

# Economic and Demographic Outlook for Maine

Maine Association of Mortgage Professionals

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# Summary of key assumptions in February 2026 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 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 reprioritization.
- 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 while households are still dealing with elevated costs; 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



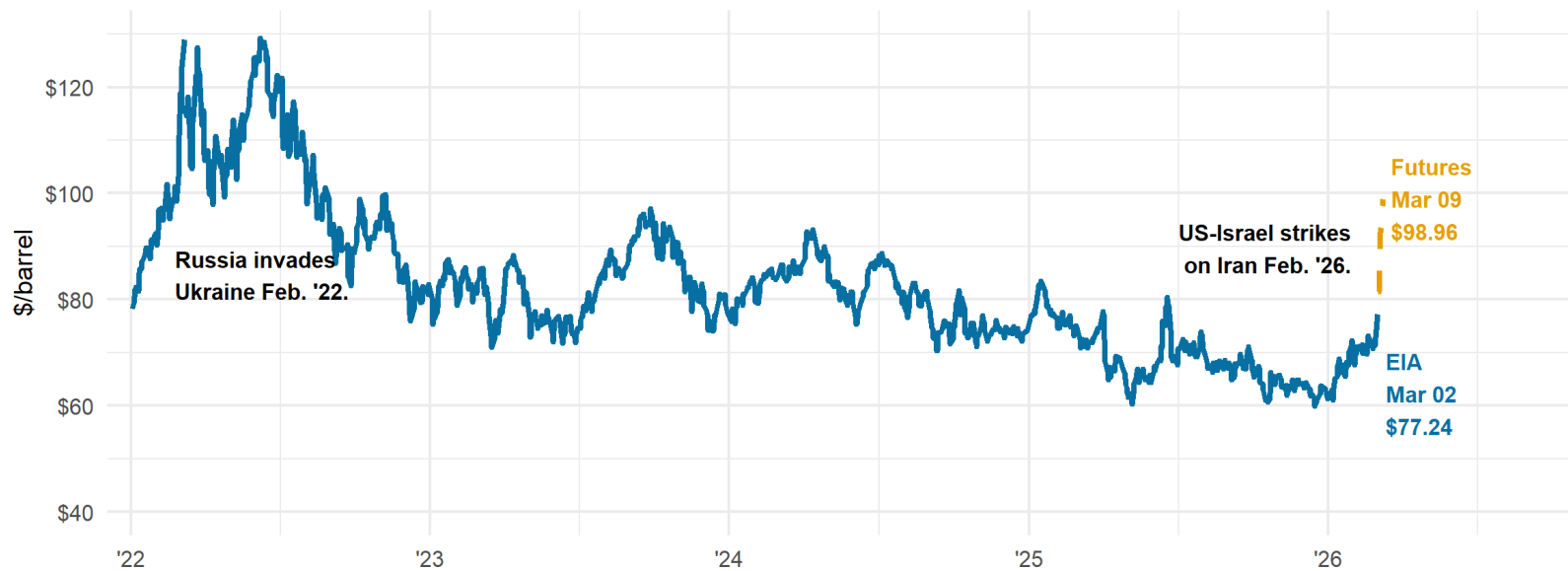
Source: Chicago Board Options Exchange via FRED®  
Shaded areas indicate U.S. recessions.

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 9, 2026

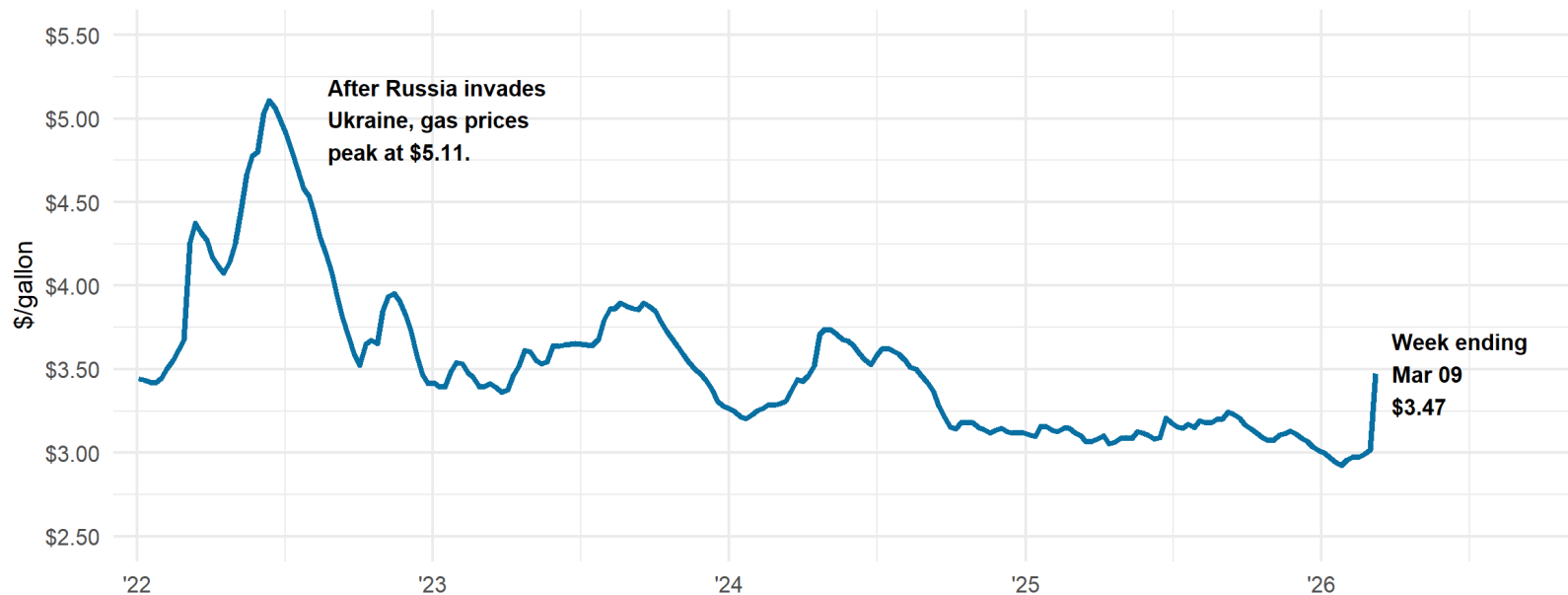
# Current Brent Crude and New England Gasoline Prices

Brent crude oil price (daily, includes latest futures)



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

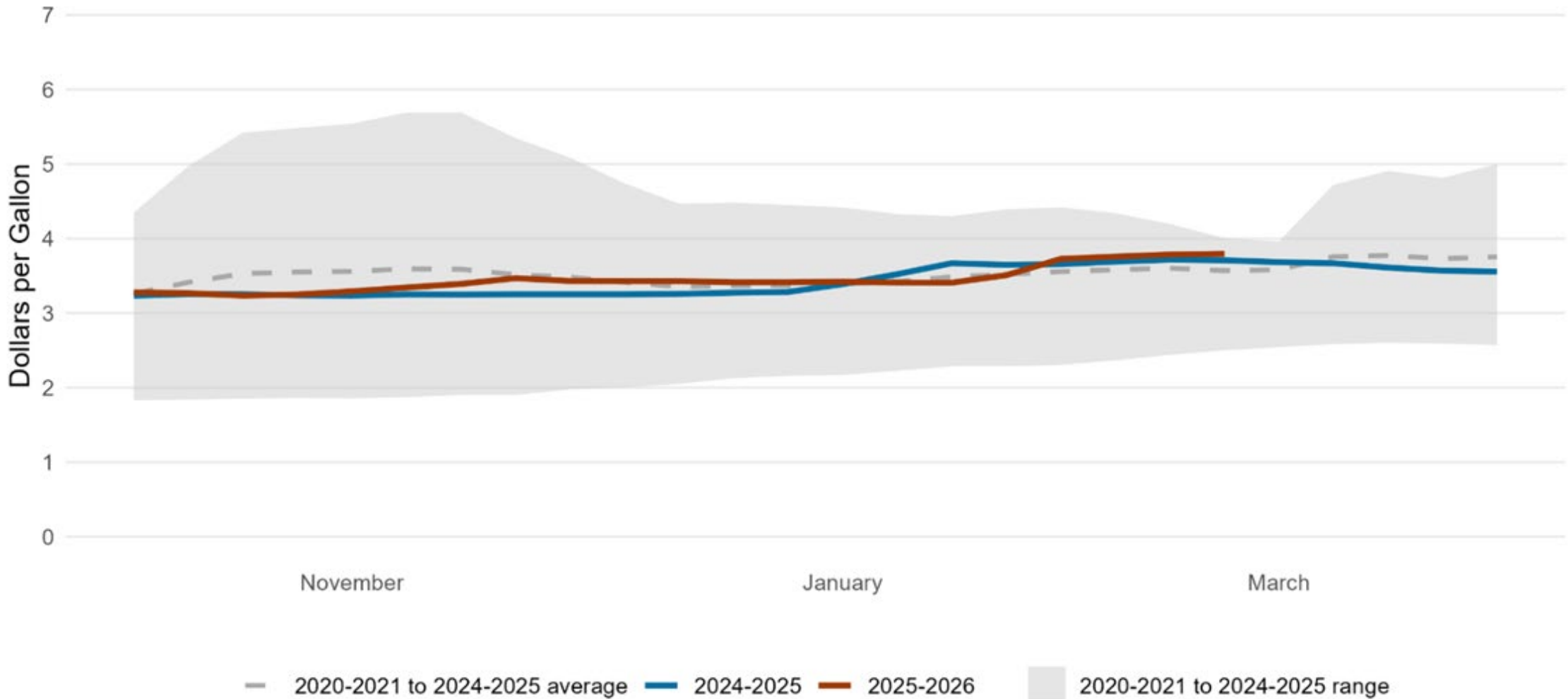
New England retail gasoline price (weekly average, all grades)



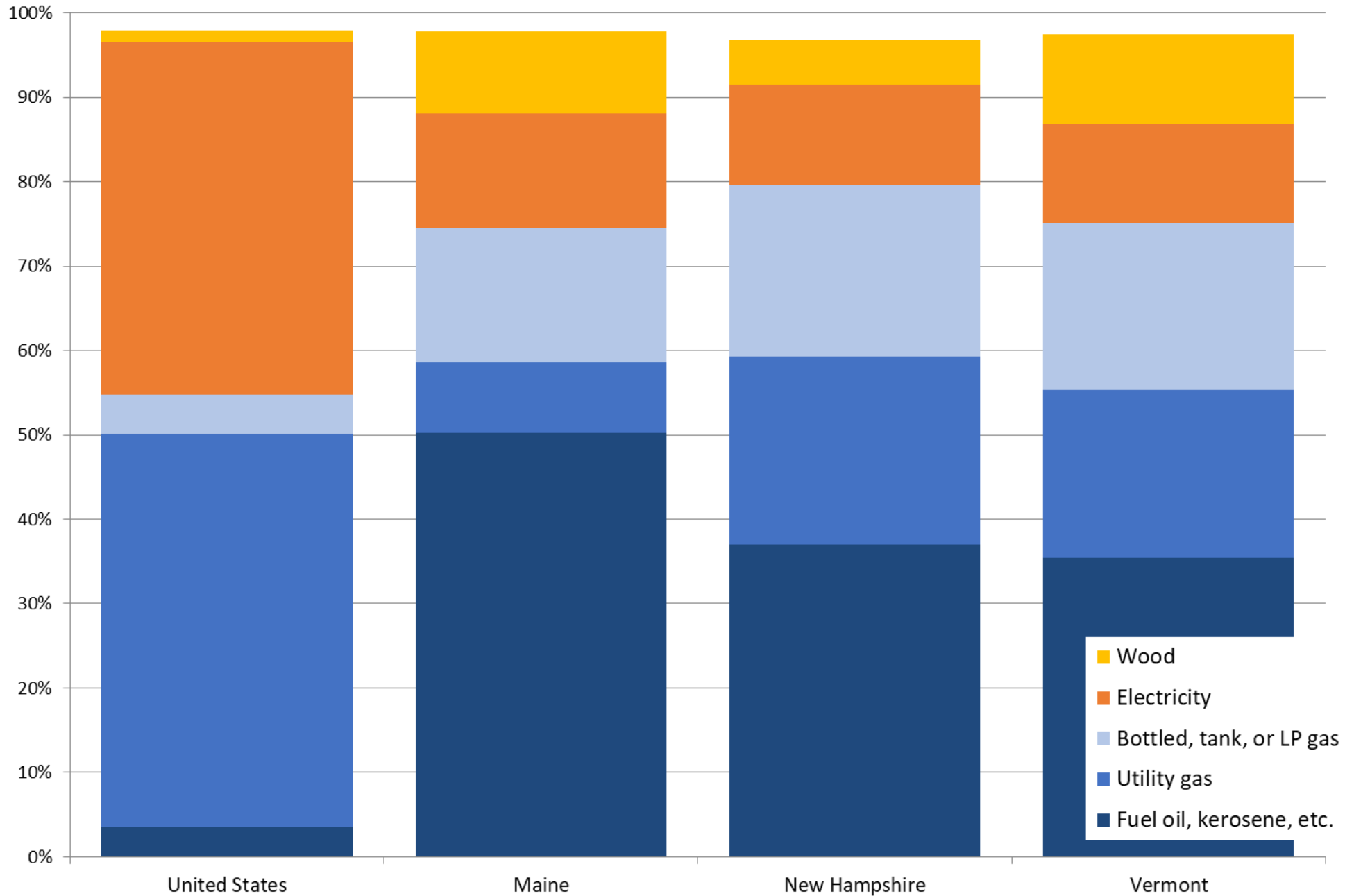
EIA weekly New England retail gasoline price (all grades)  
Weekly data shown; retail prices update more slowly than crude oil

# Heating oil at \$3.901 week ending 3/2/26 (up \$0.106 from week prior)

Weekly Average Price of Residential Heating Oil in Maine (October-March)



# 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

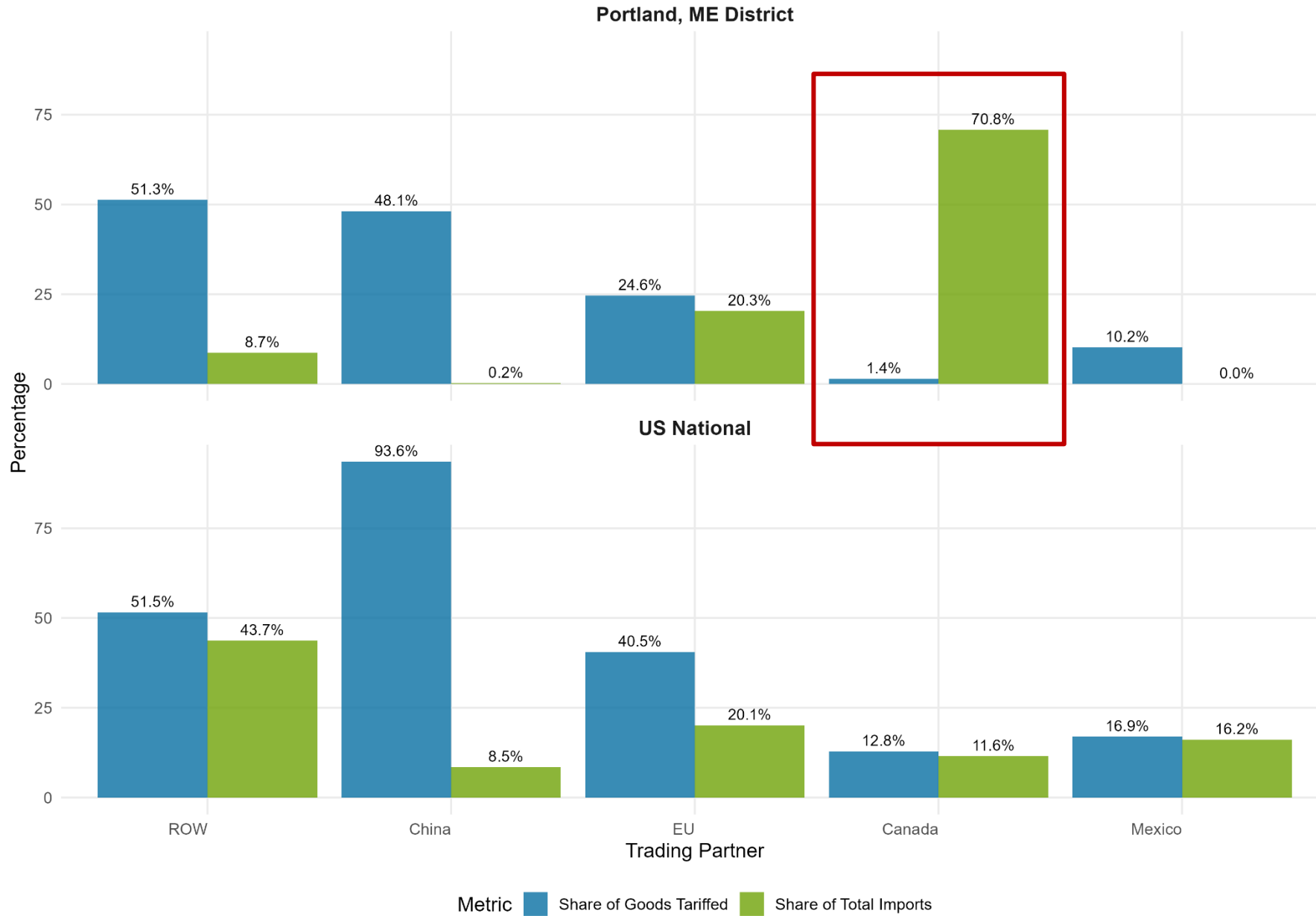
U.S.-Mexico-Canada Agreement (USMCA) compliant imports have remained exempt (around 85% from Canada, 86% from Mexico exempt)  
USMCA up for review this year (July)

Process for IEEPA tariff refunds to importers still being determined

The Budget Lab at Yale estimates loss of \$600-\$800 per household if 15% Section 122 tariffs expire and \$1,000-\$1,300 if made permanent; U.S. unemployment rate increased by 0.3 pp by end of 2026

# Comparing Tariff Share vs Import Volume

Latest Period: September 2025

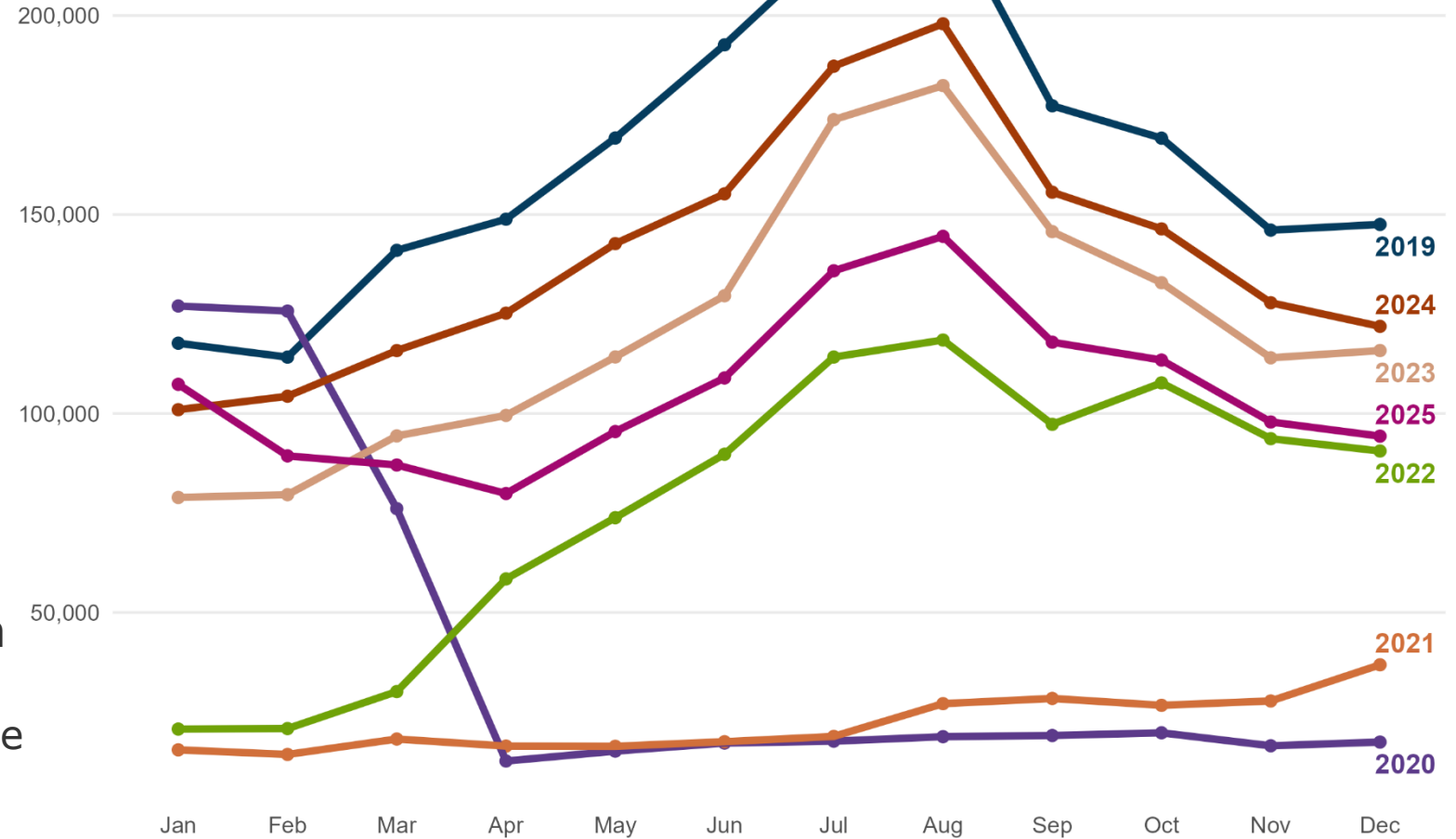


Portland, ME District in

## 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

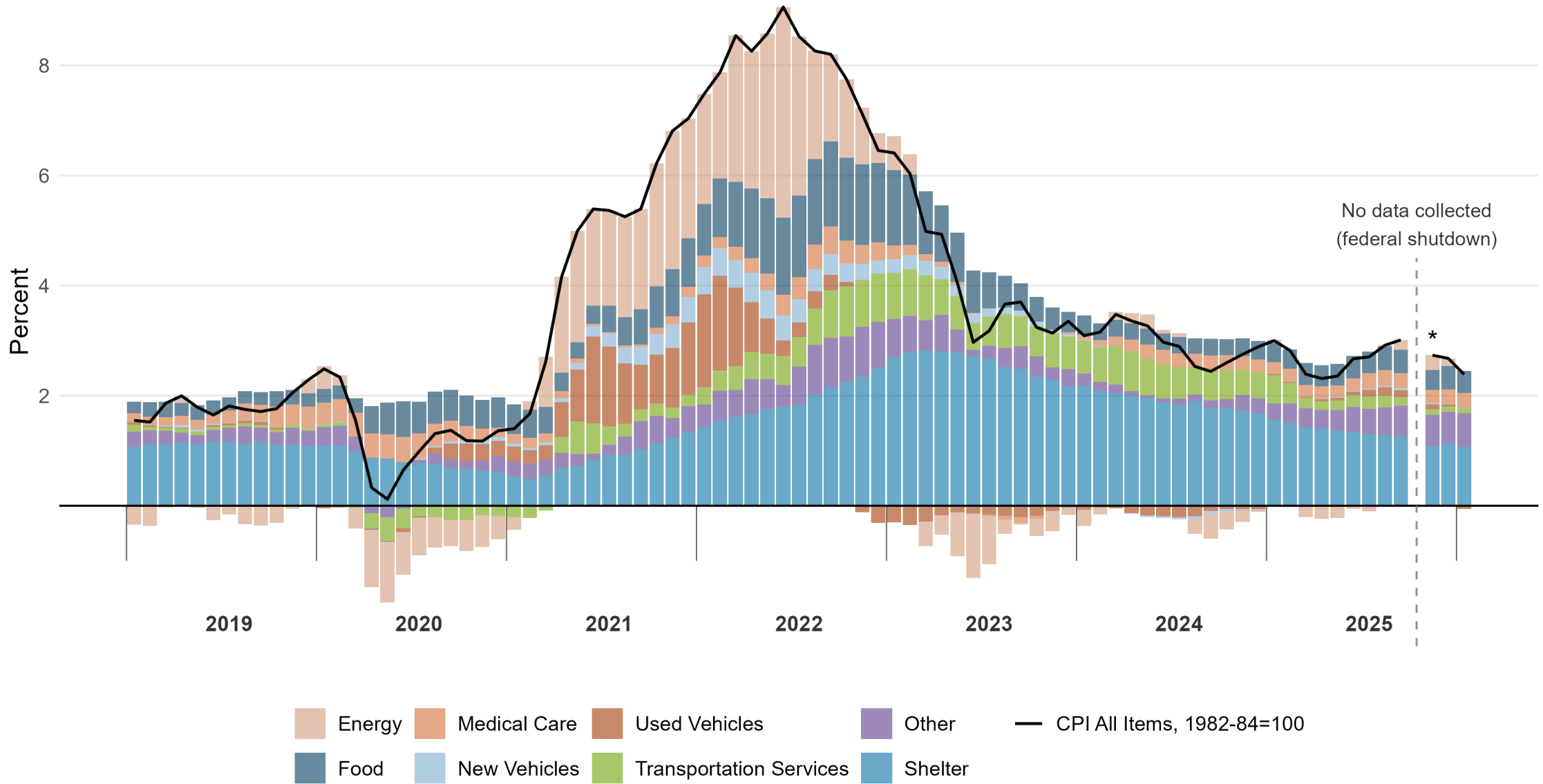
### Passenger Vehicles Entering Maine from Canada



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

# Consumer sentiment and inflation

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



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

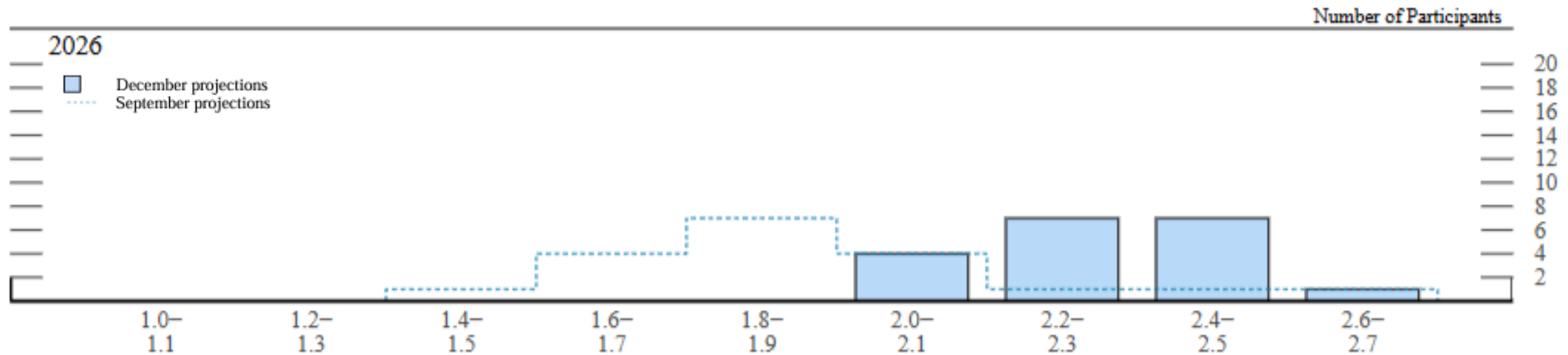
\*November 2025: Shutdown not resolved until Nov 12; BLS operated on truncated schedule. Second half of November (Black Friday, holiday shopping) may have distorting effect

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

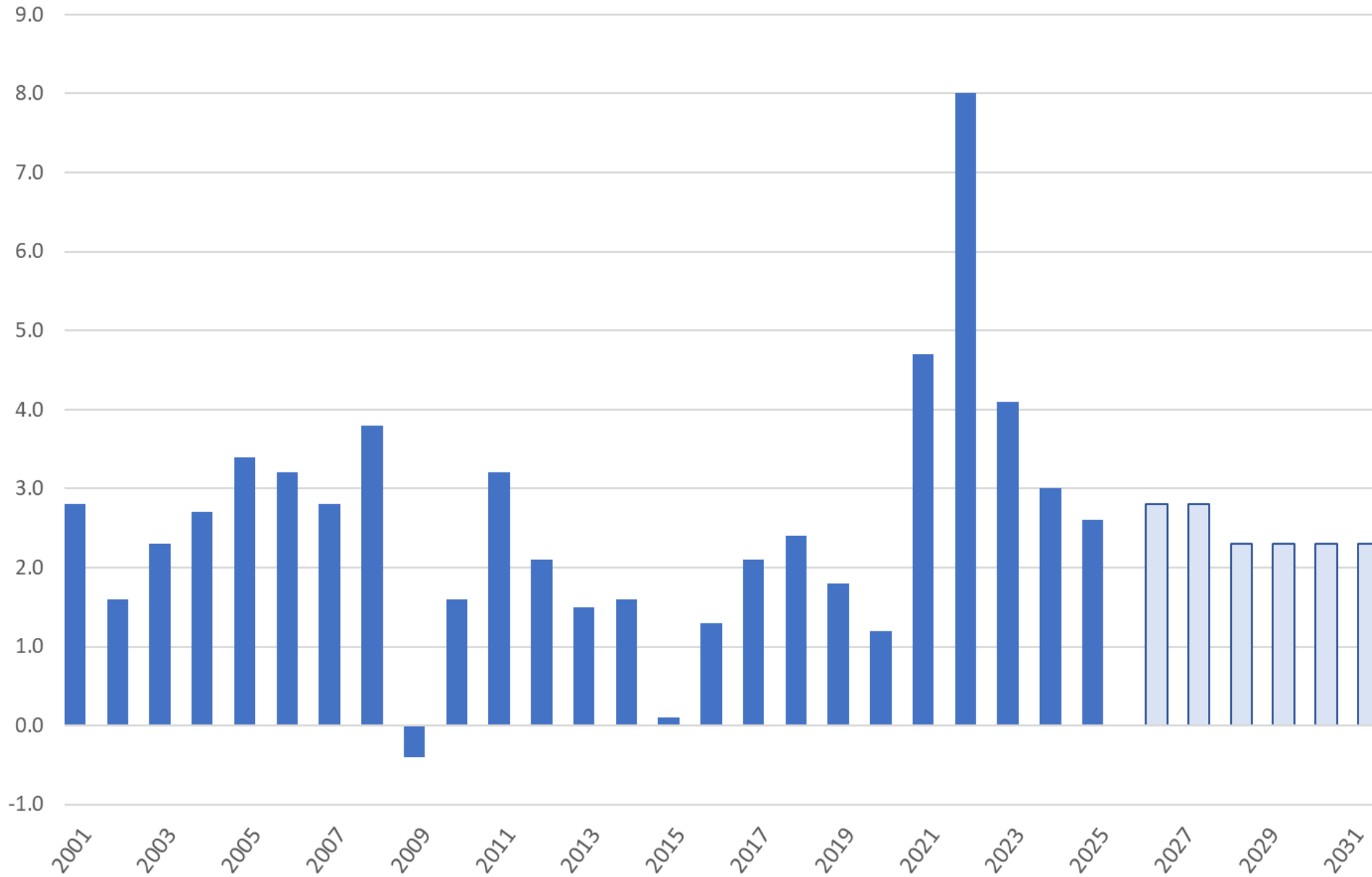
Median projection for 2026  
from Dec. 2025 Federal  
Open Market Committee  
statement was 3.4%

### Distribution of participants' projections for the change in real GDP

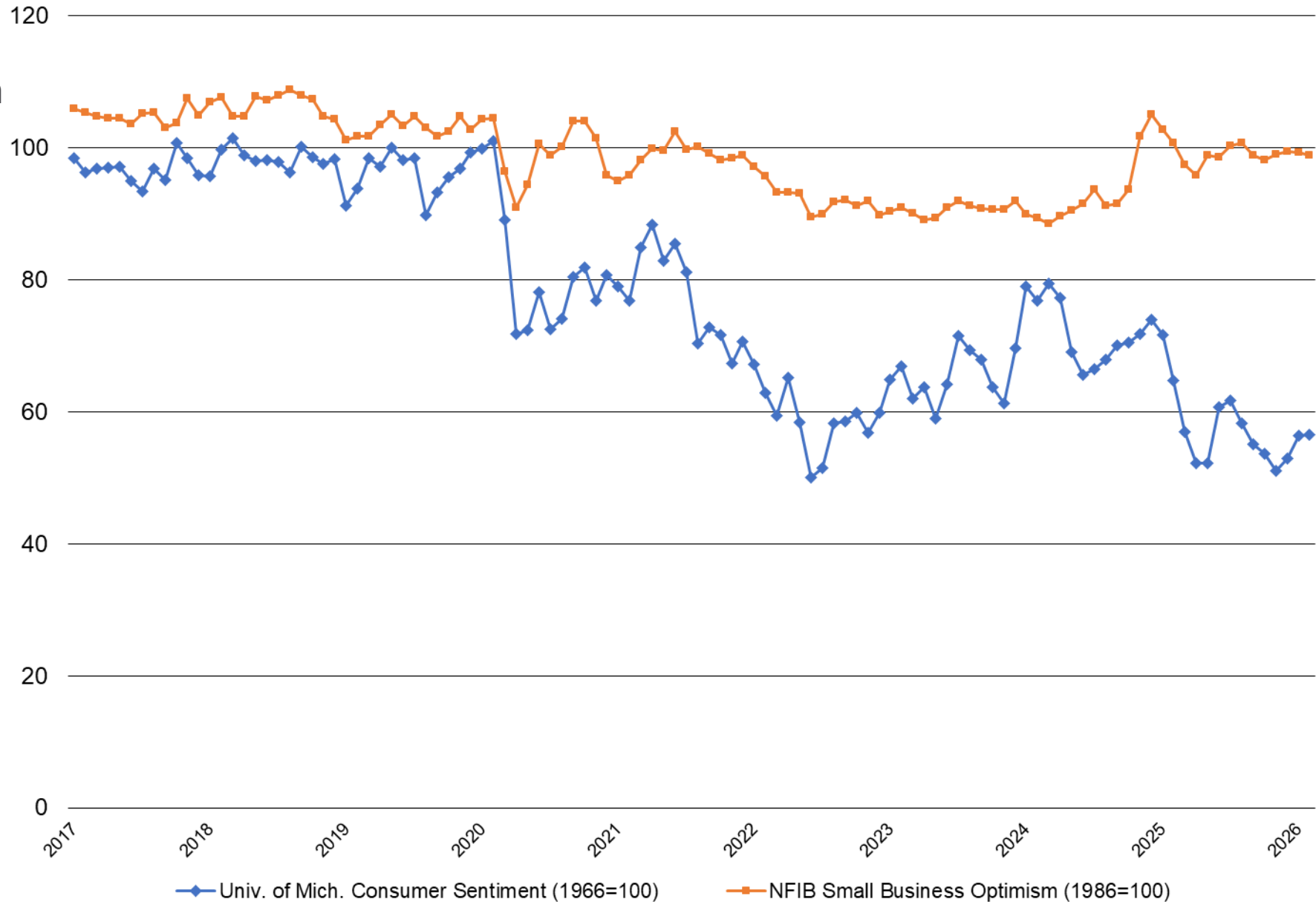
Percent range



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



### Consumer Sentiment and Small Business Optimism Indexes



Small business optimism saw a significant decrease in uncertainty in February 2026.

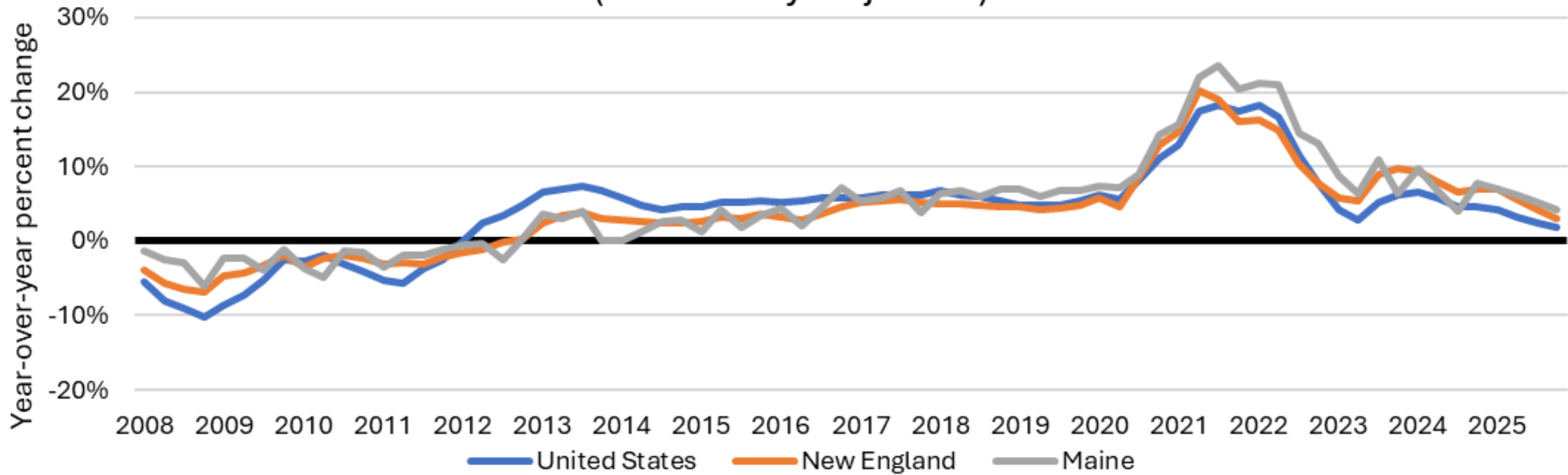
Consumer sentiment was highly responsive to inflation expectations in 2025; in February 2026, the largest stockholders saw an increase in sentiment that was offset by a decline among those without stock holdings.

# 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)



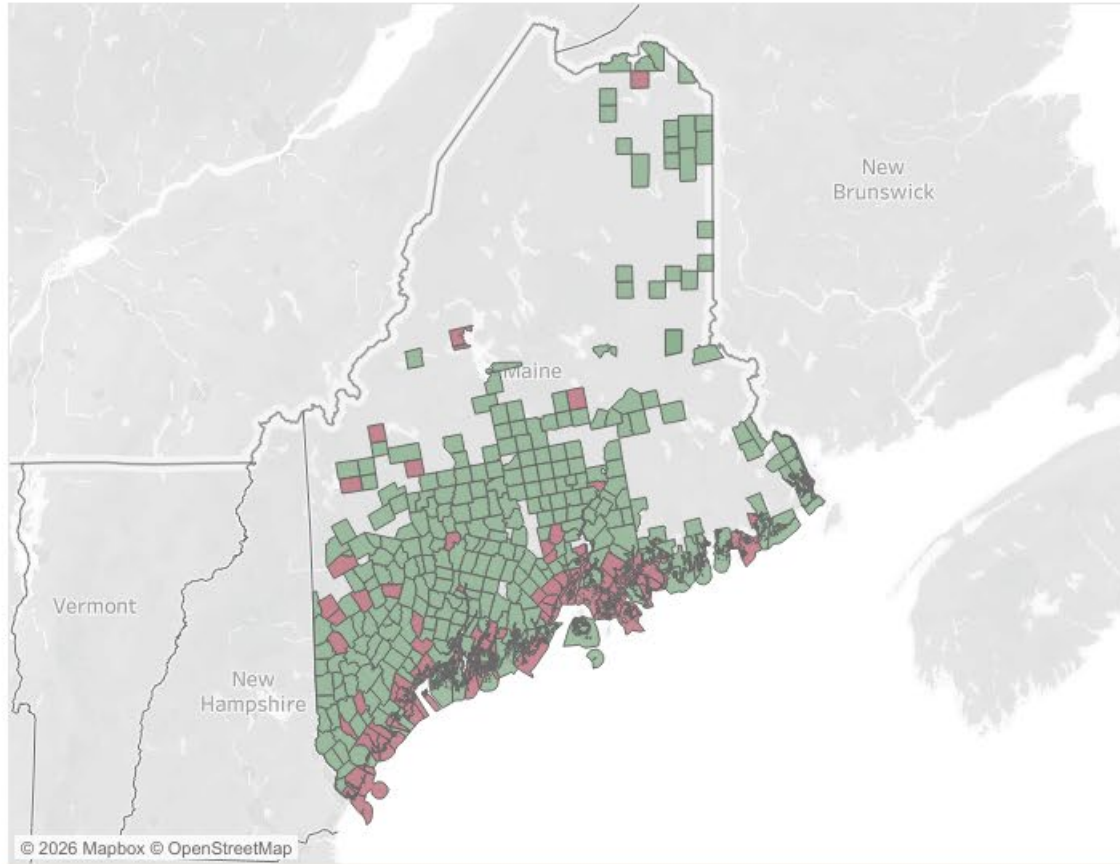
## Homeownership Affordability Maps

Year

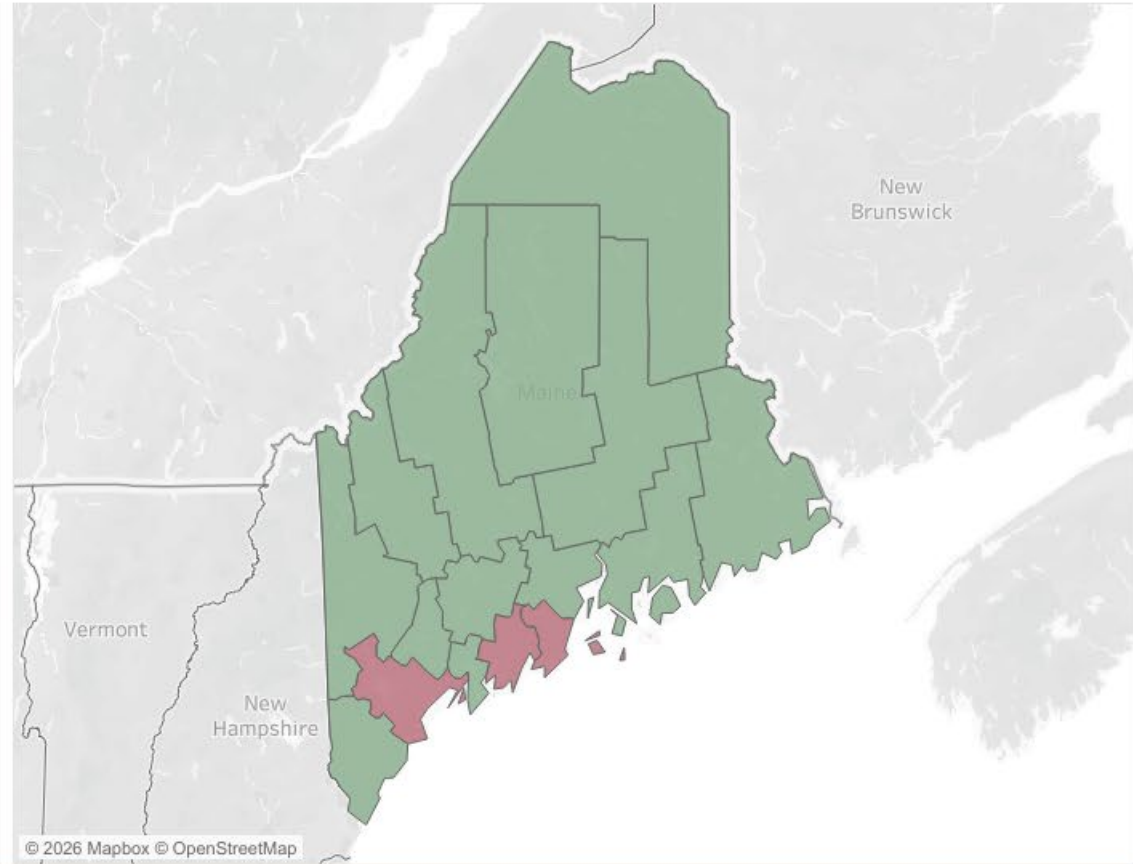
2020

Show history

### Affordability By Town - 2020



### Affordability By County - 2020



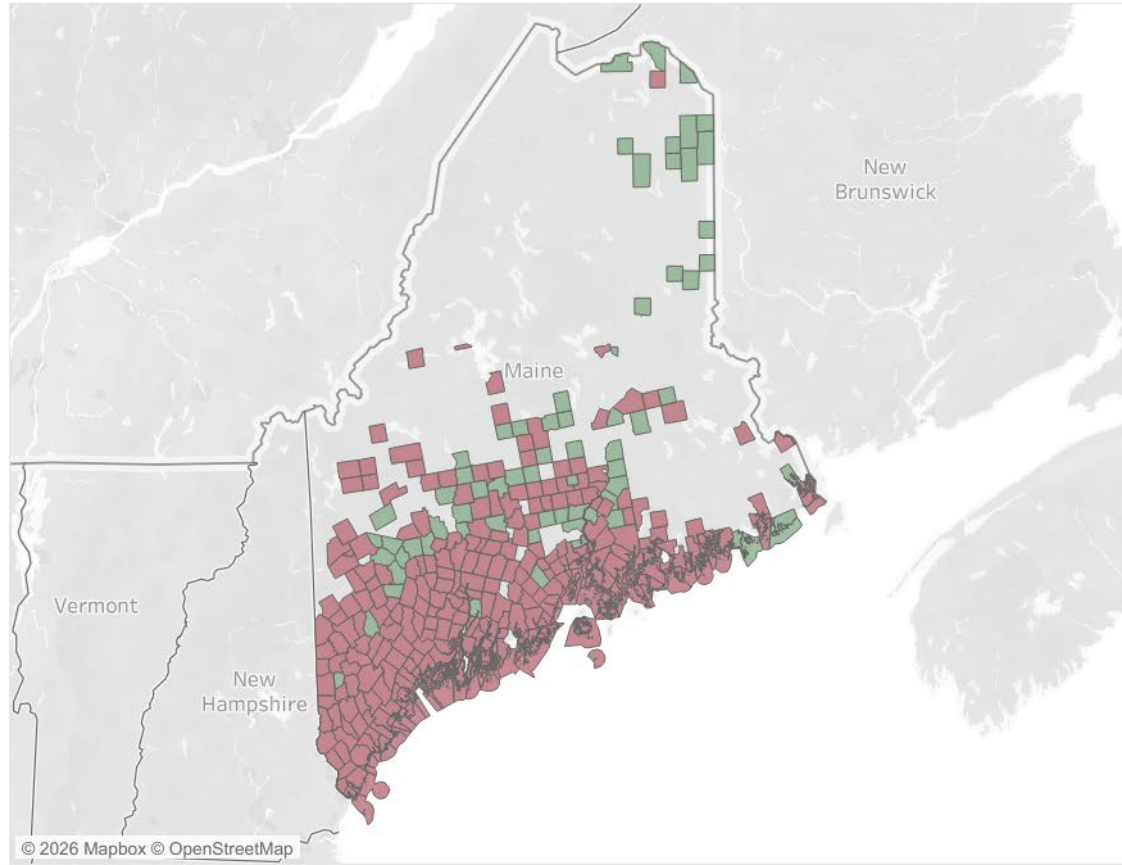
# Homeownership Affordability Maps

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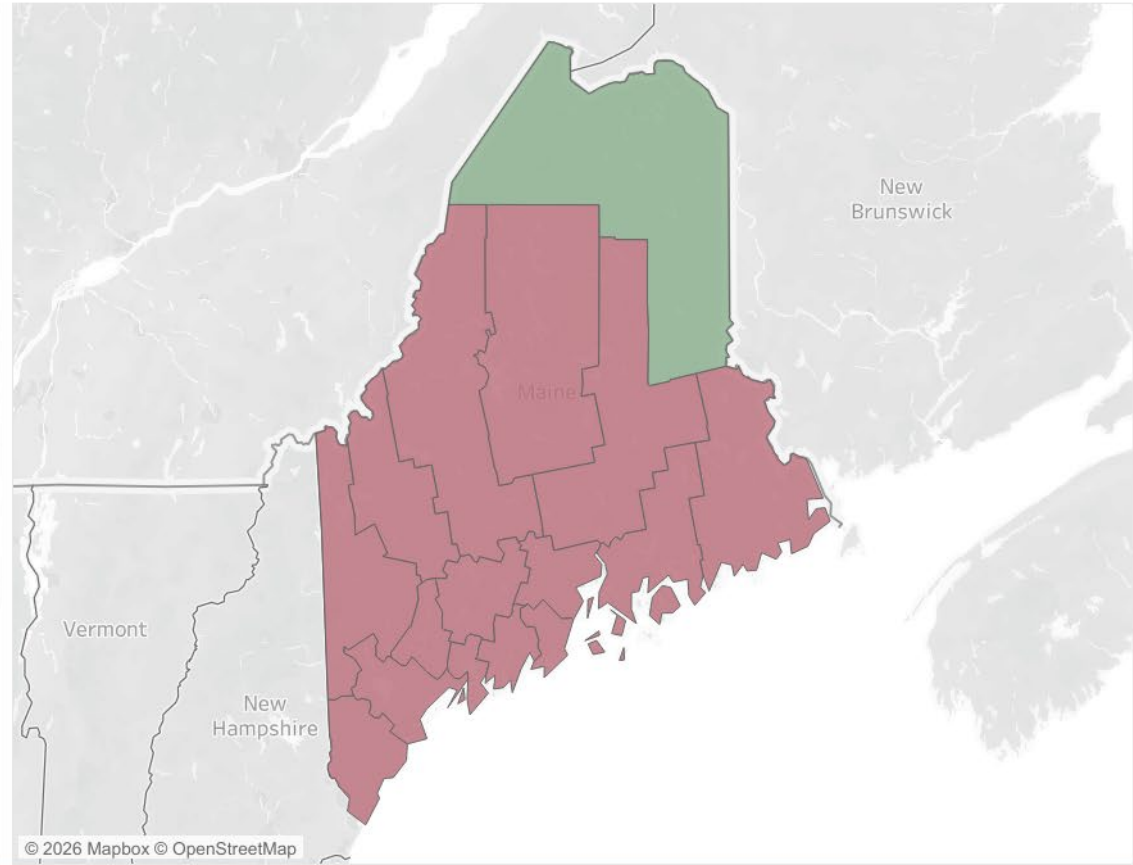
2025

Show history

### Affordability By Town - 2025



### Affordability By County - 2025



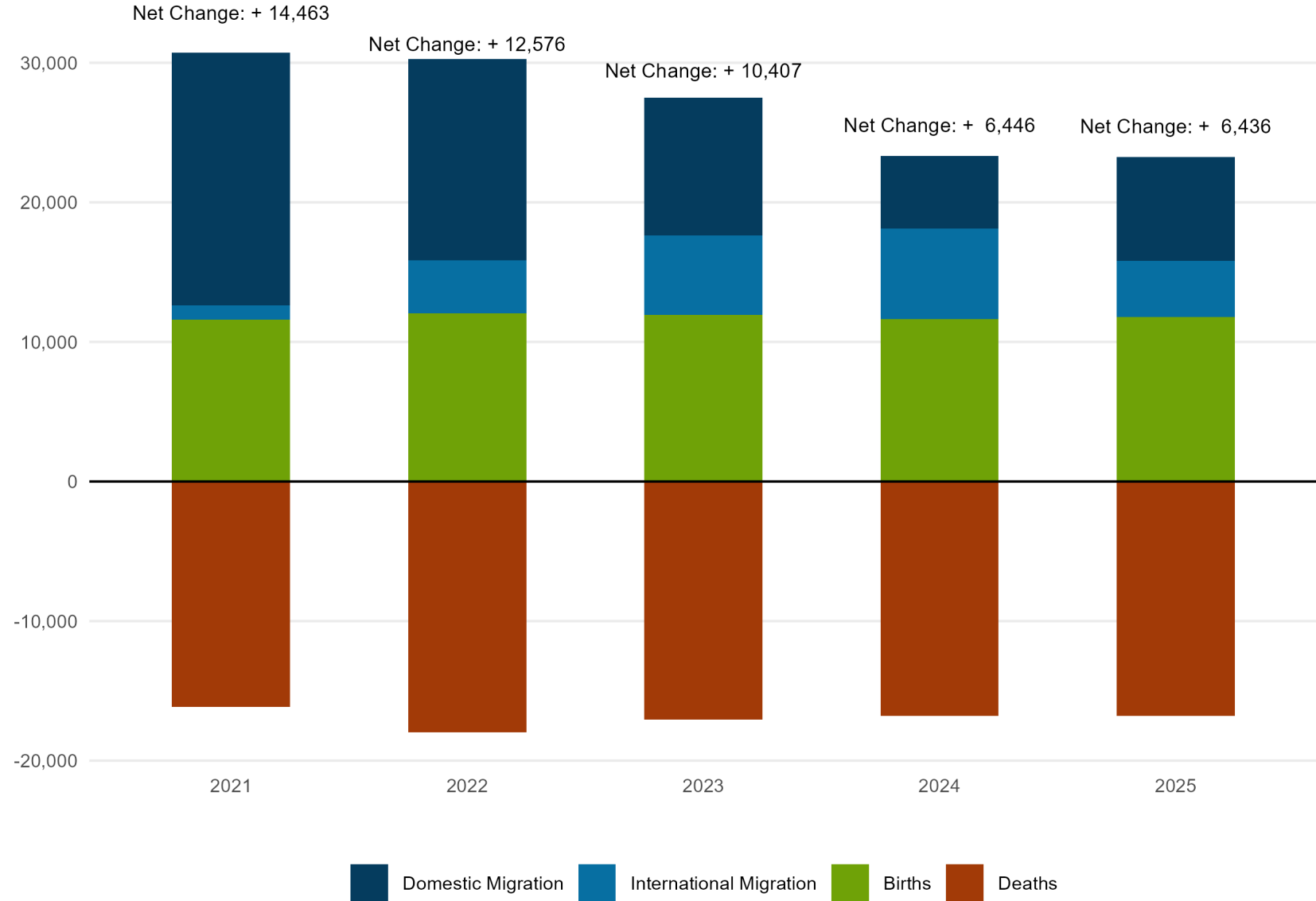
# Population Change and Demographics

2025 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.)

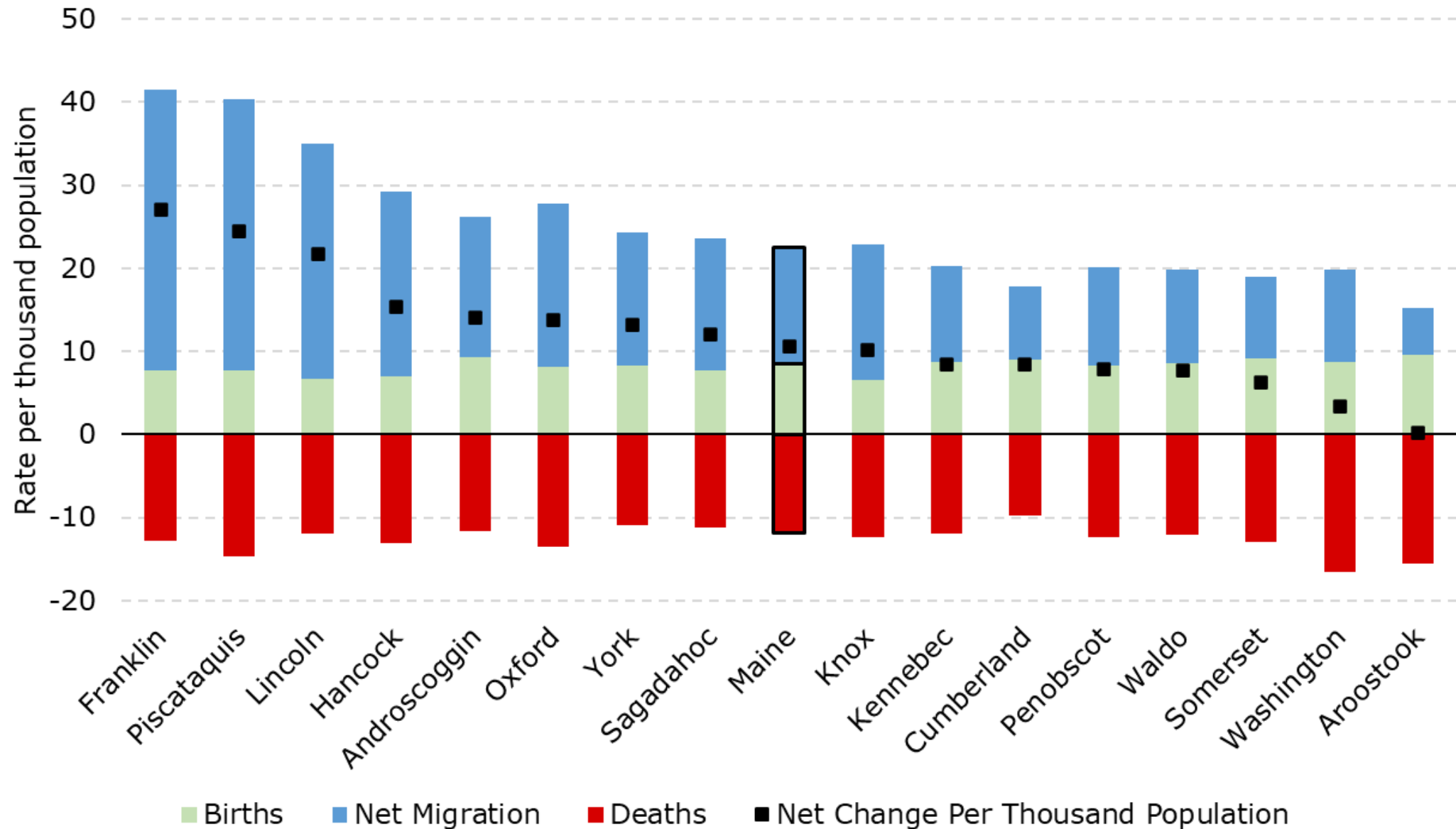
7<sup>th</sup> for total net  
migration and net  
domestic migration  
and 25<sup>th</sup> for net  
international migration  
in 2025

### Components of Maine's Population Change

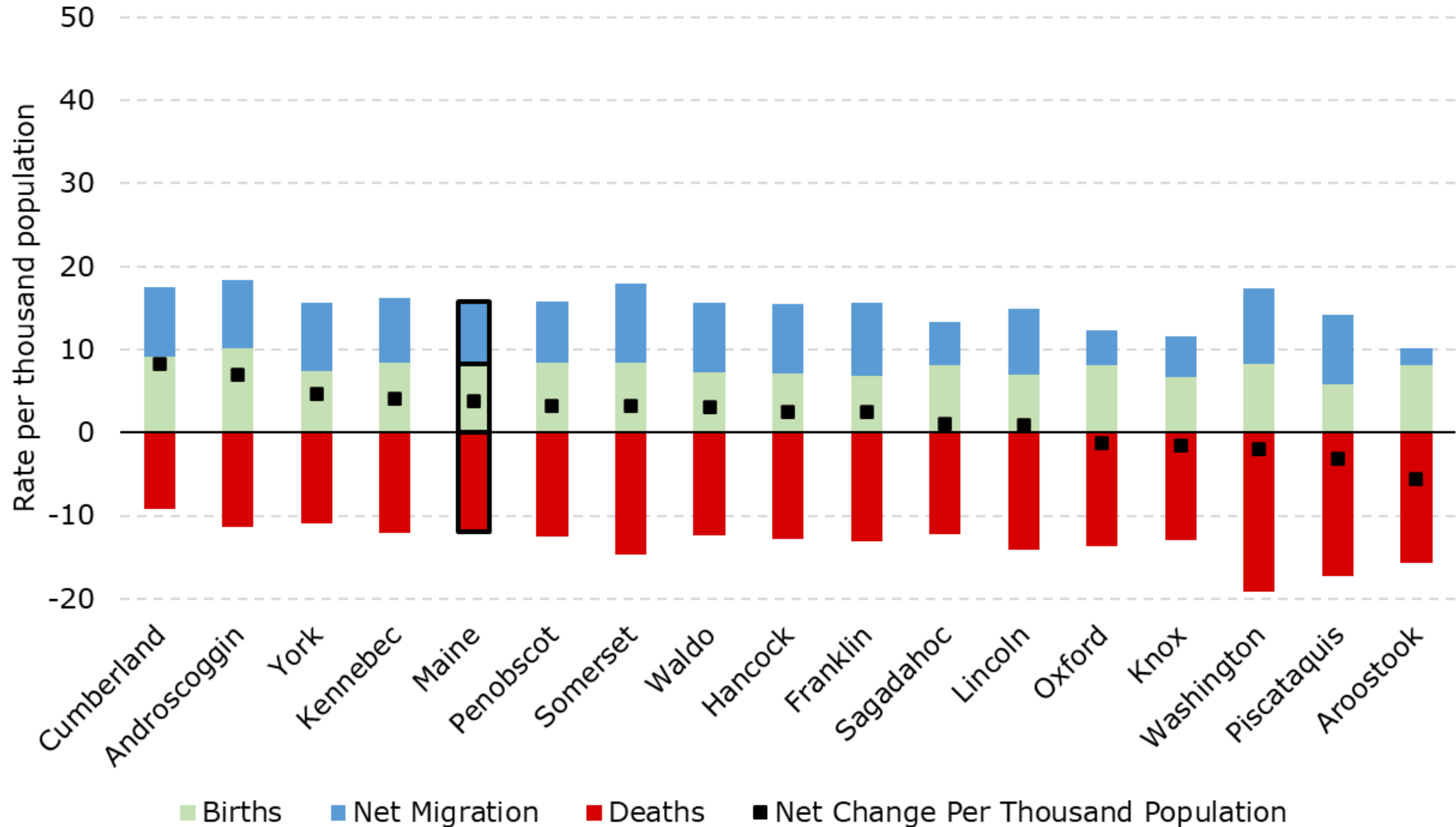


Source: US Census Bureau, Population Estimates Program, 2025 Vintage

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

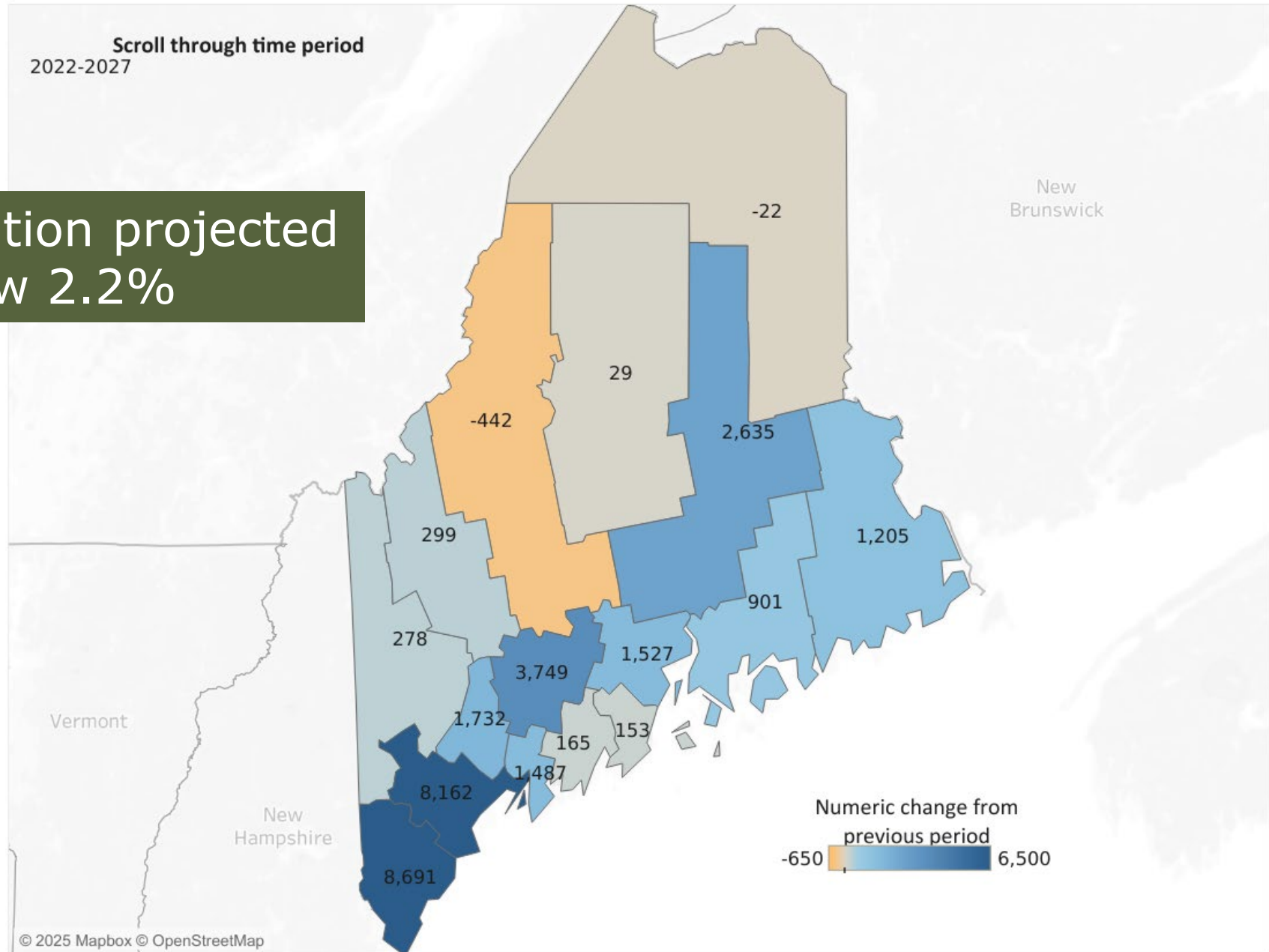


## Components of Population Change, 7/1/2023-7/1/2024 Rate per thousand population

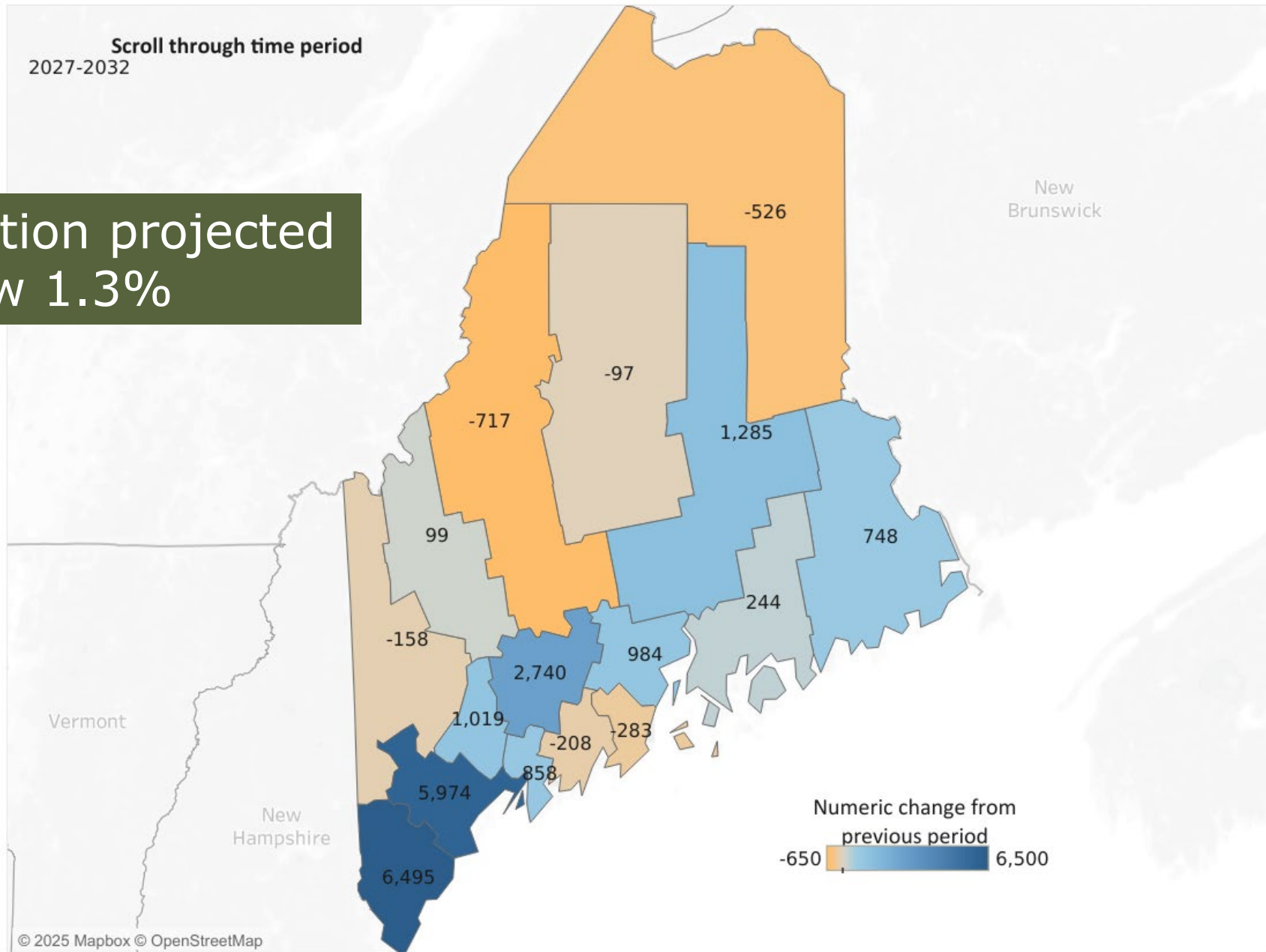


Scroll through time period  
2022-2027

Maine population projected to grow 2.2%



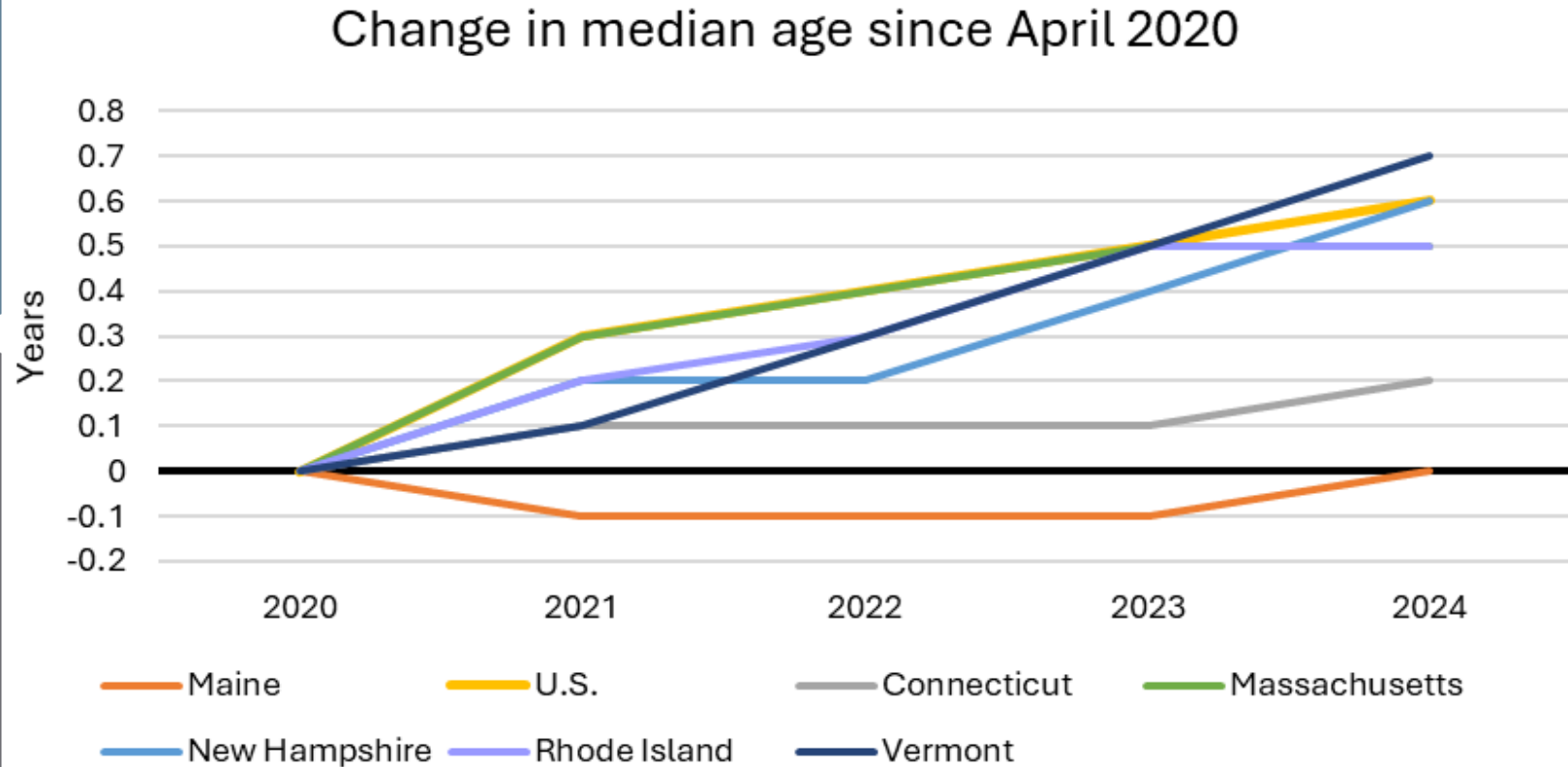
Maine population projected to grow 1.3%



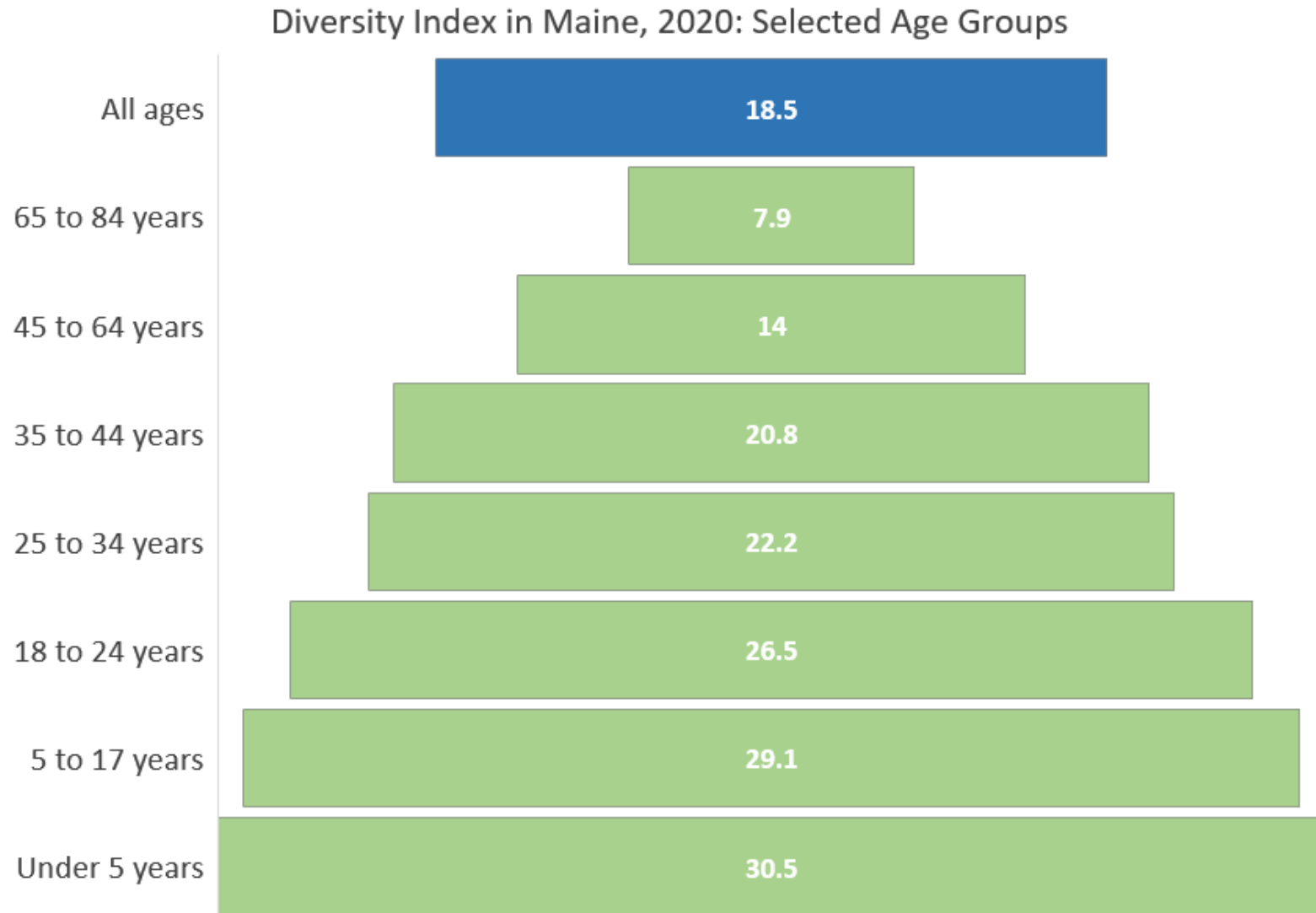
Source: The Office of the State Economist, Maine State and County Population Projections, 2042. April 2025 release.

Maine's median age in 2024 was 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

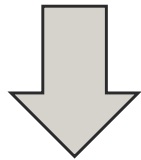


# Labor Force and Employment

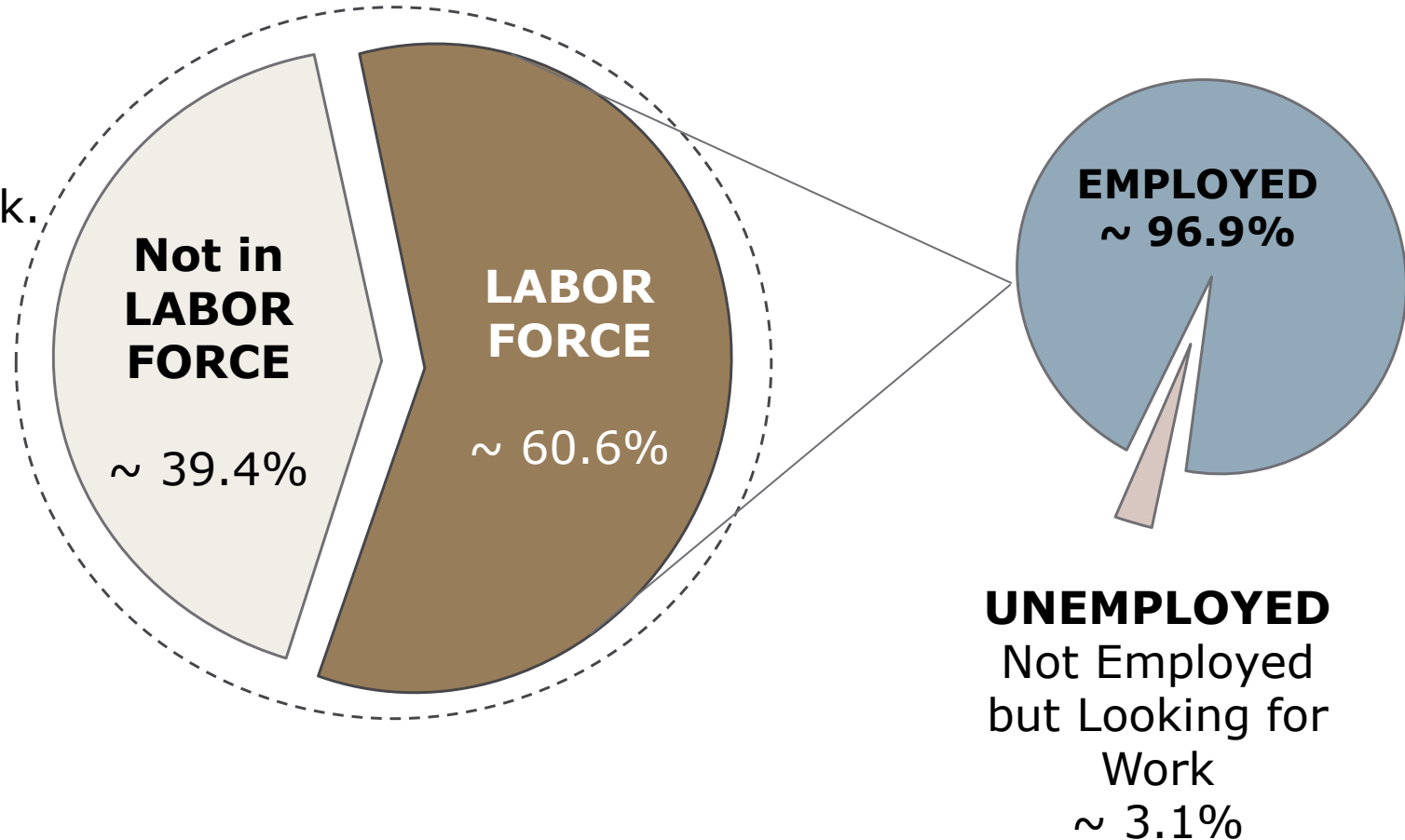
# Who is in the labor force?

Civilian population, age 16+

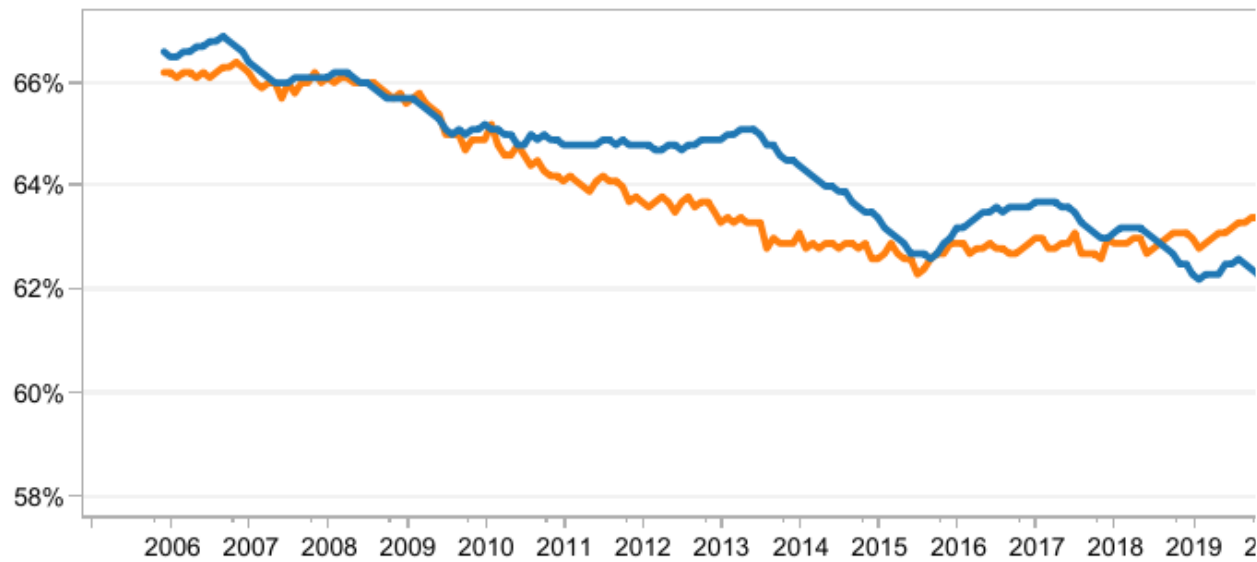
Not available and not looking for work. This could include people who are retired, full-time students, full-time caregivers, etc.



Nationally, over half of the people not in the labor force are retired



### Labor Force Participation Rate (seasonally adjusted)

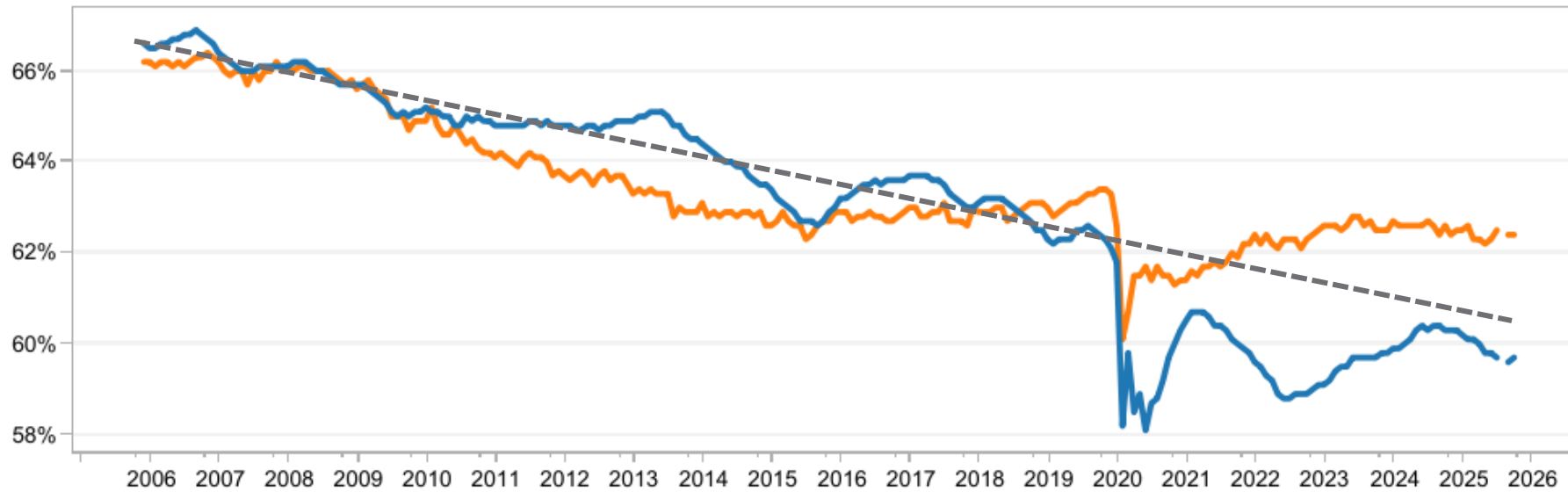


Jan, 2006 to Dec, 2025

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

■ Maine  
■ United States

### Labor Force Participation Rate (seasonally adjusted)



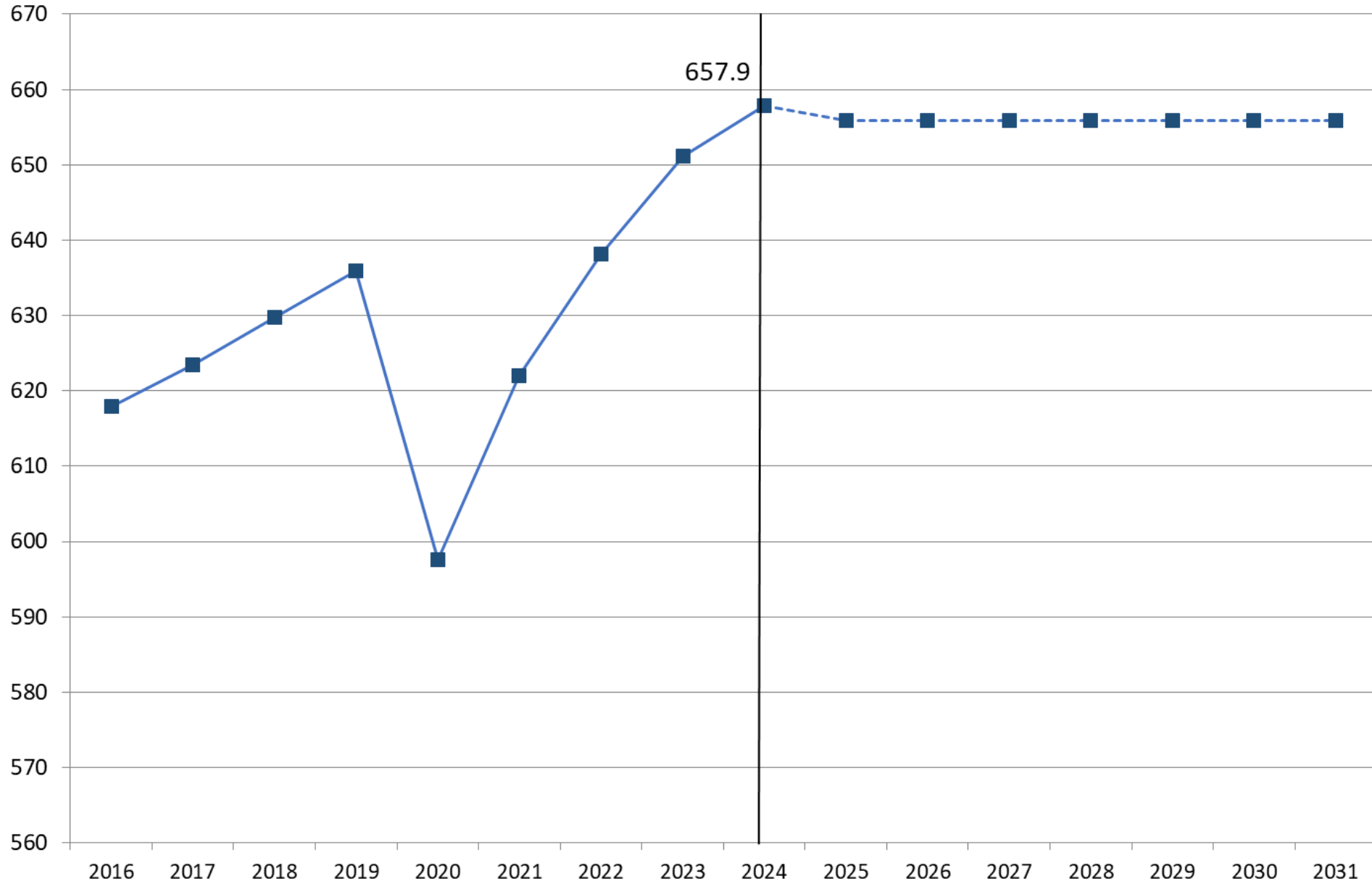
Jan, 2006 to Dec, 2025

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

■ Maine  
■ United States

# Total Nonfarm Employment (in thousands)

## History and Consensus Economic Forecasting Commission forecast



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

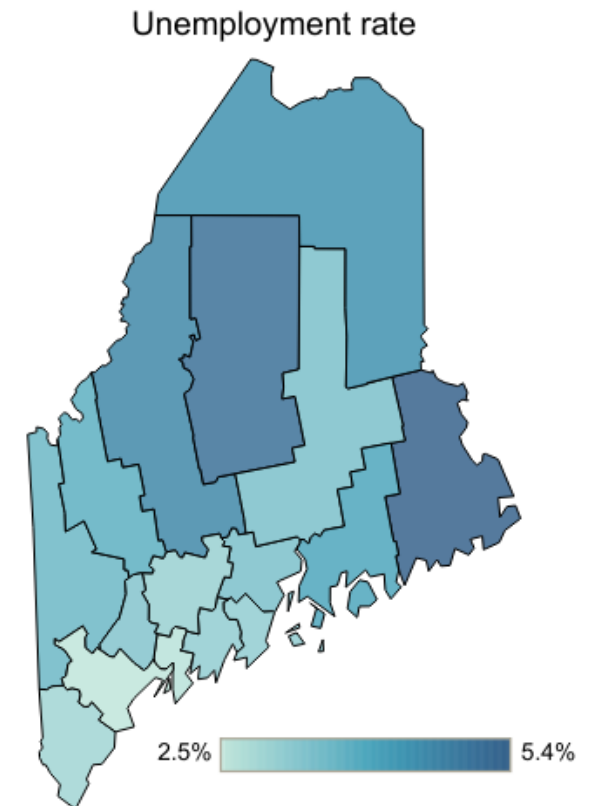
## County Rates (not seasonally adjusted)

December, 2025

Table  
 Graph

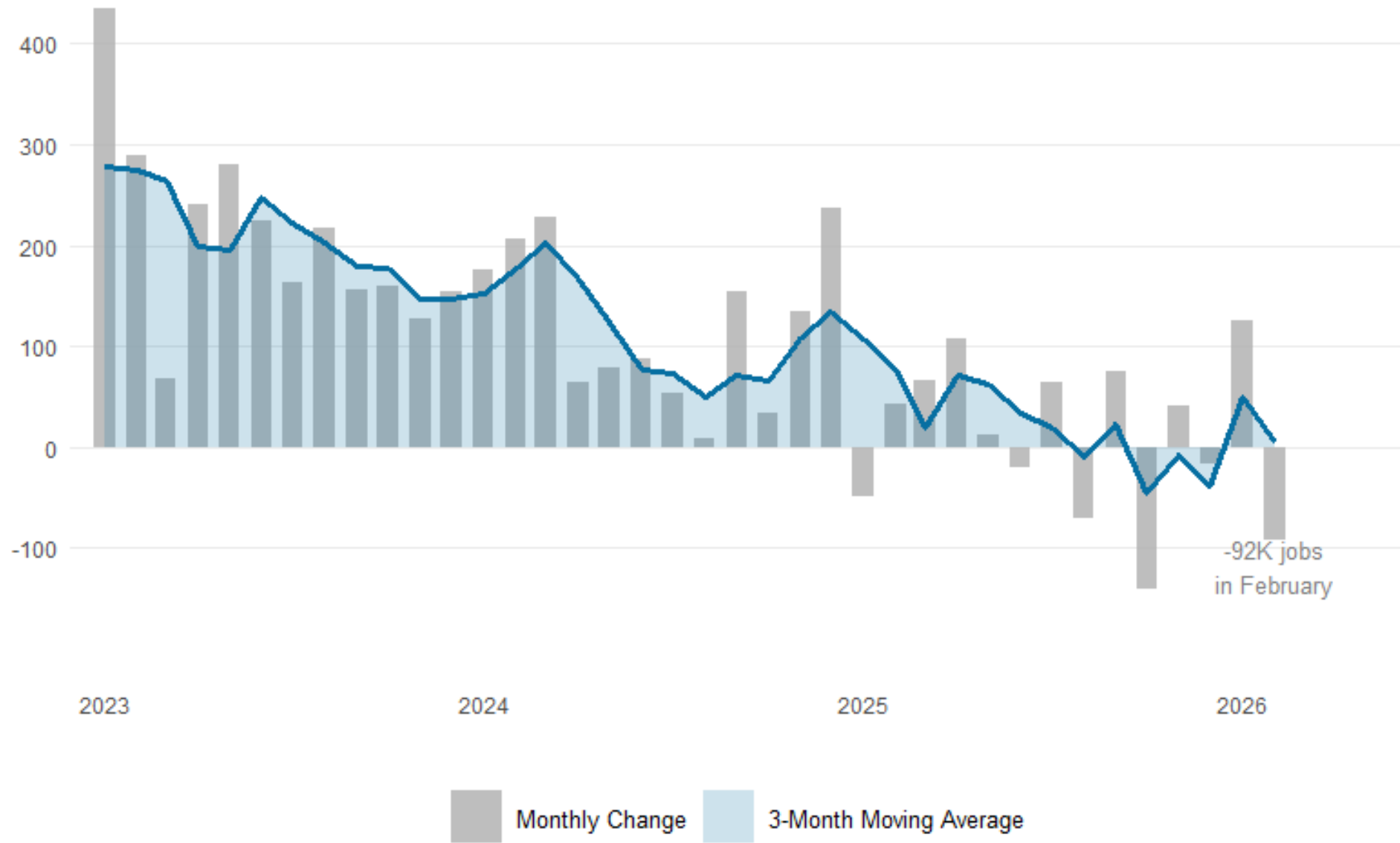
**Map/Graph Display**  
 Unemployment rate  
 One-year change

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



# US Nonfarm Payroll Employment (Seasonally Adjusted)

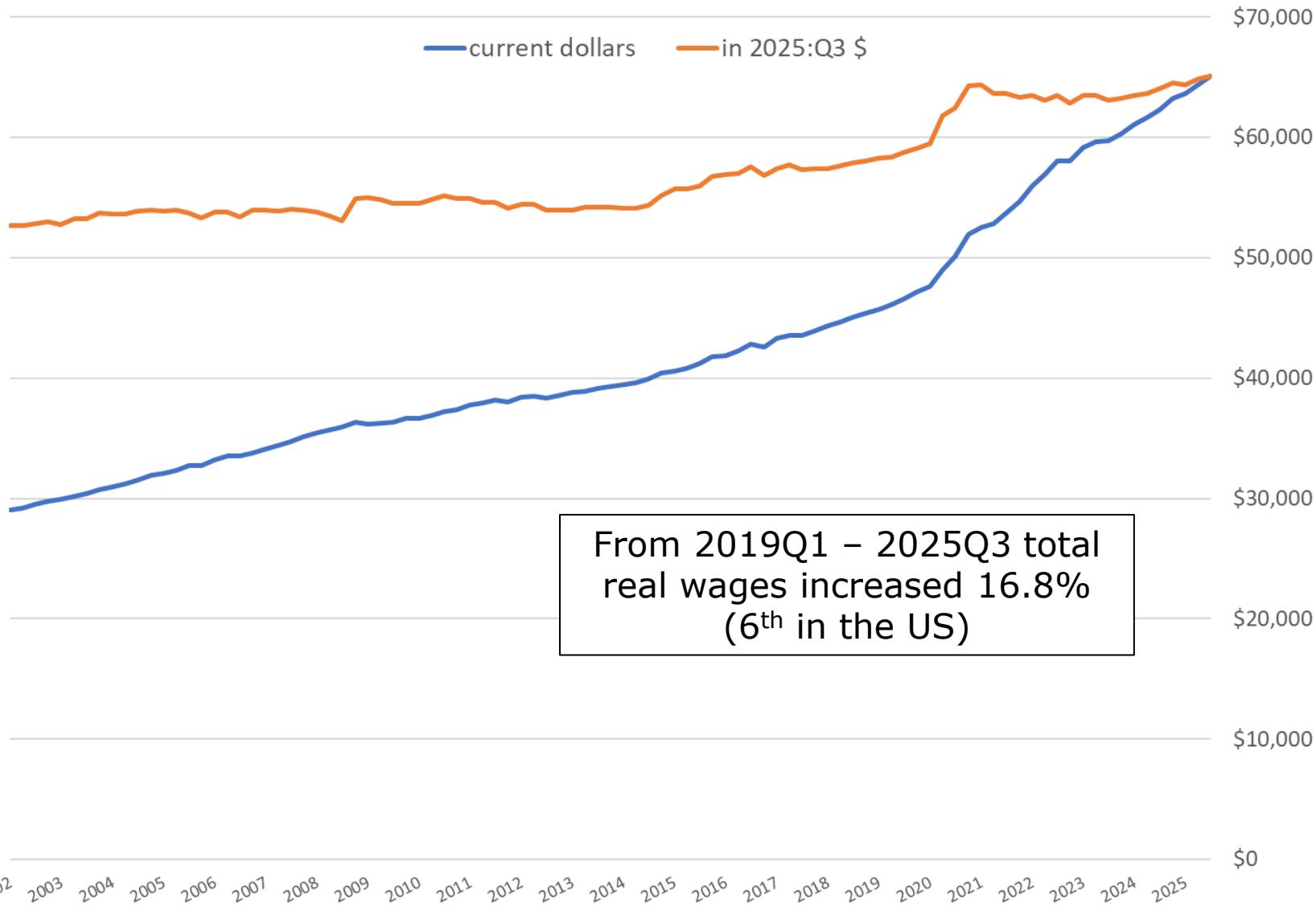
Monthly Change in Jobs (in thousands)



Source: U.S. Bureau of Labor Statistics

# Wages and income

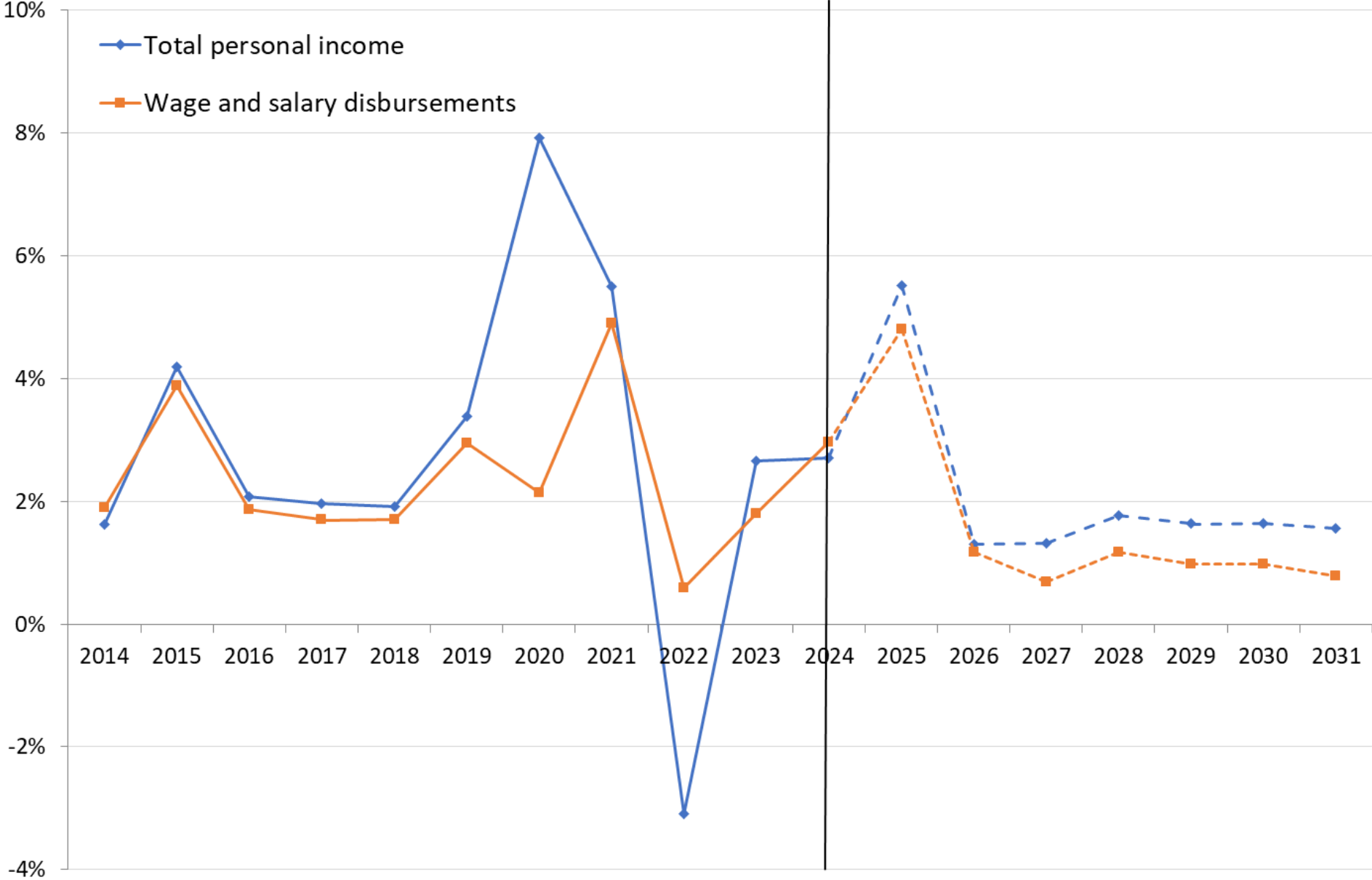
## Moving Four Quarter Average Wage Per Job



From 2019Q1 - 2025Q3 total real wages increased 16.8% (6<sup>th</sup> in the US)

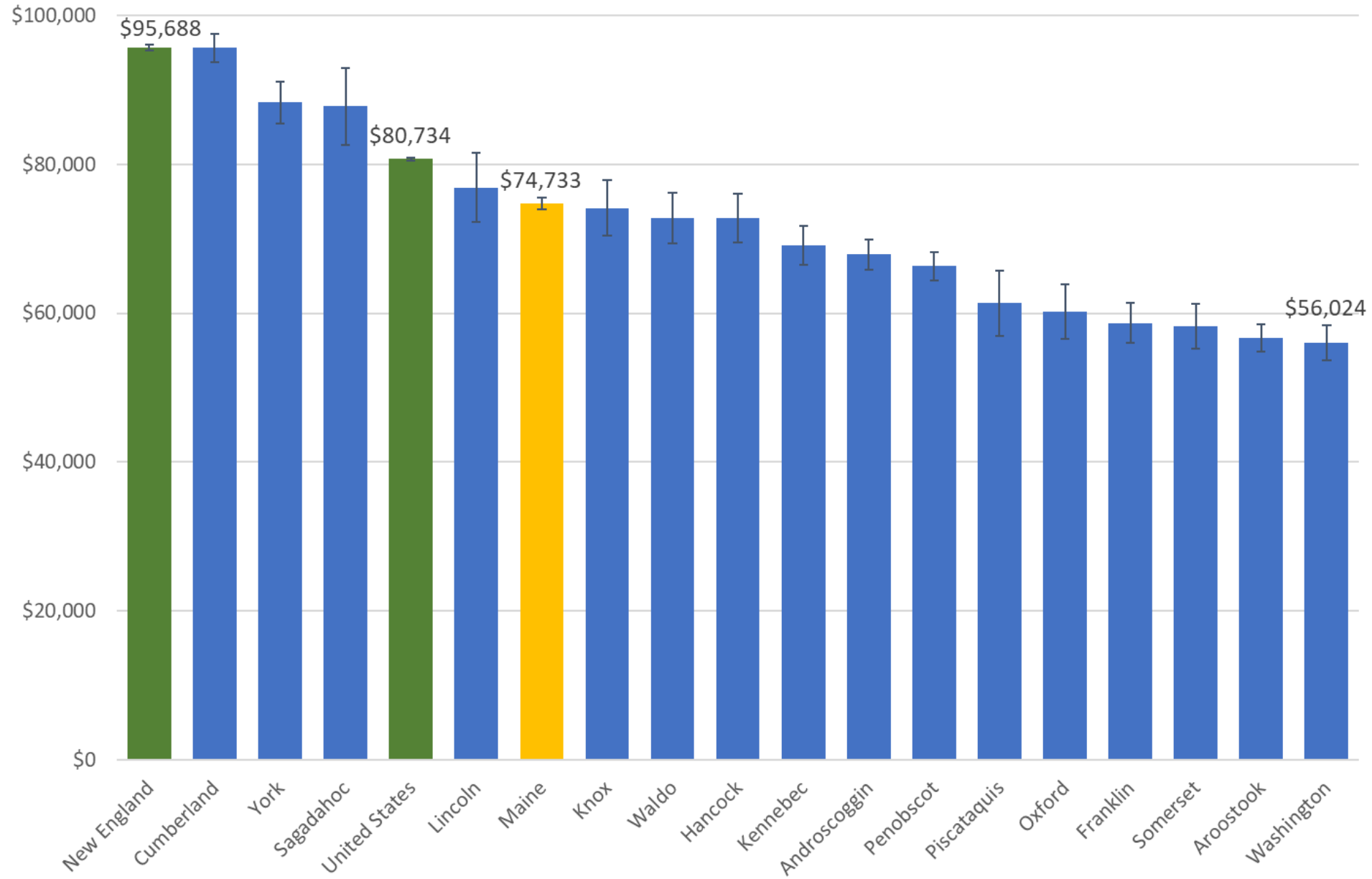
Wages increased sharply during the first part of the pandemic; since then, increases have kept pace with inflation

# Percent Change in Real Personal Income (2025 \$), Maine 2014-2024 and forecast to 2031



Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis;  
Consensus Economic Forecasting Commission report, Feb. 1, 2026

# Median Household Income



# Things to keep in mind:

- Economic uncertainty is extremely high, particularly related to Iran War, 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

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