

Economic Update

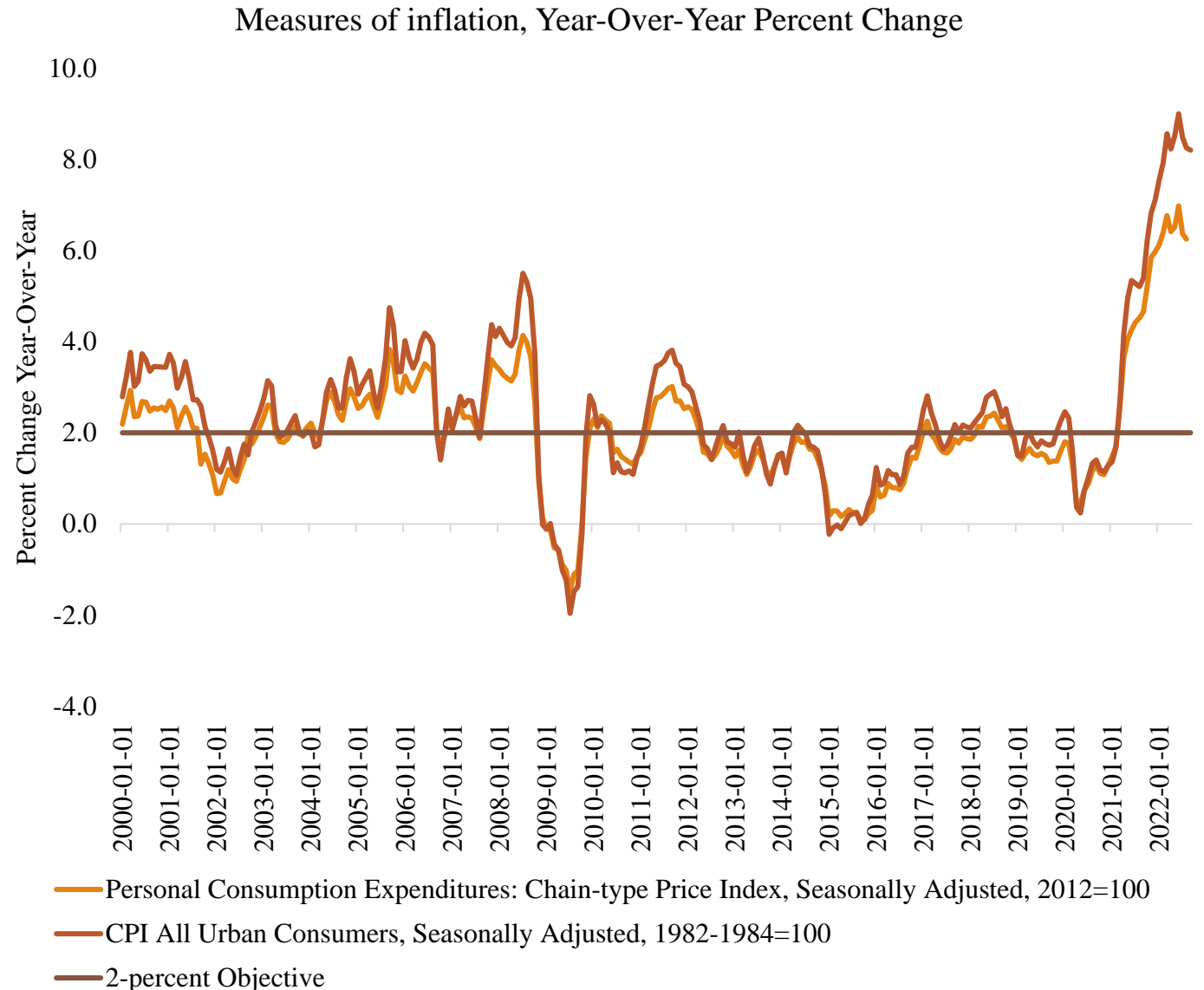
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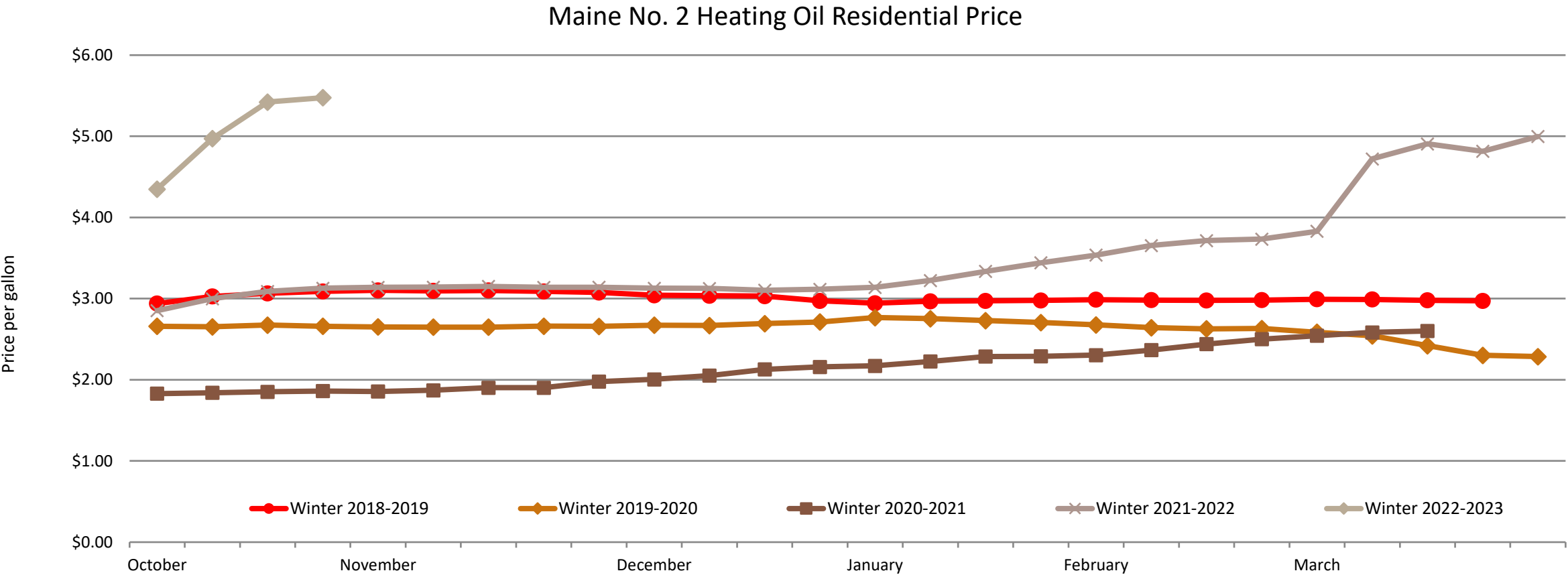
OCTOBER 28, 2022

Inflation is persistently high

- CPI growth hit a recent peak of 9.1% (1.3% monthly growth) in June 2022
- Slight deceleration to 8.2% in September
- Shelter, food, and medical care are the three largest contributors to inflation in September
 - Increases are broad
 - Slightly offset by declines in energy commodities



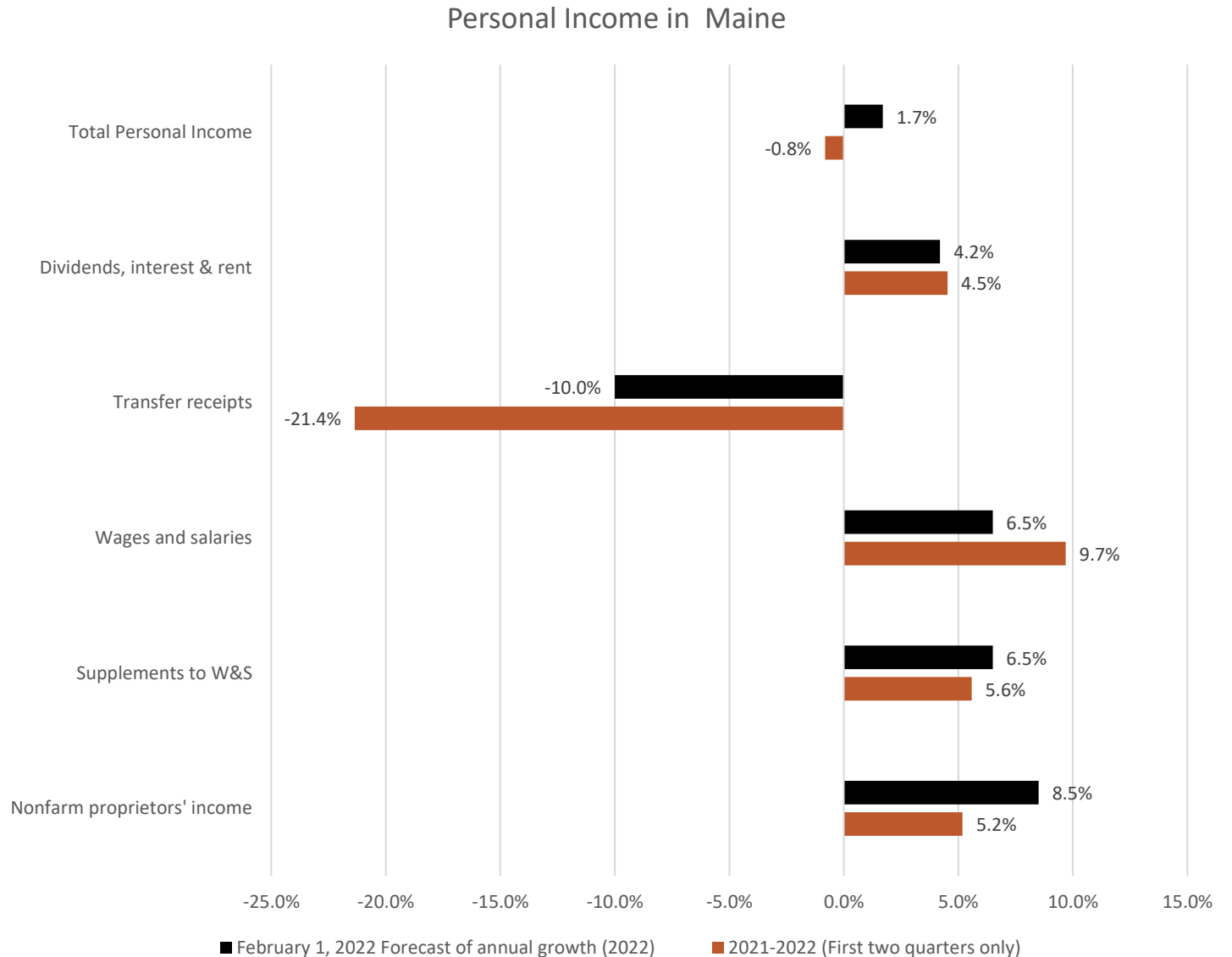
Heating oil cost will be a financial strain for households this winter if prices remain high



Source: U.S. Energy Information Administration

Growth of PI components is varied

- Overall, PI growth is lagging the Feb. 2022 forecast, mostly due to a decline in Transfer Receipts
 - \$2,000 of stimulus checks (rounds 2 and 3) released in 2021:Q1
- Other components are more in line with forecasts
 - Wage & Salary, DIR growth is outpacing CEFC forecast in the first half



Source: U.S. Bureau of Economic Analysis; CEFC Feb. 1, 2022 report

GDP declined in the first two quarters of 2022 nationally and in Maine; up in Q3

