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MEASURES OF GROWTH IN FOCUS 2010

Executive Data Summary

In this 16th edition of the *Measures of Growth* report, twenty-four indicators were chosen to give the reader a comprehensive picture of the Maine economy. Since the previous year's report, six indicators moved away from their benchmarks, twelve indicators moved closer to their benchmarks, and six indicators made no movement either way in relation to their benchmarks.

Additionally, the Growth Council reset many of the indicator benchmarks. The Growth Council felt this was an appropriate time because some of the benchmarks are approaching their target dates and with the lasting effects of the most recent recession, it is important to reassess the targets as we plan for the future.

Two indicators were assigned gold stars in this year's report meaning that the Growth Council felt they exhibited exceptional performance in moving toward their benchmarks. They are: Per Capita Personal Income and Health Insurance Coverage.

Four indicators were assigned red flags in this year's report meaning that the Growth Council felt they need particular attention in order to improve. They are: Research and Development Expenditures, Higher Degree Attainment, Cost of Health Care, and Cost of Energy.

1. **Per Capita Personal Income:** Maine's national rank among the 50 states on per capita income will reach 25th by 2015

- Maine's 2008 per capita personal income was \$36,457
- Maine's 2008 per capita personal income was 90.7% of U.S. per capita personal income
- Maine's national rank improved from 33 to 30
- 2008 rankings of other New England states: CT(1), MA(3), NH(10), RI(16), and VT(24)
- **Moved toward benchmark and received gold star**

2. **Gross Domestic Product:** Maine's Gross Domestic Product growth will outpace New England and U.S. growth

- Maine GDP experienced 1.4% of real (inflation adjusted) growth between 2007-2008
- New England and the U.S. GDP experienced 1.0% and 0.7% of real growth, respectively for that same time
- Maine GDP experienced 8% of real growth between 2003-2008
- New England and the U.S. GDP experienced 10.5% and 12.7% of real growth, respectively for that same time
- Real Estate, Government, and Manufacturing sectors accounted for 39% of Maine GDP in 2008
- **Moved toward benchmark**

3. **Employment:** Employment measured by the number of total jobs will increase each year

- Total Maine employment decreased by 1,800 jobs or 0.3% between 2007-2008
- Three individual sectors experienced growth: Professional and Business Services (3.7%), Health Care and Social Assistance (1.6%), and Educational Services (0.5%)
- The three biggest individual sector losses include: Natural Resource and Mining (-7.4%), Construction (-5.2%), and Transportation, Warehousing and Utilities (-4.2%)
- **Did not move relative to benchmark**

4. Multiple Job Holding: Maine's multiple-job holding rate will decline to the U.S. rate

- Workers holding multiple jobs in Maine was 8.3% in 2008, an increase from 8.1% in 2007
- Workers holding multiple jobs in U.S. was 5.2% in 2008
- **Moved away from benchmark**

5. Maine Research and Development Expenditures as percent of GDP: Total research and development spending as a percent of GDP in Maine will increase to 3% by 2015

- Maine R&D expenditures were 1.0% of GDP in 2006, down from 1.2% in 2005
- EPSCoR states (1.4%), U.S. (2.6%), and New England (4.9%) in 2006
- Maine R&D share by sector: Industry 55%, Academia 29%, and Non-Profit 16%
- **Moved away from benchmark and received red flag**

6. International Exports: Maine's international exports will grow faster than U.S. international exports

- Maine exported almost \$2.5 billion in commodities in 2009 - a decrease of 18.5% from 2008
- U.S. exports decreased by 19.2% between 2008-2009
- Biggest consumers: Canada, Malaysia, Saudi Arabia, Mainland China, and Japan
- **Did not move relative to benchmark**

7. High Speed Internet Subscribers: Maine will reach the New England level of high speed internet subscribers by 2015

- **No update available at time of publication**
- Number of Maine subscribers per 1000 residents grew by 29% between 2006-2007
- Number of New England subscribers per 1000 residents grew by 41% between 2006-2007
- **Moved away from benchmark**

8. New Business Starts: Entrepreneurial activity in Maine will be greater than entrepreneurial activity in New England

- Entrepreneurial activity (businesses started by those who have not previously owned one) was higher than the U.S., New England, and EPSCoR states in 2008
- Jobs growth due to new Maine businesses outpaced total job growth in 2006
- Maine microbusinesses (five or fewer employees) grew by 3% from 2006-2007 and accounted for 22% of total employment in Maine
- **Moved toward benchmark**

9. Manufacturing Productivity: The value added per manufacturing worker in Maine will increase to within 15% of the value added per manufacturing worker in the U.S. by 2015

- Maine workers produced on average \$93,345 of product in 2008, a 6% increase from 2007
- U.S. workers produced on average \$121,923 of product in 2008, a 4.7% increase from 2007
- **Moved toward benchmark**

10. Higher Degree Attainment: The percentage of Maine residents age 25 and over with a higher education degree will increase to at least the New England average by 2020

- In 2008 34.4% held a higher degree in Maine, 42.9% in New England and 35.2% in the U.S.
- This indicator has not changed much since 2000 and Maine is not closing the gap with New England
- **Moved away from benchmark and received red flag**

11. Cost of Doing Business: The cost of doing business in Maine will decrease to the U.S. average by 2015

- Maine Economy.com index at 108.8 (100 = U.S. average) in 2007 – a decrease from 109.2 in 2006 (improvement)
- Economy.com index ranks Massachusetts (2), New Hampshire (6) and Connecticut (7) – all worse than Maine (8) in 2007
- **Moved toward the benchmark**

12. Cost of Health Care: The growth in the price of medical care in New England will be equal to or less than the growth in personal income in Maine

- New England medical CPI grew 4% from 2007-2008; 400% from 1984-2008
- Maine income grew by 4% from 2007-2008; 257% from 1984-2008
- **Moved away from benchmark and received red flag**

13. Cost of Energy: Maine's cost of electricity will decrease to the U.S. average by 2015

- Maine retail price of electricity (all sectors) \$42.77/million Btu in 2007
- US retail price of electricity (all sectors) \$26.84/million Btu in 2007
- Maine's cost of retail electricity 59% higher than US average in 2007
- **Moved away from benchmark and received a red flag**

14. State and Local Tax Burden: Maine's tax burden will decline and move toward the New England average each year through 2010

- Maine state and local tax burden in 2007 was 12.7% as measured by the U.S. Census or 10.3% as measured by the Tax Foundation
- New England state and local tax burden in 2007 was 12.7% as measured by the U.S. Census or 10.3% as measured by the Tax Foundation
- Maine's national tax burden ranking in 2007 was 6 (U.S. Census) or 14 (Tax Foundation)
- Maine's per capita tax in 2007 was \$4,280 ranking 14 in the nation according to the U.S. Census and \$3,836 ranking 21 according to the Tax Foundation
- **Moved toward the benchmark**

15. Transportation Infrastructure: Maine's roadway deficiency index will decline each year to the New England index

- Index at 80 for ME – no improvement from previous year
- New England worsens to 54.7
- **Did not move relative to benchmark**

16. On-the-Job Injuries: Maine's reported on-the-job injury rate will move closer to the U.S. rate each year through 2015

- Maine went from 6.4 to 6.0 per 100 workers between 2007-2008
- U.S. goes from 4.2 to 3.9 per 100 workers between 2007-2008
- **Did not move relative to benchmark**

17. Affordable Housing: The housing affordability index in Maine will reach 1 by 2015

- Maine's housing affordability index was at 0.81 in 2008 (affordable = or > 1), improved from 0.77 in 2007
- U.S. index was at 0.86, New England was at 0.78 in 2007
- Affordability varies widely by county – southern and coastal counties less affordable than in-land and northern counties
- **Moved toward the benchmark**

18. Poverty: Maine's poverty rate will decline and remain below the U.S. through 2015

- Maine had a slight decline from 11.2% to 11.0% between 2007-2008 (rolling 3-year average)
- U.S. poverty rate steady at 12.7% in 2008 (rolling 3-year average)
- New England poverty rate steady at 10.0% in 2008 (rolling 3-year average)
- Maine and U.S. 200% poverty rate at approximately 30% in 2008
- Poverty rate varies widely by county – Washington at 20.1% and York at 9.4% in 2008
- Maine child poverty rate ages 0-5 at 21.8% and 16.5% for all children under 18 in 2008
- **Moved toward benchmark**

19. Gender Income Disparity: The median annual income of women working full-time will improve to 100 percent of the median annual income of men working full-time by 2015

- Maine's median annual income for women was \$32,651 compared to \$41,008 for men in 2008
- This represents an earning-ratio of 79.6%, and improvement from 75.6% in 2007
- By occupation disparity varies
- **Moved toward the benchmark**

20. Chronic Disease: The death rates per 100,000 people in Maine attributed to cardiovascular diseases, cancer, and diabetes will continually decline

- Death rate (per 100,000 people) for cardiovascular disease decreased by 3%, death rates (per 100,000 people) for cancer decreased by 2.1% and death rates (per 100,000 people) for diabetes decreased by 6.7% from 2007 to 2008
- From 1990 to 2008 death rates (per 100,000 people) for cardiovascular disease, all cancers, and diabetes decreased by 35%, 17% and 10% respectively in Maine
- **Moved toward benchmark**

21. Health Insurance Coverage: The percentage of Maine's population with health insurance coverage will continually rise and remain above the U.S. rate

- 90.5% of Maine population covered by health insurance in 2008
- 84.5% of U.S. population covered by health insurance in 2008
- Maine coverage in 2008: 50% employer, 4% direct purchase, 20% MaineCare, 14% Medicare, 2% Other Public, and 10% uninsured
- **Did not move relative to benchmark and received a gold star**

22. Conservation Lands: The amount of Maine conservation land intended for public use will increase from 1,300,710 acres in 2000 to 1,800,000 acres by 2010

- Maine land in conservation increased by 61,587 acres between 2008-2009
- **Moved toward the benchmark**

23. Sustainable Forest Lands: The balance of net growth to removals will be maintained over time near a 1:1 net growth to removals ratio

- **No update available at time of publication**
- Net growth to removal ratio at 1.14 and remains in the desired zone in 2006
- **Moved toward the benchmark**

24. Population of Service Center Communities: The percentage of Maine people who reside in service center municipalities will reach 50 percent by 2010

- Percentage of Maine people in service center remains unchanged at 48.2% in 2008
- **Did not move relative to benchmark**