

# THE MAINE ECONOMY: FUNDAMENTALS

Policy Leaders Academy

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December 16, 2020

Amanda Rector

Maine State Economist

Department of Administrative and Financial Services

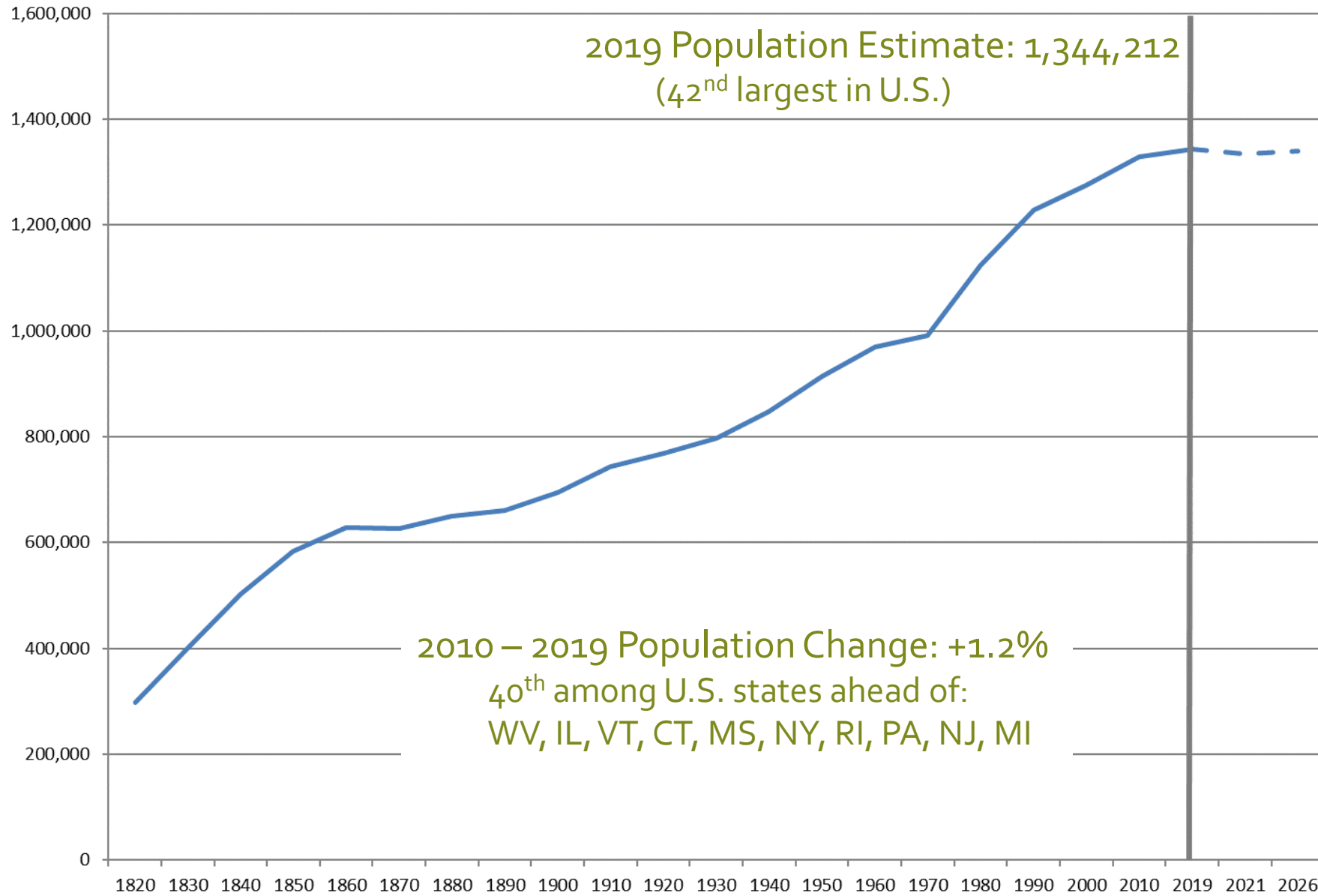
# Overview

- Demographics
- Employment
- Income
- State Gross Domestic Product (GDP)

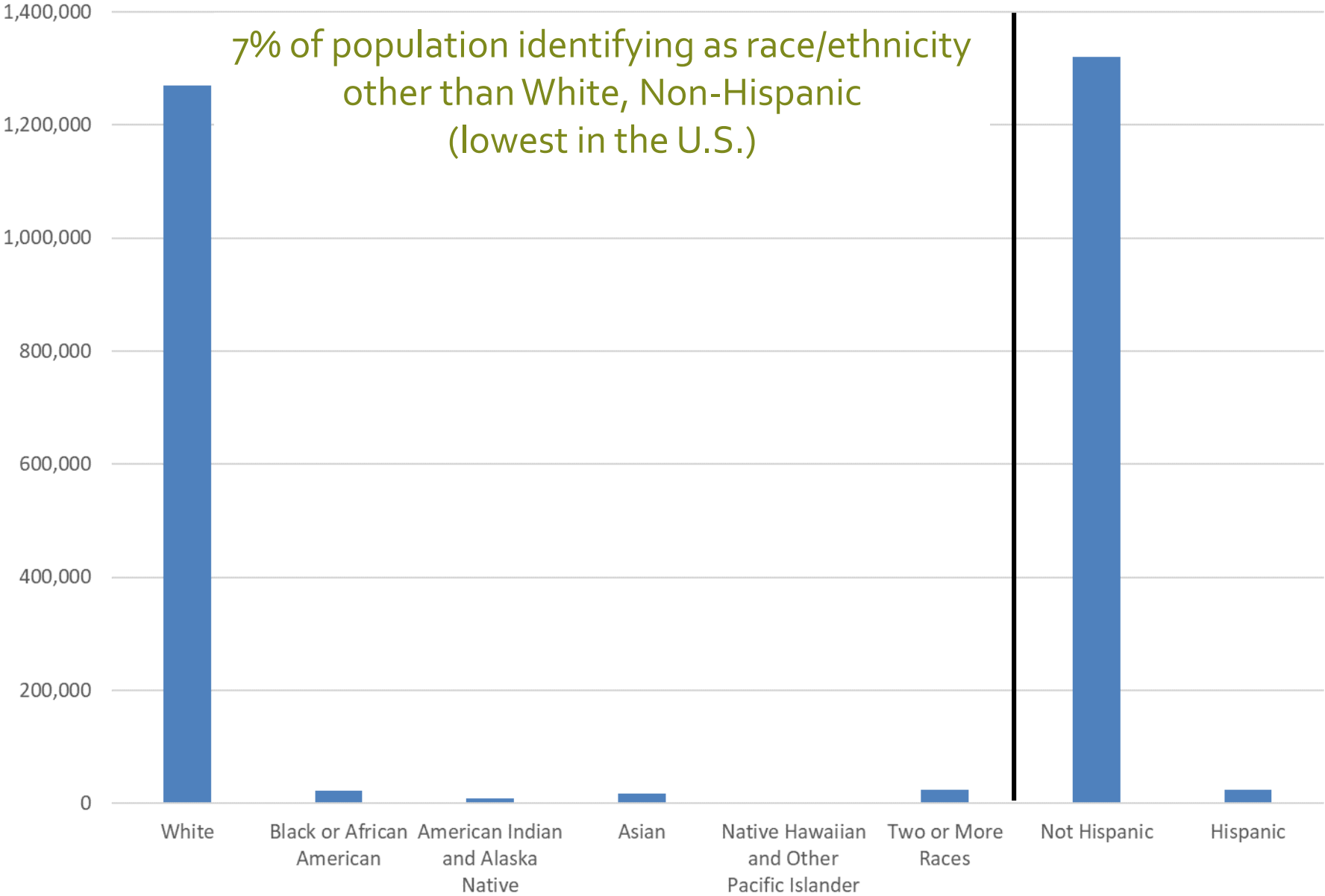
# DEMOGRAPHICS

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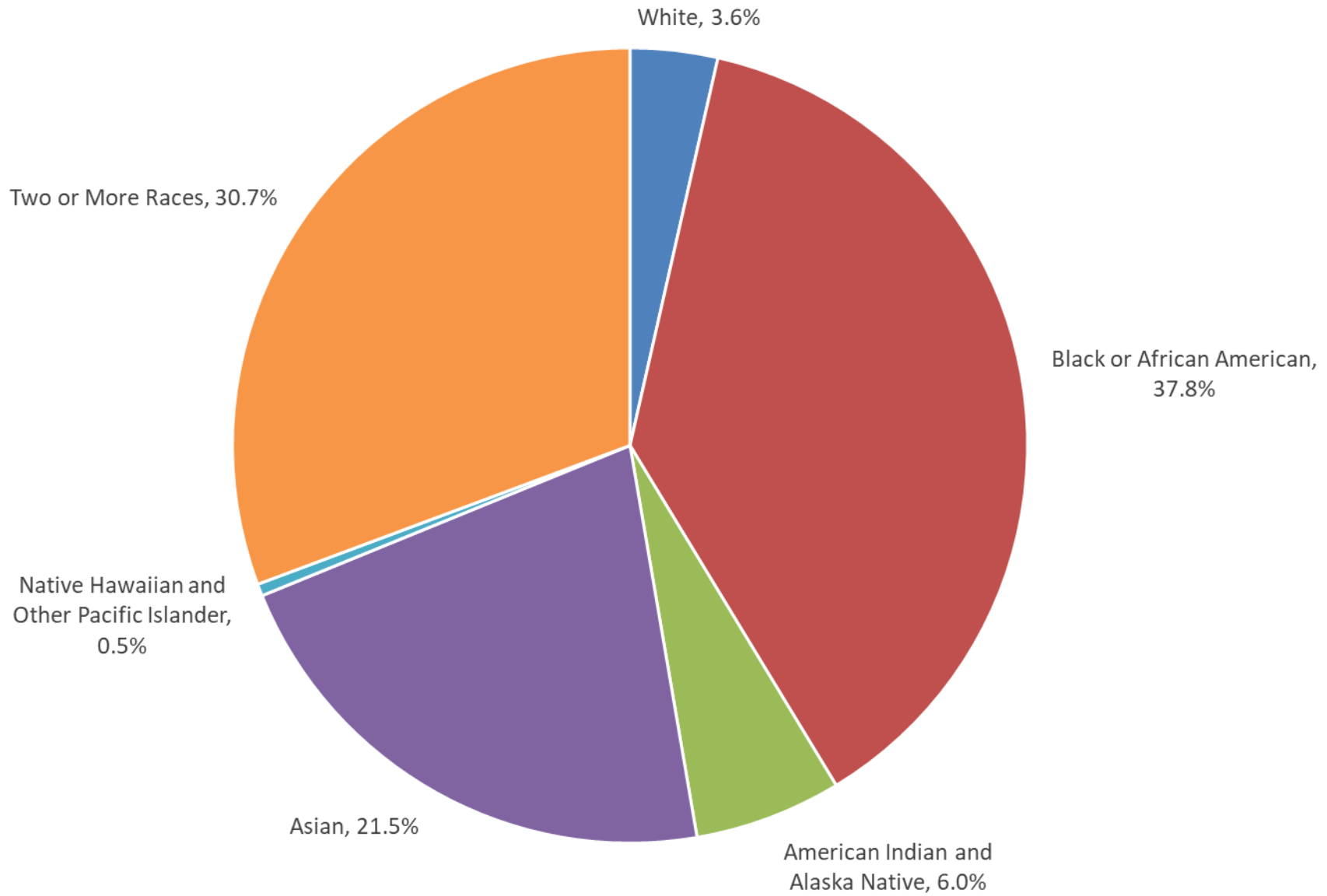
## Total Population, Maine



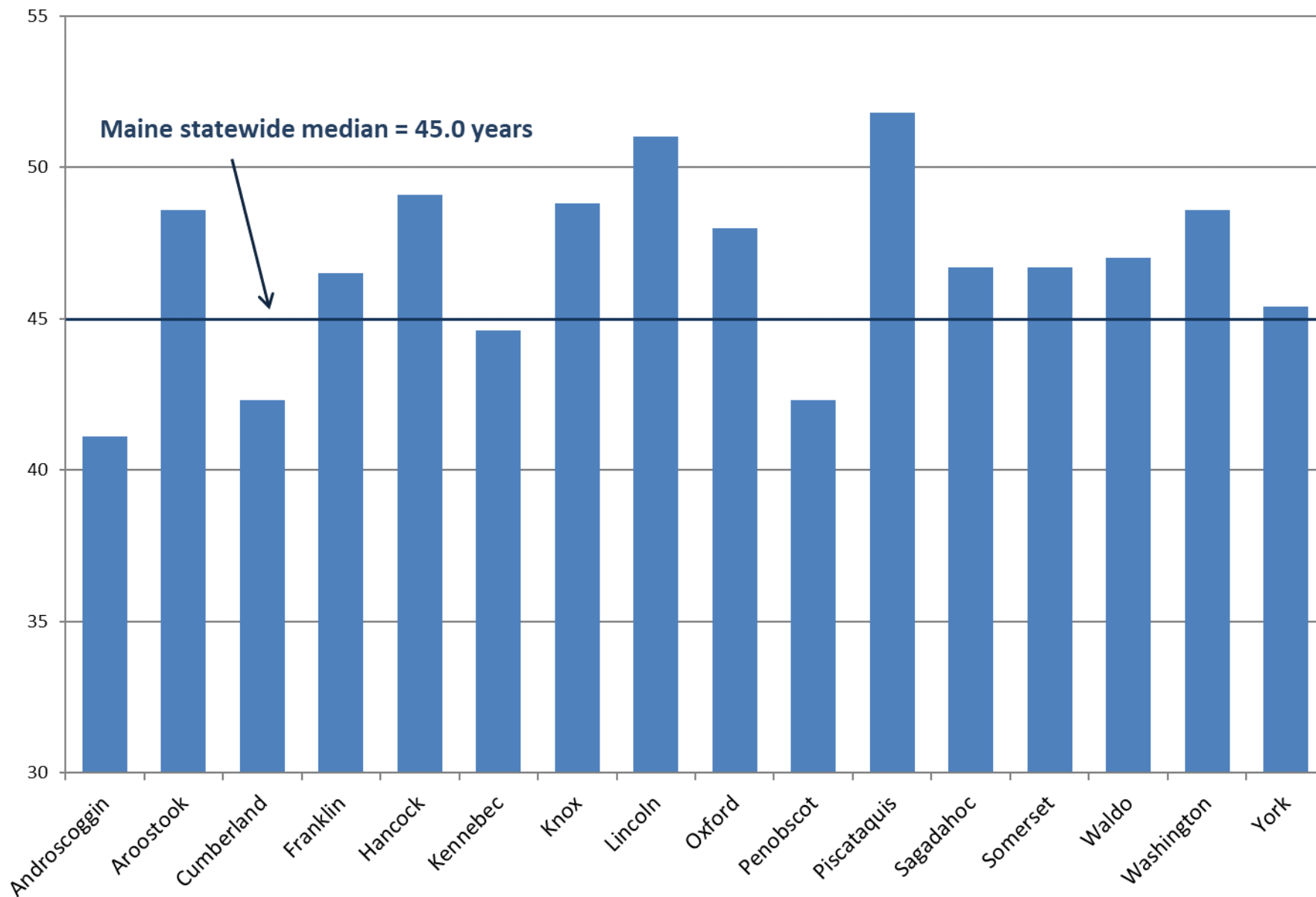
# Population by Race and Ethnicity, Maine, 2019



## Contribution to overall population growth in Maine, 2010-2019

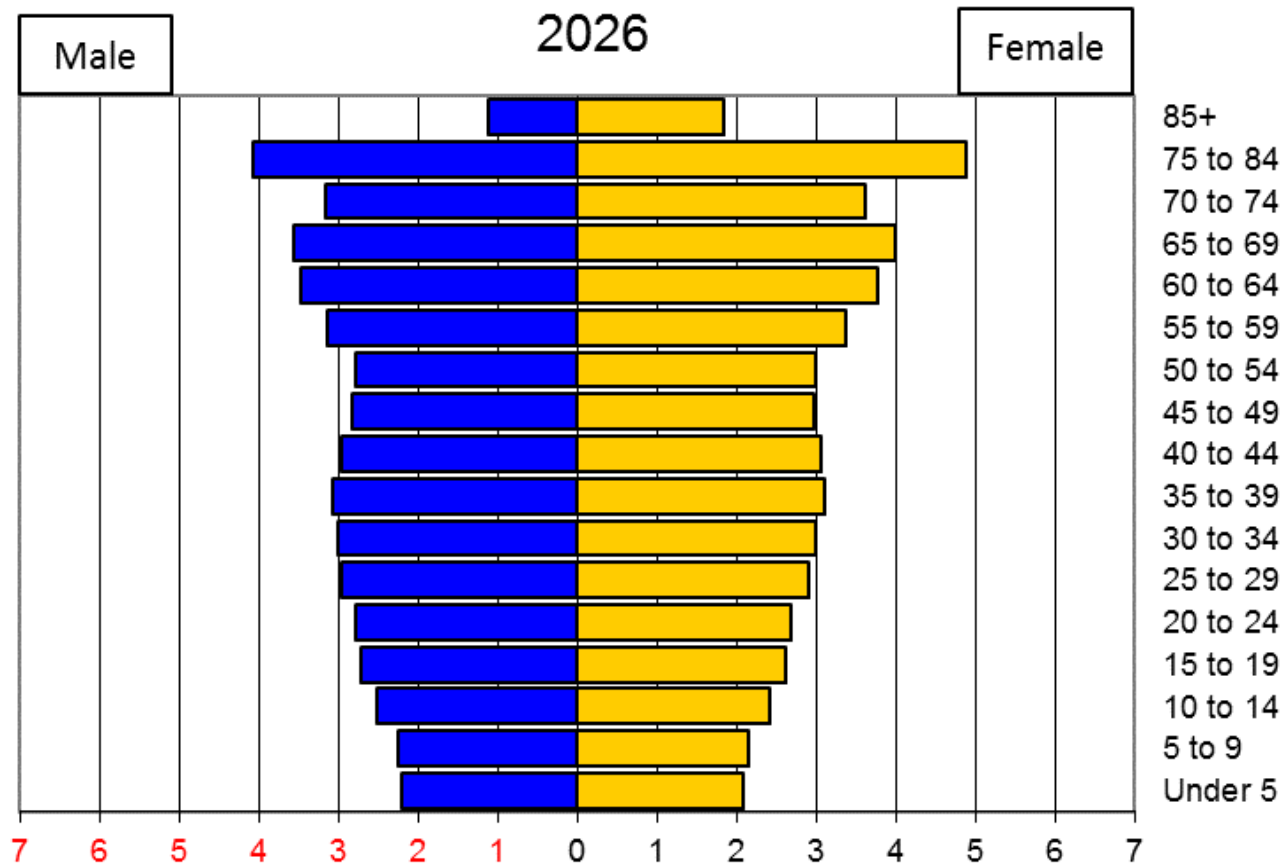


## Median Age



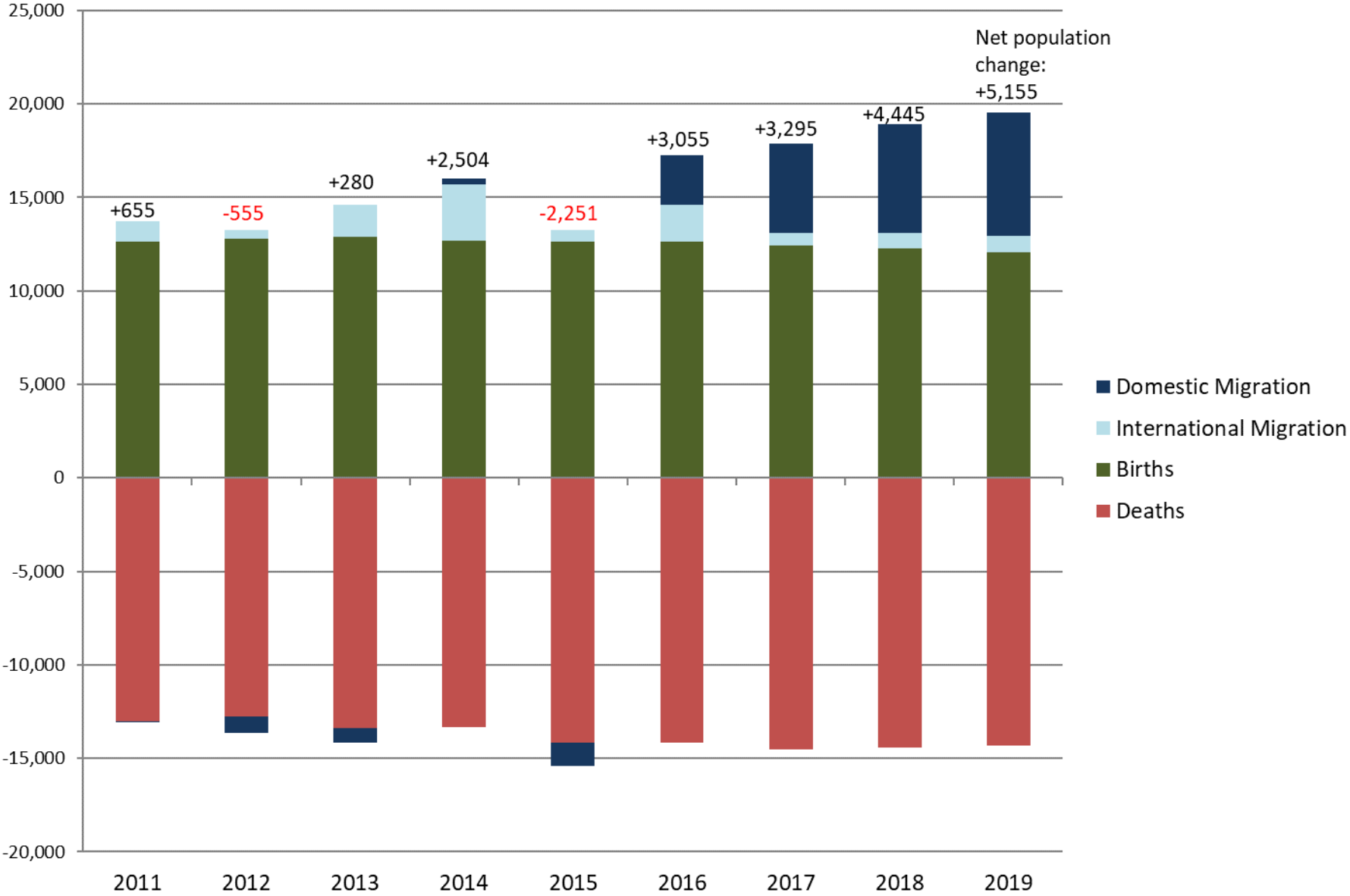
Maine is oldest in the U.S. by two measures: median age and percent of the population age 65+

# The Baby Boom Wave





# Components of Population Change, Maine



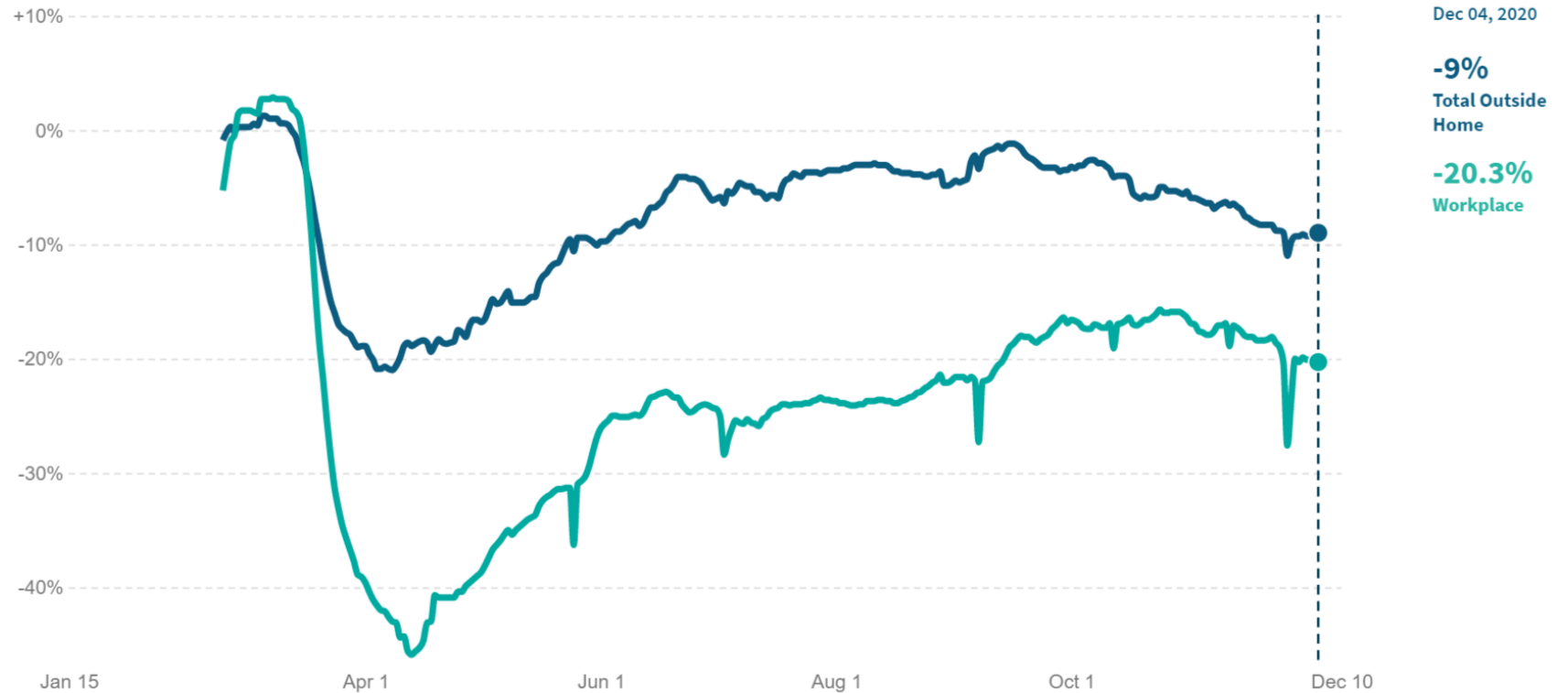
Source: U.S. Census Bureau, Population Estimates Program

# Migration effects from COVID-19?

- Maine has been seen as a safer place to be in recent months due to lower case counts and infection rates
- Maine's lower population density may prove increasingly attractive to people in the coming months and years
- The ability to work remotely is making it easier for people to consider a move to Maine, especially if high speed internet access improves

### Percent Change in Time Spent Outside Home\*

In **Maine**, as of **December 04, 2020**, total time spent away from home **decreased** by **9%** compared to January 2020.



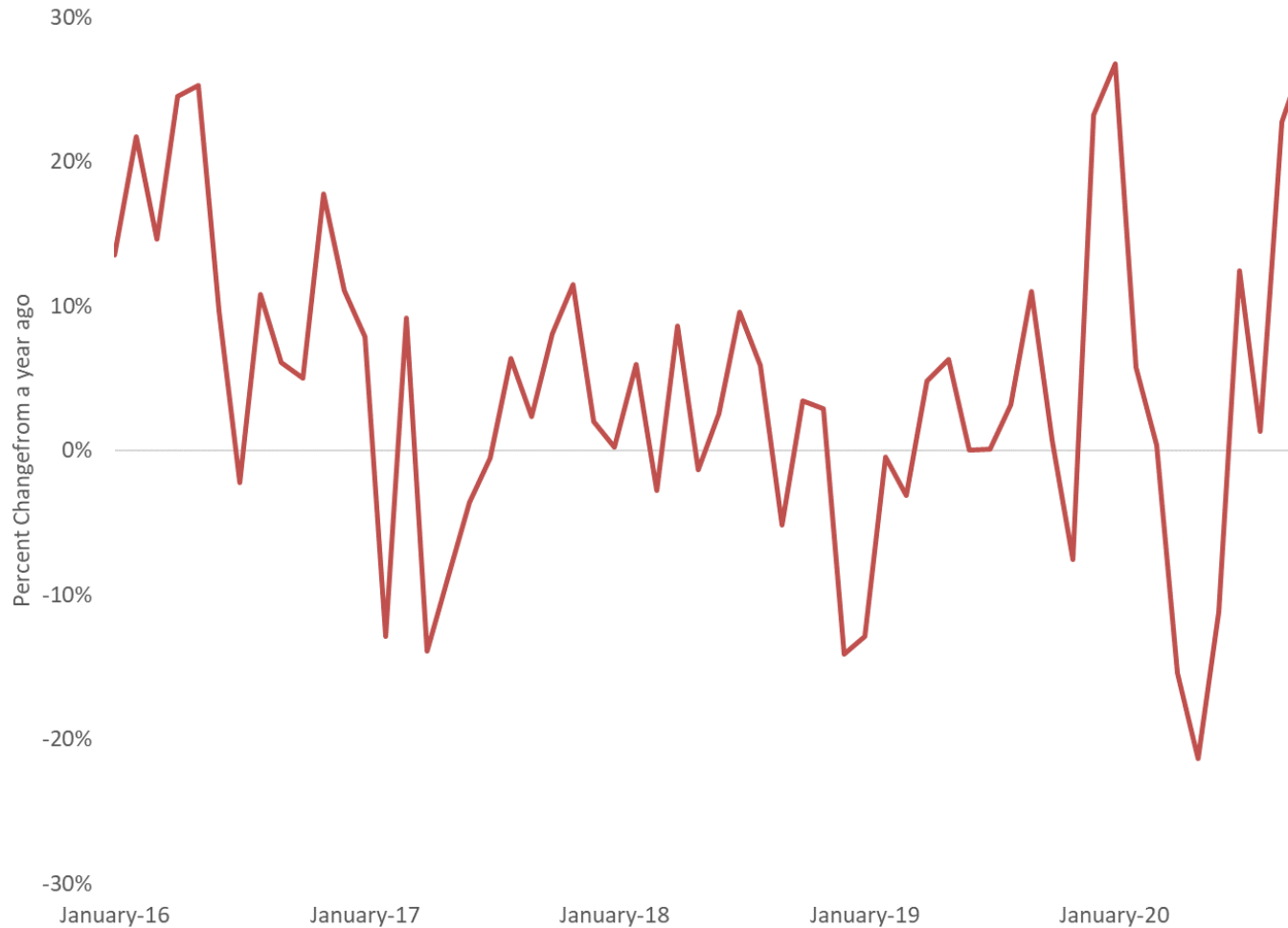
\*Change in the average time spent outside of residential locations indexed to the period between Jan 3-Feb 6 2020. This series uses data from Google's COVID-19 Community Mobility reports.

last updated: **December 07, 2020** next update expected: **December 11, 2020**

Time spent outside the home at the workplace fell sharply in March and has remained well below January levels, only recovering about halfway through June

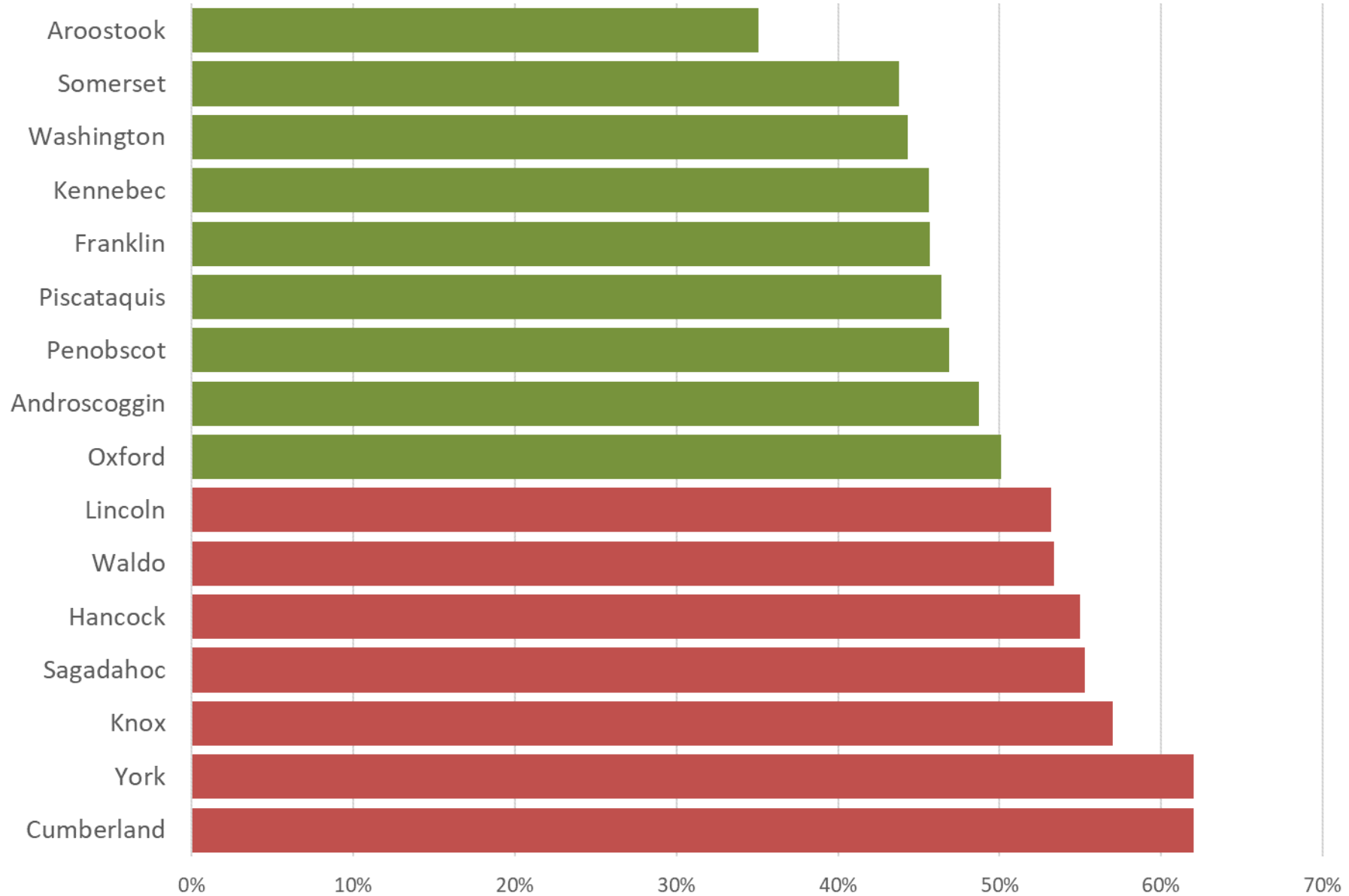
# Maine has already seen an influx of home buyers from out of state (but who are they and how long will they stay?)

Single Family Existing-Home Sales



- Maine REALTORS noted in their November press release a nearly 27% increase in home sales in October 2020 vs October 2019 along with a 24.5% increase in the median sale price
- Out-of-state buyers normally represent about 25% of sales; in October they were 36% of sales

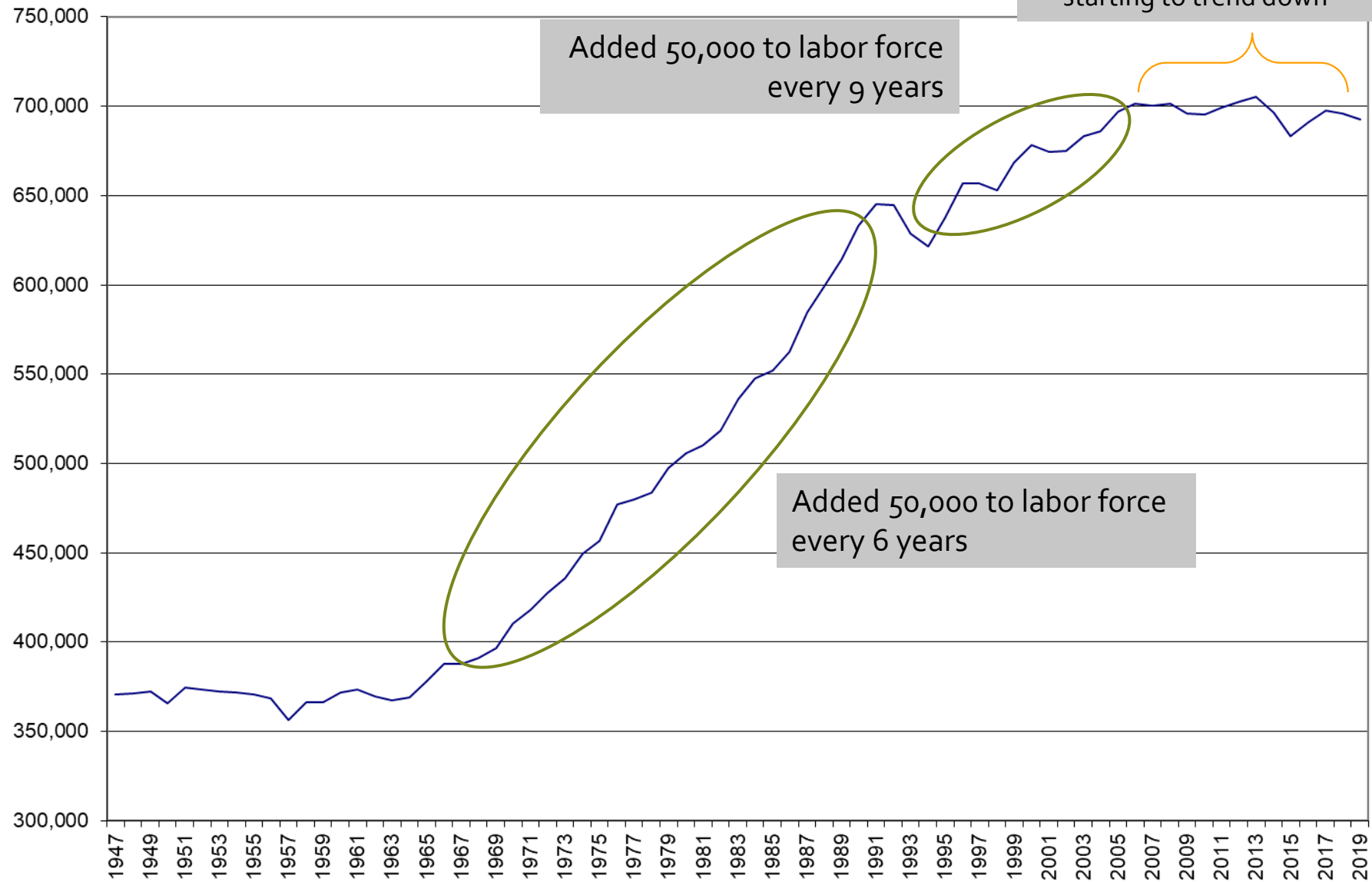
## Percent of Households Unable to Afford Median Home



# EMPLOYMENT

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# Maine Civilian Labor Force

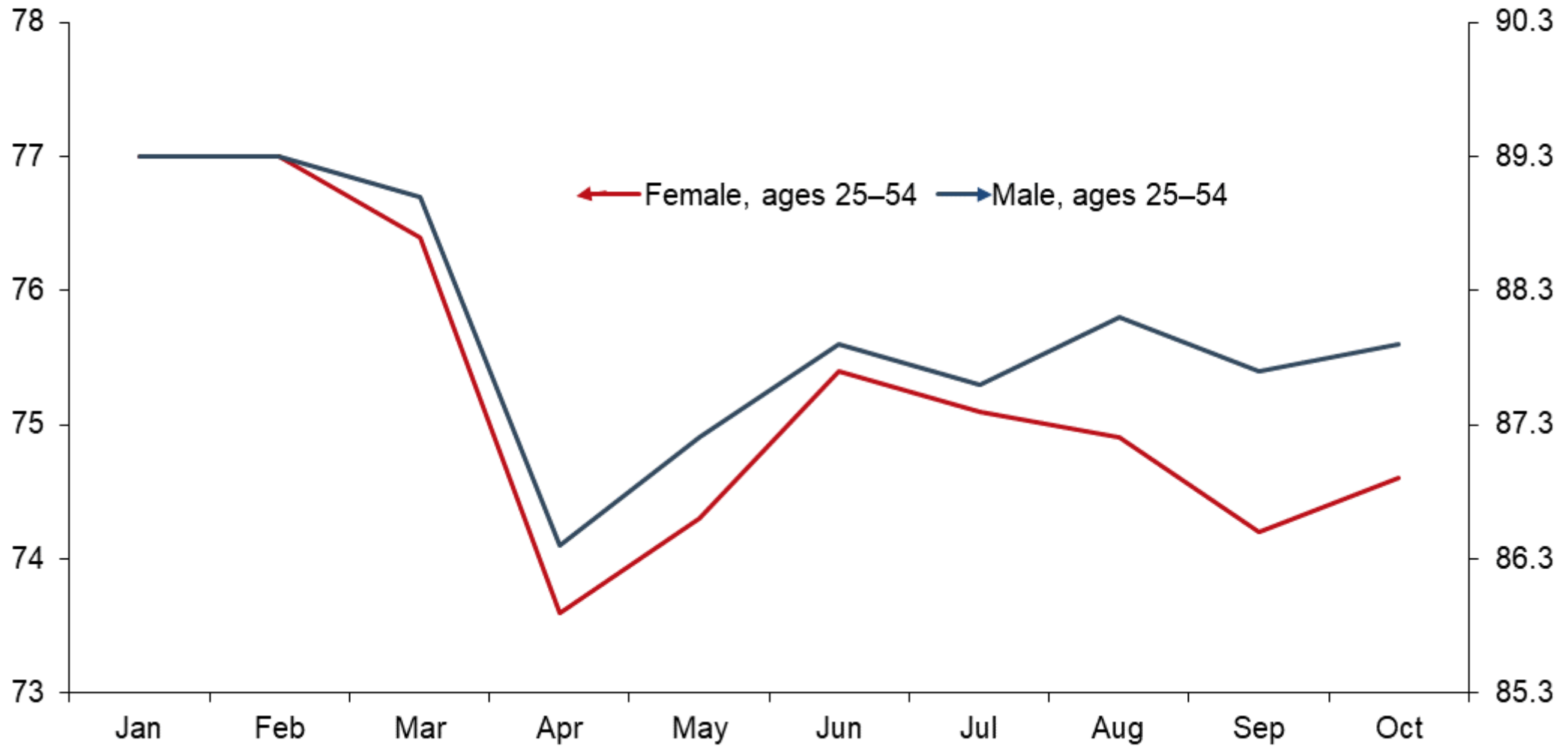


# Chart 1

## Female Prime-Age Labor Force Participation Rates Steadily Decline Since June

Percent, seasonally adjusted

Percent, seasonally adjusted



SOURCE: Bureau of Labor Statistics.

Federal Reserve Bank of Dallas



In Maine, 52% of households with children under age 18 present reported a loss of employment income compared to 38% of households without children

With disruptions to schools and child care, many children were suddenly home all day.

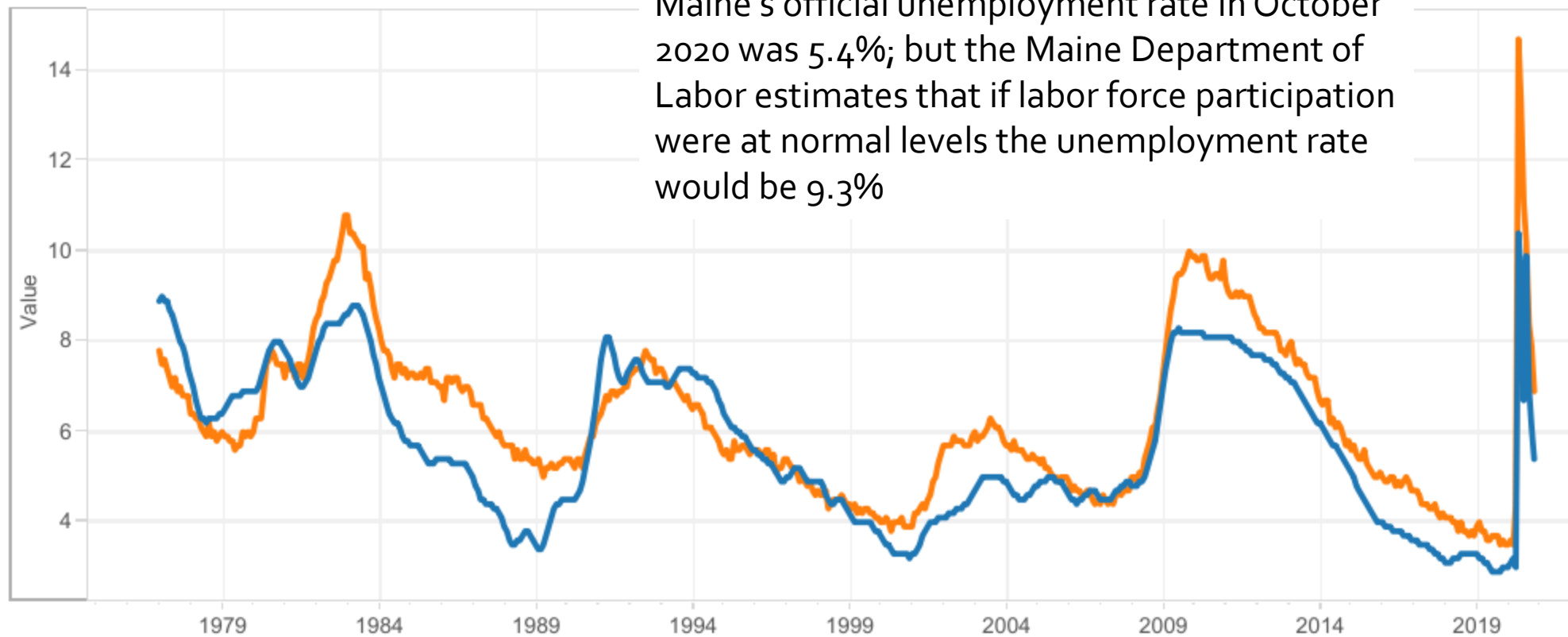
This resulted in people – more women than men – leaving the labor force to care for children.

For these people to re-enter the labor force, they not only need a job to return to, they also need safe, reliable, in-person school and/or child care

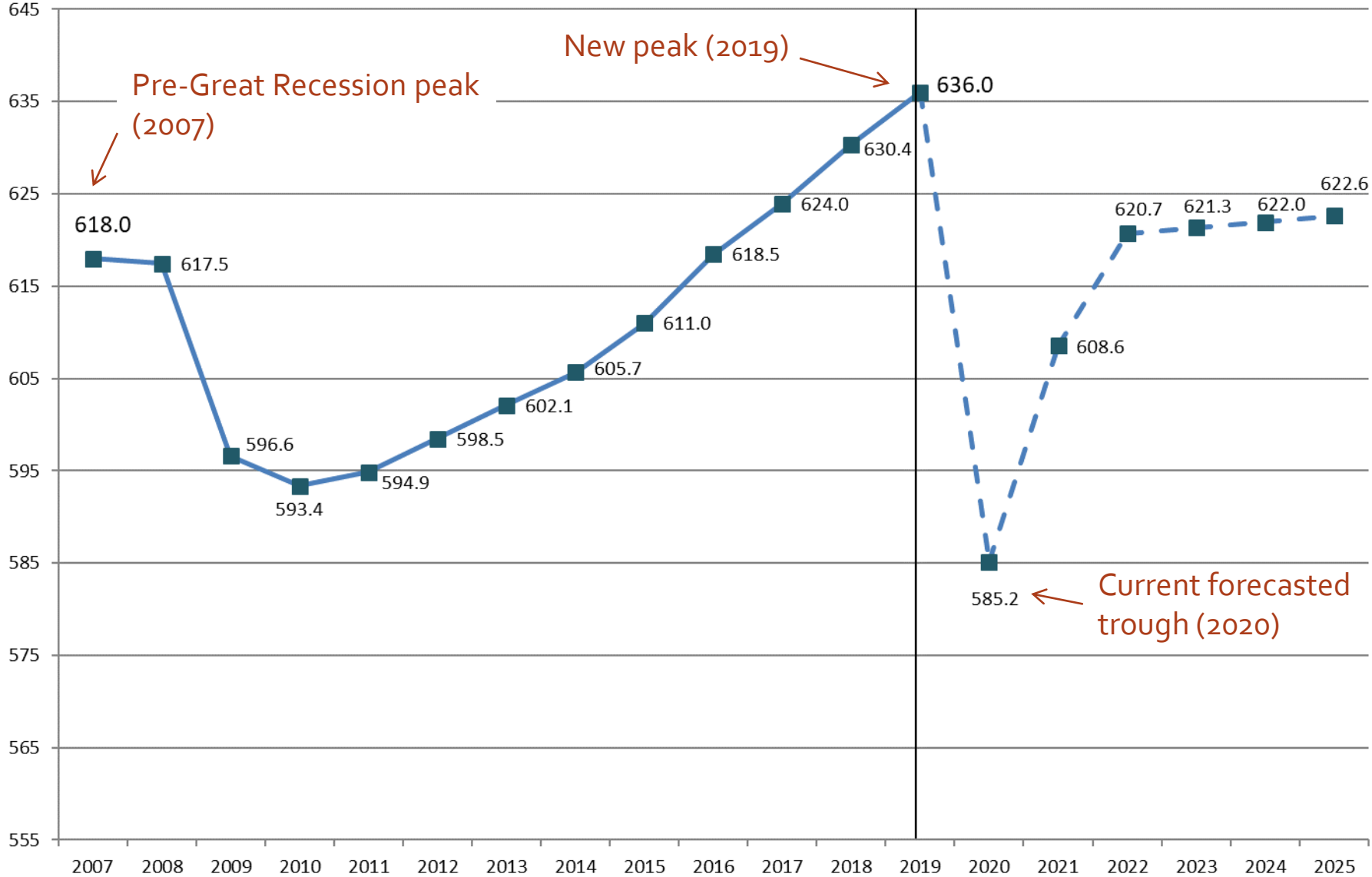
In April 2020, unemployment rates were the highest on record and rose more than in any other month; even so, they underrepresented the true unemployment rate due to technical issues

■ Maine, Seasonally Adjusted  
■ United States, Seasonally Adju..

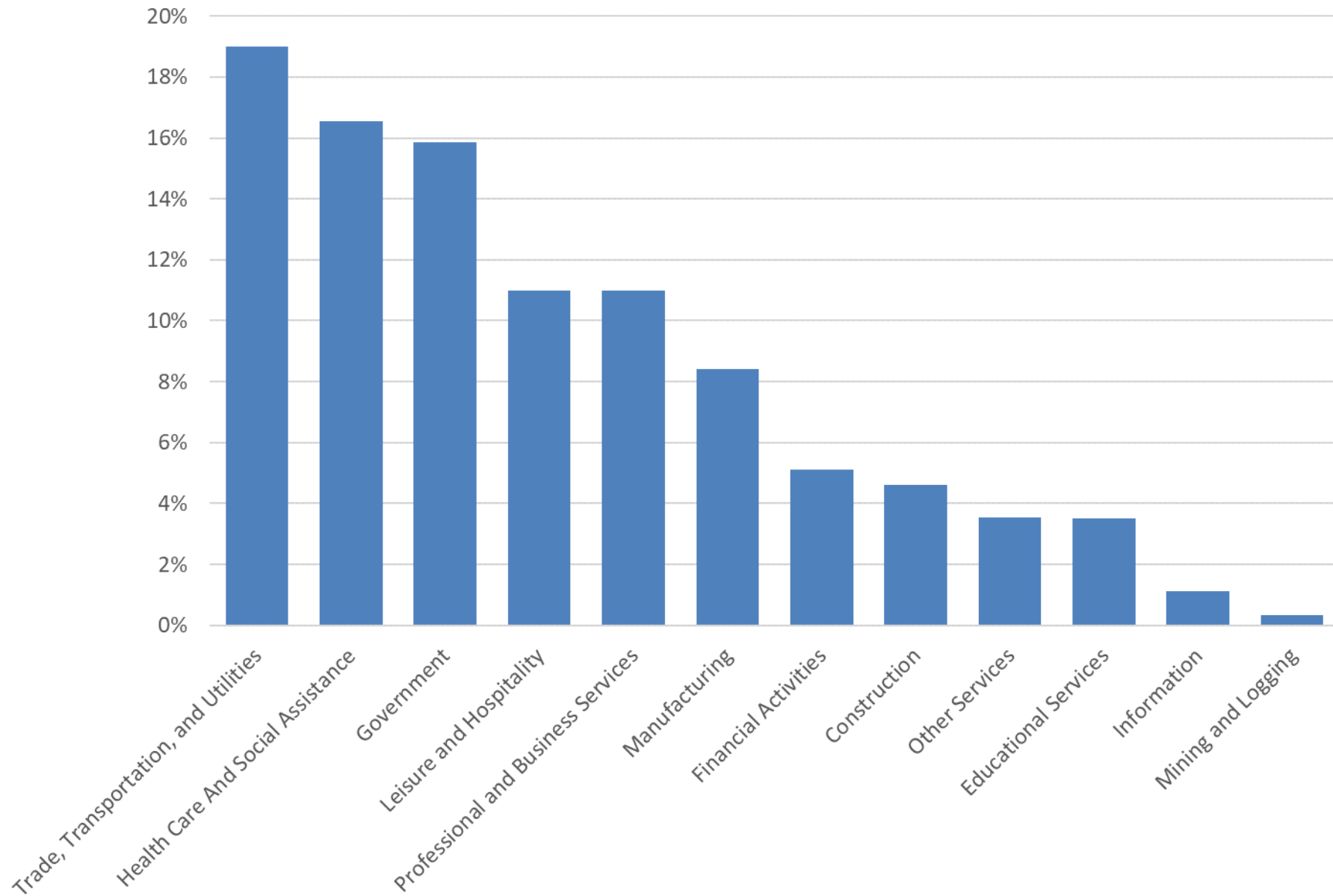
Monthly (Seasonally Adjusted)



# Total Nonfarm Employment (in thousands) History and CEFC forecast



## Share of Maine Nonfarm Employment by Industry, 2019



# Employment impacts and recoveries have been uneven

## Less impacted:

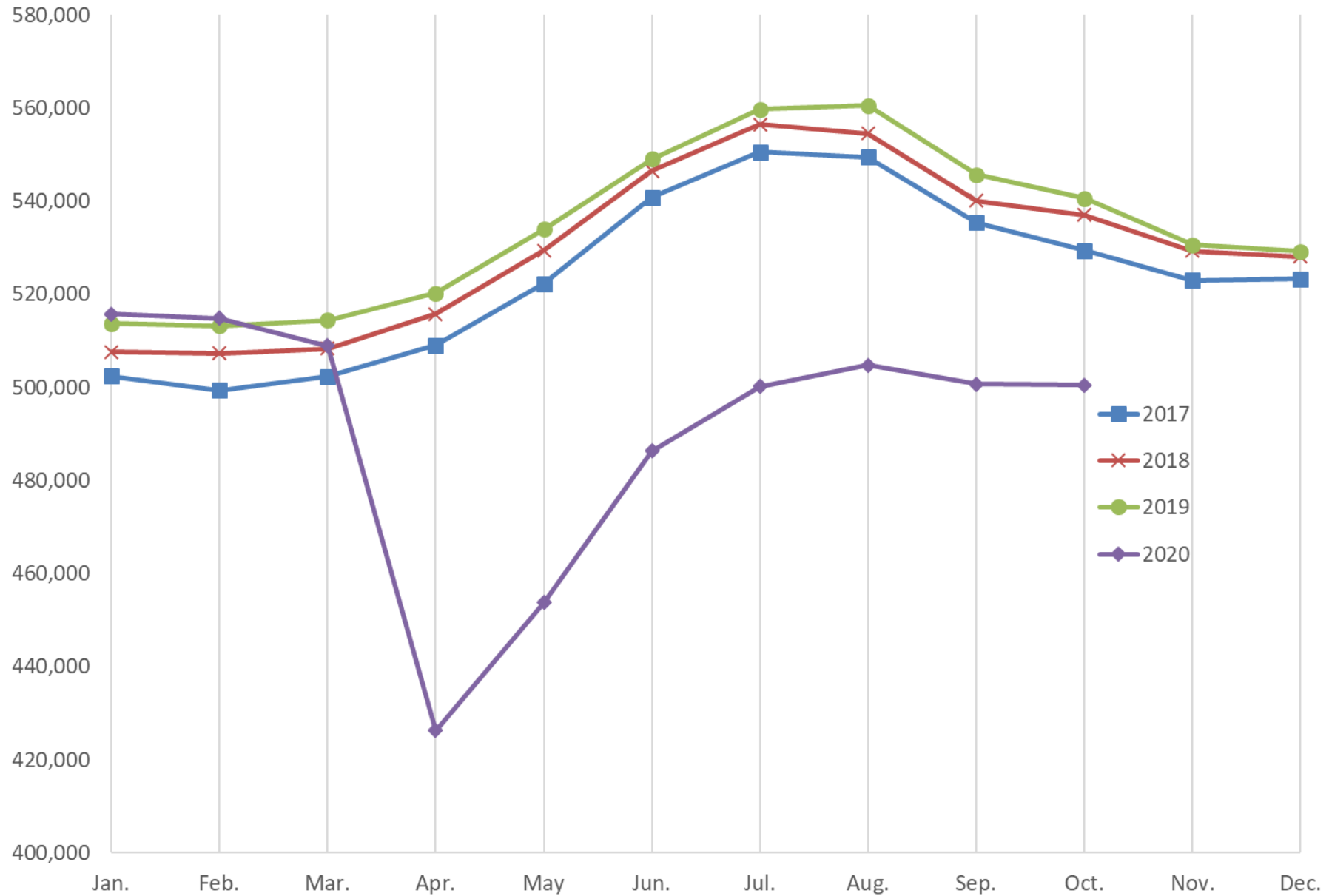
- Jobs that could easily transition to remote work
- Sectors related to pandemic response and increased migration and time spent at home
  - Some manufacturing, retail, construction, health care

## More impacted:

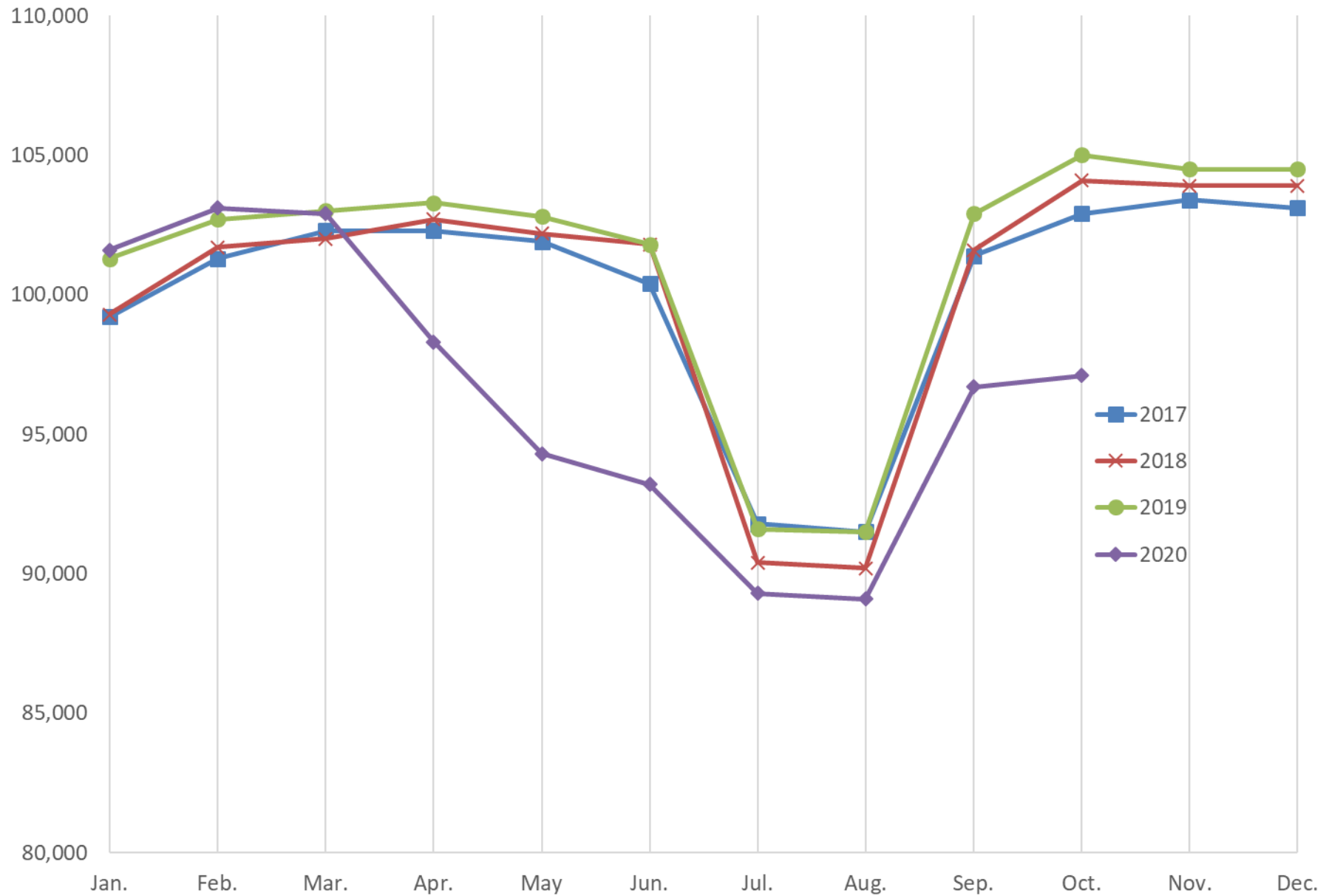
- “High-touch” jobs where face to face interactions are frequent
- Activities reliant on large gatherings (movie theaters, concerts/arts venues)
- Sectors tied to tourism

Not seasonally adjusted employment data can help us see some of these differences

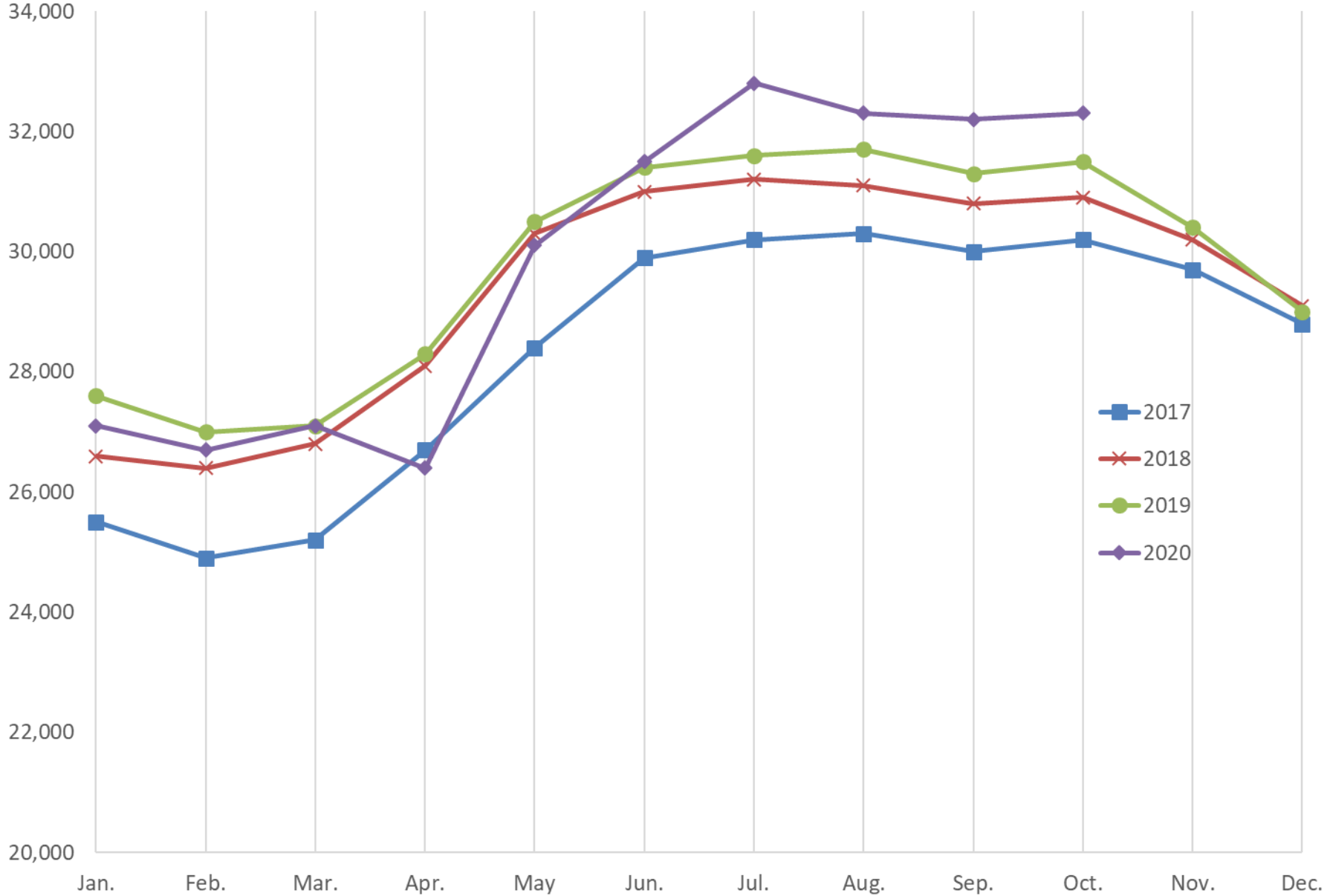
### Total Private Employment, Not Seasonally Adjusted



### Government Employment, Not Seasonally Adjusted

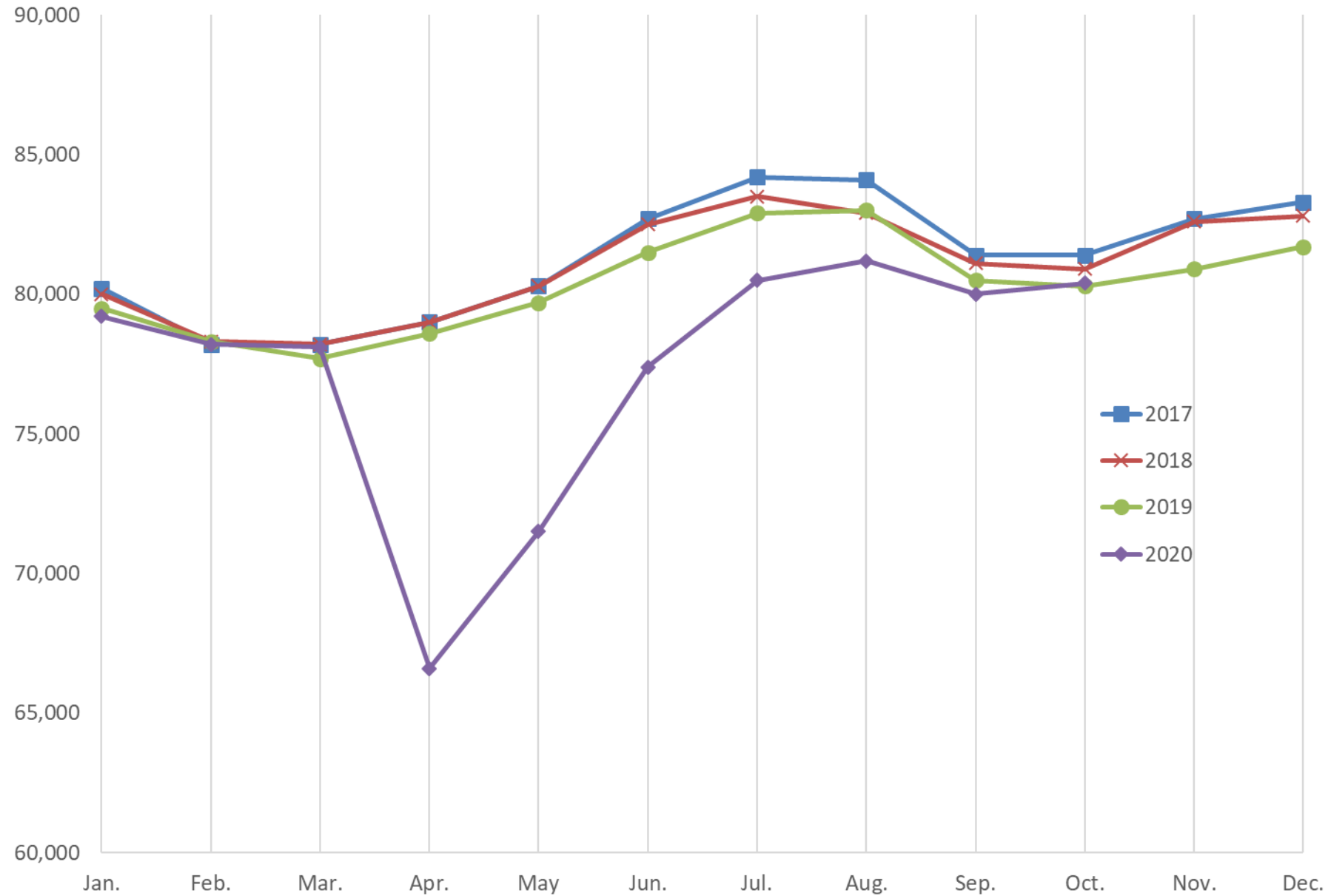


### Construction Employment, Not Seasonally Adjusted

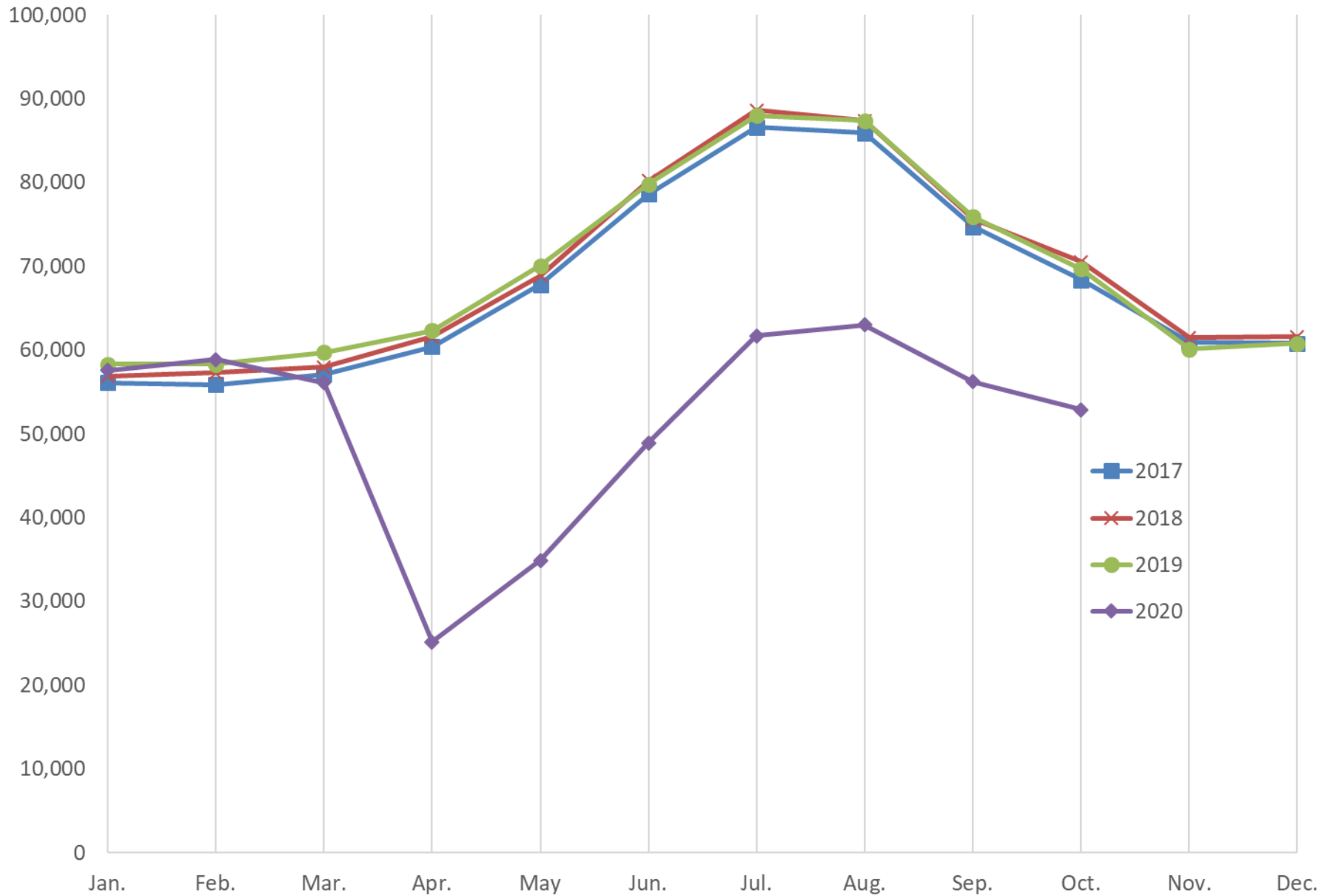




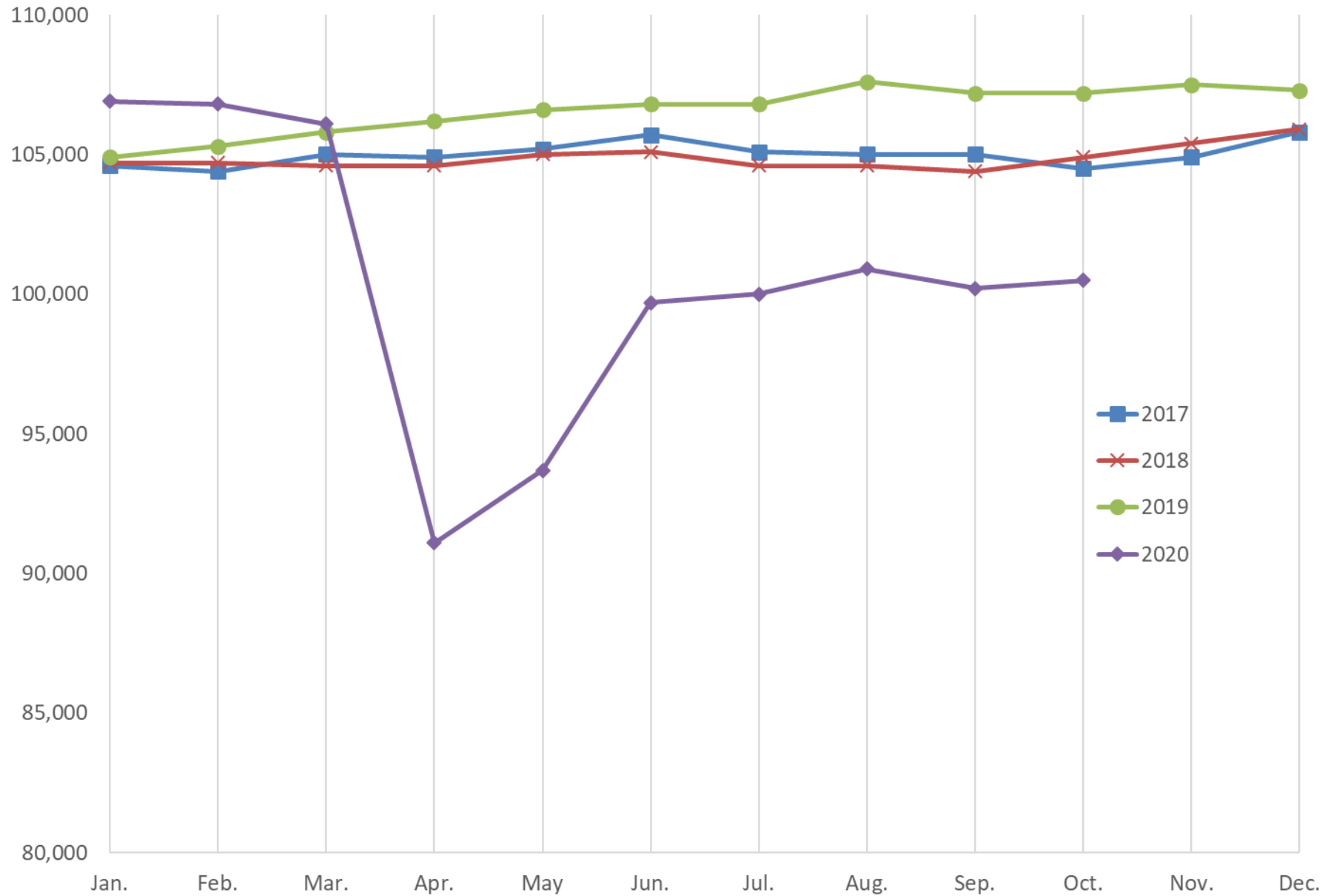
### Retail Trade Employment, Not Seasonally Adjusted



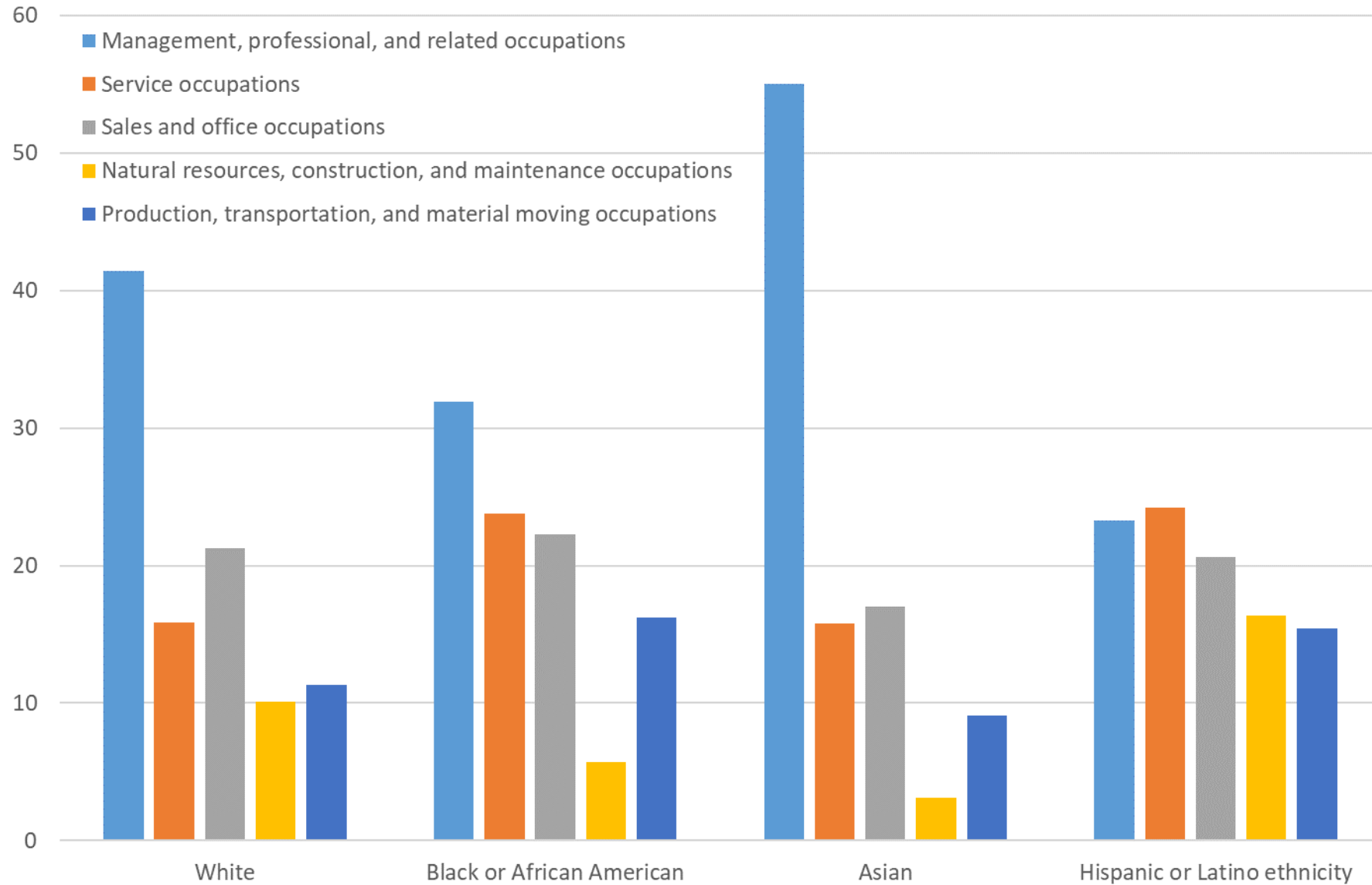
### Leisure and Hospitality Employment, Not Seasonally Adjusted



### Health Care and Social Assistance Employment, Not Seasonally Adjusted



## Percent of Total Employed by Race/Ethnicity and Occupation; United States



# Nationwide, Black, Indigenous, and People of Color have seen higher rates of employment income loss since March

- White alone, not Hispanic: 42% of households reported experiencing a loss of employment income since March 13, either for themselves or a household member
- Black alone, not Hispanic: 55%
- Asian alone, not Hispanic: 48%
- Two or more races + Other races, not Hispanic: 56%
- Hispanic or Latino (any race): 60%

# Analysis by the Federal Reserve Bank of Boston found disparate impacts by age

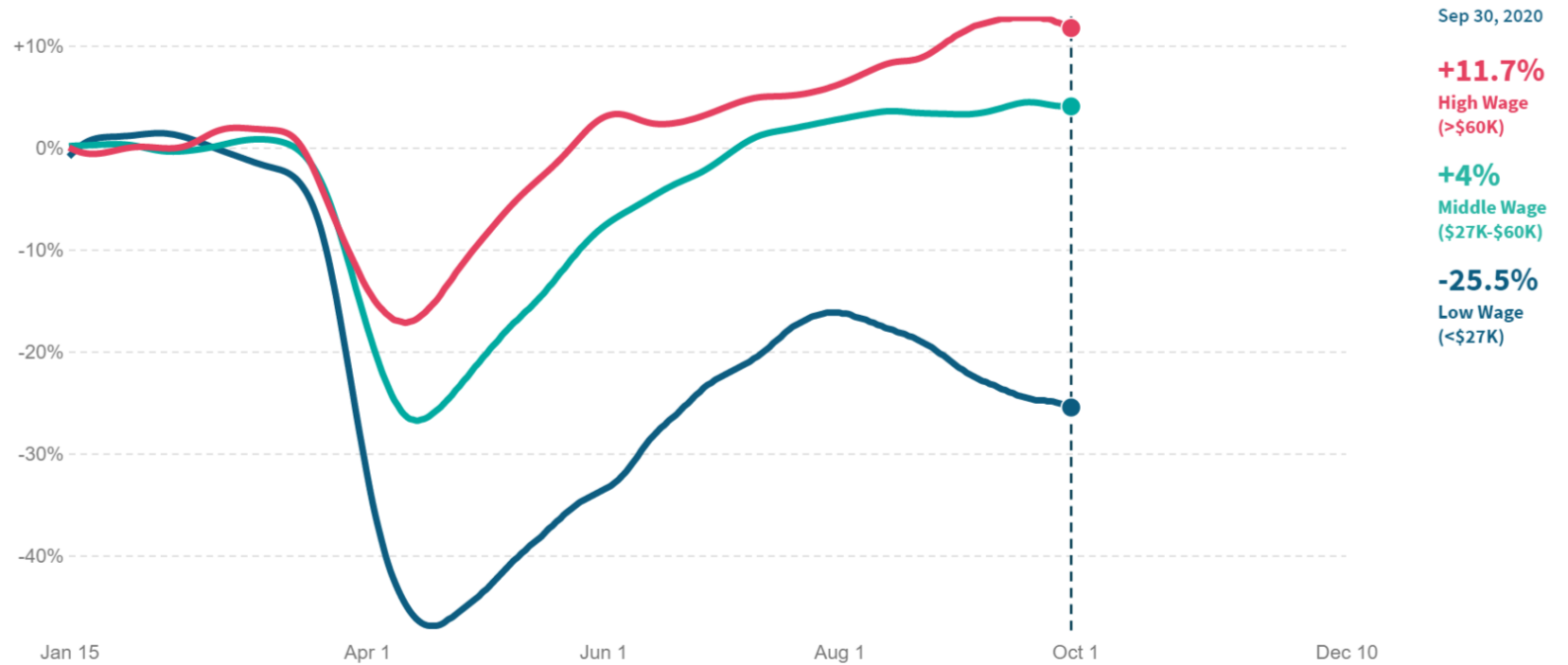
In July 2020 in Maine, age **22-24** had the highest unemployment insurance claimant rate as a share of the workforce by age, followed by age **25-34**

Employment is beginning to look like a “K-shaped” recovery.

In late September, low wage employment was around 25% below January 2020 levels, while high wage employment was nearly 12% higher

### Percent Change in Employment\*

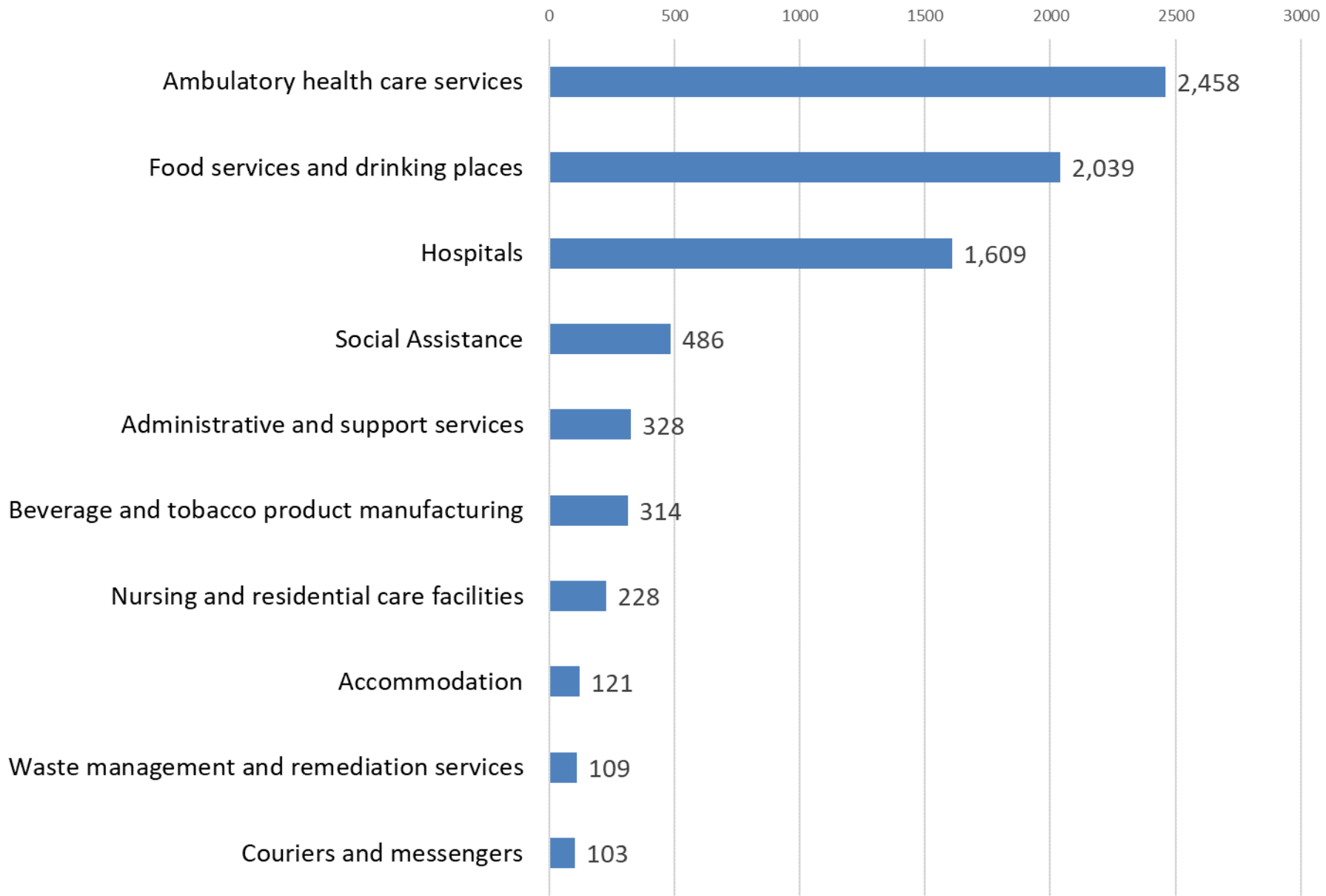
In **Maine**, as of **September 30 2020**, employment rates among workers in the bottom wage quartile **decreased** by **25.5%** compared to January 2020 (not seasonally adjusted).



\*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos. The dotted line in the low-wage series is a prediction of employment rates based on Kronos data.

last updated: **December 02, 2020** next update expected: **December 11, 2020**

### Industries Projected to Gain the Largest Number of Jobs in Maine Between 2018 and 2028





## 25 Occupations with the Fastest Projected Rate of Job Growth in Maine

### Display

- Graph  
 Table

### Top

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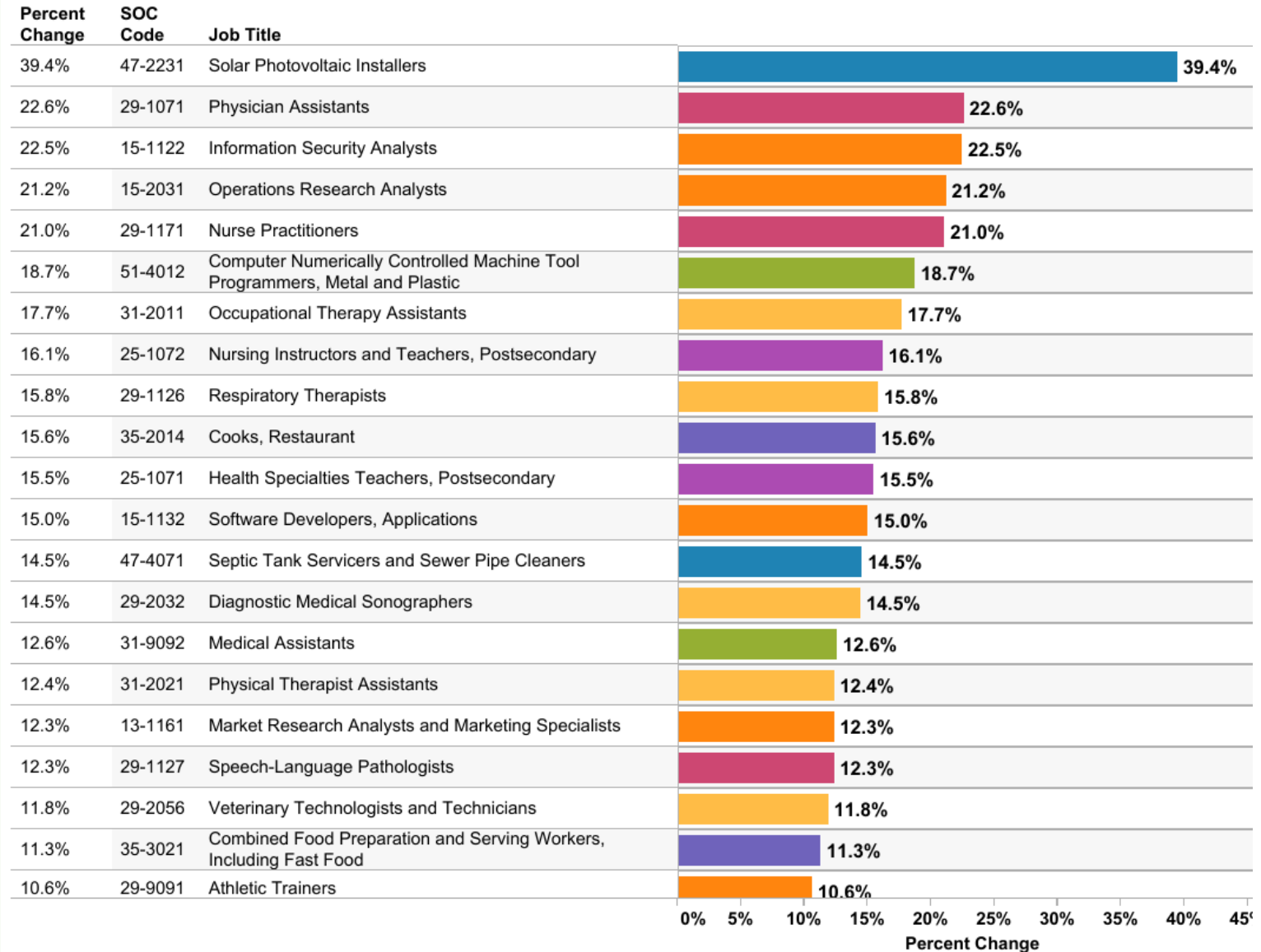
### Education Requirement:

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

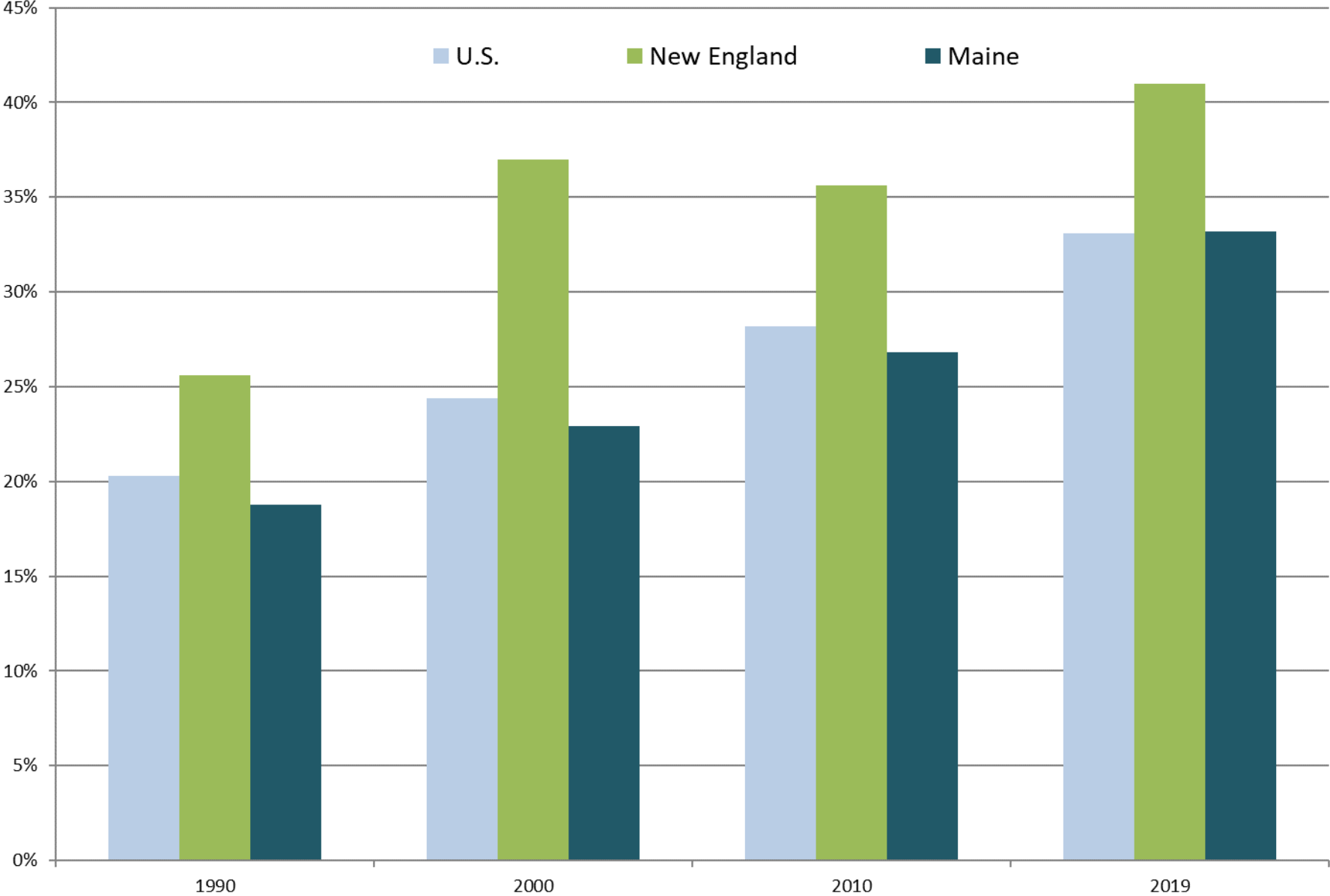
### Select Topic:

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

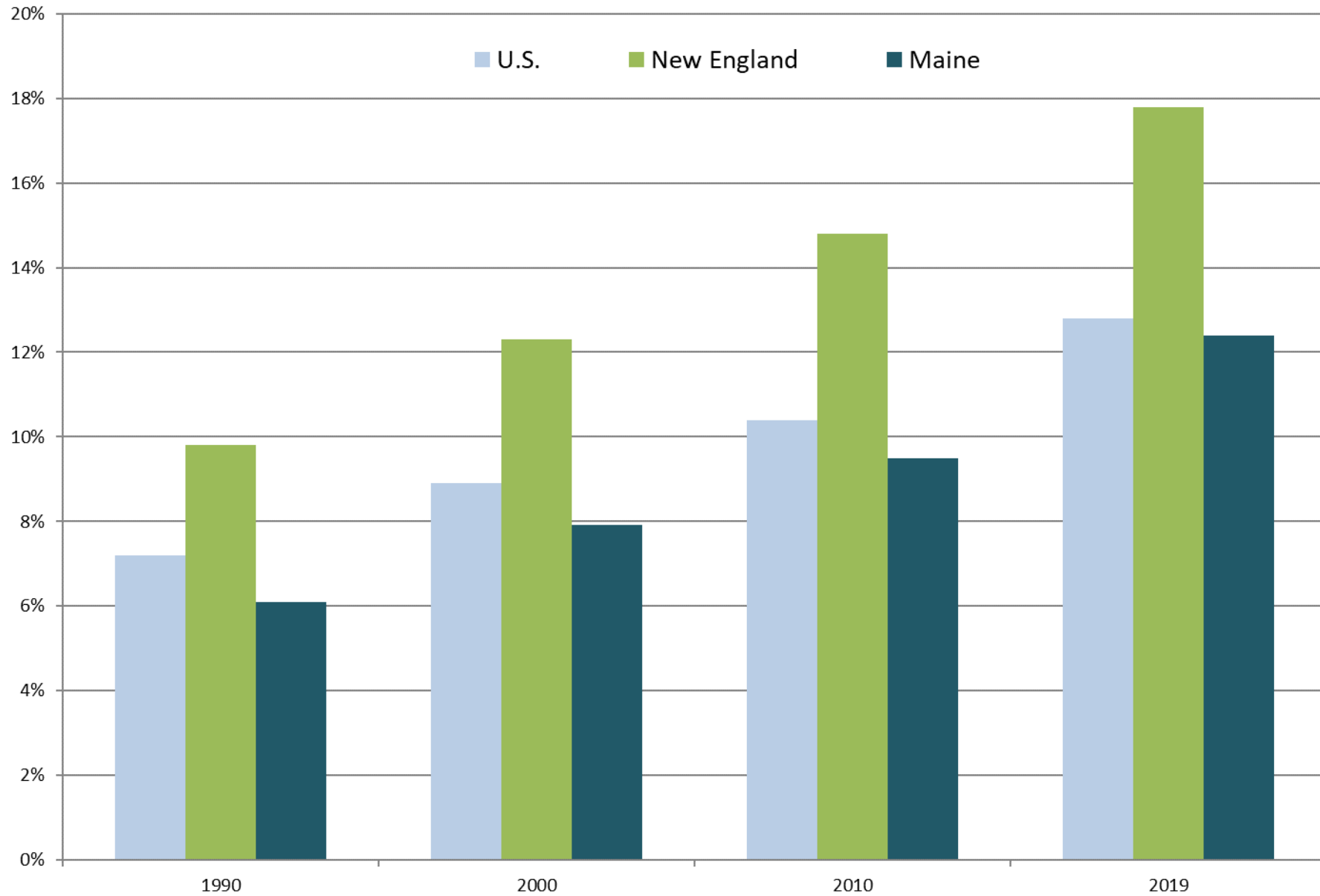
- Associate's degree  
 Bachelor's degree  
 Doctoral or professional degree  
 High school diploma or equivalent  
 Master's degree  
 No formal educational credential  
 Postsecondary non-degree award



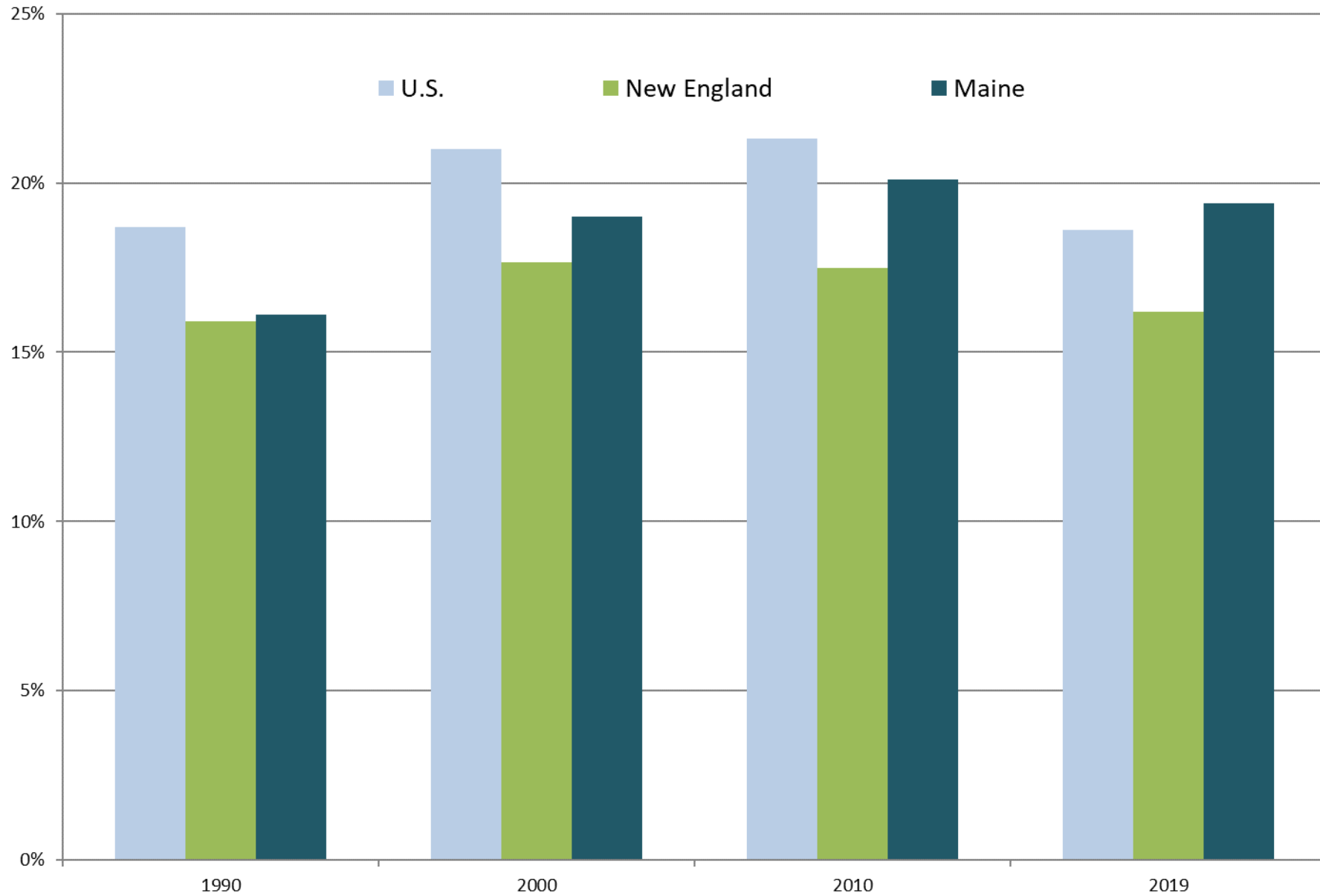
# Percent of Population Age 25+ with a Bachelor's Degree or Higher



## Percent of Population Age 25+ with a Graduate or Professional Degree



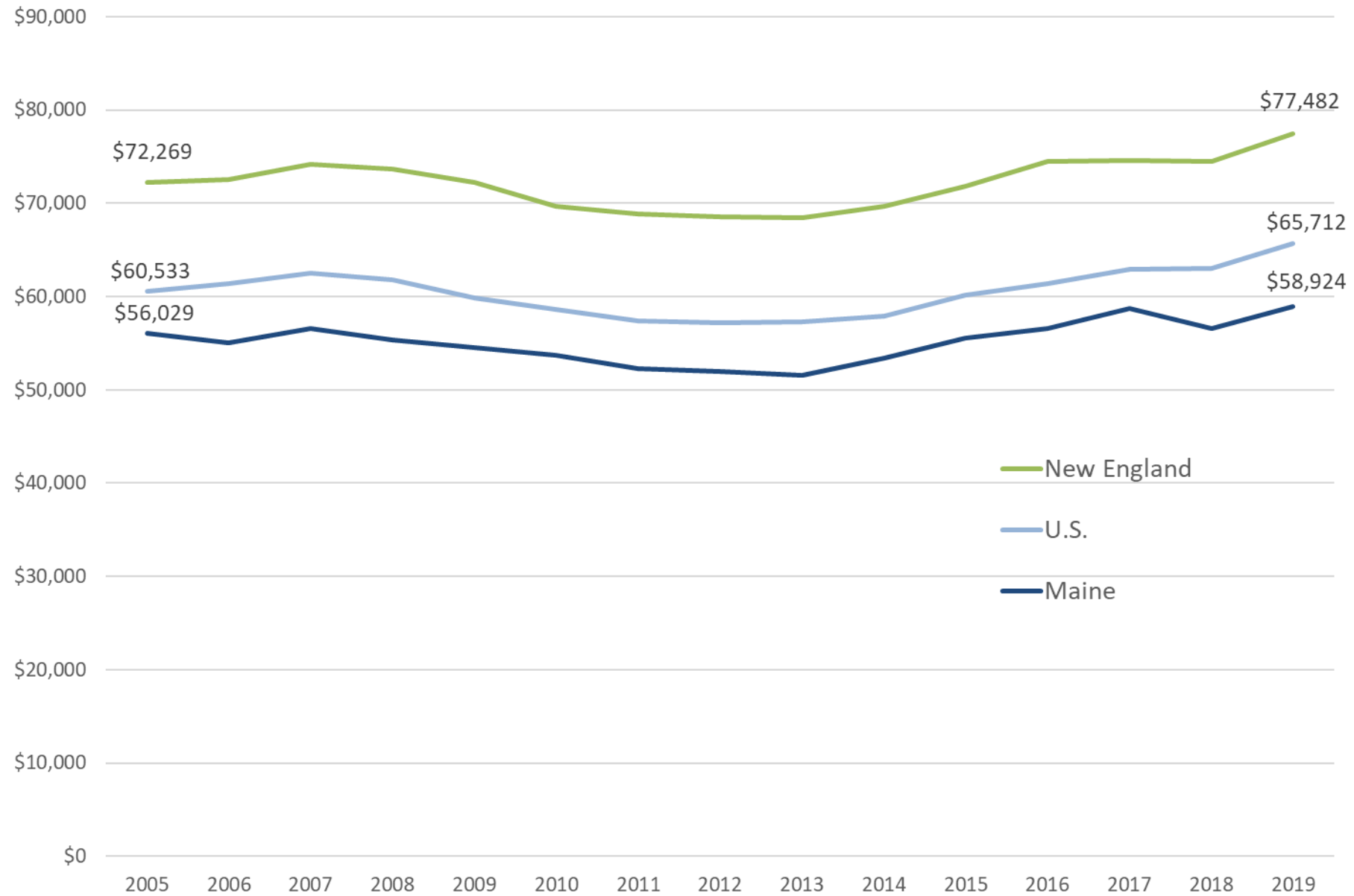
## Percent of Population Age 25+ with Some College, No Degree



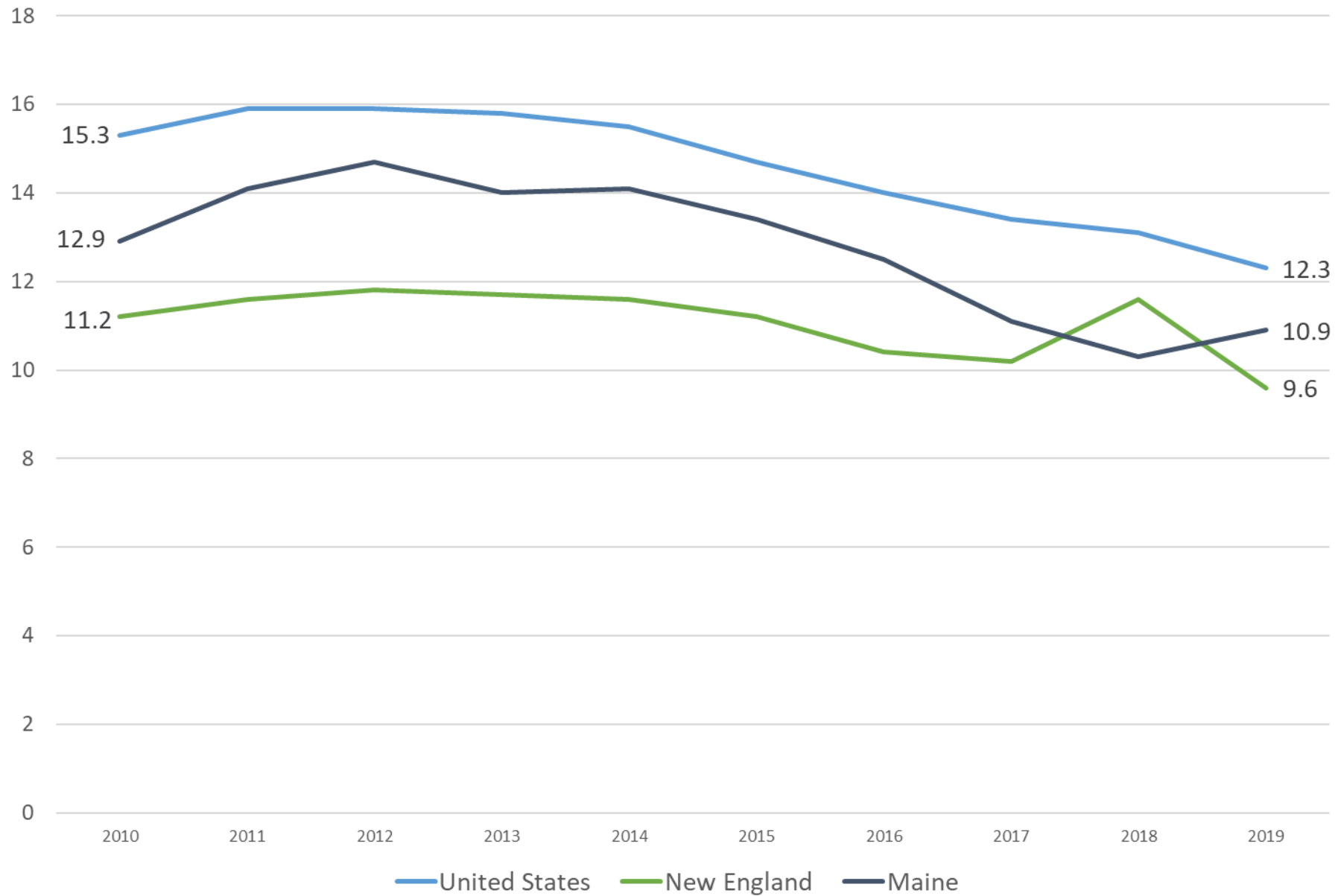
# INCOME

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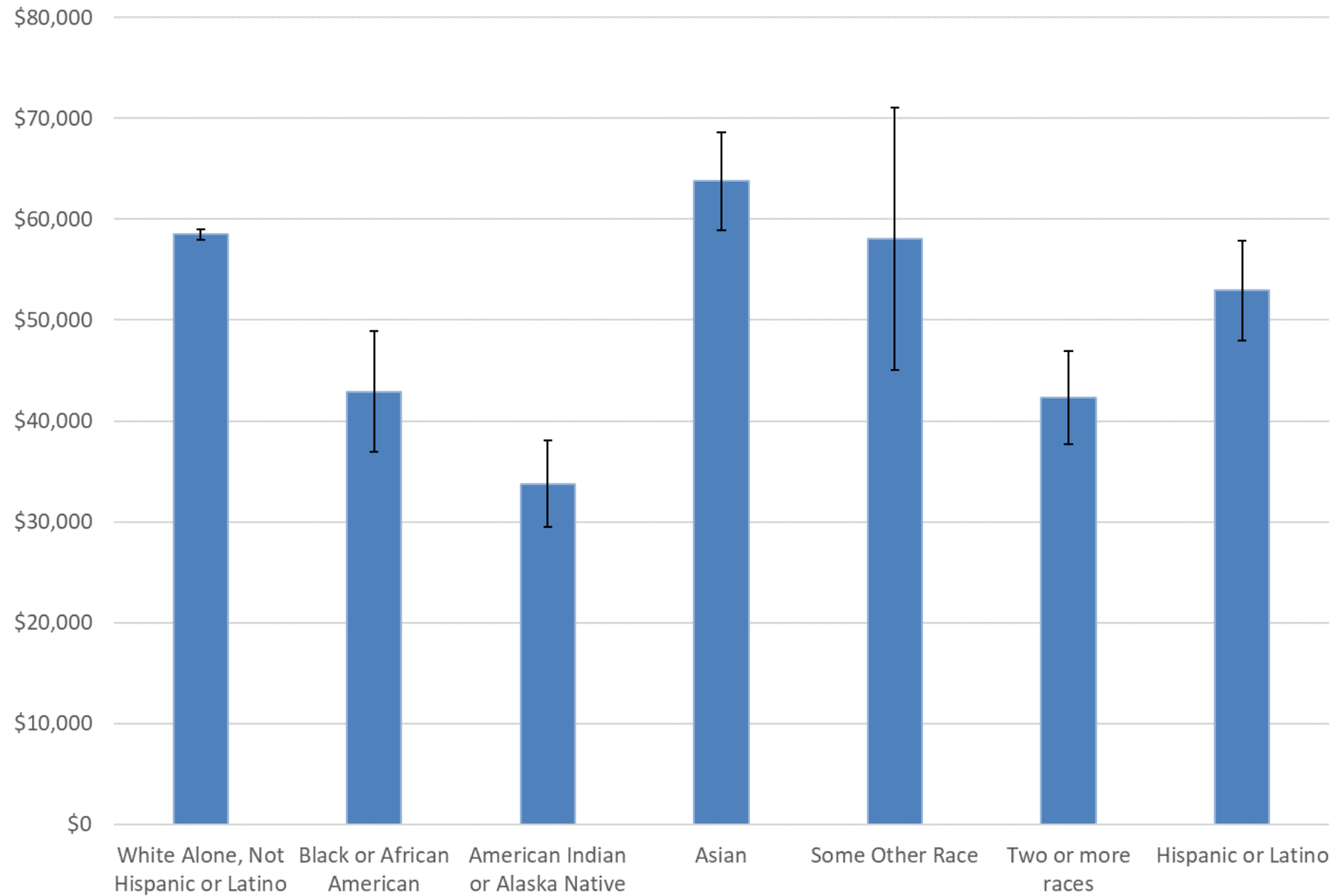
## Real Median Household Income (in 2019 \$)



### Percent Below Poverty Level; Population for whom poverty status is determined

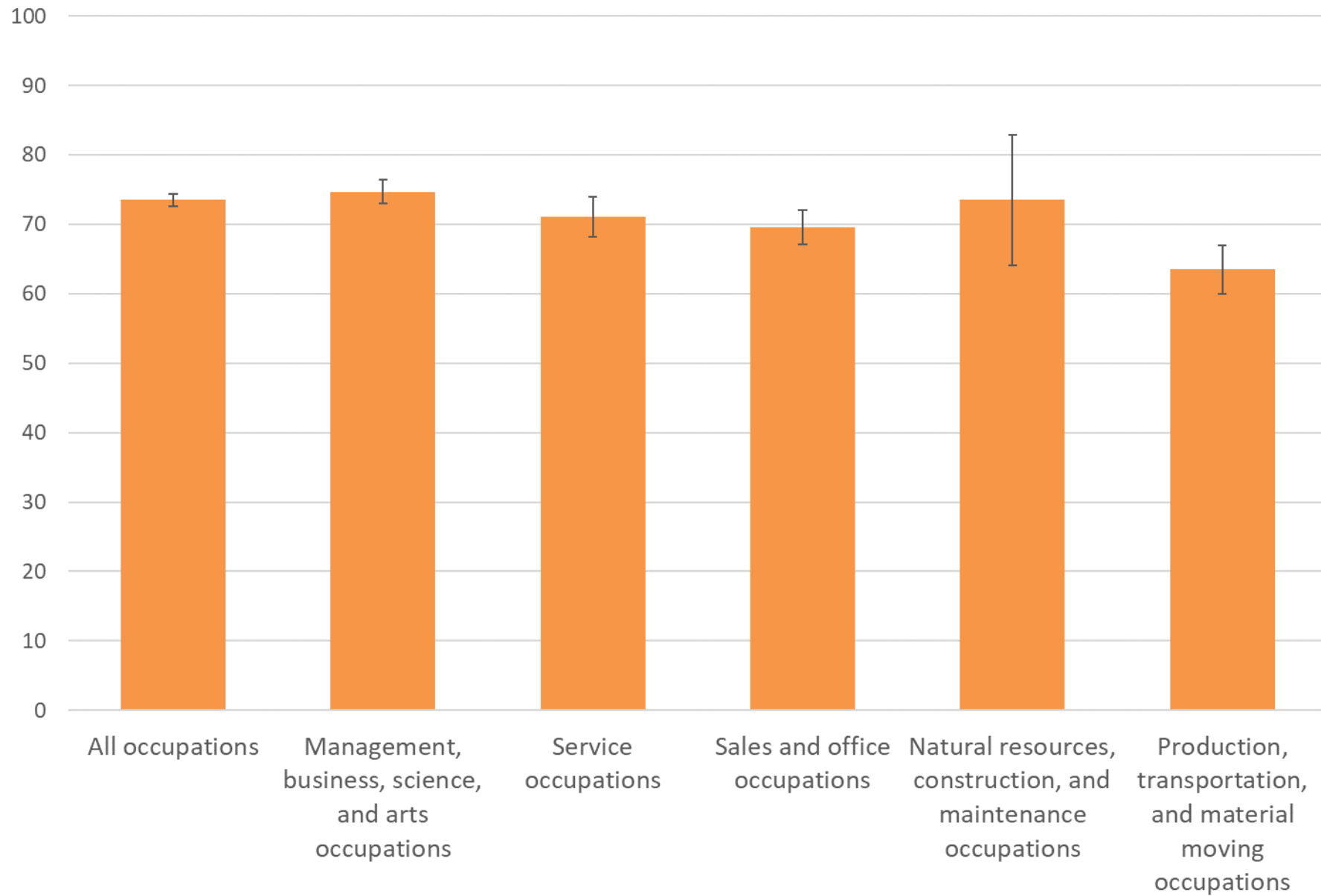


## Median Household Income, Maine





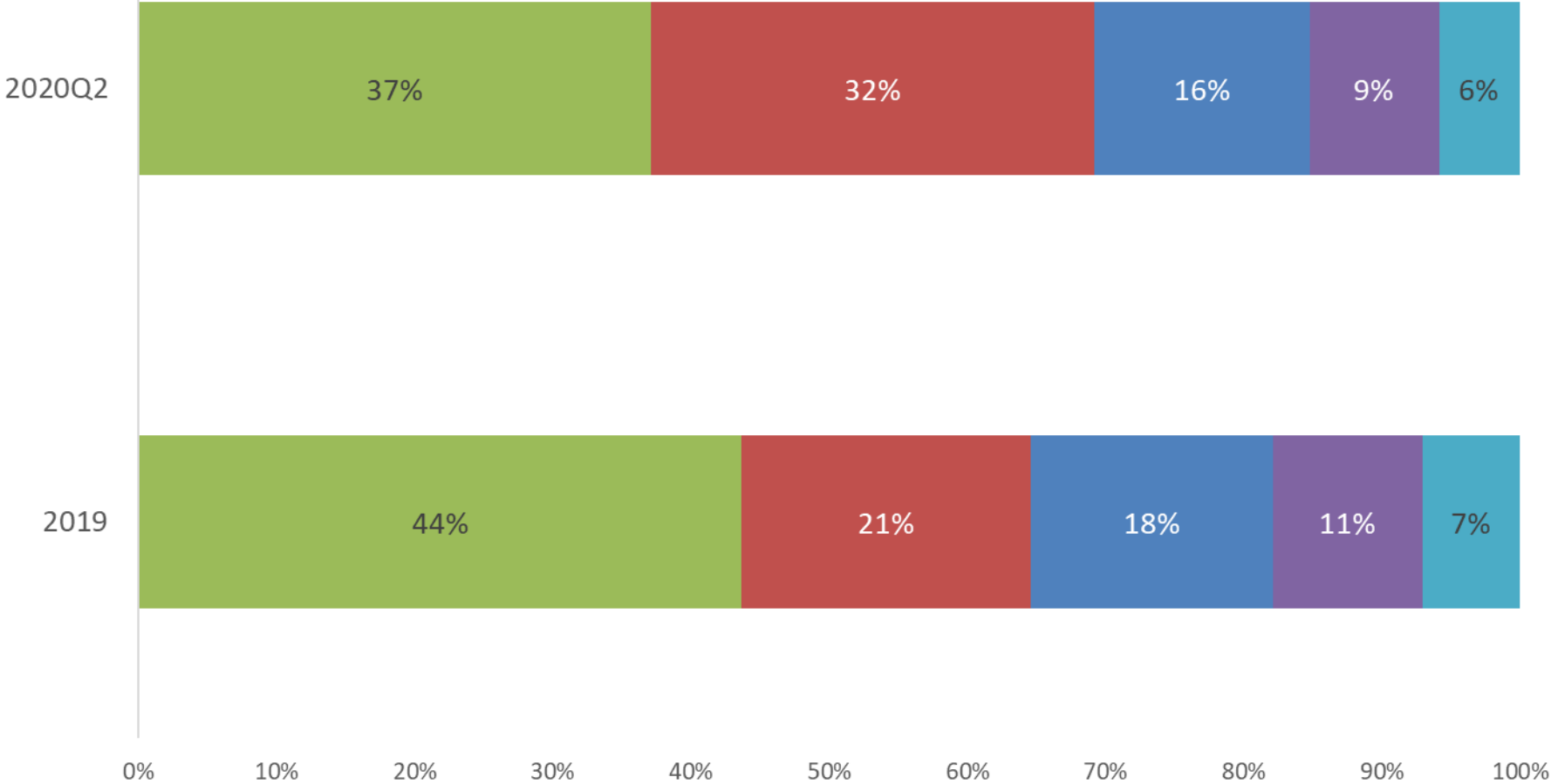
## Women's Earnings as a Percent of Men's Earnings by Occupation, Maine



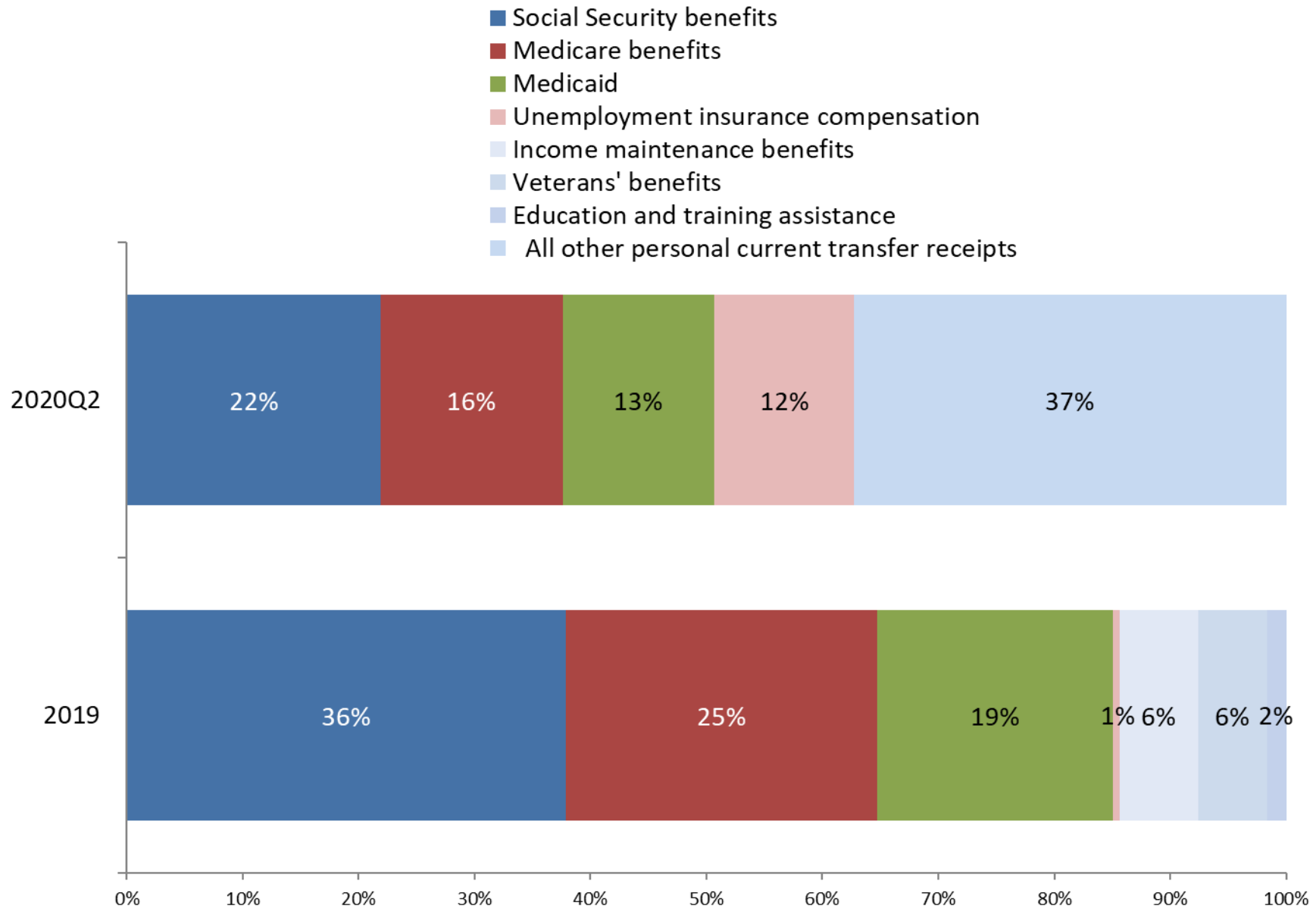
# Major Components of Personal Income, Maine

- Wages and Salaries
- Personal current transfer receipts
- Dividends, interest and rent
- Supplements to wages and salaries
- Nonfarm proprietors' income

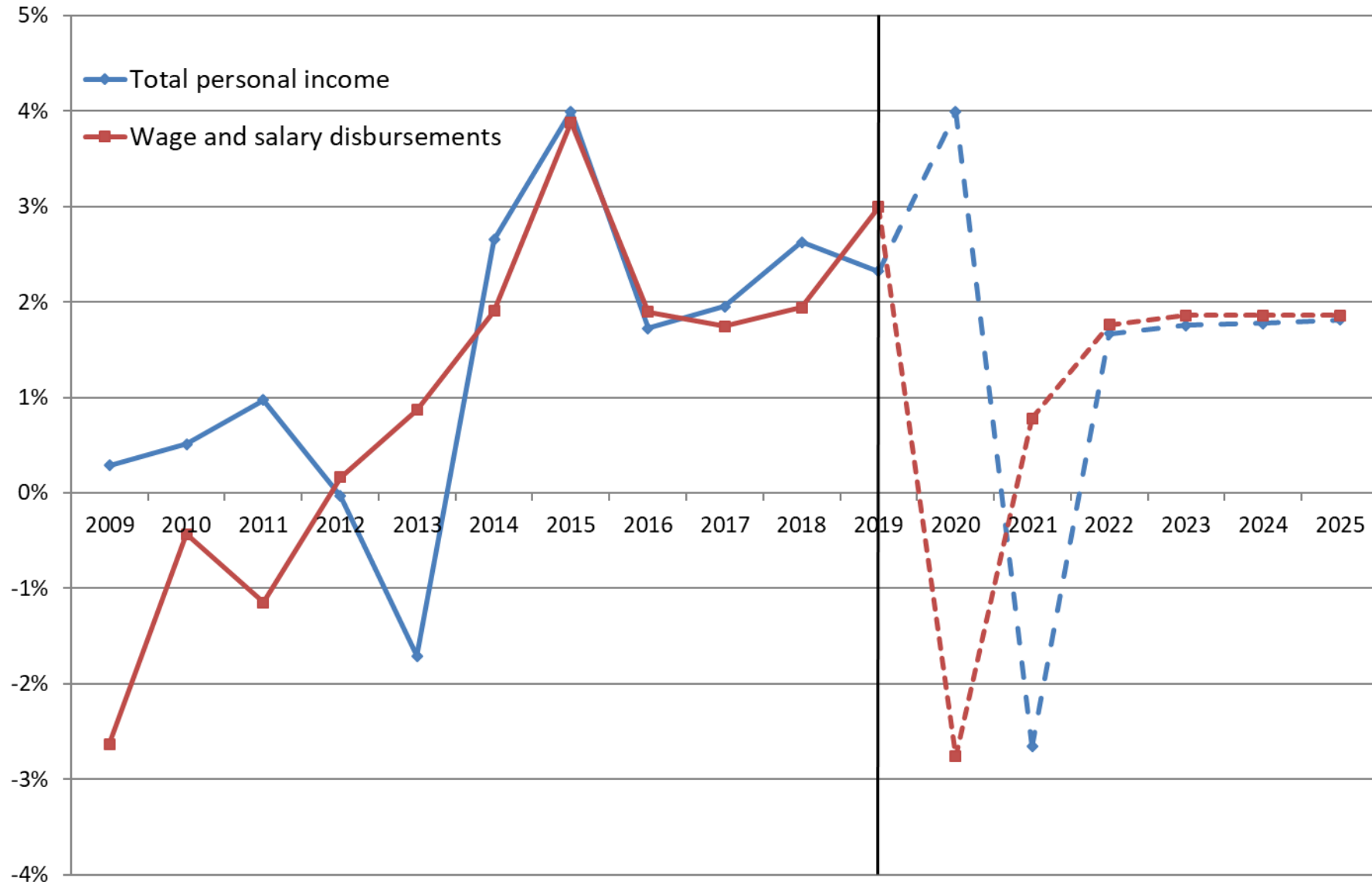
<u>Percent Change From Preceding Period (2020:Q2)</u>	<u>Maine</u>	<u>U.S.</u>
Personal income	41.0	34.2
Wages and salaries	-28.8	-25.8
Supplements to wages and salaries	-21.7	-19.2
Dividends, Interest, and Rent	-7.5	-8.6
Personal Current Transfer Receipts	615.3	853.9
Proprietor's Income	-37.3	-38.5



## Components of Personal Current Transfer Receipts, Maine



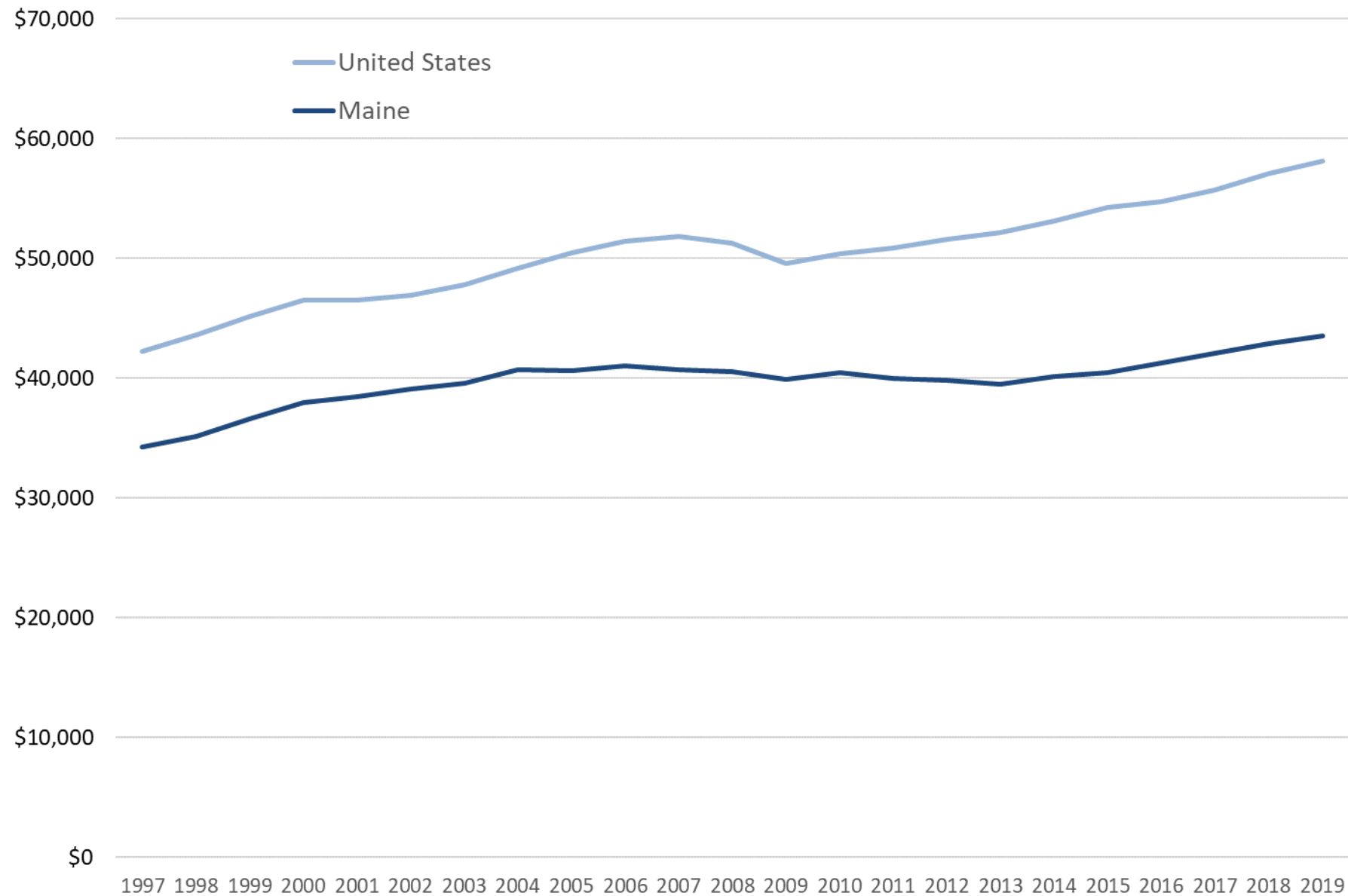
### Percent Change in Real Personal Income, Maine 2009-2019 and forecast to 2025



# STATE GDP

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# Per Capita Real Total GDP

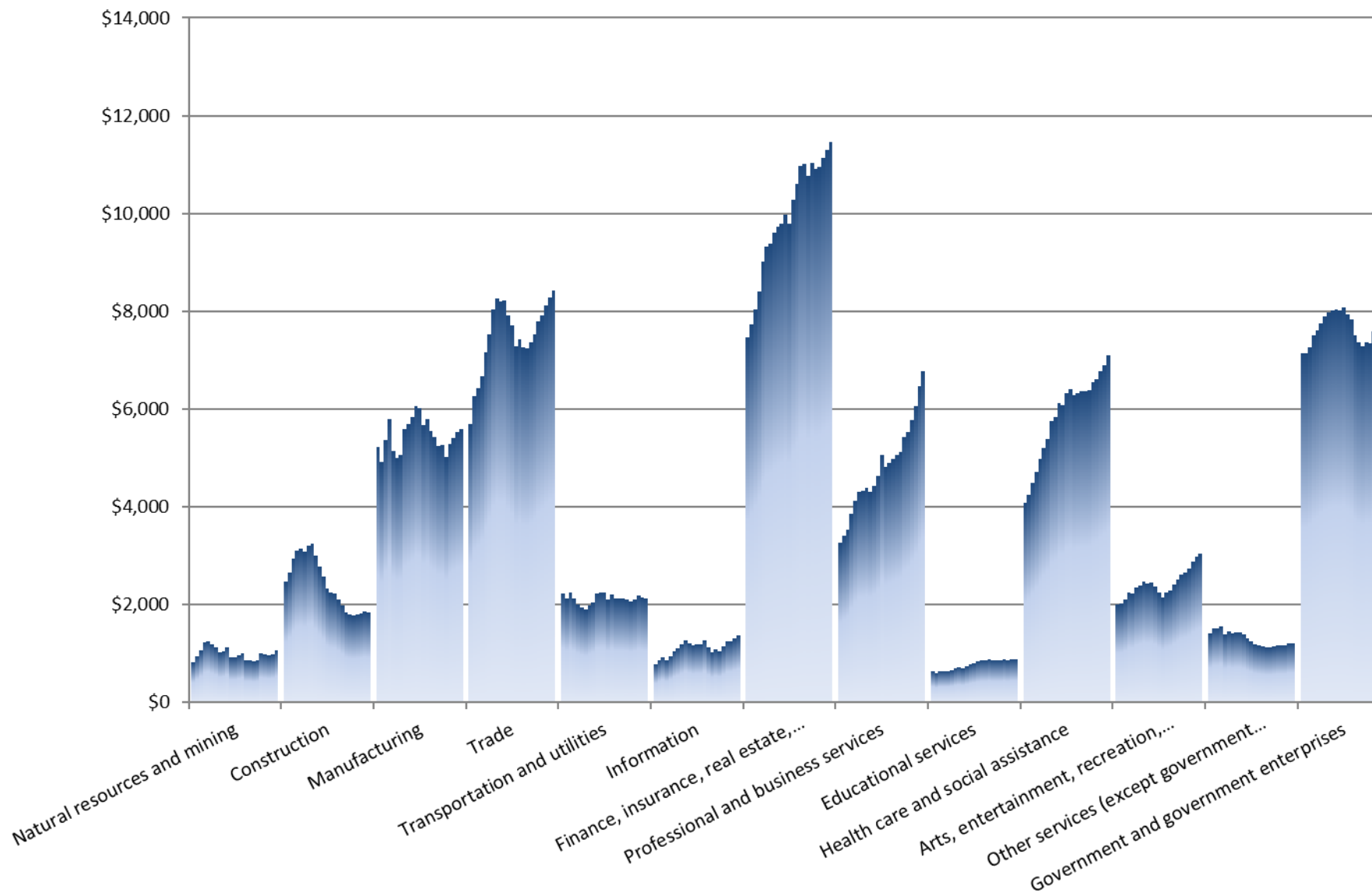


# Maine's Value-Added also trails the U.S.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Maine as % of nation	77%	75%	74%	73%	74%	73%	74%	73%	73%	74%

Calculated as Real GDP divided by Total Full-Time and Part-Time Employment

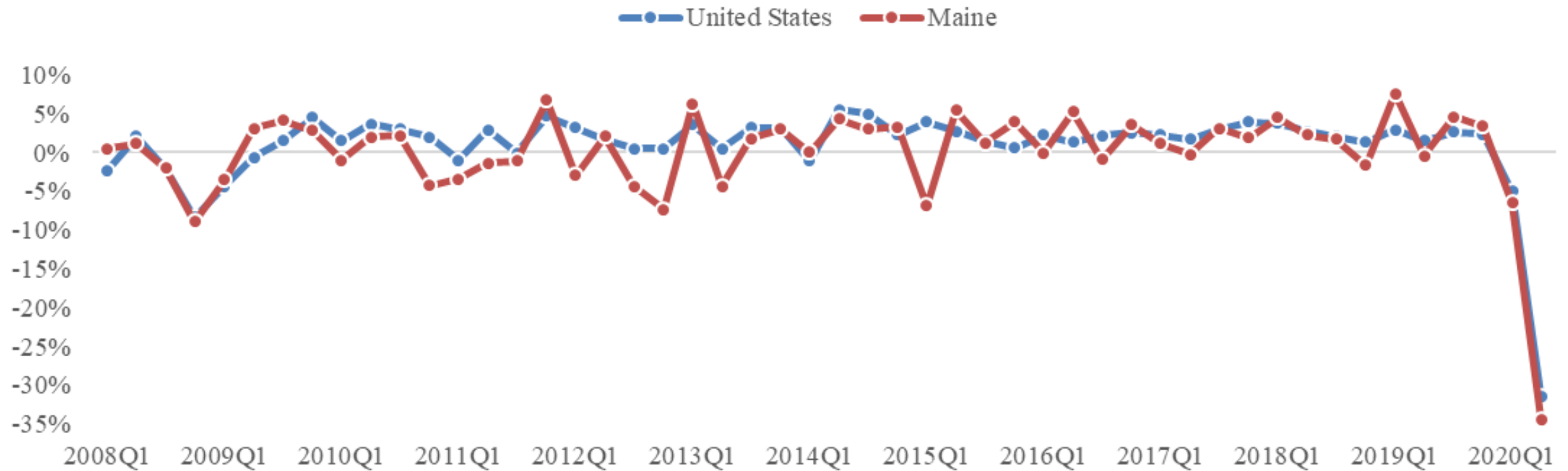
## Maine Real GDP by Industry, 1997-2019 (in millions of chained 2012 dollars)





# Real Gross Domestic Product by State, 2020:Q2

## Real GDP Percent Change from Previous Quarter

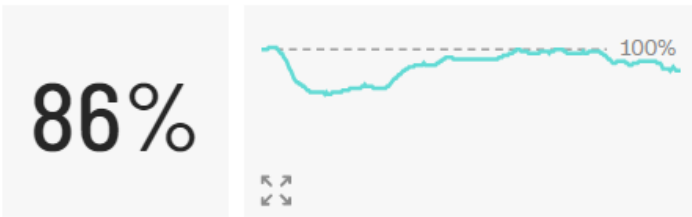


The industry sectors that contributed the most to Maine's second quarter decline in GDP were accommodation and food services (-7.09 percentage points) and health care and social assistance (-6.07 percentage points).

## The Back-to-Normal Index

The pandemic economy is far from normal. So Moody's Analytics and CNN Business have partnered to create a proprietary Back-to-Normal Index, comprised of 37 national and seven state-level indicators. The index ranges from zero, representing no economic activity, to 100%, representing the economy returning to its pre-pandemic level in March.

### Maine



The economy in Maine is operating at 86% of where it was in early March.

New coronavirus cases in the last 7 days

**1,339** ▲

Back-to-Normal state rank (1 = Best, 50 = Worst)

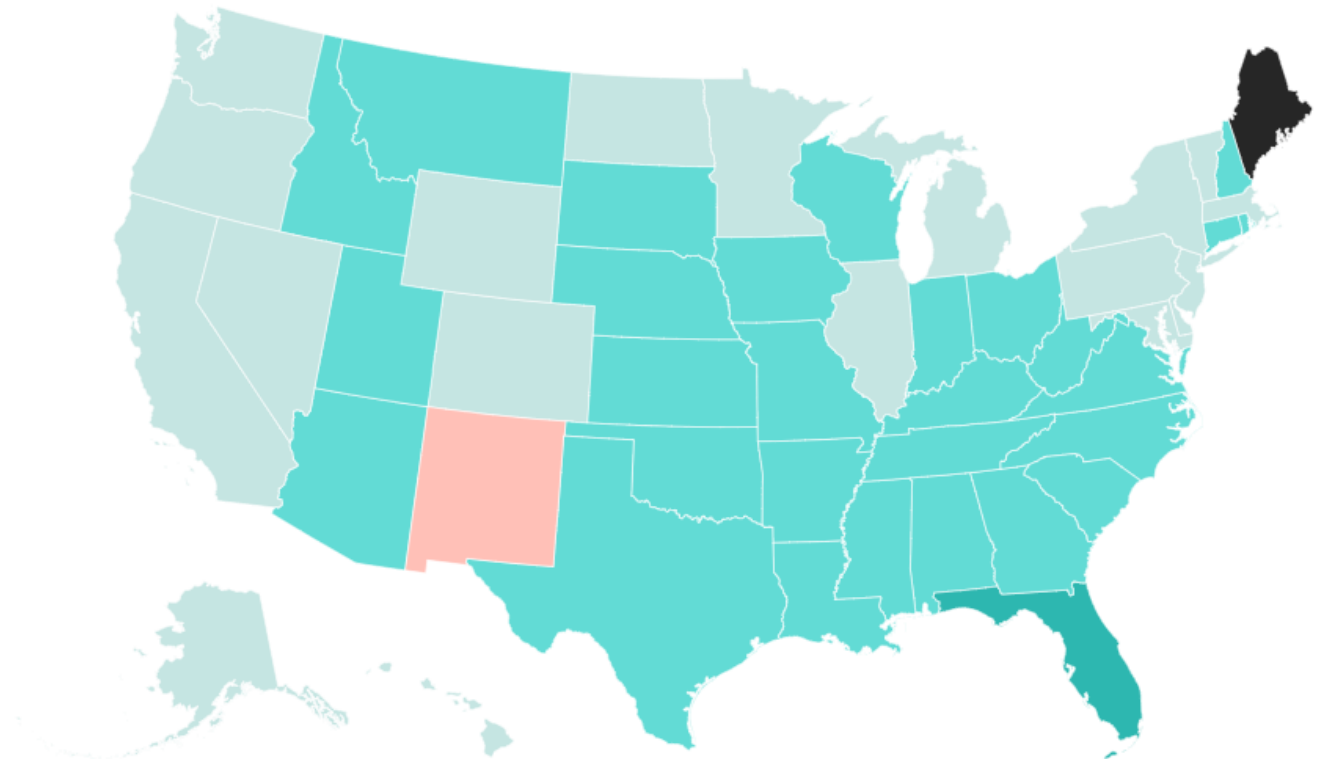
**12** ▲

[Learn how](#) we created the Back-to-Normal Index

Source: [Moody's Analytics](#), [JHU CSSE COVID-19 Data](#)

### Percent of the way back to normal (100%=normal):

● Less than 60% ● 60% to 69% ● 70% to 79% ● 80% to 89% ● 90% to 99% ● 100% or more



Data as of December 11, 2020

*WHAT HAS 2020 TAUGHT US?*

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**PUBLIC HEALTH AND  
ECONOMIC HEALTH ARE  
INTERTWINED**

# 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)