

Demographic and Economic Conditions in New England

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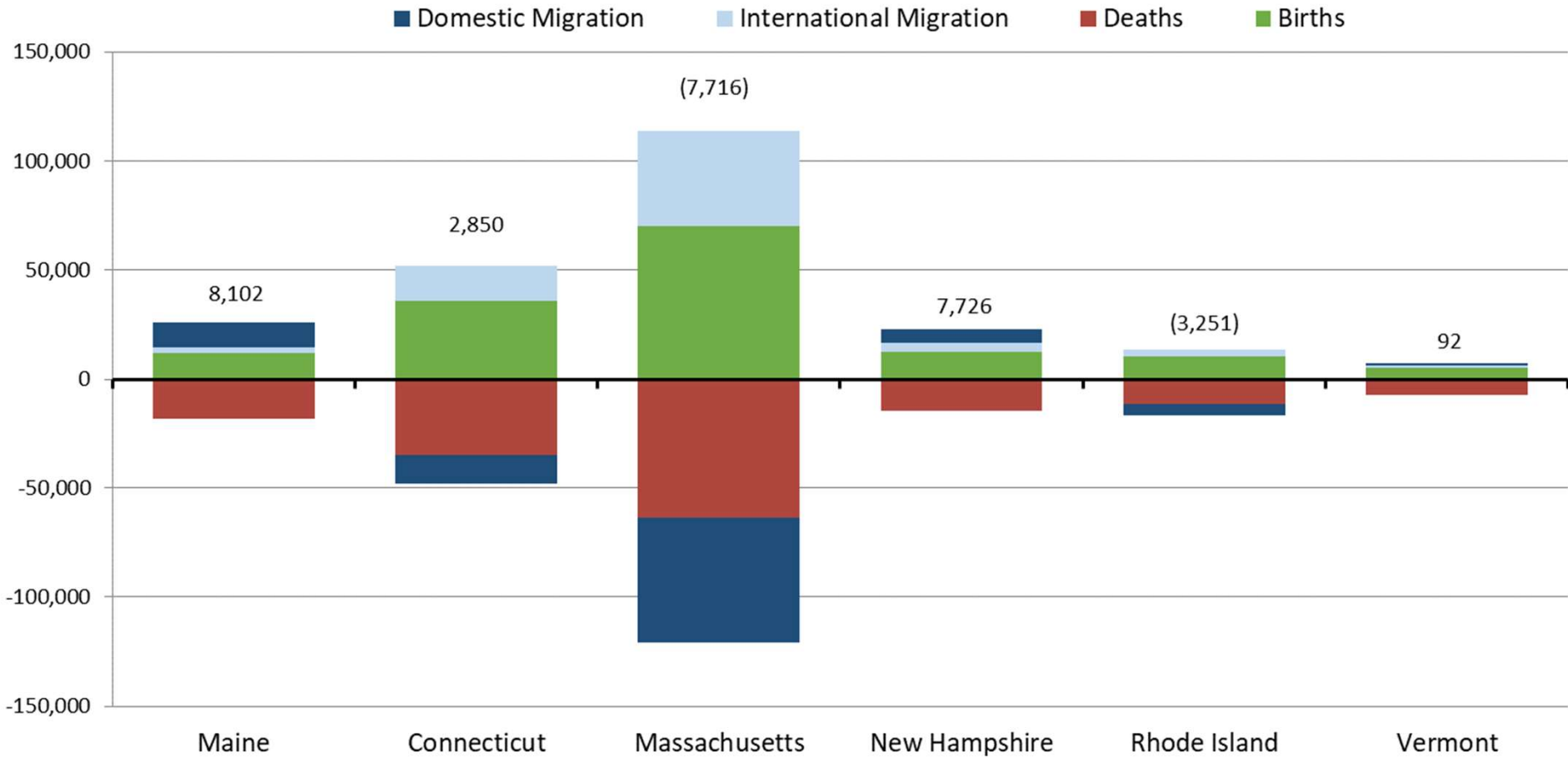
Demographics

Four of the six New England states saw population growth accelerate after 2020

State	2022 Total Population	Change from 2010-2020			Change from 2020-2022		
		Number	Percent	% Ranking	Number	Percent	% Ranking
Connecticut	3,626,205	31,845	0.9%	47	28,843	0.8%	20
Maine	1,385,340	33,980	2.6%	42	21,783	1.6%	14
Massachusetts	6,981,974	482,320	7.4%	20	(13,755)	-0.2%	39
New Hampshire	1,395,231	61,048	4.6%	30	16,644	1.2%	16
Rhode Island	1,093,734	44,804	4.3%	31	(2,611)	-0.2%	40
Vermont	647,064	17,344	2.8%	38	4,171	0.6%	24

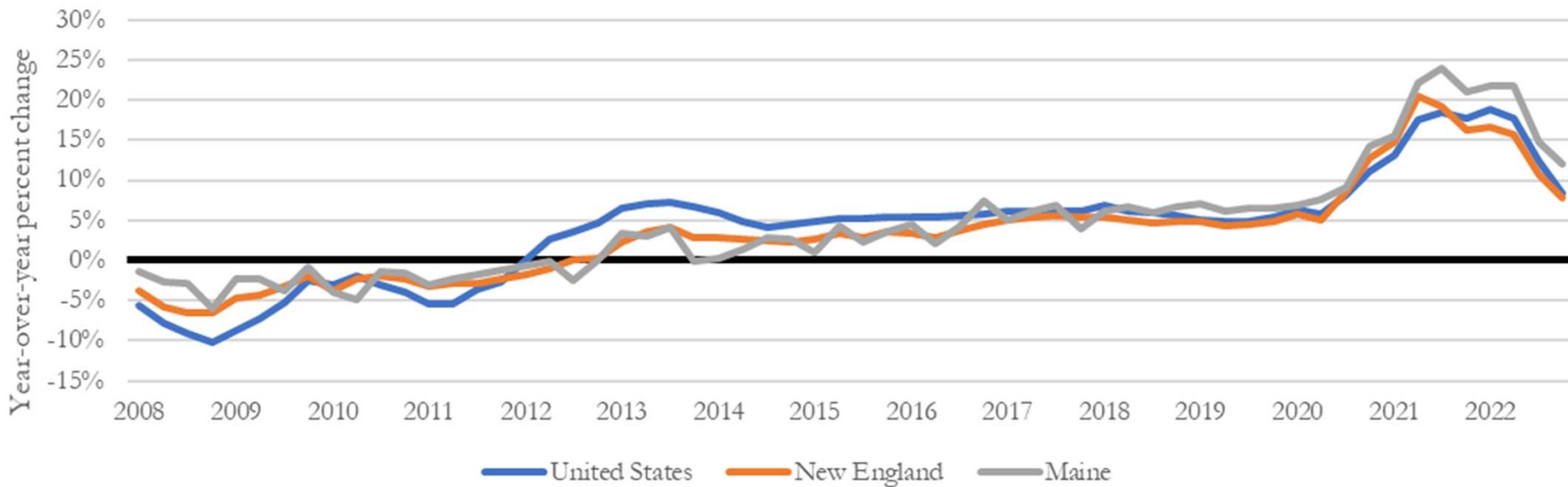
Components of Population Change, 2022

Chart labels = net population change



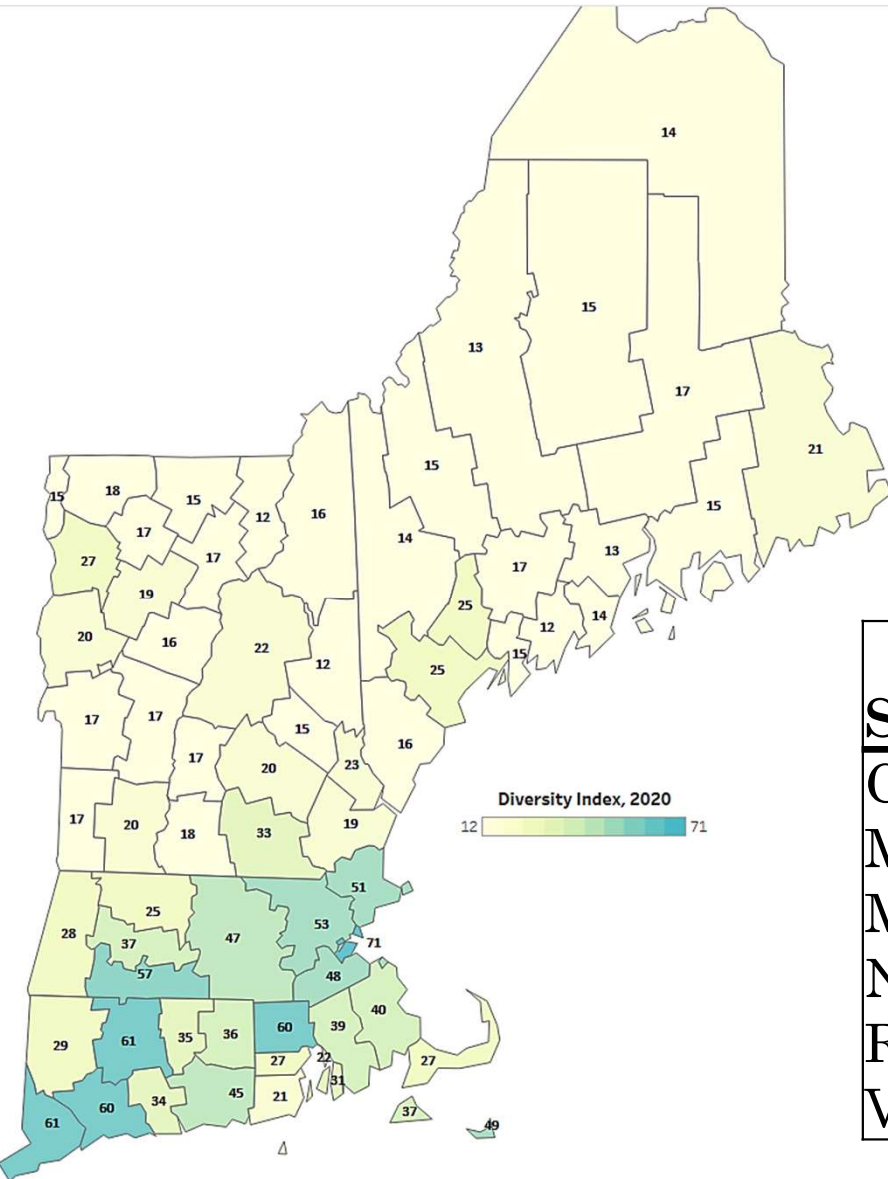
ME has been highest in New England recently; MA has been lowest

Percent Changes, Year-over-year in FHFA House Price Index (not seasonally adjusted)



The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

- Northern New England is less diverse than Southern New England
U.S. index = 61.1%



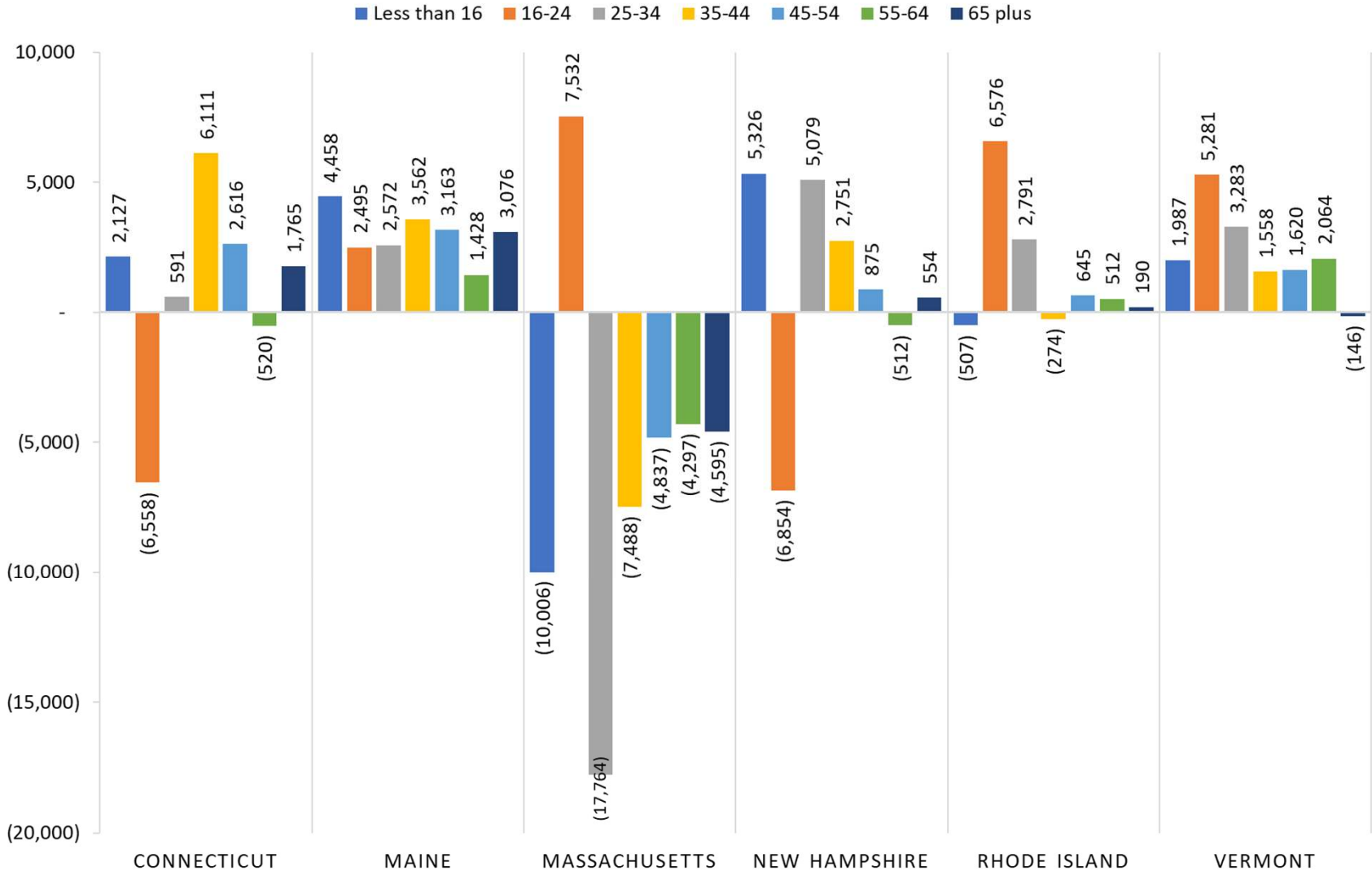
State	Diversity Index	National Ranking
Connecticut	55.7	22
Maine	18.5	51
Massachusetts	51.6	26
New Hampshire	23.6	48
Rhode Island	49.4	28
Vermont	20.2	49

New England has the highest median age in the U.S. and the three states with the highest median ages (ME, NH, VT)

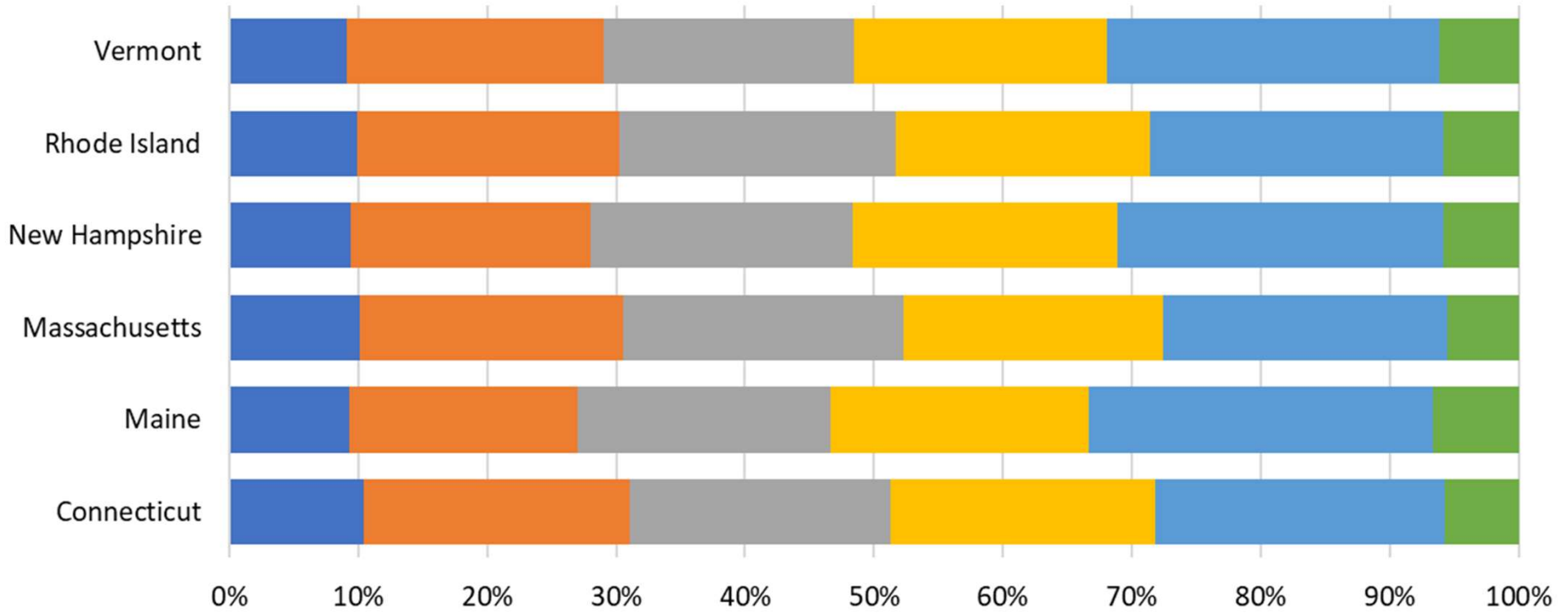
- CT and ME were the only two states in the U.S. to see a decline in the median age in 2021
- ME was one of only four states in the U.S. to see no increase in the median age in 2022

	2022 Median Age	2022 National Rank	Change from 2020 to 2021	Change from 2021 to 2022
Massachusetts	40.1	34	0.1	0.2
Rhode Island	40.6	41	0.2	0.2
Connecticut	40.9	43	-0.1	0.1
Vermont	43.2	48	0.0	0.2
New Hampshire	43.3	49	0.2	0.1
Maine	44.8	50	-0.1	0.0

Net Migration by Age Cohort, 2021



Generational Distribution, 2022



■ Gen-Alpha ■ Gen-Z ■ Millennial ■ Gen-X ■ Baby Boom ■ Silent Generation

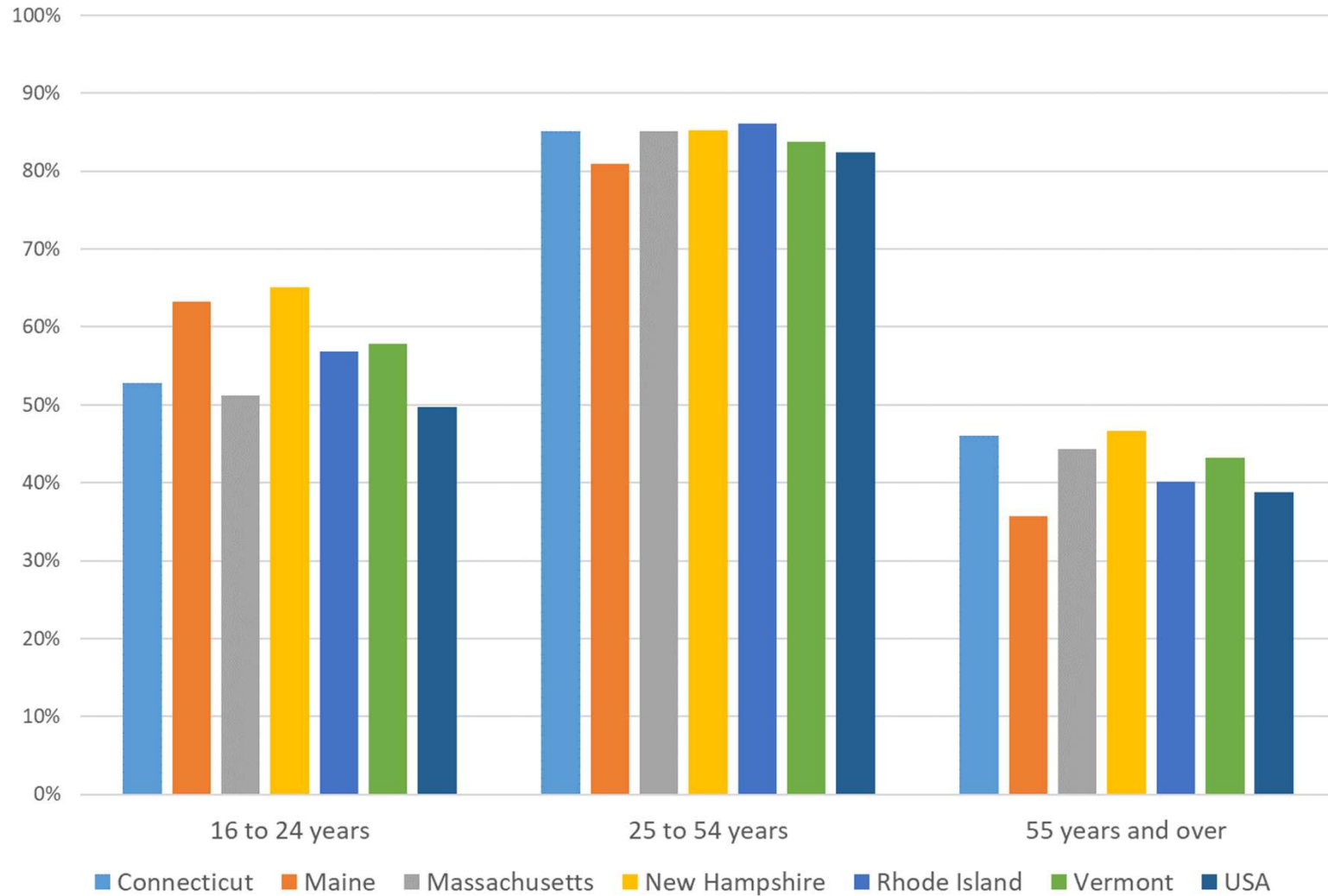
1928-1945 Silent Generation
 1946-1964 Baby Boomer
 1965-1980 Gen-X
 1981-1996 Millennial
 1997-2012 Gen-Z
 2013-now Gen-Alpha

Workforce and Employment

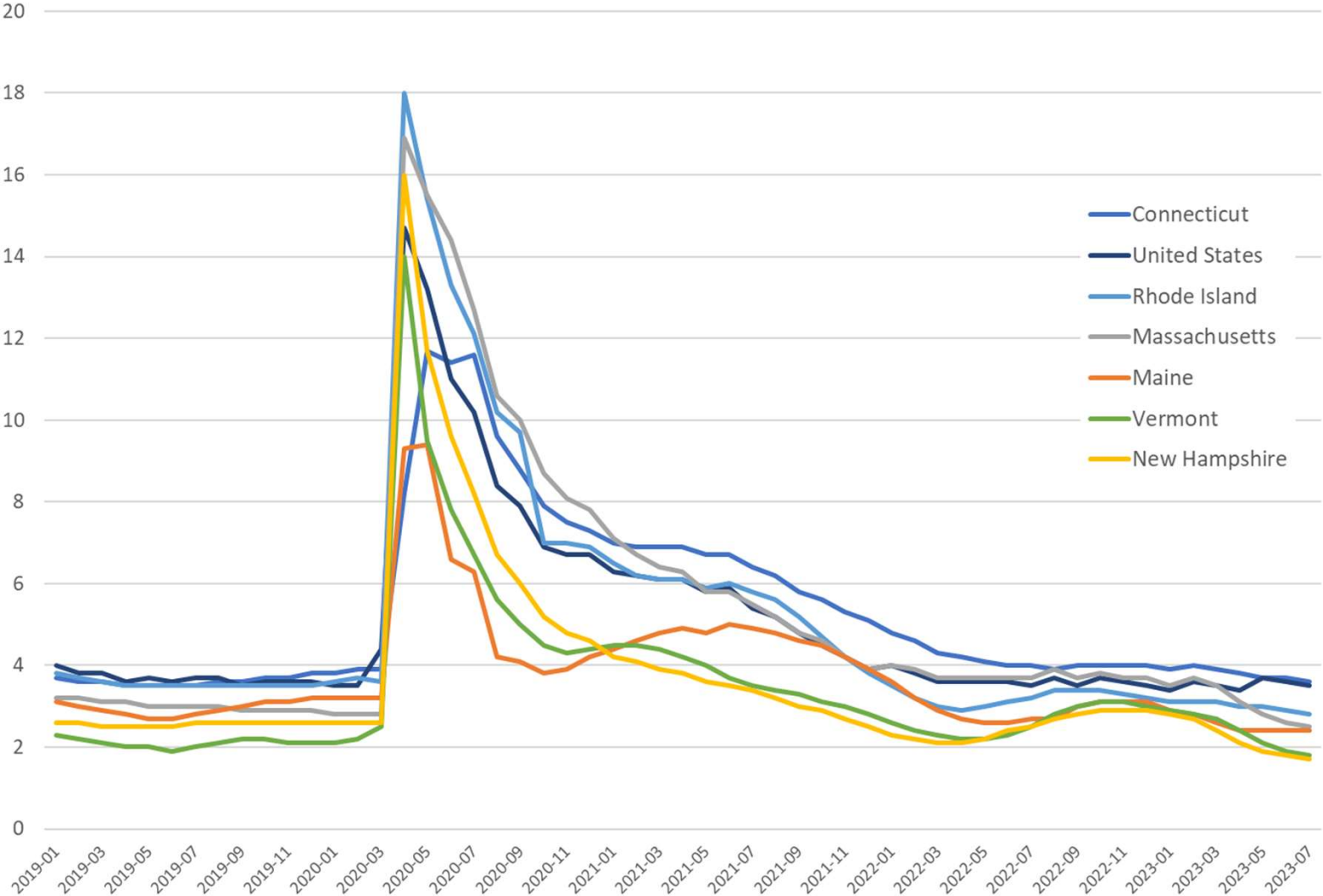
None of the New England states have recovered to pre-pandemic labor force levels



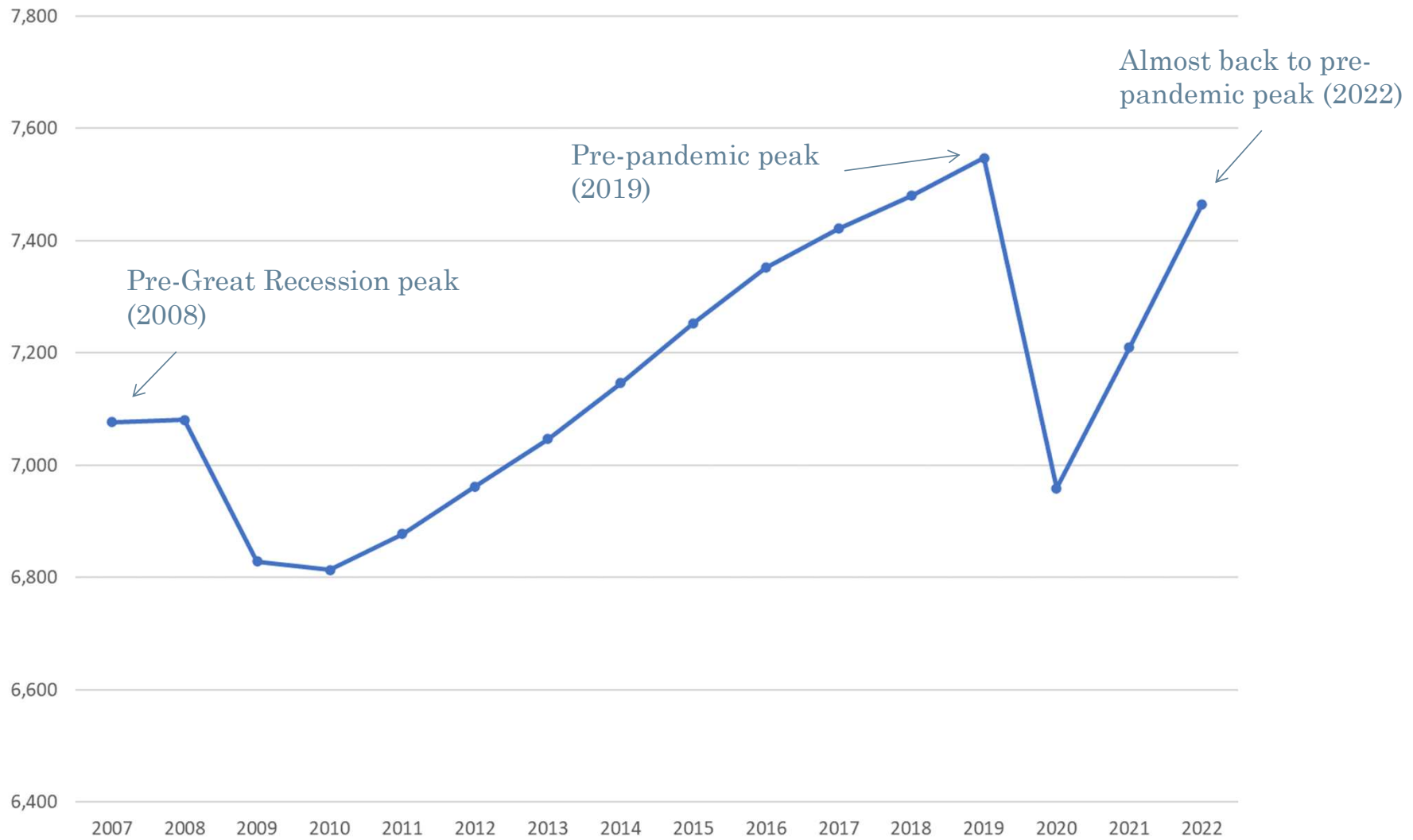
Labor Force Participation Rate, 2022



Unemployment Rate (seasonally adjusted)

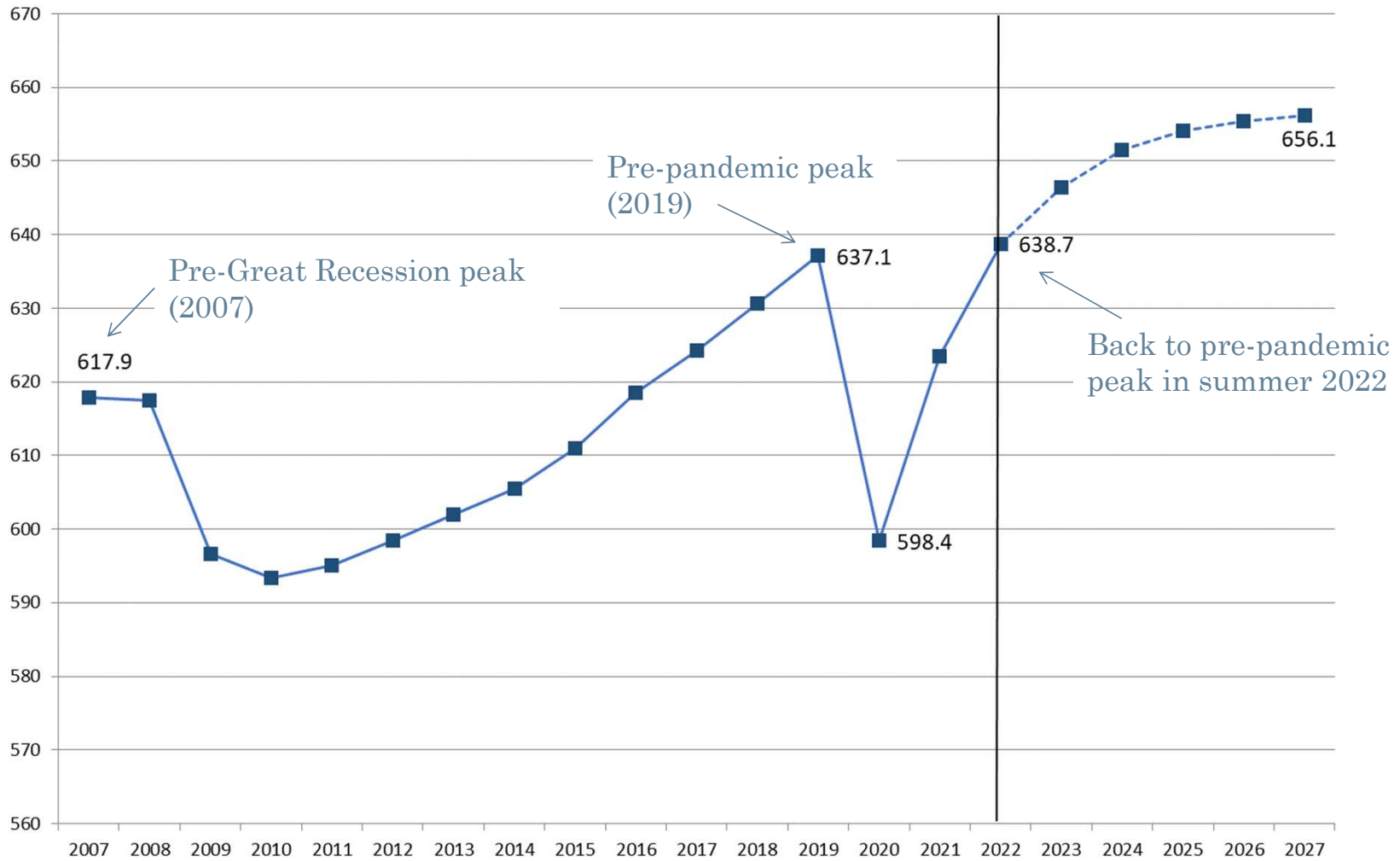


Total Nonfarm Employment (in thousands): New England



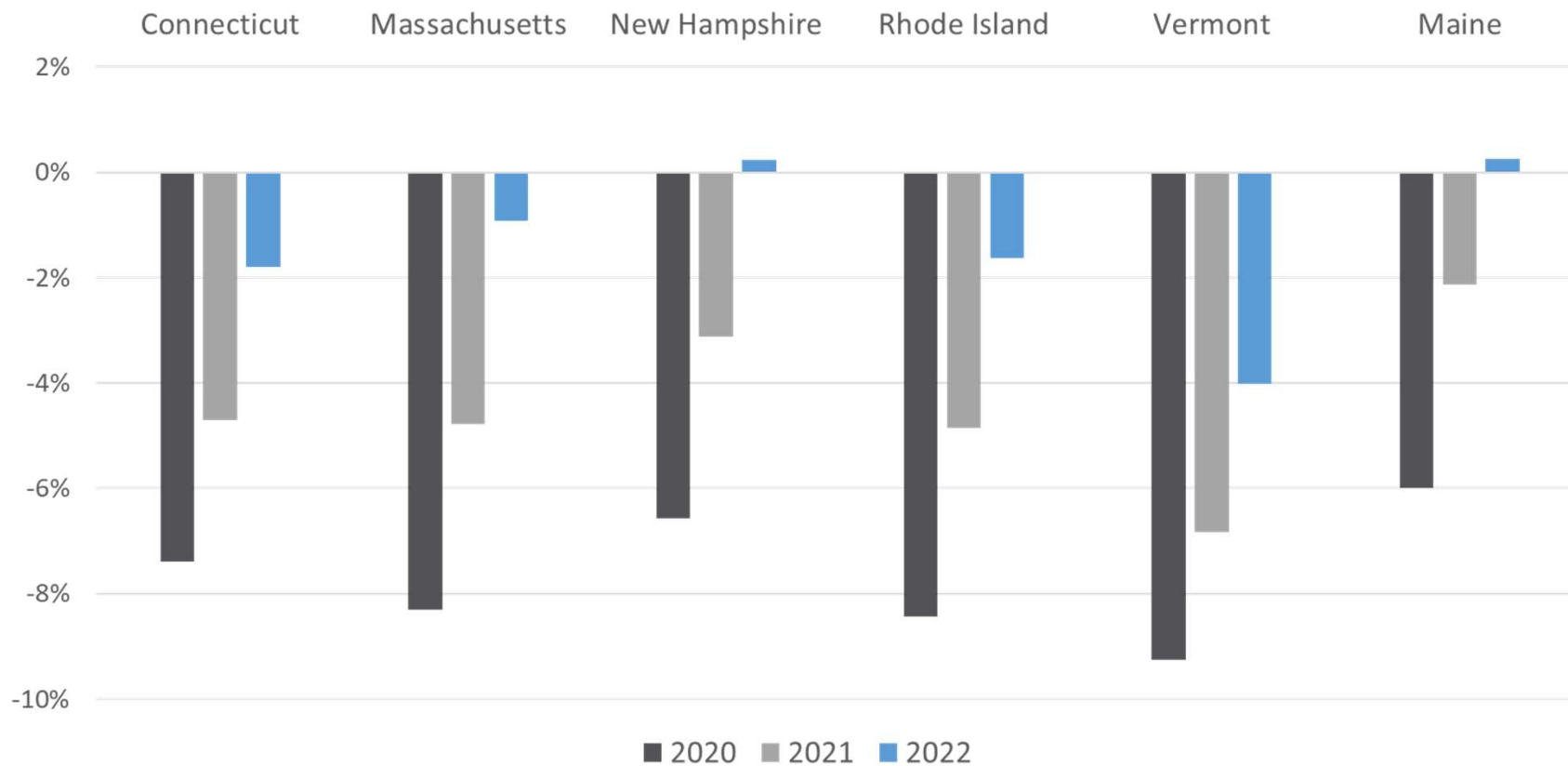
Maine

Total Nonfarm Employment (in thousands) History and CEFC forecast

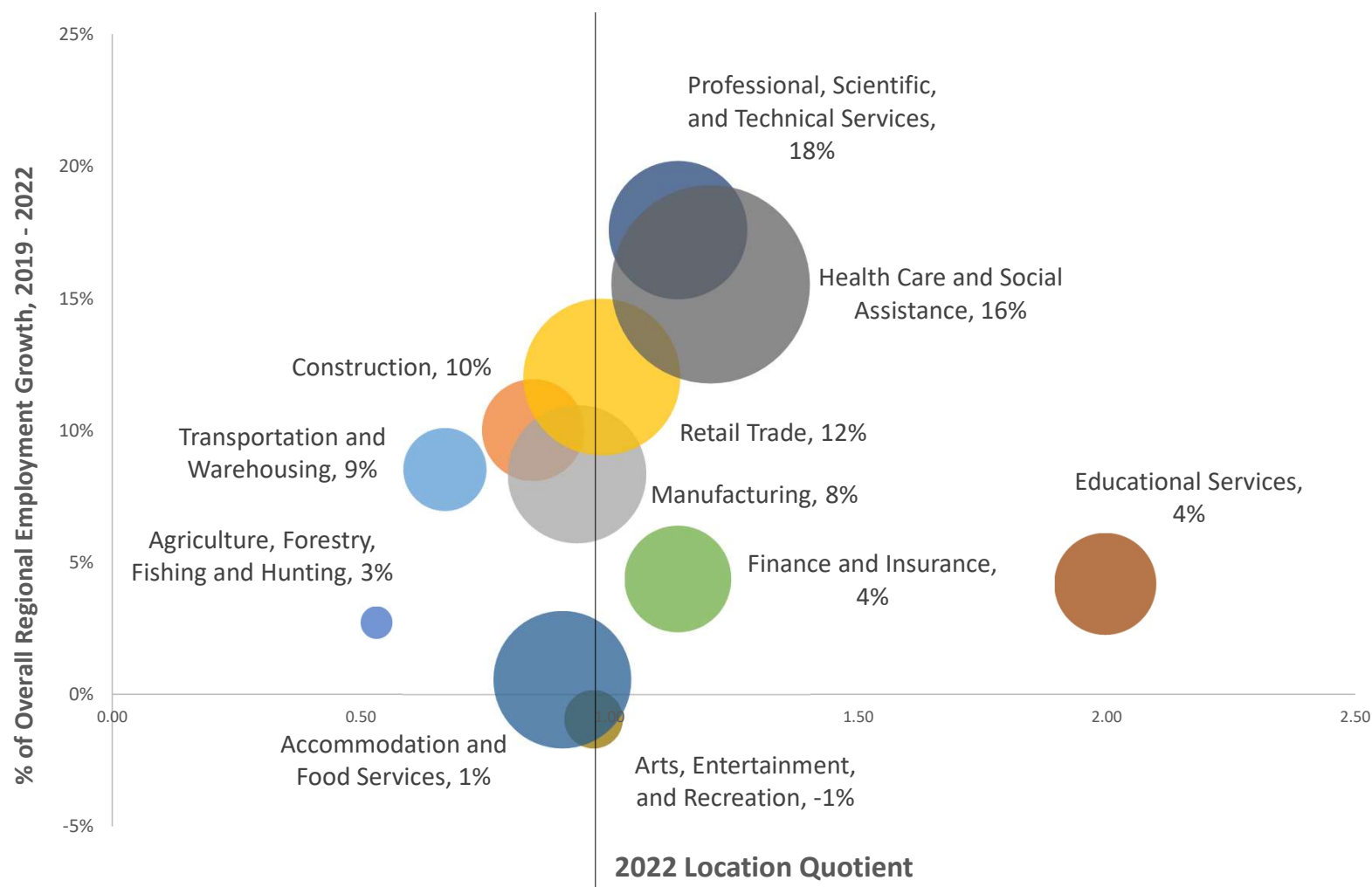


Only Maine and New Hampshire had 2022 employment above 2019 levels

Total Nonfarm Employment: Percent Change from 2019



Industry Employment Concentration (Location Quotient) and Contributions to Employment Growth (2019 to 2022): New England

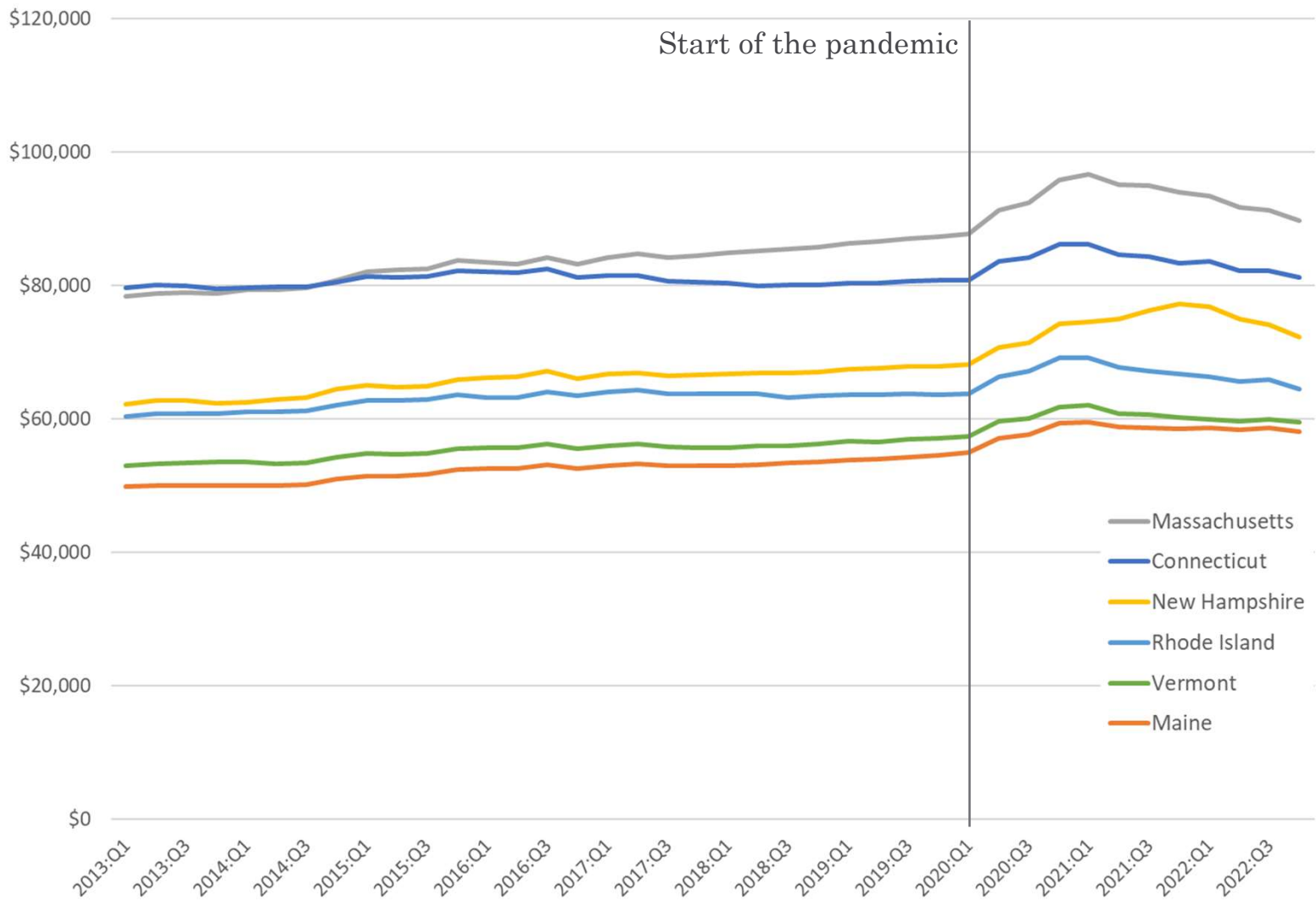


Variation Across New England: Industries with LQ Greater Than 1 by State

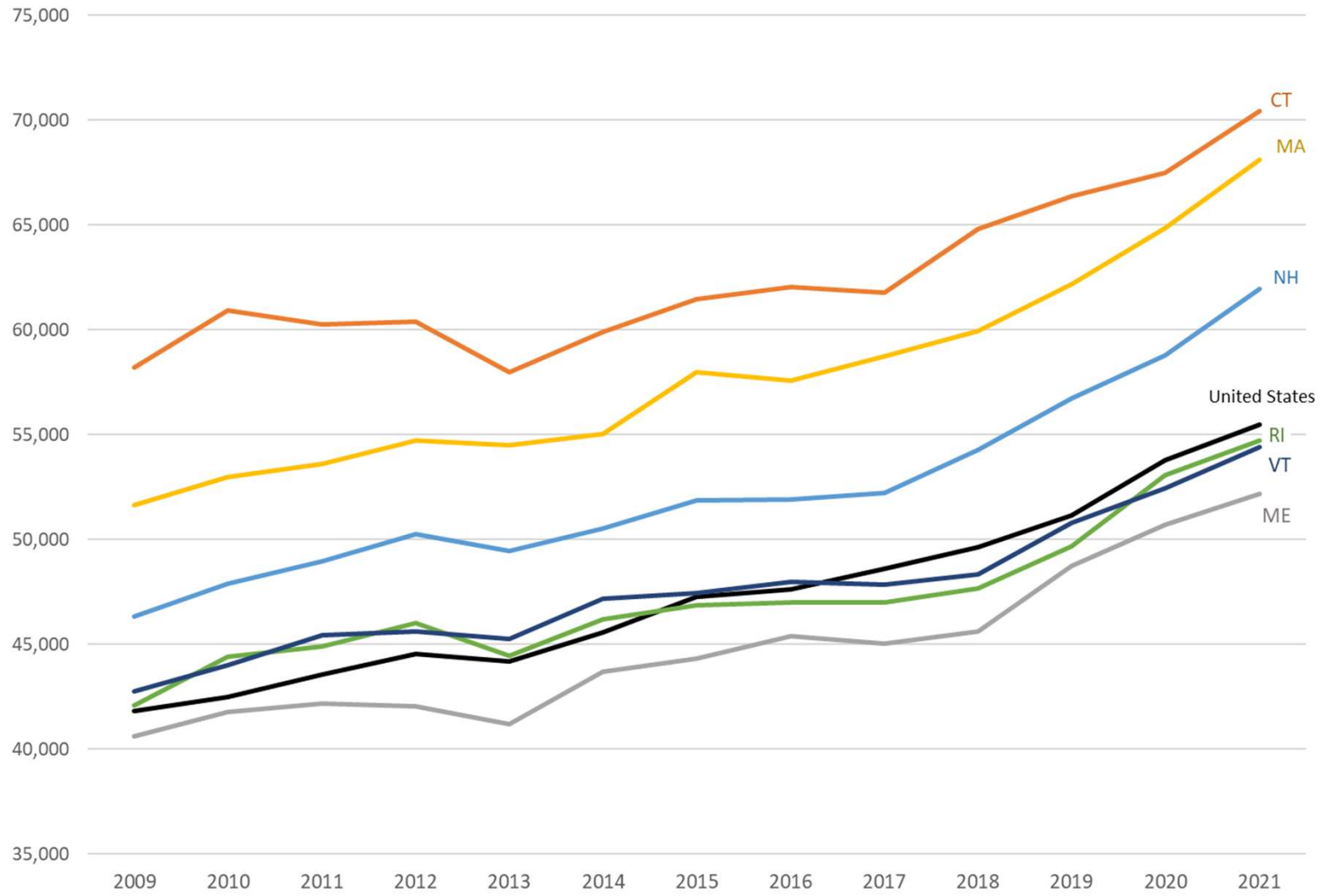
	Connecticut	Maine	Massachusetts	New Hampshire	Rhode Island	Vermont
Agriculture, Forestry, Fishing and Hunting	-		-	-	-	
Mining, Quarrying, and Oil and Gas Extraction	-	-	-	-	-	-
Utilities	-	-	-	-	-	
Construction	-		-	-	-	-
Manufacturing			-		-	
Wholesale Trade	-	-	-		-	-
Retail Trade	-		-		-	
Transportation and Warehousing	-	-	-	-	-	-
Information	-	-		-	-	-
Finance and Insurance		-		-		-
Real Estate and Rental and Leasing	-	-	-	-	-	-
Professional, Scientific, and Technical Services	-	-		-	-	-
Management of Companies and Enterprises				-		-
Administrative and Support and Waste Management and Remediation Services	-	-	-	-	-	-
Educational Services						
Health Care and Social Assistance						
Arts, Entertainment, and Recreation	-	-	-		-	-
Accommodation and Food Services	-	-	-	-		

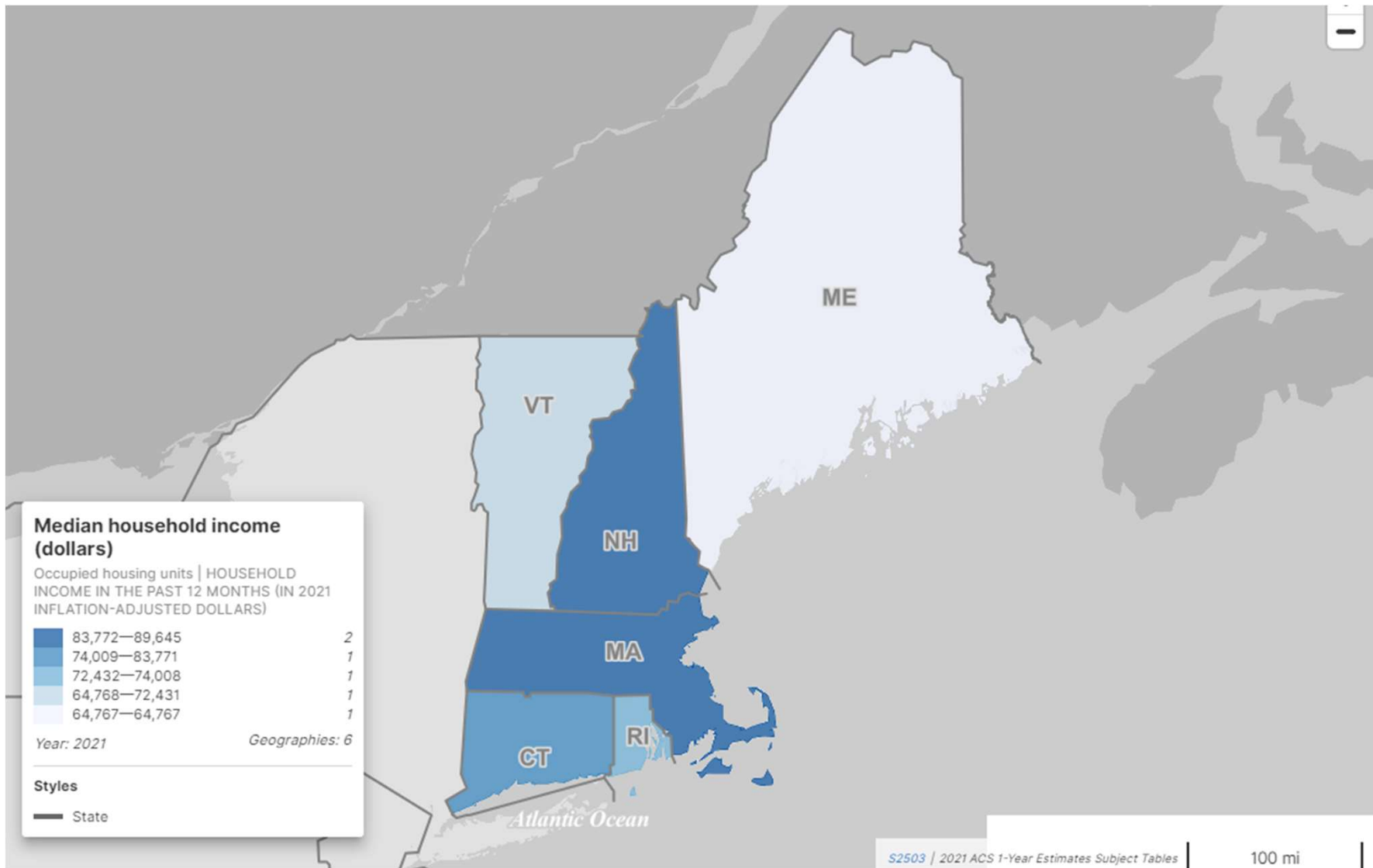
Wages, Income, and Inflation

Real Moving Four Quarter Average Annual Wage Per Job (in 2022:Q4 dollars)

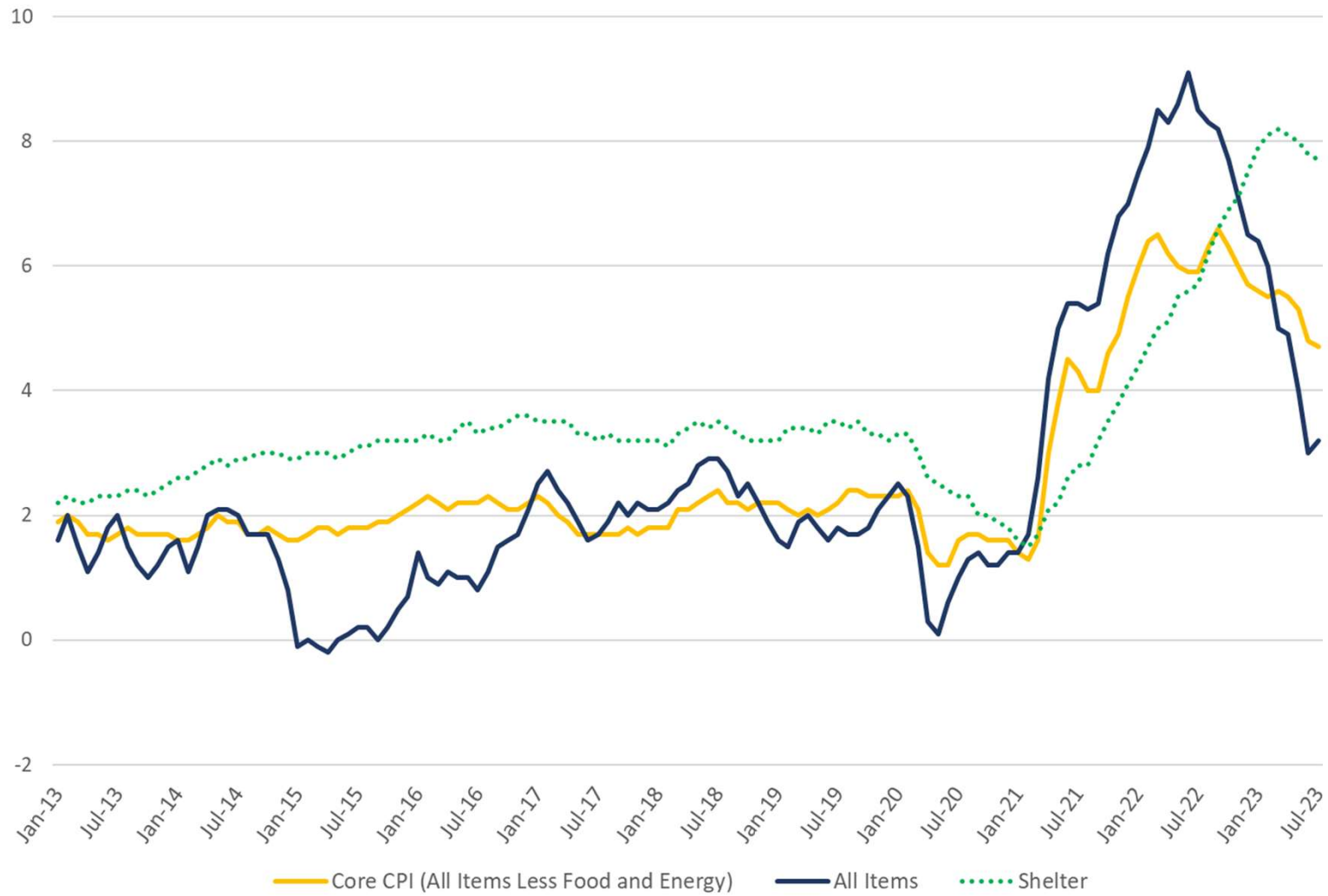


Real Per Capita Personal Income (in constant 2012 dollars)





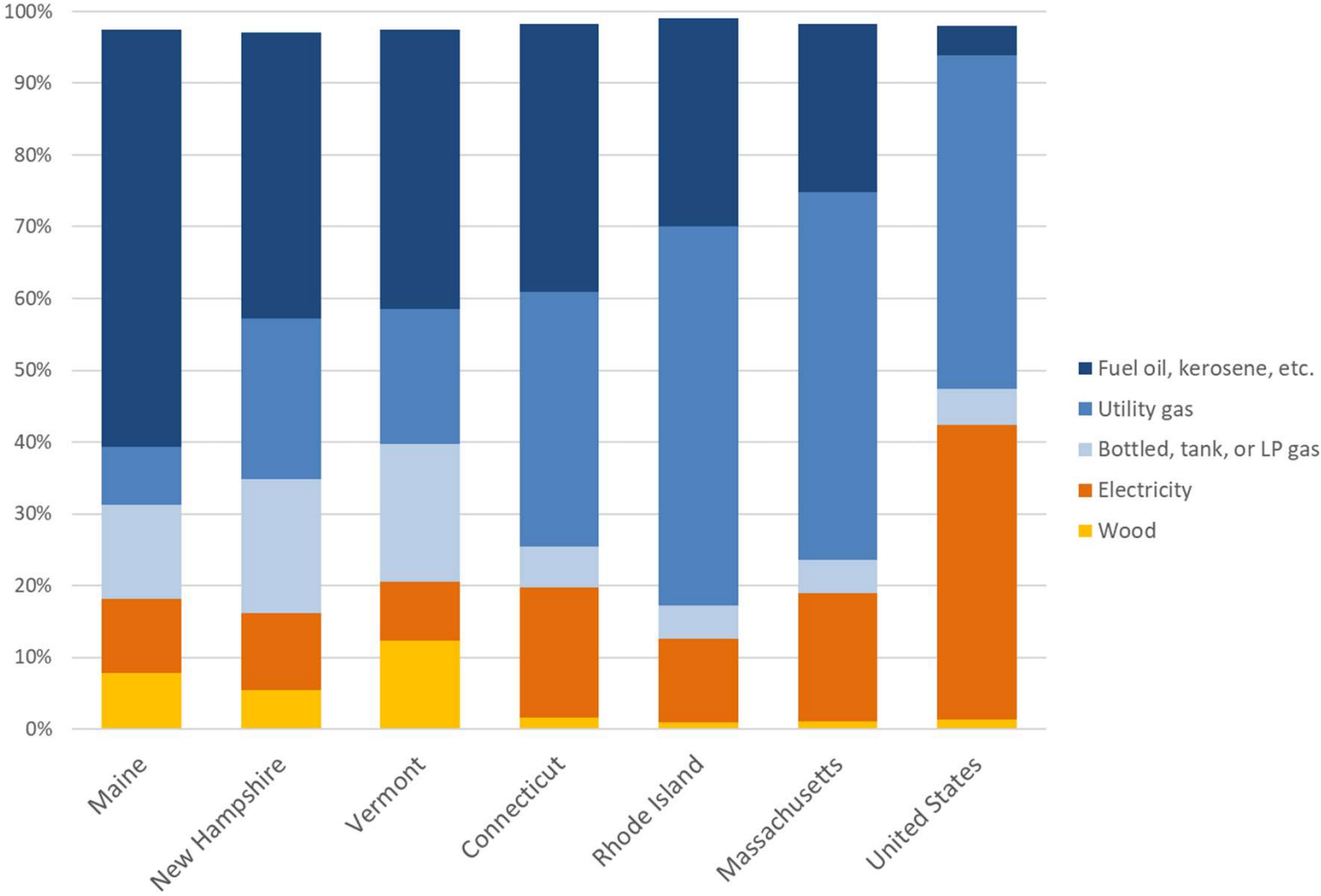
Year-over-year percent change in Consumer Price Index



New England - Regular All Formulations Retail Gasoline Price Per Gallon



Percent of Housing Units by Primary Heating Fuel Type

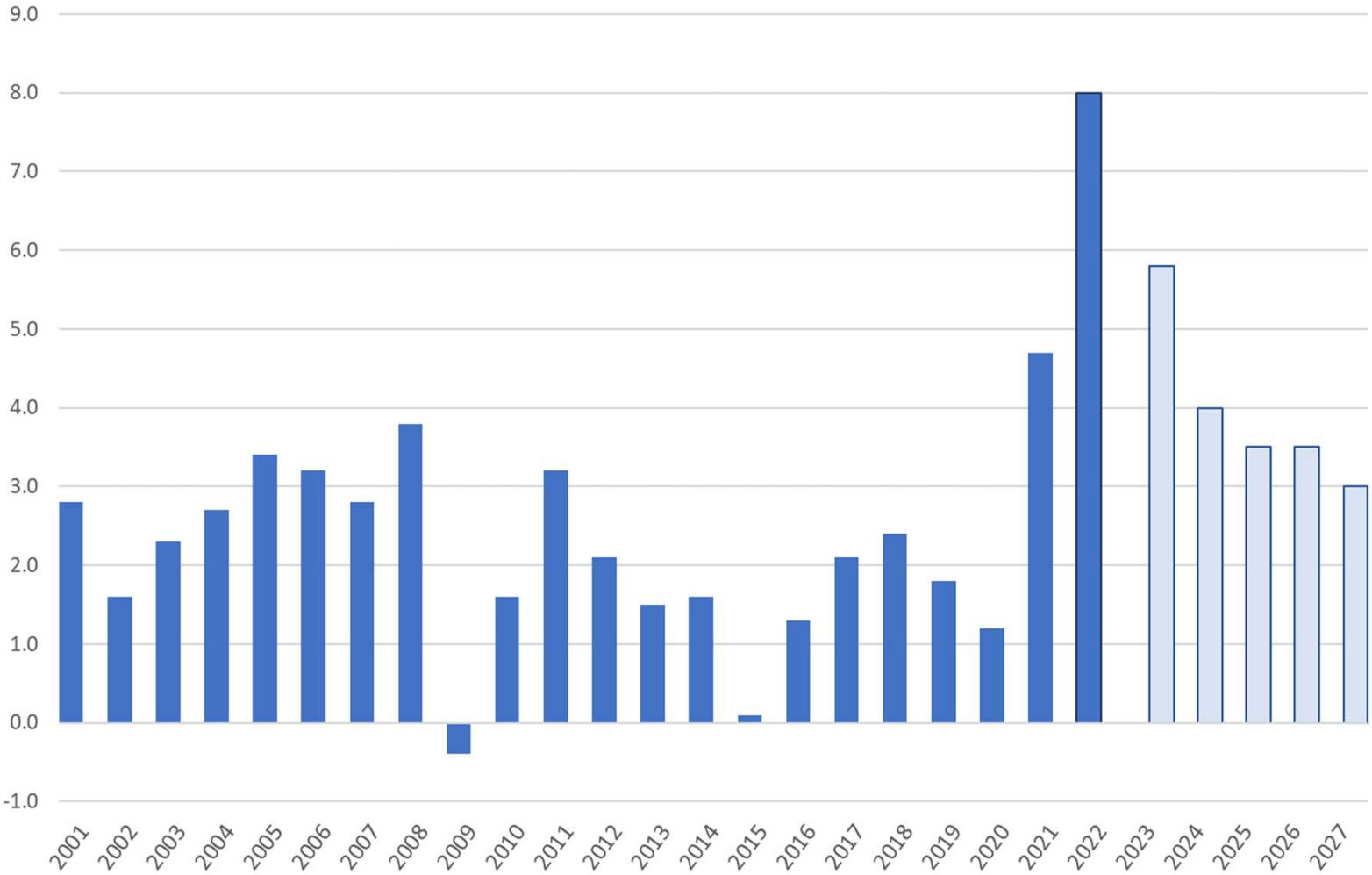


What does this mean for interest rates?

Current target range: 5.25% to 5.5%

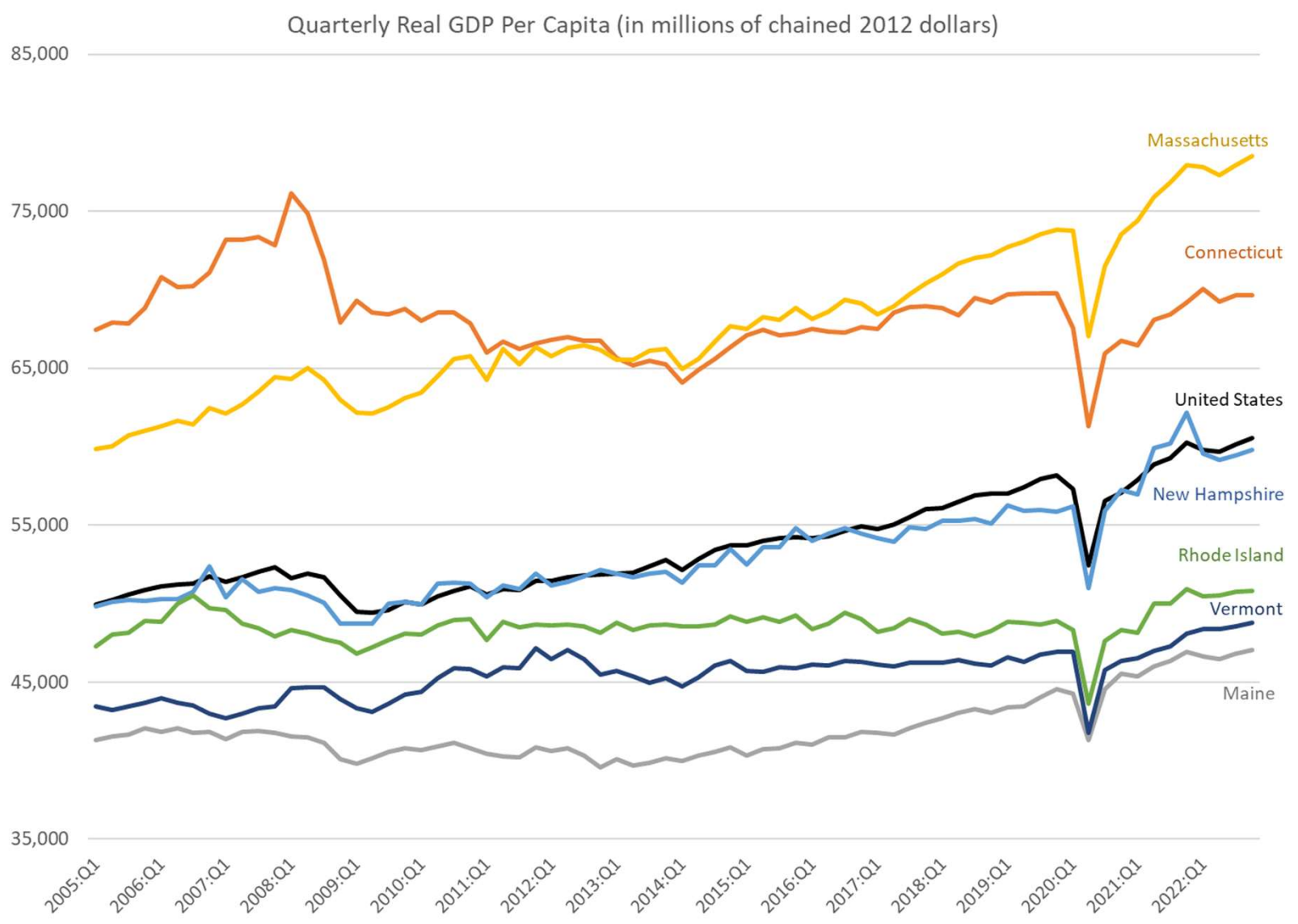
Median projection for 2023 from June 2023 Federal Open Market Committee statement was 5.6%, implying another possible increase of 25 basis points later this year

Year-over-year percent change in Consumer Price Index; 2001-2022 historical and 2023-2027 forecast



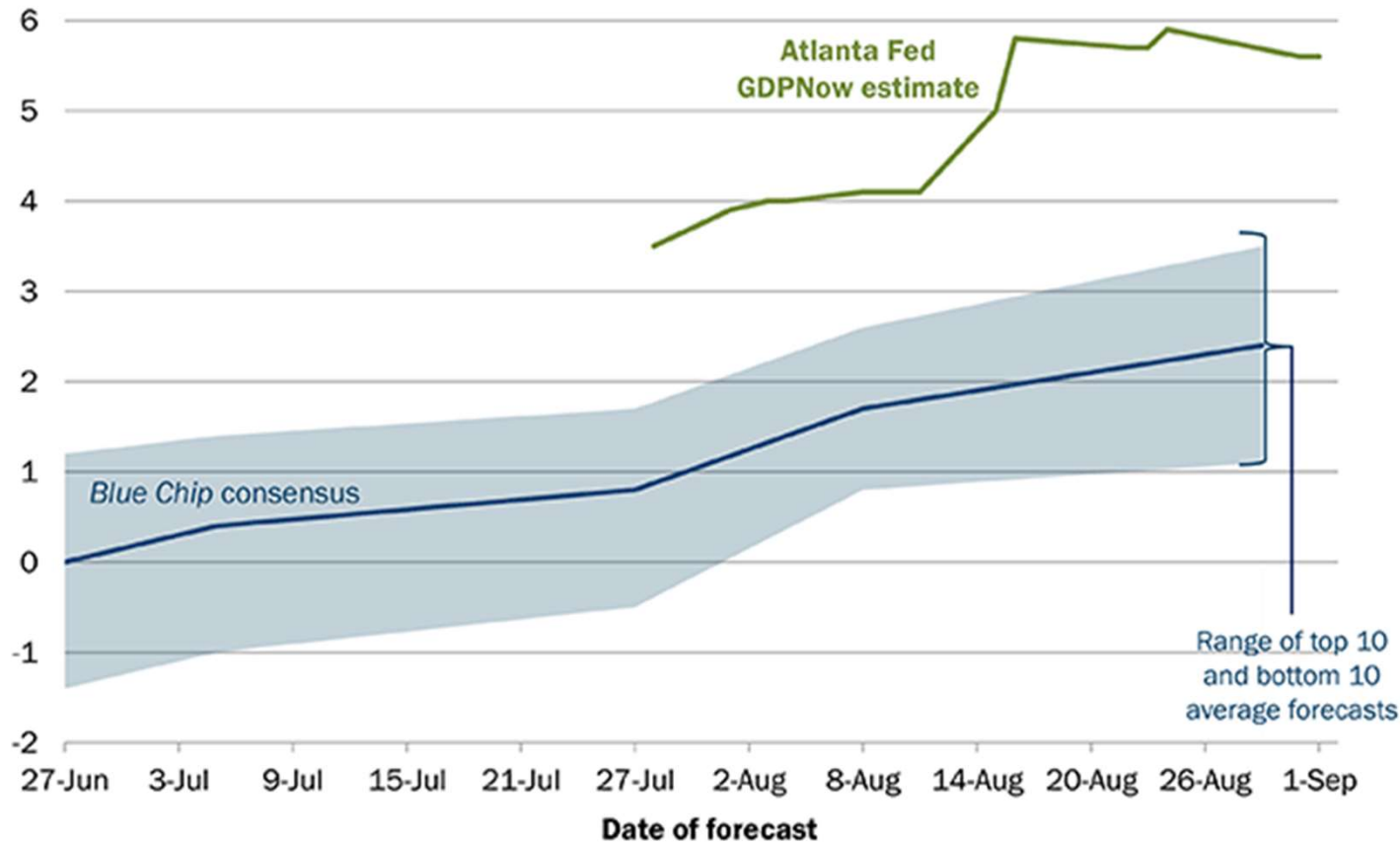
Sources: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, seasonally adjusted);
CEFC report, April 1, 2023

State Gross Domestic Product (GDP)



Evolution of Atlanta Fed GDPNow real GDP estimate for 2023: Q3

Quarterly percent change (SAAR)

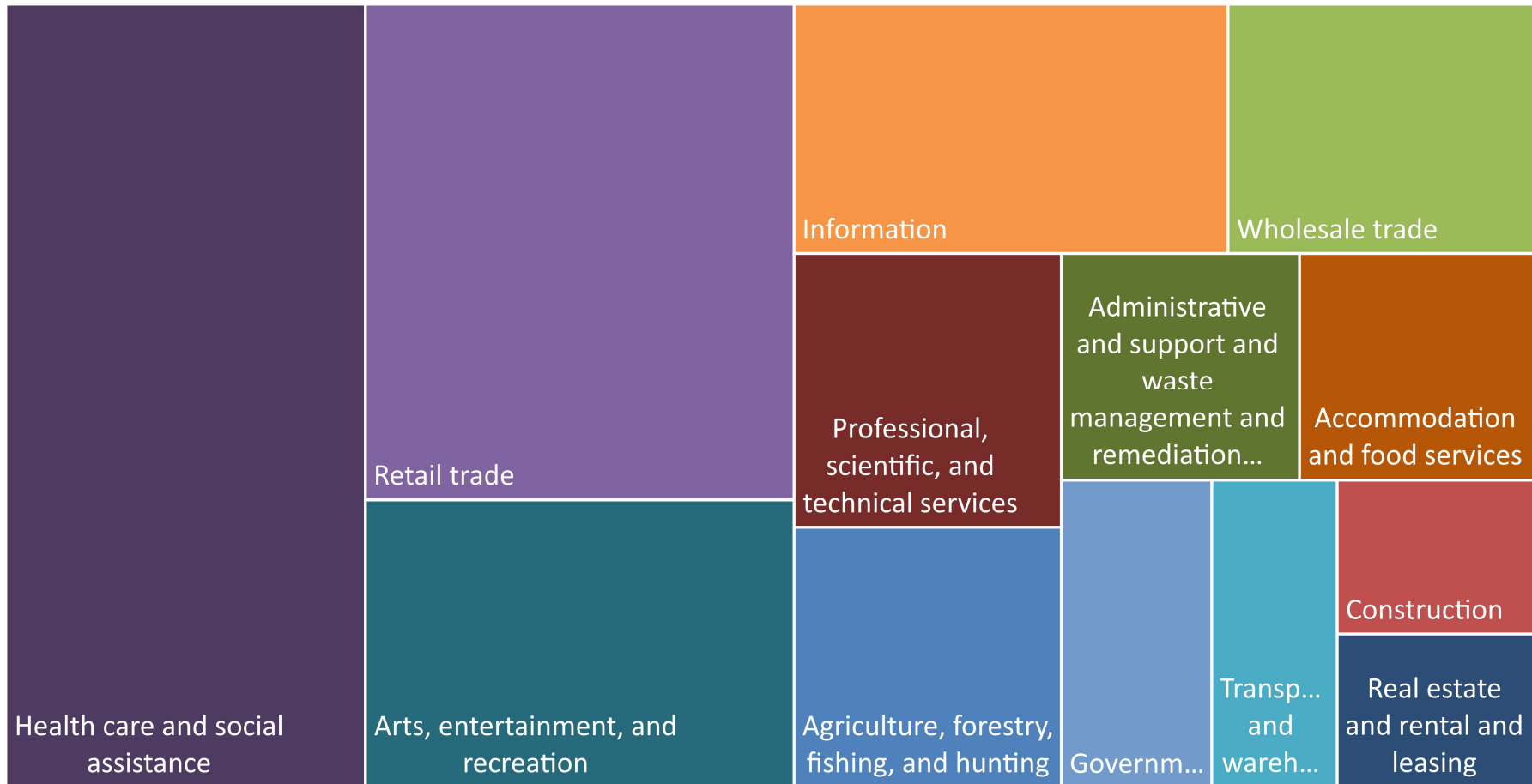


Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

The “nowcast” estimate for real GDP growth (seasonally adjusted at annual rates) in 2023:Q3 is **5.6 percent** as of September 6

Positive Contributions to 1.6 Percent Change in Real GDP (SAAR): New England, 2022:Q4 to 2023:Q1



Offset by negative contributions in several industries, primarily finance and insurance

Summary

To wrap up...

- Migration patterns shifted during the pandemic
- Northern New England tends to be older and less racially/ethnically diverse; also has a higher share of Baby Boom generation, which has implication for labor force
- Labor markets are very tight, with limited labor force growth and low unemployment; only Maine and New Hampshire had employment return to pre-pandemic levels last year – wages increased, but rising inflation pulled back real growth
- Health care and professional/scientific sectors are large, high-growth, high concentration employment sectors in the region and have been significant contributors to GDP growth
- Higher per capita incomes and GDP in MA, CT, NH, but with some different patterns in GDP growth

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