Report of the
CONSENSUS ECONOMIC FORECASTING COMMISSION
April 1, 2021

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Summary

The Maine Consensus Economic Forecasting Commission (CEFC) convened on March 30, 2021, to review and revise its forecast through 2025. This meeting follows the forecast update of November 1, 2020. This report provides a summary of the Commission's findings.

As a critical part of the forecasting process, the Commission reviewed their key assumptions from the November 2020 forecast. Overall, the commission is more optimistic and sees reduced uncertainty from the two previous pandemic forecasts. Since the last forecast, the CEFC has identified increased clarity regarding the timing and provisions of federal stimulus and vaccine rollout and remains optimistic about Maine's opportunities to see increased immigration in the upcoming years. Additionally, the CEFC noted its concern that the exacerbation of inequality as different groups experience uneven paces of economic recovery will hold back the overall recovery of the state and that stability of K-12 education and childcare services will be a major determinant of the trajectory of recovery. The increase in COVID-19 variants is a new concern, and behaviors relating to vaccine uptake and continued social distancing protocols remain an area of uncertainty.

Record-setting job losses in March and April 2020 were followed by sharp but incomplete gains through the summer, fall, and winter; the CEFC is optimistic about a robust recovery in 2021. Benchmark revisions to 2020 wage and salary employment show a loss of -6.4%, better than the previous forecast loss of -8.0%. Total nonfarm employment is projected to increase by 4.0% in 2021, 2.3% in 2022, 0.7% in 2023, and 0.1% in both 2024 and 2025. The revised forecast anticipates employment will return to pre-pandemic levels by 2023 and continue growing to 640 thousand in 2025. This is a considerable improvement over the November 2020 forecast and reflects optimism regarding the upside risk of increased migration into the state related to remote work along with a faster-than-anticipated rollout of vaccines.

This forecast reflects preliminary actual data for annual 2020 personal income released by the U.S. Bureau of Economic Analysis on March 24, 2021. This resulted in upward revisions for 2020 for total personal income (from 5.3% to 7.6%) as well as several components including wages and salaries (from -1.5% to +1.4%), supplements to wages and salaries (from -1.5% to +1.1%), nonfarm proprietors' income (from -3.0% to +0.8%), and personal current transfer receipts (from 30.0% to 31.9%).

The forecast for total personal income was revised up significantly to +5.0% in 2021, compared to -0.5% in the previous forecast. Personal income was revised down in 2022, from 3.9% to 0.2%, and revised up in 2023, 2024, and 2025 to 4.1%, 4.3%, and 4.5%, respectively. The previous forecast projected growth of 3.9% in 2023 and 2024 and 4.0% in 2025. This revision accounts for both larger federal stimulus in 2021 than previously assumed as well as a stronger rebound of middle- and high-wage jobs. The slower growth in 2022 reflects the unwinding of federal stimulus.

Growth in wages and salaries, the largest component of personal income, was revised up for 2021 by 2.0 percentage points compared to November's forecast, from 3.0% to 5.0%. 2022-2025 were each left unchanged, at 4.0% for all years. Growth in supplements to wages and salaries was revised up in all years. In 2021, this was revised up from 3.6% to 5.0%. In the remaining years from 2022-2025, the forecast was revised from 3.4% to 4.0%, reflecting expected increased health care and childcare costs.

Nonfarm proprietors' income was left unchanged in 2021, at 3.2%. The CEFC revised the remaining years up to 6.5% in 2022 (from 3.3%), 6.0% in 2023 (from 2.5%), 5.7% in 2024 (from 2.5%), and 5.4% in 2025 (from 2.5%). The forecast for dividends, interest, and rent was revised up for all years, from 0.1% to 0.8% in 2021, and from 2.3% to 4.2% in 2022 and from 2.2% to 3.5% for 2023-2025.

Growth in personal current transfer receipts was revised up in 2021 to 8.0% from -8.0% in the previous forecast. Forecasts for 2022-2025 were -10.0%, 4.0%, 5.0%, and 6.0%, respectively. These changes reflected downward revisions from 2022-2024 and upward in 2025. Increases in 2021 are driven by the passage of the American Rescue Plan Act of 2021 with the possibility of additional federal spending on infrastructure and social projects, with the 2022 decline reflecting the unwinding of federal stimulus. The CEFC noted that the longer-term projection incorporates an expectation that a wave of retirements among Baby Boomers may lead to increasing Social Security distributions.

The CEFC revised its forecast for the Consumer Price Index (CPI) up for 2021, from 2.2% to 2.4%, and left 2022-2025 unchanged at 2.1% annually. This change reflects several forces that may contribute to inflation in the later part of the year: an uptick in consumer spending due to pent-up demand, increased energy prices, and supply bottlenecks, as well as the Federal Reserve's willingness to accept inflation moderately above its 2.0% target to achieve 2.0% *average* inflation.

Finally, the forecast for corporate profits was revised down in 2020 and up in 2021-2025. The forecast for 2020 changed from 0.6% to -2.0%. Corporate profits are projected to grow by 15.0% in 2021, up from 10.0% in the previous forecast. The CEFC projects growth of 4.7% annually from 2023-2025, up from 2.7% in the previous forecast, consistent with the average annual growth rate over the last decade.

The following table provides the forecast's major indicators along with a comparison to the past three forecasts.

Calendar Years	2020	2021	2022	2023	2024	2025
Wage & Salary Employment (Annual Percentage Change)						
CEFC Forecast 02/2020	0.5	0.2	0.1	0.0	0.0	0.0
CEFC Forecast 07/2020	-8.0	4.0	2.0	0.0	0.0	0.0
CEFC Forecast 11/2020	-8.0	4.0	2.0	0.1	0.1	0.1
CEFC Forecast 04/2021	-6.4	4.0	2.3	0.7	0.1	0.1
Personal Income (Annual Percentage Change)						
CEFC Forecast 02/2020	4.1	4.0	3.7	3.5	3.5	3.5
CEFC Forecast 07/2020	3.9	-1.2	3.7	3.5	3.6	3.6
CEFC Forecast 11/2020	5.3	-0.5	3.9	3.9	3.9	4.0
CEFC Forecast 04/2021	7.6	5.0	0.2	4.1	4.3	4.5
Wage and Salary Income (Annual Percentage Change)						
CEFC Forecast 02/2020	4.1	3.7	3.4	3.2	3.2	3.2
CEFC Forecast 07/2020	-5.0	2.0	3.0	3.0	3.0	3.0
CEFC Forecast 11/2020	-1.5	3.0	4.0	4.0	4.0	4.0
CEFC Forecast 04/2021	1.4	5.0	4.0	4.0	4.0	4.0
CPI (Annual Percentage Change)						
CEFC Forecast 02/2020	1.9	2.0	2.0	2.0	2.0	2.0
CEFC Forecast 07/2020	0.9	1.5	1.7	2.0	2.0	2.0
CEFC Forecast 11/2020	1.3	2.2	2.2	2.1	2.1	2.1
CEFC Forecast 04/2021	1.2	2.4	2.2	2.1	2.1	2.1

In deliberations leading to consensus, the CEFC considered information presented by the Maine Department of Labor, Maine Revenue Services, and by the Office of the State Economist in the Department of Administrative and Financial Services. The Office of Fiscal and Program Review also provided an update on general fund budget status. The following sections summarize these reports. Additional background materials are available online.

Office of the State Economist (Department of Administrative and Financial Services)

Total personal income in Maine grew 7.6% in 2020, the sixth highest in the nation, despite a decline of 5.5% (seasonally adjusted at annual rates) from the third to fourth quarter of the year. This year-over-year growth was driven by sharp increases in transfer receipts. Wage and salary income, which is the largest component of total personal income, grew by 1.4%. Gross Domestic Product (GDP) for Maine rose by $4.3 billion, or 34.4%, at an annualized rate in the third quarter of 2020 but remains $2.0 billion lower than the third quarter of 2019. The Consumer Price Index was up 1.7% year-over-year in February 2021, closer to the Federal Reserve's inflation target of 2.0 percent, which is measured using Personal Consumption Expenditures (PCE).

Nationwide, consumer sentiment has had a slow and rocky recovery. The February 2021 consumer sentiment index remained 24% under February 2020 while the Small Business Optimism Index was down 8.3% in February compared to last year.

Energy prices saw recovery in the fourth quarter, when the price of crude oil rose by 3.1% from previous quarter. Gasoline prices averaged $2.83 on March 15, 2021 in New England. Data for January 2021 show total exports in Maine decreased by 21.1% over January 2020.

Single family existing-home sales in Maine in February 2021 continued to grow, up 22.8% compared to February 2020, while the median sales price increased 12.9% from a year prior as the market maintains a tight supply and strong demand. Maine's House Price Index rose by 13.5% in the fourth quarter of 2020 over a year prior, higher than both New England and the United States.

Highway travel has seen strong recovery in recent weeks. The second week of March had a year-over-year decline of only 2.2% in vehicle miles traveled, the smallest gap since the COVID-19 pandemic began a year prior. Credit and debit card data indicate that consumer spending has also settled near pre-pandemic levels.

Full background materials are available at: https://www.maine.gov/dafs/economist/economic-forecasting

Maine Department of Labor

Nonfarm payroll jobs increased 4,600 in the first two months of 2021. This follows a four-month period of little change during the fall virus surge. In February 2021 there were 5.3 percent fewer jobs (-34,200) than a year earlier, which parallels the national 6.3 percent decrease.

Annual revisions to labor force estimates have been completed. The employment to population ratio was somewhat higher than previously published estimates indicated in 2019 and the first half of 2020, then lower in the latter part of the year. The employment rate increased in the first two months of 2021 but remained below year-ago rates. Revised estimates tracked closely with the payroll jobs trend.

Unemployment rates were revised lower for nearly all months of 2019 and 2020 and remained quite variable for the spring and summer of last year. The variability was because many people were unable to search for work or were uncertain about whether they would be recalled to their job in the first several months of the pandemic (those who did not search for work were not considered to be in the labor force and were not counted as unemployed). Though labor force participation increased in the first two months of 2021, it remained suppressed as childcare and other factors continued to prevent many people from being available to work. If labor force participation was at February 2020 rates, the unemployment rate would have been much higher throughout the pandemic period and would be 8.9 percent for February 2021, rather than the official rate of 4.8 percent.

Wages paid in the state totaled $21.9 billion in the first nine months of 2020, up 1.1 percent from a year earlier. Total wages were down 1.9 percent in the second quarter from a year earlier but were up 4.7 and 0.7 percent in the first and third quarters. This is a much better performance than in the previous recession just over a decade ago. The fact that most of the jobs lost in 2020 were in hospitality and other lower-wage sectors, combined with efforts to support economic stability, including the Paycheck Protection Program (PPP), meant that jobs saw a sharper decrease than wages last year.

Among the most prominent changes to the nature of work over the last year is the increased prevalence of telework. One-third of households report at least one adult working in a different location, usually their home (U.S. Census Bureau, Household Pulse Survey). We estimate 160,000 jobs in Maine are suited to telework. Telework is not possible in many occupations in which goods or services are produced or delivered in person. About 57 percent of private sector employers in Maine reported having no telework arraignments either before or during the pandemic, while 27 percent reported increased telework (U.S. Bureau of Labor Statistics, Business Response Survey).

Other results from the Business Response Survey point to the challenging year and stabilizing role that stimulus measures played. In Maine half of private sector employers reported decreased demand and nearly two-thirds reported receiving PPP or other loans or grants to maintain employment. These employers represented just under 350,000 jobs.

Recently updated national projections from the Congressional Budget Office expect the civilian labor force will to return to pre-pandemic size by 2022, the unemployment rate will gradually decline to just over 4.5 percent by the end of 2023, and the number of employed people will fully recover by 2024. As the labor force recovers, the unemployment rate should more accurately reflect workforce conditions.

This presentation is available at:
http://www.maine.gov/labor/cwri/publications/pdf/CEFCMarch2021.pdf

Maine Revenue Services - Office of Tax Policy (OTP)

In its December 1, 2020 revenue forecast, the Revenue Forecasting Committee (RFC) revised General Fund (GF) revenue estimates upward by $272.8 million for Fiscal Year (FY) 2021 and by $487.4 million for the 2022-2023 biennium. The forecasted rate of year-over-year (YOY) growth for GF revenue in FY21 is now -3.9%, followed by growth of 4.1% in FY22 and 3.8% for FY23. Relative to the RFC's pre-pandemic March 1, 2020 forecast, GF revenues are now projected to be $255.0 million lower in FY21 and $395.8 million lower for the 2022-2023 biennium.

General Fund Summary

	FY21	FY22	FY23	FY24	FY25
March 2020 Forecast	$4,070,279,515	$4,174,531,432	$4,317,597,709		
Annual % Growth	2.5%	2.6%	3.4%		
Net Increase (Decrease)	($527,809,542)	($433,731,150)	($449,465,768)		
August 2020 Forecast	$3,542,469,974	$3,740,800,282	$3,868,131,941		
Annual % Growth	-10.8%	5.6%	3.4%		
Net Increase (Decrease)	$272,806,942	$231,967,435	$255,473,700		
December 2020 Foreca	$3,815,276,916	$3,972,767,717	$4,123,605,641	$4,276,170,128	$4,431,148,462
Annual % Growth	-3.9%	4.1%	3.8%	3.7%	3.6%

Almost 90% ($243.9 million) of the RFC's $272.8 million reprojection in FY21 was from sales and use and individual income taxes, and 88% of the FY22 and FY23 net increases was attributable to these two revenue lines. In both cases, stimulus from the federal government and the Federal Reserve System has helped to moderate the impact on State revenues of the historic COVID-19 recession during the final quarter of FY20 and the first five months of FY21. While the CEFC assumed that Congress would provide additional stimulus in the first quarter of CY21, the severity of the recession leads to smaller, but still significant ongoing reductions in the State's two largest sources of GF revenue relative to the RFC's pre-pandemic March forecast.

The $136.5 million upward adjustment in FY21 to the sales and use tax forecast reflected a positive variance of $53.5 million through October and preliminary November receipts that pointed to another monthly variance of $20 million or more. The two primary areas fueling the revenue surplus were lodging and automobile sales. Lodging receipts through October exceed budget by $14.4 million and were expected to be approximately $22 million higher for the fiscal year than projected in August. While lodging sales were down 28.6% YOY during the important July-September quarter, the August revenue forecast assumed a 50% YOY decline during the summer tourism season. After declining over 15% YOY between March and June, sales and use tax receipts related to automobile sales rebounded, increasing by 17% YOY during the three-month period ending in September. Actual revenue performance through October and a less pessimistic forecast from the CEFC of CY20 new automobile registrations resulted in a FY21 increase of $42 million in sales and use tax from automobile sales. The RFC tried to capture the expected decline in taxable services during the winter months as the rising rate of rate of COVID-19 was expected to impact consumer purchases of in-person services.

Upward adjustments to estimated individual income tax revenues were primarily the result of the CEFC's more optimistic assumption of wage and salary growth over the forecast period. The November CEFC forecast assumed that wages and salaries combined with taxable enhanced unemployment insurance (UI) benefits that were part of the CARES Act will more than offset the reduction in wages and salaries during CY20 relative to their February economic forecast. After CY20 the CEFC assumed that UI benefits will fall back to normal levels and growth as unemployment declines, but that wage and salary growth will be stronger than their previous forecast. Wages and salaries represent a significant portion of taxable income and therefore any increase in their forecasted level leads to higher individual income tax liability. Other key factors impacting the individual income tax forecast were: (1) a smaller decrease in capital gains realizations than the August forecast, (2) slightly stronger growth in business income and (3) a reduction in IRA income in tax year 2020 due to federal tax law changes.

With actual revenues through February and one day of processing left in March, FY21 GF revenues are running well ahead of budget. Through the first eight months of the fiscal year GF revenues are $287.2 million over budget (11.6%). Most of the year-to-date variance is from sales and use tax ($58.0 million) and individual income tax ($206.1 million). Approximately $97 million of the year-to-date positive variance is because of the IRS' delay, by approximately one month, of the start of the Federal tax filing season. As a result, fewer individual income tax returns that necessitate refunds have been filed and, thus, issuance of refund payments have not offset revenues to the same extent as anticipated. Most, if not all, of the February variance in income tax refunds should be reversed in March. Compared to the same eight-month period last fiscal year, GF revenues are up by 8.5% ($216.2 million). Adjusting for the timing of refunds and the increase in revenue sharing, GF revenues have increased by $140.0 million compared to the same period of fiscal year 2020 or up by 5.5%.

The strong performance in sales and use tax relative to forecast is primarily because sales subject to the 5.5% general sales tax rate (e.g. building supply materials, automobiles, sporting goods etc.) have been very strong over the November-February period. Stimulus payments and enhanced unemployment benefits included in the Consolidated Appropriations Act of 2021 (CAA21) provided stimulus at the beginning of calendar year 2021 and the recent enactment of the American Rescue Plan Act (ARPA) will provide additional stimulus during the second and third quarters of calendar year 2021. Based on advanced bookings for lodging during the summer tourism, it appears that activity will be much stronger this summer compared to last year. As a result, the robust performance of the sales and use tax line is expected to continue at least through the end of 2021.

Individual income tax receipts are over budget fiscal year-to-date partly because withholding is over budget by $61 million, up 9.7% compared to the first three quarters of FY20. The exceptionally strong growth has been helped by the extra $600 per week unemployment insurance (UI) benefit that was part of the federal CARES Act and the $300 per week enhanced benefit that was part of the CAA21 and ARPA.

The final estimated payment for tax year 2020, December and January combined, increased 40.5 percent over a year ago which is the strongest final estimated payment since the same period of the 2012 tax year (46.0%). For the year, individual estimated payments are up 18%, again the best since the 2012 tax year (18.4%). Some of the strong growth at the end of 2020 is likely catch up, with weaker quarterly payments from the previous three quarters as taxpayers estimated payments assuming a bad year because of the pandemic and then realized their bottom line would be better as the year ended. But we cannot rule out that high-end taxpayers may be preparing for a federal tax change as the Biden Administration has suggested interest in increasing tax rates for high net worth individuals. In addition, the strong stock and real estate markets may result in another year of capital gains and other income being accelerated to avoid potential federal tax increases. This would benefit state revenue in this fiscal year, but at the expense of fiscal year 2022 and possibly fiscal year 2023. The odds of an exceptional final estimated payment being offset by a negative April surprise are low based on 30 years of history. Historically, the final estimated payment is a signal of strong growth for the tax year.

Macroeconomic Assumptions

Two different baseline economic forecasts were examined at the meeting: the Moody's Analytics baseline scenario for March 2021 and the IHS Markit baseline scenario for March 2021. Each forecast was based on a different set of national macroeconomic assumptions. These forecasts were then compared to the CEFC's November 2020 forecast. In addition, the CEFC reviewed its assumptions for the previous forecast and made several changes as more information has become available since the last report. Overall, the commission is both more optimistic and less uncertain than they were for the two previous pandemic forecasts, particularly relating to vaccine rollout and federal stimulus. The key assumptions made by the CEFC are as follows:

- With economic recovery underway, concerns remain that this recovery is uneven across different sectors and demographic/socioeconomic groups.
- Although infection rates remain high, public health concerns will subside with the continuation of vaccine rollout. Continued social distancing, testing, and contact tracing will help the state mitigate the onset of COVID-19 variants.
- Federal stimulus and prolonged low interest rates will boost consumption and aid in the economic recovery; the service sector and tourism in particular may see increased demand during the summer.
- Long-term structural changes are likely to occur as the labor market faces a skills mismatch. The availability of regular, in-person childcare and K-12 education will remain a major determinant in returning labor force participation rates to normal levels.
- The Commission is optimistic that there is an opportunity for Maine to see increased in-migration in the coming years as telework becomes part of the "new normal" and people look for less densely populated places to live; however, this does have implications on the commercial real estate front, particularly for office space. The supply of housing is extremely limited and may be a constraint on continued home sales growth.
- Human behavior underpins several key uncertainties at this time, including vaccination uptake, willingness to continue to adhere to social distancing procedures, and eventual willingness to return to normal activity once it is considered safe to do so. Additionally, pent-up demand for services may lead to a substitution away from purchases of goods.
- Labor force constraints may be a risk if pent-up demand for tourism and services exceeds Maine's supply of workers, particularly if temporary workers are not able to travel to Maine for the summer tourism season. This may be mitigated somewhat on the lodging side if transient rental platforms are seen by visitors as preferable to traditional lodging facilities.

Consensus Forecast

Following rapid declines in the spring of 2020, employment saw some recovery through the summer and the end of the year, resulting in an overall decline of 6.4%. Total nonfarm employment is projected to increase by 4.0% in 2021, 2.3% in 2022, 0.7% in 2023 and 0.1% in both 2024 and 2025. Compared to the November 2020 forecast, this is unchanged in 2021, revised up in 2022 and 2023 (from 2.0% and 0.1%, respectively) and unchanged in 2024 and 2025. The new forecast accounts for an upside risk of increased migration into the state balanced with the potential for demographic shifts that may lead to a wave of retirements in coming years. The commission is also optimistic that K-12 school and childcare needs will be met, allowing many parents to return to the labor force in 2021 and 2022. The CEFC continues to look for signs of change in the long-term trajectory of employment, immigration data, and labor force participation trends. The Commission is hopeful that this more optimistic medium-term forecast will be confirmed with future data. The revised forecast anticipates employment will reach pre-pandemic levels by 2023 and continue growing to 640 thousand in 2025. The November 1, 2020, forecast reached 622.6 thousand in 2025. The CEFC remains optimistic regarding the upside risk of increased migration into the state as COVID-19 has been a catalyst for remote work. However, the commission has left the long-term forecast unchanged until better information about migration is available.

This forecast reflects preliminary actual data for annual 2020 personal income released by the U.S. Bureau of Economic Analysis on March 24, 2021. This resulted in upward revisions for 2020 for total personal income (from 5.3% to 7.6%) as well as several components including wages and salaries (from -1.5% to +1.4%), supplements to wages and salaries (from -1.5% to +1.1%), nonfarm proprietors' income (from -3.0% to +0.8%), and personal current transfer receipts (from 30.0% to 31.9%).

The forecast for total personal income was revised up significantly to +5.0% in 2021, compared to -0.5% in the previous forecast. Personal income was revised down in 2022, from 3.9% to 0.2%, and revised up in 2023, 2024, and 2025 to 4.1%, 4.3%, and 4.5%, respectively. The previous forecast projected growth of 3.9% in 2023 and 2024 and 4.0% in 2025. This revision accounts for both larger federal stimulus in 2021 than previously assumed as well as a stronger rebound of middle- and high-wage jobs. The slower growth in 2022 reflects the unwinding of federal stimulus.

Growth in wages and salaries, the largest component of personal income, was revised up for 2021 by 2.0 percentage points compared to November's forecast, from 3.0% to 5.0%. 2022-2025 were each left unchanged, at 4.0% for all years. Growth in supplements to wages and salaries was revised up in all years. In 2021, this was revised up from 3.6% to 5.0%. In the remaining years from 2022-2025, the forecast was revised from 3.4% to 4.0%, reflecting expected increased health care and childcare costs.

Nonfarm proprietors' income was left unchanged in 2021, at 3.2%. The CEFC revised the remaining years up to 6.5% in 2022 (from 3.3%), 6.0% in 2023 (from 2.5%), 5.7% in 2024 (from 2.5%), and 5.4% in 2025 (from 2.5%). The forecast for dividends, interest, and rent was revised up for all years, from 0.1% to 0.8% in 2021, and from 2.3% to 4.2% in 2022 and from 2.2% to 3.5% for 2023-2025.

Growth in personal current transfer receipts was revised up in 2021 to 8.0% from -8.0% in the previous forecast. Forecasts for 2022-2025 were -10.0%, 4.0%, 5.0%, and 6.0%, respectively. These changes reflected downward revisions from 2022-2024 and upward in 2025. Increases in 2021 are driven by the passage of the American Rescue Plan Act of 2021 with the possibility of additional federal spending on infrastructure and social projects, with the 2022 decline reflecting the unwinding of federal stimulus. The CEFC noted that the longer-term projection incorporates an expectation that a wave of retirements among Baby Boomers may lead to increasing Social Security distributions.

The CEFC revised its forecast for the Consumer Price Index (CPI) up for 2021, from 2.2% to 2.4%, and left 2022-2025 unchanged at 2.1% annually. This change reflects several forces that may contribute to inflation in the later part of the year: an uptick in consumer spending due to pent-up demand, increased energy prices, and supply bottlenecks, as well as the Federal Reserve's willingness to accept inflation moderately above its 2.0% target to achieve 2.0% *average* inflation.

Finally, the forecast for corporate profits was revised down in 2020 and up in 2021-2025. The forecast for 2020 changed from 0.6% to -2.0%. Corporate profits are projected to grow by 15.0% in 2021, up from 10.0% in the previous forecast. The CEFC projects growth of 4.7% annually from 2023-2025, up from 2.7% in the previous forecast.

The following page provides the full forecast.

Maine Consensus Economic Forecasting Commission

April 2021 Forecast Update

	History	Forecast				
	2020	2021	2022	2023	2024	2025
CPI-U* (Annual Change)	1.2%	2.4%	2.2%	2.1%	2.1%	2.1%
CPI for Energy Prices** (Annual Change)	-8.3%	13.7%	1.3%	1.2%	1.5%	2.0%
Avg. Price of New Vehicles** (Annual Change)	6.1%	2.5%	0.9%	3.1%	0.3%	-0.6%
New Vehicle Registrations** (Annual Change)	-7.7%	2.9%	-1.6%	-1.8%	-0.8%	0.2%
Personal Savings Rate**	16.1%	14.1%	8.2%	7.6%	7.8%	7.9%
Maine Unemployment Rate**	5.4%	4.3%	3.2%	2.9%	2.8%	2.9%
3-Month Treasury Bill Rate**	0.37%	0.04%	0.07%	0.09%	0.22%	0.47%
10-Year Treasury Note Yield**	0.89%	1.45%	1.81%	1.99%	2.19%	2.46%
Before-Tax Corporate Profits* (Annual Change)	-2.0%	15.0%	4.7%	4.7%	4.7%	4.7%
Maine Wage & Salary Employment* (thousands)	596.1	620.0	634.2	638.7	639.4	640.0
Natural Resources	2.1	2.3	2.4	2.4	2.3	2.3
Construction	30.0	31.3	30.0	28.6	28.0	27.8
Manufacturing	50.7	52.7	53.8	53.7	53.2	52.8
Trade/Trans./Public Utils.	111.7	115.5	113.7	110.3	107.4	106.7
Information	6.4	6.8	7.2	7.3	7.2	7.2
Financial Activities	32.6	34.2	35.6	35.8	35.8	35.7
Prof. & Business Services	68.0	72.4	76.3	79.5	81.9	84.0
Education & Health Services	124.8	128.2	131.3	133.4	134.5	134.7
Leisure & Hospitality Services	51.8	55.8	59.7	62.1	63.1	62.7
Other Services	20.3	21.5	22.3	22.6	22.6	22.6
Government	97.8	99.2	102.0	103.0	103.3	103.5
Maine Wage & Salary Employment* (Annual Change)	-6.4%	4.0%	2.3%	0.7%	0.1%	0.1%
Natural Resources	-3.0%	9.4%	3.2%	0.1%	-1.2%	-0.4%
Construction	-0.1%	4.3%	-4.1%	-4.6%	-2.1%	-0.7%
Manufacturing	-4.8%	4.0%	2.0%	-0.1%	-0.9%	-0.8%
Trade/Trans./Public Utils.	-5.8%	3.4%	-1.6%	-2.9%	-2.6%	-0.7%
Information	-10.8%	5.8%	6.2%	0.9%	-0.2%	-0.5%
Financial Activities	-0.9%	5.0%	4.0%	0.5%	0.0%	-0.2%
Prof. & Business Services	-3.1%	6.5%	5.3%	4.2%	3.1%	2.5%
Education & Health Services	-3.6%	2.7%	2.4%	1.6%	0.8%	0.2%
Leisure & Hospitality Services	-26.0%	7.8%	6.9%	4.1%	1.5%	-0.6%
Other Services	-8.5%	5.8%	4.0%	1.0%	0.0%	0.1%
Government	-3.4%	1.5%	2.8%	1.0%	0.3%	0.2%
	2020	2021	2022	2023	2024	2025
Personal Income* ($ million)	73,212	76,868	77,007	80,131	83,568	87,327
Wages & Salaries*	31,915	33,511	34,851	36,245	37,695	39,203
Supplements to Wages & Salaries*	7,915	8,311	8,643	8,989	9,349	9,723
Nonfarm Proprietors' Income*	5,117	5,281	5,624	5,961	6,301	6,641
Farm Proprietors' Income**	171	162	97	113	134	133
Dividends, Interest, & Rent*	12,515	12,615	13,145	13,605	14,081	14,574
Dividends	3,919	4,012	4,535	4,830	5,051	5,217
Interest	5,655	5,571	5,355	5,265	5,312	5,524
Rent	2,941	3,035	3,260	3,510	3,717	3,828
Personal Current Transfer Receipts*	19,874	21,464	19,318	20,091	21,095	22,361
Less: Contributions for Social Ins.**	5,390	5,629	5,865	6,105	6,367	6,639
Adjustment for Residence**	1,094	1,153	1,193	1,233	1,280	1,331
Personal Income* (Annual Change)	7.6%	5.0%	0.2%	4.1%	4.3%	4.5%
Wages & Salaries*	1.4%	5.0%	4.0%	4.0%	4.0%	4.0%
Supplements to Wages & Salaries*	1.1%	5.0%	4.0%	4.0%	4.0%	4.0%
Nonfarm Proprietors' Income*	0.8%	3.2%	6.5%	6.0%	5.7%	5.4%
Farm Proprietors' Income**	39.0%	-5.4%	-40.0%	16.2%	18.1%	-0.3%
Dividends, Interest, & Rent*	-1.1%	0.8%	4.2%	3.5%	3.5%	3.5%
Dividends	-1.4%	2.4%	13.0%	6.5%	4.6%	3.3%
Interest	-2.2%	-1.5%	-3.9%	-1.7%	0.9%	4.0%
Rent	1.7%	3.2%	7.4%	7.7%	5.9%	3.0%
Personal Current Transfer Receipts*	31.9%	8.0%	-10.0%	4.0%	5.0%	6.0%
Less: Contributions for Social Ins.**	2.4%	4.4%	4.2%	4.1%	4.3%	4.3%
Adjustment for Residence**	-0.3%	5.4%	3.5%	3.3%	3.8%	4.0%

*CEFC Forecast

**From IHS Markit and Moody's Analytics baselines (Mar. 2021)

Remaining lines derived from CEFC forecast by CEFC staff and reviewed by CEFC