

The Demographic and Economic Landscape in Maine

Maine Community College System
President's Search Committee briefing

August 18, 2026

Amanda Rector
Maine State Economist

Consensus revenue forecasting

Demographics and workforce

Employment outlook

Impacts from federal changes

Consensus revenue forecasting

Consensus Economic Forecasting Commission and Revenue Forecasting Committee

- CEFC is independent commission of five members from outside state government; RFC membership is six nonpartisan staff from executive, legislative, and university
- Economic and revenue forecasts are updated twice a year
- CEFC focuses on key economic variables: employment, components of personal income, inflation, and corporate profits
- RFC projects revenue for current and two ensuing fiscal biennia
- Economic forecast from CEFC is required by statute to be used in revenue forecast from RFC
- Next reports are due Nov. 1 (CEFC) and Dec. 1 (RFC)

Summary of key assumptions in February 2026 CEFC report

- Maine is navigating a period of significant uncertainty around economic policy, government spending, geopolitical tensions, and consumer sentiment.
- While wage growth in Maine has been strong, affordability pressures across housing, healthcare, and other essential goods and services (including automobiles) are emerging as a cross-cutting constraint.
- The federal government has entered into a period of significant fiscal re-prioritization.
- Inflation remains elevated above target levels while consumer sentiment has weakened.
- Geopolitical tensions continue to pose a negative risk to the forecast. Because of our state's demographics and close relationship with Canada, Maine may be particularly vulnerable to changes in federal funding and tariff policy.
- Productivity gains, some of which may emerge through the use of AI, could help meet future labor needs. In the short term, net migration will be hampered by federal immigration policies and the housing market.

General Fund Summary

	FY25	FY26	FY27	FY28	FY29
Current Forecast	\$5,722,405,843	\$5,776,493,347	\$5,855,676,968	\$6,040,425,164	\$6,213,164,798
Annual % Growth	6.9%	0.9%	1.4%	3.2%	2.9%
Net Increase (Decrease)	\$0	(\$27,229,938)	\$36,033,555	(\$19,245,673)	(\$65,496,459)
Revised Forecast	\$5,722,405,843	\$5,749,263,409	\$5,891,710,523	\$6,021,179,491	\$6,147,668,339
Annual % Growth	6.9%	0.5%	2.5%	2.2%	2.1%

(...) the CEFC highlighted rapidly changing tariff policies and a period of significant federal fiscal reprioritization. Additionally, the CEFC noted that current economic growth seems to be driven more by wealthier households, leading to a K-shaped economy, and a demographic structure for the state that will continue to influence labor market needs and patterns of consumer demand. The RFC continued the discussion of **heightened uncertainty**, especially as it relates to the frequent changes in tariff policy and the effects on consumer and business sentiment, both of which are substantially lower than they were at the beginning of 2025. The CEFC made few changes to the key economic variables used by the RFC in their revenue forecast, in part due to the high degree of uncertainty in the economic forecast.

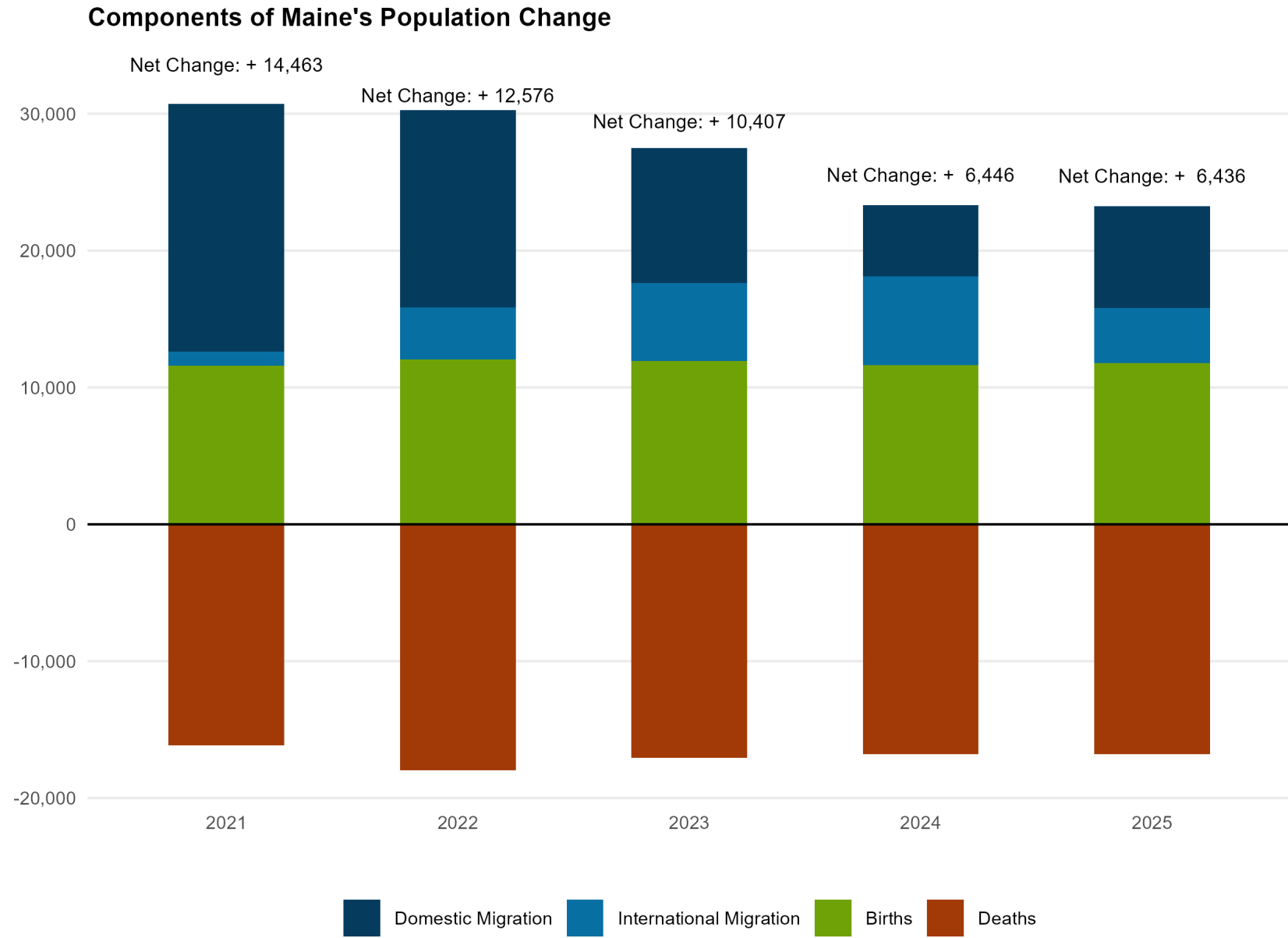
Given the economic forecast was completed prior to the recent U.S. Supreme Court decision on tariffs and the current military conflict in the Middle East, the uncertainty surrounding the economic and revenue forecasts has increased.

Demographics and workforce

2025 Total Population:
1,414,874

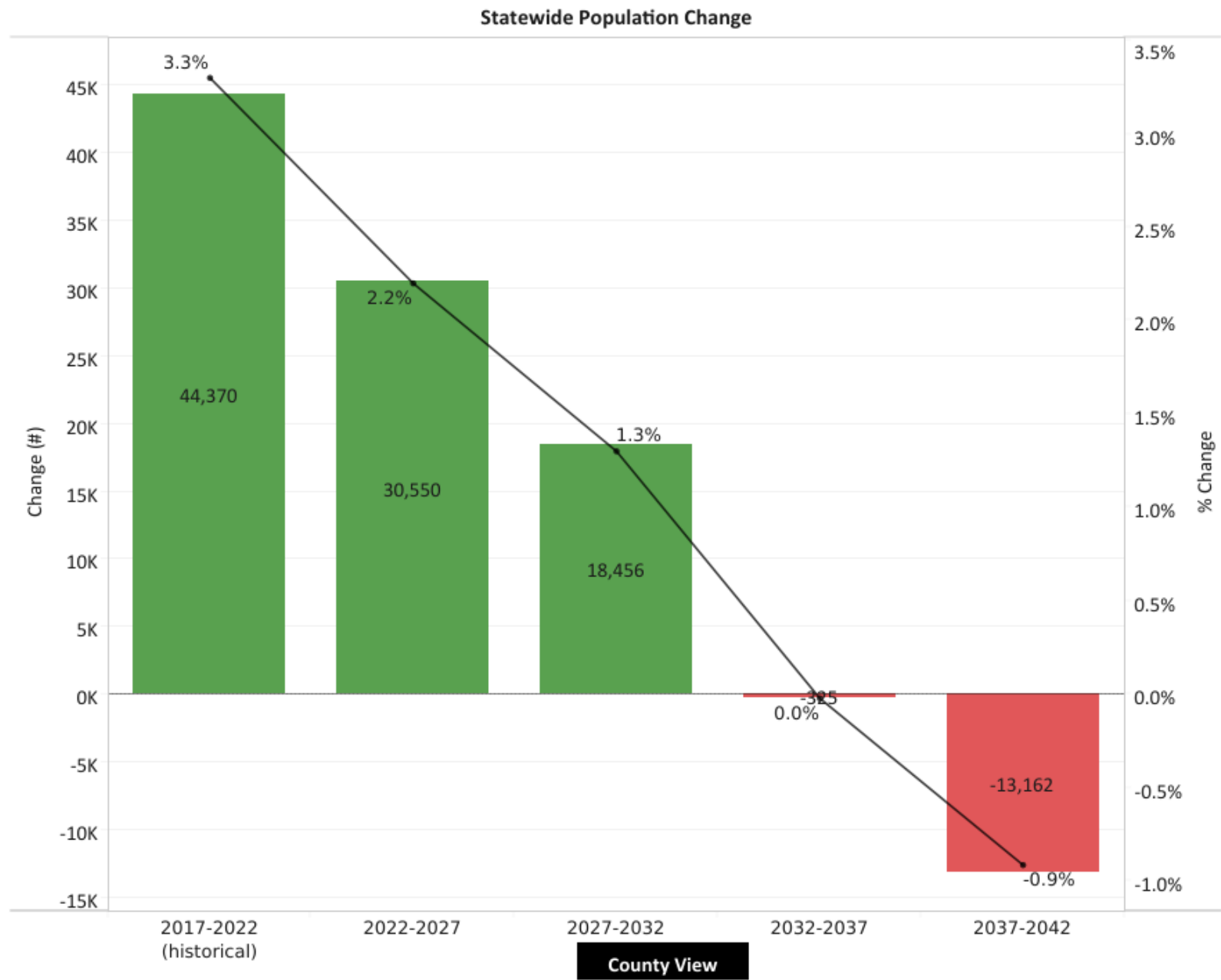
Population increase of
3.8% from 2020-2025
(17th in U.S.);
0.5% from 2024-2025
(25th in U.S.)

7th for total net
migration and net
domestic migration
and 25th for net
international migration
in 2025



Source: US Census Bureau, Population Estimates Program, 2025 Vintage



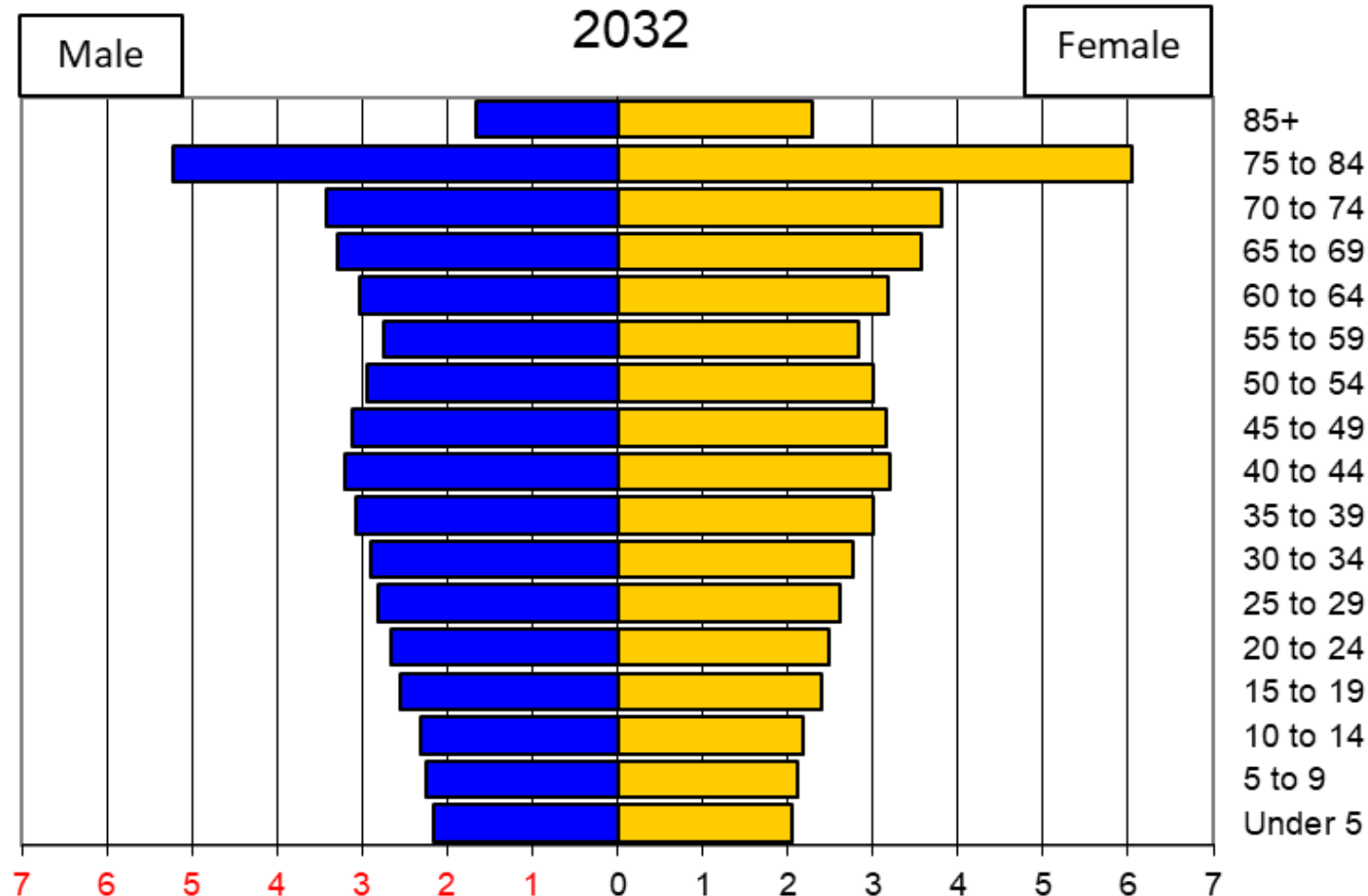


Source: The Office of the State Economist, Maine State and County Population Projections, 2042. April 2025 release.

The Baby Boom: 1946-1964

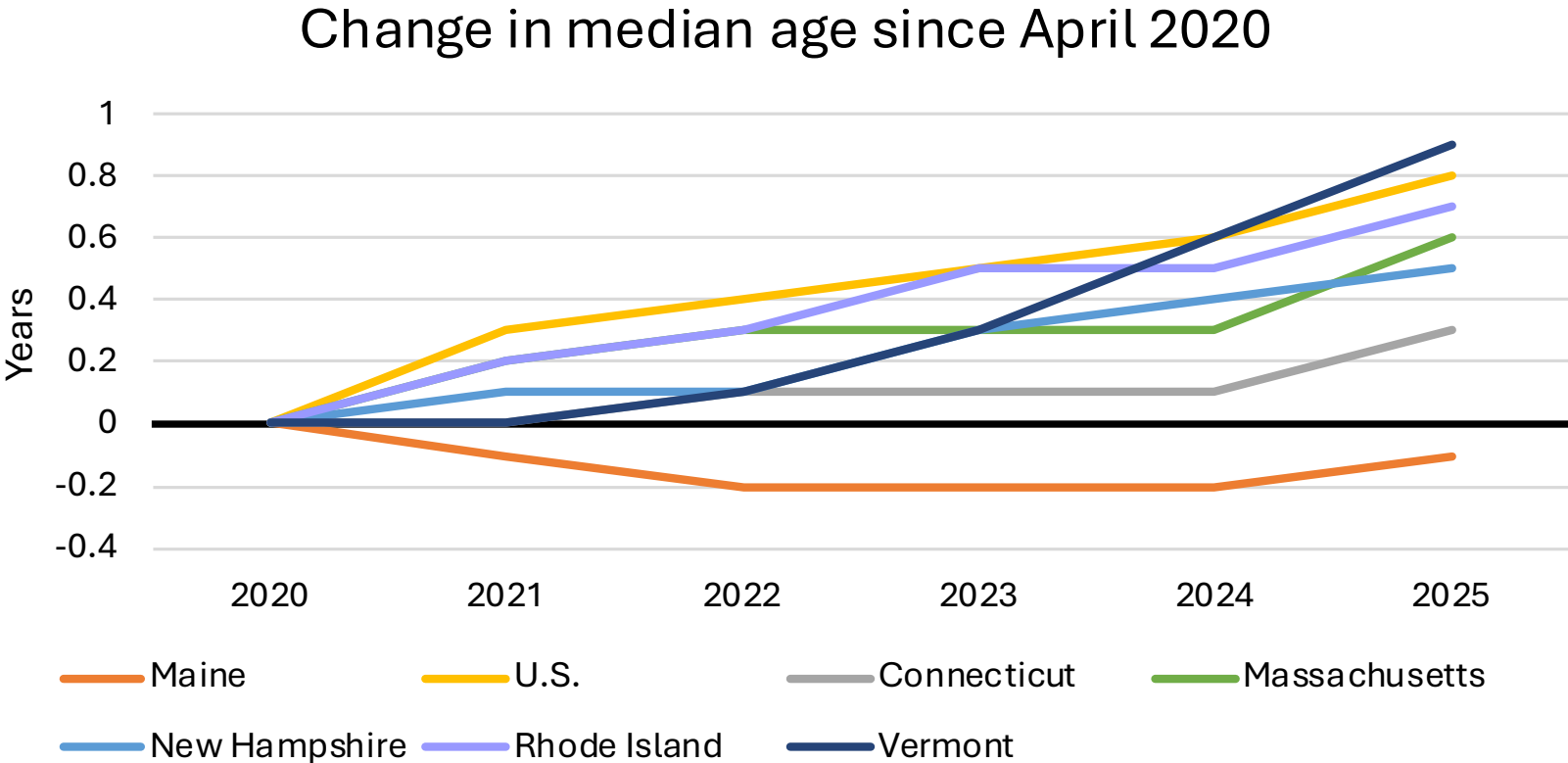
Baby Boom generation in 2032: age 68-86

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



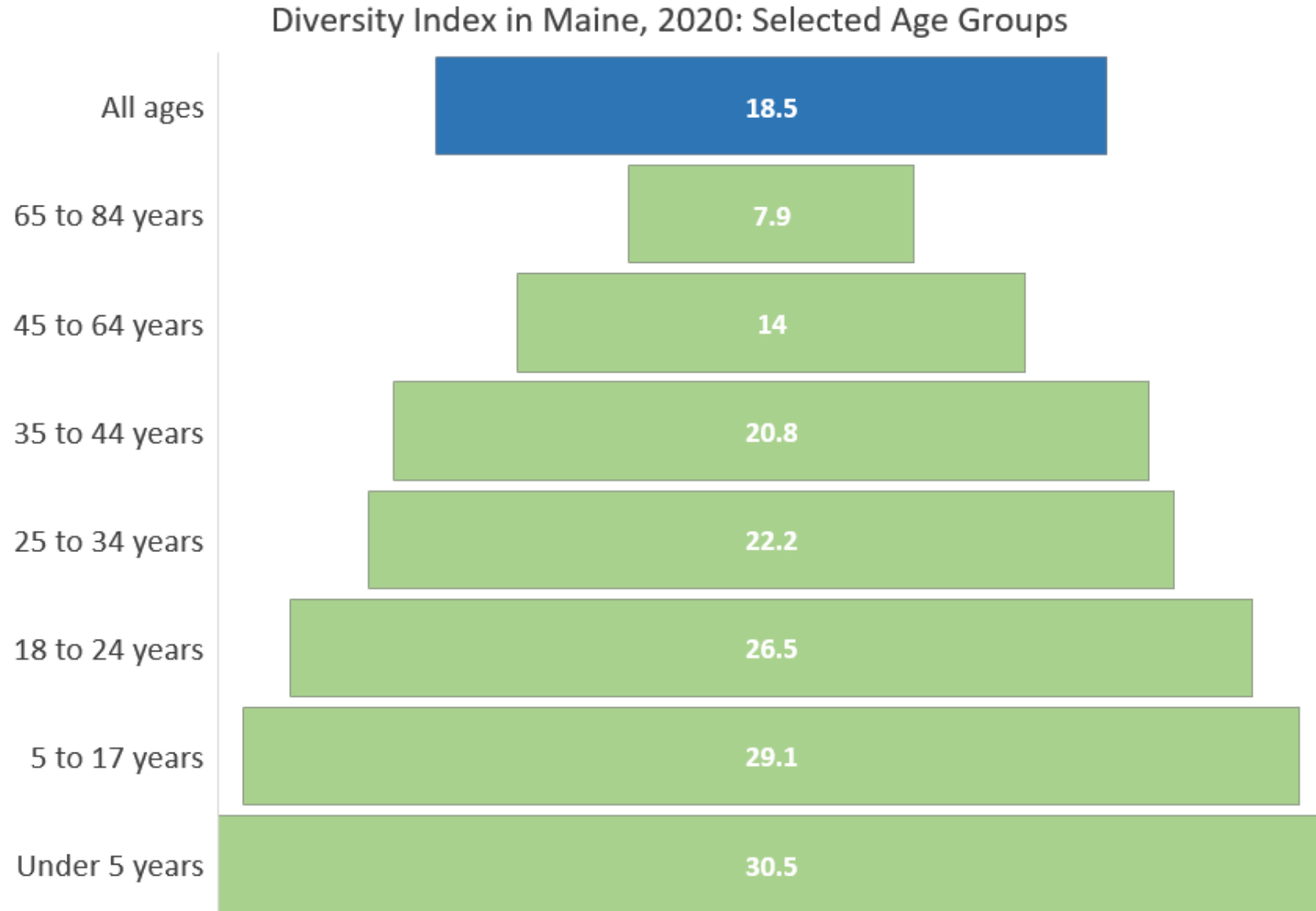
Maine's median age in 2025 is 0.1 years younger than 2020, while the U.S. median age has increased 0.8 years

Maine still has the highest median age in the nation at 44.9 years; Vermont is second at 44.4 years

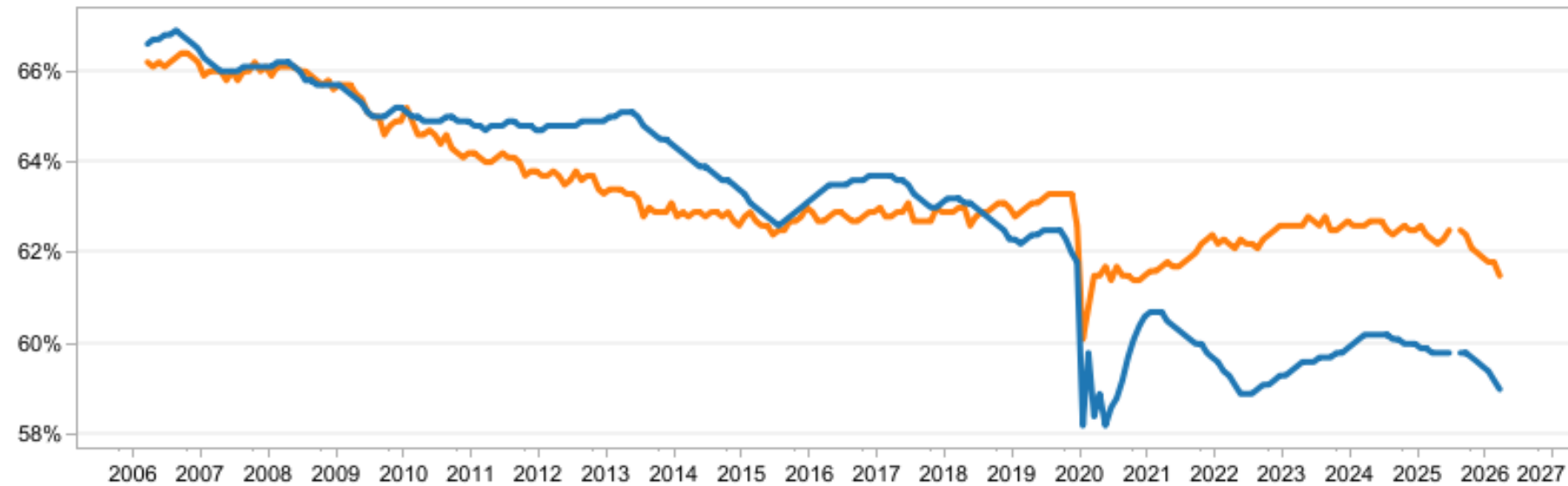


Median age of recent movers to Maine is 33 (domestic) and 29 (international)

Younger generations in Maine are more diverse than older generations



Labor Force Participation Rate (seasonally adjusted)



Jun, 2006 to Jun, 2026

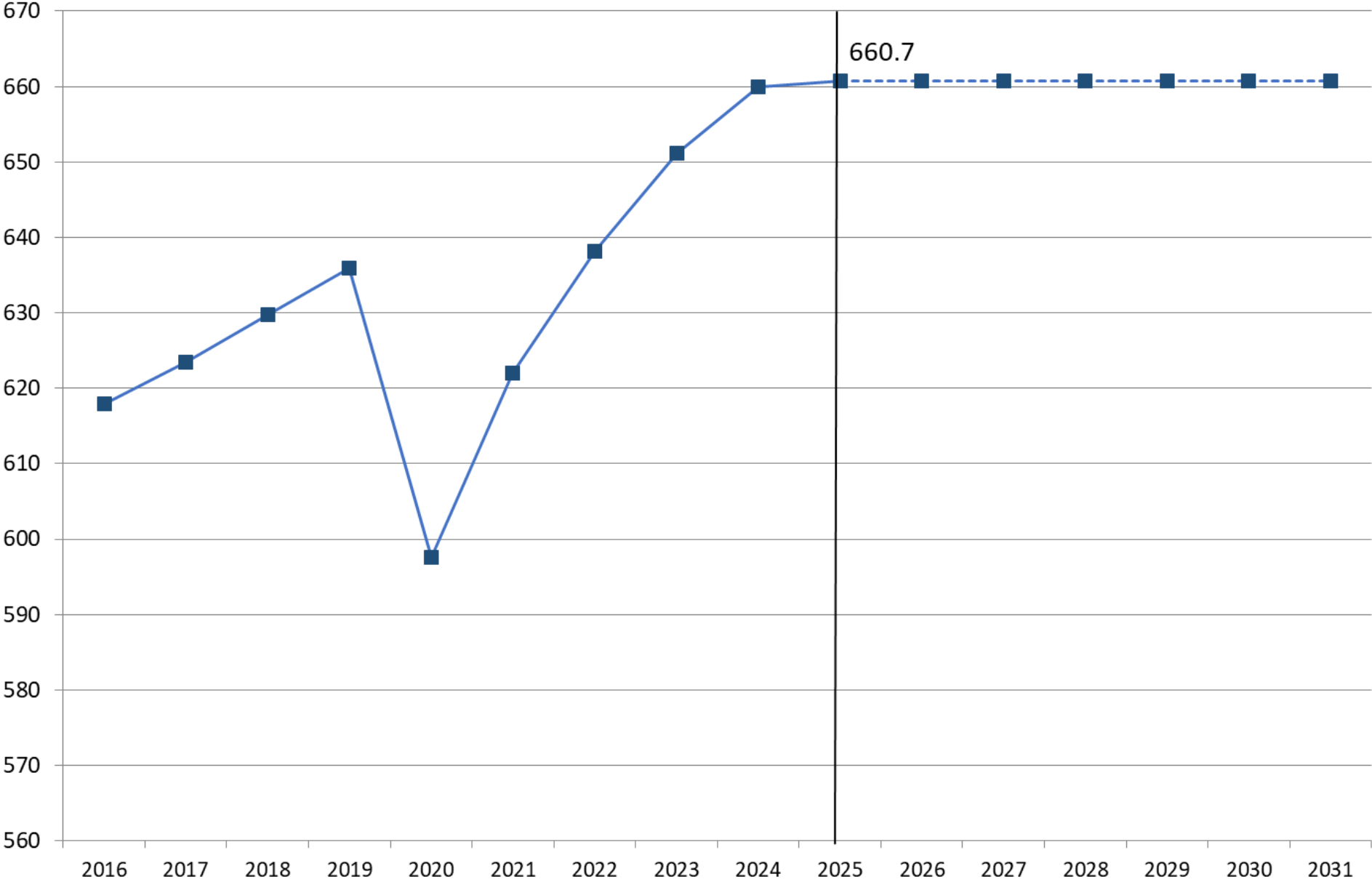
- Unemployment Rate
- Labor Force & Employment
- Unemployment
- Labor Force Participation Rate
- Employment to Population Ratio

■ Maine
■ United States

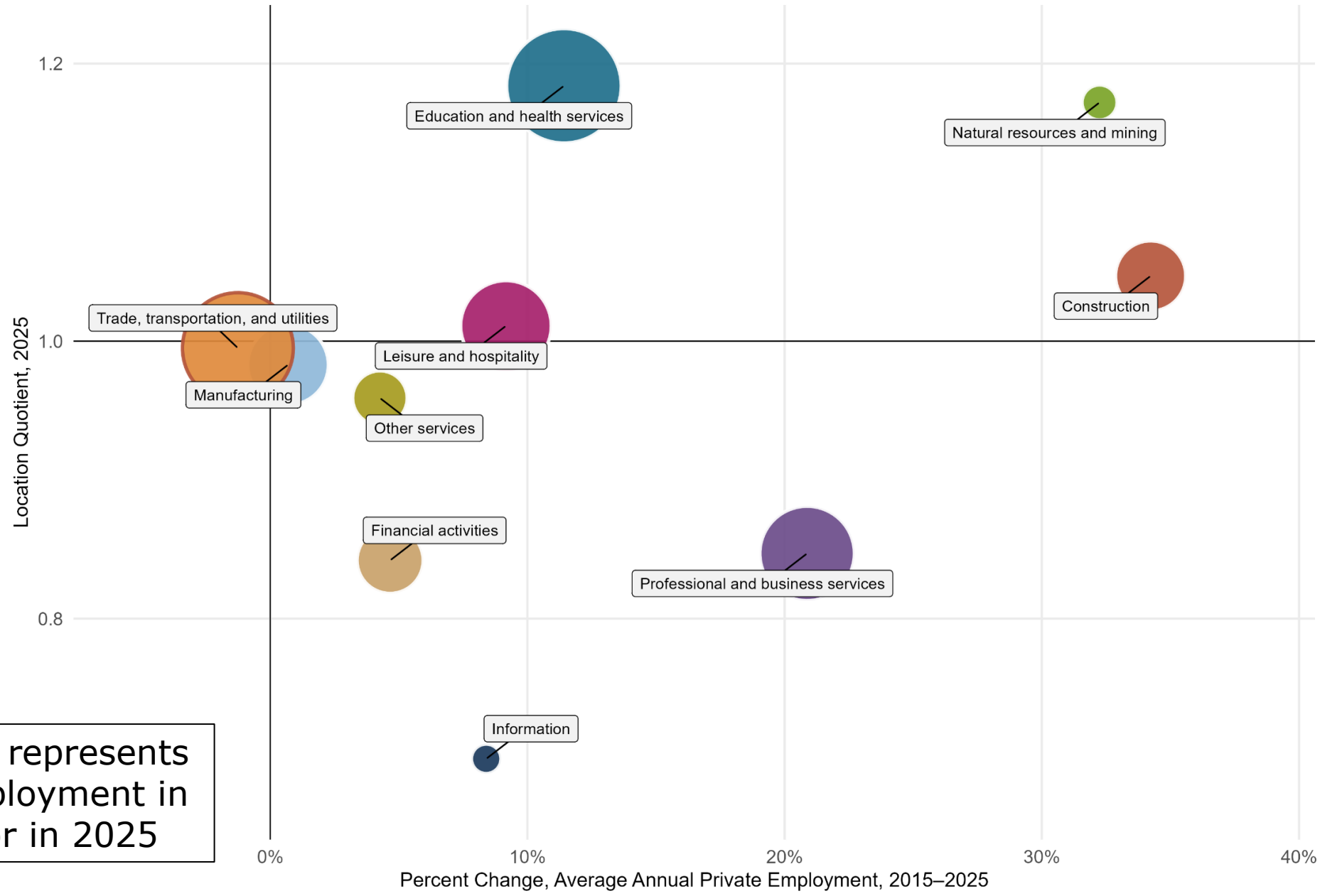
Employment outlook

Total Nonfarm Employment (in thousands)

History and Consensus Economic Forecasting Commission forecast



Maine Location Quotients for Private Industry Super Sectors, 2015-2025



Bubble size represents private employment in that sector in 2025

Outlined bubble (Trade, Transportation, and Utilities) is the only sector with a net employment decline over the period; all others grew.

Display:
☒ Bar Graph
☐ Table
☐ Bubble Graph

Occupation
All

SOC Code
All

Typical Education Required
Multiple values

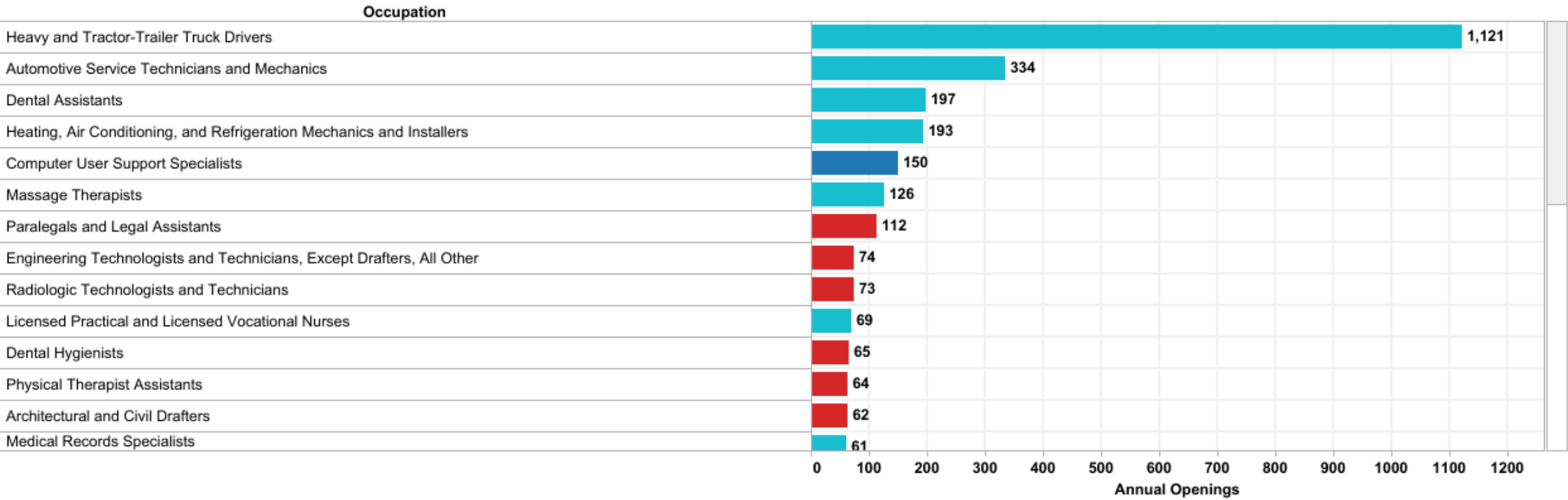
Typical Education Level Required (Graphs Only)

Associate's degree

Postsecondary non-degree award

Some college, no degree

Maine High-Wage, In-Demand Jobs by Education
Education Requirement: All



Source: Maine Department of Labor, Center for Workforce Research and Information, 2024-2034 Occupational Employment Projections and 2025 Occupational Employment and Wage Estimates for Maine.

Display

- ☒ Graph
☐ Table

Top
25

Education Requirement:

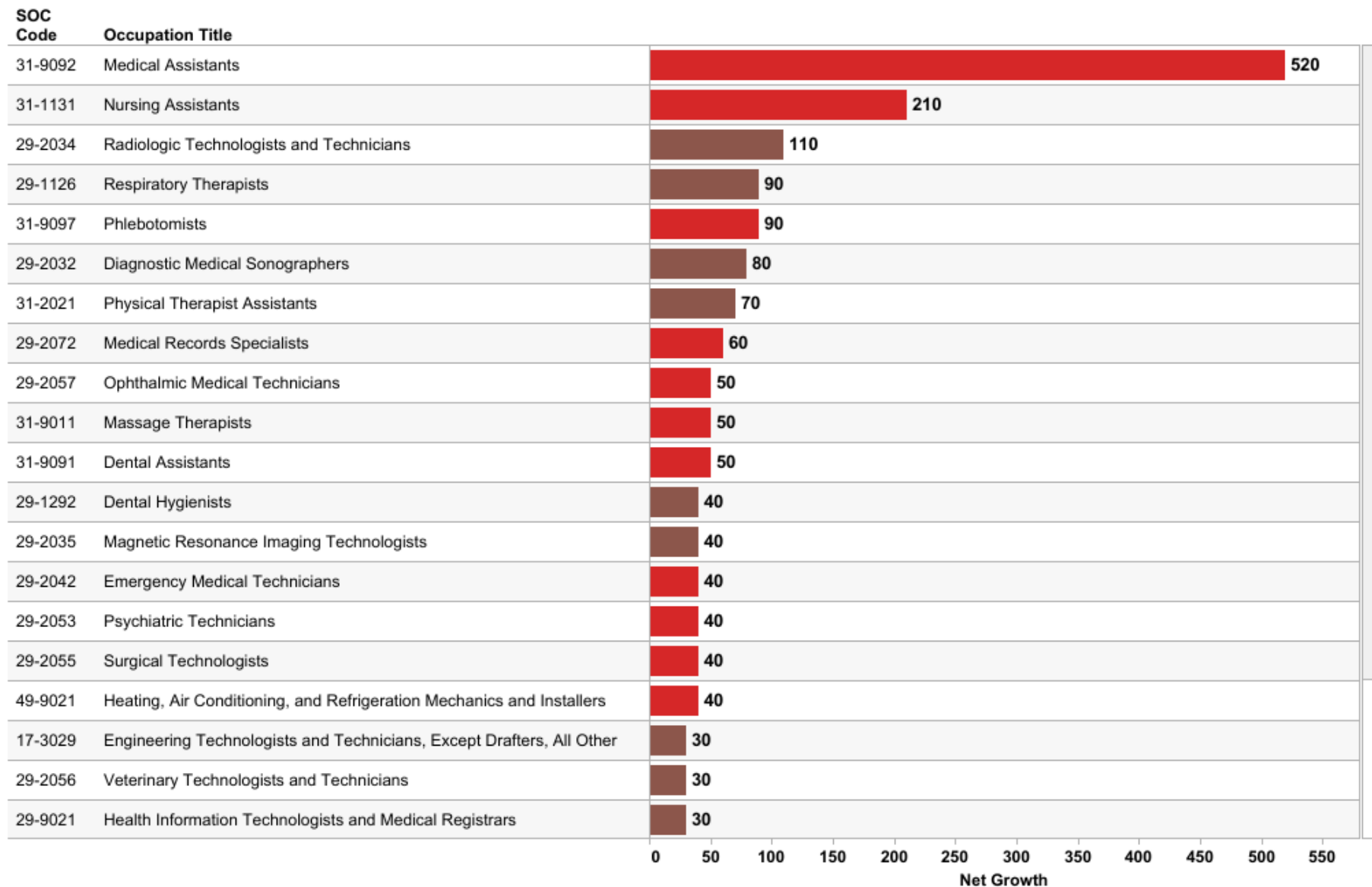
- ☐ All
☐ High School Diploma or Less
☒ Some College or Associate's Degree
☐ Bachelor's Degree or Higher

Select Topic:

- ☐ Largest Annual Openings
☒ Largest Net Job Growth
☐ Fastest Rate of Job Growth
☐ Largest Net Job Loss
☐ Fastest Rate of Job Loss

- ☒ Associate's degree
☐ Postsecondary non-degree award

25 Occupations with the Largest Projected Net Job Growth in Maine



Display

- ☒ Graph
- ☐ Table

Top
25

Education Requirement:

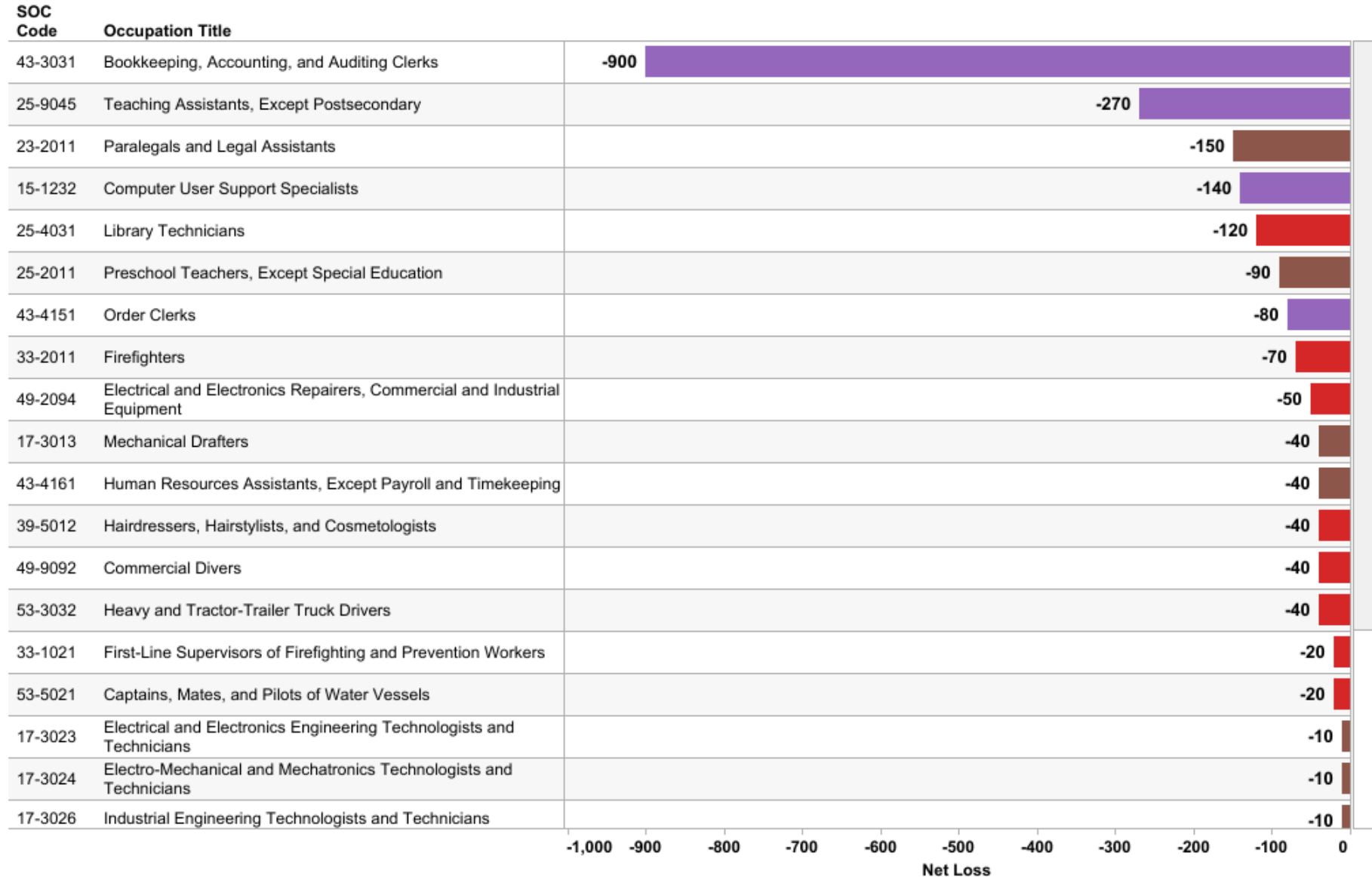
- ☐ All
- ☐ High School Diploma or Less
- ☒ Some College or Associate's Degree
- ☐ Bachelor's Degree or Higher

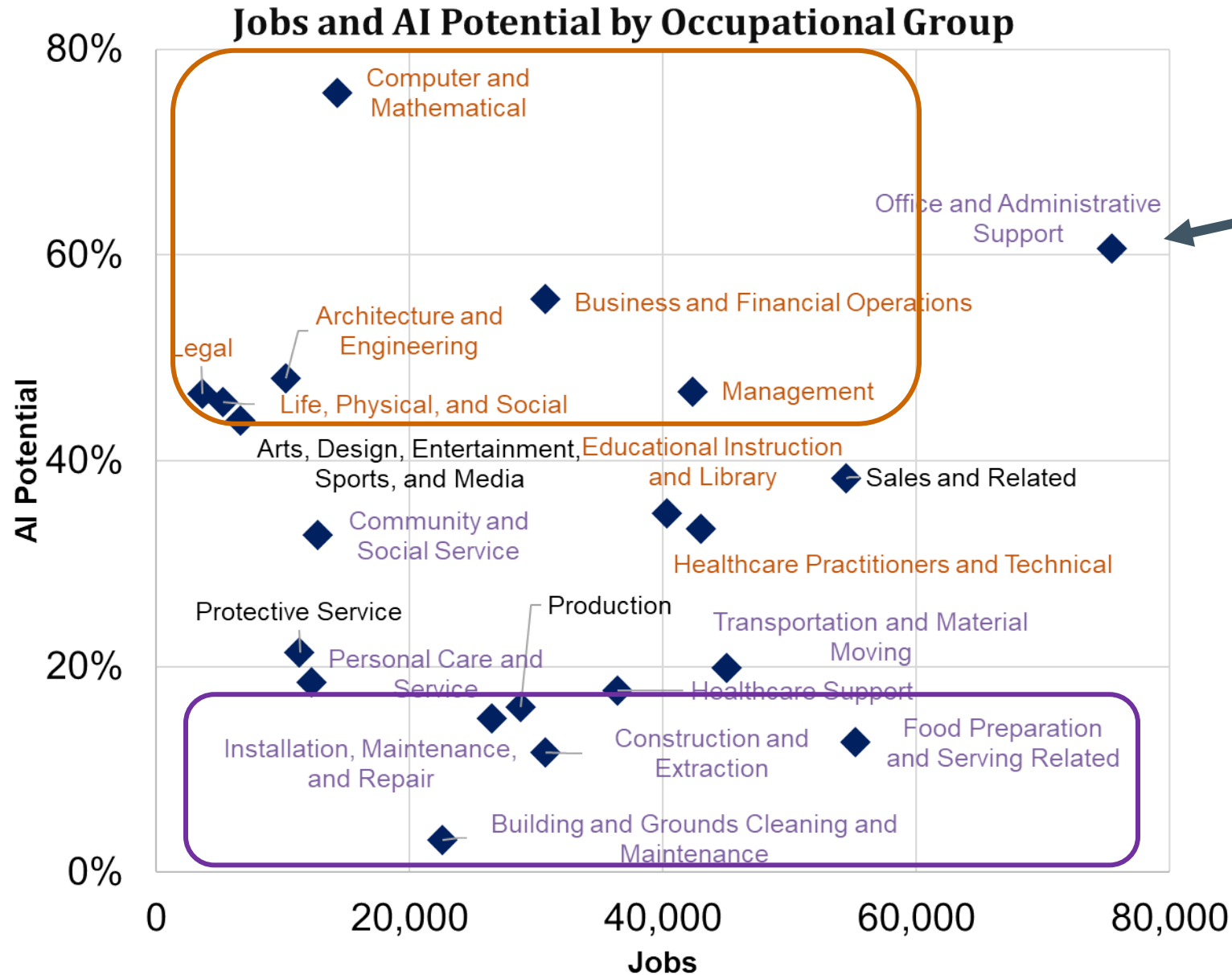
Select Topic:

- ☐ Largest Annual Openings
- ☐ Largest Net Job Growth
- ☐ Fastest Rate of Job Growth
- ☒ Largest Net Job Loss
- ☐ Fastest Rate of Job Loss

- ☒ Associate's degree
- ☐ Postsecondary non-degree award
- ☐ Some college, no degree

25 Occupations with the Largest Projected Net Job Loss in Maine



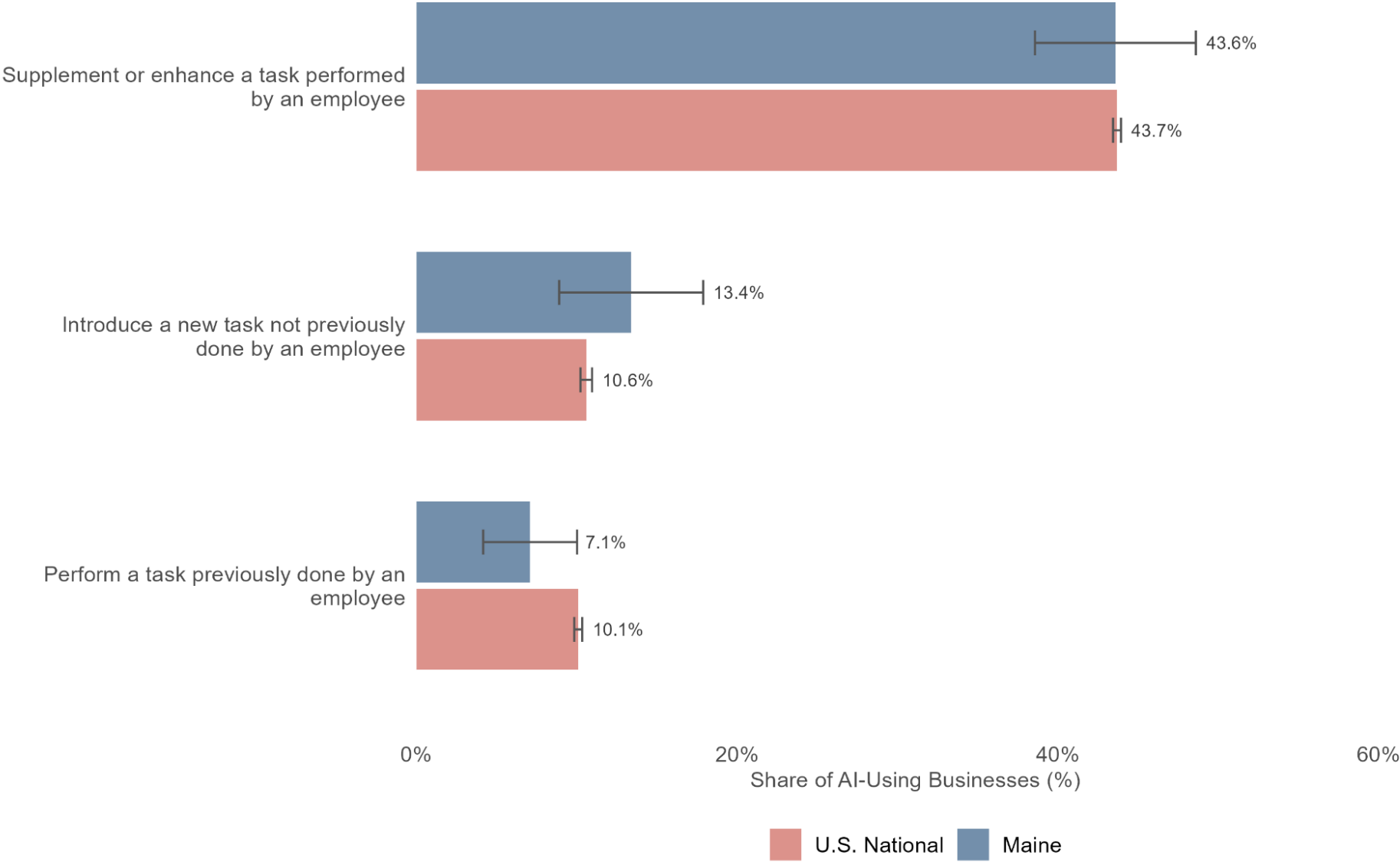


The most job impact is expected in administrative support jobs

Most jobs in these occupations require post-secondary education
Most jobs in these occupations do not require post-secondary education
Educational requirements in these occupations vary

How Is AI Being Used?

Among businesses currently using AI (Question 3)



Source: U.S. Census Bureau, BTOS AI Supplement (Nov 2025–Feb 2026). Error bars = 90% margin of error ($\pm 1.645 \times SE$). All employer businesses excl. farms. Weighted estimates.

Impacts from federal
changes

Federal Changes Threaten Maine's Health Coverage

ACA Enhanced Premium Tax Credits

If consumers selected the same plans as 2025, the average premium increase would have been 77%

More than half of enrolled population chose plans with lower premiums and higher deductibles

Since the end of 2026 Open Enrollment, nearly 14,300 returning customers cancelled, a 50% increase from 2025; 47% of cancellations were customers who did not receive APTC

Supplemental Food Assistance Program (SNAP)

As of Feb. 2025, 177K Mainers on SNAP; as of July 2026, has dropped to 153K

Cuts to SNAP raise food insecurity, strain food pantries, and reduce revenue for retailers who accept EBT, and ripple through the rest of the economy (Every \$1 in SNAP spending creates \$1.54 locally (USDA))

MaineCare (Medicaid) Key Changes

\$5B

estimated 10-year impact from provider tax moratorium, added administrative burden, lost federal match, and increased uncompensated care

31,000

expected disenrollments in year one from new work requirements

3,000

adults lose coverage from eligibility changes for legally-present immigrants

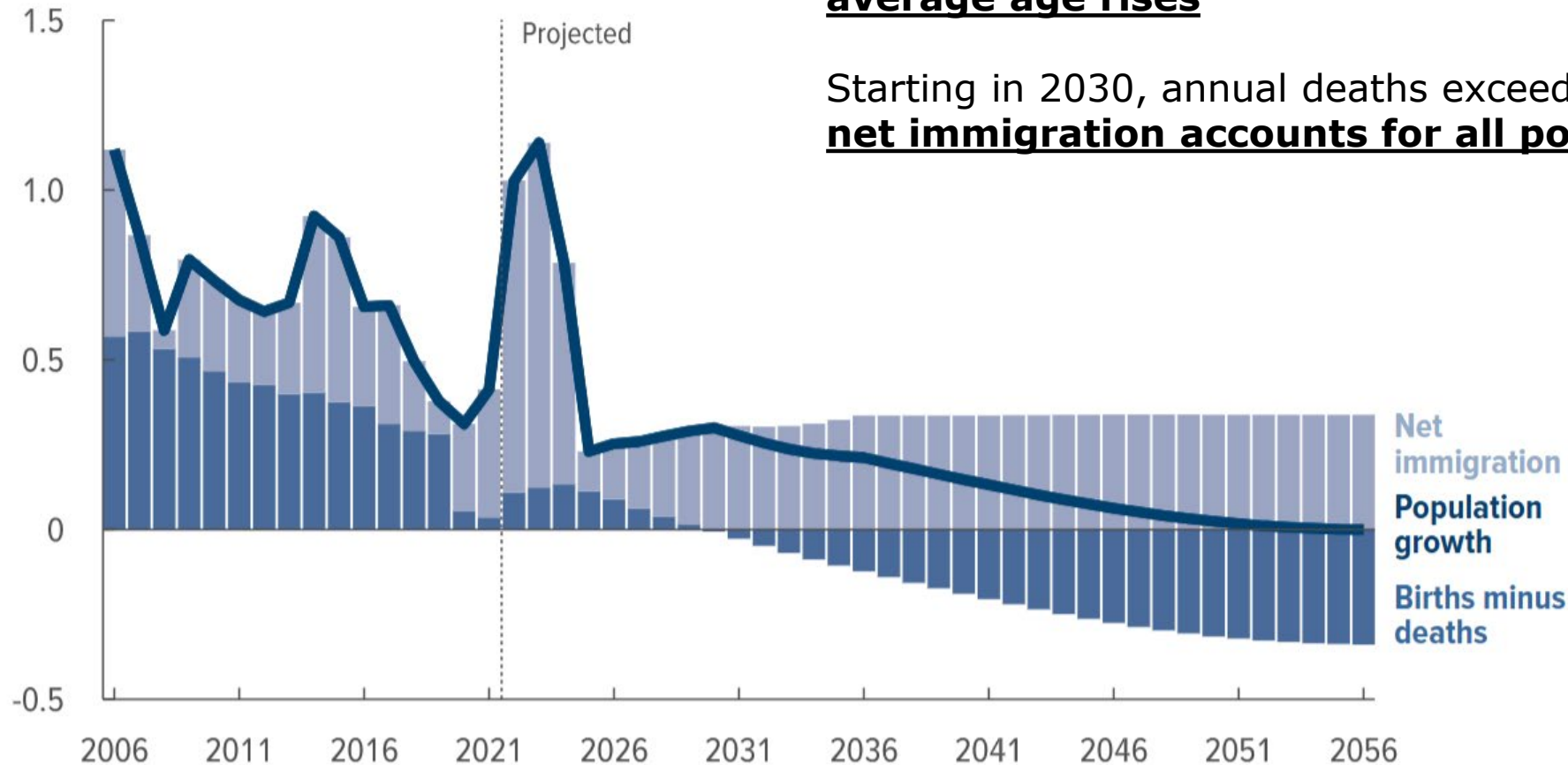
Reduced Medicaid Revenue to Providers

Current annual spending on the population affected by new work requirements = \$667M across hospitals, physicians & FQHCs, behavioral health, and pharmacies

Greater uncompensated care costs for health providers statewide

According to the Census Vintage 2025 Population Estimates, **US immigration numbers declined by more than 50%** between July 1, 2024, and July 1, 2025

Population Growth and Contributing Factors
Percent

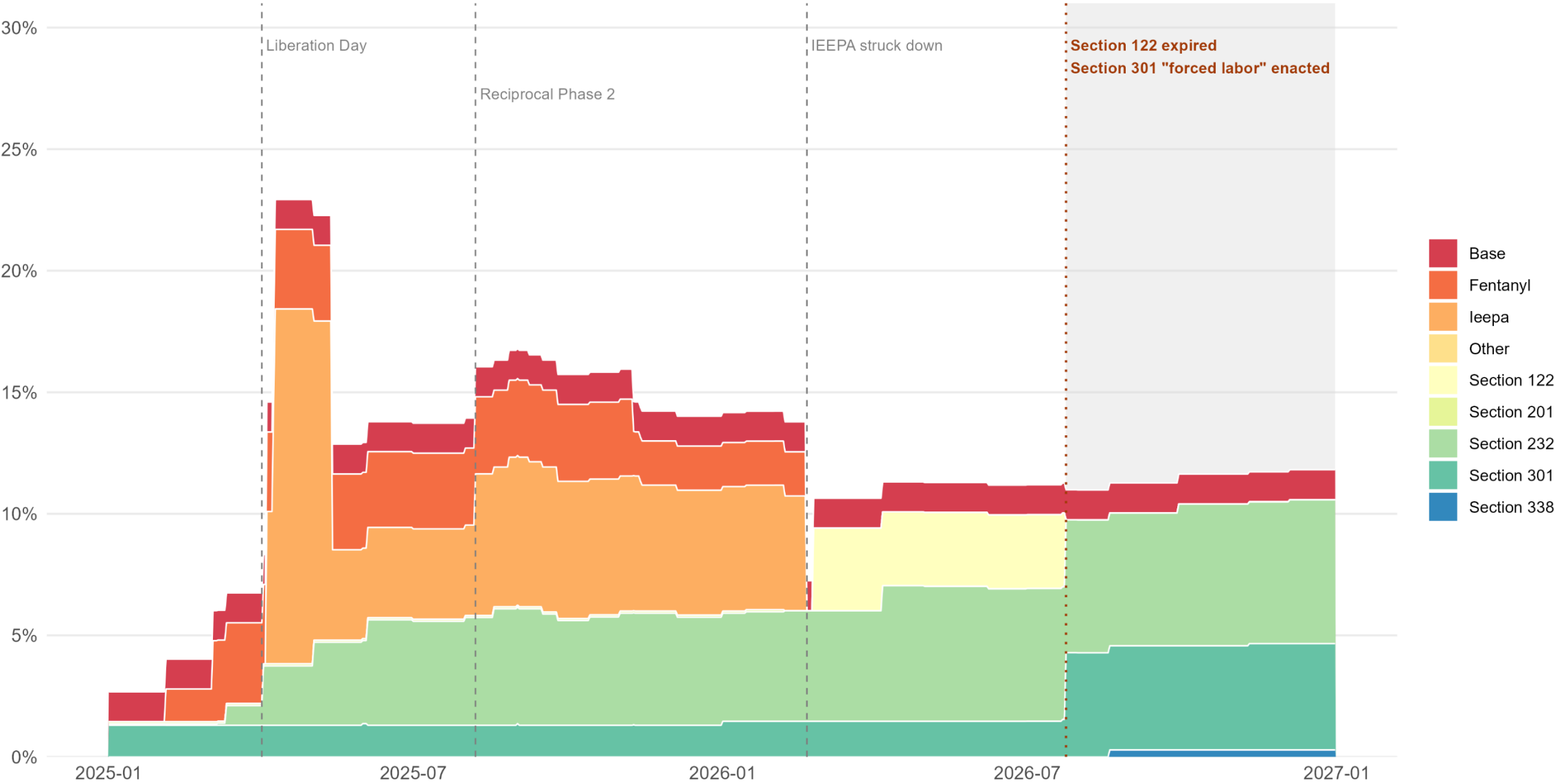


In CBO's projections, the U.S. population grows from 349 million people in 2026 to 364 million in 2056, **and the average age rises**

Starting in 2030, annual deaths exceed annual births, and **net immigration accounts for all population growth**

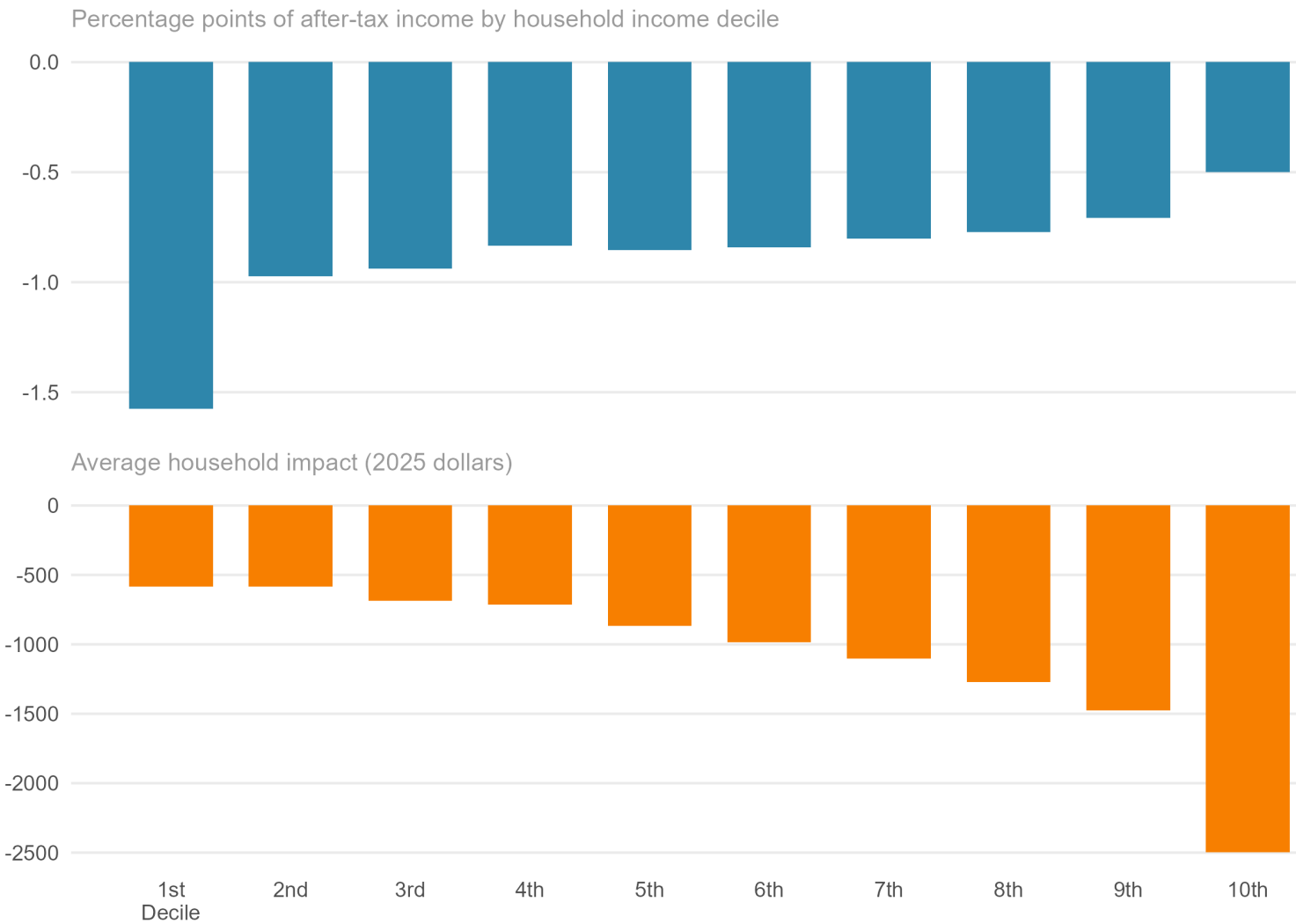
U.S. Average Effective Tariff Rate by Legal Authority

Percentage points, stacked by authority



Short-Run Distributional Impact of Current Tariffs

As of 2026-08-12



U.S.-Mexico-Canada Agreement (USMCA) compliant imports have remained exempt (around 85% from Canada, 86% from Mexico exempt)

Remains in force while negotiations are ongoing

Canada is Maine’s largest trading partner (about 70% of imports in 2025); new tariffs scheduled for 8/19, but should only affect a small portion of Maine’s imports

Wrapping up:

- Maine has an older population, with implications for population change, workforce availability, demand for services, revenue collections, and more
- The national economy is reflected in Maine's economy, including labor/capital trends (e.g. AI)
- Uncertainty is elevated and a result of federal policy changes (immigration, tariffs, spending, military action, etc.), meaning we will face ongoing uncertainty through at least the next two years

Contact Information

Amanda Rector

Maine State Economist

Department of Administrative and Financial Services

www.maine.gov/dafs/economist

amanda.rector@maine.gov