

The Northern New England Economy: Trends and Outlook

New England Real Estate Journal

Northern New England Economic Outlook
and Real Estate Developments

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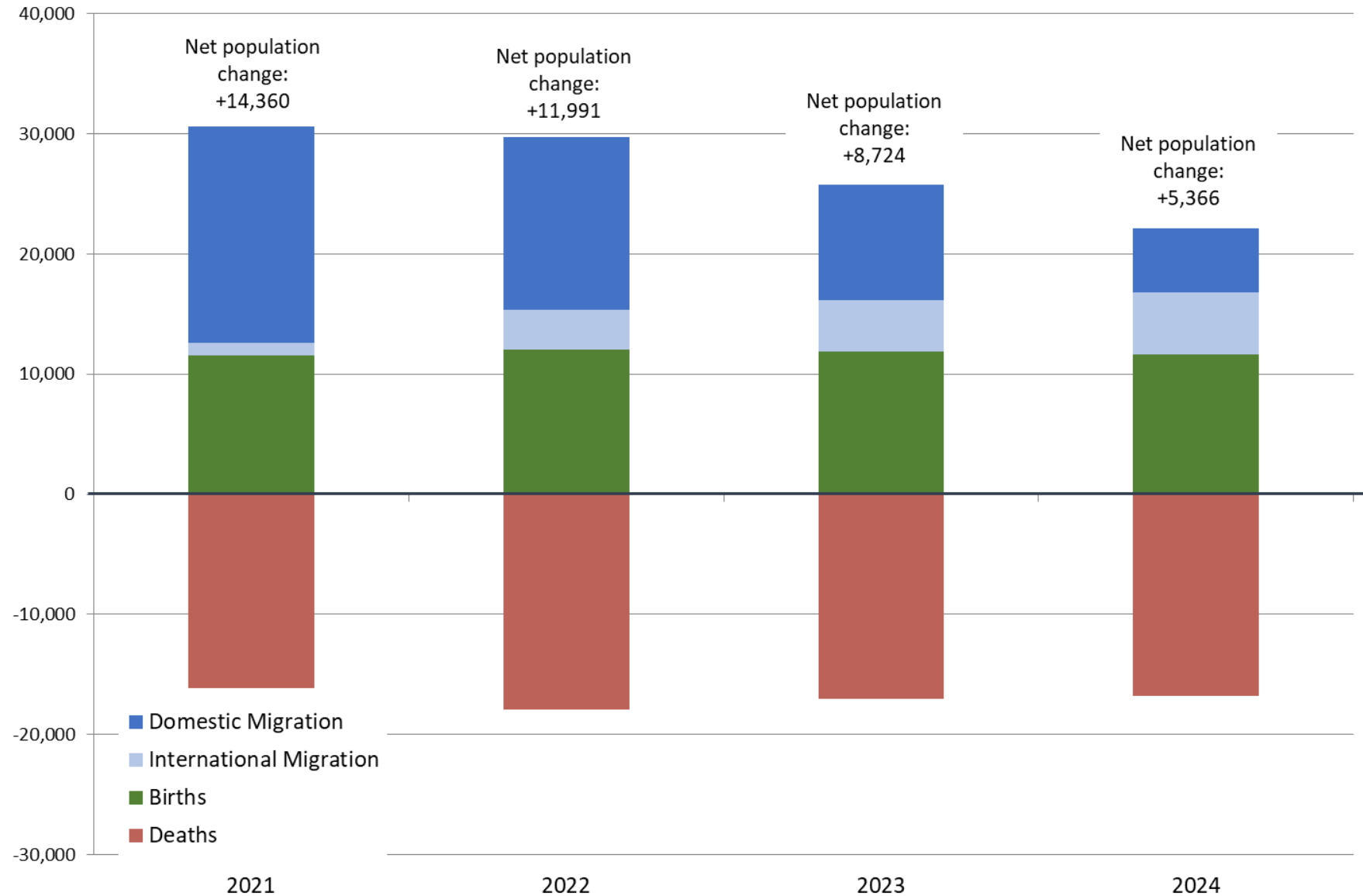
Population

Components of Population Change, Maine

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

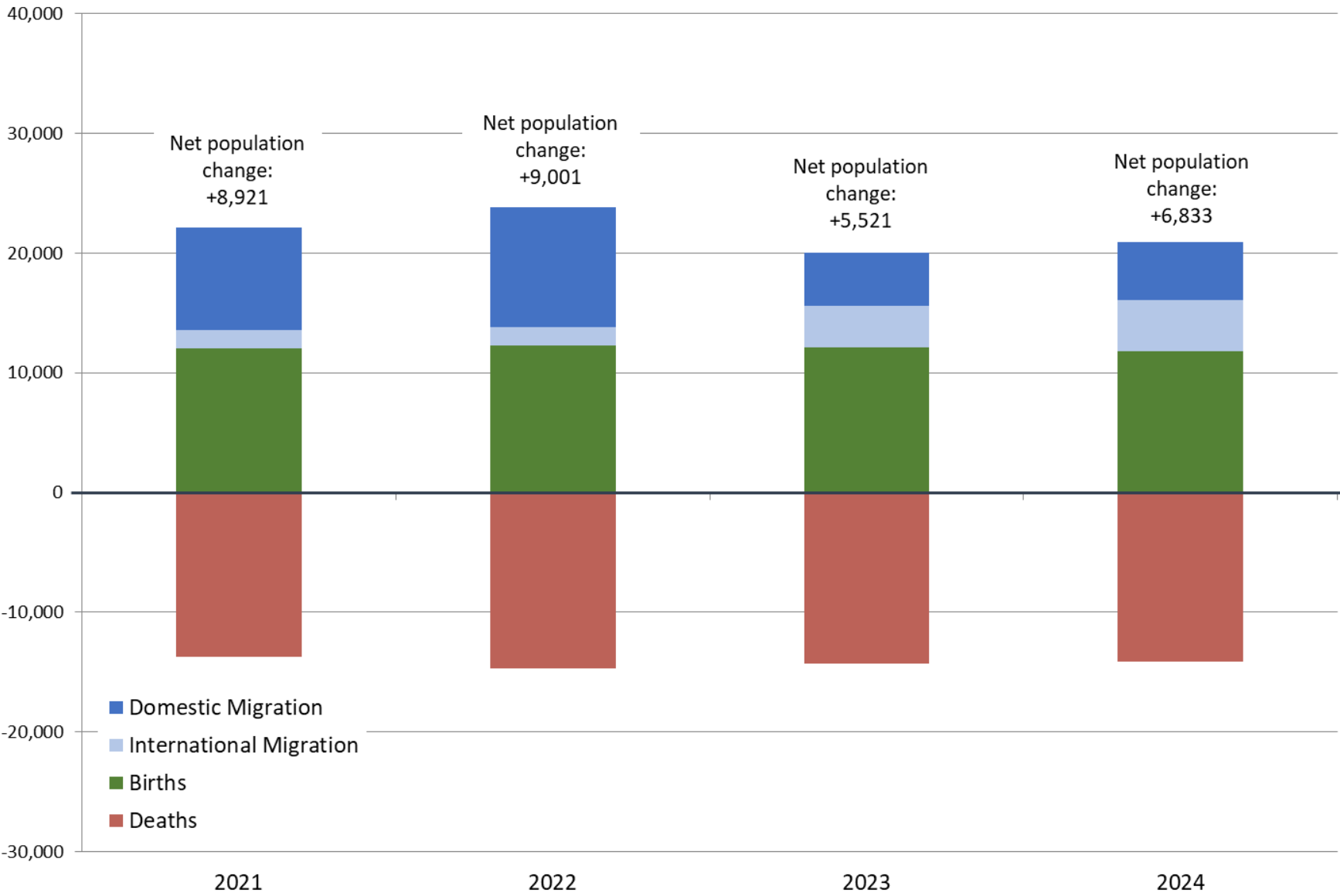


Components of Population Change, New Hampshire

Population increase of 4.6% from 2010-2020 (30th in U.S.)

Population increase of 2.3% from 2020-2024 (20th in U.S.)

2024 Total Population: 1,409,032

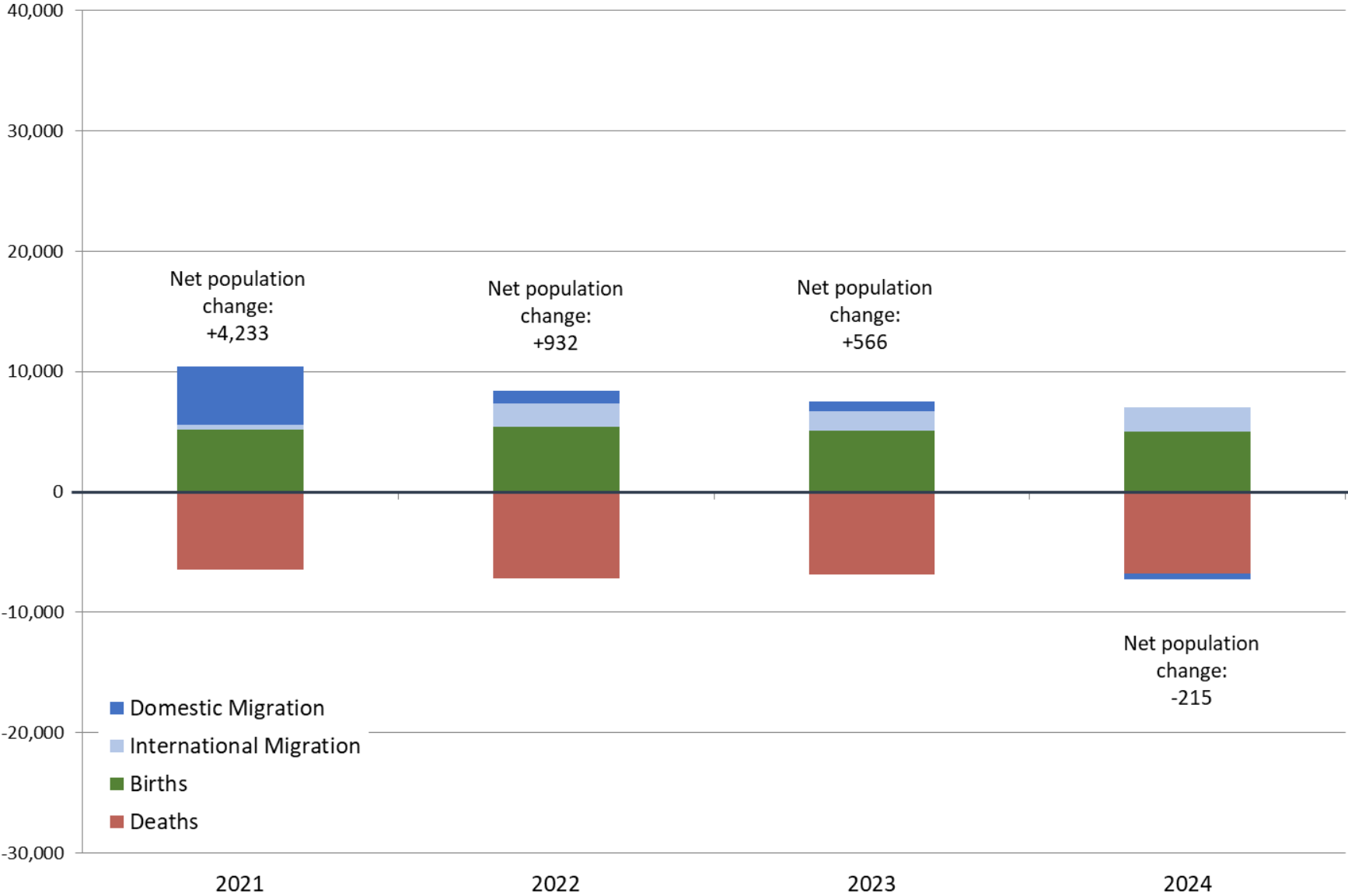


Components of Population Change, Vermont

Population increase of 2.8% from 2010-2020 (40th in U.S.)

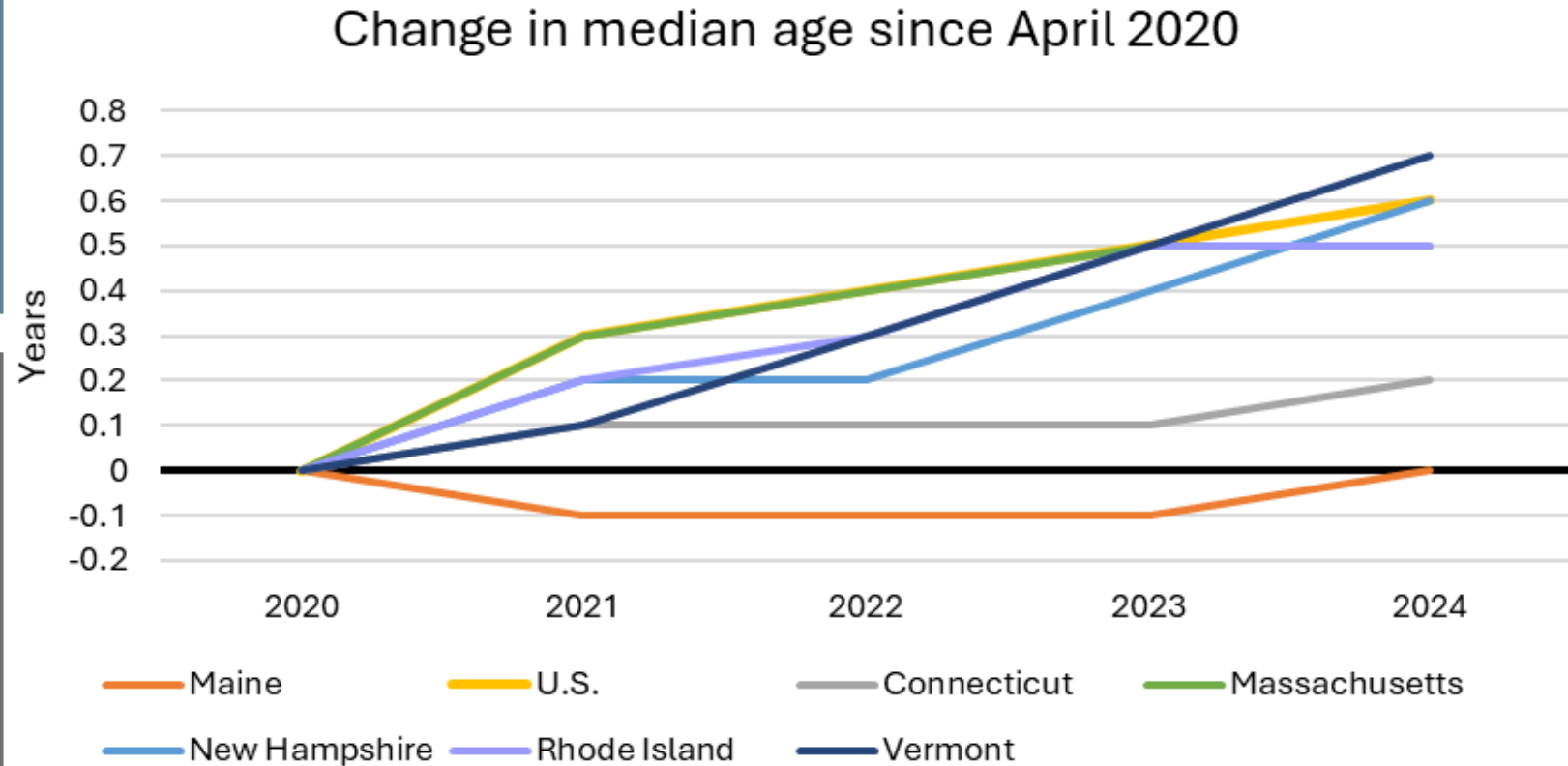
Population increase of 0.8% from 2020-2024 (39th in U.S.)

2024 Total Population: 648,493



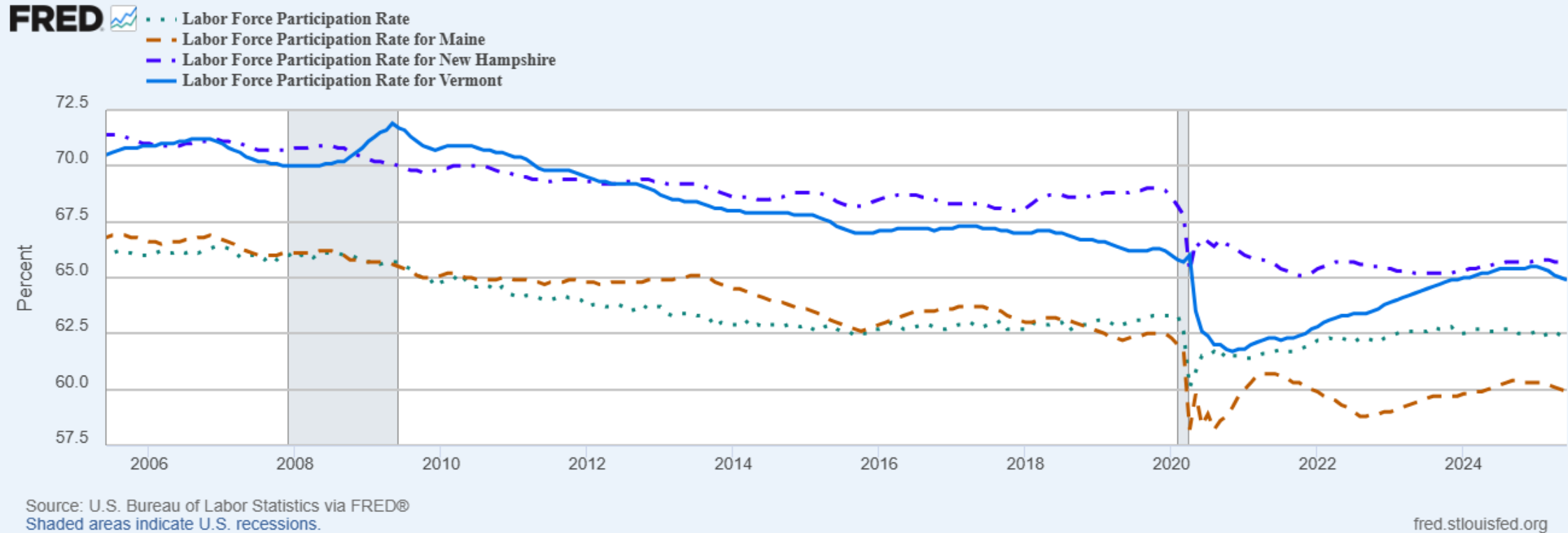
Maine's median age in 2024 is unchanged from 2020, while the U.S. median age has increased 0.6 years

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

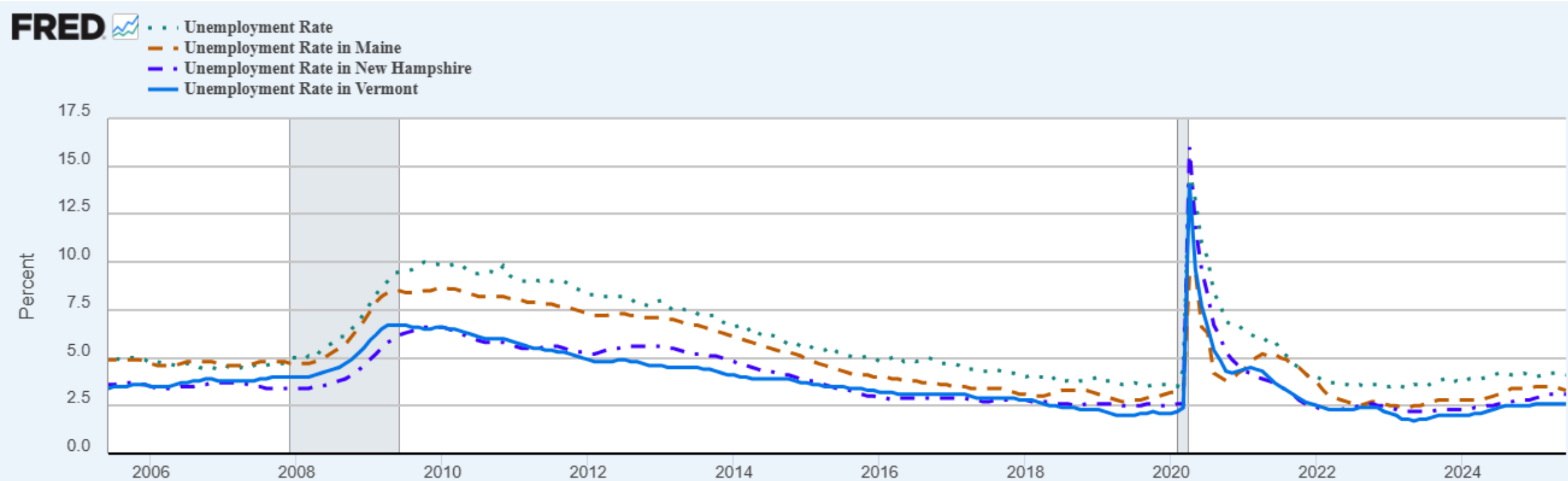


Workforce and employment

Labor force participation rates have been declining over time as a result of the aging of the population



All three Northern New England states have unemployment rates below the U.S.

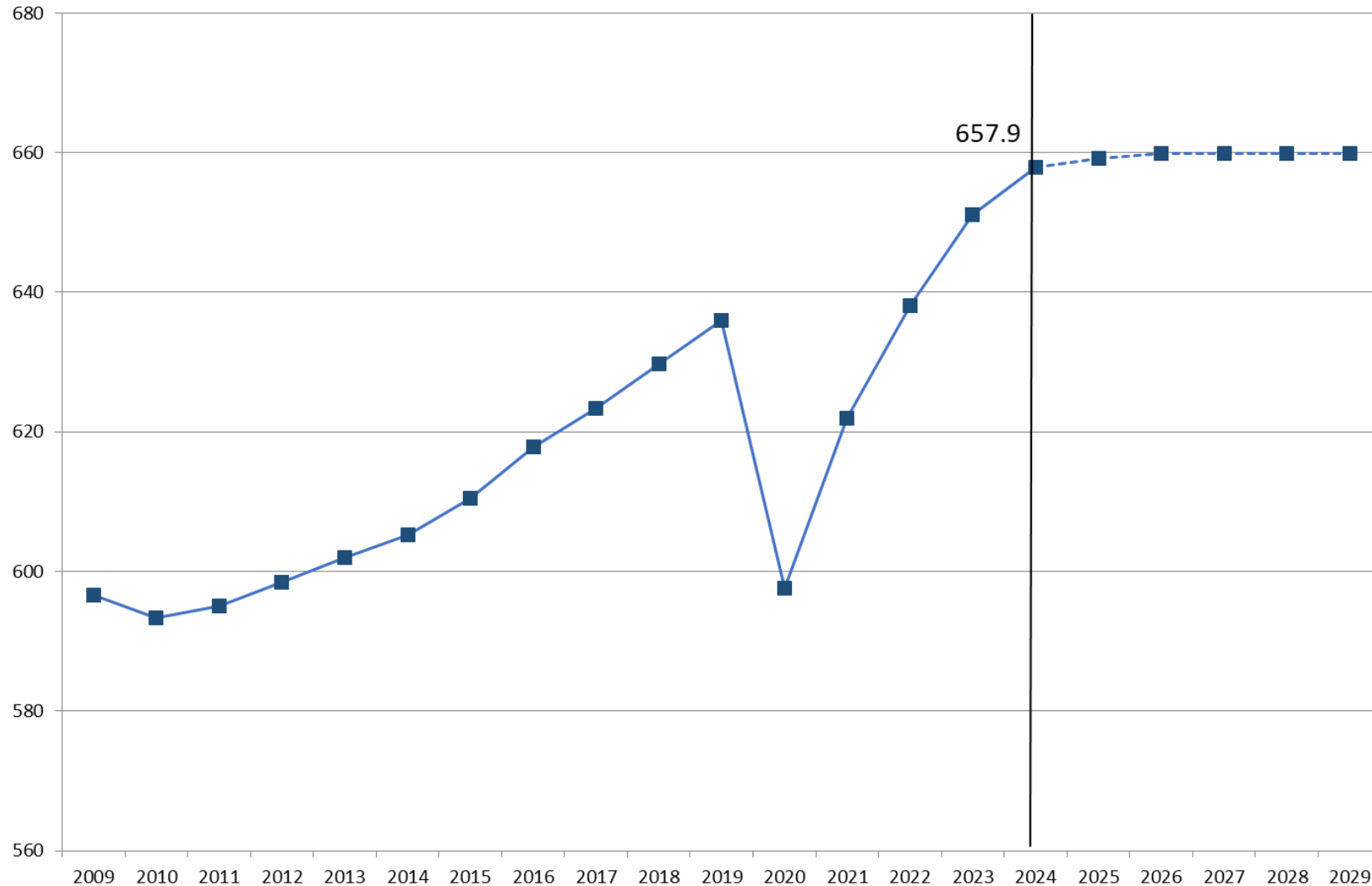


Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

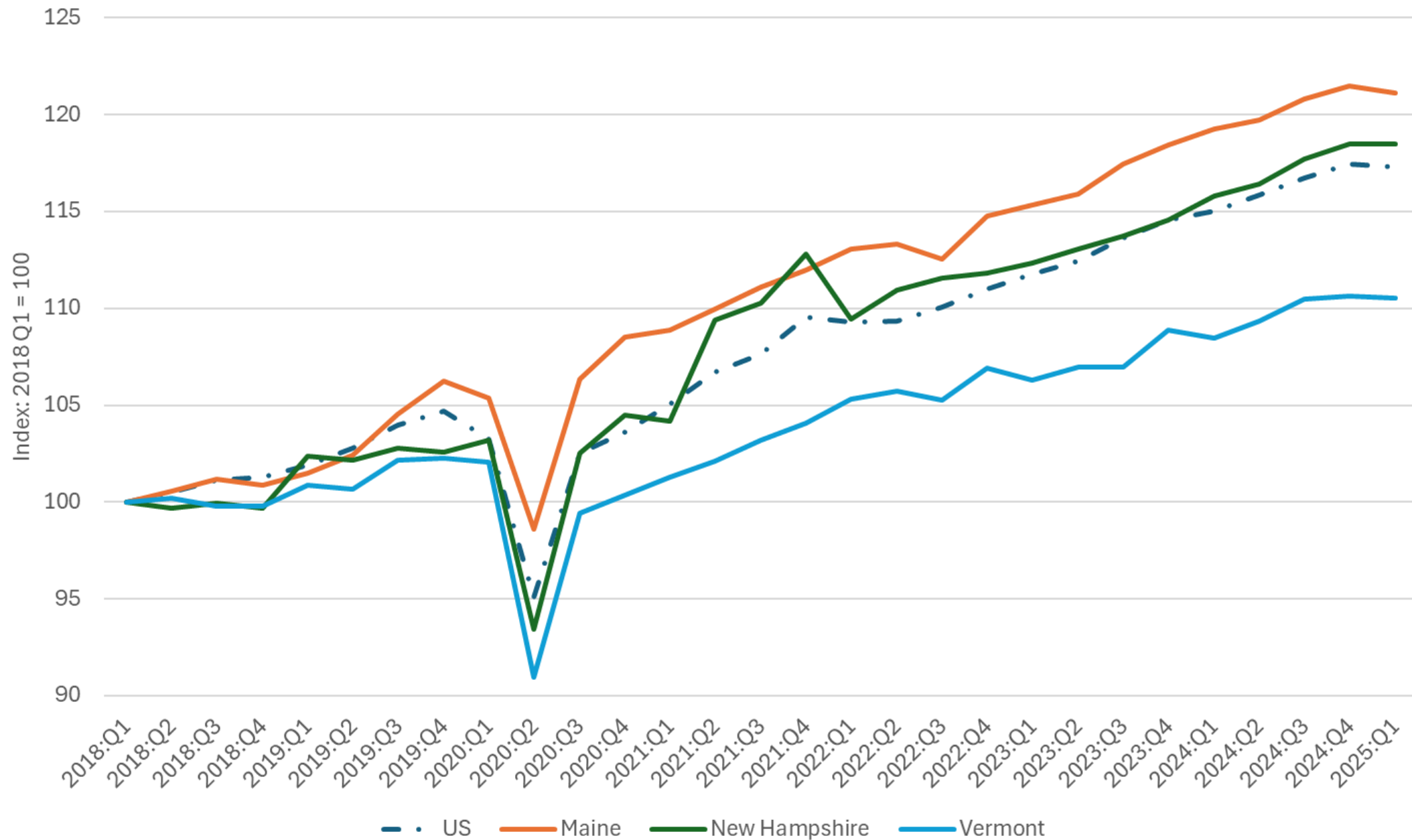
fred.stlouisfed.org

Maine's employment growth is forecast to remain flat, reflecting demographic situation

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



Quarterly Real GDP (in millions of chained 2017 dollars)



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 (...).

Tariffs have been a rollercoaster ride

Increase in tariff rates
set to take effect on
August 7; baseline of
10% still in effect
(announced July 31)

USMCA compliant
imports remain
exempt; otherwise,
Canada 35%, Mexico
still negotiating

Deal rates:
Vietnam = 20%
Indonesia, Philippines = 19%
EU, Japan, S. Korea = 15%
Britain = 10%

China still negotiating;
30% for now, with
August 12 deadline

De minimis exemption
eliminated;
40% on
“transshipments” –
specific details still
unclear

The Budget Lab at Yale
estimates (as of 8/1)
average effective tariff
rate for consumers of
17.3%, highest since
1935 and equates to
\$2K per household loss

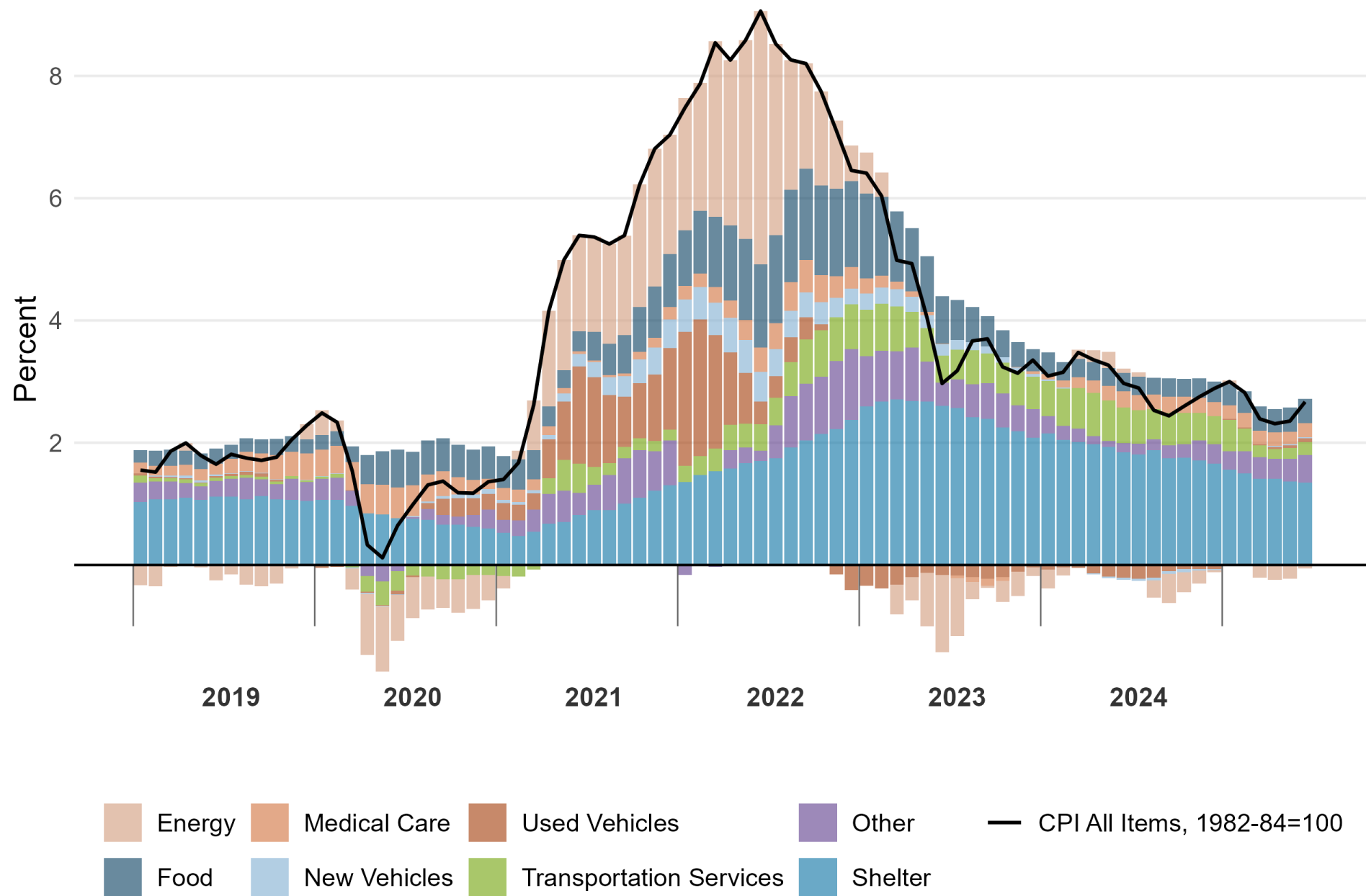
Other tariff impacts

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

Intermediate goods are about half of total U.S. imports – tariffs on these products impact domestic manufacturers

Tense relations with Canada impacting the tourism and retail sectors with Canadians reducing travel to the U.S. – border crossings through June are down compared to last year

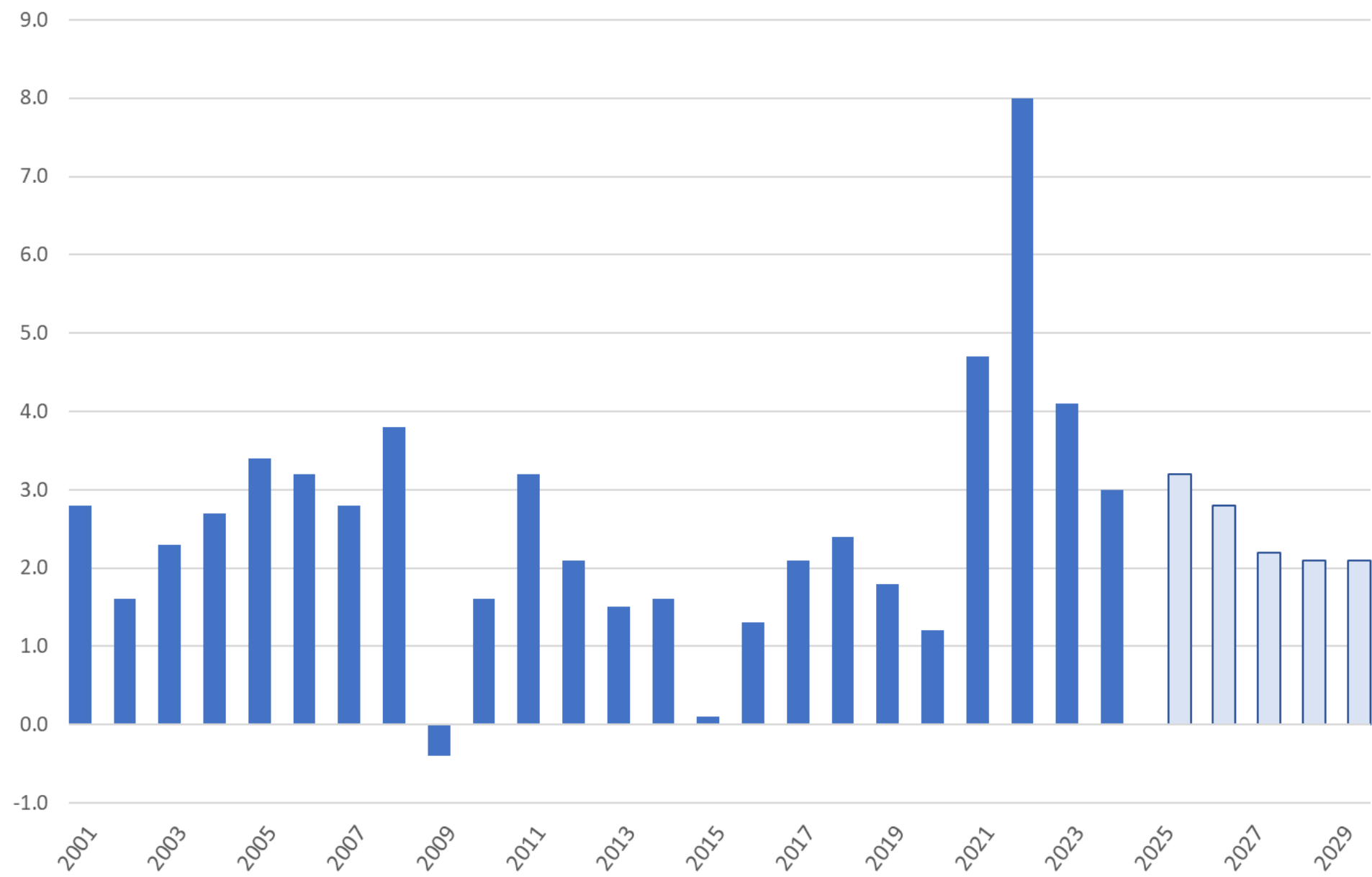
Percentage Point Contribution to Year-Over-Year Percent Change in CPI



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

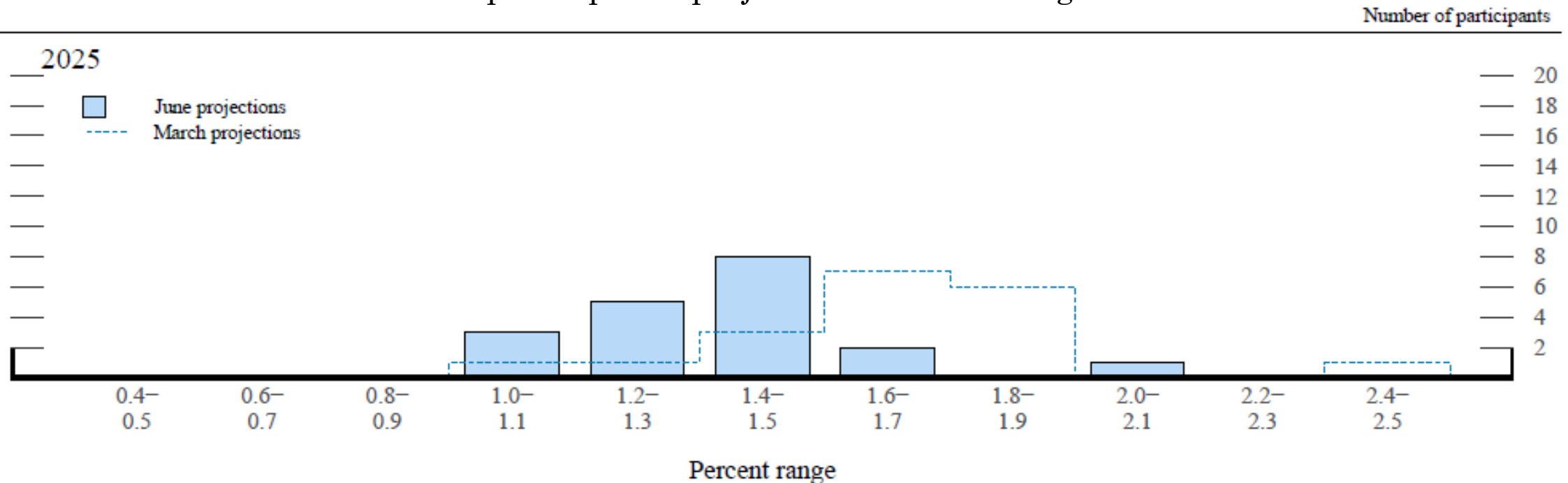


Sources: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, seasonally adjusted); Consensus Economic Forecasting Commission report, April 1, 2025

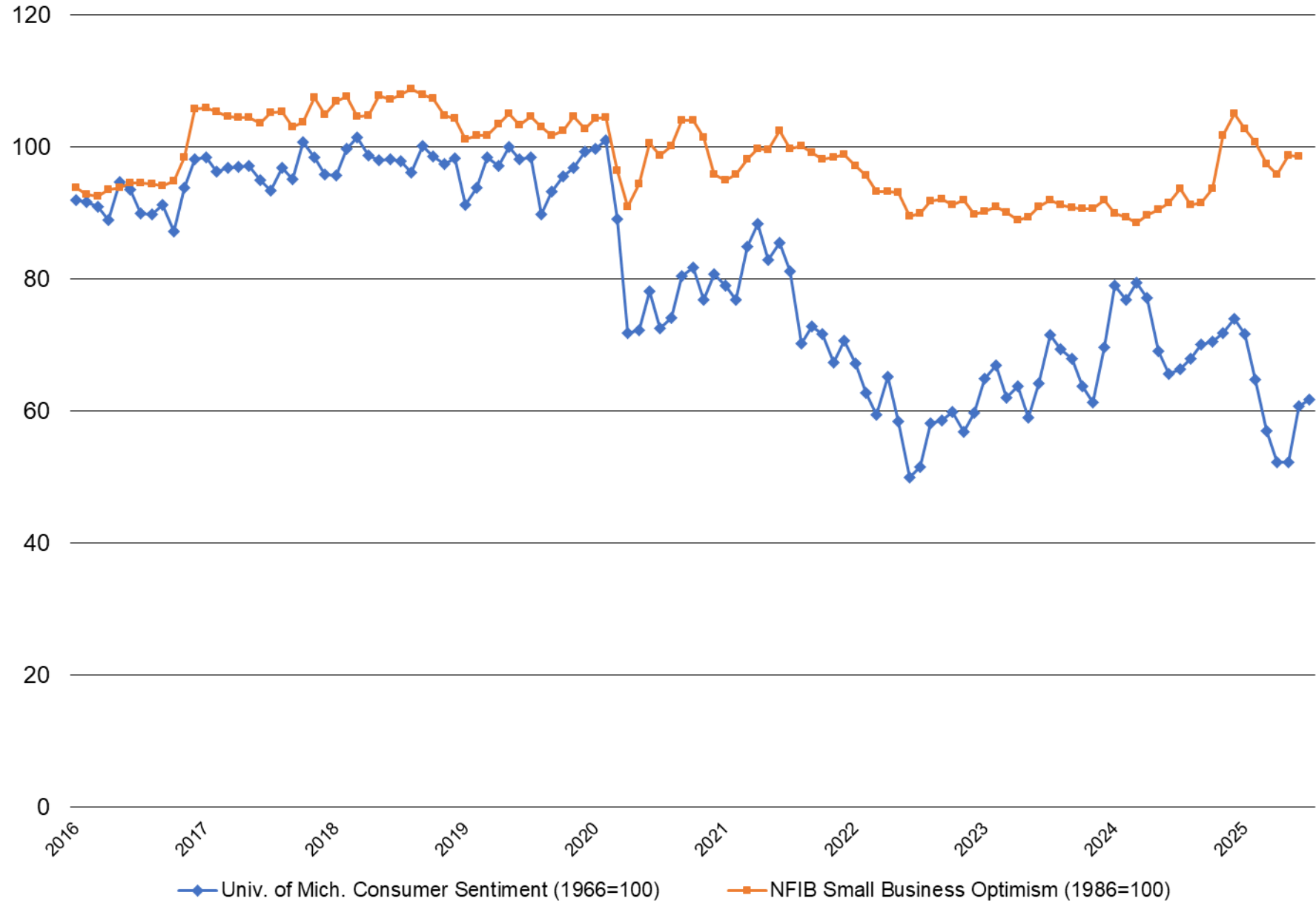
Current FOMC target
range (as of July):
4.25% to 4.5%

Median projection for 2025
from June 2025 Federal
Open Market Committee
statement was 3.9%

Distribution of participants' projections for the change in real GDP



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 are little changed in the most recent month following modest improvement

Contact Information

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