

## **Maine's Investment Imperative II: Unleashing the Potential**

### **Executive Summary**

*"The ultimate source of growth is economic risk-taking in the private sector, that is, investing and entrepreneurship. These crucial activities drive innovation, invention, efficiency, and productivity in our economy. While consumers ultimately decide what flies and what does not, the entrepreneurs, innovators and investors will invest the capital – including sweat equity – and offer ideas that launch and build businesses, create new jobs, and grow the economy."*

Small Business and Entrepreneurship Council, Small Business Survival Index 2008: Ranking the Policy Environment for Entrepreneurship Across the Nation

### **Unleashing the Human and Economic Potential**

Maine faces demographic and economic challenges. Maine's population is growing older, slowly, unevenly, and at a high cost. Maine's economy, despite improvements over the last few decades, still lags the nation in productivity and wages. Collectively, Maine workers have fewer quality job opportunities and in many cases must make do on less.

It is essential that we address these challenges and turn this situation around. The following are a number of demographic and economic imperatives which we must commit to achieving in order for Maine to succeed.

#### Demographic Imperatives:

1. Bring every Maine person to their highest potential
2. Improve the health of every Maine person
3. Fully engage older experienced Mainers in the workforce
4. Provide young people with a meaningful economic and community experience so that they choose to live, work and play in Maine
5. Welcome and embrace all newcomers from other states and countries and fully integrate them into the rich fabric of Maine
6. Preserve and use Maine's many natural and built assets to attract people to the state

#### Economic Imperatives:

1. Increase productivity across all economic sectors
2. Strengthen Maine's manufacturing base
3. Align higher education and training with job needs
4. Embrace innovation and entrepreneurship as an economic growth strategy

Ultimately, we must improve our “productivity” both in terms of human capital and in terms of economic output. Productive people can achieve their highest educational potential and are engaged in the economy and their communities. Improved economic productivity makes us more competitive in the market and leads to wealth creation, job creation and better earnings for Maine workers. When this happens, we will realize the vision that we seek, “a high quality of life for all Maine people.”

The strategy to make this happen is investment. The private sector must invest in Maine to grow business, jobs and opportunities. In order for that to happen, the public sector must help create an environment conducive to investment and focus its limited resources on strategically investing in firming up our economic foundation.

## **Unleashing the Investment Potential**

Hundreds of experts and over 1,000 Maine business leaders have identified the following economic issue areas as key to creating an environment where Maine businesses will invest and, in turn, improve productivity. The nine economic issue areas are listed in order of priority based upon survey results. Each section includes detailed recommendations designed to improve the investment environment in Maine:

### Health Care

1. *Fund improvements to the current health care system that lead to cost reduction*
2. *Invest in preventive care and promotion of healthy behaviors to improve the health and productivity of Maine children and adults while lowering costs*
3. *Provide affordable insurance options for individuals and businesses*

### Energy

1. *Lower the burden of high energy costs in the near term*
2. *Develop new sources of energy to lower reliance on oil, to protect against price volatility, and to provide new jobs*
3. *Invest in technology and infrastructure upgrades*

### Tax and Fiscal

1. *Reduce tax rates and adjust structures that are disincentives to investment or residency*
2. *Reform tax system to protect against volatility in the larger economy*
3. *Lower the property tax burden*

### Regulatory

1. *Provide more information and assistance to businesses navigating the regulatory environment*

2. *Improve the often contentious relationship between regulatory bodies and businesses*
3. *Establish the regulatory climate as a priority issue with Executive and Legislative leadership and hold all parties accountable for improvement*
4. *Streamline the regulatory framework to ensure expedience, clarity, and consistency*

#### Education

1. *Create an overarching vision for education and set specific outcome goals*
2. *Develop Executive and Legislative Branch structures that work together to hold all accountable for successfully meeting the goals and moving towards the vision*
3. *Ensure successful, seamless transition across the individual educational systems to move all Maine people along the continuum of educational offerings*

#### Innovation

1. *Commit to necessary funding levels for innovation statewide*
2. *Provide support for entrepreneurs and small businesses*
3. *Teach innovation and entrepreneurship statewide*

#### Transportation

1. *Increase funding and identify new funding sources*
2. *Improve existing infrastructure*
3. *Invest in and expand multi-modal*

#### Broadband

1. *Fill broadband gaps to allow for greater business activity statewide*
2. *Strengthen connections between institutions and within economic sectors*
3. *Anticipate and identify the next wave of technology*
4. *Explore opportunities to lower costs and increase the subscribership rate*

#### Quality of Place

1. *Continue and expand upon regional, asset-based economic development initiatives*
2. *Preserve open space, natural amenities, and working landscapes*
3. *Limit sprawl and invest in existing downtowns and business districts*

## Conclusion

We can realize the vision of “a high quality of life for all Maine people.” Increasing productivity is the key and investment is the means of getting there. We need to invest in people, capital and ideas. These investments must happen in the private sector. The public sector needs to make sure that the foundation is set and that the environment is conducive to these investments. This is achievable. Maine must chart a course, make the commitment, lead the way, and stick to our plan.