# Report of the
# CONSENSUS ECONOMIC FORECASTING COMMISSION
# February 1, 2026


**Commissioners**

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## Summary

The Maine Consensus Economic Forecasting Commission (CEFC) convened on January 28, 2026, to review and revise its forecast through 2029 and additionally forecast through 2031. Two additional hypothetical recession scenarios of varying severity were identified to meet the Commission's statutory requirement related to the stress-testing of revenues. This meeting builds on the Commission's forecast update of November 1, 2025, incorporating the most recent updates available for all relevant baseline data. This report provides a summary of the Commission's findings.

The CEFC emphasized that Maine continues to face significant economic uncertainty stemming from fiscal, geopolitical, and economic developments. Tariff policies continue to change rapidly, contributing to the possibility of a global trade war and increasing risk for businesses. The federal government is in a period of fiscal reprioritization with increased uncertainty around ongoing federal funding. Maine's economy will be impacted by any reduction of federal funds and the multiplier effects of those reductions, particularly cuts to programs such as Medicaid (MaineCare) and the Affordable Care Act. Maine's demographic structure, particularly an aging population, will continue to influence labor market needs as well as patterns of consumer demand, with broader implication across the state's economy. Inflation remains elevated above target levels and is likely to face ongoing upward pressure from tariffs, while consumer sentiment has weakened, with affordability concerns accelerating for lower- and middle-income households. Because of our state's demographics and close relationship with Canada, Maine may be particularly vulnerable to changes in federal funding and tariff policy.

The Commission's forecast for wage and salary employment was revised downward from 0.2% to -0.3% in 2025, and from 01% to 0.0% in 2026. The forecast for 2027 through 2029 was left unchanged (at 0.0% growth). The Commission established an initial forecast of 0.0% growth for both 2030 and 2031. This assessment reflects information provided by the Maine Department of Labor about 2025 employment as well as broad economic uncertainty in the near term and demographic constraints going forward.

The Commission revised its forecast for total personal income growth downward from 4.4% to 4.2% in 2027, from 4.3% to 4.1% in 2028, and from 4.3% to 4.0% in 2029. The Commission developed an initial forecast for 2030 and 2031 of 4.0% and 3.9%, respectively. The forecast for 2026 was left unchanged. Due to small changes in minor components not directly forecast by the CEFC, the total personal income forecast was also revised slightly downward for 2025 from 5.6% to 5.5%. The only adjustments made to components of personal income were to wage and salary income and supplements to wages and salaries.

Based on information provided by the Office of Tax Policy in Maine Revenue Services, the Commission left its forecast of wage and salary income growth for 2025 and 2026 unchanged (4.8% and 4.0%, respectively). Downward revisions were made for 2027 through 2029. For 2027 and 2028, the forecasts were revised from 4.0% to 3.5%. In 2029 the forecast was revised from 4.0% to 3.3%. The Commission established an initial forecast for 2030 and 2031 of 3.3% and 3.1%, respectively.

The Commission made revisions to its forecast of growth in supplements to wages and salaries for 2027 through 2029. Its forecast was revised up from 3.5% to 3.6% in 2027 and 2028, and down from 3.5% to 3.4% in 2029. The Commission established an initial forecast for 2030 and 2031 of 3.4% and 3.2%, respectively. Its forecasts for 2025 and 2026 were left unchanged.

The Commission made no changes to its forecast of nonfarm proprietors' income for 2025 through 2029. The current forecast assumes growth of 3.5% in 2025 and constant growth of 4.0% for 2026 through 2029. The Commission developed an initial forecast of 4.0% for both 2030 and 2031.

The Commission's forecast of dividends, interest, and rent (DIR) was left unchanged for 2025 through 2029. The current forecast assumes 3.0% growth in 2025 and 2026, and constant growth of 4.5% from 2027 through 2029. The Commission established an initial forecast of 4.5% for both 2030 and 2031.

The Commission made no changes to its forecast of personal current transfer receipts for 2025 through 2029. The current forecast assumes growth of 9.9% in 2025 and constant growth of 5.0% for 2026 through 2029. The Commission established an initial forecast of 5.0% growth for both 2030 and 2031.

Annual inflation according to the Consumer Price Index (CPI) was 2.6% in 2025, slightly lower than the CEFC's November 2025 forecast of 2.8%. The Commission made upward revisions to the forecast for 2027 through 2029, going from 2.2% to 2.8% in 2027 and 2.1% to 2.3% in 2028 and 2029. The Commission established an initial forecast of 2.3% for both 2030 and 2031.

The Commission made no changes to its forecast of corporate profits. The current forecast projects growth of 0.5% in 2025 and then 2.0% annual growth for 2026-2029. The Commission established an initial forecast of 2.0% for both 2030 and 2031.

The following table provides the forecast's major indicators along with a comparison to the previous forecast.

| Calendar Years | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|
| **Wage & Salary Employment (Annual Percentage Change)** | | | | | | | | |
| CEFC Forecast 11/2025 | *1.0* | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | - | - |
| CEFC Forecast 02/2026 | *1.0* | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Personal Income (Annual Percentage Change)** | | | | | | | | |
| CEFC Forecast 11/2025 | *5.7* | 5.6 | 4.1 | 4.4 | 4.3 | 4.3 | - | - |
| CEFC Forecast 02/2026 | *5.7* | 5.5 | 4.1 | 4.2 | 4.1 | 4.0 | 4.0 | 3.9 |
| **Wage and Salary Income (Annual Percentage Change)** | | | | | | | | |
| CEFC Forecast 11/2025 | *6.0* | 4.8 | 4.0 | 4.0 | 4.0 | 4.0 | - | - |
| CEFC Forecast 02/2026 | *6.0* | 4.8 | 4.0 | 3.5 | 3.5 | 3.3 | 3.3 | 3.1 |
| **CPI (Annual Percentage Change)** | | | | | | | | |
| CEFC Forecast 11/2025 | *3.0* | 2.8 | 2.8 | 2.2 | 2.1 | 2.1 | - | - |
| CEFC Forecast 02/2026 | *3.0* | 2.6 | 2.8 | 2.8 | 2.3 | 2.3 | 2.3 | 2.3 |

In deliberations leading to consensus, the CEFC considered information presented by the Maine Department of Labor, Maine Revenue Services, and by the Office of the State Economist in the Department of Administrative and Financial Services. The following sections summarize these reports.

Additional background materials are available online.

**Office of the State Economist (Department of Administrative and Financial Services)**

Maine's population grew 0.5% from 2024 to 2025, bringing the total population to a record high of 1,414,874. This ranks Maine 25th among all states for percent growth in 2025 and 42nd for total population nationally. Since April 2020, Maine's population has increased 3.8%, 17th in the nation for growth.

In 2025, Maine had the 7th highest rate of total net migration among all states, at 8.1 per thousand. Maine had the highest net migration rate in New England and was well above the national rate of 3.7 per thousand. From 2021-2025, Maine's total net migration has ranked in the top ten nationally for four out of five years. The exception was 2024, where Maine ranked 21st.

Domestic migration made up the largest share of migration to Maine in 2025. Maine had the 7th highest rate of domestic migration (5.2 per thousand) and the 25th highest rate of international migration (2.9 per thousand). Cumulatively from April 2020 to July 2025, Maine has seen total net migration to the state of 77,918 people.

Total personal income in Maine grew 1.6% at an annualized rate in the third quarter of 2025, ranking 48th in the U.S. (3.3%) and fifth in New England (2.0%). Maine's total seasonally adjusted personal income was $101.8 billion in the third quarter of 2025. A decline in transfer receipts between the second and third quarters had a considerable impact on Maine's overall personal income growth. Transfer receipts declined in the third quarter, subtracting from Maine's overall personal income growth, while New England and the U.S. saw increases. This largely reflects the timing of one-time retroactive Social Security payments in the second quarter under the Social Security Fairness Act, which had a bigger impact in Maine due to the state's higher reliance on Social Security income. As a result, Maine's transfer receipts fell modestly after strong growth in the prior quarter.

Inflation has decelerated from the high in June 2022 but is still above the Federal Reserve's 2% target. The CPI all-items index grew 2.7% year-over-year in December (before seasonal adjustment) and was up 2.6% for 2025 overall. On December 9, the Federal Reserve Federal Open Market Committee (FOMC) lowered rates for the third time in 2025 to 3.5% - 3.75%. The next FOMC meeting was scheduled for January 27-28.

The Index of Consumer Sentiment from the University of Michigan was up 7% in January but is down 21% year-over-year. Inflation, high prices, and the prospects of weakening labor markets remain at the forefront of consumers' minds. The Small Business Optimism Index, as measured by the National Federation of Independent Businesses (NFIB), improved slightly in December, up less than 1% from November. The uncertainty index fell 7 points from November, the lowest reading since June 2024.

The price of a gallon of gasoline in New England was an average of $2.94 during the week of January 19, about $0.22 less than a year ago. The statewide average cash price of No. 2 heating oil in Maine was $3.409/gal in the sixteenth week (January 19) of the 2025-2026 heating oil season, 7% less than the same week last year.

Maine single-family existing-home sales were up 11.8% from 12 months prior in December 2025. Prices were down 3.5% from November and 3.8% from a year ago. In the third quarter of 2025, Maine's year-over-year growth in the house price index was 5.1% (seasonally adjusted), 8th highest in the nation for year-over-year growth and second in New England.

Full background materials are available at: [https://www.maine.gov/dafs/economist/economic-forecasting](https://www.maine.gov/dafs/economist/economic-forecasting)

**Maine Department of Labor, Center for Workforce Research and Information**

Monthly data releases for 2025 are now complete, though they were disrupted and delayed by the federal government shutdown. Preliminary estimates through December 2025 suggest Maine's labor market is characterized by:

1) Steady, low unemployment rates
2) Falling employment

The environment of decreasing employment and low, steady unemployment rates may be from more people reaching retirement than young people aging into the labor force and other entrants moving to the state.

Nonfarm wage and salary jobs are 4,200 lower than one year ago and down 5,700 from the peak in the fall of 2024. Employment decreases occurred in most sectors. The accommodation and food services sector (-1,500); administrative, support and waste services sector (-1,600); and federal government (-1,500) account for most of the recent employment decreases. Job gains in healthcare and social assistance (+2,300) offset some of the decreases occurring in other sectors in the last year.

Tax filing information is complete through September 2025 in the Quarterly Census of Employment and Wages (QCEW) data program. Preliminary survey-based job estimates from the Current Employment Statistics (CES) program appear on the mark except for potential upward revisions in the spring/summer of 2024 and spring of 2025. For March 2025, the preliminary benchmark revision announced in September was +2,300 jobs.

Different factors can contribute to economic growth. From the perspective of labor resources, there are two primary factors:

1) changes in the amount of labor resources *(jobs & hours)*
2) changes in the value of goods and services produced on a per-unit basis *(labor productivity)*

A concern about Maine's population age structure has long been that constraints to labor force growth could result in a stagnant economy. In the 2000s so far, a slower rate of labor force change has not similarly constrained Gross Domestic Product (GDP) growth rates, though we do not have a complete picture of how the more recent employment slippage may impact economic output of the state. Compared to the period just before the Great Recession, private sector GDP (inflation adjusted) is 35 percent higher whereas private sector employment is 8 percent higher.

During the Great Recession, as demand for labor declined, aggregate employment and hours worked both fell sharply. Aggregate hours fell by more than employment as the average workweek became slightly shorter. The recovery in labor demand played out over eight years. Gains in labor productivity were a driver of economic growth in the later part of the 2010s. During the pandemic, job displacement disproportionately affected sectors with shorter workweeks and lower average labor productivity (resulting in a surge in labor productivity among workers not displaced from a job, which was reversed during the job recovery). Jobs recovered to the 2019 levels by 2022. As changes in employment slowed, gains in labor productivity appear to be a driver of private sector GDP growth in 2023–24. Since 2007:

- Private sector employment increased by 0.5 percent per year on average.
- Labor productivity increased by 1.7 percent per year on average.

The full labor report to the CEFC is available here.

**Maine Revenue Services - Office of Tax Policy (OTP)**

In its December 2025 update, the Revenue Forecasting Committee (RFC) revised General Fund revenue estimates upward by $165.0 million for FY26 and by $83.3 million for FY27 for a total increase of $248.4 million (2.2%) for the 2026-2027 biennium. The most significant positive changes to General Fund revenue during the forecast period were from individual income, sales and use, and estate taxes. Among the major tax lines administered by Maine Revenue Services, the corporate income tax was the only General Fund revenue line that was significantly lowered, with an average annual reduction of $10 million.

The short period between the release of the December 1st revenue forecast and the spring economic/revenue forecasting process provides limited information on the accuracy of the current revenue forecast. Through December General Fund revenues are $8.9 million over budget, a positive variance of 0.3%. Most of the General Fund tax lines are within +/- 1 percent relative to budget halfway through FY26. The one exception is corporate income tax which is -5.6 percent (–$9.9 million) relative to budget. The variance in corporate income tax is primarily from refunds being over budget (negative variance) in December, which is likely a timing issue.

Through the first six months of FY26, year-over-year (YOY) sales and use tax receipts are up 2.6 percent primarily from specialty stores that sell a narrow range of products, including remote and marketplace facilitator sellers, increasing by approximately 6 percent during that 6-month period. All the other major sales tax categories have been relatively weak, particularly automobile sales, which have only increased 0.5 percent over the first 11 months of calendar year 25. Preliminary January receipts indicate that December sales were not as strong as forecasted, with automobile sales once again being the area that appears to be underperforming the most.

Individual income tax withholding increased 6.5 percent during calendar year 2025. OTP estimates that withholding related to employee wages, estimated to be 81 percent of total withholding receipts, increased by 4.7 percent consistent with the CEFC's November forecast of 2025 wage and salary growth. Other sources of withholding such as pass-through entity withholding and withholding from retirement account distributions increased by 21.6 and 12.5 percent, respectively. Preliminary January individual income tax receipts indicate continuation of that withholding growth on a YOY basis. The final estimated payment for tax year 2025 was due January 15th and preliminary January revenue is pointing to that estimated payment being over budget. A strong January estimated payment has historically been a good predictor of final payments made in April.

While the corporate income tax is only under budget by 5.6 percent through December, net corporate income tax receipts are 19 percent lower through the same period last fiscal year. Corporate estimated payments are the reason for the steep YOY decline, down 27 percent. The 27 percent decrease is consistent with reports from both the federal government and other states with a corporate income tax. One explanation is that corporations have adjusted their estimated payments during the second half of calendar year 2025 based on the retroactive business tax cuts included in the federal tax bill enacted last July. While the Maine Legislature will determine Maine's conformity to that legislation later this session, it appears corporations have already started to adjust their estimated payments assuming full conformity. Preliminary January corporate income tax receipts indicate those adjustments in payments have continued and January payments will be well below budget and a year ago.

## Macroeconomic Assumptions

Two different baseline economic forecasts were examined at the meeting: the Moody's Analytics and S&P baseline scenarios released in January 2026. Each forecast was based on a different set of national macroeconomic assumptions. These forecasts were then compared to the CEFC's November 2025 forecast. In addition, the CEFC reviewed its assumptions from the previous forecast and made changes reflecting additional information and shifting concerns.

Maine's labor market remains tight in certain sectors, with ongoing demand for workers, limited supply, and low unemployment in these areas. Healthcare employment has rebounded slightly above pre-pandemic levels, but staffing shortages persist in critical areas and financial challenges in the healthcare sector are increasing. Looking ahead, it is projected that three-quarters of all new entrants into Maine's workforce would need to choose healthcare careers to meet future demand. Maine's demographic structure, particularly its aging population, will continue to influence labor market needs as well as patterns of consumer demand, with broader implication across the state's economy. Countries around the world are now and will be, in coming decades, increasingly facing these realities of an aging population. Wage growth in Maine has been strong, especially for lower-wage jobs, but an aging workforce may continue to constrain labor availability. At the same time, affordability pressures across housing, healthcare, and other essential goods and services (including automobiles) are emerging as a cross-cutting constraint. However, positive net migration and productivity gains, some of which may emerge through the use of AI, could help meet future labor needs. In the short term, net migration will be hampered by federal immigration policies and the housing market, which remains strained due to high interest rates, limited inventory, and continued demand, driving up home prices and rents. Real estate inventory is starting to show some signs of improvement, which should help alleviate impacts from a limited supply. Expanded broadband access is boosting economic growth across both urban and rural regions. Meanwhile, climate-related disruptions are beginning to impact sectors like hospitality, requiring ongoing monitoring to assess long-term economic effects.

The key assumptions made by the CEFC for this forecast are as follows:

- 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. Should the federal government enter a partial shutdown at the end of January, there may be disrupted funding flows and delayed program implementation. However, there will be no impacts to key benefits programs (like Social Security, Medicare, Medicaid, SNAP, and TANF). Decisions around Maine's conformity to recent federal tax legislation and its impact on state revenues will be addressed by the Legislature during the upcoming legislative session.

- Geopolitical tensions exist and continue to pose a negative risk to the forecast. Rapidly changing tariff policies are contributing to the possibility of a global trade war. Strained relations between the U.S. and China, European nations, Canada, and South America contribute to additional uncertainty, as does the risk of escalating tensions between China and Taiwan.

- The federal government has entered into a period of significant fiscal re-prioritization. This contributes to uncertainty in ongoing federal funding. Maine's economy will be impacted by any reduction of federal funding, with the full scope and scale dependent on the exact nature of the reductions. Federal funds not only flow into Maine through state and local governments, but also through payments to individuals, contracts with nonprofits and businesses, and grants to higher education and research institutions. In all these cases, there are additional multiplier effects. For example, cuts to federal Medicaid (MaineCare) and the loss of ACA subsidies are raising premiums, jeopardizing healthcare coverage, and straining rural hospitals.

- 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.

- Maine may be at greater risk from federal funding and tariff policy changes. Canada is Maine's largest trading partner and the tensions between Canada and the U.S. have driven a decline in Canadian visitation to Maine that may persist for the foreseeable future. However, a decline in Canadian visitors may be offset by an increase in domestic tourism.

**Consensus Forecast**

The Commission's forecast for wage and salary employment was revised downward from 0.2% to -0.3% in 2025, and from 01% to 0.0% in 2026. The forecast for 2027 through 2029 was left unchanged (at 0.0% growth). The Commission established an initial forecast of 0.0% growth for both 2030 and 2031. This assessment reflects information provided by the Maine Department of Labor about 2025 employment as well as broad economic uncertainty in the near term and demographic constraints going forward.

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Based on information provided by the Office of Tax Policy in Maine Revenue Services, the Commission left its forecast of wage and salary income growth for 2025 and 2026 unchanged (4.8% and 4.0%, respectively). Downward revisions were made for 2027 through 2029. For 2027 and 2028, the forecasts were revised from 4.0% to 3.5%. In 2029 the forecast was revised from 4.0% to 3.3%. The Commission established an initial forecast for 2030 and 2031 of 3.3% and 3.1%, respectively.

The Commission made revisions to its forecast of growth in supplements to wages and salaries for 2027 through 2029. Its forecast was revised up from 3.5% to 3.6% in 2027 and 2028, and down from 3.5% to 3.4% in 2029. The Commission established an initial forecast for 2030 and 2031 of 3.4% and 3.2%, respectively. Its forecasts for 2025 and 2026 were left unchanged.

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The following page provides the full forecast.

## Maine Consensus Economic Forecasting Commission

February 2026 Forecast

| | History | Forecast | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| CPI-U* (Annual Change) | 3.0% | 2.6% | 2.8% | 2.8% | 2.3% | 2.3% | 2.3% | 2.3% |
| CPI for Energy Prices** (Annual Change) | -1.3% | -0.1% | 1.2% | 1.0% | 0.9% | 0.9% | 1.4% | 1.7% |
| Avg. Price of New Vehicles** (Annual Change) | -0.4% | 1.1% | 3.4% | 3.4% | 5.1% | 5.8% | 6.3% | 6.3% |
| New Vehicle Registrations** (Annual Change) | 8.2% | 2.4% | -3.8% | -1.0% | -0.3% | 0.6% | -0.5% | -1.1% |
| Personal Savings Rate** | 5.5% | 4.6% | 5.2% | 6.3% | 6.8% | 6.8% | 6.9% | 7.0% |
| Maine Unemployment Rate** | 3.1% | 3.3% | 3.4% | 3.5% | 3.5% | 3.4% | 3.4% | 3.3% |
| 3-Month Treasury Bill Rate** | 5.0% | 4.1% | 3.2% | 2.9% | 2.8% | 2.8% | 2.8% | 2.8% |
| 10-Year Treasury Note Yield** | 4.2% | 4.3% | 3.9% | 3.8% | 3.9% | 3.9% | 3.9% | 3.9% |
| Before-Tax Corporate Profits* (Annual Change) | 8.4% | 0.5% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| | | | | | | | | |
| Maine Wage & Salary Employment* (thousands) | 657.9 | 655.9 | 655.9 | 655.9 | 655.9 | 655.9 | 655.9 | 655.9 |
| Natural Resources | 2.0 | 2.1 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Construction | 35.1 | 34.8 | 34.5 | 34.3 | 34.0 | 33.5 | 33.1 | 32.8 |
| Manufacturing | 52.1 | 51.7 | 51.6 | 51.4 | 51.1 | 50.8 | 50.5 | 50.2 |
| Trade/Trans./Public Utils. | 120.2 | 119.0 | 118.8 | 118.7 | 118.7 | 118.6 | 118.5 | 118.3 |
| Information | 8.2 | 8.1 | 8.1 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Financial Activities | 33.3 | 33.3 | 33.4 | 33.6 | 33.7 | 33.8 | 33.9 | 33.9 |
| Prof. & Business Services | 78.6 | 78.1 | 78.1 | 78.5 | 79.2 | 79.6 | 80.0 | 80.2 |
| Education & Health Services | 134.2 | 134.9 | 135.8 | 136.3 | 136.5 | 136.7 | 136.8 | 137.3 |
| Leisure & Hospitality Services | 69.7 | 69.4 | 69.3 | 69.1 | 68.9 | 69.0 | 69.1 | 69.2 |
| Other Services | 22.7 | 22.4 | 22.1 | 22.0 | 21.9 | 21.9 | 21.9 | 22.0 |
| Government | 101.9 | 102.2 | 102.3 | 102.0 | 101.9 | 102.1 | 102.2 | 102.1 |
| | | | | | | | | |
| Maine Wage & Salary Employment* (Annual Change) | 1.0% | -0.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Natural Resources | 0.0% | 3.2% | -1.0% | -1.0% | -0.5% | -0.5% | -1.0% | -0.5% |
| Construction | 2.9% | -0.8% | -1.0% | -0.5% | -1.0% | -1.3% | -1.3% | -0.9% |
| Manufacturing | -2.6% | -0.8% | -0.2% | -0.4% | -0.5% | -0.7% | -0.5% | -0.6% |
| Trade/Trans./Public Utils. | 0.0% | -1.0% | -0.2% | -0.1% | 0.0% | -0.1% | -0.1% | -0.1% |
| Information | -1.2% | -1.0% | -0.8% | -0.1% | -0.1% | -0.2% | 0.0% | -0.1% |
| Financial Activities | -1.2% | 0.0% | 0.4% | 0.5% | 0.4% | 0.3% | 0.1% | 0.0% |
| Prof. & Business Services | 0.9% | -0.6% | -0.1% | 0.6% | 0.8% | 0.6% | 0.5% | 0.2% |
| Education & Health Services | 3.5% | 0.5% | 0.7% | 0.4% | 0.2% | 0.1% | 0.1% | 0.4% |
| Leisure & Hospitality Services | 0.7% | -0.5% | -0.1% | -0.3% | -0.3% | 0.1% | 0.2% | 0.2% |
| Other Services | 1.8% | -1.5% | -1.2% | -0.6% | -0.3% | 0.1% | 0.1% | 0.1% |
| Government | 1.6% | 0.3% | 0.1% | -0.3% | -0.1% | 0.2% | 0.1% | -0.1% |
| | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| Personal Income* ($ million) | 96,850 | 102,199 | 106,432 | 110,856 | 115,412 | 120,011 | 124,794 | 129,653 |
| Wages & Salaries* | 43,492 | 45,580 | 47,403 | 49,062 | 50,779 | 52,455 | 54,186 | 55,866 |
| Supplements to Wages & Salaries* | 10,122 | 10,527 | 10,948 | 11,342 | 11,750 | 12,150 | 12,563 | 12,965 |
| Nonfarm Proprietors' Income* | 7,434 | 7,694 | 8,002 | 8,322 | 8,655 | 9,001 | 9,361 | 9,736 |
| Farm Proprietors' Income** | 106 | 92 | 74 | 107 | 135 | 148 | 152 | 157 |
| Dividends, Interest, & Rent* | 19,409 | 19,991 | 20,591 | 21,518 | 22,486 | 23,498 | 24,555 | 25,660 |
| Dividends | 7,561 | 7,417 | 7,639 | 7,897 | 7,811 | 7,809 | 8,029 | 8,010 |
| Interest | 6,866 | 7,077 | 7,495 | 8,069 | 9,260 | 10,105 | 10,583 | 11,602 |
| Rent | 4,982 | 5,498 | 5,457 | 5,552 | 5,419 | 5,593 | 5,942 | 6,056 |
| Personal Current Transfer Receipts* | 22,195 | 24,392 | 25,612 | 26,893 | 28,237 | 29,649 | 31,131 | 32,688 |
| Less: Contributions for Social Ins.** | 7,373 | 7,631 | 7,815 | 8,090 | 8,413 | 8,744 | 9,080 | 9,417 |
| Adjustment for Residence** | 1,466 | 1,554 | 1,618 | 1,703 | 1,782 | 1,854 | 1,925 | 1,999 |
| | | | | | | | | |
| Personal Income* (Annual Change) | 5.7% | 5.5% | 4.1% | 4.2% | 4.1% | 4.0% | 4.0% | 3.9% |
| Wages & Salaries* | 6.0% | 4.8% | 4.0% | 3.5% | 3.5% | 3.3% | 3.3% | 3.1% |
| Supplements to Wages & Salaries* | 6.4% | 4.0% | 4.0% | 3.6% | 3.6% | 3.4% | 3.4% | 3.2% |
| Nonfarm Proprietors' Income* | 4.2% | 3.5% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Farm Proprietors' Income** | 52.3% | -13.4% | -19.5% | 45.3% | 26.4% | 9.4% | 2.9% | 3.2% |
| Dividends, Interest, & Rent* | 6.2% | 3.0% | 3.0% | 4.5% | 4.5% | 4.5% | 4.5% | 4.5% |
| Dividends | 5.7% | -1.9% | 3.0% | 3.4% | -1.1% | 0.0% | 2.8% | -0.2% |
| Interest | 5.0% | 3.1% | 5.9% | 7.7% | 14.8% | 9.1% | 4.7% | 9.6% |
| Rent | 8.7% | 10.3% | -0.7% | 1.7% | -2.4% | 3.2% | 6.3% | 1.9% |
| Personal Current Transfer Receipts* | 5.6% | 9.9% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Less: Contributions for Social Ins.** | 7.4% | 3.5% | 2.4% | 3.5% | 4.0% | 3.9% | 3.8% | 3.7% |
| Adjustment for Residence** | 3.5% | 6.0% | 4.1% | 5.2% | 4.6% | 4.0% | 3.8% | 3.9% |

*CEFC Forecast

**From S&P and Moody's Analytics baselines (January 2026)

Remaining lines derived from CEFC forecast by CEFC staff and reviewed by CEFC

## Alternative Economic Scenarios

### Statute and Background: 5 M.R.S.A. §1710-A

*4. **Alternative economic scenarios.** No later than February 1st of each even-numbered year the commission shall provide to the State Budget Officer, the State Economist and the Associate Commissioner for Tax Policy at least 2 additional economic forecasts that assume potential economic recession scenarios of varying levels of severity. These additional forecasts must include economic assumptions for the current fiscal biennium and the next 2 fiscal biennia. In each report the commission shall fully describe the methodology employed in reaching its recommendations.*

Every other year, beginning in 2018, statute requires the CEFC to provide the State Economist, the State Budget Officer, and the Associate Commissioner for Tax Policy with at least two alternative economic recession scenarios of varying levels of severity. The alternative scenarios are required to be included in the CEFC's report due February 1st of each even-numbered year and also must include assumptions for calendar years that encompass the current and next two biennia. By October 1st of each even-numbered year the CEFC and Revenue Forecasting Committee (RFC) will jointly issue a report to the Governor, the Legislative Council, and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs that utilizes the alternative economic scenarios recommended by the CEFC. The report will include analyses and findings that detail the impact such economic recession scenarios would have on the current General Fund revenue projections of sales and income tax revenues. In addition, the report must include an analysis of the sufficiency of the current level of the Budget Stabilization Fund and an estimate of the reserves in the Budget Stabilization Fund necessary to offset the declines in revenue as a result of potential economic recession scenarios.

### Methodology

The CEFC decided to designate two alternative scenarios provided by Moody's Analytics in January 2026 as the moderate and severe recession scenarios. While the scenarios describe a particular set of specific events surrounding the recessions, the Commission does not ascribe to these specifics, instead selecting the scenarios based on the numbers and growth rates that seemed reasonable as generic "moderate" and "severe" recessions. These scenarios should provide plausible economic inputs for an analysis of the General Fund revenue projections in both a moderate and severe downturn. In both cases, the scenarios will be adjusted to reflect the CEFC's February 2026 baseline forecast and will show hypothetical downturns beginning in the first quarter of calendar year 2027. Brief descriptions of the economic conditions follow; forecast details will be included in the October 1, 2026, stress test report.

### Moderate recession scenario

The moderate recession scenario selected by the CEFC is the "S7" Next-Cycle Recession scenario. This scenario has the recession lasting three quarters. National real gross domestic product grows 1.9% in the first year and declines 0.9% in the second year, compared with growth of 2.6% and 1.5%, respectively, in the baseline. Employment in Maine declines by around 1.3% in the first year and 1.9% in the second year. Total personal income continues to grow, but at a slower rate.

### Severe recession scenario

The severe recession scenario selected by the CEFC is the "S3" downside scenario. This scenario has the recession lasting three quarters. The cumulative decline in national real gross domestic product is 2.6%. Employment in Maine declines by around 4.2% in the first year and 1.0% in the second year. Total personal income continues to grow, but at a slower rate.