

Maine Economic Indicators

October 2021



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
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%
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%
September 2021	Unemployment rate	4.8%	5.2%	4.8%
September 2021	Total private nonfarm employment	515,700	6,210,200	125,569,000
September 2021	Labor Force	679,300	7,857,300	161,354,000
September 2021	Labor Force Participation Rate	60.4%	N/A	61.6%

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 is measured by the Population Estimates Program and is based on an estimate.

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

Real GDP	2020:Q3	2020:Q4	2021:Q1	2021:Q2	2020:Q2-2021:Q2
Maine	37.2	3.8	1.3	5.5	11.1
New England	35.2	3.5	3.7	7.1	11.6
United States	33.8	4.5	6.3	6.7	12.2
Total Personal Income	2020:Q3	2020:Q4	2021:Q1	2021:Q2	2020:Q2-2021:Q2
Maine	-26.5	3.1	59.9	-27.7	-3.3
New England	-14.1	-1.3	41.4	-17.9	-0.4
United States	-10.8	-4.6	56.9	-21.8	1.1
Per Capita Personal Income	2020:Q3	2020:Q4	2021:Q1	2021:Q2	2020:Q2-2021:Q2
Maine	-26.7	2.8	59.7	-27.9	-3.5
New England	-14.0	-1.2	41.7	-17.8	-0.3
United States	-11.1	-5.0	56.6	-21.9	0.8
Wages & Salaries	2020:Q3	2020:Q4	2021:Q1	2021:Q2	2020:Q2-2021:Q2
Maine	23.3	15.4	-4.1	9.5	10.6
New England	19.2	17.6	-2.5	8.1	10.2
United States	20.7	16.9	4.0	8.3	12.3

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

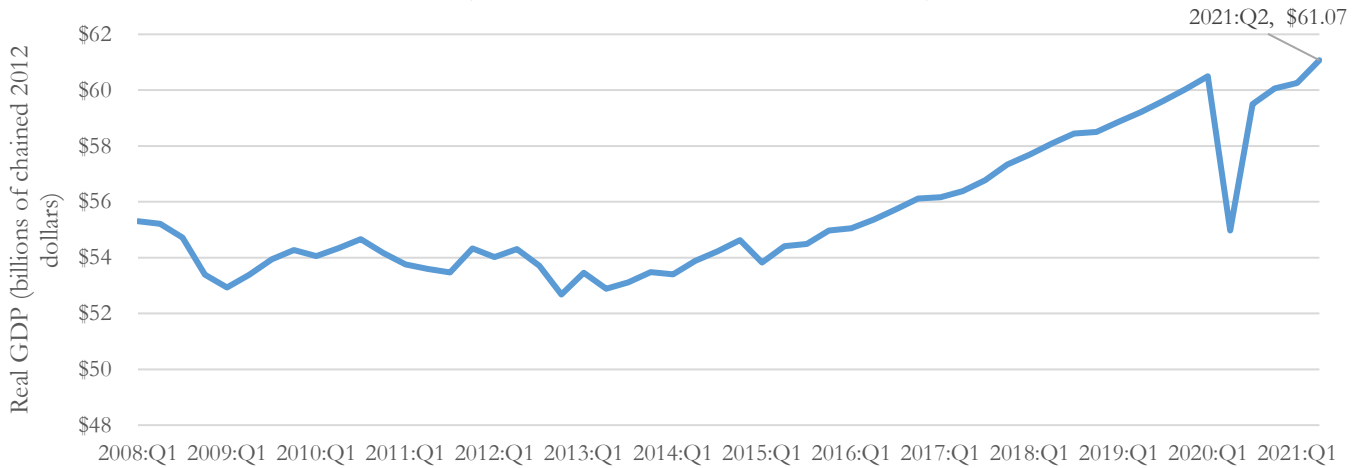
3 Quarterly and Monthly Indicators

3.1 Gross Domestic Product (GDP)

Real GDP in Maine grew by 5.5 percent from the preceding quarter at an annual rate (2021:Q1 to 2021:Q2), ranking 36th in the U.S. and first in New England. The industry sectors that contributed the most to Maine's first quarter growth in GDP were accommodation and food services (2.61 percentage points); real estate and rental and leasing (0.7 percentage points); professional, scientific and technical services (0.62 percentage points); and health care and social assistance (0.51 percentage points). Maine's real GDP has surpassed pre-pandemic levels but remains slightly below pre-pandemic trend.

Reference Period		Maine	United States
2021:Q2	Total GDP (Current dollars)	\$74.60 billion	\$22.74 trillion

Real GDP (billions of chained 2012 dollars) - Maine



3.1.1 GDP Now from the Federal Reserve Bank of Atlanta

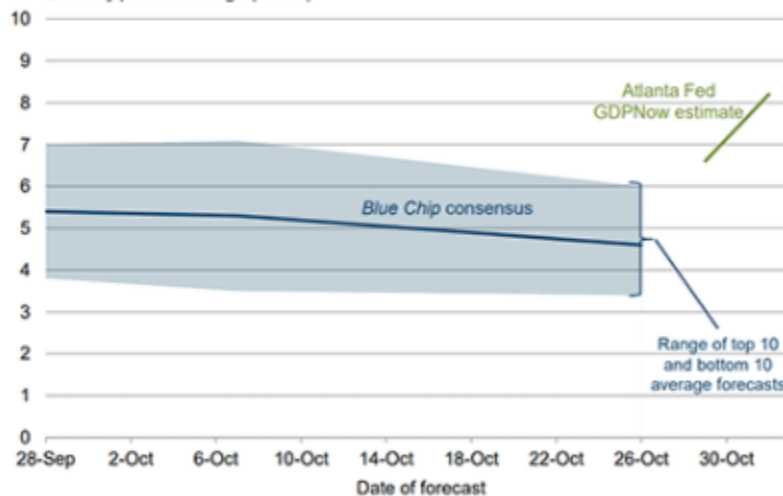
GDPNow, which is reported by the Atlanta Fed, is “a running estimate of real GDP growth based on available data for the current quarter.” This model uses a similar methodology to the one used by the U.S. Bureau of Economic Analysis in their official GDP estimates and is revised each time the monthly source data is updated. The nowcast for 2021:Q4 as of November 1st estimates U.S. real GDP to **increase by 8.2 percent** at an annual rate.



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: Q4
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.

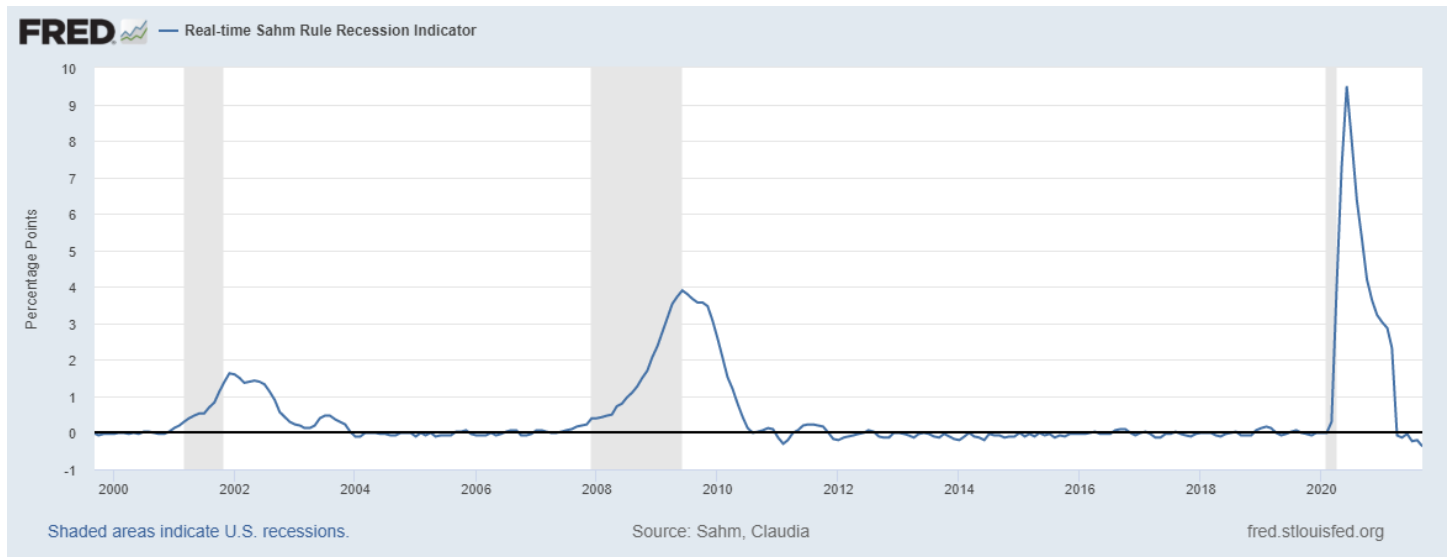
3.2 Recession Indicators

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 September 2021, this indicator showed that the three-month average of national U3 was **-.37 points under its 12-month low**. This confirms that the economy is not still in a recession.

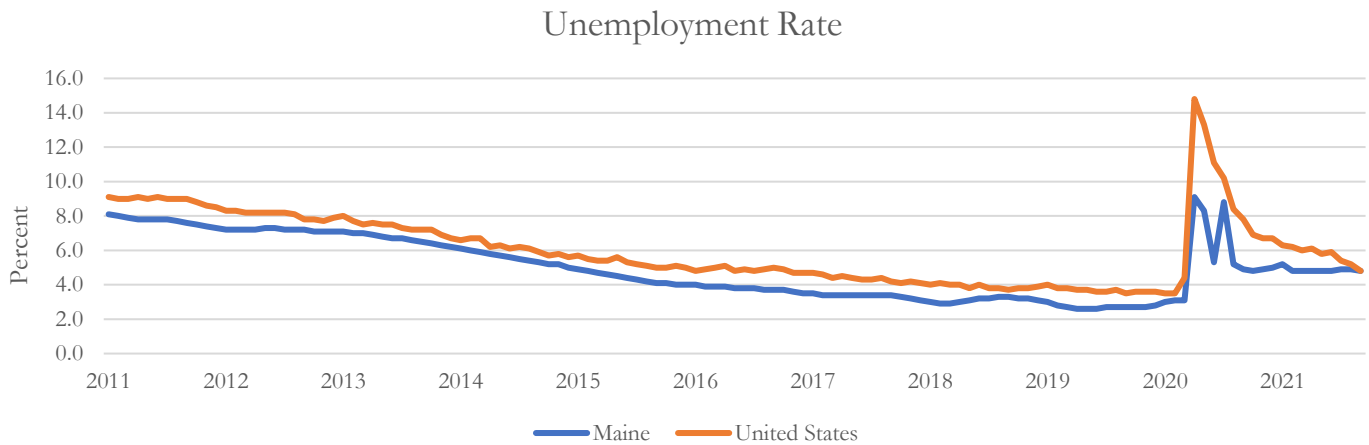


¹ Created by Dr. Claudia Sahm, Federal Reserve Board of Governors

3.3 Labor Markets²

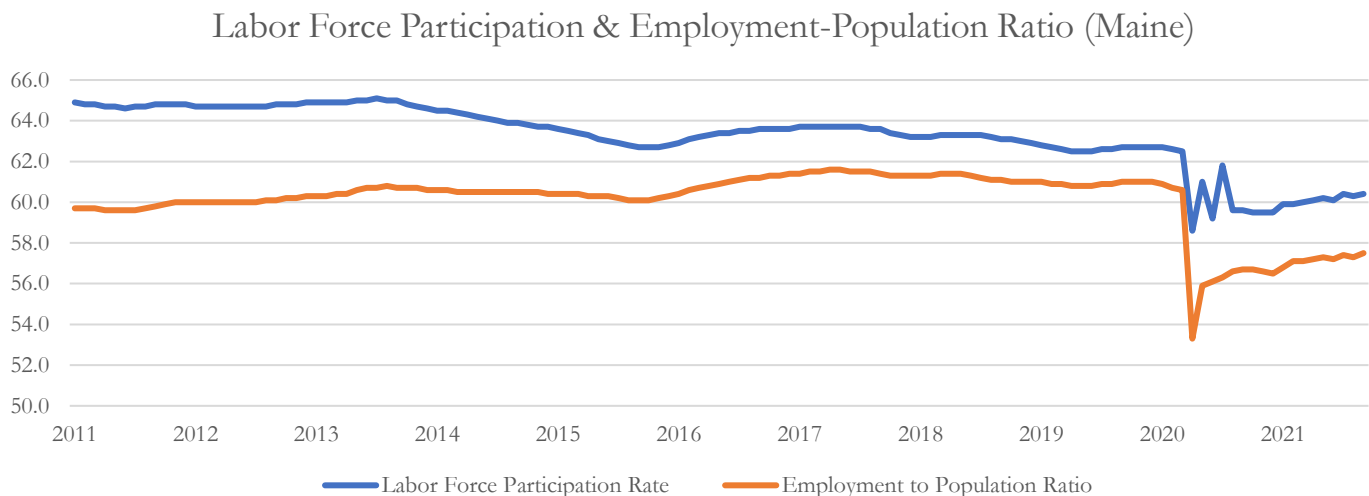
3.3.1 Unemployment Rate: September 2021 = 4.8%

The unemployment rate was 4.8% in September, equal to the U.S. rate but lower than New England's 5.2%. The unemployment rate has been flat at 4.8% or 4.9% since February 2021.



3.3.2 Labor Force Participation Rate: September 2021 = 60.4%

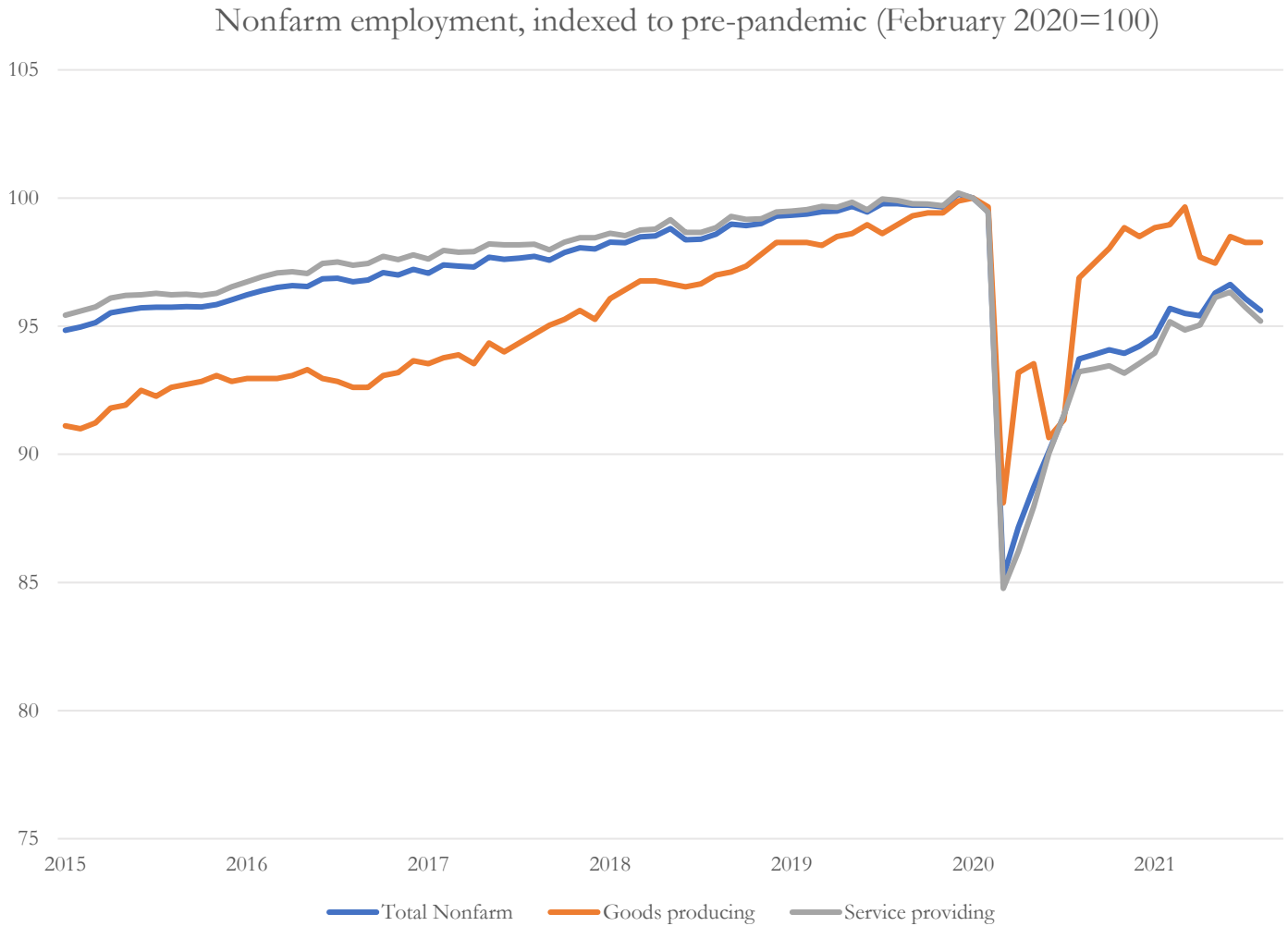
Labor force participation (LFP) was 60.4% in September, below the nation's 61.6%. The employment to population ratio (EPOP), an alternative measure of labor market activity which measures the total number of employed working-age adults divided by the total working-age population, edged up slightly, to 57.2%. LFP and EPOP are both 0.2 points below September 2020. Both are also still down compared to pre-pandemic, by 2.1 and 3.1 percentage 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.

3.3.3 Total Nonfarm Payroll Job Estimates: September 2021 = 611,900

Seasonally adjusted total nonfarm employment fell for the second consecutive month in September, down by 3,000 compared to August and by 6,500 from July, the pandemic-era peak, as the Delta variant has impeded labor market recovery. Parallel with national patterns, job recovery in recent months has been slow, moving in step with rising COVID-19 infection rates. New England gained 14,800 jobs in September, while the U.S. gained 194,000. Compared to pre-pandemic, employment in Maine is down -4.3%, or 28,100 jobs. Since the beginning of 2021, Maine has gained about 10,700 jobs.



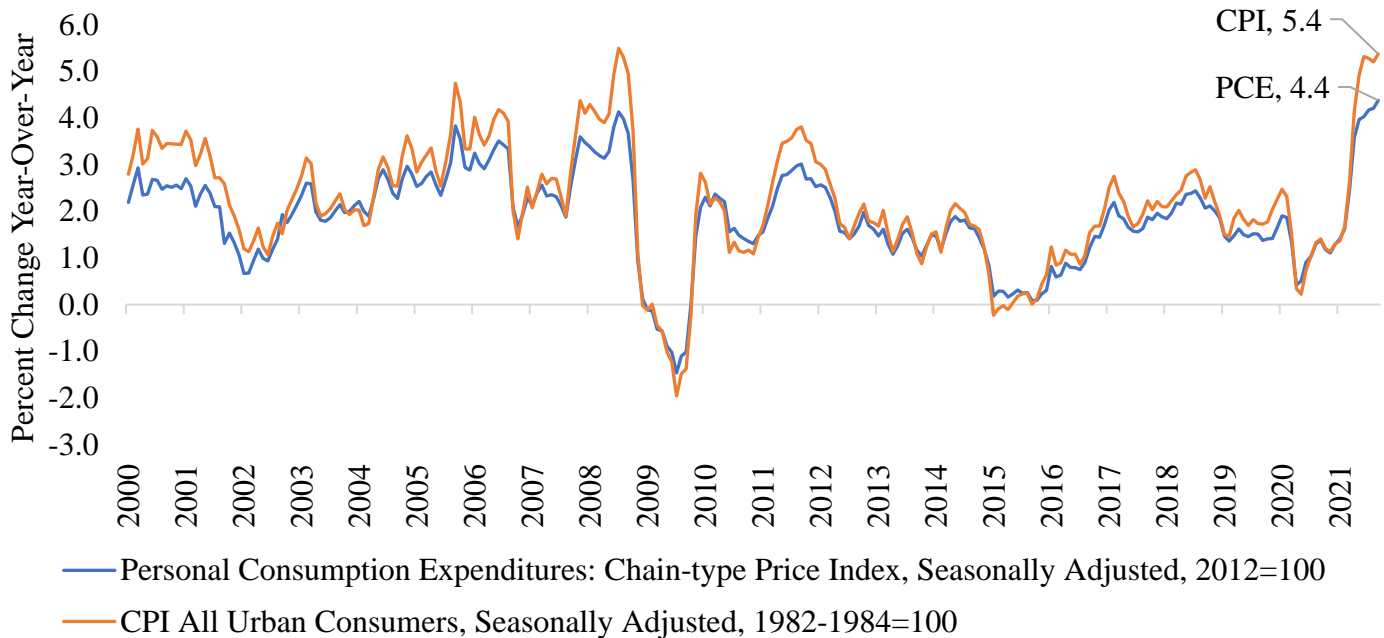
3.4 National inflation measures

3.4.1 Consumer Price Index vs. Personal Consumption Expenditures

There are two primary measure of inflation in the United States: the Consumer Price Index (CPI) and the Personal Consumption Expenditures price index (PCE). The CPI is released by the Bureau of Labor Statistics and is based on surveys of urban consumers, while PCE is calculated 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 2021, the PCE price index grew by 4.4% year-over-year, while the CPI all-items index grew by 5.4%. High inflation rates are being caused primarily by critical challenges in global supply chains.

Measures of inflation, Year-Over-Year Percent Change



3.4.2 Expenditure categories of the CPI

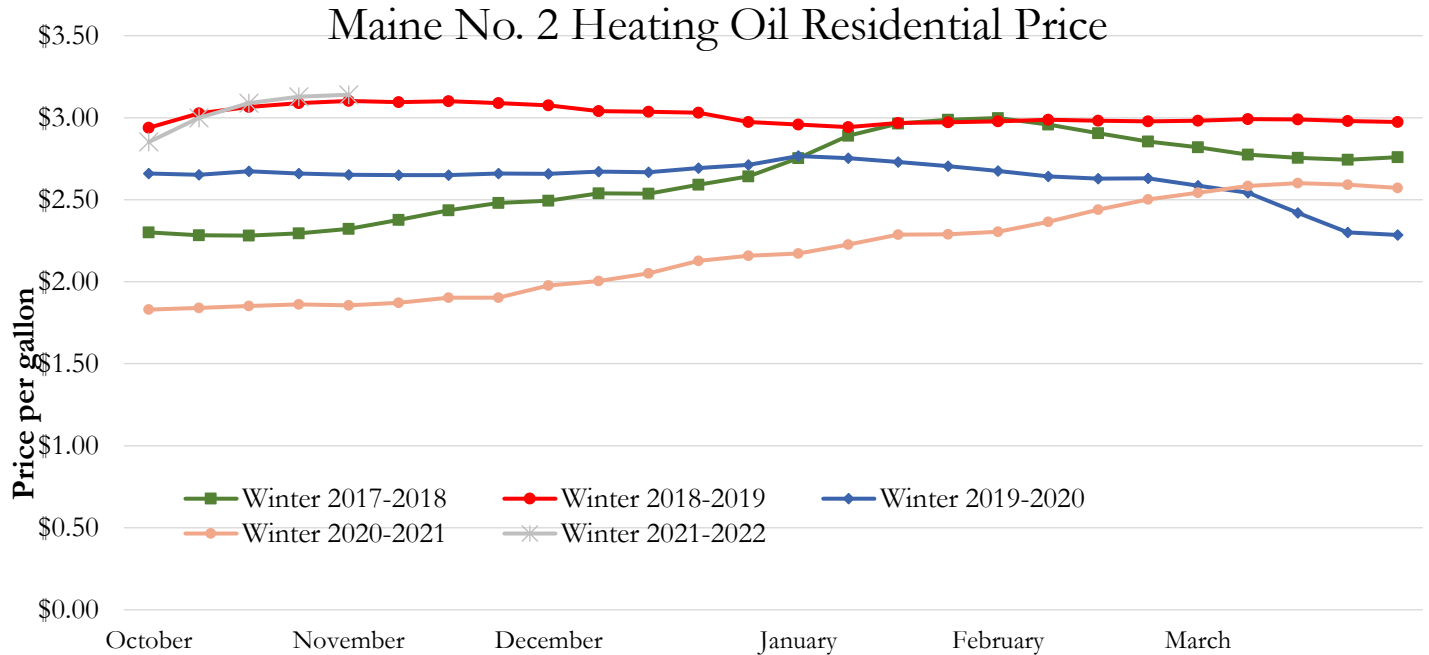
In September, increases in the indexes for food and shelter contributed over half of the seasonally-adjusted monthly increase in the all-items CPI. Core inflation, which excludes volatile food and energy prices, grew by 0.2% month-over-month and 4.0% year-over-year. The lower rate for core inflation signals that food and energy prices are rising faster and more significantly than other items. In September, energy prices rose almost 25%, while food prices rose by 4.6% compared to September 2020.

Expenditure Category	September Y/Y	August Y/Y	September M/M
All items	5.4%	5.2%	0.4%
Food	4.6%	3.7%	0.9%
Energy	24.8%	24.9%	1.3%
<i>All items less food and energy</i>	<i>4.0%</i>	<i>4.0%</i>	<i>0.2%</i>
Shelter	3.2%	2.8%	0.4%
Medical Care	0.4%	0.4%	0.0%
Recreation	3.5%	3.4%	0.2%
Transportation	16.5%	17.6%	0.3%

3.5 Energy

3.5.1 Heating Oil

The price of residential heating oil in Maine has risen significantly since the start of the pandemic, reaching \$3.14 per gallon in the fifth week of the new heating oil season, becoming the highest price per gallon since November 2014. 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 October 25, 2021, gasoline in New England averaged \$3.45 per gallon, the highest price October 2014. This is \$0.07 higher than the prior week, and \$1.27 higher than the same week a year ago.

New England - All Grades All Formulation Retail Gasoline Price Per Gallon



3.6 Housing

3.6.1 Sales

September 2021 saw the number of homes sold falling year-over-year once again. The 2,067 single-family units sold was 9.7% fewer than in September 2020 but 11% higher than September 2019. Meanwhile the median sale price continues to grow by double-digits, to \$320,000 statewide, 16.9% higher than September 2020. All counties except Washington had year-over-year growth in the median sale price, while only three had year-over-year growth in units sold. Aroostook had the highest year-over-year growth in the number of sales at 36.4%, while Piscataquis had the highest growth in median sale price, 38.7%.

Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)
Androscoggin	125	-7.4%	\$265,000	29.0%
Aroostook	105	36.4%	\$120,000	4.4%
Cumberland	425	-9.8%	\$440,000	20.6%
Franklin	46	-35.2%	\$213,060	25.3%
Hancock	114	-18.0%	\$370,000	28.0%
Kennebec	206	-5.1%	\$254,000	21.4%
Knox	78	-27.8%	\$375,000	35.9%
Lincoln	58	-41.4%	\$362,500	0.7%
Oxford	88	-15.4%	\$242,500	9.0%
Penobscot	177	-7.8%	\$204,900	17.9%
Piscataquis	33	-31.3%	\$199,000	38.7%
Sagadahoc	44	-22.8%	\$339,500	19.8%
Somerset	7	-3.8%	\$189,500	28.0%
Waldo	73	9.0%	\$325,000	30.0%
Washington	57	-26.9%	\$155,000	-10.1%
York	361	4.0%	\$413,000	12.2%
Maine	2,067	-9.7%	\$320,000	16.9%

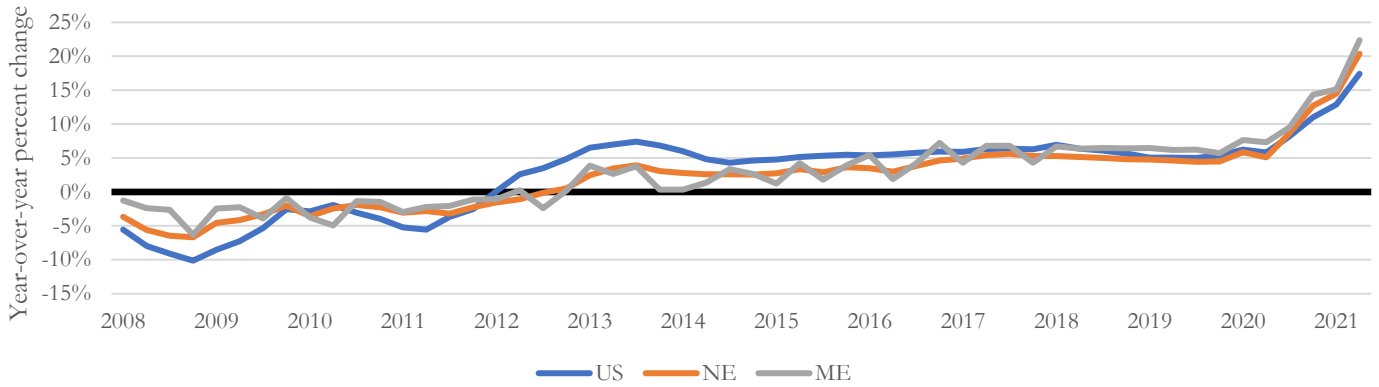
3.6.2 House Price Index

In the second quarter of 2021, the house price index (HPI)³ in Maine, New England, and the U.S. continued to rise at record-beating rates. Maine's year-over-year HPI growth rate was higher than both the regional growth rate and the national growth rate at 22.4% compared to 20.4% in New England and 17.4% in the U.S. These extremely high growth rates break the record as the highest ever recorded year-over-year growth in the US, New England, and Maine for the second quarter in a row.

Reference Period		Maine	New England	United States
2020:Q2-2021:Q2	HPI percent change from previous year	22.4%	20.4%	17.4%

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

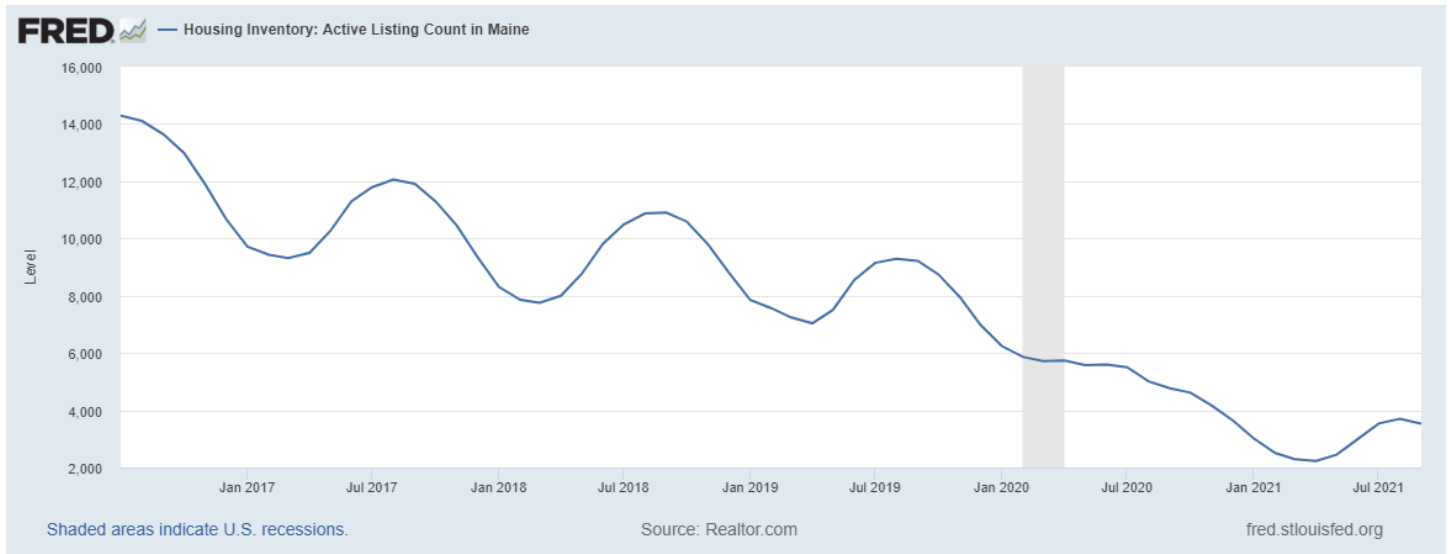
Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



3.6.3 Housing inventory

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 was disrupted by the COVID-19 pandemic, with inventory falling consistently through the summer of 2020 through recent months in 2021, when inventory finally began to increase.

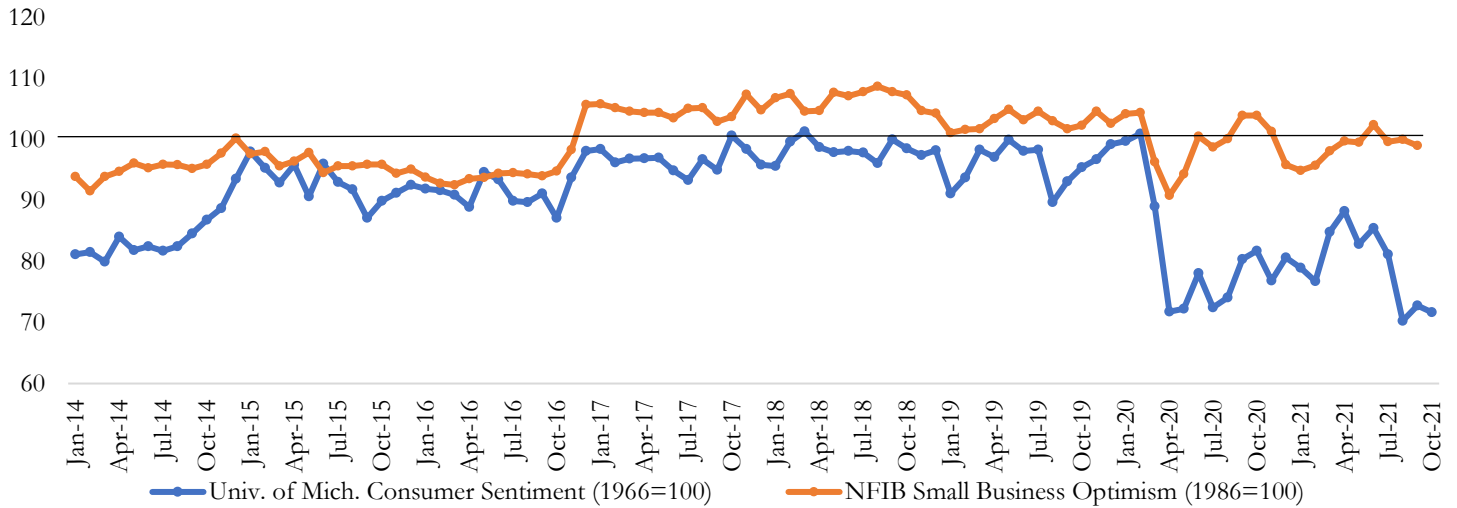
In September 2021, there were 3,533 active listings for single-family homes on Realtor.com. This is 1,237 fewer than September 2020. Active listings have fallen year-over-year in every month since recording began, although September 2021 marked the smallest year-over-year decline since April 2019.



3.7 Sentiment

The Index of Consumer Sentiment from the University of Michigan fell in October as concerns about the Delta variant persisted. The index fell 12.3% year-over-year and was down 1.5% compared to last month. The Small Business Optimism Index, as measured by the National Federation of Independent Businesses, fell in September by 1.0% month-over-month, though it was down by 4.7% from a year ago.

Consumer Sentiment and Small Business Optimism Indexes

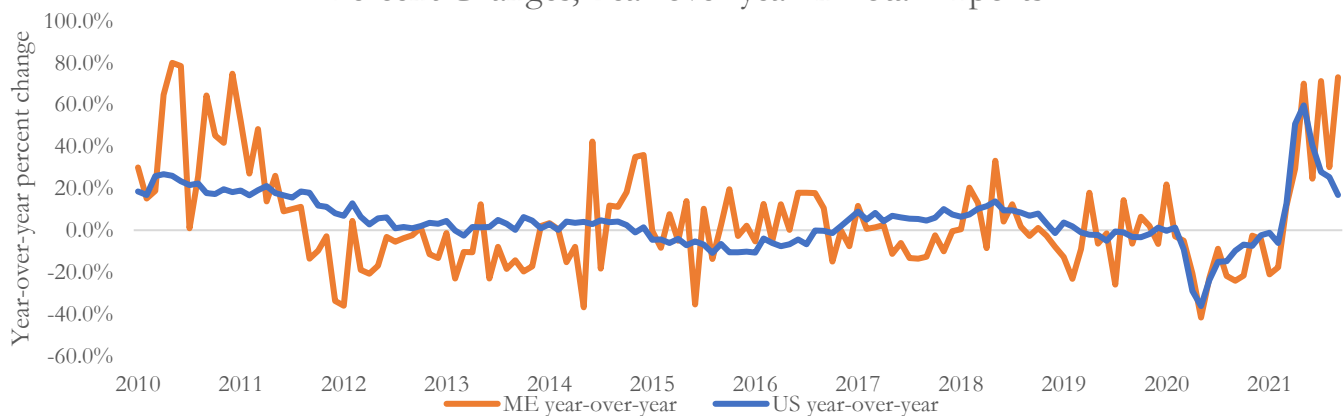


3.8 Trade Outlook

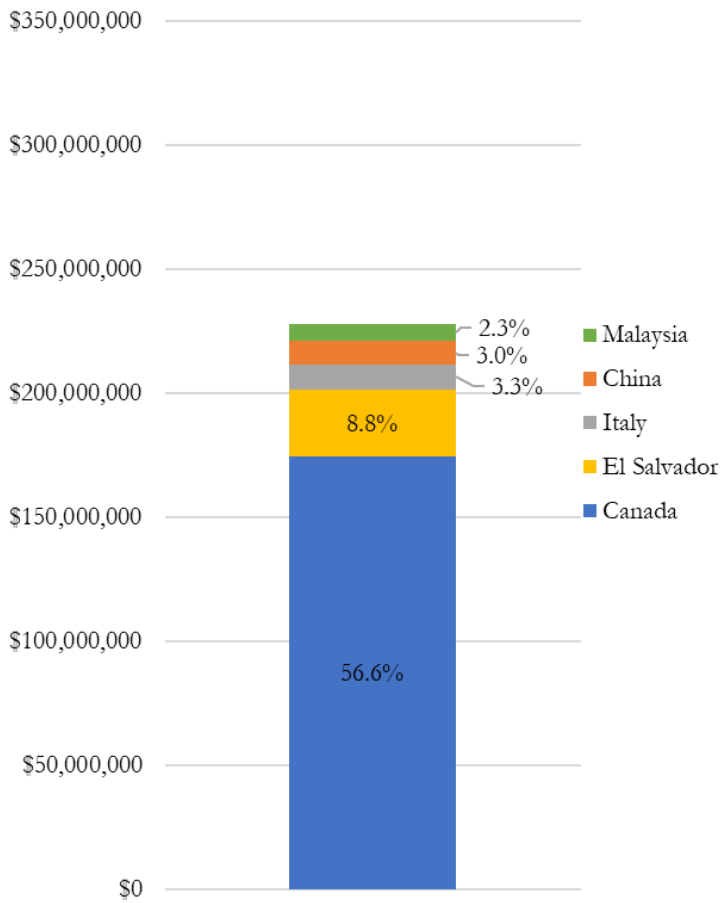
3.8.1 Exports and trade partners

In September 2021, total exports were up 73.1% in Maine and 16.8% nationwide compared to September 2020. Maine's top trade partner was Canada, which accounted for 56.6% of imports and 59.8% of exports. Total imports to Maine were valued at \$530,158,863 while exports totaled \$308,276,883.

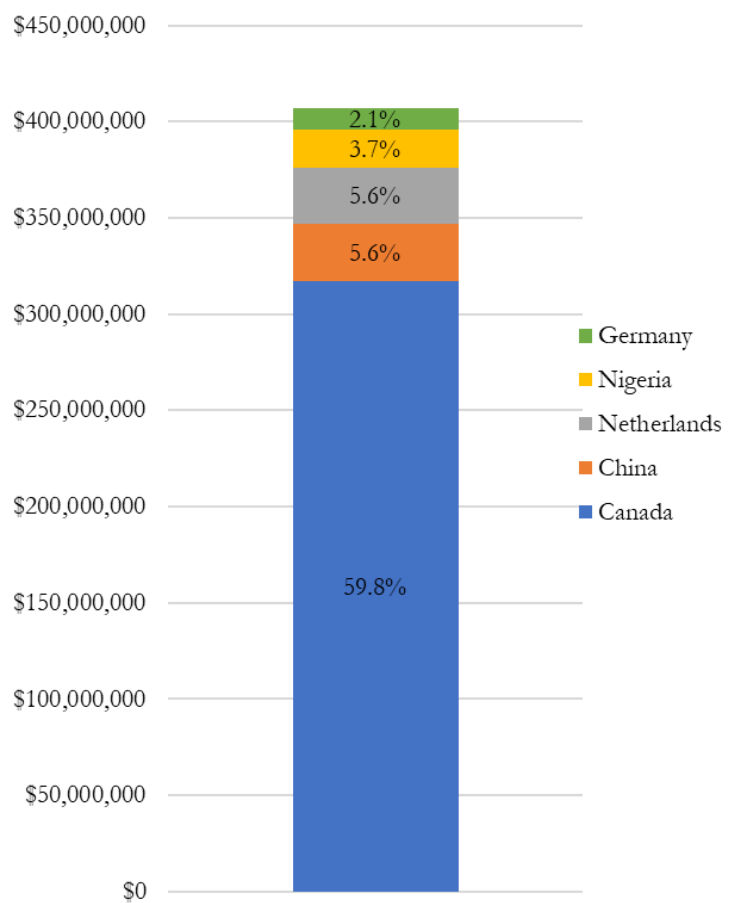
Percent Changes, Year-over-year in Total Exports



Value of exports to top 5 export partners



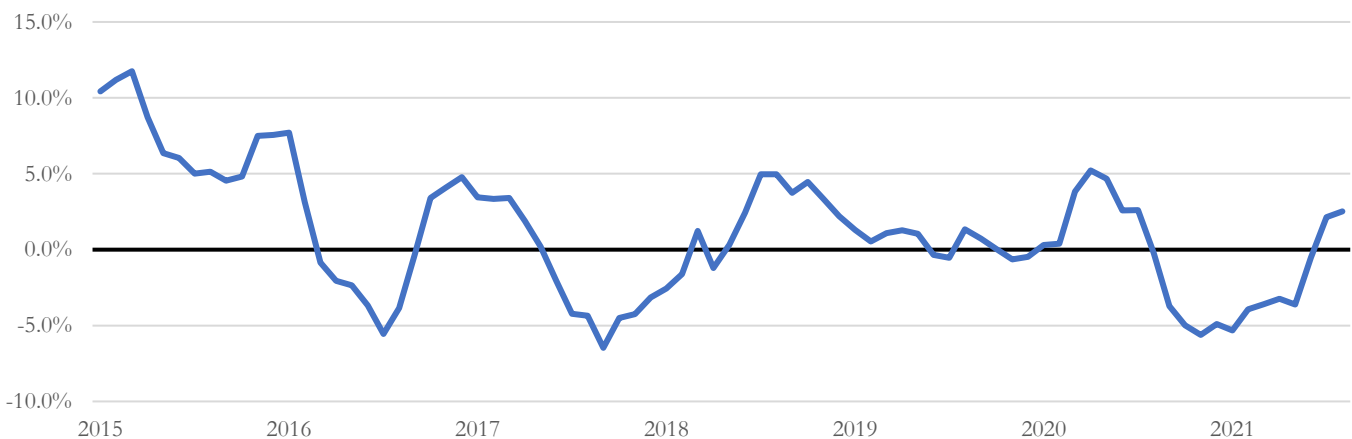
Value of imports from top 5 import partners



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 August 2021, Maine's RTWVD 6-month change was 2.5%.

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	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	2021:Q2	September 23, 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:Q2	October 1, 2021
GDPNow	Atlanta Fed	2021:Q4	November 1, 2021
Real-time Sahm Rule Recession Indicator	Sahm, Claudia/FRED	September 2021	October 8, 2021
Personal income: total, per capita, and wages and salaries	U.S. Bureau of Economic Analysis	2021:Q2	September 23, 2021
Unemployment rate	U.S. Bureau of Labor Statistics	September 2021	October 8, 2021
Labor force participation	U.S. Bureau of Labor Statistics	September 2021	October 8, 2021
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	September 2021	October 8, 2021
Consumer Price Index	U.S. Bureau of Labor Statistics	September 2021	October 13, 2021
PCE Price Index	U.S. Bureau of Economic Analysis/FRED	September 2021	October 29, 2021
Heating Oil	Energy Information Administration	October 25, 2021	October 25, 2021
Gasoline	Energy Information Administration	October 25, 2021	October 25, 2021
House price index	Federal Housing Finance Agency	2021:Q2	August 31, 2021
Housing: Units and Median Sale Price	Maine Association of REALTORS®	September 2021	October 22, 2021
Index of Consumer Sentiment	Michigan Survey of Consumers	October 2021	October 2021
Small Business Optimism Index	National Federation of Independent Businesses	September 2021	October 2021
Imports & Exports	USA Trade Online	September 2021	November 4, 2021
Real Trade-Weighted Value of the Dollar	Federal Reserve Bank of Dallas	August 2021	October 5, 2021

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.