

To: Senator Carney, Representative Kuhn, and Members of the Joint Standing Committee on the Judiciary

From: James Myall, Maine Center for Economic Policy (MECEP)

Re: Economic impacts of expanded ICE operations in Maine

Date: February 5, 2026

At the request of the Joint Standing Committee on the Judiciary, MECEP has prepared a preliminary estimate of the economic impacts of Immigration and Customs Enforcement (ICE) activities in Maine during “Operation Catch of the Day,” conducted between January 20 and January 29.

MECEP estimates that the operation reduced taxable retail sales by approximately **\$6.7 million over a ten-day period** in the areas most directly affected—Biddeford, Lewiston, and Greater Portland. This estimate is conservative and incomplete, but it provides a reasonable sense of the scale of economic disruption caused by the operation.

The primary economic mechanism identified is fear-induced withdrawal from everyday economic activity. Media reports documented widespread fear among Mainers, particularly Mainers of Color, leading people to avoid public spaces such as schools, workplaces, grocery stores, and medical facilities. While the psychological and social harms of this climate are significant in their own right, they also translate into measurable economic losses for local businesses and reduced tax revenues for the state.

Because comprehensive, timely data are not yet available, this memo relies on observable proxy indicators to estimate impacts. The analysis should be understood as an initial assessment intended to inform legislative deliberation, not a final accounting.

Purpose and Scope

This memo responds to the committee’s request for an estimate of the economic consequences of ICE’s January enforcement surge. The analysis focuses narrowly on lost taxable retail sales during the ten-day operation in the regions most directly affected.

The estimate does not capture:

- Lost wages or reduced hours worked

- Impacts on non-taxable or informal economic activity
- Long-term effects on consumer confidence
- Spillover effects to suppliers, landlords, or service providers
- Public costs associated with disrupted education, health care access, reduced food security, increased risk of eviction, or eroded community trust

As such, the figures presented here should be interpreted as a lower-bound estimate of economic harm.

Methodology Overview

MECEP's approach combines three data sources to estimate lost retail activity:

1. Taxable retail sales data from Maine Revenue Services (MRS)
2. Publicly reported school absence data during the operation
3. Demographic data on local populations of color

Because January 2026 retail sales data will not be released until March, January 2025 taxable retail sales were used as a baseline. To estimate how much economic activity was suppressed during the operation, MECEP used increases in school absences as a proxy for broader reductions in household participation in public life, including shopping and other economic activity.

This approach rests on the documented reality that fear of enforcement caused families to keep children home from school and adults away from public spaces. While imperfect, school attendance data provide one of the only timely, observable indicators of the behavioral changes reported widely during the operation.

Estimated Lost Taxable Retail Sales

The table below summarizes estimated lost taxable retail sales in areas most impacted by the ICE operation between January 20 and January 29.

Area	Taxable Retail Sales, Jan 2025	Population of Color	Estimated Stay-Home Rate*	Estimated 10-Day Lost Sales
Biddeford	\$85 million	9%	19%	\$449,000
Lewiston	\$118 million	23%	6%	\$519,000
Greater Portland	\$302 million	22%	27%	\$5.7 million
Total	\$505 million			\$6.7 million

*Stay-home rate derived from school absence data among students of color. See methodology below.

Sources: MECEP analysis of US Census Bureau, American Community Survey data 2020-2024, Maine Revenue Services data, Maine Department of Education data, Maine Data Warehouse data, and media-reported school absence rates. “Greater Portland” reflects Portland, South Portland, and Westbrook school districts.

Using School Absences as a Proxy for Economic Withdrawal

A large body of anecdotal and media evidence indicates that fear generated by the ICE operation led families to significantly curtail daily activities. Reports documented parents keeping children home from school, workers missing shifts, and residents avoiding grocery stores, hospitals, and other public spaces.

To estimate the share of the population that withdrew from routine economic activity, MECEP analyzed publicly reported school absence data during the ten-day operation and compared them to typical attendance patterns.

Importantly, the analysis focuses on students of color, rather than all students. Media coverage and community reporting consistently showed that fear was most acute among immigrant communities and communities of color, including many U.S. citizens. Using absence rates among students of color provides a closer proxy for the populations most likely to alter behavior in response to enforcement activity.

This approach does not imply that impacts were limited to these communities. In fact, it likely misses broader effects, including reduced activity among white households, meaning overall economic losses may be understated.

Reported School Absence Data

School District	Average Daily Absences During Operation	Non-White Students	Absence Rate Among Students of Color
Portland	651	3,386	19%
South Portland	703	1,012	69%
Westbrook	120	1,054	11%
Lewiston	191	3,176	6%
Biddeford	161	840	19% (assumed)

Sources: Maine Data Warehouse data and media reports. Biddeford absence rates were not publicly reported; MECEP conservatively assumed a rate equivalent to Portland's.

These absence rates were treated as indicators of the share of households likely avoiding public spaces during the operation.

Translating Absences into Lost Sales

MECEP applied the observed absence rates to the estimated share of retail sales attributable to populations of color in each area, based on Census Bureau demographic data.

For example, in January 2025, MRS recorded \$117.9 million in taxable retail sales in the Lewiston Economic Summary Area. Approximately 23% of Lewiston's population identifies as other than white, non-Hispanic. Assuming this population accounts for a proportional share of retail activity, roughly \$26.8 million in January sales can be attributed to households of color.

Adjusting for the ten-day duration of the ICE operation and an estimated 6% reduction in activity, MECEP estimates approximately \$519,000 in lost taxable retail sales in the Lewiston area during the operation.

The same method was applied to Biddeford and Greater Portland.

Limitations and Assumptions

MECEP emphasizes that this analysis likely understates the true economic impact of the operation. Key limitations include:

- Use of prior-year retail sales data due to reporting lags
- Exclusion of lost wages, reduced work hours, and service-sector disruptions
- No accounting for multiplier or spillover effects
- Assumption that retail activity is proportional to population share
- Focus on a ten-day window, despite evidence that fear persisted beyond the operation

These constraints were adopted to avoid overstating impacts.

Conclusion and Policy Relevance

Even under conservative assumptions, MECEP estimates that ICE's January enforcement surge resulted in millions of dollars in lost economic activity in a matter of days. These losses were borne by Maine businesses, workers, and state and local governments, despite the operation being federally directed.

While some activities may be returning to normal following the reported end of the operation, ICE and Customs and Border Protection remain active in Maine. Continued enforcement activity risks prolonging fear, suppressing economic participation, and undermining community trust.

This preliminary analysis underscores that immigration enforcement decisions have real and immediate economic consequences for Maine communities. As the legislature considers its role in oversight, cooperation, and public safety policy, these economic costs deserve careful consideration alongside legal and humanitarian concerns.

MECEP intends to refine and expand this analysis as additional data becomes available.

Appendix: School Absence Data

School absence rates were derived from media reports:

- In Lewiston, an average of 190.5 additional pupils were absent between January 19 and 30, compared to the same weeks in 2025.¹
- In Portland, districtwide absences averaged ten percentage points higher than usual during the operation.²
- South Portland Schools recorded a 25-30% average absence rate during the operation, but did not provide a baseline pre-operation absence rate.³

- Westbrook schools saw absences 5% above the baseline rate during the operation.⁴
- Biddeford schools have not reported their absence rate; for this analysis MECEP assumed their rate of absences was equivalent to Portland's.

Notes

¹ Emily Duggan, "Lewiston schools see rise in absences during ICE operation, superintendent says." *Sun Journal*. Feb 4, 2026. <https://www.sunjournal.com/2026/02/03/lewiston-schools-see-rise-in-absences-during-ice-operation-superintendent-says/>

² Riley Board, "Maine schools react to increased ICE enforcement." *Portland Press Herald*. Jan 27, 2026. <https://www.pressherald.com/2026/01/27/we-will-need-to-continue-to-rely-on-each-other-maine-schools-react-to-increased-ice-enforcement-2/>

³ Chris Costa, "During ICE operation in Maine, at least 25% of kids in one school district were absent on any given day, mayor says." *News Center Maine*. Jan 29, 2029. <https://www.newscentermaine.com/article/news/local/ice-operation-in-maine-kids-school-district-absent-on-any-given-day-mayor-federal-immigration-enforcement-agents/97-0bfd9ad4-d662-4465-bb7f-376a4576fce>

⁴ Riley Board, "Maine schools react to increased ICE enforcement." *Portland Press Herald*. Jan 27, 2026. <https://www.pressherald.com/2026/01/27/we-will-need-to-continue-to-rely-on-each-other-maine-schools-react-to-increased-ice-enforcement-2/>