

State of Maine Economic Update

Maine Credit Union League
Volunteers' Conference

October 24, 2025

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Maine State Economist

Population change and migration

Housing

Demographics

Labor force and employment

Wages, income, and GDP

Macroeconomic conditions

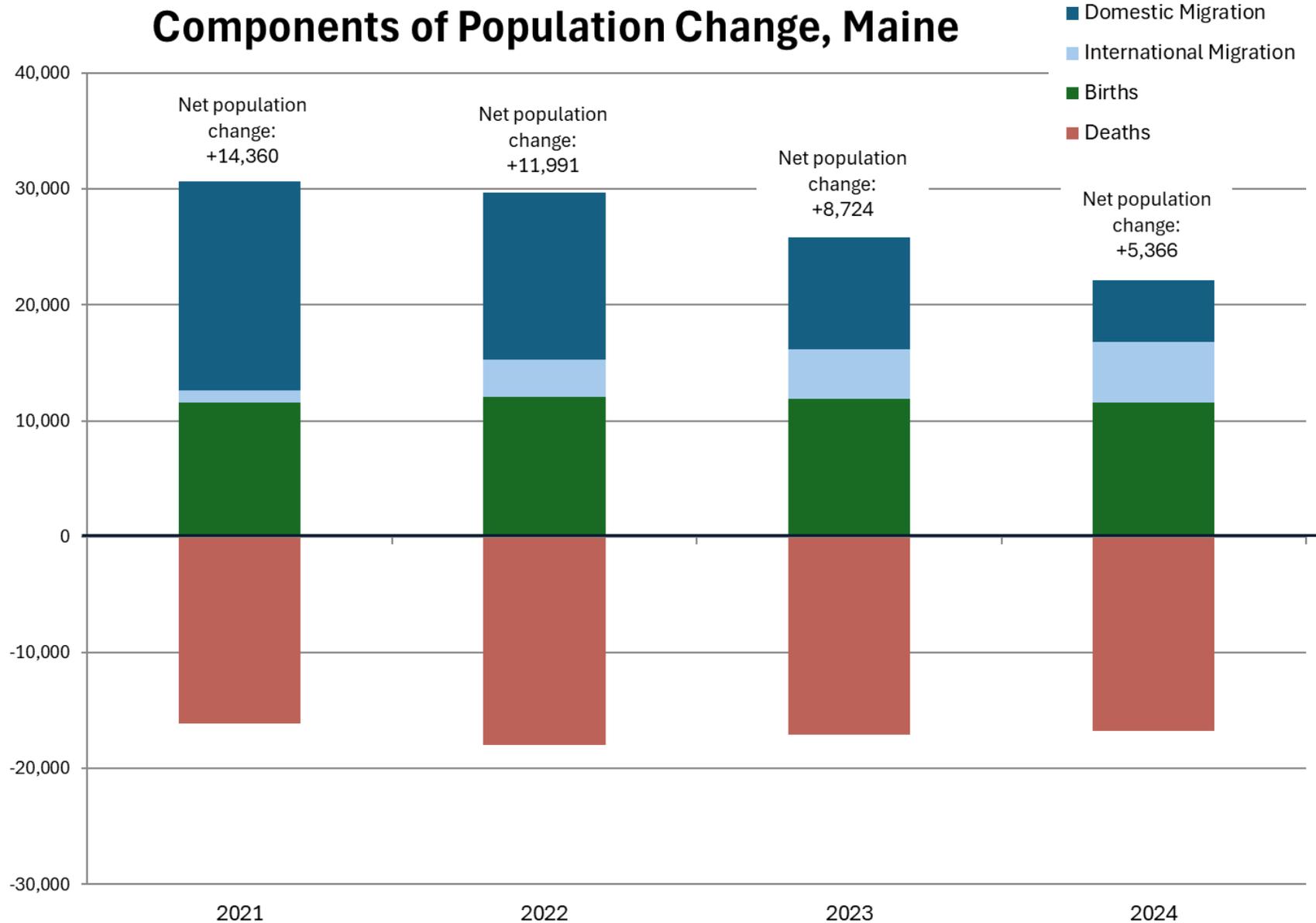
Population change and migration

2024 Total Population:
1,405,012

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

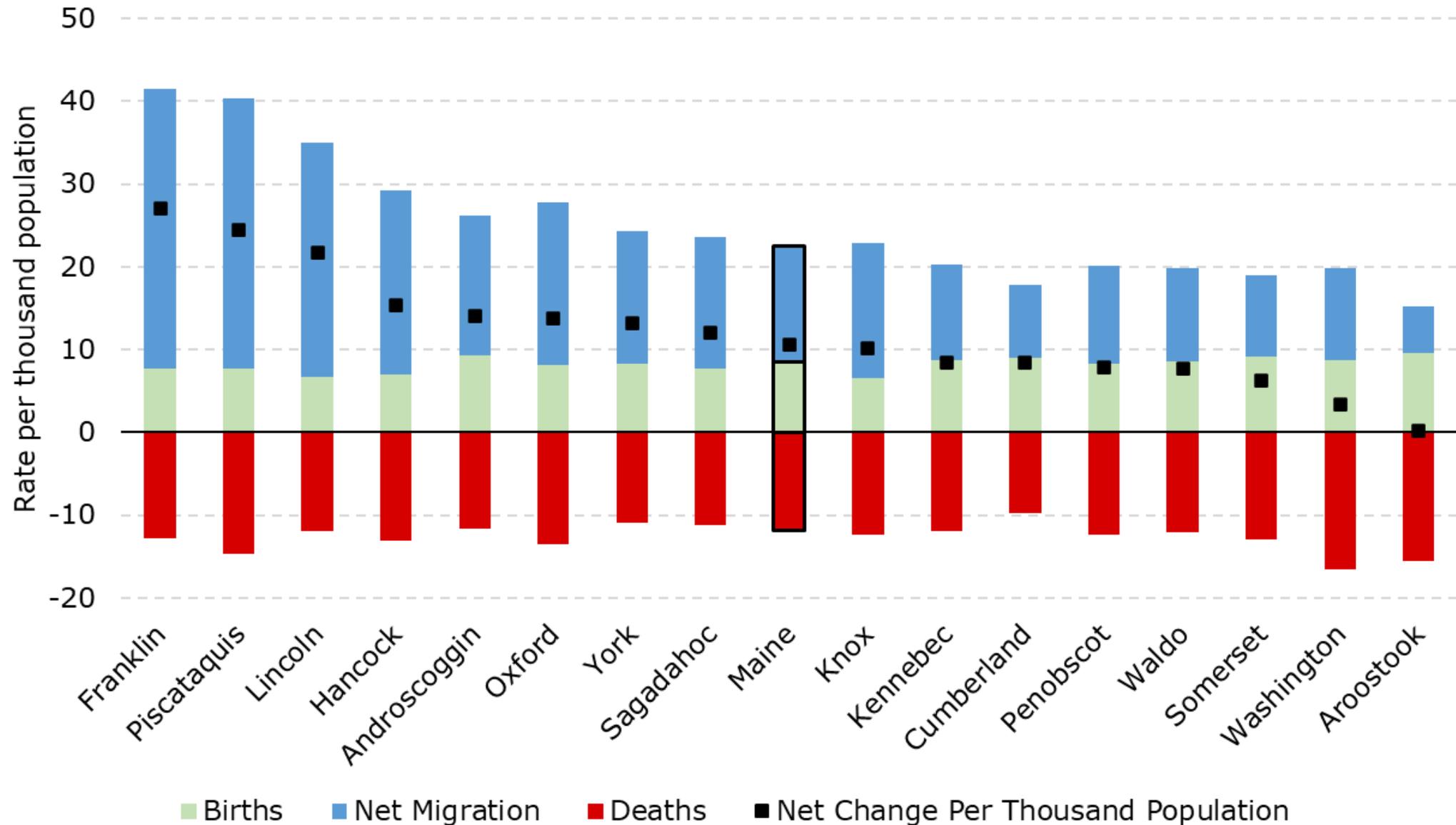
Components of Population Change, Maine



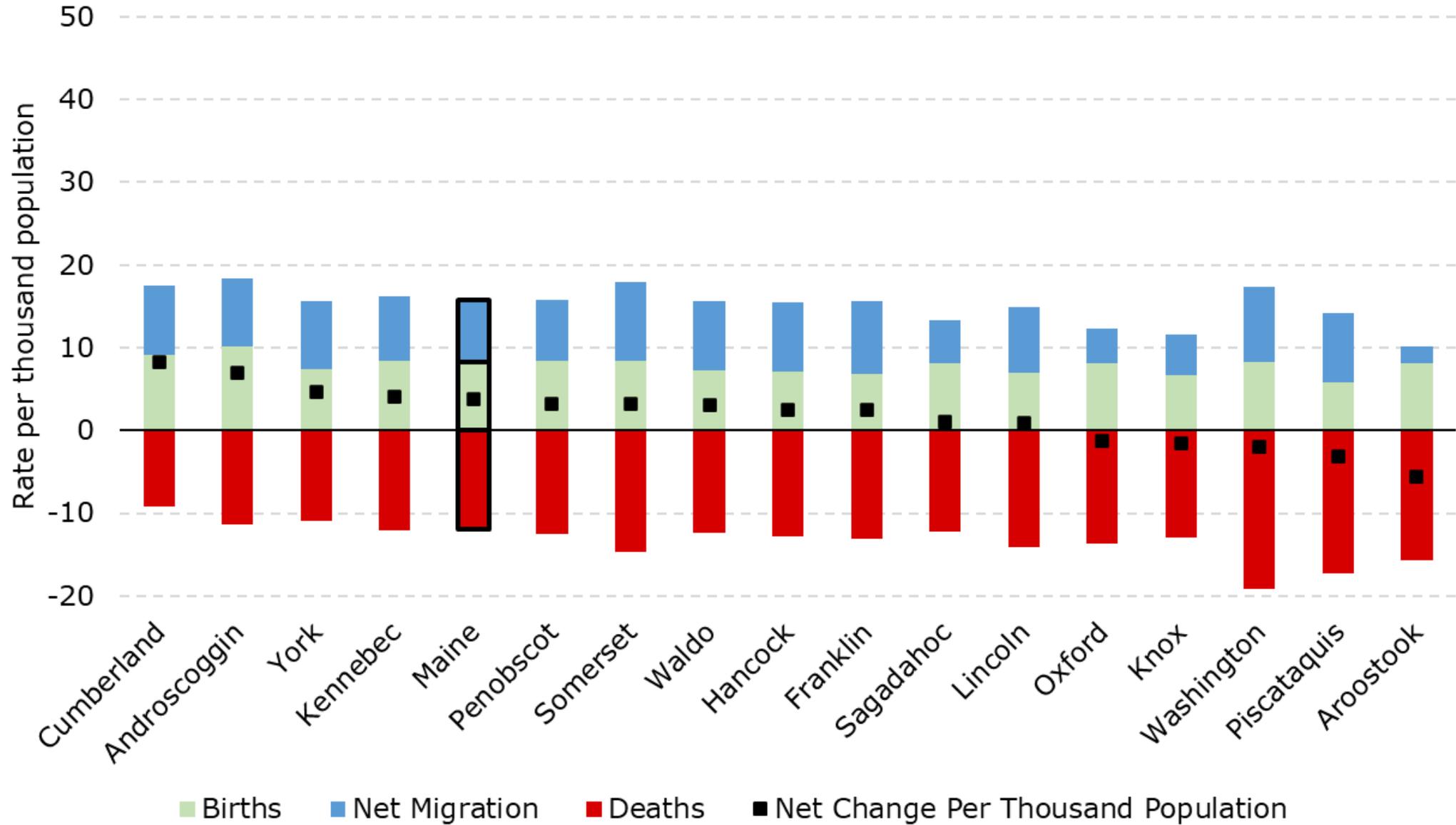
Net international migration accounted for 84% of U.S. population growth from 2023-2024

U.S. Census Bureau made significant methodological changes in 2024 to better account for humanitarian migrants, resulting in large upward revisions to 2023

Components of Population Change, 7/1/2020-7/1/2021 Rate per thousand population

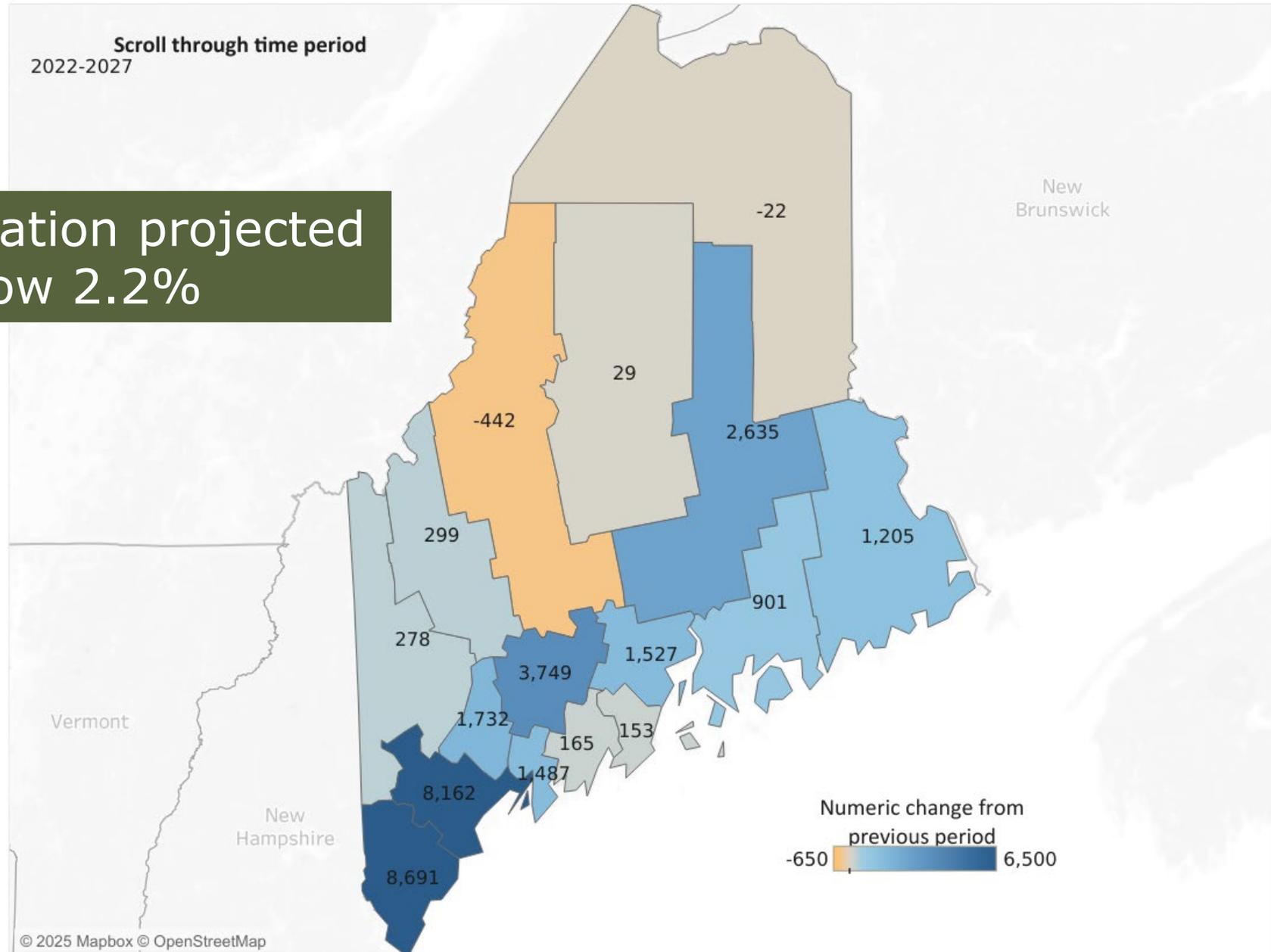


Components of Population Change, 7/1/2023-7/1/2024 Rate per thousand population



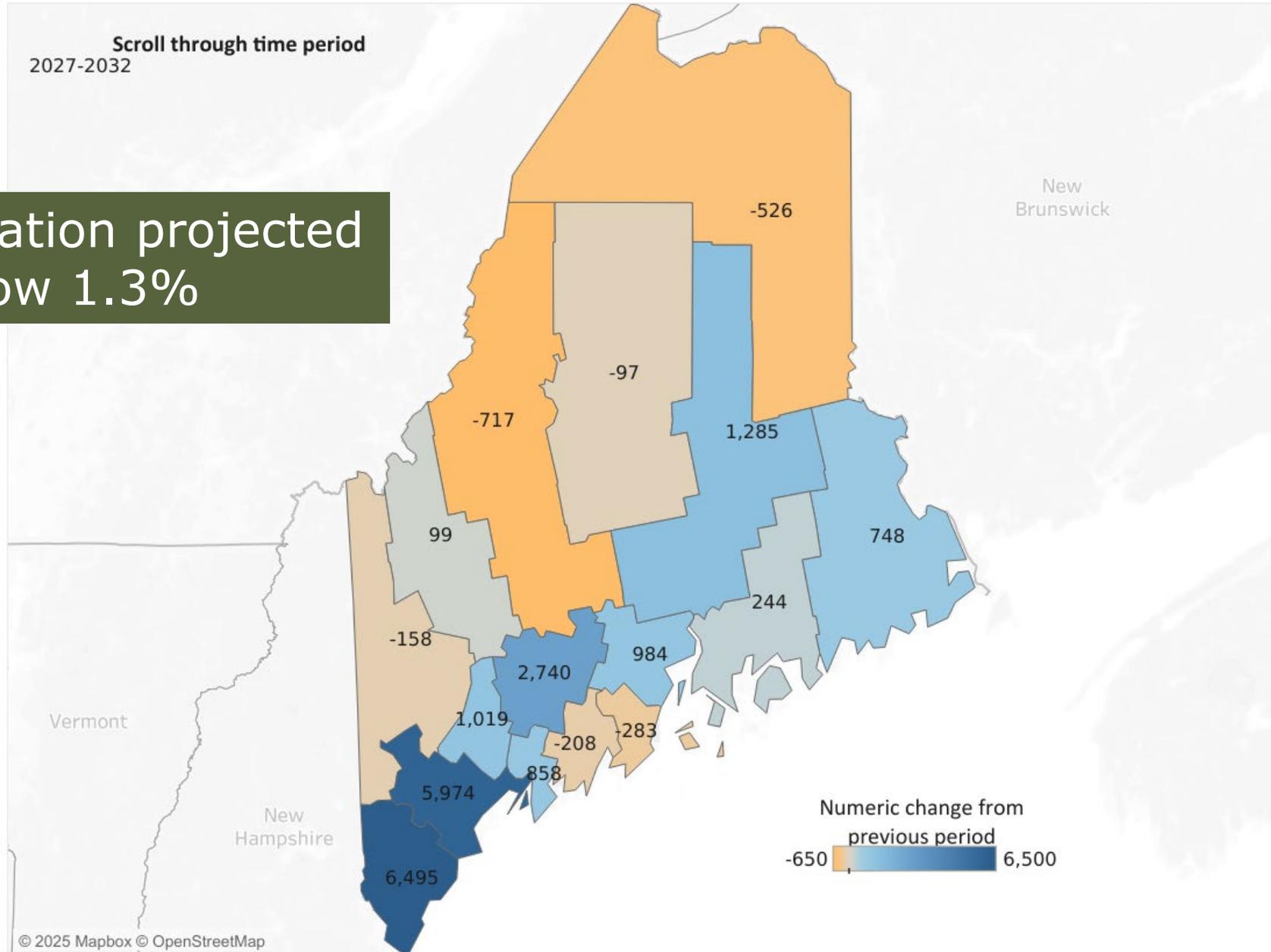
Scroll through time period
2022-2027

Maine population projected to grow 2.2%



Scroll through time period
2027-2032

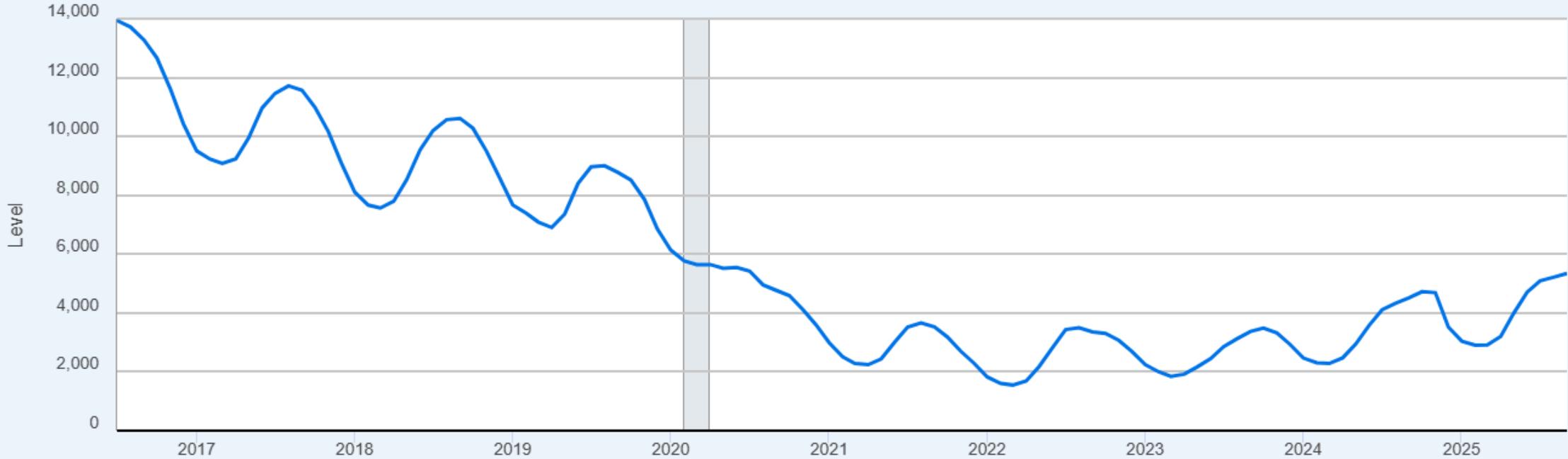
Maine population projected to grow 1.3%



Housing



Housing Inventory: Active Listing Count in Maine



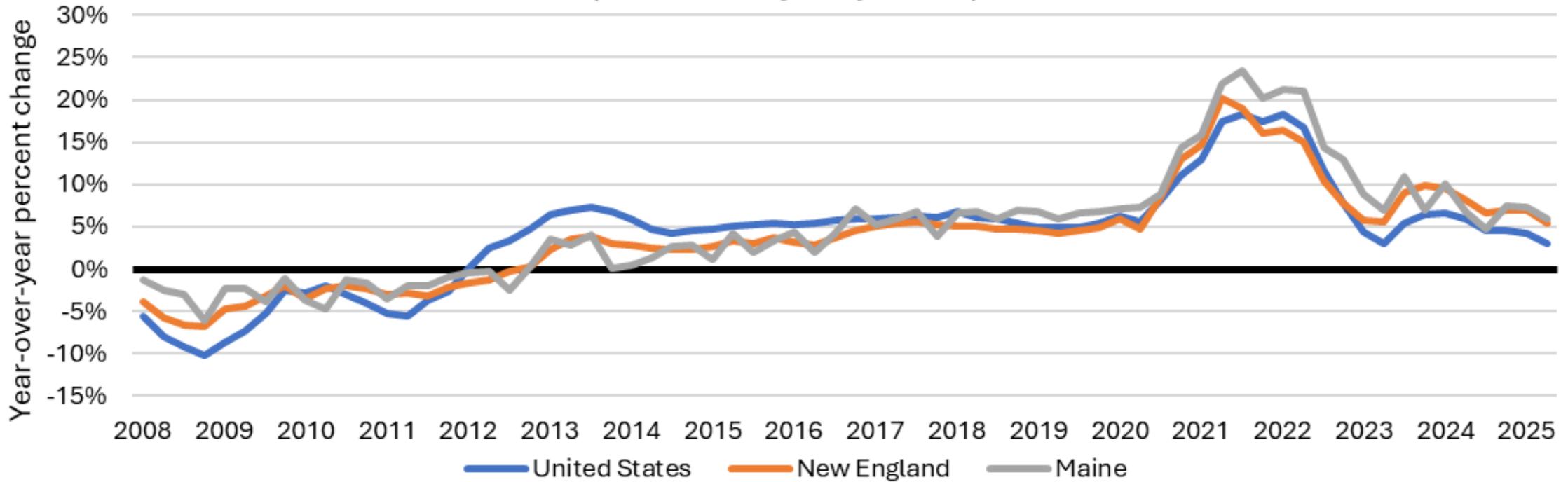
Source: Realtor.com via FRED®
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

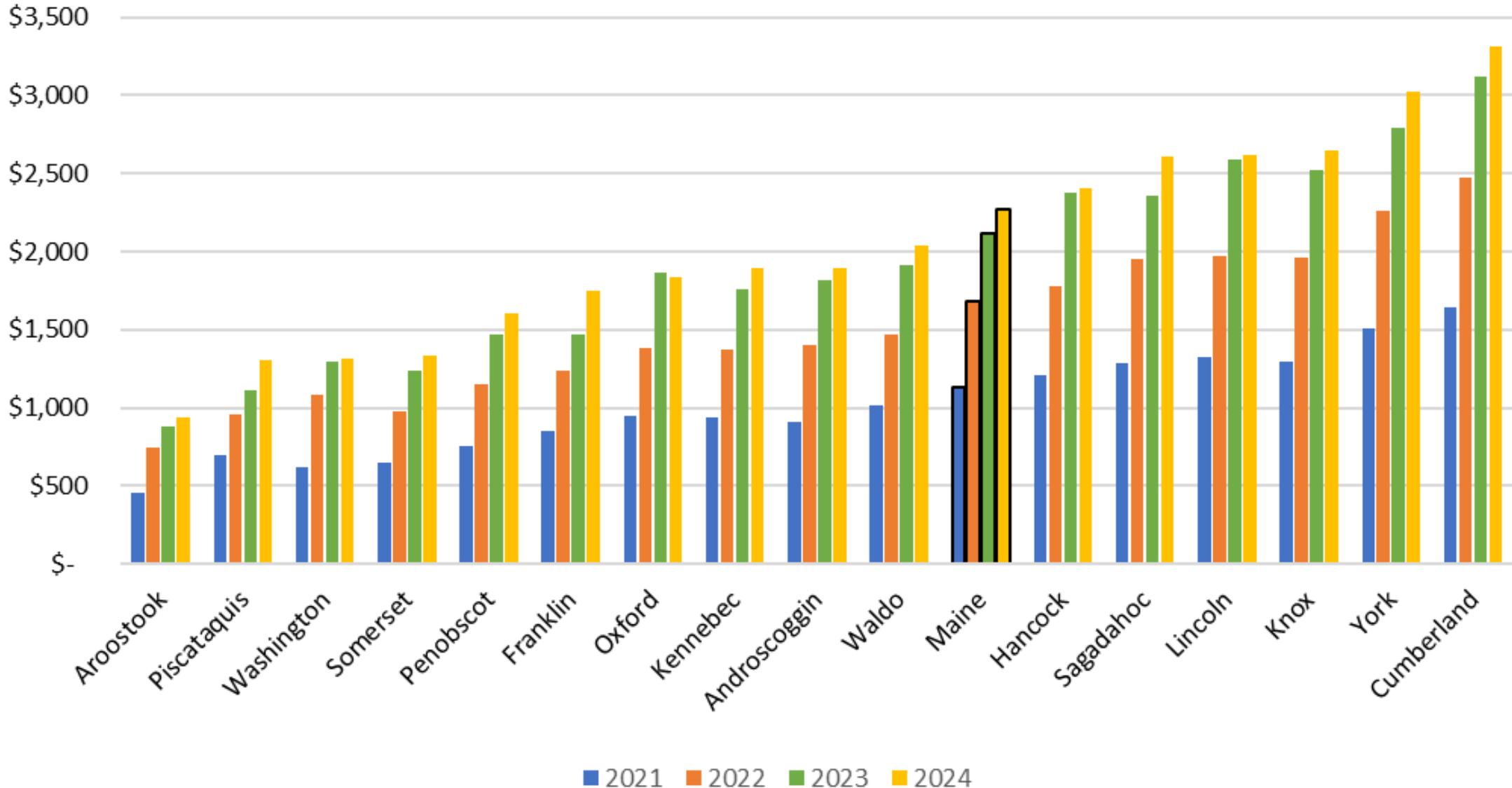
Migration into the state drove up demand for housing and further reduced the available supply while high mortgage rates locked people into existing homes, but there's been some improvement:

Sept. 2025 about 18% higher than Sept. 2024 and highest since July 2020

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

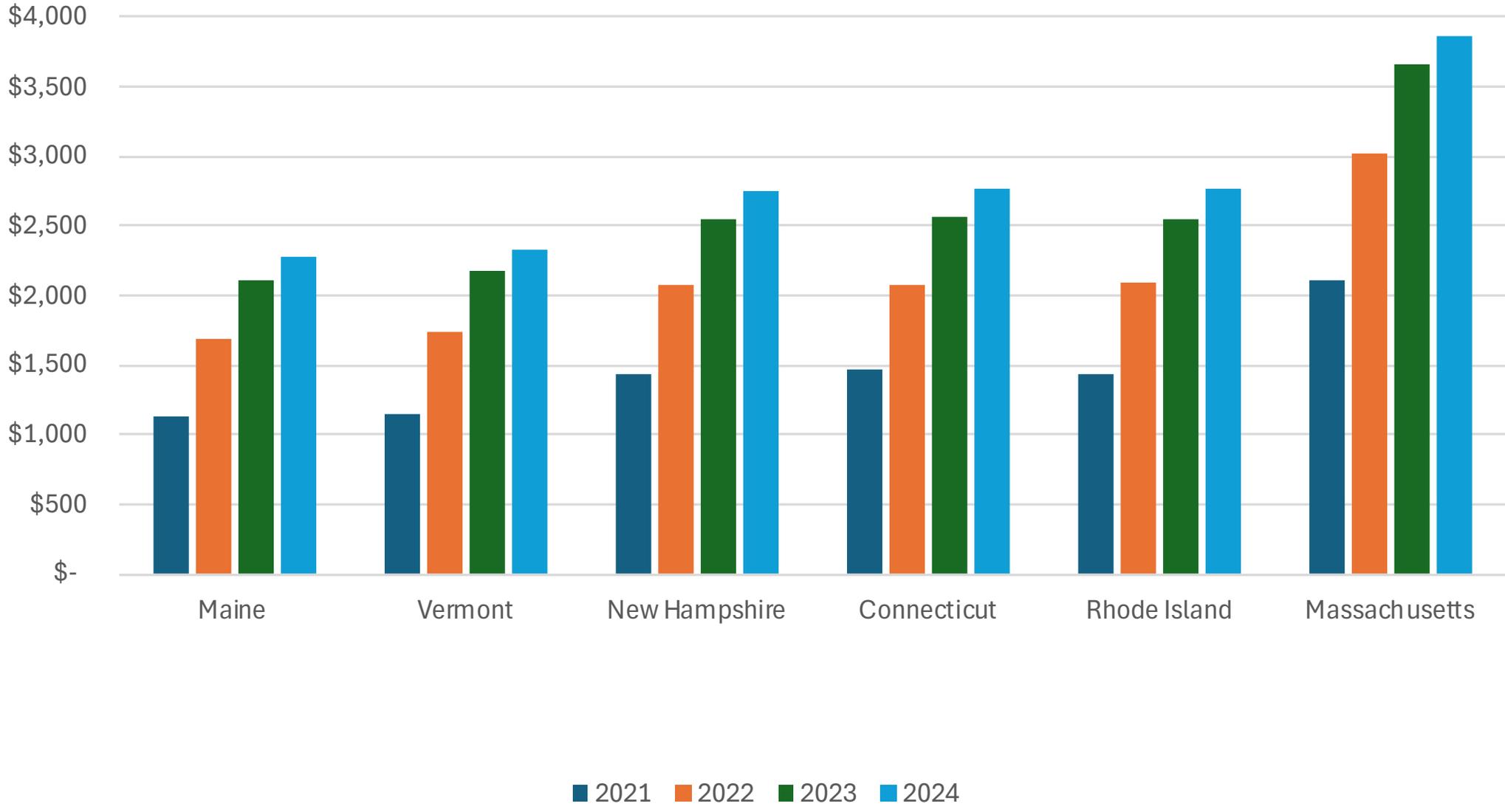


Monthly Mortgage Payment at the Median Sales Price 2021-2024



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

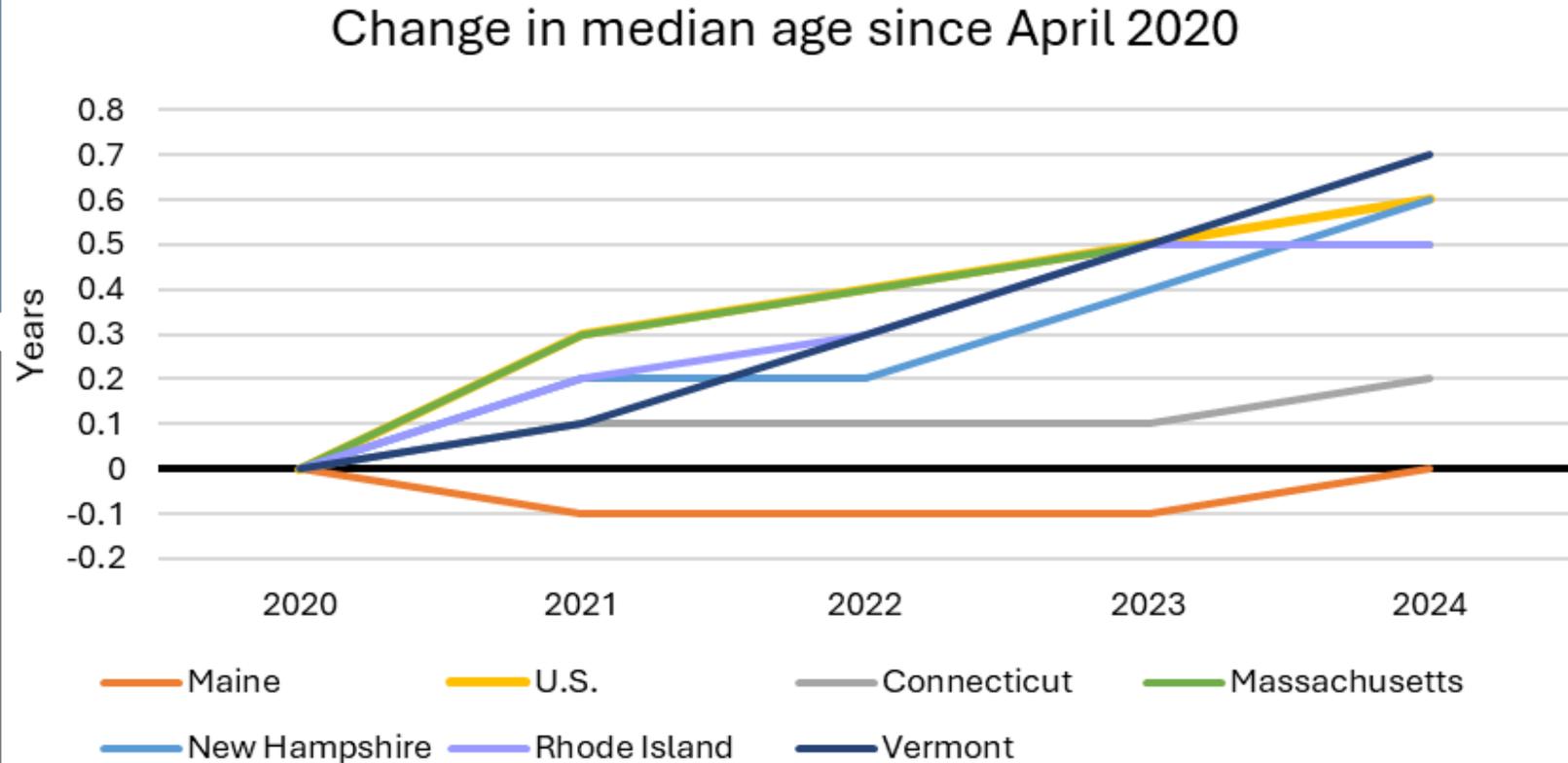


Sources: Moody's Analytics (median sale prices), FRED 30-year fixed rate mortgage rates, weekly (average of all weeks in the year). Assumes 30-year fixed rate mortgage and 10% down payment on a home at the median sales price.

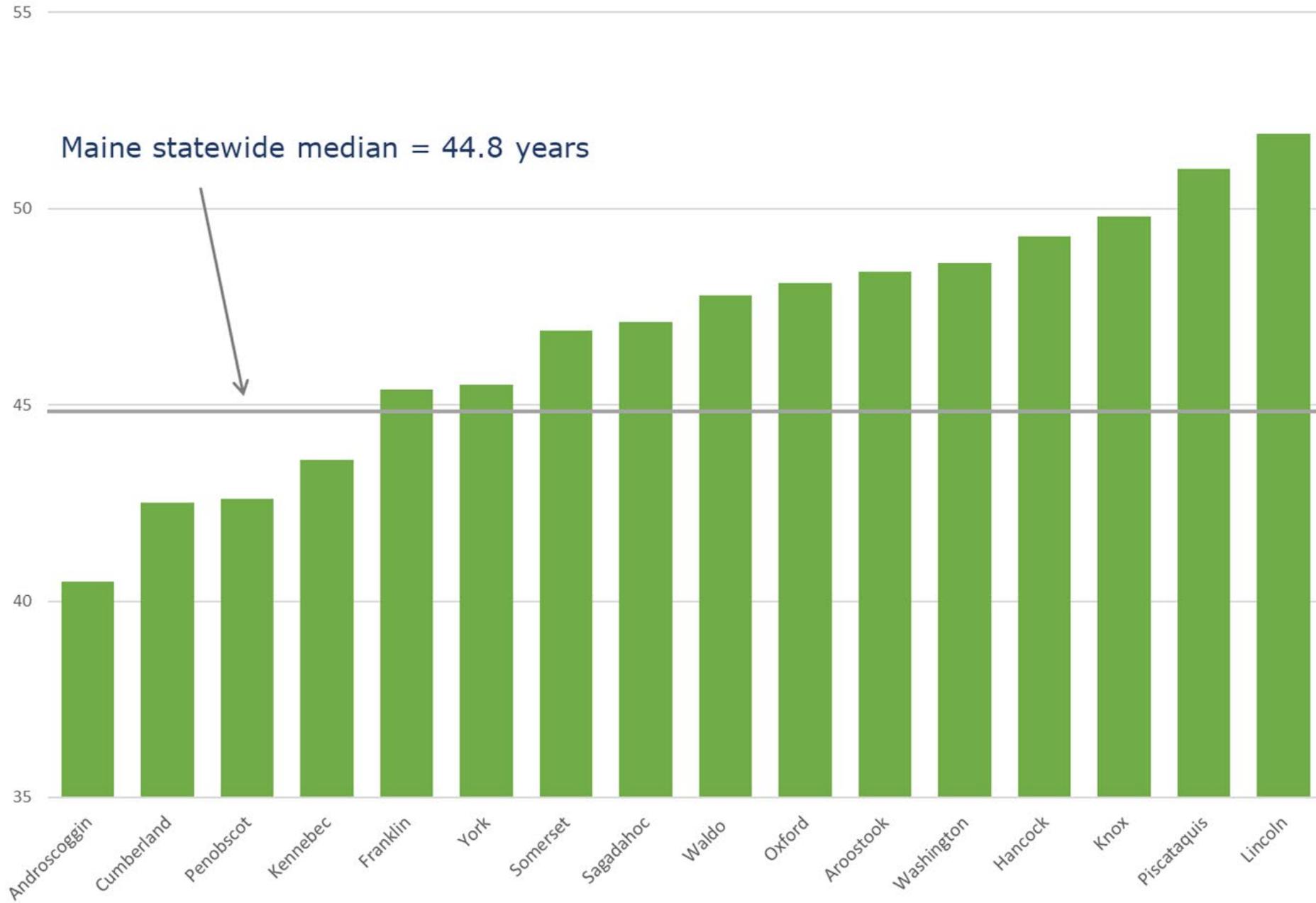
Demographics

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

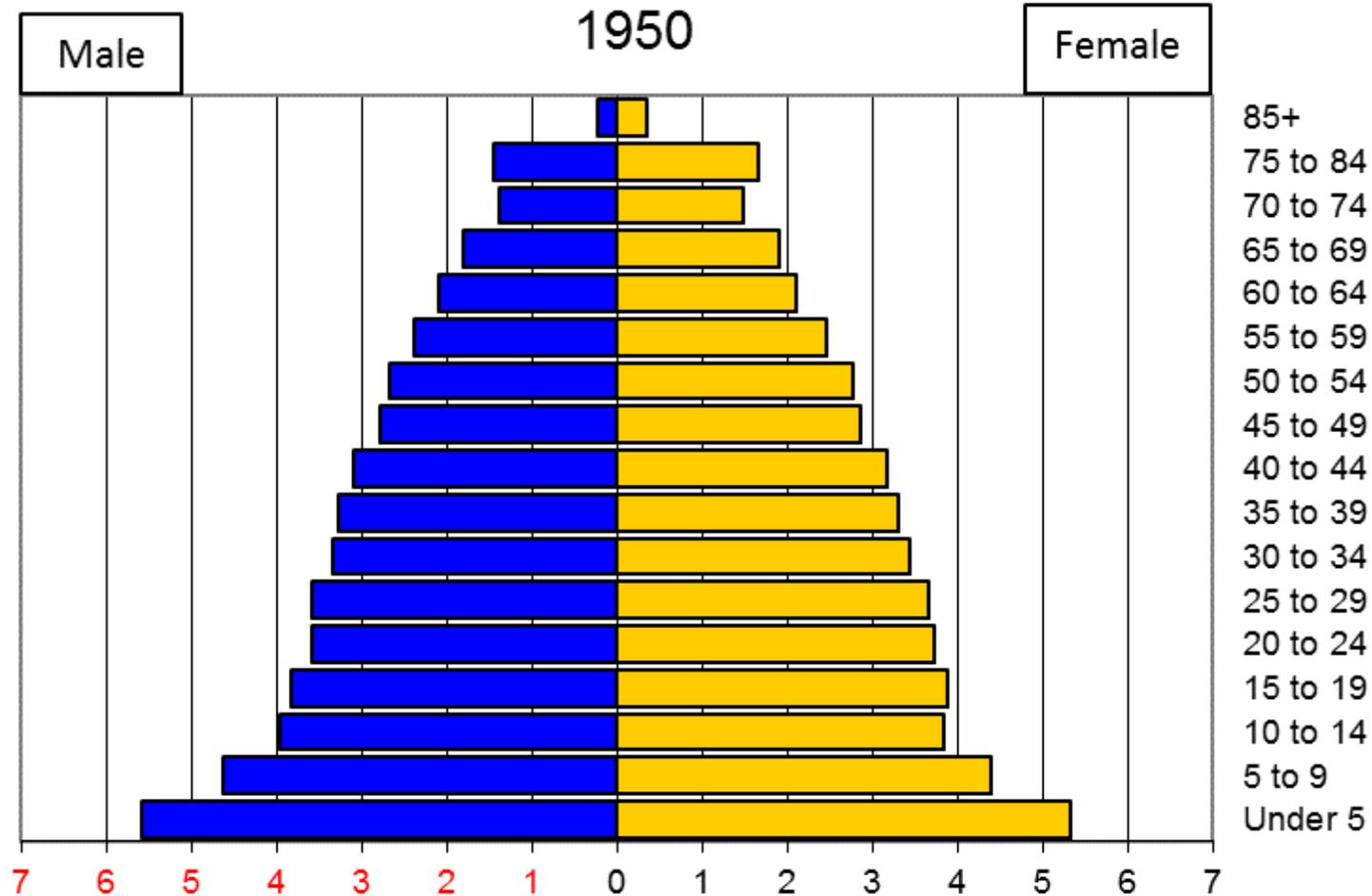
Maine still has the highest median age in the nation at 44.8 years; Vermont and New Hampshire are tied for second at 43.6 years



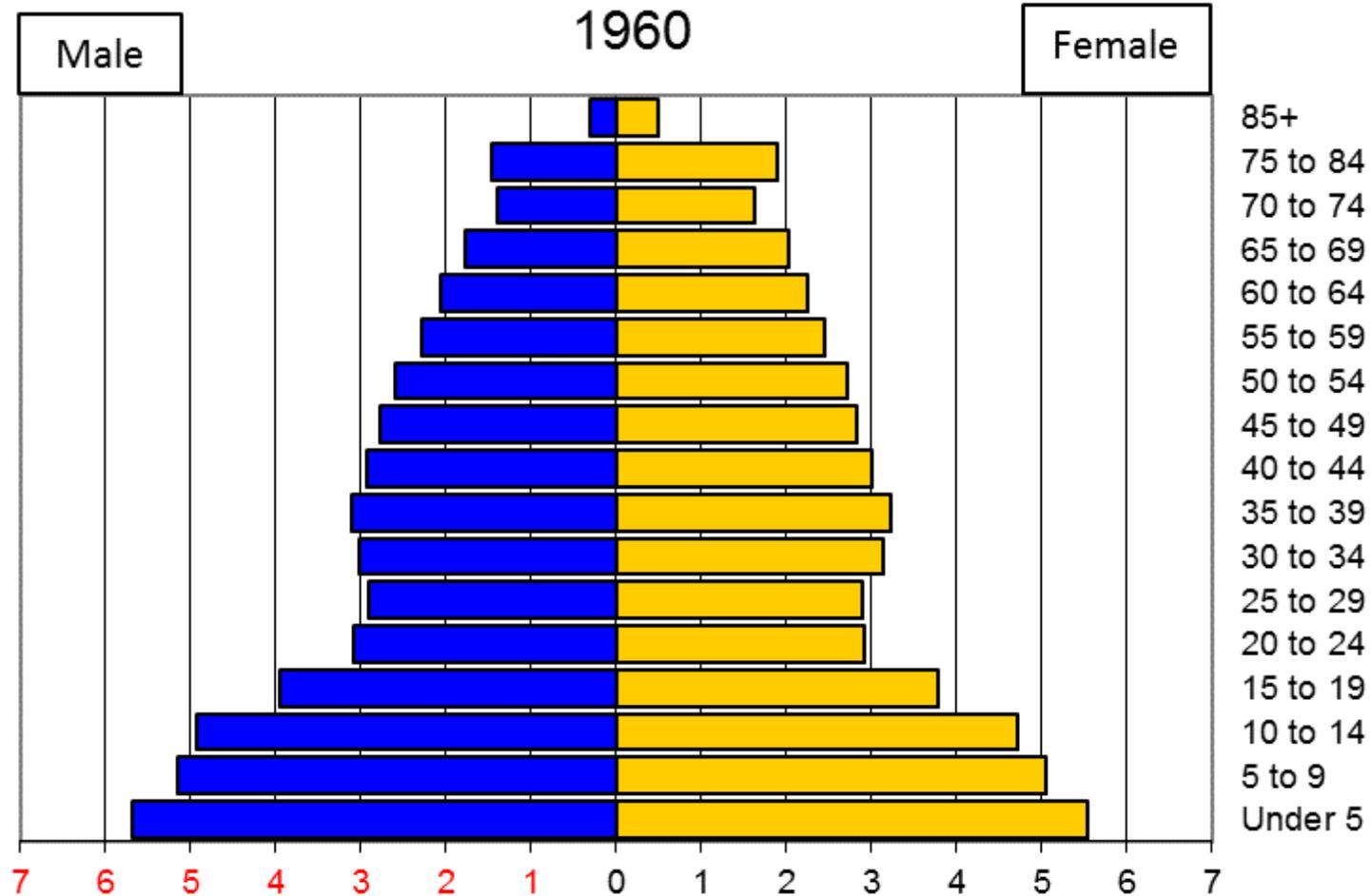
Median Age by County 2024



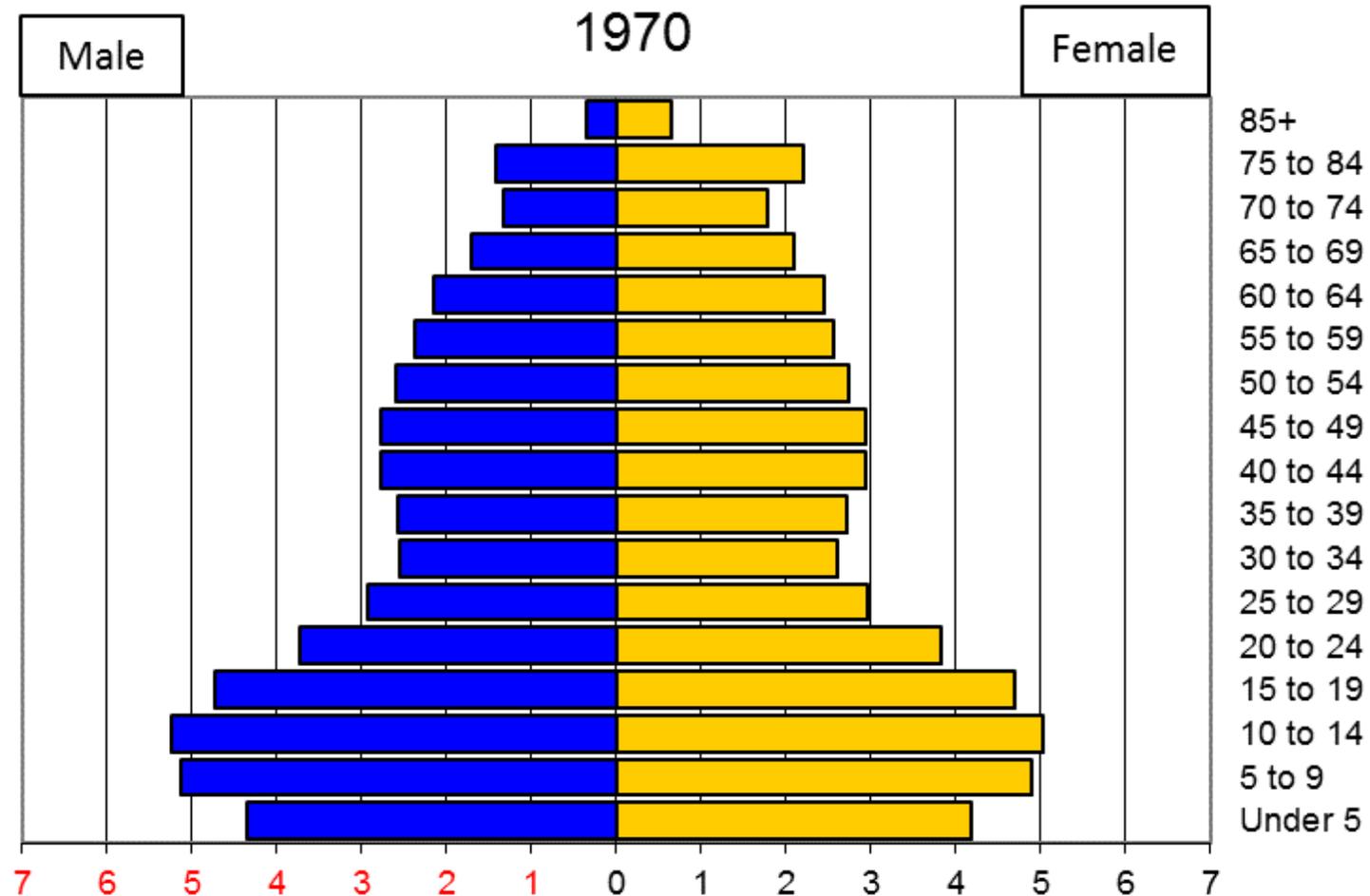
The Baby Boom: 1946-1964



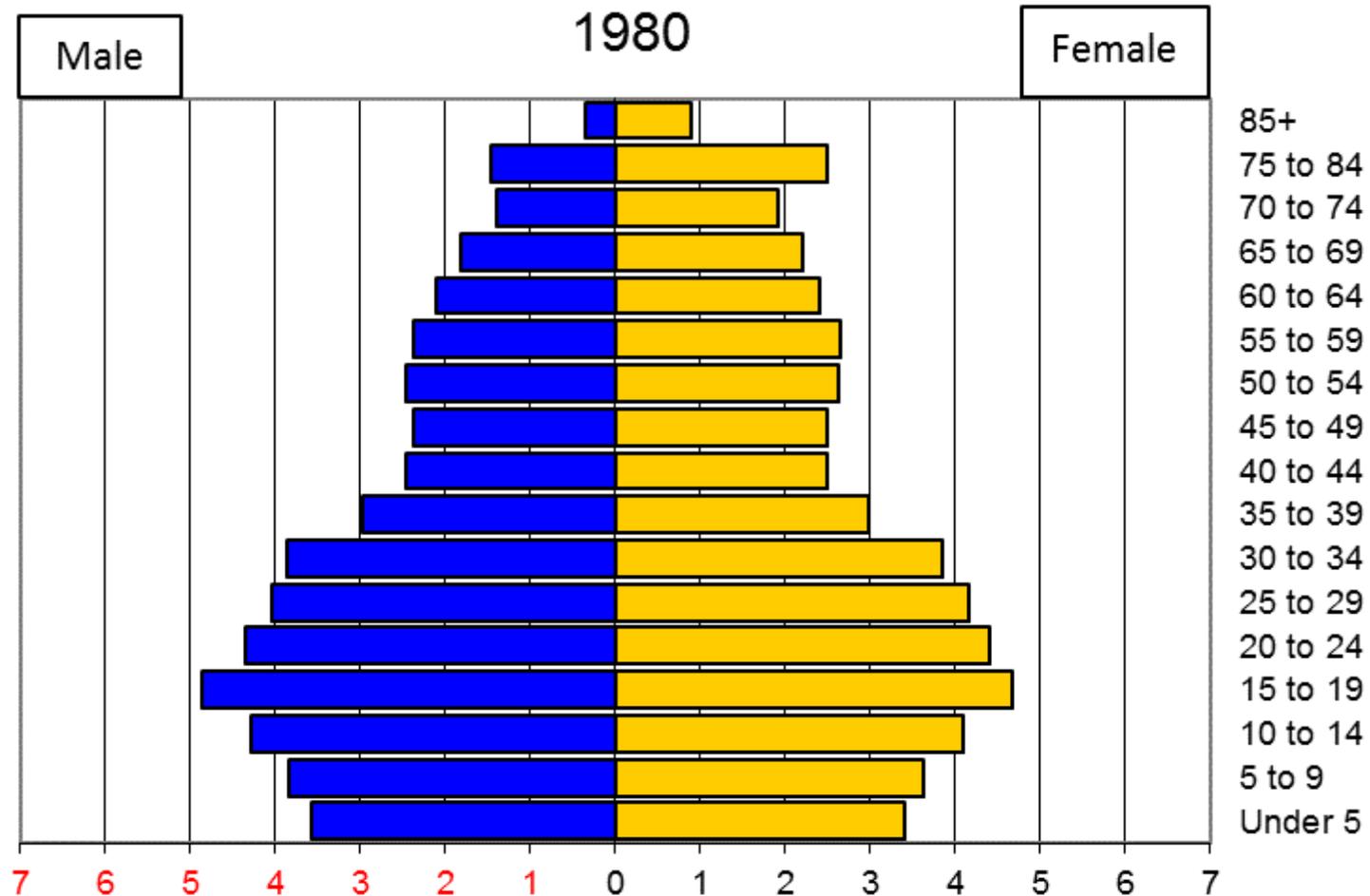
The Baby Boom: 1946-1964



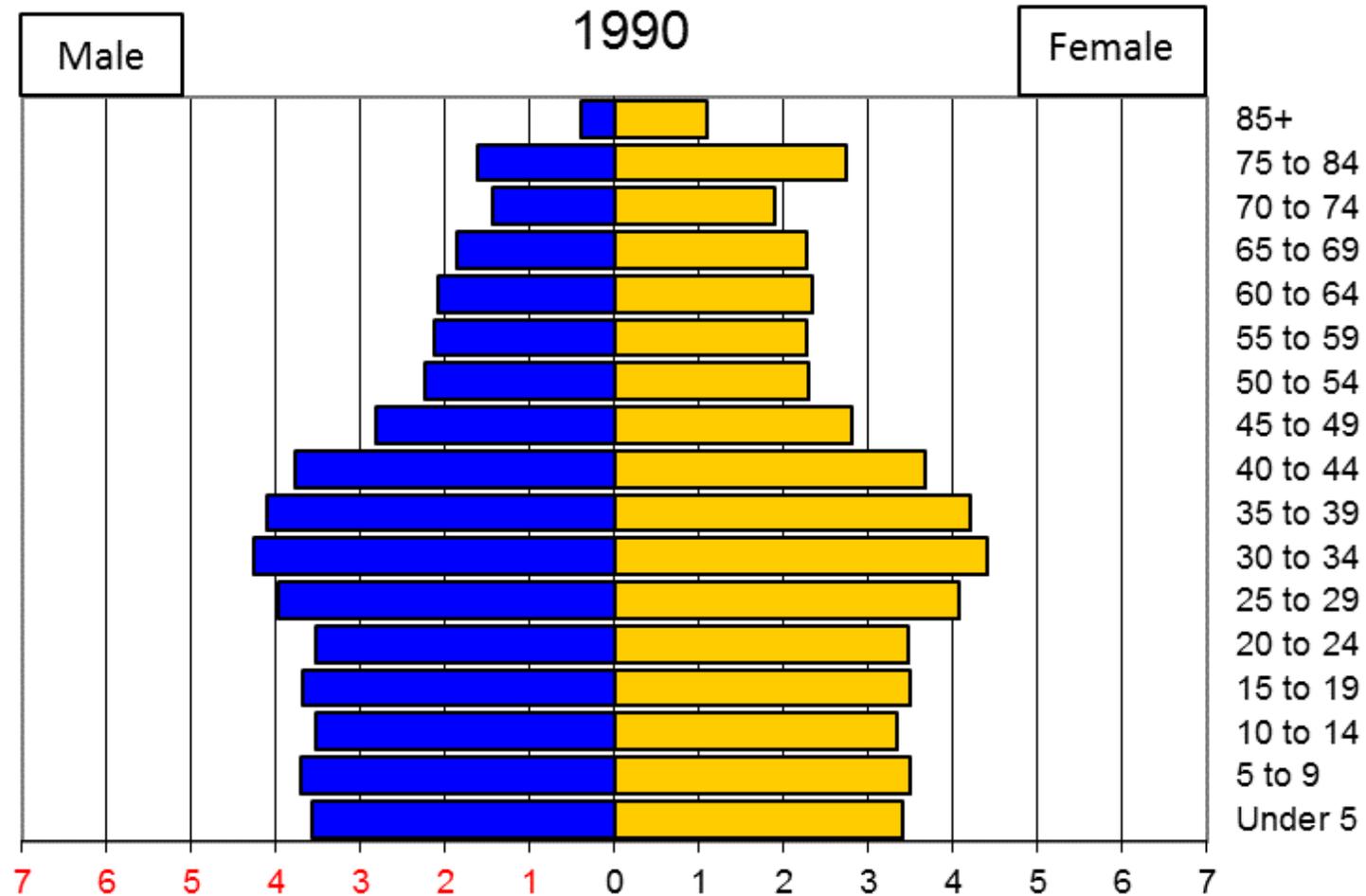
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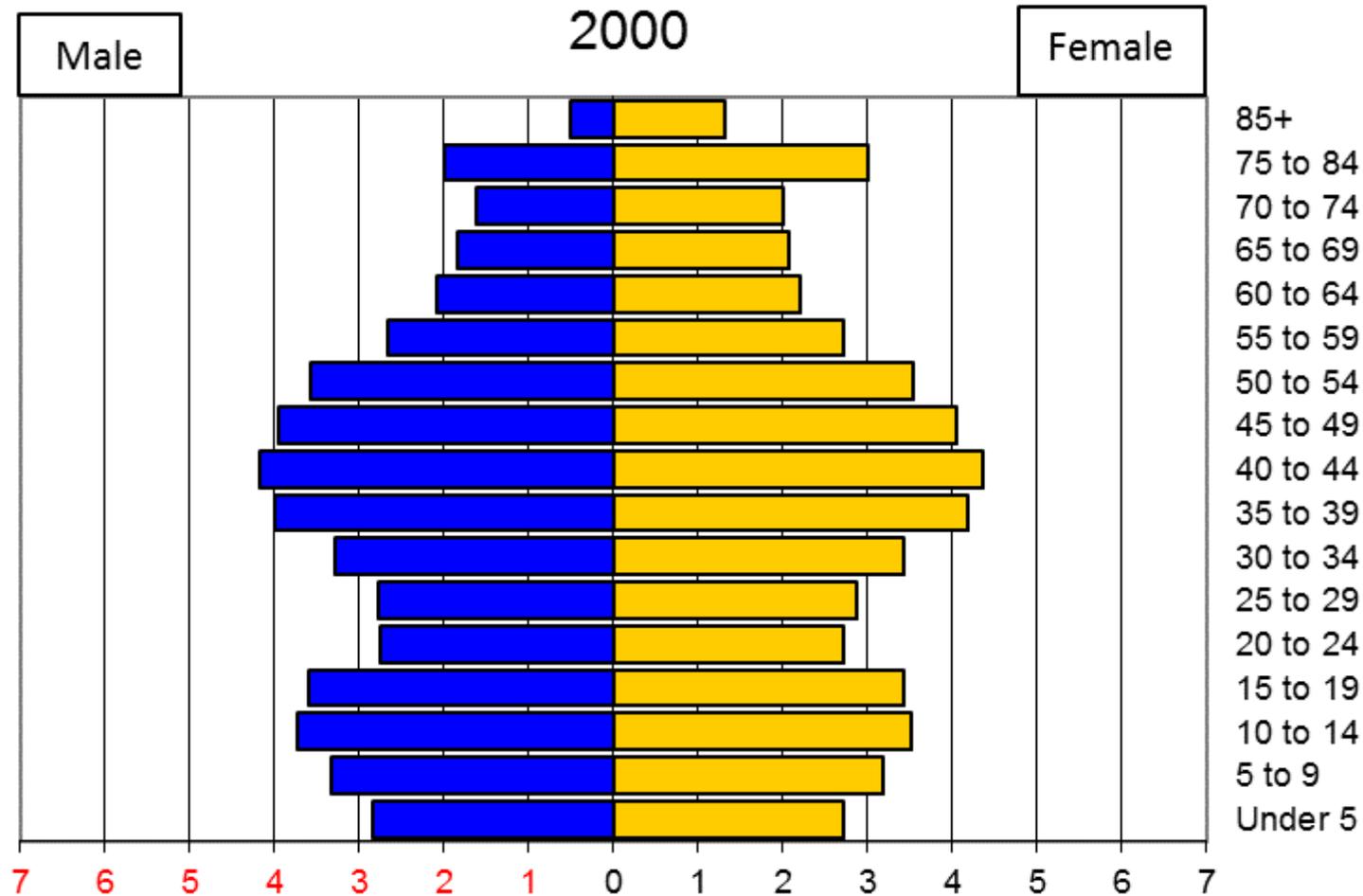
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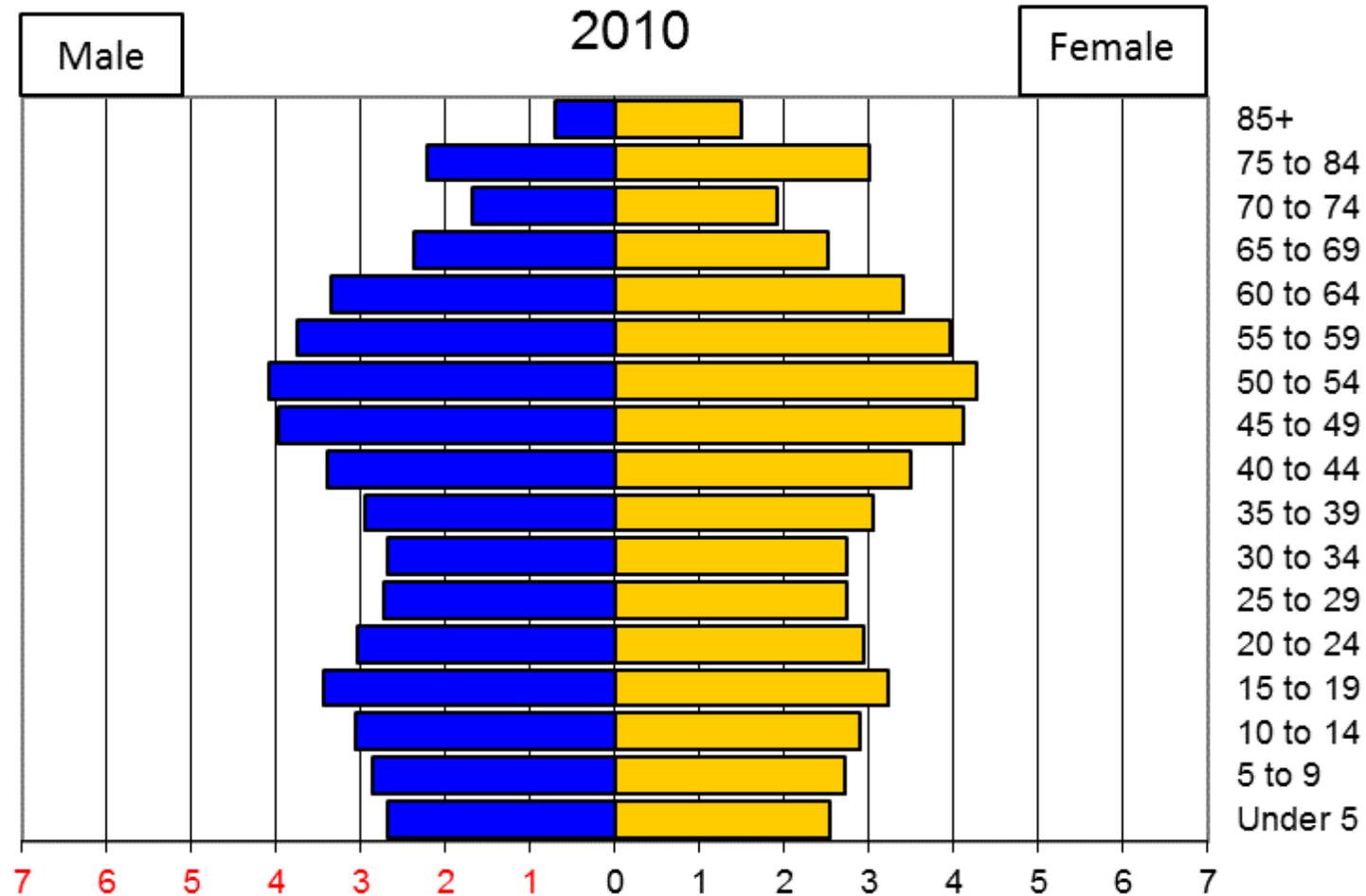
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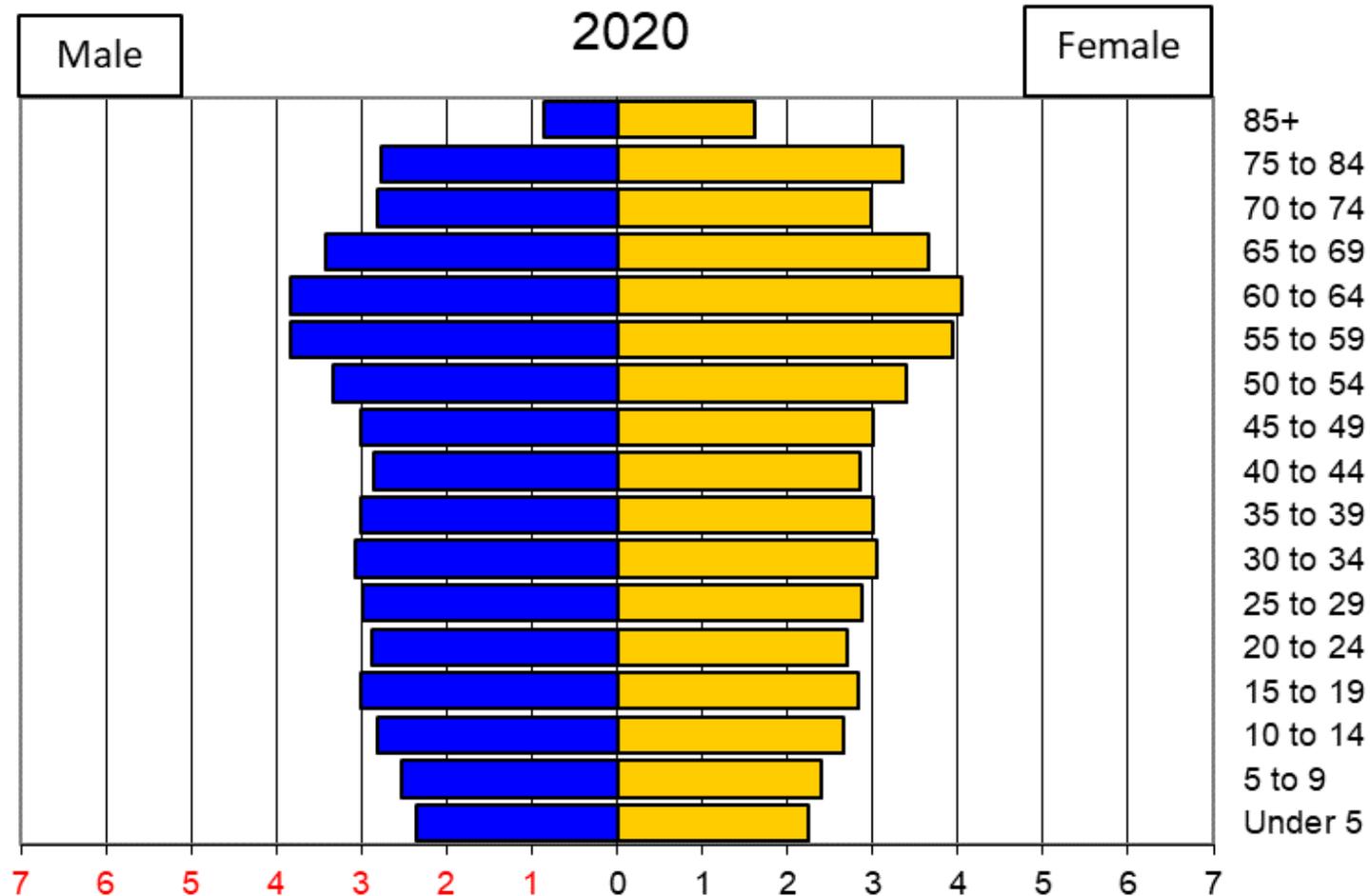
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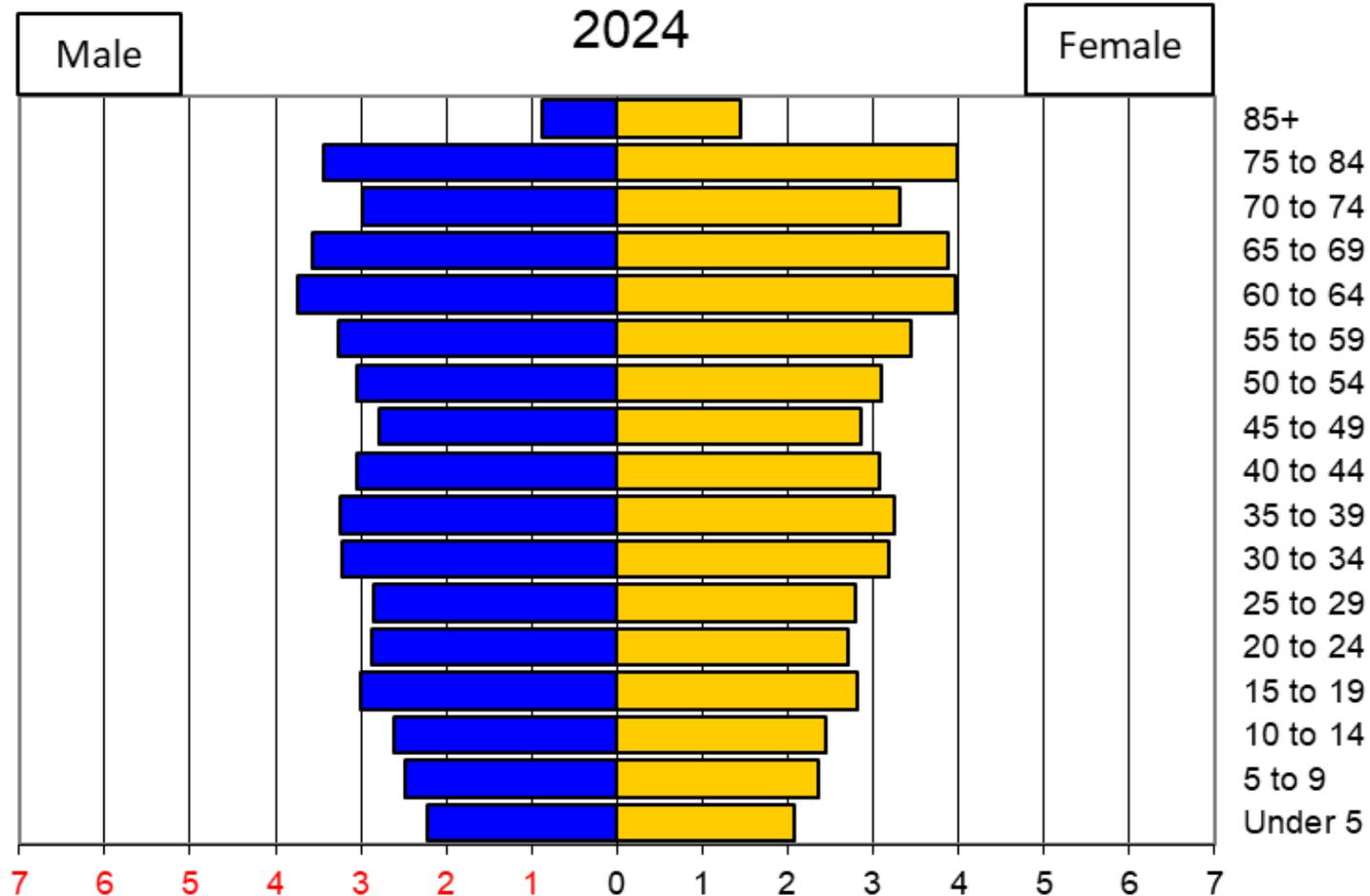


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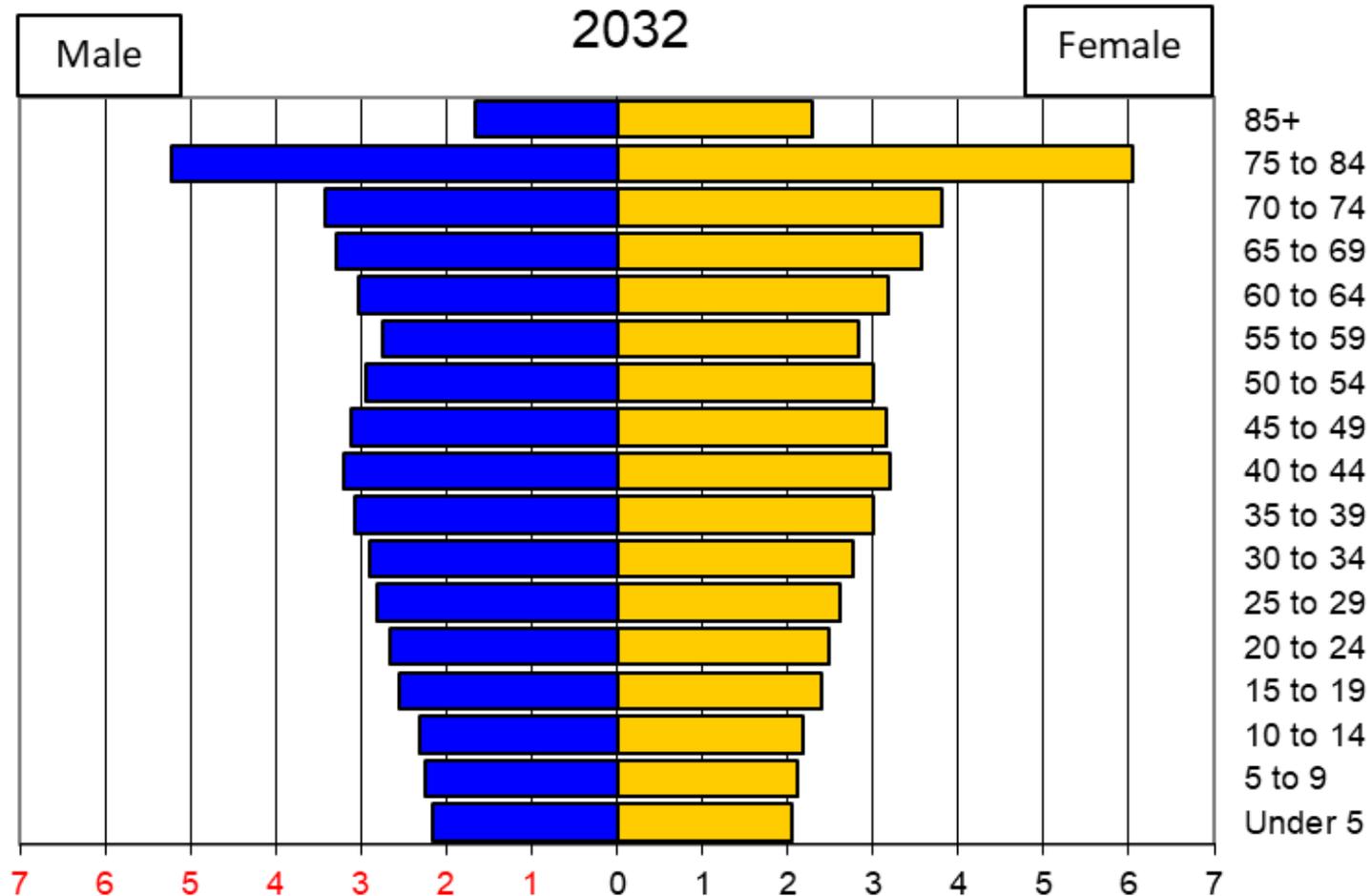
Baby Boom generation in 2024: age 60-78



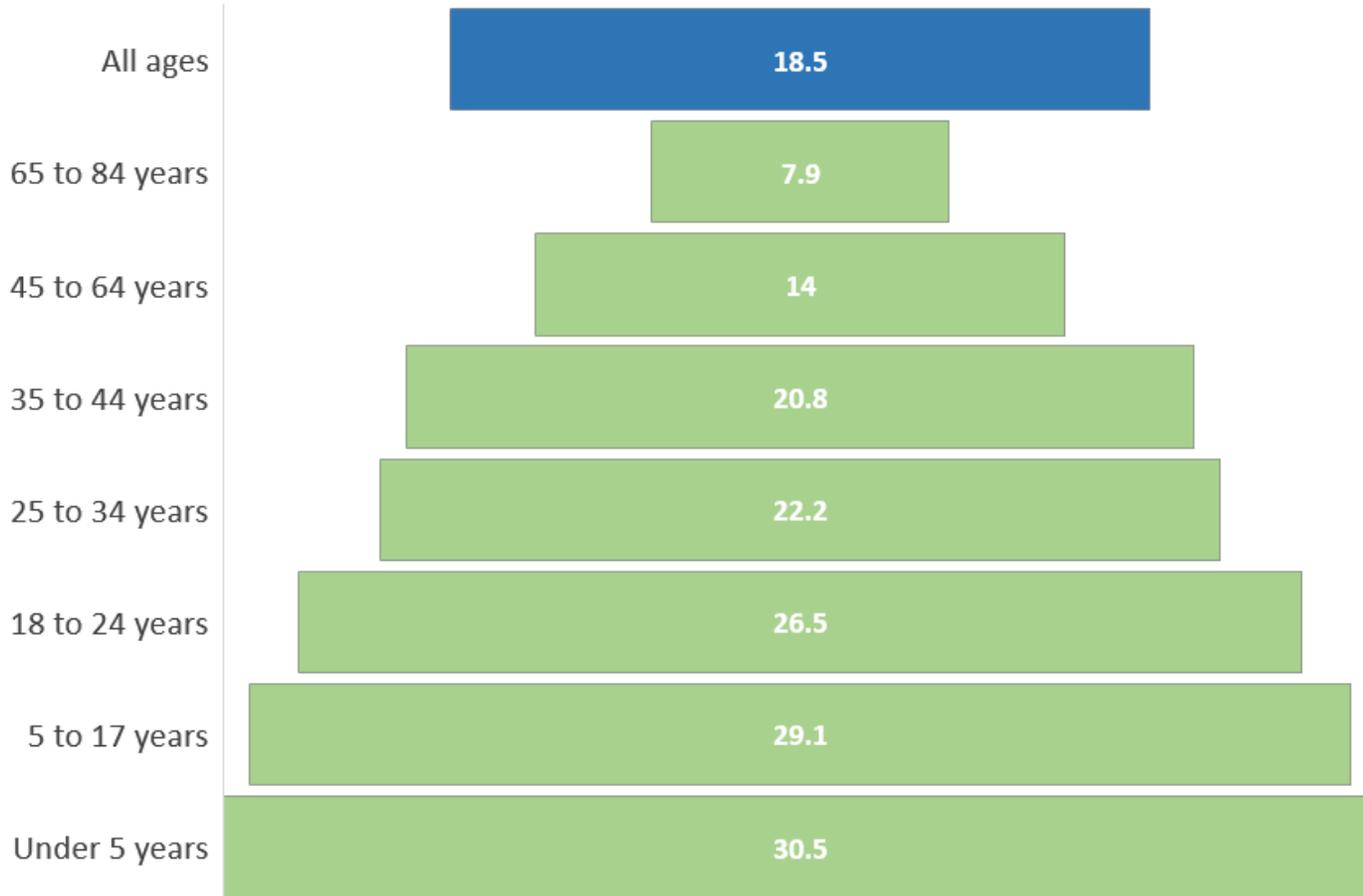
The Baby Boom: 1946-1964

Baby Boom generation in 2032: age 68-86

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



Diversity Index in Maine, 2020: Selected Age Groups



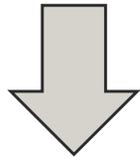
Younger generations in Maine are more diverse than older generations

Workforce and Employment

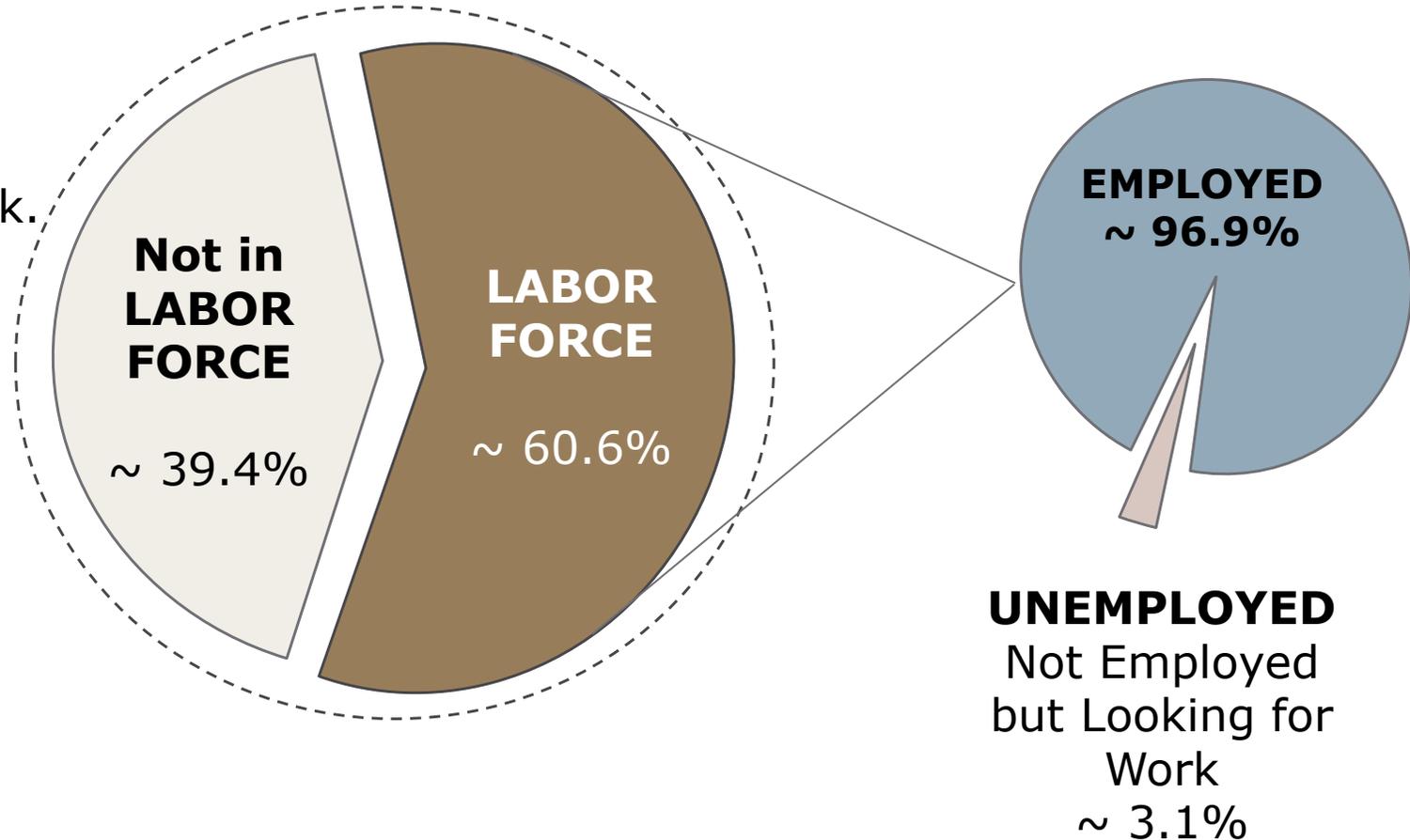
Who is in the labor force?

Civilian population, age 16+

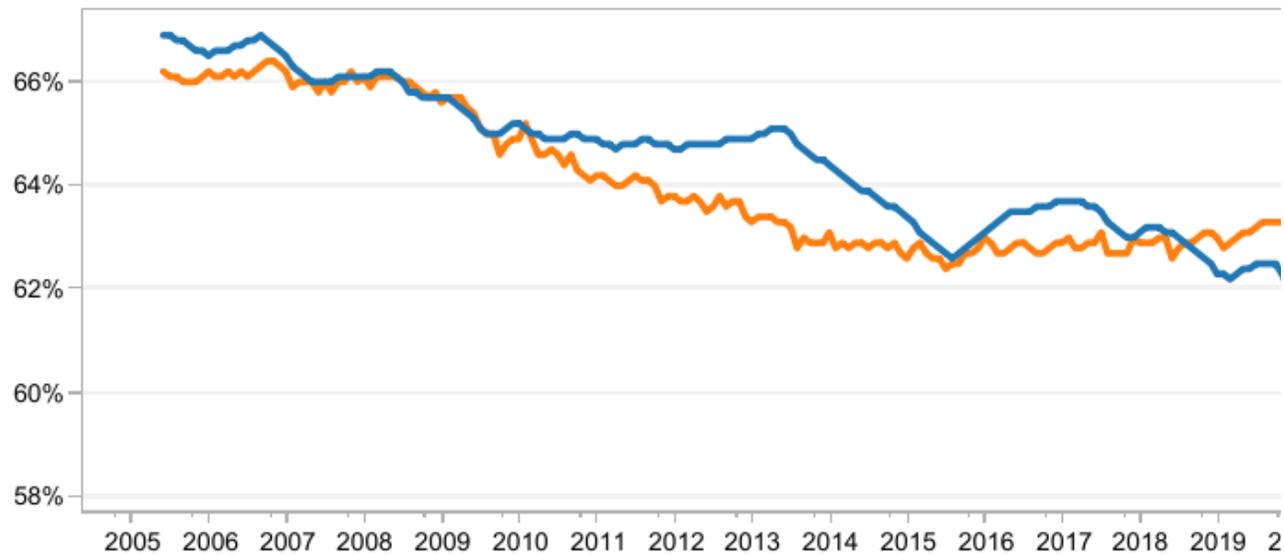
Not available and not looking for work. This could include people who are retired, full-time students, full-time caregivers, etc.



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



Labor Force Participation Rate (seasonally adjusted)

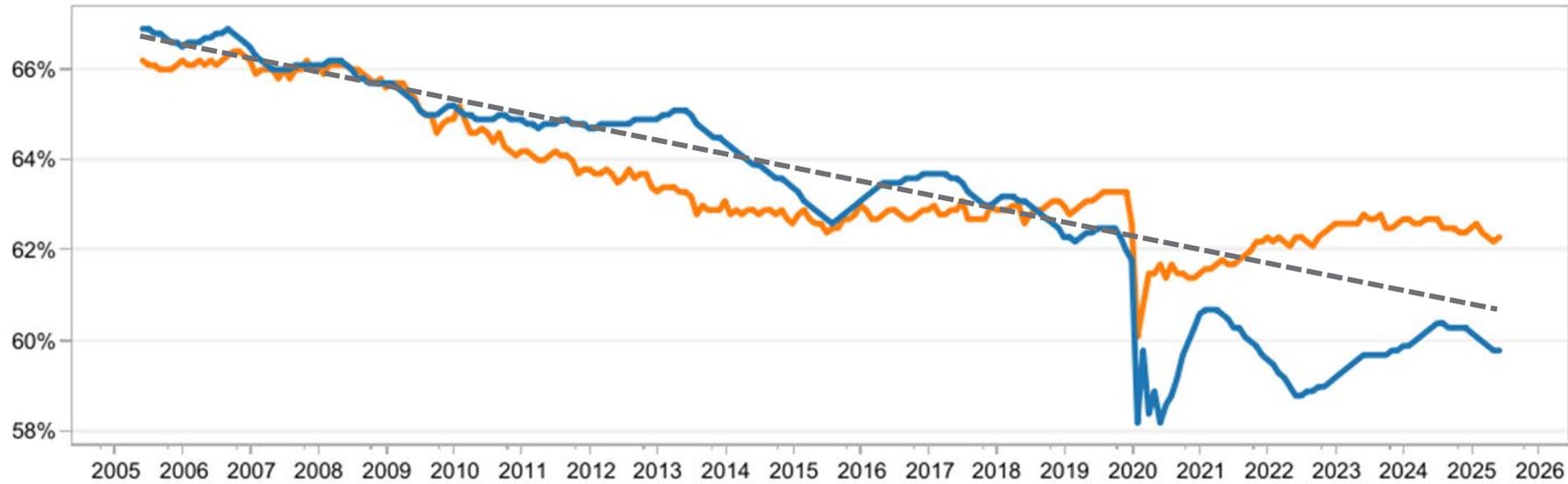


Jul, 2005 to Aug, 2025

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

■ Maine
■ United States

Labor Force Participation Rate (seasonally adjusted)

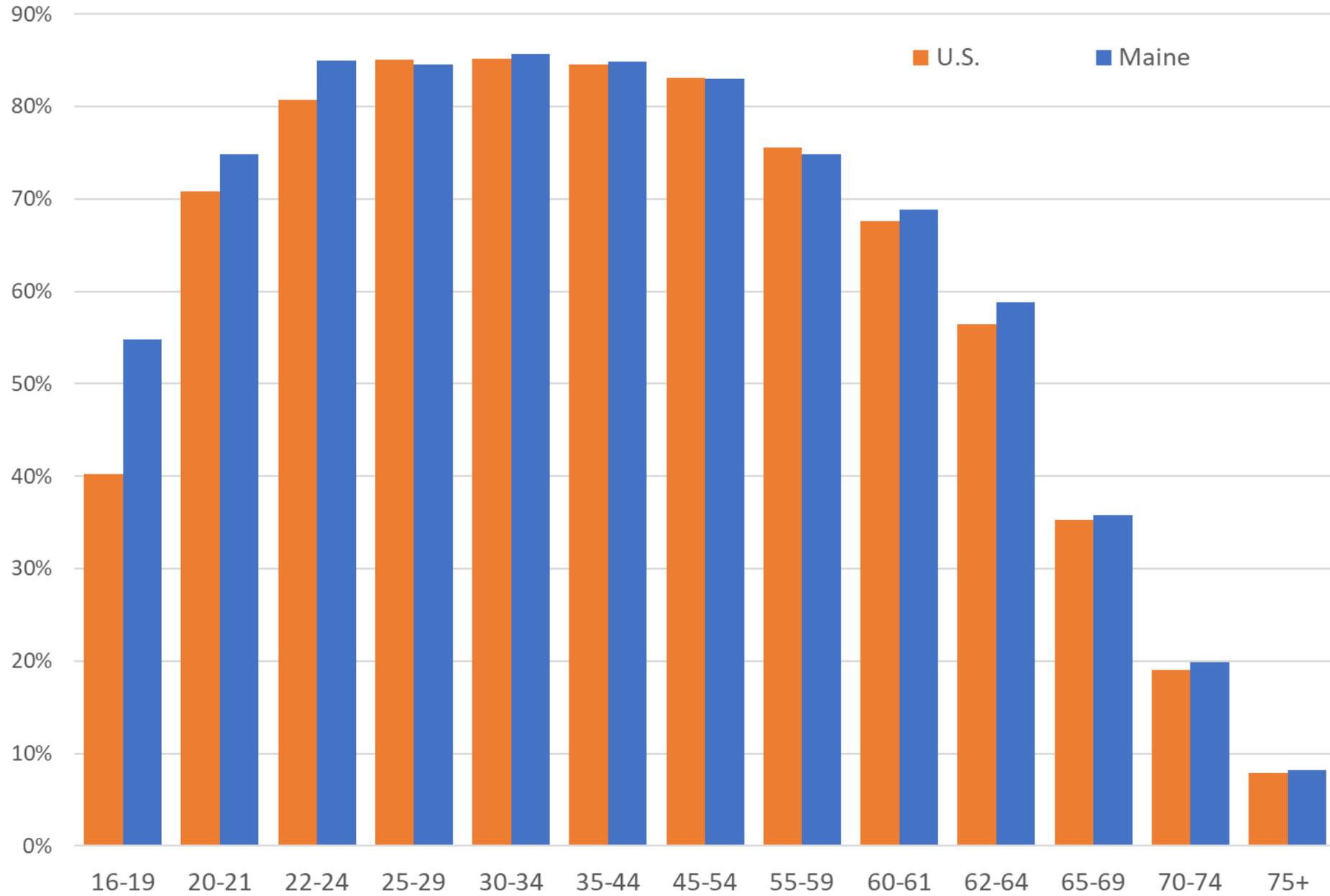


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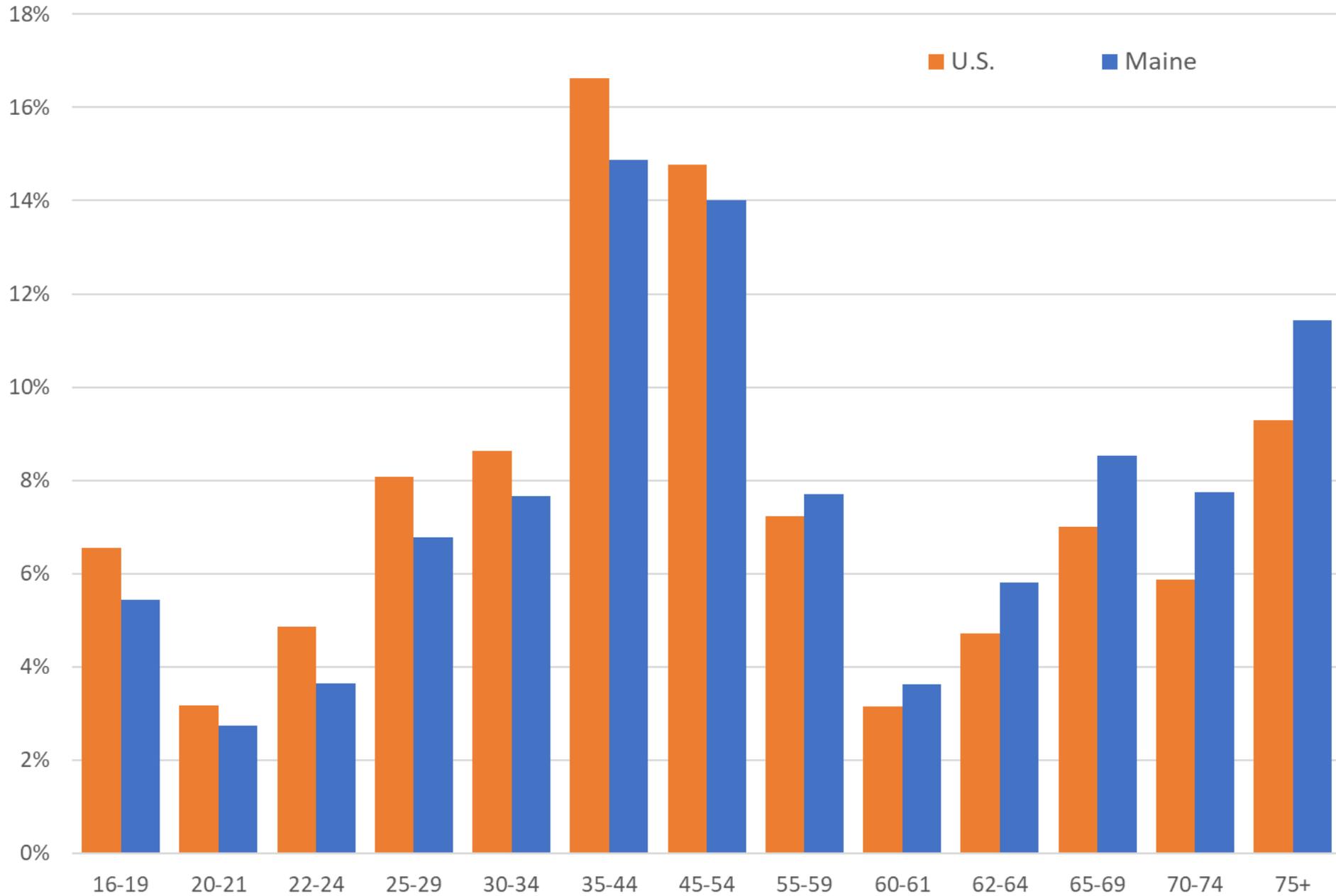
- Unemployment Rate
- Labor Force & Employment
- Unemployment
- Labor Force Participation Rate
- Employment to Population Ratio

■ Maine
■ United States

2024 Labor Force Participation Rate



Share of 16+ Population by Age, 2024



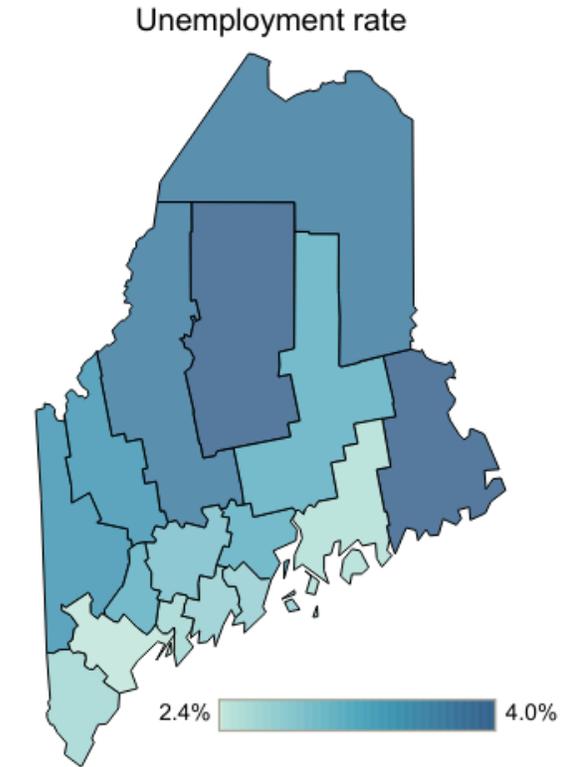
County Rates (not seasonally adjusted)

August, 2025

Table
 Graph

Map/Graph Display
 Unemployment rate
 One-year change

County	Rate	Year ago	One-yr change
Maine	2.9%	2.9%	0.0
Androscoggin	3.1%	3.1%	0.0
Aroostook	3.7%	3.6%	0.1
Cumberland	2.4%	2.4%	0.0
Franklin	3.4%	3.5%	-0.1
Hancock	2.5%	2.6%	-0.1
Kennebec	2.9%	2.9%	0.0
Knox	2.7%	3.1%	-0.4
Lincoln	2.7%	2.9%	-0.2
Oxford	3.4%	3.4%	0.0
Penobscot	3.1%	3.1%	0.0
Piscataquis	4.0%	4.4%	-0.4
Sagadahoc	2.6%	2.5%	0.1
Somerset	3.7%	3.6%	0.1
Waldo	3.1%	3.2%	-0.1
Washington	4.0%	4.1%	-0.1
York	2.6%	2.5%	0.1

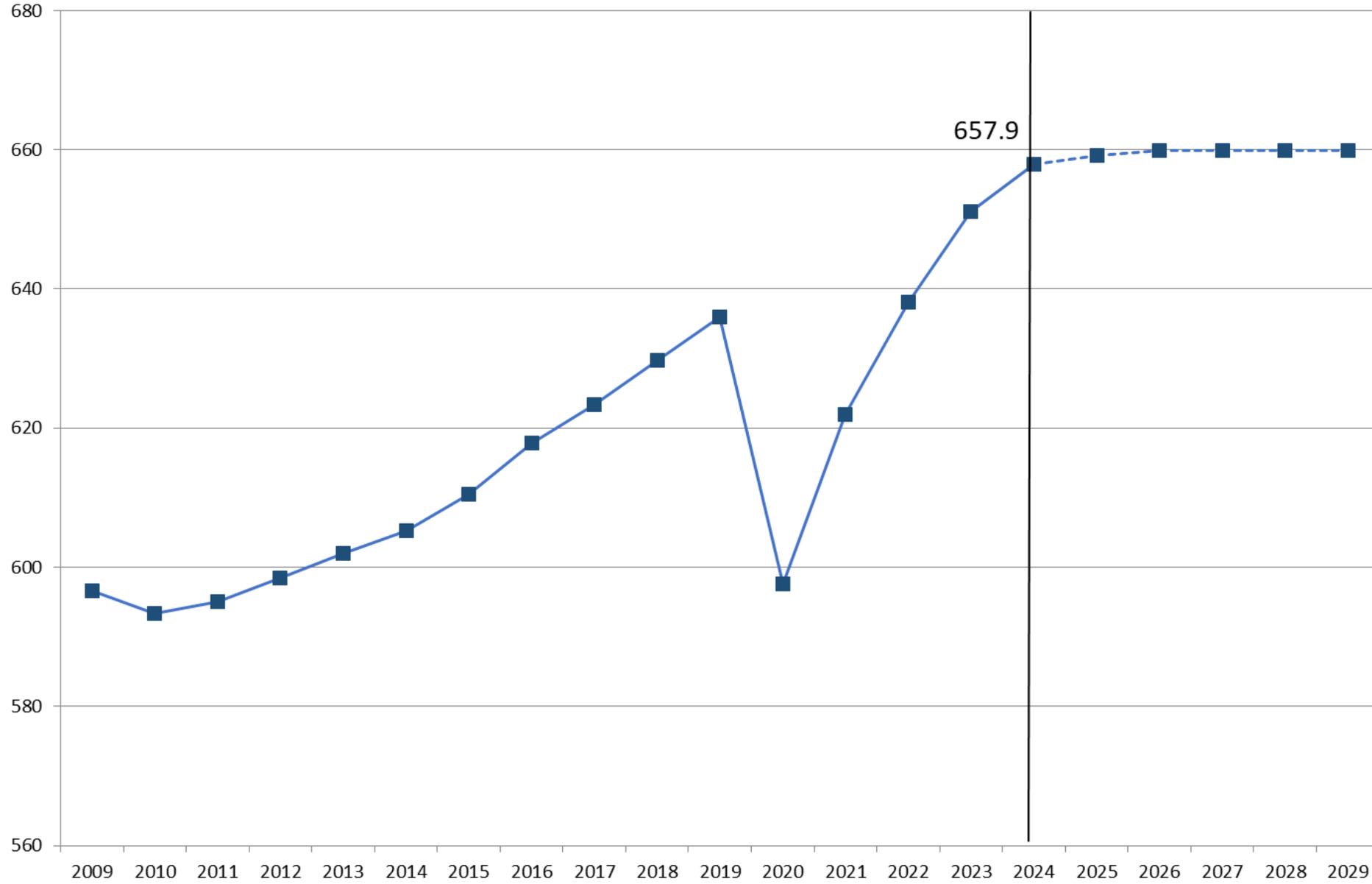


Maine Department of Labor, Center for Workforce Research and Information

Maine's seasonally-adjusted unemployment rate (3.2% in August 2025) has been below the U.S. for all but 3 months of the past 17 years

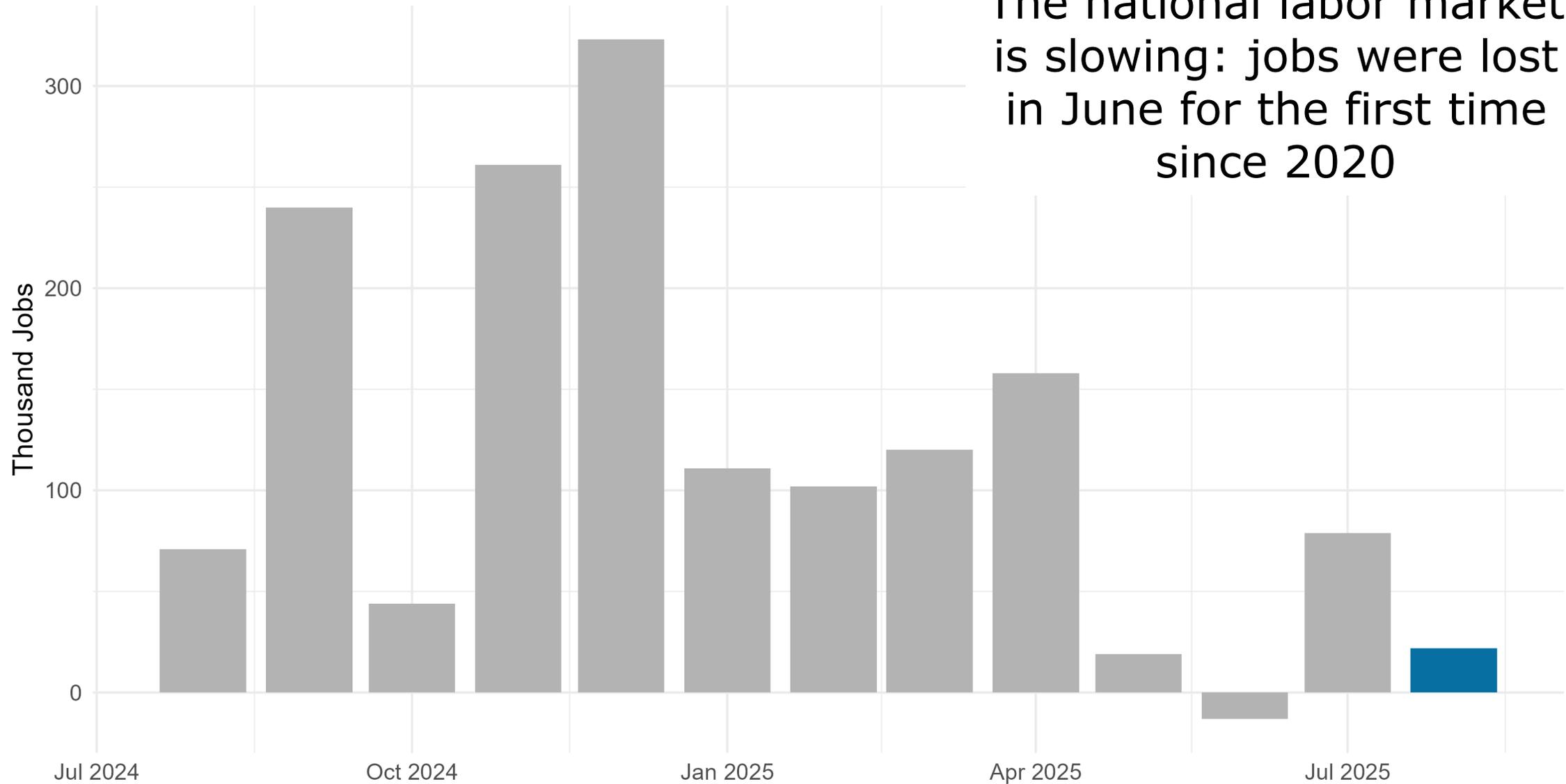
Total Nonfarm Employment (in thousands)

History and Consensus Economic Forecasting Commission forecast



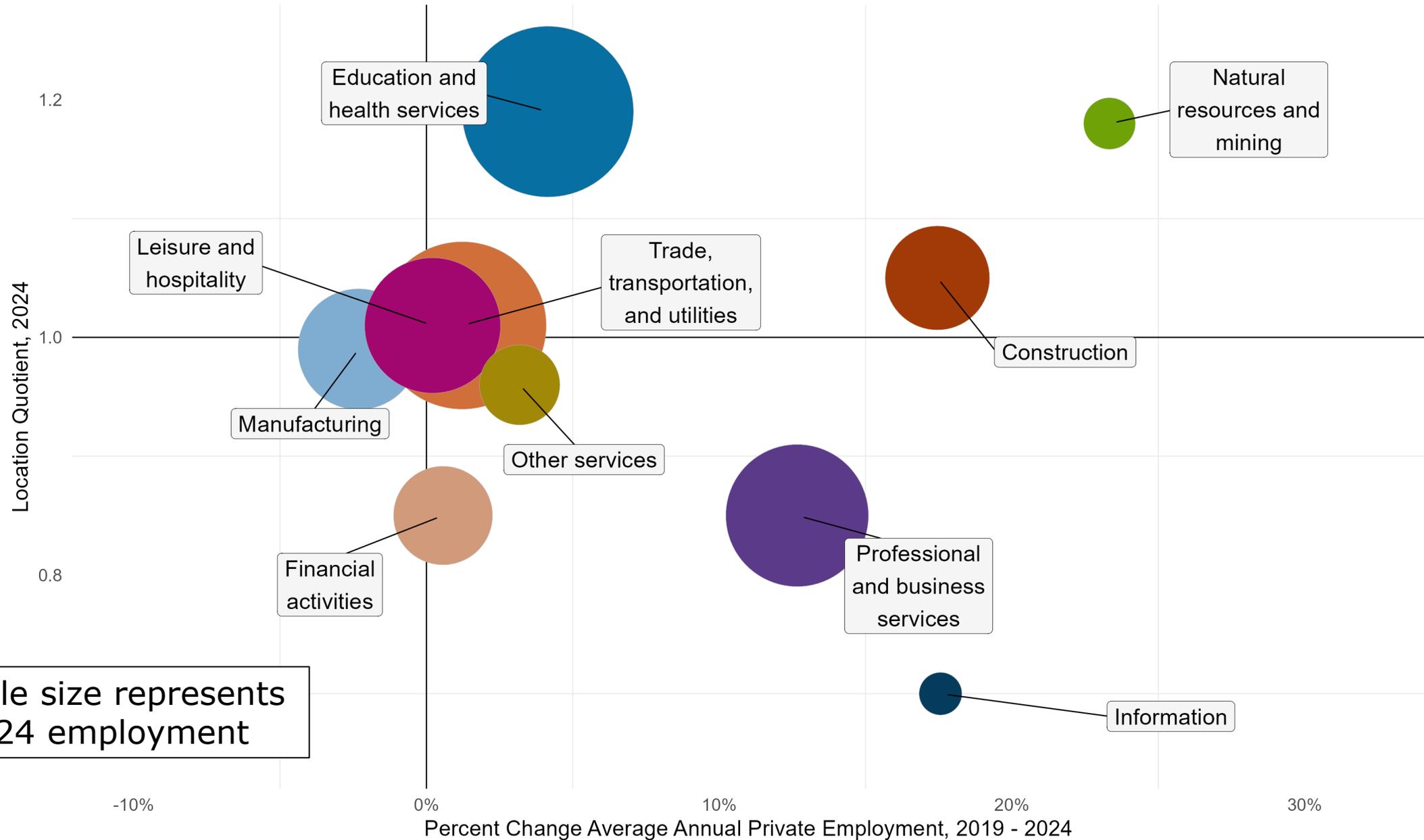
US Nonfarm Payroll Employment (Seasonally Adjusted)

Monthly Change in Jobs



The national labor market is slowing: jobs were lost in June for the first time since 2020

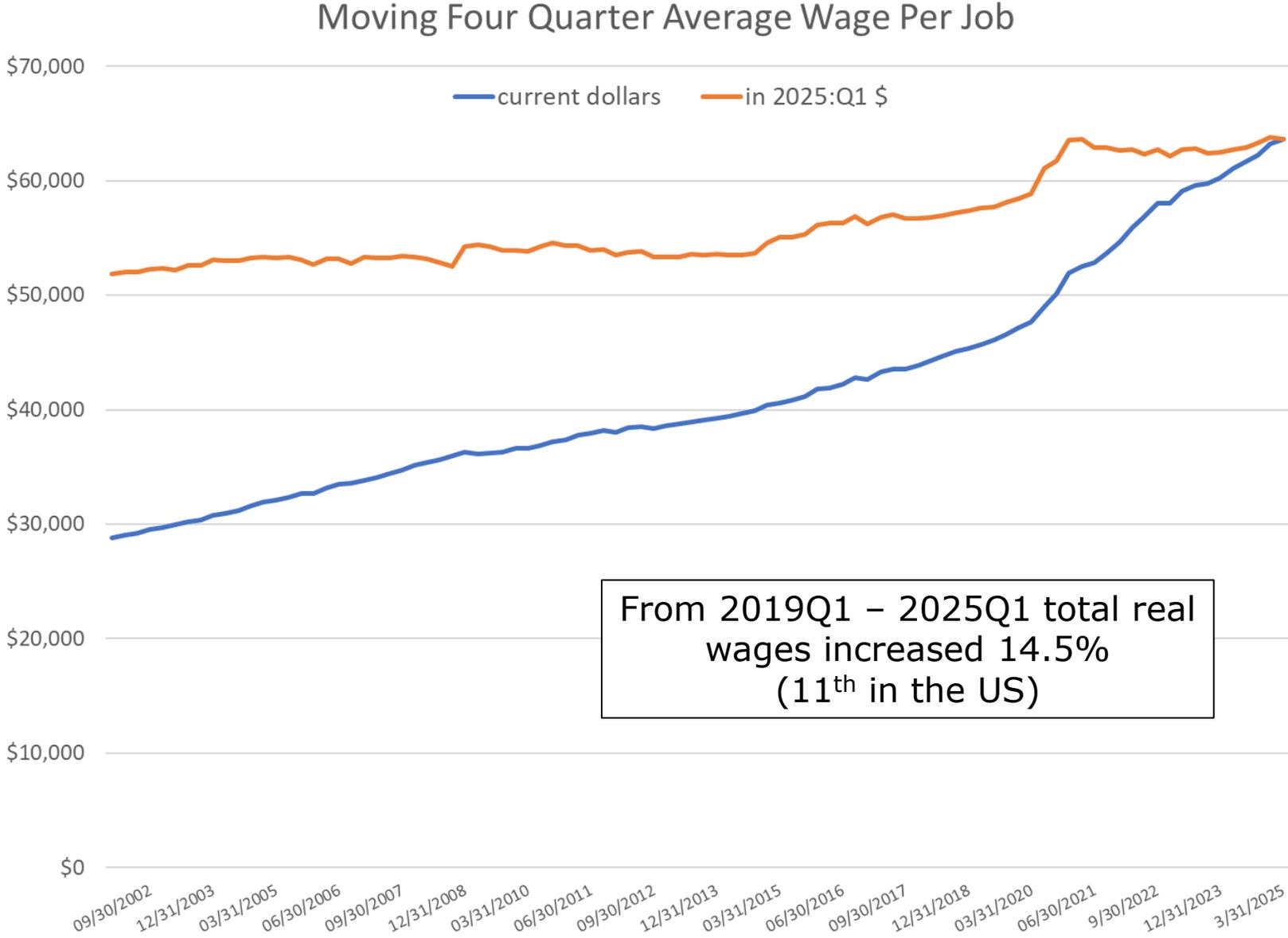
Maine Location Quotients for Private Industry Super Sectors, 2019-2024



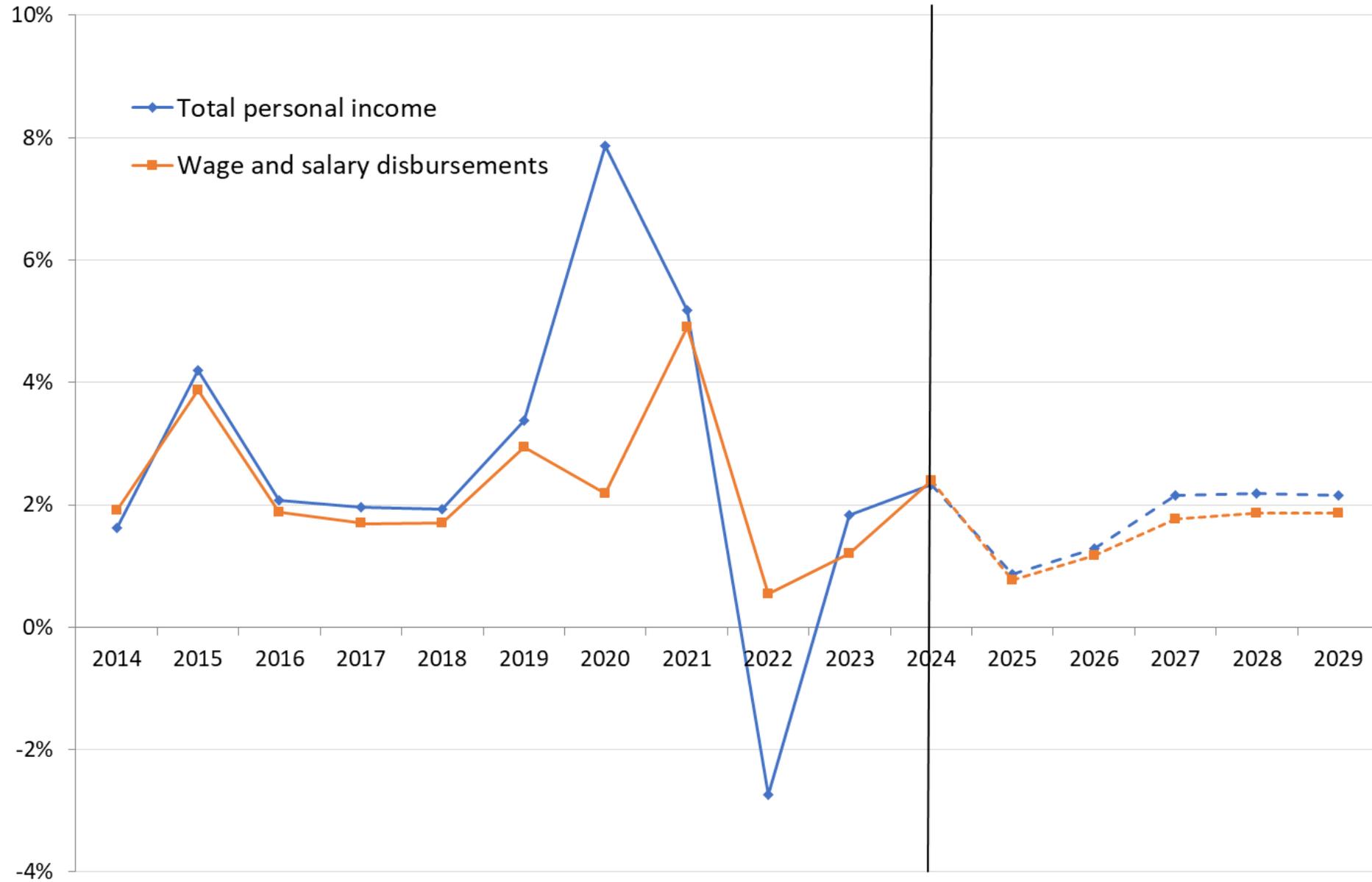
Bubble size represents 2024 employment

Wages, income, and GDP

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

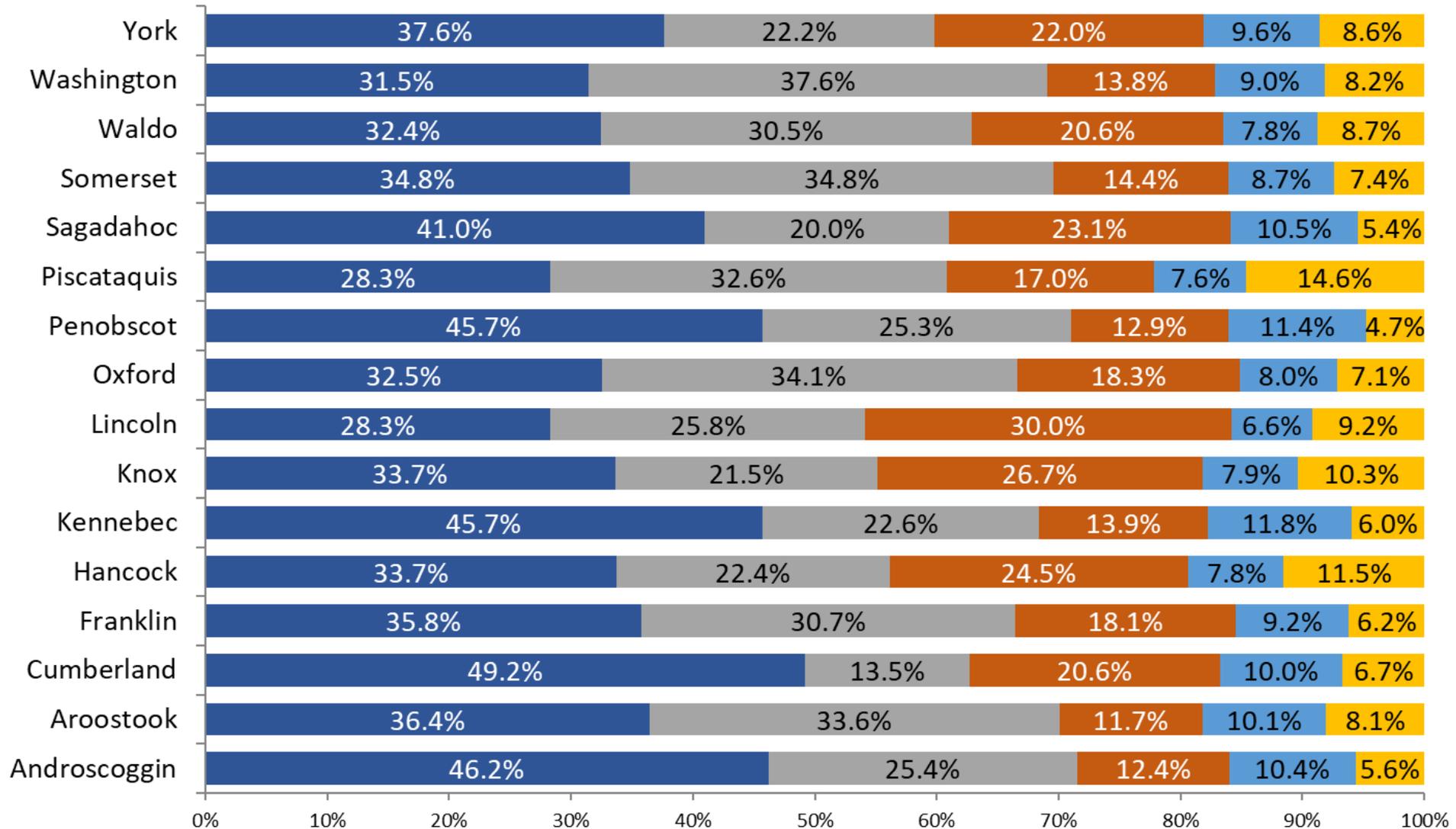


Percent Change in Real Personal Income (2024 \$), Maine 2014-2024 and forecast to 2029



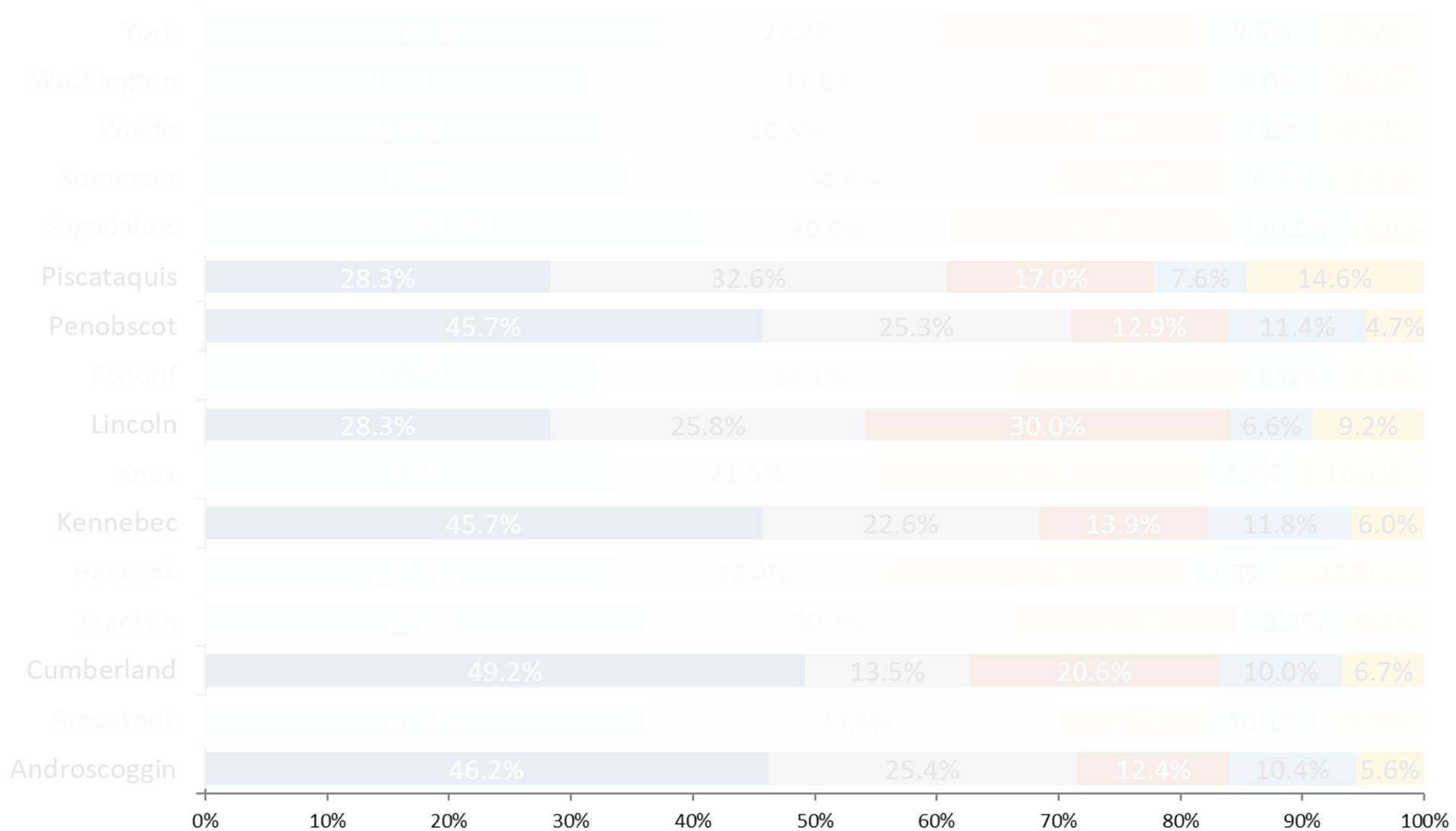
Major Components of Personal Income, 2023

- Wages and salaries
- Personal current transfer receipts
- Dividends, interest, and rent
- Supplements to wages and salaries
- Proprietors' income

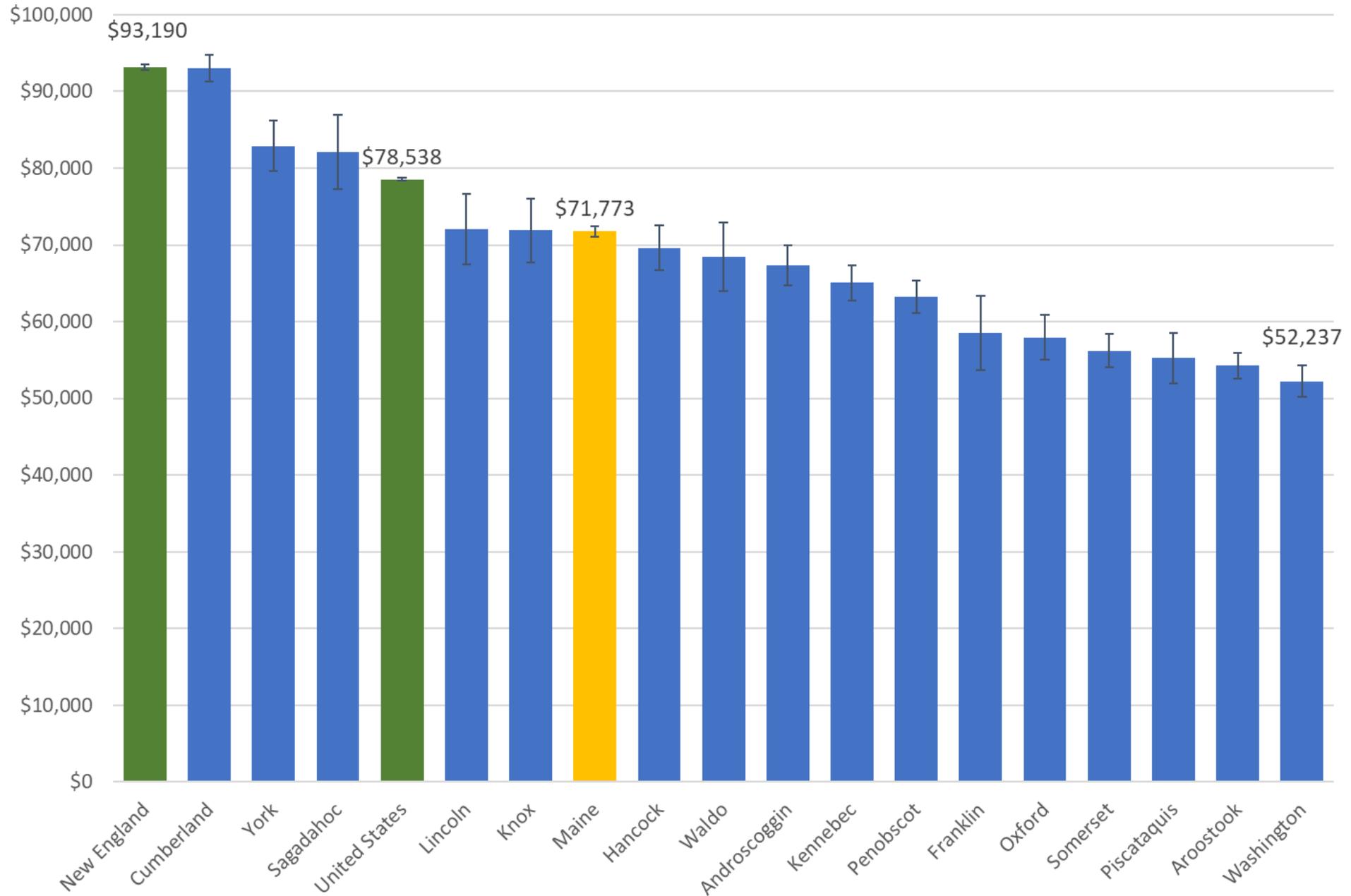


Major Components of Personal Income, 2023

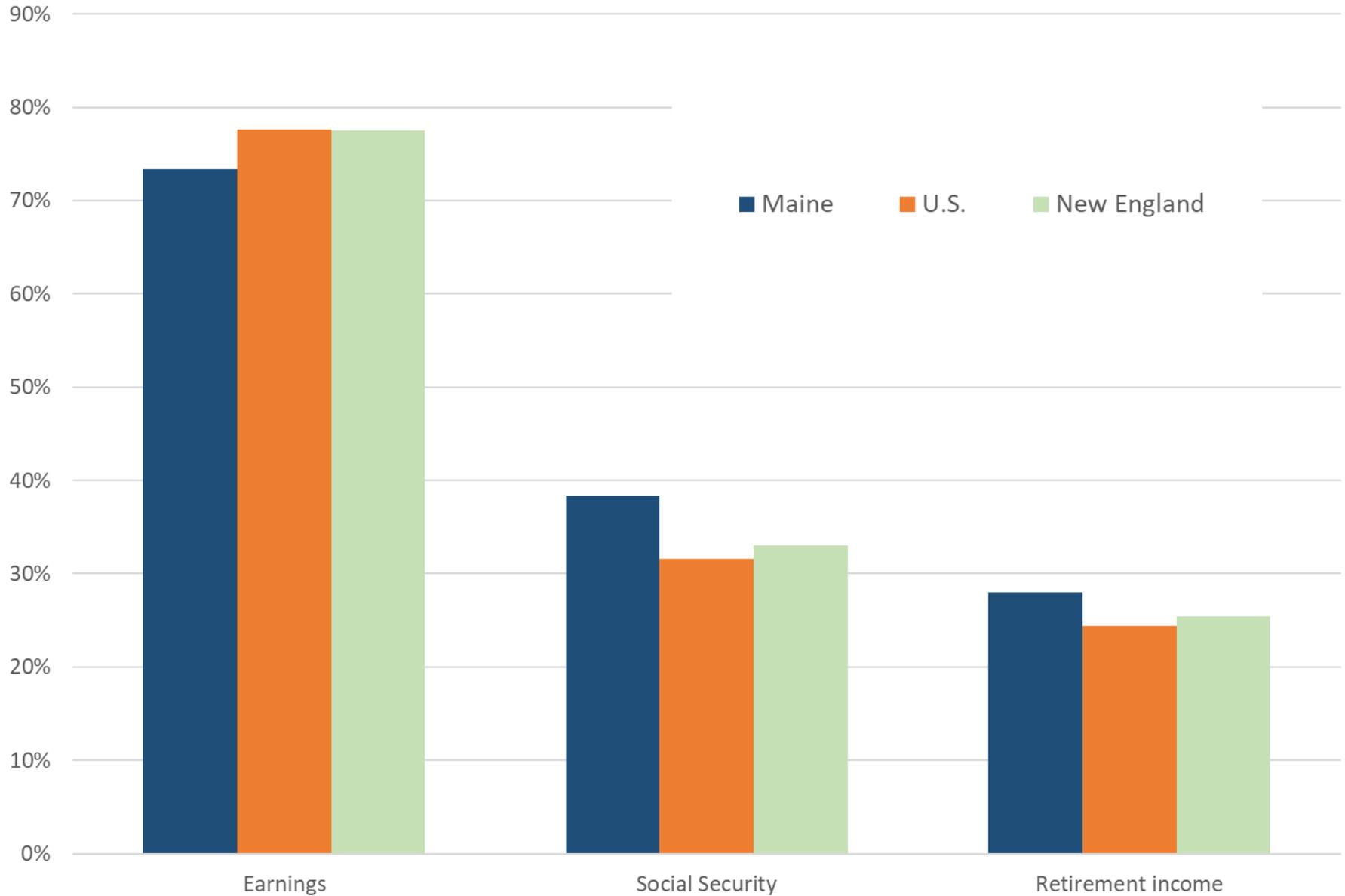
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Median Household Income

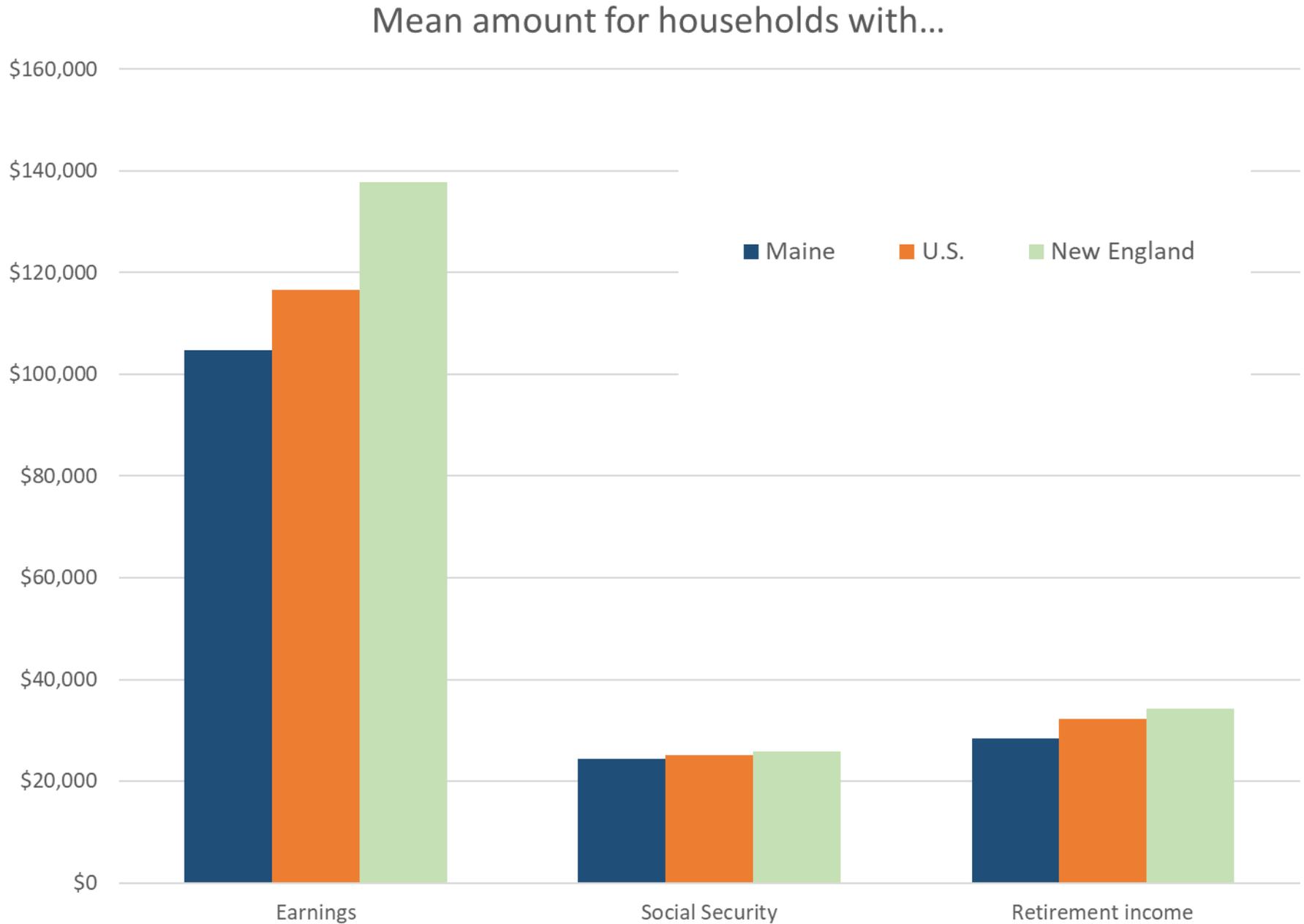


Percent of households with...

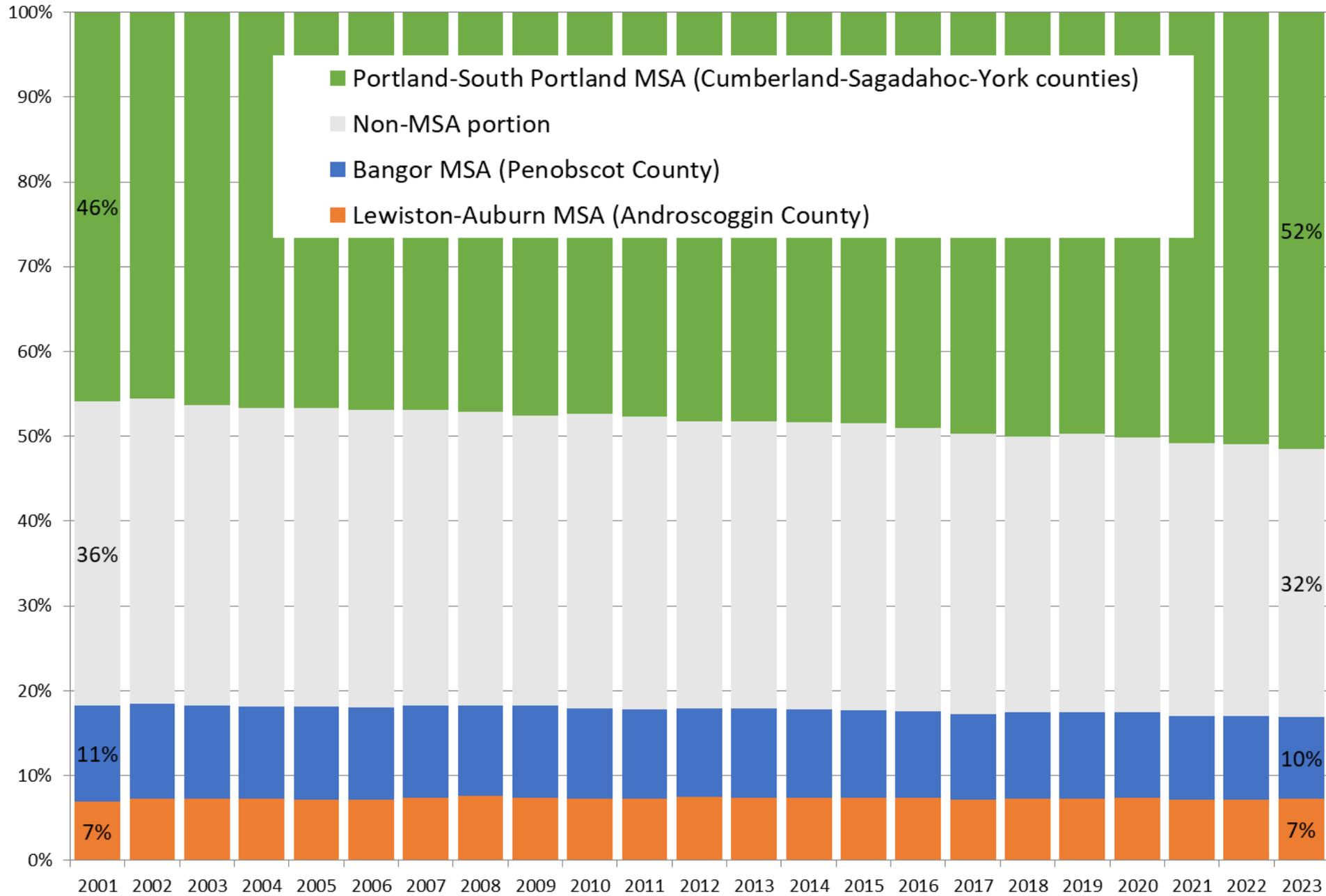


Maine has a higher share of households with Social Security and retirement income and a lower share of households with earnings

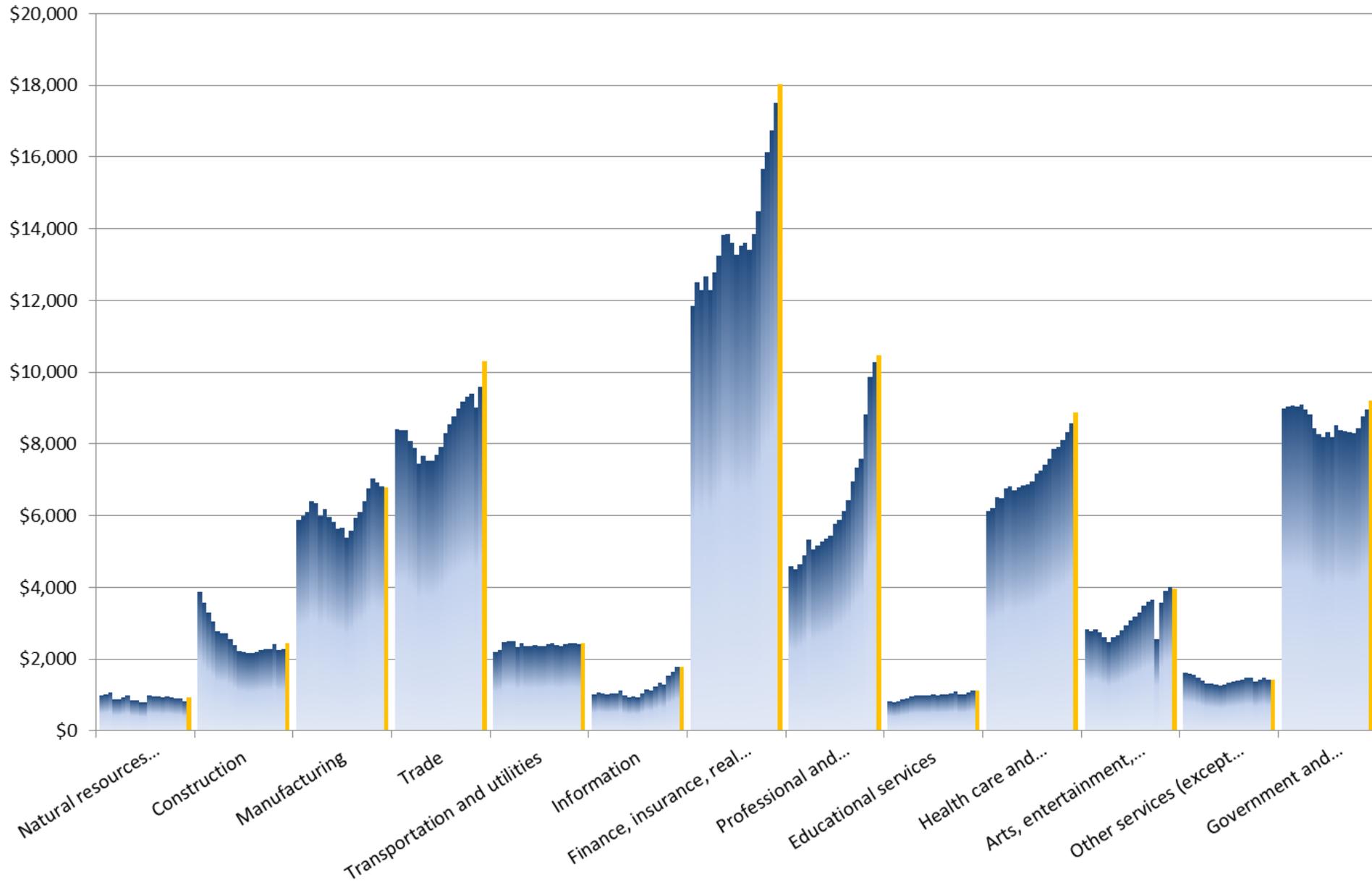
The amount of income from earnings is much higher than Social Security or retirement



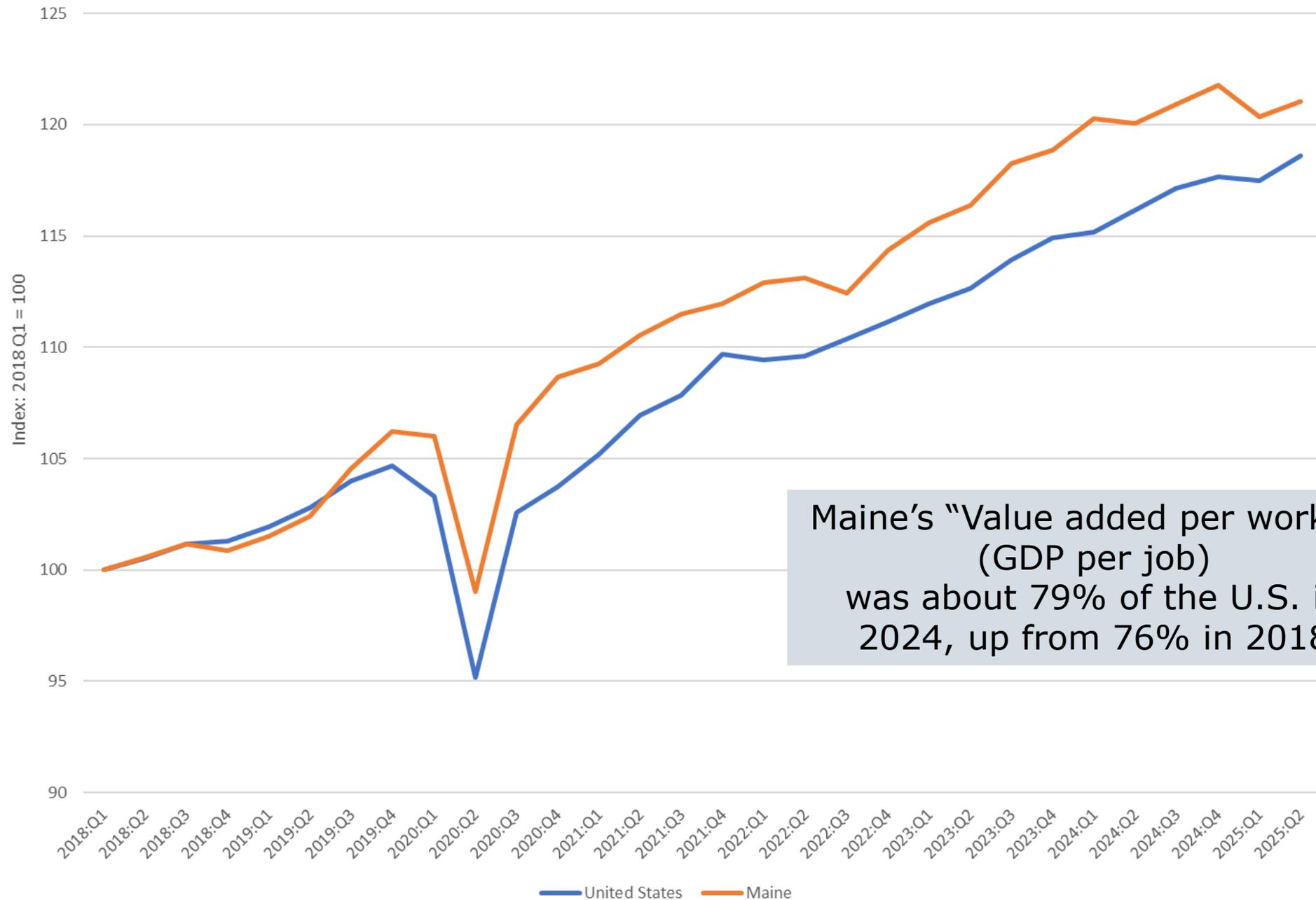
Share of Maine GDP by Metropolitan Area



Maine Real GDP by Industry, 2004-2024 (in millions of chained 2017 dollars)



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 (...).
- Maine may be at greater risk from federal funding and tariff policy changes. (...) 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 took effect on August 7 (includes 50% on Brazil and India)

Additional product-specific rates on Oct. 1

USMCA compliant imports remain exempt (around 57% from Canada, 47% from Mexico 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 November 10 deadline

De minimis exemption eliminated as of 8/29; 40% on "transshipments"

The Budget Lab at Yale estimates (as of 10/17) average effective tariff rate for consumers of 17.0%, highest since 1936 and equates to \$1.5K 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

Sector-specific tariffs may have a greater impact on certain industries: e.g. aluminum, steel, and softwood lumber on construction

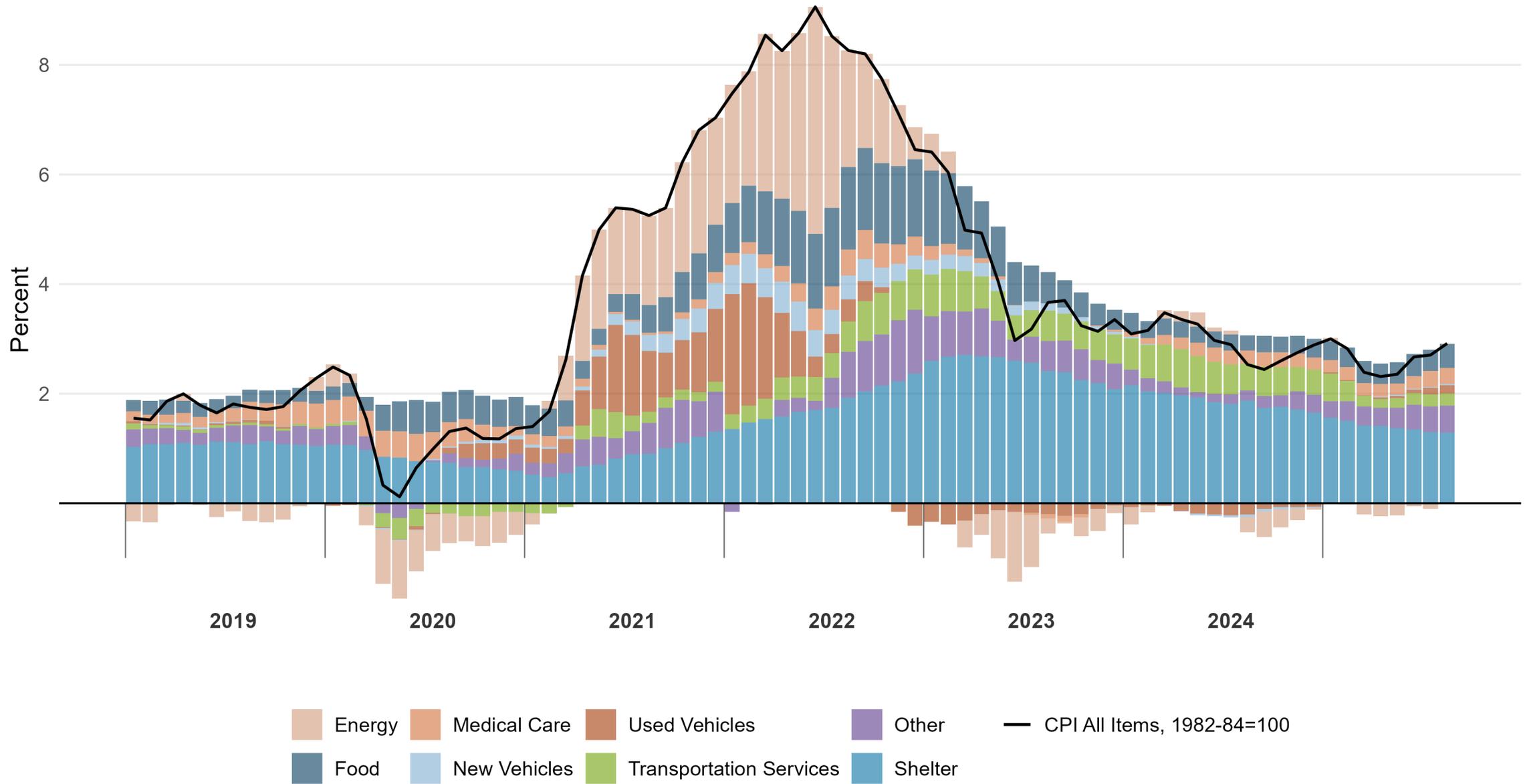
Canada-U.S. relations

Tense relations between U.S. and Canada has impacted the Maine tourism sector and retail industry as Canadian visitors avoid travel to the U.S.

Passenger vehicle border crossings are down by about 27% in August 2025 vs August 2024; crossings have been persistently lower since February 2025

Impacts are likely to be most felt at a local level in communities with higher concentrations of Canadian visitors

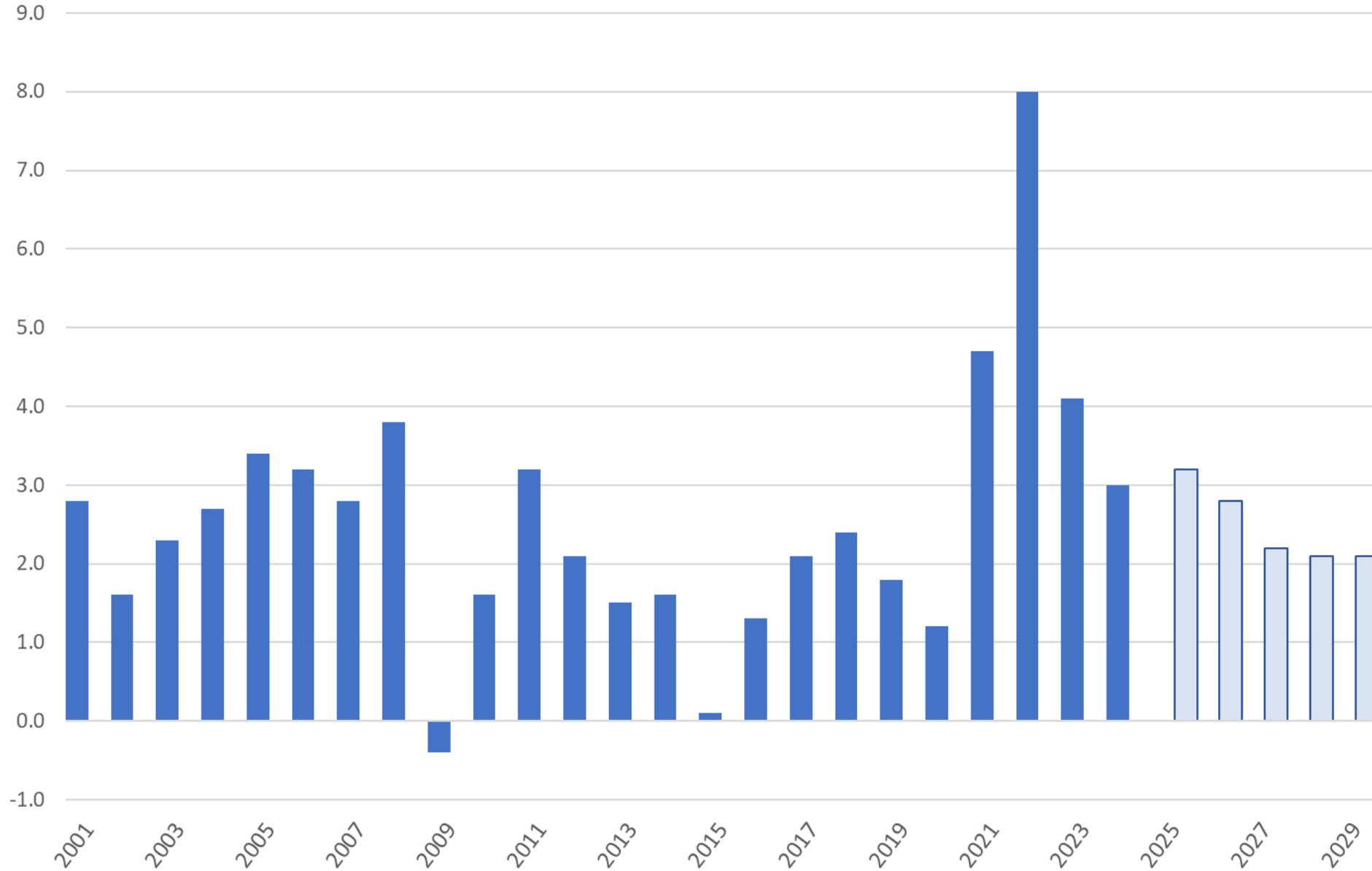
Percentage Point Contribution to Year-Over-Year Percent Change in CPI



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)

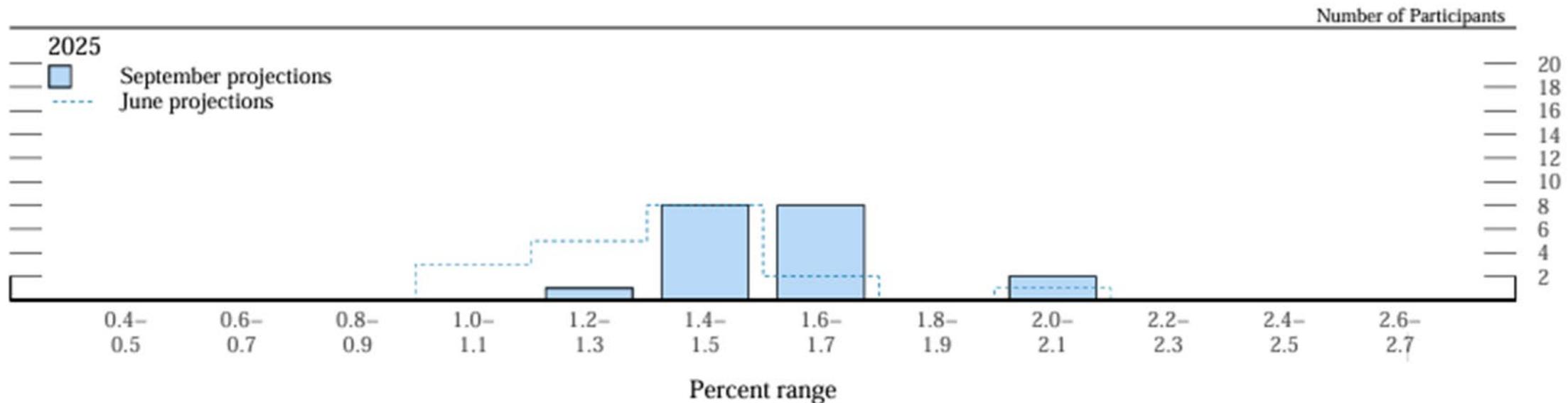
Year-over-year percent change in Consumer Price Index; 2001-2024 historical and 2025-2029 forecast



Current FOMC target range (as of Sept.):
4.00% to 4.25%

Median projection for 2025 from Sept. 2025 Federal Open Market Committee statement was 3.6%

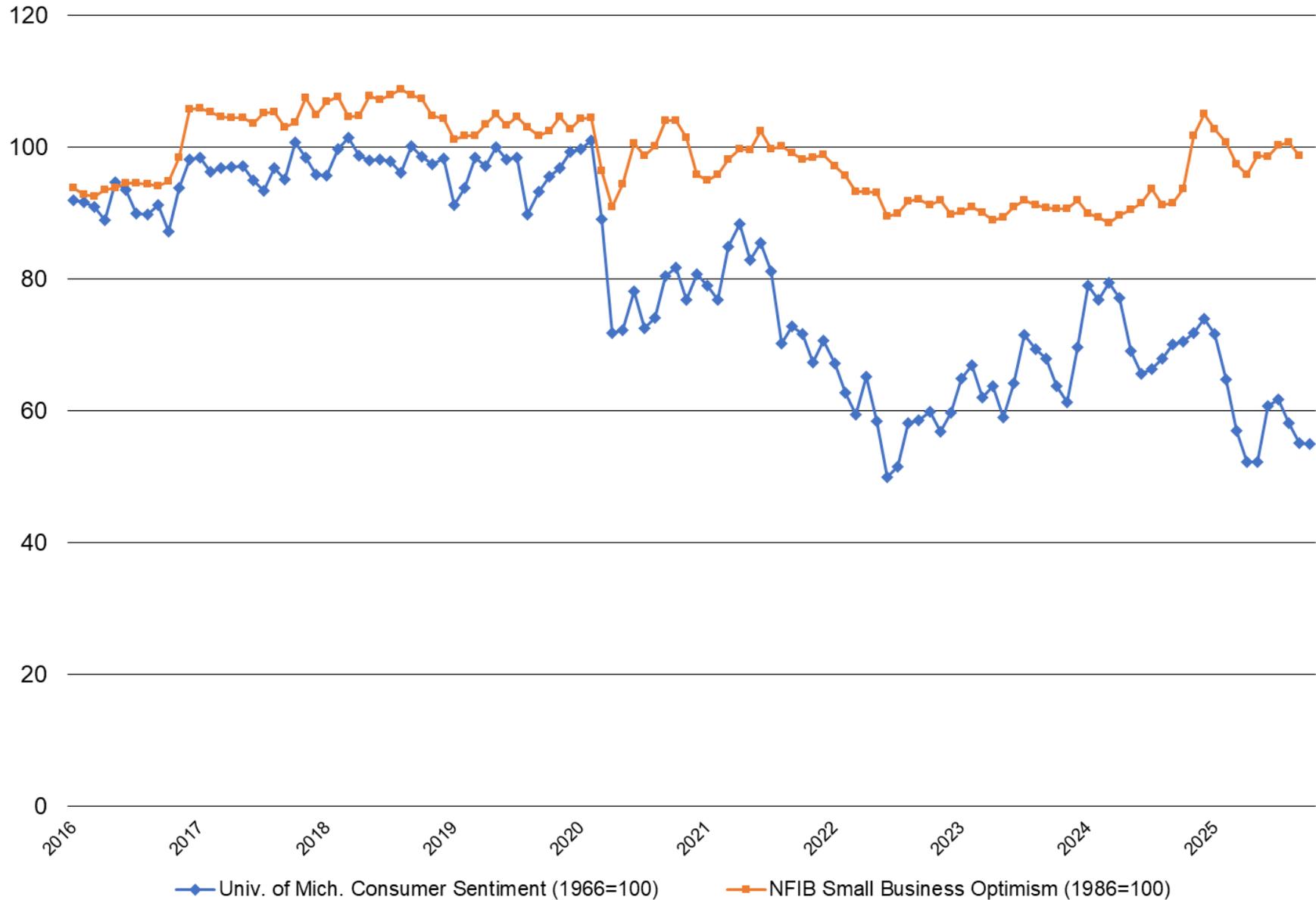
Distribution of participants' projections for the change in real GDP



Consumer Sentiment and Small Business Optimism Indexes

Small business optimism spiked following the election and then dropped, reflecting increased uncertainty; gradual increases in the past few months

Consumer sentiment has been highly responsive to inflation expectations this year; Sept. 2025 saw a modest decline across all groups except consumers with larger stock holdings



Things to keep in mind:

- Migration picked up during the pandemic, but the continuation of this trend has been challenged by housing availability/affordability; international migration likely to slow starting in 2025 as a result of changes to federal policies
- Employment growth is hindered by limited labor force; increased labor force participation, continued in-migration of younger populations, and increased productivity can help
- Economic uncertainty is persistently high, particularly related to federal policies on tariffs and executive actions, and consumer sentiment and business optimism have been reflecting this uncertainty
- Impacts from the federal shutdown are still unclear, but are likely to increase the longer the shutdown lasts
- Maine's economy, as with other states, will be impacted by federal policies, federal spending, and national economic trends

Contact Information

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