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Immigration in Maine

Workforce Shortage Translate »

Population is a crucial component of understanding economic growth. As we witnessed during the pandemic, an economy cannot function without its people. Looking to the future, understanding the process of older generations aging out of and younger generations aging into the workforce provides critical insight into who will be available to fill jobs, start new businesses, and consume the next generation of products and services. **[1]**

Maine's total population is projected to increase 0.9% from 2020 to 2025 and a further 1.7% from 2025 to 2030. Over the ten-year period, Maine's population is projected to increase 2.6%. But Maine's prime **working-age population** (age 20-64) is **projected to decrease by 5.3%** from 2020 to 2030, as the Baby Boom generation continues to age out of the cohort. **[1]**

Despite a natural population decrease of 4,520, Maine's population managed to increase by over 13,000 people in 2021. Maine's population growth has accelerated in recent years as the final component of population has improved: **net migration**. **[1]**

Over the next two decades, approximately 411,000 workers are expected to leave the labor force, with only 302,000 workers projected to replace them. This leaves Maine with a 109,000-person labor shortage. **[2]**

Maine employers repeatedly report difficulties in finding enough workers to fill their job openings. **[3]** We already face a labor shortage in some industries. **[4]**

We hear from employers across the state and throughout the economy about the difficulties they face in finding enough workers with the skills and education they require," Dana Connors, president of the Maine State Chamber of Commerce, said in a statement. "Part of the solution is to help every Mainer participate in the workforce to his or her highest potential. But with our demographics, we also need to look beyond our borders to bolster our population, our workforce, and our

economy. It is estimated that new immigrants and their children are expected to account for 83% of the growth in the U.S. workforce from 2000 to 2050. We need to be part of this equation.” [4]

According to a U.S. Census Bureau survey the population of foreign-born Mainers has grown in recent years, but only makes up 4.1% of the state’s population, compared to the 13.6% of New England’s population and 13.6% of the U.S. population that is foreign-born. [5]

The Maine MultiCultural Center believes that attracting New Mainers to the greater Bangor area is an effective way to address this growing labor shortage. When MMCC and other organizations offer services designed to ease integration into the community, along with community outreach and public education programs, we increase the likelihood of retaining new residents who have chosen to come here.

Economic Benefits

Immigrants contribute to economic development strategies by settling in areas of critical workforce need thus supplementing the labor force, launching immigrant-owned businesses, contributing to the expansion of goods and services in the area, and generally assimilating into the community culture. [6]

In 2023 in the state of Maine’s:

- Immigrant residents: 54,300 (4.0%)
- Total immigrant household income: \$2.2B
- Total immigrant spending power: \$1.6B
- Total number of immigrant homeowners: 13,716 (4.1%)
- Number of entrepreneurs: 3.2%
- Total taxes paid by immigrants was \$625.8 million
 - \$231.1 million state & local taxes
 - \$394.7 million federal taxes
 - \$248.9 million contributions to Social Security
 - \$69.1 million contributions to Medicare

- Share of workers in labor force who are immigrants: 4.6%
- Education levels achieved:
 - Bachelors degree: 26.5% immigrants vs. 23.1% for American born citizens of Maine
 - Graduate degree: 18.5% immigrants vs. 13.3% for American born citizens of Maine

References

1. https://www.maine.gov/dafs/economist/sites/maine.gov.dafs.economist/files/inline-files/Maine%20Population%20Outlook%20to%202030_0.pdf , Maine Population Outlook 2018-2028
2. *Building Maine's Economy*, Coastal Enterprises, Inc., 2016;
3. *"Hiring pressures push companies to unprecedented lengths to find workers,"* William Hall, *Mainebiz*, Dec. 10 2018;
4. *"Help Wanted: Local Employers Struggle to Find Employees,"* The Lincoln County News, May 13, 2016;
5. *U. S. Census Bureau*
6. *New American Economy*.

Debunking Myths

Myth: Immigrants are a drain on state, local, and federal economies

Fact: Immigrants contribute more in tax revenue than they take in government benefits

A 2017 report from the National Academies of Sciences, Engineering, and Medicine found immigration "has an overall positive impact on the long-run economic growth in the U.S."

How that breaks down is important. Second generation immigrants are "among the strongest fiscal and economic contributors in the U.S.," the report found. They contribute about \$1,700 per person per year. All other native-born Americans, including third generation immigrants, contribute \$1,300 per year on average.

Myth: Immigrants take jobs away from American born workers

Fact: Immigrant workers often take jobs that boost other parts of the

economy

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Immigrants make up 17 percent of the U.S. labor force, according to the U.S. Bureau of Labor Statistics, but few experts believe they're taking jobs from Americans, as Trump claims. "Most economists agree that in spite of being a very big part of the labor force, immigrants have not come at the cost either of American jobs, nor of American wages," Peri, the UC Davis professor, said. The reason is that immigrants often have jobs that Americans tend not to take. So instead of competing with Americans' for work, immigrants tend to complement American workers. A study from the bipartisan research organization New American Economy found immigrants were 15 percent more likely to work unusual hours than similar U.S.-born workers. They are also more likely to be employed in dangerous jobs, according to data from the American Community Survey and Bureau of Statistics. In addition, the latest jobs report shows the U.S. economy performing strongly enough that it can absorb large numbers of workers, including immigrants.

Myth: Immigration will lead to overpopulation**Fact: Immigrants are key to offsetting a falling birth rate**

The U.S. birth rate is 1.8 births per woman, down from 3.65 in 1960, according to the World Bank. Demographers consider 2.1 births per woman as the rate needed to replace the existing population.

According to the Pew Research Center, if not for immigrants, the U.S. workforce would be shrinking. That is certainly the case in Maine.

Myth: Birthright citizenship is a drain on the American economy**Fact: Children with citizenship are more productive workers**

Research shows that repealing birthright citizenship could have significant negative consequences for the U.S. economy because children who are citizens have more economic opportunity and rely less on government assistance. A Migration Policy Institute analysis estimates the number of unauthorized immigrants would increase from 11 million to 16 million by 2050 if birthright citizenship were repealed.

"Over the course of decades, you'd end up with a growing population that is cut off from the rest of society because they live in fear of deportation and they can't get jobs," said Randy Capps, the director of research for U.S. programs at the Migration

Policy Institute.

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Myth: Immigration leads to increased crime rates and unsafe communities +
Fact: Immigration in the United State does not increase crime rates

Immigrants to the United States are considerably less likely than natives to commit crimes or to be incarcerated. Recent immigrants are much less likely to be institutionalized (a proxy for incarceration that also includes those in health-care institutions like mental institutions, hospitals, and drug treatment centers) at every age.

Why do immigrants have fewer interactions with the criminal justice system?

Immigrants are subject to various kinds of formal and informal screening. In other words, institutions and incentives often cause the United States to receive migrants who are advantaged relative to their origin-country counterparts (Abramitzky and Boustan 2017) and less disposed to commit crimes. At the time of Butcher and Piehl's analysis, deportation was not a major factor; rather, self-selection of low-crime-propensity immigrants into the United States appears to have been the driver (Butcher and Piehl 2007).

Crime and immigration data researchers looked at 25 years in a recent study published in the journal Criminology. "Increases in the undocumented immigrant population within states are associated with significant decreases in the prevalence of violence," authors Michael Light and Ty Miller wrote. An analysis of data from 1990-2014, they said, suggests "undocumented immigration over this period is generally associated with decreasing violent crime."