

# Maine's Economic Pulse

Kennebec Valley Chamber of Commerce  
Chamber Connection

August 7, 2025

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Maine State Economist

Population change and migration

Housing

Demographics

Labor force and employment

Wages, income, and GDP

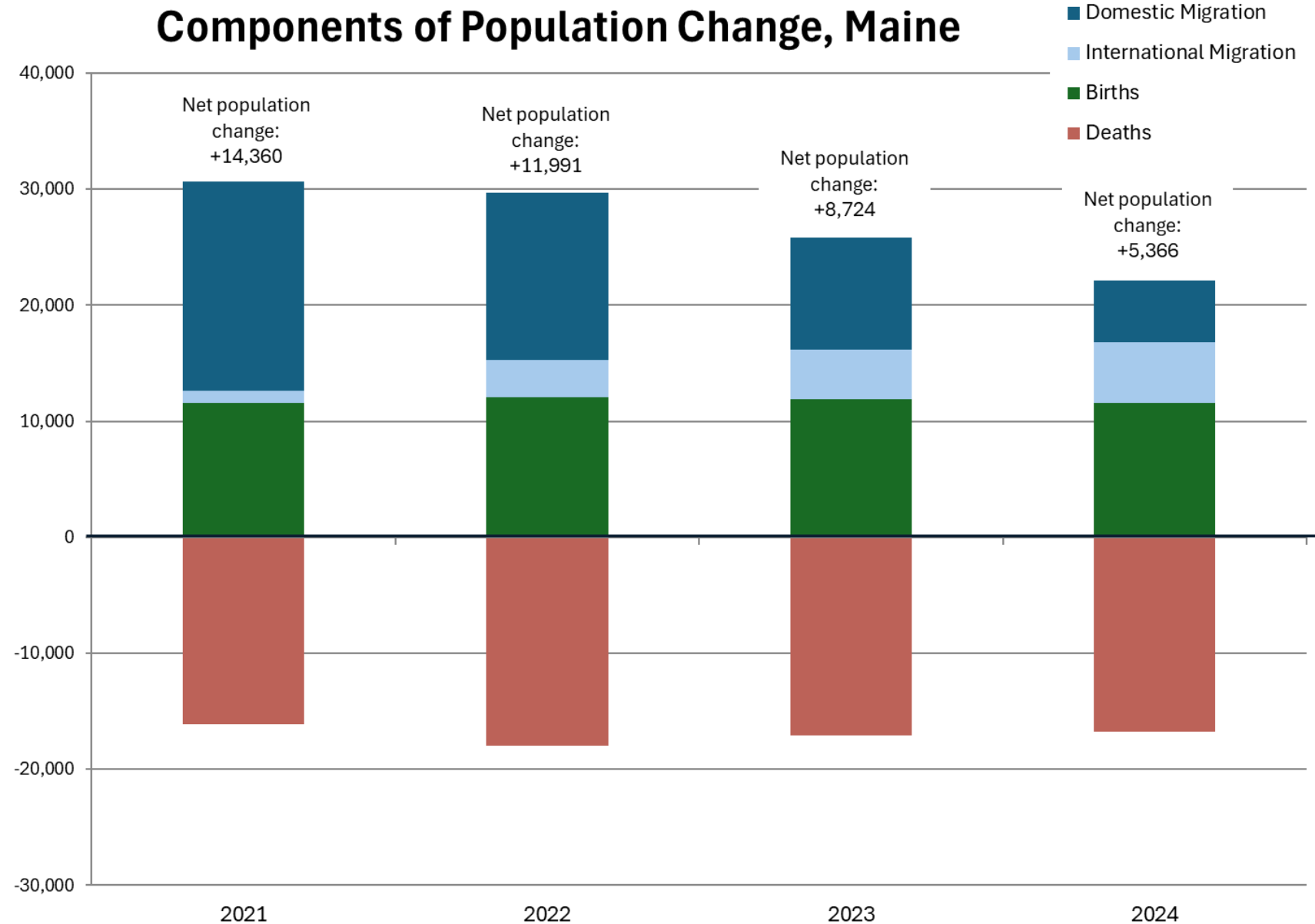
Macroeconomic conditions

# Population change and migration

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

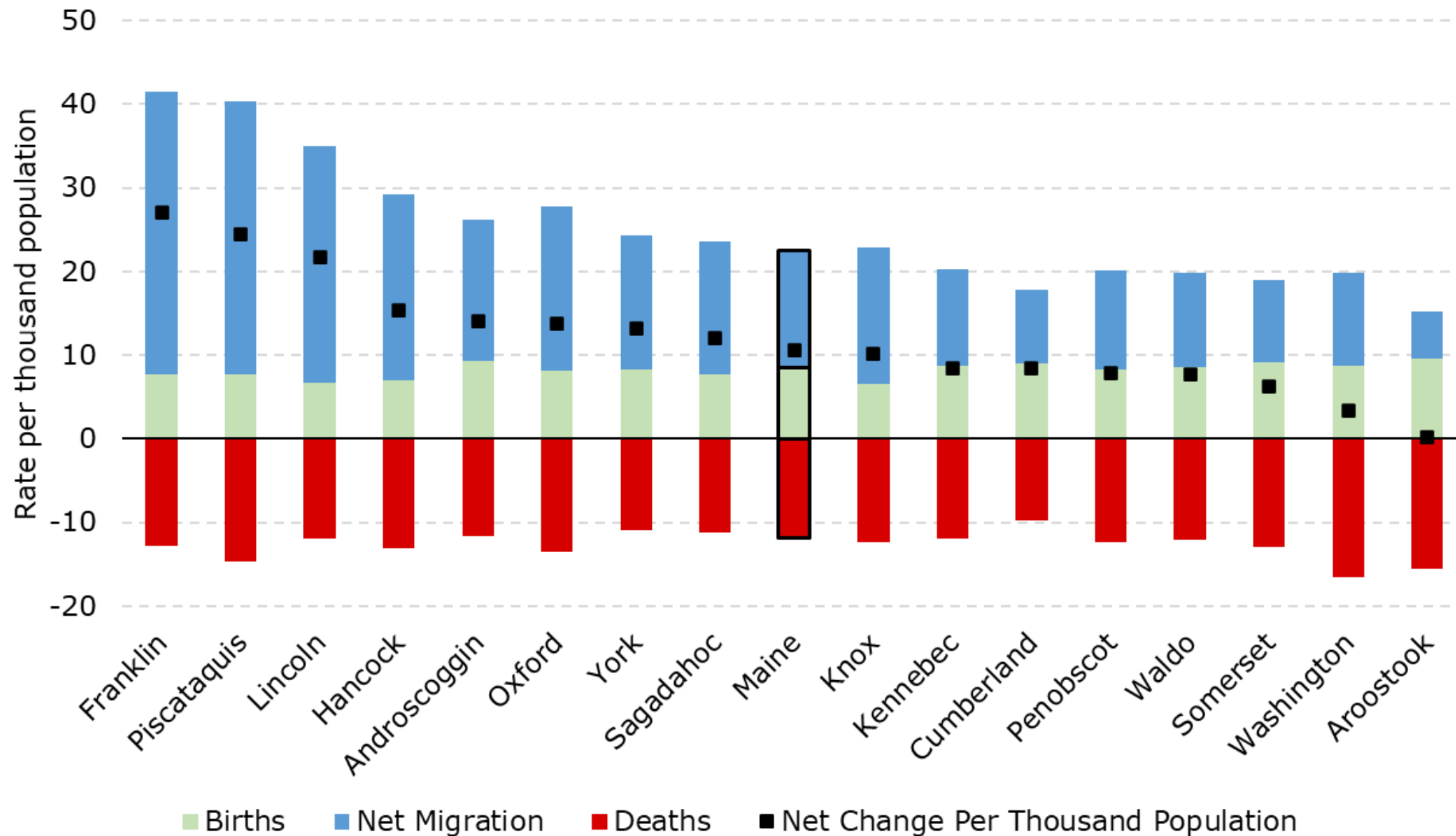
Population increase of  
3.1% from 2020-2024  
(17<sup>th</sup> in U.S.)

2024 Total Population:  
1,405,012



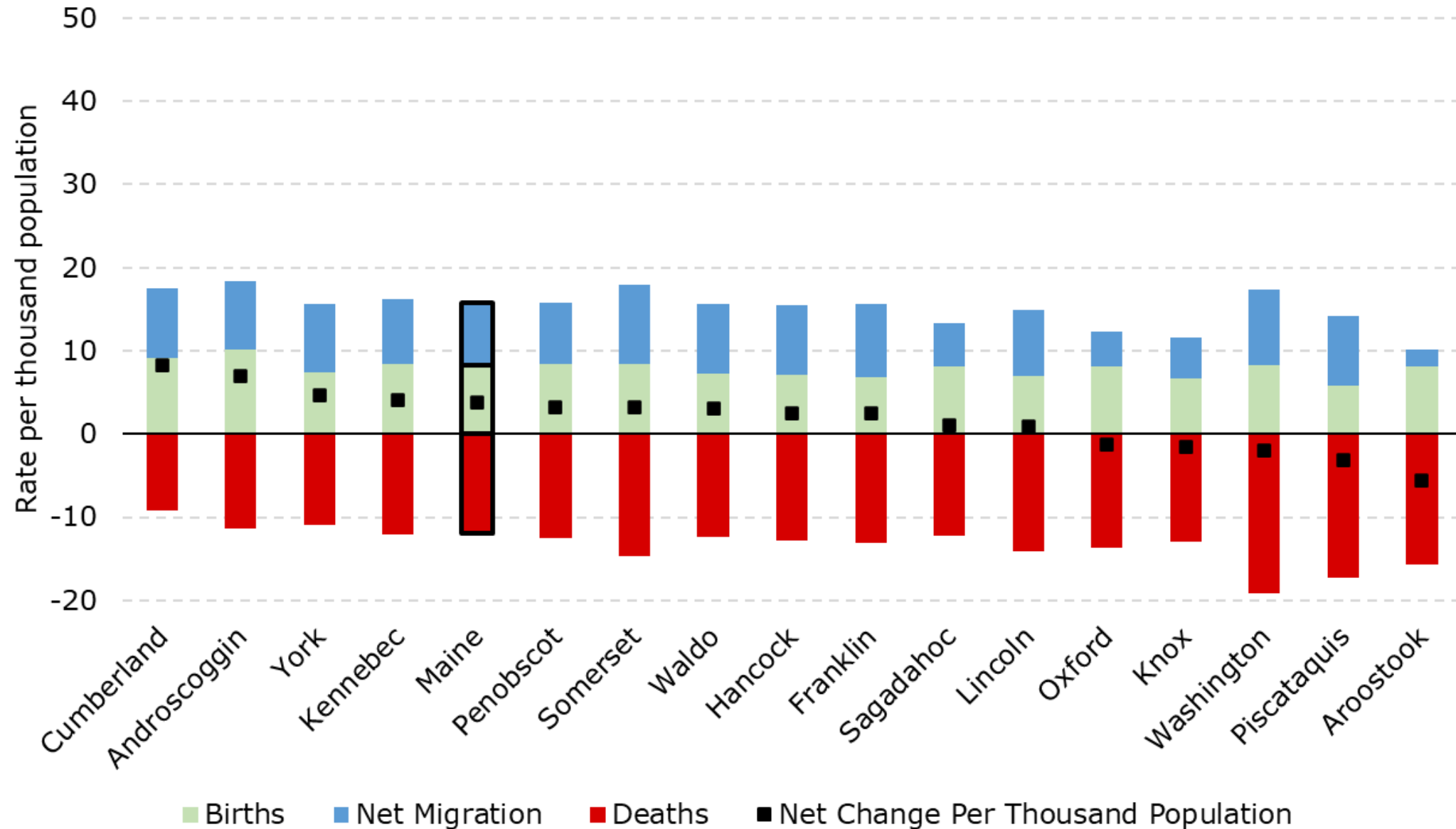
# Components of Population Change, 7/1/2020-7/1/2021

## Rate per thousand population

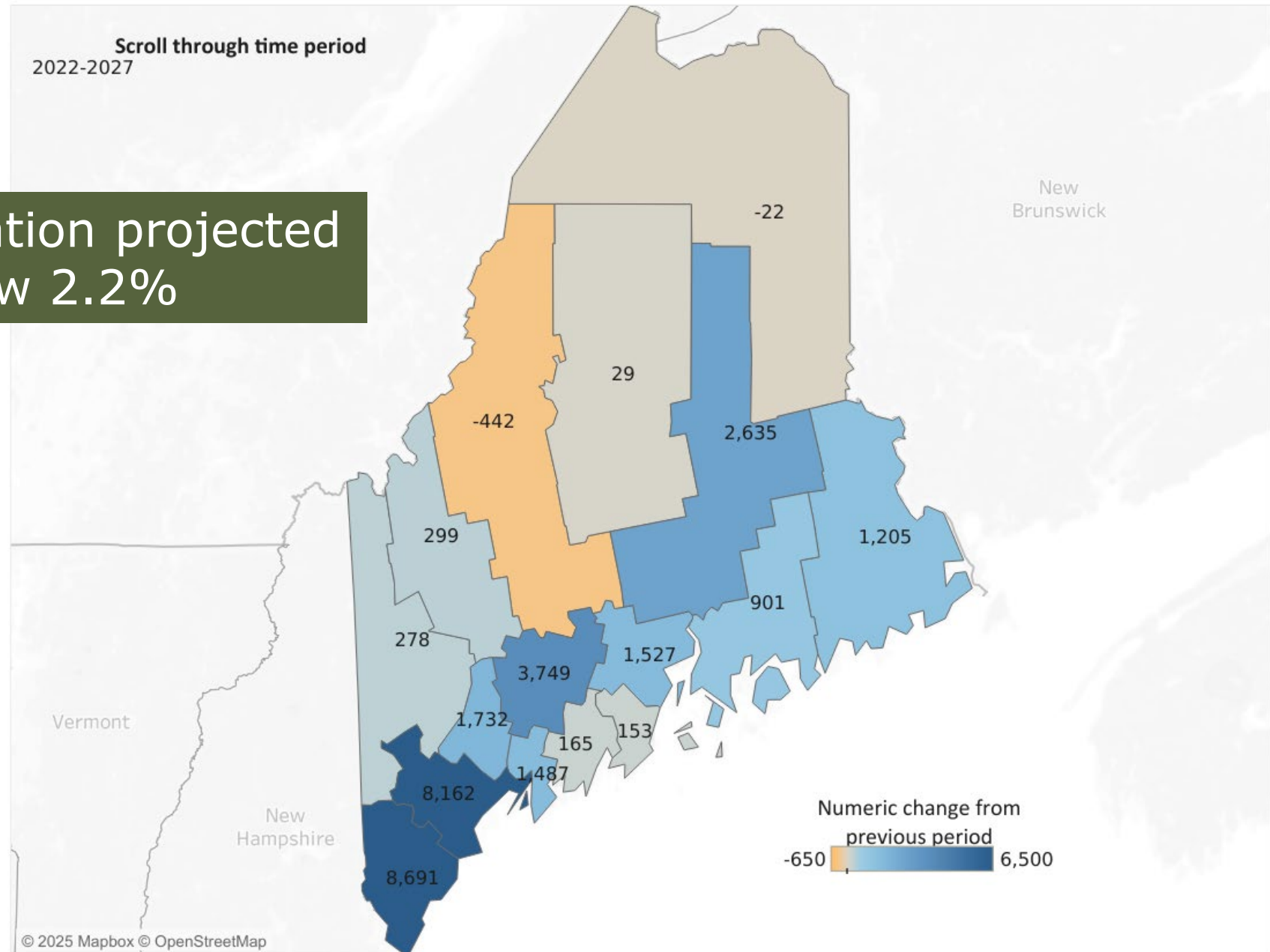


# Components of Population Change, 7/1/2023-7/1/2024

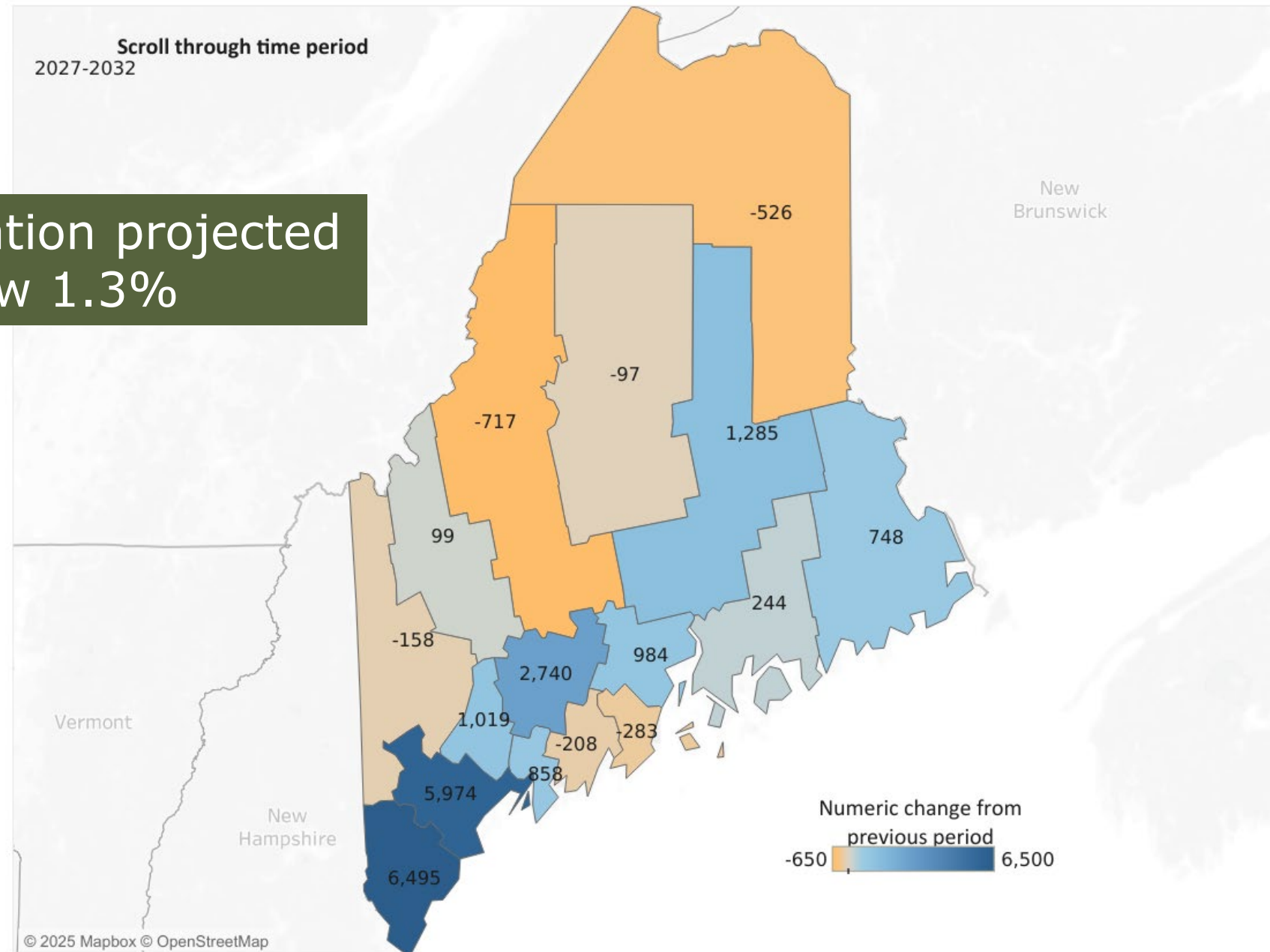
## Rate per thousand population



Maine population projected to grow 2.2%

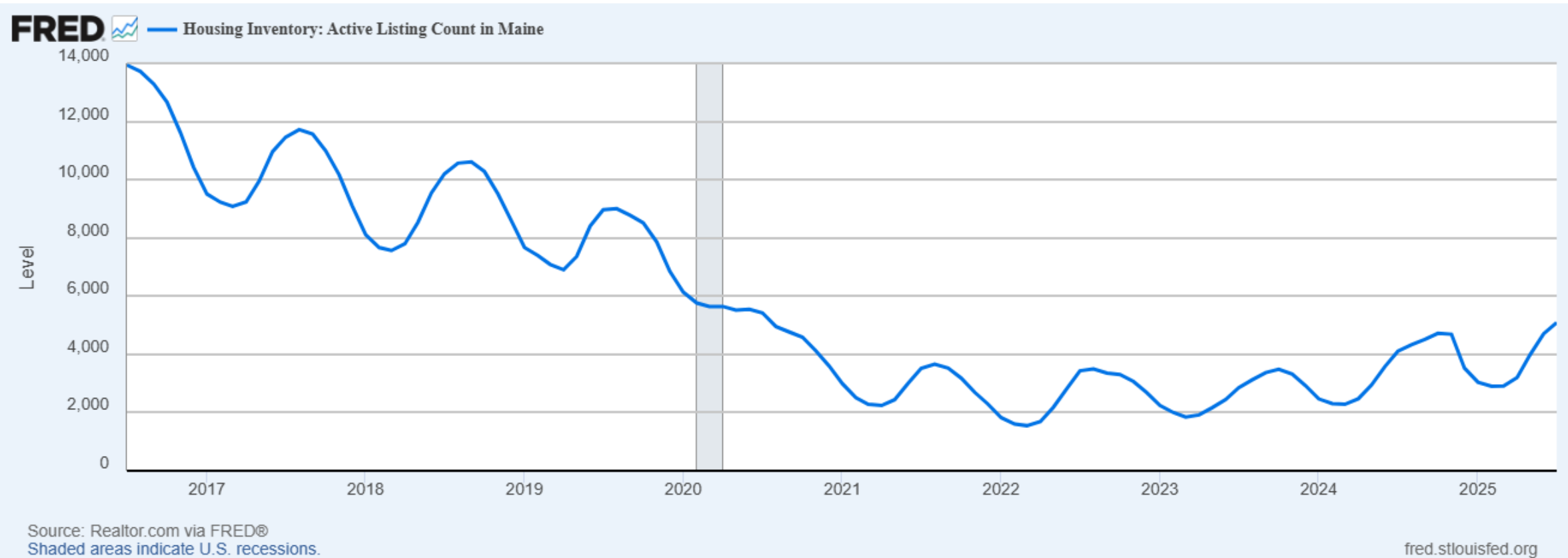


Maine population projected  
to grow 1.3%





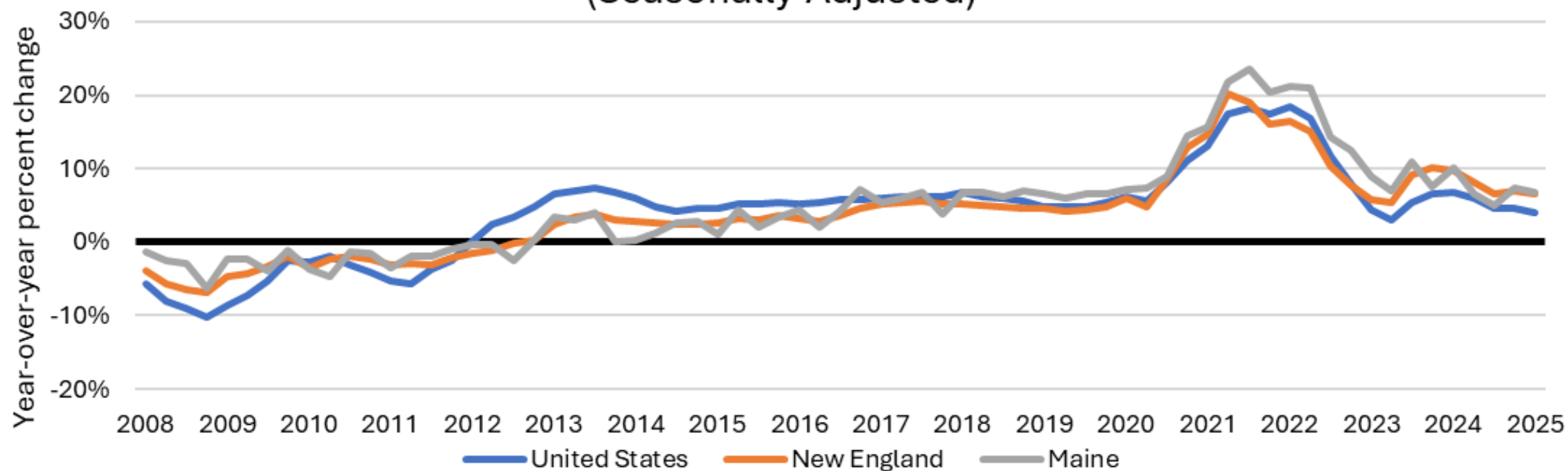
# Housing



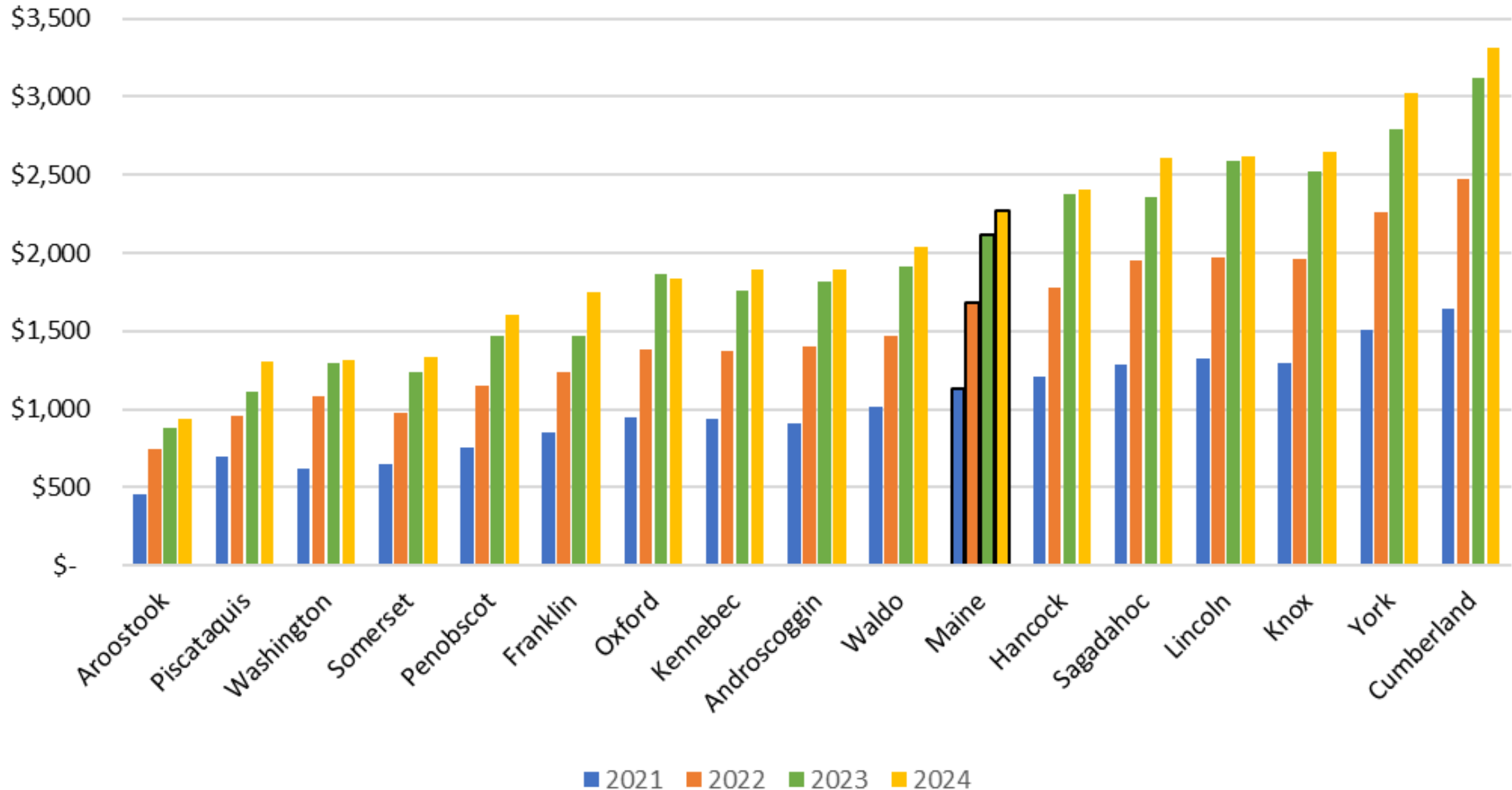
Migration into the state drove up demand for housing and further reduced the available supply while high mortgage rates locked people into existing homes

But there's been some improvement: July 2025 about 24% higher than July 2024 and highest since July 2020

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

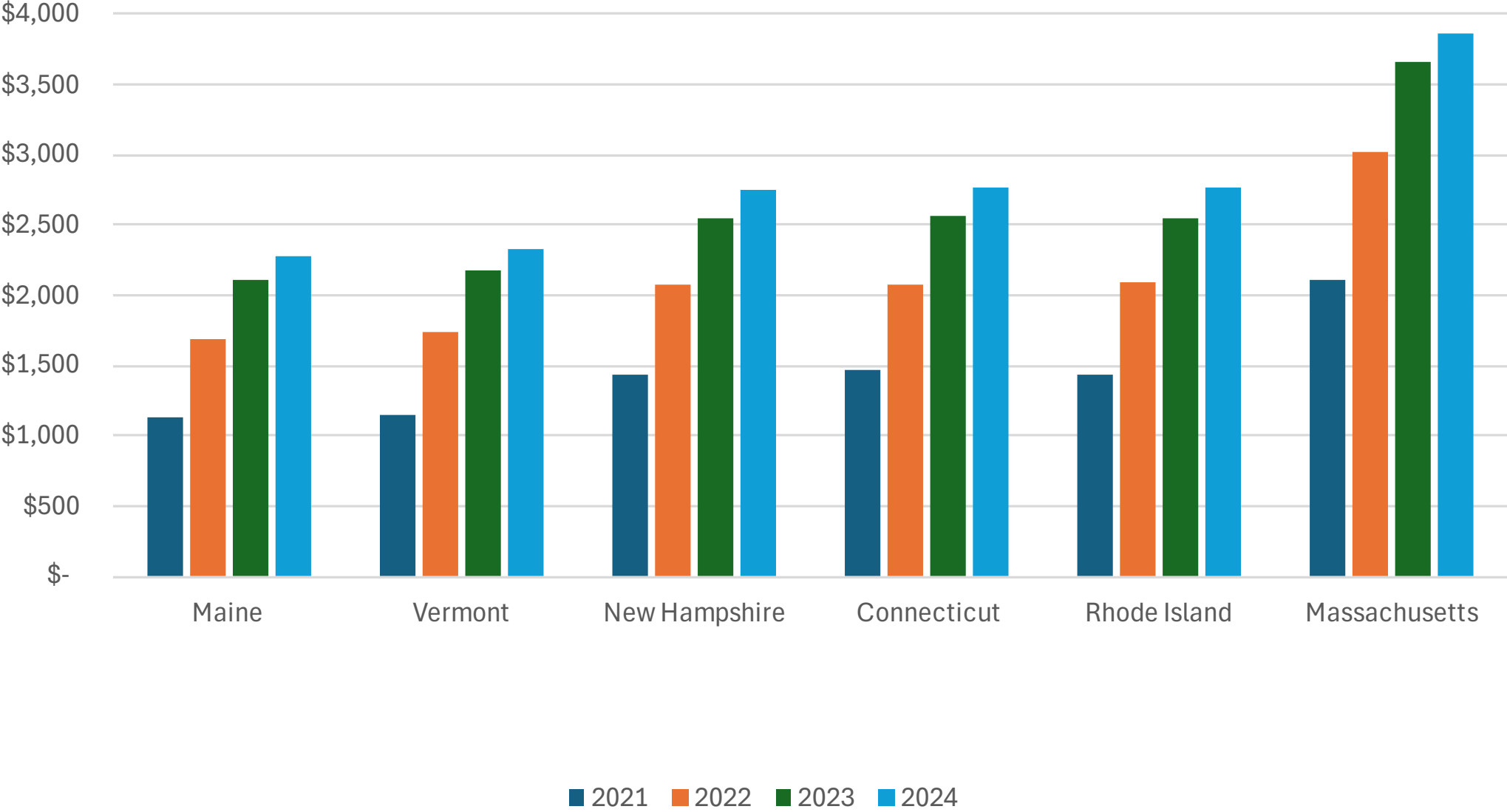


## Monthly Mortgage Payment at the Median Sales Price 2021-2024



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.

# Monthly Mortgage Payment at the Median Sales Price 2021-2024

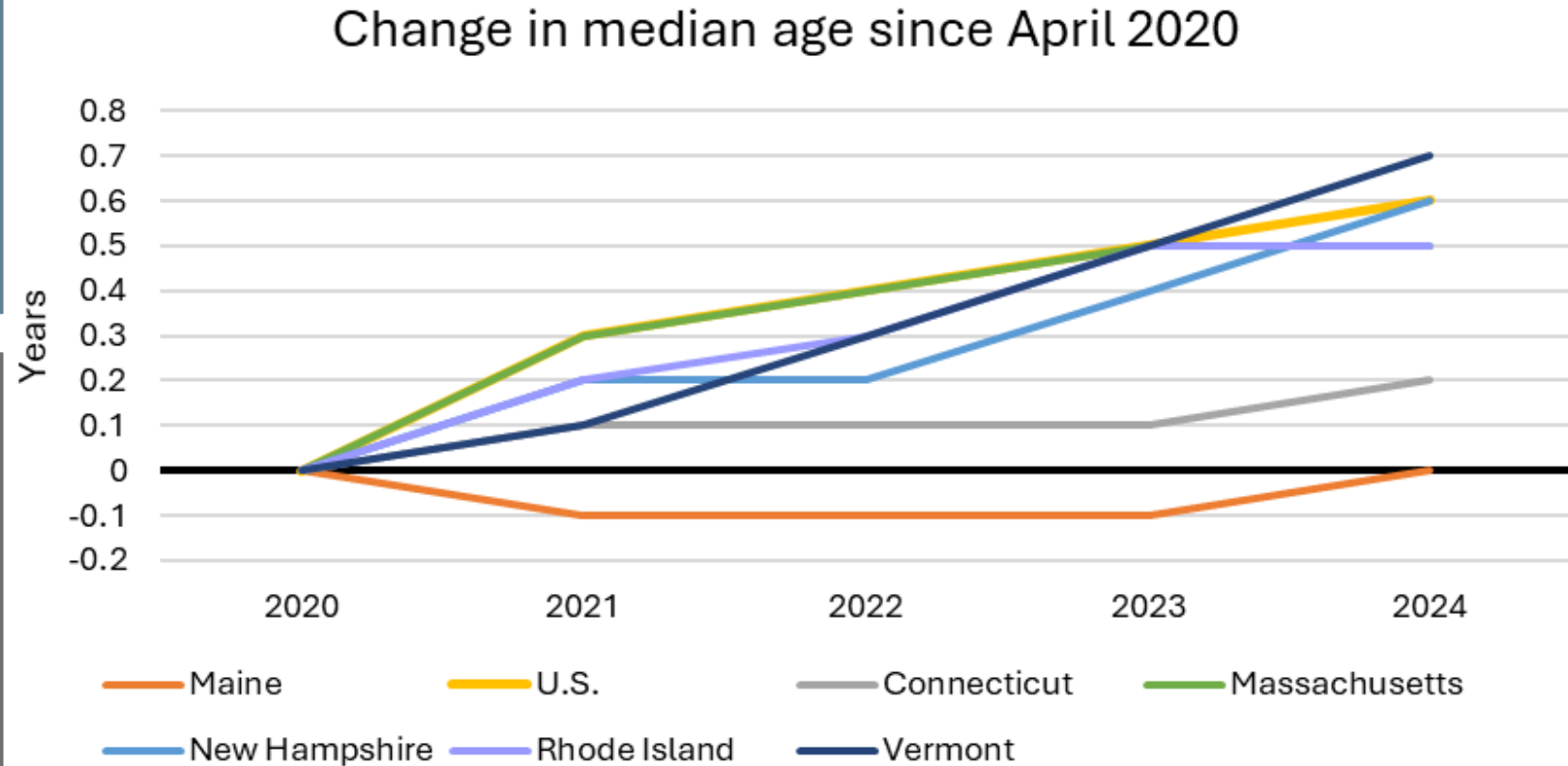


Sources: Moody's Analytics (median sale prices), FRED 30-year fixed rate mortgage rates, weekly (average of all weeks in the year). Assumes 30-year fixed rate mortgage and 10% down payment on a home at the median sales price.

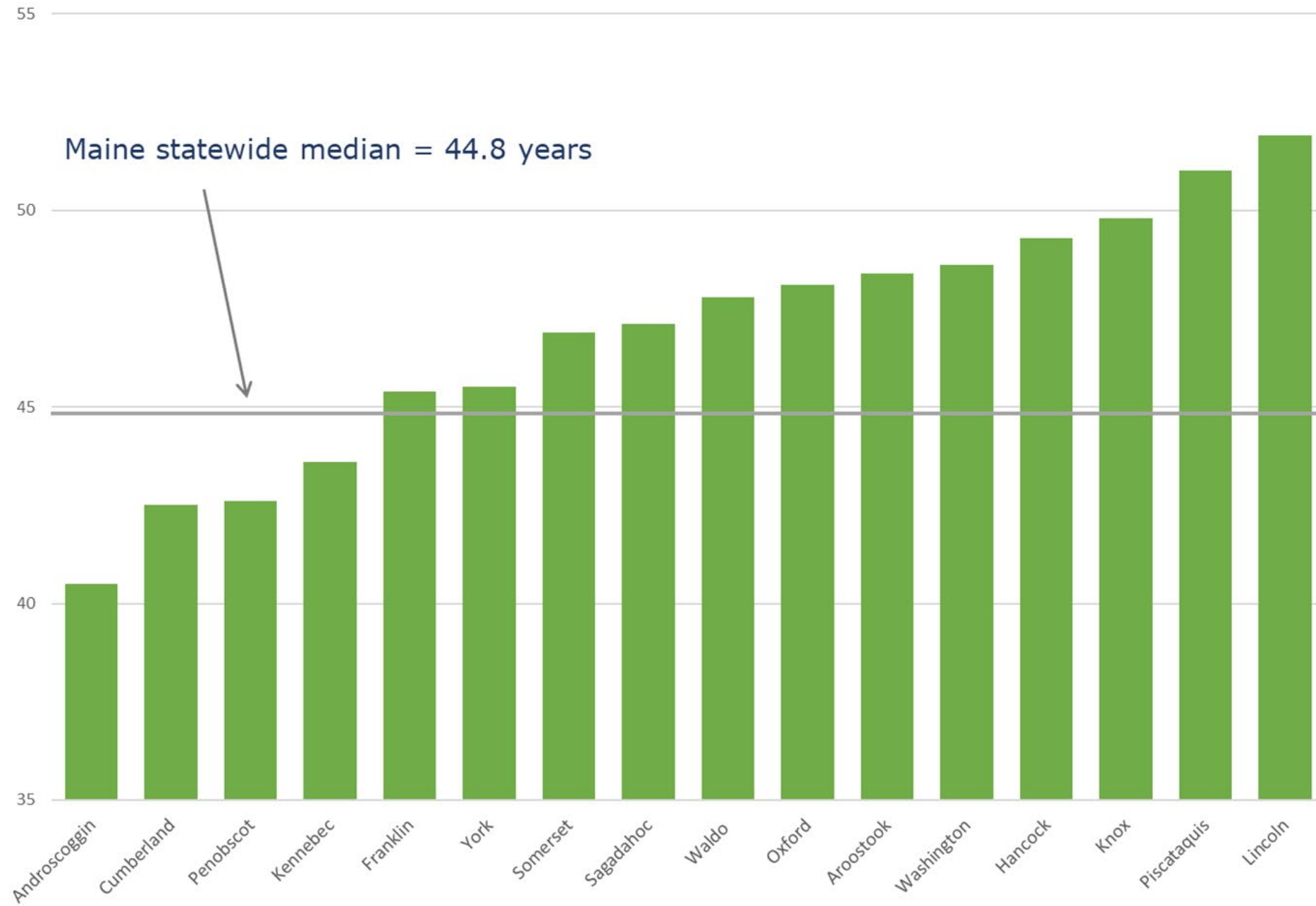
# Demographics

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

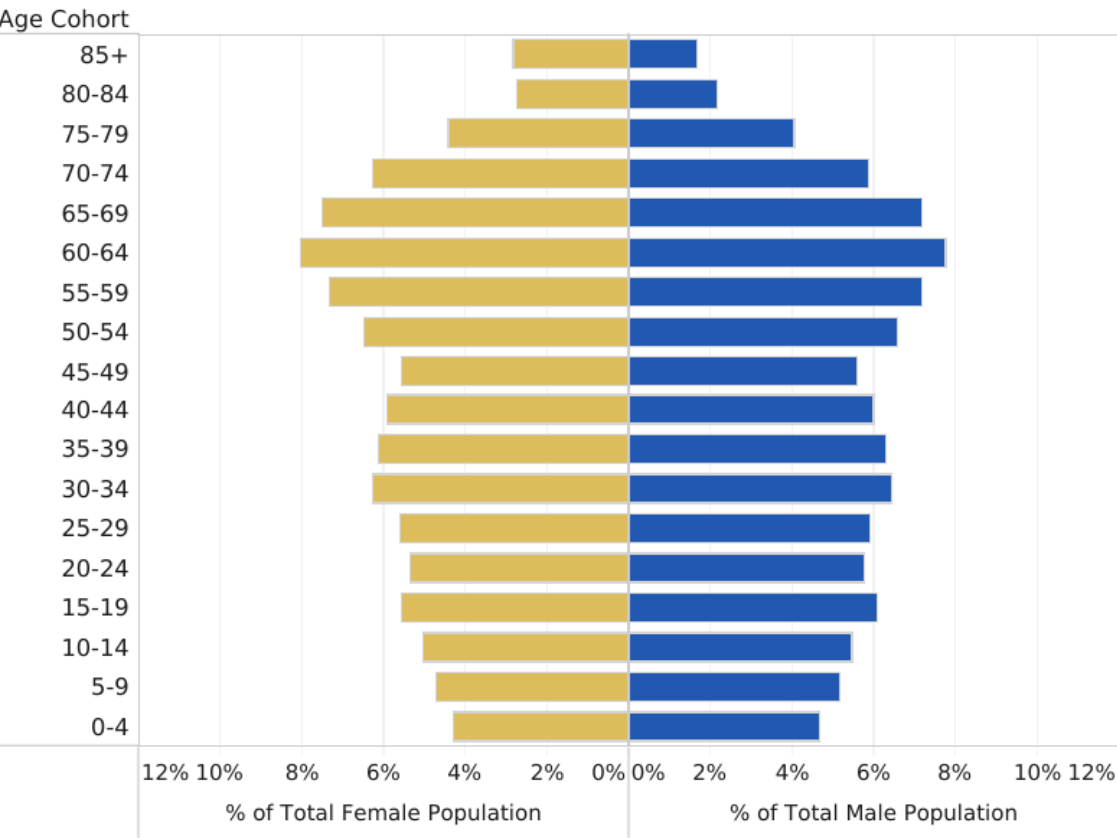


## Median Age by County 2024

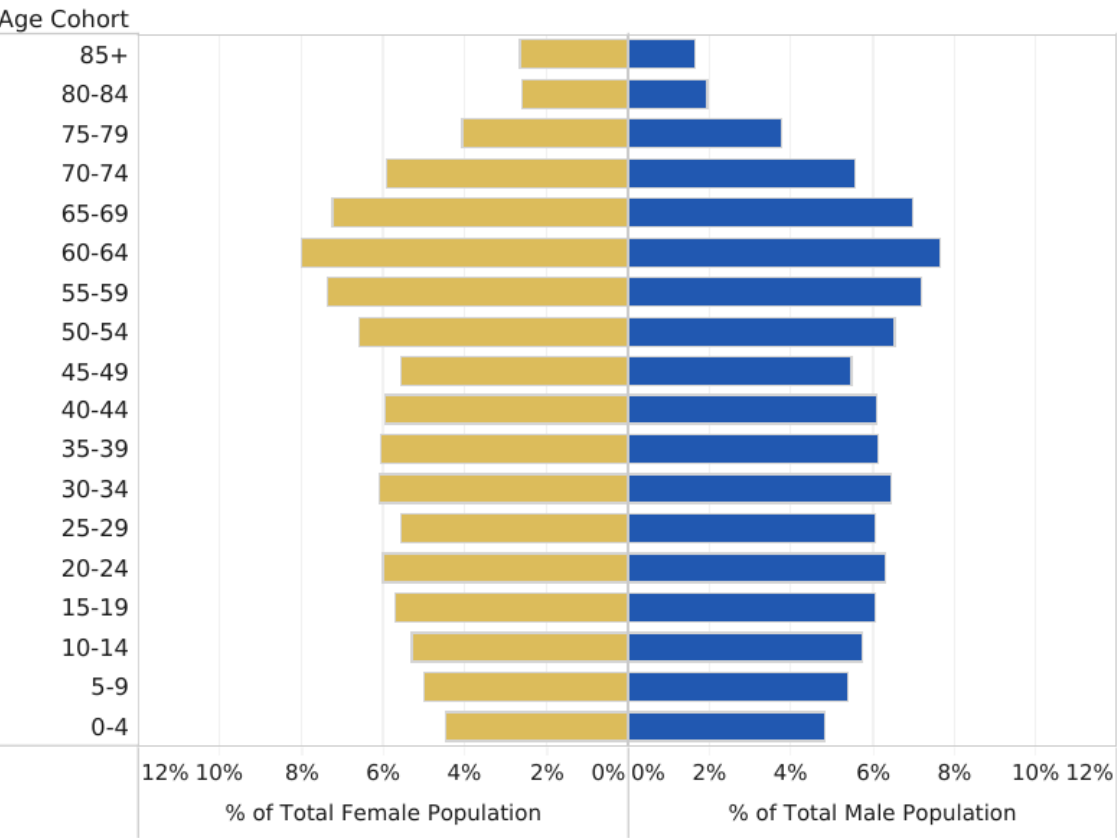




Maine | 2022, Historical population



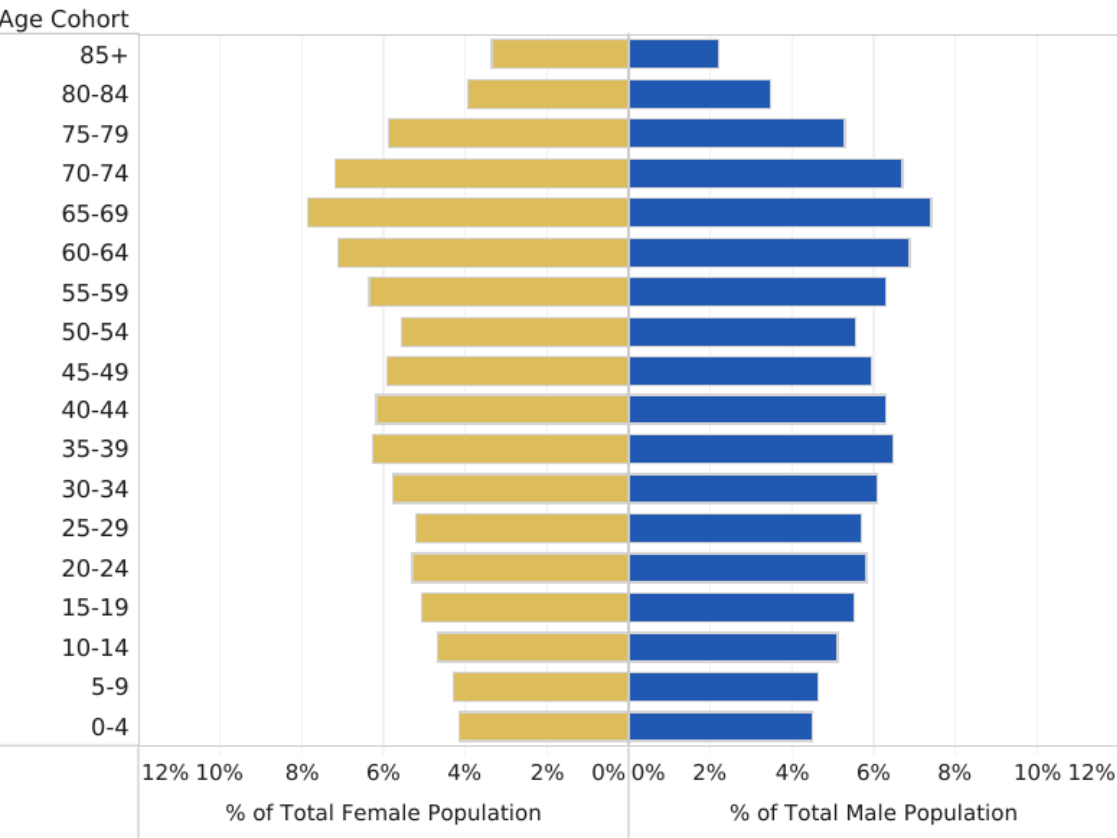
Kennebec | 2022, Historical population



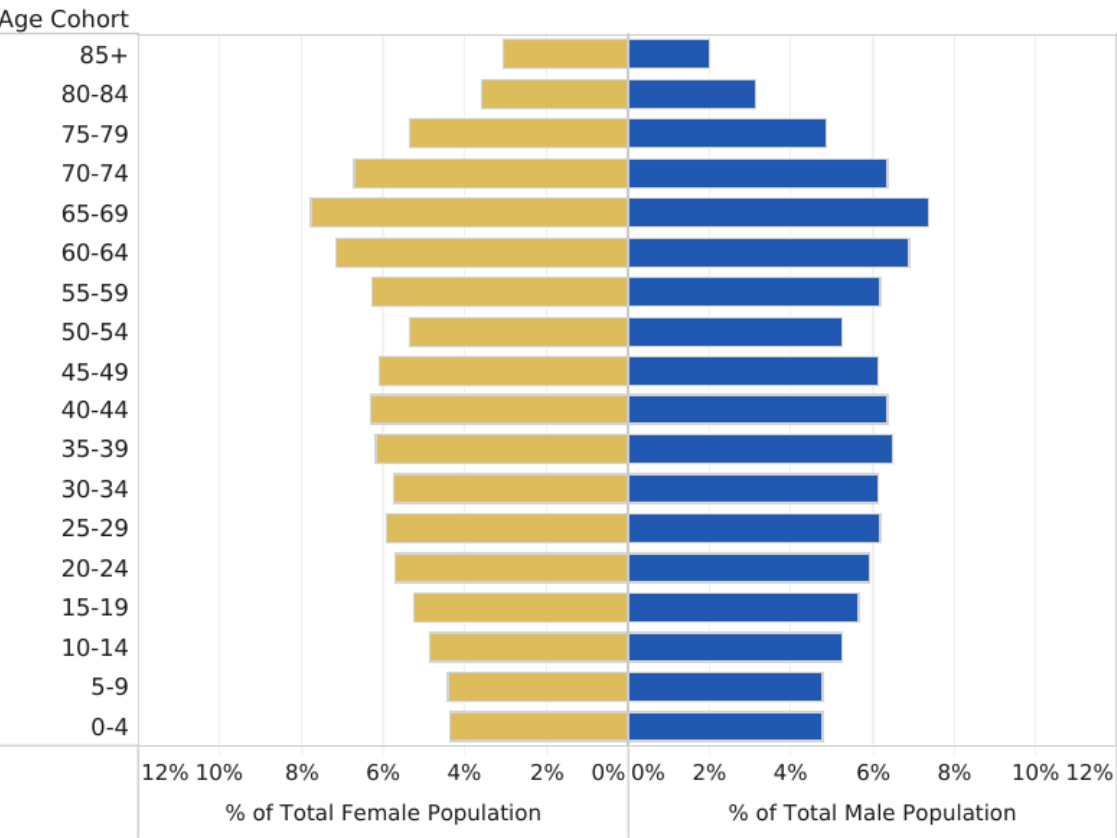
Source: The Office of the State Economist, Maine State and County Population Projections, 2042. April 2025 release.

[Report & Methodology \(PDF\)](#)

Maine | 2027, Projected population



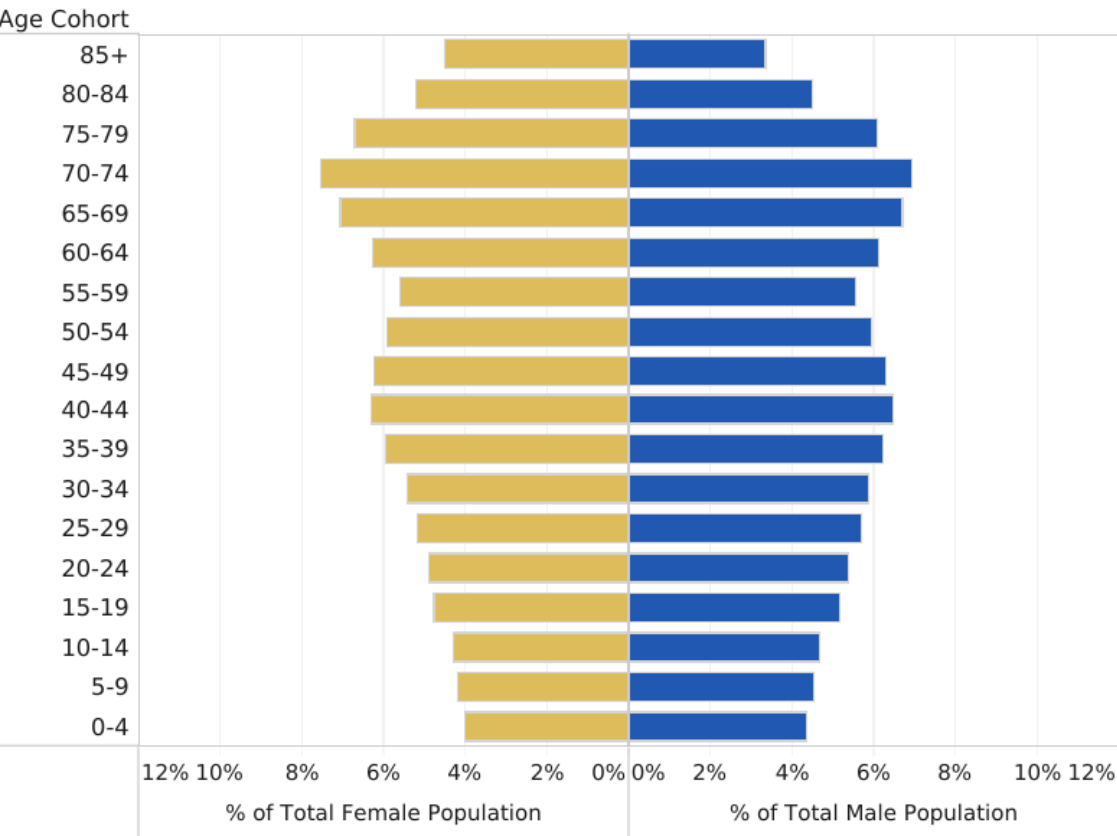
Kennebec | 2027, Projected population



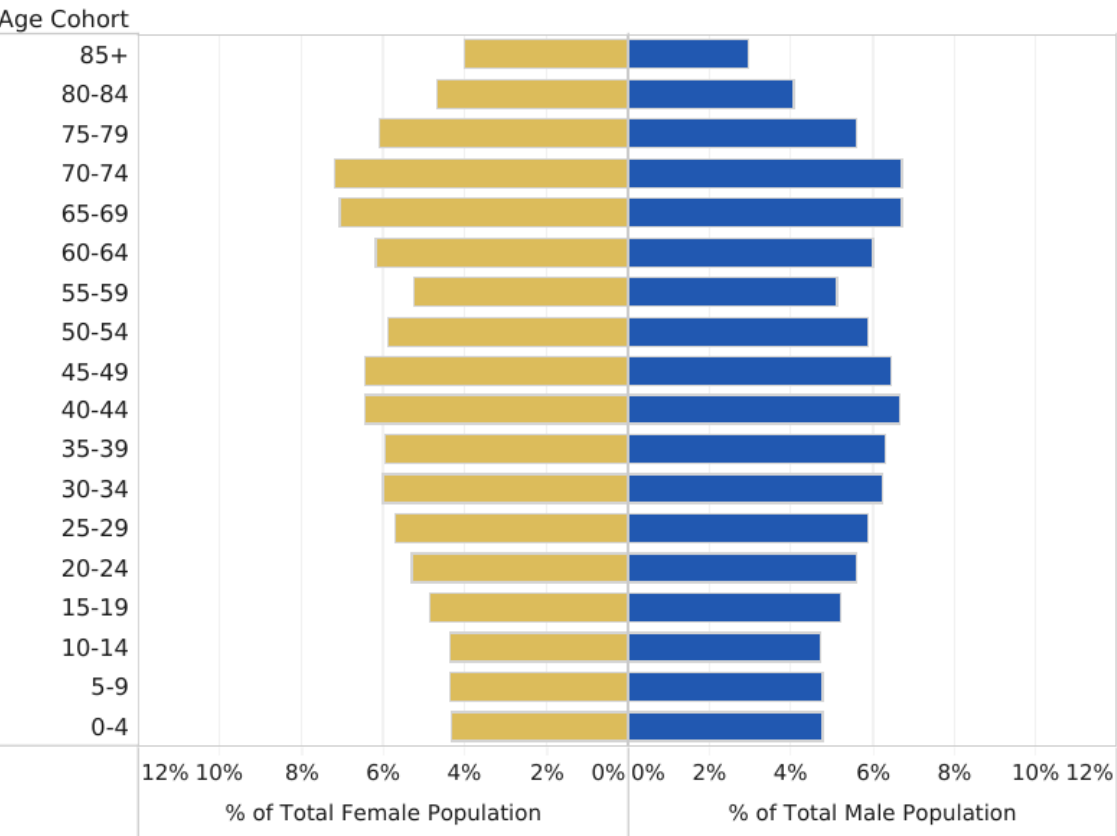
Source: The Office of the State Economist, Maine State and County Population Projections, 2042. April 2025 release.

[Report & Methodology \(PDF\)](#)

Maine | 2032, Projected population



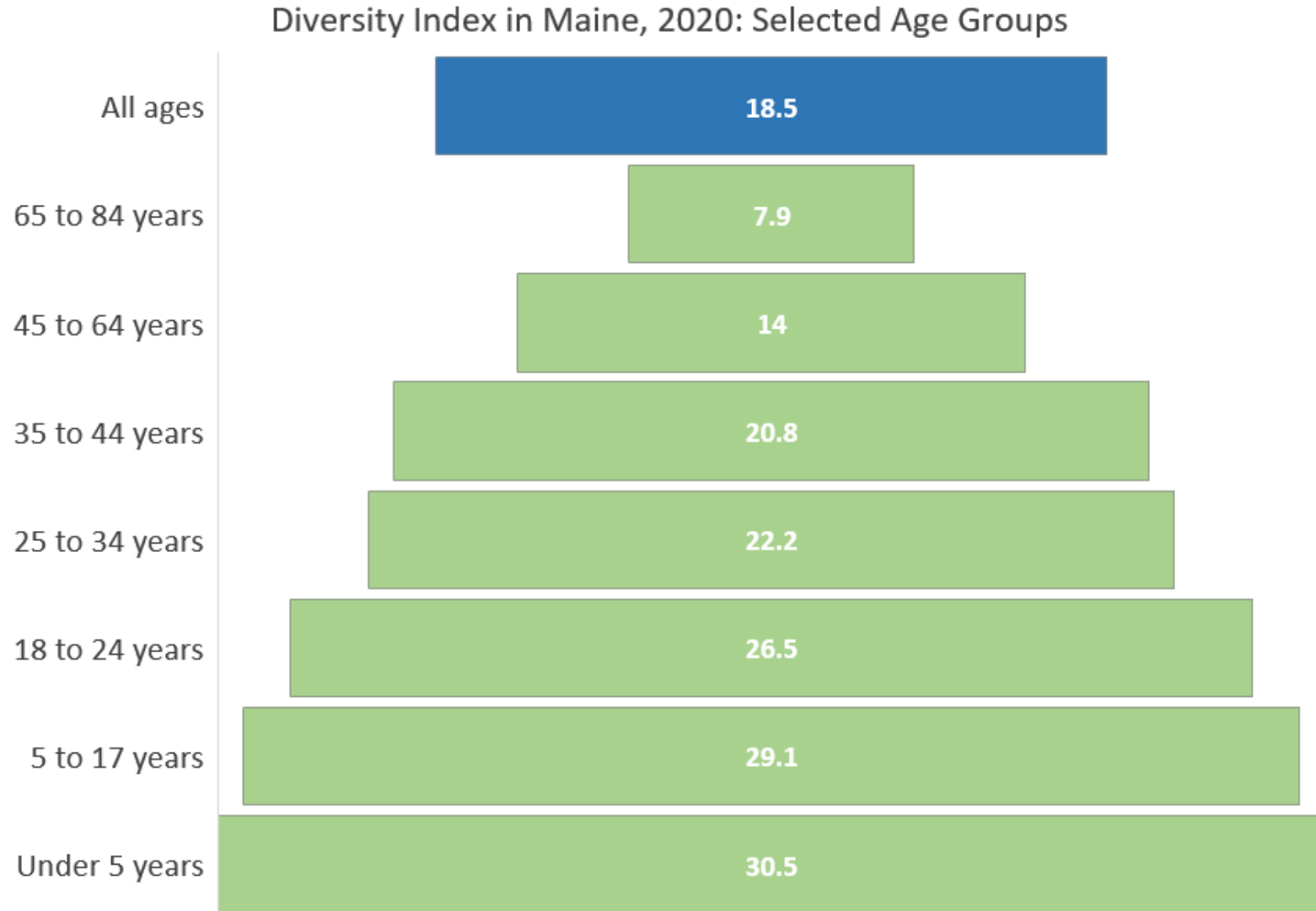
Kennebec | 2032, Projected population



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

[Report & Methodology \(PDF\)](#)

# Younger generations in Maine are more diverse than older generations

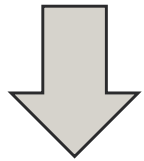


# Labor force and employment

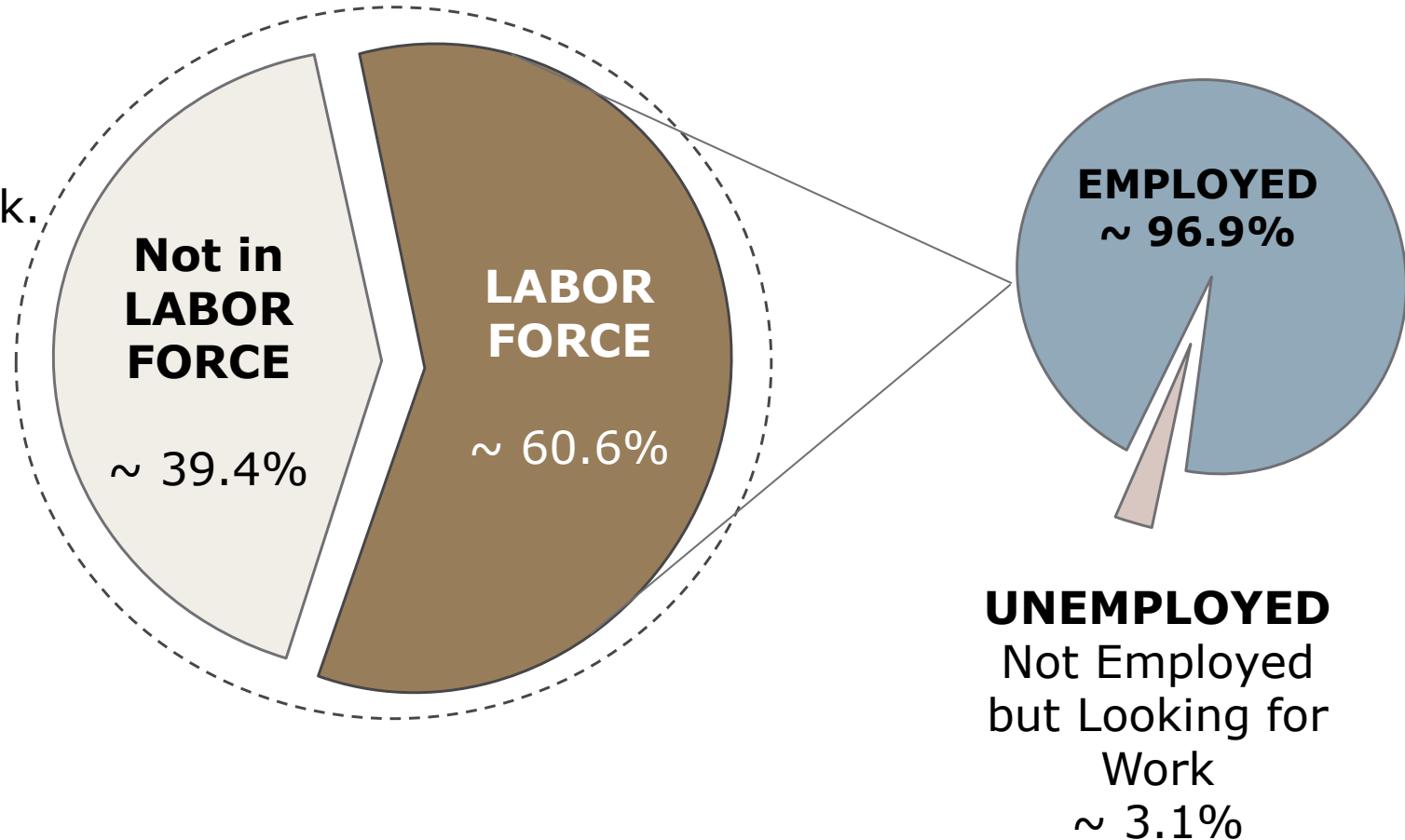
# Who is in the labor force?

Civilian population, age 16+

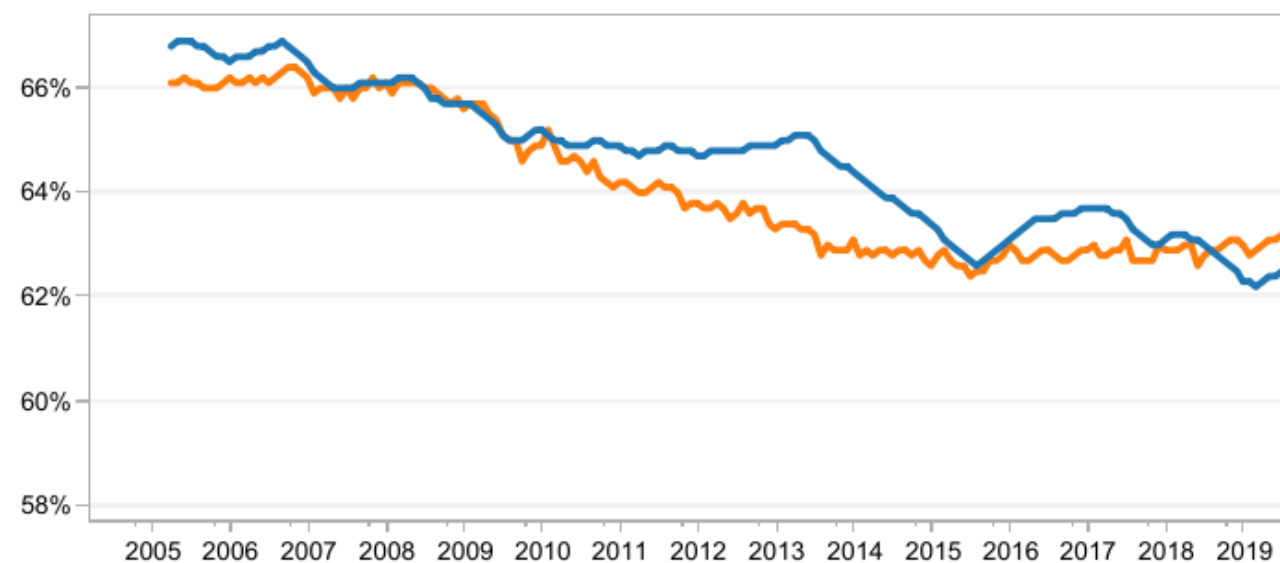
Not available and not looking for work. This could include people who are retired, full-time students, full-time caregivers, etc.



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



### Labor Force Participation Rate (seasonally adjusted)

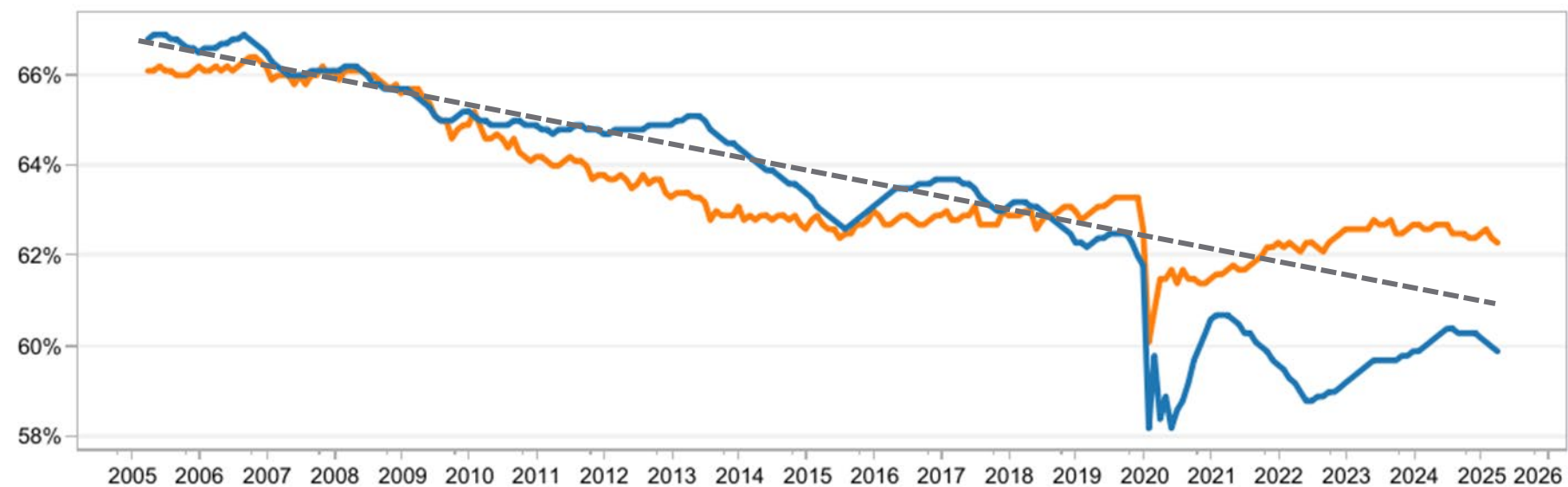


Jun, 2005 to Jun, 2025

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

■ Maine  
■ United States

## Labor Force Participation Rate (seasonally adjusted)



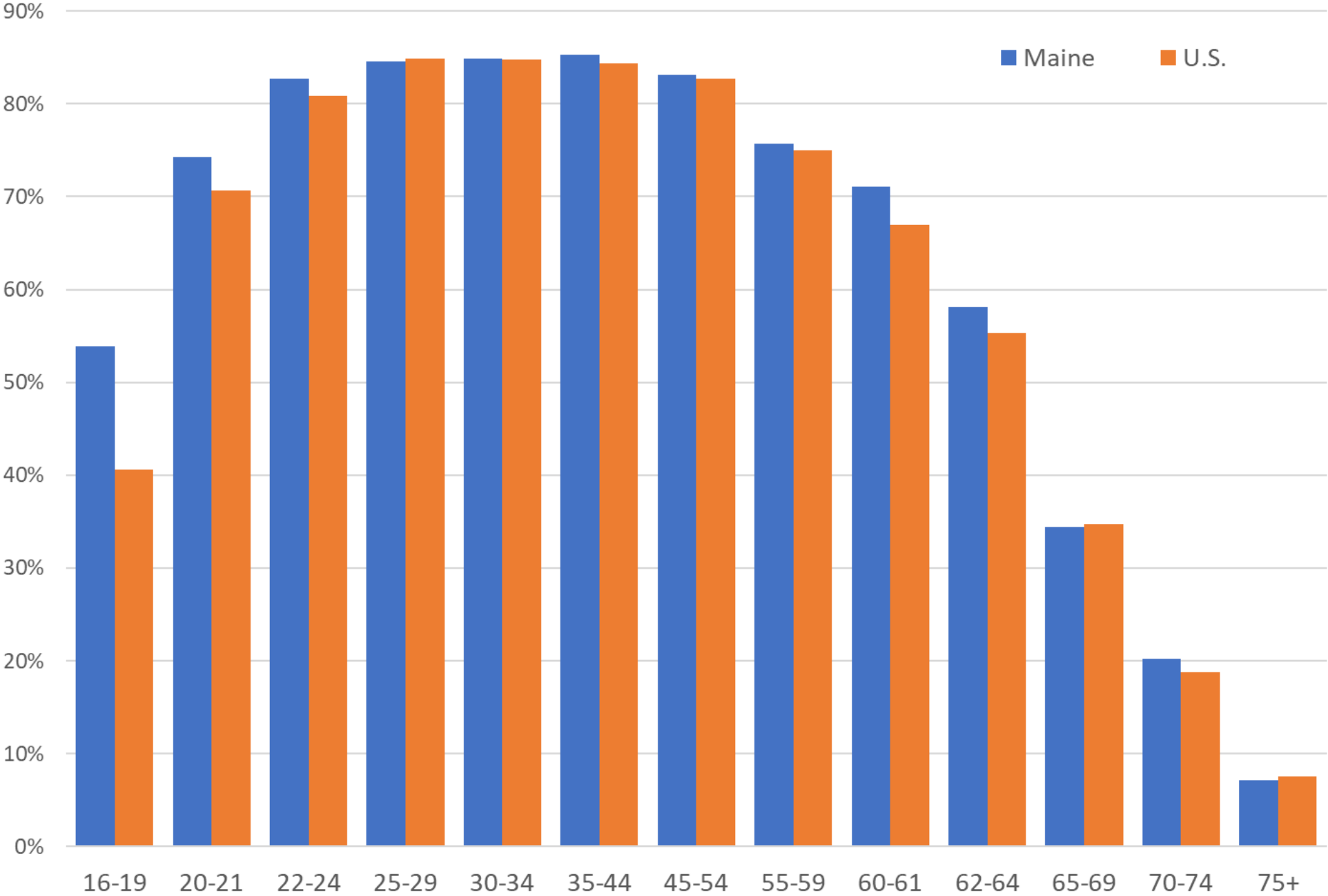
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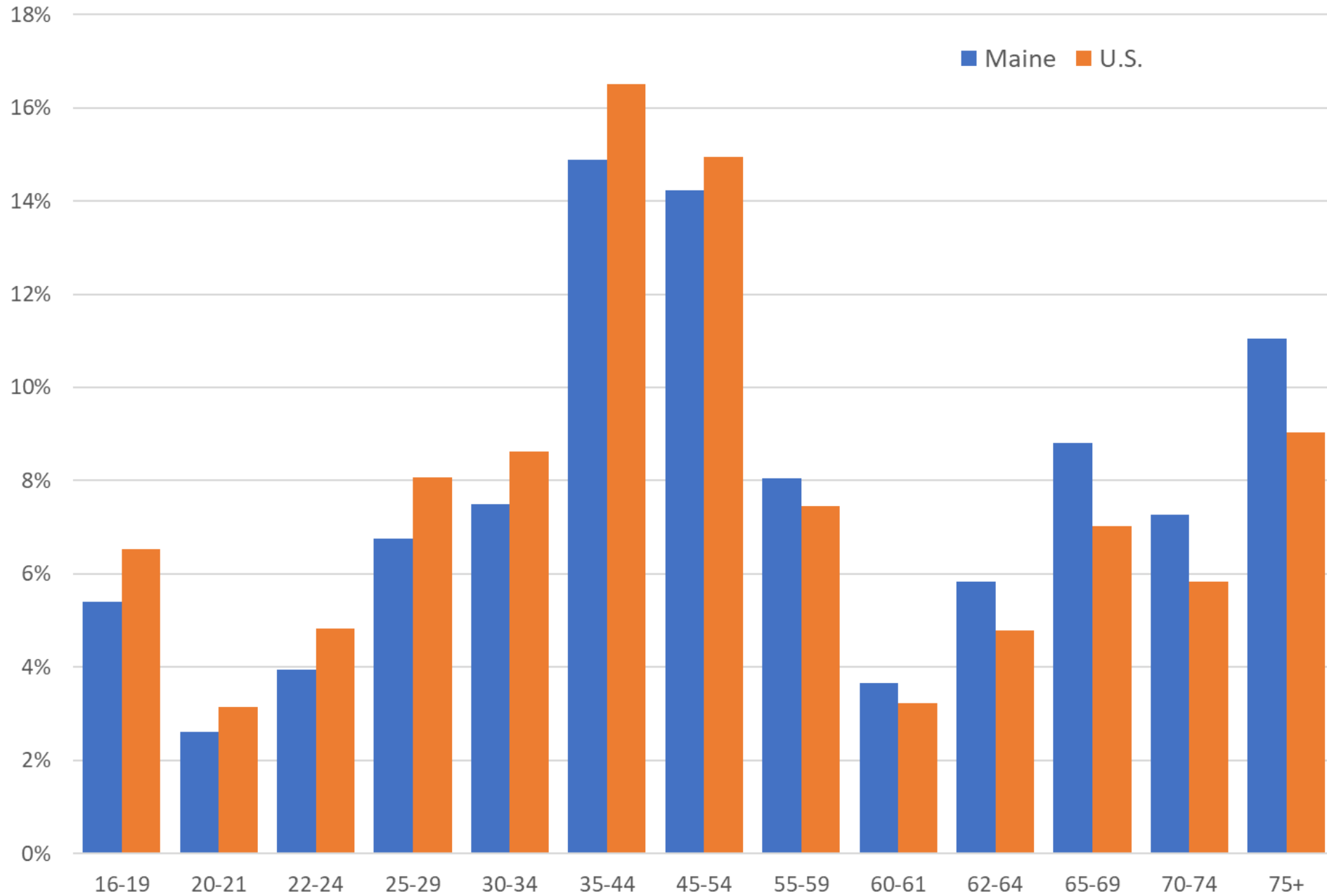
■ Maine  
■ United States



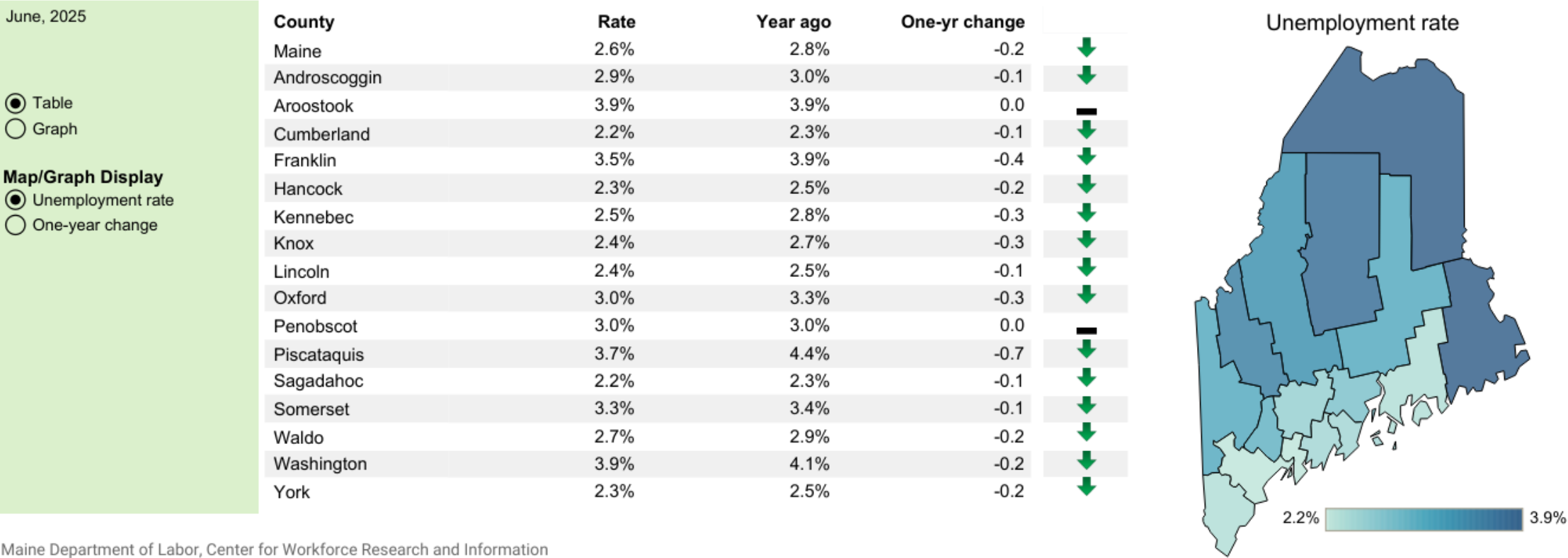
# 2023 Labor Force Participation Rate



## Share of 16+ Population by Age, 2023

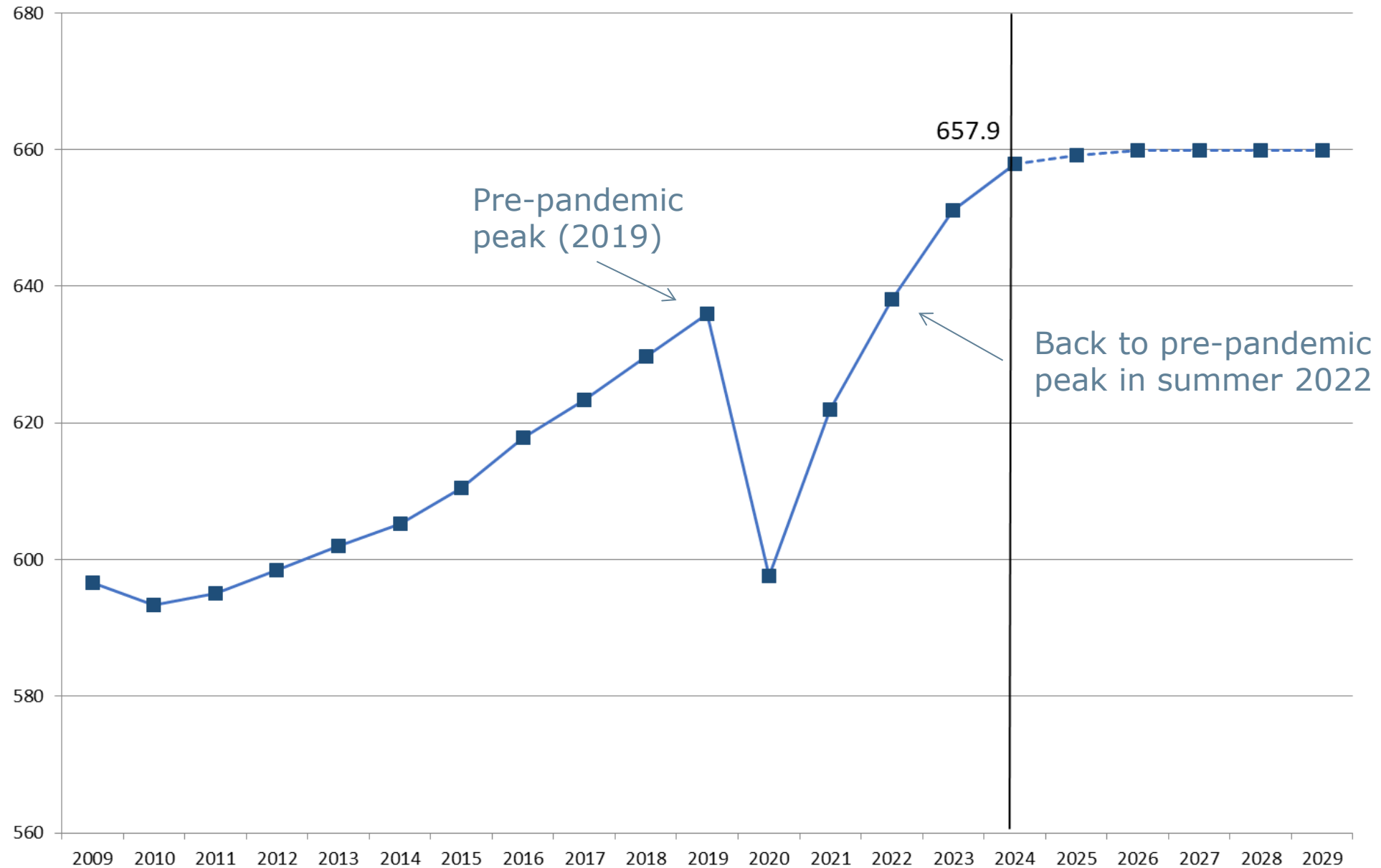


County Rates (not seasonally adjusted)

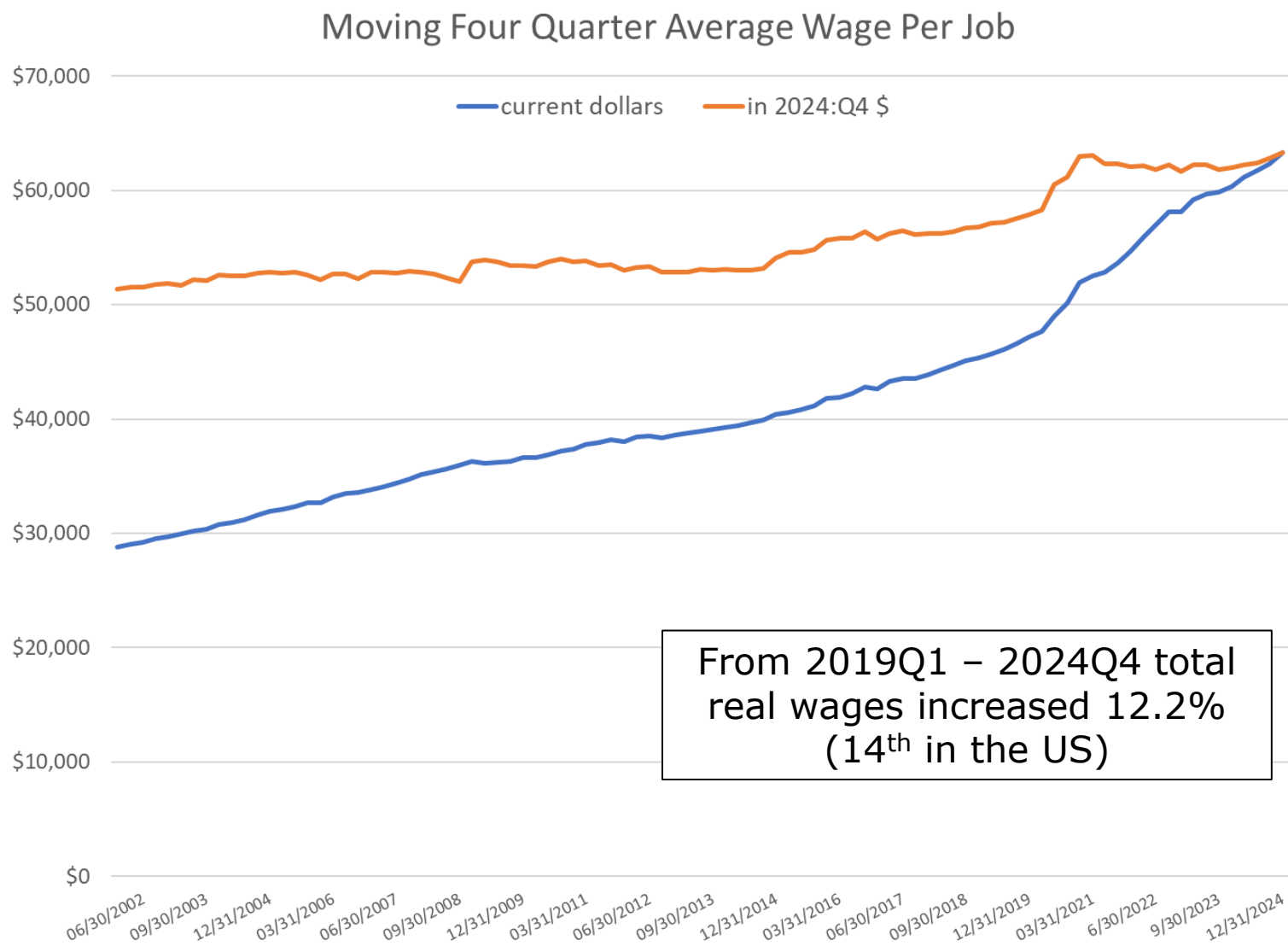


Maine’s seasonally-adjusted 3.3% unemployment rate in June 2025 is below both the U.S. and New England rates

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

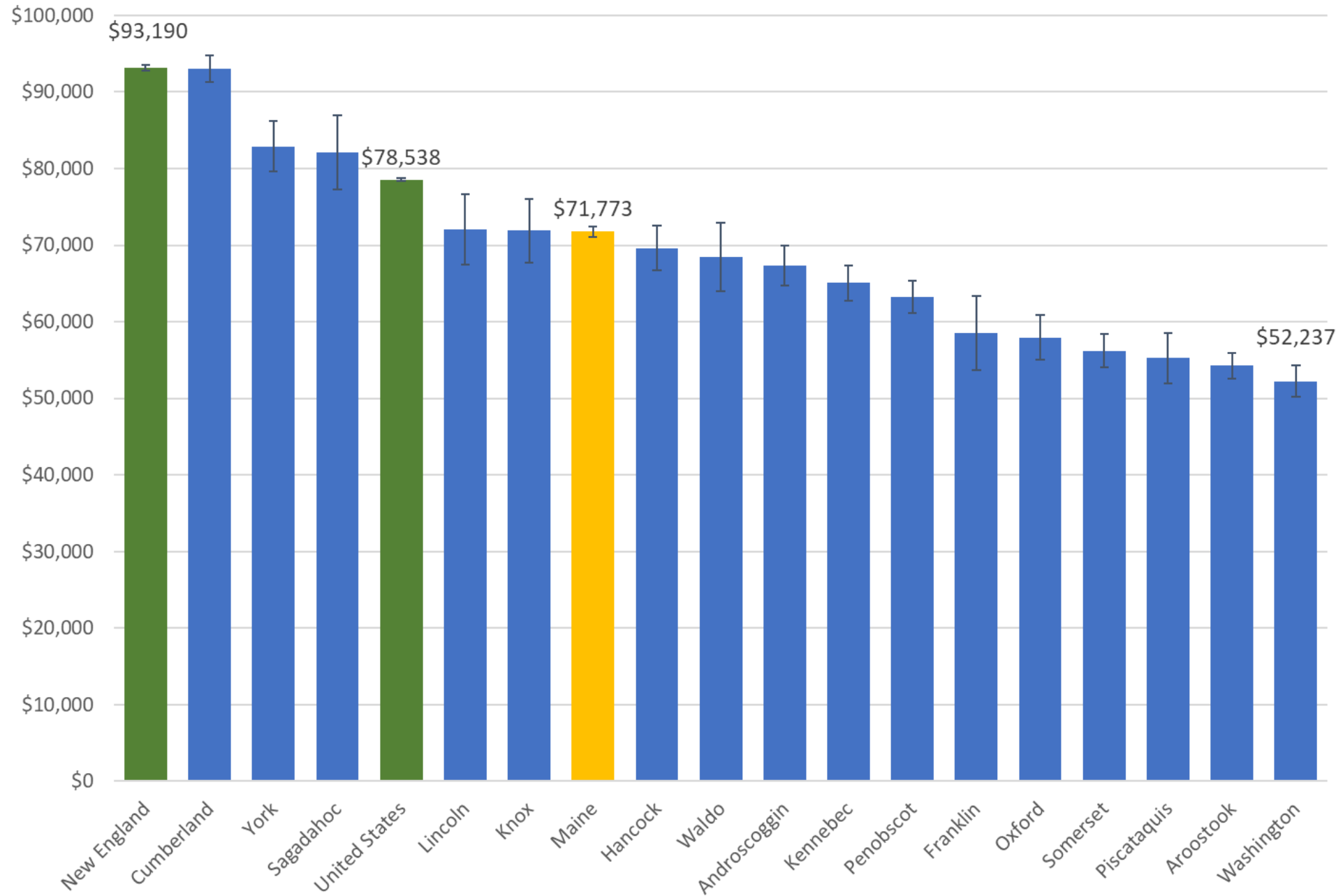


# Wages, income, and GDP

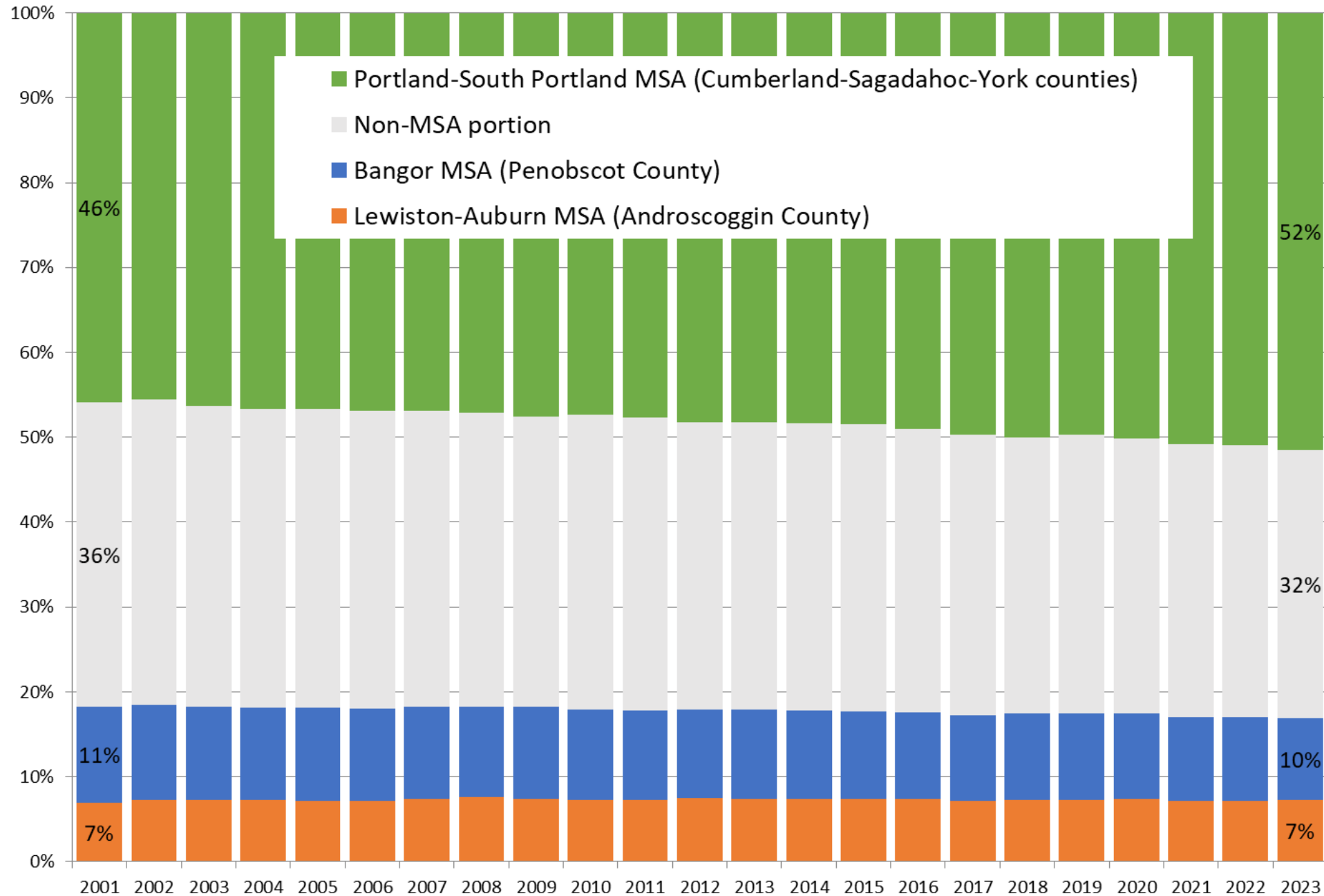


Wages increased sharply during the first part of the pandemic; since then, increases have kept pace with inflation

## Median Household Income

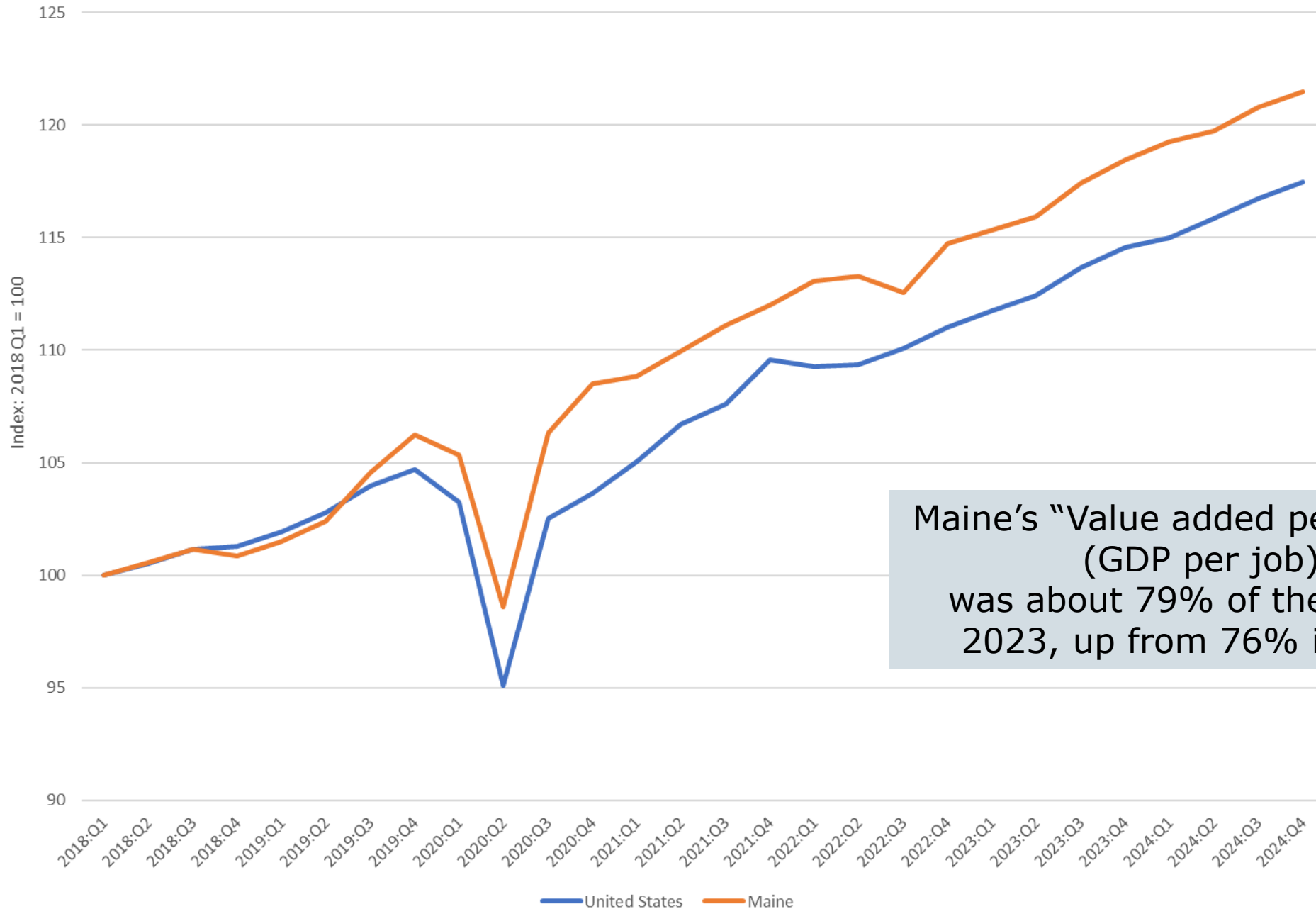


## Share of Maine GDP by Metropolitan Area





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.

# 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

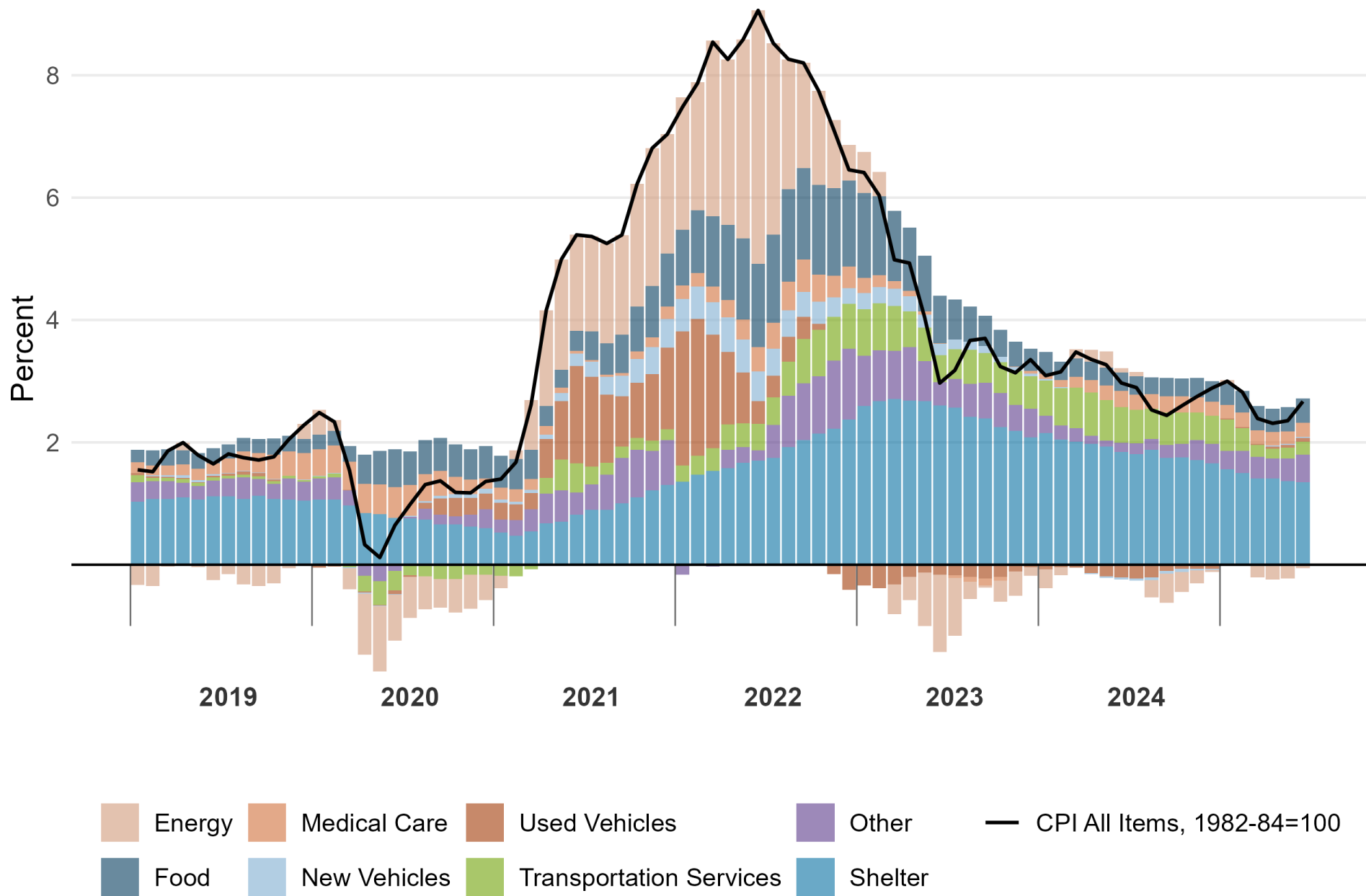
## Other tariff impacts

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

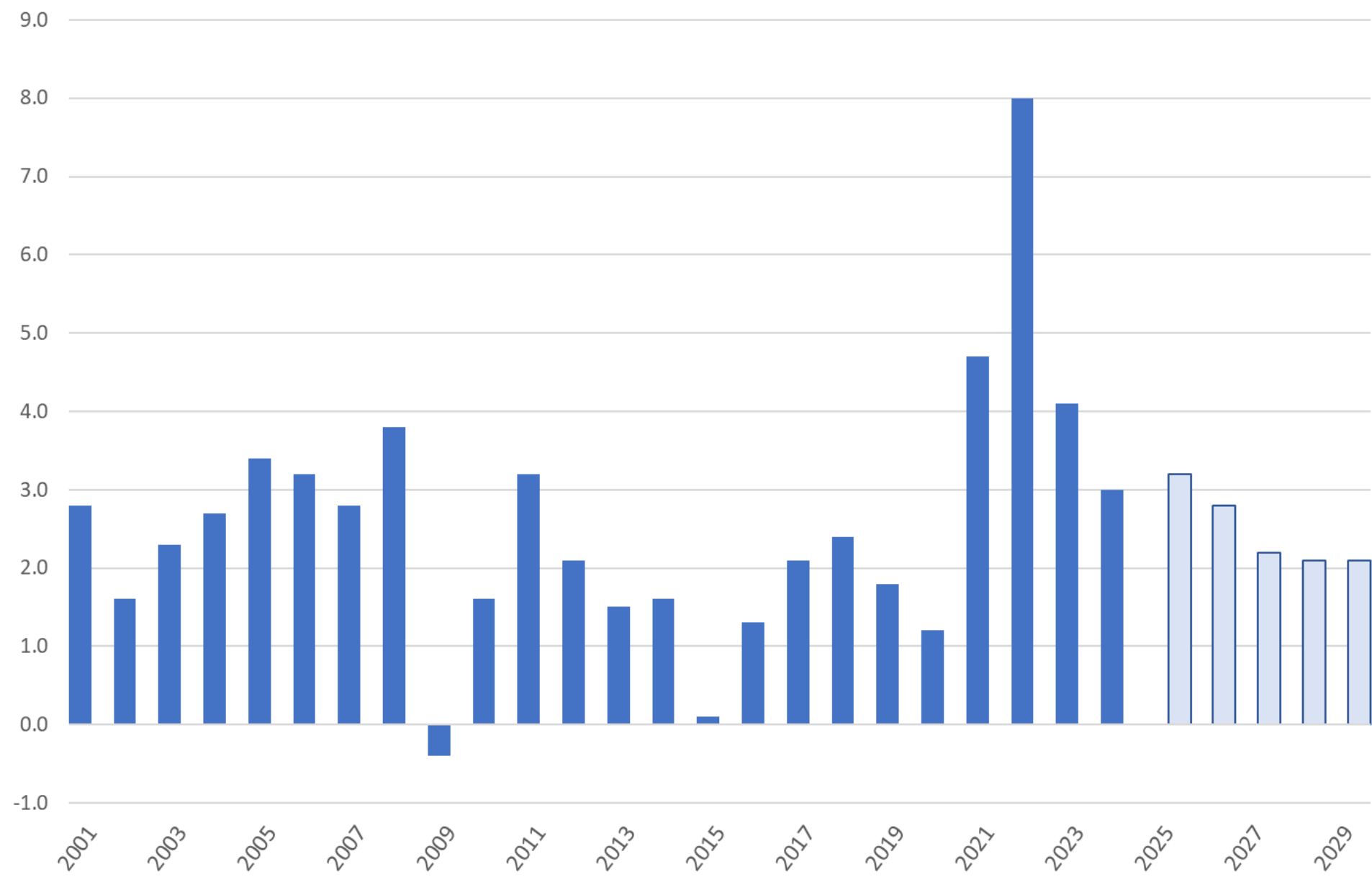
# Percentage Point Contribution to Year-Over-Year Percent Change in CPI



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)

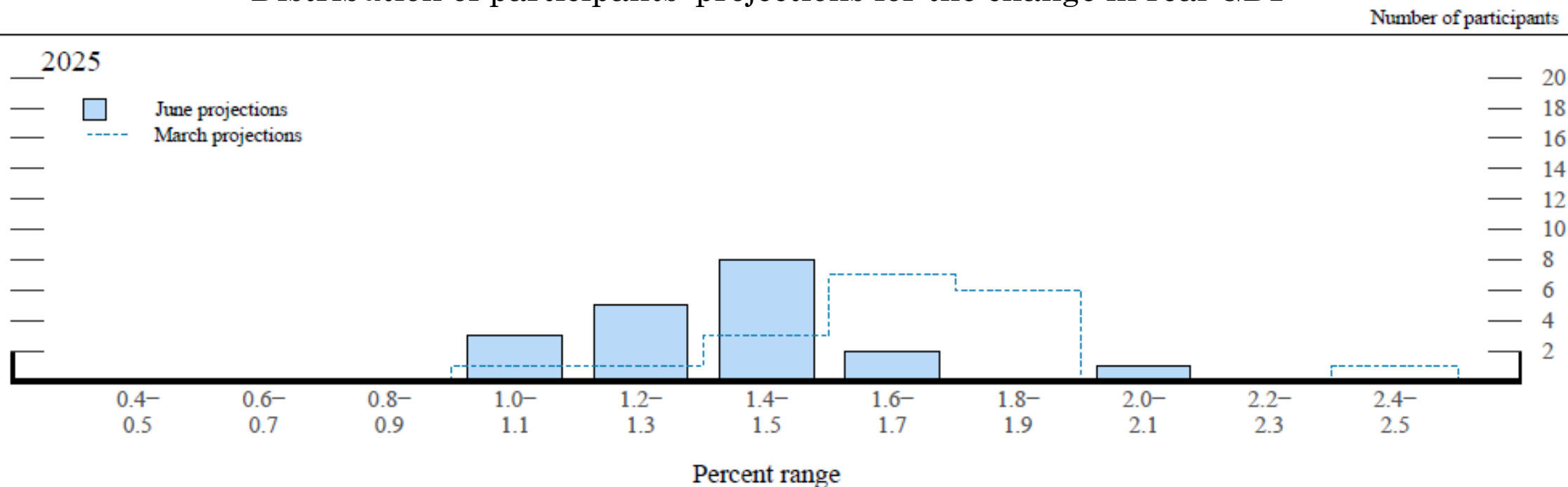
Year-over-year percent change in Consumer Price Index;  
2001-2024 historical and 2025-2029 forecast



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



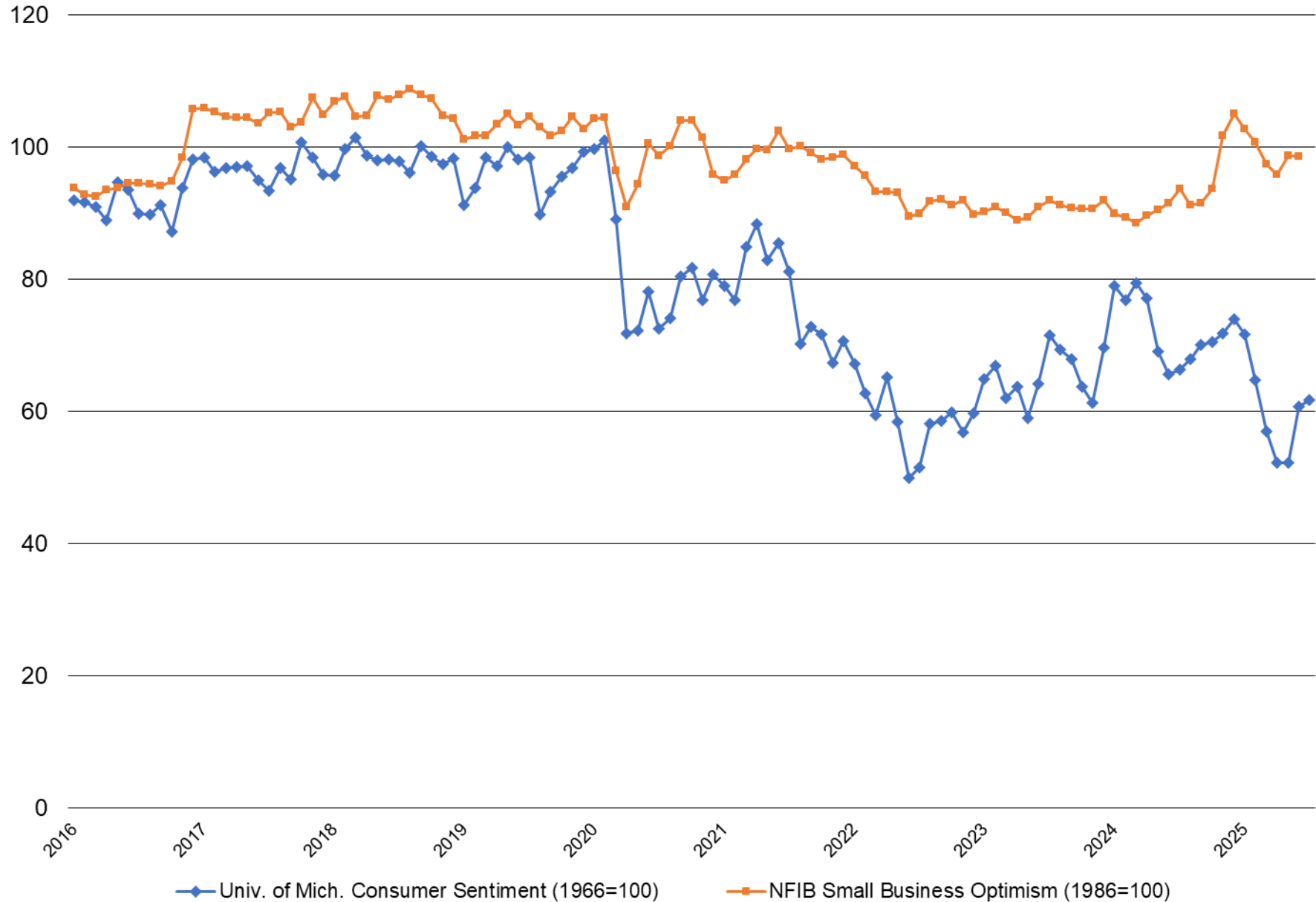


## Consumer Sentiment and Small Business Optimism Indexes

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



# 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 largely 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 on tariffs, immigration, and spending – impacts are hard to gauge in such a fluid policy environment

# Contact Information

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