

WEEKLY HIGHLIGHTS

October 28, 2011

State law assigns four core duties to the State Planning Office that include: 1) conducting continuing economic analysis, including economic forecasting, 2) coordinating the development of the State's economy and energy resources with the conservation of its natural resources; 3) providing technical assistance to towns and regions; and 4) providing technical assistance to the Governor and Legislature by undertaking special studies and plans and preparing policy alternatives.

MAINE COMMISSION FOR COMMUNITY SERVICE



New commissioners appointed to Maine Commission for Community Service. On October 21, Governor LePage appointed seven new commissioners and re-appointed four commissioners to the Maine Commission for Community Service. Commissioners serve 3-year terms, come from all over the state, and represent diverse professional backgrounds.

From left to right, the accompanying picture shows: F. Celeste Branham (new appointee), Vice President for Student Services, UM at Farmington; Susan Lavigne (new appointee), director, Foster Grandparents and Senior Companions for The Opportunity Alliance; Mary Catherine Bromberg (new appointee), Emergency Home Owner Loan Program Manager, Kennebec Valley Community Action Program; Joan McDolald (re-appointee), Chief Executive Officer, Girl Scouts of Maine; Ron Holmes (re-appointee), the Commission's Vice Chair, Engineering Manager, URS- Washington Group International; Marcia Hartt (new appointee), Public Relations/Media Coordinator, United Insurance; Kristie Littlefield (new appointee), Social Studies Specialist, Maine

Department of Education; Susan Hammond (re-appointee), Executive Director, Four Directions Development Corporation; and Lindsey Jean Oliver (new appointee), Husson University student. Not shown in this picture are Susan Austin (new appointee), Community Relations, UNUM; and Barb Wentworth (re-appointee), Director of Community Impact, United Way of York County.

For more information about the Maine Commission for Community Service, visit www.maineservicecommission.gov.

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ECONOMICS AND DEMOGRAPHICS

August 2011 retail sales released. Total taxable retail sales in August 2011 grew 3.9% from August 2010 (not adjusted for inflation). Building supply sales led the way by growing 12.1% year-over-year. August was the third straight month of strong retail sales growth in building supply stores, as building supply sales for June, July, and August 2011 were 11% higher than in the same period in 2010. This is likely due in part to the expiration of the first-time home buyer tax credit on April 30, 2010, which pulled home sales and related retail sales forward, causing a drop in sales in the months immediately following expiration of the credit. Automobile and transportation-related sales grew 6% over the twelve months ending in August 2011. This category includes sales at all transportation-related retail outlets: auto dealers, auto parts, aircraft dealers, motorboat dealers, automobile rental, etc. Total taxable retail sales for the last three months, June through August, are 4% higher than the same three month period a year ago. More information is available at [our retail sales page](#) and taxable retail sales data is available for download through [our data tool at econ.maine.gov](http://econ.maine.gov)
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Consensus Economic Forecasting Commission revises forecast. The Maine Consensus Economic Forecasting Commission (CEFC) convened on October 24 to review and revise the April 2011 forecast. The November 2011 forecast continues to see little progress in the national and state economic recovery through 2012.

National and state economic conditions have shown little to no improvement over recent months. Maine's economic activity index shows weak growth and remains well below pre-recession levels. Many other states have seen a slowdown in what was

already weak growth. Nationwide, consumer sentiment and small business optimism have both declined over the course of the year. Income growth has barely outpaced inflation recently as, personal income in Maine grew 3.9% from 2010 Q2 to 2011 Q2, while the Consumer Price Index grew 3.4% in the same period. The housing market is still in relatively poor shape in most of the state, with home sales falling on a year-over-year basis in three of the last four quarters and housing permits in Maine at about the same level they were in January 2009. Although foreclosure starts and mortgage delinquencies are below peak crisis levels, they remain well above pre-recession levels. A recession in the euro zone is expected to begin in 2011 Q4 as a result of the European debt crisis. This will negatively affect US export demand and overall global economic growth. The chance of a recession in the US is now 40%.

As a result of these recent developments and future assumptions, the CEFC November 2011 forecast is, in general, a downward revision to the April forecast. The table below provides the forecast's major indicators.

Calendar Years	2011	2012	2013	2014	2015
Wage & Salary Employment (Annual Percentage Change)					
CEFC Forecast 04/2011	0.4%	1.5%	1.5%	1.4%	1.2%
CEFC Forecast 11/2011	0.1%	0.1%	0.8%	1.3%	1.4%
Personal Income (Annual Percentage Change)					
CEFC Forecast 04/2011	4.6%	2.9%	4.0%	4.0%	4.0%
CEFC Forecast 11/2011	3.8%	3.0%	3.0%	4.7%	4.8%
CPI (Annual Percentage Change)					
CEFC Forecast 04/2011	2.5%	1.8%	2.0%	2.3%	2.1%
CEFC Forecast 11/2011	3.0%	1.3%	1.9%	2.3%	2.1%

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LAND USE PLANNING

Yarmouth plan found “consistent”. The Land Use Program this week concluded its review of the 2010 Yarmouth comprehensive plan and has found it to be consistent with the Maine Growth Management Act. The plan does a very good job of promoting future growth while protecting and building on the traditional village development pattern that is one of the town’s most essential features.

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GOVERNOR'S OFFICE OF ENERGY INDEPENDENCE AND SECURITY

Heating oil prices rise again. The Governor's Office of Energy Independence and Security conducted its weekly heating fuel survey on October 24, 2011 and found the current statewide average cash price for No. 2 heating oil to be \$3.51 per gallon, an increase of one cent over last week. The statewide kerosene price average is \$3.93 per gallon at this time. The statewide average for propane based on a use of 925 gallons a year is \$3.07 per gallon. On October 24, the price of WTI crude oil, a major driver of refined petroleum product prices including heating oil, was \$90.21.

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