

# Economic and Workforce Conditions in Maine

Bangor Chamber Economic Summit

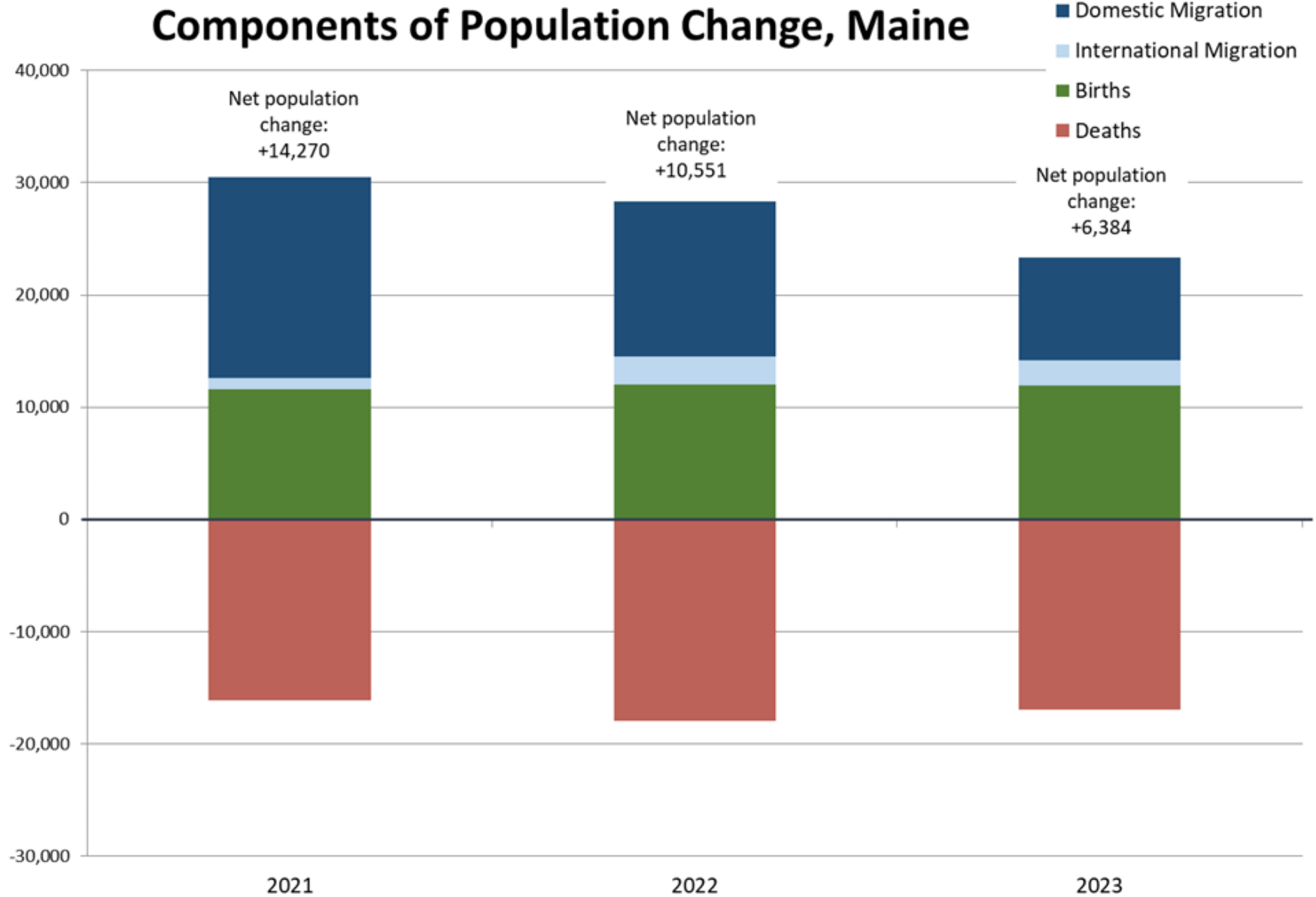
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Maine State Economist

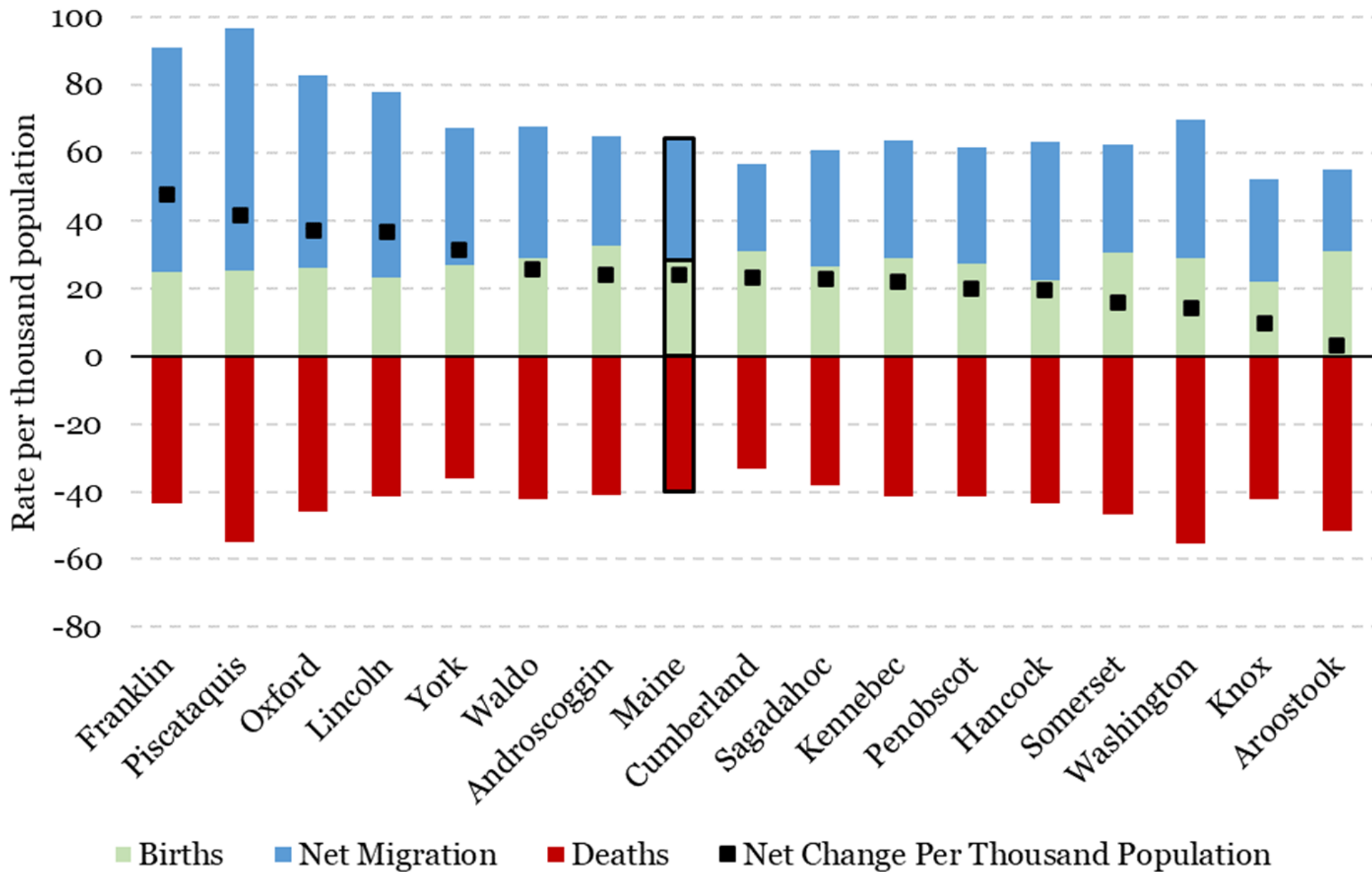
Population increase of 2.4% from 2020-2023 (14<sup>th</sup> in U.S.)

2023 Total Population: 1,395,722

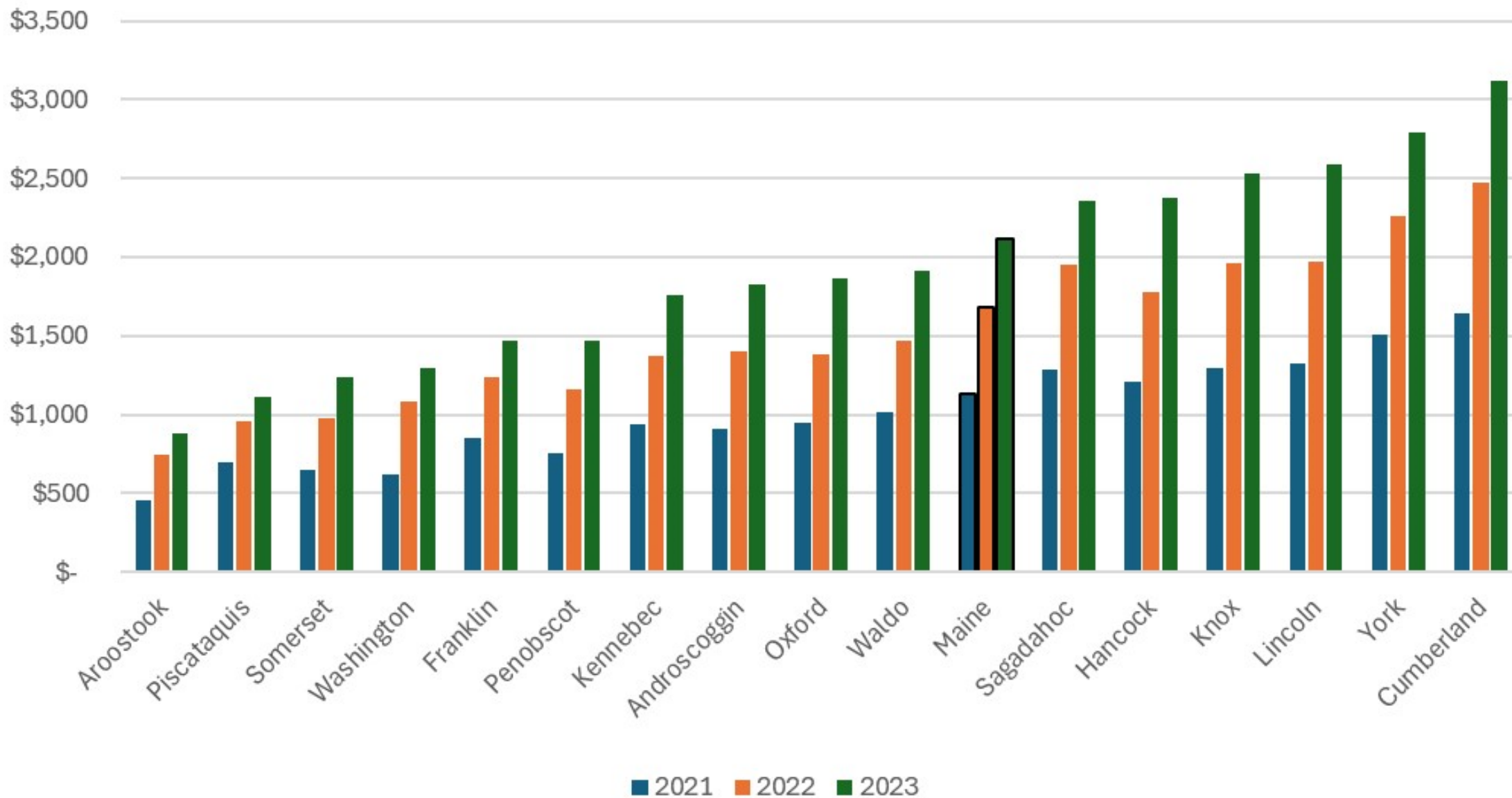


Source: U.S. Census Bureau, Population Estimates Program, 2023 vintage

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

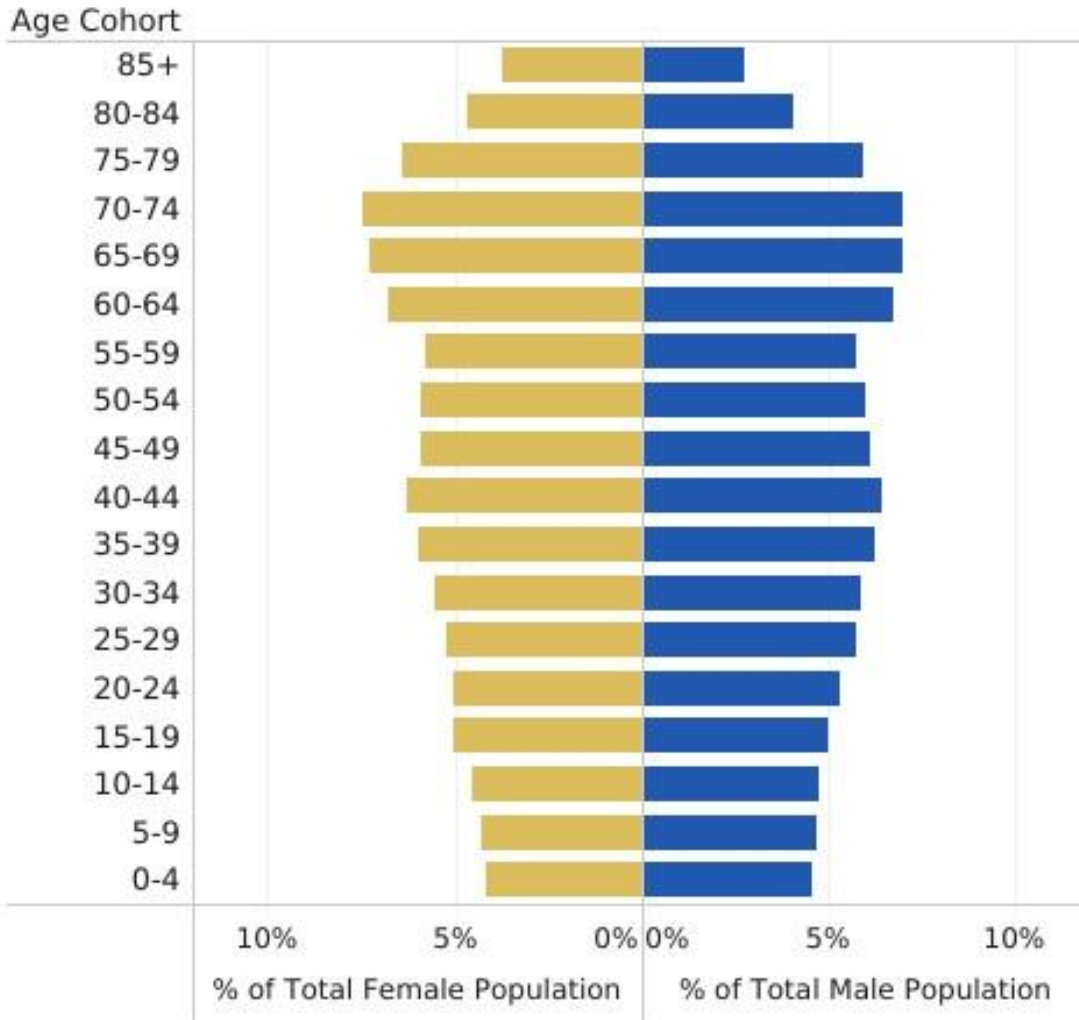


## Monthly Mortgage Payment at the Median Sales Price 2021-2023

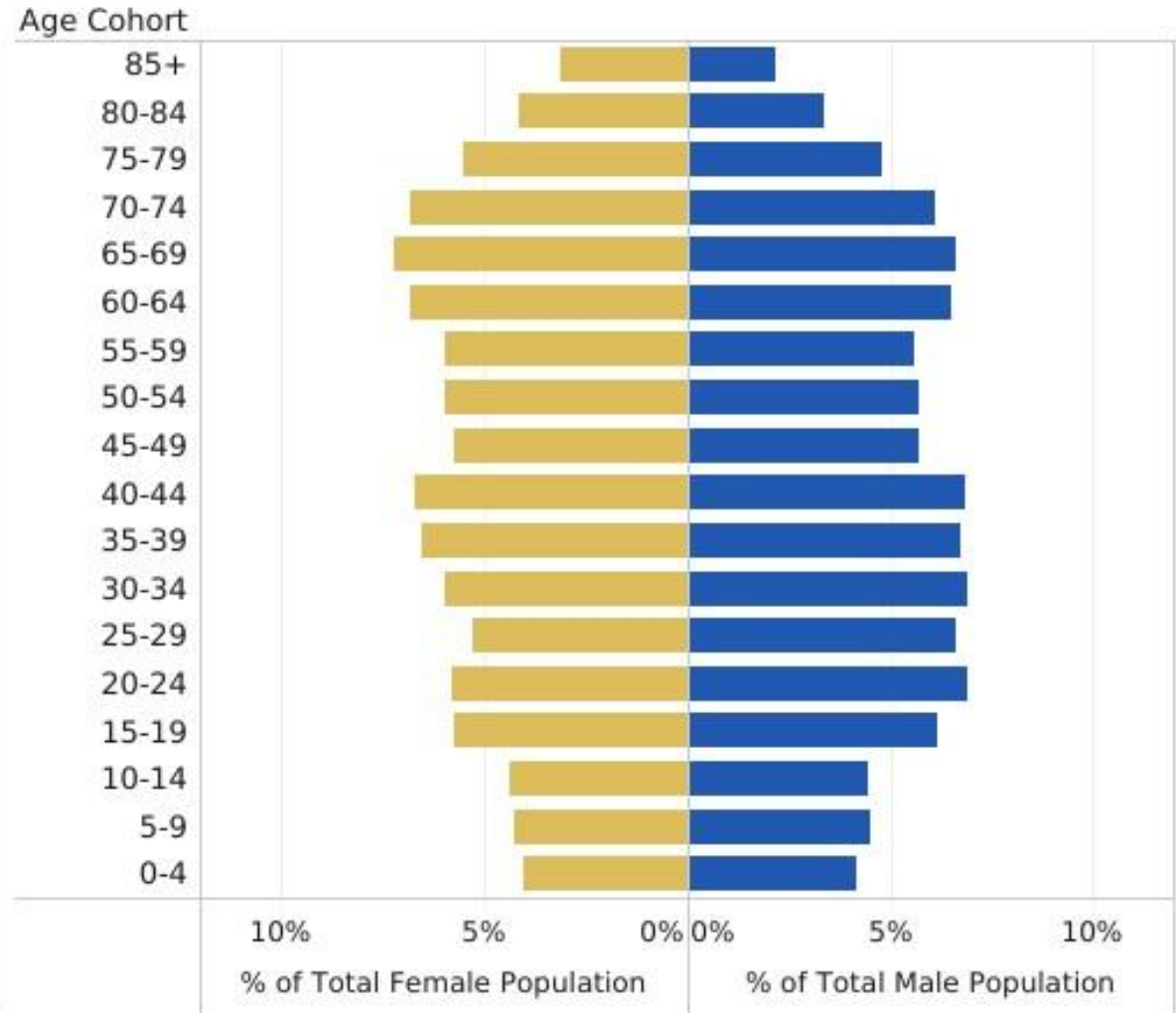


Source: Maine Association of Realtors (Prices), FRED Average 30-yr fixed rate mortgage (Rates), Principal and Interest only with 10% down payment

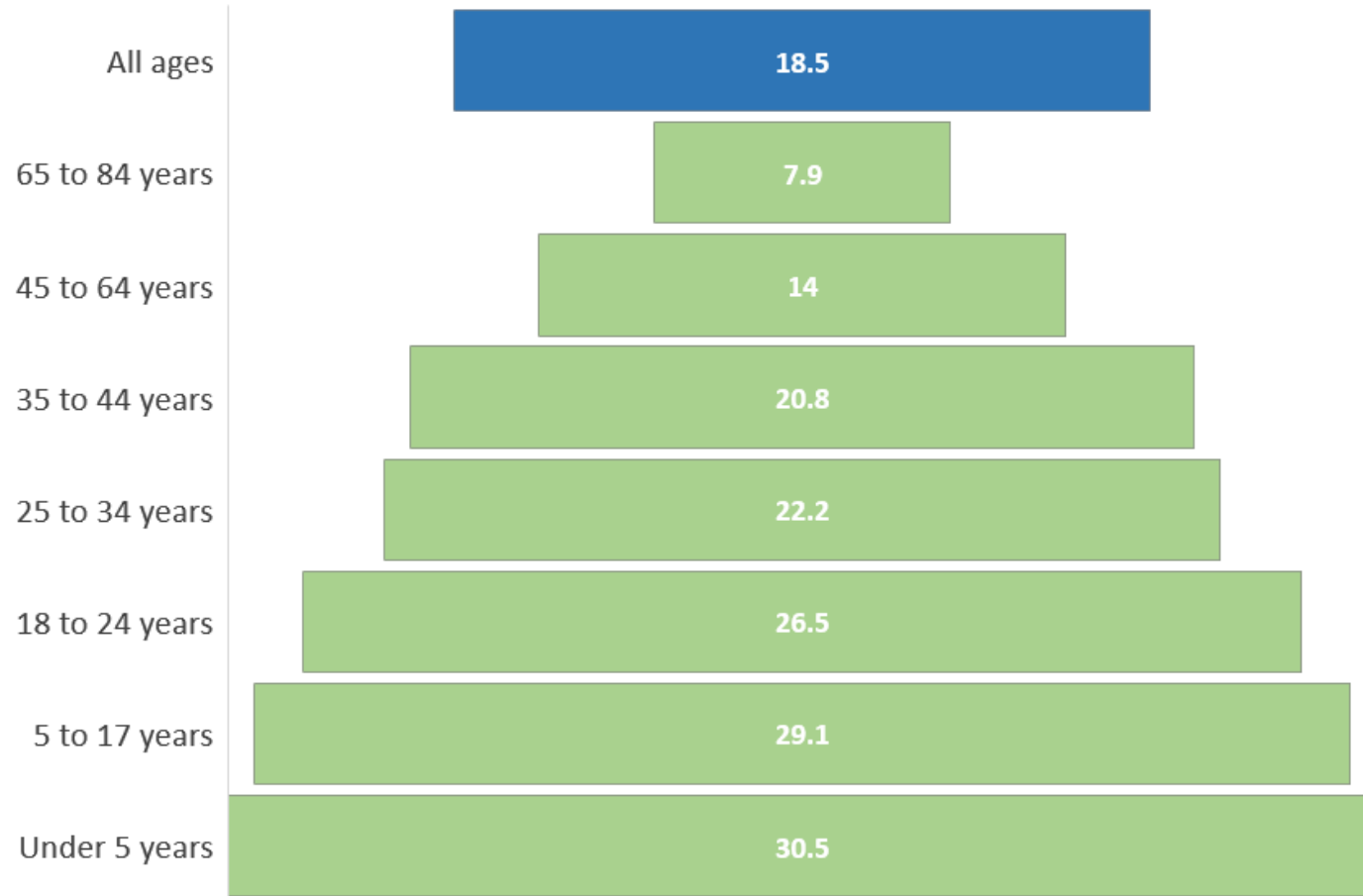
## Maine, 2030, Projected Population



## Penobscot County, 2030, Projected Population

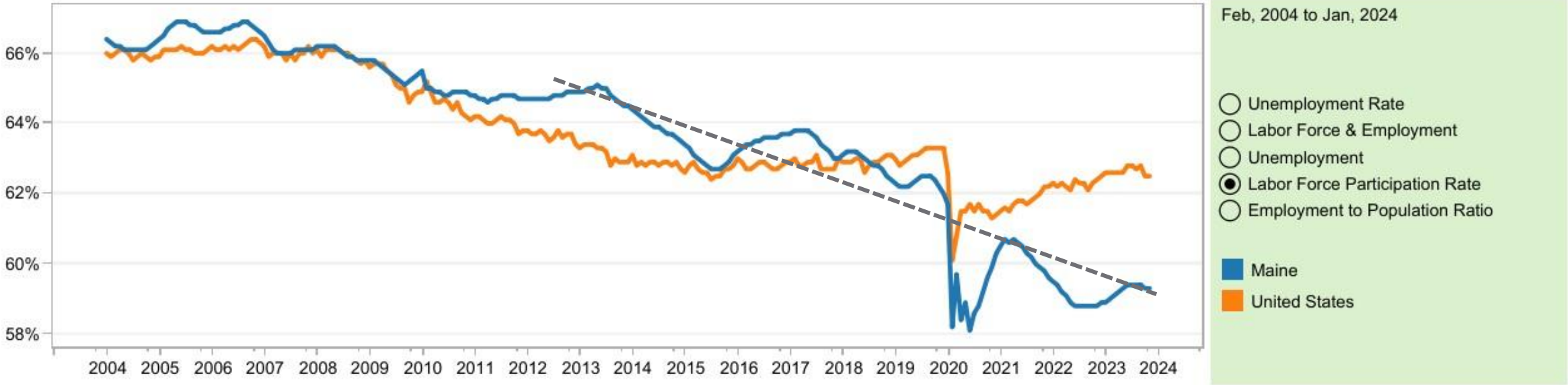


Diversity Index in Maine, 2020: Selected Age Groups



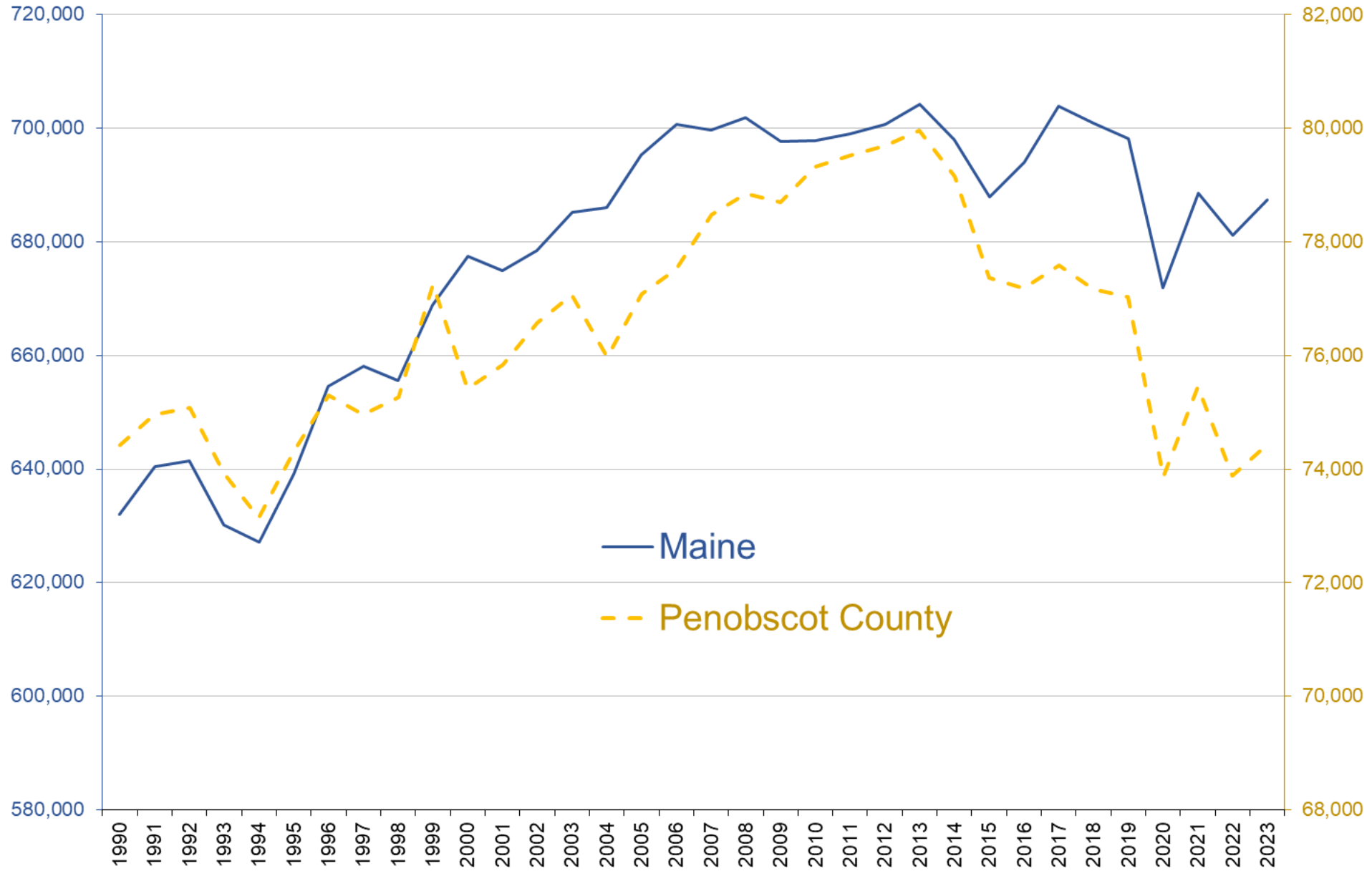
Younger generations in Maine are more diverse than older generations

### 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 and Penobscot County Civilian Labor Force





# Maine's 3.3% unemployment rate in March 2024 was close to recent record lows and little changed over the past six months

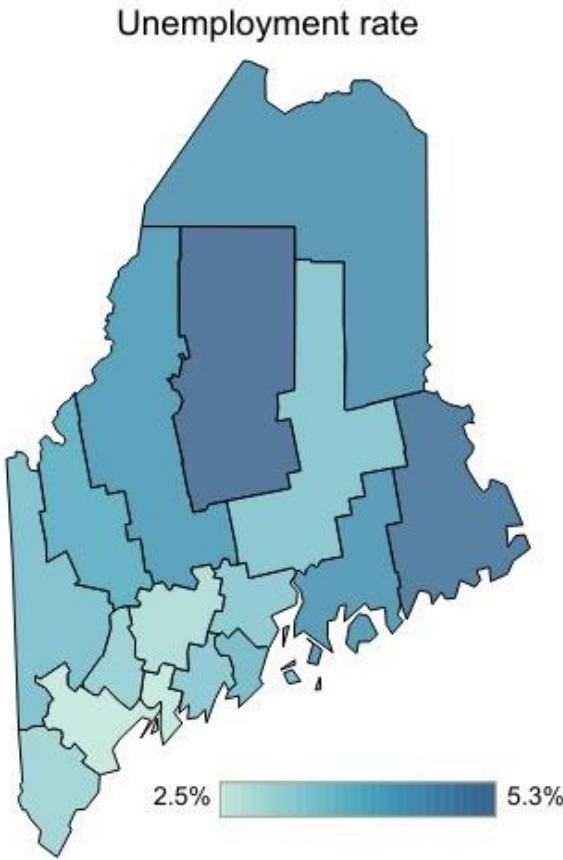
## County Rates (not seasonally adjusted)

March, 2024

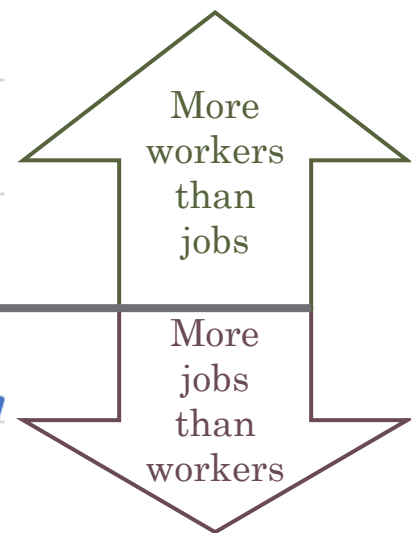
Table  
 Graph

**Map/Graph Display**  
 Unemployment rate  
 One-year change

County	Rate	Year ago	One-yr change
Maine	3.2%	3.0%	0.2 ↑
Androscoggin	3.1%	3.1%	0.0 -
Aroostook	4.5%	4.1%	0.4 ↑
Cumberland	2.5%	2.4%	0.1 ↑
Franklin	3.9%	3.4%	0.5 ↑
Hancock	4.4%	4.5%	-0.1 ↓
Kennebec	2.8%	2.6%	0.2 ↑
Knox	3.6%	3.3%	0.3 ↑
Lincoln	3.3%	3.3%	0.0 -
Oxford	3.5%	3.3%	0.2 ↑
Penobscot	3.4%	3.1%	0.3 ↑
Piscataquis	5.3%	4.5%	0.8 ↑
Sagadahoc	2.5%	2.4%	0.1 ↑
Somerset	4.3%	4.9%	-0.6 ↓
Waldo	3.3%	3.4%	-0.1 ↓
Washington	5.1%	4.7%	0.4 ↑
York	3.0%	2.8%	0.2 ↑

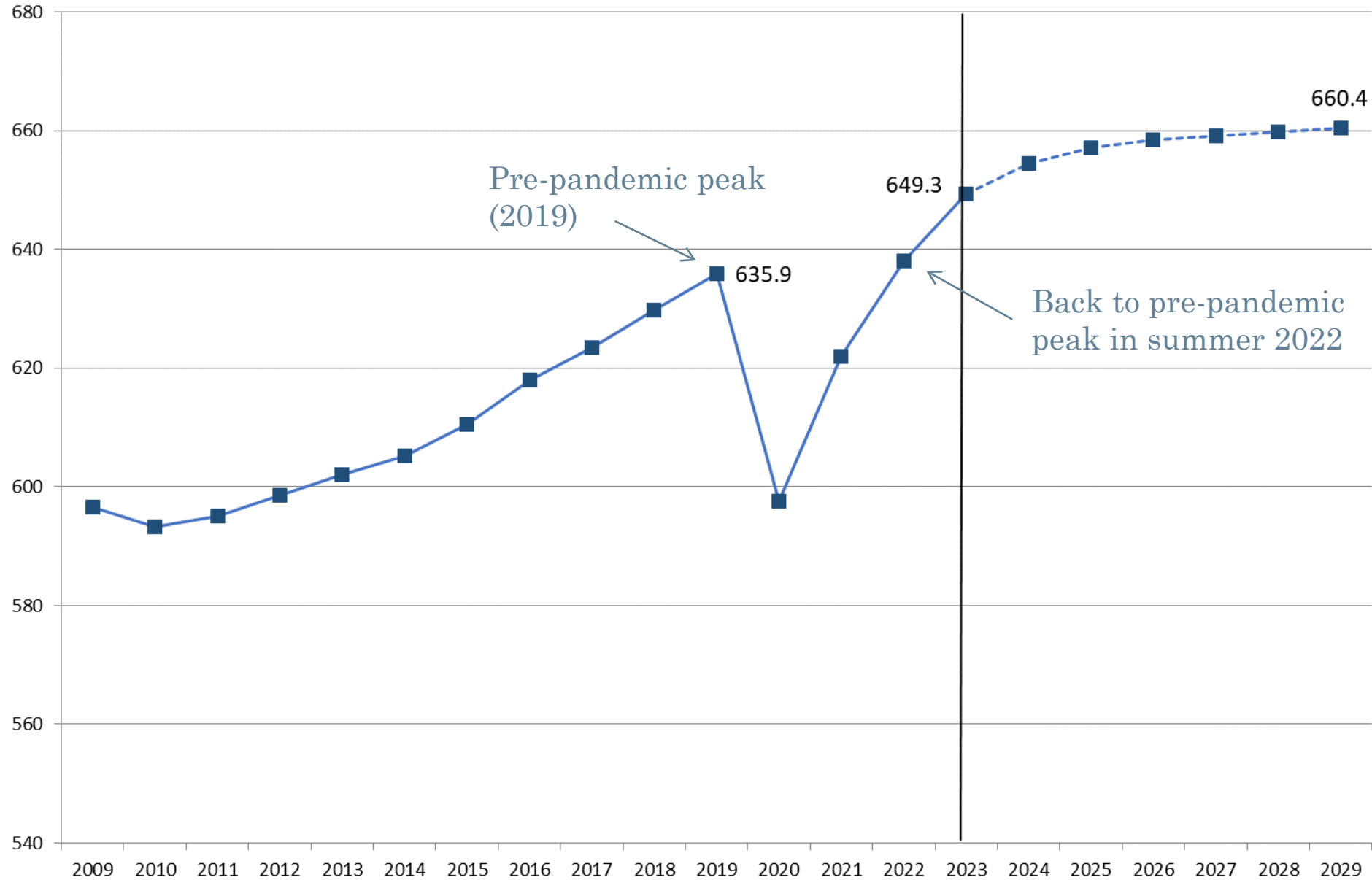


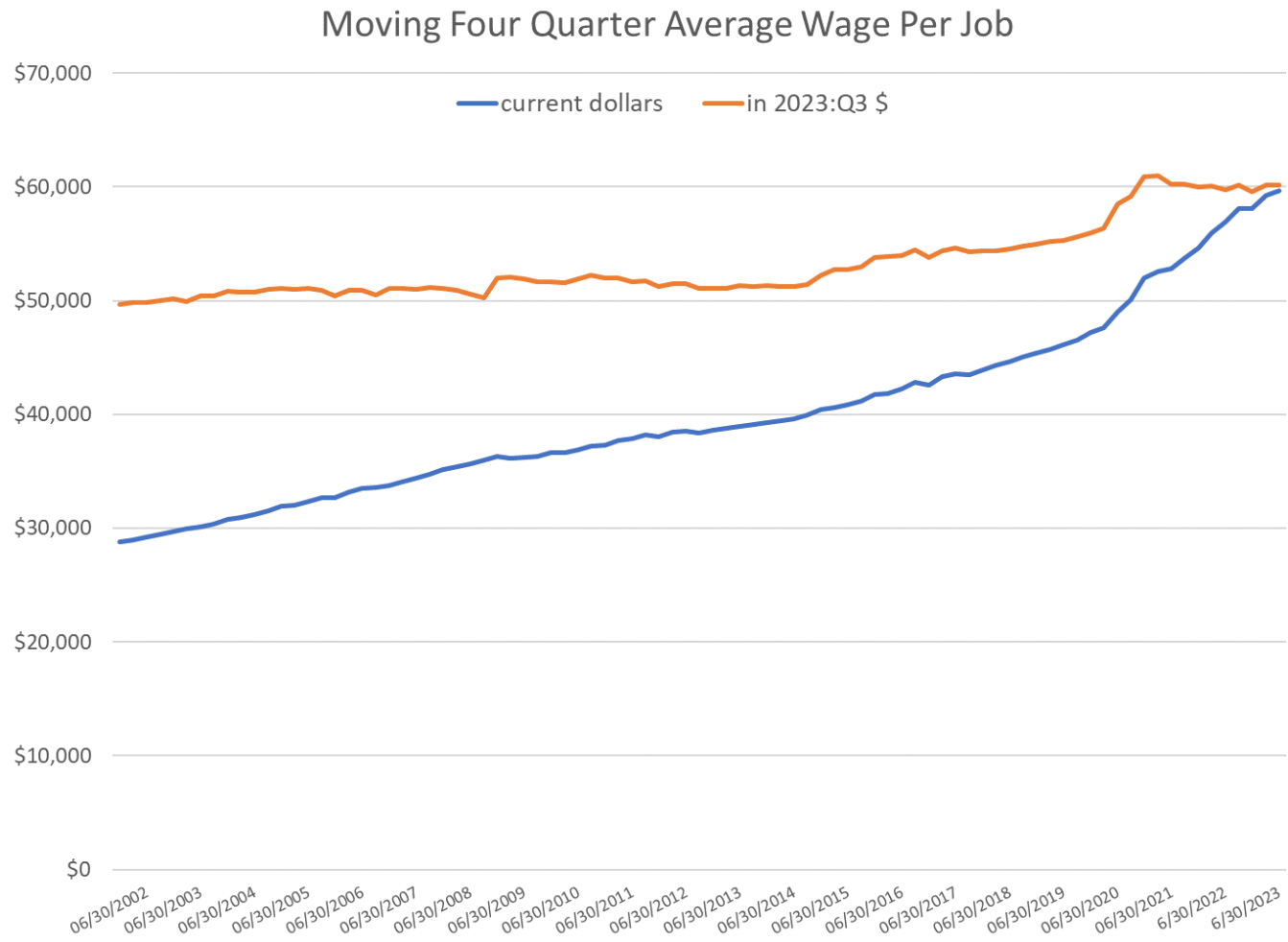
# Unemployed Persons per Job Opening Ratio - Maine



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey

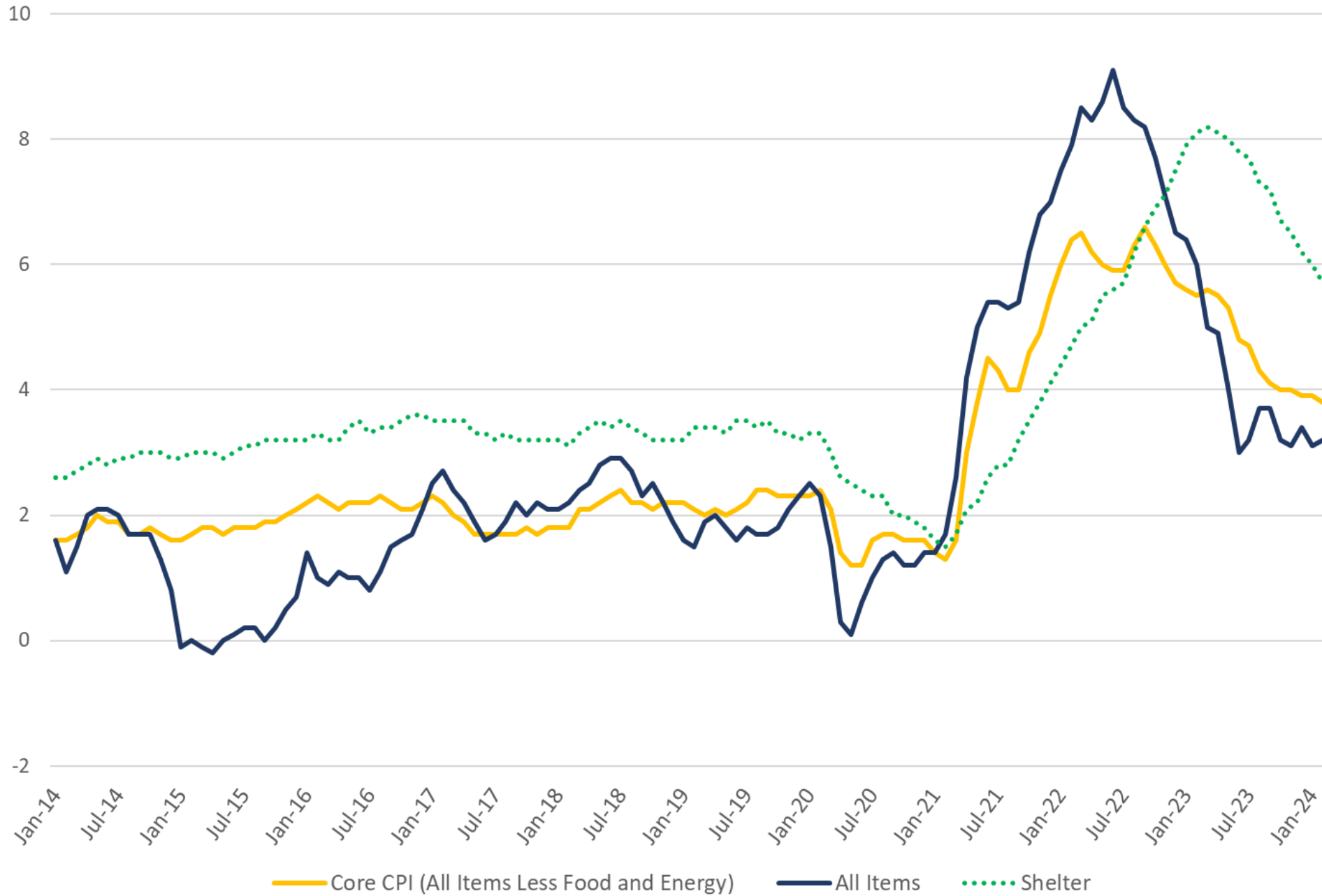
# Total Nonfarm Employment (in thousands) History and Consensus Economic Forecasting Commission forecast





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

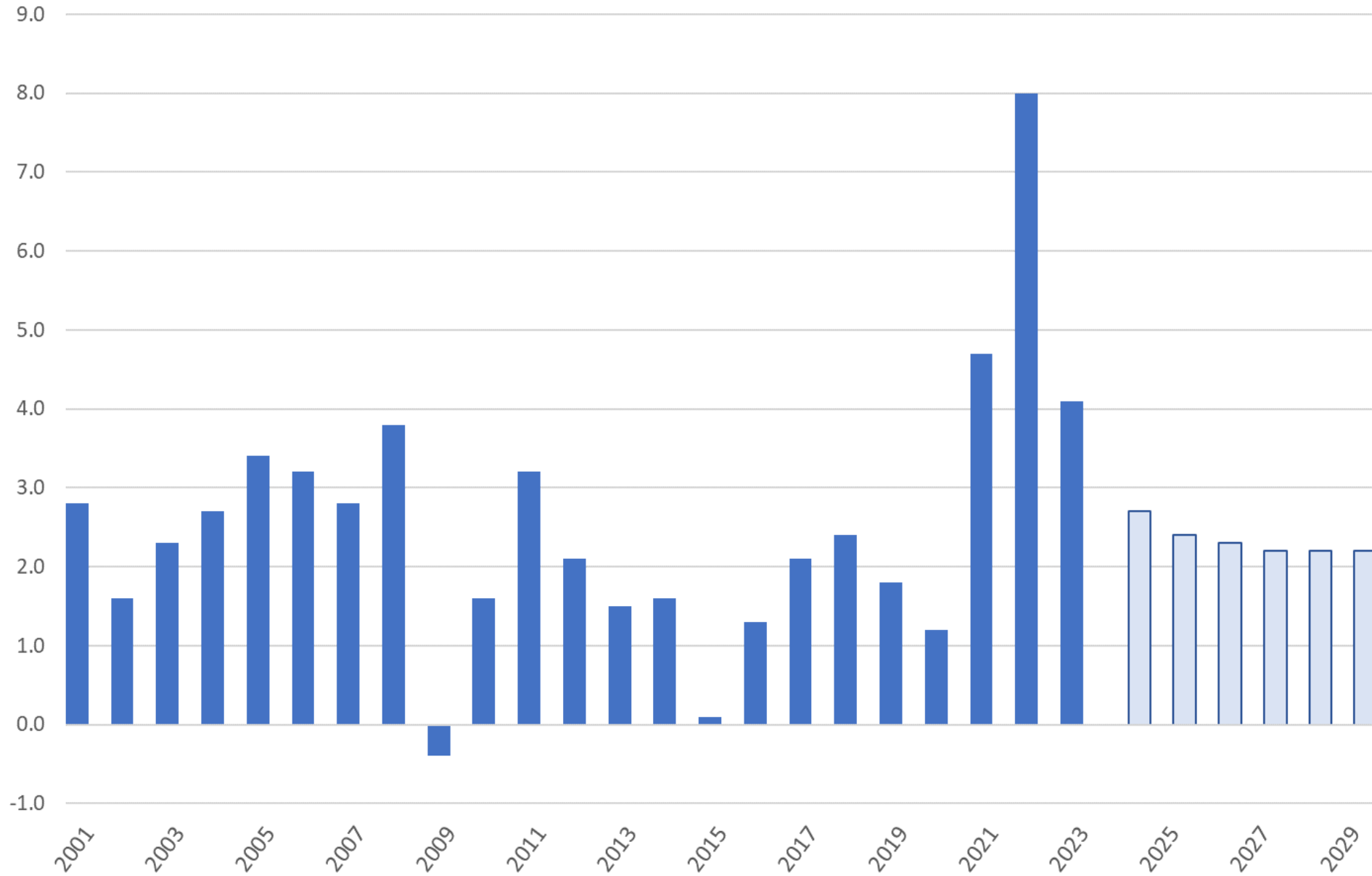


What does  
this mean  
for interest  
rates?

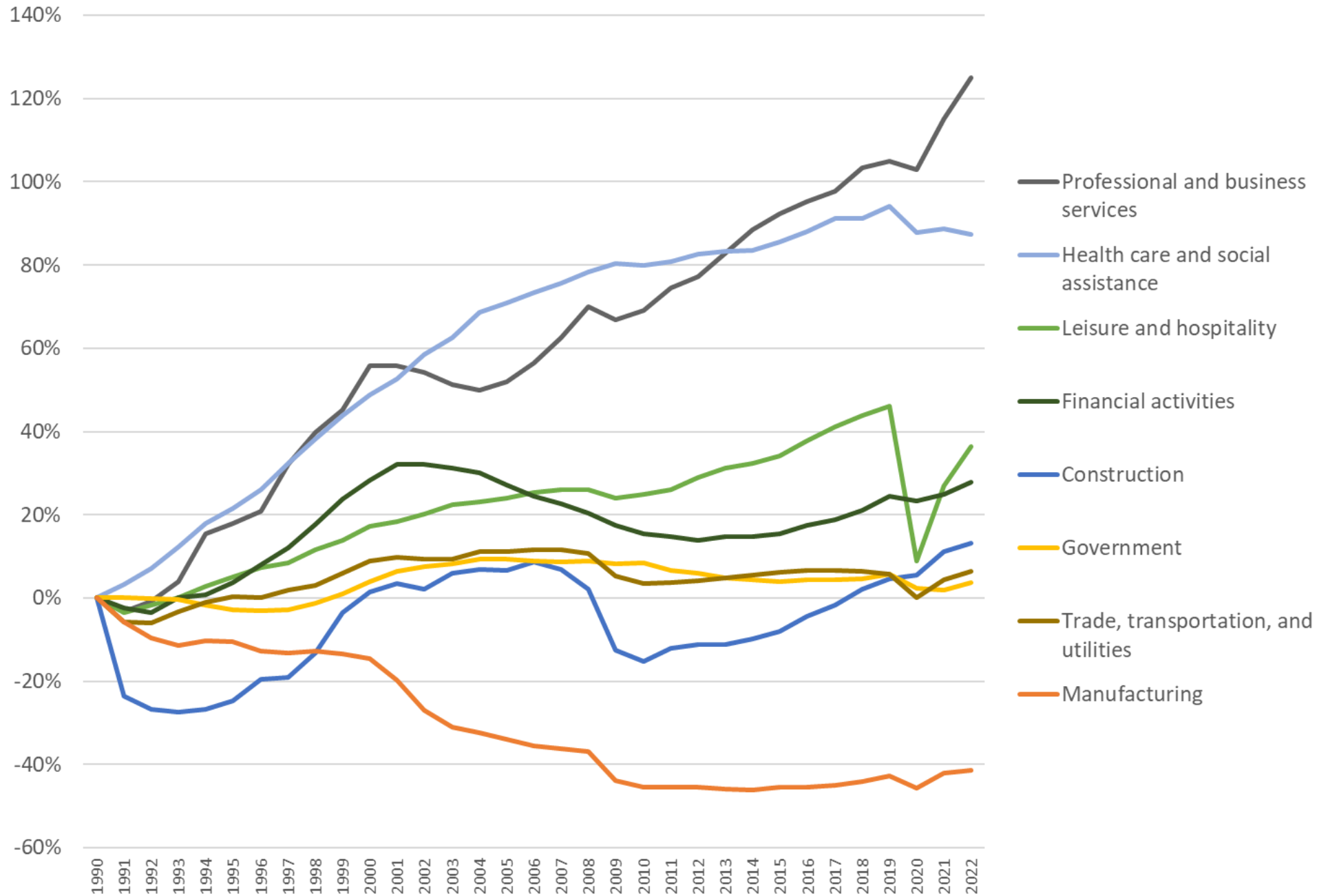
Current target range:  
5.25% to 5.5%

Median projection for 2024 from March 2024 Federal Open Market Committee statement was 4.6%, implying three possible decreases of 25 basis points later this year, but inflation hasn't slowed as quickly as expected

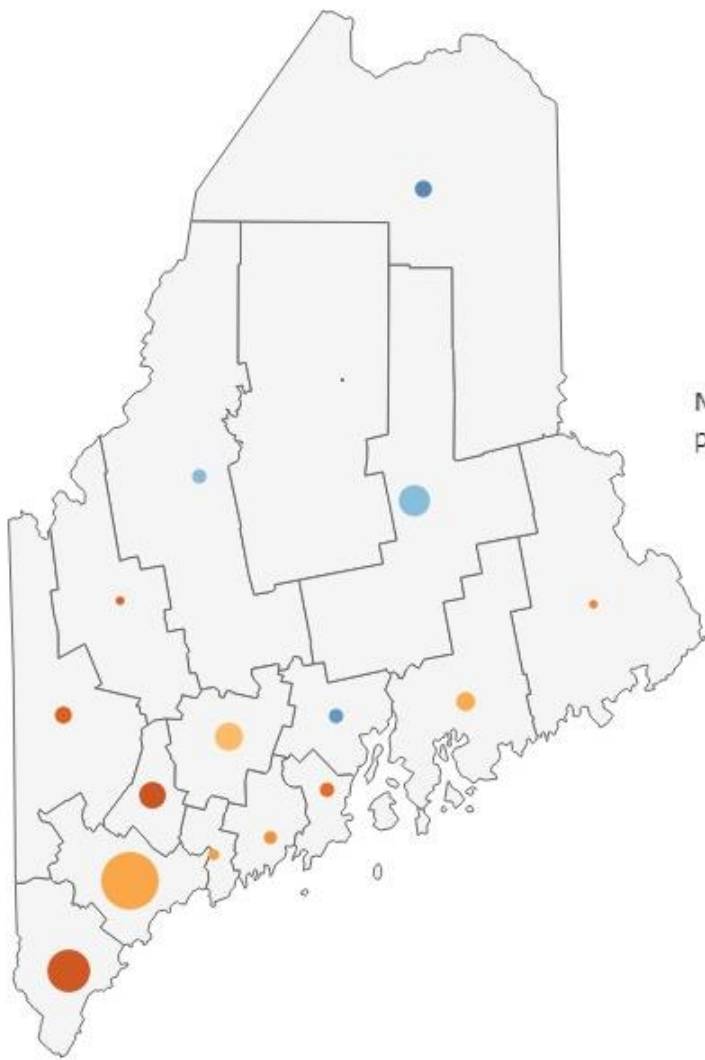
## Year-over-year percent change in Consumer Price Index; 2001-2023 historical and 2024-2029 forecast



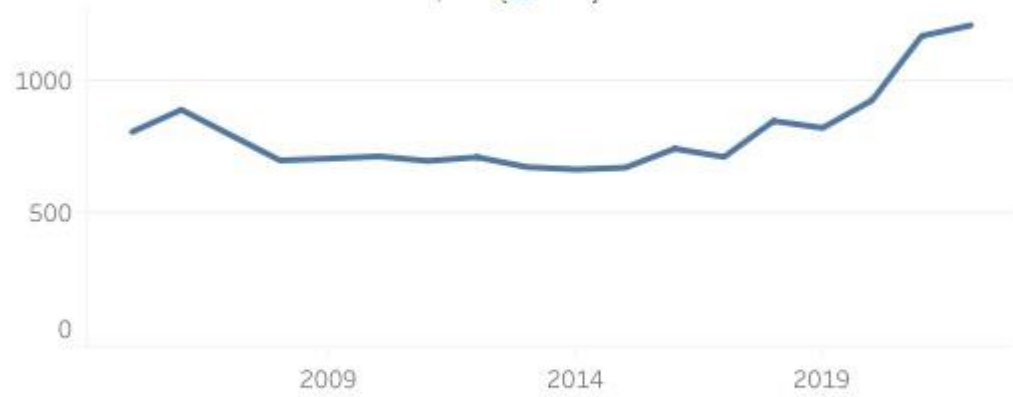
## Percent change in select Maine employment sectors since 1990







Penobscot County  
2022 Business Applications  
1,206 (▲3.4%)



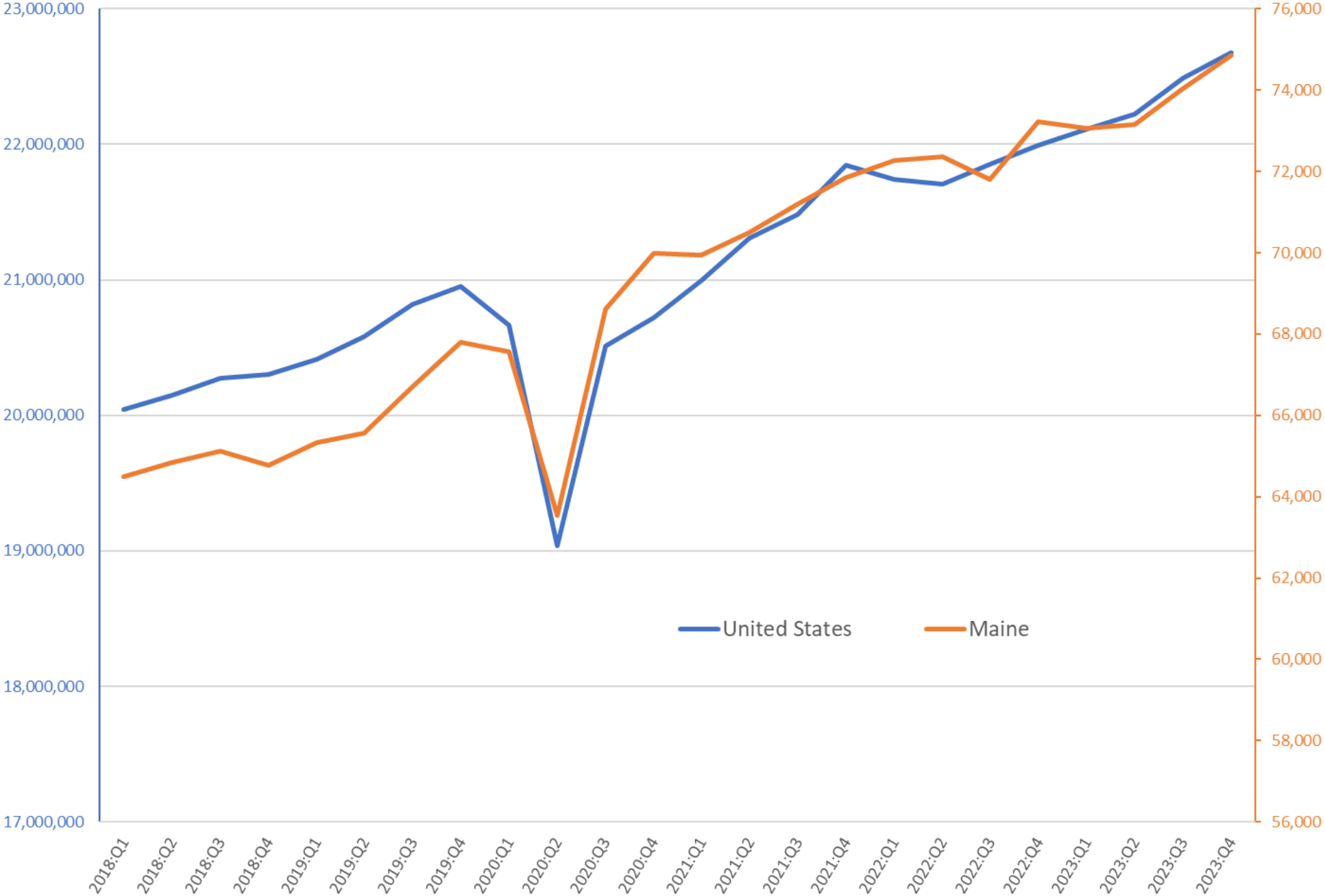
Note: The Census Bureau's reference date for geographic entity boundaries in all geographic and statistical data products is January 1 of the reference year (e.g., January 1, 2022).

The area of each circle is proportional to the number of 2022 business applications.

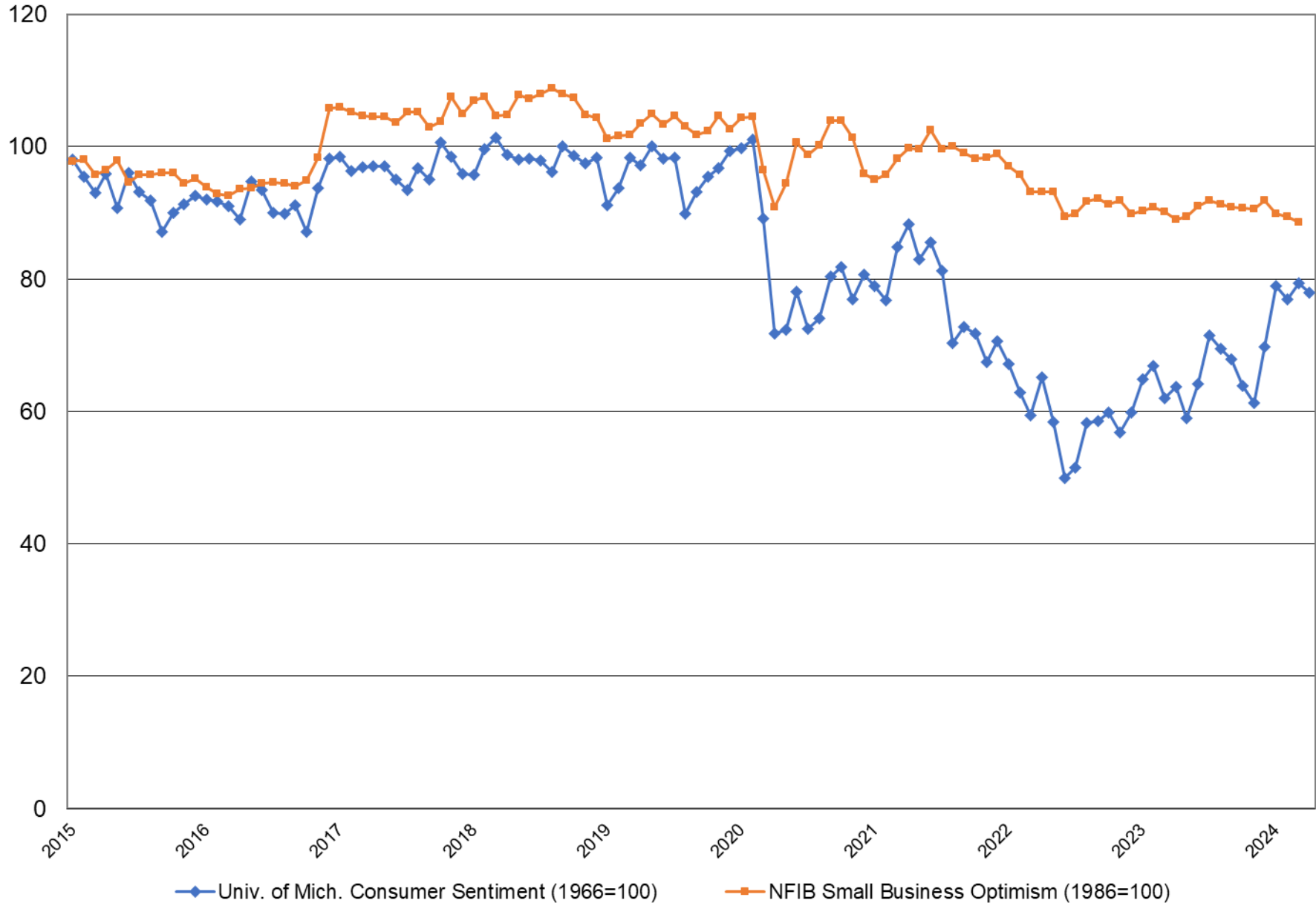


2021 was a peak for business applications in many Maine counties

Quarterly Real GDP (in millions of chained 2017 dollars)



### Consumer Sentiment and Small Business Optimism Indexes



Consumer sentiment has held fairly stable since January 2024, with consumers seeing few indications of changing conditions (for better or worse).

Small business optimism has been on a slow but steady downward trend, with ongoing concerns about workforce and inflation.

## Key assumptions from February 2024 CEFC report (emphasis added)

- There is an unequal distribution of supply and demand in the labor market. Demand for labor is high, supply is low, and unemployment rates are near historic lows in Maine and nationwide. Workers are experiencing higher wage growth, particularly for lower wage jobs. Some demographic trends, including a growing share of the population reaching retirement age, will continue to constrain labor supply. While Maine will continue to see higher in-migration of working-age people in the coming years, this may not be sufficient to fully offset retirements in the future.
- Rising interest rates, low supply of available properties, and ongoing in-migration are continuing to impact the housing market. Home sales are down, while sale prices have continued to increase. Affordability is of particular concern as higher interest rates caused more potential buyers to be priced out of the market. Higher home prices have contributed to higher rental prices.

## Key assumptions from February 2024 CEFC report (emphasis added) cont'd

- Large, federally funded infrastructure programs, including the Bipartisan Infrastructure Law (BIL) and Maine Jobs and Recovery Plan (MJRP), will lead to significant investments in Maine, with potential impacts on local job markets. In addition to funds from the MJRP, it is estimated that there will be at least \$2.5 billion from the BIL invested in Maine's infrastructure over the next few years, with much of the implementation beginning in 2024.
- Climate shocks are beginning to impact some sectors of Maine's economy, particularly hospitality; while future impacts are unknown, the Commission recognizes the potential for resulting economic changes and intends to track and consider possible implications in future forecasts.

# Contact Information

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