Maine's Economy during COVID-19: 2020 Year in Review

Maine Department of Administrative and Financial Services

Office of the State Economist

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The Year in Review is an annual report assembled by the Office of the State Economist that provides a synopsis of the past year's 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 includes data released at varying points throughout the year. 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.

The COVID-19 pandemic impacted the global economy in many complex ways. While this report offers a glimpse of economic outcomes in 2020, please note that changes in economic indicators presented in this report cannot be uniquely interpreted as the impact of COVID-19. For questions or clarifications about information provided in this report, please contact the authors.

Summary

To say that 2020 presented unexpected and unprecedented challenges would be an understatement. In March and April, a new public health crisis caused by COVID-19 led businesses to close, schools to move online, and Mainers to stay at home, an event that for many of us was incomparable to any other in living memory. Naturally, these events profoundly impacted the global economy – in fact, the World Bank noted in its June 2020 *Global Economic Prospects* that the COVID-19 recession "would represent the deepest [global] recession since the Second World War, with the largest fraction of economies experiencing declines in per capita output since 1870.[1]"

A year later, economic data allows us to evaluate how Maine's economy was affected. Gross Domestic Product (GDP) fell by 4.1% in Maine in 2020, with most loss occurring in the second quarter. Despite the dramatic decline in output, total personal income (PI) increased by 7.6%. PI growth was driven by personal current transfer receipts, which primarily came from federal aid, although wages and salaries (1.4%), supplements to wages and salaries (1.1%), and nonfarm proprietor's income (1.7%) also saw growth in 2020.

Inflation was low throughout the year, averaging 1.2% as measured by the consumer price index (CPI), caused by plummeting demand and low energy prices. Maine saw some of the lowest heating oil prices in recent years, averaging only $1.94 per gallon from October to December, which helped many Mainers throughout the winter. Gasoline prices remained 13.4% lower than a year prior at the end of December.

Despite the challenges, total taxable retail sales in Maine grew by 4.7% in 2020, with large gains in building supply sales. However, restaurant and lodging sales saw deep declines, at -25.6% and -35.2%, respectively, as the leisure and hospitality sector was the hardest hit in 2020. The accommodation and food services sector lost over 30,000 jobs in March and April and in December remained 14,300 below pre-pandemic levels. Overall, this sector accounted for about a third of Maine's 94,600 jobs lost in the first two months of the pandemic. Other sectors fared better – construction, retail trade, and financial services, for example, were either recovered or close to being recovered compared to pre-pandemic levels by the end of the year. As of December, Maine had regained 55,800 jobs. Maine's unemployment rate averaged 5.5% through the year, and its labor force participation rate fell by 2.1 percentage points, to 60.5%. The percentage of adults that were employed fell by 3.7 percentage points, to 57.2%.

The economic impacts of COVID-19 were highly disproportionate across socioeconomic and demographic groups. Job loss was, and continues to be, concentrated among Maine's lowest earners, consistent with nationwide trends. In December, low-wage jobs were down over 28%, while middle- and high-wage jobs were 2.2% and 10.0% higher compared to pre-pandemic levels, respectively.

Maine's housing industry boomed in 2020, as the number of sales statewide grew by 10% and the median sales price grew by 14%. Rural counties saw the greatest growth, with Washington, Aroostook, and Piscataquis all having over 30% growth in the number of sales compared to 2019. Prices were kept high by strong demand driven by low interest rates as well as very low for-sale inventory, which averaged 36% below 2019 levels. As a result, Maine's House Price Index as measured by the Federal Housing Finance Agency, was up 13.5% year-over-year in the fourth quarter of 2020, seeing faster growth than both New England and the United States.

The following report is a summary of Maine's economic activity in the year 2020.

[1] "COVID-19 to Plunge Global Economy into Worst Recession Since World War II." WorldBank.org, World Bank, 8 June 2020, www.worldbank.org/en/news/press-release/2020/06/08/covid-19-to-plunge-global-economy-into-worst-recession-since-world-war-ii.

Demographic context

Reference Period		Maine	New England	United States
2020	Total population	1,362,359	15,116,205	331,449,281
2010-2020	Cumulative population change	33,998	671,340	22,703,743
2010-2020	Cumulative population percent change	2.6%	4.6%%	7.4%

Source: U.S. Census Bureau 2020 Decennial Census

In the decade from 2010-2020, Maine gained 33,998 in population, a 2.6% increase compared to 4.6% in New England and 7.4% in the United States. Additional data from the decennial census is still pending release.

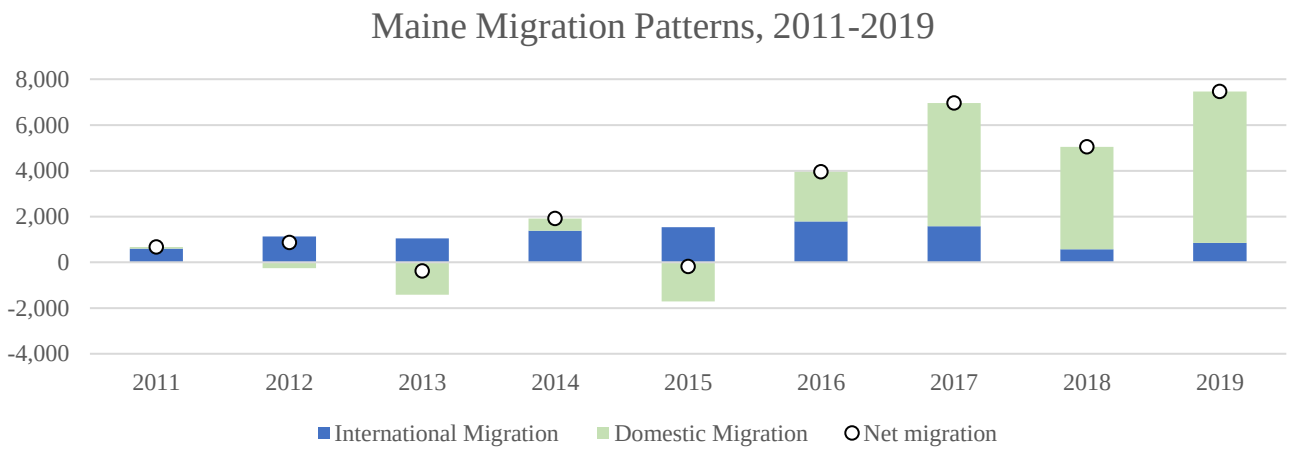
According to the last set of population estimates, Maine's population increased 0.4% from 2018 to 2019, driven by migration into the state. Net domestic migration for the state in 2019 was 6,613. Since 2010, Maine grew by 1.2% and has a net of 27,507 new Mainers through both domestic and international migration.

Aroostook is the only county to have lost population from 2018 to 2019, although five counties (Aroostook, Penobscot, Piscataquis, Somerset, and Washington) experienced population decline from 2010-2019, with Somerset seeing no change in its population count. Cumberland County is the only county that had a natural increase (more births than deaths) from 2010-2019. The fastest growth in 2019 was in Franklin and York counties at 0.9%, while York and Cumberland counties had the highest rates of growth for 2010-2019 at 5.3% and 4.7%, respectively.

County	2019 Population	% Growth, 2010-2019	% Growth, 2018-2019
Androscoggin	108,277	0.5	0.3
Aroostook	67,055	-6.7	-0.4
Cumberland	295,003	4.7	0.5
Franklin	30,199	-1.8	0.9
Hancock	54,987	1.1	0.5
Kennebec	122,302	0.1	0.2
Knox	39,772	0.1	0.1
Lincoln	34,634	0.5	0.7
Oxford	57,975	0.3	0.4
Penobscot	152,148	-1.2	0.2
Piscataquis	16,785	-4.3	0.2
Sagadahoc	35,856	1.6	0.5
Somerset	50,484	-3.3	--
Waldo	39,715	2.4	0.1
Washington	31,379	-4.5	0.2
York	207,641	5.3	0.9
Maine	**1,344,212**	**1.2**	**0.4**

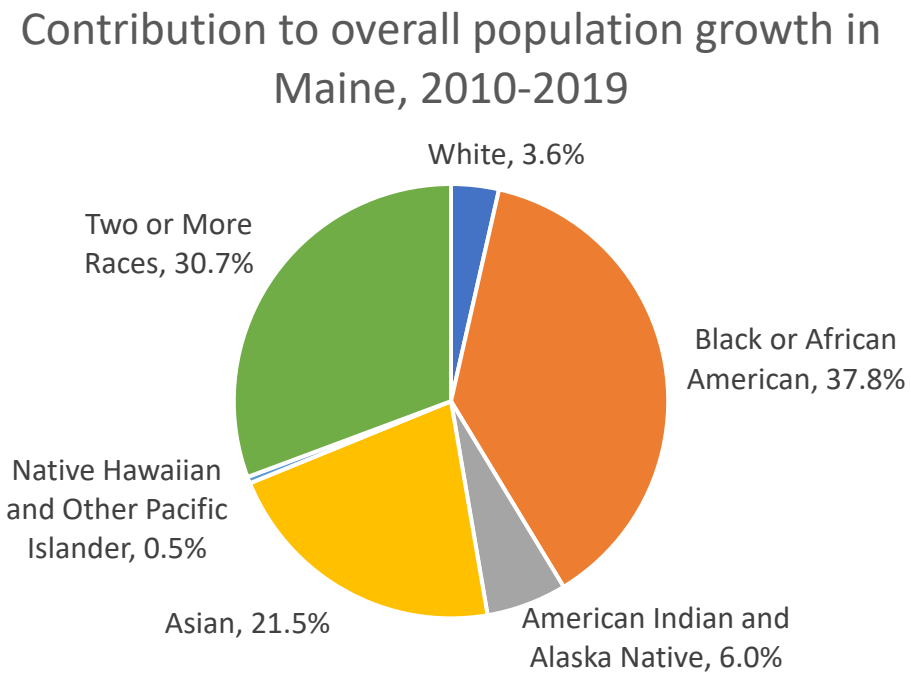
Source: U.S. Census Bureau Population Estimates Program March 26, 2020 Release

Maine has experienced positive net migration in seven of the last nine years, with net migration consistently positive since 2016. This is largely driven by domestic migration. Net migration peaked in 2019 for the decade, with a total of 7,465 net new Mainers.



Source: U.S. Census Bureau 2019 Population Estimates, December 30, 2019 release

Maine's population growth in the last decade has been driven by growing diversity in the state. Although Maine's population is relatively homogenous (94.4% white alone in 2019) more than 95% of total population growth in the state is attributed to non-white populations.



Source: U.S. Census Bureau 2019 Population Estimates, June 2020 release

Throughout the COVID-19 pandemic, there has been speculation along with preliminary and anecdotal evidence of increased in-migration into Maine. Haslag and Weagley (2021)[2] found that 10-20% of nationwide moves from April 2020-February 2021 were due to COVID-19 specifically. They found that there was a shift towards smaller cities with lower cost of living, and that higher-income families tended to move more for lifestyle than work opportunity. At present, it is not possible to evaluate impacts for Maine with the data currently available. Updates on migration trends will be available with further data releases in 2021 and beyond.

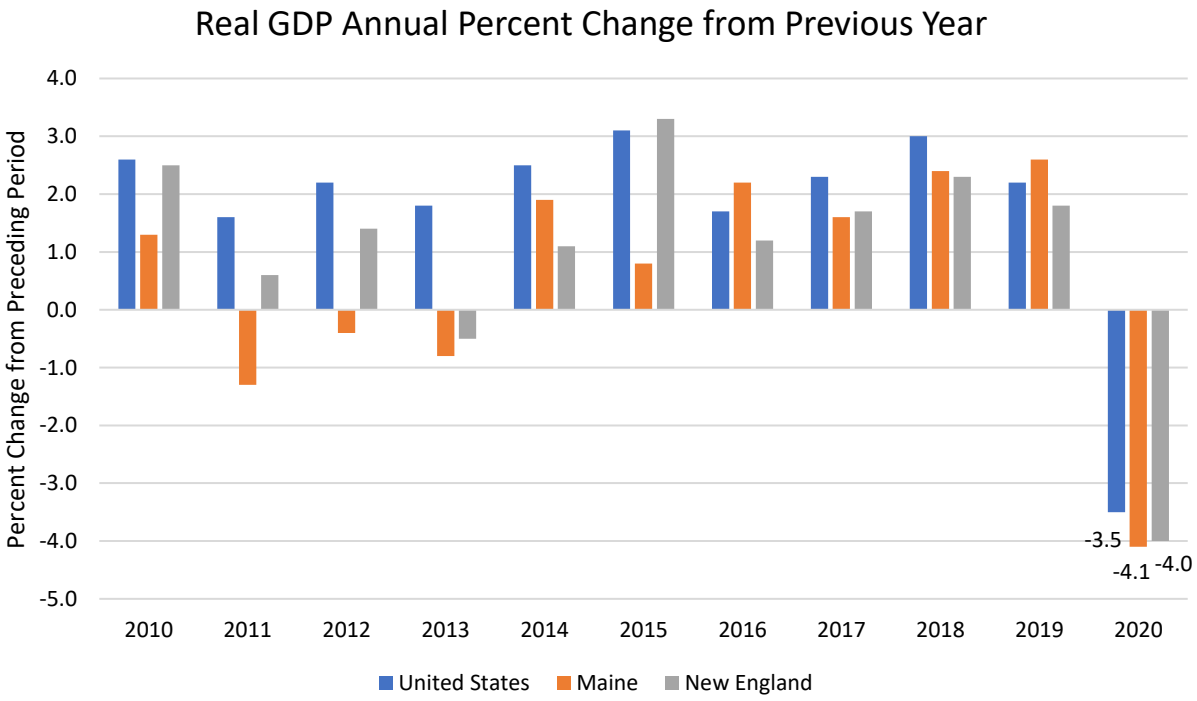
[2] Haslag, Peter H. and Weagley, Daniel, From L.A. to Boise: How Migration Has Changed During the COVID-19 Pandemic (March 26, 2021). Available at SSRN: https://ssrn.com/abstract=3808326 or http://dx.doi.org/10.2139/ssrn.3808326

Gross Domestic Product

Reference Period		Maine	New England	United States
2020	Real GDP (Chained 2012 dollars)	$56.36 billion	$950.67 billion	$18.43 trillion
2020	Percent Change from 2019	-4.1%	-4.0%	-3.5%
2020	Current GDP	$66.20 billion	$1.11 trillion	$20.94 trillion
2020	Percent Change from 2019	-2.2%	-2.3%	-2.3%

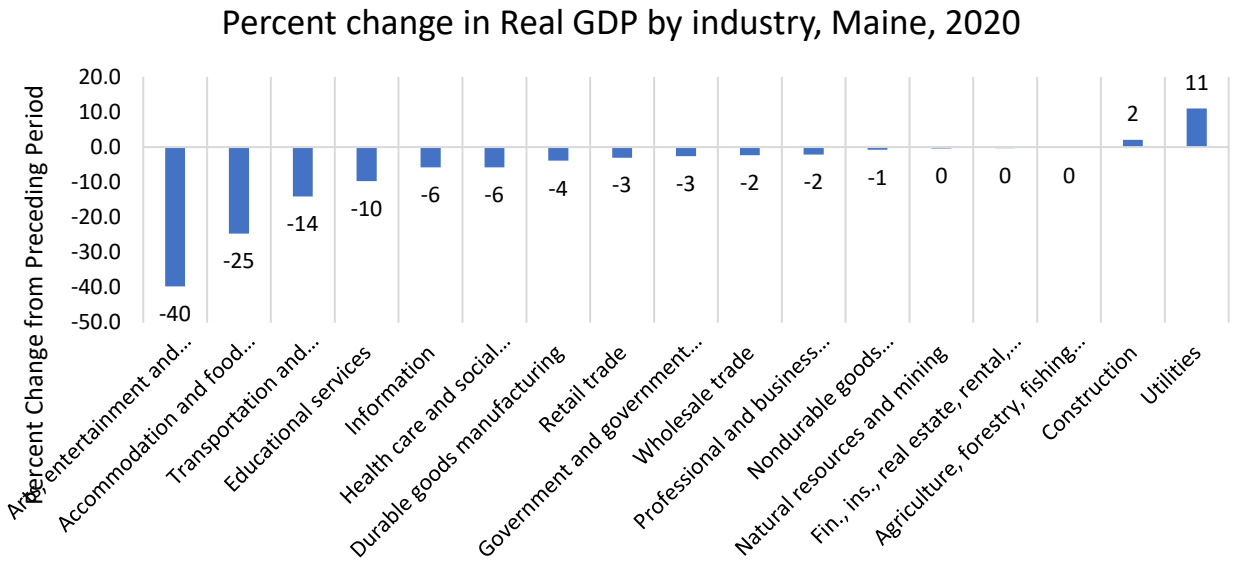
Source: U.S. Bureau of Economic Analysis, March 26, 2021 release

Maine's Real GDP was $56.36 billion in 2020. Output took a major hit when COVID-19 required many businesses to temporarily close their doors and social distancing caused a decline in demand, with the deepest losses occurring in the second quarter. Maine's real GDP fell by 5.0% in the first quarter and 31.4% in the second quarter but grew by 33.4% and 4.3% in the third and fourth quarters, all at seasonally adjusted annualized rates. For calendar year 2020, real GDP fell by 4.1%, compared to -4.0% in New England and -3.5% in the United States.



Source: U.S. Bureau of Economic Analysis, March 26, 2021 release

Nearly all industries saw year-over-year declines in GDP, with arts, entertainment and recreation taking the biggest hit at -39.7% in 2020, followed by accommodation and food services at -24.6%. Two industries - construction and utilities - saw increases in output in 2020.



Source: U.S. Bureau of Economic Analysis, March 26, 2021 release

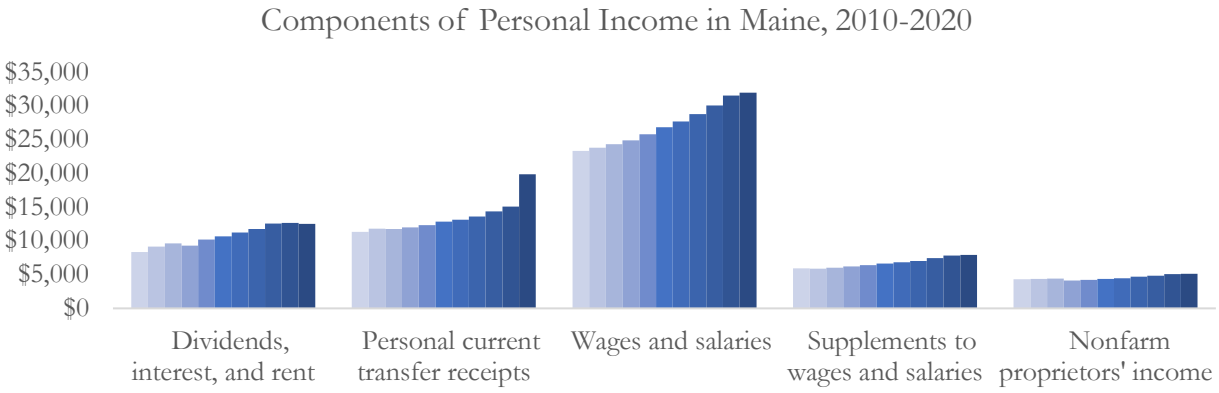
Personal Income

Reference Period		Maine	New England	United States
2020	Total personal income	$73.2 billion	$1.1 trillion	$19.7 trillion
2020	Per capita personal income	$54,225	$73,961	$59,729

Source: U.S. Bureau of Economic Analysis, March 24, 2021 release

Growth in 2020 by component

According to the Bureau of Labor Statistics, total personal income in Maine grew by 7.6% in 2020. Growth was largely driven by personal current transfer receipts, which were boosted by federal COVID-19 aid. All major components grew except for dividends, interest, and rent, with transfer receipts spiking by 31.9% in CY 2020. Wage and salary income, which is the largest component of personal income, averaged $39.4 billion in 2020, 1.4% higher than in 2019. Per capita personal income was $54,225, 7.2% higher than in 2019. Growth in personal income and per capita personal income outpaced both New England and the United States in 2020.



Source: U.S. Bureau of Economic Analysis, March 24, 2021 release

Personal Current Transfer Receipts

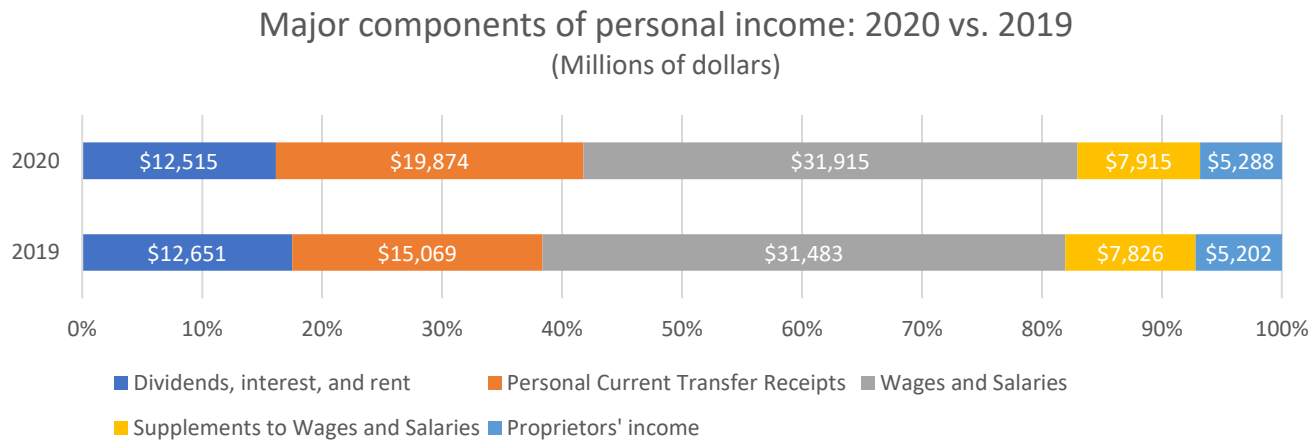
Transfer receipts skyrocketed with the passage of several federal COVID-19 aid packages in 2020, the largest among them being the CARES Act. State unemployment insurance compensation saw unprecedented growth starting in the second quarter, as tens of thousands of Mainers lost their jobs and federal policy expanded both eligibility and compensation. Additionally, economic impact payments (otherwise known as stimulus payments) were mostly distributed during the second quarter of 2020, leading to 230% growth in other transfer receipts over the second quarter of 2019.

Year-Over-Year Percent Change	2020:Q1	2020:Q2	2020:Q3	2020:Q4
Personal current transfer receipts	5.2%	75.7%	29.9%	16.5%
Social Security benefits	4.9%	4.7%	4.5%	4.4%
Medicare benefits	4.9%	5.6%	6.5%	7.6%
Medicaid	8.2%	6.8%	15.9%	12.8%
State unemployment insurance compensation	53.5%	4644.2%	2776.0%	858.0%
All other personal current transfer receipts	1.9%	229.7%	40.4%	28.5%

Source: U.S. Bureau of Economic Analysis, March 24, 2021 release

Fundamental changes in distribution of personal income components

As a percentage of total personal income, transfer receipts expanded rapidly from 22.1% in 2019 to 27.1% in 2020. Wages and salaries, the largest component of personal income, were 43.6% of total personal income in 2020, compared to 46.3% in 2019.



Source: U.S. Bureau of Economic Analysis, March 24, 2021 release

Summary of Personal Income

Component	2020 Level	2020 Growth Rate	2010-2020 CAGR
Dividends, Interest & Rent	$12.5 billion	-1.1%	4.1%
Transfer Receipts	$19.8 billion	31.9%	5.8%
Wages and Salaries	$31.9 billion	1.4%	3.2%
Supplements to W&S	$7.9 billion	1.1%	2.9%
Proprietors' income	$5.3 billion	1.7%	1.7%
Total personal income	**$73.2 billion**	**7.6%**	**3.8%**

Source: U.S. Bureau of Economic Analysis, March 24, 2021 release

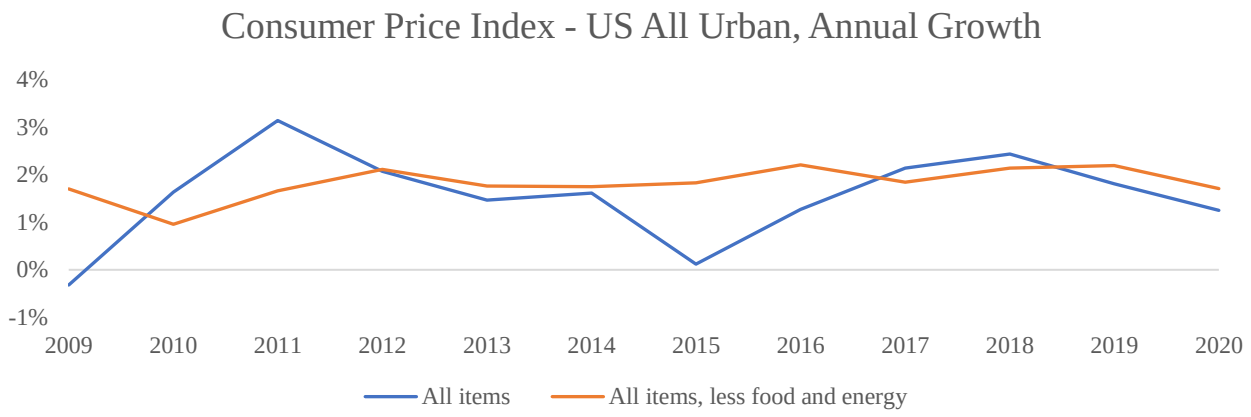
Consumption and Consumer Sentiment

Consumer Price Index

2020 - Percent Change from 2019	All Items	Core (All items less food and energy)	Food	Energy
CPI - All Urban Consumers	1.2%	1.7%	3.4%	-8.3%
Chained CPI - All Urban Consumers	0.9%	1.2%	3.3%	-8.4%

Source: U.S. Bureau of Labor Statistics

Inflation, including core inflation, was low in 2020 as oil prices plummeted and consumer demand was kept low due to stay at home orders. The Consumer Price Index for all urban consumers averaged 1.2% higher in 2020 than in 2019, while the chained consumer price index, which accounts for changes in the basket of goods used to calculate CPI, averaged 1.7% higher than in 2019. This is well below typical 2.0% inflation expectations.

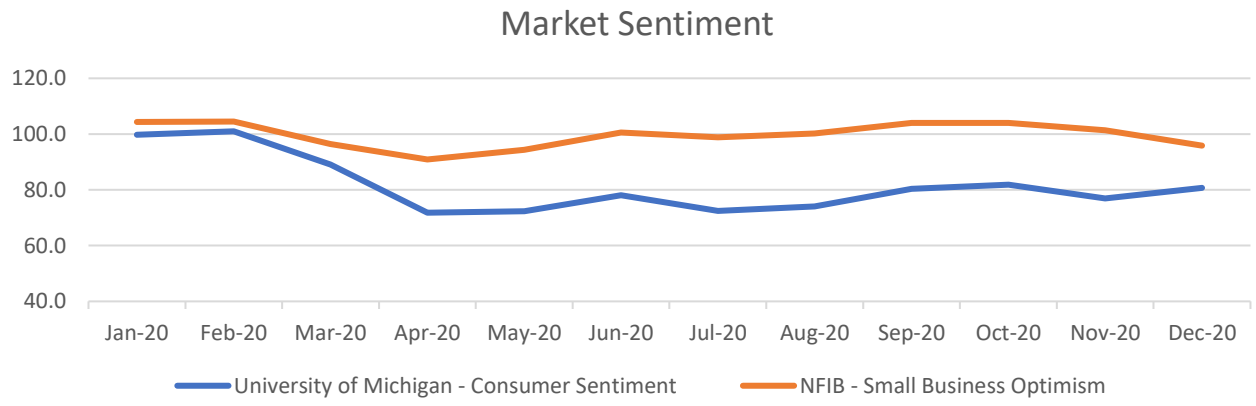


Source: U.S. Bureau of Labor Statistics

Consumer Sentiment

Consumer sentiment fell sharply with the onset of COVID-19 in March and April of 2020. The National Federation of Independent Businesses' Small Business Optimism index showed a rebound over the summer and fall, followed by downturn as infections rose at the end of the year. Meanwhile, the University of Michigan's Consumer Sentiment Index has struggled to recover to pre-pandemic levels. The NFIB index was 6.6% down year-over-year in December 2020, while the Michigan index was down 18.7%.

Both indexes reached their trough in April 2020. At that point, the NFIB index was down 12.6 points, or -12.2% year-over-year. The Michigan Consumer Sentiment index was down 25.4 points, or 26.1% year-over-year at its lowest point in 2020.



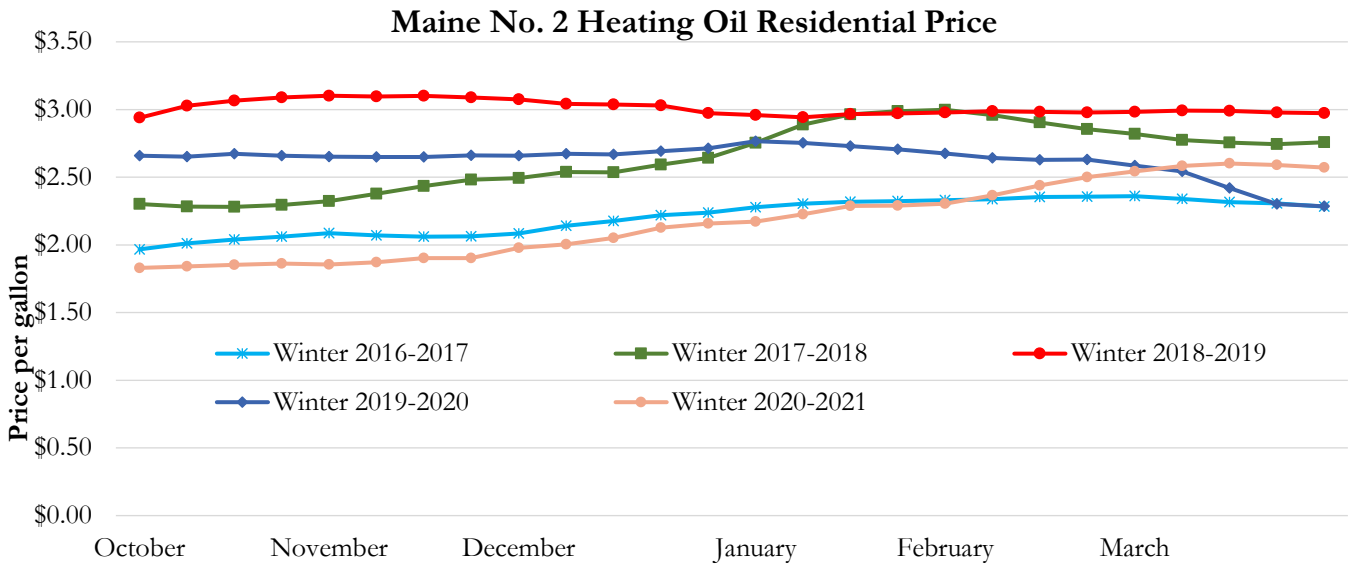
Sources: National Federation of Independent Businesses; University of Michigan Survey of Consumers

Energy

Heating oil

The Energy Information Administration (EIA) tracks heating oil prices during the winter season, which it defines as the period from October 1-March 31. Oil prices declined sharply towards the end of the 2019-2020 season and stayed low – the lowest prices in the past five years – through the first half of the 2020-2021 heating oil season. From January-March 2020, heating oil averaged $2.59 per gallon, $0.39 less per gallon than the same period in 2019. From October-December 2020, heating oil averaged only $1.94 per gallon, $0.72 cents lower than the same period of 2019. Heating oil prices ticked up towards the end of the 2020-2021 heating oil season, reaching $2.57 per gallon in the last week of March 2021.

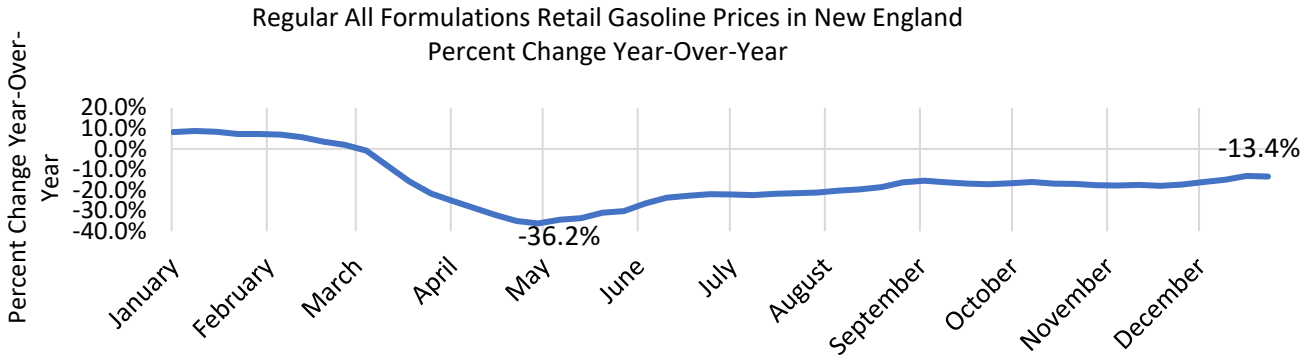
Low heating oil prices can be incredibly beneficial for Mainers as 60.1% of housing units use it as the primary method to heat their homes, compared to only 4.4% of homes in the nation and 34.0% of homes in New England[3].



Source: Energy Information Administration March 31, 2021 release

Gasoline

While gas prices started high in 2020, they quickly plummeted with the onset of COVID-19. Prices reached a trough of $1.825 per gallon the first week of May, and while there was some rebound through the summer and Fall, prices ended the year 13.4% below 2019 levels. The average price of a gallon of regular gasoline in 2020 in New England was $2.145.



Source: Energy Information Administration March 31, 2021 release

[3] Source: American Community Survey 2019 1-year estimates

Taxable Retail Sales

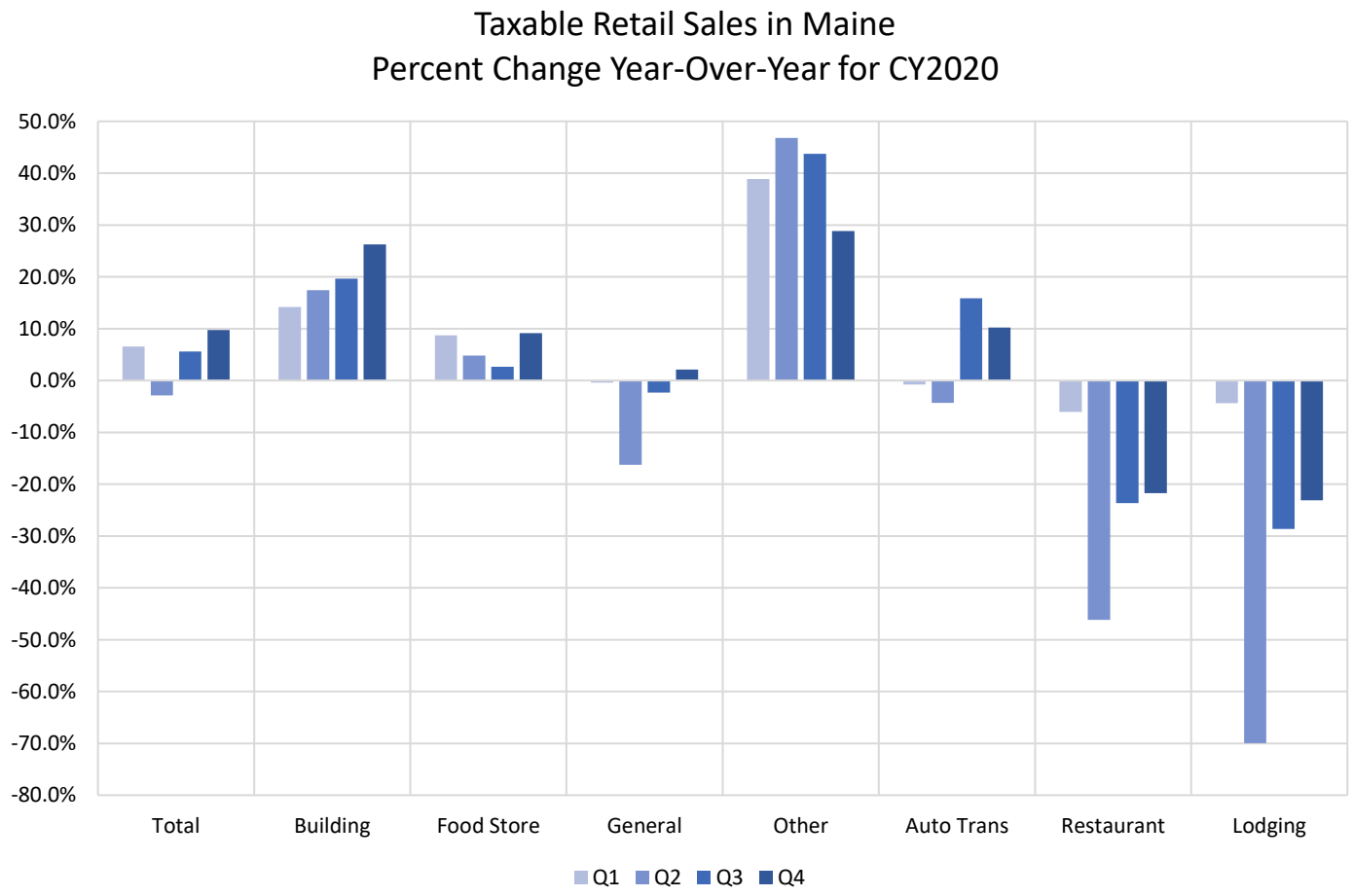
Summary

Despite the challenges presented by COVID-19 in 2020, only the second quarter saw a year-over-year decline in total taxable retail sales, which increased by 4.7% for the year in 2020. As many families had more time at home to complete projects and home sales increased, building supply sales went through the roof, with year-over-year growth nearing 20%. "Other" taxable retail sales also saw sky-high growth at 38.7%, a portion of which is attributable to the collection of sales tax from online marketplace facilitators beginning in October 2019, as well as to increased demand for online sales amid the pandemic. As many families substituted grocery shopping for restaurant meals, food store sales grew by 6.1%. Stimulus payments may have driven many to purchase vehicles in 2020, leading auto & transportation sales to grow by 5.5%.

Taxable Retail Sales	Total	Building Supply	Food Store	General	Other	Auto and Transportation	Restaurant	Lodging
2019	$25,271,798	$2,920,458	$2,472,376	$3,754,574	$3,596,363	$5,490,671	$3,057,288	$1,241,619
2020	$26,459,536	$3,498,209	$2,623,132	$3,601,246	$4,987,920	$5,793,593	$2,274,090	$803,966
Percent Change	4.7%	19.8%	6.1%	-4.1%	38.7%	5.5%	-25.6%	-35.2%

Source: Maine Revenue Services

Restaurant and lodging sales were served the brunt of COVID-19's challenges, declining by a total of 25.6% and 35.2% year-over-year in 2020, respectively. These industries saw the largest year-over-year declines in the second quarter, though both still were down by more than 20% through the fourth quarter.



Source: Maine Revenue Services

Labor Market

Summary

	2020 Average		Change from 2019	
	Maine	**United States**	**Maine**	**United States**
Labor Force	676,452	160,741,000	-19,818	-2,795,000
Labor Force Participation Rate	60.5%	61.7%	-2.1 percentage points	-1.4 percentage points
Unemployment	36,703	12,948,000	+17,639	+6,946,000
Unemployment Rate	5.5%	8.1%	+2.7 percentage points	+4.4 percentage points
Total Nonfarm Payroll Jobs	597,300	142,252,000	-39,900	-8,648,000

Source: U.S. Bureau of Labor Statistics

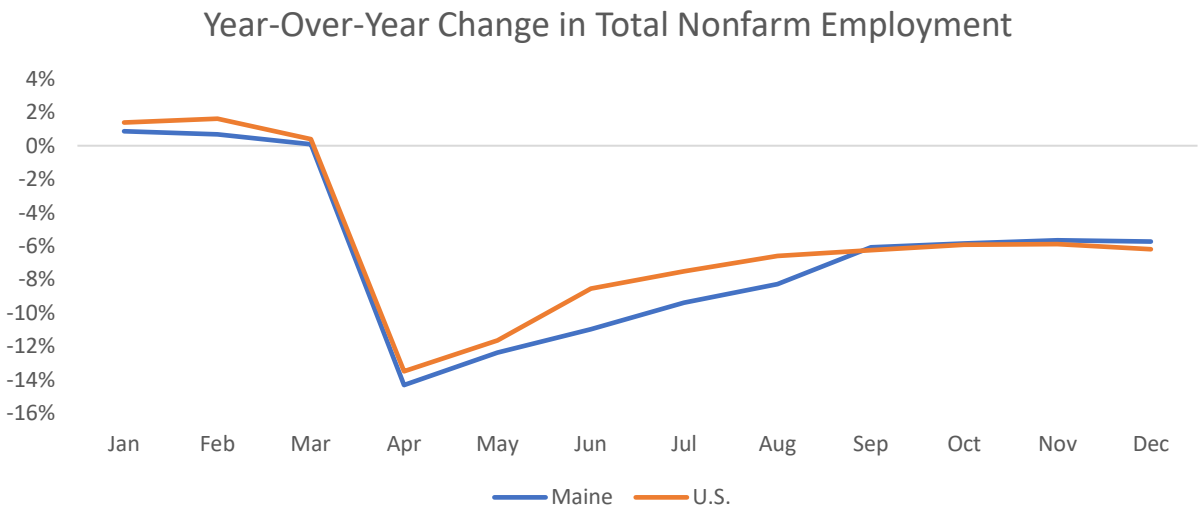
Employment

Job loss throughout the pandemic tended to be concentrated in several key industries: leisure and hospitality, healthcare and social assistance, and retail trade were among those that were initially hardest hit. All told, about 94,600 nonfarm payroll jobs were lost in March and April with the onset of COVID-19, social distancing, and temporary business closures, with 84,300 of those lost jobs being in the service-providing industries.

From April to December, Maine's economy had regained about 55,800 of those jobs initially lost, meaning that by the end of 2020, there were still 38,800 jobs that had not returned. By the end of the year, the hardest-hit industries were leisure and hospitality (-16,700 jobs compared to pre-pandemic February) and state and local government (-8,000 jobs), much of which was due to K-12 and higher education closures and limitations. On average in 2020, 71% of state and local job loss was in K-12 schools and public colleges and universities (not seasonally adjusted).

Regionally, the state's metropolitan statistical areas (MSAs) fared worse than non-metro areas, particularly Bangor and Portland-South Portland. Combined, the Bangor, Lewiston-Auburn, and Portland-South Portland MSAs were down 6.7% compared to pre-pandemic in December, compared to -5.4% for the state's non-metro areas. That said, Lewiston-Auburn fared slightly better, at only -3.9% job loss from February to December 2020.

While Maine's job loss was slightly worse than the national average through the summer months, year-over-year declines in the final months of 2020 were on par with the nation.



Source: U.S. Bureau of Labor Statistics March 26, 2021 release

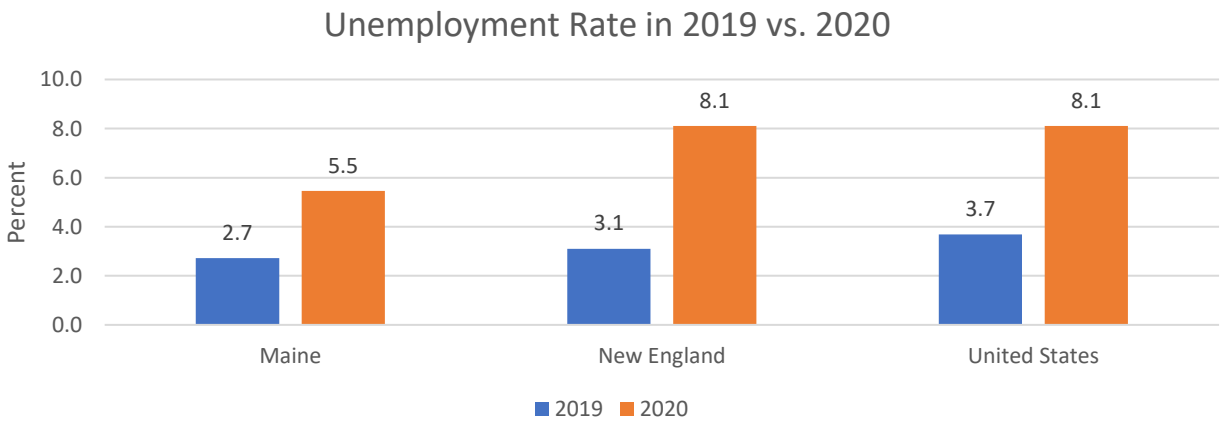
Total Nonfarm Employment Summary

Industry sector (Jobs reported in thousands)	Loss from February-April 2020	Gain from May-December 2020	Remaining Deficit in December 2020
Mining and Logging	0.0	0.1	0.1
Construction	-2.3	2.3	0.0
Manufacturing	-8.0	6.9	-1.1
Trade, Transportation and Utilities	-17.1	12.4	-4.7
Retail Trade	-13.9	11.3	-2.6
Information	-0.8	0.3	-0.5
Financial Activities	-0.9	0.4	-0.5
Professional and Business Services	-5.4	4.1	-1.3
Educational Services	-1.5	0.4	-1.1
Health Care and Social Assistance	-11.7	8.3	-3.4
Arts, Entertainment and Recreation	-4.9	2.5	-2.4
Accommodation and Food Services	-30.9	16.6	-14.3
Other Services	-5.5	3.8	-1.7
Government	-5.6	-2.3	-7.9
Goods producing	**-10.3**	**9.3**	**-1.0**
Service providing	**-84.3**	**46.5**	**-37.8**
Total Nonfarm	**-94.6**	**55.8**	**-38.8**

Source: U.S. Bureau of Labor Statistics, March 26, 2021 release

Unemployment

Maine's official unemployment rate averaged 5.5% in 2020, compared to 8.1% in both New England and the United States. However, measuring the true challenges of the labor market has been difficult during COVID-19 as many have left the labor force due to health concerns, child or eldercare needs, and many other reasons. Because those who are not currently searching for work are not counted as unemployed, the official unemployment rate is likely an underestimate of labor market hardship.

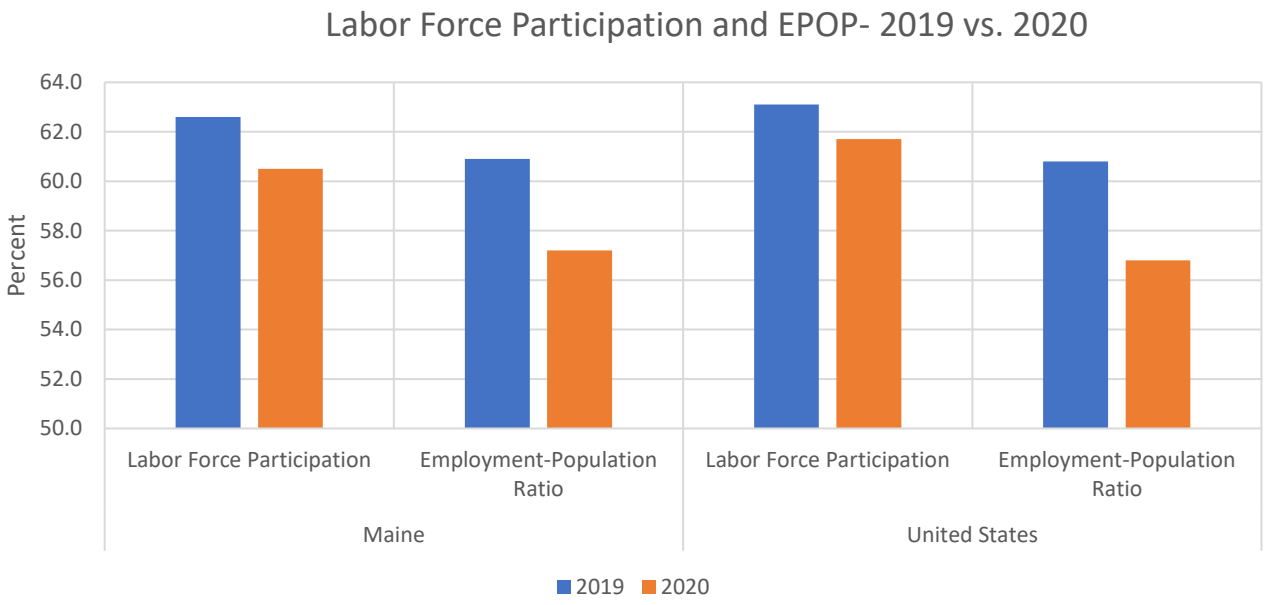


Source: U.S. Bureau of Labor Statistics, March 26, 2021 release

Labor Force Participation

Participation in the labor market was significantly impacted by the public health crisis in 2020. Workers left the labor force for a multitude of reasons during COVID-19: health concerns, childcare needs, or even inability to look for work due to the pandemic and social distancing, among other reasons. Maine's labor force participation rate dropped 2.1 percentage points in 2020, to 60.5%, while the U.S. lost 1.4 points and landed at 61.7%. However, due to the complexity of the situation, the labor force participation rate alone may not entirely describe these dynamics.

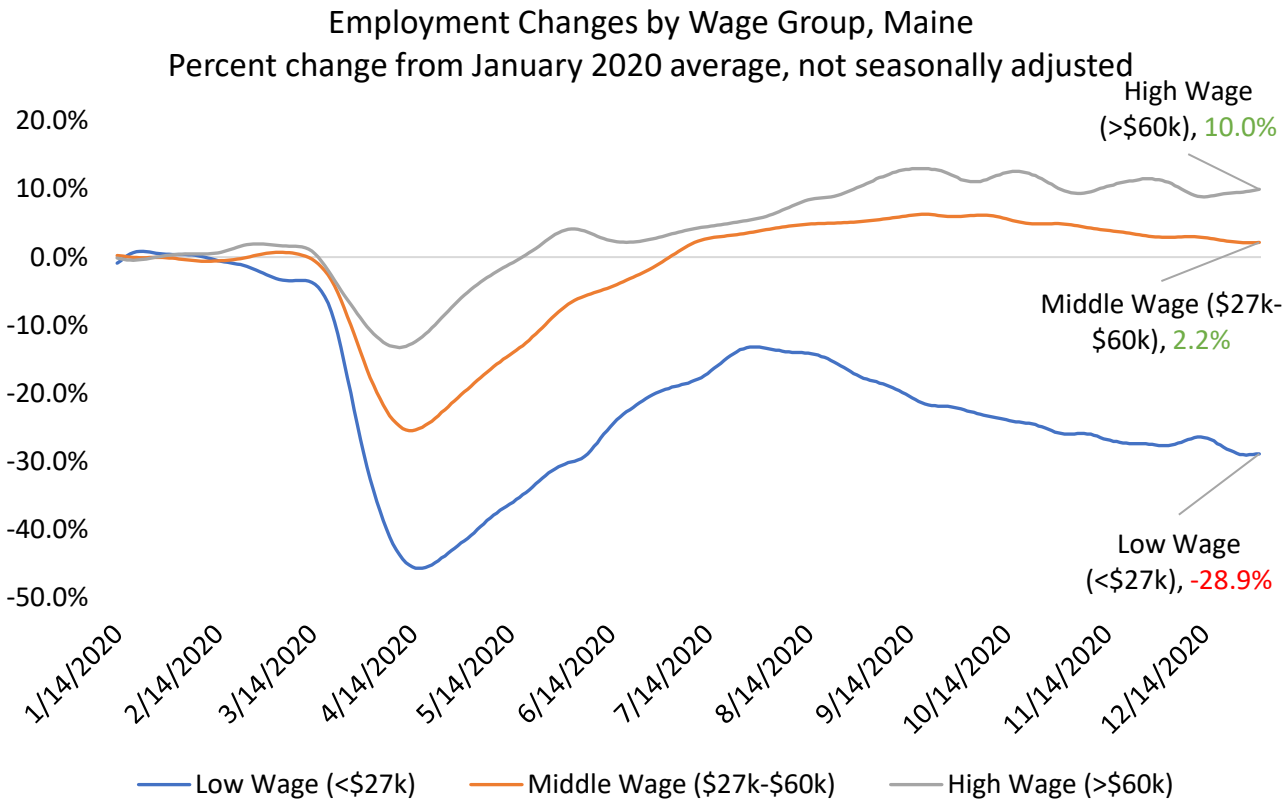
The employment-population ratio (EPOP) is another way to measure the health of the labor market. This indicator is simply the percentage of working-age adults who are employed. In 2020, EPOP was 57.2% in Maine, compared to 60.9% the year prior. The United States had an EPOP of just 56.8%, compared to 60.8% in 2019. Combined, these indicators demonstrate how dire the labor market was for workers in 2020.



Source: U.S. Bureau of Labor Statistics, March 26, 2021 release

Disproportionate impacts

Due to the concentration of job loss through the pandemic recession, its impacts have been highly disproportionate across demographic and socioeconomic groups. For example, there is a noticeable difference in employment impacts across wage quartiles. While middle- and high-wage jobs recovered, and even saw growth over pre-pandemic levels by the end of the year, low-wage workers continued to struggle. This can be attributed in part to the types of jobs affected by stay-at-home orders and social distancing. High-contact, low-flexibility jobs, meaning those that are difficult to do from home, typically earn lower wages. Since these are the jobs that were most displaced during COVID-19, economic hardship has been largely concentrated among this group of workers.



Sources: Earnin; Intuit; Kronos; Paychex; accessed via the Opportunity Insights Economic Tracker

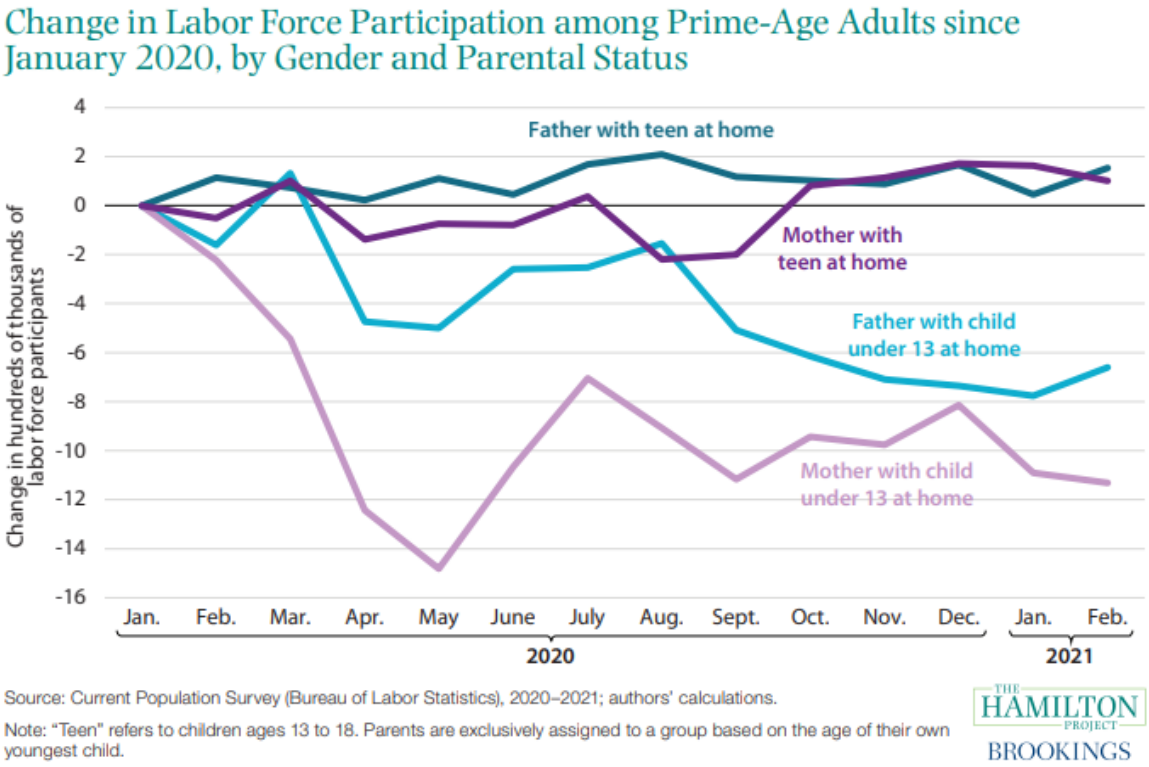
In addition to socioeconomic status, demographics also played a large role in the disproportionate economic outcomes of COVID-19. Nationwide, data shows that parents of young children left the labor force at significantly higher levels than parents of teens and non-parents. Other data show that COVID-19 disproportionately impacted labor market outcomes for Hispanic and non-white populations. In Maine, there is limited data available to evaluate these dynamics, but data at the national level is striking. Recent research conducted by the Federal Reserve Banks of San Francisco[4], Dallas[5] and Boston[6] have all explored how the lack of child care in 2020 affected labor market outcomes, consistently finding that this issue has led to disproportionate impacts for working parents, especially minorities and those with lower incomes.

[4] Lofton, Olivia, Nicolas Petrosky-Nadeau, and Lily Seitelman. 2021. "Parents in a Pandemic Labor Market," Federal Reserve Bank of San Francisco Working Paper 2021-04. Available at https://doi.org/10.24148/wp2021-04

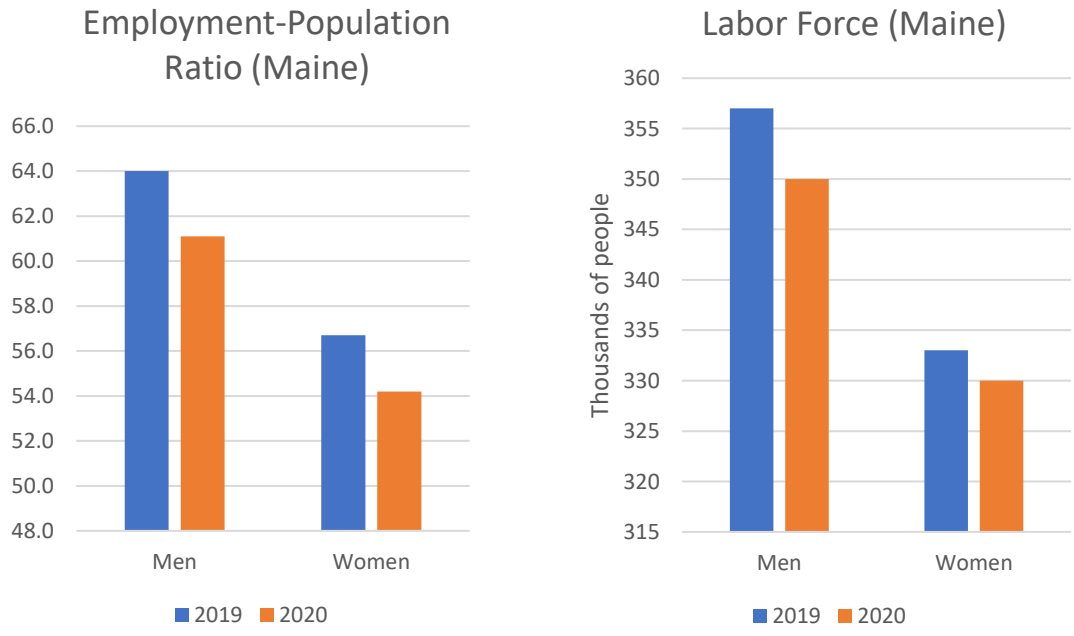
[5] Atkinson, Tyler and Richter, Alex. 2020. "Pandemic Disproportionately Affects Women, Minority Labor Force Participation," Federal Reserve Bank of Dallas, Dallas Fed Economics.

[6] Lenguo-Prado, Maria J. 2021. "COVID-19 and the Labor Market Outcomes for Prime-Aged Women," Federal Reserve Bank of Boston, Current Policy Perspectives.

Research by the Hamilton Project at the Brookings Institution show that in May of 2020, almost 1.5 million mothers of young children (<13 years old) had dropped out of the labor force. By the end of the year, that number hovered around 800,000, along with about 750,000 fathers of young children. Additionally, their research shows that around 11.5% of mothers left their job at some point in 2020 due to childcare. Among those, 5.0% remained unemployed in the Fall of 2020, and 2.0% remained out of the labor force. Their data also show that Black, Hispanic, and Asian mothers left the labor force for childcare reasons at higher rates than white mothers in 2020.



Source: Brookings Institution Hamilton Project, "Ten Economic Facts on How Mothers Spend Their Time", March 2021 release



Source: U. S. Bureau of Labor Statistics, March 3, 2021 release

Housing

Sales and median sale price

All sixteen counties saw rising sales and sale prices in 2020. The greatest increases in sales volume were in Maine's more rural counties, such as Washington, Aroostook, and Piscataquis, which all saw growth over 30%. In terms of sale price, Lincoln saw the biggest jump, 32.1%, followed by Franklin, 31.0%, further indicating growth for Maine's rural counties.

Meanwhile, Cumberland, Penobscot, York, Androscoggin, and Sagadahoc, the five counties that are part of Metropolitan Statistical Areas (MSA), saw the smallest increases in the number of units sold.

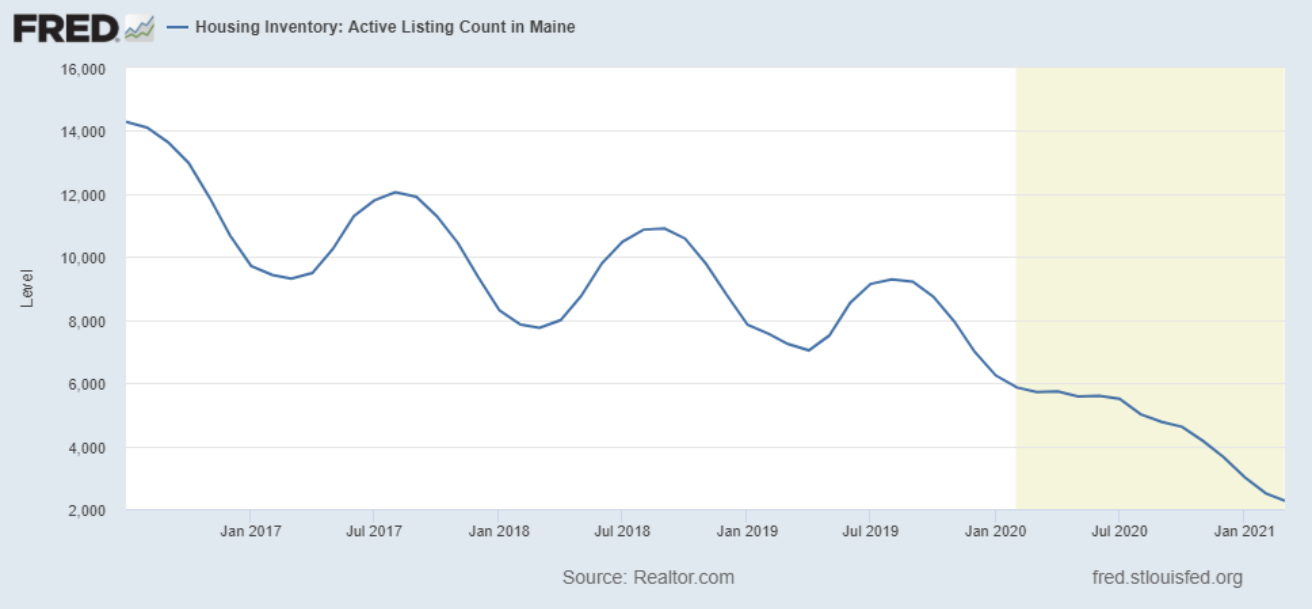
County	Median Sale Price	Number of Homes sold	Price increase	Sales Volume Increase
Androscoggin*	$205,000	1,223	17.1%	4.4%
Aroostook	$105,000	838	10.5%	34.9%
Cumberland*	$365,000	4,130	12.3%	1.1%
Franklin	$189,950	562	31.0%	10.8%
Hancock	$273,316	1,048	20.1%	22.6%
Kennebec	$198,000	1,745	16.5%	9.1%
Knox	$268,250	694	13.6%	23.5%
Lincoln	$301,500	686	32.1%	15.5%
Oxford	$199,900	995	20.5%	16.0%
Penobscot*	$170,000	1,905	10.0%	1.7%
Piscataquis	$129,900	453	5.8%	31.7%
Sagadahoc*	$275,000	501	12.2%	6.4%
Somerset	$143,750	734	15.0%	24.2%
Waldo	$224,000	615	23.4%	25.0%
Washington	$149,900	551	16.2%	39.1%
York*	$337,000	6,241	14.2%	3.9%
Maine	**$256,000**	**19,921**	**13.8%**	**9.8%**

*indicates county is part of MSA

Source: Maine Association of Realtors

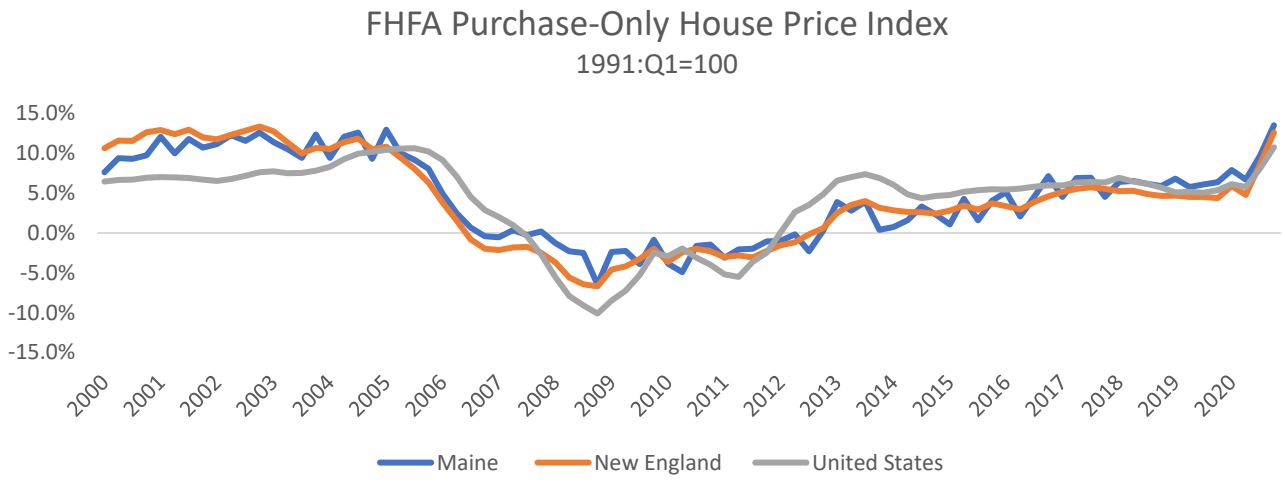
Inventory

While the number of sales has boomed in Maine counties, inventory has plummeted, which has contributed to record-high prices. Inventory has been slowly trending downwards in the past several years, and normal seasonal patterns lend to low inventory during the winter months. However, the downward trend was exacerbated when a normal seasonal uptick during the summer months didn't happen, instead leaving Maine with a steep decline in active listings. The monthly average for active listings in Maine was almost 36% below the previous year's average, compared to -11% in 2018 and -13% in 2019.



FHFA House Price Index (HPI)

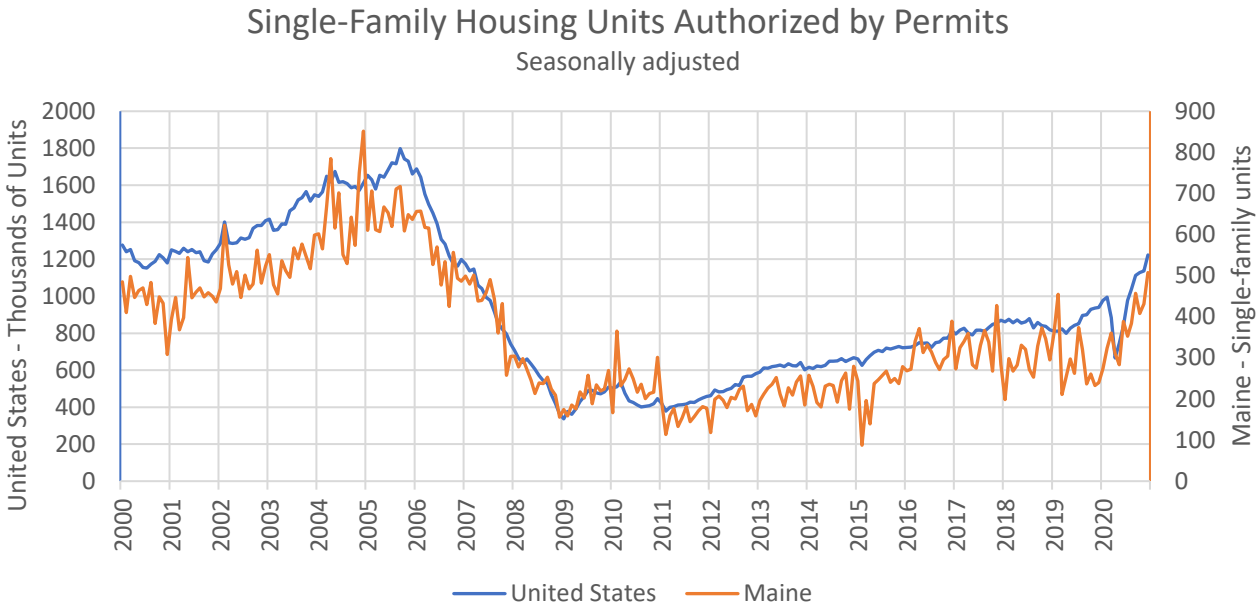
According to the Federal Housing Finance Agency (FHFA), the HPI "measures average price changes in repeat sales or refinancing on the same properties." In 2020, the Purchase-Only HPIs for Maine, New England and the United States rose dramatically. In the fourth quarter of 2020, Maine's index was 13.5% higher than in the fourth quarter of 2019, the highest year-over-year increase since the index has been documented. Maine's index has had higher year-over-year growth than New England and the U.S. in every quarter since the first quarter of 2018.



Source: U.S. Federal Housing Finance Agency, February 23, 2021 release

Housing permits

Building permits for single-family housing units also saw a sharp increase in 2020, with the most growth present in the later part of the year. In 2020, the total number of building permits increased by 13.1% in the U.S. and 27.9% in Maine year-over-year. By month, December saw the largest year-over-year growth: there were 30.1% more building permits for 1-unit homes in the U.S. than in December 2019, and more than double (112.0%) in Maine.



Source: Census, U.S. Department of Housing and Urban Development. Accessed through the Federal Reserve Bank of Saint Louis (FRED)

Appendix and Resources

Resources on COVID-19 and Vaccination

- Maine CDC: https://www.maine.gov/dhhs/mecdc/infectious-disease/epi/airborne/coronavirus/index.shtml
- Maine's COVID-19 Response: https://www.maine.gov/covid19/
- U.S. CDC: https://www.cdc.gov/coronavirus/2019-ncov/index.html

Glossary

Net Migration Rate**:** The U.S. Census Bureau defines the net migration rate as **t**he 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.

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.

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.

Personal Current Transfer Receipts**:** Receipts of persons from government and business for which no current services are performed. Current transfer receipts from government include Social Security benefits, medical benefits, veterans' benefits, and unemployment insurance benefits. Current transfer receipts from business include liability payments for personal injury and corporate gifts to nonprofit institutions.

Supplements to Wages and Salaries: Consists of employer contributions for government social insurance and employer contributions for employee pension and insurance funds

House 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.

Total 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.

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.