

Maine Economic Indicators

May 2021



Maine Department of Administrative and Financial Services

Office of the State Economist

Amanda Rector, State Economist

Angela Hallowell, Economic Analyst

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.

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
2020	Total population	1,362,359	15,116,205	331,449,281
2018-2019	Annual population percent change	0.4%	0.1%	0.5%
2010-2020	Cumulative population percent change	2.6%	4.7%	7.4%
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%
April 2021	Unemployment rate	4.8%	6.2%	6.1%
April 2021	Total private nonfarm employment	514,700	6,099,200	122,717,000
April 2021	Labor Force	673,900	7,771,900	160,988,000
April 2021	Labor Force Participation Rate	60.1%	N/A	61.7%

Note: 2020 total population counts and 2010-2020 population change are measured by the 2020 Decennial Census and based on a complete count of persons. Annual population change from 2018-2019 are measured by the Population Estimates Program, and are based on an estimate.

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

Real GDP	2020:Q1	2020:Q2	2020:Q3	2020:Q4	2019:Q4-2020:Q4
Maine	-6.5	-34.4	37.3	2.8	-3.6
New England	-4.8	-32.3	34.2	4.9	-2.4
United States	-5.0	-31.4	33.4	4.3	-2.4
Total Personal Income	2020:Q1	2020:Q2	2020:Q3	2020:Q4	2019:Q4-2020:Q4
Maine	5.3	56.0	-22.9	-5.5	4.6
New England	4.6	44.1	-15.4	-9.5	3.7
United States	4.1	35.8	-11.3	-6.8	4.0
Per Capita Personal Income	2020:Q1	2020:Q2	2020:Q3	2020:Q4	2019:Q4-2020:Q4
Maine	5.0	55.7	-23.1	-5.8	4.3
New England	4.7	44.3	-15.3	-9.3	3.8
United States	3.8	35.5	-11.6	-7.1	3.7
Wages & Salaries	2020:Q1	2020:Q2	2020:Q3	2020:Q4	2019:Q4-2020:Q4
Maine	5.1	-19.3	19.4	8.3	2.3
New England	5.1	-23.0	15.9	8.7	0.5
United States	4.4	-23.7	21.1	9.1	1.3

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
2020	Total population	1,362,359	15,116,205	331,449,281
2018-2019	Annual population percent change	0.4%	0.1%	0.5%
2010-2020	Cumulative population percent change	2.6%	4.7%	7.4%
2019	Births	12,073	145,125	3,791,712
2019	Deaths	14,335	131,609	2,835,038
2019	Net migration	5,039	2,428	595,348
2018-2019	Annual rate of total net migration (Maine ranks 16 th in the U.S.)	5.6%	0.00%	1.8%
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
2019	Per capita personal consumption expenditures	\$47,351	\$53,985	\$42,757
2020	Per capita disposable personal income	\$49,072	\$64,398	\$53,080

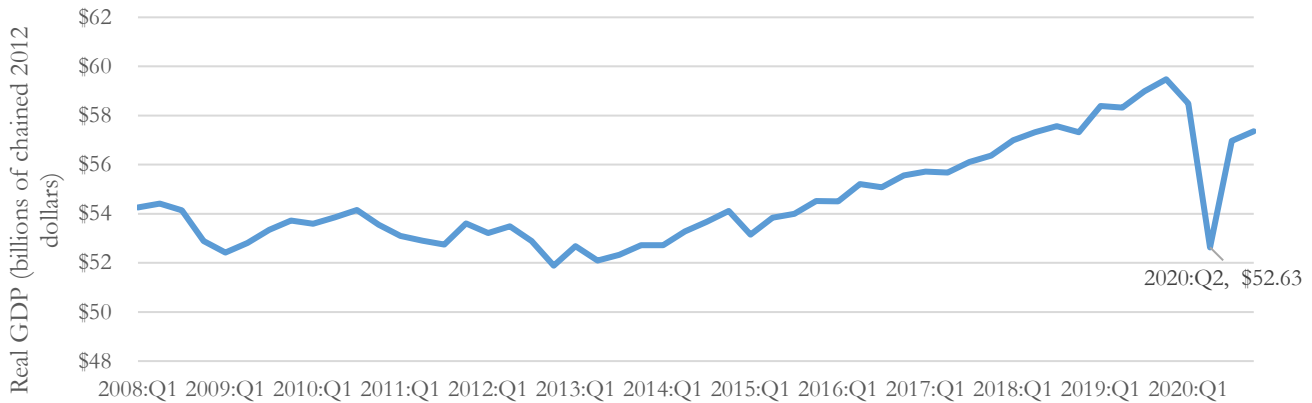
3 Quarterly and Monthly Indicators

3.1 Gross Domestic Product (GDP)

Real GDP in Maine grew by 2.8 percent from the preceding quarter at an annual rate (2020:Q3 to 2020:Q4), ranking 44th in the U.S. and second-to-last in New England. The industries that contributed the largest growth in GDP were Healthcare and Social Assistance (0.66 percentage points) and Professional, Scientific and Technical Services (0.61 percentage points). Maine's real GDP remains 3.5% below a year ago (2019:Q4).

Reference Period		Maine	United States
2020:Q4	Total GDP (Current dollars)	\$67.8 billion	\$21.5 trillion

Real GDP (billions of chained 2012 dollars) - Maine



3.1.1 GDP Now from the Federal Reserve Bank of Atlanta

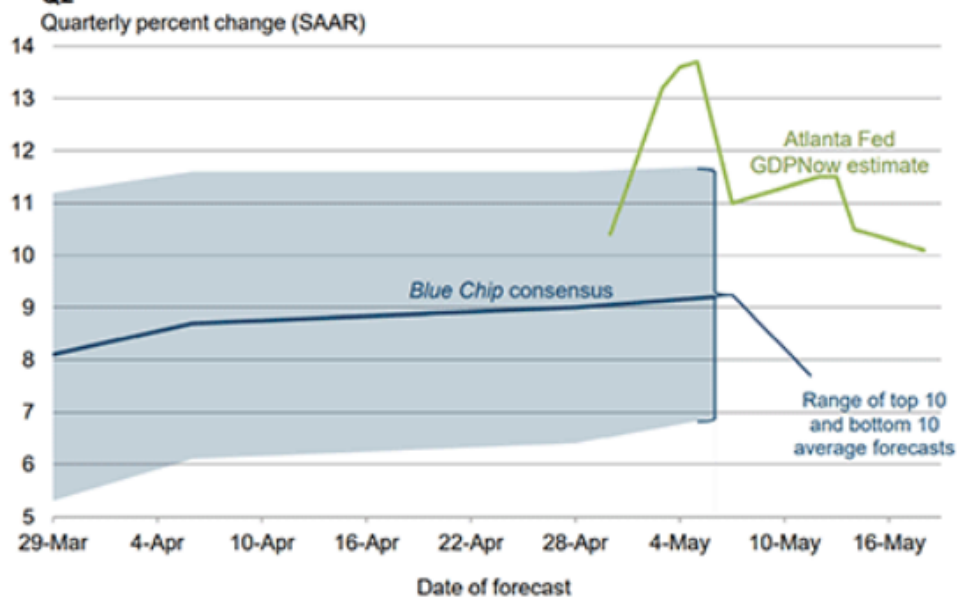
GDPNow, which is reported by the Atlanta Fed, is “a running estimate of real GDP growth based on available data for the current quarter.” This model uses a similar methodology to the one used by the U.S. Bureau of Economic Analysis in their official GDP estimates and is revised each time the monthly source data is updated. The latest forecast (May 18, 2021) estimates that national real GDP will **increase by 10.1 percent** at an annual rate in the second quarter of 2021.



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 2021: Q2



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.

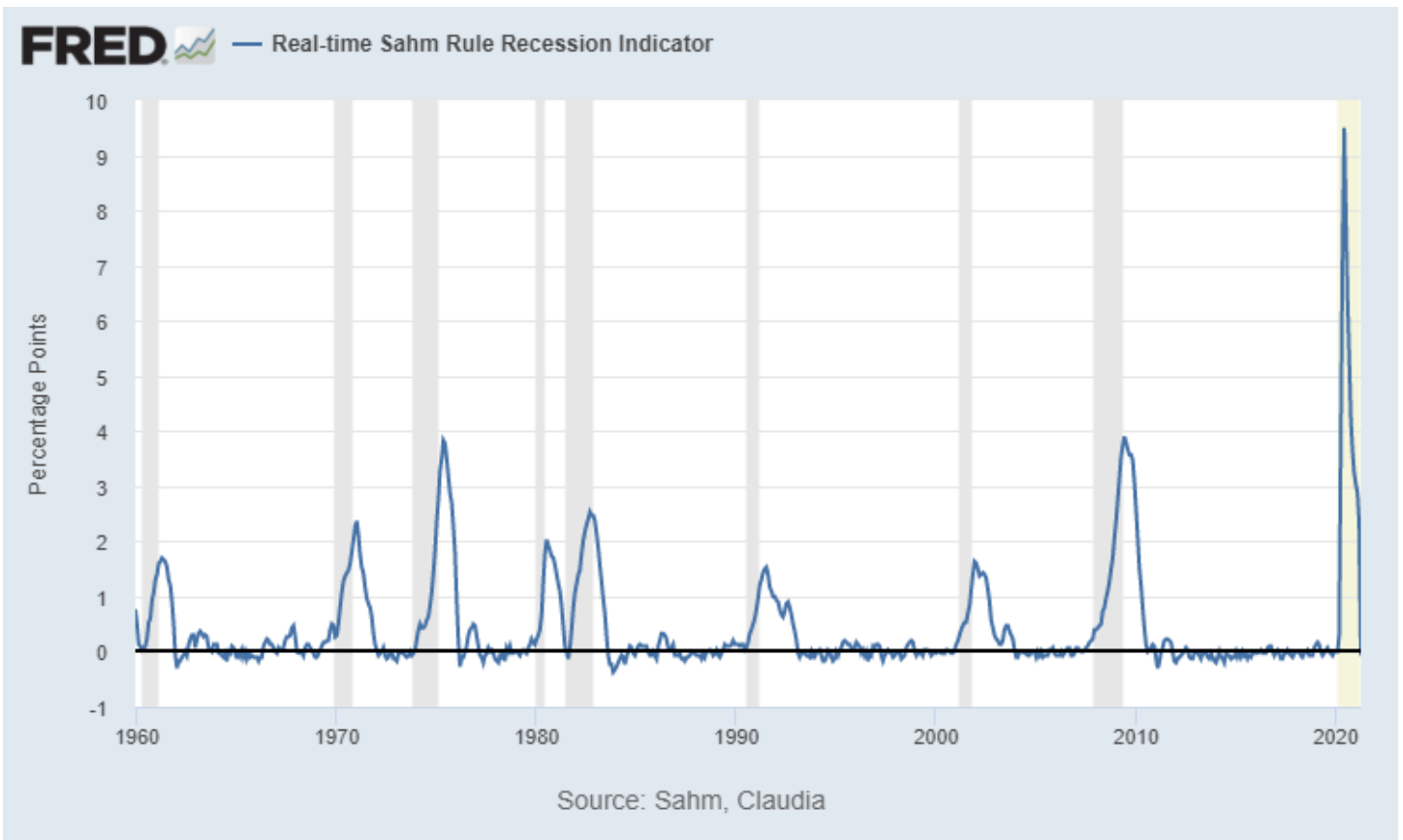
3.2 Recession Indicators

On June 8, 2020, the National Bureau of Economic Research (NBER) declared that the United States was officially in recession starting in February. 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 April 2021, this indicator showed that the three-month average of national U3 was **0.7 points under its 12-month low**. This indicator shows that the economy may not still be in a recession, although it is heavily distorted by the sudden increase in unemployment in April 2020. In typical recessions, the rise in unemployment is more gradual, which mitigates the distortion in this index.

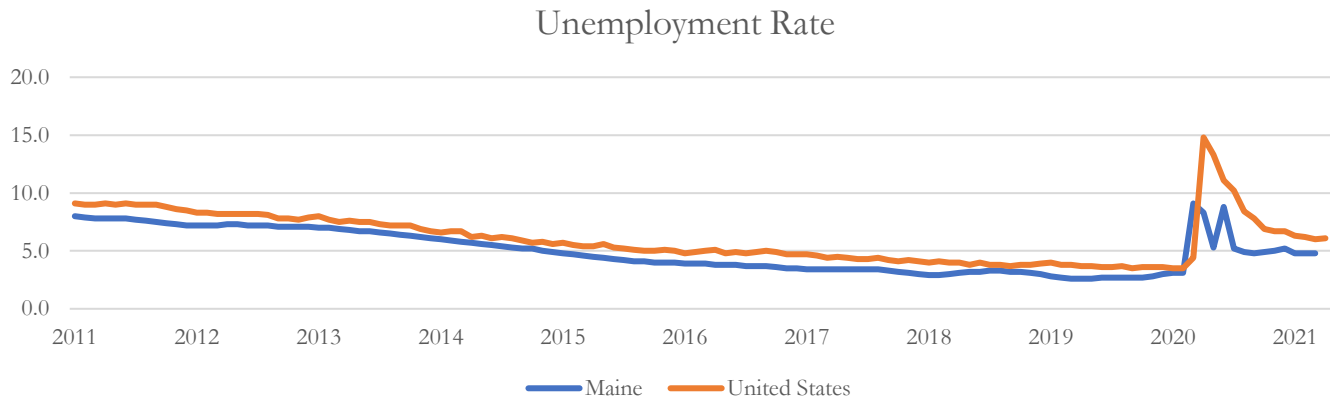


¹ Created by Dr. Claudia Sahm, Federal Reserve Board of Governors
Maine Economic Indicators – May 2021

3.3 Labor Markets²

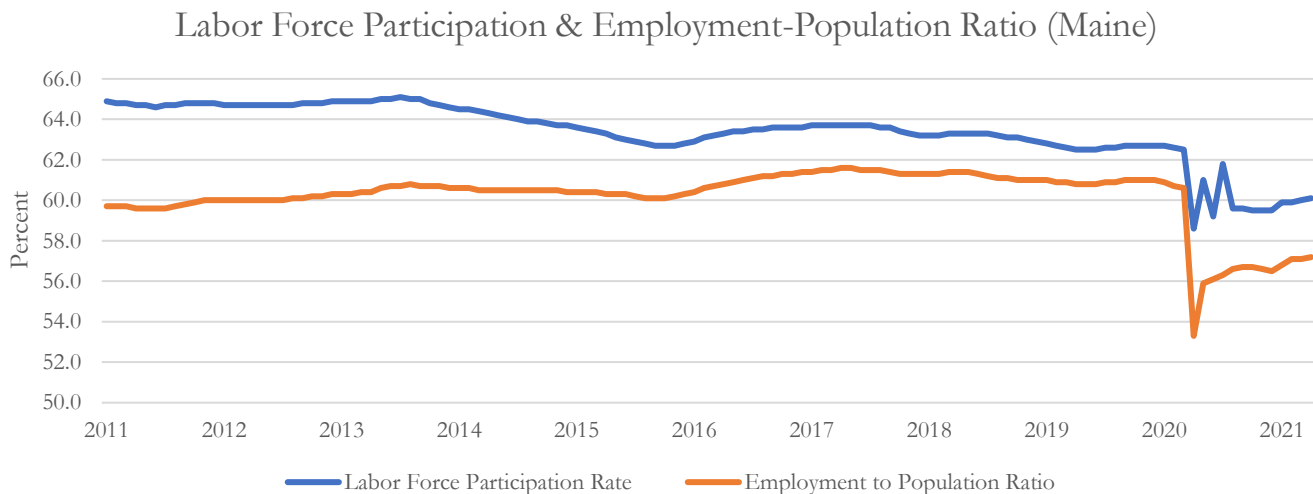
3.3.1 Unemployment Rate: April 2021 = 4.8%

The unemployment rate in Maine was at 4.8% in April for the third month in a row, compared to 6.1% nationally and 6.2% in New England. CWRI estimates an alternative unemployment rate of 8.7% in April³, which is estimated by considering changes in the labor force during the pandemic.



3.3.2 Labor Force Participation Rate: April 2021 = 60.1%

Labor force participation (LFP) ticked up slightly in April, to 60.1 percent, below the nation's 61.7 percent. 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, also edged up slightly, to 57.2%. Both LFP and EPOP have surpassed their April 2020 levels, by 1.5 points and 3.9 points, respectively, but are down from pre-pandemic by 2.5 points and 3.5 points, respectively.

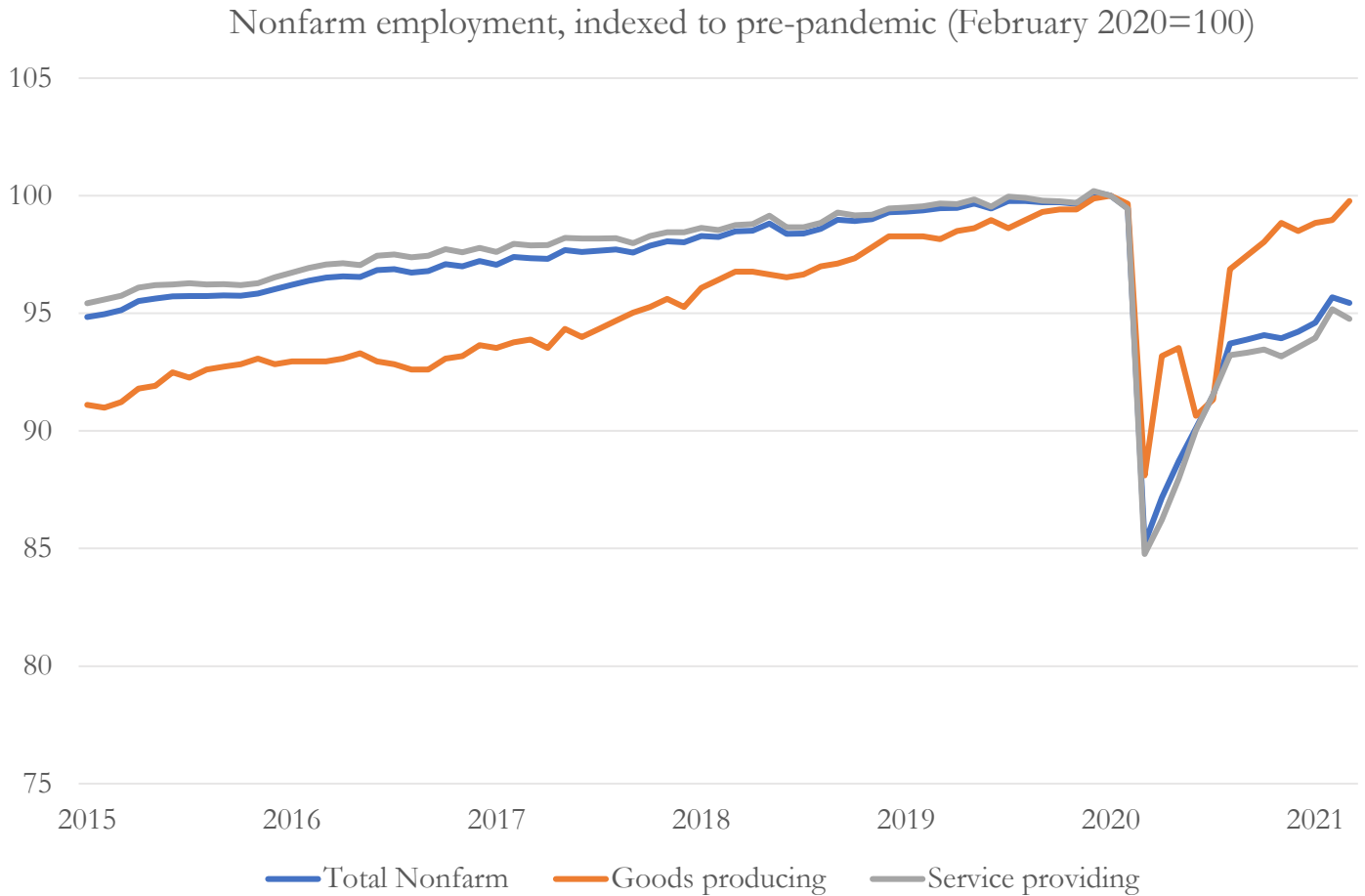


² The data for unemployment rates and labor force are derived from the Local Area Unemployment Statistics (LAUS) program and data for nonfarm payroll jobs are derived from the Current Employment Statistics (CES) program. The numbers presented below are estimates which vary month to month in either direction 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 <https://www.maine.gov/labor/cwri/news/release.html>

3.3.3 Total Nonfarm Payroll Job Estimates: April 2021 = 610,800

Seasonally adjusted total nonfarm jobs fell by 1,600 in April, with much of the loss attributed to abnormal seasonal patterns in private and public changes. Total nonfarm employment grew by 7,900 in New England and 266,000 in the United States. Industries that saw the greatest growth in Maine were Construction (+600), and retail trade (+600), while educational services lost 900 and state and local government combined lost 1,800 jobs, almost all of which were related to K-12 and post-secondary education.



3.4 Housing

3.4.1 Sales

April 2021 saw continued growth in the number of homes sold: 1,445 units, 35.7% higher than April 2020. Meanwhile the median sale price of \$276,000 was 17.1% higher than April 2020. All counties except Lincoln had year-over-year growth in the median sale price. Washington county saw sales nearly triple, up 194.1% year-over-year, while Aroostook and Waldo counties both had growth over 90%.

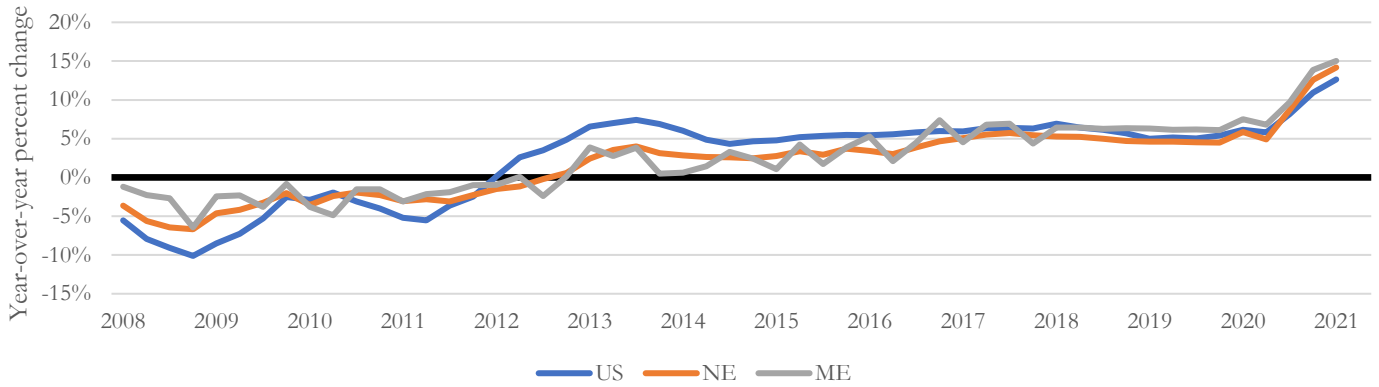
Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)
Androscoggin	87	11.5%	\$243,700	28.3%
Aroostook	75	92.3%	\$92,500	0.5%
Cumberland	261	10.6%	\$432,500	29.1%
Franklin	53	55.9%	\$165,000	6.5%
Hancock	88	76.0%	\$295,000	12.0%
Kennebec	116	39.8%	\$256,067	40.3%
Knox	51	34.2%	\$285,000	12.0%
Lincoln	36	38.5%	\$283,187	-5.0%
Oxford	73	32.7%	\$215,000	25.1%
Penobscot	167	65.4%	\$205,000	22.0%
Piscataquis	24	-7.7%	\$144,000	42.3%
Sagadahoc	36	71.4%	\$372,000	35.3%
Somerset	54	46.0%	\$162,500	30.0%
Waldo	57	96.6%	\$250,000	19.1%
Washington	50	194.1%	\$159,500	17.3%
York	217	11.3%	\$397,600	32.5%
Maine	1,445	35.7%	\$276,000	17.1%

3.4.2 House Price Index

In the first quarter of 2021, the housing price index (HPI) in Maine, New England, and the U.S. continued to rise at record pace. 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 year-over-year HPI growth rate was higher than both the regional growth rate and the national growth rate at 15.0% compared to 14.2% in New England and 12.6% in the U.S. These are the highest growth rates ever seen for Maine, New England and the U.S. since the index has been recorded.

Reference Period		Maine	New England	United States
2020:Q1-2021:Q1	HPI percent change from previous year	15.0%	14.2%	12.6%

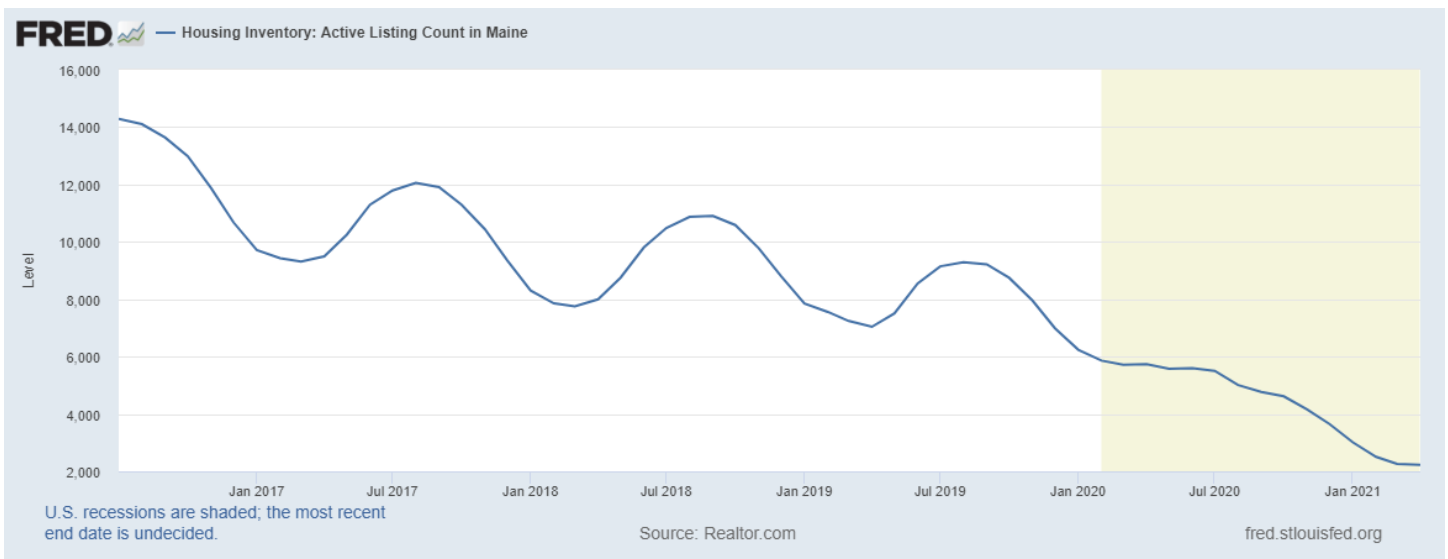
Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



3.4.3 Housing inventory

Part of the tight housing market is lack of inventory in Maine. Normal seasonal patterns typically lead to lower inventory during winter months and higher inventory in the summer months. This seasonal pattern did not occur in 2020, with inventory staying low through the summer months and continuing to decrease further through the winter and spring.

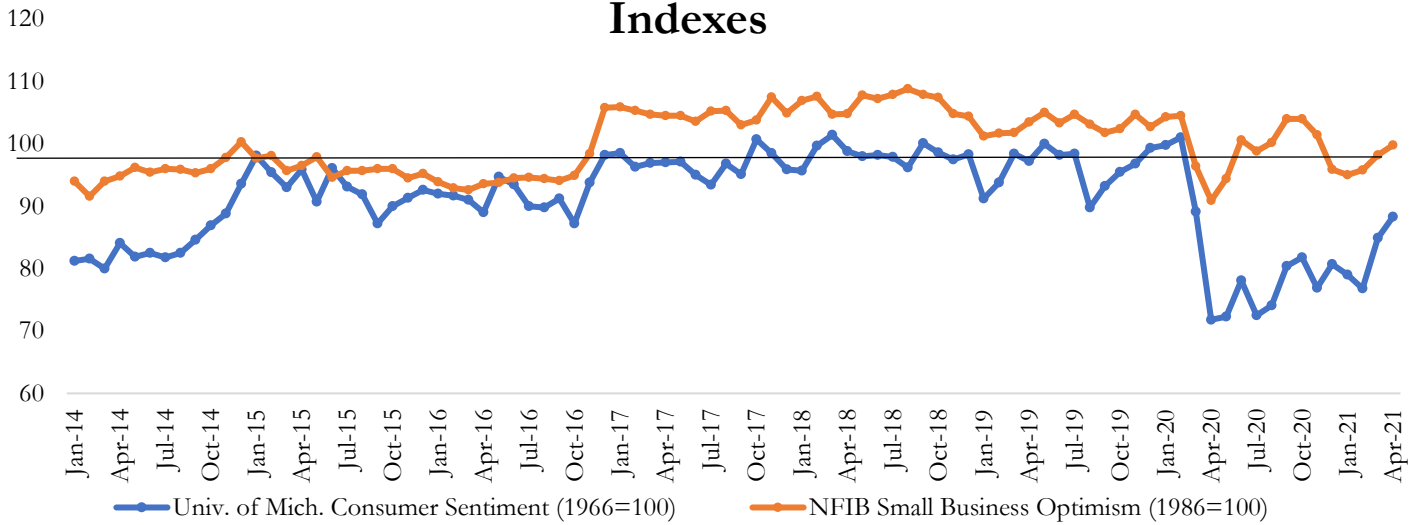
In April 2021, there were 2,230 active listings for single-family homes on Realtor.com, 61.1% fewer than April 2020 and 68% less than April 2019.



4 Sentiment

The Michigan Survey of Consumers indicated improving sentiment as its Consumer Sentiment Index was up 4.0% in April compared to March, and up 23.0% compared to April 2020. The Small Business Optimism Index, as measured by the National Federation of Independent Businesses, was up 9.8% in April year-over-year and up 1.6% from the previous month.

Consumer Sentiment and Small Business Optimism Indexes

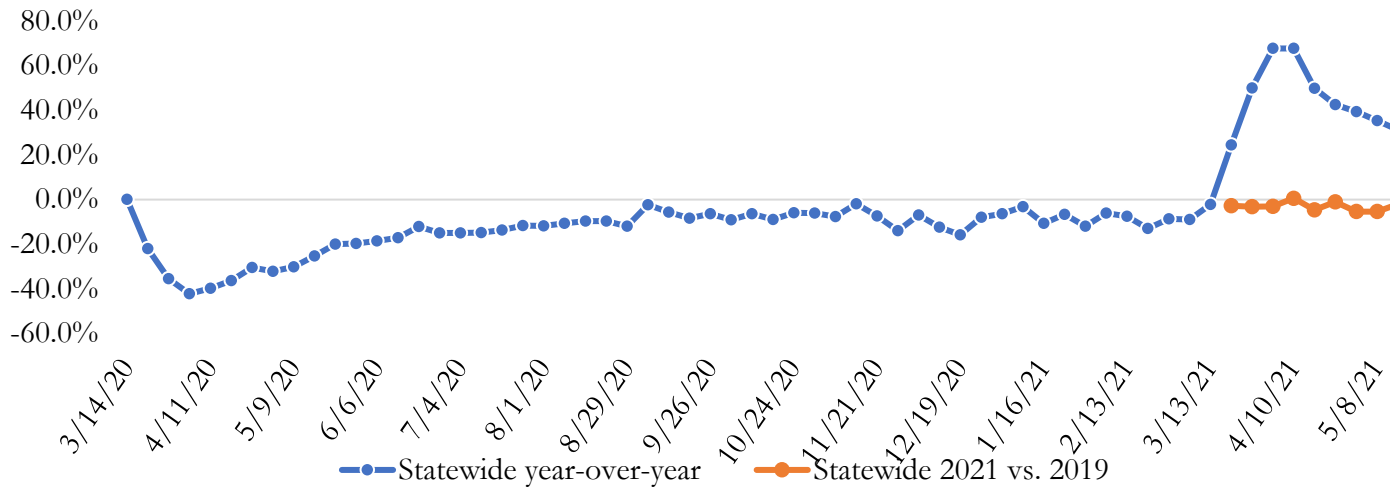


5 COVID-19 Indicators

5.1 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. In the third week of May, statewide VMT was 31.2% higher than it was in the same week of 2020, when COVID-19 caused a dramatic decline in traffic. The gap compared to the same week in 2019, the most recent pre-pandemic baseline, was only -2.0%. On average, VMT was down by 4.3% in each week of May compared to 2019.

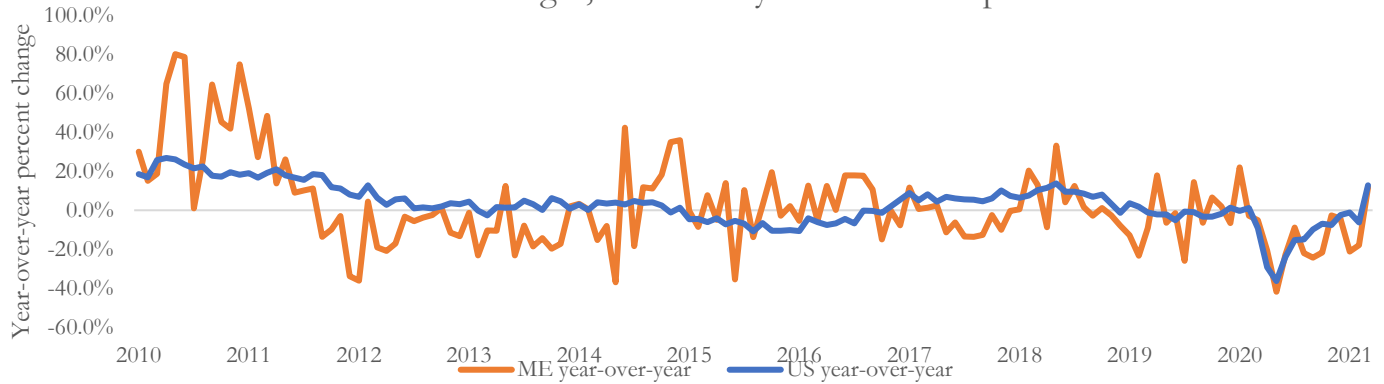
Vehicle Miles Travelled (VMT) in Maine, Year-over-year change



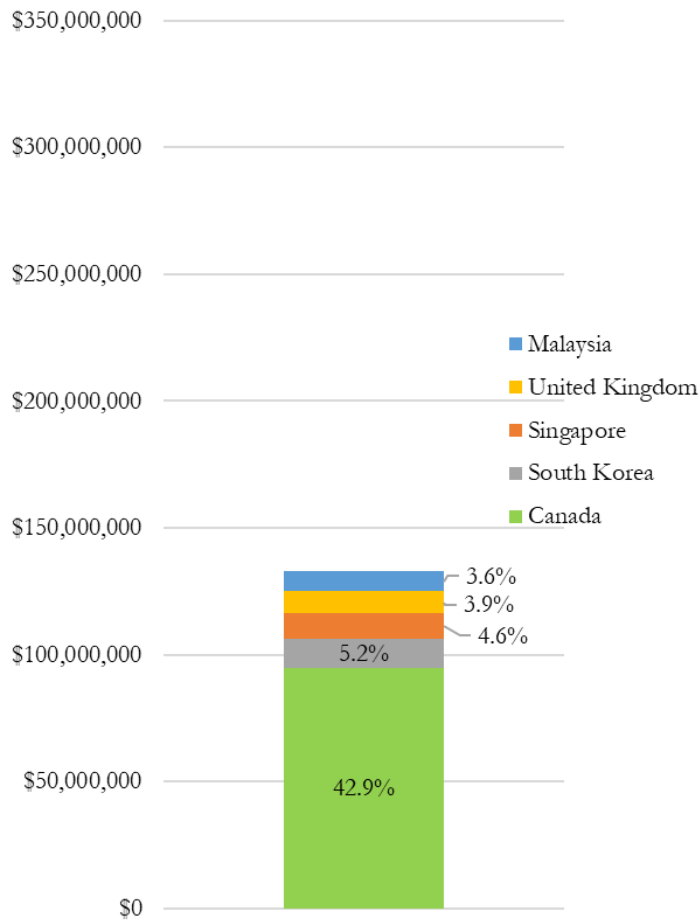
6 Trade Outlook

In March 2021, total exports were up 11.7% in Maine and 12.7% nationwide compared to March 2020. Maine's top trade partner was Canada, which accounted for 69.7% of imports and 42.9% of exports. Total imports to Maine were valued at \$530,642,631 while exports totaled \$220,944,003.

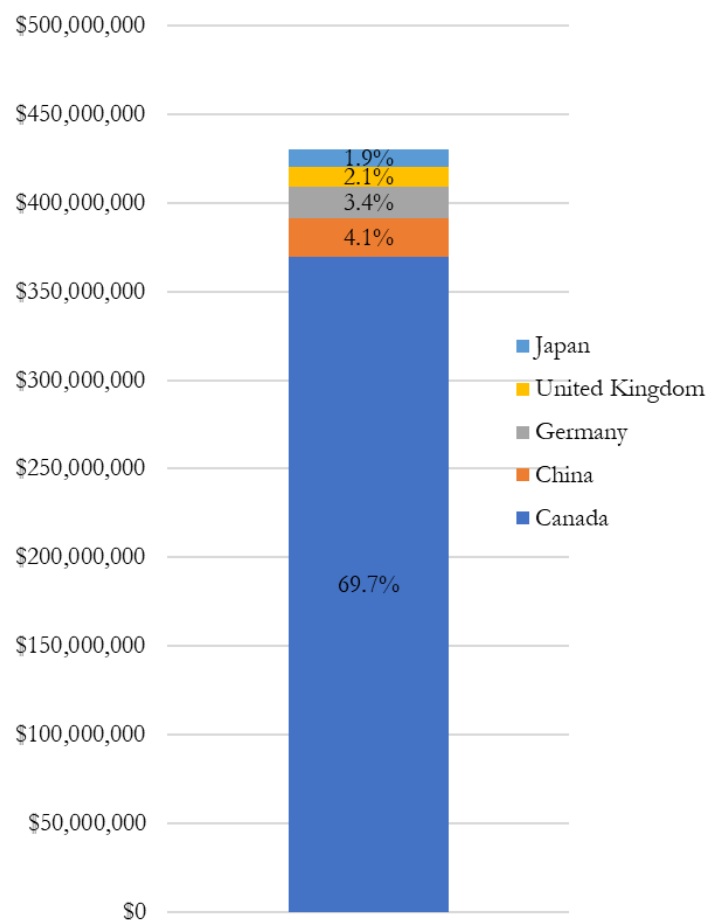
Percent Changes, Year-over-year in Total Exports



Value of exports to top 5 export partners



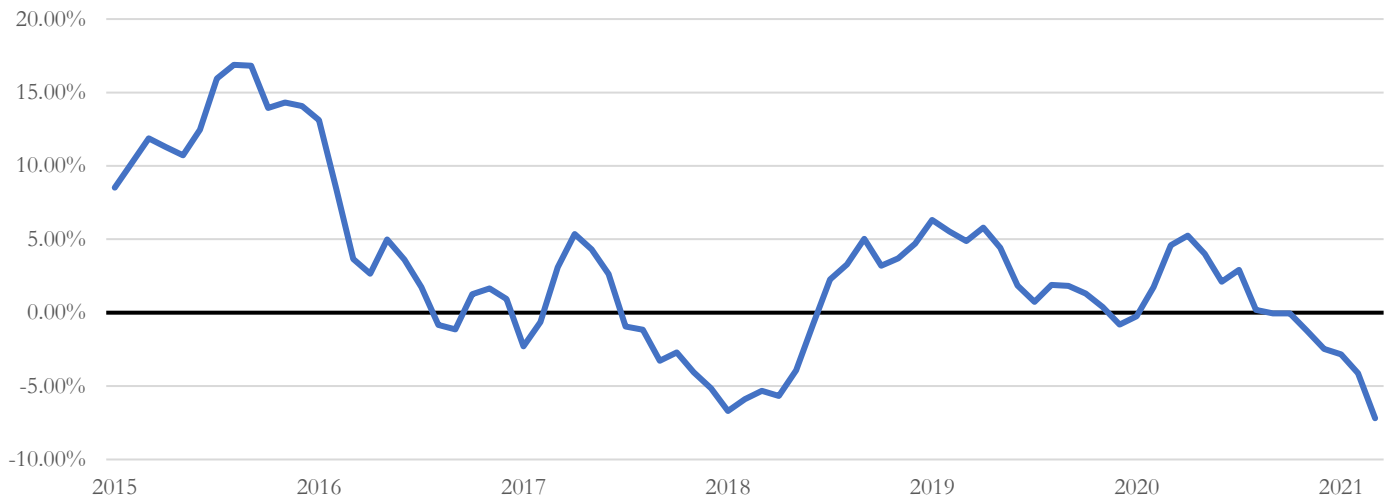
Value of imports from top 5 import partners



6.1.1 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 March 2021, Maine's RTWVD was 7.2% below March 2020.

Real Trade-Weighted Value of the Dollar: Maine, Year-Over-Year



7 Appendix

7.1 Data Sources

Indicator	Source	Reference Period	Release Date
Population: estimates and percent change	Census Bureau – Pop. Ests. And 2020 Decennial Census	2019, 2020	December 30, 2019, April 26, 2021
Net migration: total and percent change	Census Bureau – Pop. Ests.	2019	December 30, 2019
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	2019	October 8, 2020
Per capita personal income	U.S. Bureau of Economic Analysis	2020:Q4	March 24, 2021
Average earnings per job	U.S. Bureau of Economic Analysis	2019	September 24, 2020
Gross domestic product	U.S. Bureau of Economic Analysis	2020:Q4	March 26, 2021
GDPNow	Atlanta Fed	2021:Q2	May 18, 2021
Real-time Sahm Rule Recession Indicator	Sahm, Claudia/FRED	April 2021	May 7, 2021
Personal income: total, per capita, and wages and salaries	U.S. Bureau of Economic Analysis	2020:Q4	March 24, 2021
Unemployment rate	U.S. Bureau of Labor Statistics	April 2021	May 21, 2021
Labor force participation	U.S. Bureau of Labor Statistics	April 2021	May 21, 2021
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	April 2021	May 21, 2021
Housing price index	Federal Housing Finance Agency	2021:Q1	May 25, 2021
Housing: Units and Median Sale Price	Maine Association of REALTORS®	April 2021	May 21, 2021
Index of Consumer Sentiment	Michigan Survey of Consumers	April 2021	May 2021
Small Business Optimism Index	National Federation of Independent Businesses	April 2021	May 2021
Vehicle Miles Traveled	Maine Department of Transportation	May 15, 2021	May 20, 2021
Imports & Exports	USA Trade Online	February 2021	April 7, 2021
Real Trade-Weighted Value of the Dollar	Federal Reserve Bank of Dallas	March 2021	May 2021

7.2 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.