

SQUEEZED: WHAT'S TO BLAME FOR RISING COSTS?

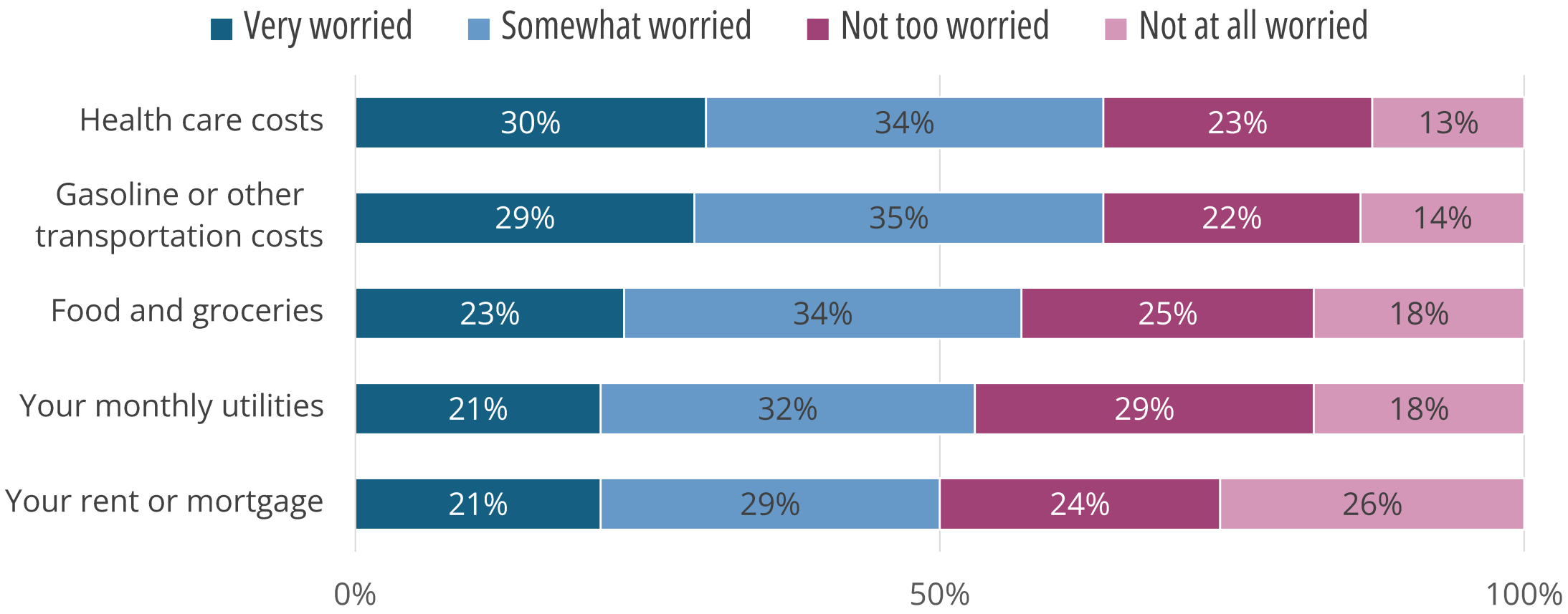
Garrett Martin, President & CEO
Maine Center for Economic Policy

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When you think about your household finances, what feels harder than it did a few years ago?



How worried, if at all, are you about being able to afford each of the following for you and your family?



Source: KFF Health Tracking Poll (April 2026)

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When affordability challenges are this widespread, they aren't about individual budgeting decisions. They're about policy choices and how the economy is structured — who it rewards, who it protects, and who bears the risk.

- **40% of Maine households** were already falling behind and **are not making enough to keep pace**
- Nearly **1 out of every 2 Maine households** have had to **deal with medical debt** in the last two years
- **Hospital costs have risen 3.5 times more** than everyday costs in the last 20 years

Source: CAHC, OAHC, United Way

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What's driving near-term cost increases?

Trump administration actions are costing Mainers in a variety of ways.

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War is making things worse

- **Gas:** over **$700 more** per household
- **Heating oil: $1,500 more** this winter
- **Food:** prices going up due to **52% fertilizer** and **68% diesel cost increases**
- **Housing:** now **$70K-$90K more** with a 30-year mortgage



Tariffs are costing families

- **Households:** paying over **$1,100 more** per year on everyday items
- **Cars: $1,200 more** new, $1,300 more used
- **New homes:** cost **$11K more** to build
- **Metals:** steel up 43%, aluminum up 57%







Trump budget bill creates hardship

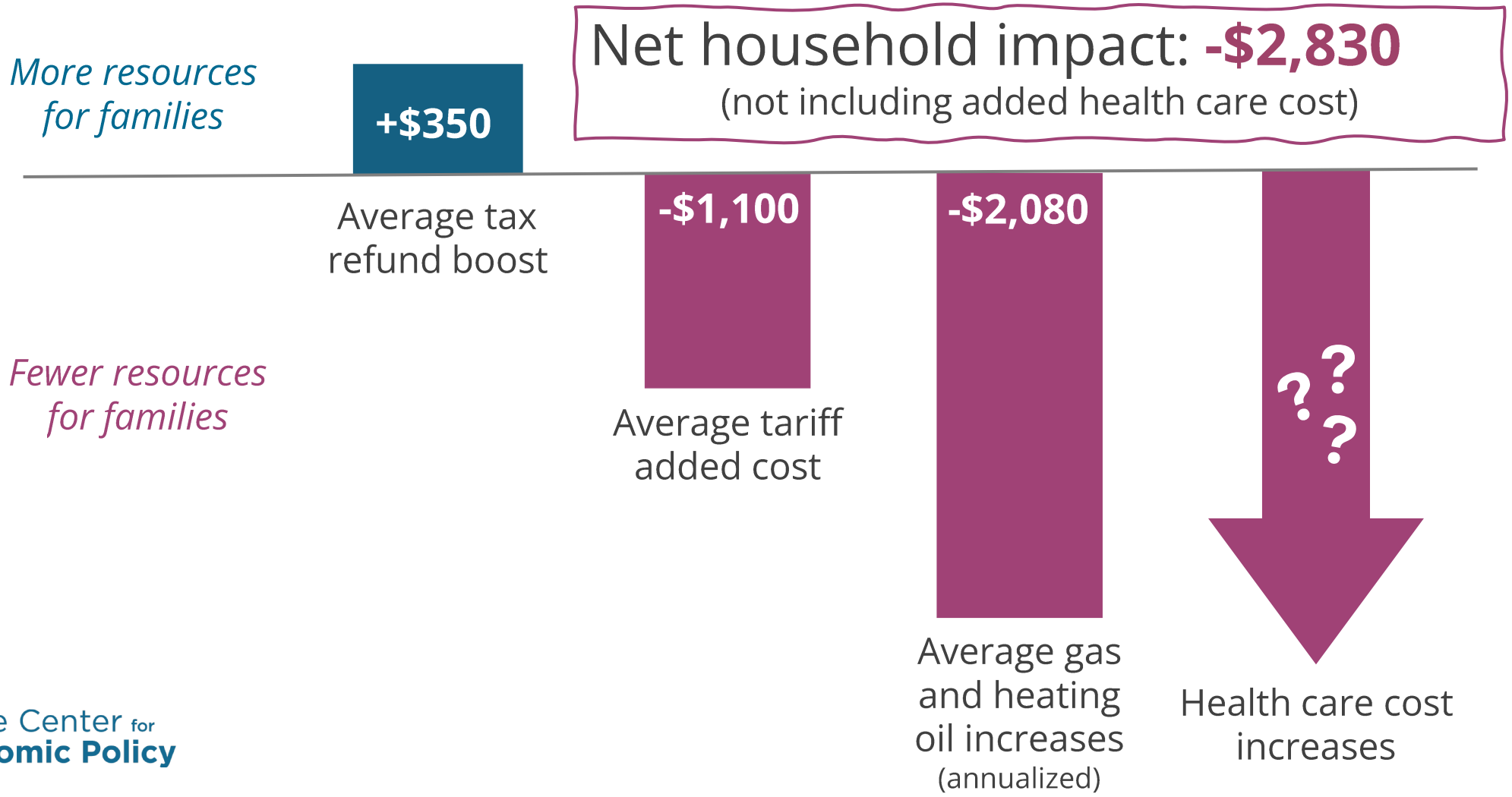
- **Tax cuts:** $4.5T, mostly to the wealthy
- **Health care:** $1T cut; 31,000 Mainers could lose MaineCare
- **Food aid:** 23,000 Mainers lost SNAP, including 7,000 kids
- **Clean energy investment:** $57 million cut from Maine
- **Rural Maine:** hospitals at risk; hardest-hit by SNAP cuts







Trump administration policies mean higher costs and less income for Maine families



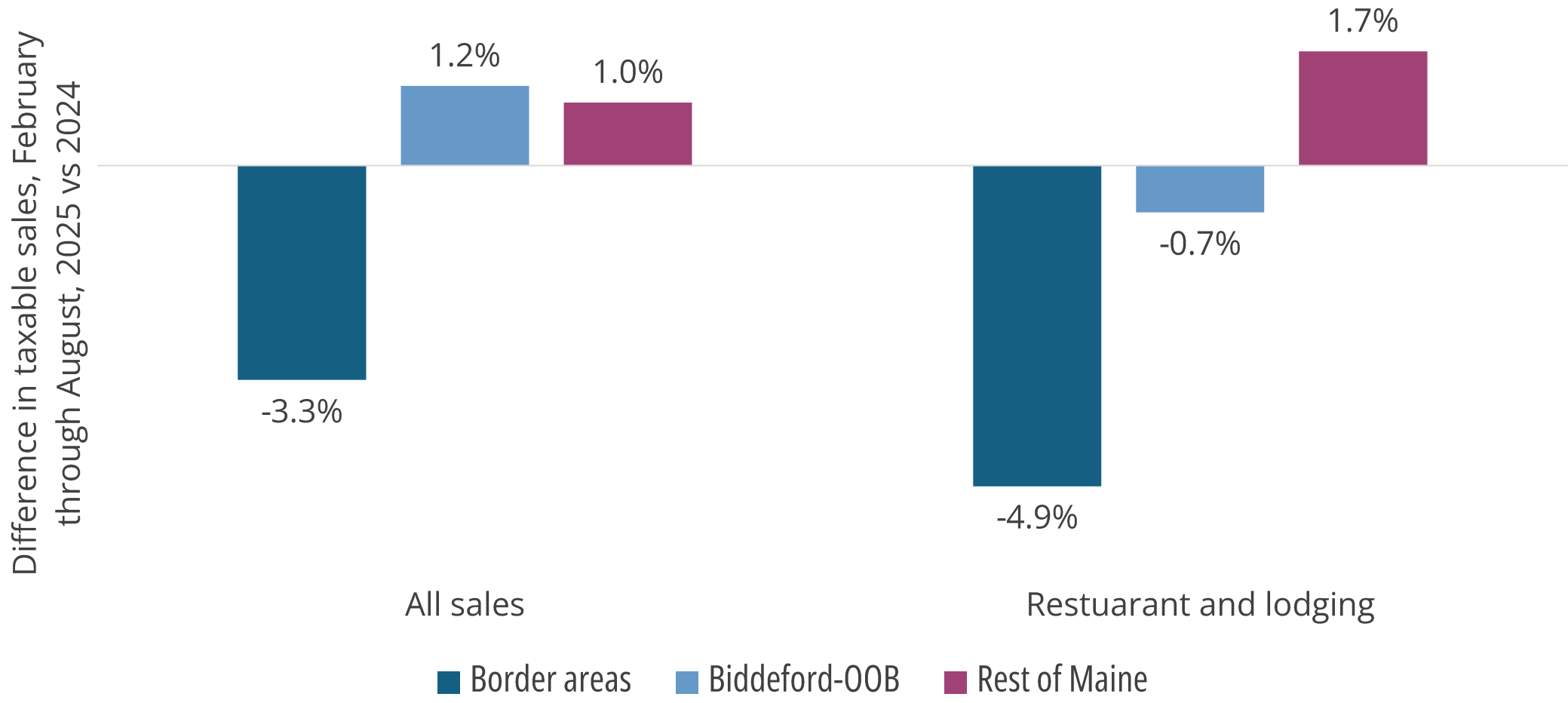
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Broader economic impacts

Trump administration actions are having a broader impact on Maine's economy.

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Border communities have suffered as a result of 800,000 fewer border crossings



Source: MECEP analysis

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The ICE surge and ongoing actions have immediate and long-term consequences

- **One-time loss of $10-$22 million in economic activity** because of enforcement actions
  - Significant disruptions particularly in schools, among care givers and health care providers, and hospitality businesses
- **Ongoing loss of $12 million in economic activity** due to reductions in Maine's workforce
  - Longer-term implications of learning loss and other community and human impacts defy quantification
- **ICE remains active in Maine** and continues to undertake actions in rural and urban places

Source: MECEP analysis

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Pay to play

- Meta, Amazon, Alphabet, & Tesla **avoided paying $51 billion in taxes** in 2025
- **Tesla, Palantir, Disney** along with 13 other profitable Fortune 500 companies **paid $0 in corporate taxes** in 2025
- **537 companies avoided $200 billion in taxes** on $1.6T in profits
- **$1.4T** of the Trump tax cuts will go **to households with more than $500,000 in income**

Source: ITEP

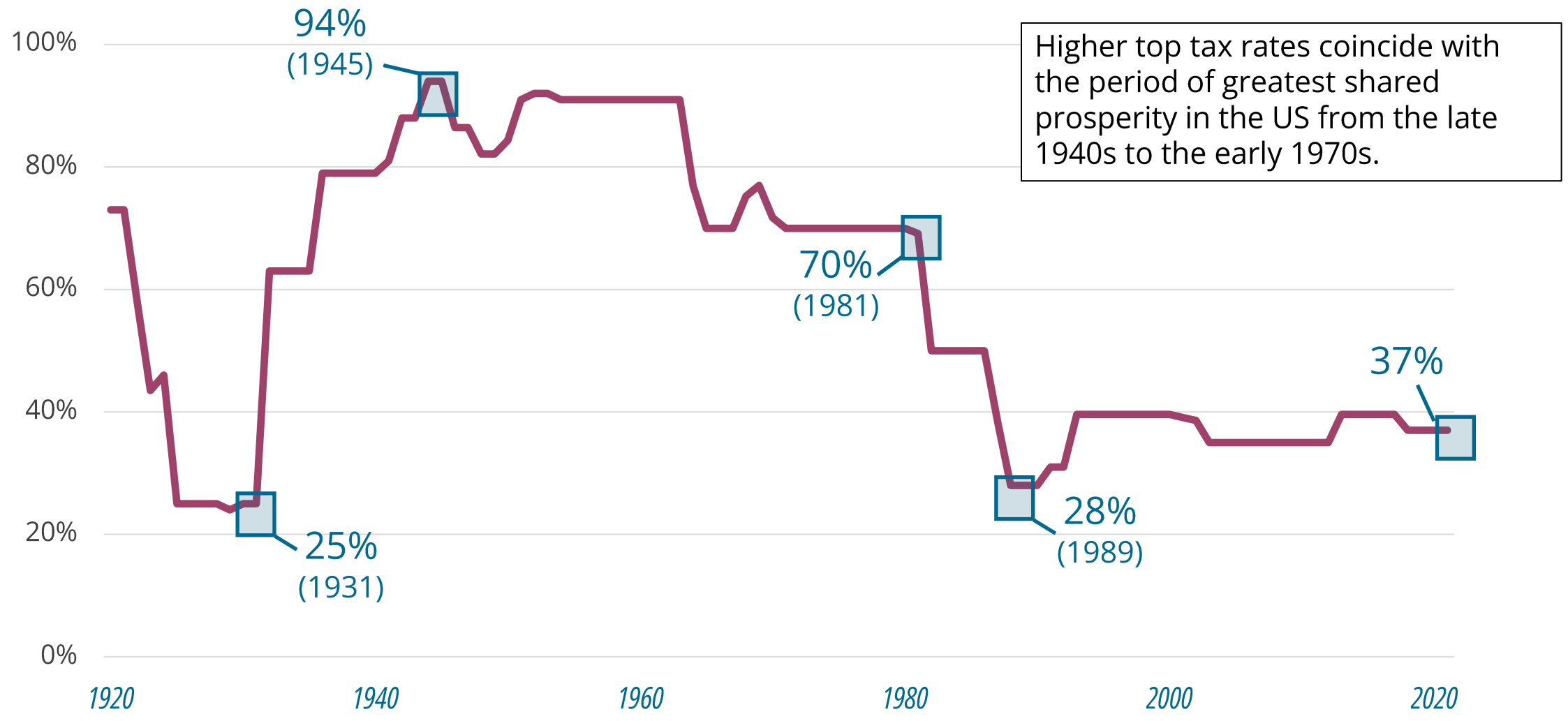


What's driving cost increases over the longer term?

Fifty years of policies that concentrate power are costing consumers, workers, and small businesses, and driving record inequality.

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Top tax rate has changed little in the last 35 years



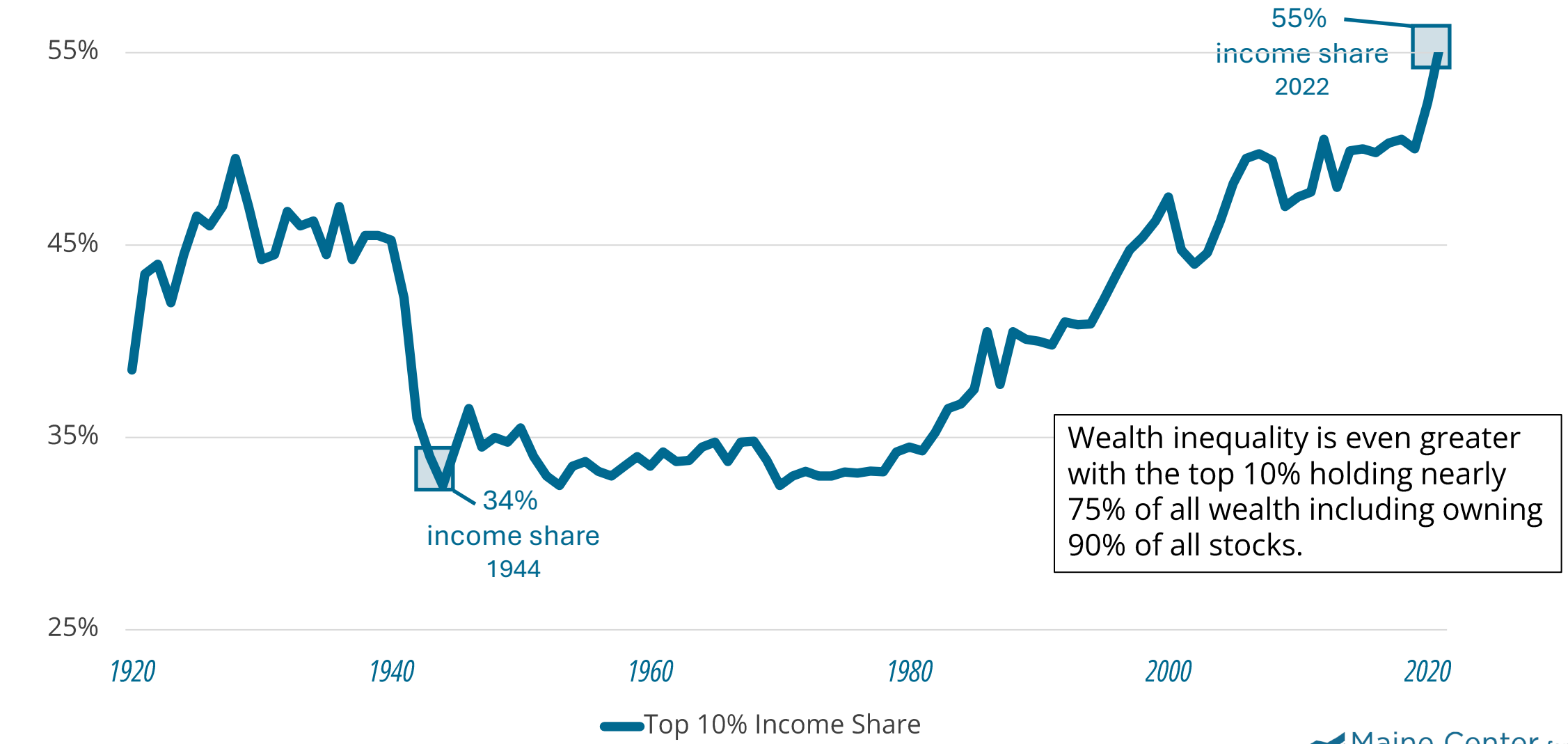
Higher top tax rates coincide with the period of greatest shared prosperity in the US from the late 1940s to the early 1970s.

Source: MECEP analysis

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Income inequality is at historic levels

Share of income held by the top 10%

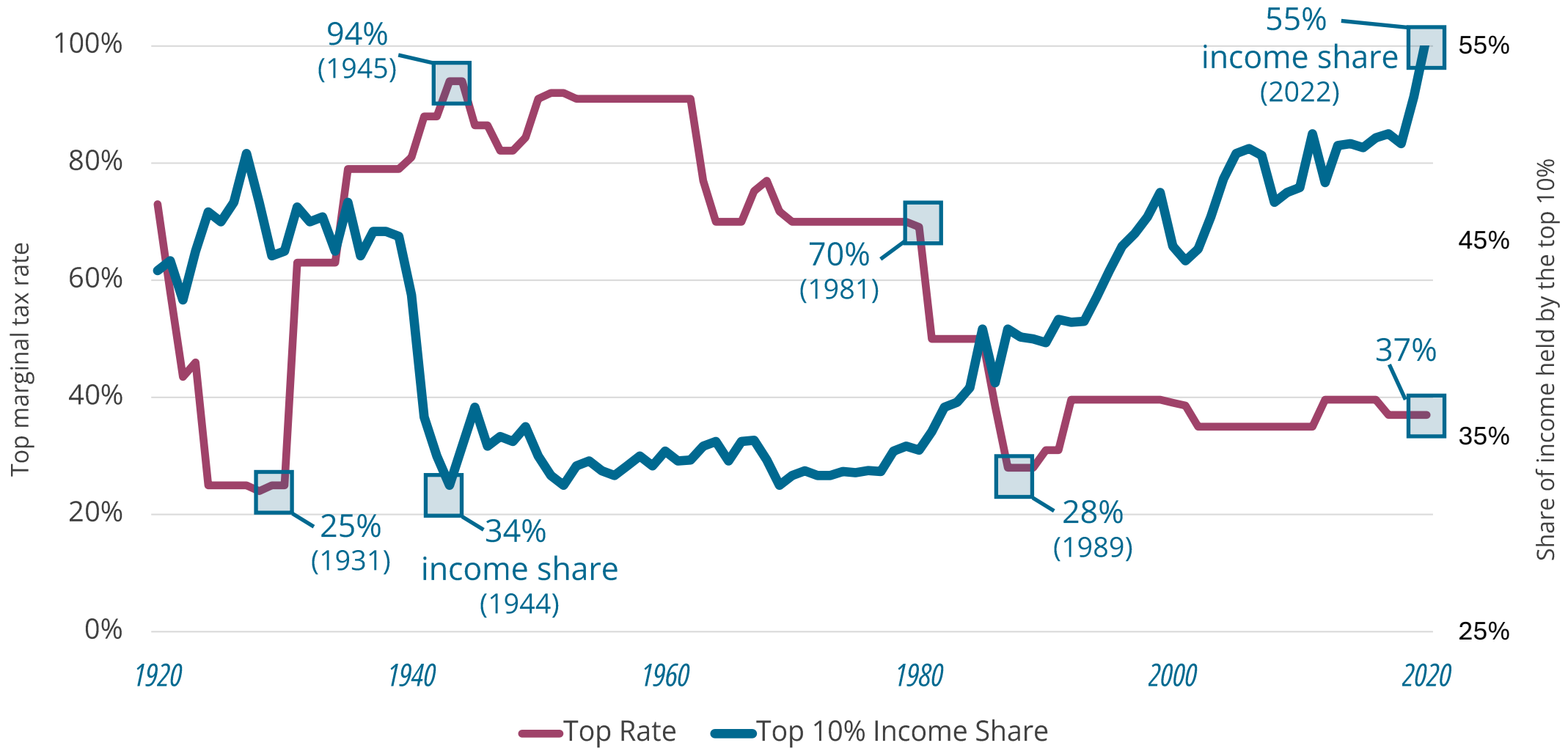


Wealth inequality is even greater with the top 10% holding nearly 75% of all wealth including owning 90% of all stocks.

Source: Saez & Zucman

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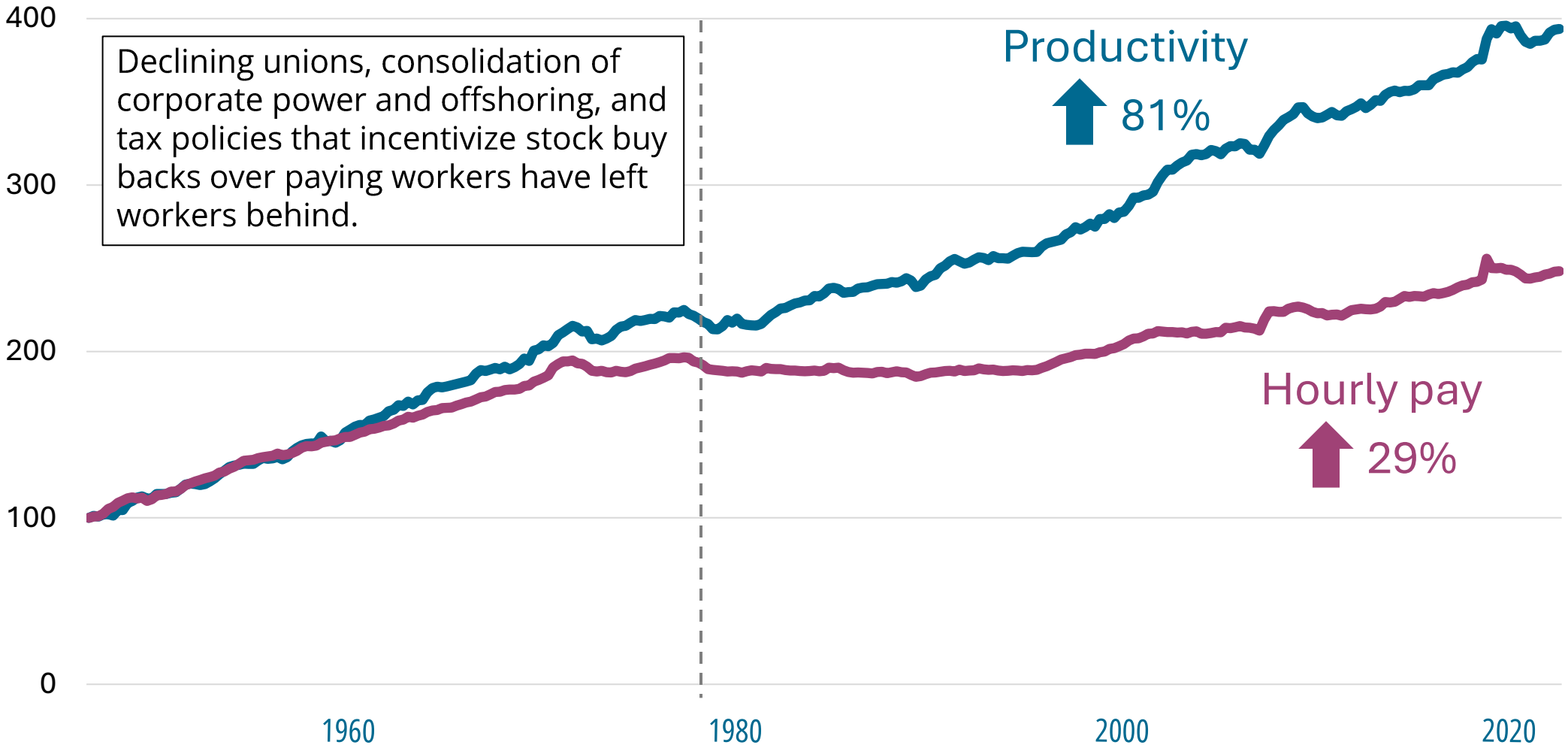
Lower top tax rates are a symptom and a cause of increased inequality



Source: MECEP analysis; Saez & Zucman

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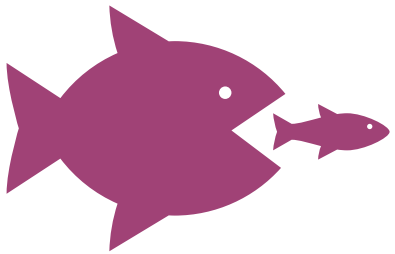
Workers are producing more, but wages aren't keeping pace



Source: EPI

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Corporate consolidation is costing all of us





- **Corporate consolidation:** Households pay $3,700 more on average annually
- **Hospital consolidation:** Hospital costs have risen 3.5x more than inflation in the last 20 years while services are being cut
- **Drug companies:** Raked in $480 billion in 2024 returning $67 billion to shareholders while Americans still pay the world's highest drug prices
- **Investor-owned utilities:** Raised rates 49% more than inflation over past 3 years
- **Groceries:** Four grocery retailers account for 60% of grocery spending and use their market dominance to undercut their competition and then raise prices

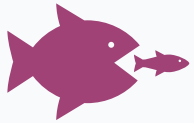
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The triple threat to shared prosperity



Public Disinvestment

Safety net erosion and decaying infrastructure force families to carry privatized burdens.



Corporate Greed & Consolidation

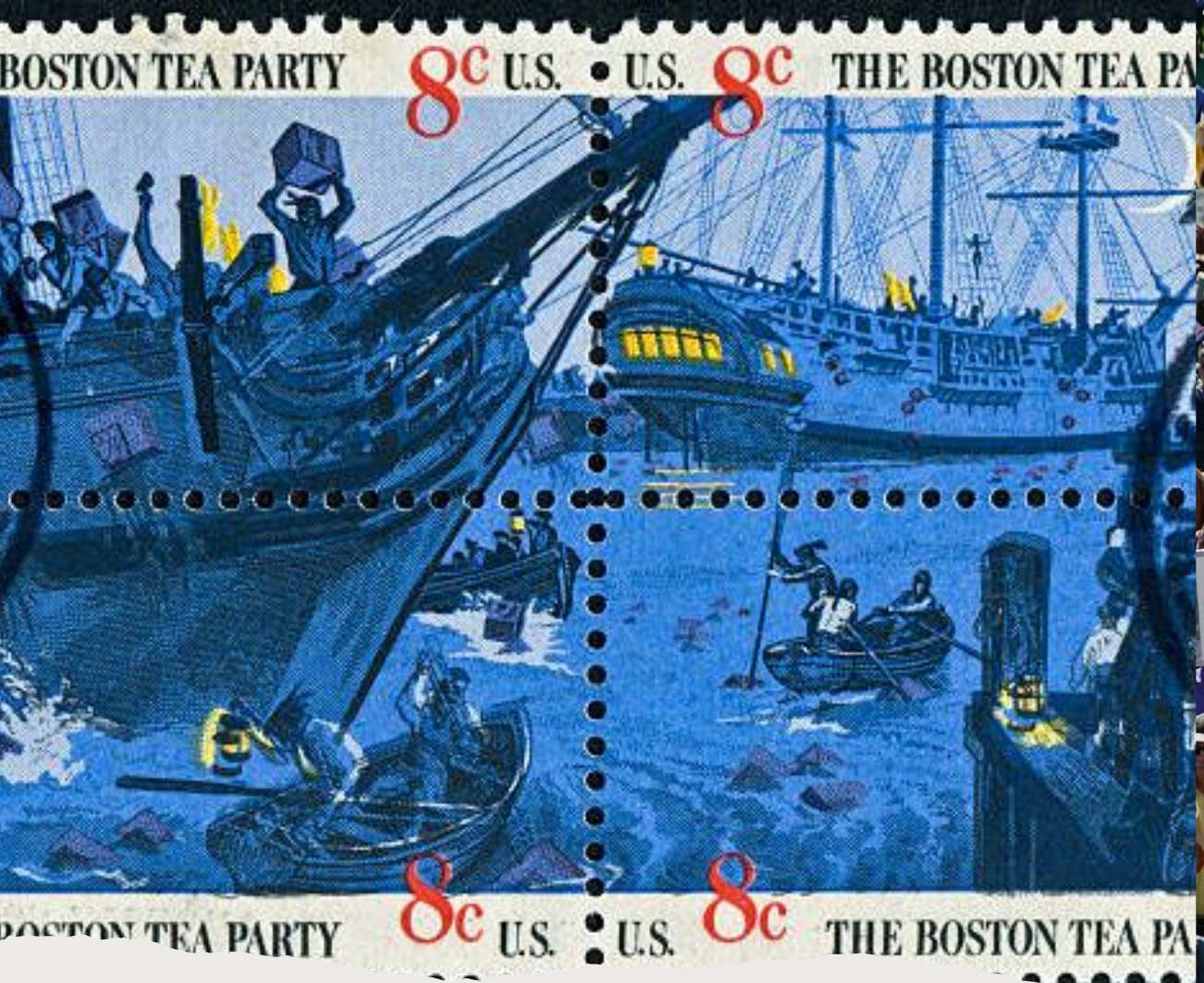
Private interests prioritized over public good, leaving consumers and workers last in line.



Rigged Tax Code

A system designed to reward wealth over work, supercharging historic inequality.

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We make the rules: People power is what overcomes concentrated power

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