“Migrationland”:
Social and Economic Impacts of Demographic Churn in Maine and Cumberland County Post-Pandemic

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ABSTRACT

Maine is experiencing a historic demographic transformation fueled by the rise of remote work, pandemic-driven migration, and growing concerns about climate change. This article examines recent migration trends in Maine—particularly Cumberland County—using IRS migration data to analyze who is moving, where they are coming from, and how these shifts are reshaping the region. Findings reveal a significant influx of higher-income newcomers, with implications for housing affordability, income inequality, and local labor markets. While these shifts present opportunities for revitalization, they also pose challenges related to equity, cultural cohesion, and infrastructure strain. The article explores these dynamics through the lenses of economic vitality, social equity, and fiscal impact, offering insights and policy recommendations to help Maine communities adapt to rapid demographic churn.

INTRODUCTION

Maine is in the midst of a sociodemographic shift the likes of which have not been seen for decades. The shift was initially set in motion by the rise of remote work in the 2010s, accelerated by the COVID-19 pandemic of 2020, and has continued unabated since then. This article explores recent population changes in Cumberland County and their potential implications, including increased demand for goods and services (including housing), increased income inequality, and potential cultural conflicts, among others. We conclude with some policy recommendations.

THREE TRENDS INFLUENCING RECENT MIGRATION TO MAINE

Maine’s population has been growing slowly over the past 25 years, from about 1.2 million people in 2000 to more than 1.4 million in 2024.[1] Much of that growth has been driven historically by the southern counties—Cumberland and York counties, in particular. However, in recent years, parts of Maine that hadn’t seen positive population growth in decades have seen an uptick. Economists point to several factors that can help explain this trend, including the rise of remote work, the COVID-19 pandemic, and most recently, climate migration.

The Rise of Remote Work in Maine

Although remote work has been around for a long time, the development of the internet in the 1990s made it possible for people to work from home occasionally, although the low speeds of dial-up connections made it challenging. As internet speeds improved, and as broadband technology began to replace dial-up in the early 2000s, remote work became more plausible.[2] However, more rural regions of Maine lagged behind. In 2012, Maine’s “three ring binder” was completed, connecting areas previously underserved by internet with high-speed broadband access (Kittredge 2013). This successful public-private partnership was hailed as a potential game changer for economic development. In 2021, the Maine Connectivity Authority was established by Maine statute, with a mission to achieve “universal access to reliable, affordable high-speed internet service statewide” (ConnectMaine 2022: 3). Since that time, access to broadband has increased to the point that only about 5 percent of locations in Maine have slow or unreliable internet service. In addition to being necessary for interstate commerce, start-ups, and faster communication, high-speed internet upended the conventional view of economic development.

Common wisdom among economic development professionals used to be that people followed jobs—that is, if you could attract good, well-paying jobs to an area, population would follow—a view of economic development still held by many in Maine. However, the rise of remote work has turned that wisdom on its head. Along with the ability to work from anywhere with reliable, high-speed internet access came the birth of footloose workers, who were no longer tied to the same physical location as their jobs. Economic development literature began using the phrase "amenity migration" (Gosnell and Abrams 2011).

Initially, the phrase amenity migration was used to explain movements of people to Florida or to the Southwest—places with lots of sunshine and a mild winter climate. However, not all amenity migrants are the same. Those seeking outdoor recreation opportunities or the way of life on which Maine prides itself might find their way to Maine. An article in the *New York Times* reports that "remote-work migration has affected two kinds of places in particular: major metros where the local economy is geared toward the types of jobs that can be done from home, and smaller vacation hubs that promise people who can live anywhere a high quality of life" (Badger et al. 2023).

Attractive villages in Maine—near the ocean or mountains and within a few hours' commute of Boston, ideal for the occasional trip into the office when necessary—seemed poised for an influx of amenity migrants and the accompanying potential rise in property values, sales tax revenue, and workforce. Economist David Vail has noted in this journal the promise and the imperative of high-speed broadband access to Maine, especially to rural areas as part of an economic development policy (Vail 2021). According the US Census Bureau's American Community Survey, in 2023 14.3 percent of Mainers and 20.2 percent of Cumberland County residents report their home as their primary work site.[3]

COVID-Related Migration to Maine

The second trend influencing recent population growth in Maine was the COVID-19 pandemic, which brought an unprecedented change in migration across the country. Fears of the virus prompted many to move from urban centers to less densely populated areas. School closings and shifts to online learning sent university students across the country back home (Chiumenti 2021). The pandemic spurred an out-migration from densely populated areas. Migration from "high-cost, large metro areas to midsized metro areas increased by 10 percent" at the start of the pandemic, and migration toward small metro areas, towns, and rural areas increased by around 9 percent (Whitaker 2021). Nelson and Frost (2023) demonstrate, using cellphone location data, a relative shift in location data from metro core tracts to micro core and rural tracts at the start of the pandemic. For example, the authors found that shifts in cellphone location data for rural and commuting tracts in the United States were 8 percent to 18 percent higher in November 2020 than they had been a year before. As a primarily rural state, Maine saw a drastic shift in net migration (Chiumenti 2021). The relatively high prevalence of second homes and vacation/seasonal housing in Maine may have played a role, according to a report by the University of New Hampshire's Carsey School of Public Policy (Carson et al. 2023), who noted the increase in popular media reports of metropolitan residents "hunkering down" in second homes in northern New England.

TABLE 1: **Net Change of Address Requests to Maine, 2017 to 2020**

Request type	2017	2018	2019	2020
All	-5,348	-9,907	-7,122	4,545
Permanent	-6,969	-8,889	-6,365	888
Temporary	1,559	-784	-344	3,218

Source: (Chiumenti 2021)

Table 1 shows net household migration to Maine from 2017 to 2020 as measured by the total number change-of-address requests to the state. Individuals and families can file such requests, for either temporary or permanent moves, with the United States Postal Service. It is notable that, before 2020, net permanent migration in Maine was negative, indicating that more people were permanently leaving the state than were moving to Maine. In 2020, this rate shifted to a net positive, indicating that more people were moving into the state on a permanent basis. And while less than a quarter of the change of address forms had been categorized as permanent, the Carsey Institute report demonstrated a shift from temporary and seasonal stays to permanent residence changes following the pandemic (Carson et al. 2023).

According to Carson et al. (2023), however, very few new residents of northern New England explicitly mentioned the lower likelihood of infection as a factor in their decision to move to a more remote region. Rather, several interviewees noted that they had been already considering such a move, and the pandemic simply served as an impetus. Moreover, interviews with real estate agents confirmed that new residents had not chosen this region at random. The article quoted one real estate agent as saying, "I think that most of the people who came here had a relationship here. Either they had vacationed here or they had a family house here…there was some sort of connection to this area" (Carson et al. 2023: 3).

Climate Migration to Maine

The COVID-19 pandemic and the resulting migration from urban to rural areas has brought attention to how a crisis event affects the movement of people in the United States. Another phenomenon is beginning to affect Maine, at least anecdotally: that of climate-related migration. Researchers are beginning to apply what was learned from COVID migrations to studying climate migration in the United States.

While temporary displacement is common in the United States after wildfires or hurricanes, most people who are displaced will generally remain in the same area after the event has passed. This is particularly true of poorer communities, where people are unable to afford to move far from the region or repair their homes, so they remain in the area, often moving into lower-quality housing (Smith et al. 2006).

The households in the United States that are moving due to climate change are doing so by choice, not because they are forced to move. They are generally more affluent than the average American household and have employment that is not dependent on a particular location, allowing them a wider choice of location options when they decide to move. Current migrants also are not moving due to one particular event and are more likely to relocate only after experiencing the cumulative impacts of multiple events (Partridge et al. 2017).

While there is much anecdotal evidence that climate migration is occurring in Maine, it is difficult to prove that climate change is a prime motivator for individuals to move to Maine. A recent survey of over 2,500 new residents of the state (obtained from a sample of those who obtained a Maine driver's license using a reciprocal license from another US state), however, suggests that 22 percent of recent migrants to Maine considered climate-related issues to have had a somewhat strong to extremely strong influence on their decision to move to Maine, while another 19 percent indicated a moderate influence (Wallace Economic Advisors 2025). Much like COVID-related migration, it may be that climate was only one of many factors that finally motivated an individual or a household to move to Maine, or to what they perceived to be a safe location. Further research on this topic is necessary.

MOTIVATION, METHODOLOGY, AND LIMITATIONS

The initial impetus for this article was a report that the authors were commissioned to write by the Blue Hill Heritage Trust, a conservation group located in Blue Hill, Maine. Residents of Blue Hill had noted anecdotally the presence of more people in town than usual, or that summer visitors to the area were staying longer than usual. Conservation members were concerned about the impact that increased migration to the area would have on the region's carrying capacity—its ability to absorb increased population without having a detrimental effect on the environment and rural character. Our analysis in Hancock County demonstrated that population had indeed grown during the pandemic, but that growth was unevenly spread over the peninsula and has since reversed in some cases (Bouvier et al. 2022). We wanted to investigate the population trends in other counties to see if similar patterns arose. We focused our attention on Cumberland County, as it typically receives over a quarter of all migration into the state.

Our research questions included

- How has migration to Maine and to Cumberland County changed over time?
- From what locations are people moving to Maine and Cumberland County (i.e., are they moving from different counties within Maine, or from different states)?
- Who is moving to Maine and to Cumberland County, in terms of age, household size, and income?
- How do in-migrants compare to residents, in terms of age, household size, and income?

Other questions include

- What are the likely sociodemographic implications for Maine and Cumberland County of this unprecedented migration?
- What are the opportunities and challenges of such a shift?

Sourcing migration information in real time presents a challenge. Census data can provide a detailed snapshot of a community at a certain point in time and is readily available, but the data are updated only every 10 years. American Community Survey (ACS) data, also provided by the Census, are updated more frequently and can provide information on jobs, housing, and income but do not provide detailed information on the movement of households between states and counties. Moreover, the ACS is based upon a sample of households rather than the universe of households.

This article uses Statistics of Income (SOI) data, provided by Internal Revenue Service (IRS), to measure migration in real time. When a household submits its taxes, the IRS can compare its address to the address on the previous year's tax form. That allows the SOI office to calculate state inflows, outflows, and in-state migration at the state and county level. These data provide a more accurate real time accounting of migration inflows and outflows between counties and can also indicate the origin or destination of households' movements. We chose to use SOI data for the readily accessible county-to-county migration data by state and to eliminate the delay between when SOI data is released and because this information is based upon actual data submitted to the IRS, rather than a sample of households.

We were interested in the total number of households that moved between, into, or out of Maine and Cumberland County, and what those flows told us about the changing demographics. The SOI provides the total number of returns filed, which in turn can provide us with estimates of the number of households, the number of exemptions, and the total adjusted gross income (AGI)[4] of both households and individuals. By dividing the total AGI by the number of households, we were able to compute the average household AGI for in-migrants outflow migrants to and from the region of interest. Finally, to determine average household size, we divided the total number of exemptions by the number of households.

The data and analysis have some limitations. The IRS SOI data only capture households who file federal tax returns, meaning it excludes individuals and households who are below the filing threshold. That may include low-income individuals, some retirees, undocumented immigrants, and others below the filing threshold. This limitation introduces the possibility of systematic bias, but the direction and magnitude of the bias are difficult to determine without additional data (for example, it is difficult to determine whether in-migrants or out-migrants might be over- or under-represented). Of course, this particular limitation is inherent in all IRS-based migration measures and is consistent with other research using SOI data. Readers should keep in mind that our analysis reflects only the population that files tax returns.

A further limitation is that the age and income indicated on the returns are for the primary tax filer in the household and may not be representative of the ages of other individuals in the household. Nonetheless, we can make some assumptions. For instance, if the average household size is over 2.0, we can assume that at least some of these households include children. The number of exemptions a household claims is also an indicator. Additionally, a few instances of very high or very low household AGI can skew the average income of a particular migrant group.

Finally, some married couples may file individual tax returns, which may affect the analysis. However, the vast majority (nearly 95 percent) of married couples file jointly. Therefore, despite these limitations, we believe the analysis presented below paints an accurate picture of migration to and from the area, at least within income tax filers.

MAINE AND CUMBERLAND COUNTY IN 2010

We start by examining the 2010 Census to establish a baseline. According to the US Census Bureau, the median household income for Maine in 2010 was $45,815. Maine Housing data shows that the typical cost for a home that same year was about $165,000 dollars. The median income needed to afford a home at that time was $55,182. In 2010, Cumberland County's median income was higher than the state at $58,562. The cost of housing in the county was also higher than in the rest of the state with a median home price of $219,000. Maine Housing data also shows that Cumberland County has had issues with housing affordability long before the COVID-19 pandemic and has been considered unaffordable since

TABLE 2: **Maine Migration Flows, 2017–2021**

	Inflow	Outflow	Net flow	Inter-county	Nonmigrants
2017–2018	29,601	23,673	+5,928	29,051	1,012,752
2018–2019	28,429	23,090	+5,339	27,989	1,020,798
2019–2020	35,152	23,878	+11,274	31,349	1,033,403
2020–2021	36,584	24,240	+12,344	29,664	1,001,741

Source: SOI and authors' calculations

at least 2000. In 2010, the median income required to afford a home in Cumberland County was $73,360.[5]

State Inflow and Outflow Migration Trends

Again using the SOI data, we chose 2017 as the start of our look at migration into and out of Maine to give a recent picture of the trends in the years immediately before the pandemic (Table 2). The data are presented as a year-over-year comparison. For example, the year 2019–2020 indicates the comparison of a particular tax filer's location in 2020 compared to their location in 2019. From 2017 to 2018, Maine as a whole experienced a positive net flow of individuals, with about 29,600 individuals moving to the state and approximately 23,600 leaving the state. That flow decreased somewhat in 2018–2019 although the net rate was still positive. However, in 2019–2020, Maine's net flow more than doubled, with a whopping 11,000 more individuals entering the state than leaving it. The increased flow continued unabated during 2020–2021.

TABLE 3: **Average Household AGI for State Migration Groups**

	Inflow	Outflow	Within Maine	Nonmigrants
2017–2018	$71,097.99	$64,462.53	$45,436.79	$66,309.55
2018–2019	$73,965.42	$64,677.34	$46,815.39	$69,325.46
2019–2020	$87,904.99	$66,014.19	$49,252.81	$71,508.13
2020–2021	$93,153.30	$77,351.02	$53,110.90	$73,921.14

Source: IRS SOI migration data. Not adjusted for inflation.

Inflow and outflow migration trends

In 2018, Maine inflow migration of individuals experienced a slight decrease of about 4 percent from the previous year; however, in 2020, during the COVID-19 pandemic, inflow migration jumped by 24 percent over the prior year and continued to increase in 2021 by another 4 percent over 2020.

Across all years, the largest incoming household age group has been those between the ages of 26 and 34; this age group represented nearly a third of incoming migration. They have consistently been the largest group moving to the state. The second largest group has been those in the 65+ group, which has been steadily increasing since 2017 and now represents between 16 and 20 percent of all inflow migration. Household size also varies by age group. The 35–44 age group has consistently had a larger household size (between 2.0 and 3.1 people per household), while the 26–34 age group has had a household size ranging from 1.4 to 2.1. An average household size over 2.0 indicates at least one dependent in a household, which likely means that many households in these age groups are moving to Maine with children.

Interestingly, outflow migration shows similar trends with 26–34 and 65+ age groups also being the largest age groups moving out of state. The younger age group constituted nearly a third of all those leaving the state in 2017, and the older age group made up 16 percent of all outflow migration in 2017, climbing to 20 percent in 2020, before dropping back to 16 percent in 2021.

Income

While the age brackets moving in and out of the state seem relatively balanced, households moving into the state have consistently had higher incomes than those who already live in Maine (Table 3). However, that income difference has increased dramatically since the pandemic, going from 7 percent higher income for in-migrants in 2017–2018 and 2018–2019 to 23 percent higher in 2019–2020, and 26 percent higher in 2020–2021.

Households who moved out of Maine typically had a lower average household AGI than nonmigrant households: incomes of out-migrant households were 3 percent below nonmigrants in 2017–2018. That gap increased to 8 percent below nonmigrants' AGI in 2019–2020. However, the trend switched in 2020–2021, when households leaving the state had incomes 5 percent higher than nonmigrants. The reason for this change is not clear, but with rising housing costs across the country it may just be that those households with higher incomes were more able to afford a move.

Taken together, these trends show that for the past two years, at least, those moving into Maine from other states have incomes that were nearly 25 percent higher than those of current residents and nearly 20 percent higher than those who left the state. Future research may determine whether these two years represent a blip or the establishment of a new trend.

Where are people coming from?

Five states (Massachusetts, New Hampshire, Florida, New York, and California) account for about half of all migration into the state. This percentage has remained fairly stable from 2017 to 2021.

TABLE 4: **Cumberland County Inflow and Outflow Migration**

Year	Total inflow	Total outflow	Net migration
2017–2018	13,852	12,984	868
2018–2019	13,463	12,445	1,018
2019–2020	15,233	13,311	1,922
2020–2021	14,931	13,720	1,211

Source: IRS SOI migration data

TABLE 5: **Cumberland County Household Income—Inflow Migration**

	2017–2018	2018–2019	2019–2020	2020–2021
Inflow migration from same state	$54,688	$51,223	$ 56,248	$55,717
Inflow migration from different state	$83,569	$87,197	$103,221	$109,601
Nonmigrants	$ 88,474	$ 92,418	$ 95,672	$101,065

Source: IRS SOI migration data.

Cumberland County Migration Trends

Similar to the state of Maine, Cumberland County also experienced an increase in net migration (Table 4). However, unlike the state as a whole, net migration reached a high of 1,922 in 2019–2020 followed by a 37 percent decrease in net migration in 2020–2021. This decrease appears to be mostly due to a slowing of inflow migration, as outflow migration continued to increase in 2020–2021.

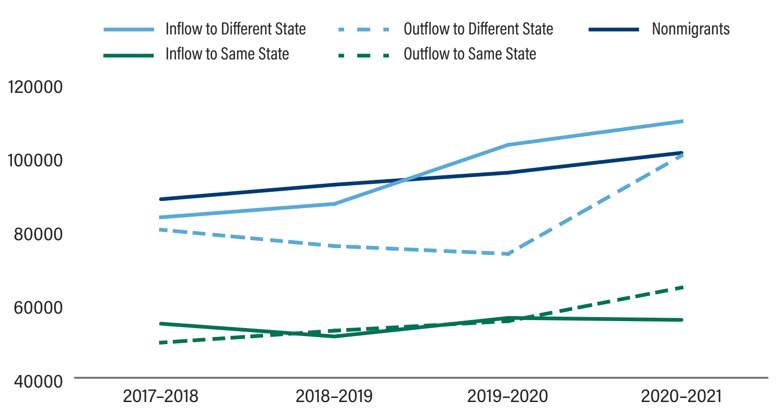
Inflow migration to Cumberland County originates predominantly from out of state (Table 5). Fifty-seven percent of in-migrants to Cumberland County were from out of state in 2017–2018, while that percentage increased to 65 percent in 2020–2021. One of the significant findings in inflow migration relates to income. While those who move to Cumberland County from out of state have incomes higher than those who currently live in the county, those households moving in from other counties within Maine have lower incomes than nonmigrants. While the IRS migration data doesn't suggest an explanation, it could be that individuals are moving to Cumberland County for the perceived higher opportunities available. It may also be that social support services such as subsidized affordable housing may be more available in Cumberland County than in other areas due to its higher population density. More research is needed.

Prior to the COVID-19 pandemic, Cumberland County out-migration was split nearly evenly between those moving to a different county within Maine and those moving out of state. In 2019–2020 that shifted slightly, with 55 percent of those moving out of Cumberland County moving to other counties within Maine; there was a similar rate in 2020–2021. The average household income for those moving to another county within the state was $45,437 in 2017–2018 and increased 17 percent to $53,111 in 2020–2021. This increase may reflect a lack of affordable housing within Cumberland County.

Figure 1 shows the difference in income between migration groups. Similarly to state trends, those moving into Cumberland County had incomes 69 percent higher than those moving out of the county in 2017–2018. During 2019–2020, this gap increased to 86 percent. While the gap has since narrowed a bit, the incomes of those moving into Cumberland County are still 70 percent higher than the incomes of those moving out.

The top five Maine counties receiving people moving out of Cumberland County are York, Androscoggin, Sagadahoc, Kennebec, and Oxford (Table 6). York and Androscoggin received over half of all in-state migration from Cumberland County. People moving out of Cumberland County to other states primarily went to other states in New England: New Hampshire, Massachusetts, and

FIGURE 1: **Cumberland County Incomes for Migration Groups**



Source: IRS SOI data and authors calculations

TABLE 6: **Cumberland County Outflow Migration Maine Receiving Counties**

County	# households			
	2017–2018	2018–2010	2019–2020	2020–2021
York	1,609	1,569	1,800	1,727
Androscoggin	785	759	808	927
Sagadahoc	481	472	500	478
Kennebec	298	290	360	376
Oxford	260	263	328	329

Source: IRS SOI migration data

Connecticut received the highest number of people moving out of Cumberland County.

We compared the average household AGI for the five top Maine counties receiving people moving from Cumberland County. Average household AGI was relatively stable for those moving from Cumberland to York and Androscoggin Counties over the years studied. However, the AGI of those moving from Cumberland to Sagadahoc, Kennebec, and Oxford Counties increased significantly in the 2020–2021 year. Other counties in the state also saw substantial shifts in the incomes of those moving from Cumberland County. For example, the incomes of those moving out of Cumberland County was 53 percent higher in 2020–2021 than in previous years.

Taken together, these trends demonstrate a kind of ripple effect. Cumberland County, already the most prosperous county in the state, has experienced an influx of migrants from out of state since the pandemic whose incomes are above those of current residents. Those moving out of Cumberland County have substantially lower incomes than both in-migrants and nonmigrants. However, while the people leaving Cumberland County for other counties within the state may be moving to more affordable counties (at least, relative to Cumberland), they are not necessarily moving to counties that are truly affordable.

DISCUSSION

The demographic shifts underway in Maine—particularly the influx of higher-income, often in-migrants who often work remotely—have wide-ranging implications for Maine, which we organize into three broad categories: economic vitality, social vitality and equity, and fiscal vitality.[6] Migration can bring new opportunities for economic development, workforce renewal, and civic engagement. At the same time, it can exacerbate housing pressures, income inequality, and cultural tensions. Understanding the multiple dimensions of these shifts is essential for communities seeking to respond thoughtfully and plan for a more equitable and sustainable future.

Economic Vitality

The influx of newcomers to Maine may be contributing to a much-needed increase in economic vitality. Although the median age in Maine has remained relatively stable, other indicators suggest that new residents may be bringing both higher educational attainment and entrepreneurial energy. In Cumberland County, the percentage of adults aged 25 and over with at least a bachelor's degree rose from 47.2 percent in 2017 to 55.5 percent in 2023. Statewide, the increase was from 32.1 percent to 37 percent over the same period.[7]

Maine has also seen a rise in measures of entrepreneurial activity. The Kauffman Early Stage Entrepreneurship Index, which tracks the rate of new business formation and early survival, increased from -1.53 in 2014 to 3.42 in 2021. The share of the population starting new businesses grew from 0.29 percent to 0.42 percent during that time.[8] In 2023, Maine saw a record number of new business applications, the highest number of applications since 2005 (Snider 2024). In recent national ranking based on business application growth and startup survival, Maine placed 14th overall and ranked highest in New England (Aston 2025).

These trends suggest that at least some in-migrants may be contributing to the creation of new businesses and helping offset broader demographic challenges to the state's economy. While labor force participation has not reached its prepandemic levels, the combination of higher education levels and increased business formation points to a potential shift in the structure and capacity of Maine's workforce.

Demand for local goods and services

As populations (and buying power) move from place to place, demand for local goods and services migrate as well. A recent paper authored by economists at the Federal Reserve Banks of Dallas and Philadelphia noted that found that "the demand for local goods and services moved spatially along with the net migration flows, which implies that the growth in local service jobs in locations receiving the migration was much more robust than the local service job growth in locations experiencing population outflow" (Li and Su 2021: 2). This increased demand could be good news for areas receiving in-migration and searching for ways to improve their economic development. While direct measures of demand for locally produced goods and services are limited, several indicators point to an upward trend. The record number of new business applications in 2023, coupled with employment growth in key counties and increased sales and use tax revenue, suggest that Maine is experiencing a rise in local economic activity. These developments may be driven, in part, by in-migration and the associated increase in consumer demand.

However, if jobs and wages for local service workers do not keep up with the increase in housing costs, local businesses could see a decrease in available labor, as service workers are no longer able to live in those areas. While anecdotal evidence of labor shortages abounds, it is difficult to unearth a causal relationship. In addition, the type and quality of services demanded by new residents may not match those provided by host towns, leading to further changes.

Social Vitality and Equity

Increased civic engagement

Maine is already a national leader in terms of civic engagement. According to a recent study by the Goldfarb Center for Public Affairs at Colby College, Public Engagement Partners, and Maine Community Foundation, "Maine ranks first in the nation in attending public meetings and participating in groups; third in volunteering; fourth in contacting or visiting public officials" (Goldfarb Center 2024: 11). Their research suggests that "education is the most consistently and powerfully predictive demographic variable associated with volunteering, group participation and contributing to civic groups and causes. As education increases, these civic activities tend to do the same and often in fairly dramatic fashion" (38). It is possible, therefore, that an increase in the percentage of the population with at least a college degree will correlate with an increase in civic engagement.

Cultural shifts

One possible consequence of this rapid demographic change could be conflicts between residents and recent transplants. Maine is no stranger to conflicts between "Mainers" and those "from away," especially when it comes to land access and recreation, such as hunting and ATV and snowmobile use (Vail 2002). But those conflicts could be accelerated by the recent shifts in population. One manifestation that has received some recent attention has been a lack of support for legacy occupations. A recent article in this journal by Monique Coombs, of the Maine Coast Fishermen's Association, points to the pressures that working waterfronts are experiencing due to an influx of new residents and visitors (Coombs 2023). This is just one example of an industry that is likely to experience conflicts in the future. Unfortunately, such conflicts are difficult to document.

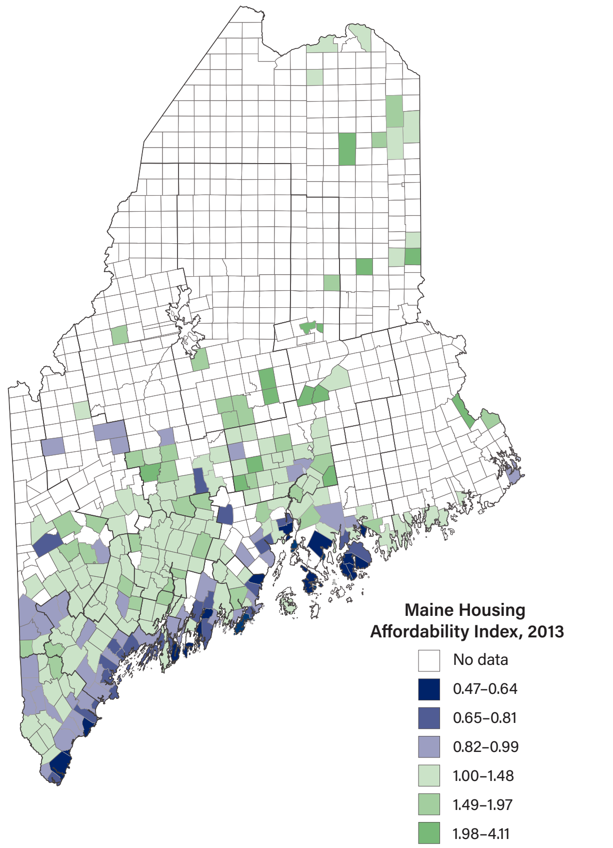
However, recent data suggest that many of those moving to the state are already associated with Maine in some way. A survey of over 2,500 new residents of the state (obtained from a sample of those who obtained a Maine's driver's license using a reciprocal license from another US state) indicated that 43 percent of the new residents surveyed had family members in the state, while nearly a quarter of them had spent some or all of their childhood in Maine (Wallace Economic Advisors 2025). These statistics suggest that new migrants to the state have some level of connection to the state and may have some understanding of and respect for long-standing industries and cultures.

Housing affordability and insecurity

A study published by the National Bureau of Economic Research showed significantly higher growth in housing prices in areas with high exposure to remote work (Mondragon and Wieland 2022). There are several reasons why remote work may lead to higher housing prices. First, the more people move to an area seen as desirable, the greater the demand for housing—a simple artifact of supply and demand. In addition, those making the move in order to work from home are likely to demand larger housing to accommodate a home office (or two). Second, people who work in economic sectors that are conducive to remote work often have higher incomes than those who do not. Moreover, as urban dwellers sell their homes at a profit to buy homes in rural or suburban areas, they are typically able to buy larger homes for the same price. The greater demand for housing, coupled with greater purchasing power, leads to an acceleration of prices.

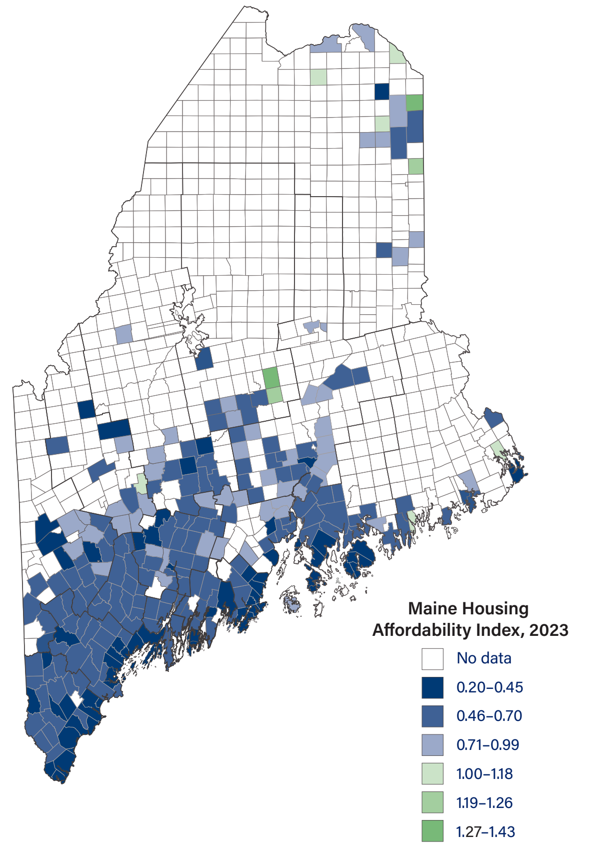
The research at by Mondragon and Wieland bears this out. Specifically, they found that "one additional percentage point of workers engaged in remote work during the pandemic implies an additional 0.93 percent increase in house prices from December 2019 to November 2021"

FIGURE 2: **Maine Housing Affordability Index, 2013**



Source: IRS SOI data and authors calculations; https://mainehousing.org/data-research/housing-data/housing-affordability-indexes

FIGURE 3: **Maine Housing Affordability Index, 2023**



Source: IRS SOI data and authors calculations; https://mainehousing.org/data-research/housing-data/housing-affordability-indexes

even after controlling for the effect of net migration on house prices (NBER 2022: 6). They found a similar effect for rental prices.

Maine is no exception to this rule. Housing prices and rental prices in Maine have risen 60 percent in the last five years, leading to an affordability crisis and a rise in housing insecurity (authors calculations).

According to the Maine Housing Affordability Index, 2015 was the last year that home ownership was considered affordable for most people living in Maine. (The Maine Housing Authority considers an area as unaffordable if a household earning the area median income could not afford the payment on a median priced home using no more than 28 percent of gross income). At the county level, some counties, such as Cumberland and York, have been unaffordable for many years, but as of 2022 even Aroostook and Washington Counties with their longer histories of affordability had become unaffordable. The biggest shift occurred from 2020 to 2022, when the median home price in Maine increased by 30.9 percent over the span of two years, putting home buying out of reach for 71.9 percent of Maine residents.[9] While these changes are not unique to Maine, Maine had the highest growth rate in median home prices in the nation between 2019 and 2024 at nearly 79 percent (Van Allen 2024). Wages and salaries in Maine, by contrast, grew about 40 percent over the same time period.[10]

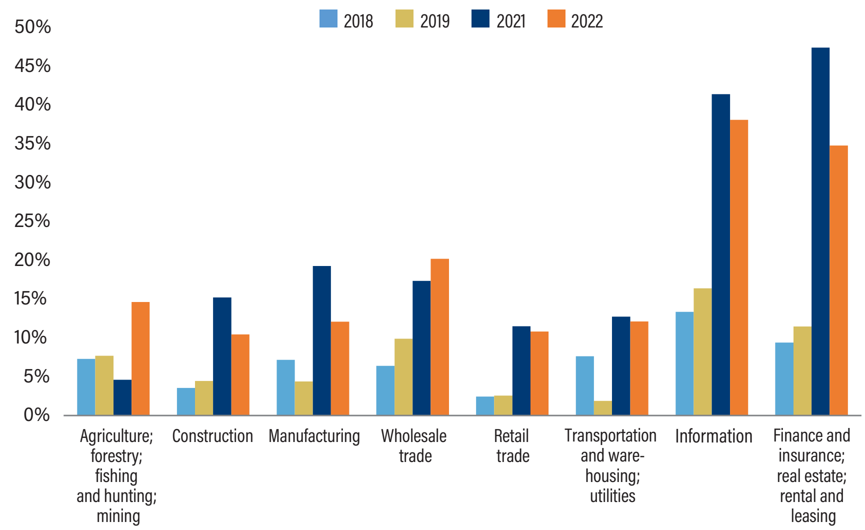
Figures 2 and 3 illustrate these changes. The blue shades indicate areas where homes are less affordable. The map on the left shows the housing affordability index in 2013, whereas the map on the right shows the index in 2023. An index below 1.0 indicates unaffordability.

When looking at Cumberland County the change is even more dramatic. The median home price in 2020 was $361,500, a figure that already put home ownership out of reach for 61.4 percent of county residents. By 2022, the median home price had increased 34 percent to $485,000. Maine Housing notes that this is unaffordable to 77.2 percent of county residents.[11]

Increased housing costs are not limited to single family home ownership, as home buying costs increase, so too does the cost of rental housing. While rental cost data is more difficult to track than home sales, MaineHousing data indicates that between 2017 and 2020 the median rental cost in Cumberland County increased by 72 percent. This trend has continued after the pandemic with the median 2023 rents in Cumberland County increasing by an additional 13 percent between 2020 and 2023.[12]

As the cost of buying a home increases, many households that can no longer afford to buy turn to the rental market for housing. These households have the ability to pay higher rents than those who are already in the rental market, further exacerbating the housing shortage in Maine.

FIGURE 4: **Percentage Working from Home, by Industry Sector**



Source: American Community Survey, various years

Higher levels of income inequality

Certain industries are more conducive to remote work than others. A working paper from the National Bureau of Economic Research found that the industries most conducive to remote work were professional services, such as educational, informational, scientific and technical services; finance insurance and real estate; and management of companies and enterprises. Those least conducive to remote work included transportation and warehousing; construction; retail trade; agriculture, forestry, fishing, and hunting; and accommodation and food services (Hansen et al. 2023). It is no big surprise that the industries least suited to remote work pay, on average, substantially lower than industries most suited to remote work. In fact, a white paper from the Becker-Friedman Institute at the University of Chicago finds that the individuals least likely to work from home are also more likely to be to be non-White, lower income, lack a college degree, and lack employer provided health insurance; they are also more likely to rent than own their dwellings (Mongey and Weinberg 2020).

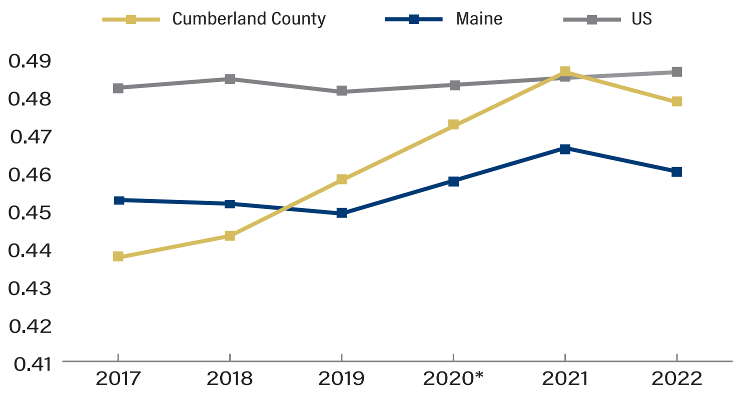
Figure 4 shows the percentage of Cumberland County residents working from home in various industries over time. This pattern implies that traditional Maine industries, which are more location-specific, are typically less conducive to working from home. The graph also shows that the percentage who work from home has increased substantially from the pre-pandemic period to the post-pandemic period, although that percentage has decreased slightly in 2022 as work-from-home orders were lifted.

Yet another indication of the growing discrepancy between incomes in Maine is the increase in the Gini coefficient, which measures income inequality in a region. The coefficient ranges from 0 to 1, with 0 indicating complete equality between incomes in a region and 1 indicating total inequality within a region. While Maine has historically experienced lower levels of income inequality than the country, that rate has rapidly increased in Cumberland County over the past several years, even more than the rate in the country as a whole (Figure 5).

Fiscal Vitality

The fact that recent in-migrants to Maine and to Cumberland County have higher incomes than existing residents has several fiscal consequences, both desirable and challenging. On the state level, higher aggregate incomes have contributed to significant growth in income tax revenue. According to the Maine Office of the State Controller, individual income tax revenue has increased by more than 50 percent since 2018, far outpacing the rate of inflation. Revenue surged in 2022, though it dipped

FIGURE 5: **Gini Index of Income Inequality**



Source: US Census Bureau. various years. Gini Index of Income Inequality (B19083) [Dataset]. https://data.census.gov/table/ACSDT1Y2022.B19083?q=maine%20gini

slightly in 2023 (OSC 2024). These revenue gains have contributed to repeated budget surpluses and have given the state greater flexibility in budget planning.

Migration and rising home values have also affected local tax bases. As property values increase—particularly in high-demand areas like Cumberland County—local governments may see rising property tax revenues. This can provide additional funding for municipal services and school budgets, particularly in communities where valuations are rising rapidly. However, the flip side is that long-term homeowners may face higher tax bills, and rising assessments can increase pressure on both municipal budgets and local residents. In some towns, debates over school funding and infrastructure investment have intensified as communities try to reconcile growth with affordability.

Increased consumer spending may also contribute to higher sales and excise tax revenues, although isolating the effect of in-migration is difficult. Under Maine's revenue-sharing program, a portion of these state revenues is distributed back to municipalities based on population and other factors, meaning that towns experiencing population growth may also receive increased state support over time. However, this formula is complex and not always responsive to immediate fiscal needs.

Overall, the fiscal impact of migration to Maine includes meaningful increases in state and local revenues, but these gains are accompanied by new demands on infrastructure, housing, and services—and by difficult tradeoffs for many communities.

CONCLUSION

Change is always challenging to navigate, and this recent shift in demographics is no exception. Communities experiencing demographic churn will need every tool in their planning toolbox to prepare for the consequences. Municipal officials are already confronting rising housing costs, pressures on infrastructure, labor market mismatches, and cultural tensions between long-time residents and newcomers.

However, anticipating these challenges can help mitigate them. Communities can update their comprehensive plans with attention to workforce housing, land conservation, infrastructure investments, and zoning reforms. Municipalities might also expand outreach efforts to ensure inclusive public engagement (such as holding meetings at different times and locations, as well as providing child care) and consider equity impacts in budgeting and service delivery. Listening to the fears and aspirations of long-term residents is key to fostering trust and social cohesion.

At the same time, these demographic shifts bring opportunities. Municipalities and businesses can anticipate the needs and preferences of newer residents—including remote workers—by adjusting service offerings, expanding digital infrastructure, and tapping into the skills of recent arrivals. This influx of talent may help fill labor shortages and contribute to a more dynamic, diversified local economy.

Community groups also have a critical role to play in bridging divides. In Harpswell, for example, local organizations hosted panel discussions and produced educational guides to help newcomers understand life in a working waterfront community. Similar efforts—from workshops on local heritage to participatory events that integrate newcomers into civic traditions—can strengthen community identity while fostering connection.

Recent research suggests that public opinion about newcomers often varies by income, education, and political affiliation—a reminder that migration, like so many issues, intersects with broader societal divides (Goldfarb Center 2024). Maine's unofficial slogan has long been "the way life should be." It is perhaps no surprise that others are taking notice. But for that way of life to remain attainable, Maine will need carefully tailored responses from government, civil society, and individuals that preserve its strengths while embracing thoughtful, equitable adaptation.

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NOTES

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