



# Maine's Economic Outlook

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# Population Growth and Housing

The background image is a scenic landscape. In the foreground, a two-lane asphalt road with a yellow center line and white edge lines curves through a dense forest. The trees are mostly green, with some showing early autumn colors. A metal guardrail runs along the outer edge of the road. In the middle ground, a calm lake is visible, reflecting the sky. The far shore of the lake is lined with more trees and distant mountains. The sky is a pale, hazy blue. The overall tone of the image is serene and natural.



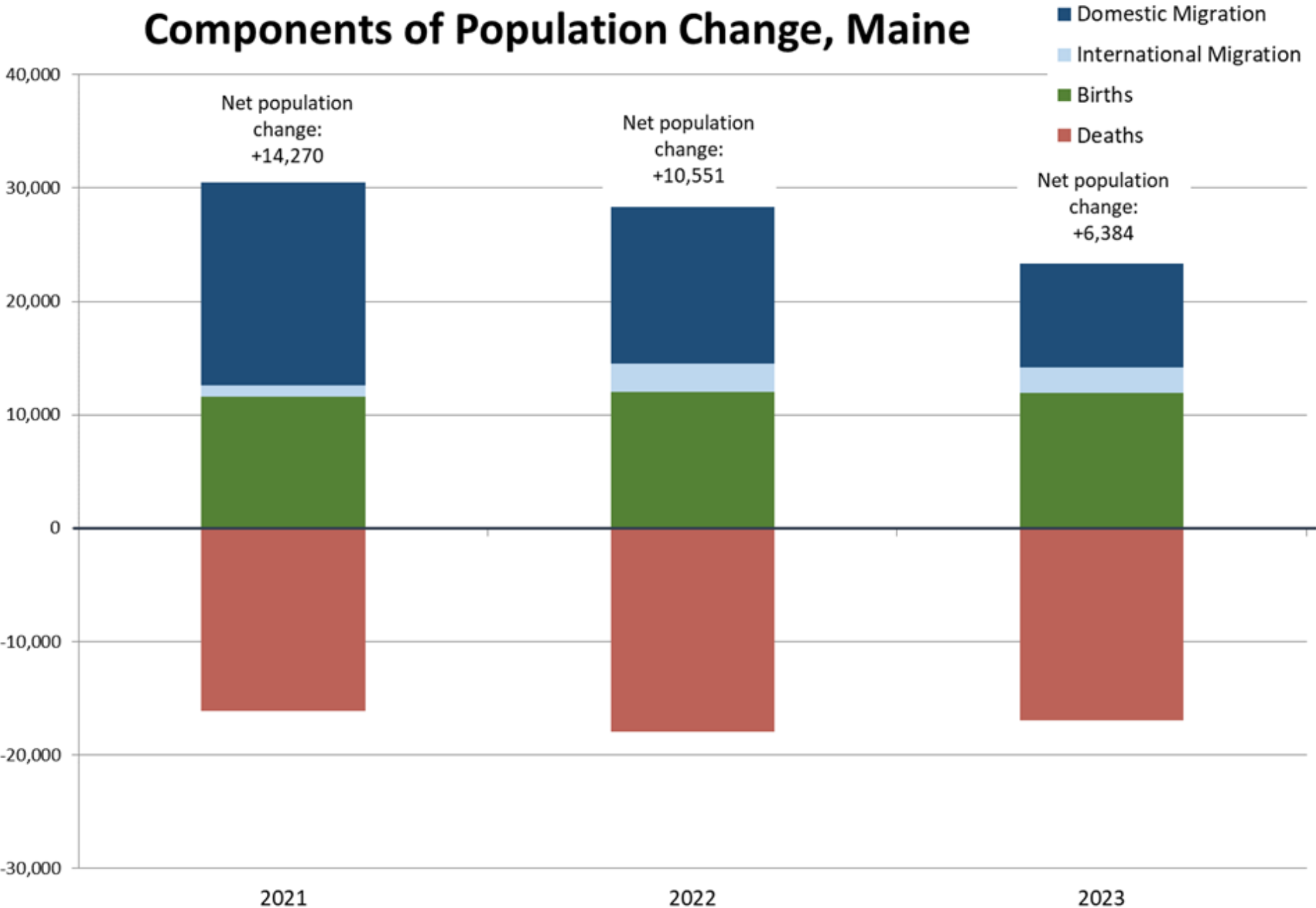


Population increase of 2.6% from 2010-2020 (42<sup>nd</sup> in U.S.)

Population increase of 2.4% from 2020-2023 (14<sup>th</sup> in U.S.)

2023 Net migration = 8.2 per thousand (9<sup>th</sup> in U.S.)

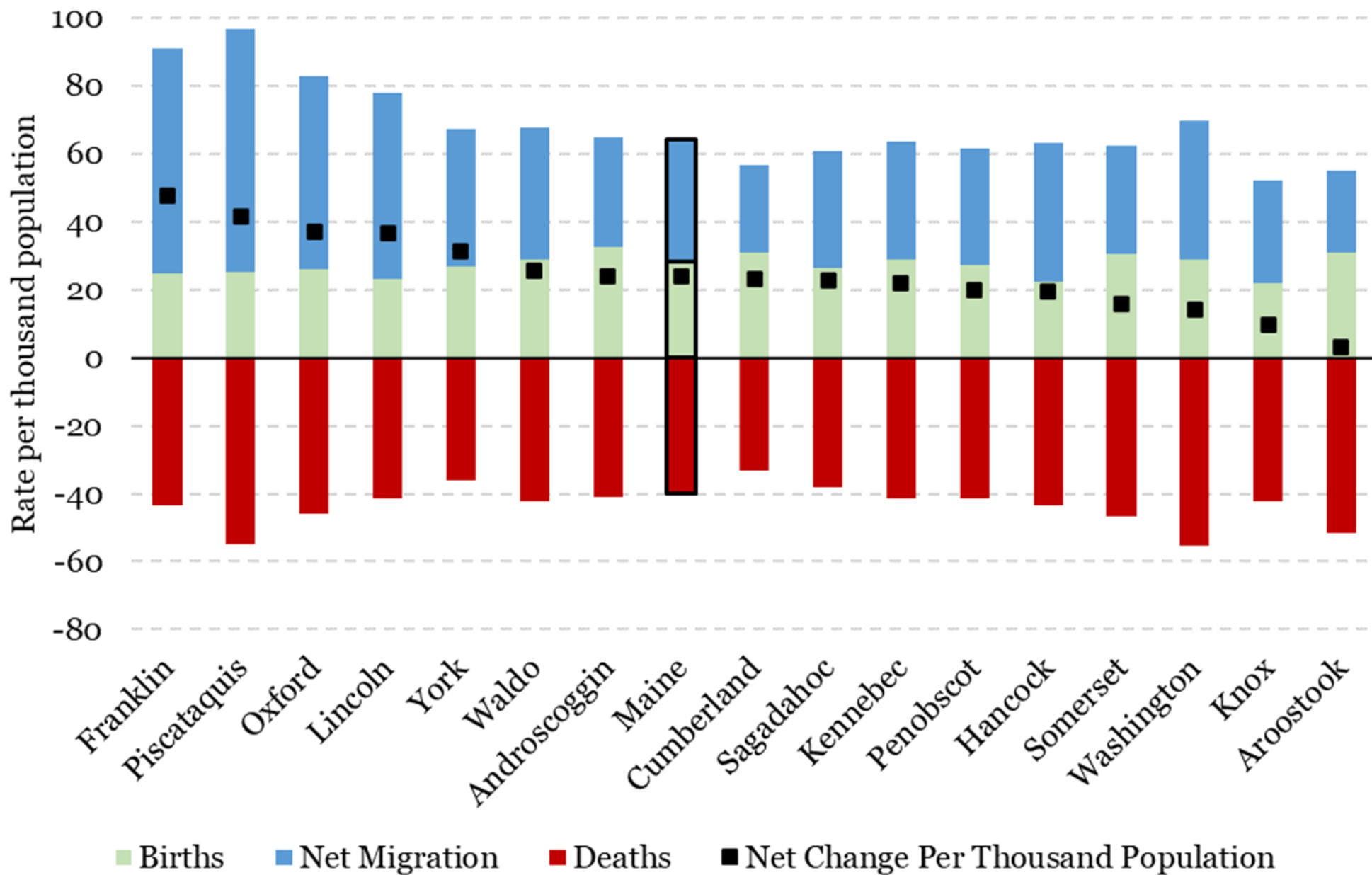
# Components of Population Change, Maine



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



## Components of Population Change in Maine, 4/2020-7/2023 Rate per thousand population



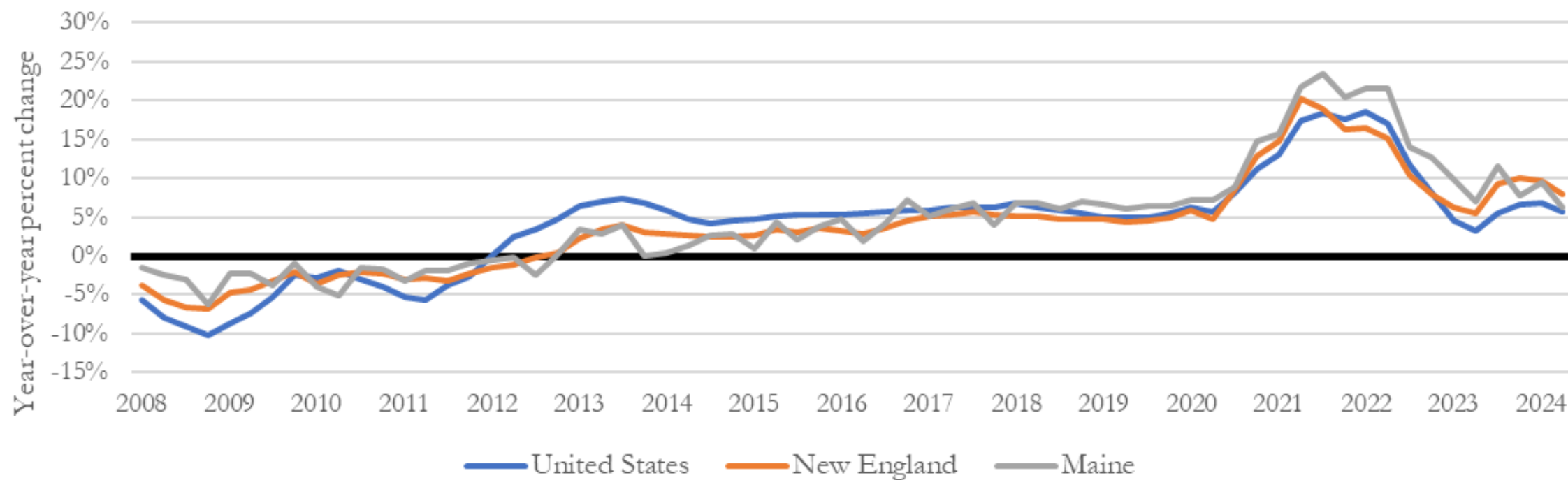


# Migration into the state drove up demand for housing and further reduced the available supply; high mortgage rates locked people into existing homes



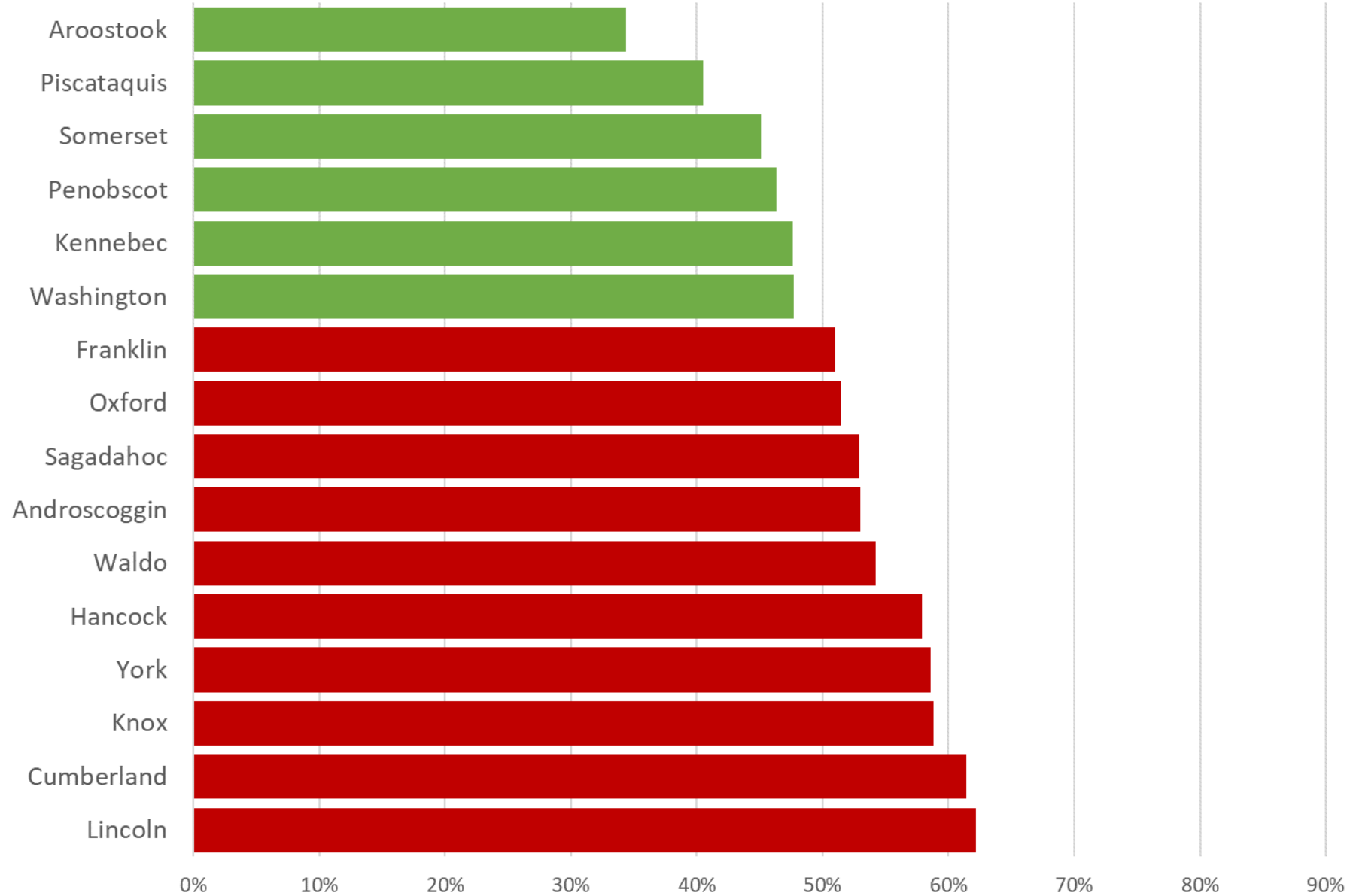


## Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



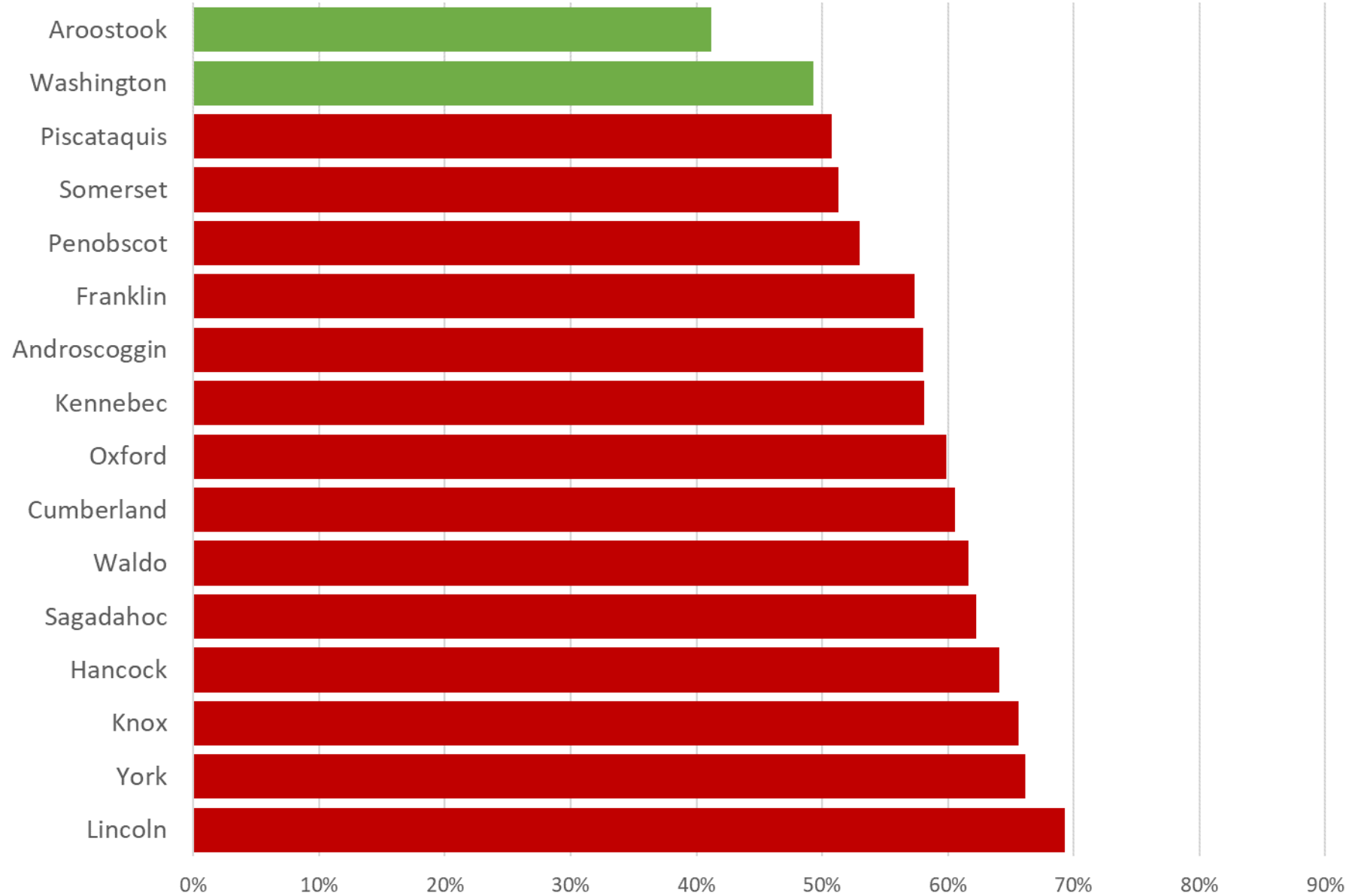


Percent of Households Unable to Afford Median Home, 2020





Percent of Households Unable to Afford Median Home, 2021

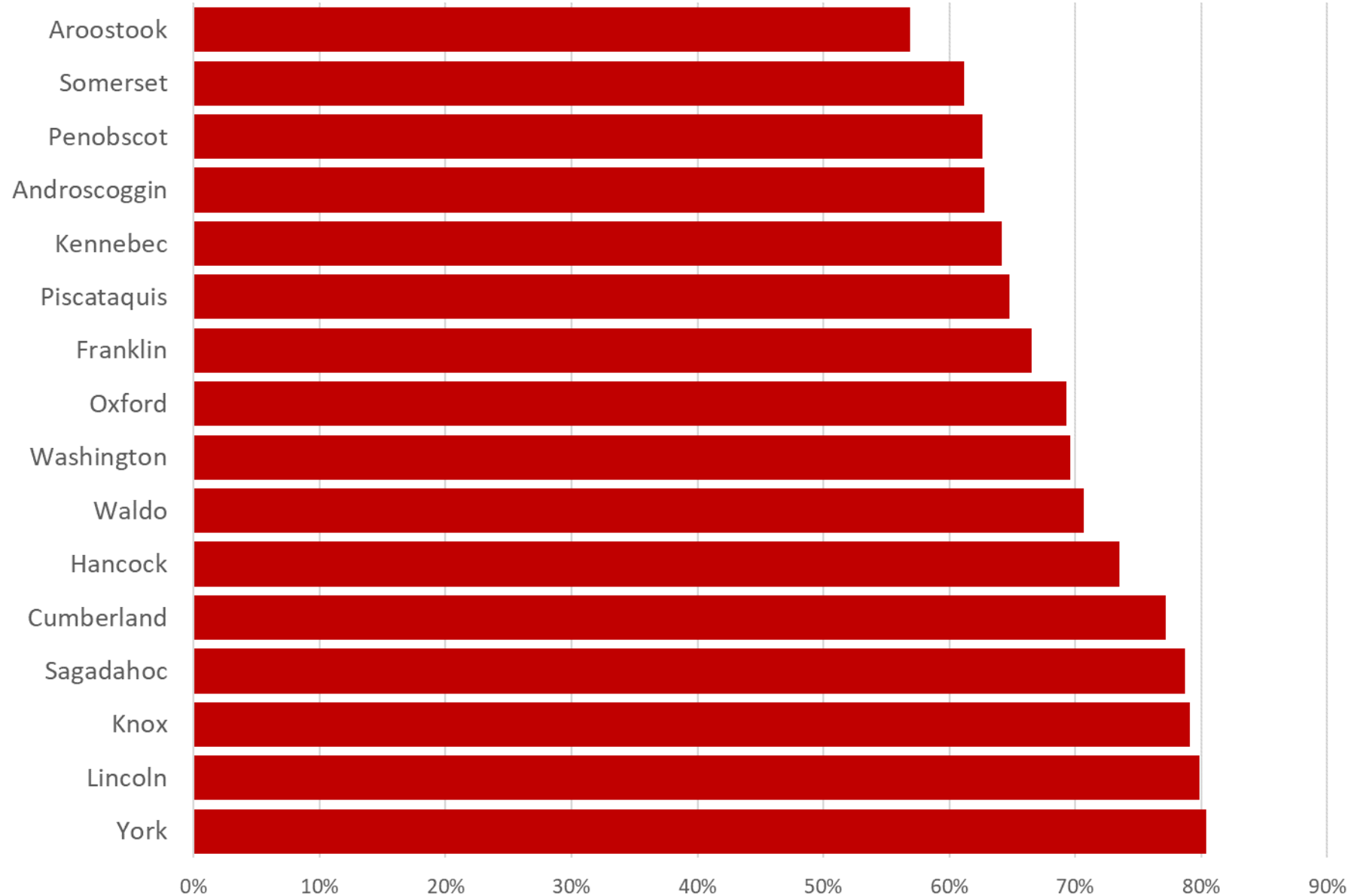


High demand  
+ low supply  
= price increases,  
contributing to  
sharp increase in  
unaffordability





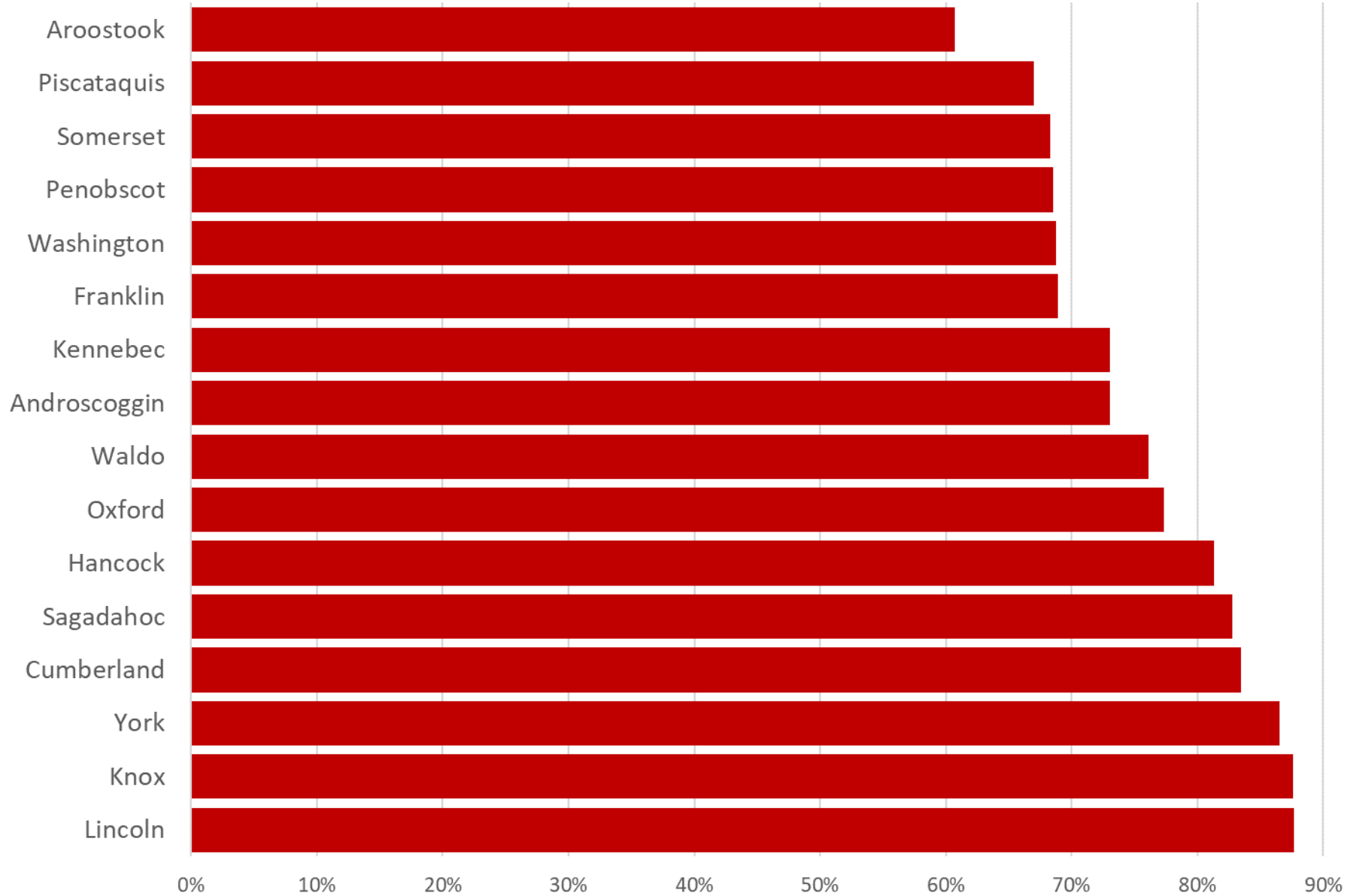
Percent of Households Unable to Afford Median Home, 2022



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Percent of Households Unable to Afford Median Home, 2023



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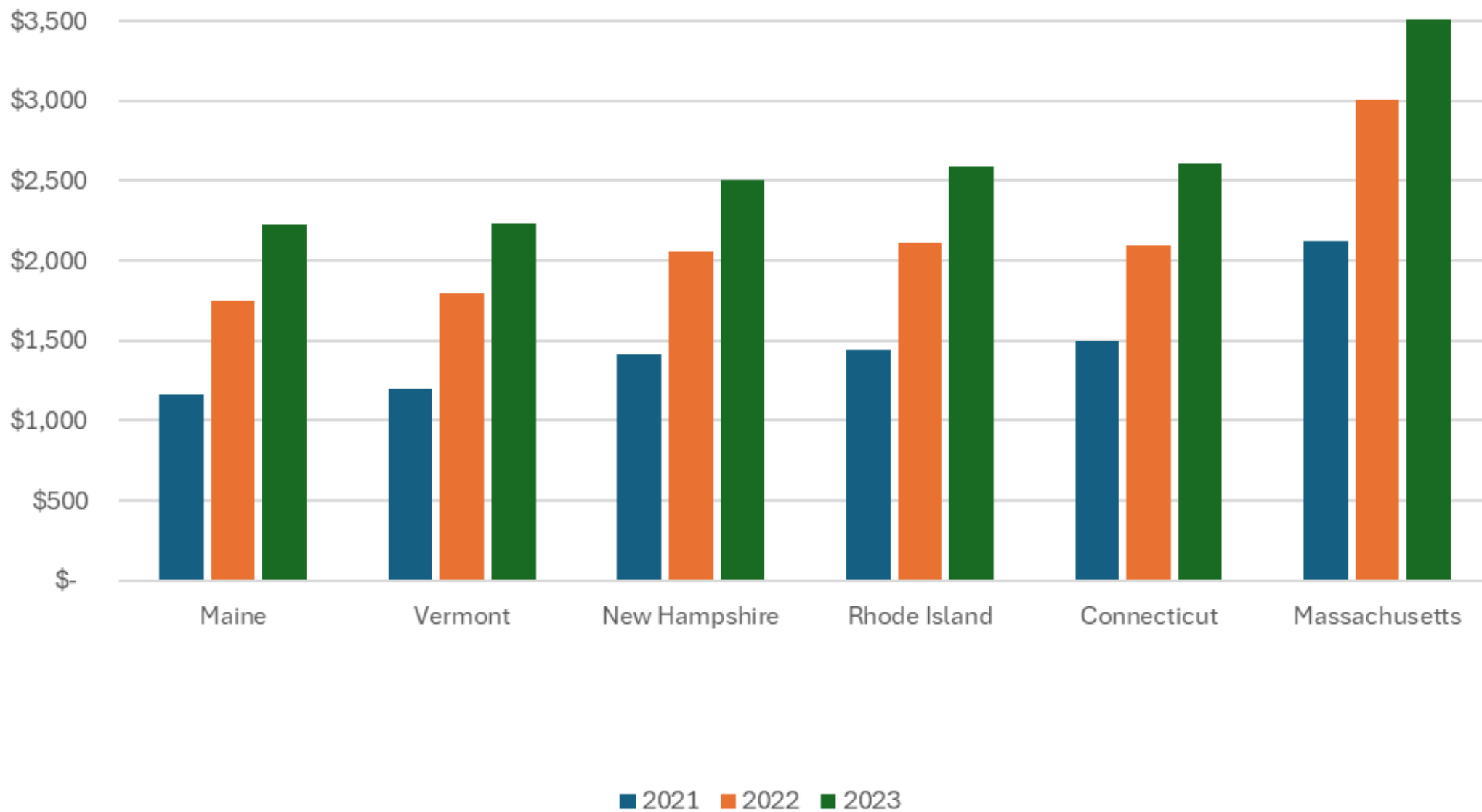
# Poll Question 1

The background image is a scenic landscape. In the foreground, a two-lane asphalt road with a yellow center line and white edge lines curves through a dense forest. The road is bordered by a metal guardrail on the right side. The trees are mostly green, with some showing early autumn colors. In the middle ground, a calm lake is visible, reflecting the sky. In the background, there are rolling hills and mountains under a clear sky.



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.

## Monthly Mortgage Payment at the Median Sales Price 2021-2023

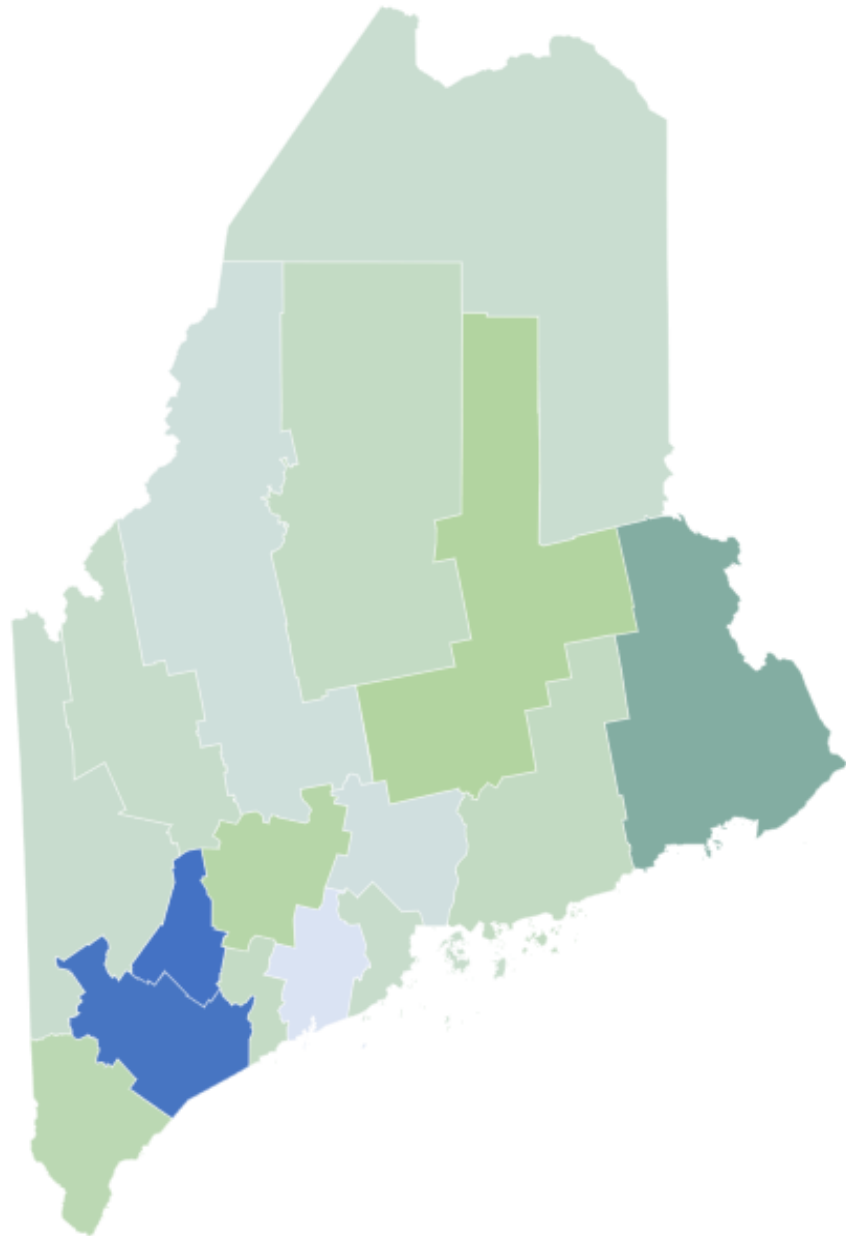




# Demographics

The background image is a scenic landscape. In the foreground, a two-lane asphalt road with a yellow center line and white edge lines curves through a dense forest. The trees are mostly green, with some showing early autumn colors. A metal guardrail runs along the outer edge of the road. In the middle ground, a calm lake is visible, reflecting the sky. The background consists of rolling hills and mountains under a clear sky.





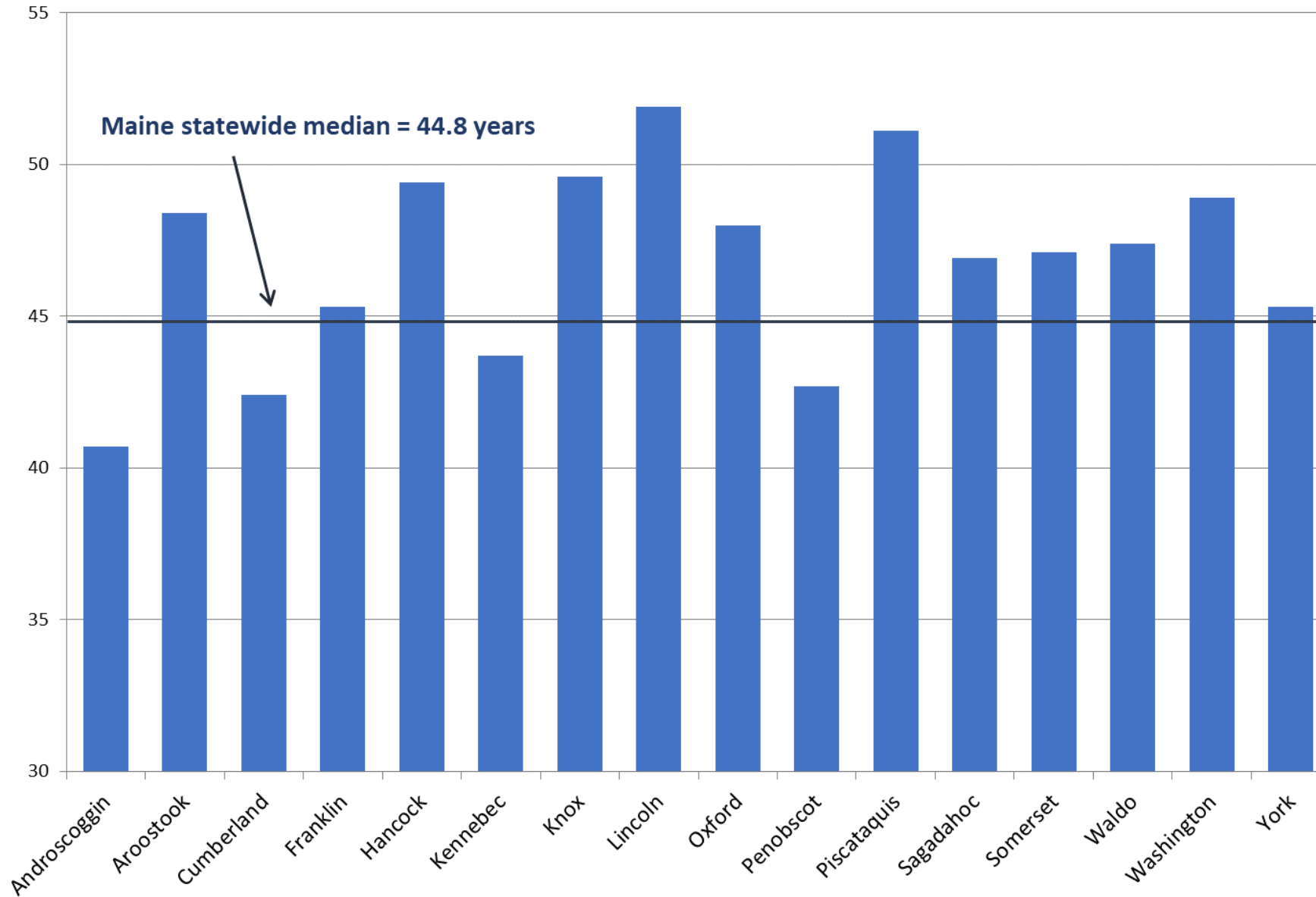
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The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

- 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



## Median Age



Maine has the oldest population...

...by median age  
(44.8 years)

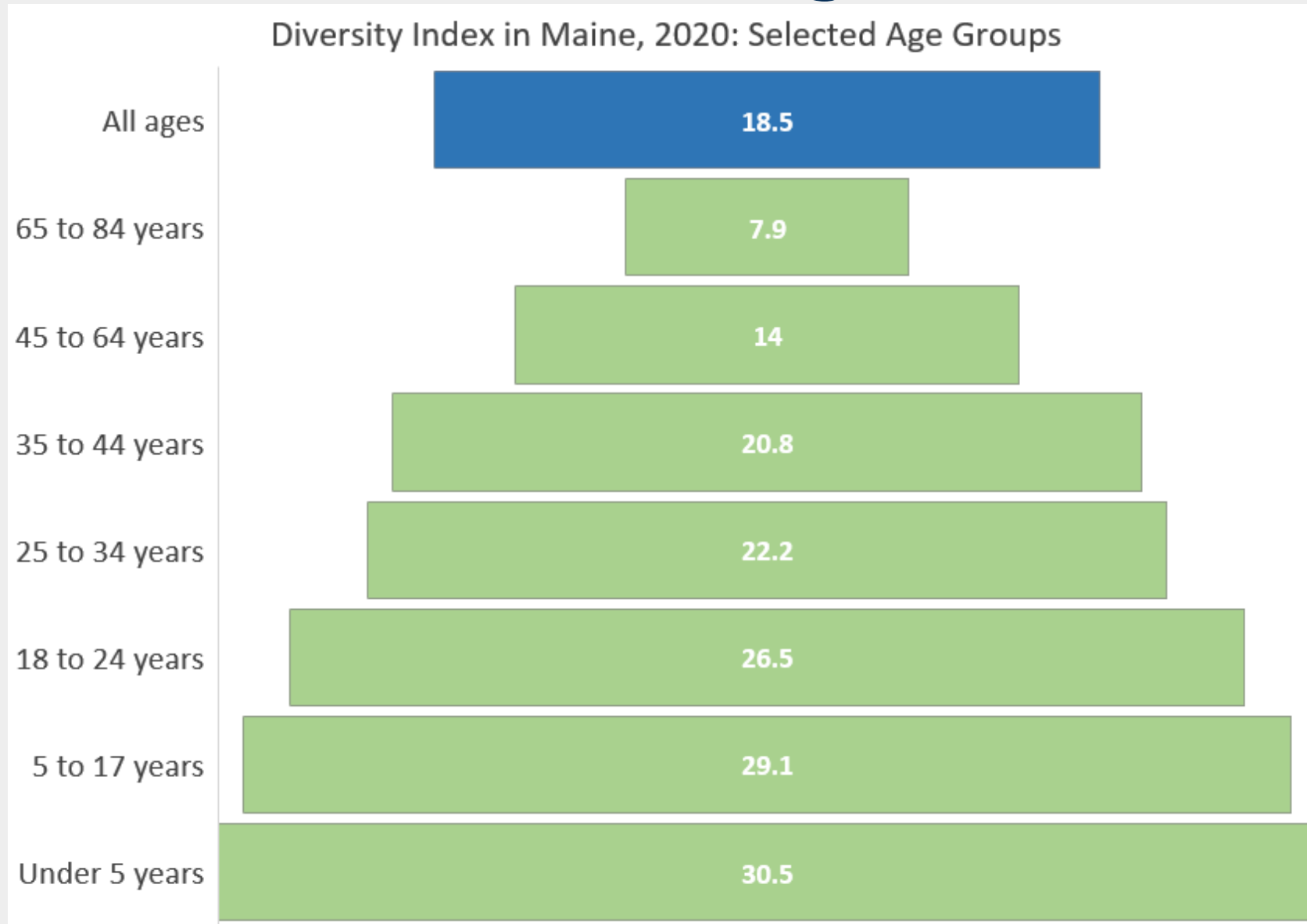
...and by % of population  
age 65+ (23.0%)

But migration has made  
a difference:

Maine's median age in  
2023 is unchanged  
from 2020, while the  
U.S. median age has  
increased 0.6 years



# Younger generations in Maine are more diverse than older generations



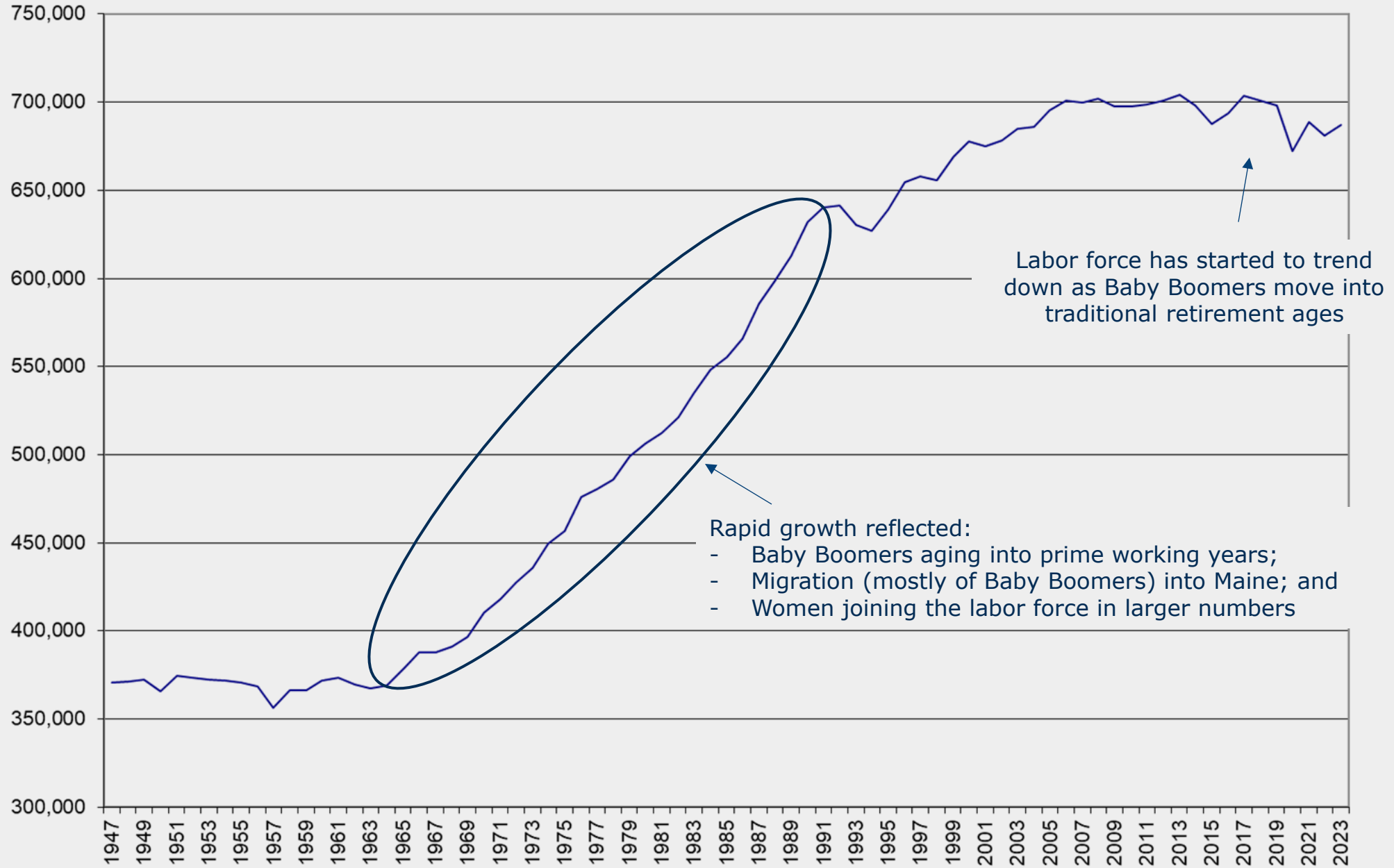
The background image is a scenic landscape. In the foreground, a two-lane asphalt road with a yellow center line and white edge lines curves through a lush, green forest. The road is bordered by a metal guardrail on the right side. In the middle ground, a calm lake reflects the surrounding greenery. In the far background, rolling mountains are visible under a clear sky. The overall scene is peaceful and natural.

# Labor Force and Employment



# Maine Civilian Labor Force

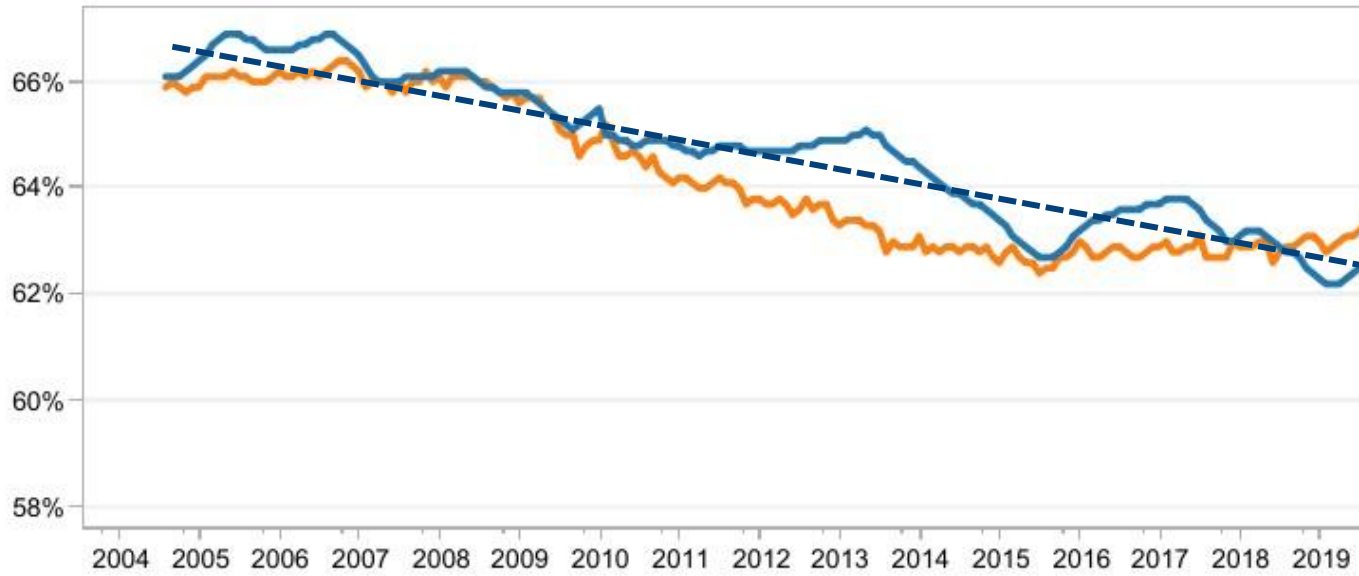
Source: Maine Department of Labor, Center for Workforce Research







### Labor Force Participation Rate (seasonally adjusted)



Sep, 2004 to Jul, 2024

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

■ Maine

■ United States

# Poll Question 2

The background image is a scenic landscape. In the foreground, a two-lane asphalt road with a yellow center line and white edge lines curves through a dense forest. The road is bordered by a metal guardrail on the right side. The trees are mostly green, with some showing early autumn colors. In the middle ground, a calm lake is visible, reflecting the sky. In the background, there are rolling hills and mountains under a clear sky. The overall scene is peaceful and scenic.



# Maine's unemployment rate was 2.8% in July 2024 and has been below 4% for 32 months

## County Rates (not seasonally adjusted)

July, 2024

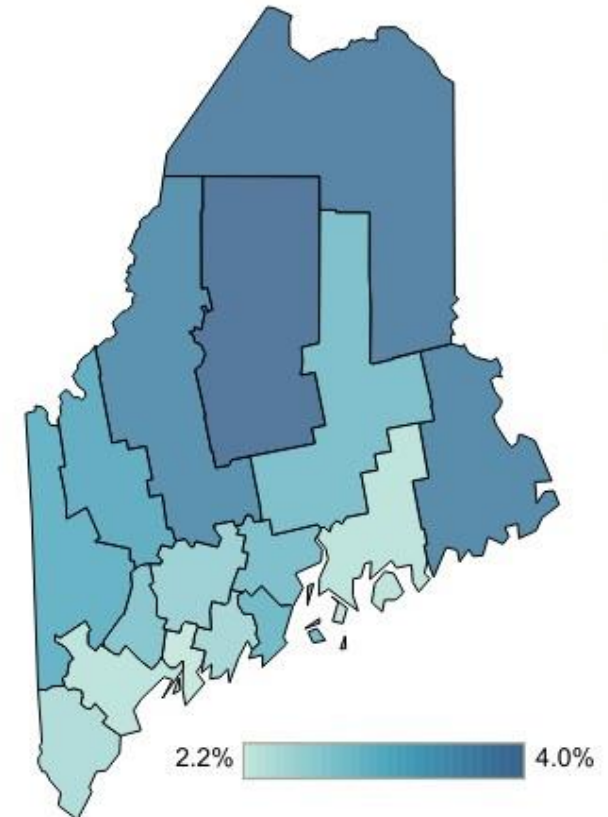
- ☒ Table  
☐ Graph

### Map/Graph Display

- ☒ Unemployment rate  
☐ One-year change

County	Rate	Year ago	One-yr change	
Maine	2.7%	2.6%	0.1	↑
Androscoggin	2.8%	2.8%	0.0	—
Aroostook	3.8%	3.6%	0.2	↑
Cumberland	2.3%	2.2%	0.1	↑
Franklin	3.2%	3.2%	0.0	—
Hancock	2.3%	2.1%	0.2	↑
Kennebec	2.6%	2.5%	0.1	↑
Knox	3.0%	2.3%	0.7	↑
Lincoln	2.5%	2.2%	0.3	↑
Oxford	3.1%	2.9%	0.2	↑
Penobscot	2.9%	2.9%	0.0	—
Piscataquis	4.0%	3.6%	0.4	↑
Sagadahoc	2.2%	2.1%	0.1	↑
Somerset	3.6%	3.9%	-0.3	↓
Waldo	2.9%	2.7%	0.2	↑
Washington	3.7%	3.9%	-0.2	↓
York	2.4%	2.2%	0.2	↑

## Unemployment rate

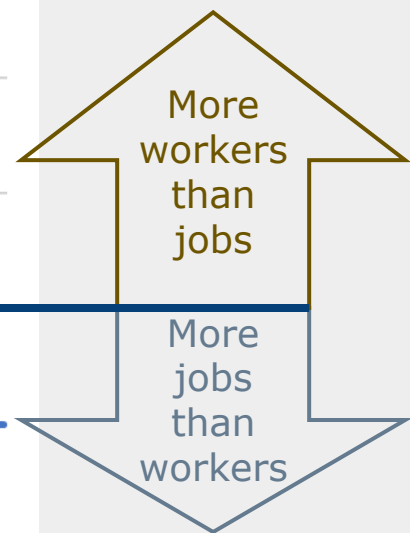


Maine Department of Labor, Center for Workforce Research and Information



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey

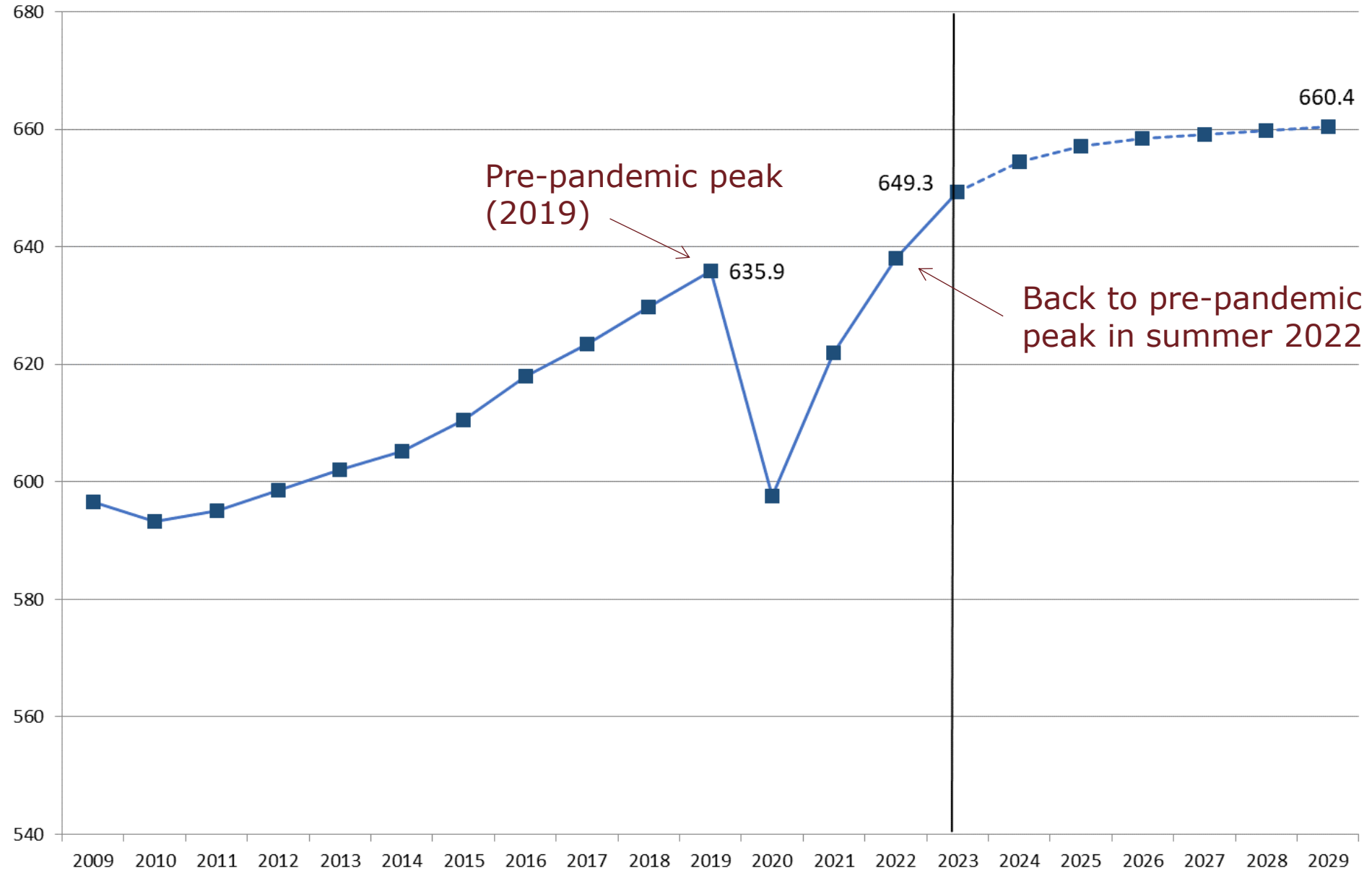
# Unemployed Persons per Job Opening Ratio - Maine







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







**As remote work expanded 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.**

Sources: U.S. Bureau of Labor Statistics and Maine Department of Labor, Center for Workforce Research and Information



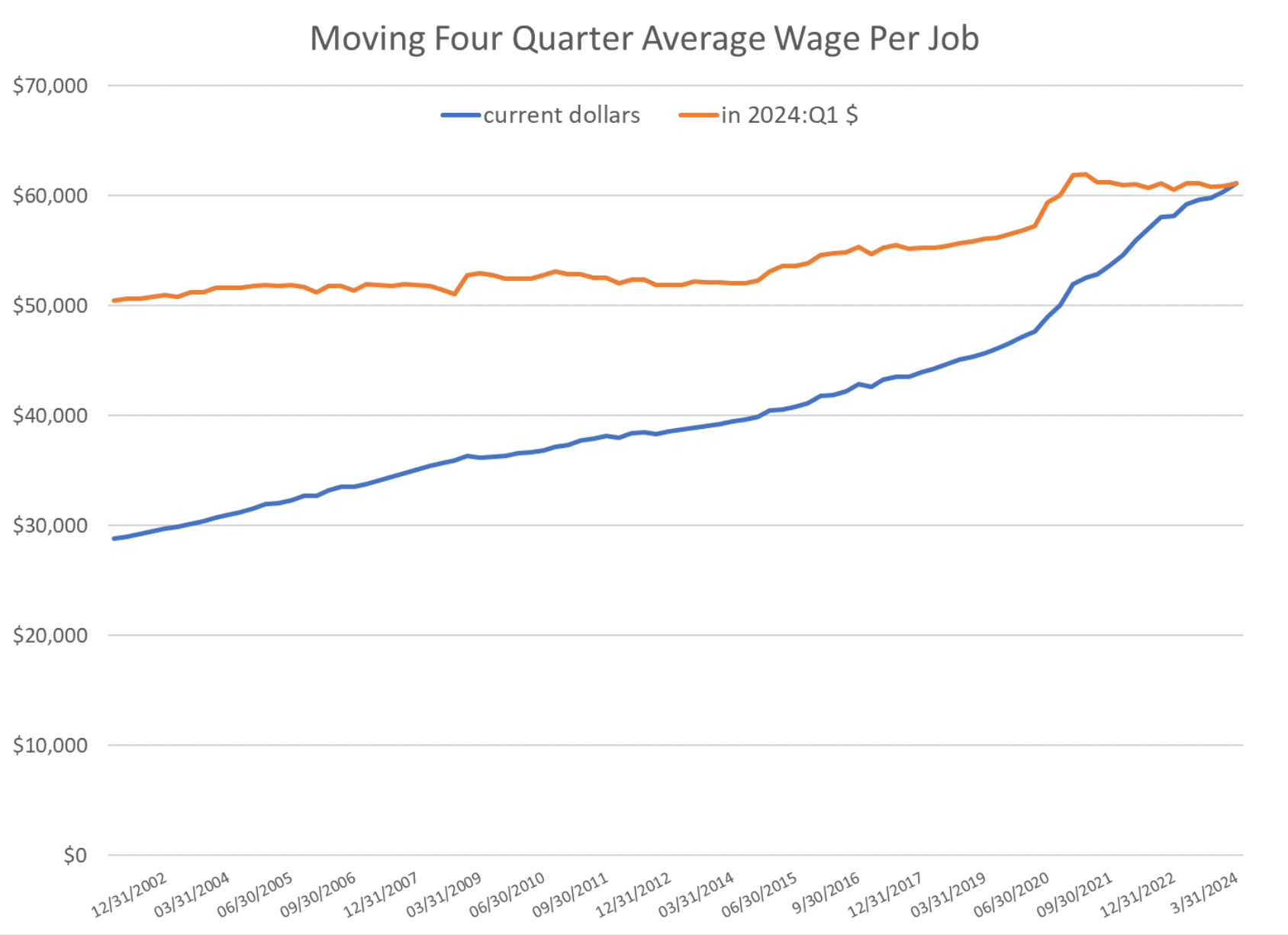
# Wages and Income

The background image is a scenic landscape. In the foreground, a two-lane asphalt road with a yellow center line and white edge lines curves through a dense forest. The trees have green and some autumnal brown foliage. To the left of the road, a calm lake reflects the surrounding greenery. In the far background, a range of blue, hazy mountains stretches across the horizon under a clear sky.



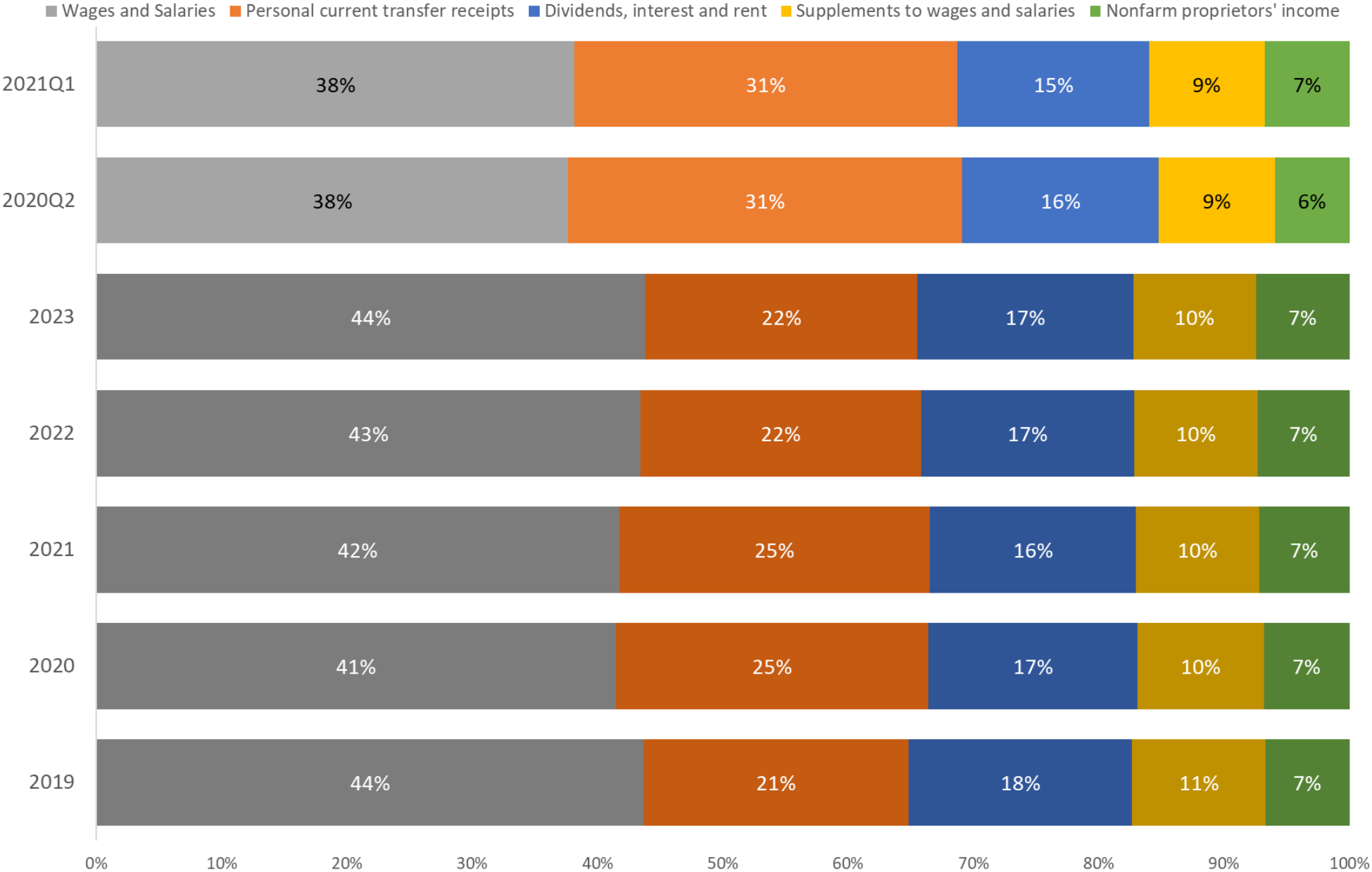
# Wages increased sharply during the first part of the pandemic, but increases more recently have just kept pace with inflation

Sources: Maine Department of Labor, Center for Workforce Research and Information; U.S. Bureau of Labor Statistics



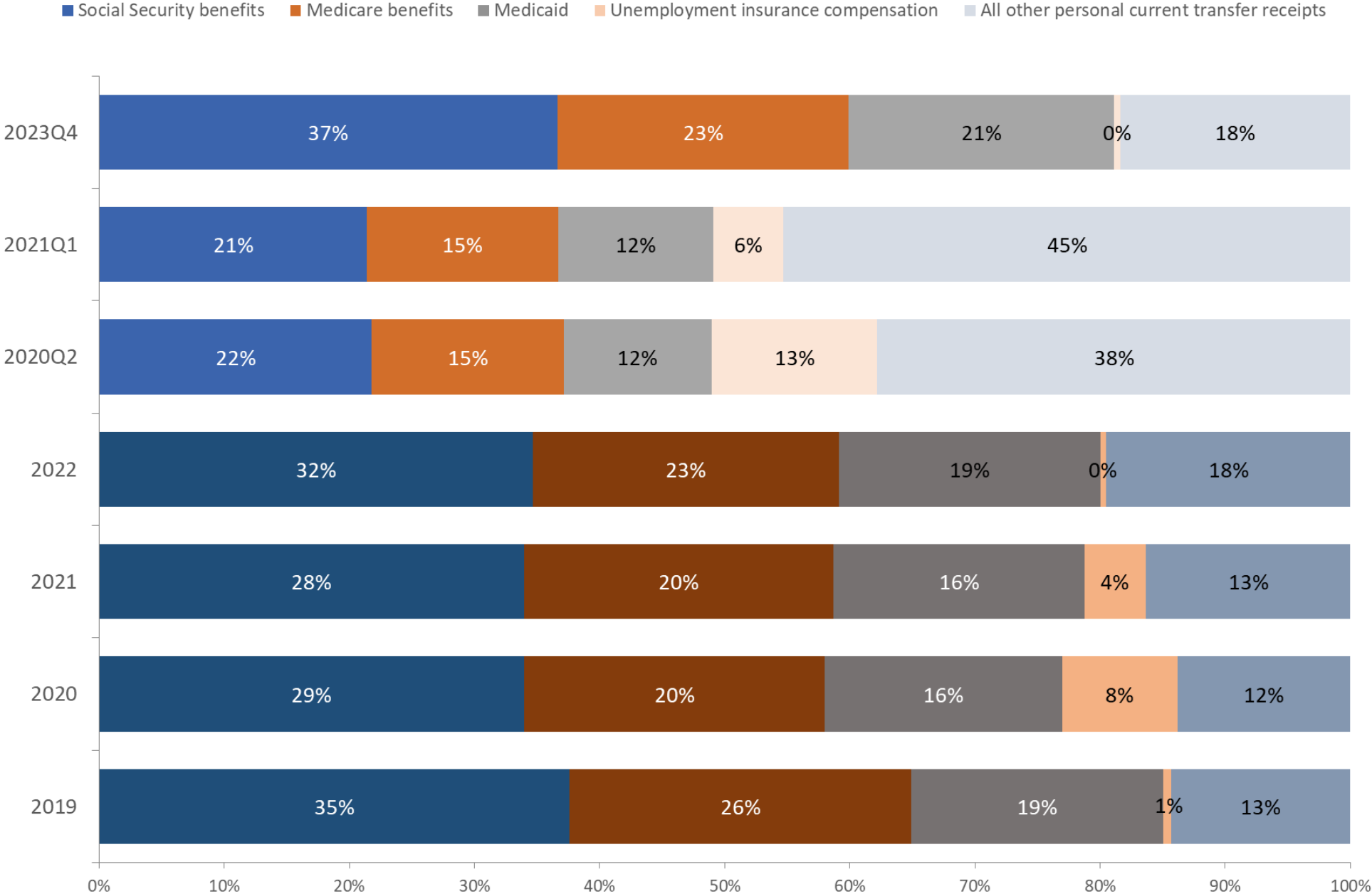


# Major Components of Personal Income, Maine





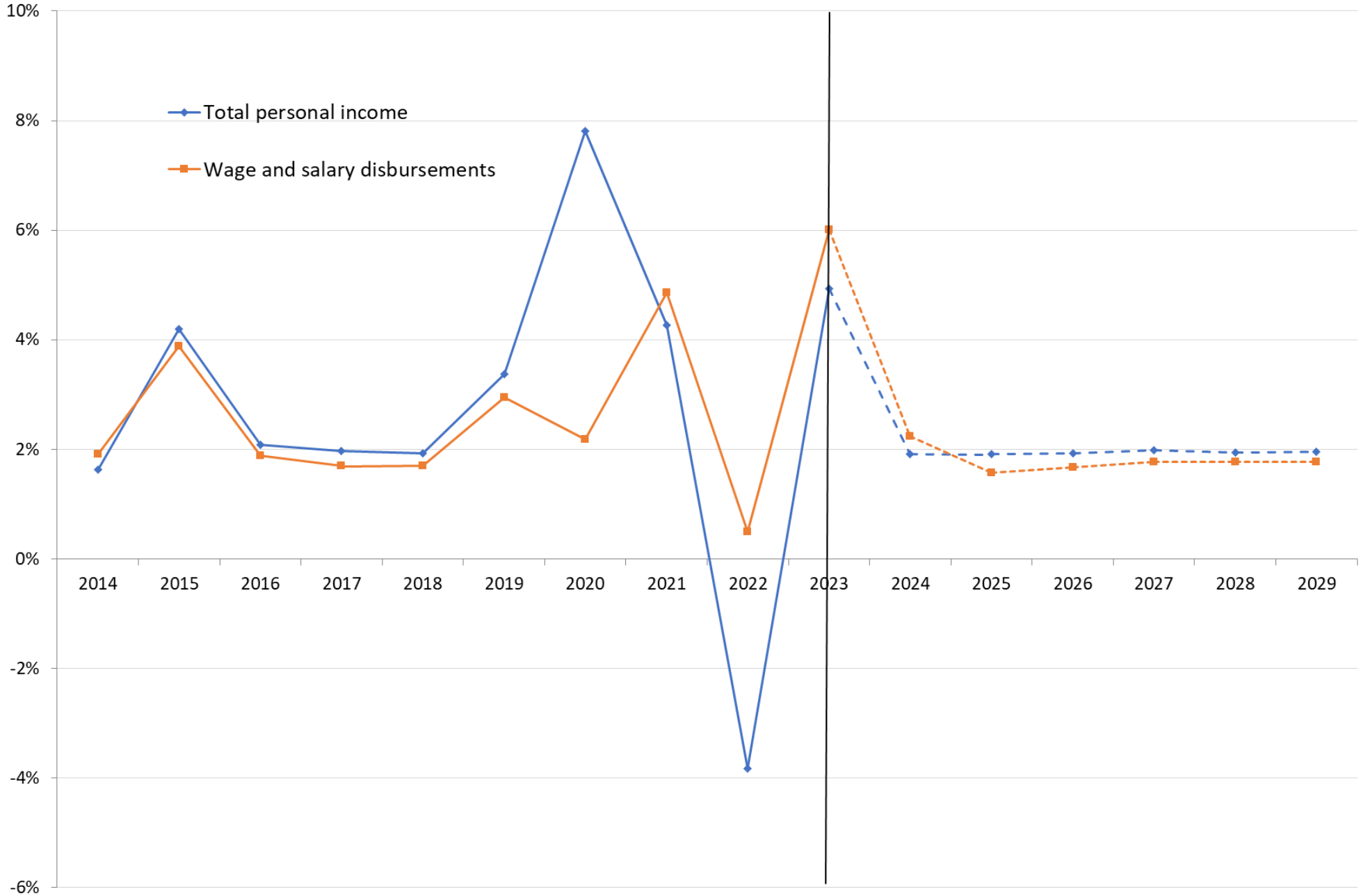
# Components of Personal Current Transfer Receipts, Maine







# Percent Change in Real Personal Income (2023 \$), Maine 2012-2023 and forecast to 2029



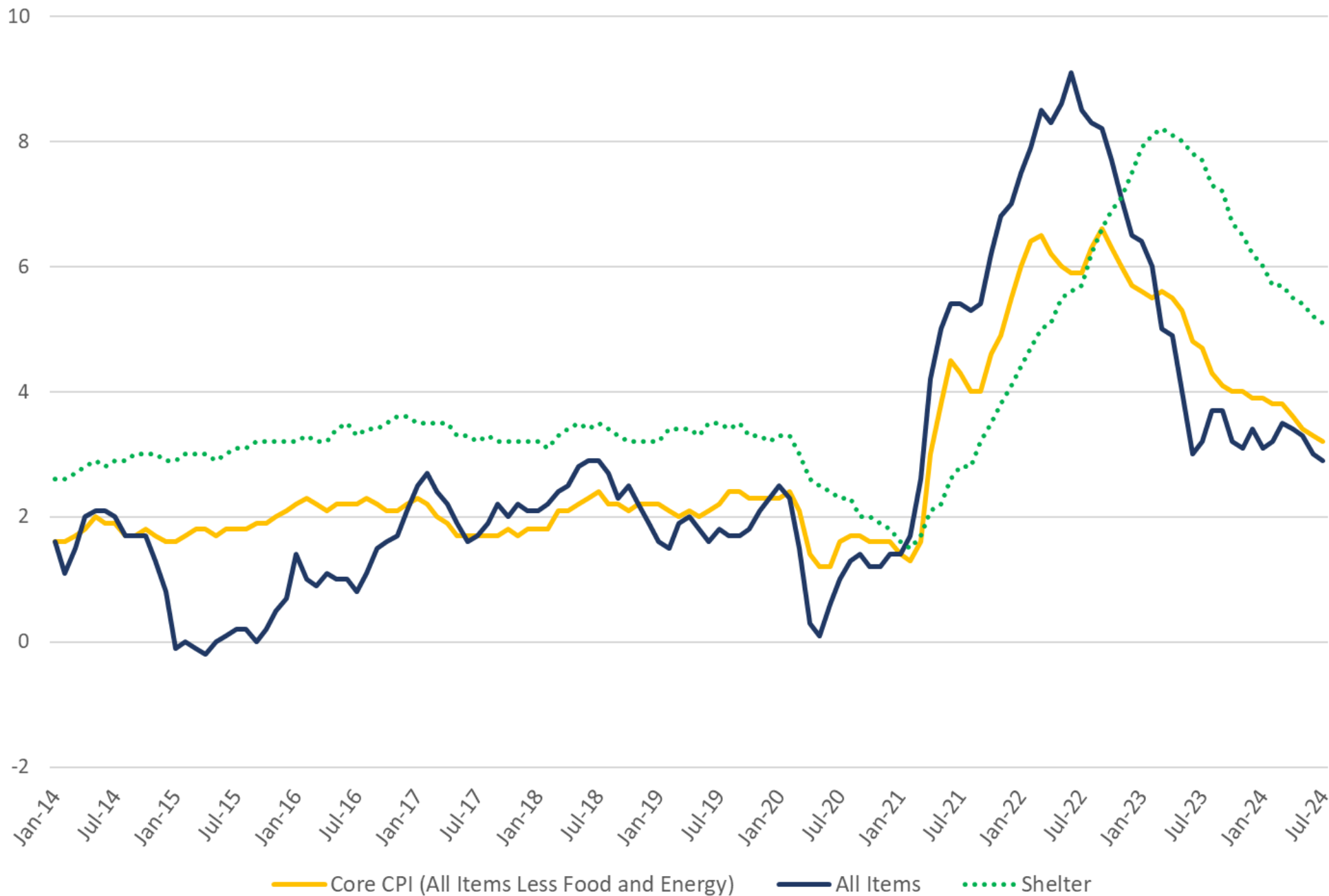
# Inflation and Consumer Sentiment

The background image is a scenic landscape. In the foreground, a two-lane asphalt road with a yellow center line and white edge lines curves through a dense forest. The trees are mostly green, with some showing early autumn colors. To the left of the road, a calm lake reflects the surrounding greenery. In the far background, a range of mountains is visible under a hazy sky. The entire image is covered with a semi-transparent dark grey or black overlay, which makes the white text of the title stand out prominently in the center.



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

## Year-over-year percent change in Consumer Price Index





## What does this mean for interest rates?

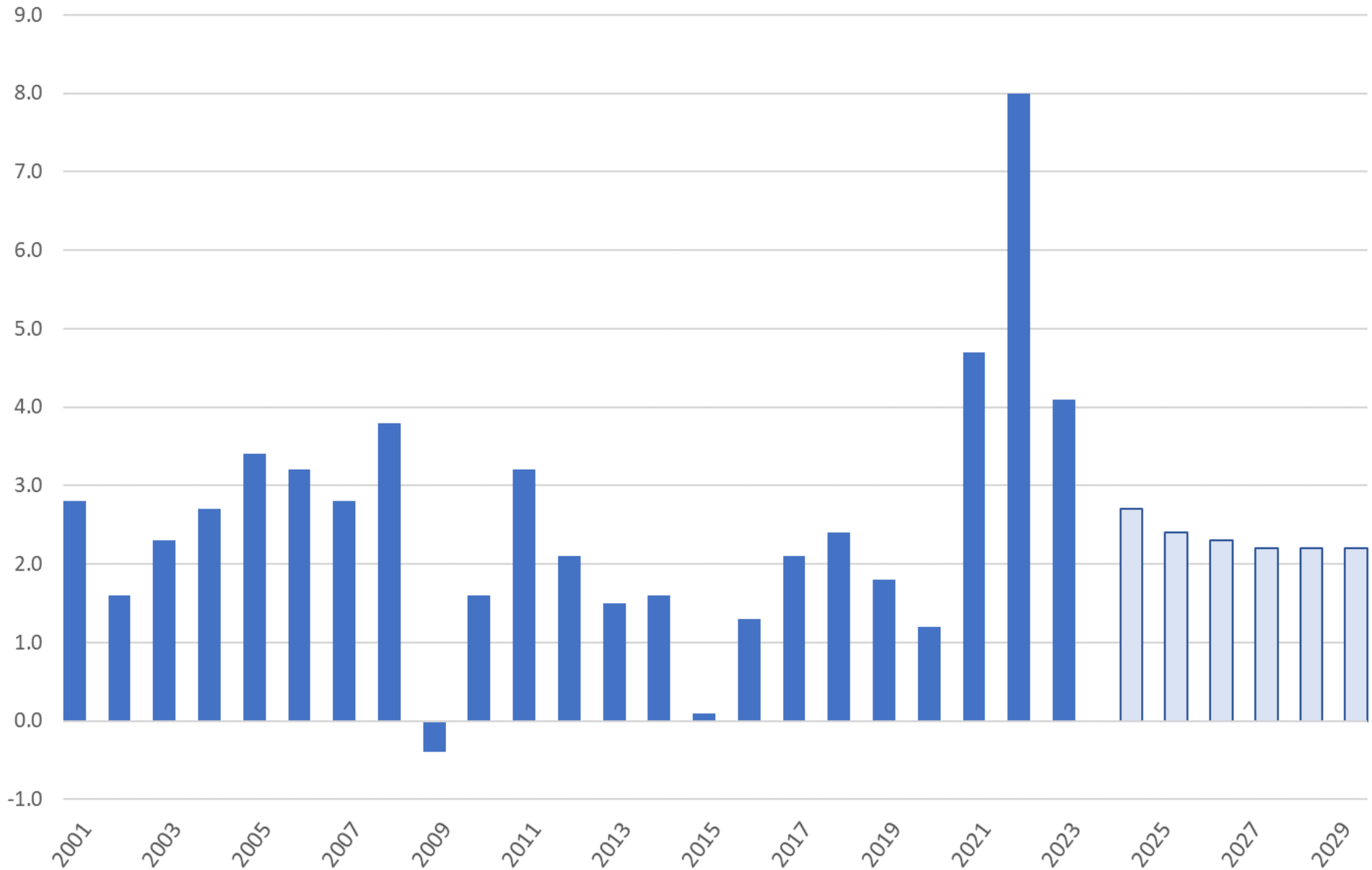
Current target range:  
5.25% to 5.5%

Median projection for 2024 from  
June 2024 Federal Open Market  
Committee statement was 5.1%,  
implying one possible decrease of  
25 basis points later this year



Sources: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, seasonally adjusted); CEFC report, February 1, 2024

# Year-over-year percent change in Consumer Price Index; 2001-2023 historical and 2024-2029 forecast



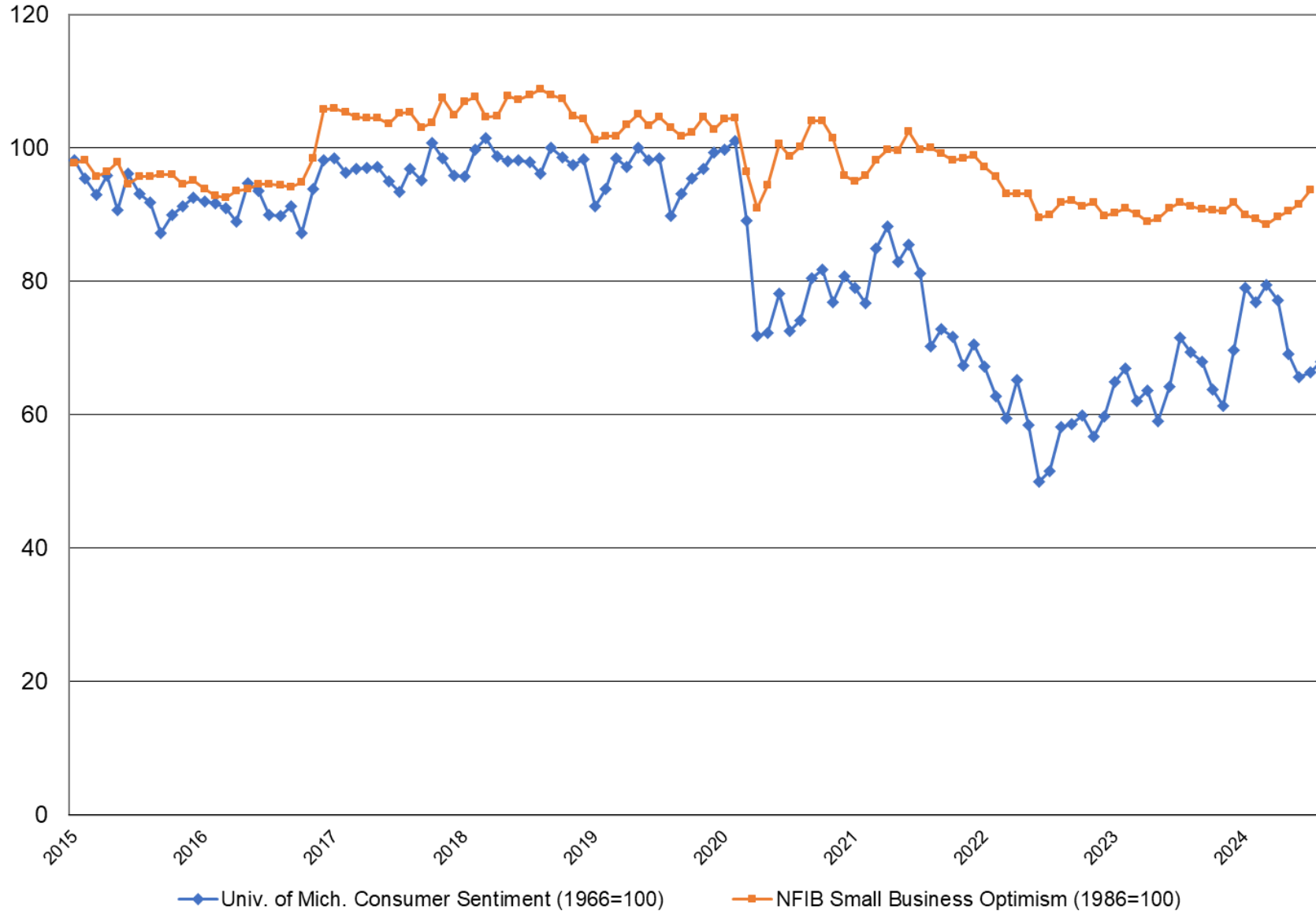


# Poll Question 3

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Consumer Sentiment and Small Business Optimism Indexes



**Consumer sentiment has crept up slightly following a sharp decline earlier in the spring.**

**Small business optimism has also seen upward movement in recent months.**



# Forecast Considerations and Risks

The background image is a scenic landscape. In the foreground, a two-lane asphalt road with a yellow center line and white edge lines curves through a dense forest. The trees have green and some autumnal foliage. To the left of the road, a body of water, likely a lake or reservoir, is visible. In the far background, there are rolling hills or mountains under a clear sky. The overall scene is peaceful and natural.



# Key short-term risks from February 2024 CEFC report

- Ongoing uncertainty in economic conditions, but no recession anticipated
- Global geopolitical tensions
- Skill shortages and emotional strains on workers in the healthcare sector
- Longer term: in-migration of working-age people may not be sufficient to fully offset retirements in the future
- Longer term: impacts of climate change



# Things to keep in mind:

- Migration into Maine continued in 2023 as population patterns nationally returned to normal
- Housing is a constraint on ongoing migration – both in terms of availability and affordability - but there may be some improvement in the future as interest rates come down and more housing is built
- Inflation has eased, although not as quickly as hoped - the question now is when will the Fed start lowering its target rate?
- Economic uncertainty remains elevated, especially with geopolitical upheaval and a presidential election year
- Maine's Budget Stabilization Fund has around \$900 million, providing a valuable cushion in case of a slowdown or revenue shortfalls





Moody's cited Maine's  
"sustained financial  
improvements" and "strong  
fiscal governance" in its  
rating increase.

**Maine's credit  
issuer rating  
upgraded to Aa1 in  
2024 credit rating  
from Moody's**





# Questions?

# Thank you.

*Cover background image by Lee Nachtigal / [CC BY](#)*

