

# The Economic Outlook for Maine

Maine State Bar Association  
CLE Bankruptcy Program

March 25, 2026

Amanda Rector  
Maine State Economist

# 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 economy seems to 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.
- 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 1/5 of world's oil supply typically passes through Strait of Hormuz; has been essentially shut down since March 1

Crude oil prices surged to \$120/barrel (highest since 2022 and largest weekly gain in oil futures trading history tracking back to 1983) before dropping below \$100/barrel

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

FRED



CBOE Crude Oil ETF Volatility Index



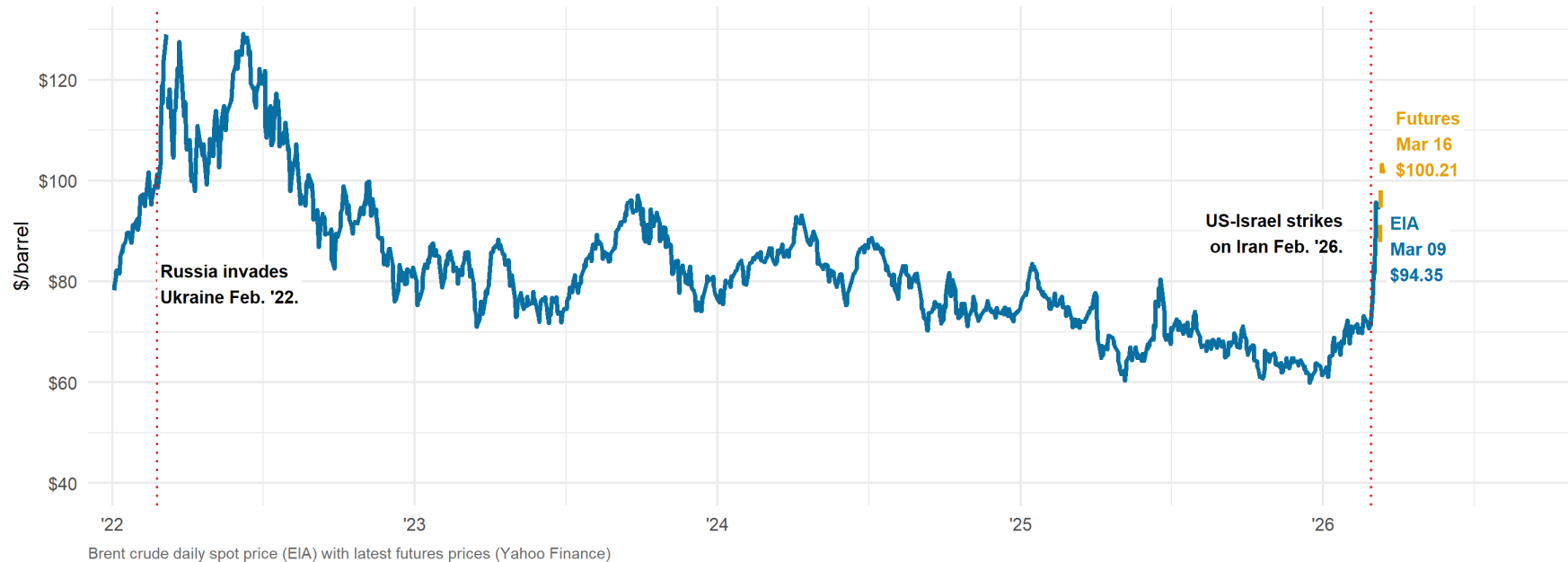
Source: Chicago Board Options Exchange via FRED®  
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

Source: Chicago Board Options Exchange, CBOE Crude Oil ETF Volatility Index [OVXCLS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/OVXCLS>, March 17, 2026

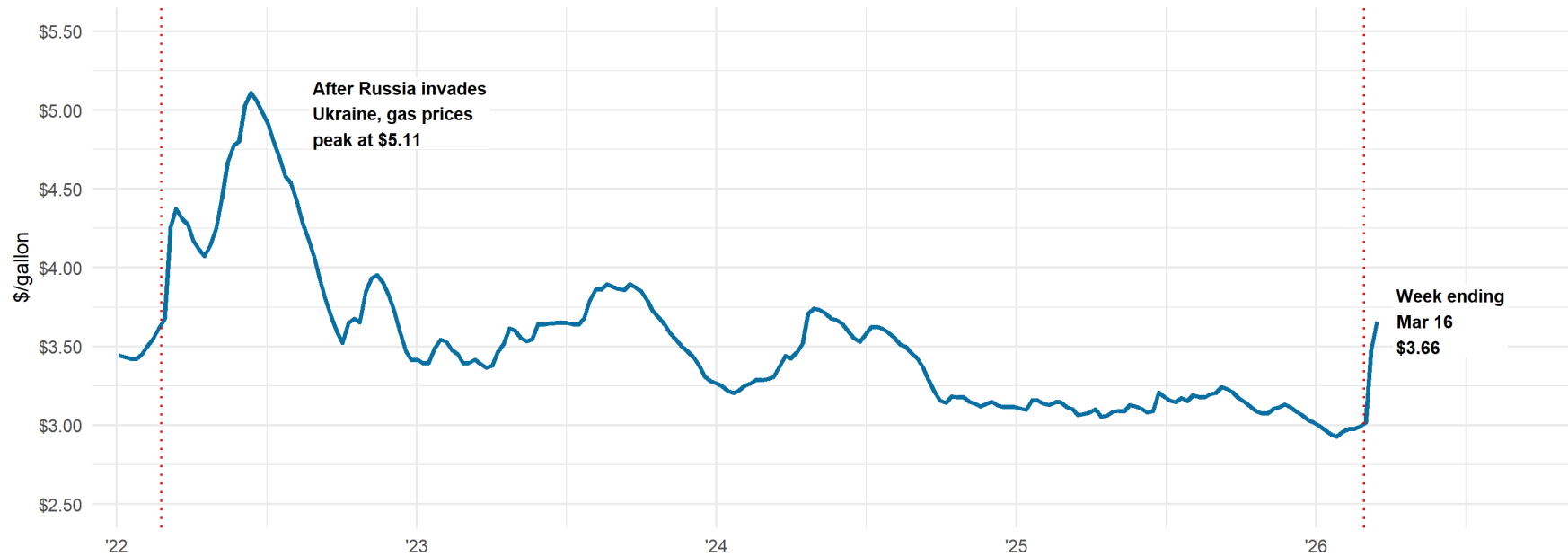
# Brent Crude and New England Gasoline Prices

Brent crude oil price (daily spot through Mar 09, futures Mar 10-Mar 16)



Brent crude daily spot price (EIA) with latest futures prices (Yahoo Finance)

New England retail gasoline price (weekly average, all grades)



EIA weekly New England retail gasoline price (all grades)  
Weekly data shown; retail prices update more slowly than crude oil

# Heating oil at \$4.778 week ending 3/9/26 (up \$0.877 from week prior)

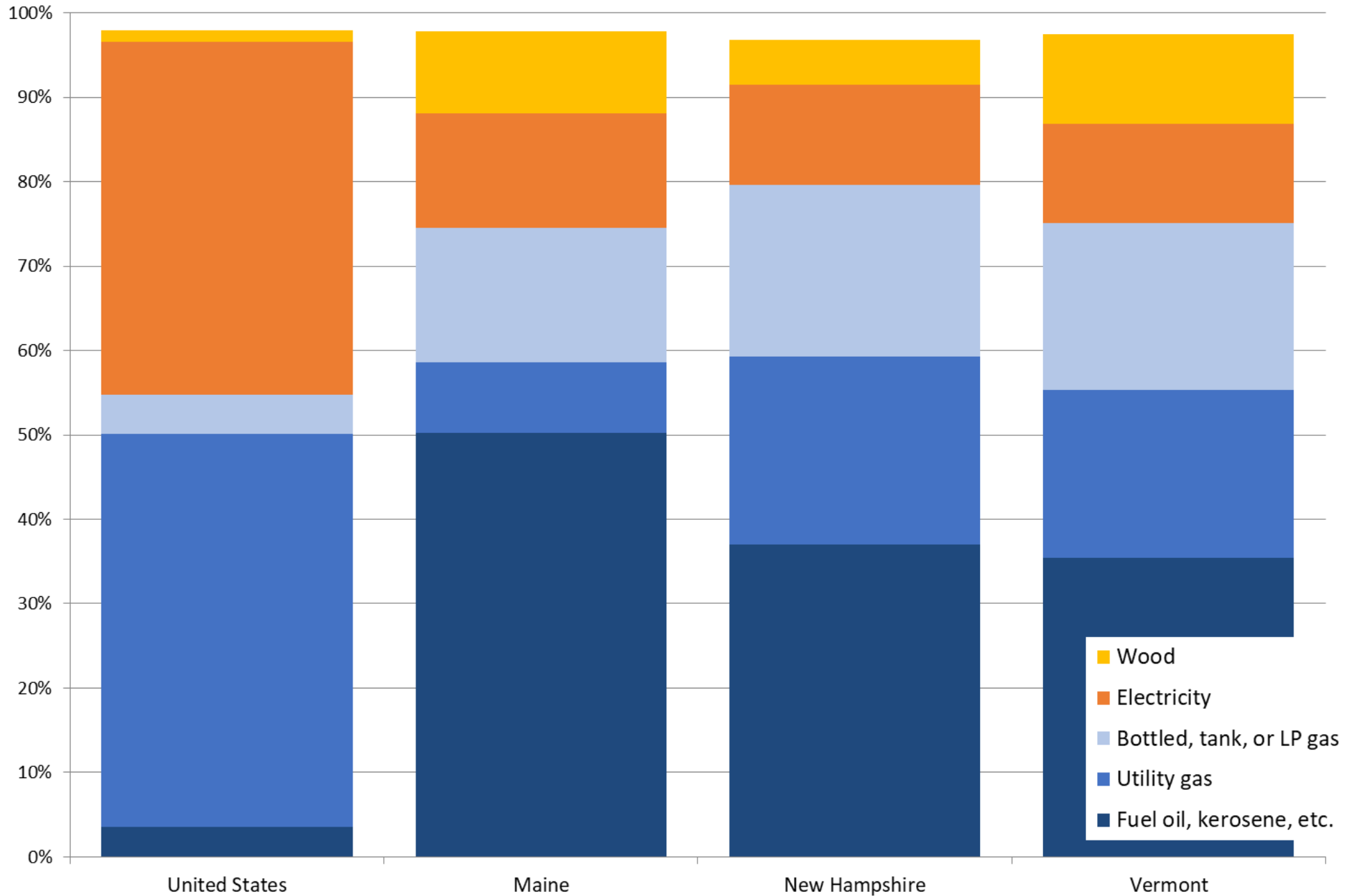
Weekly Heating Oil and Propane Prices



Data source: U.S. Energy Information Administration



# Percent of Housing Units by Type of Primary Heating Fuel



# 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

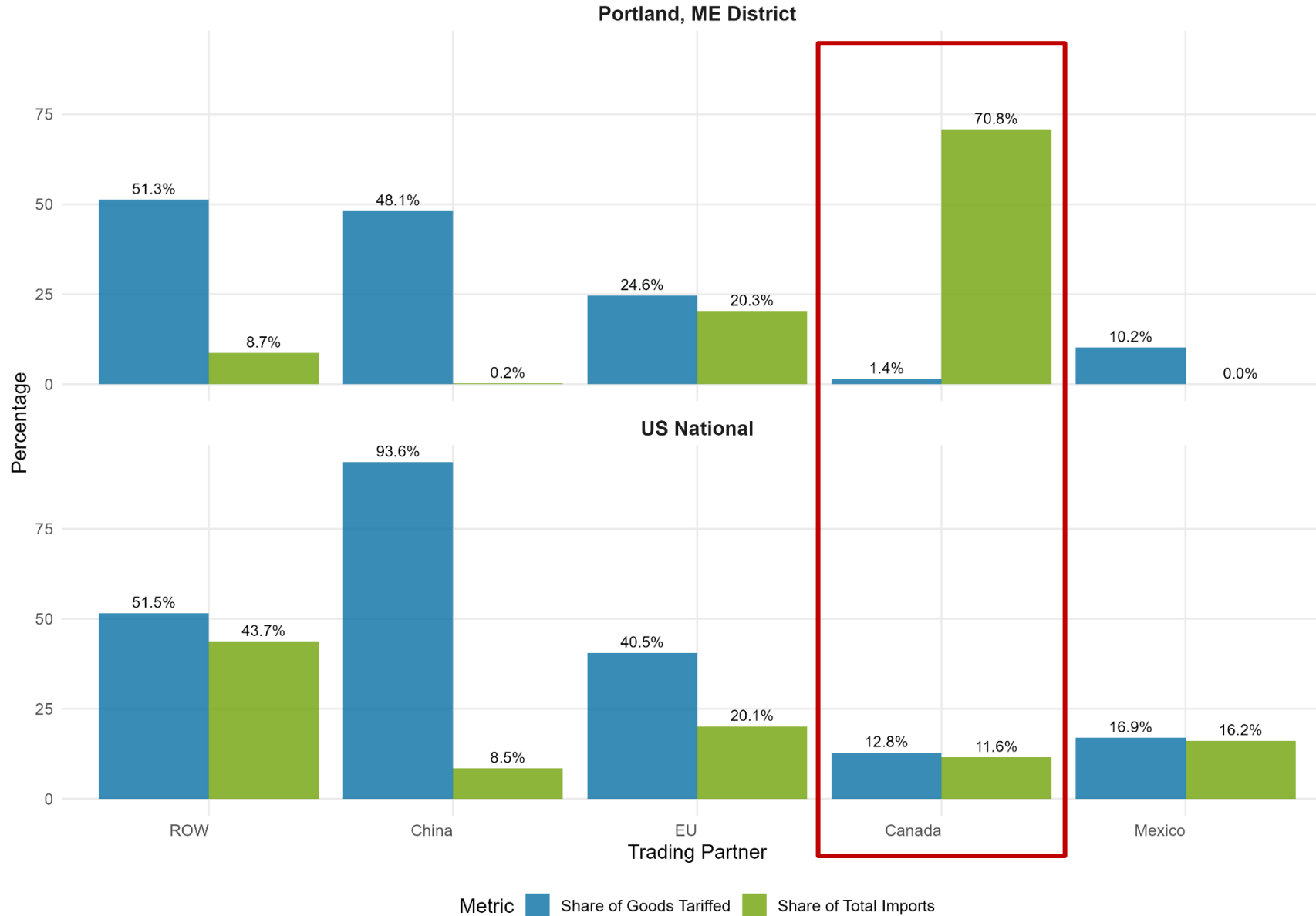
U.S.-Mexico-Canada Agreement (USMCA) compliant imports have remained exempt (around 85% from Canada, 86% from Mexico exempt)  
USMCA up for review this year (July)

Process for IEEPA tariff refunds to importers still being determined

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

## Comparing Tariff Share vs Import Volume

Latest Period: September 2025

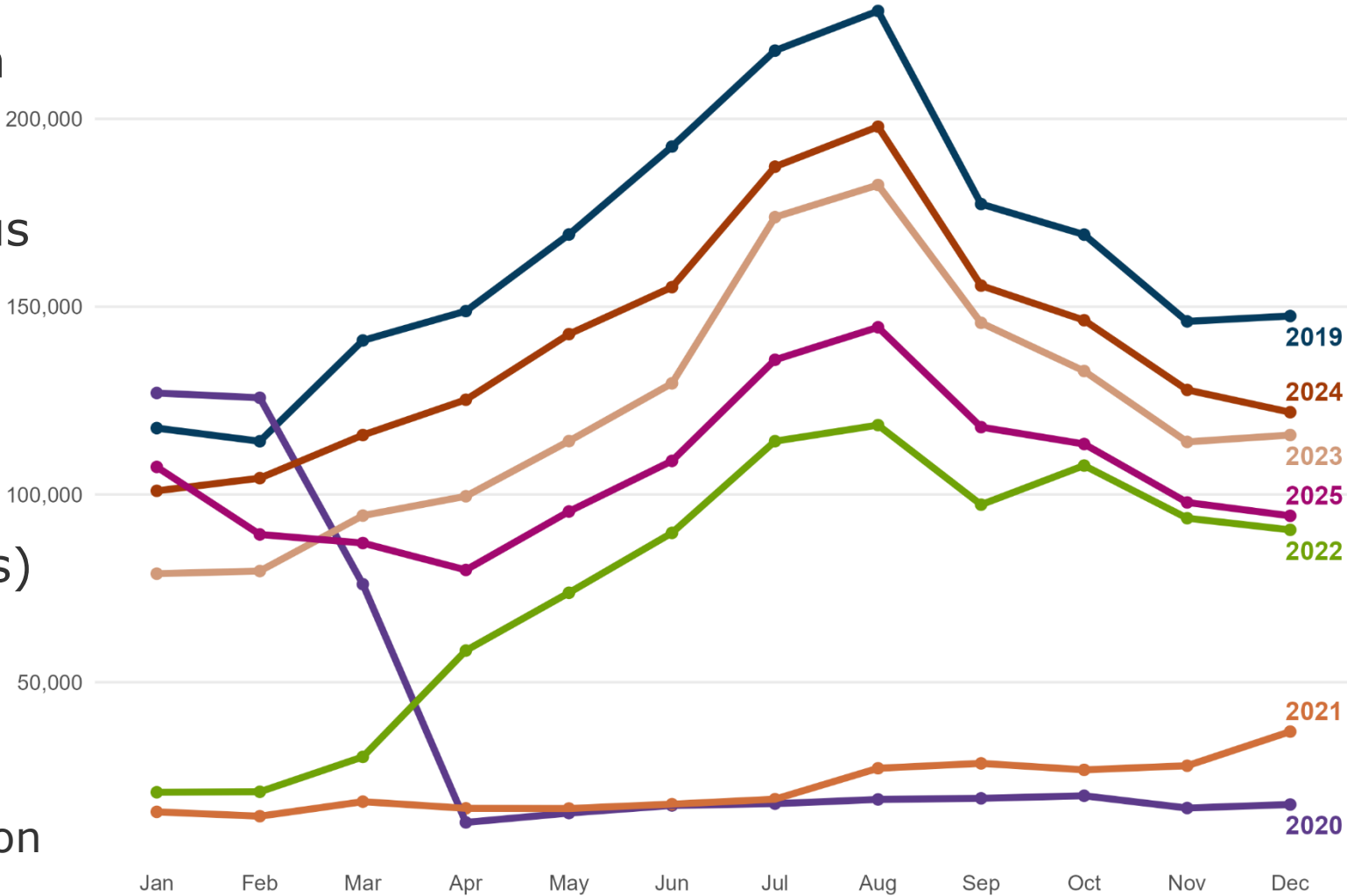


Portland, ME District includes all ports of entry in ME as well as Portsmouth, NH, Lebanon Airport, NH, and Manchester, NH  
 Data: U.S. Census Bureau

# 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

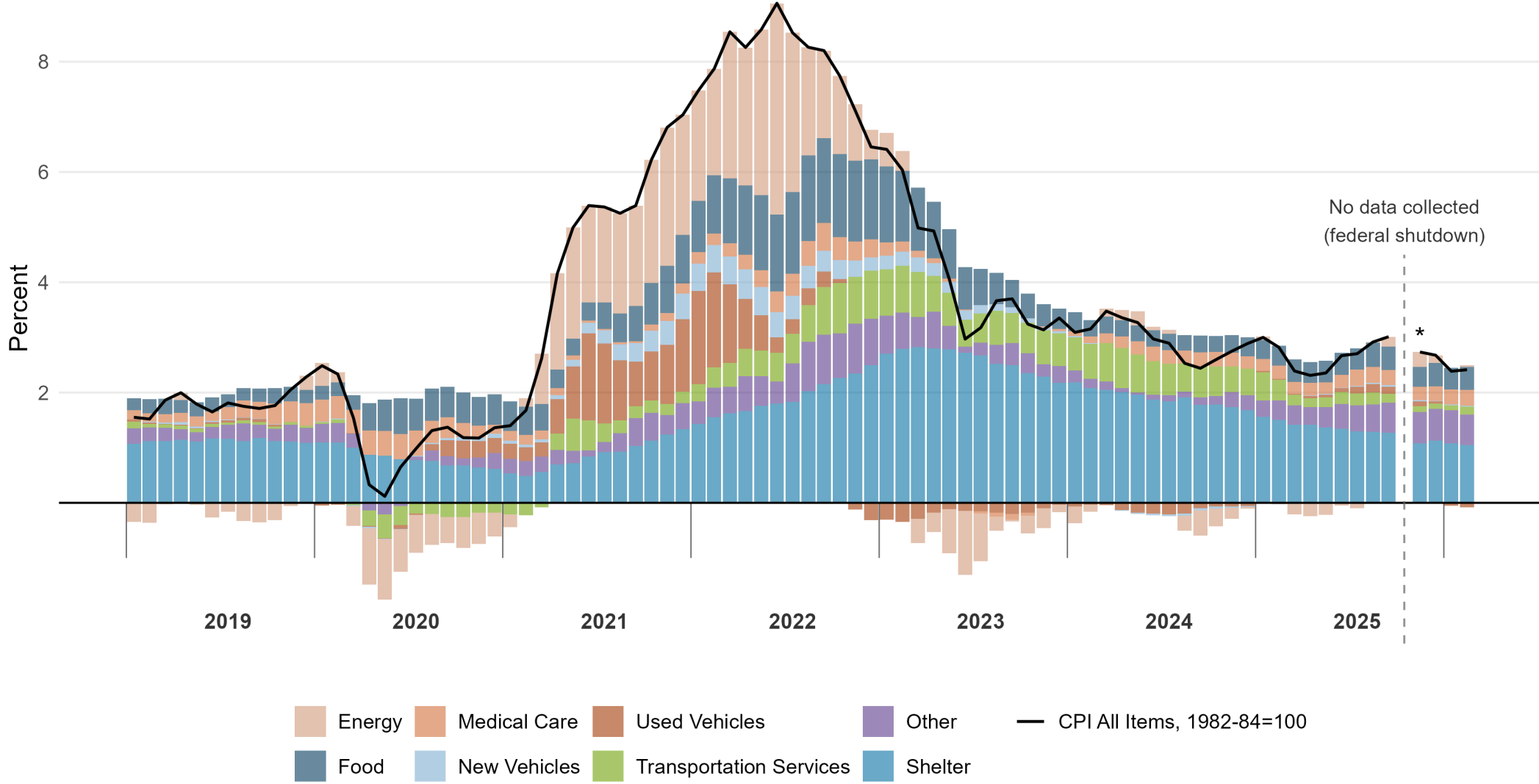
Passenger Vehicles Entering Maine from Canada



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

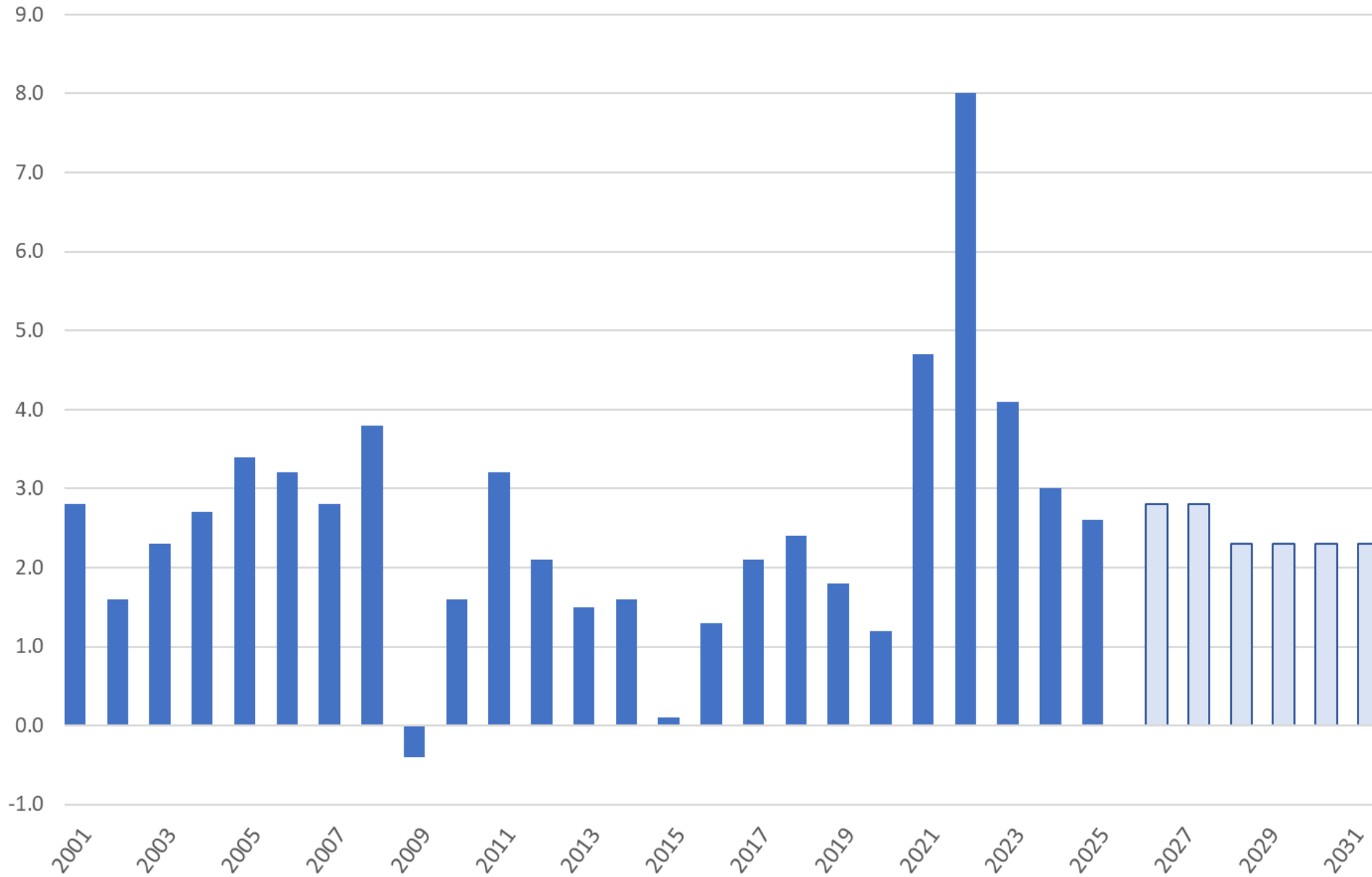
# Inflation and consumer sentiment

# 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

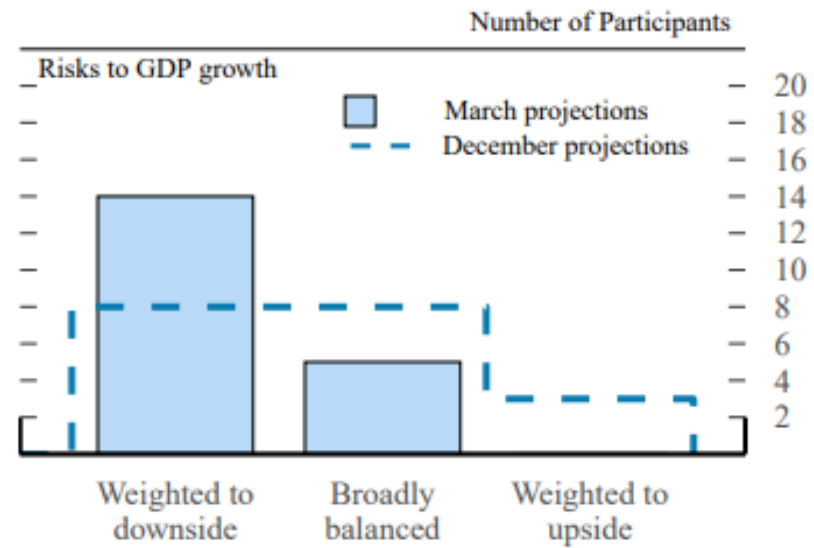
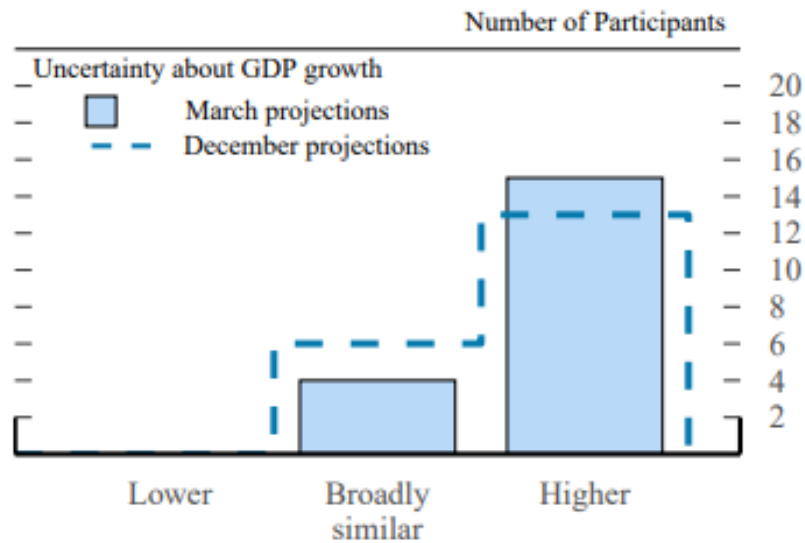
## Year-over-year percent change in Consumer Price Index; 2001-2025 historical and 2026-2031 forecast



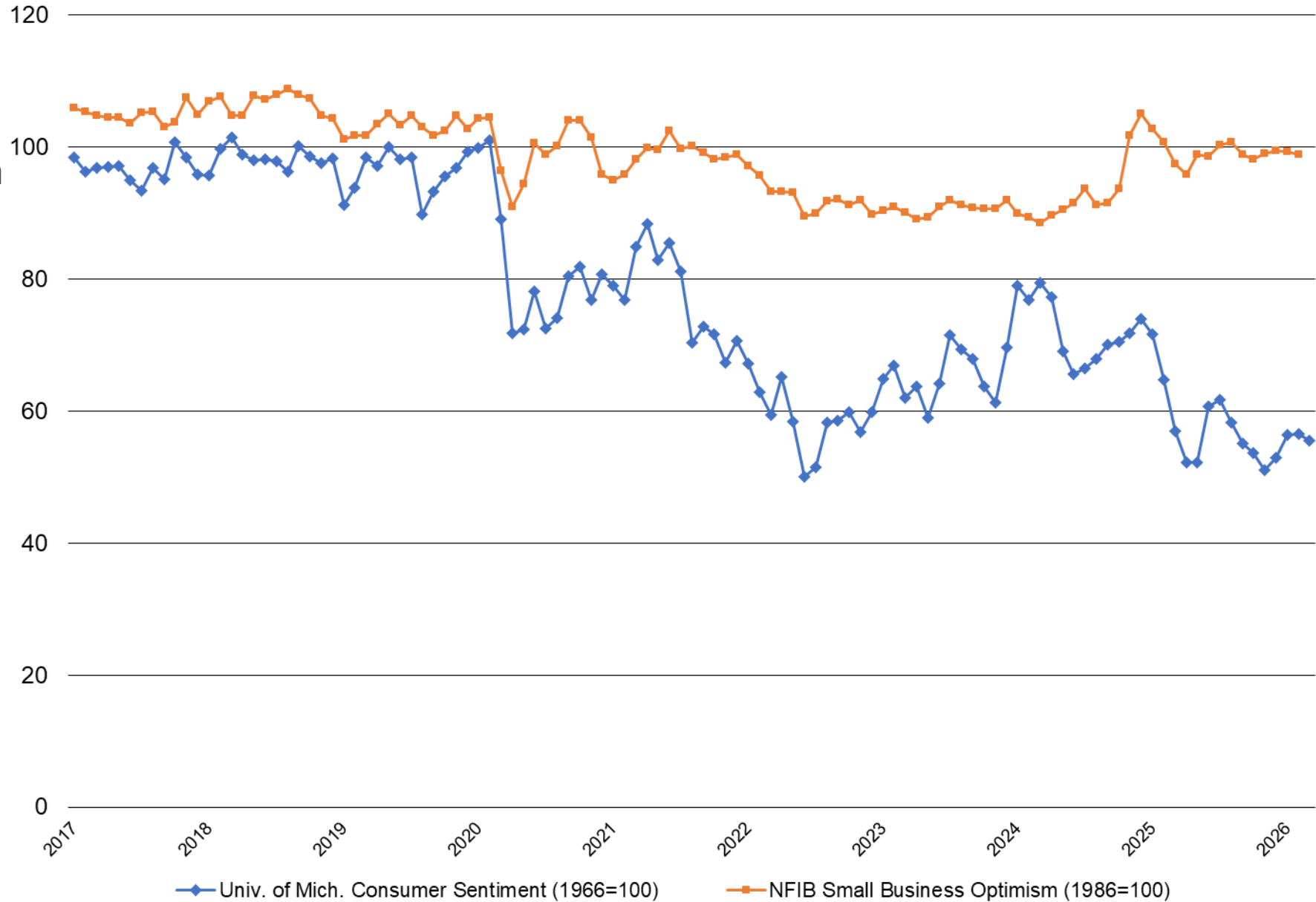
Current FOMC target range  
(as of Mar.):  
3.5% to 3.75%

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 saw a significant decrease in uncertainty in February 2026.

Consumer sentiment was highly responsive to inflation expectations in 2025; March interview responses from after Feb. 28 were down from those completed before military action in Iran.

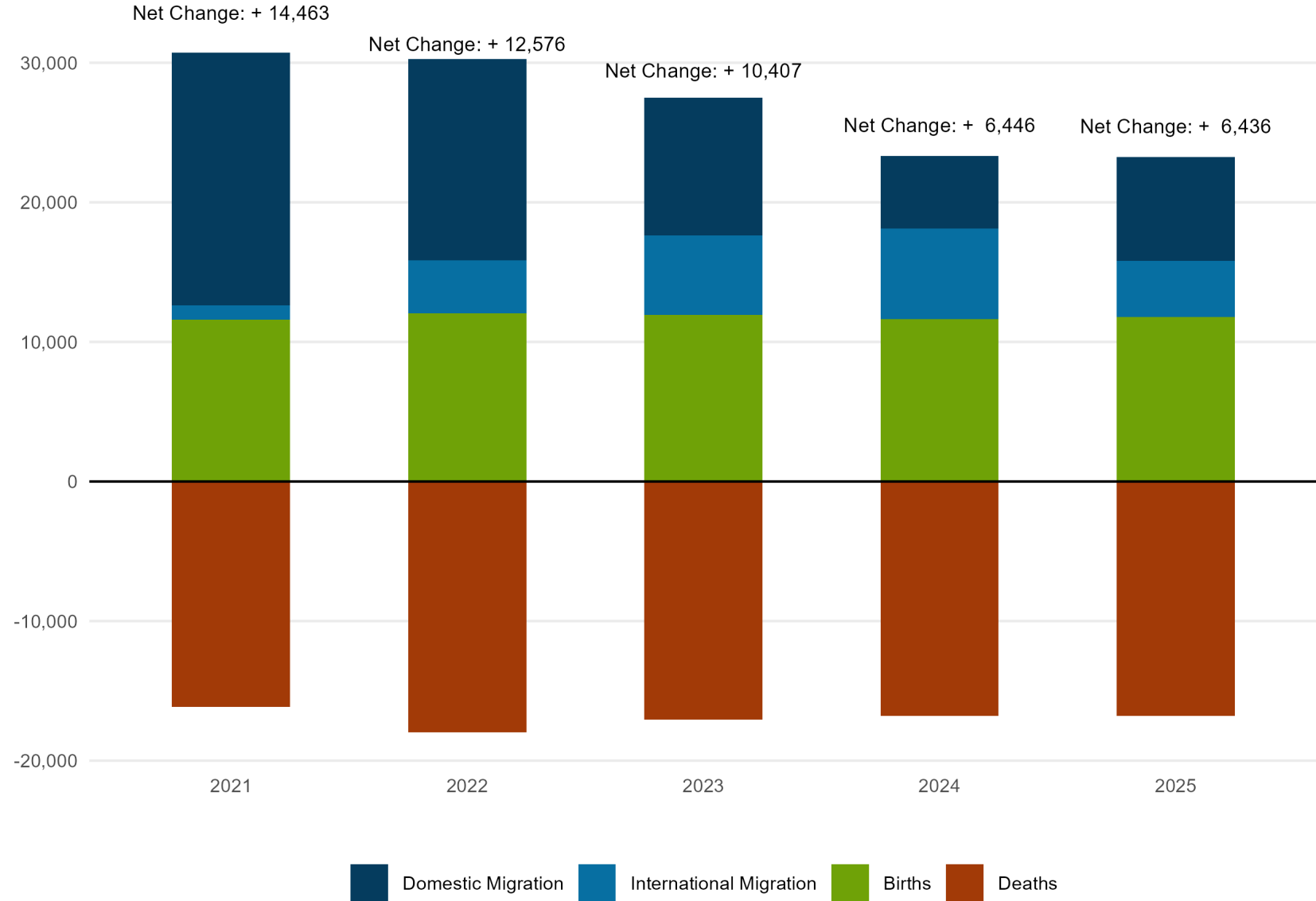
# Population Change and Demographics

2024 Total Population:  
1,414,874

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

7<sup>th</sup> for total net  
migration and net  
domestic migration  
and 25<sup>th</sup> for net  
international migration  
in 2025

### Components of Maine's Population Change

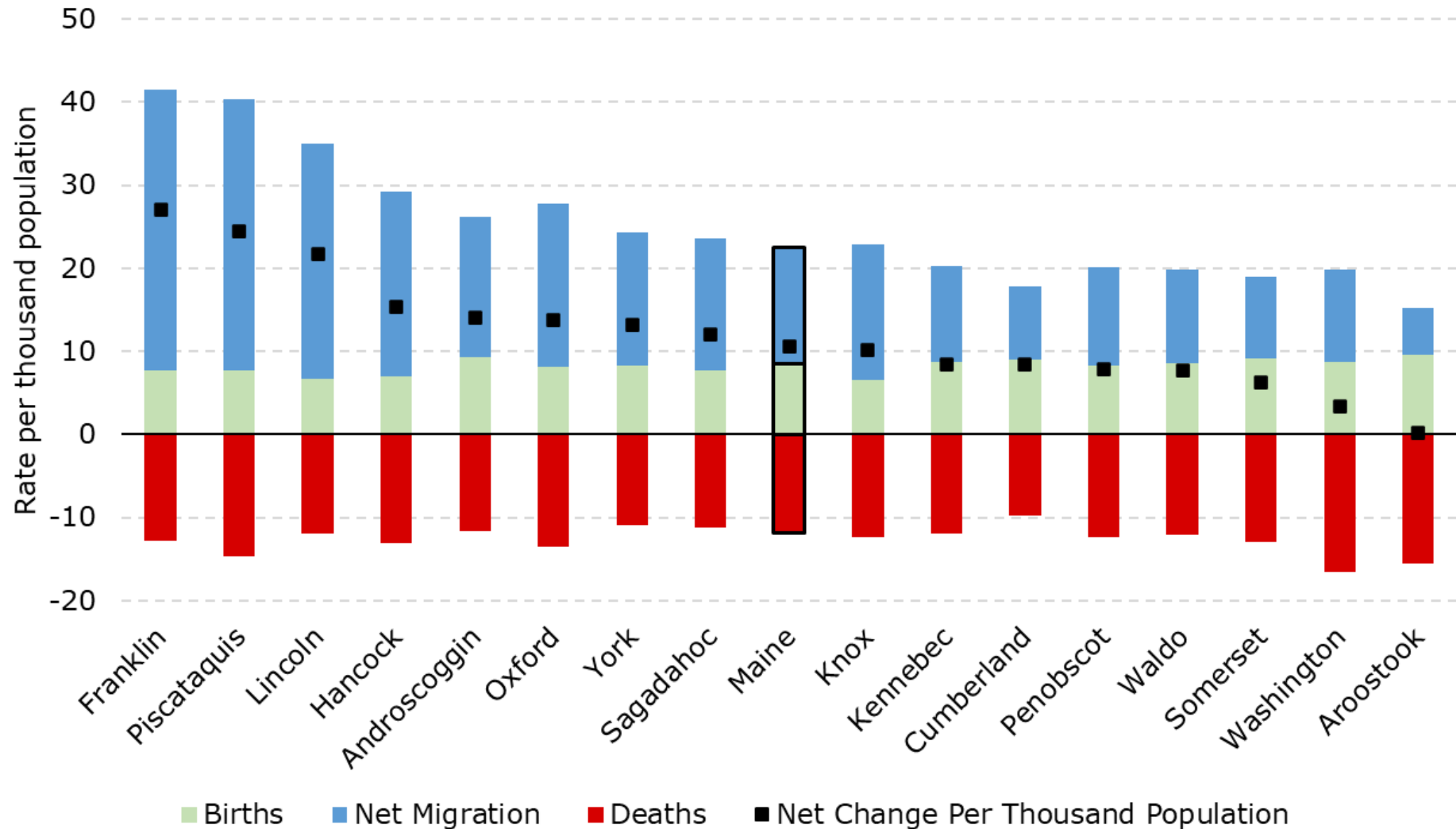


Source: US Census Bureau, Population Estimates Program, 2025 Vintage

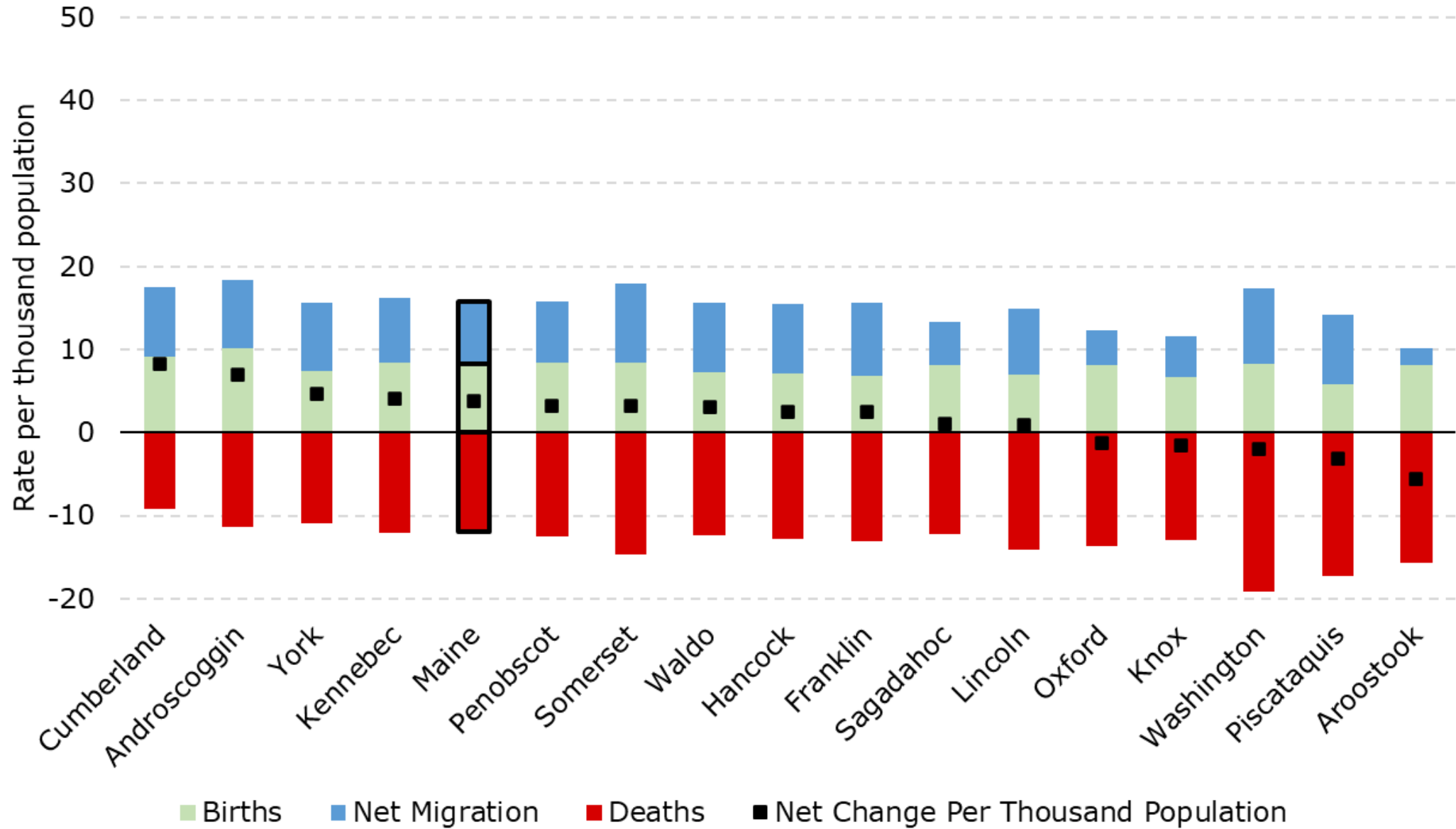
Net international migration  
accounted for 84% of U.S.  
population growth from 2023-2024

Changes to federal policy caused a  
historic drop in international migration  
from 2024-2025

## Components of Population Change, 7/1/2020-7/1/2021 Rate per thousand population

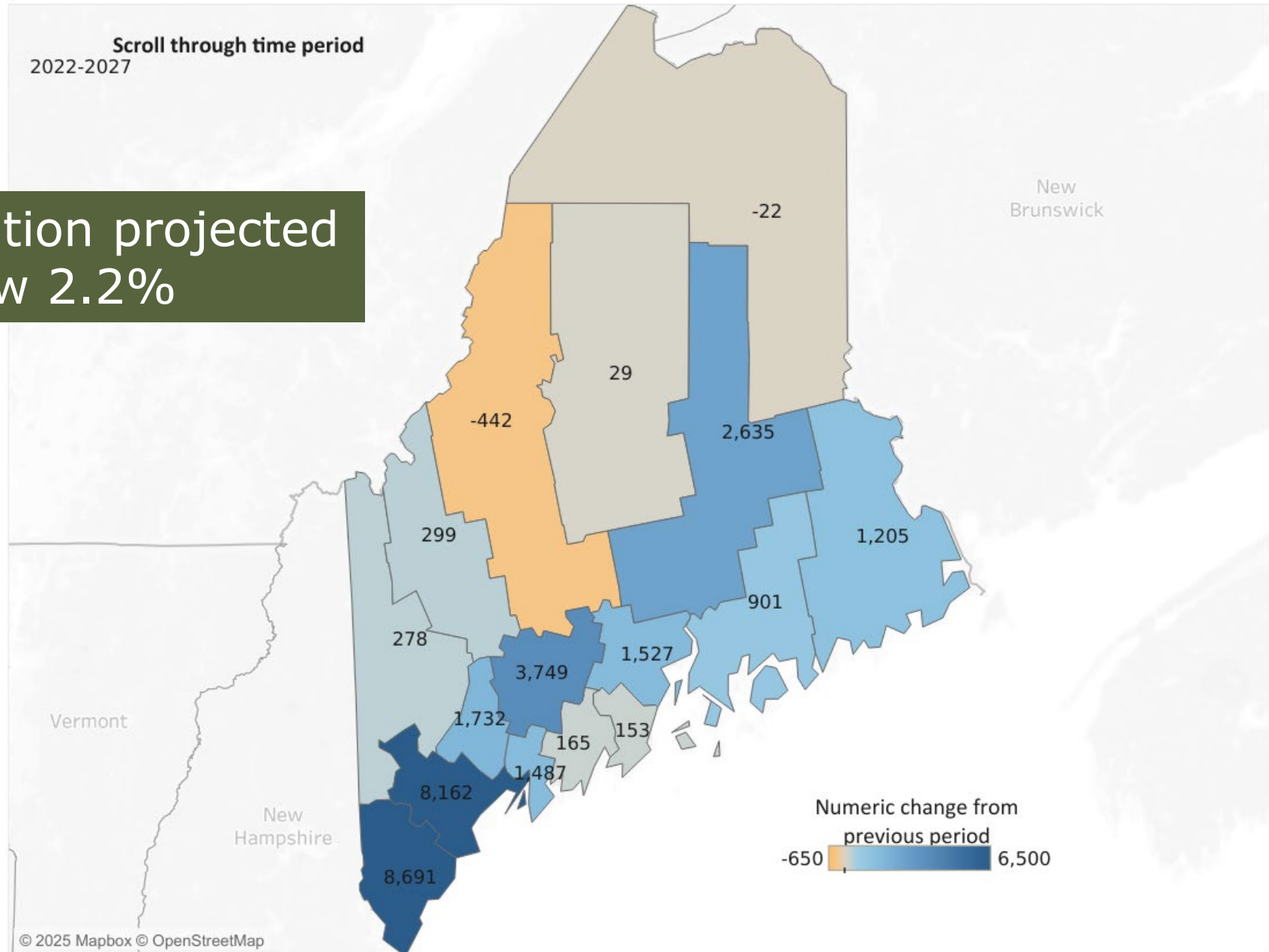


## Components of Population Change, 7/1/2023-7/1/2024 Rate per thousand population

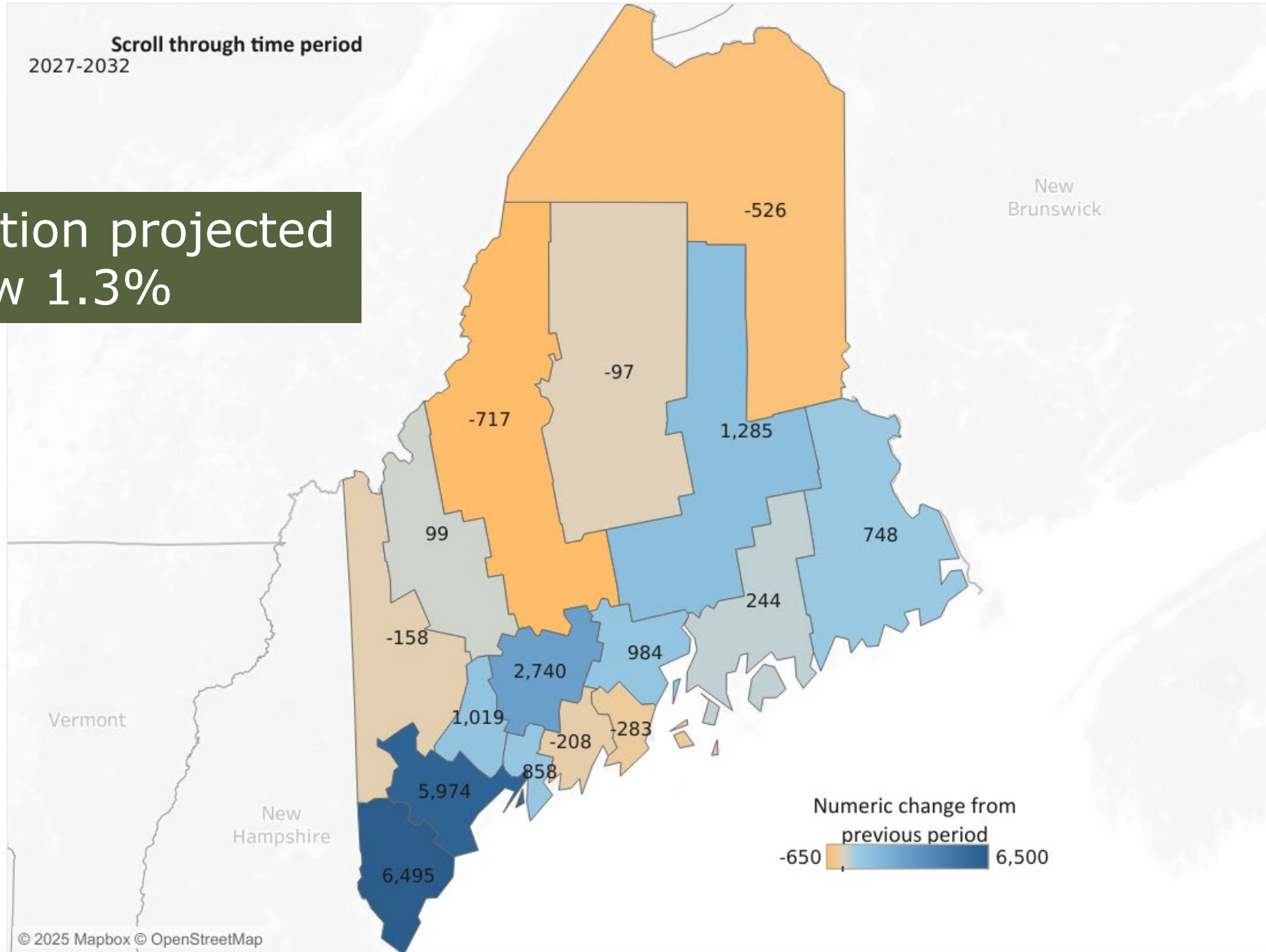


Scroll through time period  
2022-2027

Maine population projected to grow 2.2%



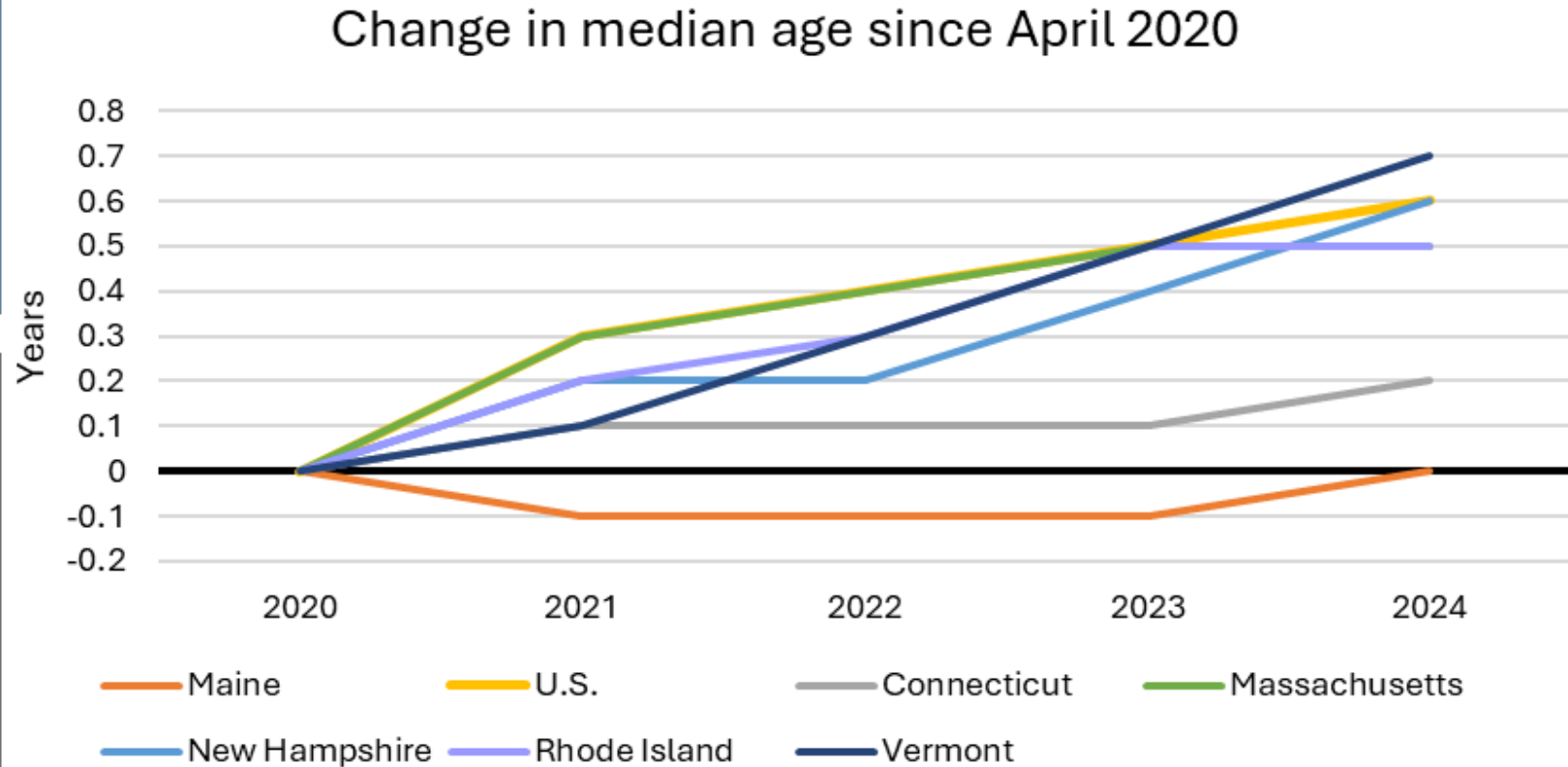
Maine population projected to grow 1.3%



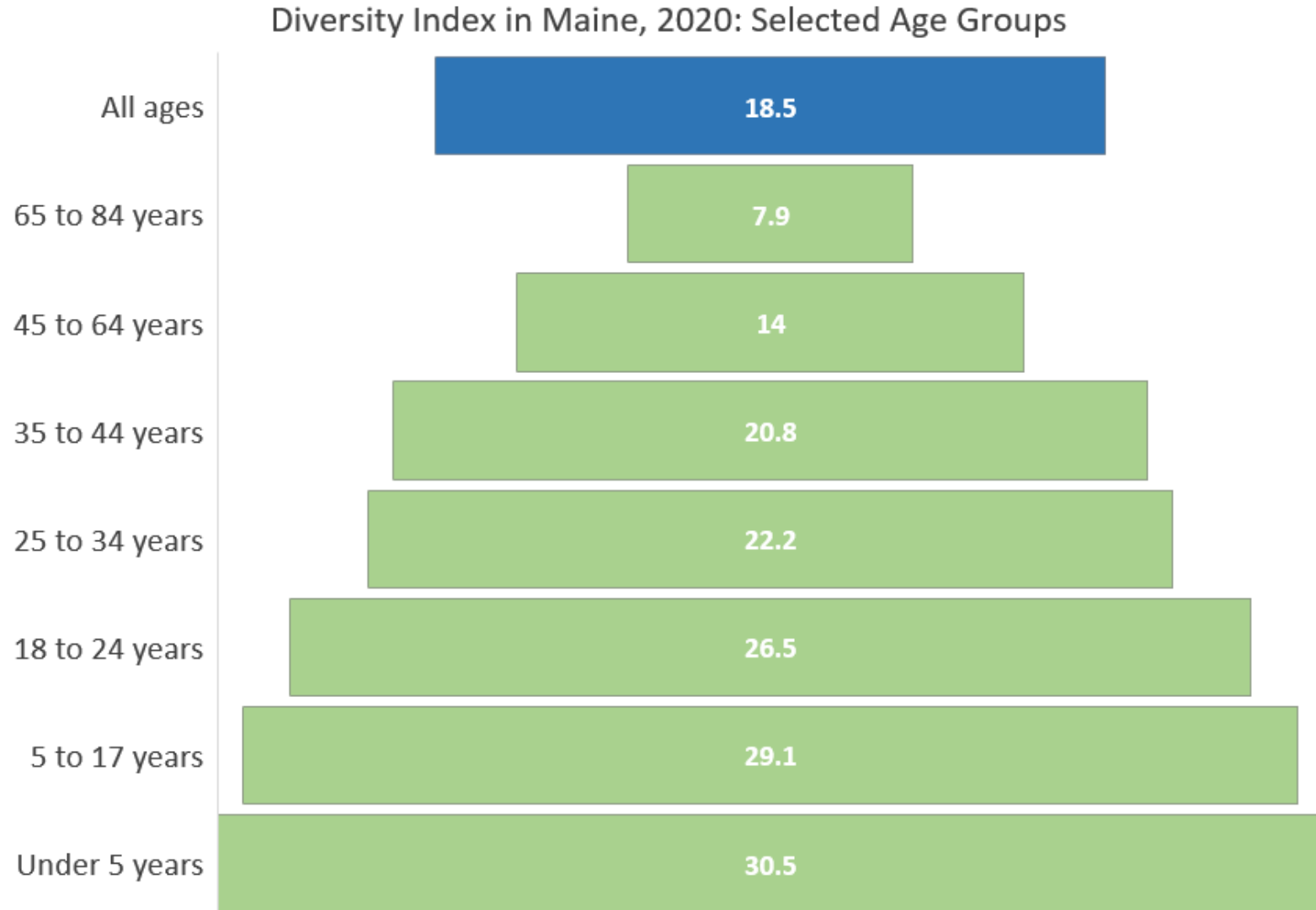
Source: The Office of the State Economist, Maine State and County Population Projections, 2042. April 2025 release.

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



# Younger generations in Maine are more diverse than older generations

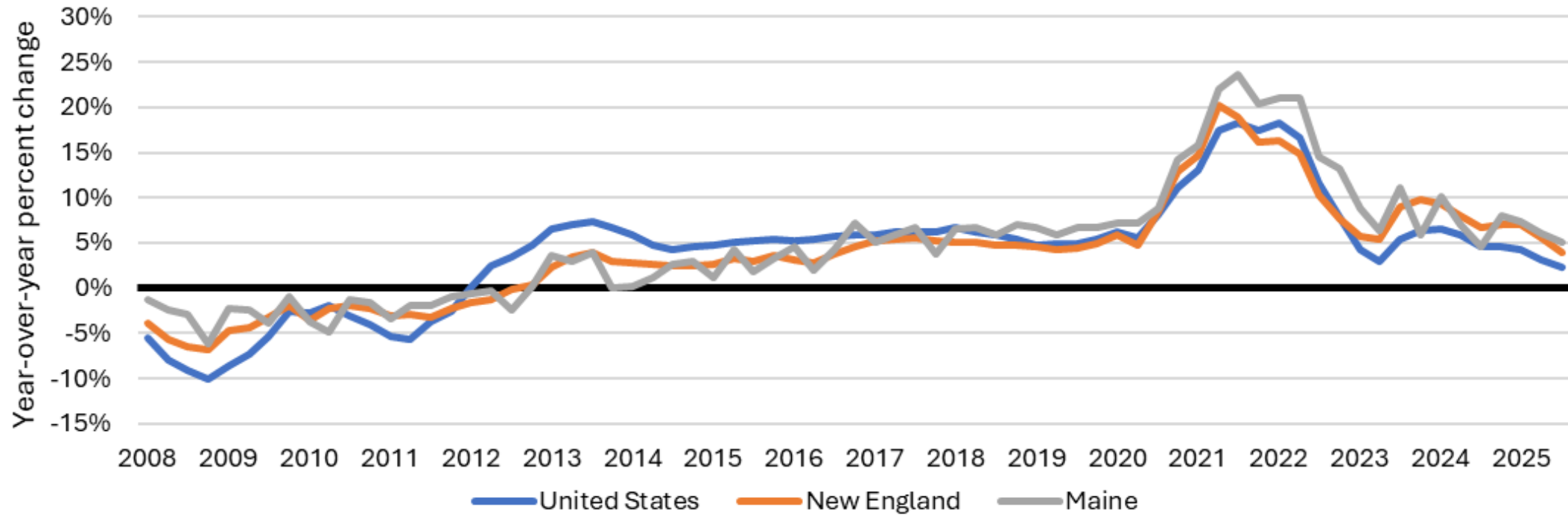


# Housing

Housing inventory is slowly improving (Feb. 2026 about 20% higher than Feb. 2025), but remains below pre-pandemic levels



## Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



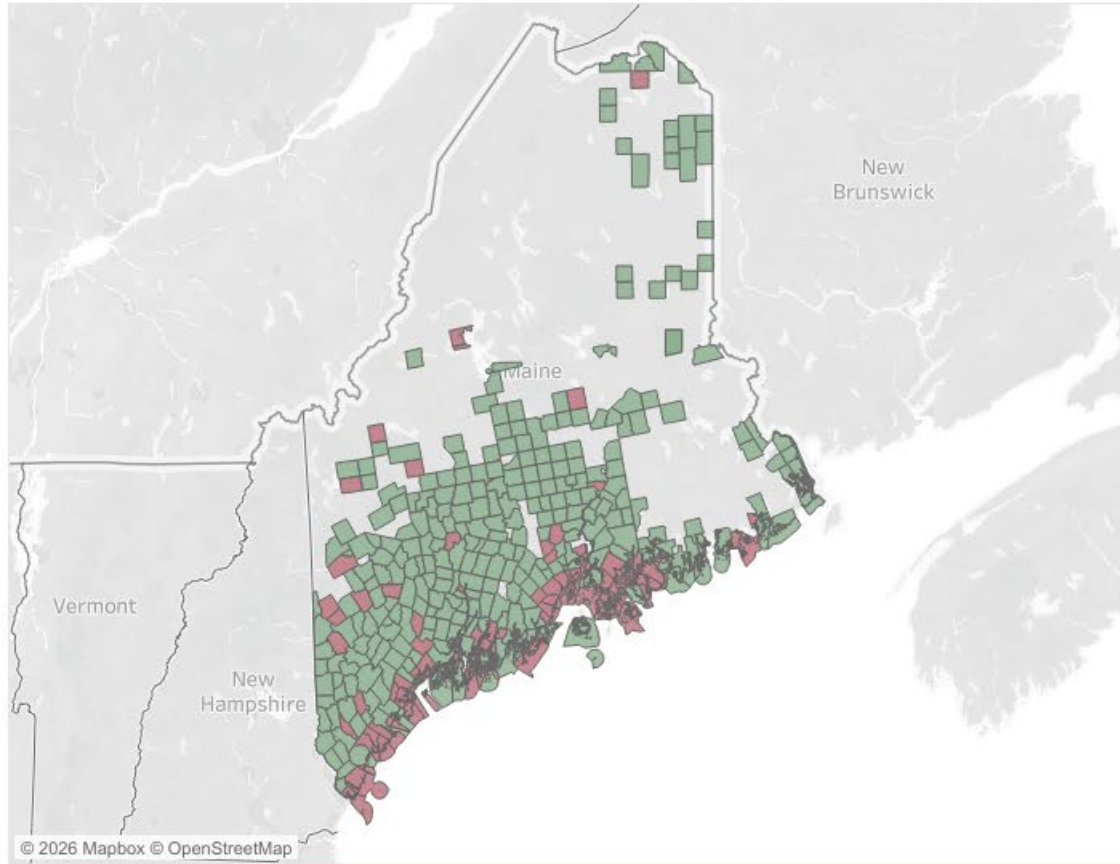
## Homeownership Affordability Maps

Year

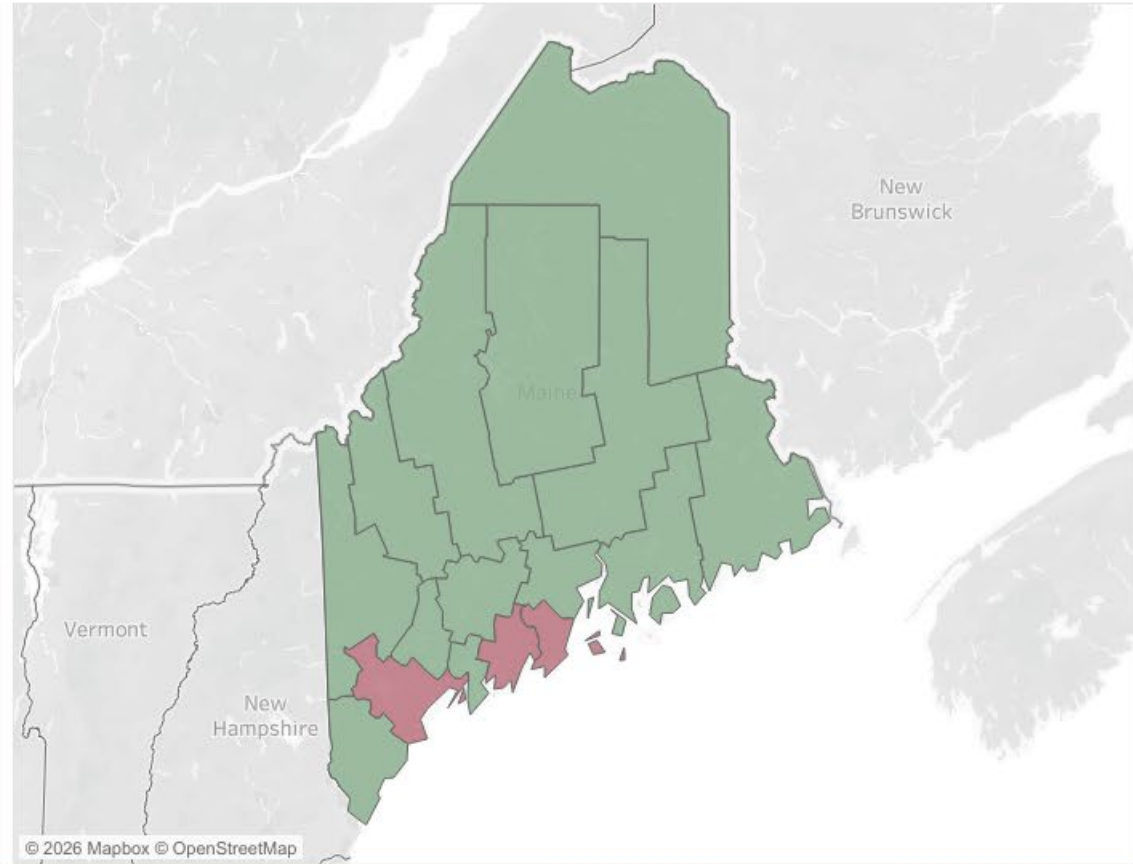
2020

Show history

### Affordability By Town - 2020



### Affordability By County - 2020



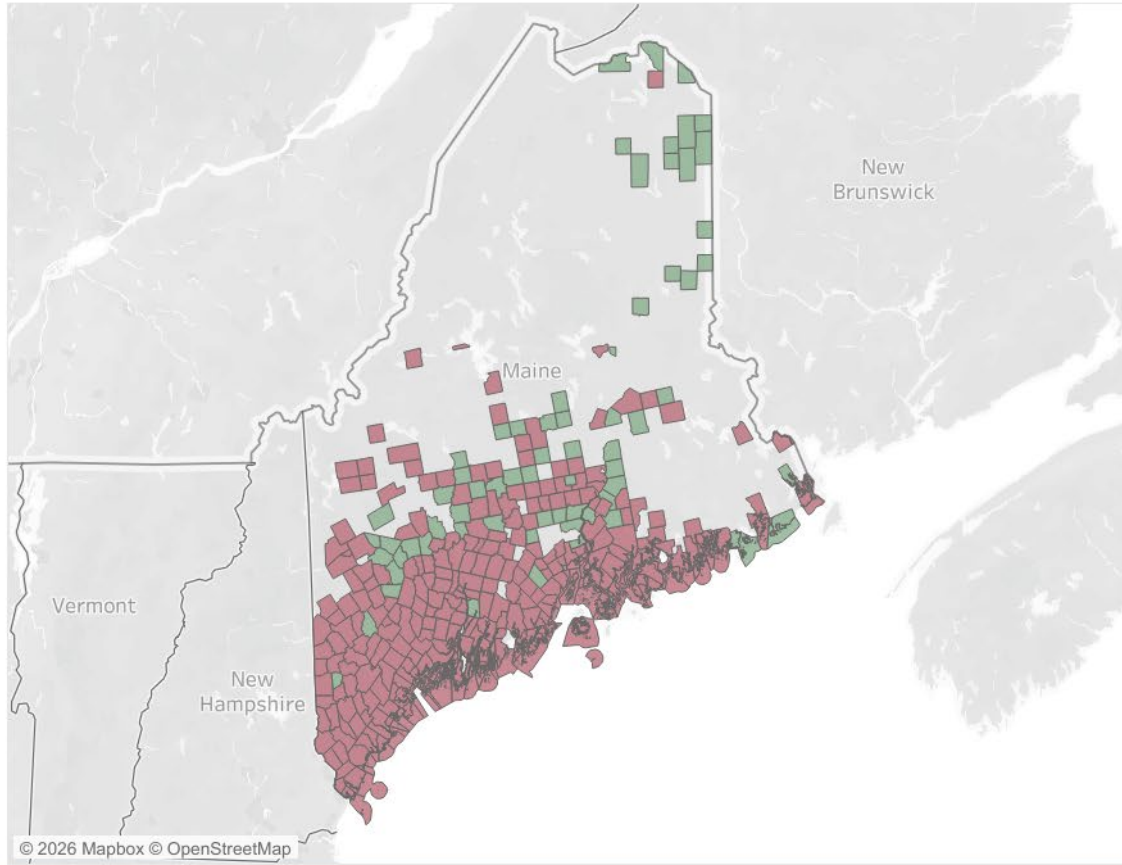
# Homeownership Affordability Maps

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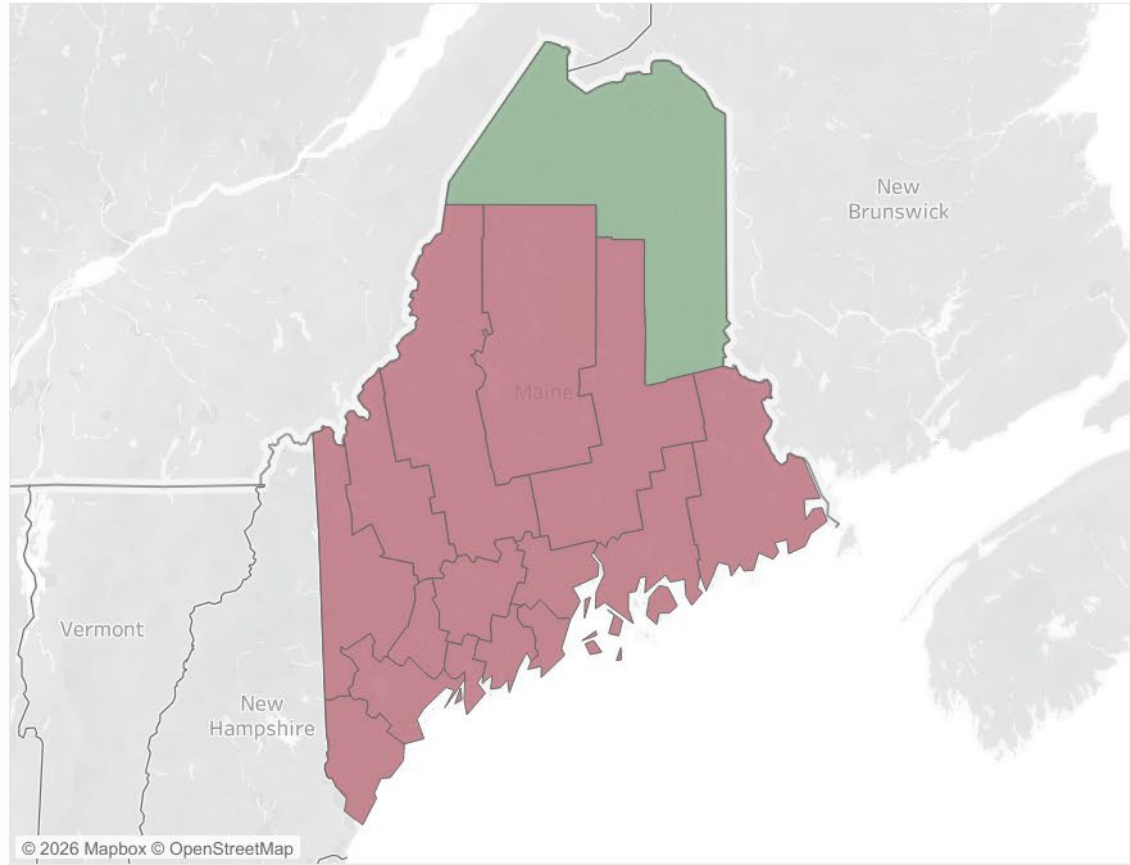
2025

Show history

## Affordability By Town - 2025

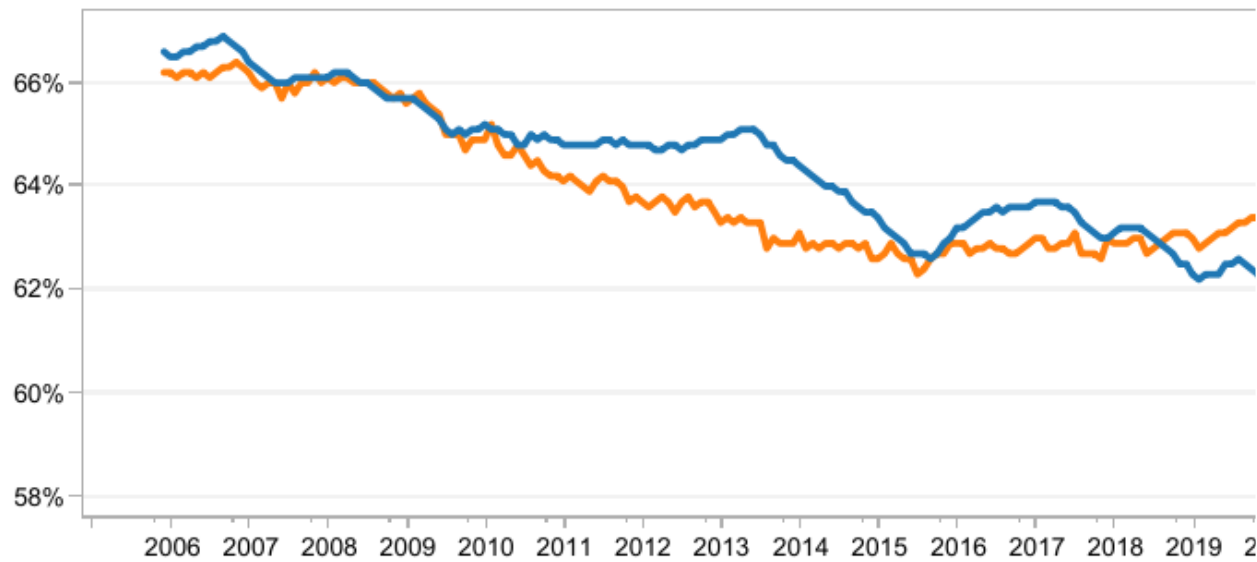


## Affordability By County - 2025



# Labor Force and Employment

### Labor Force Participation Rate (seasonally adjusted)

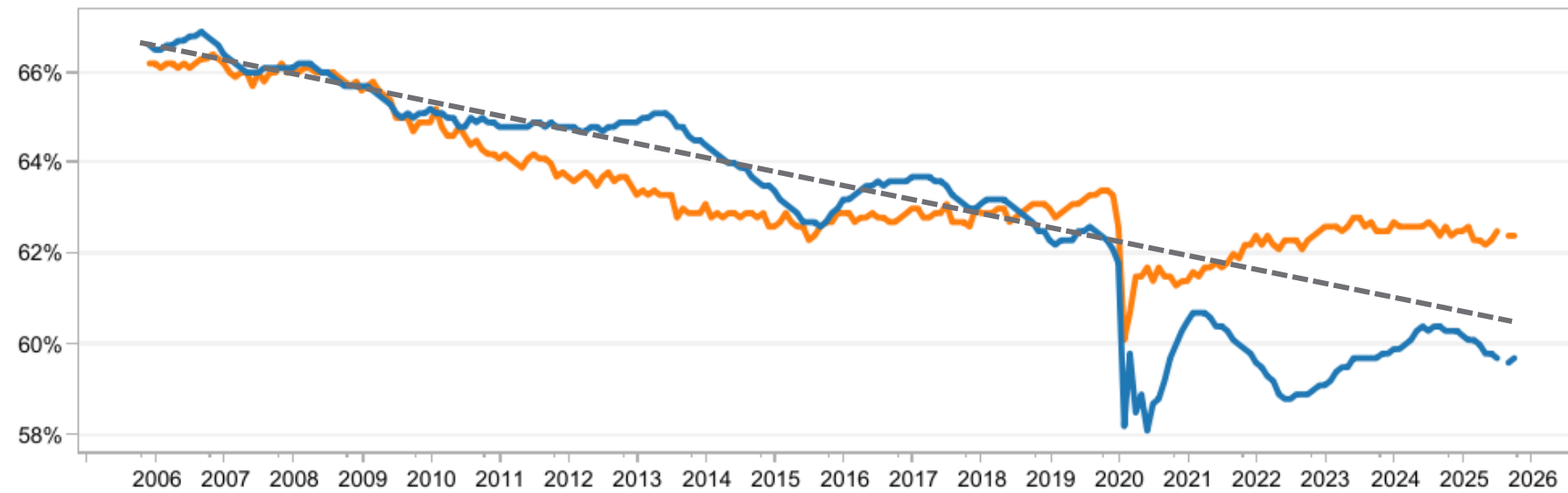


Jan, 2006 to Dec, 2025

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

■ Maine  
■ United States

## Labor Force Participation Rate (seasonally adjusted)



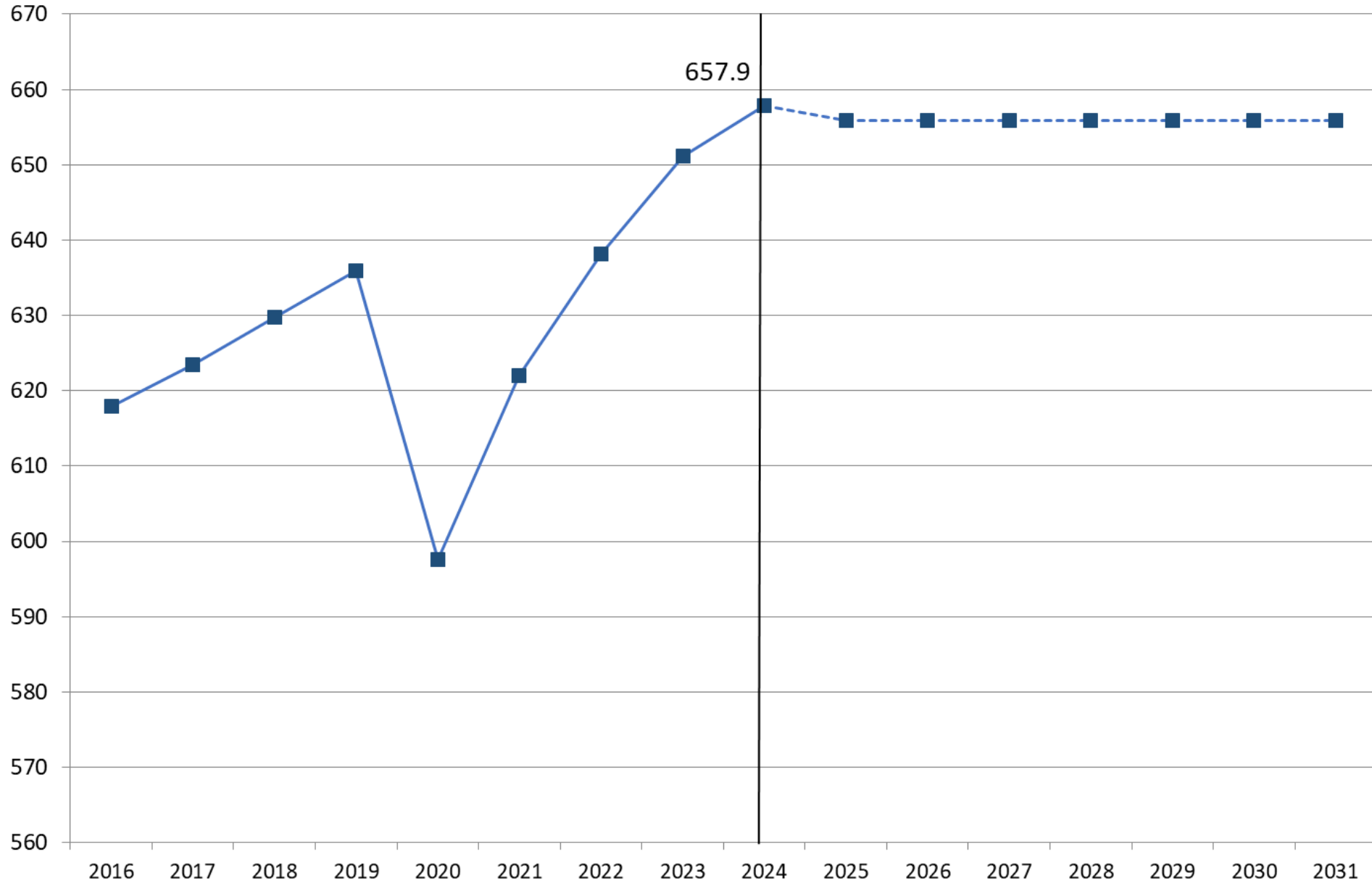
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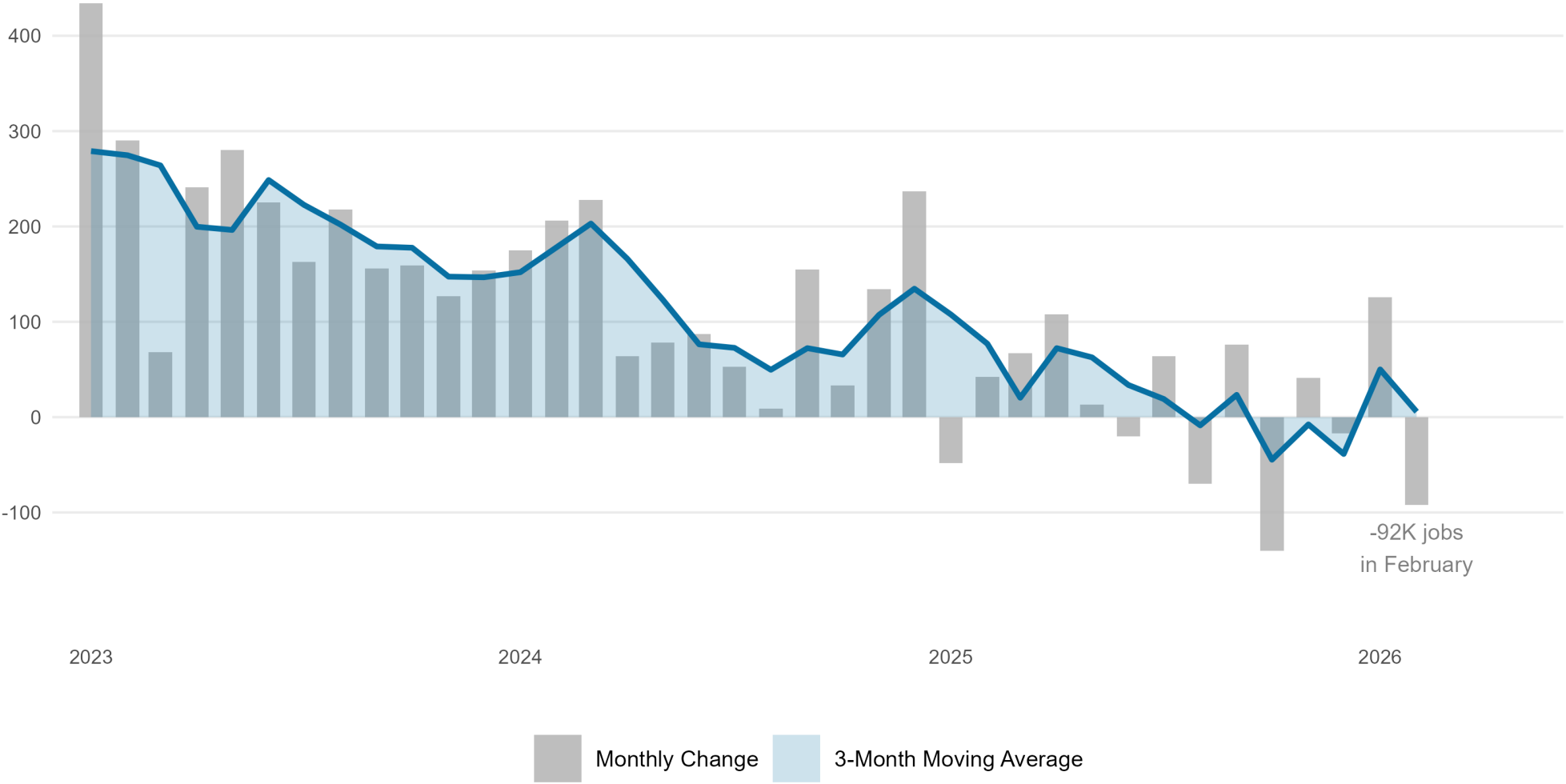
# Total Nonfarm Employment (in thousands)

## 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 seasonally-adjusted unemployment rate of 3.2% in December 2025 was unchanged through the second half of the year

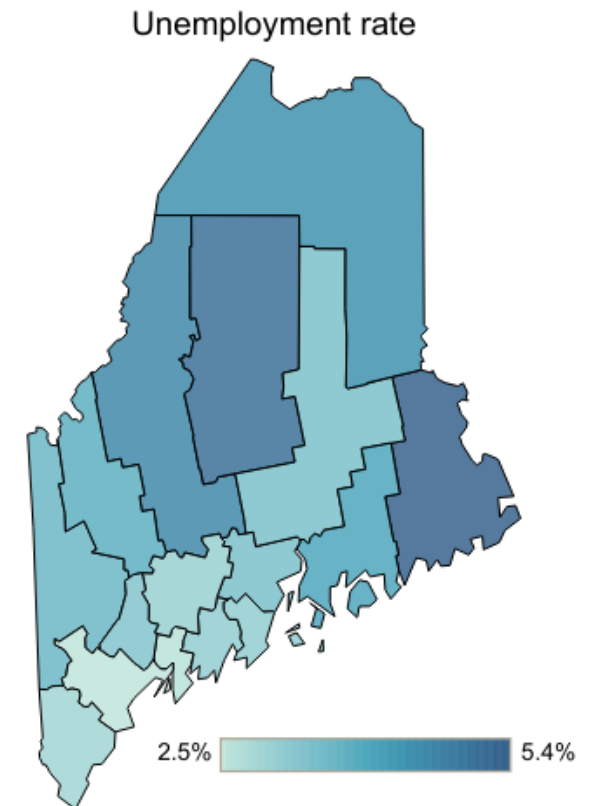
## County Rates (not seasonally adjusted)

December, 2025

Table  
 Graph

**Map/Graph Display**  
 Unemployment rate  
 One-year change

County	Rate	Year ago	One-yr change
Maine	3.2%	3.5%	-0.3
Androscoggin	3.3%	3.5%	-0.2
Aroostook	4.4%	4.7%	-0.3
Cumberland	2.5%	2.9%	-0.4
Franklin	3.8%	4.2%	-0.4
Hancock	4.0%	4.3%	-0.3
Kennebec	3.0%	3.3%	-0.3
Knox	3.1%	4.1%	-1.0
Lincoln	3.1%	3.9%	-0.8
Oxford	3.6%	4.0%	-0.4
Penobscot	3.4%	3.8%	-0.4
Piscataquis	5.1%	5.6%	-0.5
Sagadahoc	2.6%	3.0%	-0.4
Somerset	4.6%	4.9%	-0.3
Waldo	3.4%	3.9%	-0.5
Washington	5.4%	4.8%	0.6
York	2.9%	3.1%	-0.2



# Things to keep in mind:

- Economic uncertainty is extremely high, particularly related to military action in Iran/Middle East, energy prices, and tariffs
- Migration picked up during the pandemic, but the continuation of this trend has been challenged by housing availability/affordability
- Employment growth in Maine is largely limited by labor force availability – increased labor force participation, continued in-migration of younger populations, and increased productivity can help – but employment growth nationally has stalled over the past year

# Contact Information

Amanda Rector

Maine State Economist

Department of Administrative and Financial Services

[www.maine.gov/dafs/economist](http://www.maine.gov/dafs/economist)

[amanda.rector@maine.gov](mailto:amanda.rector@maine.gov)