

Maine's Summer 2026 Economic Outlook

Maine Tourism Association

May 27, 2026

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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 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

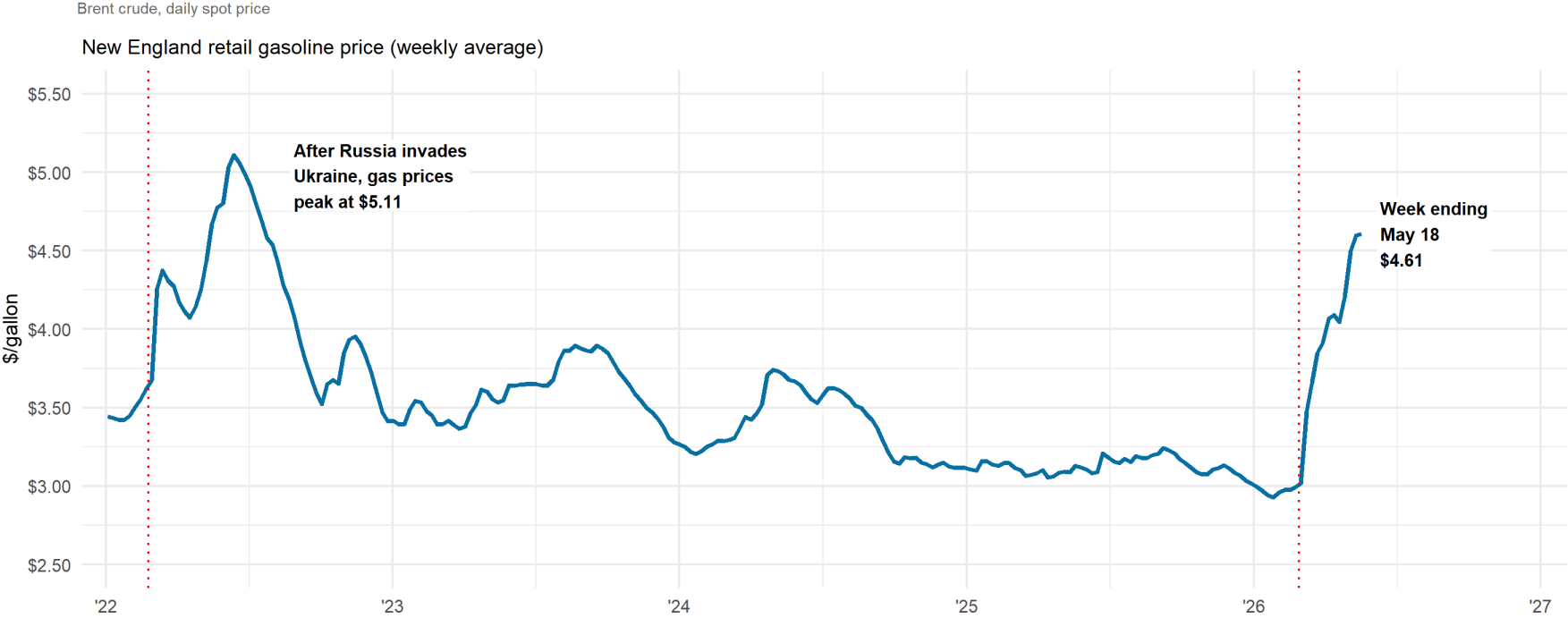
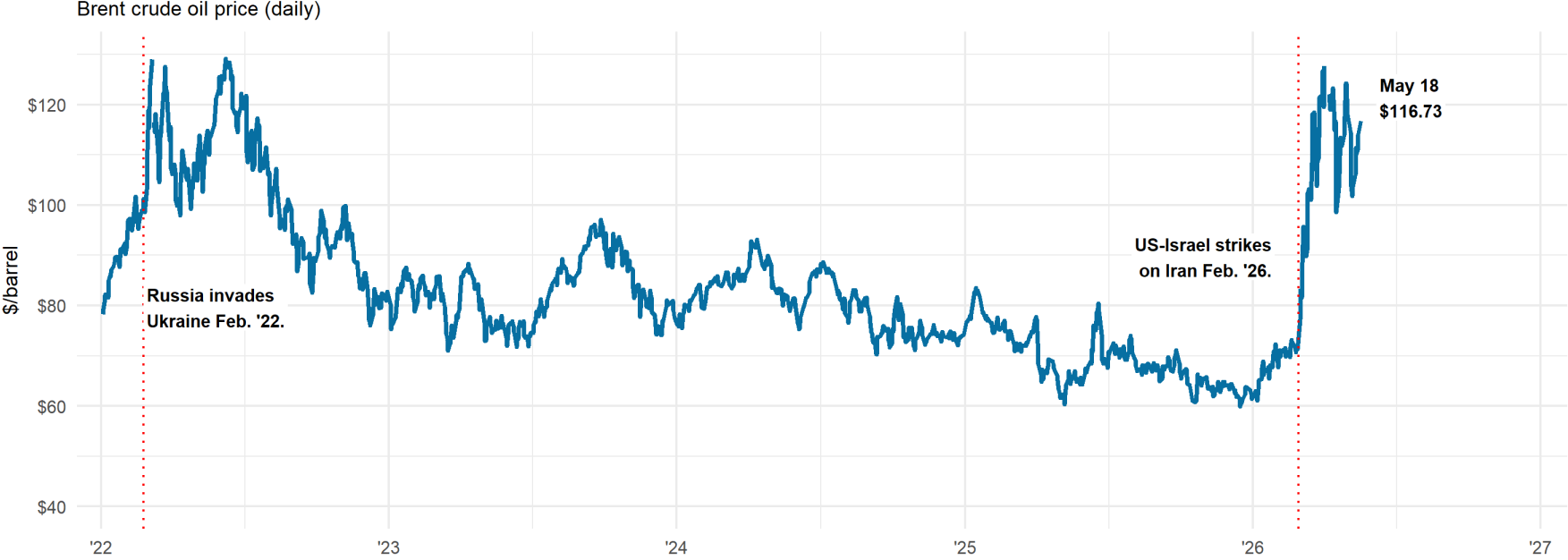
Around 20% of world's oil and gas supply typically passes through Strait of Hormuz; has been essentially shut down since March 1

Crude oil prices spiked and have been highly volatile since; after an initial decline, stock markets have been resilient

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

Daily Brent Crude and Weekly New England Gasoline Prices

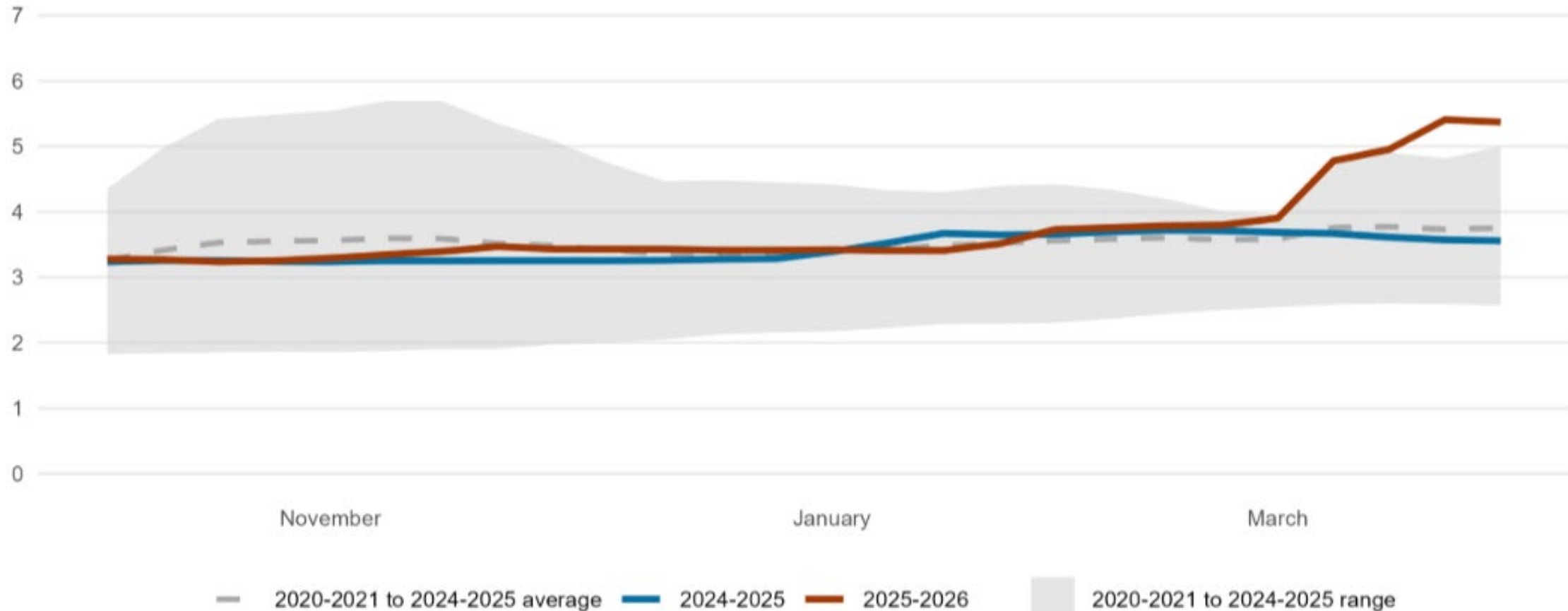


EIA weekly New England retail gasoline price
Weekly data shown; retail prices update more slowly than crude oil

Heating oil ended March 2026 at \$5.37/gallon (\$1.62 above five-year average of same week)

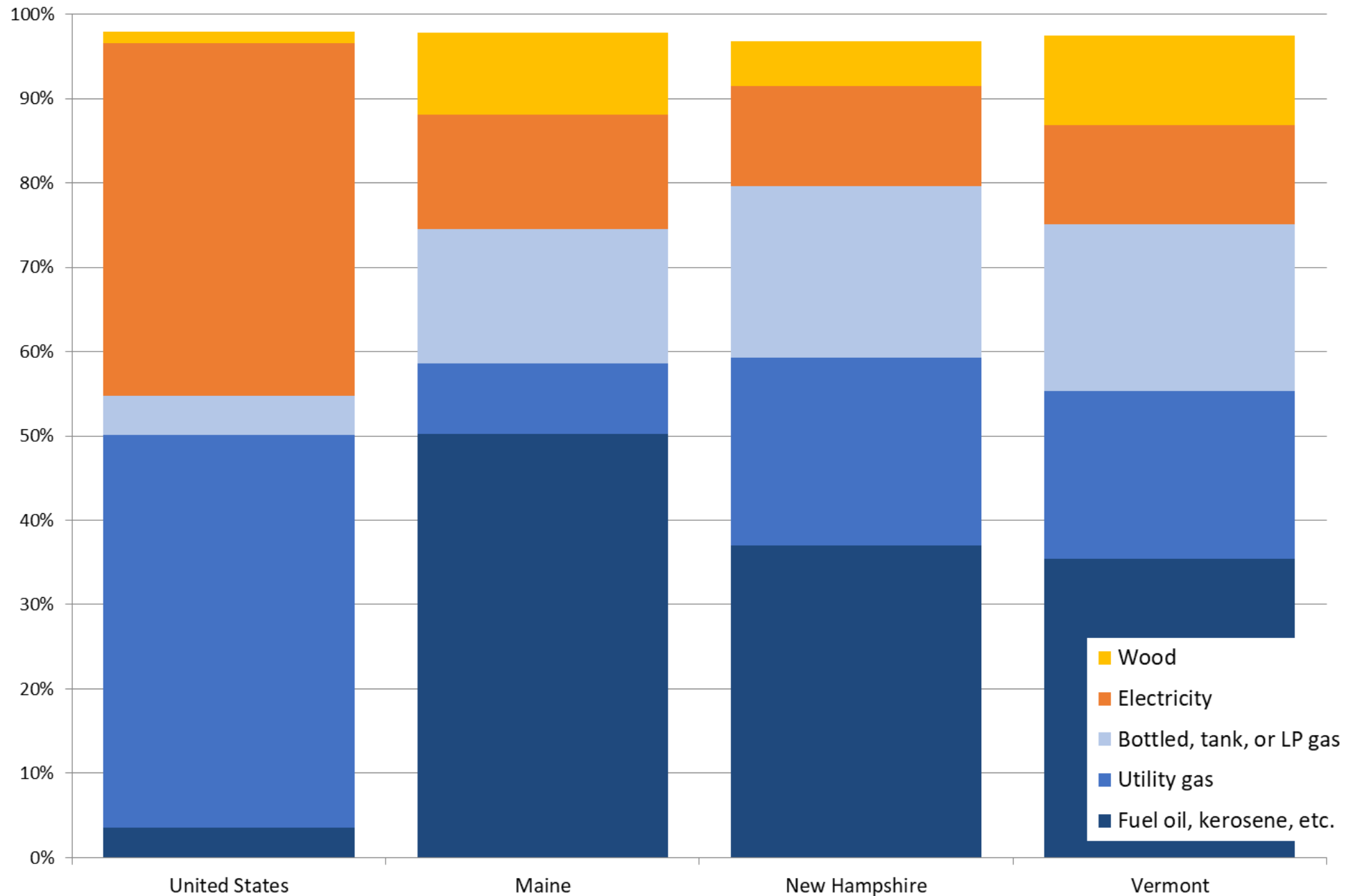
Maine's Weekly Average Price of Residential Heating Oil

Dollars per Gallon



Source: U.S. Energy Information Administration

Percent of Housing Units by Type of Primary Heating Fuel



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 for 150 days from Feb. 22, 2026, under Section 122

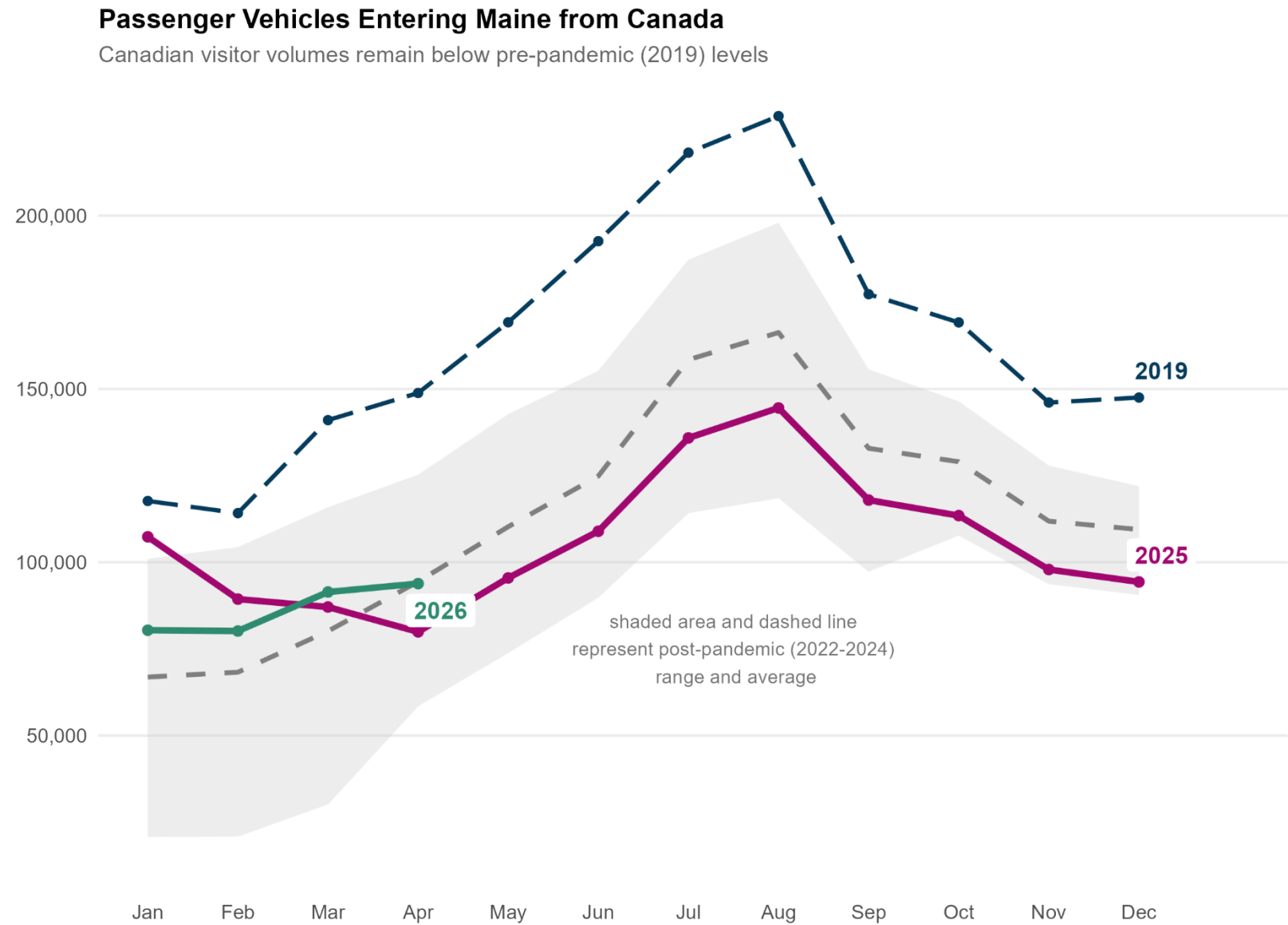
U.S.-Mexico-Canada Agreement (USMCA) compliant imports have remained exempt (around 85% from Canada, 86% from Mexico exempt)
USMCA up for review this year (July)

IEEPA tariff refunds to importers have begun

The Budget Lab at Yale estimates loss of \$760-940 per household if Section 122 tariffs expire and \$1,200-\$1,500 if made permanent

2025 summer tourism season:

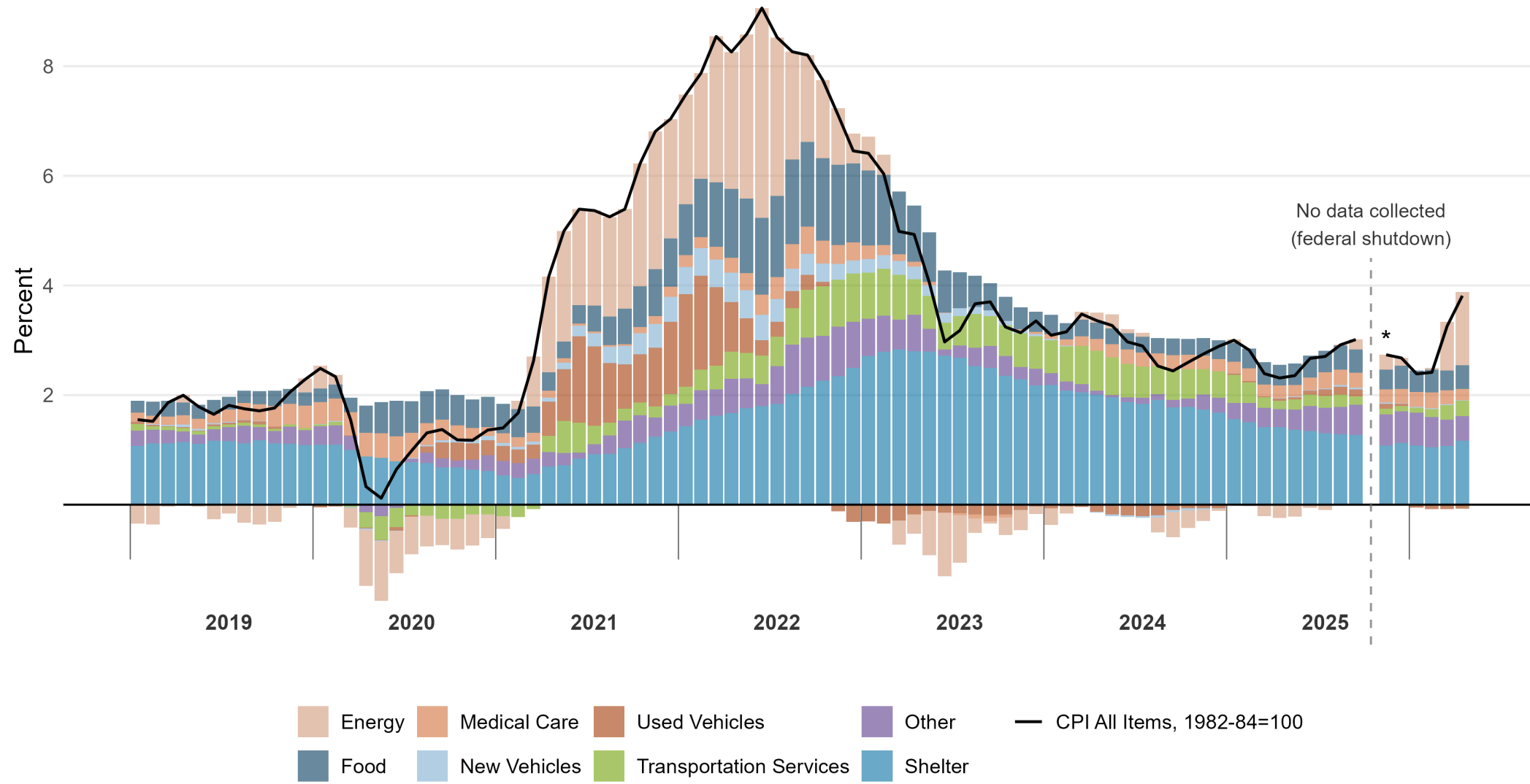
- Direct spending was down 3.5%, reflecting the national trend of visitors being more price conscious
- Decrease in overall visitation was primarily from day trippers (who typically don't spend as much as overnight visitors)
- Fewer Canadian visitors than last year
 - 3pp lower (4% vs 7%) share of summer visitation



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

Inflation and consumer sentiment

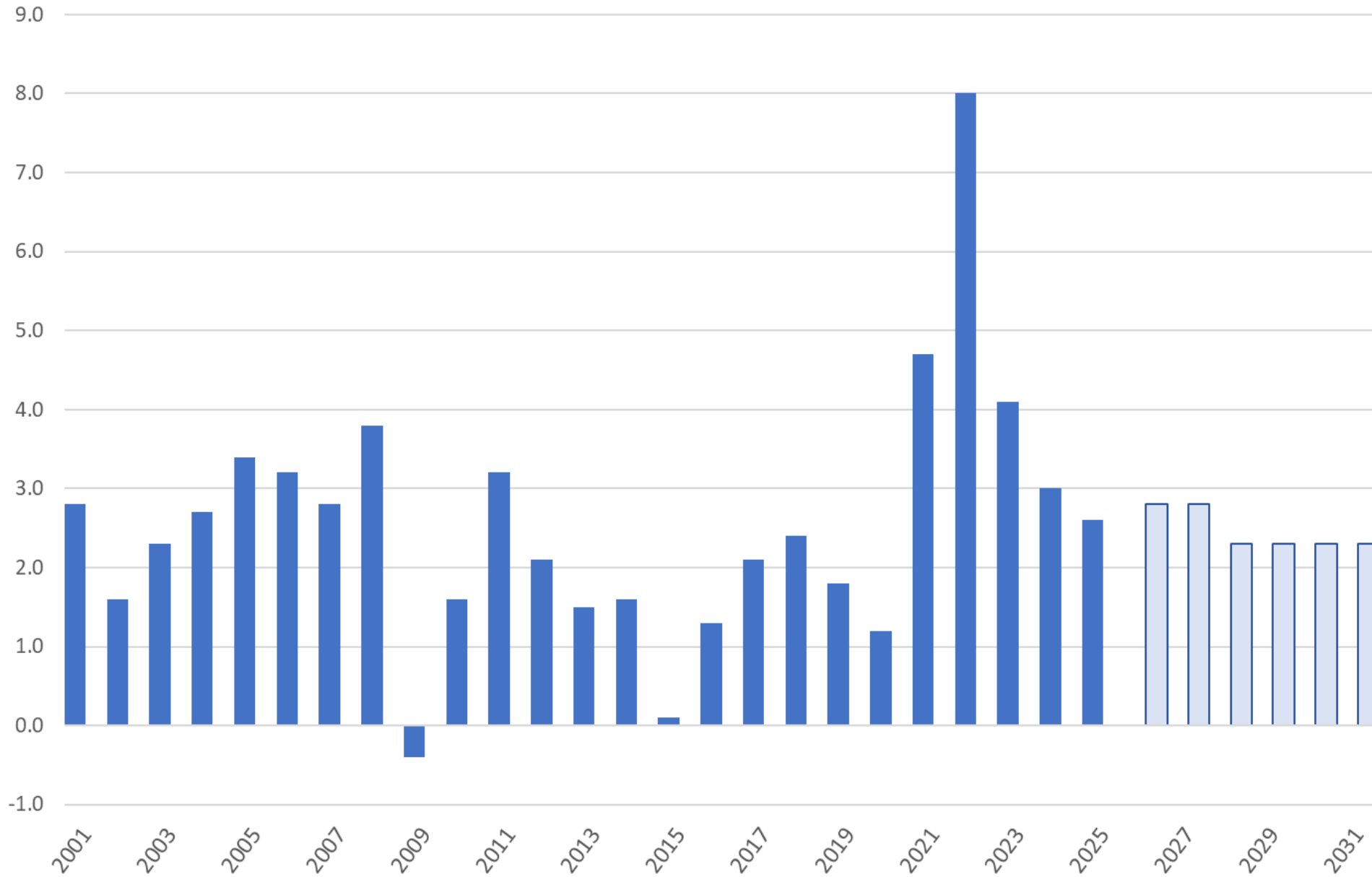
Percentage Point Contribution to Year-Over-Year Percent Change in CPI



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

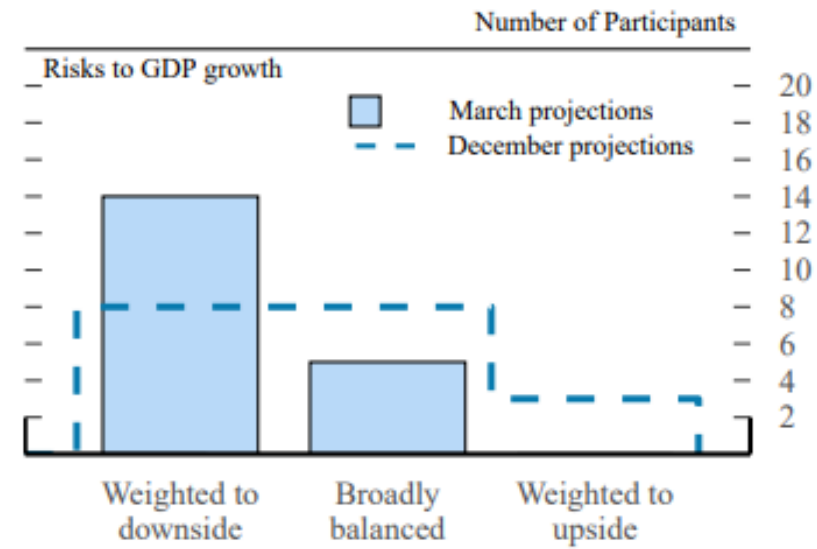
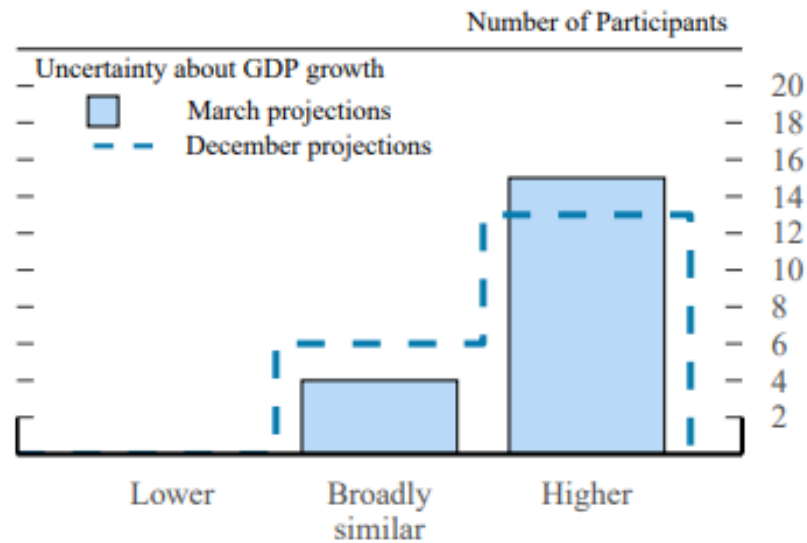


Sources: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, seasonally adjusted); Consensus Economic Forecasting Commission report, Feb. 1, 2026

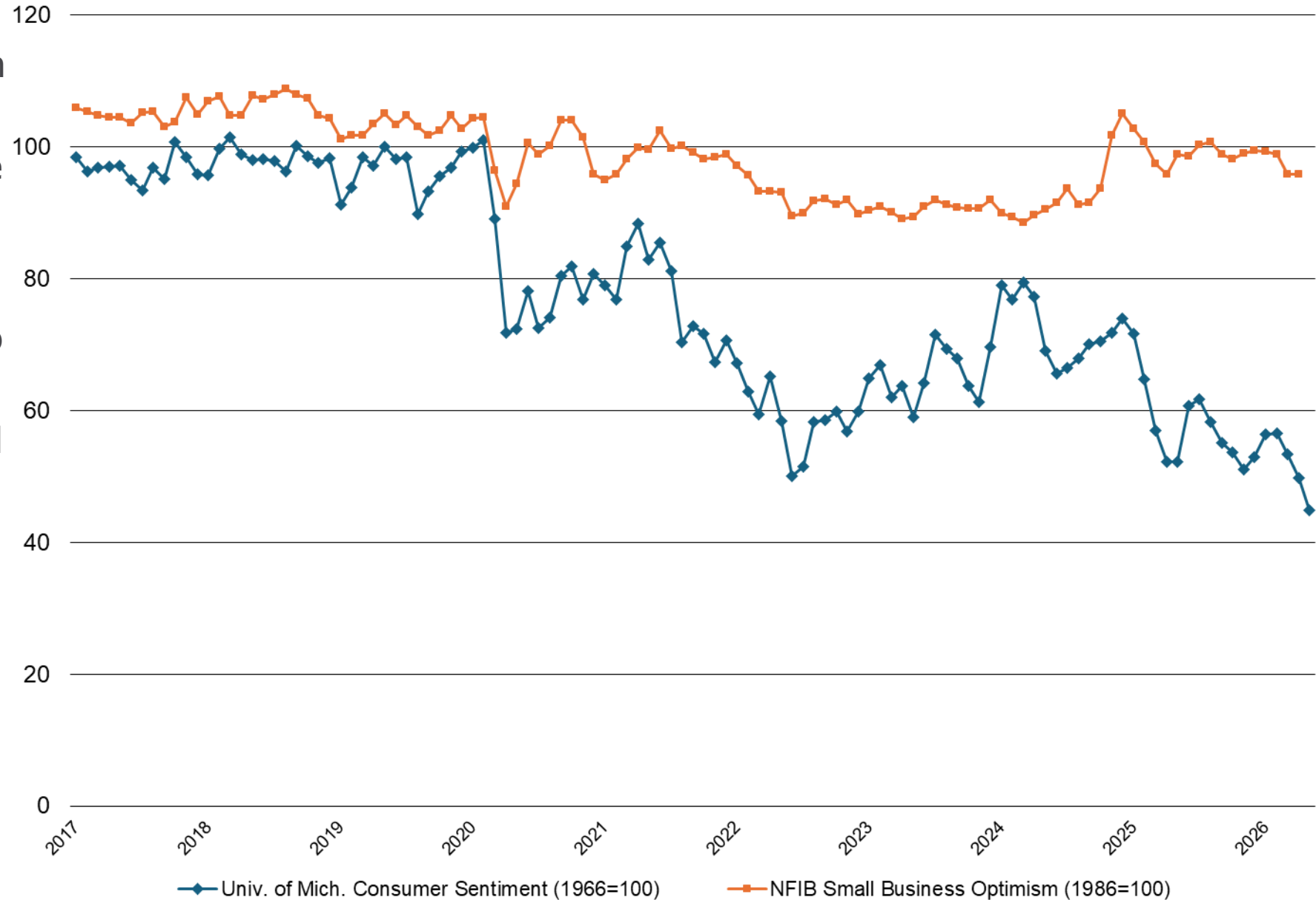
Current FOMC target range
(as of Apr.):
3.5% to 3.75%

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 was flat in April 2026, and reports of both actual and planned price increases rose.

Consumer sentiment was highly responsive to inflation expectations in 2025; May 2026 is just below previous historical trough (June 2022), with cost of living weighing heavily on respondents' minds

Population growth,
migration, and housing

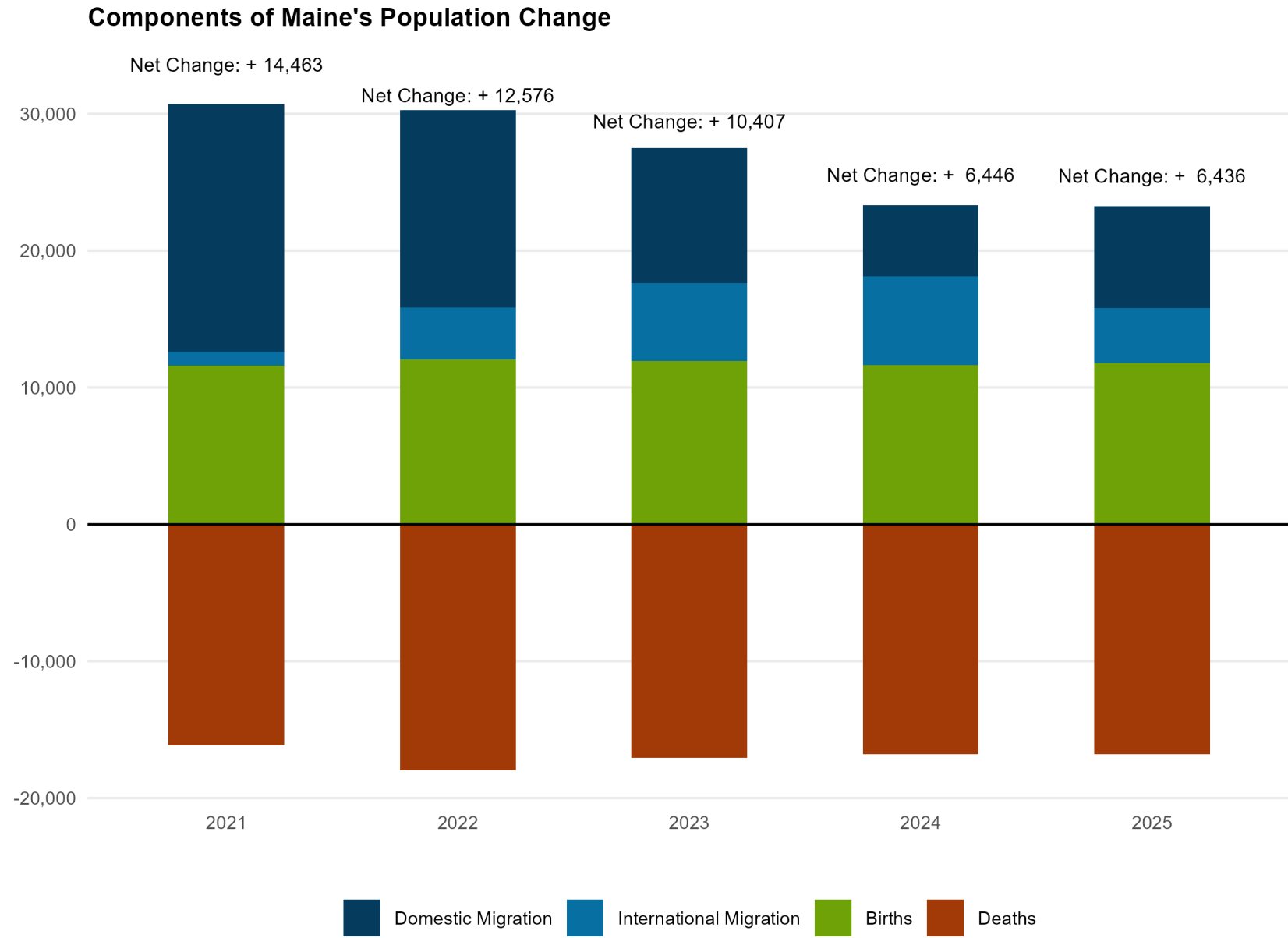
Net international migration
accounted for 84% of U.S.
population growth from 2023-2024

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

2025 Total Population:
1,414,874

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

7th for total net
migration and net
domestic migration
and 25th for net
international migration
in 2025

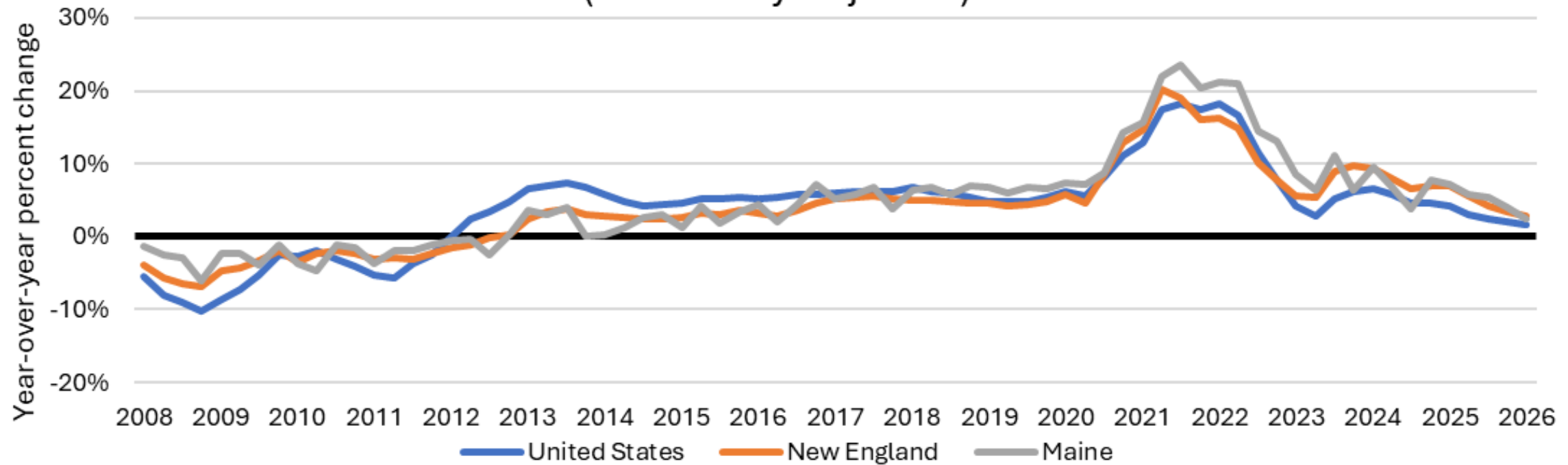


Source: US Census Bureau, Population Estimates Program, 2025 Vintage

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



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



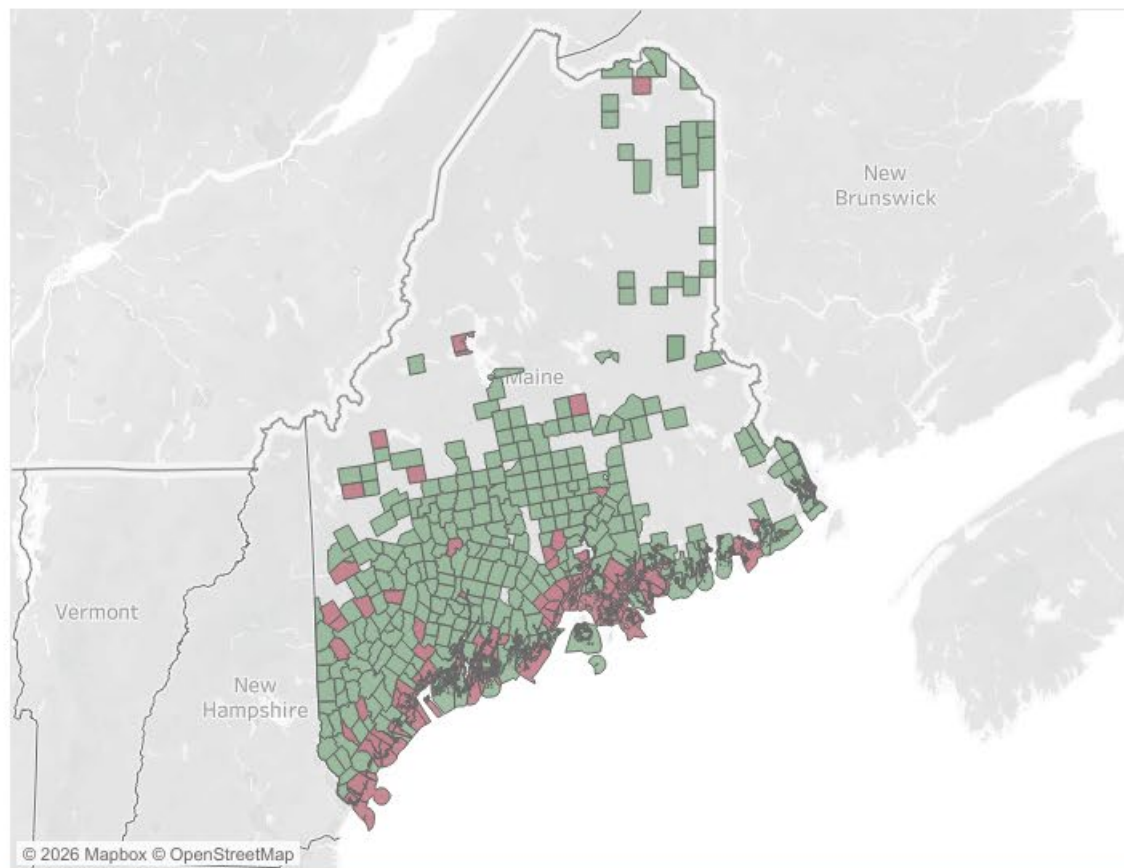
Homeownership Affordability Maps

Year

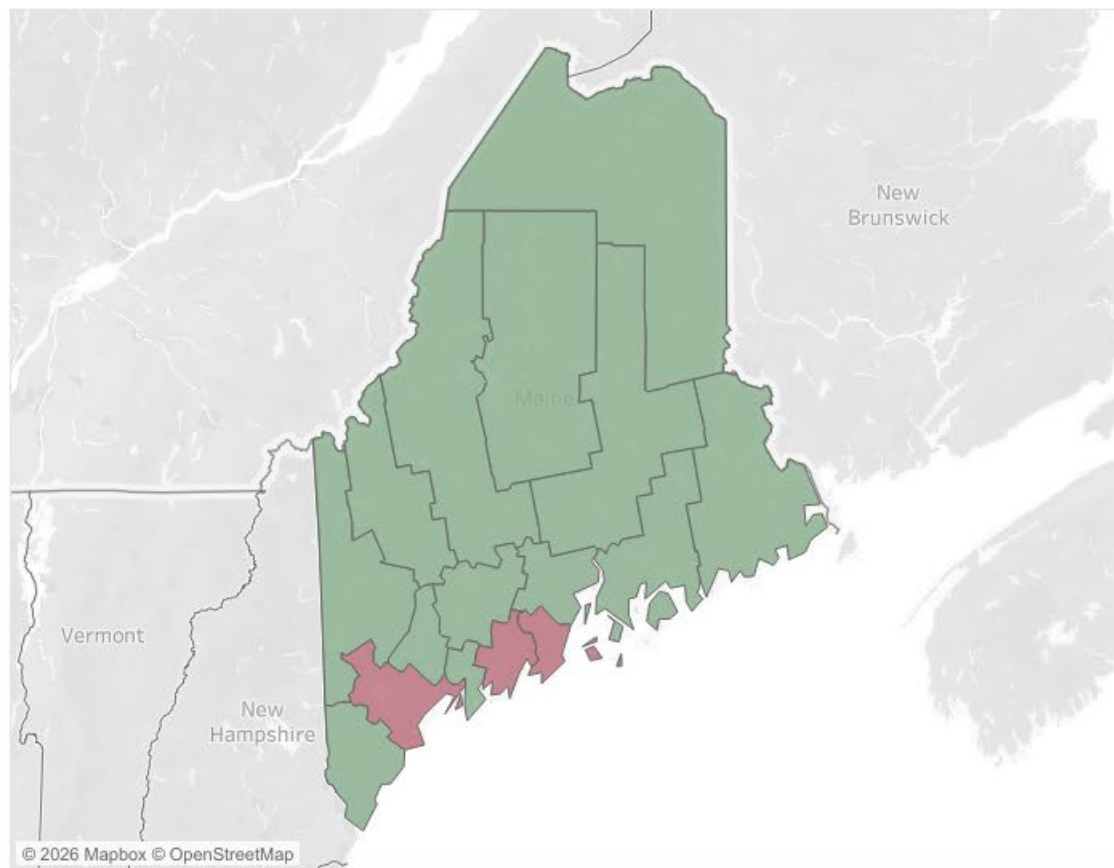
2020

☐ Show history

Affordability By Town - 2020



Affordability By County - 2020



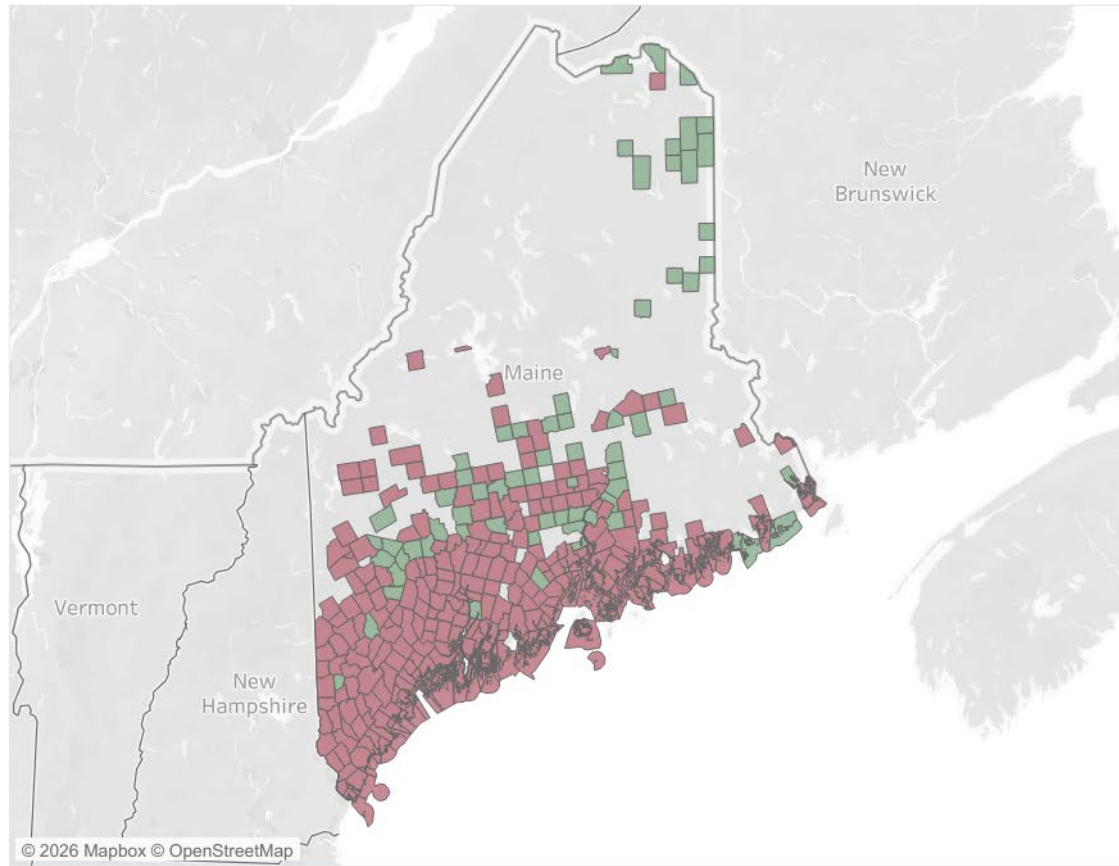
Homeownership Affordability Maps

Year

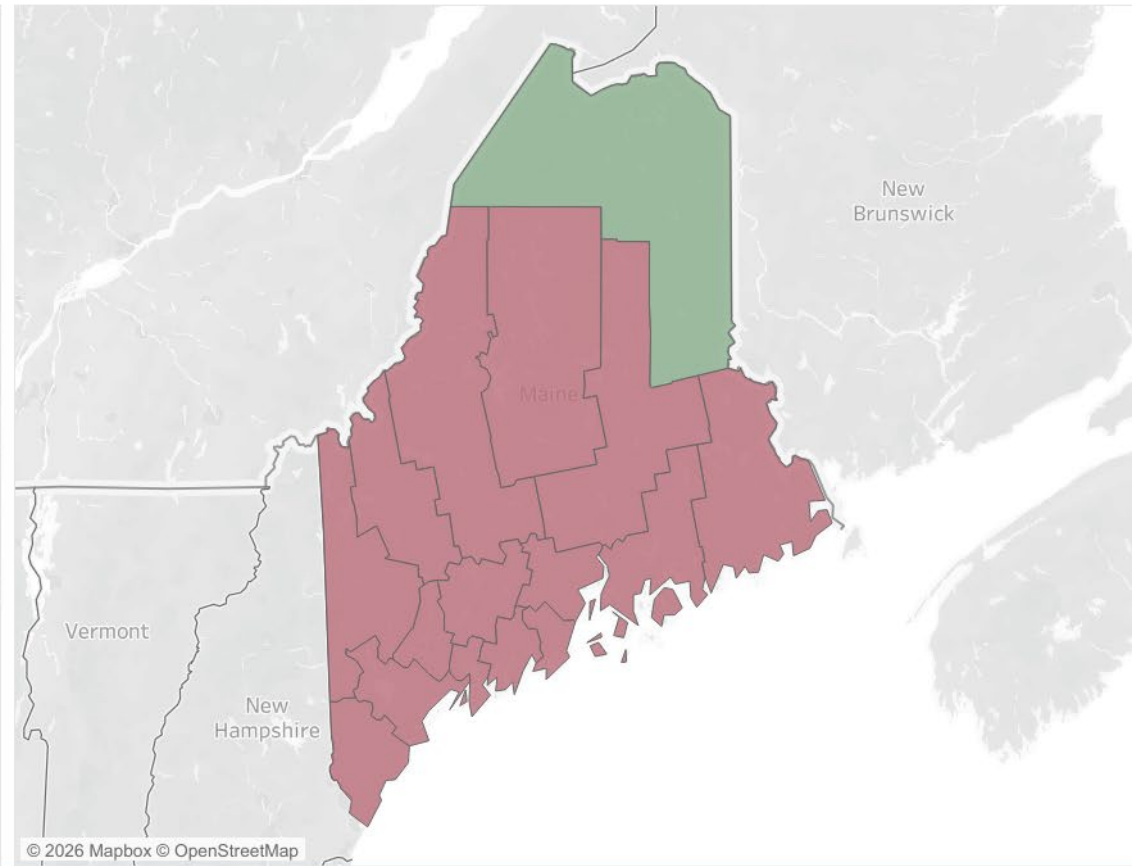
2025

☐ Show history

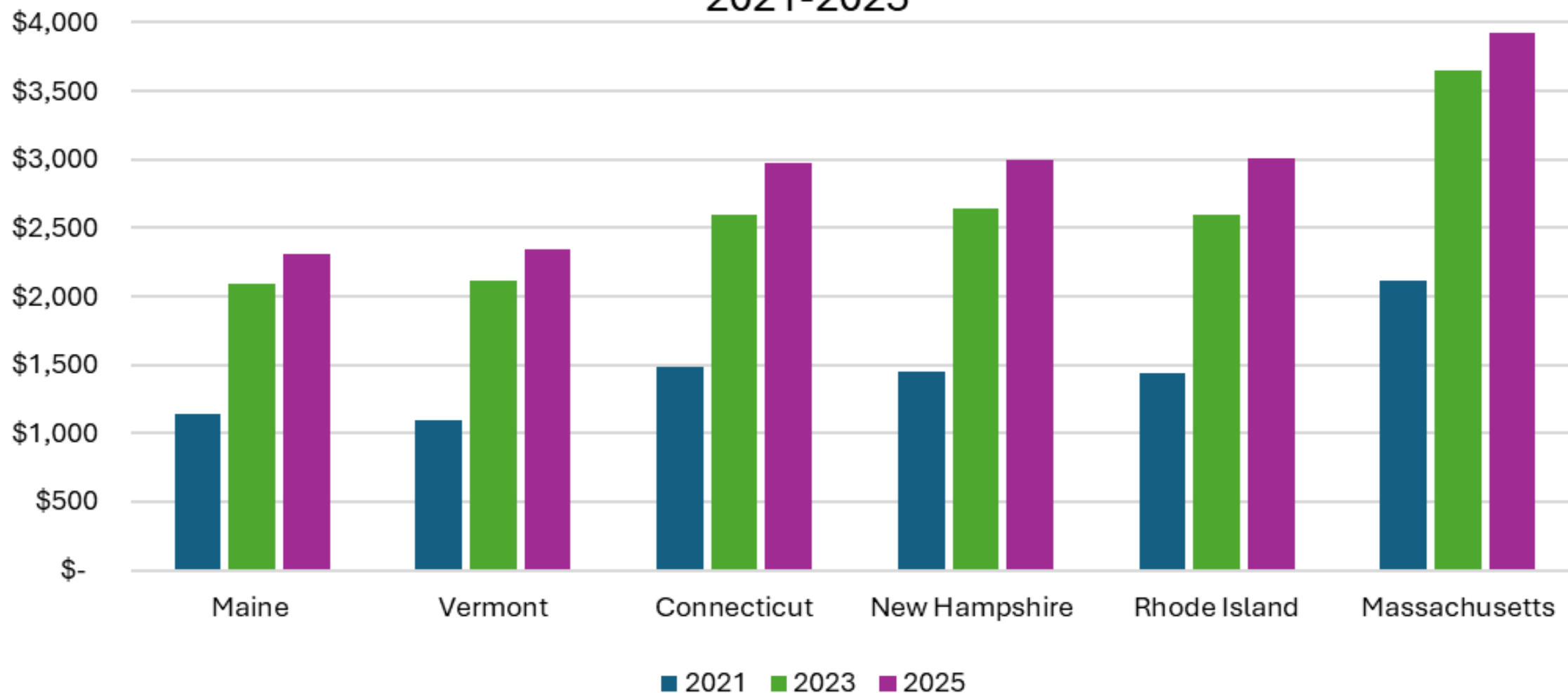
Affordability By Town - 2025



Affordability By County - 2025



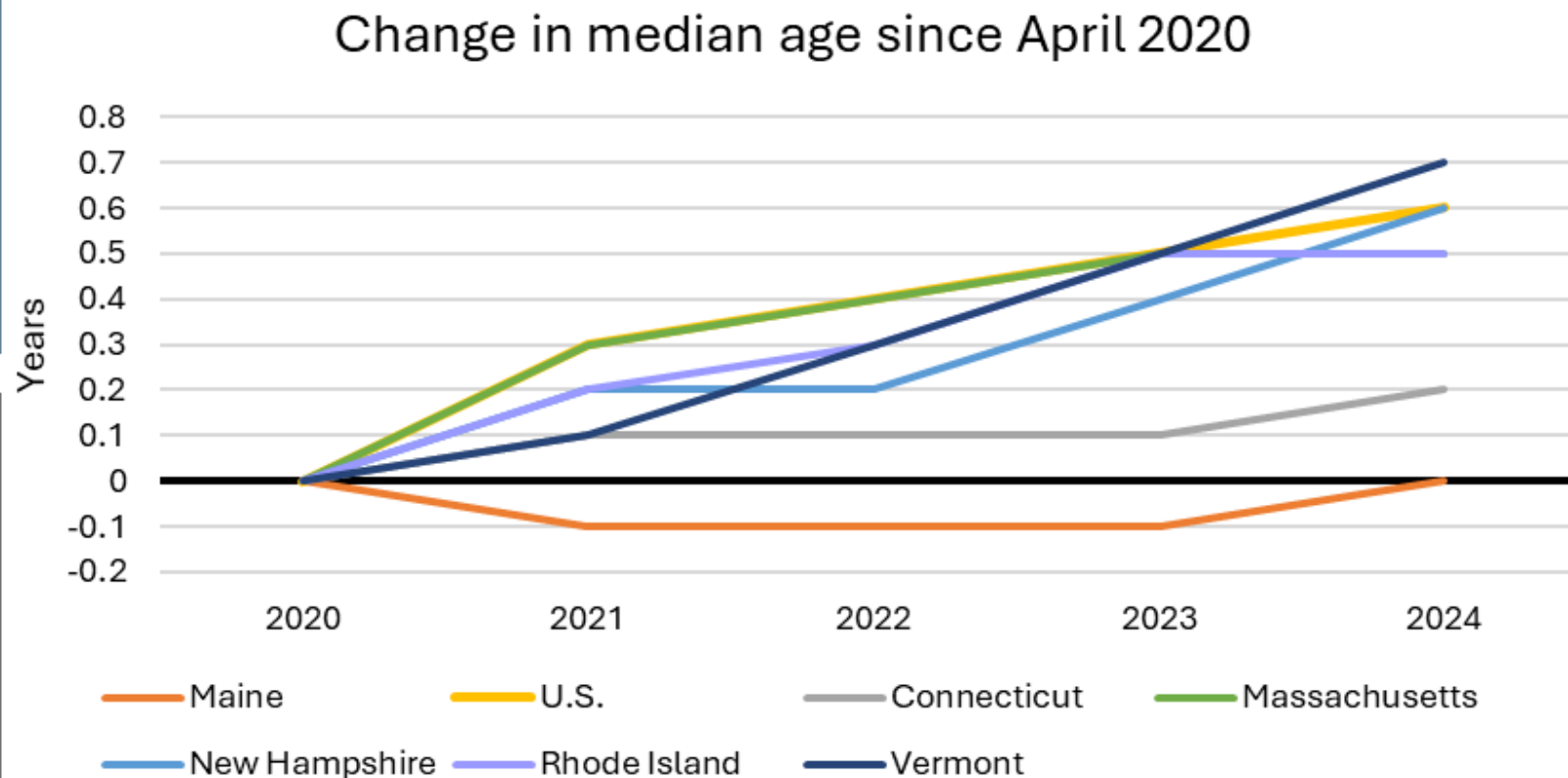
Monthly Mortgage Payment at the Median Sales Price 2021-2025



Sources: Moody's Analytics (median sale prices), FRED 30-year fixed rate mortgage rates, weekly (average of all weeks in the year). Assumes 30-year fixed rate mortgage and 10% down payment on a home at the median sales price.

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

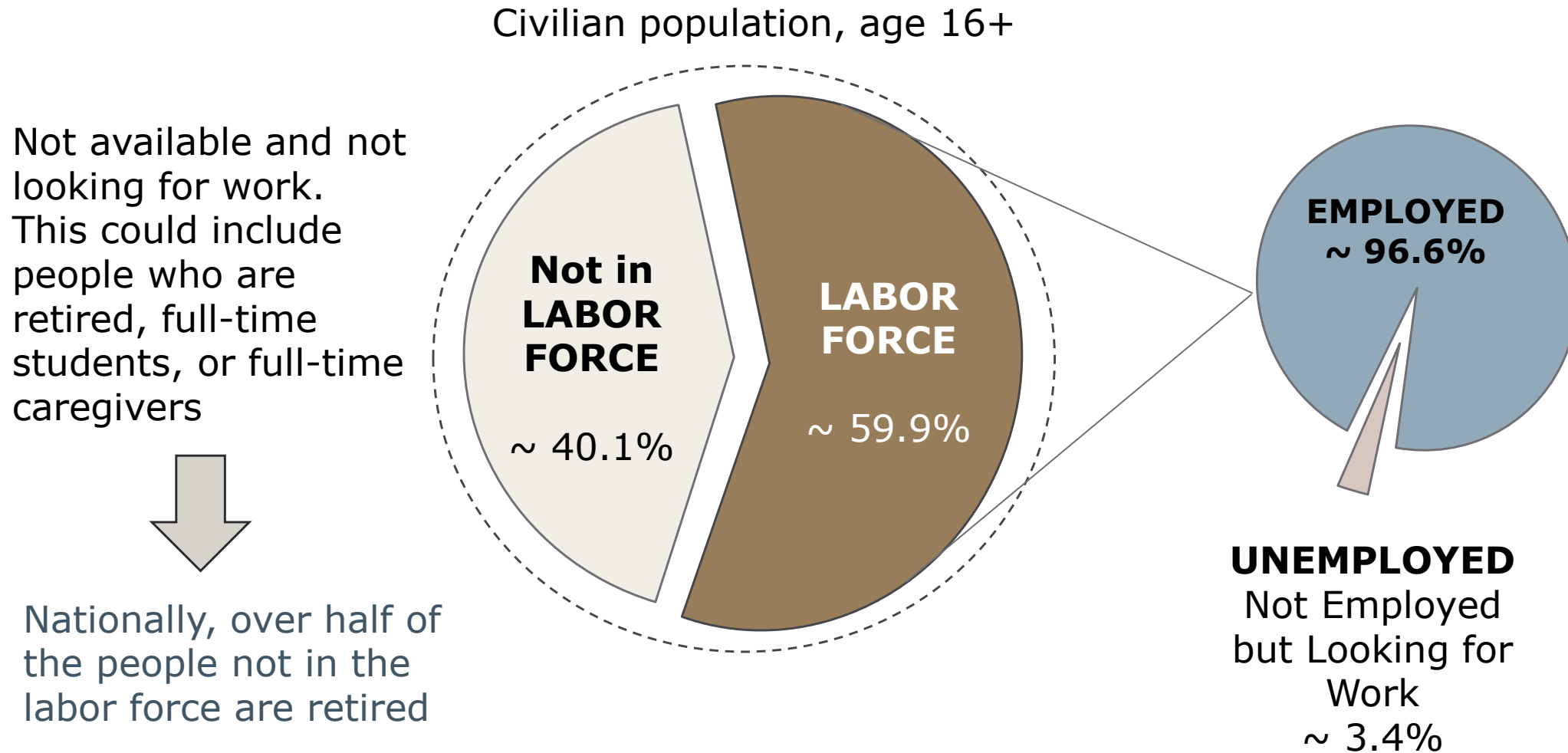
Maine still has the highest median age in the nation at 44.8 years; Vermont and New Hampshire are tied for second at 43.6 years



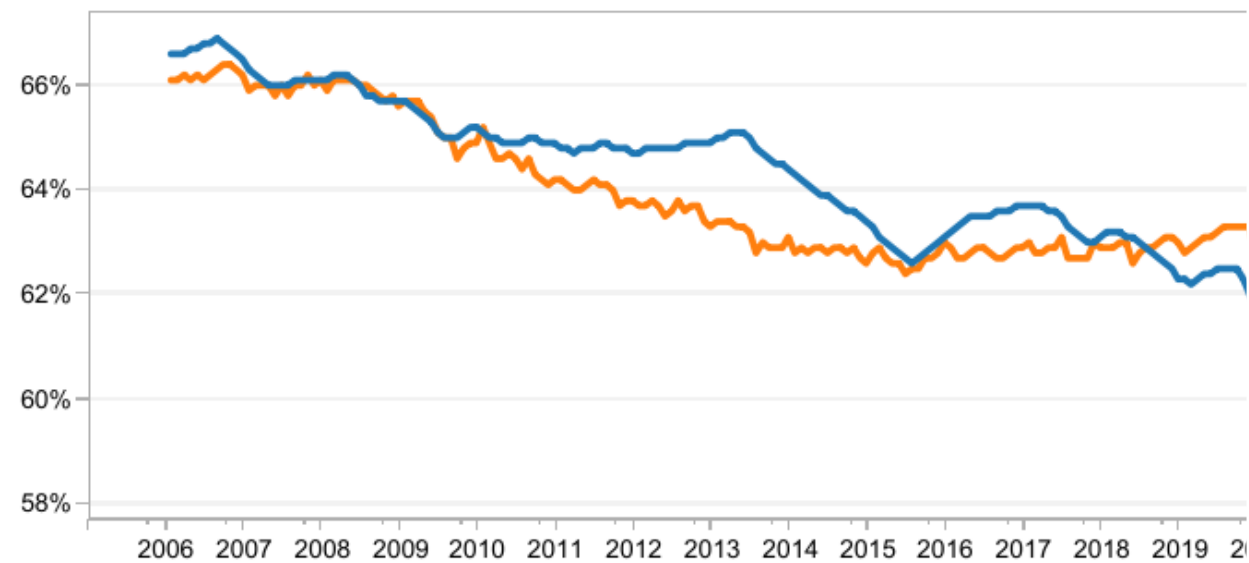
Median age of recent movers to Maine is 31

Labor market conditions

Who is in the labor force?



Labor Force Participation Rate (seasonally adjusted)

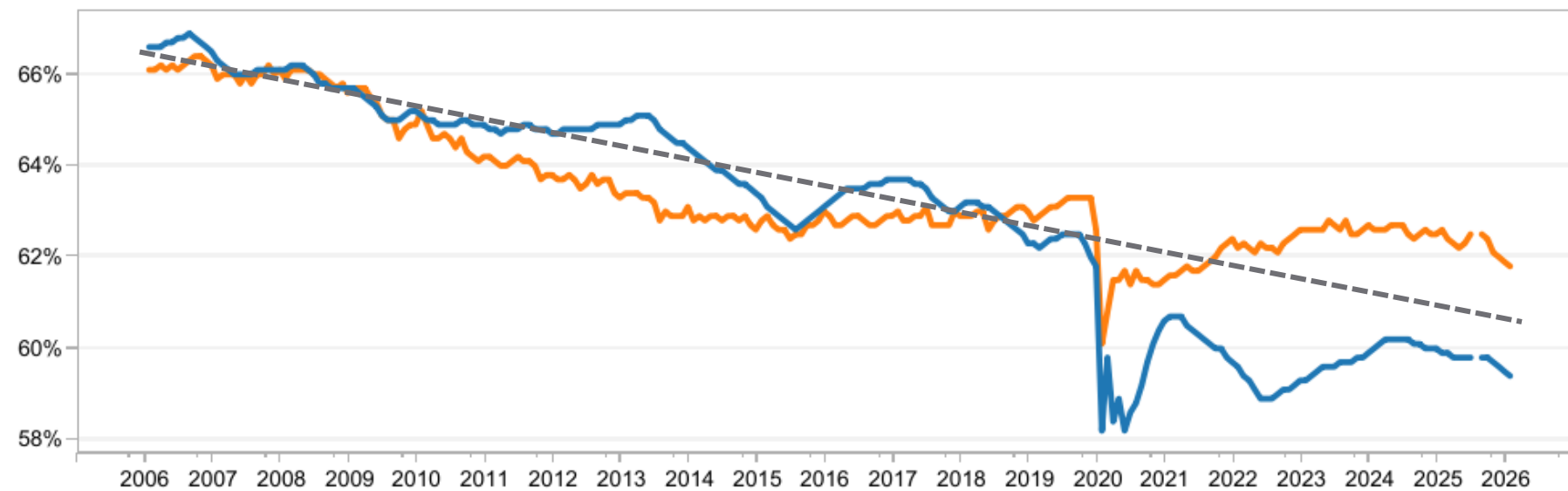


Apr, 2006 to Apr, 2026

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

■ Maine
■ United States

Labor Force Participation Rate (seasonally adjusted)

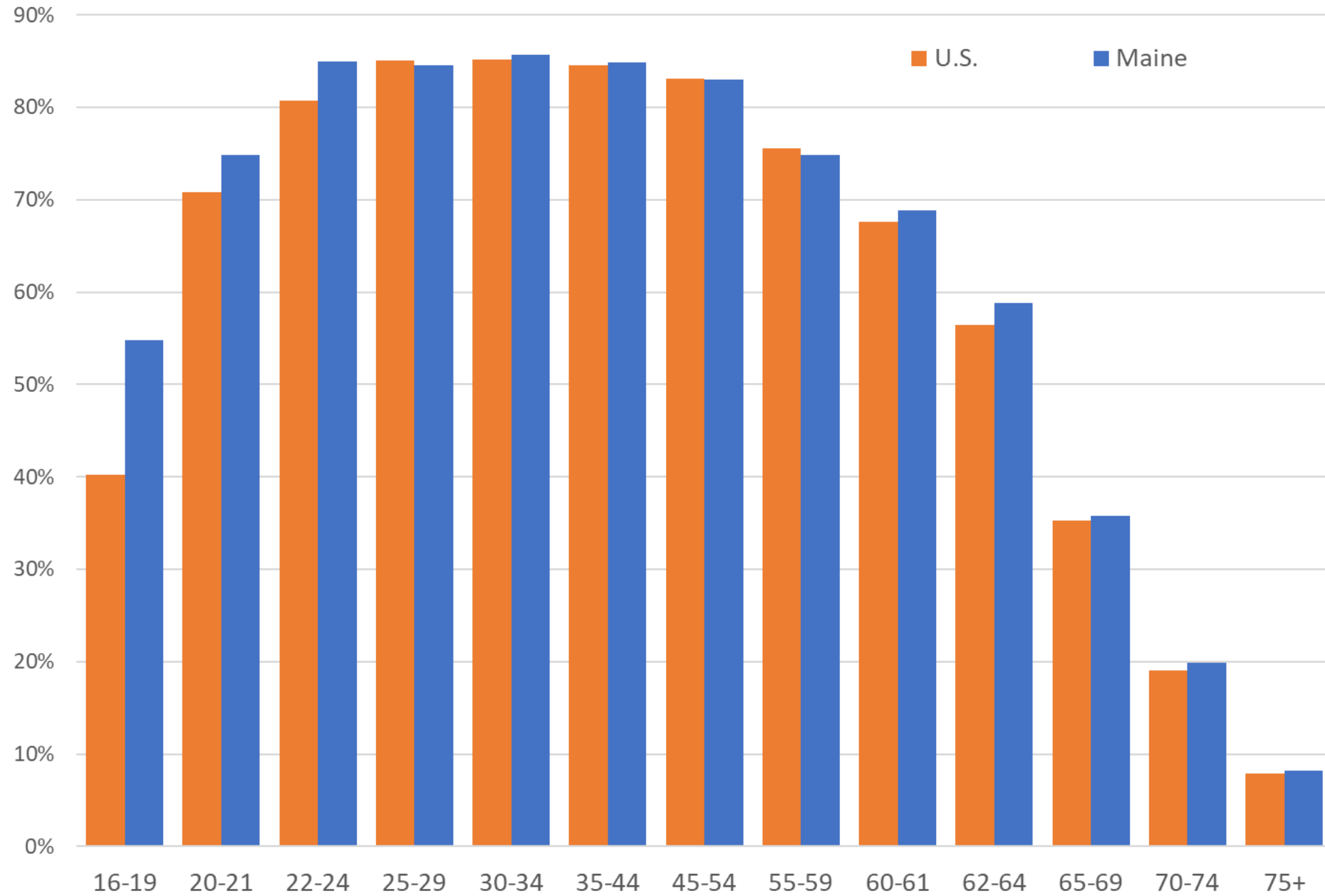


Apr, 2006 to Apr, 2026

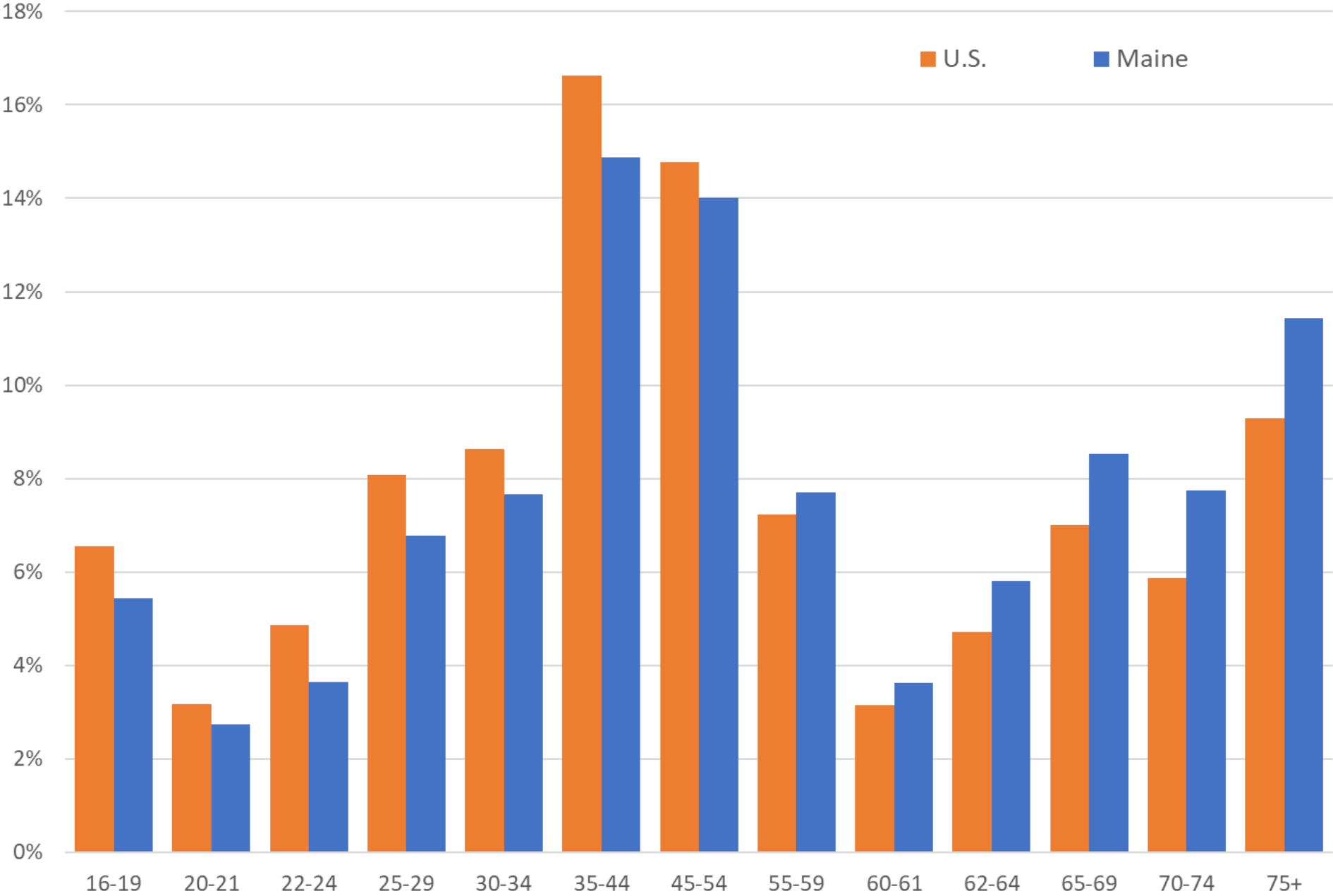
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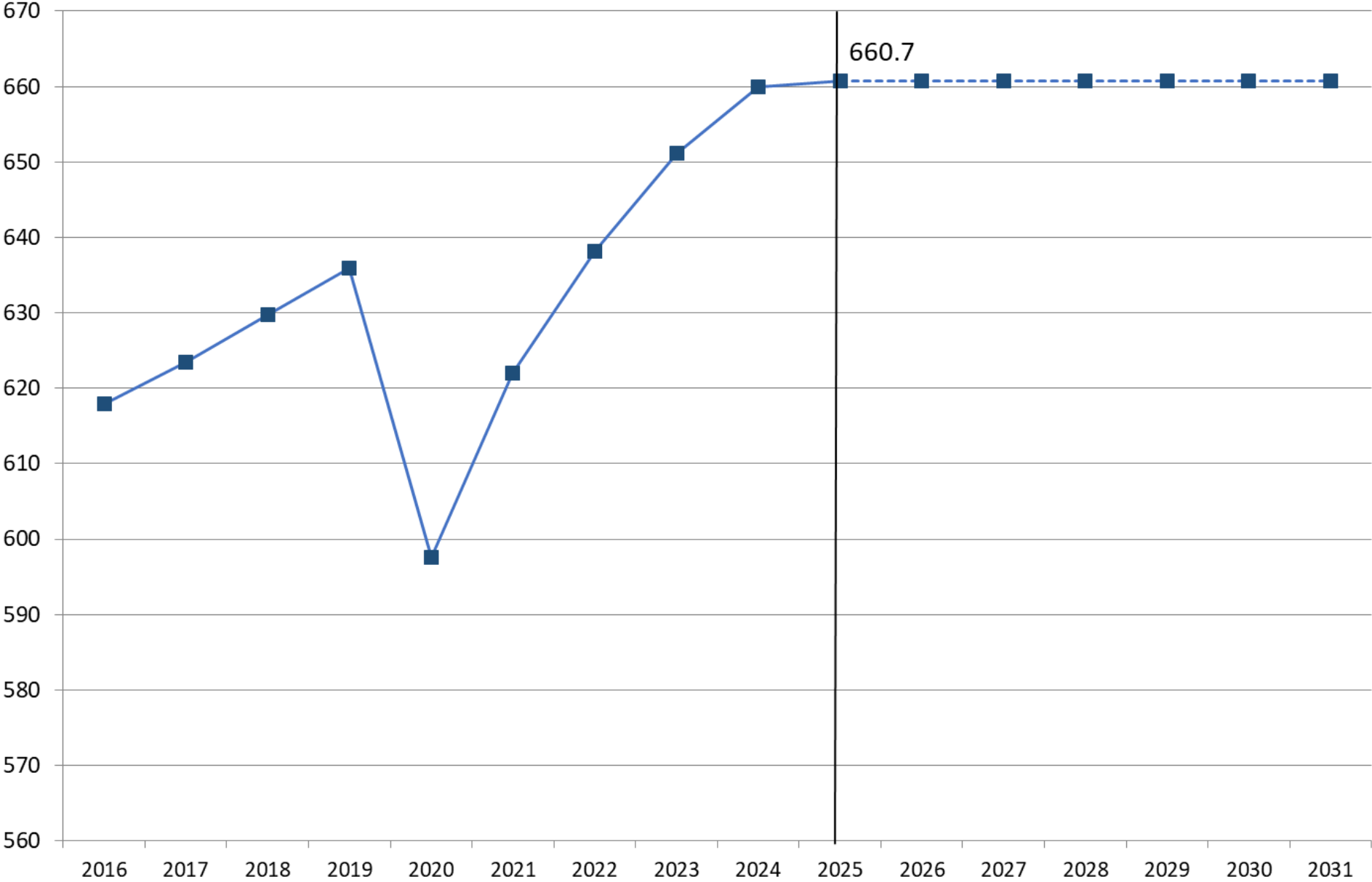
2024 Labor Force Participation Rate



Share of 16+ Population by Age, 2024

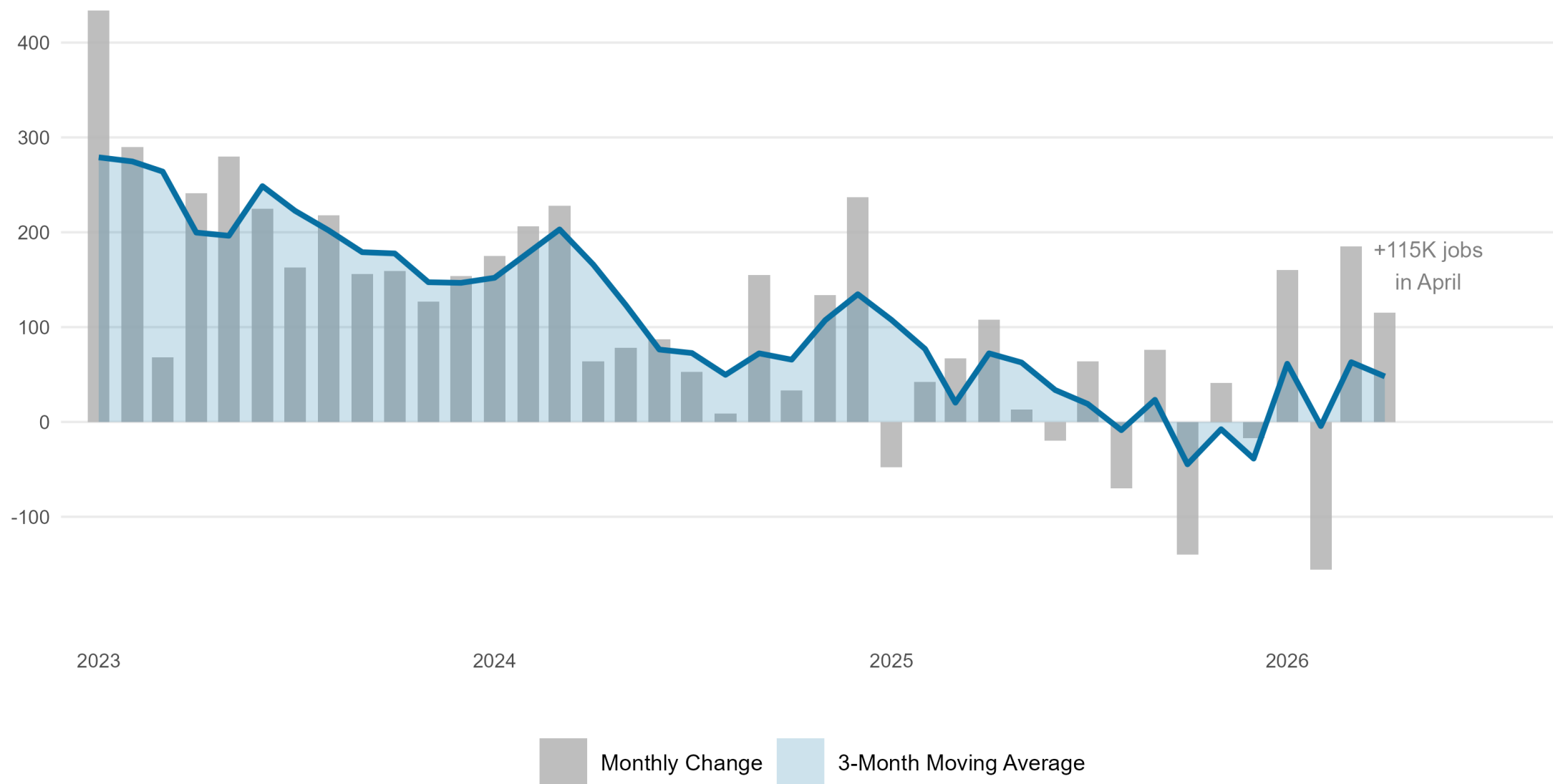


Total Nonfarm Employment (in thousands)
History and Consensus Economic Forecasting Commission forecast



US Nonfarm Payroll Employment (Seasonally Adjusted)

Monthly Change in Jobs (in thousands)

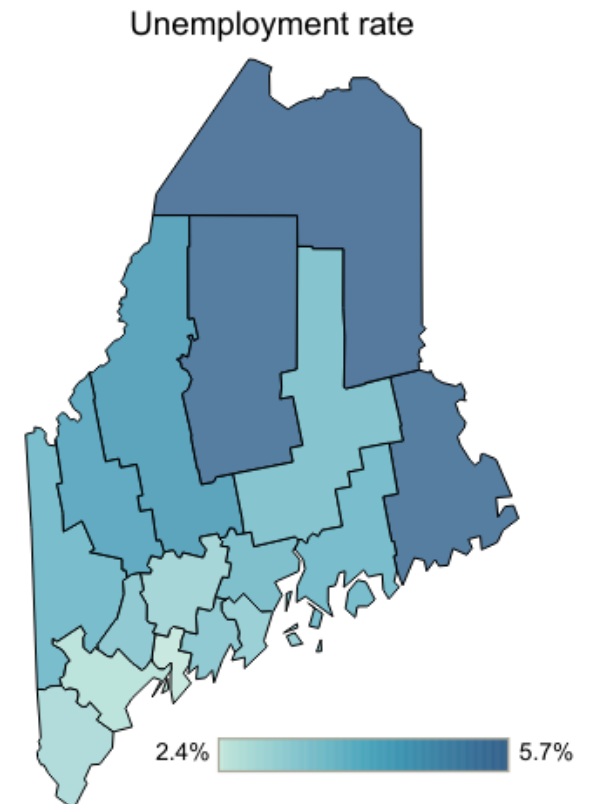


Source: U.S. Bureau of Labor Statistics

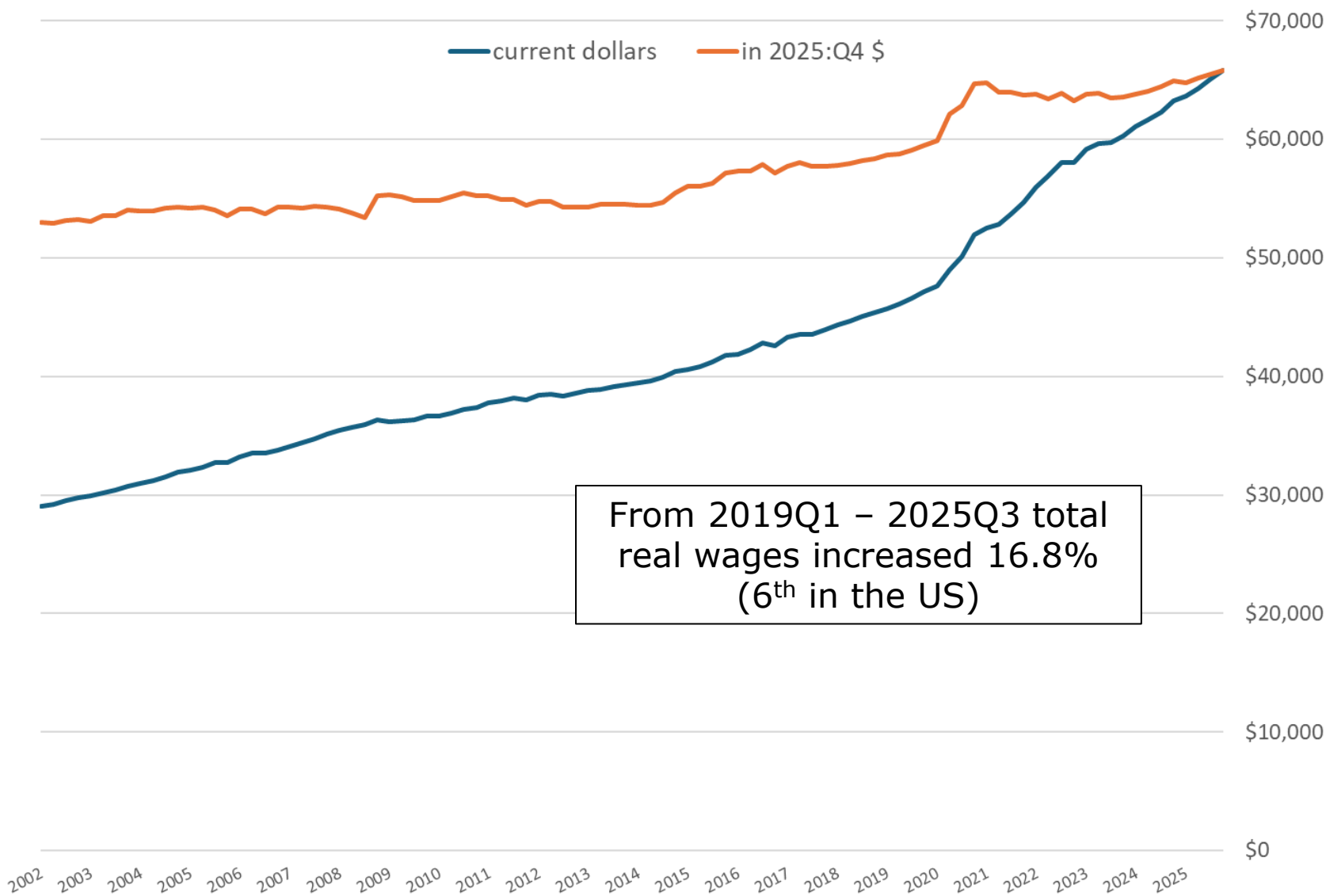
Maine's unemployment rate has been below 4.0% for 52 months as of April 2026, the longest stretch on record

County Rates (not seasonally adjusted)

April, 2026					
☒ Table	County	Rate	Year ago	One-yr change	
☐ Graph	Maine	3.3%	3.4%	-0.1	↓
Map/Graph Display	Androscoggin	3.4%	3.5%	-0.1	↓
☒ Unemployment rate	Aroostook	5.7%	6.0%	-0.3	↓
☐ One-year change	Cumberland	2.6%	2.6%	0.0	—
	Franklin	4.3%	4.1%	0.2	↑
	Hancock	3.8%	4.3%	-0.5	↓
	Kennebec	3.0%	2.9%	0.1	↑
	Knox	3.2%	3.5%	-0.3	↓
	Lincoln	3.4%	3.5%	-0.1	↓
	Oxford	3.8%	3.9%	-0.1	↓
	Penobscot	3.6%	3.8%	-0.2	↓
	Piscataquis	5.6%	6.4%	-0.8	↓
	Sagadahoc	2.4%	2.6%	-0.2	↓
	Somerset	4.5%	5.0%	-0.5	↓
	Waldo	3.7%	3.7%	0.0	—
	Washington	5.6%	5.8%	-0.2	↓
	York	2.8%	2.9%	-0.1	↓



Moving Four Quarter Average Wage Per Job



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

Things to keep in mind:

- Economic uncertainty is extremely high, particularly related to military conflict in Iran/Middle East, energy prices, and tariffs
- Maine's economy will be impacted by federal policies, federal spending, and national economic trends
- Summer tourism has some headwinds, but may see a boost from vacationers opting to stay closer to home; nation's 250th may encourage domestic tourism; and good weather always helps

Contact Information

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