

Economic Conditions in Maine

AGC Maine Economic Forum

January 22, 2026

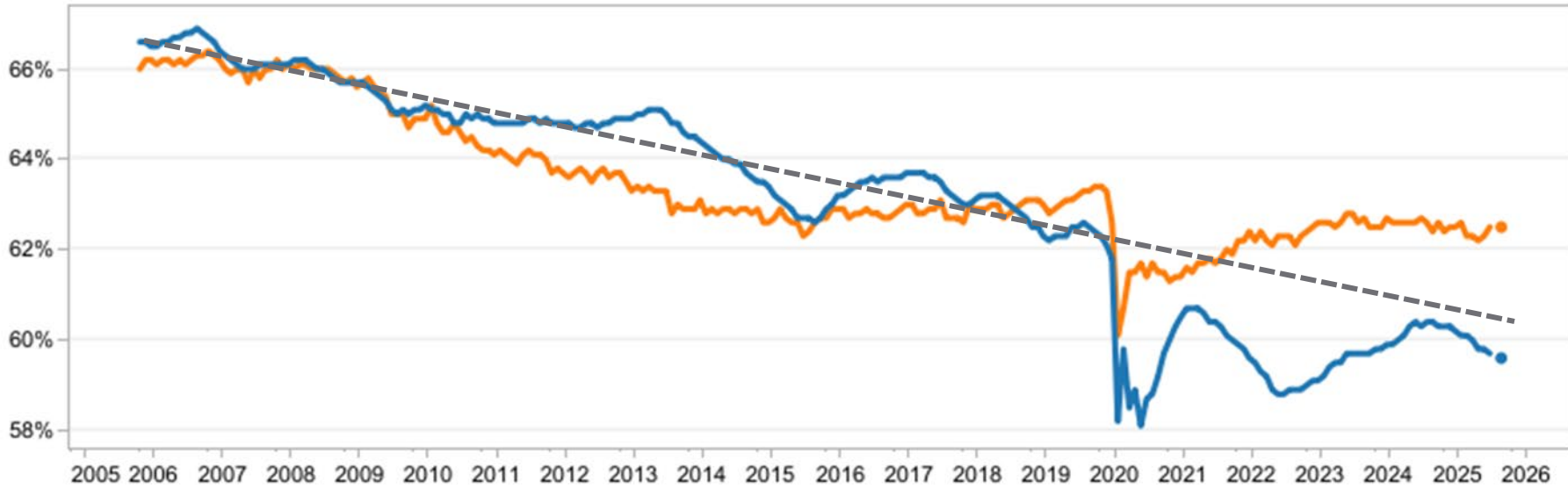
Amanda Rector

Maine State Economist

Excerpts from key assumptions in Nov. 2025 Consensus Economic Forecasting Commission report

- Maine is navigating a period of significant uncertainty around economic policy, government spending, geopolitical tensions, and consumer sentiment. The economy may be experiencing K-shaped dynamics, with spending by wealthier households helping to keep the economy growing in the face of tariffs and uncertainty around other federal policies. (...)
- (...) Maine's economy will be impacted by any reduction of federal funds and the multiplier effects of those reductions (...).
- Inflation growth remains elevated above target levels and will face upward pressure from tariffs. Consumer sentiment has declined as expectations about future personal financial wellbeing have deteriorated and short-term inflation expectations have increased.
- (...) an aging workforce may continue to constrain labor availability. However, positive net migration and productivity gains, some of which may come through the use of AI, could help meet future labor needs. Net migration may be hampered by federal immigration policies and the housing market (...).

Labor Force Participation Rate (seasonally adjusted)



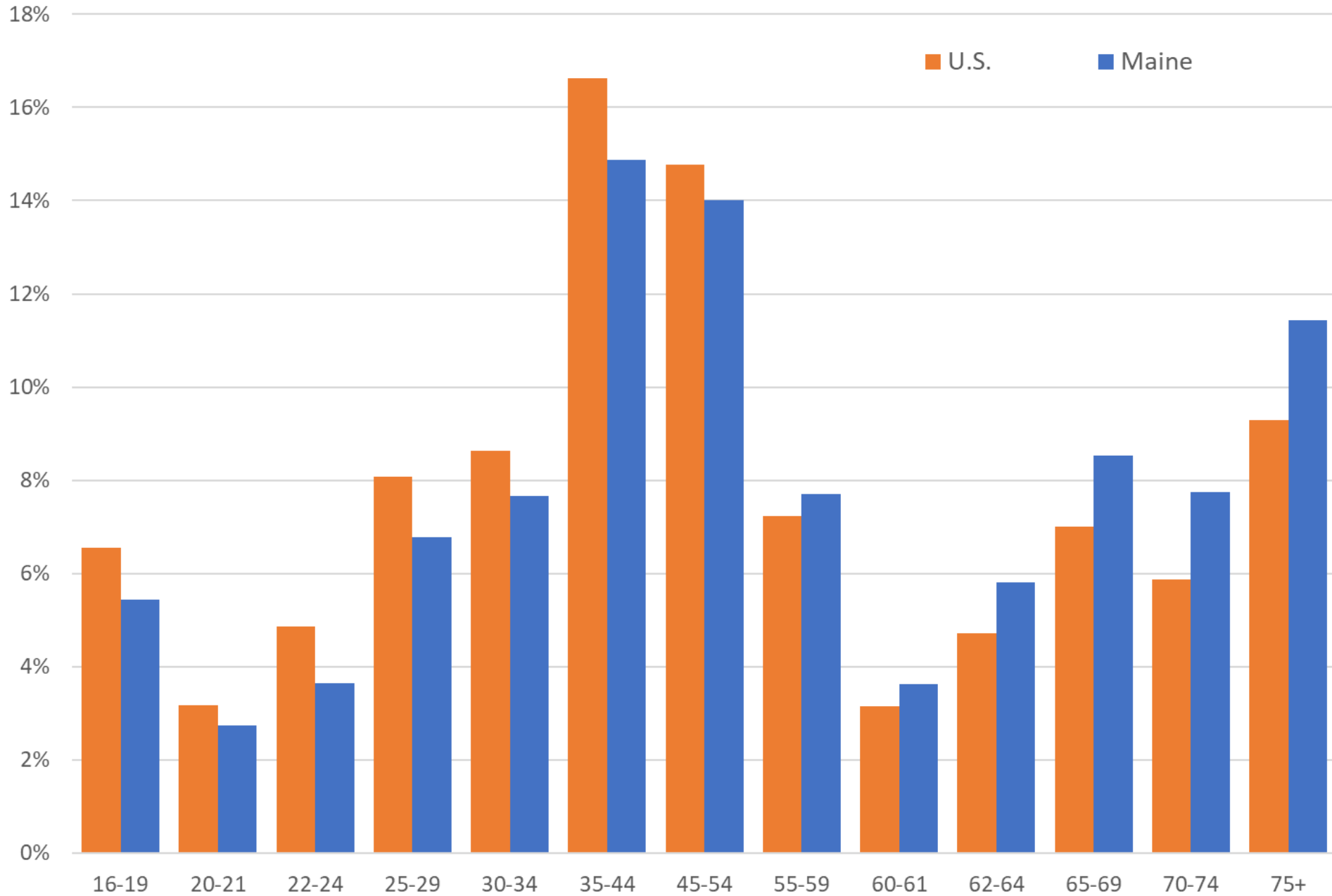
Dec, 2005 to Nov, 2025

- Unemployment Rate
- Labor Force & Employment
- Unemployment
- Labor Force Participation Rate
- Employment to Population Ratio

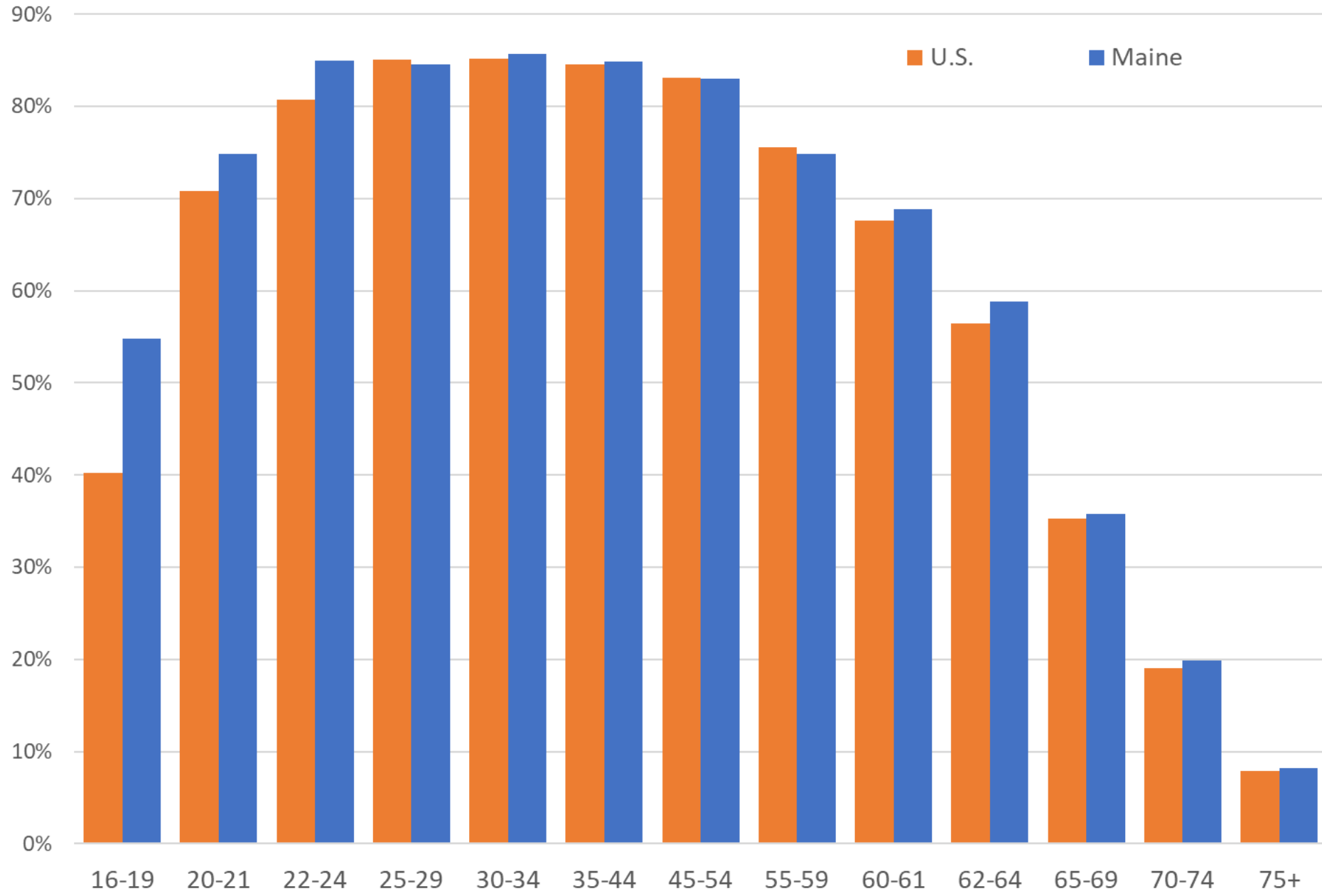
■ Maine
■ United States



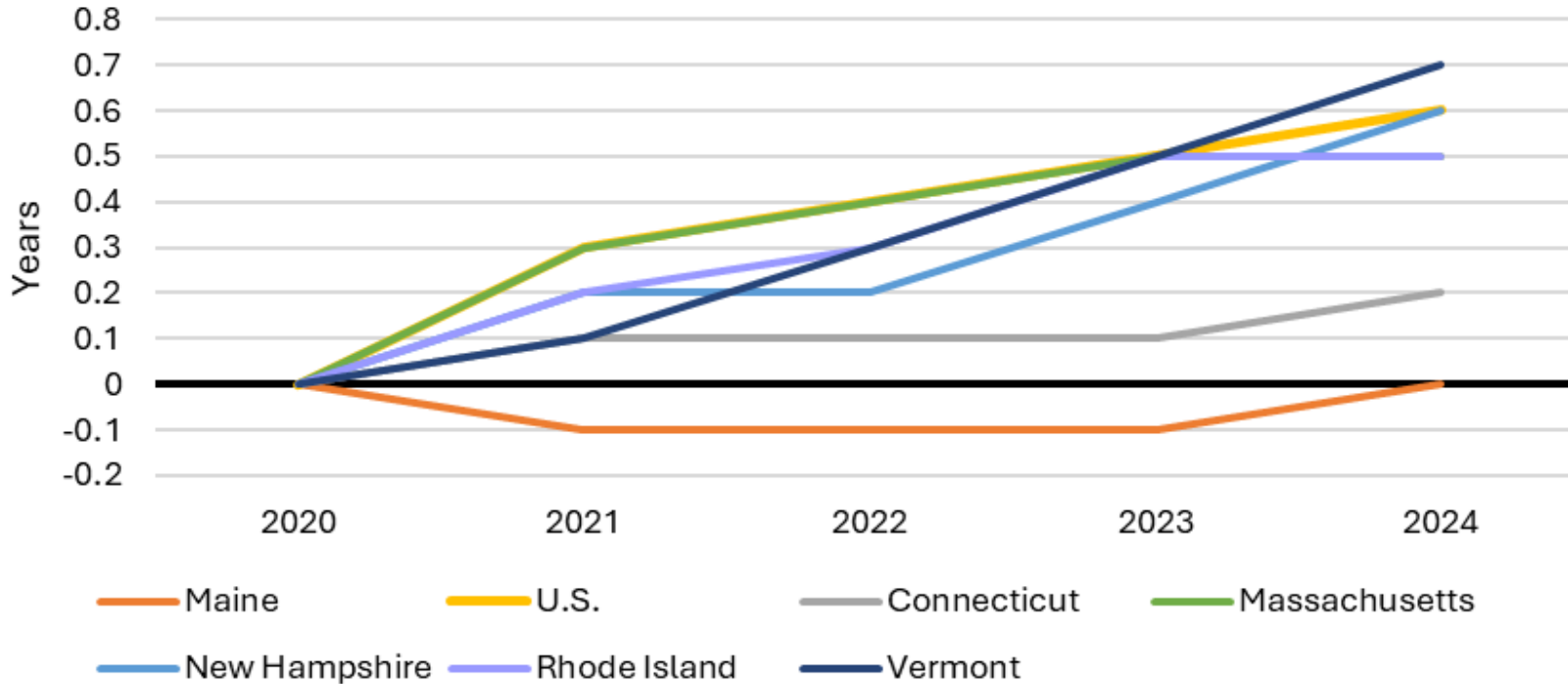
Share of 16+ Population by Age, 2024



2024 Labor Force Participation Rate



Change in median age since April 2020



Maine's median age in 2024 is unchanged from 2020, while the U.S. median age has increased 0.6 years

Maine still has the highest median age in the nation at 44.8 years; Vermont and New Hampshire are tied for second at 43.6 years

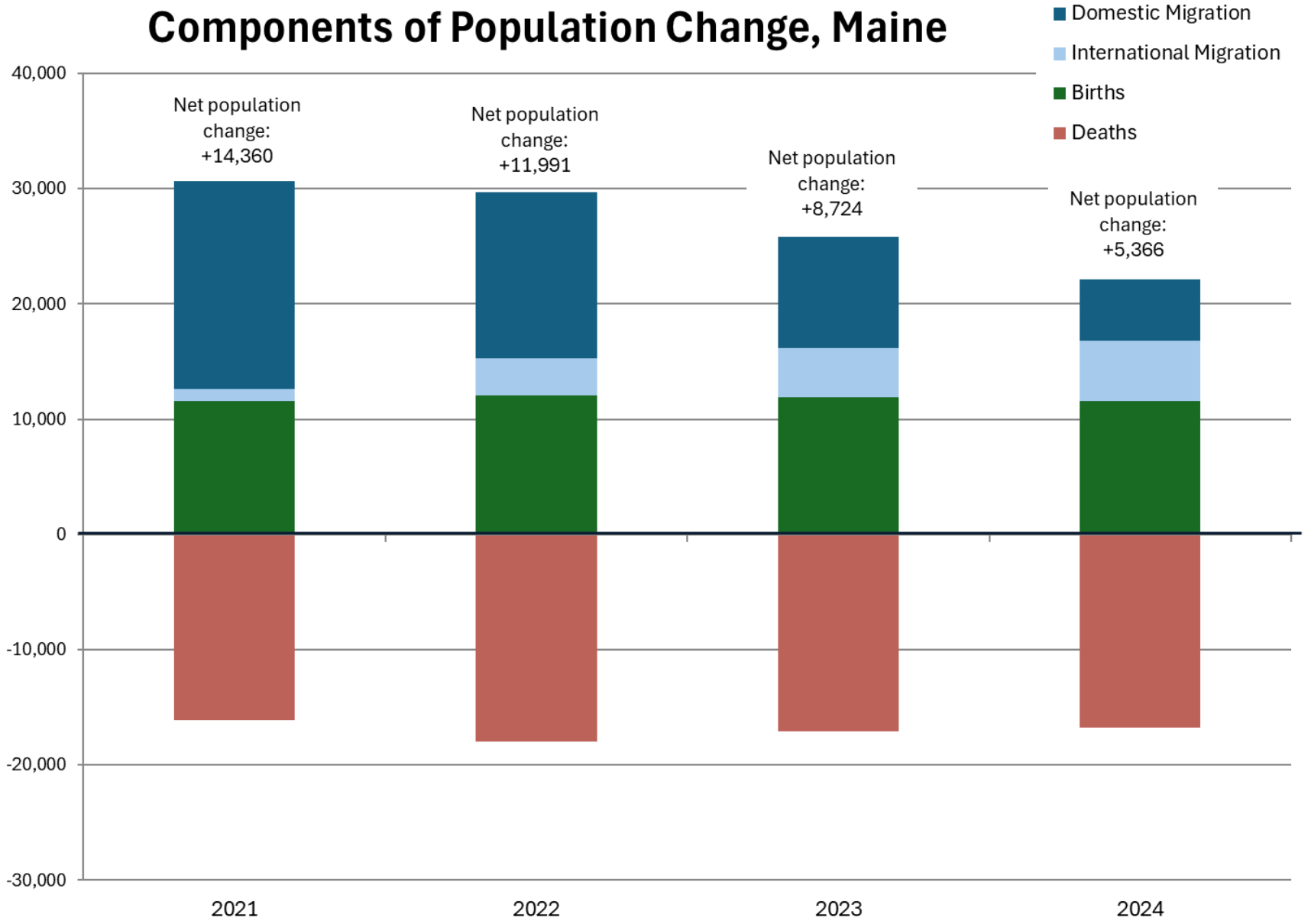
Median age of recent movers to Maine is 31

Population increase of 2.6% from 2010-2020 (42nd in U.S.)

Population increase of 3.1% from 2020-2024 (17th in U.S.)

11th for net domestic migration and 41st for net international migration in 2024

Components of Population Change, Maine



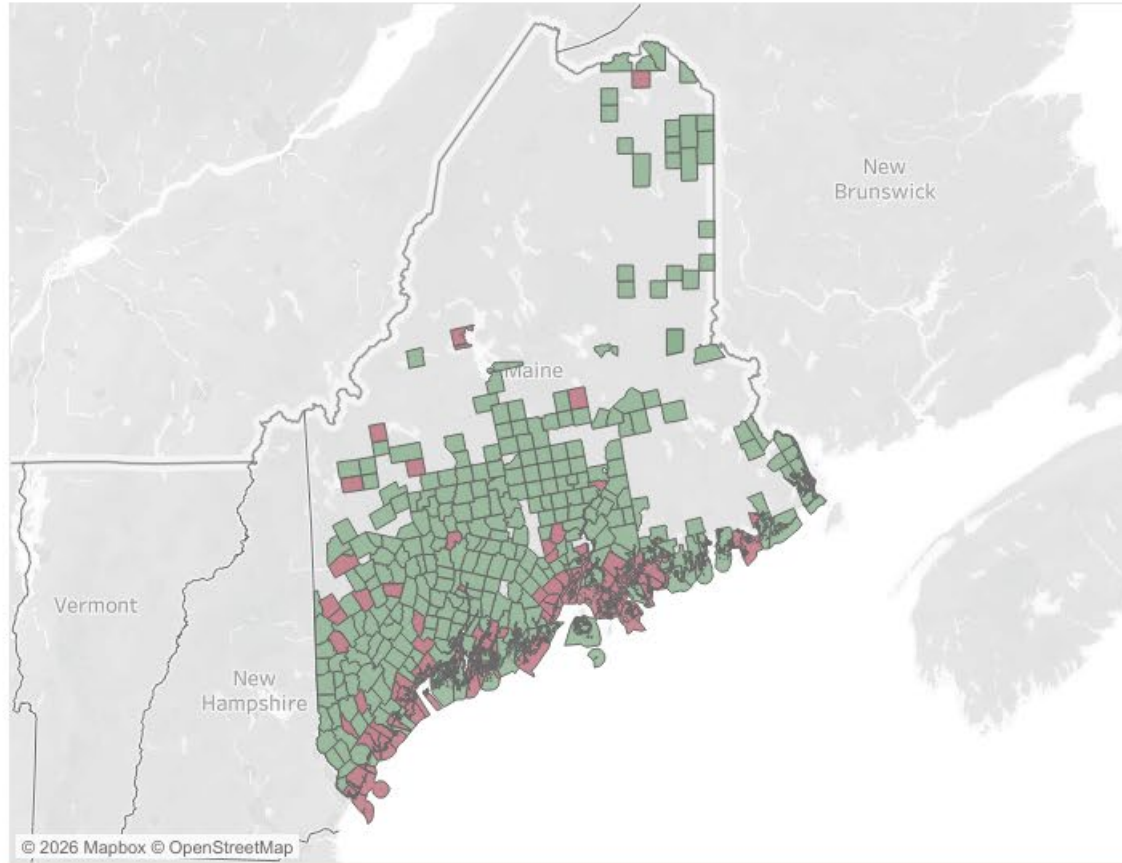
Homeownership Affordability Maps

Year

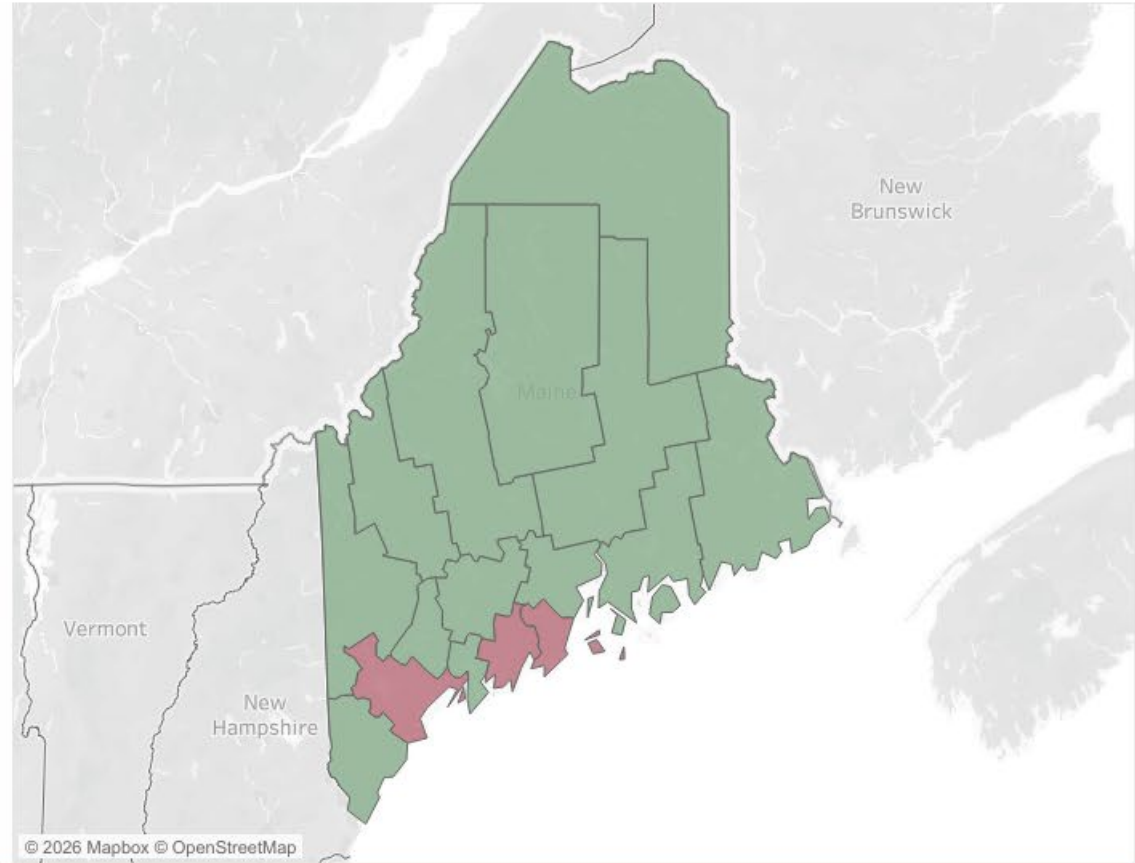
2020

Show history

Affordability By Town - 2020



Affordability By County - 2020



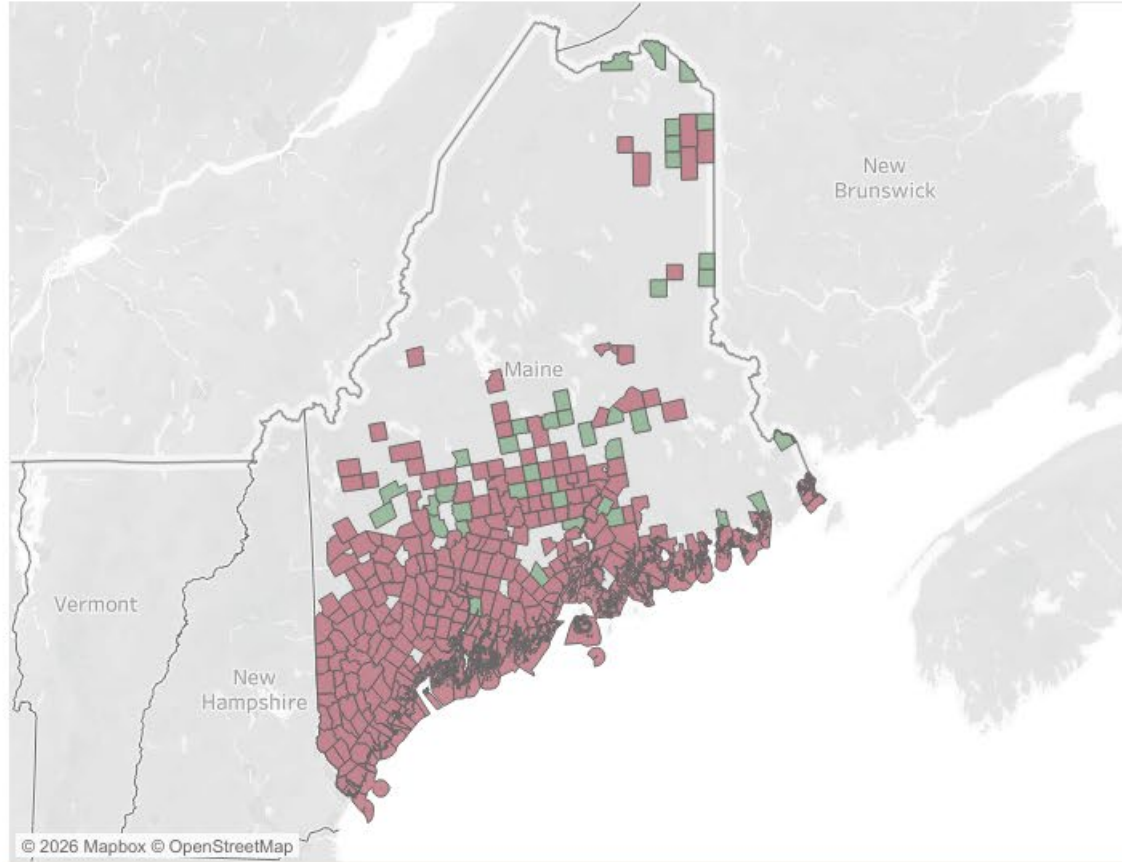
Homeownership Affordability Maps

Year

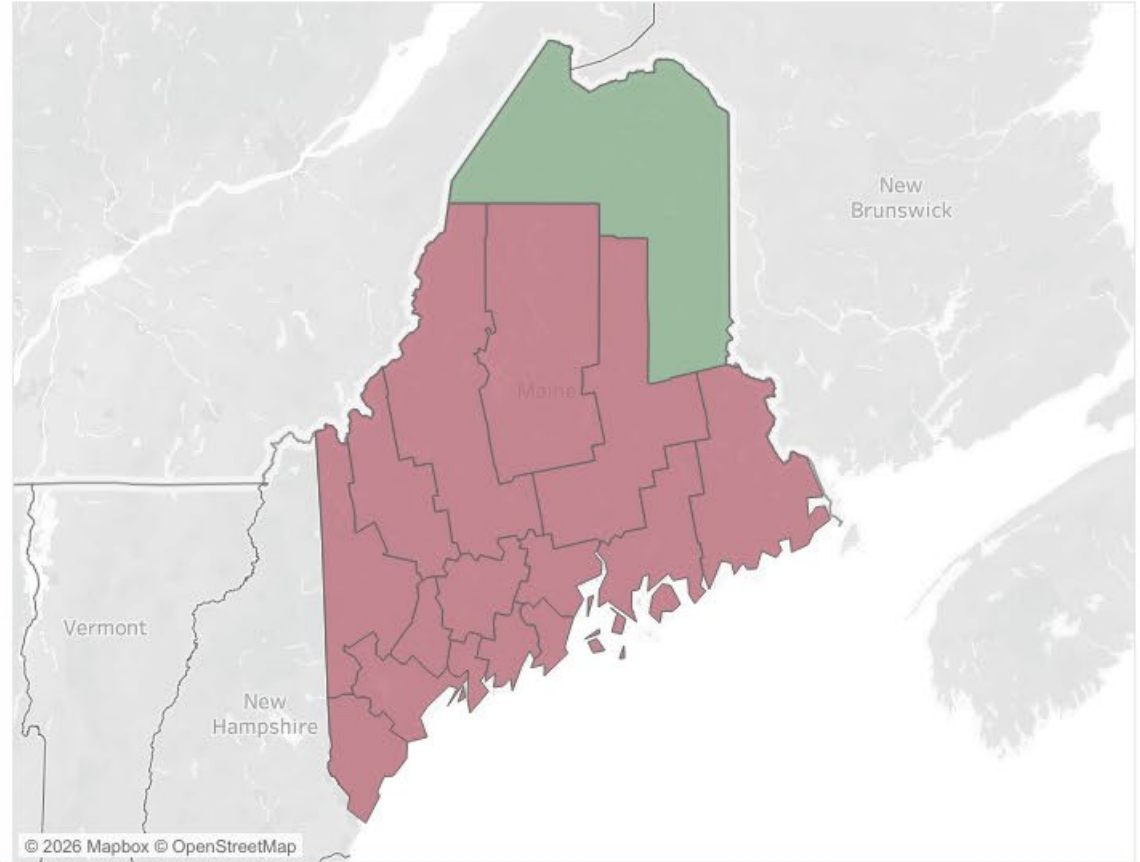
2024

Show history

Affordability By Town - 2024



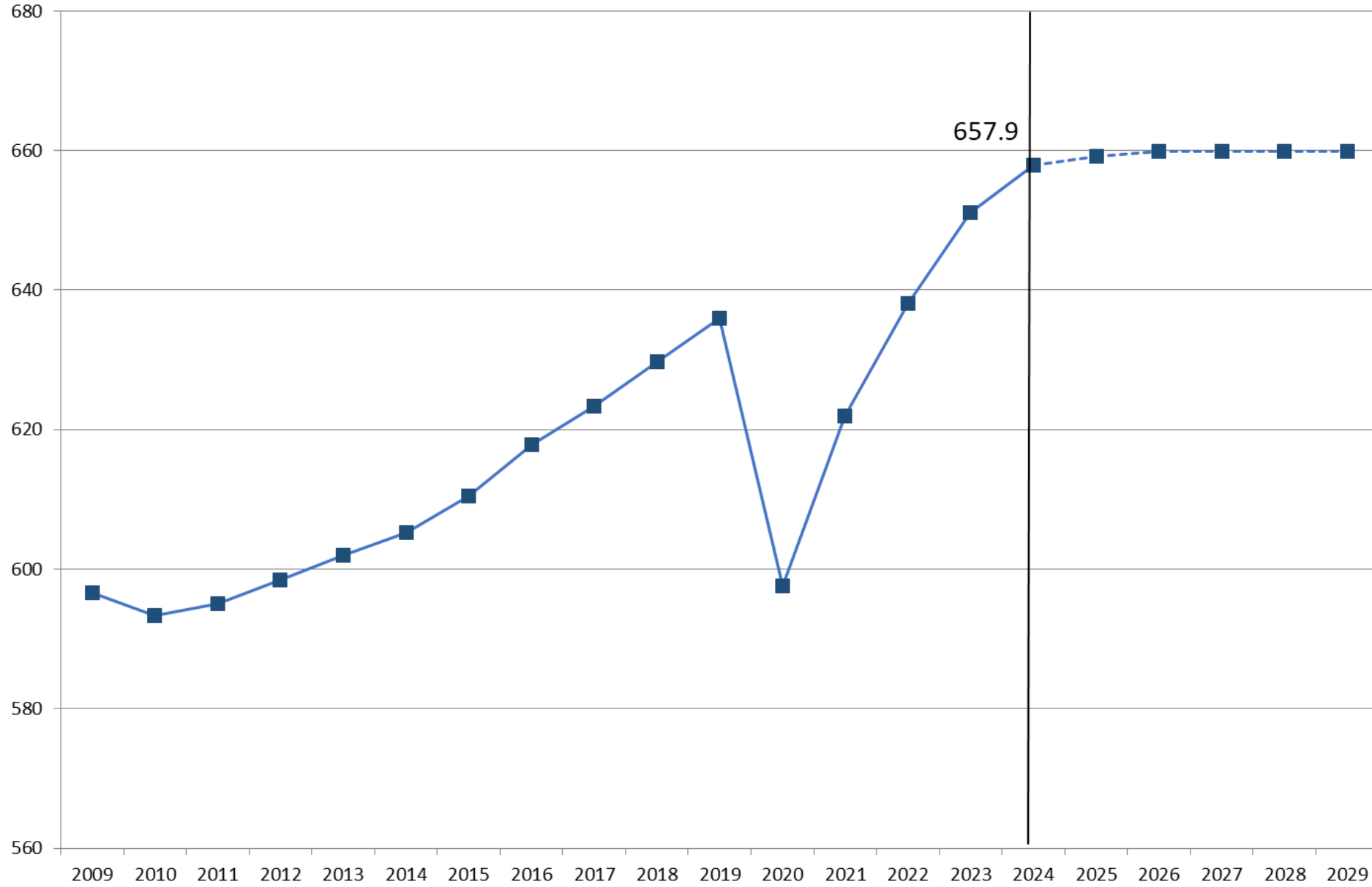
Affordability By County - 2024



Source: Maine Housing Homeownership Affordability Dashboard;
<https://www.mainehousing.org/data-research/housing-data/test-homeownership-program-metrics>

Total Nonfarm Employment (in thousands)

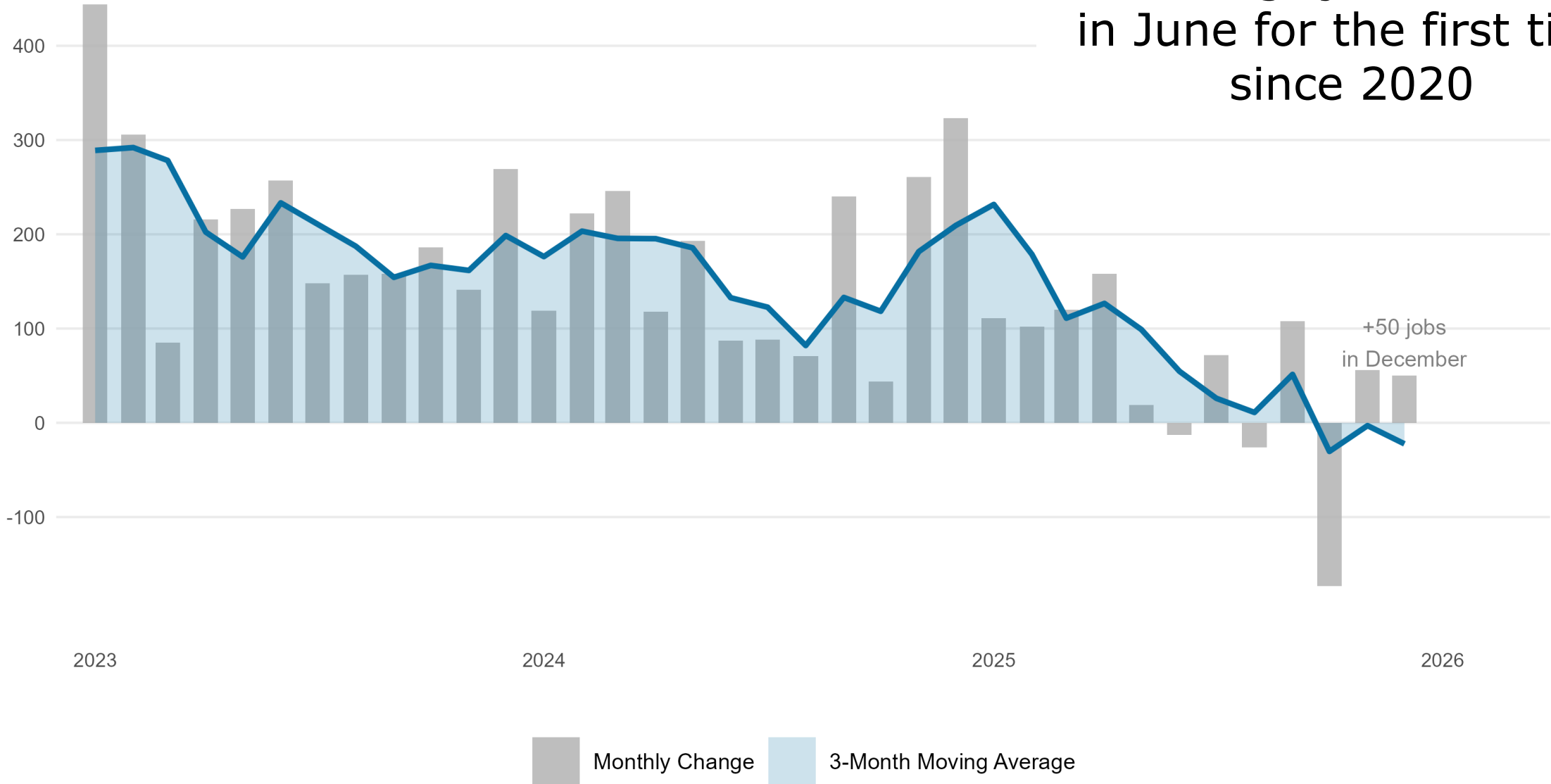
History and Consensus Economic Forecasting Commission forecast



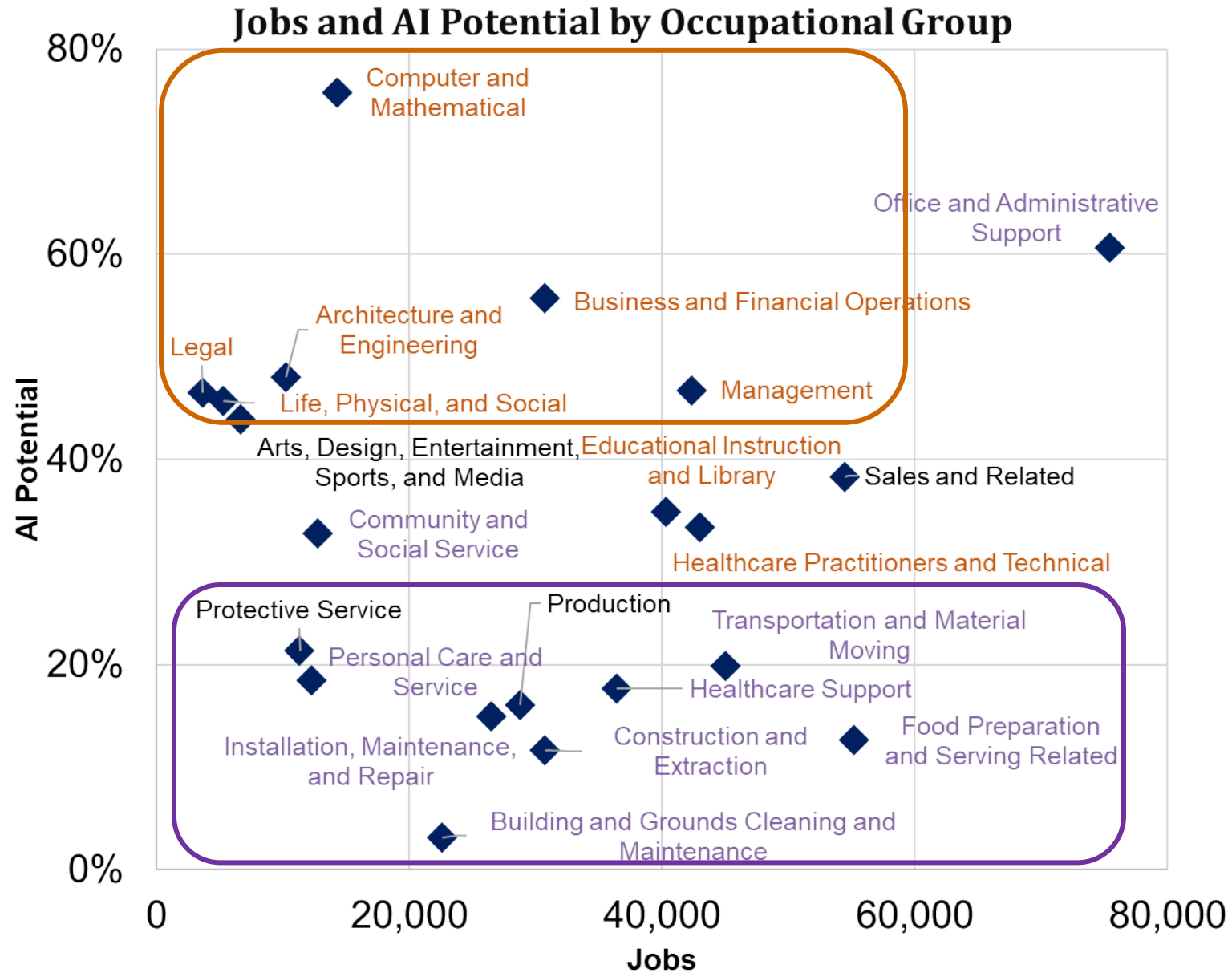
US Nonfarm Payroll Employment (Seasonally Adjusted)

Monthly Change in Jobs (in thousands)

The national labor market is slowing: jobs were lost in June for the first time since 2020



Source: U.S. Bureau of Labor Statistics



Most jobs in these occupations require post-secondary education
Most jobs in these occupations do not require post-secondary education
Educational requirements in these occupations vary

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

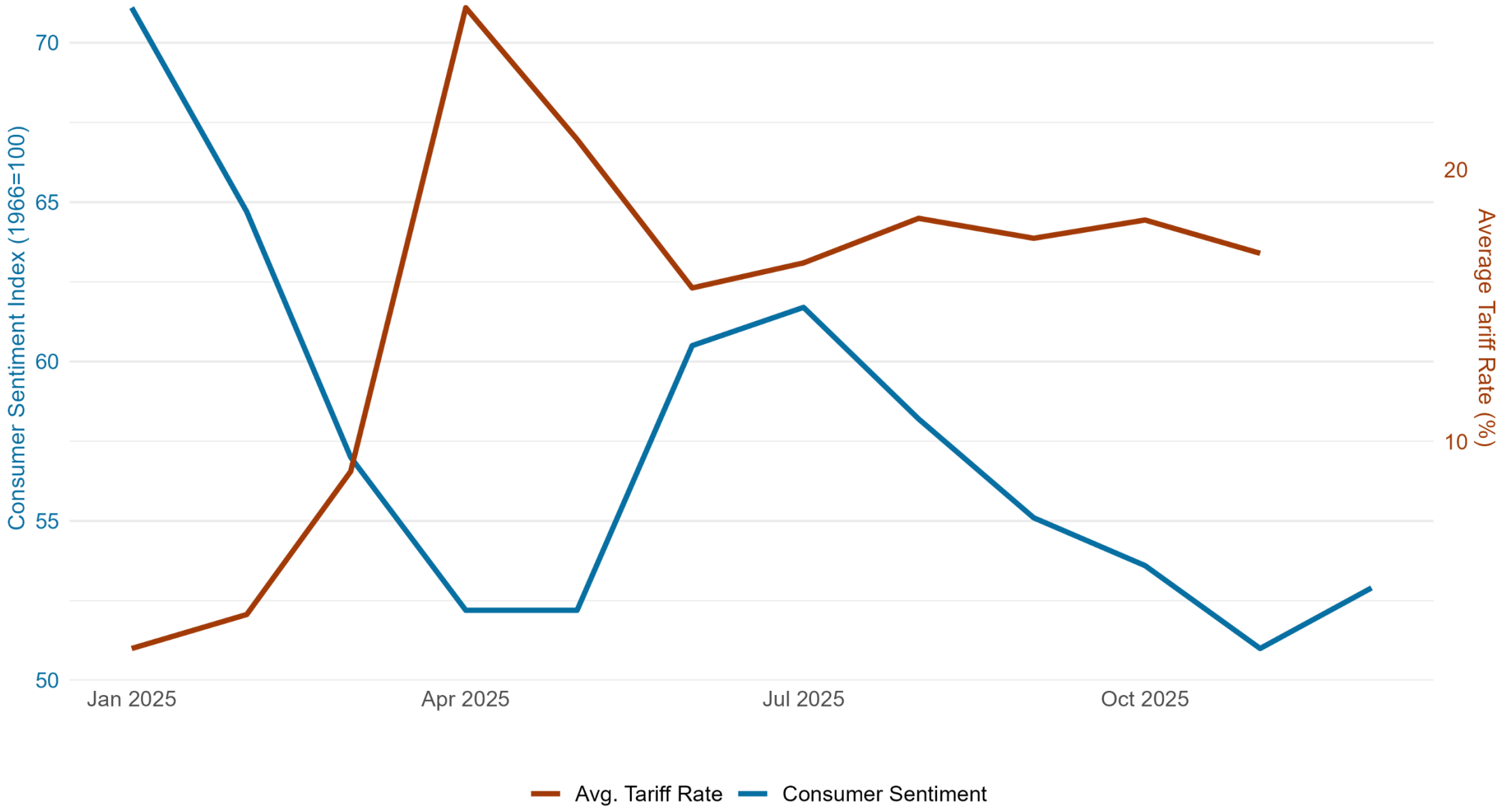
Legality of International Emergency Economic Powers Act (IEEPA) tariffs being considered by the U.S. Supreme Court

Country/product-specific rates and exemptions continue to change on short notice and with little detail

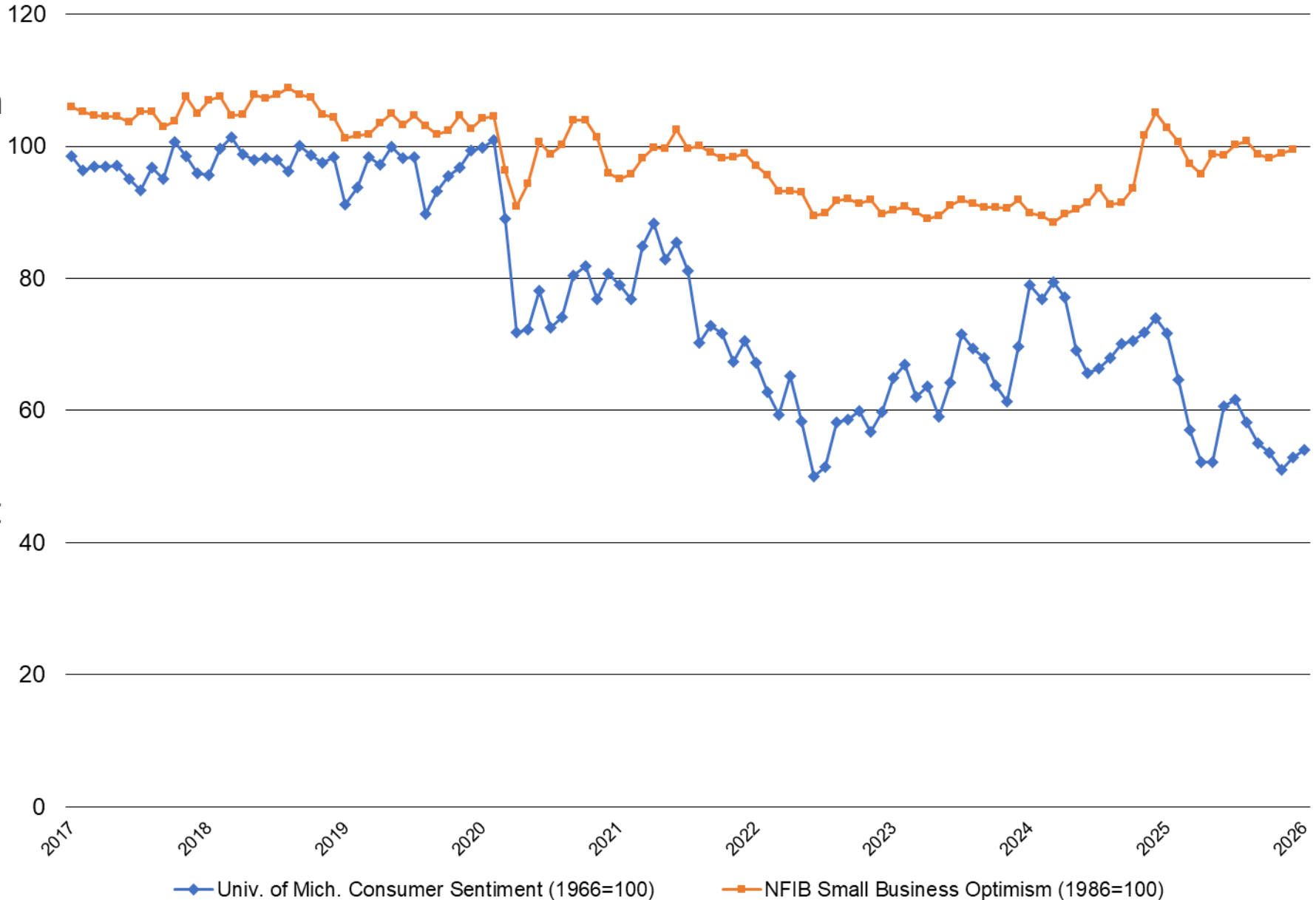
U.S.-Mexico-Canada Agreement (USMCA) compliant imports have remained exempt (around 85% from Canada, 86% from Mexico exempt)
USMCA up for review this year (July)

The Budget Lab at Yale estimates (as of 1/19) average effective post-substitution tariff rate for consumers of 14.8% (including Greenland tariffs): highest since 1935 and equates to \$1.3K per household loss of income

Consumer Sentiment and Average Tariff Rate in 2025



Consumer Sentiment and Small Business Optimism Indexes

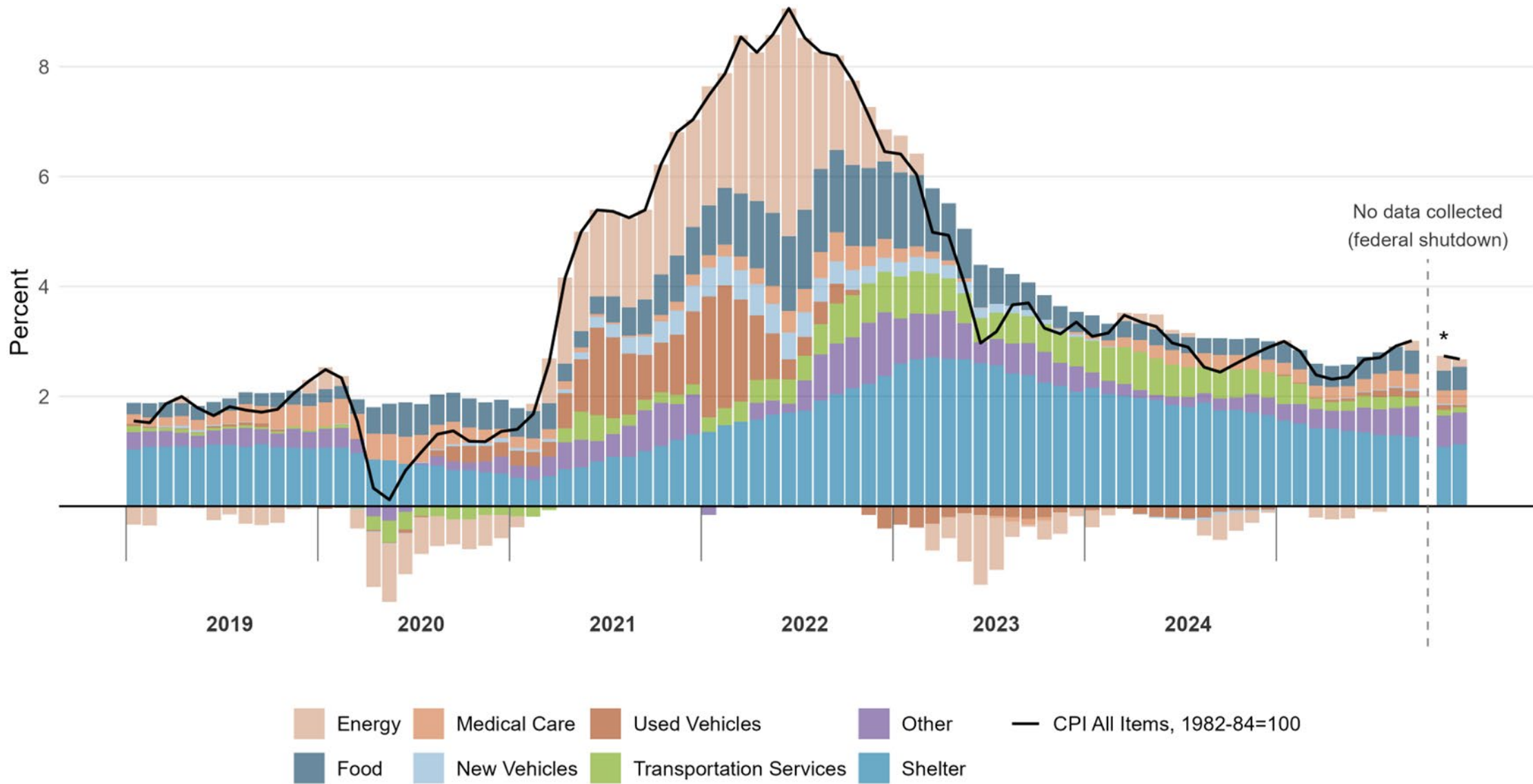


Small business optimism saw an increase in December in those expecting better business conditions for the first time since July

Lower income households saw some improvements in sentiment in January but consumer sentiment in 2025 generally held up better among consumers with larger stock holdings

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

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



Source: US Bureau of Labor Statistics & Calculations by OSE Staff

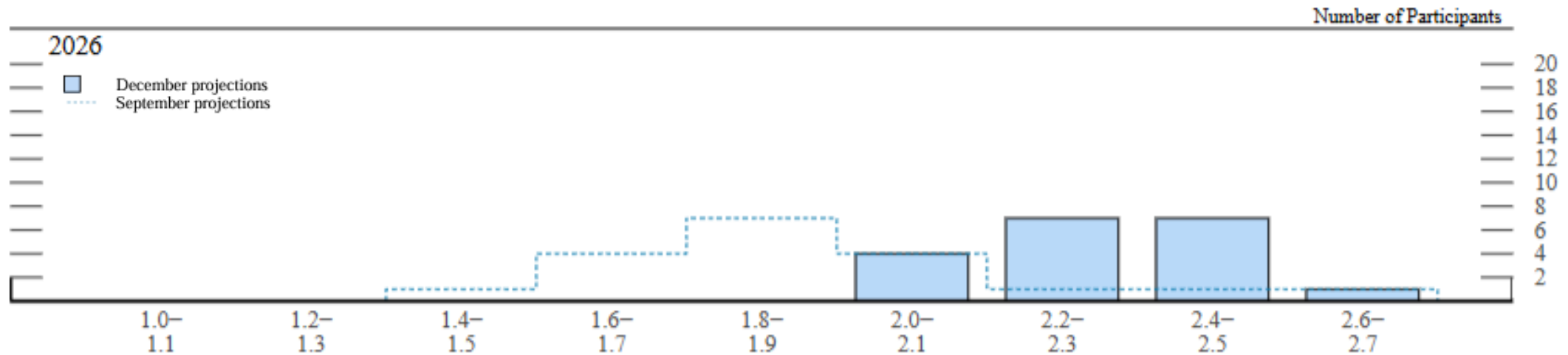
*November 2025: Shutdown not resolved until Nov 12; BLS operated on truncated schedule. Second half of November (Black Friday, holiday shopping) may have distorting effect

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

Median projection for 2026
from Dec. 2025 Federal
Open Market Committee
statement was 3.4%

Distribution of participants' projections for the change in real GDP

Percent range



Federal funding has become more uncertain and unstable since the start of the current administration

OBBBA adds \$9.1 trillion to federal deficit over 10 years (\$8.4 trillion to tax cuts); offsets \$5.6 trillion through changes to tax policies, Medicaid, SNAP, student loans

FY 2026 budget proposal keeps overall discretionary base spending level with 2025, but changes how some of that money is allocated

- Shifts \$119.3B from non-defense programs to defense programs

Department	Proposed Decrease (Billions)
Commerce	-\$1.7
Treasury	-\$2.7
Justice	-\$2.7
Labor	-\$4.6
Energy	-\$4.7
Agriculture	-\$5.0
Interior	-\$5.1
Education	-\$12.0
Health and Human Services	-\$33.3
Housing and Urban Development	-\$33.6
State and International Programs	-\$49.1

Contact Information

Amanda Rector

Maine State Economist

Department of Administrative and Financial Services

www.maine.gov/dafs/economist

amanda.rector@maine.gov