

MAINE STATE LEGISLATURE

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Maine's Economic Year in Review: 2021



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The Year in Review is an annual report assembled by the Office of the State Economist that provides a synopsis of the past year's 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.

This report includes data released at varying points throughout the year. 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 may be subject to change over time.

For more detail on monthly dynamics and for more recent data than December 2021, please see the Maine Monthly Economic Indicators Report.

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Summary

2021 was a year of robust recovery for the Maine economy following the major pandemic impacts that took place in the year prior. The state's population grew by 0.7% compared to 2020, ranking 14th in the nation for population growth. Additionally, Maine ranked 7th in the nation for net migration.

Real Gross Domestic Product (GDP) increased by 5.2% in 2021, surpassing pre-pandemic levels. Meanwhile, total personal income jumped 7.2% for the year. Federal pandemic aid provided a boost, pushing personal current transfer receipts up 7.3% for the year. In addition, wage and salary income, the largest component of personal income, jumped by over 9% in 2021.

Inflation was high in 2021, driven by food, energy, and shelter. The consumer price index for energy commodities rose by 35% in 2021, while the index for used cars and trucks, another primary force behind inflation growth, increased by almost 27% for the year. Energy prices saw remarkable growth during the 2021-2022 heating season, putting stress on homeowners who rely on heating fuel in winter months. High levels of inflation, economic uncertainty, and the spread of the Delta variant all caused consumer sentiment to dip in 2021. The University of Michigan Consumer Sentiment Index dipped below pandemic levels in 2021, reflecting the high levels of uncertainty that persisted as the pandemic continued.

Taxable retail sales continued to climb at a remarkable pace in 2021. Following a strong year in 2020, taxable retail sales increased by almost 23% in 2021, including about 19% growth in the largest category of auto and transportation sales, which reached almost \$6.9 billion for the year.

Maine's labor market saw robust growth in 2021, growing by over 22,000 jobs for the year, further narrowing the gap of jobs lost during the height of the pandemic recession in 2020. Unemployment dropped to an annual average of 4.6%, falling as low as 3.6% in December. Labor force participation remained flat in 2021.

Meanwhile, the housing market remained tight throughout the year. While sales of single-family homes grew at a modest 2.8% for the year, the median sale price grew to \$299,000—an increase of about 17% year-over-year. The Federal Housing Finance Authority's House Price Index for Maine broke the all-time record for fastest year-over-year growth for four quarters consecutively, including the first three quarters of 2021. On average, this index grew 4.7% every quarter in 2021, reaching a year-over-year high of 25% in the third quarter.

Trade also saw robust growth in 2021, with exports increasing by 32% for the year and imports increasing by 35%. Exports from the state totaled \$3.1 billion in 2021, with Canada being the state's top trade partner.

The following presents a snapshot of Maine's economy in the calendar year 2021.

Demographic Context

Reference Period		Maine	New England	United States
2021	Total population	1,372,247	15,092,739	331,893,745
2020-2021	Population Change	9,967	-8,593	392,665
2020-2021	Percent Change	0.7%	-0.1%	0.1%

Source: U.S. Census Bureau 2021 Population Estimates

From 2020-2021, Maine's population grew by 0.7%, ranking 14th for growth in the United States and second in New England, behind New Hampshire (0.8%). Meanwhile, the United States grew only 0.1% and New England declined 0.1% overall, pulled down by declines of 0.5% and 0.1% in Massachusetts and Rhode Island, respectively.

Population growth in Maine's counties

Fourteen counties grew from 2020-2021, while Aroostook County declined (-0.2%) and Androscoggin County's population was unchanged. Piscataquis County experienced the fastest rate of growth, 2.4% year-over-year, while York County had the greatest level of growth at 2,502 new population.

Overall, Maine's more rural counties grew at faster rates than their metropolitan counterparts. Piscataquis, Lincoln, Oxford, Hancock, and Knox counties had the five highest population growth rates, while York, Sagadahoc, Cumberland, Penobscot, and Androscoggin, the counties that are part of Maine's Metropolitan Statistical Areas (MSAs), ranked 6th, 7th, 10th, 12th, and 14th, respectively.

County	2020	2021	Percent change	Level change
Maine	1,362,280	1,372,247	0.7%	9,967
<i>Androscoggin</i>	111,039	111,034	0.0%	-5
<i>Aroostook</i>	66,994	66,859	-0.2%	-135
<i>Cumberland</i>	303,312	305,231	0.6%	1,919
<i>Franklin</i>	29,418	29,687	0.9%	269
<i>Hancock</i>	55,460	56,192	1.3%	732
<i>Kennebec</i>	123,754	124,486	0.6%	732
<i>Knox</i>	40,609	41,084	1.2%	475
<i>Lincoln</i>	35,192	35,828	1.8%	636
<i>Oxford</i>	57,849	58,629	1.3%	780
<i>Penobscot</i>	152,007	152,765	0.5%	758
<i>Piscataquis</i>	16,768	17,165	2.4%	397
<i>Sagadahoc</i>	36,688	37,071	1.0%	383
<i>Somerset</i>	50,404	50,592	0.4%	188
<i>Waldo</i>	39,635	39,912	0.7%	277
<i>Washington</i>	31,062	31,121	0.2%	59
<i>York</i>	212,089	214,591	1.2%	2,502

Source: U.S. Census Bureau 2021 Population Estimates

Components of population growth in 2021

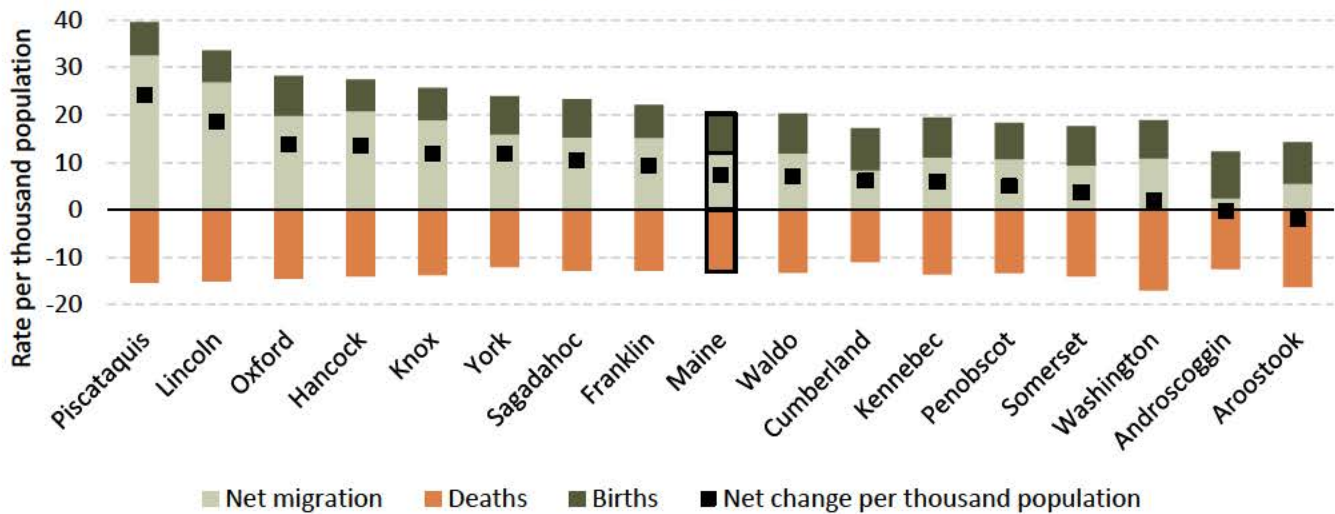
All counties experienced natural population decline, meaning there were more deaths than births throughout the year. This was a national phenomenon in 2021, with over two-thirds of counties experiencing natural decline as the pandemic intensified the impacts of lower birth rates, aging populations, and increased mortality. Maine was among four states (including Delaware, New Hampshire, and Rhode Island) that experienced natural population decline in all counties.

That being the case, all population growth in Maine and its counties is attributable to net migration. In 2021, all counties had positive net migration, with more people moving in than out. The rate of net migration ranged from 2.4 per

thousand population in Androscoggin County to 32.6 per thousand in Piscataquis County. Overall, Maine had the 7th highest rate of net migration in 2021, at 12.0 per thousand. Most of this was driven by net domestic migration, which led the state to gain 15,473 in population, or 11.3 per thousand. Maine also gained 867 residents from international migration.

While these population estimates are encouraging for Maine, it remains difficult to conclude the longer-term impacts of COVID-19 on the state’s population. Specifically, it is unclear whether high rates of in-migration are related to temporary or permanent migration during the pandemic. Future population estimates in the coming years will help to better understand these dynamics.

Components of Population Change in Maine, 2021
Rate per thousand population



Source: U.S. Census Bureau Population Estimates Program

Gross Domestic Product

Real GDP increased by 5.2% in Maine in 2021 to \$61.8 billion, ranking 24th for growth and 43rd overall among the states and D.C. In nominal (not inflation-adjusted) terms growth was nearly 10%, reaching \$76.0 billion. Real GDP growth was robust not only in Maine, but also in the New England region and nationally. A strong rebound in 2021 led both nominal and real GDP to surpass pre-pandemic levels in Maine, New England, and the U.S.

2021	Maine	New England	United States
Real GDP (Chained 2012 dollars)	\$61.8 billion	\$1.0 trillion	\$19.4 trillion
Percent Change from 2020	5.2%	5.8%	5.7%
Current GDP	\$76.0 billion	\$1.2 trillion	\$23.0 trillion
Percent Change from 2020	9.8%	9.0%	10.1%

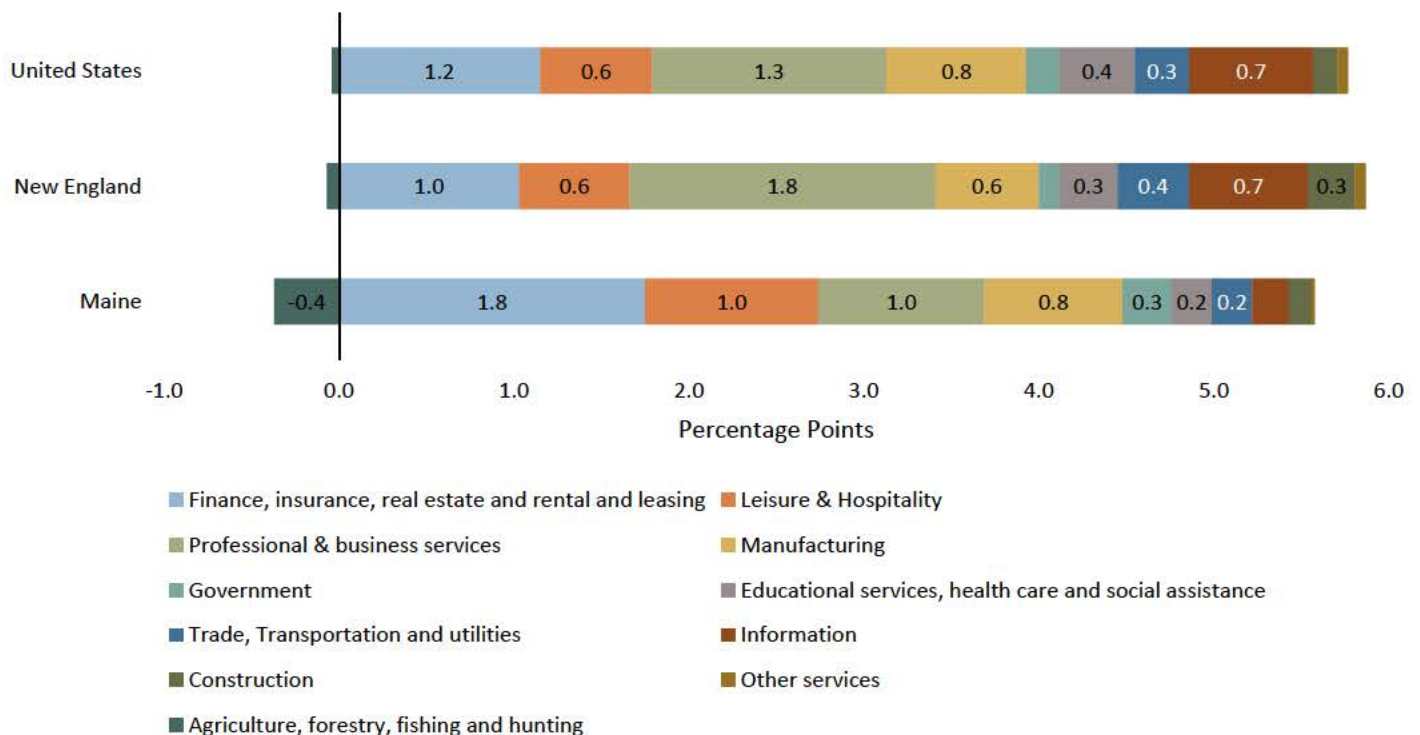
Source: U.S. Bureau of Economic Analysis

Industrial Detail

Finance, insurance, and real estate contributed the most to real GDP growth in Maine in 2021, with finance and insurance accounting for 0.94 percentage points of growth in Maine and real estate and rental and leasing contributing 0.81 percentage points. Finance and insurance was the greatest contributor to growth nationally and in New England.

Other major contributors to Maine’s growth in real GDP were leisure and hospitality, professional and business services, and manufacturing. Gains in 2021 were partially offset by decreases in agriculture, forestry, fishing, and hunting, as well as slight losses in utilities and educational services.

Contributions to Percent Change in Real GDP, 2020-2021



Source: U.S. Bureau of Economic Analysis

Personal Income

Total personal income totaled \$78.4 billion in 2021, with annual growth in Maine higher than New England and on par with the nation. Growth was strongest in the first quarter, driven by a boost in personal current transfer receipts as the American Rescue Plan (ARP) became effective. That said, Maine’s per capita personal income continues to lag both New England and the United States.

2021	Maine	New England	United States
Total personal income	\$78.4 billion	\$1.2 trillion	\$21.1 trillion
Percent Change from 2020	7.2%	6.5%	7.4%
Per capita personal income	\$57,159	\$76,651	\$63,444
Percent Change from 2020	6.4%	6.5%	7.3%

Source: U.S. Bureau of Economic Analysis

Growth by component

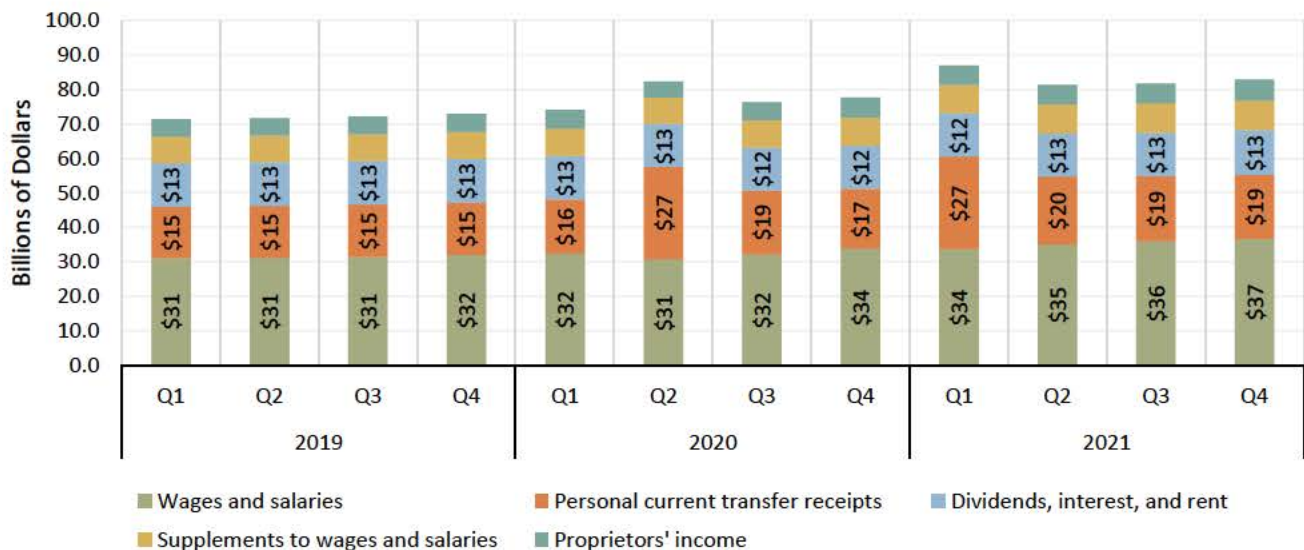
All major components of personal income increased in 2021. Wage and salary income, the largest component of personal income, totaled \$35.33 billion in 2021. Personal current transfer receipts accounted for the second-largest component, reaching almost \$21 billion of income to Mainers. Much of this growth occurred in the first quarter, when transfer receipts totaled almost \$27 billion at a seasonally adjusted annual rate, ballooned by the ARP.

Component	2021 Level (in billions)	Annual Growth
Total Personal Income	\$78.44	7.2%
Wages and Salaries	\$35.33	9.4%
Supplements to wages and salaries	\$8.46	6.3%
Proprietors’ income	\$5.76	9.4%
Dividends, interest and rent	\$12.65	1.0%
Personal current transfer receipts	\$20.99	7.3%

Source: U.S. Bureau of Economic Analysis

Total personal income was highest in the first quarter, when many provisions of the ARP were distributed. While personal current transfer receipts totaled \$26.9 billion at an annual rate in the first quarter, this component of personal income steadily declined in the following quarters. Meanwhile, wage and salary income saw growth in the second, third, and fourth quarters, reaching \$36.7 billion dollars at an annual rate in the fourth quarter.

Components of Personal Income

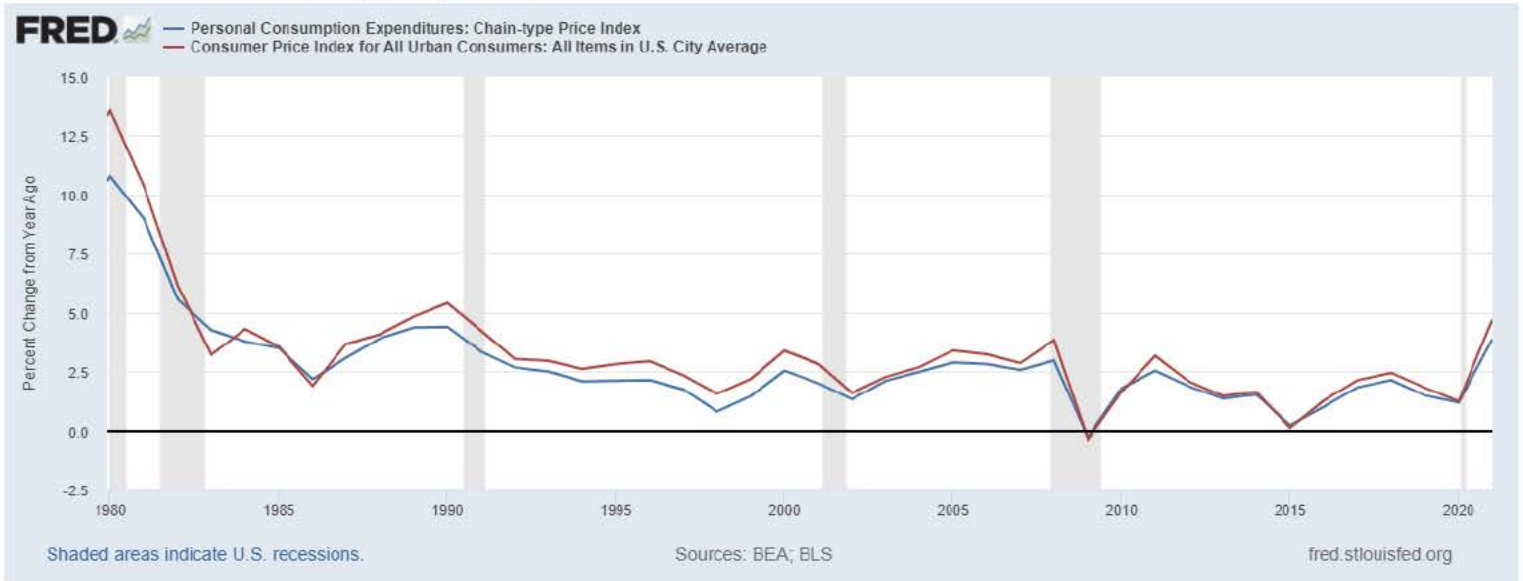


Source: U.S. Bureau of Economic Analysis

Consumption and consumer sentiment

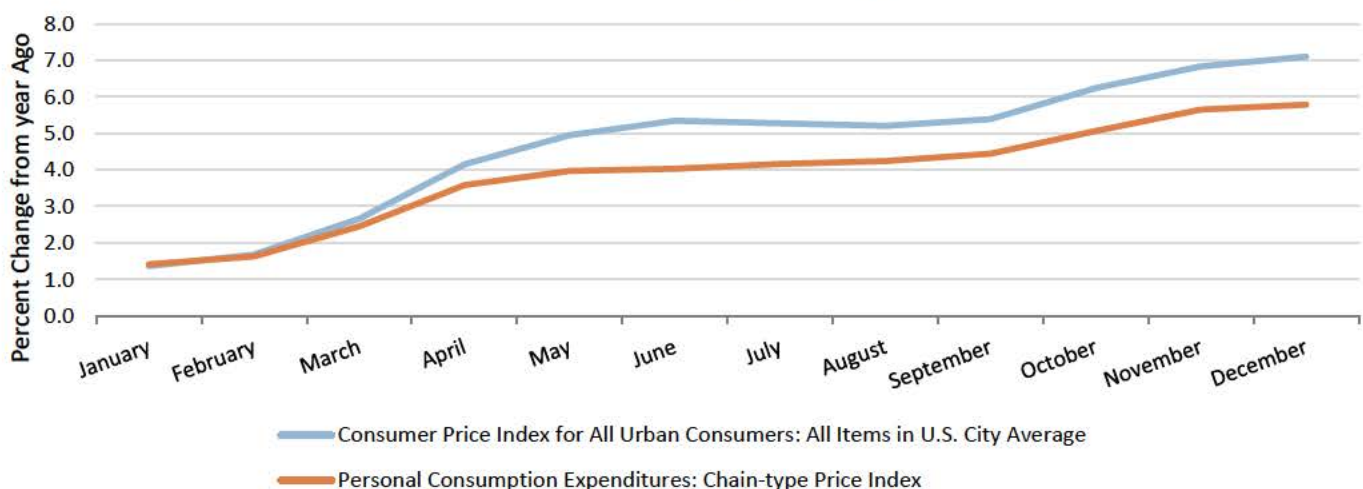
Measures of inflation

There are two primary measures of inflation in the United States. The Consumer Price Index (CPI) is released by the U.S. Bureau of Labor Statistics and is based on surveys of urban consumers, while the Personal Consumption Expenditures (PCE) price index is calculated by the U.S. Bureau of Economic Analysis and based on surveys of what businesses are selling. Both are used officially for various federal purposes, although the Board of Governors of the Federal Reserve focuses on PCE in monetary policy decisions.



Both measures ended calendar year 2021 at their highest growth rates since 1990. The CPI for all urban consumers grew 4.7% in 2021, while the PCE price index was up 3.9% year-over-year. While the start of the year saw low year-over-year growth in price levels, inflation picked up through the spring as consumers acted on pent-up demand and larger-than-usual savings. Later in the year, both international and domestic supply chain challenges put further stress on price growth. The CPI ended the year up 7.1% in December compared to 12 months prior, while the PCE price index was up 5.8%.

U.S. Measures of inflation, Monthly in 2021



Source: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics

Components of inflation

Fast growth in the prices of household necessities such as food, energy, and shelter was a source of financial strain on consumers in 2021, particularly for low-income households who spend disproportionate shares of their income on these goods and services. Indexes for food and energy rose faster than for the core index, which excludes these volatile categories. While the all-items index rose 4.7% annually in 2021, core CPI increased by 3.6%.

Volatile and fast-growing energy prices played a key role in high inflation in 2021, particularly in the second half of the year. Energy commodities grew 35.4% year-over-year, including over 45% growth in the second half compared to the same period in 2021, while energy services grew 7.0% in 2021. Prices for food rose 3.5% throughout the year, reaching 4.9% in the second half.

Meanwhile, supply chain disruptions contributed to remarkable price growth for other commodities in 2021. Used cars and trucks saw a 26.6% increase in prices throughout the year, one of the strongest drivers of core inflation growth.

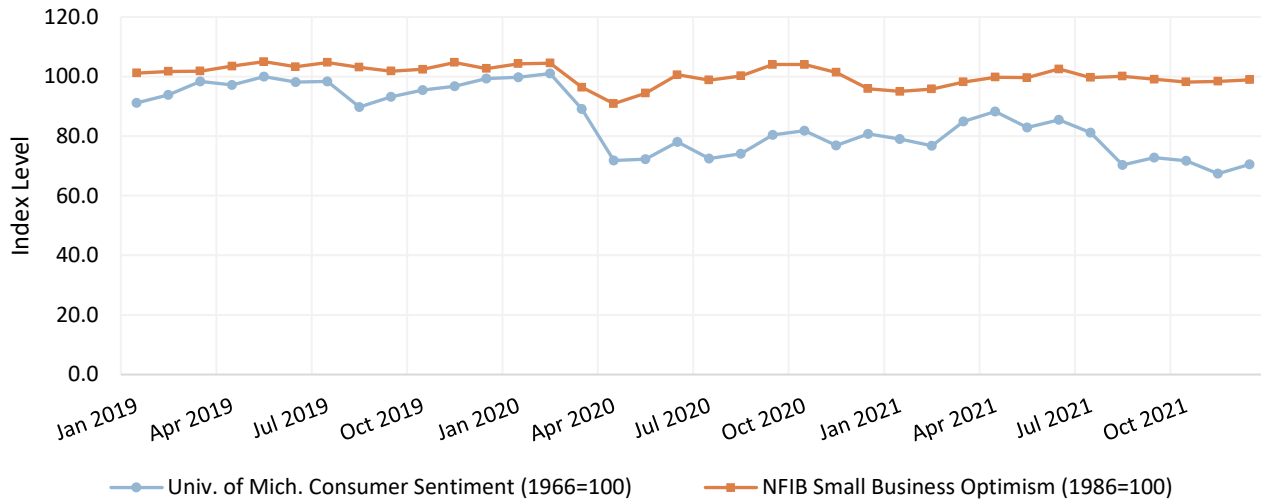
Annual Percent Change in the Consumer Price Index (1982-84=100, not seasonally adjusted)	Annual 2021	January-June 2021	July-December 2021
All items	4.7%	3.4%	6.0%
Food	3.9%	3.0%	4.9%
Food at home	3.5%	2.2%	4.7%
Food away from home	4.5%	3.9%	5.2%
Energy	21.0%	14.3%	27.7%
Energy commodities	35.4%	24.2%	46.7%
Fuel oil	31.4%	18.2%	45.7%
Motor fuel	35.8%	24.5%	47.1%
Gasoline (all types)	36.0%	24.9%	47.2%
Energy services	7.0%	4.6%	9.4%
Electricity	4.3%	3.0%	5.6%
Utility (piped) gas service	16.7%	10.3%	23.1%
All items less food and energy	3.6%	2.6%	4.5%
Commodities less food and energy commodities	6.4%	4.0%	8.7%
Apparel	2.5%	0.5%	4.5%
New vehicles	5.9%	2.4%	9.2%
Used cars and trucks	26.6%	20.7%	32.1%
Medical care commodities	-1.6%	-2.2%	-1.0%
Alcoholic beverages	2.2%	2.0%	2.4%
Tobacco and smoking products	7.2%	6.8%	7.6%
Services less energy services	2.6%	2.1%	3.1%
Shelter	2.7%	1.9%	3.4%
Medical care services	1.9%	2.2%	1.5%
Transportation services	3.6%	2.6%	4.6%

Source: U.S. Bureau of Labor Statistics

Consumer sentiment

Consumer sentiment dipped lower than during the early pandemic at the end of 2021 as consumers were facing the Delta and Omicron variants of COVID-19, high inflation expectations, and unfavorable and uncertain long-term economic conditions. Meanwhile, the NFIB Small Business Optimism Index remained relatively flat for most of the year, remaining within a range of two index points in almost all months from March-December.

Consumer Sentiment and Small Business Optimism



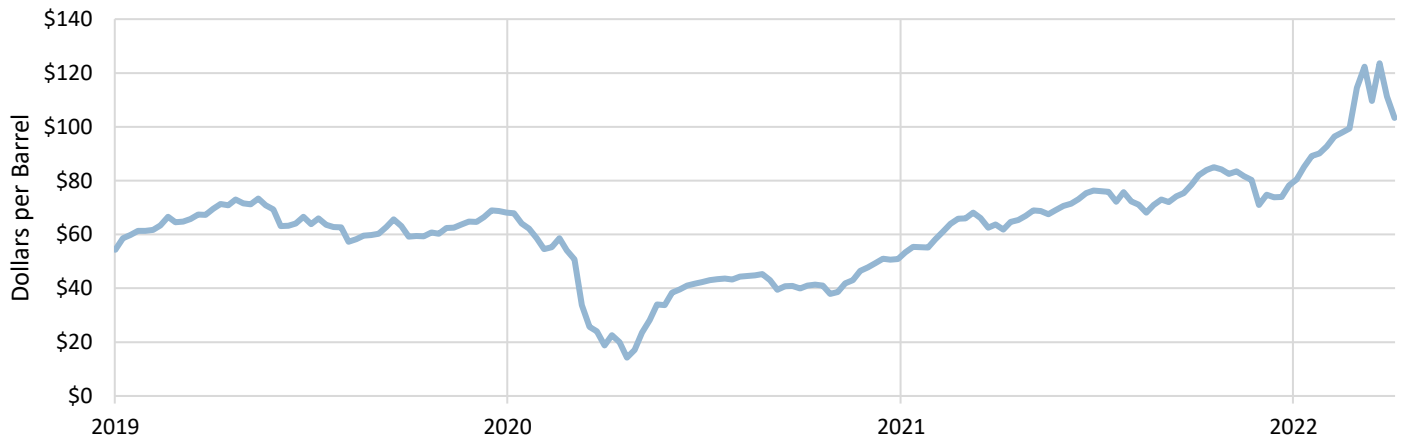
Source: University of Michigan Survey of Consumer Sentiment, National Federation of Independent Businesses

Energy

Brent spot prices

Brent spot prices rose steadily throughout 2021, increasing from an average of \$60.13 per barrel in the first quarter to \$78.18 in the fourth quarter. The 2021 high was during the week ending October 22, when the Brent spot price reached \$84.98 per barrel. In early 2022, Russia's invasion of Ukraine pushed spot prices to surpass \$100 per barrel for the first time since 2014 and to its highest price since April 2012.

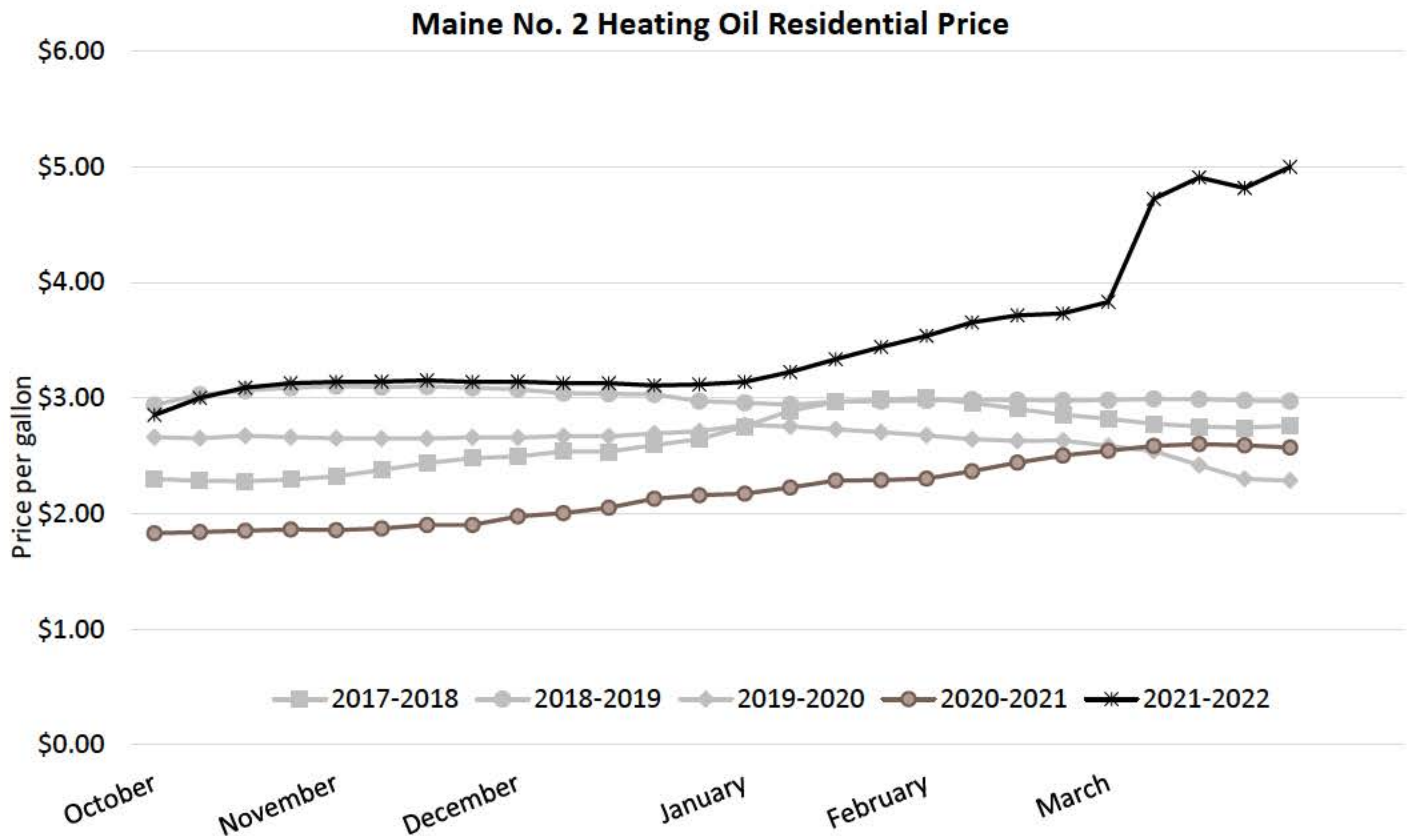
Weekly Europe Brent Spot Price Dollars per Barrel



Source: U.S. Energy Information Administration (EIA)

Maine heating oil

Heating oil seasons run from October through March, so each calendar year includes parts of two different heating oil seasons. The end of the 2020-2021 heating oil season (January-March 2021) saw a gradual increase in the average price of heating oil in Maine, reaching a high of \$2.601 per gallon in the second week of March. However, prices at the start of the 2021-2022 season were much higher, coming in at \$2.852 per gallon in early October 2021. By the end of December 2021, prices had reached their highest in several seasons and continued to rise through the rest of the 2021-2022 season, hitting an all-time high price of \$4.997 per gallon in the final week of March 2022.



Source: U.S. Energy Information Administration (EIA)

Taxable retail sales

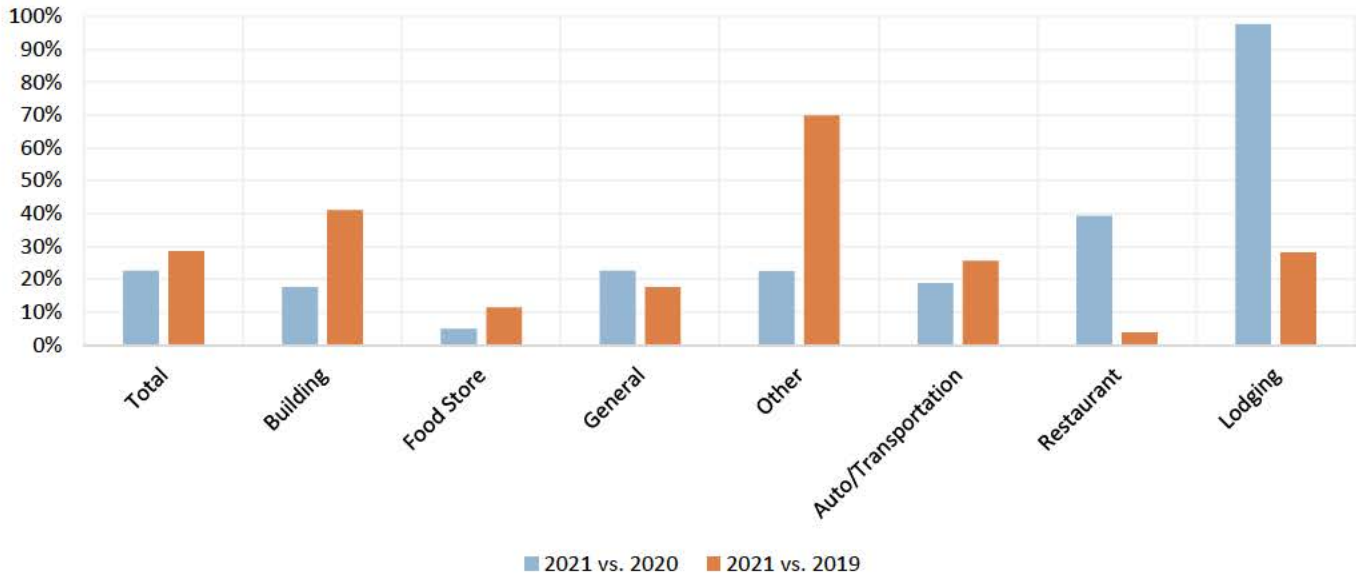
Following a year of remarkable growth in 2020, taxable retail sales in Maine continued to climb at double-digit rates in 2021, totaling over \$32 billion for the calendar year. Auto and transportation retail sales composed the largest category and grew nearly 19% year-over-year. Lodging sales, after a difficult year in 2020, nearly doubled over the year and were up 28.2% over 2019.

Thousands of dollars	Total	Building	Food Store	General	Other	Auto/ Transportation	Restaurant	Lodging
CY 2019	\$25,271,810	\$2,920,235	\$2,472,340	\$3,754,592	\$3,599,112	\$5,491,109	\$3,057,692	\$1,241,553
CY 2020	\$26,482,684	\$3,502,091	\$2,624,754	\$3,604,506	\$4,986,627	\$5,799,786	\$2,278,017	\$804,831
CY 2021	\$32,477,191	\$4,120,109	\$2,755,397	\$4,417,912	\$6,111,157	\$6,897,527	\$3,173,624	\$1,591,198
% Change 2021	22.6%	17.6%	5.0%	22.6%	22.6%	18.9%	39.3%	97.7%

Source: Maine Revenue Services, Office of Tax Policy

In 2020, restaurant and lodging sales took a deep plunge after being shut down in Q2 and experiencing a sluggish summer season, which may distort 2021 growth rates. That said, growth was still notable; in 2021, restaurant sales grew 3.8% compared to 2019, while lodging sales grew by 28.2% compared to pre-pandemic. Other categories, like building supply (41.1%) and other (69.8%), have seen remarkable growth since pre-pandemic, driven by two strong years in 2020 and 2021.

Taxable Retail Sales Growth by Sector



Source: Maine Revenue Services, Office of Tax Policy

Labor Market

Employment

Maine made a strong employment rebound in 2021, gaining 22,300 total nonfarm jobs through the calendar year. Service-providing industries experienced the most growth, with accommodation and food services gaining 6,800 jobs alone. Overall, the state remained down about 16,400 jobs on average in 2021 compared to pre-pandemic, although manufacturing and professional and business services overcame pandemic losses and surpassed 2019 levels while several other industries came close to closing the gap. Government was the only industry with an annual decline, primarily due to losses in federal government and state government education.

Note: This does not reflect the strong growth that occurred in the first three quarters of 2022. For more details, see Maine Monthly Economic Indicators Report.

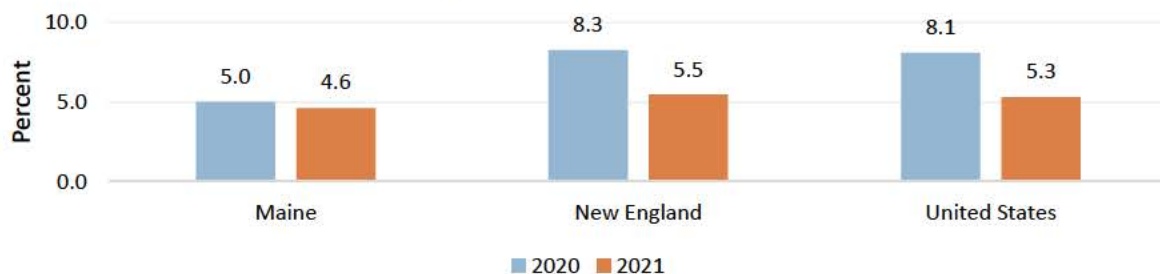
Annual Average, Thousands of Jobs	Annual 2019	Annual 2020	Annual 2021	Change 2019-2020	Change 2020-2021	Change 2019-2021
Total Nonfarm	637.1	598.4	620.7	-38.7	22.3	-16.4
Total Private	535.9	500.4	523.1	-35.5	22.7	-12.8
Goods Producing	85.5	83.0	87.9	-2.5	4.9	2.4
Service Providing	551.6	515.5	532.8	-36.1	17.3	-18.8
Mining and Logging	2.2	2.1	2.1	-0.1	0.0	-0.1
Construction	30.1	30.4	31.7	0.3	1.3	1.6
Manufacturing	53.2	50.5	54.1	-2.7	3.6	0.9
Wholesale Trade	19.6	18.6	19.1	-1.0	0.5	-0.5
Retail Trade	80.4	75.8	79.3	-4.6	3.5	-1.1
Utilities	1.6	1.6	1.7	0.0	0.1	0.1
Transportation and Warehousing	17.1	16.1	16.6	-1.0	0.5	-0.5
Information	7.2	6.4	6.6	-0.8	0.2	-0.6
Financial Activities	33.0	32.7	33.0	-0.3	0.3	0.0
Professional and Business Services	70.0	69.0	72.1	-1.0	3.1	2.1
Educational Services	22.5	21.4	22.1	-1.1	0.7	-0.4
Health Care and Social Assistance	106.8	103.3	103.6	-3.5	0.3	-3.2
Arts, Entertainment and Recreation	9.9	7.2	8.3	-2.7	1.1	-1.6
Accommodation and Food Services	60.2	45.0	51.8	-15.2	6.8	-8.4
Other Services	22.3	20.5	21.1	-1.8	0.6	-1.2
Government	101.2	98.0	97.7	-3.2	-0.3	-3.5

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

Unemployment

Maine's annual unemployment rate was 4.6% in 2021, lower than both the New England region and the United States. On a monthly basis, the unemployment rate started the year at 4.4% in January and ticked up in the first few months of the year before beginning its steady decline in the second half of the year, falling to 3.6% in December.

Unemployment Rate in 2021 vs. 2020

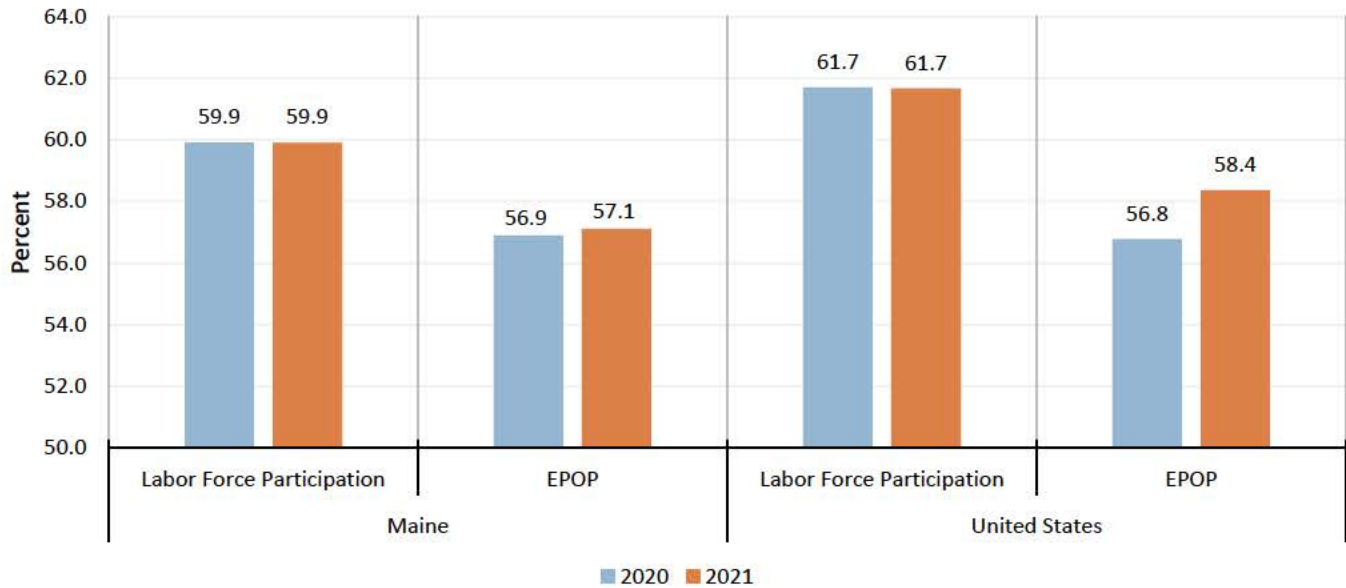


Source: U.S. Bureau of Labor Statistics

Labor Force Participation

Labor force participation remained flat both in Maine and the nation in 2021 at 59.9% and 61.7%, respectively. The Employment to Population Ratio (EPOP), an alternative labor force metric that measures the total number of people employed divided by the total working-age population, also remained relatively flat in Maine, increasing by only 0.2 percentage points. Meanwhile, EPOP increased by 1.6 percentage points for the nation.

Labor Market Participation - 2020 vs. 2021



Source: U.S. Bureau of Labor Statistics

Housing

Single-Family Transactions

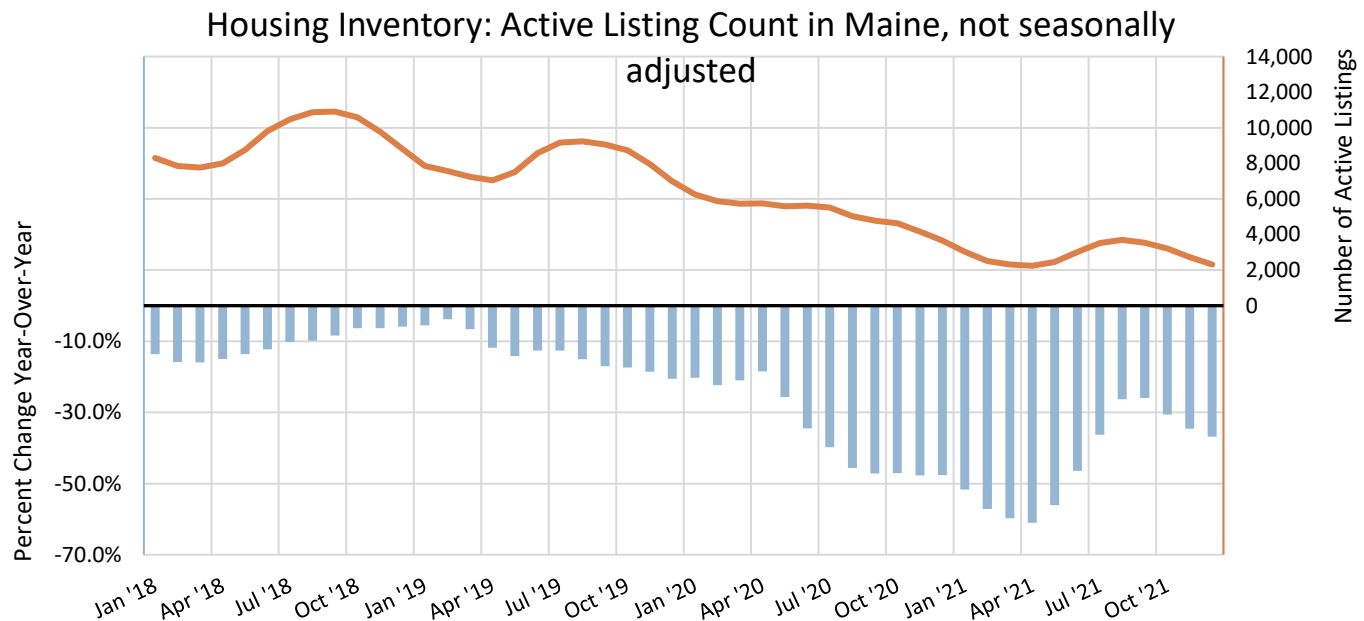
For the second year in a row Maine topped its real estate sales record, with both the highest number of sales on record and the highest median sale price on record. Total transactions of single-family homes reached 20,401 in 2021, 2.4% higher than 2020. Meanwhile, the median sale price was nearly \$300,000, up almost 17% from the year prior. All counties except Washington saw double-digit increases in median sale price, although several counties saw fewer transactions than a year ago.

	2019		2020		2021		Percent change, 2020-2021	
	Total Home Sales	Median Sale Price	Total Home Sales	Median Sale Price	Total Home Sales	Median Sale Price	Total Home Sales	Median Sale Price
Androscoggin	1,171	\$175,000	1,223	\$205,000	1,294	\$240,000	5.8%	17.1%
Aroostook	621	\$95,000	838	\$105,000	998	\$120,000	19.1%	14.3%
Cumberland	4,086	\$325,000	4,130	\$365,000	3,995	\$434,900	-3.3%	19.2%
Franklin	507	\$145,000	562	\$189,950	604	\$225,000	7.5%	18.5%
Hancock	855	\$227,500	1,048	\$273,316	1,064	\$320,000	1.5%	17.1%
Kennebec	1,599	\$170,000	1,745	\$198,000	1,826	\$248,000	4.6%	25.3%
Knox	562	\$236,125	694	\$268,250	742	\$344,000	6.9%	28.2%
Lincoln	594	\$228,250	686	\$301,500	654	\$351,000	-4.7%	16.4%
Oxford	858	\$165,950	995	\$199,900	1,015	\$251,000	2.0%	25.6%
Penobscot	1,873	\$154,600	1,905	\$170,000	2,060	\$200,000	8.1%	17.6%
Piscataquis	344	\$122,750	453	\$129,900	421	\$165,000	-7.1%	27.0%
Sagadahoc	471	\$245,000	501	\$275,000	482	\$340,000	-3.8%	23.6%
Somerset	591	\$125,000	734	\$143,750	781	\$172,500	6.4%	20.0%
Waldo	492	\$181,500	615	\$224,000	659	\$270,000	7.2%	20.5%
Washington	396	\$129,000	551	\$149,900	634	\$163,500	15.1%	9.1%
York	3,120	\$295,000	3,241	\$337,000	3,172	\$398,750	-2.1%	18.3%
Maine	18,140	\$225,000	19,921	\$256,000	20,401	\$299,000	2.4%	16.8%

Source: Maine Association of Realtors

Inventory

Contributing to the tight housing market and the slowing number of sales is low inventory of for-sale listings. On average, there were 2,880 homes listed per month in 2021 throughout the state, down almost 45% from 2020. This comes on the tails of an already tight 2020, when inventory was down 35% over 2019. While inventory has been on a consistent decline since recording started in 2016, the past two years have seen a sharp acceleration of this trend, pushing sale prices higher in a highly competitive market.

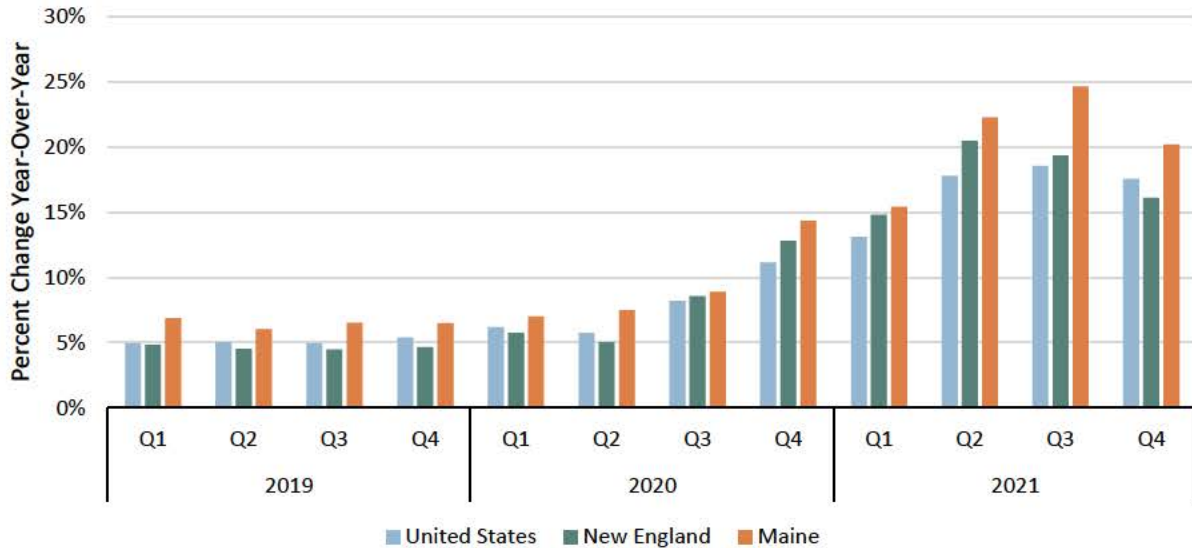


Source: Realtor.com via fred.stlouisfed.org

FHFA house price index

Maine outpaced New England and the nation for home value appreciation, measured by the Federal Housing Finance Authority (FHFA) House Price Index (HPI). Year-over-year growth in Maine topped all-time records for four quarters consecutively, from the fourth quarter of 2020 through the third quarter of 2021, reaching a high of about 25% in Maine in the third quarter of 2021 before decelerating to 20% year-over-year in the fourth quarter. The U.S. reached a high of about 19%, also in the third quarter of 2021, while New England reached its all-time high of 20.5% in the second quarter. On average, the HPI grew 4.7% each quarter in Maine.

FHFA House Price Index, quarterly



Source: Federal Housing Finance Agency

Trade

Summary

In 2021, Maine exported over \$3 billion worth of goods, 32% more than in 2020 and 13% more than pre-pandemic. Meanwhile, imports jumped to over \$6 billion in 2021, almost 35% higher than the year prior and 38% higher than pre-pandemic.

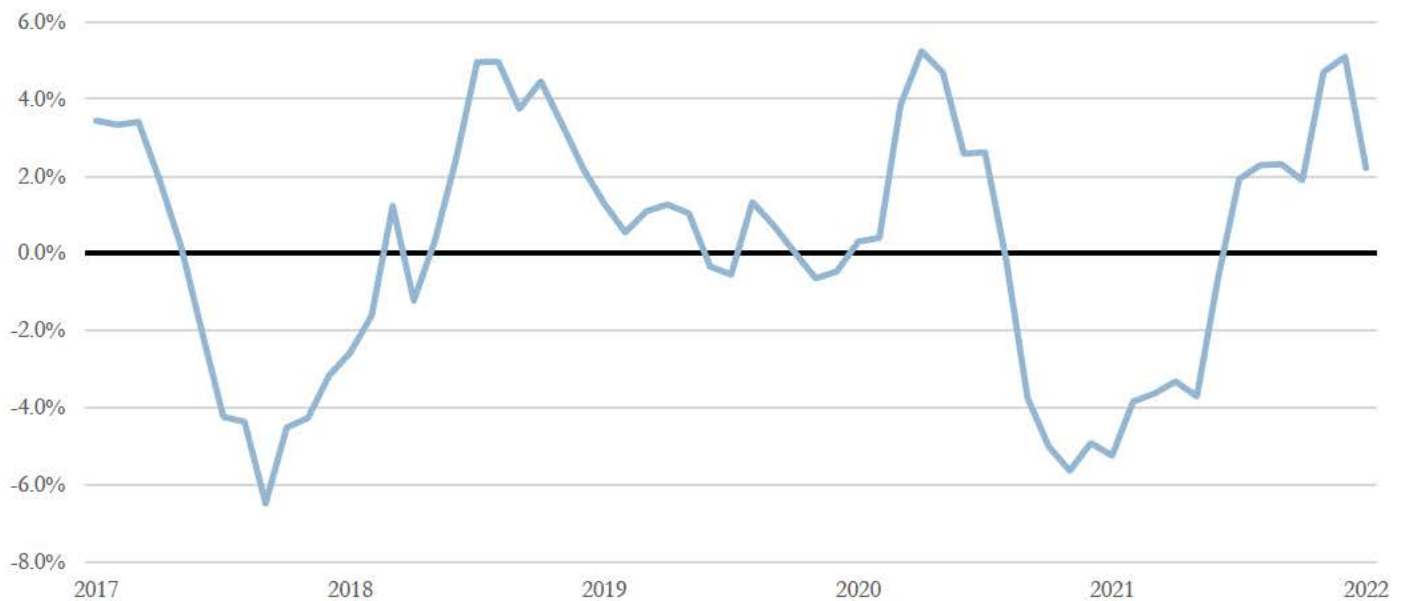
	Maine		United States	
	Exports	Imports	Exports	Imports
2019	\$2.7 Billion	\$4.6 Billion	\$1.6 Trillion	\$2.5 Trillion
2020	\$2.3 Billion	\$4.7 Billion	\$1.4 Trillion	\$2.3 Trillion
2021	\$3.1 billion	\$6.4 Billion	\$1.75 Trillion	\$2.8 Trillion
Percent Change, 2020-2021	32.0%	34.6%	23.1%	21.30%

Source: U.S. Census Bureau via [USA Trade Online](#)

Real Trade-Weighted Value of the Dollar

The Real Trade-Weighted Value of the Dollar (RTWVD) index calculates the inflation-adjusted value of the U.S. Dollar against the currencies of countries with which the state trades, which allows for a more precise analysis of how movements in exchange rates affect demand for states' imports. While 2021 started in a dip with the 6-month change at -5.2% in January, the tides turned in the second half of the year. Overall, the RTWVD index was down 3.4% on average in the year 2021 compared to 2020.

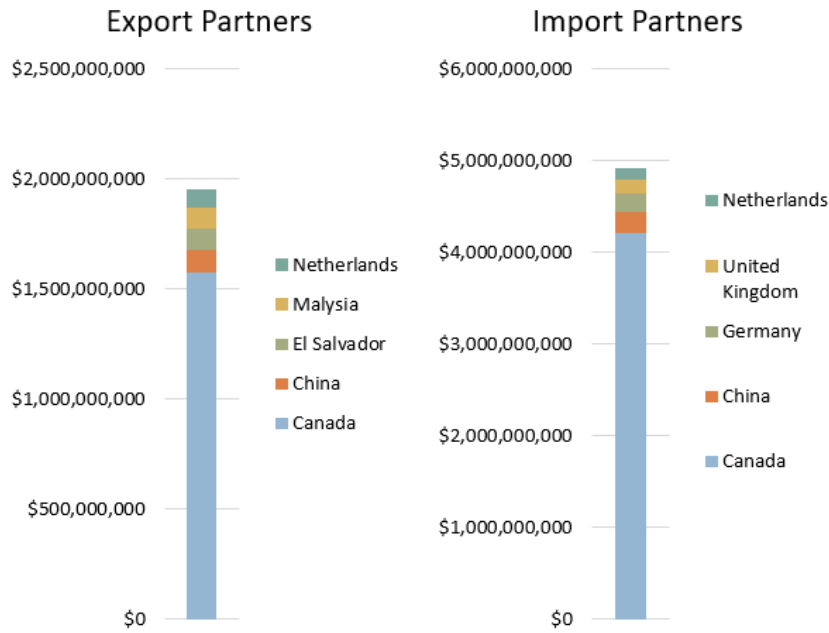
Real Trade-Weighted Value of the Dollar: Maine, 6-month change



Source: Federal Reserve Bank of Dallas

Top trade partners

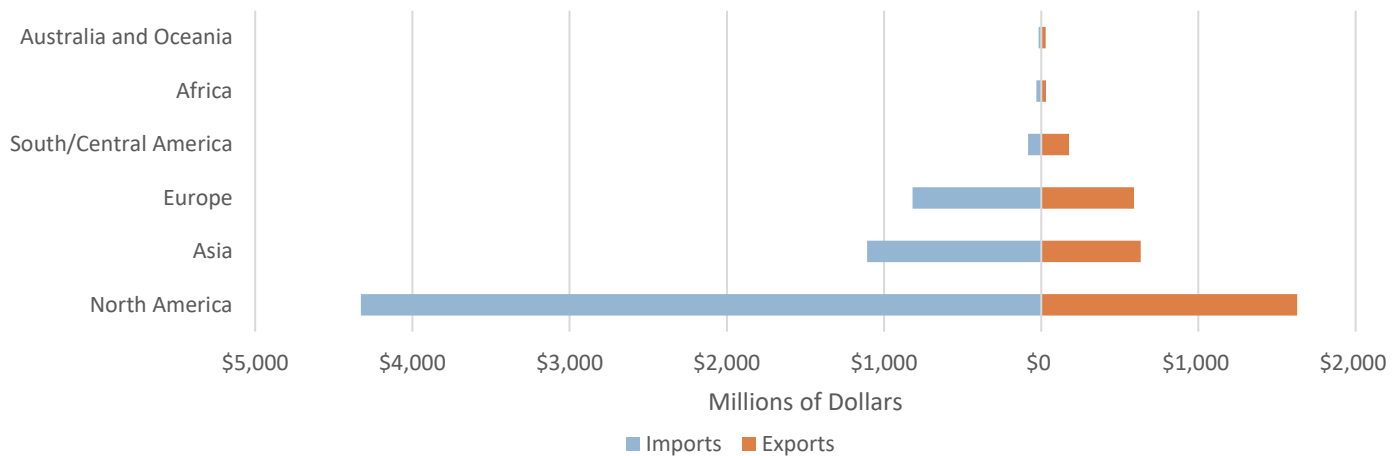
Maine’s top trade partner in 2021 was Canada, which accounted for 51% of total exports and 66% of total imports. China was Maine’s second leading trade partner, at 3% of exports and 3.5% of imports.



Source: U.S. Census Bureau via [USA Trade Online](https://www.usa-trade.com)

Given Canada’s role in Maine’s global trade landscape, North America was by far the region with the most import and export trade activity in 2021, with \$1.6 billion of exports and \$4.3 billion of imports. Asia accounted for \$632 million of exports from Maine and \$1.1 billion of imports, while exports and imports with Europe totaled \$591 million and \$819 million, respectively. Total exports to South and Central America, Africa, and Australia combined totaled about \$237 million, while combined imports totaled about \$131 million.

Imports and Exports: Maine, 2021



Source: U.S. Census Bureau via [USA Trade Online](https://www.usa-trade.com)

Glossary

Net Migration Rate: The U.S. Census Bureau defines the net migration rate as the 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.

Gross Domestic Product: 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 (2012) dollars.

Personal Income: 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.

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.

Personal Current Transfer Receipts: Receipts of persons from government and business for which no current services are performed. Current transfer receipts from government include Social Security benefits, medical benefits, veterans' benefits, and unemployment insurance benefits. Current transfer receipts from business include liability payments for personal injury and corporate gifts to nonprofit institutions.

Consumer Price Index: A measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services

Personal Consumption Expenditures Price Index: A measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services.

Supplements to Wages and Salaries: Consists of employer contributions for government social insurance and employer contributions for employee pension and insurance funds

House Price Index: A weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancing on the same properties.

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

Total nonfarm employment: 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.

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.

Real Trade Weighted Value of the Dollar: An index that calculates the inflation-adjusted value of the U.S. dollar against the currencies of countries with which the state trades.