

MAINE'S ECONOMIC OUTLOOK

Maine Association of REALTORS®

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Percent Change in Time Spent Outside Home*

In **Maine**, as of **May 08 2021**, total time spent away from home **decreased** by **3.9%** compared to January 2020.



data source: **Google COVID-19 Community Mobility Reports**

*Change in the average time spent outside of residential locations indexed to the period between Jan 3-Feb 6 2020. This series uses data from Google's COVID-19 Community Mobility reports.

last updated: **May 11, 2021** next update expected: **May 18, 2021**

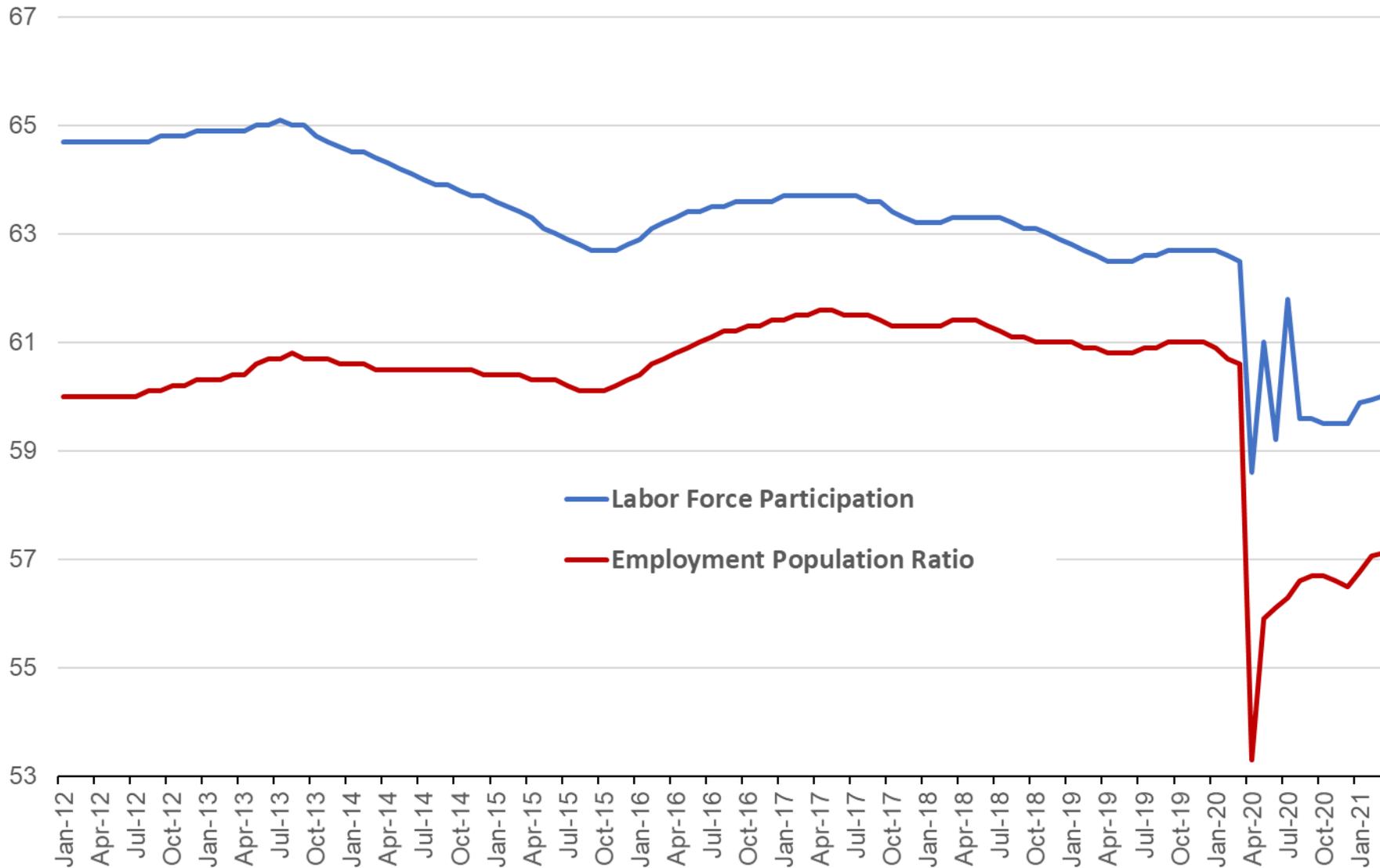
Migration effects from COVID-19?

Maybe – it's still too soon to know for sure

- Maine has been seen as a safer place to be during the pandemic due to lower case counts/deaths/positivity rate (especially during late summer/early fall 2020)
- Maine's lower population density may prove increasingly attractive to people in the coming months and years
- The ability to work remotely is making it easier for people to consider a move to Maine, especially if high speed internet access improves
- Possible early indications from real estate: more out-of-state buyers in 2020 than usual

Labor Force Participation & Employment Population Ratio

(Seasonally Adjusted)

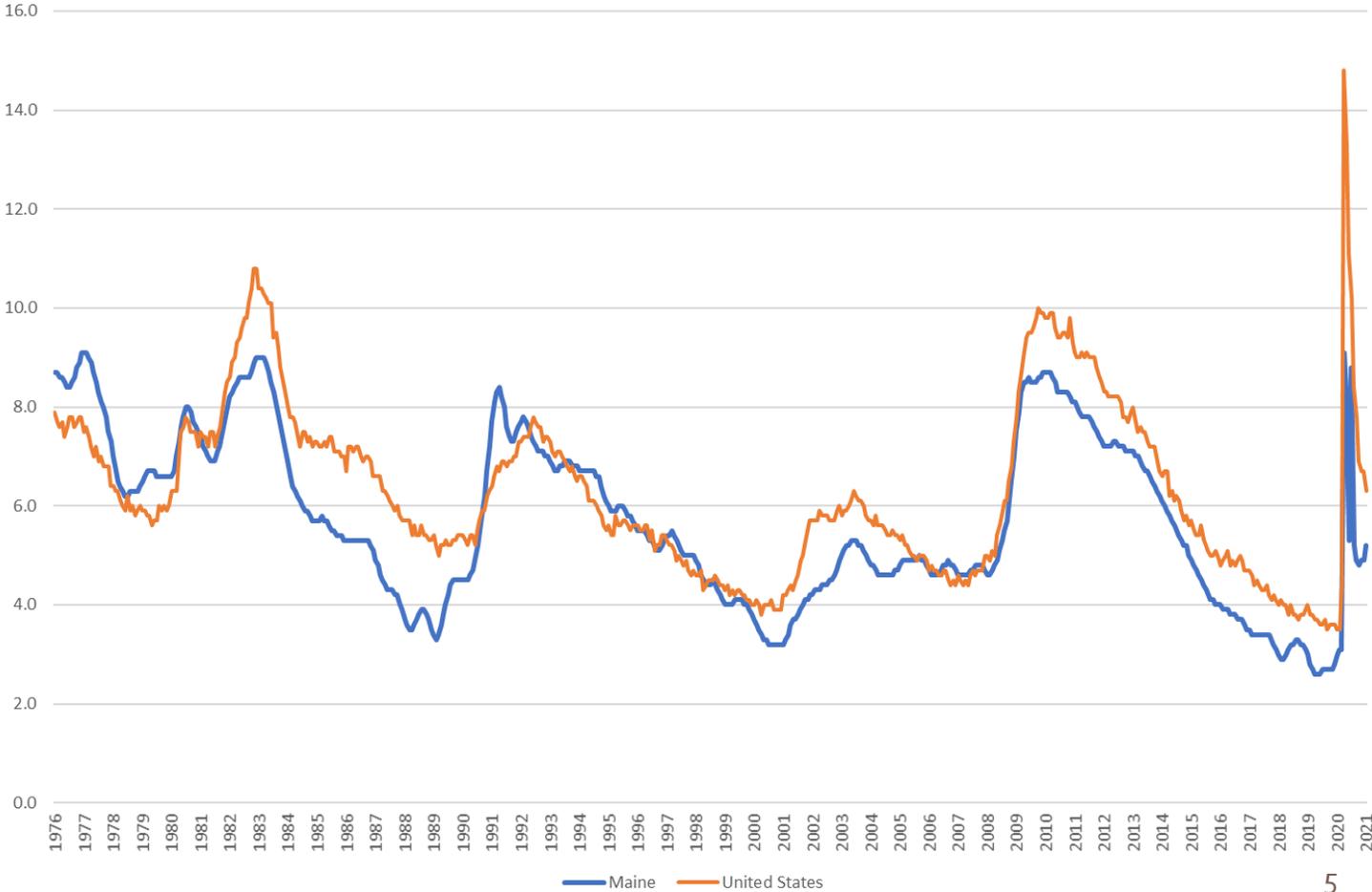


With disruptions to schools and child care, many children were suddenly home all day, resulting in people – more women than men – leaving the labor force to care for them.

Recent research from the Federal Reserve Bank of San Francisco found that nationally, approx. 700,000 more prime-age mothers would have been in the labor force in Dec. 2020 if their recovery had matched that of other women.

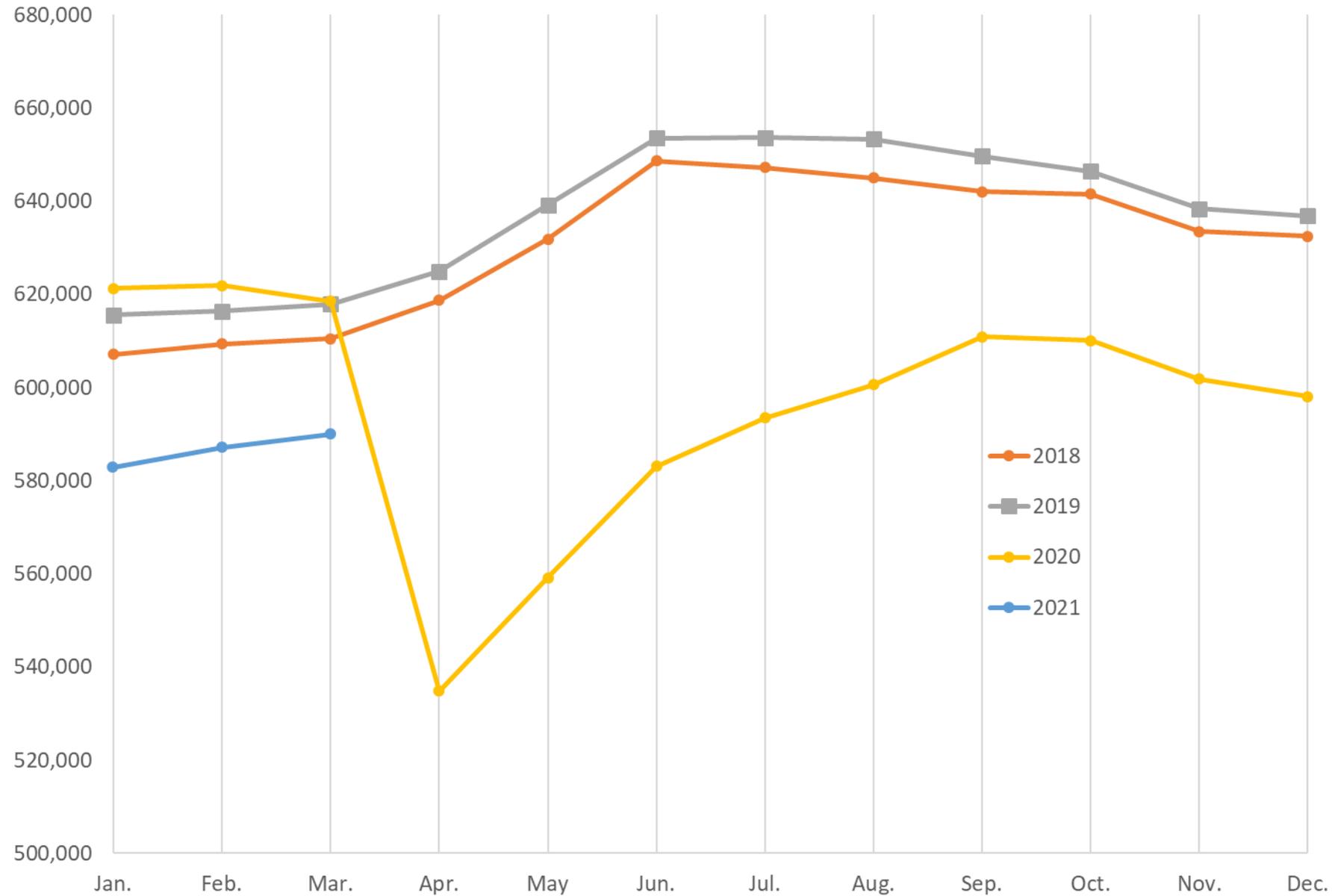
In April 2020, Maine's official unemployment rate was 9.1% - the highest since February 1977. Even so, it underrepresented the true unemployment rate due to technical issues

Unemployment Rate
(seasonally adjusted)

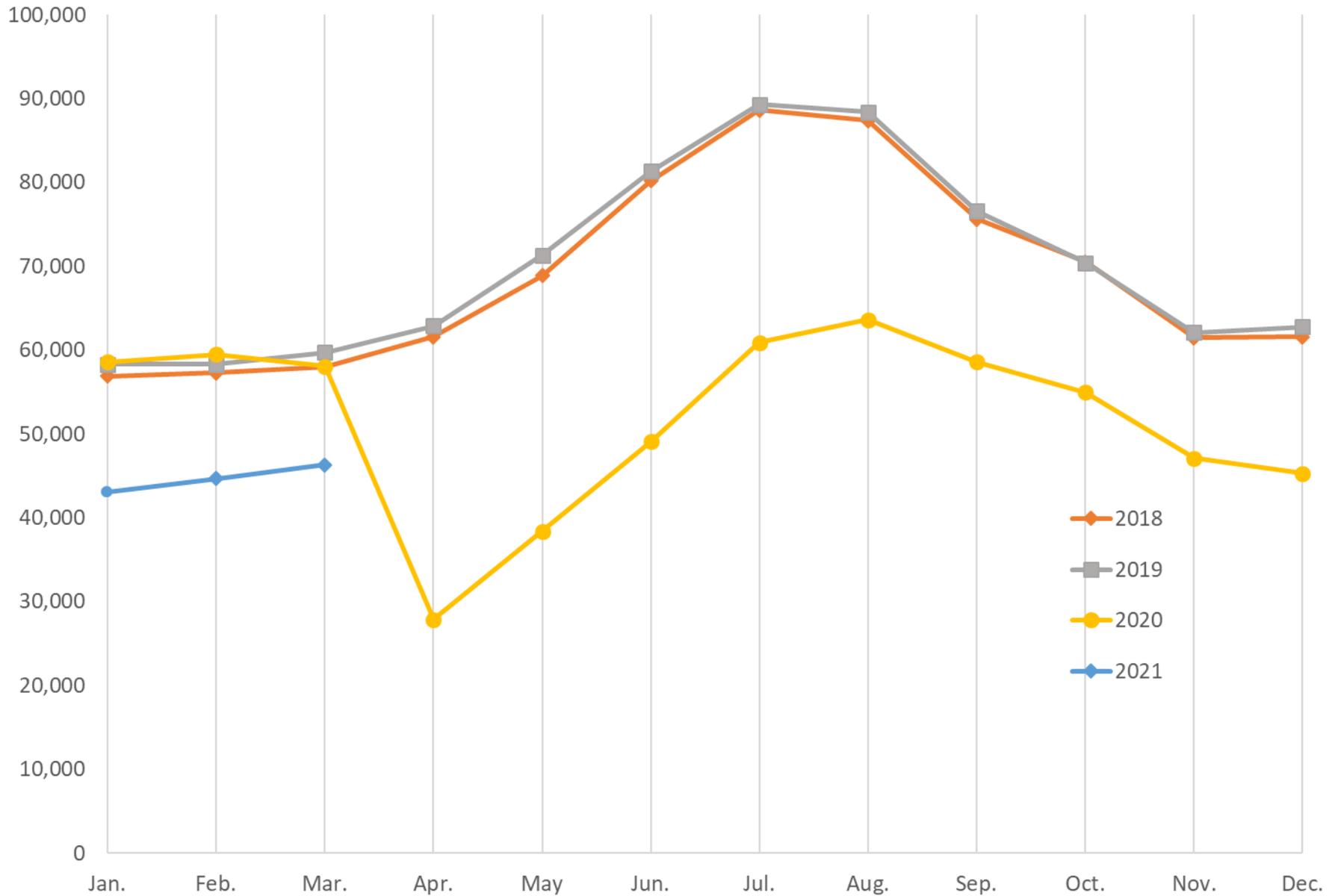


Maine's official unemployment rate in March 2021 was 4.8%; but the Maine Department of Labor estimates that if labor force participation were at Jan. 2020 levels the unemployment rate would be 8.6%

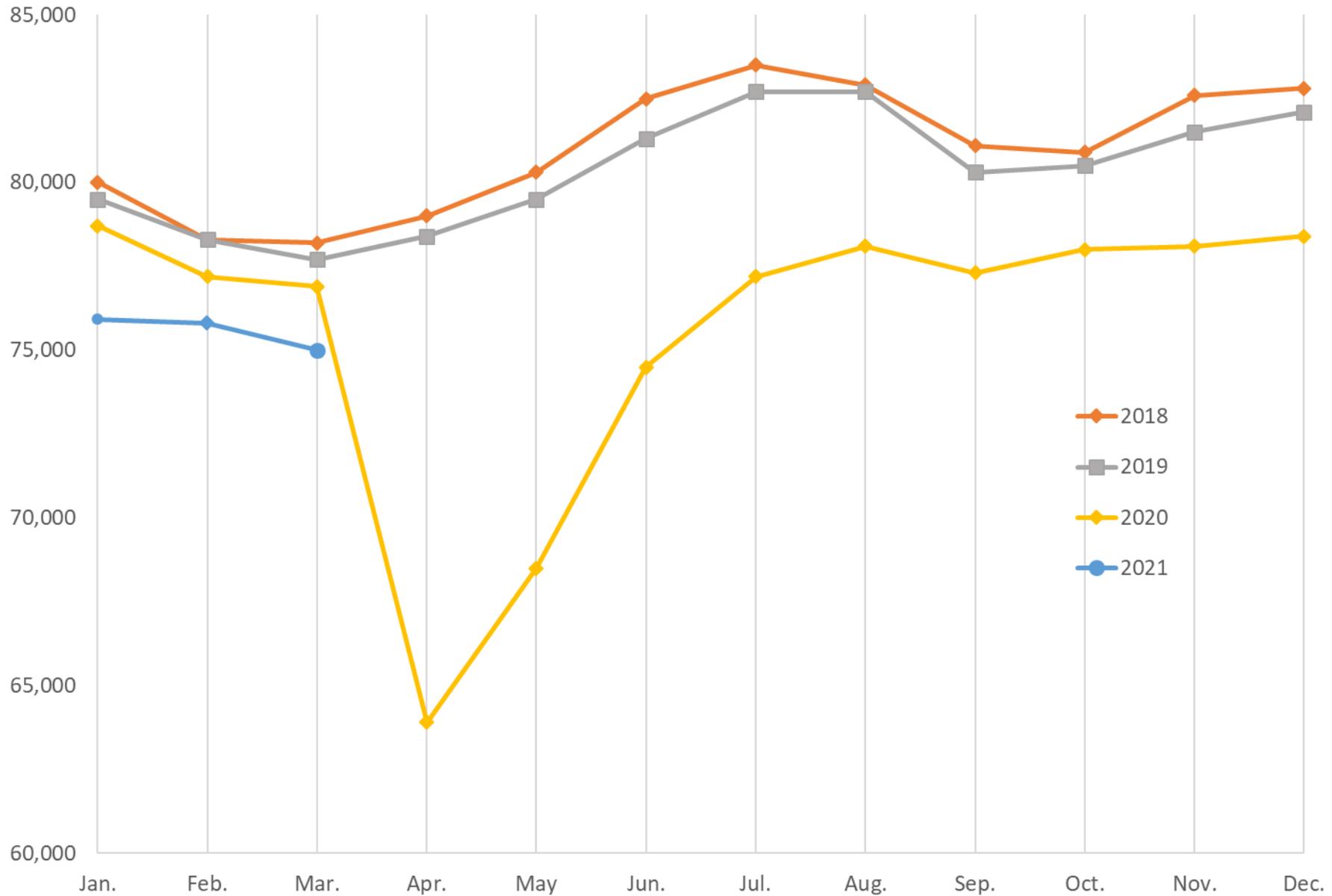
Total Nonfarm Employment, Not Seasonally Adjusted



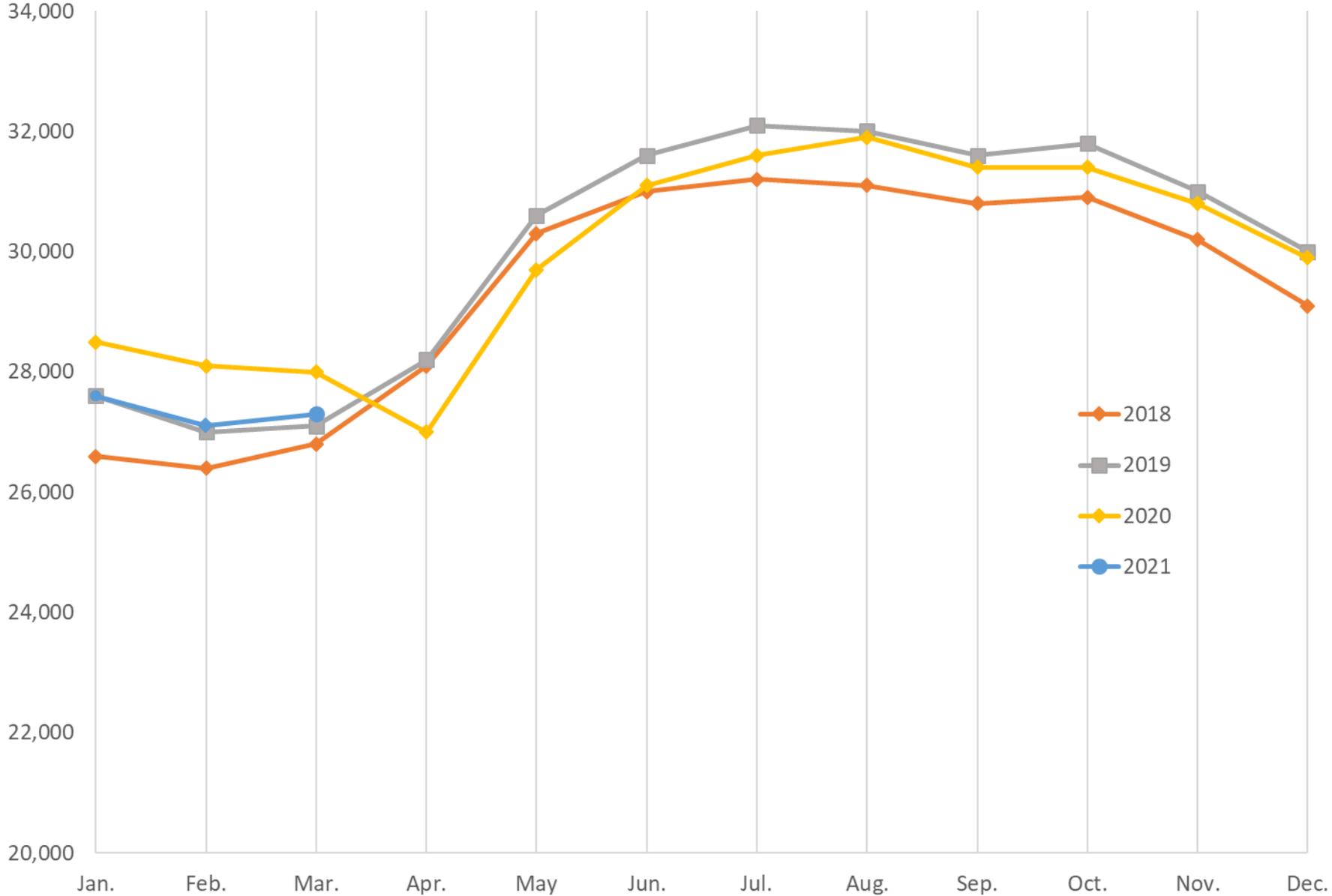
Leisure and Hospitality Employment, Not Seasonally Adjusted



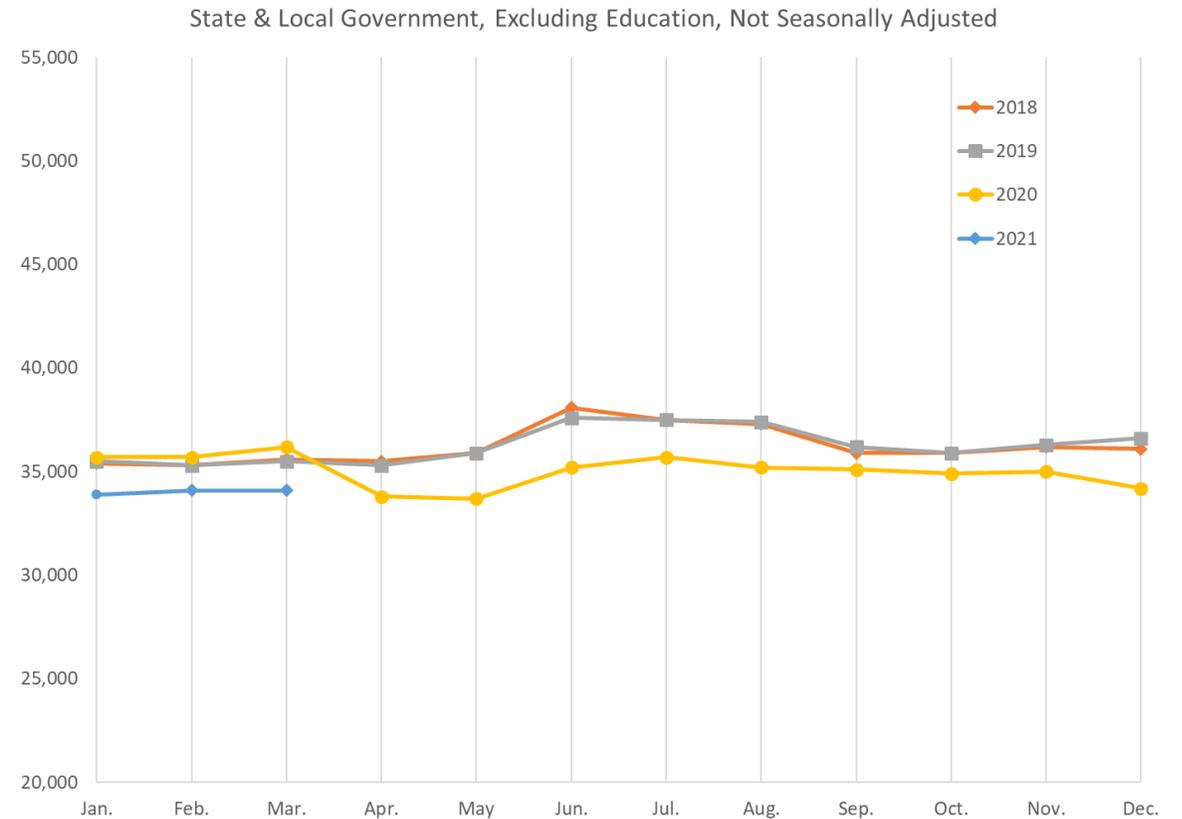
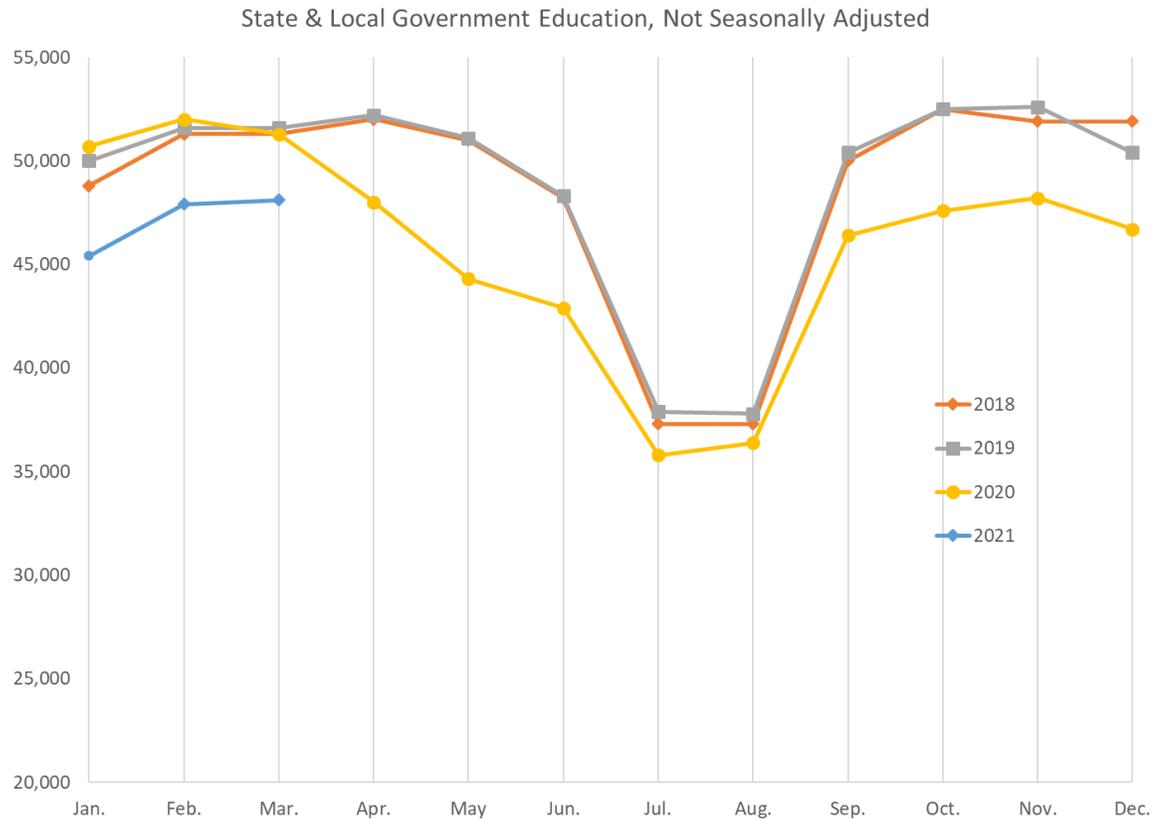
Retail Trade Employment, Not Seasonally Adjusted



Construction Employment, Not Seasonally Adjusted



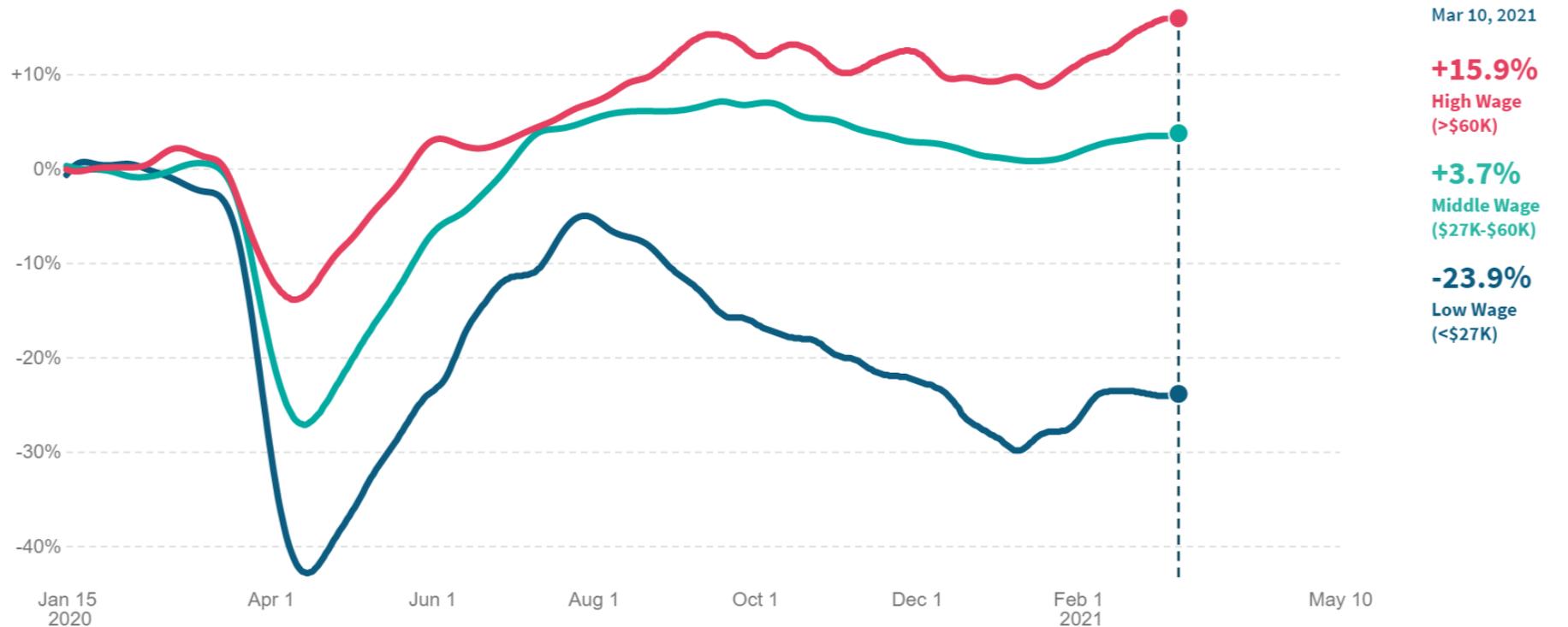
Most State and Local Government job losses were in public education (8.4% down 12-month YOY vs 4.9% down for non-education State and Local Government)



Employment is following a “K-shaped” trajectory

Percent Change in Employment*

In **Maine**, as of **March 10 2021**, employment rates among workers in the bottom wage quartile **decreased** by **23.9%** compared to January 2020 (not seasonally adjusted).

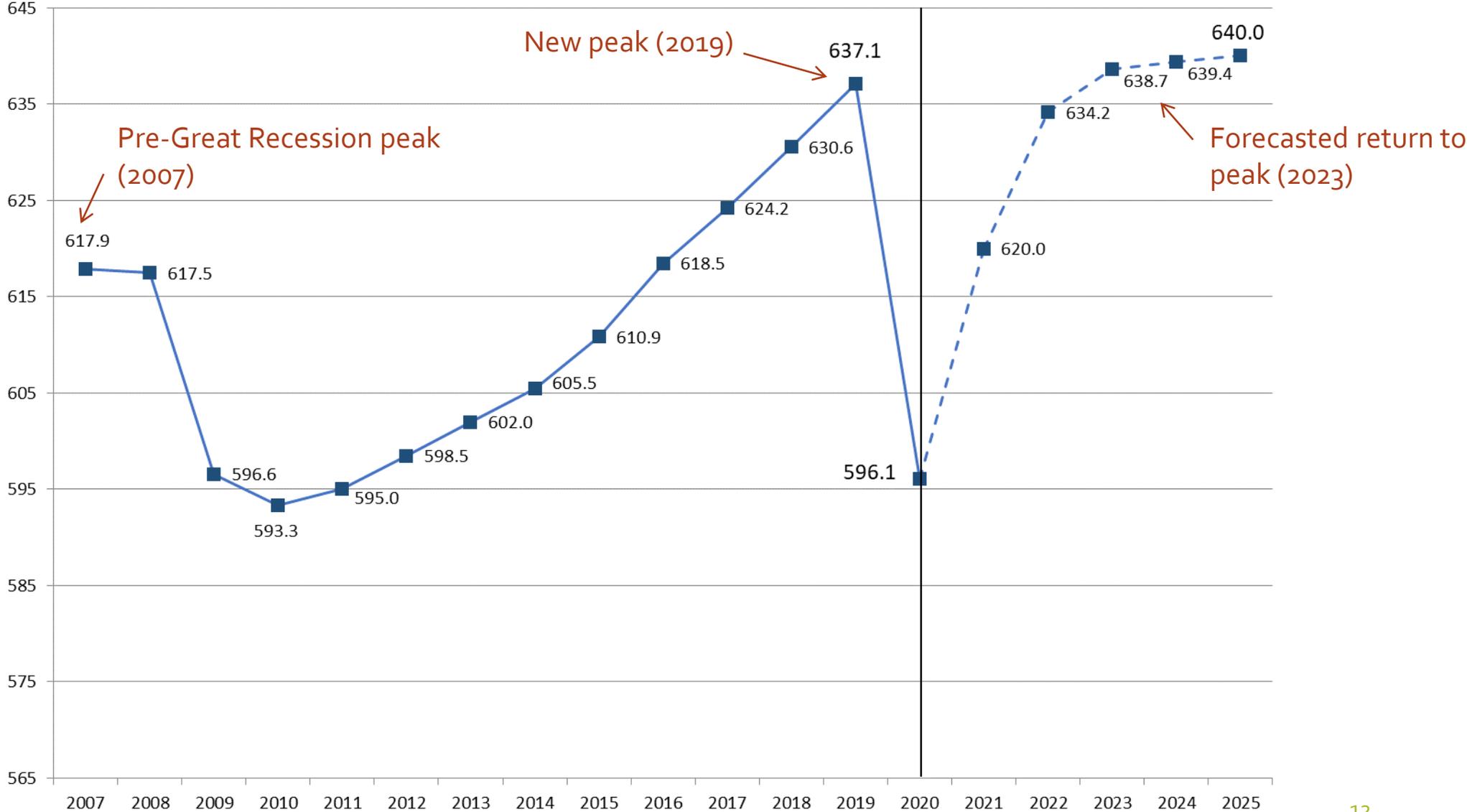


data source: Earnin, Intuit, Kronos, Paychex

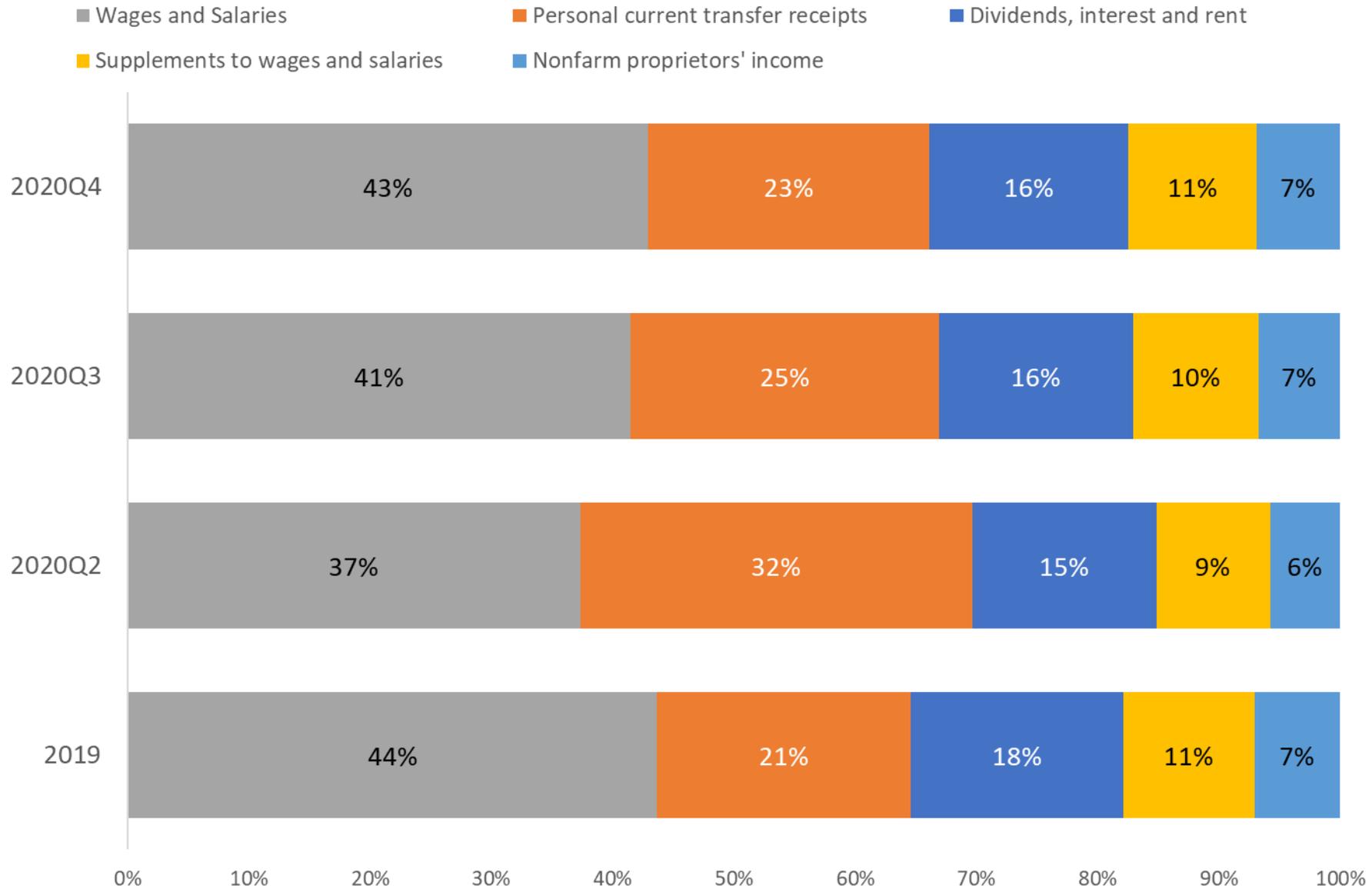
*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos. The dotted line is a prediction of employment rates based on Kronos and Paychex data.

last updated: **May 04, 2021** next update expected: **May 14, 2021**

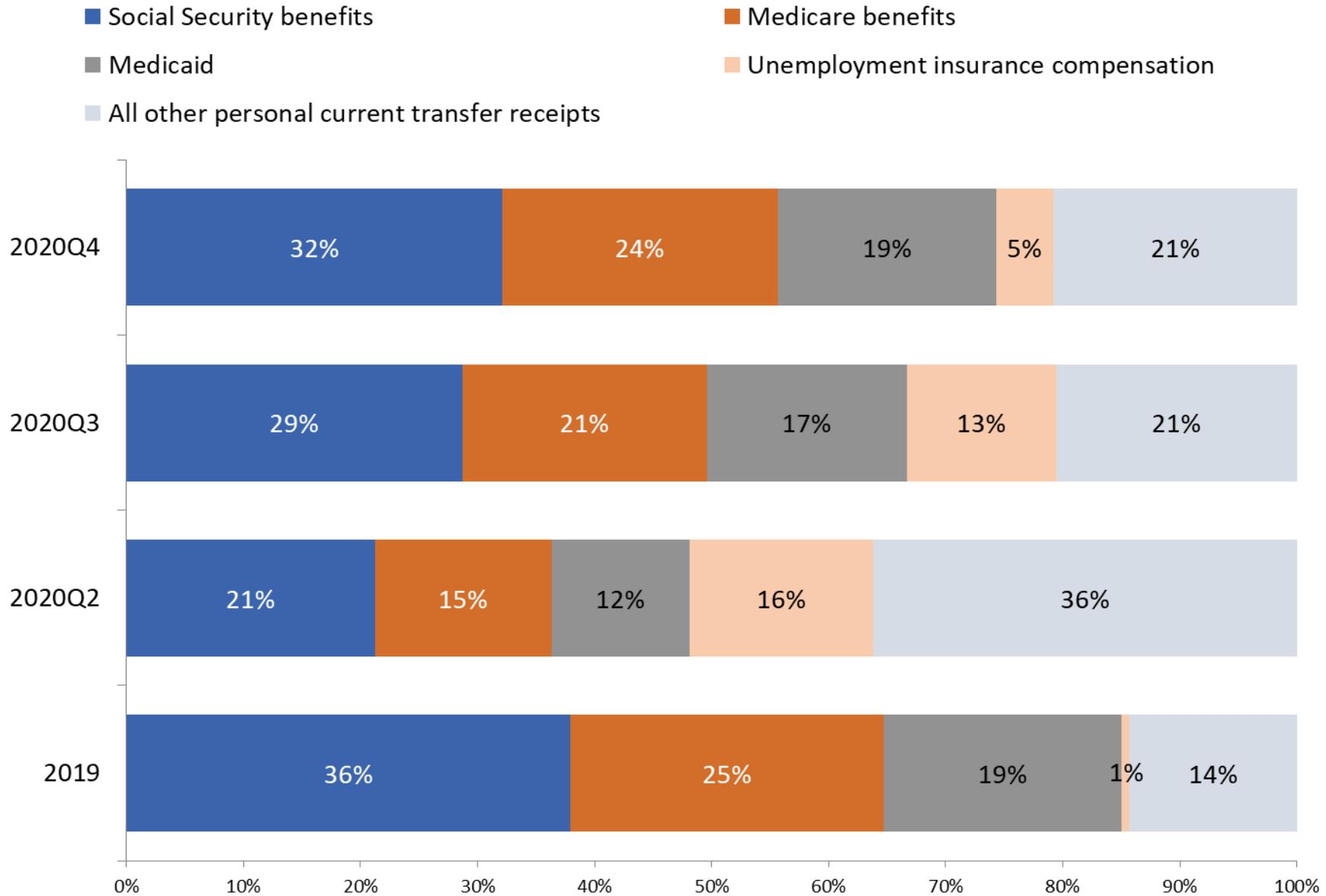
Total Nonfarm Employment (in thousands) History and CEFC forecast



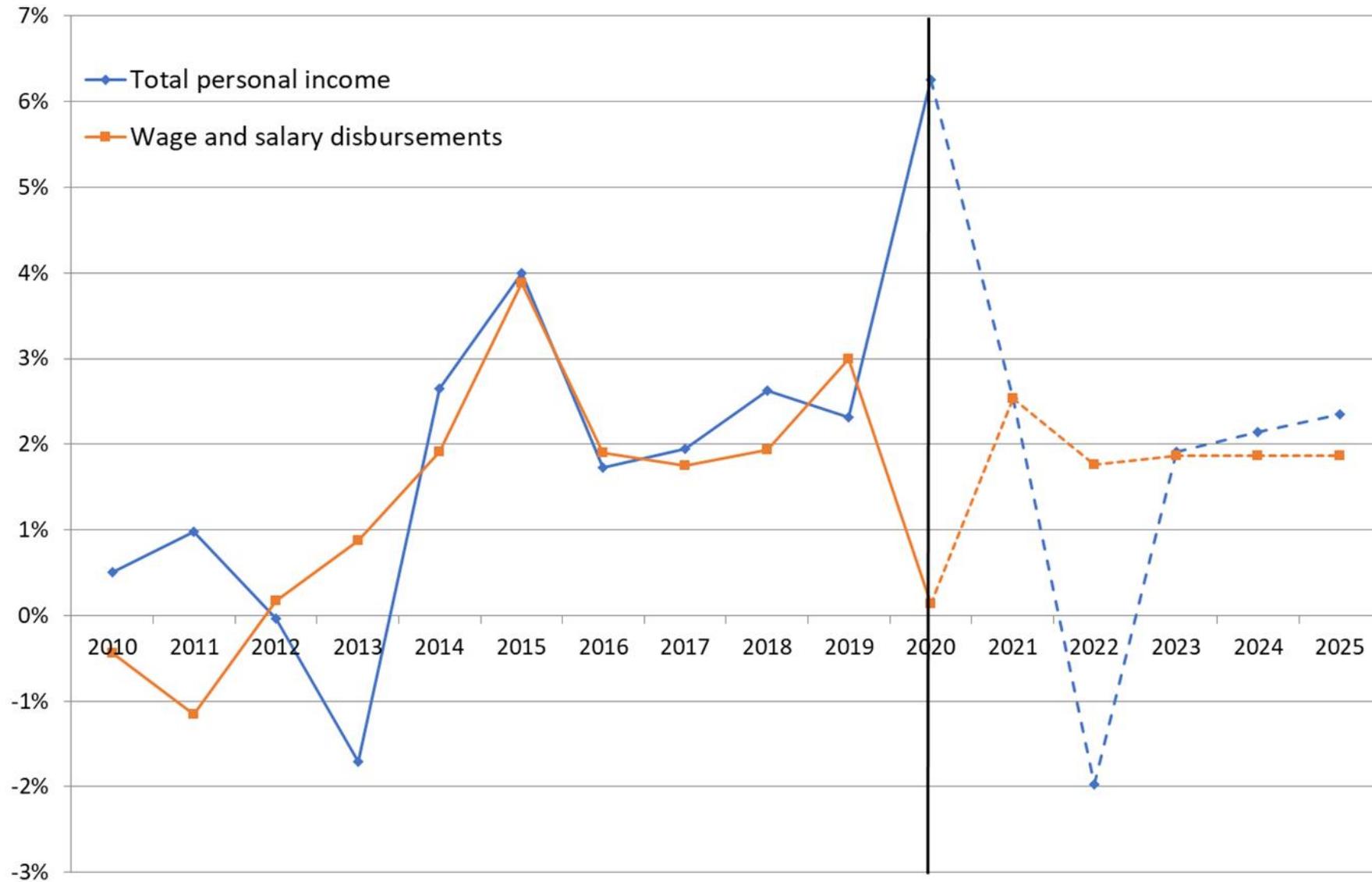
Major Components of Personal Income, Maine



Components of Personal Current Transfer Receipts, Maine



Percent Change in Real Personal Income, Maine 2010-2020 and forecast to 2025



This was not a typical recession (as much as there is such a thing as a “typical” recession)

Normally in a recession, we see more losses in goods-producing sectors while services hold up, but this time around, we’ve seen the opposite

- Leisure and hospitality plus public and private education accounted for 64% of net job loss over the year
- Auto sales (up 5.6%) and building supply sales (up 19.9%) did very well in 2020, but restaurant (down 25.5%) and lodging sales (down 35.2%) were well below normal levels

Impacts have been highly disparate, with women, BIPOC, low-income households, households with children, and younger workers more affected (share of employment in hard hit sectors one of the contributing factors)

- This is exacerbating existing inequities and is somewhat disguised by top-level indicators

What to look for in the coming weeks/months

- Economic health relies on public health, especially in key sectors
 - Increased vaccinations and decreased infection rates should result in improved economic conditions, assuming consumer confidence rebounds (people need to feel both physically and economically secure)
- Supply chain issues are becoming a significant problem and could hold back the recovery, especially if they become more widespread and/or drag on for an extended period
- Federal support has been critical thus far; American Rescue Plan will help continue bridging the gap, especially for the harder-hit households and businesses, until the pandemic is fully under control
- Good summer weather would help, too!

Contact Information

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