Maine Economic Indicators

November 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.

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 may precede the full onset of COVID-19. Please also note that changes in economic indicators cannot uniquely be interpreted as the impact of COVID-19.

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%
2019	Average earnings per job	$51,980	$71,826	$64,180
2018-2019	Average earnings per job percent change	3.6%	2.7%	2.6%
October 2020	Unemployment rate	5.4%	6.4%	6.9%
October 2020	Total private nonfarm employment	495,200	5,976,400	120,844,000
October 2020	Labor Force	677,128	7,744,000	160,867,000
October 2020	Labor Force Participation Rate	60.5%	N/A	61.7%

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

Real GDP	2019:Q3	2019:Q4	2020:Q1	2020:Q2	2019:Q2-2020:Q2
Maine	4.6	2.4	-5.0	-34.4	-9.8
New England	1.6	1.0	-4.8	-32.3	-9.8
United States	2.6	2.4	-5.0	-31.4	-9.0
Total Personal Income	2019:Q3	2019:Q4	2020:Q1	2020:Q2	2019:Q2-2020:Q2
Maine	3.1	3.7	4.5	41.0	12.0
New England	0.7	2.4	4.4	50.8	12.9
United States	2.6	3.5	4.1	34.2	10.4
Per Capita Personal Income	2019:Q	2019:Q4	2020:Q1	2020:Q2	2019:Q2-2020:Q2
Maine	2.7	3.2	4.2	40.5	11.6
New England	0.5	2.2	4.3	50.7	12.7
United States	2.0	2.9	3.7	33.6	9.8
Wages & Salaries	2019:Q3	2019:Q4	2020:Q1	2020:Q2	2019:Q2-2020:Q2
Maine	4.04.2	4.6	3.5	-28.8	-5.3
New England	0.2	3.5	4.7	-25.6	-5.2
United States	1.6	4.9	4.4	-25.8	-4.7

2 Annual Indicators

Indicators summarized below are updated annually on various release dates and provide a general summary of Maine's demographic and economic status.

| 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%
2019	Births	12,073	145,125	3,791,712
2019	Deaths	14,335	131,609	2,835,038
2019	Net migration	5,039	2,428	595,348
2018-2019	Annual rate of total net migration (Maine ranks 16th in the U.S.)	5.6%	0.00%	1.8%
2019	Median age, years (American Community Survey)	45.1	40.9	38.5
2019	Associate degree: percent of population age 25 and above	10.0%	8.1%	8.6%
2019	Bachelor's degree: percent of population age 25 and above	20.8%	23.2%	20.3%
2019	Graduate or professional degree: percent of population age 25 and above	12.4%	17.8%	12.8%
2019	Percent of population below poverty level	10.9%	9.6%	12.3%
2019	Median family income	$76,316	$99,309	$80,944
2019	Median household income	$58,924	$77,482	$65,712
2019	Per capita personal consumption expenditures	$47,351	$53,985	$42,757
2019	Per capita disposable personal income	$45,508	$60,060	$44,276

3 Quarterly and Monthly Indicators

3.1 Gross Domestic Product (GDP)

Real GDP in Maine fell by 34.4 percent from the preceding quarter (2020:Q1 to 2020:Q2), lower than New England (-32.4 percent) and the United States (-34.4 percent) and 41st in the country. The industries that contributed the largest decline in GDP were accommodation and food services (-7.09 percentage points) and health care and social assistance (-6.07 percentage points). Two sectors contributed slight gains in GDP: finance and insurance (+0.52 percentage points) and agriculture, forestry, fishing and hunting (+0.24 percentage points).

Reference Period		Maine	United States
2020:Q2	Total GDP (Current dollars)	$61.5 billion	$19.5 trillion

Real GDP (billions of chained 2012 dollars) - Maine

2020:Q2, $52.63
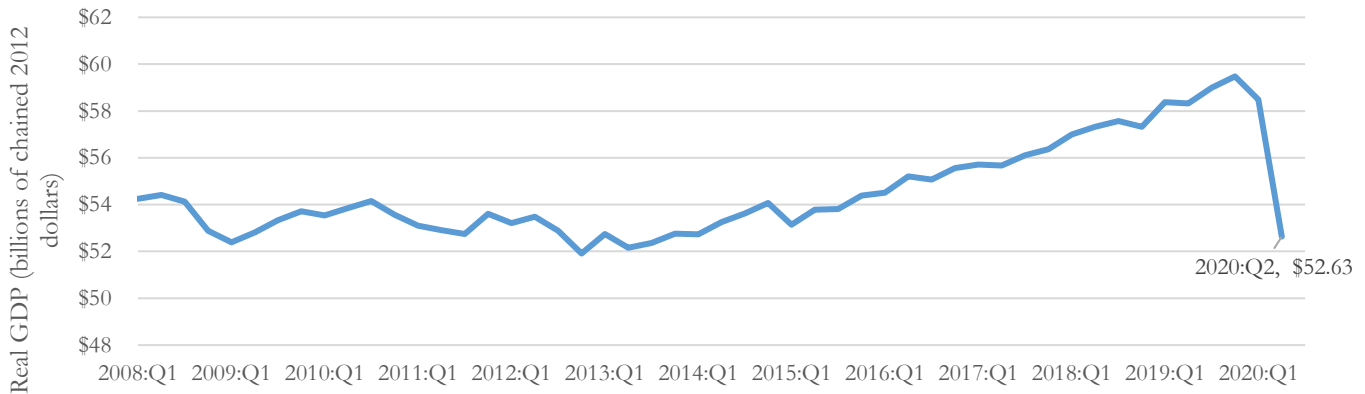
3.1.1   GDP Now from the Federal Reserve Bank of Atlanta
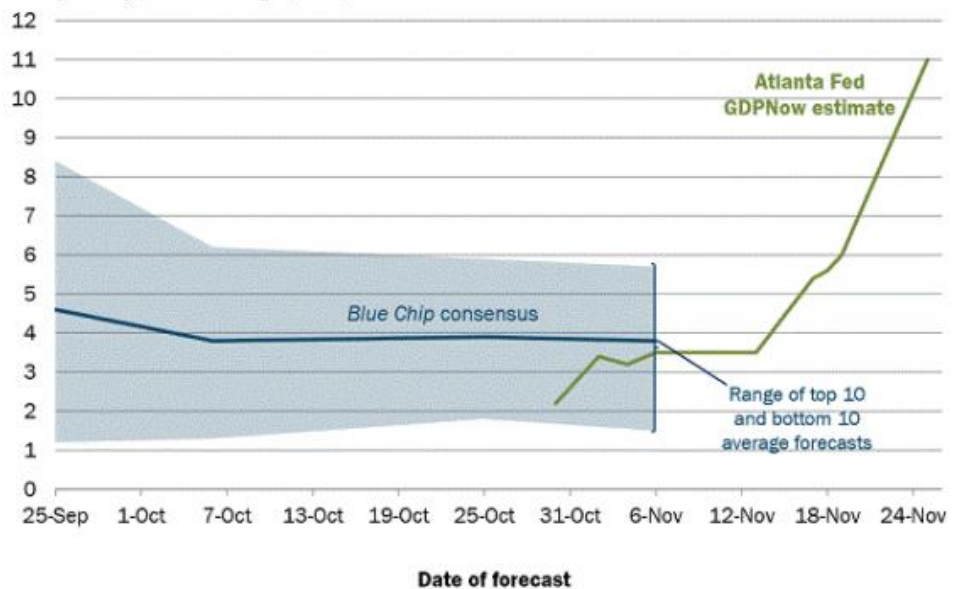
GDPNow, which is reported by the Atlanta Fed, is "a running estimate of real GDP growth based on available data for the current quarter." This model uses a similar methodology to the one used by Bureau of Economic Analysis in their official GDP estimates and is revised each time the monthly source data is updated. The latest forecast (November 25, 2020) estimates that national real GDP will **increase by 11.0 percent** in the fourth quarter of 2020. Note that this is an *annualized* growth rate, meaning that the economy would grow by 11.0 percent in the year 2020 if each quarter were identical to Q3, thus this does not mean the economy would grow 11.0 percent over the previous quarter

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 economic 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 and social mobility** beyond their impact on GDP source data and relevant economic reports that have already been released. It does not anticipate their impact on forthcoming economic reports beyond the standard internal dynamics of the model.

Evolution of Atlanta Fed GDPNow real GDP estimate for 2020: Q4
Quarterly percent change (SAAR)

Atlanta Fed GDPNow estimate

Blue Chip consensus

Range of top 10 and bottom 10 average forecasts

Date of forecast

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.
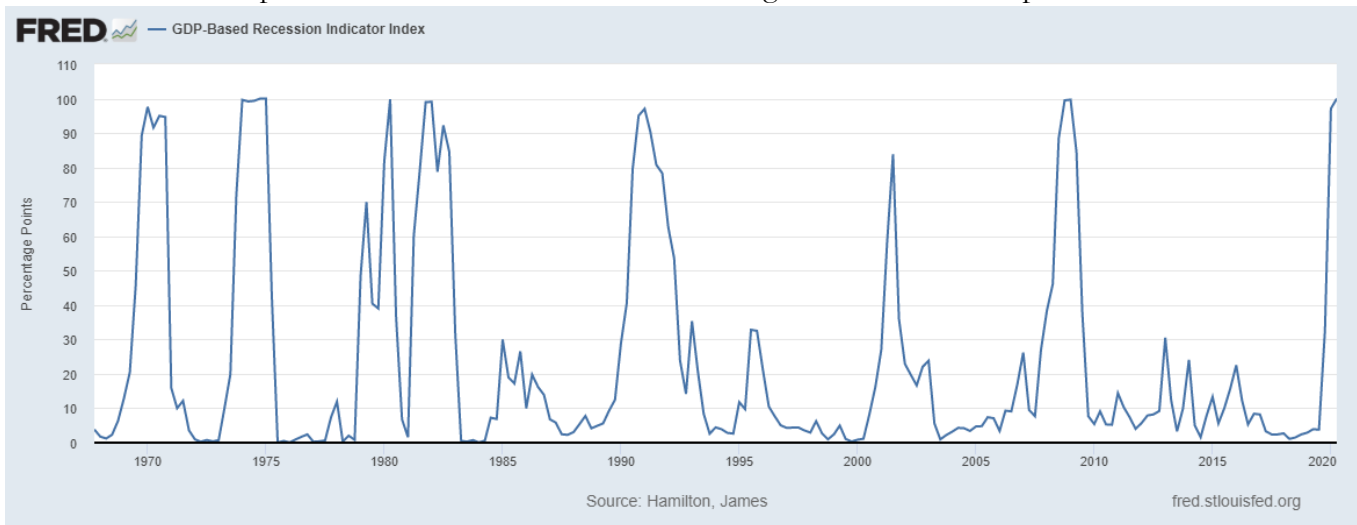
3.2   Recession Indicators

On June 8, 2020, the National Bureau of Economic Research (NBER) declared that the United States was officially in recession starting in February.

3.2.1   GDP-Based Recession Indicator Index (Hamilton)

The GDP-Based Recession Indicator Index is 100.0 percentage points (2020:Q2), indicating the economy remained in recession in Q2.

The index ranges from 0 to 100, and values above 67 provide a historically reliable indicator that the economy is in recession[1]. This method is purely objective in nature, rather than the NBER's subjective recession analysis. This index is calculated with a one quarter lag, which allows for extra insight and accounts for data revisions to make dependable inference. This index does not get revised once it is published.

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

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3.2.2   Real-time Sahm Rule Recession Indicator

Additionally, the Real-time Sahm Rule Recession Indicator[2] 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 October 2020, this indicator showed that the three-month average of national U3 was 4.2 percentage points over its 12-month low. This is lower than the previous month, as the unemployment rate has fallen, however it still is a strong confirmation that the economy remains in recession.
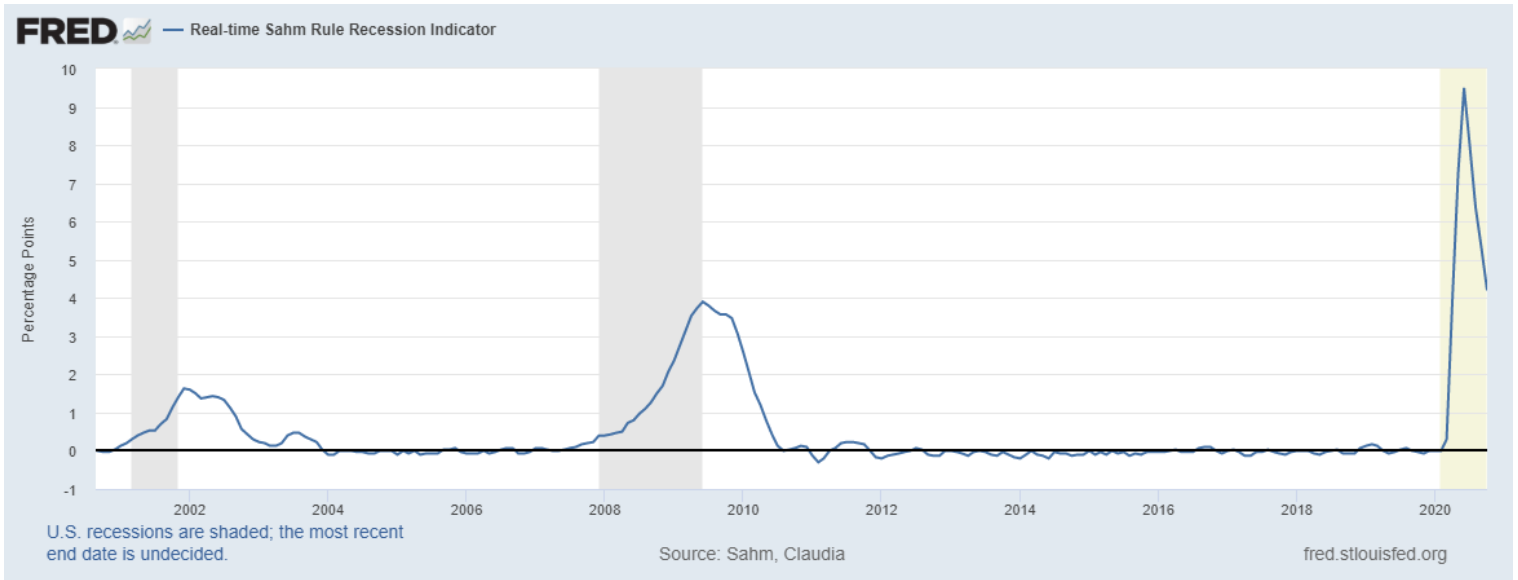

3.3   Labor Markets

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 which 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.

3.3.1   Unemployment Rate: October 2020 = 5.4%

The unemployment rate fell in October to 5.4% in Maine, compared to 6.9% nationally. This drop comes along with a drop in overall labor force participation. The Maine Department of Labor cautions that the pandemic's effect on survey operations has contributed to abnormally large error and labor misclassification, and estimates an alternative unemployment rate of 9.3% in Maine.

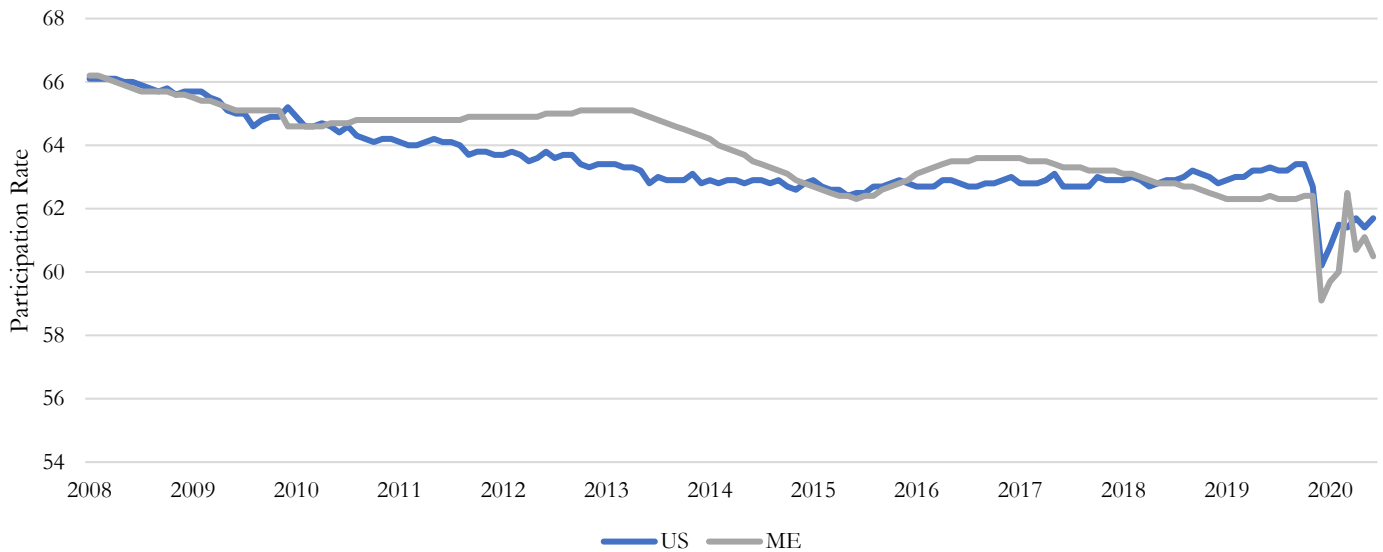[2] Created by Dr. Claudia Sahm, Federal Reserve Board of Governors

Unemployment Rate
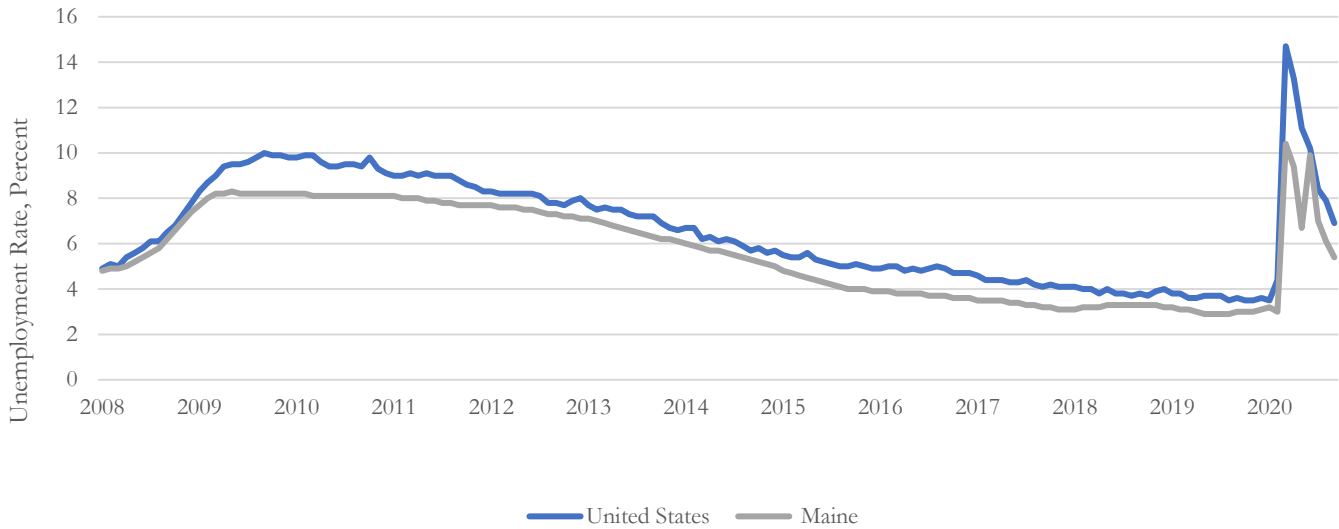
3.3.2 Labor Force Participation Rate: October 2020 = 60.5%

Labor force participation fell in Maine in October, to 60.5%, below the nation's 61.7 percent.

Labor force participation rate

3.3.3 Total Nonfarm Payroll Job Estimates: October 2020 = 589,200

Seasonally adjusted total nonfarm employment grew by 1,600 in Maine, by 25,700 in New England and by 638,000 nationwide in October. While private nonfarm jobs increased by 3,900 public sector jobs fell by 2,300 as 2020 Census operations ended. Maine's employment level remains 7.7% below October 2019 levels, while New England and the U.S. fall below October 2019 by 8.0% and 6.1%, respectively.

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

Legend: US, NE, ME
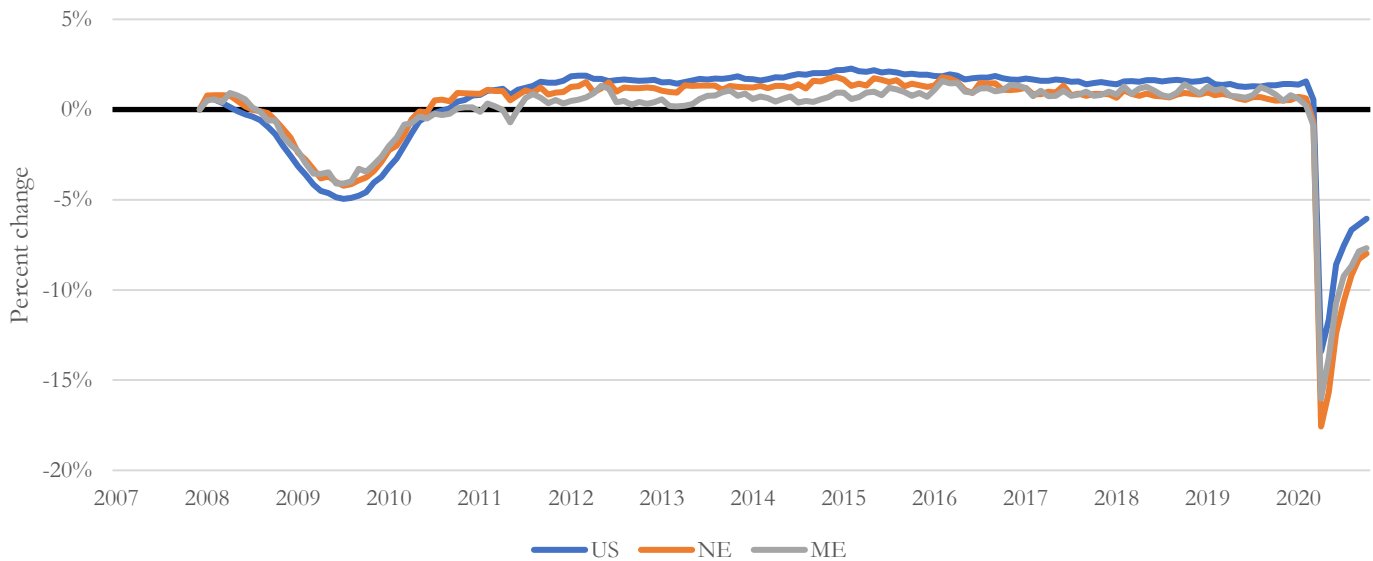
3.4 Housing

3.4.1 Sales

Home sales were up 26.9% statewide in October compared to a year ago. Meanwhile, the median sale price of single-family homes in Maine was 24.5% higher than in October 2019, at $280,000. The greatest growth in median sale price occurred in Lincoln (67.7%), Waldo (42.5%) and Oxford (40.8%) counties.

| Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)
Androscoggin	136	21.4%	$225,000	23.6%
Aroostook	107	91.1%	$115,000	27.8%
Cumberland	467	33.1%	$401,000	21.5%
Franklin	85	19.7%	$225,000	36.4%
Hancock	157	91.5%	$317,000	32.5%
Kennebec	160	-4.8%	$215,250	21.3%
Knox	91	44.4%	$329,000	38.2%
Lincoln	85	32.8%	$352,110	67.7%
Oxford	122	27.1%	$232,367	40.8%
Penobscot	216	4.9%	$183,750	18.9%
Piscataquis	62	82.4%	$125,750	-6.5%
Sagadahoc	65	18.2%	$312,500	21.6%
Somerset	92	31.4%	$145,500	7.3%
Waldo	91	62.5%	$260,000	42.5%
Washington	67	59.5%	$159,000	37.7%
York	338	6.0%	$374,950	29.3%
Maine	2,341	26.9%	$280,000	24.5%

3.4.2   House Price Index

In the third quarter of 2020, the housing price index (HPI) in Maine, New England, and the U.S. continued to rise in tandem. According to the Federal Housing Finance Agency (FHFA), the HPI "measures average price changes in repeat sales or refinancing on the same properties." Maine's HPI increased by 3.5 percent from the previous quarter (2020:Q2 to 2020:Q3). Maine's year-over-year HPI growth rate was higher than both the regional growth rate and the national growth rate at 8.7% compared to 8.1% in New England and 7.8% in the U.S.

Reference Period		Maine	New England	United States
2020:Q2-2020:Q3	HPI percent change from previous quarter	3.5%	4.0%	3.1%

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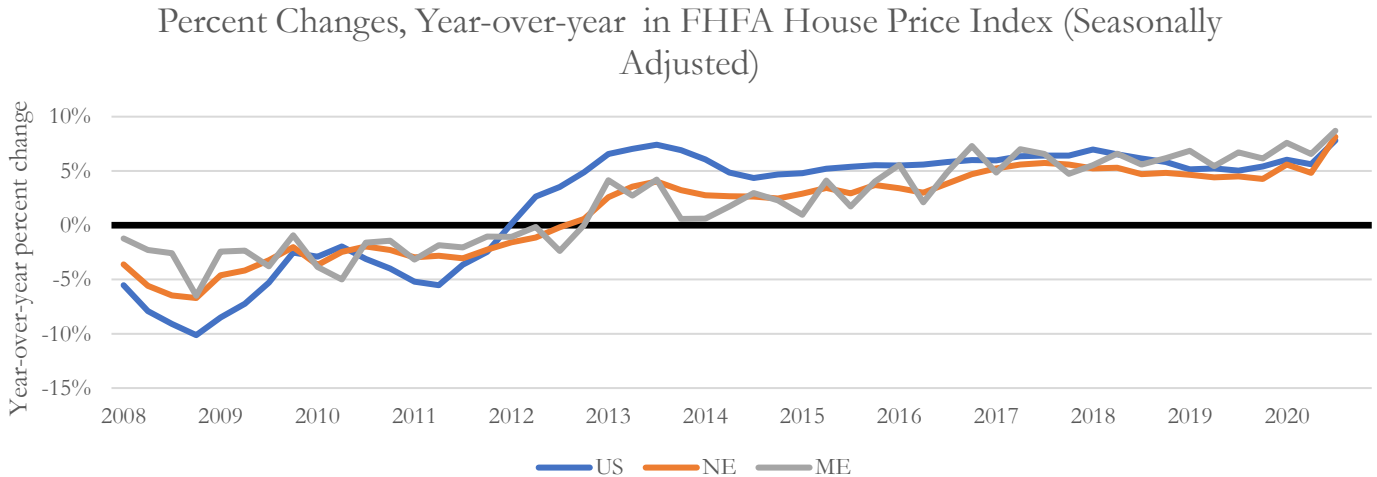

4   Sentiment

The Michigan Survey of Consumers indicates that the index of overall consumer sentiment fell in November, -5.9% month-over-month. This index remains 20.5% lower than November of 2019. The National Federation of Independent Business's Small Business Optimism index remained flat from September to October, which was 1.6% above October 2019. November data are not yet available for the latter index.

Consumer Sentiment and Small Business Optimism Indexes

Maine Economic Indicators – November 2020
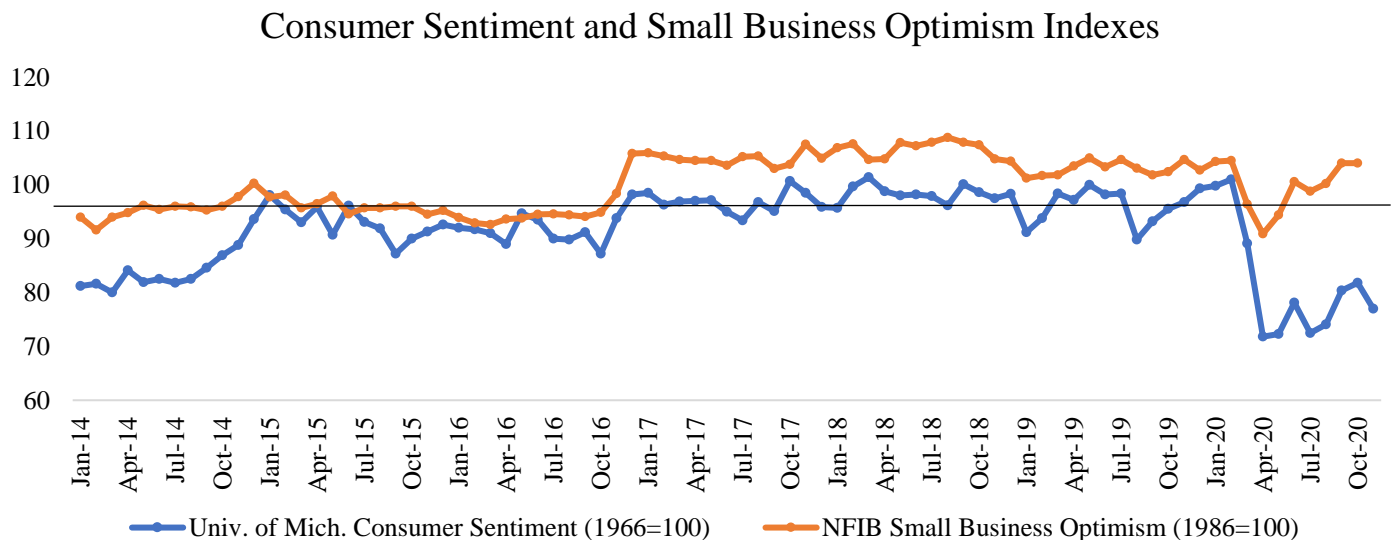
5 COVID-19 Indicators

5.1 Traffic changes

Vehicle miles traveled (VMT) measures the amount of travel that has taken place for all vehicles throughout the state and can be interpreted as the sum of miles traveled across all vehicles. During the third week of November, statewide VMT was 7.7% lower than it was in the same week of 2019. This is down considerably from the previous week (-1.9%), though the DOT cautions that this small gap in the second week of November was due to a heavy snowstorm that reduced travel last year.


Vehicle Miles Travelled (VMT) in Maine, Year-over-year change
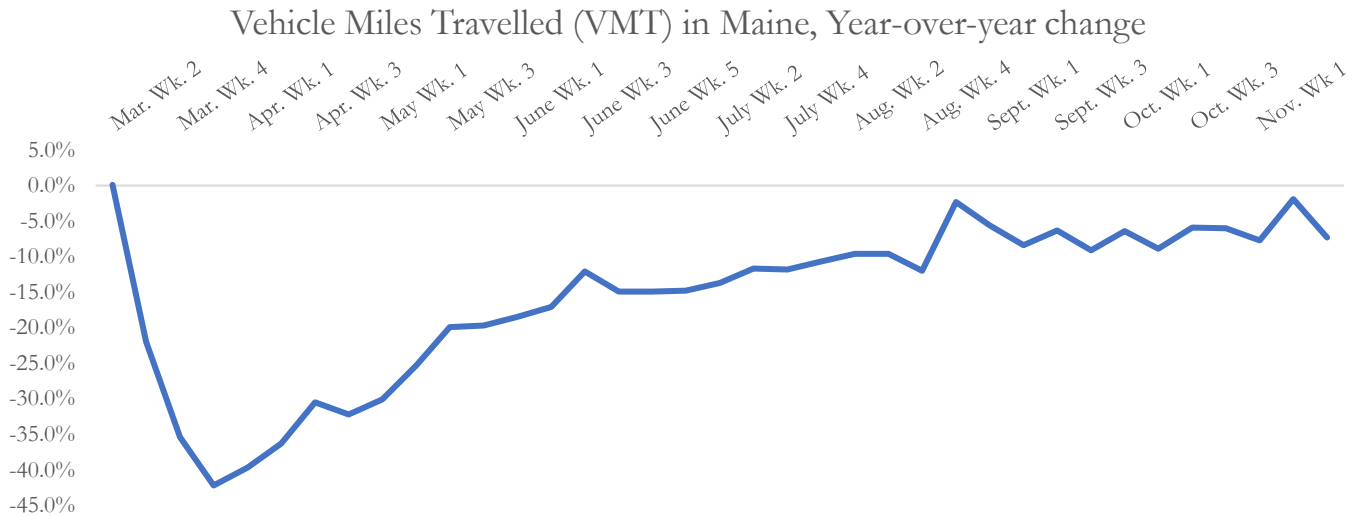
5.2 Consumer Spending

In **Maine**, as of November 15 2020, total spending by all consumers decreased by **0.4%** compared to January 2020.

Week ending Nov 15, 2020
-0.4%
Total Spending

Jan 20
First U.S. COVID-19 Case

Apr 15
Stimulus Payments Start

Credit and debit transactions data[3] shows that consumer spending by Mainers as of Nov. 15th is 0.4% below the average level of spending in January 2020, seasonally adjusted, compared to 2.8% below normal nationally. Relative recovery in spending is primarily driven by spending on retail and grocery sales, as well as spending from low- and middle-income ZIP codes.

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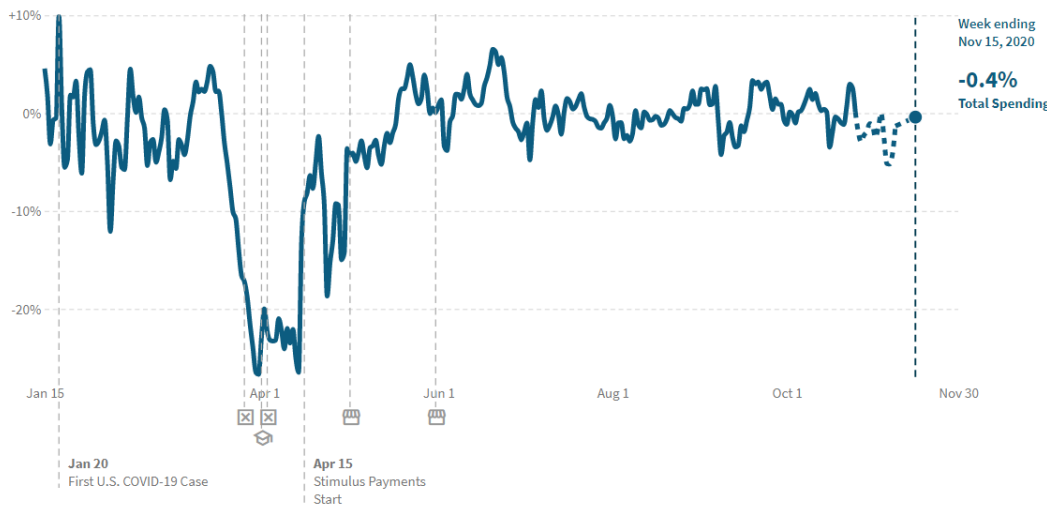
[3] The Opportunity Insights Economic Tracker compiles credit and debit card spending to measure overall consumer spending in all states in the U.S. Note that this data collates spending by cardholders based in Maine, not by location of the transaction.

6   Trade Outlook

In September 2020, total exports were down 24.2% in Maine and 9.8% nationwide compared to September 2019. Maine's top trade partner was Canada, which accounted for 62% of imports and 55% of exports. Total imports to Maine were valued at $403,562,460 while exports totaled $178,089,924.
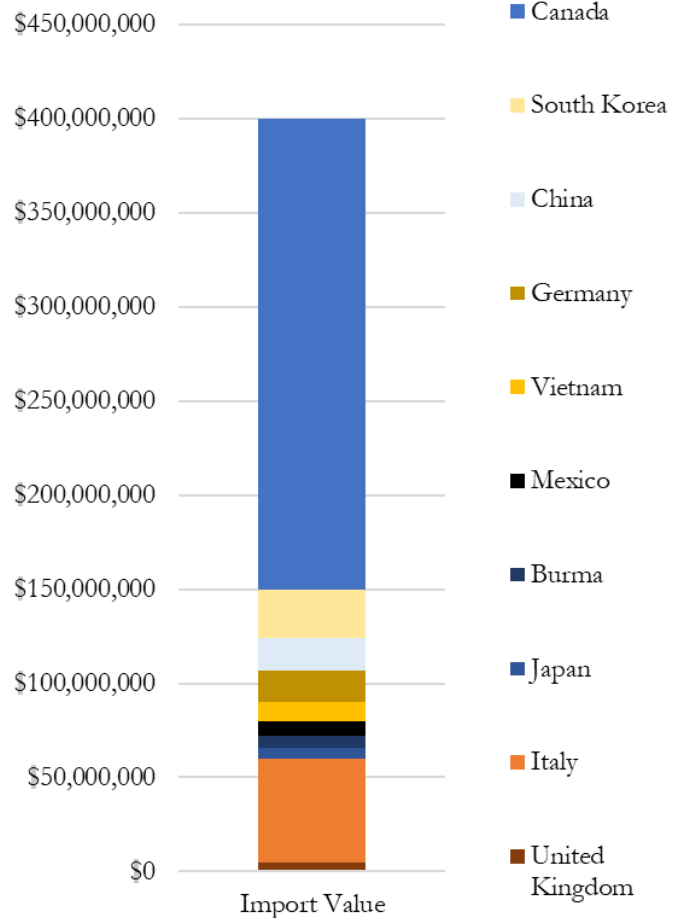

Percent Changes, Year-over-year in Total Exports
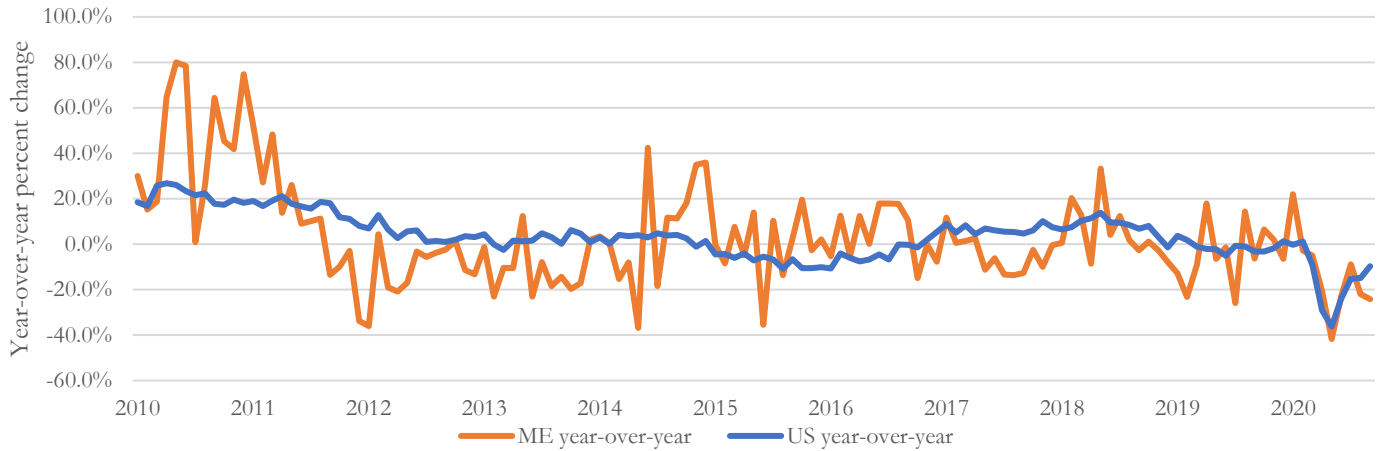
Value of exports to top 10 export partners
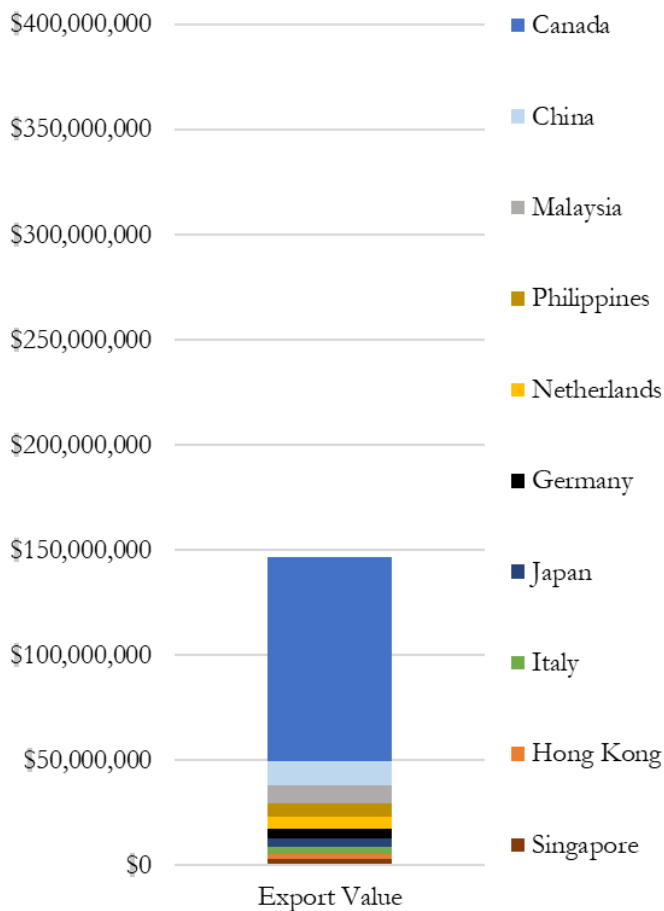
Value of imports from top 10 import partners

7 Appendix

7.1 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	2019	September 17, 2020
Educational attainment	Census Bureau – ACS 1-year	2019	September 17, 2020
Poverty level	Census Bureau – ACS 1-year	2019	September 17, 2020
Income	Census Bureau – ACS 1-year	2019	September 17, 2020
Per capita personal consumption expenditure	U.S. Bureau of Economic Analysis	2019	October 8, 2020
Per capita personal income	U.S. Bureau of Economic Analysis	2020:Q2	September 24, 2020
Average earnings per job	U.S. Bureau of Economic Analysis	2019	September 24, 2020
CEFC Forecasts	Consensus Economic Forecasting Commission	2020-2025	November 1, 2020
Gross domestic product	U.S. Bureau of Economic Analysis	2020:Q2	October 2, 2020
GDPNow	Atlanta Fed	2020:Q4	November 25, 2020
GDP-Based Recession Indicator Index	Hamilton, James/FRED	2020:Q2	October 30, 2020
Real-time Sahm Rule Recession Indicator	Sahm, Claudia/FRED	October 2020	November 6, 2020
Personal income: total, per capita, and wages and salaries	U.S. Bureau of Economic Analysis	2020:Q2	September 24, 2020
Unemployment rate	U.S. Bureau of Labor Statistics	October 2020	November 20, 2020
Labor force participation	U.S. Bureau of Labor Statistics	October 2020	November 20, 2020
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	October 2020	November 20, 2020
Housing price index	Federal Housing Finance Agency	2020:Q2	November 24, 2020
Housing: Units and Median Sale Price	Maine Association of REALTORS®	October 2020	November 22, 2020
Index of Consumer Sentiment	Michigan Survey of Consumers	November 2020	November 2020
Small Business Optimism Index	National Federation of Independent Businesses	October 2020	October 2020
Vehicle Miles Traveled	Maine Department of Transportation	November 21, 2020	November 24, 2020
Consumer Spending	Affinity Solutions & Opportunity Insights	November 15, 2020	November 2020
Imports & Exports	USA Trade Online	September 2020	November 4, 2020

7.2 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.

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

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.

Housing Price Index: A weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancing on the same properties.

Labor Force Participation Rate: The labor force as a percent of the civilian noninstitutional population ages 16 years and older.

Net Migration Rate: The U.S. Census Bureau defines the net migration rate as the difference between the number of migrants entering and those leaving an area in a year, per 1,000 midyear population. May also be expressed in percent. A positive figure is known as a net immigration rate and a negative figure as a net emigration rate.

Personal Consumption Expenditures by State: A measure of spending on goods and services purchased by, and on behalf of, households based on households' state of residence divided by the resident population of the area.

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.

Poverty Level: The U.S. Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty.

Real Trade Weighted Value of the Dollar: An index that calculates the inflation-adjusted value of the U.S. dollar against the currencies of countries with which the state trades.

Total merchandise exports: Total exports are calculated by adding domestic exports (goods that are grown, produced, or manufactured in the United States) to foreign exports (foreign-origin goods that have previously entered the United States, Puerto Rico, or the U.S. Virgin Islands for consumption, entry into a CBP bonded warehouse, or a U.S. Foreign Trade Zone (FTZ), and at the time of exportation, have undergone no change in form or condition or enhancement in value by further manufacturing).

[Total Private nonfarm employment](): Each month Current Employment Statistics (CES) surveys a sample of about 2,700 nonfarm private employers (plus federal, state, and local government employers) in Maine asking them to report the number of jobs, hours, and earnings of workers on their payroll during the week including the 12th day of each month. The sample accounts for just 7% of employers, but 34% of nonfarm jobs in the state because a high share of large employers are surveyed.

[Unemployment Rate](): Number of unemployed as a percent of the labor force. To be classified as unemployed, persons must be aged 16 years and older with no employment during the reference week, were available for work, except for temporary illness, and had made specific efforts to find employment sometime during the 4-week period ending with the reference week.

[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.