

Maine Economic Indicators

October 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.

Contents

1	Snapshot.....	3
2	Annual Indicators.....	4
3	Quarterly and Monthly Indicators	4
3.1	Gross Domestic Product (GDP).....	4
3.1.1	GDP Now from the Federal Reserve Bank of Atlanta.....	5
3.2	Recession Indicators.....	6
3.2.1	Real-time Sahm Rule Recession Indicator.....	6
3.2.2	GDP-Based Recession Indicator Index	6
3.3	Labor Markets	7
3.3.1	Unemployment Rate September 2022: 3.3%.....	7
3.3.2	Labor Force Participation Rate September 2022: 58.4%	7
3.3.3	Total Nonfarm Payroll Job Estimates September 2022: 638,900	8
3.4	National inflation measures.....	9
3.4.1	Consumer Price Index vs. Personal Consumption Expenditures	9
3.4.2	Expenditure categories of the CPI.....	9
3.5	Energy.....	11
3.5.1	Gasoline	11
3.5.2	Brent Spot Prices	11
3.5.3	Heating Oil.....	12
3.6	Housing.....	13
3.6.1	Sales	13
3.6.2	House Price Index.....	13
3.7	Sentiment	14
	Trade Outlook.....	15
3.7.1	Exports and trade partners.....	15
3.7.2	Real Trade-Weighted Value of the Dollar	16
4	Appendix	17
4.1.1	Data Sources.....	17
5	Glossary	18

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%
2021	Average earnings per job	\$59,084	\$80,834	\$71,017
2020-2021	Average earnings per job percent change	4.6%	4.3%	5.0%
September 2022	Unemployment rate	3.3%	3.3%	3.5%
September 2022	Total private nonfarm employment	539,000	6,514,800	130,736,000
September 2022	Labor Force	675,700	8,005,100	164,689,000
September 2022	Labor Force Participation Rate	58.4%	N/A	62.3%

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

Real GDP	2021:Q3	2021:Q4	2022:Q1	2022:Q2	2021:Q3-2022:Q2
Maine	3.2	5.1	-0.5	-1.2	1.1
New England	3.6	6.1	-0.6	-2.8	0.8
United States	2.7	7.0	-1.6	-0.6	1.5
Total Personal Income	2021:Q3	2021:Q4	2022:Q1	2022:Q2	2021:Q3-2022:Q2
Maine	0.7	4.4	3.0	4.5	4.0
New England	0.4	1.8	3.2	3.1	2.8
United States	1.8	3.1	3.1	5.8	4.0
Per Capita Personal Income	2021:Q3	2021:Q4	2022:Q1	2022:Q2	2021:Q3-2022:Q2
Maine	-0.3	3.4	2.2	3.7	3.1
New England	0.2	1.7	3.2	3.1	2.7
United States	1.4	2.7	2.9	5.6	3.7
Wages & Salaries	2021:Q3	2021:Q4	2022:Q1	2022:Q2	2021:Q3-2022:Q2
Maine	11.1	11.2	5.2	6.0	7.4
New England	11.6	10.2	5.9	3.8	6.6
United States	11.7	13.1	6.9	6.9	8.9

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%
2021	Median age, years (American Community Survey)	44.7	41.0	38.8
2021	Associate degree: percent of population age 25 and above	10.6%	8.1%	8.8%
2021	Bachelor's degree: percent of population age 25 and above	22.2%	24.2%	21.2%
2021	Graduate or professional degree: percent of population age 25 and above	13.8%	19.0%	13.8%
2021	Percent of population below poverty level	11.5%	10.2%	12.8%
2021	Median family income	\$82,842	\$104,939	\$85,806
2021	Median household income	\$64,767	\$82,987	\$69,717
2021	Per capita personal consumption expenditures	\$45,272	\$50,154	\$42,635
2021	Per capita disposable personal income	\$50,559	\$55,813	\$47,915

3 Quarterly and Monthly Indicators

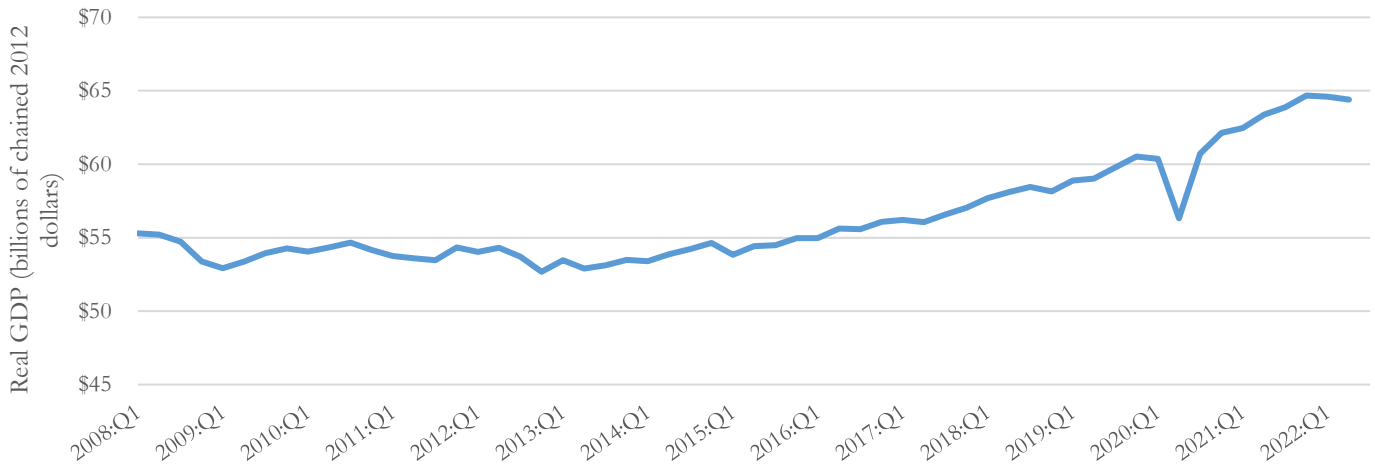
3.1 Gross Domestic Product (GDP)

Real GDP in Maine fell by 1.2 percent from the preceding quarter at an annual rate (2022:Q1 to 2022:Q2), ranking 29th in the United States. Nationally, GDP fell by 0.6 percent. For both Maine and the U.S., real GDP declined for two quarters consecutively; however, this does not necessarily indicate that the economy is in a recession. For the official recession definition, see the "Recession Indicators" section of this report. Additionally, Real GDP **increased nationally, by 2.6% in the third quarter of 2022**. Data for Maine in the third quarter will be available in December.

The industry sectors that contributed the most to Maine's first quarter decline in GDP were nondurable goods manufacturing; agriculture, forestry, fishing and hunting; construction; and wholesale trade. These losses were partially offset by gains in other industries such as accommodation and food services; healthcare and social assistance; and finance and insurance.

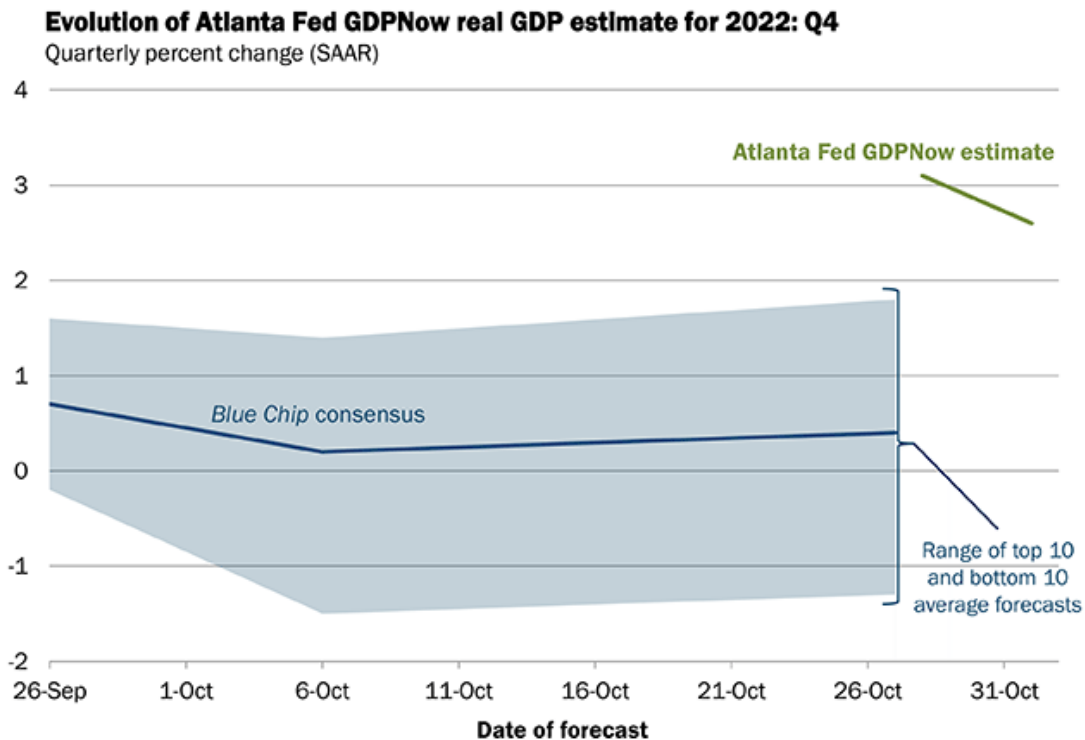
2022:Q2	Maine	United States
Nominal GDP (Current dollars)	\$83.5 billion	\$25.2 trillion
Real GDP (Chained 2012 Dollars)	\$64.4 billion	\$19.9 trillion

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:Q4 as of November 1st is that U.S. real GDP will **increase by 2.6 percent** at an annual rate.



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

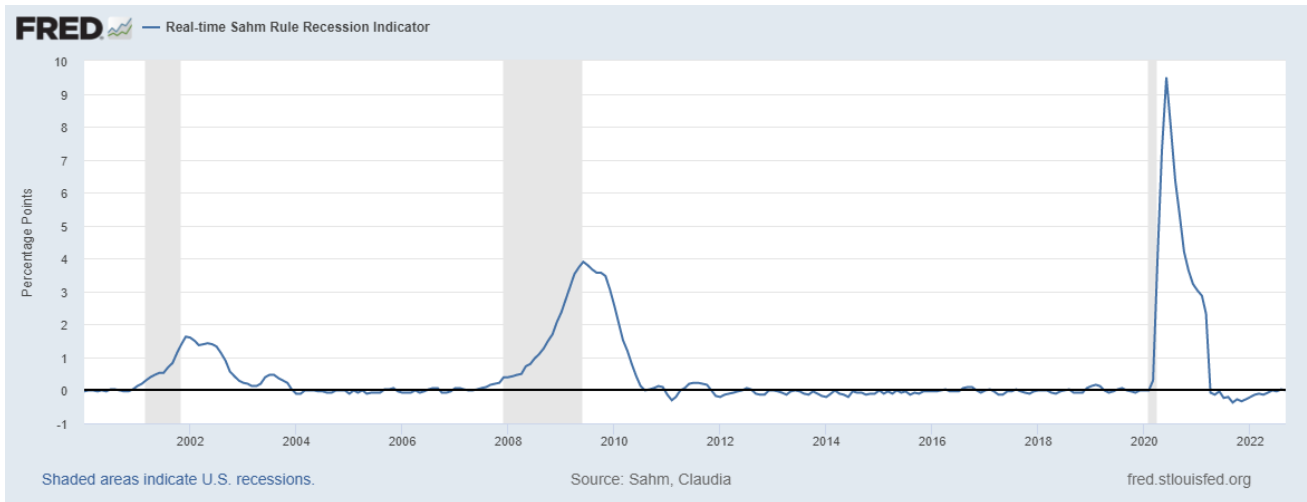
Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

3.2 Recession Indicators

NBER is the primary source in the United States that declares when recessions begin and end and defines a recession as a significant decline in economic activity that is spread across the economy and lasts more than a few months. Other recession indicators are used to estimate business cycles in real time but are not official sources for when recessions begin and end.

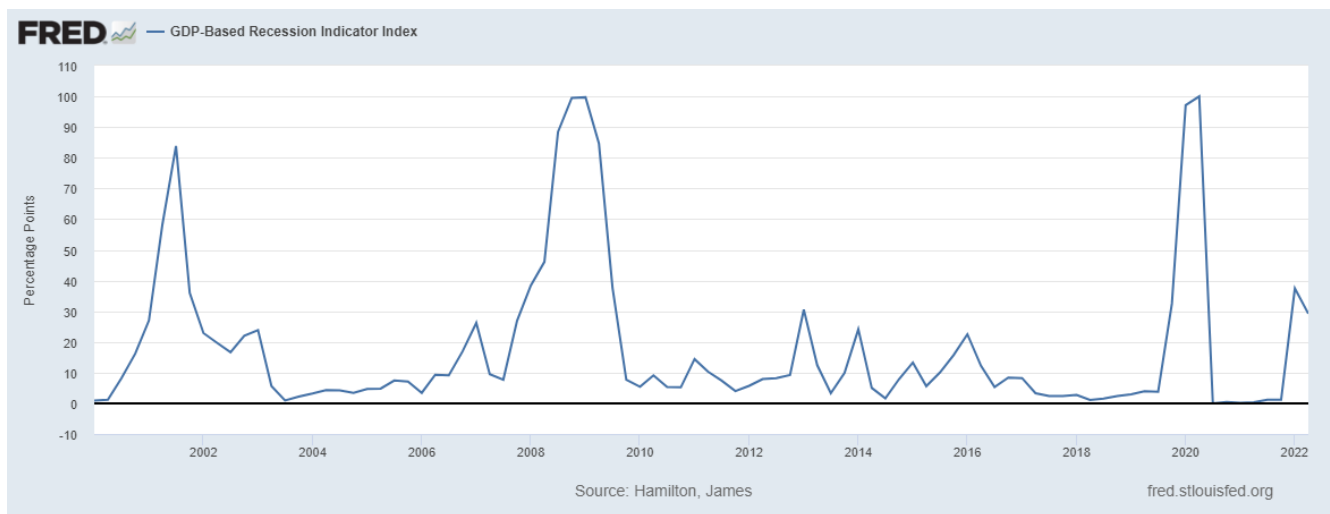
3.2.1 Real-time Sahm Rule Recession Indicator

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 September 2022, this indicator showed that the three-month average of national U3 was **0.00 points over its 12-month low**.



3.2.2 GDP-Based Recession Indicator Index

The GDP-Based Recession Indicator Index is 29.2 percentage points (2022:Q2), down from 37.4 in the first quarter. The index ranges from 0 to 100, and values above 67 provide a historically reliable indicator that the economy is in recession². This index is calculated with a one quarter lag, which allows for extra insight and accounts for data revisions to make dependable inference. Therefore, the index does not get revised once it is published.



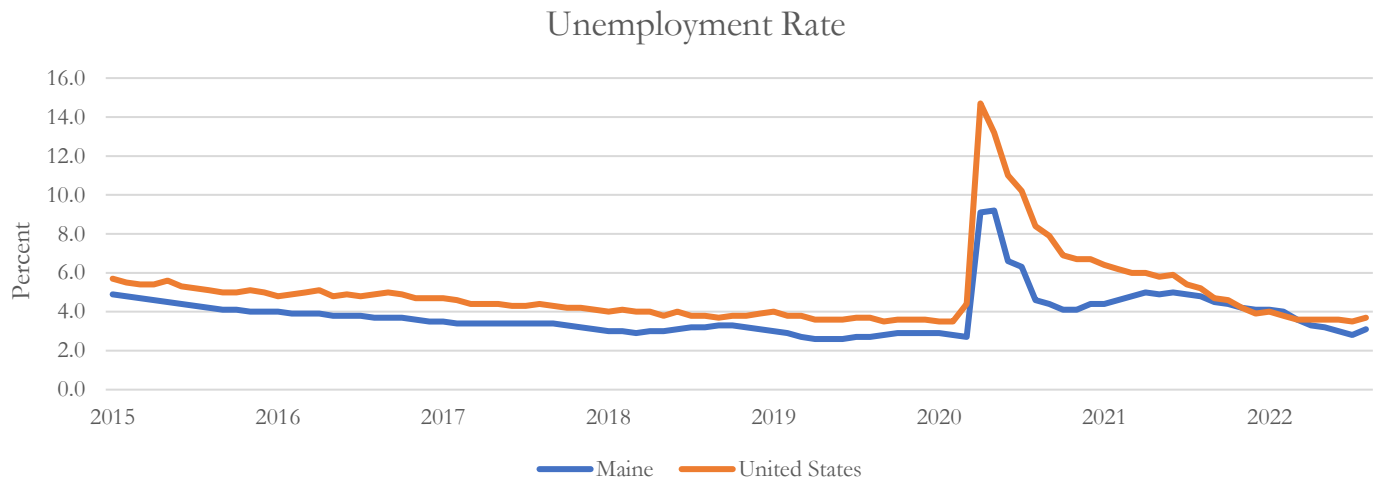
¹ Created by Dr. Claudia Sahm, Federal Reserve Board of Governors

² Created by Dr. James Hamilton, University of California San Diego

3.3 Labor Markets³

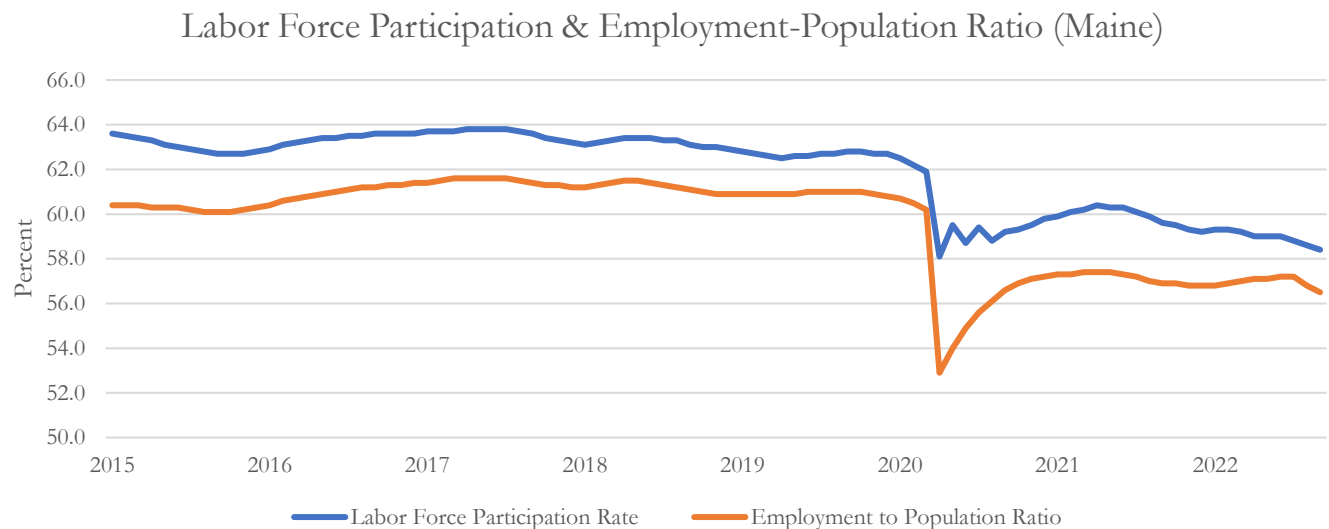
3.3.1 Unemployment Rate September 2022: 3.3%

The unemployment rate rose to 3.3% in September, up from 3.1% a month before. This is lower than the U.S. (3.5%) and equal to New England (3.3%). The 3-month average unemployment rate from July-September was 3.1%, little changed from the three months ending in June. The number of unemployed individuals was 22,166 in September.



3.3.2 Labor Force Participation Rate September 2022: 58.4%

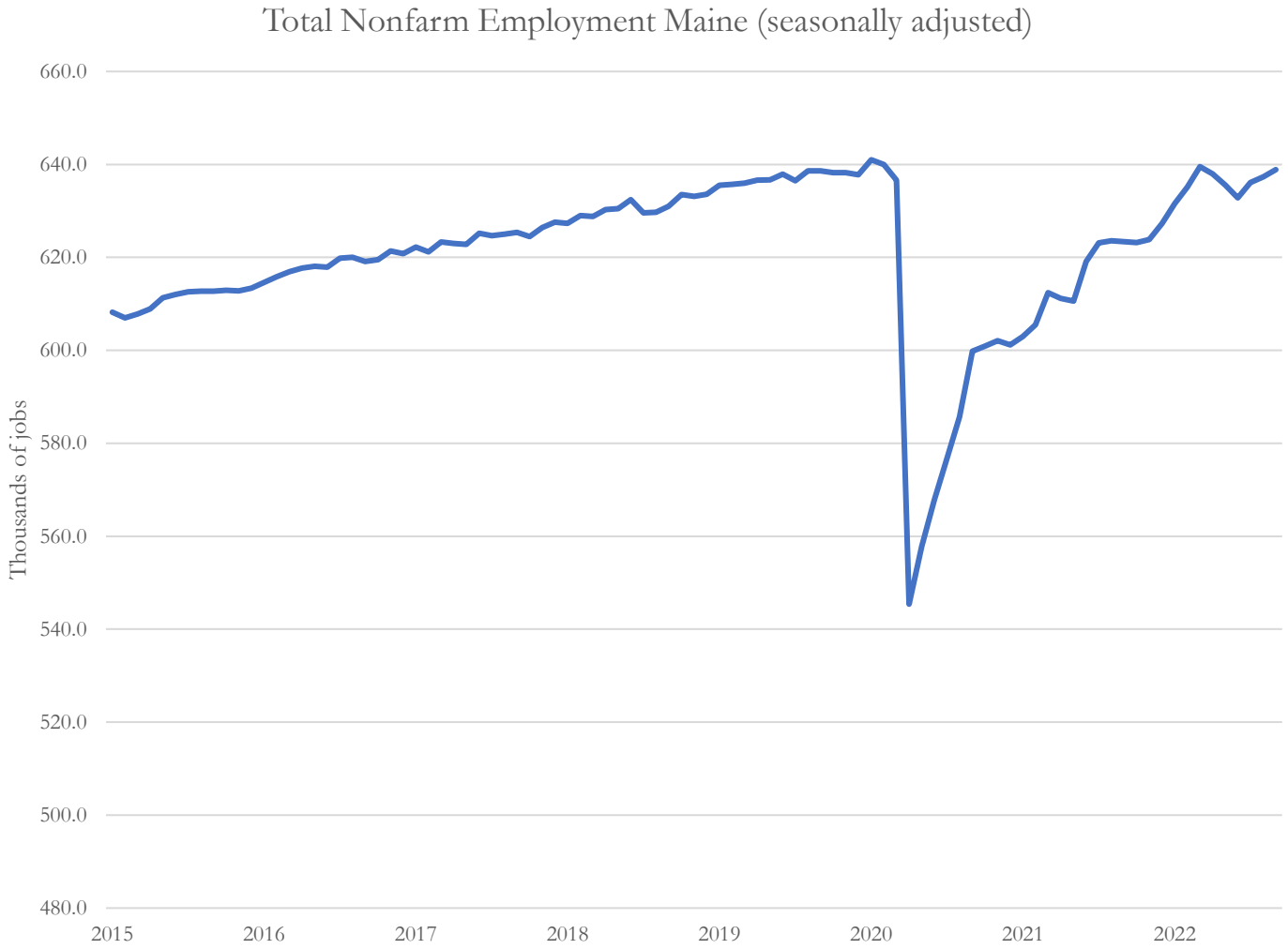
Labor force participation (LFP) was 58.4% in September, down 0.2 percentage points from August. The employment to population ratio (EPOP), an alternative measure of labor market activity which measures the total number of employed working-age adults divided by the total working-age population, fell to 56.5%.



³ 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.

3.3.3 Total Nonfarm Payroll Job Estimates September 2022: 638,900

Seasonally adjusted total nonfarm employment grew by 1,600 jobs in September, with declines in government (mostly public higher education) offset by gains in the private sector.

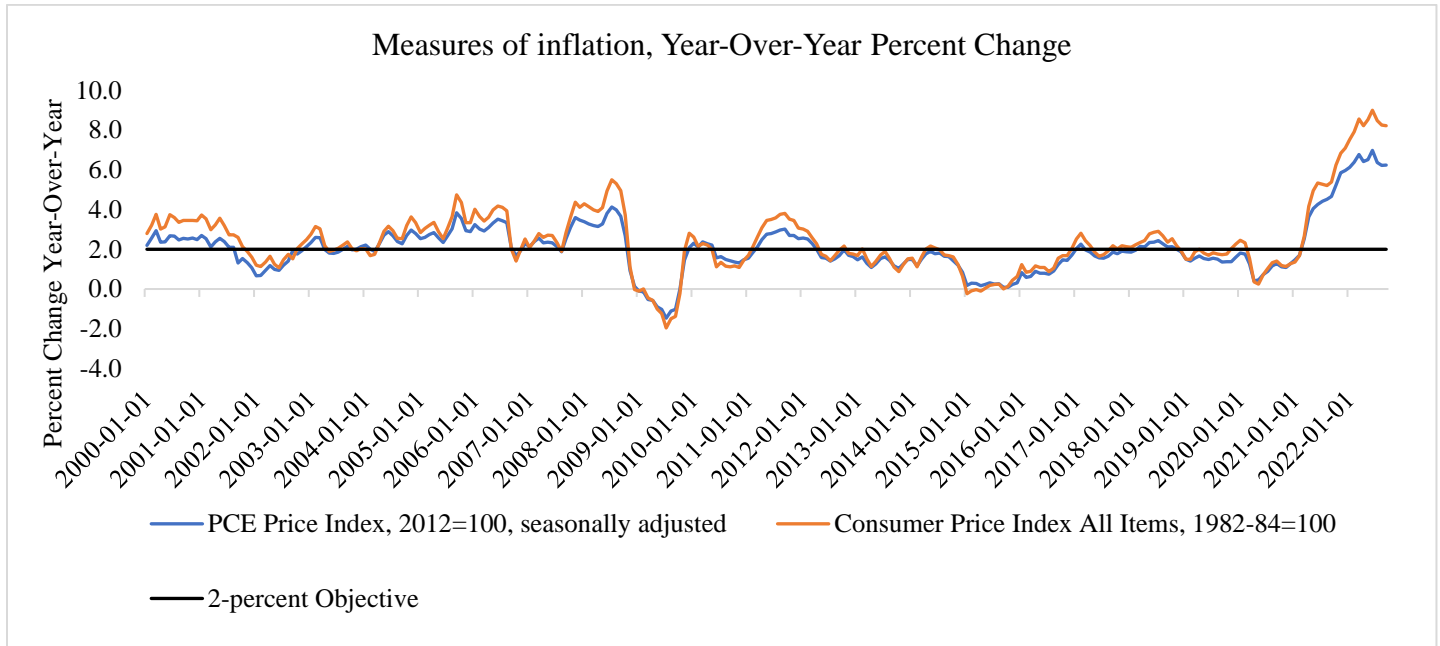


3.4 National inflation measures

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 September, the PCE price index grew by 6.2% year-over-year, unchanged from August. The CPI all-items index grew by 8.2% before seasonal adjustment, down from 8.3% in August. On a monthly basis, the PCE price index grew 0.3% in September while the CPI grew 0.4% from August to September.



3.4.2 Expenditure categories of the CPI

The CPI for all urban consumers increased 8.2% year-over-year in September and 0.4% from a month prior. Meanwhile, core inflation, which excludes volatile food and energy prices, rose by 6.6% year-over-year and 0.6% since August. The indexes for shelter, food and medical care were the largest contributors to the overall increase in September.

September's inflation reading shows a monthly acceleration in the all-items index, though the annual growth rate was slightly slower than a month prior. Declining prices for energy is reason for some optimism, as high prices in these areas have weighed heavily on consumers in recent times. That said, energy costs have more recently spiked, and October's numbers may show increases in this index once again. Additionally, indexes for key items like food and shelter remain persistently high.

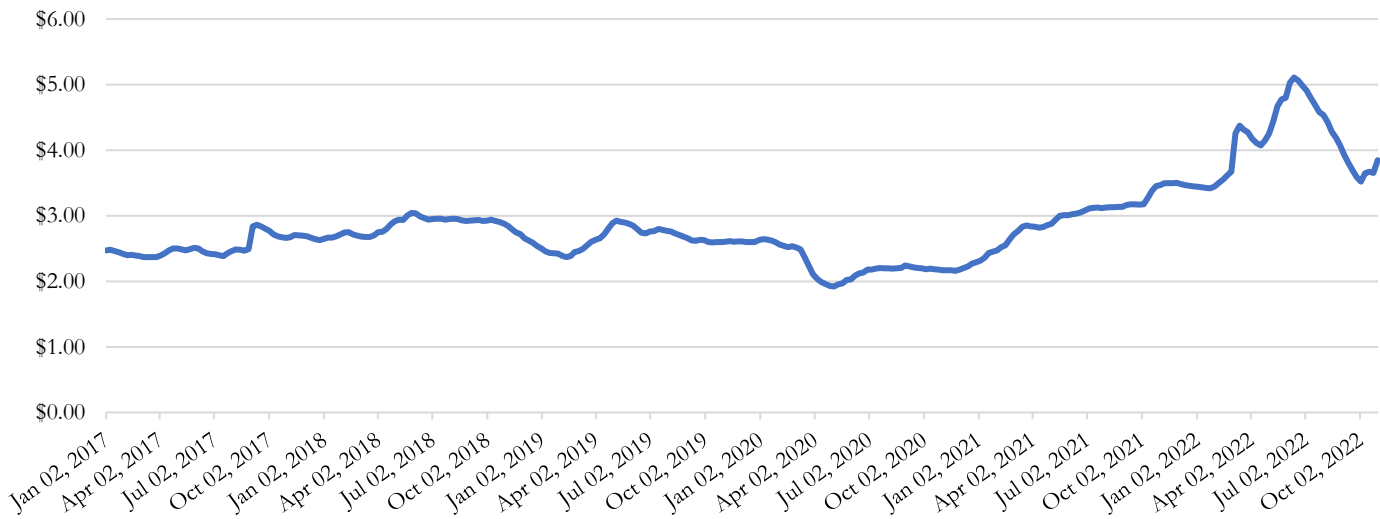
Table 1. Percent Change in Consumer Price Index by Expenditure Category	Year-Over-Year (not seasonally adjusted)		Month-Over-Month (seasonally adjusted)	
	August 2022	September 2022	August 2022	September 2022
All items	8.3	8.2	0.1	0.4
Food	11.4	11.2	0.8	0.8
Energy	23.8	19.8	-5.0	-2.1
<i>All items less food and energy</i>	6.3	6.6	0.6	0.6
Commodities (less food and energy)	7.1	6.6	0.5	0.0
Household furnishings and supplies	10.6	9.9	1.1	0.6
Apparel	5.1	5.5	0.2	-0.3
Transportation commodities (less motor fuel)	9.1	8.4	0.4	-0.2
Medical care commodities	4.1	3.7	0.2	-0.1
Recreation commodities	3.8	4.0	0.6	0.0
Education and communication commodities	-7.3	-8.3	-0.7	-0.6
Alcoholic beverages	4.3	4.1	0.4	0.0
Other goods	7.6	7.9	1.2	0.4
Services (less energy)	6.1	6.7	0.6	0.8
Shelter	6.2	6.6	0.7	0.7
Water and sewer and trash collection	4.6	4.9	0.6	0.7
Household operation	6.6	--	--	--
Medical care services	5.6	6.5	0.8	1.0
Transportation services	11.3	14.6	0.5	1.9
Recreation services	4.2	4.1	0.0	0.2
Education and communication services	1.5	1.4	0.2	0.2
Other personal services	5.8	5.9	0.3	0.3

3.5 Energy

3.5.1 Gasoline

The average price of a gallon of gasoline in New England was \$3.849 on October 31, 2022, \$0.26 higher than a month prior and \$0.40 higher compared to the same week of 2021. Overall, the average price of gasoline was about \$0.08 lower than the September average, though it's begun to tick up more recently, jumping nearly 20 cents between the fourth and fifth weeks of October.

New England - All Grades and Formulations Gasoline Price Per Gallon



3.5.2 Brent Spot Prices

The weekly Brent spot price averaged \$93.44 in the first three weeks of October (through 10/21) and was at \$91.04 in the third week of the month. The Brent spot price has increased by \$2.50 from a month prior.

Weekly Brent Spot Price - Dollars per Barrel

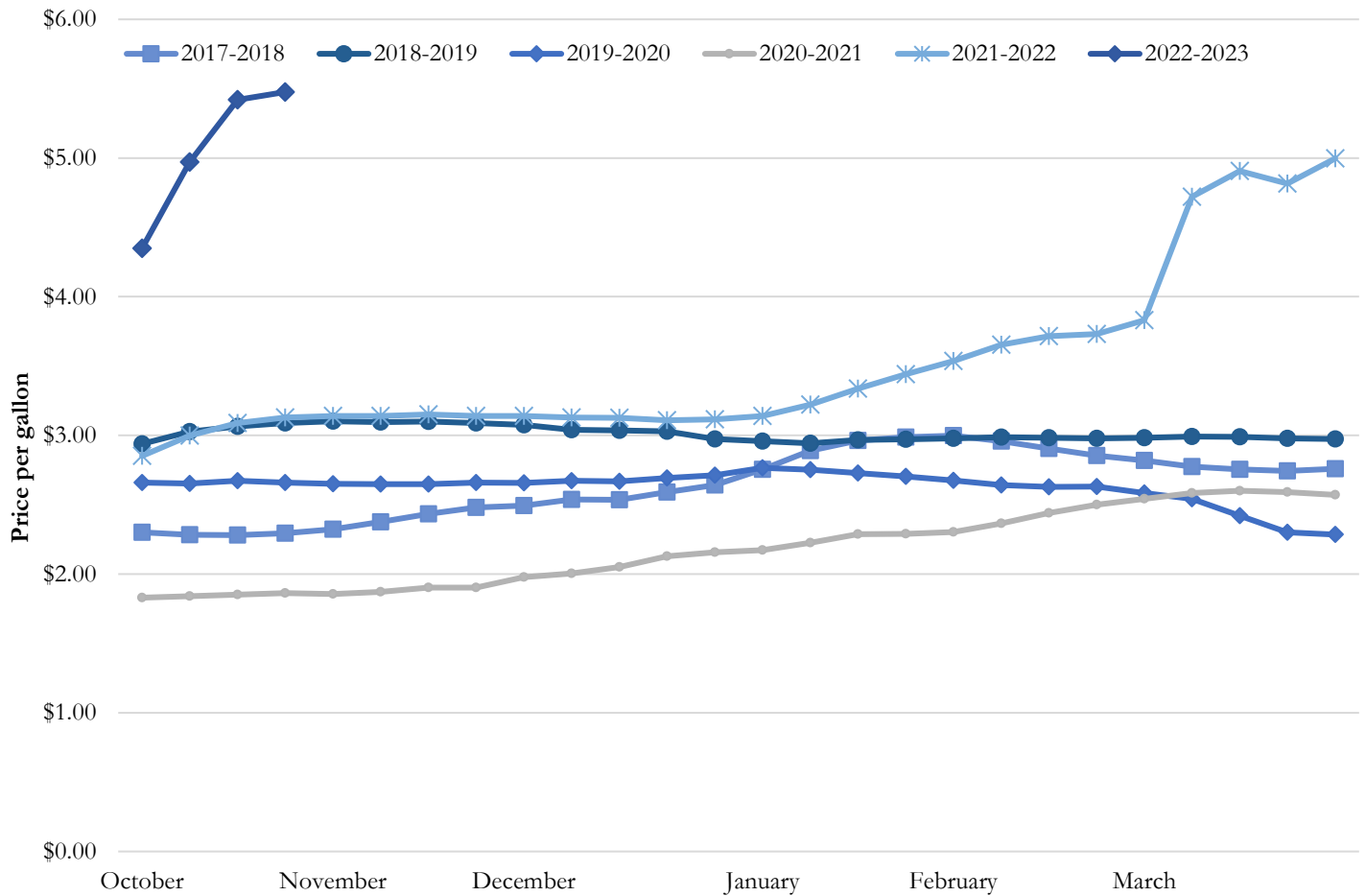


3.5.3 Heating Oil

The price of a gallon of heating oil in Maine averaged \$5.476 in the week ending October 24th, the highest price in the state's history. The average price has jumped \$1.13 since the start of the season just three weeks prior.

According to the governor's energy office, the price is highest in Northern Maine, at \$5.50 per gallon on average, and lowest in Downeast Maine, at \$5.36 per gallon on average. Prices at individual heating distributors range from a low of \$4.30 in Downeast to a high of \$6.00 in Southeast/Greater Portland.

Maine No. 2 Heating Oil Residential Price



3.6 Housing

3.6.1 Sales

Home sale transactions declined by 8.6% in September amid a cooling housing market. The 1,890 single-family units sold were about 175 fewer than a year prior but about even with pre-pandemic September 2019. The median sale price rose by 3.1% year-over-year. This was the third-slowest statewide average since May 2020, although price growth varied heavily between counties. Five counties have a median sale price over \$300,000, while Cumberland’s was over \$500,000.

Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)
Androscoggin	120	-4.0%	\$273,000	3.0%
Aroostook	95	-9.5%	\$150,000	25.0%
Cumberland	365	-14.1%	\$505,000	14.8%
Franklin	62	34.8%	\$250,000	17.3%
Hancock	86	-24.6%	\$317,500	-14.2%
Kennebec	196	-4.9%	\$267,500	5.3%
Knox	57	-26.9%	\$375,000	0.0%
Lincoln	61	5.2%	\$425,000	17.2%
Oxford	109	23.9%	\$294,000	21.2%
Penobscot	183	3.4%	\$233,000	13.7%
Piscataquis	37	12.1%	\$197,000	-1.0%
Sagadahoc	46	4.6%	\$355,000	4.6%
Somerset	74	-3.9%	\$203,000	7.1%
Waldo	89	-19.2%	\$269,900	-17.0%
Washington	62	8.8%	\$238,750	54.0%
York	278	-23.0%	\$485,000	17.4%
Maine	1,890	-8.6%	\$330,000	3.1%

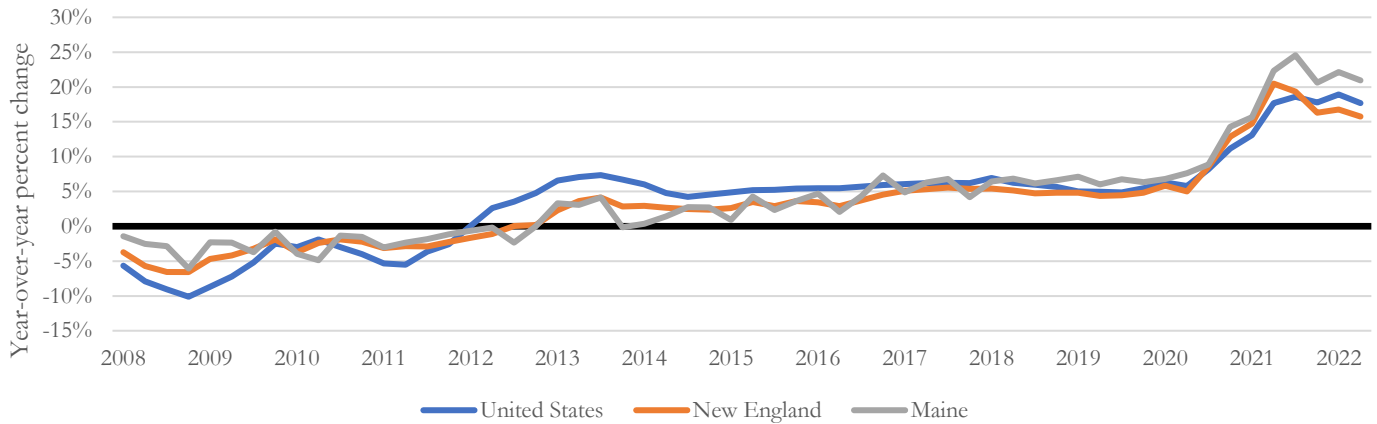
3.6.2 House Price Index

In the second quarter of 2022, year-over-year growth in the house price index (HPI)⁴ growth rate was relatively unchanged at 21%, compared to 22% in the first quarter and 21% 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. On a seasonally adjusted quarterly basis, Maine’s house price index increased 5.7% over the first quarter, compared to 4.1% in New England and 4.0% in the U.S. Among Maine’s metropolitan statistical areas, Bangor grew slightly faster, at 23% year-over-year, compared to 22% in both Lewiston-Auburn and Portland-South Portland. Maine’s nonmetropolitan areas collectively grew 22% year-over-year.

Reference Period		Maine	New England	United States
2021:Q2-2022:Q2	HPI percent change from previous year	21.0%	15.8%	17.7%

⁴ 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 (not seasonally adjusted)

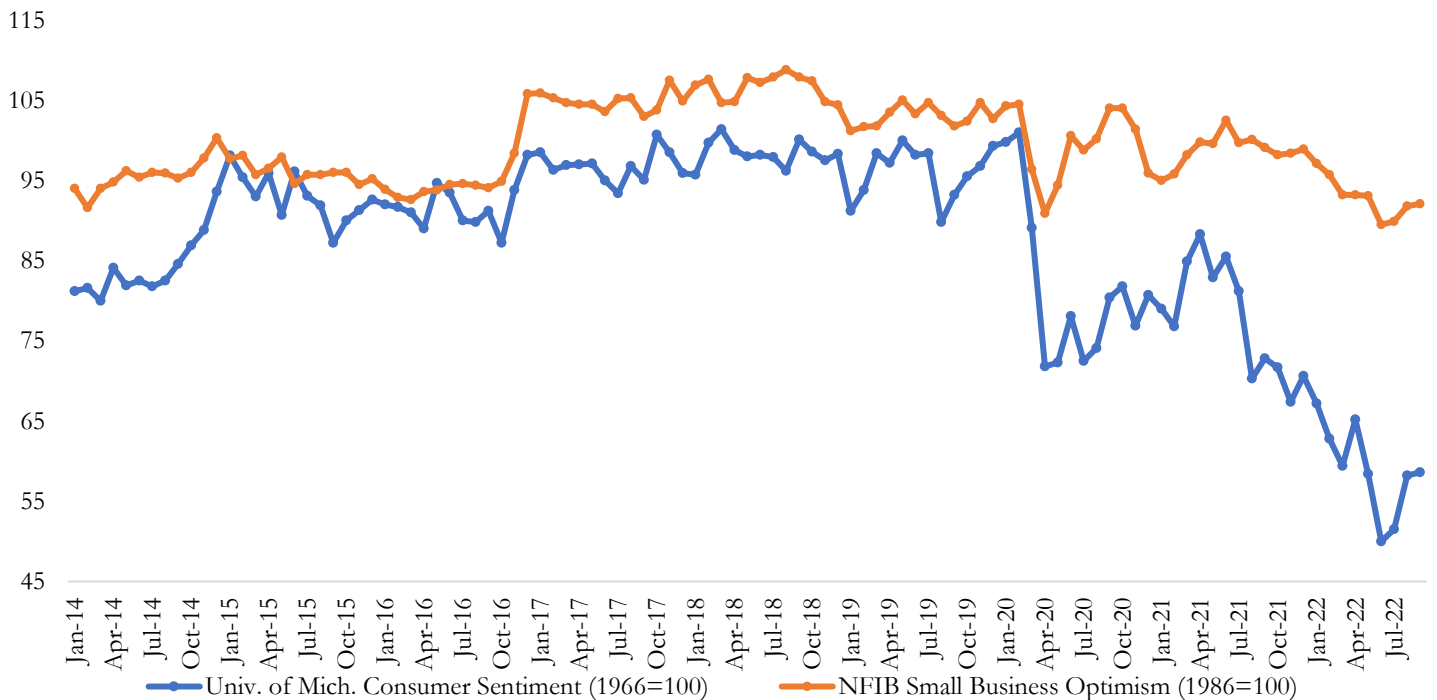


3.7 Sentiment

The Index of Consumer Sentiment from the University of Michigan was up 2.2% from a month prior in October, but down 16.5% year-over-year. The survey’s director notes that sentiment improved for lower income consumers, but fell for those with high stock market and housing wealth. Additionally, “consumer views are consistent with a recession ahead in the economy,” and that “continued weakening in incomes or wealth could lead to further pullbacks in spending that would reinforce other risks of recession.”

The Small Business Optimism Index, as measured by the National Federation of Independent Businesses, was up 0.3% in September, but down 7.1% over the past 12 months.

Consumer Sentiment and Small Business Optimism Indexes



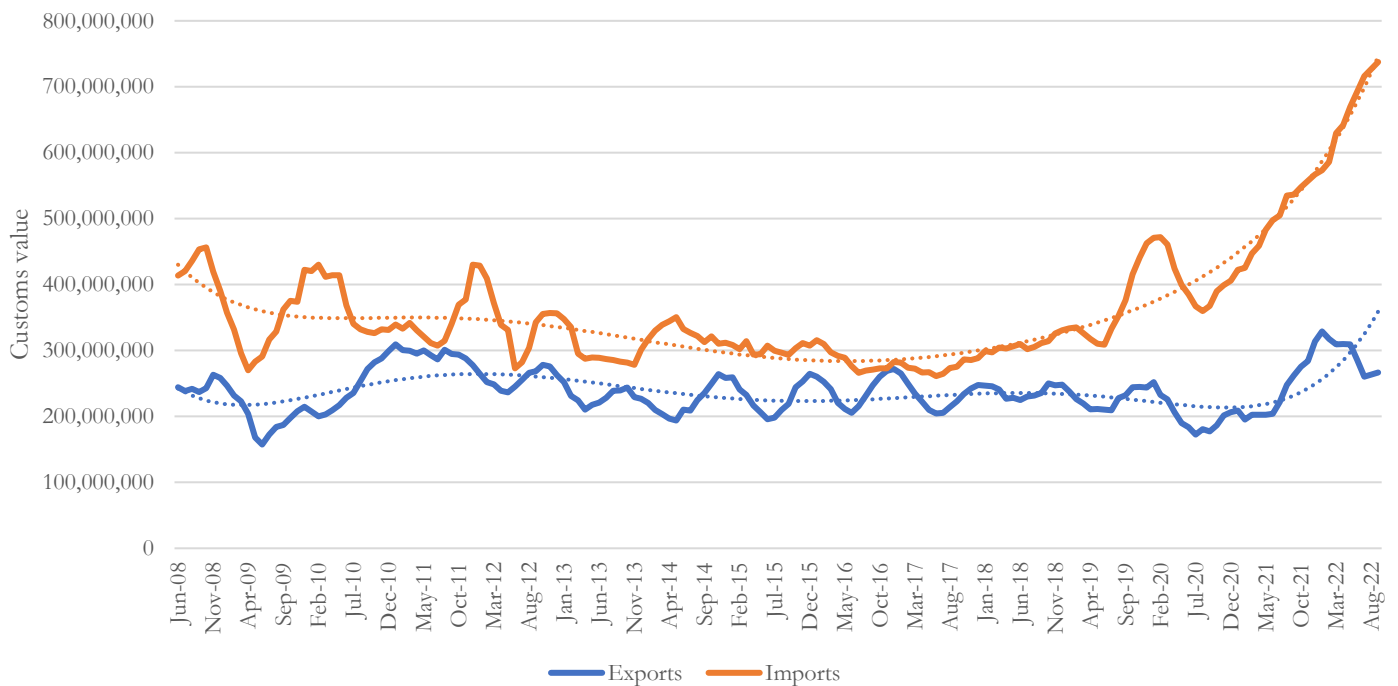
Trade Outlook

3.7.1 Exports and trade partners

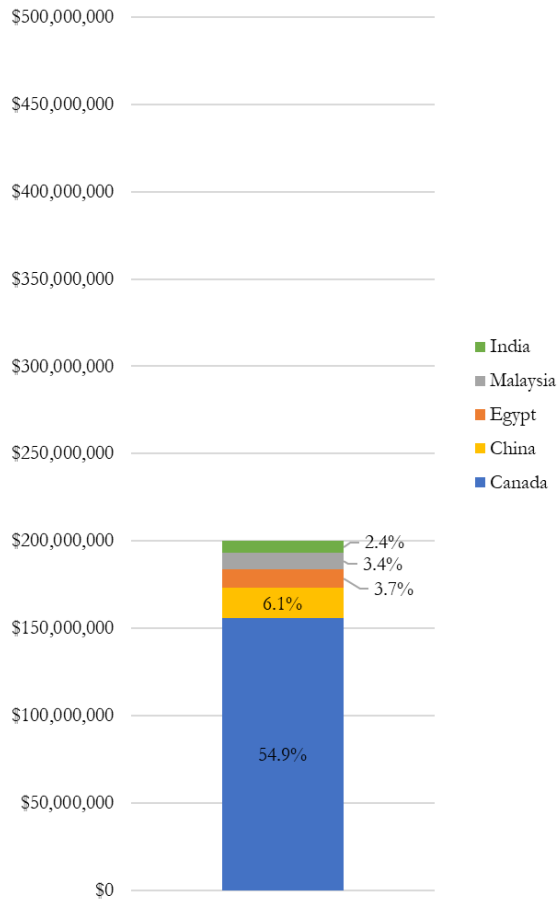
In August 2022, total exports were down 9.6% in Maine and up 21.7% nationwide compared to August 2021. Year-over-year exports have been volatile since early 2021, and August's figures show the second consecutive 12-month decline after 16 months of growth. Maine's top trade partner was Canada, which accounted for 77% of imports and 55% of exports. Total imports to Maine were valued at \$784 million while exports totaled \$284 million.

Similar to the nation, Maine's trade deficit has grown in recent months 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.

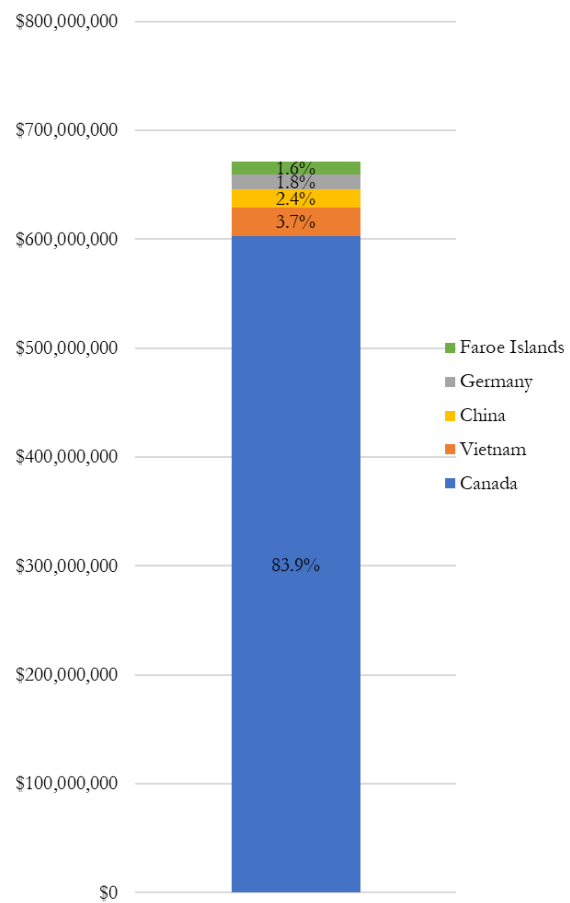
Maine exports vs. imports, 6-month moving average



Value of exports to top 5 export partners



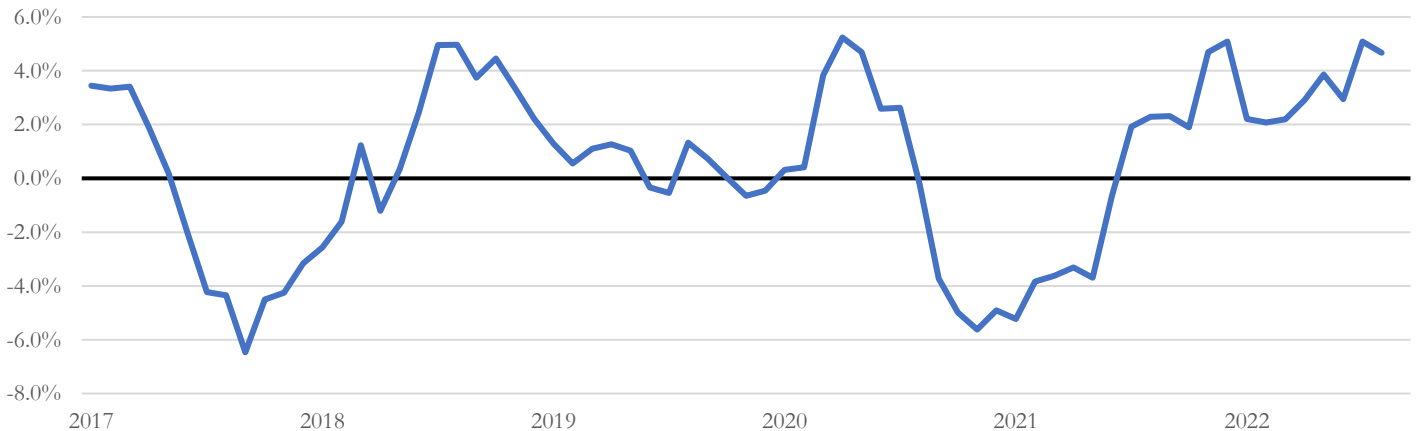
Value of imports from top 5 import partners



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 August 2022, Maine's RTWVD 6-month change was 4.7%.

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 1-year	2021	September 15, 2022
Educational attainment	Census Bureau – ACS 1-year	2021	September 15, 2022
Poverty level	Census Bureau – ACS 1-year	2021	September 15, 2022
Income	Census Bureau – ACS 1-year	2021	September 15, 2022
Per capita personal consumption expenditure	U.S. Bureau of Economic Analysis	2021	October 6, 2022
Per capita personal income	U.S. Bureau of Economic Analysis	2022:Q2	September 30, 2022
Average earnings per job	U.S. Bureau of Economic Analysis	2021	September 30, 2022
Gross domestic product	U.S. Bureau of Economic Analysis	2022:Q2	September 30, 2022
GDPNow	Atlanta Fed	2022:Q4	November 1, 2022
Real-time Sahm Rule Recession Indicator	Sahm, Claudia/FRED	September 2022	October 7, 2022
GDP-Based Recession Indicator Index	Hamilton, James/FRED	2022:Q2	October 27, 2022
Personal income: total, per capita, and wages and salaries	U.S. Bureau of Economic Analysis	2022:Q2	September 30, 2022
Unemployment rate	U.S. Bureau of Labor Statistics	September 2022	October 21, 2022
Labor force participation	U.S. Bureau of Labor Statistics	September 2022	October 21, 2022
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	September 2022	October 21, 2022
Consumer Price Index	U.S. Bureau of Labor Statistics	September 2022	October 13, 2022
PCE Price Index	U.S. Bureau of Economic Analysis/FRED	September 2022	October 28, 2022
Brent Spot Prices	Energy Information Administration	October 31, 2022	November 2, 2022
Gasoline	Energy Information Administration	October 31 2022	November 2, 2022
House price index	Federal Housing Finance Agency	2022:Q2	August 30, 2022
Housing: Units and Median Sale Price	Maine Association of REALTORS®	September 2022	October 20, 2022
Index of Consumer Sentiment	Michigan Survey of Consumers	October 2022	October 2022
Small Business Optimism Index	National Federation of Independent Businesses	September 2022	October 2022
Imports & Exports	USA Trade Online	August 2022	October 5, 2022
Real Trade-Weighted Value of the Dollar	Federal Reserve Bank of Dallas	August 2022	October 5, 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.