

Economic Trends and the Outlook for Maine

FAME Board

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Consensus Economic Forecasting Commission (CEFC)

February 2026 report

Summary of key assumptions in February 2026 CEFC report

- Maine is navigating a period of significant uncertainty around economic policy, government spending, geopolitical tensions, and consumer sentiment.
- The federal government has entered into a period of significant fiscal re-prioritization.
- Inflation remains elevated above target levels while consumer sentiment has weakened.
- Because of our state's demographics and close relationship with Canada, Maine may be particularly vulnerable to changes in federal funding and tariff policy.
- In the short term, net migration will be hampered by federal immigration policies and the housing market.

Geopolitical upheaval

Global uncertainty has increased, with high volatility in energy prices

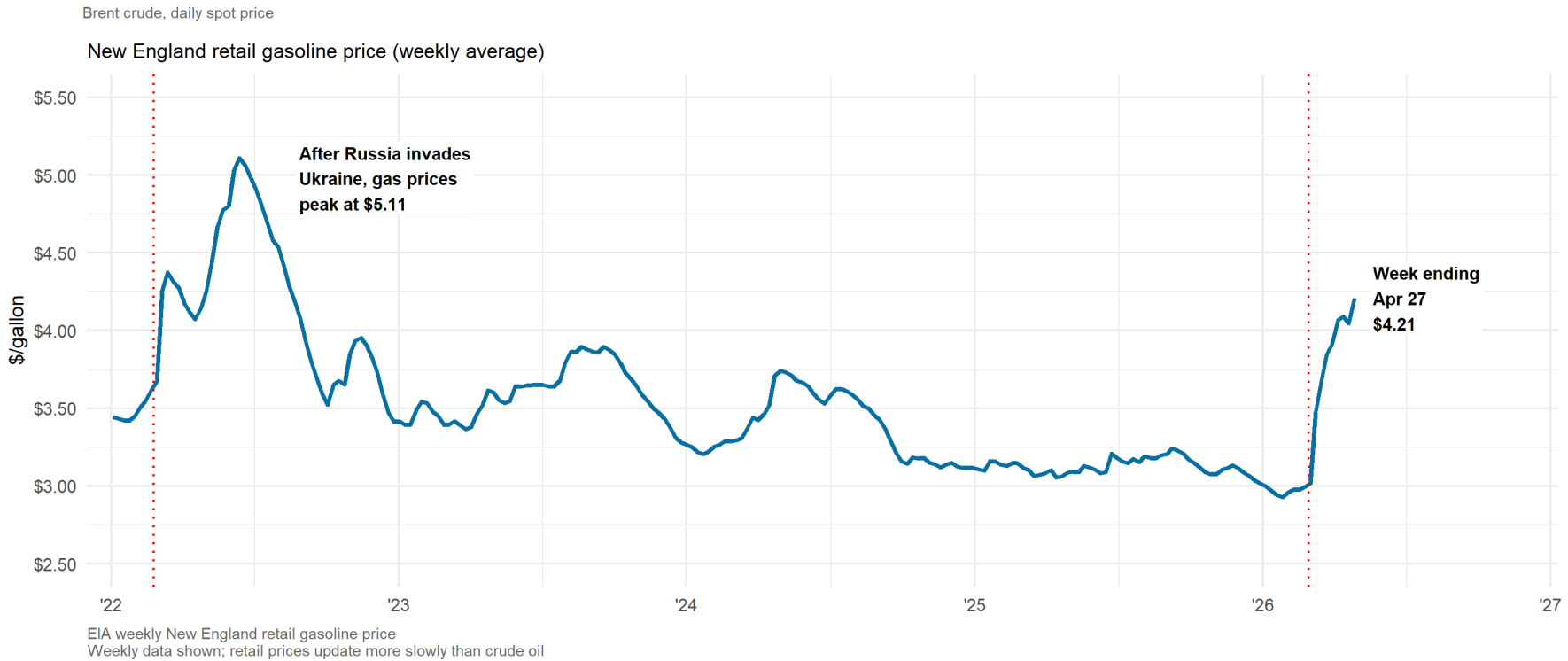
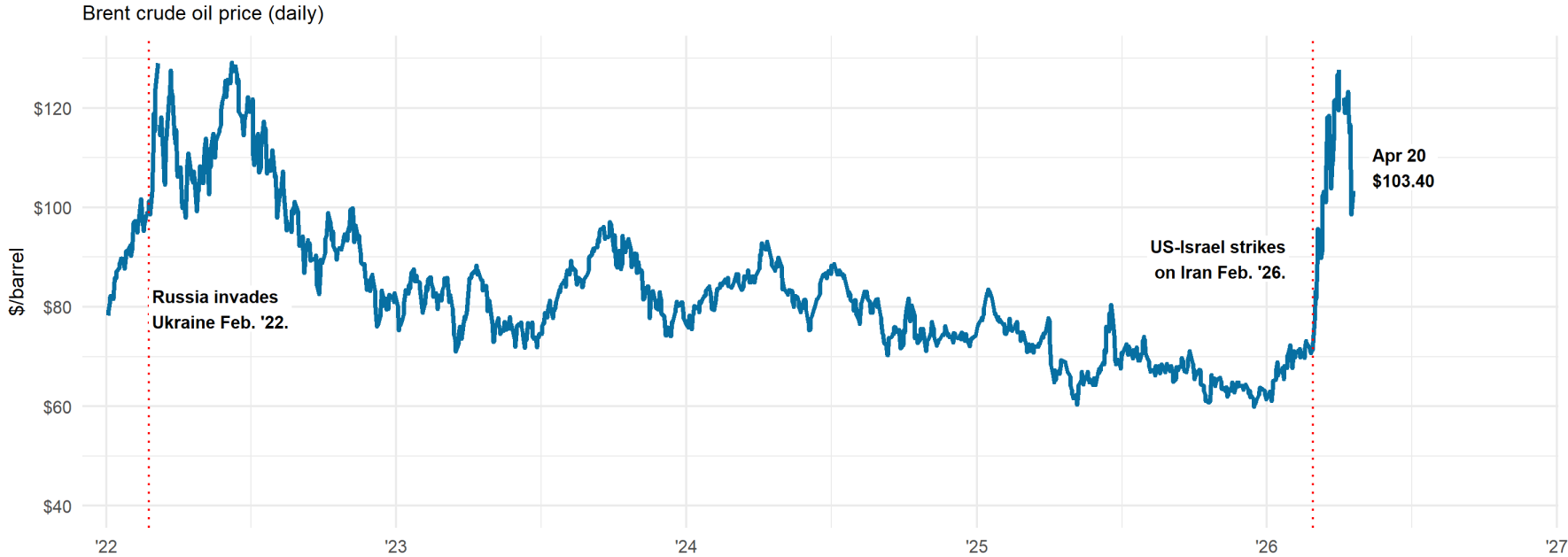
Around 20% of world's oil and gas supply typically passes through Strait of Hormuz; has been essentially shut down since March 1

Crude oil prices spiked and have been highly volatile since; after an initial decline, stock markets have been resilient

Increases inflationary pressures at the same time employment is softening

Crude oil prices flow through to gasoline, heating oil, diesel, etc.; Maine's economy is highly responsive to oil prices

Daily Brent Crude and Weekly New England Gasoline Prices



Trade and tariffs

Tariffs have been a rollercoaster ride, with more twists and turns this year

International Emergency Economic Powers Act (IEEPA) tariffs overturned by the U.S. Supreme Court; replaced with 10% tariff on most goods (15% threatened) for 150 days from Feb. 22, 2026, under Section 122

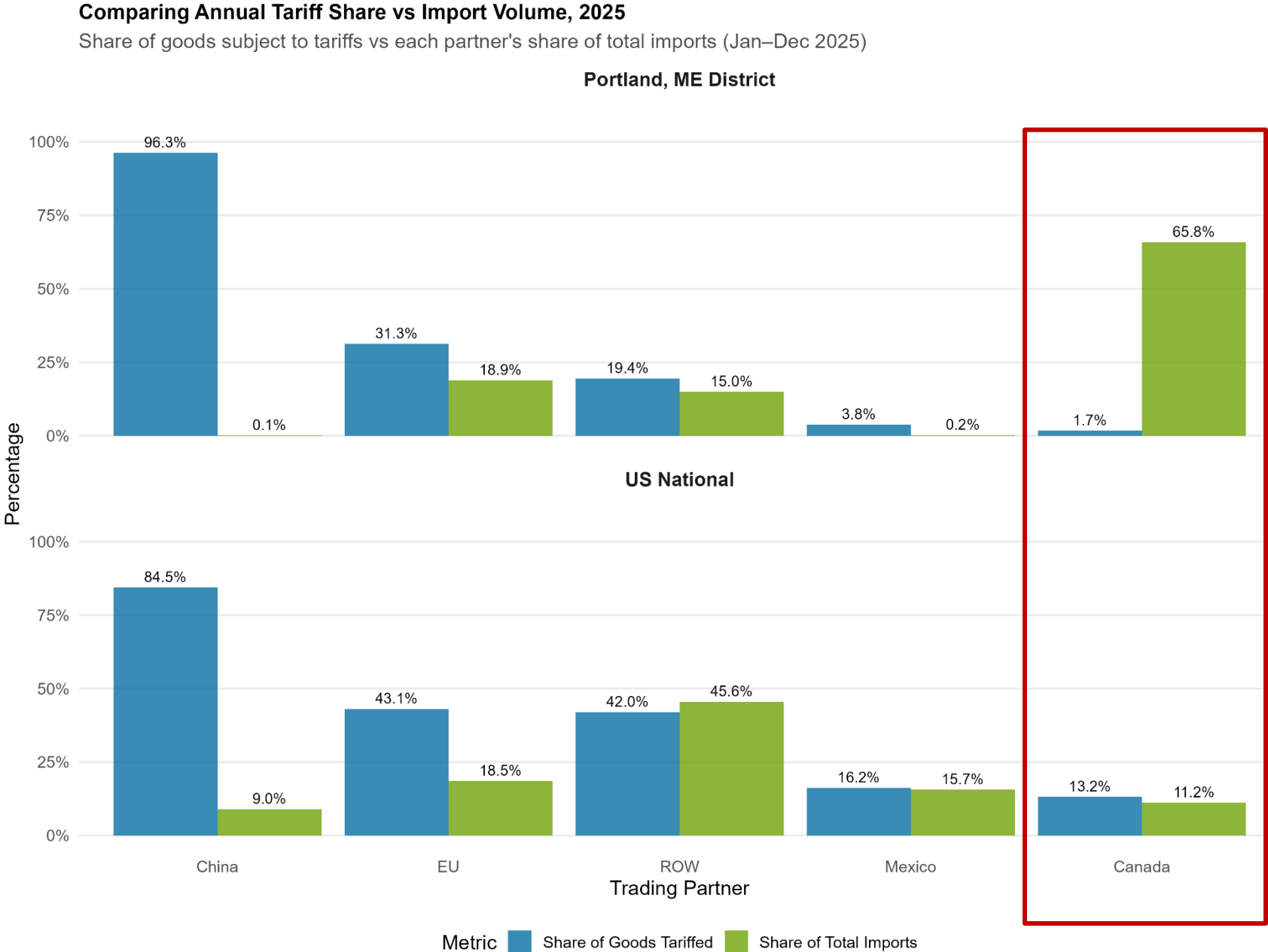
U.S.-Mexico-Canada Agreement (USMCA) compliant imports have remained exempt (around 85% from Canada, 86% from Mexico exempt)
USMCA up for review this year (July)

Portal for importers to request IEEPA tariff refunds has gone live, but timing of refunds remains uncertain

The Budget Lab at Yale estimates loss of \$450-\$570 per household if Section 122 tariffs expire and \$770-\$940 if made permanent

For the Portland, ME District the story (in terms of the *direct* impact of tariffs) is all about maintaining favorable Canada trade relations.

But of course, we're also affected by indirect impacts of tariffs.



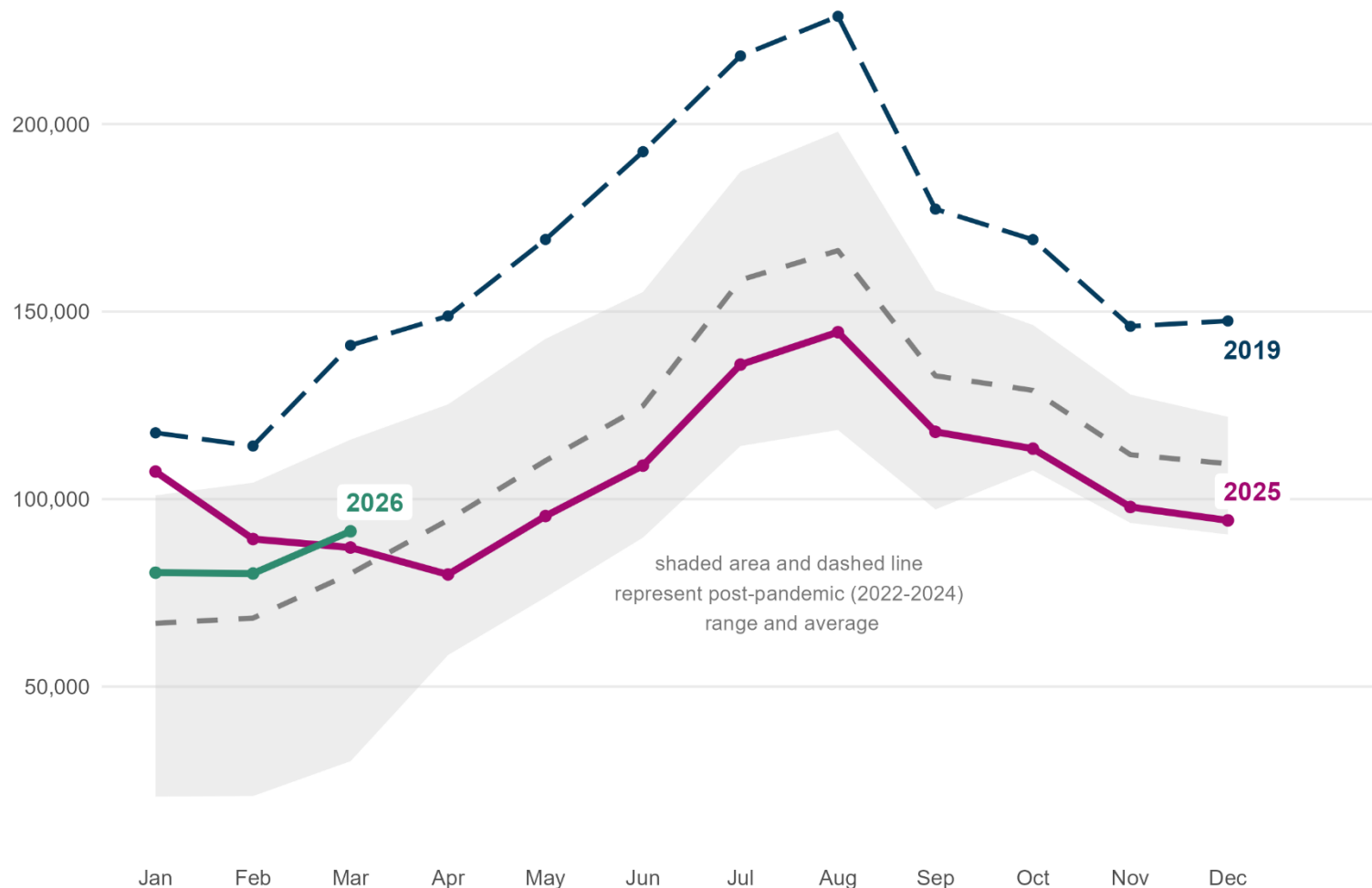
Methodology: Annual dutiable value divided by annual general import value (Jan–Dec 2025)
Portland, ME District includes all ports of entry in ME as well as Portsmouth, NH, Lebanon Airport, NH, and Manchester, NH
Data: U.S. Census Bureau | Methodology: Yale Budget Lab

2025 summer tourism season:

- Direct spending was down 3.5%, reflecting the national trend of visitors being more price conscious
- Decrease in overall visitation was primarily from day trippers (who typically don't spend as much as overnight visitors)
- Fewer Canadian visitors than last year
 - 3pp lower (4% vs 7%) share of summer visitation

Passenger Vehicles Entering Maine from Canada

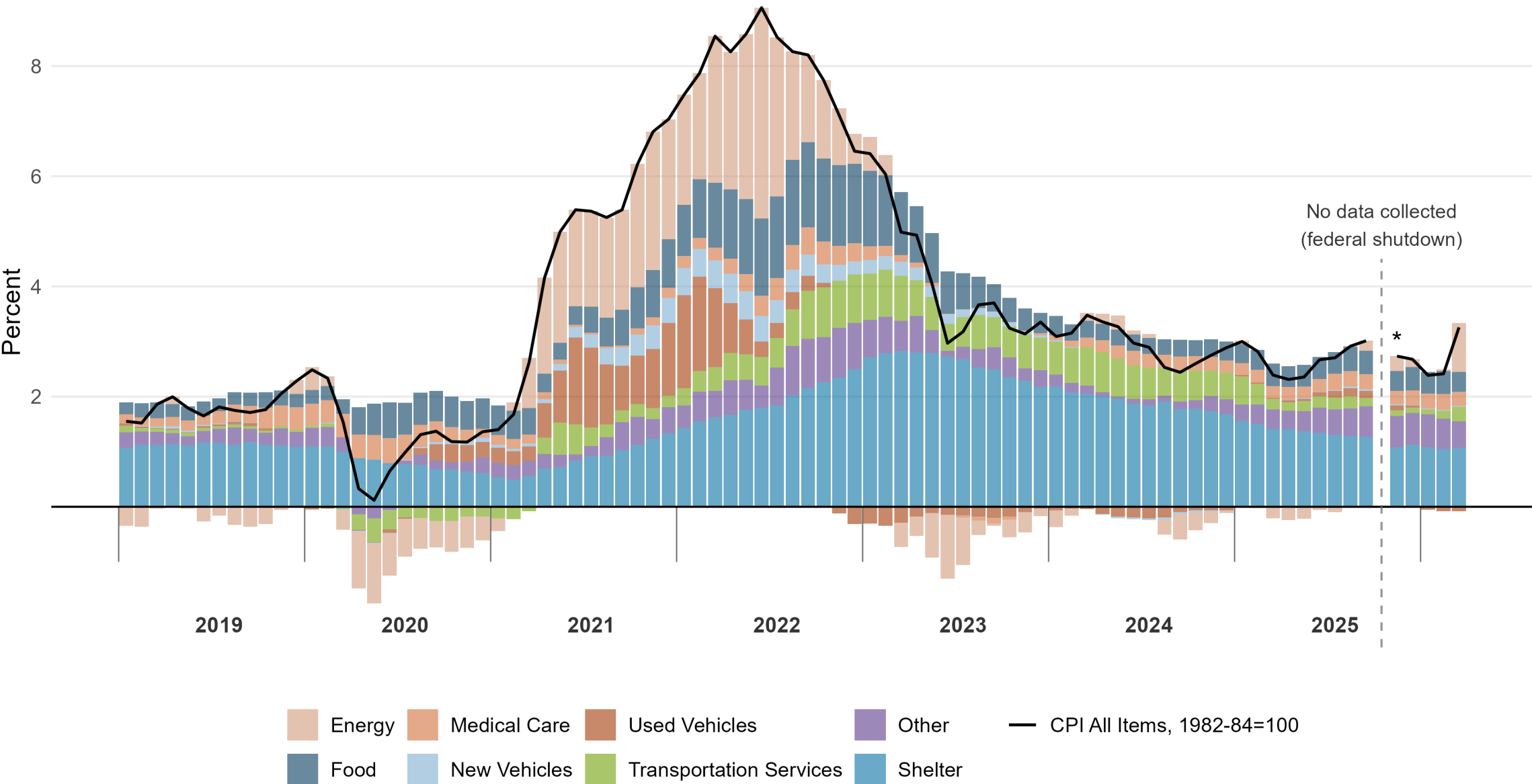
Canadian visitor volumes remain below pre-pandemic (2019) levels



Source: U.S. Department of Transportation, Bureau of Transportation Statistics.

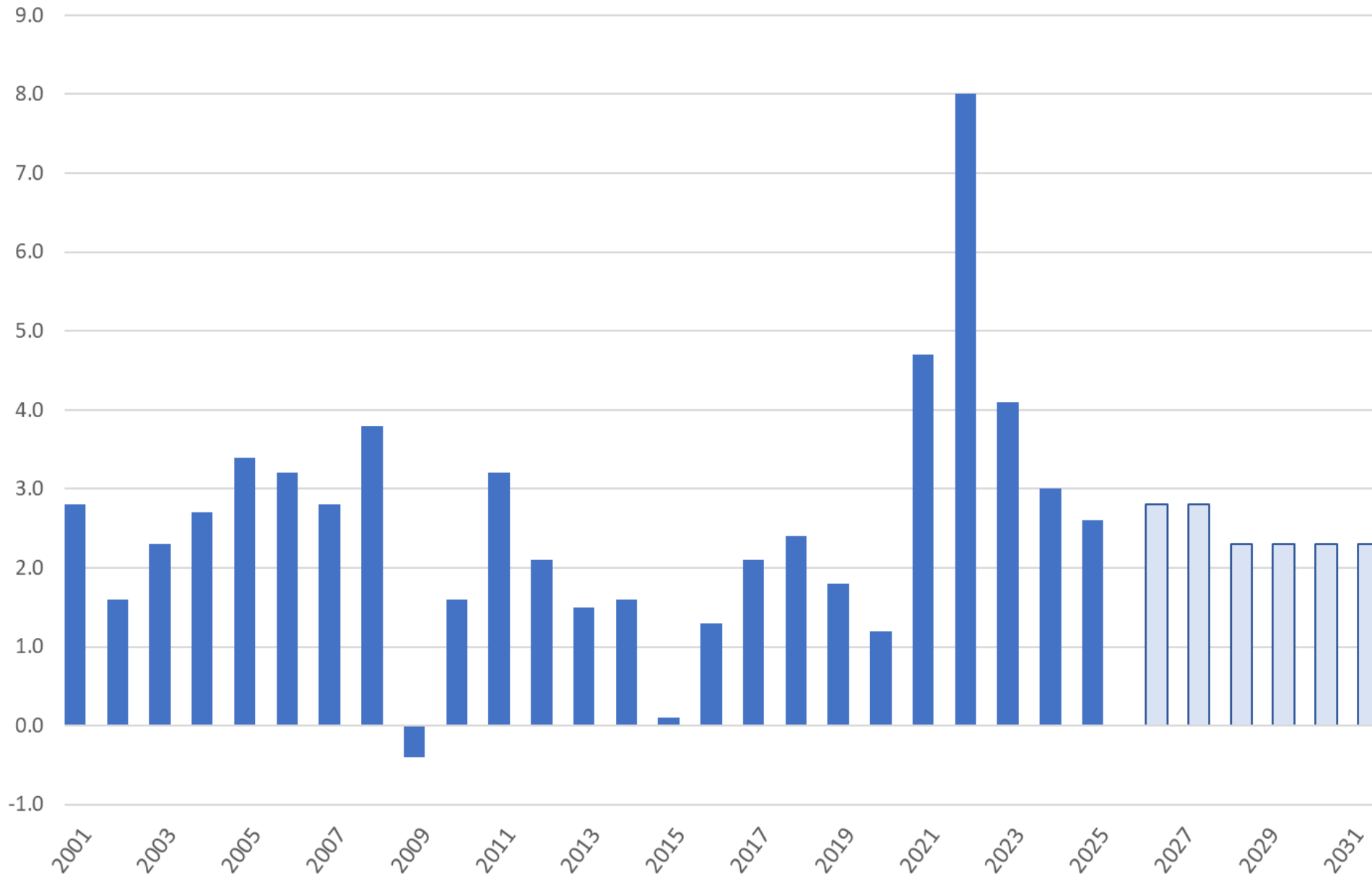
Inflation and consumer sentiment

Percentage Point Contribution to Year-Over-Year Percent Change in CPI



Source: US Bureau of Labor Statistics & Calculations by OSE Staff
*November 2025: Shutdown not resolved until Nov 12; BLS operated on truncated schedule. Second half of November (Black Friday, holiday shopping) may have distorting effect

Year-over-year percent change in Consumer Price Index; 2001-2025 historical and 2026-2031 forecast

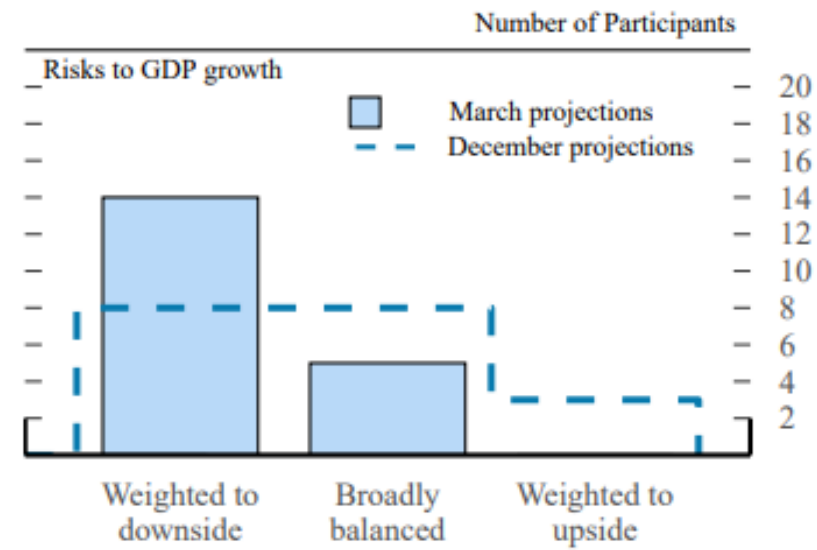
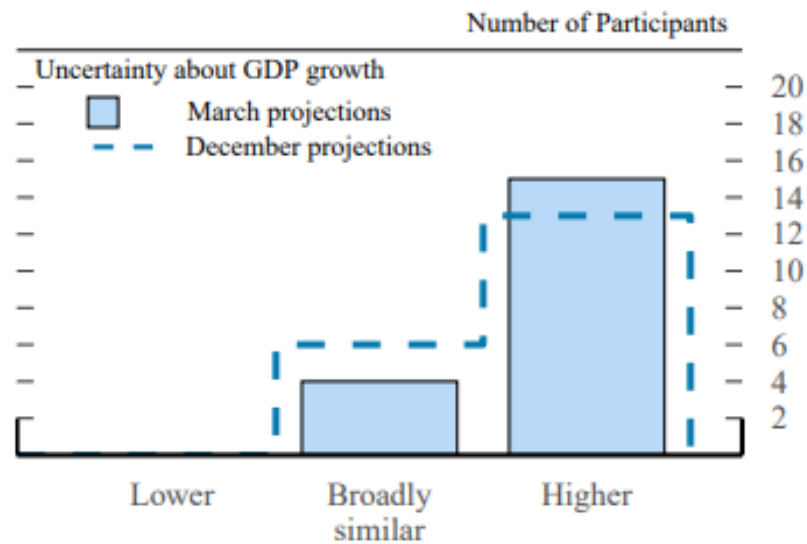


Sources: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, seasonally adjusted); Consensus Economic Forecasting Commission report, Feb. 1, 2026

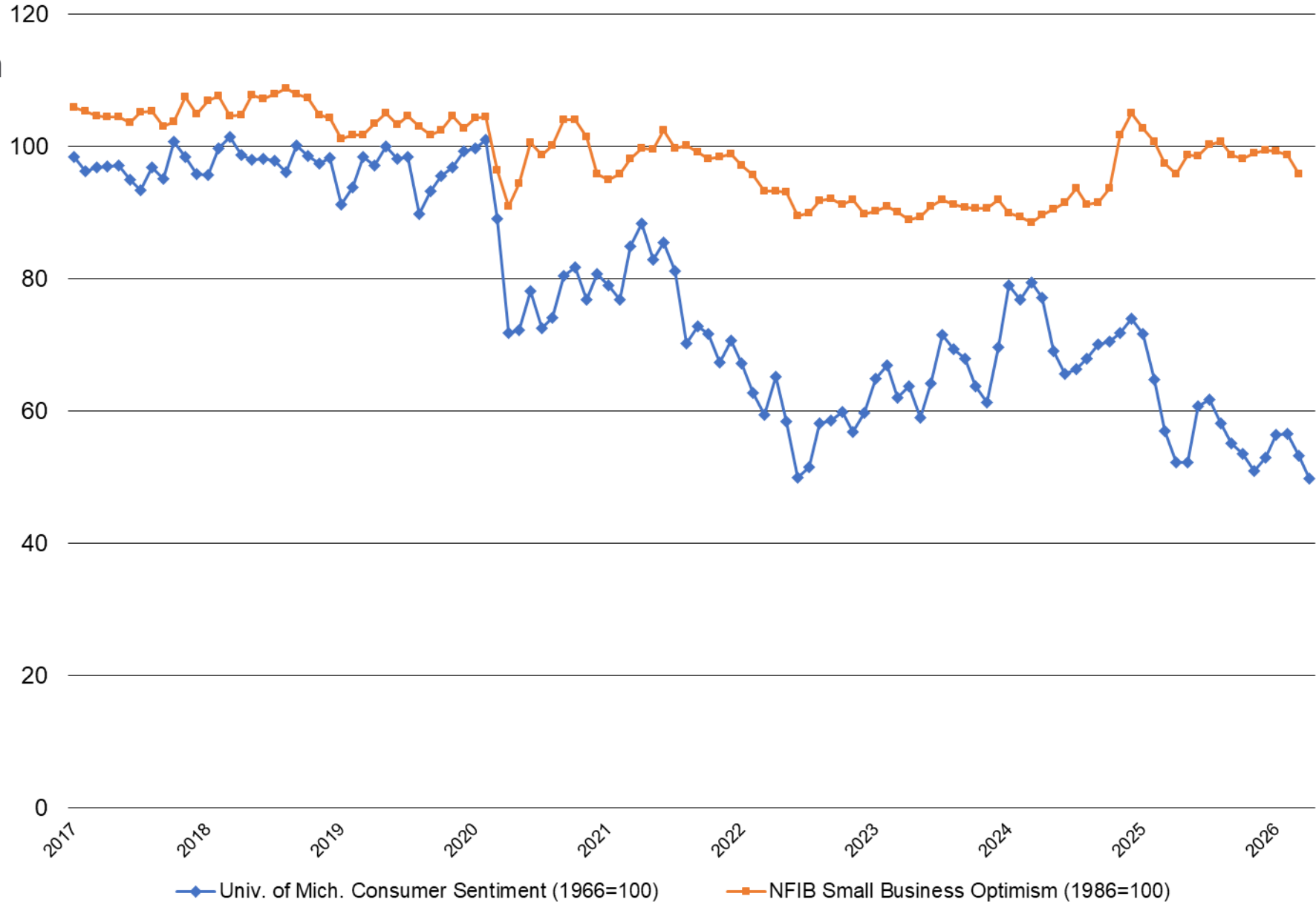
Current FOMC target range
(as of Mar.):
3.5% to 3.75%

Median projection for 2026
from Mar. 2026 Federal
Open Market Committee
statement was 3.4%

FOMC participants' assessments of uncertainty and risks around their economic projections



Consumer Sentiment and Small Business Optimism Indexes



Small business optimism fell in March 2026, led by a decline in the frequency of positive profit trends and a decline in the percent of business owners expecting better business conditions.

Consumer sentiment was highly responsive to inflation expectations in 2025; April declined to match June 2022 trough as consumers saw higher gasoline prices from Iran War.

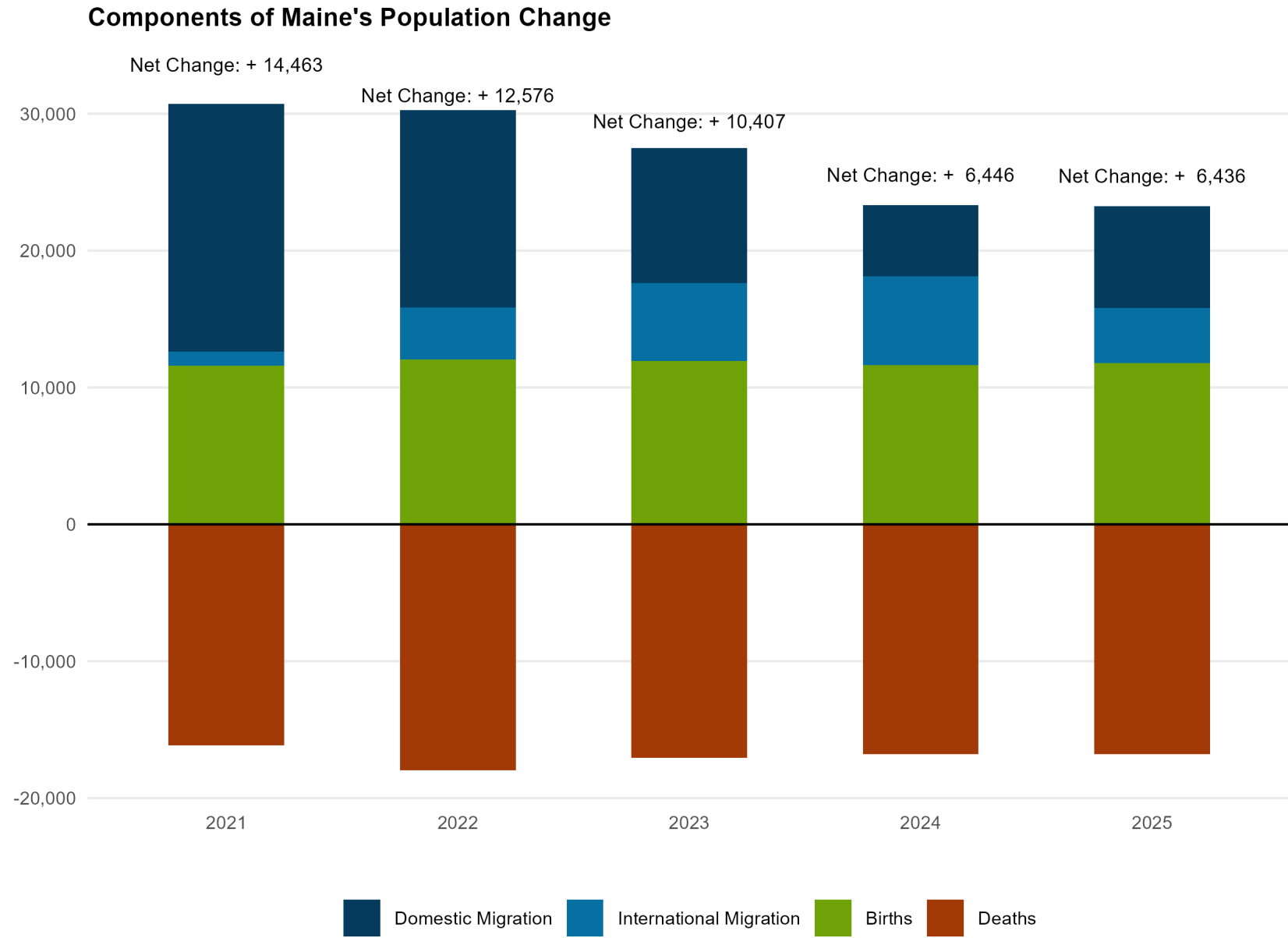
Sources: University of Michigan Survey of Consumers and NFIB Small Business Optimism Index

Population growth,
migration, and
employment

2025 Total Population:
1,414,874

Population increase of
3.8% from 2020-2025
(17th in U.S.);
0.5% from 2024-2025
(25th in U.S.)

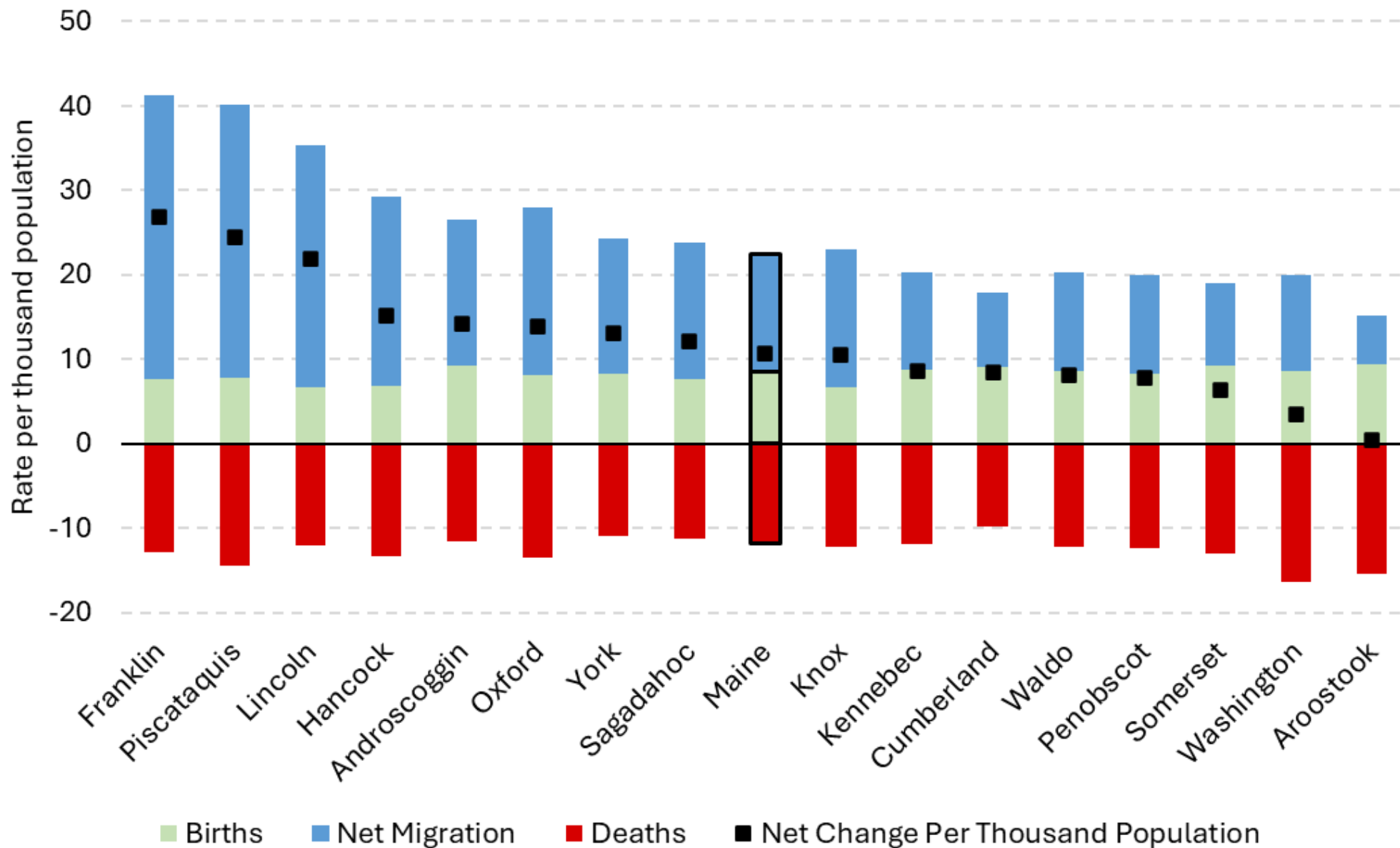
7th for total net
migration and net
domestic migration
and 25th for net
international migration
in 2025



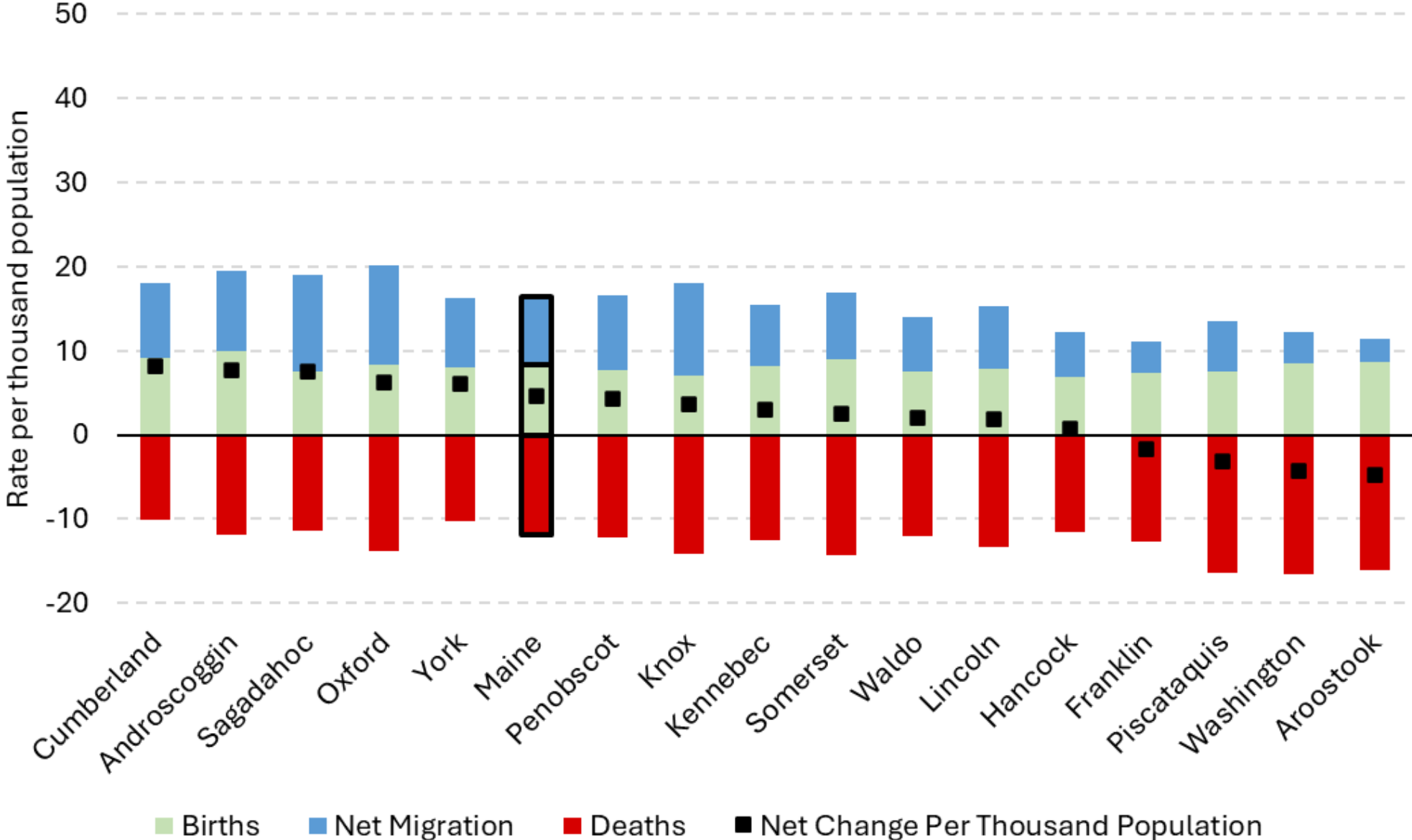
Source: US Census Bureau, Population Estimates Program, 2025 Vintage

Components of Population Change in Maine, 7/1/2020-7/1/2021

Rate per thousand population



Components of Population Change in Maine, 7/1/2024 - 7/1/2025
Rate per thousand population



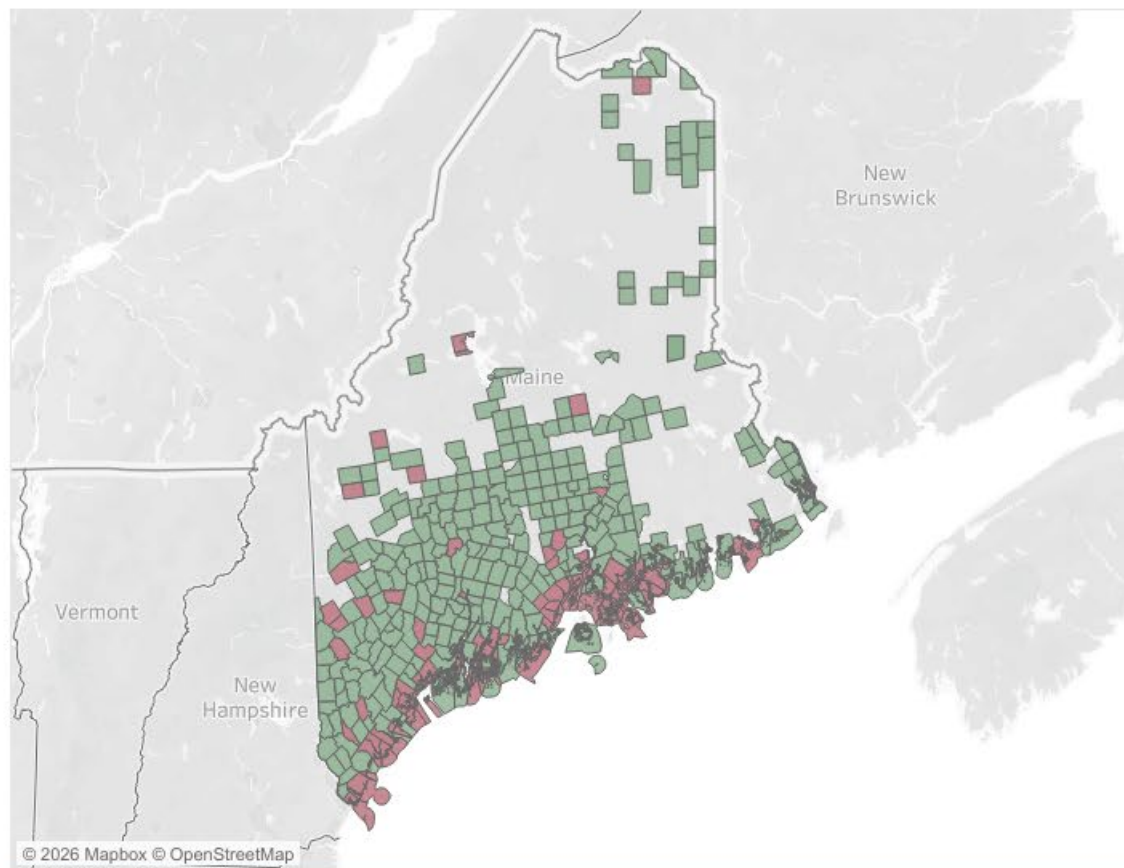
Homeownership Affordability Maps

Year

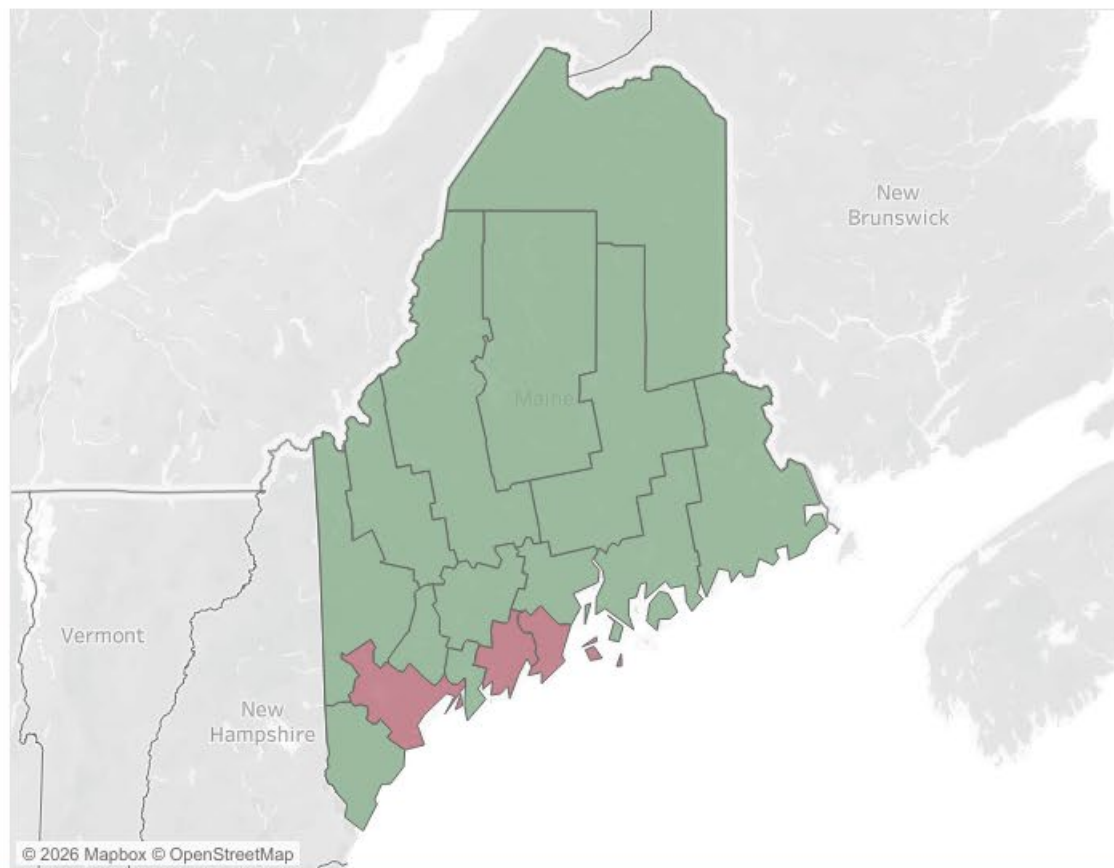
2020

☐ Show history

Affordability By Town - 2020



Affordability By County - 2020



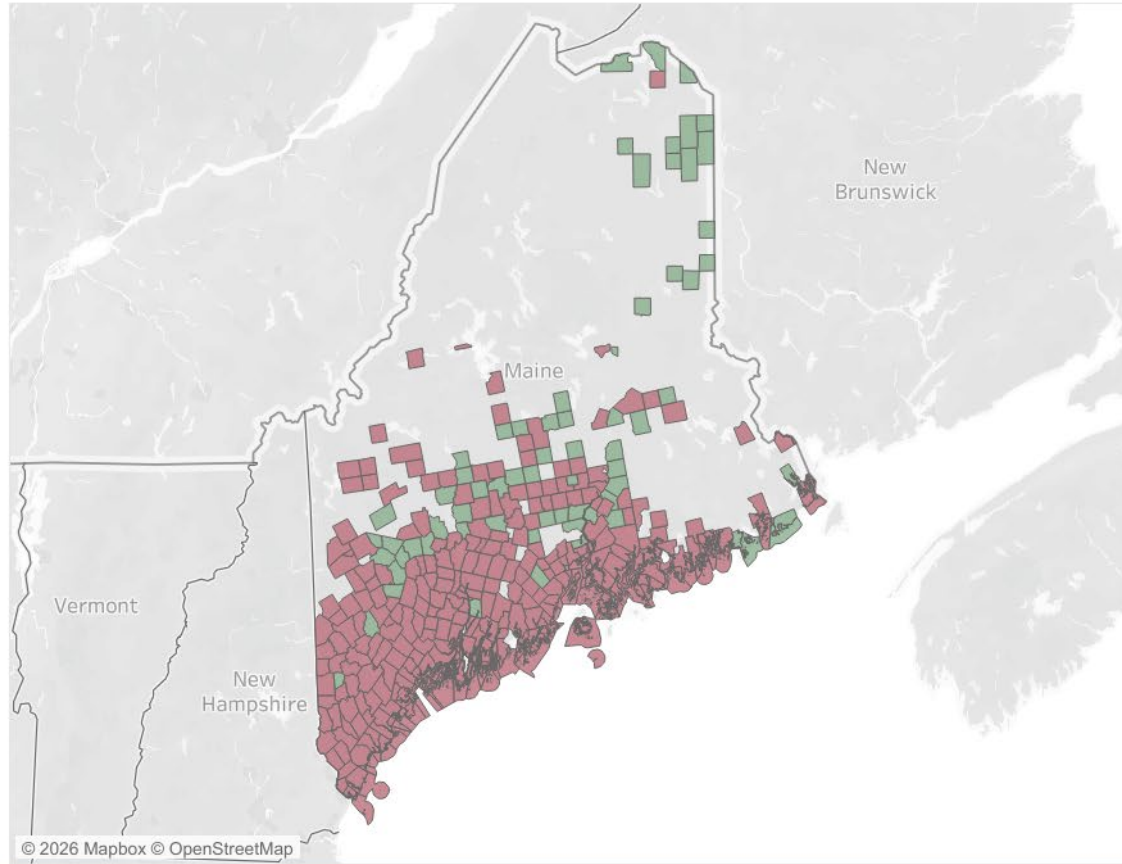
Homeownership Affordability Maps

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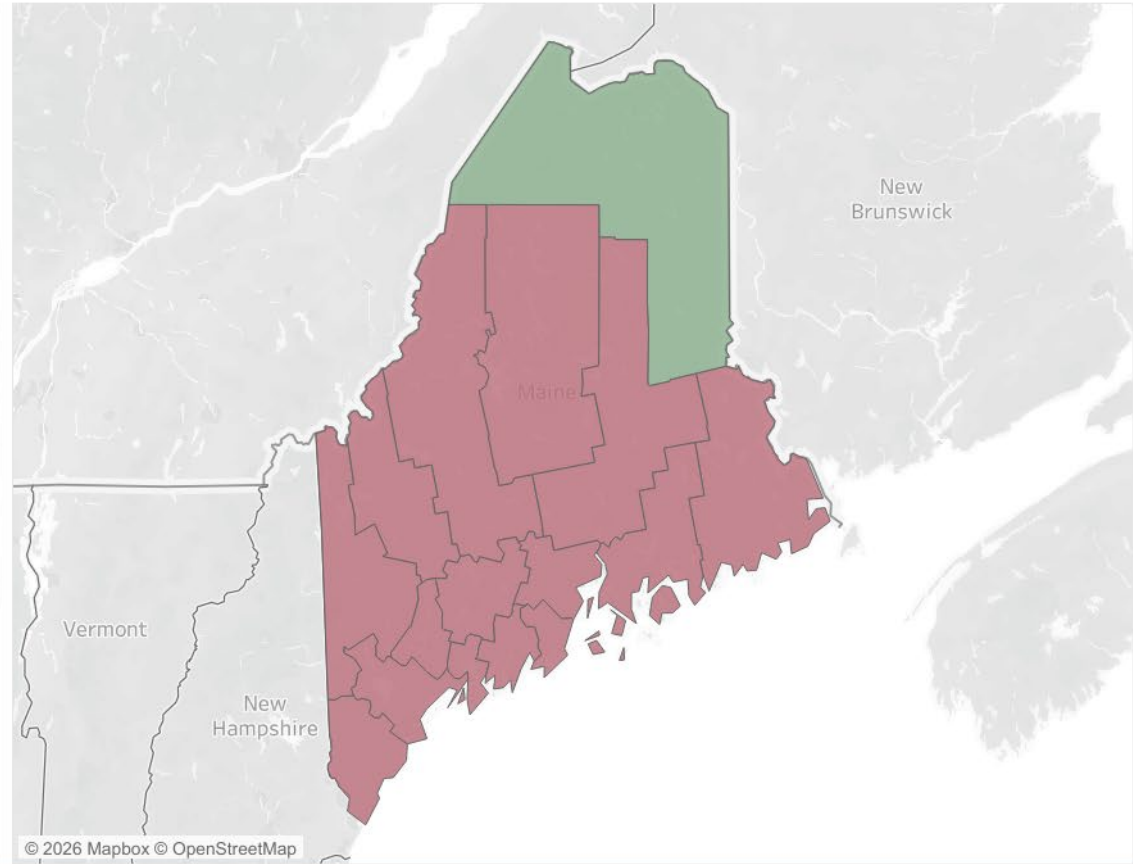
2025

☐ Show history

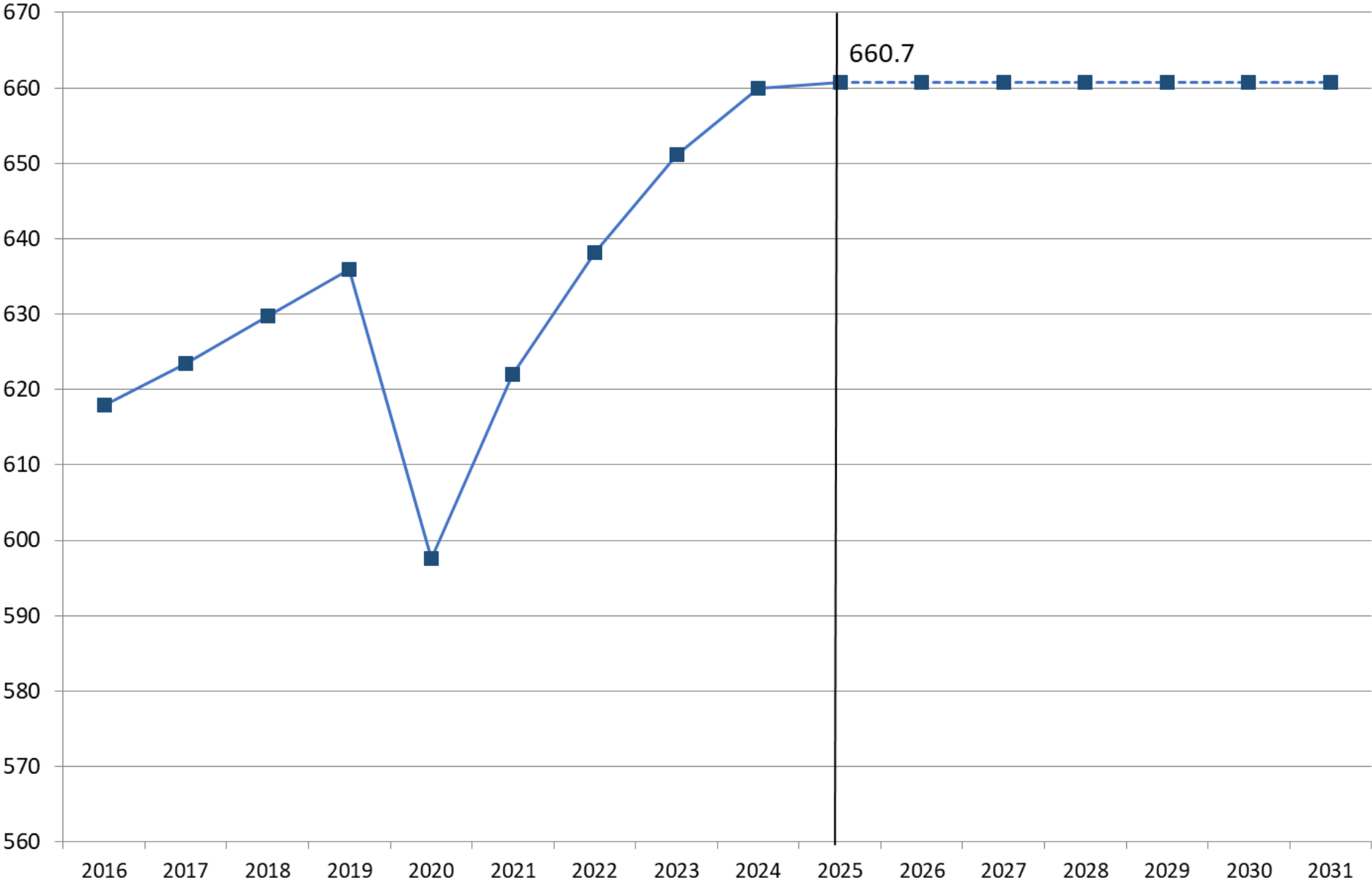
Affordability By Town - 2025



Affordability By County - 2025

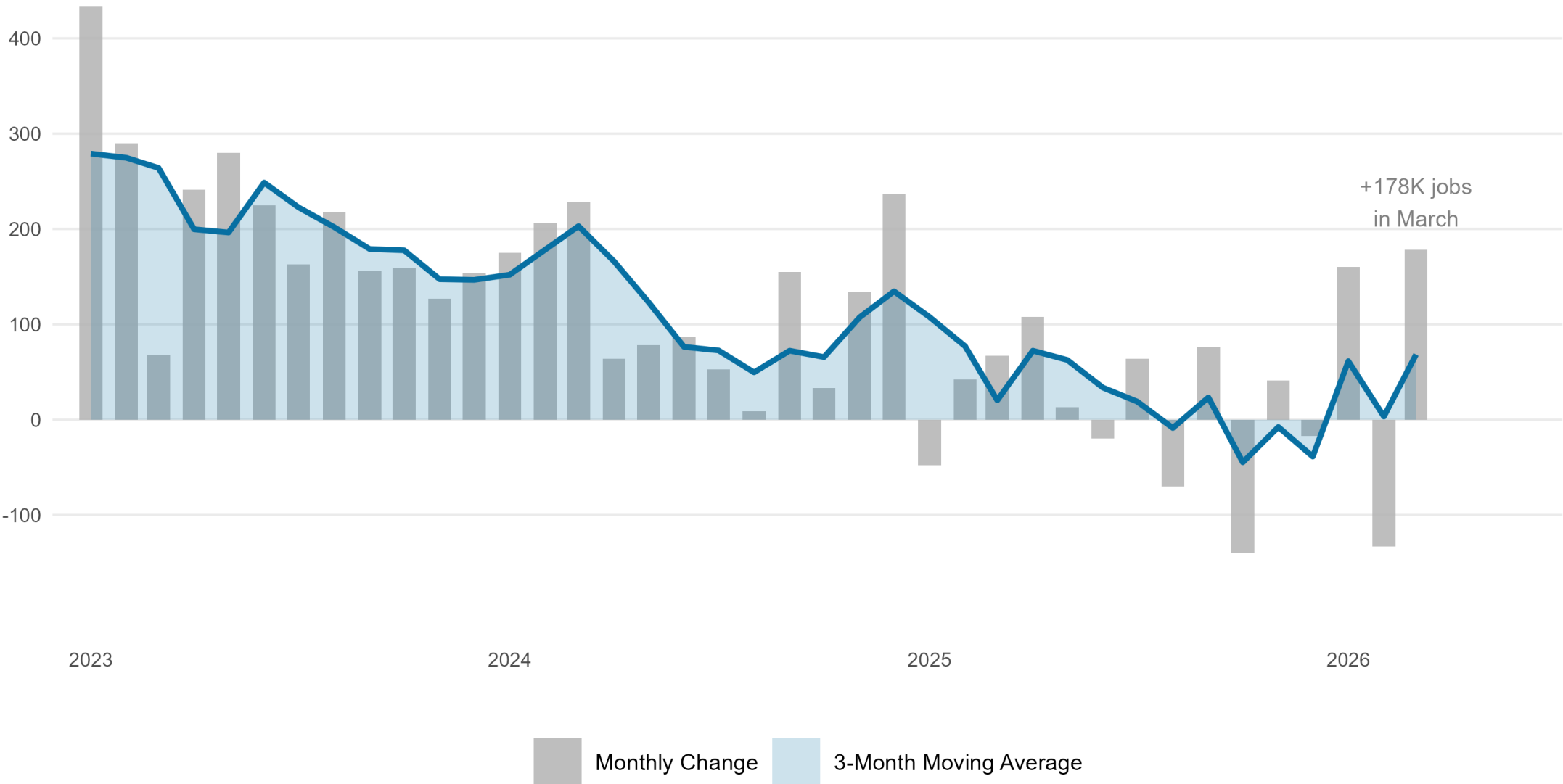


Total Nonfarm Employment (in thousands)
History and Consensus Economic Forecasting Commission forecast



US Nonfarm Payroll Employment (Seasonally Adjusted)

Monthly Change in Jobs (in thousands)



Source: U.S. Bureau of Labor Statistics

Maine's unemployment rate has been below 4.0% for 50 months as of February 2026, the longest stretch on record

County Rates (not seasonally adjusted)

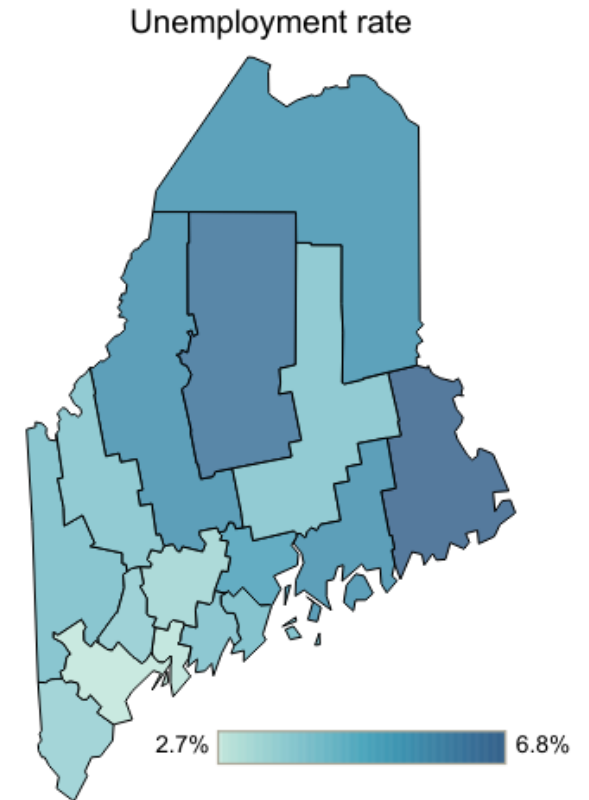
February, 2026

- ☒ Table
☐ Graph

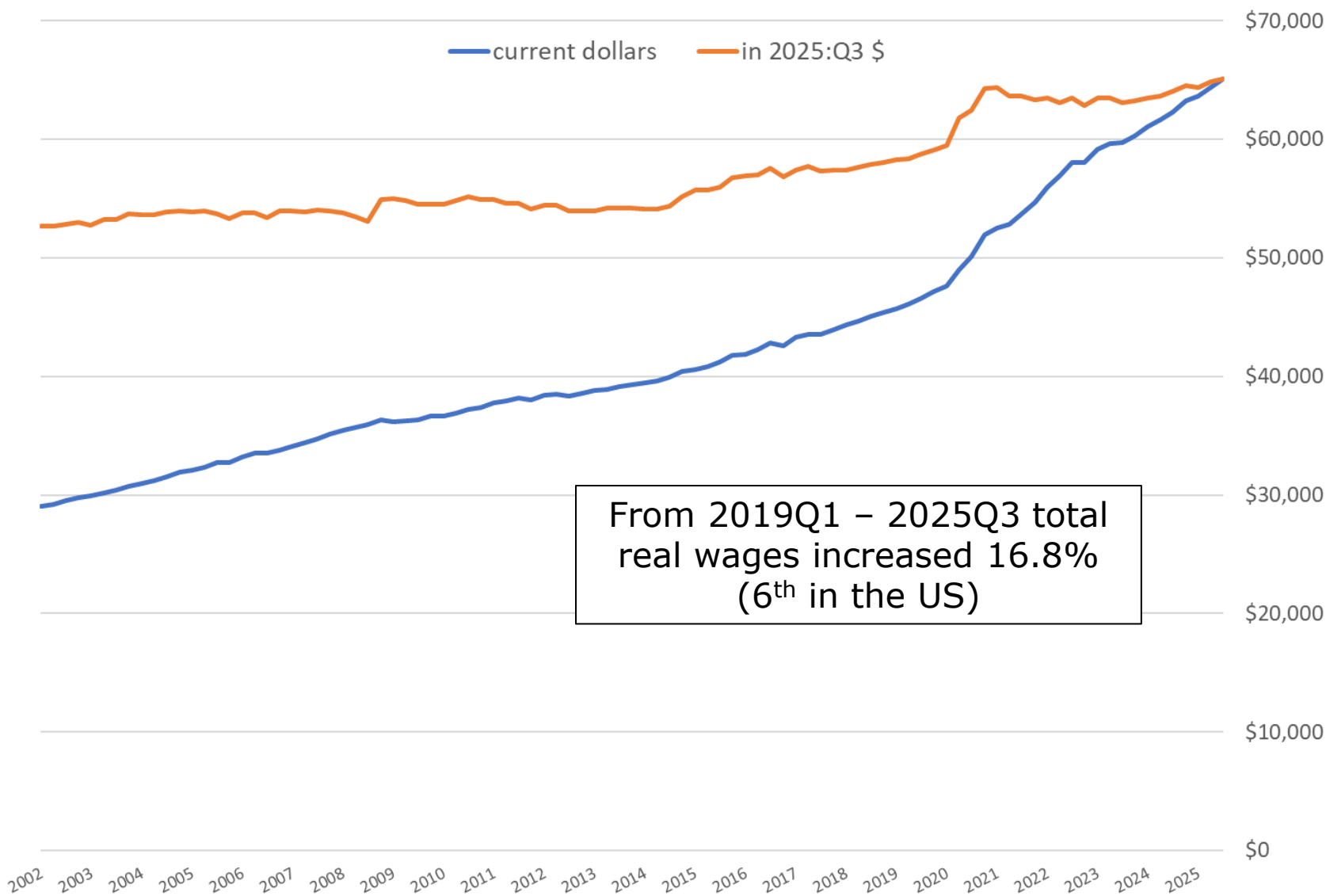
Map/Graph Display

- ☒ Unemployment rate
☐ One-year change

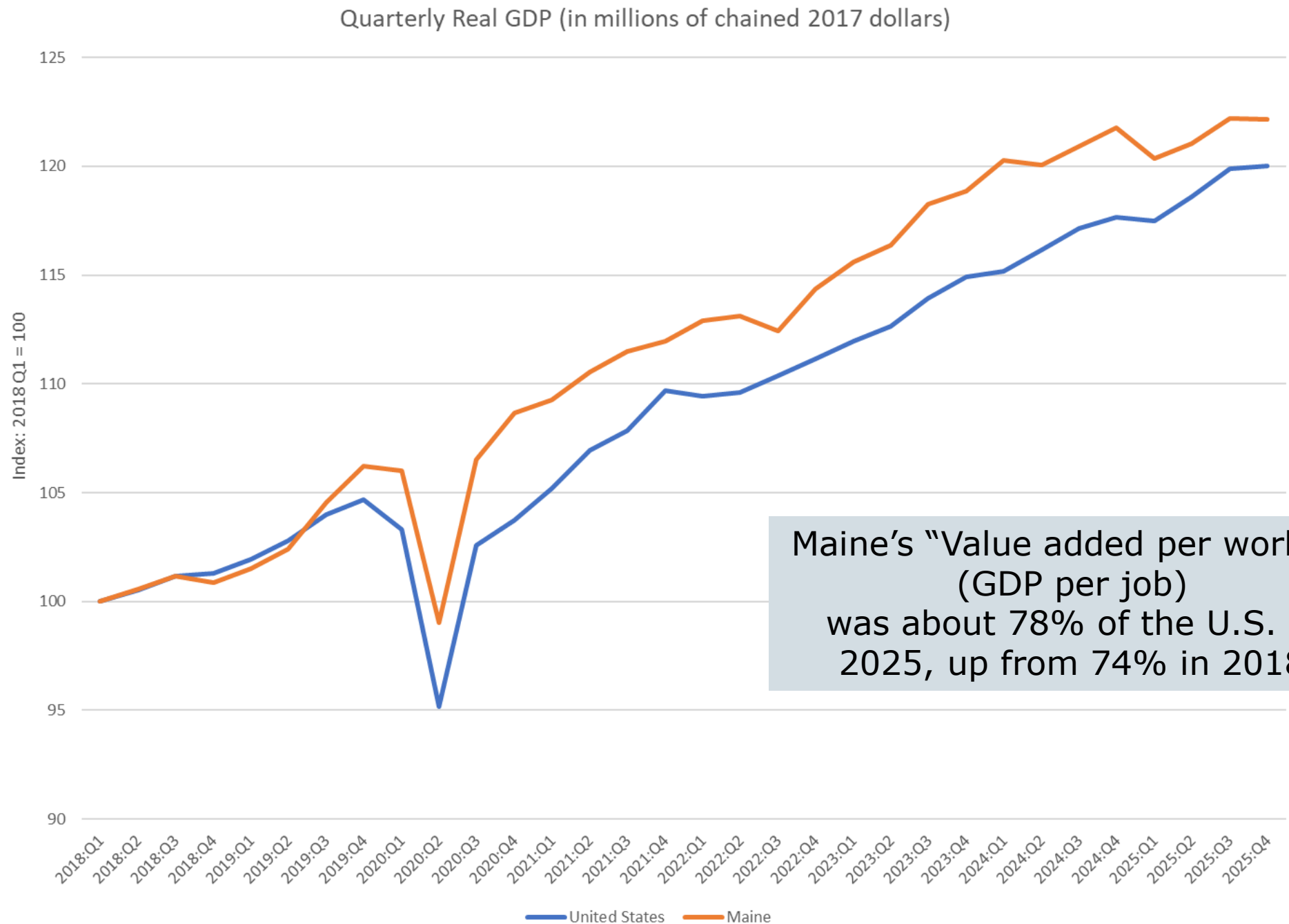
County	Rate	Year ago	One-yr change	
Maine	3.7%	4.0%	-0.3	↓
Androscoggin	3.6%	3.9%	-0.3	↓
Aroostook	5.4%	5.8%	-0.4	↓
Cumberland	2.7%	3.0%	-0.3	↓
Franklin	3.9%	4.4%	-0.5	↓
Hancock	5.5%	6.3%	-0.8	↓
Kennebec	3.3%	3.5%	-0.2	↓
Knox	4.2%	4.4%	-0.2	↓
Lincoln	4.0%	4.4%	-0.4	↓
Oxford	4.1%	4.5%	-0.4	↓
Penobscot	3.9%	4.2%	-0.3	↓
Piscataquis	6.3%	6.9%	-0.6	↓
Sagadahoc	2.8%	3.1%	-0.3	↓
Somerset	5.5%	5.6%	-0.1	↓
Waldo	5.0%	4.8%	0.2	↑
Washington	6.8%	7.2%	-0.4	↓
York	3.5%	3.8%	-0.3	↓



Moving Four Quarter Average Wage Per Job



Wages increased sharply during the first part of the pandemic; since then, increases have kept pace with inflation



Things to keep in mind:

- Economic uncertainty is extremely high, particularly related to military conflict in Iran/Middle East, energy prices, and tariffs
- Maine's economy will be impacted by federal policies, federal spending, and national economic trends
- Migration picked up during the pandemic, but the continuation of this trend has been challenged by housing availability/affordability, with federal policy changes slowing international immigration

Contact Information

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