

Maine Economic Indicators

July 2021



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.

Please 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
2020	Total population	1,362,359	15,116,205	331,449,281
2018-2019	Annual population percent change	0.4%	0.1%	0.5%
2010-2020	Cumulative population percent change	2.6%	4.7%	7.4%
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%
June 2021	Unemployment rate	4.8%	5.3%	5.9%
June 2021	Total private nonfarm employment	517,300	6,130,800	123,919,000
June 2021	Labor Force	676,500	7,763,100	161,086,000
June 2021	Labor Force Participation Rate	60.2%	N/A	61.6%

Note: 2020 total population counts and 2010-2020 population change are measured by the 2020 Decennial Census and based on a complete count of persons. Annual population change from 2018-2019 is measured by the Population Estimates Program, and is based on an estimate.

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

Real GDP	2020:Q2	2020:Q3	2020:Q4	2021:Q1	2020:Q1-2021:Q1
Maine	-34.4	37.3	2.8	5.2	-0.7
New England	-32.3	34.2	4.9	6.7	0.4
United States	-31.4	33.4	4.3	6.4	0.4
Total Personal Income	2020:Q2	2020:Q3	2020:Q4	2021:Q1	2020:Q1-2021:Q1
Maine	55.6	-22.8	0.4	74.7	20.5
New England	43.1	-16.1	-1.6	48.4	15.3
United States	35.8	-11.3	-3.9	59.7	16.6
Per Capita Personal Income	2020:Q2	2020:Q3	2020:Q4	2021:Q1	2020:Q1-2021:Q1
Maine	55.4	-23.0	0.1	74.5	20.2
New England	43.3	-15.9	-1.5	48.7	15.3
United States	35.5	-11.6	-4.3	59.4	16.3
Wages & Salaries	2020:Q2	2020:Q3	2020:Q4	2021:Q1	2020:Q1-2021:Q1
Maine	-19.0	20.0	21.2	8.7	6.4
New England	-23.0	16.3	23.0	7.3	4.3
United States	-23.7	21.1	16.5	8.7	4.0

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
2020	Total population	1,362,359	15,116,205	331,449,281
2018-2019	Annual population percent change	0.4%	0.1%	0.5%
2010-2020	Cumulative population percent change	2.6%	4.7%	7.4%
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 16 th 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
2020	Per capita disposable personal income	\$49,072	\$64,398	\$53,080

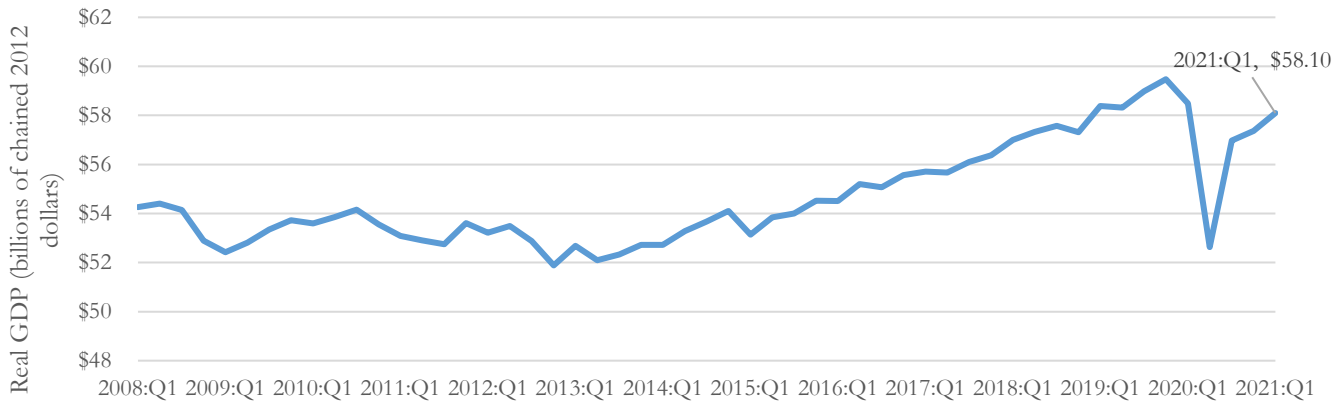
3 Quarterly and Monthly Indicators

3.1 Gross Domestic Product (GDP)

Real GDP in Maine grew by 5.2 percent from the preceding quarter at an annual rate (2020:Q4 to 2021:Q1), ranking 44th in the U.S. and last in New England. The industry sectors that contributed the most to Maine's first quarter growth in GDP were retail trade (0.86 percentage points); durable goods manufacturing (0.72 percentage points); administrative and support and waste management and remediation services (0.69 percentage points); and professional, scientific, and technical services (0.66 percentage points). Maine's real GDP remains 2.3% below pre-pandemic (2019:Q4), although it is nearly equal to one year ago.

Reference Period		Maine	United States
2021:Q1	Total GDP (Current dollars)	\$69.4 billion	\$22.06 trillion

Real GDP (billions of chained 2012 dollars) - Maine



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 the U.S. Bureau of Economic Analysis in their official GDP estimates and is revised each time the monthly source data is updated. The final nowcast for 2021:Q2 (July 28) estimated that U.S. real GDP would **increase by 6.4 percent** at an annual rate in the second quarter of 2021. The advance estimate for GDP, released by the Bureau of Economic Analysis, measured real GDP growth in the second quarter at 6.5% at an annual rate, in line with the GDPNow nowcast.

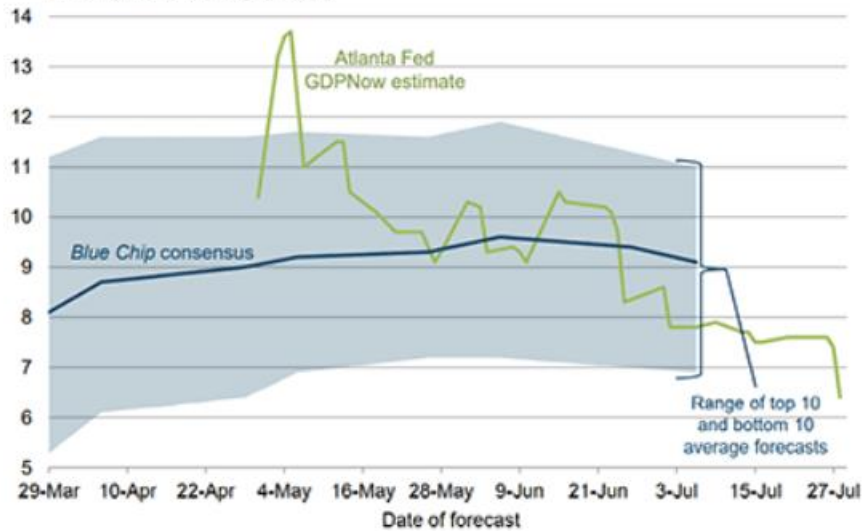


GDPNow

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 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 2021: 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.

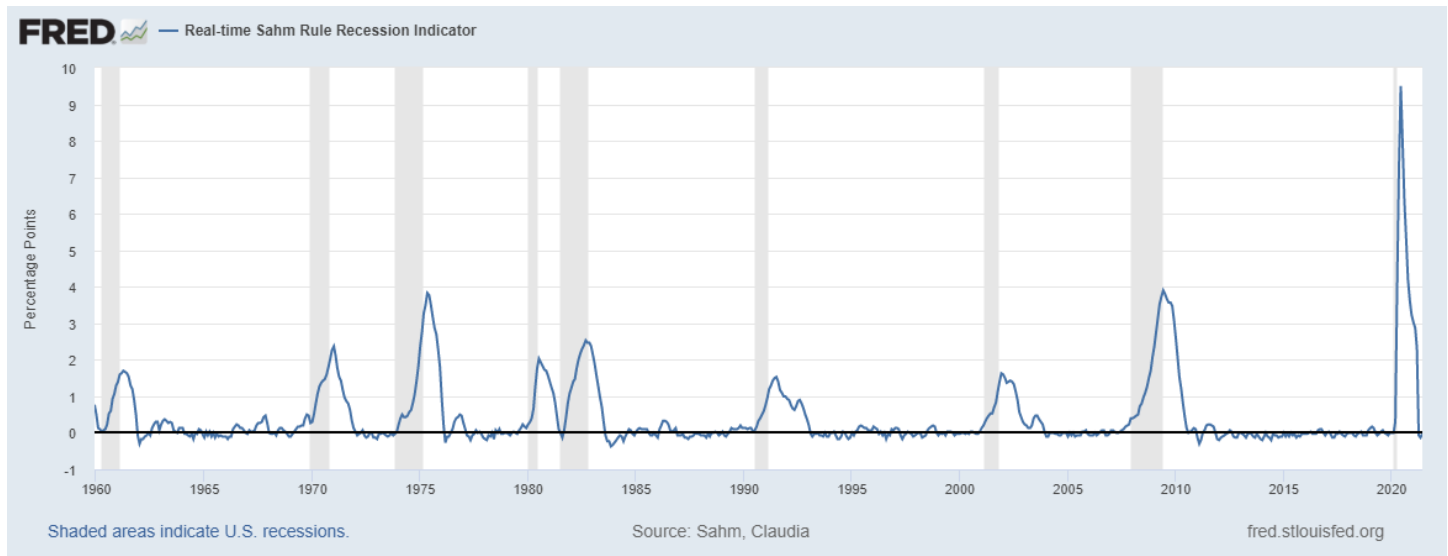
3.2 Recession Indicators

On June 8, 2020, the National Bureau of Economic Research (NBER) declared that the United States was officially in recession starting in February. NBER is the primary source in the United States that declares when recessions begin and end. Other recession indicators are used to estimate business cycles in real time but are not official sources for when recessions begin and end.

3.2.1 Real-time Sahm Rule Recession Indicator

The Real-time Sahm Rule Recession Indicator¹ 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 June 2021, this indicator showed that the three-month average of national U3 was **-.03 points under its 12-month low**. This indicator shows that the economy may not still be in a recession, although it is heavily distorted by the sudden increase in unemployment in 2020. In typical recessions, the rise in unemployment is more gradual, which mitigates the distortion in this index.

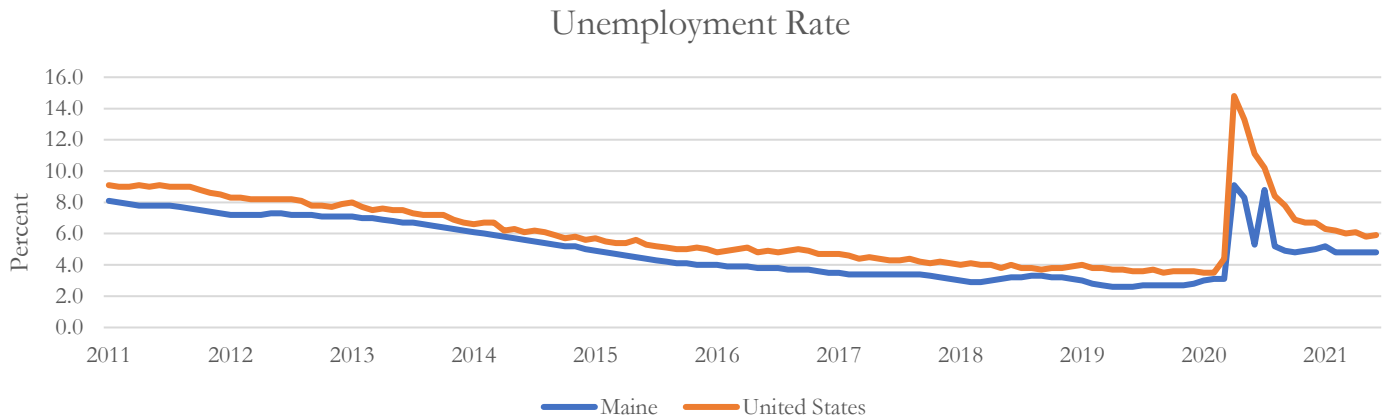


¹ Created by Dr. Claudia Sahm, Federal Reserve Board of Governors
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3.3 Labor Markets²

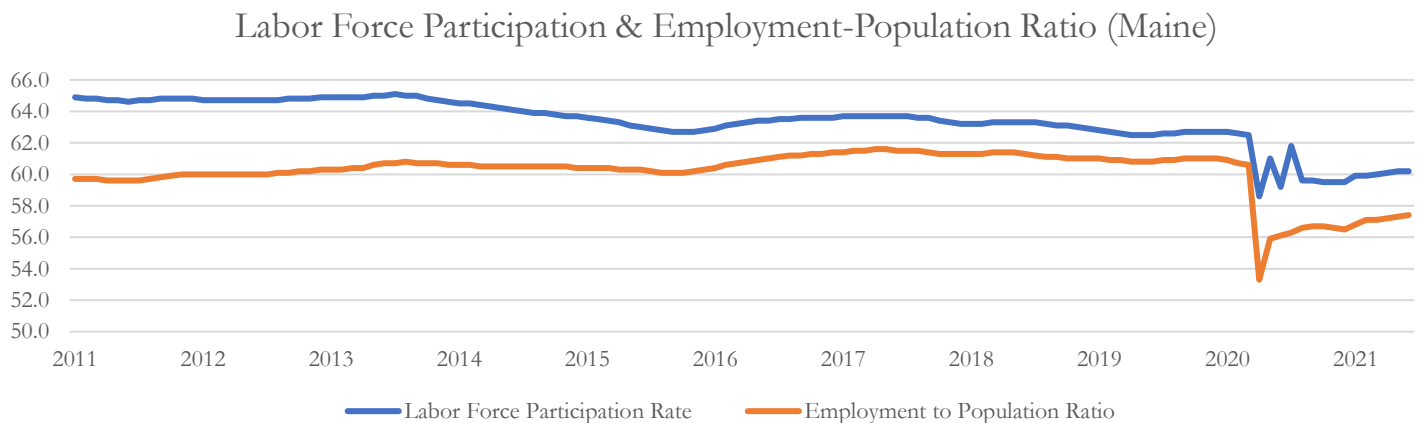
3.3.1 Unemployment Rate: June 2021 = 4.8%

The unemployment rate in Maine was unchanged for the fifth month at 4.8% in June, lower than both the U.S. (5.9%) and New England's average (5.3%). CWRI estimates an alternative unemployment rate of 8.4% in June³, which is estimated by considering changes in the labor force during the pandemic.



3.3.2 Labor Force Participation Rate: June 2021 = 60.2%

Labor force participation (LFP) was unchanged in May at 60.2 percent, below the nation's 61.6 percent. The employment to population ratio (EPOP), an alternative measure of labor market activity which measures the total number of employed working-age adults divided by the total working-age population, edged up slightly, to 57.4%. LFP is 1.0 points above June 2020, while EPOP is up 1.3 points year-over-year. Both are still down compared to pre-pandemic, by 2.3 and 3.2 percentage points, respectively.

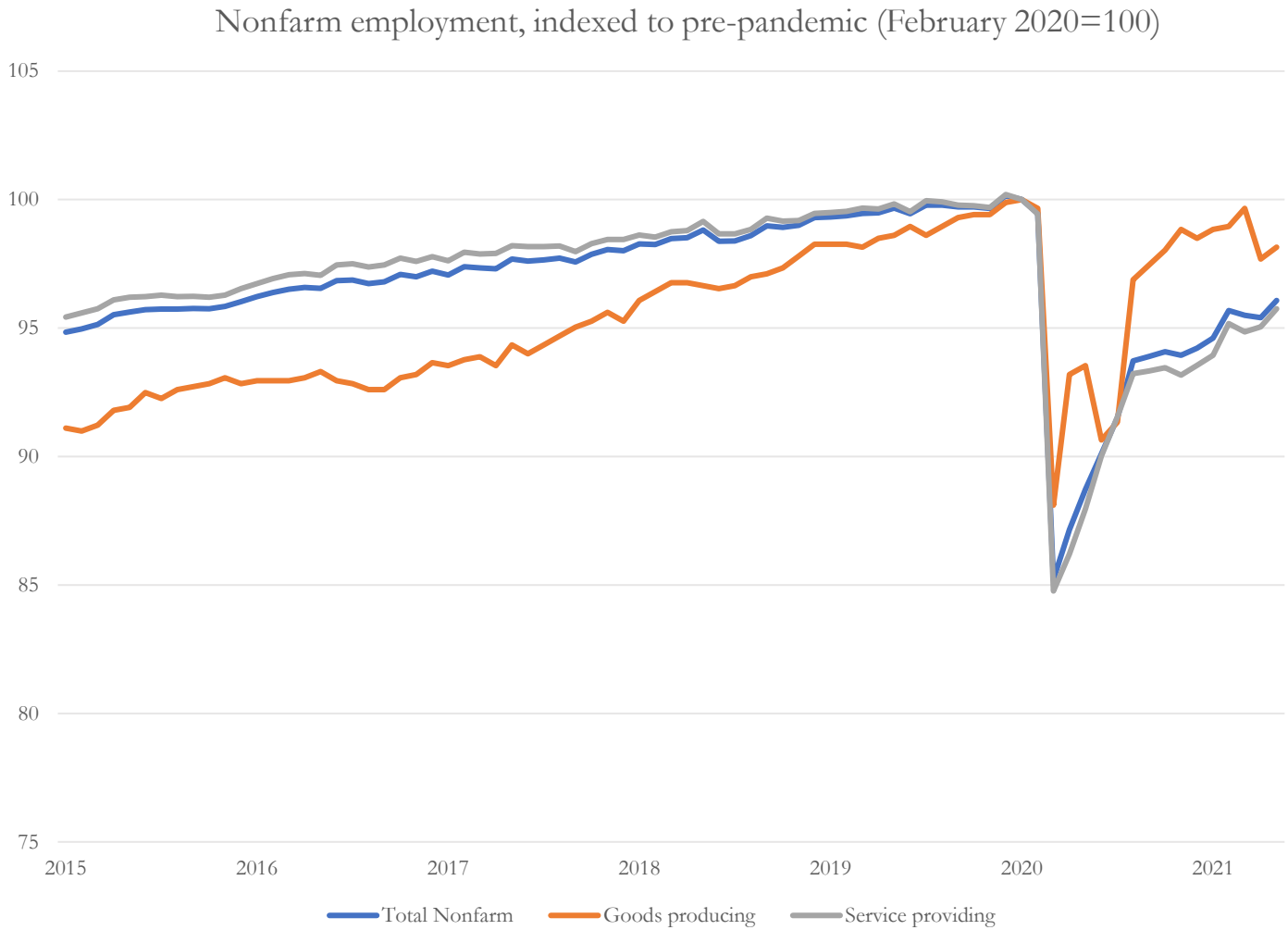


² The data for unemployment rates and labor force are derived from the Local Area Unemployment Statistics (LAUS) program and data for nonfarm payroll jobs are derived from the Current Employment Statistics (CES) program. The numbers presented below are estimates which vary month to month in either direction 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 <https://www.maine.gov/labor/cwri/news/release.html>

3.3.3 Total Nonfarm Payroll Job Estimates: June 2021 = 614,900

Seasonally adjusted total nonfarm jobs were up by 3,000 in June. Total nonfarm employment grew by 18,500 in New England and 850,000 in the United States. Public and private education made up the bulk of growth in Maine in June. Overall, total nonfarm employment was down about 3.9% compared to pre-pandemic, with goods-producing sectors outpacing service-providing sectors (down 1.9% and 4.9%, respectively).



3.4 Housing

3.4.1 Sales

June 2021 saw continued growth in the number of homes sold: 1,973 units, 14.7% higher than May 2020. Meanwhile the median sale price of \$310,000 was 24.5% higher than June 2020. All counties had year-over-year growth in the median sale price, while twelve had year-over-year growth in units sold. Cumberland County has the highest median sale price, \$462,750, while Oxford had the highest year-over-year growth in price, 52.3%.

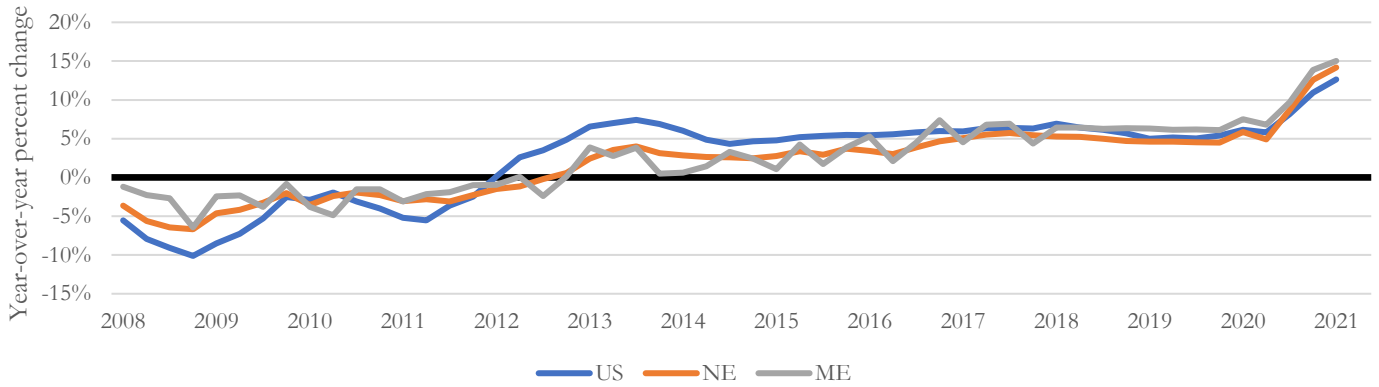
Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)
Androscoggin	147	47.0%	\$245,000	24.1%
Aroostook	90	23.3%	\$149,500	27.8%
Cumberland	416	20.9%	\$462,750	26.8%
Franklin	52	36.8%	\$240,000	39.3%
Hancock	95	37.7%	\$295,000	23.5%
Kennebec	174	-10.8%	\$261,000	27.3%
Knox	73	40.4%	\$329,000	38.2%
Lincoln	65	32.7%	\$360,000	30.9%
Oxford	97	15.5%	\$275,000	52.3%
Penobscot	201	11.7%	\$197,500	5.6%
Piscataquis	26	-36.6%	\$167,000	21.0%
Sagadahoc	42	-17.7%	\$308,500	12.2%
Somerset	77	18.5%	\$169,900	25.9%
Waldo	71	51.1%	\$274,900	47.4%
Washington	50	61.3%	\$174,000	32.8%
York	297	-1.3%	\$430,000	32.3%
Maine	1,973	14.7%	\$310,000	24.5%

3.4.2 House Price Index

In the first quarter of 2021, the housing price index (HPI) in Maine, New England, and the U.S. continued to rise at record pace. 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 year-over-year HPI growth rate was higher than both the regional growth rate and the national growth rate at 15.0% compared to 14.2% in New England and 12.6% in the U.S. These are the highest growth rates ever seen for Maine, New England and the U.S. since the index has been recorded.

Reference Period		Maine	New England	United States
2020:Q1-2021:Q1	HPI percent change from previous year	15.0%	14.2%	12.6%

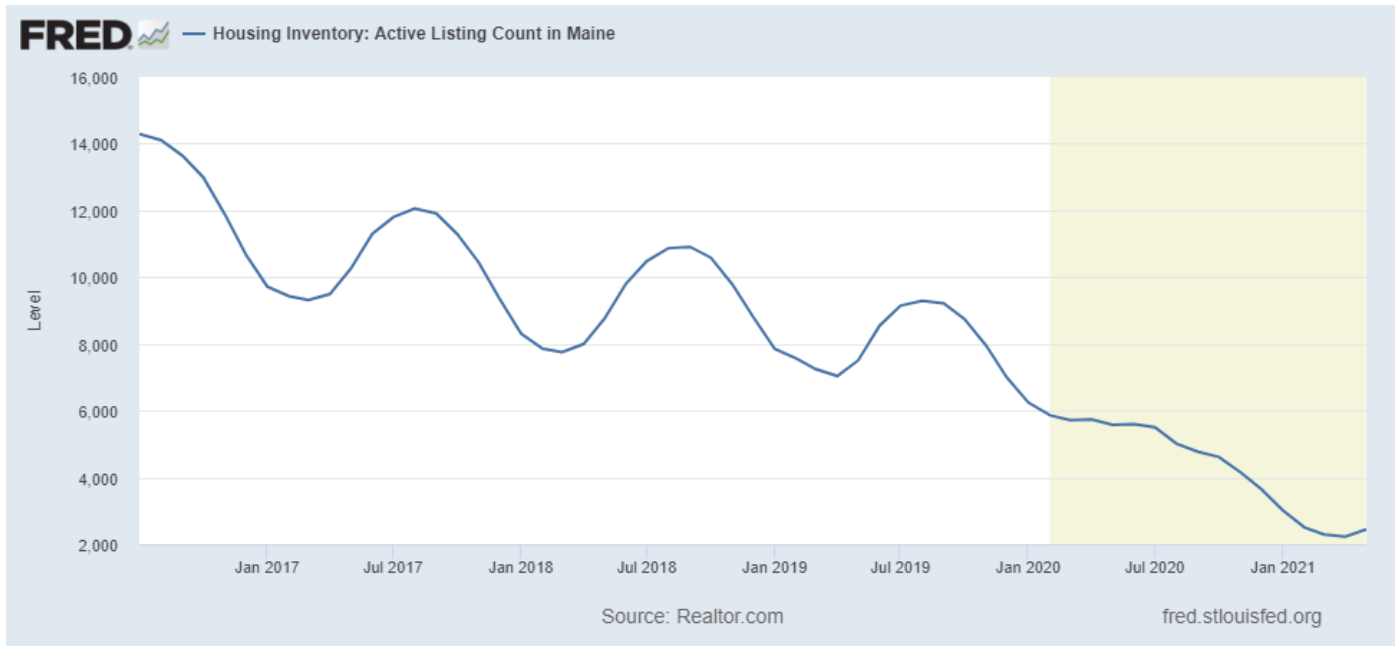
Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



3.4.3 Housing inventory

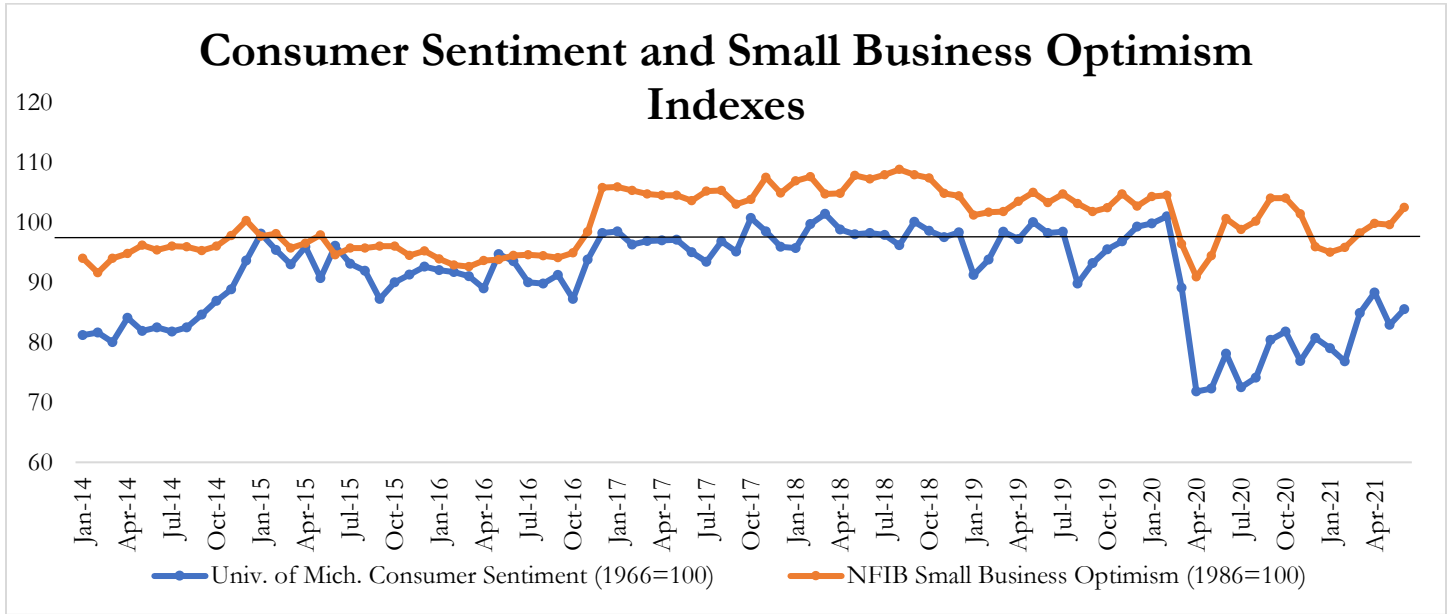
Part of the tight housing market is lack of inventory in Maine. Normal seasonal patterns typically lead to lower inventory during winter months and higher inventory in the summer months. This seasonal pattern did not occur in 2020, with inventory staying low through the summer months and continuing to decrease further through the winter and spring.

In June 2021, there were 2,996 active listings for single-family homes on Realtor.com. While this remains significantly below normal levels (2,606 fewer than June 2020 and 5,556 fewer than June 2019), there is some preliminary indication that inventory has begun to tick back up after a tumultuous year.



4 Sentiment

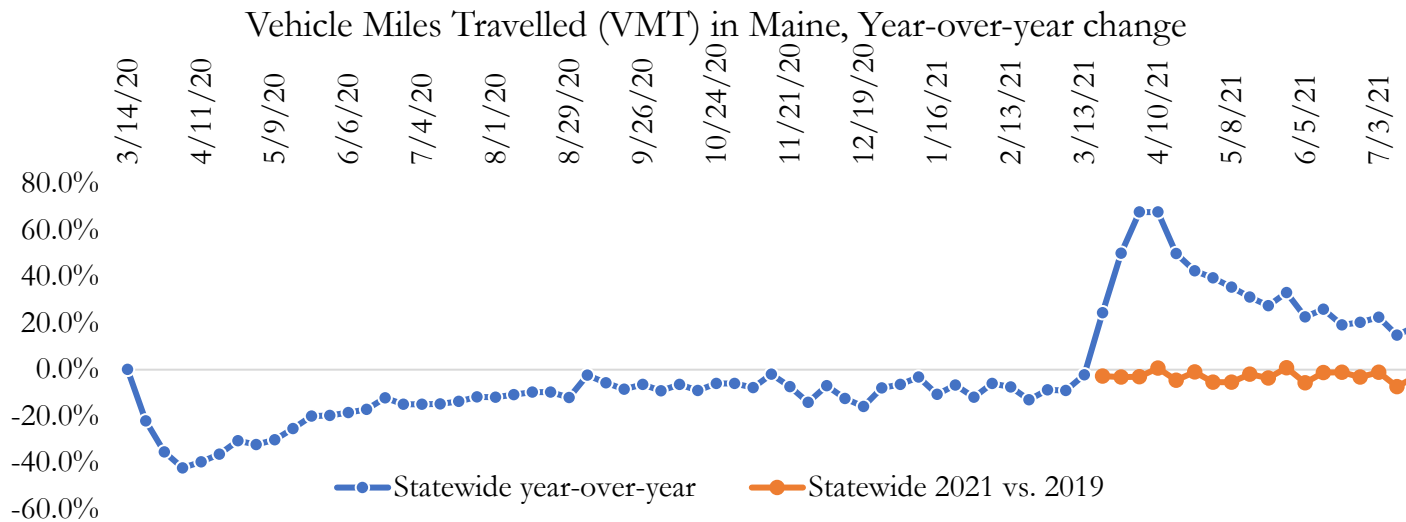
Index of Consumer Sentiment from the University of Michigan was up 3.1% month-over-month and 9.5% year-over-year in June. The Small Business Optimism Index, as measured by the National Federation of Independent Businesses, was up 1.9% in June year-over-year and up 2.9% from the previous month.



5 COVID-19 Indicators

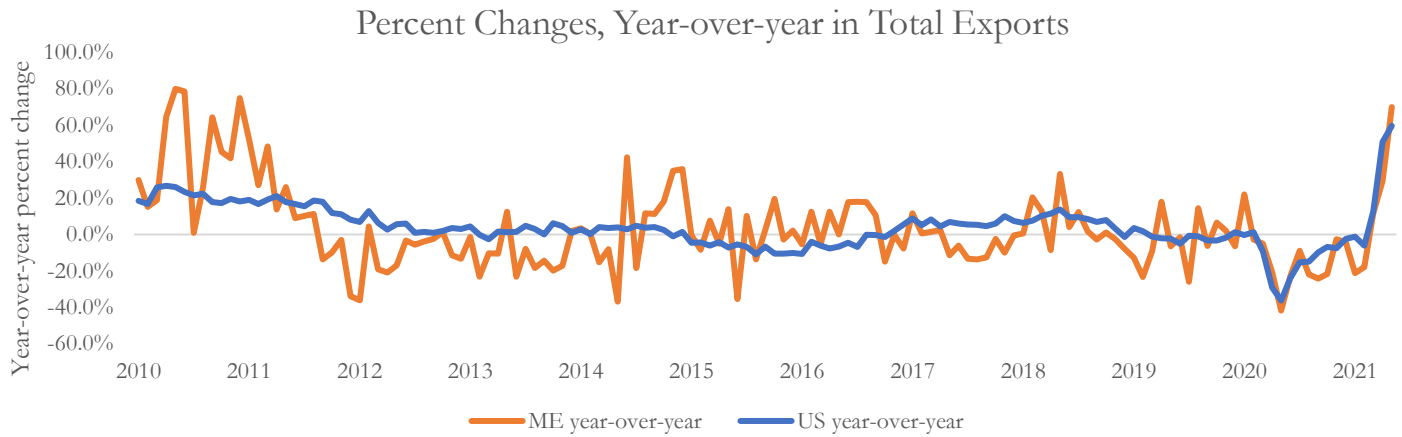
5.1 Traffic changes

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. In the third week of July, statewide VMT was 18.5% higher than it was in the same week of 2020, when COVID-19 continued to cause a dramatic decline in traffic. Compared to the same week in 2019, the most recent pre-pandemic baseline, VMT was down 3.0%. On average, VMT was down by -3.8% in each week of May compared to 2019.

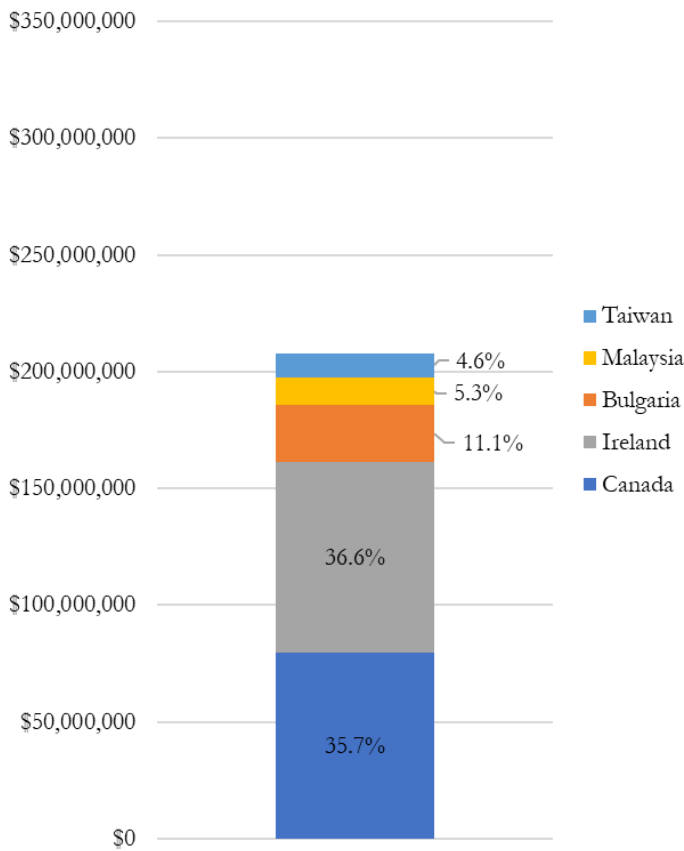


6 Trade Outlook

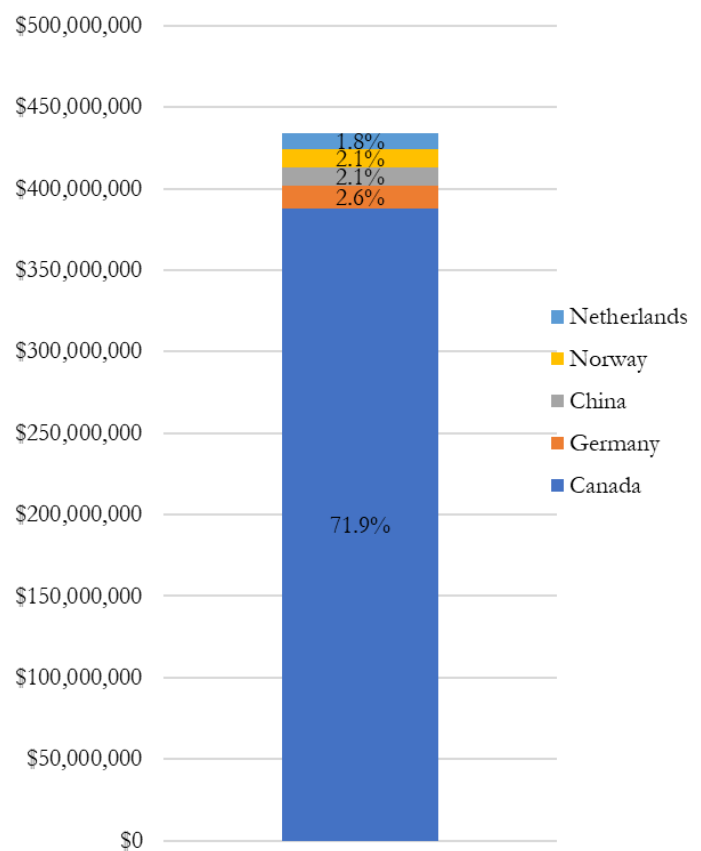
In May 2021, total exports were up 70.0% in Maine and 59.6% nationwide compared to May 2020. These large increases are mostly due to base effects, with unusually low exports in May 2020. Maine's top trade partner was Canada, which accounted for 71.9% of imports and 35.7% of exports. Total imports to Maine were valued at \$539,603,605 while exports totaled \$222,957,436.



Value of exports to top 5 export partners

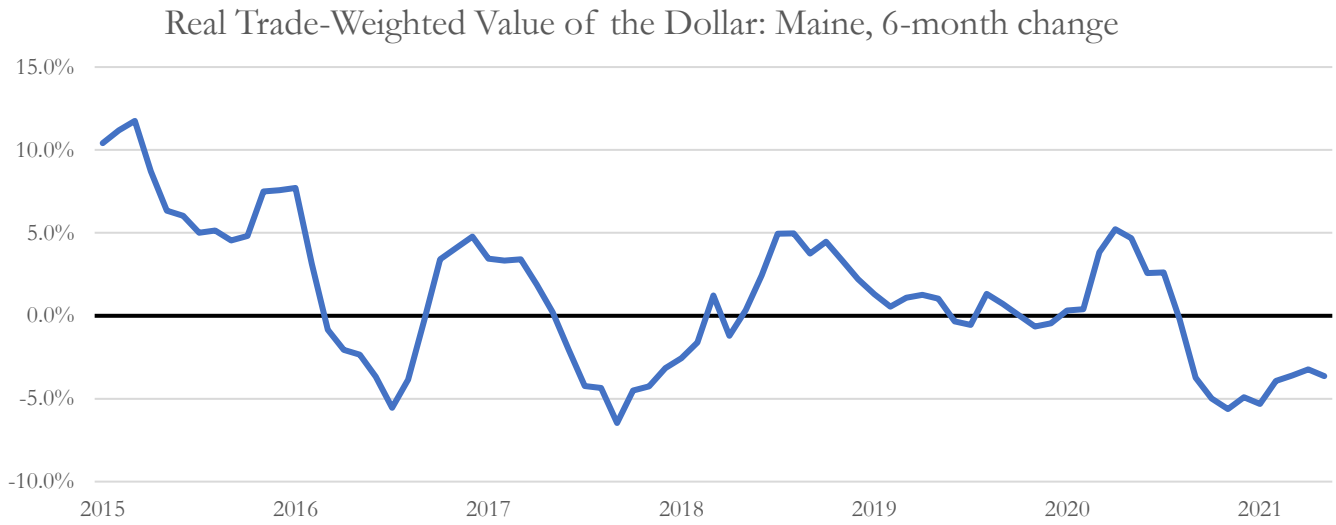


Value of imports from top 5 import partners



6.1.1 Real Trade-Weighted Value of the Dollar

The Real Trade-Weighted Value of the Dollar index calculates the inflation-adjusted value of the US Dollar against the currencies of countries with which the state trades, which allows for a more precise analysis of how movements in exchange rates affect demand for states' imports. In May 2021, Maine's RTWVD 6-month change was -3.6%.



7 Appendix

7.1 Data Sources

Indicator	Source	Reference Period	Release Date
Population: estimates and percent change	Census Bureau – Pop. Ests. And 2020 Decennial Census	2019, 2020	December 30, 2019, April 26, 2021
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	2021:Q1	June 22, 2021
Average earnings per job	U.S. Bureau of Economic Analysis	2019	September 24, 2020
Gross domestic product	U.S. Bureau of Economic Analysis	2021:Q1	June 25, 2021
GDPNow	Atlanta Fed	2021:Q2	July 28, 2021
Real-time Sahm Rule Recession Indicator	Sahm, Claudia/FRED	June 2021	July 2, 2021
Personal income: total, per capita, and wages and salaries	U.S. Bureau of Economic Analysis	2021:Q1	June 22, 2021
Unemployment rate	U.S. Bureau of Labor Statistics	June 2021	July 16, 2021
Labor force participation	U.S. Bureau of Labor Statistics	June 2021	July 16, 2021
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	June 2021	July 16, 2021
Housing price index	Federal Housing Finance Agency	2021:Q1	May 25, 2021
Housing: Units and Median Sale Price	Maine Association of REALTORS®	June 2021	July 22, 2021
Index of Consumer Sentiment	Michigan Survey of Consumers	June 2021	July 2021
Small Business Optimism Index	National Federation of Independent Businesses	June 2021	July 2021
Vehicle Miles Traveled	Maine Department of Transportation	July 17, 2021	July 20, 2021
Imports & Exports	USA Trade Online	May 2021	July 2, 2021
Real Trade-Weighted Value of the Dollar	Federal Reserve Bank of Dallas	May 2021	July 2, 2021

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.

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

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.

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.