

Maine Economic Indicators

February 2022



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.

Please note that changes in economic indicators cannot uniquely be interpreted as the impact of COVID-19.

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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
2021	Total population	1,372,247	15,092,739	331,893,745
2020-2021	Annual population percent change	0.7%	-0.05%	0.1%
2010-2020	Cumulative population percent change	2.6%	4.7%	7.4%
2020	Average earnings per job	\$56,760	\$78,373	\$69,204
2019-2020	Average earnings per job percent change	8.2%	7.6%	7.1%
December 2021	Unemployment rate*	4.7%	4.3%	3.9%
December 2021	Total private nonfarm employment*	520,400	6,301,600	127,043,000
December 2021	Labor Force*	677,134	7,808,300	162,294,000
December 2021	Labor Force Participation Rate*	60.1%	N/A	61.9%

*Labor market statistics for January 2022 will be available in next month's edition

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

Real GDP	2020:Q4	2021:Q1	2021:Q2	2021:Q3	2020:Q3-2021:Q3
Maine	3.8	1.3	5.5	1.7	3.1
New England	3.5	3.7	7.1	2.6	4.2
United States	4.5	6.3	6.7	2.3	4.9
Total Personal Income	2020:Q4	2021:Q1	2021:Q2	2021:Q3	2020:Q3-2021:Q3
Maine	3.1	60.7	-24.9	0.8	5.8
New England	-1.2	41.0	-13.7	1.3	5.0
United States	-4.6	56.9	-20.2	2.6	5.2
Per Capita Personal Income	2020:Q4	2021:Q1	2021:Q2	2021:Q3	2020:Q3-2021:Q3
Maine	2.8	60.5	-25.1	0.5	5.6
New England	-1.2	41.3	-13.5	1.4	5.2
United States	-5.0	56.6	-20.4	2.3	4.9
Wages & Salaries	2020:Q4	2021:Q1	2021:Q2	2021:Q3	2020:Q3-2021:Q3
Maine	15.4	-2.2	16.6	9.8	9.6
New England	17.6	-2.7	18.6	10.1	10.6
United States	16.9	4.0	12.8	11.6	11.2

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
2021	Total population	1,372,247	15,092,739	331,893,745
2020-2021	Annual population percent change	0.7%	-0.05%	0.1%
2010-2020	Cumulative population percent change	2.6%	4.7%	7.4%
2021	Births	11,291	136,347	3,581,986
2021	Deaths	17,635	159,721	3,433,943
2021	Net migration	16,340	13,765	244,622
2020-2021	Annual rate of total net migration, per thousand (Maine ranks 7 th in the U.S.)	1.2%	.1%	0.1%
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
2020	Per capita personal consumption expenditures	\$45,272	\$50,154	\$42,635
2020	Per capita disposable personal income	\$49,072	\$64,398	\$53,080

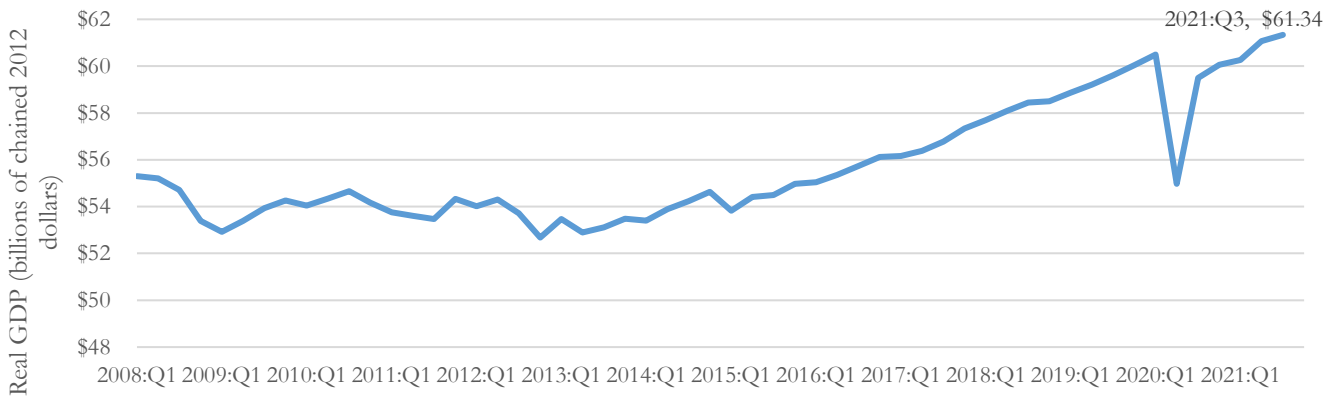
3 Quarterly and Monthly Indicators

3.1 Gross Domestic Product (GDP)

Real GDP in Maine grew by 1.7 percent from the preceding quarter at an annual rate (2021:Q2 to 2021:Q3), ranking 25th in the U.S. and fourth in New England. The industry sectors that contributed the most to Maine's third quarter growth in real GDP were accommodation and food services (0.55 percentage points), professional, scientific and technical services (0.55 percentage points), finance and insurance (0.52 percentage points) and real estate and rental and leasing (0.41 percentage points). Gains were offset by losses in other industries, such as retail trade (-1.32 percentage points), construction (-0.48 percentage points), nondurable goods manufacturing (-0.36 percentage points) and wholesale trade (-0.35 percentage points), among several others.

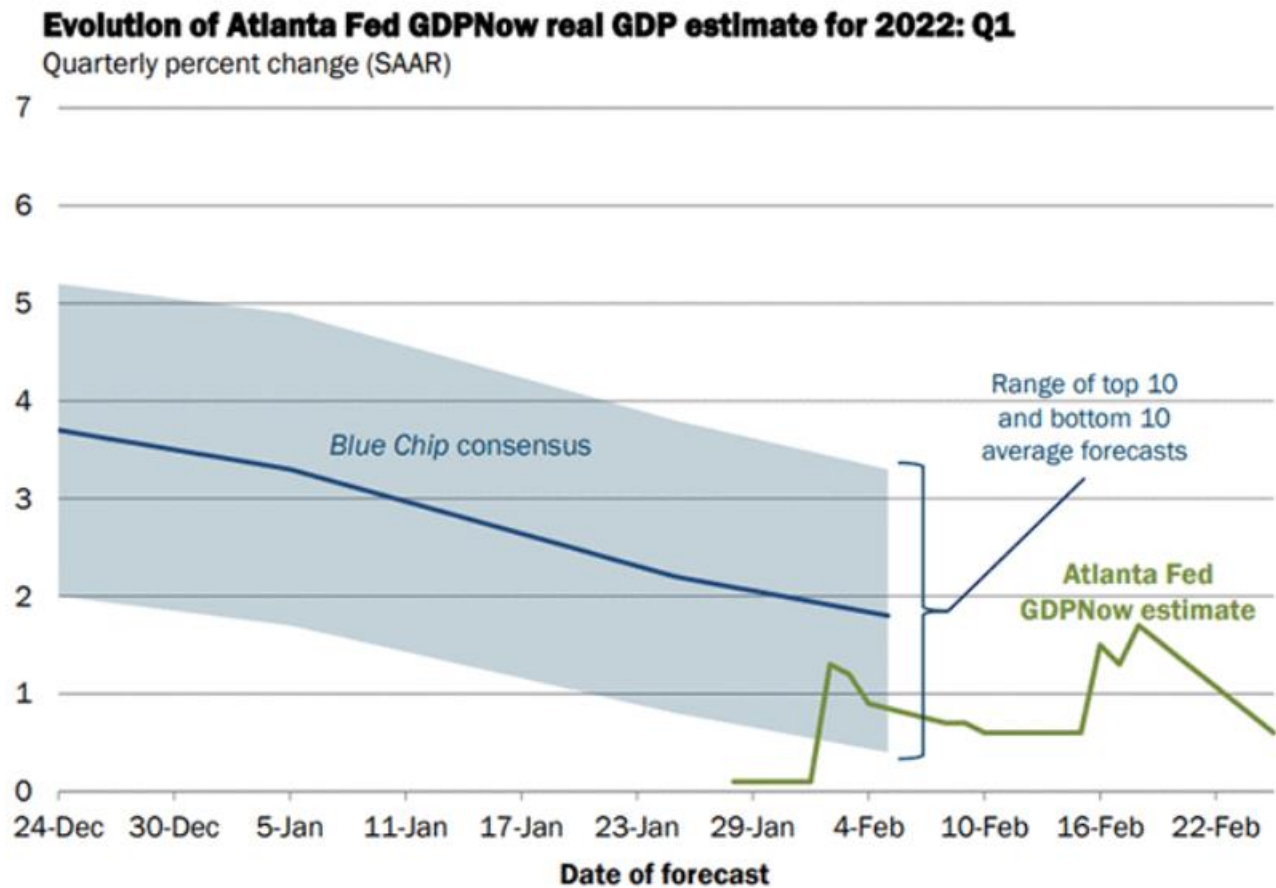
Reference Period		Maine	United States
2021:Q3	Total GDP (Current dollars)	\$76.04 billion	\$23.2 trillion

Real GDP (billions of chained 2012 dollars) - Maine



3.1.1 GDP Now from the Federal Reserve Bank of Atlanta

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 the U.S. Bureau of Economic Analysis in their official GDP estimates and is revised each time the monthly source data is updated. The nowcast estimate for 2022:Q1 as of February 25th is that U.S. real GDP will **increase by 0.6 percent** at an annual rate.



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.

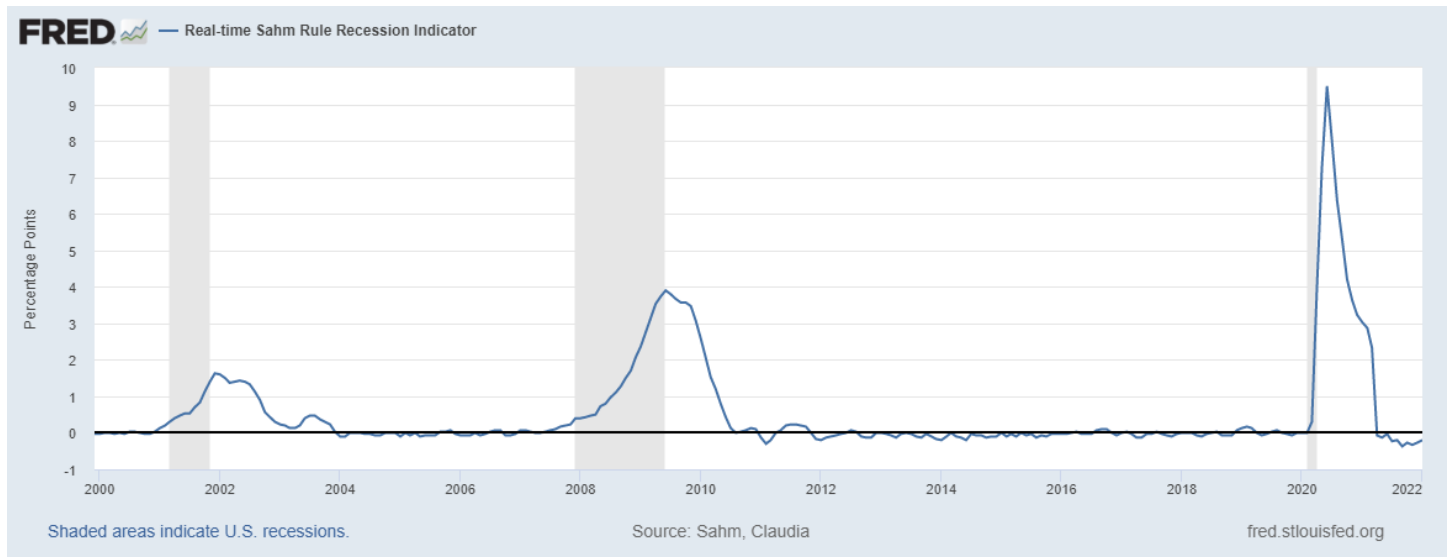
3.2 Recession Indicators

The National Bureau of Economic Research (NBER) declared that the United States was officially in recession starting in February and ending in April 2020, as of July 19, 2021. NBER is the primary source in the United States that declares when recessions begin and end. Other recession indicators are used to estimate business cycles in real time but are not official sources for when recessions begin and end.

3.2.1 Real-time Sahm Rule Recession Indicator

The Real-time Sahm Rule Recession Indicator¹ 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 January 2021, this indicator showed that the three-month average of national U3 was **-.20 points under its 12-month low**. This lends evidence that the economy is not still in a recession.



3.3 Labor Markets²

Labor market data for Maine in January 2022 will not be released until March 14, 2022. Data in this section remains unchanged from the previous edition of the Maine Economic Indicators report.

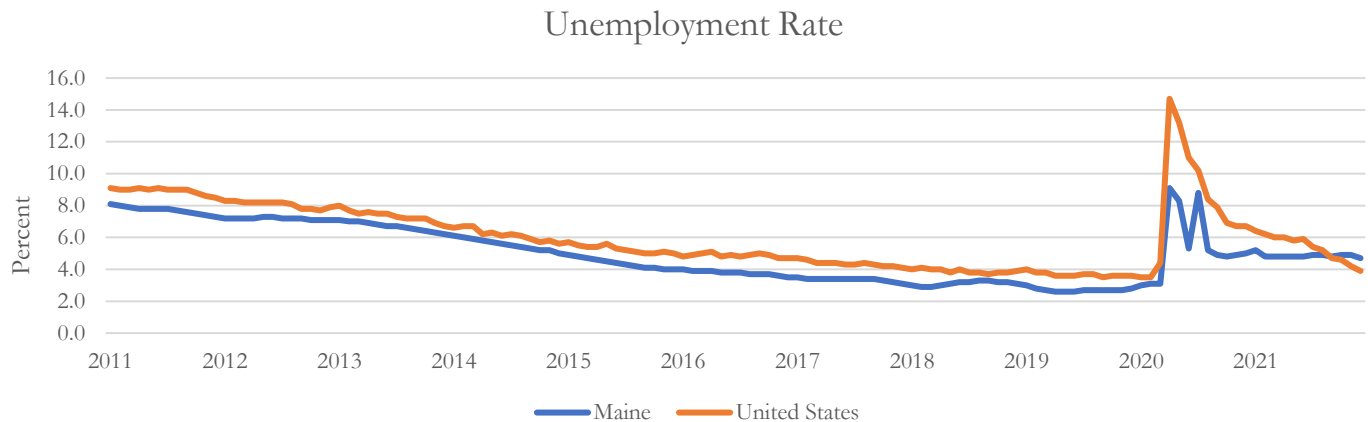
Nationally, total nonfarm payroll jobs increased by 467,000 in January, beating expectations of slow growth or decline at the peak of national COVID-19 cases caused by the Omicron variant. The unemployment rate for the U.S. was 4.0%, little changed from the preceding month. The labor force participation rate was 61.9%, unchanged from December.

¹ Created by Dr. Claudia Sahm, Federal Reserve Board of Governors

² 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.

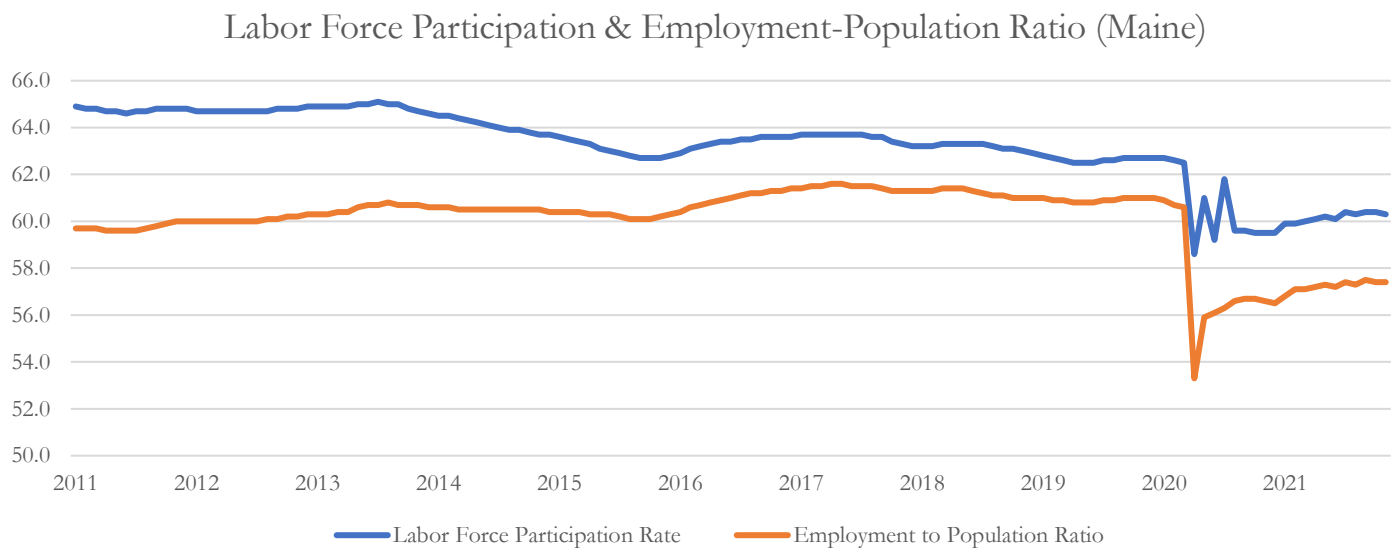
3.3.1 Unemployment Rate: December 2021 = 4.7%

The unemployment rate was 4.7% in December, higher than the U.S. rate of 3.9% and New England's 4.3%. This is the lowest unemployment rate in Maine since March 2020 after oscillating between 4.8% and 4.9% since February 2021.



3.3.2 Labor Force Participation Rate: December 2021 = 60.1%

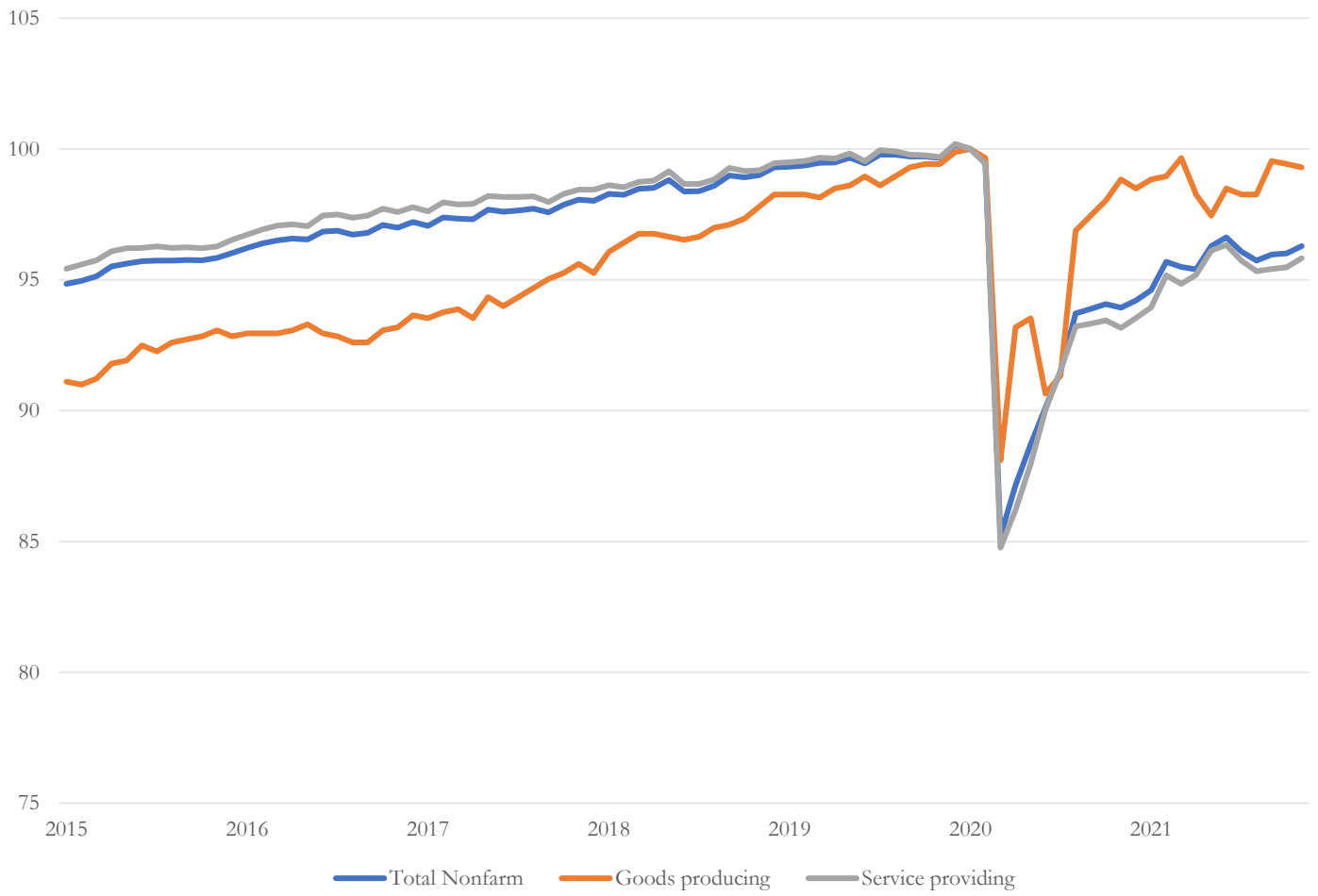
Labor force participation (LFP) was 60.1% in December, down by 0.2 percentage points and below the nation's 61.0%. The employment to population ratio (EPOP), an alternative measure of labor market activity which measures the total number of employed working-age adults divided by the total working-age population, was at 57.3%. LFP and EPOP are both higher than a year ago but remain 2.5 points and 3.4 percentage points below pre-pandemic, respectively.



3.3.3 Total Nonfarm Payroll Job Estimates: December 2021 = 616,300

Seasonally adjusted total nonfarm employment increased by 1,800 in December, reaching the highest number of jobs since July and second highest since the start of the pandemic. New England gained 26,500 jobs in December, while the U.S. gained 199,000. Compared to pre-pandemic, employment in Maine is down -3.7%, or 23,700 jobs.

Nonfarm employment, indexed to pre-pandemic (February 2020=100)

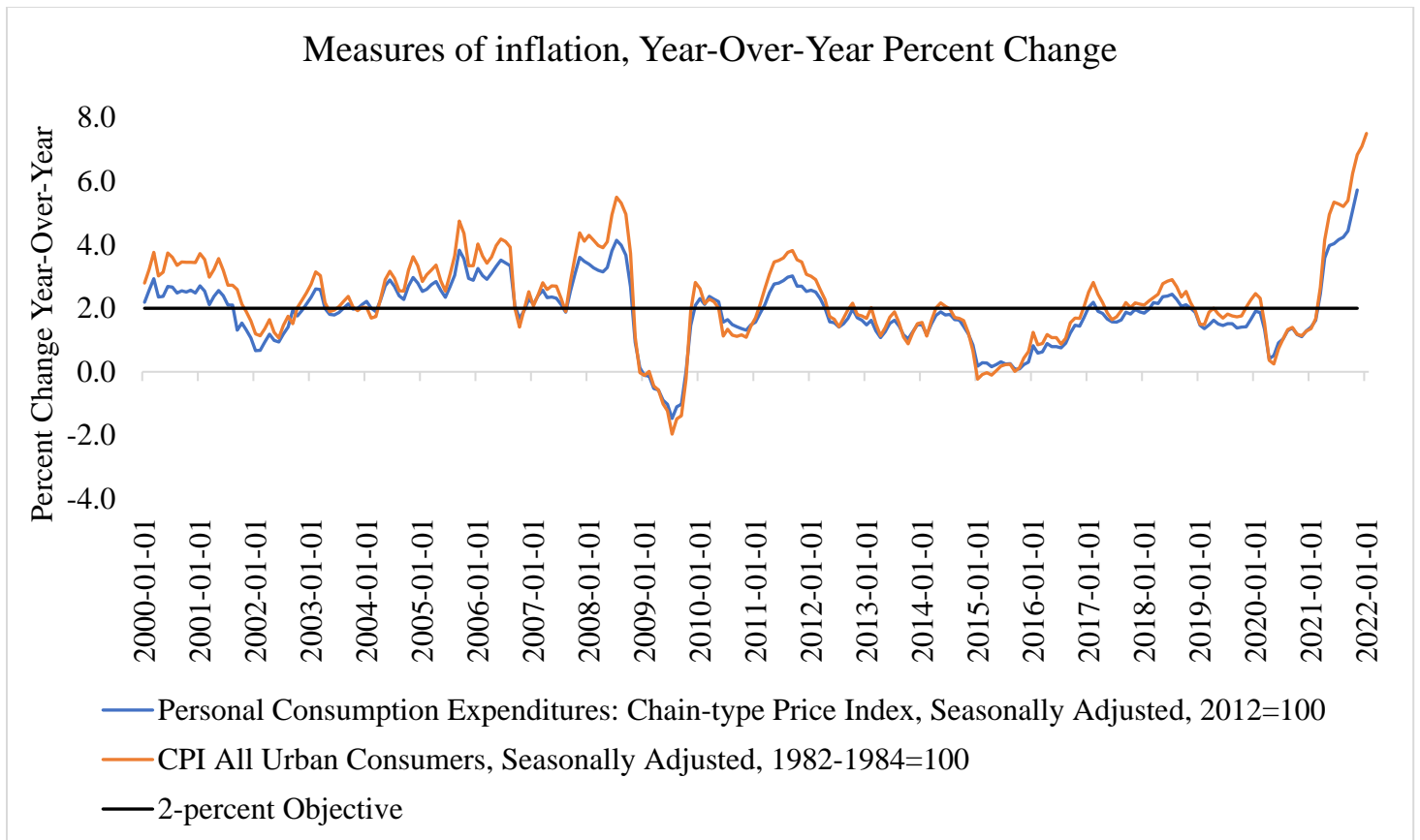


3.4 National inflation measures

3.4.1 Consumer Price Index vs. Personal Consumption Expenditures

There are two measures of inflation in the United States. The Consumer Price Index is released by the Bureau of Labor Statistics and is based on surveys of urban consumers, while Personal Consumption Expenditures price index is calculated by the Bureau of Economic Analysis and based on surveys of what businesses are selling. Both are used officially for various federal purposes, although the Federal Reserve focuses on PCE in monetary policy decisions.

In January, the PCE price index grew by 6.1% year-over-year, while the CPI all-items index grew by 7.5%. This marks the highest 12-month increase in the CPI since February 1982.



3.4.2 Expenditure categories of the CPI

While the CPI-all items index rose 7.5% year-over-year, core inflation, which excludes volatile food and energy prices, grew by 6.0%. Food and energy prices are rising faster than other commodities and services, at 7.0% and 27.0% year-over-year, respectively. Excluding food and energy, commodities saw 11.7% growth in the CPI from January 2021 to January 2022. The index for services grew 4.1%.

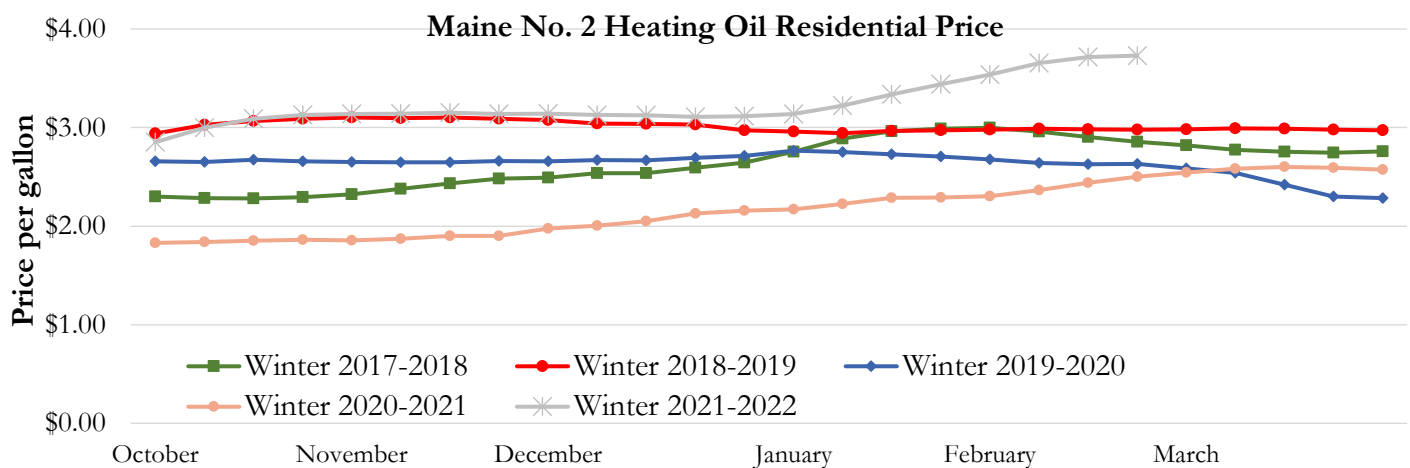
Overall, the greatest contributors to the monthly increase in the seasonally-adjusted all items index in January were the indexes for food (7.0%), electricity (10.7%), and shelter (4.4%).

Consumer Price Index: Expenditure Category	January Y/Y (not seasonally adjusted)	January M/M (seasonally adjusted)
All items	7.5	0.6
Food	7.0	0.9
Energy	27.0	0.9
<i>All items less food and energy</i>	6.0	0.6
Commodities (less food and energy)	11.7	1.0
Household furnishings and supplies	9.3	1.6
Apparel	5.3	1.1
Transportation commodities (less motor fuel)	23.4	0.9
Medical care commodities	1.4	0.9
Recreation commodities	4.1	1.0
Education and communication commodities	0.8	0.3
Alcoholic beverages	2.7	0.4
Other goods	4.3	0.8
Services (less energy)	4.1	0.4
Shelter	4.4	0.3
Water and sewer and trash collection	4.0	0.9
Household operation	--	--
Medical care services	2.7	0.6
Transportation services	5.6	1.0
Recreation services	5.0	0.8
Education and communication services	1.7	0.1
Other personal services	5.4	0.7

3.5 Energy

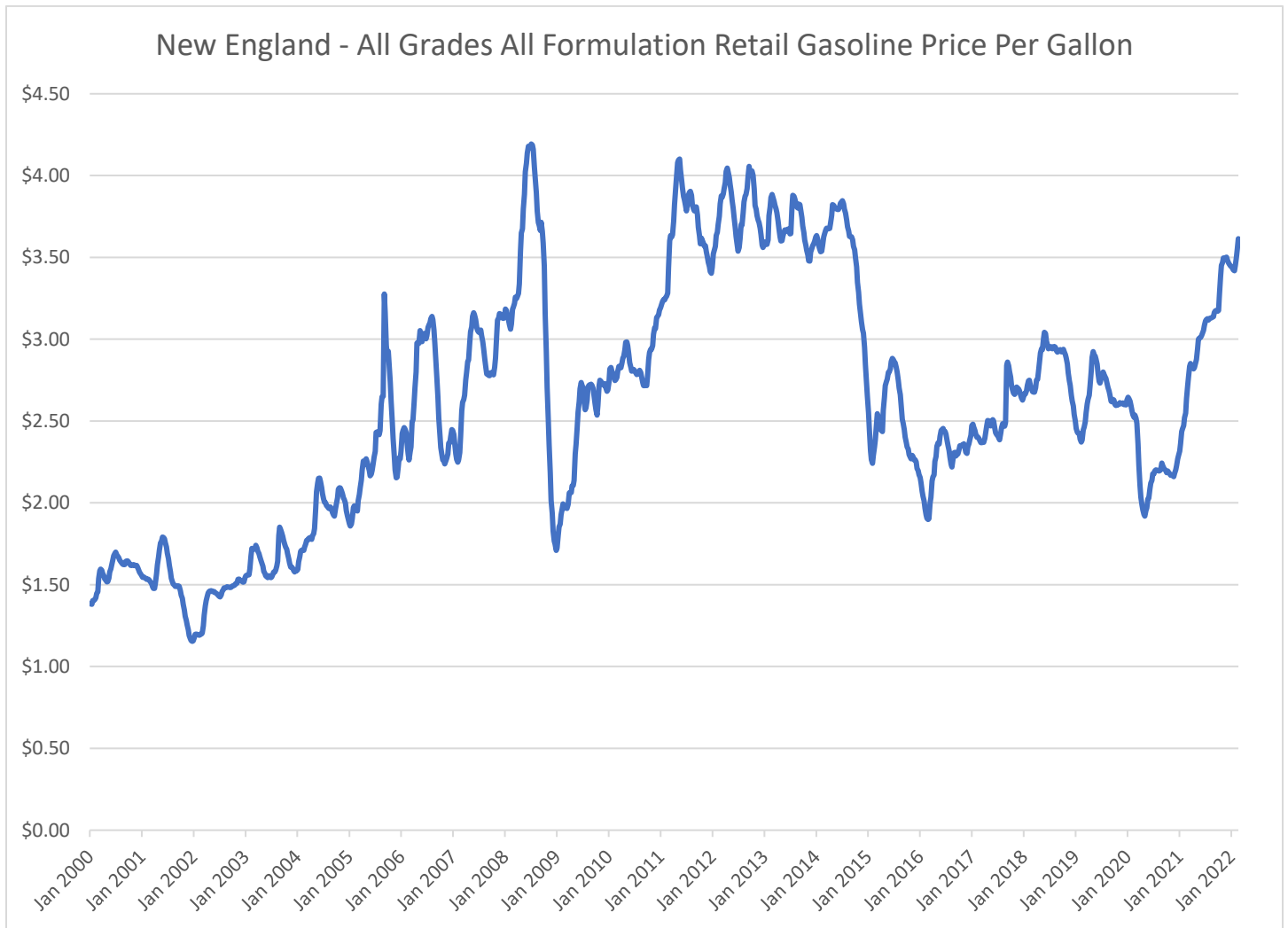
3.5.1 Heating Oil

The price of residential heating oil in Maine has risen significantly in recent months, reaching \$3.73 per gallon on February 21st, 2022. This is \$1.23 higher than the same week in 2021. According to the 2019 American Community Survey, 60.1% of homes in Maine rely on fuel oil as a primary heating source.



3.5.2 Gasoline

For the week of February 21, 2022, gasoline in New England averaged \$3.615 per gallon, approximately \$0.19 more than a month prior and \$0.98 higher than a year prior. This marks the highest price since September 2014.



3.6 Housing

3.6.1 Sales

Home sales declined year-over-year in January for the seventh consecutive month, although the market remains tight. The 1,166 single-family units sold totaled 7.2% fewer than in January 2021 but 9.9% higher than January 2020 and 39.3% higher than January 2019. Meanwhile the median sale price continues to grow by double digits to \$292,250 statewide, 14.5% higher than January 2021. Fourteen counties had year-over-year growth in the median sale price, while only six had year-over-year growth in units sold.

Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)
Androscoggin	95	30.1%	\$250,000	25.1%
Aroostook	56	3.7%	\$129,950	33.5%
Cumberland	189	-15.6%	\$425,000	21.6%
Franklin	23	-48.9%	\$259,900	39.0%
Hancock	67	-15.2%	\$292,000	-8.8%
Kennebec	102	8.5%	\$227,750	7.2%
Knox	36	-34.6%	\$308,700	27.8%
Lincoln	37	15.6%	\$75,000	6.5%
Oxford	72	2.9%	\$278,025	40.8%
Penobscot	125	1.6%	\$207,000	29.4%
Piscataquis	18	-41.9%	\$227,450	68.5%
Sagadahoc	28	-17.7%	\$304,500	-4.8%
Somerset	39	-22.0%	\$185,000	42.9%
Waldo	37	-15.9%	\$280,000	40.4%
Washington	37	-5.1%	\$239,000	70.7%
York	205	-1.9%	\$425,000	11.6%
Maine	1,166	-7.2%	\$292,250	14.5%

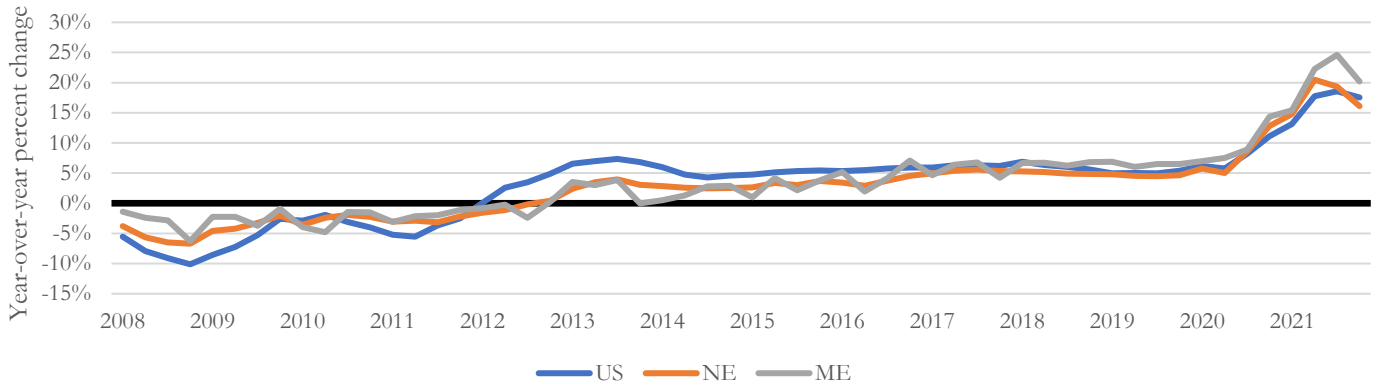
3.6.2 House Price Index

In the fourth quarter of 2021, year-over-year growth in the house price index (HPI)³ reached double digits in Maine, New England, and the United States, though decelerating slightly from record-high rates in the previous quarter. Maine's year-over-year HPI growth rate was higher than both the regional growth rate and the national growth rate at 20.2% compared to 16.1% in New England and 17.5% in the U.S. Maine had the 12th highest growth rate of all 50 states and DC in the fourth quarter.

Reference Period		Maine	New England	United States
2020:Q4-2021:Q4	HPI percent change from previous year	20.2%	16.1%	17.5%

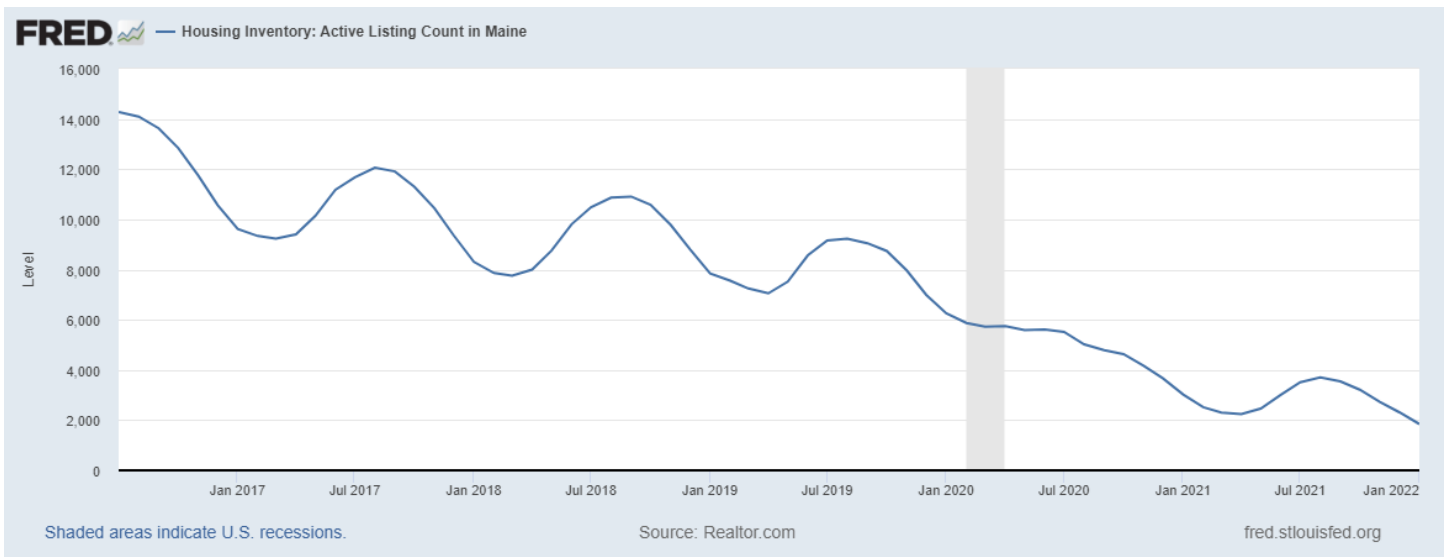
³ According to the Federal Housing Finance Agency (FHFA), the HPI "measures average price changes in repeat sales or refinancing on the same properties."

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



3.6.3 Housing inventory

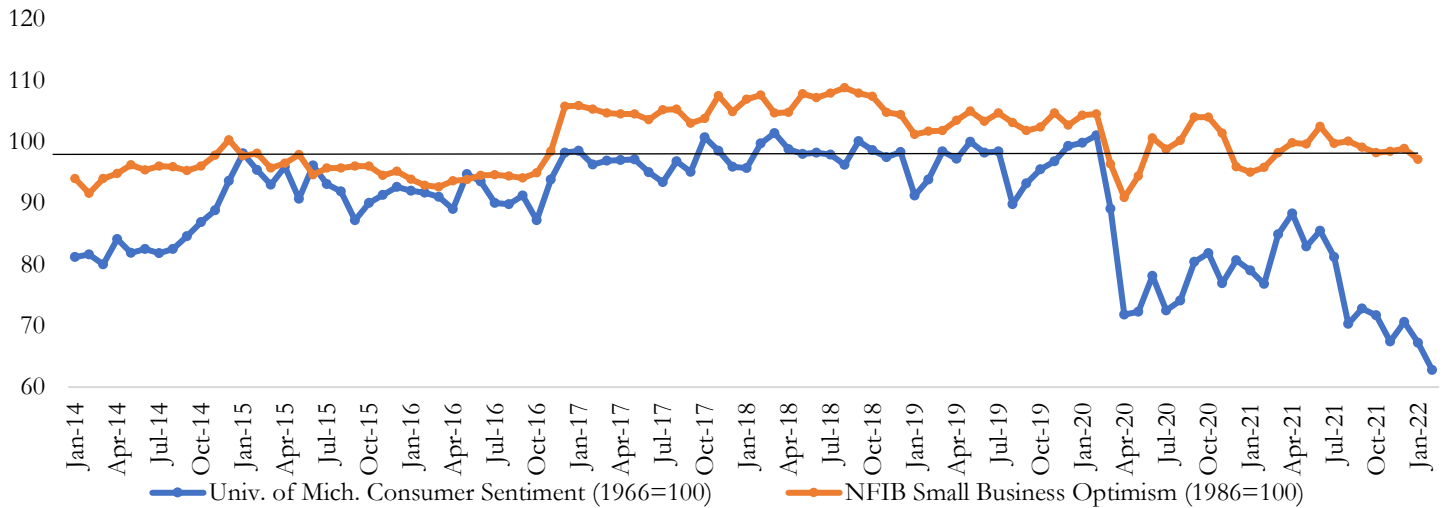
A contributor to Maine’s tight housing market is very low inventory. In January 2022, there were 1,845 active listings for single-family homes in Maine on Realtor.com, 1,179 fewer than 12 months prior. Active listings have fallen year-over-year in every month since recording began, though these year-over-year declines have decelerated somewhat in recent months.



3.7 Sentiment

The Index of Consumer Sentiment from the University of Michigan fell in February to the lowest level in the last decade, driven by declining sentiment in households with incomes above \$100,000. This index fell 6.5% month-over-month and is down 18.2% from a year ago. The Small Business Optimism Index, as measured by the National Federation of Independent Businesses, rose marginally in January by 2.2% year-over-year but is down 1.8% over the past 12 months.

Consumer Sentiment and Small Business Optimism Indexes

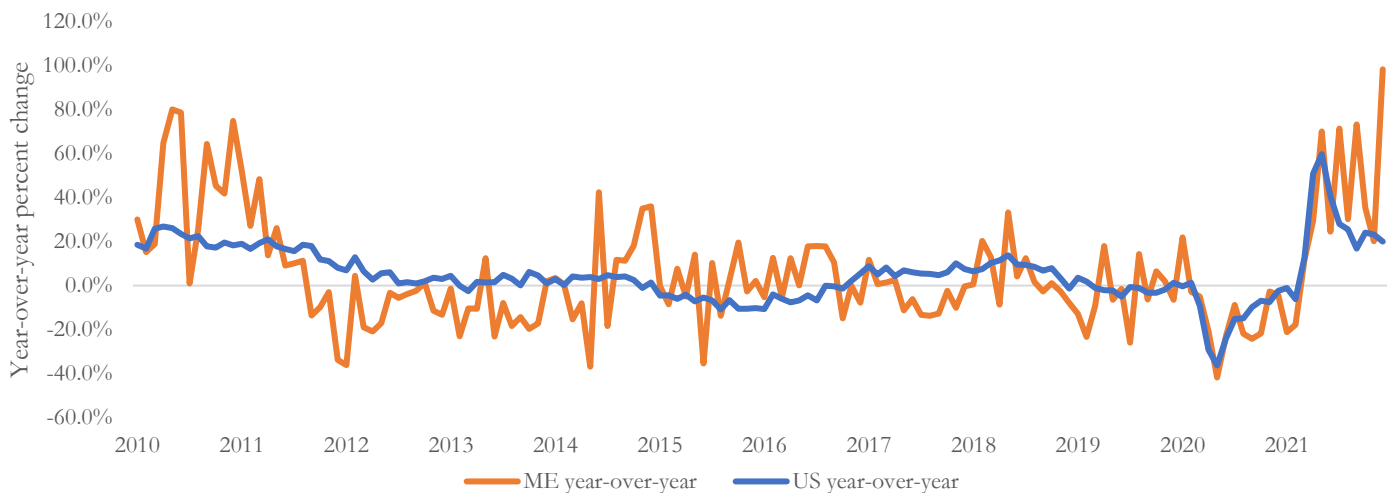


3.8 Trade Outlook

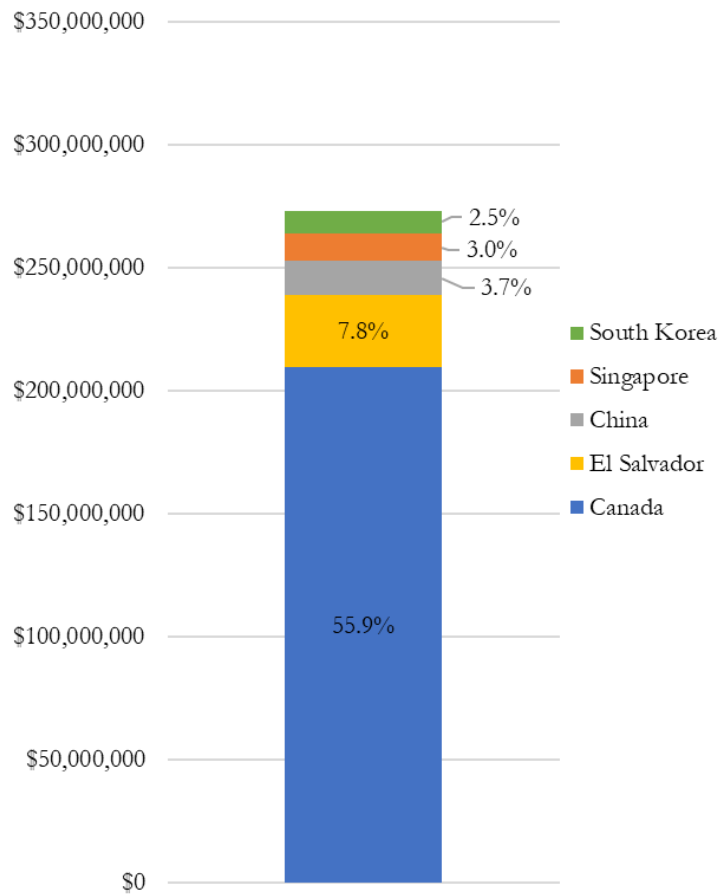
3.8.1 Exports and trade partners

In December 2021, total exports were up 98.2% in Maine and 20.0% nationwide compared to December 2020. Maine's top trade partner was Canada, which accounted for 70.0% of imports and 55.9% of exports. Total imports to Maine were valued at \$581.6 million while exports totaled \$375.1 million.

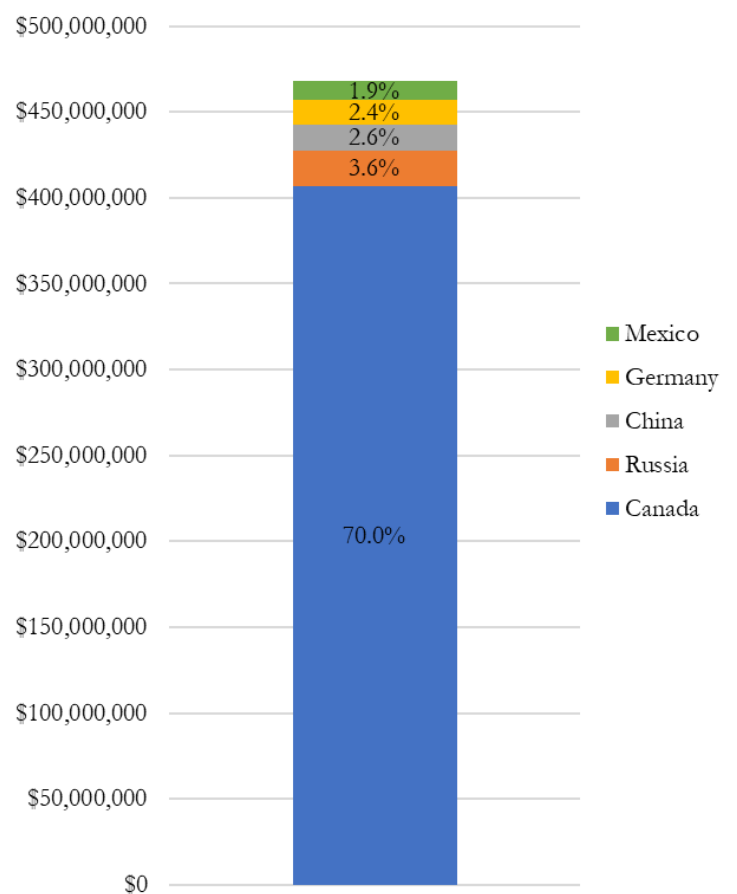
Percent Changes, Year-over-year in Total Exports



Value of exports to top 5 export partners



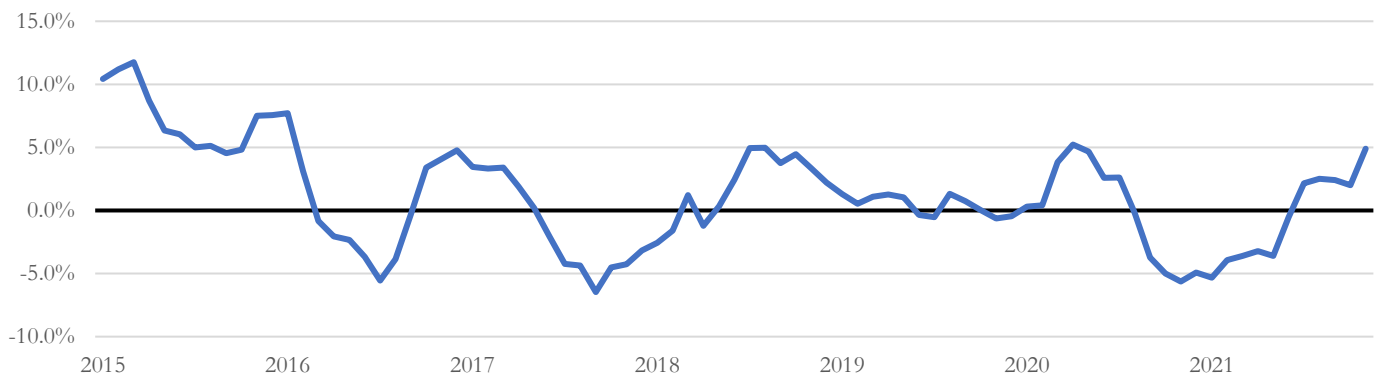
Value of imports from top 5 import partners



3.8.2 Real Trade-Weighted Value of the Dollar

The Real Trade-Weighted Value of the Dollar index calculates the inflation-adjusted value of the US Dollar against the currencies of countries with which the state trades, which allows for a more precise analysis of how movements in exchange rates affect demand for states' imports. In November 2021, Maine's RTWVD 6-month change was 4.9%.

Real Trade-Weighted Value of the Dollar: Maine, 6-month change



4 Appendix

4.1.1 Data Sources

Indicator	Source	Reference Period	Release Date
Population: estimates and percent change	Census Bureau – Pop. Ests. And 2020 Decennial Census	2021	December 21, 2021
Net migration: total and percent change	Census Bureau – Pop. Ests.	2021	December 21, 2021
Median age	American Community Survey 1 year	2019	September 17, 2020
Educational attainment	Census Bureau – ACS 1-year	2019	September 17, 2020
Poverty level	Census Bureau – ACS 1-year	2019	September 17, 2020
Income	Census Bureau – ACS 1-year	2019	September 17, 2020
Per capita personal consumption expenditure	U.S. Bureau of Economic Analysis	2020	October 8, 2021
Per capita personal income	U.S. Bureau of Economic Analysis	2021:Q3	December 17, 2021
Average earnings per job	U.S. Bureau of Economic Analysis	2020	September 23, 2021
Gross domestic product	U.S. Bureau of Economic Analysis	2021:Q3	December 23, 2021
GDPNow	Atlanta Fed	2022:Q1	February 25, 2022
Real-time Sahn Rule Recession Indicator	Sahn, Claudia/FRED	January 2021	February 4, 2022
Personal income: total, per capita, and wages and salaries	U.S. Bureau of Economic Analysis	2021:Q3	December 17, 2021
Unemployment rate	U.S. Bureau of Labor Statistics	December 2021	January 25, 2022
Labor force participation	U.S. Bureau of Labor Statistics	December 2021	January 25, 2022
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	December 2021	January 25, 2022
Consumer Price Index	U.S. Bureau of Labor Statistics	January 2022	February 10, 2022
PCE Price Index	U.S. Bureau of Economic Analysis/FRED	January 2022	February 25, 2022
Heating Oil	Energy Information Administration	February 21, 2022	February 24, 2022
Gasoline	Energy Information Administration	February 21, 2022	February 22, 2022
House price index	Federal Housing Finance Agency	2021:Q4	February 22, 2022
Housing: Units and Median Sale Price	Maine Association of REALTORS®	January 2022	February 22, 2022
Index of Consumer Sentiment	Michigan Survey of Consumers	February 2022	February 2022
Small Business Optimism Index	National Federation of Independent Businesses	January 2022	February 2022
Imports & Exports	USA Trade Online	December 2021	February 8, 2022
Real Trade-Weighted Value of the Dollar	Federal Reserve Bank of Dallas	November 2021	January 12, 2022

5 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.