

# Economic and Demographic Outlook for Maine

AGA Maine Chapter

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Amanda Rector

Maine State Economist

Population change and demographics

Housing

Labor force and employment

Wages, income, and GDP

Macroeconomic conditions

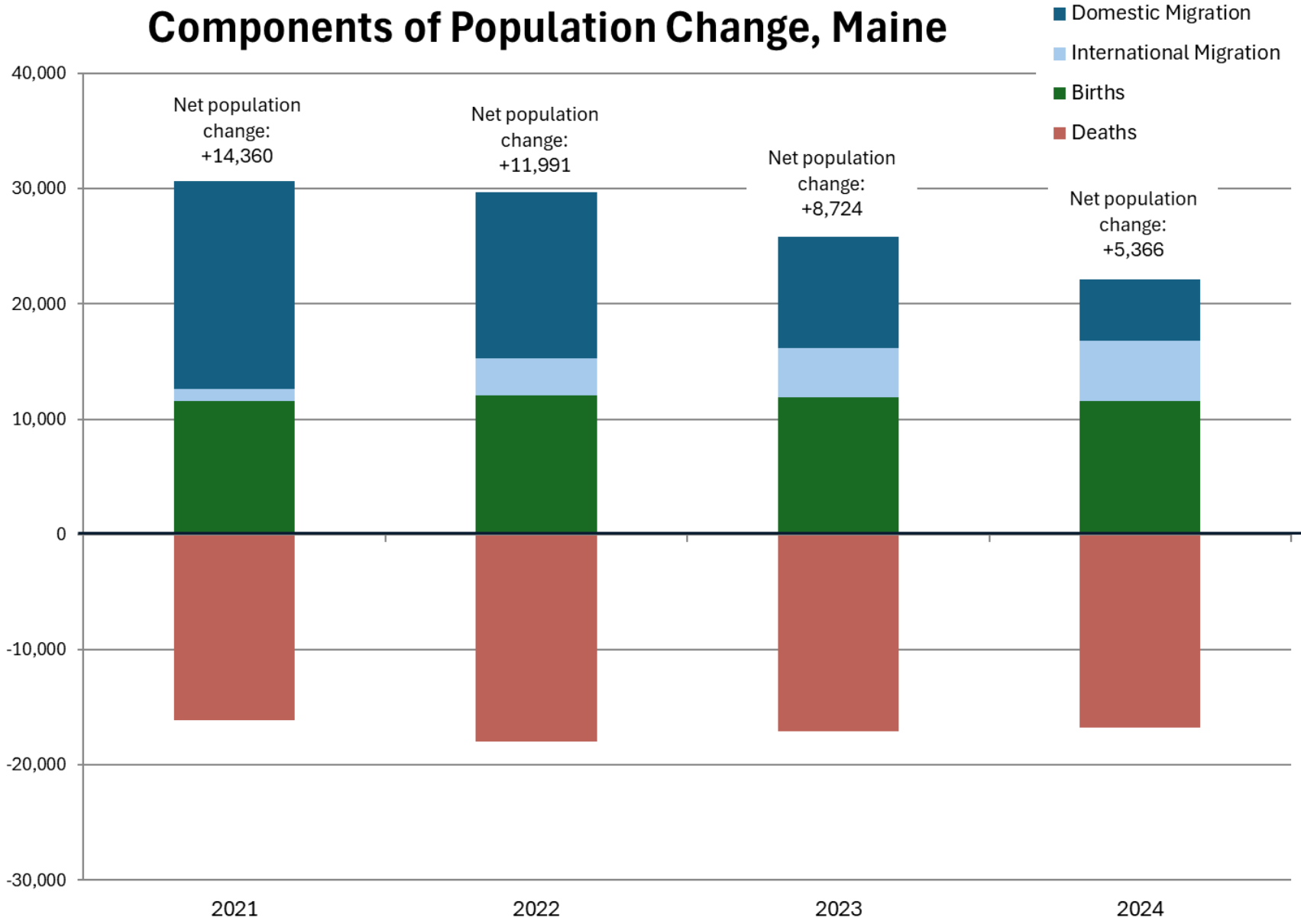
# Population Change and Demographics

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.)

11<sup>th</sup> for net domestic migration and 41<sup>st</sup> for net international migration in 2024

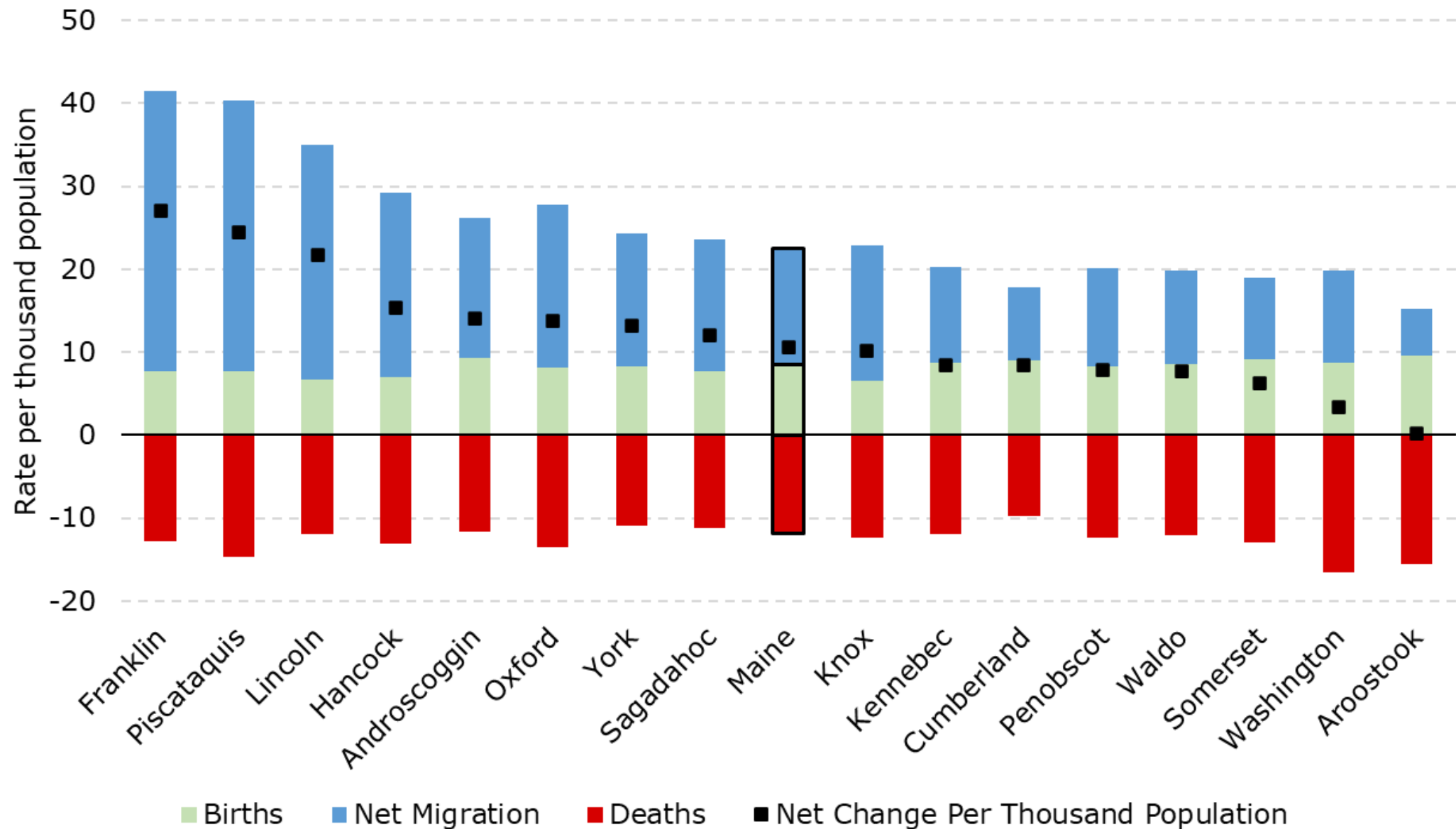
# Components of Population Change, Maine



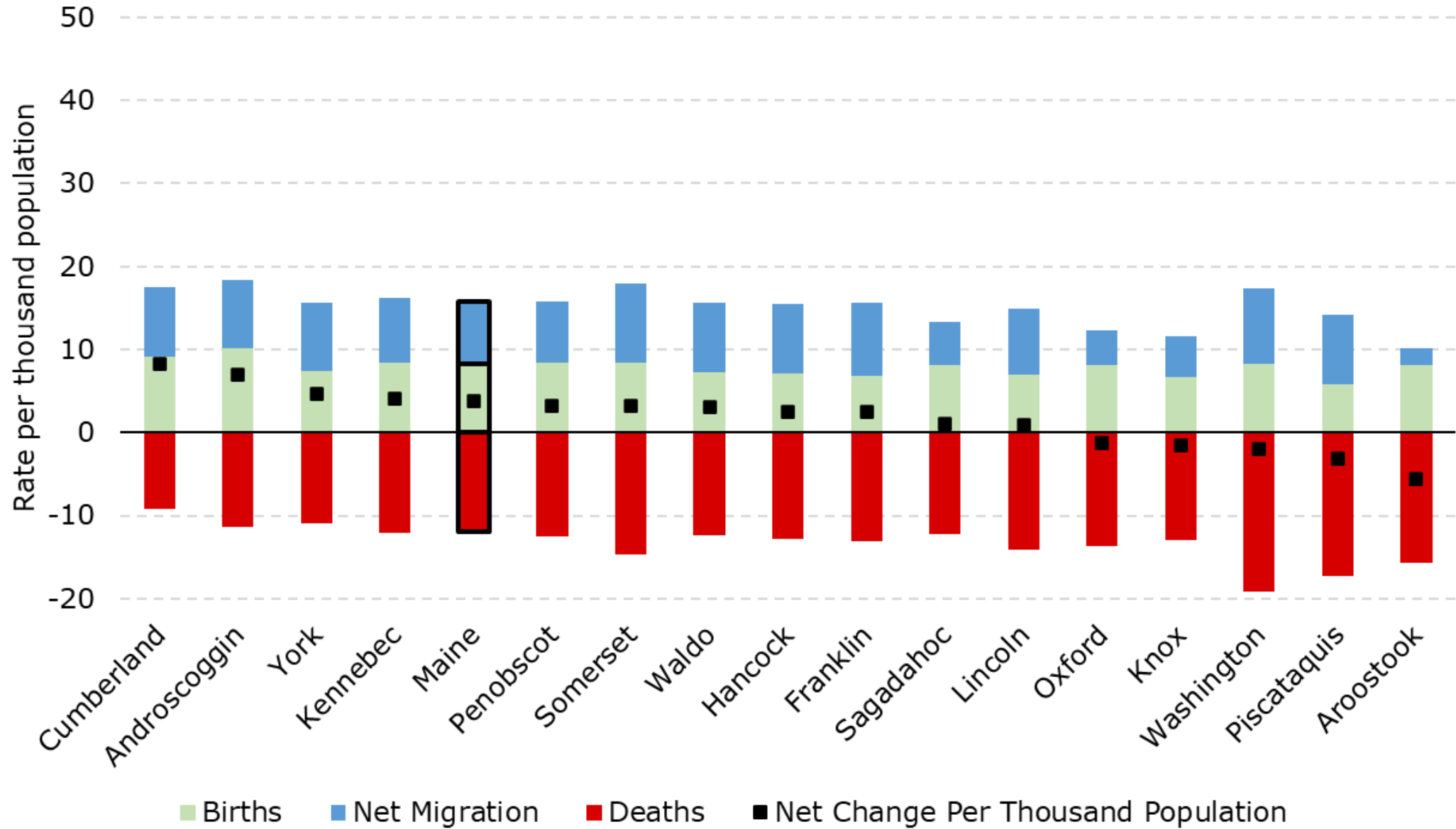
Net international migration accounted for 84% of U.S. population growth from 2023-2024

U.S. Census Bureau made significant methodological changes in 2024 to better account for humanitarian migrants, resulting in large upward revisions to 2023

## Components of Population Change, 7/1/2020-7/1/2021 Rate per thousand population

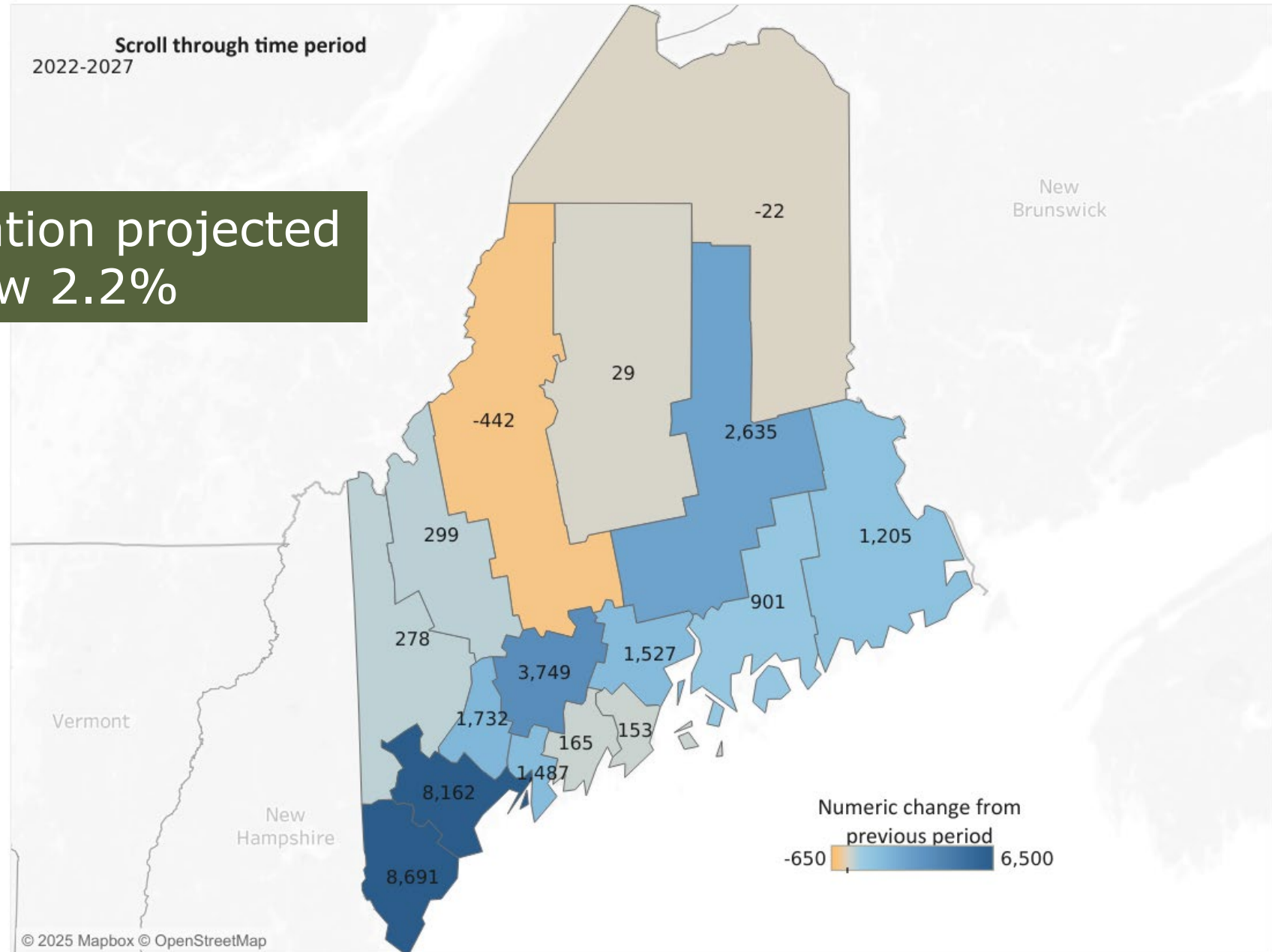


## Components of Population Change, 7/1/2023-7/1/2024 Rate per thousand population



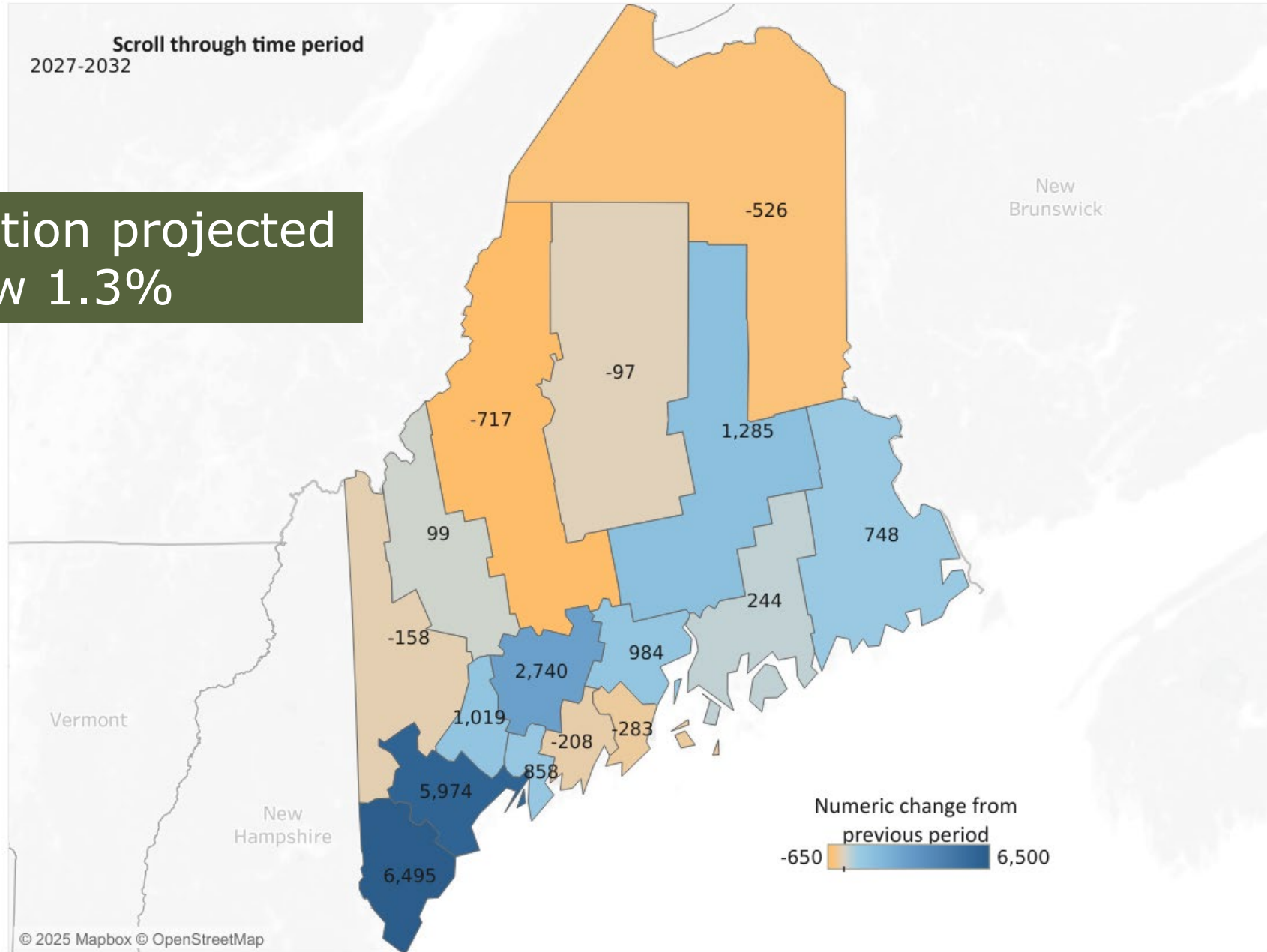
Scroll through time period  
2022-2027

Maine population projected to grow 2.2%



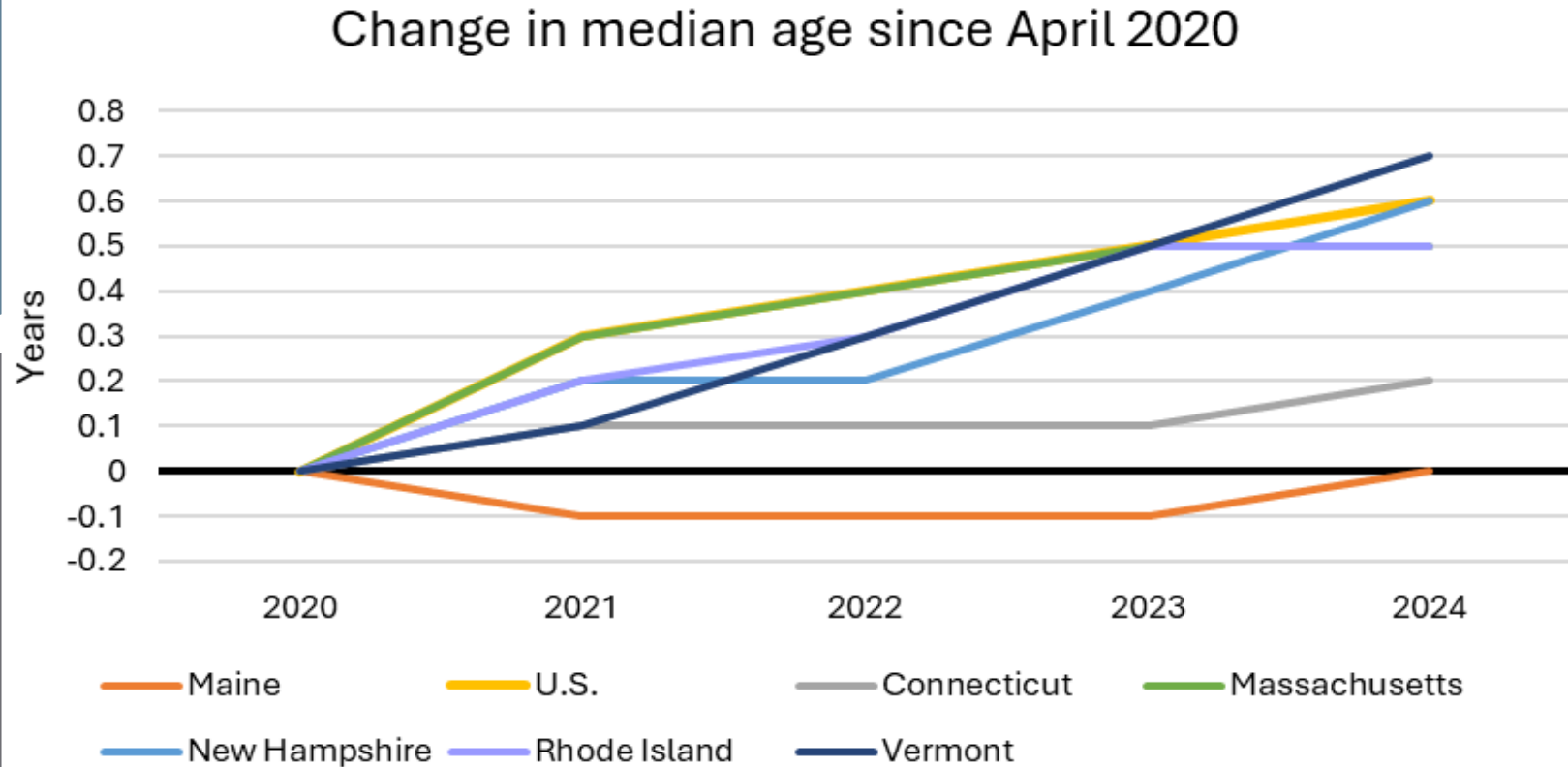
Scroll through time period  
2027-2032

Maine population projected to grow 1.3%

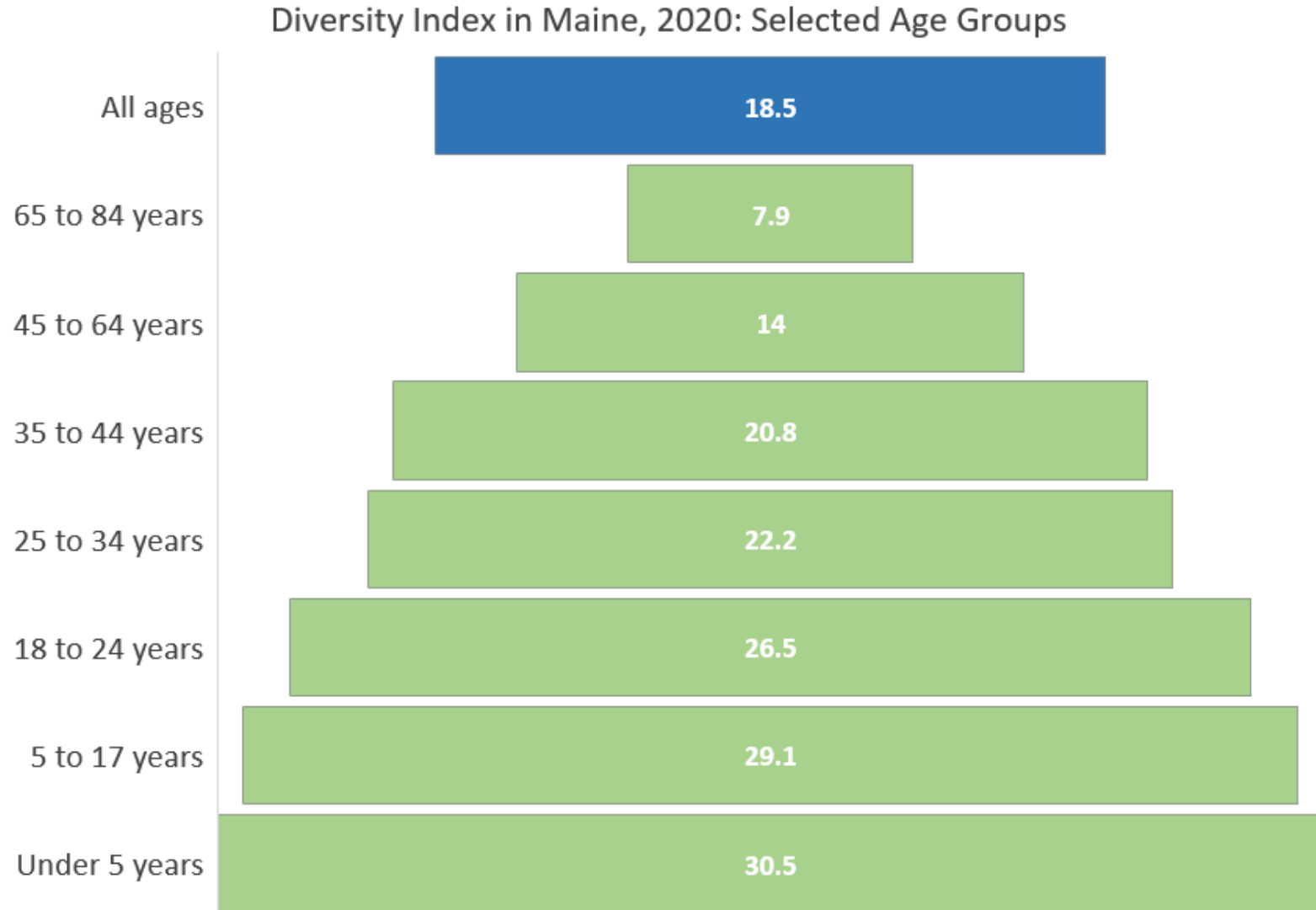


Maine's median age in 2024 is unchanged from 2020, while the U.S. median age has increased 0.6 years

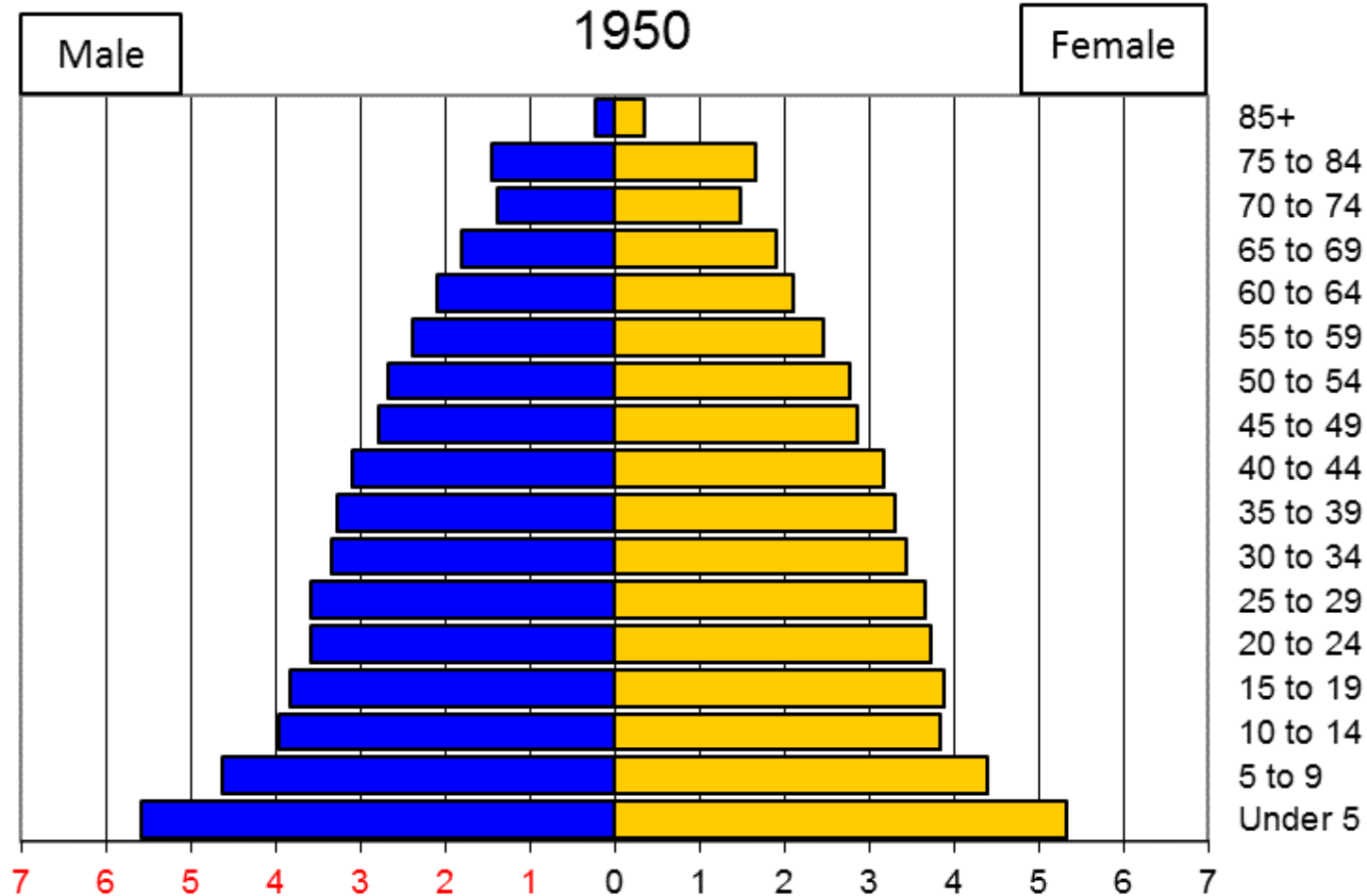
Maine still has the highest median age in the nation at 44.8 years; Vermont and New Hampshire are tied for second at 43.6 years



# Younger generations in Maine are more diverse than older generations



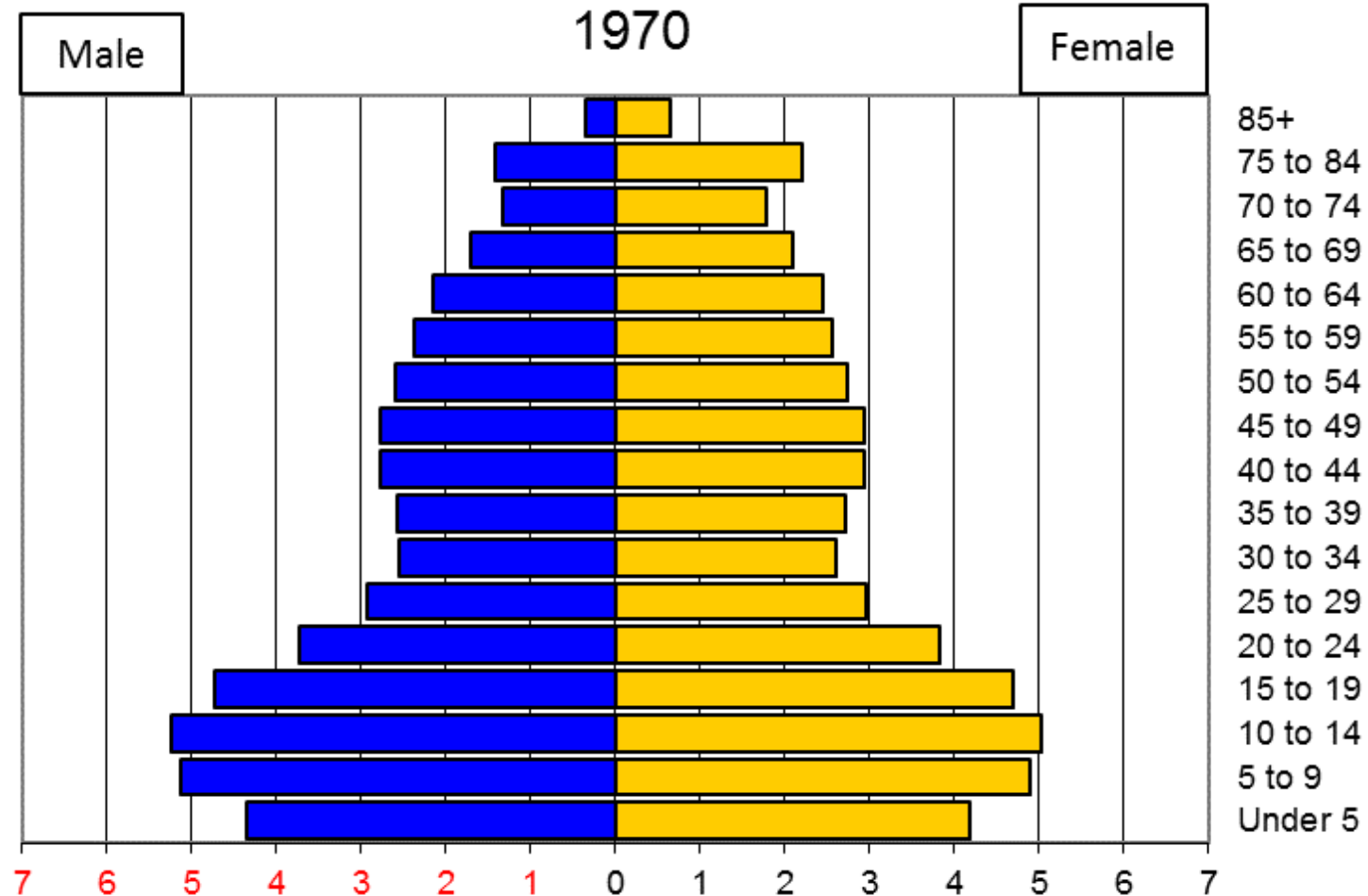
# The Baby Boom: 1946-1964



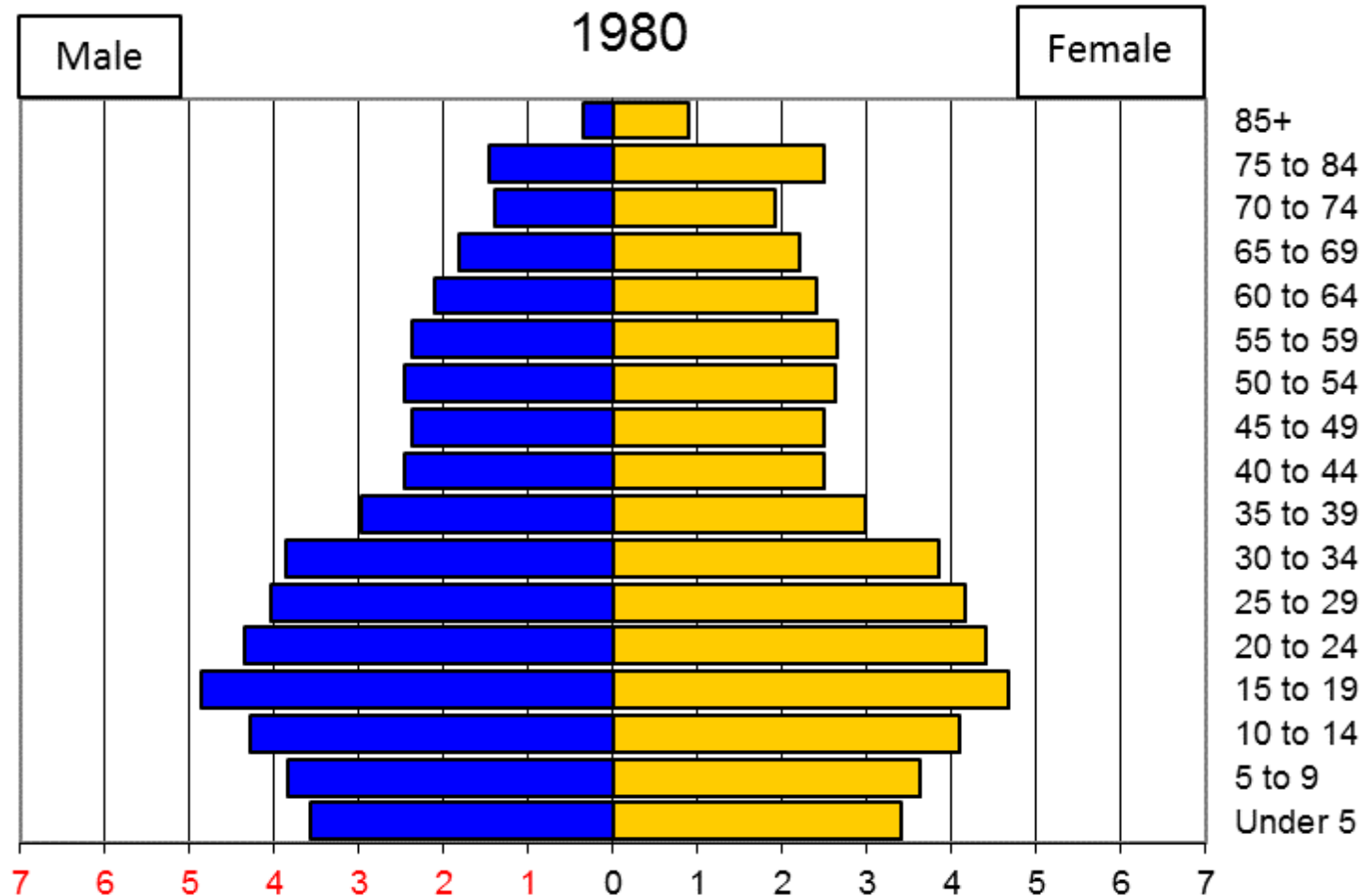
# The Baby Boom: 1946-1964



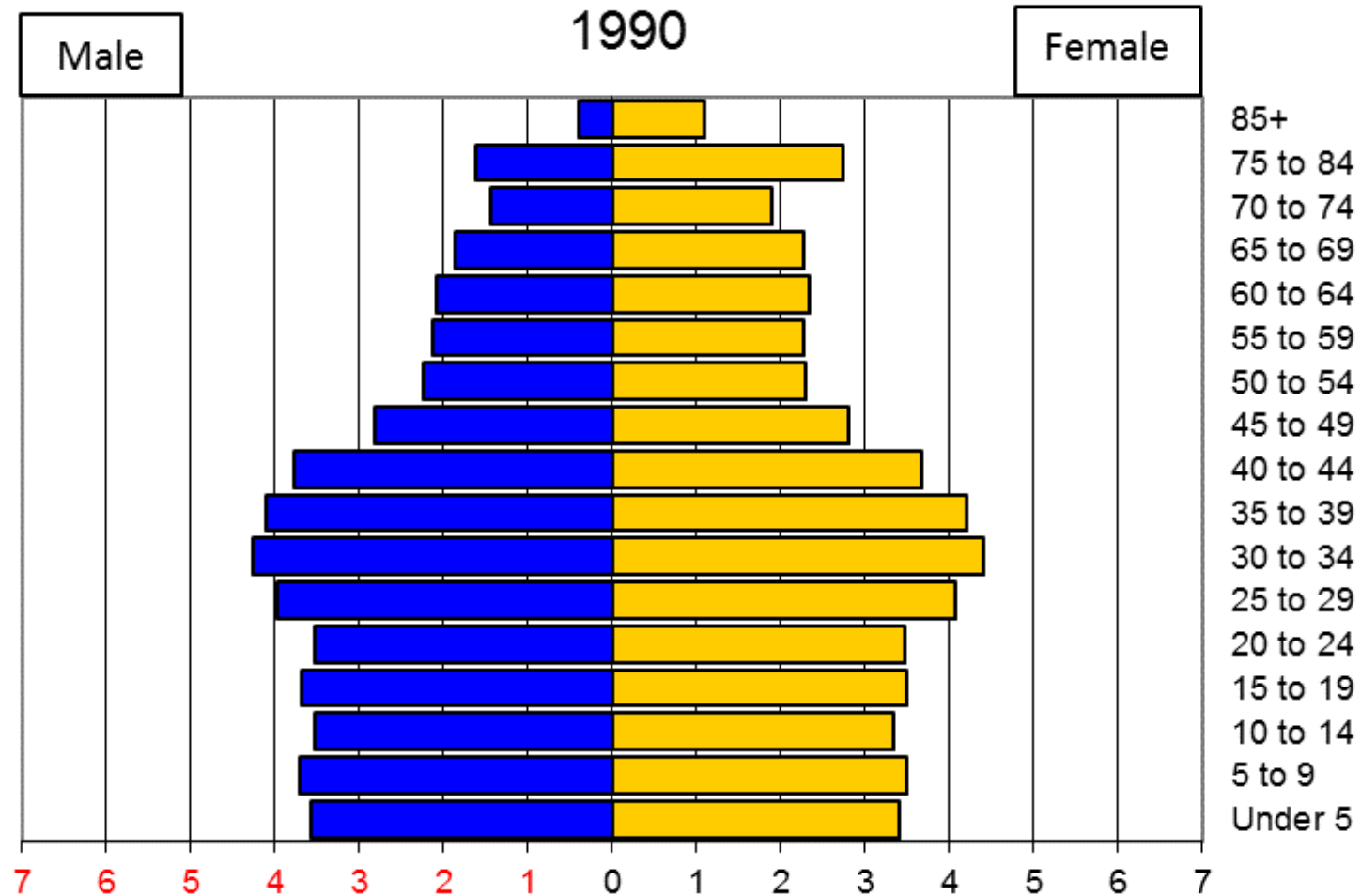
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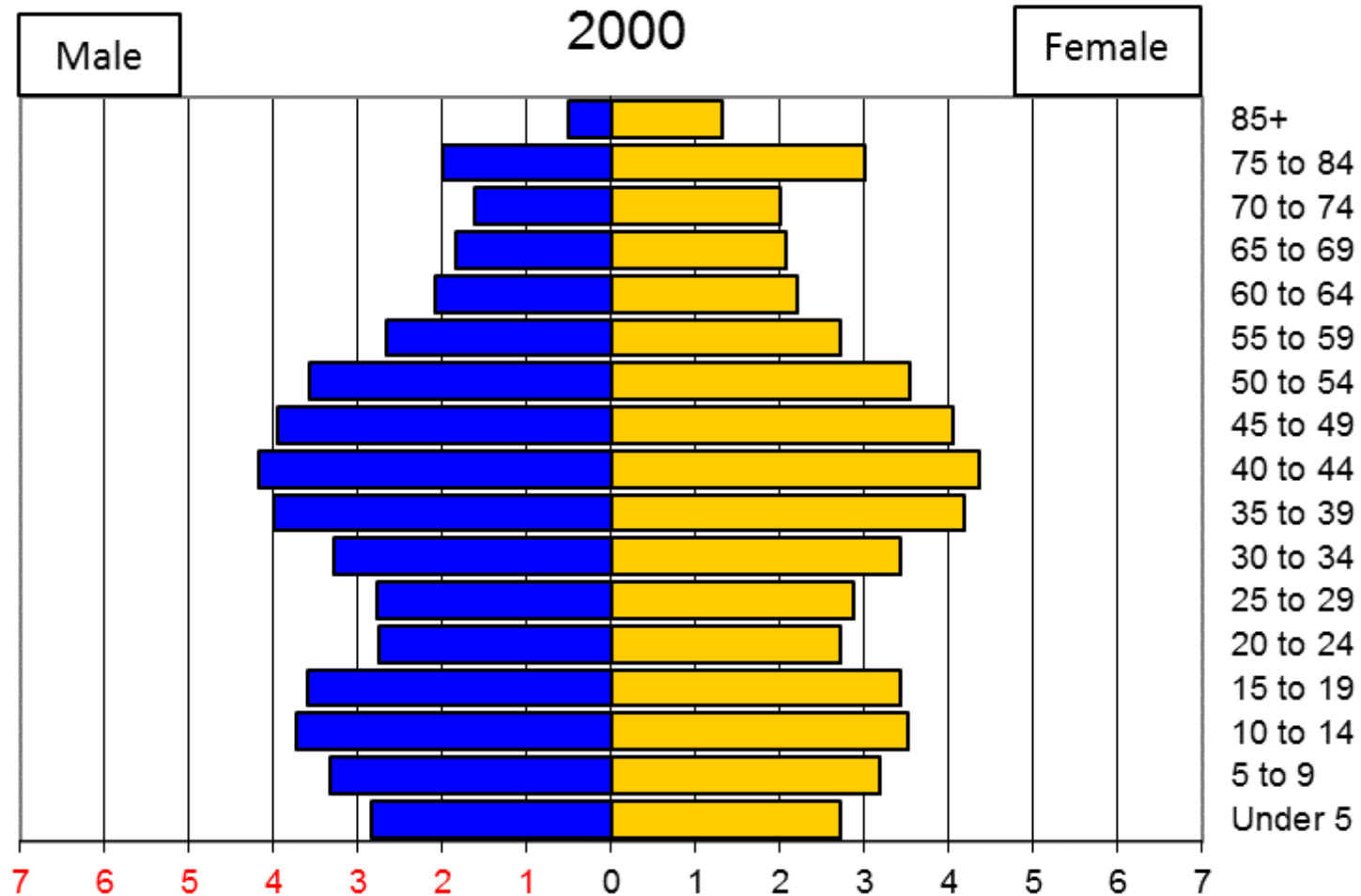
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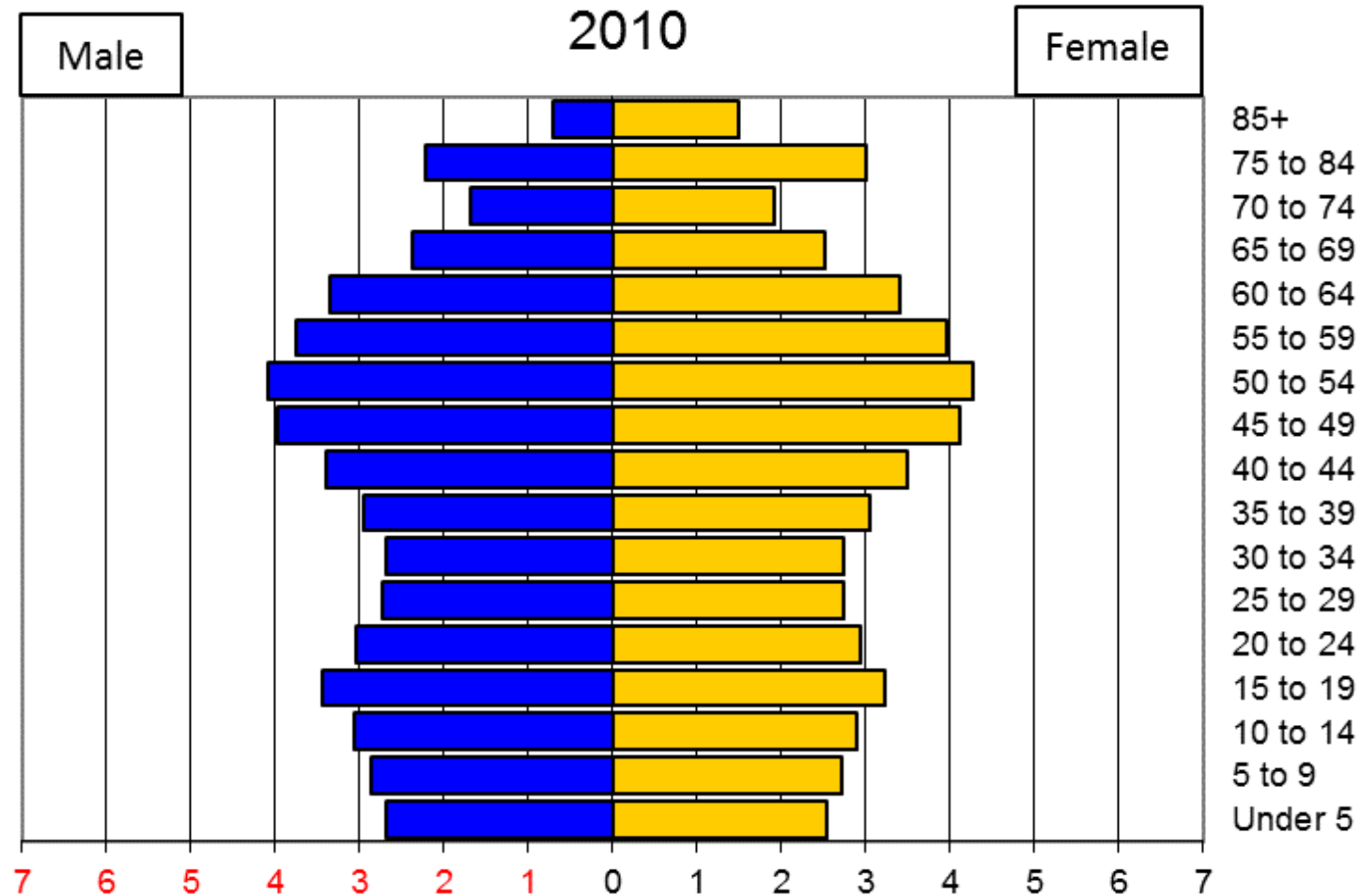
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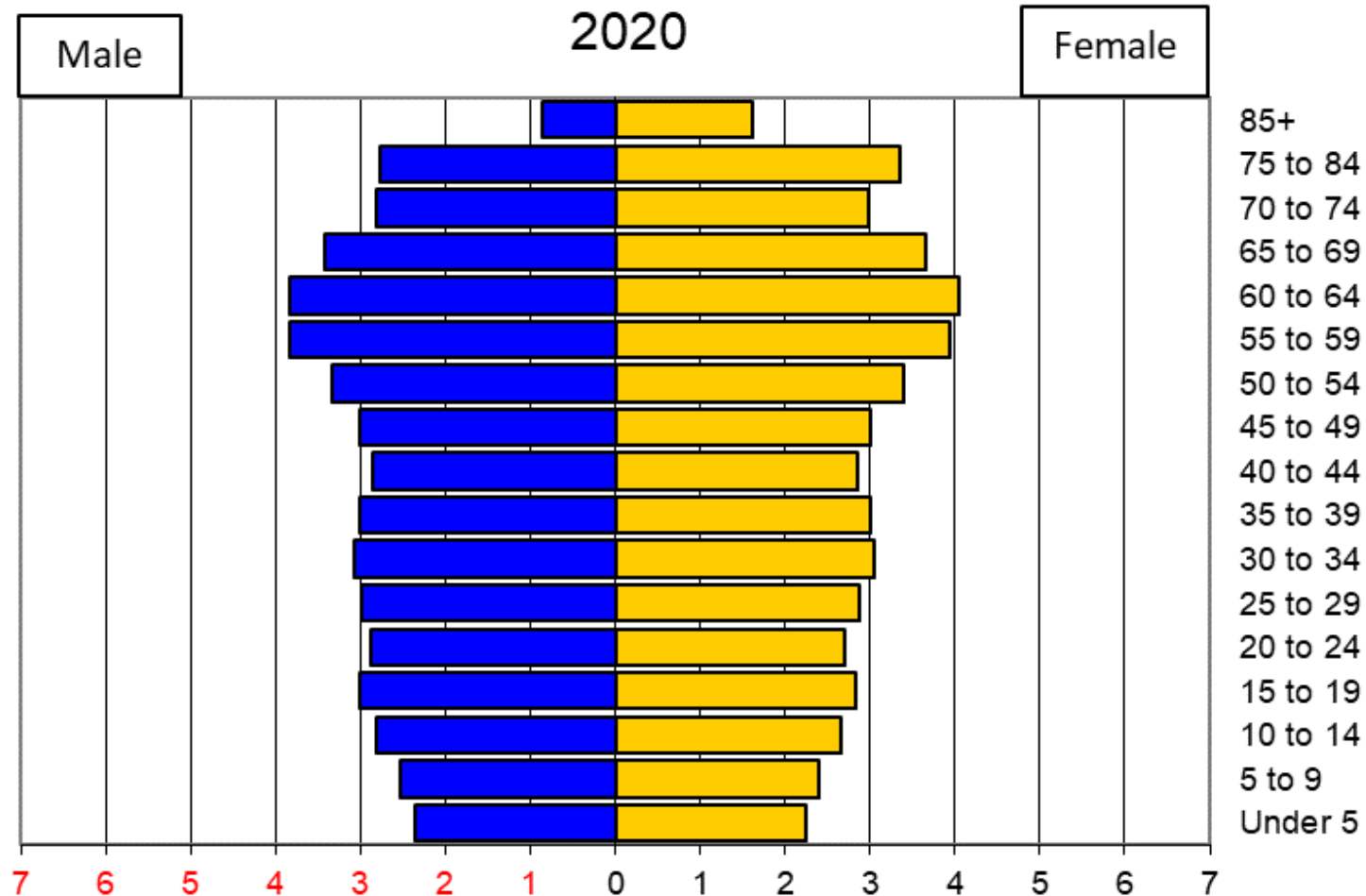
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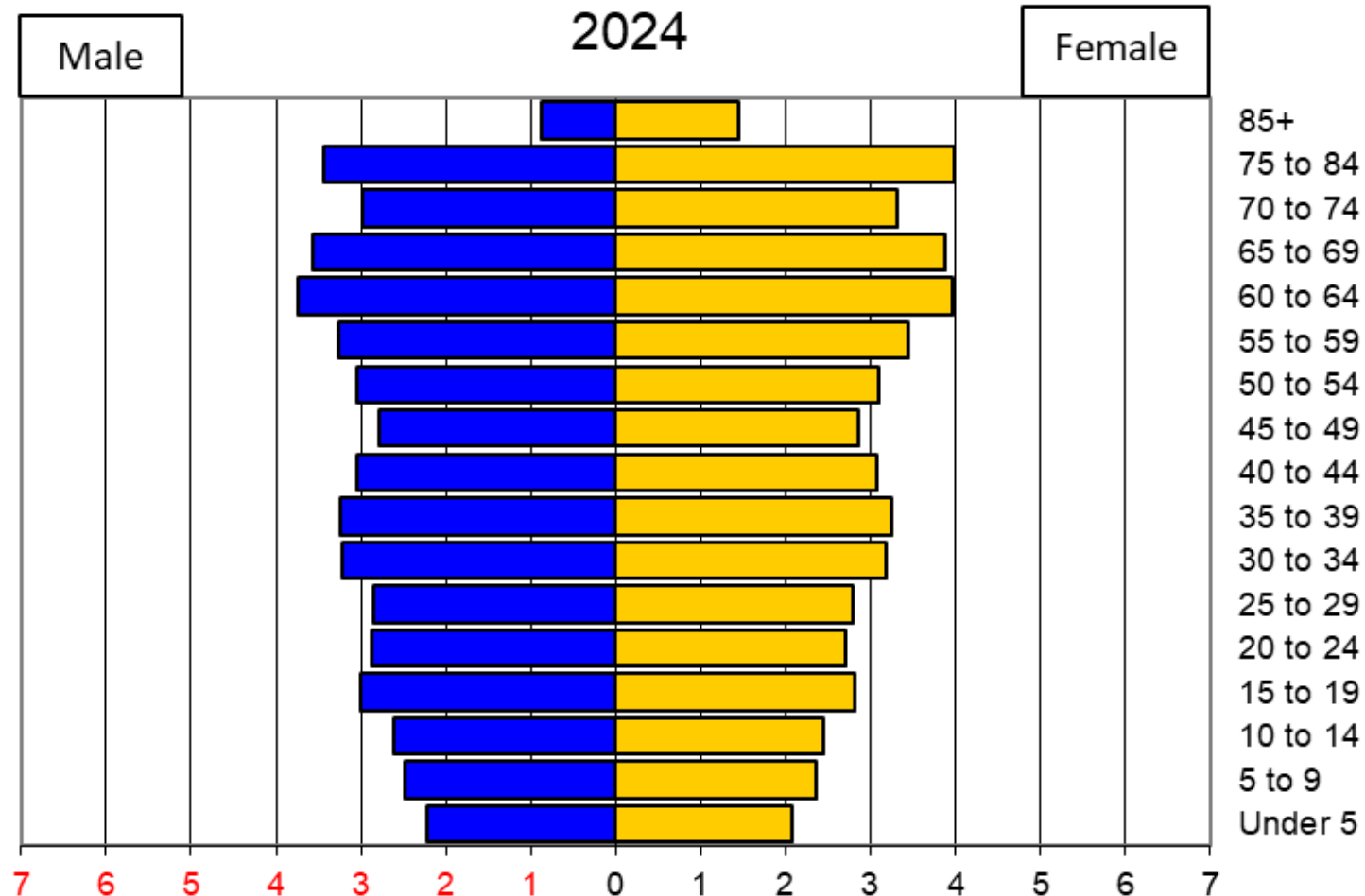


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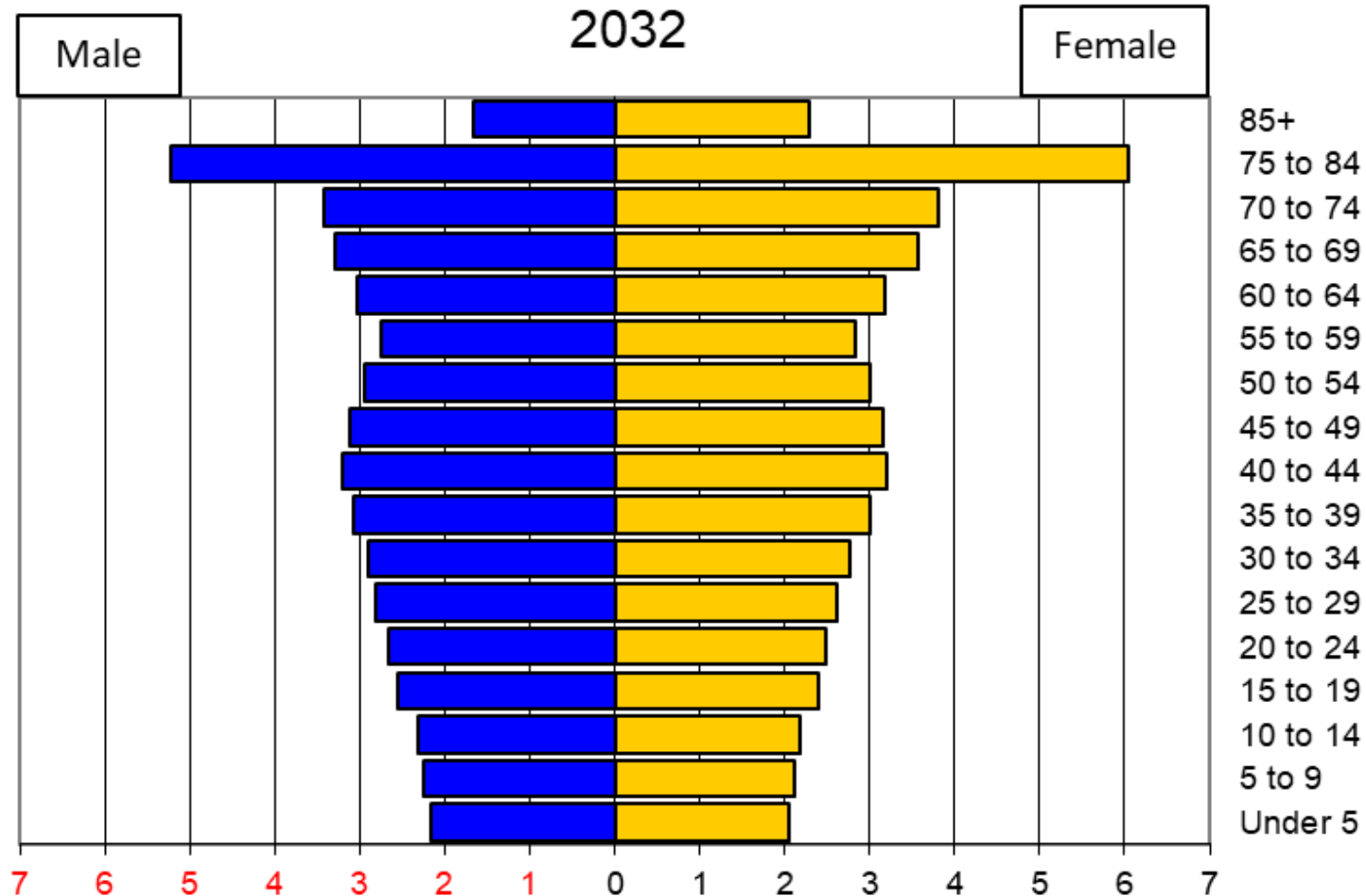
Baby Boom generation in 2024: age 60-78



# The Baby Boom: 1946-1964

Baby Boom generation in 2032: age 68-86

Prime working-age population (20-64 years) projected to decrease by 4.6% from 2022-2032



# Housing



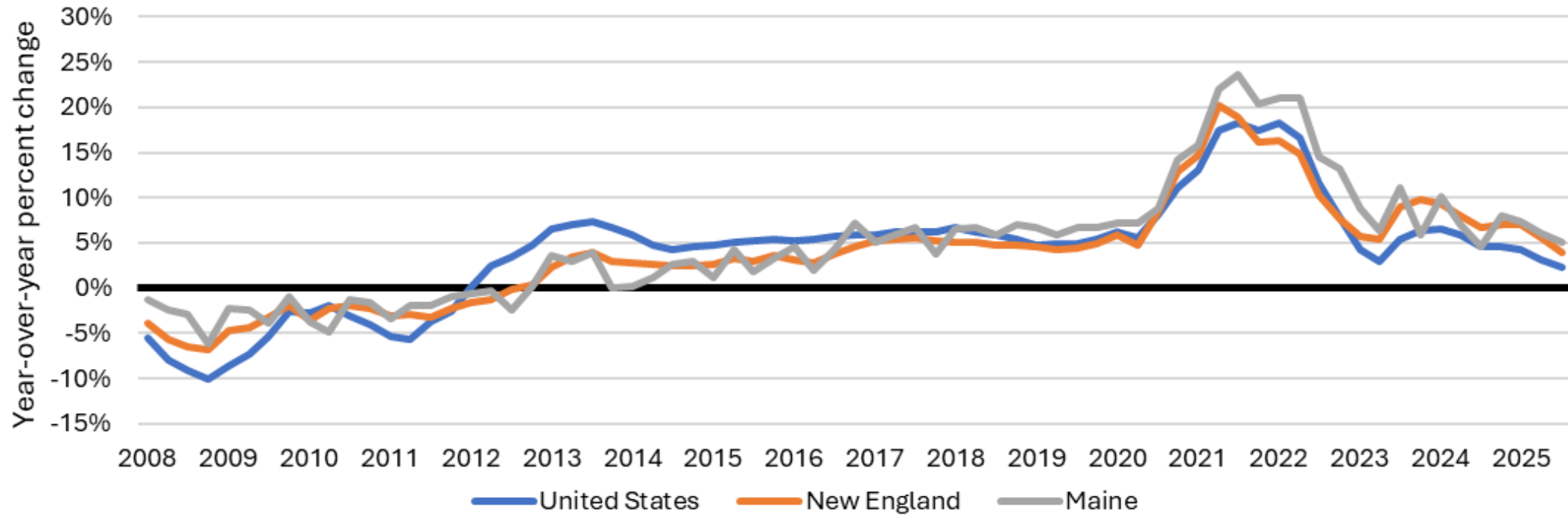
Source: Realtor.com via FRED®  
 Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

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

Dec. 2025 about 23% higher than Dec. 2024

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



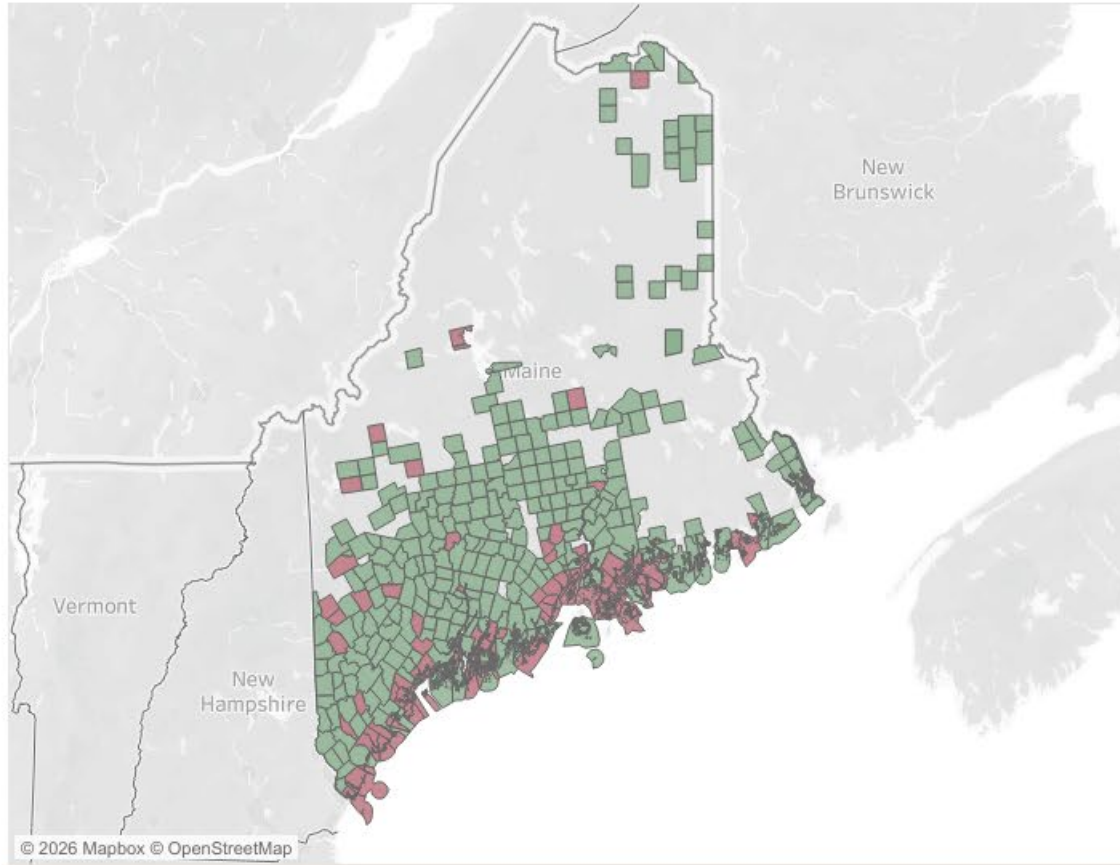
## Homeownership Affordability Maps

Year

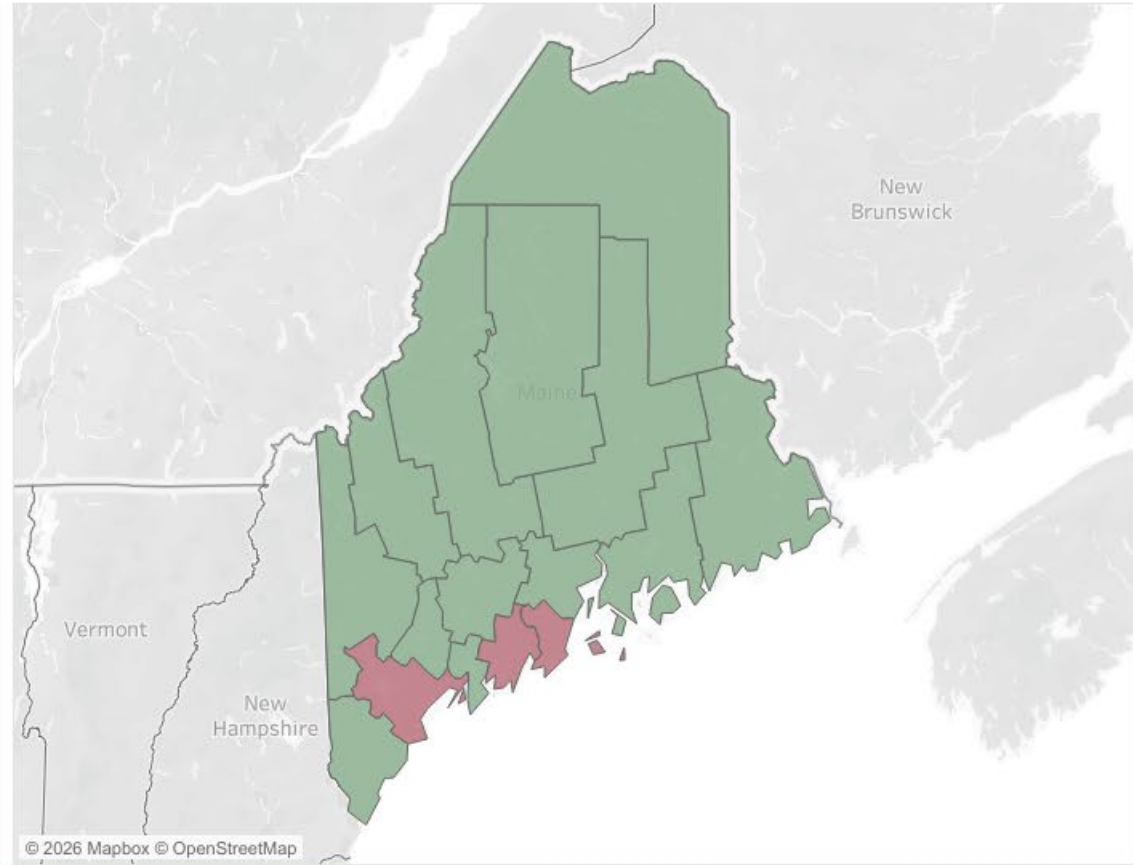
2020

Show history

### Affordability By Town - 2020



### Affordability By County - 2020



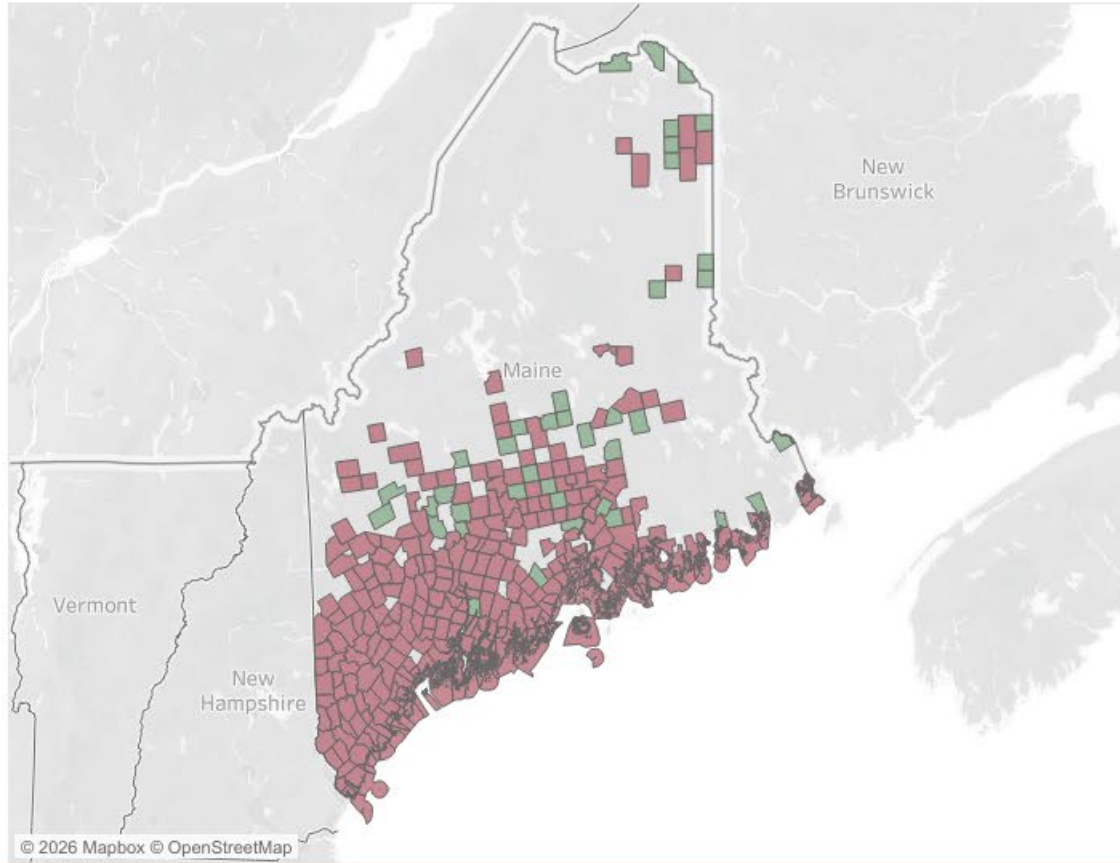
## Homeownership Affordability Maps

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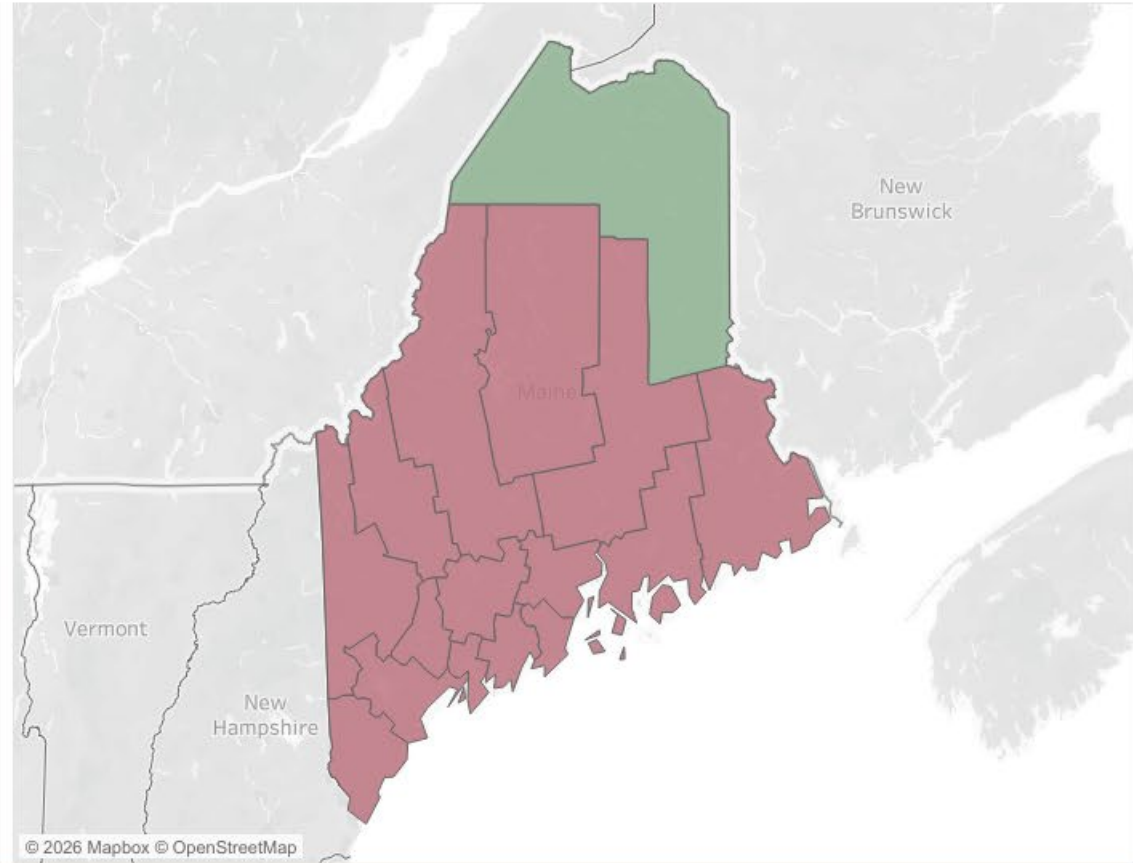
2024

Show history

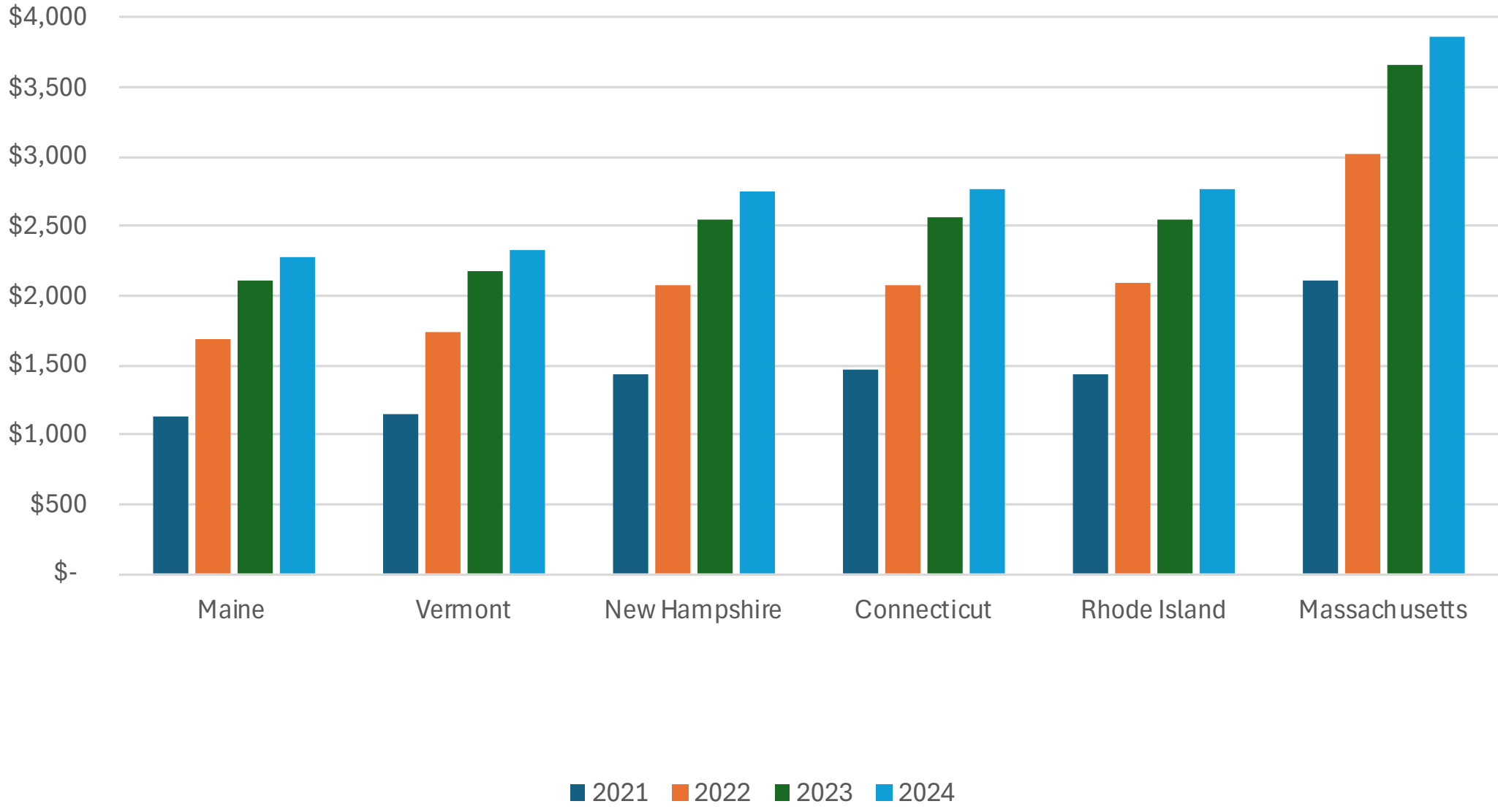
### Affordability By Town - 2024



### Affordability By County - 2024



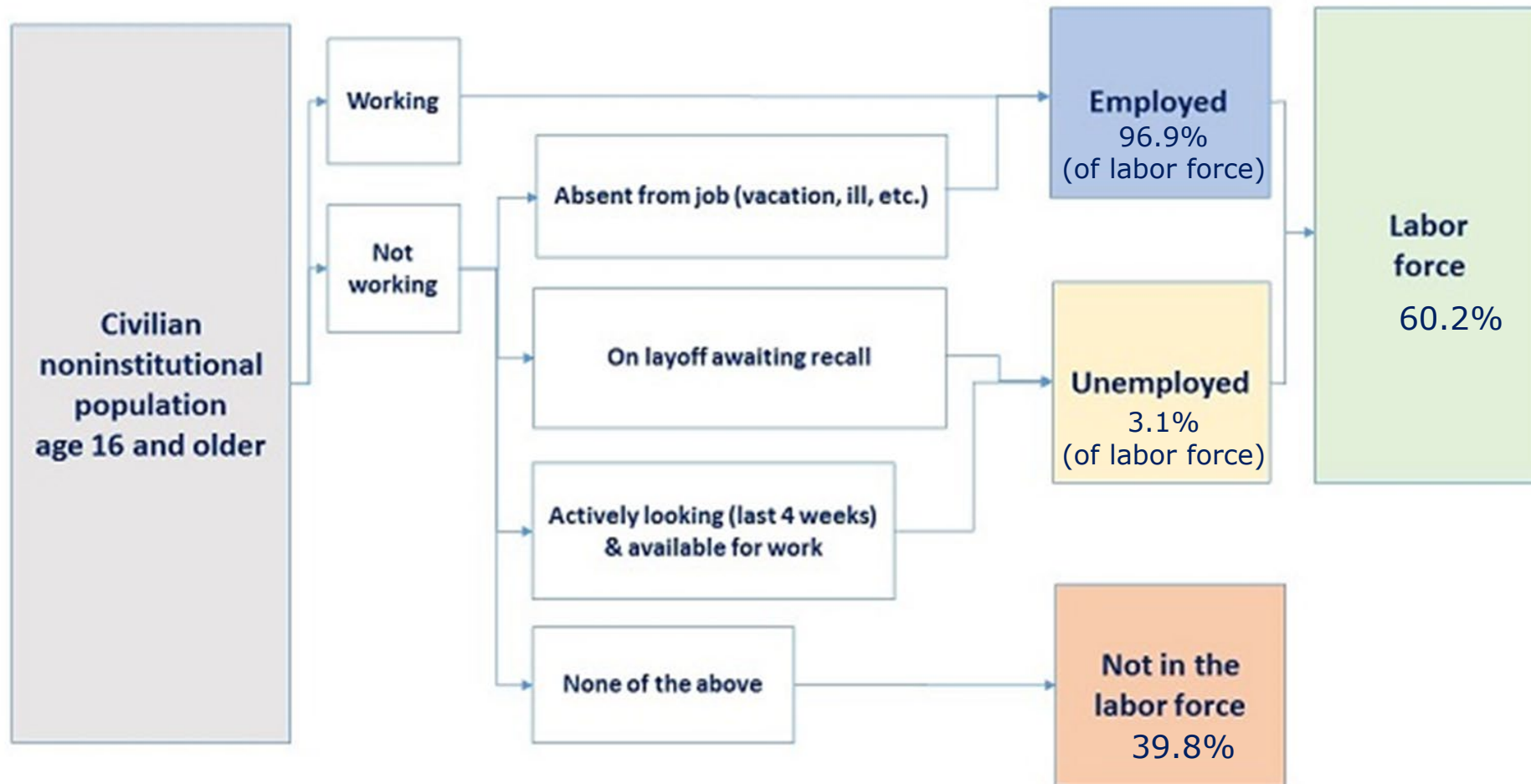
# Monthly Mortgage Payment at the Median Sales Price 2021-2024



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.

# Labor Force 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

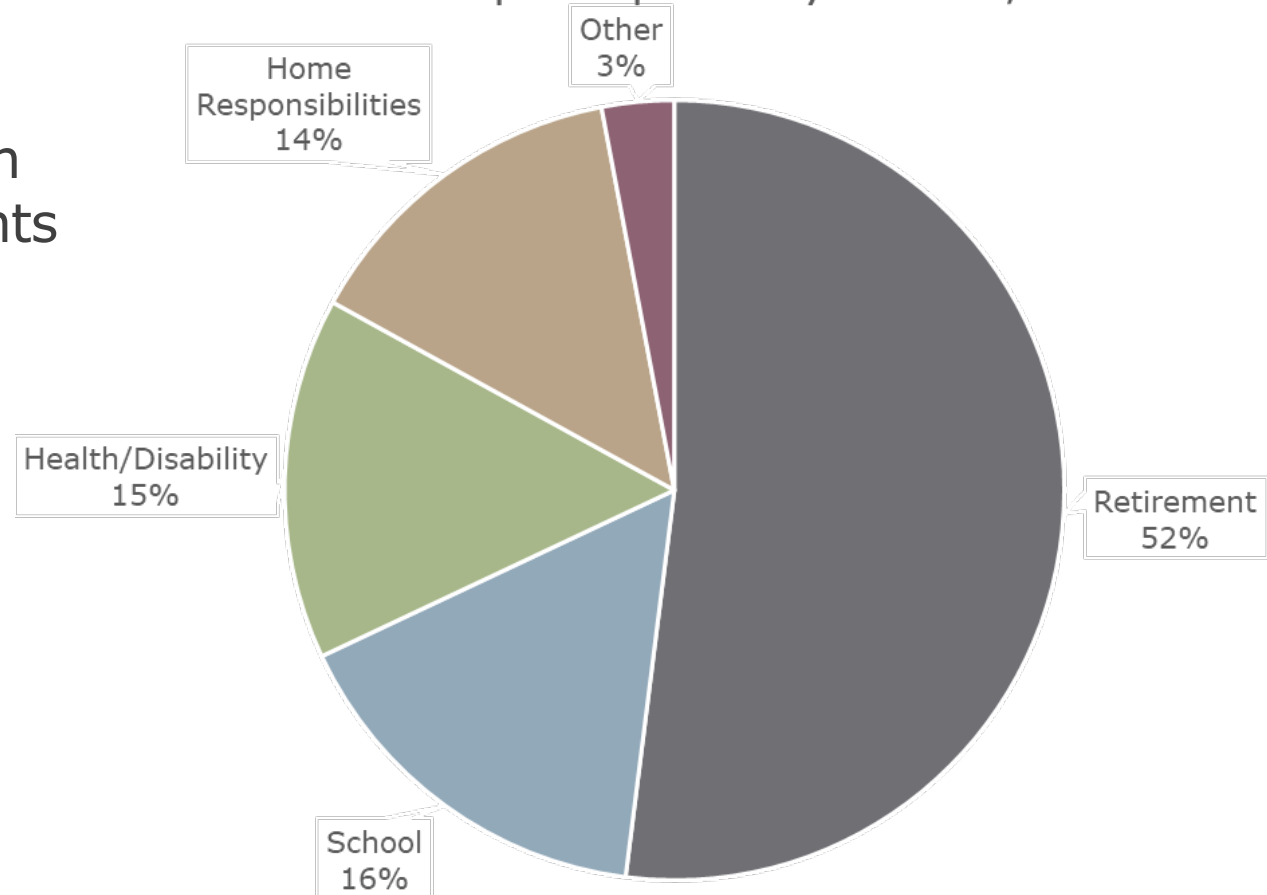
School attendance

Health/disability

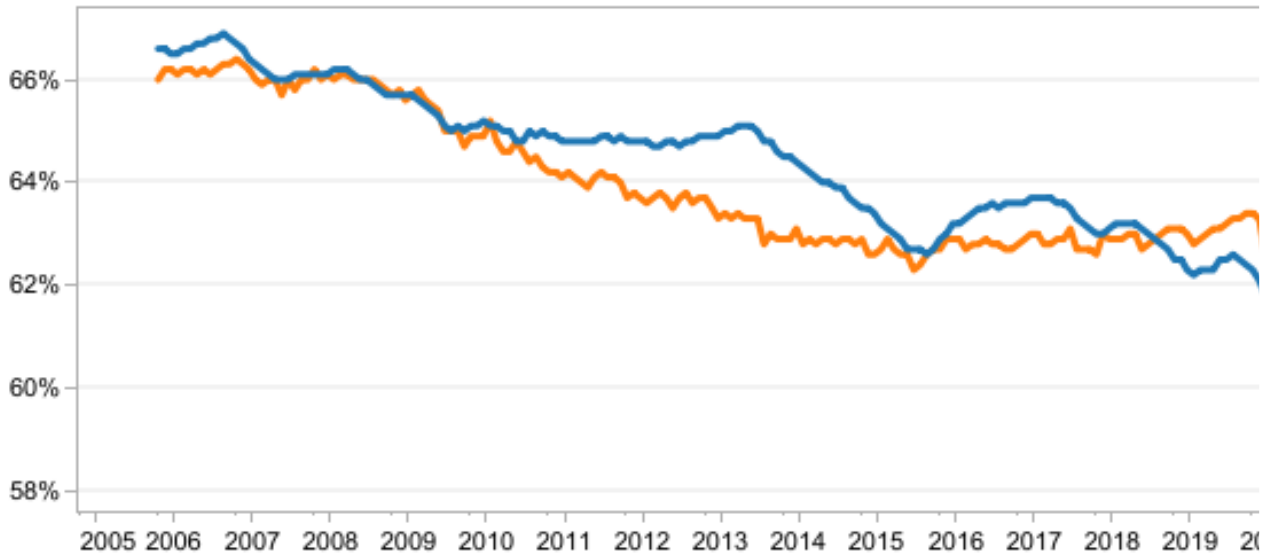
Home responsibilities

Other reasons

Share of Nonparticipants by Reason, 2022



### Labor Force Participation Rate (seasonally adjusted)



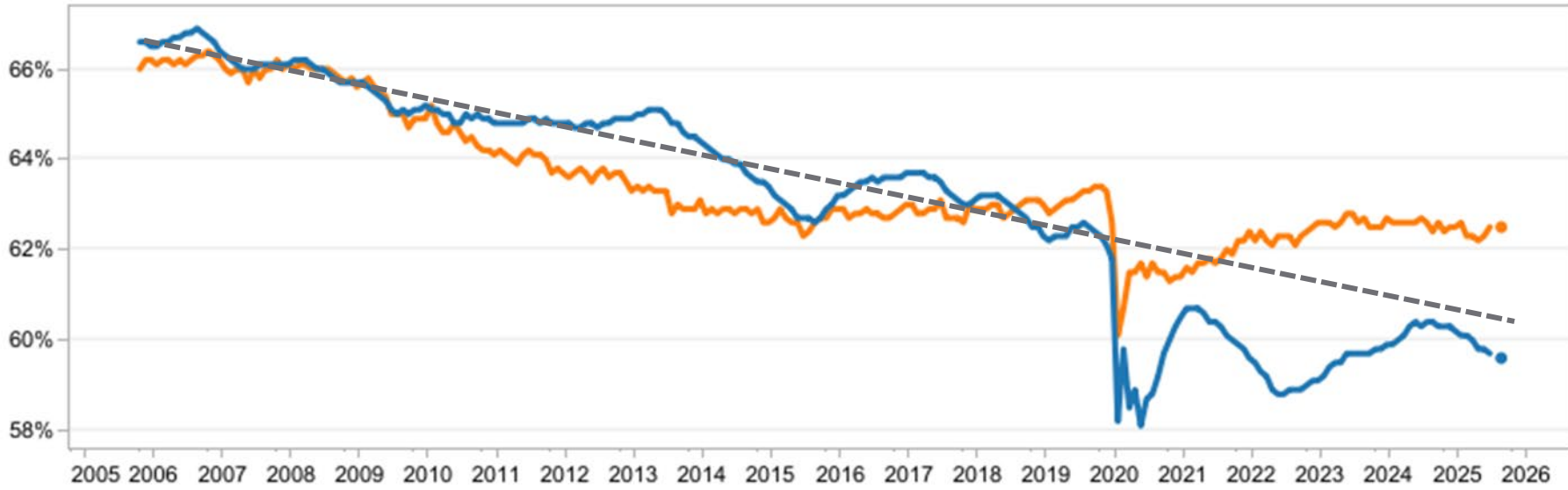
Dec, 2005 to Nov, 2025

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

■ Maine

■ United States

### Labor Force Participation Rate (seasonally adjusted)

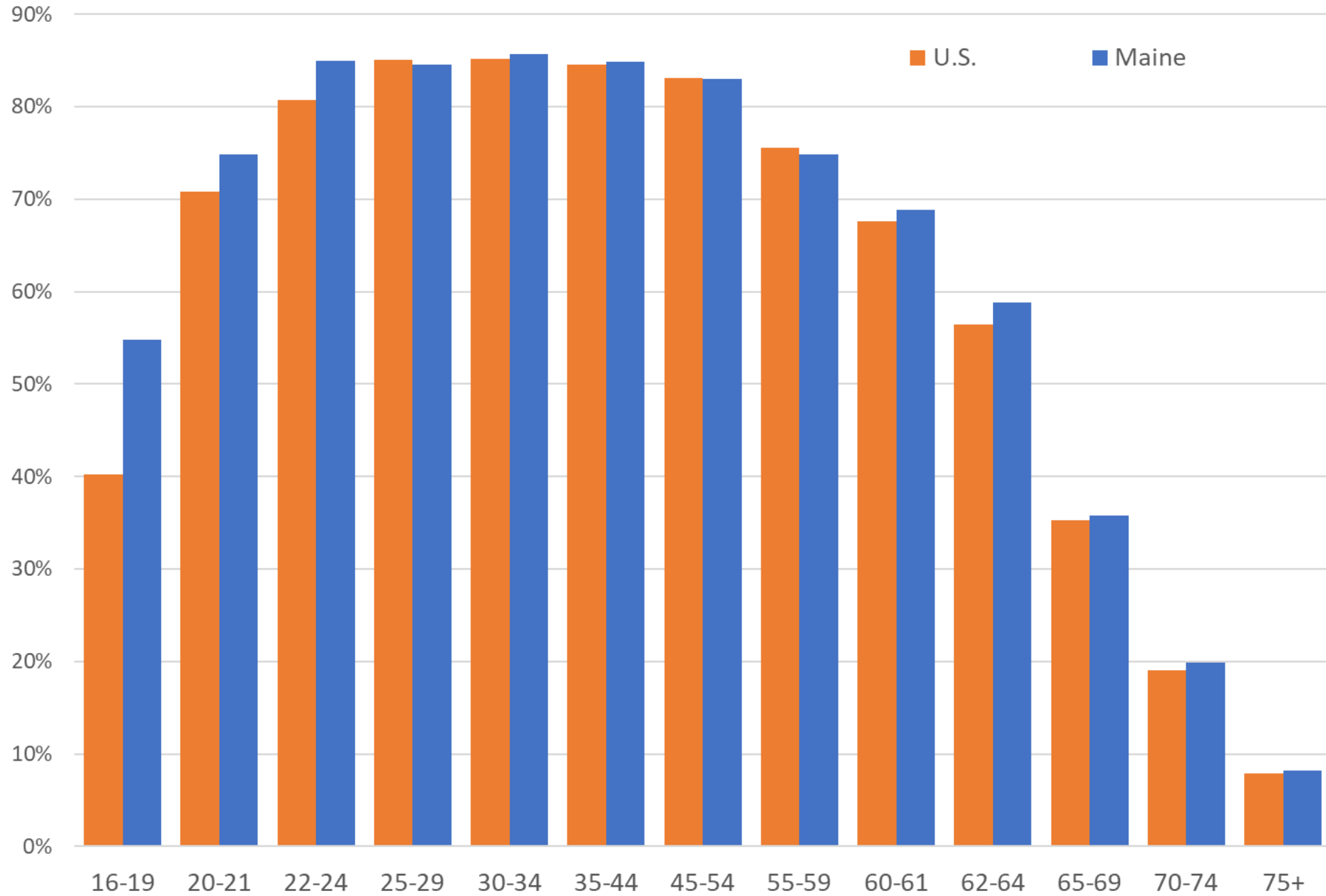


Dec, 2005 to Nov, 2025

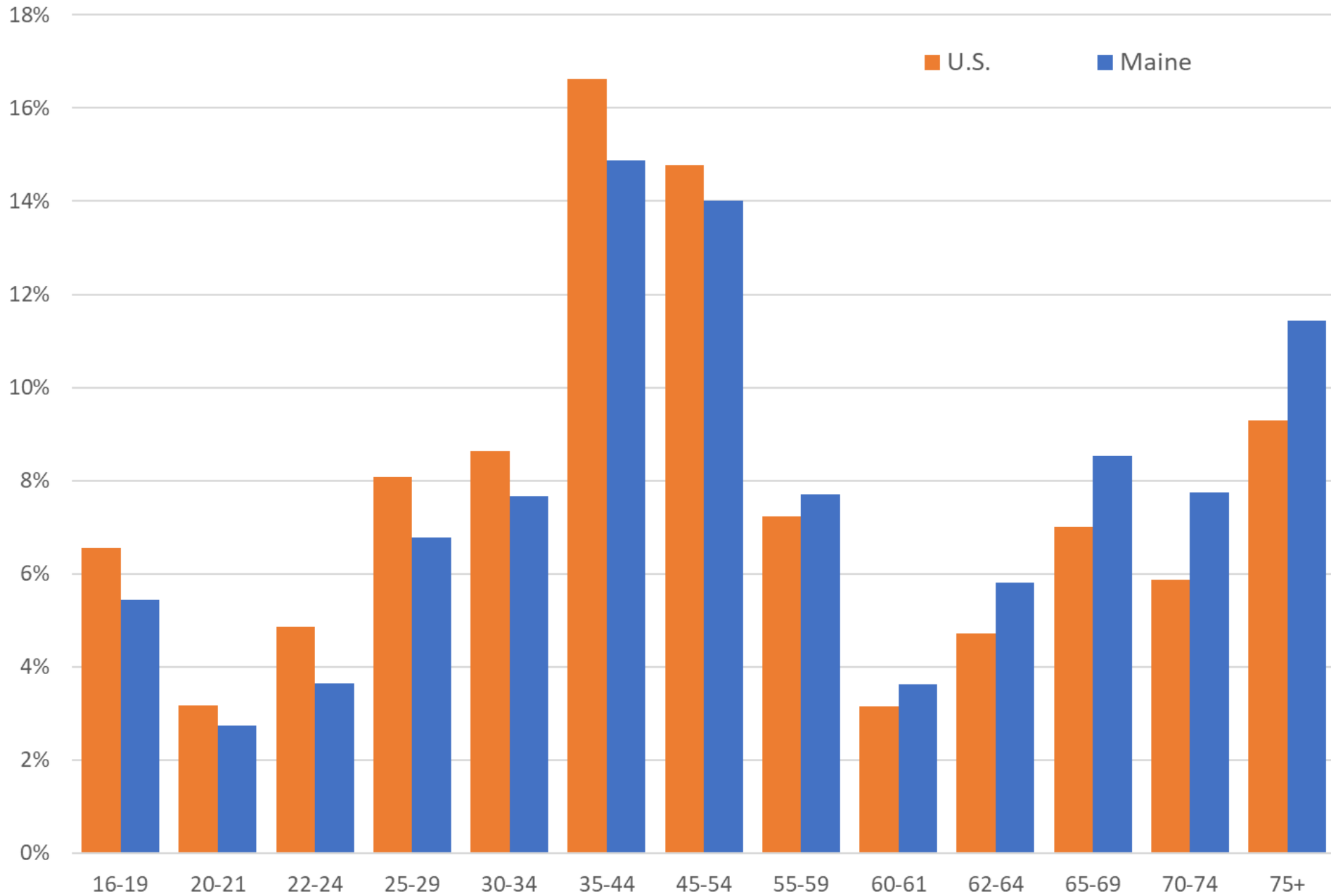
- Unemployment Rate
- Labor Force & Employment
- Unemployment
- Labor Force Participation Rate
- Employment to Population Ratio

■ Maine  
■ United States

# 2024 Labor Force Participation Rate

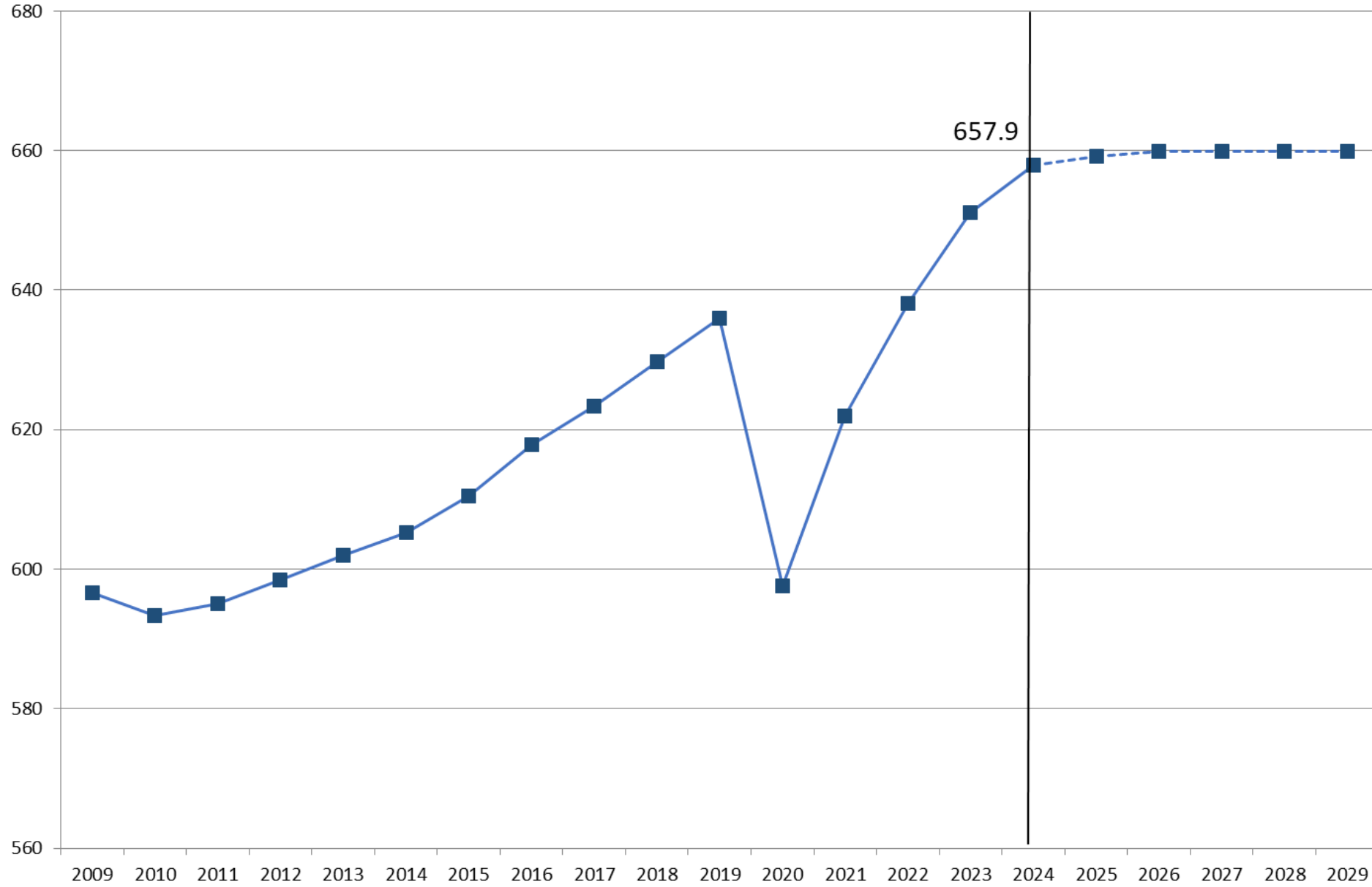


# Share of 16+ Population by Age, 2024



# Total Nonfarm Employment (in thousands)

## History and Consensus Economic Forecasting Commission forecast



# Maine's seasonally-adjusted unemployment rate of 3.2% in November 2025 was below both the U.S. and New England rates

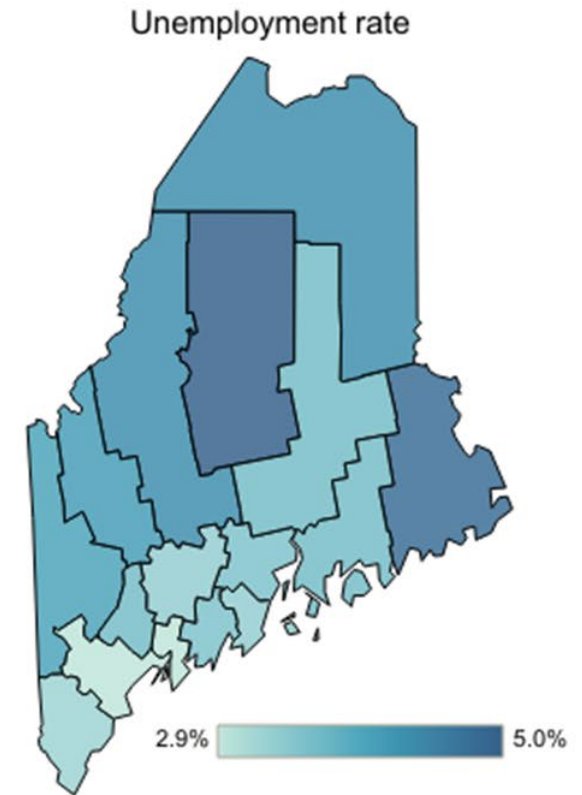
## County Rates (not seasonally adjusted)

November, 2025

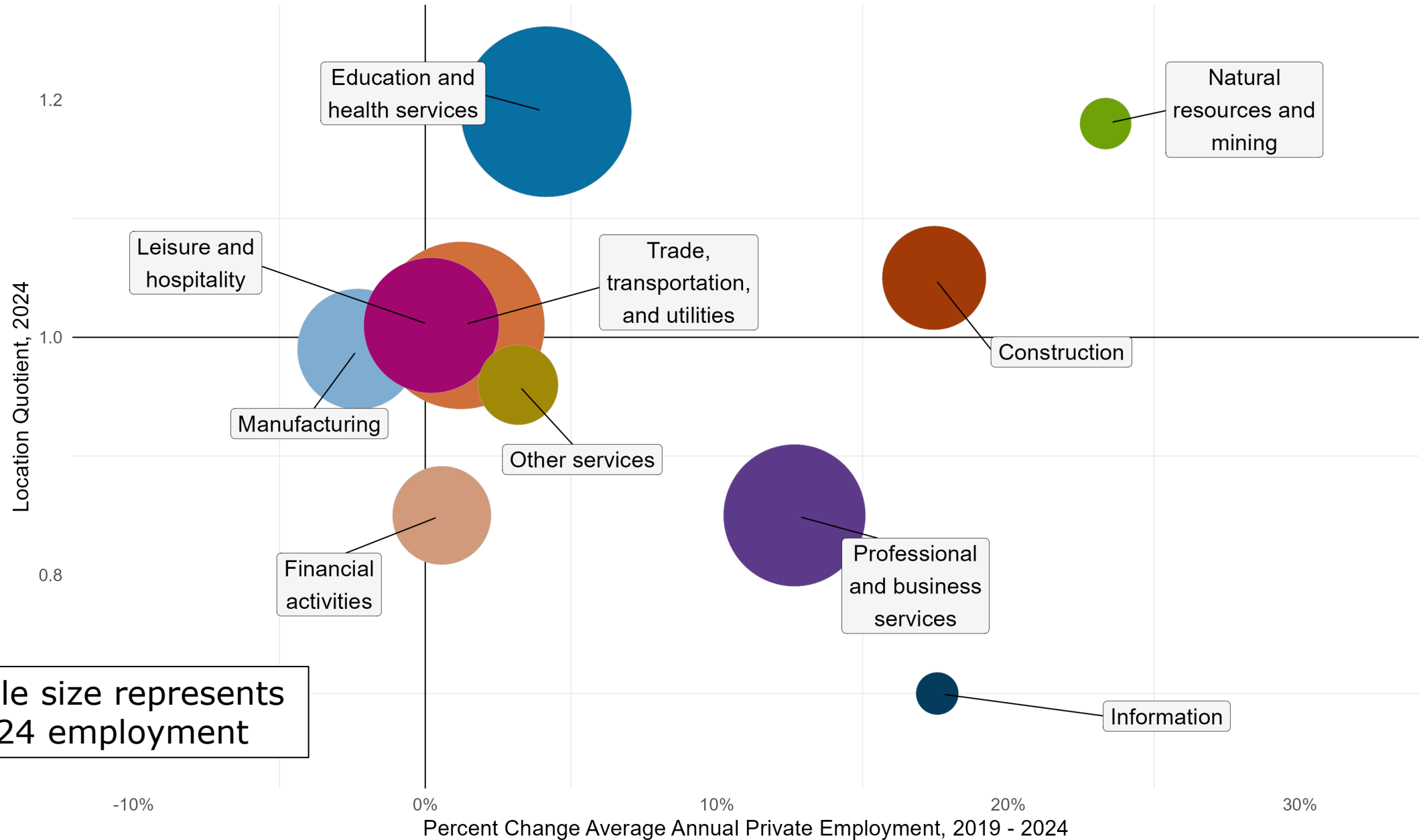
- Table
- Graph

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

County	Rate	Year ago	One-yr change
Maine	3.4%	3.6%	-0.2
Androscoggin	3.6%	3.8%	-0.2
Aroostook	4.3%	4.4%	-0.1
Cumberland	2.9%	3.1%	-0.2
Franklin	4.1%	4.5%	-0.4
Hancock	3.6%	3.9%	-0.3
Kennebec	3.3%	3.5%	-0.2
Knox	3.3%	3.8%	-0.5
Lincoln	3.5%	4.0%	-0.5
Oxford	4.0%	4.2%	-0.2
Penobscot	3.6%	3.9%	-0.3
Piscataquis	5.0%	5.4%	-0.4
Sagadahoc	2.9%	3.2%	-0.3
Somerset	4.3%	4.5%	-0.2
Waldo	3.5%	3.9%	-0.4
Washington	4.8%	4.8%	0.0
York	3.2%	3.3%	-0.1

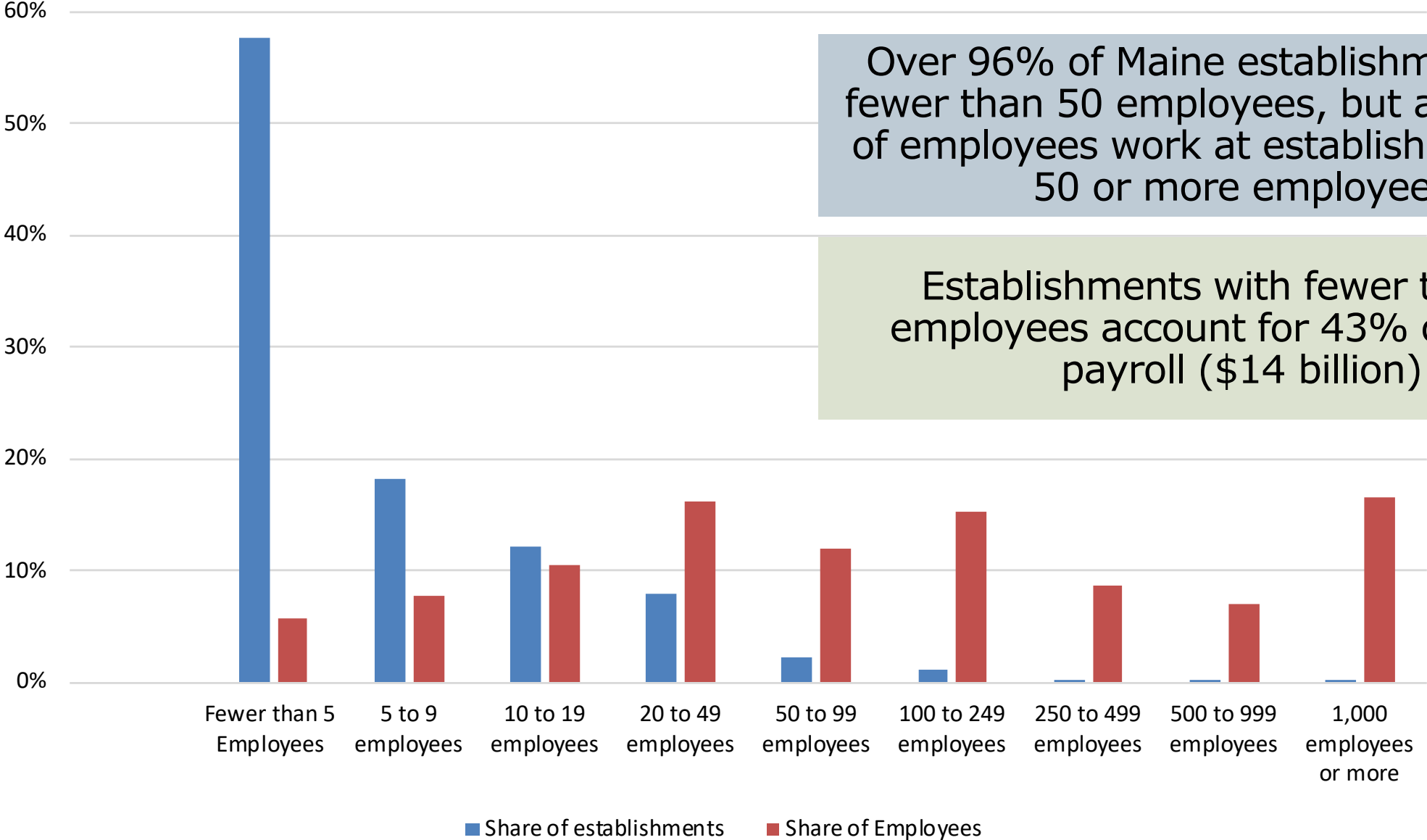


# Maine Location Quotients for Private Industry Super Sectors, 2019-2024



Bubble size represents 2024 employment

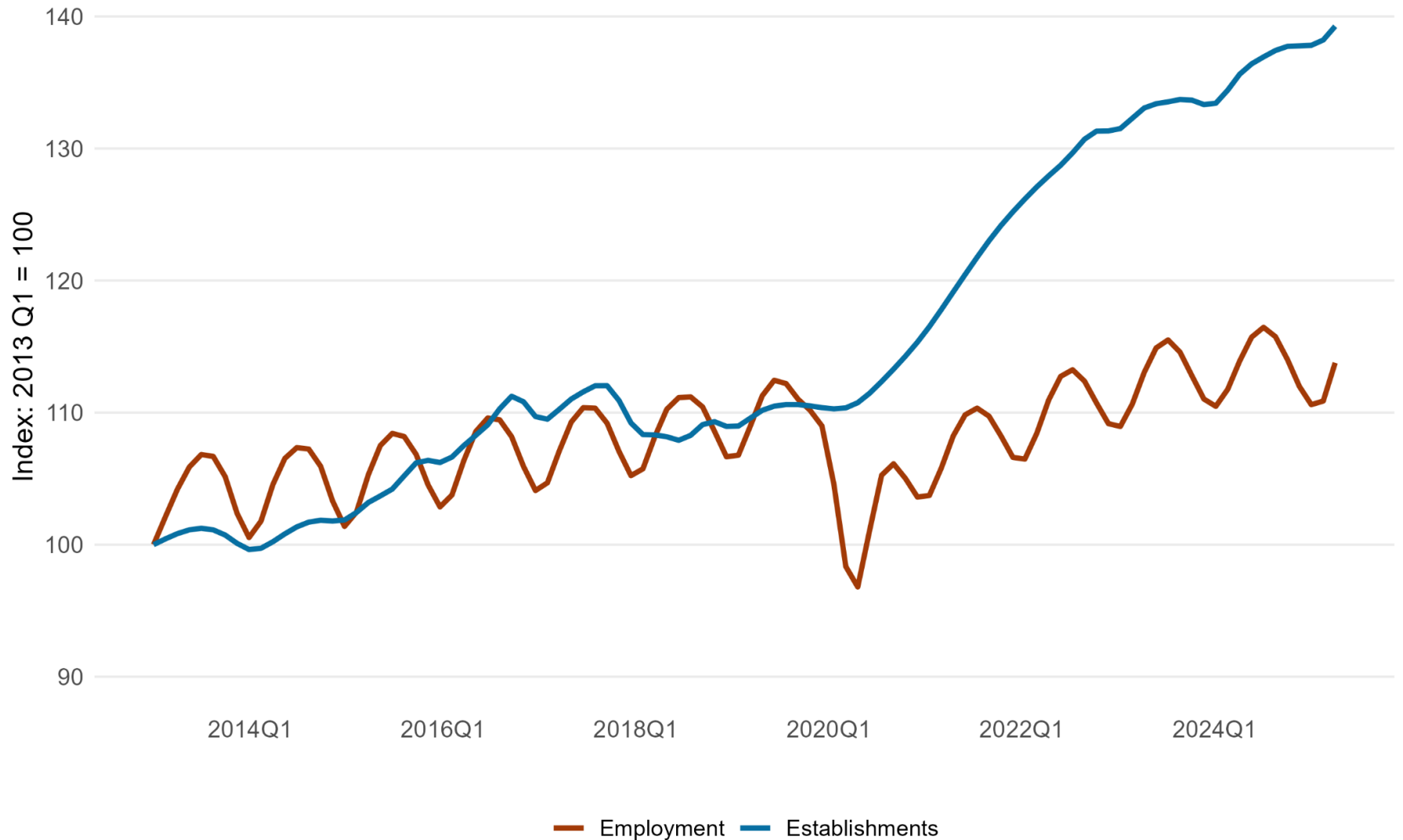
# Share of Establishments and Employees by Establishment Class Size Maine, 2023



Over 96% of Maine establishments have fewer than 50 employees, but almost 60% of employees work at establishments with 50 or more employees

Establishments with fewer than 50 employees account for 43% of annual payroll (\$14 billion)

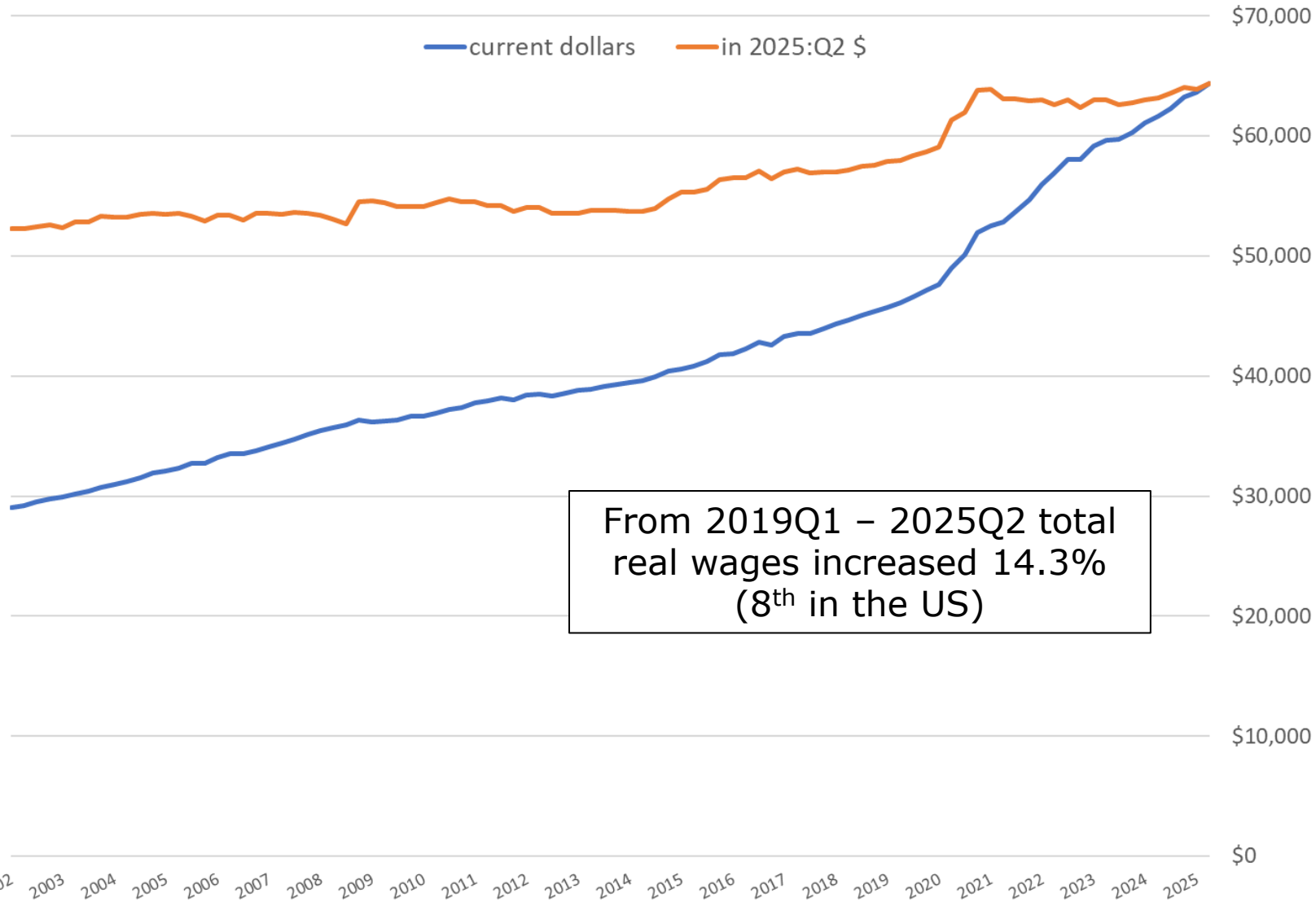
### Maine Wage and Salary Employment & Private Employer Establishments



As remote work grew during the pandemic, Maine saw employer establishments grow at a faster rate than jobs as out-of-state firms reported small numbers of workers now in Maine.

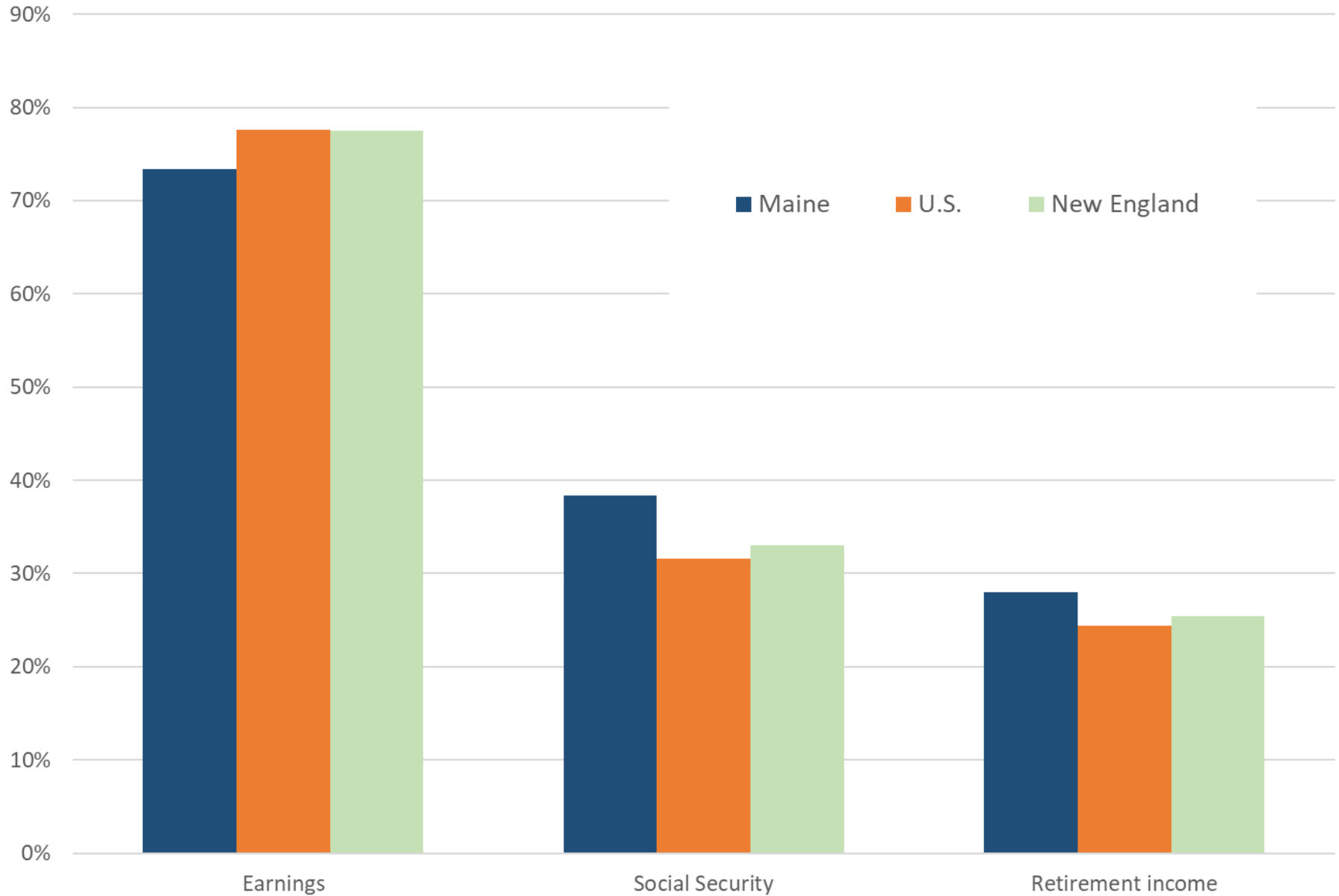
# Wages, income, and GDP

## Moving Four Quarter Average Wage Per Job



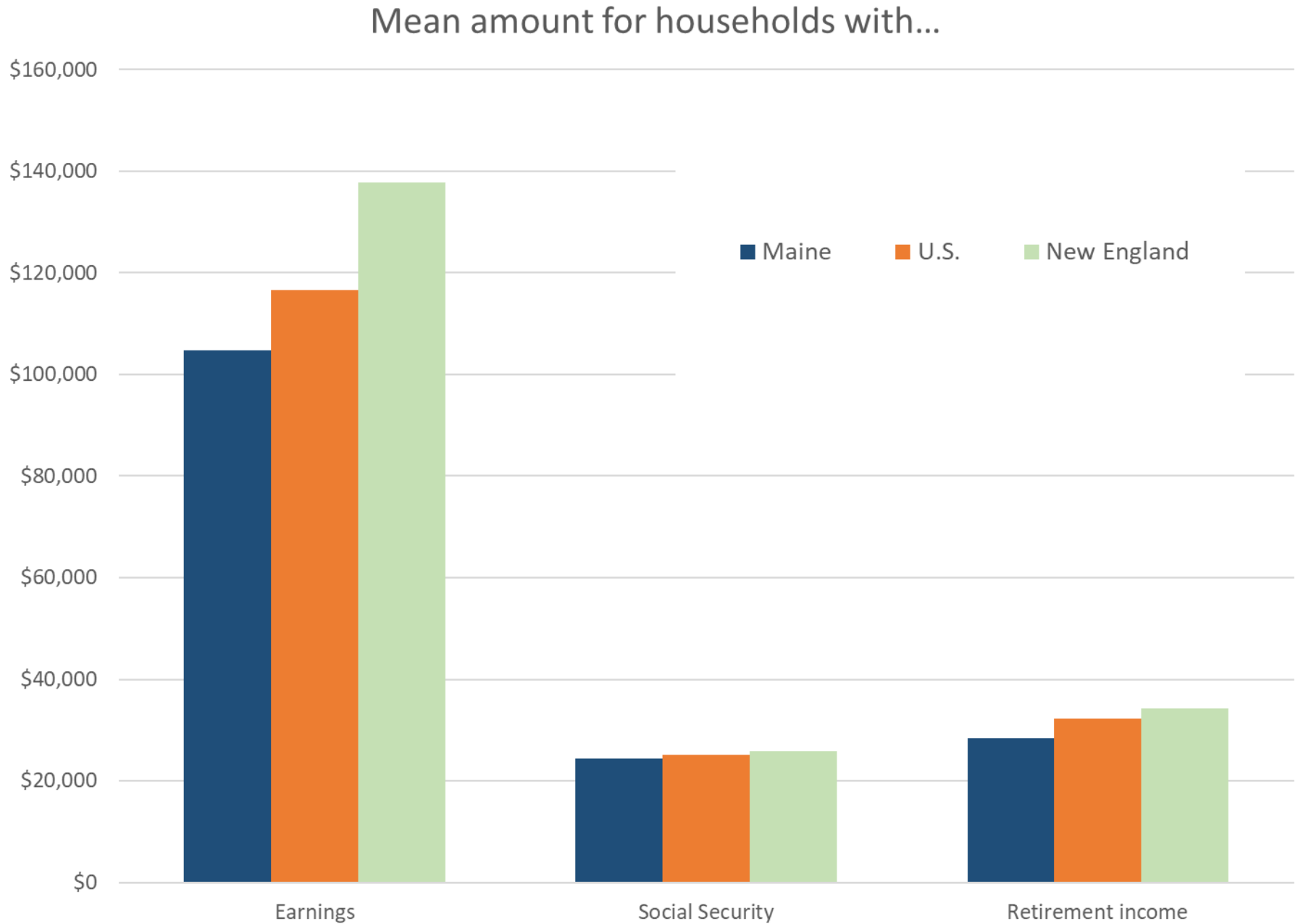
Wages increased sharply during the first part of the pandemic; since then, increases have kept pace with inflation

### Percent of households with...



Maine has a higher share of households with Social Security and retirement income and a lower share of households with earnings

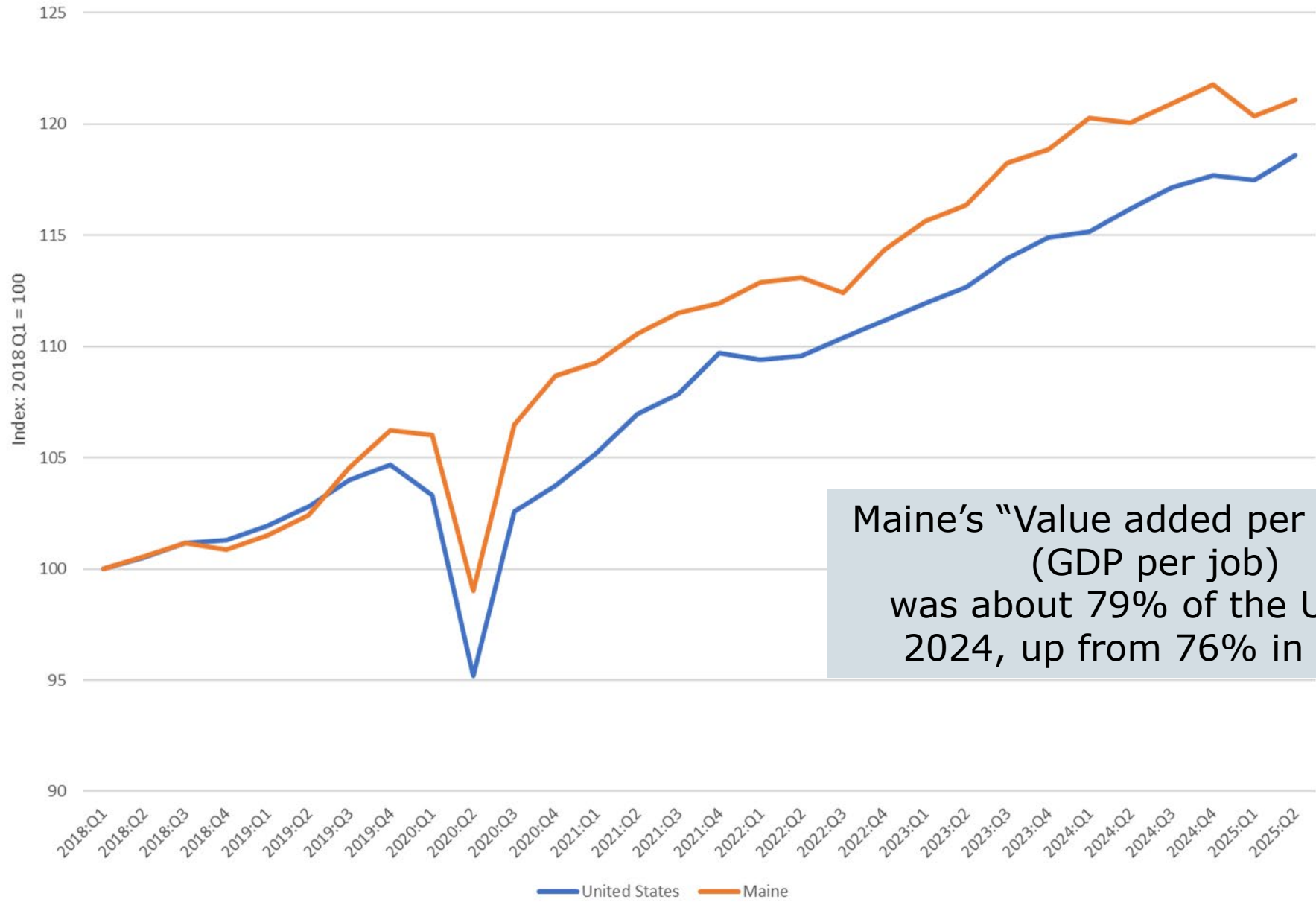
The amount of income from earnings is much higher than Social Security or retirement



## Percent Change in Real Personal Income (2024 \$), Maine 2014-2024 and forecast to 2029

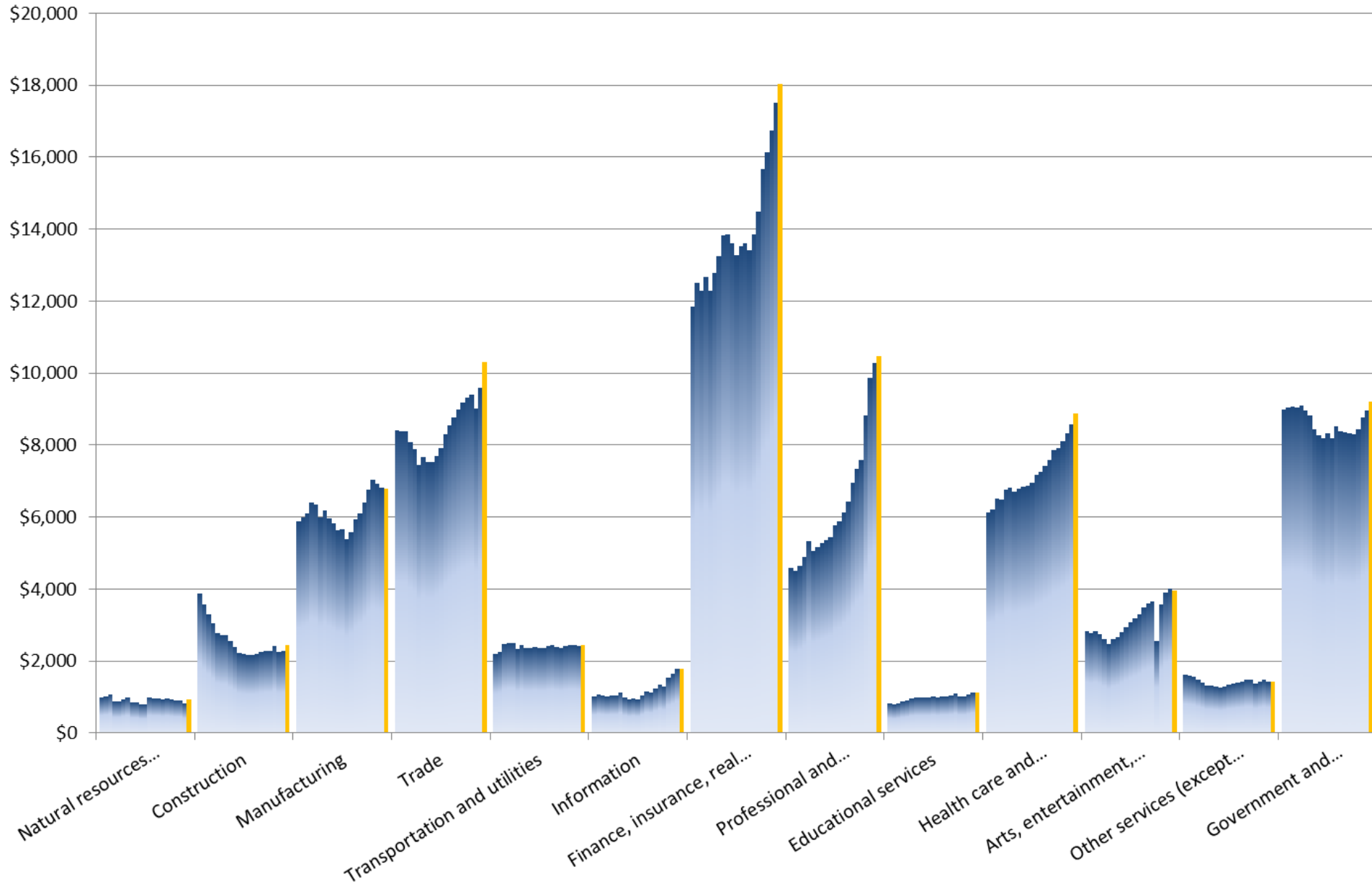


Quarterly Real GDP (in millions of chained 2017 dollars)

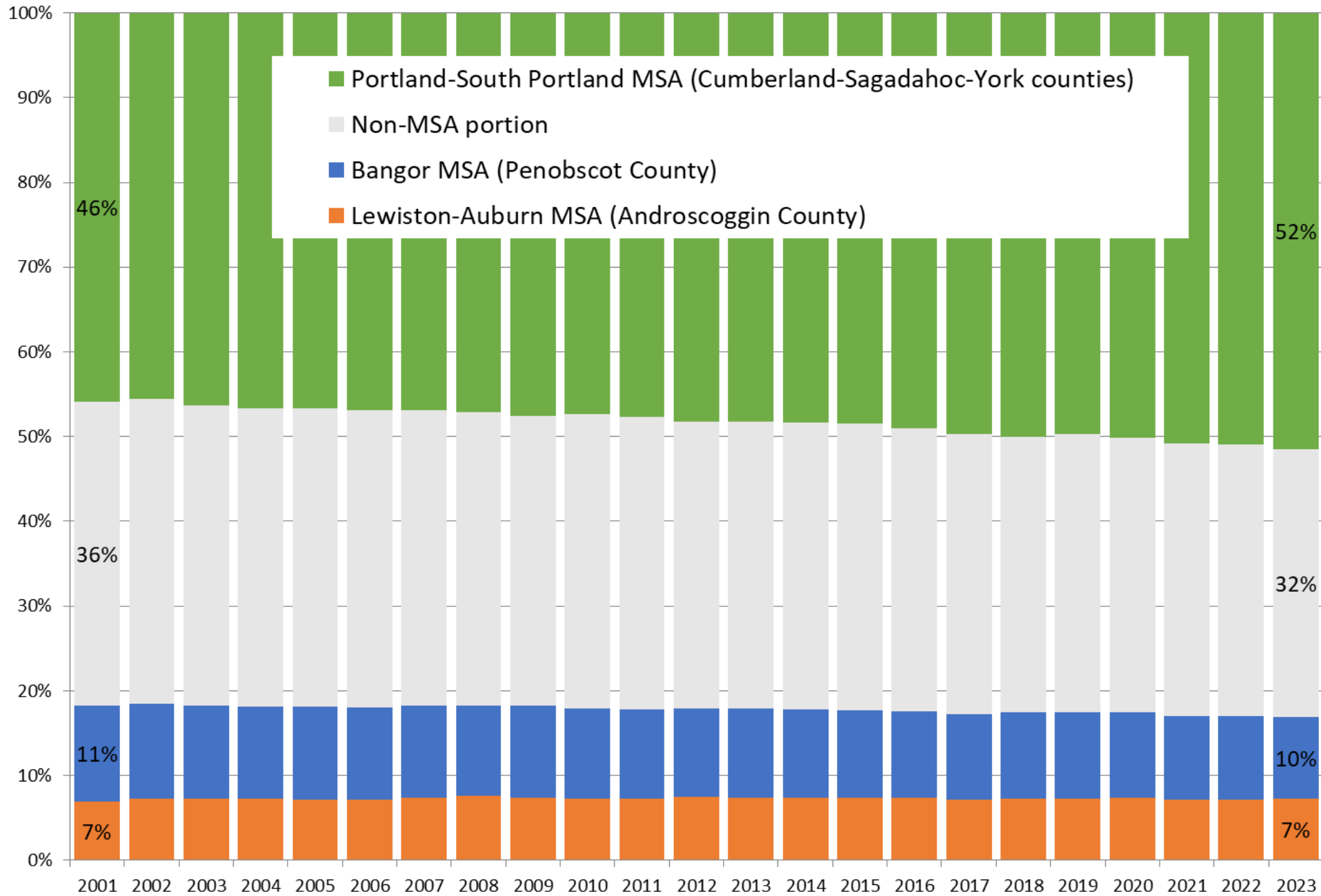


Maine's "Value added per worker" (GDP per job) was about 79% of the U.S. in 2024, up from 76% in 2018

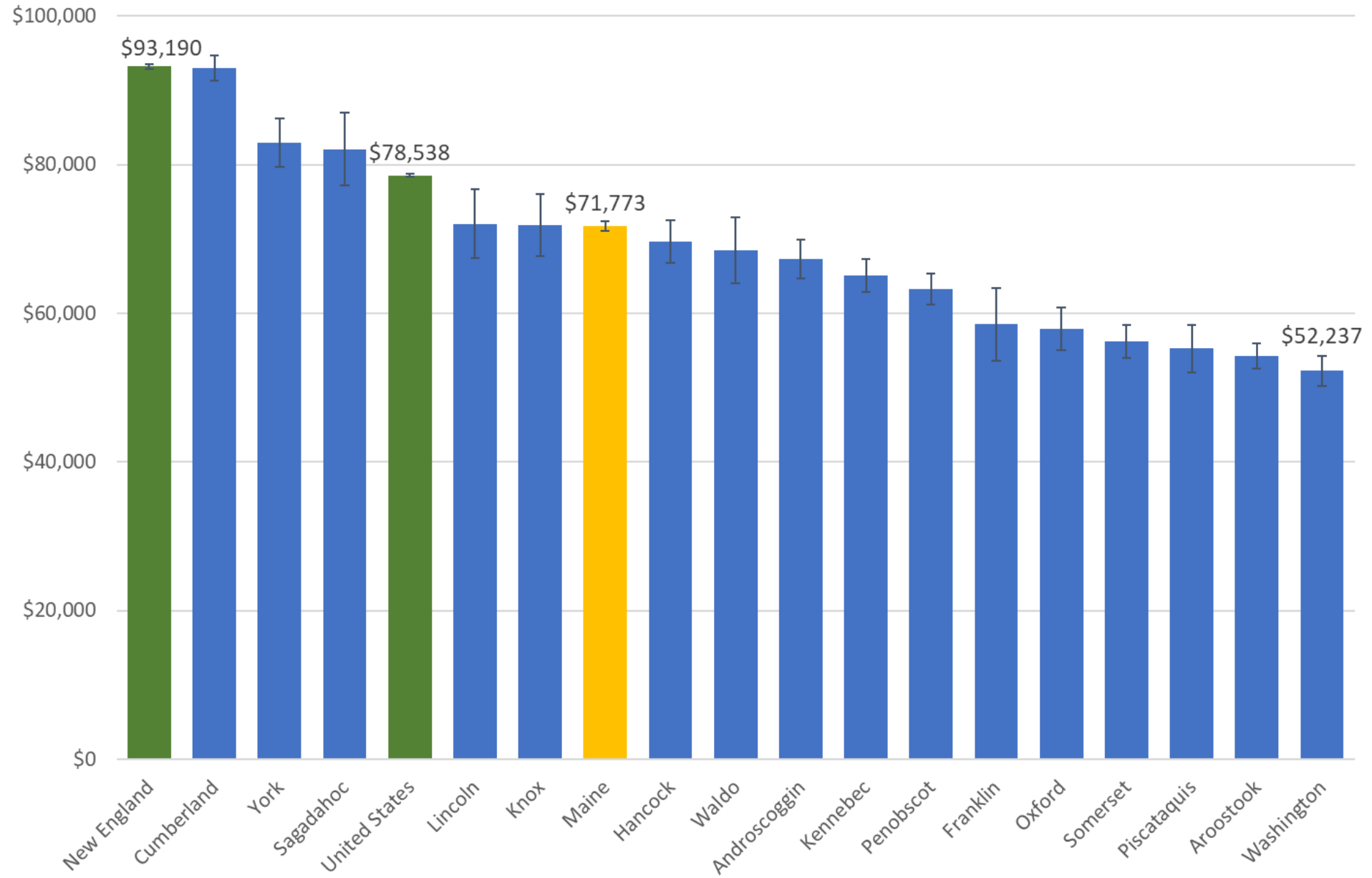
## Maine Real GDP by Industry, 2004-2024 (in millions of chained 2017 dollars)



# Share of Maine GDP by Metropolitan Area



# Median Household Income



# Macroeconomic conditions

# Excerpts from key assumptions in Nov. 2025 Consensus Economic Forecasting Commission report

- Maine is navigating a period of significant uncertainty around economic policy, government spending, geopolitical tensions, and consumer sentiment. The economy may be experiencing K-shaped dynamics, with spending by wealthier households helping to keep the economy growing in the face of tariffs and uncertainty around other federal policies. (...)
- (...) Maine's economy will be impacted by any reduction of federal funds and the multiplier effects of those reductions (...). For example, cuts to federal Medicaid (MaineCare) and the loss of ACA subsidies would raise premiums, jeopardize healthcare coverage, and strain rural hospitals.
- Inflation growth remains elevated above target levels and will face upward pressure from tariffs. Consumer sentiment has declined as expectations about future personal financial wellbeing have deteriorated and short-term inflation expectations have increased.
- (...) an aging workforce may continue to constrain labor availability. However, positive net migration and productivity gains, some of which may come through the use of AI, could help meet future labor needs. Net migration may be hampered by federal immigration policies and the housing market (...).

# Tariffs have been a rollercoaster ride

Increase in tariff rates took effect on August 7  
(includes 50% on Brazil and India)  
Additional product-specific rates on Oct. 1

USMCA compliant imports remain exempt (around 85% from Canada, 86% from Mexico exempt); otherwise, Canada 35%, Mexico still negotiating

Some countries have agreed to deal rates (including China at 20%)

Some products are being exempted, with the list most recently expanding to include food/agricultural products; Jan. 1 increase of timber tariffs was delayed one year

Legality of IEEPA tariffs being considered by the U.S. Supreme Court

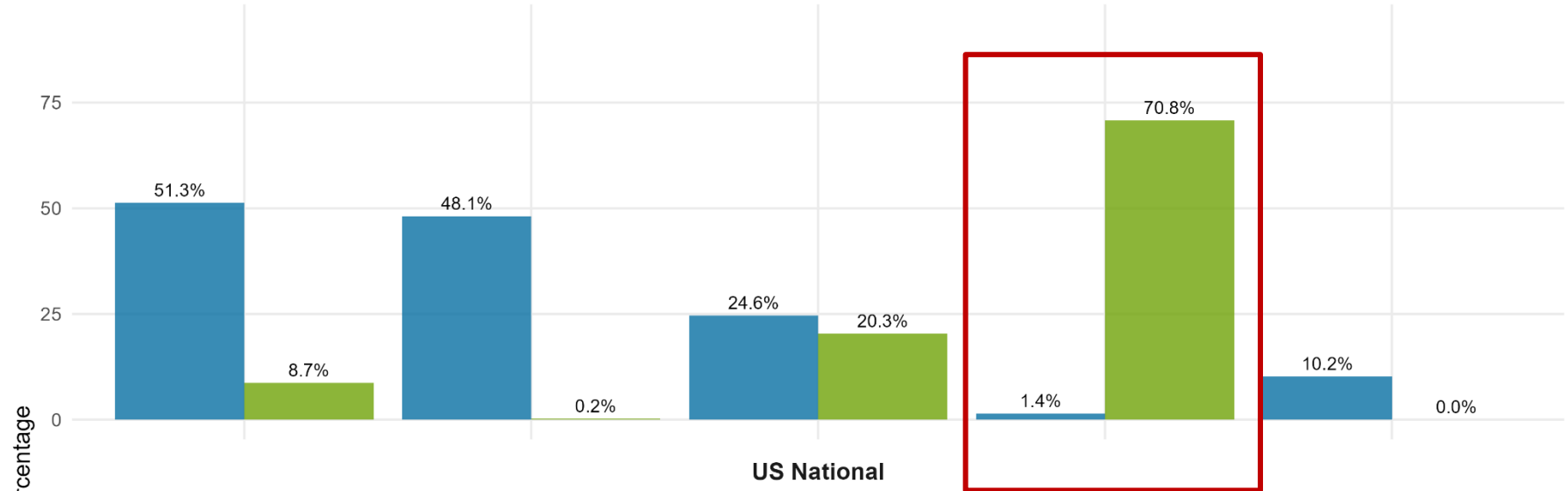
De minimis exemption eliminated as of 8/29; 40% on "transshipments"

The Budget Lab at Yale estimates (as of 11/17) average effective tariff rate for consumers of 14.4%, highest since 1939, and equates to \$1.3K per household loss

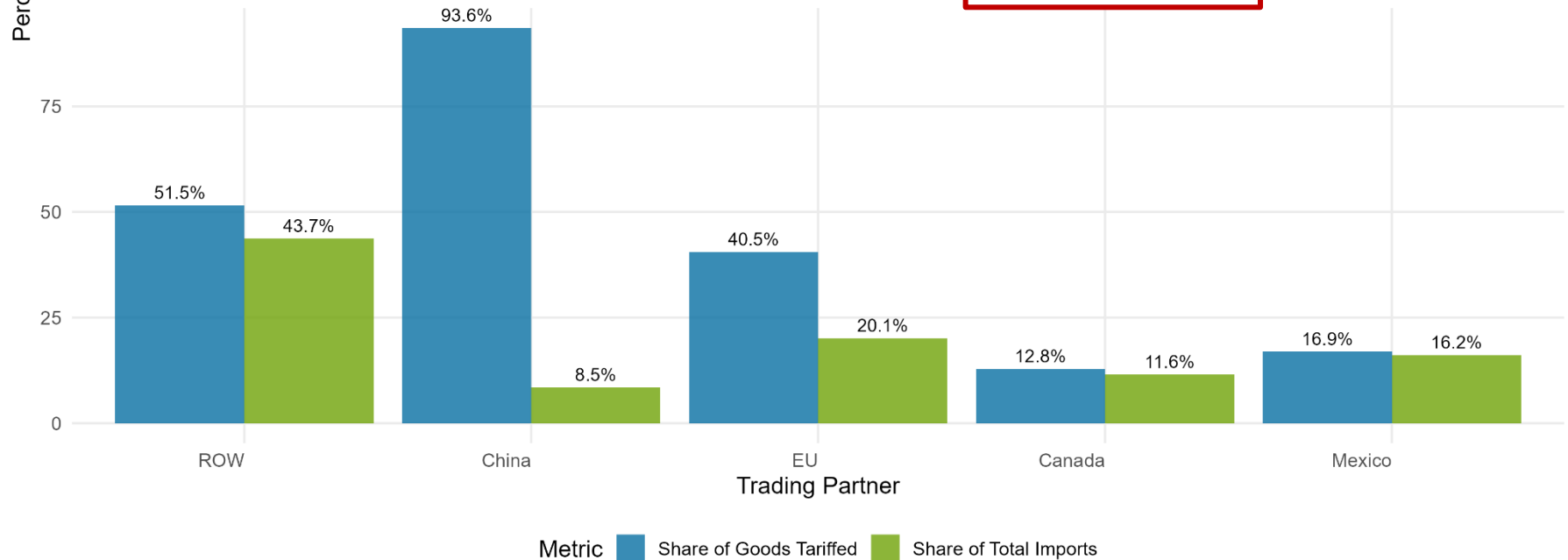
### Comparing Tariff Share vs Import Volume

Latest Period: September 2025

#### Portland, ME District



#### US National



Metric ■ Share of Goods Tariffed ■ Share of Total Imports

Pc

For the Portland, ME District the story (in terms of the *direct* impact of tariffs) is all about maintaining favorable Canada trade relations.

But of course, we're also affected by indirect impacts of tariffs.

## Other tariff impacts

Uncertainty in trade policies (like tariffs) contributes to an unsettled economic environment and higher risk

Intermediate goods are about half of total U.S. imports – tariffs on these products impact domestic manufacturers

Sector-specific tariffs may have a greater impact on certain industries: e.g. aluminum, steel, and softwood lumber on construction

- Direct spending was down 3.5%, reflecting the national trend of visitors being more price conscious
- Decrease in overall visitation was primarily from day trippers (who typically don't spend as much as overnight visitors)
- Fewer Canadian visitors than 2024
  - 3pp lower (4% vs 7%) share of summer visitation

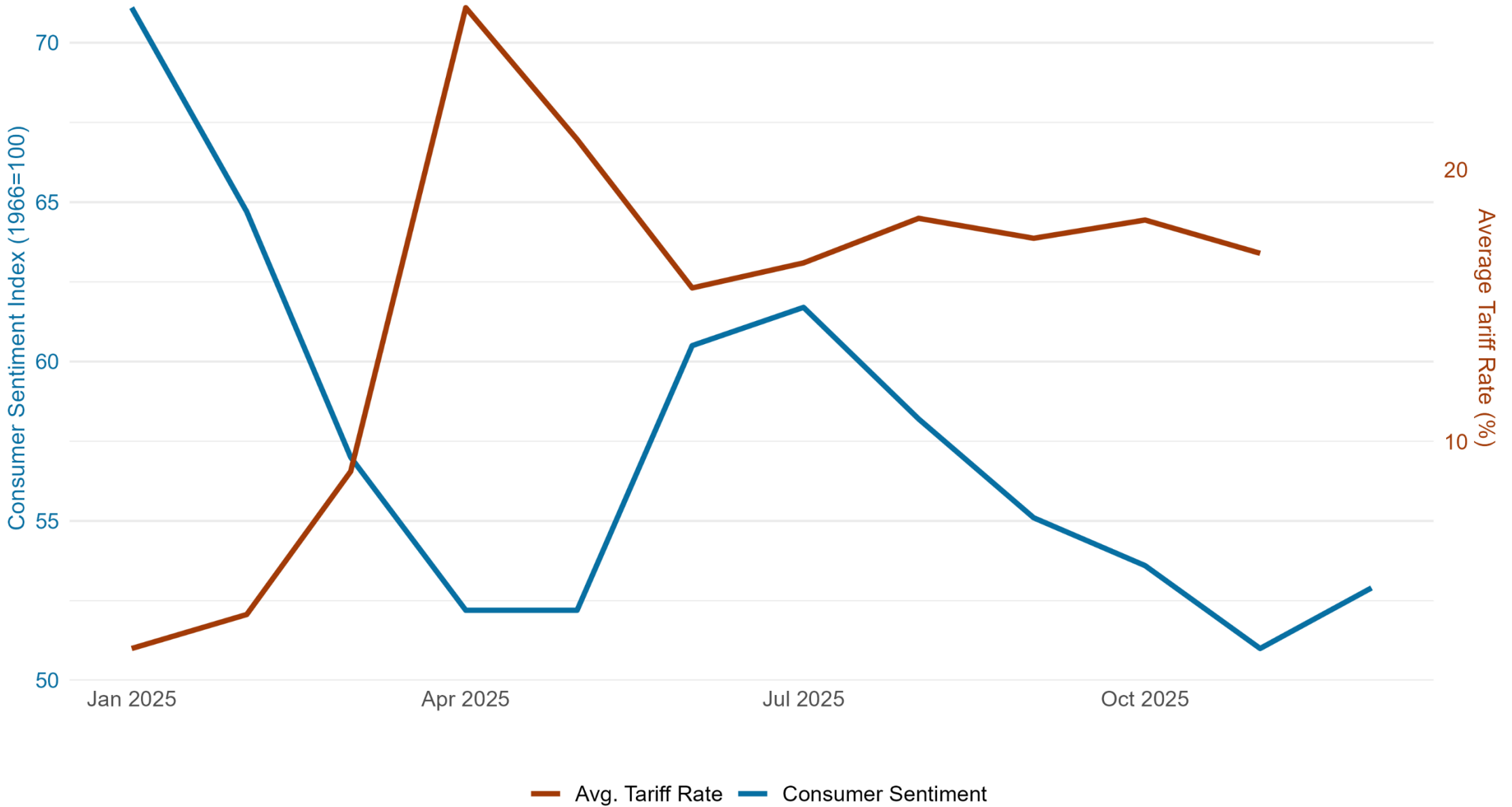
# SEASONAL SNAPSHOT



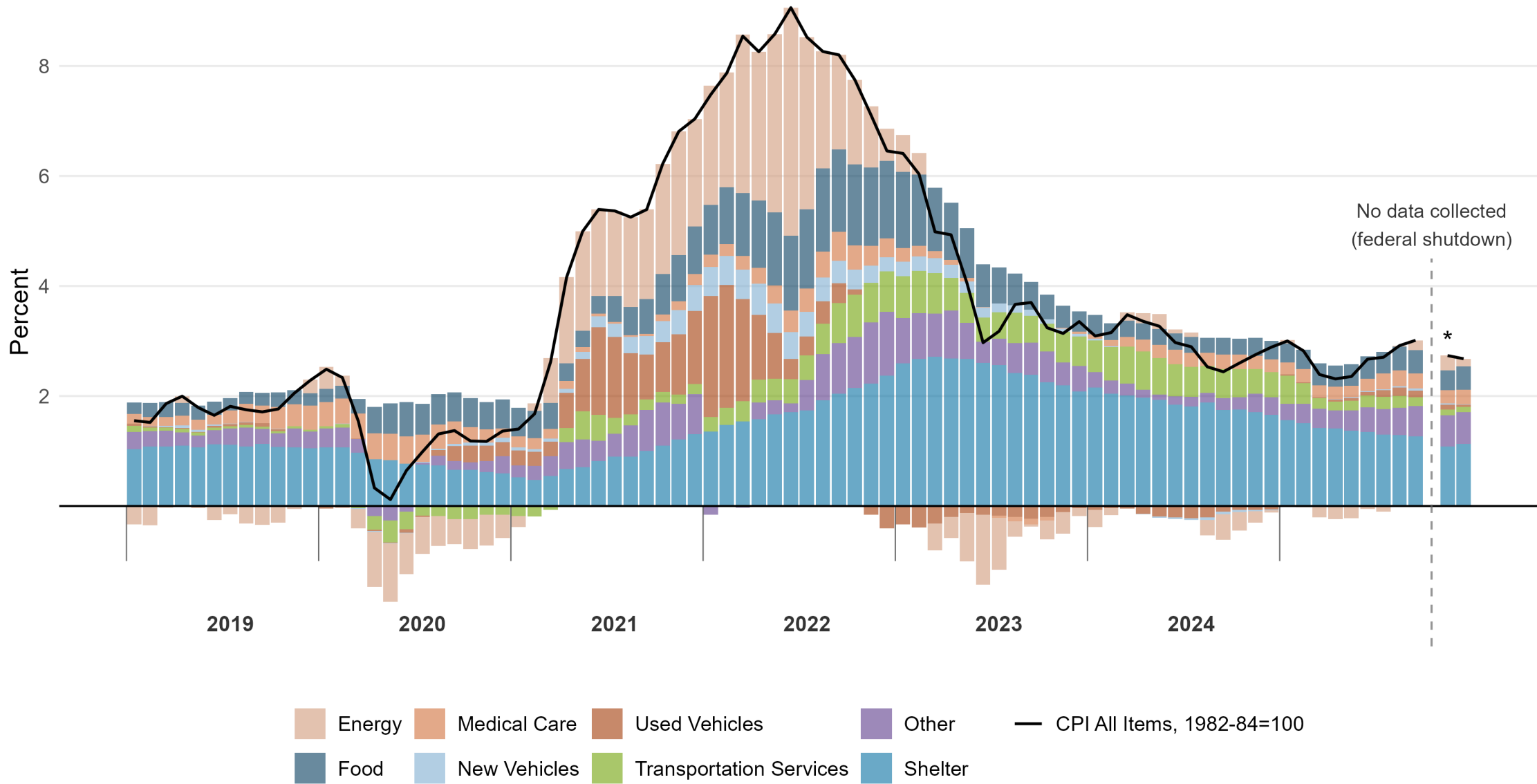
	35,606,400	7,293,400	\$4,991,454,900
	VISITOR DAYS	TOTAL VISITORS	DIRECT SPENDING
vs. 2024	- 0.4%	- 6.0%	- 3.5%

- Compared to last year, more visitors relied on advice from their friends/family to help plan their trip (+6% pts)
- More visitors considered and visited other New England states for this same trip (+6% pts, respectively)
- More visitors recalled seeing travel stories, advertising, or promotions for Maine in the past 6 months (+7% pts)
- The proportion of visitors who are residents of Maine and traveling to another region increased +7% pts
- Compared to last year, there were fewer Canadian visitors (-3% pts)
- Compared to last year, more visitors explored more than one region of Maine on their trip (+4% pts)

# Consumer Sentiment and Average Tariff Rate in 2025



# Percentage Point Contribution to Year-Over-Year Percent Change in CPI



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

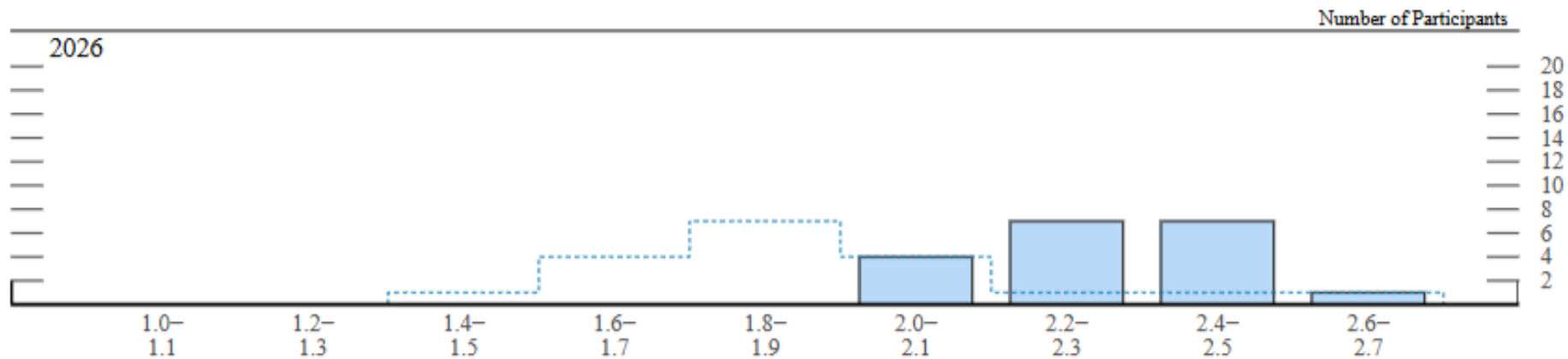
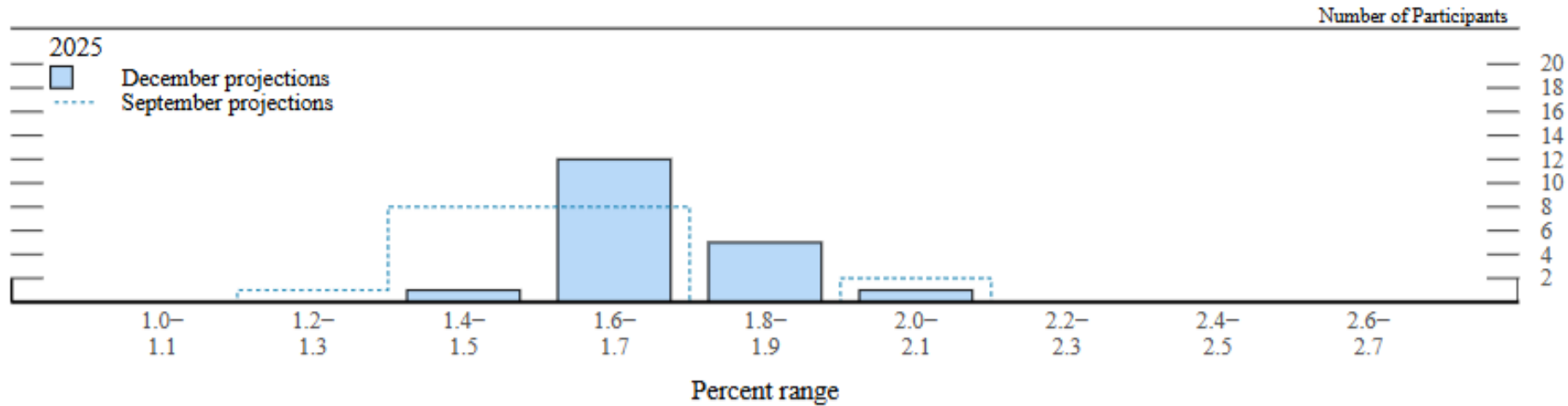
\*November 2025: Shutdown not resolved until Nov 12; BLS operated on truncated schedule. Second half of November (Black Friday, holiday shopping) may have distorting effect

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

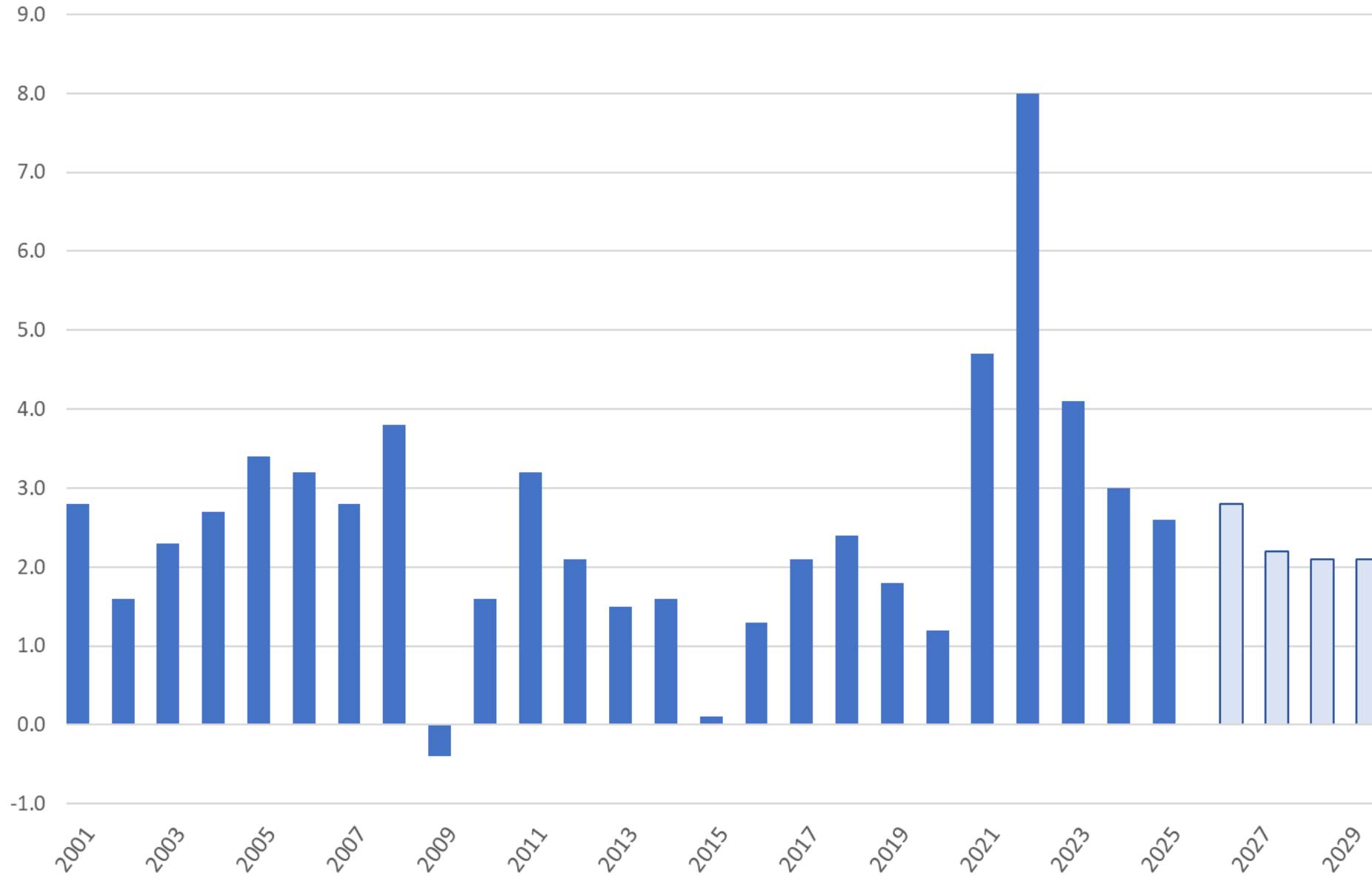
Current FOMC target range  
(as of Dec.):  
3.5% to 3.75%

Median projection for 2026  
from Dec. 2025 Federal  
Open Market Committee  
statement was 3.4%

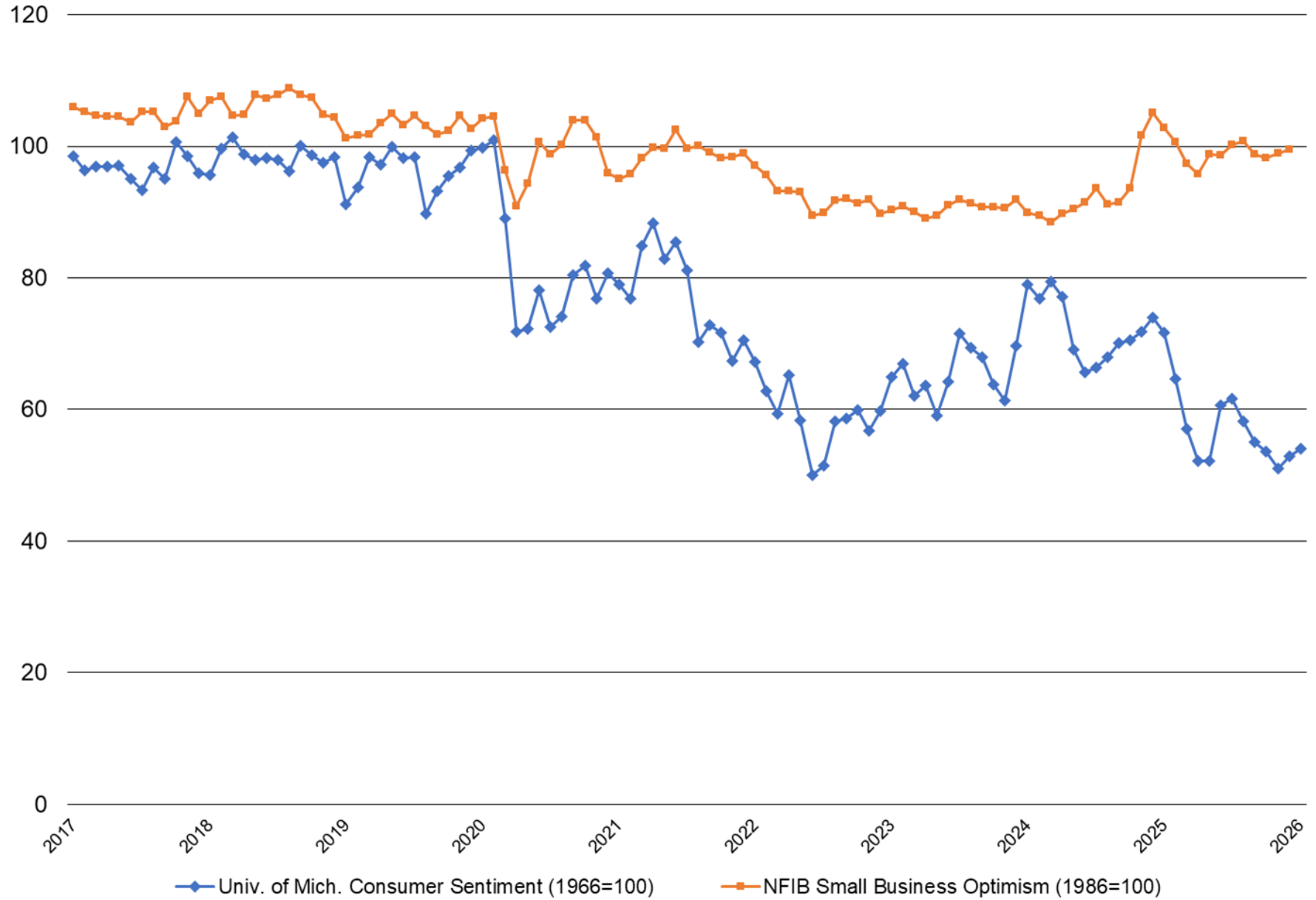
Distribution of participants' projections for the change in real GDP



## Year-over-year percent change in Consumer Price Index; 2001-2024 historical and 2025-2029 forecast



## Consumer Sentiment and Small Business Optimism Indexes



Small business optimism saw an increase in December in those expecting better business conditions for the first time since July.

Consumer sentiment has been highly responsive to inflation expectations this year; lower income households saw some improvements in sentiment in January but sentiment in 2025 generally held up better among consumers with larger stock holdings

# Things to keep in mind:

- Migration picked up during the pandemic, but the continuation of this trend has been challenged by housing availability/affordability
- Employment growth is largely limited by labor force availability – increased labor force participation, continued in-migration of younger populations, and increased productivity can help
- Economic uncertainty is extremely high, particularly related to federal policies on tariffs, immigration, and spending – impacts are hard to gauge in such a fluid policy environment

# 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)