

# MAINE ECONOMIC OUTLOOK

Maine Bankers Association

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February 12, 2021

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# FOCUS ON:

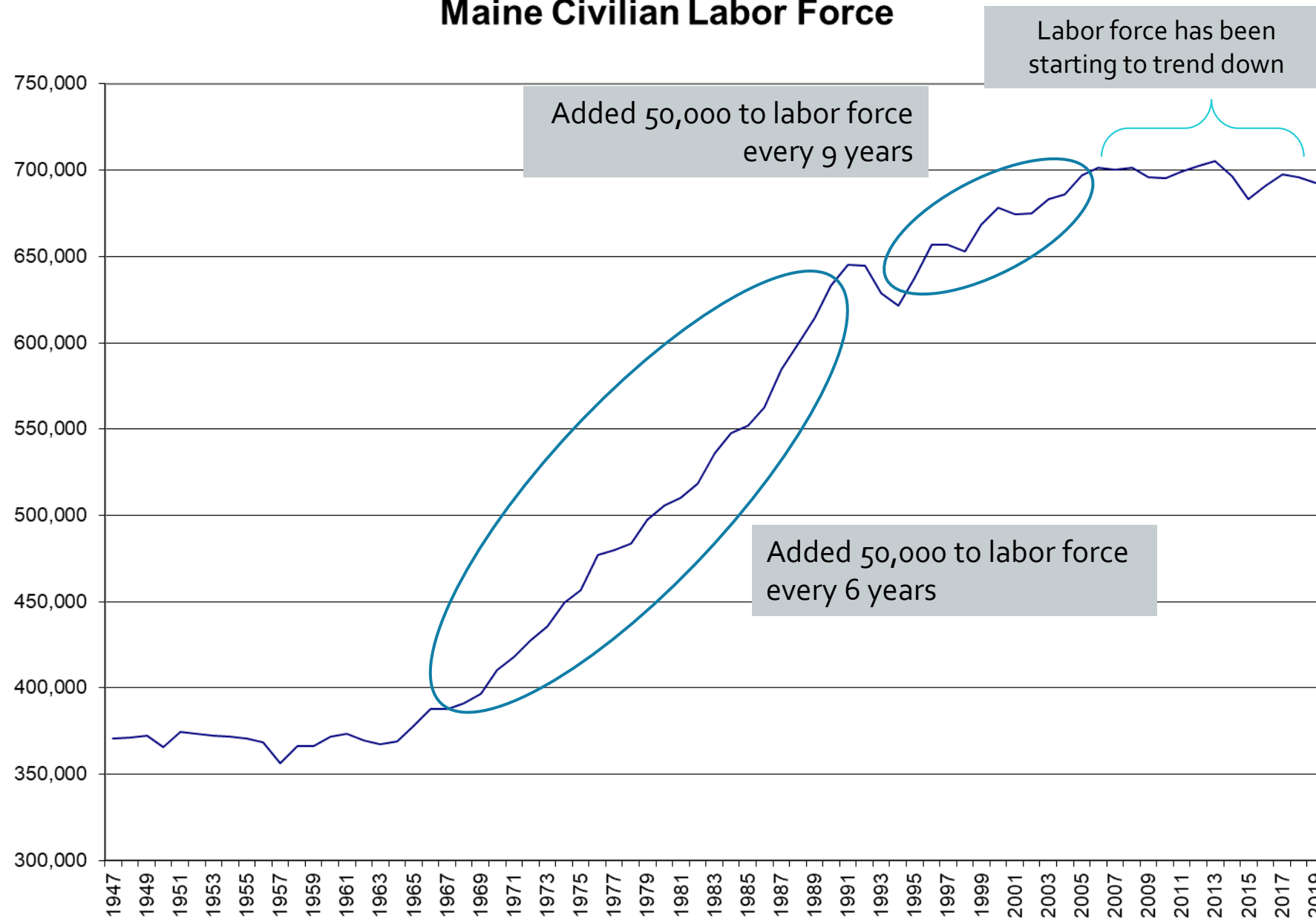
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Employment

Income

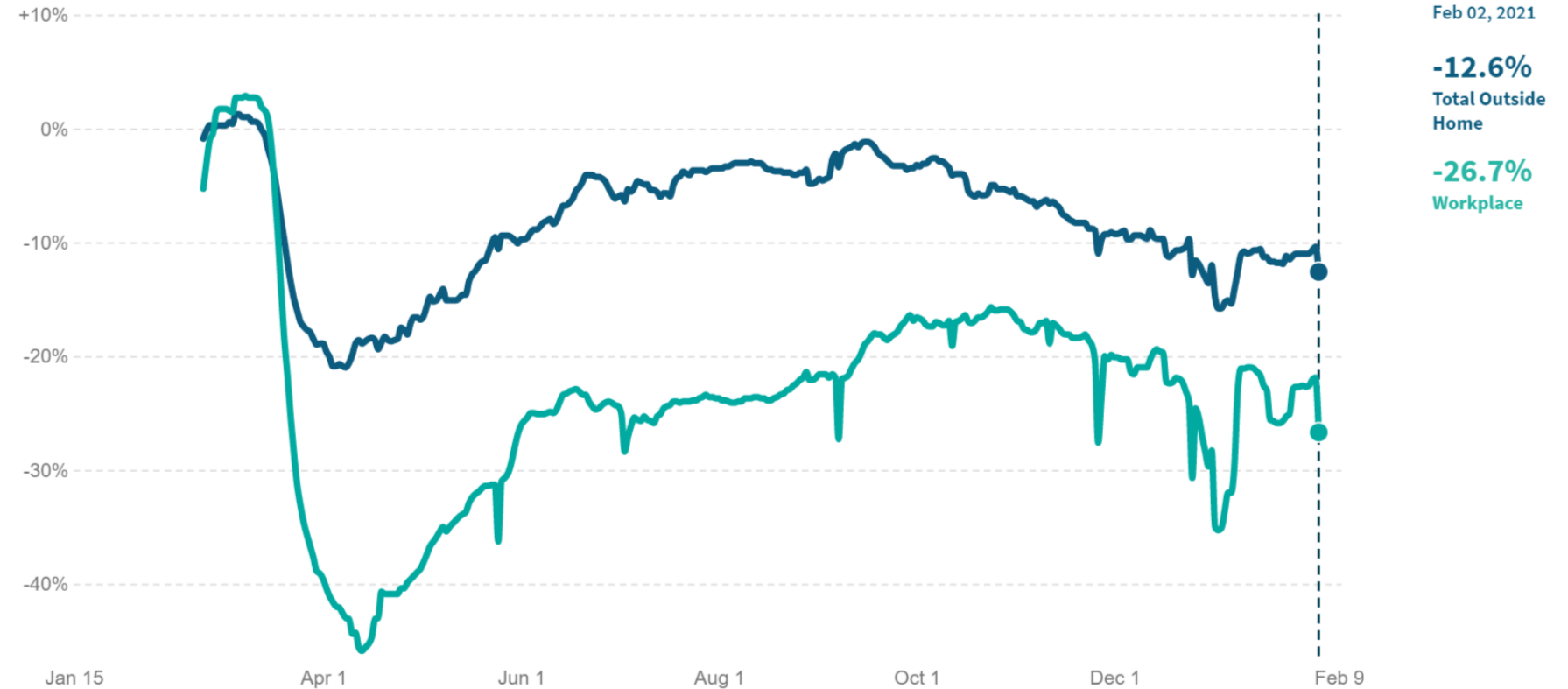
Retail Sales

## Maine Civilian Labor Force



## Percent Change in Time Spent Outside Home\*

In **Maine**, as of **February 02, 2021**, total time spent away from home **decreased** by **12.6%** compared to January 2020.



\*Change in the average time spent outside of residential locations indexed to the period between Jan 3-Feb 6 2020. This series uses data from Google's COVID-19 Community Mobility reports.

last updated: **February 08, 2021** next update expected: **February 12, 2021**

Time spent outside the home at the workplace fell sharply in March and has remained well below January 2020 levels

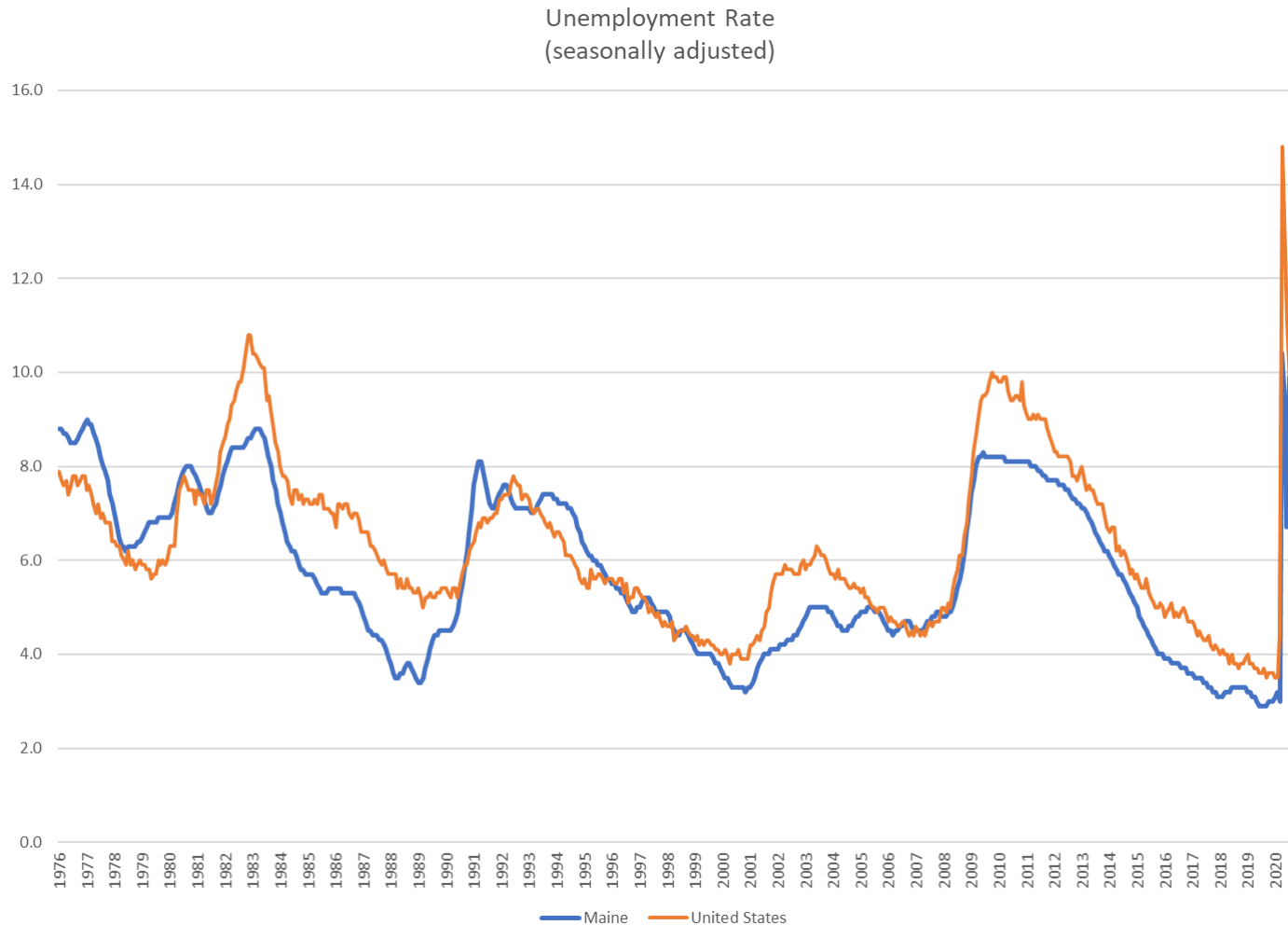
In Maine, 45.8% of households with children under age 18 present reported a loss of employment income compared to 35.5% of households without children

With disruptions to schools and child care, many children were suddenly home all day.

This resulted in people – more women than men – leaving the labor force to care for children.

For these people to re-enter the labor force, they not only need a job to return to, they also need safe, reliable, in-person school and/or child care

In April 2020, unemployment rates were the highest on record and rose more than in any other month; even so, they underrepresented the true unemployment rate due to technical issues



Maine's official unemployment rate in December 2020 was 4.9%; but the Maine Department of Labor estimates that if labor force participation were at normal levels the unemployment rate would be just over 10%

# Employment impacts and recoveries have been uneven

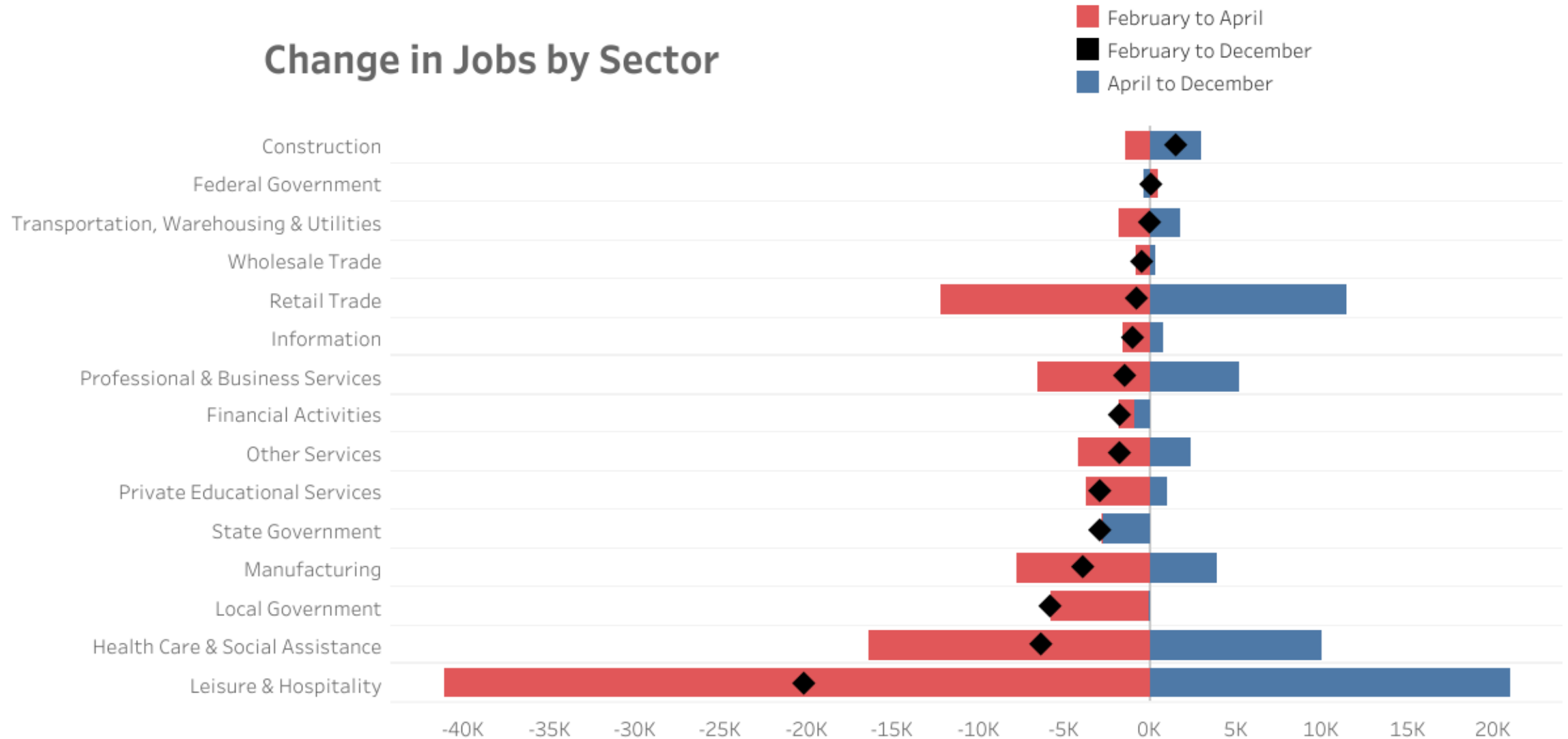
## Less impacted:

- Jobs that could easily transition to remote work
- Sectors related to pandemic response, increased migration, and time spent at home
  - Some components of:
    - Manufacturing
    - Retail
    - Construction
    - Health care

## More impacted:

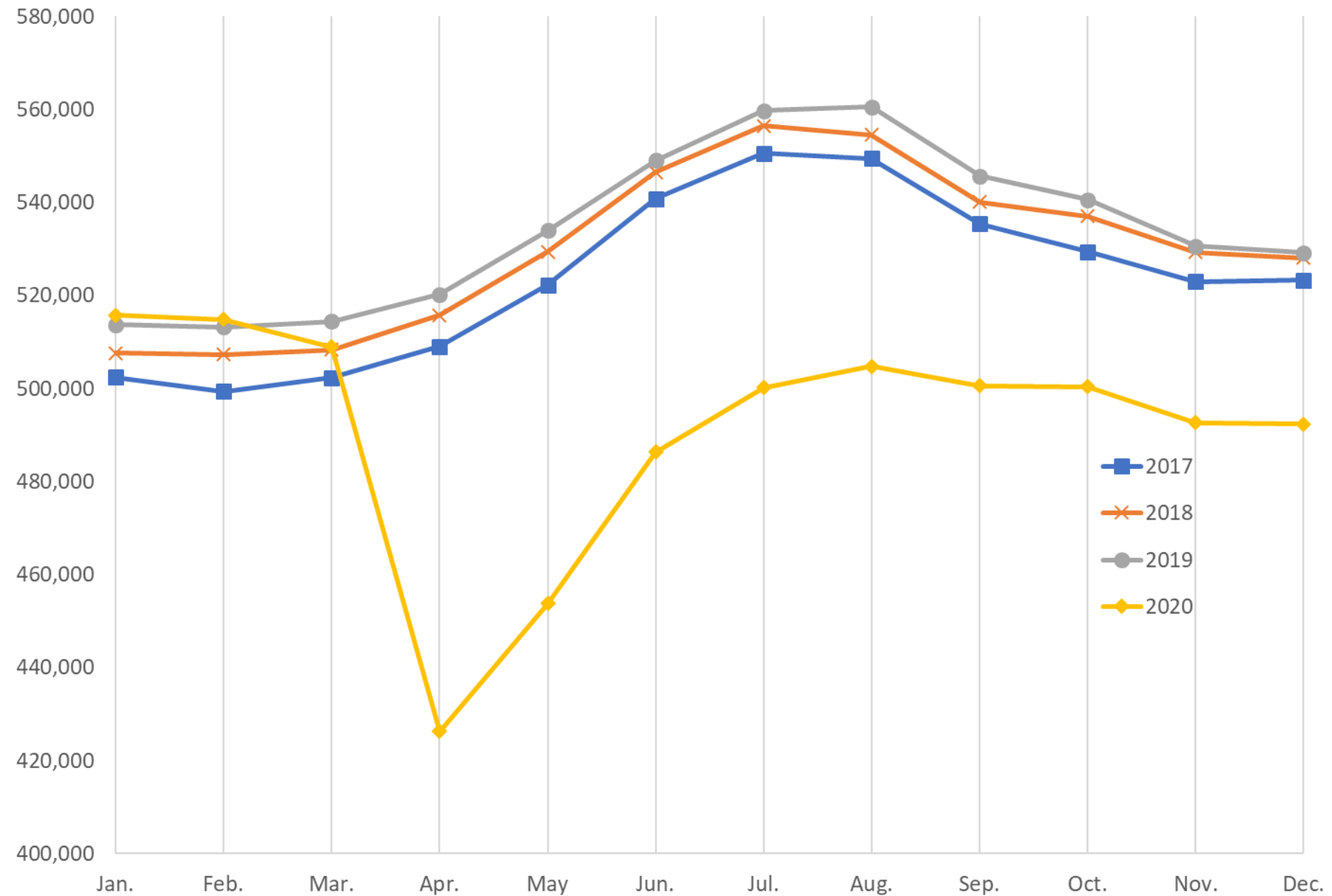
- “High-touch” jobs where face to face interactions are frequent
- Activities reliant on large gatherings (movie theaters, concerts/arts venues)
- Sectors tied to tourism

## Change in Jobs by Sector

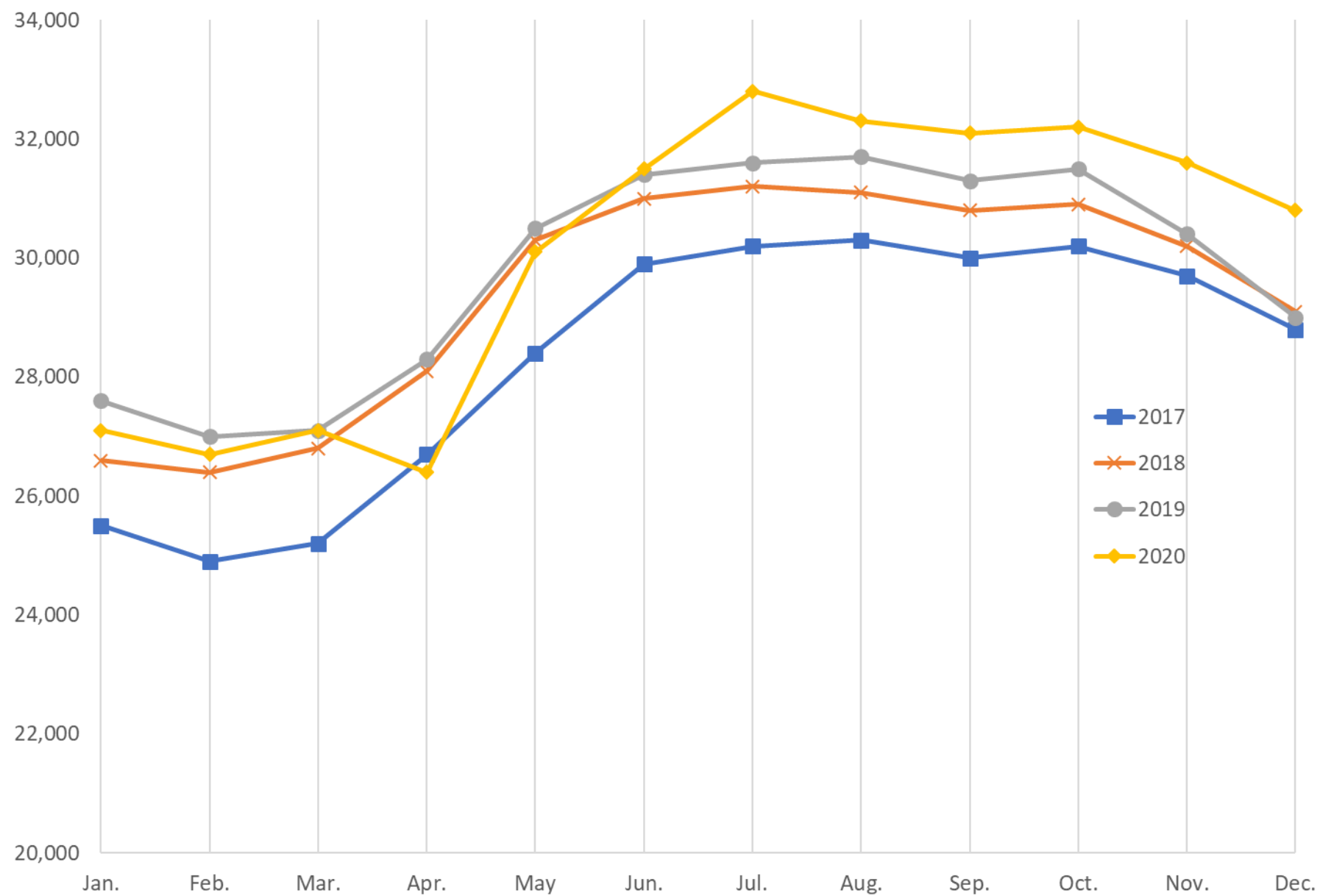




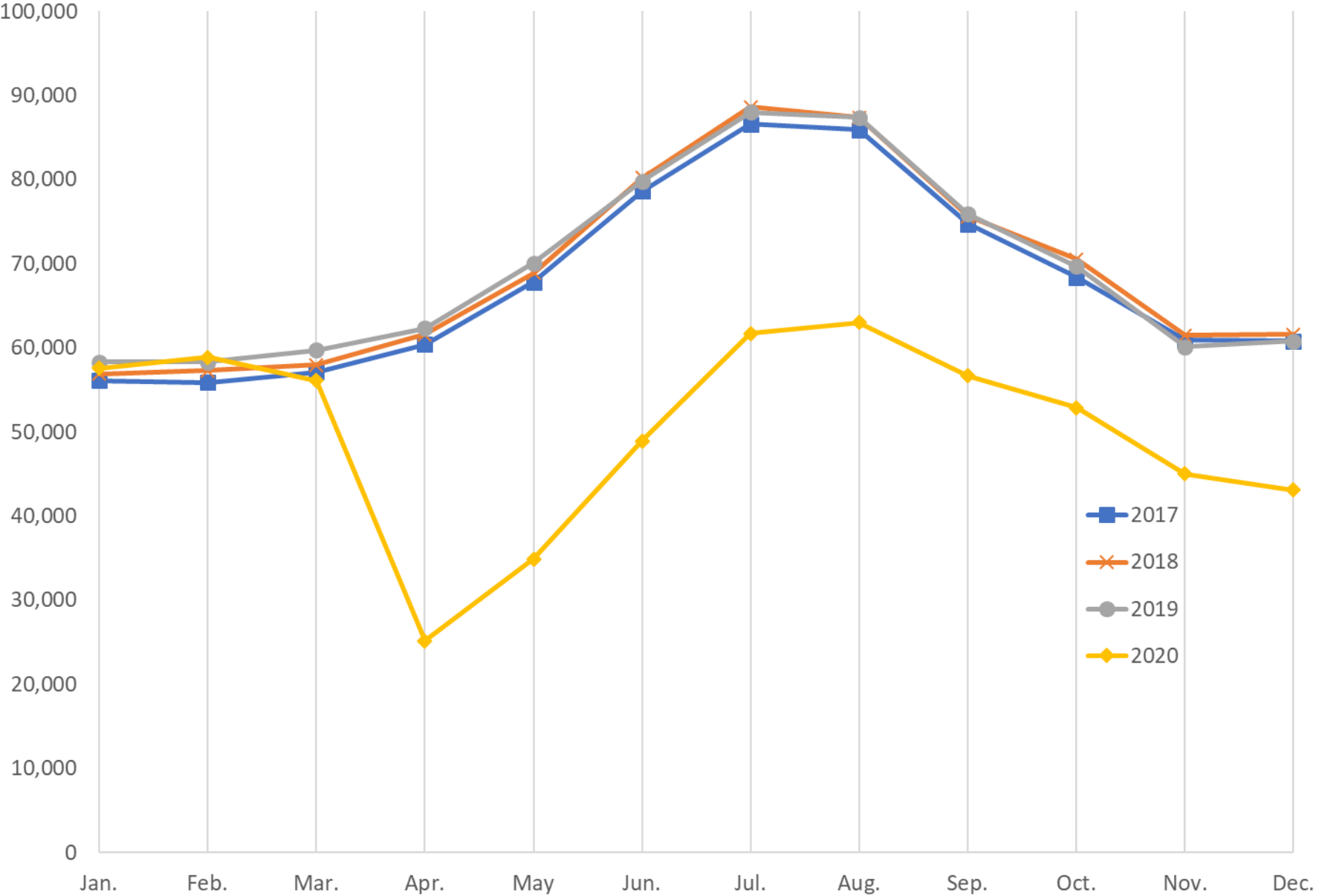
Total Private Employment, Not Seasonally Adjusted



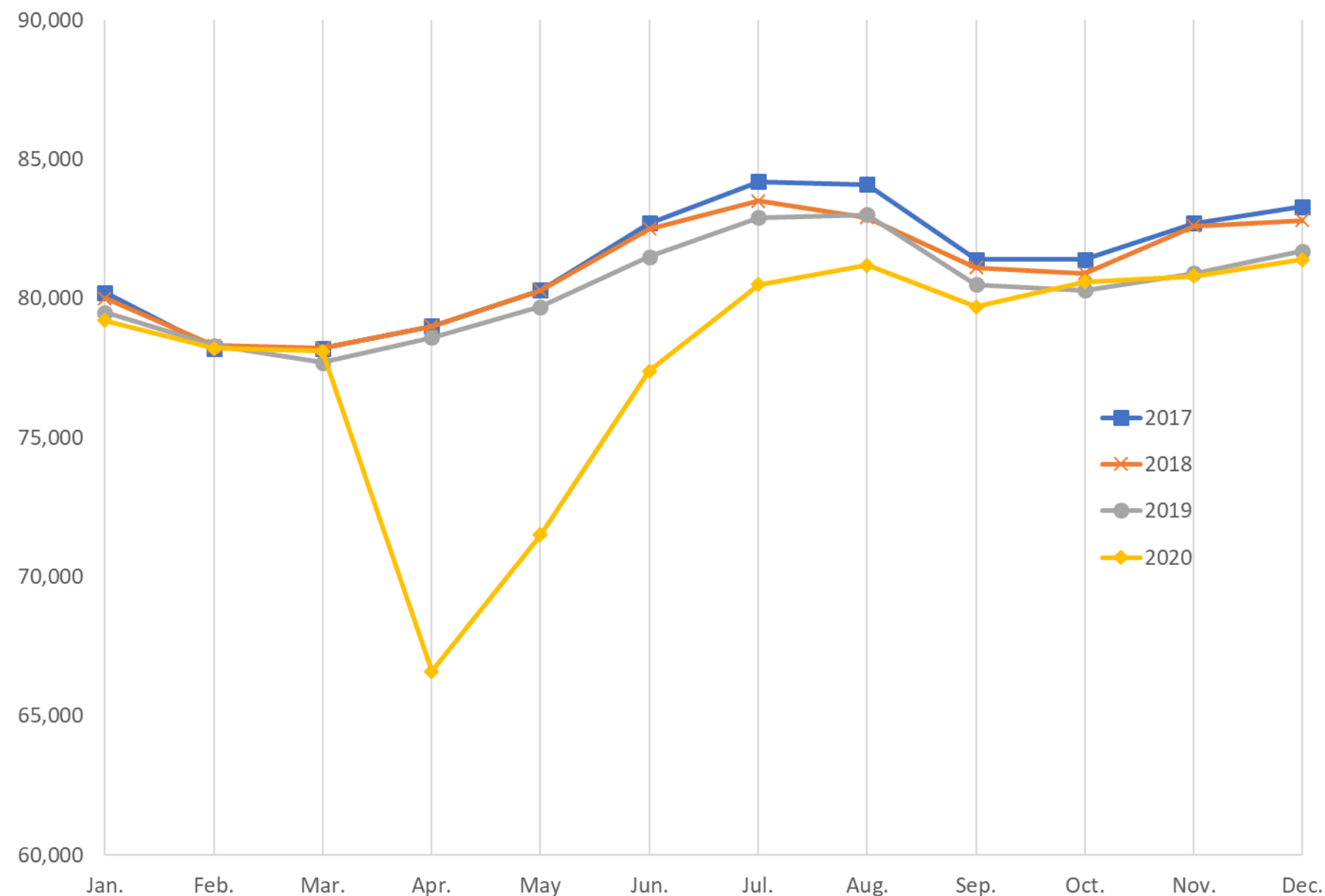
Construction Employment, Not Seasonally Adjusted



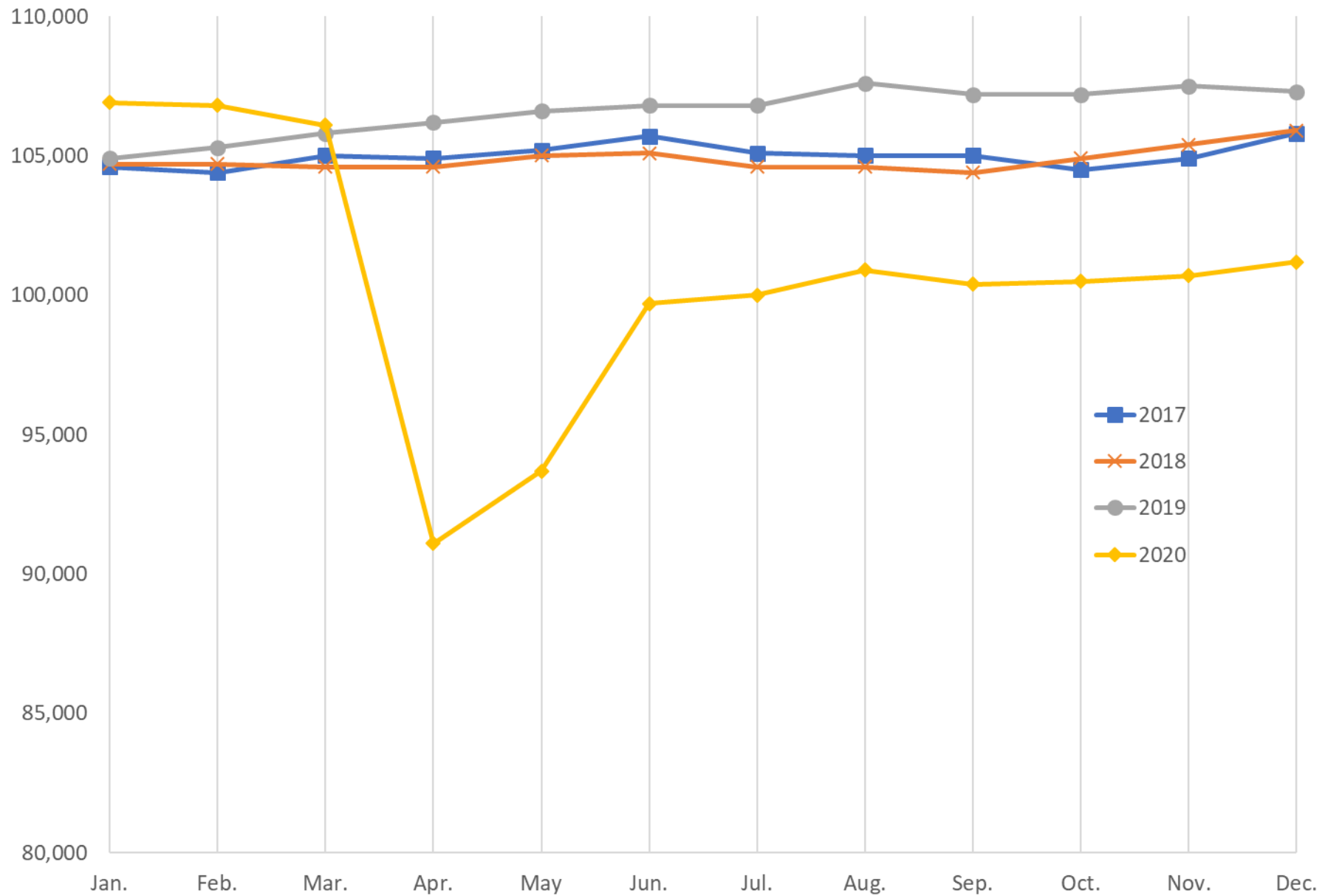
Leisure and Hospitality Employment, Not Seasonally Adjusted



Retail Trade Employment, Not Seasonally Adjusted



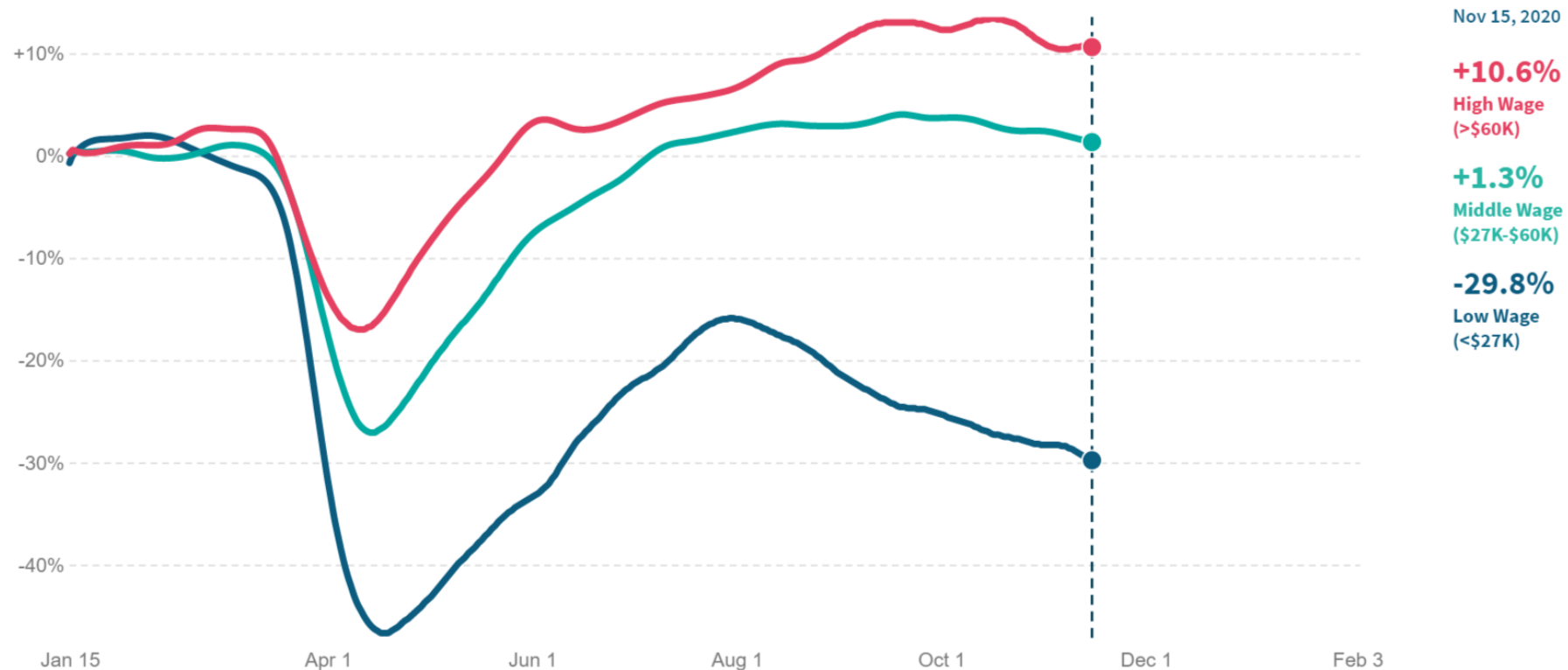
Health Care and Social Assistance Employment, Not Seasonally Adjusted



# Employment is following a “K-shaped” trajectory

## Percent Change in Employment\*

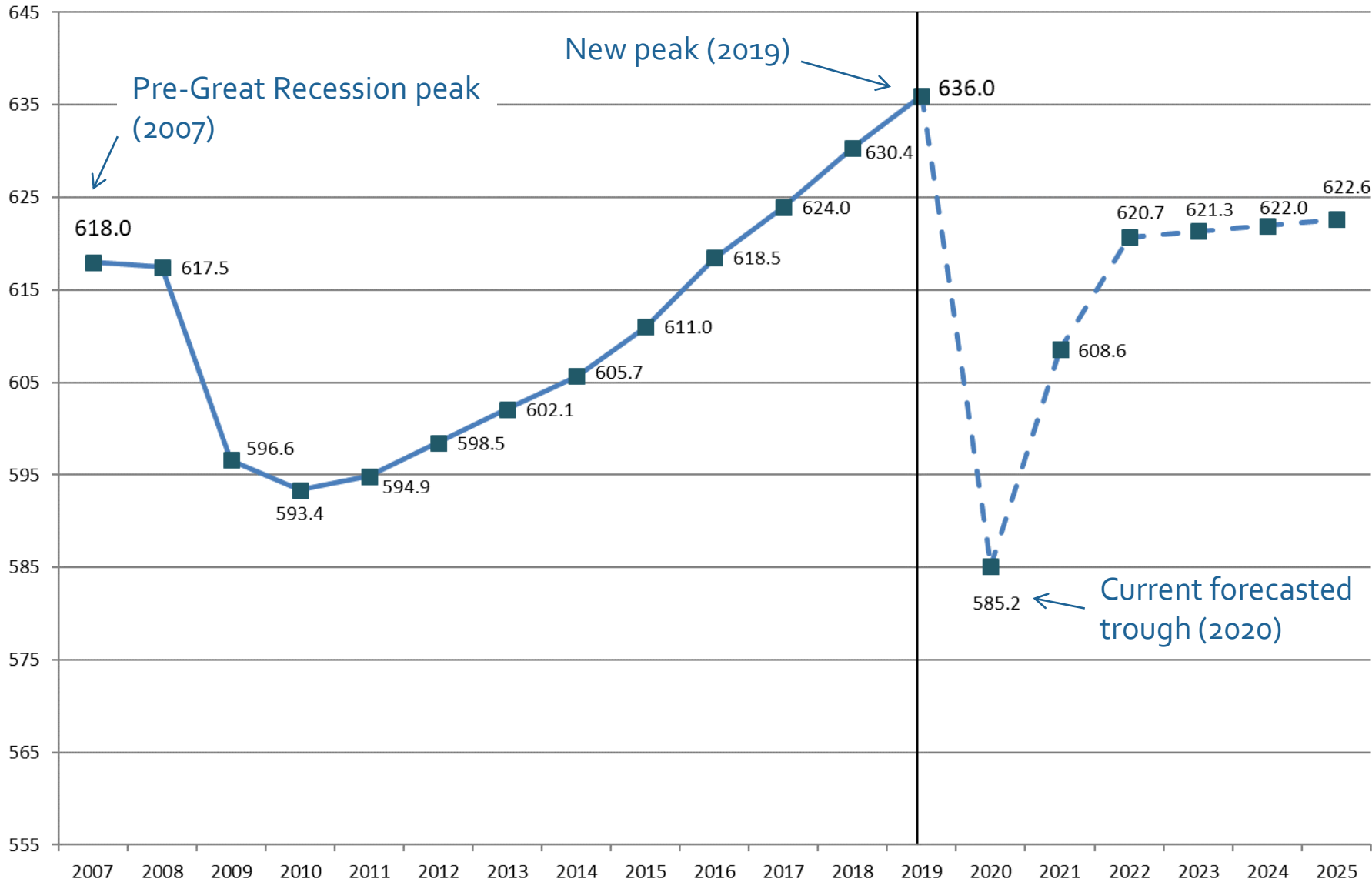
In **Maine**, as of **November 15 2020**, employment rates among workers in the bottom wage quartile **decreased** by **29.8%** compared to January 2020 (not seasonally adjusted).



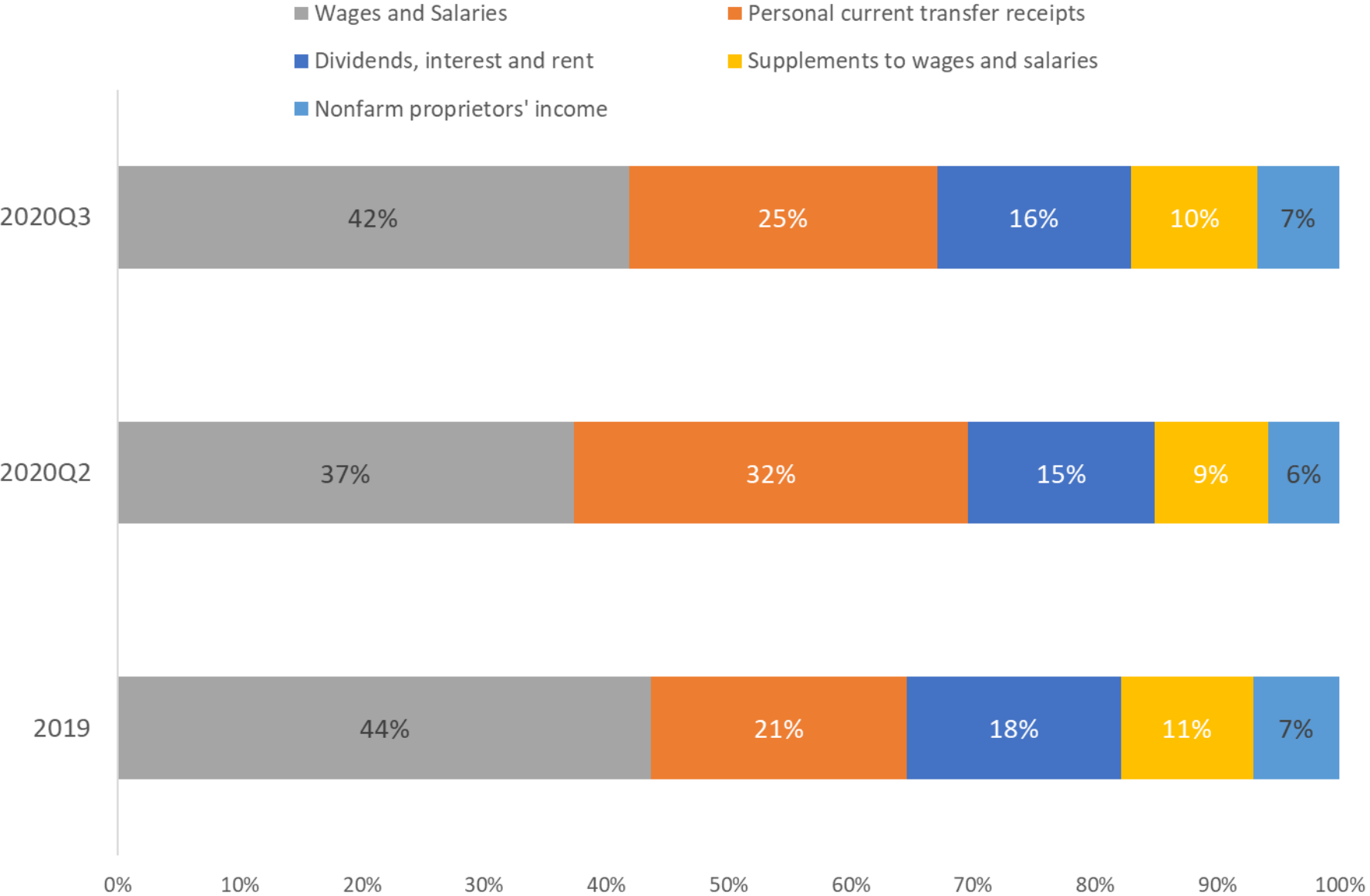
\*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos. The dotted line in the low-wage series is a prediction of employment rates based on Kronos data.

last updated: **February 01, 2021** next update expected: **February 05, 2021**

**Total Nonfarm Employment (in thousands)**  
**History and CEFC forecast**

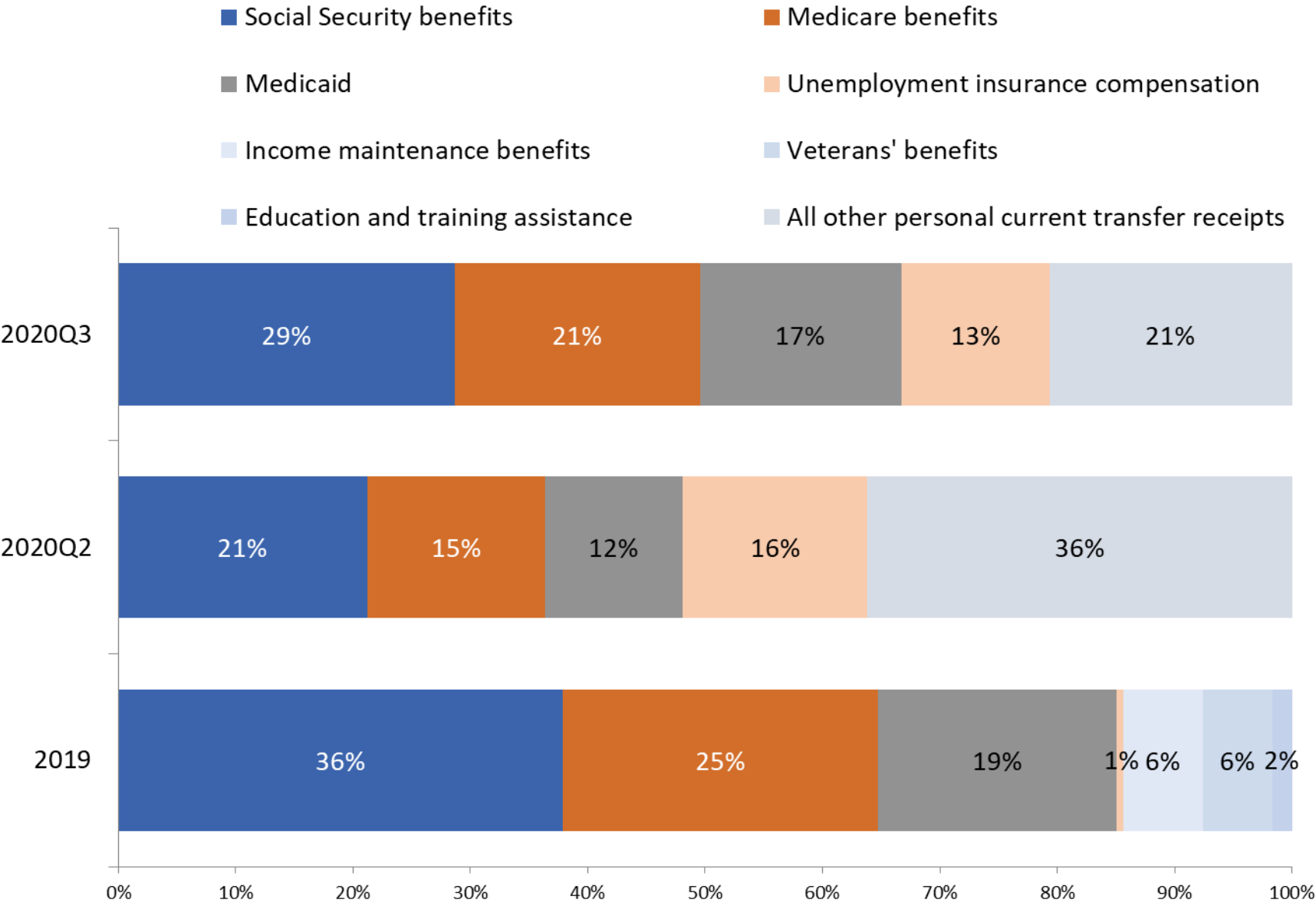


# Major Components of Personal Income, Maine

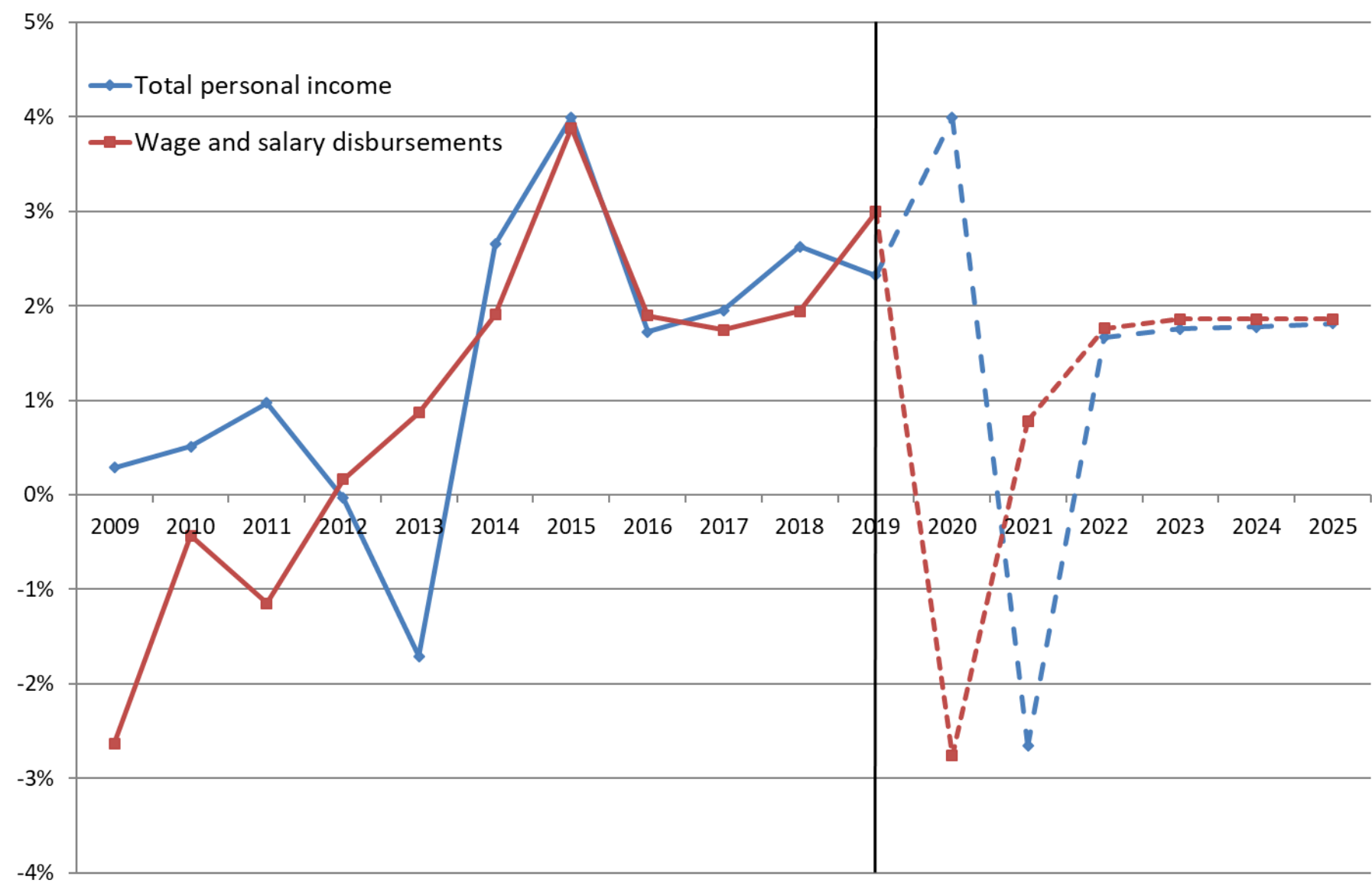




Components of Personal Current Transfer Receipts, Maine



Percent Change in Real Personal Income, Maine  
2009-2019 and forecast to 2025



Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; CEFC report, November 1, 2020

| Maine Taxable<br>Retail Sales | % Change from<br>November 2019 to<br>November 2020 | % Change last three<br>months / same 3 month<br>period one year ago |
|-------------------------------|--|---|
| Building Supply               | 24.9%  | 23.2%   |
| Food Store                    | -1.1%  | 5.0%  |
| General Merchandise           | -0.5%  | 3.6%  |
| Other Retail                  | 37.1%  | 40.0%   |
| Restaurant                    | -25.6%   | -18.1%  |
| Lodging                       | -27.2%   | -20.0%  |
| Auto Transportation           | 3.0%   | 12.3%   |
|                               |  |   |
| Total                         | 7.4%   | 10.0%   |
|                               |  |   |
| Business Operating            | 9.2%   | 4.8%  |
| Personal Consumption          | 7.2%   | 10.6%   |

# Taxable retail sales: the good, the bad, and the unusual

## Good:

- Online sales have done very well during the pandemic
- Auto sales have been robust
- Building supply sales have been through the roof

## Bad:

- Restaurant and lodging sales lag well behind normal levels and have dropped back again with the colder weather

## Unusual:

- Normally in a recession we see purchases of durable goods and construction drop off quickly while services generally do okay – just the opposite has happened this time

# What to look for in the coming days/weeks/months

- Economic health relies on public health: increased vaccinations and decreased infection rates should result in improved economic conditions
- Assuming, of course, that consumer confidence rebounds: people need to feel secure both physically and economically
- Federal stimulus has been critical thus far; additional stimulus will help continue bridging the gap until the pandemic is fully under control
- An early spring would help matters, too

# Contact Information

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