

The Economic Outlook for Maine

Rotary Club of Waterville

December 8, 2025

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Population change and demographics

Housing

Labor force and employment

Wages, income, and GDP

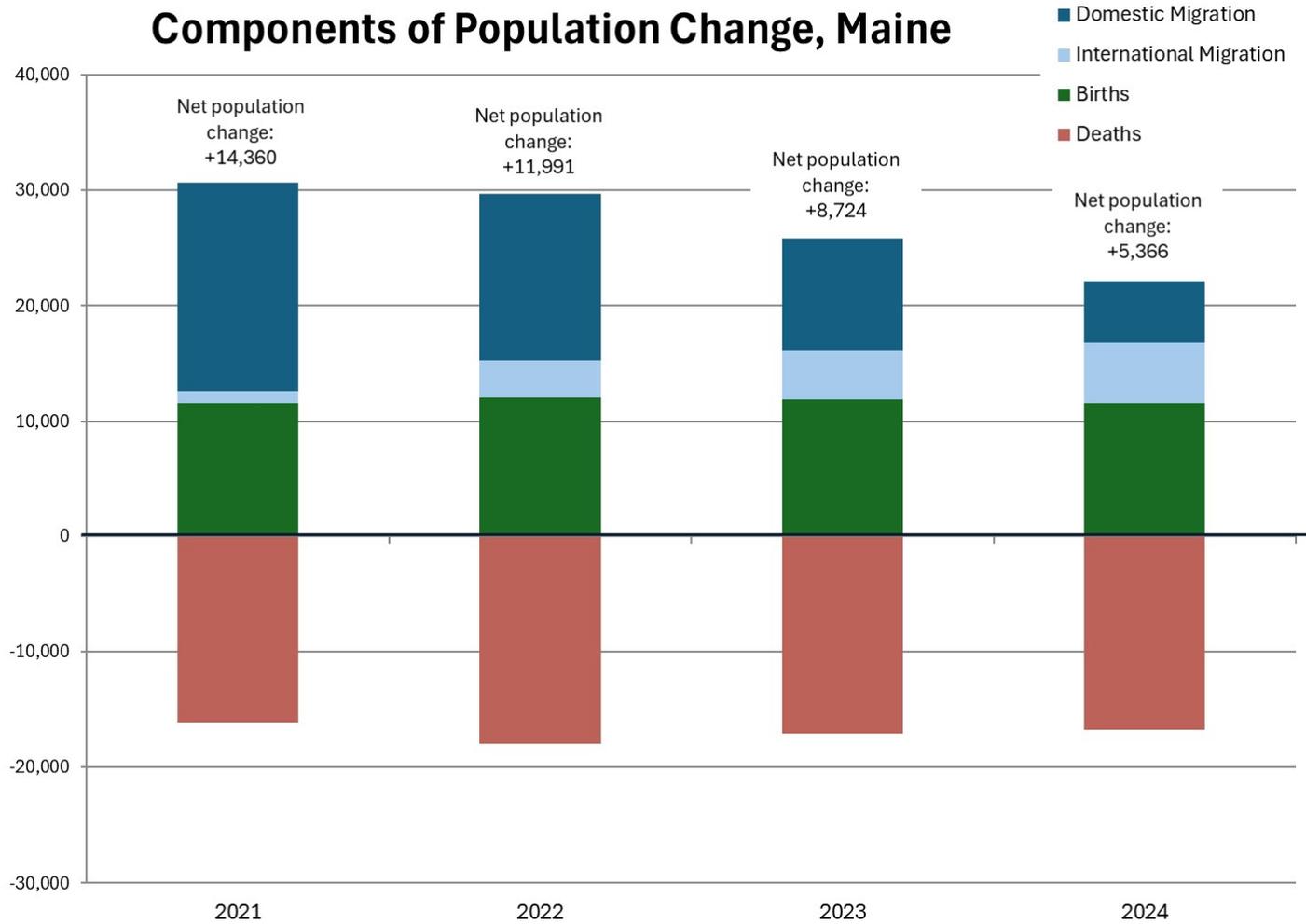
Macroeconomic conditions

Population change and demographics

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

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

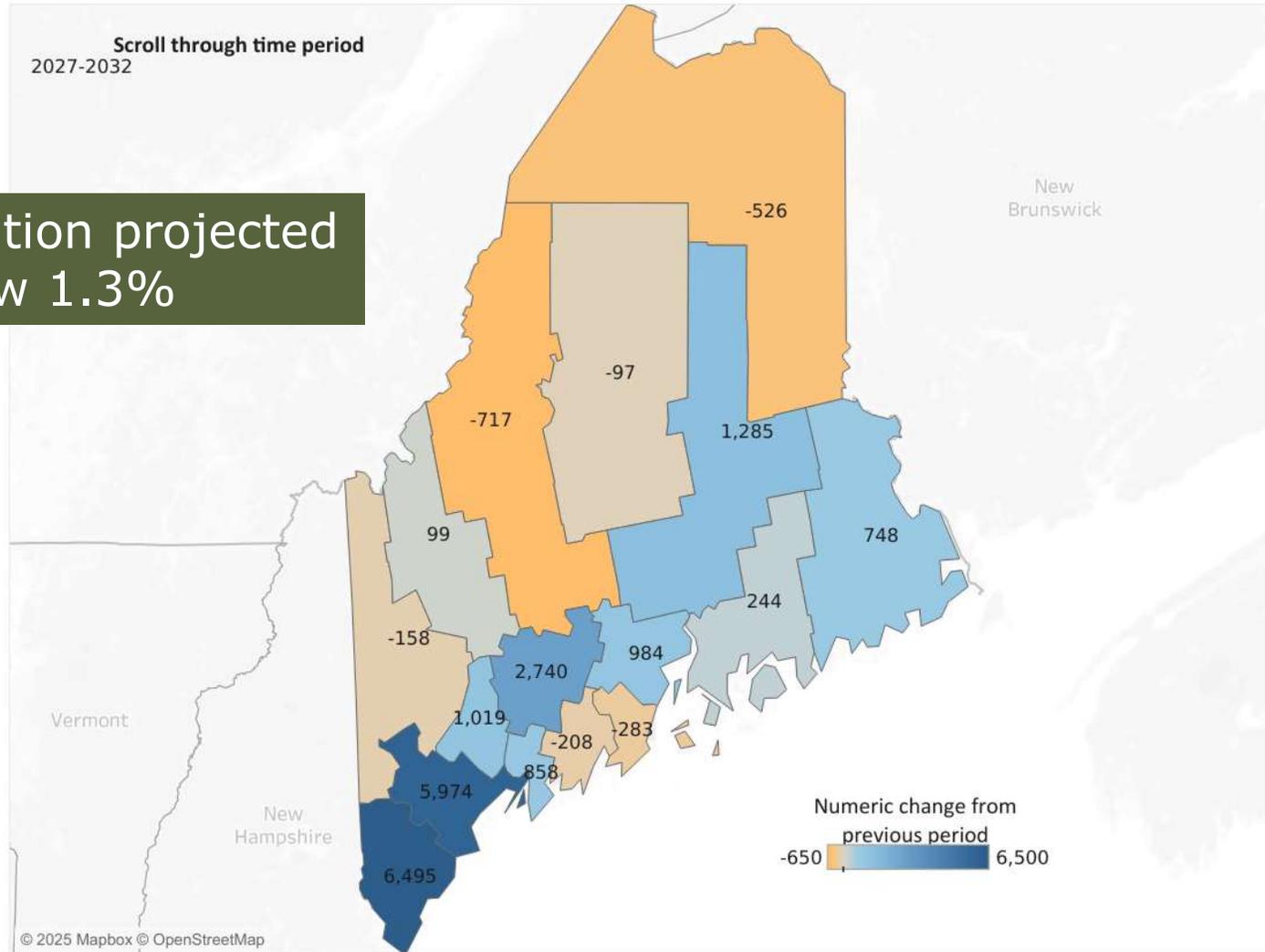
11th for net domestic migration and 41st for net international migration in 2024



Projected Population Change, 2027-2032

Scroll over map for more information

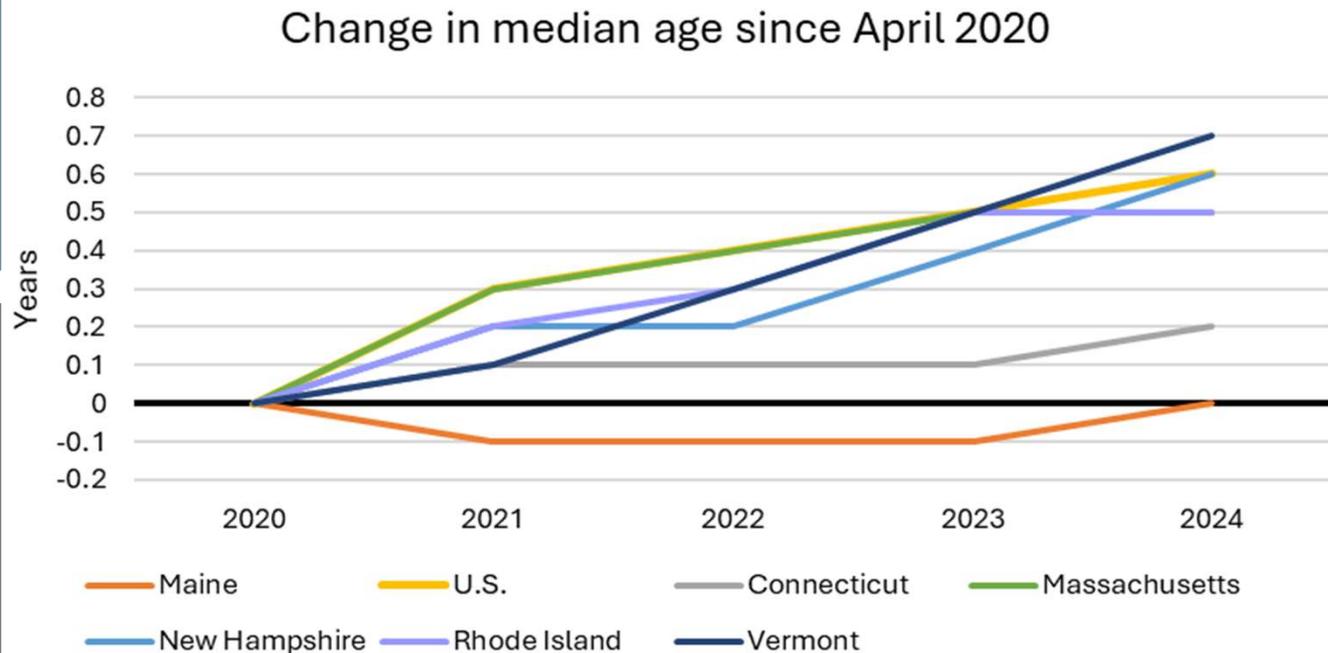
Maine population projected to grow 1.3%



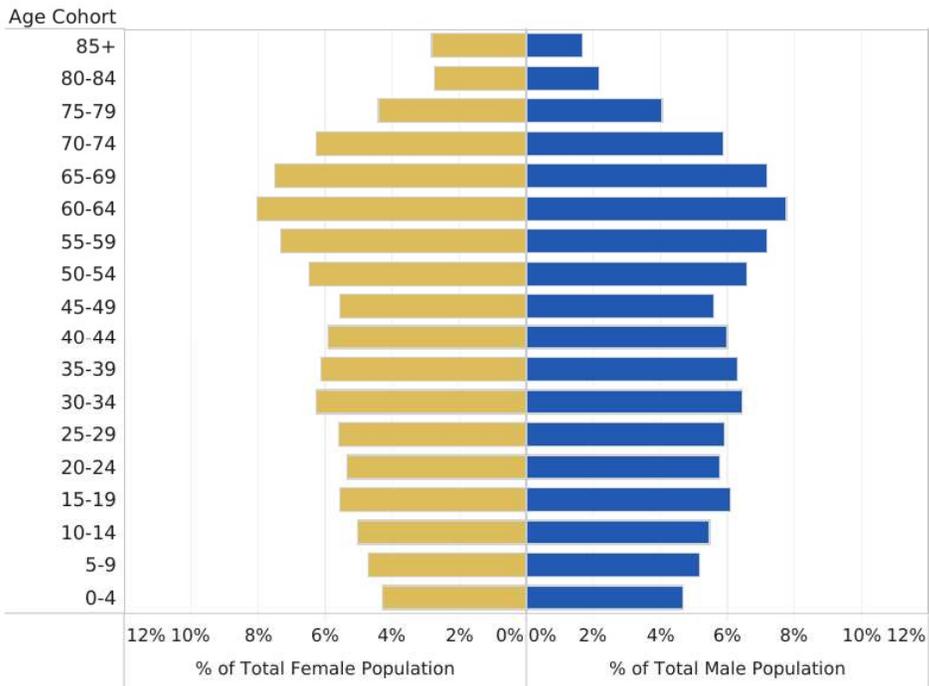
Source: The Office of the State Economist, Maine State and County Population Projections, 2042. April 2025 release.

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

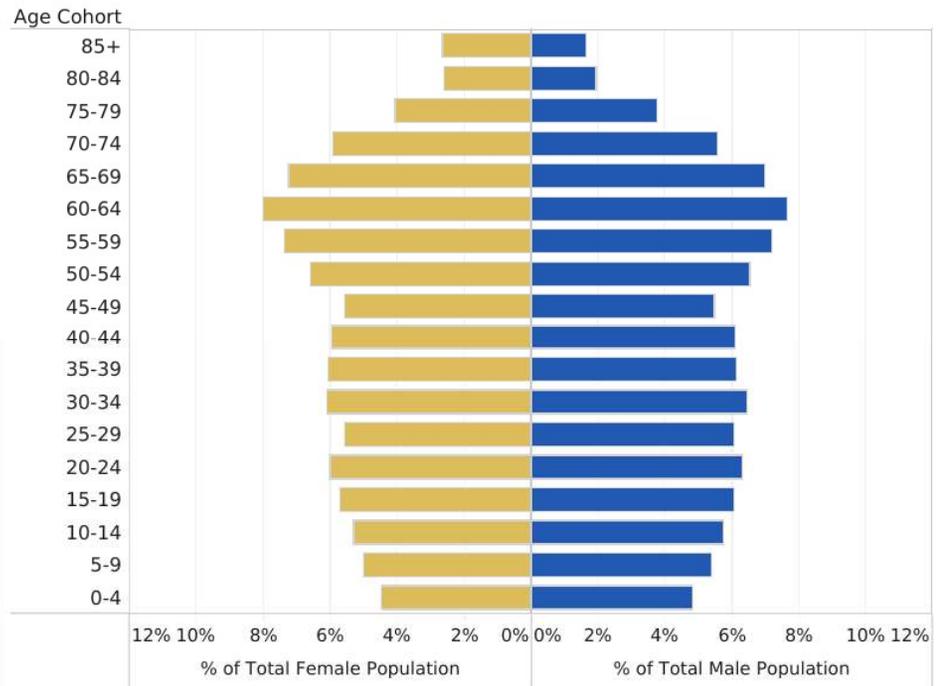
Maine still has the highest median age in the nation at 44.8 years; Vermont and New Hampshire are tied for second at 43.6 years



Maine | 2022, Historical population



Kennebec | 2022, Historical population

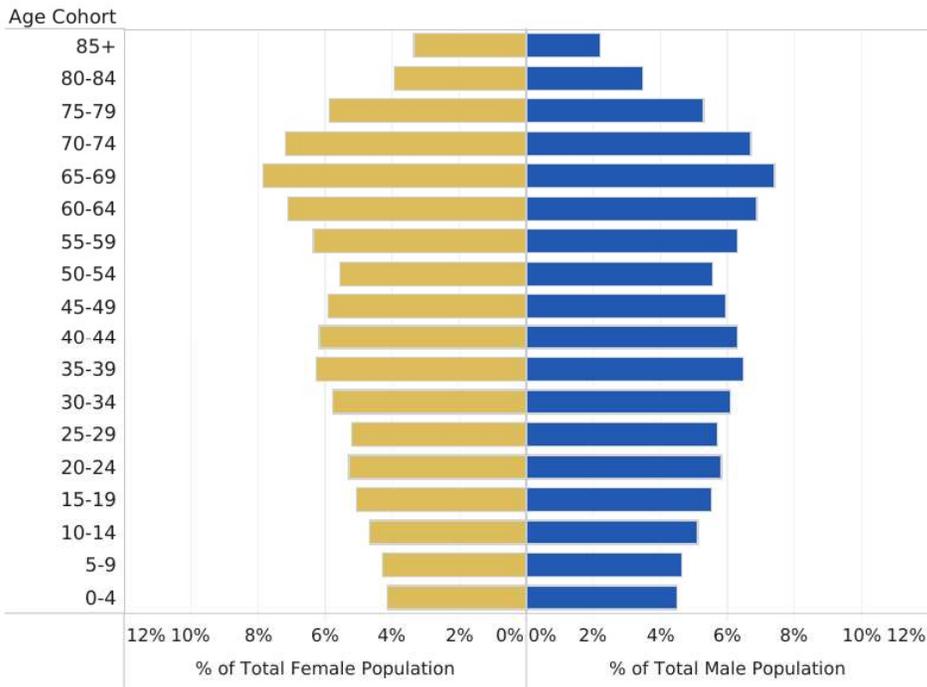


Source: The Office of the State Economist, Maine State and County Population Projections, 2042. April 2025 release.

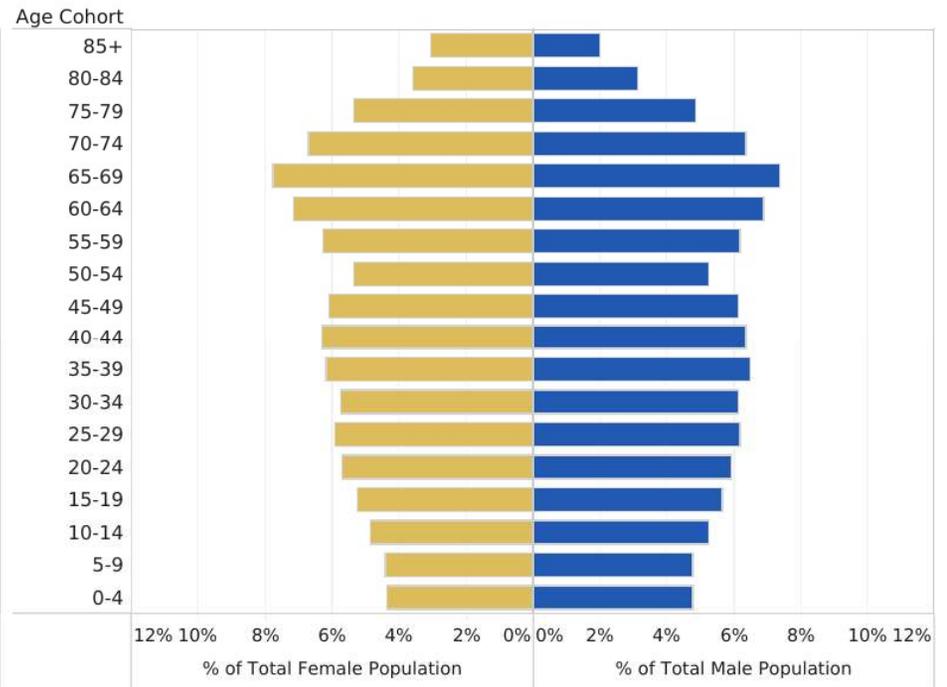
[Report & Methodology \(PDF\)](#)



Maine | 2027, Projected population



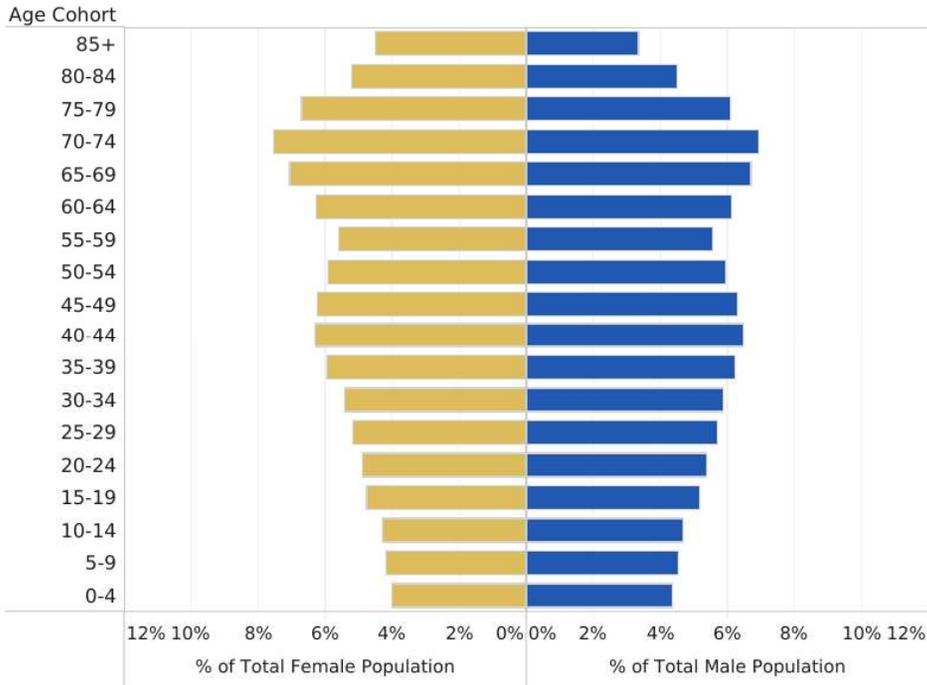
Kennebec | 2027, Projected population



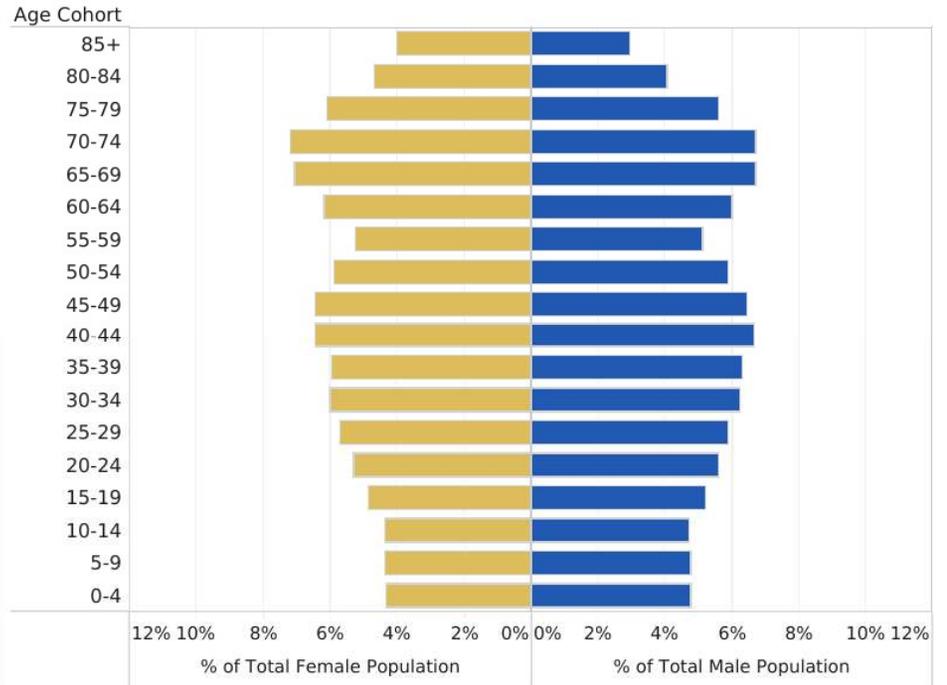
Source: The Office of the State Economist, Maine State and County Population Projections, 2042. April 2025 release.

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Maine | 2032, Projected population



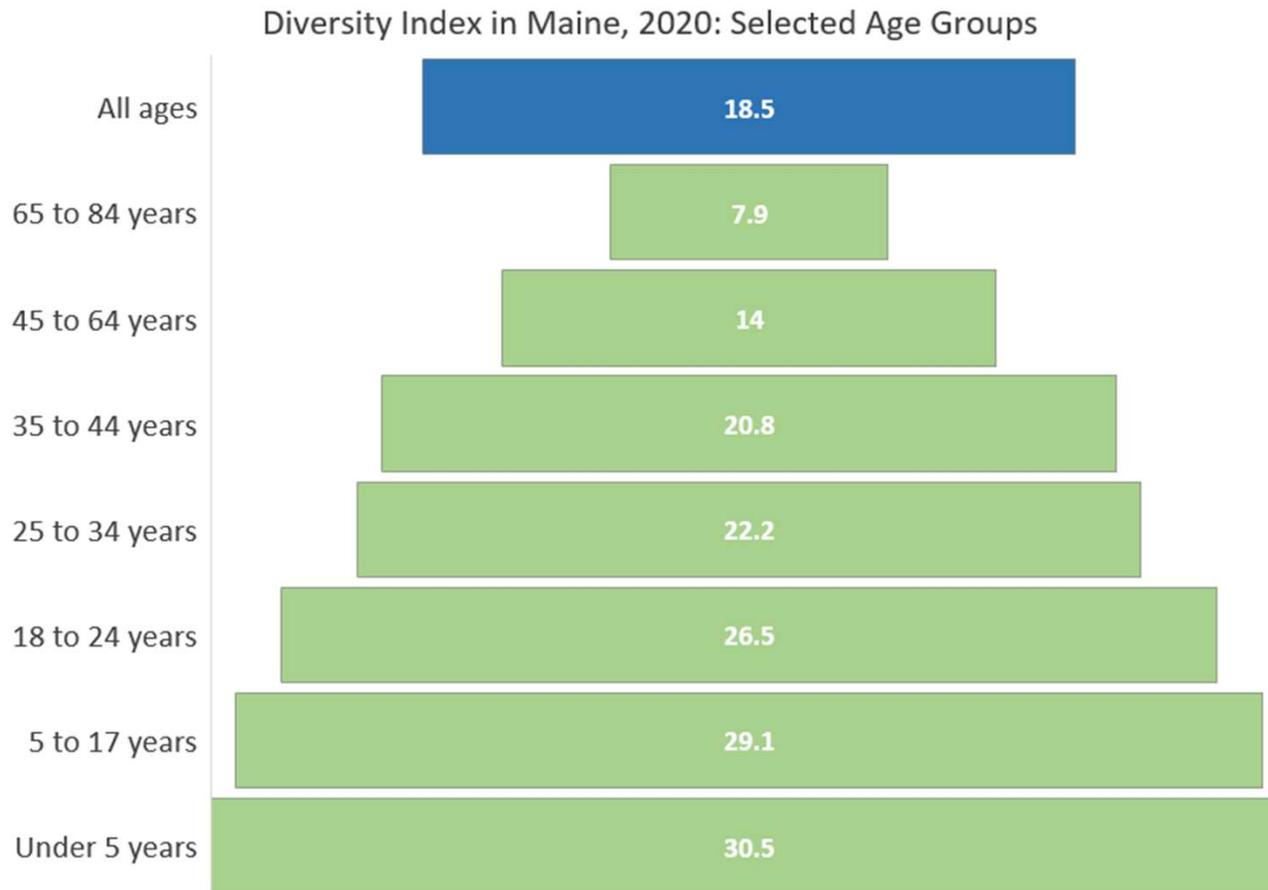
Kennebec | 2032, Projected population



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

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

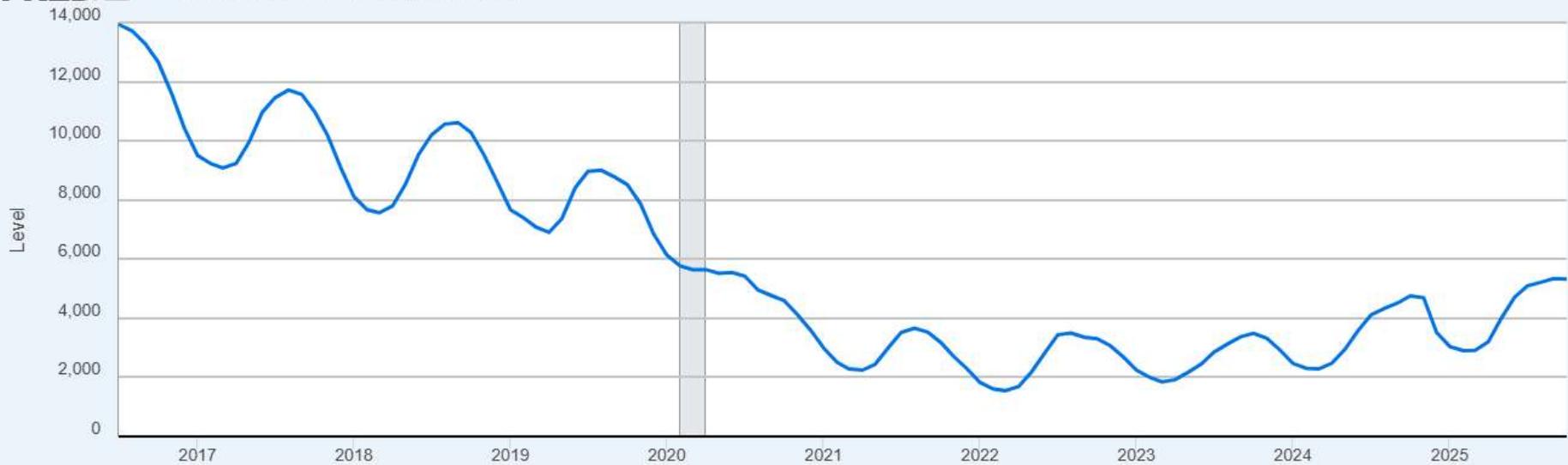
Younger generations in Maine are more diverse than older generations



Housing



Housing Inventory: Active Listing Count in Maine



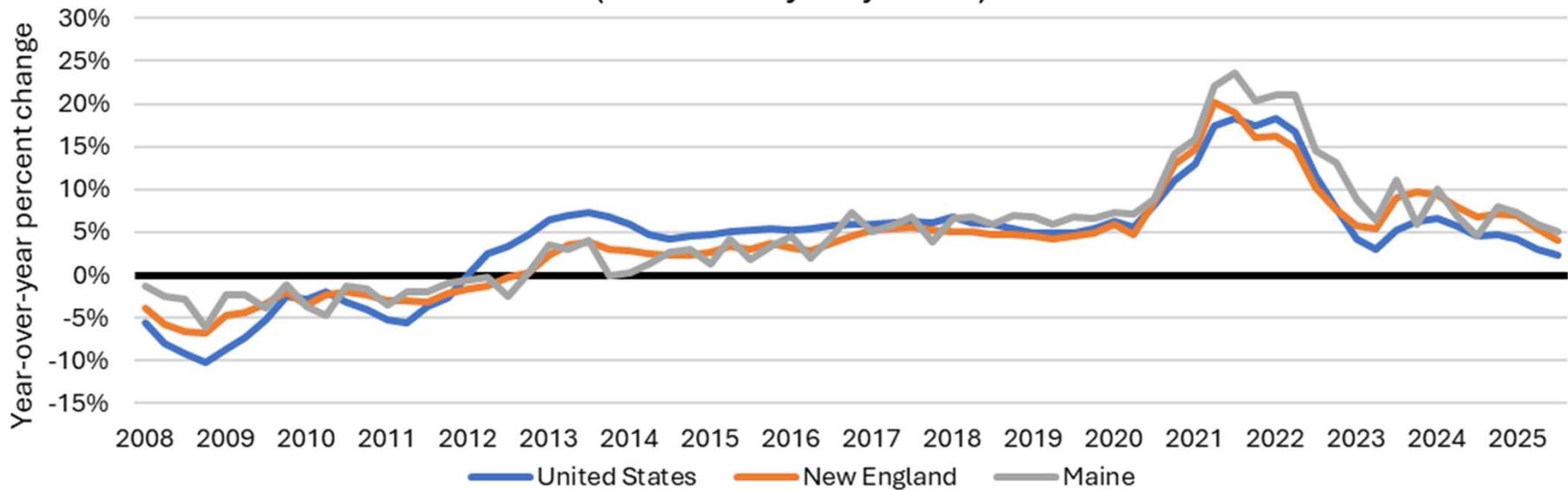
Source: Realtor.com via FRED®
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

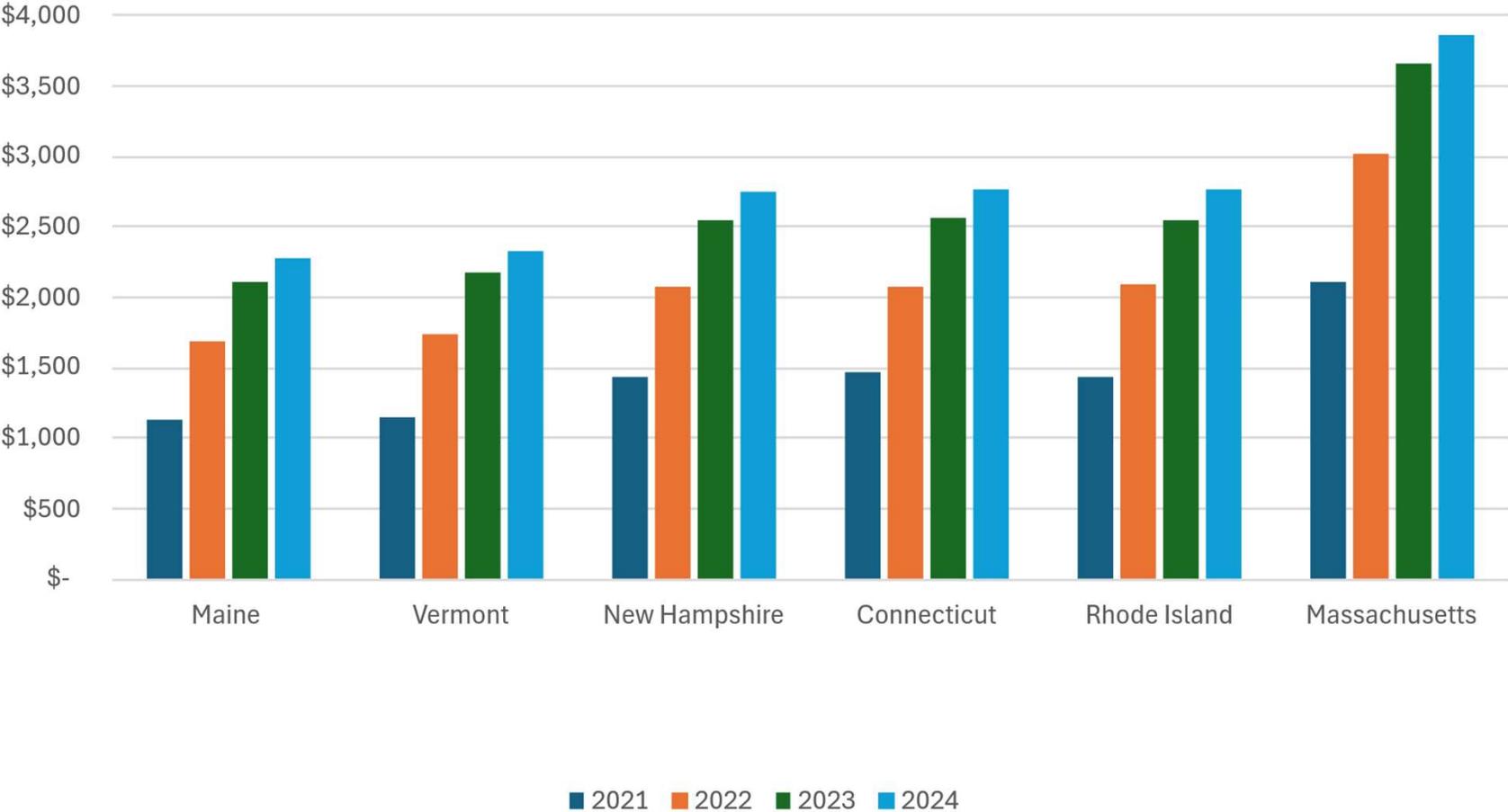
Migration into the state drove up demand for housing and further reduced the available supply while high mortgage rates locked people into existing homes, but there's been some improvement:

Oct. 2025 about 12% higher than Oct. 2024

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



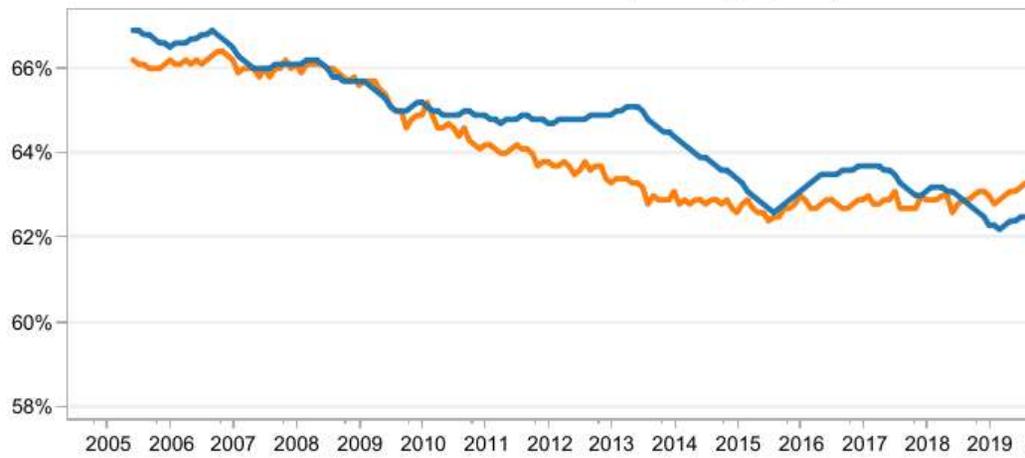
Monthly Mortgage Payment at the Median Sales Price 2021-2024



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.

Labor force and employment

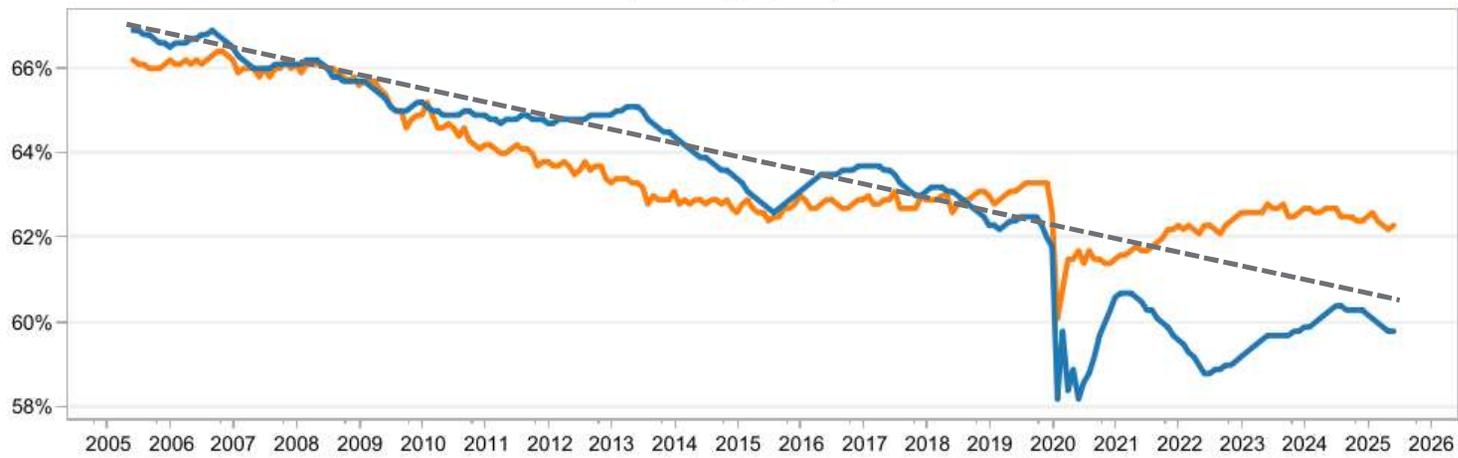
Labor Force Participation Rate (seasonally adjusted)



Aug, 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)

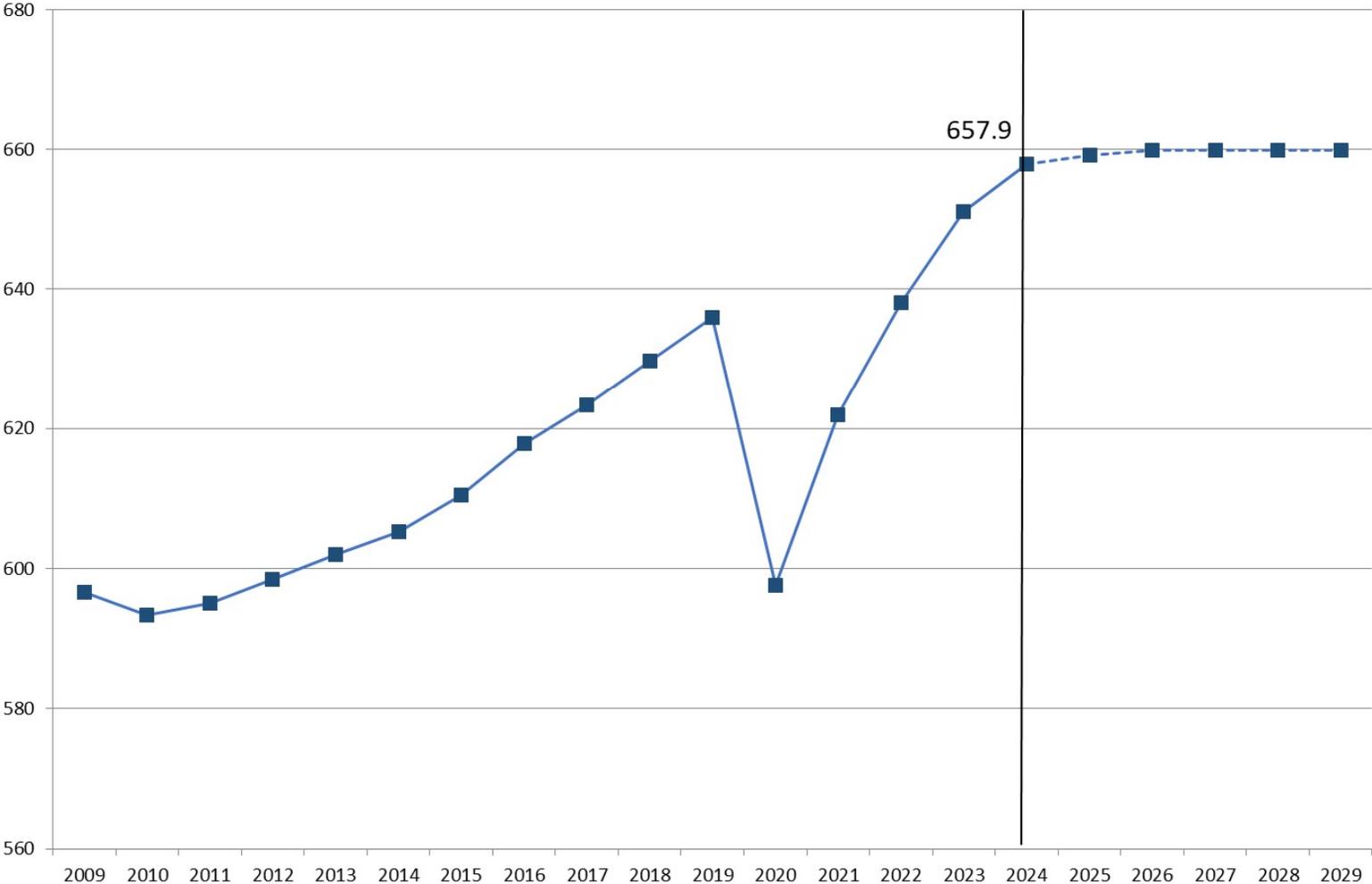


Aug, 2005 to Aug, 2025

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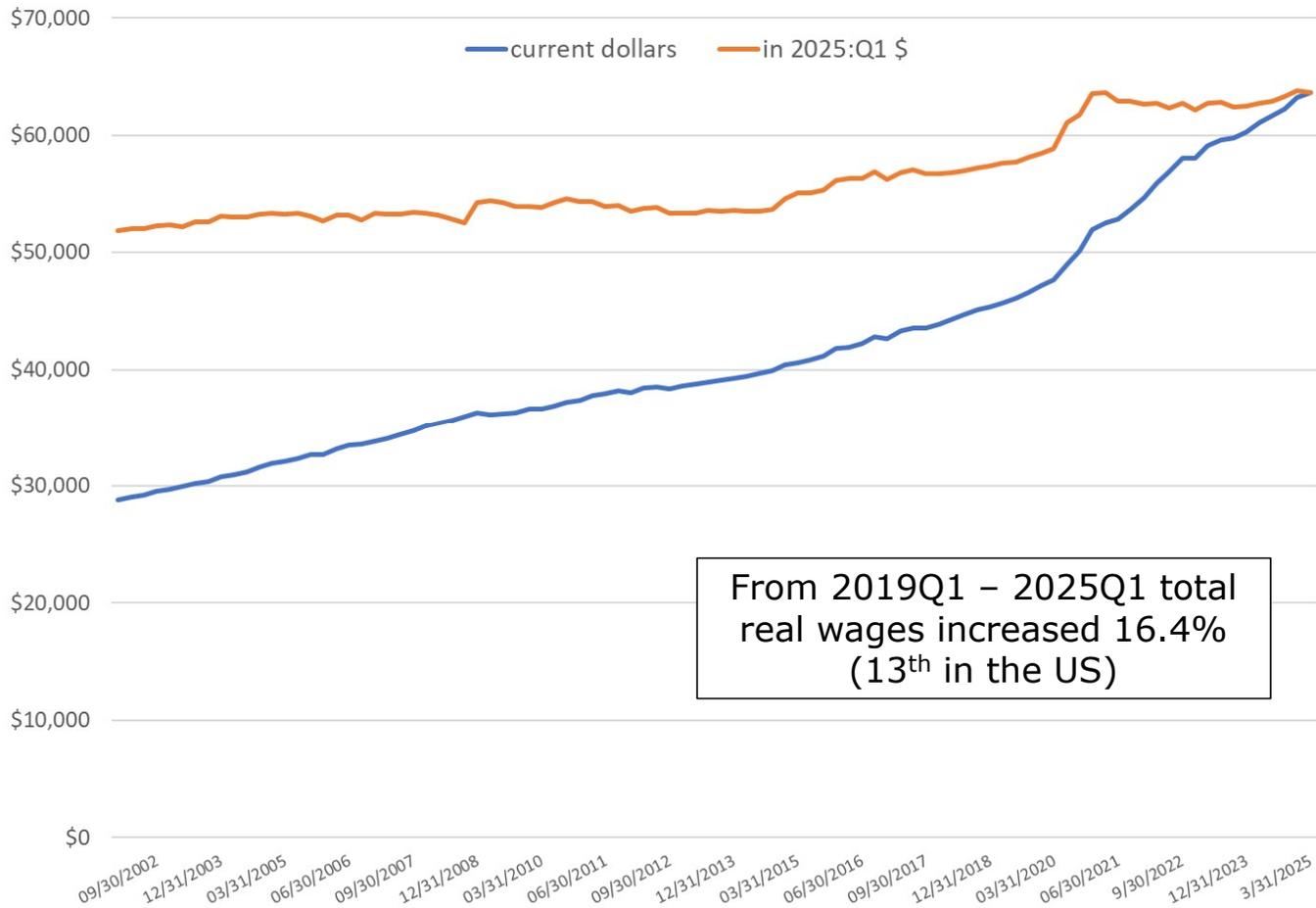
■ Maine
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Total Nonfarm Employment (in thousands) History and Consensus Economic Forecasting Commission forecast



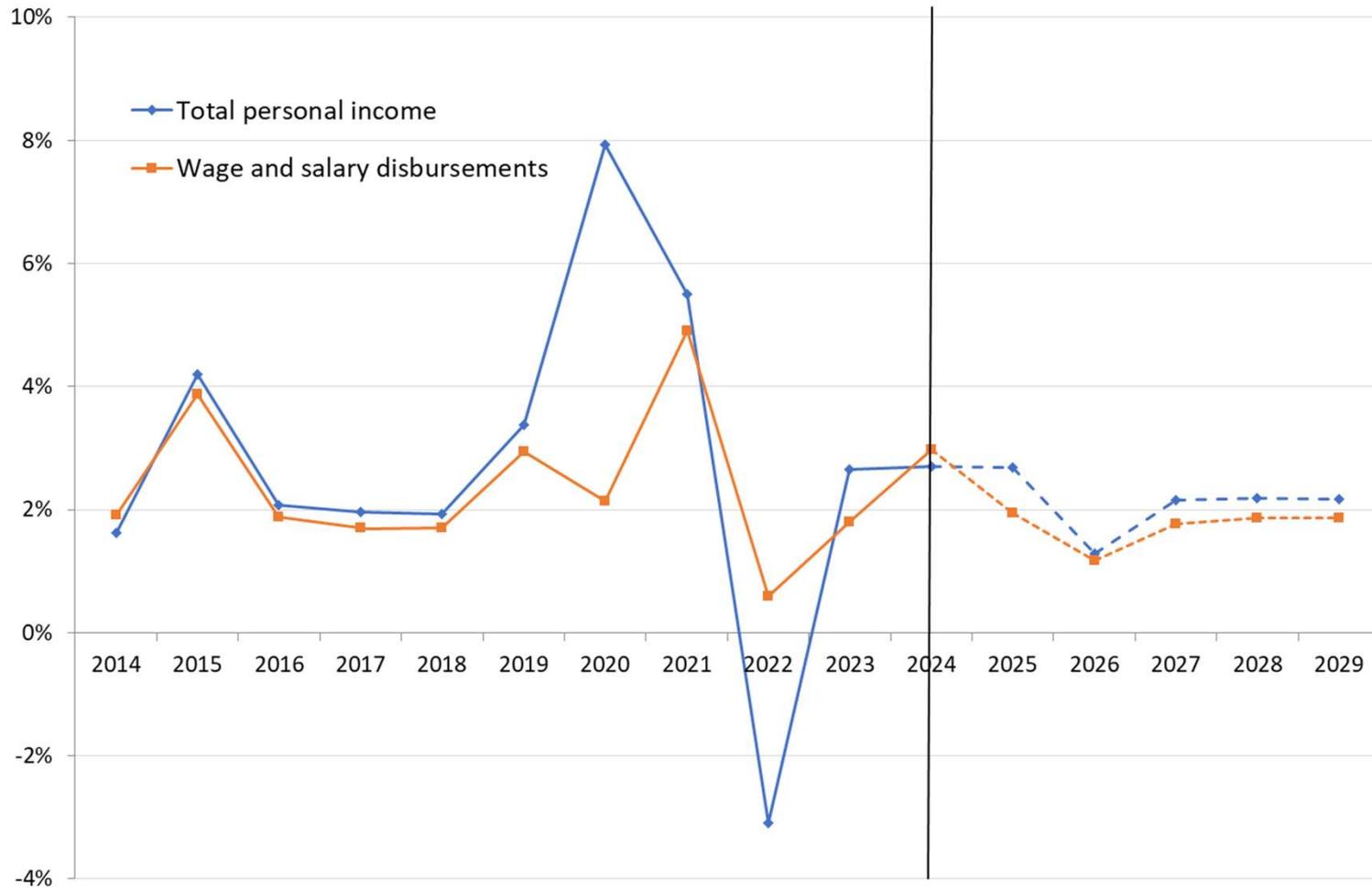
Wages, income, and GDP

Moving Four Quarter Average Wage Per Job

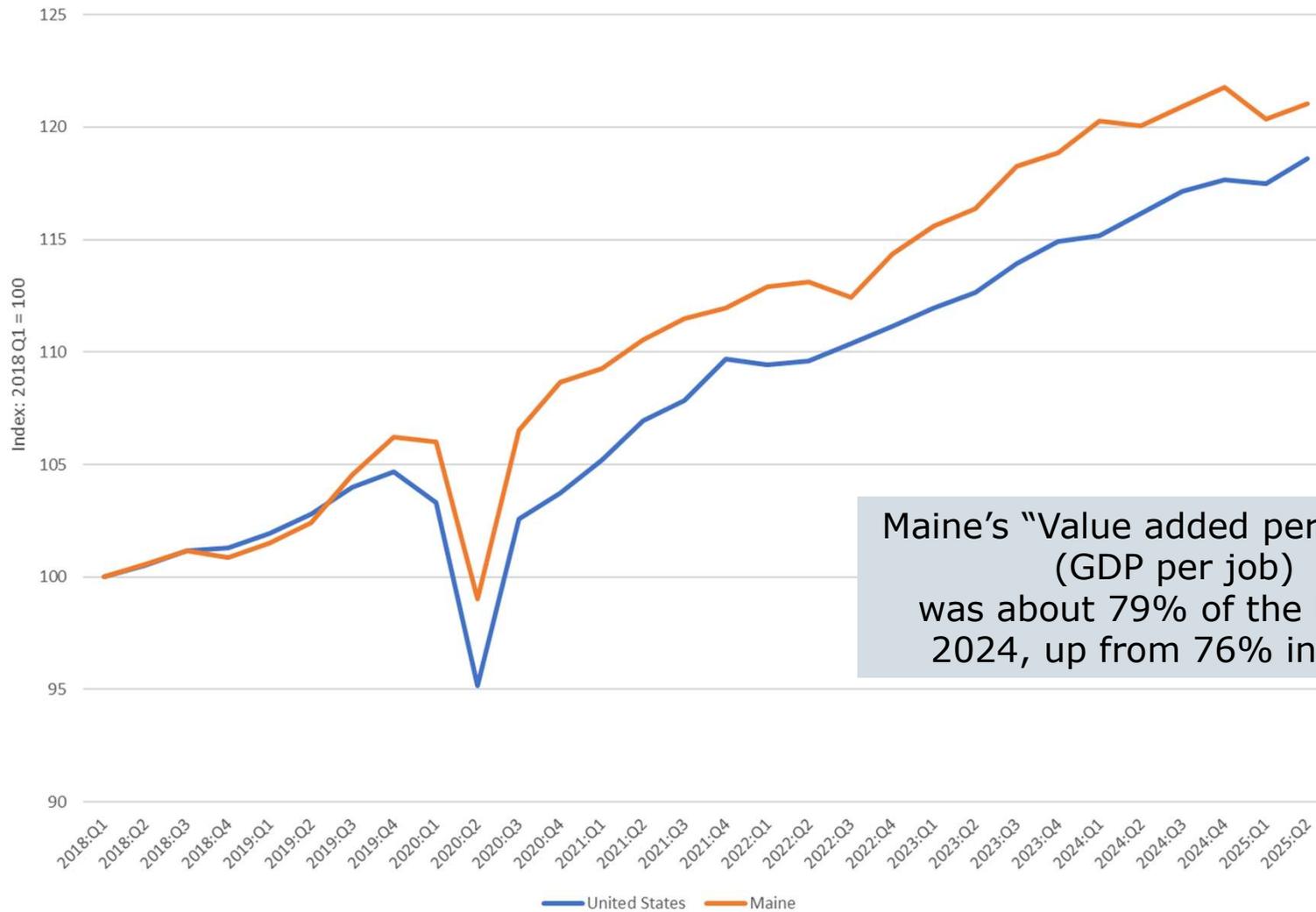


Wages increased sharply during the first part of the pandemic; since then, increases have kept pace with inflation

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



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 2024, up from 76% in 2018

Macroeconomic conditions

Excerpts from key assumptions in Nov. 2025 Consensus Economic Forecasting Commission report

- Maine is navigating a period of significant uncertainty around economic policy, government spending, geopolitical tensions, and consumer sentiment. The economy may be experiencing K-shaped dynamics, with spending by wealthier households helping to keep the economy growing in the face of tariffs and uncertainty around other federal policies. (...)
- (...) Maine's economy will be impacted by any reduction of federal funds and the multiplier effects of those reductions (...). For example, cuts to federal Medicaid (MaineCare) and the loss of ACA subsidies would raise premiums, jeopardize healthcare coverage, and strain rural hospitals.
- 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 and short-term inflation expectations have increased.
- (...) an aging workforce may continue to constrain labor availability. However, positive net migration and productivity gains, some of which may come through the use of AI, could help meet future labor needs. Net migration may be hampered by federal immigration policies and the housing market (...).

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 85% from Canada, 86% from Mexico exempt); otherwise, Canada 35%, Mexico still negotiating

Some countries have agreed to deal rates (including China at 20%)

Some products are being exempted, with the list most recently expanding to include food/agricultural products

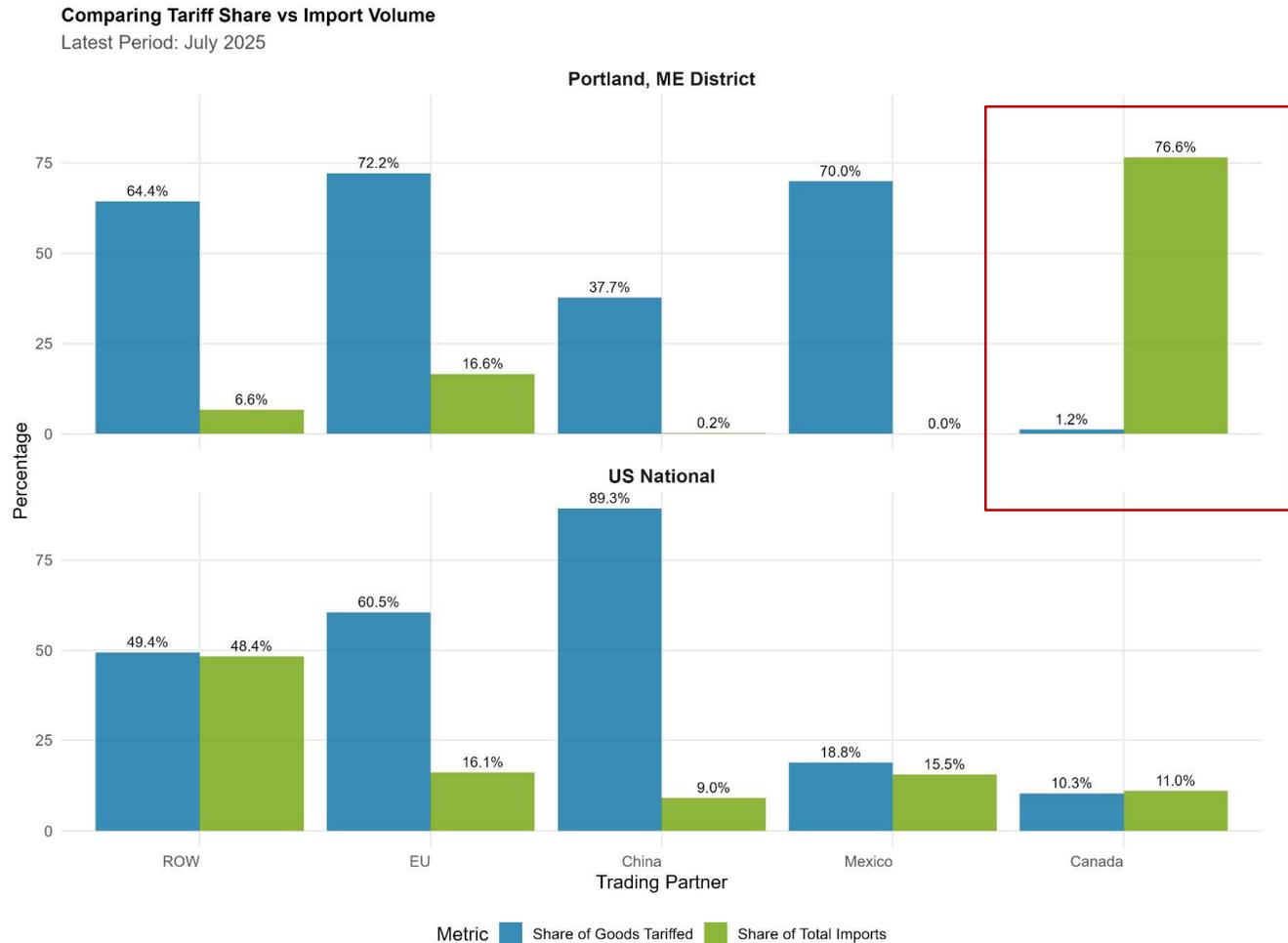
Legality of IEEPA tariffs being considered by the U.S. Supreme Court

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

The Budget Lab at Yale estimates (as of 11/17) average effective tariff rate for consumers of 14.4%, highest since 1939, and equates to \$1.3K per household loss

For the Portland, ME District the story (in terms of the *direct* impact of tariffs) is all about maintaining favorable Canada trade relations.

But of course, we're also affected by indirect impacts of tariffs.



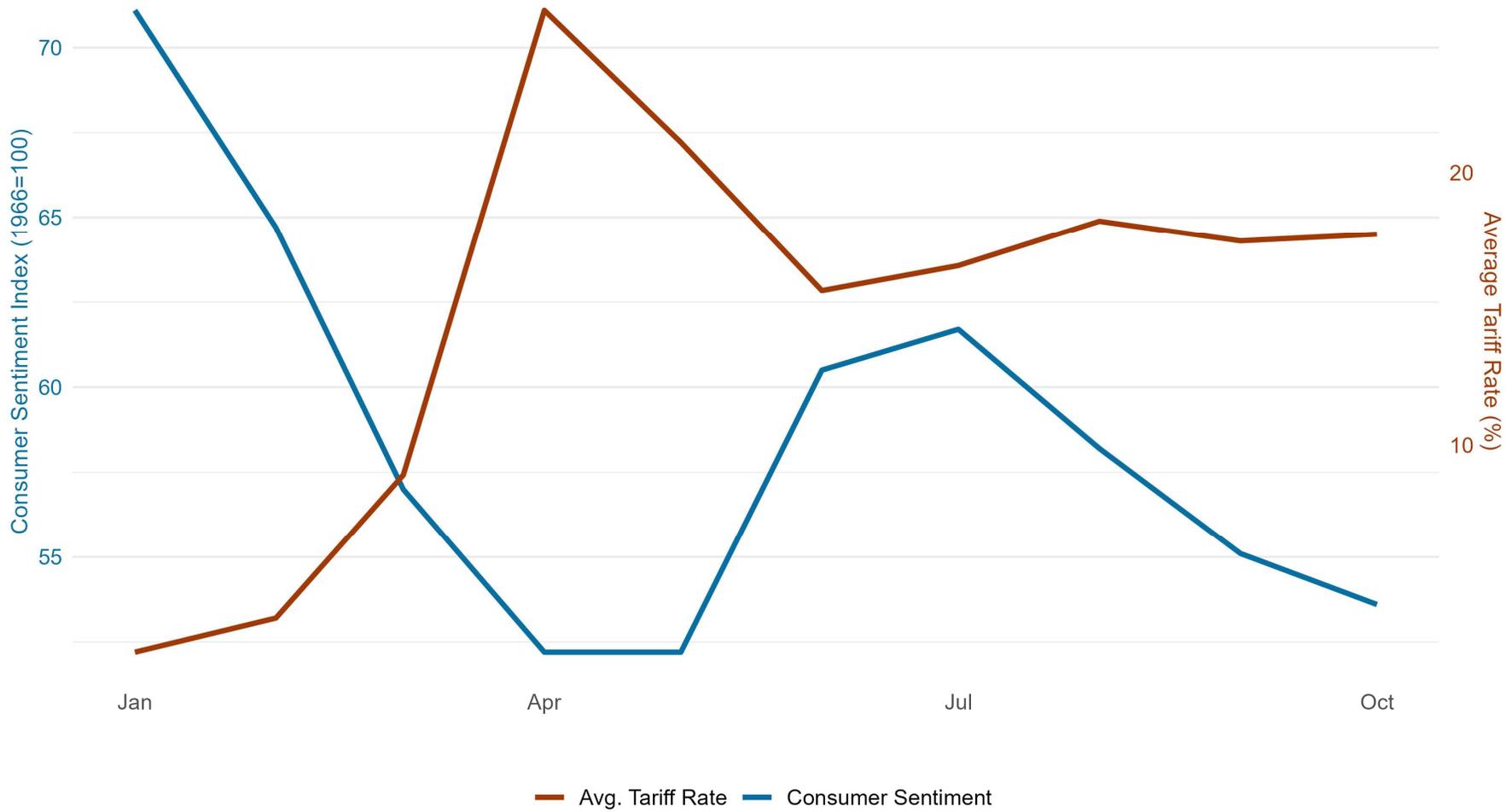
Other tariff impacts

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

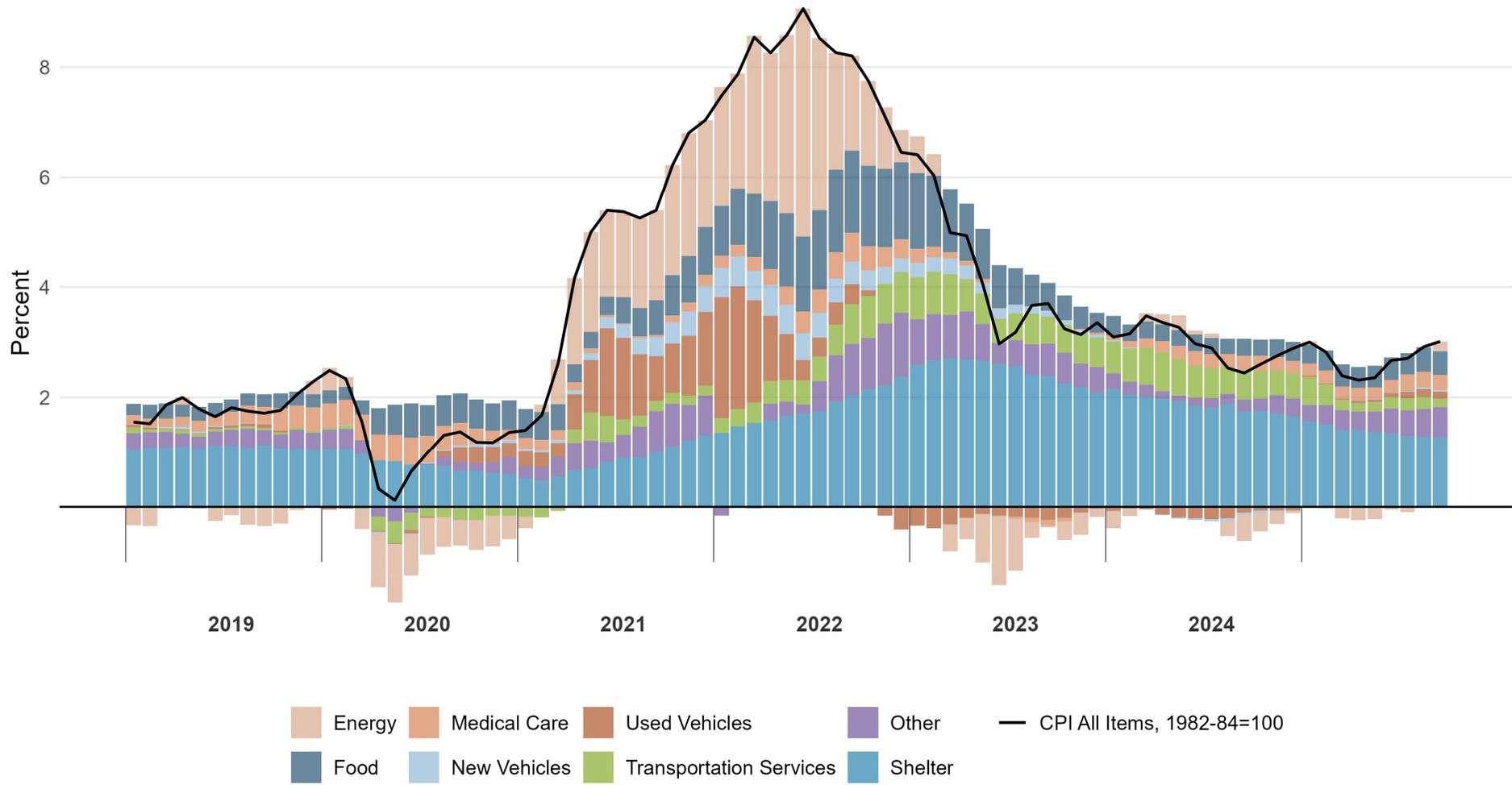
Intermediate goods are about half of total U.S. imports – tariffs on these products impact domestic manufacturers

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

Consumer Sentiment and Average Tariff Rate in 2025



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

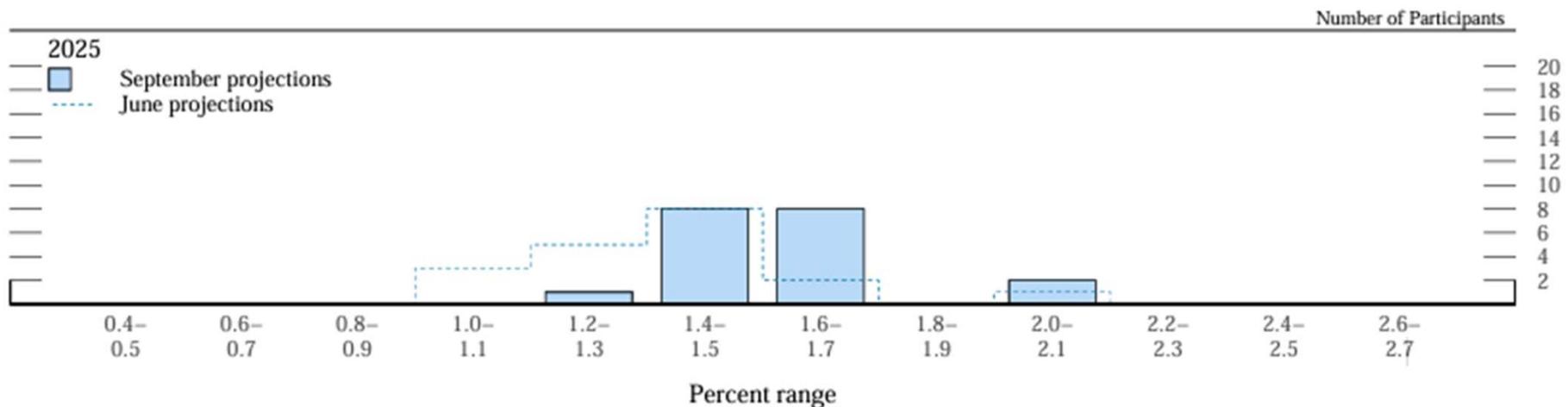


Source: US Bureau of Labor Statistics & Calculations by OSE Staff

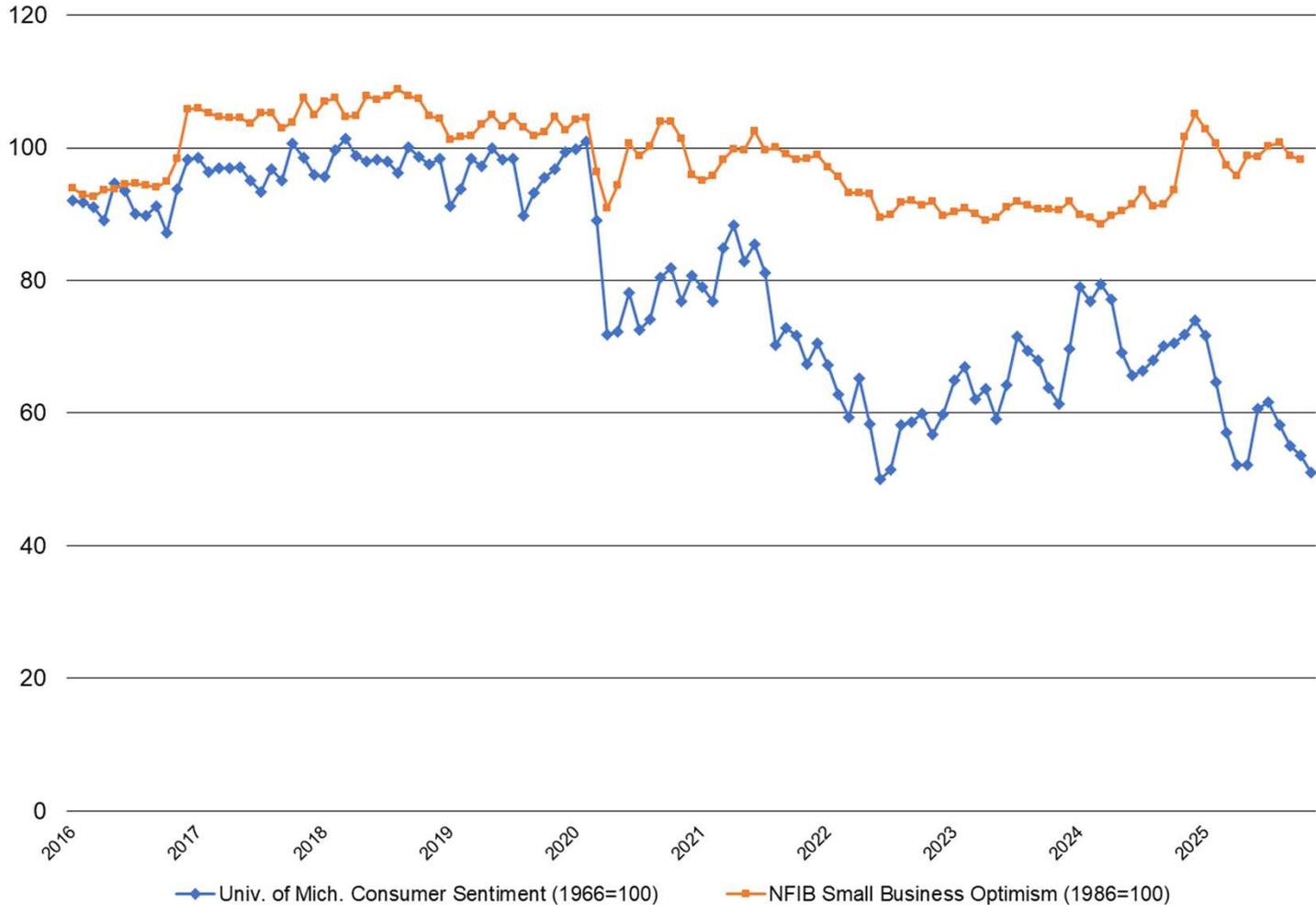
Current FOMC target range (as of Oct.):
3.75% to 4.00%

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 was just above the 52-year average of 98 in October. 60% reported that supply chain disruptions were affecting their business.

Consumer sentiment has been highly responsive to inflation expectations this year; sentiment has held up better among 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
- 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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