

# Demographic and Economic Overview of Maine

Muskie School of Public Service

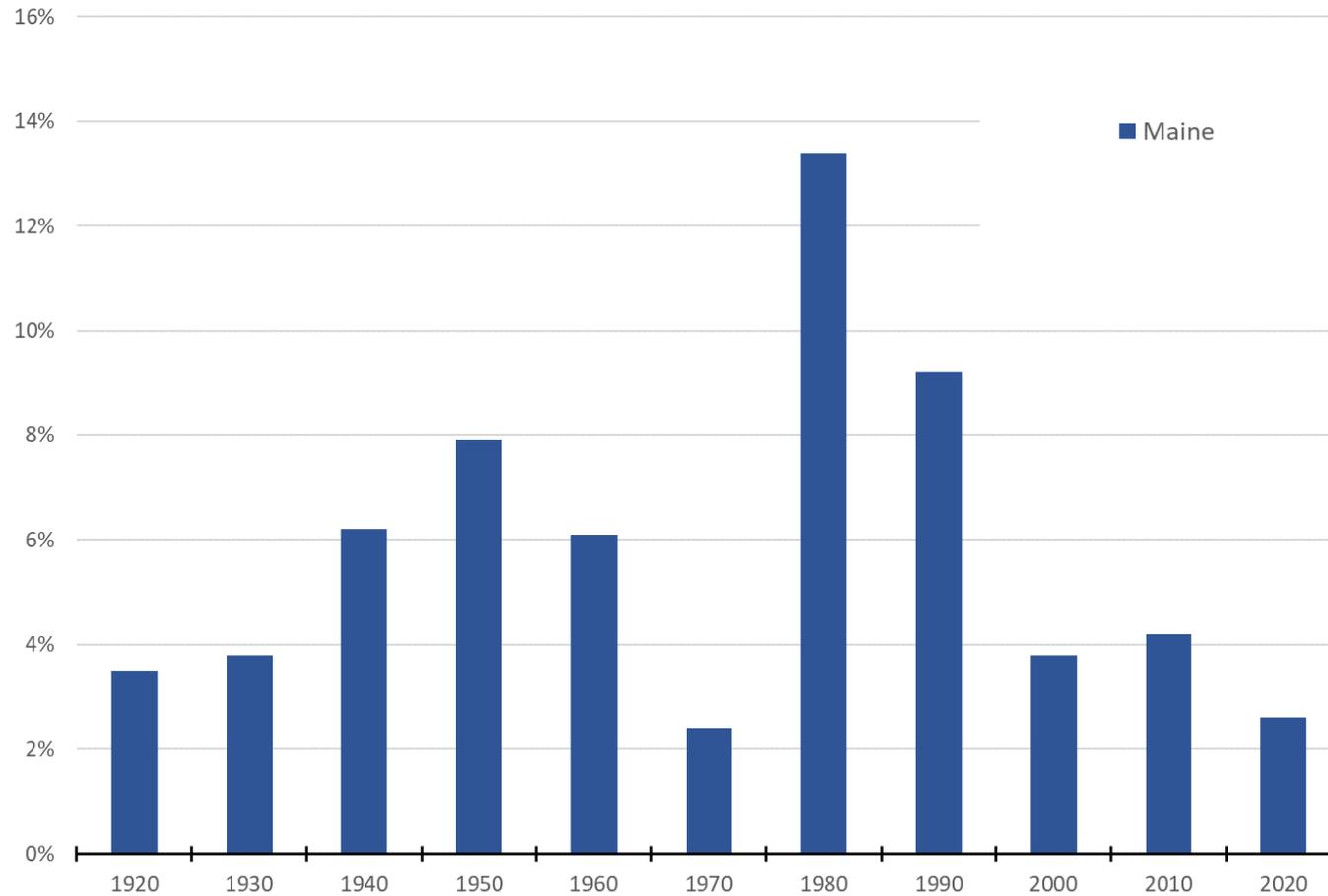
February 12, 2025

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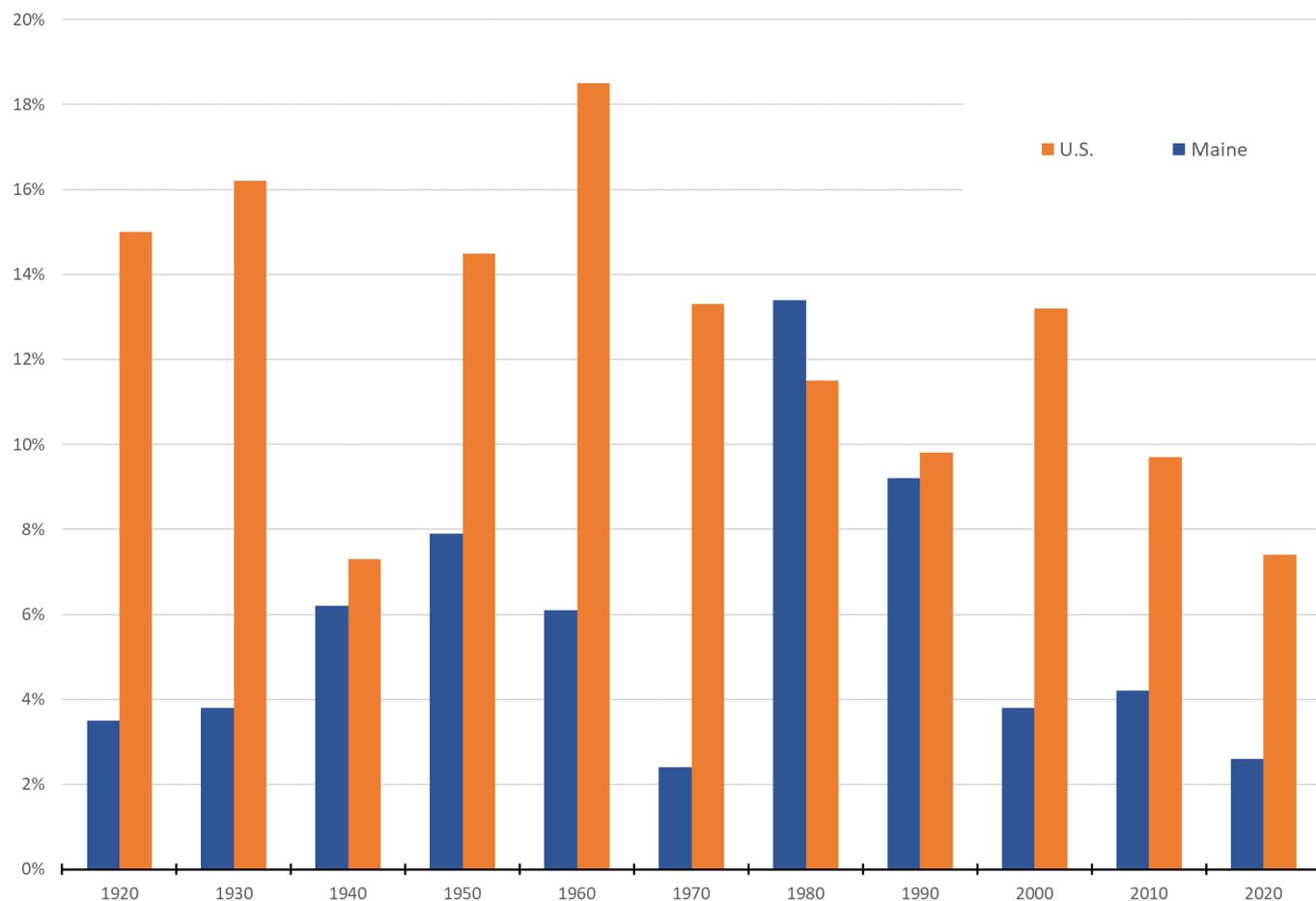
# Population Change

Population Growth from Previous Decade



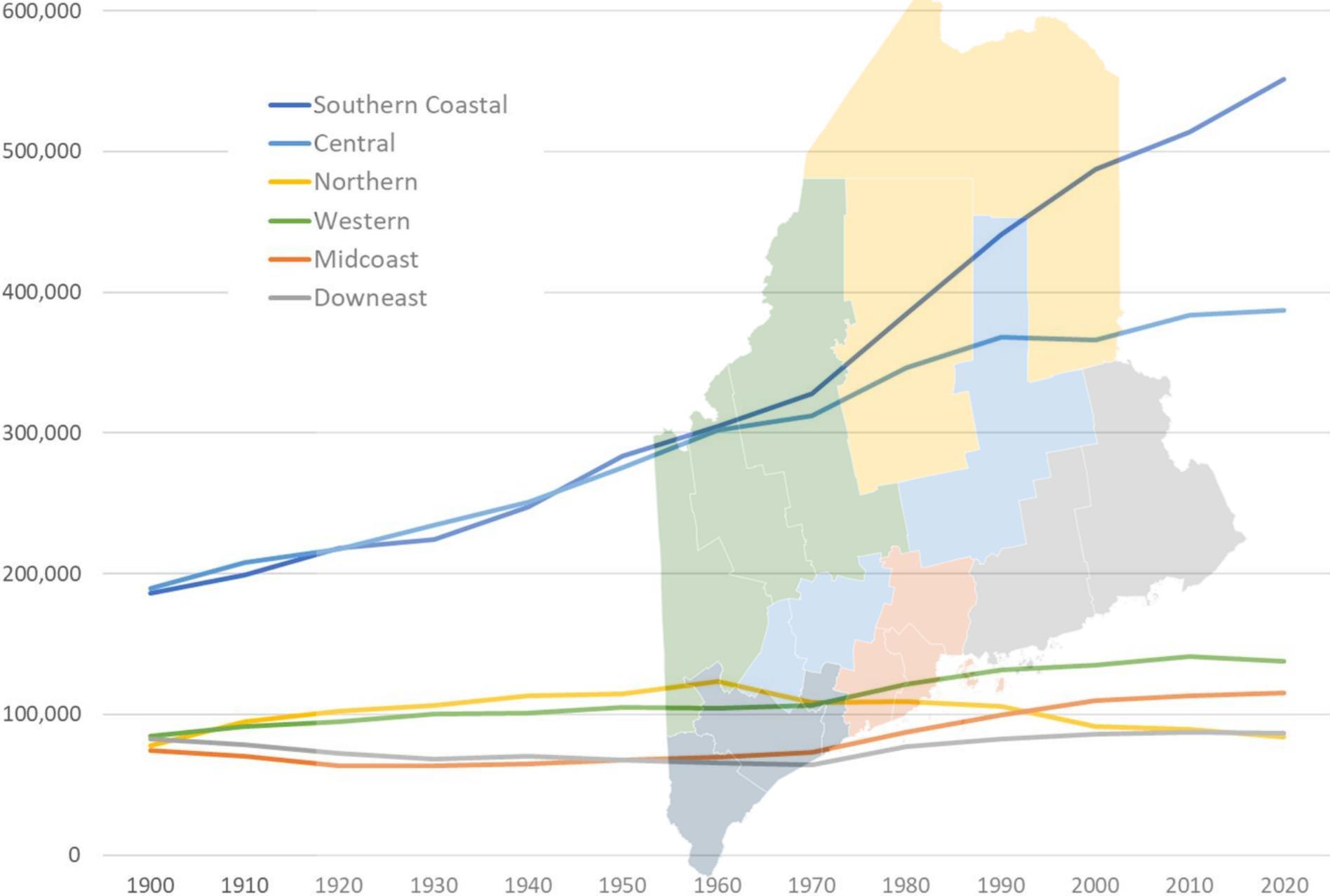
Maine population growth peaked during “back to the land” movement in the 1970s

Population Growth from Previous Decade



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

# Population by Region



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Source: U.S. Census Bureau, Decennial Census

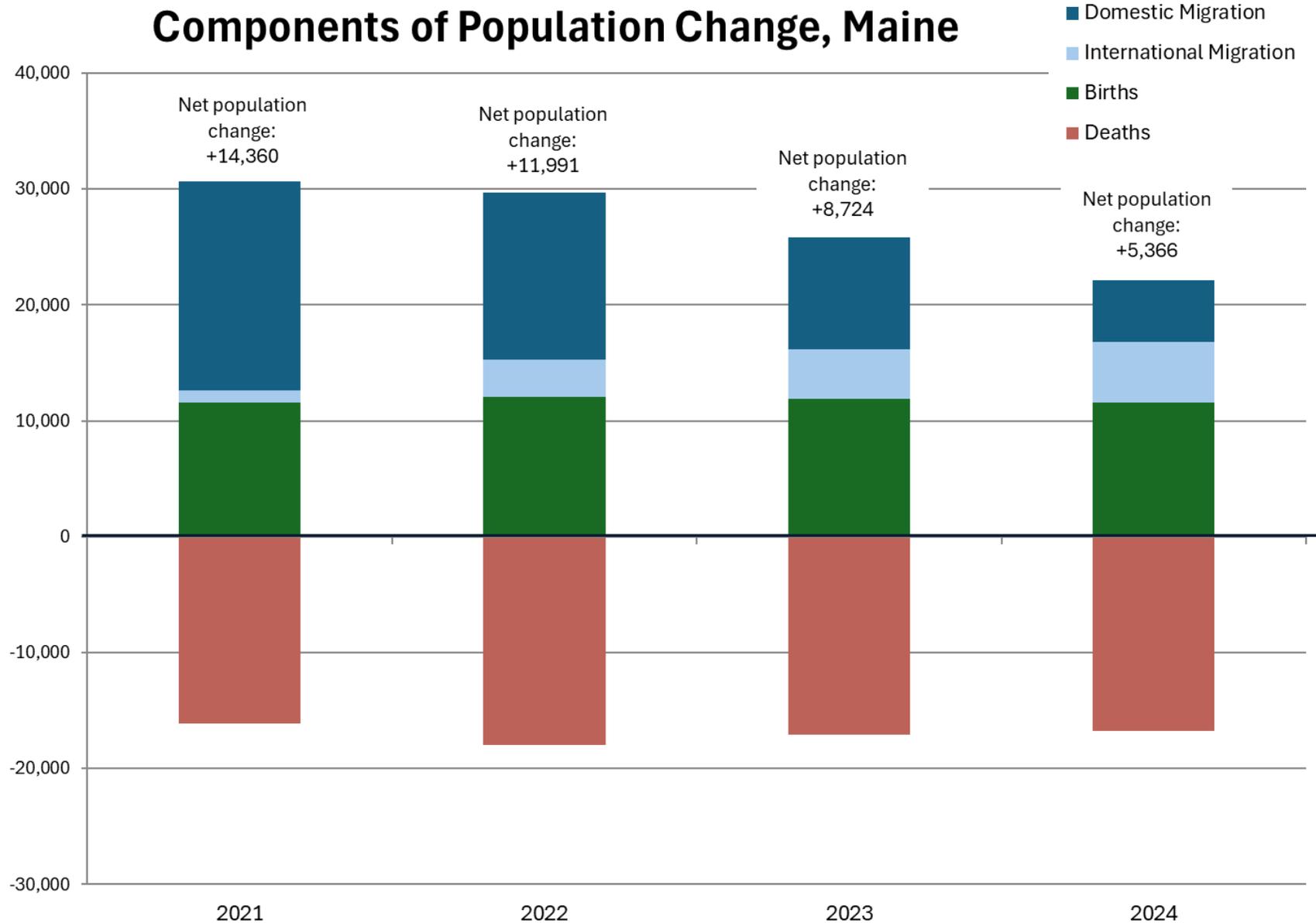


Population increase of 2.6% from 2010-2020 (42<sup>nd</sup> in U.S.)

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

2024 Total Population: 1,405,012

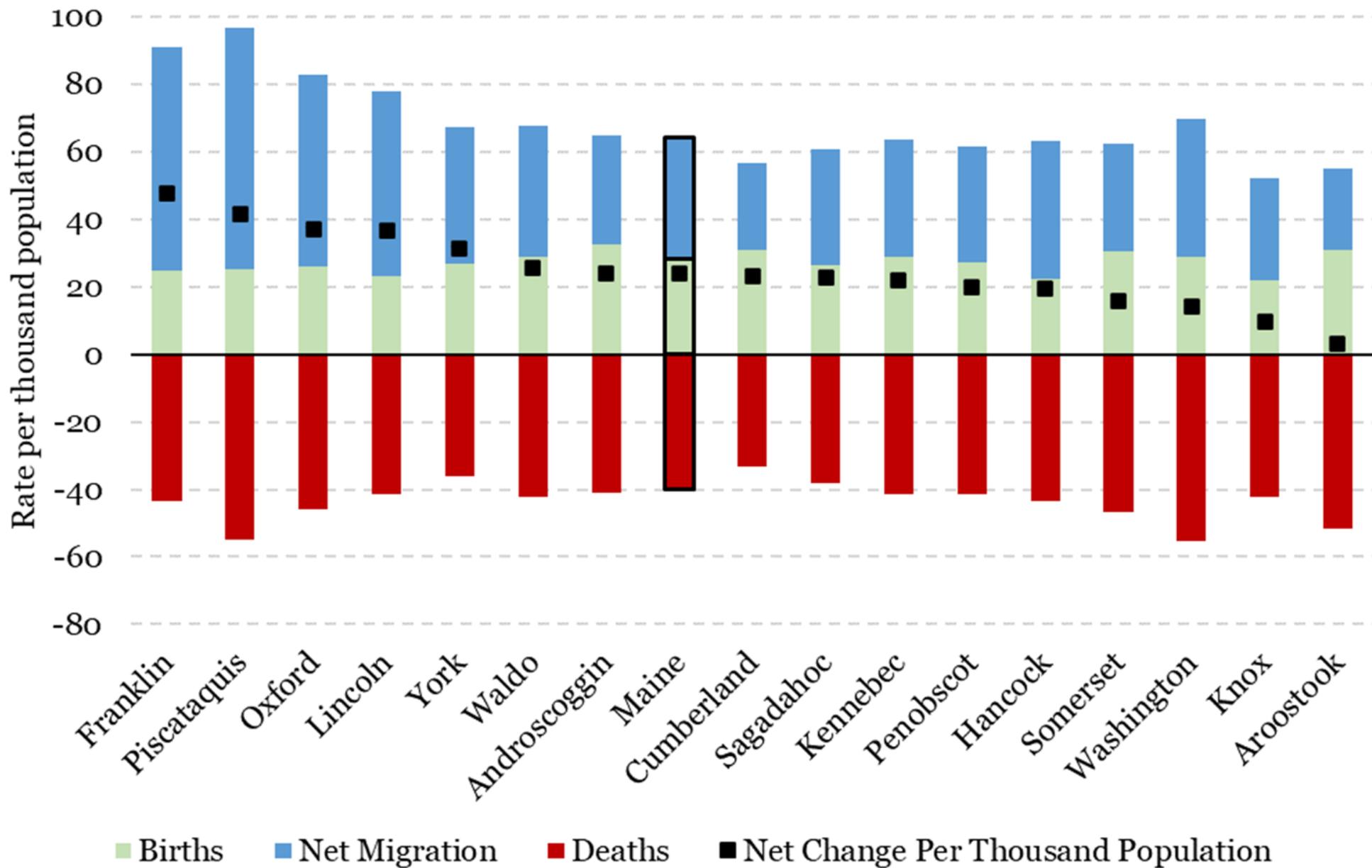
## Components of Population Change, Maine



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

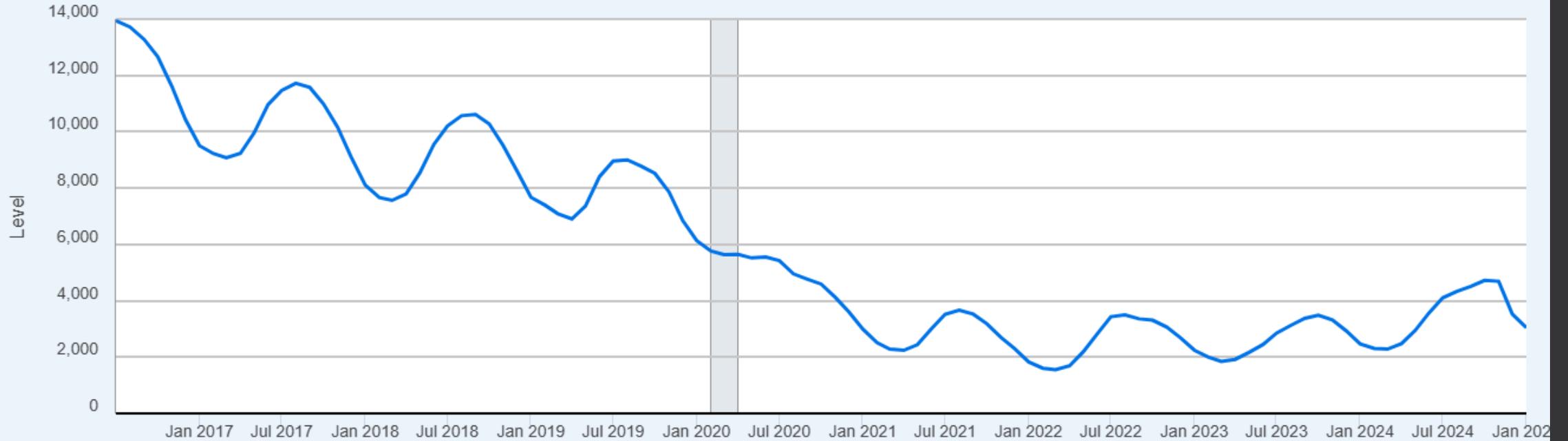
## Components of Population Change in Maine, 4/2020-7/2023 Rate per thousand population



# Housing



Housing Inventory: Active Listing Count in Maine

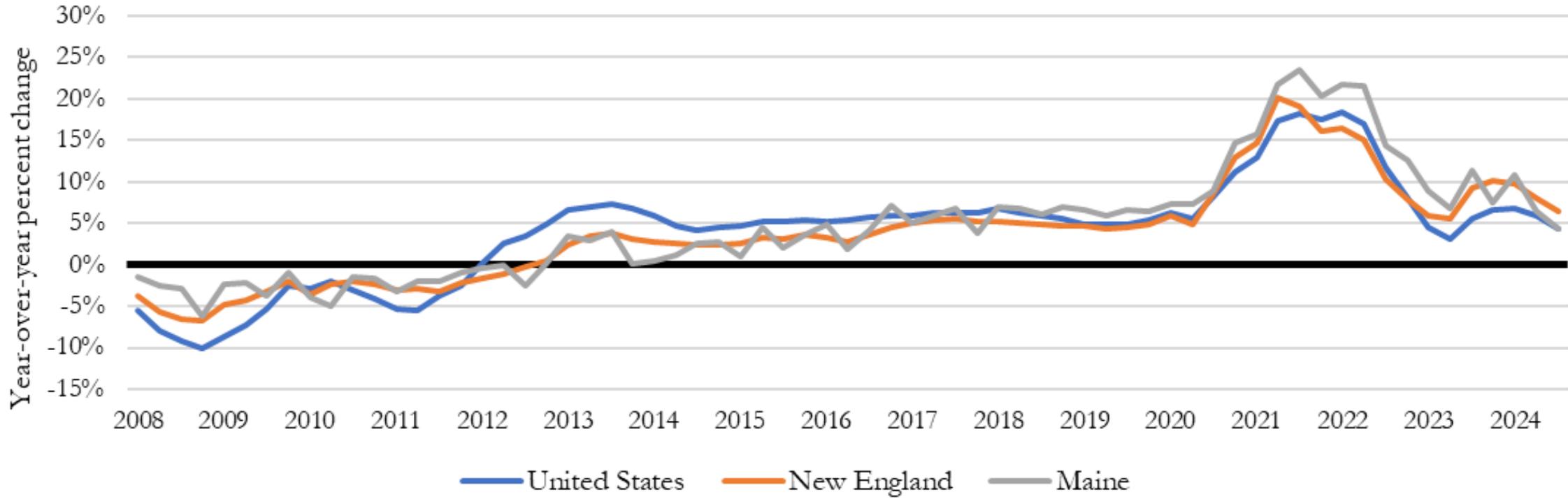


Source: Realtor.com via FRED®  
Shaded areas indicate U.S. recessions.

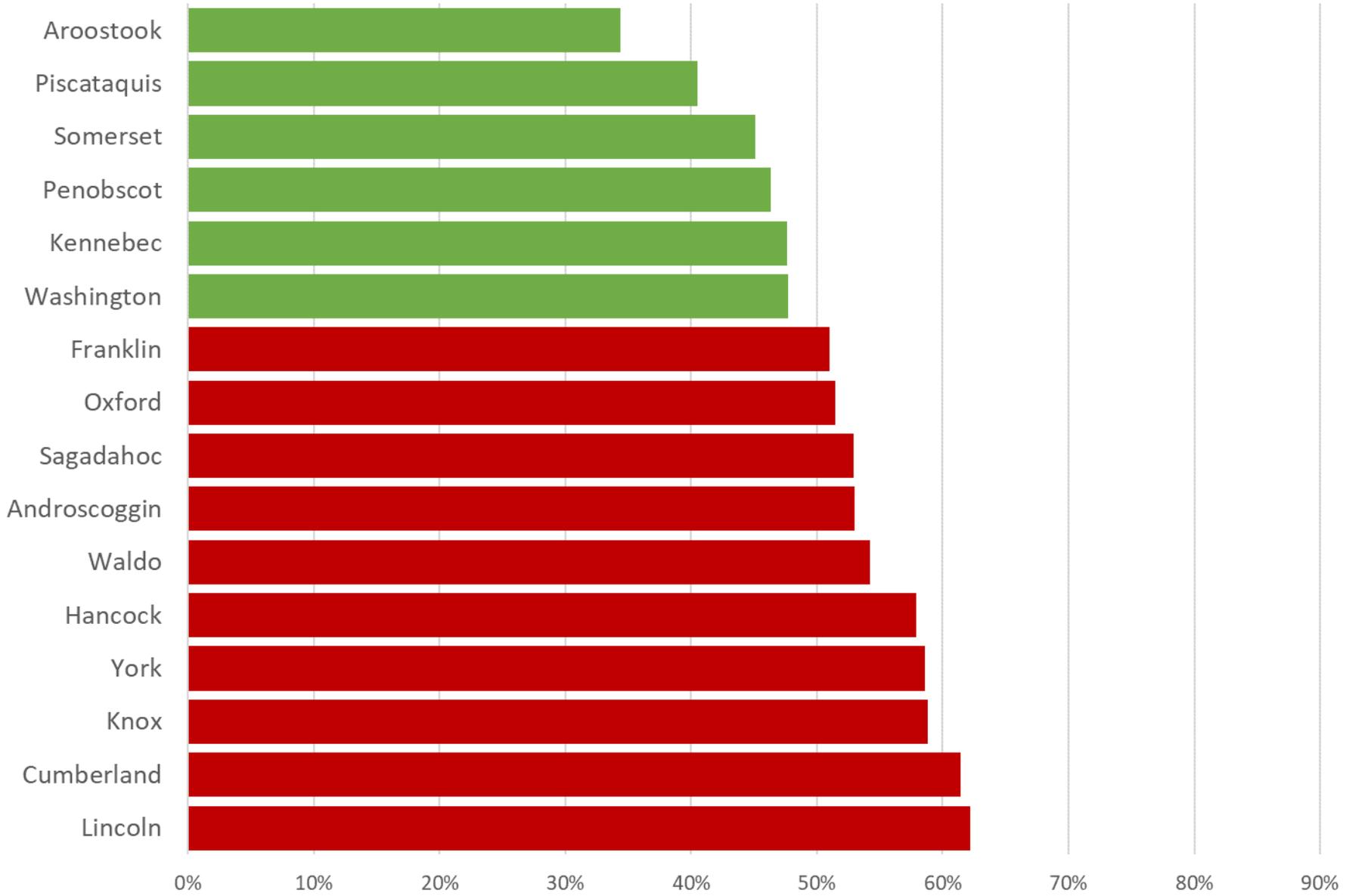
fred.stlouisfed.org

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

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

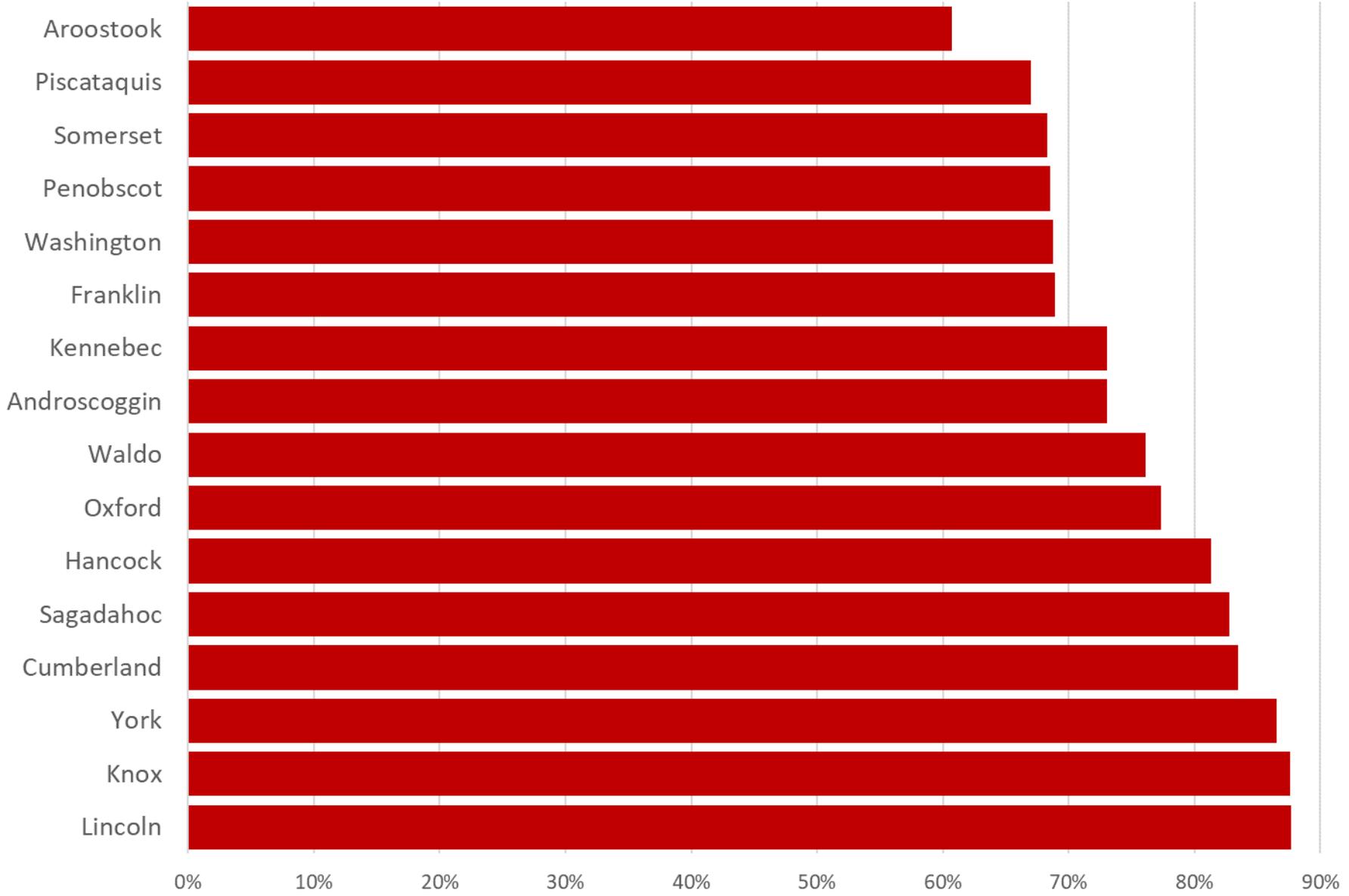


# Percent of Households Unable to Afford Median Home, 2020



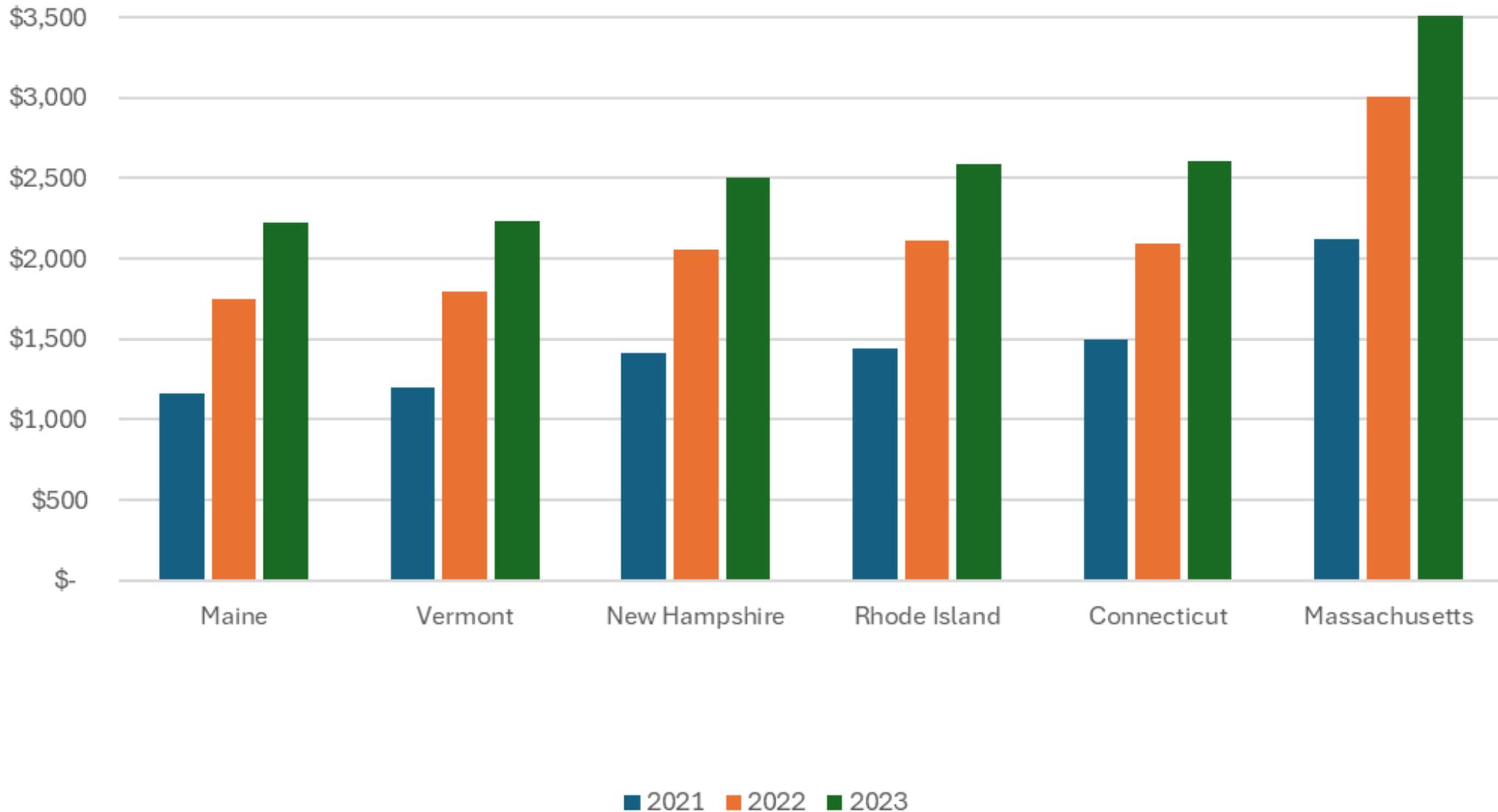
Source: MaineHousing homeownership facts and affordability index

# Percent of Households Unable to Afford Median Home, 2023



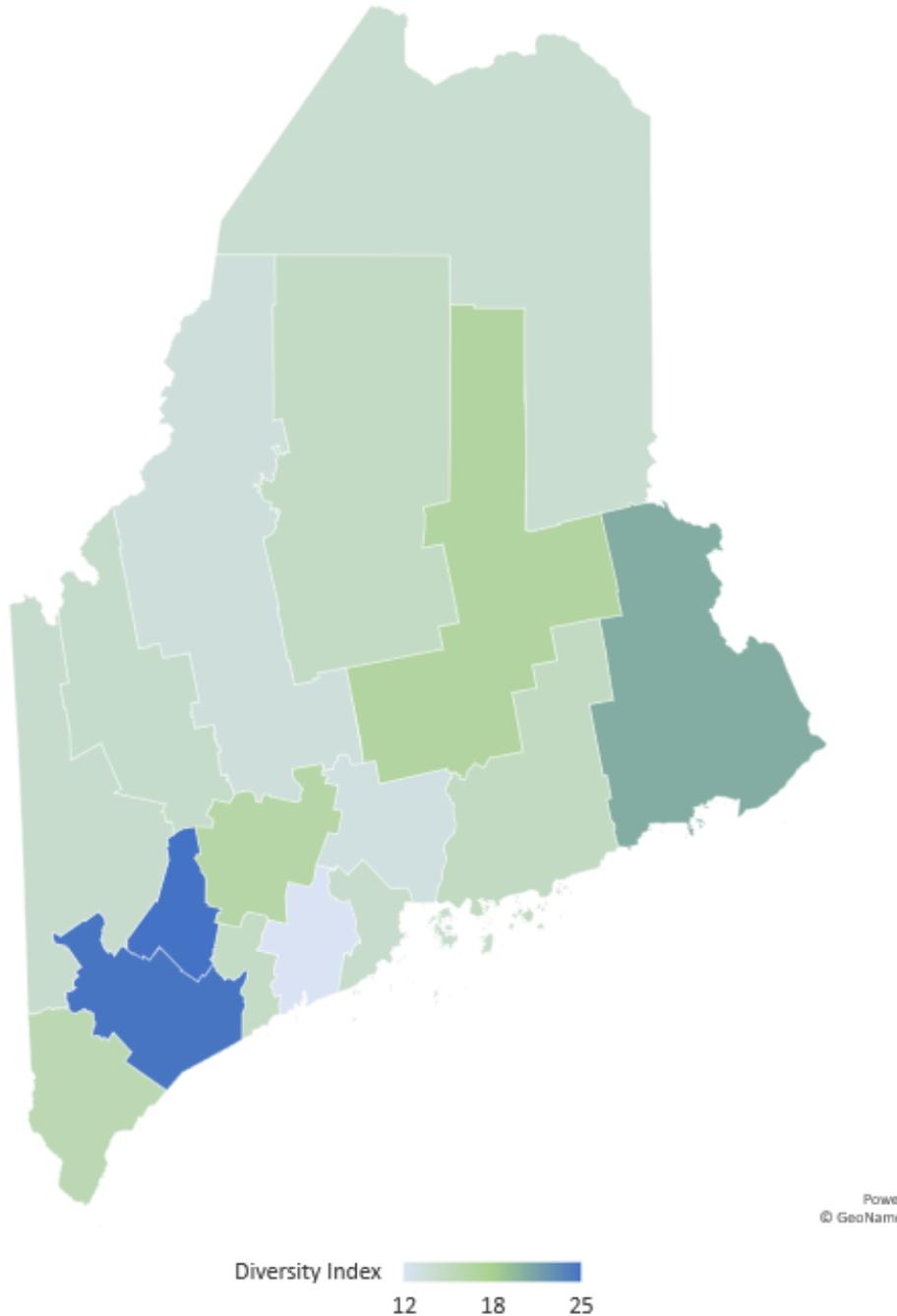
High demand  
+ low supply  
= price increases,  
contributing to  
sharp increase in  
unaffordability

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



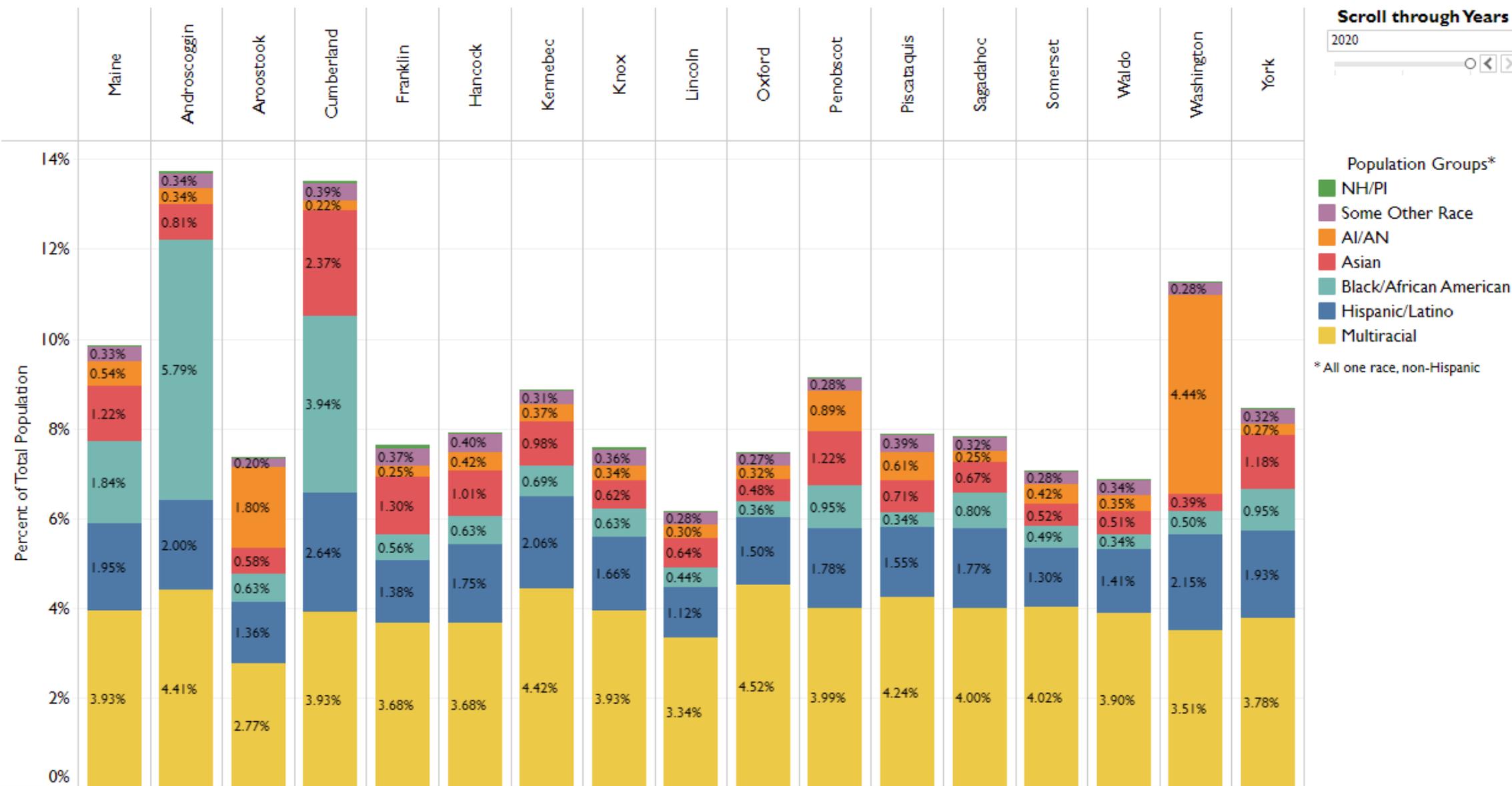
Sources: Moody's Analytics (median sale prices), FRED 30-year fixed rate mortgage rates, weekly (average of all weeks in the year). Assumes 30-year fixed rate mortgage and 10% down payment on a home at the median sales price.

# Demographics



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

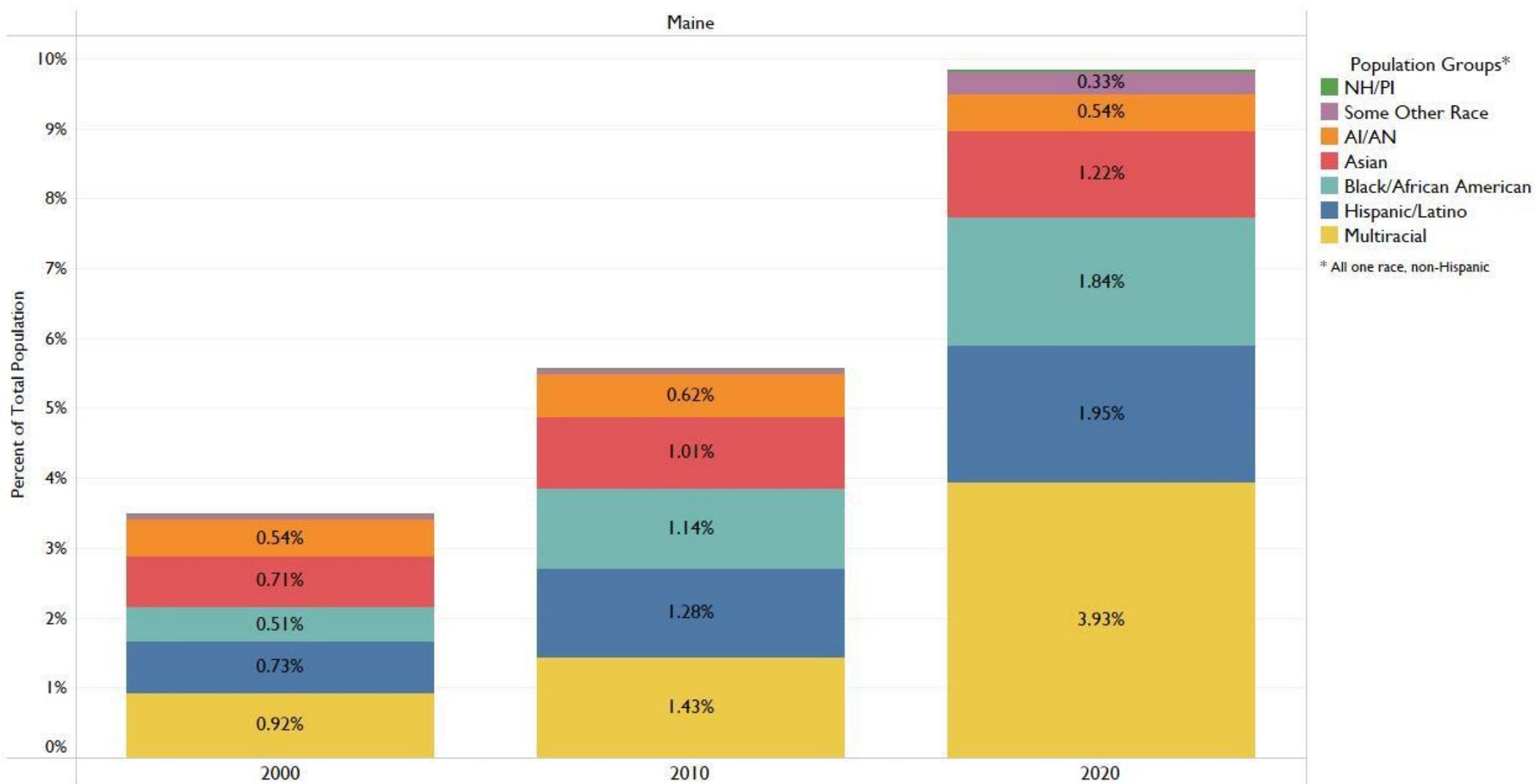
- In 2020, Maine ranked as the least diverse state in the U.S.
  - ME index = 18.5
  - U.S. index = 61.1
- But there is regional variation: Cumberland, Androscoggin, and Washington counties are more diverse



Source: U.S. Census Bureau

# Share of Total Population by Population Group | Maine

Data source: 2000, 2010, and 2020 U.S. Decennial Census

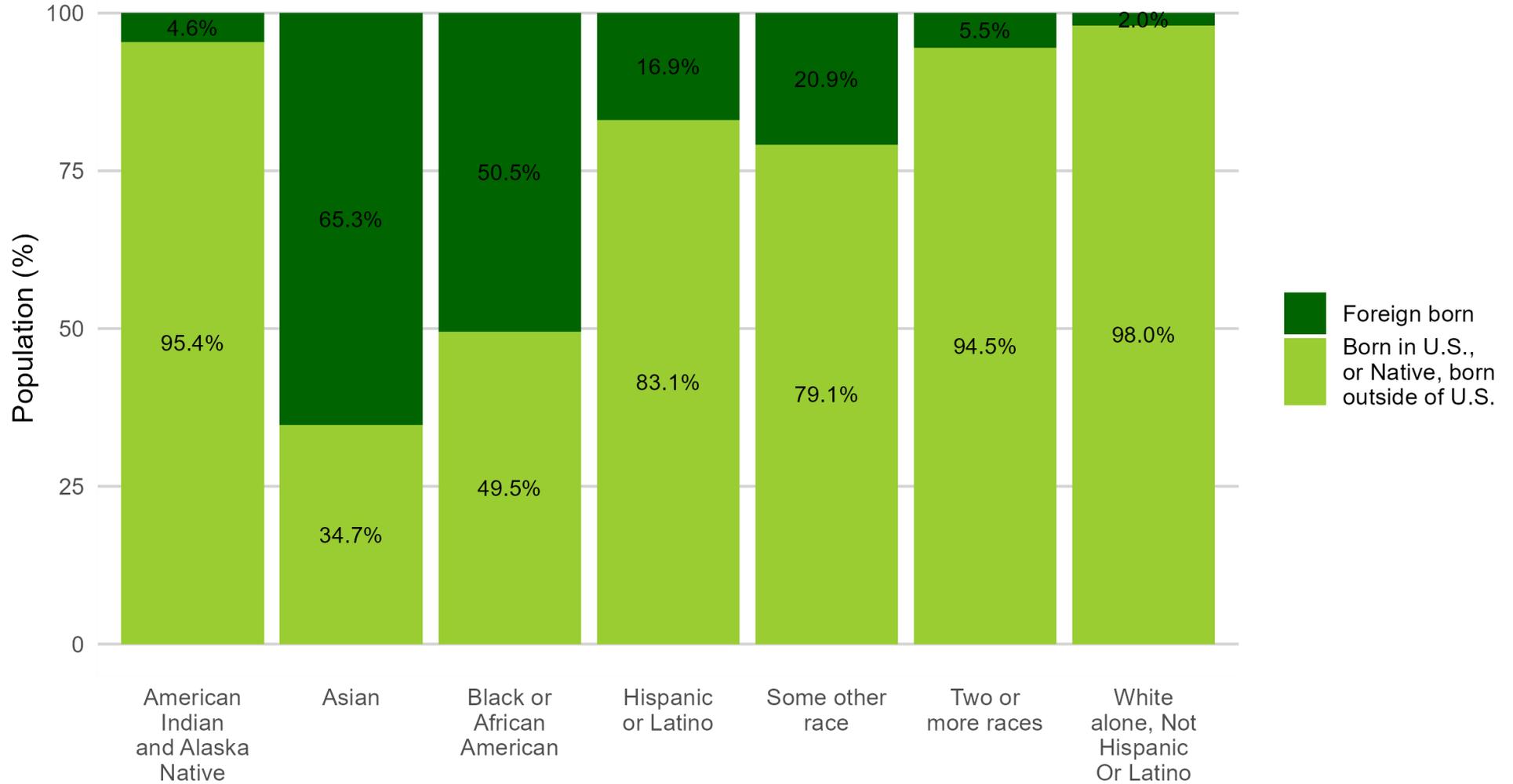


Note: Bars with less than 0.10% are not labeled for clarity and the White population is excluded from this figure because it comprises over 90% of the population.

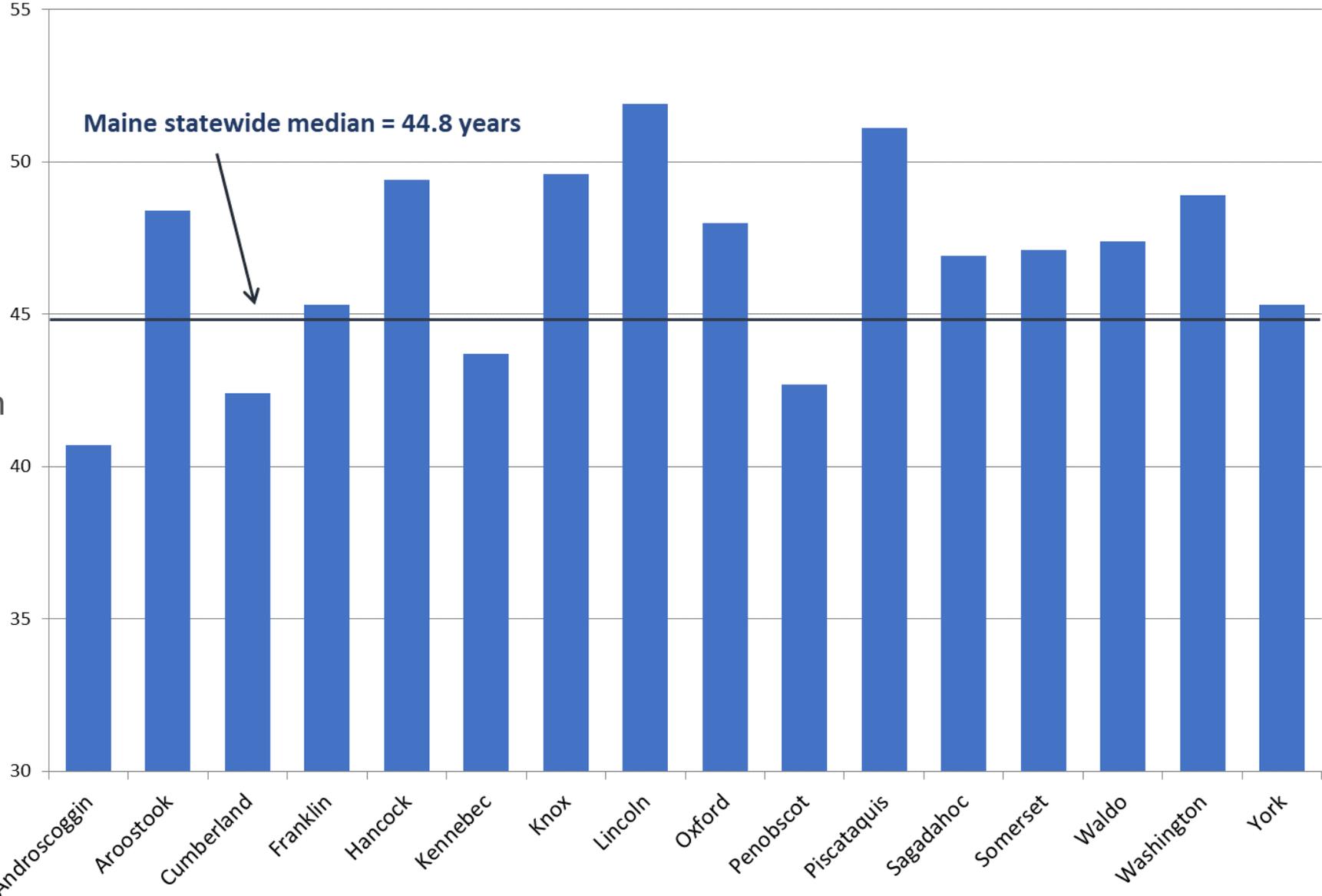
# Share of Maine Population by Region of Birth by Race/Ethnicity, 2023

Foreign born statewide, 3.8%

Race and/or ethnicity is not the same as place of birth



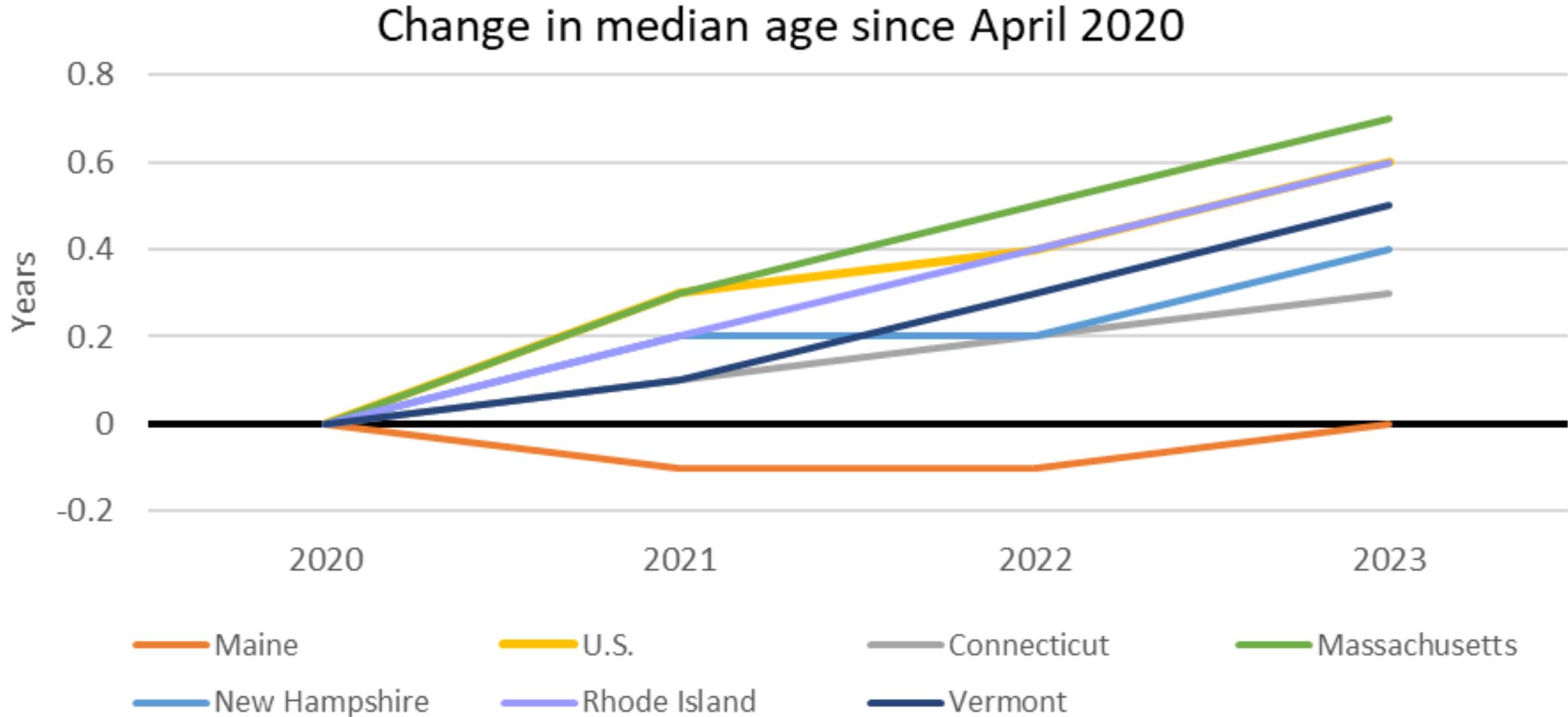
# Median Age



Maine has the oldest population...  
...by median age (44.8 years)  
...and by % of population age 65+ (23.0%)

## Migration has made a difference

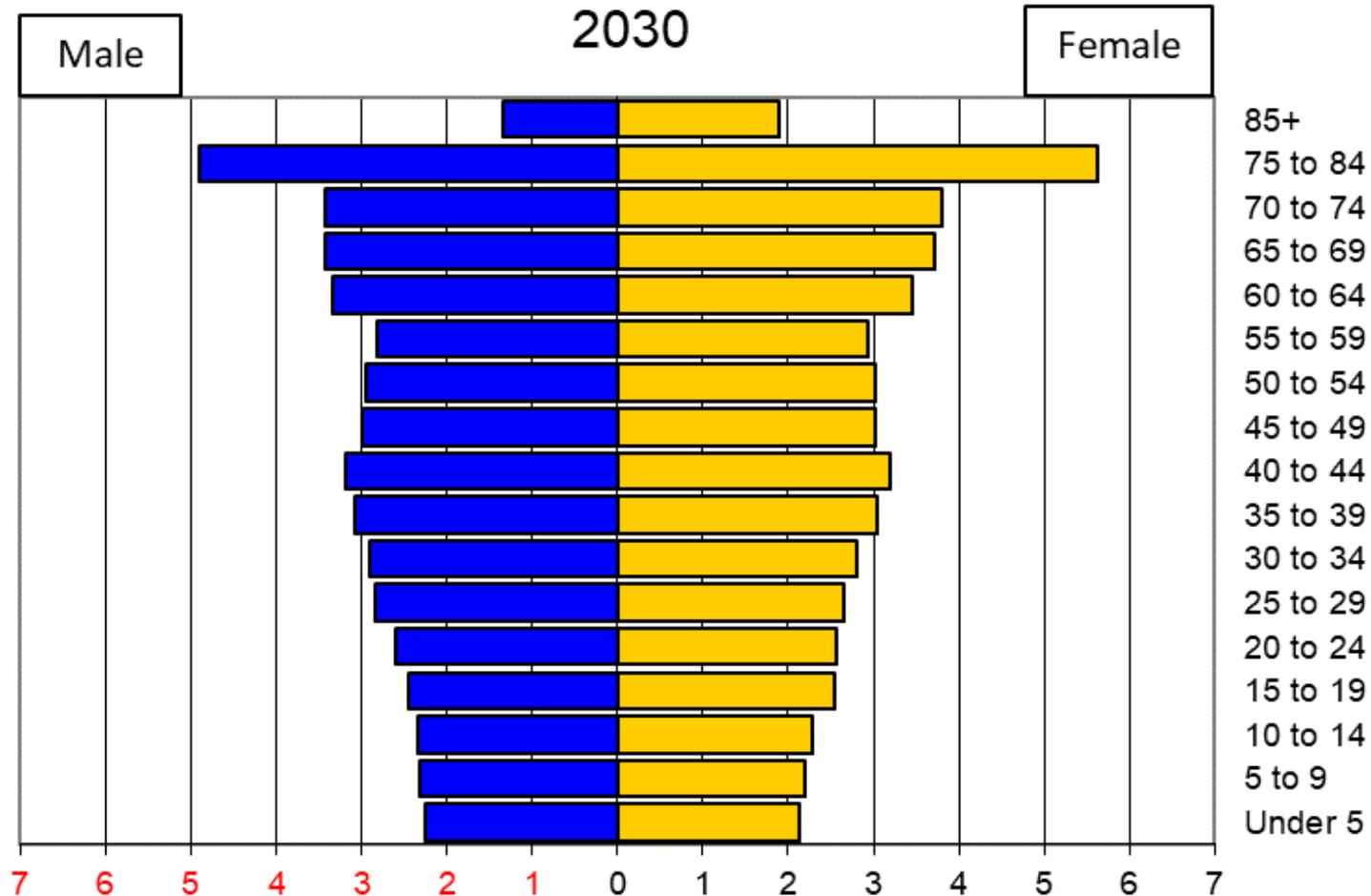
Maine's median age in 2023 is unchanged from 2020, while the U.S. median age has increased 0.6 years



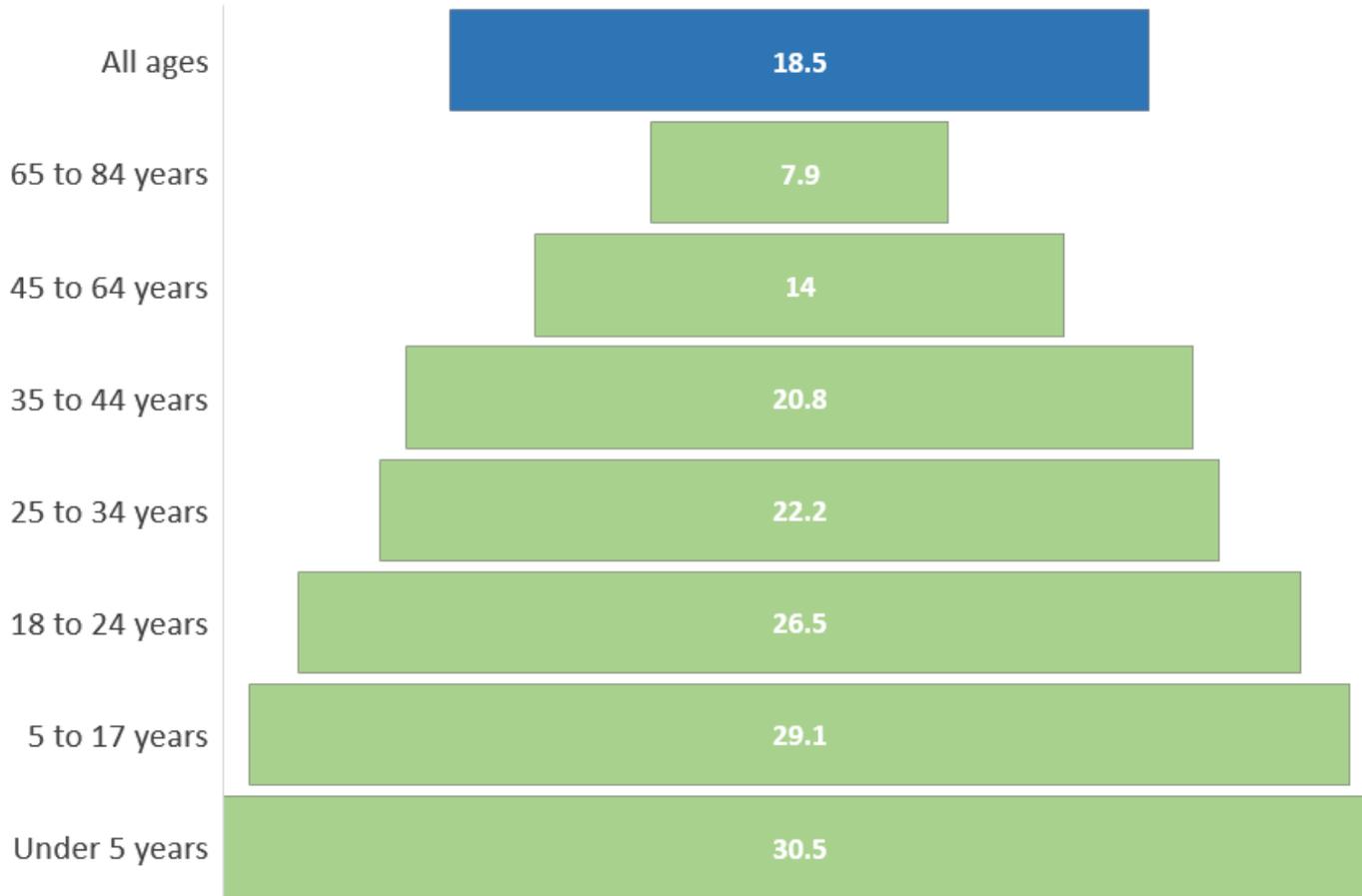
# The Baby Boom: 1946-1964

Baby Boom generation in 2030: age 66-84

Baby Boom generation in 2023: age 59-77



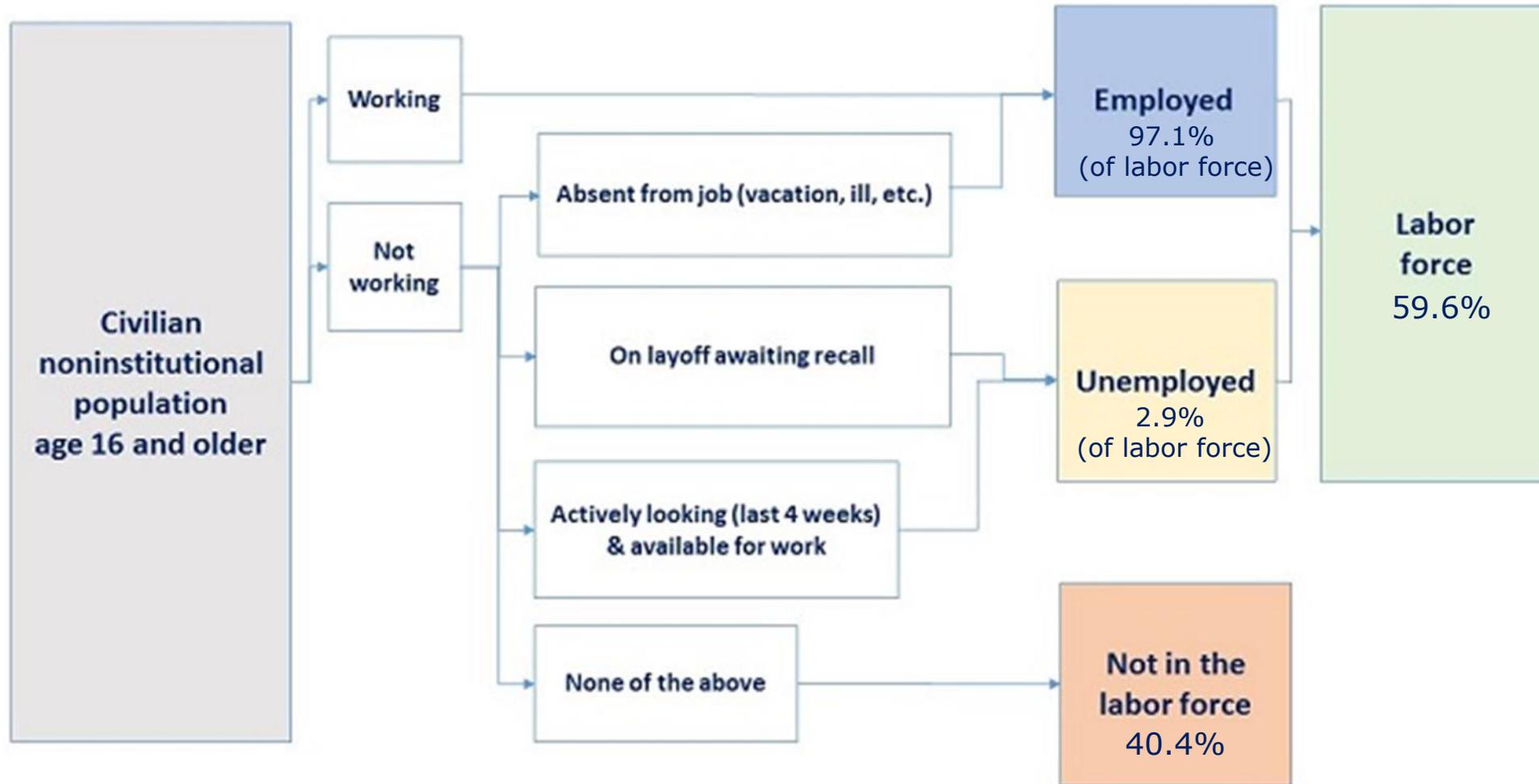
Diversity Index in Maine, 2020: Selected Age Groups



Younger generations in Maine are more diverse than older generations

# Workforce and Employment

# Who is in the labor force?



# 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

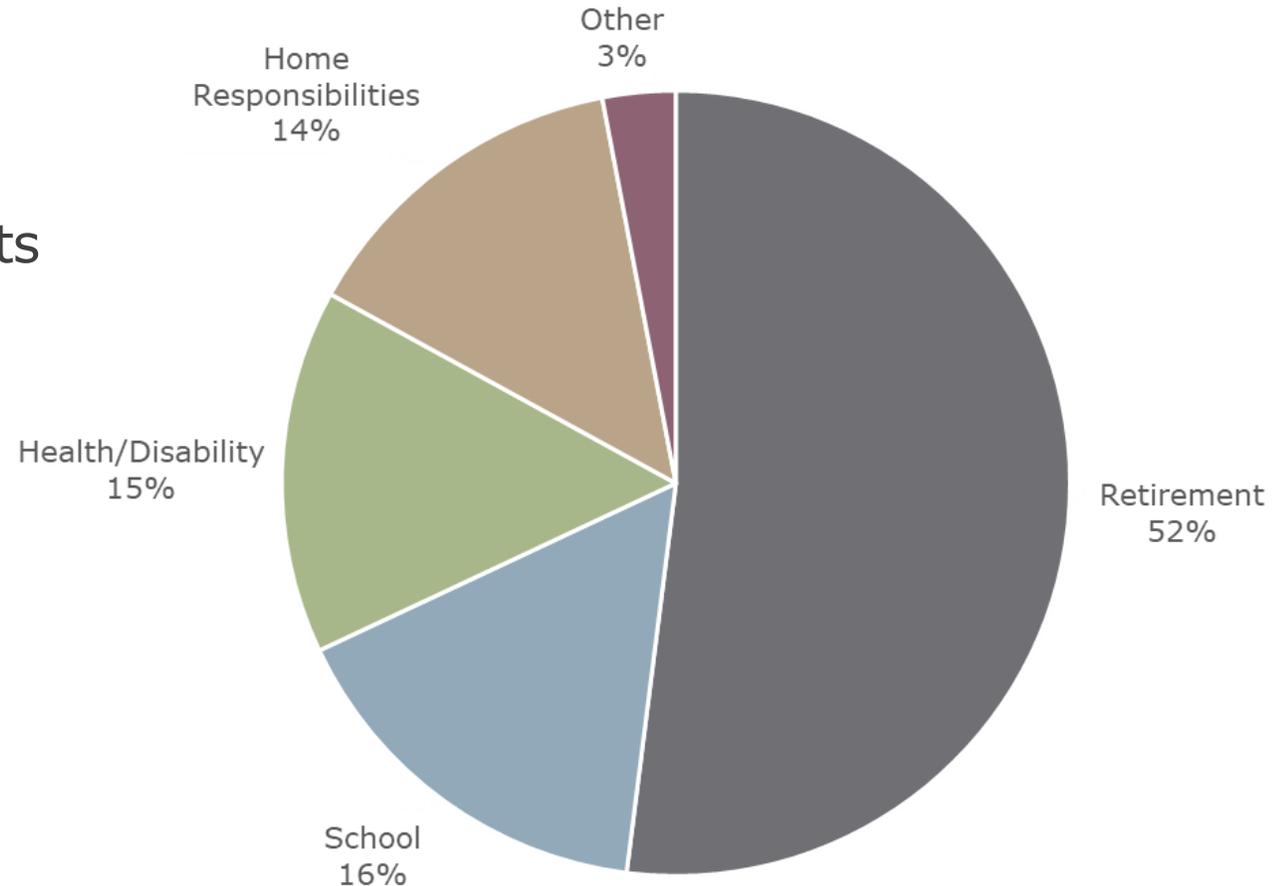
School attendance

Health/disability

Home responsibilities

Other reasons

Share of Nonparticipants by Reason, 2022



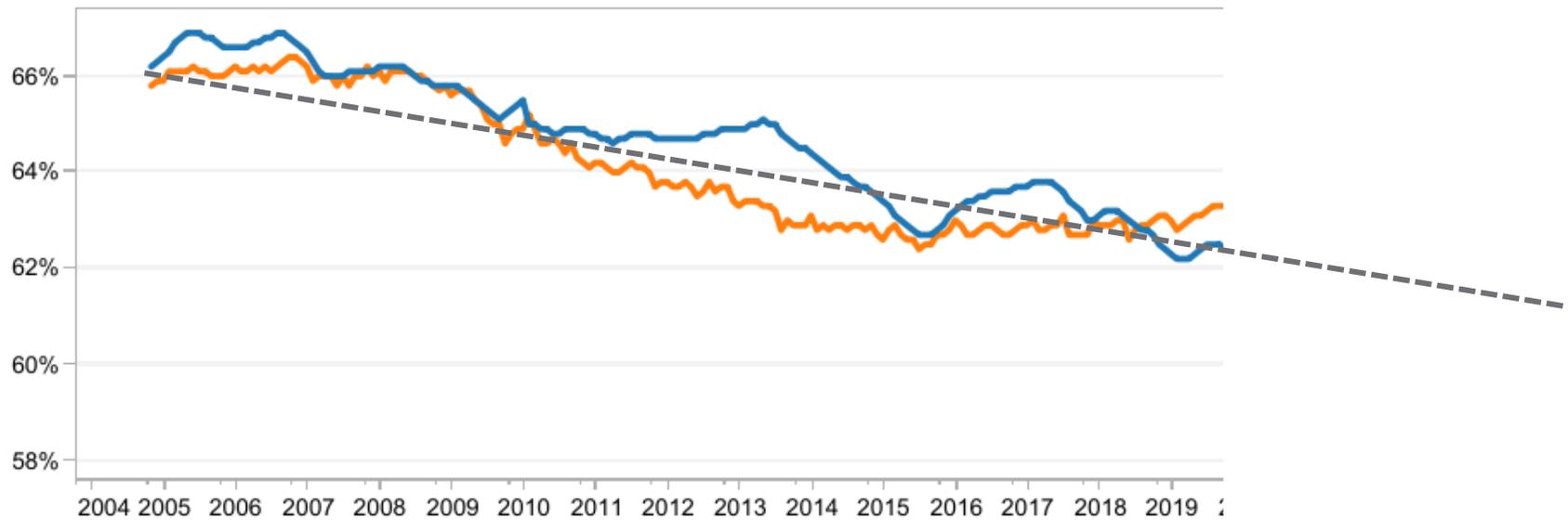
# Maine Civilian Labor Force



Labor force has started to trend down as Baby Boomers move into traditional retirement ages

Rapid growth reflected:  
- Baby Boomers aging into prime working years;  
- Migration (mostly of Baby Boomers) into Maine; and  
- Women joining the labor force in larger numbers

### Labor Force Participation Rate (seasonally adjusted)

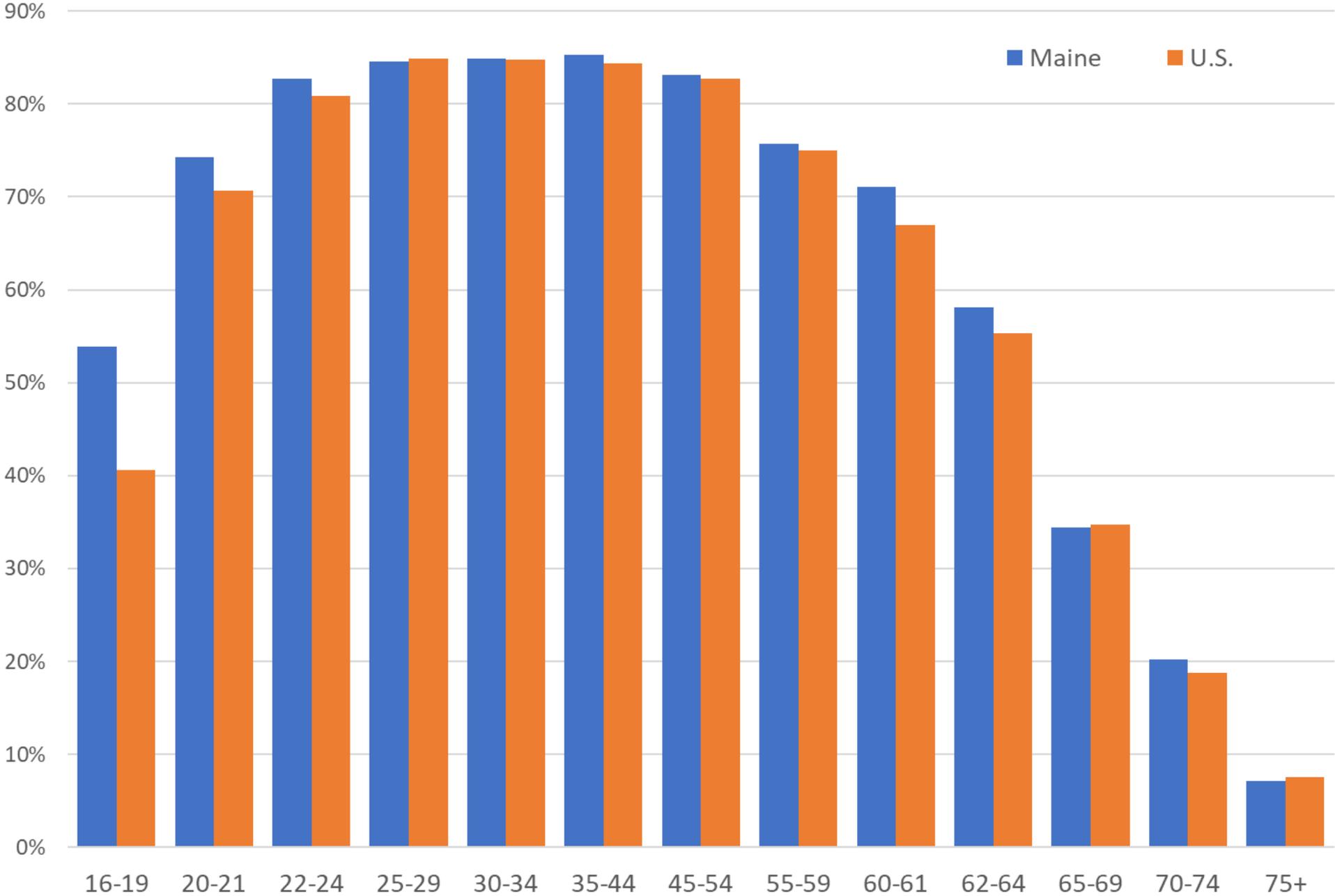


Dec, 2004 to Dec, 2024

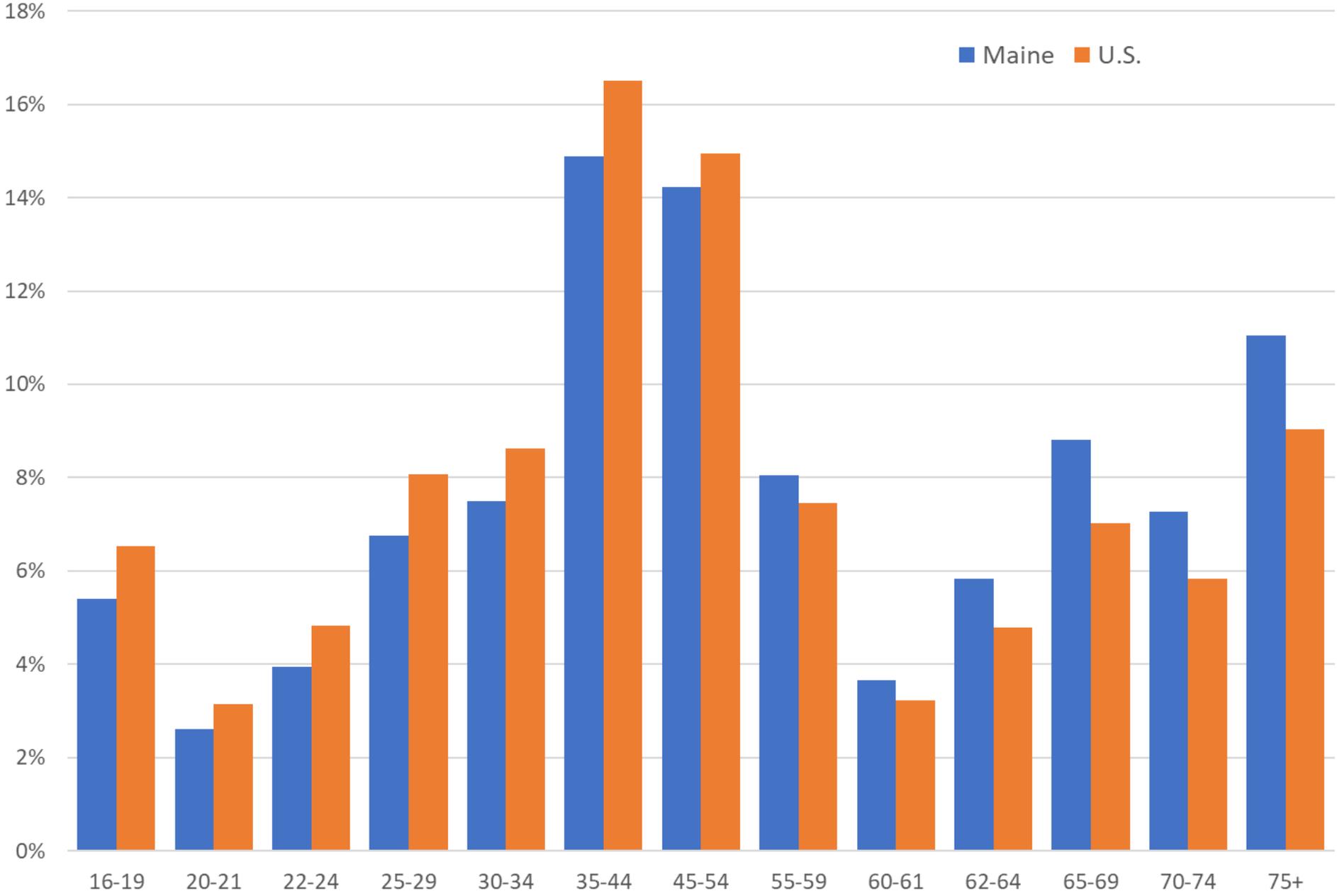
- Unemployment Rate
- Labor Force & Employment
- Unemployment
- Labor Force Participation Rate
- Employment to Population Ratio

■ Maine  
■ United States

# 2023 Labor Force Participation Rate



# Share of 16+ Population by Age, 2023



## County Rates (not seasonally adjusted)

December, 2024

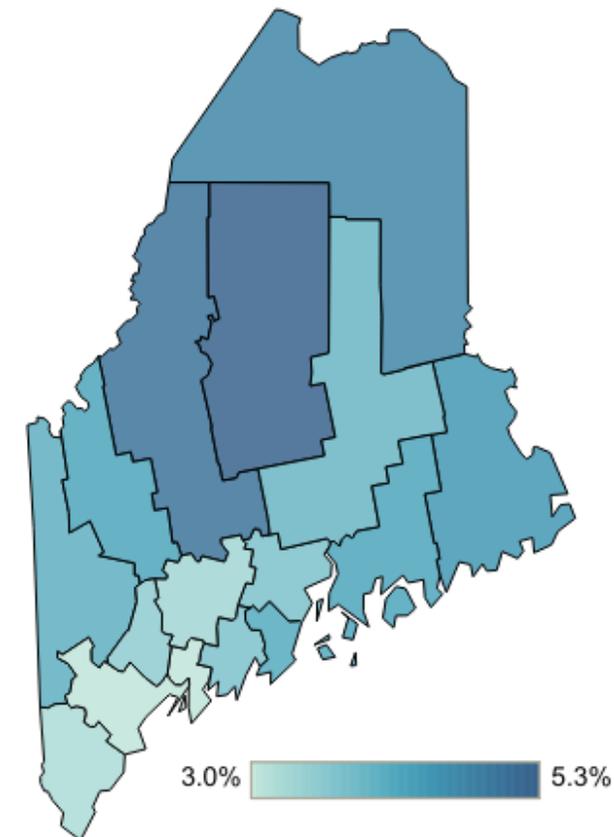
- Table
- Graph

### Map/Graph Display

- Unemployment rate
- One-year change

County	Rate	Year ago	One-yr change	
Maine	3.6%	3.5%	0.1	↑
Androscoggin	3.5%	3.5%	0.0	—
Aroostook	4.7%	4.9%	-0.2	↓
Cumberland	3.0%	2.9%	0.1	↑
Franklin	4.2%	4.3%	-0.1	↓
Hancock	4.2%	4.6%	-0.4	↓
Kennebec	3.3%	3.2%	0.1	↑
Knox	4.1%	3.8%	0.3	↑
Lincoln	3.7%	3.7%	0.0	—
Oxford	4.0%	3.8%	0.2	↑
Penobscot	3.9%	3.8%	0.1	↑
Piscataquis	5.3%	5.1%	0.2	↑
Sagadahoc	3.0%	2.8%	0.2	↑
Somerset	5.0%	5.0%	0.0	—
Waldo	3.7%	3.8%	-0.1	↓
Washington	4.4%	4.8%	-0.4	↓
York	3.2%	3.2%	0.0	—

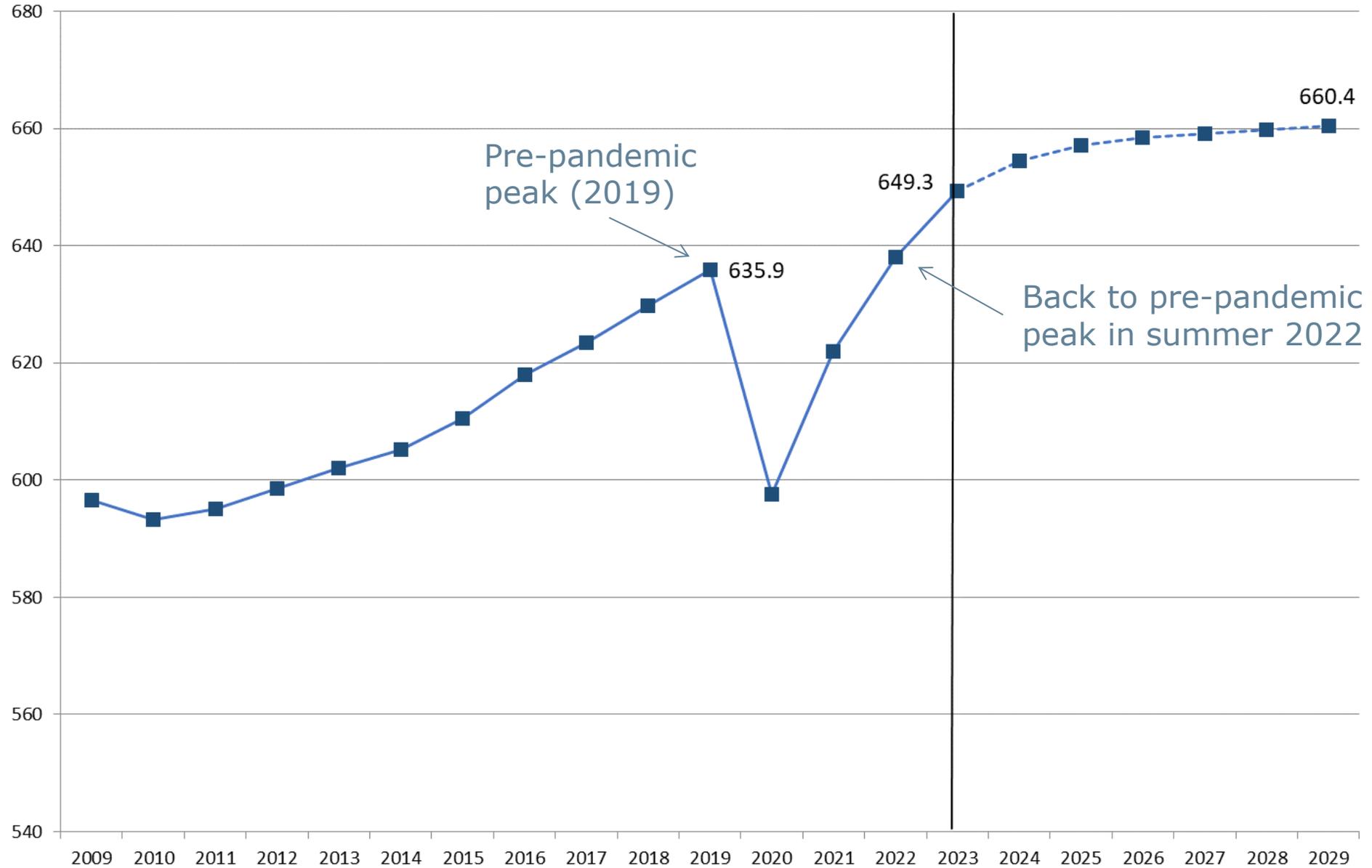
## Unemployment rate



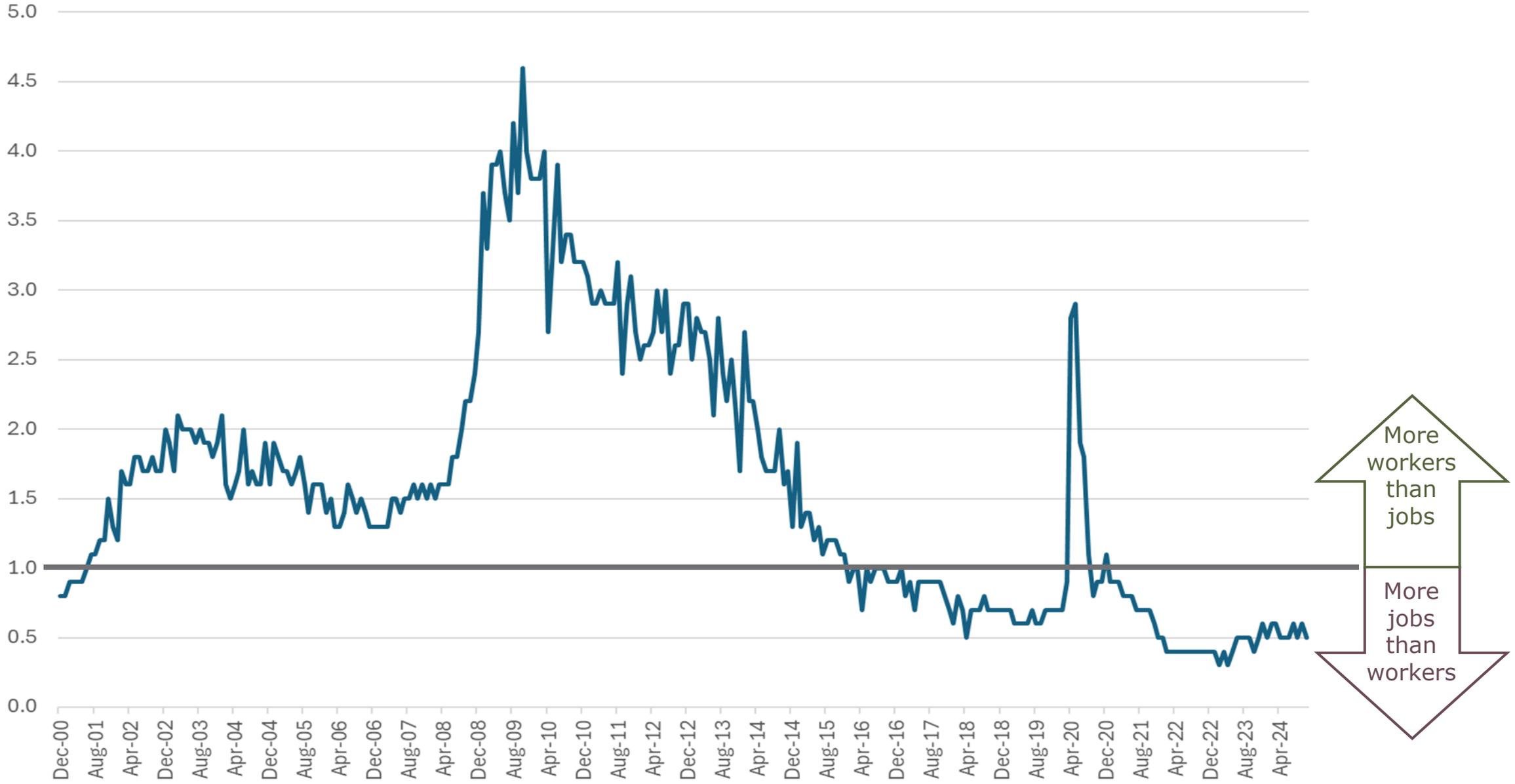
Maine Department of Labor, Center for Workforce Research and Information

Maine's seasonally-adjusted 3.2% unemployment rate in December 2024 is below both the U.S. and New England rates

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



# Unemployed Persons per Job Opening Ratio - Maine



# How do we find enough workforce in the future?

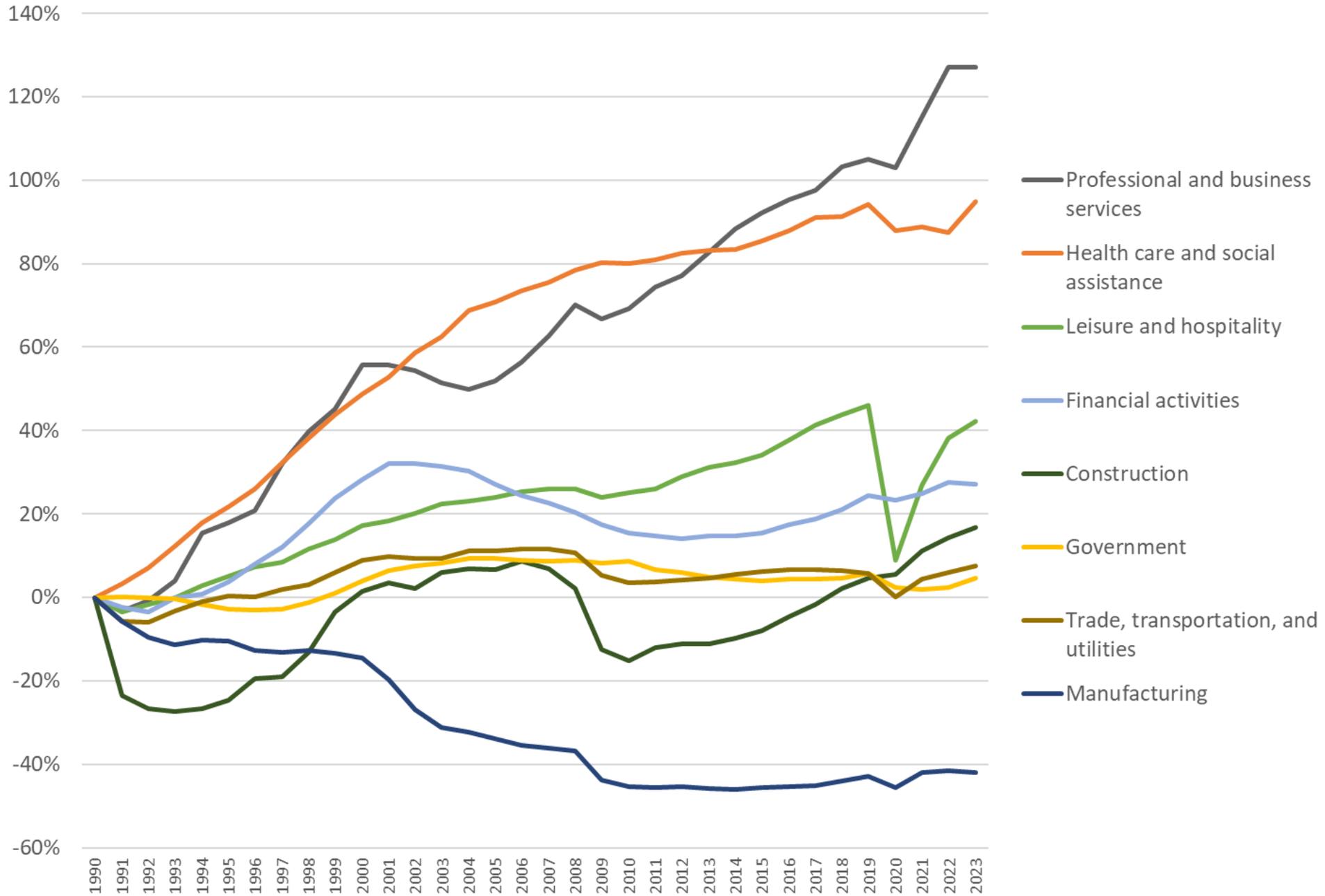
Migration: continue to attract workers to Maine; housing is currently a constraint

Retirements: find creative ways to keep older adults engaged in the workforce

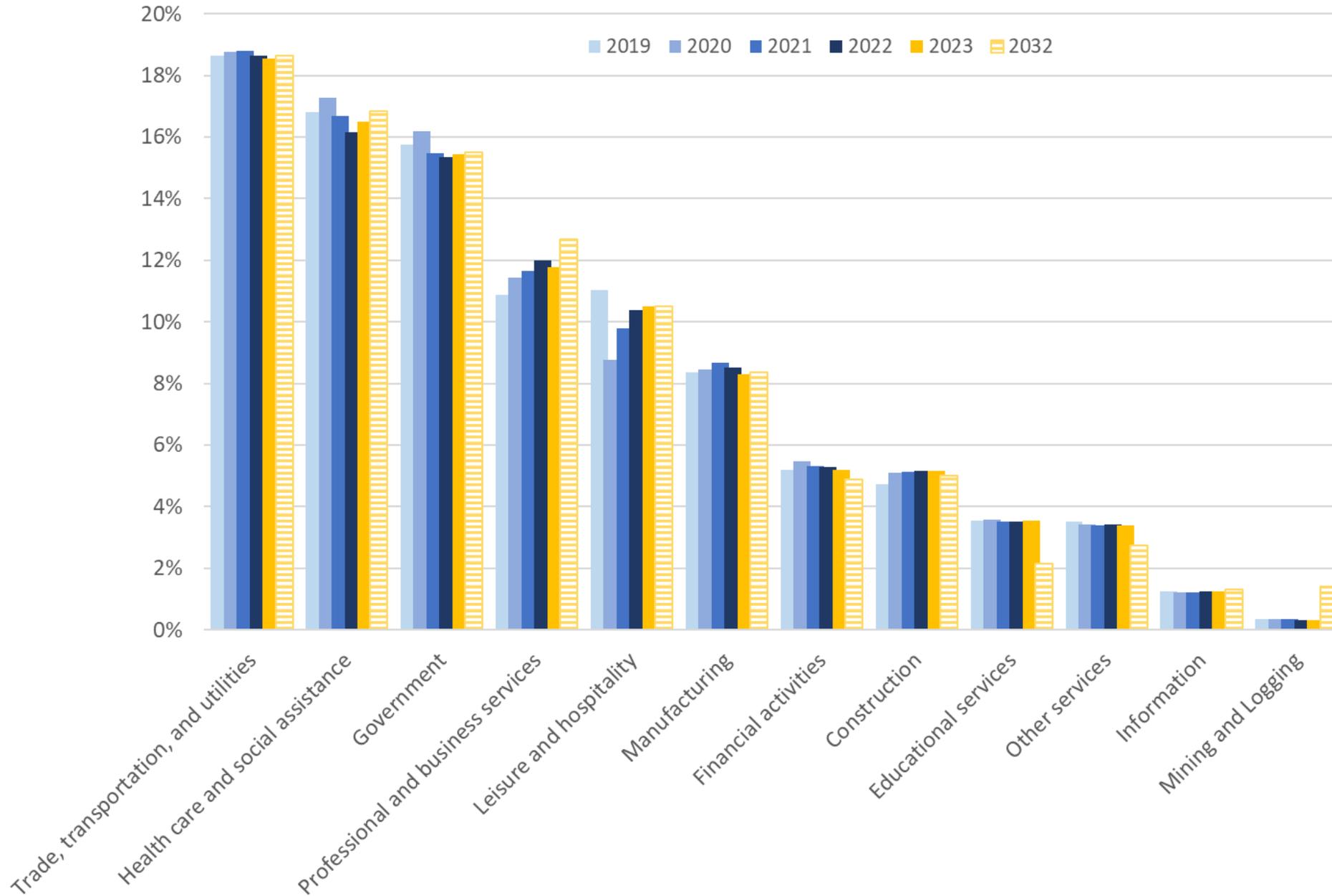
Labor Force Participation: remove roadblocks for historically underemployed populations

Automation: use technology to substitute for labor

## Percent change in select Maine employment sectors since 1990

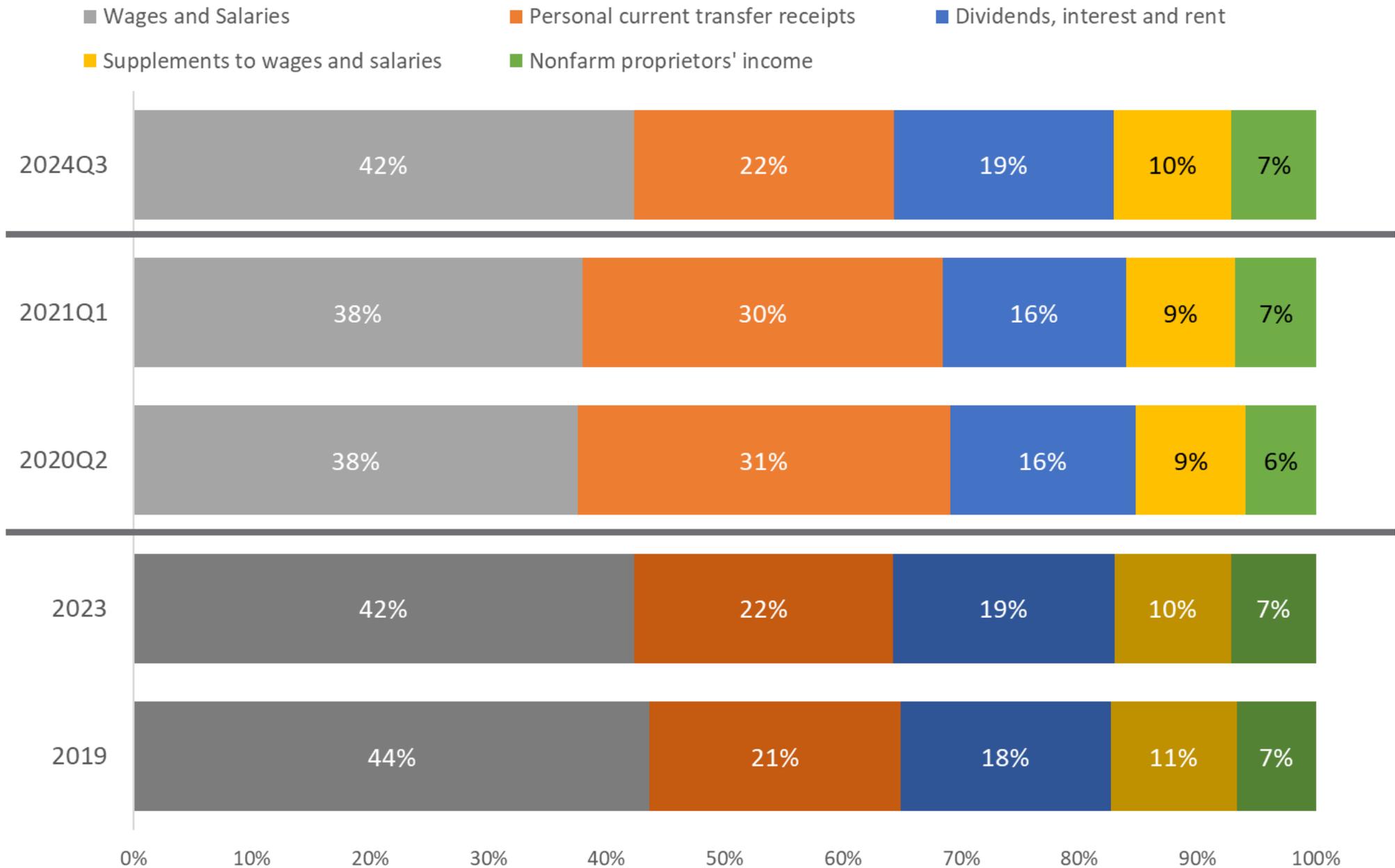


## Share of Maine Nonfarm Employment by Industry

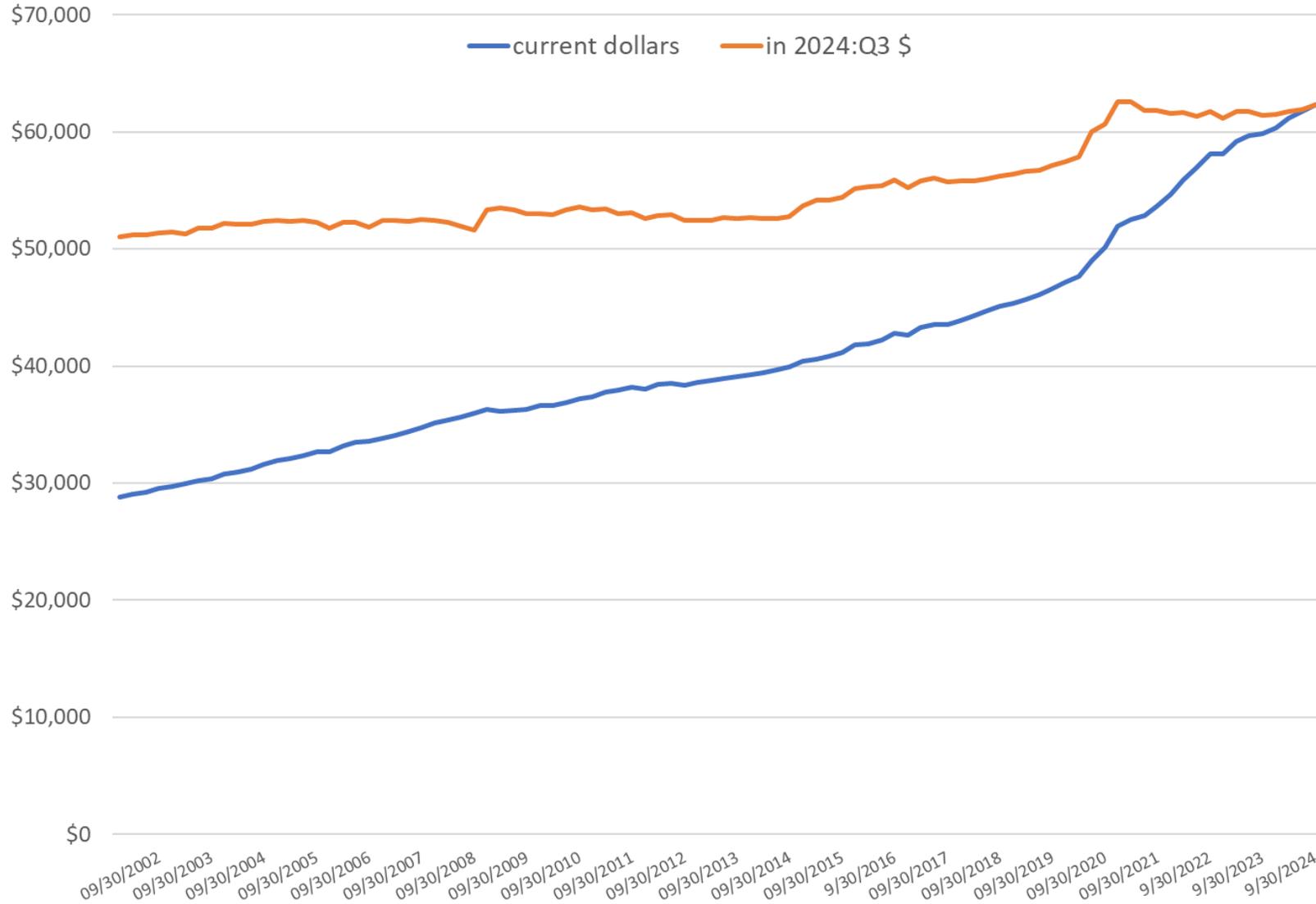


# Wages, Income, and Inflation

# Major Components of Personal Income, Maine

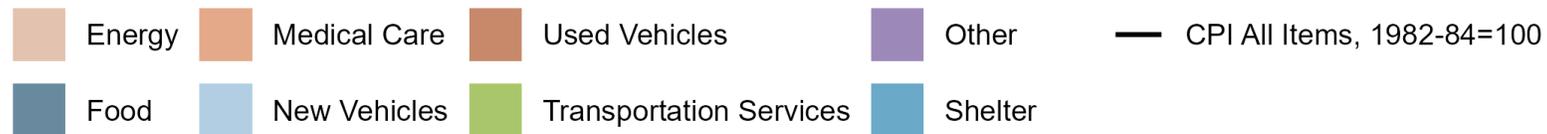
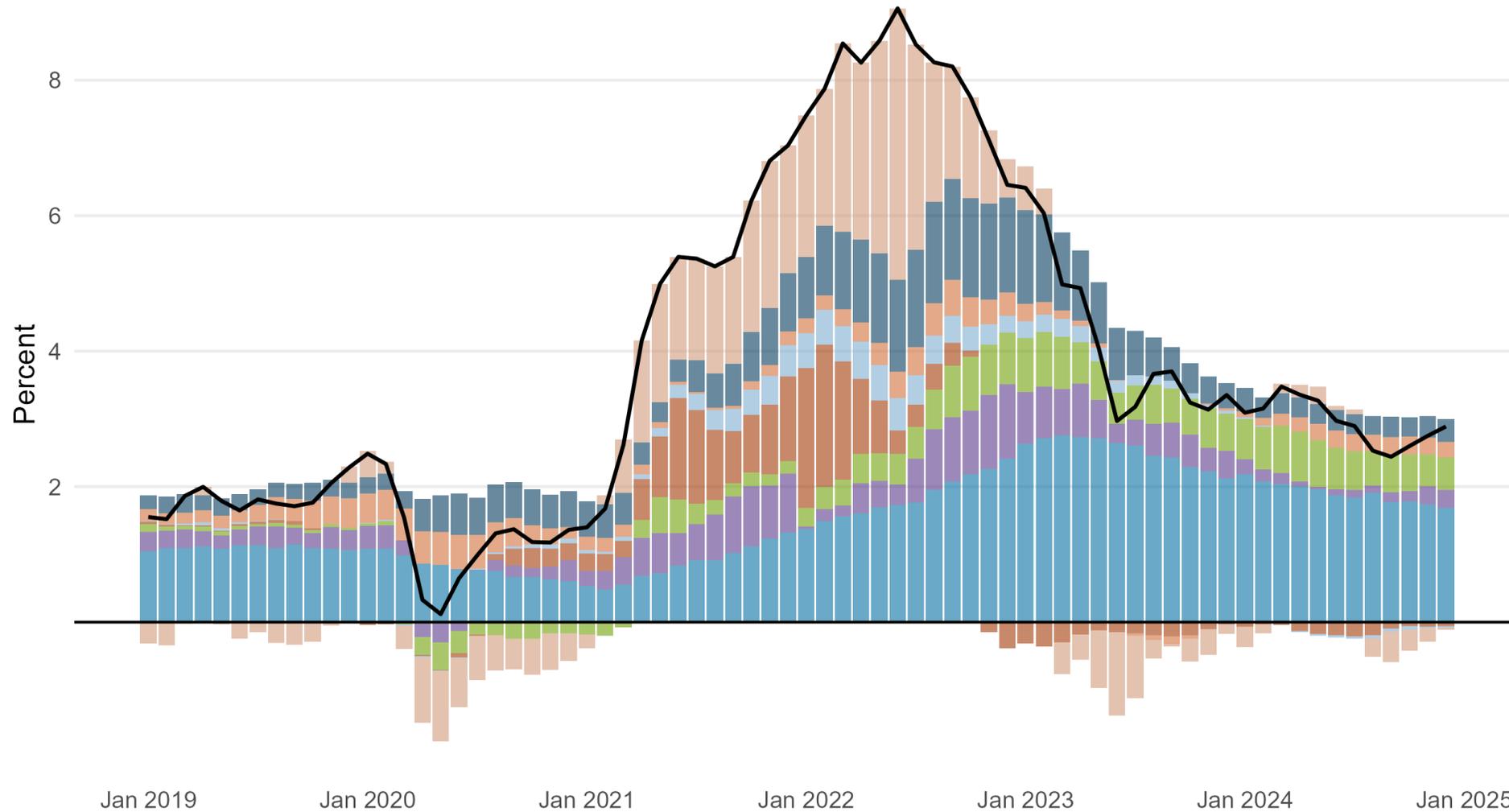


## Moving Four Quarter Average Wage Per Job



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

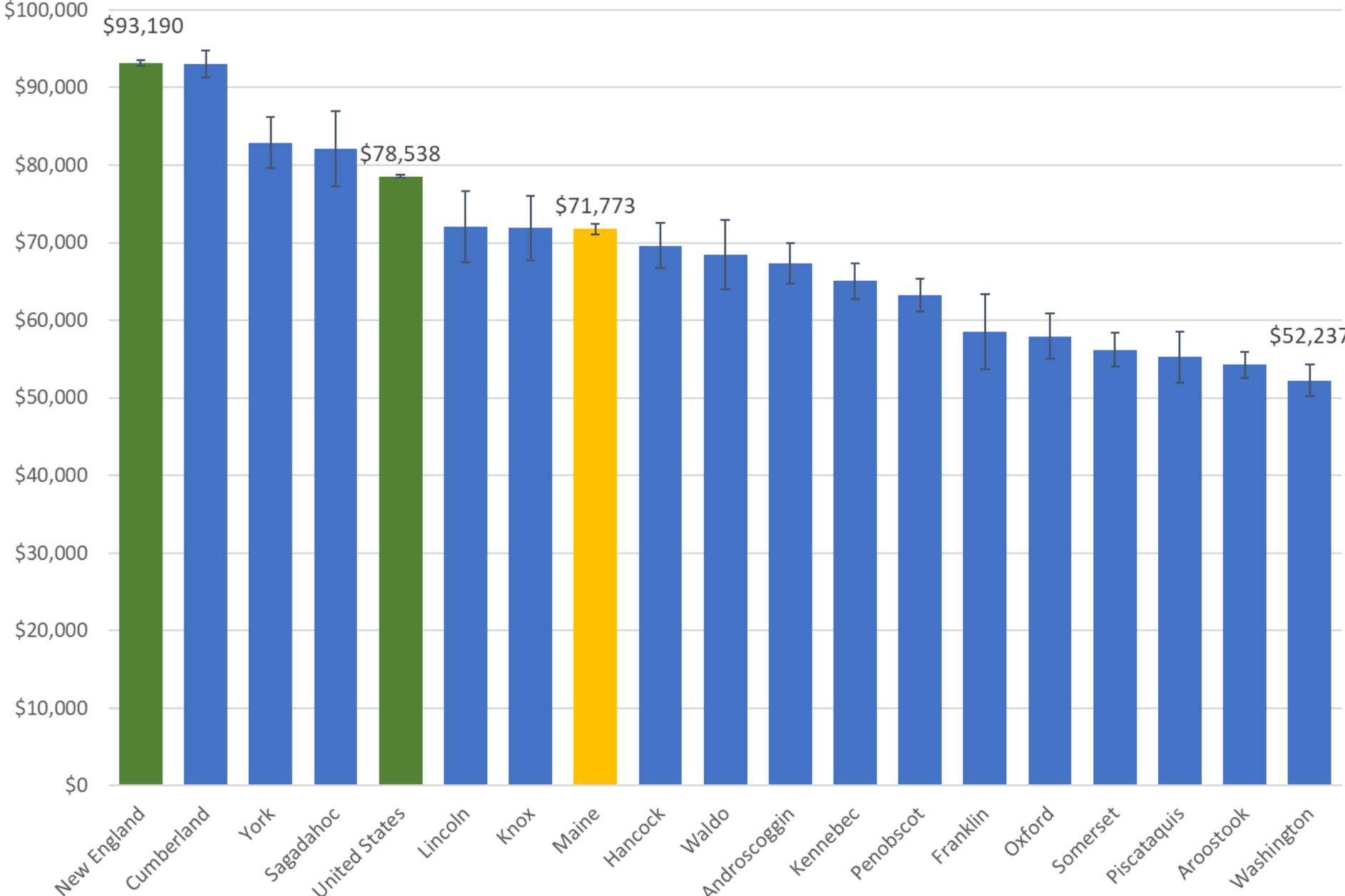
# Percentage Point Contribution to YoY Percent Change in CPI



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

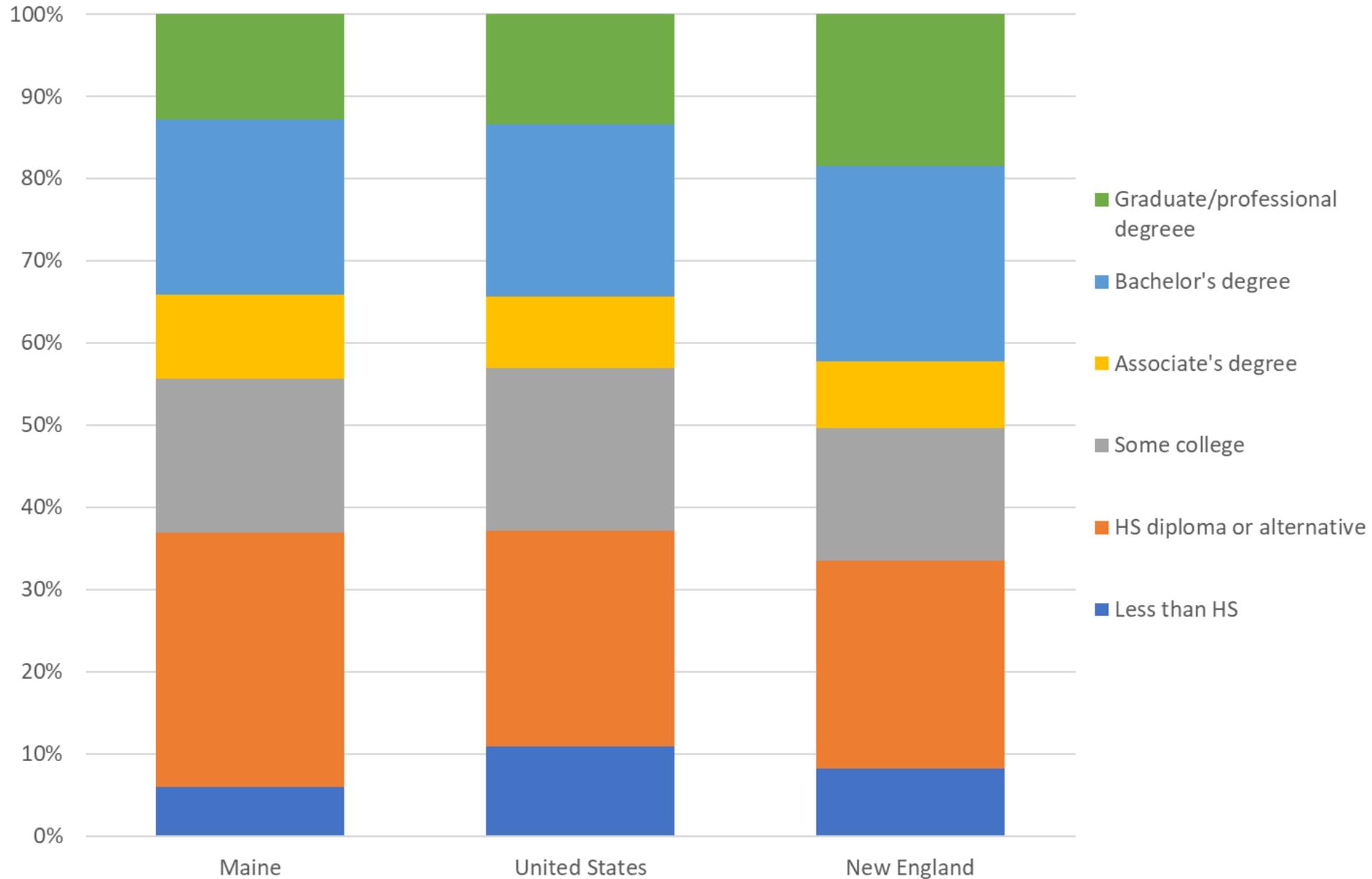
Source: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, not seasonally adjusted)

# Median Household Income



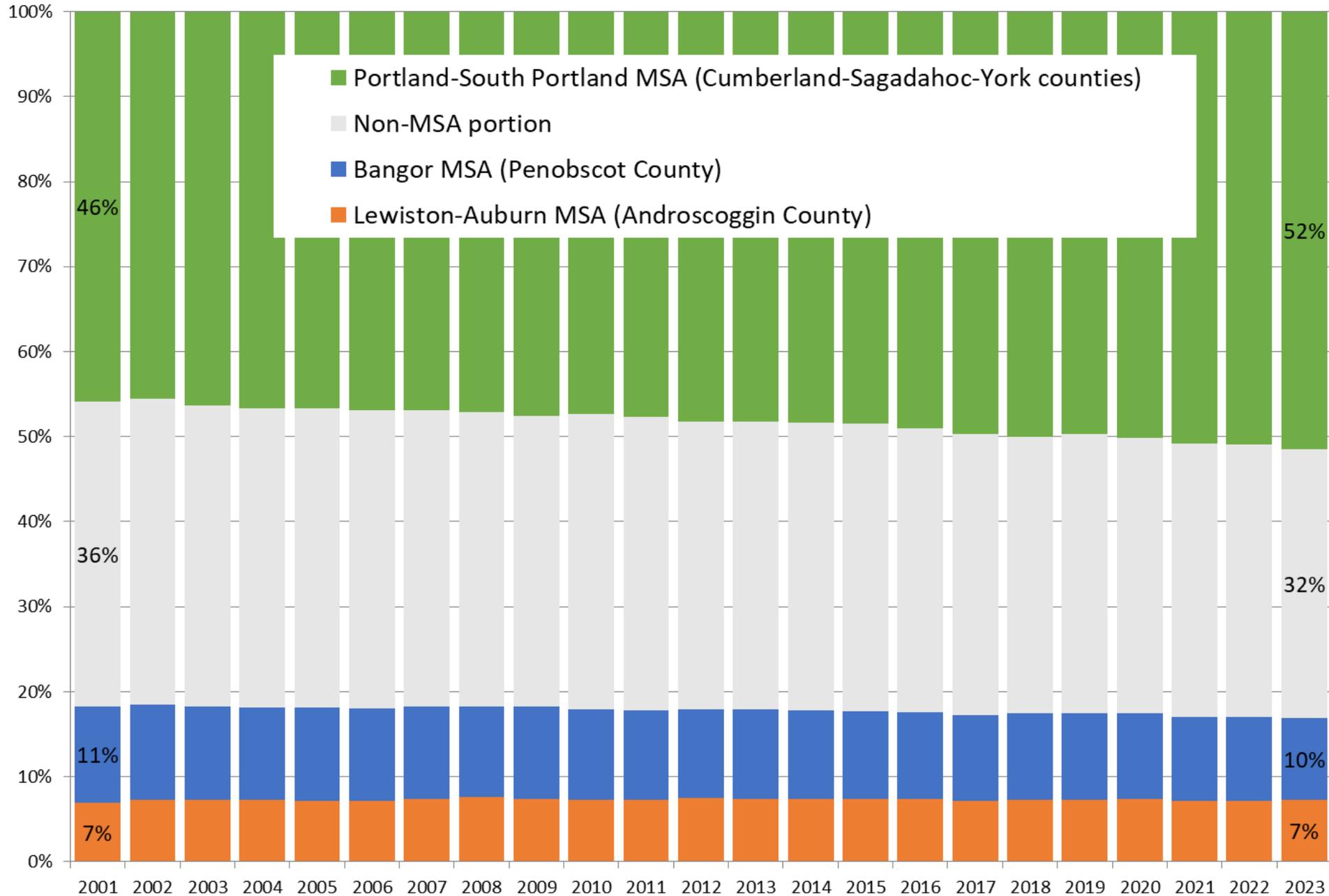
Source: U.S. Census Bureau, 2023 American Community Survey 5-year estimates

## Educational Attainment of Population Age 25+



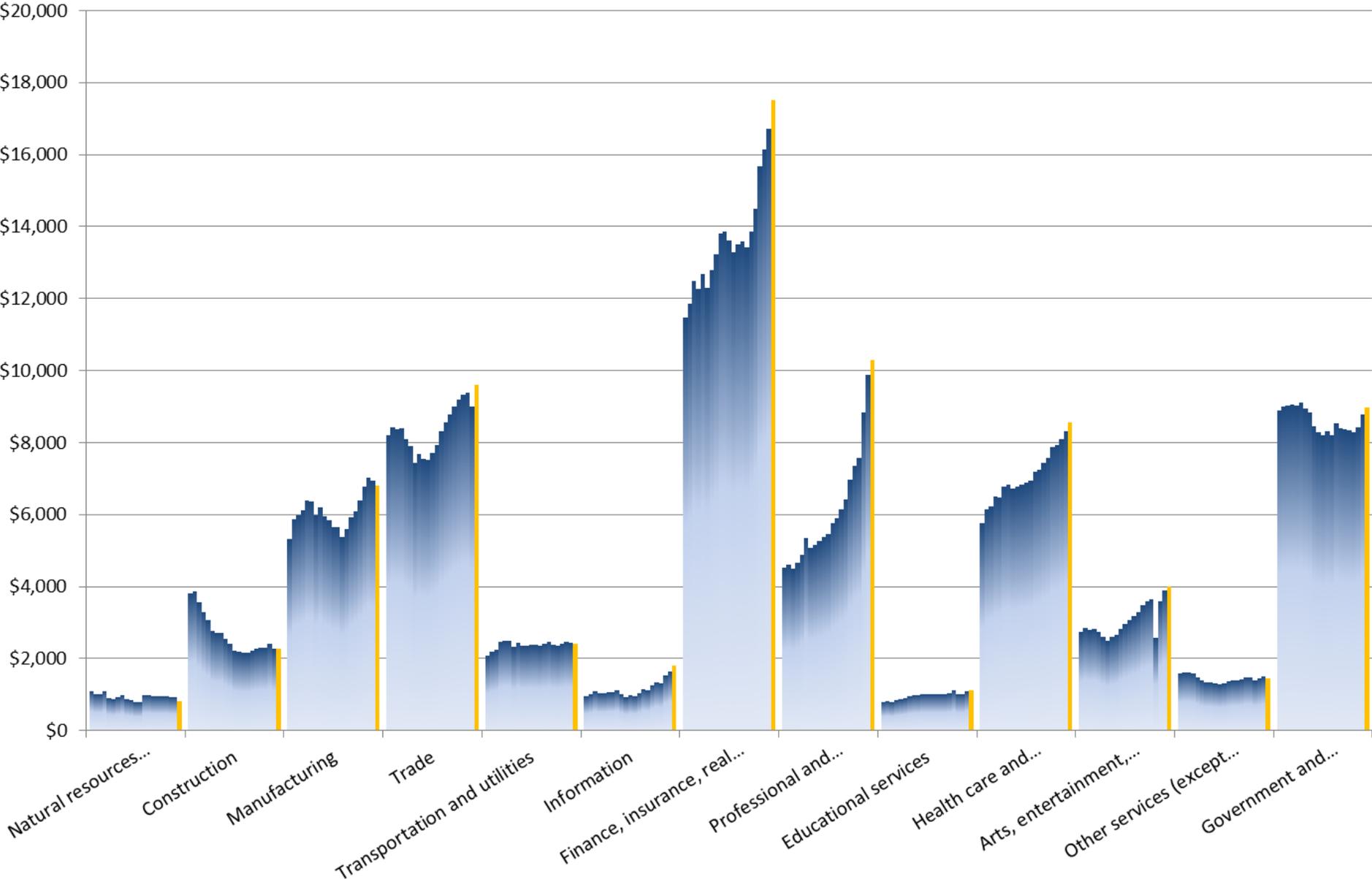
# Gross Domestic Product (GDP)

## Share of Maine GDP by Metropolitan Area

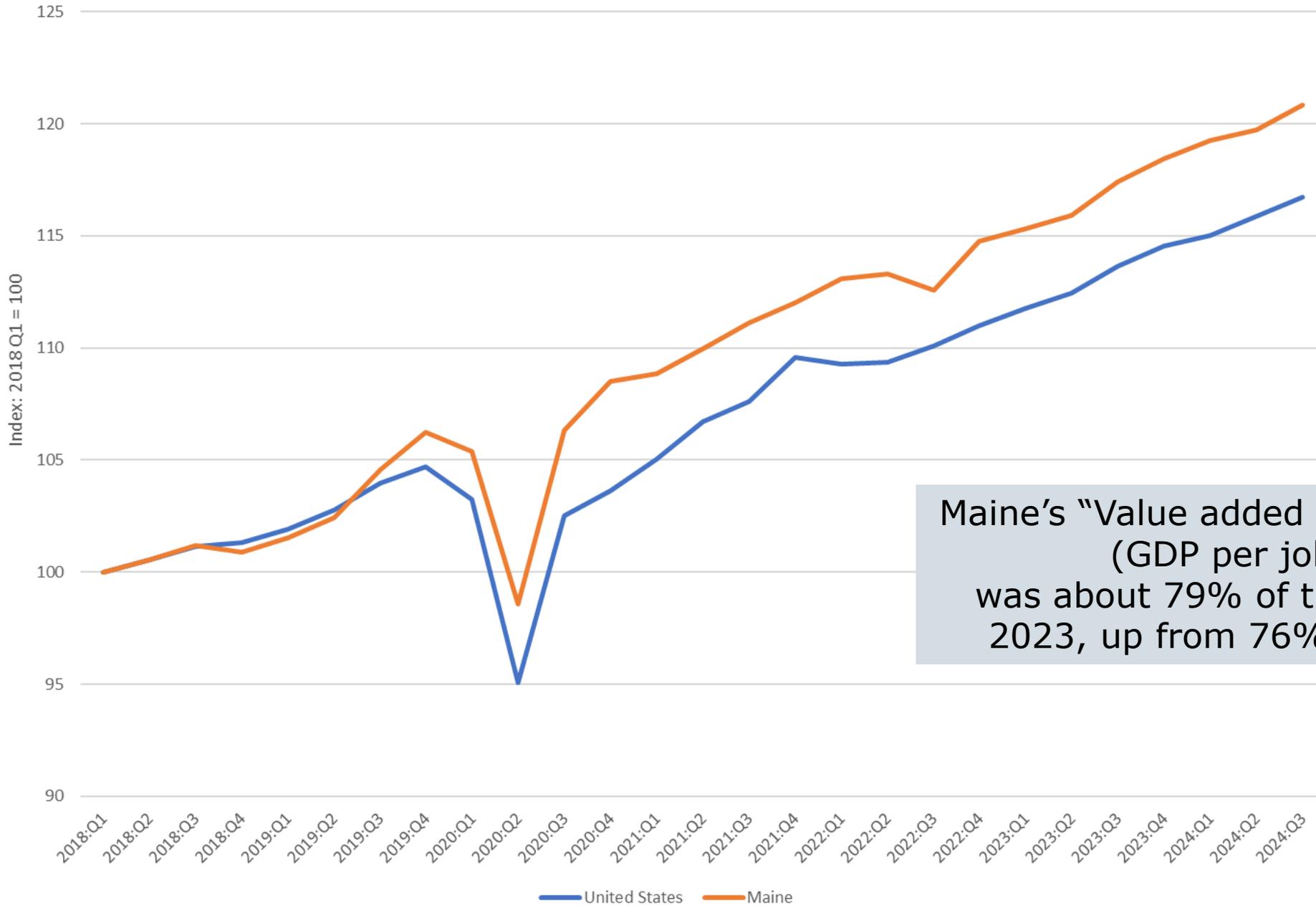


# Maine Real GDP by Industry, 2003-2023

(in millions of chained 2017 dollars)



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 2023, up from 76% in 2018

# Wrapping up:

- Maine has a relatively small population that is both older and less diverse than the nation
- Migration picked up during the pandemic, but the continuation of this trend has been challenged by housing availability/affordability - additional supply and lower prices/mortgage rates will be key
- Employment growth is limited by labor force availability; increased labor force participation, continued in-migration of younger populations, and increased productivity can help
- There has been a shift in Maine's industry sectors over time, with professional and business services playing an increasingly important role in the economy

# Contact Information

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