

# Global Mega-Trends and The Maine Economy

*Ten to Keep Your Eye On...*



*Speaker – Dr. Norm O'Reilly, Dean Graduate School of Business*

November 29, 2023

# Plan

- Quick Speaker Introduction
- The Graduate School of Business & MaineMBA “101”
- Presentation – Global Mega-Trends and the Maine Economy
- Q&A

# *About Your Speaker*

# WHO AM I?

**Sport business academic and professional with research record, teaching excellence, management background, strong network, and industry experience.**

- Interdisciplinary: Marketing, Sport Management, Accounting, Physical Activity, Sponsorship
- Scholar - 18 books, 160+ articles, 14 Harvard/Stanford cases, 400+ conferences
- Sought After Expert - Blue-Chip Consulting, Business Owner, Legal Expert Witness, Media, Keynote Industry Speaker/Webinar, Executive Educator
- Teacher - High Evaluations, Awards, Multiple Countries, Online
- Key Awards - America Marketing Association (AMA) Lifetime Achievement, North American Society for Sport Management (NASSM) Fellow, Top 40 Under 40 Sport Business
- Former Athlete (2-time Academic All-Canadian), Coach, Administrator, Event Manager, Entrepreneur, Policy writer, Program manager, Web Designer



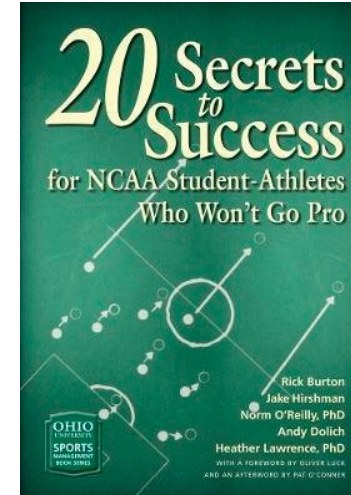
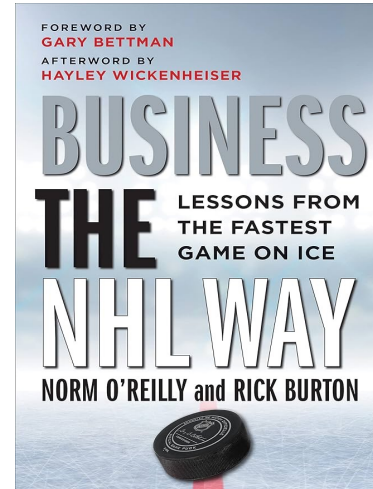
**BSc  
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MBA  
PhD  
CPA**



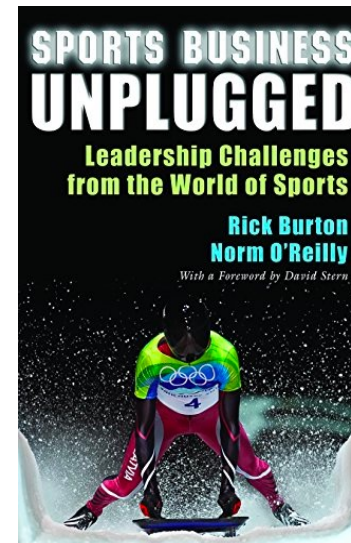
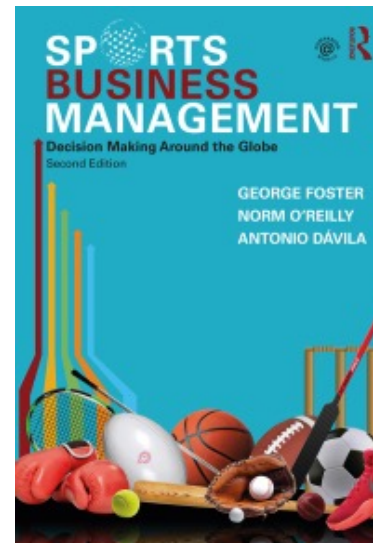
## MEDIA



## THOUGHT LEADER



## BALANCE



# *The Graduate School of Business (GSB)*



Maine Business School • Graduate School of Business

# Collaboration & Portland

The Graduate School of Business is part of an integrated group of programs, institutes and entities led by the Law School working in partnership to **prepare leaders** to solve the state's most pressing challenges through interdisciplinary, experiential, and market-driven graduate and professional programming across business, law, and public policy.







# **Harold Alfond Foundation Challenge Grant: Raise \$7.5M and meet the benchmarks to unlock the grant**

“We were inspired by the transformative vision of the Maine Center...a model that is truly unique, of the very highest quality, and that best serves the people of Maine.”

—Greg Powell, Chairman, Harold Alfond Foundation

- Achievement of match – December 2021
- Phase II now in process – a lot happening

# GSB Goals

- From the Alfond Agreement
  - To grow MaineMBA enrollments to 447 by Fall of 2025 (30% increase from AY 20/21)
  - To expand the number of interdisciplinary concentrations and options in the Graduate School of Business to 24 by Fall of 2025 (triple from AY 20/21)
  - To have rankings in at least three different programs that improve between 2021 and 2024







## Accreditation

**#51**

Best Online MBA from U.S. News &  
World Report

**#31**

Global Online MBA from CEO  
Magazine

**#26**

Best Online MBA from Fortune  
Magazine





## MaineMBA +

Overview



Accounting



Blue Economy



Business Analytics



Finance



Food Technology Industry  
Management



Engineering Management



Global Policy



Outdoor Industry Management



Geospatial Technologies



Human Nutrition



Healthcare Systems



Sustainability



Public and Non-Profit Management



+Dual degrees & certificates



# MBA Enrollment for Fall 2023

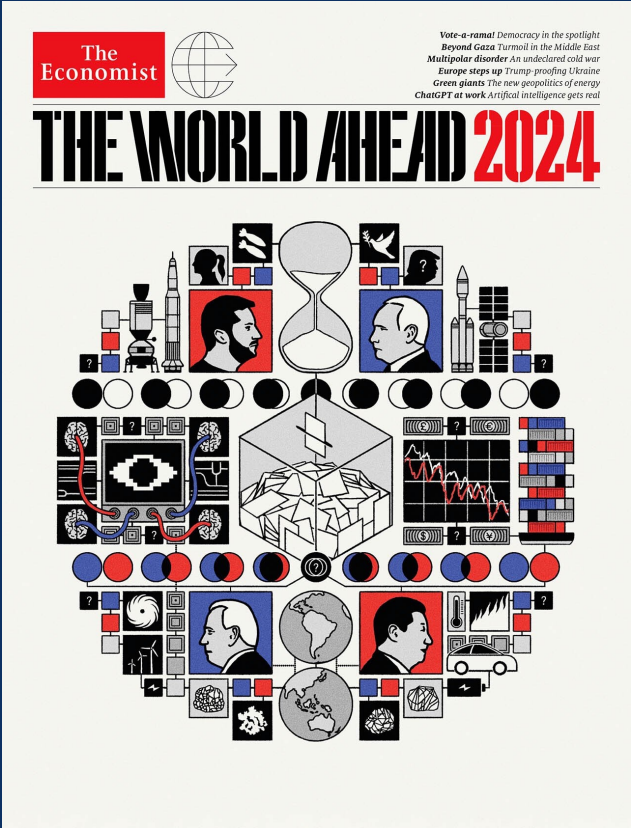
- 414 unique students actively working on a Graduate School of Business degree.
- We had 362 students enroll in Fall 2023.
- As of this morning, we have 247 students already enrolled for Spring 2024.

# *Global Mega-Trends and The Maine Economy*



**NO  
PARTICULAR  
ORDER**

# Sources



# **Trend #1: Election Approaching**









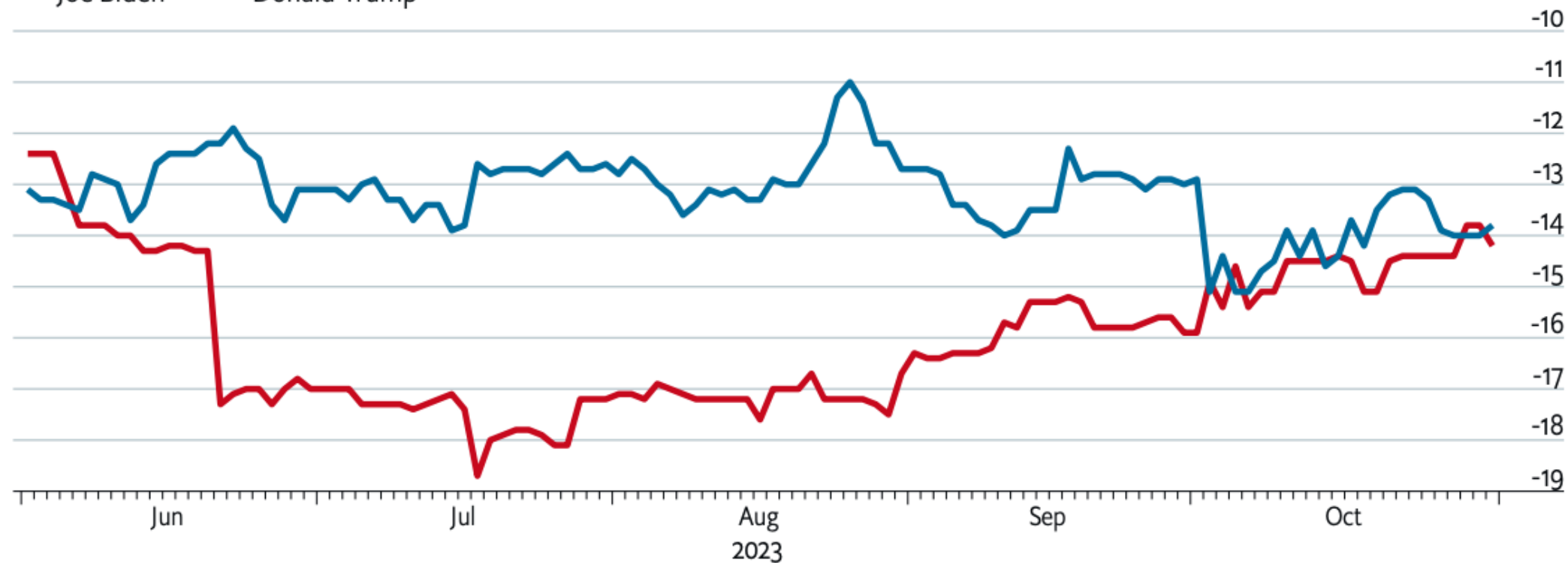




## Joe Biden and Donald Trump continue to struggle with low popularity

(%, US net favourability rating)

— Joe Biden — Donald Trump



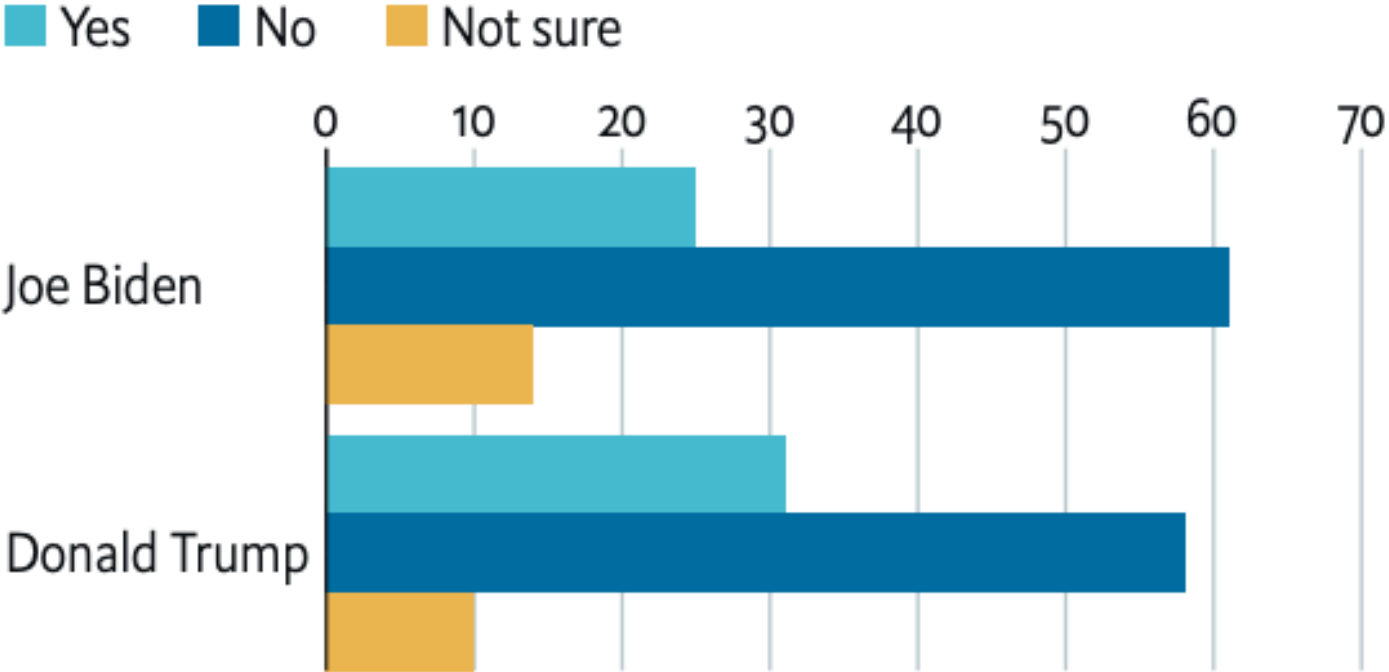
Sources: FiveThirtyEight; EIU.

\*\*Favourability" and "approval" used interchangeably for the Biden poll.

© The Economist Intelligence Unit Limited 2023

# Most US voters do not want a Biden-Trump rematch in 2024

(%, total respondents who want the following candidate to run for president again)



\*Survey conducted on October 28th-31st 2023.  
Sources: The Economist/YouGov; EIU.

# What does it mean for Maine?

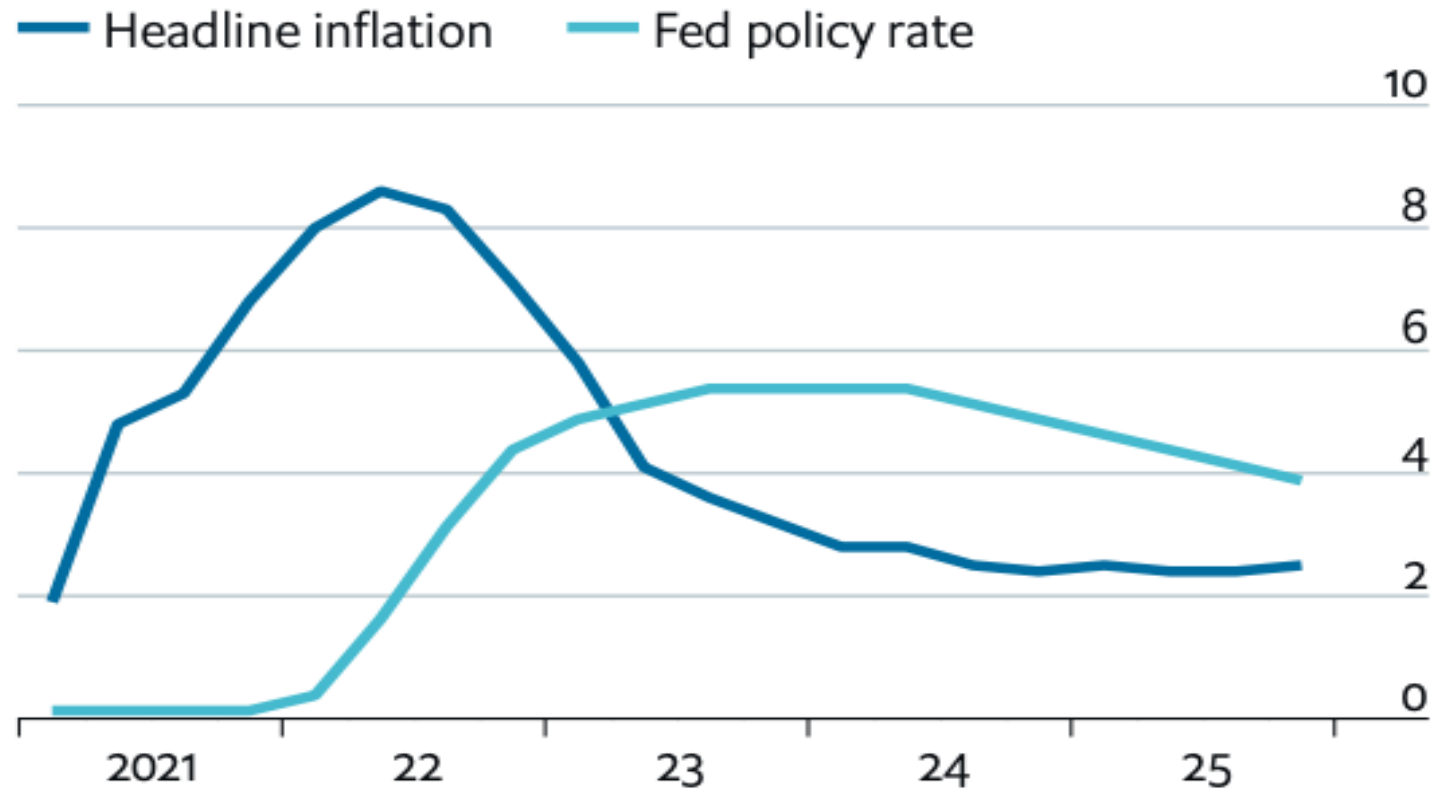
- Plan B's might just happen...
- Plan for four scenarios (party and candidate)
  - Individuals, Businesses, Start-ups – focus on issues where differences exist: taxes, immigration, spending, DEI, etc.

## **Trend #2: Interest Rates & Inflation**

# A bit of finance...

- Interest rates and Inflation need to be looked at together
- The current environment is NOT a surprise and will not pass quickly
- The 'stable' period of 2010 to 2020 is behind us

## Inflation and borrowing costs (%)



\*Values for Q4 2023 and onwards are EIU estimates and forecasts.

ECONOMICS\$

101

INTERNATIONAL UNIVERSITY OF  
HARD KNOCKS

THIS CERTIFIES THAT

\_\_\_\_\_

HAS ACHIEVED THE DEGREE OF  
PHD



# MEET GENERATION Z









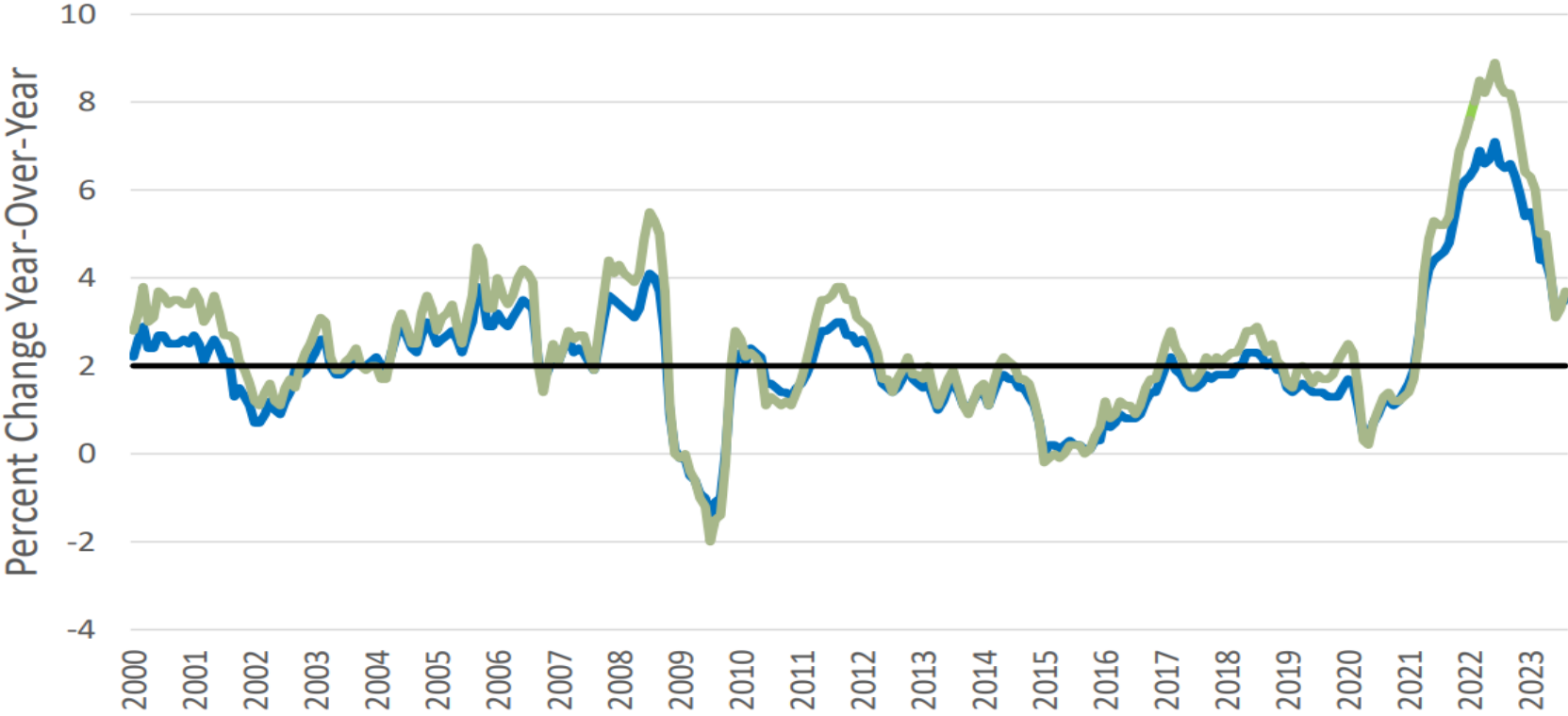




# What does it mean for Maine?

- We really need to be smart (individual & business)
  - Limit debt, unless strategic
  - Cash flow analysis essential – out to 2027 at least
  - “Cash is King” again and borrowing (e.g., real estate) is hard
  - Time value of money

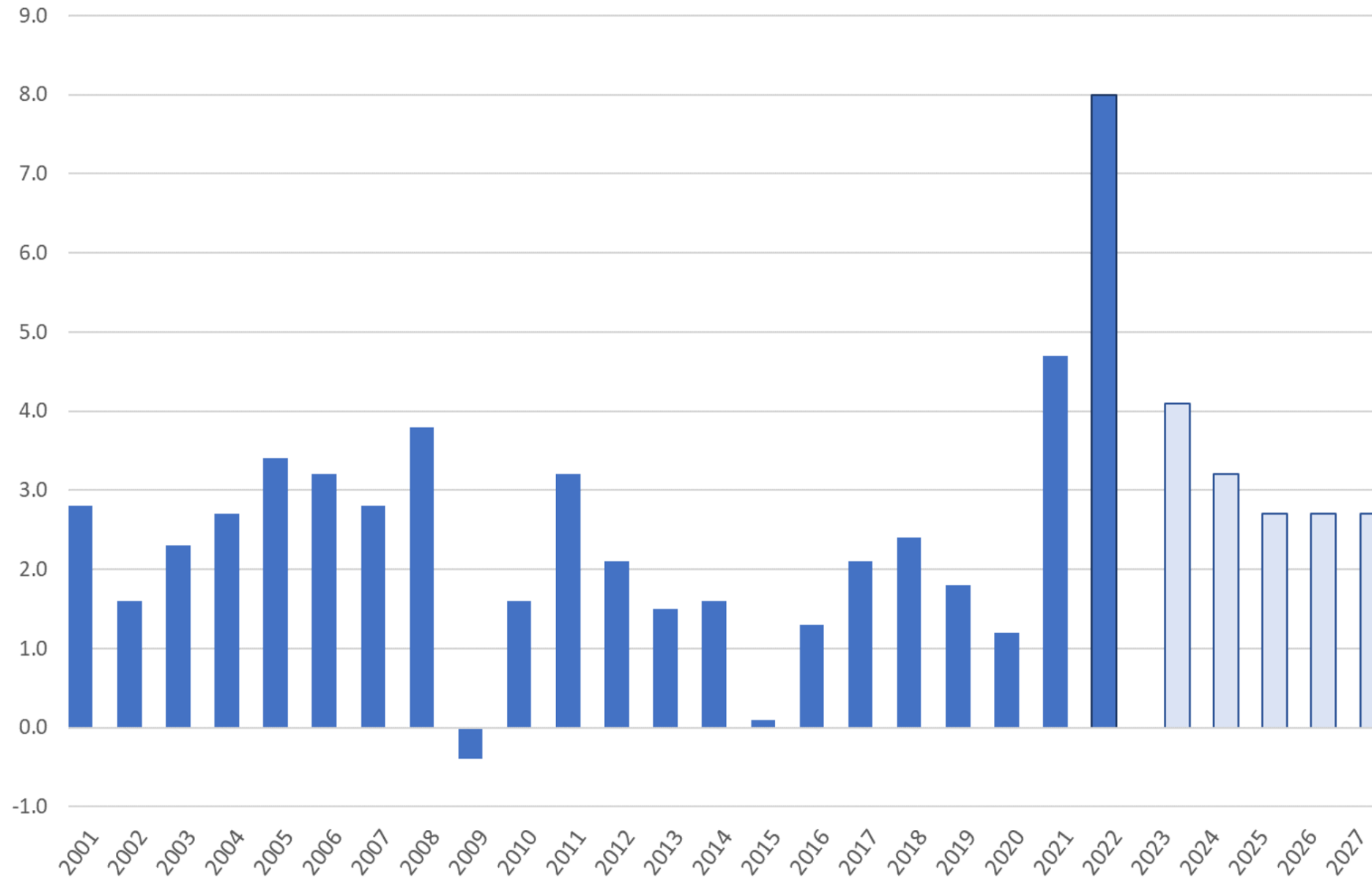
# Measures of Inflation, Year-Over-Year Percent Change



— PCE Price Index, 2017=100, seasonally adjusted  
— Consumer Price Index All Items, 1982-84=100

Table 1. Percent Change in Consumer Price Index by Expenditure Category	Year-Over-Year (not seasonally adjusted)		Month-Over-Month (seasonally adjusted)	
	Aug-23	Sep-23	Aug-23	Sep-23
<b>All items</b>	3.7	3.7	0.6	0.4
Food	4.3	3.7	0.2	0.2
Energy	-3.6	-0.5	5.6	1.5
<i>All items less food and energy</i>	4.3	4.1	0.3	0.3
Commodities (less food and energy)	0.2	0.0	-0.1	-0.4
Household furnishings and supplies	1.7	0.9	0.3	-0.3
Apparel	3.1	2.3	0.2	0.8
Transportation commodities (less motor fuel)	-1.9	-2.3	-0.3	-0.9
Medical care commodities	4.5	4.2	0.6	-0.3
Recreation commodities	-0.1	0.2	-0.4	0.3
Education and communication commodities	-8.1	-7.3	-0.7	0.3
Alcoholic beverages	3.7	4.2	0.0	0.8
Other goods	5.0	5.1	0.1	0.5
Services (less energy)	5.9	5.7	0.4	0.6
Shelter	7.3	7.2	0.3	0.6
Water and sewer and trash collection	5.8	5.2	0.5	0.2
Medical care services	-2.1	-2.6	0.1	0.3
Transportation services	10.3	9.1	2.0	0.7
Recreation services	6.1	6.4	-0.1	0.5
Education and communication services	2.6	2.5	0.1	0.1
Other personal services	6.4	6.8	0.7	0.6

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





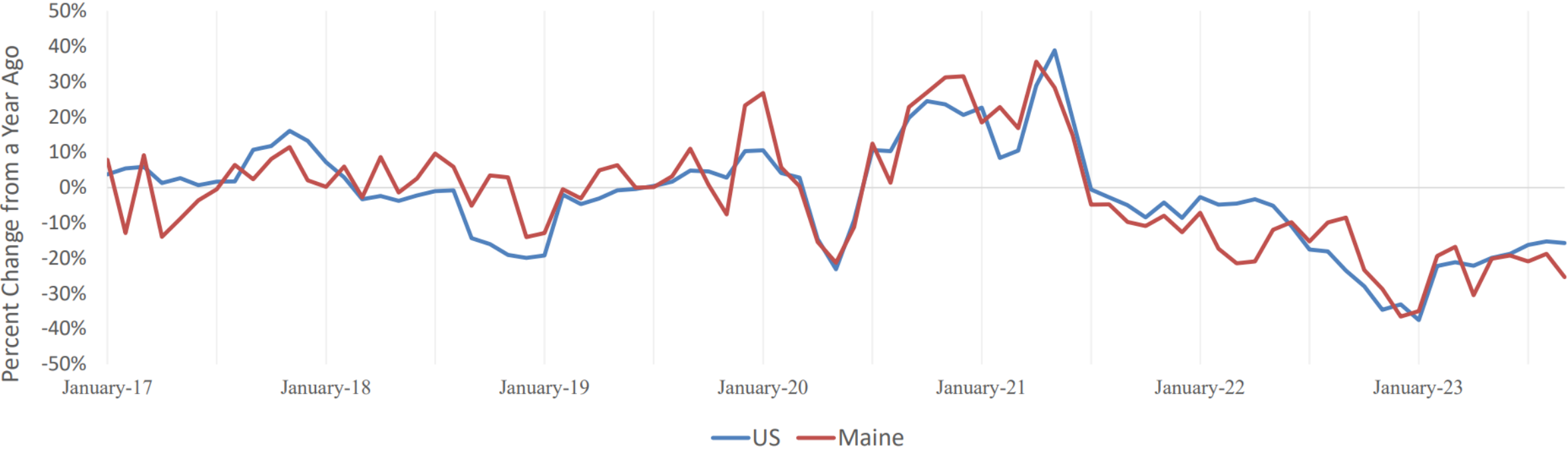
## **Trend #3: Housing Shortages**



# Even in this climate, still an issue

- Challenge for employers
- Challenge for young couples without family support
- Challenge for cities
- Borrowing costs a new challenge

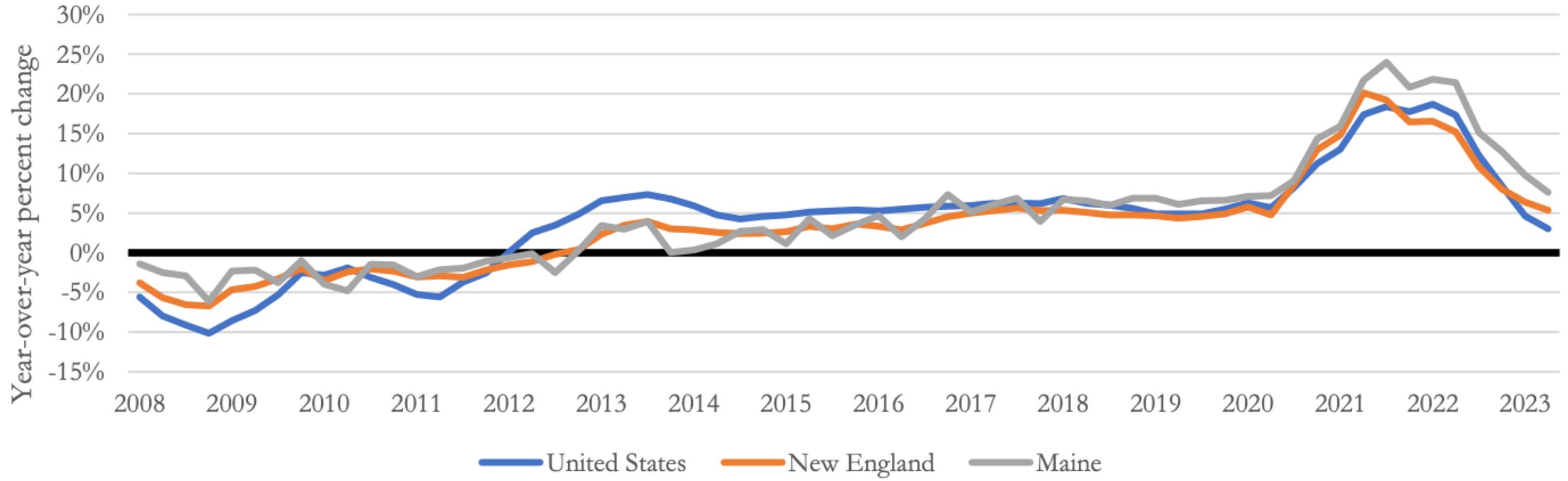
### Single-Family Existing Home Sales



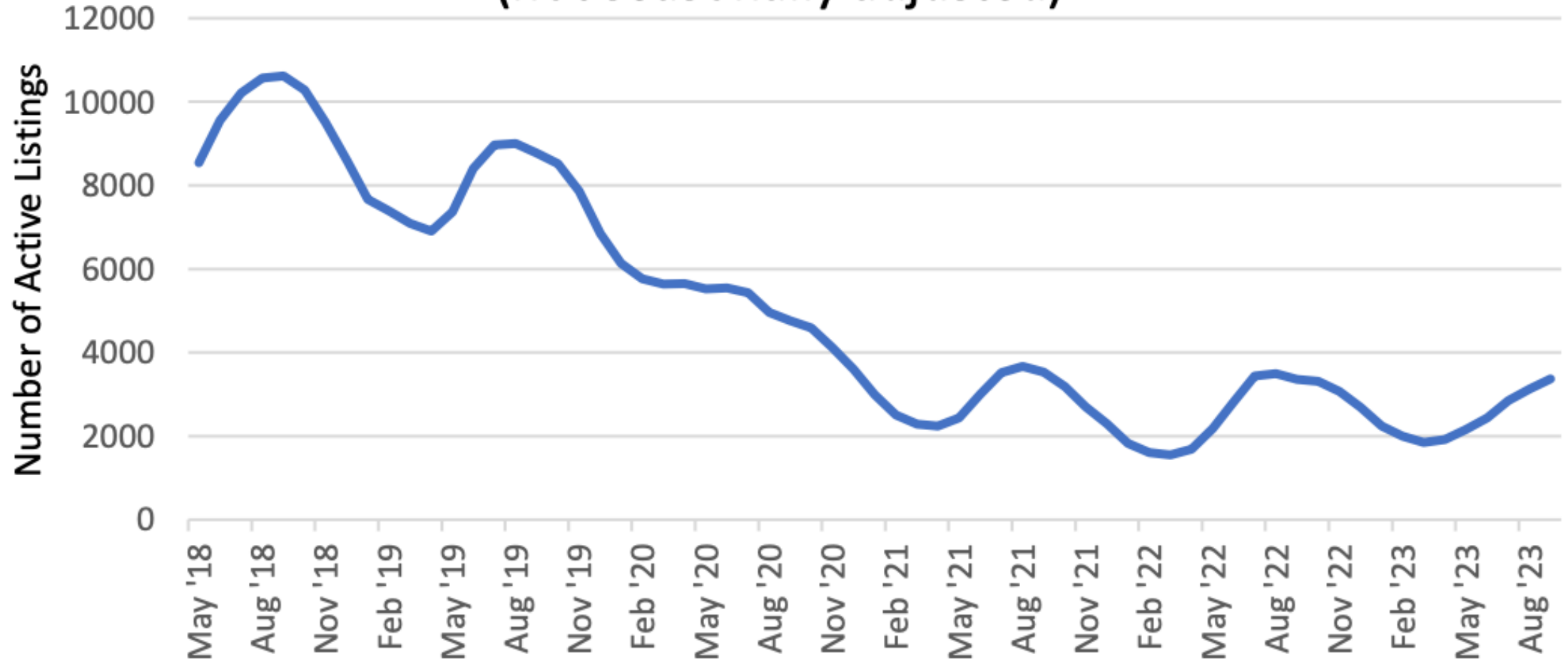
Source: National Association of REALTORS and Maine Association of REALTORS

Reference Period		Maine	New England	United States
2022:Q2-2023:Q2	HPI percent change from previous year	7.6%	5.3%	3.0%

Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



# Housing Inventory: Active Listing Count in Maine (not seasonally adjusted)





# What does it mean for Maine?

- BIW exemplar – 5,700 new hires since 2019 and +900



7.6%

**APARTMENT**

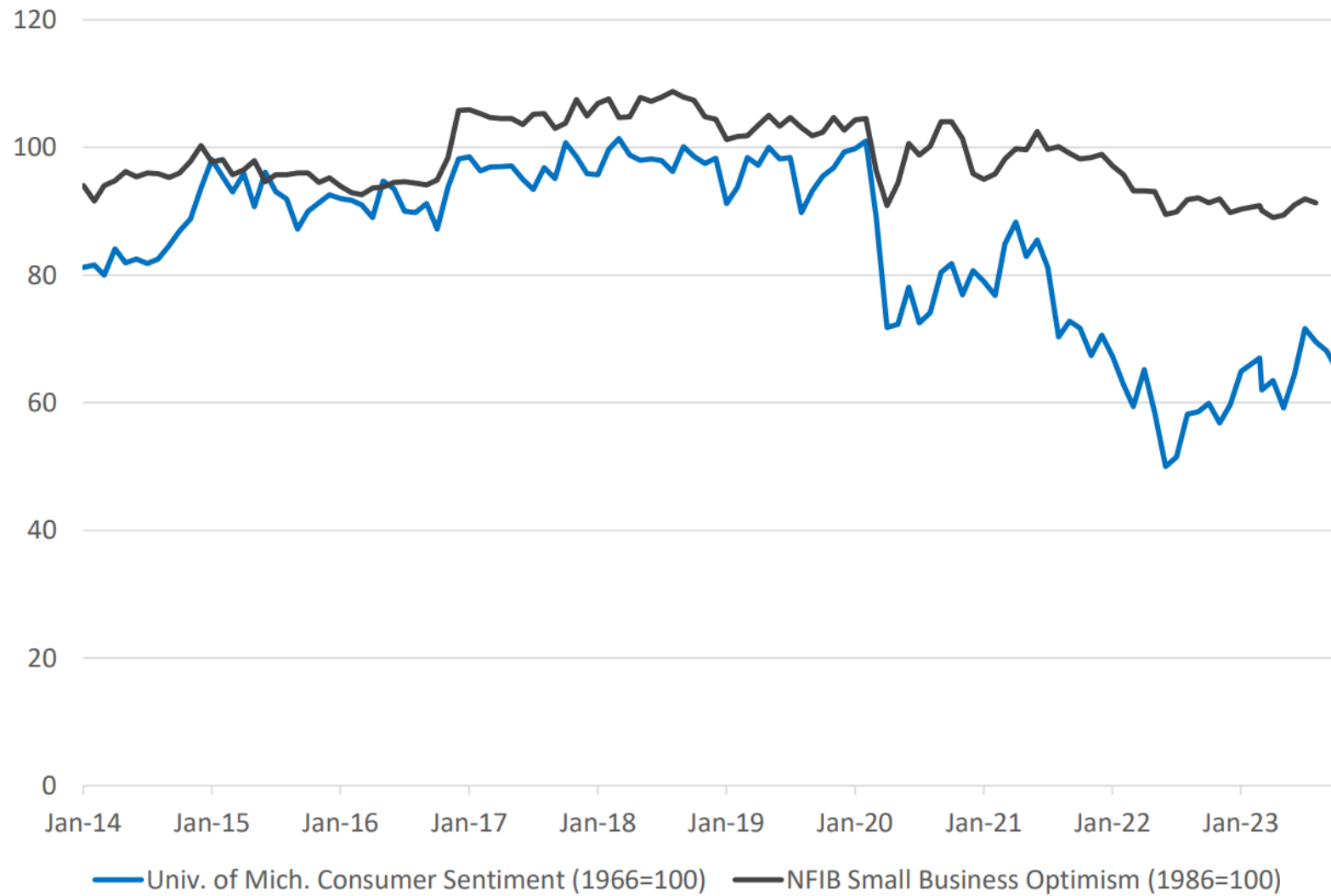
**FOR RENT**



**Trend #4: Optimism is down...both  
consumers & small businesses**



## Consumer Sentiment and Small Business Optimism Indices

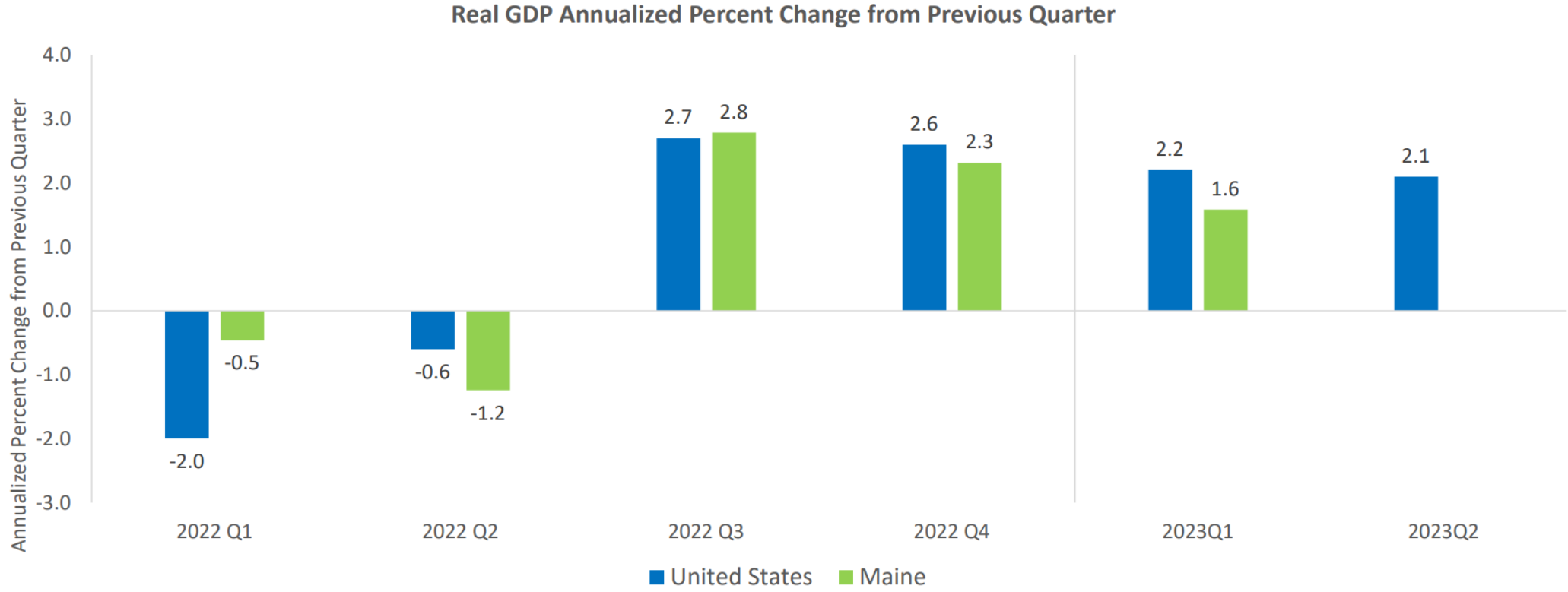


# What does it mean for Maine?

- Huge Impact
  - We rely on small business
  - We rely on tourists and 2<sup>nd</sup> home owners

**Trend #5: The economy is growing and is expected to continue to grow**

GDP declined in the first half of 2022 but we've seen 4 consecutive quarters of growth since then



Source: U.S. Bureau of Economic Analysis



# What does it mean for Maine?

- First, there is no need to be pessimistic
- Second, we have to maintain our focus on talent development, retention, and attraction
- Third, we have to work on our brand



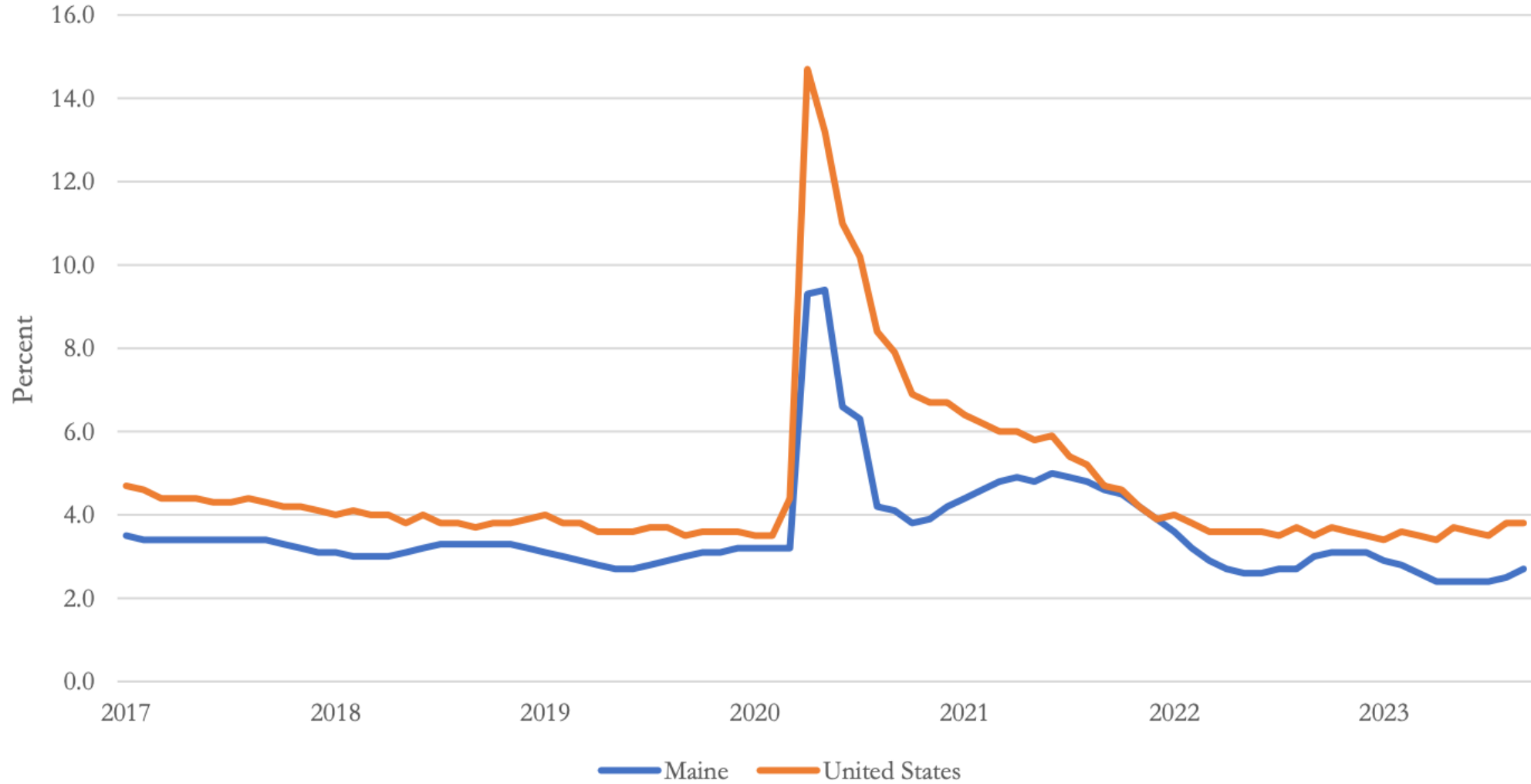
## **Trend #6: Labor Force Pressure**

**Source: November Monthly Economic Indicator (State of Maine)**

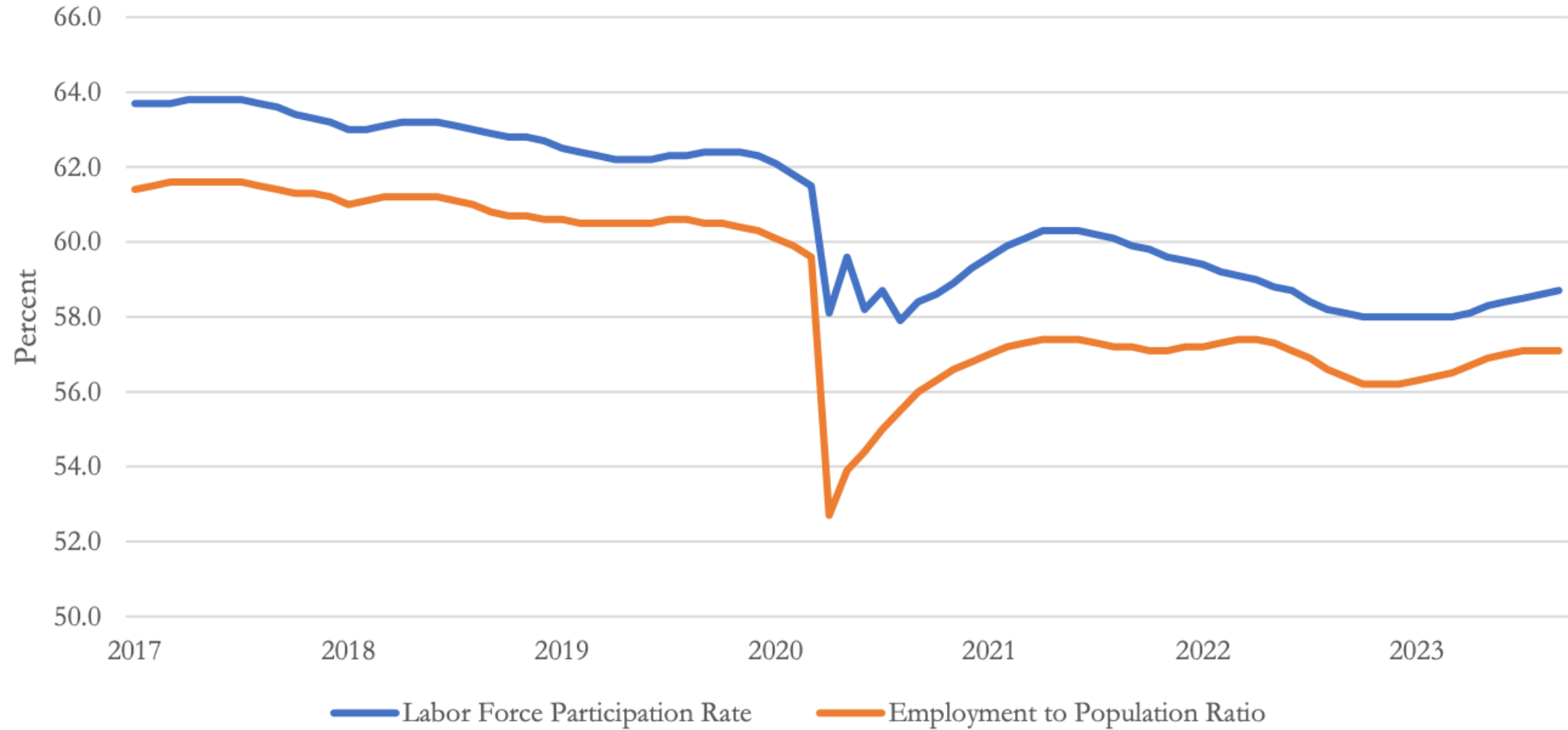
<b>Reference Period</b>		<b>Maine</b>	<b>New England</b>	<b>United States</b>
September 2023	Unemployment rate	2.7%	2.7%	3.8%
September 2023	Total private nonfarm employment	546,600	6,629,600	134,012,000
September 2023	Labor Force	685,400	7,976,200	167,929,000
September 2023	Labor Force Participation Rate	58.7%	N/A	62.8%



# Unemployment Rate (Seasonally Adjusted)



## Labor Force Participation & Employment-Population Ratio (Maine)



# What does it mean for Maine?

- Workforce deficiencies
- Reflected in ongoing low unemployment rates and talent challenges shared

**HELP  
WANTED**

## **Trend #7: Population Changes**

**Source: November Monthly Economic Indicator (State of Maine)**

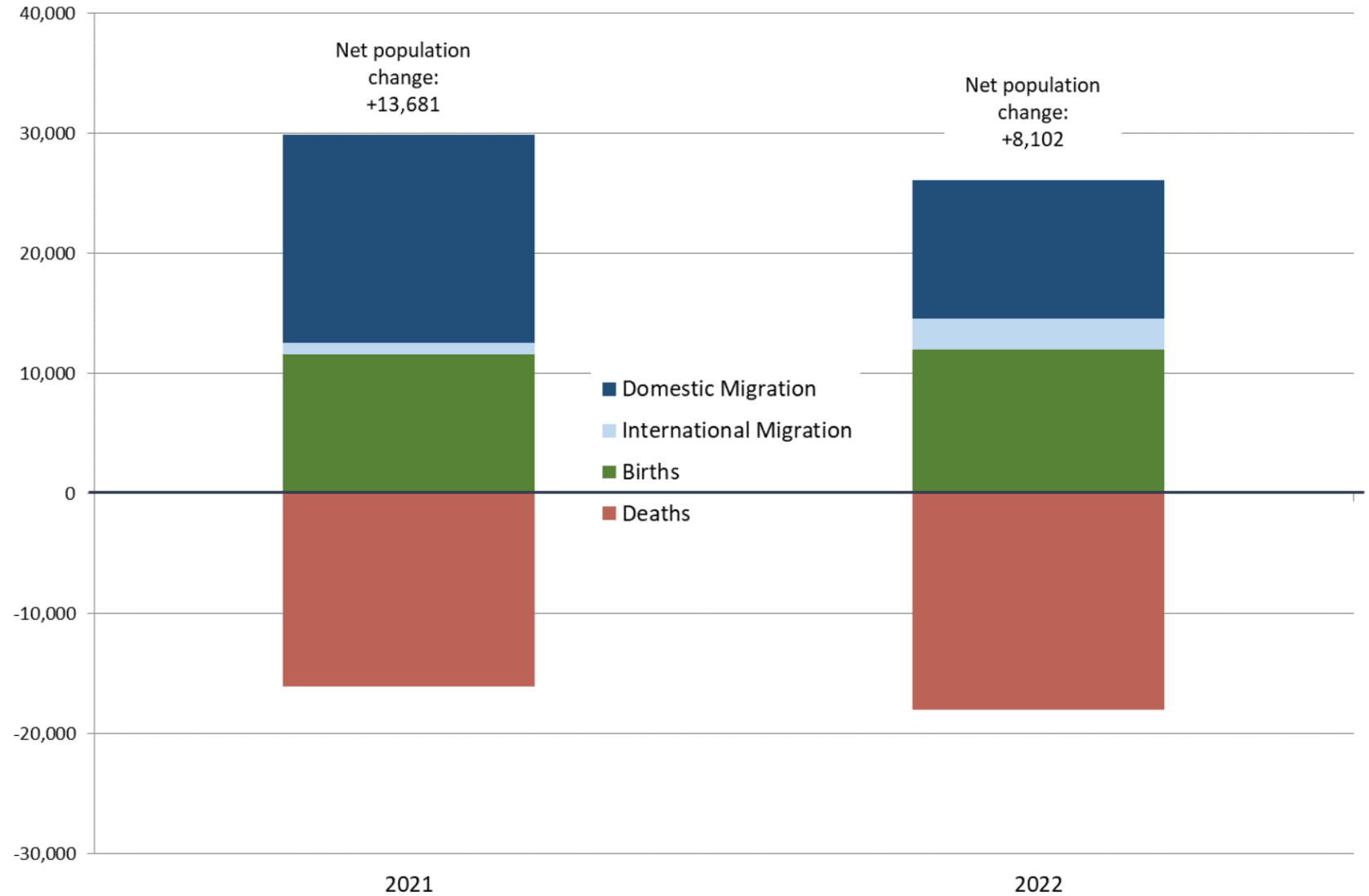


Reference Period		Maine	New England	United States
2022	Total population	1,385,340	15,129,548	333,287,557
2021-2022	Annual population percent change	0.6%	0.05%	0.4%
2020-2022	Cumulative population percent change	1.6%	0.4%	0.5%
2022	Births	12,030	146,423	3,688,179
2022	Deaths	17,973	149,549	3,443,099
2022	Net migration	14,125	13,421	1,010,923
2021-2022	Annual rate of total net migration, per thousand (Maine ranks 11 <sup>th</sup> in the U.S.)	10.2	0.9	3.0
2022	Median age, years (American Community Survey)	45.1	41.2	39.0
2022	Associate degree: percent of population age 25 and above	10.7%	8.1%	8.8%
2022	Bachelor's degree: percent of population age 25 and above	22.3%	24.3%	21.6%
2022	Graduate or professional degree: percent of population age 25 and above	13.8%	19.1%	14.0%
2022	Percent of population below poverty level	10.8%	10.0%	12.6%
2022	Median family income	\$88,063	\$111,960	\$92,148
2022	Median household income	\$69,543	\$87,451	\$74,755
2022	Per capita personal consumption expenditures	\$55,789	\$61,033	\$52,542
2022	Per capita disposable personal income	\$53,011	\$65,072	\$56,062

# Components of Population Change, Maine

Population increase of 1.7% from 2020-2022 (14<sup>th</sup> in U.S.)

2022 net migration = 10.2 per thousand (11<sup>th</sup> in U.S.)



44.8 Years

22.5%

# What does it mean for Maine?

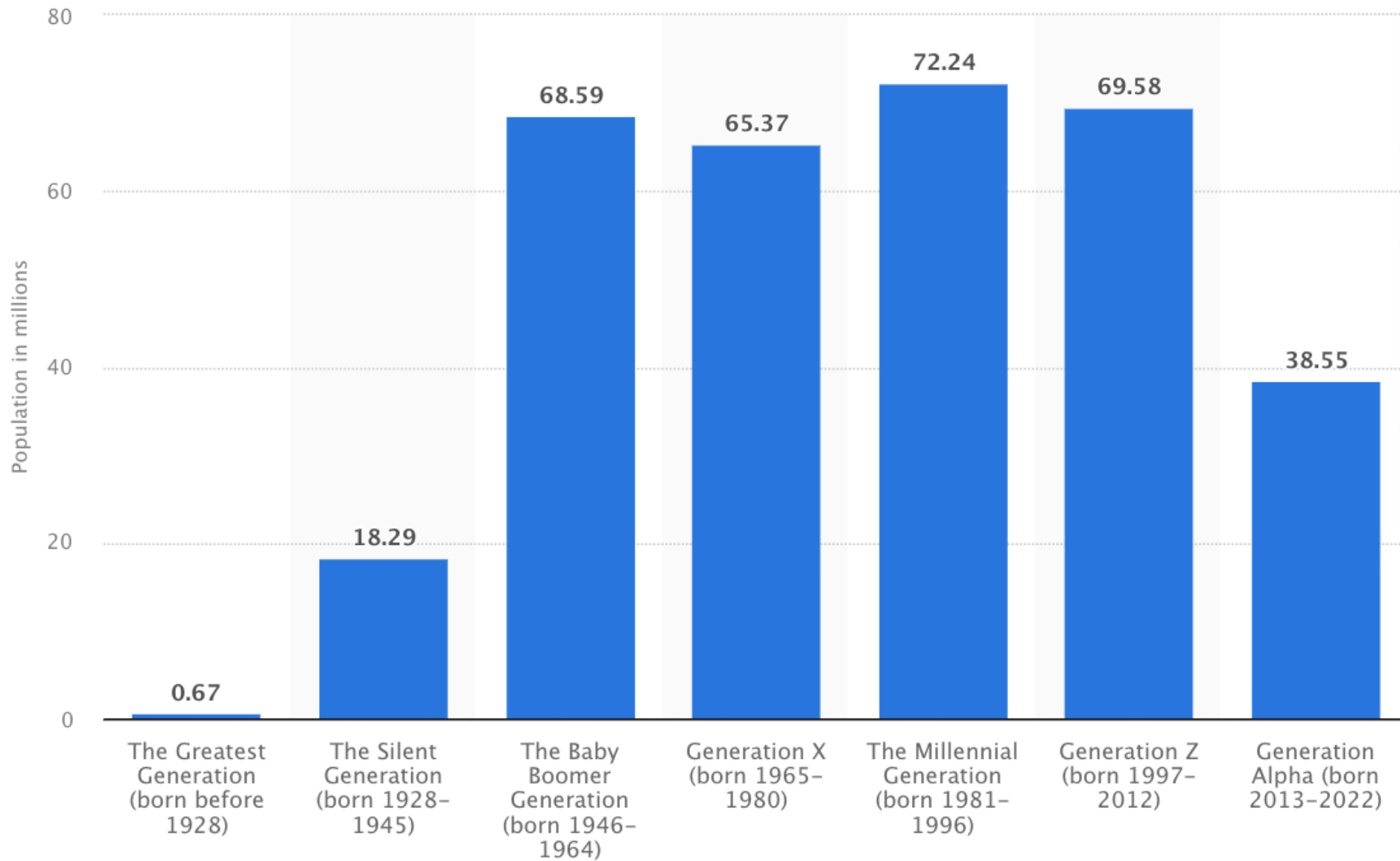
- Immigration is essential
- Our population dynamics are complex!
- Our 'reality' is a bit different than the rest of New England
- Our 'reality' is VERY different than the rest of the US



# **Trend #8: Demographics are Changing**

# The changes are vast...

- Cohorts
- Race
- Religion
- Culture
- Gender
- Preferences
- Lifestyles
- Family
- Etc.



Search:

Records:

13

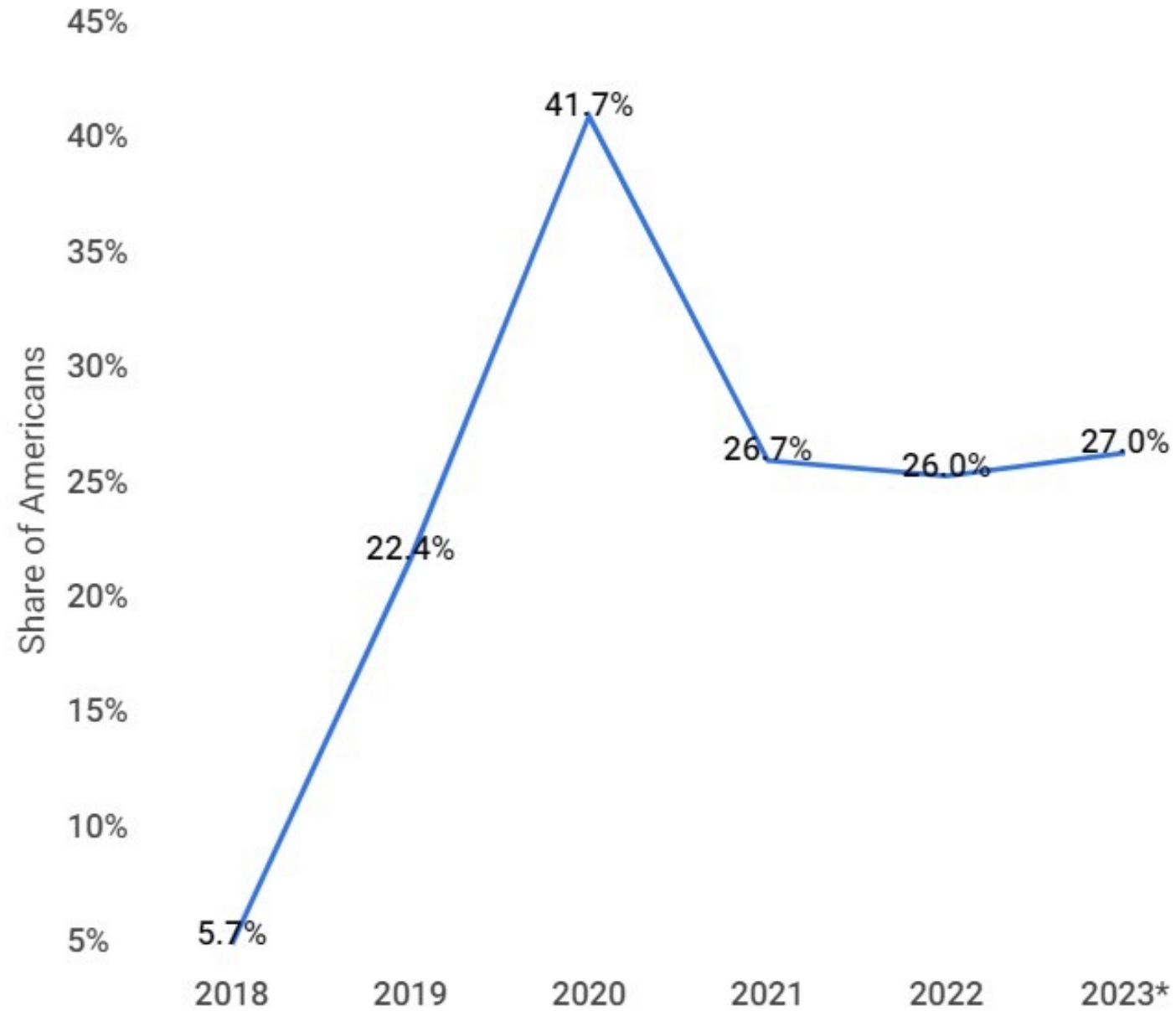


Characteristic	White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Two or more races
2022	251.6	45.4	4.38	20.95	0.88	10.07
2021	251.44	45.1	4.33	20.47	0.86	9.82
2020	251.64	44.91	4.33	20.23	0.85	9.6
2019	250.52	44.08	4.19	19.5	0.81	9.14
2018	249.96	43.73	4.15	19.13	0.79	8.92
2017	249.27	43.37	4.1	18.76	0.78	8.69
2016	248.41	42.97	4.05	18.28	0.77	8.46
2015	247.38	42.53	4	17.75	0.75	8.21
2014	246.35	42.09	3.95	17.2	0.74	7.97
2013	245.31	41.65	3.9	16.68	0.72	7.73
2012	244.35	41.23	3.85	16.2	0.71	7.5
2011	243.29	40.78	3.8	15.72	0.69	7.27
2010	242.24	40.36	3.75	15.26	0.68	7.04

Showing entries 1 to 13 (23 entries in total)

[Previous](#) [Next](#)

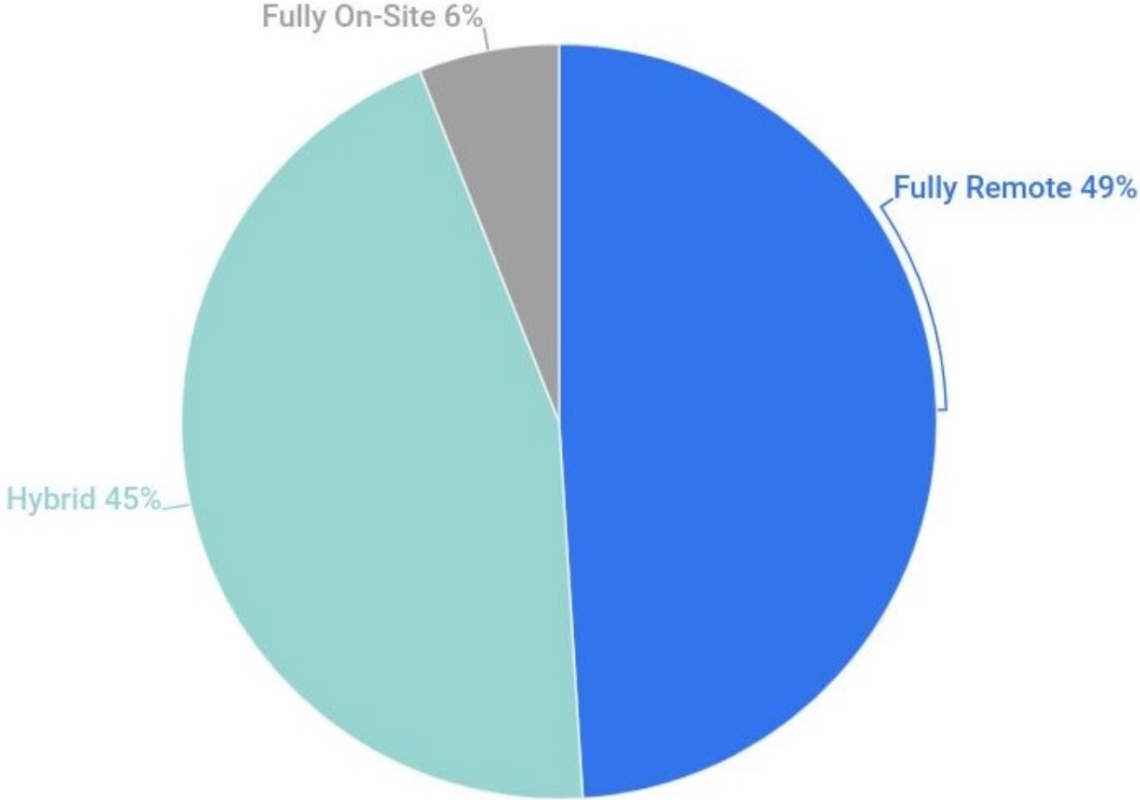
# SHARE OF AMERICANS WORKING REMOTELY



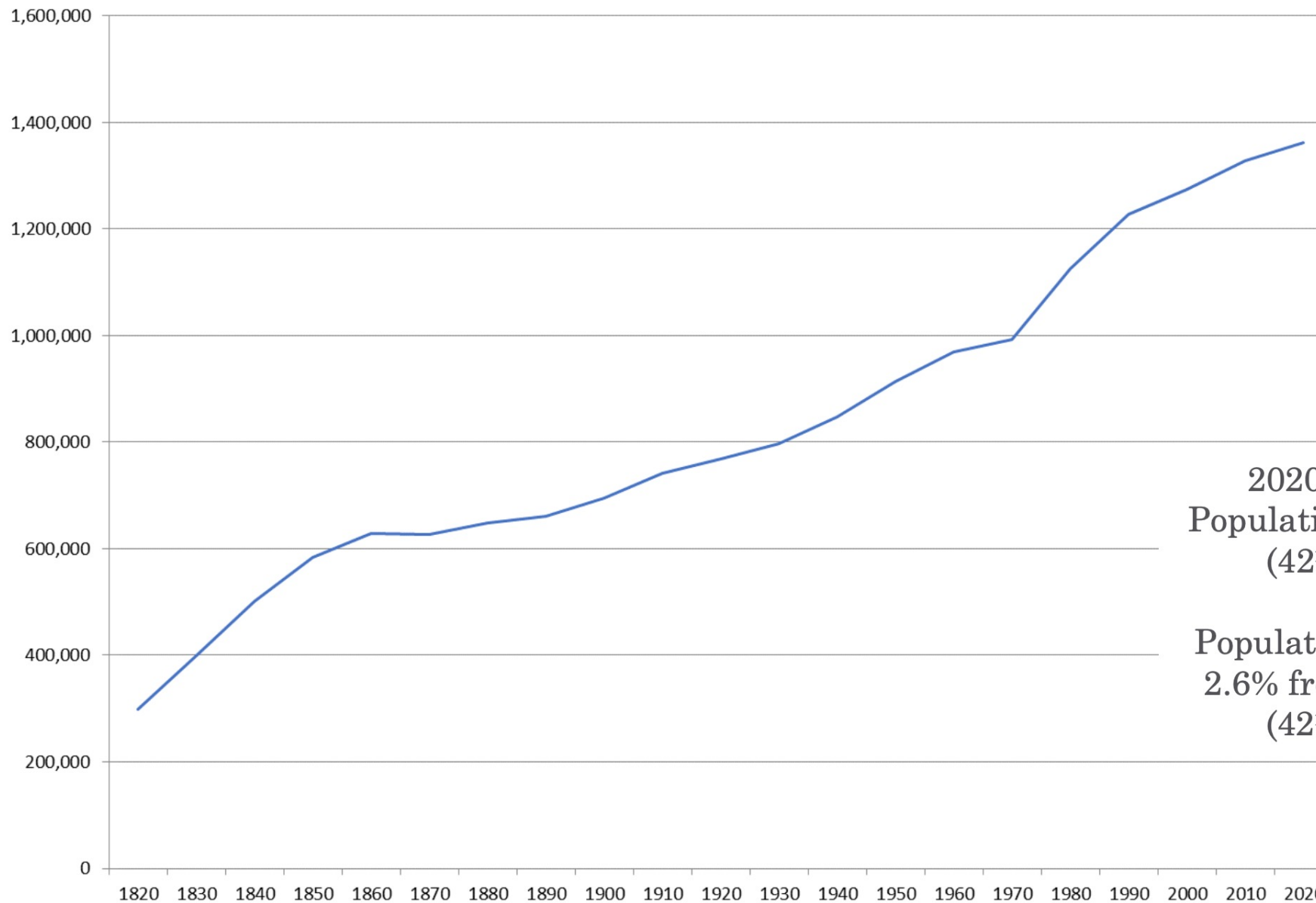
Source: Zippia, 2023



# WORK TYPE PREFERENCES

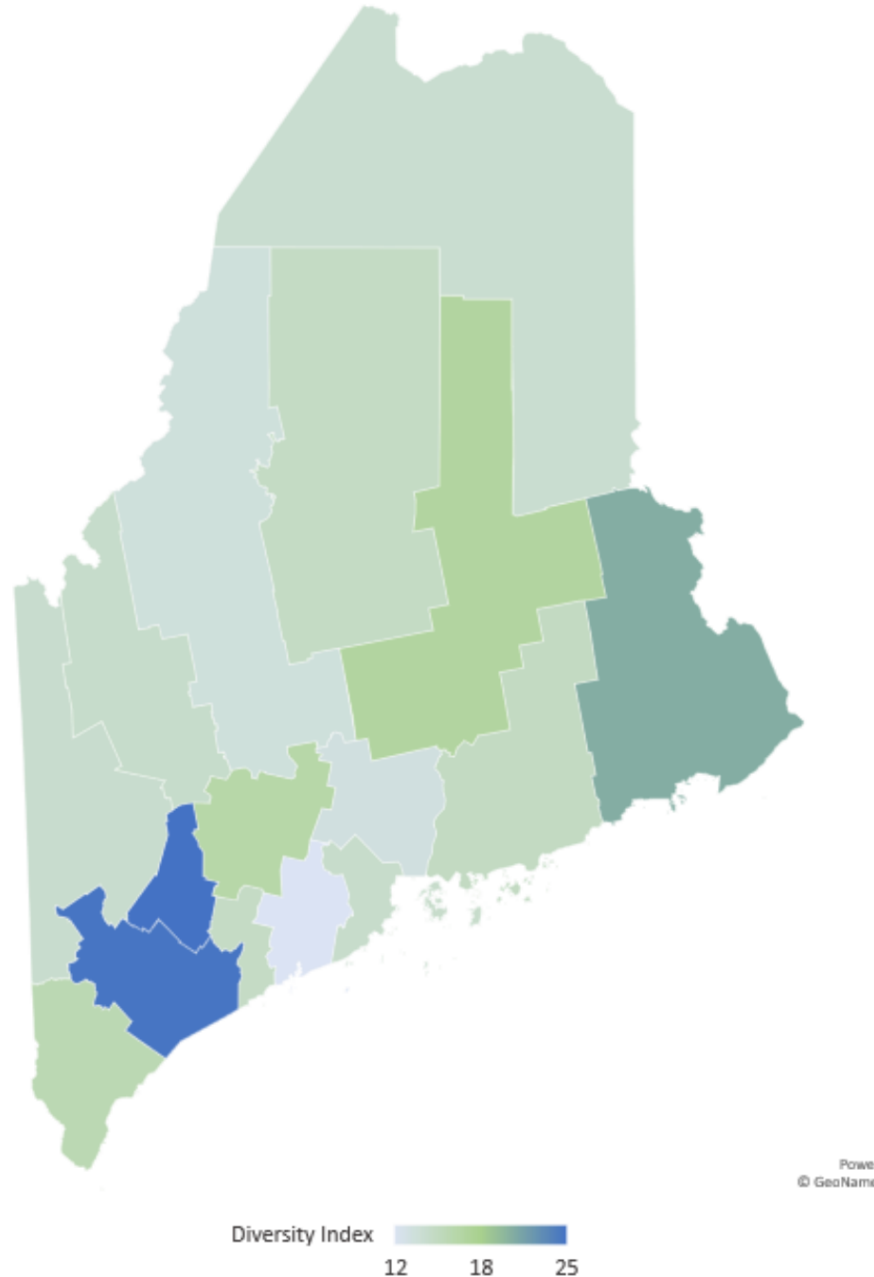


# Total Population, Maine



2020 Decennial  
Population = 1,362,359  
(42<sup>nd</sup> in U.S.)

Population increase of  
2.6% from 2010-2020  
(42<sup>nd</sup> in U.S.)

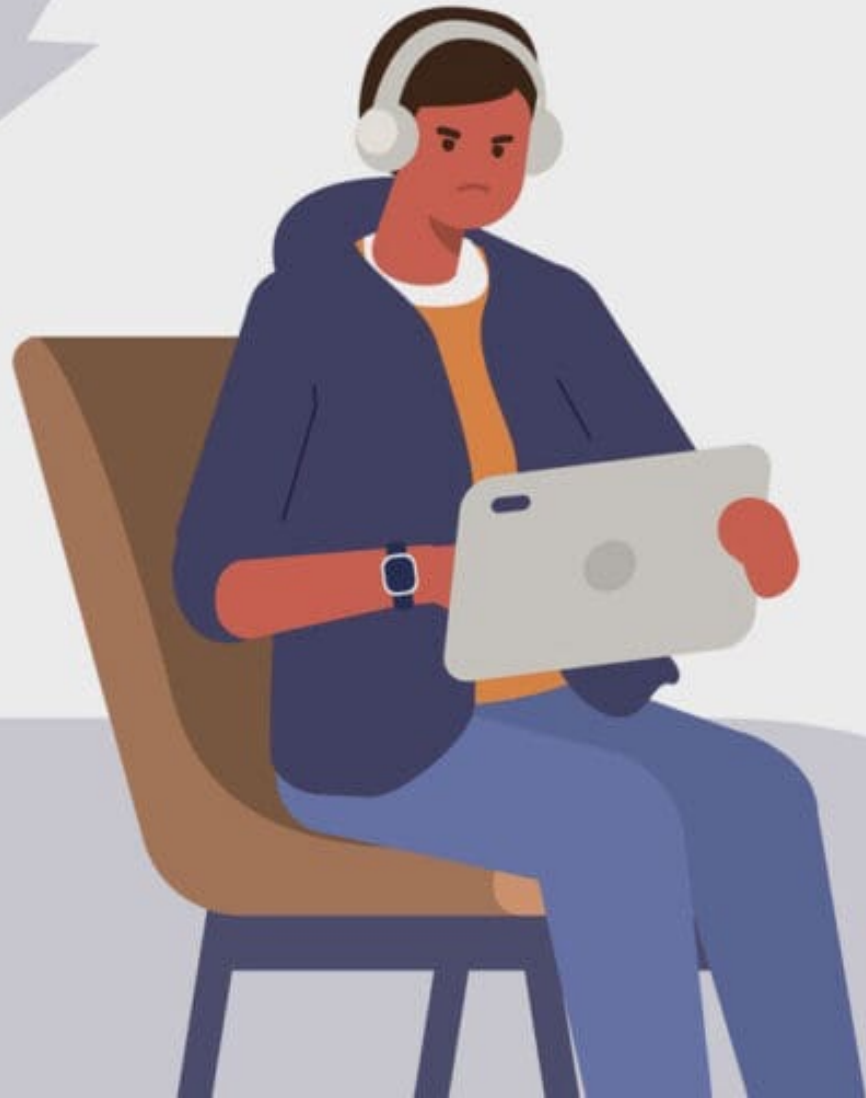


The diversity index tells us the chance that two people selected at random will be from different race or ethnicity groups

- In 2020, Maine ranked as the least diverse state in the U.S.
  - ME index = 18.5%
  - U.S. index = 61.1%
- But there is regional variation: Cumberland, Androscoggin, and Washington counties are more diverse

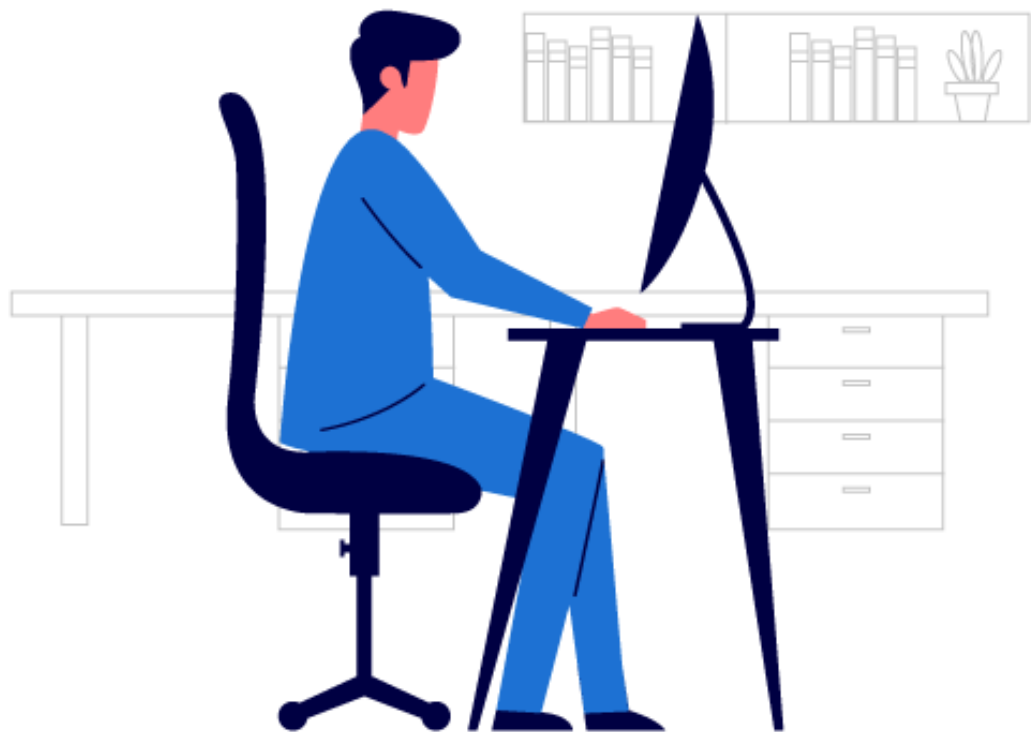
# What does it mean for Maine?

- We are MUCH less diverse than most of the country
- Consider “welcoming” approaches to talent attraction
- In your interactions, consider people’s backgrounds and how they might differ from you?



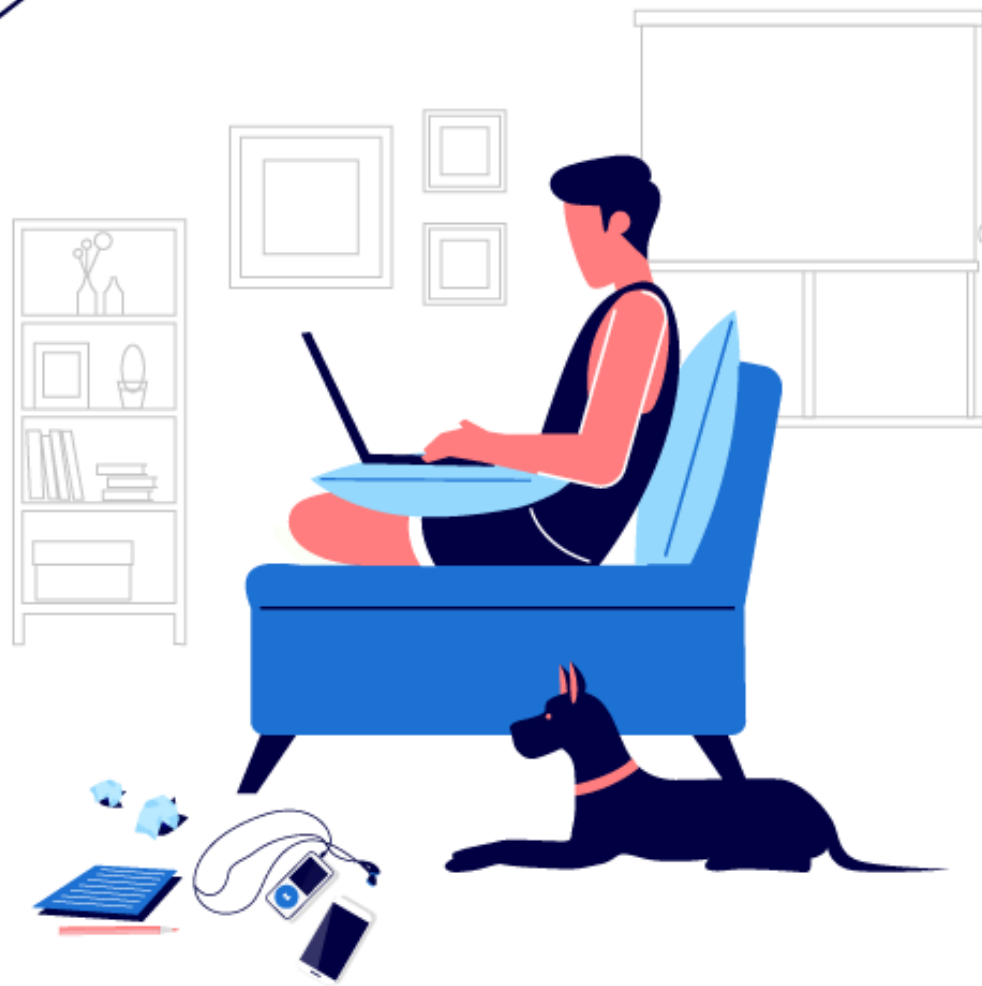


WORK FROM  
OFFICE



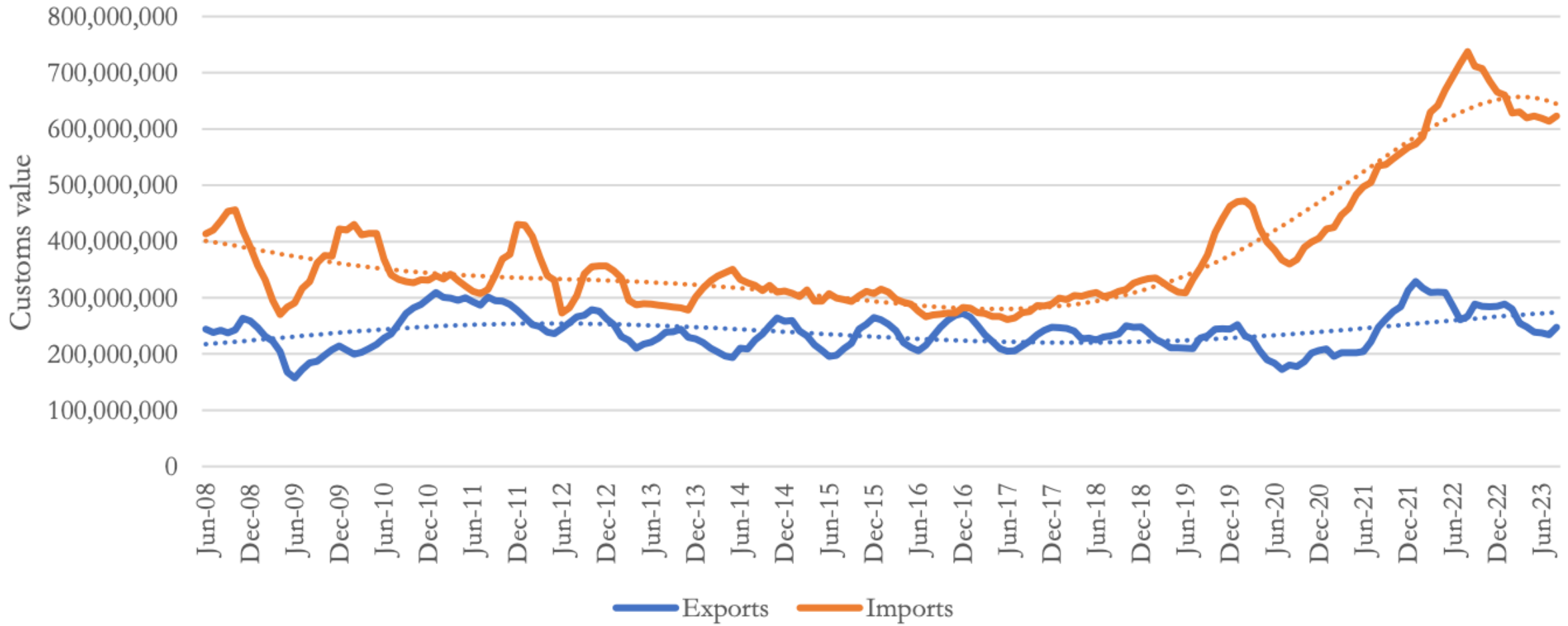
VS

WORK FROM  
HOME



## **Trend #9: Strong US Dollar**

# Maine exports vs. imports, 6-month moving average



# What does it mean for Maine?

- Tourism industry in Maine:
  - positive for domestic / challenging for international
- Global businesses in Maine:
  - positive for supply chain / challenging for sales





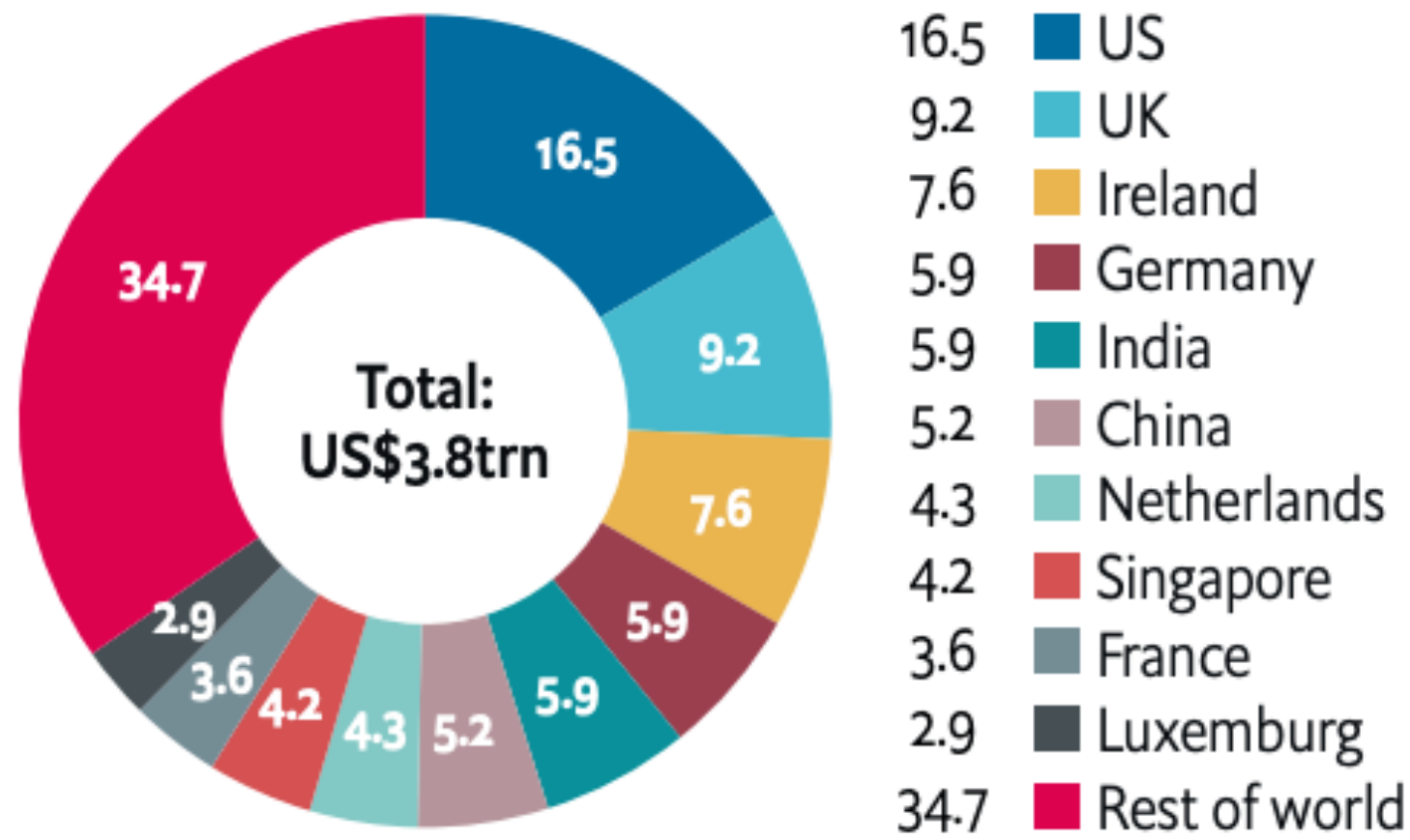
WSJ

# **Trend #10: Digital Service Taxes?**



# The US was the leading exporter of digitally delivered services in 2022

(%)



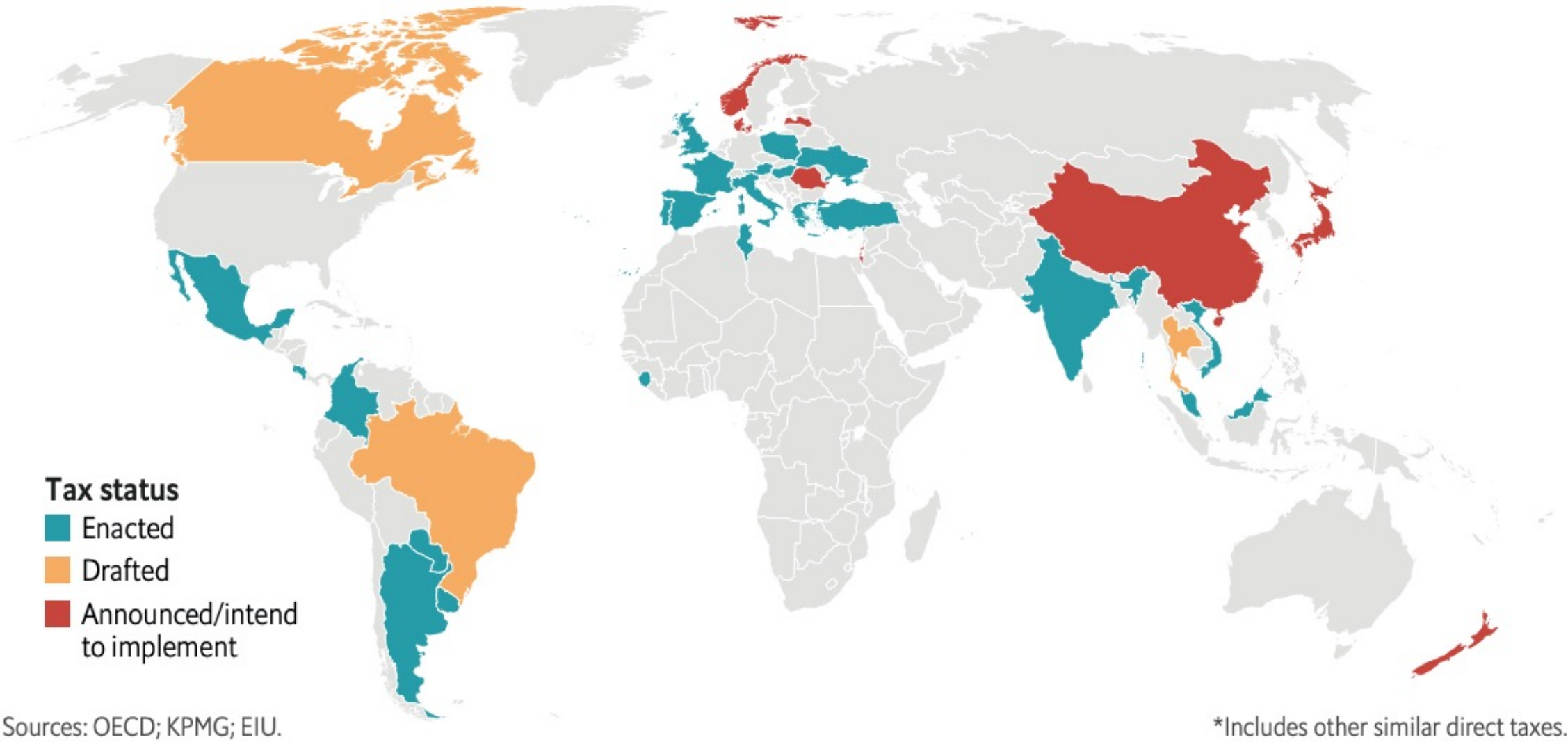
Sources: WTO; EIU.

# What is a DST?

- Taxing services across borders that are digital?
  - Personal tax and Corporate tax considerations
- A global issue
- An issue of increasing importance
- Has led to Canada-US tensions



# Nearly a quarter of OECD tax deal signatories have developed digital services taxes\*



# What does it mean for Maine?

- More 'evidence' that we need to be more digital
- Link to Trend #1 – election
- Impacts higher as a 'border state' with tight relations
- "Push" for a solution (which many expect)



**Thank you!**

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**THE UNIVERSITY OF  
MAINE**

**GRADUATE SCHOOL OF BUSINESS**

