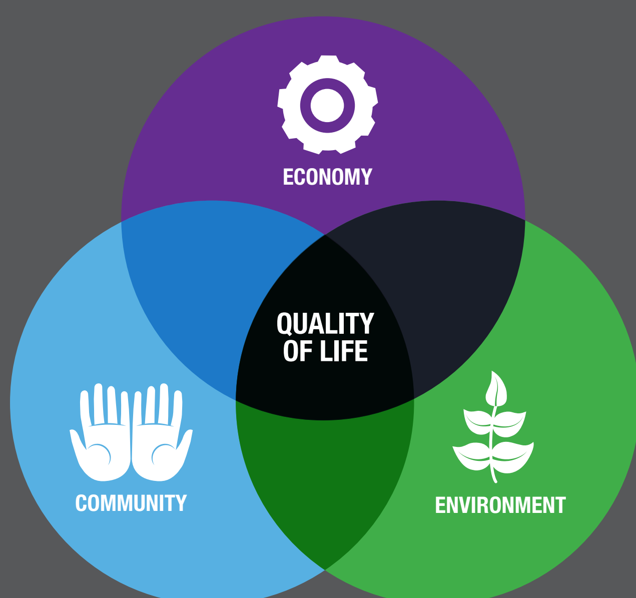
MEASURES OF GROWTH+

Performance Measures and Benchmarks to Achieve a Vibrant and Sustainable Economy for Maine

2019

EXECUTIVE SUMMARY



25TH REPORT OF THE MEGC

MEGC
Maine Economic Growth Council

Administered by mdf

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Executive Summary

FUNDAMENTAL PERFORMANCE INDICATORS

1. Gross Domestic Product **pg 3**
Maine's Gross Domestic Product grew by 1.9% from 2016 to 2017, from $54.6 to $55.6 billion. GDP growth in Maine trailed the national average of 2.2% and surpassed the New England rate of 1.4%.

2. Per Capita Personal Income **pg 4**
From 2016 to 2017, per capita income in Maine grew by 3.7% to $46,455. Income grew in Maine at nearly the same rate as the U.S. and New England averages and slightly better than the EPSCoR average growth of 3.0%.

3. Value Added per Worker **pg 5**
Value added per worker in Maine increased from $94,017 in 2016 to $96,729 in 2017. Worker productivity in Maine has been about 25% lower than the U.S. average for the past seven years.

4. Employment **pg 6**
Maine total employment exceeded the pre-recession level for the first time in 2017, and another 4,500 jobs were added in 2018 for a total of 628,500 jobs.

5. Poverty **pg 7**
Poverty in Maine dropped from 12.3% to 11.3% in 2017, below the pre-recession level of 12.2% in 2007. The national and New England poverty rates are still slightly above their pre-recession rates.

ECONOMY

Business Innovation

6. Research and Development Expenditures **pg 9**
In 2016, Maine's total spending on R&D was approximately $483 million, down from $508 million in 2015 and $757 million in 2009, the high point of the past decade. R&D spending in Maine represents 0.8% of total GDP, which ranks 45th of the 50 states.

7. International Exports **pg 10**
After declining from 2016 to 2017, Maine exports increased by 4.2% from 2017 to 2018, while U.S. exports increased by 7.6%.

8. Broadband Connectivity **pg 11**
While 90% of Mainers are served by basic broadband—close to the national rate of 92%—only 30% have broadband subscriptions, compared with 53% nationally. About one in ten Mainers (11%) subscribe to high-speed broadband, compared with 44% nationwide.

9. Entrepreneurship **pg 12**
Maine jumped from a 50-state ranking of 37th on the early stage entrepreneurship index in 2016 to 6th in 2017. Maine's strong 2017 performance was driven by the highest first-year survival rate in the country, 88%.

Skilled and Educated Workers

10. Fourth Grade Reading Scores **pg 13**
In 2017, 36% of Maine 4th graders were proficient in reading, equal to the national average and trailing the New England average by seven points.

11. Eighth Grade Math Scores **pg 14**
The proportion of Maine 8th-graders proficient in math increased from 34% in 2007 to 40% in 2013 but has since fallen to 36% in 2017. Maine 8th grade math proficiency is two points above the national average but trails the New England rate by three percentage points.

12. Postsecondary Educational Attainment **pg 15**
Maine's postsecondary educational attainment improved from 40% in 2016 to 42% in 2017, just above the national average of 41%, but well below the New England average of 48%.

13. Working Age Population **pg 16**
Maine's working-age population percentage fell to 61% in 2017 from 61.5% in 2016 and 63.4% in 2010. In 2014, Maine's proportion of working-age population fell below the U.S. average, which now stands at 61.8%.

Business Climate

14. Cost of Doing Business **pg 17**
Maine's cost of doing business index value has been stable at 110 since 2012. In 2017, Maine's cost of doing business index ranked 8th highest in the U.S., up from 10th in 2015.

15. Cost of Health Care **pg 18**
In 2017, health care spending in Maine stood at 17.8% of all personal expenditures, above the 2007 rate of 16.3%, but at a stable level since 2015. Health care spending in New England dropped below the national average of 17.1%, and stood at 16.8%, a full percentage point below the Maine rate.

PDF available for download at mdf.org

Business Climate

16. Cost of Energy pg 19

The industrial price of electricity in Maine declined slightly from 9.2 to 9.06 cents per kilowatt hour from 2017 to 2018, while the average New England price increased from 12.54 to 12.96 cents and the U.S. average increased from 6.88 to 6.93 cents.

17. State and Local Tax Burden pg 20

State and local tax burden is higher in Maine than the New England average, and has remained around 12% since 2009. Maine ranks 3rd highest of the 50 states in taxes as a percent of income and 14th highest in taxes paid per capita, about $5,200 in 2016.

18. Transportation Infrastructure pg 21

In 2017, two-thirds (67%) of Maine's most-traveled highway miles were graded A, B or C, and 33% received grades of D or F. This was an improvement over 2016 but indicates a small decline since 2012.

COMMUNITY

Civic Assets

19. Safety (NEW) pg 23

Maine's crime rate in 2017, 16.3 per 1,000 residents, was 40% below the national rate of 27.5 and among the lowest of the 50 states.

20. Housing Affordability pg 24

Housing is more affordable in Maine than the national and Northeast averages. But after improving from 2007 to 2014, housing affordability in Maine has been declining slightly in each subsequent year.

21. Gender Income Disparity pg 25

After improving from 79% in 2014 and 2015 to 84% in 2016, women's income as a percentage of men's in Maine dropped to 82% in 2017.

Health and Wellness

22. Wellness and Prevention pg 26

Nearly two-thirds of Maine adults—65%—were overweight or obese in 2017. While Maine's rate has grown slightly from 63% in 2007, it decreased in both 2016 and 2017, and is now two points below the national average of 67%.

23. Health Insurance Coverage pg 27

In 2017, 91.9% of Mainers had health insurance, slightly above national average of 91.3%. An estimated 106,000 people in Maine do not have health insurance coverage.

24. Food Security pg 28

14.4% of Maine households were food insecure in 2017, a substantial decline from 16.4% in 2016. Food insecurity in Maine is well above the U.S. (12.3%) and New England (11.4%) averages.

ENVIRONMENT

Environmental Quality

25. Air Quality pg 30

In 2018, there were 29 moderate air quality days and 3 days were rated unhealthy for sensitive groups, the lowest figures to date.

26. Water Quality pg 31

Since 2006, Maine's water quality has remained steady and well above national averages, with 95% of rivers and streams and 91% of lakes achieving category 1 or 2 ("good") in 2016.

27. Sustainable Forest Lands pg 32

Since 2010, Maine has maintained net forest growth to removals ratios slightly in favor of growth over harvest. The growth to harvest ratio rose slightly from 1.43 in 2016 to 1.47 in 2017.

Exceptional Performance
Very high national standing and/or established trend toward significant improvement.

Needs Attention
Very low national standing and/or established trend toward significant decline. The indicator may show improvement but is still viewed as needing attention.

Movement toward the benchmark since the last available data.

No significant movement relative to the benchmark since the last available data.

Movement away from the benchmark since the last available data.

VISION: A HIGH QUALITY OF LIFE FOR ALL MAINE PEOPLE

We are pleased to present the *2019 Measures of Growth Report*. The report offers a nonpartisan, data-based snapshot of where Maine sits relative to other states and the U.S. as a whole. It is a resource for policy and decision makers at all levels, helping them to focus their efforts and understand the connections between and among the major issues affecting Maine's economy and the well-being of Maine people. This year, it is also an urgent call to action. It is not enough only to measure our standing; it is time for Maine to develop a strategy for long-term economic growth and a high quality of life for Maine people.

In total, the report tracks 27 indicators that represent Maine's assets, including the health of our environment and the relative safety of our communities, and areas of persistent challenge, including workforce development, investment in research and development to support innovation, maintaining our transportation infrastructure, and health care costs.

BACKGROUND

The Maine Economic Growth Council was established by statute in 1993 to develop, maintain, and evaluate a long-term economic plan for Maine. Its members represent a broad and diverse cross-section of Maine's key constituencies. Members are jointly appointed by the Governor, Senate President, and Speaker of the House. The annual Measures of Growth report is a widely used and respected report on Maine's economy. The report has been revised from time to time to provide the most current and meaningful assessment of Maine's progress toward long-term economic growth and a high quality of life for all Maine people. The Maine Economic Growth Council is administered by the Maine Development Foundation (MDF), a private, non-partisan membership organization created in statute in 1977 that drives sustainable, long-term economic growth for Maine. The work of the Growth Council is financed by a state appropriation through the Maine Department of Economic and Community Development, with additional support provided by the membership of MDF.

MAINE ECONOMIC GROWTH COUNCIL MEMBERS 2019

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House District 147

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Tim Walton
Walton External Affairs

Hon. Dale Denno**
State Representative
House District 45

**The Council has not yet named its other co-chair for 2019*

***State Representative Dale Denno, House District 45, participated in deliberations prior to his March 27 resignation for health reasons*

MEGC Maine Economic Growth Council

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