Report of the
CONSENSUS ECONOMIC FORECASTING COMMISSION
November 1, 2020

Commissioners

Ryan Low, Chair
Vice Chancellor for Finance and Administration & Treasurer
University of Maine System

Dr. Chuck Lawton

Dr. Julieta Yung
Assistant Professor of Economics
Bates College

Sarah Austin
Policy Analyst
Maine Center for Economic Policy

Dr. Sheena S. Bunnell
Professor of Business Economics
University of Maine Farmington

Summary

The Maine Consensus Economic Forecasting Commission (CEFC) convened on October 23, 2020, to review and revise its forecast through 2025. This meeting follows the off-cycle forecast update of July 1, 2020, resulting from the extraordinary circumstances of the past eight months and recession caused by the onset of COVID-19. Prior to its fall forecasting meeting the CEFC held an information gathering session on October 16, 2020, a summary of which is available online. 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 July 2020 off-cycle forecast. Overall, the CEFC agrees with the original assessment of the economic and public health conditions made during the summer. Since the last forecast, the CEFC has identified higher uncertainty regarding the timing of further federal stimulus and remains optimistic about Maine's opportunities to see increased immigration in the upcoming years. The Commission reiterates that current conditions are unprecedented, highly uncertain, and changing rapidly. Additionally, the CEFC noted their 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 place additional demands on state educational and social service programs while threatening to reduce the tax revenues that fund them.

Record-setting job losses in March and April were followed by sharp but incomplete gains through the summer. Total nonfarm employment is projected to decrease by 8.0% in 2020, with recovery of 4.0% and 2.0% in 2021 and 2022, before slowing to 0.1% in 2023-2025. This forecast anticipates employment will decline from around 636,000 in 2019 to a trough of around 585,200 in 2020, recovering to about 622,600 in 2025. This is a slight improvement over the previous forecast, which saw a peak of 620,700 in 2023 that remained flat through 2025, reflecting upside risks to the labor market recovery as a result of structural changes.

Total personal income was revised up in all years, notably to 5.3% in 2020 compared to 3.9% in the prior forecast. These revisions are driven by data showing a stronger rebound of middle- and high-income jobs. Changes to estimates of non-payroll sources of income resulted in additional upward revisions in 2021 to 2025.

Most components of personal income saw only minor upward revisions, while some others were left altogether unrevised. Growth in wages and salaries, the largest component of personal income, was revised upward to -1.5%, a 3.5 percentage point increase from July. The forecasts for 2021-2025 were each subsequently revised up by 1.0 points, to 3.0% in 2021 and 4.0% in 2022-2025. The forecasts for both supplements to wages and salaries and nonfarm proprietors' income were left entirely unchanged from July. Dividends, interest, and rent was revised for 2020 and 2021 to -1.0% and 0.1%, respectively, compared to 0.1% and -1.0%, respectively, in the July forecast. 2022-2025 were left unchanged. Personal current transfer receipts were left unchanged in all years.

The forecast for inflation (measured by the Consumer Price Index, or CPI) was revised up in all years through 2025, reflecting the Federal Reserve Bank's aim to keep inflation moderately higher in the future to compensate for lower inflation in previous years. The forecast for 2020 was revised up from 0.9% to 1.3% due to prolonged weak demand and low oil and commodity prices. Meanwhile, future inflation projections are 2.2% in 2021 and 2022 and 2.1% in 2023-2025. Additionally, the forecast for corporate profits was revised up substantially, from a decline of 30.0% for 2020 in the July forecast to growth of 0.6% in this forecast. Growth rates for 2021-2025 were left unchanged.

The following table provides the forecast's major indicators.

Calendar Years	2019	2020	2021	2022	2023	2024	2025
Wage & Salary Employment (Annual Percentage Change)							
CEFC Forecast 02/2020	0.9	0.5	0.2	0.1	0.0	0.0	0.0
CEFC Forecast 07/2020	0.9	-8.0	4.0	2.0	0.0	0.0	0.0
CEFC Forecast 11/2020	0.9	-8.0	4.0	2.0	0.1	0.1	0.1
Personal Income (Annual Percentage Change)							
CEFC Forecast 02/2020	4.7	4.1	4.0	3.7	3.5	3.5	3.5
CEFC Forecast 07/2020	4.6	3.9	-1.2	3.7	3.5	3.6	3.6
CEFC Forecast 11/2020	4.2	5.3	-0.5	3.9	3.9	3.9	4.0
Wage and Salary Income (Annual Percentage Change)							
CEFC Forecast 02/2020	4.5	4.1	3.7	3.4	3.2	3.2	3.2
CEFC Forecast 07/2020	4.6	-5.0	2.0	3.0	3.0	3.0	3.0
CEFC Forecast 11/2020	4.9	-1.5	3.0	4.0	4.0	4.0	4.0
CPI (Annual Percentage Change)							
CEFC Forecast 02/2020	1.8	1.9	2.0	2.0	2.0	2.0	2.0
CEFC Forecast 07/2020	1.8	0.9	1.5	1.7	2.0	2.0	2.0
CEFC Forecast 11/2020	1.8	1.3	2.2	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 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 41.0% in the second quarter of 2020, driven by sharp increases in transfer receipts. Wage and salary income, which is the largest component of total personal income, fell by 28.8%. Gross State Product fell by $5.7 billion, or 34.4% at an annualized rate in the second quarter of 2020 during the worst of the COVID-19 pandemic. The Consumer Price Index was up 1.4% year-over-year in September 2020, while energy prices remain 7.6% below September 2019 and food sits 3.9% over last year.

Nationwide, consumer sentiment plummeted in late March and has faced a rocky recovery. The October 2020 consumer sentiment index remained 15% under October 2019. However, the Small Business Optimism Index was up 2.2% in September compared to last year.

Following a massive drop in the second quarter, the price of crude oil rose by 46.4% from the second quarter to the third quarter of 2020. Gasoline prices averaged $2.19 on October 12, 2020, in New England.

Data for August 2020 show total exports in Maine decreased by 21.9% over August 2019 and by 14.1% for the year through August.

Single family existing-home sales in Maine in August 2020 were up 1.3% compared to August 2019, while the median sales price increased 17.4% from a year prior as the market maintains a tight supply. Maine's House Price Index rose by 8.4% in the first quarter of 2020, higher than both New England and the United States.

The first week of October had a year-over-year decline of 6.4% in vehicle miles traveled, up from a decline of 42% in the last week of March. New data from the U.S. Census Bureau shows that 38% of households in Maine have experienced a loss of employment income since March, while other analysis shows employment recovery has been slowest for low-income jobs. Credit and debit card data indicate that consumer spending has begun to stagnate and now sits 13.4% below January levels.

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

Maine Department of Labor

Workforce conditions continued to gradually recover from the sharp downturn caused by the COVID pandemic in the spring. According to the monthly survey of employer payrolls, 52 percent of the 104,500 nonfarm jobs lost in March and April had been regained through September. All industry sectors lost jobs between February and April and most gained jobs back between April and September. Four sectors were within three percent of their February level in September (construction; transportation, warehousing, and utilities; wholesale trade; and retail trade) and three remained down by 15 percent or more (leisure and hospitality, information, and private educational services).

Unemployment estimates from a separate survey of households have understated the magnitude of job displacement that has occurred since the pandemic began to impact the labor market. Between February and April, the estimated number of unemployed increased by less than half as much as the net job loss reported through the payroll survey. In September the number of unemployed was up just 19,300 from February, despite the fact that the number of jobs remained down 50,600. This is because labor force participation declined. Many people who lost employment have not been able to engage in work search because childcare, personal safety, or other factors have kept them from doing so. (Like retired people, jobless people who do not or cannot engage in work search are not counted as unemployed – they are not in the labor force.) If labor force participation was as high as immediately before the pandemic, the September unemployment rate would have been 9.2 percent.

Employers paid a total of $6.95 billion in wages in the second quarter of 2020. Adjusted for inflation, that was down $176 million from the same quarter in 2019 and close to the level of 2018. The average wage increased sharply in the second quarter because job losses were concentrated in low-wage sectors, skewing the average toward jobs in higher-wage sectors. As employment returns in the sectors that have been most impacted, average wages may decrease somewhat for a period of time.

There has long been an inverse relationship between unemployment and job openings rates. When unemployment increases, job openings typically decrease. In data available through June the job openings rate did go down in the second quarter of the year, but not as much as expected given the sharp increase in unemployment. It is too early to draw strong conclusions from this information, but it may be an indication of a gap between employer needs and the qualifications of job seekers.

National surveys of businesses conducted by the Conference Board found an overall perception that remote work does not hurt productivity and that many businesses are planning for a permanent shift to remote work. This may be the biggest legacy of the pandemic on the workforce because it will afford greater geographic flexibility for employers in recruiting and for employees in their choices of places to live. It is possible that Maine could experience an increase in the rate of net in-migration to the state, which could stabilize the size of the labor force in the years ahead as large numbers of baby boomers retire.

In the first two weeks of October, 34 percent of households in Maine reported that some adult in their household had substituted telework for some or all of their typical in-person work because of the coronavirus. The share was higher than average among those with the most educational attainment and those with the highest earnings.

Looking at regions, unemployment is up from a year ago throughout the state. The largest increases have been in the southern part of the state where population density is highest and infection rates have been higher than farther north. Among the 16 counties, Cumberland and York counties are in the upper half of unemployment rates, which has not been the case for decades.

This presentation is available at maine.gov/labor/cwri/publications/pdf/CEFCOctober2020.pdf.

Maine Revenue Services - Office of Tax Policy (OTP)

In its August 2020 update, the Revenue Forecasting Committee (RFC) revised General Fund (GF) revenue estimates downward by $527.8 million for FY21 and by $883.2 million for the FY22/23 biennium. The forecasted rate of year-over-year growth for General Fund revenue in FY21 is currently negative 10.8%, followed by growth of 5.6% in FY22 and 3.4% for FY23. In addition, Highway Fund revenues were reduced by $30.8 million in FY21 and $30.5 million in the FY22/23 biennium.

Almost 95% (-$498.3 million) of the -$527.8 million reprojection in FY21 by the RFC was from sales and use and individual income taxes, and 100% of the FY22 and FY23 net reductions were attributable to these two revenue lines. In both cases, swift and unprecedented stimulus from the federal government and the Federal Reserve System helped to moderate the initial impact on State revenues of the historic COVID-19 recession during the final quarter of FY20.

In the case of the sales and use tax line, approximately 60% of the $238 million reduction in FY21 was attributable to taxable prepared foods and lodging. Lodging sales were assumed to be down year-over-year by 50% during the third quarter of CY20, the height of the summer tourism season. Lodging sales were assumed to improve slowly over the remainder of CY20 and were not expected to generate the same level of tax revenue as CY19 until CY22. Prepared food sales, mostly restaurant sales, were projected to perform better than lodging, but were assumed to be down approximately 30% year-over-year during the third quarter of CY20. Like lodging, prepared food sales were assumed to slowly improve and not get back to the same level of tax revenue as CY19 until CY22. The gradual improvement in both sales categories, representing 25% of total sales tax revenue in a typical year, is the primary reason for the lower decrease in sales tax revenue of $152 million in FY22 and $131.3 million in FY23. One bright note on sales tax was the additional tax revenue the State is collecting because of several recent law changes that require remote sellers to collect and remit sales tax on sales delivered into Maine.

Seventy-five percent of the adjustments to individual income tax revenue were primarily the result of the CEFC's assumption of combined wage and salary and unemployment insurance (UI) benefits growth over the forecast period. The CEFC forecast assumed that the initial enhanced UI benefits that were part of the CARES Act and a continuation of those benefits at some reduced level in the next federal stimulus package would almost offset the reduction in wages and salaries during CY20. After CY20 the

CEFC assumed that UI benefits would fall back to normal levels and growth as unemployment declines, but wage and salary growth would be weaker than their previous forecast. These assumptions resulted in a growing gap between the February and July CEFC forecast for the combined level of wage and salary and UI benefits, which had a significant impact on individual income tax liability. Other key factors impacting the individual income tax forecast were: (1) the reversal of the FY20 accruals for final and estimated payments in FY21, (2) a larger decrease in capital gains realizations than the March forecast, and (3) a reduction in IRA income in tax year 2020 due to federal tax law changes.

With actual revenues through September and less than a week of processing left in October, FY21 GF revenues are running well ahead of budget. Through the first quarter of the fiscal year GF revenues are $68.1 million over budget (7.1%). Most of the year-to-date variance is from sales and use tax ($23.9 million) and individual income tax ($48.0 million). Relative to the same period a year ago, GF revenues are down 3.3%. Adjusting for the increase in revenue sharing, GF revenues are down 2.6% through September.

The strong performance in sales and use tax relative to forecast is primarily because lodging sales have been much better than was expected when the RFC met in late July. The August 1, 2020, forecast assumed an average decline in June-August lodging sales of over 50%, but actual sales for that three-month period were down 39%. In addition, the auto/transportation sector has been much stronger than projected, increasing by 9.2% during the first quarter of the fiscal year. Building supply store sales and remote sales have also been very good during the early months of FY21. Early indications are that October sales tax receipts (September sales) will significantly exceed budget, once again led by lodging not being as bad as projected and auto/transportation sales increasing by double digits. Going forward, the lack of additional fiscal stimulus and the recent rise in COVID-19 cases may limit consumer spending during the important holiday shopping season.

Individual income tax receipts are primarily over budget fiscal year-to-date because withholding is over budget by $31.6 million, up 9.2% compared to the first quarter 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. The additional UI benefit expired at the end of July, but a Presidential Memorandum added an additional $300 per week benefit for six weeks using funds from FEMA. October withholdings will be the first month since April that will not be impacted by the expanded UI benefits. The third estimated payment for tax year 2020 was due September 15th and was over budget by $13 million, an increase of 15% compared to last September. The first three estimated payments for 2020 are now down 15% year-over-year, with the final estimated payment due January 15th. October individual income tax receipts will likely be over budget, but not by as much as recent months as withholding revenue is expected to be close to budget for the month.

Macroeconomic Assumptions

Two different baseline economic forecasts were examined at the meeting: the Moody's Analytics baseline scenario for October 2020 and the IHS Markit baseline scenario for October 2020. Each forecast was based on a different set of national macroeconomic assumptions. These forecasts were then compared to the CEFC's July 2020 off-cycle forecast. In addition, the CEFC reviewed its assumptions for the previous forecast and made minor changes after incorporating new insights. Overall, the commission felt generally comfortable with the assumptions made in the prior forecast. Several preliminary data points, particularly regarding new in-migration and a strong housing market and early signs of a robust winter tourism season, have renewed optimism for the Commission moving forward. The key assumptions made by the CEFC are as follows:

- A protracted and slow recovery from the current recession, highly uneven across sectors and different group
- Although there is some concern that the holidays and winter months combined with "COVID fatigue" may lead to further spread of COVID-19, the State has developed resources that will help mitigate the effects
- The timeline for widespread availability and distribution of a vaccine remains uncertain
- Further federal stimulus will likely follow in 2021 including support for state and local governments, unemployed workers, and lower-income households
- Long-term structural changes are likely to occur as the labor market faces a skills mismatch; additionally, the challenges relating to the availability of childcare and K-12 education are seen as major factors 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
- There is additional uncertainty in this forecast relating to the 2020 presidential election and subsequent policy action as well as the recent federal inflation target changes
- Human behavior underpins several key uncertainties at this time, including participation in testing and contact tracing; continued adherence to social distancing procedures; and winter tourism decisions

Consensus Forecast

Following the rapid declines of March and April 2020, Maine's employment situation has slowly improved over the summer. Total nonfarm employment is projected to decrease by 8.0% in 2020, with recovery of 4.0% and 2.0% in 2021 and 2022, before slowing to 0.1% in 2023-2025. Compared to the July 2020 off-cycle forecast, this is unchanged in 2020-2022, while 2023-2025 were revised up from 0.0% to 0.1% to account for the potential upside risk to the labor market resulting from structural changes in employment. 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 is confirmed with future data. This revised forecast anticipates employment will decline from 636.0 thousand in 2019 to 585.2 thousand in 2020, reaching a peak of 622.6 thousand in 2025. The July 2020 forecast projected a peak of 620.8 thousand. Still, this is significantly lower than the peak of 639.4 thousand in the February 2020 pre-pandemic forecast, reflecting the pronounced disruptions to employment in the state. Structural changes to the labor market complicate this forecast; the CEFC voiced concerns that retraining those who permanently lost jobs and reintegrating workers back into the labor force may take several years and will likely lead to a protracted recovery.

Total personal income was revised up to 5.3% in 2020, 1.4 percentage points higher than the July 2020 forecast. 2021-2025 were also revised up, from -1.2% to -0.5% in 2021; to 3.9% in 2022-2024, from 3.7%, 3.5%, and 3.6%, respectively; and from 3.6% to 4.0% in 2025.

Growth in wages and salaries, the largest component of personal income, was revised up for 2020 by 3.5 points compared to July's forecast, from -5.0% to -1.5%. 2021-2025 were each revised up by one percentage point, to 3.0% in 2021 and 4.0% in 2022-2025. The CEFC notes that heterogeneity in wage dynamics across industries complicates this forecast for total wage and salary income. While there have been signs of rising wages in some industries, both high unemployment and labor mismatch leaves short-term wage growth less certain. Additionally, the CEFC notes that COVID-19's effect on income inequality presents a major concern.

Growth in supplements to wages and salaries was unchanged for 2020-2025. Nonfarm Proprietors' income was also left unchanged for 2020-2025.

The forecast for dividends, interest, and rent was revised down for 2020, from 0.1% to -1.0%. Meanwhile, 2021 was revised up from -1.0% to 0.1%. Without sufficient evidence of changing conditions in the out-years, the forecasts for 2022-2025 were left unchanged.

Growth in personal current transfer receipts was left unchanged for all years. While negotiations for a new stimulus package are currently underway, the CEFC believes any further federal aid will follow sometime in 2021 and is less likely to take place this year. The commission looks forward to revisiting this forecast as new information may come to light in the coming months.

The CEFC revised its forecast for the Consumer Price Index (CPI) up for all years. The Commission projects inflation will be 1.3% in 2020, up from 0.9% in the previous forecast, though still well below the national inflation target. Forecasts for 2021 and 2022 were revised up to 2.2%, while 2023-2025 were revised up to 2.1%. These changes reflect the stated willingness of the Federal Reserve to exceed a 2.0% target each year in order to achieve 2.0% *average* inflation across years. The CEFC is eager to see how this change materializes in the coming years.

Finally, the forecast for corporate profits was revised up significantly for 2020, to growth of 0.6% compared to a decline of 30.0% in the July 2020 off-cycle forecast. No other years were revised.

Of great concern to the CEFC were the structural changes to Maine's economy that COVID-19 may cause. For example, Commission members voiced concern for the potential long-term impacts of labor mismatch and increasing exits from the labor force, while recognizing that increased migration from out-of-state residents might accelerate the recovery process. The CEFC emphasized that improvements in labor conditions are dependent on policies that provide support for childcare and K-12 education. Additionally, further developments regarding another federal stimulus package have the potential to change these forecasts significantly.

The following page provides the full forecast.

Maine Consensus Economic Forecasting Commission

November 2020 Forecast Update

	History	Forecast					
	2019	2020	2021	2022	2023	2024	2025
CPI-U* (Annual Change)	1.8%	1.3%	2.2%	2.2%	2.1%	2.1%	2.1%
CPI for Energy Prices** (Annual Change)	-2.1%	-9.1%	5.4%	5.9%	2.0%	2.1%	2.9%
CPI for New Vehicles** (Annual Change)	0.4%	0.5%	1.9%	0.2%	0.3%	0.2%	0.1%
New Vehicle Registrations** (Annual Change)	-3.6%	-11.8%	2.2%	-3.0%	-0.1%	0.0%	0.3%
Personal Savings Rate**	7.6%	14.9%	8.1%	4.1%	3.7%	3.5%	3.3%
Maine Unemployment Rate**	3.0%	6.5%	5.3%	4.1%	3.5%	3.1%	2.9%
3-Month Treasury Bill Rate**	2.06%	0.37%	0.10%	0.09%	0.09%	0.11%	0.11%
10-Year Treasury Note Yield**	2.14%	0.85%	0.90%	1.20%	1.44%	1.56%	1.77%
Before-Tax Corporate Profits* (Annual Change)	2.3%	0.6%	10.0%	3.7%	2.7%	2.7%	2.7%
Maine Wage & Salary Employment* (thousands)	636.0	585.2	608.6	620.7	621.3	622.0	622.6
Natural Resources	2.2	2.1	2.2	2.3	2.3	2.3	2.3
Construction	29.8	29.6	29.5	28.2	27.6	27.6	27.8
Manufacturing	53.3	47.6	48.7	50.1	50.2	50.3	50.3
Trade/Trans./Public Utils.	118.7	114.8	118.6	116.2	111.6	108.4	107.5
Information	7.2	6.1	6.6	7.1	6.9	6.9	6.9
Financial Activities	33.0	32.2	32.5	34.2	34.7	34.9	34.9
Prof. & Business Services	69.4	65.2	67.4	72.6	74.9	77.2	79.9
Education & Health Services	129.3	119.7	125.2	126.9	127.7	128.4	128.2
Leisure & Hospitality Services	69.5	49.7	58.7	61.0	63.0	63.0	61.6
Other Services	22.4	20.6	21.0	22.4	22.6	22.6	22.6
Government	101.3	97.7	98.1	99.7	99.8	100.3	100.6
Maine Wage & Salary Employment* (Annual Change)	0.9%	-8.0%	4.0%	2.0%	0.1%	0.1%	0.1%
Natural Resources	-1.5%	-4.0%	6.3%	3.1%	0.7%	0.0%	-0.5%
Construction	1.5%	-0.7%	-0.5%	-4.3%	-2.1%	0.1%	0.5%
Manufacturing	2.3%	-10.8%	2.4%	3.0%	0.2%	0.1%	0.0%
Trade/Trans./Public Utils.	-0.4%	-3.3%	3.3%	-2.0%	-4.0%	-2.8%	-0.8%
Information	-3.1%	-15.8%	9.5%	6.2%	-2.1%	0.0%	0.0%
Financial Activities	2.7%	-2.4%	1.0%	5.2%	1.3%	0.7%	0.1%
Prof. & Business Services	0.0%	-6.1%	3.4%	7.7%	3.2%	3.0%	3.6%
Education & Health Services	1.8%	-7.4%	4.6%	1.4%	0.6%	0.6%	-0.2%
Leisure & Hospitality Services	0.7%	-28.5%	18.1%	4.0%	3.2%	0.0%	-2.2%
Other Services	0.6%	-7.7%	1.8%	6.7%	0.9%	-0.1%	-0.1%
Government	1.0%	-3.6%	0.5%	1.5%	0.2%	0.5%	0.3%
	2019	2020	2021	2022	2023	2024	2025
Personal Income* ($ million)	68,062	71,697	71,328	74,112	76,998	80,013	83,175
Wages & Salaries*	31,483	31,011	31,941	33,219	34,547	35,929	37,366
Supplements to Wages & Salaries*	7,826	7,709	7,987	8,258	8,539	8,829	9,129
Nonfarm Proprietors' Income*	5,078	4,926	5,084	5,251	5,383	5,517	5,655
Farm Proprietors' Income**	123	84	47	62	67	61	57
Dividends, Interest, & Rent*	12,651	12,524	12,537	12,825	13,107	13,396	13,690
Dividends	3,973	3,787	3,938	4,117	4,265	4,367	4,463
Interest	5,785	5,748	5,504	5,395	5,311	5,312	5,357
Rent	2,893	3,024	3,113	3,329	3,550	3,743	3,903
Personal Current Transfer Receipts*	15,069	19,589	18,022	19,014	20,059	21,183	22,390
Less: Contributions for Social Ins.**	5,265	5,232	5,424	5,699	5,927	6,167	6,422
Adjustment for Residence**	1,097	1,086	1,135	1,182	1,223	1,265	1,309
Personal Income* (Annual Change)	4.2%	5.3%	-0.5%	3.9%	3.9%	3.9%	4.0%
Wages & Salaries*	4.9%	-1.5%	3.0%	4.0%	4.0%	4.0%	4.0%
Supplements to Wages & Salaries*	5.0%	-1.5%	3.6%	3.4%	3.4%	3.4%	3.4%
Nonfarm Proprietors' Income*	4.7%	-3.0%	3.2%	3.3%	2.5%	2.5%	2.5%
Farm Proprietors' Income**	53.9%	-31.7%	-44.4%	32.5%	7.1%	-7.8%	-7.3%
Dividends, Interest, & Rent*	0.7%	-1.0%	0.1%	2.3%	2.2%	2.2%	2.2%
Dividends	-1.0%	-4.7%	4.0%	4.5%	3.6%	2.4%	2.2%
Interest	0.5%	-0.6%	-4.2%	-2.0%	-1.6%	0.0%	0.9%
Rent	3.7%	4.5%	2.9%	6.9%	6.6%	5.4%	4.3%
Personal Current Transfer Receipts*	4.9%	30.0%	-8.0%	5.5%	5.5%	5.6%	5.7%
Less: Contributions for Social Ins.**	4.3%	-0.6%	3.7%	5.1%	4.0%	4.0%	4.1%
Adjustment for Residence**	4.5%	-1.1%	4.6%	4.1%	3.5%	3.4%	3.5%

*CEFC Forecast

**From IHS Markit and Moody's Analytics baselines (Oct. 2020)

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