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Maine's Changing Demographics:

Implications for Workforce, Economy, and Policy

by Amanda Rector

Abstract

The fundamental purpose of any policy is to safeguard and improve the well-being of people. The understanding of any policy decision, therefore, must start with an understanding of demographics. This article reviews Maine's demographics using data from the 1820 and 1920 censuses and comparing them to recent population estimates. The author finds trends that persist over time as well as ways in which Maine's demographics have changed over the past 200 years. As 2019 ended and 2020 began, Maine saw its largest challenges as being related to the current demographic situation: slow population growth, limited available workforce, and increased demand for healthcare services. With the spread of COVID-19 throughout the state, Maine is now facing a public health crisis and economic recession the likes of which haven't been seen in a century.

Recent events have been a sobering reminder of why it is so important to understand the demographics of a region. With the onset of COVID-19 our lives were upended. The economy, which had been chugging merrily along, came to a screeching halt. There is nothing like a public health crisis to help clarify that every policy, at its core, is about people.

The fundamental purpose of any policy—be it federal, state, or local—is to safeguard and improve the well-being of people. The understanding of any policy decision, therefore, must start with an understanding of demographics. Demographics describe the characteristics of a population. The most basic demographic data are simple population counts: how many people are living in a given area at a point in time. From here, we can delve into ever more detailed demographics: age and sex, race and ethnicity, migration patterns, fertility and mortality rates. These demographics provide the data we need to make policy decisions.

The decennial census is the single best source of demographic data available in the United States. Every 10 years, the US Census Bureau counts every person living in the country and gathers some basic demographic data about them. These decennial population counts are used to

determine each state's representation in Congress as well as districts for state legislatures. They are also used to distribute billions of dollars of federal funds every year. Policymakers, researchers, business owners, and others use the data to make decisions that affect our lives every day.

Helpfully, for demographers and history buffs, Maine became a state the same year the United States conducted its fourth decennial census. This means we have a snapshot of what Maine's population looked like near the time of statehood. In 1820, when Maine became the twenty-third state in the nation, Maine's

total population was 298,335: 3 percent of the US total at the time and the twelfth largest population. Only 13 percent of the population was age 45 or older, compared to around 12 percent of the US population.

Reflecting the times, the census counted “free white” males and females separately from slaves and “free colored” males and females. In Maine, 99.7 percent of the population was considered “free white persons.” There were no slaves and fewer than 1,000 “free colored persons.” Additionally, there were 1,680 “foreigners not naturalized” who were counted but not included in the total. Indigenous populations were not identified in decennial censuses until 1850, and it was not until 1900 that they were enumerated both on reservations and in the general population.

Maine's population density of 10.0 people per square mile was nearly twice that of the 5.5 people per square mile for the nation. There were only nine counties in Maine, and the boundaries differed from the ones we know today, but Lincoln County had the largest population: 53,189. Nearly two-thirds of the state's population was congregated in the southern and coastal portions of the state. The state's largest city was Portland, with a population of 8,581. In Maine, 18 percent of the population was engaged in agriculture, compared to 21 percent for the United States;

around 1 percent was engaged in commerce for both Maine and the United States; and around 3 percent was engaged in manufactures, compared to 4 percent for the nation. (US Census Bureau 1821).

By 1920, Maine's total population had increased more than 150 percent to 768,014, but this was only 0.7 percent of the US total, which had increased nearly 1,000 percent. Maine ranked thirty-fifth for population among the 48 states. Around 28 percent of the population was age 45 or older, compared to around 21 percent of the US population—life expectancies had increased substantially since 1820.

The 1920 census collected considerably more detail than the 1820 census did and published many different tables and reports, including information on citizenship, immigration, illiteracy, child labor, home ownership, and irrigation and drainage, among other topics. The census included six different options for “color or race”: “white,” “negro,” “Indian,” “Chinese,” “Japanese,” and “all other.” Despite the increase in categories, Maine's population remained 99.7 percent white. However, 14 percent of Maine's population was “foreign born” with another 21 percent being “native white” of “foreign” or “mixed” parentage (meaning born in the United States to either one or both parents of foreign birth).

Maine's population density was now less than the that of the United States: 25.7 people per square mile vs 35.5 for the nation. Maine's 16 counties had roughly the boundaries we know today, and the population was somewhat more dispersed: the southern and coastal portions combined to around 54 percent of the total population. Portland was still the state's largest city, with a population that had increased around 700 percent to 69,272. Around 10 percent of the population was engaged in agriculture, both in Maine and in the United States; around 16 percent in manufacturing in Maine and 12 percent in the United States; and around 4 percent in trade in both Maine and the nation (US Census Bureau 1922).

Jumping ahead another 100 years to the present day, Maine's total population has increased another 75 percent—half the rate of growth as in the previous century—to around 1.344 million people. This is just 0.4 percent of the US total, which has increased another 200 percent, making Maine the forty-second most populous state in the country. Half Maine's population is age 45 or

older, compared to around 42 percent of the US population.

The 2019 population estimate for Maine shows 93 percent of the population as “white alone, non-Hispanic.” While this reflects an apparent increase in racial and ethnic diversity (it is hard to be certain given the changing definitions for racial and ethnic categories over time), Maine has the highest percentage of “white alone, non-Hispanic” population in the country.

Maine's population per square mile is 43.6, less than half the 92.9 of the nation's population density. Around two-thirds of the state's population again lives in the southern and coastal regions. Portland remains the state's largest city, but the population has decreased from the 1920 census count to around 66,000 today. Less than 1 percent of the population is engaged in farming, fishing, and forestry in both Maine and the United States; less than 3 percent in production in both Maine and the United States; and around 5 percent in sales in both Maine and the nation.

Some trends emerge when considering figures from 1820, 1920, and 2020. Since the beginning, Maine's population has grown more slowly than the nation's, and while population density has increased, Maine has become relatively less densely populated than the rest of the country. Life expectancies have increased over time, leading to increases in the percentage of the population 45 and older, but the aging of the baby boom generation (born between 1946 and 1964) is causing Maine's population to age faster than that of the rest of the United States. Maine's population is more racially and ethnically diverse than ever, but that diversity has only improved slightly from centuries past. Portland has been Maine's largest city all along, but Portland's population peaked in 1950, at the start of a post-World War II national exodus from cities to suburbs. The city's population has stabilized since then, but the sprawl into outlying communities was dramatic.

Participation in the labor force has changed substantially over the past 200 years. While children often were working in the nation's earlier years, children and many young adults today are in school rather than in the workforce. At the other end of the age spectrum, retirement has become more common since the Social Security Act passed in 1935. Starting in the 1970s, Maine's labor force participation rate rose steadily for more than a decade as women

entered the labor force. More recently, labor force participation rates declined following the start of the Great Recession. As baby boomers age, labor force participation rates in Maine and the United States will continue to decline.

Employment itself has followed a similar trend, with a rapid increase in the 1970s as women entered the workforce and baby boomers aged into prime working years, followed by slower growth in more recent years. The Great Recession saw one of the most significant declines in employment in recent history, but Maine reached a new record non-farm employment level in 2016, followed by further increases in 2017, 2018, and 2019. It is still unknown exactly what trajectory current economic conditions will take: how deep of a recession are we looking at, how long will it last, and what will the economy look like on the other end?

The single most dominating demographic force in Maine in recent years has been the aging of baby boomers. This generation makes up around 27 percent of Maine's population today and is the largest generational cohort in Maine. Maine has the highest relative share of baby boomers of any state in the nation. In fact, there are now more millennials nationally than there are baby boomers, but this is not the case in Maine. In 2020, baby boomers are between 56 and 74 years of age. While this generation has been bolstering the labor force for decades, they are now beginning to move more firmly into their retirement years. The implications for Maine's workforce are some of the most frequently discussed repercussions of the state's demographic conditions. We have a bulge in our population pyramid—an unusually large cohort of baby boomers and relatively smaller cohorts of Generation Xers (ages 40–55), millennials (24–39), and Generation Zers (8–23). As baby boomers age, more will retire, with fewer new entrants to the workforce behind them. This puts Maine in a position of potentially fewer available workers in the future than it has today, barring a substantial increase in the number of younger workers moving to Maine.

The aging of the baby boom generation has contributed to the slowing population growth that Maine has seen in the past couple of decades. As baby boomers moved past their child-bearing years, the number of births each year in Maine declined. Around 2010, Maine reached a new turning point: natural population decline. Nearly every year since then, Maine has seen more deaths than births.

On its own, this trend would lead to a shrinking population.

The only thing preventing Maine's population from shrinking is migration. If we are to grow the state's population in the coming years, we need to attract more people to move here, both from other parts of the country and from other parts of the world. We have succeeded in recent years: Maine saw increases in net migration in 2017, 2018, and 2019. These increases have been more than enough to offset the natural decline, leading to increased population growth. In 2019, Maine's rate of net domestic migration ranked sixteenth in the nation, and Maine's overall population growth that year ranked twenty-fifth.

There is limited data available about the characteristics of migrants to the state, but we can find some details in the US Census Bureau's American Community Survey. According to this source, the only age cohort that saw net domestic outmigration in Maine in 2018 was age 75 and older. All other age cohorts saw increases. The largest increase in the domestic migration rate came from 18- and 19-year-olds. This isn't surprising considering what many of these teenagers are doing: going to college. Maine typically sees an influx of older teenagers coming to attend college in the state. Often, we then see net domestic outmigration of 20- to 24-year-olds. However, this wasn't the case in 2018. We had net domestic in-migration of this cohort as well, indicating that perhaps some of the college students who came decided to stay after graduation or that we may be attracting other young adults to move to the state for work (or both). We also saw high rates of migration for young children and adults age 30 to 44. When combined with the recent employment growth, this is a possible indication of families with young children moving to the state for work.

As 2019 ended and 2020 began, Maine saw its largest challenges as being related to the current demographic situation: slow population growth, limited available workforce, and increased demand for healthcare services. These are challenges we were familiar with and had been coping with for some time. There had even been some signs of improvement in the past few years in terms of increased migration and employment growth.

Then COVID-19 spread through the state and our challenges changed with breathtaking speed. We are facing a public health crisis and economic recession the likes of which haven't been seen in a century. Mainers have been

asked by Governor Janet T. Mills to “Stay Healthy at Home” and minimize activities outside of the home. Students have transitioned to remote learning. Businesses are scrambling to figure out how to operate in an environment that was nearly inconceivable just months ago. Our demographics remain a cause for concern: this virus seems to be particularly virulent for older adults and our health-care systems were already struggling before the outbreak to find enough workers to replace retiring staff and keep up with increased demand.

There are characteristics of Maine’s population not captured by demographics, though. Mainers are resilient, innovative, and enterprising. These are traits that serve us well in these challenging times. Even those traits that may not be entirely flattering in the best of times—reticence, frugality, a certain standoffishness—are helpful in the current situation.

Demographics are on our minds more than ever these days, even if we don’t realize it. Policies are being crafted with incredible rapidity at all levels to cope with a situation that changes almost daily. These policies have a single goal: to make things better. Better for the people who are sick. Better for healthcare providers. Better for children and families. Better for businesses and workers. Better for all of us living in such extraordinary times. Demographic data helps us evaluate what policies might work best and how to deploy the resources that are needed.

As we consider what the world will look like as we emerge from the COVID-19 crisis, little is certain. Perhaps the only thing we can count on is that the world will be a different place, with new concerns, new terminology, and new trends. There are some possible silver linings for Maine. We have had a massive real-time experiment in telework, and for many people and businesses, this has been a success. If people can live anywhere and connect to their jobs remotely, why not live in Maine? Those rural parts of the state that may have seemed too far for some people in the not-too-distant past suddenly hold new attraction.

While businesses in Maine have certainly faced tremendous uncertainty and unpredictability in our bicentennial year, they have also demonstrated their adaptability. Business owners, managers, and workers have all come up with new ways to get the job done and continue moving forward. Some industries have seen unanticipated levels of growth, particularly those in fields related to pandemic

response efforts. The ability of Maine businesses to innovate has been demonstrated time and again, and the current circumstances are no different in that respect.

A state’s bicentennial year is always memorable, although none of us anticipated just how memorable Maine’s bicentennial would be. It is a time for reflecting on the past and looking ahead to the future. Even as we navigate these tumultuous waters of 2020, we can look ahead to calmer seas, relying on the ingenuity and resiliency of Maine’s people. 🐻

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Amanda Rector is the Maine state economist, a position she has held since 2011. Rector is a member of Maine’s Revenue Forecasting Committee and serves as the governor’s liaison to the U.S. Census Bureau. She also serves on the advisory board for the New England Public Policy Center at the Federal Reserve Bank of Boston and is a member of the Board of Visitors at the Muskie School of Public Service.