

Demographic and Economic Conditions in Maine

West Bay Rotary Club

April 4, 2024

Amanda Rector

Maine State Economist

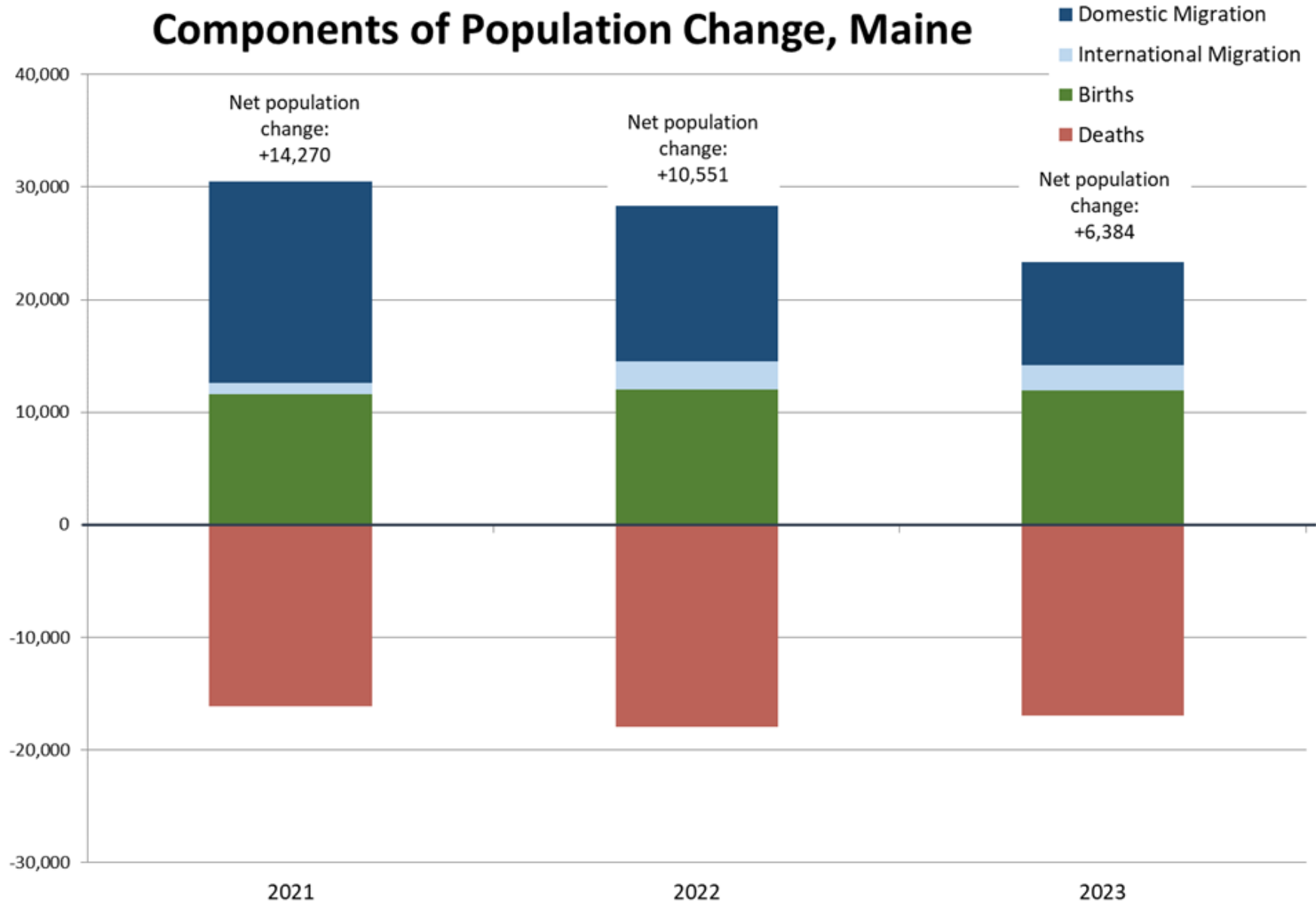
Demographics

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

Population increase of 2.4% from 2020-2023 (14th in U.S.)

2023 Total Population: 1,395,722

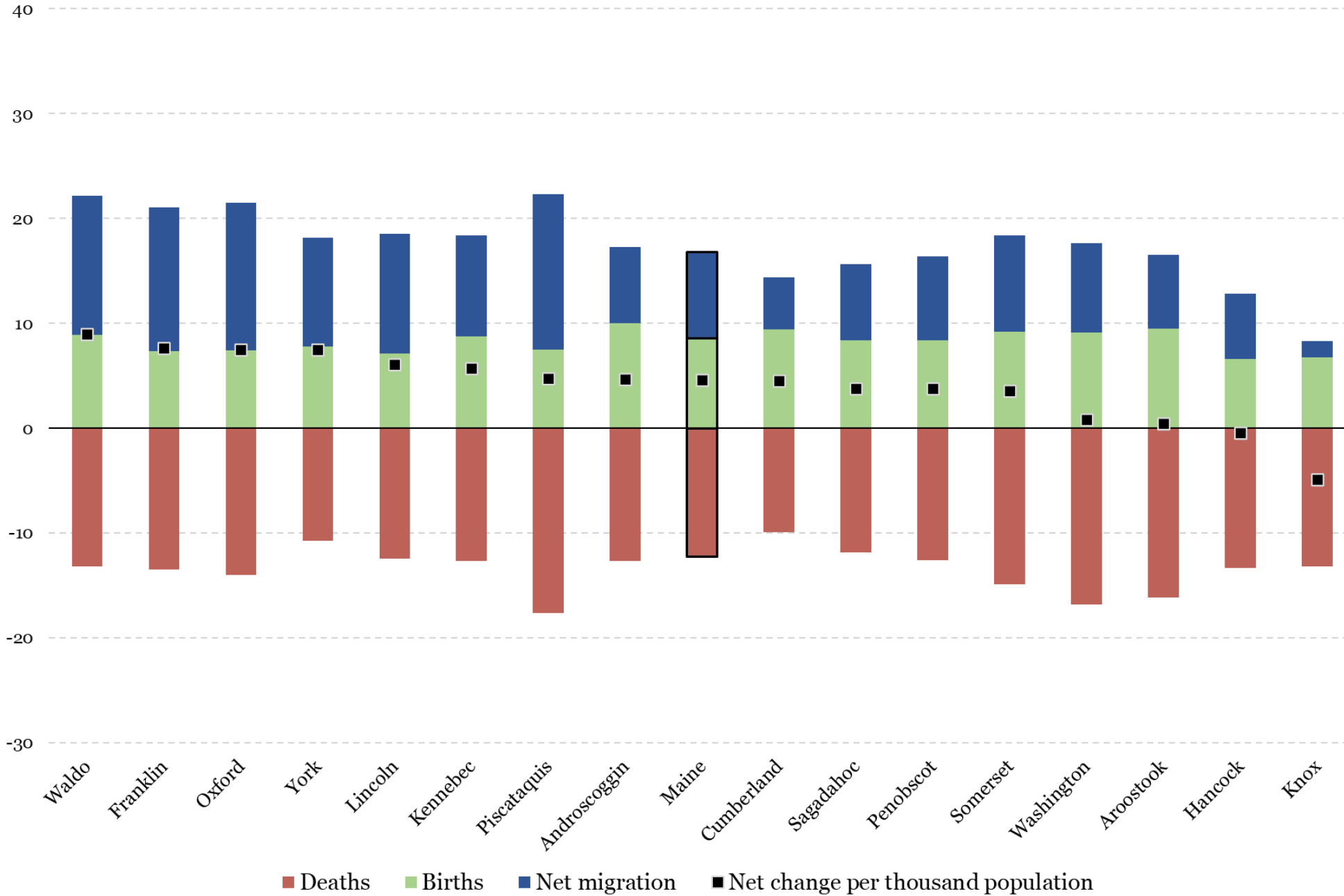
Components of Population Change, Maine



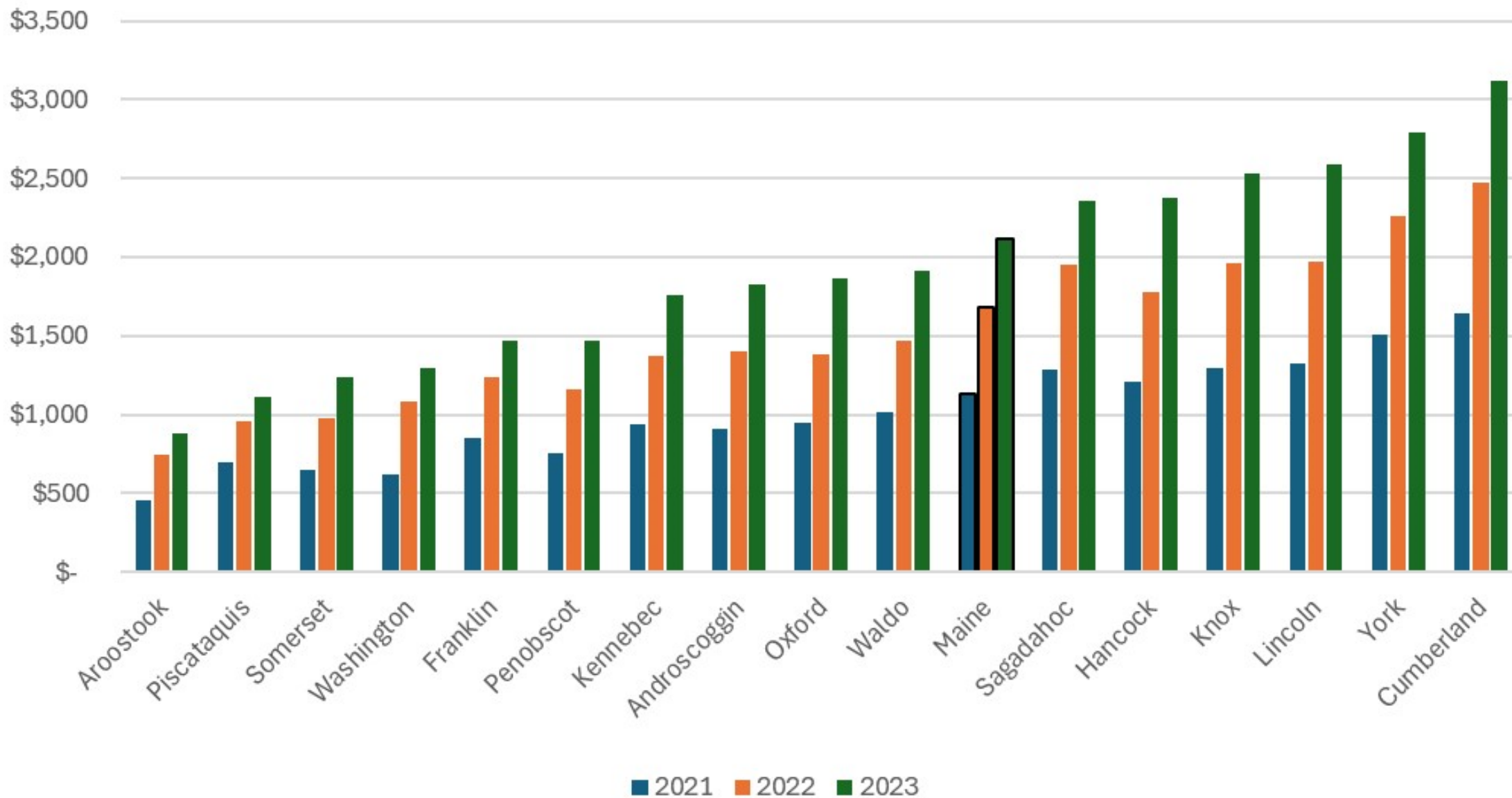
Source: U.S. Census Bureau, Population Estimates Program, 2023 vintage

Components of Population Change in Maine, 2023

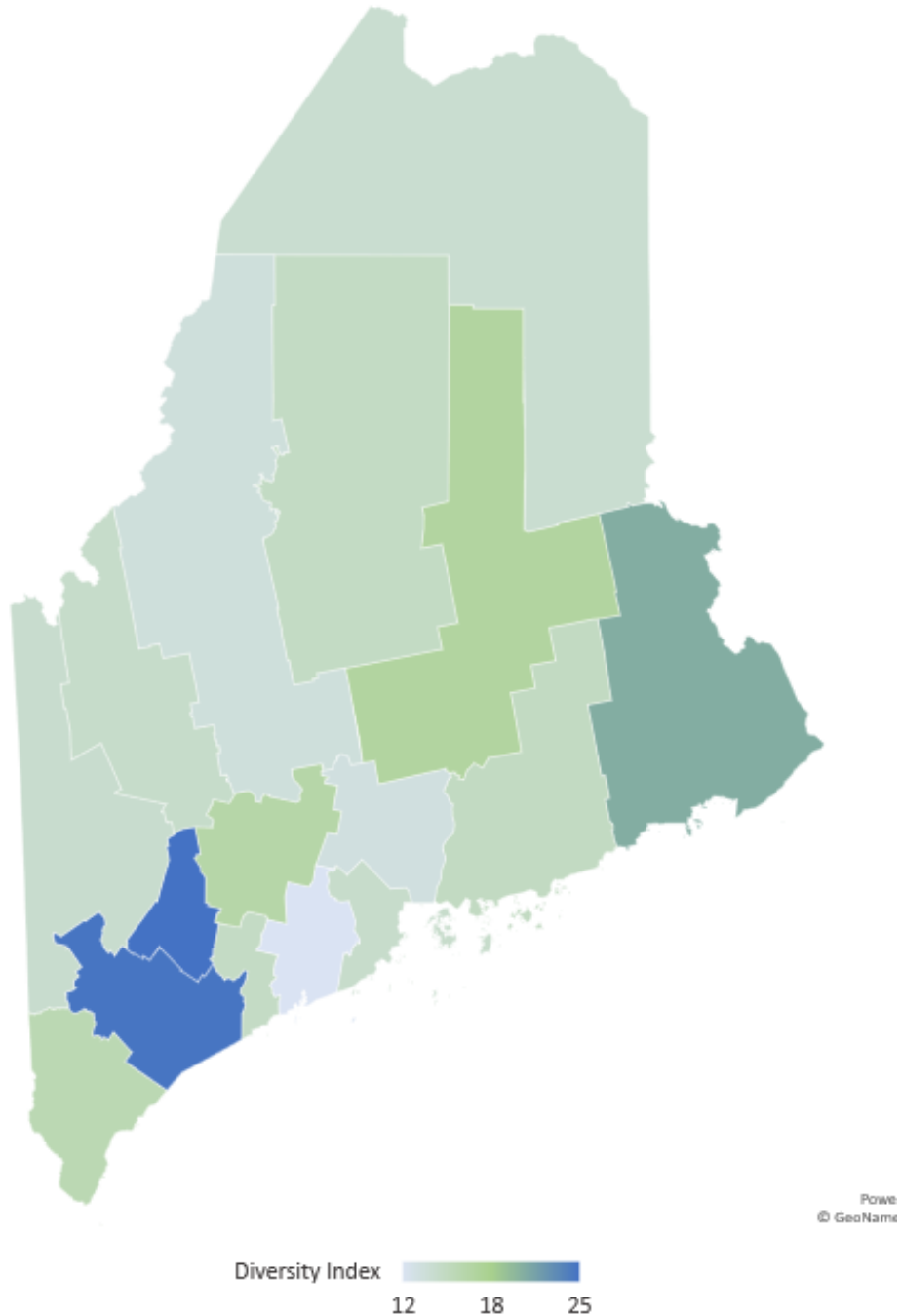
Rate per thousand population



Monthly Mortgage Payment at the Median Sales Price 2021-2023



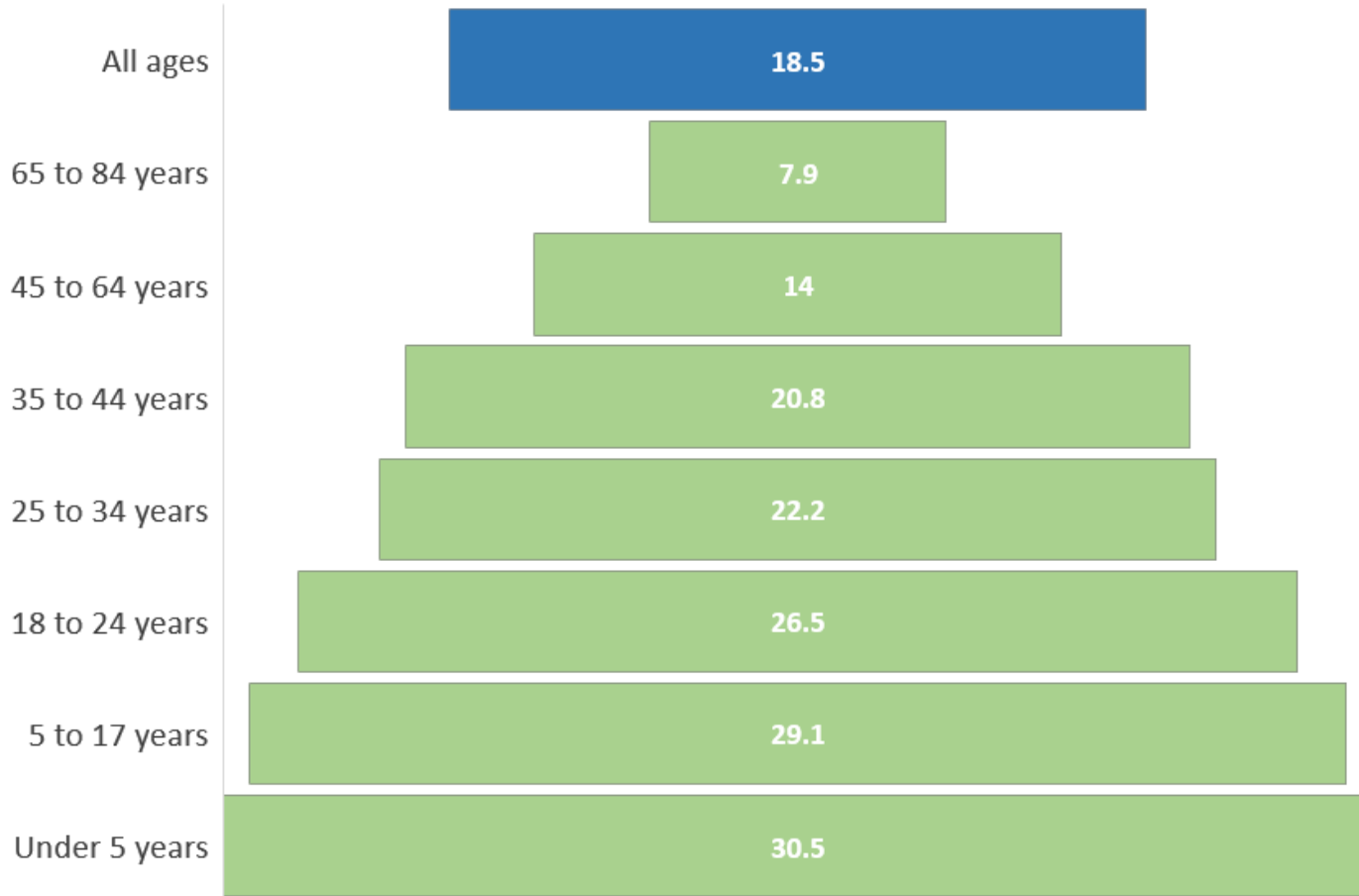
Source: Maine Association of Realtors (Prices), FRED Average 30-yr fixed rate mortgage (Rates), Principal and Interest only with 10% down payment



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

Diversity Index in Maine, 2020: Selected Age Groups



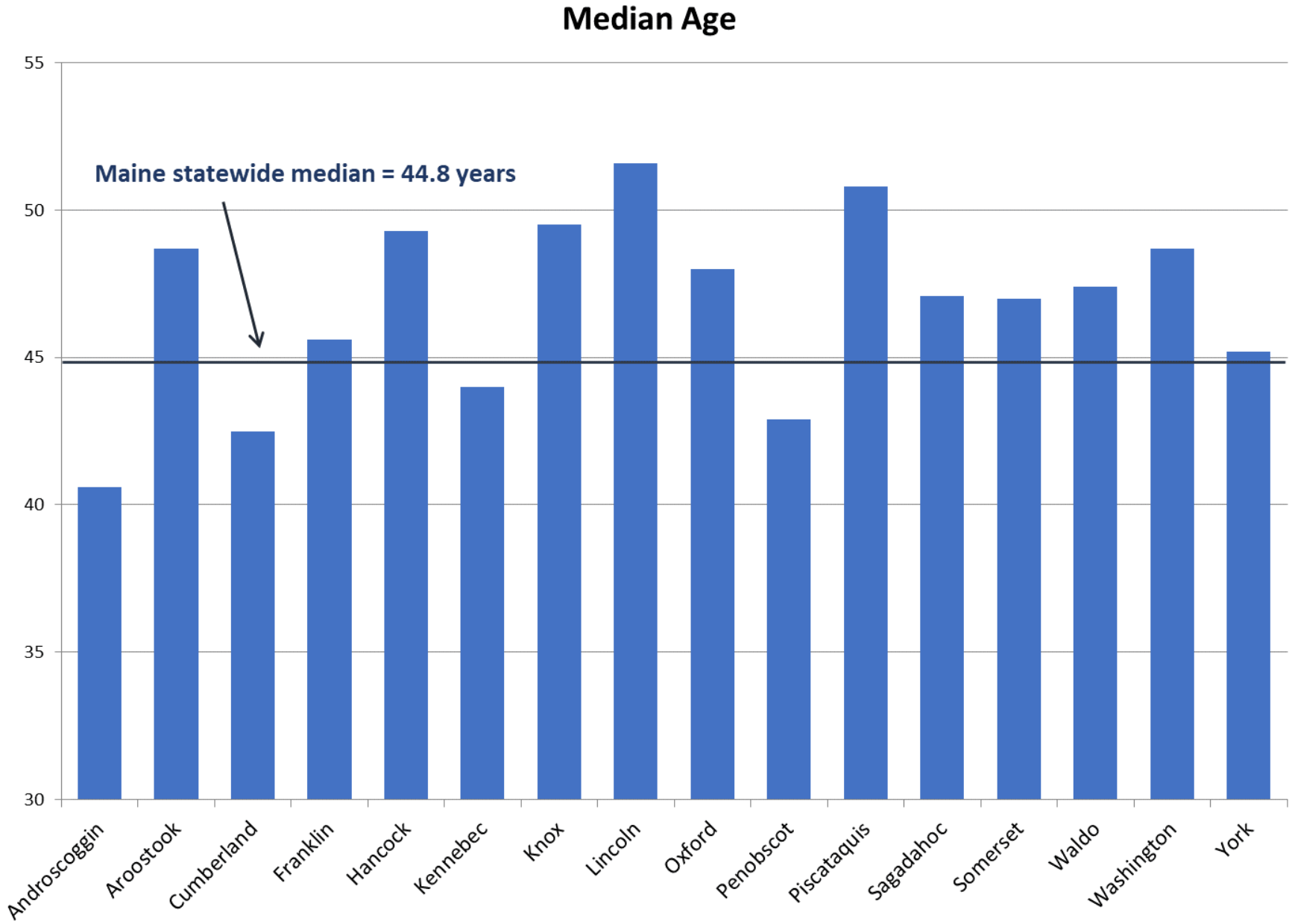
Younger generations in Maine are more diverse than older generations

Maine has the oldest population...
...by median age (44.8 years)
...and by % of population age 65+ (22.5%)

BUT!

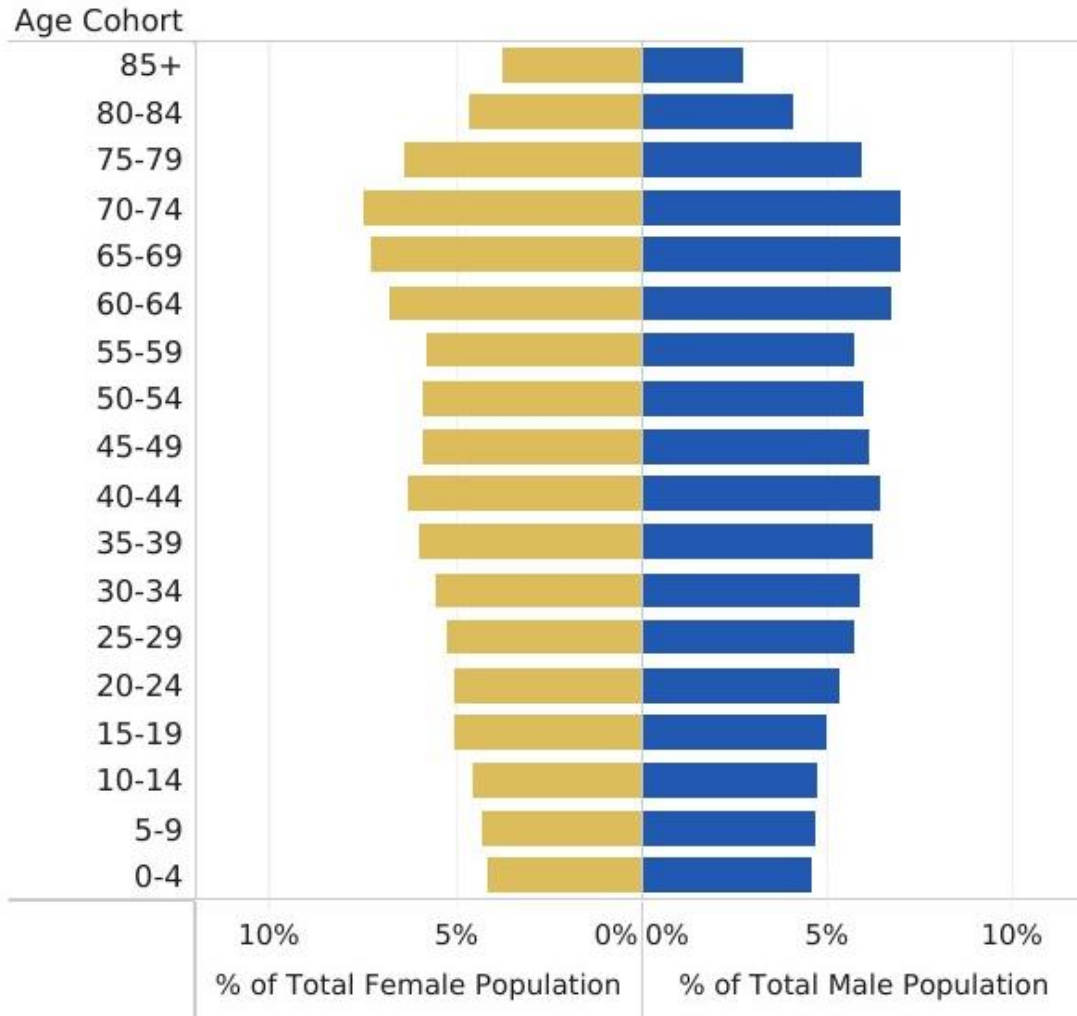
Maine was one of only two states to see a decrease in median age from 2020 to 2021...

...and was one of only four states to not see an increase from 2021 to 2022

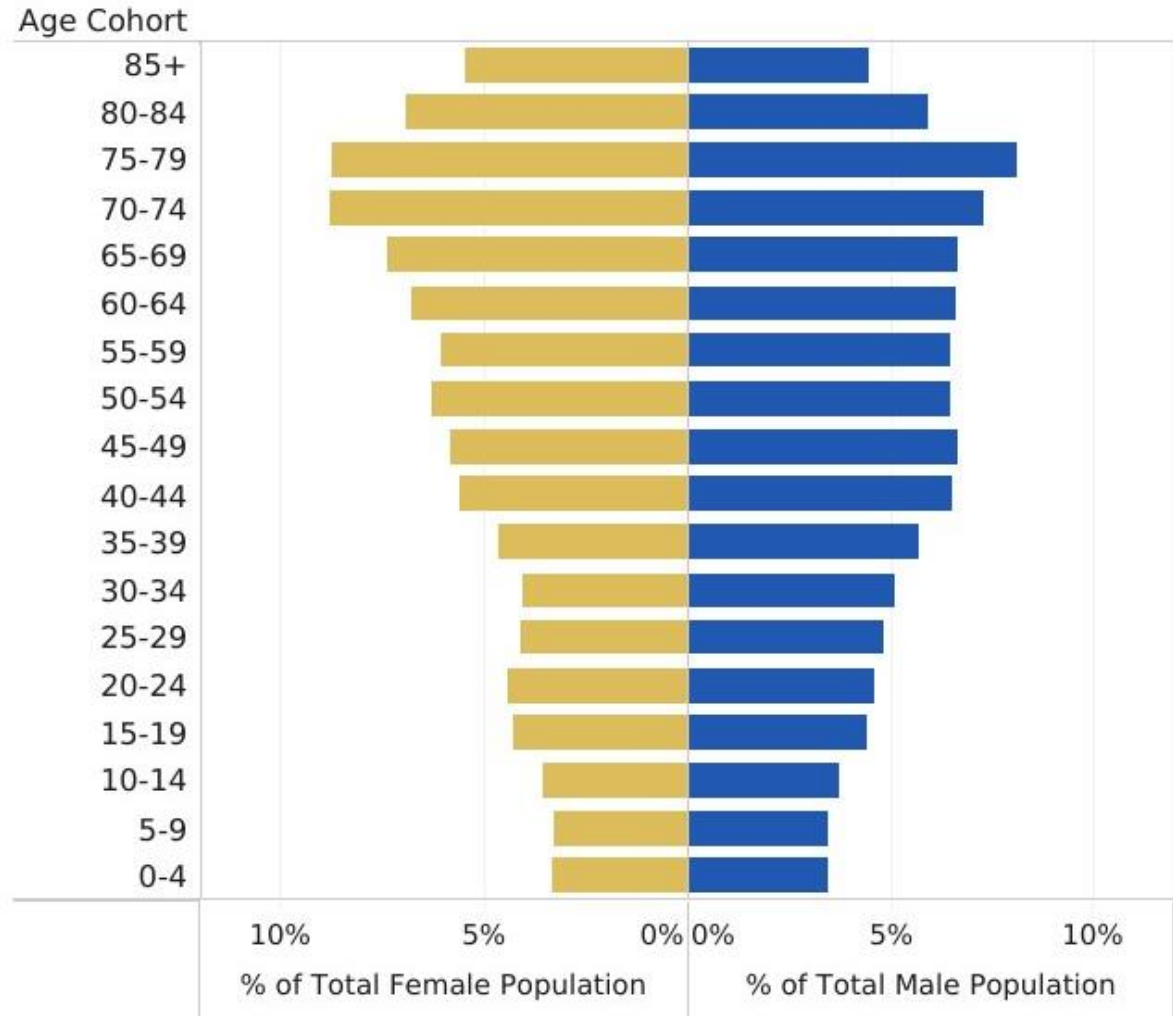


2021 median age decreased in ME and CT; 2022 median age unchanged in ME, AL, TN, WV

Maine, 2030, Projected Population



Knox County, 2030, Projected Population

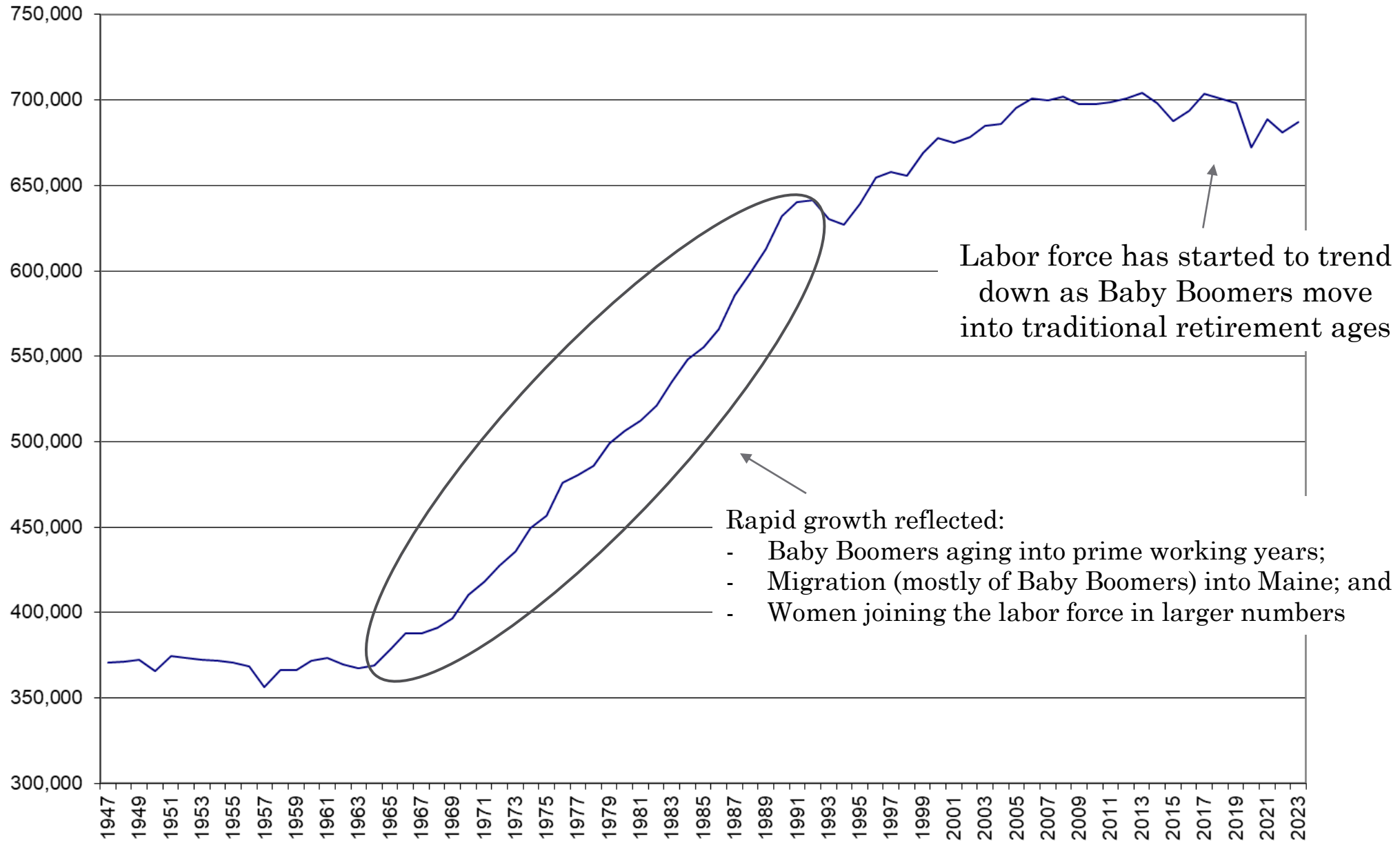


Source: The Office of the State Economist, Maine State and County Population Projections, 2040. June 2023 release.

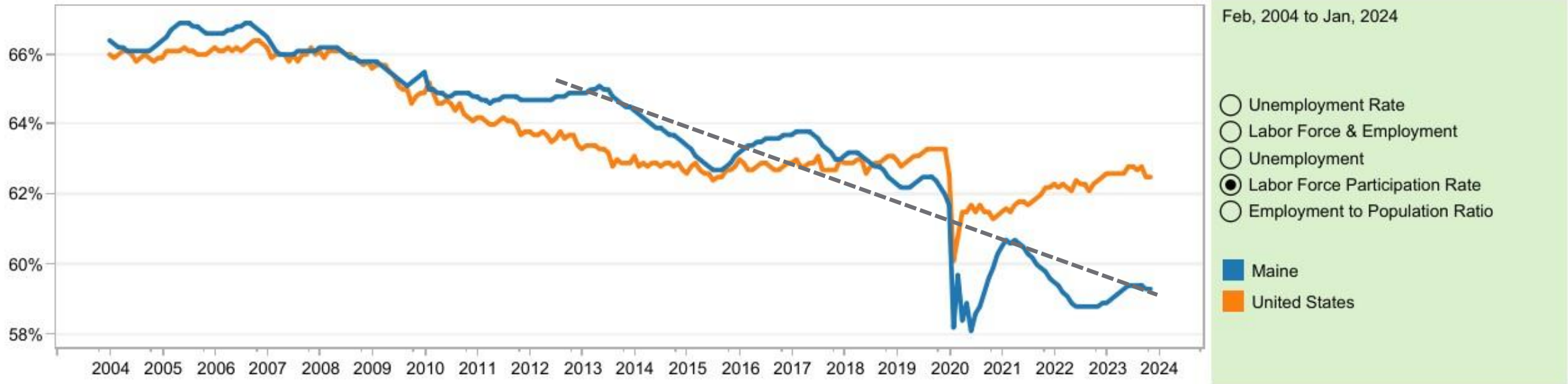
[Click to view methodology & report \(PDF\)](#)

Workforce and Employment

Maine Civilian Labor Force



Labor Force Participation Rate (seasonally adjusted)



If the **age distribution** of Maine's population was the same as the U.S., our overall **labor force participation rate** would be about the same as the U.S.

Maine's 3.4% unemployment rate in February 2024 was close to recent record lows and unchanged for the fifth consecutive month

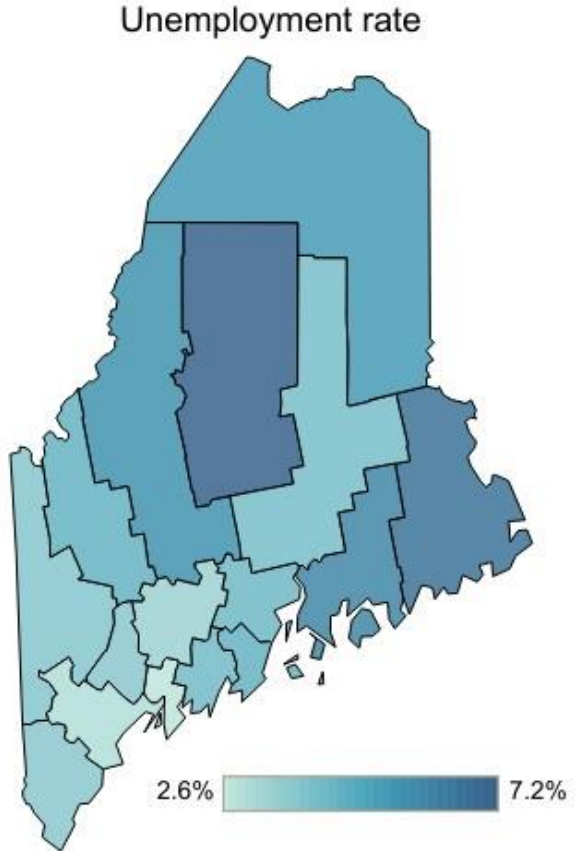
County Rates (not seasonally adjusted)

February, 2024

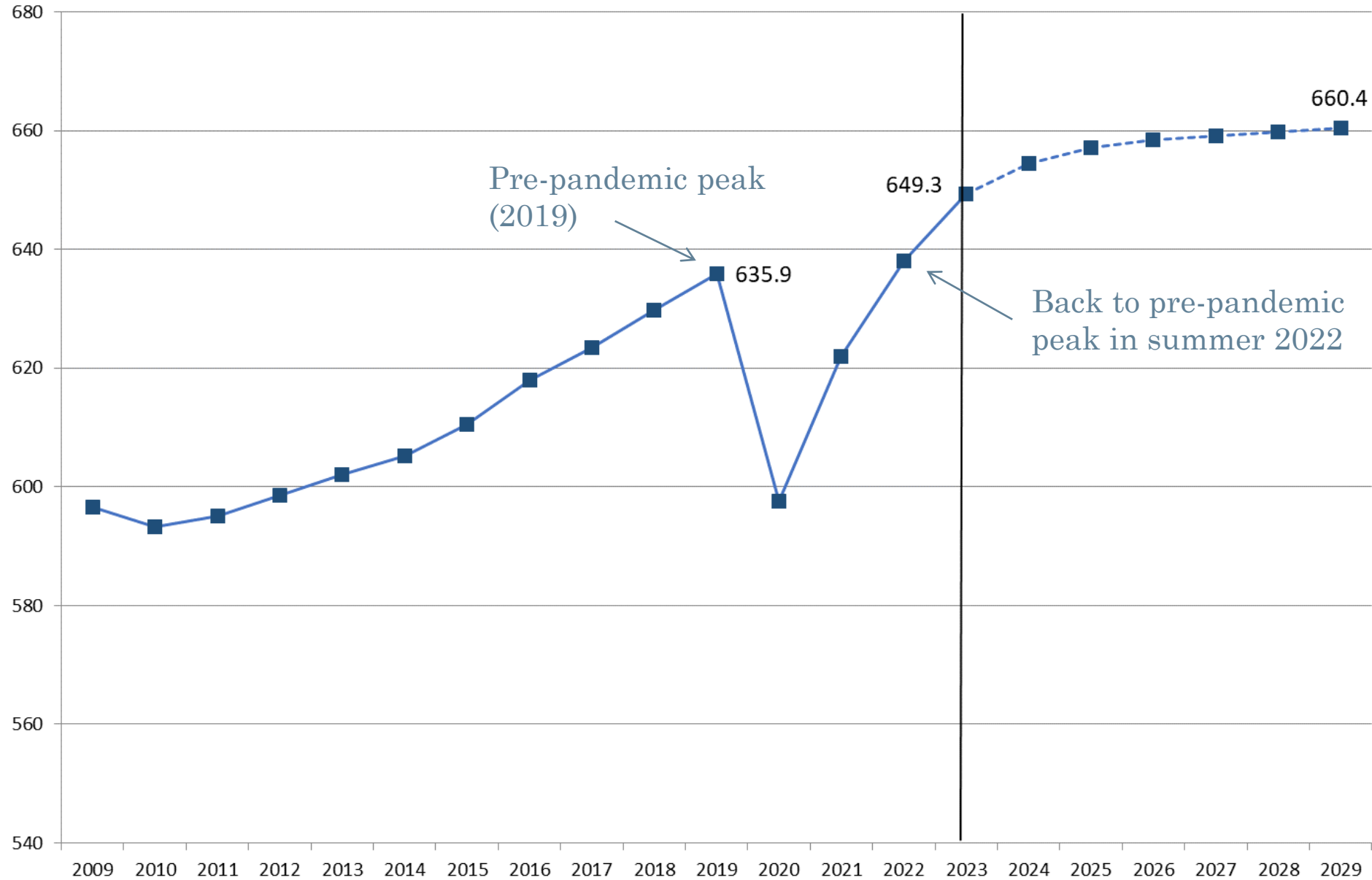
Table
 Graph

Map/Graph Display
 Unemployment rate
 One-year change

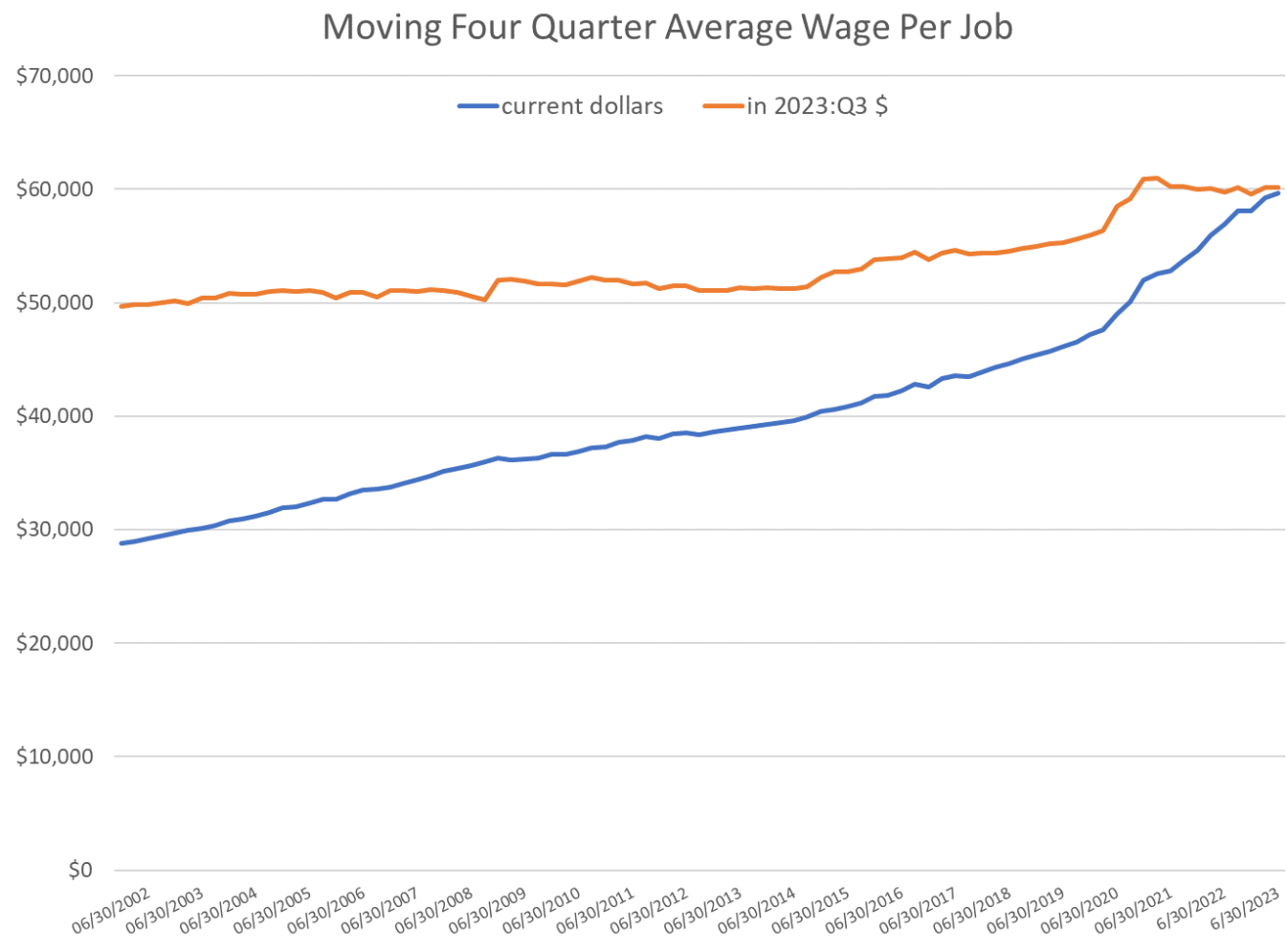
County	Rate	Year ago	One-yr change
Maine	3.9%	3.2%	0.7 ↑
Androscoggin	3.7%	3.2%	0.5 ↑
Aroostook	5.3%	4.3%	1.0 ↑
Cumberland	2.9%	2.3%	0.6 ↑
Franklin	4.5%	3.4%	1.1 ↑
Hancock	6.0%	5.2%	0.8 ↑
Kennebec	3.3%	2.7%	0.6 ↑
Knox	4.5%	3.8%	0.7 ↑
Lincoln	4.2%	3.5%	0.7 ↑
Oxford	3.8%	3.5%	0.3 ↑
Penobscot	4.1%	3.2%	0.9 ↑
Piscataquis	7.2%	4.7%	2.5 ↑
Sagadahoc	2.6%	2.4%	0.2 ↑
Somerset	5.6%	4.9%	0.7 ↑
Waldo	4.3%	3.8%	0.5 ↑
Washington	6.6%	5.9%	0.7 ↑
York	3.7%	3.1%	0.6 ↑



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

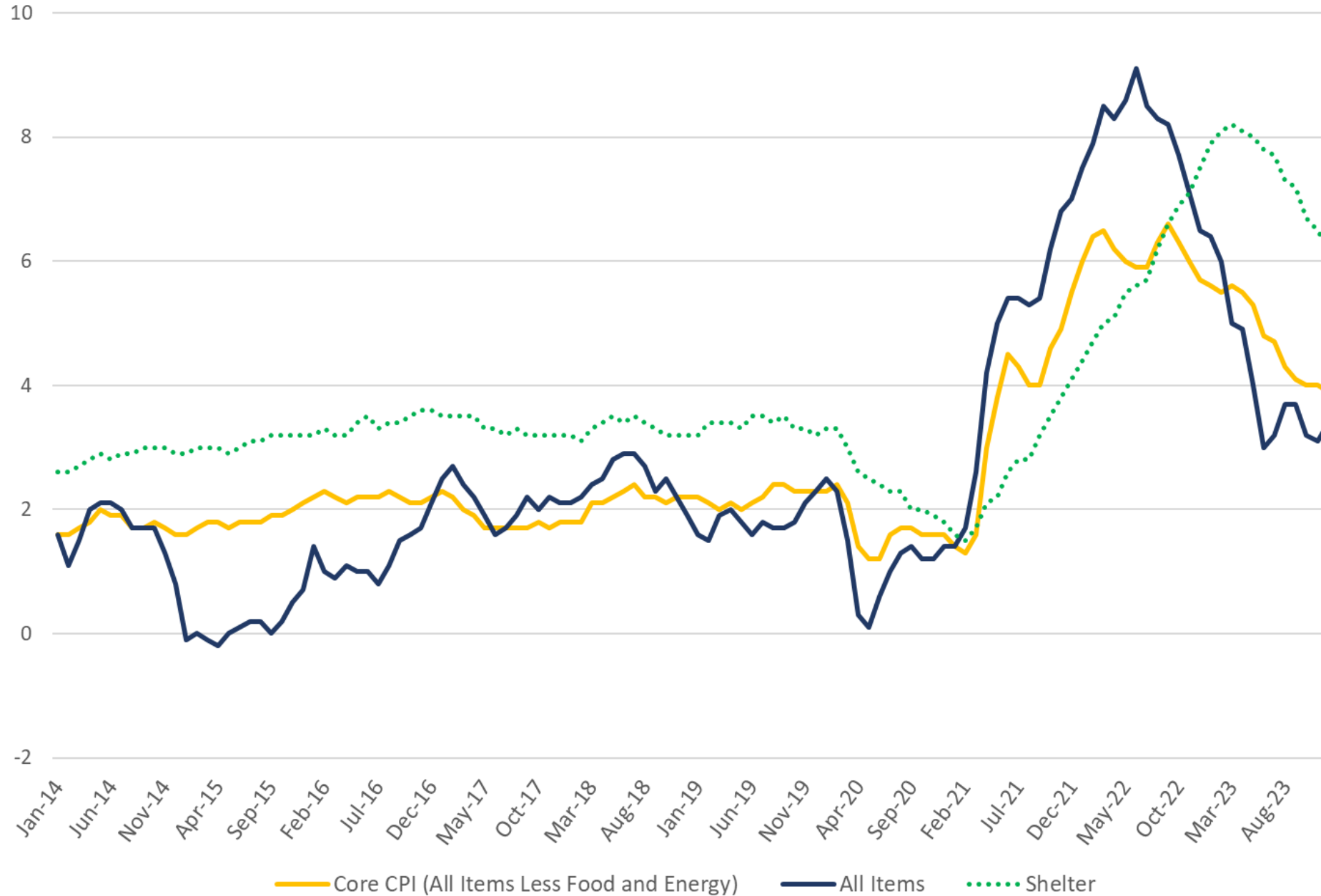


Wages and Inflation



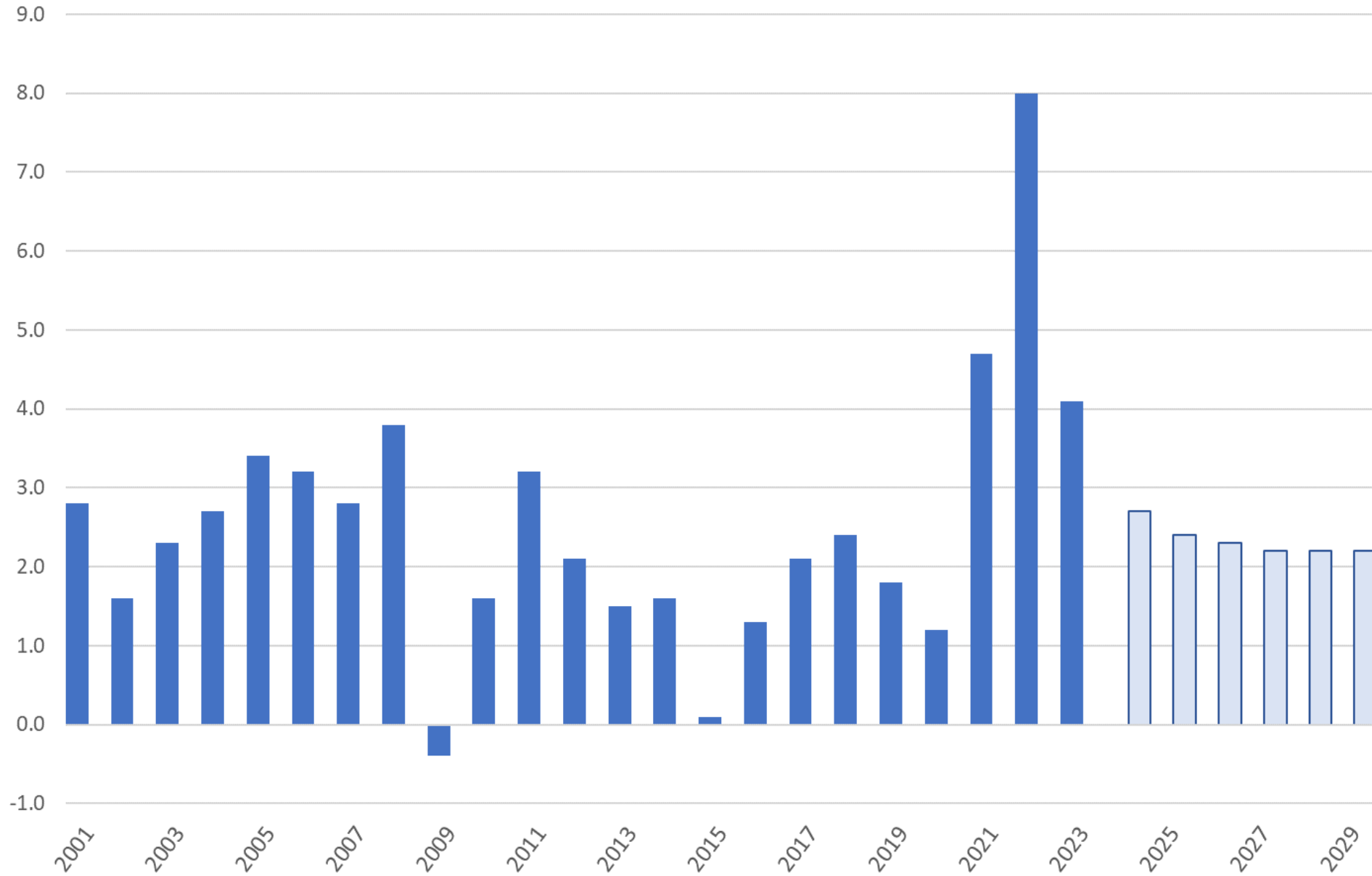
Wages increased sharply during the first part of the pandemic, but increases more recently have just kept pace with inflation

Year-over-year percent change in Consumer Price Index



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

Year-over-year percent change in Consumer Price Index; 2001-2023 historical and 2024-2029 forecast



Things to keep in mind:

- Housing costs increased sharply as demand outstripped supply and then interest rate hikes made mortgages more expensive, locking people into existing lower-rate mortgages, but there may be some improvement in the future as interest rates come down and more housing is built
- Inflation has eased, and expectations for this year are for the Fed to start lowering its target rate (possibly three 25 basis point reductions in 2024)
- Migration into Maine continued in 2023 as population patterns nationally returned to normal
- Economic uncertainty remains elevated, especially with geopolitical upheaval and a presidential election year
- Maine has a robust Budget Stabilization Fund (nearly \$970 million – the statutory maximum) and spending from pandemic-era infusion of federal funds is ongoing, with much of the infrastructure spending starting this year, which will help Maine weather any potential slowdown

Contact Information

Amanda Rector

Maine State Economist

Department of Administrative and Financial Services

www.maine.gov/dafs/economist

amanda.rector@maine.gov