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## Consensus Economic Forecasting Commission Background Materials for the October 30, 2025, Forecasting Meeting

### Executive Summary

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Maine saw continued population growth in 2024, gaining over 5,300 in population. In 2024, Maine had the 20<sup>th</sup> highest rate of total migration, at 7.5 per thousand. This was below the national rate of 8.2 per thousand. In recent years, this has been driven by growth in net *domestic* migration. However, in 2024, this was more evenly split between domestic migration (3.8 per thousand) and international migration (3.7 per thousand).

Total personal income in Maine grew 6.9% at an annualized rate in the second quarter of 2025, ranking 6<sup>th</sup> in the U.S. (5.5%) and second in New England (6.2%). Maine's total seasonally adjusted personal income was \$101.3 billion in the second quarter of 2025. Wage and salary income, the largest component of personal income, grew 4.5% seasonally adjusted at an annualized rate (SAAR) in the second quarter of 2025 while dividends, interest, and rent increased 1.1% and transfer receipts increased by 19.9%, driven in large part by retroactive payments to Social Security beneficiaries from the Social Security Fairness Act (2024). Meanwhile, real GDP for Maine grew to just over \$77.9 billion in the second quarter of 2025.

Inflation has decelerated from the high in June of 2022 but is still above the Federal Reserve's 2% target. The CPI all-items index grew 3% year-over-year in September (before seasonal adjustment), the fastest annual pace since the start of the year. On September 17, the Federal Reserve Federal Open Market Committee (FOMC) lowered rates for the first time since December 2024 to 4.00% - 4.25%. The next FOMC meeting is scheduled for October 28-29.

The Index of Consumer Sentiment from the University of Michigan was down 2.7% in October and is down 24% year-over-year. Inflation and high prices remain at the forefront of consumers' minds. The Small Business Optimism Index, as measured by the National Federation of Independent Businesses (NFIB), declined 2 points in September to 98.8. This was the first decline in three months - though it remains above the 52-year average of 98. Uncertainty remains high, and the majority reported that supply chain disruptions were affecting their business.

The price of a gallon of gasoline in New England was an average of \$3.207 during the week of September 22, about \$0.05 less than a year ago. The statewide average cash price of No. 2 heating oil in Maine was \$3.261/gal in the second week (October 13) of the 2025-2026 heating oil season, just above (0.2%) the same week last year.

Maine single-family existing-home sales were up 5.1% from 12 months prior in September 2025, and prices declined for the second time in 2025 (-1.35%). In the second quarter of 2025, Maine's year-over-year growth in the house price index was 6.0% (seasonally adjusted), 6<sup>th</sup> highest in the nation for year-over-year growth and second in New England.

The following presents a picture of the Maine economy, comparing current economic indicators to historical trends.

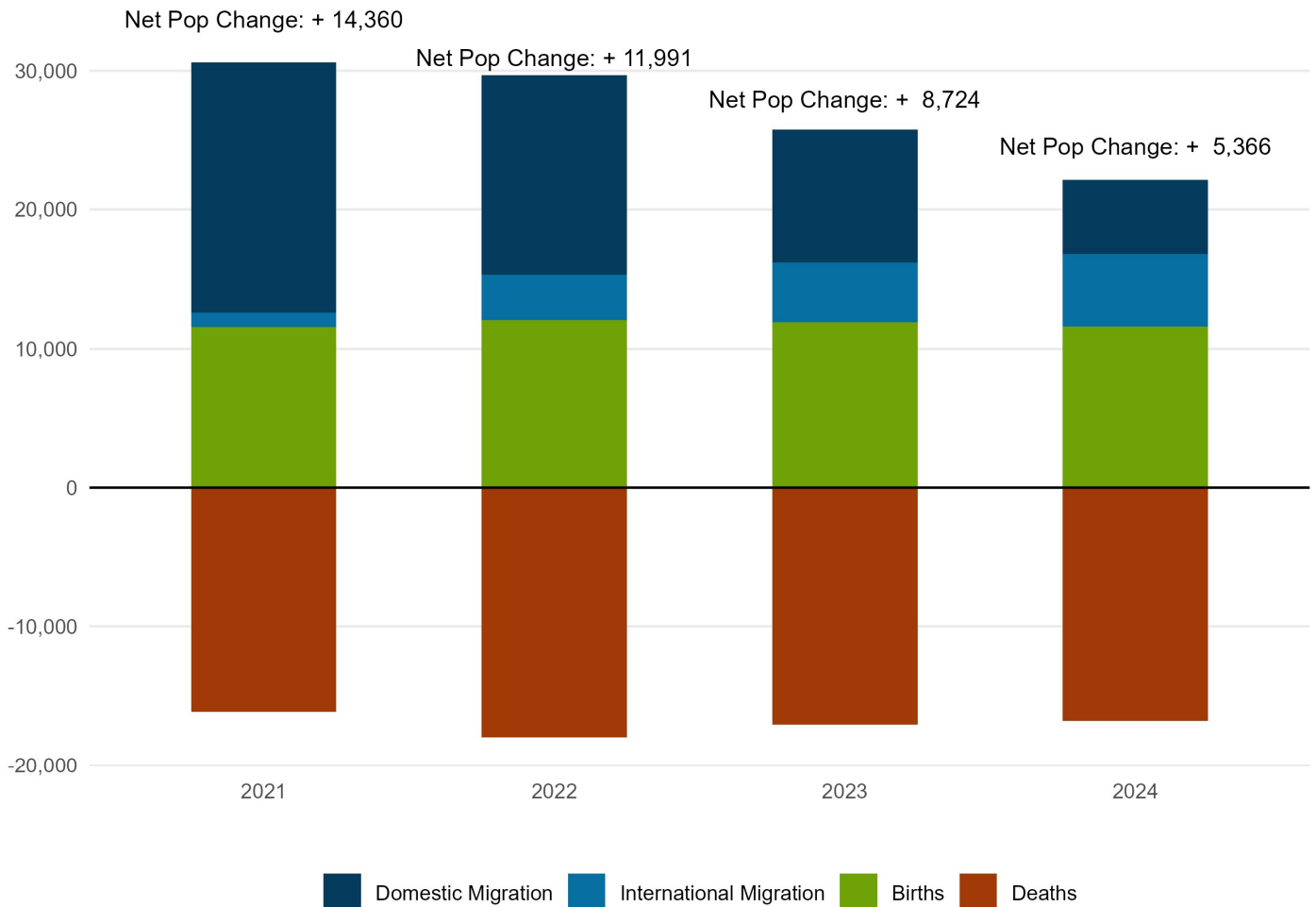
# 1. Demographic Trends

## 2024 Population Estimates

Maine’s population grew 0.4% from 2023 to 2024, bringing the population total to a new record high of 1,405,012. This ranks Maine 46<sup>th</sup> for percent growth in 2024 and 42<sup>nd</sup> for total population nationally, including D.C. Since April 2020, Maine’s population has increased 3.1%, which is the 17<sup>th</sup> fastest in the nation.

From 2021 – 2023, Maine’s total net migration rate ranked in the top 11 national (5<sup>th</sup> in 2021, 10<sup>th</sup> in 2022, and 11<sup>th</sup> in 2023). In 2024, Maine had the 20<sup>th</sup> highest rate of total net migration, at 7.5 per thousand. This was below the national rate of 8.2 per thousand. In recent years, this has been driven by a growth in net *domestic* migration. However, in 2024, this was more evenly split between domestic migration (3.8 per thousand) and international migration (3.7 per thousand). Maine’s rate of international migration ranked 41<sup>st</sup> in the U.S. in 2024 while the rate of domestic migration ranked 11<sup>th</sup>.

### Components of Maine's Population Change



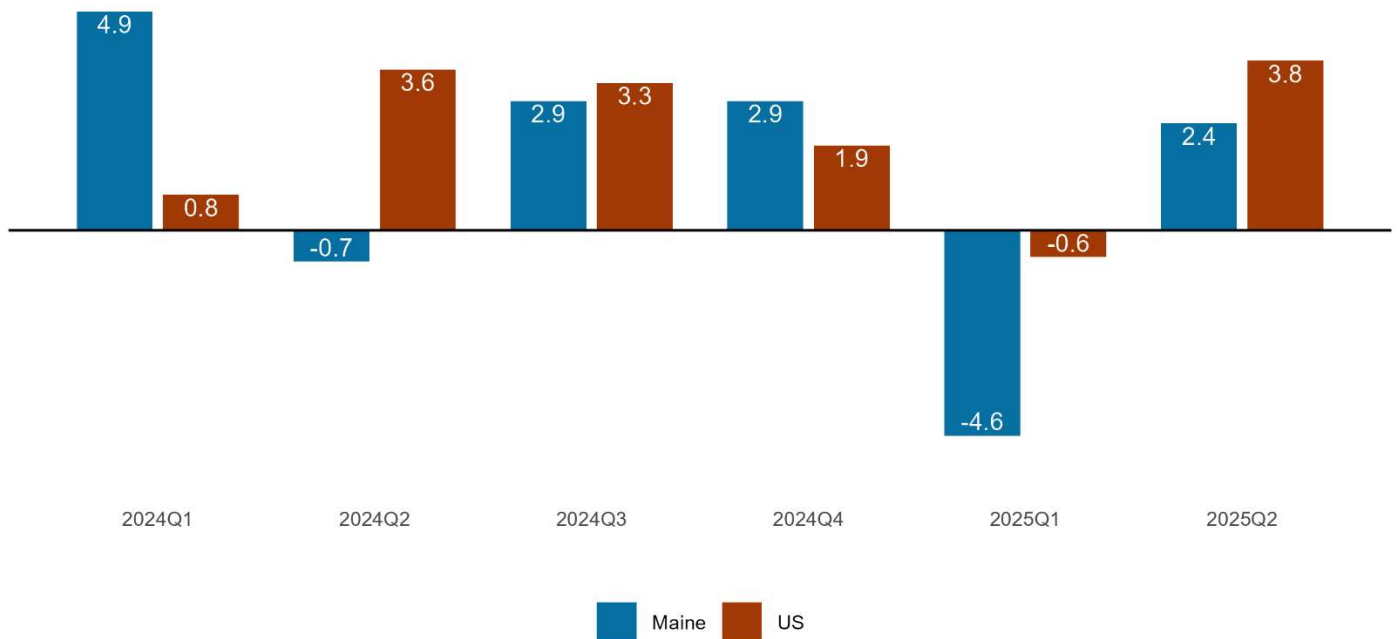
Source: US Census Bureau, Population Estimates Program, 2024 Vintage

## 2. State Economy

### Gross Domestic Product (GDP)

On September 26, the U.S. Bureau of Economic Analysis (BEA) released preliminary estimates of state GDP and state personal income for the second quarter of 2025, as well as revised data for prior periods. Revisions to Maine's annual GDP for 2020-2024 were modest. Real GDP was revised up by 0.3% in both 2020 and 2021 and revised up by 0.4% in both 2023 and 2024. According to these revised figures, Maine's GDP growth was first in New England in 2024.

### Real GDP Annualized Percent Change from Previous Period



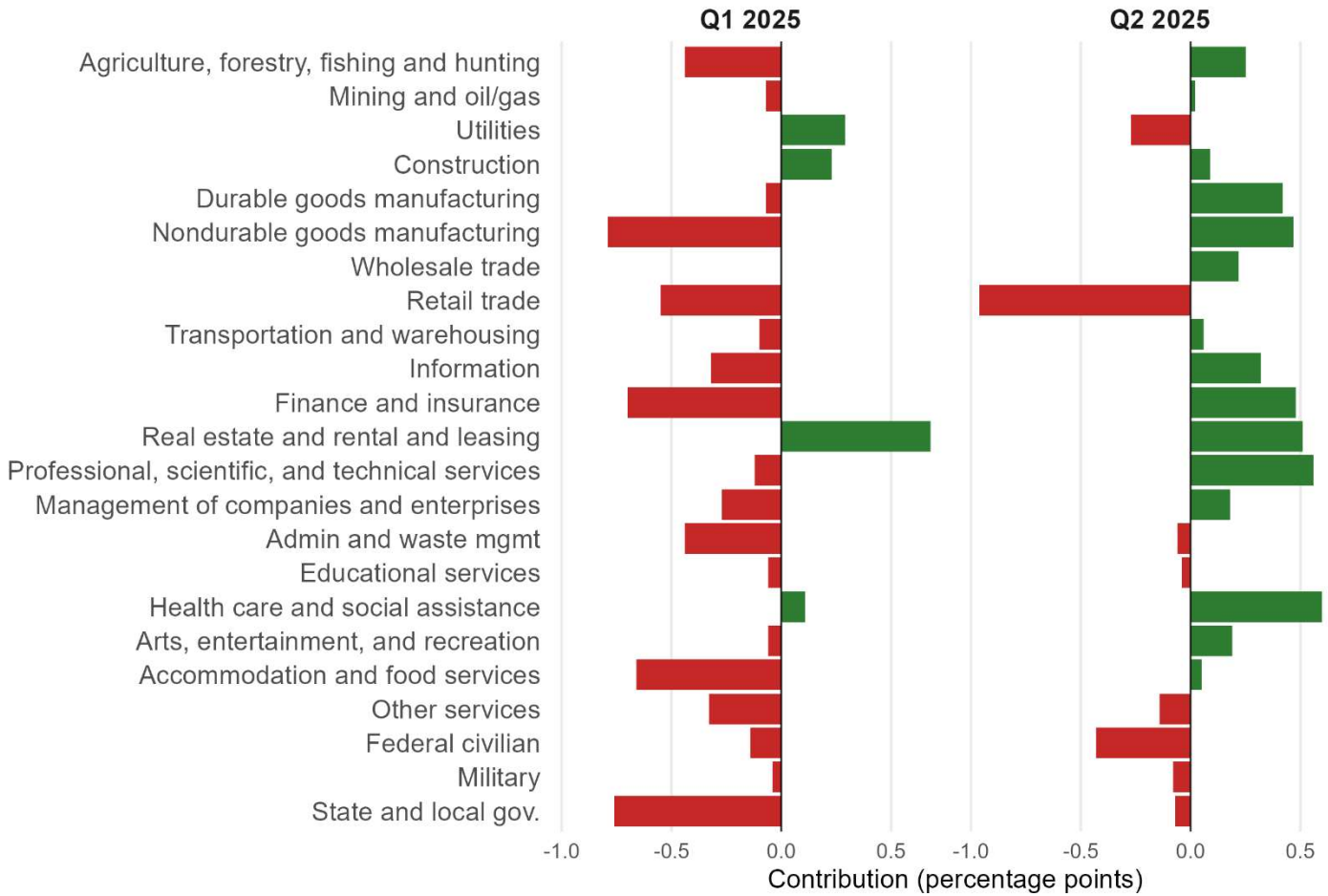
Source: US Bureau of Economic Analysis

Revised data shows Maine real GDP declined 4.6% at an annualized rate in the first quarter of 2025, ranking 45<sup>th</sup> in the U.S. (decrease of 0.6%) and last in New England (growth of 2.0%). The industry sectors that had the most growth during the first quarter were real estate and rental and leasing (+0.68 percentage points), utilities (+0.29 percentage points), construction (+0.23 percentage points), and health care and social assistance (+0.11 percentage points). These gains were more than offset by declines in other industries, including nondurable goods manufacturing (-0.79 percentage points), state and local government (-0.76 percentage points), finance and insurance (-0.7 percentage points), and accommodation and food services (-0.66 percentage points).

Maine's real GDP grew 2.4% at an annualized rate in the second quarter of 2025, ranking 40<sup>th</sup> in the U.S. (growth of 3.8%) and third in New England (growth of 3.9%). The industry sectors that contributed the most to Maine's second quarter growth were health care and social assistance (+0.60 percentage points); professional, scientific, and technical services (+0.56 percentage points); and real estate and rental and leasing (+0.51 percentage points). These gains were partially offset by declines in other industries, including retail trade (-0.96 percentage points), federal civilian government (-0.43 percentage points), and utilities (-0.27 percentage points).

### Contributors to Maine's Real GDP Growth

Percentage point contributions to GDP growth, SAAR



Source: US Bureau of Economic Analysis

## Personal Income

Total personal income in Maine grew 6.9% at an annualized rate in the second quarter of 2025, ranking 6<sup>th</sup> in the U.S. (5.5%) and second in New England (6.2%). Massachusetts had the most growth in New England at 7.0%. Maine’s total seasonally adjusted personal income was \$101.3 billion in the second quarter of 2025.

Net earnings were up 3.8% and contributed +2.2 percentage points to the total change in personal income. Maine’s growth in net earnings was below New England growth of 4.7% and U.S. growth of 4.4%. By industry, health care and social assistance (+0.69 percentage points); professional, scientific, and technical services (+0.39 percentage points); and state and local government (+0.38 percentage points) contributed the most to earnings. These increases were partially offset by declines in federal civilian government (-0.09 percentage points), other services (-0.09 percentage points), and farming (-0.06 percentage points).

Dividends, interest, and rent increased 1.1% and contributed +0.2 percentage points to the change in total personal income. Maine’s growth in this component was just above growth in New England (1.0%) and the U.S. (1.0%).

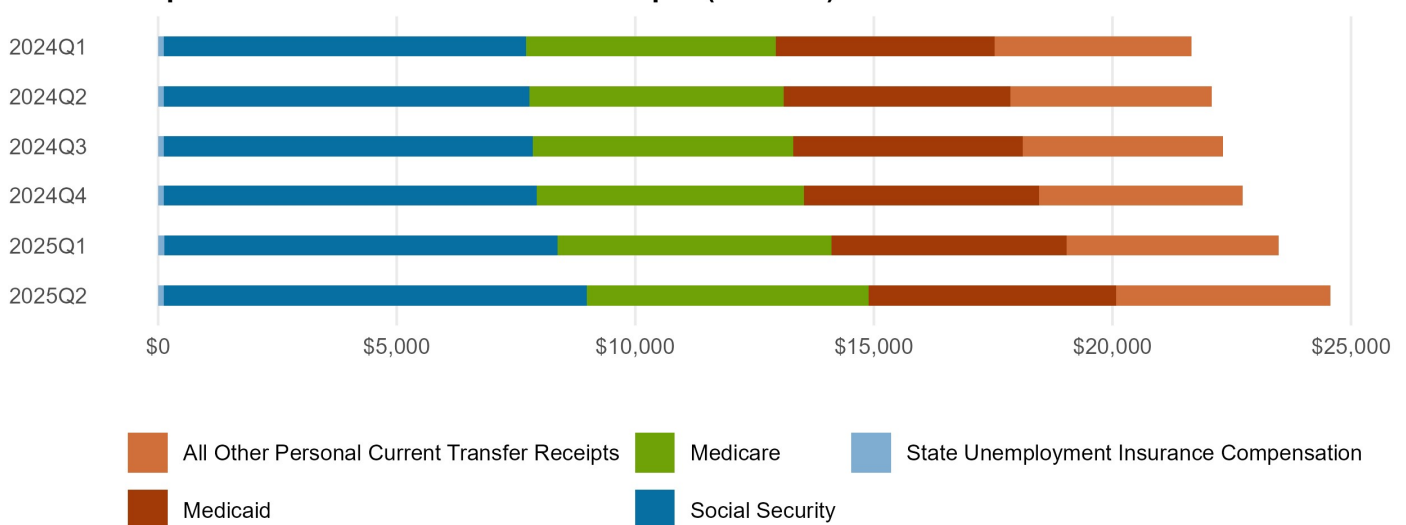
Transfer receipts increased 19.9% and contributed +4.5 percentage points to the change in total personal income. Maine’s growth in this component was higher than growth in New England (19.2%) and in the U.S. (14.4%). The large increase in transfer receipts nationwide was due in part to retroactive payments to Social Security beneficiaries from the Social Security Fairness Act (2024).

## Personal Income Compared to April 1, 2025, CEFC Forecast

	Q1:Q2 2024 to Q1:Q2 2025 Avg. Growth Rates	CEFC Forecast (April 1, 2025)	Q3:Q4 Growth Needed to Hit CEFC Forecast
Total Personal Income	4.9	4.1	3.3
Wages and Salaries	3.7	4.0	4.3
Supplements to W&S	3.7	4.0	4.3
Dividends, Interest, and Rent	9.9	5.0	0.1
Personal Current Transfer Receipts	2.7	3.0	3.3
Non-Farm Proprietor’s Income	2.7	3.5	4.3

Sources: April 1, 2025, CEFC Report, and U.S. Bureau of Economic Analysis

## Components of Maine's Transfer Receipts (Millions)



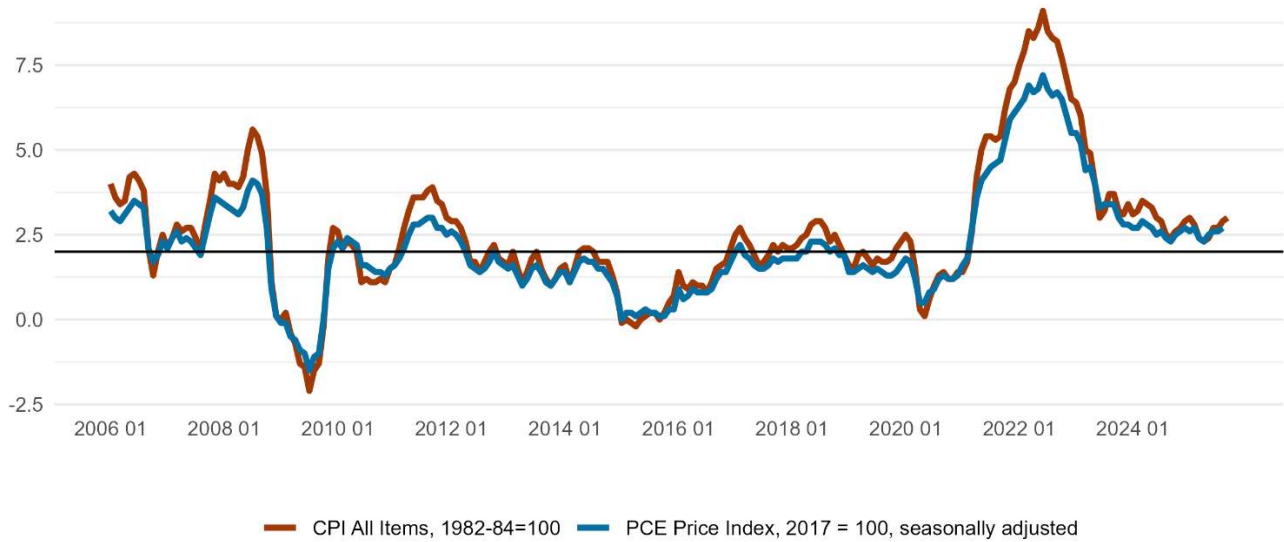
Source: US Bureau of Economic Analysis

## Inflation measures

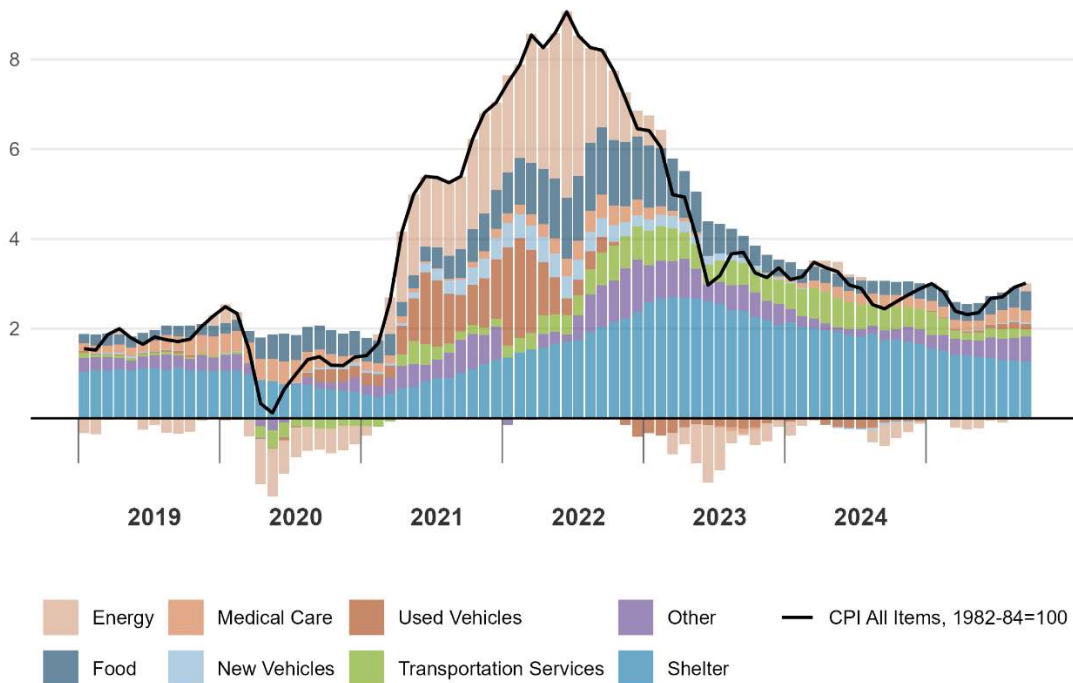
In September the CPI all-items index grew 3% year-over-year in September (before seasonal adjustment), the fastest annual pace since the start of the year. In August the PCE price index grew by 2.7% year-over-year. On a monthly basis, it grew 0.3%.

### Measures of Inflation

Year-Over-Year Percent Change



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

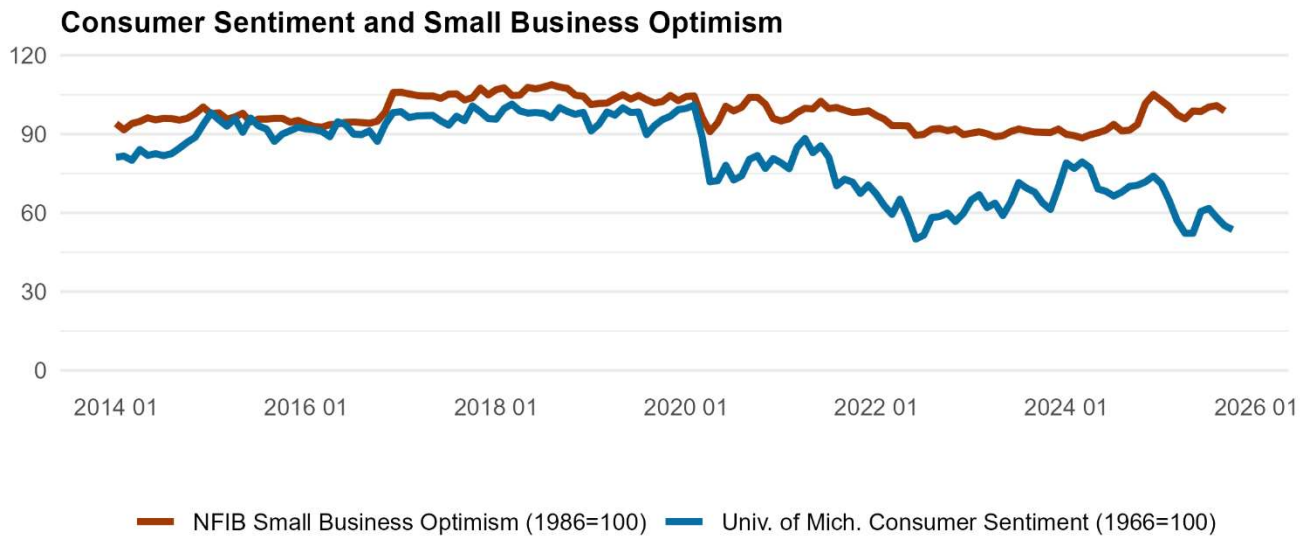


Source: US Bureau of Labor Statistics & Calculations by OSE Staff

### Consumer Sentiment and Small Business Optimism

The **Index of Consumer Sentiment** from the University of Michigan was down 2.7% in October (slipping 1.5 index points from September) and is down 24% year-over-year. Younger consumers showed a modest increase in sentiment, while middle-aged and older consumers saw decreases in sentiment. Inflation and high prices remain at the forefront of consumers' minds.

The **Small Business Optimism Index**, as measured by the National Federation of Independent Businesses (NFIB), declined 2 points in September to 98.8. This was the first decline in three months, though it remains above the 52-year average of 98. The Uncertainty Index rose 7 points from August to 100, the fourth-highest reading in over 51 years. Fourteen percent reported that inflation was their single most important problem in operating their business (higher input costs), and the majority reported that supply chain disruptions were affecting their business.

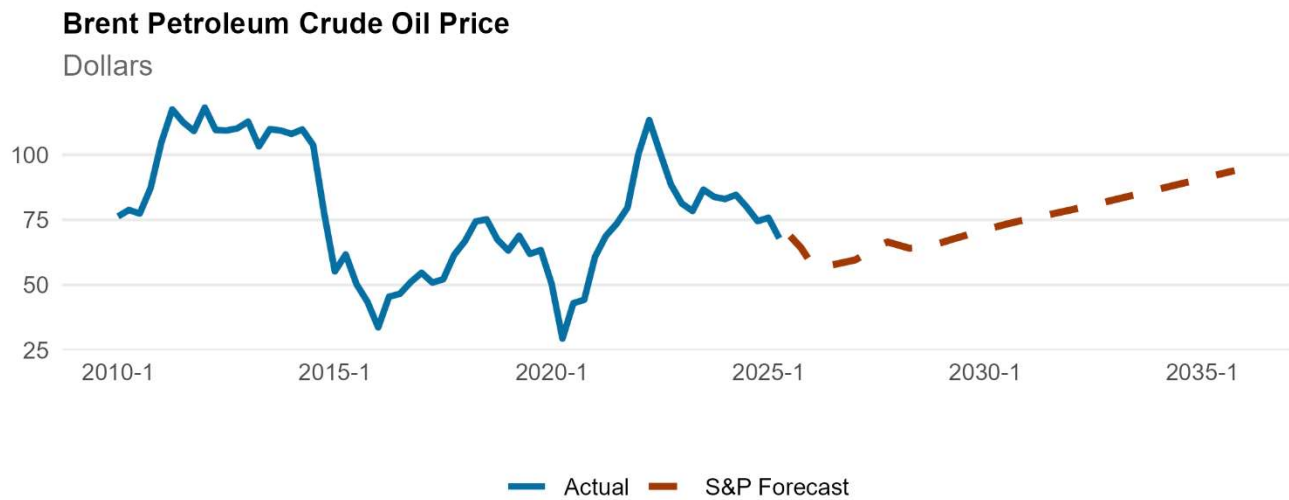


### 3. Energy Sector

In its October 2025 Short-term Energy Outlook, the Energy Information Administration (EIA) forecasts that Brent crude oil prices will average \$69 per barrel in 2025 (down from \$81 in 2024) before falling to an average of \$52 per barrel in 2026.

#### Crude Oil

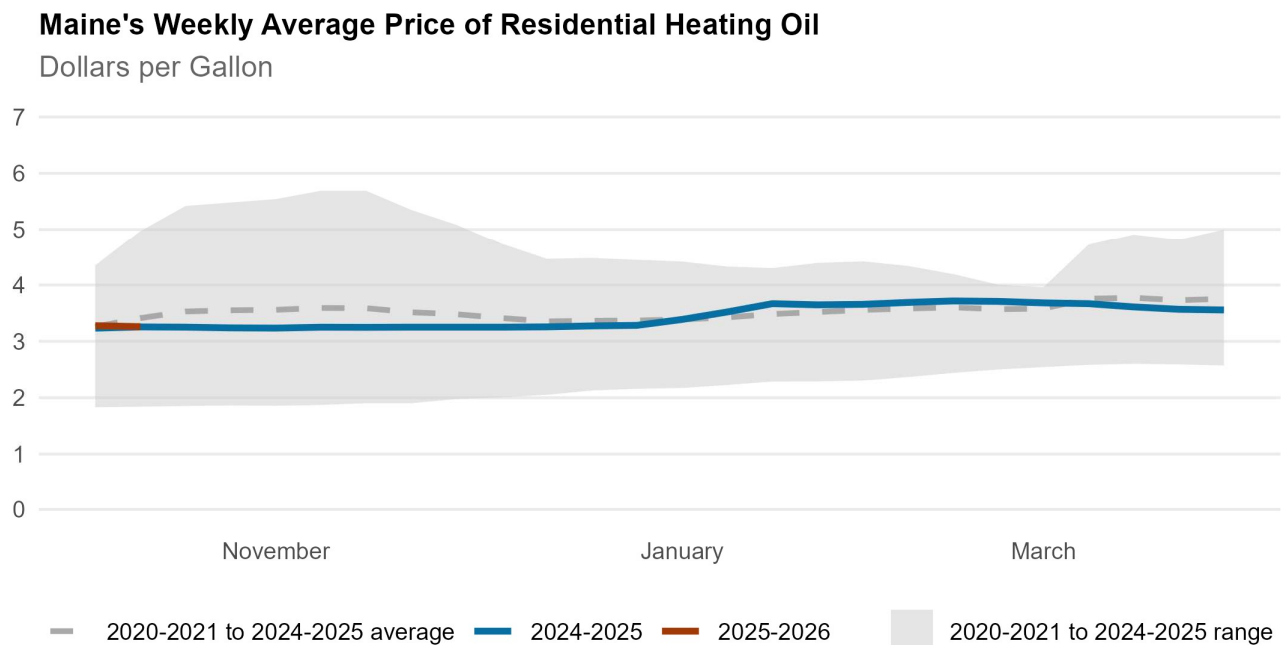
The price of Brent crude oil in the second quarter of 2025 was \$67.9, which was 10.4% lower than the previous quarter and 19.7% lower than a year prior.



Source: S&P

#### Heating Oil

The statewide average cash price of No. 2 heating oil in Maine was \$3.261/gal in the second week (October 13) of the 2025-2026 heating oil season, 0.2% more than the same week last year.



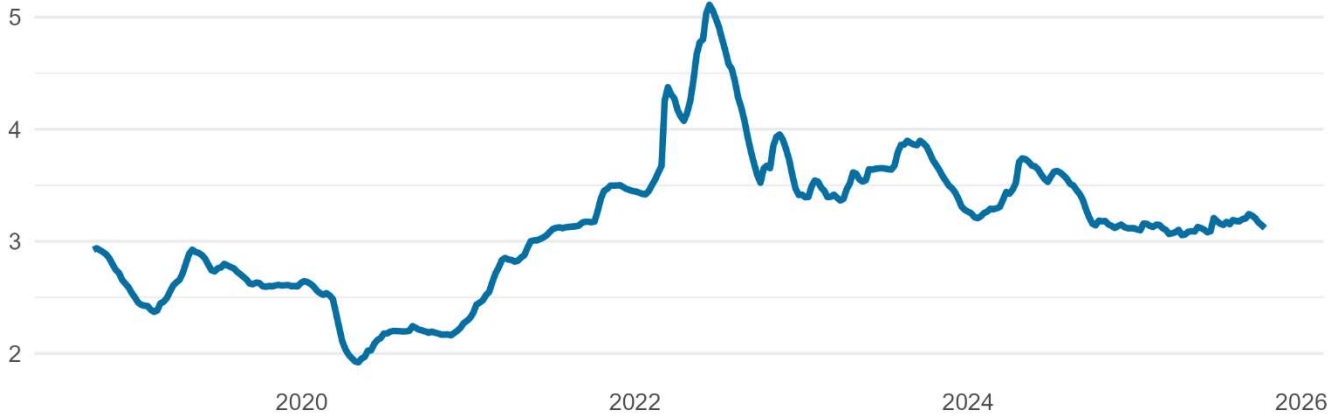
Source: U.S. Energy Information Agency

### Gasoline

The price of a gallon of gasoline in New England was an average of \$3.207 during the week of September 22, about \$0.05 less than a year ago.

#### New England Gasoline Prices (All Grades and Formulations)

Dollars per Gallon



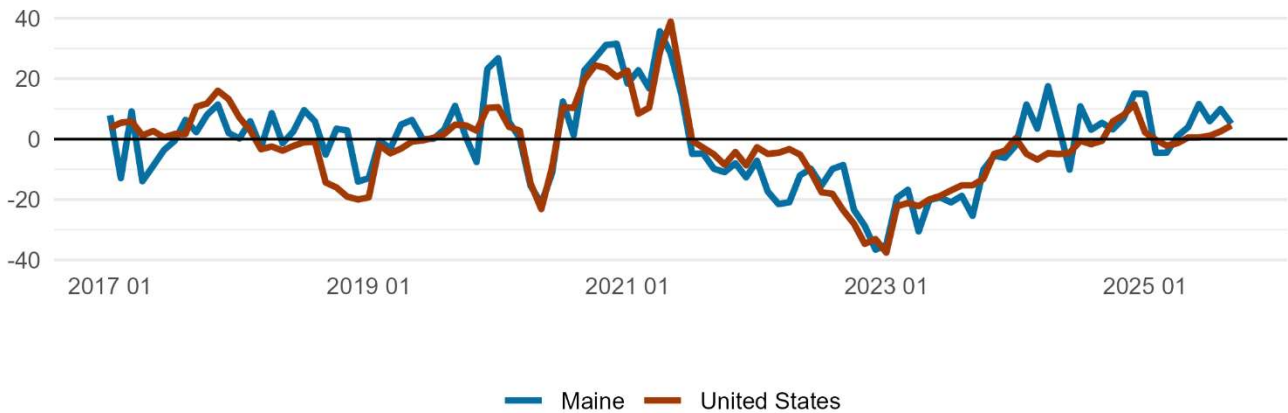
Source: U.S. Energy Information Agency

### 4. Housing

Maine single-family existing-home sales were up 5.1% from 12 months prior in September 2025. The median sales price in Maine was \$408,000, a decrease of 1.4% year-over-year. Total existing single-family sales nationwide were up 4.5% in September compared to a year prior, with a median price of \$420,700, up 2.3% over last year.

#### Single-Family Existing Home Sales

Annual Percent Change

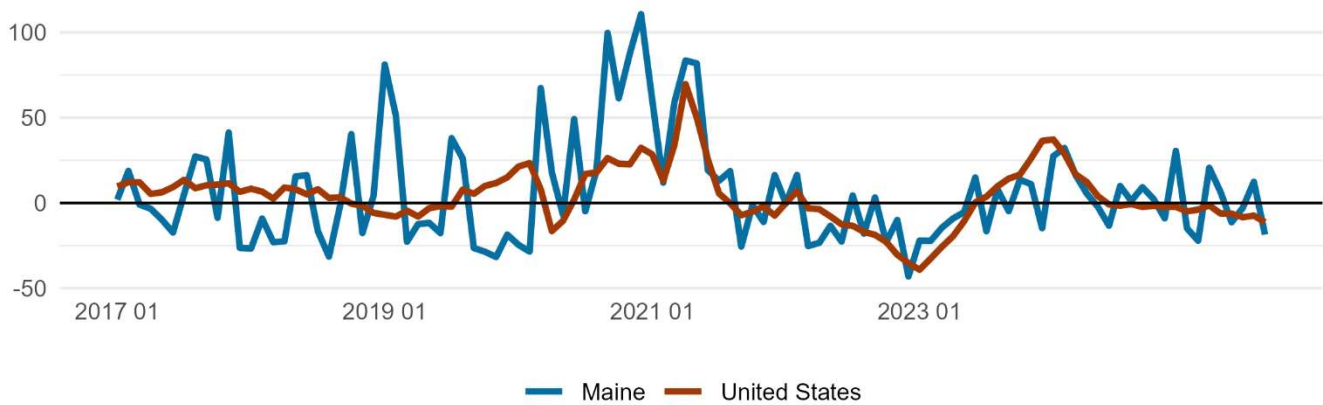


Source: National Association of REALTORS and Maine Association of REALTORS

In the U.S., single-unit housing permits were down 11.3% in August 2025 over the previous year. In Maine, permits were down 18% year-over-year in August.

### New Private Single-Unit Housing Permits, Seasonally Adjusted

Annual Percent Change



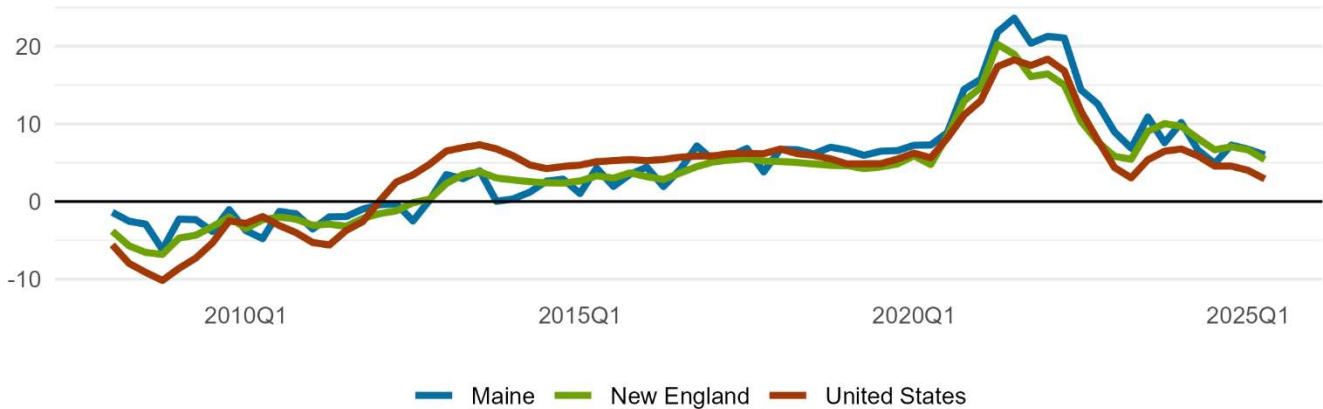
Source: FRED, Federal Reserve Bank of St. Louis

### House Price Index

In the second quarter of 2025, Maine’s year-over-year growth in the house price index (HPI)<sup>1</sup> was 6.0% (seasonally adjusted), 6<sup>th</sup> highest in the nation for year-over-year growth and second in New England. Maine’s year-over-year growth was higher than the U.S. (2.9%) and New England (5.4%). On a seasonally adjusted quarterly basis, Maine’s HPI decreased 0.2% from the first quarter of 2025 compared to growth of 0.3% in New England and little change in the U.S. (0.0%).

### FHFA House Price Index (Seasonally Adjusted)

Annual Percent Change



Source: Federal Housing Finance Agency

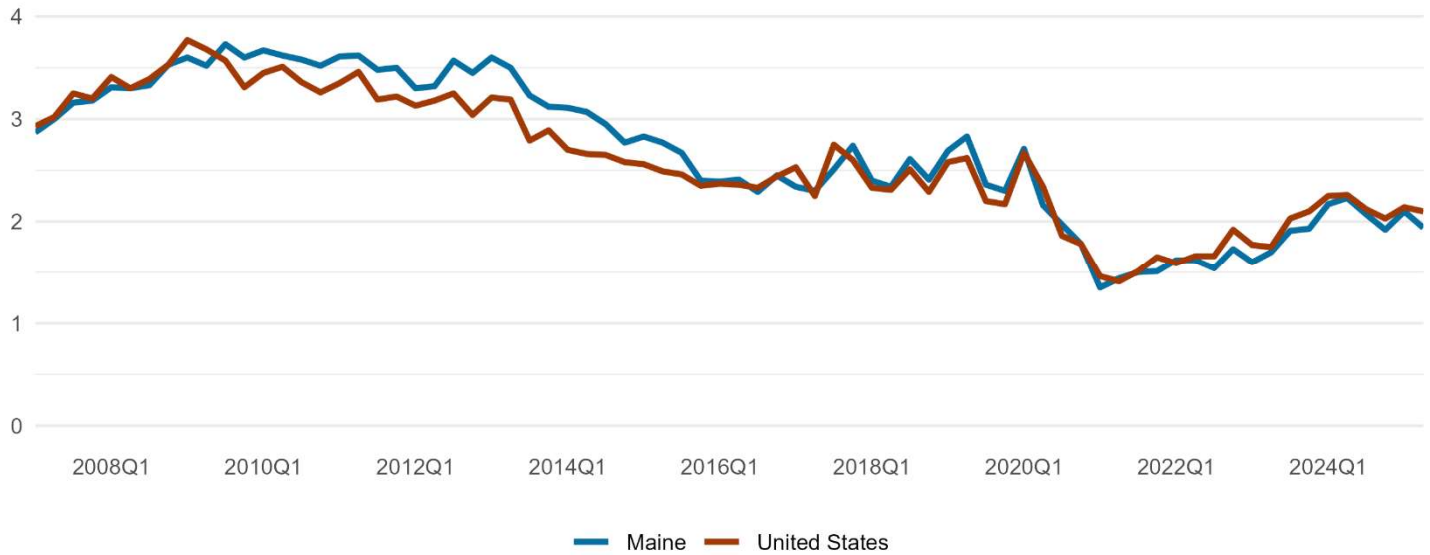
<sup>1</sup> According to the Federal Housing Finance Agency (FHFA), the HPI “measures average price changes in repeat sales or refinancing on the same properties.”

## 5. Borrowing

The share of mortgages in Maine that are delinquent 30 days or more was 1.94% in the second quarter of 2025, slightly lower than the U.S. rate of 2.1%. Maine's foreclosure rate was 0.17%, the same as the national rate in the second quarter of 2025. The average debt-to-income ratio in Maine was 22.03 in the last quarter of 2024.

### Mortgage Delinquencies

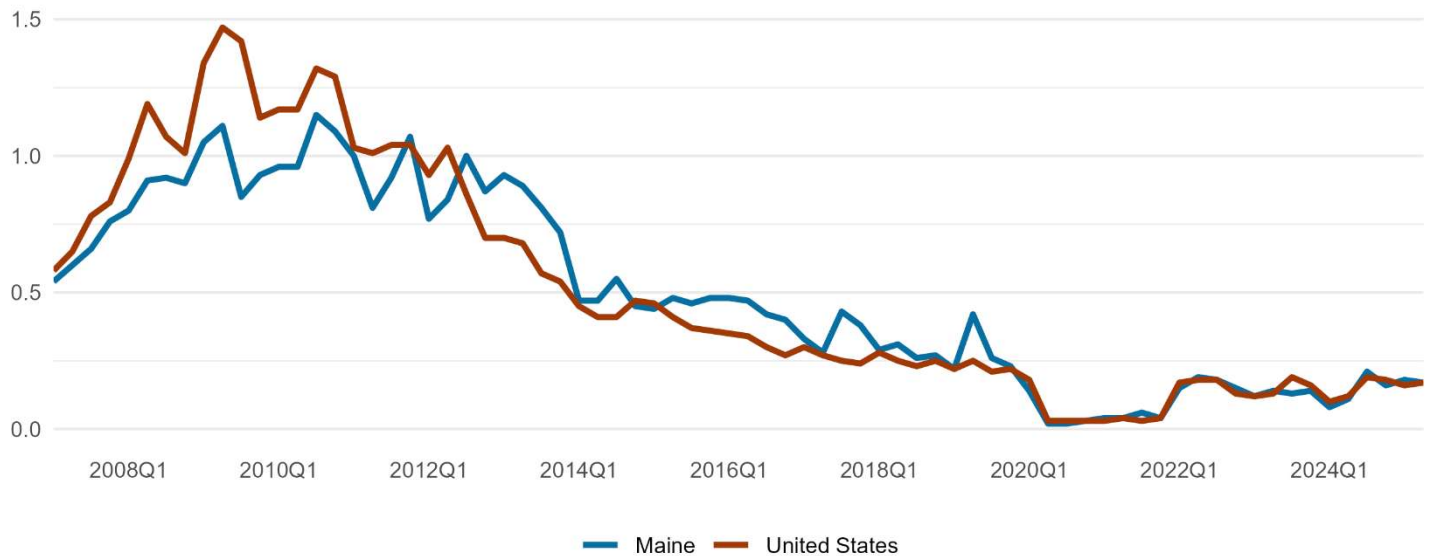
Percent of Loans Past Due at Least 30 Days, Seasonally Adjusted



Source: Mortgage Bankers Association via Moody's Analytics

### Foreclosure Starts as a Percent of All Loans

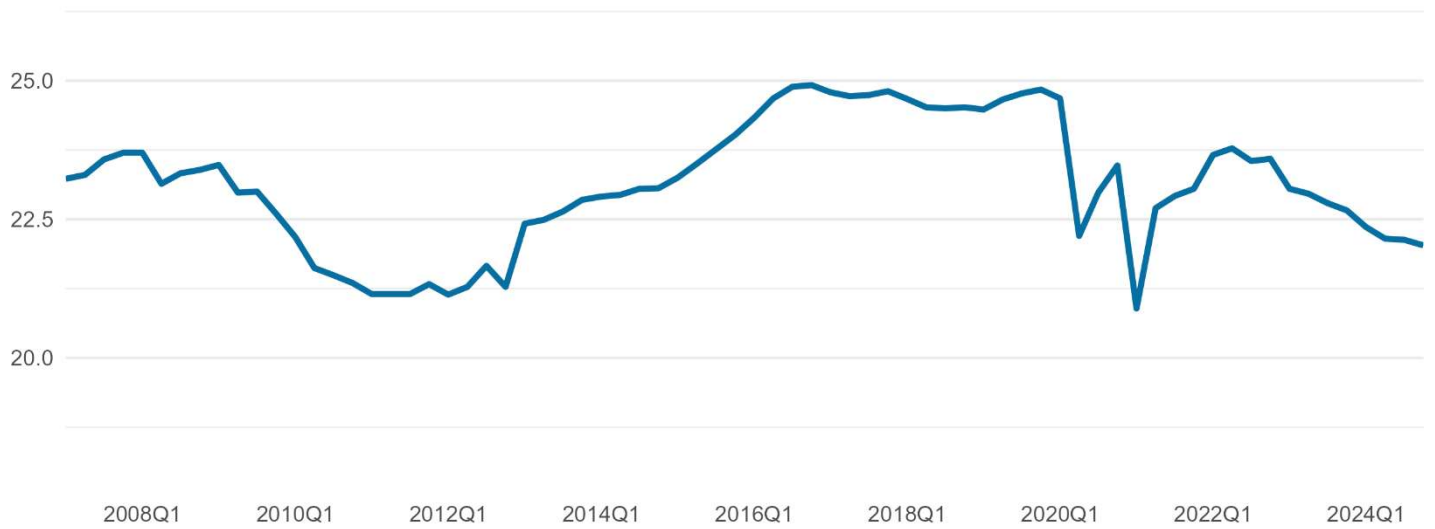
Percent, Seasonally Adjusted



Source: Mortgage Bankers Association via Moody's Analytics

### Maine's Debt-to-Income Ratio

Percent



Source: Federal Reserve Board of Governors & US Bureau of Economic Analysis, via Moody's Analytics