Consensus Revenue Agreement
Executive Summary
January 16, 2026

Economic and Revenue Forecasts
Fiscal Years 2026, 2027 and 2028

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Table 1

Consensus Economic Forecast

January 2026

	Calendar 2025 Forecast	Percent Change from Prior Year	Calendar 2026 Forecast	Percent Change from Prior Year	Calendar 2027 Forecast	Percent Change from Prior Year	Calendar 2028 Forecast	Percent Change from Prior Year
United States								
Real Gross Domestic Product (Billions of Chained 2017 Dollars)	$23,794	2.1%	$24,318	2.2%	$24,780	1.9%	$25,276	2.0%
Implicit Price Deflator GDP (2017 = 100)	128.6	2.7%	132.3	2.9%	135.8	2.6%	139.2	2.5%
Consumer Price Index (1982-84 = 100)	322.141	2.7%	331.794	3.0%	341.673	3.0%	351.522	2.9%
Consumer Price Index - Fiscal Year (1982-84 = 100)	319.998	2.7%	329.224	2.9%	339.284	3.1%	349.090	2.9%
Personal Consumption Deflator (2012 = 100)	126.7	2.6%	130.3	2.8%	133.5	2.5%	136.9	2.5%
3-month Treasury Bills Interest Rate (percent)	4.0		3.2		2.9		2.8	
Unemployment Rate - Civilian (percent)	4.3		4.8		4.8		4.8	
Wage and Salary Employment (millions)	159.391	0.9%	159.869	0.3%	160.669	0.5%	161.633	0.6%
Housing Starts (millions of starts)	1.352	-0.9%	1.315	-2.7%	1.334	1.4%	1.371	2.8%
Light Vehicle Sales (millions of units)	16.2	2.2%	15.6	-3.7%	15.8	1.3%	16.0	1.1%
Passenger Car Sales (millions of units)	2.8	-7.7%	2.6	-7.3%	2.6	0.4%	2.6	1.7%
Light Truck Sales (millions of units)	13.4	4.5%	13.0	-3.0%	13.2	1.5%	13.4	0.9%
Big 3 Share of Light Vehicles (percent)	35.1		35.4		34.8		34.1	
Michigan								
Wage and Salary Employment (thousands)	4,523	0.8%	4,523	0.0%	4,537	0.3%	4,550	0.3%
Unemployment Rate (percent)	5.3		5.5		5.5		5.6	
Personal Income (millions of dollars)	$672,972	4.2%	$695,180	3.3%	$720,207	3.6%	$746,855	3.7%
Real Personal Income (millions of 1982-84 dollars)	$225,952	2.3%	$225,836	-0.1%	$227,177	0.6%	$228,703	0.7%
Wages and Salaries (millions of dollars)	$321,951	3.8%	$331,931	3.1%	$342,885	3.3%	$354,886	3.5%
Detroit CPI (1982-84 = 100)	297.838	1.9%	307.825	3.4%	317.024	3.0%	326.561	3.0%
Detroit CPI - Fiscal Year (1982-84 = 100)	295.933	2.1%	305.255	3.2%	314.779	3.1%	324.290	3.0%

Table 2

January 2026 Consensus Forecast

(millions)

Net Revenue Estimates

	FY 2025	FY 2026			FY 2027			FY 2028
	Preliminary	May 2025 Consensus	Jan 2026 Consensus	Change From Consensus	May 2025 Consensus	Jan 2026 Consensus	Change From Consensus	Jan 2026 Consensus
Net GF-GP Revenue	$14,475.8	$15,114.6	$14,134.1	($980.5)	$15,343.7	$14,074.6	($1,269.1)	$14,484.2
Percent Growth	-0.4%	4.3%	-2.4%		1.5%	-0.4%		2.9%
Dollar Growth	($51.2)		($341.7)			($59.5)		$409.6
Net SAF Revenue	$18,713.3	$18,934.3	$19,135.4	$201.1	$19,398.6	$19,568.3	$169.7	$19,965.7
Percent Growth	3.5%	2.1%	2.3%		2.5%	2.3%		2.0%
Dollar Growth	$638.8		$422.1			$432.9		$397.4
Combined	$33,189.1	$34,048.9	$33,269.5	($779.4)	$34,742.3	$33,642.9	($1,099.4)	$34,449.9
Percent Growth	1.8%	3.1%	0.2%		2.0%	1.1%		2.4%
Dollar Growth	$587.5		$80.4			$373.4		$807.0

Revenue Limit Calculation

	FY 2025	FY 2026	FY 2027	FY 2028
Personal Income	$613,719	$645,847	$672,972	$695,180
Ratio	9.49%	9.49%	9.49%	9.49%
Revenue Limit	$58,241.9	$61,290.9	$63,865.0	$65,972.6
Revenue Subject to Limit	$46,876.0	$48,504.8	$49,657.8	$50,955.3
Amount Under (Over) Limit	**$11,365.9**	**$12,786.1**	**$14,207.3**	**$15,017.3**

Note: CY 2023 Personal Income is used for the FY 2025 revenue limit calculation, CY 2024 for FY 2026, CY 2025 for FY 2027, and CY 2026 for FY 2028.

Long Term Revenue Trend

	FY 2029	FY 2030
Net GF-GP Revenue	$14,844.9	$15,186.8
Growth	2.5%	2.3%
Net SAF Revenue	$20,459.1	$20,974.4
Growth	2.5%	2.5%
Combined GF-GP/SAF	$35,304.0	$36,161.2
Growth	2.5%	2.4%

Budget Stabilization Fund Calculation

FY 2026 Calculations	**PAY-OUT UP TO $538.7 M**
FY 2027 Calculations	**NO PAY-IN OR PAY-OUT**
FY 2028 Calculations	**NO PAY-IN OR PAY-OUT**

School Aid Index

	FY 2027	FY 202
Revenue Adjustment Factor	**1.0234**	**1.0218**
Pupil Membership Factor	**1.0074**	**1.0078**
School Aid Index	**1.0310**	**1.0298**

Income Tax Rate Under MCL 206.51(1)*

*As of the January 2026 Consensus Revenue Estimating Conference, the Annual Comprehensive Financial Report has not been published. A determination of the comparison between capped GF/GP revenue and actual revenue can not yet be made as prescribed under MCL 206.51(1). The determination calculation and rate determination will be made after publication of the ACFR.