

Demographic and Economic Overview of Maine

University of Southern Maine

March 25, 2025

Amanda Rector

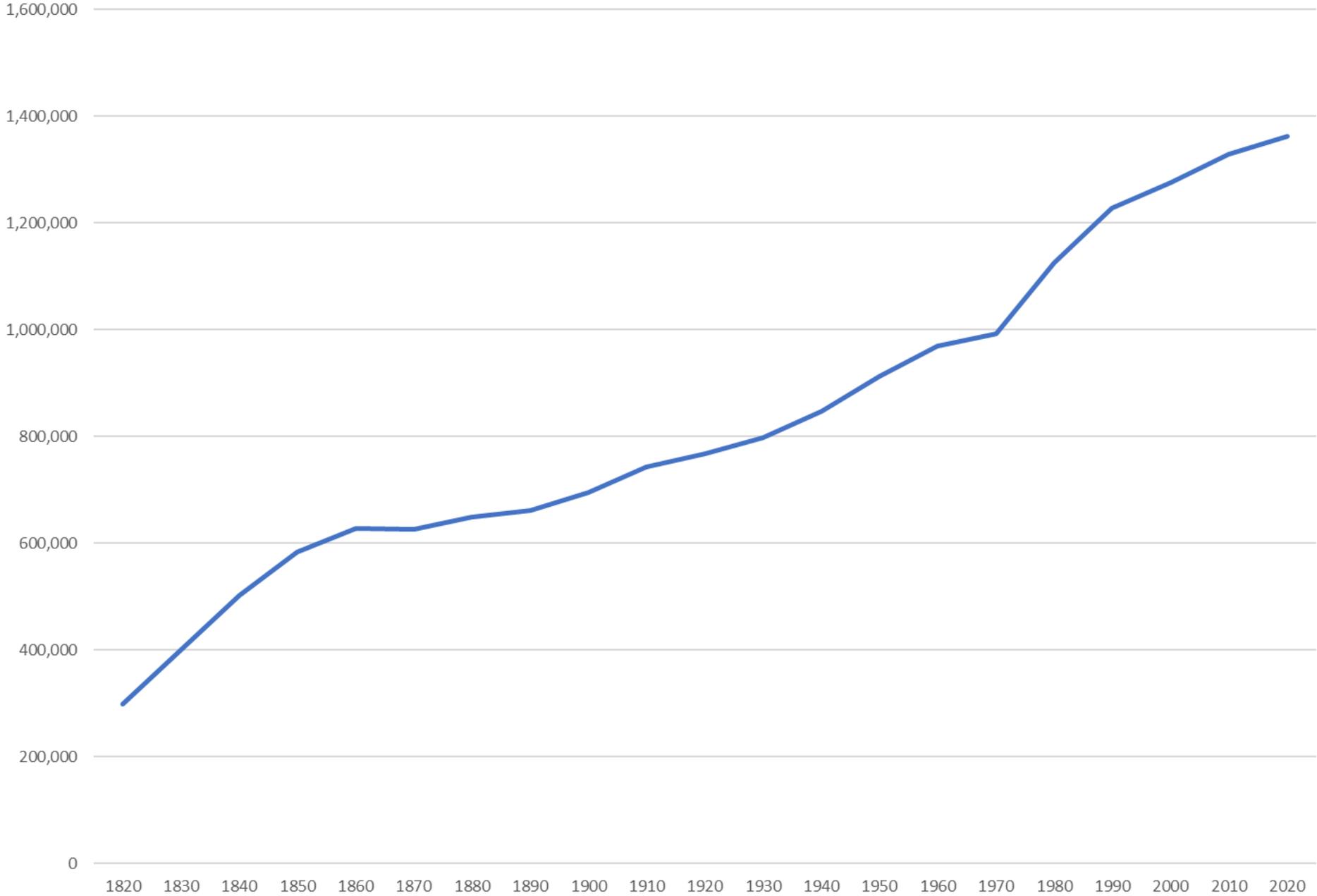
Maine State Economist

Overview

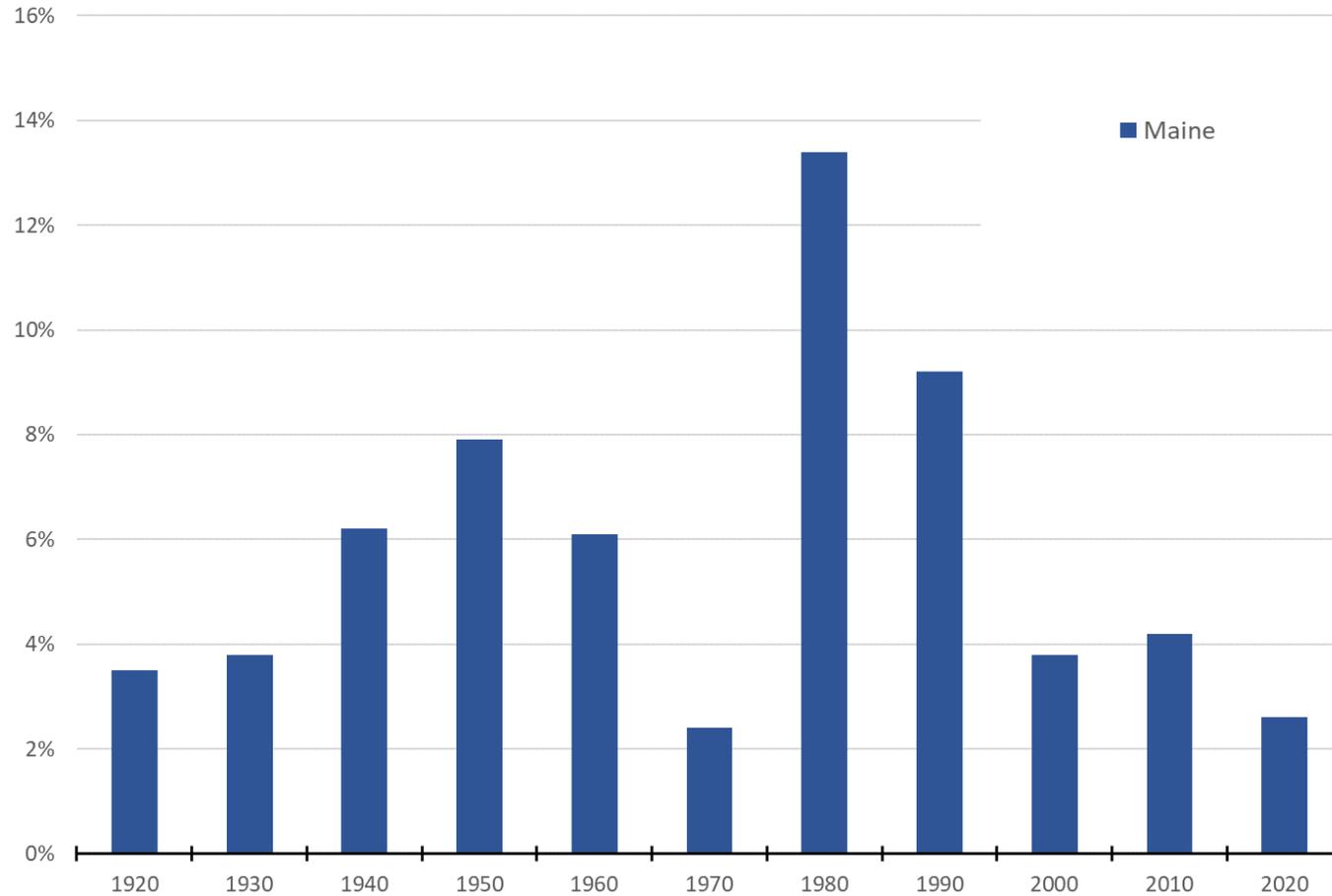
- Population change and demographics
- Workforce and employment
- Wages, income, and inflation
- Gross Domestic Product (GDP)

Population Change

Maine, Total Population

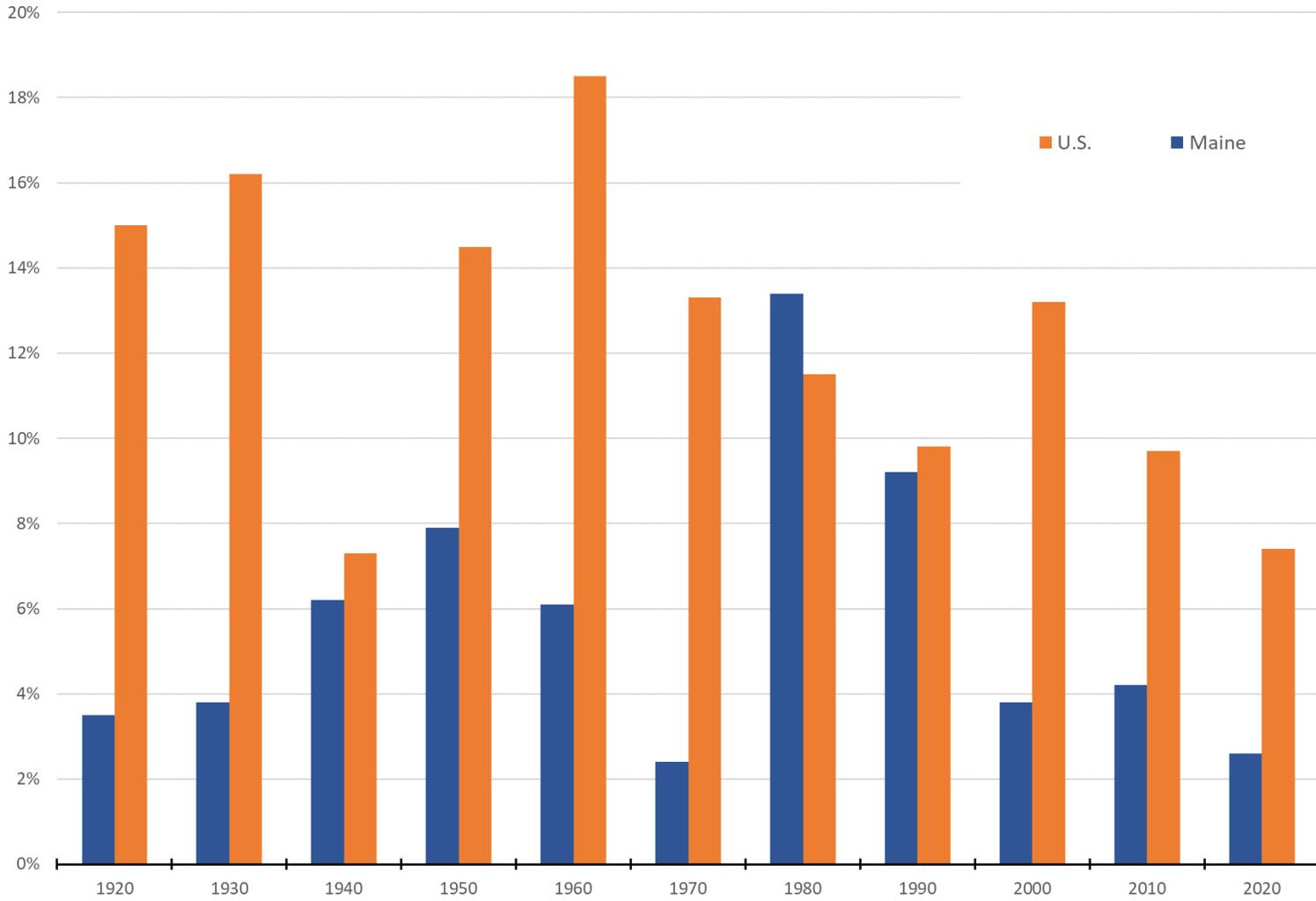


Population Growth from Previous Decade



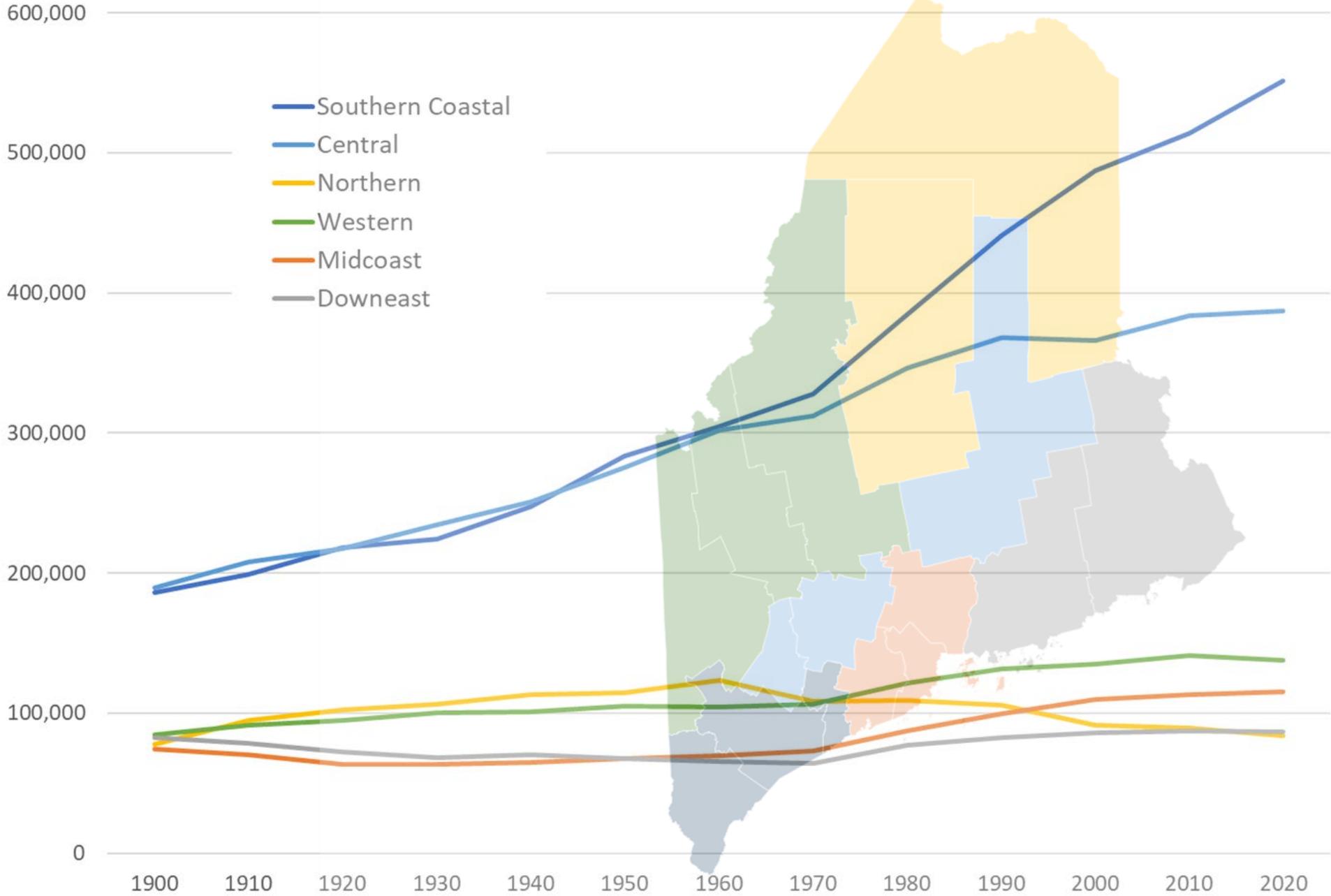
Maine population growth peaked during “back to the land” movement in the 1970s

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

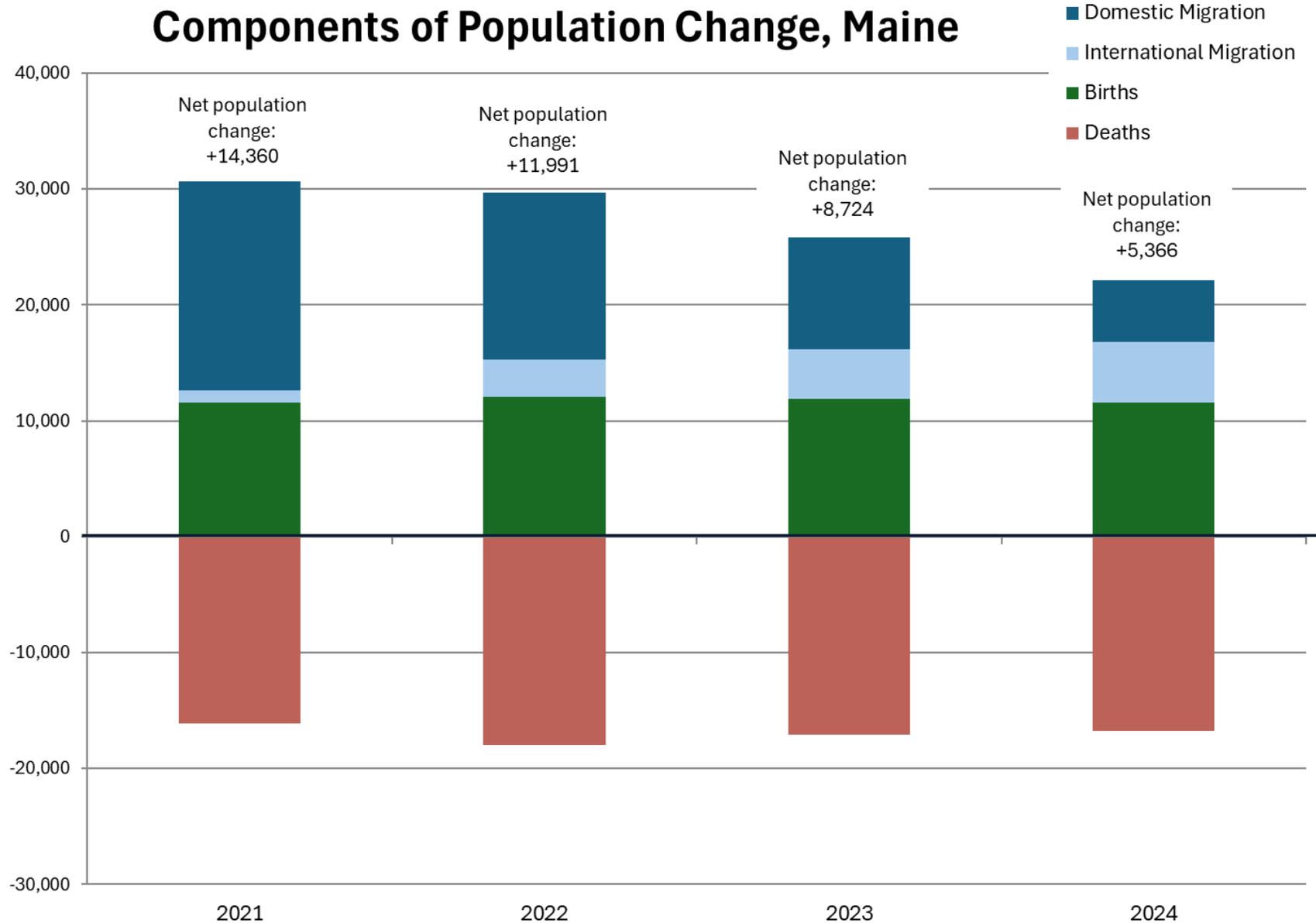


Population increase of 2.6% from 2010-2020 (42nd in U.S.)

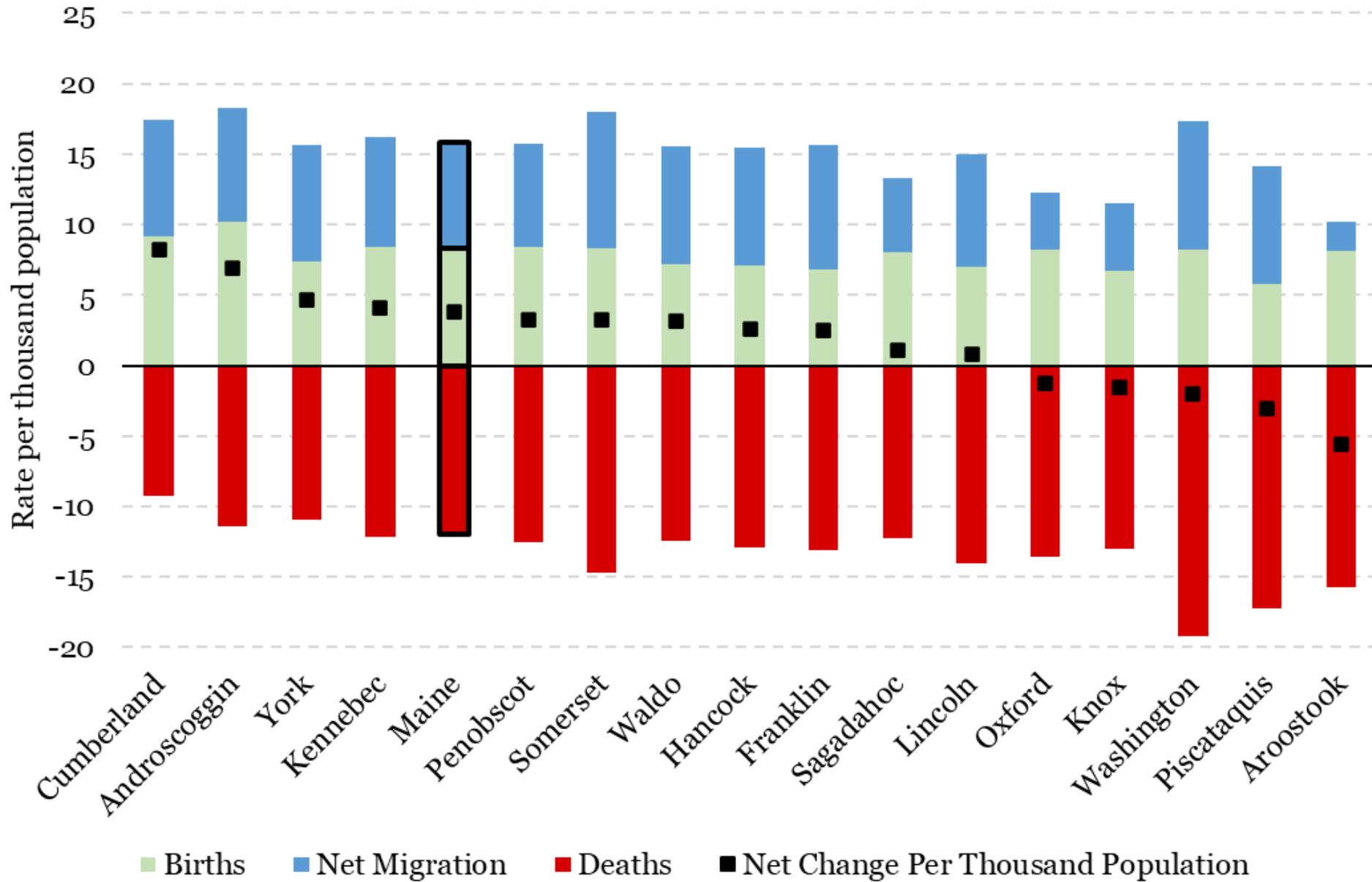
Population increase of 3.1% from 2020-2024 (17th in U.S.)

2024 Total Population: 1,405,012

Components of Population Change, Maine



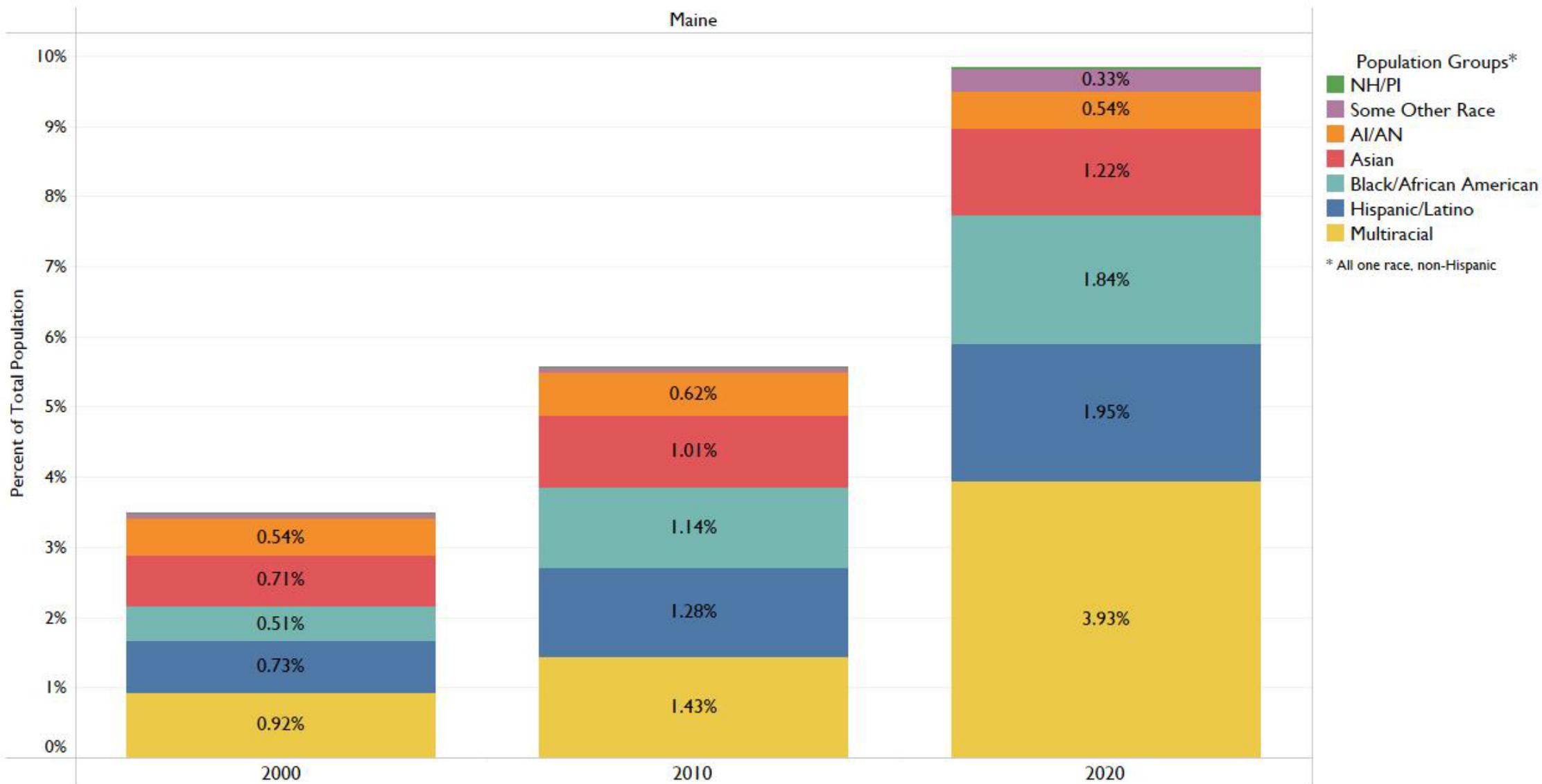
Components of Population Change in Maine, 7/1/2023-7/1/2024 Rate per thousand population



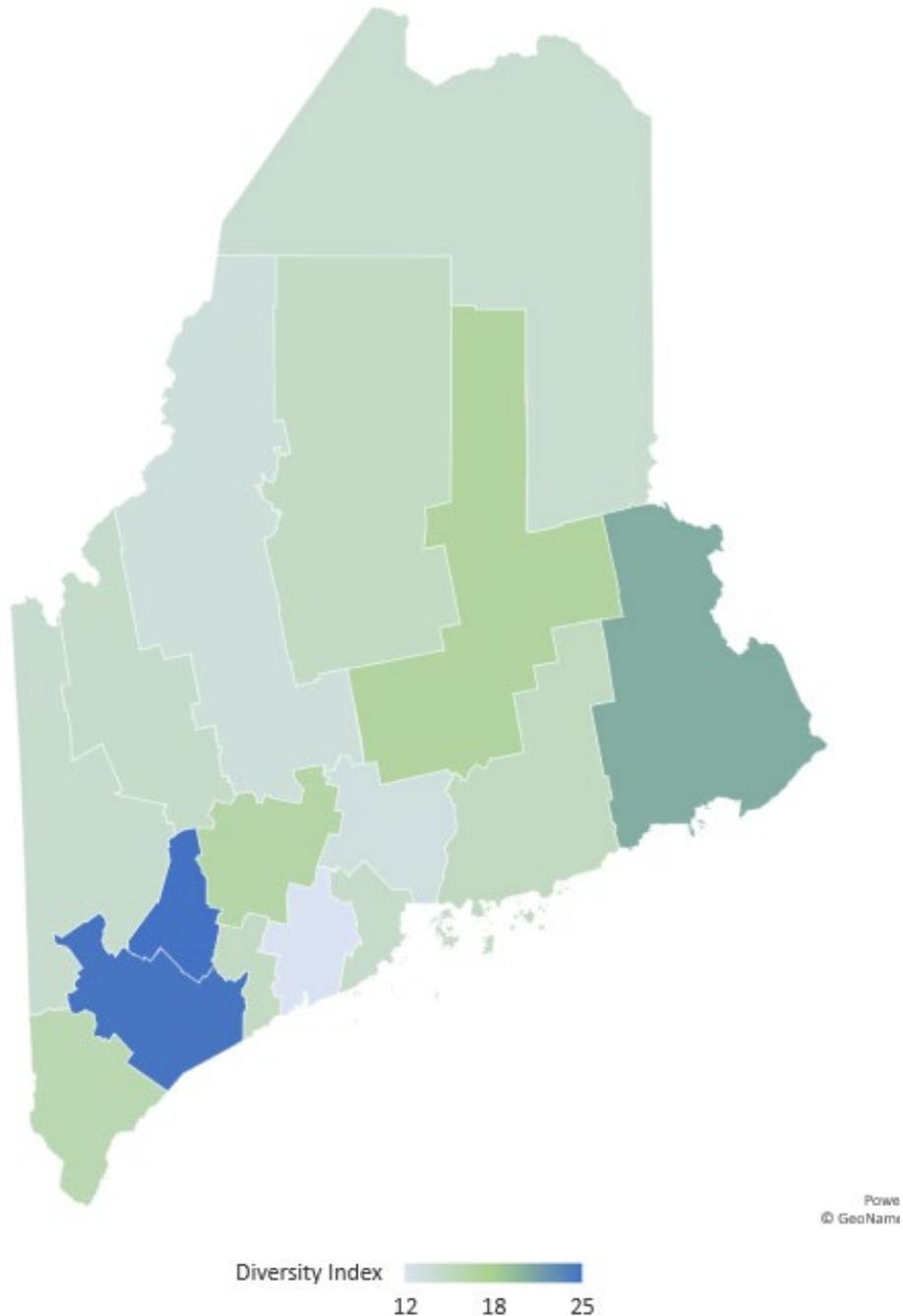
Demographics

Share of Total Population by Population Group | Maine

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

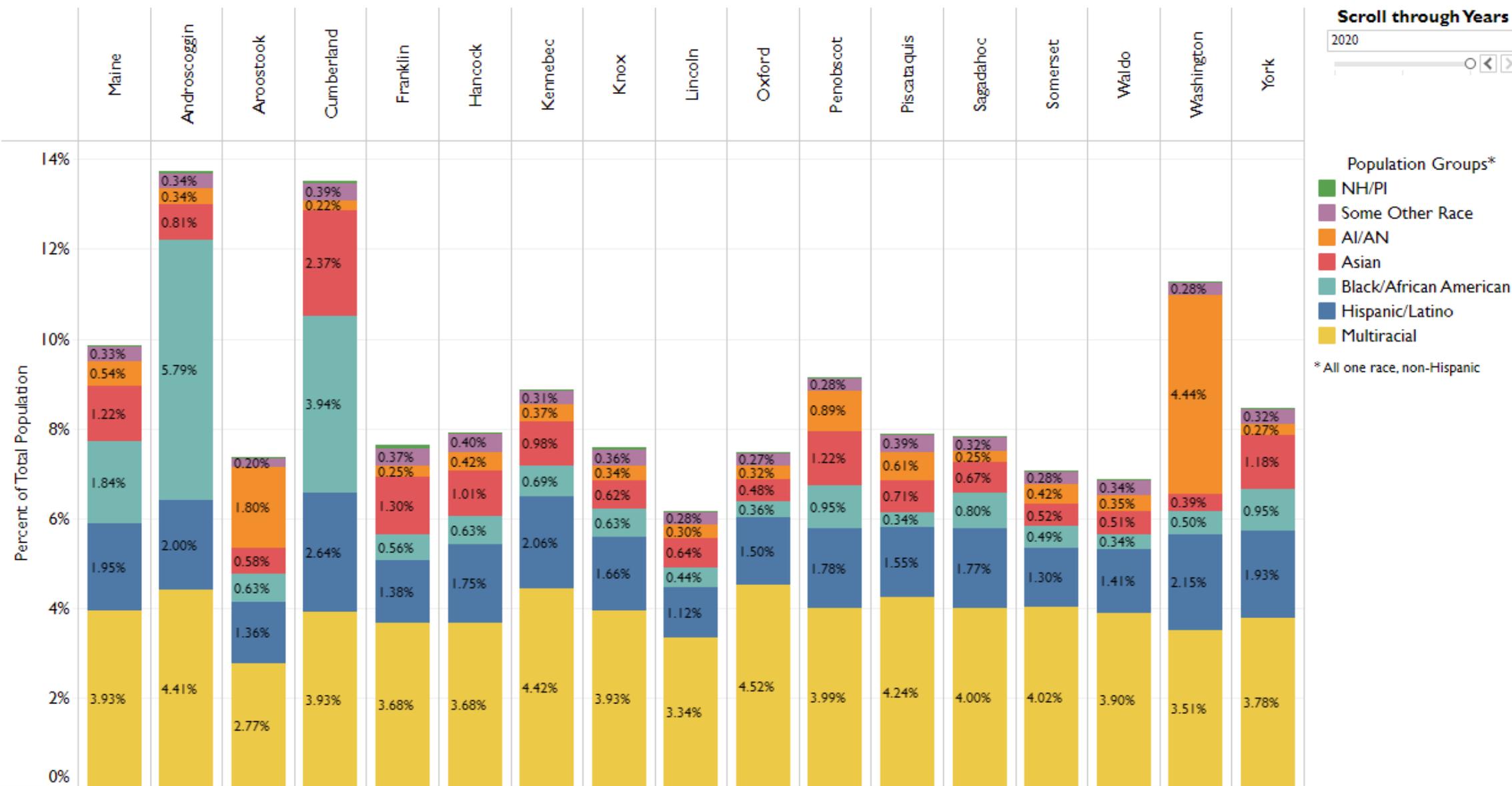


Note: Bars with less than 0.10% are not labeled for clarity and the White population is excluded from this figure because it comprises over 90% of the population.



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

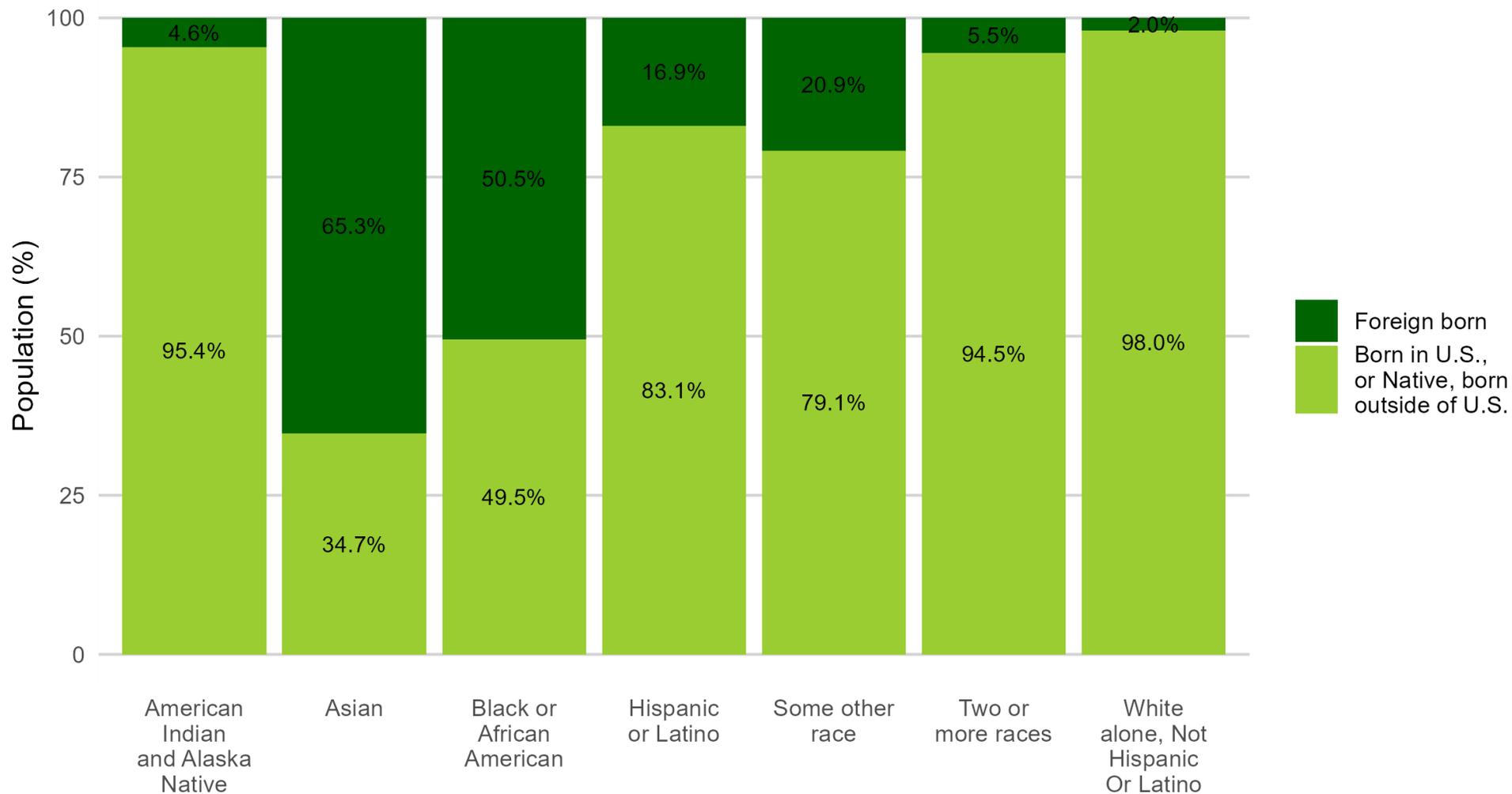


Source: U.S. Census Bureau

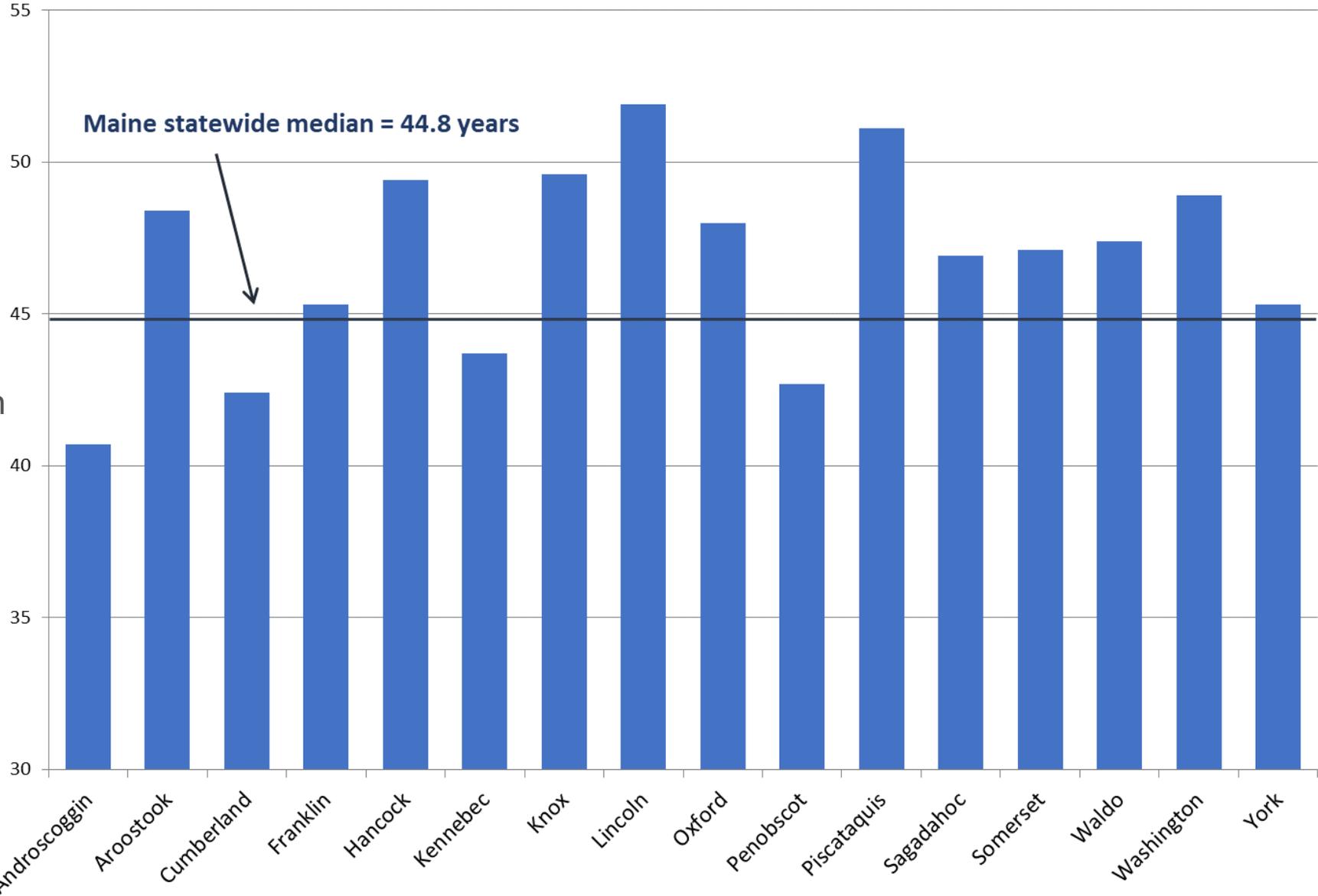
Share of Maine Population by Region of Birth by Race/Ethnicity, 2023

Foreign born statewide, 3.8%

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



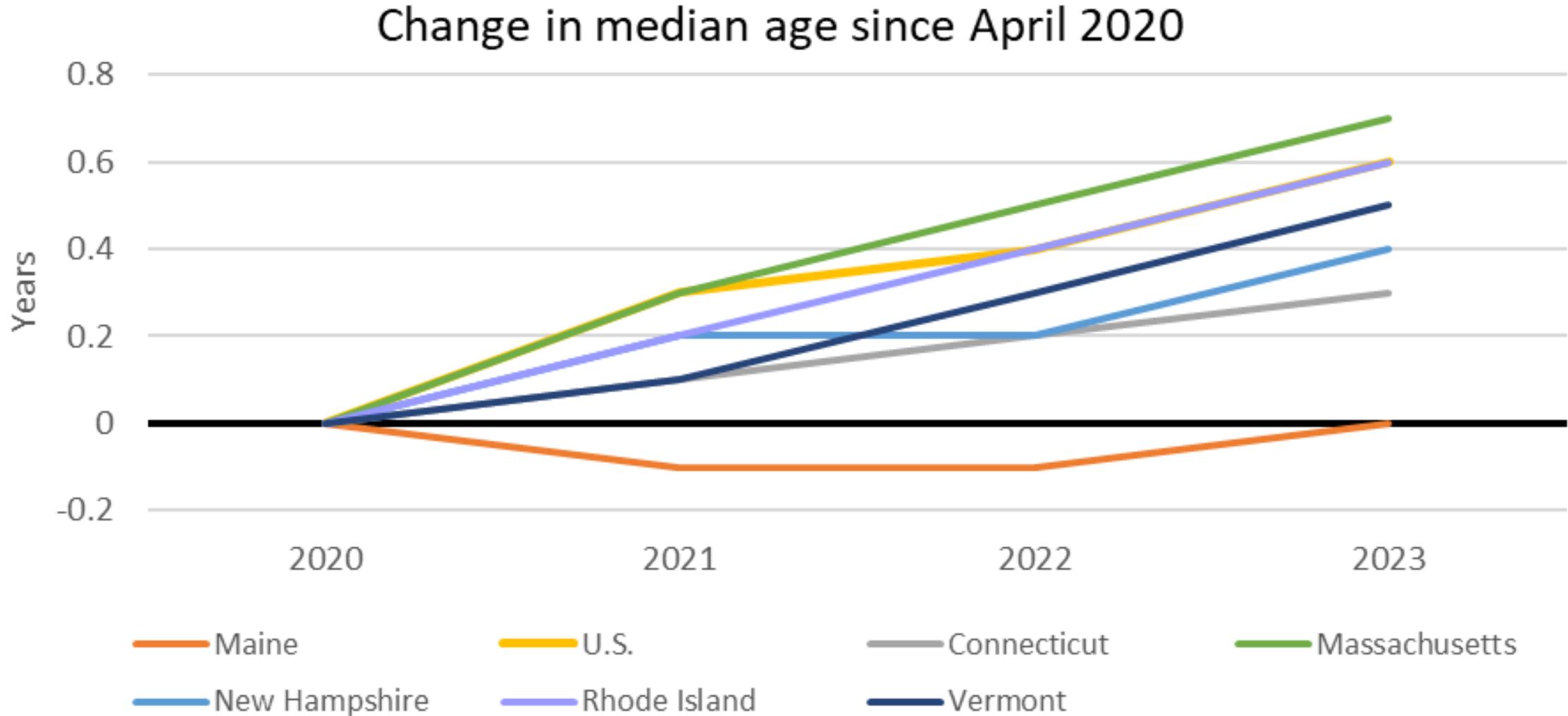
Median Age



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

Migration has made a difference

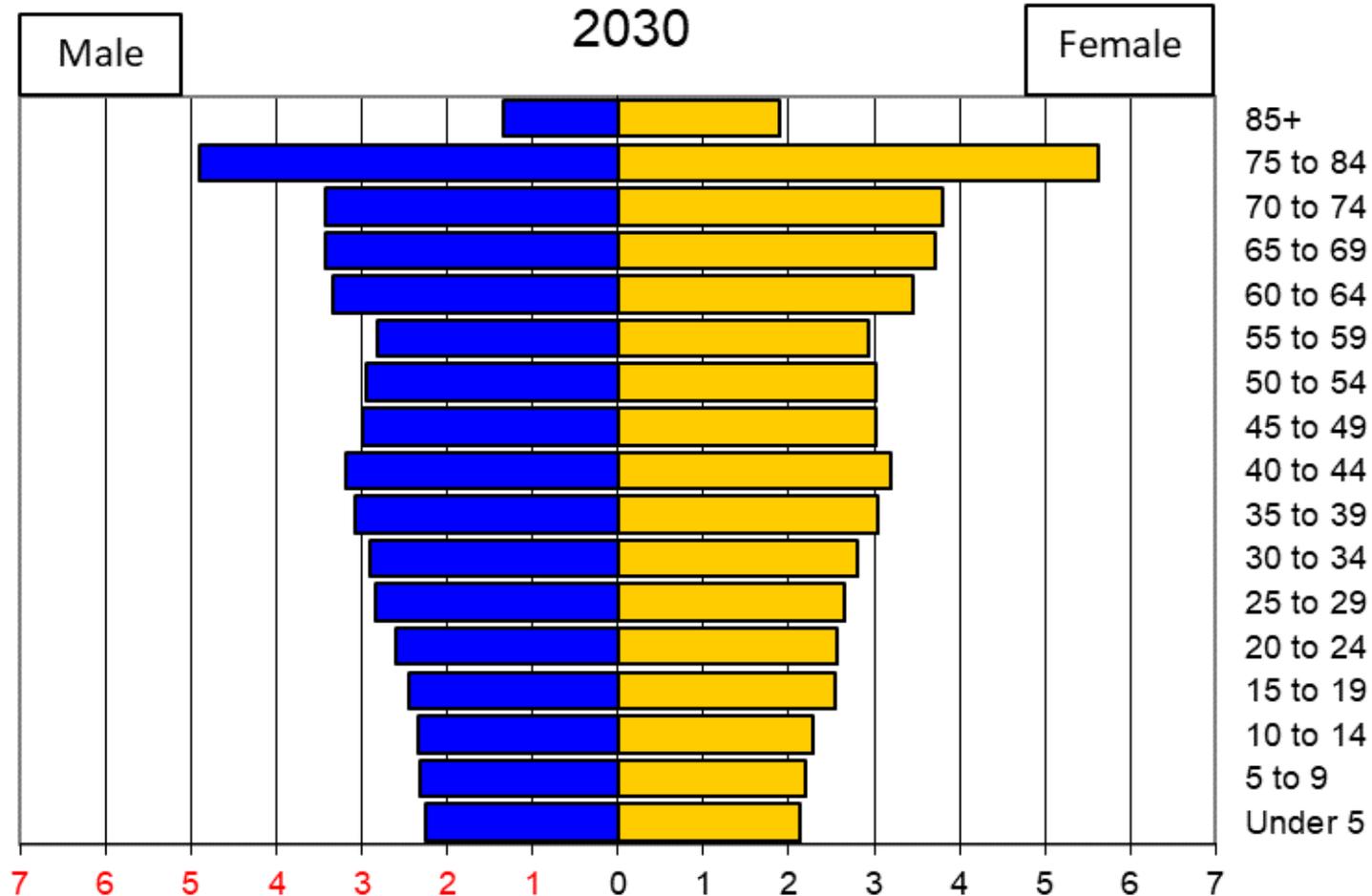
Maine's median age in 2023 is unchanged from 2020, while the U.S. median age has increased 0.6 years



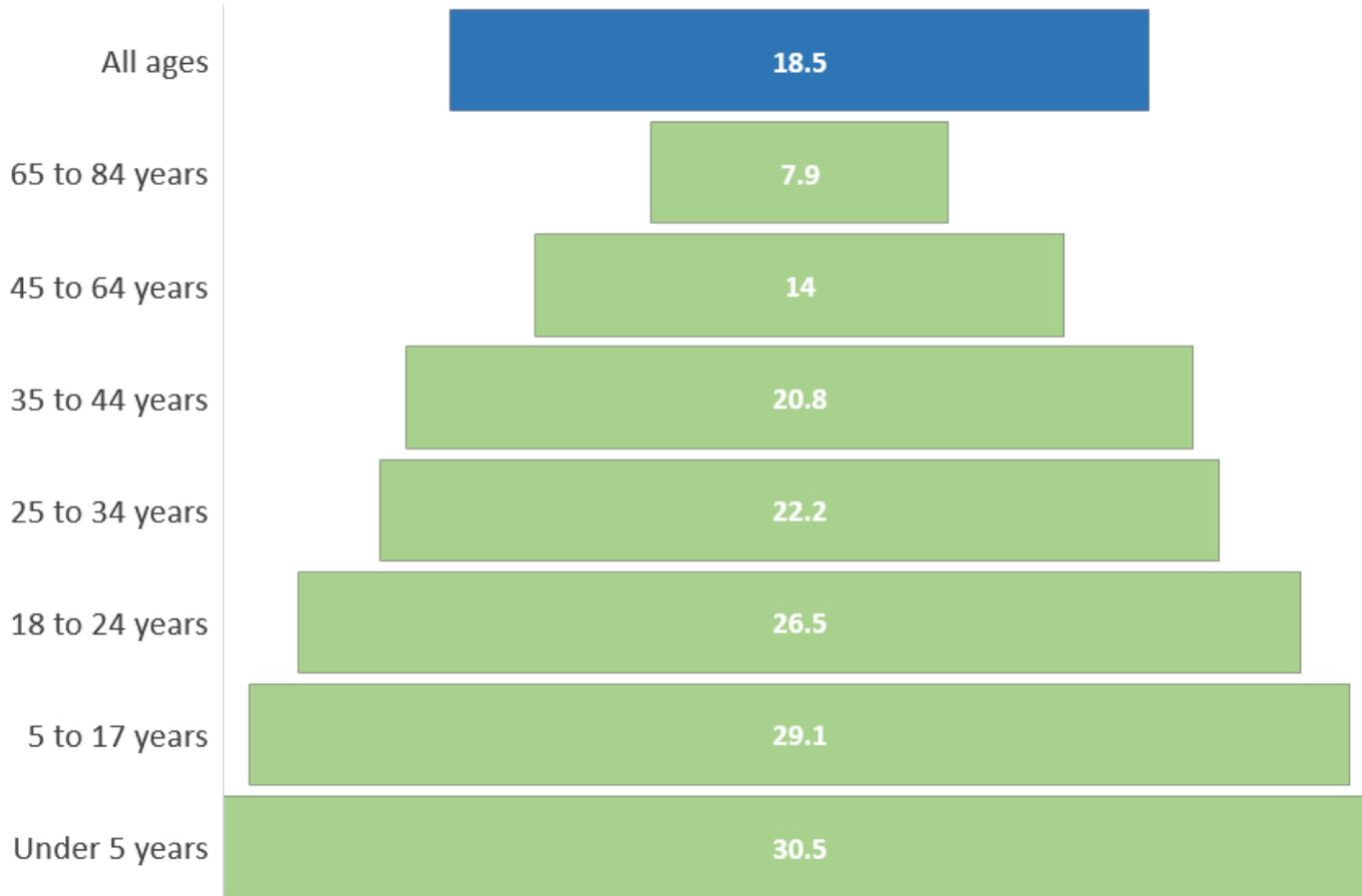
The Baby Boom: 1946-1964

Baby Boom generation in 2030: age 66-84

Baby Boom generation in 2023: age 59-77



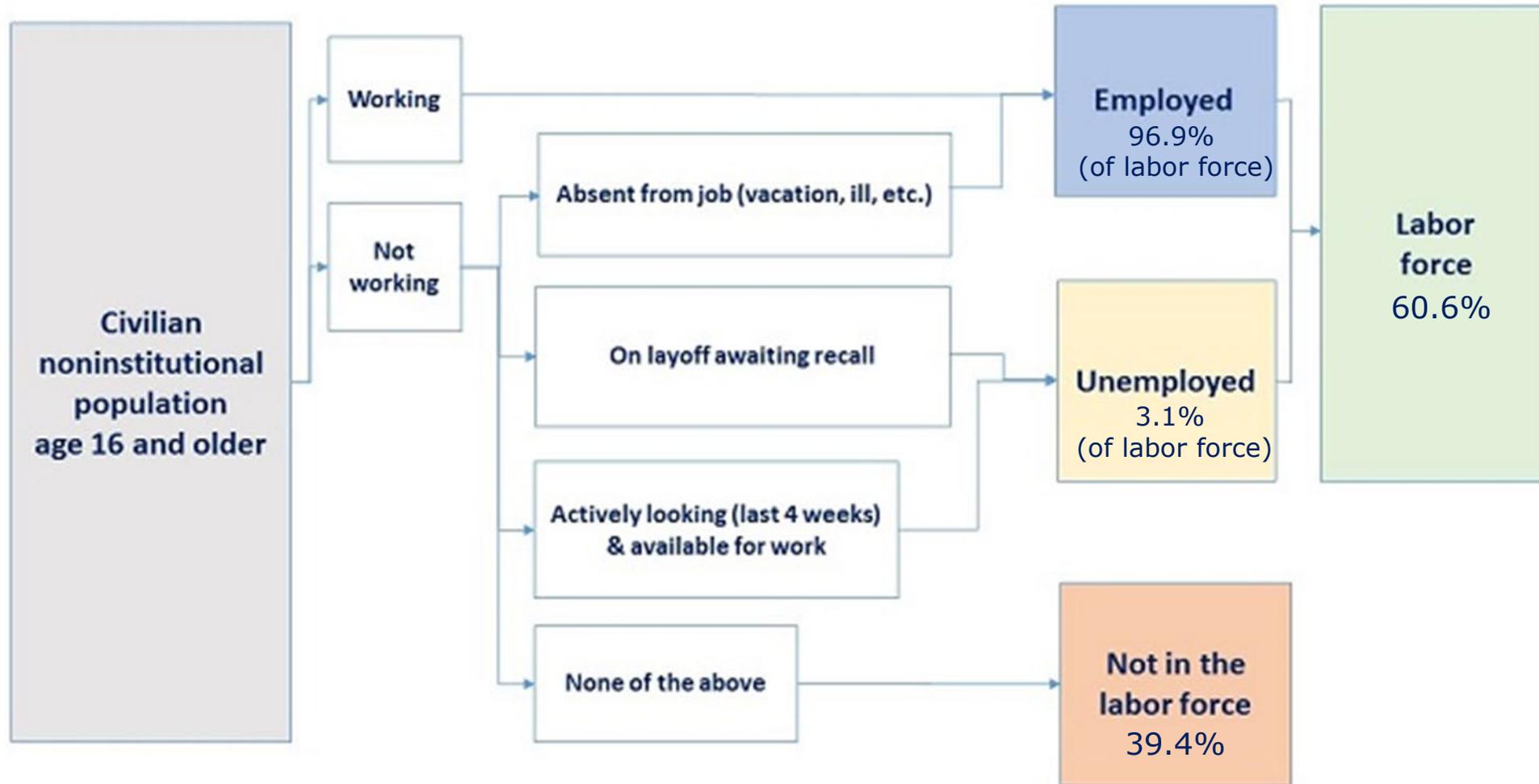
Diversity Index in Maine, 2020: Selected Age Groups



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

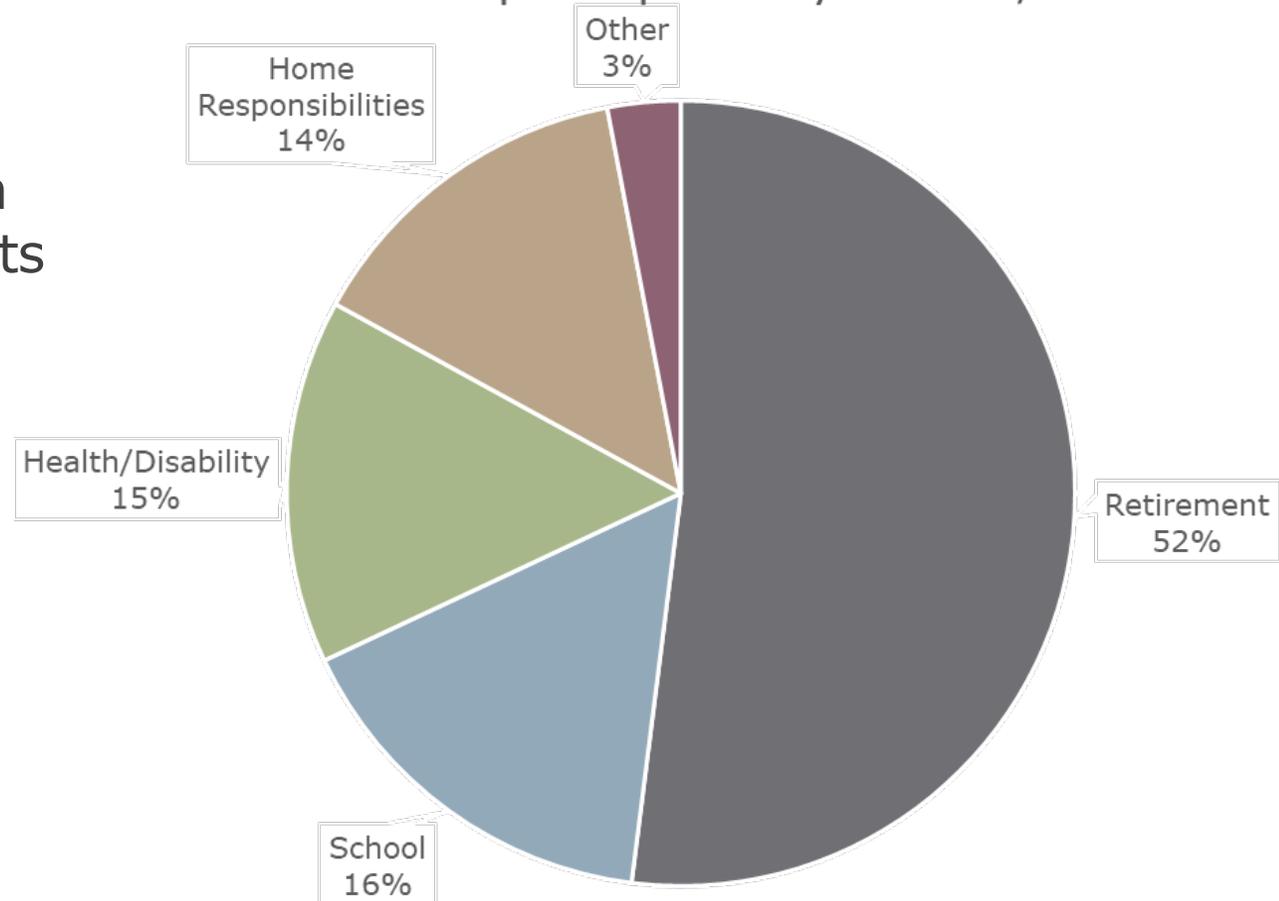
School attendance

Health/disability

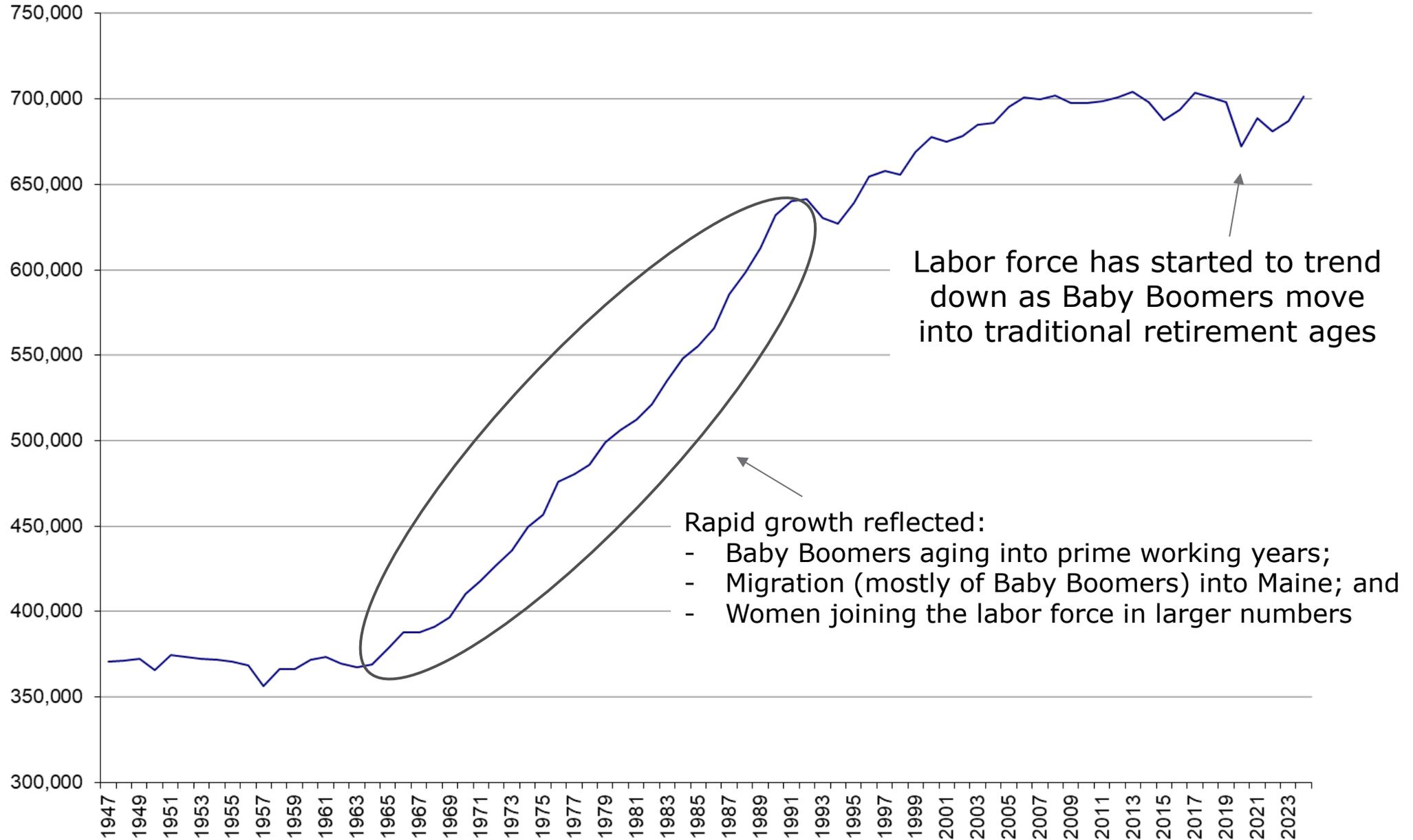
Home responsibilities

Other reasons

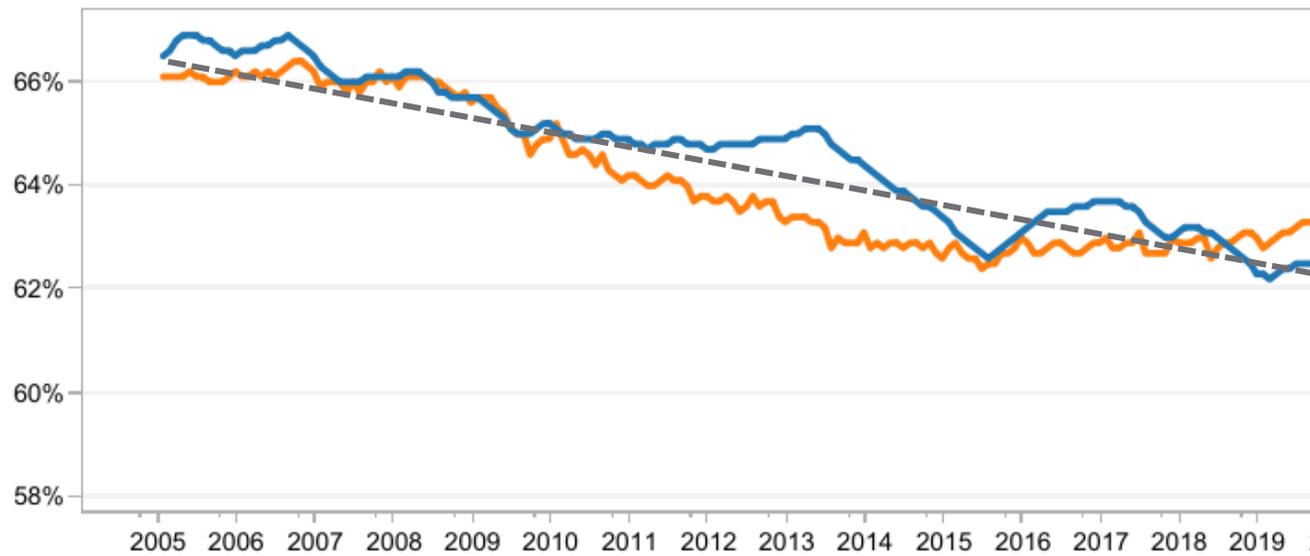
Share of Nonparticipants by Reason, 2022



Maine Civilian Labor Force



Labor Force Participation Rate (seasonally adjusted)

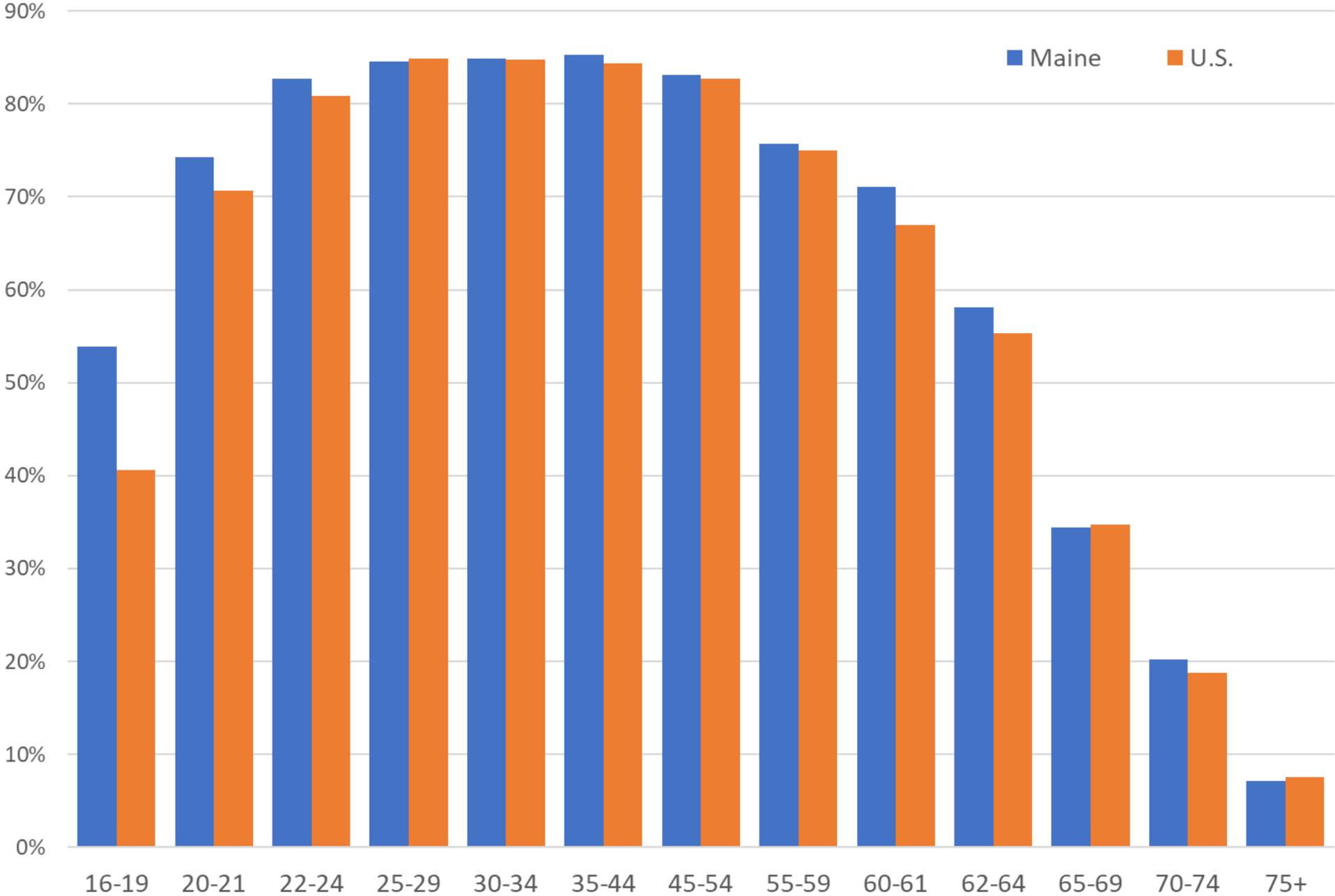


Mar, 2005 to Jan, 2025

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

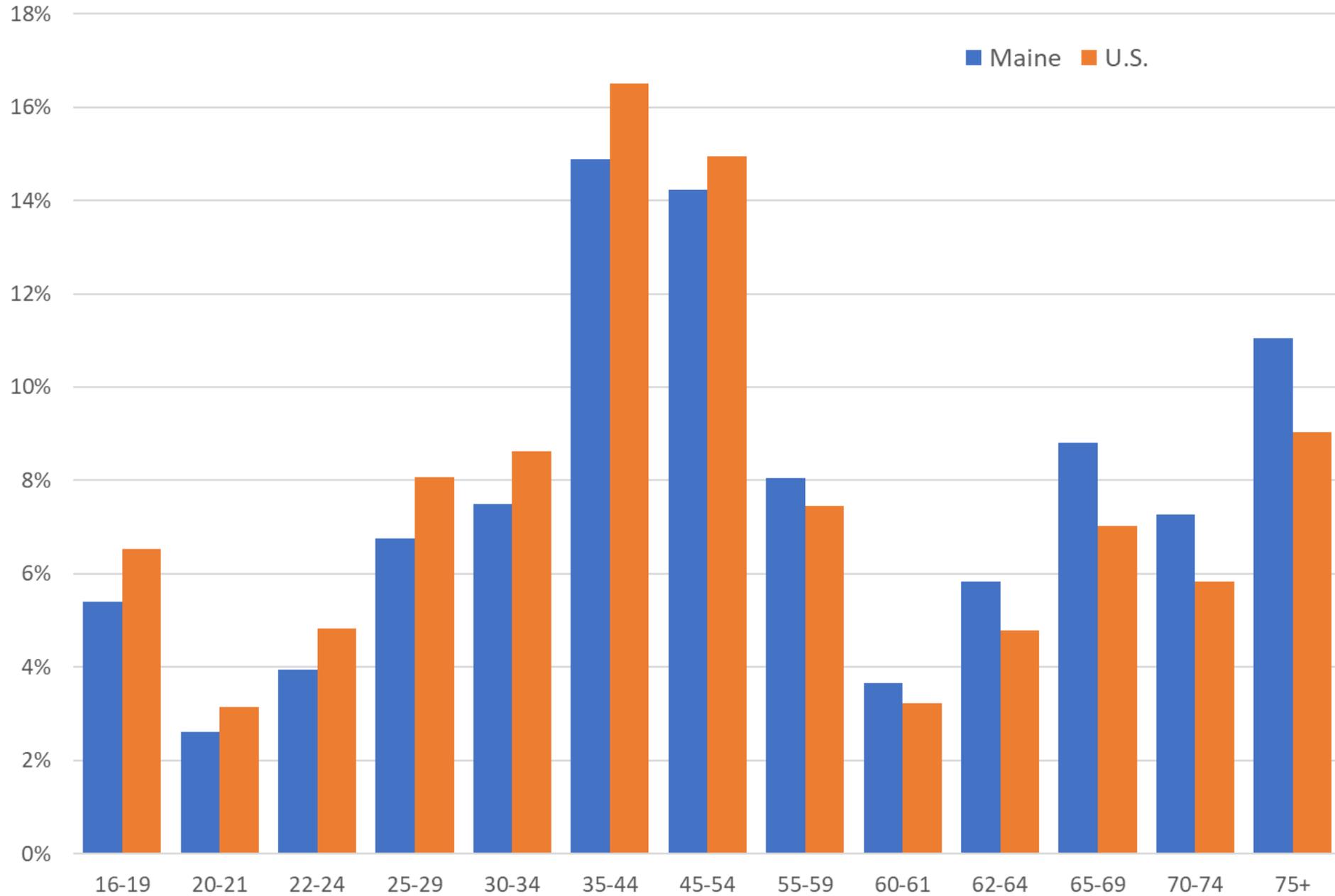
■ Maine
■ United States

2023 Labor Force Participation Rate



Source: U.S. Census Bureau 2023 American Community Survey 1-year estimates

Share of 16+ Population by Age, 2023



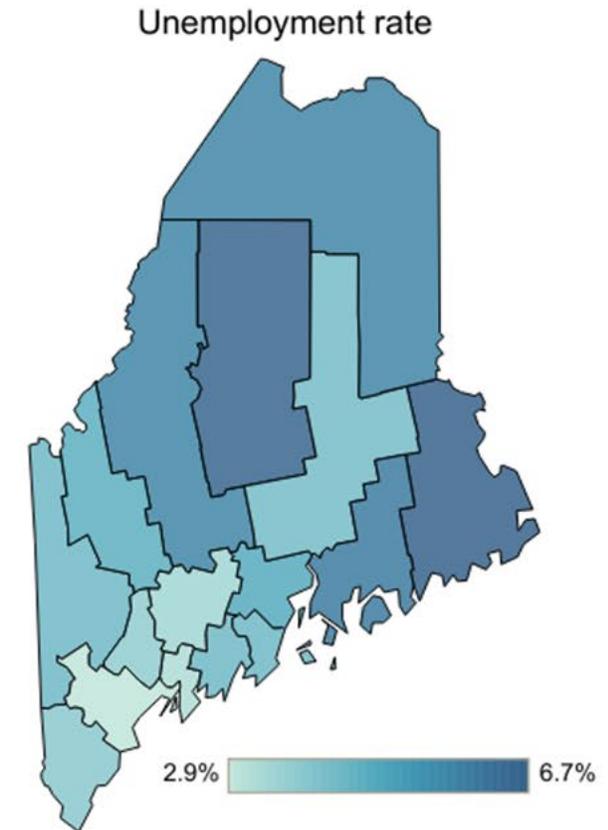
County Rates (not seasonally adjusted)

January, 2025

Table
 Graph

Map/Graph Display
 Unemployment rate
 One-year change

County	Rate	Year ago	One-yr change
Maine	3.9%	3.3%	0.6
Androscoggin	3.7%	3.1%	0.6
Aroostook	5.7%	4.6%	1.1
Cumberland	2.9%	2.5%	0.4
Franklin	4.6%	3.7%	0.9
Hancock	6.0%	5.4%	0.6
Kennebec	3.4%	3.1%	0.3
Knox	4.3%	3.6%	0.7
Lincoln	4.3%	3.6%	0.7
Oxford	4.3%	3.4%	0.9
Penobscot	4.2%	3.5%	0.7
Piscataquis	6.6%	5.2%	1.4
Sagadahoc	3.2%	2.4%	0.8
Somerset	5.7%	4.7%	1.0
Waldo	4.7%	4.1%	0.6
Washington	6.7%	6.0%	0.7
York	3.8%	3.3%	0.5

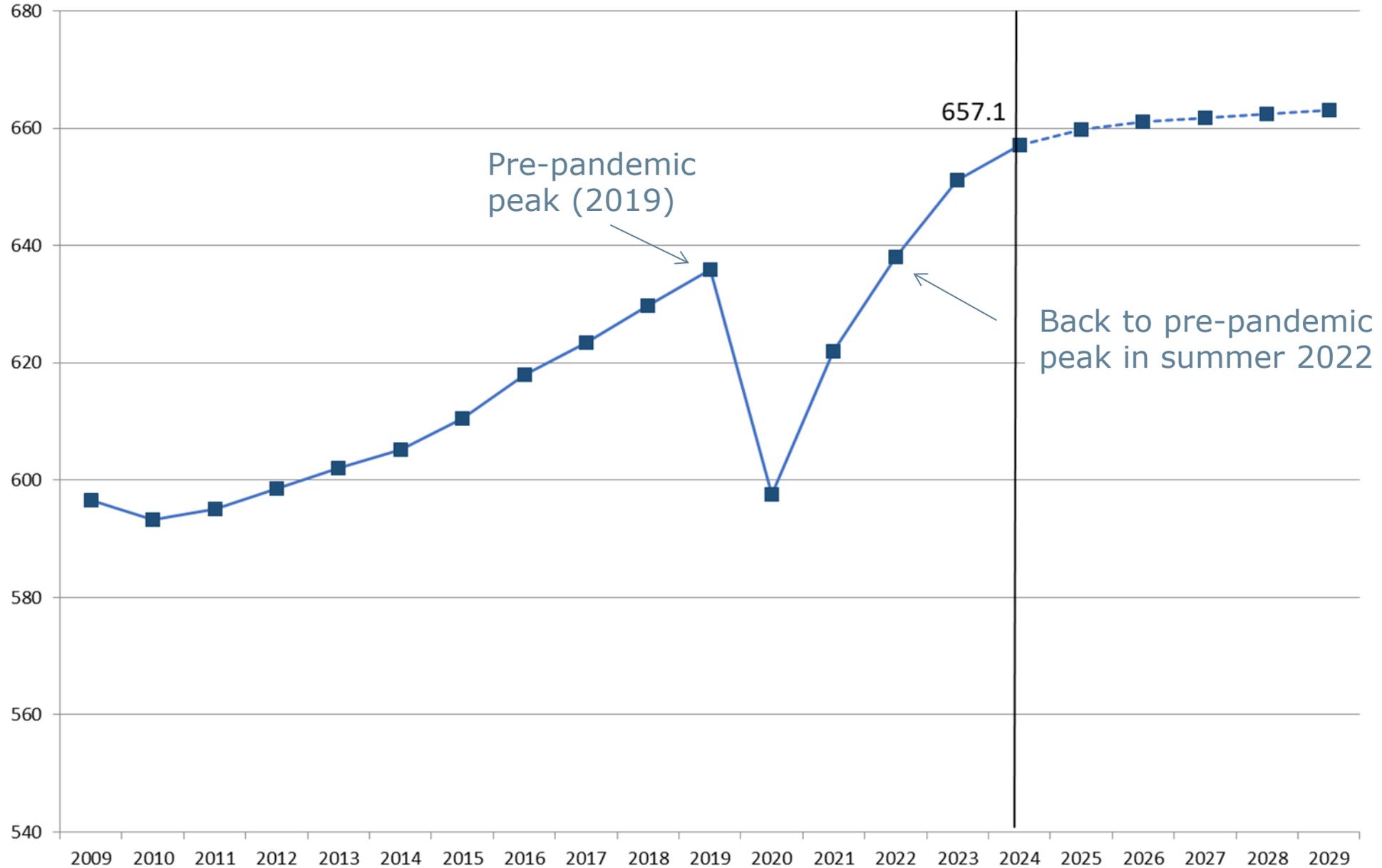


Maine Department of Labor, Center for Workforce Research and Information

Maine's seasonally-adjusted 3.5% unemployment rate in January 2025 is below both the U.S. and New England rates

Total Nonfarm Employment (in thousands)

History and Consensus Economic Forecasting Commission forecast



How do we find enough workforce in the future?

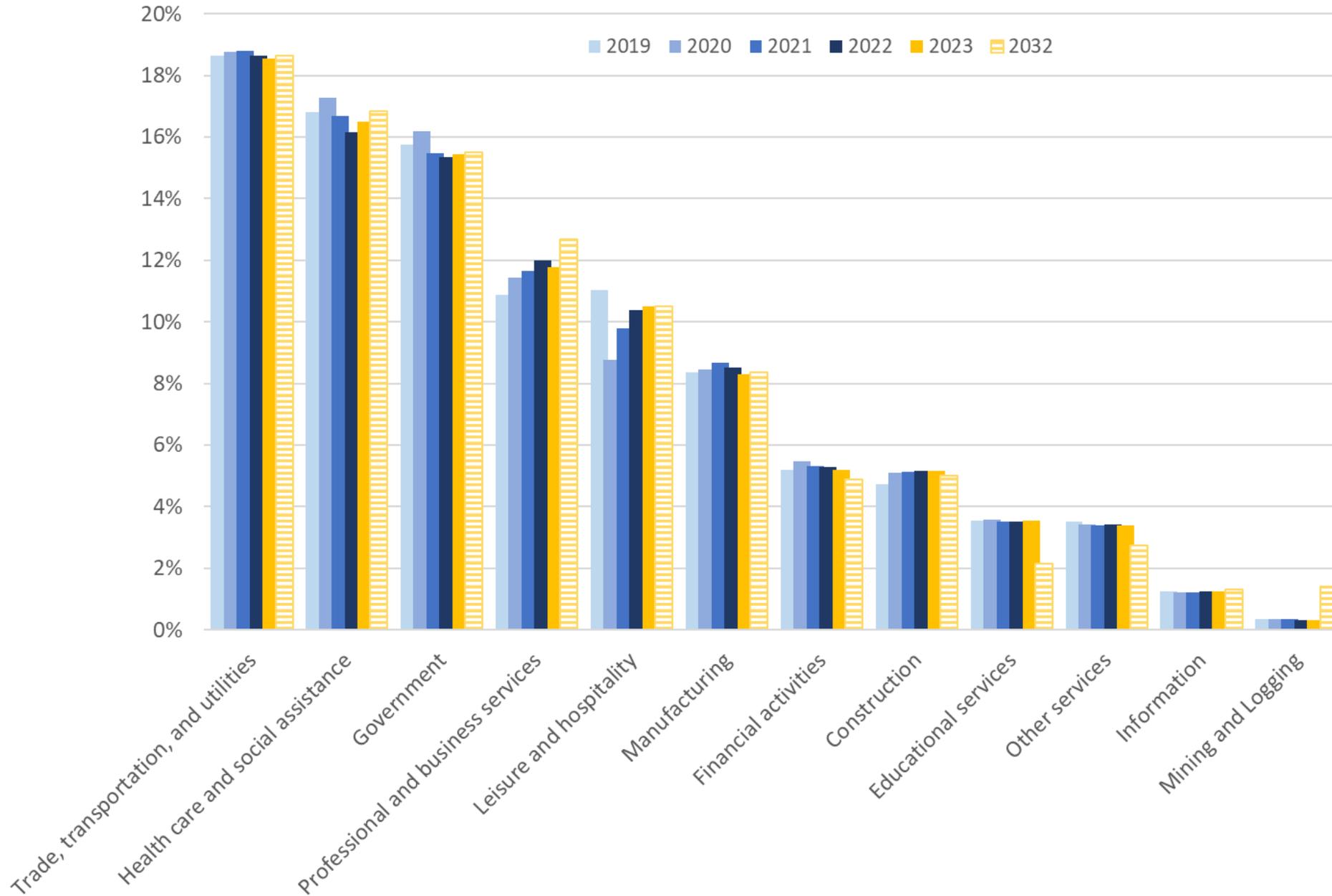
Migration: continue to attract workers to Maine; housing is currently a constraint

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

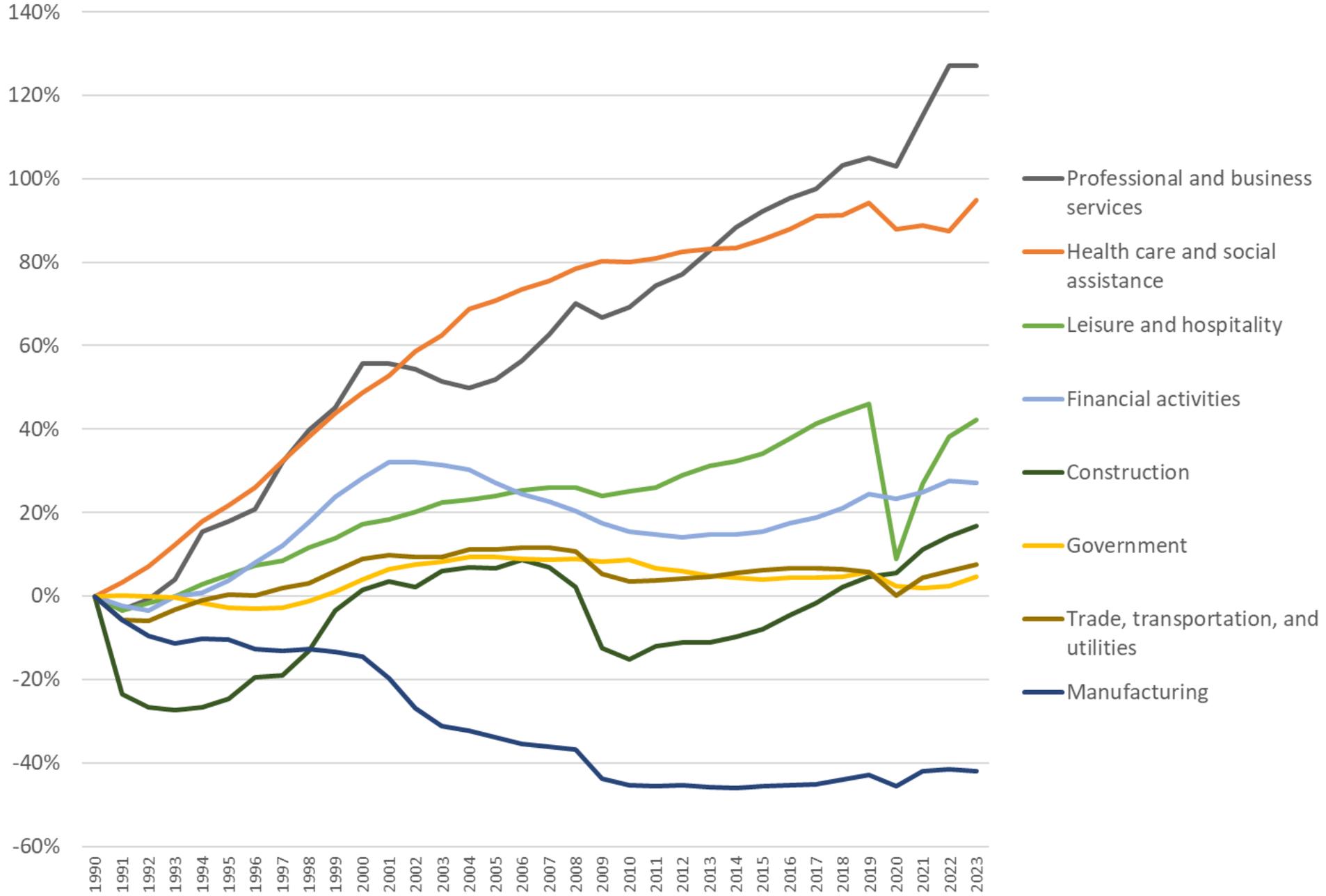
Labor Force Participation: remove roadblocks for historically underemployed populations

Automation: use technology to substitute for labor

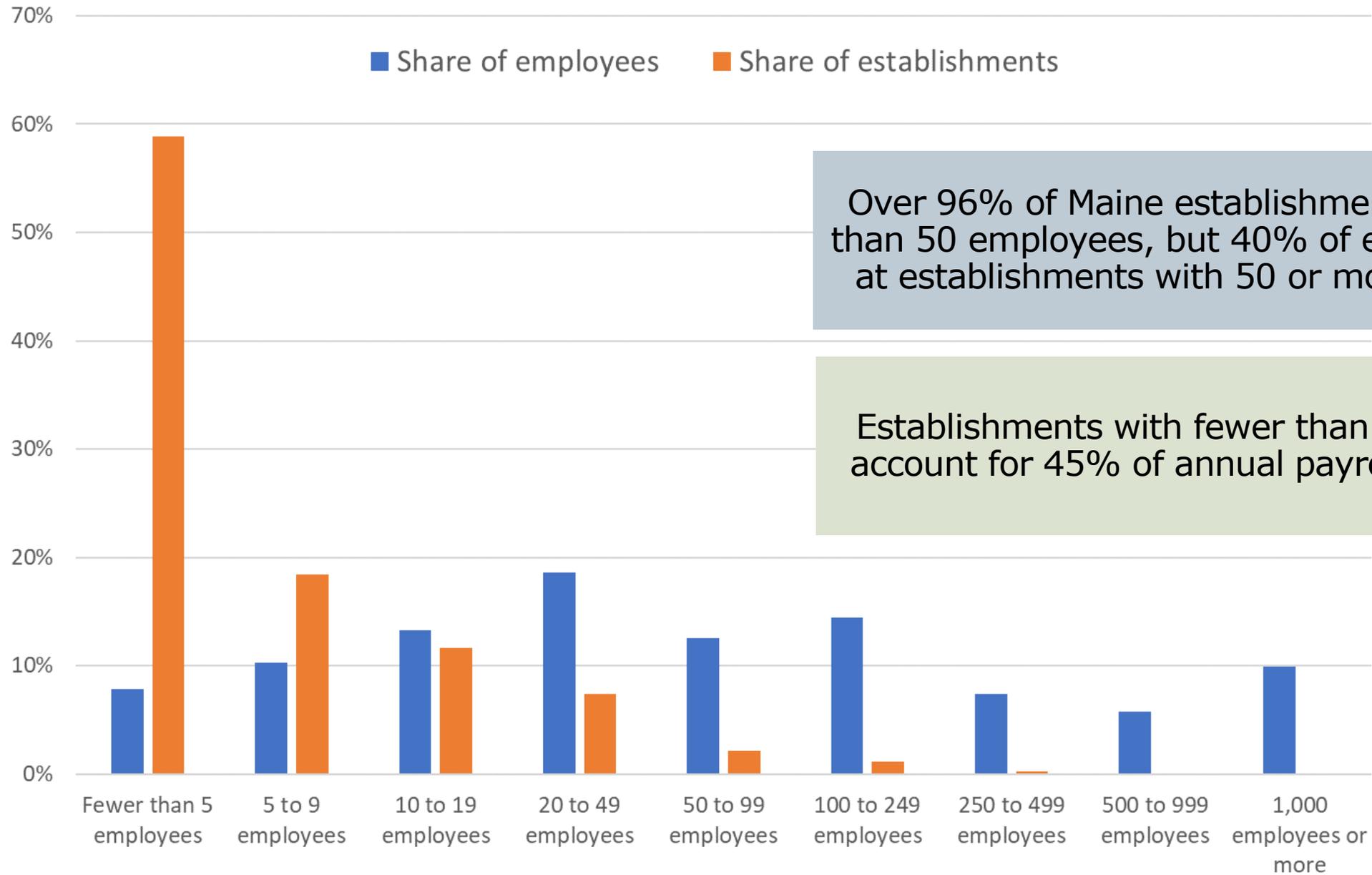
Share of Maine Nonfarm Employment by Industry



Percent change in select Maine employment sectors since 1990



Share of establishments and employees by establishment size class Maine, 2021



Over 96% of Maine establishments have fewer than 50 employees, but 40% of employees work at establishments with 50 or more employees

Establishments with fewer than 50 employees account for 45% of annual payroll (\$12 billion)

Display:
 Bar Graph
 Table
 Bubble Graph

Occupation:
 All

SOC Code:
 All

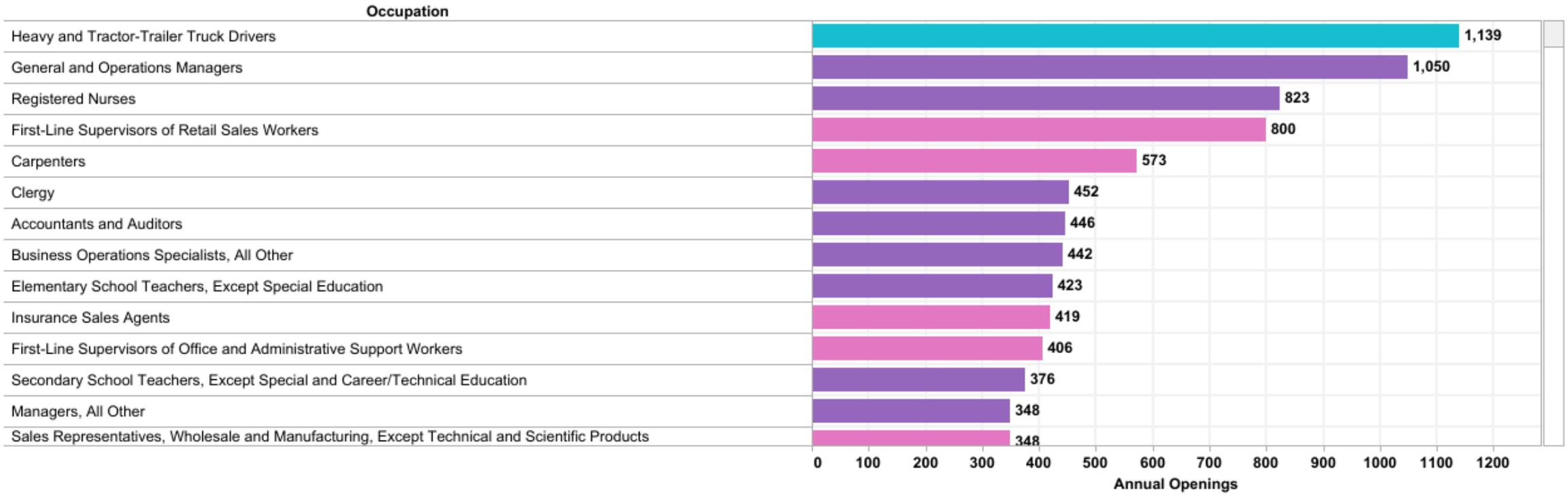
Typical Education Required:
 All

Typical Education Level Required (Graphs Only)

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

Maine High-Wage, In-Demand Jobs by Education

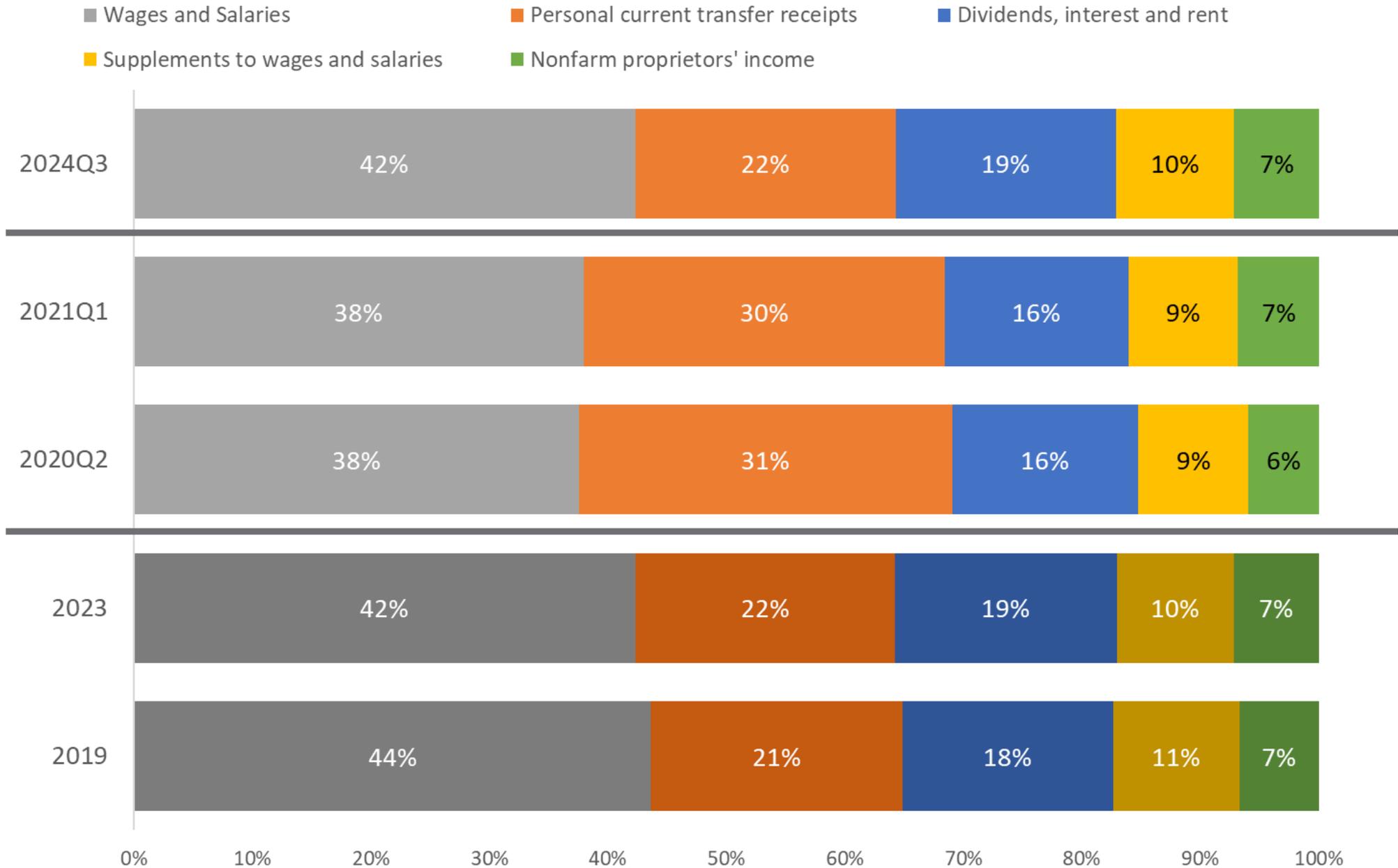
Education Requirement: **All**



Source: Maine Department of Labor, Center for Workforce Research and Information, 2022-2032 Occupational Employment Projections and 2023 Occupational Employment and Wage Estimates for Maine.

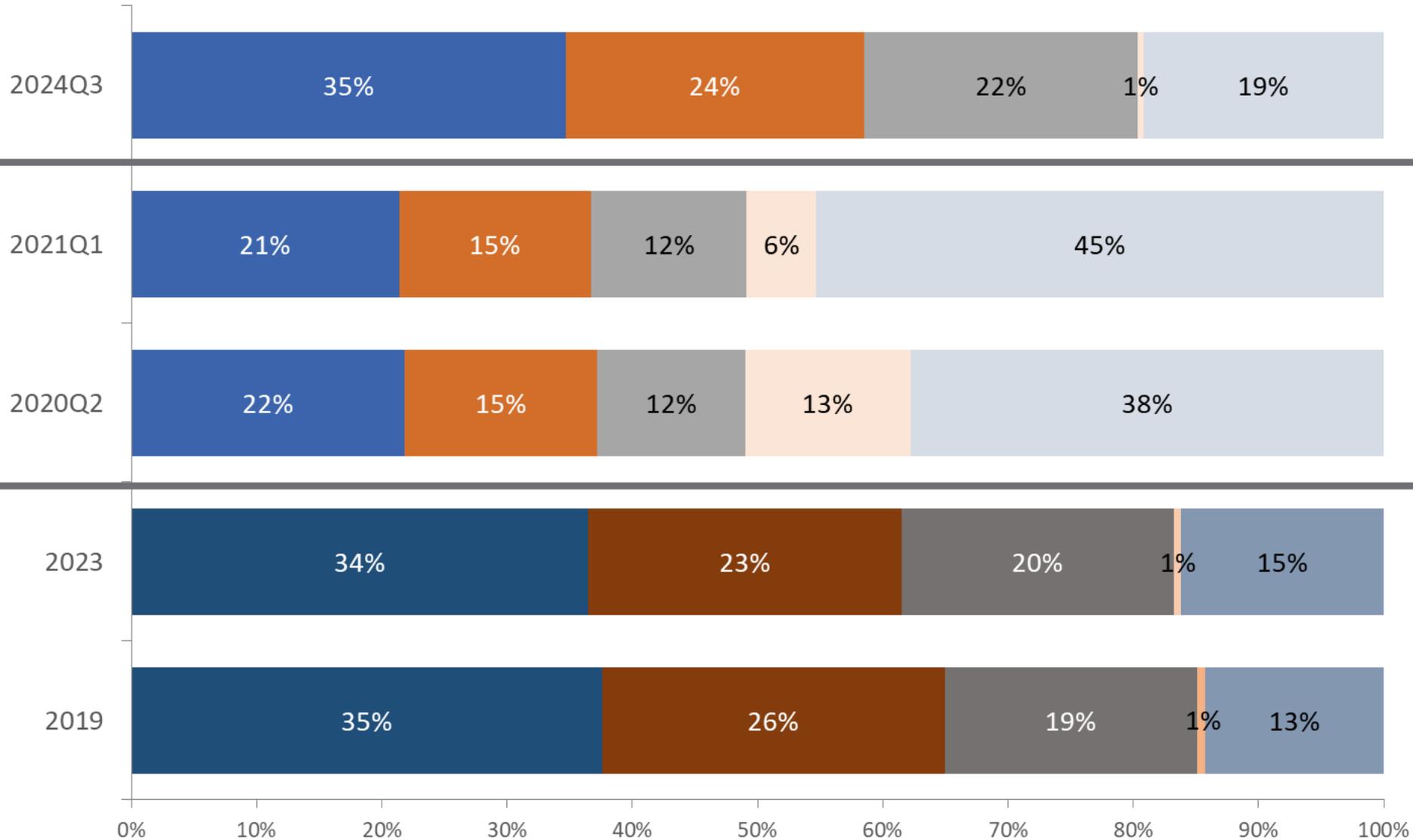
Wages, Income, and Inflation

Major Components of Personal Income, Maine

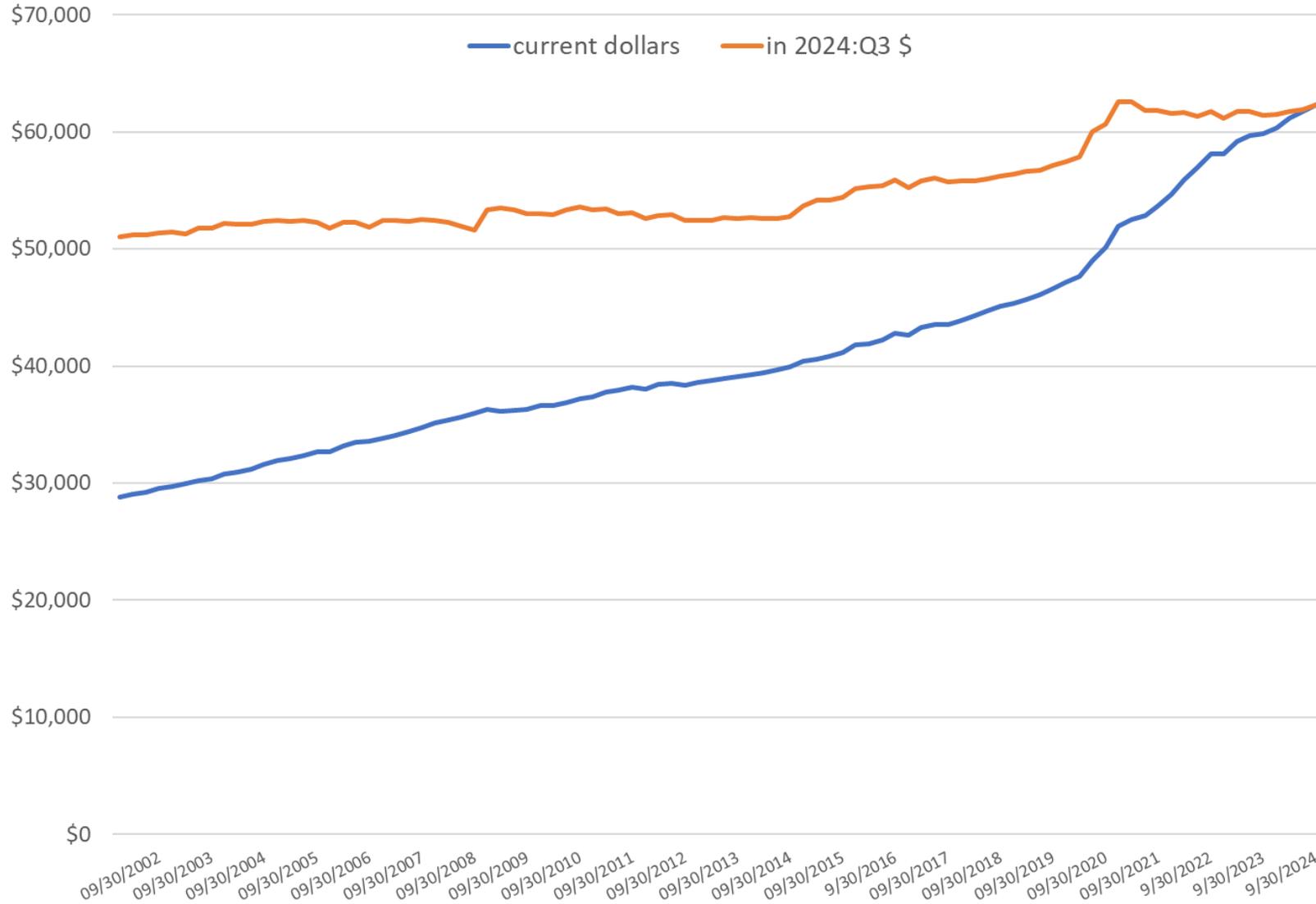


Components of Personal Current Transfer Receipts,

- Social Security benefits
- Medicare benefits
- Medicaid
- Unemployment insurance compensation
- All other personal current transfer receipts

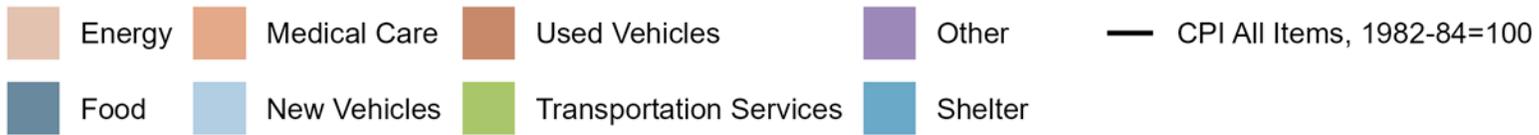
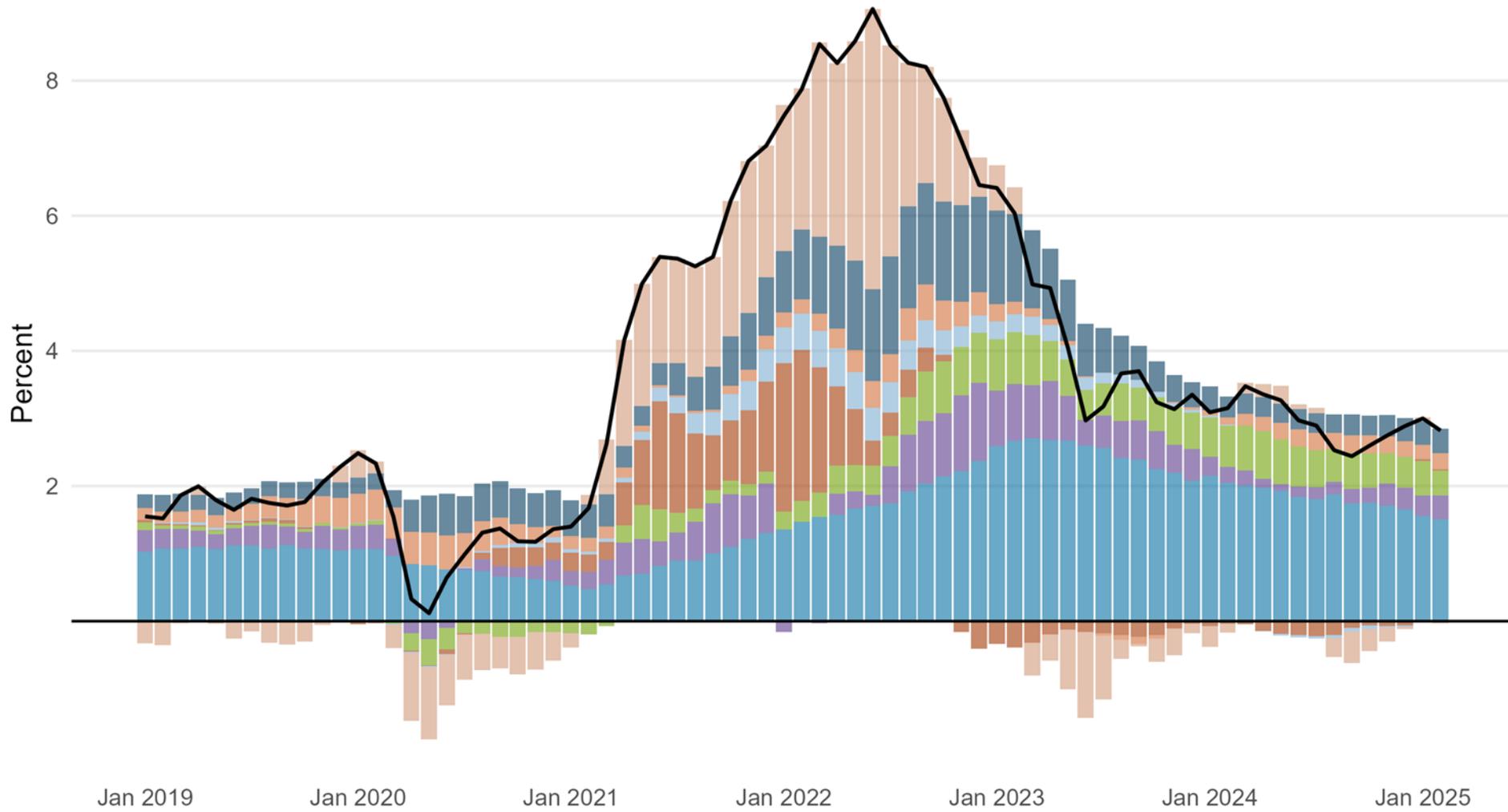


Moving Four Quarter Average Wage Per Job



Wages increased sharply during the first part of the pandemic; when inflation picked up, wage gains kept pace

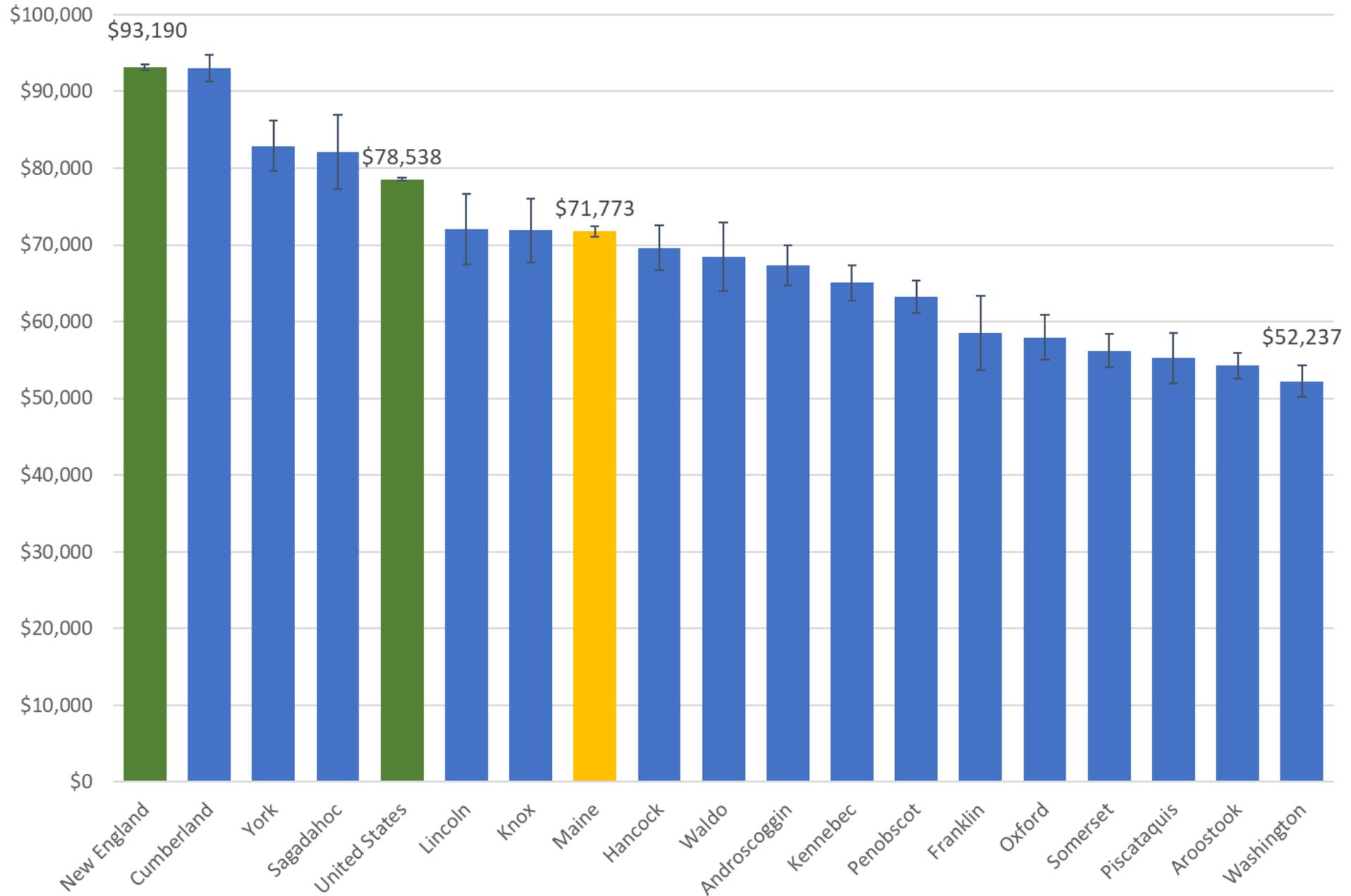
Percentage Point Contribution to YoY Percent Change in CPI



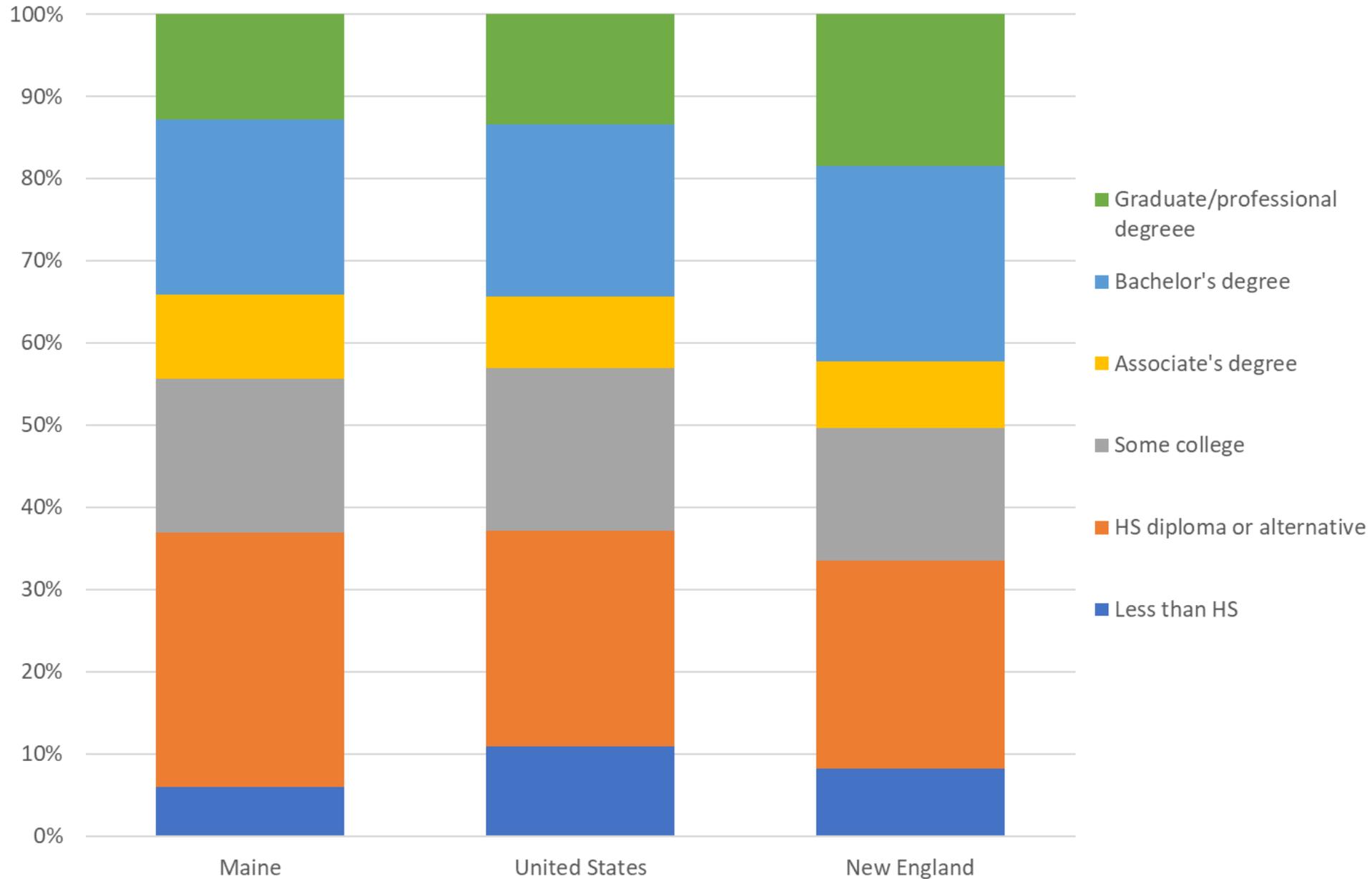
Source: US Bureau of Labor Statistics & Calculations by OSE Staff

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

Median Household Income

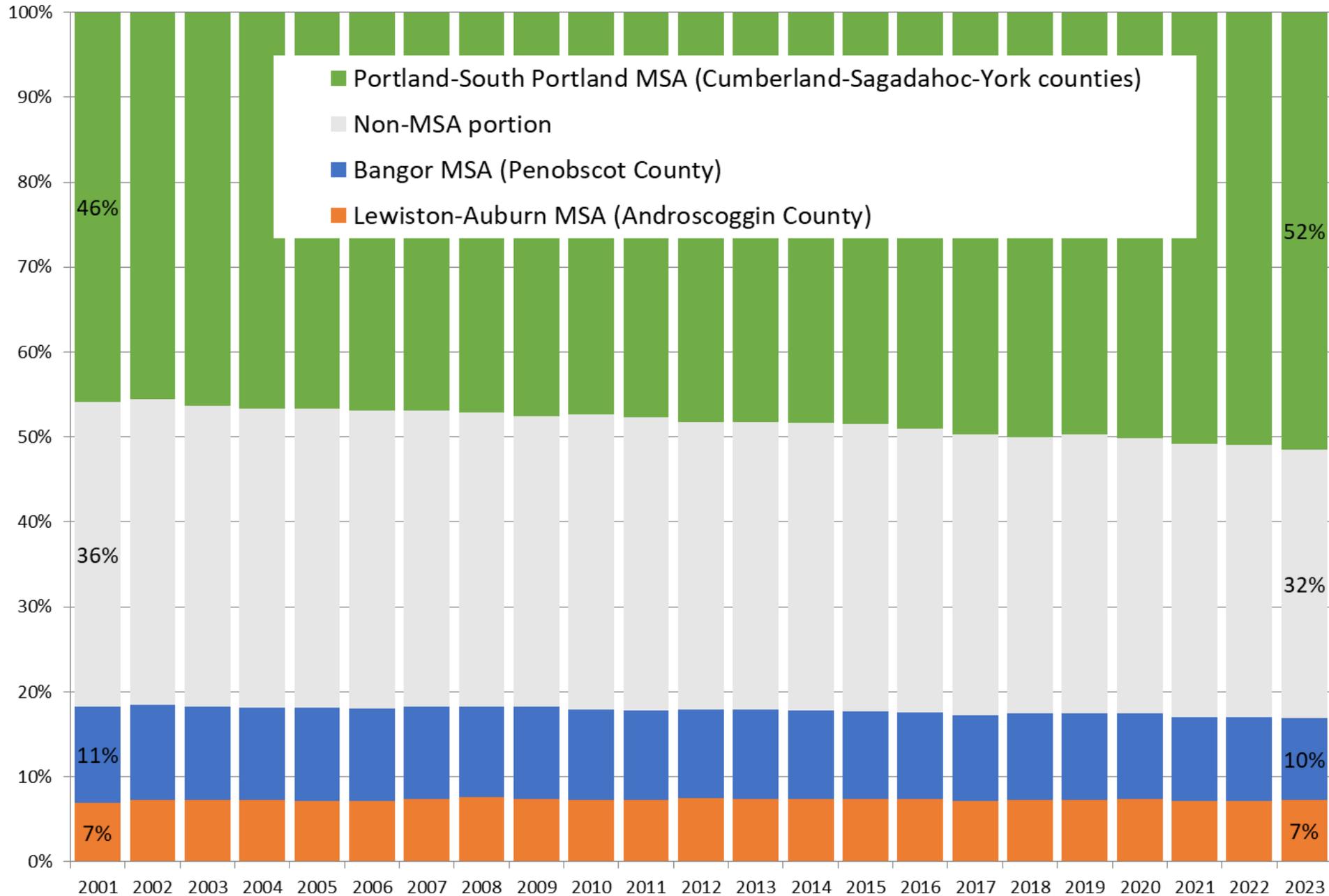


Educational Attainment of Population Age 25+



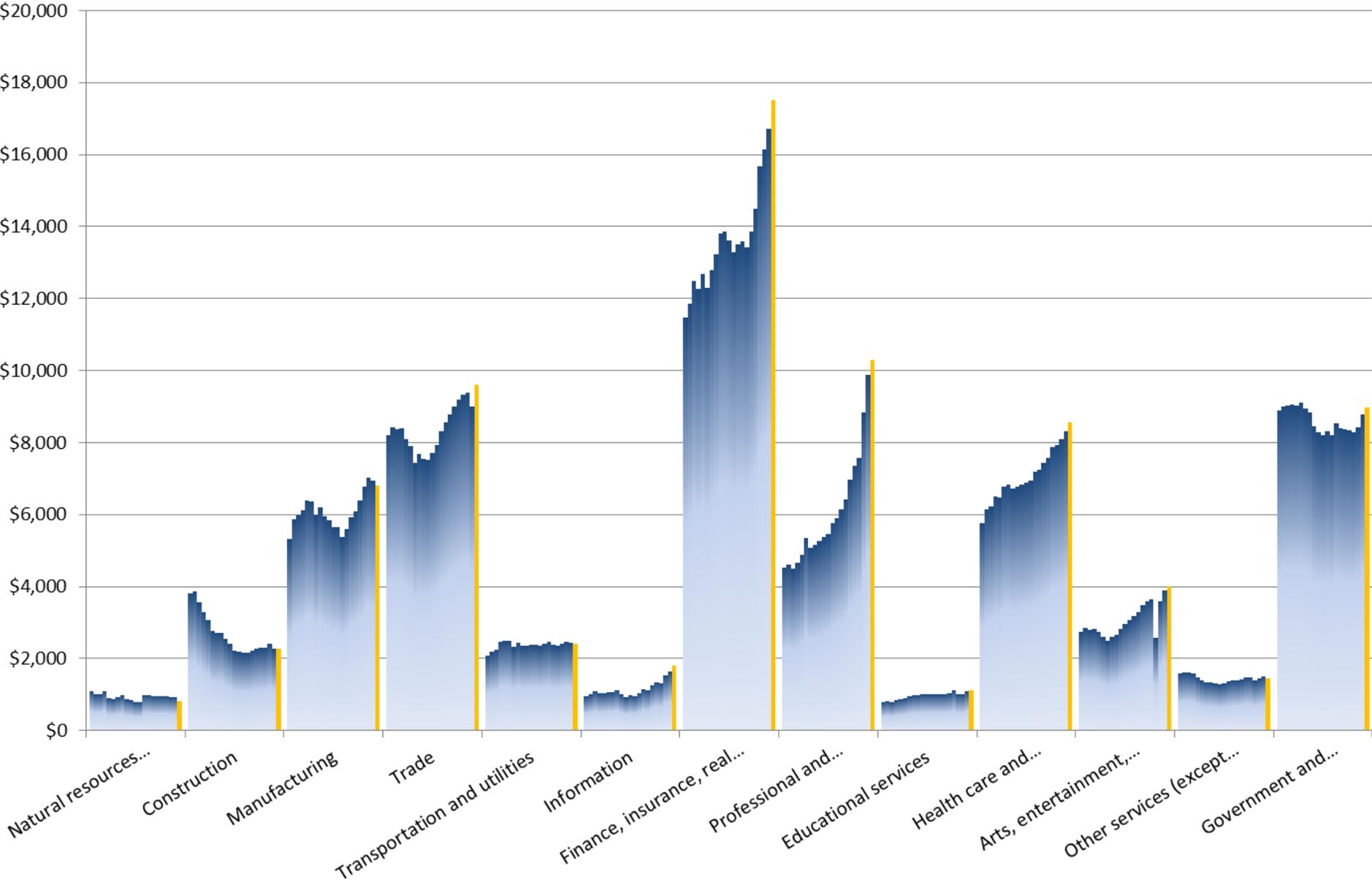
Gross Domestic Product (GDP)

Share of Maine GDP by Metropolitan Area

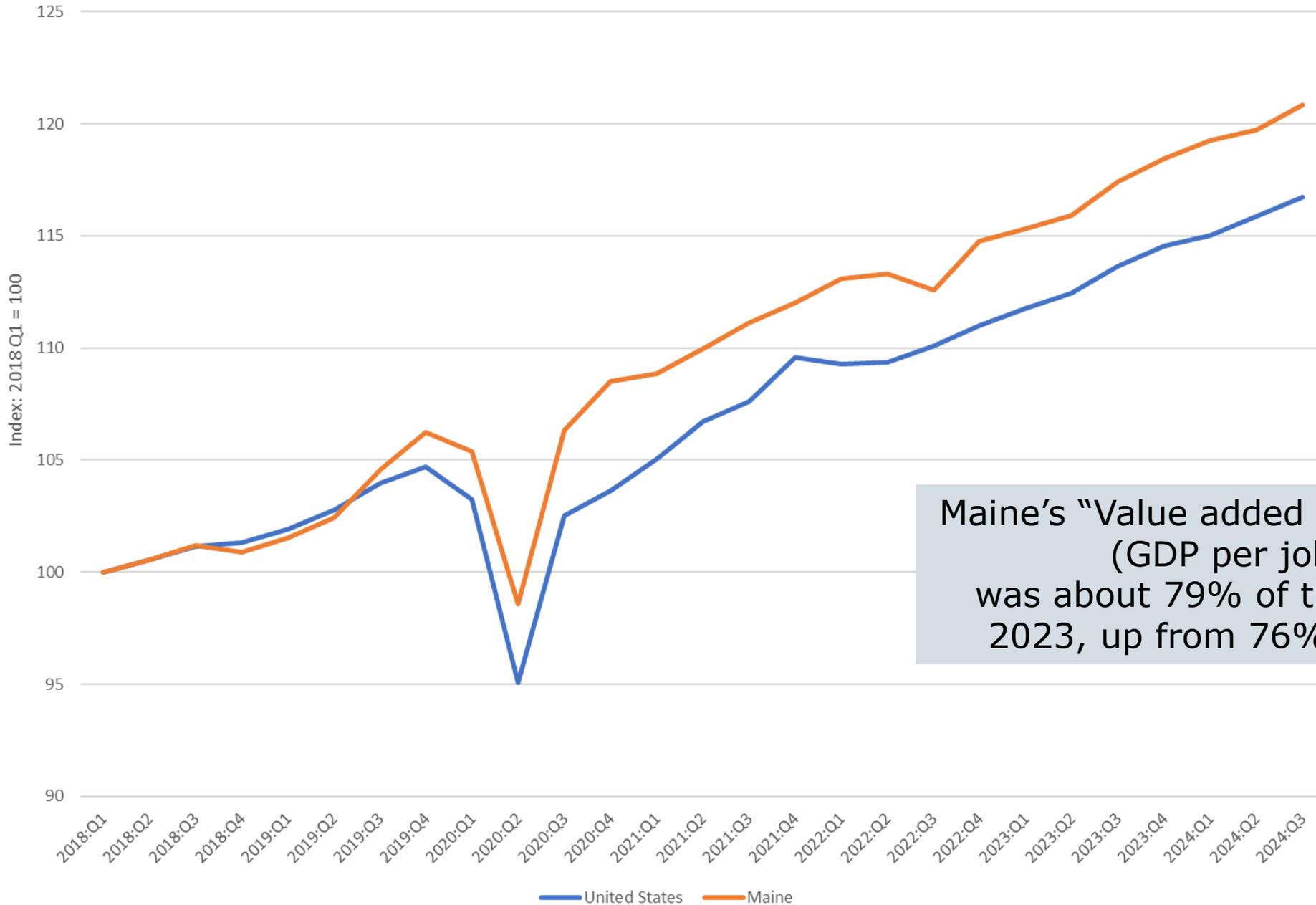


Maine Real GDP by Industry, 2003-2023

(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

Amanda Rector

Maine State Economist

Department of Administrative and Financial Services

www.maine.gov/dafs/economist

amanda.rector@maine.gov