

Maine Economic Indicators

September 2019



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
2018	Total population	1,338,404	17,388,096	327,167,434
2017-2018	Annual population percent change	0.3%	0.6%	0.6%
2010-2018	Cumulative population percent change	0.8%	2.8%	6.0%
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%
August 2019	Unemployment rate	2.9%	3.0%	3.7%
August 2019	Total private nonfarm employment	534,500	6,527,300	128,950,000

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

Real GDP	2018:Q1	2018:Q2	2018:Q3	2018:Q4	2019:Q1	CAGR 2018:Q1-2019:Q1
Maine	2.0	2.5	3.1	0.7	2.6	2.0
New England	3.6	0.6	3.3	1.7	2.5	2.2
United States	2.2	4.2	3.4	2.2	3.1	3.2
Total Personal Income	2018:Q2	2018:Q3	2018:Q4	2019:Q1	2019:Q2	CAGR 2018:Q2-2019:Q2
Maine	4.7	4.3	1.7	7.9	4.9	4.7
New England	3.5	4.5	2.7	8.3	4.3	4.9
United States	4.3	4.6	3.6	6.2	5.4	4.9
Per Capita Personal Income	2018:Q2	2018:Q3	2018:Q4	2019:Q1	2019:Q2	CAGR 2018:Q2-2019:Q2
Maine	4.5	4.0	1.4	7.7	4.7	4.4
New England	3.2	4.1	2.3	8.0	4.0	4.6
United States	3.7	3.9	2.9	5.7	4.8	4.3
Wages & Salaries	2018:Q2	2018:Q3	2018:Q4	2019:Q1	2019:Q2	CAGR 2018:Q2-2019:Q2
Maine	3.5	3.8	-1.0	11.6	4.1	4.5
New England	0.0	3.6	1.6	14.2	2.7	5.4
United States	3.1	4.5	2.1	10.2	4.8	5.4

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.

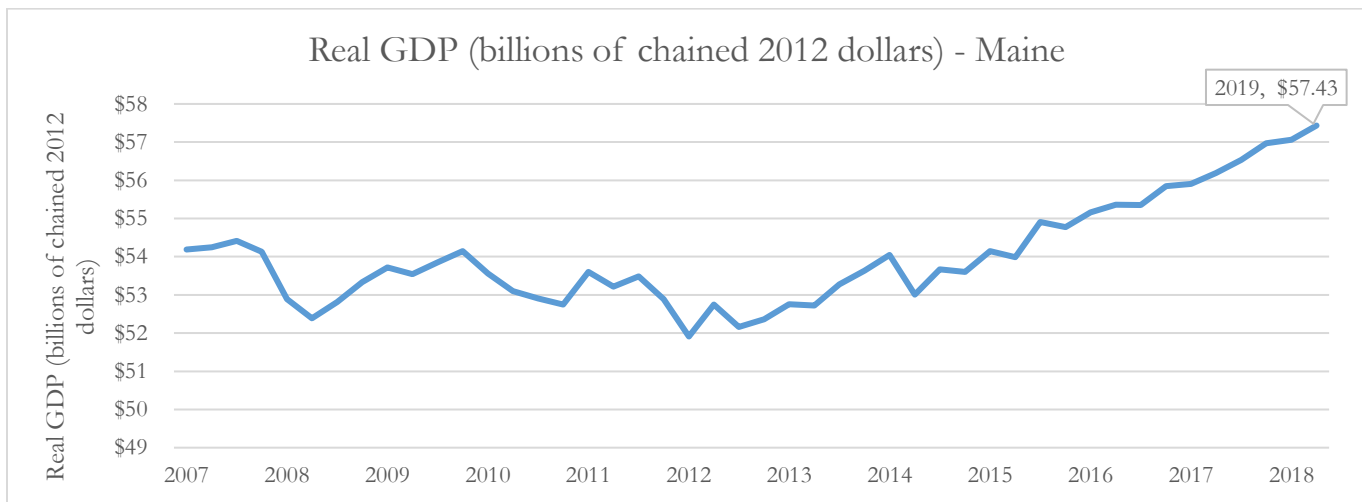
Reference Period		Maine	New England	United States
2018	Total population	1,338,404	17,388,096	327,167,434
2017-2018	Annual population percent change	0.3%	0.6%	0.6%
2010-2018	Cumulative population percent change	0.8%	2.8%	6.0%
2018	Births	12,438	146,106	3,855,500
2018	Deaths	14,079	131,249	2,814,013
2018	Net migration	5,039	35,720	978,826
2017-2018	Annual rate of total net migration (Maine ranks 19 th in the U.S.)	0.38%	0.24%	0.30%
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
2017	Per capita personal consumption expenditures	\$43,364	\$50,536	\$40,878
2018	Per capita disposable personal income	\$43,291	\$57,531	\$47,451

3 Monthly and Quarterly Indicators

3.1 Gross Domestic Product (GDP)

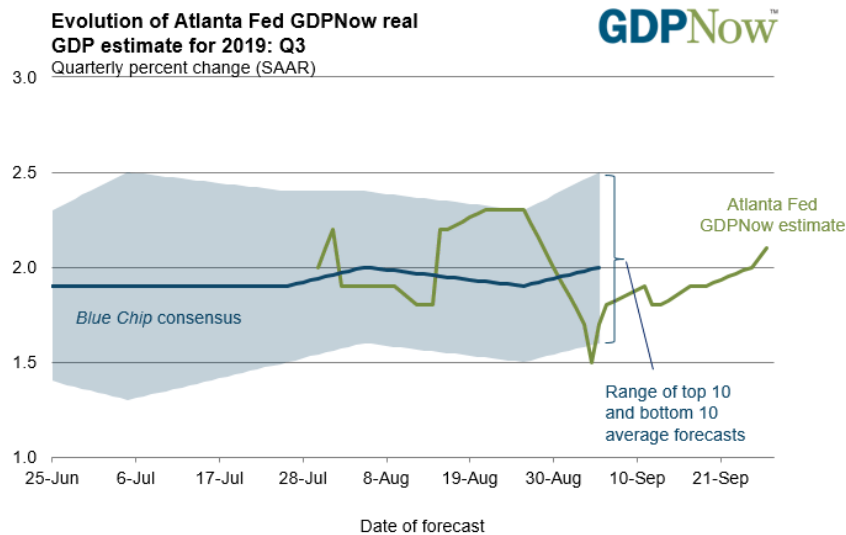
Real GDP in Maine increased by 0.6 percent from the preceding quarter (2018:Q4 to 2019:Q1) and saw growth of 2.6 percent on an annualized basis. The annualized growth ranks 34th nationally and 2nd in New England. In terms of total GDP, Maine ranked 43rd in the United States and 4th in New England. In 2019:Q1, retail trade, manufacturing, and healthcare & social assistance contributed 1.12, 0.67 and 0.5 percentage points to Maine’s GDP growth, respectively.

Reference Period		Maine	United States
2019:Q1	Total GDP (current dollars)	\$66.02 billion	\$21.06 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 (September 27, 2019) indicates that real GDP growth in the third quarter of 2019 is estimated to be 2.1 percent.

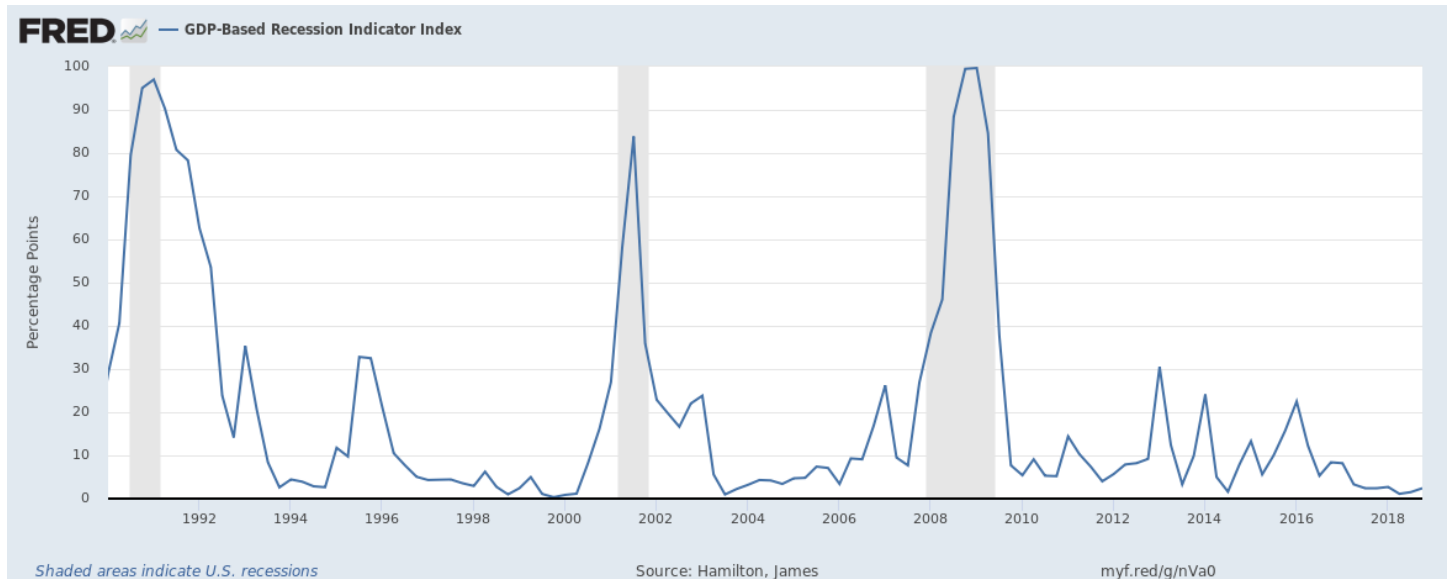


Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

3.1.2 GDP-Based Recession Indicator Index

The GDP-Based Recession Indicator Index is 2.9 percentage points (2019:Q1). This indicates that the national economy remains in an expansionary phase, officially tied for 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 order to make dependable inference. Therefore, the index does not get revised once it is published.



3.2 Personal Income: Total and Per Capita

State total personal income in Maine increased by 4.9 percent from the preceding quarter (2019:Q1 to 2019:Q2) and grew by 4.7% on an annualized basis. The annualized growth rate ranks 25th nationally and trails NH, VT, MA, and CT (respectively). Maine’s total personal income ranks 42nd nationally. In terms of per capita income, Maine ranks 29th in the United States.

Reference Period		Maine	New England	United States
2019:Q2	Total personal income	\$68.27 billion	\$1052.68 billion	\$18,596.16 billion
2019:Q2	Per capita personal income	\$50,908	\$70,685	\$56,541

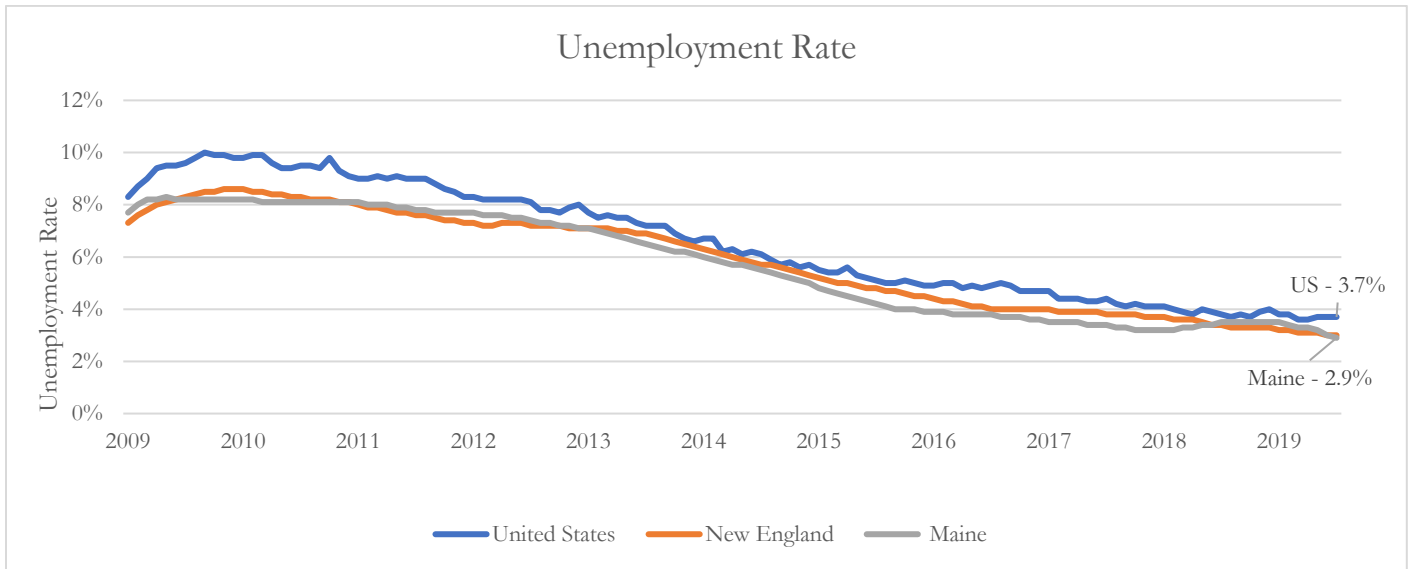
3.3 Labor Markets and Employment

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 could be revised substantially. 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.

¹ Created by Dr. James Hamilton, University of California San Diego
Maine Economic Indicators - [September 2019.docx](#)

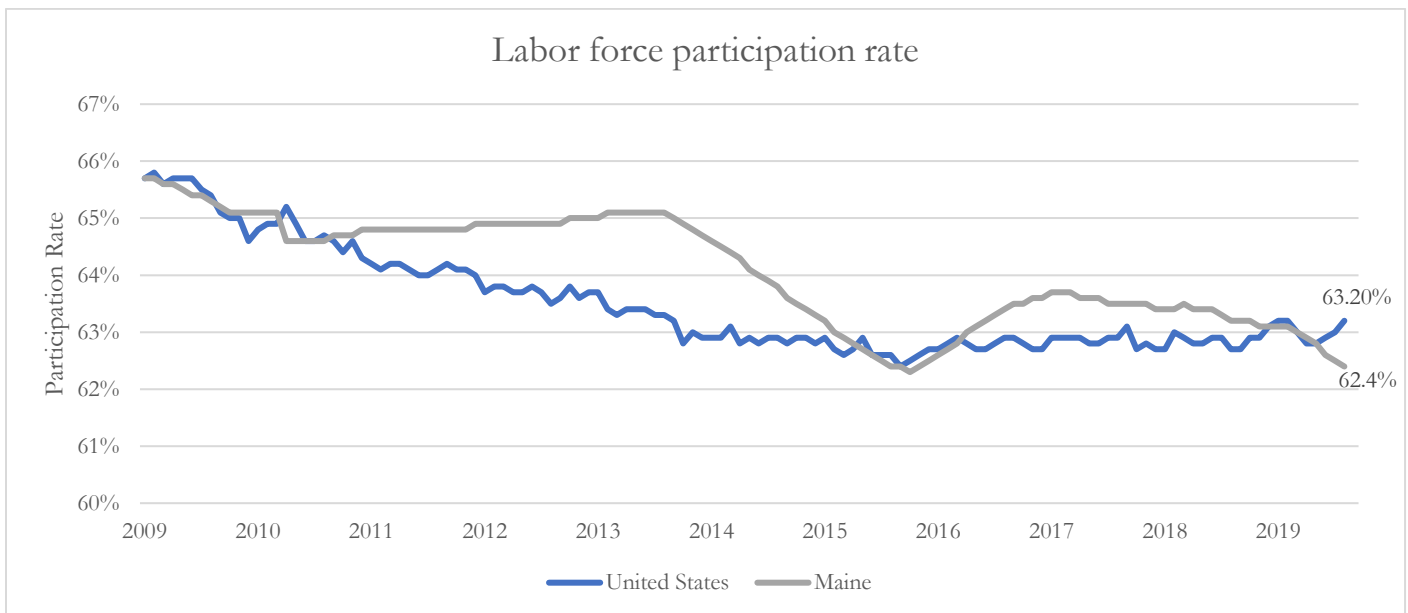
3.3.1 Unemployment Rate: August 2019 = 2.9%

The unemployment rate in Maine and New England is lower than the national unemployment rate of 3.7 percent. Compared to last year (August 2018), the unemployment rate in Maine is 0.6 percentage points lower.



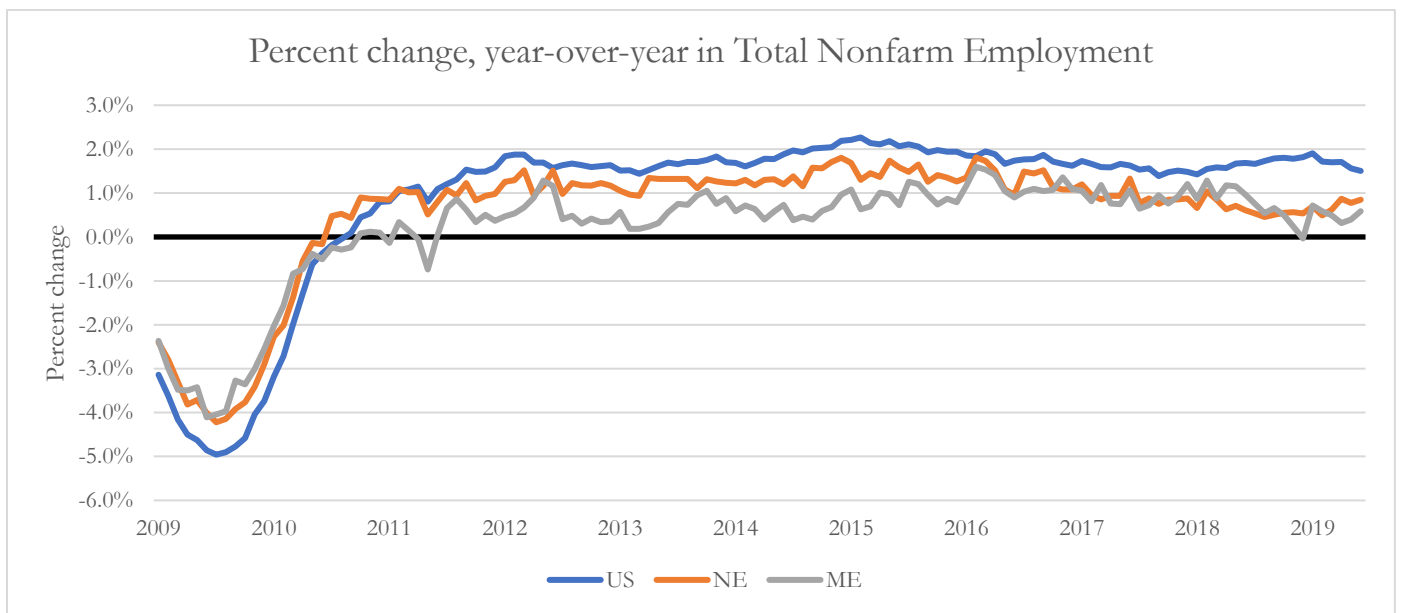
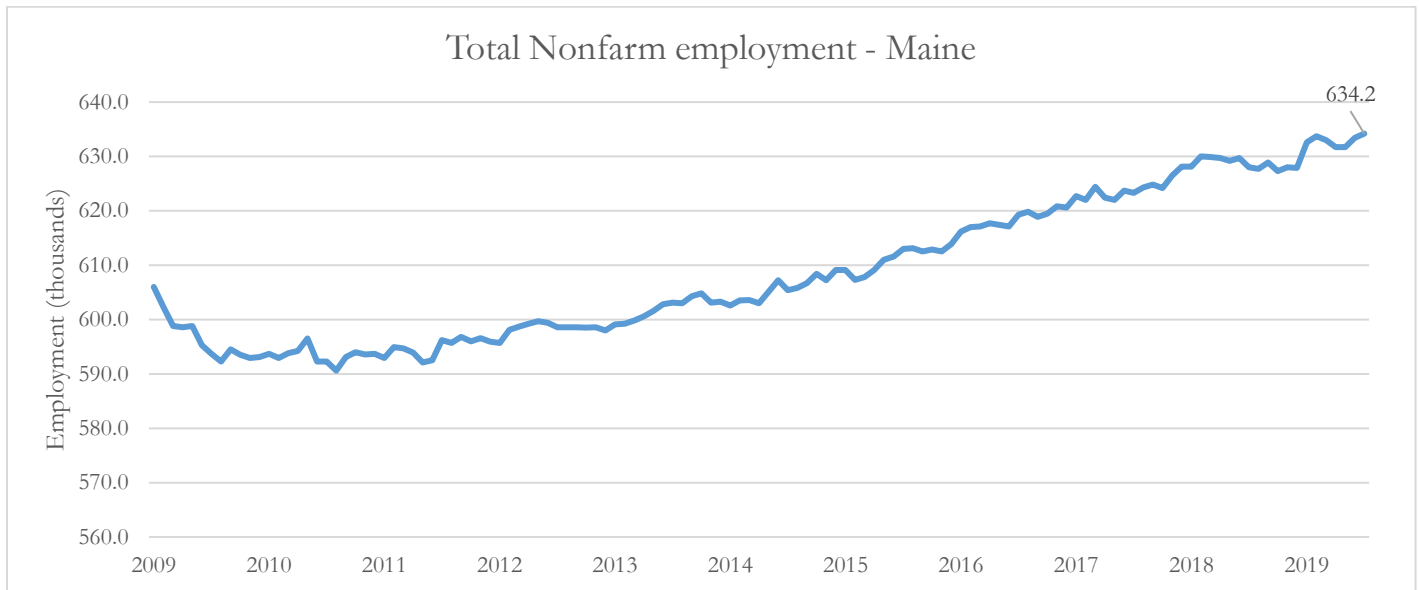
3.3.2 Labor Force Participation Rate: August 2019 = 62.4%

Labor force has remained stable in the past few years, although it has seen a decline in recent months. Compared to the United States, the past two months have seen an increasing divergence from the national trend. Preliminary estimates for Maine's labor force participation rate in August 2019 was the lowest since November 2015, and .8 percentage points lower than August 2018.



3.3.3 Total Nonfarm Payroll Job Estimates: August 2019 = 634,200

Compared to August 2018, Maine's growth in total nonfarm employment is equal to growth in New England, at 1.1%. This lags the US rate of 1.4% slightly, although the gap in local and national growth rates has trended towards convergence in recent months.

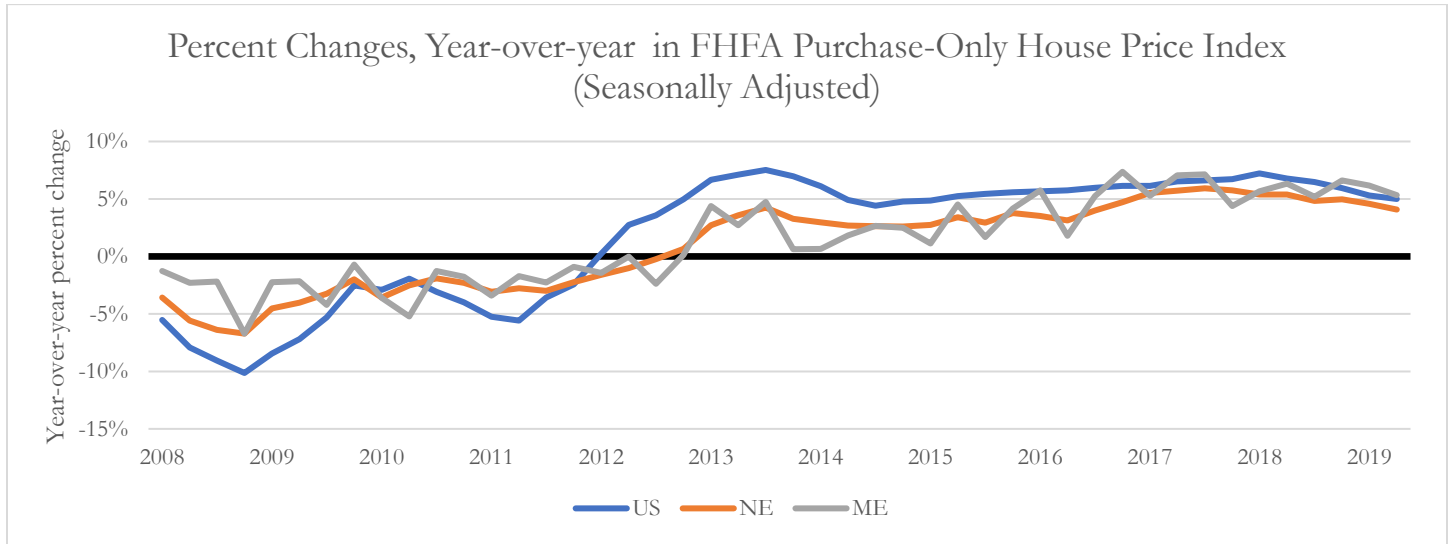


3.4 Housing Prices

In the second quarter of 2019, the housing price index (HPI) in Maine, New England, and the U.S. continued to rise compared to the first of 2019. 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 increased by 1.6 percent from the previous quarter (2019:Q1 to 2019:Q2). Maine’s year-over-year HPI growth rate was higher than both the regional growth rate and the national growth rate at 5.3%.

Additionally, the MEREDA Index declined by 2 percent from 2018:Q3-2019:Q1, driven by a decline in commercial real estate activity. The index, released every third and first quarter, “is a composite of nine seasonally adjusted measures reflecting both new development and transactions involving existing properties and it covers both the commercial and residential markets statewide.”

Reference Period		Maine	New England	United States
2019:Q1 - 2019:Q2	HPI percent change from previous quarter	1.6%	0.8%	1.0%

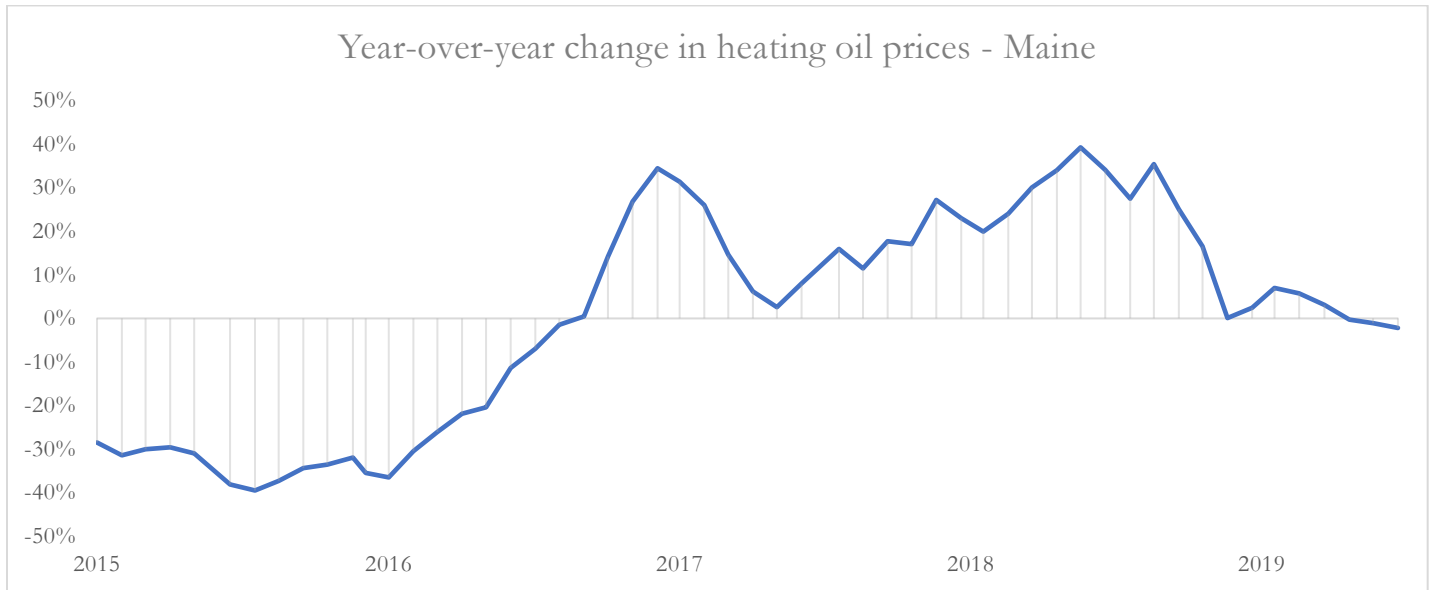


3.4.1 Median Housing Prices and Units Sold – County (August 2019)

Geography	No. of Units Sold	One Year Change	Median Sale Price	One Year Change	One Month Change
Androscoggin	133	-2.21%	\$185,000.00	9.34%	0.8%
Aroostook	79	21.54%	\$115,000.00	15.00%	18.6%
Cumberland	490	7.22%	\$322,500.00	7.14%	-5.8%
Franklin	44	-18.52%	\$134,500.00	-2.18%	-23.4%
Hancock	89	5.95%	\$227,500.00	-20.18%	0.2%
Kennebec	212	16.48%	\$185,000.00	5.71%	5.4%
Knox	64	-5.88%	\$229,250.00	-15.87%	-1.4%
Lincoln	65	-12.16%	\$267,500.00	7.43%	14.8%
Oxford	108	-2.70%	\$187,250.00	6.39%	15.9%
Penobscot	234	23.16%	\$152,000.00	-1.62%	-9.4%
Piscataquis	46	-4.17%	\$139,500.00	20.26%	7.3%
Sagadahoc	59	9.26%	\$220,000.00	4.02%	-9.9%
Somerset	63	-13.70%	\$132,000.00	13.79%	5.6%
Waldo	50	-20.63%	\$191,000.00	-9.05%	-1.3%
Washington	50	35.14%	\$133,750.00	-0.93%	-6.5%
York	352	-6.38%	\$299,166.00	6.29%	1.4%
Maine	2138	3.19%	\$230,000.00	4.55%	0%

3.5 Heating Oil Prices: September 9, 2019 = \$2.61 per gallon

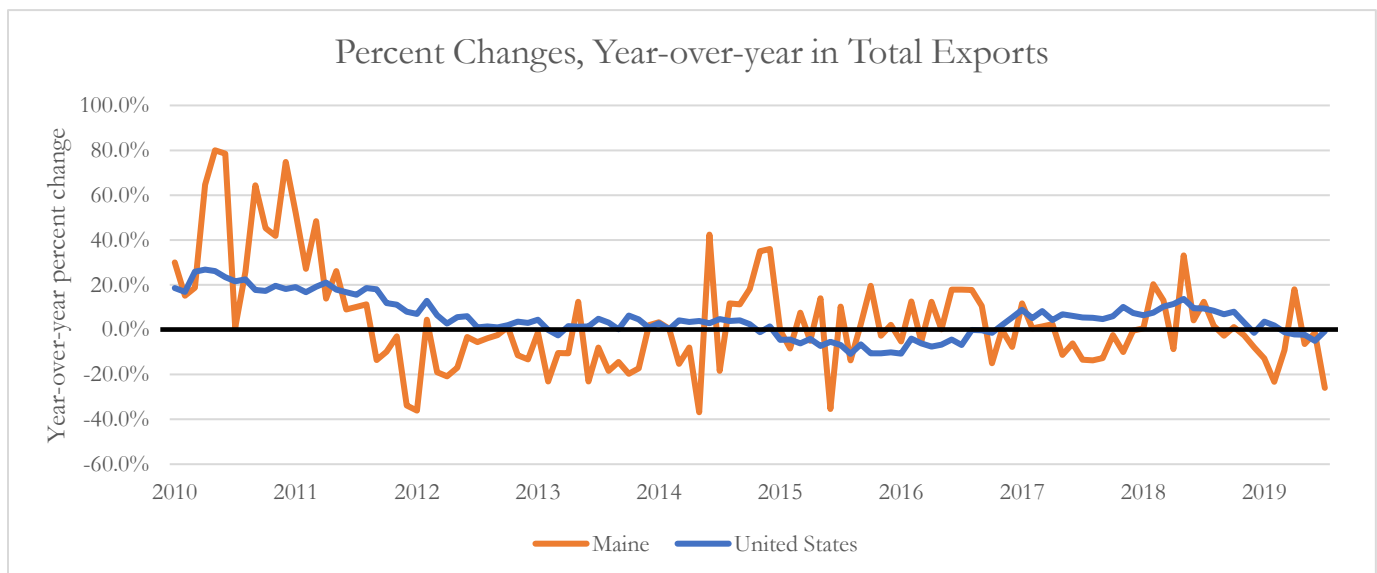
In September 2019, heating oil prices were 12 percent lower than October 2018. The most recent price, \$2.61 per gallon, is the lowest since December 2017. It is important to note that the numbers represented below are statewide averages and spot prices. Therefore, prices vary across geographic regions within the state. Average prices were highest in Northern Maine at \$2.72 per gallon, and lowest in Southwest Maine at \$2.59 per gallon. Heating oil releases are regularly updated between October and March as well as occasionally during the summer months.



3.6 Trade Outlook

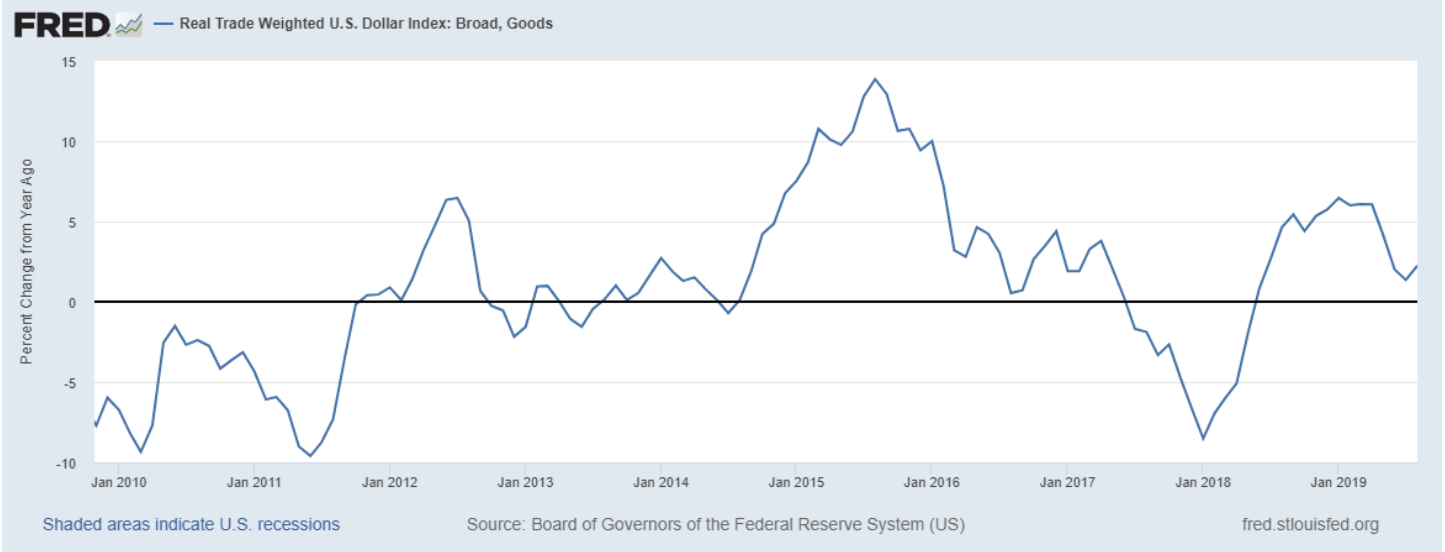
3.6.1 Exports

Year-over-year comparisons show that compared to July 2018, total exports for July 2019 in Maine decreased by 25.9 percent. Conversely, year-over-year comparisons show that total exports decreased by 0.7 percent nationally and 7.1 percent across New England. The top 3 exported goods were Civilian Aircraft, engines & parts, lobster, and electronic integrated circuits at 15.1%, 7.5% and 6.9% of total exports in July 2019, respectively.

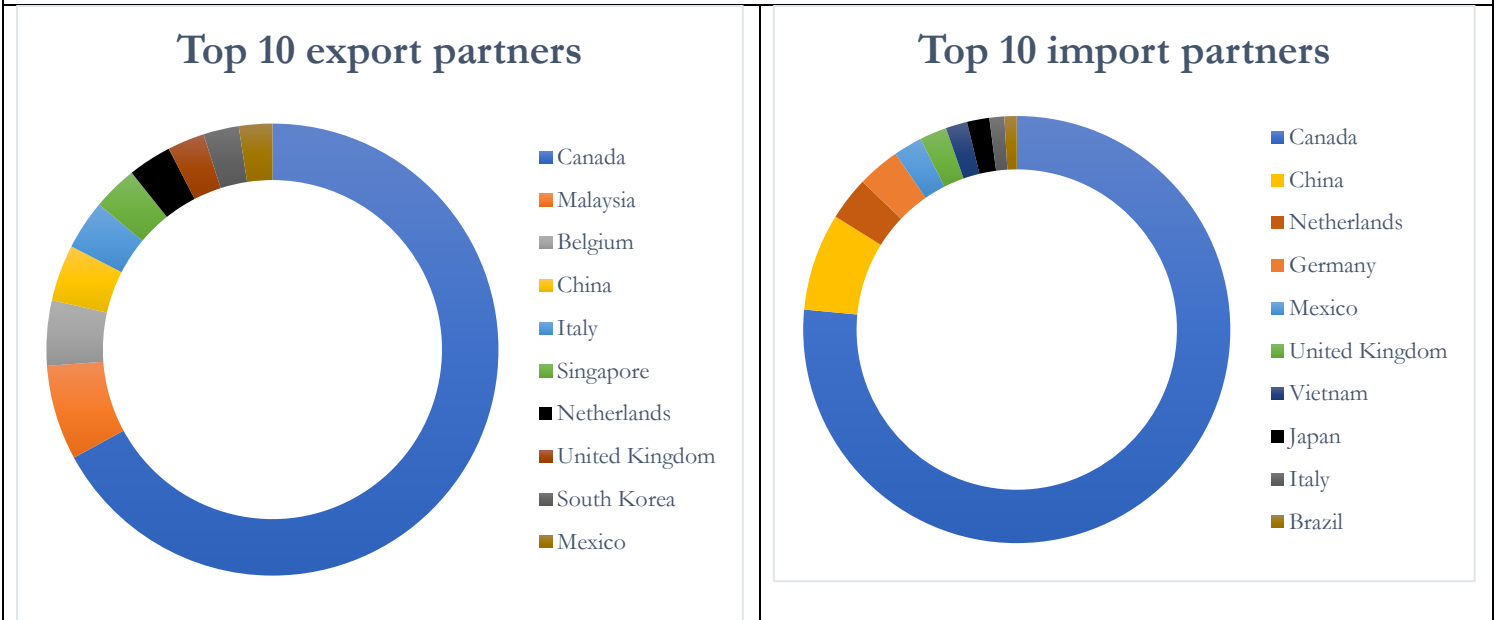


3.6.2 Real Trade Weighted Value of the Dollar (RTWVD)

This index compares the value of the dollar against the currencies of the countries with which Maine trades. For the month of August 2019, Canada (53.8%), Malaysia (5.4%) and Belgium (3.7%) are the top three export destinations, while Maine’s top three import partners are Canada (68.1%), China (6.6%) and Netherlands (2.9%). 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 August 2018, Maine’s RTWVD has increased by 2.24%.



July 2019 Trading Partners



4 Appendix

4.1 Data Sources

Indicator	Source	Reference Period	Release Date
Population: estimates and percent change	Census Bureau – Pop. Ests.	2018	December 19, 2018
Net migration: total and percent change	Census Bureau – Pop. Ests.	2018	April 18, 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	2017	October 4, 2018
Per capita personal income	U.S. Bureau of Economic Analysis	2019:Q2	September 24, 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:Q1	July 25, 2019
GDPNow	Atlanta Fed	2019:Q3	September 27, 2019
GDP-Based Recession Indicator Index	Hamilton, James/FRED	2019:Q1	July 29, 2019
Personal income: total, per capita, and wages and salaries	U.S. Bureau of Economic Analysis	2019:Q2	September 24, 2019
Unemployment rate	U.S. Bureau of Labor Statistics	August 2019	September 18, 2019
Labor force participation	U.S. Bureau of Labor Statistics	August 2019	September 18, 2019
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	August 2019	September 18, 2019
Housing price index	Federal Housing Finance Agency	2019:Q1	August 27, 2019
MEREDA Index	Maine Real Estate & Development Association	2019Q1	May 8, 2019
Housing: Units and Median Sale Price	Maine Association of REALTORS®	August 2019	September 22, 2019
Energy prices	Maine Governor’s Energy Office	September 2019	September 9, 2019
Exports	Census Bureau – USA Trade Online	July 2019	September 4, 2019
Real trade weighted value of the dollar	Federal Reserve Bank of Dallas	August 2019	September 2019
Export and Import Partners	Census Bureau – USA Trade Online	July 2019	September 4, 2019

4.2 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 refinancings 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.