Maine Center for Economic Policy

State of Working Maine 2025

Opportunity shouldn't depend on geography — and policy can close the gap

December 17, 2025

Policy at work

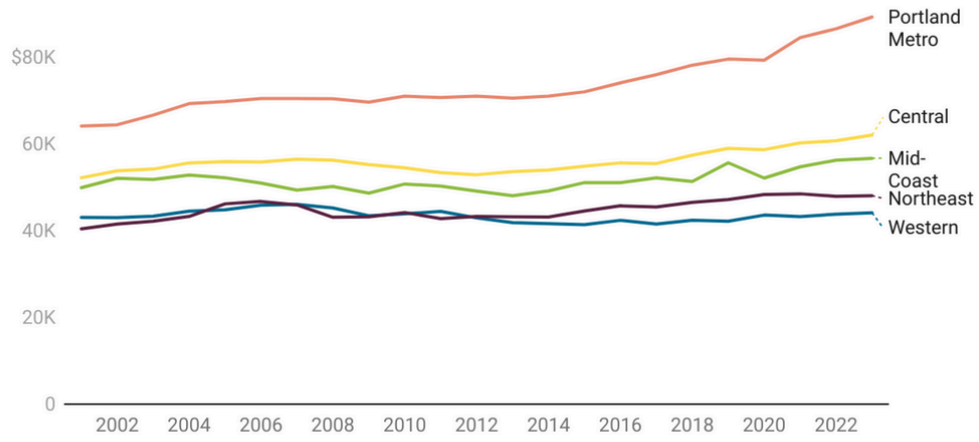
- The federal response to the COVID-19 recession was roughly **three times** larger than the response to the Great Recession, boosting recovery statewide
- Unemployment rates in 2024 were among the **lowest in decades**, reflecting a strong post-COVID recovery
- Working Mainers below the poverty line declined **27%** between 2014-16 and 2022-24
- Maine's minimum wage rose from **$7.50** in 2016 to **$12** in 2020, increasing annually with inflation thereafter
- Mainers received nearly **$8 billion** in Social Security benefits in fiscal year 2025
- Mainers received **$12.8 billion** more in federal benefits than they paid in taxes in 2023
- MaineCare provided **$3.5 billion** in health services, expanding access for low-income residents
- SNAP delivered **$291 million** in food assistance, reducing food insecurity and supporting local economies
- Health insurance coverage has **expanded since 2010** through marketplace subsidies and Medicaid expansion
- Nearly **1 in 7** Maine workers is a public employee; small businesses employ **30%** of workers in Mid-Coast Maine

State and federal policy choices shape Maine's economy

From 2001 to 2023, per-capita GDP in the Portland metro grew by 39%, while growth in Western and Northeastern Maine remained essentially flat. This divergence did not happen overnight, nor was it inevitable. State and federal responses to major recessions have shaped both the depth and the duration of regional disparities. Decisions to reject federal support and cut public services during the Great Recession slowed recovery in many rural communities, while the federal COVID-19 response — paired with actions taken by Governor Janet Mills — demonstrated targeted public investment can stabilize and strengthen rural economies.

Figure 1: The gap between Portland and other areas has grown

Change in real household income, 2019-2023



Stronger policies mean stronger participation in rural labor markets

Rural Maine has higher unemployment and lower labor force participation, for reasons that are well understood and solvable. In 2024, unemployment averaged 2.6% in the Portland metro versus 4.5% in Northeastern Maine. Many rural Mainers face barriers such as limited child care, health challenges, and seasonal or part-time work. Policies that expand care infrastructure, improve job quality, and support workers through transitions can unlock this potential.

Raising wages — especially for women — would lift entire communities

Pay is lower in Maine's most rural regions, especially for women, and workers outside Greater Portland and Central Maine are far less likely to earn a living wage. In Northeastern Maine, women earn 71 cents for every dollar paid to men, compared with 87 cents in Portland. Stronger wage standards and pay equity enforcement would boost both family incomes and local economies.

Read State of Working Maine 2025 to learn more about the experiences of the Mainers pictured. From left to right: Abbey, part-time student and mechanic; Becky, small business owner; Jesse, carpenter; Chelsea and Jane, small business owners; Tracey, food distribution volunteer; Jamie, grocery store manager.

Rural work looks different — and policy must meet workers where they are

Rural Mainers are more likely to be self-employed or work for small businesses, but are often excluded from basic protections like paid leave, health coverage, and labor standards. Applying these protections more broadly would strengthen job quality in rural areas without harming small businesses.

Public-sector jobs anchor rural economies and deserve competitive pay

Government jobs are a critical pillar of rural Maine's economy, especially outside Greater Portland, but state and local wages lag the private sector. Investing in competitive public-sector pay — particularly for educators and municipal workers — would help stabilize communities and keep dollars local.

A strong safety net strengthens rural economies

Federal programs like SNAP, Medicaid, Social Security, and unemployment insurance are vital in Maine's poorest regions, supporting families and local businesses. Proposed federal cuts would pull hundreds of millions from the state's economy and disproportionately harm rural communities, while protecting these programs strengthens economic resilience.

This fact sheet is based on a report by MECEP economic policy analyst James Myall. For the full report and citations, visit **mecep.org/sowm2025.**

Policy choices that can expand opportunity statewide

Maine's economic future will not be secured through corporate tax breaks or incentives that concentrate benefits in already-prosperous regions. The evidence is clear: investing in people, strengthening labor standards, and ensuring that work pays in every corner of the state are the most effective ways to support rural prosperity.

Lawmakers can take meaningful action by:

- Protecting and strengthening Maine's **minimum wage**, including phasing out the tipped wage
- Promoting **pay transparency** and **pay equity**, with strong enforcement of **anti-discrimination laws**
- Expanding access to **child care** and **elder care** to increase labor force participation
- Investing in **public-sector wages**, especially for educators and rural municipal workers
- Modernizing **unemployment insurance**, particularly for part-time and seasonal workers
- Continuing **enhanced premium tax credits** and ending geographic price discrimination in insurance markets
- Reversing federal cuts to **SNAP** and **Medicaid** and mitigating harm through state-level action

With the right policy choices, rural Maine can build on its strengths, expand opportunity, and ensure prosperity is shared across the entire state.

Maine Center for Economic Policy