

Maine Economic Update

Governor's Economic Recovery Committee

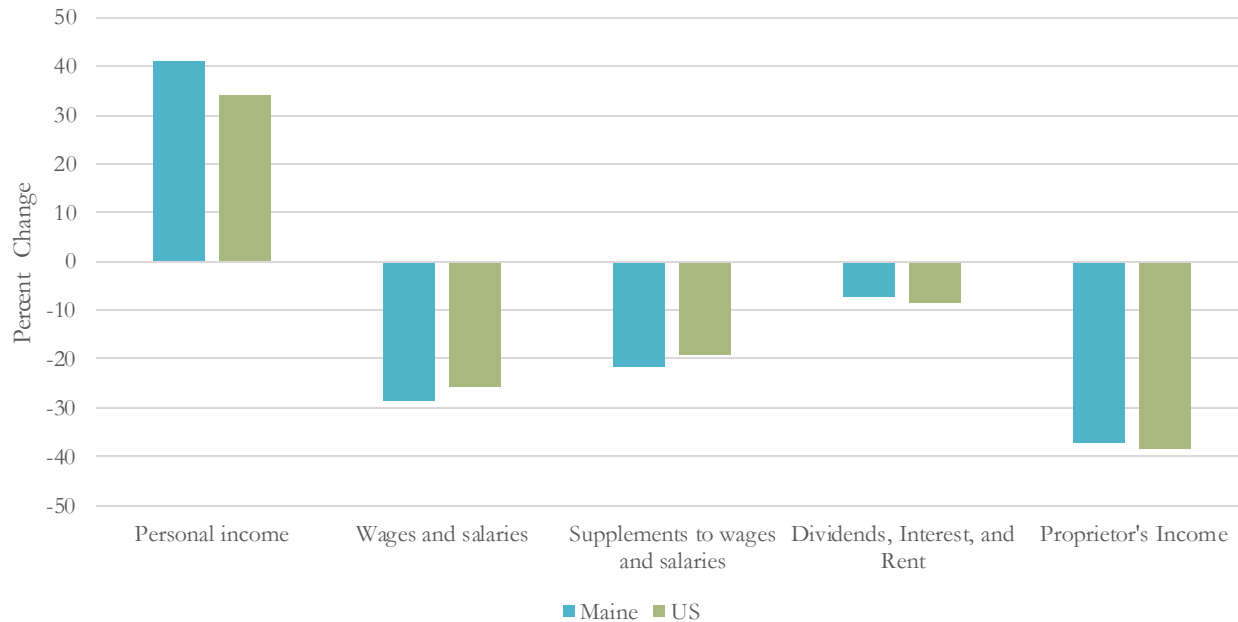
October 13, 2020

Amanda Rector
Maine State Economist

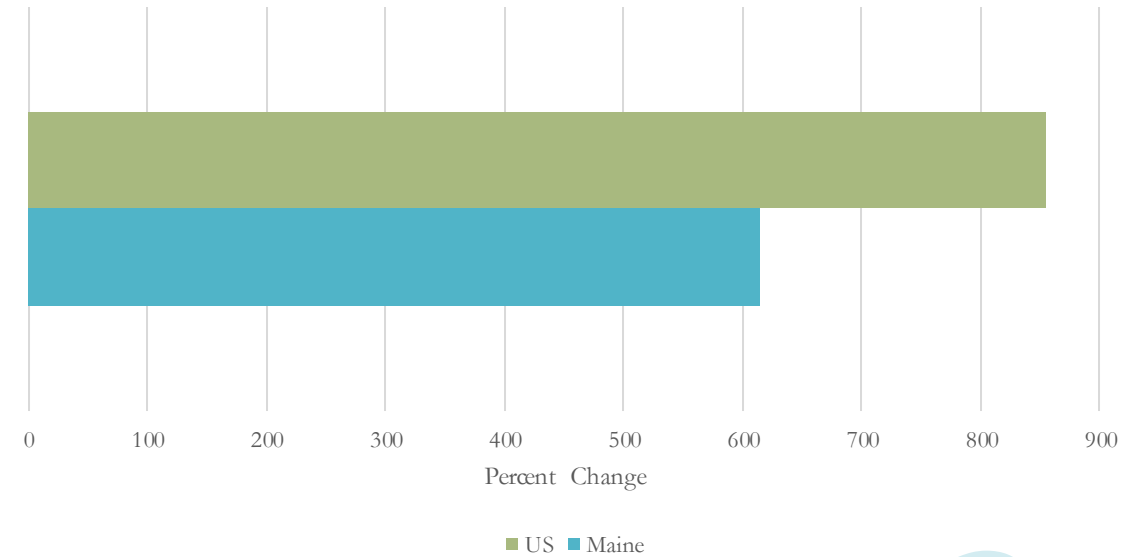
Components of Personal Income, 2020:Q2

Percent Change From Preceding Period	Maine	U.S.
Personal income	41.0	34.2
Wages and salaries	-28.8	-25.8
Supplements to wages and salaries	-21.7	-19.2
Dividends, Interest, and Rent	-7.5	-8.6
Personal Current Transfer Receipts	615.3	853.9
Proprietor's Income	-37.3	-38.5

Components of Personal Income, Annualized Percent Change, 2020:Q1-2020:Q2

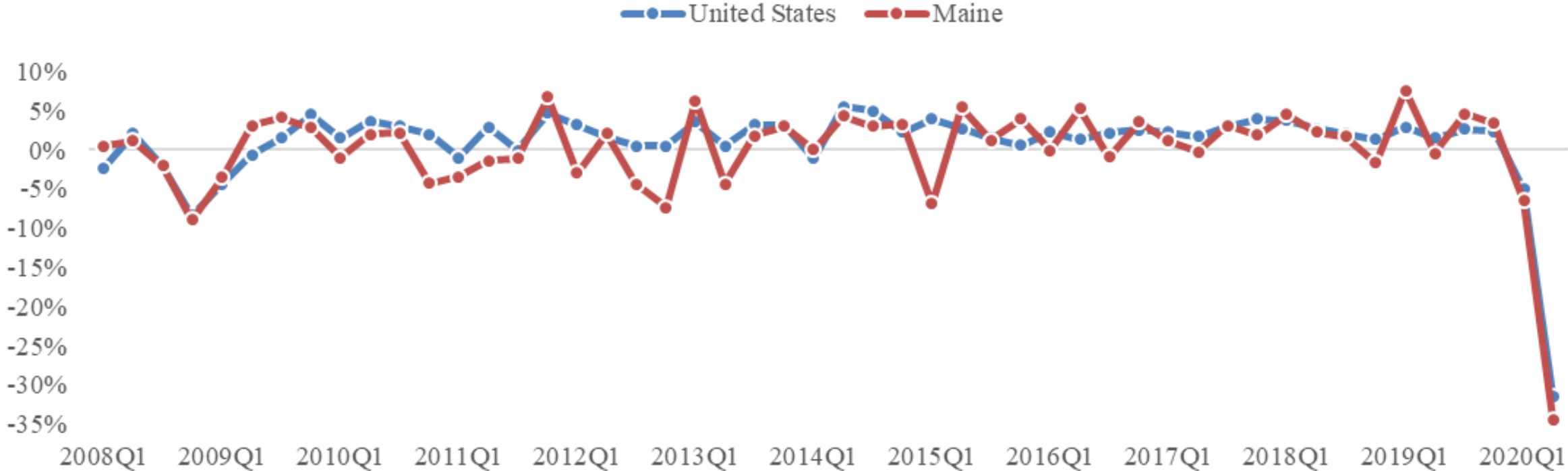


Personal Current Transfer Receipts, Annualized Percent Change, 2020:Q1-2020:Q2



Real Gross Domestic Product by State, 2020:Q2

Real GDP Percent Change from Previous Quarter

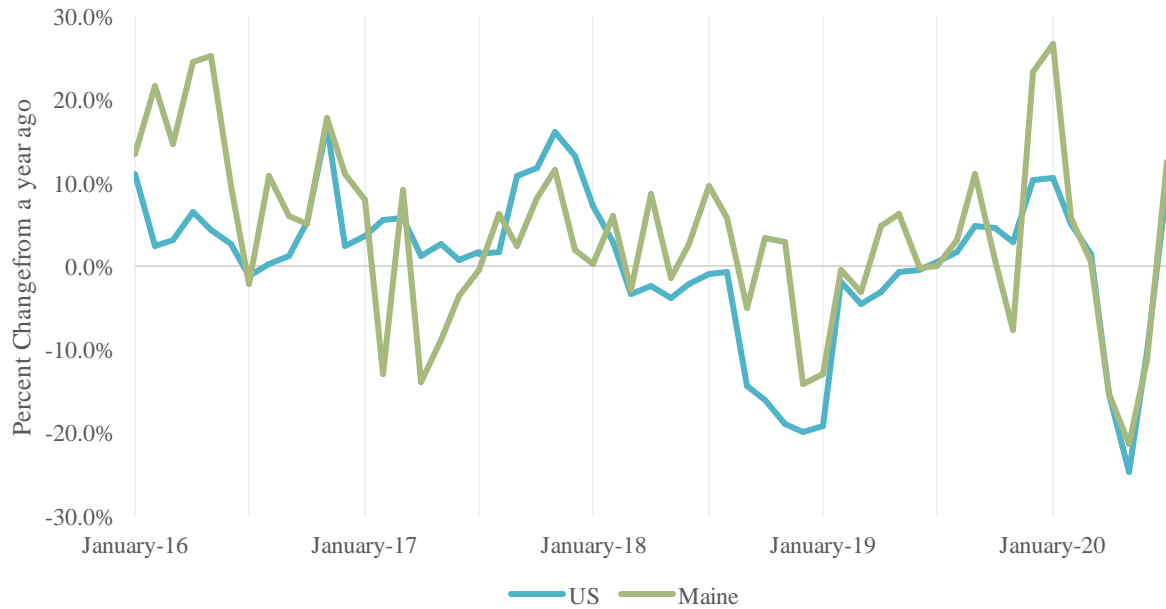


- The industry sectors that contributed the most to Maine’s second quarter decline in GDP were accommodation and food services (-7.09 percentage points) and health care and social assistance (-6.07 percentage points).

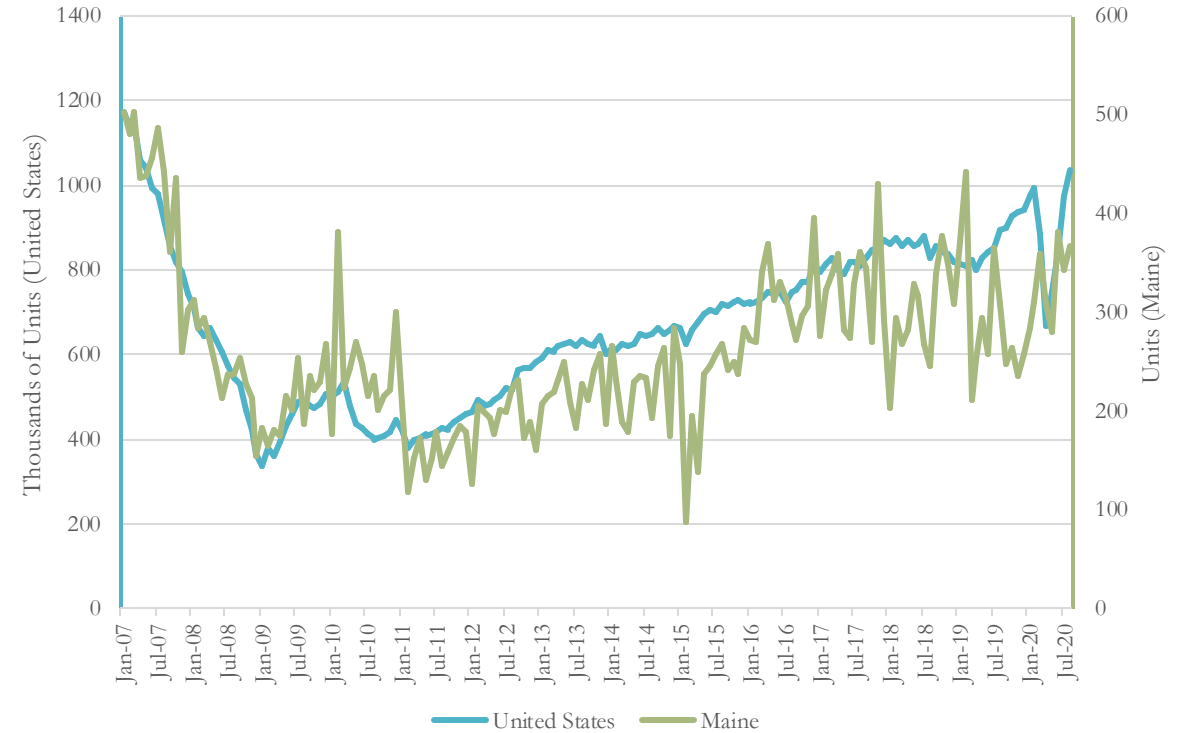
Source: U.S. Bureau of Economic Analysis, October 2, 2020 release

Housing Market

Single Family Existing-Home Sales



New Private Single-Unit Housing Permits, seasonally Adjusted



- FHFA House Price Index for Maine rose 6.5% year-over-year in the second quarter of 2020, higher than New England (4.6%) and the United States (5.4%)
- Recent data gives early evidence of upward price pressure in the housing market as the pandemic continues
- Maine REALTORS noted in their September press release a nearly 47% increase in sales of single family homes to out-of-state buyers for August 2020 compared to August 2019 (707 vs 482)

The Census Bureau is continuing weekly pulse surveys of households and small businesses

Nationwide, 52% of households with children under age 18 present reported a loss of employment income compared to 41% of households without children

15.1% of renters report that they are behind on rent payments, while 9.7% of homeowners with a mortgage report being late on payments

Total Consumer Spending has recovered to January 2020 levels

- High income spending remains below January 2020 while low and middle income spending are above
- Grocery and Apparel & General Merchandise are above January 2020 levels

OPPORTUNITY INSIGHTS ECONOMIC TRACKER

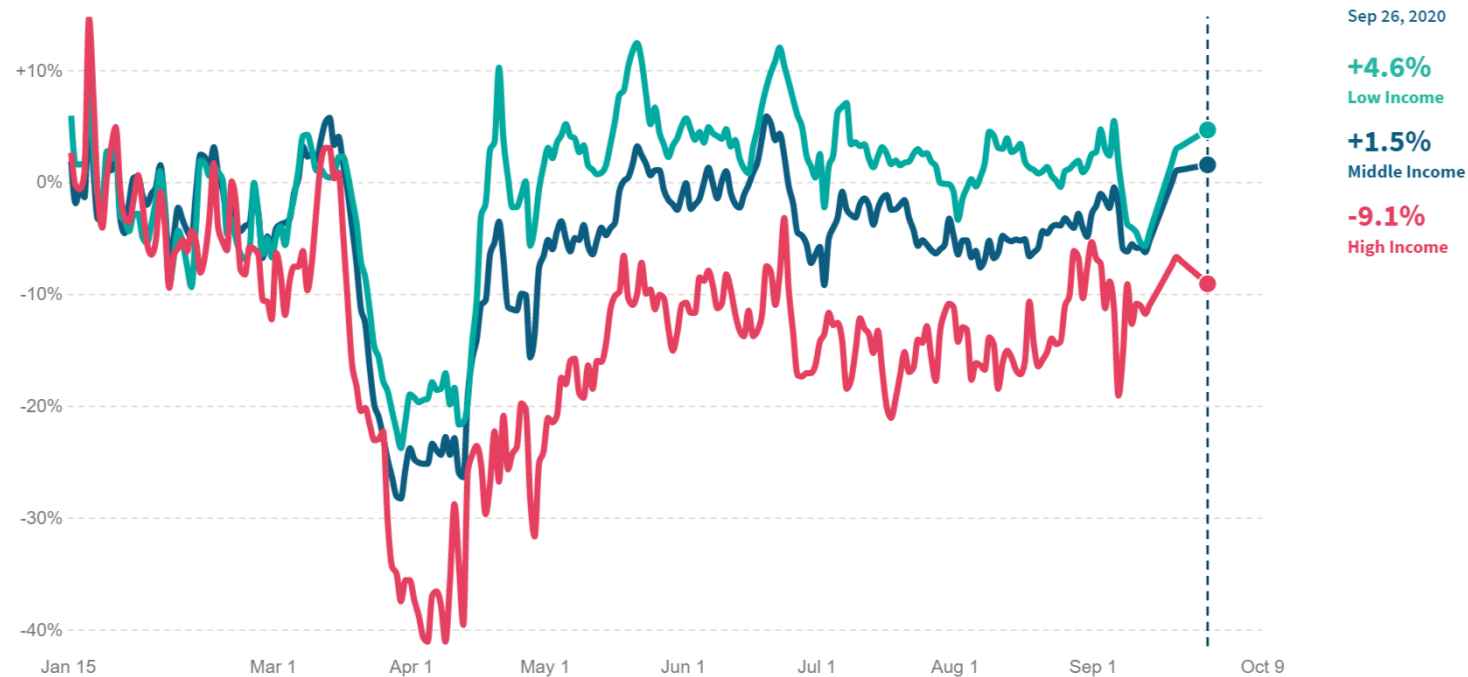
HARVARD UNIVERSITY

BROWN

BILL & MELINDA GATES FOUNDATION

Percent Change in All Consumer Spending*

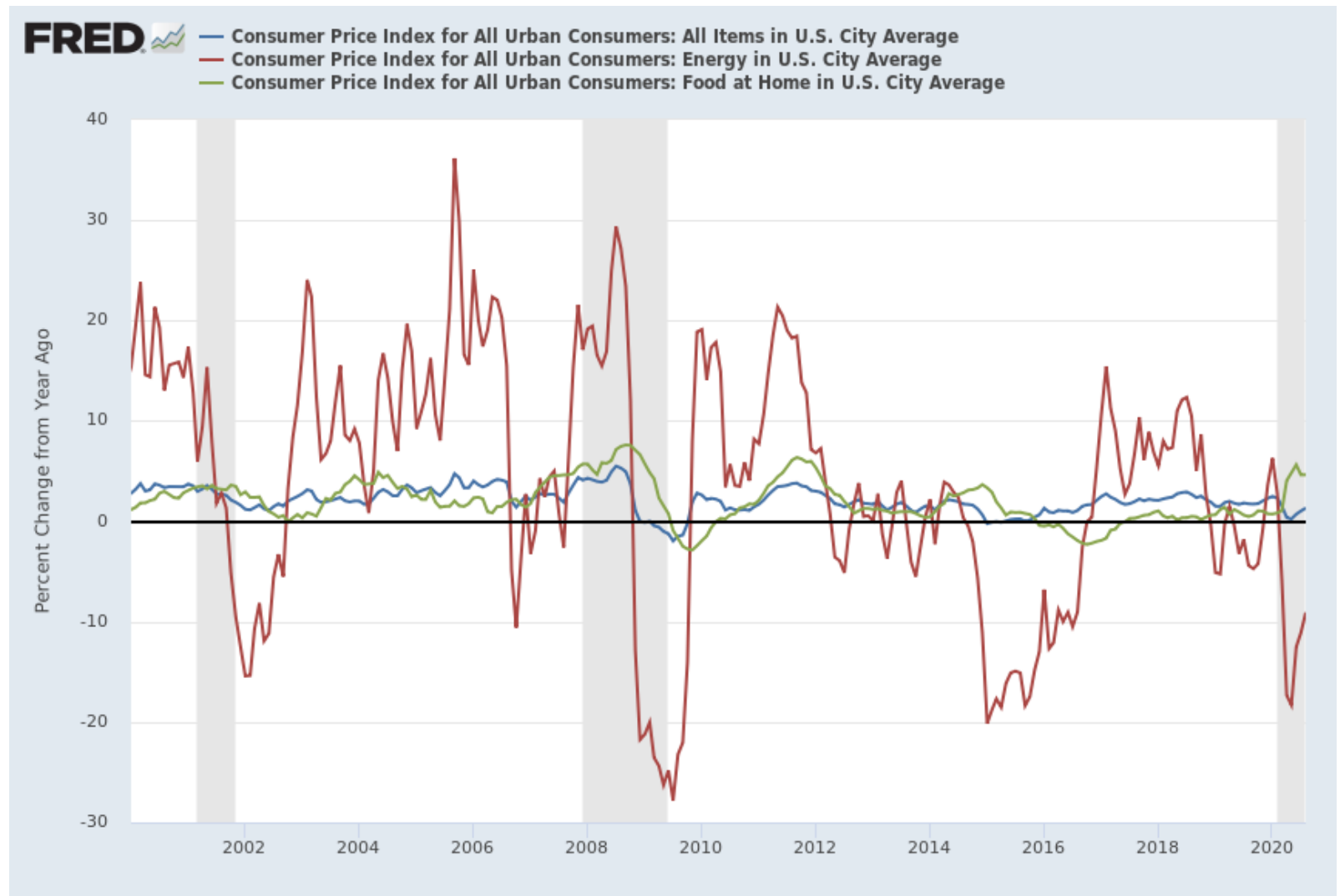
In **Maine**, as of September 26, 2020, total spending by middle-income consumers increased by **1.5%** compared to January 2020.



*Change in average consumer credit and debit card spending, indexed to January 4-31, 2020 and seasonally adjusted. This series reflects daily data through September 12th, 2020 and weekly data after September 12th, 2020. This series is based on data from Affinity Solutions.

last updated: **October 08, 2020** next update expected: **October 13, 2020**

Inflation measurements are complex, don't tell the whole story



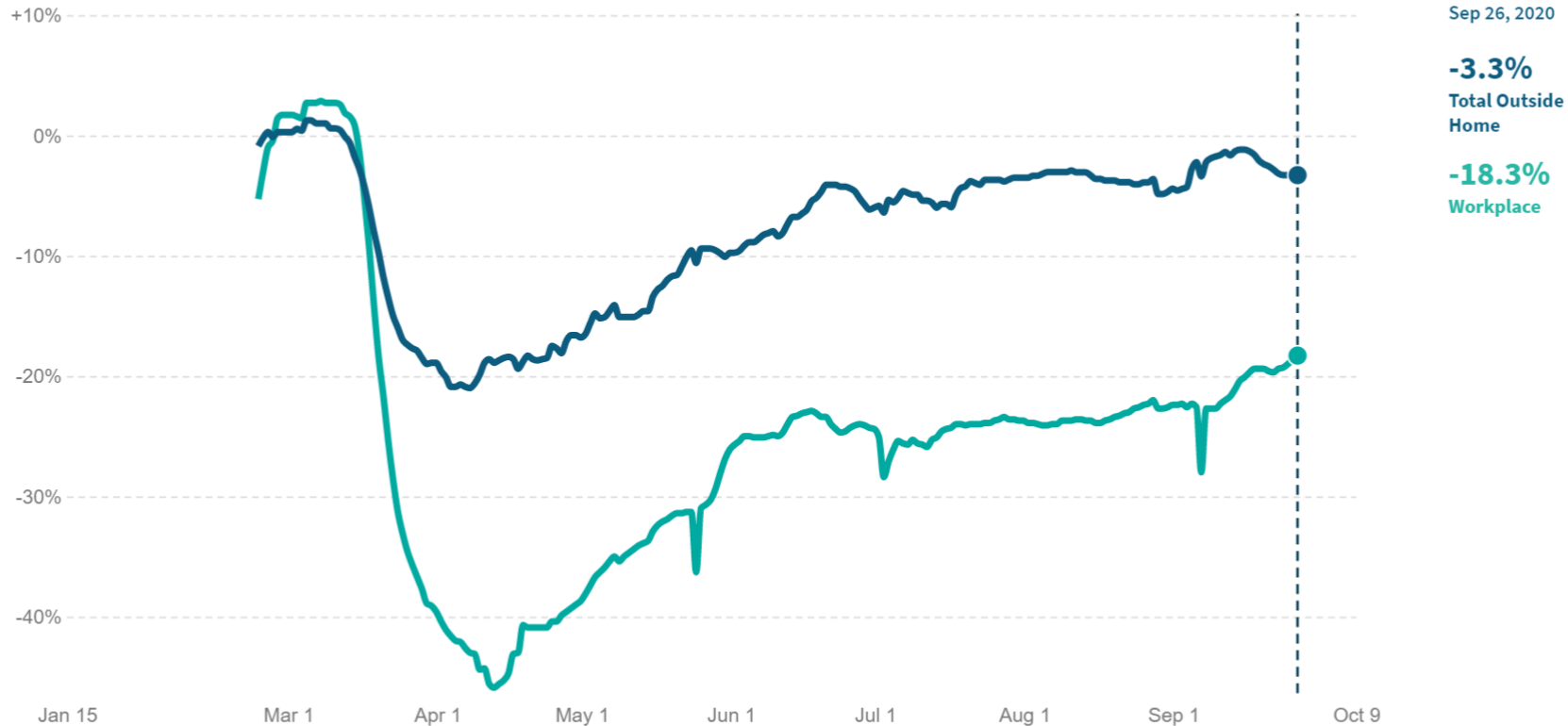
August 2020:

- All items: 1.3%
- Energy: -9.1%
- Food at home: 4.6%

Workplace mobility remains well below January levels, but other categories have recovered

Percent Change in Time Spent Outside Home*

In **Maine**, as of September 26, 2020, total time spent away from home decreased by **3.3%** compared to January 2020.



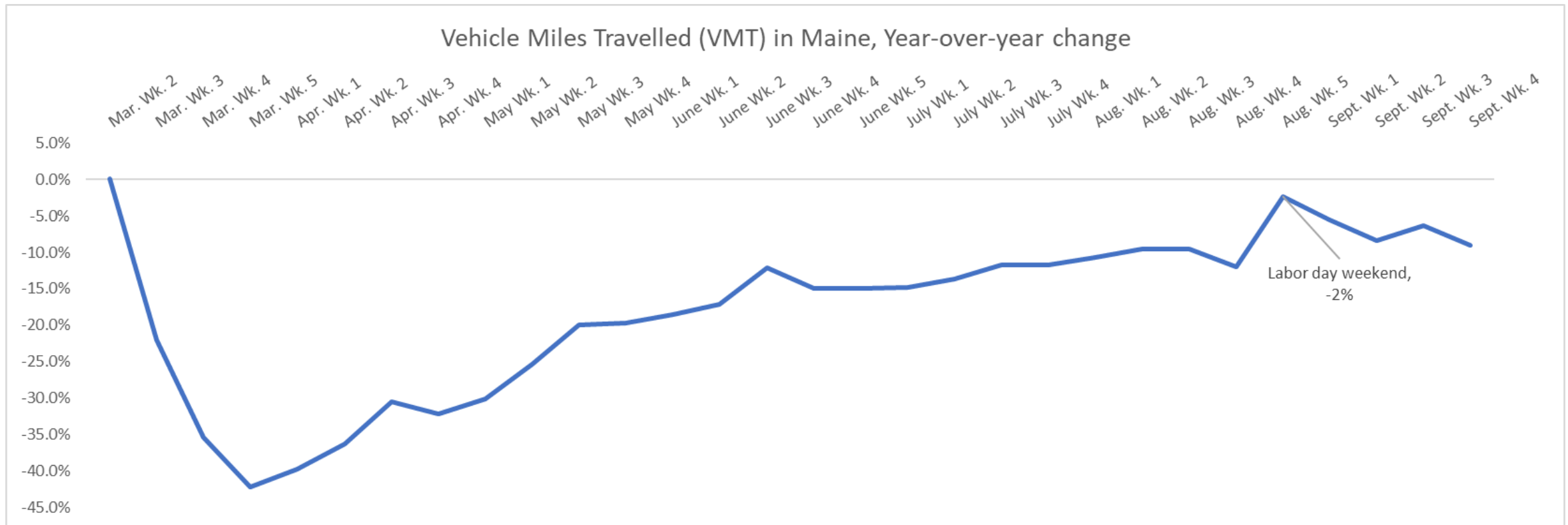
*Change in the average time spent outside of residential locations indexed to the period between Jan 3-Feb 6 2020. This series uses data from Google's COVID-19 Community Mobility reports.

last updated: **October 01, 2020** next update expected: **October 09, 2020**



Vehicle Miles Traveled, weekly year-over-year change

- VMT reached a trough of -42.2% during the first week of the Stay Healthy at Home order
- Statewide highway VMT has been 5-10% below last year for the past month
- The lack of seasonal traffic for the Fryeburg Fair and other events may be contributing to the gap
- Inbound air travel is down 65% from 2019 levels

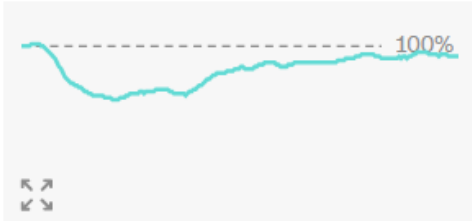


The Back-to-Normal Index

The pandemic economy is far from normal. So Moody's Analytics and CNN Business have partnered to create a proprietary Back-to-Normal Index, comprised of 37 national and seven state-level indicators. The index ranges from zero, representing no economic activity, to 100%, representing the economy returning to its pre-pandemic level in March.

Maine

93%



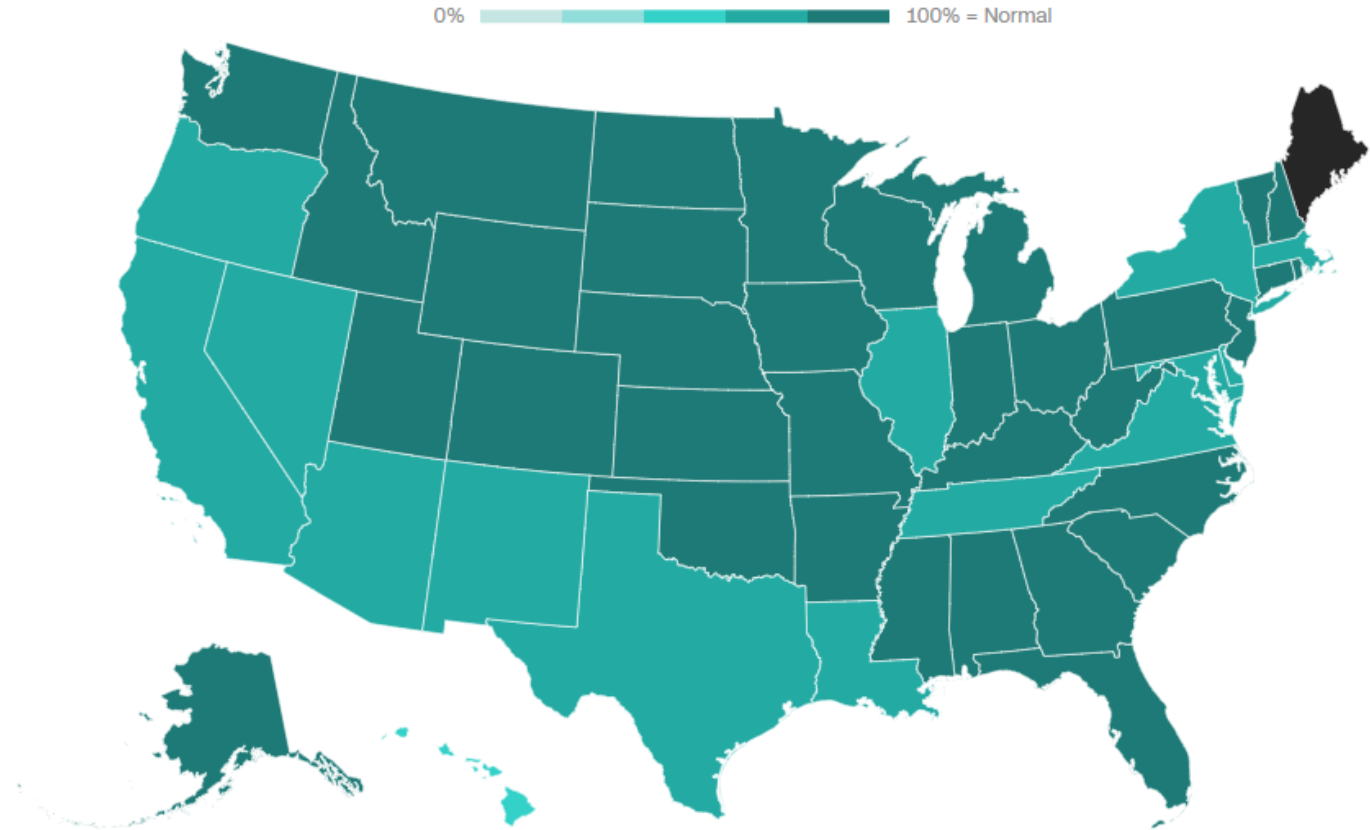
The economy in Maine is operating at 93% of where it was in early March.

New coronavirus cases in the last 7 days

219 ▼

Back-to-Normal state rank
(1 = Best, 50 = Worst)

1



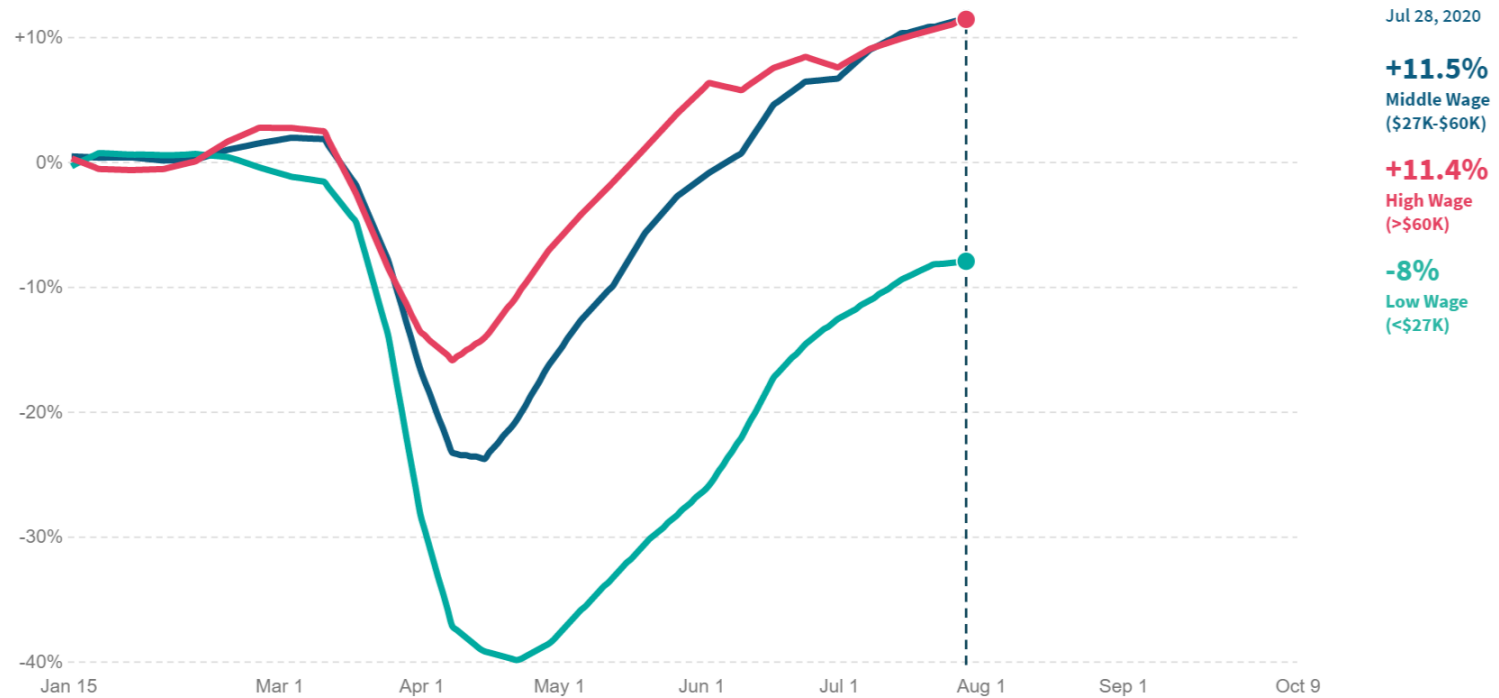
Taxable retail sales

Maine Taxable Retail Sales	% Change from July 2019 to July 2020	% Change last three months / same 3 month period one year ago
Building Supply	13.6%	18.1%
Food Store	-0.9%	2.7%
General Merchandise	-3.9%	-8.1%
Other Retail	42.2%	45.7%
Restaurant	-29.9%	-37.3%
Lodging	-40.0%	-53.9%
Auto Transportation	1.2%	4.3%
Total	-1.2%	0.3%
Business Operating	8.5%	6.1%
Personal Consumption	-2.2%	-0.4%

At the end of July, low wage employment remained below January 2020 levels, while middle and high wage employment were 11% higher

Percent Change in Employment*

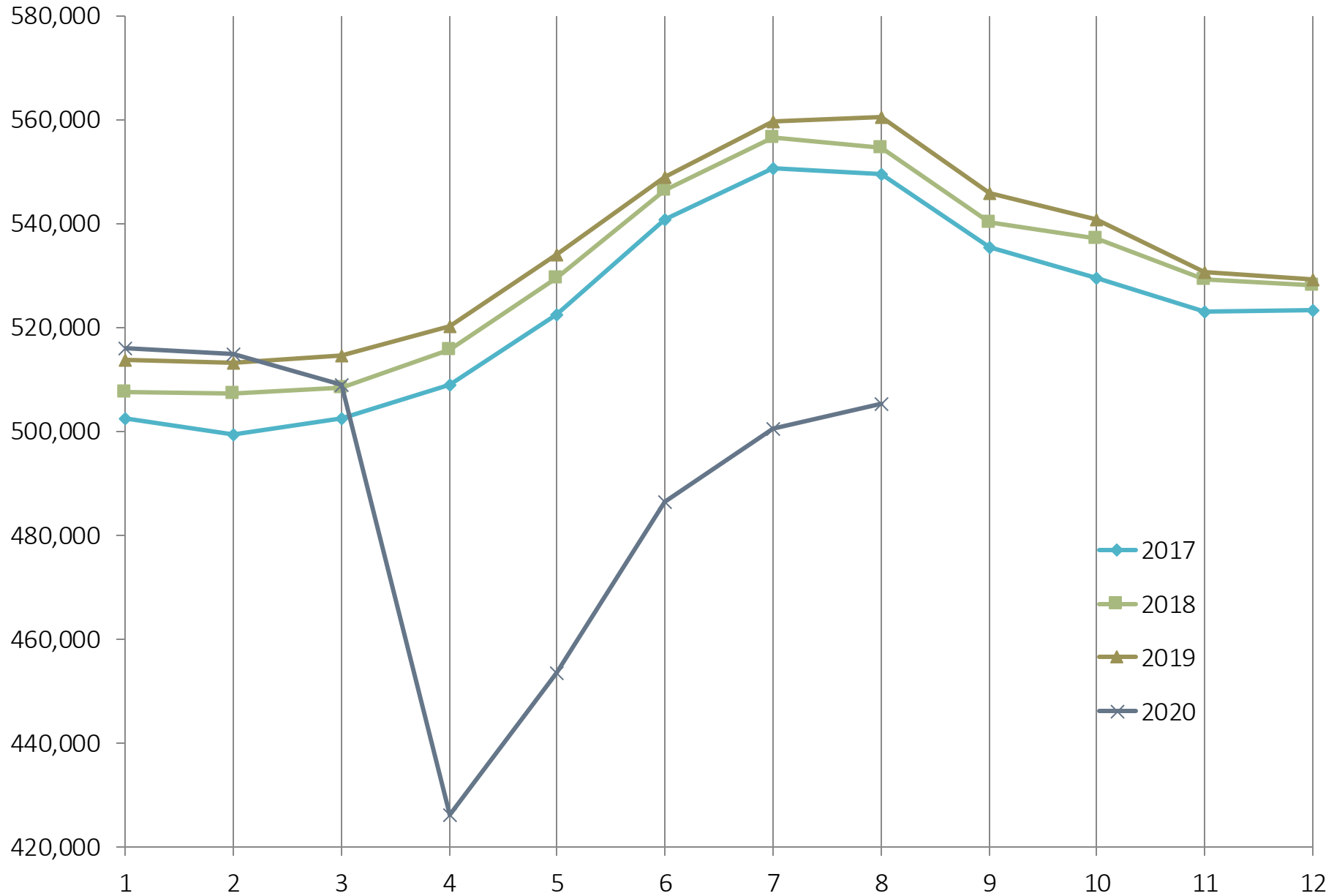
In **Maine**, as of July 28, 2020, employment rates among workers in the middle wage quartiles increased by **11.5%** compared to January 2020 (not seasonally adjusted).



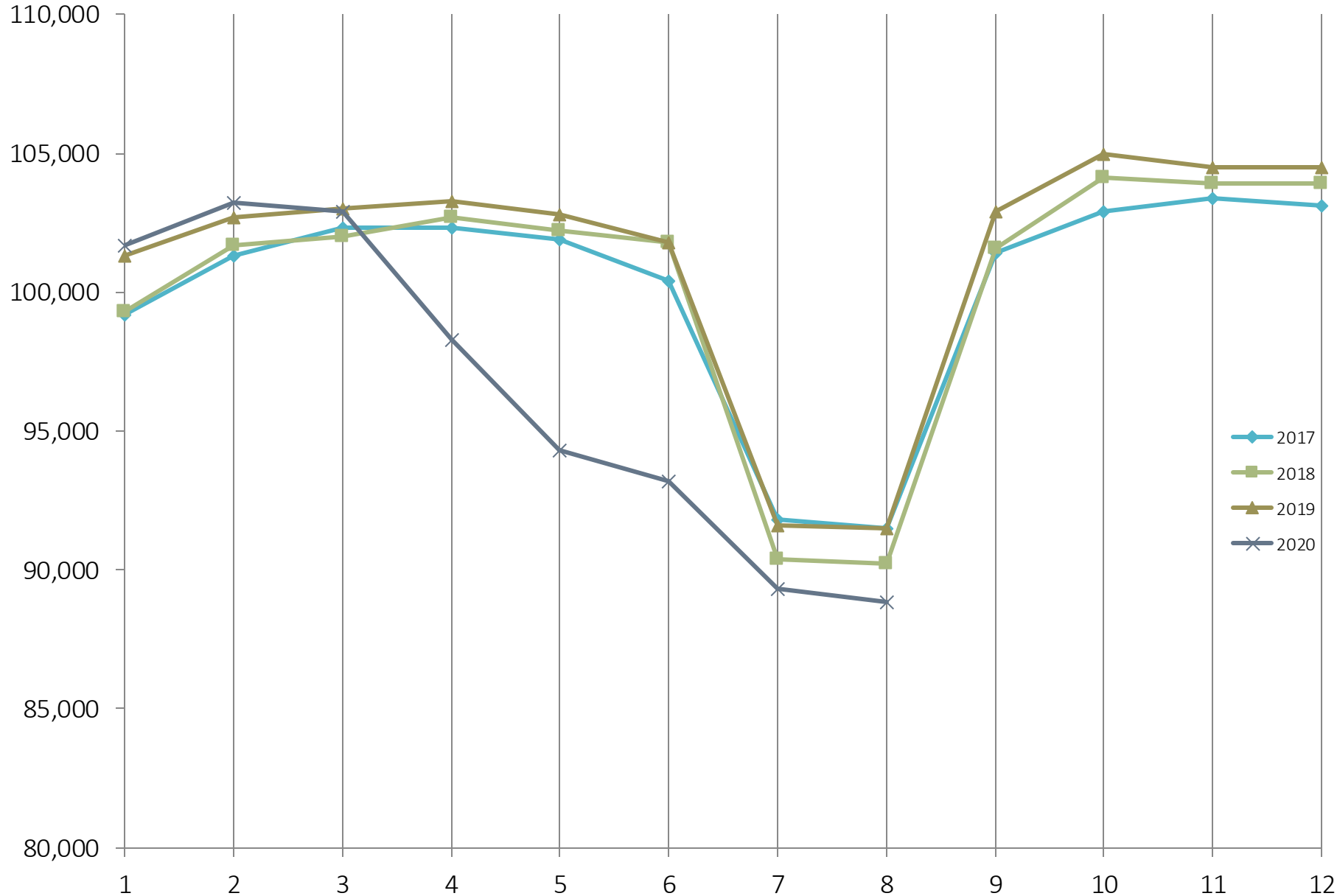
*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos. The dotted line in the low-wage series is a prediction of employment rates based on Kronos data.

last updated: **September 23, 2020** next update expected: **October 09, 2020**

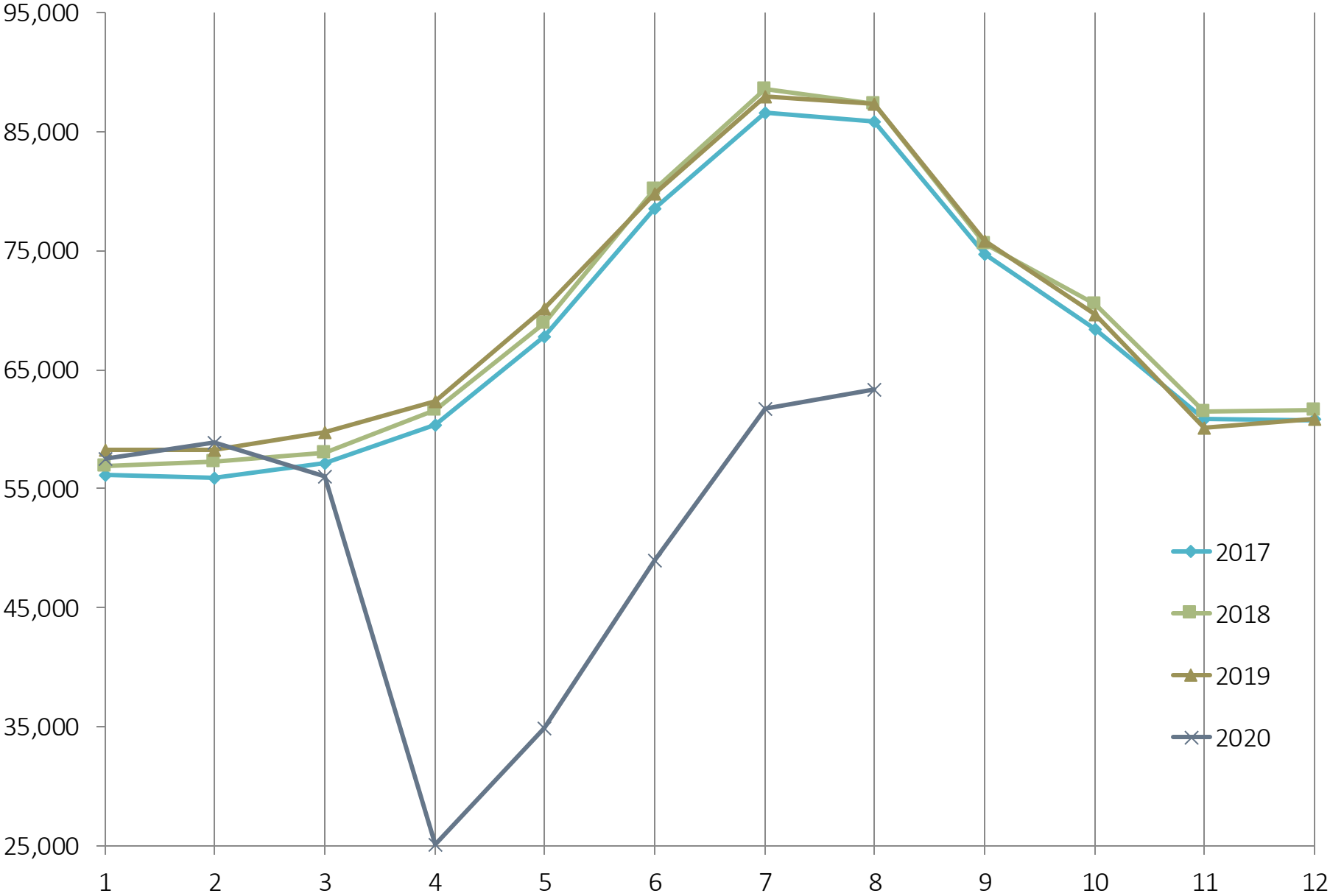
Total Private Employment, Not Seasonally Adjusted



Government, Not Seasonally Adjusted

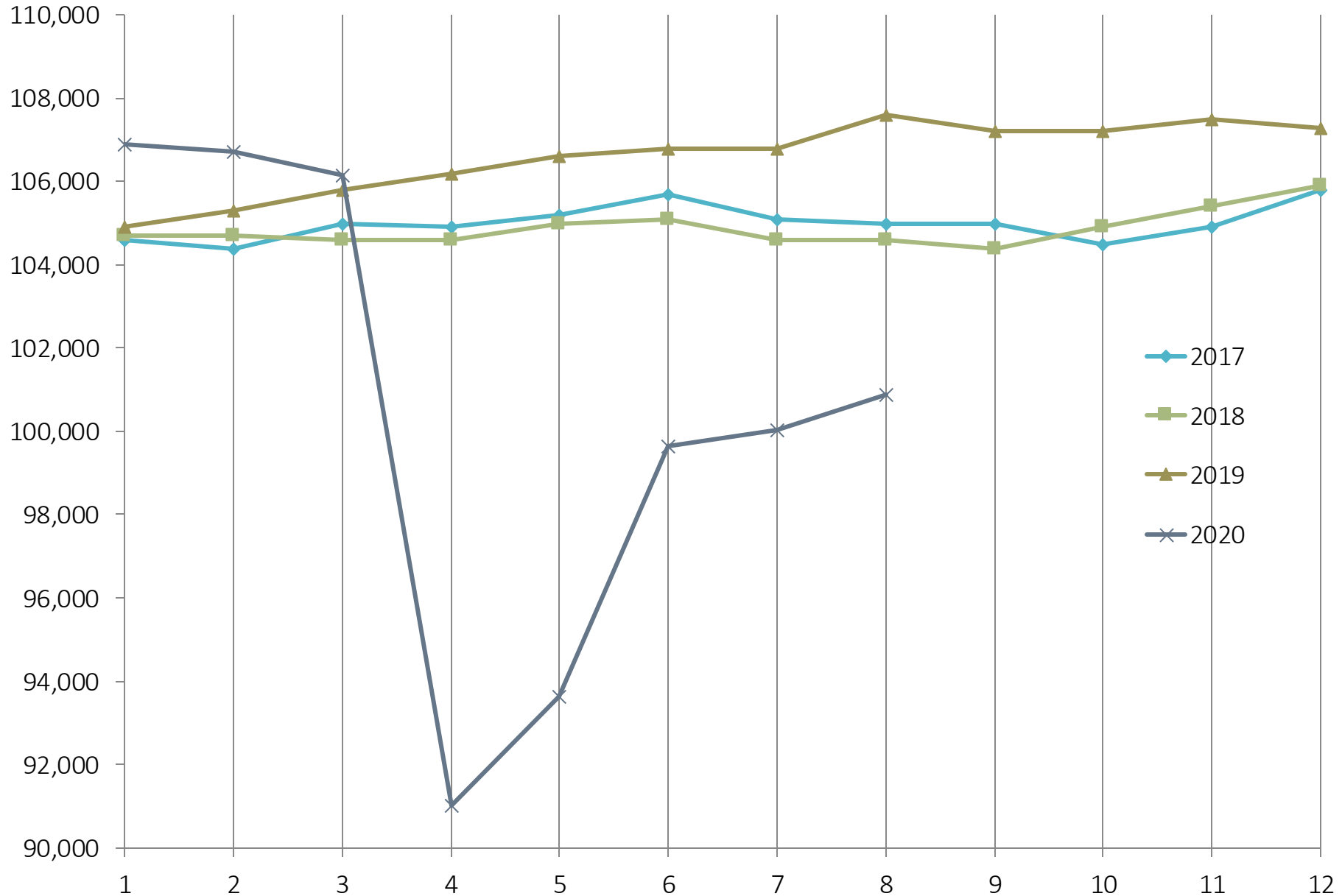


Leisure and Hospitality, Not Seasonally Adjusted

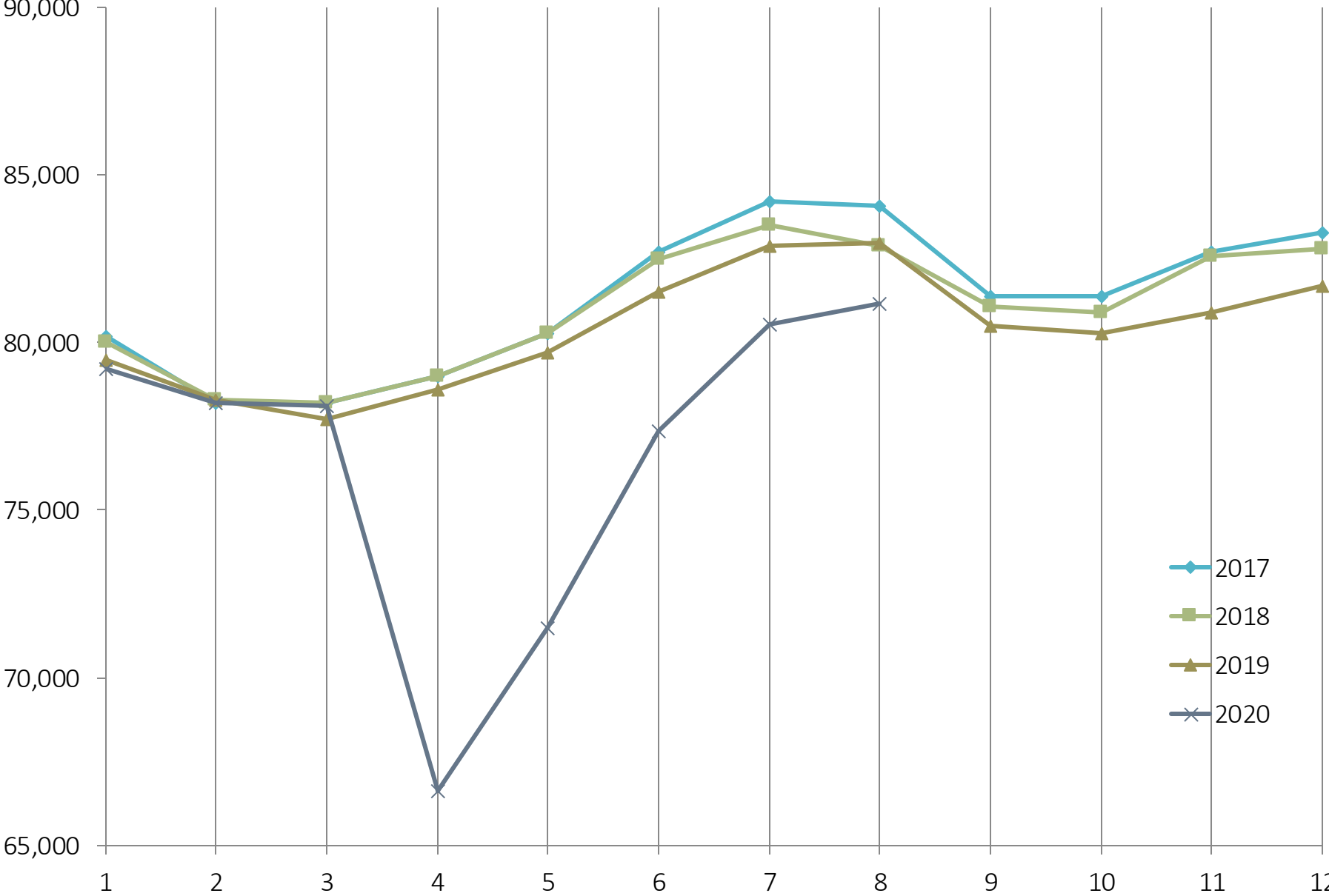


Source: Maine Department of Labor, Center for Workforce Research and Information

Health Care and Social Assistance, Not Seasonally Adjusted



Retail Trade, Not Seasonally Adjusted



Source: Maine Department of Labor, Center for Workforce Research and Information