Maine Economic Update

Governor’s Economic Recovery Committee

October 13, 2020

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### Components of Personal Income, 2020:Q2

<table>
<thead>
<tr>
<th>Components</th>
<th>Maine</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal income</td>
<td>41.0</td>
<td>34.2</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>-28.8</td>
<td>-25.8</td>
</tr>
<tr>
<td>Supplements to wages and salaries</td>
<td>-21.7</td>
<td>-19.2</td>
</tr>
<tr>
<td>Dividends, Interest, and Rent</td>
<td>-7.5</td>
<td>-8.6</td>
</tr>
<tr>
<td>Personal Current Transfer Receipts</td>
<td>615.3</td>
<td>853.9</td>
</tr>
<tr>
<td>Proprietor's Income</td>
<td>-37.3</td>
<td>-38.5</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of Economic Analysis, September 24, 2020 release
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).
• 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)

Sources: National Association of REALTORS and Maine Association of REALTORS monthly releases, U.S. Census Bureau, FHFA House Price Index
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
Inflation measurements are complex, don’t tell the whole story

August 2020:
• All items: 1.3%
• Energy: -9.1%
• Food at home: 4.6%

Source: U.S. Bureau of Labor Statistics via Federal Reserve Bank of St. Louis
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.*

Source: Opportunity Insights Economic Tracker; Google Mobility Statistics
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

Source: Maine Department of Transportation
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 (1 = Best, 50 = Worst)

### Taxable retail sales

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

Source: Maine Revenue Services
At the end of July, low wage employment remained below January 2020 levels, while middle and high wage employment were 11% higher.

Source: Opportunity Insights Economic Tracker
Total Private Employment, Not Seasonally Adjusted

Source: Maine Department of Labor, Center for Workforce Research and Information
Government, Not Seasonally Adjusted

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

Source: Maine Department of Labor, Center for Workforce Research and Information
Retail Trade, Not Seasonally Adjusted

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