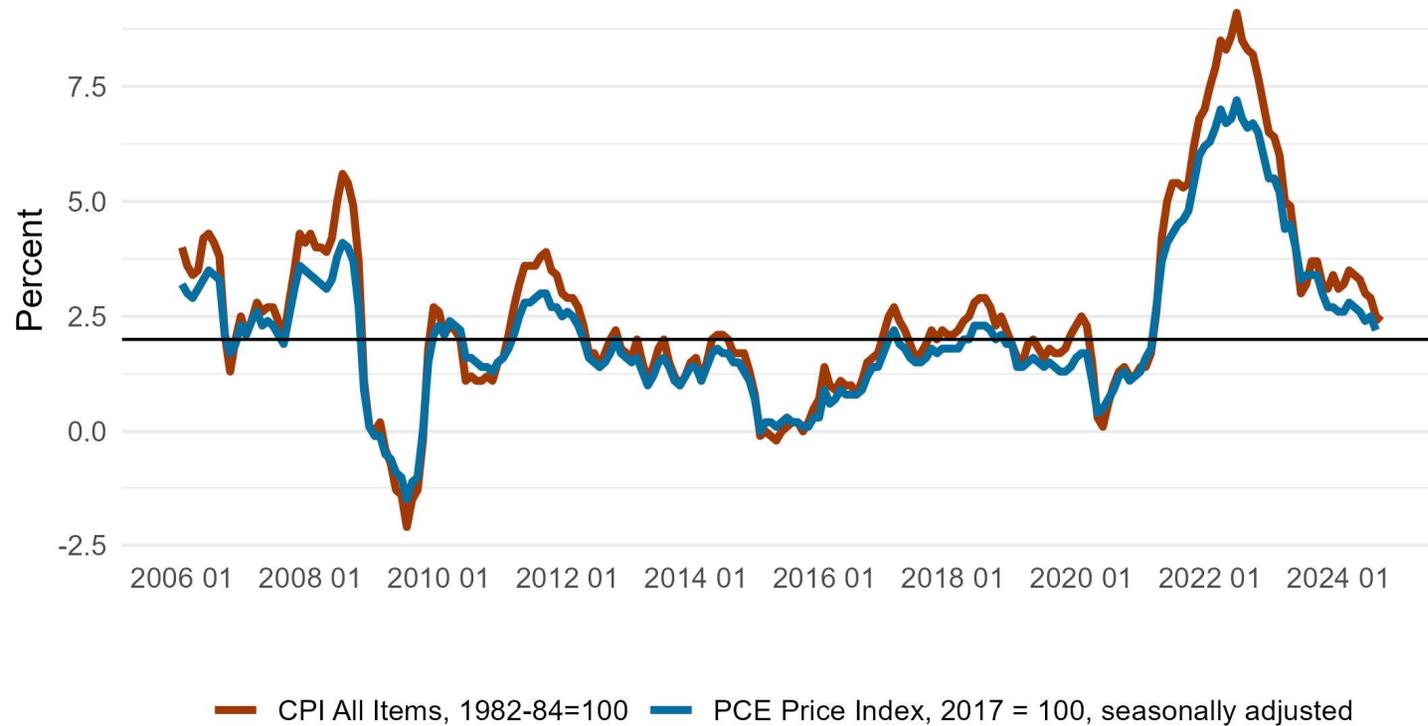


Economic Update

MEGAN BAILEY | OFFICE OF THE STATE ECONOMIST
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

CONSENSUS ECONOMIC FORECASTING COMMISSION
OCTOBER 25, 2024

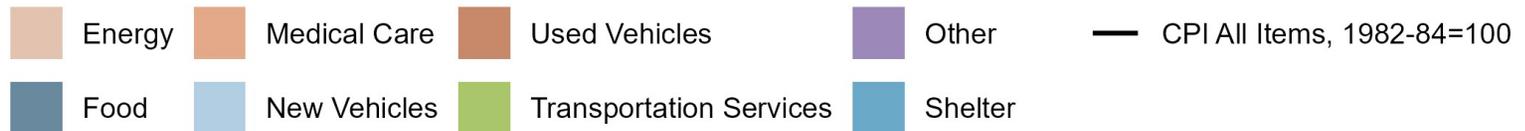
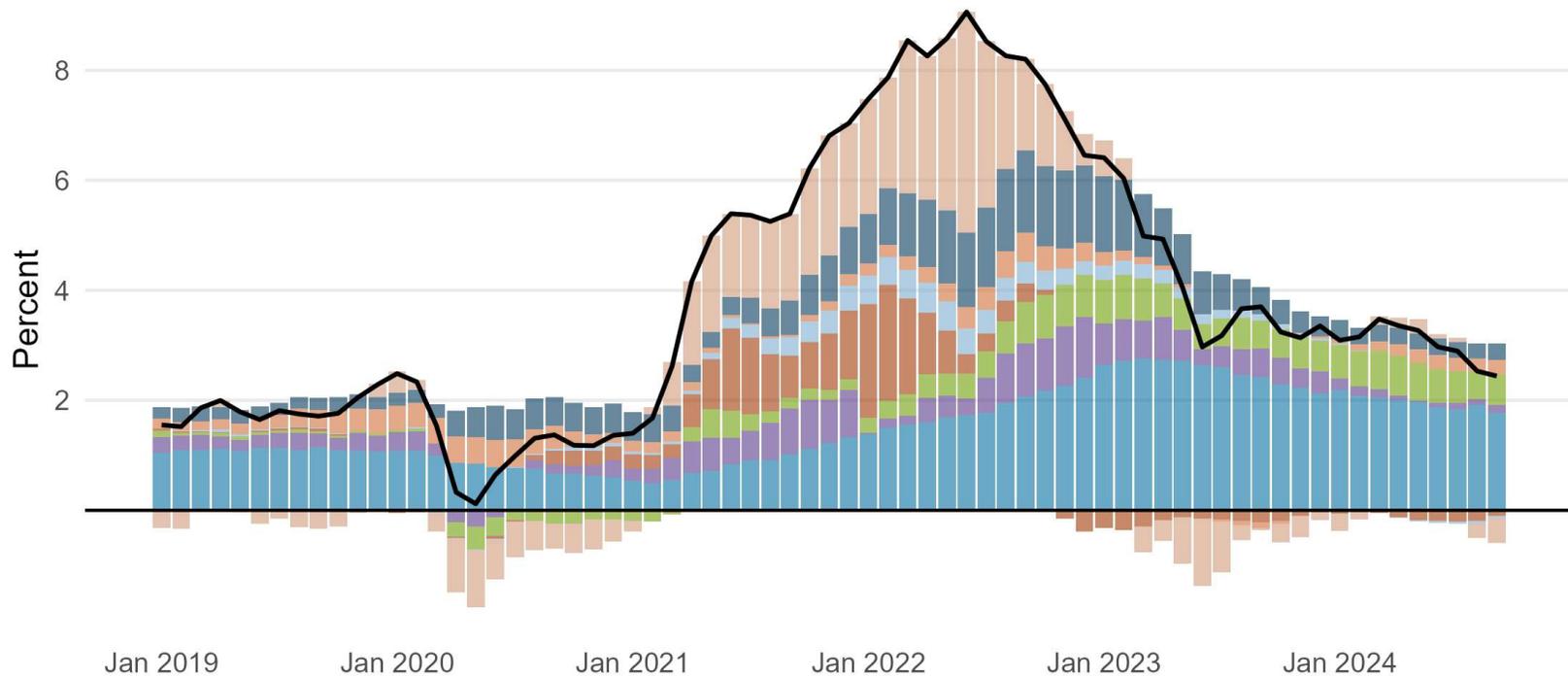
Measures of Inflation, Year-Over-Year Percent Change



Growth in both indices has decelerated considerably, but remains above Fed's 2% target

- PCE grew 2.2% YoY in August
- CPI all-items grew 2.4% in September
- FOMC cut its target interest rate by 50bp at their September meeting. This was their first cut since 2020.

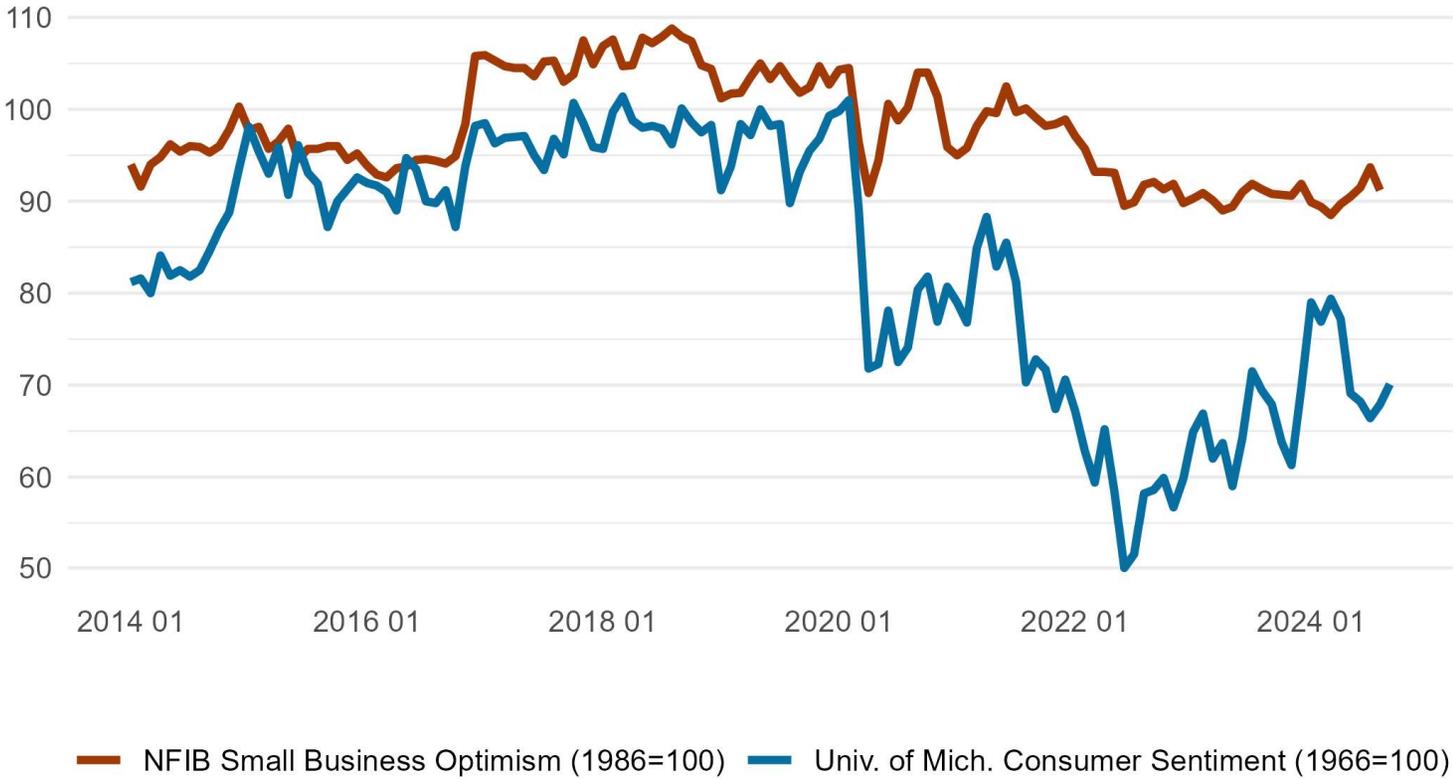
Percentage Point Contribution to YoY Percent Change in CPI



Sentiment remains below the historical average in part due to high prices, but perceptions of future inflation are becoming more optimistic

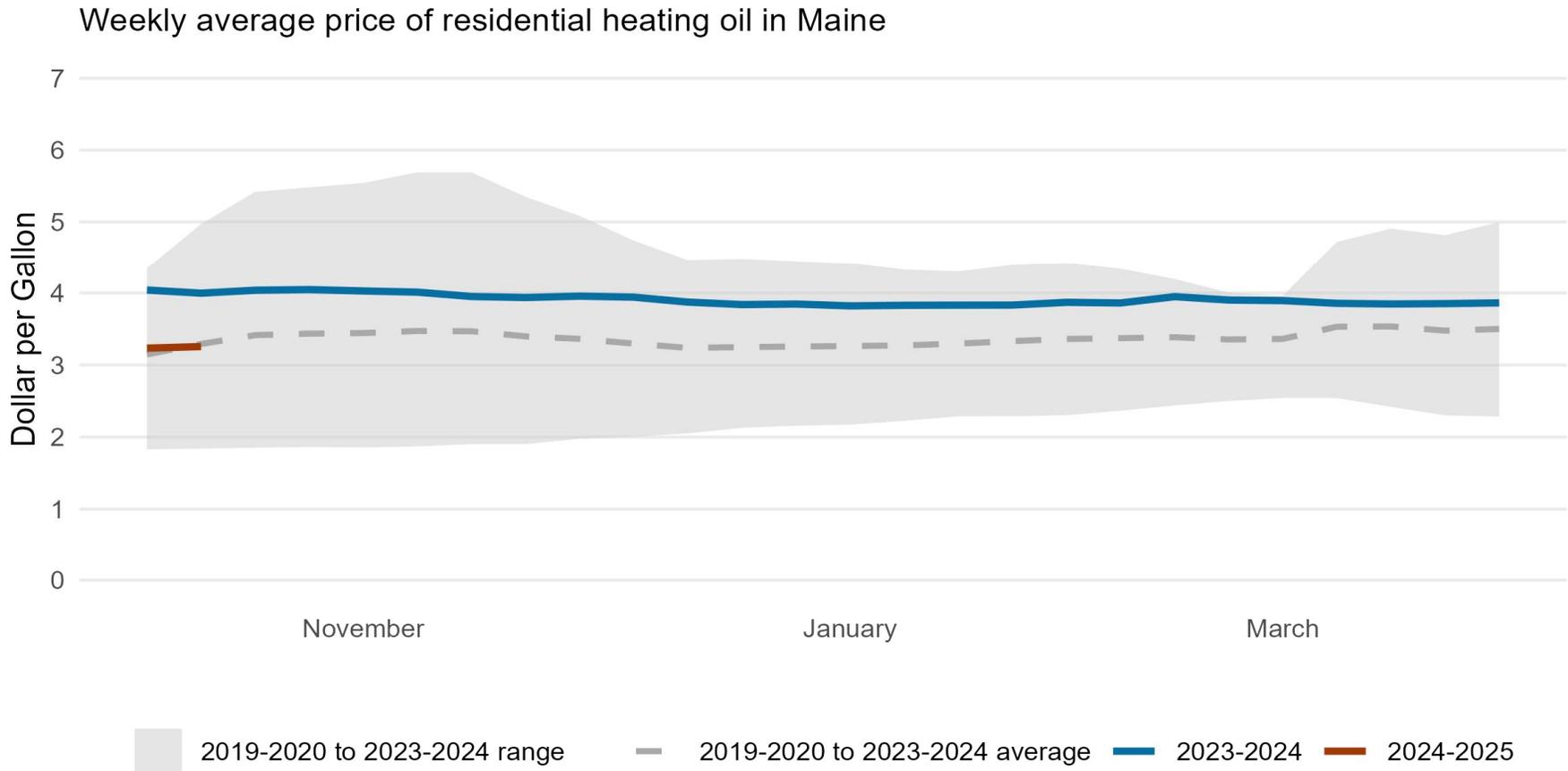
Small business owners reported higher levels of uncertainty, while sales expectations and profit trends fell. Inflation remains a top concern.

Consumer Sentiment and Small Business Optimism



Sources: University of Michigan Survey of Consumers and NFIB Small Business Optimism Index

Heating oil prices are back in line with the 5-season average



BEA Revisions for Maine

- GDP
 - Revised up for 2019 and 2021-2023
 - Revised down slightly in 2020
 - Largest revision was in 2023 – putting Maine’s real GDP growth rate above New England and the U.S.
- Total Personal Income
 - Revised up each year from 2019 through 2023
 - Relatively minor revisions 2019-2021, with larger revisions in 2022 and 2023

	2023 Previous Estimate	2023 Revised Estimate
GDP	6.2%	7.8%
Total Personal Income	4.9%	6.0%

	Q1:Q2 2023 to Q1:Q2 2024 Avg. Growth Rates	Feb. 2024 CEFC Forecast 2024 Growth	Q3/Q4 Growth Needed to Hit CEFC Forecast
Total Personal Income	5.5	4.7	3.9
Wages and Salaries	6.5	5.0	3.5
Supplements to W&S	6.7	3.5	0.3
Transfer Receipts	2.3	3.5	4.7
DIR	6.3	5.5	4.7
Nonfarm Prop. Income	6.4	5.0	3.6

Source: U.S. Bureau of Economic Analysis, Feb. 1, 2024 CEFC Forecast and authors' calculations