

Economic Overview

The Maine Event

Guy Carpenter, Smith Group, Munich RE

September 18, 2025

Amanda Rector

Maine State Economist

Population change and migration

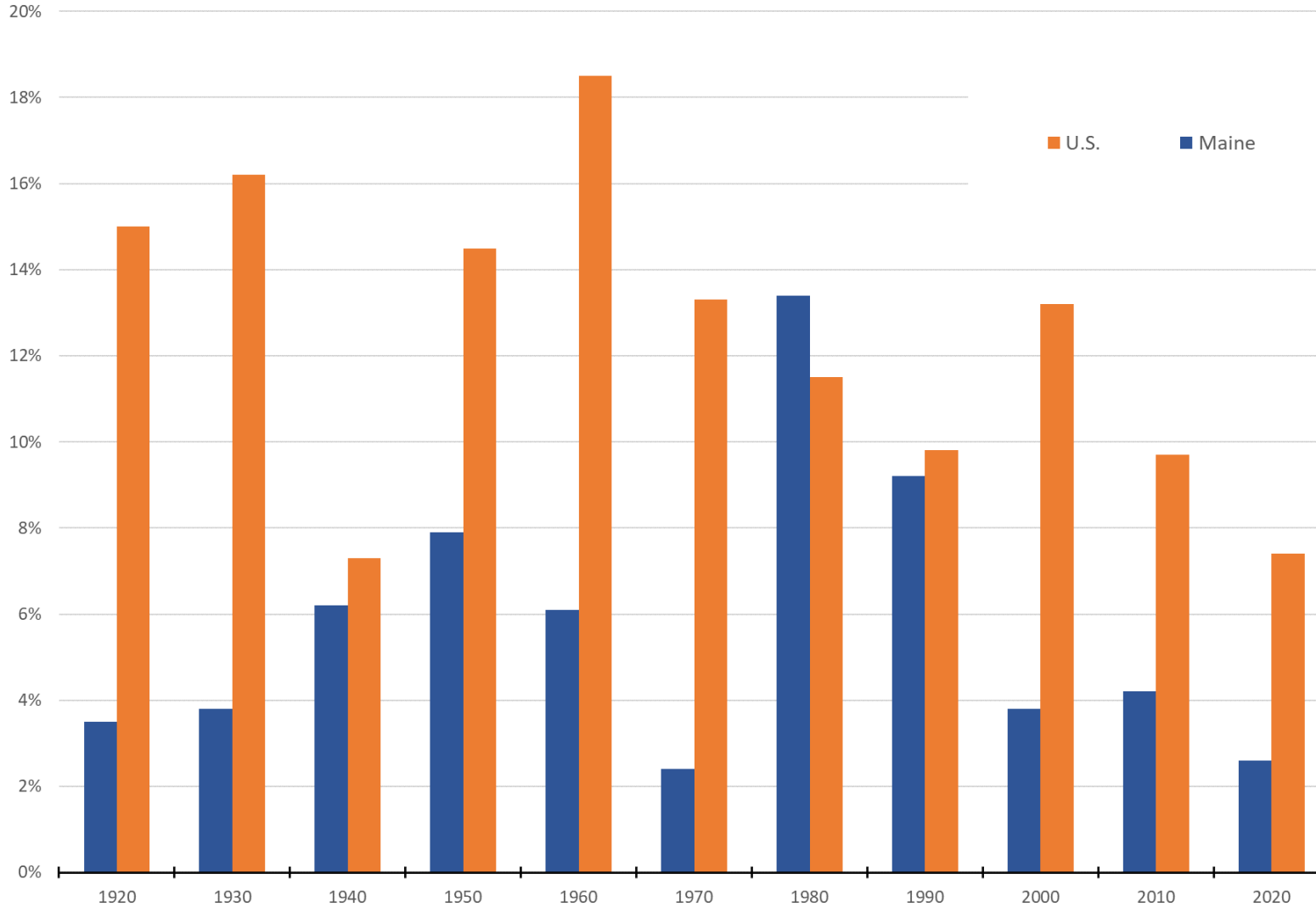
Demographics

Workforce, employment, and income

Macroeconomic conditions

Population change and migration

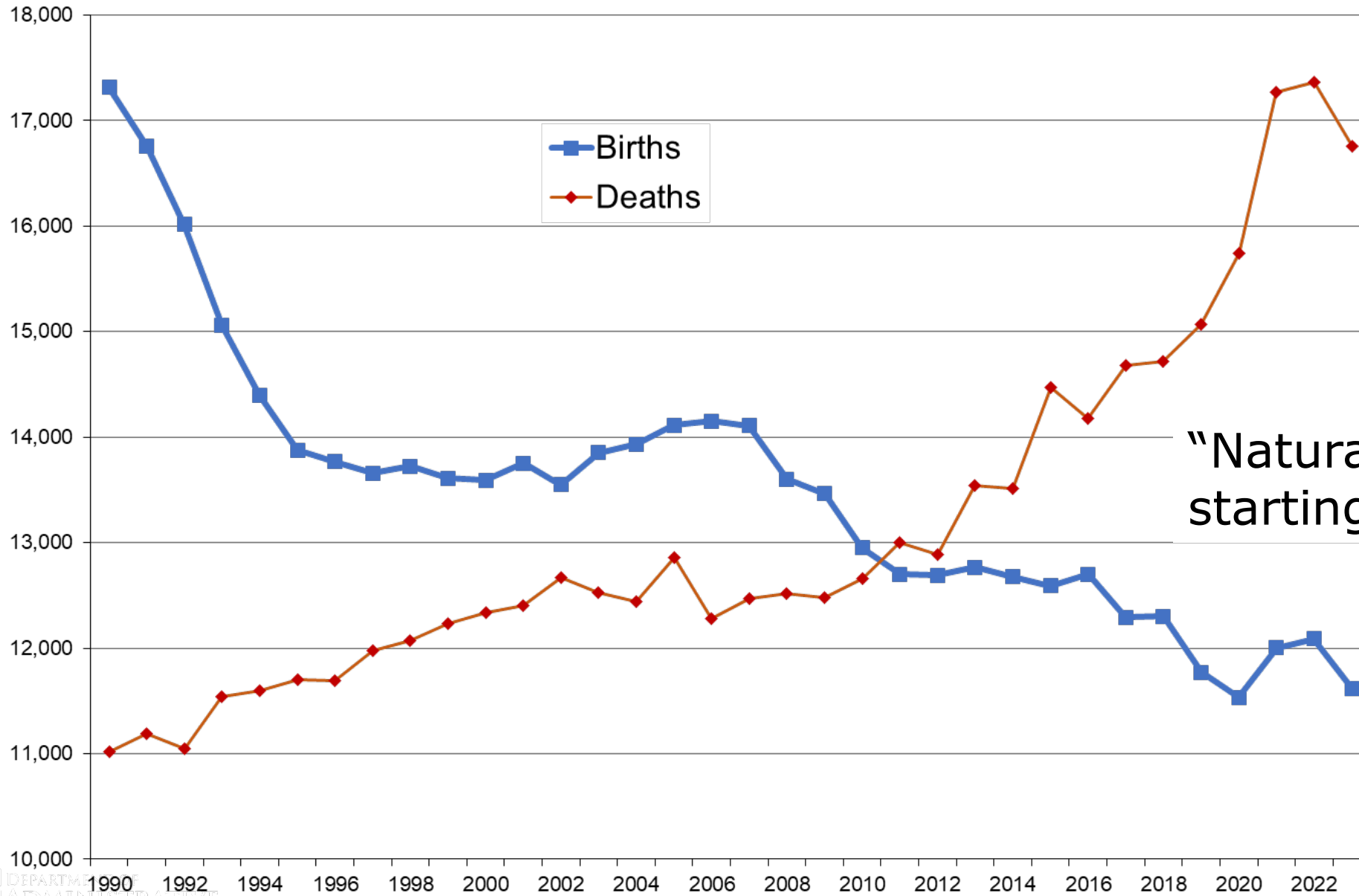
Population Growth from Previous Decade



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

U.S. population growth has generally been faster than Maine, apart from 1980, but the growth in 2020 was the slowest since 1940.

Births and Deaths per year in Maine



“Natural decline”
starting in 2011

Maine is not the only state seeing natural population declines

- In 2024, 17 states had natural decline, with WV having the highest rate of decline, followed by ME, VT, and NH
- Three states had population declines as a result (WV, VT, and MS) – positive net migration wasn't enough to offset natural declines

And this trend isn't confined to the U.S.

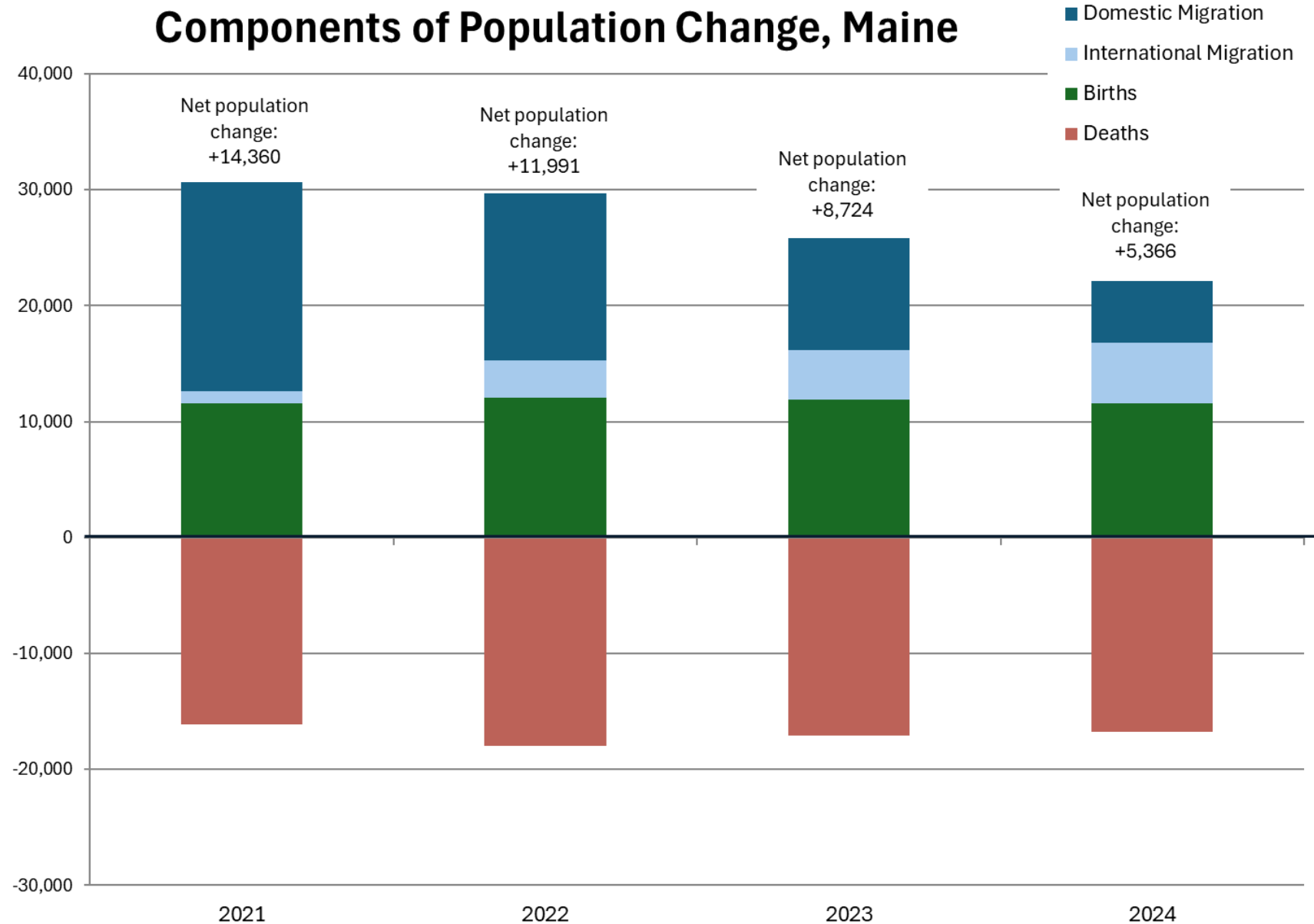
- According to Eurostat, the European Union has seen natural population decrease almost every year since 2012, with the decline accelerating over time

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

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

11th for net domestic migration and 41st for net international migration in 2024

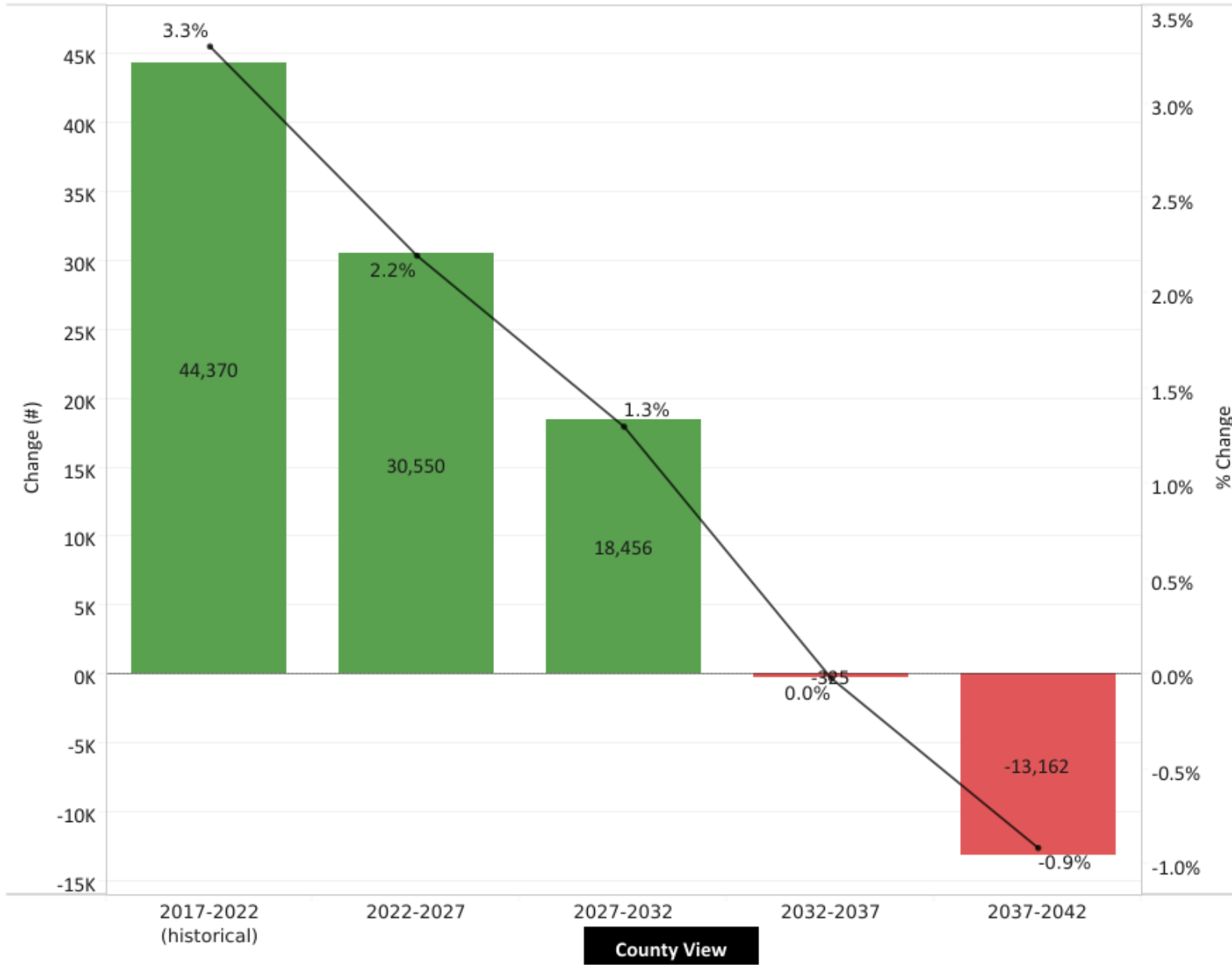
Components of Population Change, Maine



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 to 2023

Statewide Population Change



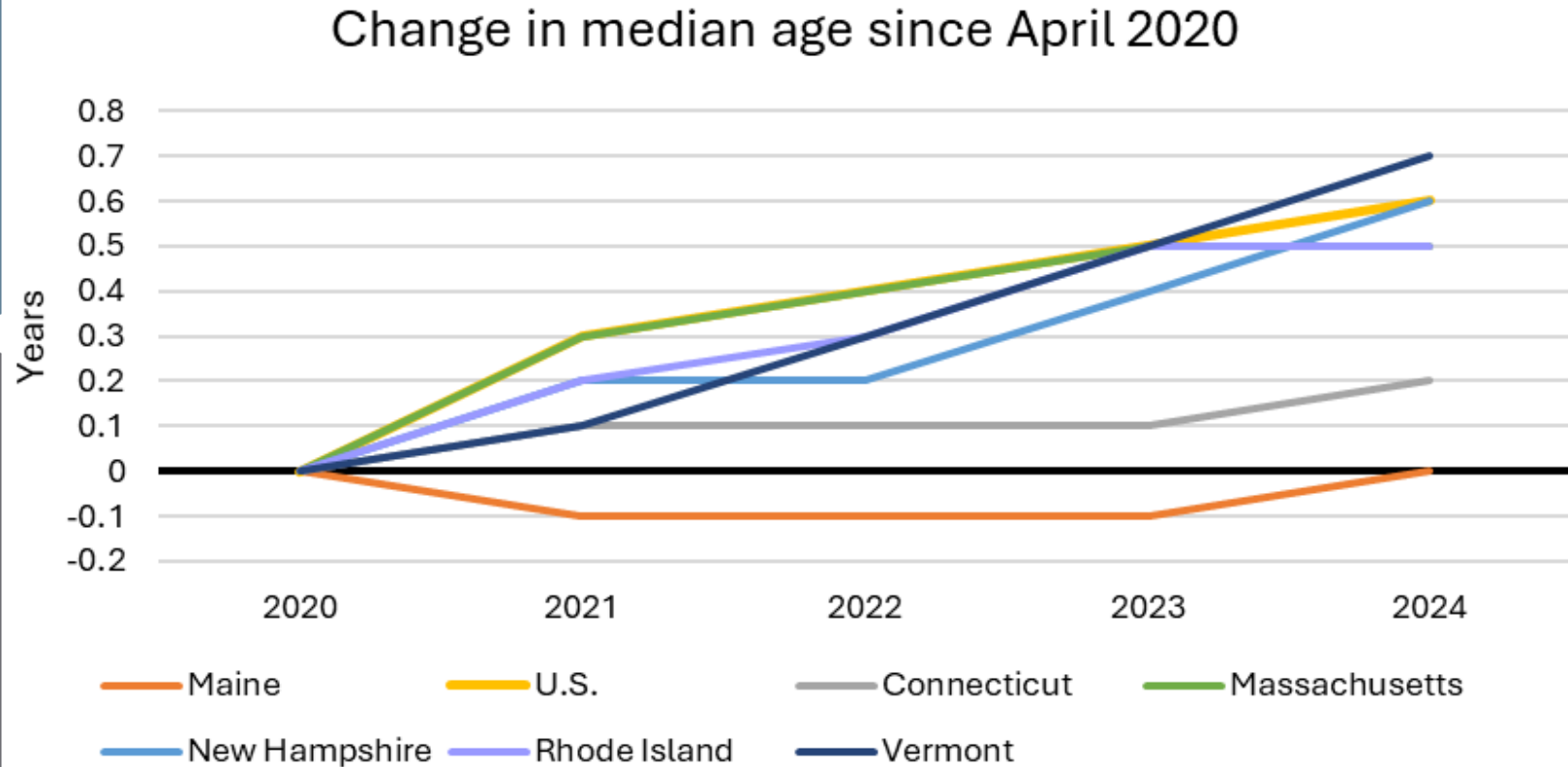
County View

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

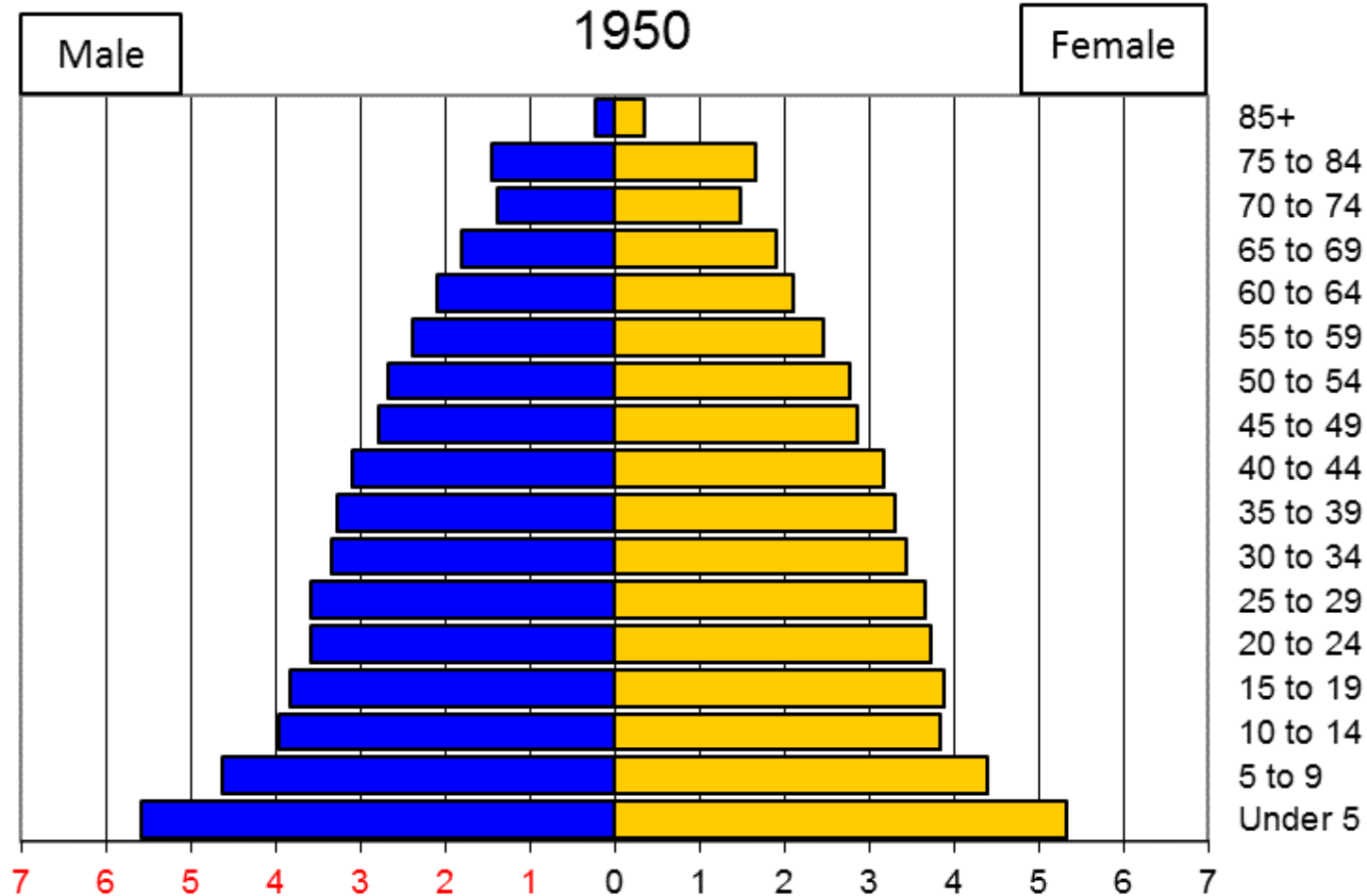
Demographics

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

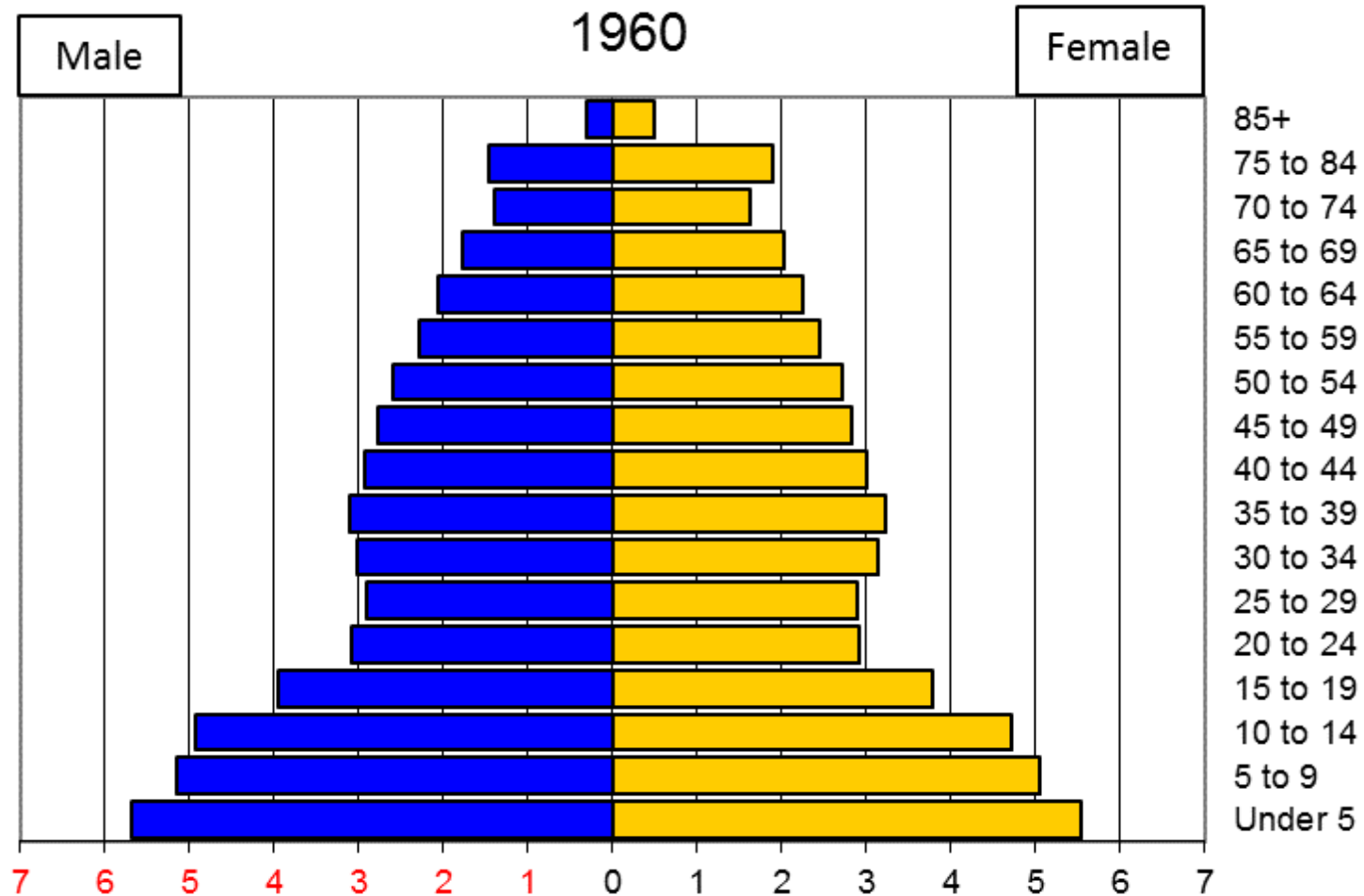
Maine still has the highest median age in the nation at 44.8 years; Vermont and New Hampshire are tied for second at 43.6 years



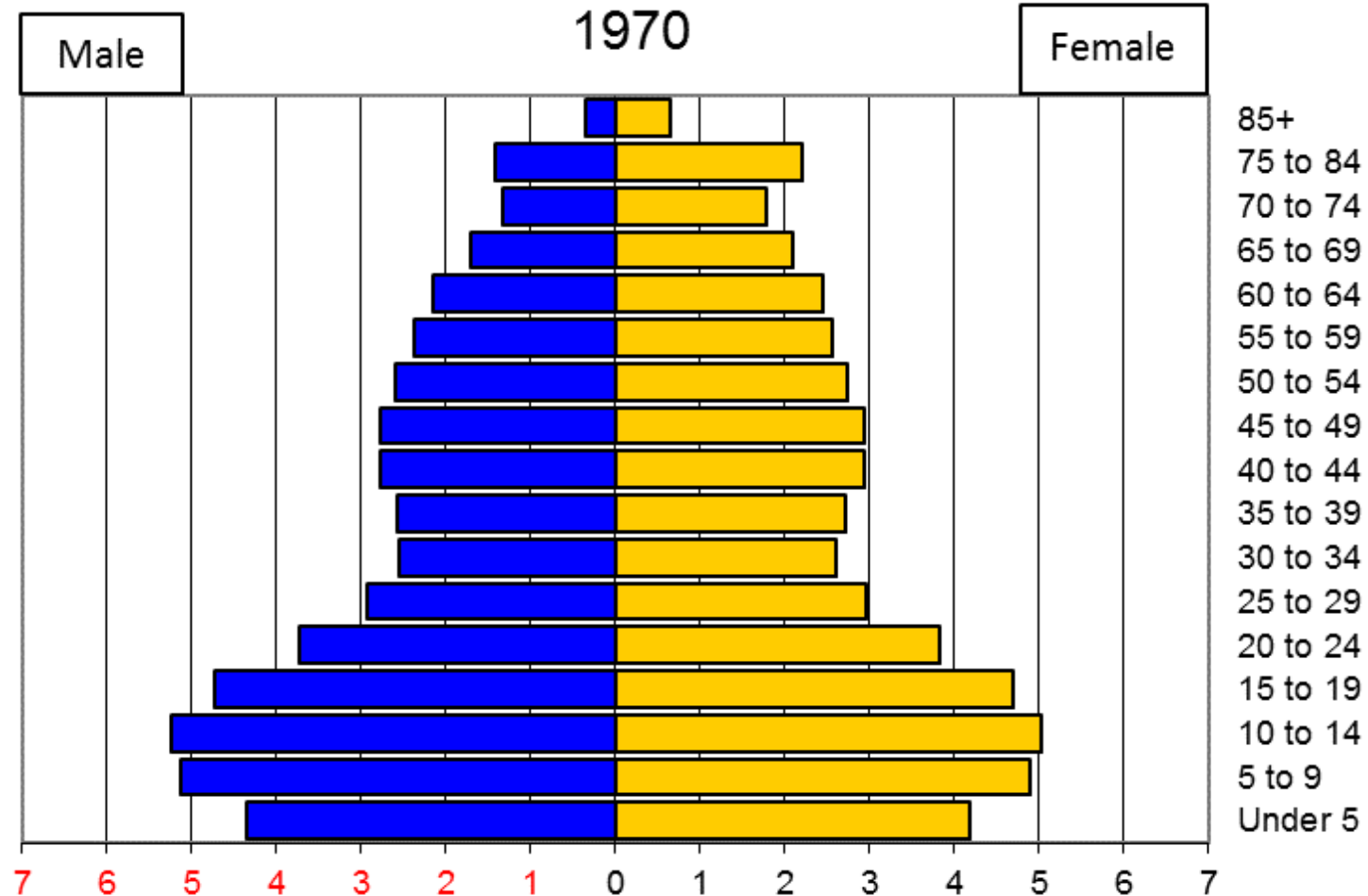
The Baby Boom: 1946-1964



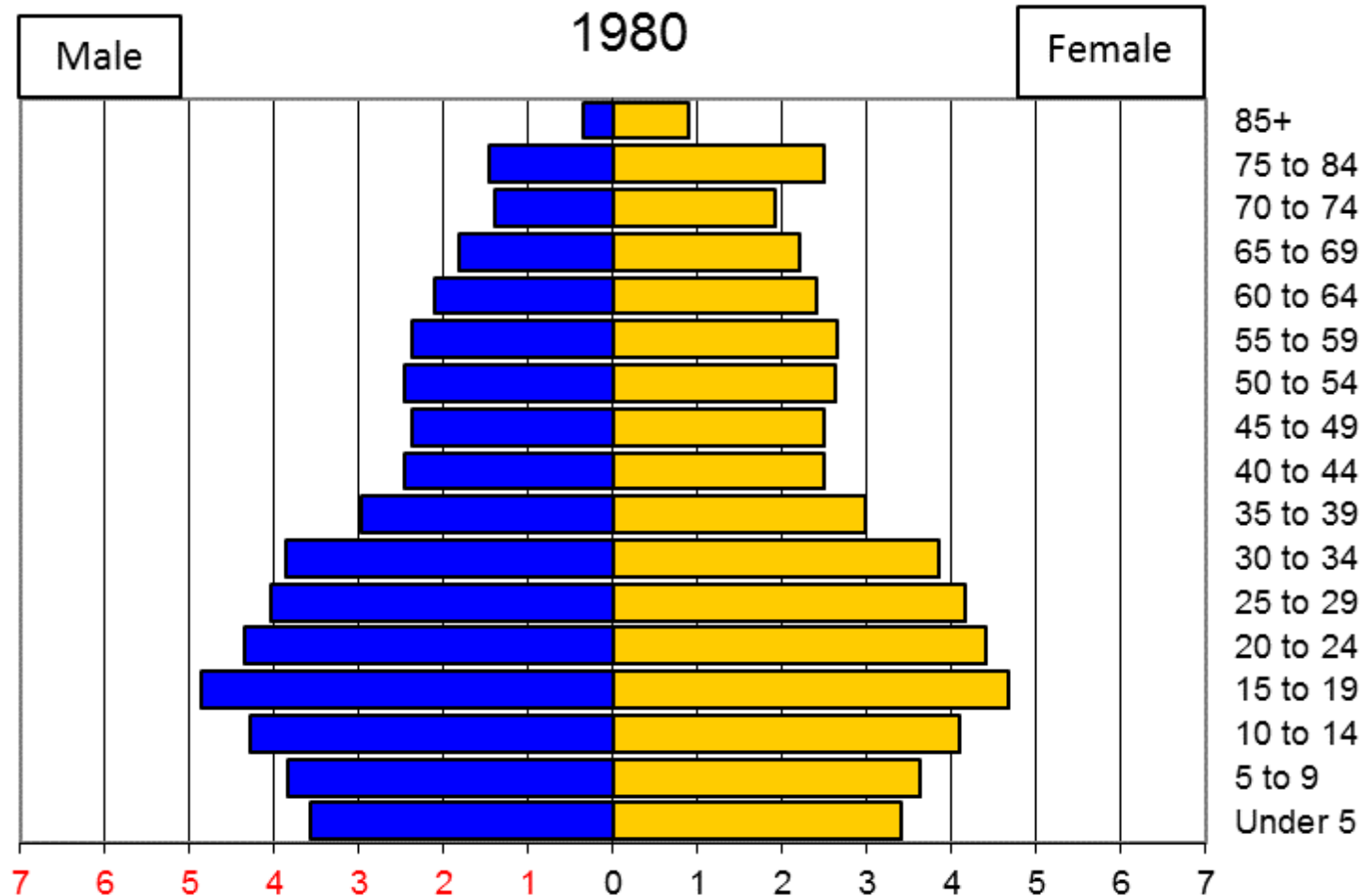
The Baby Boom: 1946-1964



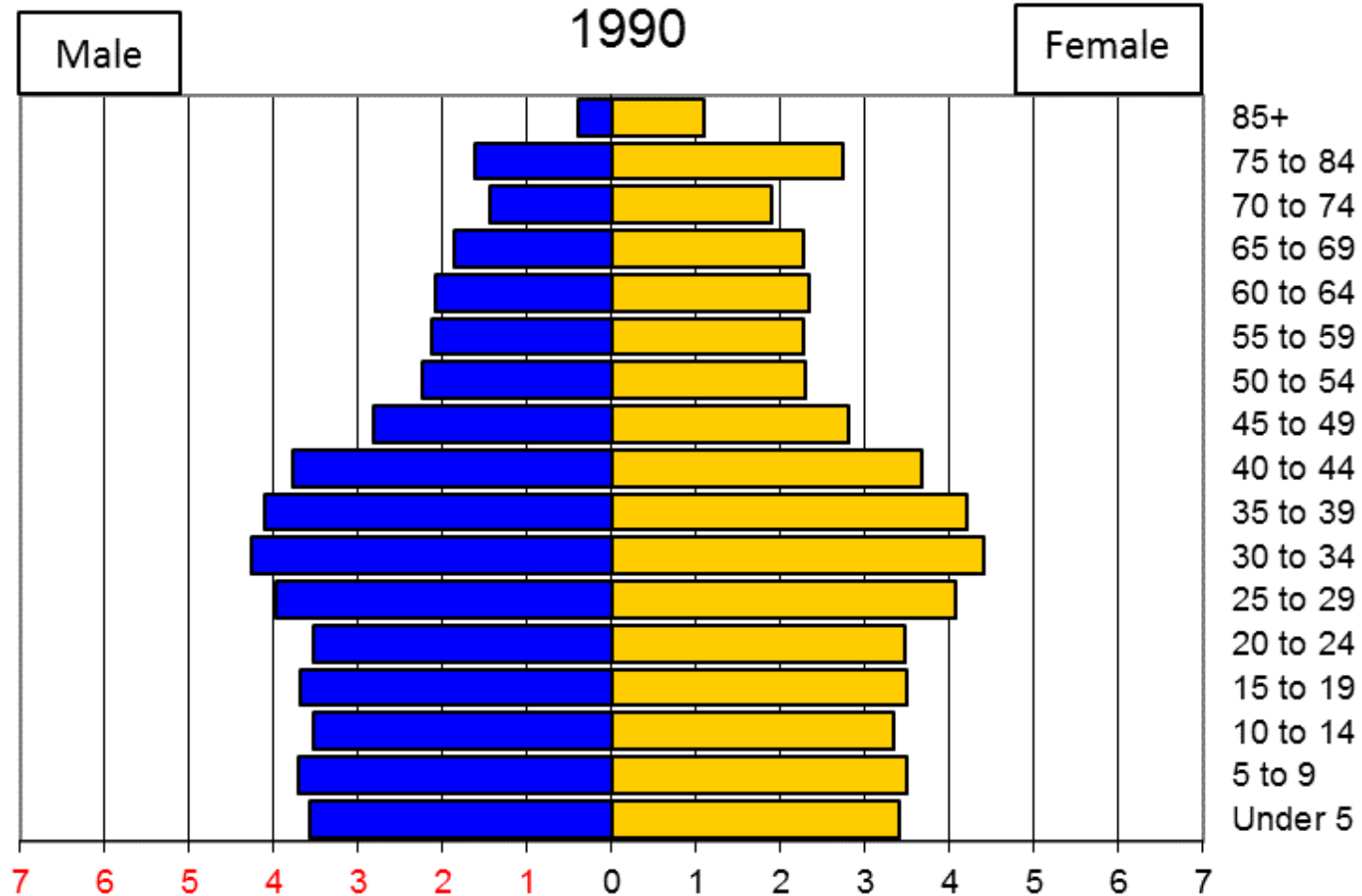
The Baby Boom: 1946-1964



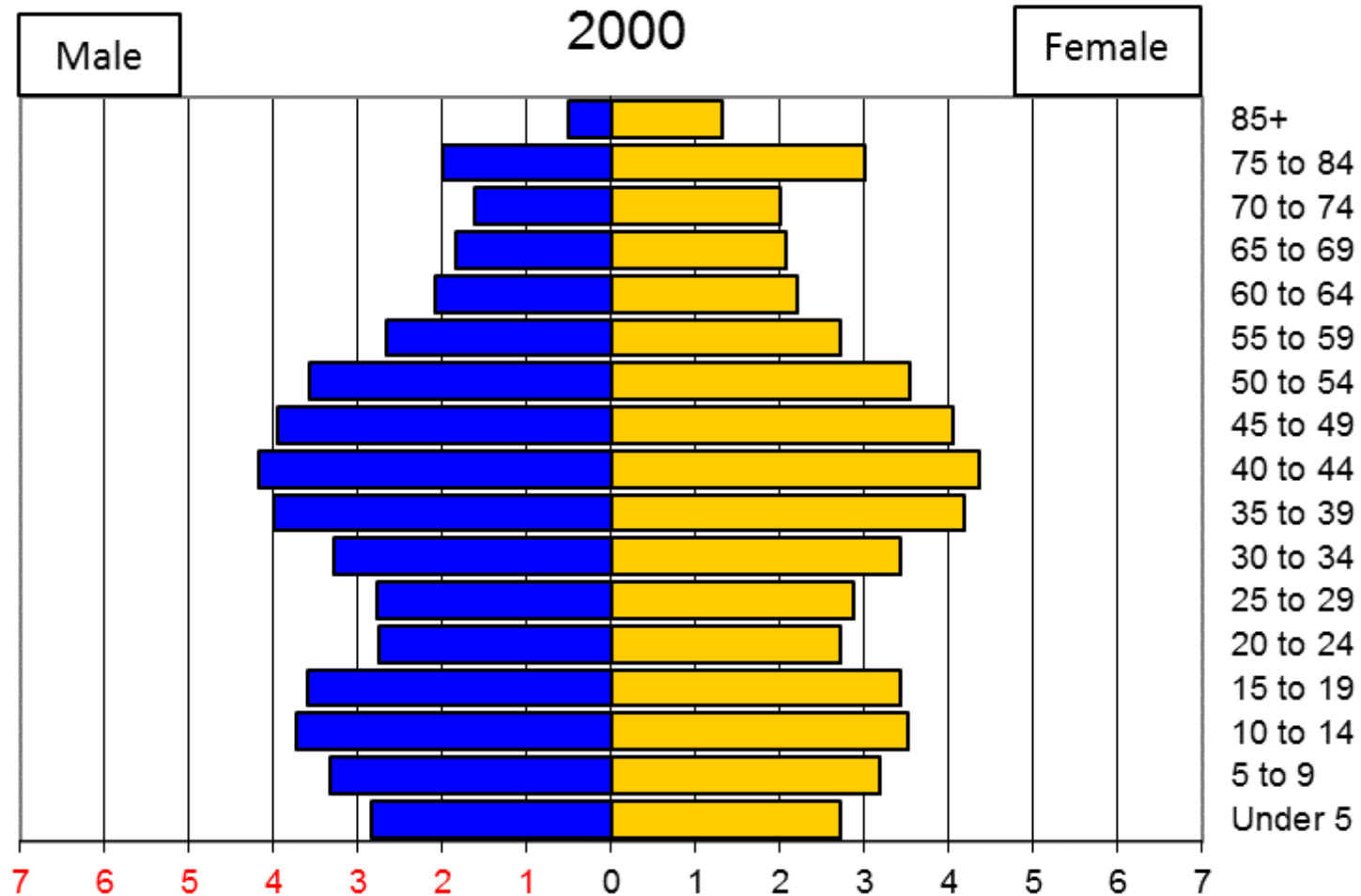
The Baby Boom: 1946-1964



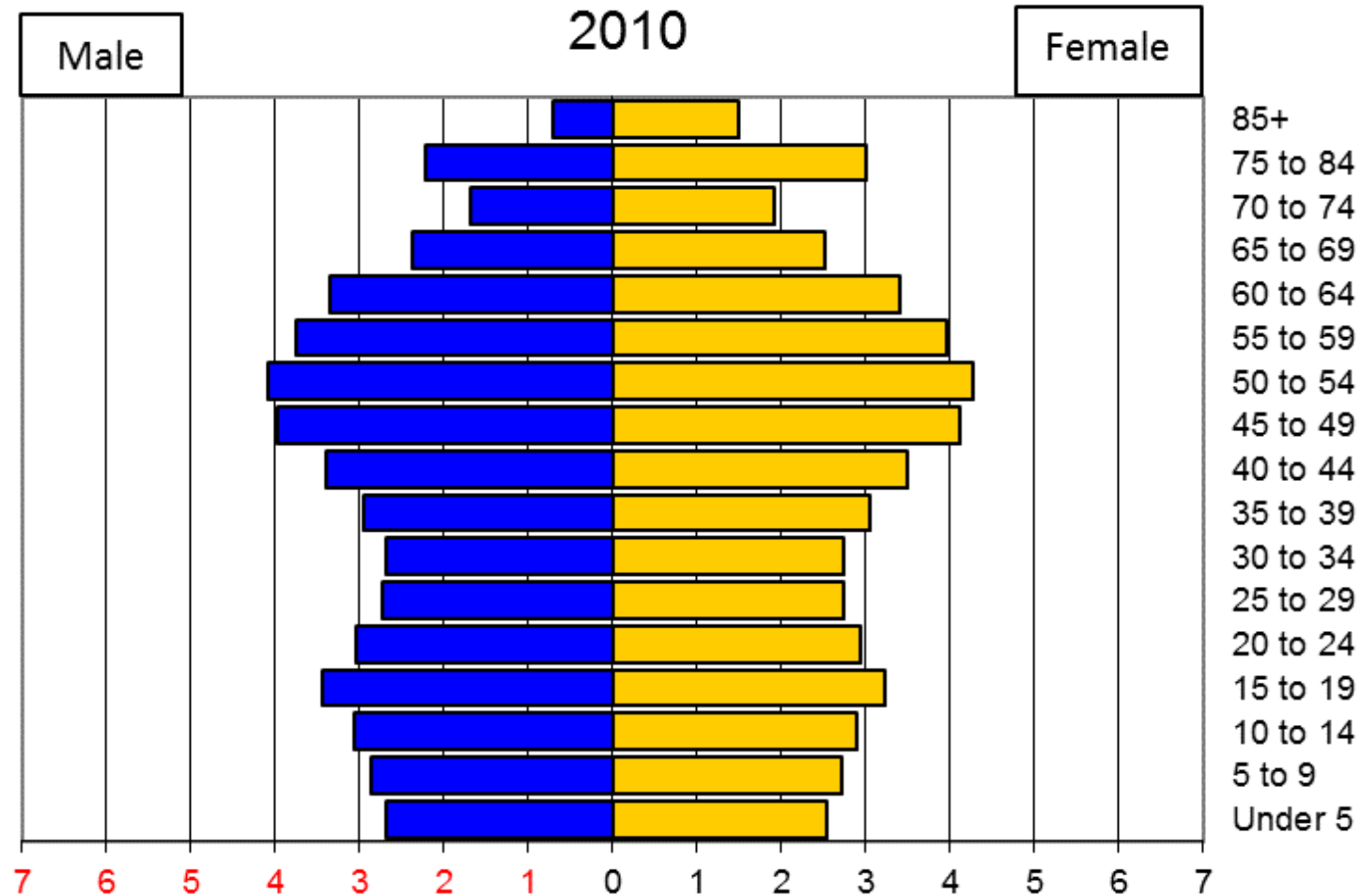
The Baby Boom: 1946-1964



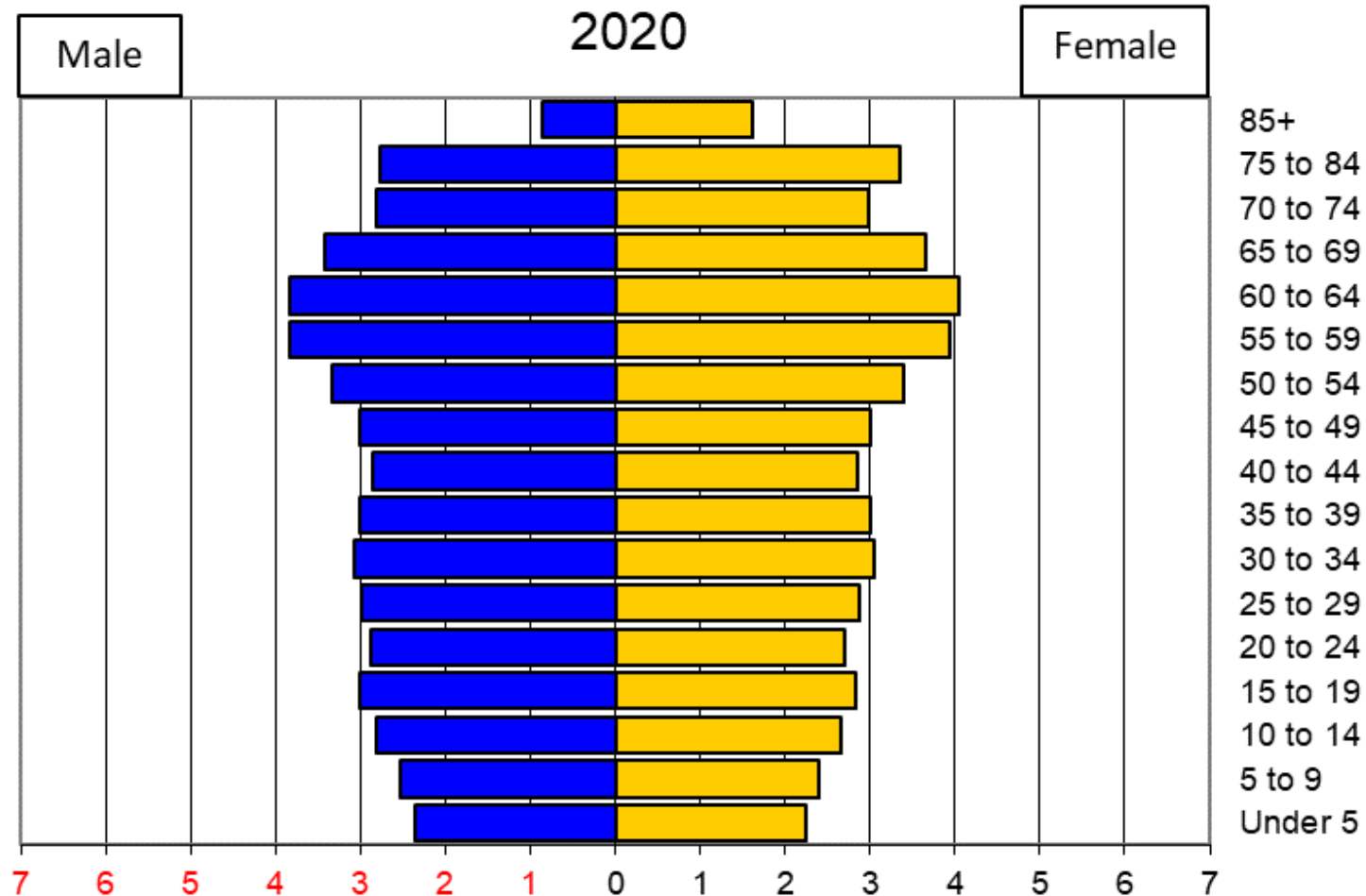
The Baby Boom: 1946-1964



The Baby Boom: 1946-1964

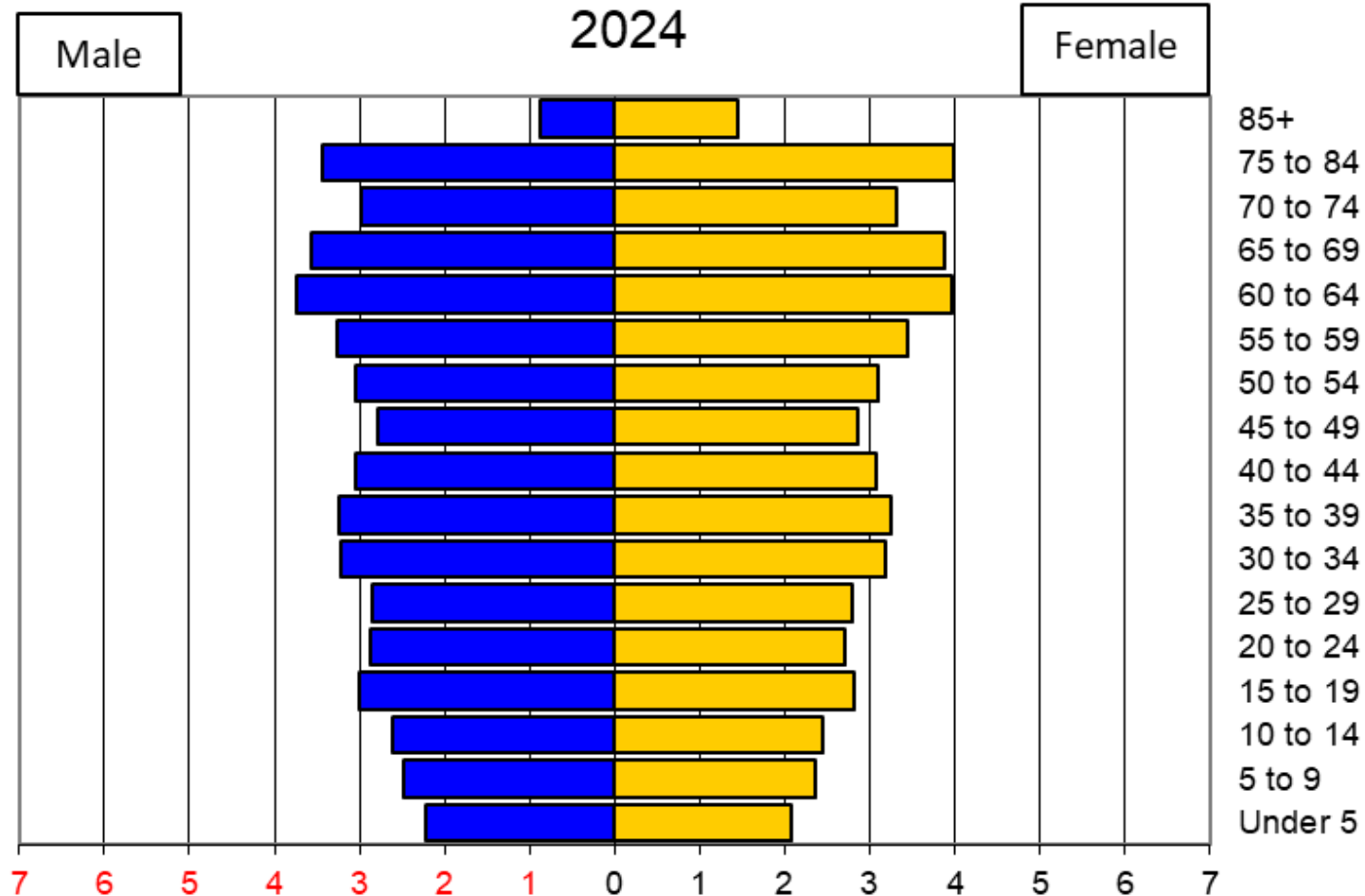


The Baby Boom: 1946-1964



The Baby Boom: 1946-1964

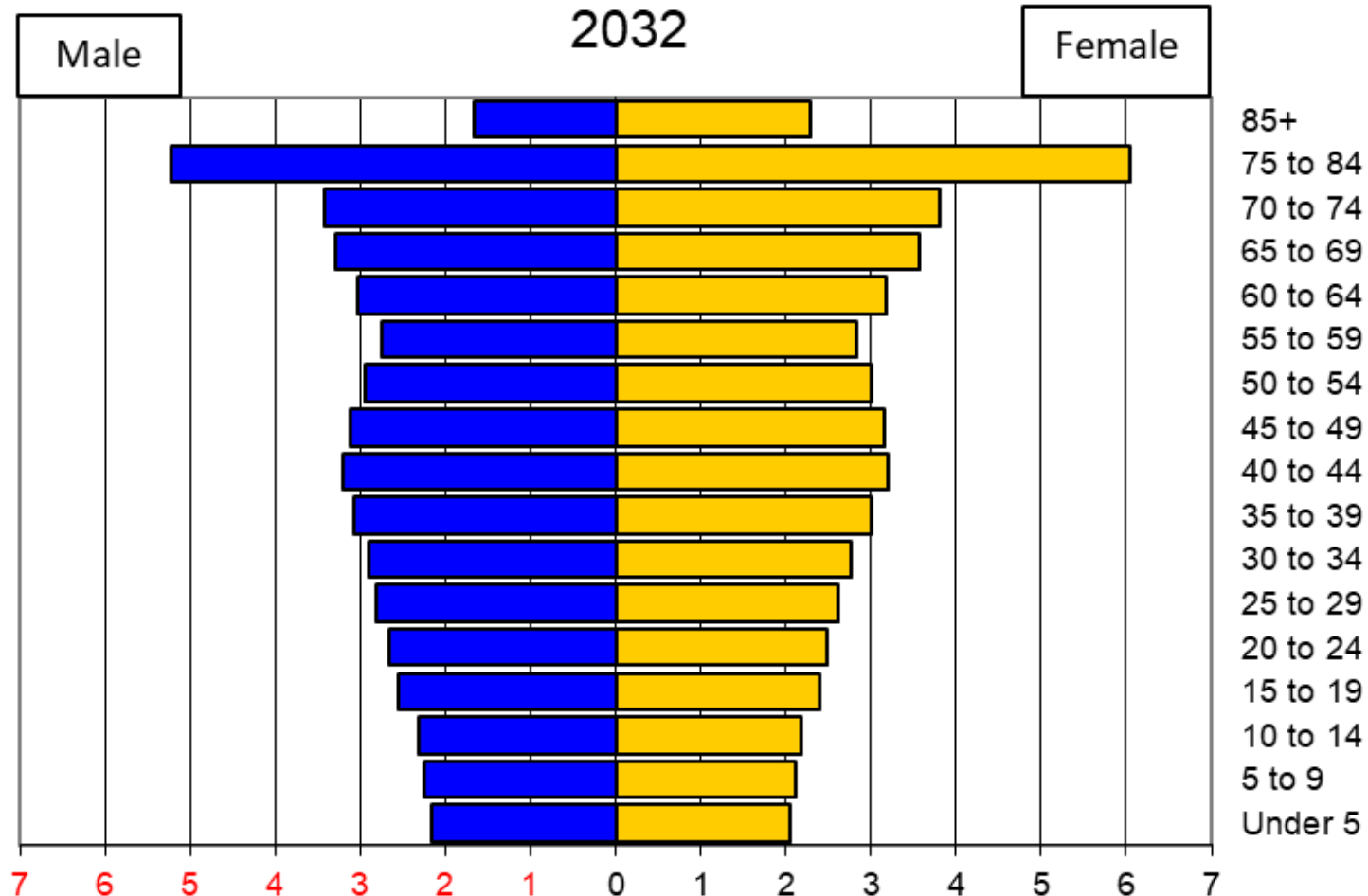
Baby Boom generation in 2024: age 60-78



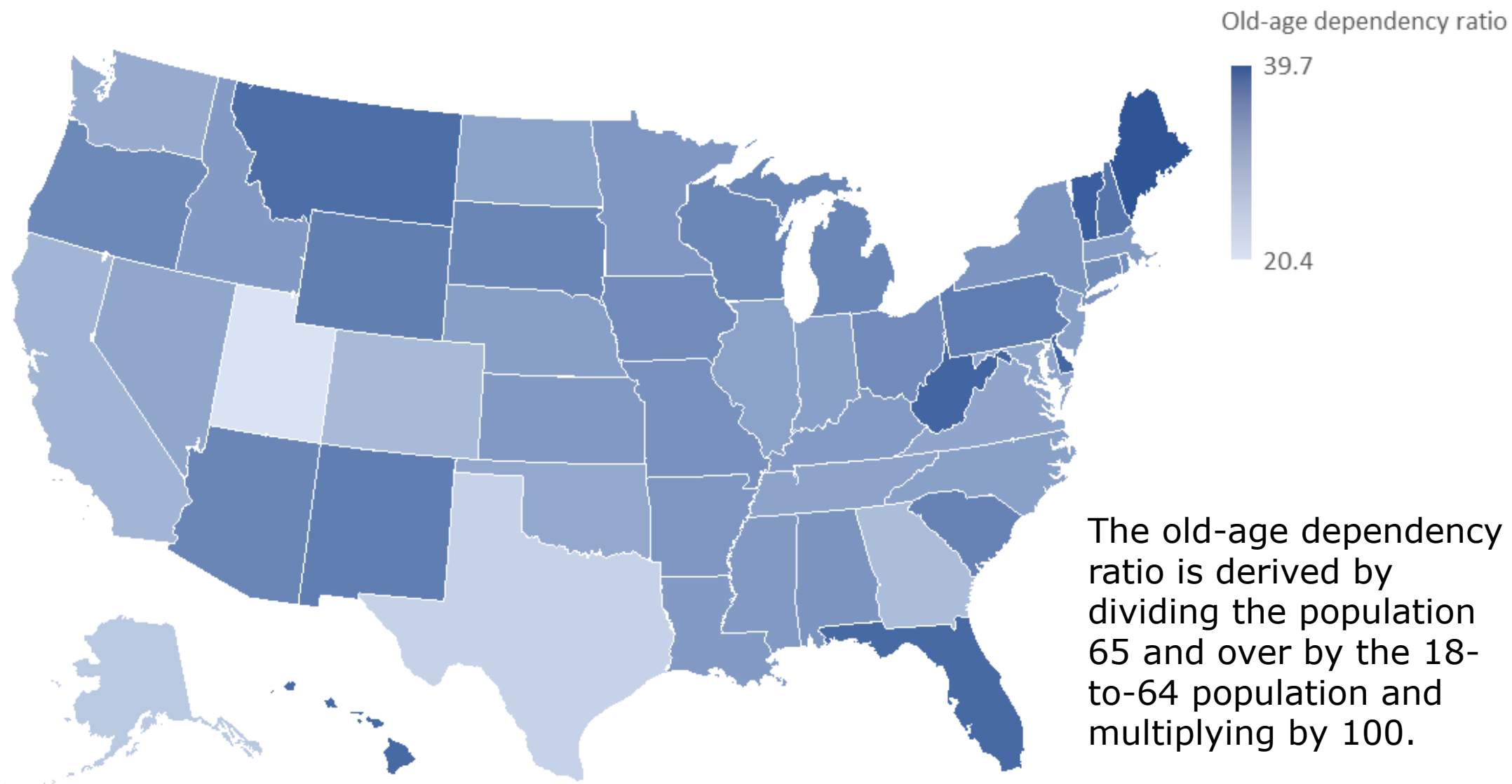
The Baby Boom: 1946-1964

Baby Boom generation in 2032: age 68-86

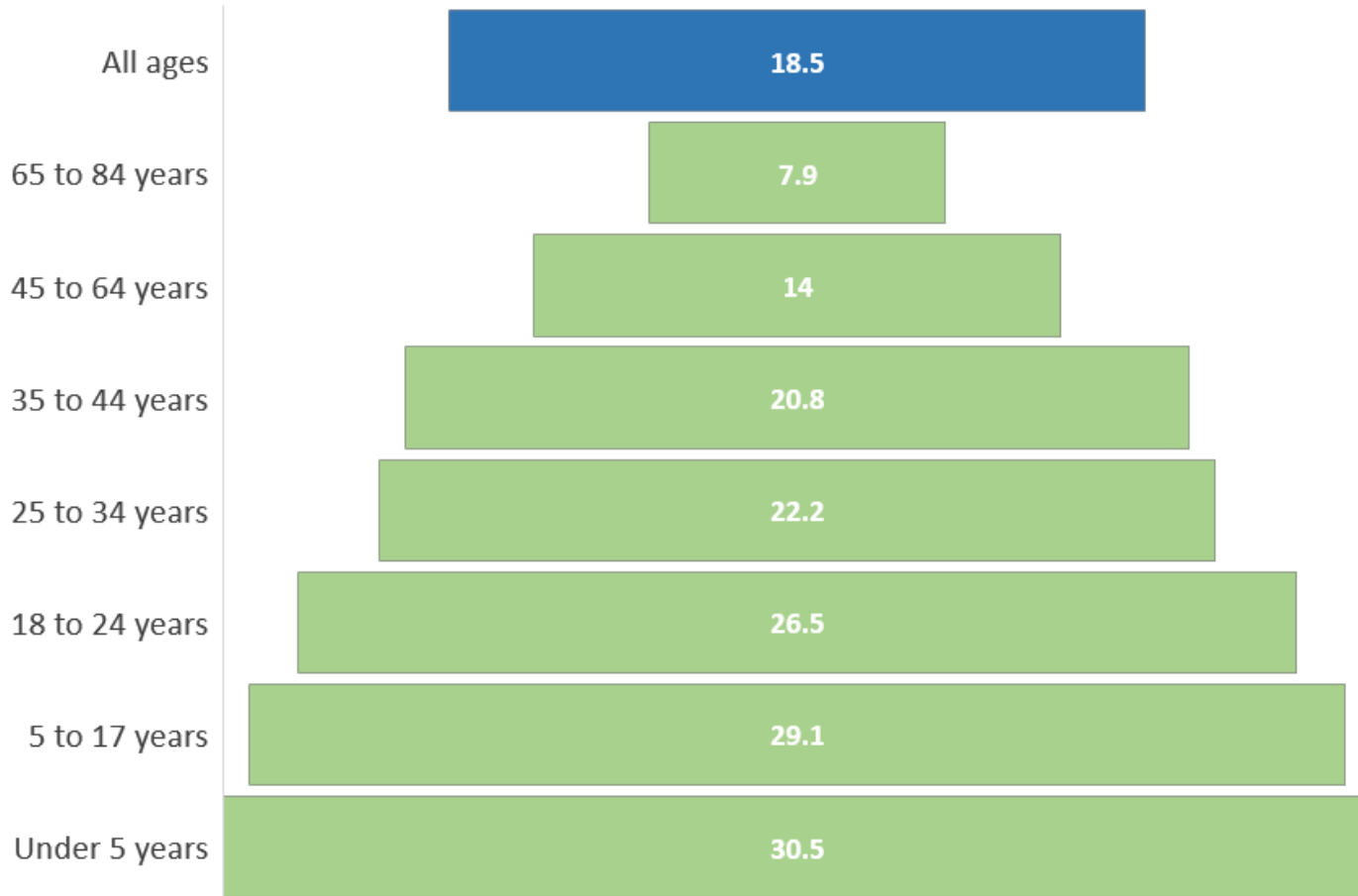
Prime working-age population (20-64 years) projected to decrease by 4.6% from 2022-2032



Old-age Dependency Ratio by State



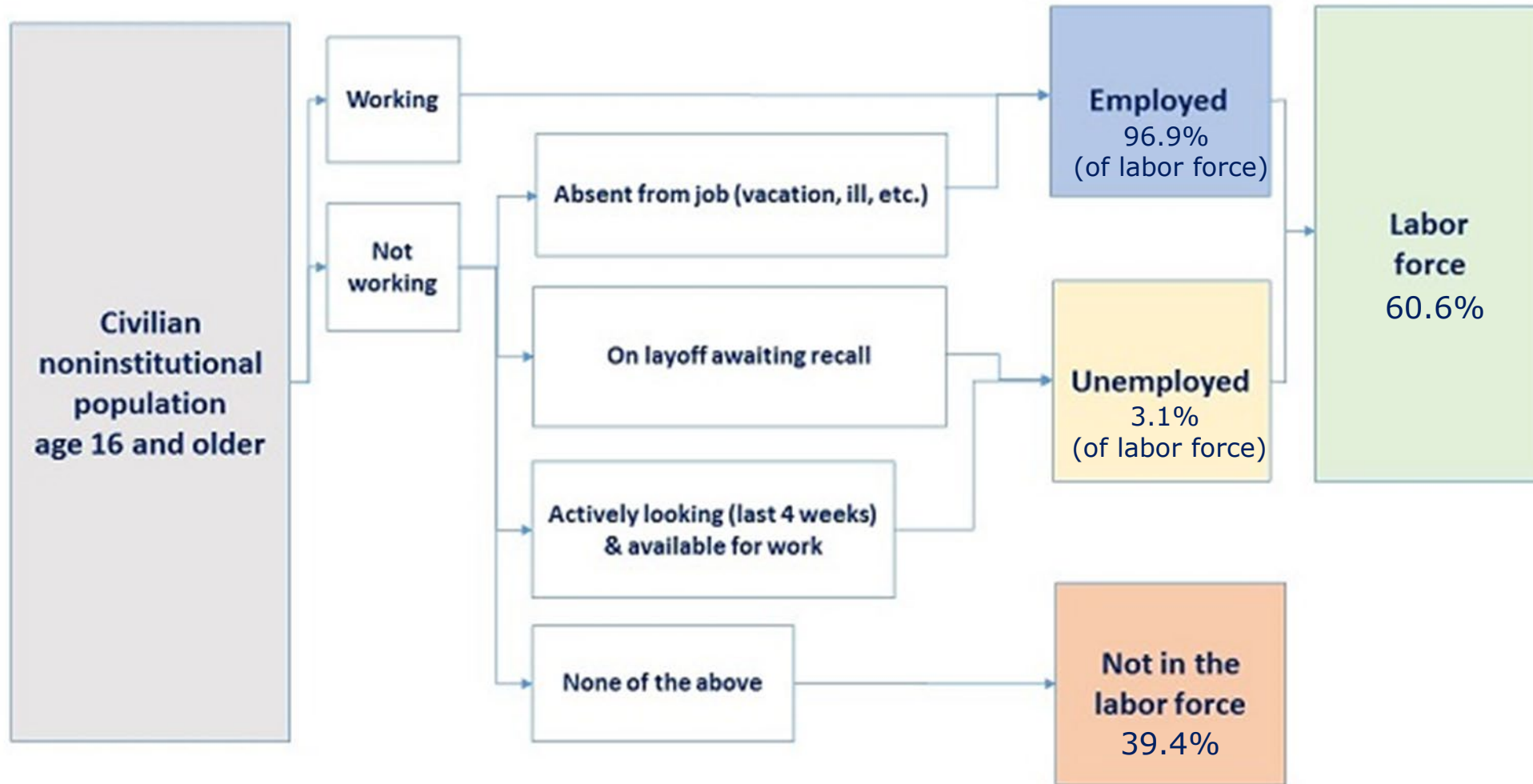
Diversity Index in Maine, 2020: Selected Age Groups



Younger generations in Maine are more diverse than older generations, but U.S. is even more diverse

Workforce and Employment

Who is in the labor force?



What are the reasons people nationally are not in the labor force?

Retirement (primarily age 55+)

$\frac{3}{4}$ of difference in nonparticipation from 1999-2022 due to retirements

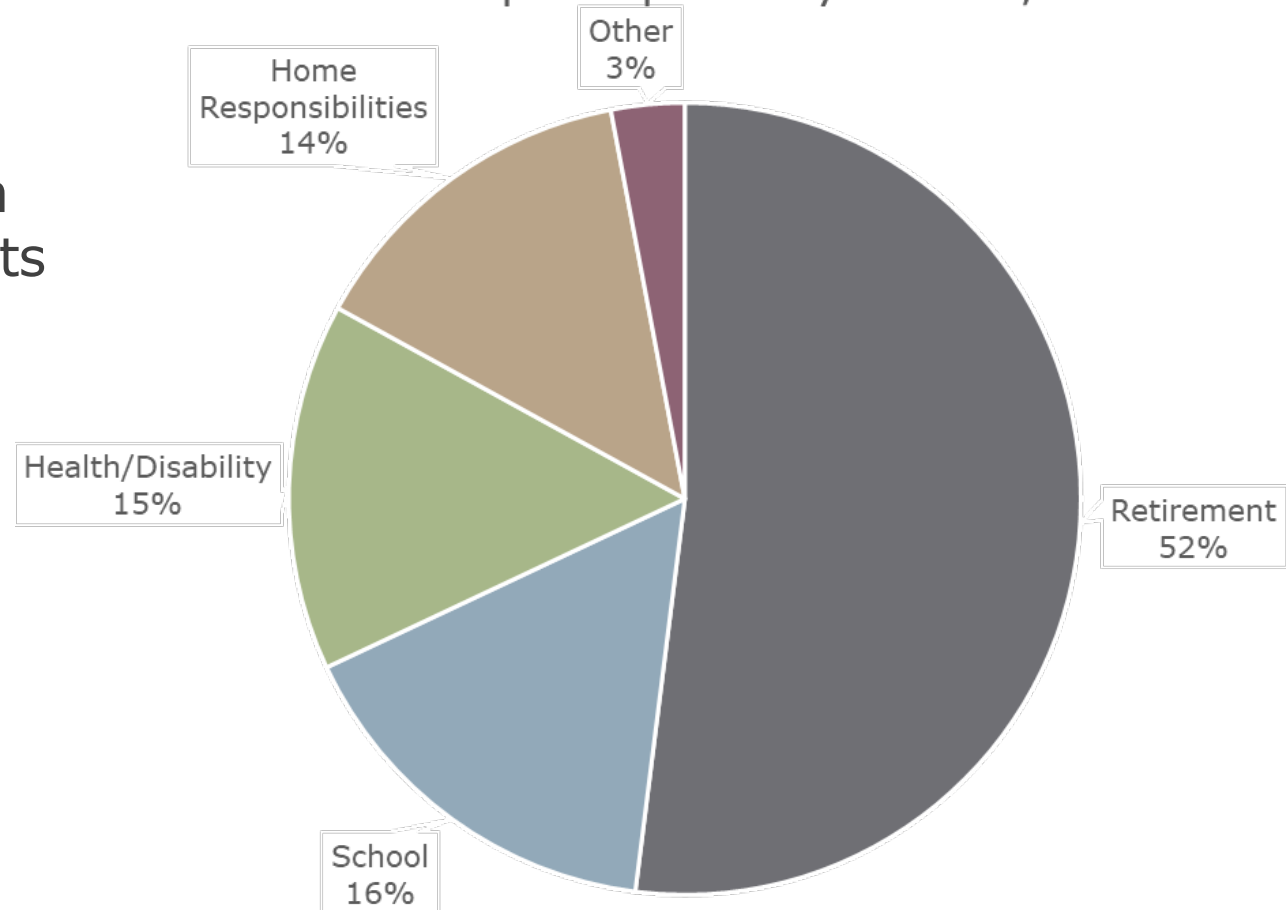
School attendance

Health/disability

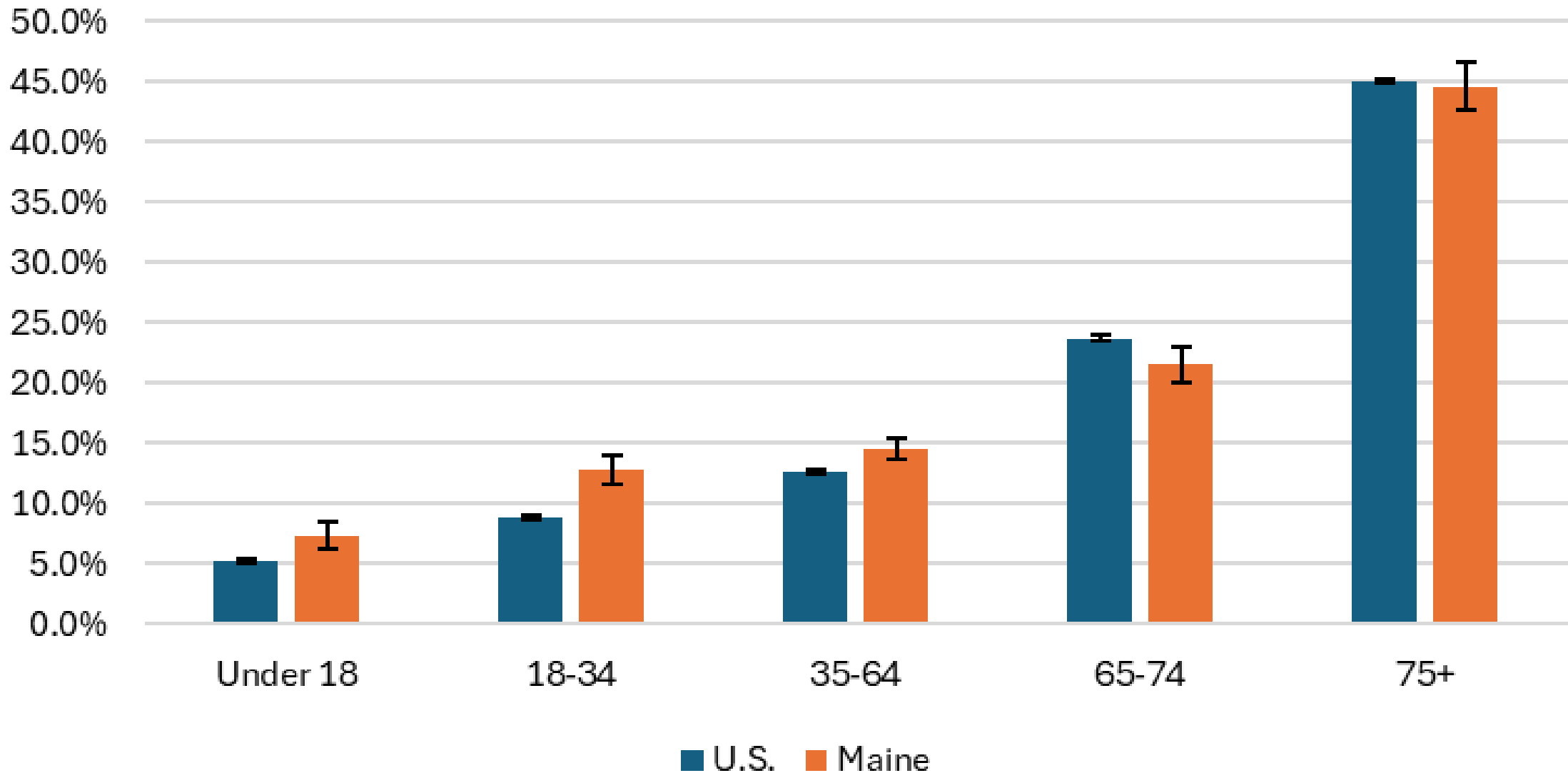
Home responsibilities

Other reasons

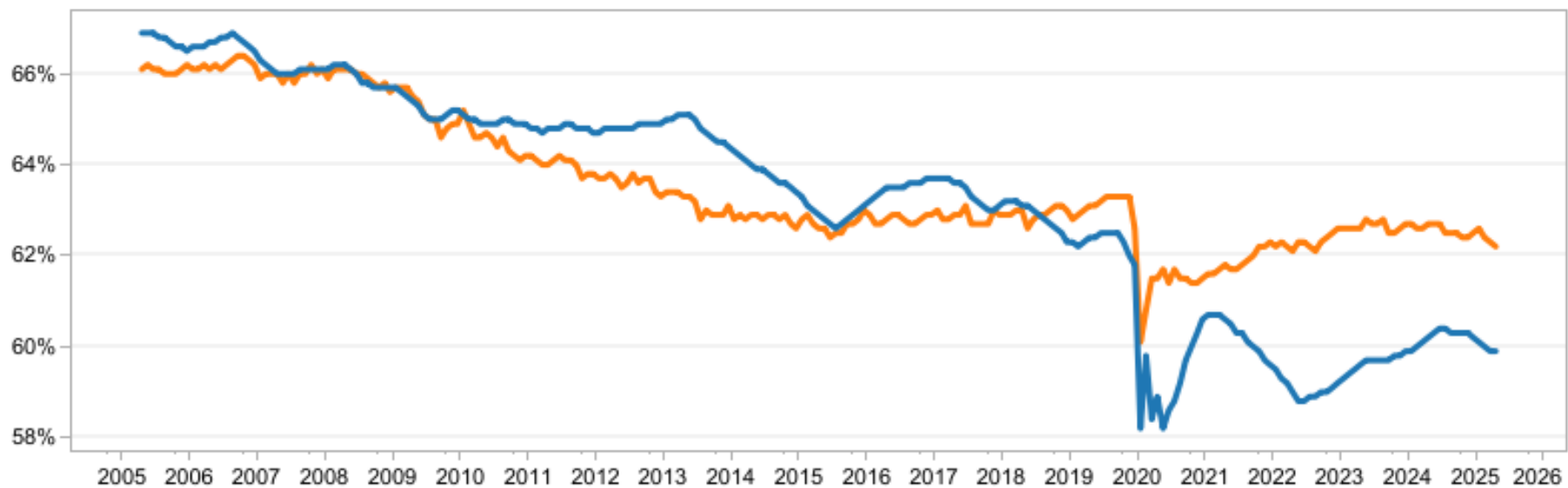
Share of Nonparticipants by Reason, 2022



Disability Rate by Age Group, 2024



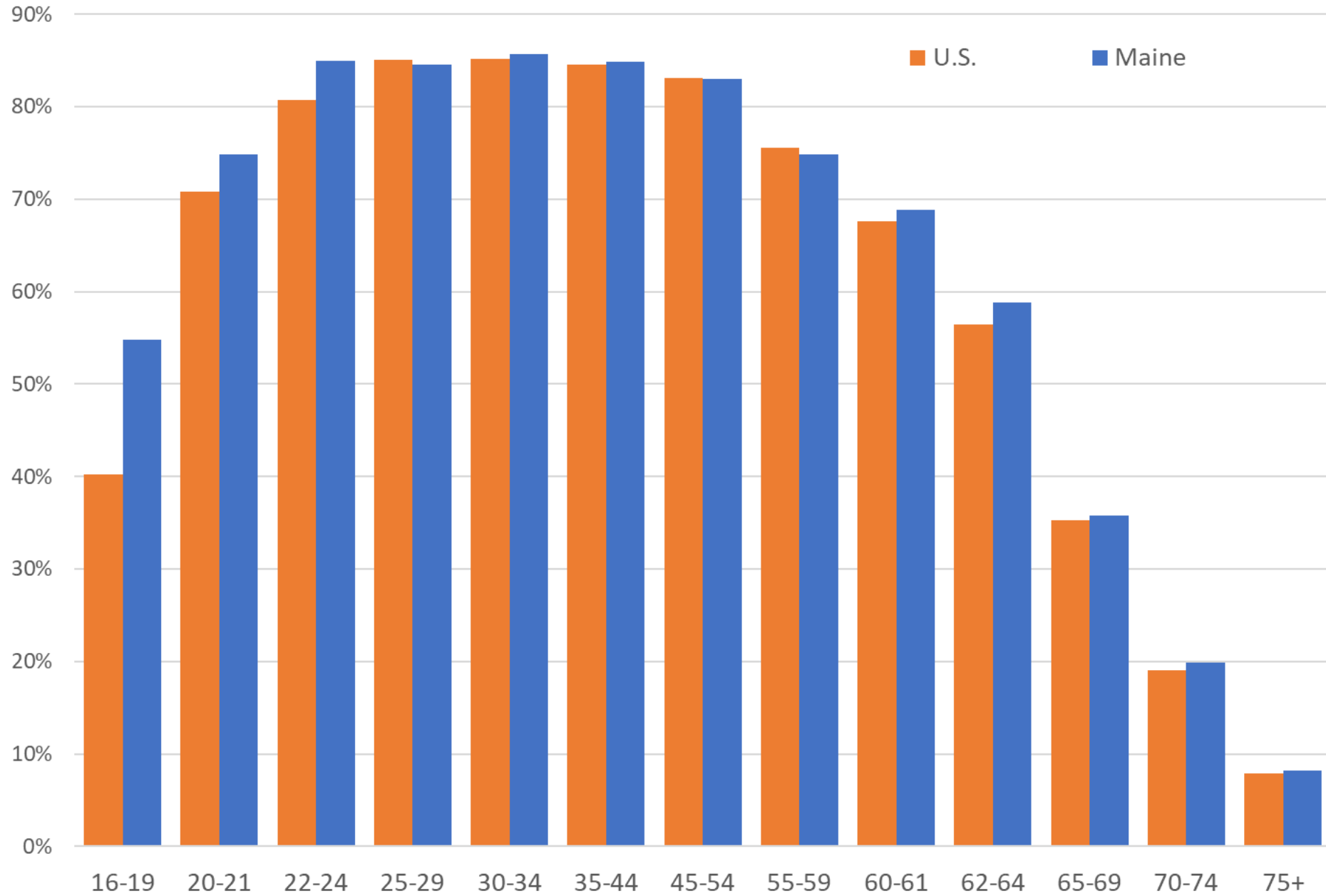
Labor Force Participation Rate (seasonally adjusted)



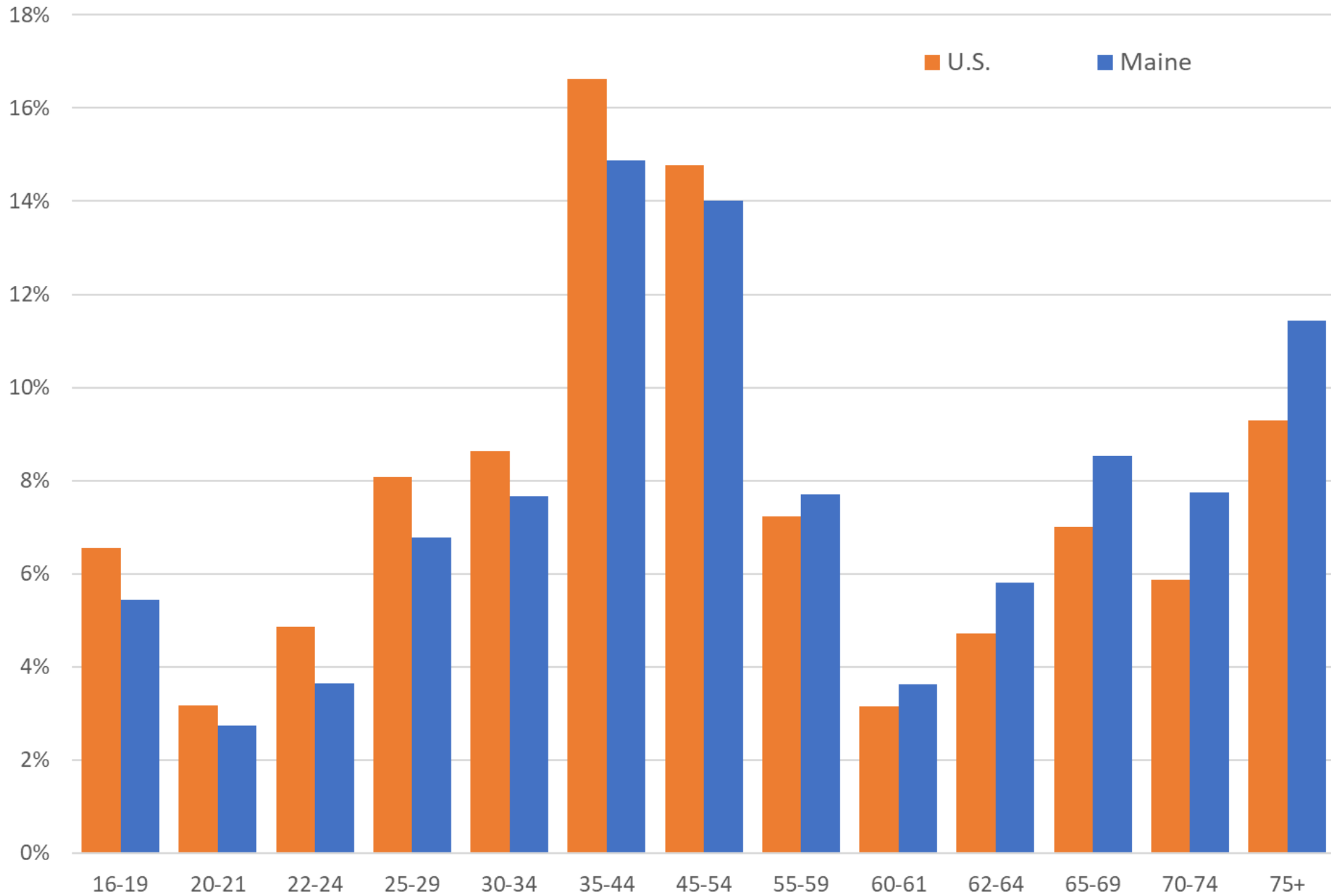
Jul, 2005 to Jul, 2025

- Unemployment Rate
 - Labor Force & Employment
 - Unemployment
 - Labor Force Participation Rate
 - Employment to Population Ratio
- Maine
■ United States

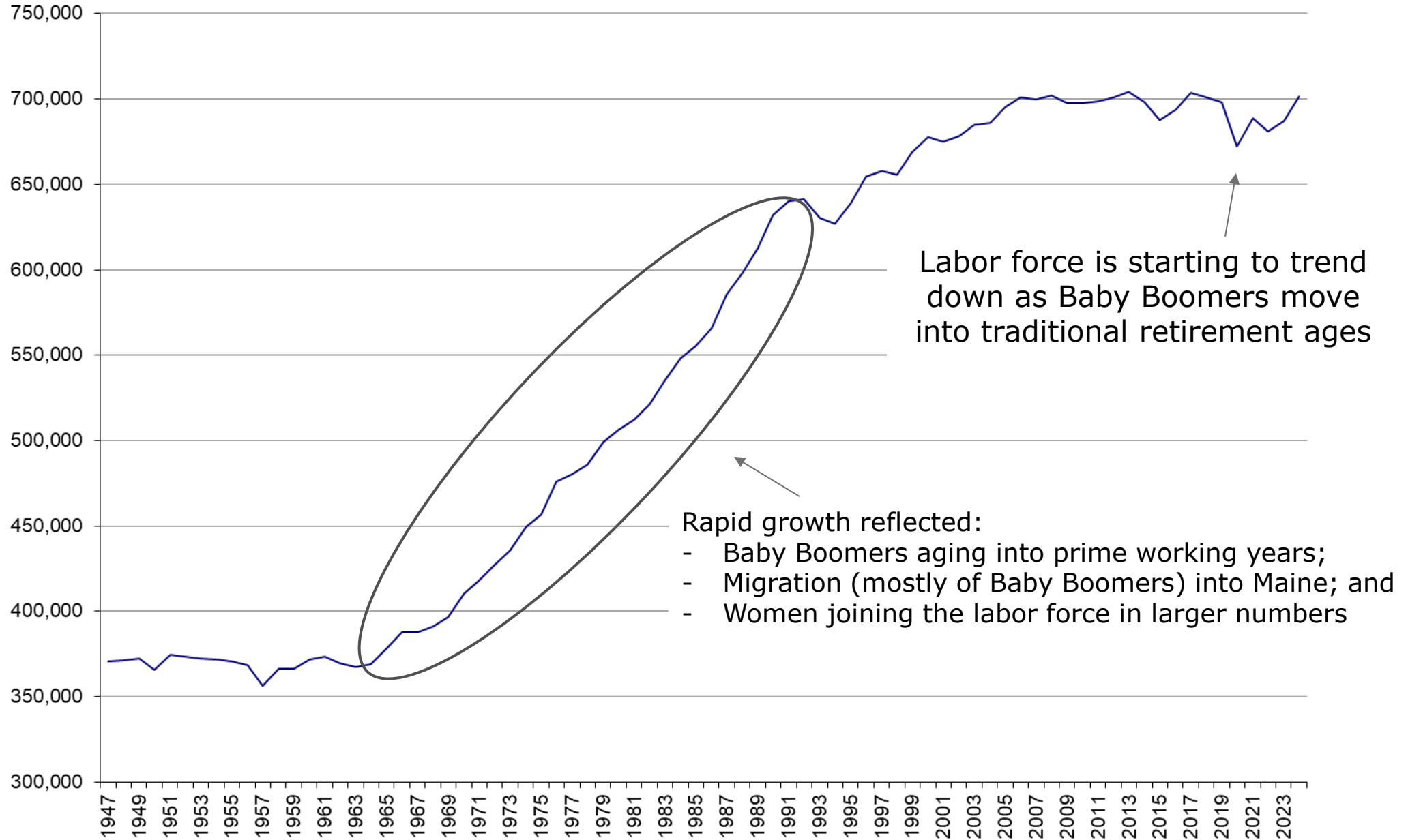
2024 Labor Force Participation Rate



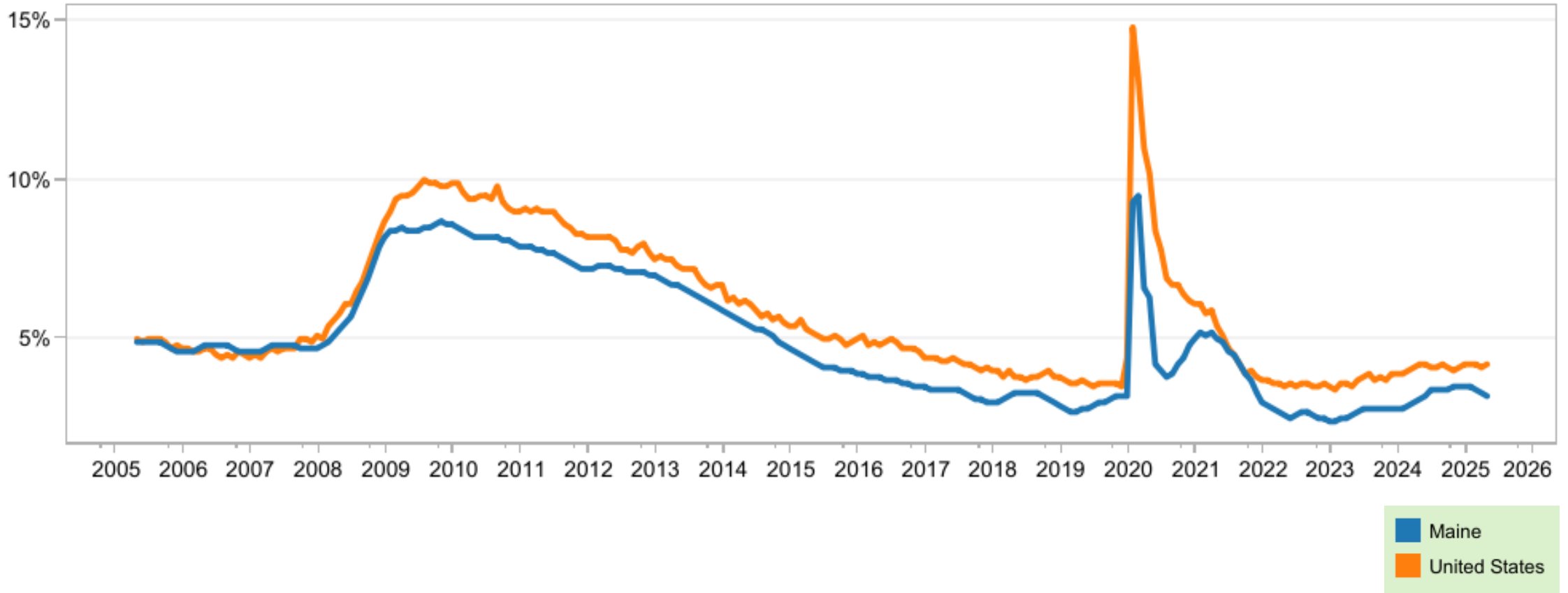
Share of 16+ Population by Age, 2024



Maine Civilian Labor Force



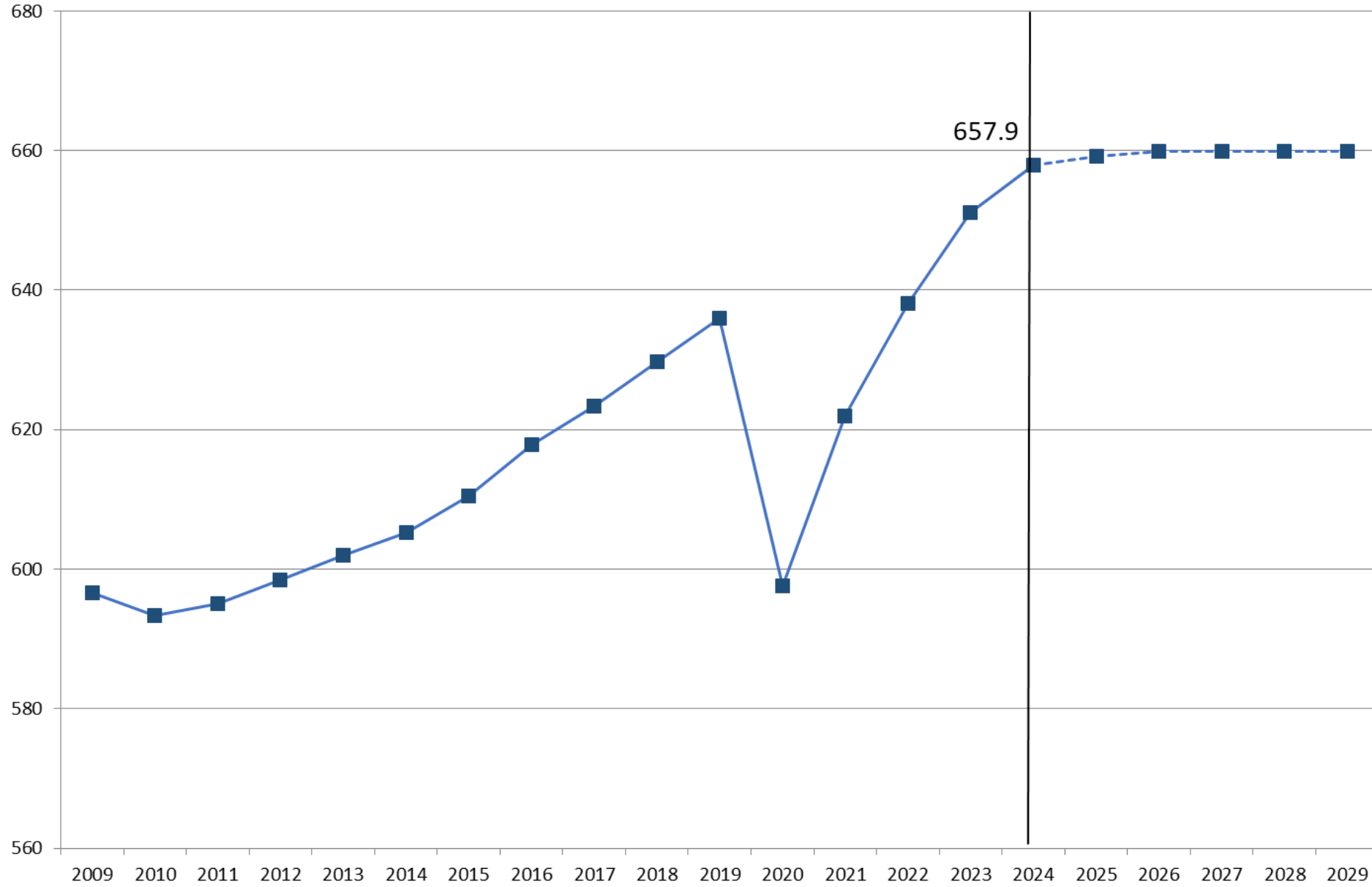
Unemployment Rate (seasonally adjusted)



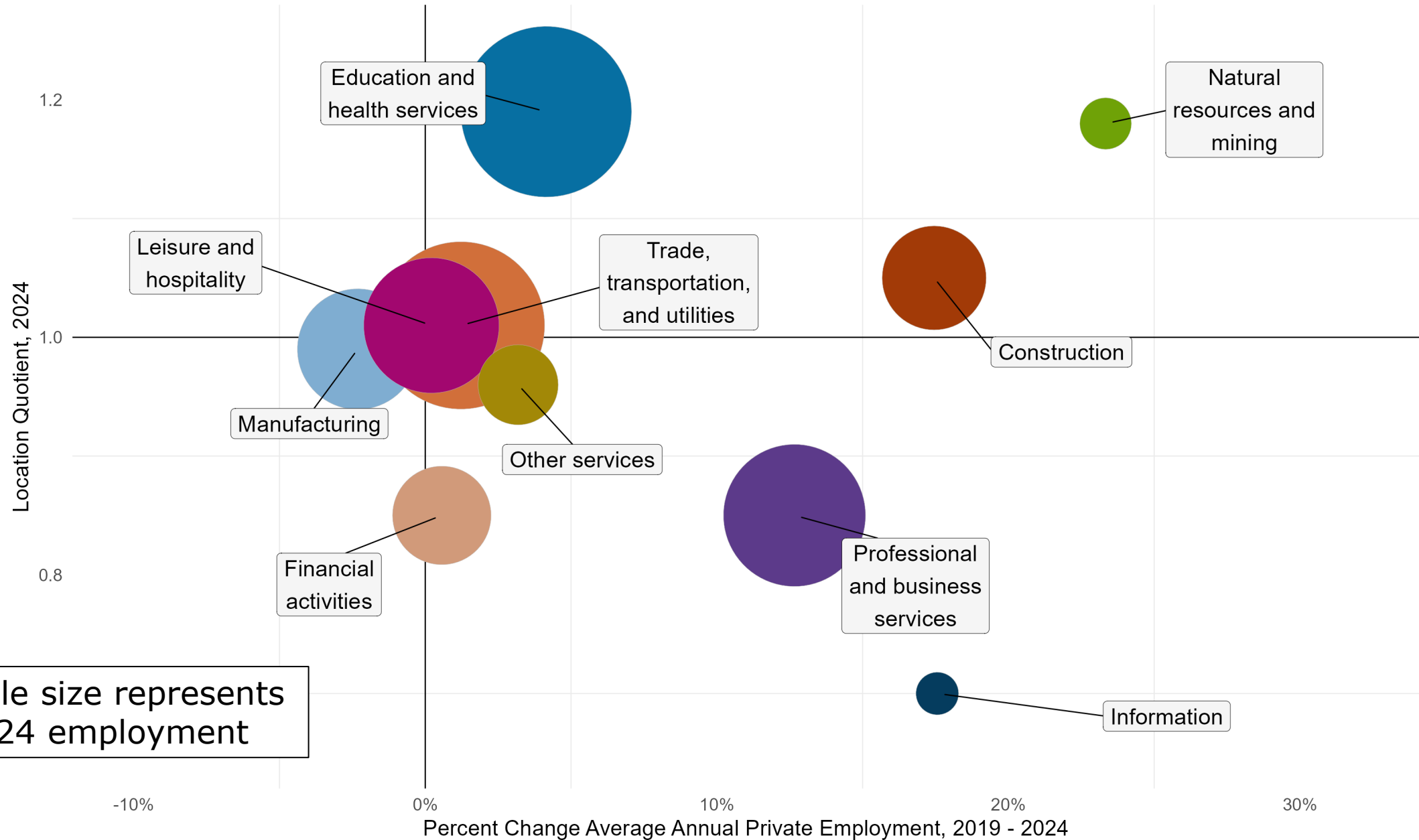
Maine's seasonally-adjusted unemployment rate has been below the U.S. rate for all but three months of the past 17 years

Total Nonfarm Employment (in thousands)

History and Consensus Economic Forecasting Commission forecast



Maine Location Quotients for Private Industry Super Sectors, 2019-2024



Bubble size represents 2024 employment

Display

- Graph
 Table

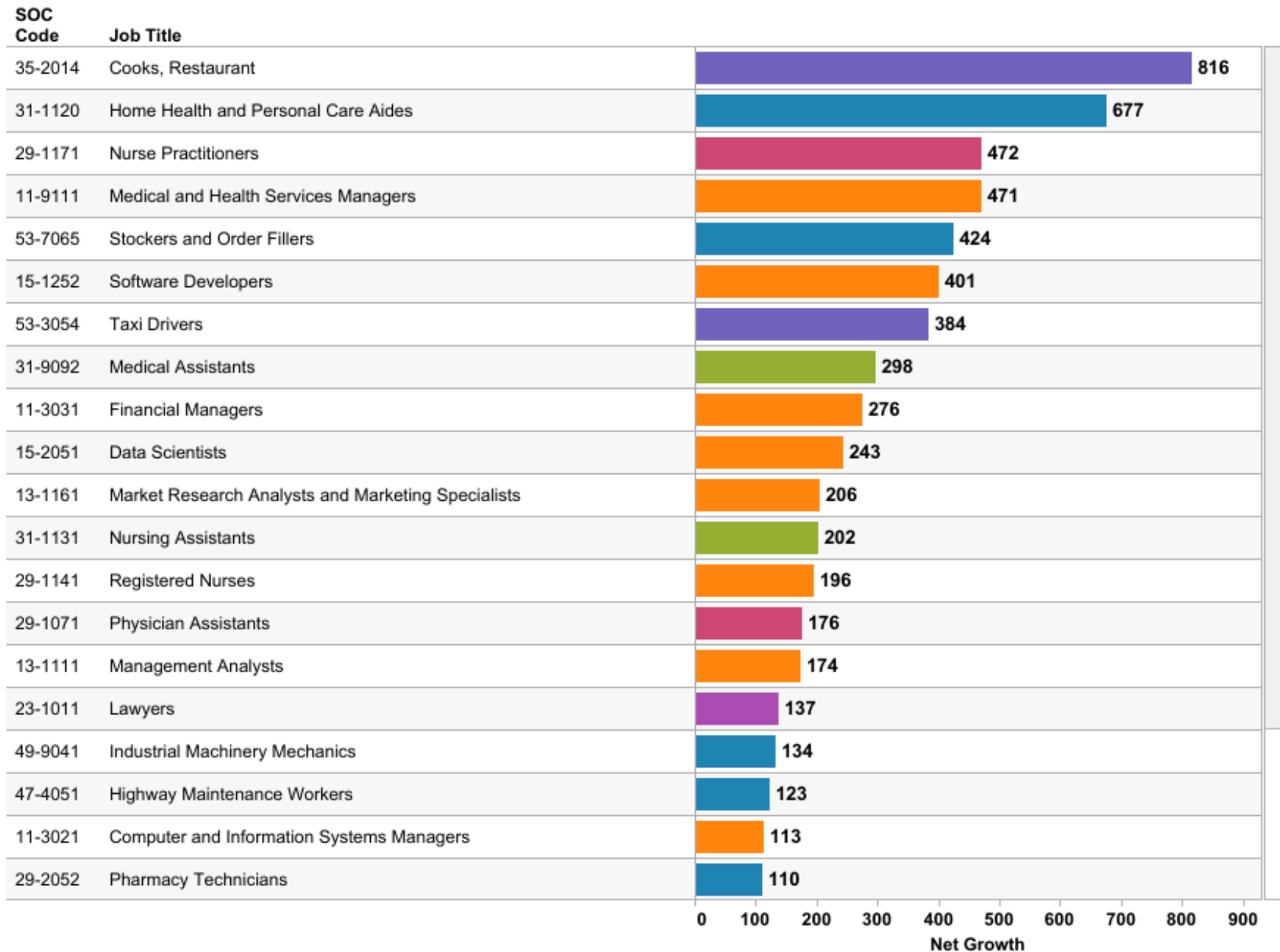
Top
25**Education Requirement:**

- All
 High School Diploma or Less
 Some College or Associate's Degree
 Bachelor's Degree or Higher

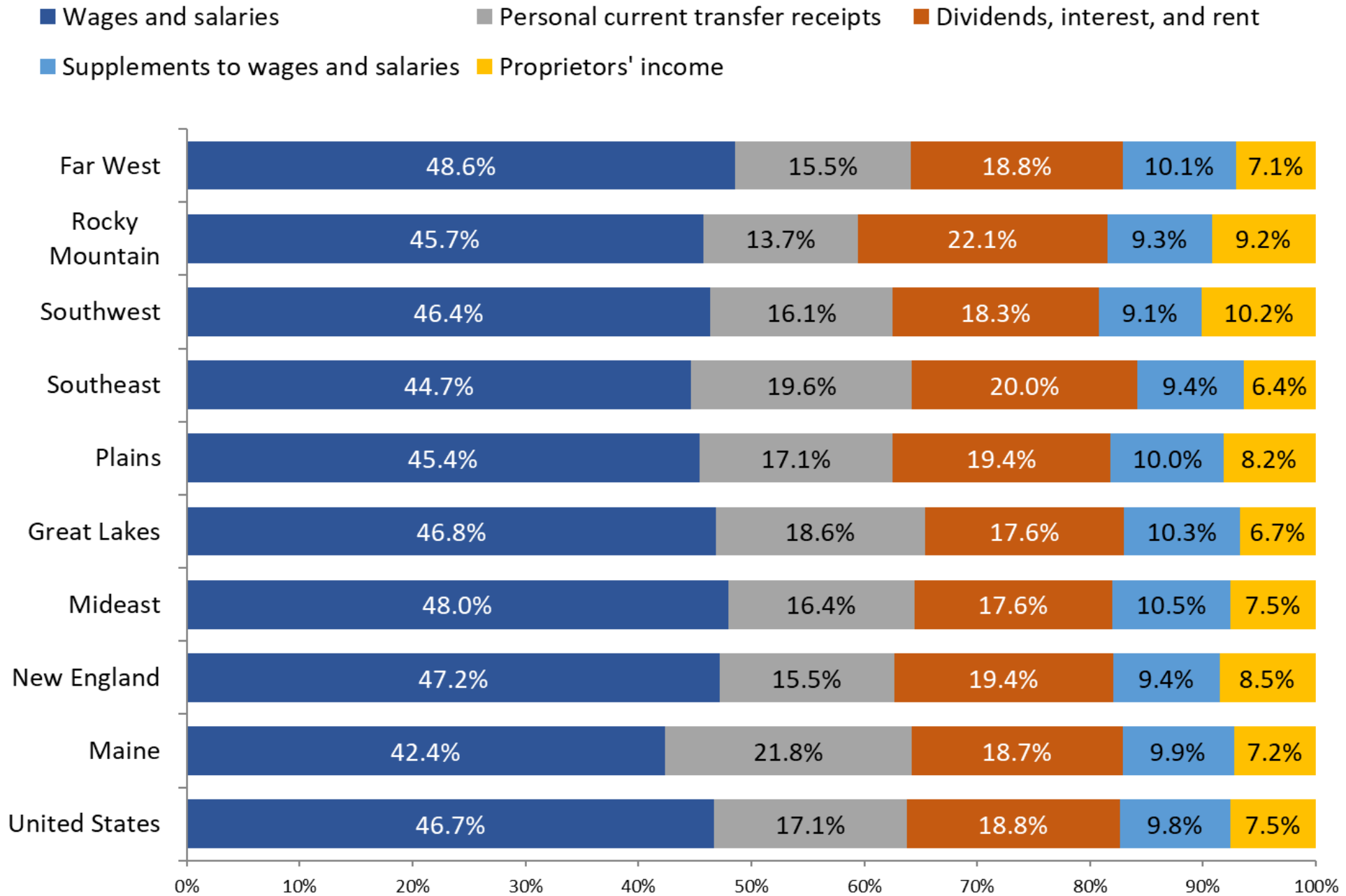
Select Topic:

- Largest Annual Openings
 Largest Net Job Growth
 Fastest Rate of Job Growth
 Largest Net Job Loss
 Fastest Rate of Job Loss

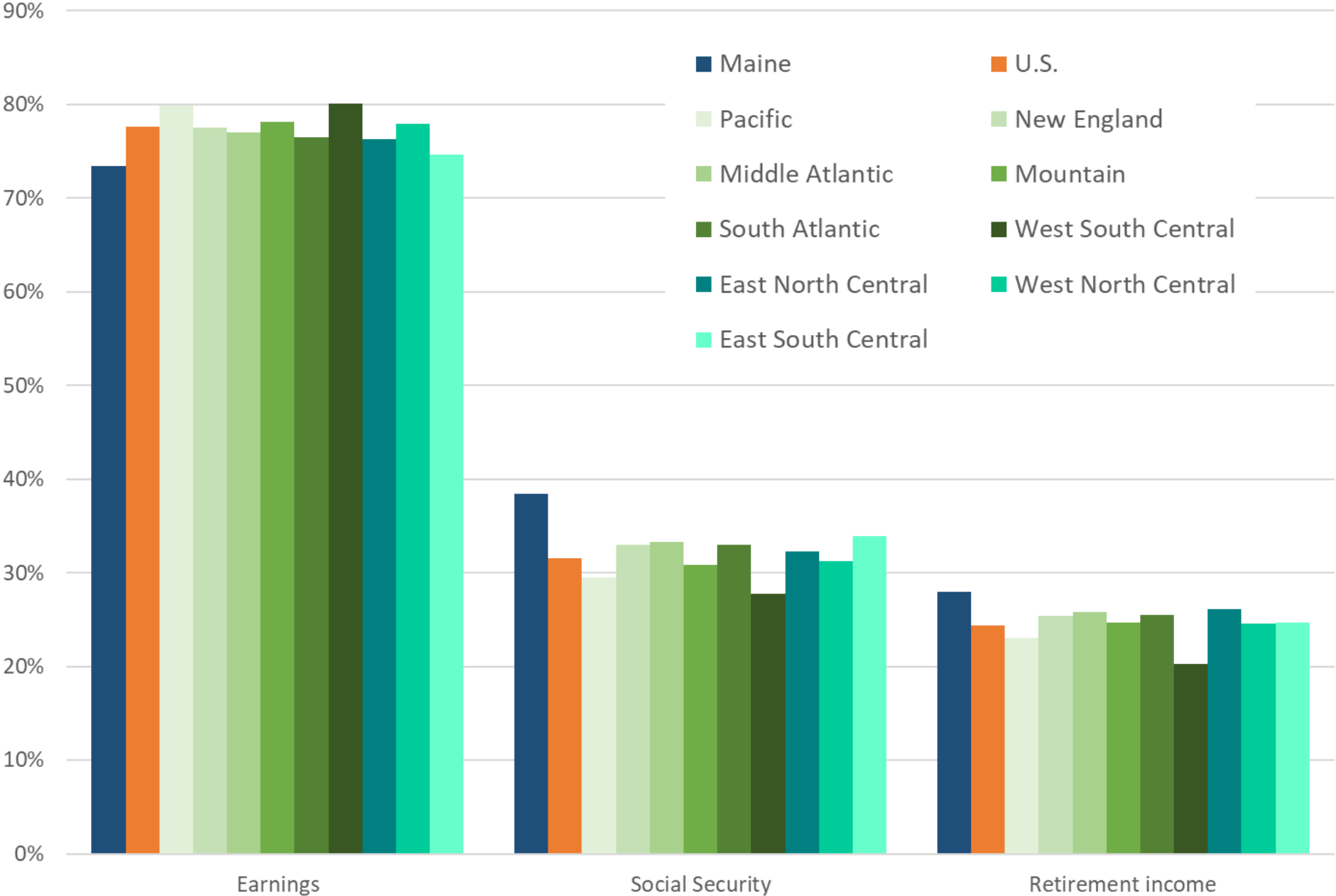
- Associate's degree
 Bachelor's degree
 Doctoral or professional degree
 High school diploma or equivalent
 Master's degree
 No formal educational credential
 Postsecondary non-degree award

25 Occupations with the Largest Projected Net Job Growth in Maine

Major Components of Personal Income, 2024



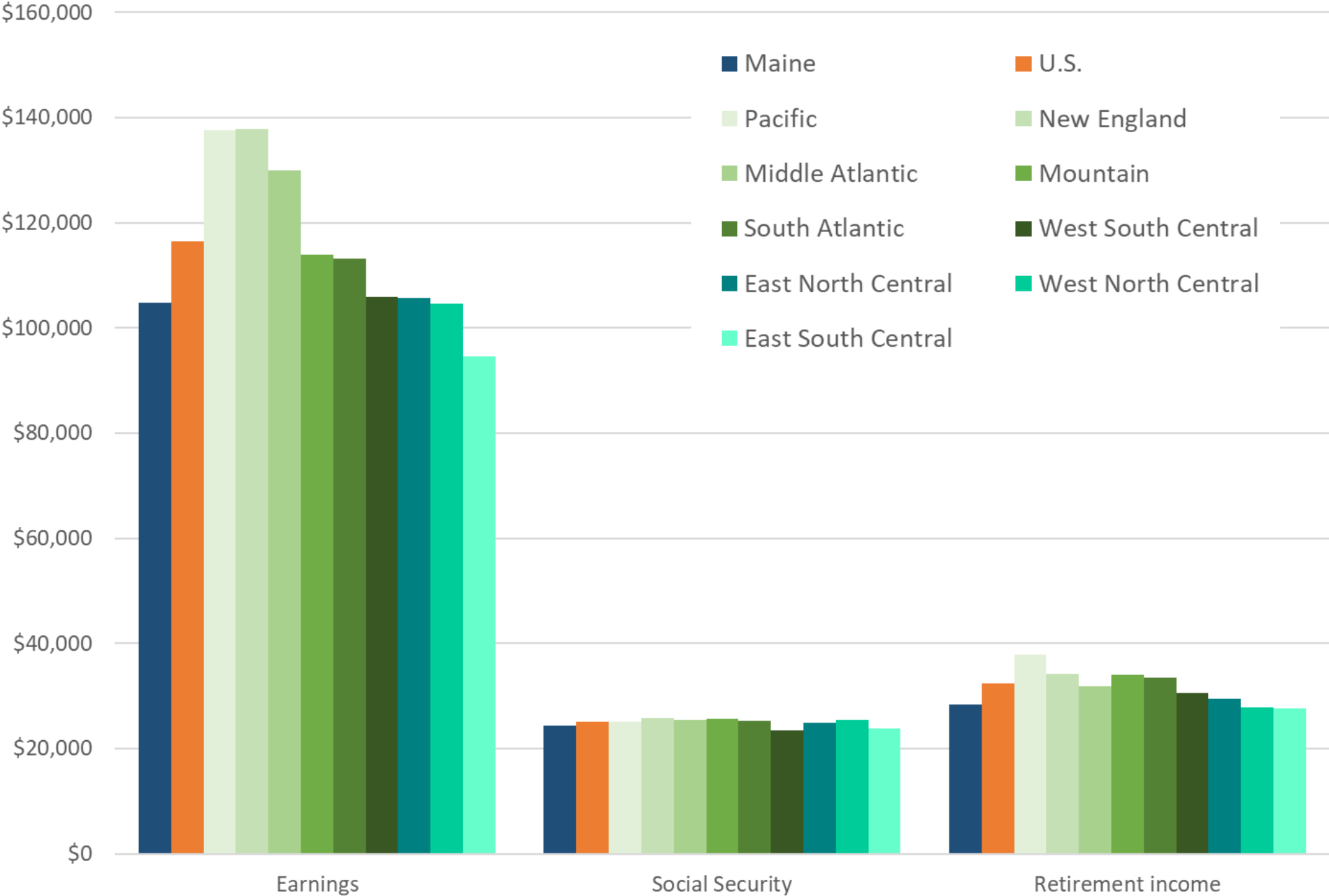
Percent of households with...



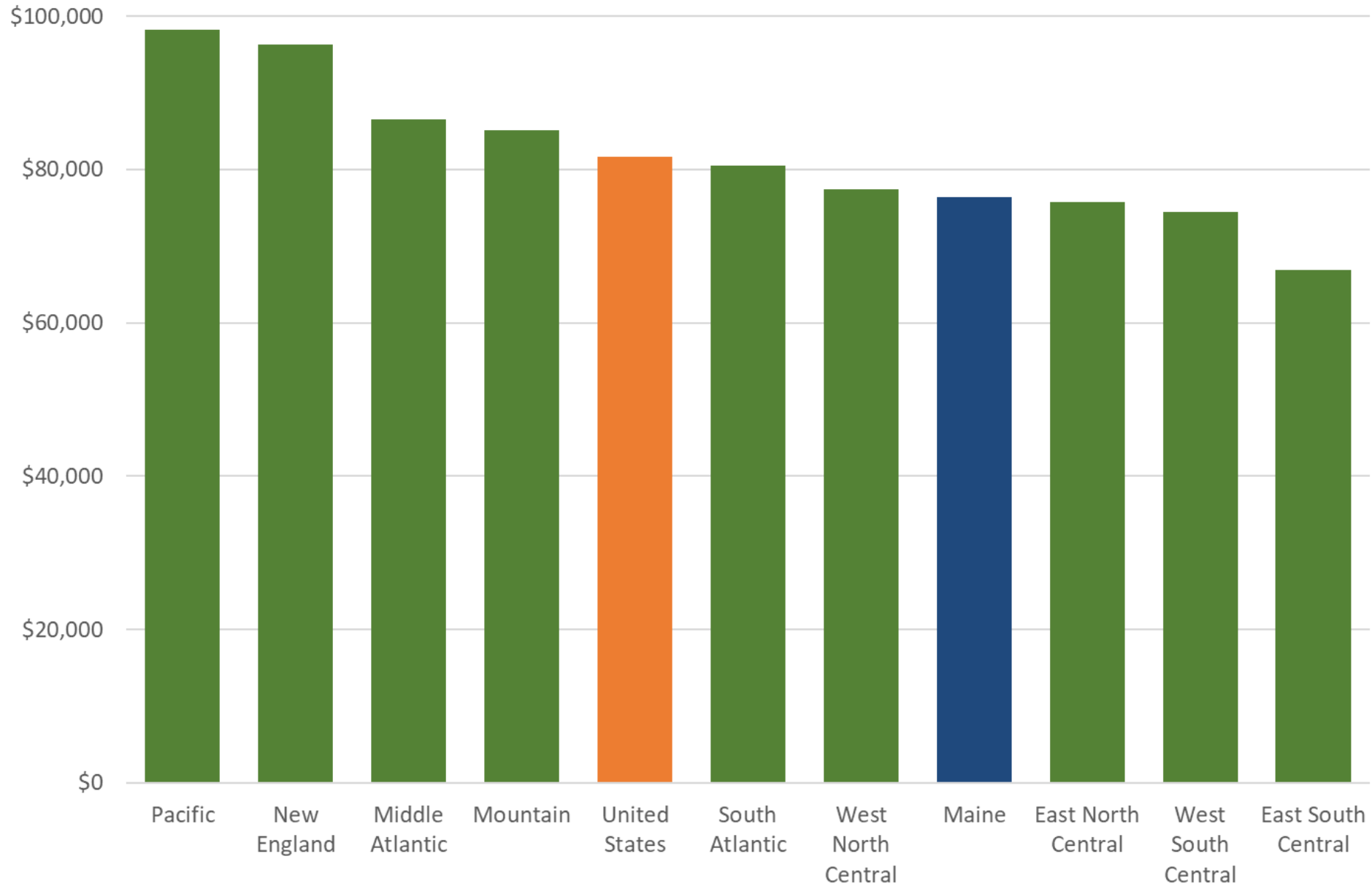
Maine has a higher share of households with Social Security and retirement income and a lower share of households with earnings

Mean amount for households with...

The amount of income from earnings is much higher than Social Security or retirement



Median Household Income



Maine has relatively fewer households at the highest income brackets



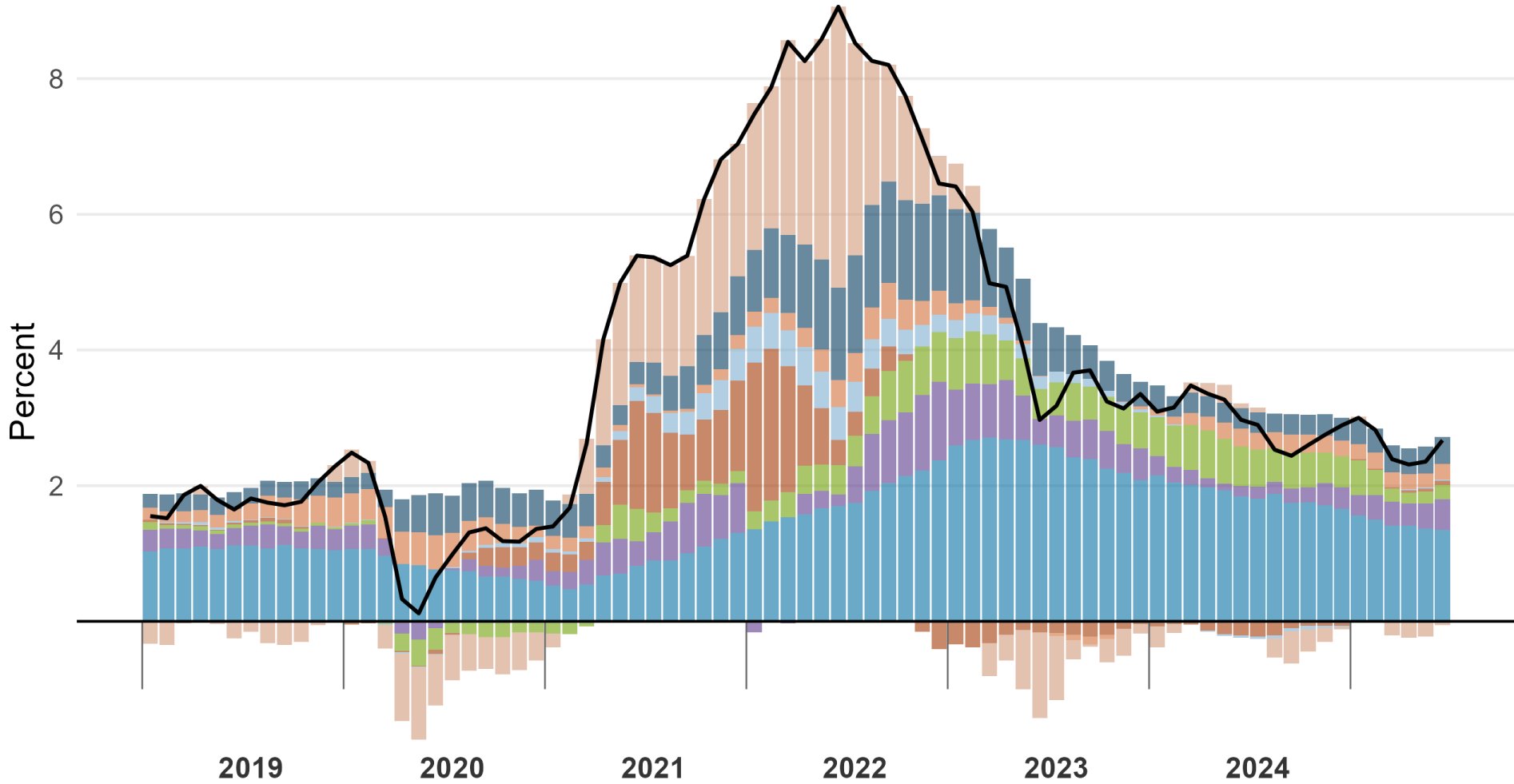
Macroeconomic conditions

Excerpts from assumptions in April 2025 Consensus Economic Forecasting Commission report

Maine's economy is shaped by a tight labor market, with ongoing demand for workers, a limited supply, and low unemployment. Countries around the world are facing the realities of an aging population in the coming decades, which will impact labor markets globally. (...) an aging workforce may continue to constrain labor availability. However, positive net migration and productivity gains, some of which may come from the use of AI, could help meet future labor needs.

- Geopolitical tensions remain elevated (...). Rapidly changing tariff policies are contributing to the possibility of a global trade war. (...)
- 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. (...)

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

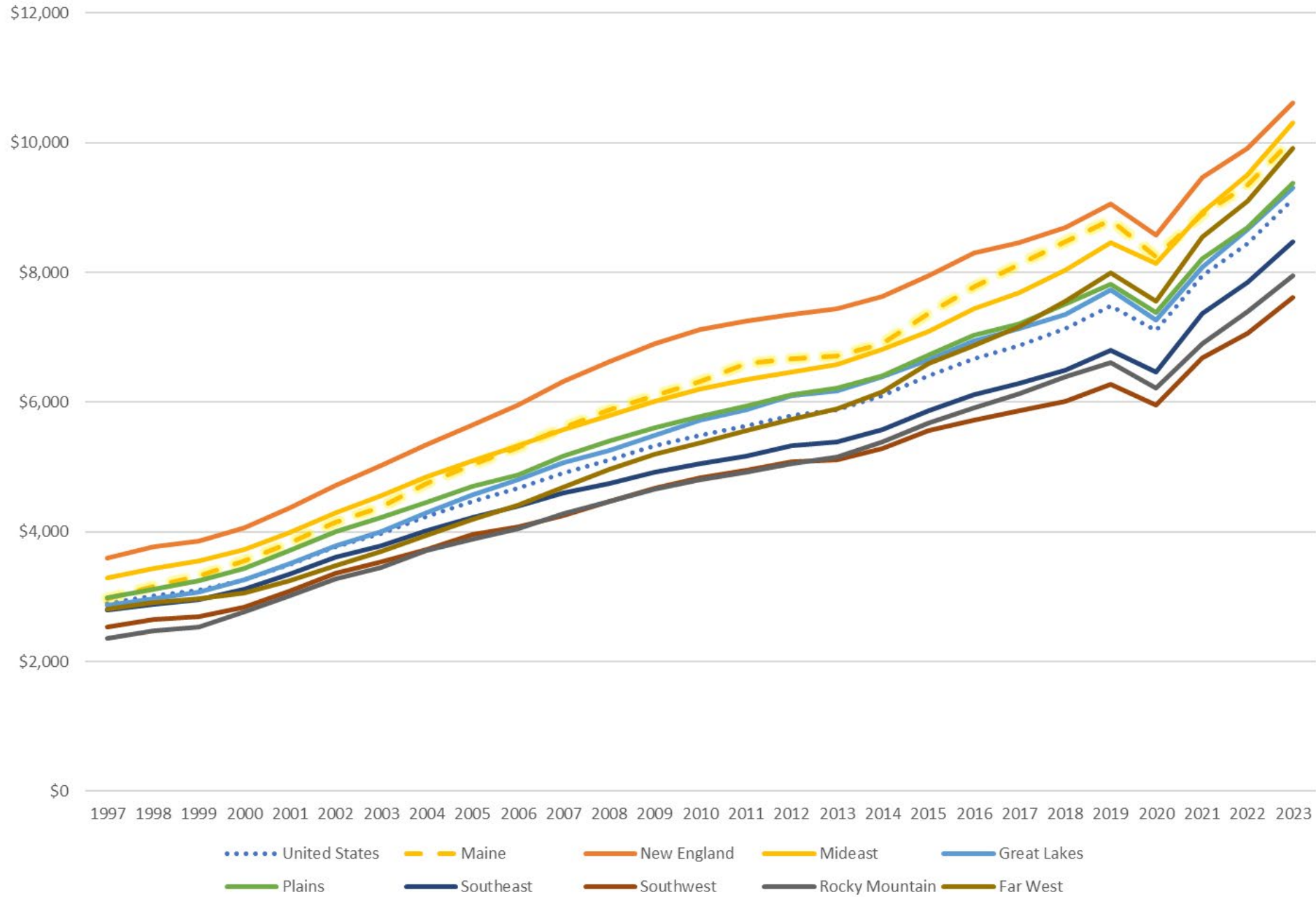


- Energy
- Medical Care
- Used Vehicles
- Other
- CPI All Items, 1982-84=100
- Food
- New Vehicles
- Transportation Services
- Shelter

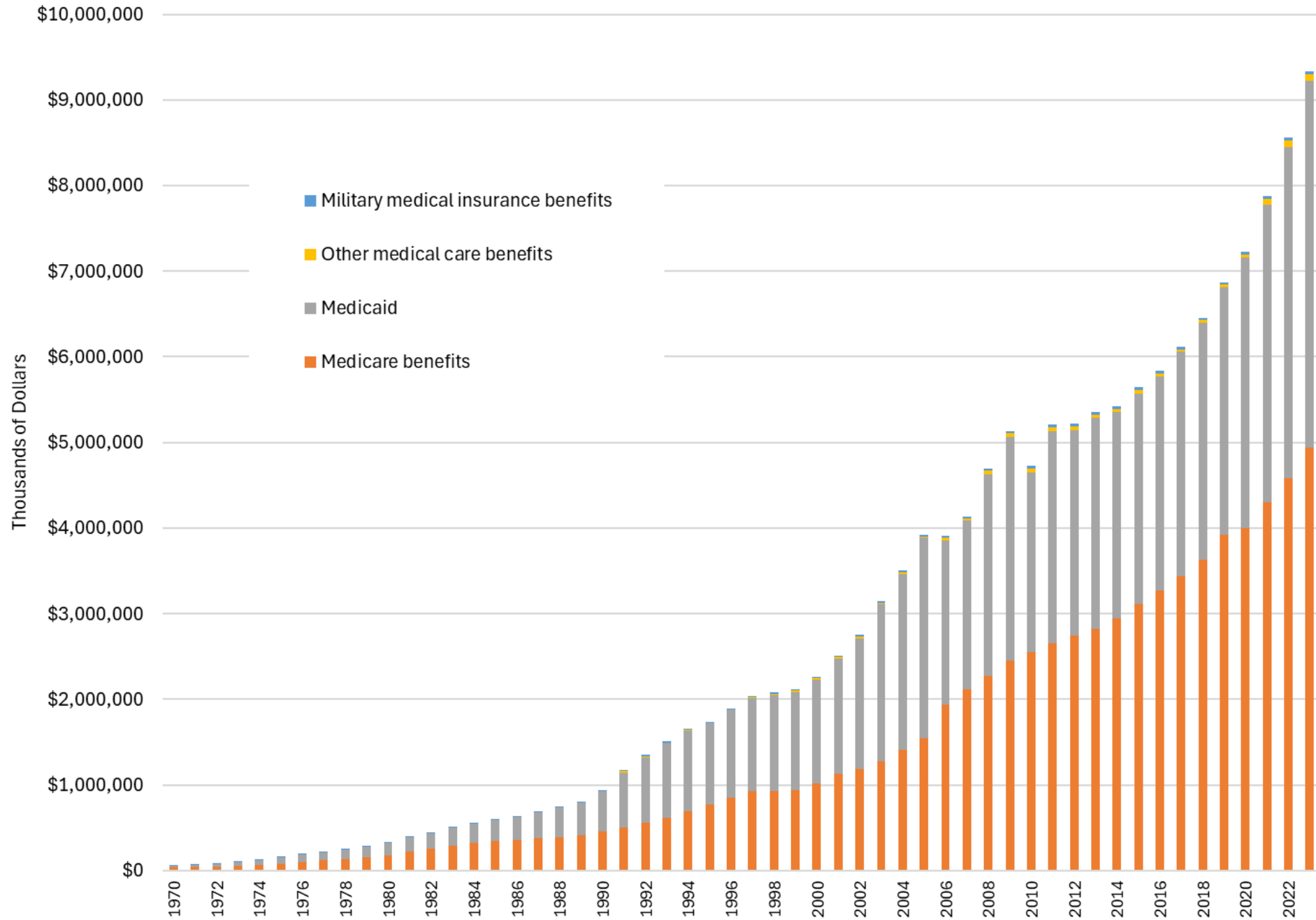
Source: US Bureau of Labor Statistics & Calculations by OSE Staff

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

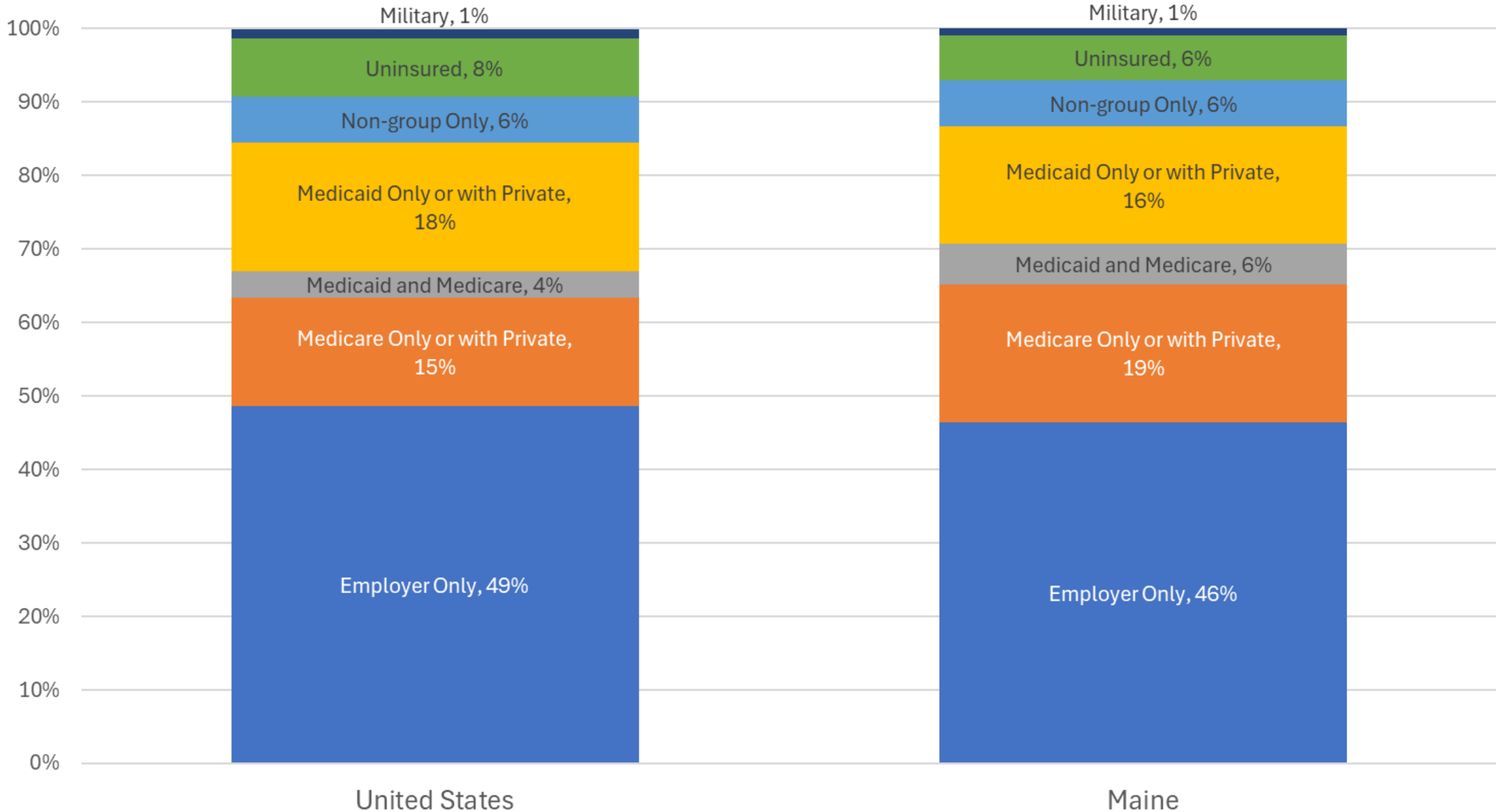
Per Capita Personal Consumption Expenditures on Healthcare (current dollars)



Maine Personal Current Transfer Receipts: Medical Benefits



Health Insurance Coverage of the Population, 2023



Things to keep in mind:

- Maine saw several decades of slow population growth and has a population that is older and less diverse than the rest of the nation
- Demographic trends impact all aspects of a region's economy, including labor force participation, employment growth, income distributions, and health insurance coverage
- Maine's economy, as with other states, will be impacted by federal policies, federal spending, and national economic trends

Contact Information

Amanda Rector

Maine State Economist

Department of Administrative and Financial Services

www.maine.gov/dafs/economist

amanda.rector@maine.gov