

Maine Economic Indicators

September 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.

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%
August 2021	Unemployment rate	4.9%	5.3%	5.2%
August 2021	Total private nonfarm employment	520,100	6,188,900	125,145,000
August 2021	Labor Force	678,061	7,800,800	161,537,000
August 2021	Labor Force Participation Rate	60.3%	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 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:Q2	2020:Q3	2020:Q4	2021:Q1	2020:Q1-2021:Q1
Maine	-34.4	37.3	2.8	5.2	-0.7
New England	-32.3	34.2	4.9	6.7	0.4
United States	-31.4	33.4	4.3	6.4	0.4
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

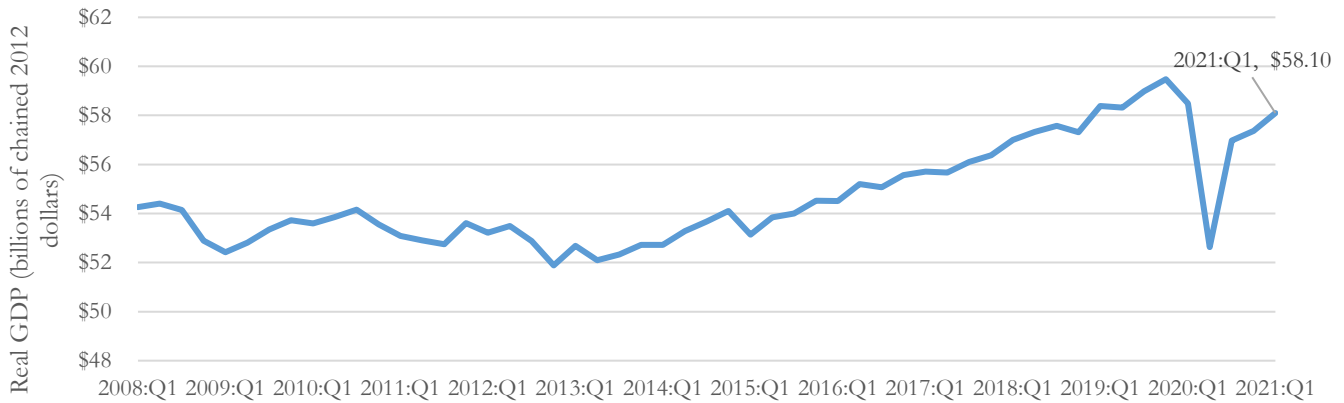
3 Quarterly and Monthly Indicators

3.1 Gross Domestic Product (GDP)

Real GDP in Maine grew by 5.2 percent from the preceding quarter at an annual rate (2020:Q4 to 2021:Q1), ranking 44th in the U.S. and last in New England. The industry sectors that contributed the most to Maine's first quarter growth in GDP were retail trade (0.86 percentage points); durable goods manufacturing (0.72 percentage points); administrative and support and waste management and remediation services (0.69 percentage points); and professional, scientific, and technical services (0.66 percentage points). Maine's real GDP remains 2.3% below pre-pandemic (2019:Q4), although it is nearly equal to one year ago.

Reference Period		Maine	United States
2021:Q1	Total GDP (Current dollars)	\$69.4 billion	\$22.06 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:Q3 as of September 27th estimates U.S. real GDP to **increase by 3.2 percent** at an annual rate.

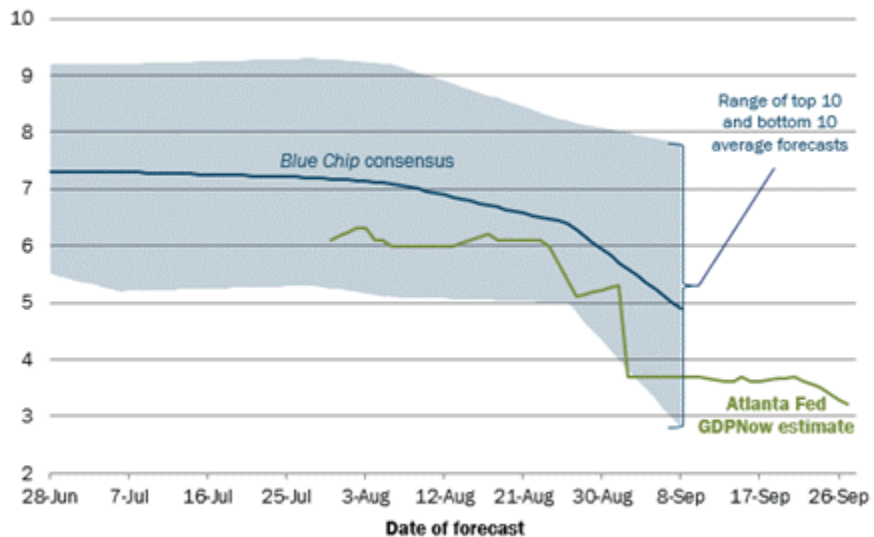


GDPNow™

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: Q3
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.

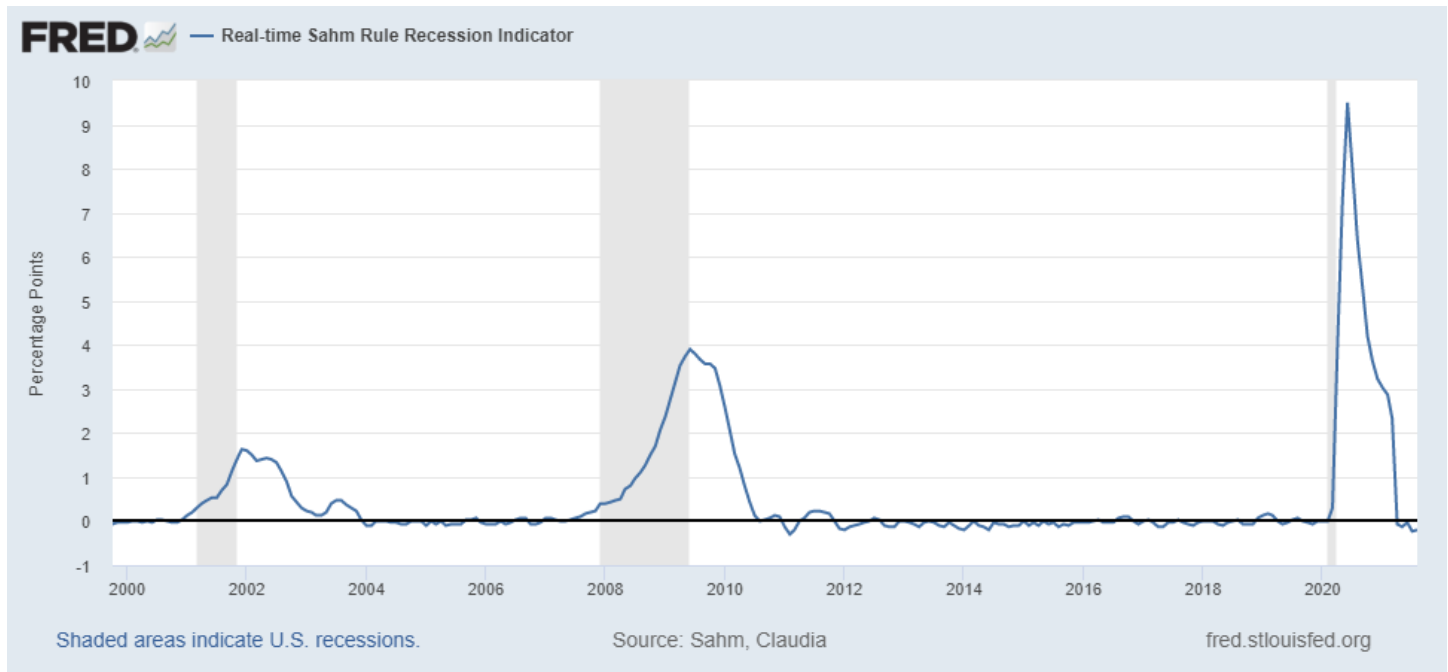
3.2 Recession Indicators

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 2021, this indicator showed that the three-month average of national U3 was **-.20 points under its 12-month low**. This confirms that the economy is not still in a recession.

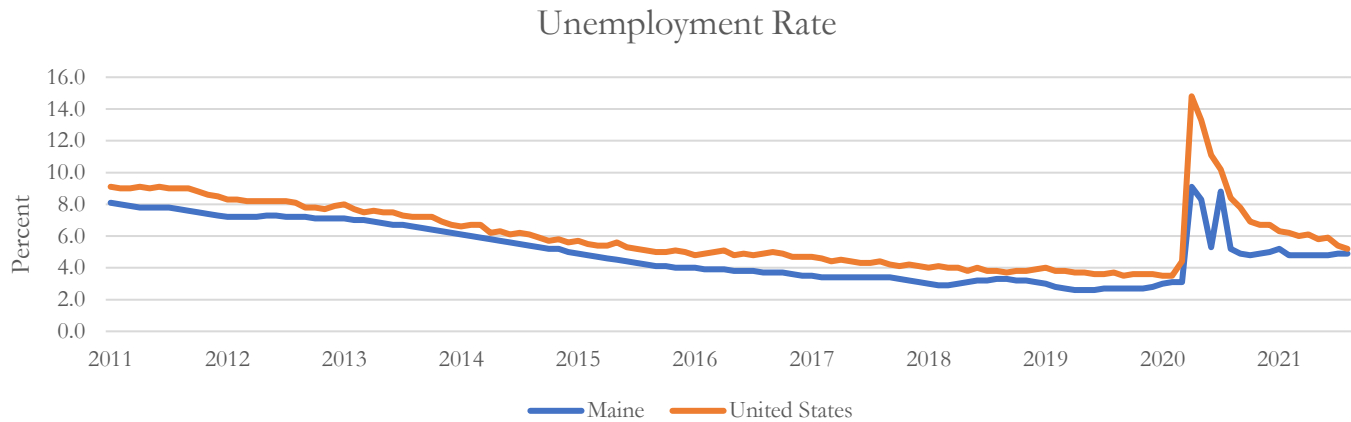


¹ Created by Dr. Claudia Sahm, Federal Reserve Board of Governors
Maine Economic Indicators – September 2021

3.3 Labor Markets²

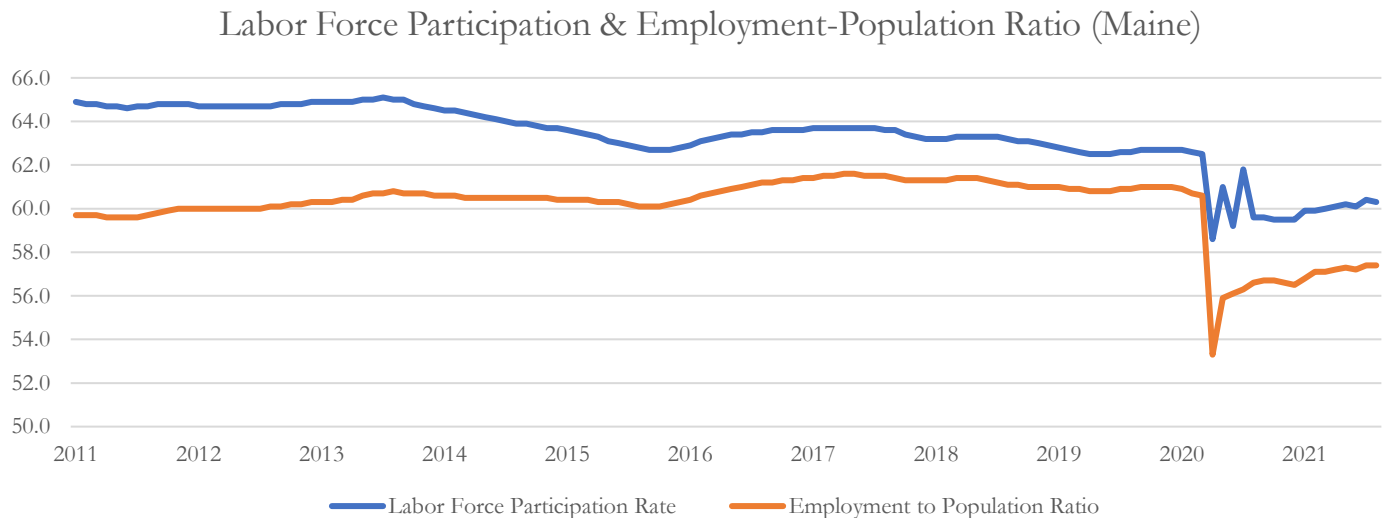
3.3.1 Unemployment Rate: August 2021 = 4.9%

The unemployment rate remained at 4.9% in August for the second month. This remains lower than both the U.S. (5.2%) and New England's average (5.3%). CWRI estimates an alternative unemployment rate of 8.4% in August³, which considers changes in the labor force during the pandemic.



3.3.2 Labor Force Participation Rate: August 2021 = 60.3%

Labor force participation (LFP) was 60.3% in August, below the nation's 61.7%. 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 57.4%. LFP is 0.3 points below August 2020, while EPOP is down 0.2 points year-over-year. Both are still down compared to pre-pandemic, by 2.3 and 3.3 percentage points, respectively.

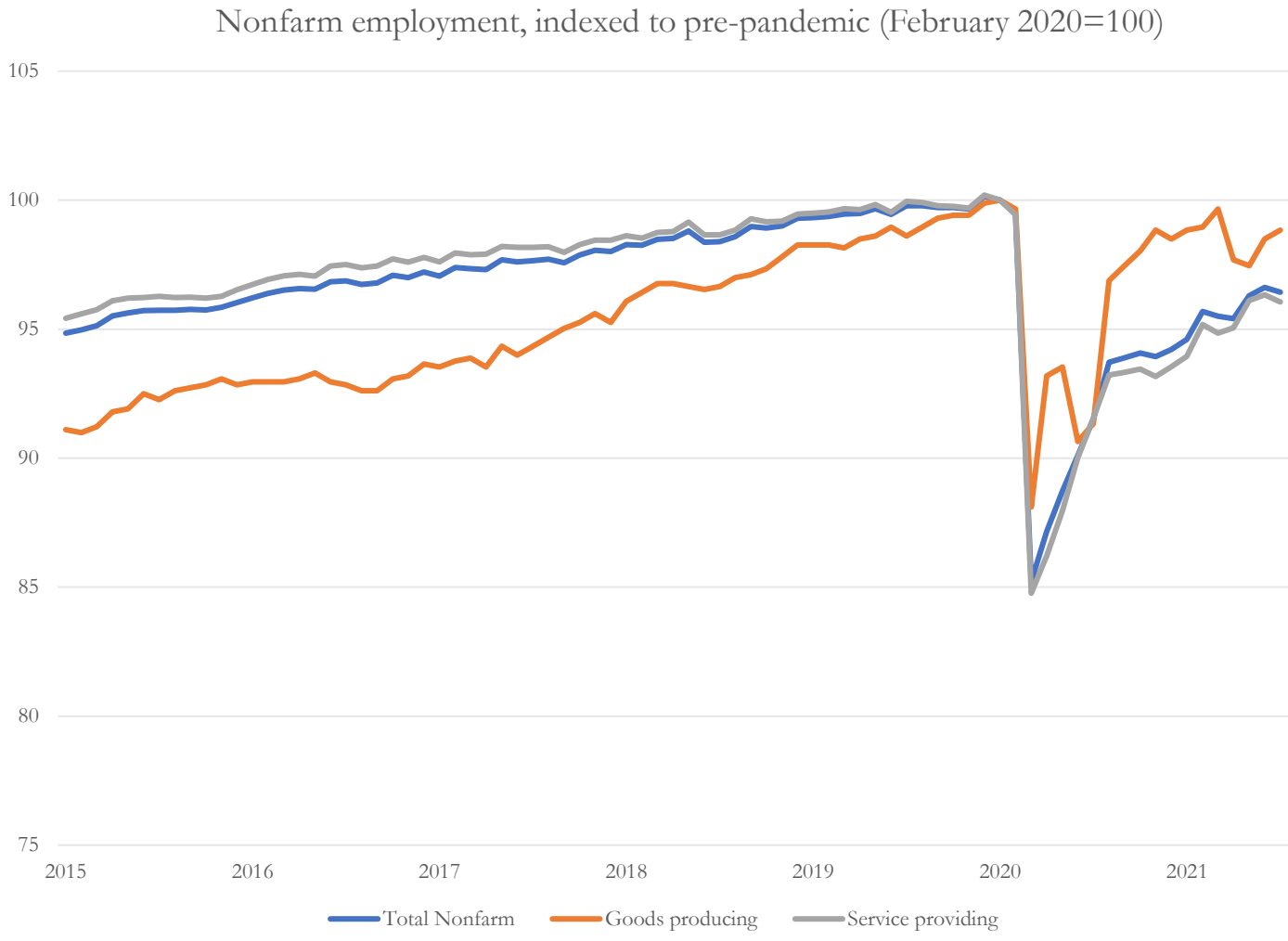


² The data for unemployment rates and labor force are derived from the Local Area Unemployment Statistics (LAUS) program and data for nonfarm payroll jobs are derived from the Current Employment Statistics (CES) program. The numbers presented below are estimates which vary month to month in either direction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

3.3.3 Total Nonfarm Payroll Job Estimates: August 2021 = 617,200

Seasonally adjusted total nonfarm jobs were down by 1,200 in August, primarily due to losses in local government. Parallel with national patterns, job growth has been slow and keeping in step with rising COVID-19 infection rates. New England gained a mere 3,500 jobs in August, while the U.S. gained 235,000. Compared to pre-pandemic, employment in Maine is down -3.6%, or 22,800 jobs. Since the beginning of 2021, Maine has gained about 16,000 jobs.



3.4 Housing

3.4.1 Sales

August 2021 saw the number of homes sold falling year-over-year once again. The 2,063 single-family units sold was 11.3% fewer than in August 2020 and is more in line with sales pre-pandemic (2,138 in August 2019). Meanwhile the median sale price continues to grow by double-digits, to \$310,000 statewide, 14.8% higher than July 2020. All counties except Piscataquis and Waldo had year-over-year growth in the median sale price, while only five had year-over-year growth in units sold. Hancock had the highest year-over-year growth in the number of sales, 51.1%, while Oxford had the highest growth in sale price, 38.6%.

Geography	No. of Units Sold	One Year Change (units)	Median Sale Price	One Year Change (Price)
Androscoggin	136	-4.8%	\$245,500	9.1%
Aroostook	103	7.1%	\$120,000	18.8%
Cumberland	453	2.0%	\$453,000	14.7%
Franklin	69	-4.0%	\$218,750	15.1%
Hancock	103	51.1%	\$315,000	26.0%
Kennebec	189	-10.4%	\$270,000	23.9%
Knox	64	-1.1%	\$355,250	20.2%
Lincoln	73	-8.6%	\$355,000	20.6%
Oxford	109	-18.9%	\$280,000	38.6%
Penobscot	193	1.9%	\$210,000	19.7%
Piscataquis	42	-12.3%	\$167,500	-9.5%
Sagadahoc	42	-23.6%	\$387,000	30.1%
Somerset	74	-8.7%	\$194,950	26.8%
Waldo	60	-2.6%	\$260,000	-0.8%
Washington	62	-10.3%	\$184,000	2.2%
York	291	12.7%	\$385,000	6.0%
Maine	2,063	-11.3%	\$310,000	14.8%

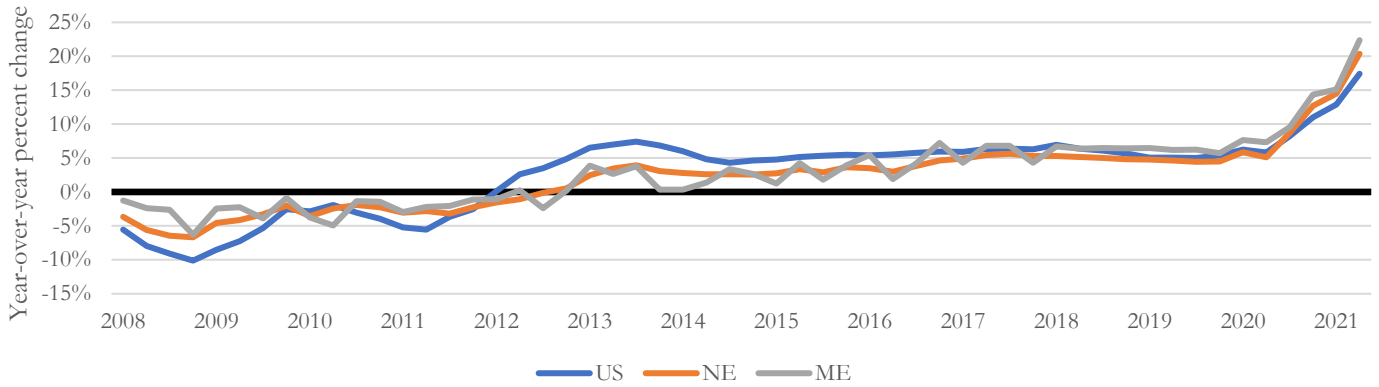
3.4.2 House Price Index

In the second quarter of 2021, the housing price index (HPI)⁴ 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%

⁴ According to the Federal Housing Finance Agency (FHFA), the HPI "measures average price changes in repeat sales or refinancing on the same properties."

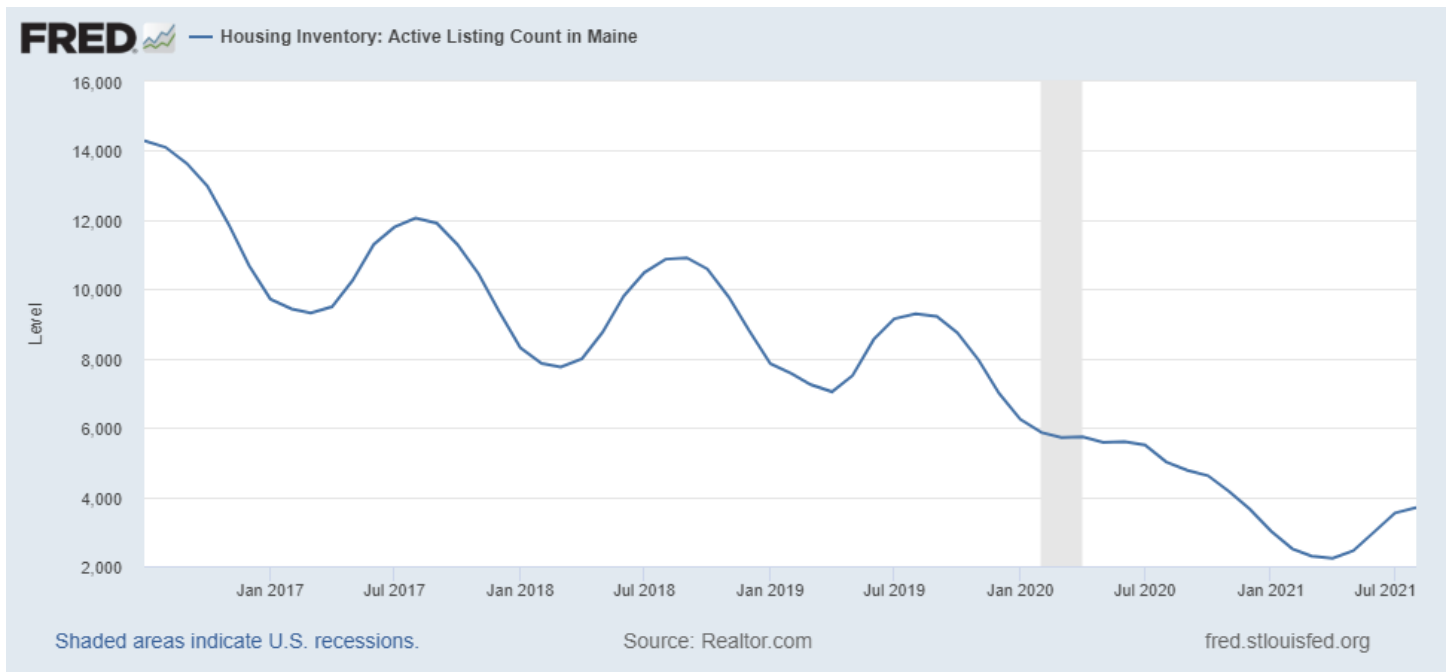
Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



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 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.

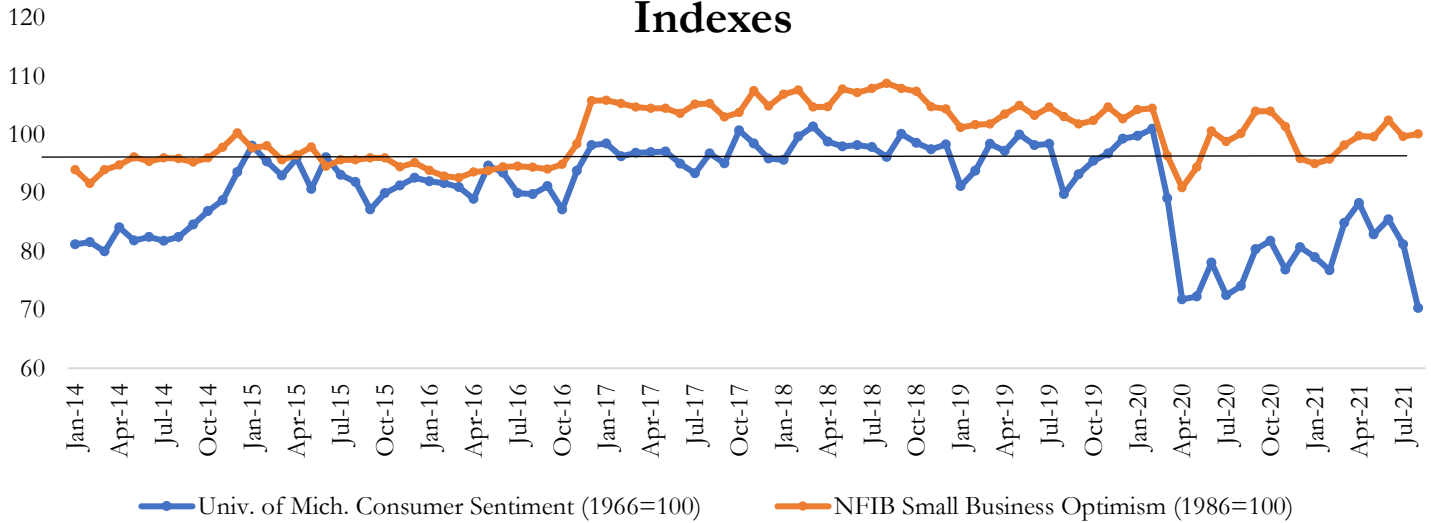
In August 2021, there were 3,697 active listings for single-family homes on Realtor.com. This is 1,312 fewer than August 2020, however the year-over-year decline in listings was the smallest since April 2020, an indication of some slight alleviation of pressure in the market.



4 Sentiment

The Index of Consumer Sentiment from the University of Michigan fell significantly in August as concerns about the Delta variant took hold. The index fell 5.1% year-over-year and 13.4% compared to last month. This marks the least favorable sentiment in more than a decade, with such large losses being recorded in only six months since 1978. The Small Business Optimism Index, as measured by the National Federation of Independent Businesses, rose in August by 0.9% month-over-month, though it was down by 0.1% from a year ago.

Consumer Sentiment and Small Business Optimism Indexes

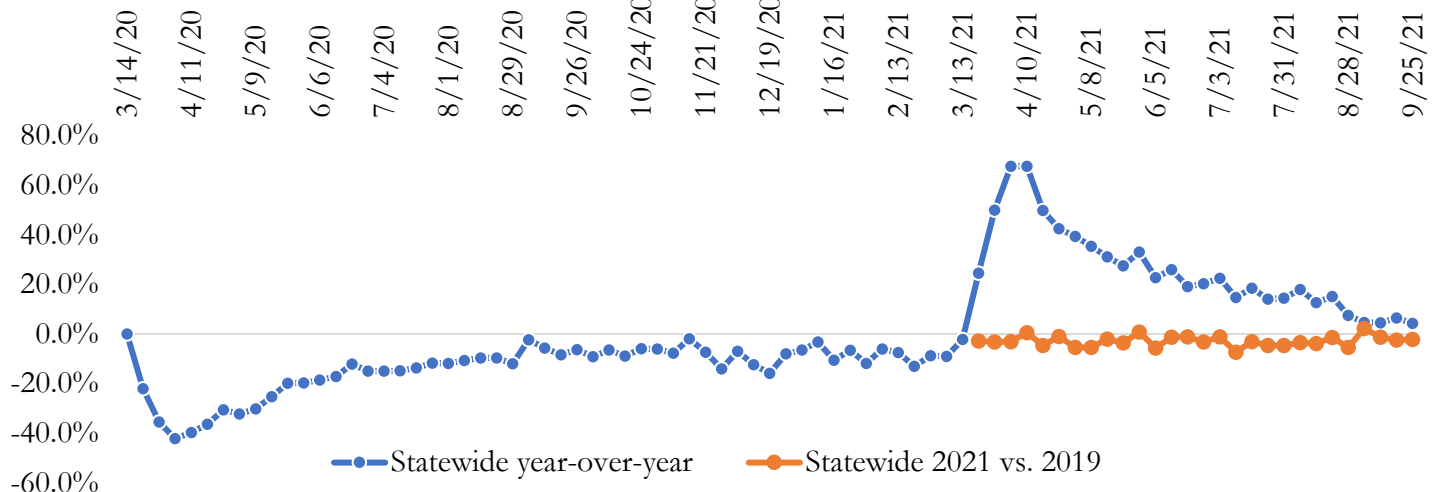


5 COVID-19 Indicators

5.1 Traffic changes

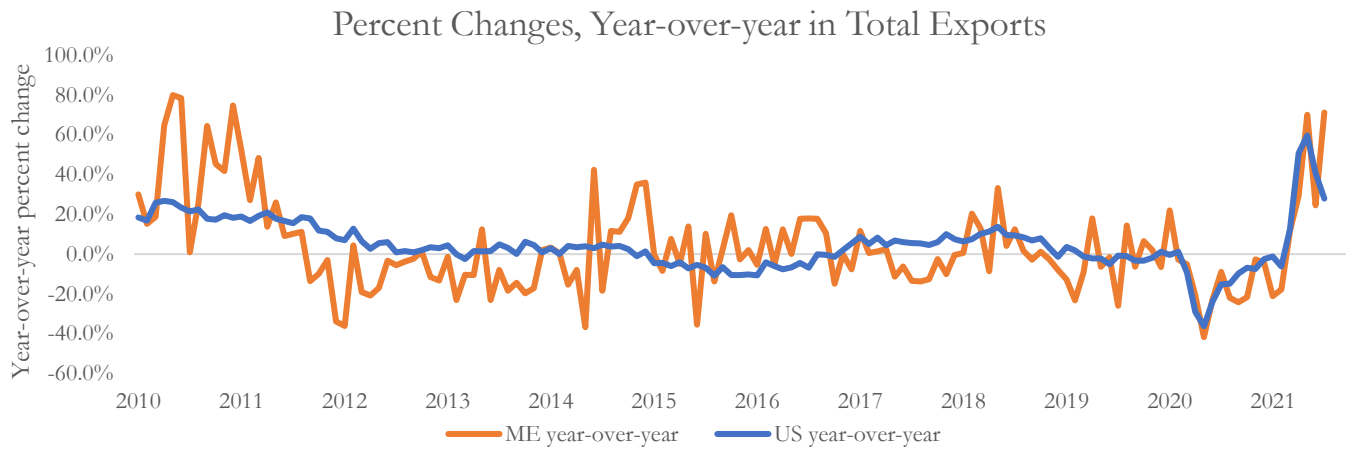
Vehicle miles traveled (VMT) measures the amount of travel that has taken place for all vehicles throughout the state and can be interpreted as the sum of miles traveled across all vehicles. In the fourth week of September, statewide VMT was 4.3% higher than it was in the same week of 2020. Compared to the same week in 2019, the most recent pre-pandemic baseline, VMT was down -2.2%. On average, VMT was down by -0.9% in each week of August compared to 2019; traffic has nearly resumed to normal levels.

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

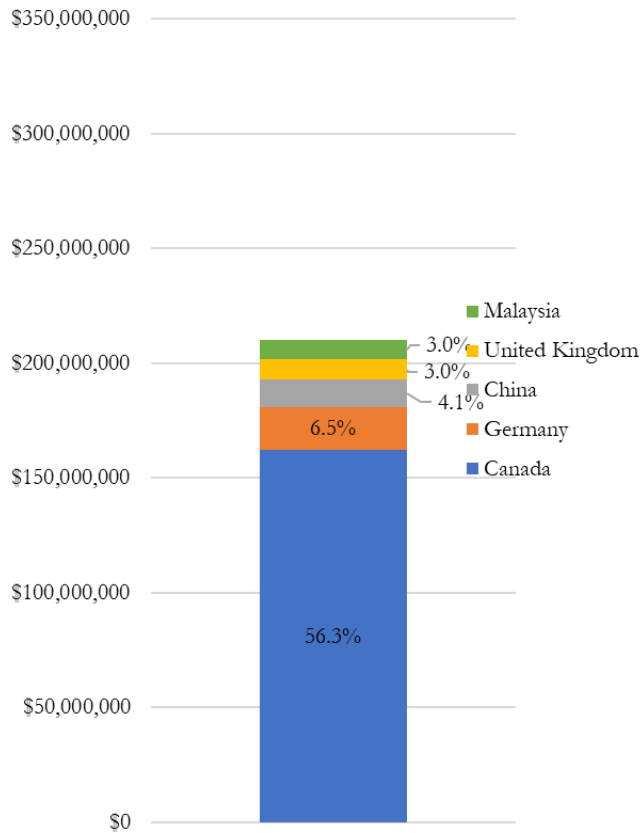


6 Trade Outlook

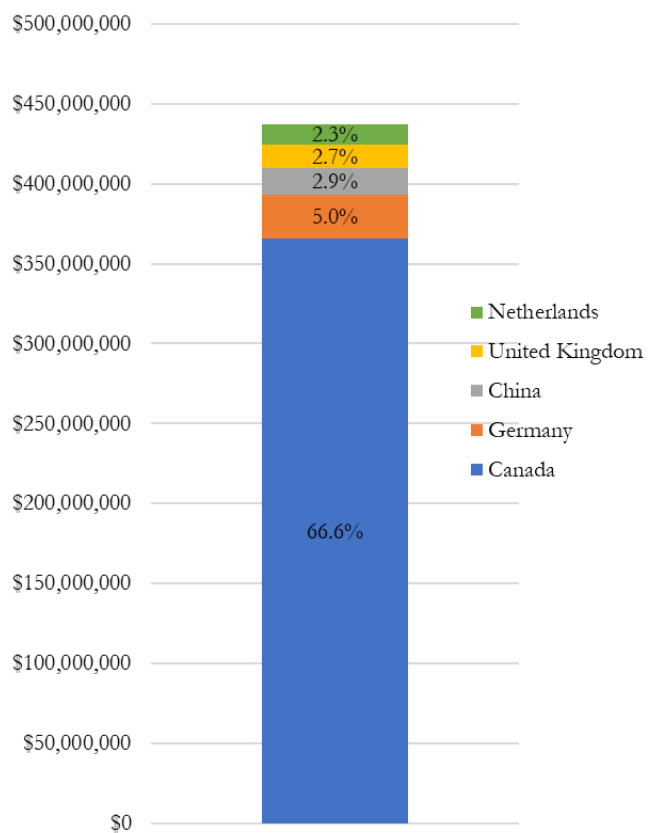
In July 2021, total exports were up 71.2% in Maine and 27.9% nationwide compared to July 2020. Maine's top trade partner was Canada, which accounted for 66.6% of imports and 56.3% of exports. Total imports to Maine were valued at \$548,992,884 while exports totaled \$288,525,900.



Value of exports to top 5 export partners

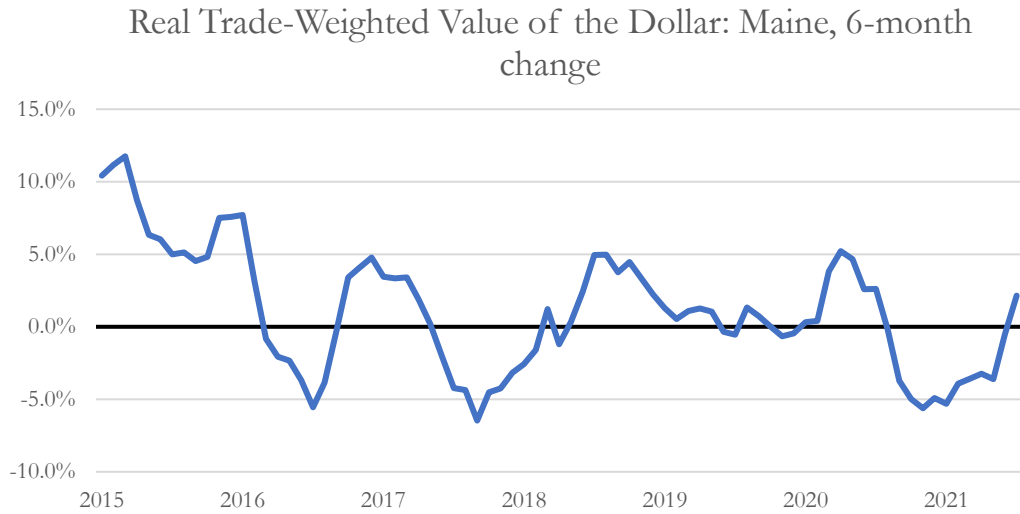


Value of imports from top 5 import partners



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 July 2021, Maine's RTWVD 6-month change was 2.1%.



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	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:Q1	June 25, 2021
GDPNow	Atlanta Fed	2021:Q3	September 27, 2021
Real-time Sahm Rule Recession Indicator	Sahm, Claudia/FRED	August 2021	September 3, 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	August 2021	September 17, 2021
Labor force participation	U.S. Bureau of Labor Statistics	August 2021	September 17, 2021
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	August 2021	September 17, 2021
Housing price index	Federal Housing Finance Agency	2021:Q2	August 31, 2021
Housing: Units and Median Sale Price	Maine Association of REALTORS®	August 2021	September 22, 2021
Index of Consumer Sentiment	Michigan Survey of Consumers	August 2021	August 2021
Small Business Optimism Index	National Federation of Independent Businesses	August 2021	September 2021
Vehicle Miles Traveled	Maine Department of Transportation	September 25, 2021	September 29, 2021
Imports & Exports	USA Trade Online	July 2021	September 2, 2021
Real Trade-Weighted Value of the Dollar	Federal Reserve Bank of Dallas	July 2021	September 2, 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.