

Maine Economic Indicators

May 2020



Maine Department of Administrative and Financial Services

Office of the State Economist

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Maine Economic Indicators is a monthly report assembled by the Office of the State Economist that provides a synopsis of current economic trends and indicators for the state in comparison to New England and the United States. The intent of this report is to provide the public with a single document containing data aggregated from different sources typically used to track current economic and demographic conditions in the state.

This report is an abridged version of previous monthly indicators reports and has been updated to reflect the most timely and relevant data reflecting the COVID-19 economic impacts as possible. The appendix provides comprehensive information related to the data presented herein. Data included in this report are assembled from various sources, subject to frequent revision, and provided in this report “as is” at the time of publication. Therefore, data presented in this report are subject to change over time.

It is important to note that some data, such as GDP and Personal Income precede the onset of COVID-19. This report has been reformatted to reflect the new and ongoing economic situation related to the COVID-19 pandemic.

1 Snapshot

Indicators in this section provide a summary of Maine's current economic status. Figures for Maine are compared to New England and the United States. Sources are given in the appendix.

Reference Period		Maine	New England	United States
2019	Total population	1,344,212	14,845,063	328,239,523
2018-2019	Annual population percent change	0.4%	0.1%	0.5%
2010-2019	Cumulative population percent change	1.2%	2.8%	6.3%
2018	Average earnings per job	\$50,247	\$69,987	\$62,321
2017-2018	Average earnings per job percent change	2.9%	2.8%	2.9%
April 2020	Unemployment rate	10.6%	N/A	14.7%
April 2020	Total private nonfarm employment	435,500	5,273,600	109,308,000
April 2020	Labor Force	666,461	N/A	165,481,000
April 2020	Labor Force Participation Rate	59.8%	N/A	60.2%

Annualized Percent Change from the previous quarter and Compound Annual Growth Rate (CAGR)

Real GDP	2019:Q1	2019:Q2	2019:Q3	2019:Q4	2019 Annual
Maine	4.8	0.6	2.1	1.9	1.9
New England	4.8	1.3	2.1	1.8	2.3
United States	3.1	2.0	2.1	2.1	2.3
Total Personal Income	2019:Q1	2019:Q2	2019:Q3	2019:Q4	2019
Maine	8.8	3.9	3.1	3.1	4.6
New England	8.6	2.6	0.0	2.8	4.1
United States	6.2	4.4	2.8	3.0	4.4
Per Capita Personal Income	2019:Q1	2019:Q2	2019:Q3	2019:Q4	2019
Maine	8.5	3.5	2.7	2.7	4.2
New England	8.6	2.5	-0.2	2.5	3.9
United States	5.8	4.0	2.2	2.5	3.9
Wages & Salaries	2019:Q1	2019:Q2	2019:Q3	2019:Q4	2019
Maine	13.5	0.9	3.6	3.2	4.6
New England	14.9	-0.5	-1.3	3.4	4.2
United States	10.2	2.7	1.6	3.7	4.6

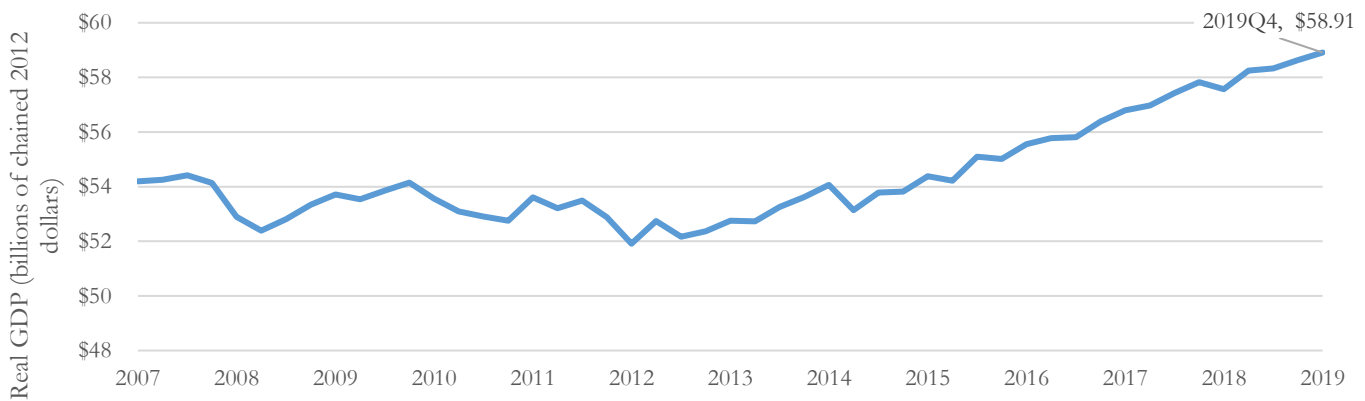
Monthly and Quarterly Indicators

1.1 Gross Domestic Product (GDP)

Real GDP in Maine increased by 1.9 percent from the preceding quarter (2019:Q3 to 2019:Q4), lower than New England’s and the United States’ rates of 2.4 percent and 34th in the country. In 2019:Q4, the industries that contributed the most to GDP growth were Retail Trade (0.58 points), Government (0.37 points), Utilities (0.34 percent), and Finance and Insurance (0.32 points). Annually, Real GDP grew by 1.9 percent. Real GDP for the U.S. fell by 5.0% in the first quarter of 2020, largely driven by losses in the latter half of March due to the onset of COVID-19 related closures.

Reference Period		Maine	United States
2019:Q4	Total GDP (Current dollars)	\$68.4 billion	\$21.7 trillion

Real GDP (billions of chained 2012 dollars) - Maine



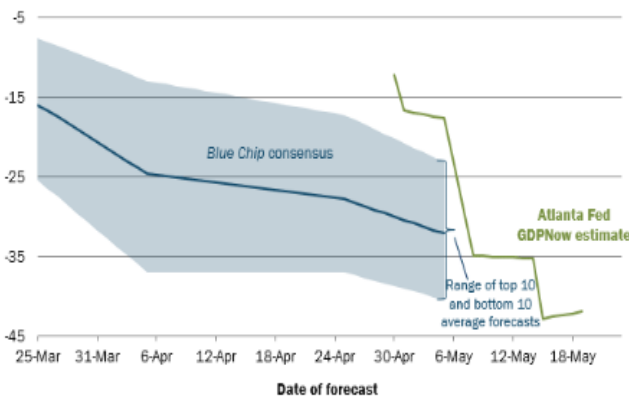
1.1.1 GDPNow



GDPNow is not an official forecast of the Atlanta Fed. Rather, it is best viewed as a running estimate of real GDP growth based on available data for the current measured quarter. There are no subjective adjustments made to GDPNow—the estimate is based solely on the mathematical results of the model.

In particular, **it does not capture the impact of COVID-19** beyond its impact on GDP source data and relevant economic reports that have already been released. It does not anticipate the impact of COVID-19 on forthcoming economic reports beyond the standard internal dynamics of the model.

Evolution of Atlanta Fed GDPNow real GDP estimate for 2020: Q2
Quarterly percent change (SAAR)



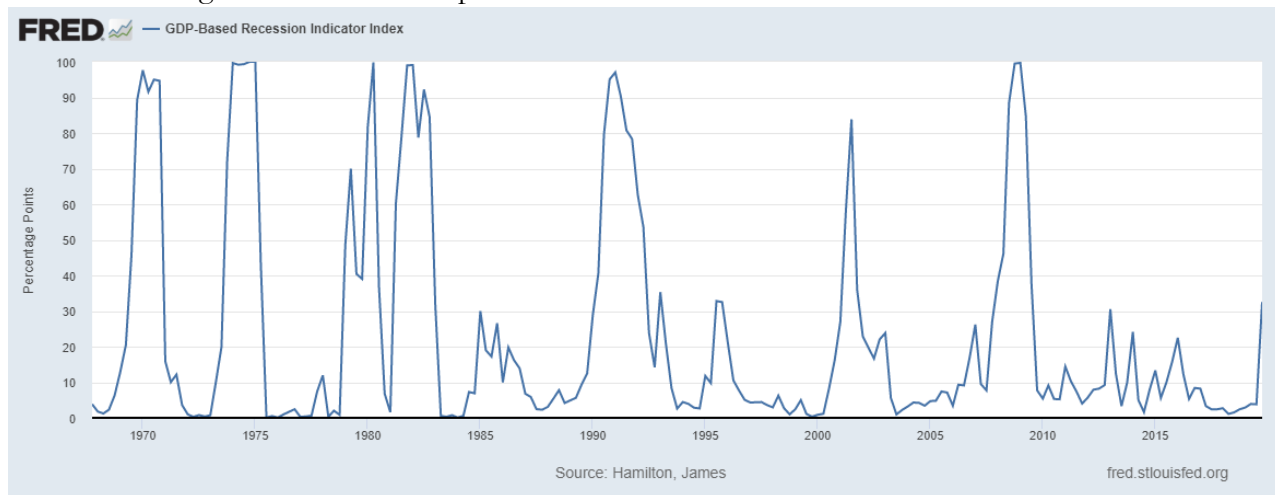
Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts
Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

GDPNow, which is reported by the Atlanta Fed, is “a running estimate of real GDP growth based on available data for the current quarter.” This model uses a similar methodology to the one used by Bureau of Economic Analysis in their official GDP estimates and is revised each time the monthly source data is updated. The latest forecast (April 30, 2020) estimates that real GDP growth for the second quarter of 2020 is -41.9 percent at an annualized rate.

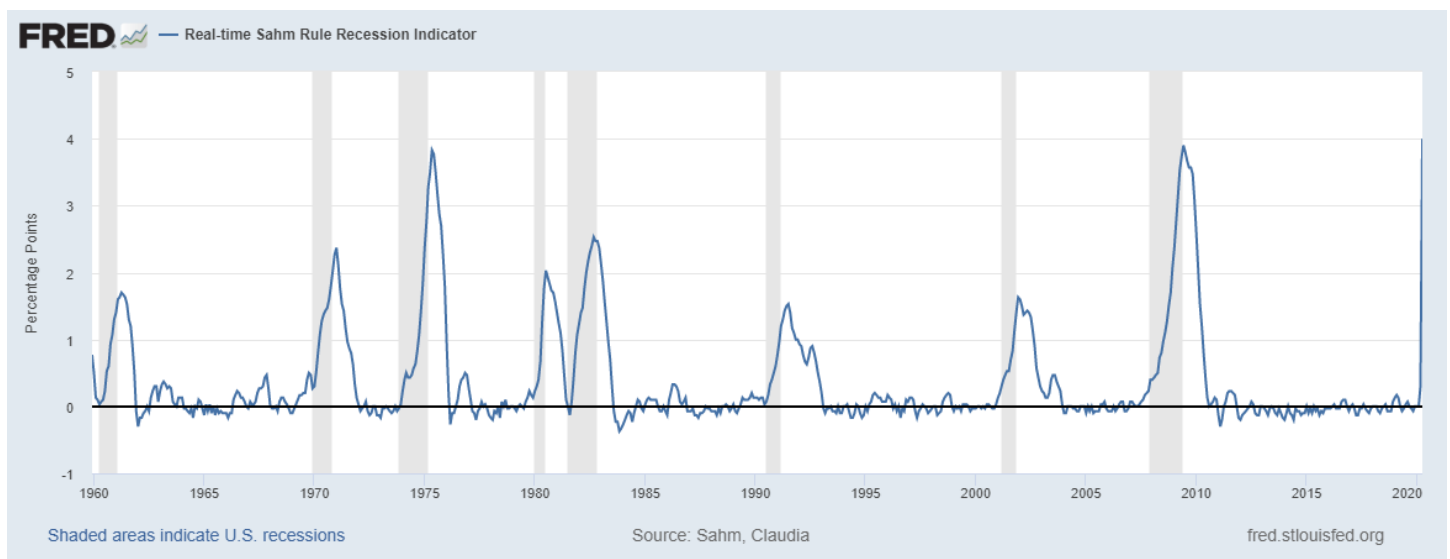
1.1.2 Recession Indicators

The GDP-Based Recession Indicator Index is 32.5 percentage points (2019:Q4), up significantly from 3.8 points in the previous quarter. This indicates that the national economy remains in an expansionary phase, although probability of recession is much higher than in 2019:Q3.

The index ranges from 0 to 100, and values above 67 provide a historically reliable indicator that the economy is in recession¹. Compared to National Bureau of Economics Research (NBER)'s subjective method of announcing recessionary periods, this method is purely mathematical. In addition, this index is calculated with a one quarter lag, which allows for extra insight and accounts for data revisions to make dependable inference. Therefore, the index does not get revised once it is published.



Additionally, the Real-time Sahm Rule Recession Indicator² signals a recession when the 3-month moving average of the national unemployment rate (U3) rises by at least 0.5 percentage points relative to its low in the previous 12 months. In March 2020, this indicator showed that the three-month average of national U3 grew by 4.0 percentage points compared to its 12-month low, indicating that the national economy is in recession.



¹ Created by Dr. James Hamilton, University of California San Diego

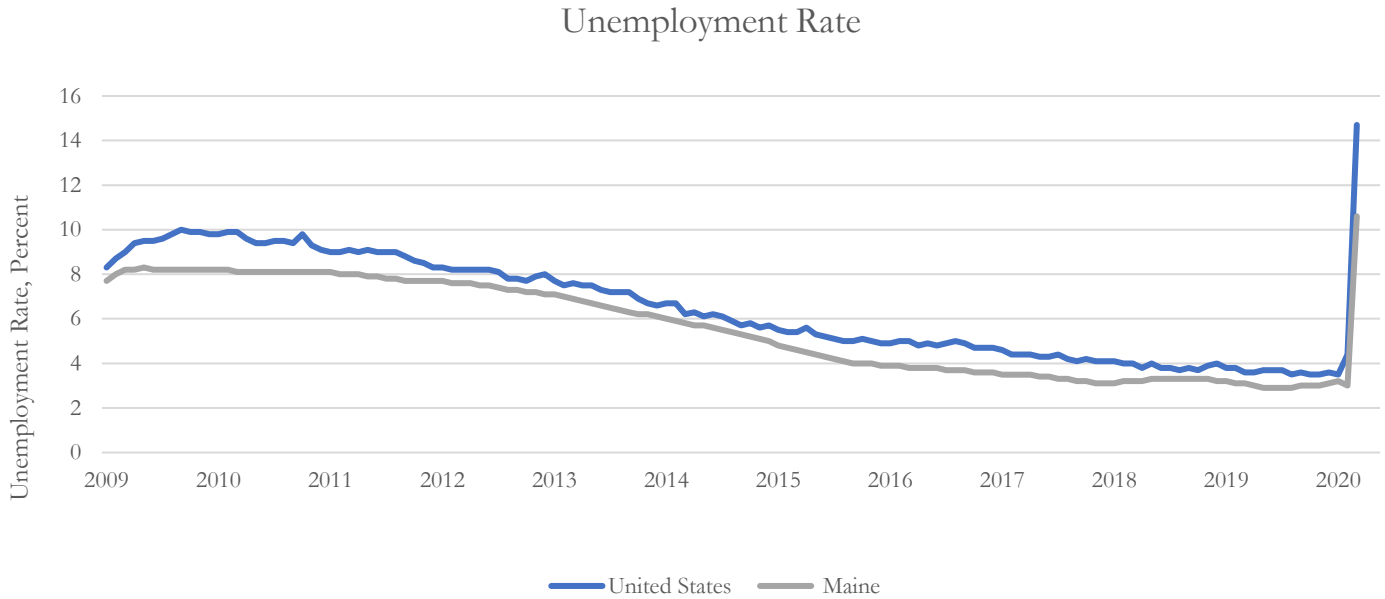
² Created by Dr. Claudia Sahm, Federal Reserve Board of Governors

1.2 Labor Markets

The data for unemployment rates and labor force are derived from the Local Area Unemployment Statistics (LAUS) program and data for nonfarm payroll jobs are derived from the Current Employment Statistics (CES) program. The numbers presented below are estimates, vary month to month in either direction, and are subject to substantial revision. The Maine Department of Labor cautions users to analyze general trends over several months as opposed to making conclusions based on changes month to month.

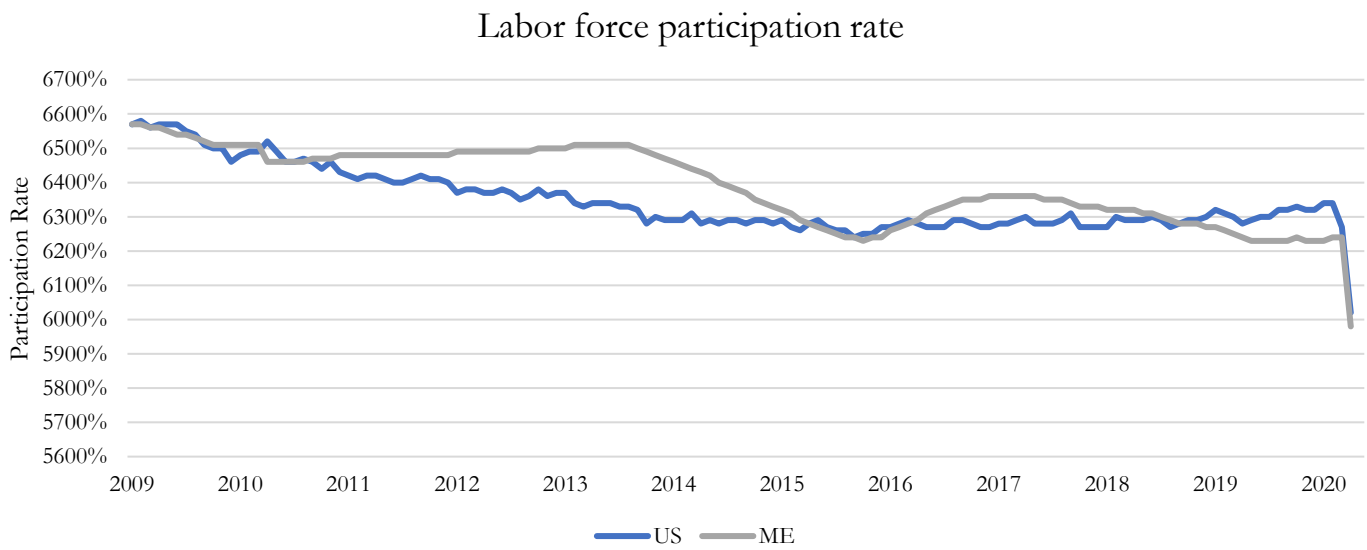
1.2.1 Unemployment Rate: April 2020 = 10.6%

After record-low unemployment rates in 2019, unemployment rates across the nation spiked drastically, reaching 10.6% in Maine and 14.6% for the United States. These spikes are primarily due to COVID-19.



1.2.2 Labor Force Participation Rate: April 2020 = 59.8%

Labor force participation also took a nosedive in April, falling to 59.8% in Maine and 60.2% in the United States. This is the lowest since May 1978.



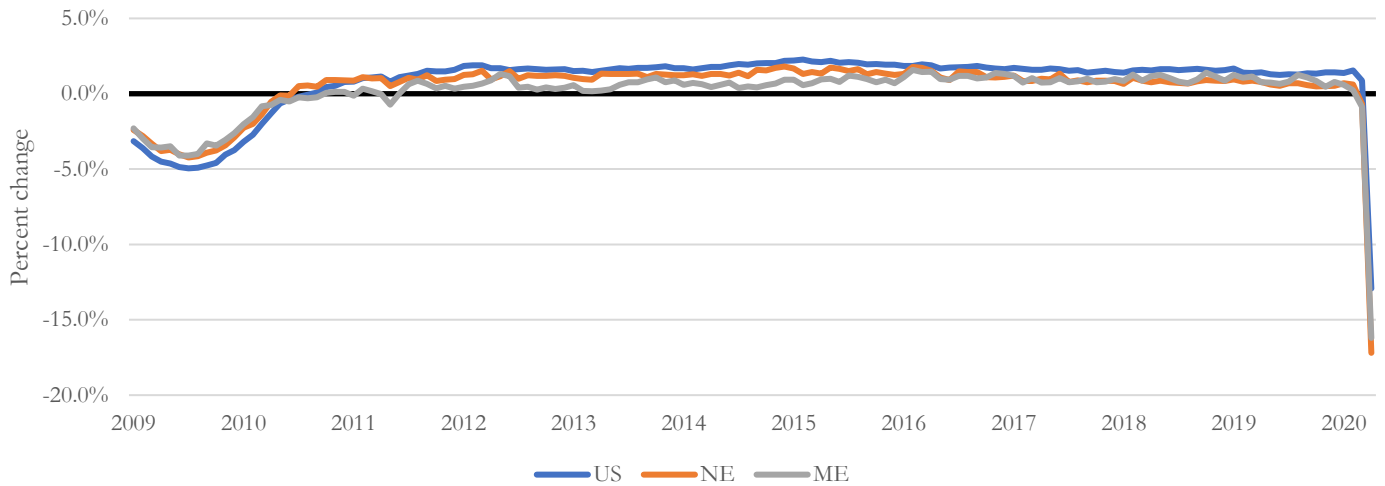
1.2.3 Total Nonfarm Payroll Job Estimates: April 2020 = 531,700

In April, seasonally adjusted total nonfarm employment fell by 98,400 in Maine, 1.2 million in New England and 20.5 million across the nation. This constitutes a 16.2%, 17.2%, and 12.9% drop year-over-year, respectively.

Total Nonfarm employment - Maine



Percent change, year-over-year in Total Nonfarm Employment



1.3 Housing Prices

Home sales fell substantially in March in every county except Oxford, with a statewide average of -15.4% compared to April 2019. The median price of homes sold in Maine in January was \$235,800, 3.4% higher than April 2019.

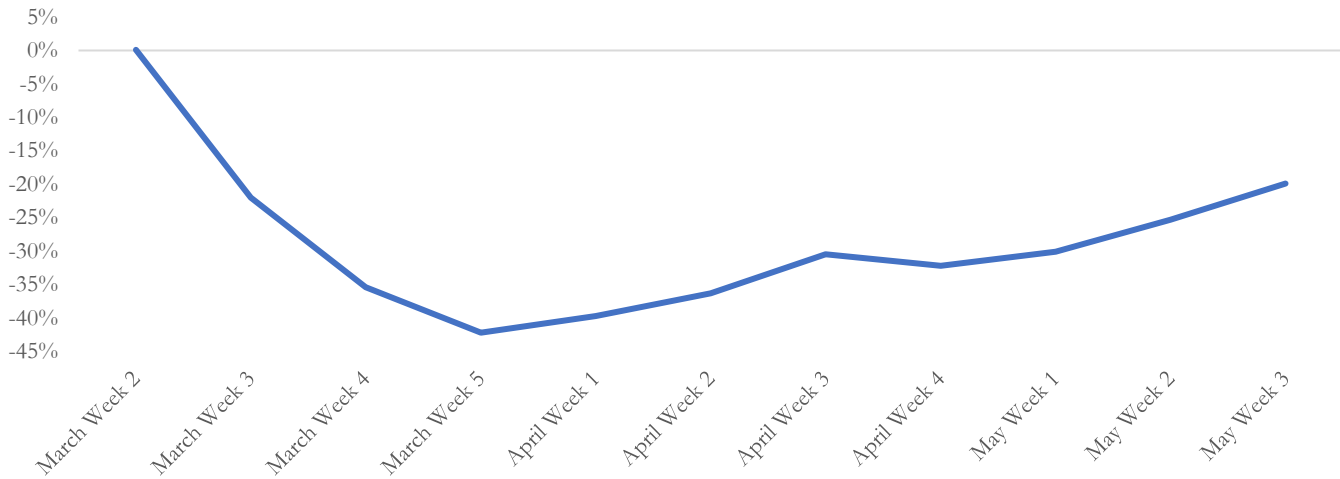
Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)	One Month Change (Price)
Androscoggin	78	-9.3%	\$190,000	25.0%	-5.0%
Aroostook	39	-2.5%	\$92,000	-12.0%	-0.8%
Cumberland	236	-9.6%	\$335,000	6.4%	-4.3%
Franklin	34	-5.6%	\$155,000	26.8%	6.9%
Hancock	50	-24.2%	\$263,500	9.6%	-0.6%
Kennebec	83	-23.9%	\$182,500	21.7%	0.4%
Knox	38	-5.0%	\$254,500	9.5%	-12.2%
Lincoln	26	-43.5%	\$298,000	37.8%	20.6%
Oxford	55	0.0%	\$171,900	-4.5%	7.6%
Penobscot	101	-27.3%	\$168,000	15.9%	20.1%
Piscataquis	26	30.0%	\$101,000	1.0%	-24.8%
Sagadahoc	21	-34.4%	\$175,000	29.7%	-10.3%
Somerset	37	-2.6%	\$125,000	27.6%	1.4%
Waldo	29	-14.7%	\$210,000	35.5%	-6.3%
Washington	17	-29.2%	\$136,000	18.3%	7.4%
York	195	-16.3%	\$300,100	5.3%	-4.0%
Maine	1,065	-15.4%	\$235,800	12.3%	3.4%

2 COVID-19 Indicators

2.1 Traffic changes

Vehicle miles traveled measures the amount of travel that has taken place for all vehicles throughout the state, and can be interpreted as the sum total of miles traveled by each vehicle. For the third week of May, statewide VMT was 20% lower than it was in the same week of 2019. This is the smallest year-over-year decline since the start of the COVID-19 Pandemic. VMT hit its lowest point in the fifth week of March, at -42%.

Year-Over-Year % Change in Vehicle Miles Traveled



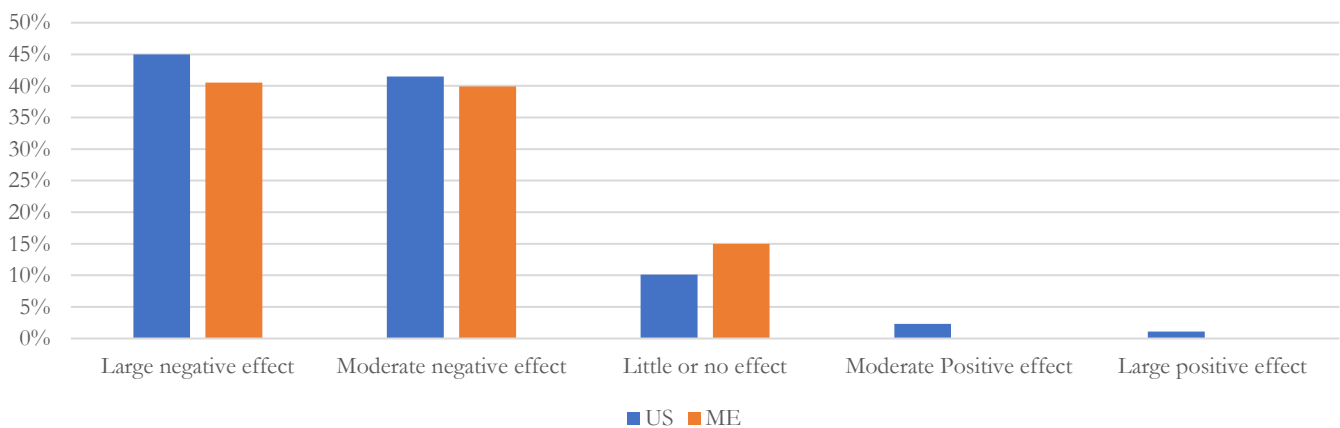
2.2 Pulse Surveys

To help understand the precise effects that the COVID-19 pandemic has on households and the economy, the U.S. Census Bureau has implemented two new surveys, the Small Business Pulse Survey and the Household Pulse Survey, which collect and disseminate detailed, real-time information.

2.2.1 Small Business Pulse Survey

During the week of May 17-May 23, 40% of business that responded in Maine said they had experienced a large negative effect, while 15% said they had experienced little to no effect at all. This compares with 45% and 10% for the U.S.

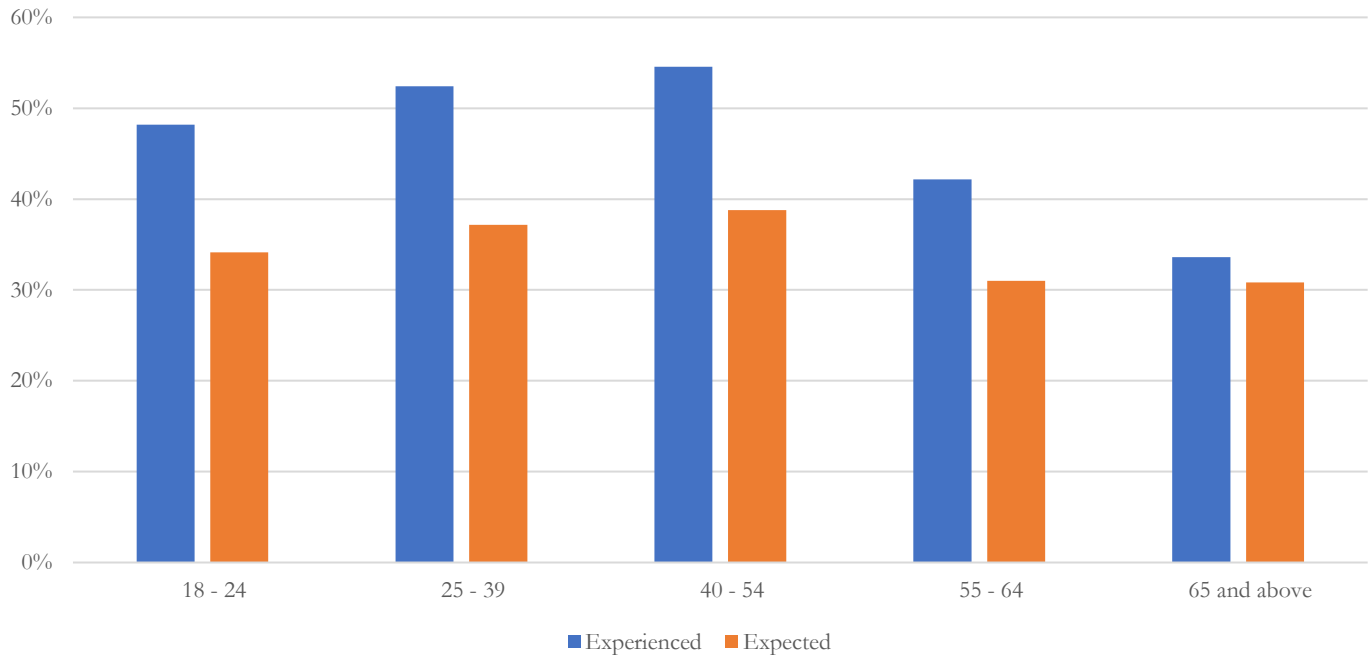
Overall, how has this business been affected by the COVID-10 Pandemic?



2.2.2 Household Pulse Survey

During the week of May 14-May 19th, the prime working-age population (18-54), had the highest rates of household employment income loss in Maine. Overall, an estimated 46% of Maine households have experienced some income loss since March 13th. Notably, this is higher for households with children present, at 54% of households compared to 41% for households without children present. Additionally, an estimated 10% of households with mortgages have little to no confidence in their ability to pay next month's mortgage, and an estimated 31% of renters have little to no confidence that they can pay next month's rent.

Percent of households that have experienced a loss of income or a expect loss in the next 4 weeks, by age of householder



Appendix

2.3 Data Sources

Indicator	Source	Reference Period	Release Date
Population: estimates and percent change	Census Bureau – Pop. Ests.	2019	December 30, 2019
Net migration: total and percent change	Census Bureau – Pop. Ests.	2019	December 30, 2019
Median age	American Community Survey 1 year	2018	September 26, 2019
Educational attainment	Census Bureau – ACS 1-year	2018	September 26, 2019
Poverty level	Census Bureau – ACS 1-year	2018	September 26, 2019
Income	Census Bureau – ACS 1-year	2018	September 26, 2019
Per capita personal consumption expenditure	U.S. Bureau of Economic Analysis	2018	October 3, 2019
Per capita personal income	U.S. Bureau of Economic Analysis	2019:Q3	December 18, 2019
Average earnings per job	U.S. Bureau of Economic Analysis	2018	September 24, 2019
Gross domestic product	U.S. Bureau of Economic Analysis	2019:Q3	January 10, 2020
GDPNow	Atlanta Fed	2019:Q4	December 29, 2019
GDP-Based Recession Indicator Index	Hamilton, James/FRED	2019:Q3	January 27, 2020
Real-time Sahm Rule Recession Indicator	Sahm, Claudia/FRED	December 2019	January 10, 2020
Personal income: total, per capita, and wages and salaries	U.S. Bureau of Economic Analysis	2019:Q3	December 18, 2019
Unemployment rate	U.S. Bureau of Labor Statistics	December 2019	January 24, 2020
Labor force participation	U.S. Bureau of Labor Statistics	December 2019	January 24, 2020
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	December 2019	January 24, 2020
Housing price index	Federal Housing Finance Agency	2019:Q4	February 25, 2020
Housing: Units and Median Sale Price	Maine Association of REALTORS®	November 2019	December 22, 2019
Vehicle Miles Traveled	Maine Department of Transportation	May 2020	May 28, 2020
Household Pulse Survey	U.S. Census Bureau	May 14-May 19, 2020	May 27, 2020
Small Business Pulse Survey	U.S. Census Bureau	May 17-23, 2020	May 28, 2020

2.4 Glossary

Average earnings per job: Total earnings, which is the sum of wages and salaries, supplements to wages and salaries, and proprietors' income, divided by total full-time and part-time employment.

$$\text{Compound Annual Growth Rate:} = \left(\frac{\text{Final Value}}{\text{Initial Value}} \right)^{\frac{1}{\text{No. of Periods}}} - 1$$

Gross Domestic Product: The measure of the market value of all final goods and services produced within a state in a particular period of time. GDP by state differs from national GDP for the following reasons: GDP by state excludes and national GDP includes the compensation of federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment, except office equipment. **Real GDP:** Real GDP by state is an inflation-adjusted measure of each state's gross product that is based on national prices for the goods and services produced within the state. The real estimates of gross domestic product (GDP) by state are measured in chained (2012) dollars.

Personal Income: Income that persons residing in the area receive in return for their provision of labor, land, and capital used in current production as well as other income, such as personal current transfer receipts. *Per capita personal income:* The personal income of a given area divided by the resident population of the area. *Per capita disposable personal income:* The income available to persons for spending or saving (personal income less personal current taxes) of a given area divided by the resident population of the area.

Wages and Salaries: Remuneration receivable by employees (including corporate officers) from employers for the provision of labor services, measured before deductions such as social security contributions, union dues, and voluntary employee contributions to defined contribution pension plans.