Consensus Revenue Agreement
Executive Summary
May 16, 2025

Economic and Revenue Forecasts
Fiscal Years 2025, 2026 and 2027

Principals

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Table 1
Consensus Economic Forecast

May 2025

	Calendar 2024 Actual	Percent Change from Prior Year	Calendar 2025 Forecast	Percent Change from Prior Year	Calendar 2026 Forecast	Percent Change from Prior Year	Calendar 2027 Forecast	Percent Change from Prior Year
United States								
Real Gross Domestic Product (Billions of Chained 2017 Dollars)	$23,305	2.8%	$23,561	1.1%	$23,844	1.2%	$24,297	1.9%
Implicit Price Deflator GDP (2017 = 100)	125.2	2.4%	129.0	3.0%	133.1	3.2%	136.6	2.6%
Consumer Price Index (1982-84 = 100)	313.689	2.9%	323.731	3.2%	335.600	3.7%	345.673	3.0%
Consumer Price Index - Fiscal Year (1982-84 = 100)	311.581	3.1%	320.735	2.9%	332.873	3.8%	343.223	3.1%
Personal Consumption Deflator (2012 = 100)	123.5	2.5%	126.7	2.6%	130.4	2.9%	133.6	2.5%
3-month Treasury Bills Interest Rate (percent)	5.0		4.1		3.6		3.4	
Unemployment Rate - Civilian (percent)	4.0		4.5		5.1		5.0	
Wage and Salary Employment (millions)	157.959	1.3%	159.381	0.9%	159.859	0.3%	160.818	0.6%
Housing Starts (millions of starts)	1.364	-3.9%	1.356	-0.6%	1.353	-0.2%	1.390	2.7%
Light Vehicle Sales (millions of units)	15.8	1.9%	15.6	-1.3%	15.1	-3.2%	15.2	0.7%
Passenger Car Sales (millions of units)	3.0	-4.7%	2.7	-9.1%	2.5	-7.4%	2.5	0.0%
Light Truck Sales (millions of units)	12.8	3.6%	12.9	0.5%	12.6	-2.3%	12.7	0.8%
Big 3 Share of Light Vehicles (percent)	34.2		33.4		33.4		32.5	
Michigan								
Wage and Salary Employment (thousands)	4,478	0.6%	4,500	0.5%	4,509	0.2%	4,518	0.2%
Unemployment Rate (percent)	4.7		5.6		6.1		6.0	
Personal Income (millions of dollars)	$641,085	4.5%	$664,164	3.6%	$688,074	3.6%	$713,533	3.7%
Real Personal Income (millions of 1982-84 dollars)	$219,284	1.4%	$222,176	1.3%	$221,985	-0.1%	$223,490	0.7%
Wages and Salaries (millions of dollars)	$308,714	4.2%	$317,975	3.0%	$327,515	3.0%	$337,668	3.1%
Detroit CPI (1982-84 = 100)	292.354	3.0%	298.936	2.3%	309.964	3.7%	319.269	3.0%
Detroit CPI - Fiscal Year (1982-84 = 100)	289.914	3.2%	296.321	2.2%	307.370	3.7%	316.909	3.1%

Table 2

May 2025 Consensus Forecast

(millions)

Net Revenue Estimates

	FY 2025			FY 2026			FY 2027		
	Jan 2025 Consensus	May 2025 Consensus	Change From Consensus	Jan 2025 Consensus	May 2025 Consensus	Change From Consensus	Jan 2025 Consensus	May 2025 Consensus	Change From Consensus
Net GF-GP Revenue	$14,715.5	$14,493.9	($221.6)	$15,477.7	$15,114.6	($363.1)	$15,743.5	$15,343.7	($399.8)
Percent Growth	1.5%	-0.2%		5.2%	4.3%		1.7%	1.5%	
Dollar Growth		($33.2)			$620.7			$229.1	
Net SAF Revenue	$18,459.6	$18,545.2	$85.6	$18,891.5	$18,934.3	$42.8	$19,354.5	$19,398.6	$44.1
Percent Growth	2.1%	2.6%		2.3%	2.1%		2.5%	2.5%	
Dollar Growth		$470.7			$389.1			$464.4	
Combined	$33,175.1	$33,039.1	($136.0)	$34,369.2	$34,048.9	($320.3)	$35,098.0	$34,742.3	($355.7)
Percent Growth	1.8%	1.3%		3.6%	3.1%		2.1%	2.0%	
Dollar Growth		$437.5			$1,009.8			$693.5	

Revenue Limit Calculation

	FY 2024	FY 2025	FY 2026	FY 2027
Personal Income	$572,325	$613,719	$641,085	$664,164
Ratio	9.49%	9.49%	9.49%	9.49%
Revenue Limit	$54,313.6	$58,241.9	$60,839.0	$63,029.2
Revenue Subject to Limit	$44,601.0	$45,089.8	$46,194.9	$46,945.9
Amount Under (Over) Limit	**$9,712.6**	**$13,152.1**	**$14,644.1**	**$16,083.3**

Note: CY 2022 Personal Income is used for the FY 2024 revenue limit calculation, CY 2023 for FY 2025, CY 2024 for FY 2026, and CY 2025 for FY 2027.

Long Term Revenue Trend

	FY 2028	FY 2029
Net GF-GP Revenue	$15,926.5	$16,447.9
Growth	3.8%	3.3%
Net SAF Revenue	$19,956.9	$20,485.8
Growth	2.9%	2.7%
Combined GF-GP/SAF	$35,883.4	$36,933.7
Growth	3.3%	2.9%

Budget Stabilization Fund Calculation

FY 2025 Calculations	**NO PAY-IN OR PAY-OUT**
FY 2026 Calculations	**PAY-OUT UP TO $538.5 M**
FY 2027 Calculations	**NO PAY-IN OR PAY-OUT**

School Aid Index

	FY 2026	FY 2027
Revenue Adjustment Factor	**1.0246**	**1.0229**
Pupil Membership Factor	**1.0049**	**1.0056**
School Aid Index	**1.0296**	**1.0286**

Income Tax Rate Under MCL 206.51(1)

With publication of the Annual Comprehensive Financial Report, it has been determined by the State Treasurer, the Director of the Senate Fiscal Agency, and the Director of the House Fiscal Agency the income tax rate will remain at 4.25% as prescribed under MCL 206.51(1). For more detail, please see: https://www.michigan.gov/treasury/reference/taxpayer-notices/2025-tax-year-income-tax-rate-for-individuals-and-fiduciaries