Maine Economic Indicators

September 2024

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.

Contents

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
2023	Total population	1,395,722	15,159,777	334,914,895
2022-2023	Annual population percent change	0.5%	0.3%	0.5%
2020-2023	Cumulative population percent change	2.4%	0.3%	1.0%
2023	Average earnings per job	$64,310	$83,918	$74,499
2021-2022	Average earnings per job percent change	4.2%	1.0%	1.7%
August 2024	Unemployment rate	2.8%	3.5%	4.2%
August 2024	Total private nonfarm employment	553,200	6,626,800	135,440,000
August 2024	Labor Force	702,000	8,171,100	168,549,000
August 2024	Labor Force Participation Rate	59.9%	N/A	62.7%

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

Real GDP	2023:Q3	2023:Q4	2024:Q1	2024:Q2	2023:Q3-2024:Q2
Maine	5.3	3.5	2.8	1.7	2.6
New England	2.6	3.4	3.6	2.2	3.0
United States	4.4	3.2	1.6	3.0	2.6
Total Personal Income	2023:Q3	2023:Q4	2024:Q1	2024:Q2	2023:Q3-2024:Q2
Maine	4.8	5.4	10.1	4.4	6.6
New England	3.3	5.2	11.3	3.5	6.7
United States	4.2	4.7	9.3	5.3	6.4
Per Capita Personal Income	2023:Q3	2023:Q4	2024:Q1	2024:Q2	2023:Q3-2024:Q2
Maine	4.2	4.9	9.6	3.9	6.1
New England	2.9	4.9	11.1	3.3	6.4
United States	3.6	4.1	8.8	4.8	5.9
Wages & Salaries	2023:Q3	2023:Q4	2024:Q1	2024:Q2	2023:Q3-2024:Q2
Maine	7.1	4.4	9.6	4.7	6.2
New England	4.3	4.1	14.7	3.3	7.3
United States	6.4	4.5	10.3	6.2	7.0

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
2023	Total population	1,395,722	15,159,777	334,914,895
2022-2023	Annual population percent change	0.5%	0.3%	0.5%
2020-2023	Cumulative population percent change	2.4%	0.3%	1.0%
2023	Births	11,945	142,522	3,653,356
2023	Deaths	16,998	142,818	3,148,861
2023	Net migration	11,425	39,037	1,138,989
2022-2023	Annual rate of total net migration, per thousand (Maine ranks 9th in the U.S.)	8.2	2.6	3.4
2023	Median age, years (American Community Survey)	44.9	41.4	39.2
2023	Associate degree: percent of population age 25 and above	10.5%	8.0%	8.8%
2023	Bachelor's degree: percent of population age 25 and above	23.2%	24.4%	21.8%
2023	Graduate or professional degree: percent of population age 25 and above	13.7%	19.7%	14.3%
2023	Percent of population below poverty level	10.4%	10.1%	12.5%
2023	Median family income	$91,546	$115,746	$96,401
2023	Median household income	$73,733	$92,017	$77,719
2022	Per capita personal consumption expenditures	$55,789	$61,033	$52,542
2023	Per capita disposable personal income	$58,110	$71,982	$61,291

3   Quarterly and Monthly Indicators

3.1   Gross Domestic Product (GDP)

Maine's real GDP grew 1.7% at an annualized rate in the second quarter of 2024, ranking 44th in the U.S. (growth of 3.0%) and last in New England (growth of 2.2%). The industry sectors that contributed the most to Maine's growth were health care and social assistance (+0.47 percentage points), real estate and rental and leasing (+0.45 percentage points), and finance and insurance (+0.39 percentage points). These gains were partially offset by declines in other industries, including accommodation and food services (-0.32 percentage points), state and local government (-0.16 percentage points), and management of companies and enterprises (-0.10 percentage points).

2024:Q2	Maine	United States
Nominal GDP (Current dollars)	$97.9 billion	$29.0 trillion
Real GDP (Chained 2017 Dollars)	$77.1 billion	$23.2 trillion

Real GDP (billions of chained 2017 dollars) - Maine
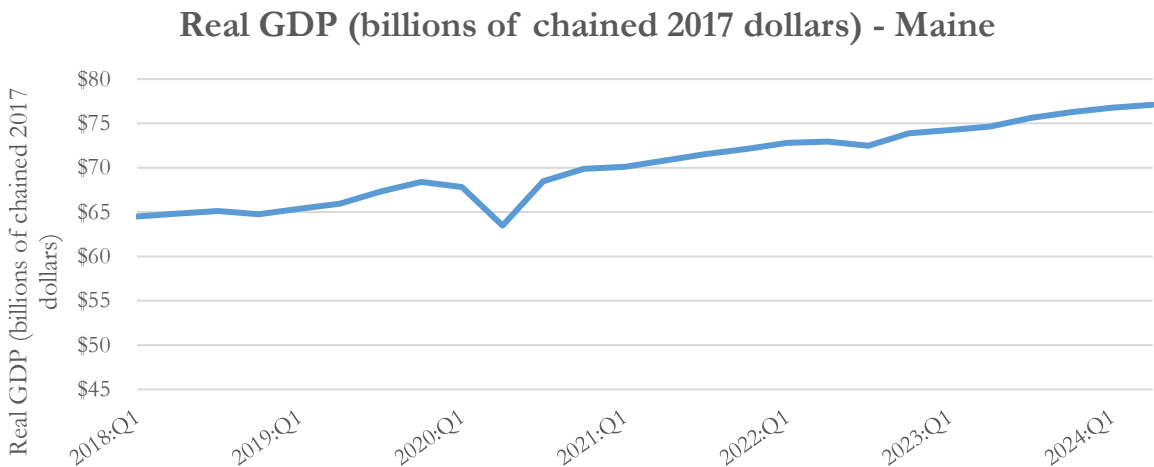
3.1.1   GDP Now from the Federal Reserve Bank of Atlanta

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 2024:Q3 as of September 27, is that U.S. real GDP will **increase by 3.1 percent** at an annual rate.


Evolution of Atlanta Fed GDPNow real GDP estimate for 2024: Q3
Quarterly percent change (SAAR)
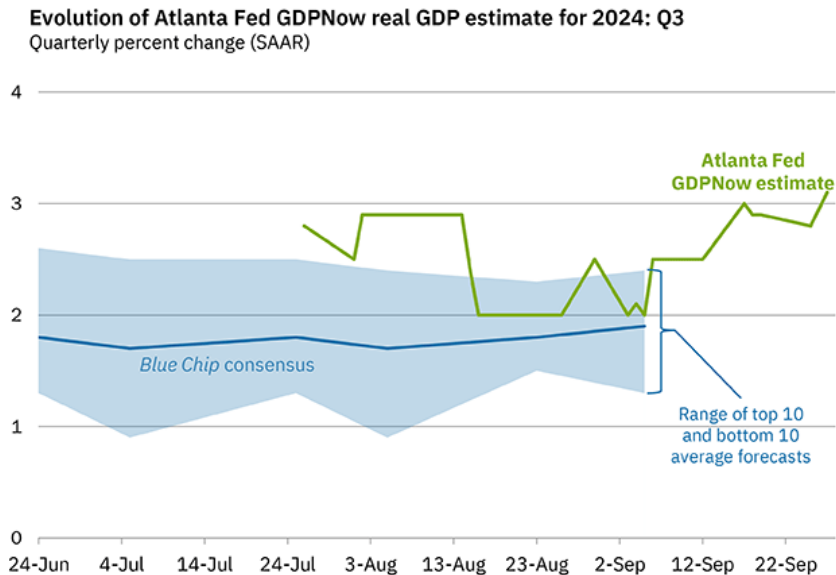
3.2   Recession Indicators

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 Indicator[1] 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 August 2024, this indicator showed that the three-month average of national U3 was **0.57 percentage points above its 12-month low, triggering the Sahm rule for the second consecutive month**.

The Sahm rule has been triggered during nearly all U.S. recessions. However, the current economic situation differs from these previous cases in important ways. In 2024, rising unemployment rates are *not* due to layoffs, as was the case in most past recessions. Instead, the rise in a historically low unemployment rate is a result of an expanding labor supply, due in part to increased levels of immigration.
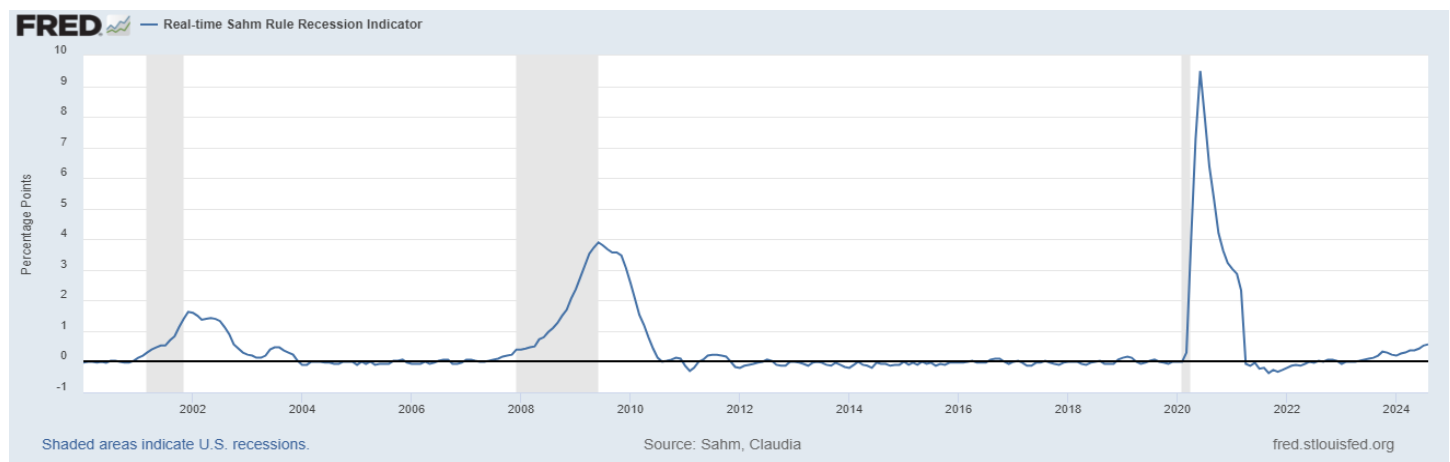
3.2.2   GDP-Based Recession Indicator Index

The GDP-Based Recession Indicator Index[2] is 4.0 percentage points (2024:Q1), up from 2.0 in the fourth quarter of 2023. The index ranges from 0 to 100, and values above 67 provide a historically reliable indicator that the economy is in recession. 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.


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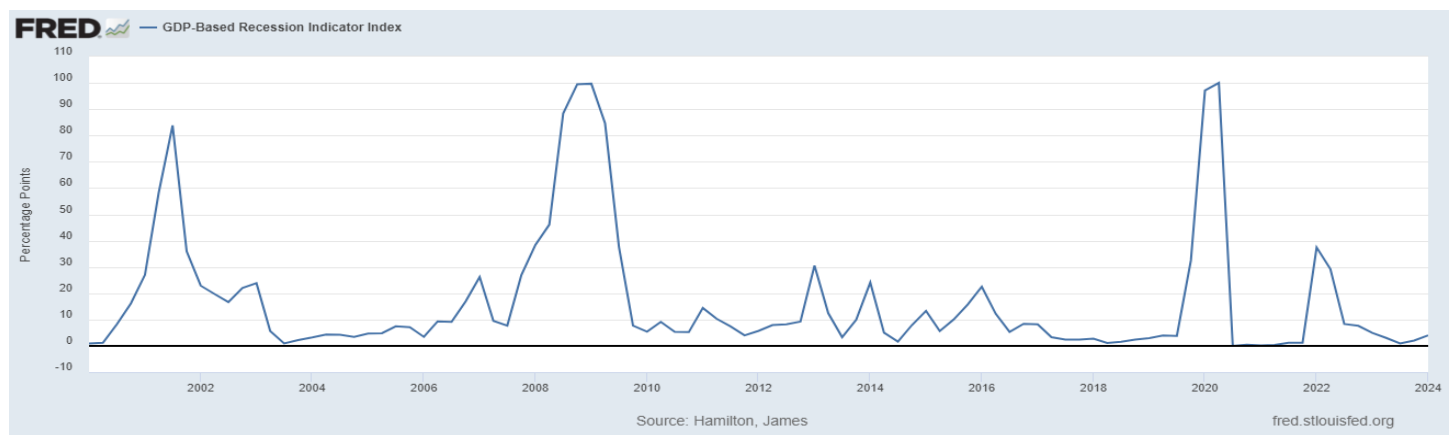
[1] Created by Dr. Claudia Sahm, Federal Reserve Board of Governors
[2] Created by Dr. James Hamilton, University of California San Diego

3.3 Labor Markets[3]

3.3.1 Unemployment Rate **August 2024: 2.8%**

Maine's seasonally adjusted unemployment rate was 2.8% in August, unchanged from July. Maine's 3-month average unemployment rate from June to August was 2.8%, down from 3.1% for the three months prior. Maine's unemployment rate has been trending below the U.S. unemployment rate since early 2022 and was below the New England rate of 3.5% in August.

Unemployment Rate (Seasonally Adjusted)
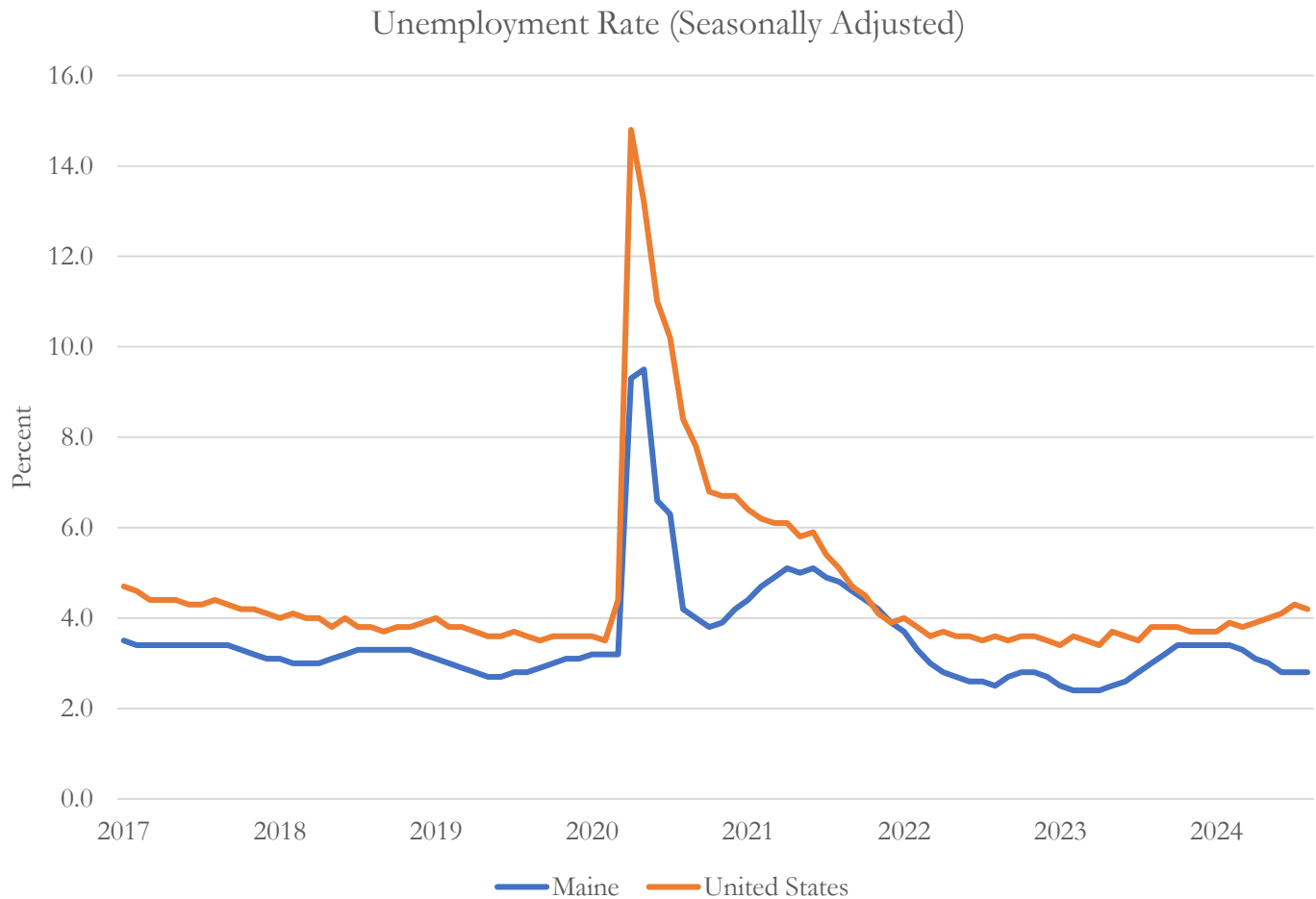
3.3.2 Labor Force Participation Rate **August 2024: 59.9%**

Labor force participation (LFP) was 59.9% in August, up from 59.8% in July.

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, was 58.2% in August, up from 58.1% in July.

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[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.

Labor Force Participation & Employment-Population Ratio (Maine)

Legend: Labor Force Participation Rate — Employment to Population Ratio
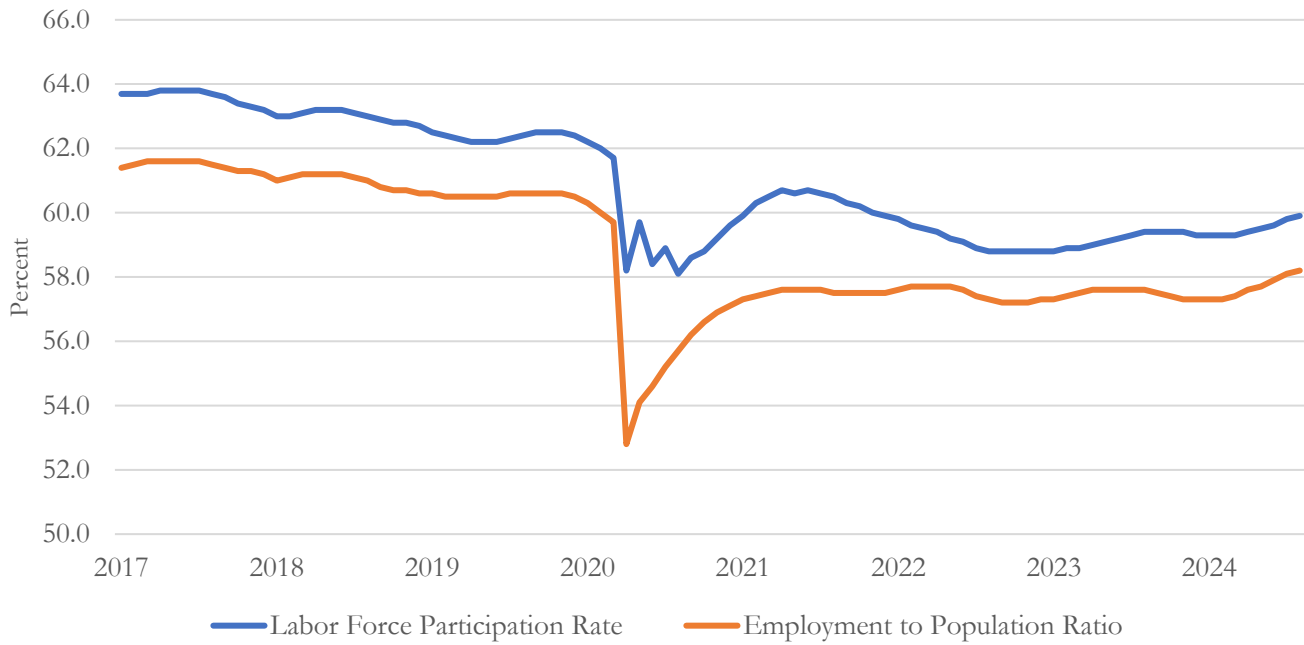
3.3.3   Total Nonfarm Payroll Job Estimates **August 2024: 656,600**

Seasonally adjusted nonfarm jobs increased by 400 to 656,600 in August, after a small downward revision for July. On an annual basis, nonfarm jobs are up 4,700 from August 2023, but there has been very little change in jobs over the past six months.

Total Nonfarm Employment Maine (seasonally adjusted)
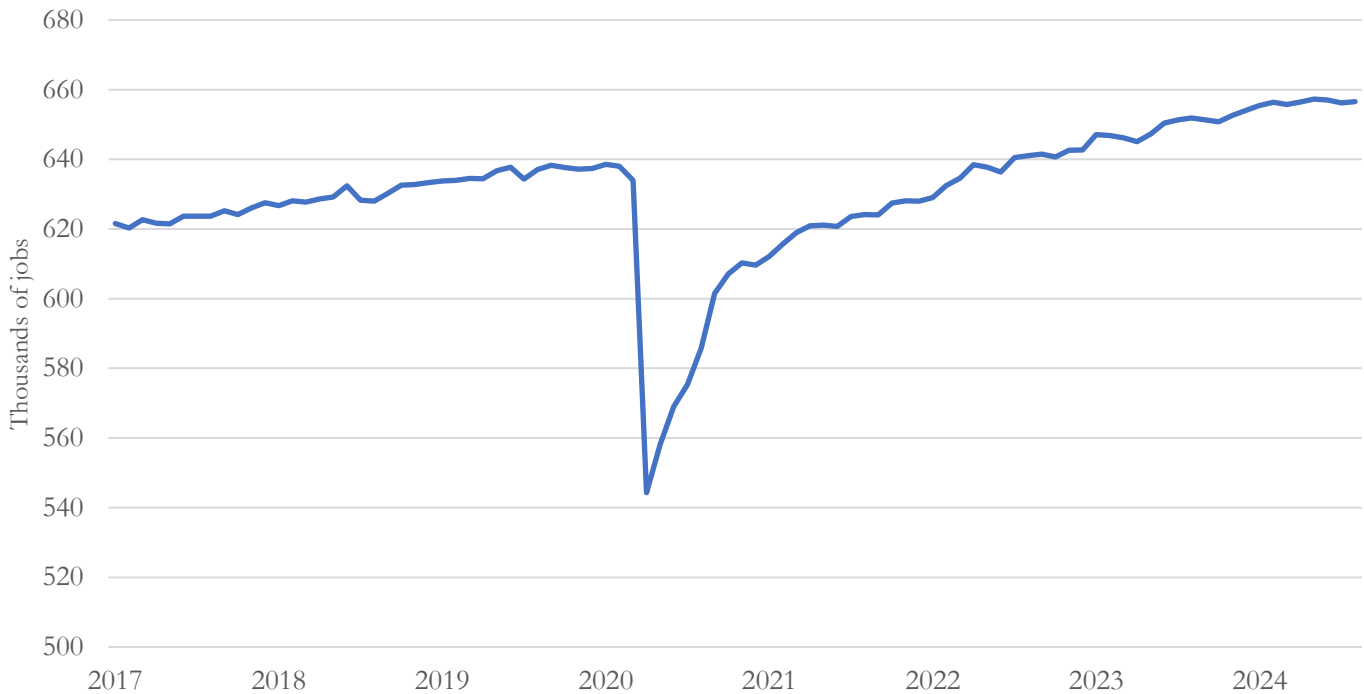
3.4   National inflation measures

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 August the PCE price index grew by 2.2% year-over-year (down from a 2.5% year-over-year change as in July). On a monthly basis, it grew 0.1%. The CPI all-items index grew by 2.5% in August before seasonal adjustment. Growth in both indexes has decelerated since June 2022 and are approaching the 2% Federal Reserve target. On September 18, the Federal Reserve Federal Open Market Committee cut its target interest rate by 0.5%. This was their first rate cut since 2020.

Measures of inflation, Year-Over-Year Percent Change
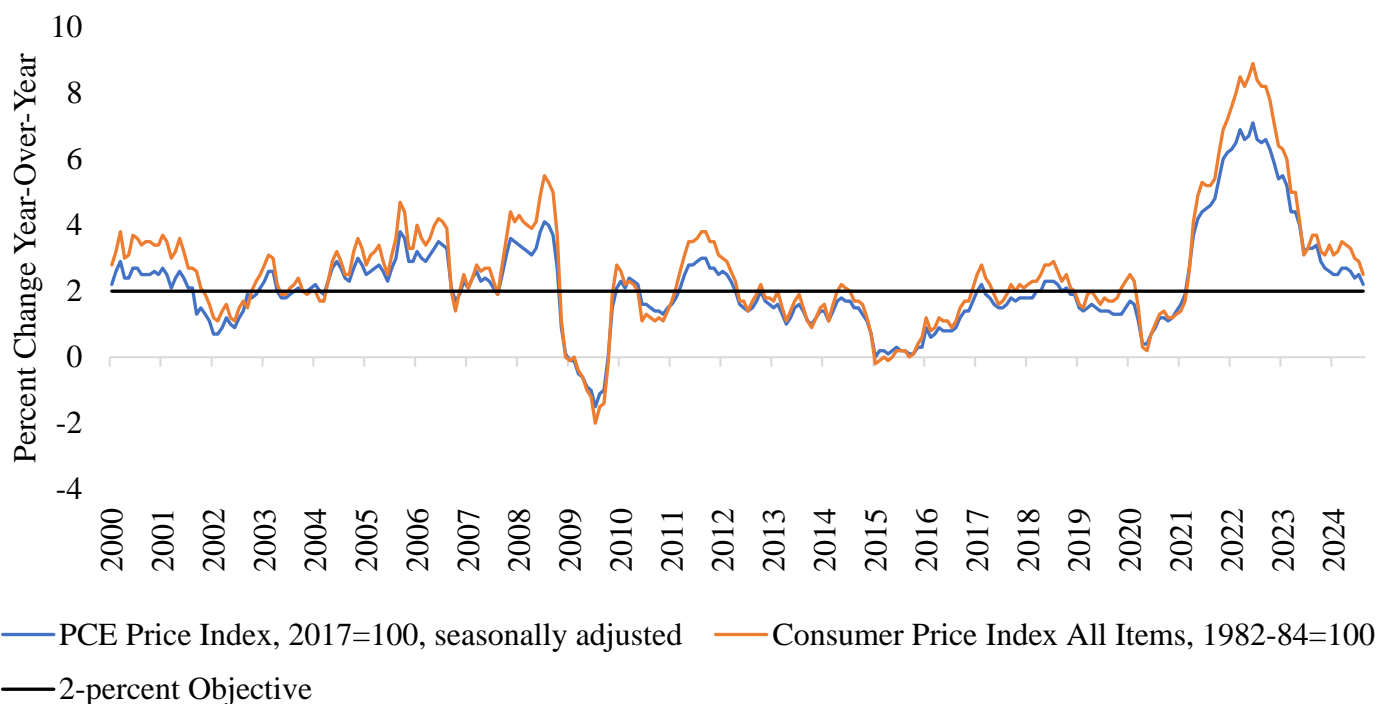
3.4.2   Expenditure categories of the CPI

The CPI for all urban consumers increased 2.5% year-over-year in August. This is down from 2.9% in July and the smallest increase since February 2021. On a seasonally-adjusted monthly basis, the all-items index was up 0.2% from the month before. The shelter index was up 0.5% in August and was the primary reason for the all-items increase. The shelter index is up 5.2% year-over-year.

The energy index was down 0.8% in August and is down 4.0% from a year ago. The food index increased 0.1% in August and is up 2.1% year-over-year. The core index, which excludes volatile food and energy prices, increased 0.3% from the prior month and is up 3.2% year-over-year.

Table 1. Percent Change in Consumer Price Index by Expenditure Category	Year-Over-Year (not seasonally adjusted)		Month-Over-Month (seasonally adjusted)	
	Jul-24	Aug-24	Jul-24	Aug-24
All items	2.9	2.5	0.2	0.2
Food	2.2	2.1	0.2	0.1
Energy	1.1	-4.0	0.0	-0.8
All items less food and energy	3.2	3.2	0.2	0.3
Commodities (less food and energy)	-1.9	-1.9	-0.3	-0.2
Household furnishings and supplies	-2.3	-2.6	0.1	-0.3
Apparel	0.2	0.3	-0.4	0.3
Transportation commodities (less motor fuel)	-4.5	-4.4	-0.8	-0.3
Medical care commodities	2.8	2.0	0.2	-0.2
Recreation commodities	-1.1	-0.9	-0.3	-0.2
Education and communication commodities	-6.2	-5.9	0.4	-0.4
Alcoholic beverages	1.9	1.9	0.3	0.0
Other goods	3.2	3.2	0.2	0.2
Services (less energy)	4.9	4.9	0.3	0.4
Shelter	5.1	5.2	0.4	0.5
Water and sewer and trash collection	4.5	4.2	0.5	0.2
Medical care services	3.3	3.2	-0.3	-0.1
Transportation services	8.8	7.9	0.4	0.9
Recreation services	3.1	3.2	0.4	0.0
Education and communication services	2.2	2.3	0.2	0.2
Other personal services	5.1	4.6	0.3	0.2

3.5 Energy

3.5.1 Gasoline

The average price of a gallon of gasoline in New England was $3.21 on September 23, $0.25 lower than a month prior and $0.66 lower than the same week in 2023. The average price of gasoline in the month of September was down $0.18 from August.
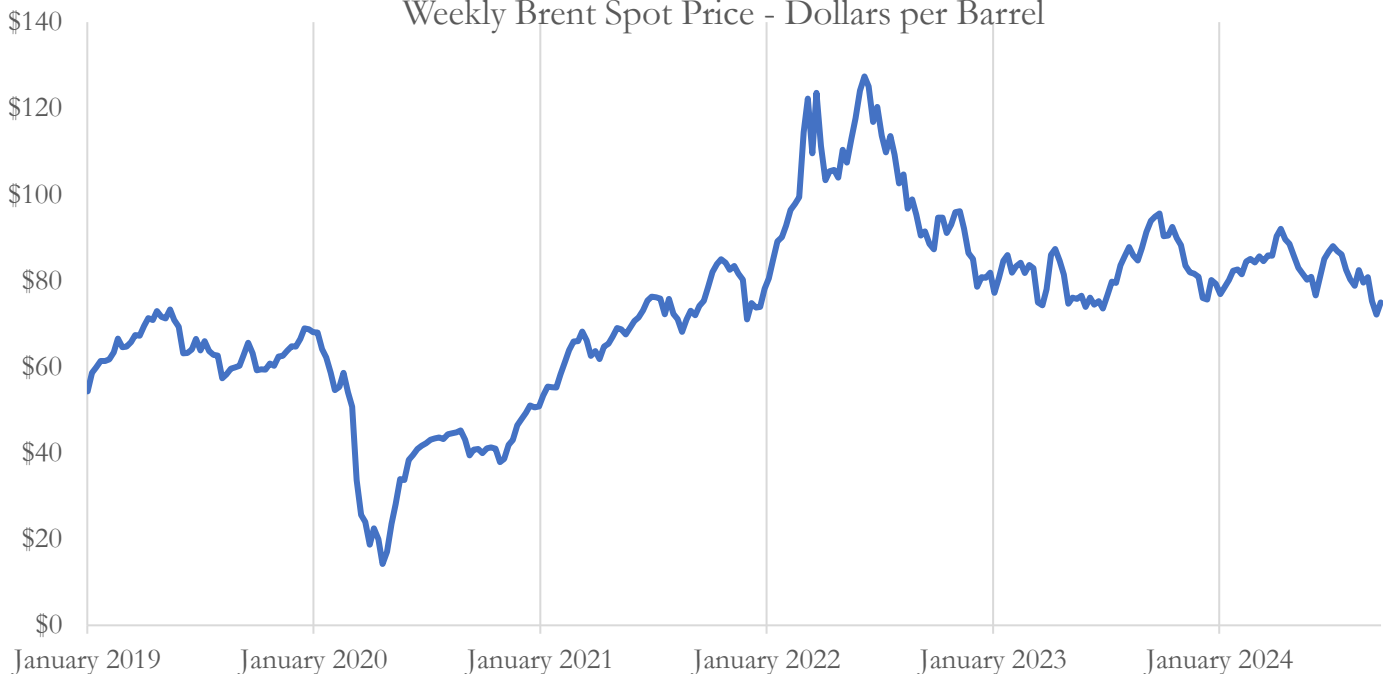
New England - All Grades and Formulations Gasoline Price Per Gallon
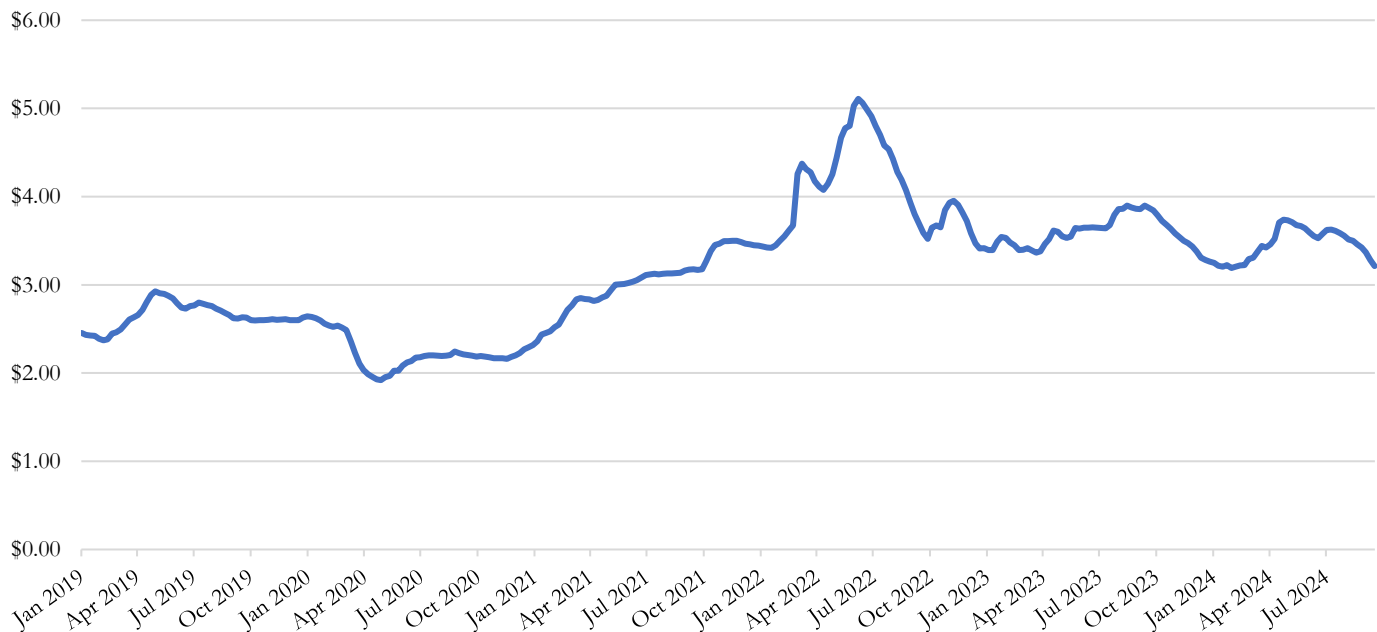
3.5.2 Brent Spot Prices

The weekly Brent spot price averaged $75.79 for the month of September and was at $74.98 for the week ending September 20, 2024. The spot price has decreased by $5.85 since the week ending August 30.
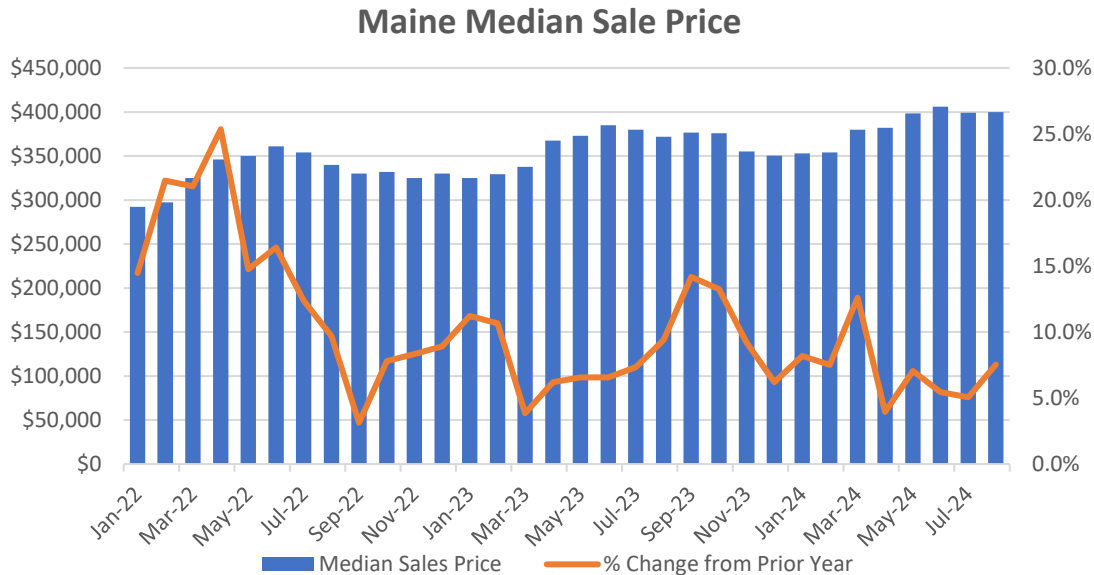

Weekly Brent Spot Price - Dollars per Barrel

3.6   Housing

3.6.1   Sales

The number of home sales in Maine increased by 1.7% in August 2024 compared to August 2023. The median sale price in Maine was $400,000, an increase of 0.2% from July and an increase of 7.5% year-over-year.


Maine Median Sale Price

Over the past three months, seven counties had increases in homes sold compared to a year ago, five had decreases, and four were little changed. Thirteen counties had increases in median home prices compared to a year ago and three had decreases.

Geography	No. of Units Sold	One Year Change (Units)	Median Sale Price	One Year Change (Price)
Androscoggin	287	12.1%	$333,000	4.1%
Aroostook	188	-2.6%	$168,500	11.6%
Cumberland	924	4.9%	$592,000	7.6%
Franklin	119	14.4%	$299,000	24.8%
Hancock	200	11.1%	$405,000	-2.4%
Kennebec	400	-0.3%	$322,000	2.2%
Knox	125	-14.4%	$455,000	-1.9%
Lincoln	118	-18.1%	$471,562	8.6%
Oxford	191	-13.6%	$315,000	-3.1%
Penobscot	480	0.4%	$278,975	6.6%
Piscataquis	89	-16.8%	$254,500	31.2%
Sagadahoc	116	4.5%	$484,000	19.5%
Somerset	168	2.4%	$246,450	16.0%
Waldo	127	0.0%	$360,000	10.8%
Washington	109	3.8%	$240,000	14.3%
York	667	0.6%	$535,000	9.7%
Maine	**4,308**	**0.6%**	**$400,000**	**6.7%**

Table title: **June 1, 2024 – August 31, 2024 Home Sales**

3.6.2   House Price Index

In the second quarter of 2024, Maine's year-over-year growth in the house price index (HPI)[4] was 6.3% (seasonally adjusted), 23rd in the nation for year-over-year growth and last in New England. (Vermont, Rhode Island, and Connecticut were all in the top 10). Maine and New England have both had faster year-over-year growth than the U.S. for more than a year. On a seasonally adjusted quarterly basis, Maine's HPI increased 0.5% from the first quarter of 2024 compared to growth of 1.2% in New England and 0.9% in the U.S.

Reference Period		Maine	New England	United States
2023:Q2-2024:Q2	HPI percent change from previous year	6.3%	7.9%	5.7%

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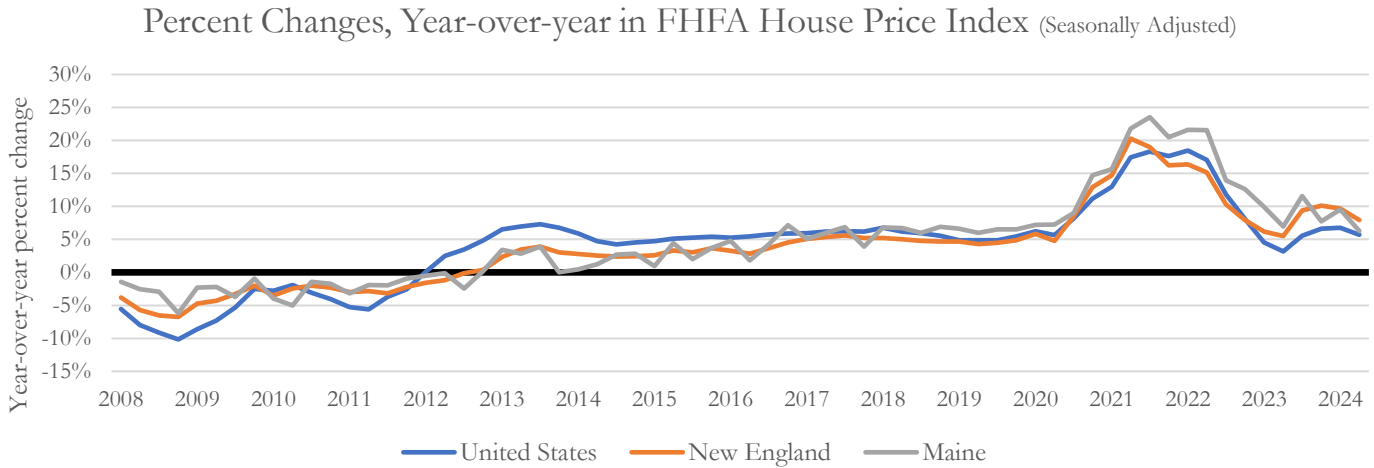
3.6.3   Inventory

There were 4,330 active listings of single-family and condo homes in Maine in August. Inventory in August was at its highest since October 2020, though it remains low compared to five years ago. The number of active listings in August 2024 was up 39% from August 2023, but down 52% from July 2019. Since inventory levels have a defined seasonal pattern, it is most useful to look at changes year-over-year.
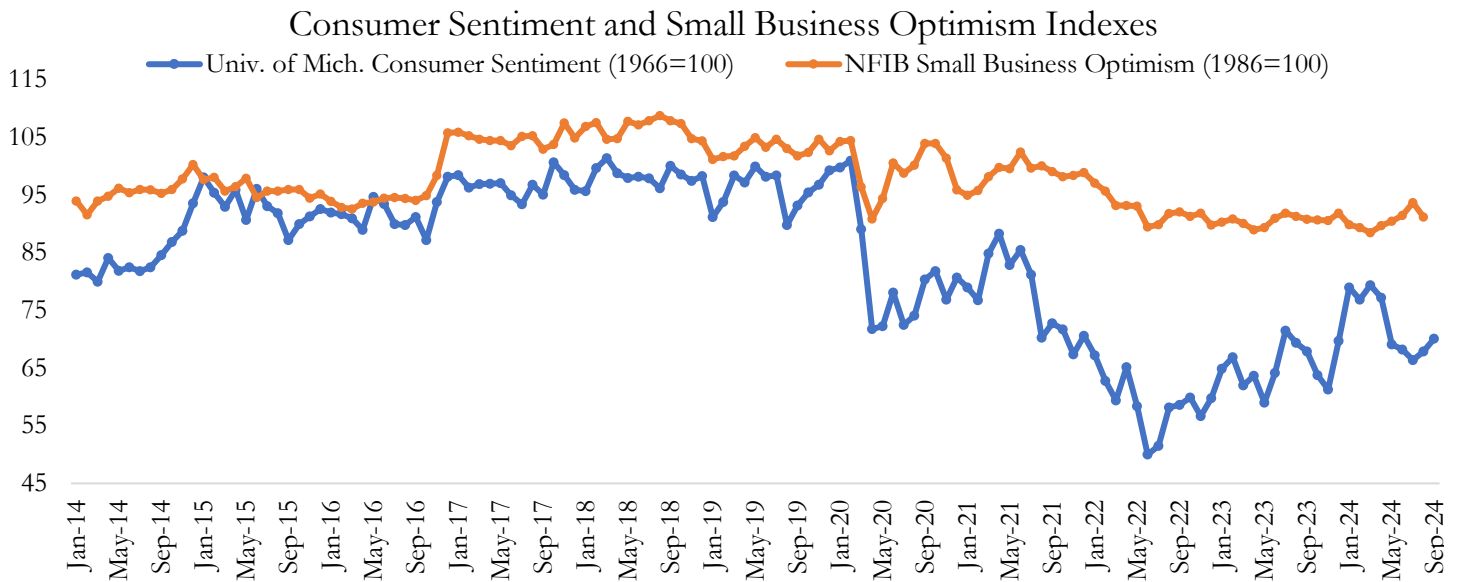
Housing Inventory: Active Listing Count in Maine (not seasonally adjusted)

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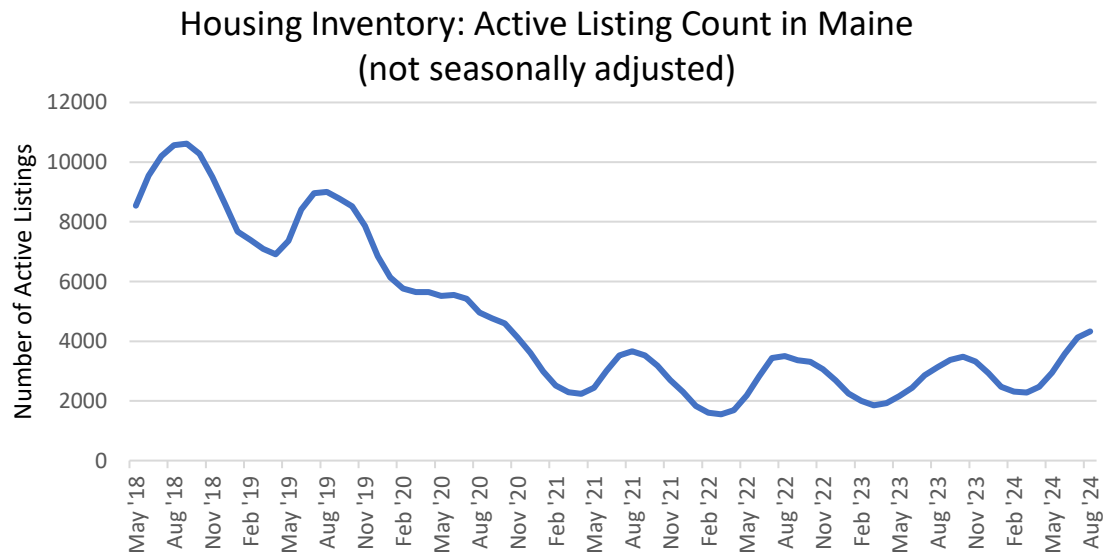
[4] According to the Federal Housing Finance Agency (FHFA), the HPI "measures average price changes in repeat sales or refinancing on the same properties."

3.7   Sentiment

The **Index of Consumer Sentiment** from the University of Michigan was up 3.2% in September. There were improvements in all five components of the index and improvements were seen across all education groups and political affiliations. Sentiment remains below the historical average in part due to high prices, but perceptions of future inflation are becoming more optimistic.

The **Small Business Optimism Index**, as measured by the National Federation of Independent Businesses, was down 2.7% in August. and little changed (-0.1%) from a year ago. Small business owners reported higher levels of uncertainty, while sales expectations and profit trends fell during the month. Inflation remains the top concern for business owners.
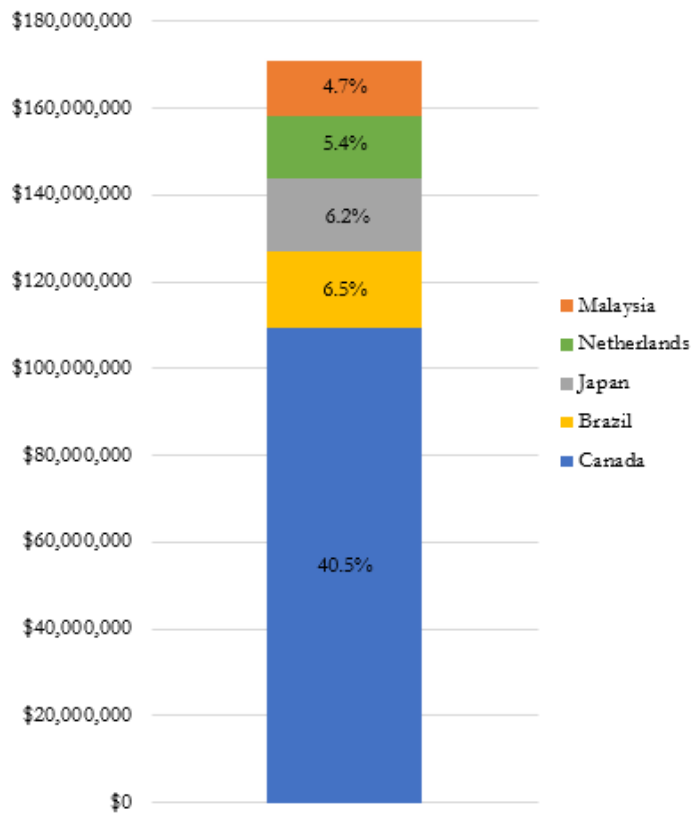
Consumer Sentiment and Small Business Optimism Indexes

Legend: ━●━ Univ. of Mich. Consumer Sentiment (1966=100) ━●━ NFIB Small Business Optimism (1986=100)

3.8   Trade Outlook

3.8.1   Exports and trade partners

In July 2024, total exports were up 13.8% in Maine, down 7.3% in New England, and up 5.8% nationwide compared to July 2023. Year-over-year exports have been volatile since early 2021. Maine's top trade partner was Canada, which accounted for 69% of imports and 41% of exports. Computer and electronic equipment ($41 million), paper ($40 million), and transportation equipment ($34 million) were Maine's top exports.

Value of exports to top 5 export partners

Legend: Malaysia, Netherlands, Japan, Brazil, Canada

Data labels (bottom to top): Canada 40.5%, Brazil 6.5%, Japan 6.2%, Netherlands 5.4%, Malaysia 4.7%

Value of imports from top 5 import partners

Legend: Vietnam, South Korea, India, China, Canada

Data labels (bottom to top): Canada 69.5%, China 3.3%, India 3.3%, South Korea 3.3%, Vietnam 1.8%
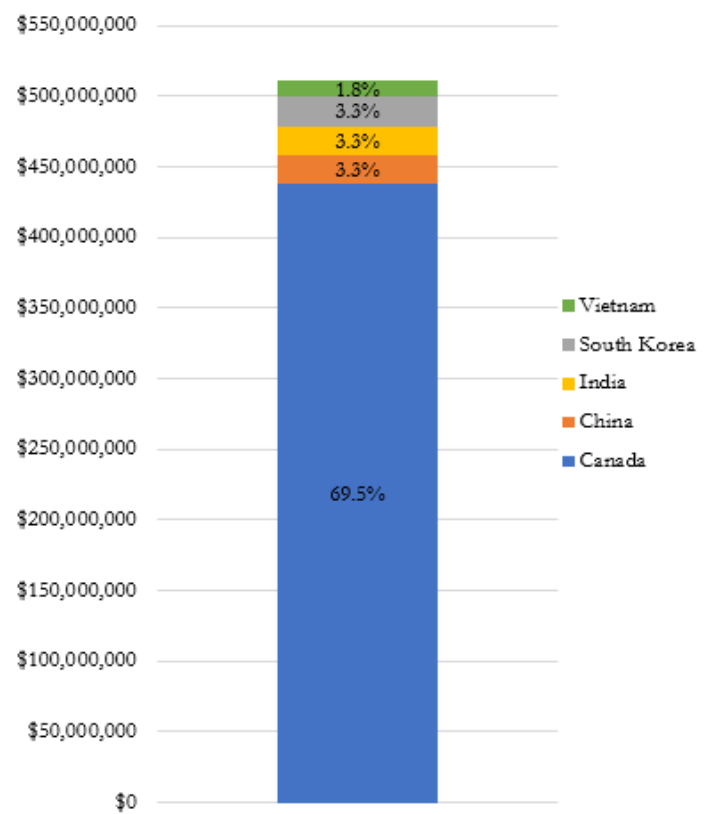
Similar to the nation, Maine's trade deficit has grown in recent years as the U.S. dollar has strengthened relative to foreign currencies, which makes imports from other countries cheaper and more attractive. Conversely, a strong U.S. dollar can lead to decreasing exports, as goods and services from the U.S. are more expensive for international consumers. These dynamics contribute to a large trade deficit, both in Maine and the U.S. After peaking in August 2022 at -$471 million, Maine's six-month average trade deficit was -$334 million as of July 2024.

Maine exports vs. imports, 6-month moving average

Y-axis: Customs value (0 to 800,000,000)

X-axis: Jan-10 through Jul-24

Legend: Exports, Imports
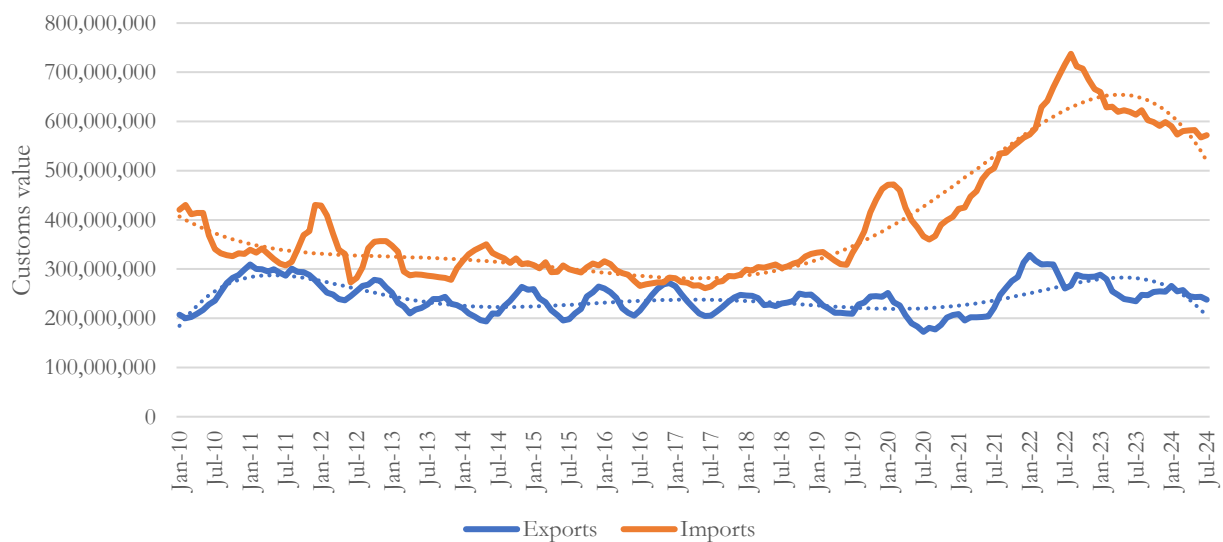
4 Appendix

4.1.1 Data Sources

Indicator	Source	Reference Period	Release Date
Population: estimates and percent change	Census Bureau – Pop. Ests.	2023	December 19, 2023
Net migration: total and percent change	Census Bureau – Pop. Ests.	2023	December 19, 2023
Median age	Census Bureau – ACS 1-year	2023	September 12, 2024
Educational attainment	Census Bureau – ACS 1-year	2023	September 12, 2024
Poverty level	Census Bureau – ACS 1-year	2023	September 12, 2024
Income	Census Bureau – ACS 1-year	2023	September 12, 2024
Per capita personal consumption expenditure	U.S. Bureau of Economic Analysis	2022	October 4, 2023
Per capita disposable personal income	U.S. Bureau of Economic Analysis	2023	September 27, 2024
Average earnings per job	U.S. Bureau of Economic Analysis	2023	September 27, 2024
Gross domestic product	U.S. Bureau of Economic Analysis	2024:Q2	September 27, 2024
GDPNow	Atlanta Fed	2024:Q3	September 27, 2024
Real-time Sahm Rule Recession Indicator	Sahm, Claudia/FRED	August 2024	September 6, 2024
GDP-Based Recession Indicator Index	Hamilton, James/FRED	2024:Q1	July 25, 2024
Personal income: total, per capita, and wages and salaries	U.S. Bureau of Economic Analysis	2024: Q2	September 27, 2024
Unemployment rate	U.S. Bureau of Labor Statistics	August 2024	September 20, 2024
Labor force participation	U.S. Bureau of Labor Statistics	August 2024	September 20, 2024
Nonfarm payroll job estimates	U.S. Bureau of Labor Statistics	August 2024	September 20, 2024
Consumer Price Index	U.S. Bureau of Labor Statistics	August 2024	September 11, 2024
PCE Price Index	U.S. Bureau of Economic Analysis/FRED	August 2024	September 27, 2024
Brent Spot Prices	Energy Information Administration	Sept. 20, 2024	September 25, 2024
Gasoline	Energy Information Administration	Sept. 23, 2024	September 23, 2024
House price index	Federal Housing Finance Agency	2024:Q2	August 27, 2024
Housing: Units and Median Sale Price	Maine Association of REALTORS®	June 2024 – August 2024	September 19, 2024
Housing Inventory – Active Listing Count in Maine	Realtor.com via FRED	August 2024	September 5, 2024
Index of Consumer Sentiment	University of Michigan Survey of Consumers	September 2024	September 27, 2024
Small Business Optimism Index	National Federation of Independent Businesses	August 2024	September 10, 2024
Imports & Exports	USA Trade Online	July 2024	September 4, 2024

5. Glossary

<u>Average earnings per job:</u> 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.

Compound Annual Growth Rate: $= \left(\frac{Final\ Value}{Initial\ Value}\right)^{\frac{1}{No.\ of\ Periods}} - 1$

<u>Gross Domestic Product</u>**:** 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 (2017) dollars.

<u>Housing Price Index</u>**:** A weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancing on the same properties.

<u>Labor Force Participation Rate</u>**:** The labor force as a percent of the civilian noninstitutional population ages 16 years and older.

<u>Net Migration Rate</u>**:** The U.S. Census Bureau defines the net migration rate as **t**he 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.

<u>Personal Consumption Expenditures by State</u>**:** 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.

<u>Personal Income</u>**:** 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.

<u>Poverty Level</u>**:** 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.

<u>Total merchandise exports</u>**:** 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. <u>Foreign Trade Zone (FTZ)</u>, and at the time of exportation, have undergone no change in form or condition or enhancement in value by further manufacturing).

<u>Total Private nonfarm employment</u>**:** 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.