

Maine Economic Indicators

July 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%
June 2022	Unemployment rate	3.0%	3.5%	3.6%
June 2022	Total private nonfarm employment	534,400	6,460,400	129,418,000
June 2022	Labor Force	680,000	8,032,300	164,023,000
June 2022	Labor Force Participation Rate	59.0%	N/A	62.2%

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

Real GDP	2021:Q2	2021:Q3	2021:Q4	2022:Q1	2021:Q2-2022:Q1
Maine	4.3	1.8	6.8	-1.3	2.4
New England	9.4	2.5	7.6	-0.2	3.3
United States	6.7	2.3	6.9	-1.6	2.5
Total Personal Income	2021:Q2	2021:Q3	2021:Q4	2022:Q1	2021:Q2-2022:Q1
Maine	-24.4	1.8	5.6	5.0	4.1
New England	-13.5	2.6	0.4	6.5	3.3
United States	56.9	-20.2	3.0	3.6	3.8
Per Capita Personal Income	2021:Q2	2021:Q3	2021:Q4	2022:Q1	2021:Q2-2022:Q1
Maine	-25.0	0.8	4.5	4.2	3.2
New England	-13.4	2.6	0.4	6.5	3.2
United States	-20.3	2.7	3.3	4.6	3.5
Wages & Salaries	2021:Q2	2021:Q3	2021:Q4	2022:Q1	2021:Q2-2022:Q1
Maine	17.5	11.4	10.6	8.4	10.1
New England	18.5	14.2	6.8	11.0	10.6
United States	12.8	12.7	13.6	9.9	12.1

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%
2016-2020	Median age, years (American Community Survey)	44.8	40.8	38.2
2016-2020	Associate degree: percent of population age 25 and above	10.2%	8.3%	8.6%
2016-2020	Bachelor's degree: percent of population age 25 and above	20.3%	23.1%	20.2%
2016-2020	Graduate or professional degree: percent of population age 25 and above	12.2%	17.6%	12.7%
2016-2020	Percent of population below poverty level	11.1%	9.9%	12.8%
2016-2020	Median family income	\$76,192	\$98,229	\$80,069
2016-2020	Median household income	\$59,489	\$77,376	\$64,994
2020	Per capita personal consumption expenditures	\$45,272	\$50,154	\$42,635
2020	Per capita disposable personal income	\$49,072	\$64,398	\$53,080

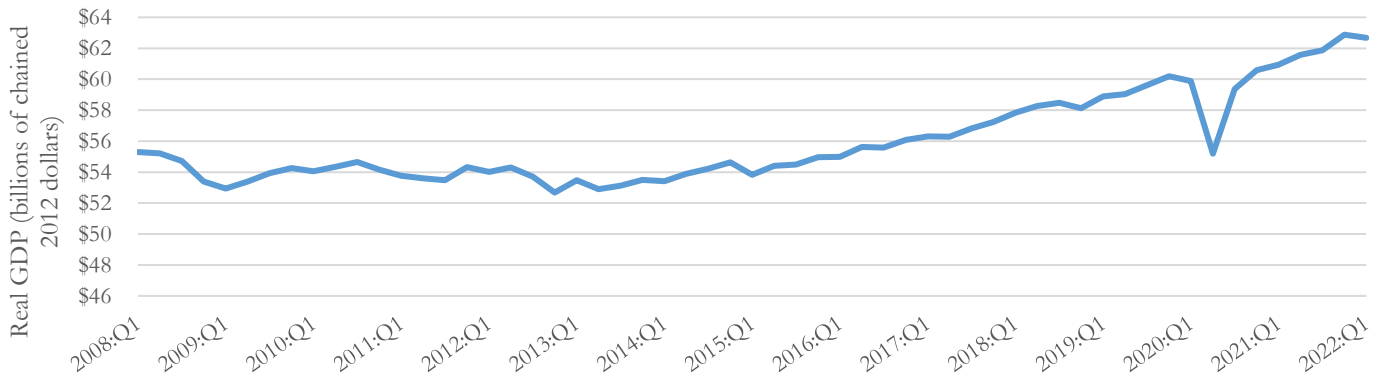
3 Quarterly and Monthly Indicators

3.1 Gross Domestic Product (GDP)

Real GDP in Maine fell by 1.3 percent from the preceding quarter at an annual rate (2021:Q4 to 2022:Q1), ranking 16th in the United States. Nationally, GDP fell by 1.6 percent. The industry sectors that contributed the most to Maine's first quarter decline in GDP were retail trade, nondurable goods manufacturing, and finance and insurance, among others that declined. These losses were partially offset by gains in other industries such as government, real estate and rental and leasing, and utilities, among others that grew.

2022:Q1	Maine	United States
Nominal GDP (Current dollars)	\$80.5 billion	\$24.4 trillion
Real GDP (Chained 2012 Dollars)	\$62.7 billion	\$19.7 trillion

Real GDP (billions of chained 2012 dollars) - Maine

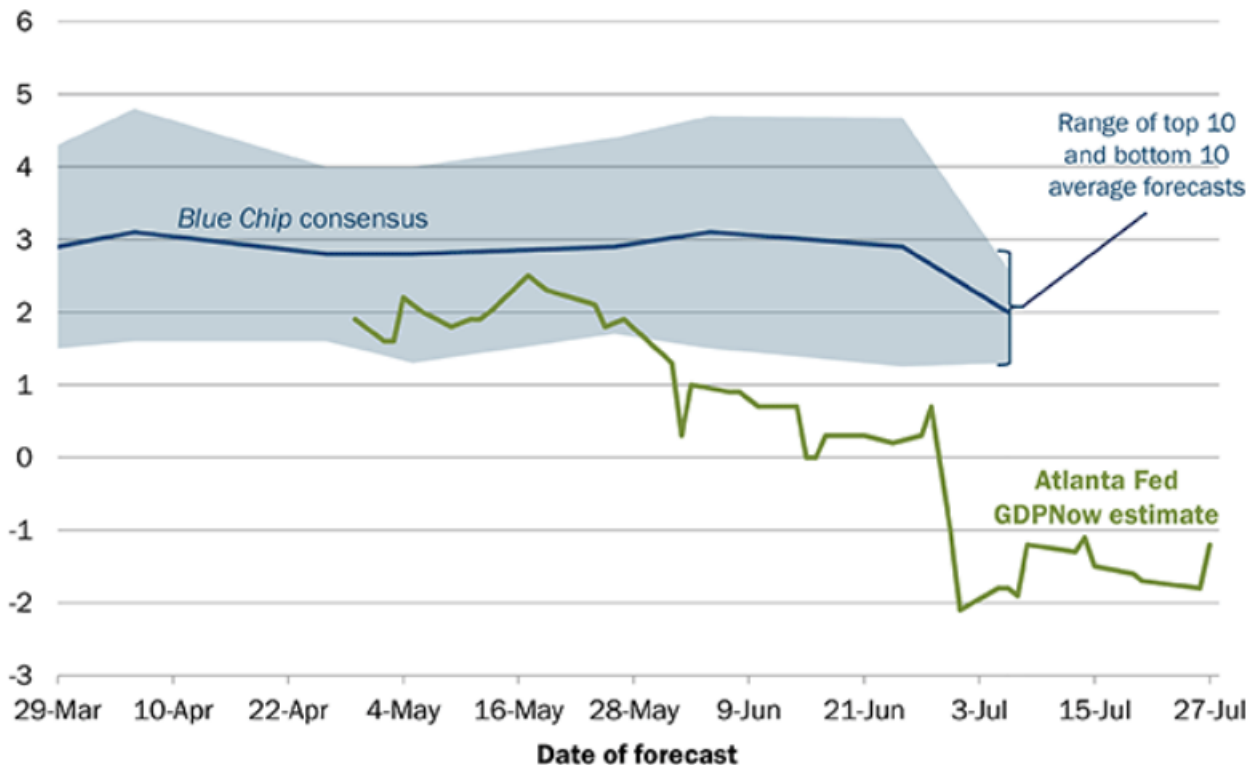


3.1.1 GDP Now from the Federal Reserve Bank of Atlanta

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:Q2 as of July 27th is that U.S. real GDP will **decline by 1.2 percent** at an annual rate.

Evolution of Atlanta Fed GDPNow real GDP estimate for 2022: Q2

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.

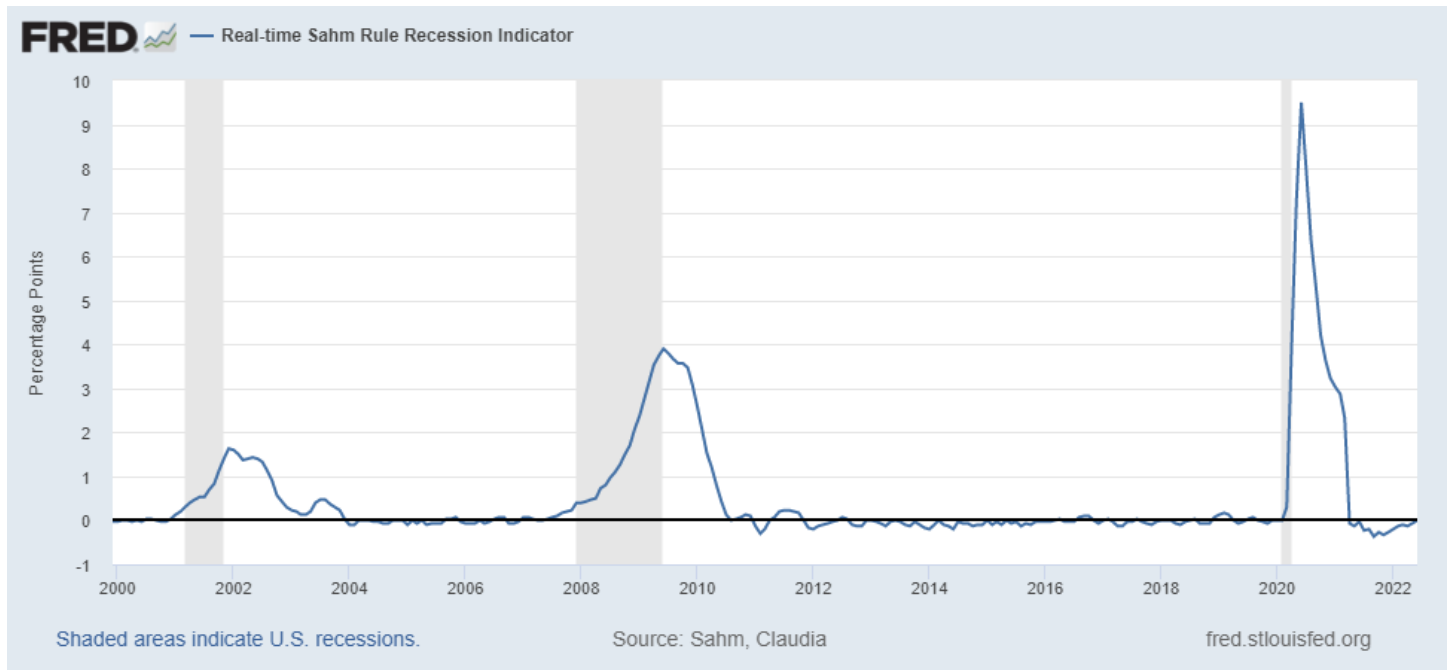
3.2 Recession Indicators

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 June 2022, this indicator showed that the three-month average of national U3 was **.00 points *under* its 12-month low**.



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

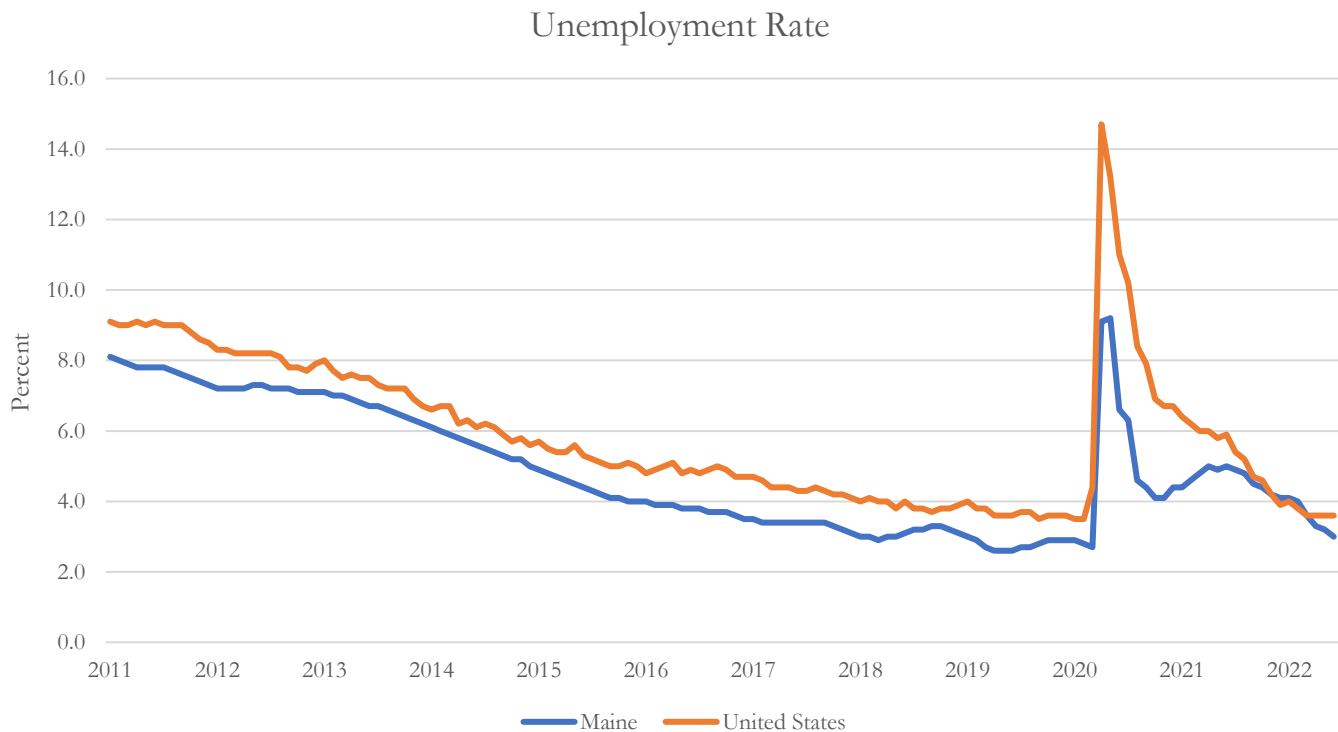
3.3 Labor Markets²

Data about Maine’s employment and labor force come from two surveys: Current Employment Statistics (employer-based) and the Local Area Unemployment Statistics (household-based). In June, these two surveys provided contrasting views of the labor market for the second month consecutively.

In its monthly news release, the Maine Center for Workforce Research and Information noted that “This is partly because seasonal adjustment factors caused some understatement of payroll jobs estimates for May and June. Differing indications from the surveys occasionally happens over short periods, but over longer periods they tend to move in parallel directions, which is likely to be the case in the months ahead.”

3.3.1 Unemployment Rate June 2022: 3.0%

The unemployment rate dropped to 3.0% in June, lower than the U.S. (3.6%) and New England (3.5%). The number of unemployed individuals dropped to 20,689. While slightly higher than pre-pandemic, this is Maine’s lowest unemployment rate since before the pandemic.

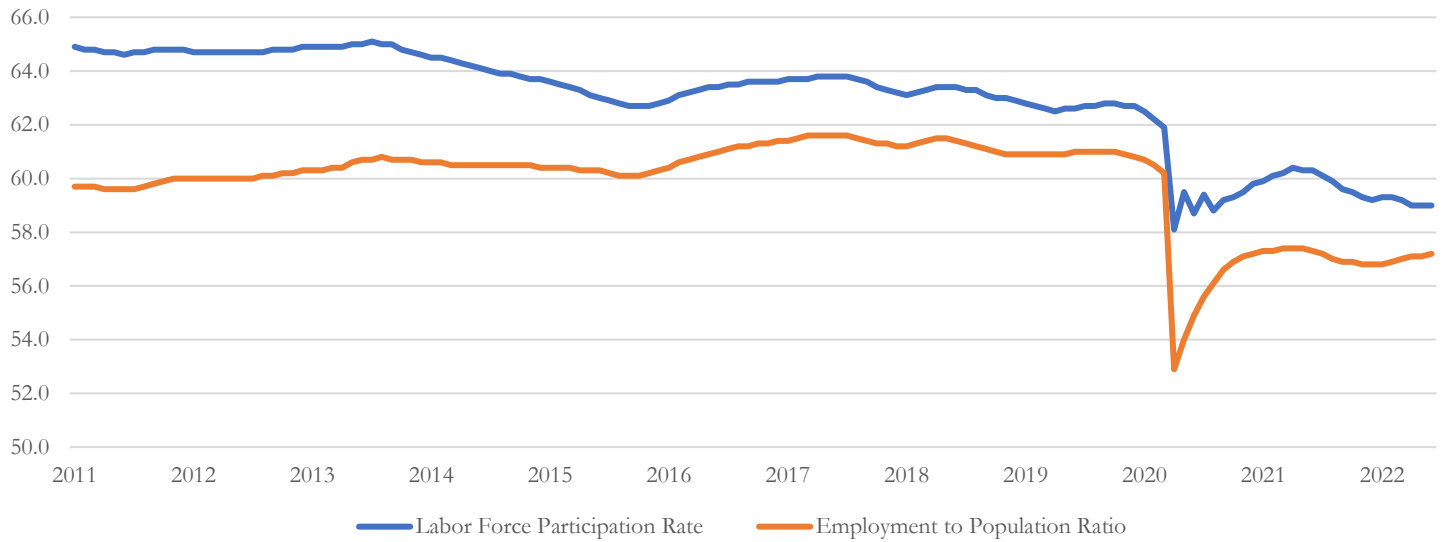


3.3.2 Labor Force Participation Rate June 2022: 59.0%

Labor force participation (LFP) was 59.0% in June, unchanged from last month and 1.3 percentage points lower than a year prior. 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 57.2%, up slightly from May. Both LFP and EPOP are down year-over-year and have struggled to recover during the pandemic era.

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.

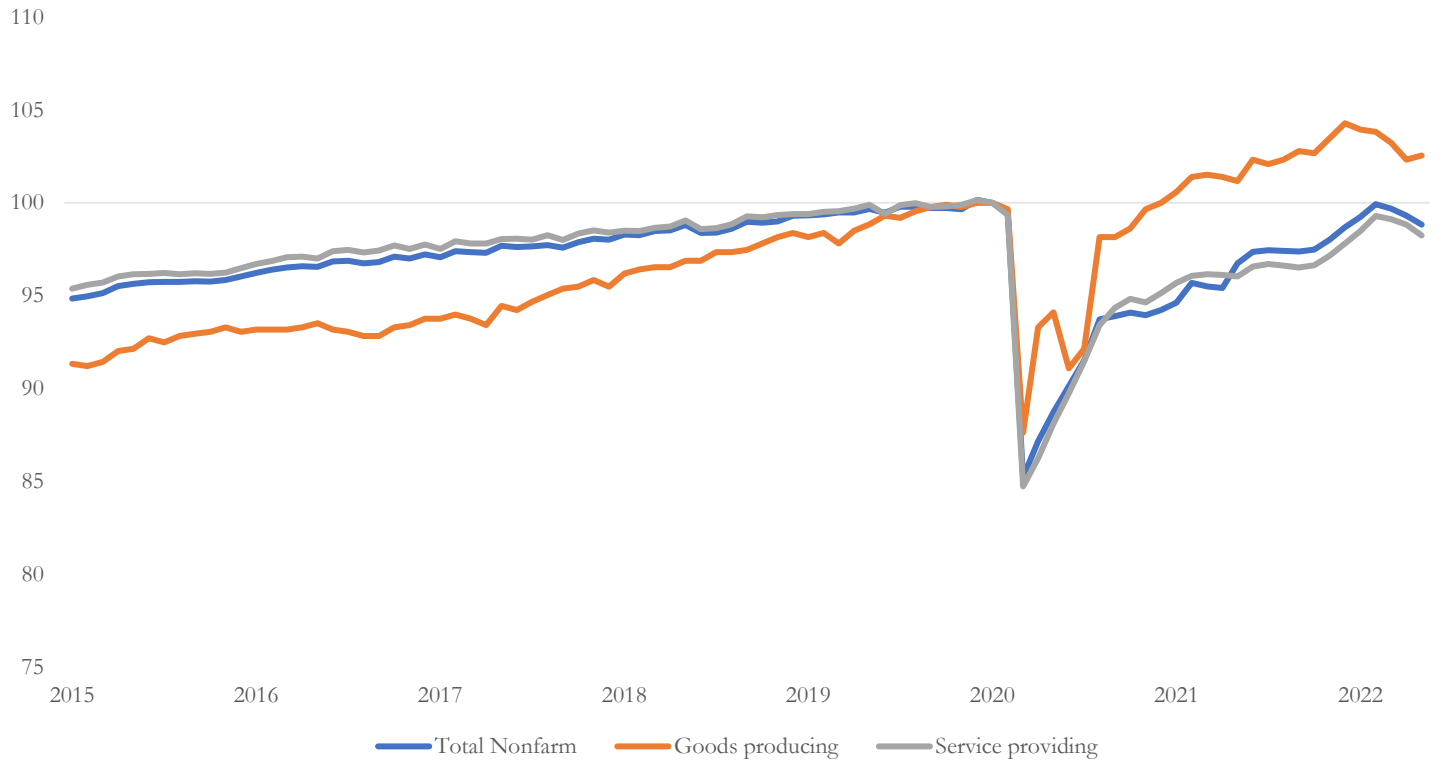
Labor Force Participation & Employment-Population Ratio (Maine)



3.3.3 Total Nonfarm Payroll Job Estimates June 2022: 632,500

Seasonally adjusted total nonfarm employment fell 3,100 in June and is down 7,000 in the last three months. Monthly declines primarily occurred in accommodation and food services and retail trade, with smaller losses in other sectors. Total nonfarm employment in Maine is up 13,400 jobs from a year ago and down 7,600 from pre-pandemic February 2020.

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



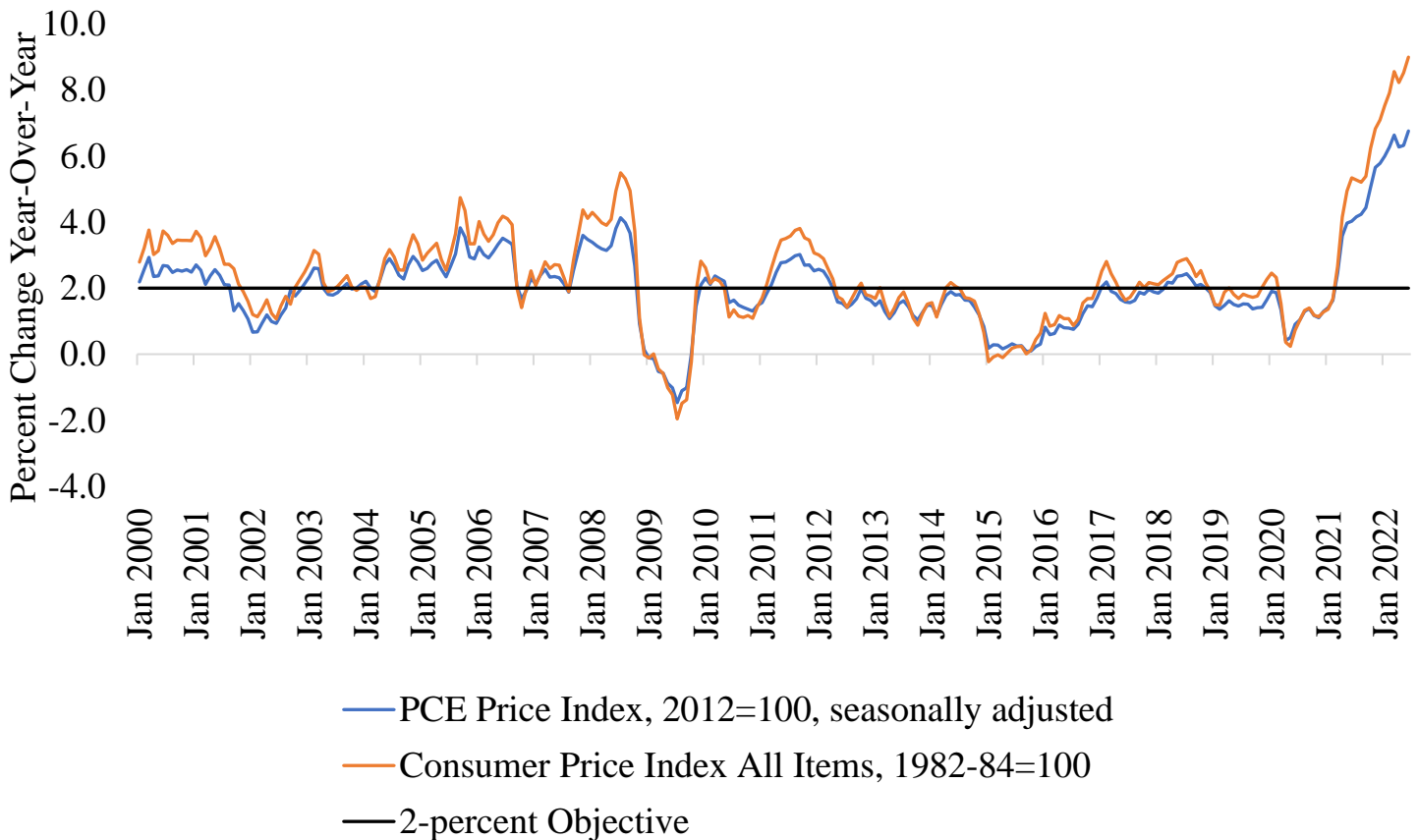
3.4 National inflation measures

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 June, the PCE price index grew by 6.8% year-over-year, accelerating from 6.3% in May. The CPI all-items index grew by 9.1%. The Federal Reserve increased interest rates 0.75 percentage point to combat high inflation for the second month in a row.

Measures of inflation, Year-Over-Year Percent Change



3.4.2 Expenditure categories of the CPI

The CPI for all urban consumers increased 9.1% year-over-year in June and was 1.3% higher than in May. Meanwhile, core inflation, which excludes volatile food and energy prices, rose by 5.9% year-over-year and 0.7% since May. The indexes for gasoline, shelter and food were the largest contributors to the overall increase in June.

June's 9.1% inflation marks the fastest 12-month price growth since November 1981. High energy prices continue to put a strain on price growth, though falling gasoline prices throughout July may offer some relief in next month's report. That said, the indexes for food and shelter both reached their fastest rates since 1981 and 1991, respectively, indicating broad and troubling price dynamics for consumers.

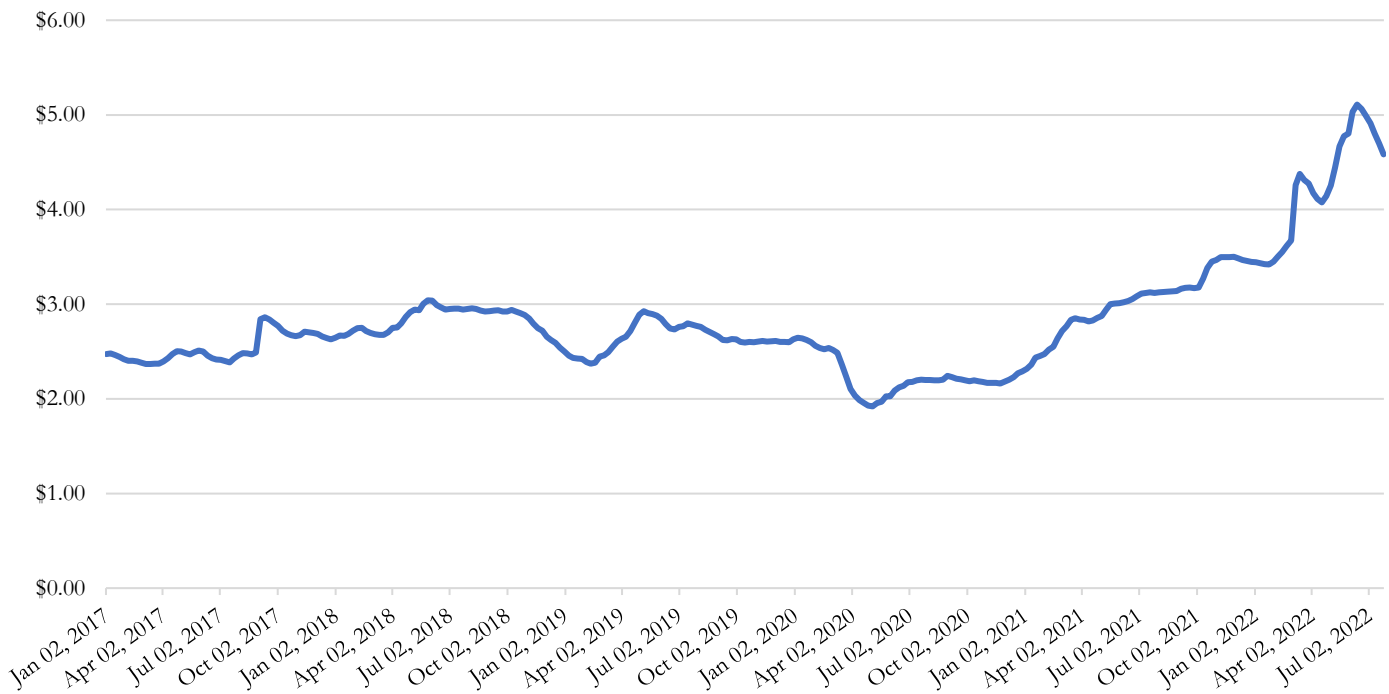
Table 1. Percent Change in Consumer Price Index by Expenditure Category	Year-Over-Year (not seasonally adjusted)		Month-Over-Month (seasonally adjusted)	
	May-22	Jun-22	May-22	Jun-22
All items	8.6	9.1	1.0	1.3
Food	10.1	10.4	1.2	1.0
Energy	34.6	41.6	3.9	7.5
<i>All items less food and energy</i>	6.0	5.9	0.6	0.7
Commodities (less food and energy)	8.5	7.2	0.7	0.8
Household furnishings and supplies	9.7	10.2	0.0	0.5
Apparel	5	5.2	0.7	0.8
Transportation commodities (less motor fuel)	14.1	9.5	1.4	1.1
Medical care commodities	2.4	3.2	0.3	0.4
Recreation commodities	3.8	4.5	0.1	0.4
Education and communication commodities	-6	-5.7	-1.7	0.3
Alcoholic beverages	4.0	4.0	0.5	0.4
Other goods	6.2	6.6	0.8	0.5
Services (less energy)	5.2	5.5	0.6	0.7
Shelter	5.5	5.6	0.6	0.6
Water and sewer and trash collection	4.4	4.4	0.3	0.4
Household operation	5.5	6.5	2.1	0.1
Medical care services	4.0	4.8	0.4	0.7
Transportation services	7.9	8.8	1.3	2.1
Recreation services	4.9	4.7	0.5	0.3
Education and communication services	1.7	1.7	0.2	0.2
Other personal services	6.5	6.7	0.1	0.4

3.5 Energy

3.5.1 Gasoline

The average price of a gallon of gasoline in New England was \$4.581 on July 25, 2022, \$0.41 less than a month prior and \$1.46 higher compared to the same week of 2021. The price of gasoline has declined significantly since it reached a peak of \$5.11 in the second week of June.

New England - Regular All Formulation Retail Gasoline Price Per Gallon



3.5.2 Brent Spot Prices

The weekly Brent spot price averaged \$114.33 in July and was at \$113.53 per barrel in the week of 7/22. This was about \$9.03 less than June's average, and down over \$14 per barrel from the recent high in the week of June 10th.

Weekly Brent Spot Price - Dollars per Barrel



3.6 Housing

3.6.1 Sales

Home sale transactions declined by almost 10% in June amid a tightening housing market. The 1,779 single-family units sold were approximately 200 fewer than a year prior and about 160 fewer than pre-pandemic June 2019. Meanwhile the growth rate for median sale price remains in the double digits, up 16.4% and reaching \$360,825. Six counties had median sale prices at or above \$400,000. The first county to surpass a median sale price was Cumberland County, which began consistently surpassing \$400,000 in May 2021. Six months ago, Only Cumberland and York Counties had a median sale price above \$400,000.

Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)
Androscoggin	117	-20.4%	\$305,081	24.5%
Aroostook	72	-20.0%	\$152,250	1.8%
Cumberland	363	-12.7%	\$515,000	11.3%
Franklin	47	-9.6%	\$230,000	-4.2%
Hancock	91	-4.2%	\$426,000	44.4%
Kennebec	149	-14.4%	\$295,000	13.0%
Knox	70	-4.1%	\$447,500	36.0%
Lincoln	57	-12.3%	\$400,000	11.1%
Oxford	110	13.4%	\$300,000	9.1%
Penobscot	176	-12.4%	\$250,000	26.6%
Piscataquis	35	34.6%	\$200,000	19.8%
Sagadahoc	57	35.7%	\$425,000	37.9%
Somerset	67	-13.0%	\$205,000	20.7%
Waldo	51	-28.2%	\$350,000	27.3%
Washington	37	-26.0%	\$275,000	58.1%
York	280	-5.7%	\$475,000	10.5%
Maine	1,779	-9.8%	\$360,825	16.4%

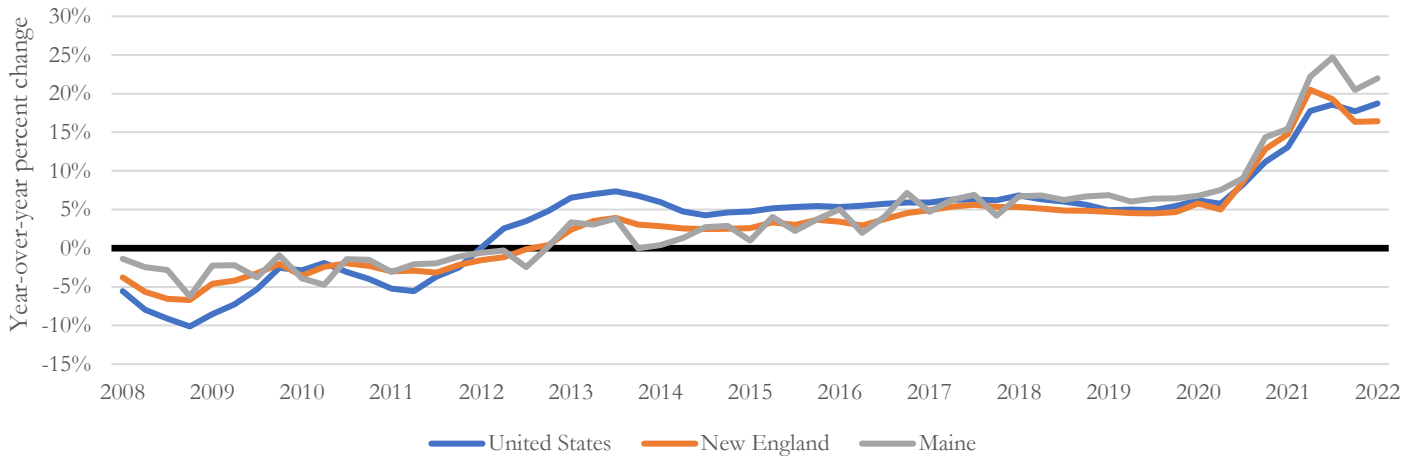
3.6.2 House Price Index

In the first quarter of 2022, year-over-year growth in the house price index (HPI)³ picked back up in Maine, New England and the nation after slowing slightly in the fourth quarter of 2021. Maine's year-over-year HPI growth rate was higher than both the regional growth rate and the national growth rate at 22.0% compared to 16.4% in New England and 18.7% in the U.S. Maine's HPI grew at the 12th-fastest rate in the U.S. and came in 1st in New England in the first quarter.

Reference Period		Maine	New England	United States
2021:Q1-2022:Q1	HPI percent change from previous year	22.0%	16.4%	18.7%

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)

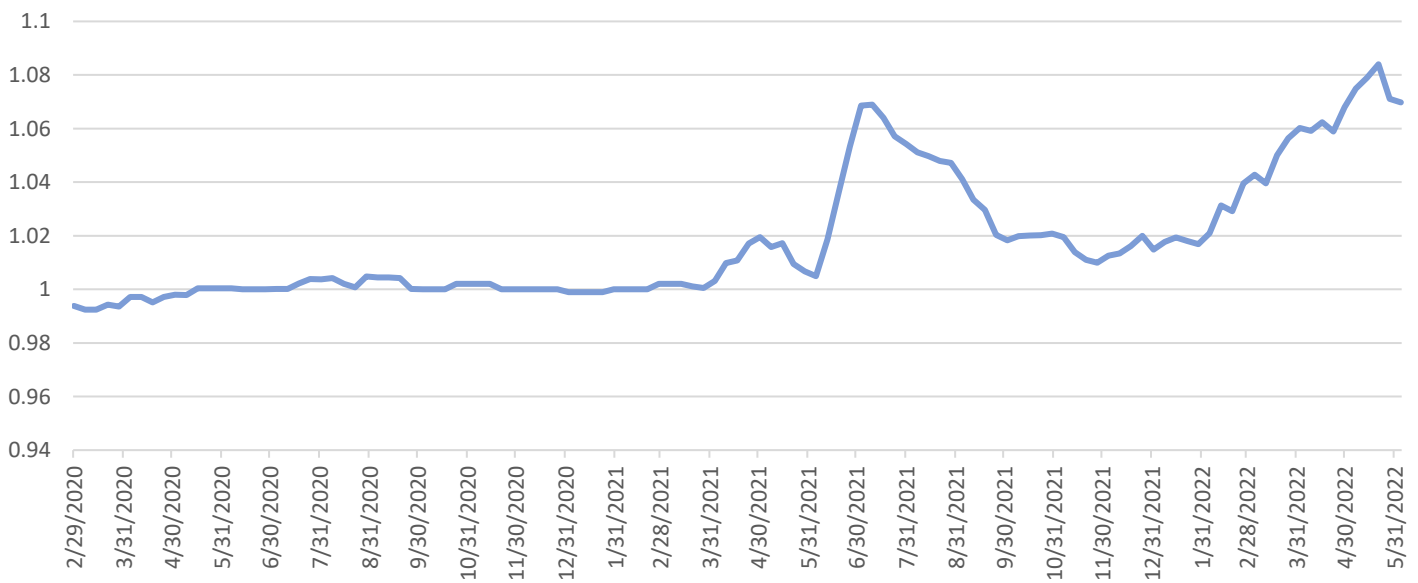


3.6.3 Sale-to-list ratio

Produced by Zillow, this metric shows the difference between the price at which a home is listed and the price it sells for, a further indicator of the tightness in the residential housing market. This data is available for the Portland, ME Metropolitan Statistical Area (Cumberland, York, and Sagadahoc counties), and the Bangor, ME MSA (Penobscot County).

In the first week of June, the median sale-to-list price ratio was 1.070, meaning that *the median home in the Portland MSA that is listed on Zillow sells for about 7.0% higher than its asking price*. This is down slightly from 7.5% a month prior but higher than the national median. The Bangor, ME MSA has a median sale-to-list ratio of 1.013, unchanged from a month prior but down slightly from 1.017 when recording began in April 2022.

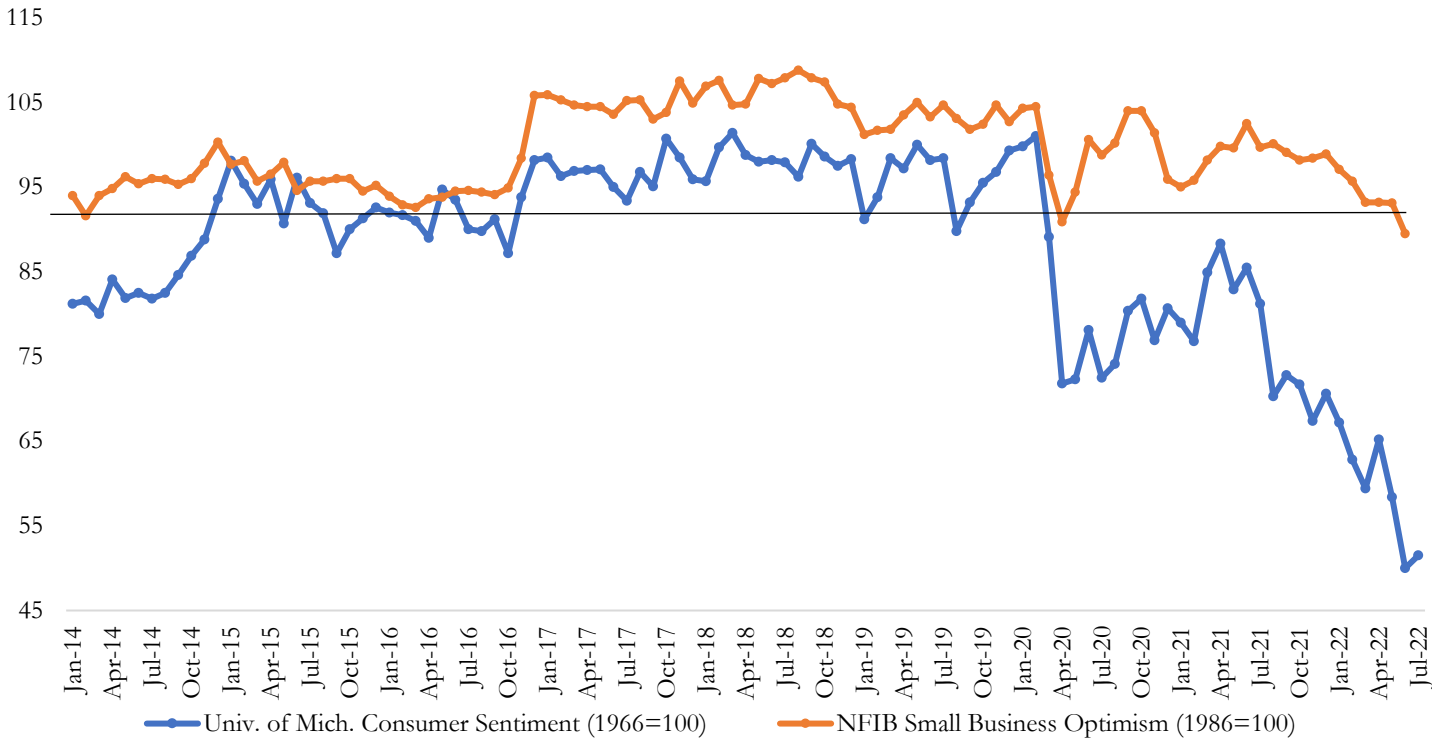
Median sale-to-list price ratio, Portland ME MSA



3.7 Sentiment

The Index of Consumer Sentiment from the University of Michigan rose 3.0% in July, up slightly from the all-time series low in June, though still down 36.6% from 12 months ago. July's sentiment, the second lowest on record, reflects a slight easing of concerns over global factors and a modest retreat of inflation expectations. The Small Business Optimism Index, as measured by the National Federation of Independent Businesses, was down 3.9% in June and 12.7% over the past 12 months.

Consumer Sentiment and Small Business Optimism Indexes



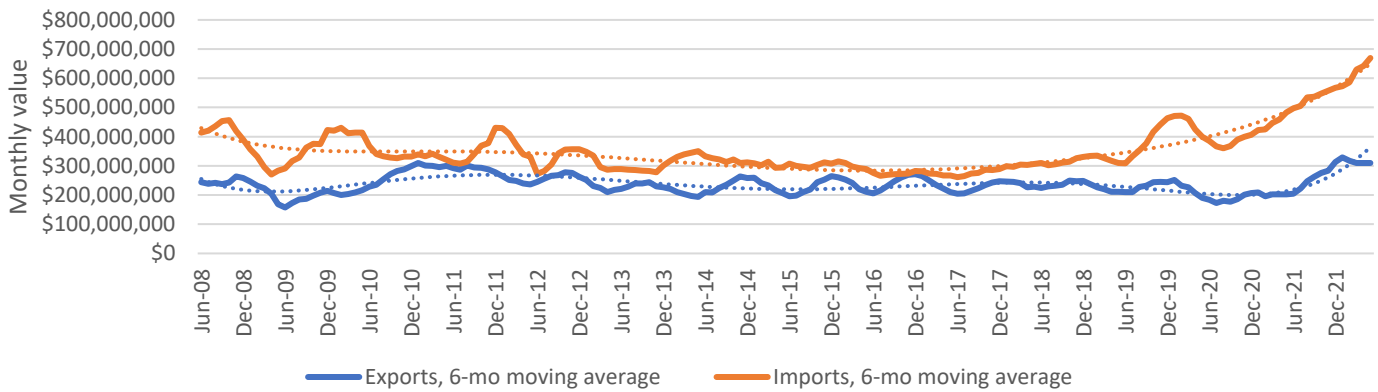
Trade Outlook

3.7.1 Exports and trade partners

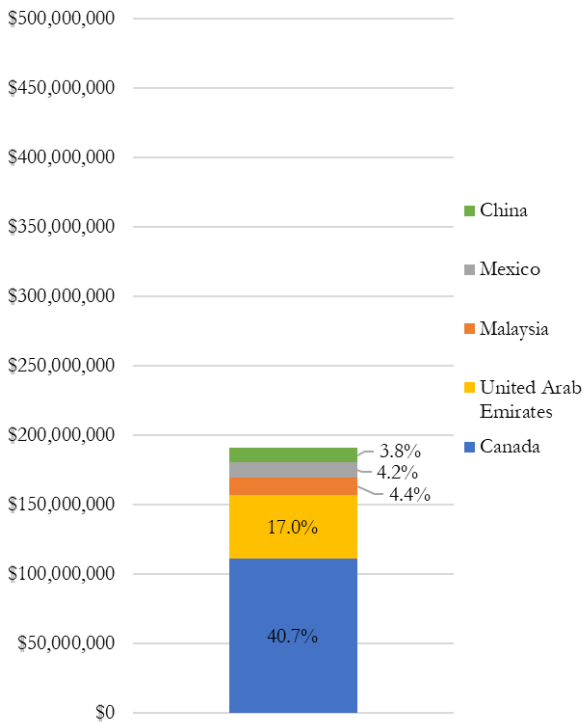
In May 2022, total exports were up 22.3% in Maine and 23.0% nationwide compared to May 2021. Year-over-year exports have been volatile since early 2021. Maine’s top trade partner was Canada, which accounted for 70.9% of imports and 40.7% of exports. Total imports to Maine were valued at \$759.4 million while exports totaled \$272.8 million.

Similar to the nation, Maine’s trade deficit has grown in recent history as the U.S. dollar has strengthened relative to foreign currencies, which makes imports from other countries cheaper and more attractive. Conversely, a strong U.S. Dollar can lead to decreasing exports, as goods and services from the U.S. are more expensive for international consumers. Together, these dynamics contribute to a growing trade deficit, both in Maine and the U.S.

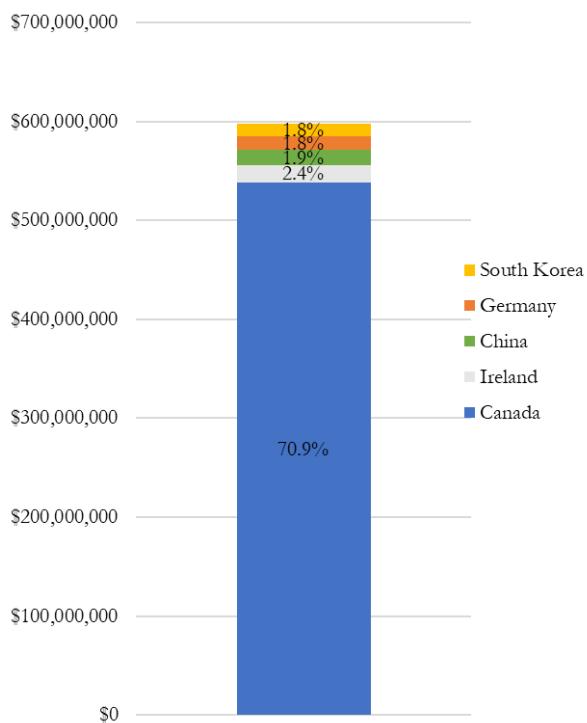
Maine exports vs. imports, 6-month moving average



Value of exports to top 5 export partners



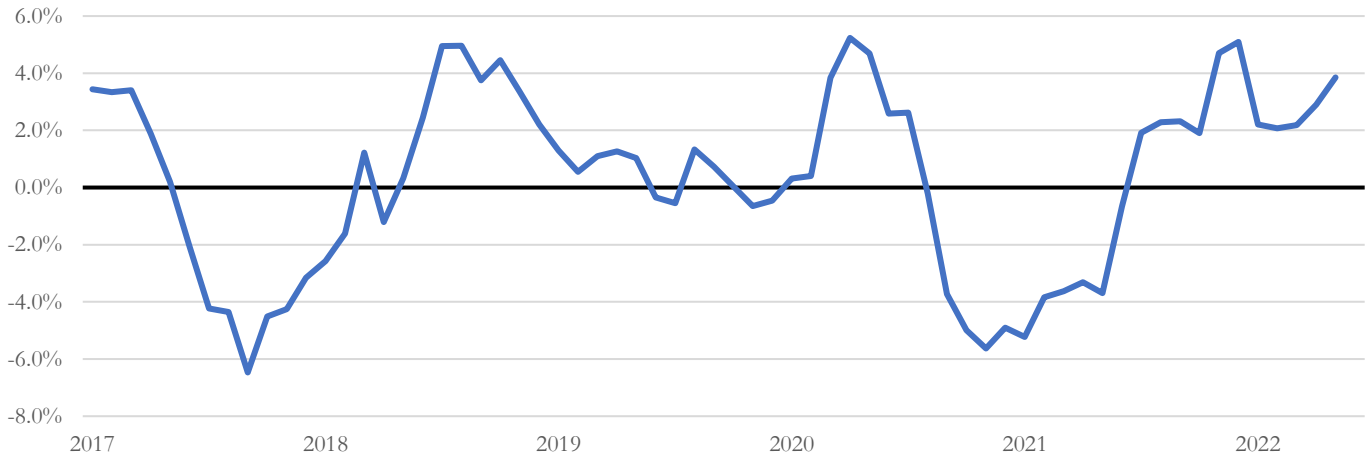
Value of imports from top 5 import partners



3.7.2 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 May 2022, Maine's RTWVD 6-month change was 3.9%.

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	Census Bureau – ACS 5-year	2020	March 17, 2022
Educational attainment	Census Bureau – ACS 5-year	2020	March 17, 2022
Poverty level	Census Bureau – ACS 5-year	2020	March 17, 2022
Income	Census Bureau – ACS 5-year	2020	March 17, 2022
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	2022:Q1	June 22, 2022
Average earnings per job	U.S. Bureau of Economic Analysis	2020	September 23, 2021
Gross domestic product	U.S. Bureau of Economic Analysis	2022:Q1	June 30, 2022
GDPNow	Atlanta Fed	2022:Q2	July 27, 2022
Real-time Sahm Rule Recession Indicator	Sahm, Claudia/FRED	June 2022	July 8, 2022
Personal income: total, per capita, and wages and salaries	U.S. Bureau of Economic Analysis	2022:Q1	June 22, 2022
Unemployment rate	U.S. Bureau of Labor Statistics	June 2022	July 22, 2022
Labor force participation	U.S. Bureau of Labor Statistics	June 2022	July 22, 2022
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	June 2022	July 22, 2022
Consumer Price Index	U.S. Bureau of Labor Statistics	June 2022	July 13, 2022
PCE Price Index	U.S. Bureau of Economic Analysis/FRED	June 2022	July 29, 2022
Brent Spot Prices	Energy Information Administration	July 22, 2022	July 27, 2022
Gasoline	Energy Information Administration	July 25, 2022	July 27, 2022
House price index	Federal Housing Finance Agency	2022:Q1	May 31, 2022
Housing: Units and Median Sale Price	Maine Association of REALTORS®	June 2022	July 22, 2022
Sale-to-list price ratio	Zillow Research	June 4, 2022	July 2022
Index of Consumer Sentiment	Michigan Survey of Consumers	July 2022	July 2022
Small Business Optimism Index	National Federation of Independent Businesses	June 2022	July 2022
Imports & Exports	USA Trade Online	May 2022	July 7, 2022
Real Trade-Weighted Value of the Dollar	Federal Reserve Bank of Dallas	May 2022	July 7, 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.