

MAINE STATE LEGISLATURE

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Maine's Economic Year in Review: 2023



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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 2023, please see the Maine Monthly Economic Indicators Report.

Table of Contents

Table of Contents..... 2

1. Summary..... 3

2. Demographic Context..... 4

Population growth in Maine’s counties..... 4

Components of population growth in 2023..... 5

3. Gross Domestic Product 6

Industrial Detail..... 6

4. Personal Income..... 7

Growth by component..... 7

Growth by industry..... 8

5. Consumption and consumer sentiment..... 9

Measures of inflation 9

Components of inflation 9

Consumer sentiment..... 11

6. Energy..... 12

Brent spot prices..... 12

Maine heating oil 12

7. Taxable retail sales..... 13

Inflation Adjustment..... 14

8. Labor Market 15

Employment..... 15

Unemployment 16

Labor Force Participation 16

9. Housing..... 17

Single-Family Transactions 17

Inventory 17

FHFA House Price Index 18

Affordability 18

10. Trade..... 20

Summary 20

Top trade partners..... 20

11. Glossary..... 22

1. Summary

Maine had steady economic and population growth in 2023, though population growth has slowed somewhat from the prior two years. Maine saw continued real GDP growth, a strong labor market, positive net migration, and lower energy prices, especially for heating oil. These positive trends were tempered by persistent inflation, below average consumer and small business sentiment, and high housing costs.

Maine's population grew by 0.5% in 2023, driven by positive net migration to all counties. Maine ranked 21st in the country for population growth and 9th for net migration.

Real Gross Domestic Product (GDP) increased by 1.9% in 2023, ranking 34th for growth and second in New England. Total personal income grew 4.9%, 26th in the country. Wage and salary income, the largest component of personal income, increased by 6% during the year.

The all-items Consumer Price Index (CPI) grew 4.1% during the year, well above the Federal Reserve's 2% objective, but considerably lower than the 8% growth the prior year. Energy prices declined during the year, and the food index decelerated significantly, but high shelter costs continued to be a major contributor to CPI growth throughout 2023.

Inflation concerns and economic uncertainty resulted in volatile and relatively low consumer sentiment in 2023, but sentiment did improve during the second half of the year and was above 2022 levels. Small business optimism declined during the year due to the above factors in addition to a tight labor market and hiring challenges. Taxable retail sales in current dollars grew by 3.3% in 2023, but this represented a decline of 0.8% after inflation adjustment.

Maine had very strong employment growth in 2023, gaining 11,200 nonfarm jobs during the year. Total nonfarm employment reached a record annual average of 649,300, surpassing the previous record of 638,100 in 2022. The unemployment rate averaged 2.9% and labor force participation was 59.2%, little changed from the prior year.

The housing market was very challenging for buyers in 2023, with sales down 19.1% statewide compared to already-low 2022 levels. Sales were down in all counties. Meanwhile, median sale prices rose 7.5% statewide and were up in nearly all counties. 30-year mortgage rates averaged around 6.8% and were as high as 7.8% during the year. The combination of increasing prices, low availability, and high mortgage rates are creating affordability challenges for homebuyers and renters alike.

The following presents a snapshot of Maine's economy in the calendar year 2023.

2. Demographic Context

Reference Period	Indicator	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%

Source: U.S. Census Bureau Population Estimates Program, 2023 vintage

From July 1, 2022, to July 1, 2023, Maine's population grew by 6,384 people (0.5%), ranking 21st for growth in the United States and first in New England. During this period, the United States grew 0.5% and New England grew 0.3%, with all New England states seeing population growth. Massachusetts gained 0.3%, ranking 31st, Connecticut gained 0.2%, ranking 33rd, New Hampshire gained 0.2%, ranking 36th, Rhode Island gained 0.2%, ranking 37th, and Vermont gained 0.1%, ranking 39th.

Maine's population growth in 2023, as in recent years, was driven by migration. Maine ranked 9th nationwide for total net migration (8.2 per thousand) and 8th for net domestic migration (6.6 per thousand). Maine's total population gain was 6,384, reflecting a natural decline (more deaths than births) of -5,053, a gain of +2,209 from international migration, and a gain of +9,216 from domestic migration.

From April 2020 to July 2023, Maine had cumulative population growth of 2.4%, 14th highest in the United States.

Population growth in Maine's counties

Twelve of Maine's counties had population increases from 2022-2023 while three were essentially unchanged and one had a decrease. Waldo County had the highest overall growth rate during the year (0.91%) and Knox County lost population during the year (-0.49%).

Estimated Population Change by County as of July 1, 2023

Geographic Area	2022	2023	Change	% Change
Maine	1,389,338	1,395,722	6,384	0.46%
Androscoggin	113,225	113,765	540	0.48%
Aroostook	67,322	67,351	29	0.04%
Cumberland	308,837	310,230	1,393	0.45%
Franklin	30,595	30,828	233	0.76%
Hancock	56,549	56,526	-23	-0.04%
Kennebec	126,535	127,259	724	0.57%
Knox	41,179	40,977	-202	-0.49%
Lincoln	36,285	36,507	222	0.61%
Oxford	59,458	59,905	447	0.75%
Penobscot	154,728	155,312	584	0.38%
Piscataquis	17,403	17,486	83	0.48%
Sagadahoc	37,372	37,513	141	0.38%
Somerset	51,118	51,302	184	0.36%
Waldo	40,255	40,620	365	0.91%
Washington	31,527	31,555	28	0.09%
York	216,950	218,586	1,636	0.75%

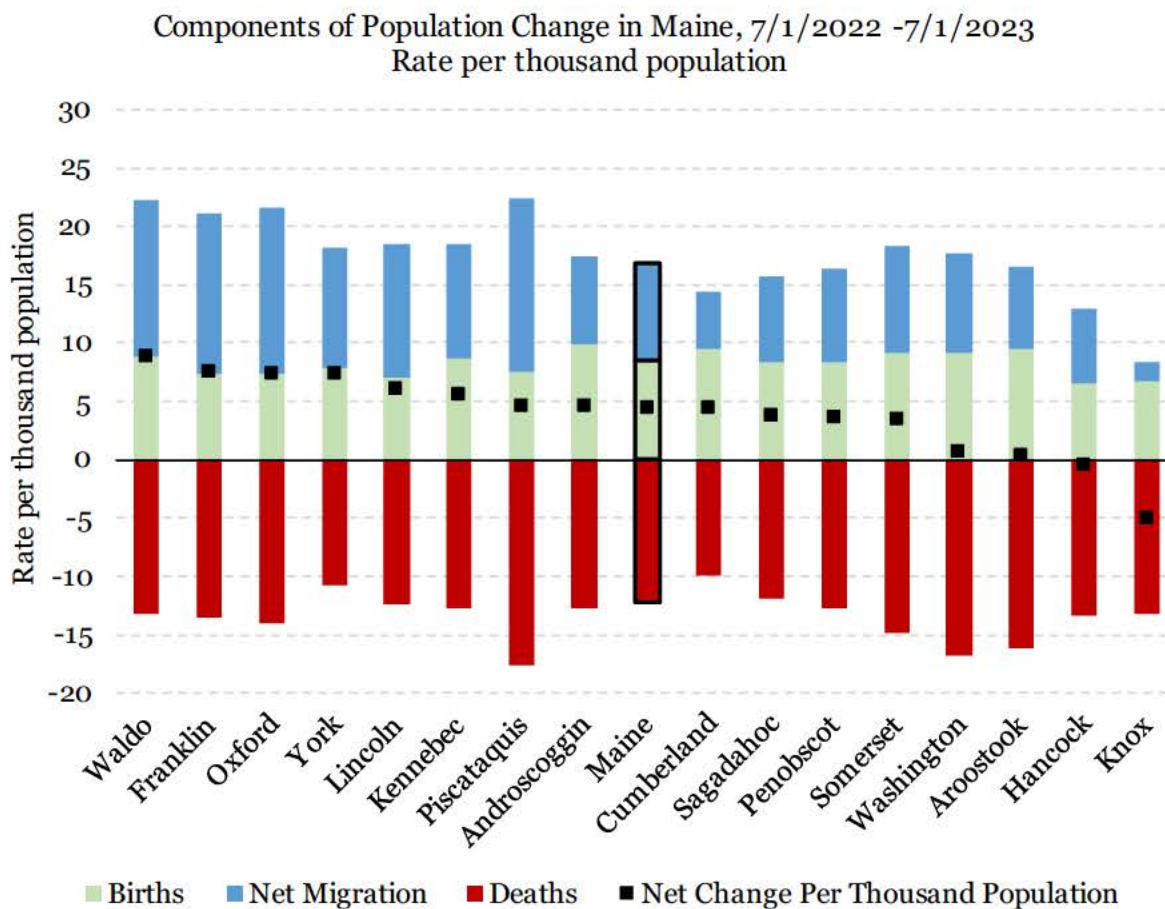
Source: U.S. Census Bureau Population Estimates Program, 2023 vintage

Components of population growth in 2023

All of Maine's counties experienced natural population decline, meaning there were more deaths than births throughout the year. Maine was the only state in the U.S. where deaths outnumbered births in all counties. All of Maine's counties had positive net migration, meaning that more people moved in than out.

The rate of net migration ranged from 1.5 per thousand in Knox County to 14.9 per thousand in Piscataquis County. This compares to the overall statewide average net migration of 8.2 per thousand. Most of this change in Maine was driven by net *domestic* migration, which accounted for a gain of 9,216 (6.6 per thousand). Maine had a gain of 2,209 residents from *international* migration (1.6 per thousand). Maine was one of just seven states to see positive net international migration to all counties.

While net migration to Maine remained strong in 2023 (ranking 9th nationwide), it was down compared to recent trends. Total net migration to Maine was 30% lower in 2023 than in 2022 and nearly 40% lower than 2021. Nationwide, population trends largely returned to pre-pandemic patterns in 2023. More states gained population due both to lower death rates and to higher, pre-pandemic levels of net international migration.



Source: U.S. Census Bureau Population Estimates Program, 2023 vintage

3. Gross Domestic Product

Real GDP increased by 1.9% in Maine in 2023 to \$73.8 billion (in chained 2017 dollars), ranking 34th nationally and second in New England after Connecticut. Real GDP growth was 1.8% in the New England region and 2.5% in the U.S. In nominal (not inflation-adjusted) terms, Maine's GDP growth was 6.2%, reaching \$91.1 billion.

2023 GDP	Maine	New England	United States
Real GDP (Chained 2017 dollars)	\$73.8 billion	\$1.2 trillion	\$22.4 trillion
Percent Change from 2022	1.9%	1.8%	2.5%
Nominal GDP (Current dollars)	\$91.1 billion	\$1.4 trillion	\$27.4 trillion
Percent Change from 2022	6.2%	6.2%	6.3%

Source: U.S. Bureau of Economic Analysis

Industrial Detail

Retail trade (+0.88 percentage points); agriculture, forestry, fishing, and hunting (+0.45 percentage points); and utilities (+0.35 percentage points) contributed the most to Maine's real GDP growth in 2023. These gains were partially offset by declines in some industries, including wholesale trade (-0.33 percentage points), nondurable goods (-0.23 percentage points), and administrative and support and waste management and remediation services (-0.19 percentage points).

Retail trade contributed the most to real GDP growth nationally (+0.58 percentage points) and in New England (+0.49 percentage points).

Contributions to Percent Change in Real GDP (2022-2023)

Industry Categories	Maine	New England	U.S.
Wholesale and Retail Trade	0.55	0.16	0.47
Agriculture, forestry, fishing, and mining	0.45	0.05	0.37
Transportation and Utilities	0.41	0.34	0.28
Government	0.27	0.19	0.16
Professional and business services	0.14	0.53	0.44
Information	0.13	0.42	0.33
Healthcare and Social Assistance	0.12	0.35	0.38
Finance, insurance, real estate, rental and leasing	0.11	-0.25	-0.07
Construction and Manufacturing	-0.12	-0.13	0.1
Other services	-0.16	0.14	0.1

Source: U.S. Bureau of Economic Analysis. Percentage-point contributions do not sum to "All industry total (percent change)" because the industry details are calculated using source data and methodologies that differ from those used to calculate growth in the top-line, expenditure-based measure of real GDP.

4. Personal Income

Total personal income in Maine was \$88.1 billion in 2023, an increase of 4.9% from 2022. This growth rate ranks Maine 26th nationally and fourth in New England, behind Vermont, Connecticut, and New Hampshire. Growth was strongest in the first quarter of the year (11.9%) and weakest in the second quarter (-2.2%). This pattern in the first half of 2023 was connected to the \$450 energy relief payments that were issued to approximately 880,000 eligible Maine residents during the first quarter of 2023.

Maine's per capita personal income was \$63,117 in 2023, up 4.5% from 2022. Maine ranks 30th nationally for per capita personal income and last in New England, but Maine's growth rate of 4.5% was higher than the New England growth of 4.3%. The New England region has the highest per capita personal income nationwide, with Massachusetts ranking first in the country, Connecticut ranking second, and New Hampshire ranking ninth.

2023	Maine	New England	United States
Total Personal Income	\$88.1 billion	\$1.2 trillion	\$23.0 trillion
Percent Change from 2022	4.9%	4.6%	5.2%
Per Capita Personal Income	\$63,117	\$82,021	\$68,531
Percent Change from 2022	4.5%	4.3%	4.7%

Source: U.S. Bureau of Economic Analysis

Growth by component

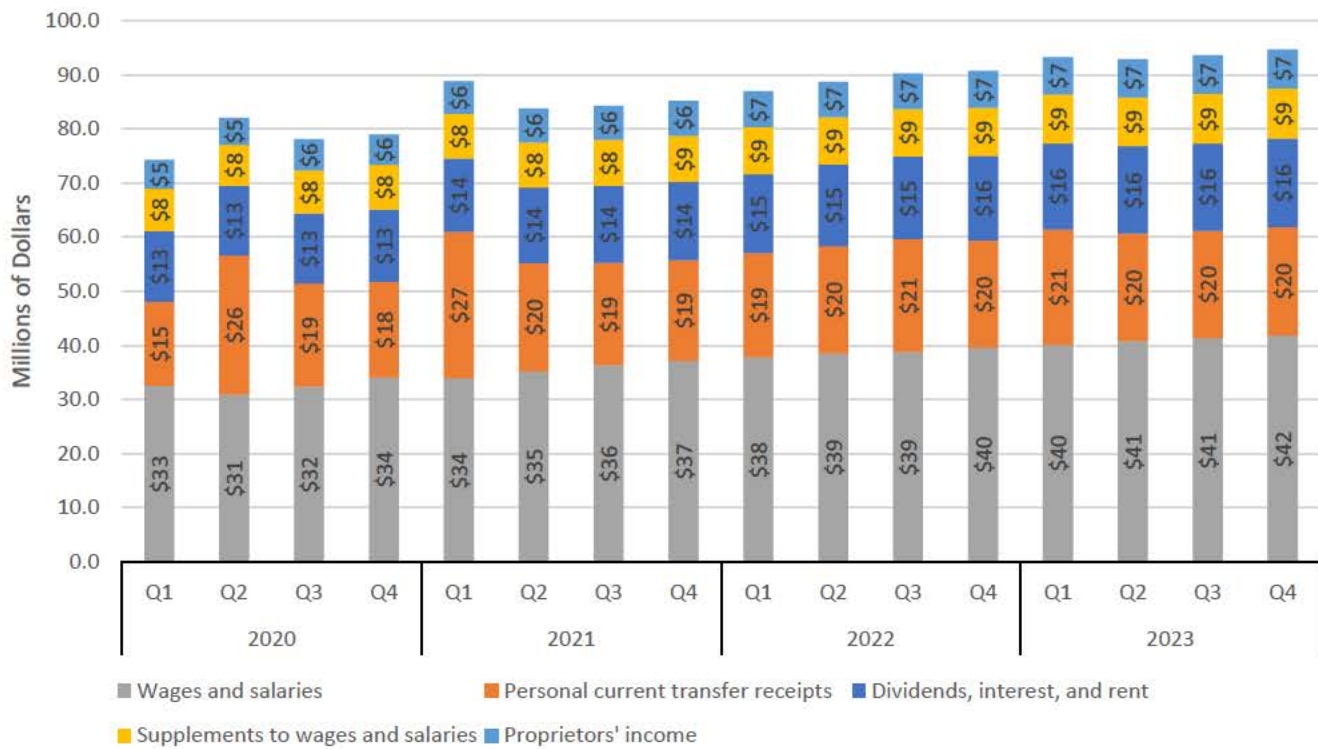
By component, net earnings¹ grew 5.7% in 2023, contributing 3.3 percentage points of the 4.9% increase. Maine's growth in net earnings was the highest in New England (growth of 4.8%). Dividends, interest, and rent grew 6.4%, contributing 1.2 percentage points of growth. Transfer receipts fell by 9.2%, which contributed -2.4 percentage points to the total percent change. Transfer receipts grew by 1.8%, contributing 0.4 percentage points of growth.

Component	2023 Level (in billions)	Annual Growth
Total Personal Income	\$88.09	4.9%
Wages and Salaries	\$41.00	6.0%
Supplements to wages and salaries	\$9.15	4.5%
Proprietors' income	\$7.09	5.8%
Dividends, interest and rent	\$16.13	6.4%
Personal current transfer receipts	\$20.29	1.8%

Source: U.S. Bureau of Economic Analysis

¹ Net earnings is the sum of wage and salaries, supplements to wage and salaries, and proprietor's income, less contributions for government social insurance and an adjustment to convert earnings by place of work to place-of-residence.

Components of Personal Income 2020-2023

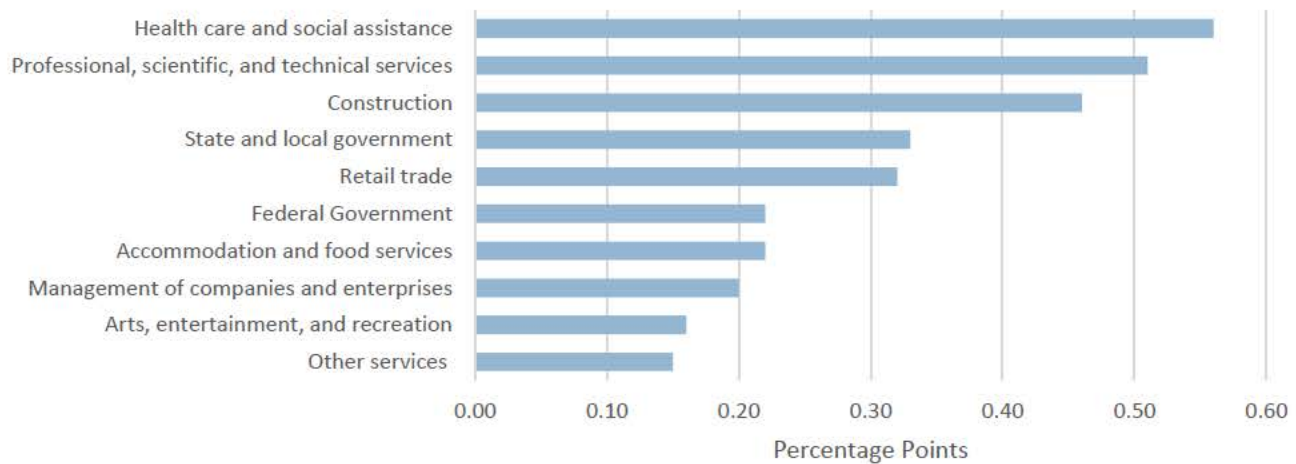


Source: U.S. Bureau of Economic Analysis

Growth by industry

By industry group, healthcare and social assistance (+0.56 percentage points); professional, scientific, and technical services (+0.51 percentage points); and construction (+0.46 percentage points) contributed the most to earnings growth in Maine in 2023.

Contributions to Percent Change in Earnings, Top 10 Industries Maine, 2023



Source: U.S. Bureau of Economic Analysis

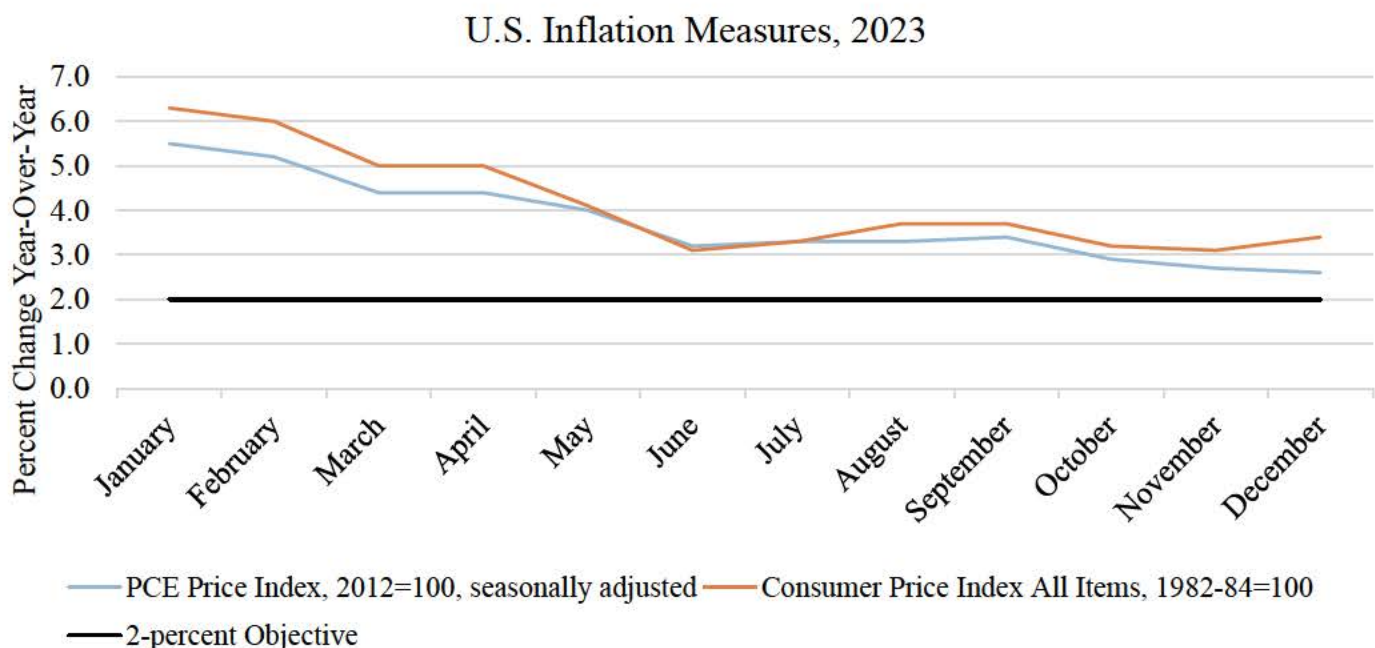
5. Consumption and consumer sentiment

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.

During the first half of 2023, both measures of inflation declined considerably from their historically high 2022 levels. The CPI for all urban consumers started the year up 6.3% year-over-year in January and was down to 3.1% by June, remaining in the 3-4% range for the rest of the year. The average annual growth rate in the CPI was 4.1% in 2023, down significantly from 8.0% in 2022.

The year-over-year growth in the PCE price index started the year at 5.5%, declined to 3.2% by June and remained in the 2.4-3.4% range for the rest of the year. Both measures remained above the Federal Reserve's 2% objective throughout the year, with high shelter costs having a particularly large impact on overall inflation.



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

Components of inflation

Shelter was a major driver of persistent, but slower, inflation through 2023. Energy prices declined, while food and commodity price growth slowed significantly from their much faster growth in 2022.

The food index rose 5.8% in 2023, higher than the all-items index, but down significantly from the 9.9% increase in 2022. Growth was faster in the first half of 2023 (8.0%) and was down to 3.4% in the second half of the year. Food away from home (+7.1%) grew faster than food at home (+5.0%), and the food at home index was down to +2.3% in the second half of the year.

The energy index declined 5.0% from the prior year, driven by declines in energy commodities, including fuel oil² (-17.1%) and gasoline (-10.4%).

The index for all items less food and energy increased 4.8% during the year, growing faster from January to June (+5.4%) than from July to December (+4.2%). Commodities (less food and energy) grew just 0.9% during the year and there was a notable decline in used cars and trucks (-7.1%) after two years of double-digit growth in this category.

Shelter prices grew 7.5% in 2023, much higher than the all-items increase and up from 5.9% growth in 2022. Since housing costs make up a large percentage of household expenses, shelter costs were a major contributor to overall inflation in 2023.

Annual Percent Change in the Consumer Price Index (1982-84=100, not seasonally adjusted)	Annual 2023	January-June 2023	July-December 2023
All items	4.1%	4.9%	3.4%
Food	5.8%	8.0%	3.6%
Food at home	5.0%	7.9%	2.3%
Food away from home	7.1%	8.3%	5.9%
Energy	-5.0%	-5.1%	-4.9%
Energy commodities	-10.7%	-13.9%	-7.4%
Fuel oil	-17.1%	-15.7%	-18.3%
Gasoline (all types)	-10.4%	-14.0%	-6.6%
Energy services	2.6%	7.3%	-1.8%
Electricity	5.8%	9.0%	2.8%
Utility (piped) gas service	-7.2%	1.6%	-15.1%
All items less food and energy	4.8%	5.4%	4.2%
Commodities less food and energy commodities	0.9%	1.6%	0.2%
Apparel	2.8%	3.3%	2.2%
New vehicles	3.7%	5.3%	2.2%
Used cars and trucks	-7.1%	-8.7%	-5.5%
Medical care commodities	4.2%	3.8%	4.5%
Alcoholic beverages	4.2%	4.8%	3.5%
Tobacco and smoking products	6.5%	6.4%	6.7%
Services less energy services	6.2%	6.8%	5.7%
Shelter	7.5%	8.0%	6.9%
Medical care services	-0.3%	0.9%	-1.6%
Transportation services	10.7%	12.0%	9.6%

Source: U.S. Bureau of Labor Statistics

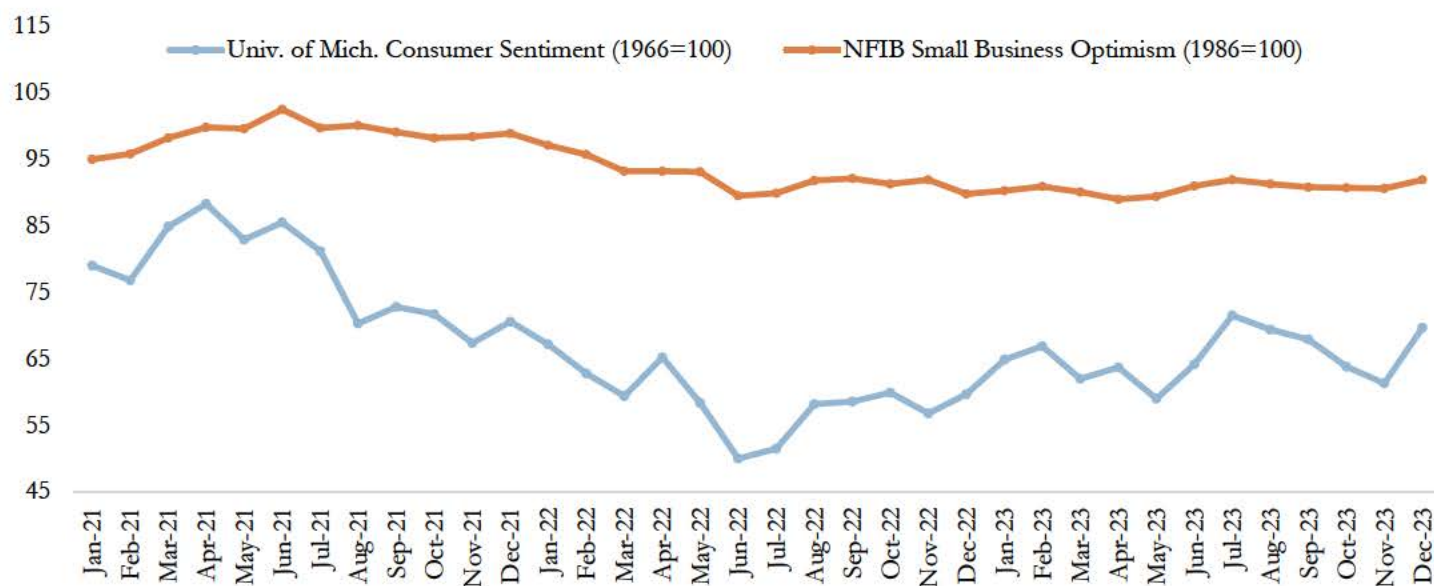
² The decline in heating oil prices in 2023 was especially important for Maine consumers. The majority (56%) of Maine households use heating oil as a primary fuel source (U.S. Census Bureau, American Community Survey, 2022). .²

Consumer sentiment

Consumer sentiment had several ups and downs during 2023 but increased overall during the year. Consumer sentiment in December 2023 was up 17% from the end of 2022. While sentiment has not reached pre-pandemic levels, improvements at the end of the year were aligned with more positive expectations around inflation.

The NFIB Small Business Optimism Index remained relatively steady in 2023 and at below-average levels. Hiring challenges and inflation were key issues for small businesses in 2023.

Consumer Sentiment and Small Business Optimism Indexes

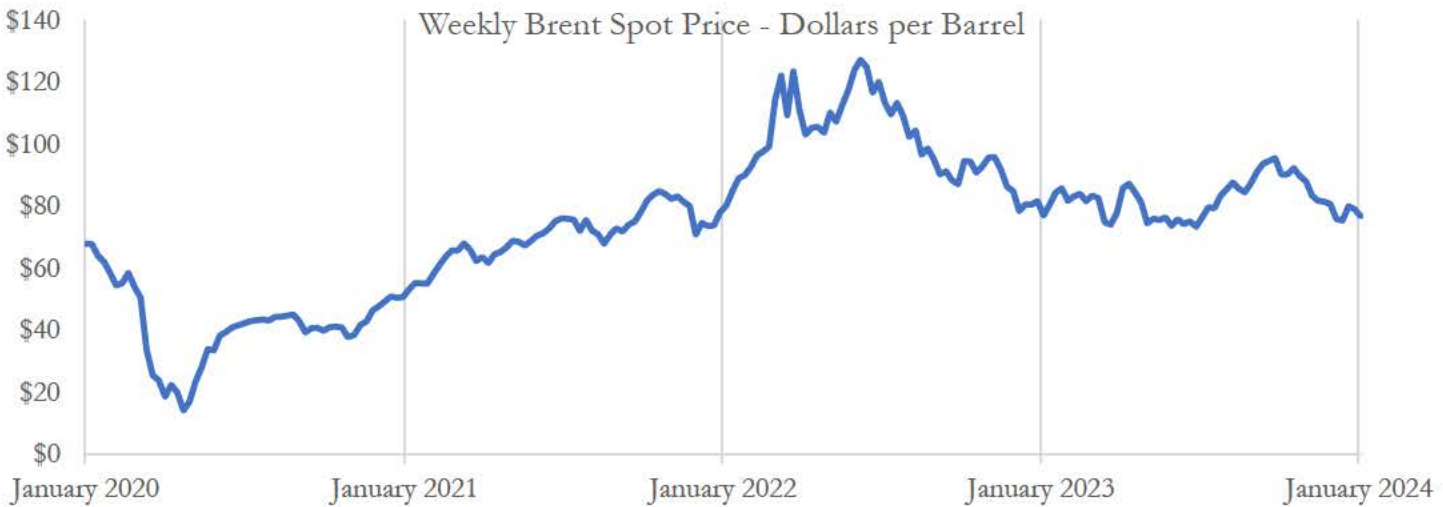


Source: University of Michigan Survey of Consumer Sentiment, National Federation of Independent Businesses

6. Energy

Brent spot prices

Brent spot prices declined modestly in the first half of 2023, from an average of \$82.07 in January to an average of \$74.63 in June. Prices then rose to an average of \$92.64 in September before coming down to \$78.37 in the final month of the year. Overall, there was considerably less volatility in prices in 2023 than in 2022. The 2023 high occurred during the week of September 29, 2023, at \$95.61, nearly \$30 below the 2022 high of \$125.08 per barrel.

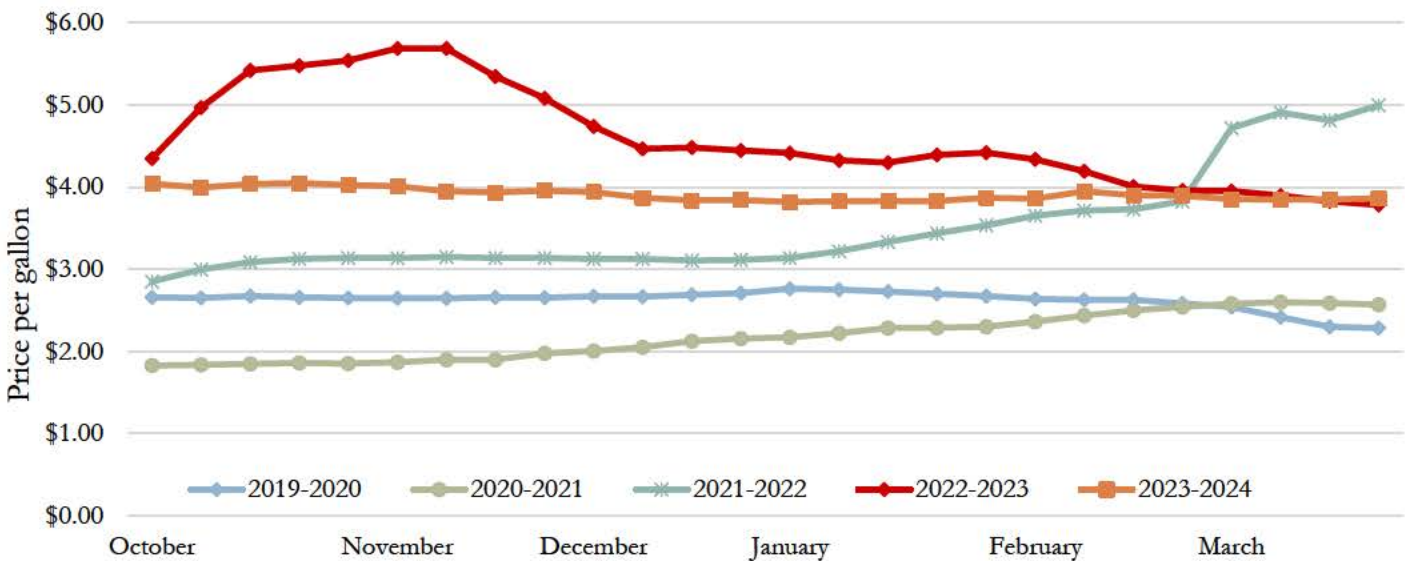


Source: U.S. Energy Information Administration (EIA)

Maine heating oil

Heating oil seasons run from October through March, so each calendar year includes parts of two heating oil seasons. By January 2023, heating oil prices were \$4.42/gallon, high relative to the five-year average but down significantly from the all-time heating season high of \$5.69/gallon in November 2022. Prices steadily declined for the rest of the 2022-2023 heating season and were down to \$3.79 by March 2023. Prices were then fairly stable for the entire 2023-2024 season, with only a \$0.23 difference between the season high of \$4.05/gallon in October 2023 and the season low of \$3.82/gallon in January 2024.

Maine No. 2 Heating Oil Residential Price



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

7. Taxable retail sales

Taxable retail sales increased 3.3% to \$35.7 billion in 2023, slower than the 6.1% growth in 2022. Growth was highest in the restaurant (6.8%) and auto/transportation (5.4%) categories, while the general category saw a small decline of -0.2%.

Taxable Retail Sales 2020-2023 (Thousands of Dollars)

	Total	Building	Food	General	Other	Auto	Restaurant	Lodging
2020	\$26,487,433	\$3,502,329	\$2,624,873	\$3,604,401	\$4,986,560	\$5,799,826	\$2,278,497	\$804,795
2021	\$32,486,599	\$4,123,834	\$2,756,164	\$4,408,959	\$6,117,588	\$6,899,251	\$3,176,167	\$1,592,224
2022	\$34,514,515	\$4,539,419	\$2,885,052	\$4,575,973	\$6,325,698	\$7,124,363	\$3,547,261	\$1,803,207
2023	\$35,658,538	\$4,606,289	\$2,950,865	\$4,568,520	\$6,506,982	\$7,508,489	\$3,789,330	\$1,844,082
2022-2023	3.3%	1.5%	2.3%	-0.2%	2.9%	5.4%	6.8%	2.3%

Source: Maine Revenue Services, Office of Tax Policy. Not all categories of retail sales are included in the chart and tables.

The chart below shows the last four years of taxable retail sales by category. On a nominal basis, the building and food store categories have slowed significantly after strong growth and post-pandemic recovery from 2020-2022. The general category had a sharp increase after the pandemic, but then declined slightly in 2023. The other, auto/transport, and restaurant categories showed continued steady post-pandemic growth, while lodging saw much more modest growth in 2023 compared to recent years.



Source: Maine Revenue Services, Office of Tax Policy. Not all categories of retail sales are included in the chart and tables.

Inflation Adjustment

Given the significant inflation from 2021 to 2023, the below tables and charts show the same information, but adjusted to 2023 dollars using the Consumer Price Index for All Urban Consumers (CPI-U). Inflation adjustment shows a different picture of taxable retail sales. When considering inflation, total retail sales went down by 0.8% in 2023. By category, only the restaurant and auto/transportation categories saw real growth during the year.

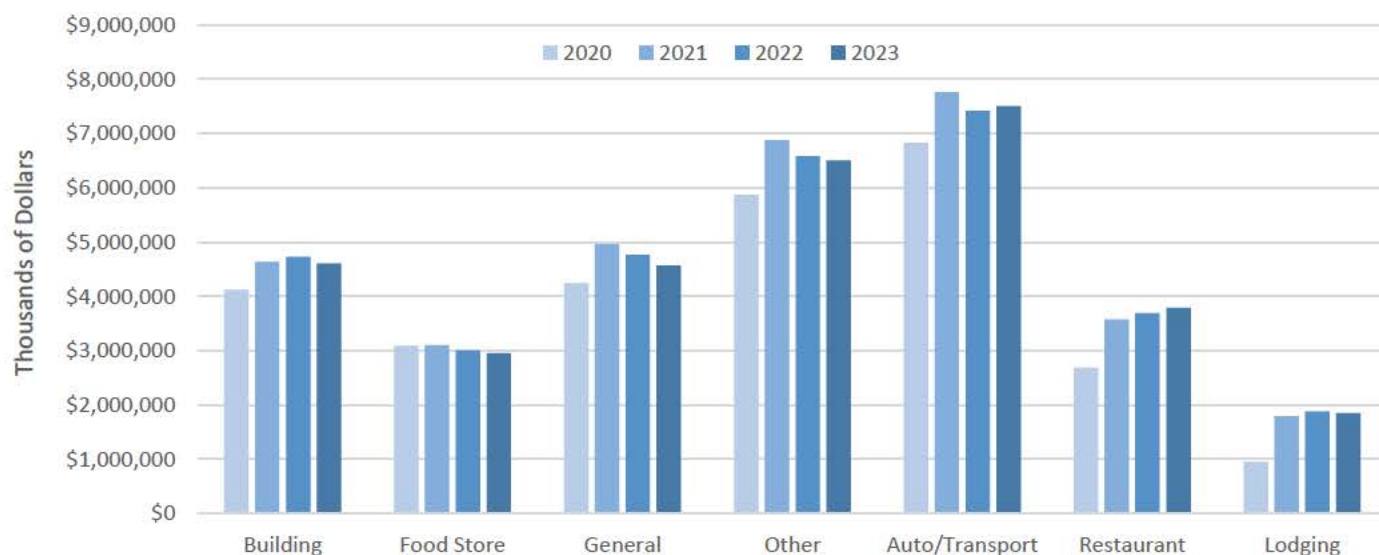
That said, inflation varies by category. Inflation was lower for goods than services in 2023 and Maine's sales tax base is heavily weighted toward goods. Since prices for used motor vehicles declined in 2023, the auto/transportation category in particular may have seen higher real growth in sales than the CPI-U adjusted figures below.

Taxable Retail Sales 2020-2023 (Thousands of Dollars, Adjusted to 2023 Dollars)

	Total	Building	Food	General	Other	Auto	Restaurant	Lodging
2020	\$31,184,044	\$4,123,344	\$3,090,301	\$4,243,515	\$5,870,750	\$6,828,220	\$2,682,508	\$947,497
2021	\$36,530,729	\$4,637,194	\$3,099,268	\$4,957,813	\$6,879,143	\$7,758,111	\$3,571,555	\$1,790,433
2022	\$35,935,288	\$4,726,282	\$3,003,814	\$4,764,340	\$6,586,092	\$7,417,634	\$3,693,283	\$1,877,435
2023	\$35,658,538	\$4,606,289	\$2,950,865	\$4,568,520	\$6,506,982	\$7,508,489	\$3,789,330	\$1,844,082
2022-2023	-0.8%	-2.5%	-1.8%	-4.1%	-1.2%	1.2%	2.6%	-1.8%

Source: Maine Revenue Services, Office of Tax Policy. Not all categories of retail sales are included in the chart and tables.

**Taxable Retail Sales by Category, Inflation-Adjusted
(2023 Dollars)**



Source: Maine Revenue Services, Office of Tax Policy. Not all categories of retail sales are included in the chart and tables.

8. Labor Market

Employment

Maine had another strong year of employment growth in 2023, gaining 11,200 total nonfarm jobs since 2022. Total nonfarm employment reached a high of 649,300 in 2023.

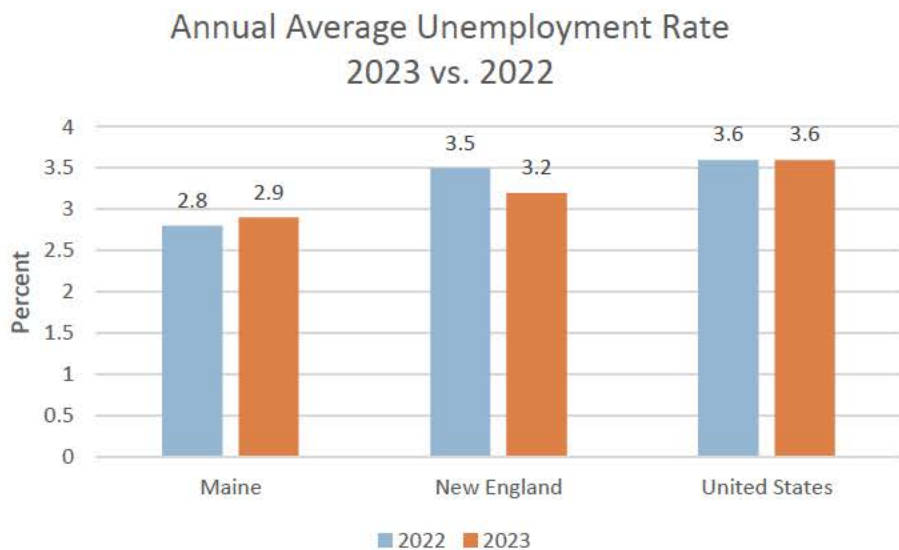
Service-providing industries experienced the most growth (+11,000 jobs) and healthcare and social assistance had both the highest percentage growth (+4.0%) and the highest number of absolute jobs gained (+4,100). Other industries with large job gains included government (+2,200), accommodation and food services (+1,700), and retail trade (+1,600). Industries with declines from 2022-2023 include manufacturing (-500), mining and logging (-100), wholesale trade (-100), and financial activities (-100).

Annual Average, Thousands of Jobs	Annual 2022	Annual 2023	Change 2022-2023	% Change 2022-2023
Total Nonfarm	638.1	649.3	11.2	1.8%
Total Private	540.1	549.1	9.0	1.7%
Goods Producing	89.3	89.5	0.2	0.2%
Service Providing	548.8	559.8	11.0	2.0%
Mining and Logging	2.1	2.0	-0.1	-4.8%
Construction	32.9	33.6	0.7	2.1%
Manufacturing	54.4	53.9	-0.5	-0.9%
Wholesale Trade	19.6	19.5	-0.1	-0.5%
Retail Trade	80.5	82.1	1.6	2.0%
Utilities	1.8	1.8	0.0	0.0%
Transportation and Warehousing	17.1	17.1	0.0	0.0%
Information	8.0	8.2	0.2	2.5%
Financial Activities	33.8	33.7	-0.1	-0.3%
Professional and Business Services	76.5	76.5	0.0	0.0%
Educational Services	22.5	23.0	0.5	2.2%
Health Care and Social Assistance	103.1	107.2	4.1	4.0%
Arts, Entertainment and Recreation	9.4	9.7	0.3	3.2%
Accommodation and Food Services	56.9	58.6	1.7	3.0%
Other Services	21.9	22.1	0.2	0.9%
Government	98.0	100.2	2.2	2.2%

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

Unemployment

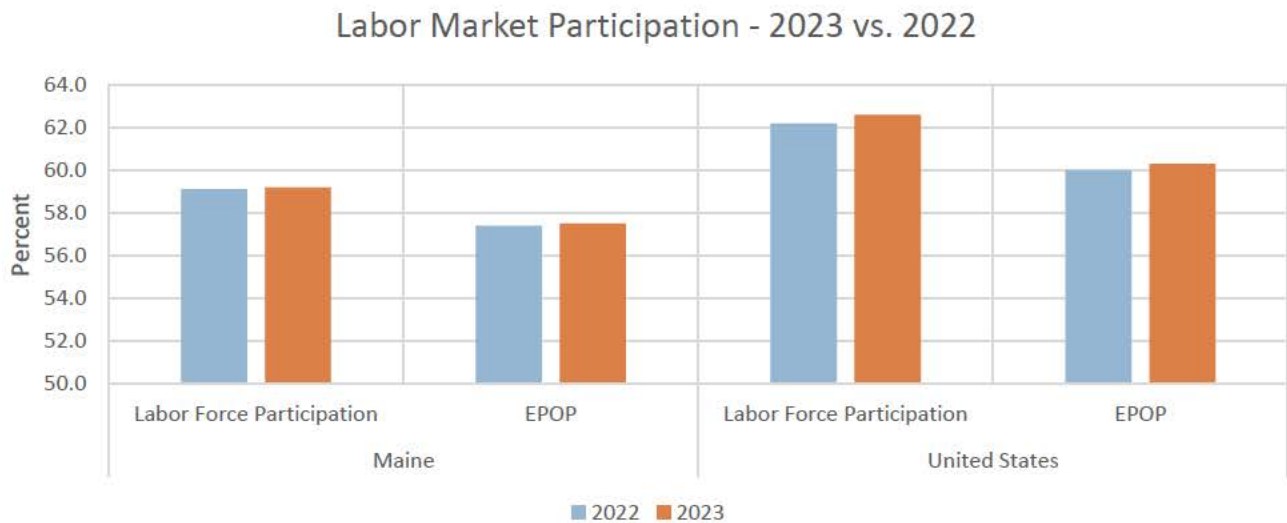
Maine’s annual unemployment rate was 2.9% in 2023, lower than both the New England region and the United States annual averages. On a seasonally-adjusted monthly basis, Maine’s unemployment rate started the year at 2.5% and was little changed through June before increasing to 3.4% in the last three months of the year.



Source: U.S. Bureau of Labor Statistics

Labor Force Participation

Maine’s labor force participation rate increased slightly from 59.1% in 2022 to 59.2% in 2023.³ Meanwhile, the U.S. labor force participation rate increased by 0.4 percentage points during the year. There were similar trends with 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. Maine’s EPOP was up by 0.1 percentage points during the year, while the U.S. EPOP increased by 0.3 percentage points.



Source: U.S. Bureau of Labor Statistics

³ State labor force participation data is based on a small sample and future revisions may result in changes to these percentages.

9. Housing

Single-Family Transactions

Total home sales in Maine declined by 19.1% in 2023 to 13,622 sales. This is the second consecutive year of double-digit declines in home sales, with 2022 total sales declining by 17.5% compared to 2021. All counties experienced declines in total home sales, with most counties seeing double-digit declines. Median sale prices, on the other hand, increased by 7.5% during the year, bringing Maine's median sale price for single family homes to \$360,000. All counties except for Piscataquis saw an increase in median sale prices compared to 2022, ranging from 0.8% in Aroostook to 16.6% in Oxford. The median sale price in Piscataquis declined by 0.5%.

	2022		2023		Percent change, 2022-2023	
	Sales	Median Sale Price	Sales	Median Sale Price	Sales	Median Sale Price
Androscoggin	1,169	\$279,000	904	\$310,000	-22.7%	11.1%
Aroostook	831	\$148,800	672	\$150,000	-19.1%	0.8%
Cumberland	3,306	\$491,723	2,747	\$531,111	-16.9%	8.0%
Franklin	474	\$246,500	360	\$250,000	-24.1%	1.4%
Hancock	769	\$355,000	612	\$404,000	-20.4%	13.8%
Kennebec	1,522	\$272,797	1,282	\$299,000	-15.8%	9.6%
Knox	552	\$390,000	472	\$430,000	-14.5%	10.3%
Lincoln	508	\$392,000	403	\$440,000	-20.7%	12.2%
Oxford	907	\$275,000	705	\$318,000	-22.3%	15.6%
Penobscot	1,753	\$230,000	1,412	\$250,000	-19.5%	8.7%
Piscataquis	341	\$189,900	323	\$189,000	-5.3%	-0.5%
Sagadahoc	414	\$389,500	365	\$400,670	-11.8%	2.9%
Somerset	644	\$193,800	521	\$210,000	-19.1%	8.4%
Waldo	497	\$292,000	396	\$325,000	-20.3%	11.3%
Washington	481	\$215,000	375	\$220,000	-22.0%	2.3%
York	2,664	\$450,000	2,073	\$475,000	-22.2%	5.6%
Maine	16,832	\$335,000	13,622	\$360,000	-19.1%	7.5%

Inventory

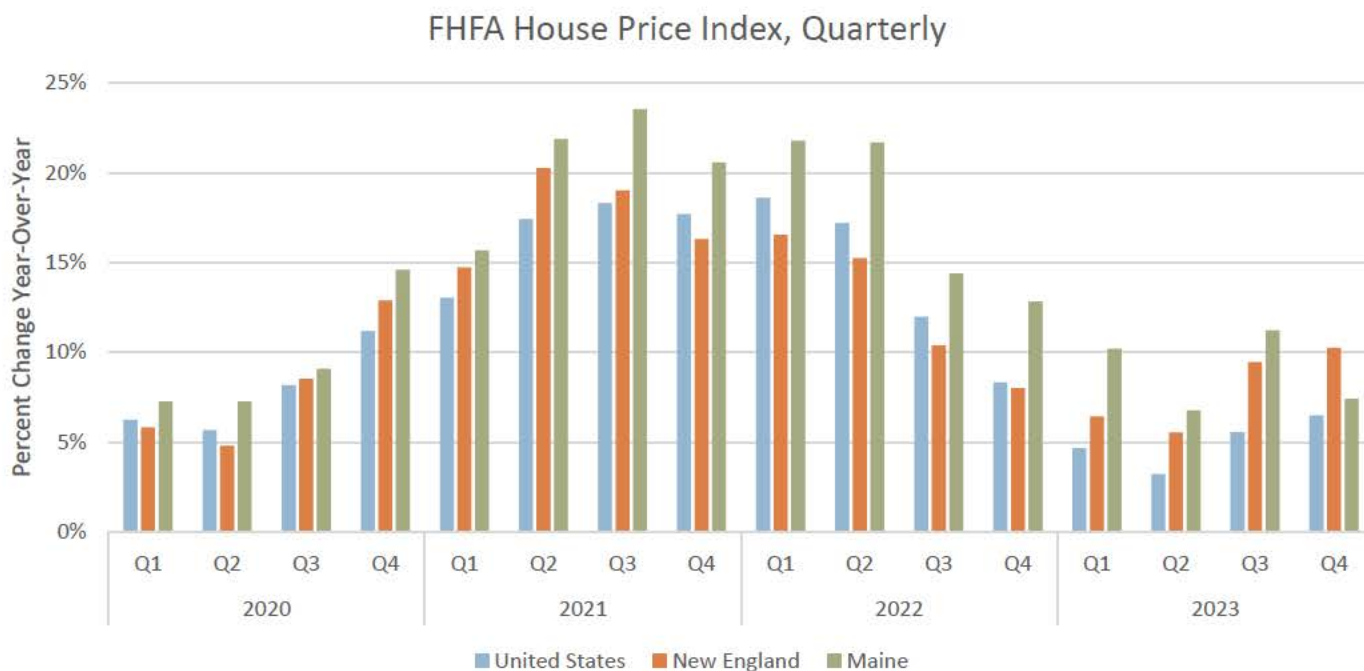
Maine had a low inventory of for-sale listings in 2023. On average, there were 2,642 homes listed per month in 2023, up 2% from 2022, but down considerably from pre-2021 levels. Inventory has declined sharply over the last five years, pushing sale prices higher in a competitive market.



FHFA House Price Index

Maine outpaced New England and the nation for home value appreciation in the first three quarters of 2023, measured by the Federal Housing Finance Authority (FHFA) House Price Index (HPI). Maine's growth in the first quarter was 13%, more than double the New England (6%) and U.S. (5%) growth. It then grew 7% in the second quarter and 11% in the third quarter before dipping below the New England rate in Q4. During the last quarter of the year, Maine's HPI growth was 7%, below New England growth of 10%, but remaining above the U.S. (6%).

Price growth in Maine has decelerated from the highs seen in 2021 and early 2022, but Maine is still trending well above the U.S. average growth.



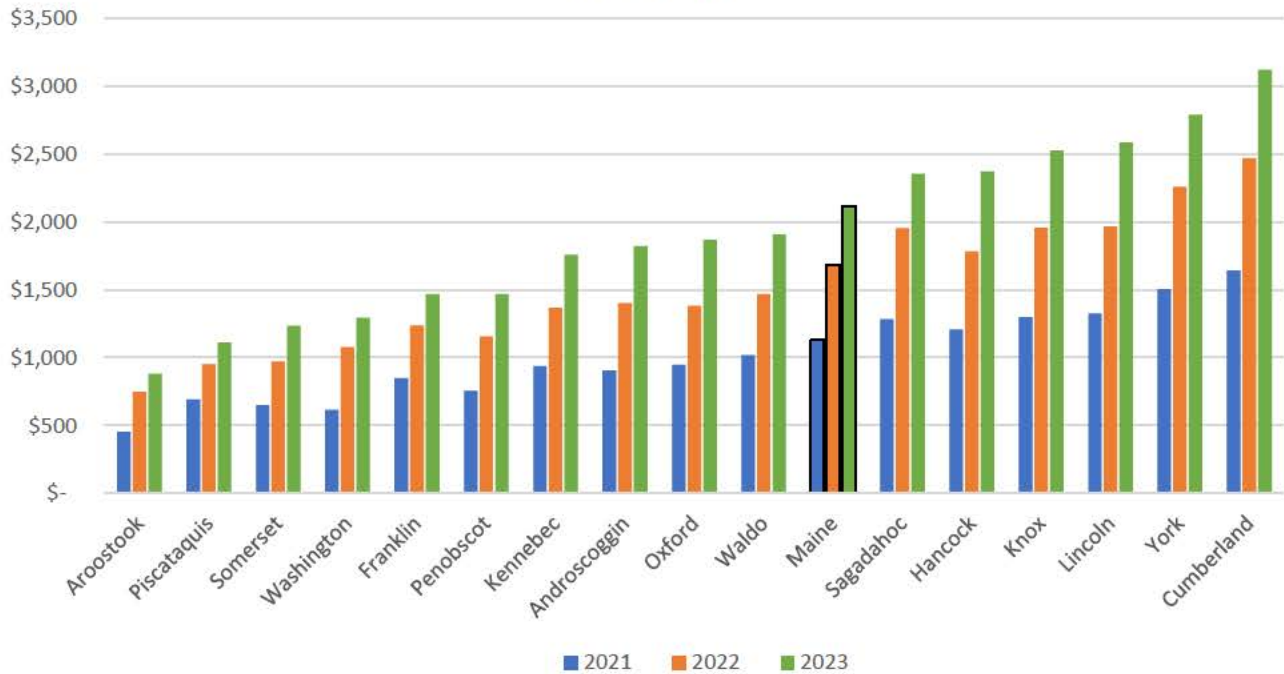
Source: Federal Housing Finance Agency

Affordability

The combination of rising home prices and rising mortgage rates in 2022 and 2023 is creating barriers to homeownership in Maine, particularly for lower income and first-time homebuyers. The U.S. 30-year fixed rate mortgage averaged 6.81% during 2023, up from 5.34% in 2022. The mortgage rate increased steadily in 2023 from a low of 6.09 in February to 7.79% in October, then declining to 6.61% by the end of the year.

The implications for homebuyers are significant. Considering the changes to both mortgage rates and home prices, the monthly mortgage payment for the median home in Maine increased by a staggering 87% between 2021 and 2023. The increase from 2022 to 2023 alone was 26%. Changes in monthly mortgage payments for the median home in each county are provided below.

Monthly Mortgage Payment at the Median Sales Price 2021-2023



*Monthly principal and interest only for the annual average 30-year fixed rate mortgage with a 10% down payment. Not adjusted for inflation. Sources: Maine Association of Realtors (median sales prices), Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States [MORTGAGE30US], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MORTGAGE30US>, April 4, 2024.

10.Trade

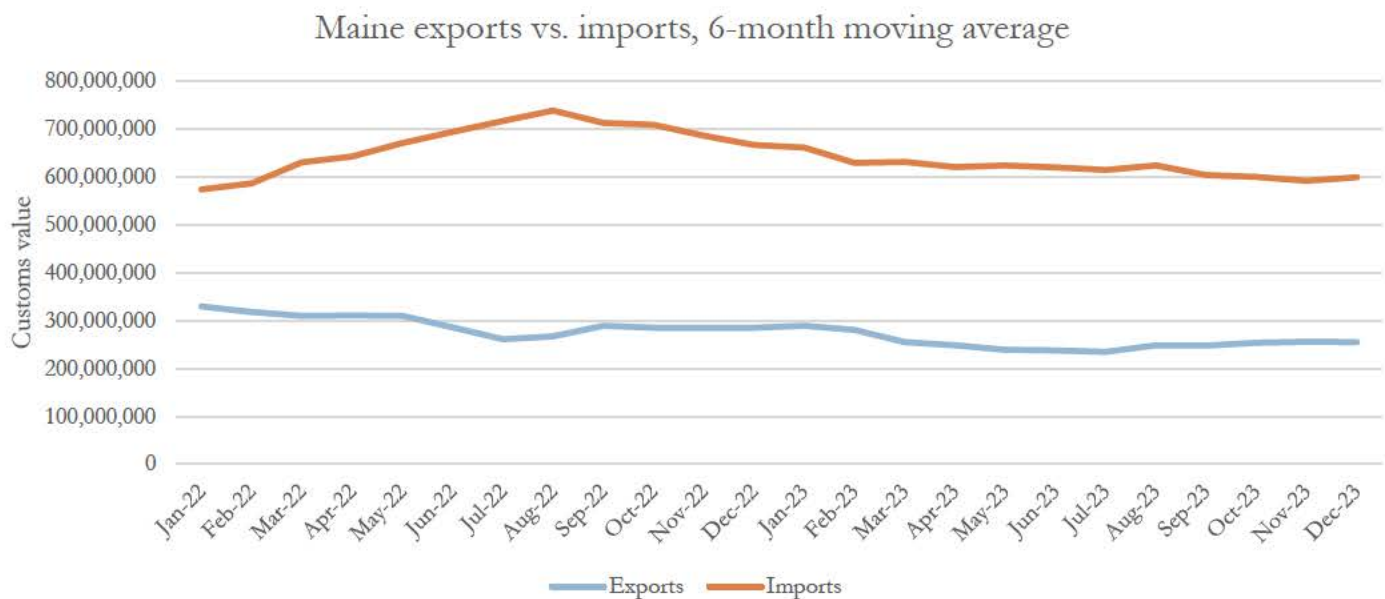
Summary

In 2023, Maine exported more than \$2.9 billion worth of goods, down 14.8% from 2022. Imports were \$7.3 billion during the year, 10.8% lower than in 2022.

	Maine		United States	
	Exports	Imports	Exports	Imports
2022	\$3.46 Billion	\$8.20 Billion	\$2.07 Trillion	\$3.24 Trillion
2023	\$2.95 Billion	\$7.31 Billion	\$2.02 Trillion	\$3.08 Trillion
% Change	-14.8%	-10.8%	-2.2%	-4.9%

Source: U.S. Census Bureau via USA Trade Online

In 2023, Maine's six-month average trade deficit averaged -\$364 million in 2023, down \$10 million from the 2022 average of -\$374 million and down considerably from a high of -\$471 million in August 2022. The U.S. dollar remains strong relative to foreign currencies, making imports from other countries cheaper and more attractive. A strong U.S. dollar can also lead to decreasing exports as goods and services from the U.S. are more expensive for international consumers. These dynamics continue to result in a trade deficit that is much higher than long term trends. For context, Maine's six-month average trade deficit averaged just -\$80 million from 2010-2019 and never exceeded -\$230 million.

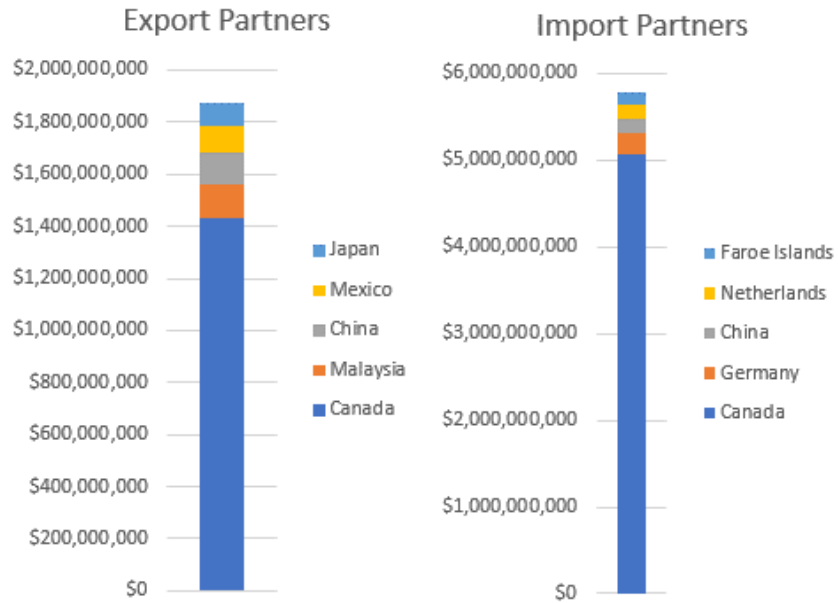


Source: U.S. Census Bureau via [USA Trade Online](#)

Top trade partners

Maine's top trade partner in 2023 by far was Canada, which accounted for 48% of total exports and 71% of total imports. Large shares of Maine's exports also went to Malaysia (5%), China (4%), Mexico (3%), and Japan (3%). Maine had large shares of imports from Germany (3%), China (2%), Netherlands (2%), and Faroe Islands (2%).

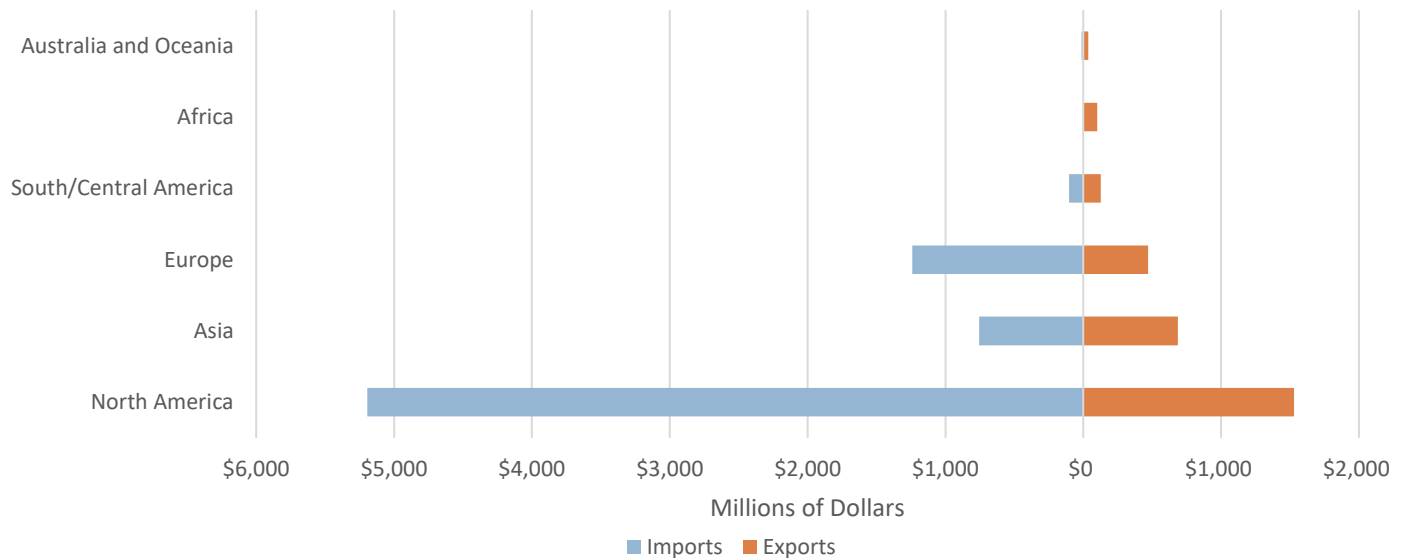
Top 5 Trading Partners, 2023



Source: U.S. Census Bureau via USA Trade Online

North America was by far the region with the most import and export trade activity in 2023, with \$1.5 billion of exports and \$5.2 billion of imports. Asia accounted for \$686 million of exports from Maine and \$754 million of imports, while exports and imports with Europe totaled \$471 million and \$1.2 billion, respectively. Total exports to South and Central America, Africa, and Australia combined totaled about \$265 million, while combined imports totaled about \$120 million.

Imports and Exports: Maine, 2023



Source: U.S. Census Bureau via USA Trade Online

11. 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 (2017) 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.