

# Maine Economic Indicators

September 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.

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.

**It is important to note that some data may precede the full onset of COVID-19. Please also note that changes in economic indicators cannot uniquely be interpreted as the impact of COVID-19.**

# 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%          |
| 2019             | Average earnings per job                | \$51,980  | \$71,826    | \$64,180      |
| 2018-2019        | Average earnings per job percent change | 3.6%      | 2.7%        | 2.6%          |
| August 2020      | Unemployment rate                       | 6.9%      | 9.5%        | 8.4%          |
| August 2020      | Total private nonfarm employment        | 478,600   | 5,860,200   | 119,000,000   |
| August 2020      | Labor Force                             | 677,635   | 7,697,447   | 160,838,000   |
| August 2020      | Labor Force Participation Rate          | 60.7%     | N/A         | 61.7%         |

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

|                                   |         |         |         |         |                 |
|-----------------------------------|---------|---------|---------|---------|-----------------|
| <b>Real GDP</b>                   | 2019:Q2 | 2019:Q3 | 2019:Q4 | 2020:Q1 | 2019:Q1-2020:Q1 |
| Maine                             | 0.6     | 2.1     | 1.9     | -6.3    | -0.8            |
| New England                       | 1.3     | 2.1     | 1.8     | -5.2    | -0.5            |
| United States                     | 2.0     | 2.1     | 2.1     | -5.0    | -0.3            |
| <b>Total Personal Income</b>      | 2019:Q3 | 2019:Q4 | 2020:Q1 | 2020:Q2 | 2019:Q2-2020:Q2 |
| Maine                             | 3.1     | 3.7     | 4.5     | 41.0    | 12.0            |
| New England                       | 0.7     | 2.4     | 4.4     | 50.8    | 12.9            |
| United States                     | 2.6     | 3.5     | 4.1     | 34.2    | 10.4            |
| <b>Per Capita Personal Income</b> | 2019:Q  | 2019:Q4 | 2020:Q1 | 2020:Q2 | 2019:Q2-2020:Q2 |
| Maine                             | 2.7     | 3.2     | 4.2     | 40.5    | 11.6            |
| New England                       | 0.5     | 2.2     | 4.3     | 50.7    | 12.7            |
| United States                     | 2.0     | 2.9     | 3.7     | 33.6    | 9.8             |
| <b>Wages &amp; Salaries</b>       | 2019:Q3 | 2019:Q4 | 2020:Q1 | 2020:Q2 | 2019:Q2-2020:Q2 |
| Maine                             | 4.04.2  | 4.6     | 3.5     | -28.8   | -5.3            |
| New England                       | 0.2     | 3.5     | 4.7     | -25.6   | -5.2            |
| United States                     | 1.6     | 4.9     | 4.4     | -25.8   | -4.7            |

## 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<br>(Maine ranks 16 <sup>th</sup> in the U.S.) | 5.6%      | 0.00%       | 1.8%          |
| 2019             | Median age, years (American Community Survey)                                    | 45.1      | 40.9        | 38.5          |
| 2019             | Associate degree: percent of population age 25 and above                         | 10.0%     | 8.1%        | 8.6%          |
| 2019             | Bachelor's degree: percent of population age 25 and above                        | 20.8%     | 23.2%       | 20.3%         |
| 2019             | Graduate or professional degree: percent of population age 25 and above          | 12.4%     | 17.8%       | 12.8%         |
| 2019             | Percent of population below poverty level  | 10.9%     | 9.6%        | 12.3%         |
| 2019             | Median family income   | \$76,316  | \$99,309    | \$80,944      |
| 2019             | Median household income  | \$58,924  | \$77,482    | \$65,712      |
| 2018             | Per capita personal consumption expenditures                                     | \$45,497  | \$52,515    | \$42,757      |
| 2019             | Per capita disposable personal income  | \$45,508  | \$60,060    | \$49,788      |

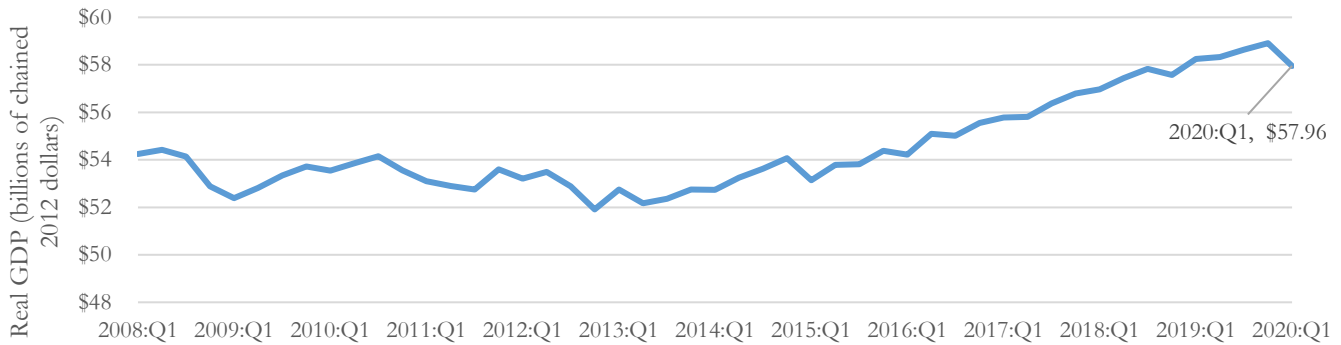
## 3 Monthly and Quarterly Indicators

### 2.1 Gross Domestic Product (GDP)

Real GDP in Maine increased by fell by 6.3 percent from the preceding quarter (2019:Q4 to 2020:Q1), lower than New England (-5.2 percent) and the United States (-5.0 percent) and 45<sup>th</sup> in the country. The industry sectors that contributed the most to Maine's first quarter decline in GDP were accommodation and food services (-1.22 percentage points); health care and social assistance (-1.16 percentage points); finance and insurance (-0.61 percentage points); retail trade (-0.49 percentage points); arts, entertainment, and recreation (-0.46 percentage points); and durable goods manufacturing (-0.43 percentage points). Three sectors contributed slight gains in GDP: construction (+0.14 percentage points); management of companies and enterprises (+0.04 percentage points); and utilities (+0.01 percentage points).

| Reference Period |                             | Maine          | United States   |
|------------------|-----------------------------|----------------|-----------------|
| 2020:Q1          | Total GDP (Current dollars) | \$67.8 billion | \$21.5 trillion |

## Real GDP (billions of chained 2012 dollars) - Maine



### 2.1.1 GDPNow

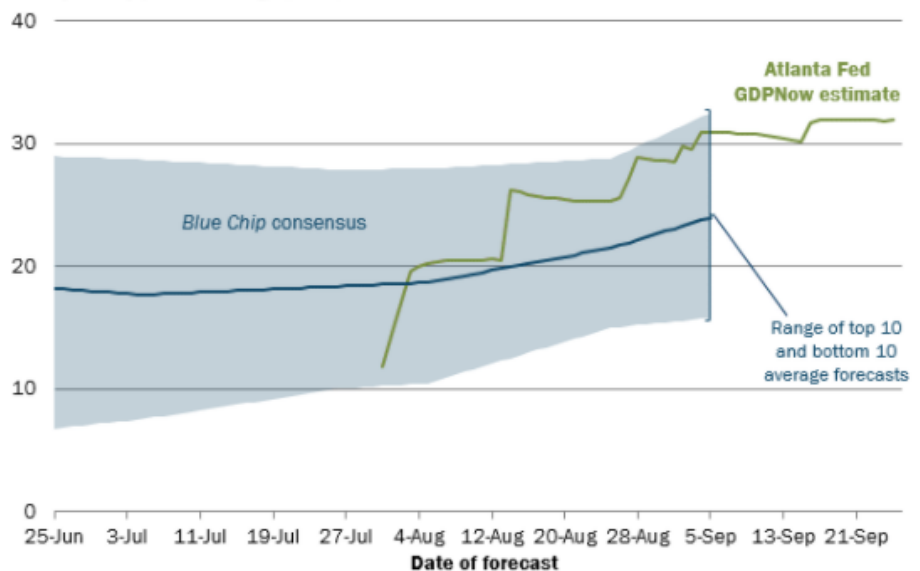
GDPNow, which is reported by the Atlanta Fed, is “a running estimate of real GDP growth based on available data for the current quarter.” This model uses a similar methodology to the one used by Bureau of Economic Analysis in their official GDP estimates and is revised each time the monthly source data is updated. The latest forecast (September 25, 2020) estimates that real GDP will **increase by 32.0 percent** in the second quarter of 2020. *Note that this is an annualized growth rate, meaning that the economy would grow by 32.0 percent in the year 2020 if each quarter were identical to Q3, thus it does not mean the economy grew 32.0 percent over the previous quarter.*



**GDPNow is not an official forecast of the Atlanta Fed.** Rather, it is best viewed as a running estimate of real GDP growth based on available economic data for the current measured quarter. There are no subjective adjustments made to GDPNow—the estimate is based solely on the mathematical results of the model.

In particular, **it does not capture the impact of COVID-19 and social mobility** beyond their impact on GDP source data and relevant economic reports that have already been released. It does not anticipate their impact on forthcoming economic reports beyond the standard internal dynamics of the model.

**Evolution of Atlanta Fed GDPNow real GDP estimate for 2020: Q3**  
Quarterly percent change (SAAR)



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.

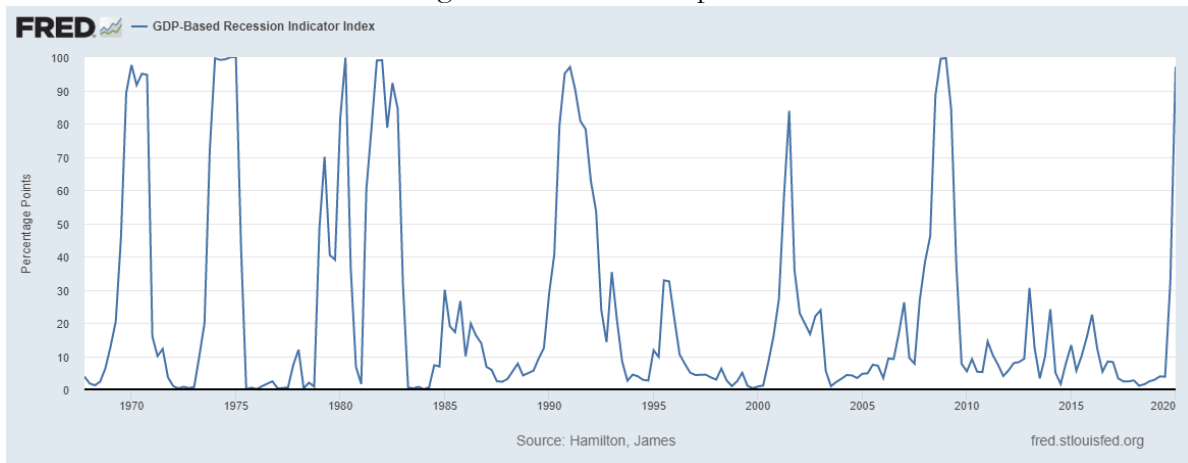
## 2.1.2 Recession Indicators

On June 8, 2020 the National Bureau of Economic Research (NBER) declared that the United States was officially in recession starting in February.

### 2.1.3 GDP-Based Recession Indicator Index (Hamilton)

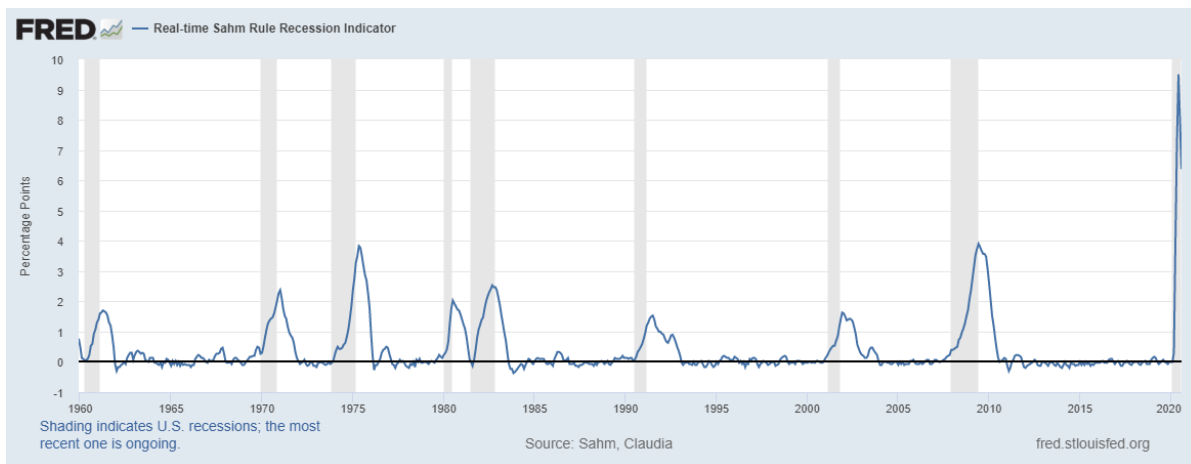
The GDP-Based Recession Indicator Index is 97.1 percentage points (2020:Q1), up significantly from 32.5 points in the previous quarter. This indicates that the national economy is in recession, as declared by NBER in February.

The index ranges from 0 to 100, and values above 67 provide a historically reliable indicator that the economy is in recession<sup>1</sup>. This method is purely objective in nature, rather than the NBER's subjective recession analysis. This index is calculated with a one quarter lag, which allows for extra insight and accounts for data revisions to make dependable inference. This index does not get revised once it is published.



### 2.1.4 Real-time Sahm Rule Recession Indicator

Additionally, the Real-time Sahm Rule Recession Indicator<sup>2</sup> 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. In August 2020, this indicator showed that the three-month average of national U3 was 6.37 percentage points over its 12-month low. This is lower than the previous month, as the unemployment rate has fallen, however it still is a strong confirmation that the economy remains in recession.



<sup>1</sup> Created by Dr. James Hamilton, University of California San Diego

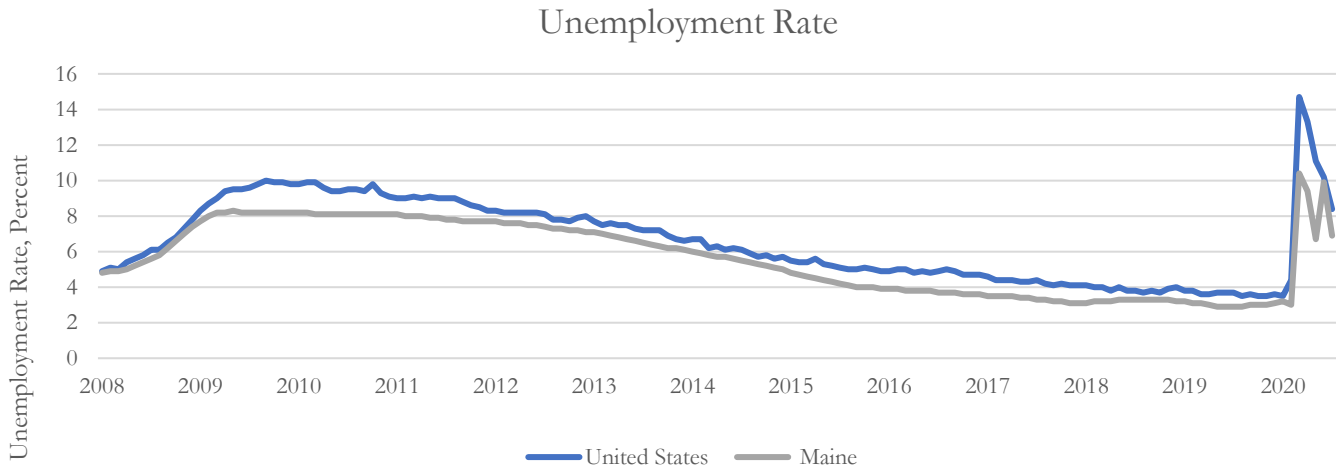
<sup>2</sup> Created by Dr. Claudia Sahm, Federal Reserve Board of Governors

## 2.2 Labor Markets

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 which 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.

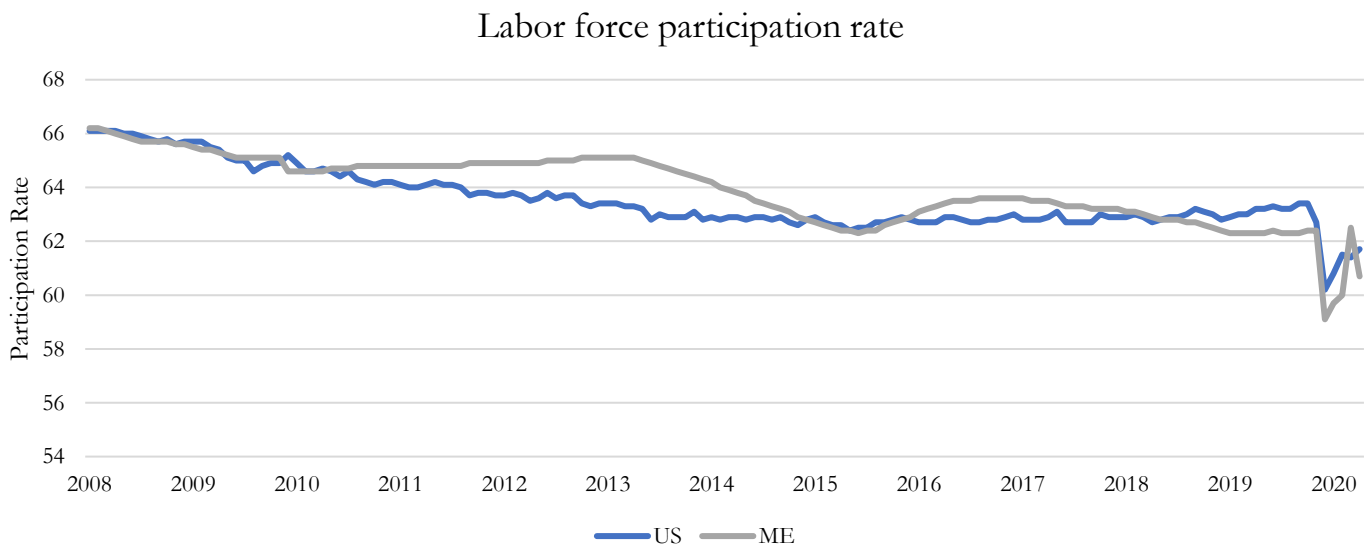
### 2.2.1 Unemployment Rate: August 2020 = 6.9%

Unemployment rates remained erratic in August, falling back down to 6.9% in Maine, compared to 8.4% nationally. This drop comes along with a drop in overall labor force participation. The Maine Department of Labor cautions that the pandemic's effect on survey operations has contributed to abnormally large error and estimates an alternative unemployment rate at 9.9% in Maine.



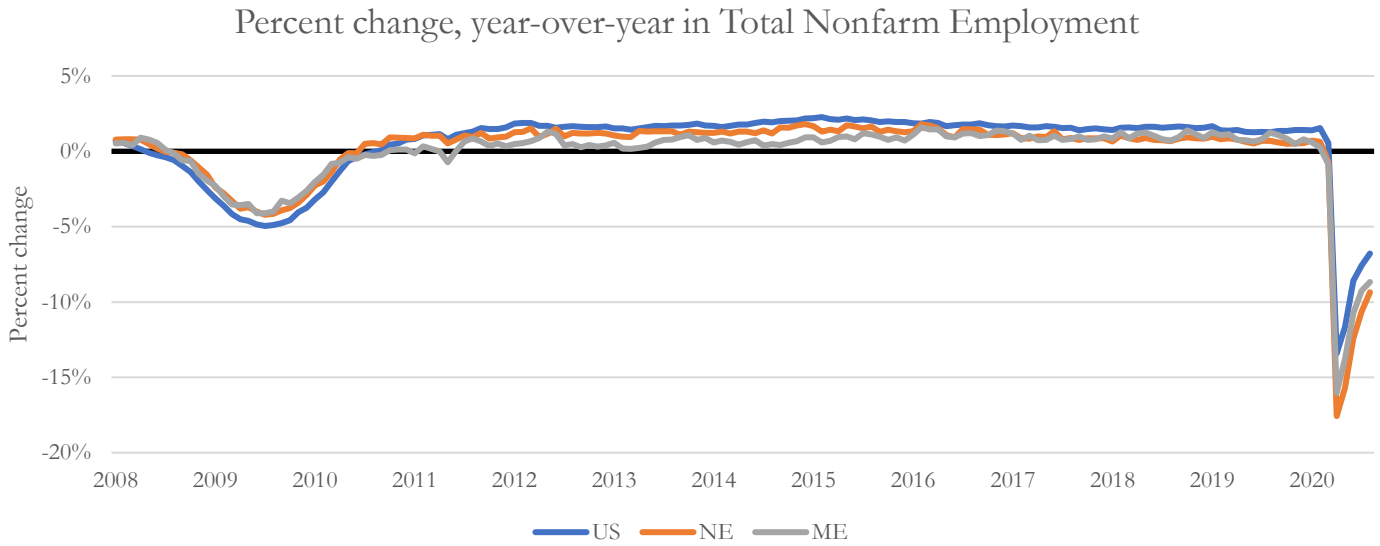
### 2.2.2 Labor Force Participation Rate: August 2020 = 60.7%

Labor force participation fell once again in Maine in August, to 60.7%, below the nation's 61.7 percent. Maine's labor market conditions have been erratic, showing drastic changes in the past several months of the pandemic. It is unclear, beyond survey error, what the causes of these changes might be.



### 2.2.3 Total Nonfarm Payroll Job Estimates: August 2020 = 582,000

Seasonally adjusted total nonfarm employment grew by 6,100 in Maine, 99,400 in New England and 1.4 million nationwide in August. The two industries with the largest gains were Leisure & Hospitality (+1,700) and Healthcare and Social Assistance (+1,200). However, employment is far from recovered to pre-pandemic levels. Maine's employment level remains 8.7% below August 2019 levels, while New England and the U.S. fall below August 2019 by 9.3% and 6.8%, respectively.



## 2.3 Housing

### 2.3.1 Sales

Home sales were up 1.3% statewide in August compared to a year ago. Meanwhile, the median sale price of single-family homes in Maine was 17.4% higher than in August 2019, at \$270,000. The greatest growth in median sale price occurred in several rural counties such as Waldo, Sagadahoc, Washington, and Piscataquis which all saw increases over 30%.

| Geography    | No. of Units Sold | One Year Change (units) | Median Sale Price | One Year Change (Price) | One Month Change (Price) |
|--------------|-------------------|-------------------------|-------------------|-------------------------|--------------------------|
| Androscoggin | 127               | -4.5%                   | \$225,000         | 21.6%                   | 3.8%                     |
| Aroostook    | 101               | 27.9%                   | \$101,000         | -12.2%                  | -6.5%                    |
| Cumberland   | 472               | -3.7%                   | \$395,000         | 22.5%                   | 6.8%                     |
| Franklin     | 45                | 2.3%                    | \$190,000         | 41.3%                   | -9.5%                    |
| Hancock      | 115               | 29.2%                   | \$250,000         | 9.9%                    | 9.2%                     |
| Kennebec     | 191               | -9.9%                   | \$218,000         | 17.8%                   | 8.1%                     |
| Knox         | 70                | 9.4%                    | \$295,500         | 28.9%                   | 25.7%                    |
| Lincoln      | 90                | 38.5%                   | \$294,450         | 10.1%                   | 11.1%                    |
| Oxford       | 107               | -0.9%                   | \$202,000         | 7.9%                    | 4.9%                     |
| Penobscot    | 220               | -6.0%                   | \$175,500         | 15.5%                   | 3.3%                     |
| Piscataquis  | 55                | 19.6%                   | \$185,000         | 32.6%                   | 15.9%                    |
| Sagadahoc    | 46                | -22.0%                  | \$297,500         | 35.2%                   | 10.2%                    |
| Somerset     | 76                | 20.6%                   | \$153,700         | 16.4%                   | -0.8%                    |
| Waldo        | 68                | 36.0%                   | \$262,000         | 37.2%                   | 27.8%                    |
| Washington   | 55                | 10.0%                   | \$180,000         | 34.6%                   | 38.5%                    |
| York         | 328               | -6.8%                   | \$363,350         | 21.5%                   | 7.5%                     |
| <b>Maine</b> | <b>2,166</b>      | <b>1.3%</b>             | <b>\$270,000</b>  | <b>17.4%</b>            | <b>5.9%</b>              |

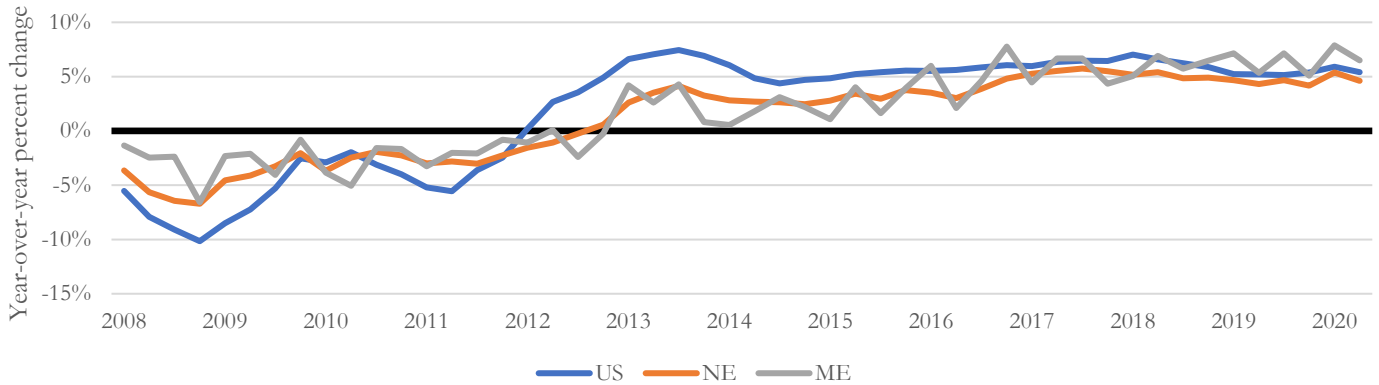
### 2.3.2 House Price Index

In the second quarter of 2020, the housing price index (HPI) in Maine, New England, and the U.S. continued to rise. 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 0.4 percent from the previous quarter (2020:Q1 to 2020:Q2). Maine’s year-over-year HPI growth rate was higher than both the regional growth rate and the national growth rate at 6.5% compared to 4.6% in both New England and the U.S.

| Reference Period |  | Maine | New England | United States |
|------------------|--|-------|-------------|---------------|
| 2020:Q1-2020:Q2  | HPI percent change from previous quarter | 0.4%  | 0.4%        | 0.8%          |



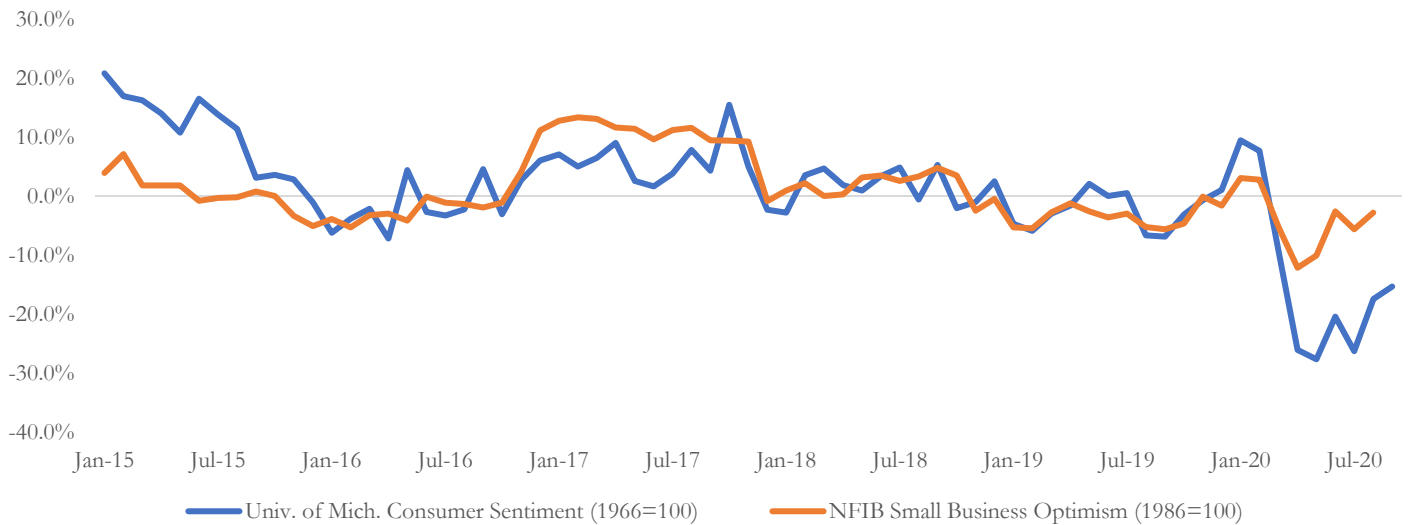
## Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



### 3 Sentiment

The Michigan Survey of Consumers indicates that the index of overall consumer sentiment grew slightly, 2.2% from July to August and 6.5% in September. This index remains 15.3% lower than September of 2019. The National Federation of Independent Business's Small Business Optimism index also shows a slight increase in sentiment in August, up 1.4% month-over-month and coming in -2.8% below August 2019. September data are not yet available for the latter index.

#### Market Sentiment: Year-Over-Year Change

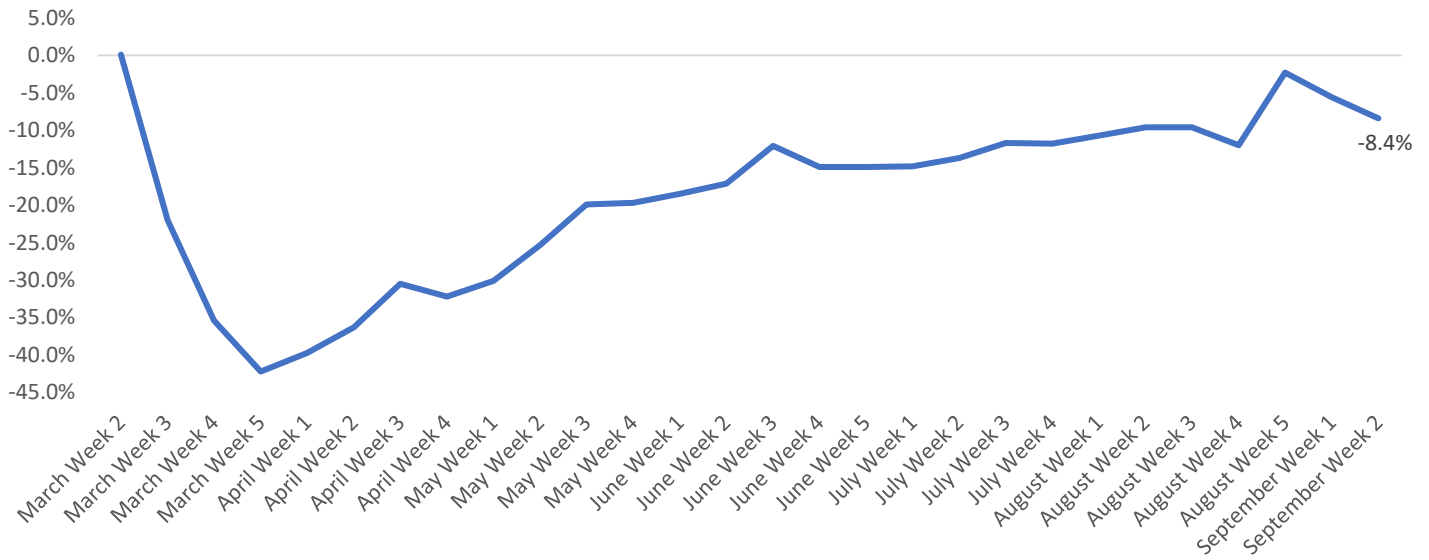


### 4 COVID-19 Indicators

#### 4.1 Traffic changes

Vehicle miles traveled (VMT) measures the amount of travel that has taken place for all vehicles throughout the state and can be interpreted as the sum of miles traveled across all vehicles. For the second week of September (ending September 19), statewide VMT was 8.4% lower than it was in the same week of 2019, after ticking up during Labor Day weekend. This is down from the previous week (-5.6% week ending September 12). The VMT gap is largest in Piscataquis County (-14.4%) and Waldo County (-11.9%) and smallest in Aroostook (-4.9%) and Hancock (-6.4%).

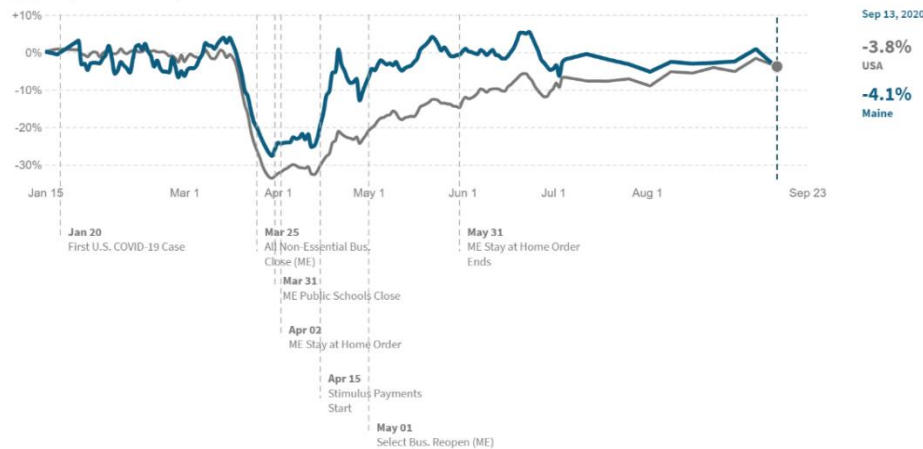
## Year-Over-Year % Change in Vehicle Miles Traveled



## 4.2 Consumer Spending

### Percent Change in All Consumer Spending\*

In **Maine**, as of September 13 2020, total spending by all consumers decreased by **4.1%** compared to January 2020.



\*Change in average consumer credit and debit card spending, indexed to January 4-11, 2020 and seasonally adjusted. This series reflects daily data through July 5th, 2020 and weekly data after July 5th, 2020. This series is based on data from Affinity Solutions.  
 last updated: September 22, 2020 next update expected: September 29, 2020

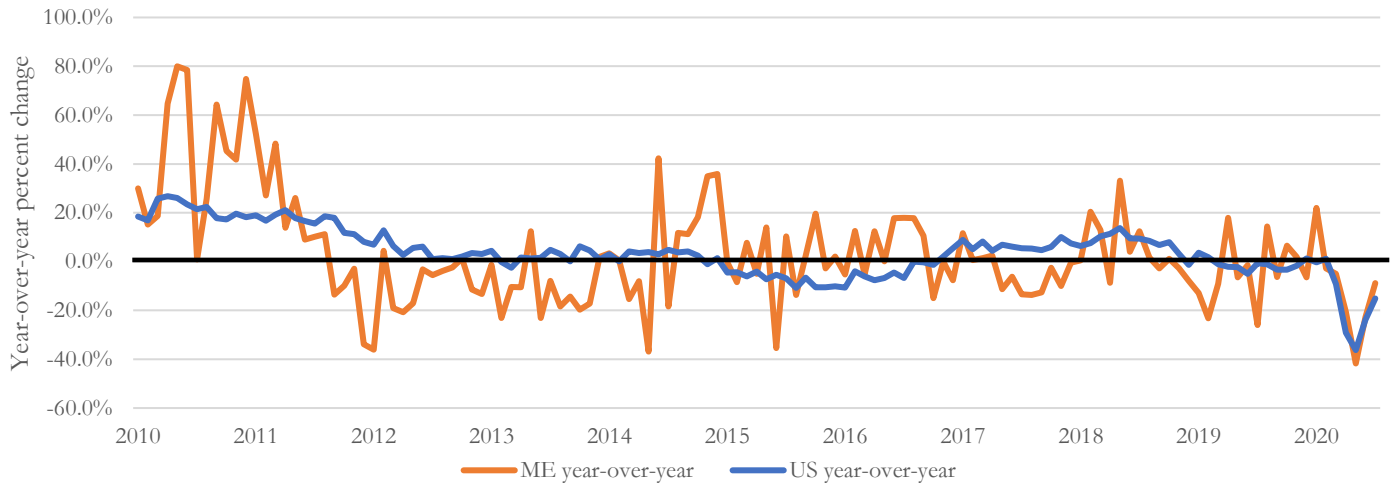
Credit and debit transactions data<sup>3</sup> shows that consumer spending by Mainers as of September 13<sup>th</sup> is 4.1% below the average level of spending in January 2020, seasonally adjusted, compared to -3.8% nationally. Relative recovery in spending is primarily driven by spending on apparel & general merchandise and spending from low- and middle-income ZIP codes. These data also show that spending picked up quickly after the disbursements of federal stimulus payments, however there has been little movement since late June.

<sup>3</sup> The Opportunity Insights Economic Tracker compiles credit and debit card spending to measure overall consumer spending in all states in the U.S. Note that this data collates spending by cardholders based in Maine, not by location of the transaction.

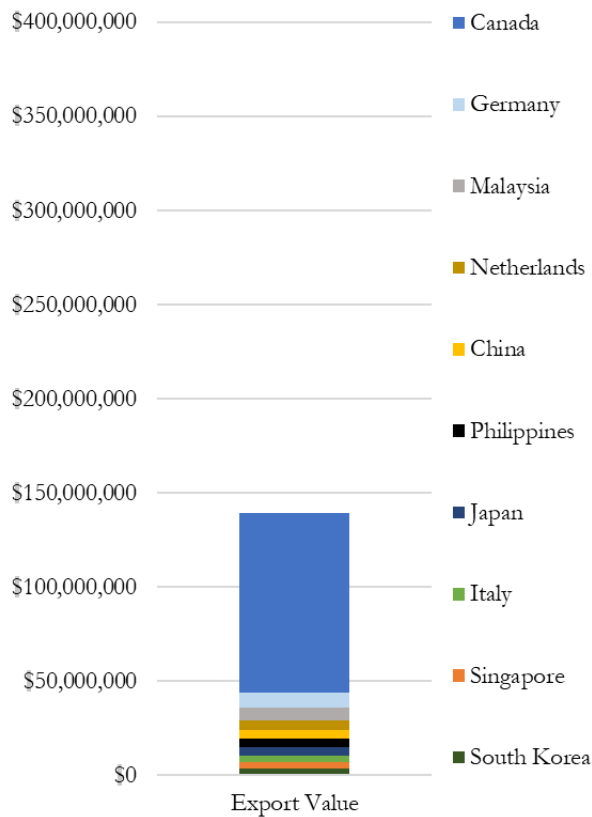
## 5 Trade Outlook

In July 2020, total exports were down 8.8% in Maine and 15.2% nationwide compared to July 2019. Maine's top export partner was Canada, which accounted for 67% of imports and 56% of exports. Total imports to Maine were valued at \$406,240,847 while exports totaled \$168,515,486.

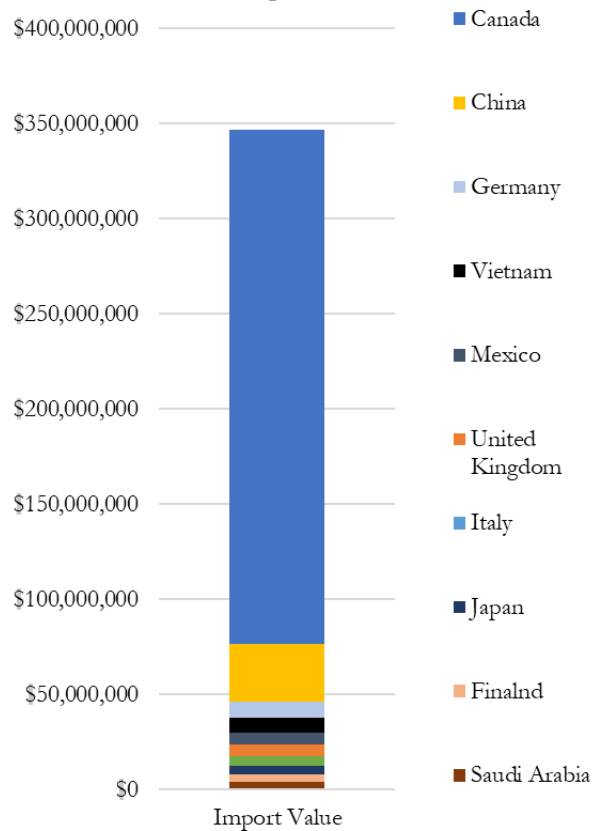
Percent Changes, Year-over-year in Total Exports



Value of exports to top 10 export partners



Value of imports from top 10 import partners



# Appendix

## 5.1 Data Sources

| Indicator  | Source  | Reference Period   | Release Date       |
|--|---|--------------------|--------------------|
| <a href="#">Population: estimates and percent change</a>                   | Census Bureau – Pop. Ests.                    | 2019               | December 30, 2019  |
| <a href="#">Net migration: total and percent change</a>                    | Census Bureau – Pop. Ests.                    | 2019               | December 30, 2019  |
| <a href="#">Median age</a>   | American Community Survey 1 year              | 2019               | September 17, 2020 |
| <a href="#">Educational attainment</a>                                     | Census Bureau – ACS 1-year                    | 2019               | September 17, 2020 |
| <a href="#">Poverty level</a>  | Census Bureau – ACS 1-year                    | 2019               | September 17, 2020 |
| <a href="#">Income</a>   | Census Bureau – ACS 1-year                    | 2019               | September 17, 2020 |
| <a href="#">Per capita personal consumption expenditure</a>                | U.S. Bureau of Economic Analysis              | 2018               | October 3, 2019    |
| <a href="#">Per capita personal income</a>                                 | U.S. Bureau of Economic Analysis              | 2020:Q2            | September 24, 2020 |
| <a href="#">Average earnings per job</a>                                   | U.S. Bureau of Economic Analysis              | 2018               | September 24, 2019 |
| <a href="#">Gross domestic product</a>                                     | U.S. Bureau of Economic Analysis              | 2020:Q1            | July 7, 2020       |
| <a href="#">GDPNow</a>   | Atlanta Fed                                   | 2020:Q3            | August 26, 2020    |
| <a href="#">GDP-Based Recession Indicator Index</a>                        | Hamilton, James/FRED                          | 2020:Q1            | July 30, 2020      |
| <a href="#">Real-time Sahm Rule Recession Indicator</a>                    | Sahm, Claudia/FRED                            | August 2020        | September 4, 2020  |
| <a href="#">Personal income: total, per capita, and wages and salaries</a> | U.S. Bureau of Economic Analysis              | 2020:Q2            | September 24, 2020 |
| <a href="#">Unemployment rate</a>  | U.S. Bureau of Labor Statistics               | August 2020        | September 18, 2020 |
| <a href="#">Labor force participation</a>                                  | U.S. Bureau of Labor Statistics               | August 2020        | September 18, 2020 |
| <a href="#">Nonfarm payroll job estimates</a>                              | U.S. Bureau of Labor Statistics               | August 2020        | September 18, 2020 |
| <a href="#">Housing price index</a>  | Federal Housing Finance Agency                | 2020:Q1            | August 25, 2020    |
| <a href="#">Housing: Units and Median Sale Price</a>                       | Maine Association of REALTORS®                | August 2020        | September 22, 2020 |
| <a href="#">Index of Consumer Sentiment</a>                                | Michigan Survey of Consumers                  | September 2020     | September 2020     |
| <a href="#">Small Business Optimism Index</a>                              | National Federation of Independent Businesses | August 2020        | September 2020     |
| Vehicle Miles Traveled   | Maine Department of Transportation            | September 19, 2020 | September 28, 2020 |
| <a href="#">Consumer Spending</a>  | Affinity Solutions & Opportunity Insights     | September 13, 2020 | September 2020     |
| <a href="#">Imports &amp; Exports</a>                                      | USA Trade Online                              | July 2020          | September 3, 2020  |

## 5.2 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 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.