

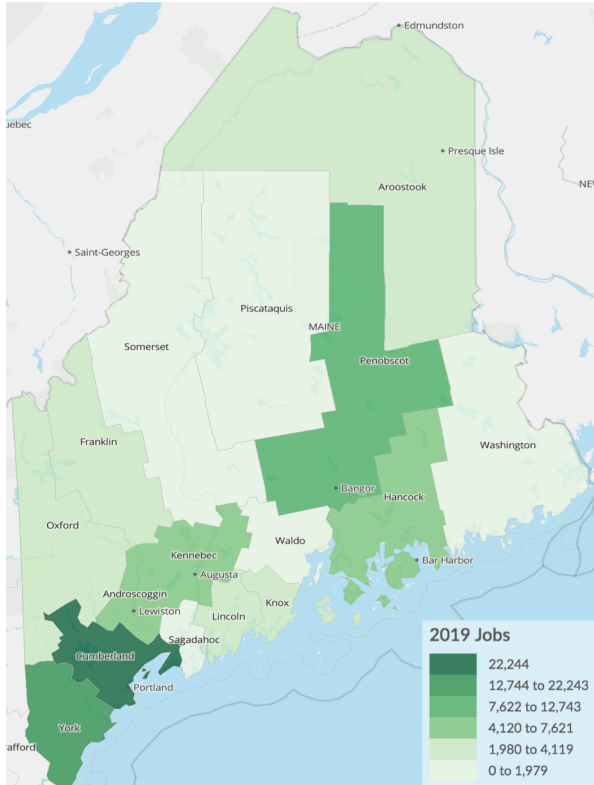
# Maine Regional Economic Forecasts post COVID-19

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Economic Recovery Committee Economic Update October 13, 2020

# Regional Impacts and Recovery tied to Industry Size and Composition

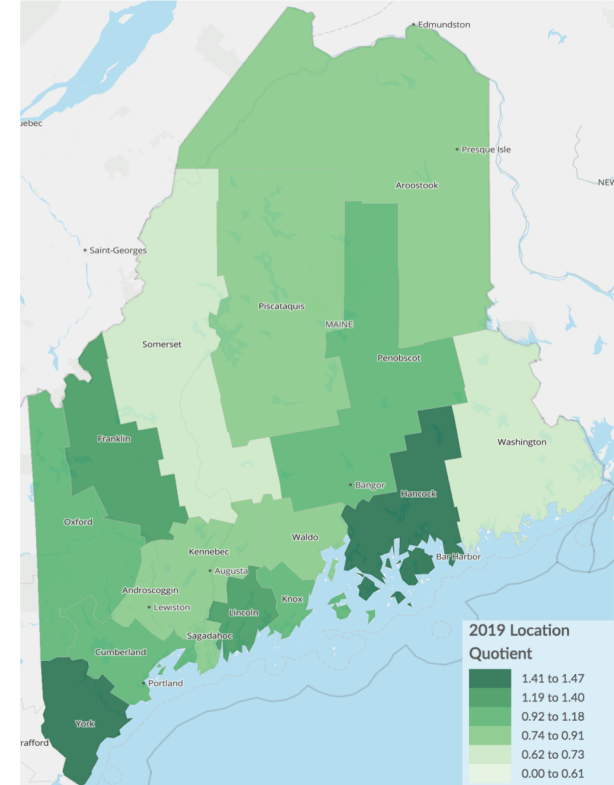
## Tourism Regional Employment Size



← **Size** of a sector (employment) in a region tells us where the magnitude of impacts are more likely to be felt.

**Concentration** refers to a region's relative dependence on an industry as a share of its overall industry base and is more indicative of **the impact on REGIONS** and their ability to recover. →

## Tourism Regional Concentration



## National and Statewide Forecasts used to drive Maine Regional Forecasts

### National Forecast

- UMichigan RSQE August 2020
- US CBO Outlook September 2020
- Moody's Analytics

### Maine State Forecast Driver

- ME Consensus Economic Forecasting Commission July 2020
- Adjustments to Tourism Sector (Gabe and Crawley 2020)
- Adjustments most recent sales receipts
- Adjustments (+) to domestic net migration

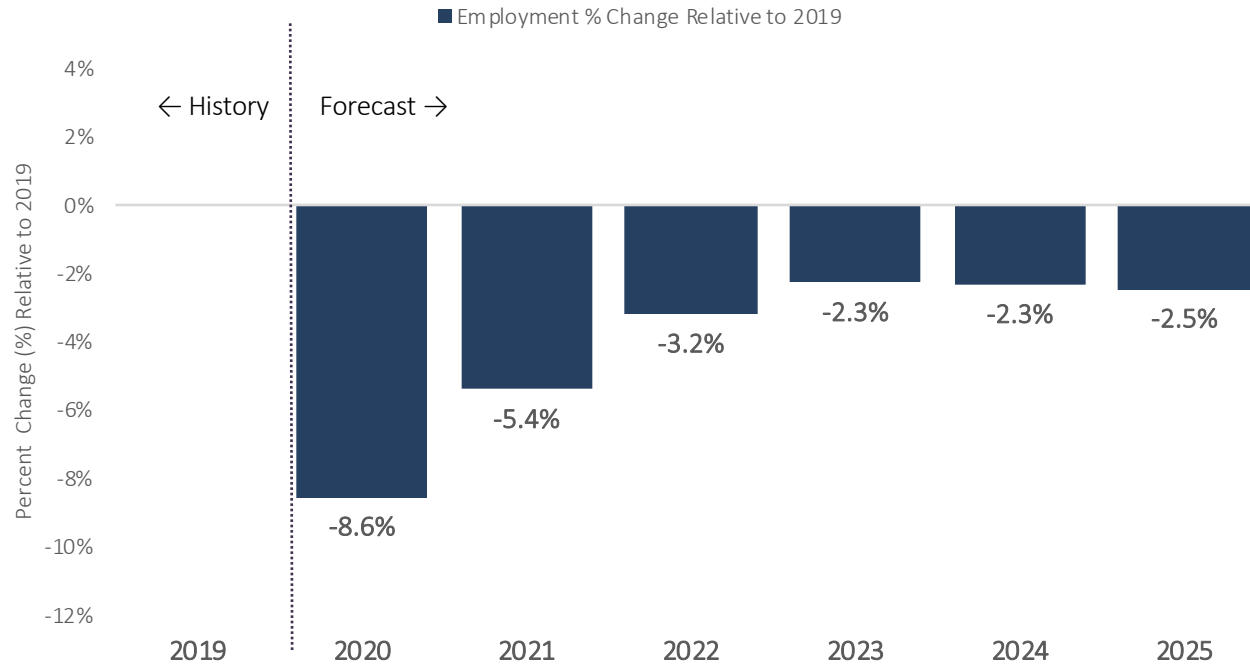
### Regional Forecasts

- Loosely align with Economic Development Districts (EDDs)
  - Androscoggin Valley
  - Aroostook-Washington
  - Eastern Maine
  - Kennebec Valley
  - Mid-coast Maine
  - Greater Portland
  - Southern Maine



Preliminary baseline forecasts. Updates and regional briefs will follow late October & early November following RSQE and CEFC October updates.

Employment losses of 8.6% in 2020,  
modest recovery in 2021 but tapering short of pre-pandemic employment levels 2023-2025



	Employment (thousands)	Shutdown & Reopening	Recovery				
<u>Region</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Androscoggin Valley	92.6	-7.3%	-4.7%	-3.1%	-2.5%	-2.7%	-2.9%
Aroostook- Washington	74.9	-8.2%	-4.7%	-3.1%	-3.0%	-3.4%	-3.8%
Eastern Maine	101.3	-7.2%	-4.5%	-2.8%	-2.0%	-2.0%	-2.0%
Greater Portland	233.0	-9.1%	-6.0%	-3.1%	-1.7%	-1.6%	-1.8%
Kennebec Valley	81.6	-6.6%	-4.5%	-2.9%	-2.2%	-2.4%	-2.4%
Midcoast	62.3	-11.2%	-6.4%	-4.0%	-3.2%	-3.3%	-3.5%
Southern Maine	91.8	-10.2%	-6.2%	-3.8%	-2.5%	-2.4%	-2.5%
<b>Statewide</b>	<b>737.5</b>	<b>-8.6%</b>	<b>-5.4%</b>	<b>-3.2%</b>	<b>-2.3%</b>	<b>-2.3%</b>	<b>-2.5%</b>

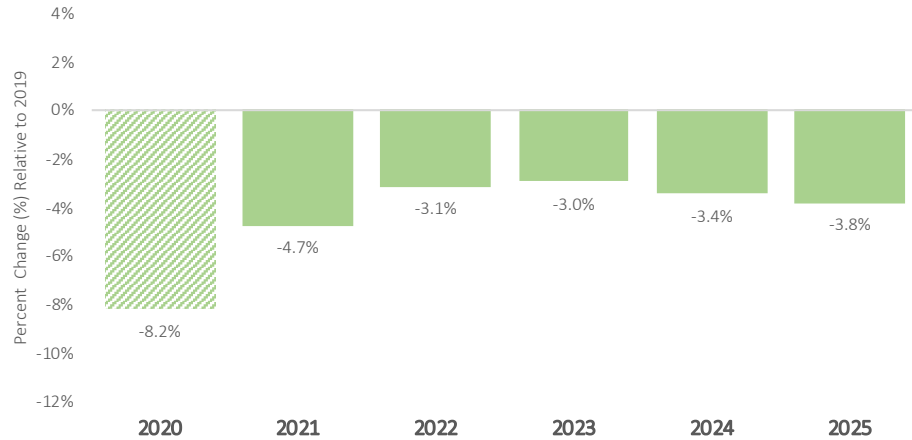
Employment ⊂ private sector non-farm wage & salary & self-employed (non-employer) in thousands

#### Key Takeaways:

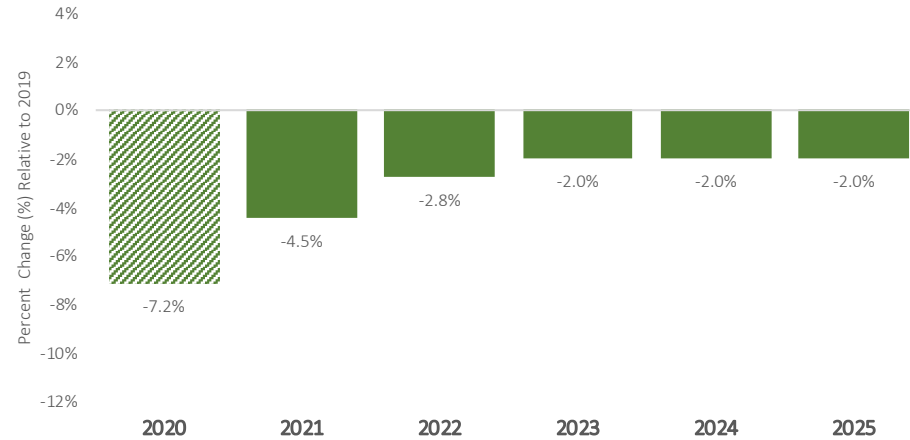
- Midcoast & South ME suffer most severe impacts from pandemic.
- Greater Portland hard hit but fastest to recover.
- Kennebec Valley impact least severe, though smallest change in recovery.
- Aroostook-Washington and Midcoast anticipated struggle most with recovery.

# Regional Forecasts

Northern Maine

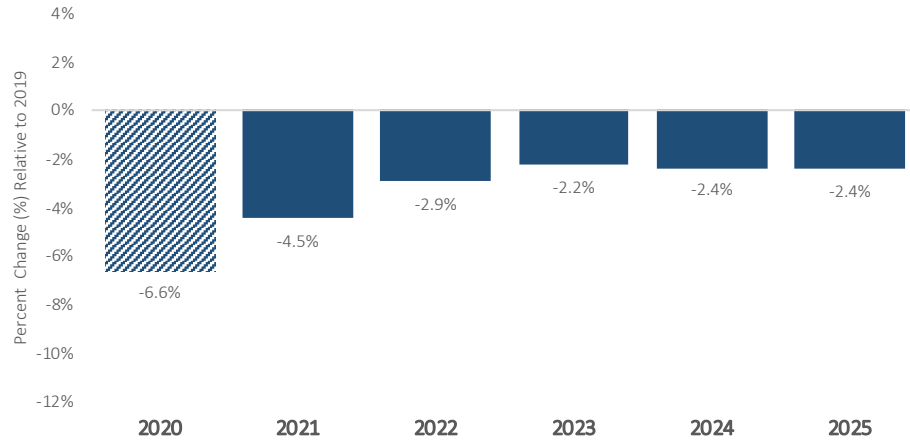


Eastern Maine

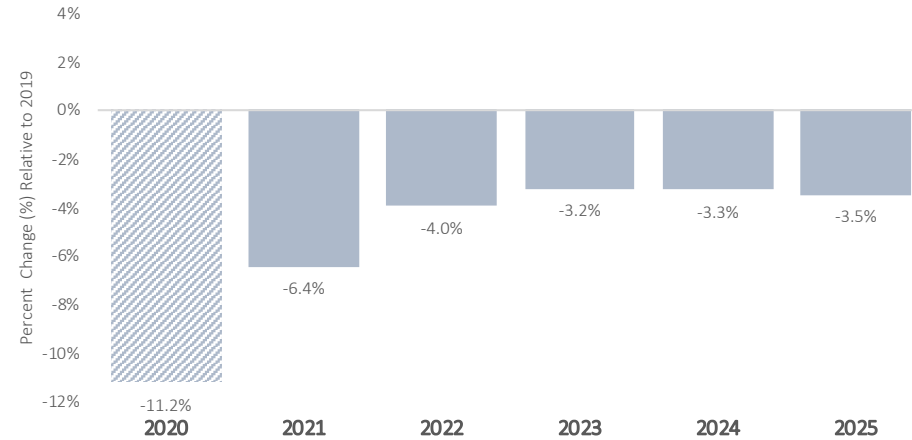


# Regional Forecasts

Kennebec Valley

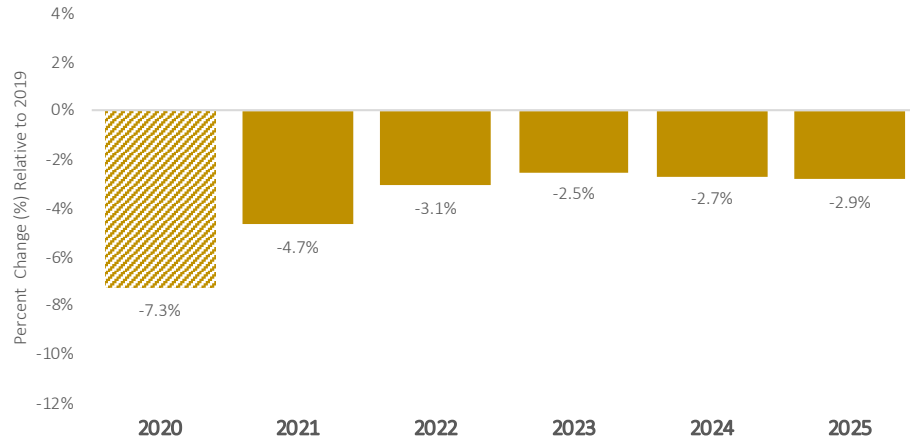


Midcoast

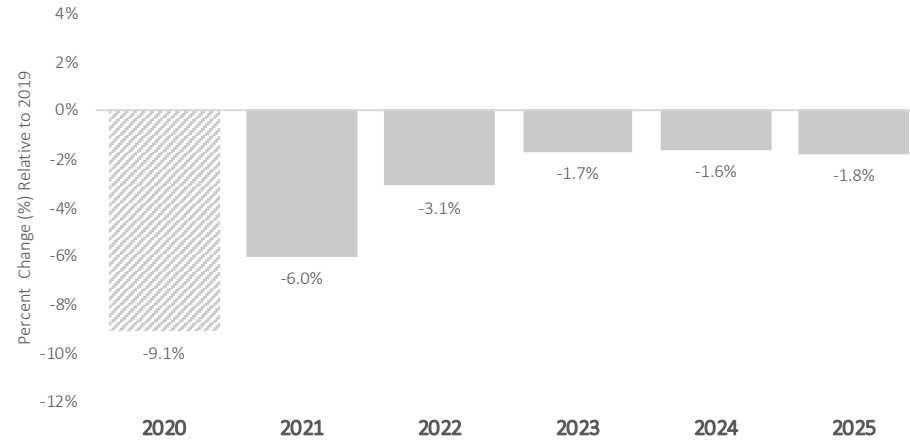


# Regional Forecasts

Androscoggin Valley

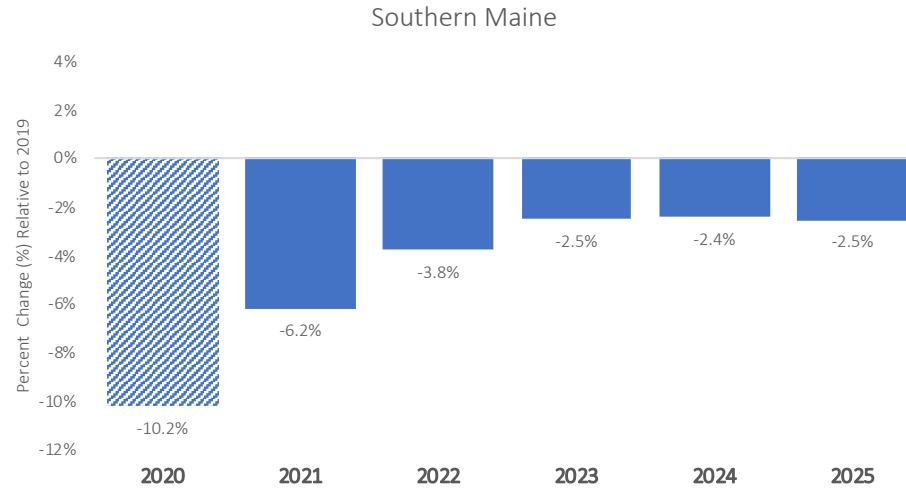


Greater Portland





# Regional Forecasts



# Recovery will hinge on a variety of factors, with both statewide and region specific implications

- + Virus resurgence and necessary public health measures
- + Vaccine widely available by mid-2021.
- + Domestic and international flows resume, no major supply disruptions.
- + Continuation of remote work, industrial/occupational structural shifts
- + Immigration and cross border flows resume.
- + Change in federal administration and policy.
- + On the ground response and recovery activities, infrastructure.

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