

Maine Economic Indicators

February 2020



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.

This report includes monthly, quarterly, and annual data released at varying points throughout the year. 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.

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
2019	Total population	1,344,212	14,845,063	328,239,523
2018-2019	Annual population percent change	0.4%	0.1%	0.5%
2010-2019	Cumulative population percent change	1.2%	2.8%	6.3%
2018	Average earnings per job	\$50,247	\$69,987	\$62,321
2017-2018	Average earnings per job percent change	2.9%	2.8%	2.9%
December 2019	Unemployment rate	2.9%	3.0%	3.5%
December 2019	Total private nonfarm employment	535,100	6,542,300	129,737,000

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

Real GDP	2018:Q3	2018:Q4	2019:Q1	2019:Q2	2019:Q3	CAGR 2018:Q3-2019:Q3
Maine	2.8	-1.8	4.8	0.6	2.1	1.4
New England	2.4	0.1	4.8	1.3	2.1	2.1
United States	2.9	1.1	3.1	2.0	2.1	2.1
Total Personal Income	2018:Q3	2018:Q4	2019:Q1	2019:Q2	2019:Q3	CAGR 2018:Q3-2019:Q3
Maine	4.3	1.7	8.7	3.7	3.4	4.3
New England	4.5	2.7	8.5	2.3	2.9	4.1
United States	4.6	3.6	6.2	4.4	3.8	4.5
Per Capita Personal Income	2018:Q3	2018:Q4	2019:Q1	2019:Q2	2019:Q3	CAGR 2018:Q3-2019:Q3
Maine	4.0	1.4	8.5	3.5	3.1	4.1
New England	4.1	2.3	8.3	2.0	2.5	3.7
United States	3.9	2.9	5.6	3.8	3.1	3.9
Wages & Salaries	2018:Q3	2018:Q4	2019:Q1	2019:Q2	2019:Q3	CAGR 2018:Q3-2019:Q3
Maine	3.8	-1.0	13.2	0.5	4.0	4.1
New England	3.6	1.6	14.8	-1.1	3.3	4.5
United States	4.5	2.1	10.2	2.7	3.5	4.6

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.

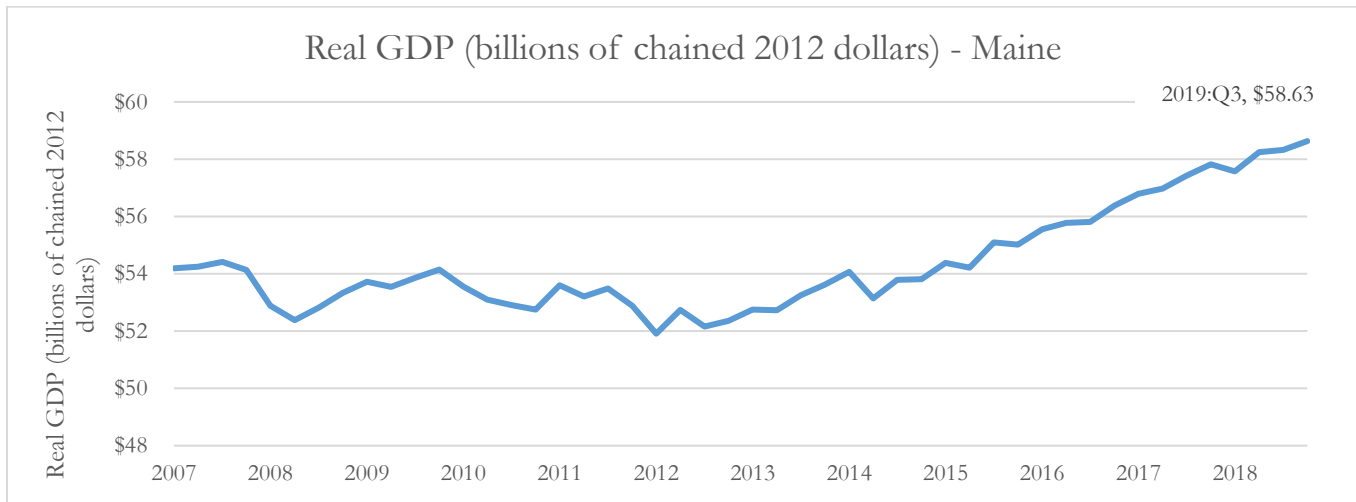
Reference Period		Maine	New England	United States
2019	Total population	1,344,212	14,845,063	328,239,523
2018-2019	Annual population percent change	0.4%	0.1%	0.5%
2010-2019	Cumulative population percent change	1.2%	2.8%	6.3%
2019	Births	12,073	145,125	3,791,712
2019	Deaths	14,335	131,609	2,835,038
2019	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%
2018	Median age, years (American Community Survey)	45.1	40.8	38.2
2018	Associate's degree: percent of population age 25 and above	9.7%	8.2%	8.6%
2018	Bachelor's degree: percent of population age 25 and above	20.1%	22.8%	20.0%
2018	Graduate or professional degree: percent of population age 25 and above	11.4%	17.6%	12.6%
2018	Percent of population below poverty level	11.6%	10.3%	13.1%
2018	Median family income	\$72,390	\$93,690	\$76,401
2018	Median household income	\$55,602	\$73,199	\$61,937
2018	Per capita personal consumption expenditures	\$45,497	\$52,515	\$42,757
2018	Per capita disposable personal income	\$43,909	\$58,562	\$48,101

3 Monthly and Quarterly Indicators

3.1 Gross Domestic Product (GDP)

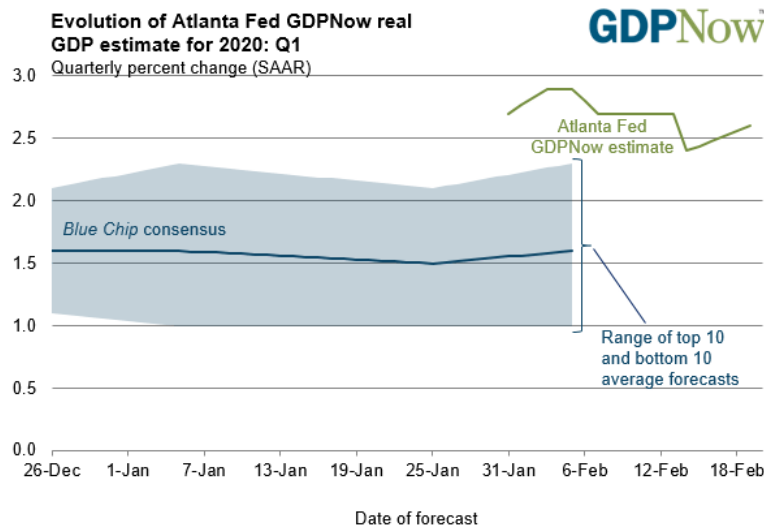
Real GDP in Maine increased by 2.1 percent from the preceding quarter (2019:Q2 to 2019:Q3), equal (after rounding) to New England’s and the United States’ rates and 24th in the country. In 2019:Q3, the industries that contributed the most to GDP growth were Retail Trade (0.72 points) and Accommodation and Food Services (0.33 points). These gains were partially offset by losses in Finance and Insurance (-0.43 points) and Utilities (-0.22 points)

Reference Period		Maine	United States
2019:Q3	Total GDP (current dollars)	\$67.91 billion	\$21.54 trillion



3.1.1 GDPNow

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 Bureau of Economic Analysis in their official GDP estimates and is revised each time the monthly source data is updated. The latest forecast (February 19, 2020) estimates that real GDP growth for the first quarter of 2020 is 2.6 percent.



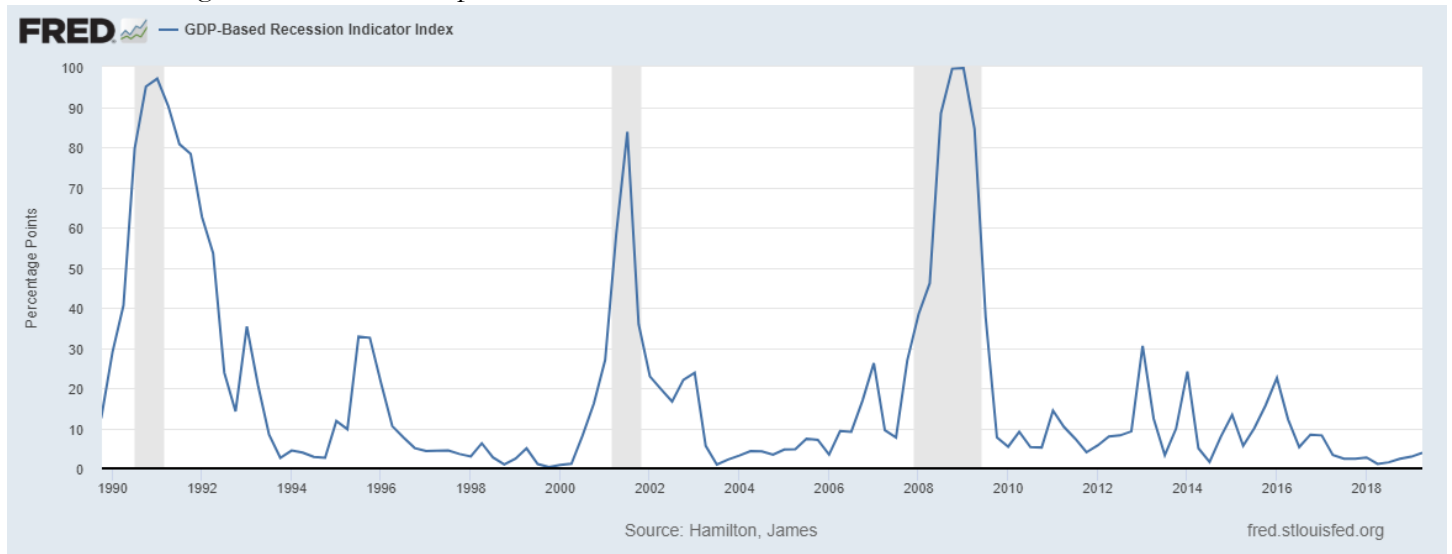
Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

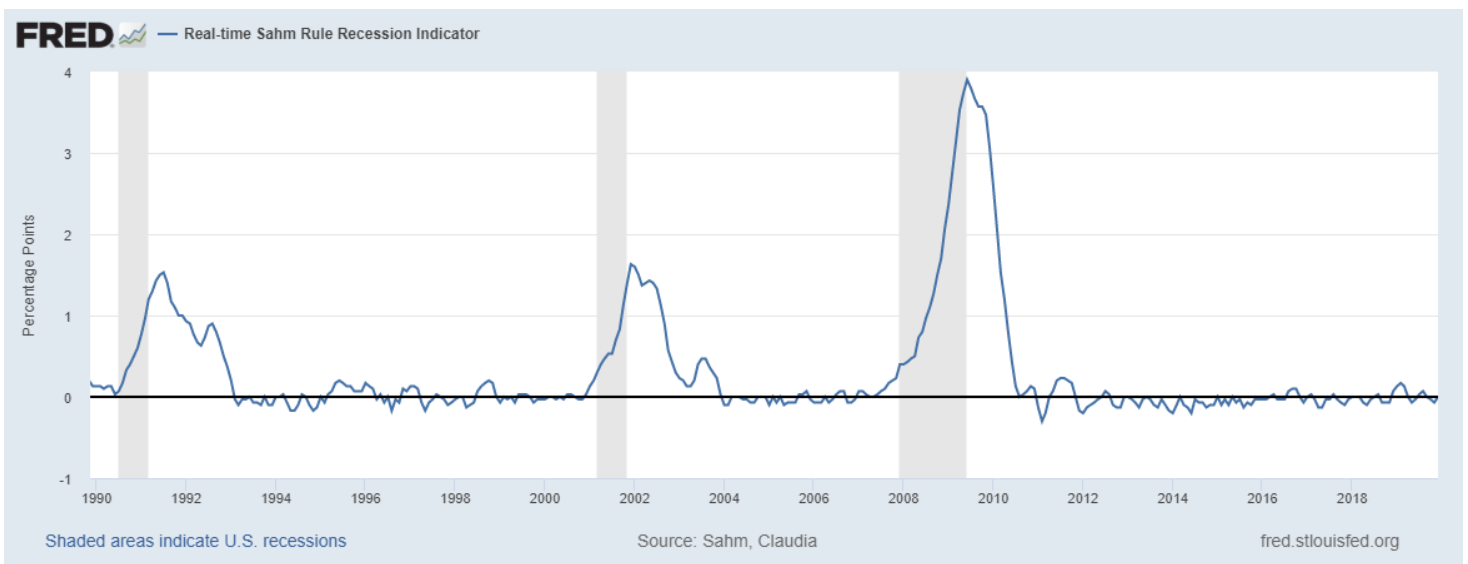
3.1.2 Recession Indicators

The GDP-Based Recession Indicator Index is 3.9 percentage points (2019:Q3). This indicates that the national economy remains in an expansionary phase, the longest expansion in US economic history (previously 1991:Q2 – 2001:Q1)

The index ranges from 0 to 100, and values above 67 provide a historically reliable indicator that the economy is in recession¹. Compared to National Bureau of Economics Research (NBER)'s subjective method of announcing recessionary periods, this method is purely mathematical. In addition, this index is calculated with a one quarter lag, which allows for extra insight and accounts for data revisions to make dependable inference. Therefore, the index does not get revised once it is published.



Additionally, the Real-time Sahm Rule Recession Indicator² 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. This is revised each year at the beginning of January, when the BLS revises its unemployment rate each year. In January 2019, this indicator showed that the three-month average of national U3 grew by 0.0 percentage points compared to its 12-month low.



¹ Created by Dr. James Hamilton, University of California San Diego

² Created by Dr. Claudia Sahm, Federal Reserve Board of Governors

3.2 Personal Income: Total and Per Capita

State total personal income in Maine increased by 3.4 percent from the preceding quarter (2019:Q2 to 2019:Q3) and grew by 4.3% on an annualized basis. The annualized growth rate ranks 31st nationally and is the highest in New England, tied with New Hampshire. Maine’s total personal income ranks 42nd nationally. In terms of per capita income, Maine ranks 30th in the United States.

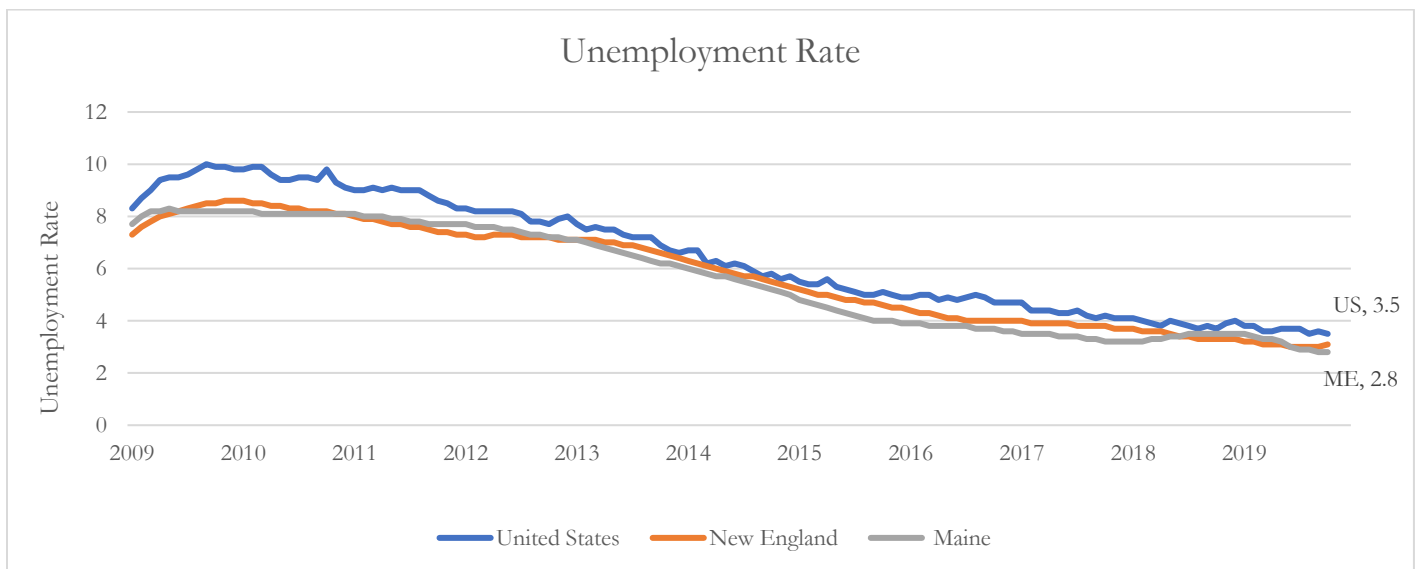
Reference Period		Maine	New England	United States
2019:Q3	Total personal income	\$68.77 billion	\$1055.72 billion	\$18,723.38 billion
2019:Q3	Per capita personal income	\$51,242	\$70,823	\$56,832

3.3 Labor Markets and Employment

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, 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. There were no updates to this data in the month of February.

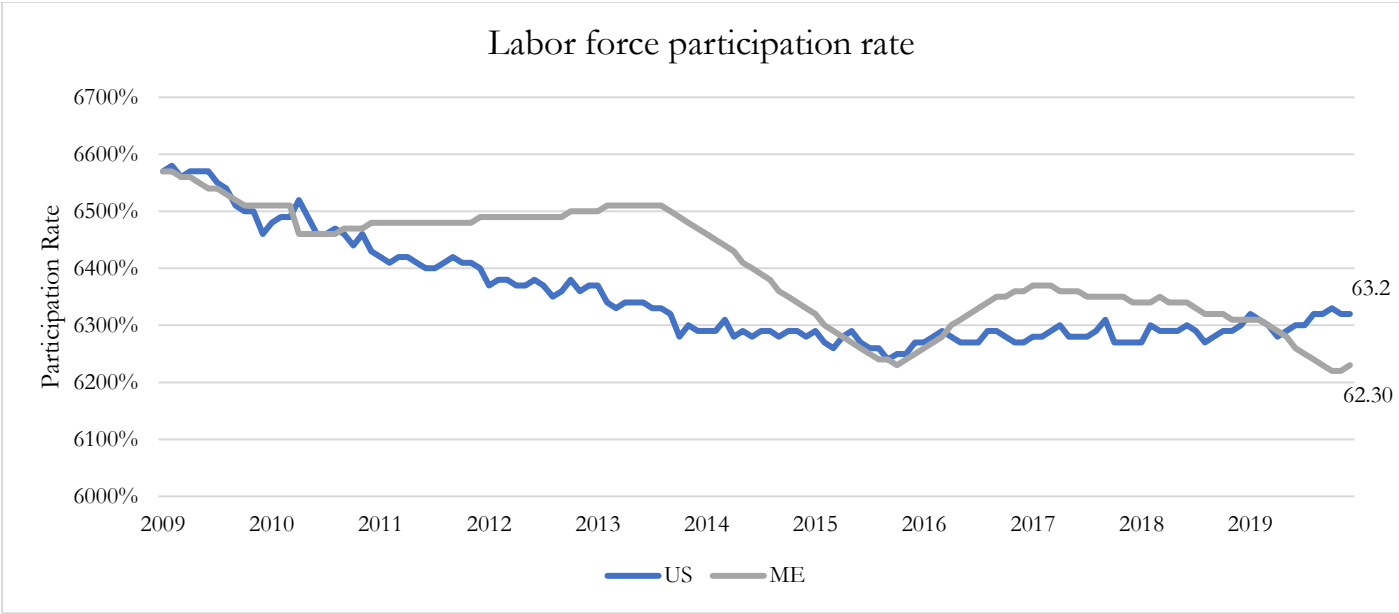
3.3.1 Unemployment Rate: December 2019 = 2.9%

Preliminary estimates for December show the unemployment rate in Maine is 2.9%. The rates for both Maine and New England (3.0%) are lower than the national unemployment rate of 3.5 percent. Compared to last year (December 2018), the unemployment rate in Maine is 0.6 percentage points lower. Maine is tied with Idaho for the 7th lowest unemployment rate in the US.



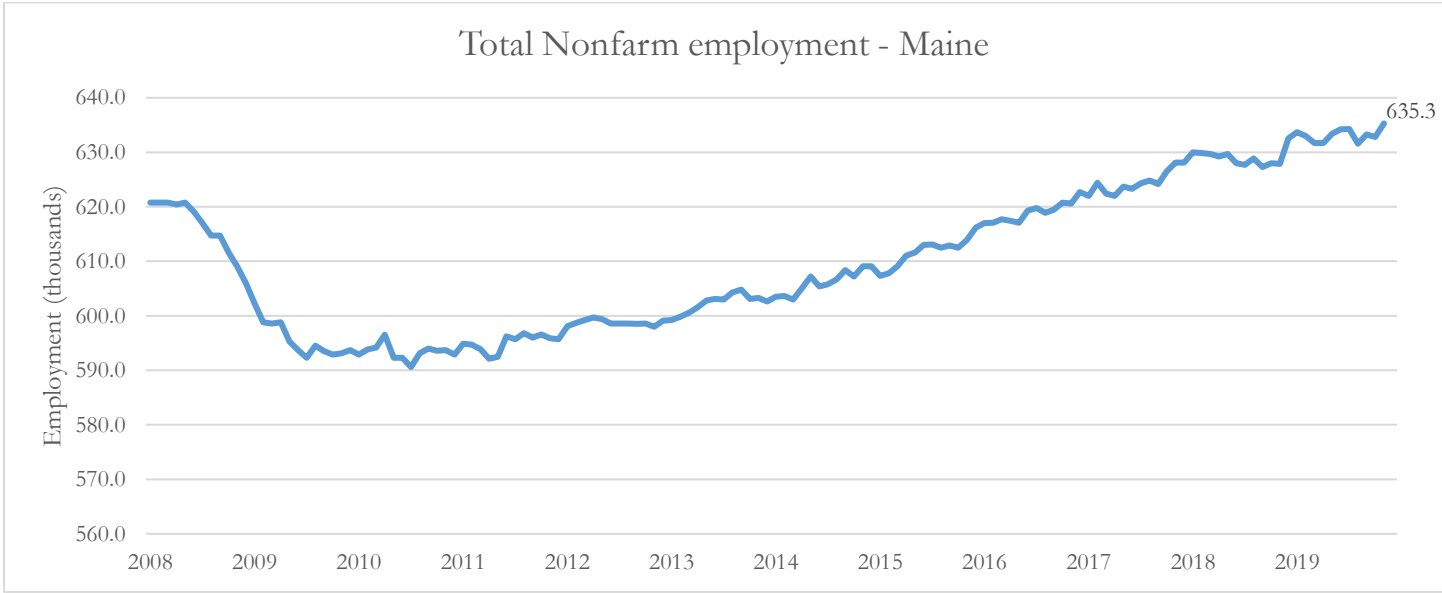
3.3.2 Labor Force Participation Rate: December 2019 = 62.3%

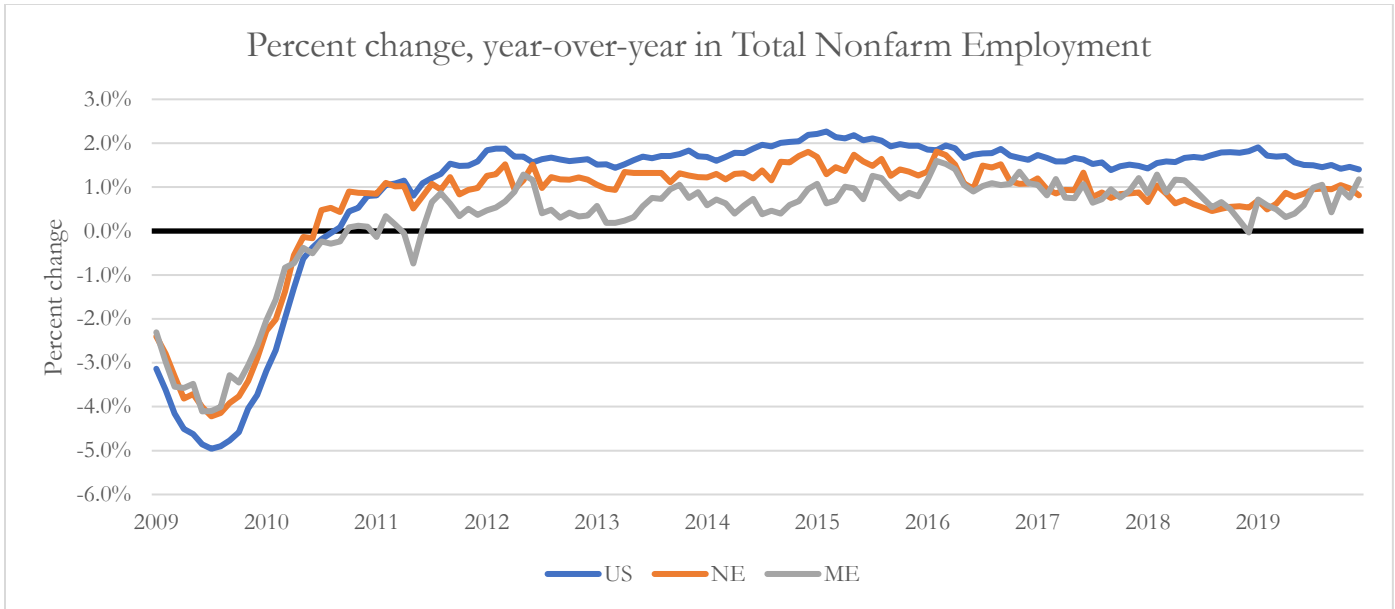
Labor force participation has seen a steady decline since early 2018. Compared to the United States, Maine has a diverging downward trend. The December 2019 estimate amounts to a 0.8 percentage point decline compared to December 2018.



3.3.3 Total Nonfarm Payroll Job Estimates: December 2019 = 635,300

Preliminary estimates show that compared to December 2018, Maine’s growth in total employment leads New England and lags the US slightly, at 1.2% compared to 0.8% and 1.4%, respectively.

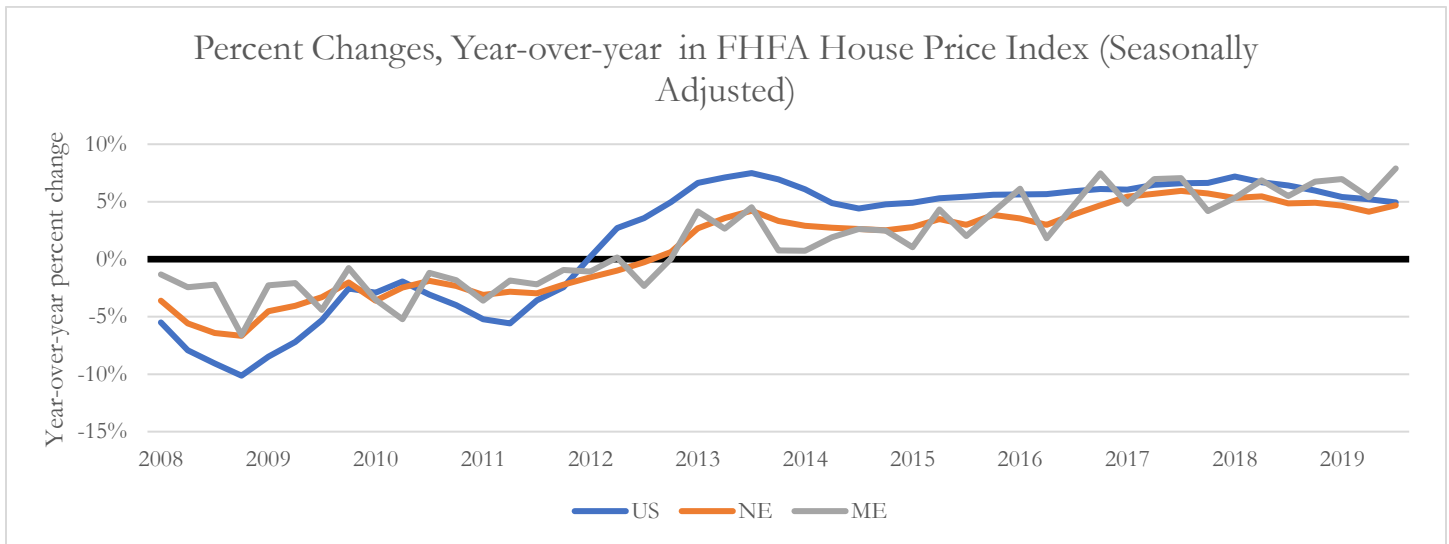




3.4 Housing Prices

In the fourth quarter of 2019, the housing price index (HPI) in New England and the U.S. continued to rise, and slightly fell for Maine for the first time since 2017:Q1. 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 HPI fell by 0.2 percent from the previous quarter (2019:Q3 to 2019:Q4). Maine’s year-over-year HPI growth rate was higher than both the regional growth rate and the national growth rate at 5.2%. The median price of homes sold in Maine in January was \$220,900 – 5.6% lower than January 2019. The number of homes sold was 26.8% higher than January 2019.

Reference Period		Maine	New England	United States
2019:Q3 - 2019:Q4	HPI percent change from previous quarter	-0.2%	0.8%	1.3%

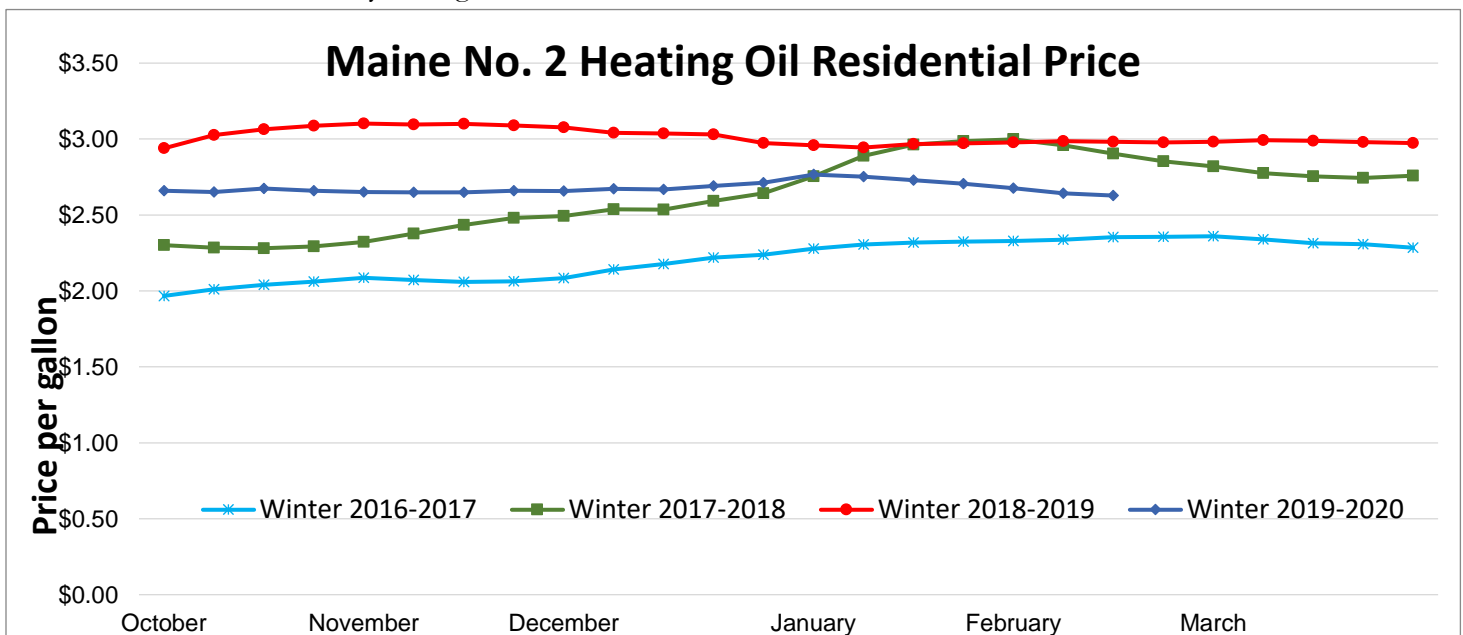


3.4.1 Median Housing Prices and Units Sold – County (January 2020)

Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)	One Month Change (Price)
Androscoggin	61	-3.2%	\$169,000	2.4%	0.9%
Aroostook	38	8.6%	\$77,950	-25.8%	23.7%
Cumberland	238	34.5%	\$329,000	17.5%	4.5%
Franklin	22	10.0%	\$148,550	35.1%	-7.2%
Hancock	52	26.8%	\$223,500	-2.4%	0.6%
Kennebec	84	40.0%	\$166,337	8.5%	-2.2%
Knox	35	29.6%	\$224,000	1.3%	-8.8%
Lincoln	33	13.8%	\$205,000	-16.3%	-6.4%
Oxford	45	25.0%	\$185,000	44.3%	5.1%
Penobscot	106	19.1%	\$160,500	21.1%	0.6%
Piscataquis	20	-9.1%	\$124,500	33.2%	37.6%
Sagadahoc	31	19.2%	\$237,500	-4.7%	-3.4%
Somerset	37	54.2%	\$131,000	39.6%	4.8%
Waldo	34	61.9%	\$160,500	-11.8%	-7.8%
Washington	27	12.5%	\$155,000	21.1%	14.0%
York	198	38.5%	\$289,000	10.6%	-3.7%
Maine	1,061	26.8%	\$220,900	10.5%	-5.6%

3.5 Heating Oil Prices: February 17, 2020 = \$2.62 per gallon

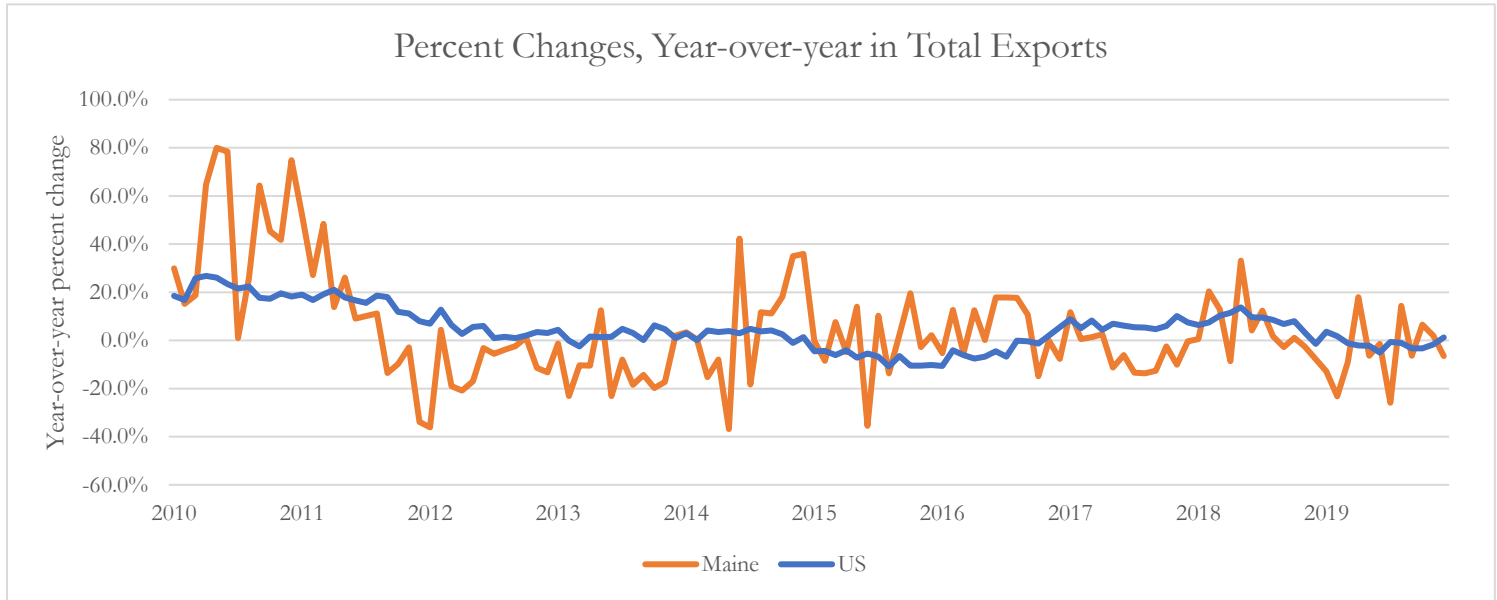
This winter heating fuel season has sustained significantly lower prices compared to last year, though generally higher than the 2016-17 and 2017-18 seasons. The current price is substantially lower than the US average of \$2.914 per gallon and is the lowest price on the East Coast. The price in the third week of February is 11% lower than the same week last year, and the average for the season is \$2.67/gal. The numbers represented below are statewide averages and prices vary across geographic regions. Heating oil releases are regularly updated between October and March as well as occasionally during the summer months.



3.6 Trade Outlook

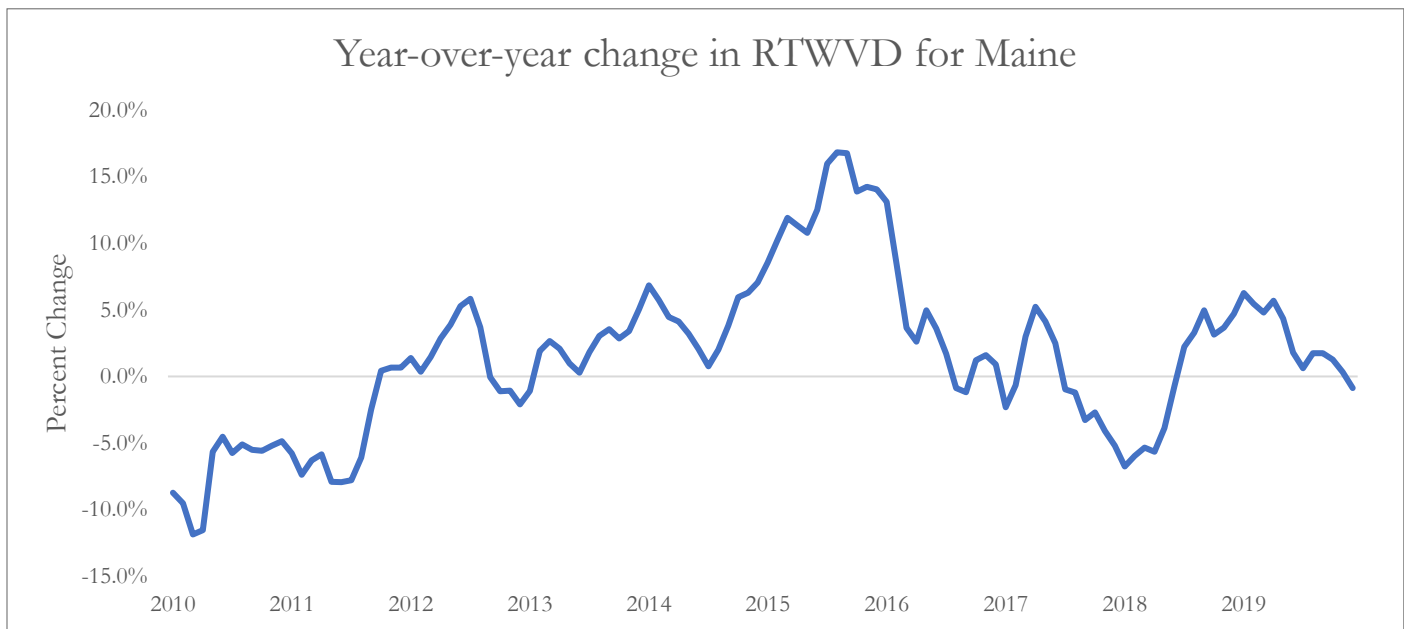
3.6.1 Exports

Year-over-year comparisons show that compared to December 2018, total exports for December 2019 fell by 6.5 percent in Maine and 3.1 percent across New England. Conversely, total exports nationwide rose by 1.3% during the same period. During this period, Canada (50.3%), Malaysia (4.2%) and the United Kingdom (4.2%) are the top three export destinations, while Maine's top three import partners were Canada (67.0%), China (4.4%) and Germany (3.6%).



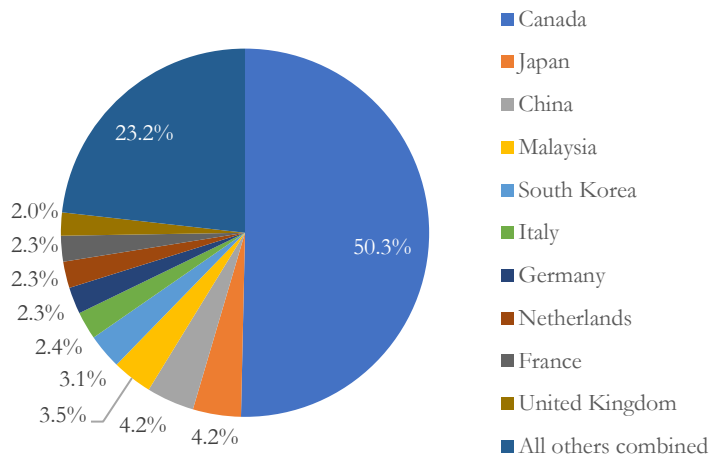
3.6.2 Real Trade Weighted Value of the Dollar (RTWVD)

This index compares the value of the dollar against the currencies of the countries with which Maine trades. RTWVD represents the dollar's purchasing power relative to the foreign currencies mentioned above. When the value of the dollar increases in relation to export partners' currencies, exports becomes more expensive to partner countries. Compared to December 2018, Maine's RTWVD in December 2019 has fallen by 0.9%.

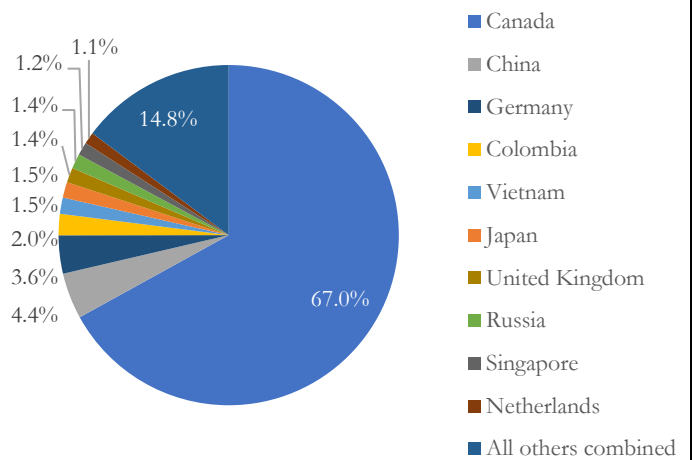


December 2019 Trading Partners

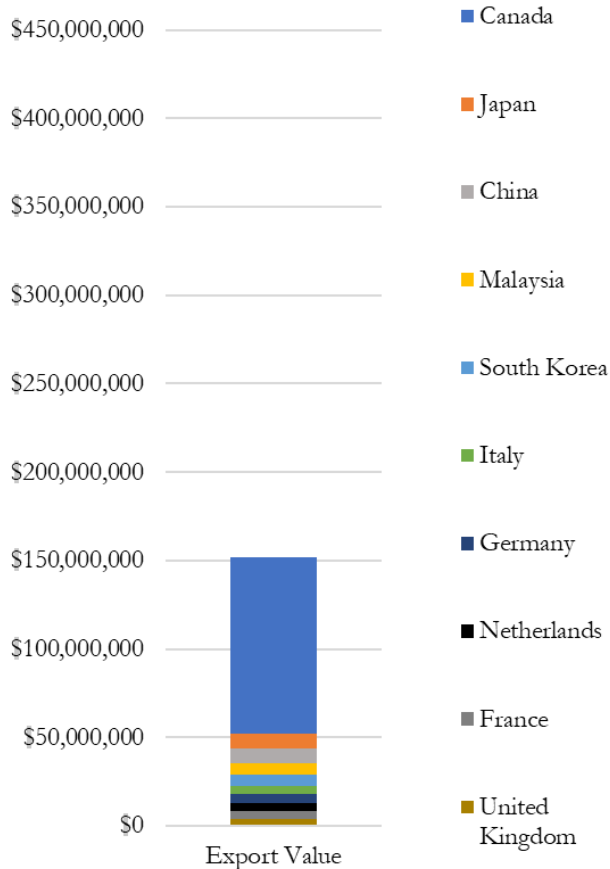
Export Partners



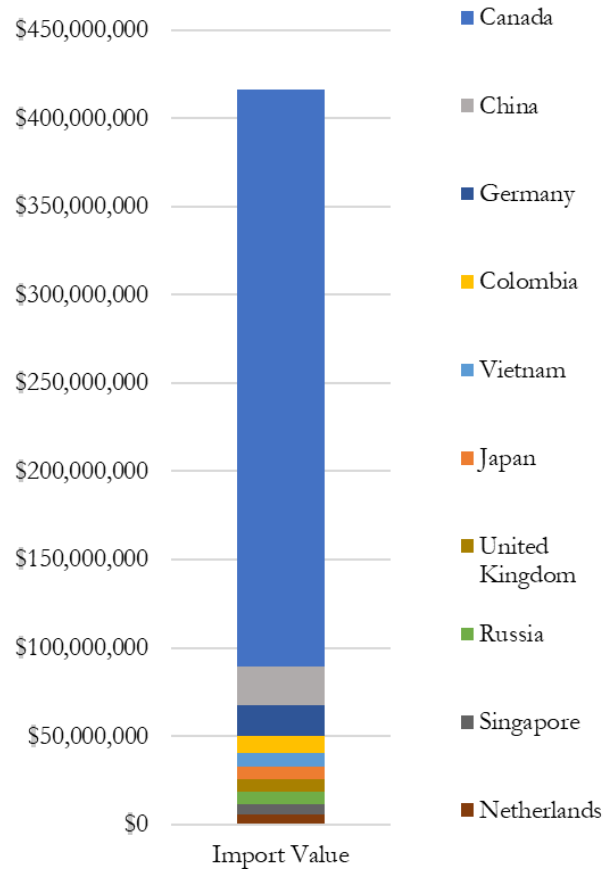
Import Partners



Value of exports to top 10 export partners



Value of imports from top 10 import partners



Appendix

3.7 Data Sources

Indicator	Source	Reference Period	Release Date
Population: estimates and percent change	Census Bureau – Pop. Ests.	2019	December 30, 2019
Net migration: total and percent change	Census Bureau – Pop. Ests.	2019	December 30, 2019
Median age	American Community Survey 1 year	2018	September 26, 2019
Educational attainment	Census Bureau – ACS 1-year	2018	September 26, 2019
Poverty level	Census Bureau – ACS 1-year	2018	September 26, 2019
Income	Census Bureau – ACS 1-year	2018	September 26, 2019
Per capita personal consumption expenditure	U.S. Bureau of Economic Analysis	2018	October 3, 2019
Per capita personal income	U.S. Bureau of Economic Analysis	2019:Q3	December 18, 2019
Average earnings per job	U.S. Bureau of Economic Analysis	2018	September 24, 2019
Gross domestic product	U.S. Bureau of Economic Analysis	2019:Q3	January 10, 2020
GDPNow	Atlanta Fed	2019:Q4	December 29, 2019
GDP-Based Recession Indicator Index	Hamilton, James/FRED	2019:Q3	January 27, 2020
Real-time Sahm Rule Recession Indicator	Sahm, Claudia/FRED	December 2019	January 10, 2020
Personal income: total, per capita, and wages and salaries	U.S. Bureau of Economic Analysis	2019:Q3	December 18, 2019
Unemployment rate	U.S. Bureau of Labor Statistics	December 2019	January 24, 2020
Labor force participation	U.S. Bureau of Labor Statistics	December 2019	January 24, 2020
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	December 2019	January 24, 2020
Housing price index	Federal Housing Finance Agency	2019:Q4	February 25, 2020
Housing: Units and Median Sale Price	Maine Association of REALTORS®	November 2019	December 22, 2019
Energy prices	Energy Information Administration	February 17, 2020	February 17, 2020
Exports	Census Bureau – USA Trade Online	December 2019	February 5, 2020
Real trade weighted value of the dollar	Federal Reserve Bank of Dallas	December 2019	February 5, 2020
Export and Import Partners	Census Bureau – USA Trade Online	December 2019	February 5, 2020

3.8 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.