

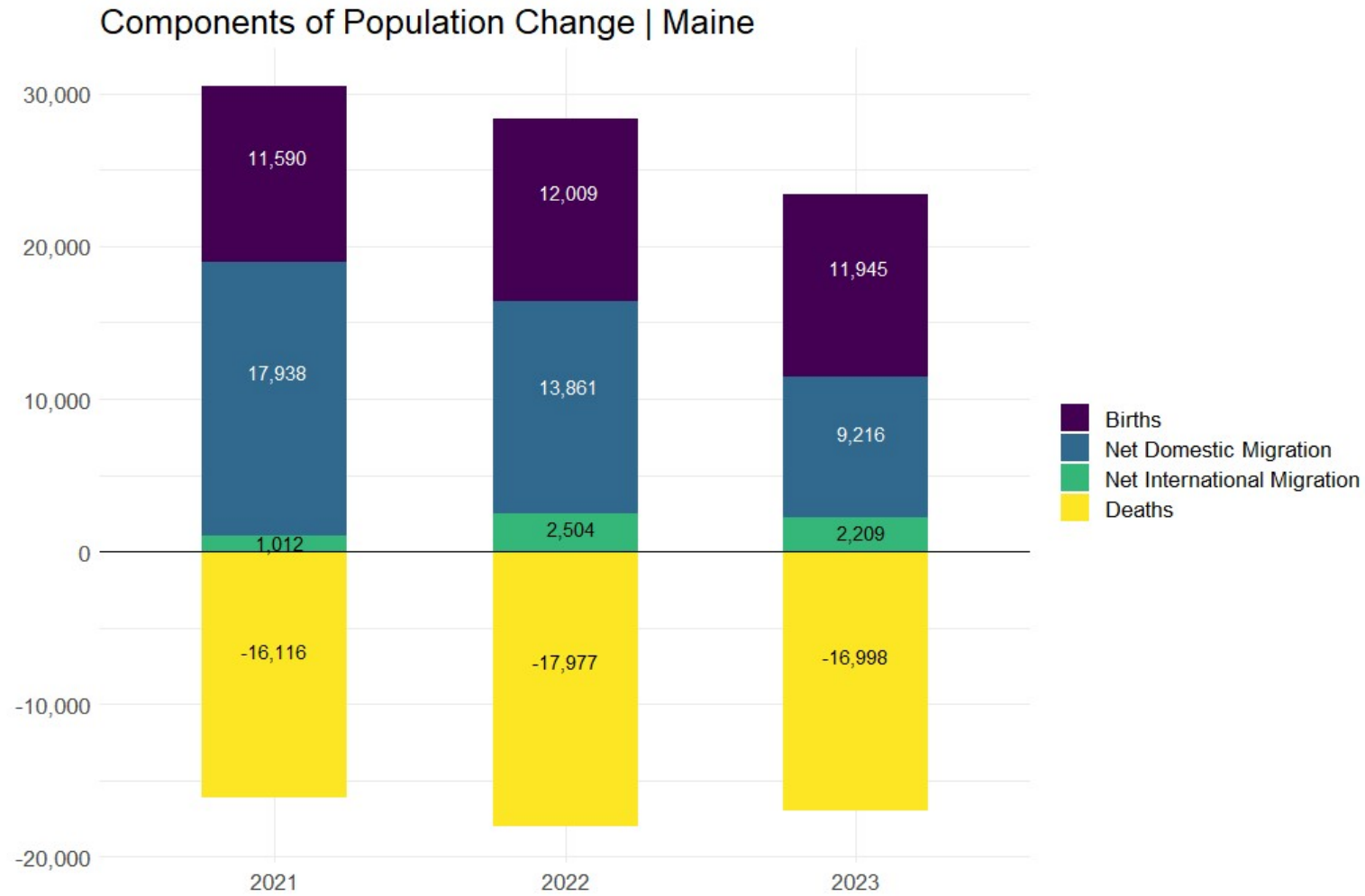
# Economic Update

MEGAN BAILEY | OFFICE OF THE STATE ECONOMIST  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

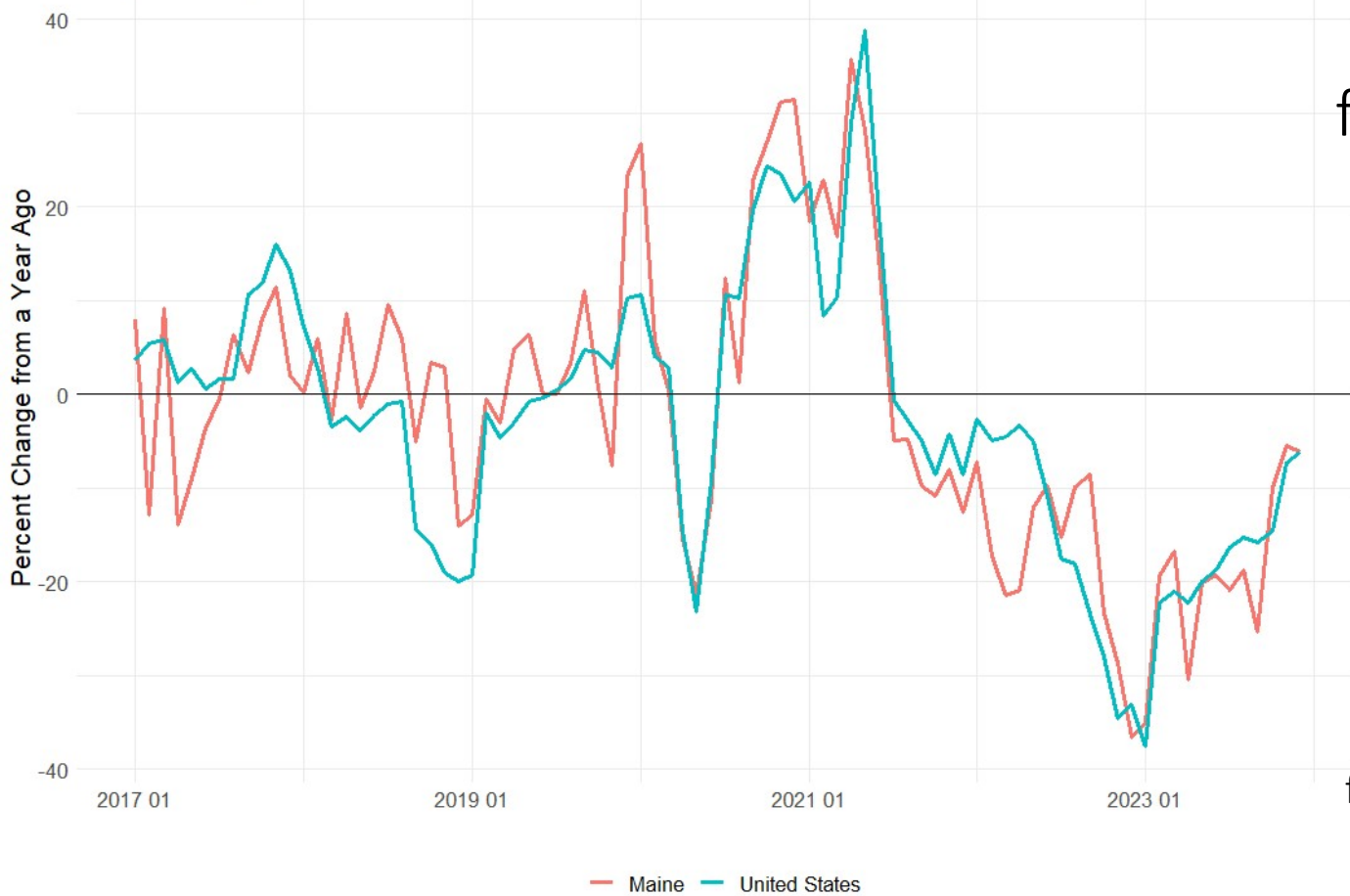
CONSENSUS ECONOMIC FORECASTING COMMISSION  
JANUARY 26, 2024

Maine's population increased by over 6K in 2023, driven by net domestic migration

Maine's rate of net domestic migration has ranked in the top 10 nationally, and first in New England, since 2021



## Single-Family Existing Home Sales



Availability of single-family existing homes remains tight, but seeing more homes on the market than last year

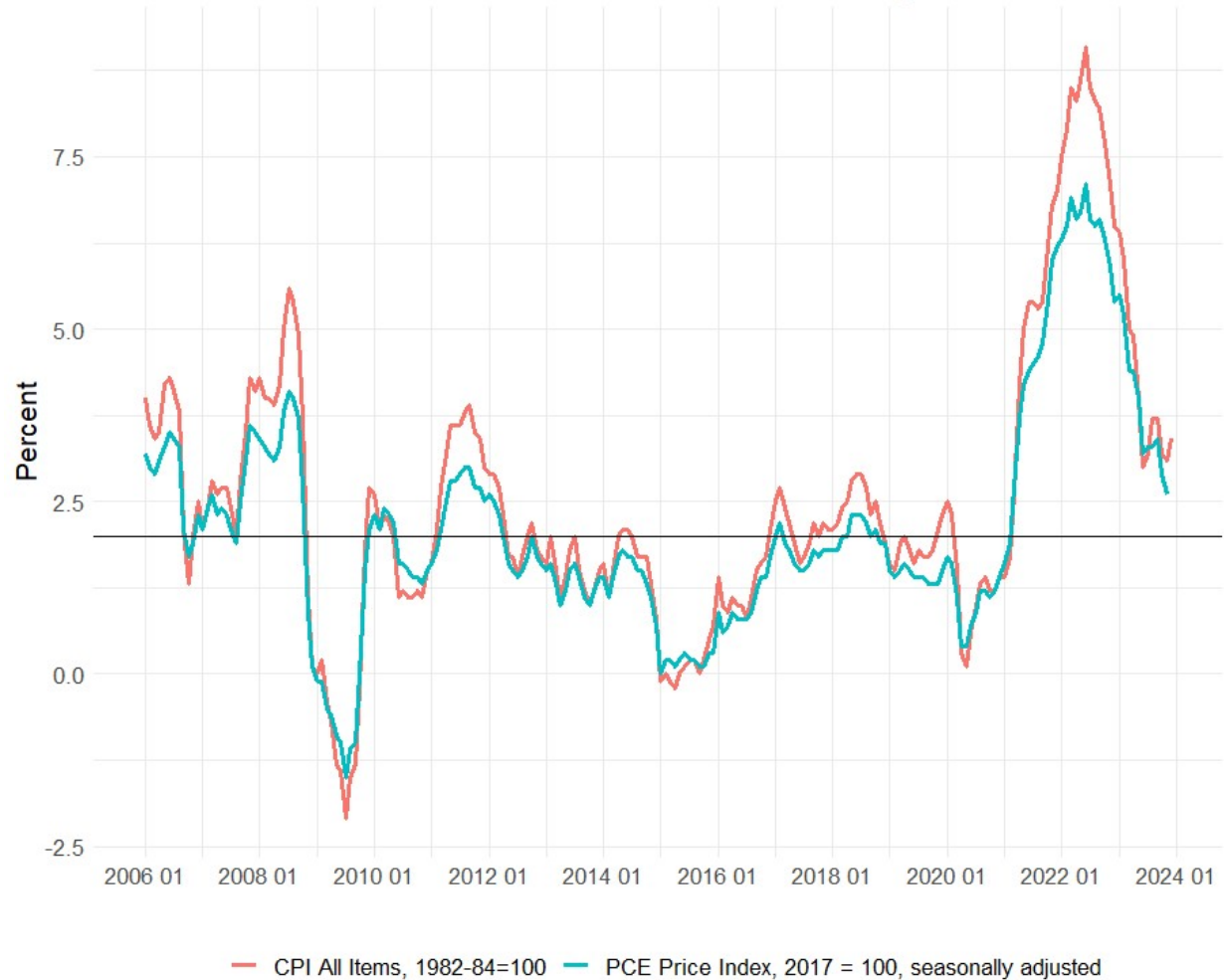
Maine sales were down 6.1% (the same as the nation) in Dec.

Mortgage rates have dropped from their high last fall of near 8%

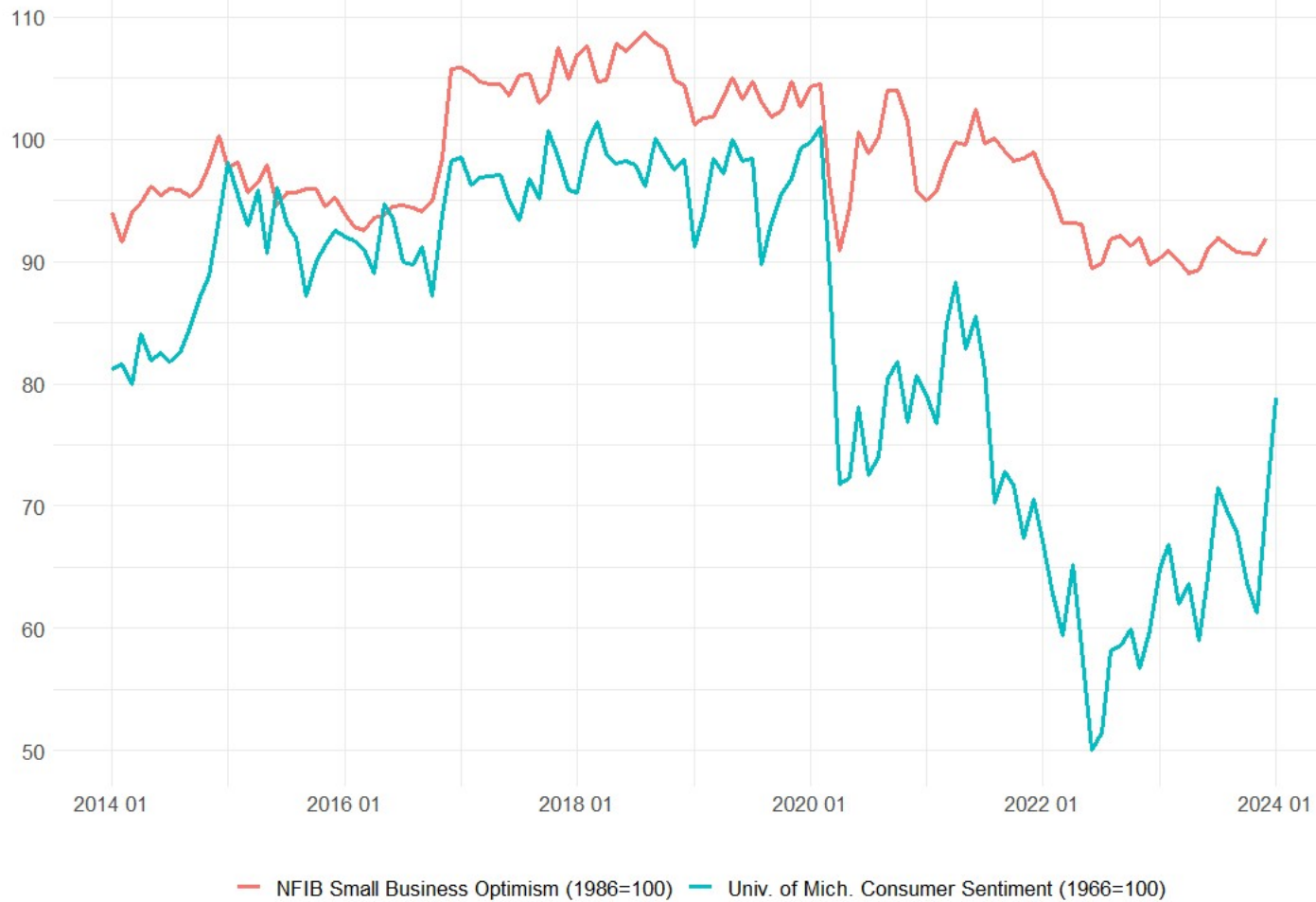
Growth in both indices has decelerated considerably, but remains above Fed's 2% target

- PCE grew 2.6% YoY in Nov., down from 2.9% in Oct.
- CPI all-items grew 3.4% in Dec., slightly up from 3.1% YoY increase in Nov.
- Notably, in Dec. core CPI saw its lowest YoY increase (3.9%) since May 2021

Measures of Inflation, Year-Over-Year Percent Change



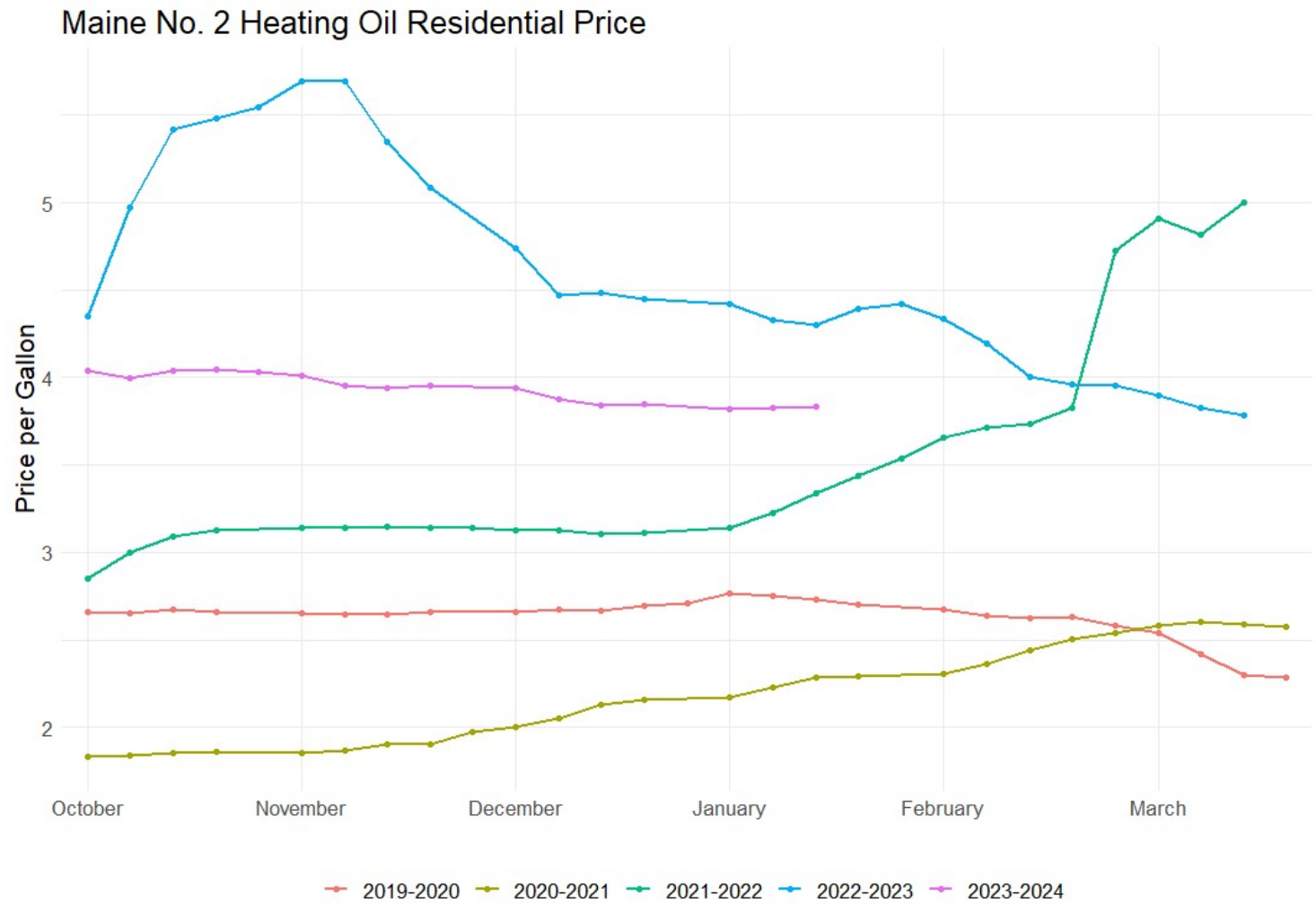
## Consumer Sentiment and Small Business Optimism



Dramatic improvement in sentiment reflects positive perceptions of inflation trends

- In January hit highest level since July 2021
  - +13% from December
  - +21% from last January

Heating oil prices are relatively stable and back down to levels not seen since February 2022



Real GDP Annualized Percent Change from Previous Period



Maine's GDP growth lagged the nation in the first half of the year but caught up in Q3.

- Adv. estimate for Q4 increase reflects consumer spending, business investment, trade and inventories
- Adv. estimate for the year shows real GDP increased 2.5% in 2023, compared with an increase of 1.9% in 2022

	Q1:Q3 2022 to Q1:Q3 2023 Avg. Growth Rates	Nov. 2023 CEFC Forecast 2023 Growth	Q4 Growth Needed to Hit CEFC Forecast
Total Personal Income	5.0	5.9	8.6
Wages and Salaries	5.8	7.5	12.6
Supplements to W&S	4.4	3.5	0.8
Transfer Receipts	2	3.5	8
DIR	7.0	6.5	5.0
Nonfarm Prop. Income	6.6	3.8	-4.6

Source: U.S. Bureau of Economic Analysis, Nov 1 CEFC Forecast and authors' calculations