

# Demographic and Economic Conditions in Maine

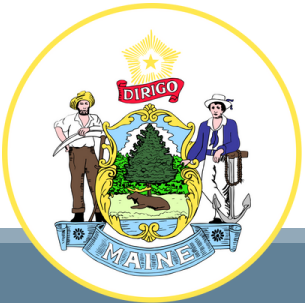
Maine Association of REALTORS® Lunch and Learn  
April 9, 2024

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AMANDA RECTOR

MAINE STATE ECONOMIST

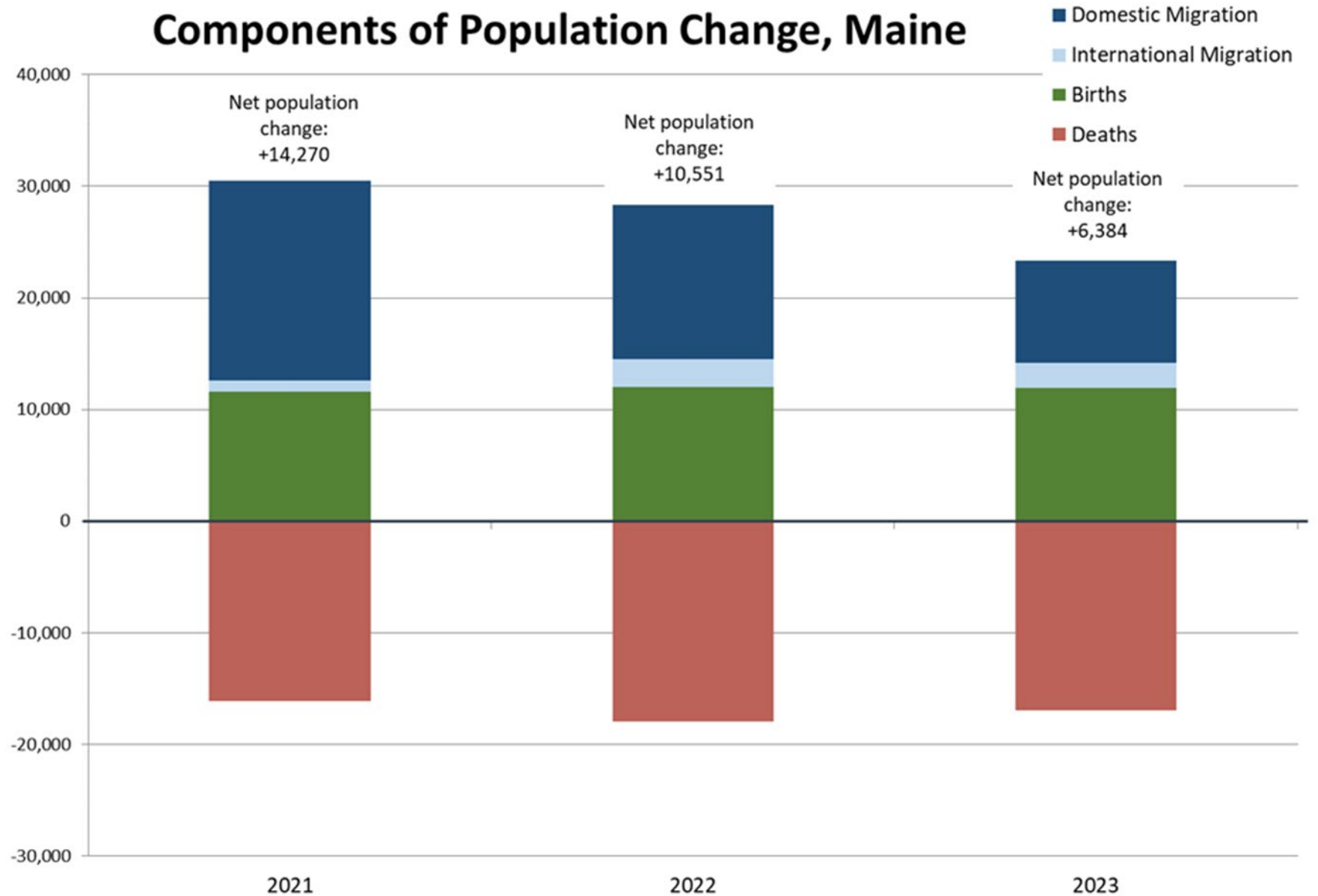
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES





# Demographics

# Components of Population Change, Maine



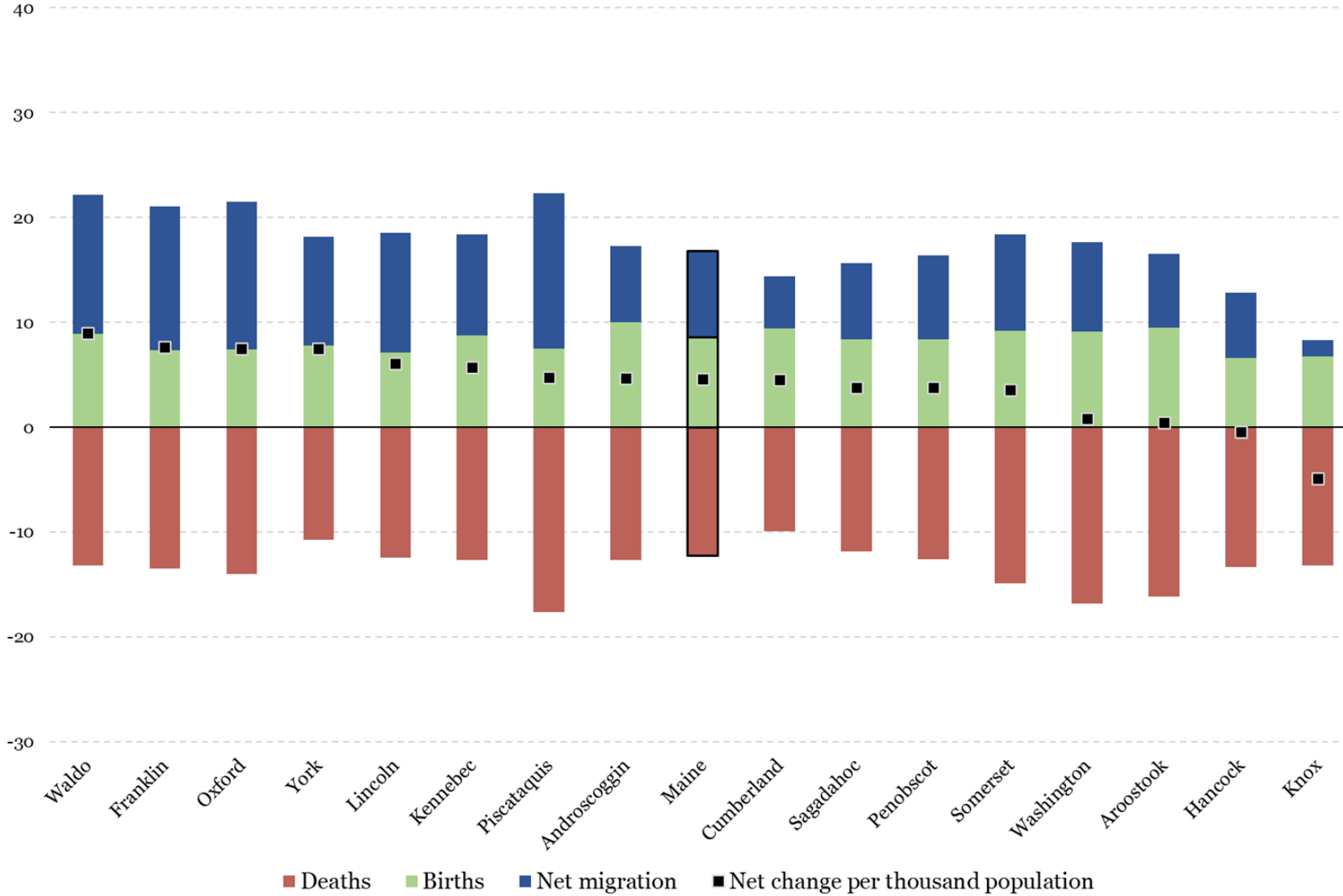
Population increase of 2.6% from 2010-2020 (42<sup>nd</sup> in U.S.)

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, 2023 Rate per thousand population



In 2023, Knox County saw the only significant population decline; cumulatively from 2020-2023, all counties saw growth, with more rural counties seeing some of the highest rates

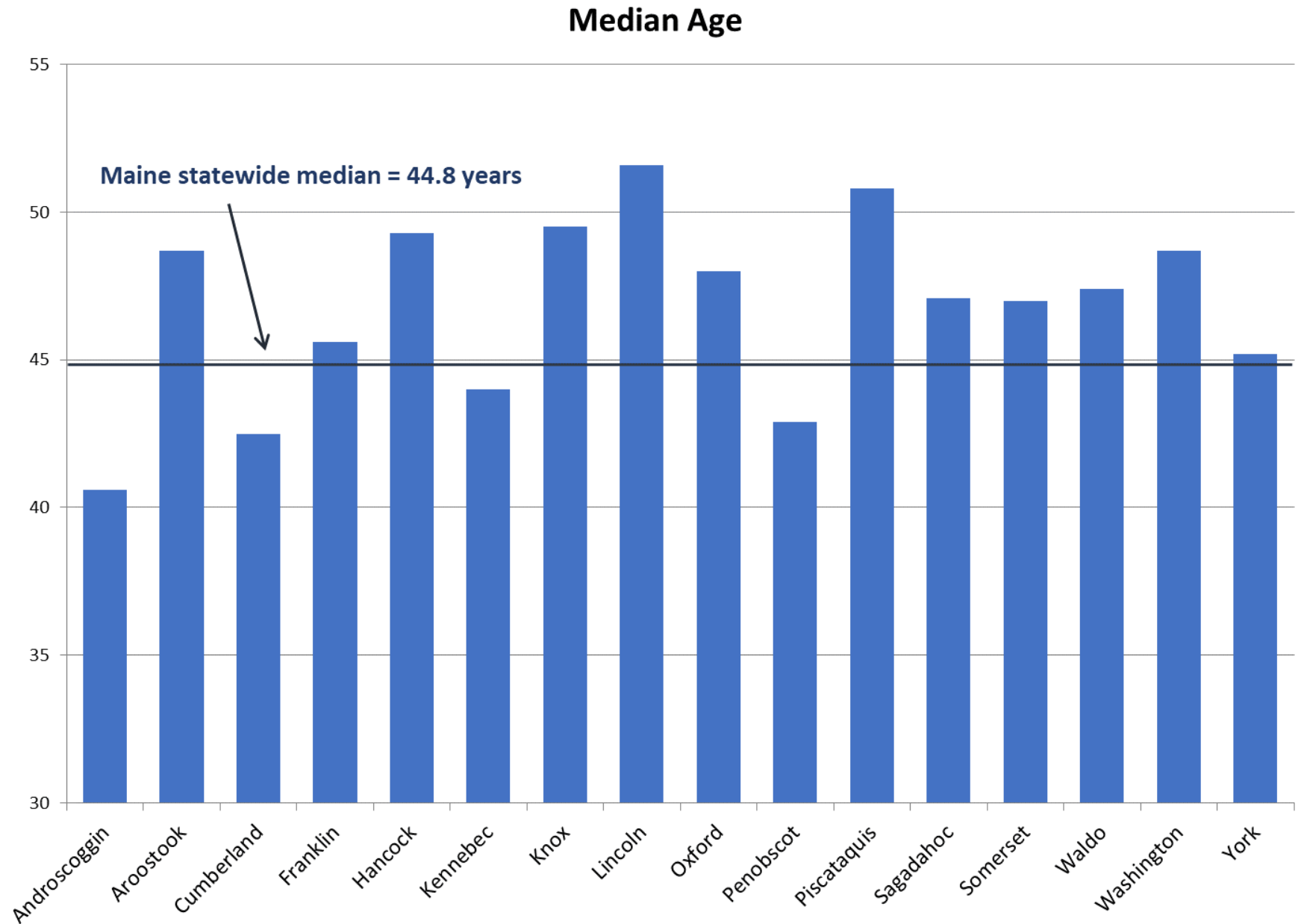
Maine has the oldest population...

...by median age  
(44.8 years)

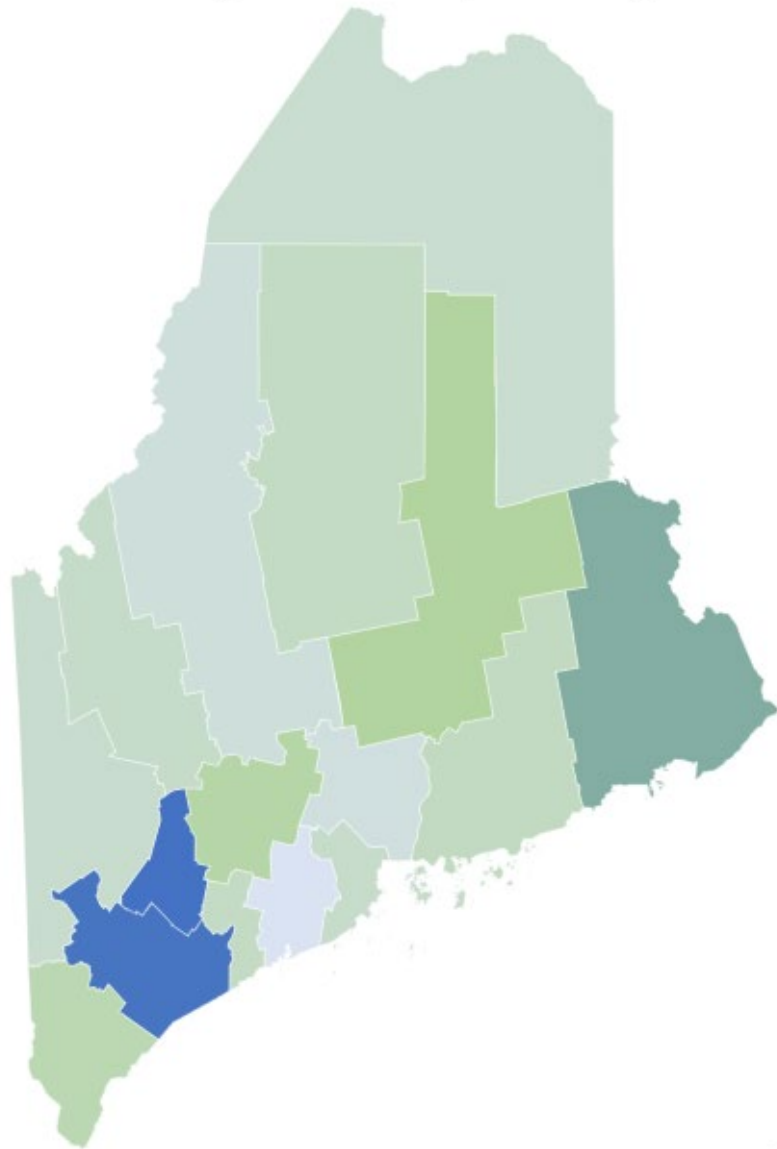
...and by % of population age 65+  
(22.5%)

**BUT!**

- Maine was one of only two states to see a decrease in median age from 2020 to 2021...
- ...and one of only four states to not see an increase in median age from 2021 to 2022



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



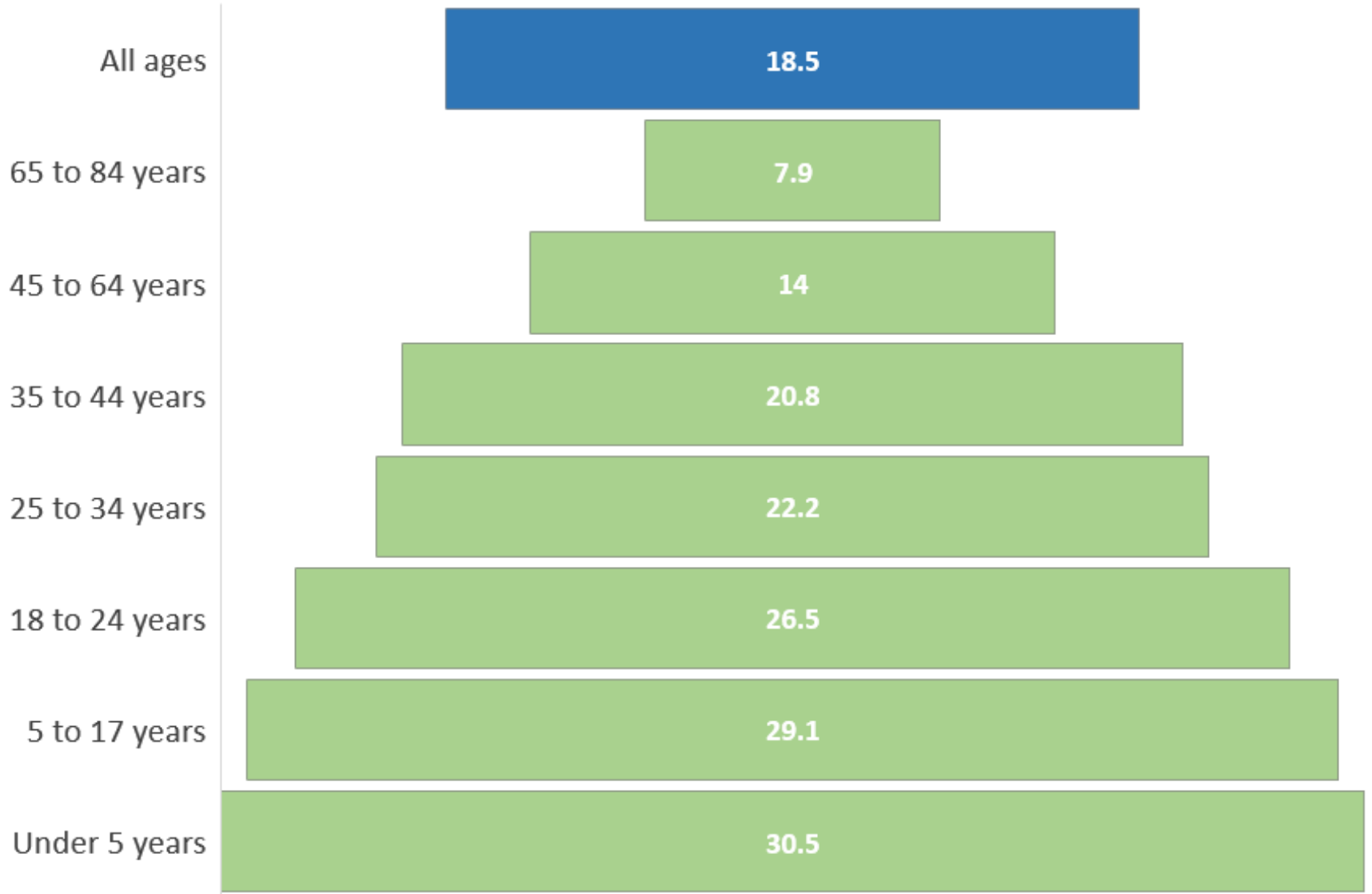
Diversity Index 12 18 25

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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

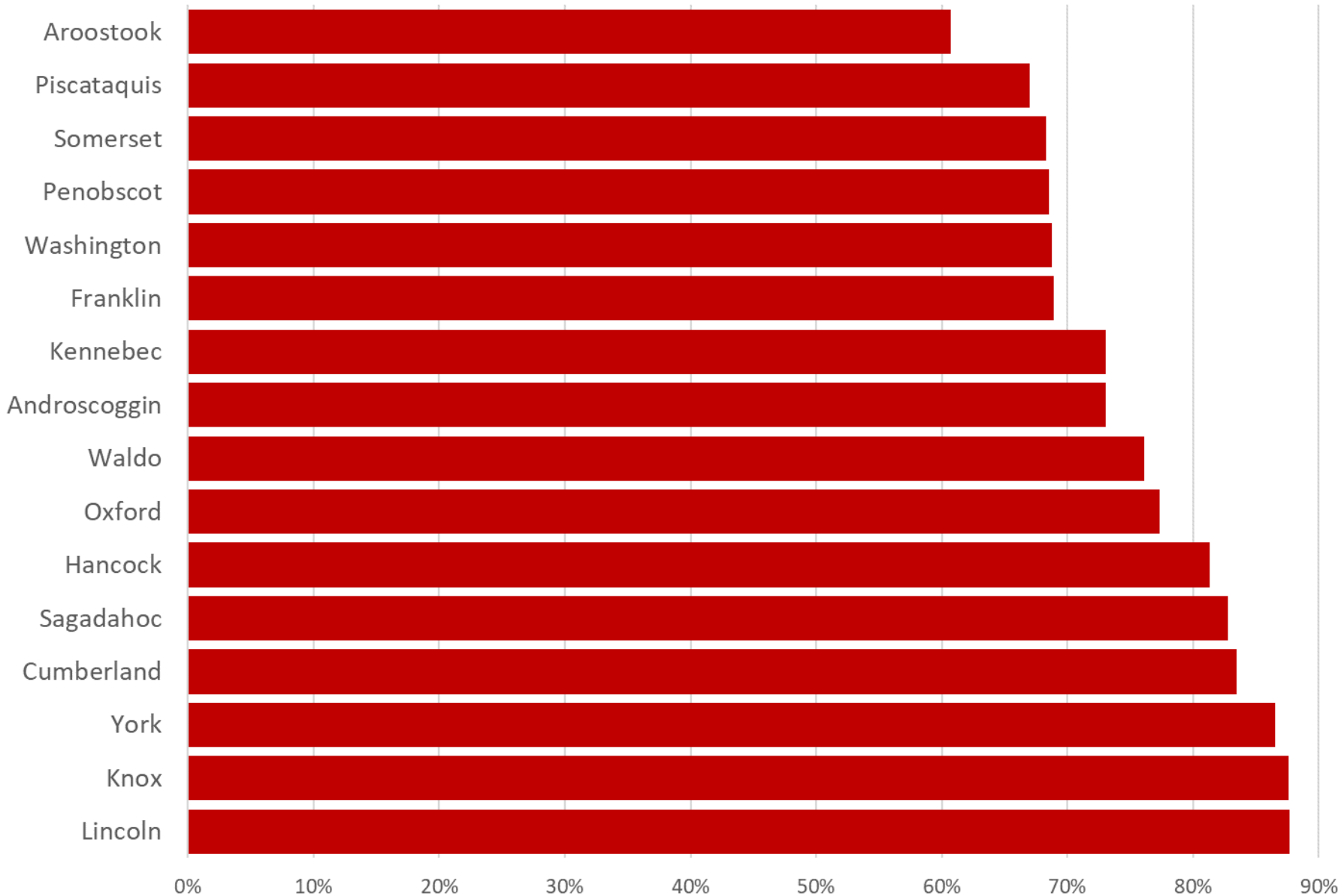
### Diversity Index in Maine, 2020: Selected Age Groups



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Younger generations in Maine are more diverse than older generations

## Percent of Households Unable to Afford Median Home, 2023



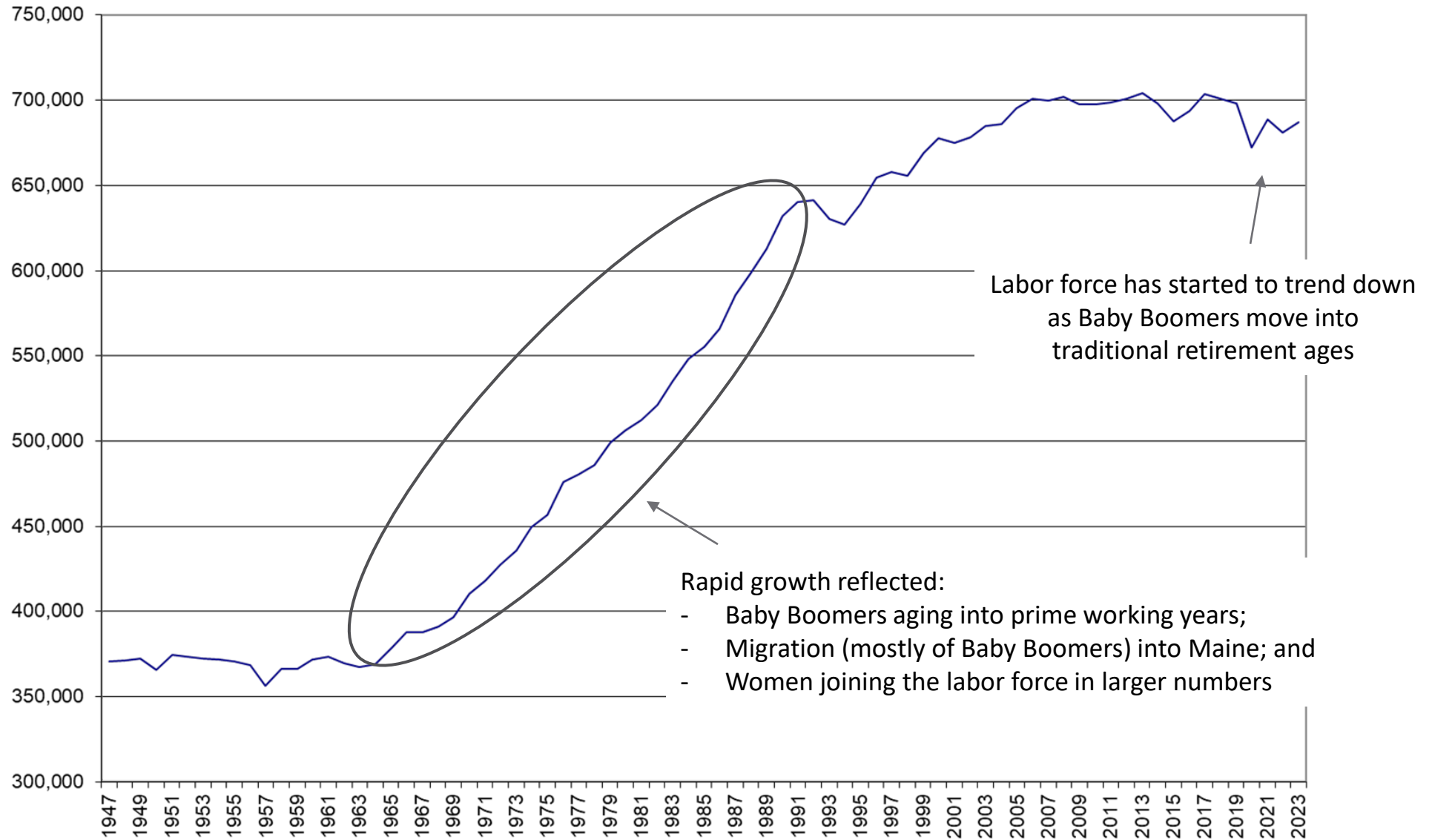
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High demand  
+ low supply  
= price increases,  
contributing to sharp  
increase in  
unaffordability

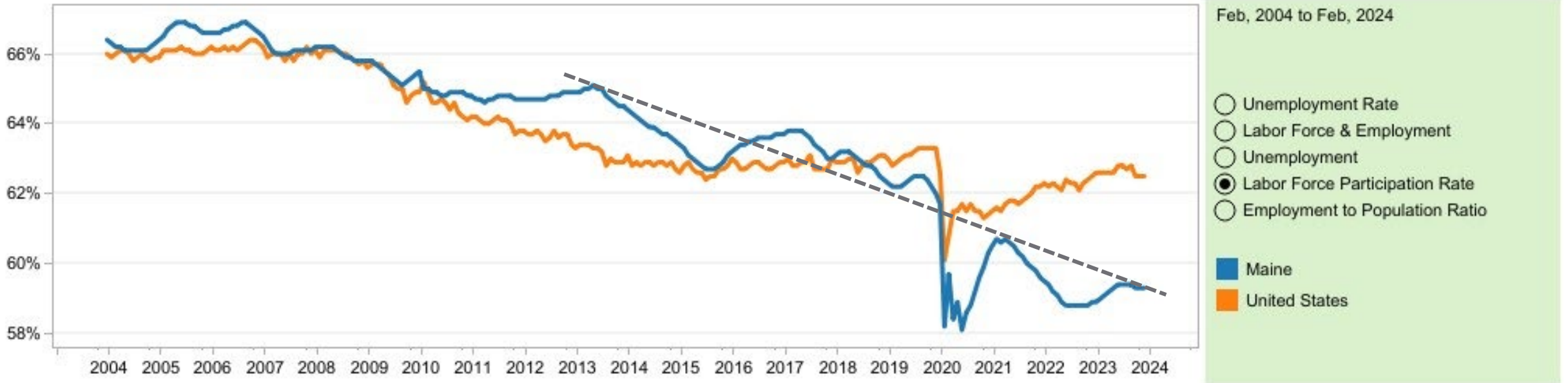


# Workforce and Employment

# 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

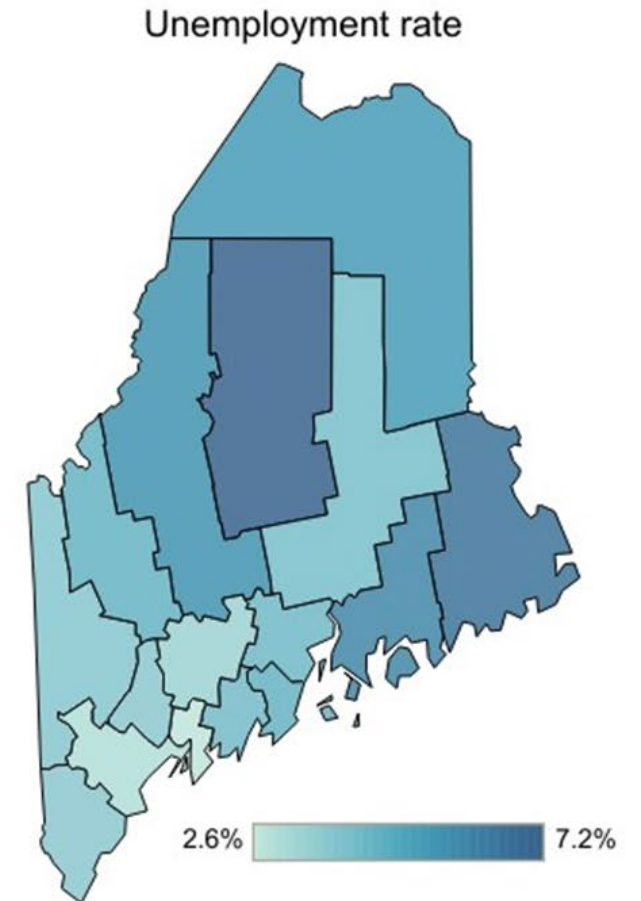
## County Rates (not seasonally adjusted)

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 ↑

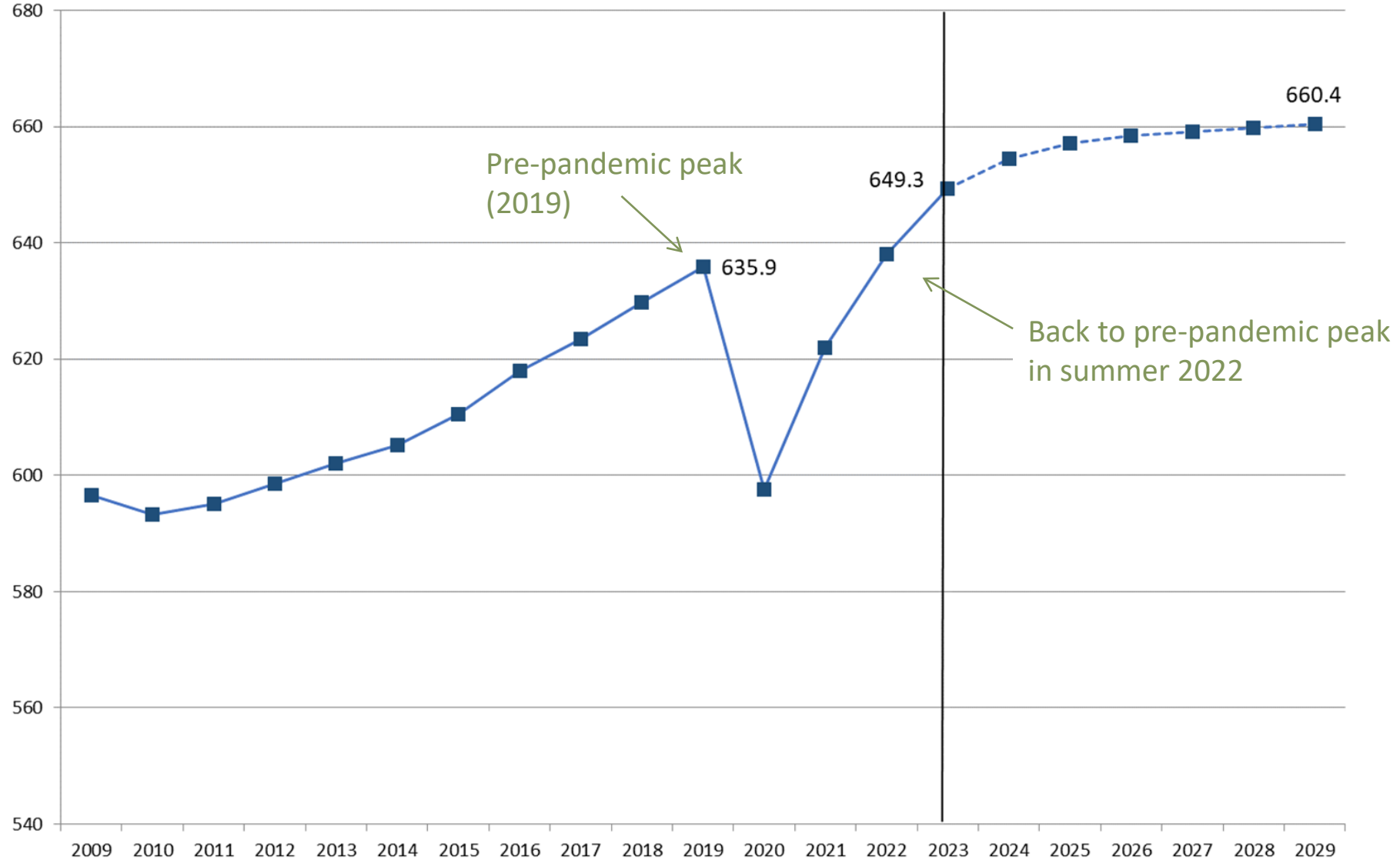


Maine Department of Labor, Center for Workforce Research and Information

# Unemployed Persons per Job Opening Ratio - Maine

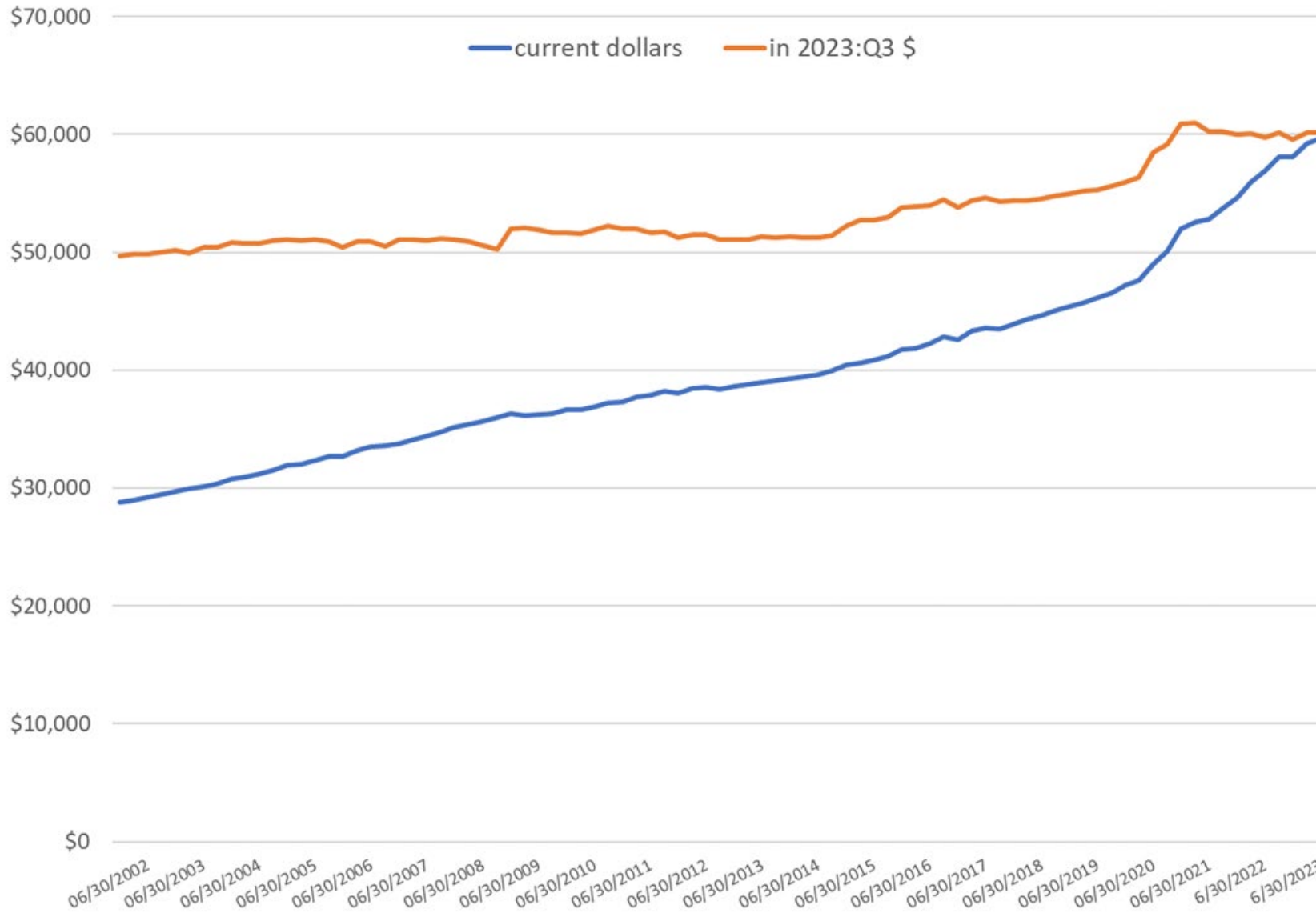


## Total Nonfarm Employment (in thousands) History and Consensus Economic Forecasting Commission forecast



# Wages and Income

## Moving Four Quarter Average Wage Per Job



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



## Percent Change in Real Personal Income (2023 \$), Maine 2012-2022 and forecast to 2029



## 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](http://www.maine.gov/dafs/economist)

**[amanda.rector@maine.gov](mailto:amanda.rector@maine.gov)**