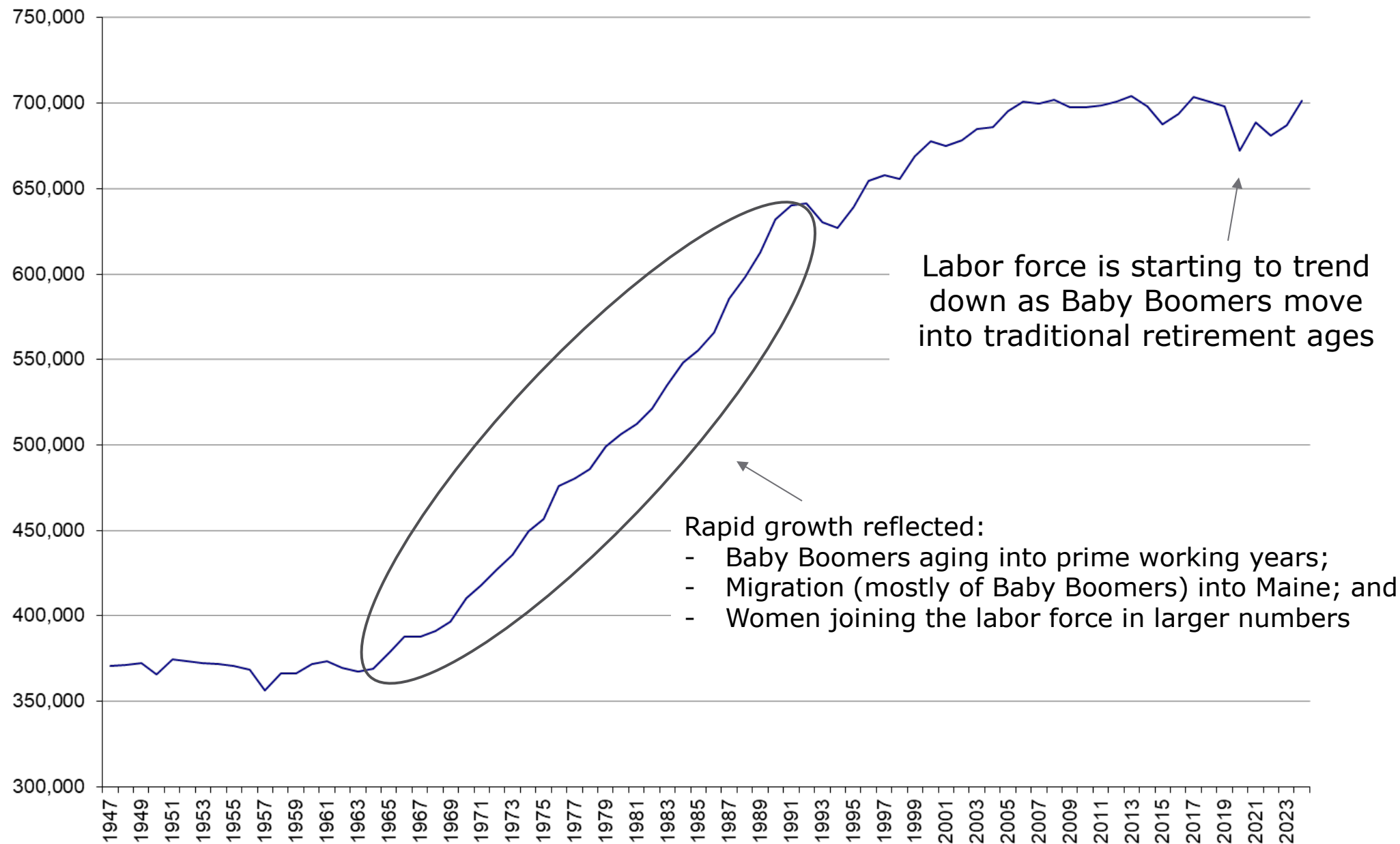
# Who is in the labor force?

Civilian population, age 16+

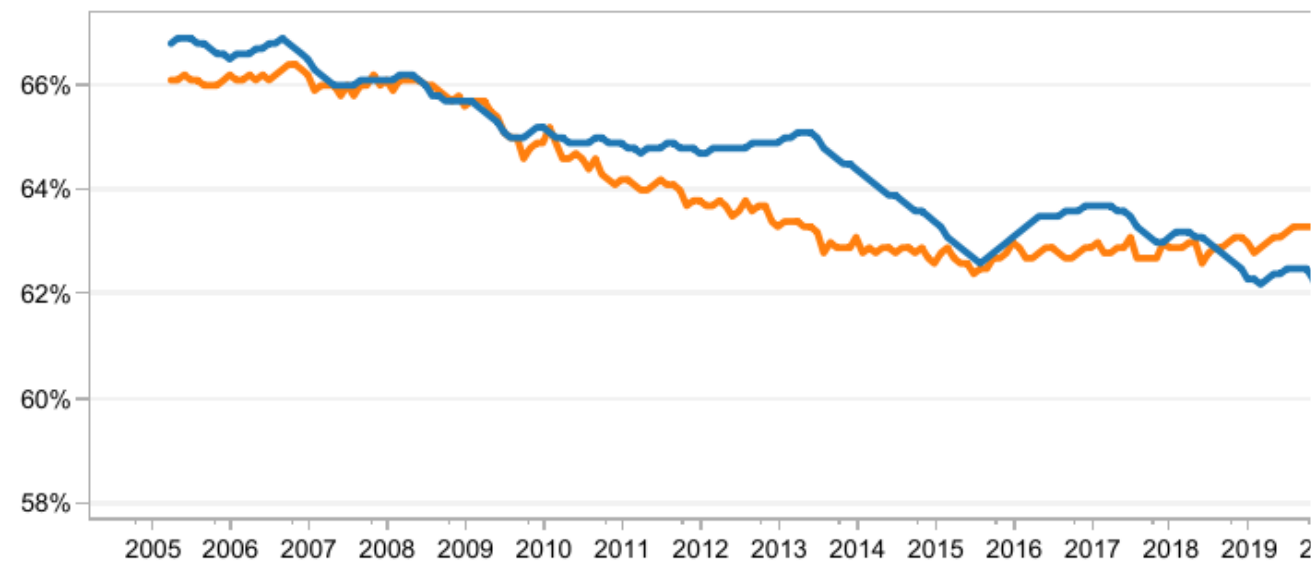
Not available and not looking for work. This could include people who are retired, full-time students, or full-time caregivers



## Maine Civilian Labor Force



### Labor Force Participation Rate (seasonally adjusted)

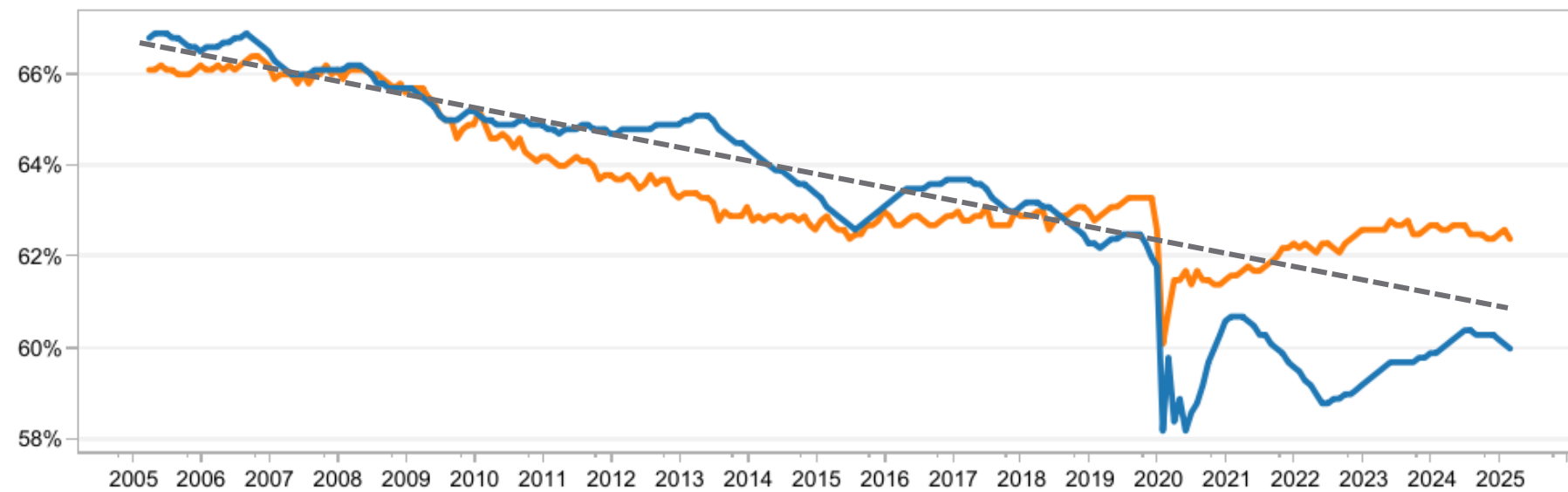


May, 2005 to May, 2025

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

■ Maine  
■ United States

## Labor Force Participation Rate (seasonally adjusted)



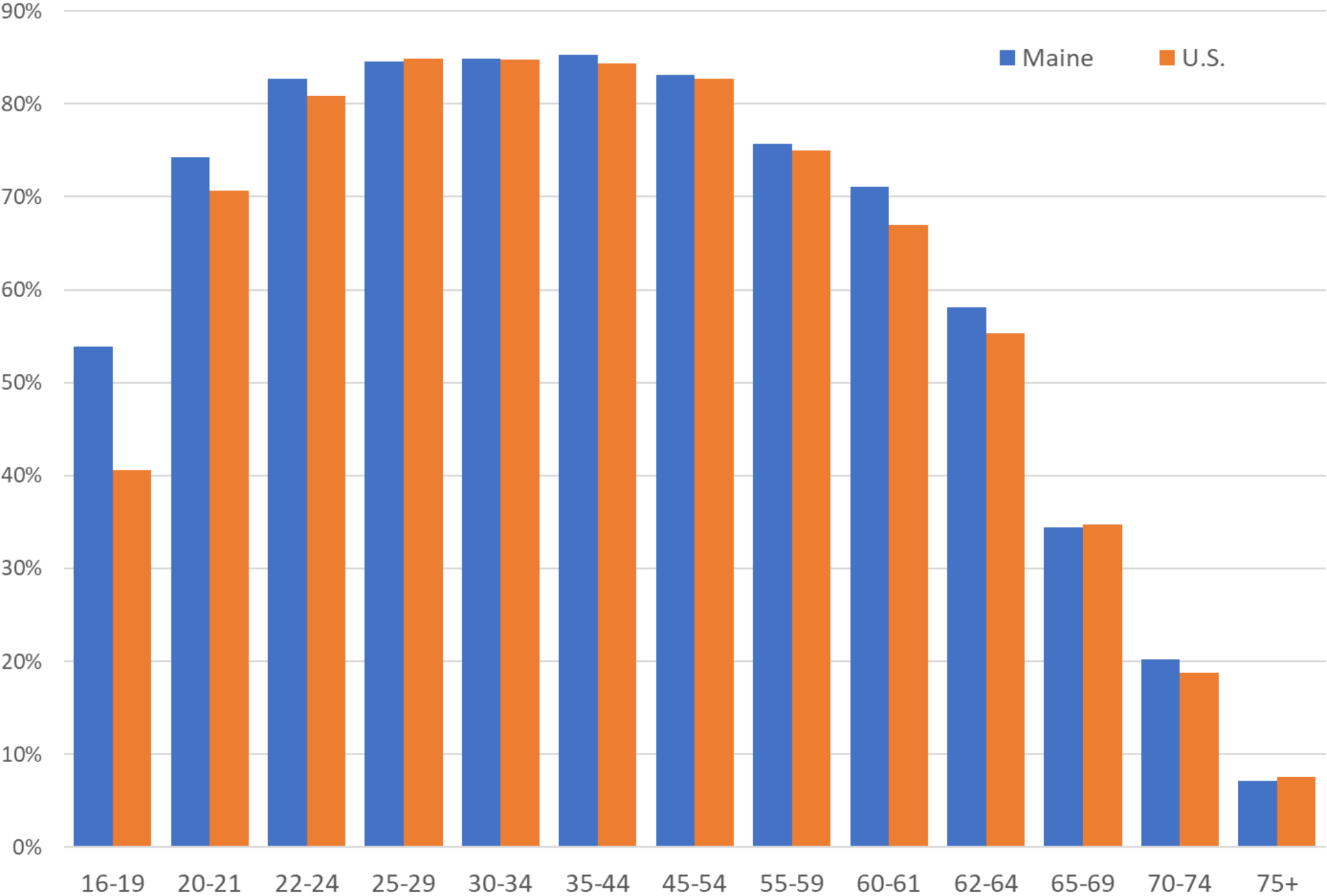
May, 2005 to May, 2025

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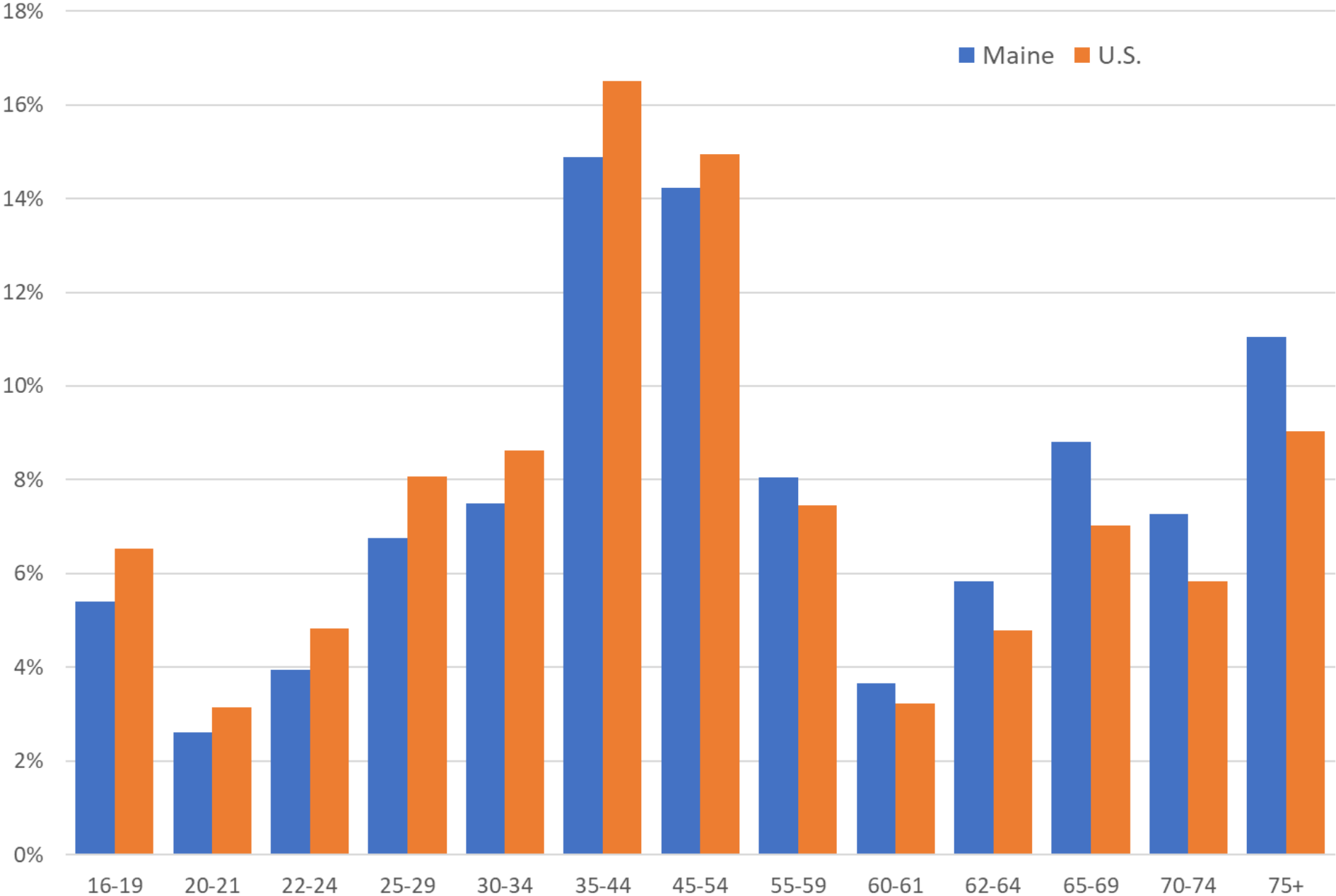
■ Maine  
■ United States



# 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	↑

Unemployment rate

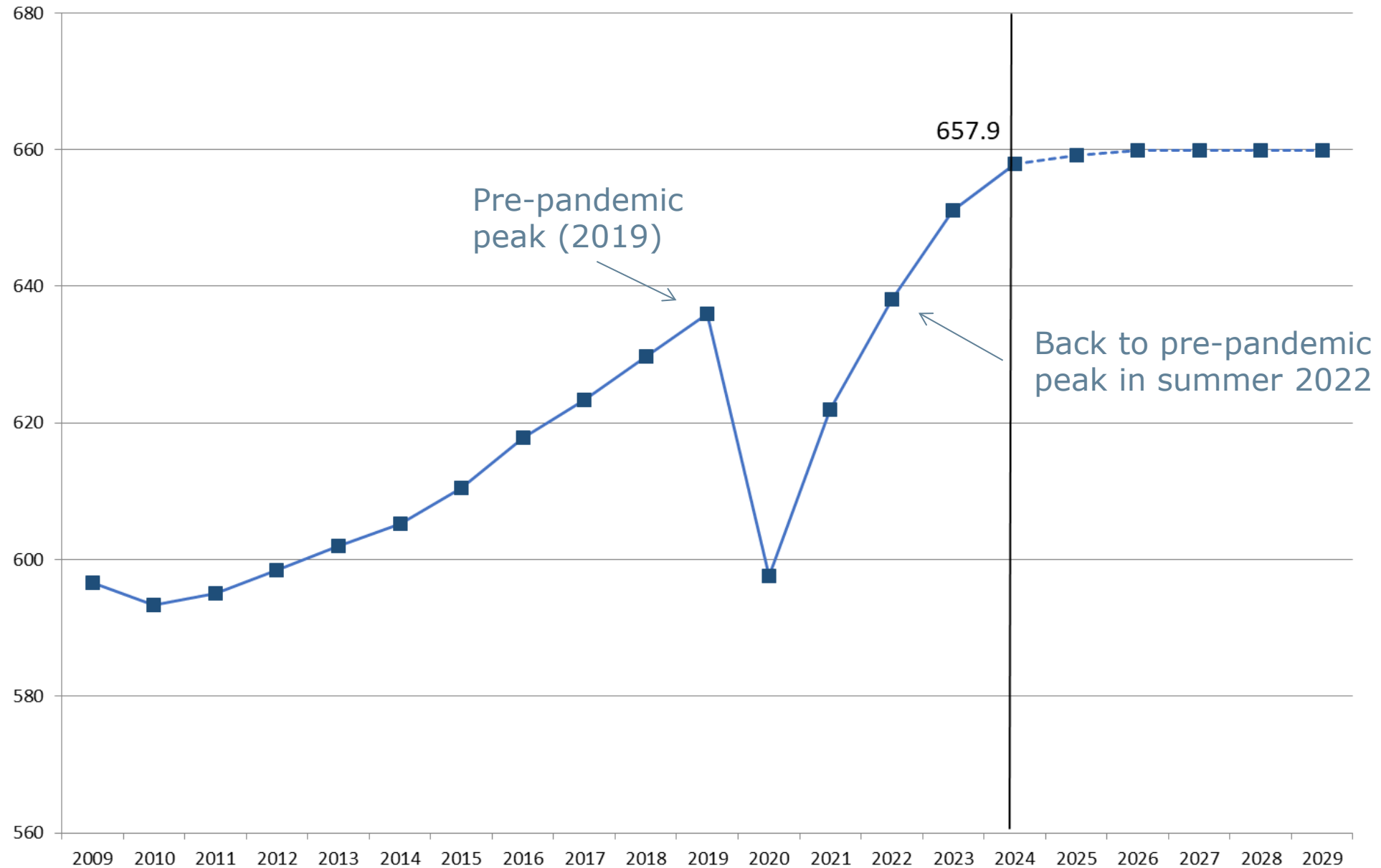
2.7% 4.9%

Maine Department of Labor, Center for Workforce Research and Information

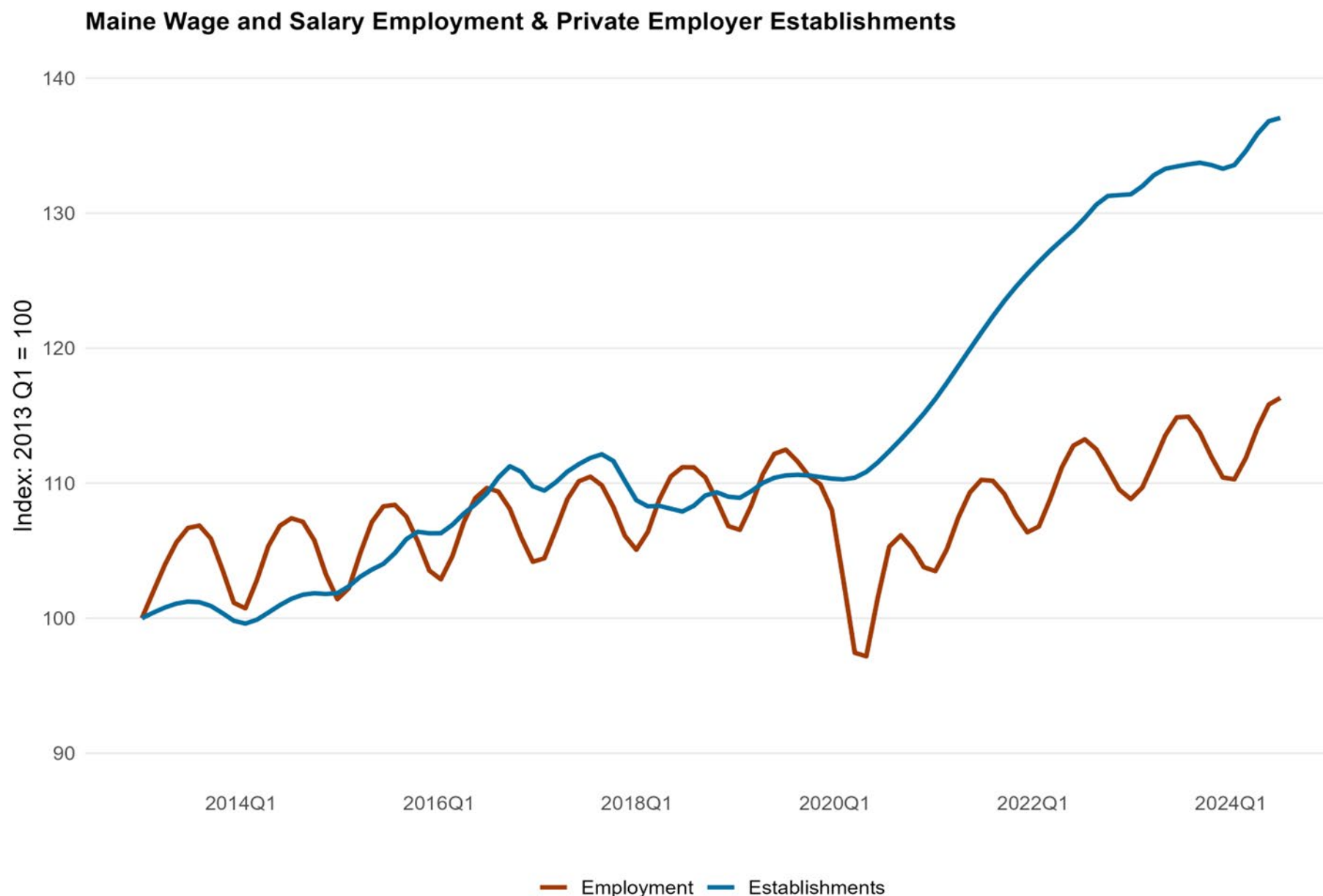
Maine’s seasonally-adjusted 3.4% unemployment rate in May 2025 is below both the U.S. and New England rates, but nearly all Maine counties are slightly higher than one year ago

43

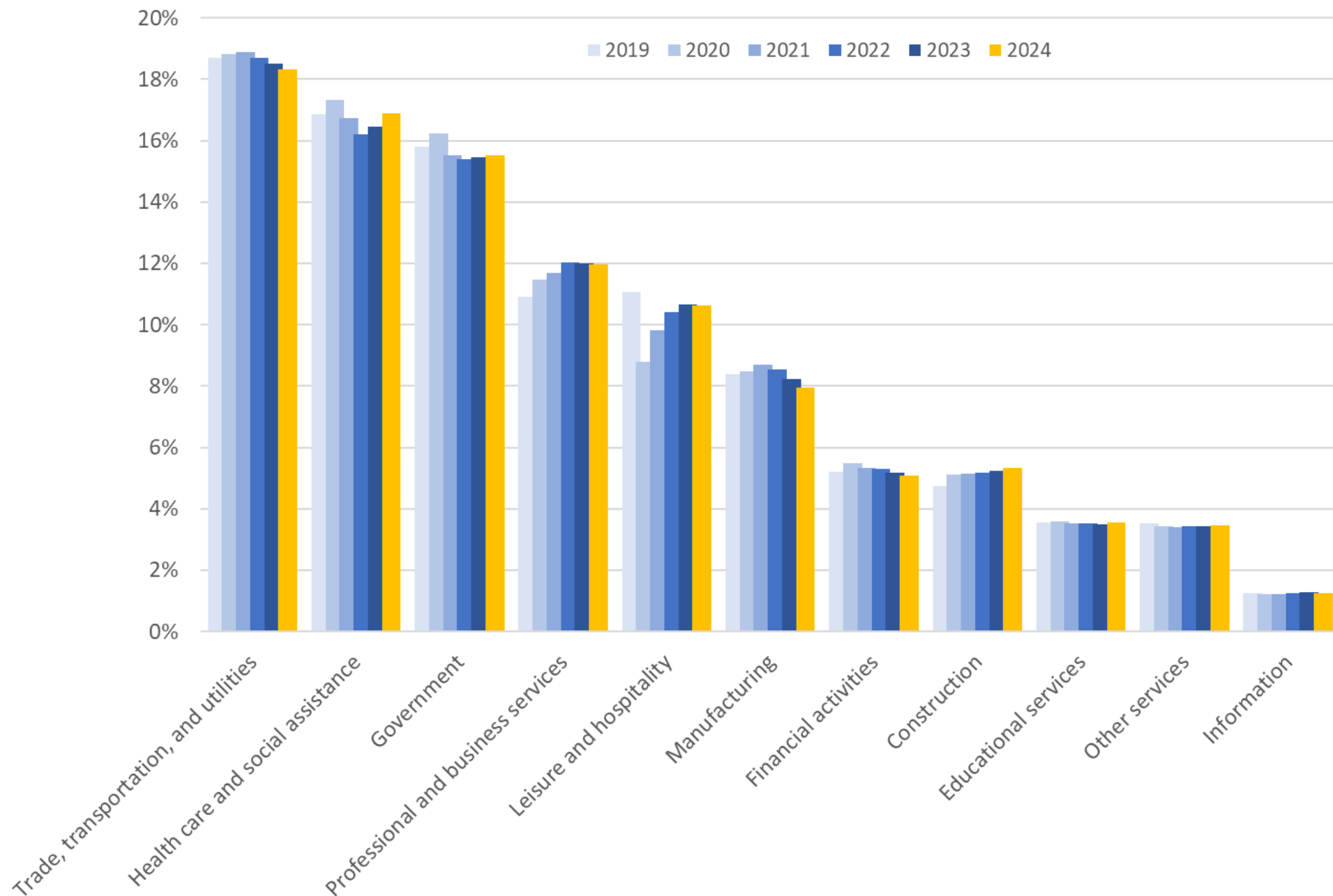
## Total Nonfarm Employment (in thousands) History and Consensus Economic Forecasting Commission forecast



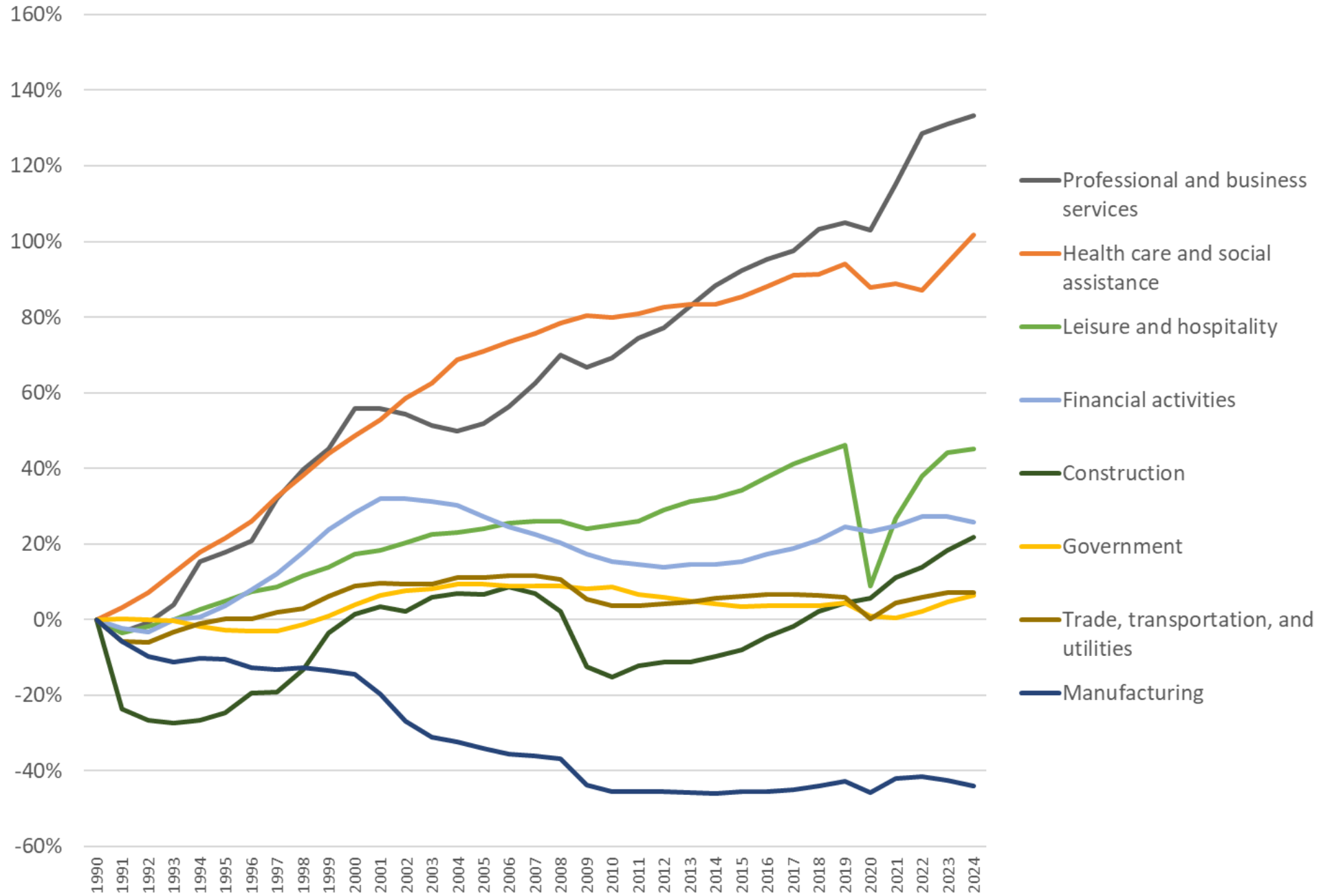
As remote work grew during the pandemic, Maine saw employer establishments grow at a faster rate than jobs as out-of-state firms reported small numbers of workers now in Maine.



## Share of Maine Nonfarm Employment by Industry



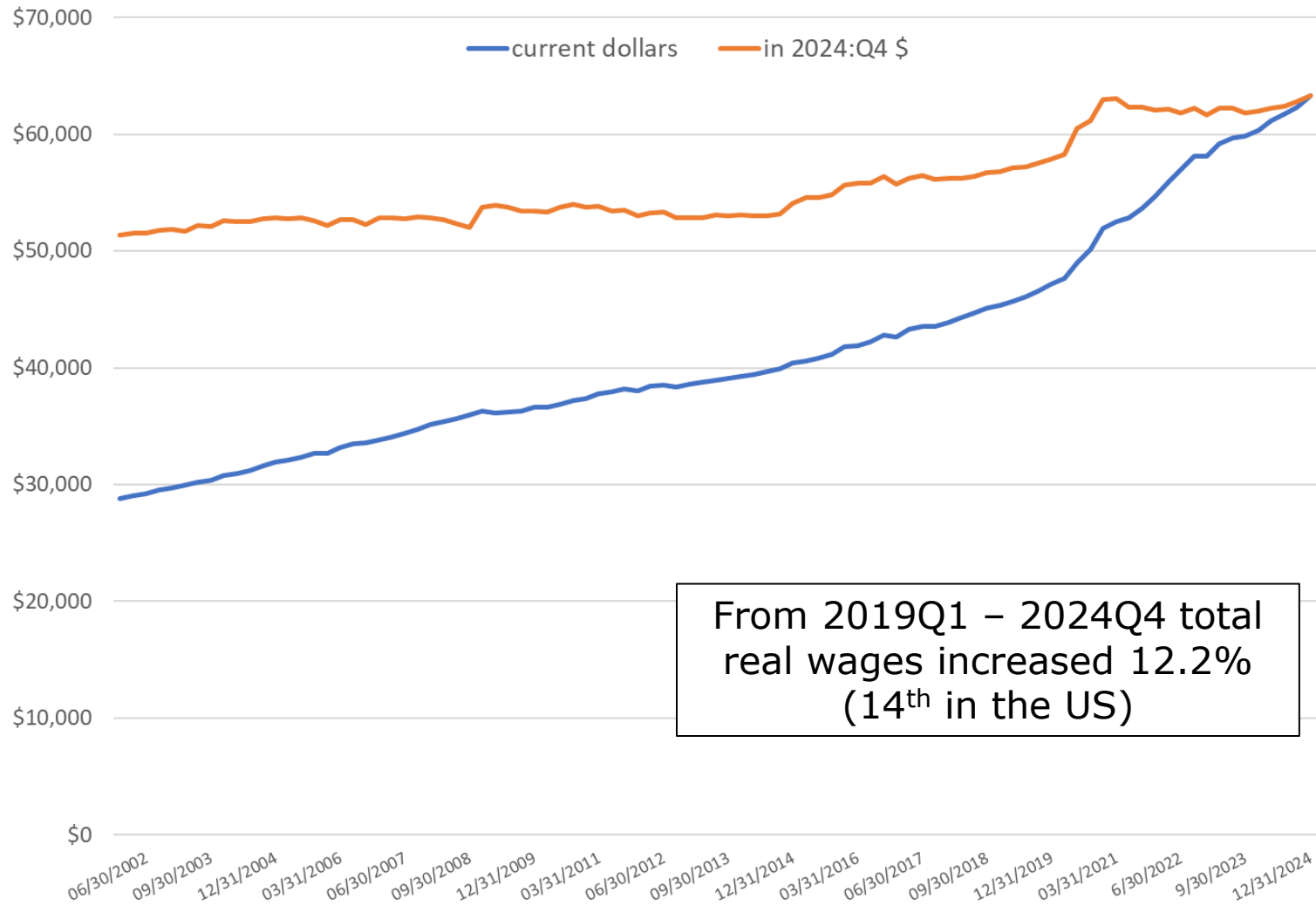
## Percent change in select Maine employment sectors since 1990



# Wages, Income, and Spending

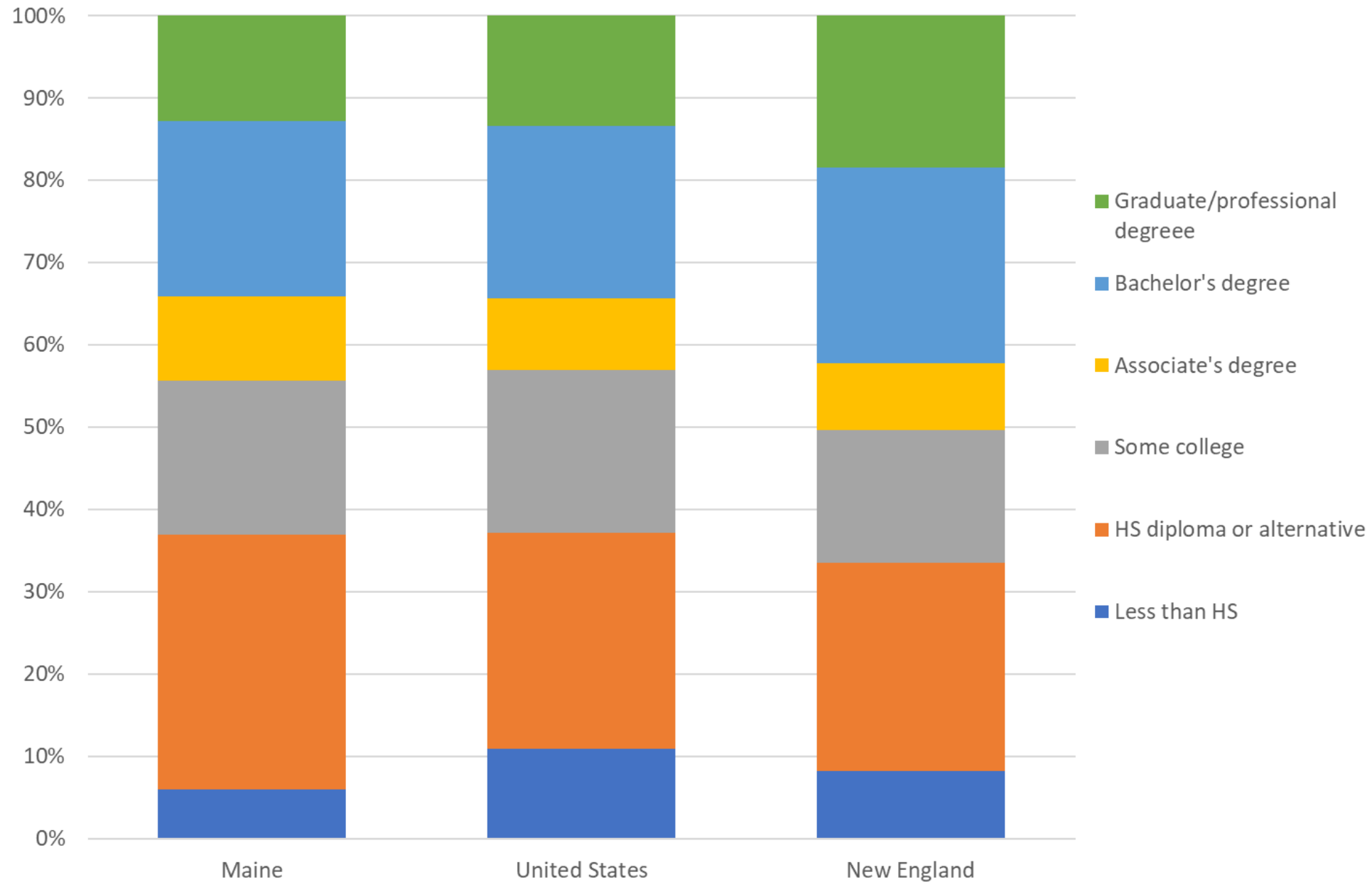


## Moving Four Quarter Average Wage Per Job

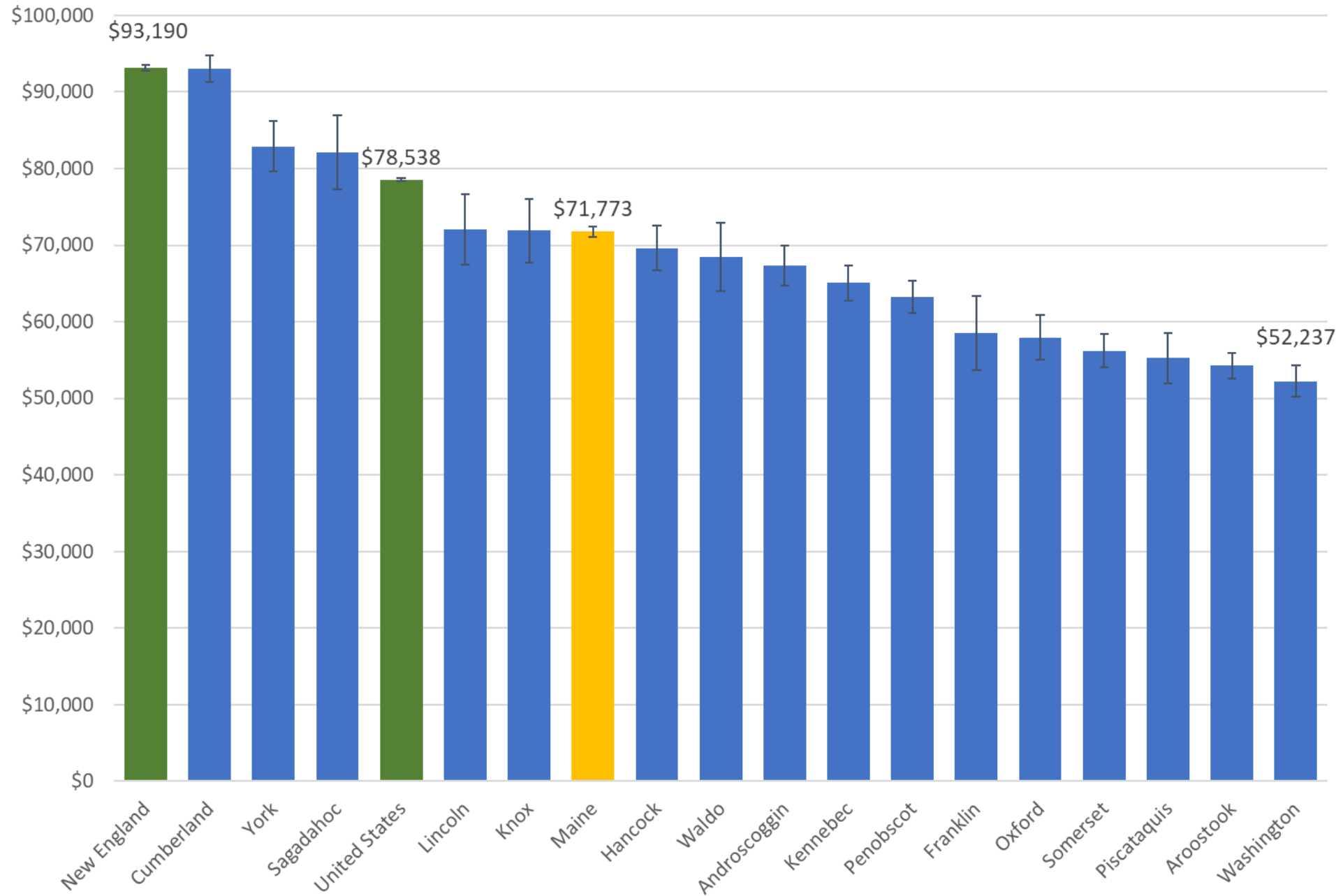


Wages increased sharply during the first part of the pandemic; since then, increases have roughly kept pace with inflation

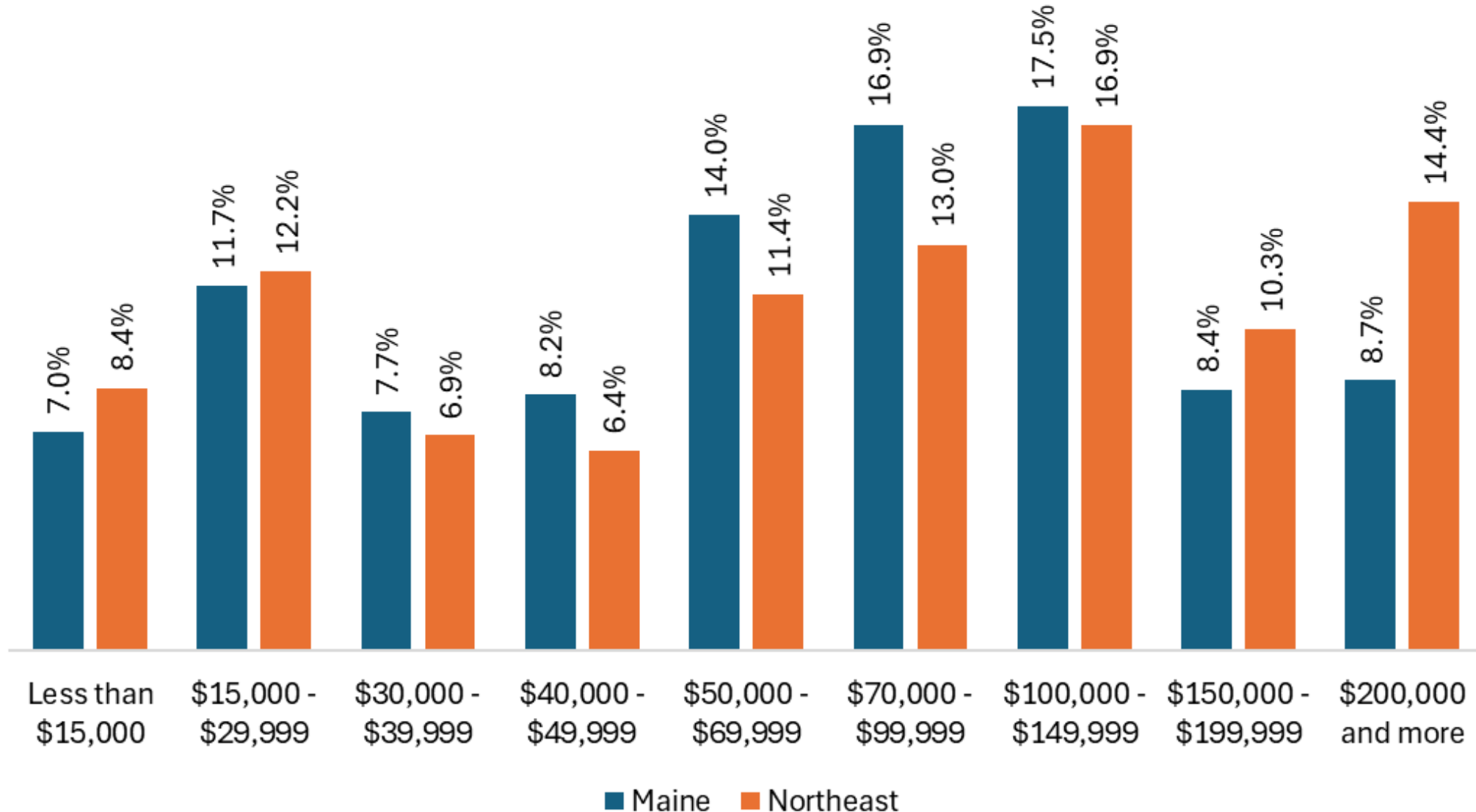
## Educational Attainment of Population Age 25+

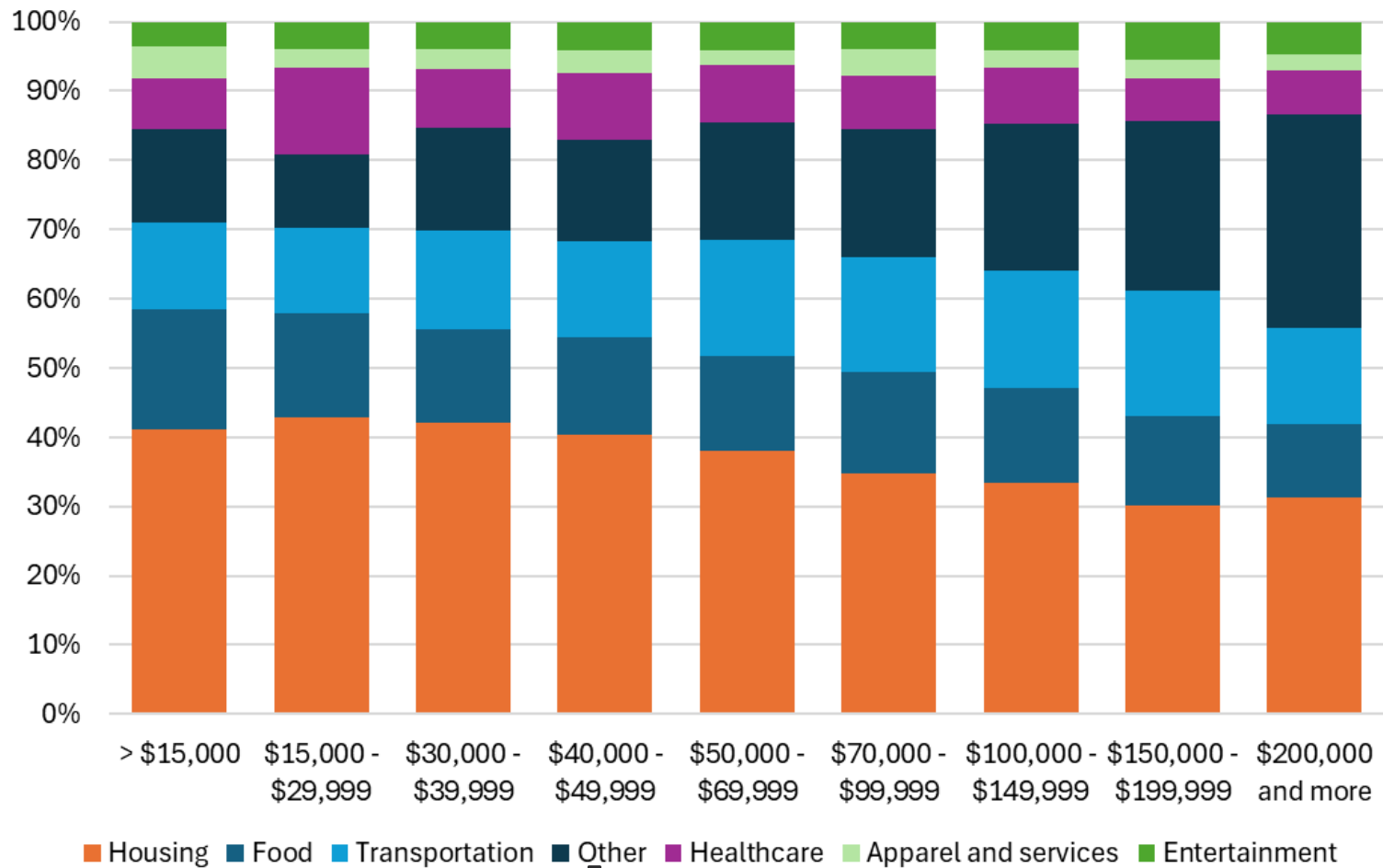


## Median Household Income



# Maine has relatively fewer households at the highest income brackets

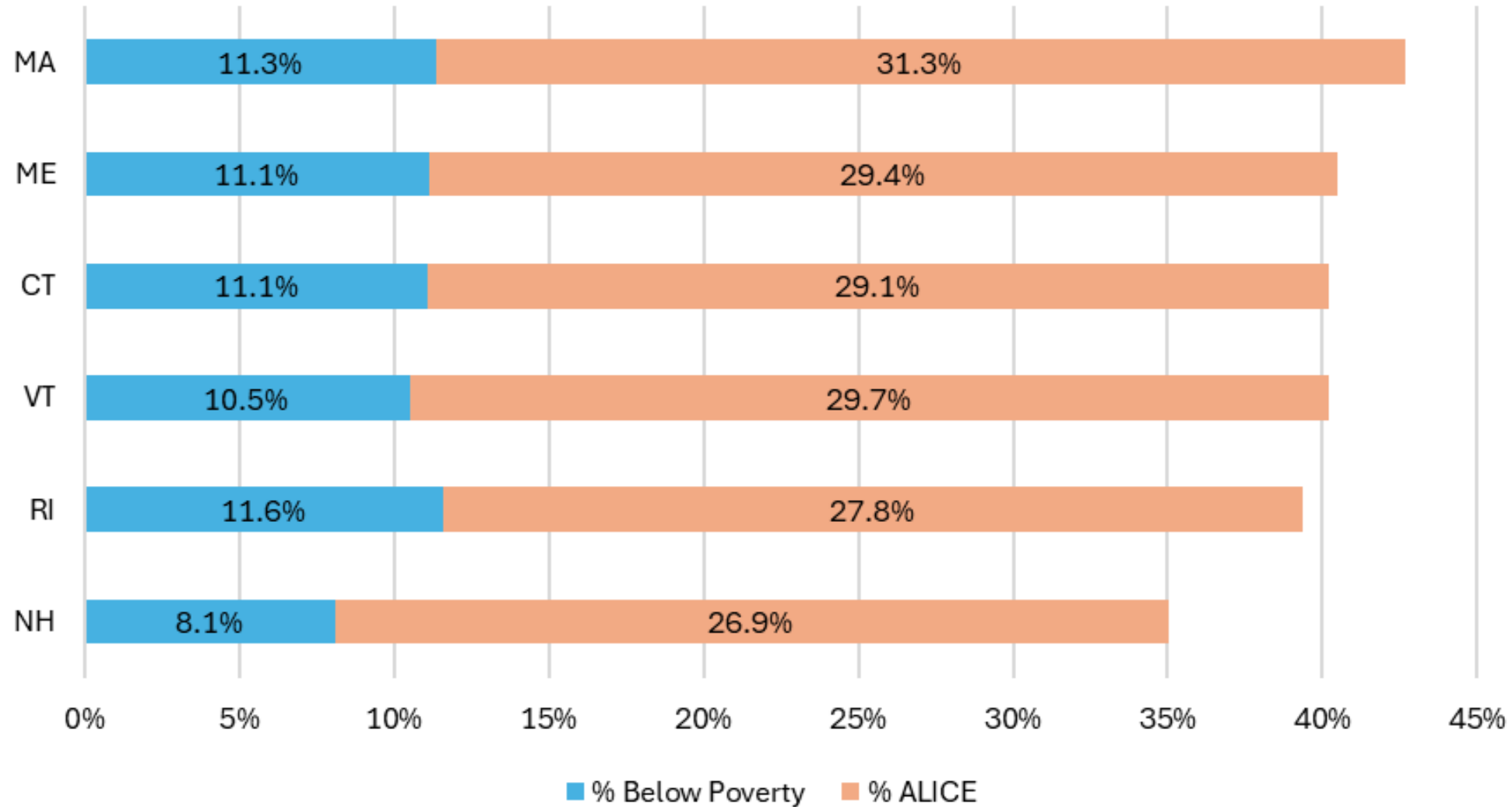




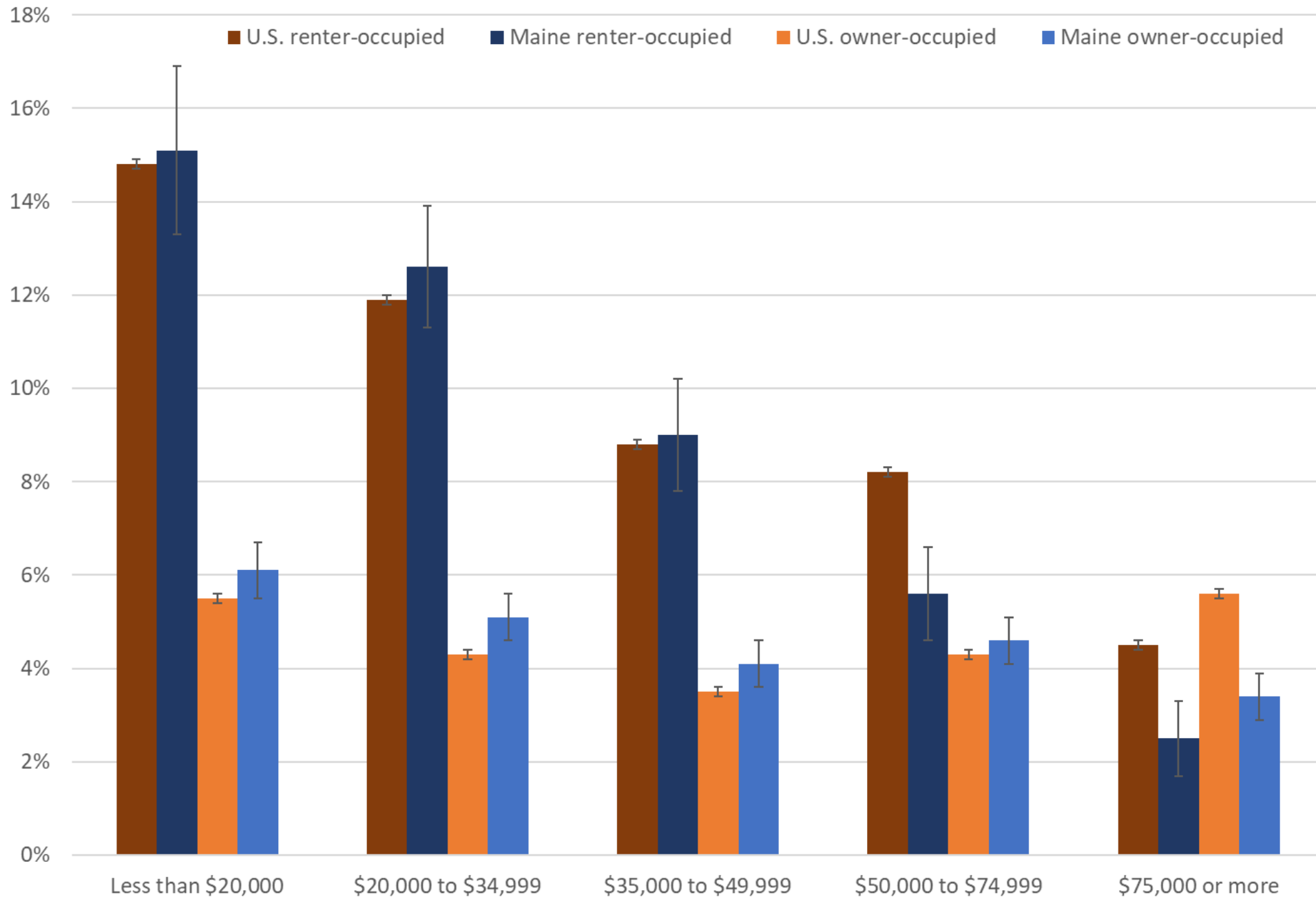
Other includes:
Personal care products and services
Reading
Education
Tobacco products and smoking supplies
Miscellaneous
Cash contributions
Alcohol
Personal insurance and pensions

In the Northeast Region, households with lower incomes tend to spend a higher share of income on housing and food

## Share of households below poverty and below ALICE threshold, 2023



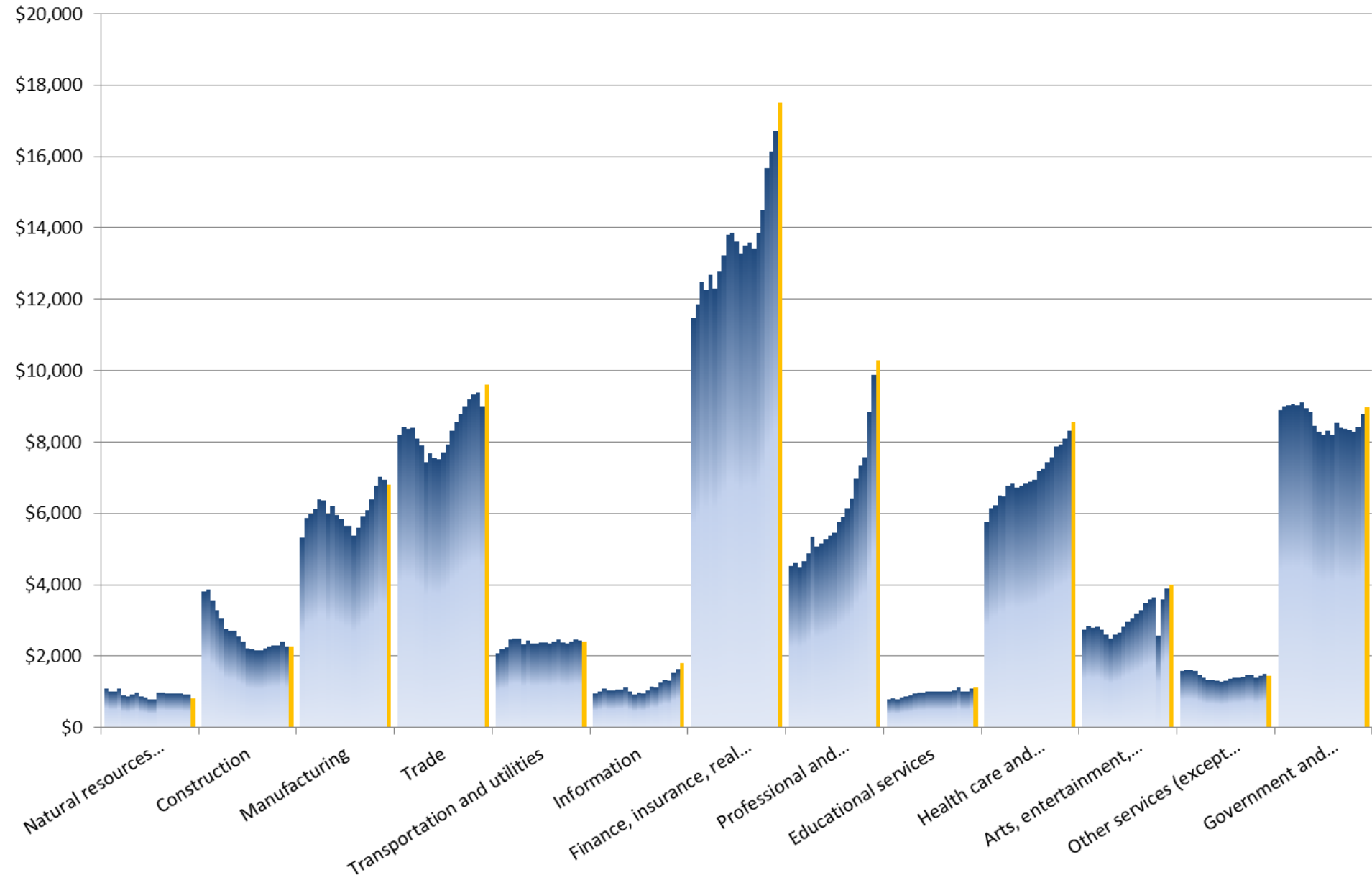
## Percent of households paying more than 30% of income in monthly housing costs



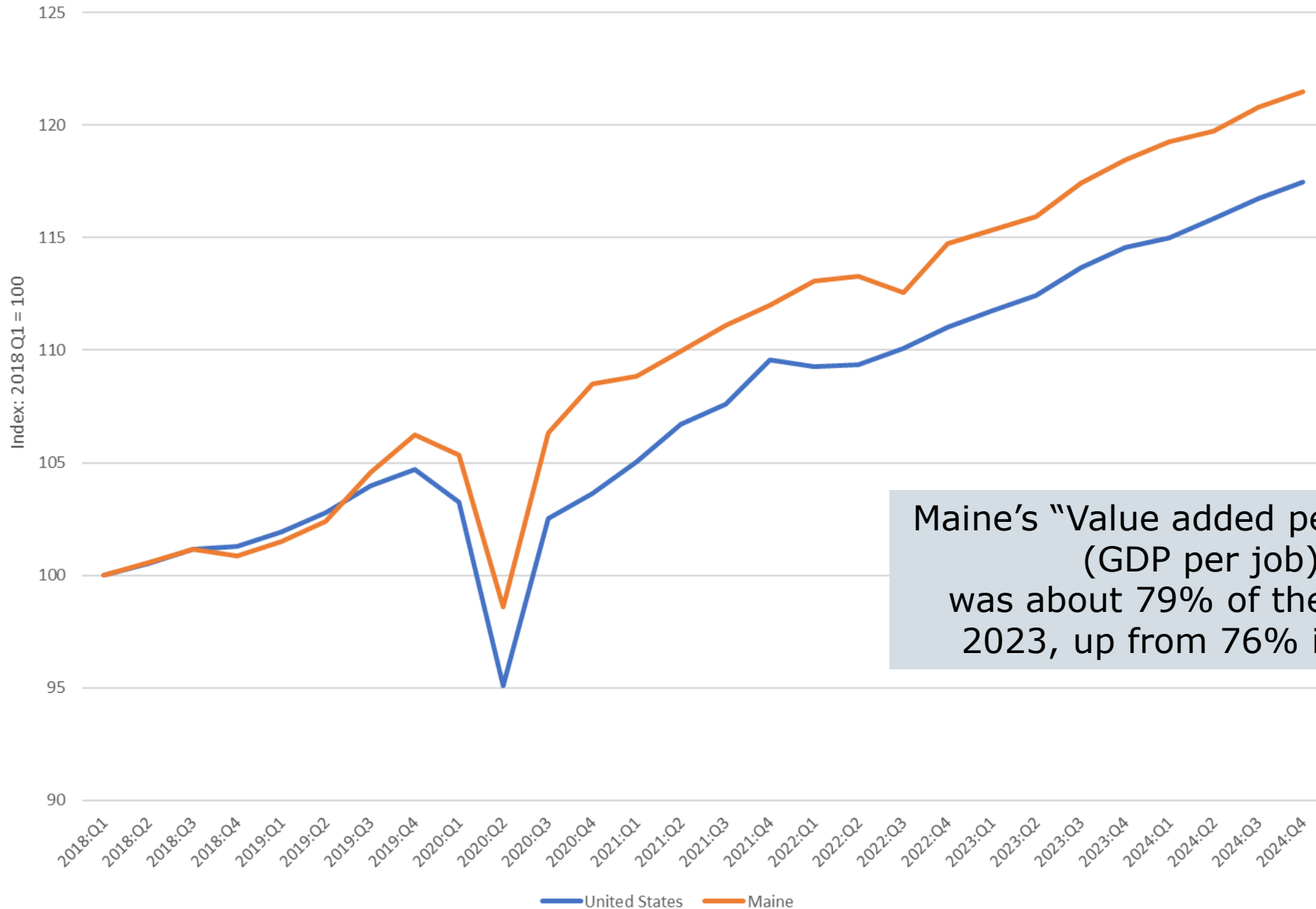
# Gross Domestic Product (GDP)



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

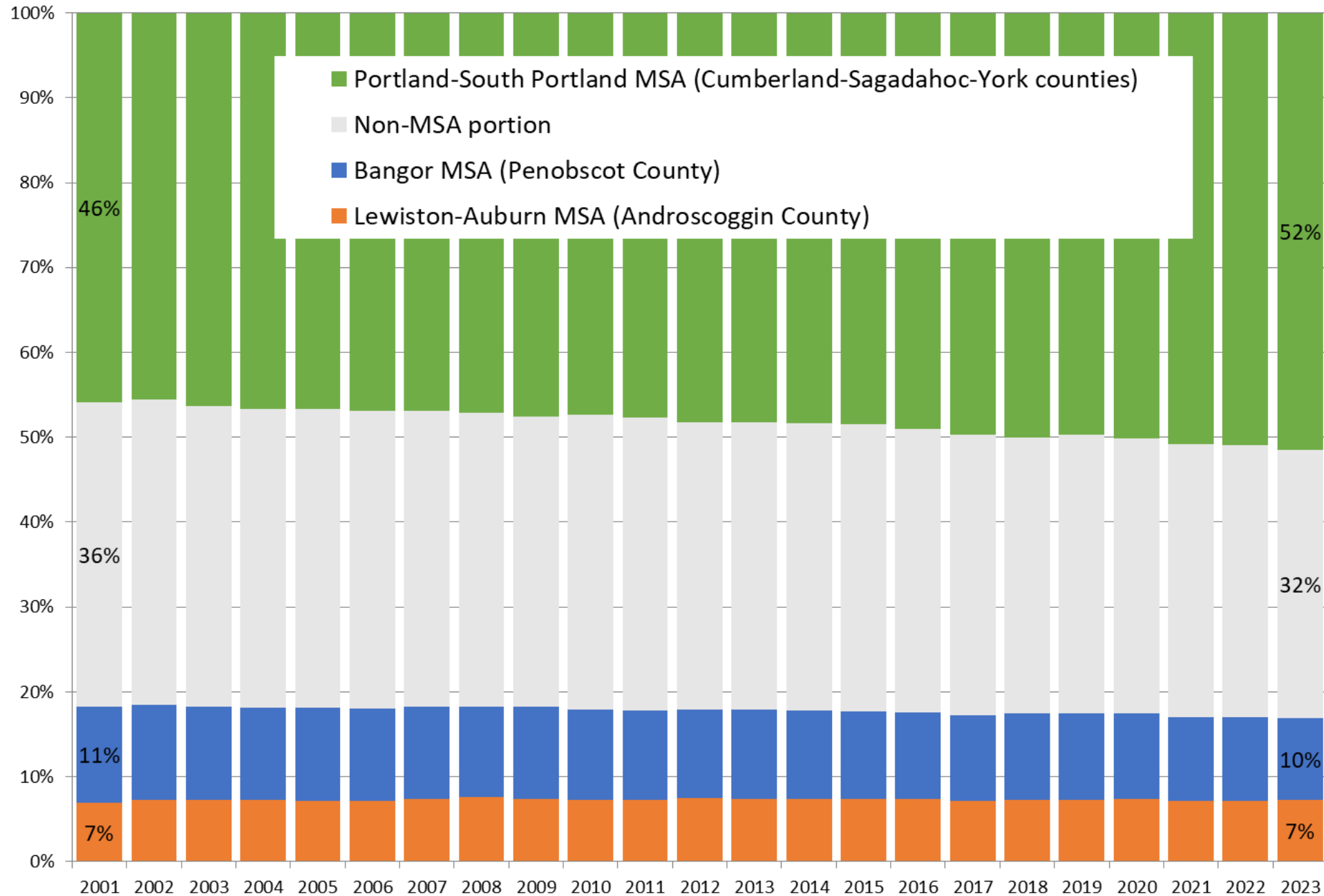


Quarterly Real GDP (in millions of chained 2017 dollars)



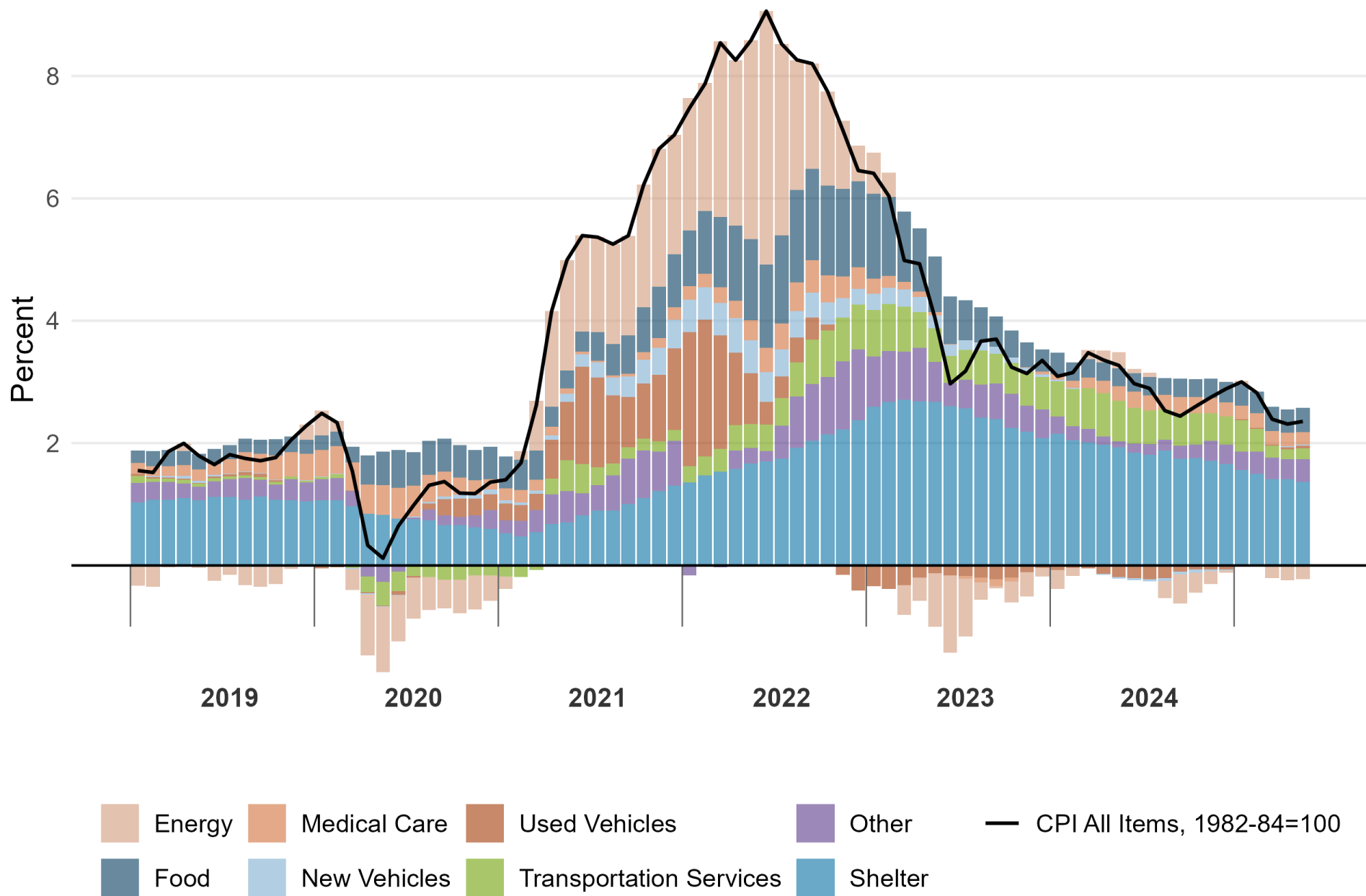
Maine's "Value added per worker"  
(GDP per job)  
was about 79% of the U.S. in  
2023, up from 76% in 2018

## Share of Maine GDP by Metropolitan Area



# Macroeconomic Conditions

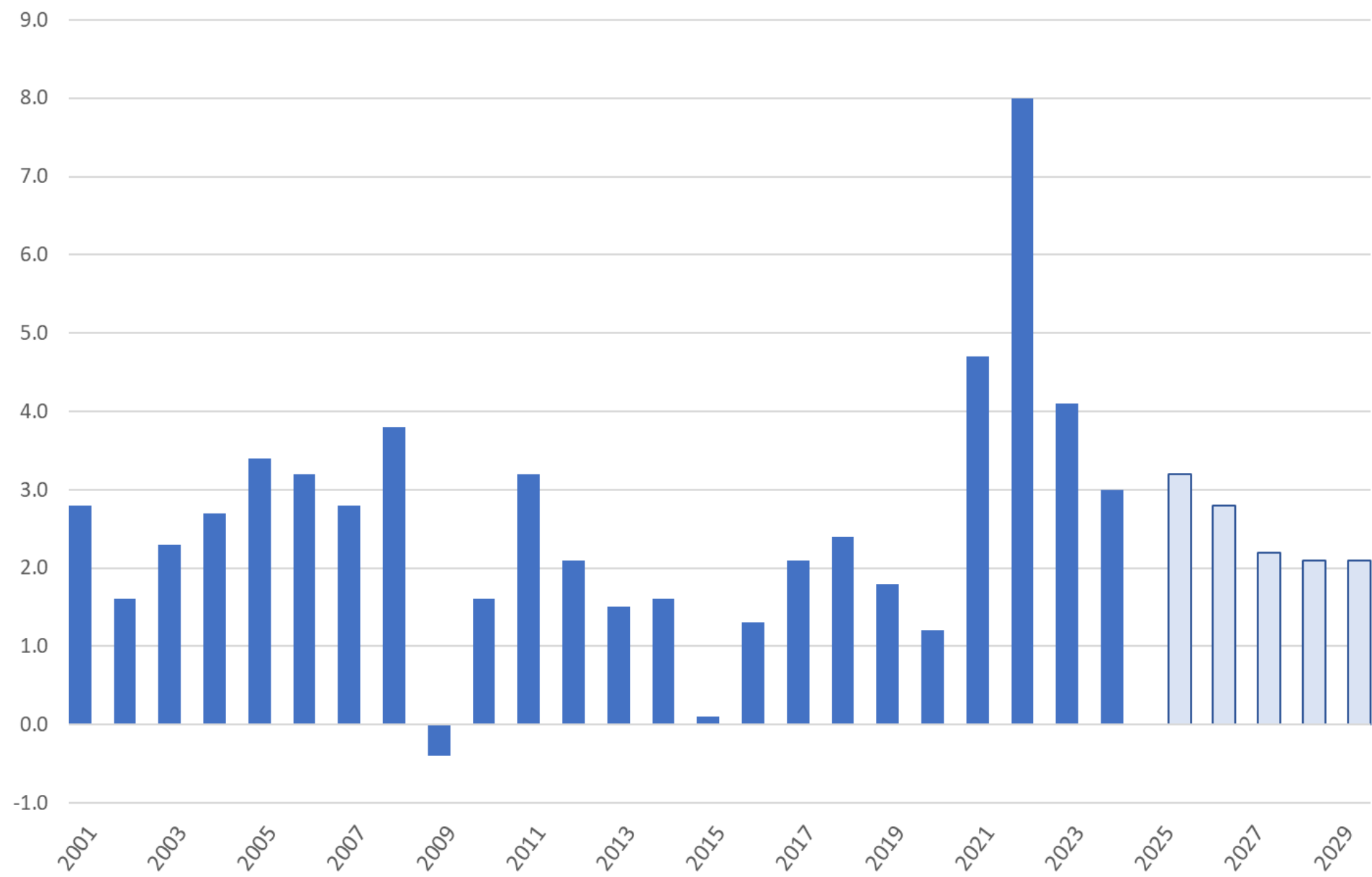
# Percentage Point Contribution to Year-Over-Year Percent Change in CPI



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

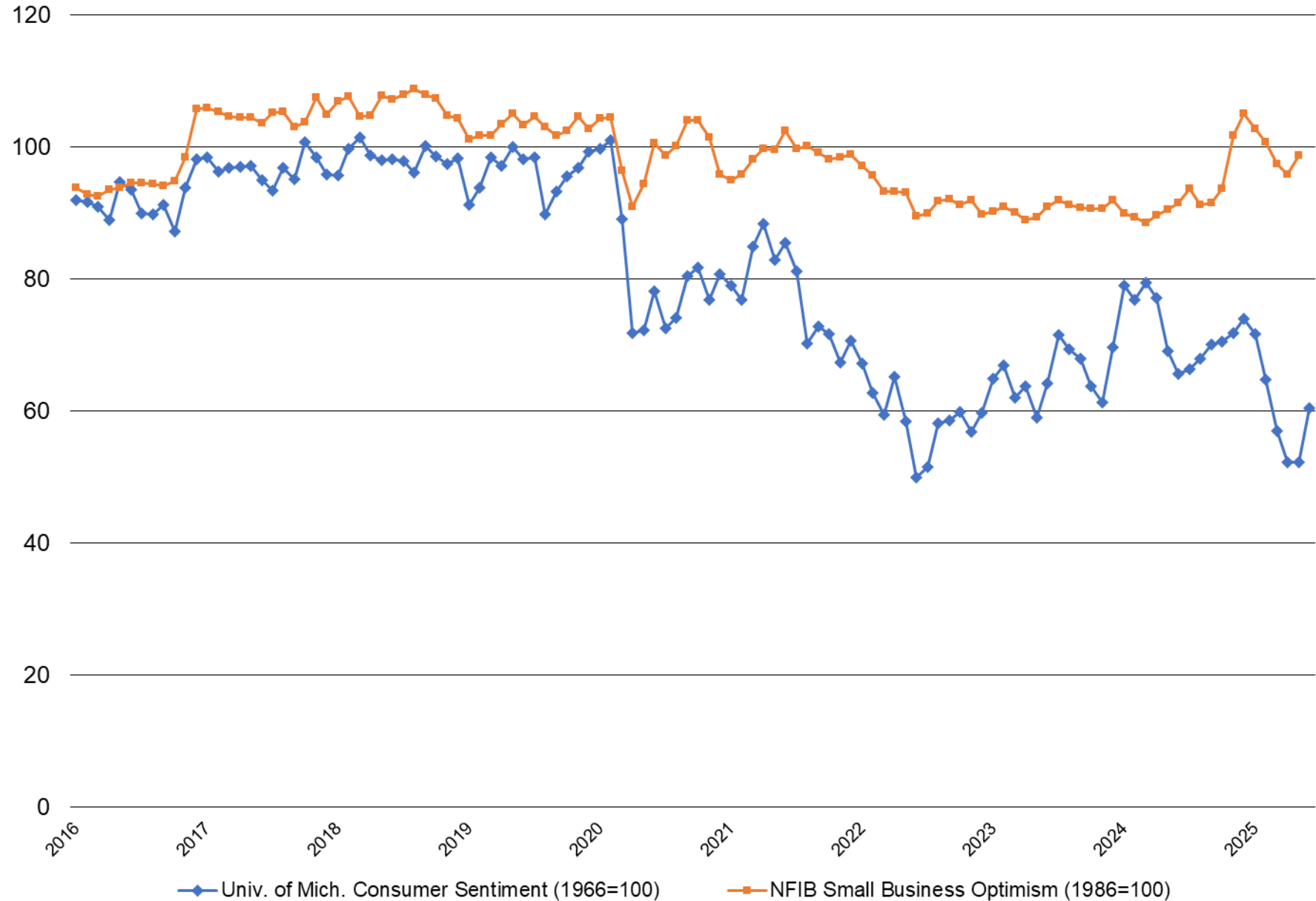
Source: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, not seasonally adjusted)

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



Sources: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, seasonally adjusted); Consensus Economic Forecasting Commission report, April 1, 2025

## Consumer Sentiment and Small Business Optimism Indexes



Consumer sentiment saw sharp declines based on deteriorations in future expectations, including higher inflation

Small business optimism spiked following the election and then dropped, reflecting increased uncertainty and higher inflation

Both saw improvements in the most recent month

# Federal funding has become more uncertain and unstable

- In 2023, the State of Maine received \$4.3 billion, with \$2.8 billion going to Medicaid
- UMaine impacts from grants/contracts – ASCC
- NIH funding – life sciences sector (top NIH recipients in Maine = JAX, MaineHealth, UNE, MDIBL, UMaine Orono)
- Overall uncertainty about funding going forward

Category	FY 2023 Share of Non-Medicaid Federal Funding (\$1.5 billion)
Income Security and Social Services	32.1%
Transportation	27.3%
Education	14.1%
Energy, Environment, and Natural Resources	12.6%
Health (non-medicaid)	9.7%
Community and Regional Development	1.9%
Employment and Training	1.0%
Justice	0.7%
Agriculture	0.5%
General Government Support	0.1%



# 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

# Contact Information

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