

# **Finding Opportunities in Our Economic Challenges**

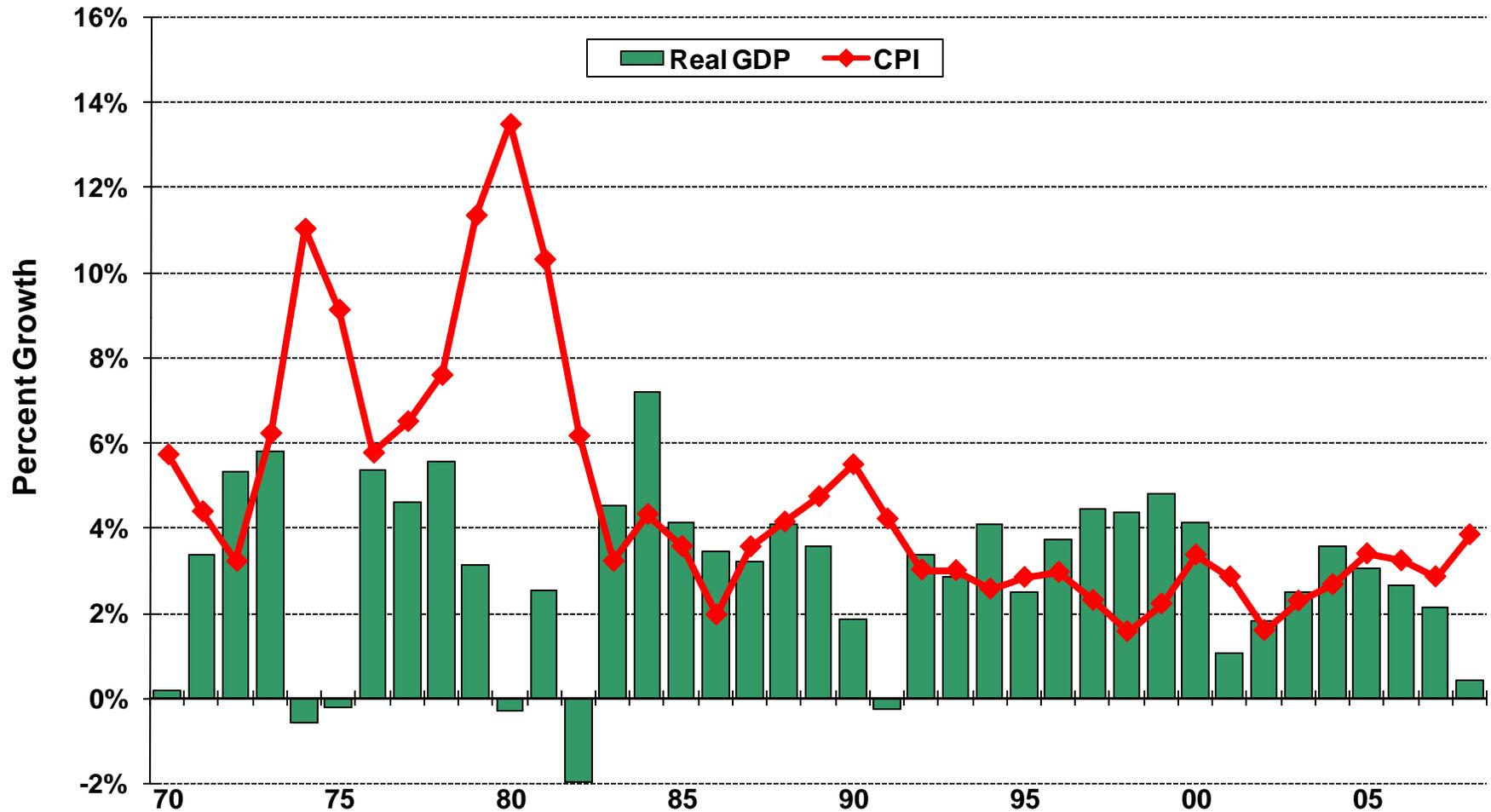
**Presentation to:**

**Maine School Management Association  
Annual Conference**

**October 22, 2009**

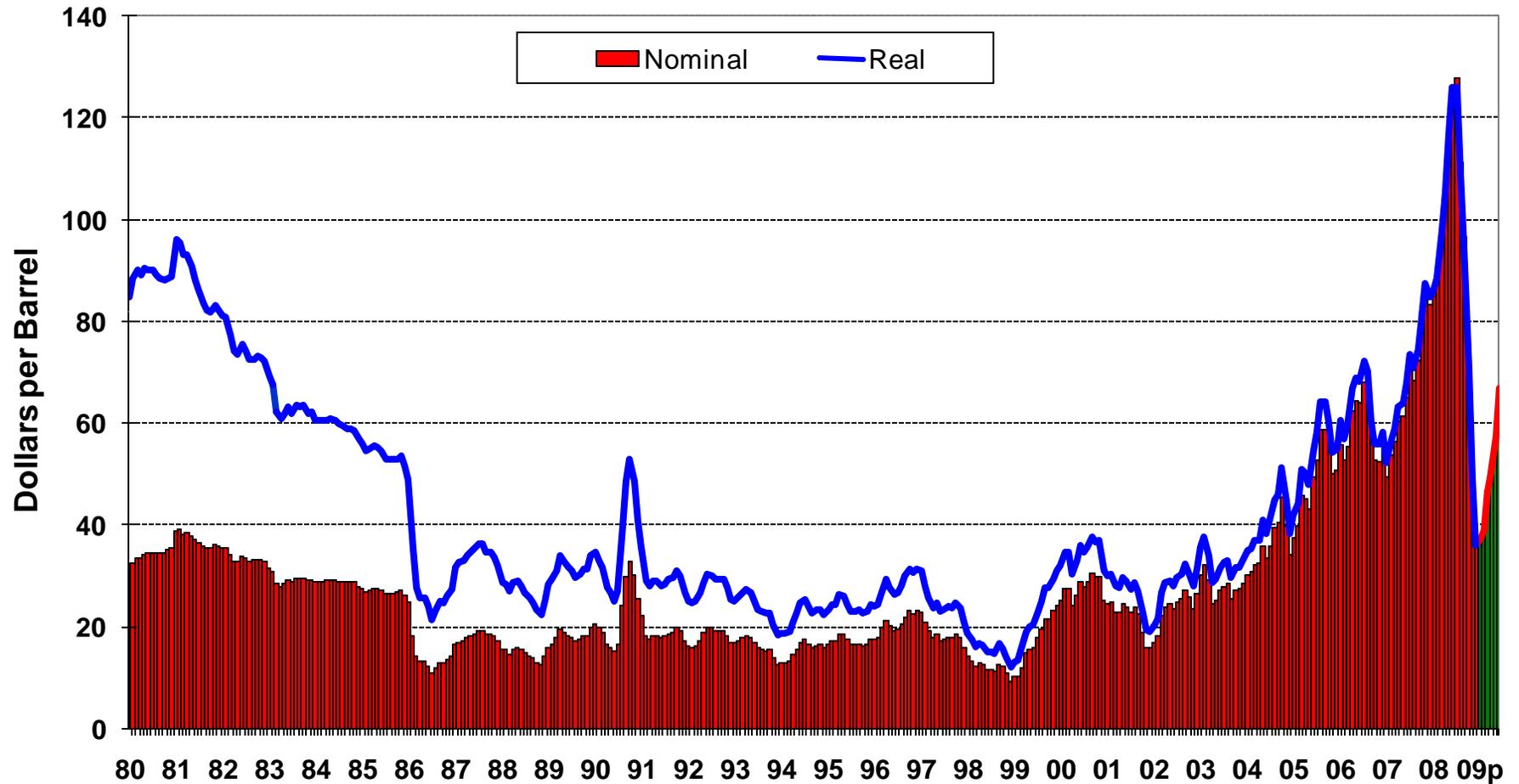
Laurie Lachance  
President, MDF

## US Real Gross Domestic Product and Consumer Price Index 1970-2008



Source: Bureau of Economic Analysis, Bureau of Labor Statistics.

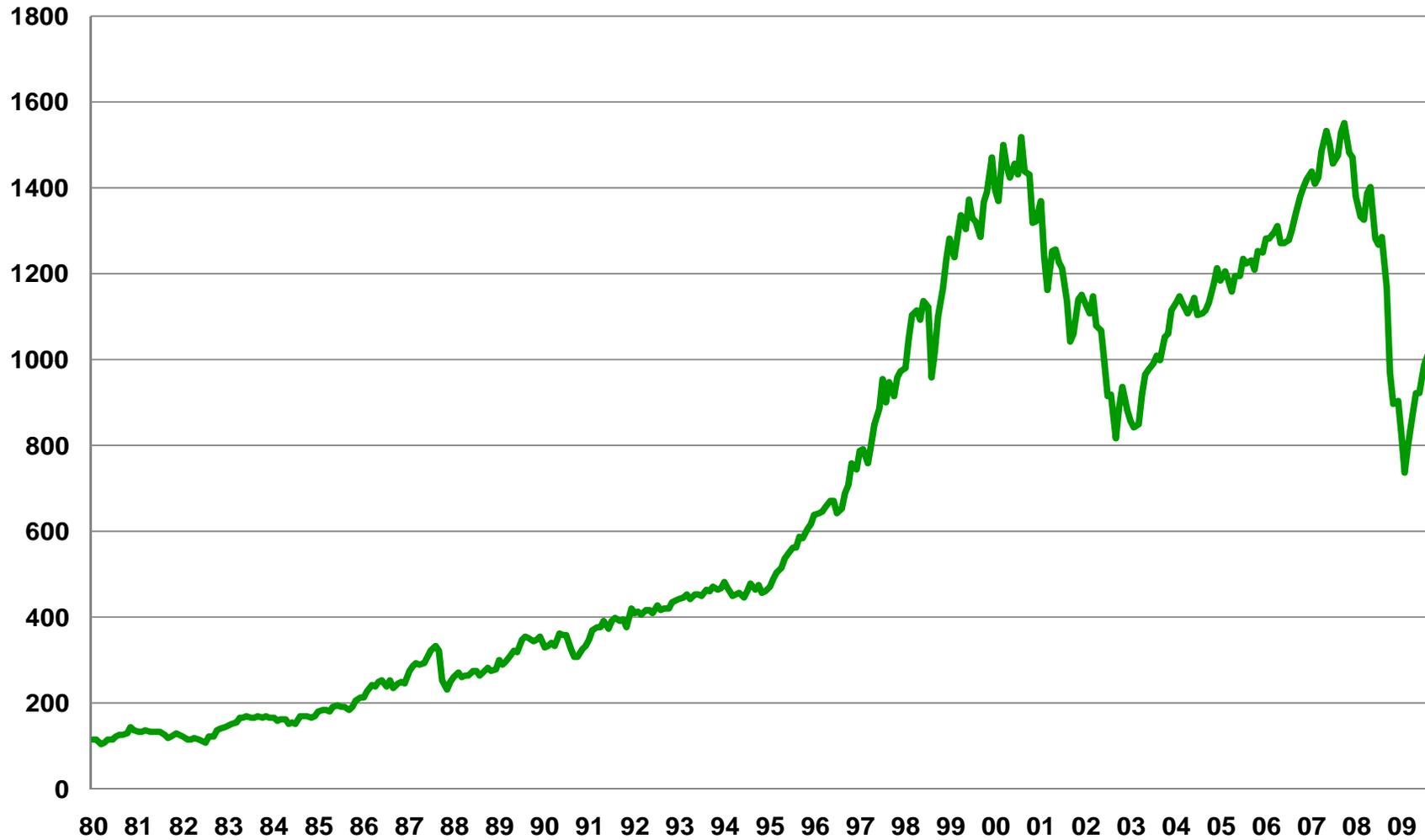
## Crude Oil Prices U.S. Average Real<sup>1</sup> and Nominal Prices Monthly, January 1980-June 2009



<sup>1</sup> In chained (2009) dollars, calculated by using gross domestic product implicit price deflators. 2009 data points are projections.

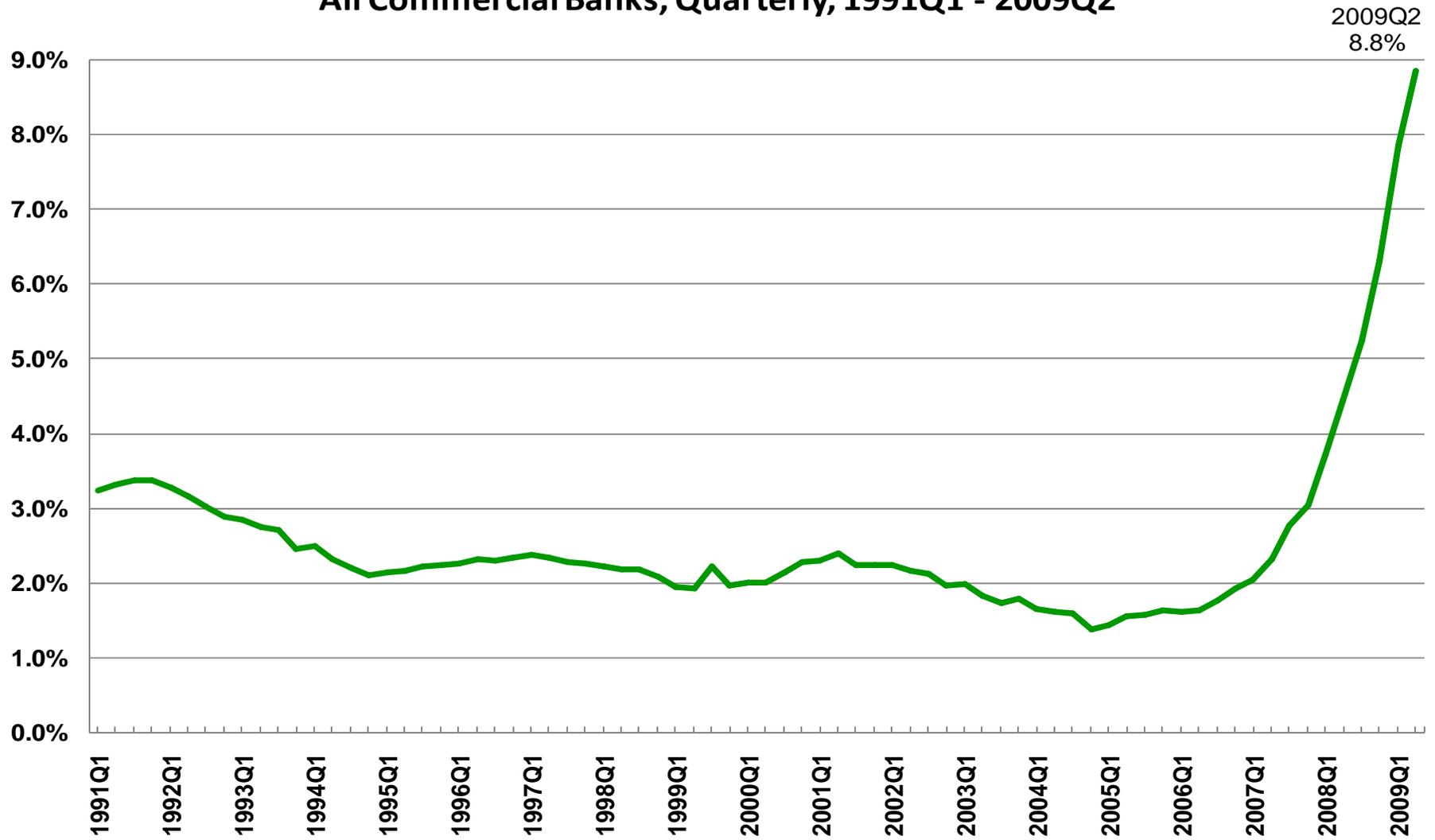
Source: Energy Information Administration..

## S&P 500 INDEX, Adjusted Closing Index Monthly, January 1980-August 2009



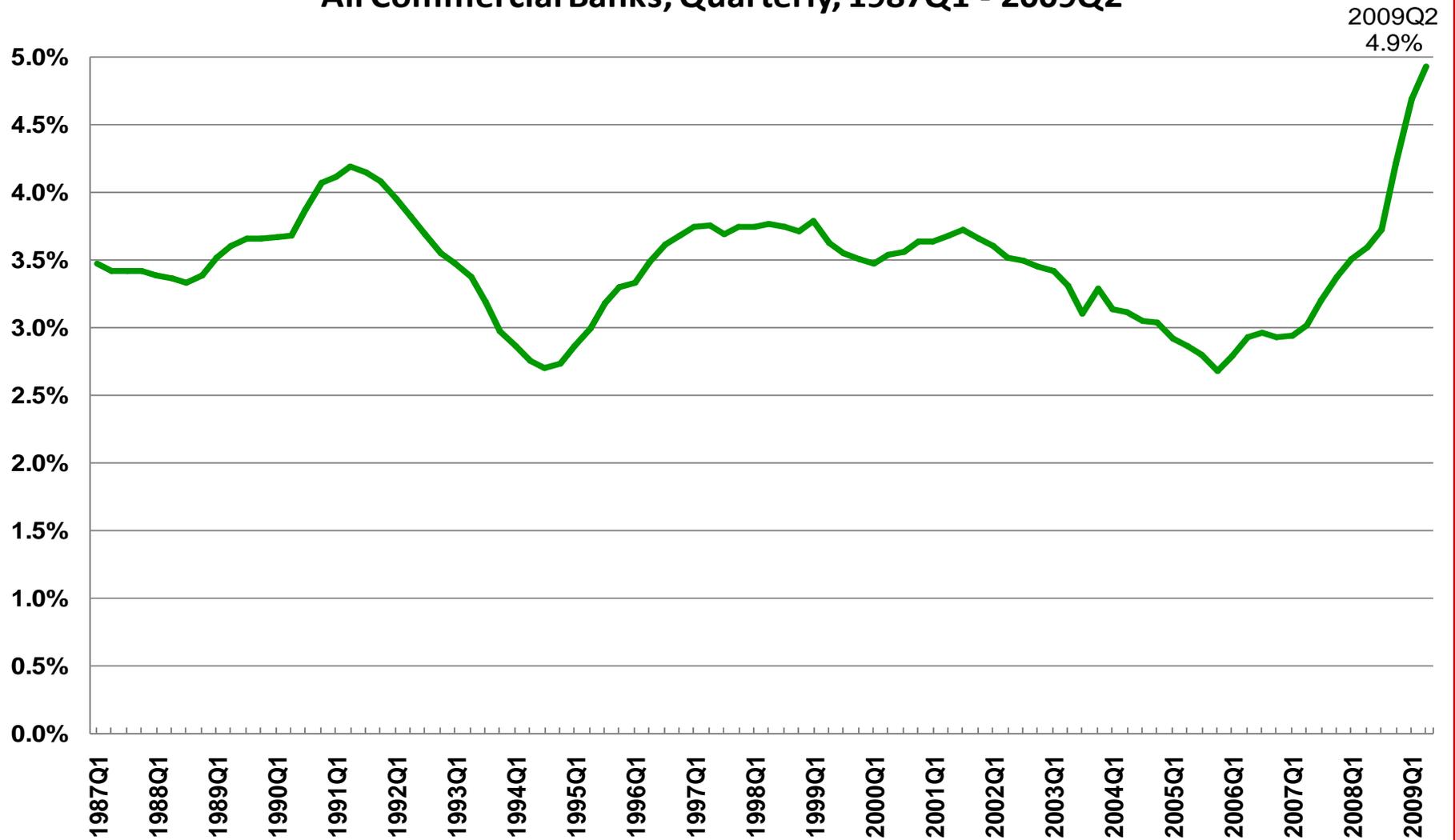
Source: BEA; Regional Economic Accounts: Annual State Personal Income.

## US Delinquency Rate on Single Family Residential Mortgages All Commercial Banks, Quarterly, 1991Q1 - 2009Q2



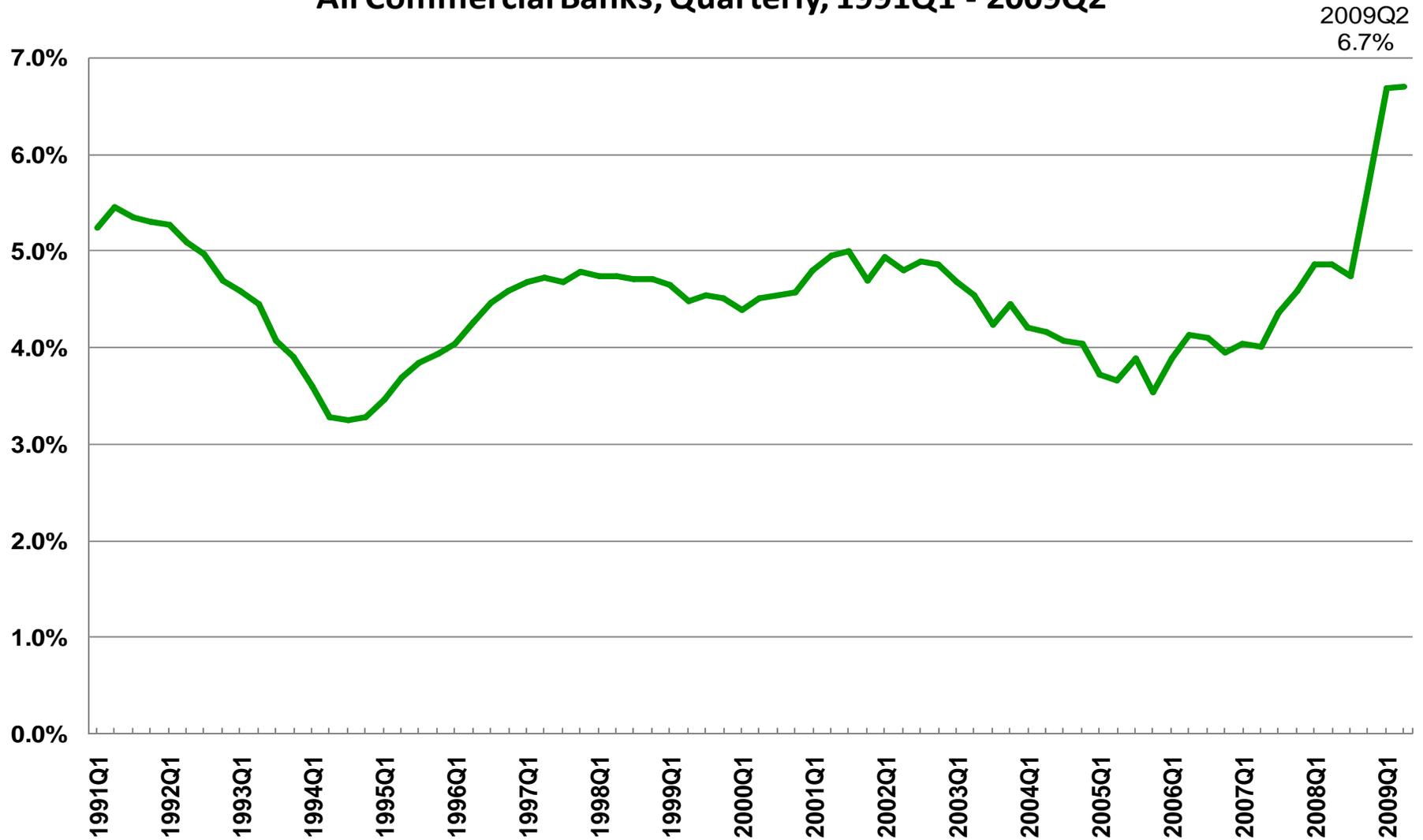
Source: Federal Reserve Bank

## US Delinquency Rate on Consumer Loans All Commercial Banks, Quarterly, 1987Q1 - 2009Q2



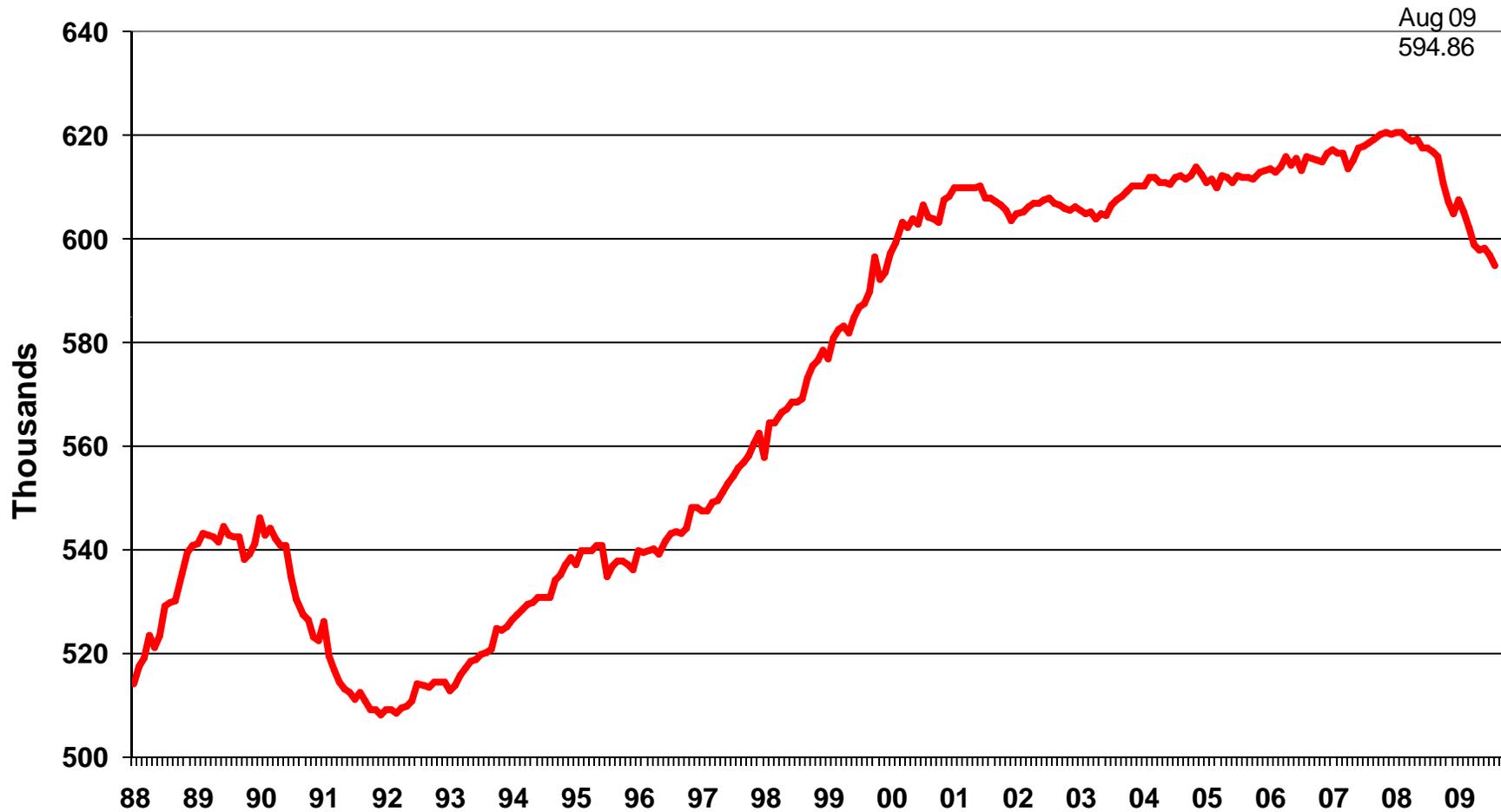
Source: Federal Reserve Bank

## US Delinquency Rate on Credit Card Loans All Commercial Banks, Quarterly, 1991Q1 - 2009Q2



Source: Federal Reserve Bank

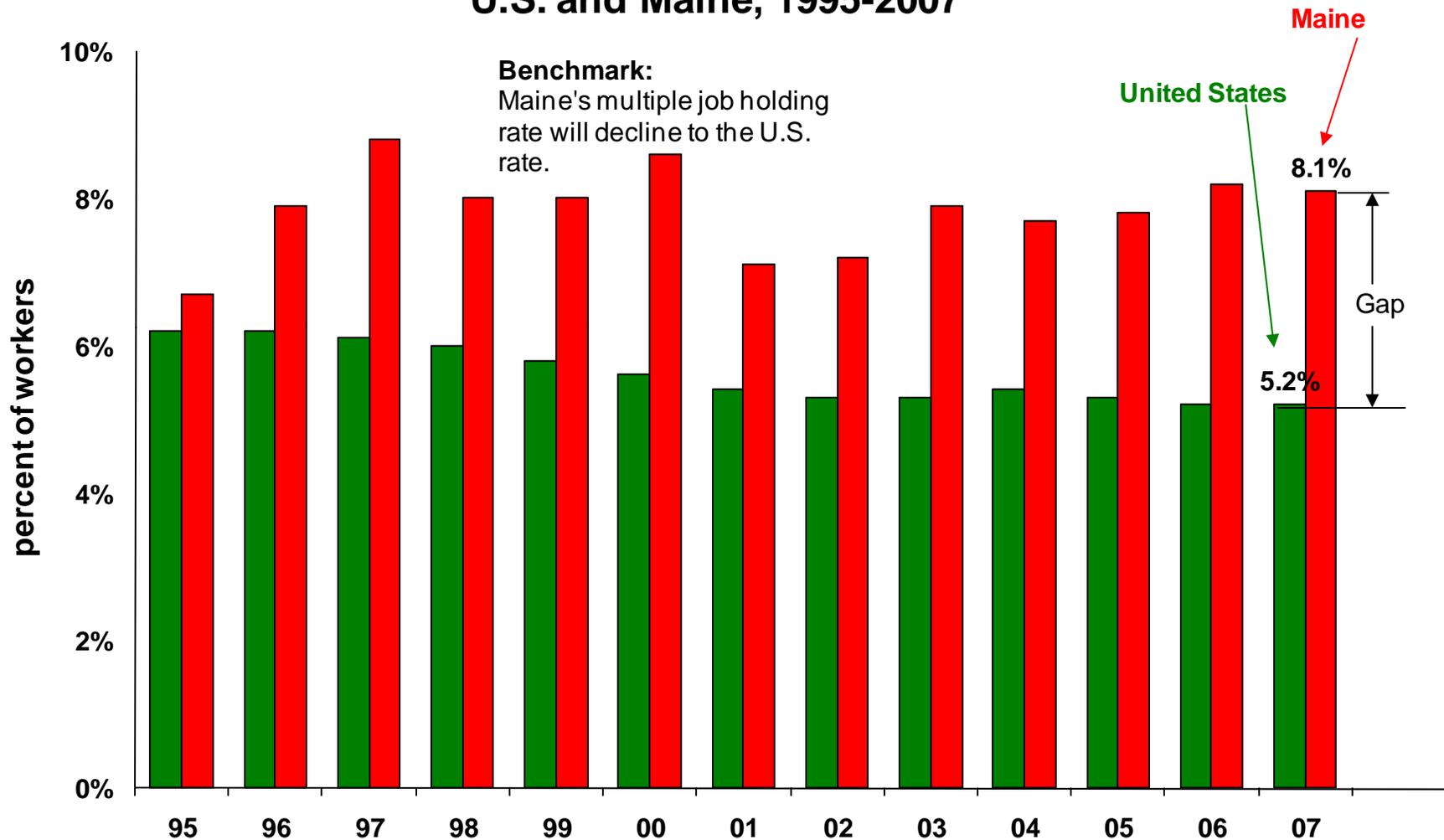
## Maine Wage and Salary Employment\* (Monthly) January 1988 - August 2009



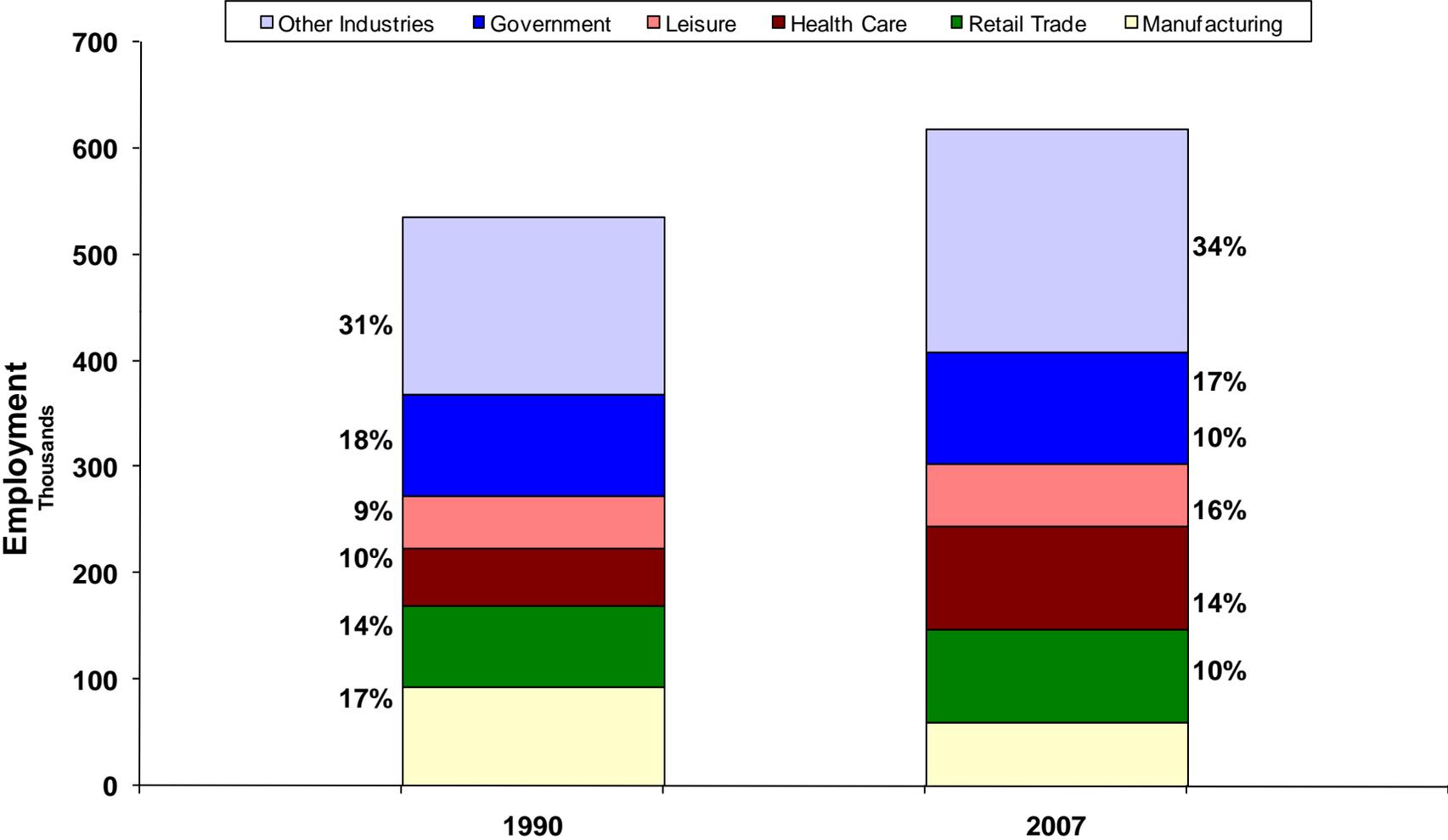
\*Seasonally Adjusted

Source: Maine Department of Labor

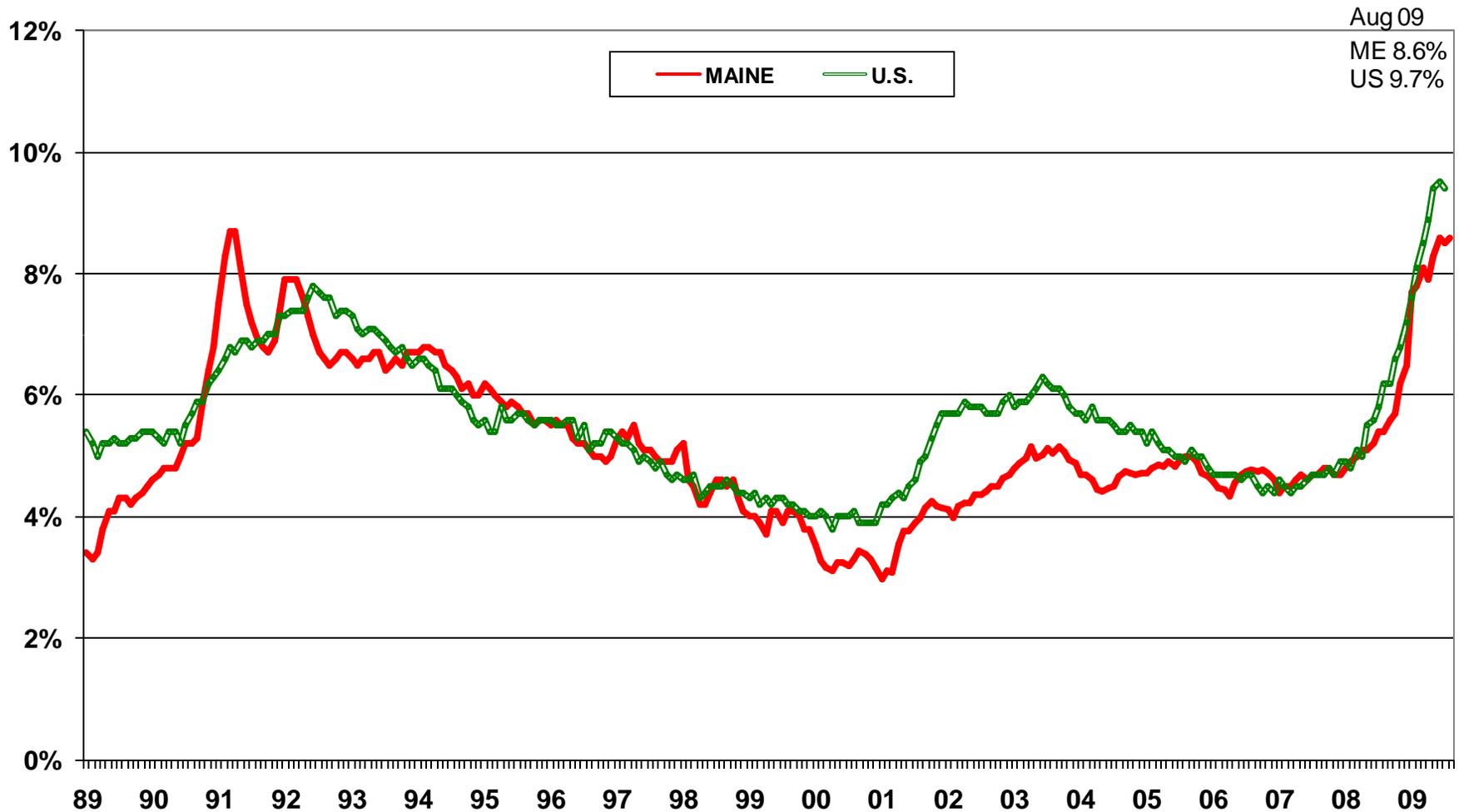
## Percent of Workers Holding Multiple Jobs U.S. and Maine, 1995-2007



# Maine's Wage & Salary Employment\* by Sector



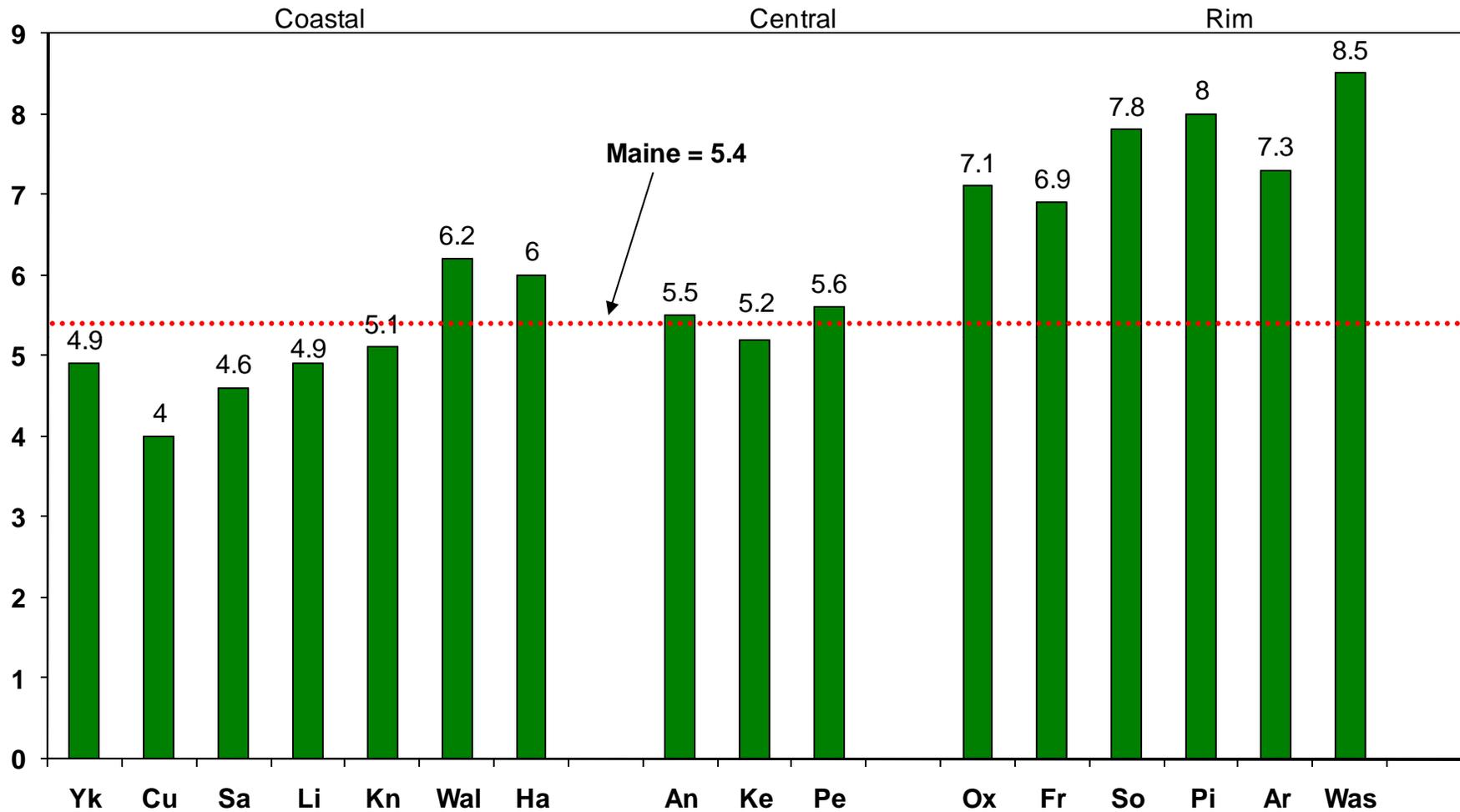
## Unemployment Rates, Maine and U.S.\* (Monthly) January 1989 - August 2009



\*Seasonally Adjusted

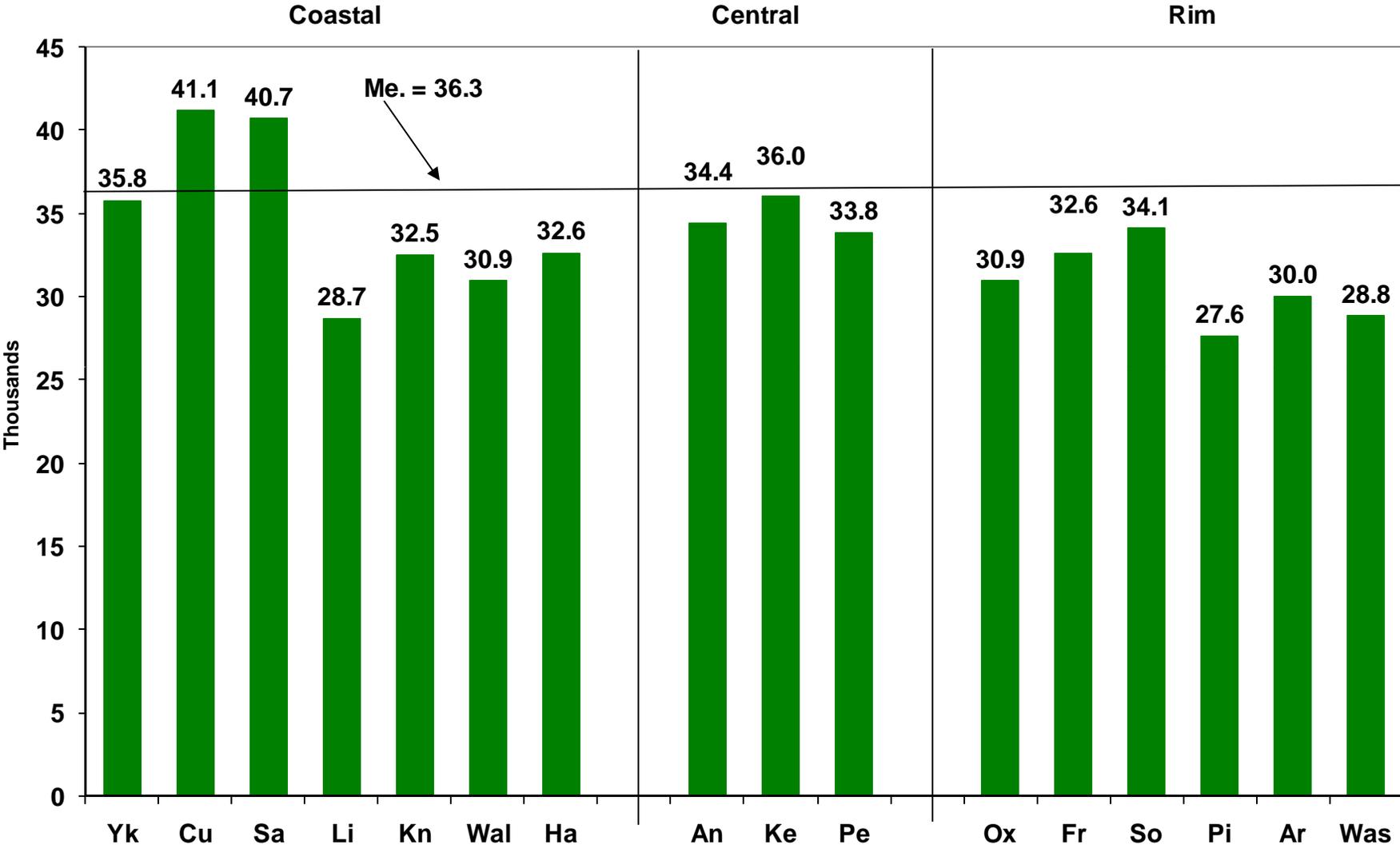
Source: U.S. Bureau of Labor Statistics & Maine Department of Labor

## 2008 Unemployment Rate by Maine County



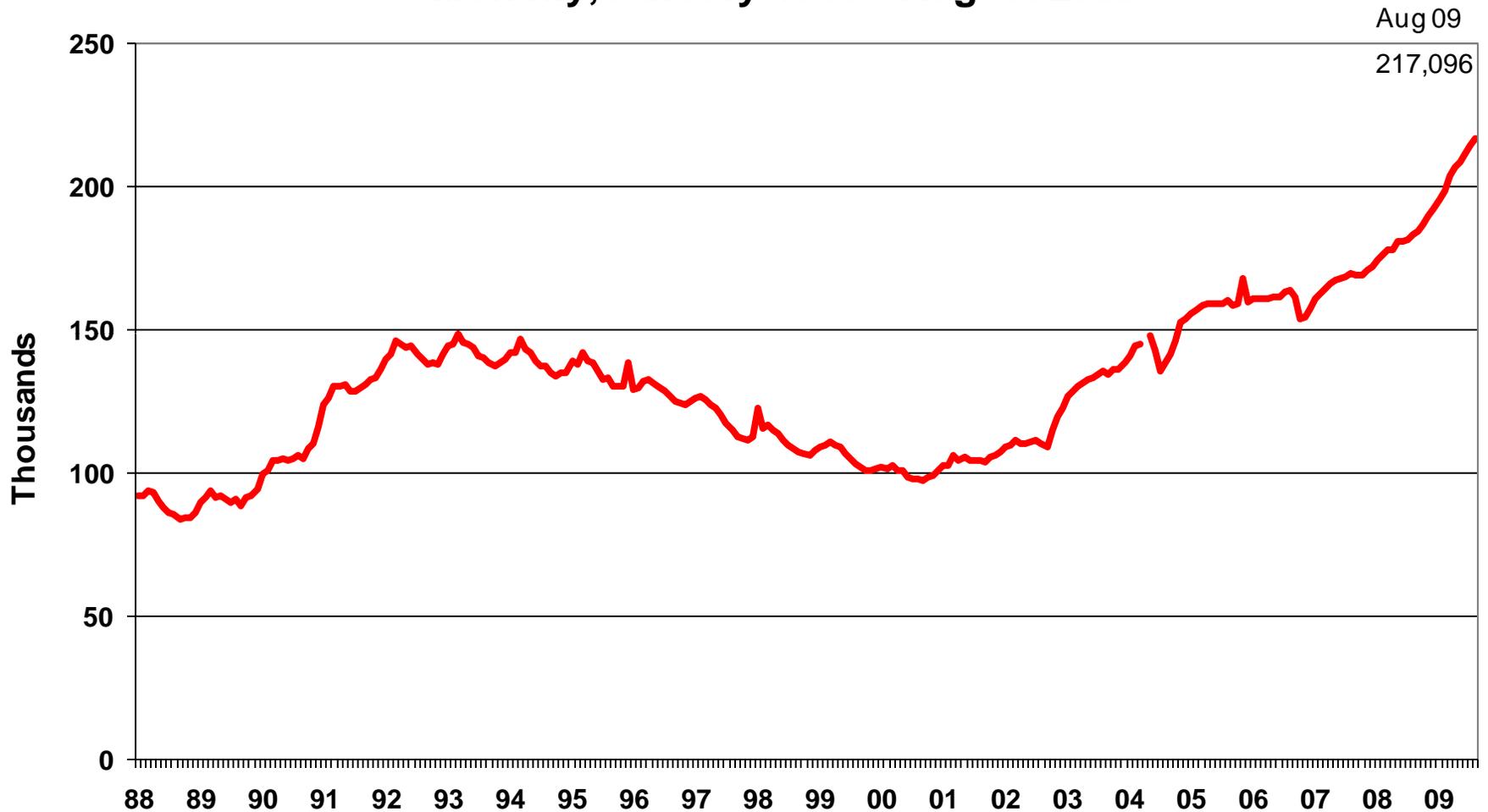
Source: Maine Department of Labor, Center for Workforce Research and Information

# Average Wage in Maine by County 2008



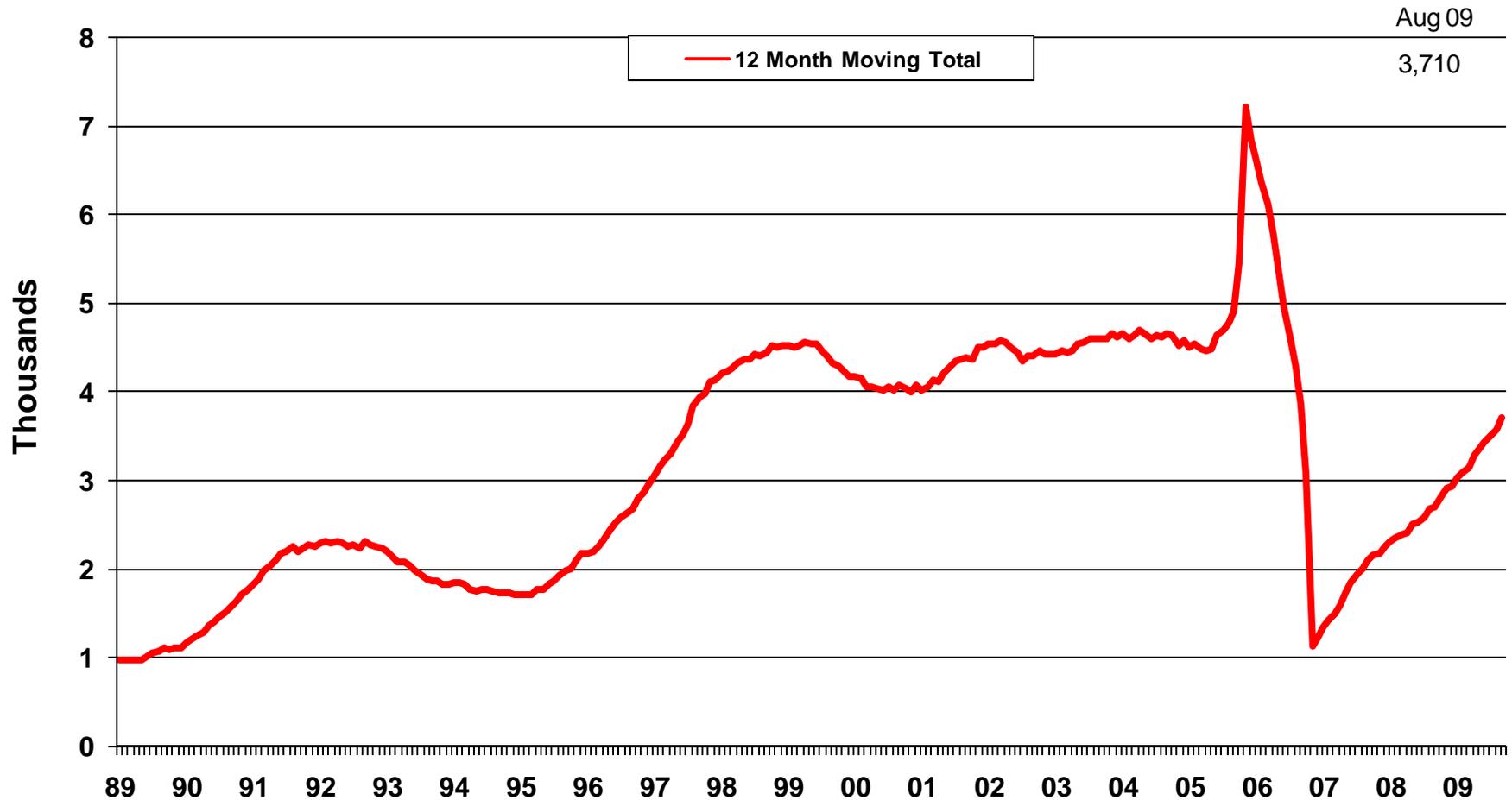
Source: Maine Department of Labor, Center for Workforce Research and Information

## Maine People on the Supplemental Nutrition Assistance Program Monthly, January 1988 - August 2009



Source: Maine Department of Health and Human Services, Office of Integrated Access and Support

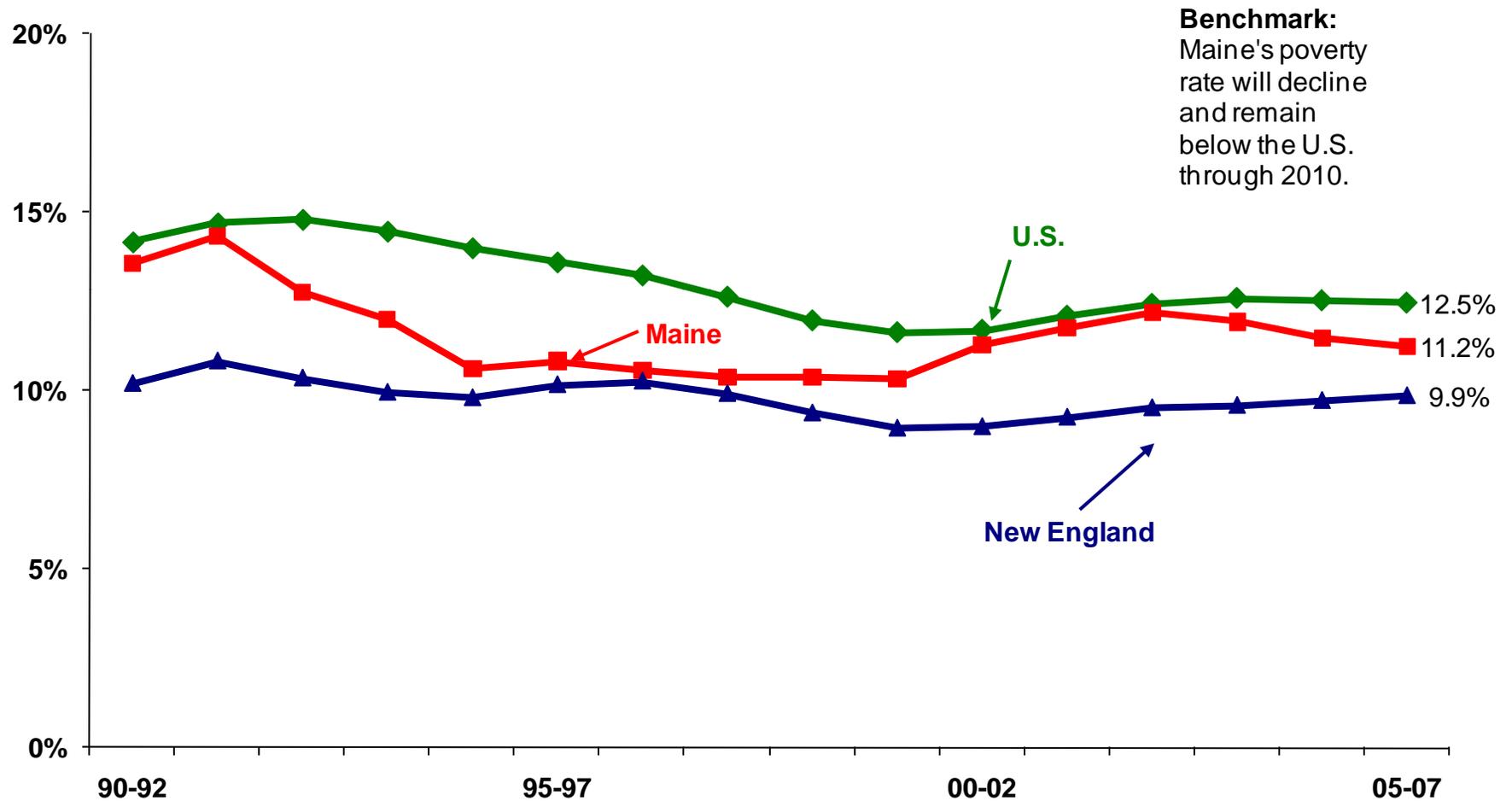
## Maine Bankruptcy Filings January 1989 - August 2009



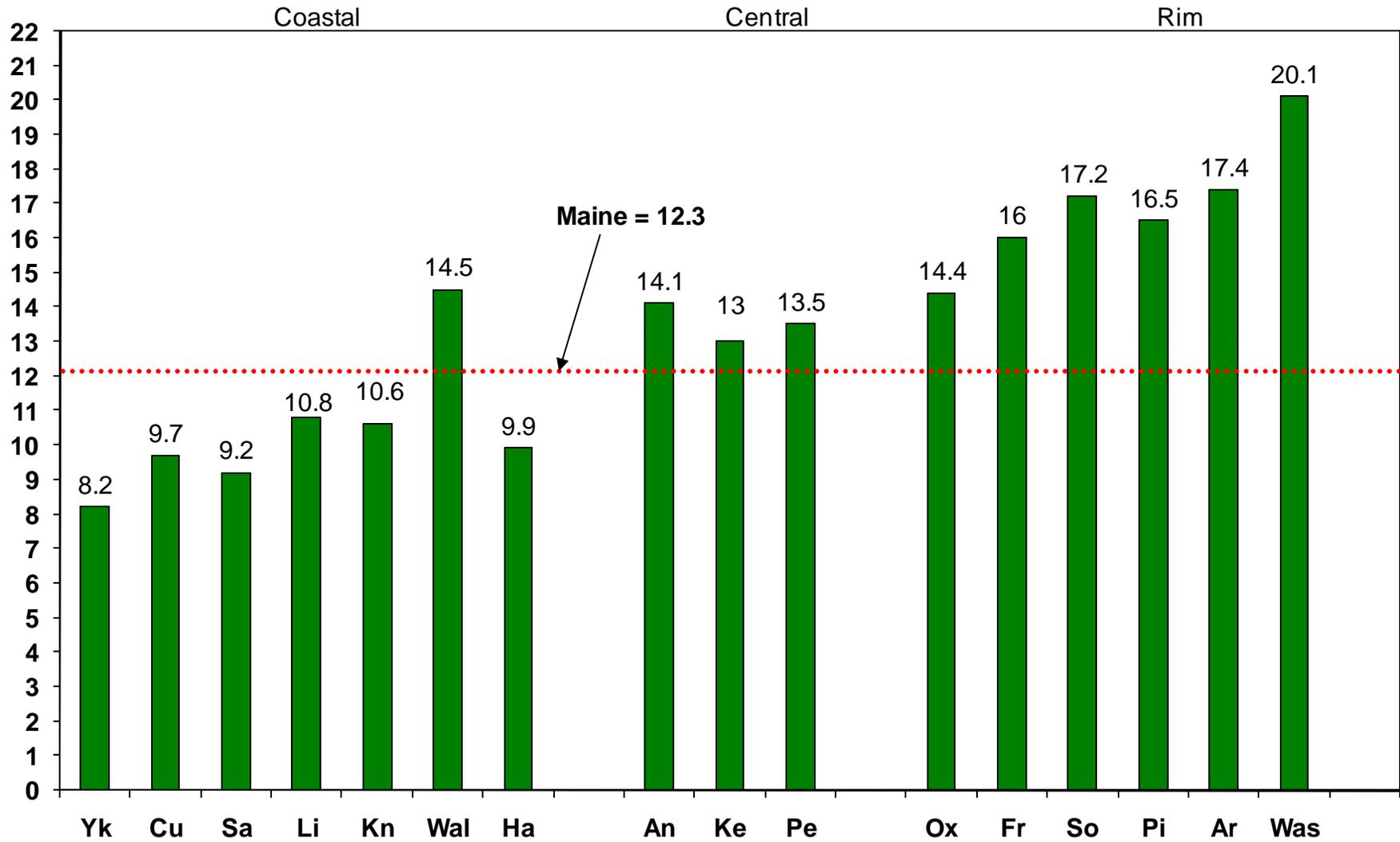
Note: The bankruptcy laws in Maine changed beginning with interim rules on October 17, 2005, with the complete set of interim rules, with amendments, released on October 1, 2006. For more information go to <http://www.uscourts.gov/rules/interim.html>

Source: U.S. Bankruptcy Court

## Annual Poverty Rates 1990-2007 3-Year Moving Average



## 2007 Poverty Rate in Maine by County

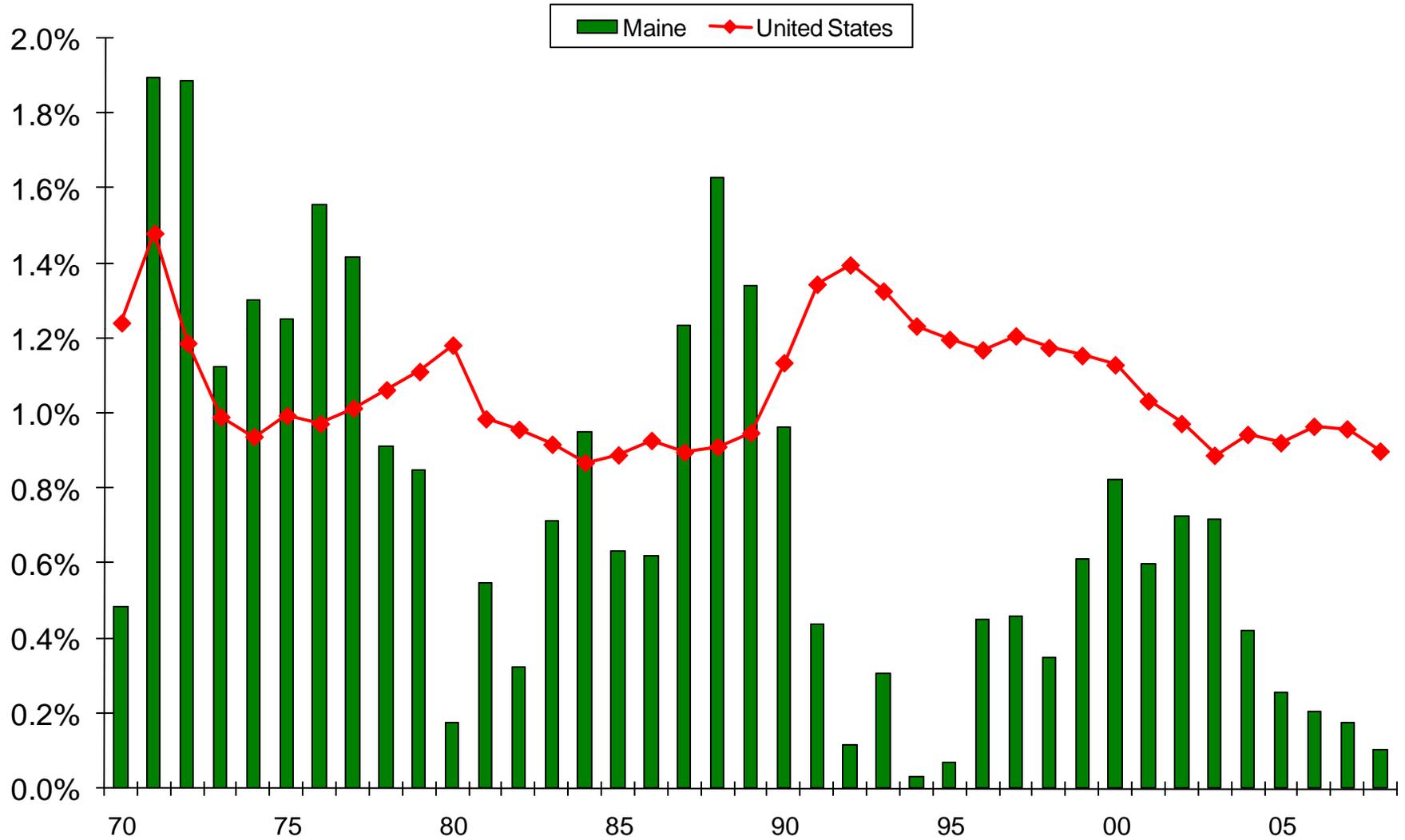


## Poverty Rate Children Under Age 5

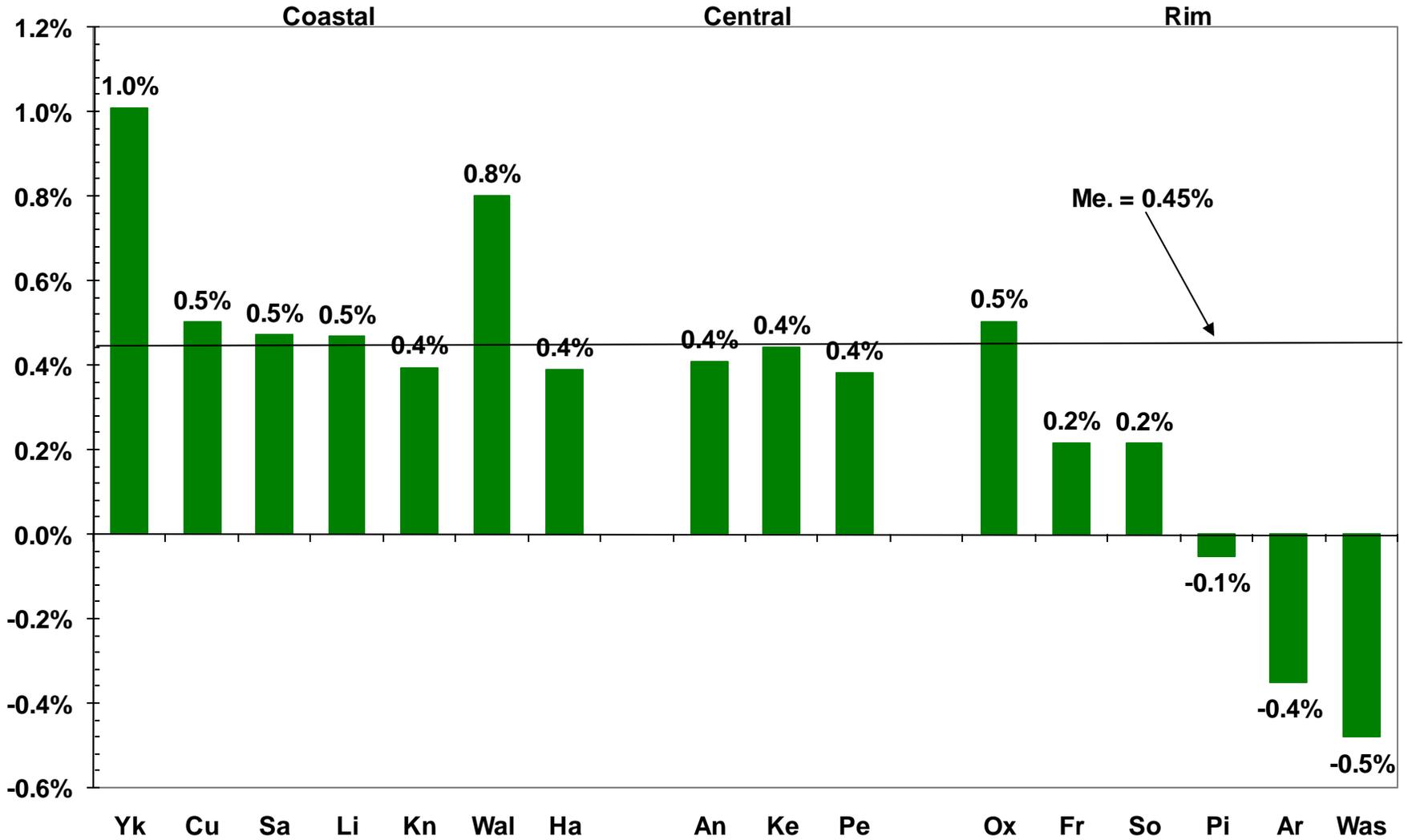
	Maine	U.S.
2000	17.5%	18.7%
2001	16.2%	18.6%
2002	18.2%	19.0%
2003	18.8%	20.3%
2004	18.4%	20.5%
2005	20.0%	21.3%
2006	21.4%	21.0%
2007	19.4%	20.8%

|Source: U.S. Census Bureau Small Area In

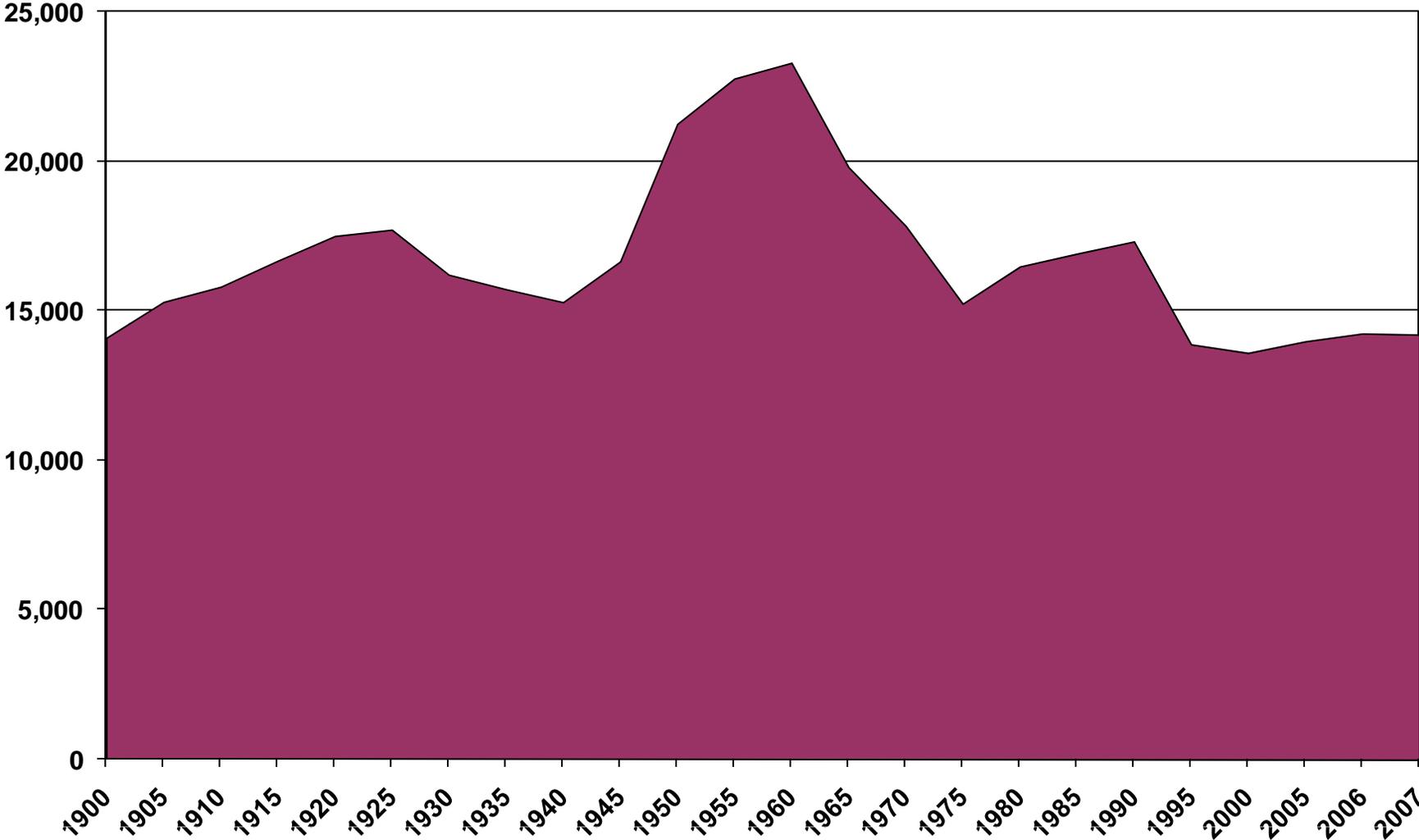
## % Population Growth Maine and US 1970-2008



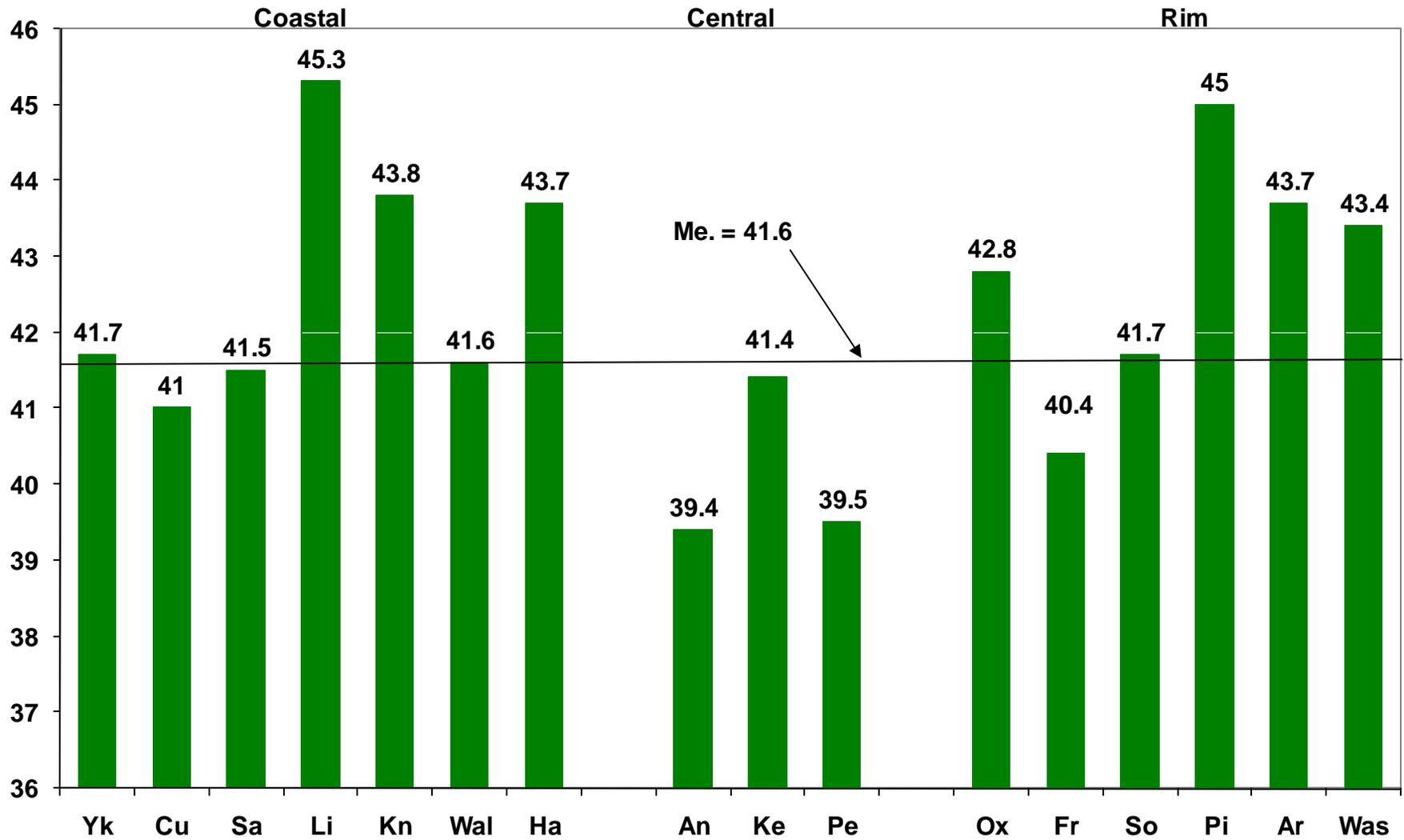
## Average Annual Change in Population 2000-2007



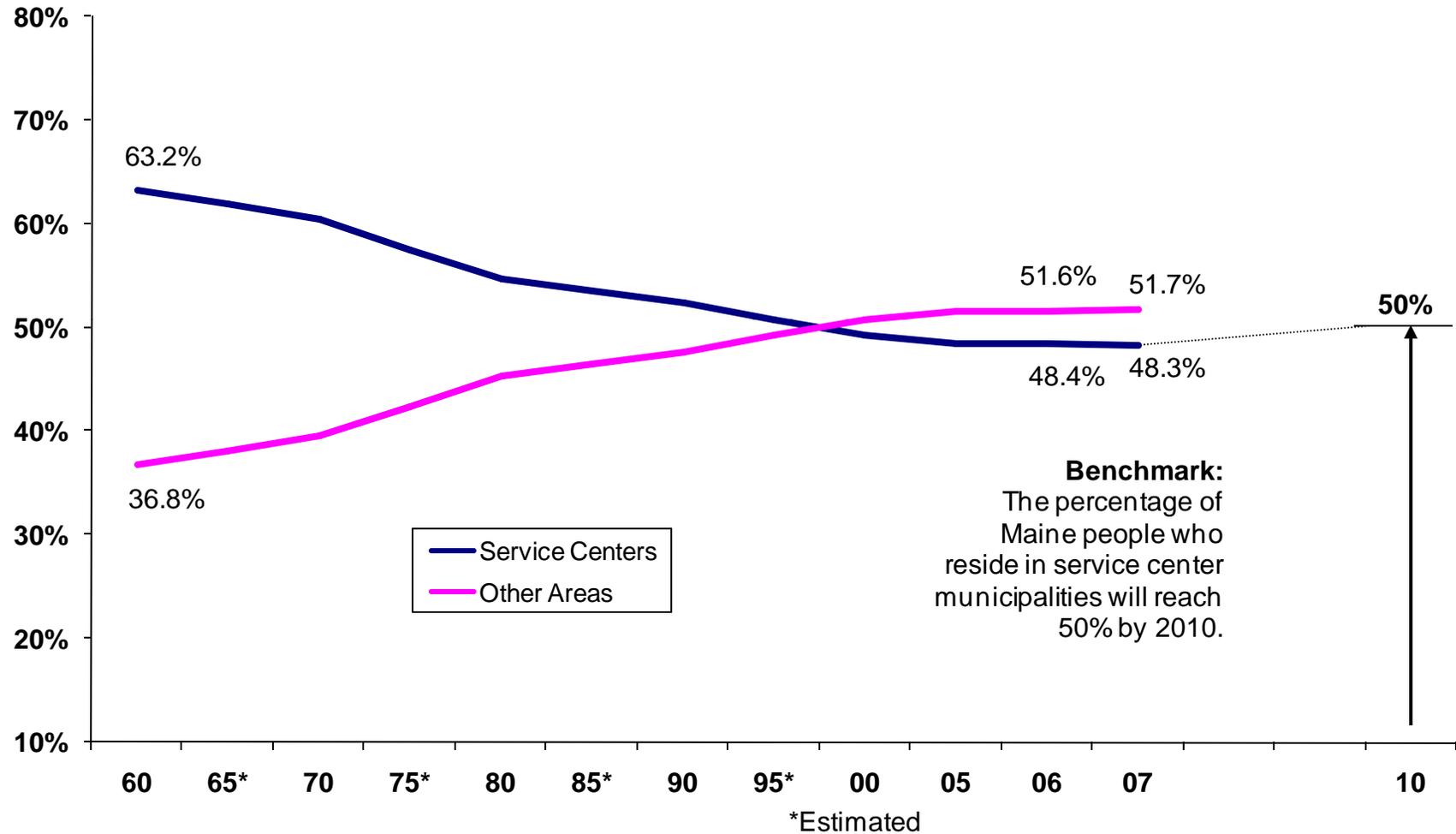
# Maine Live Births, 1900-2007



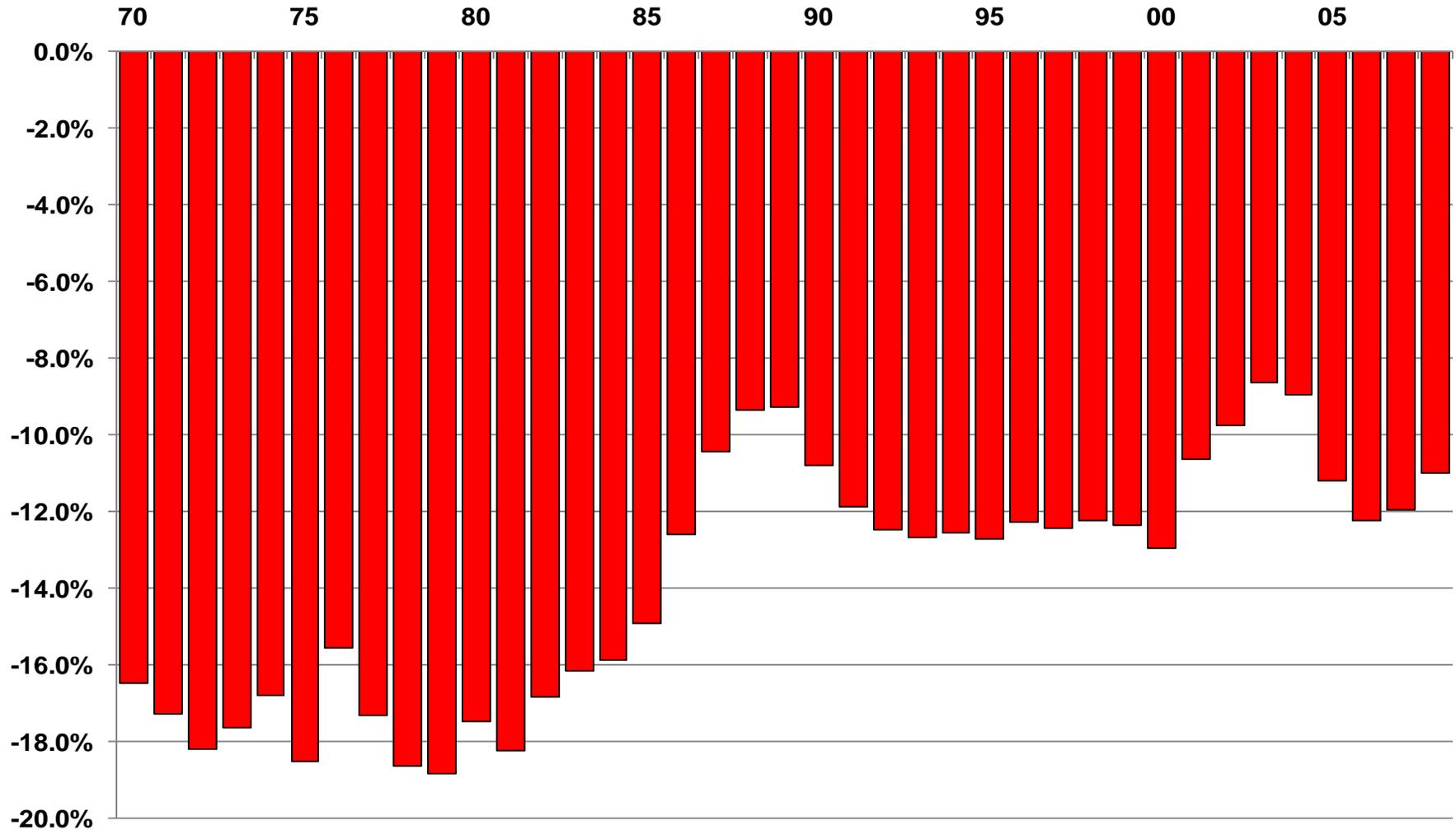
## Median Age of the Population



## Percent of Maine's Population Living in Regional Service Centers (Compared to Other Municipalities) 1960-2007

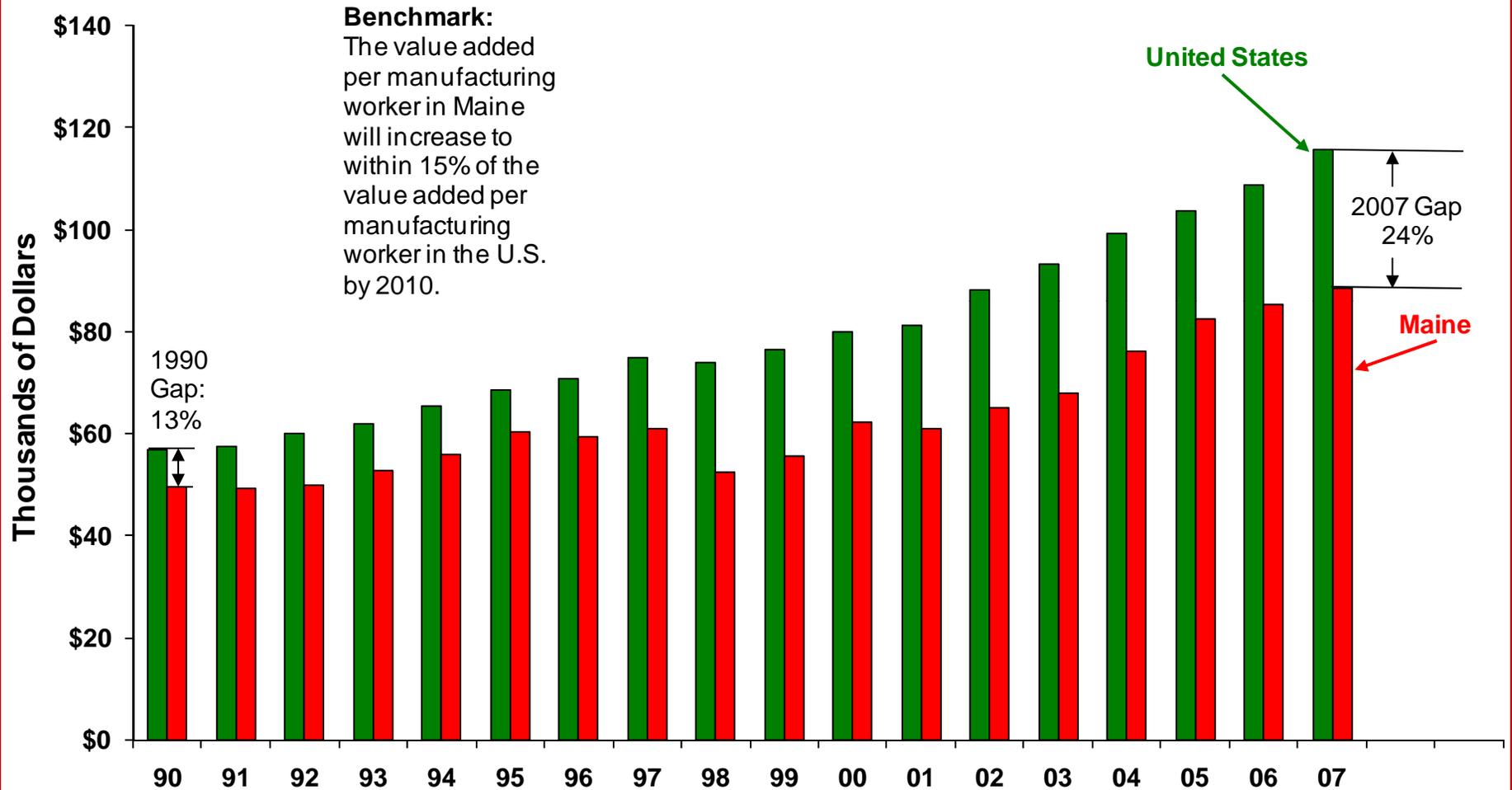


## Per Capita Personal Income Gap 1970- 2008p (% Points Maine Income Lags U.S.)



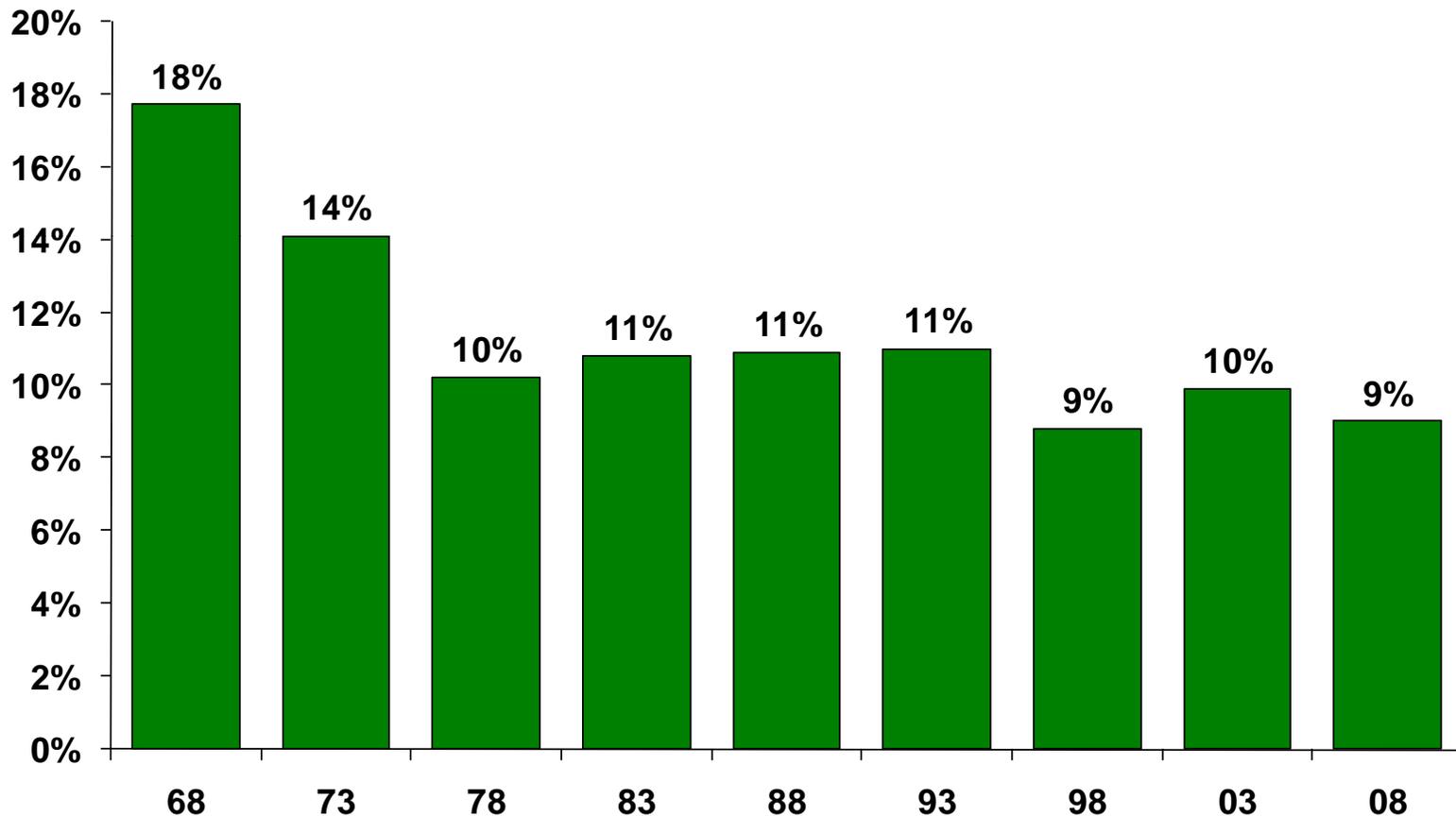
Source: BEA; Regional Economic Accounts: Annual State Personal Income.

## Value Added per Manufacturing Worker U.S. and Maine 1990-2007



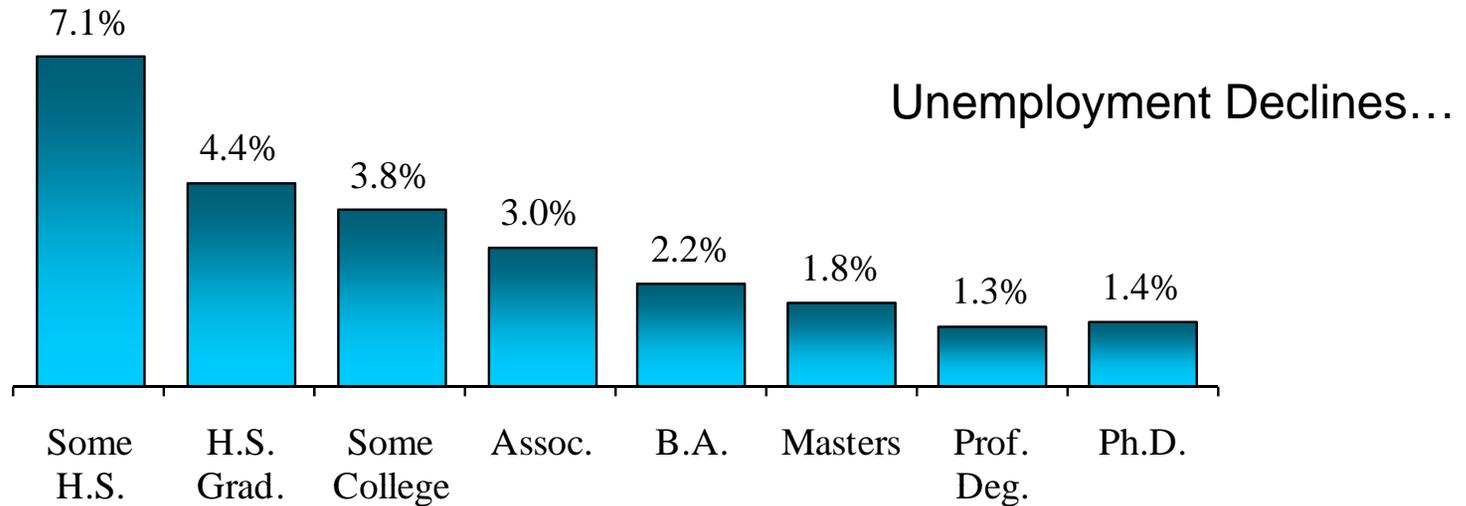
# Maine State and Local Governments are under Pressure...

... to invest in Higher Education  
Higher Education Appropriations  
as % State General Fund

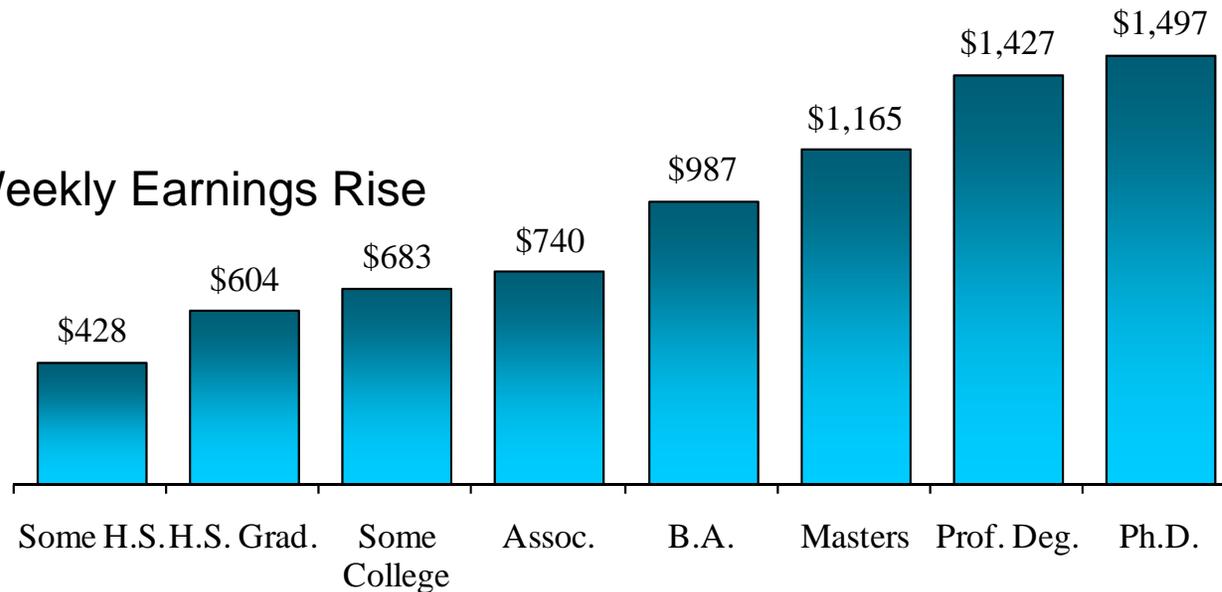


Source: University of Maine System, <http://www.maine.edu/pdf/sgfs123.pdf>

## With Additional Education (2007 data)



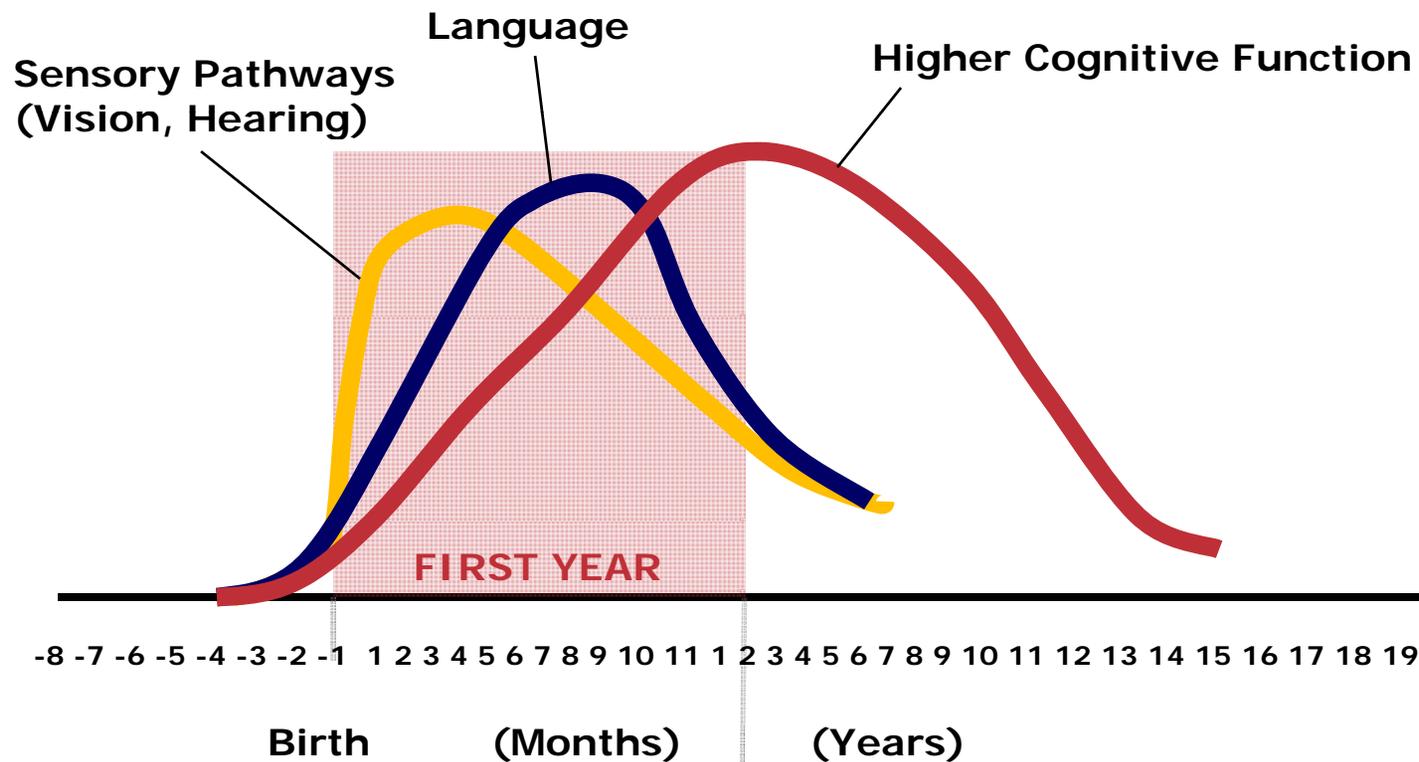
## ... and Weekly Earnings Rise





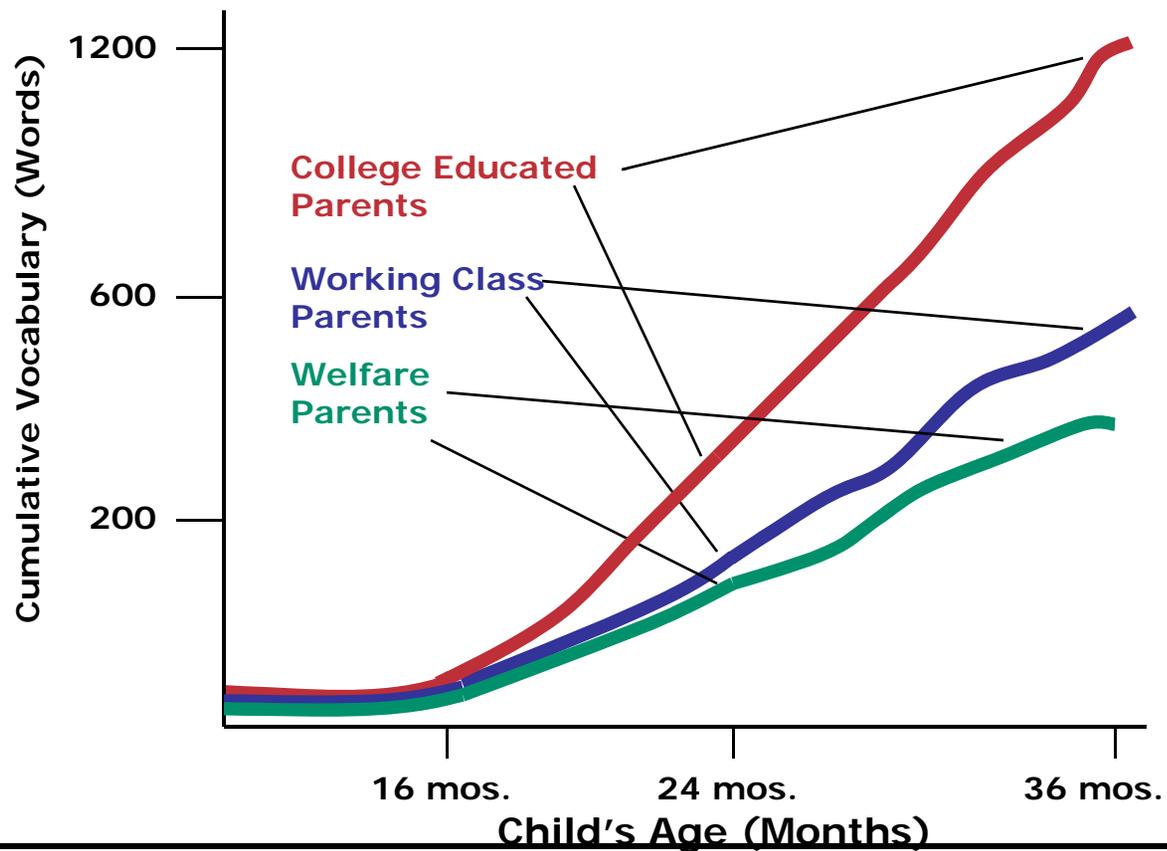
Center on the Developing Child  
HARVARD UNIVERSITY

## Human Brain Development Synapse Formation Dependent on Early Experiences (700 per second in the early years)



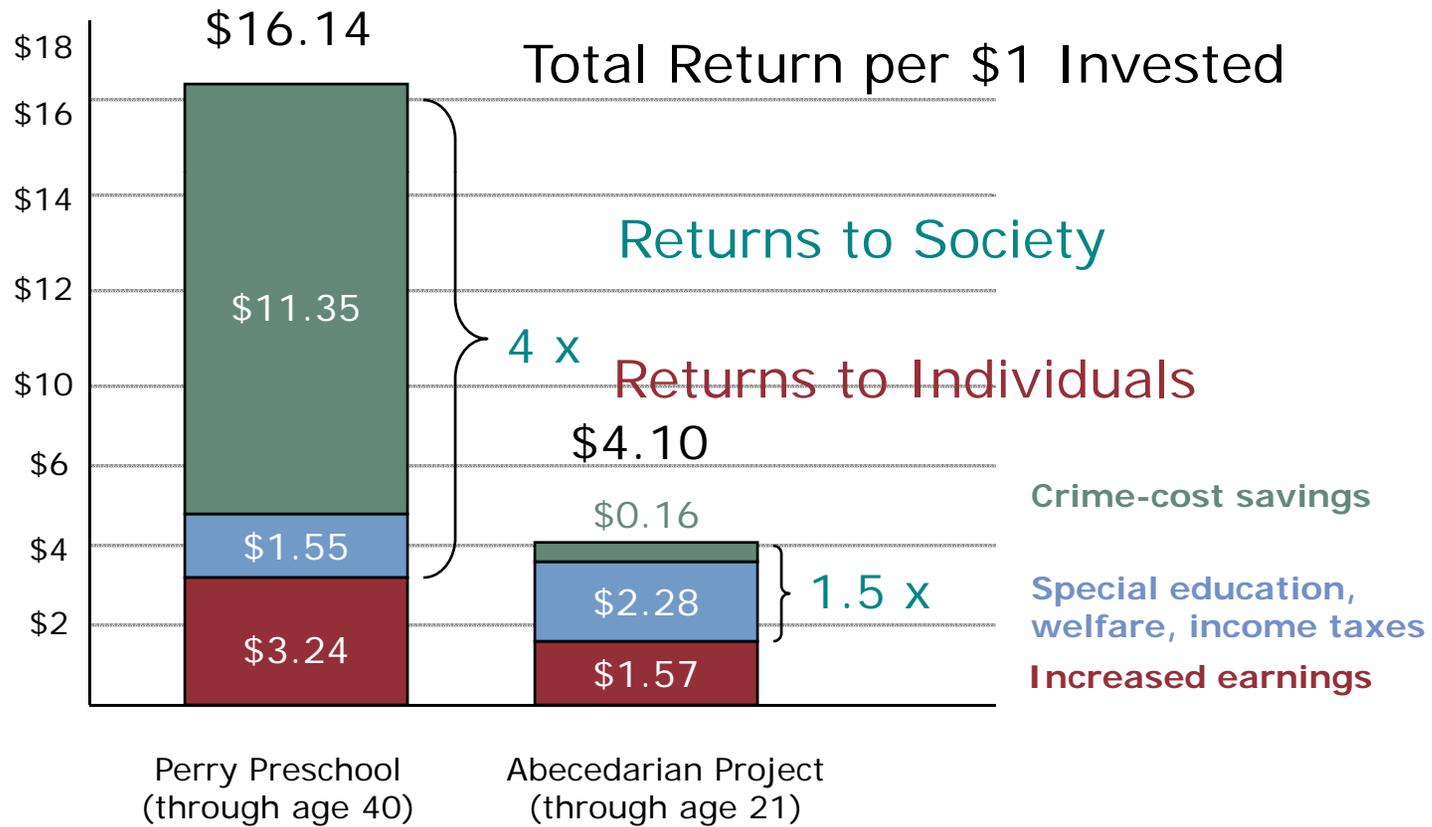


## Barriers to Educational Achievement Emerge at a Very Young Age



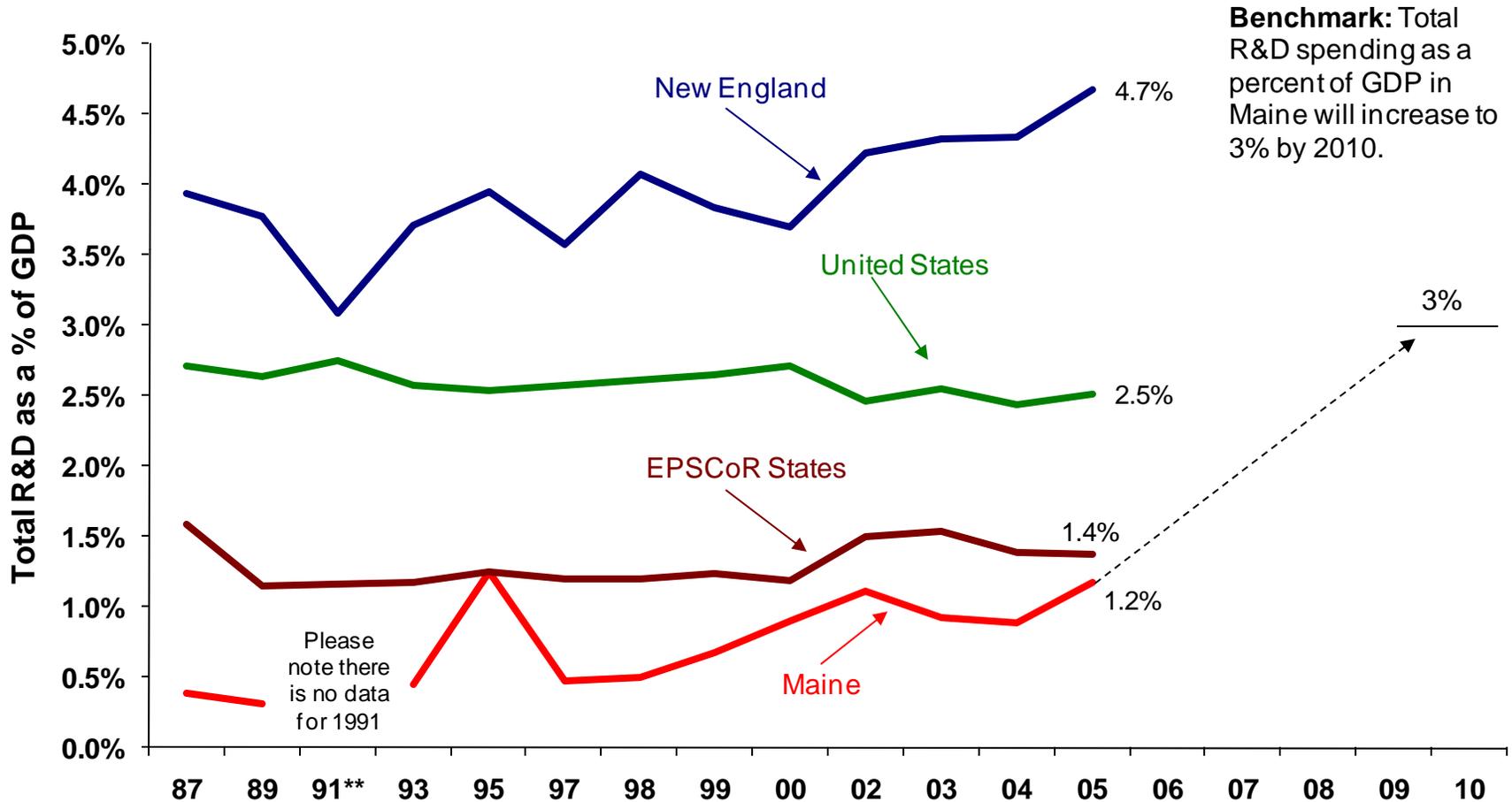


## Cost/Benefit for Two Early Childhood Programs (Dollars returned for each dollar invested)



# ... to invest in R&D

## Total R&D Spending as a Percent of Gross Domestic Product 1987-2005\*



## ... to invest in Roads and Bridges

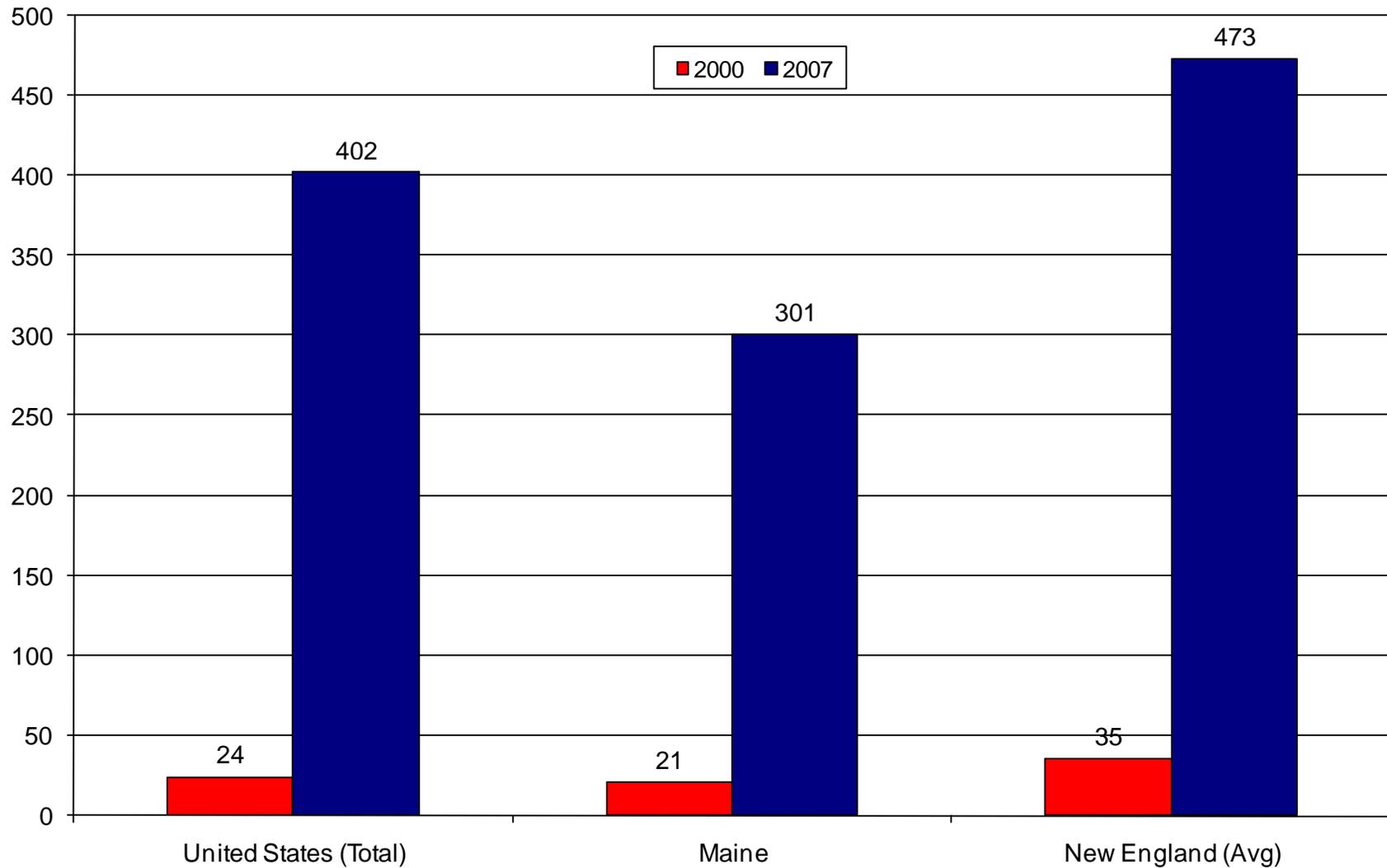
- 12% of Maine's Bridges are structurally deficient
- 25% of Maine's roads are in poor or critical condition



- Roughly 2,000 miles (20% - 25%) of Maine's roads are not built to modern standards and must be posted each spring

## ... to invest in telecommunications infrastructure

High Speed Internet Lines (Subscribers) per 1,000 Residents



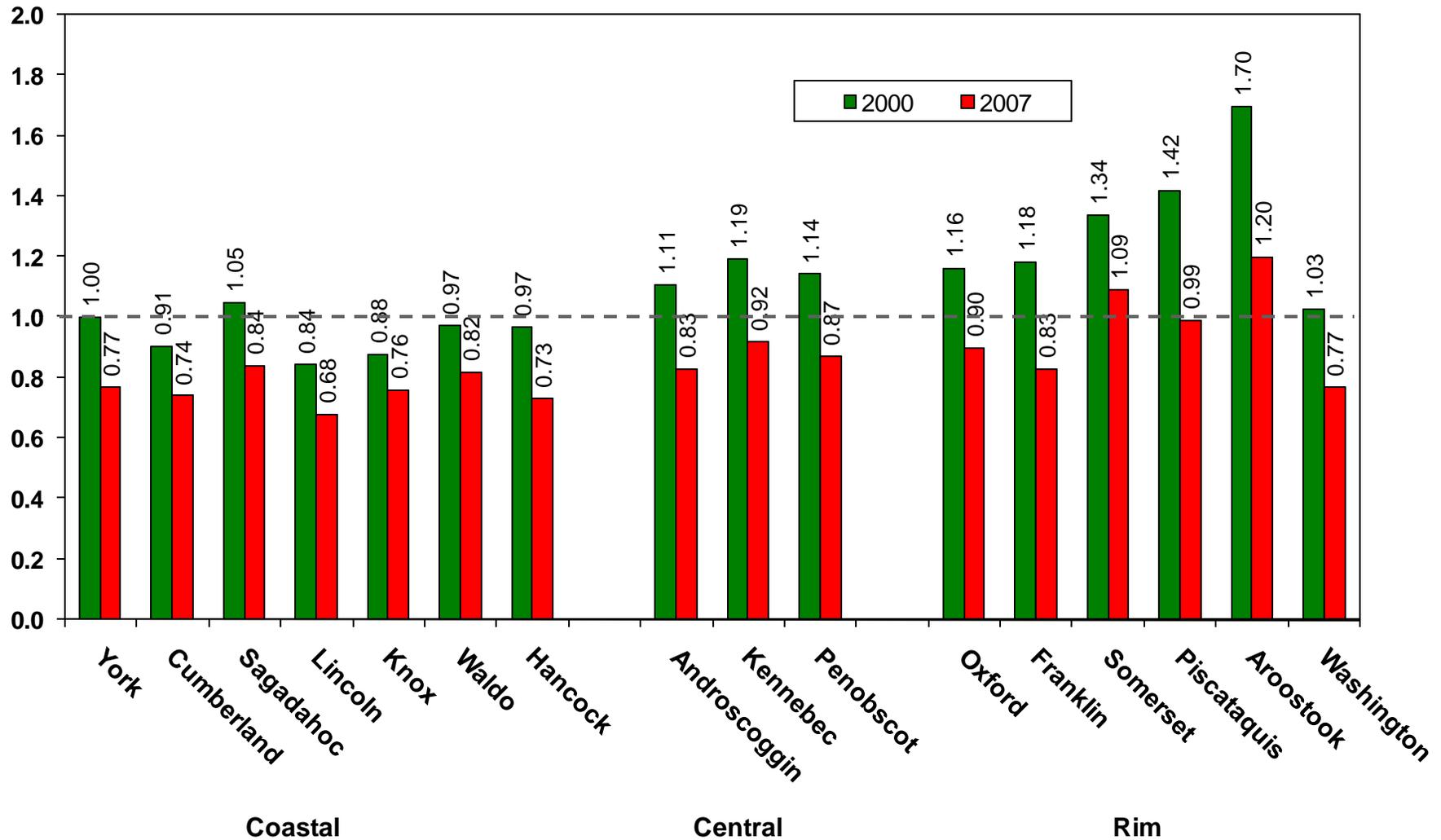
# To increase private sector investment we need...

## ... to cut the costs of doing business

Cost of Doing Business, Maine  
1990-2006

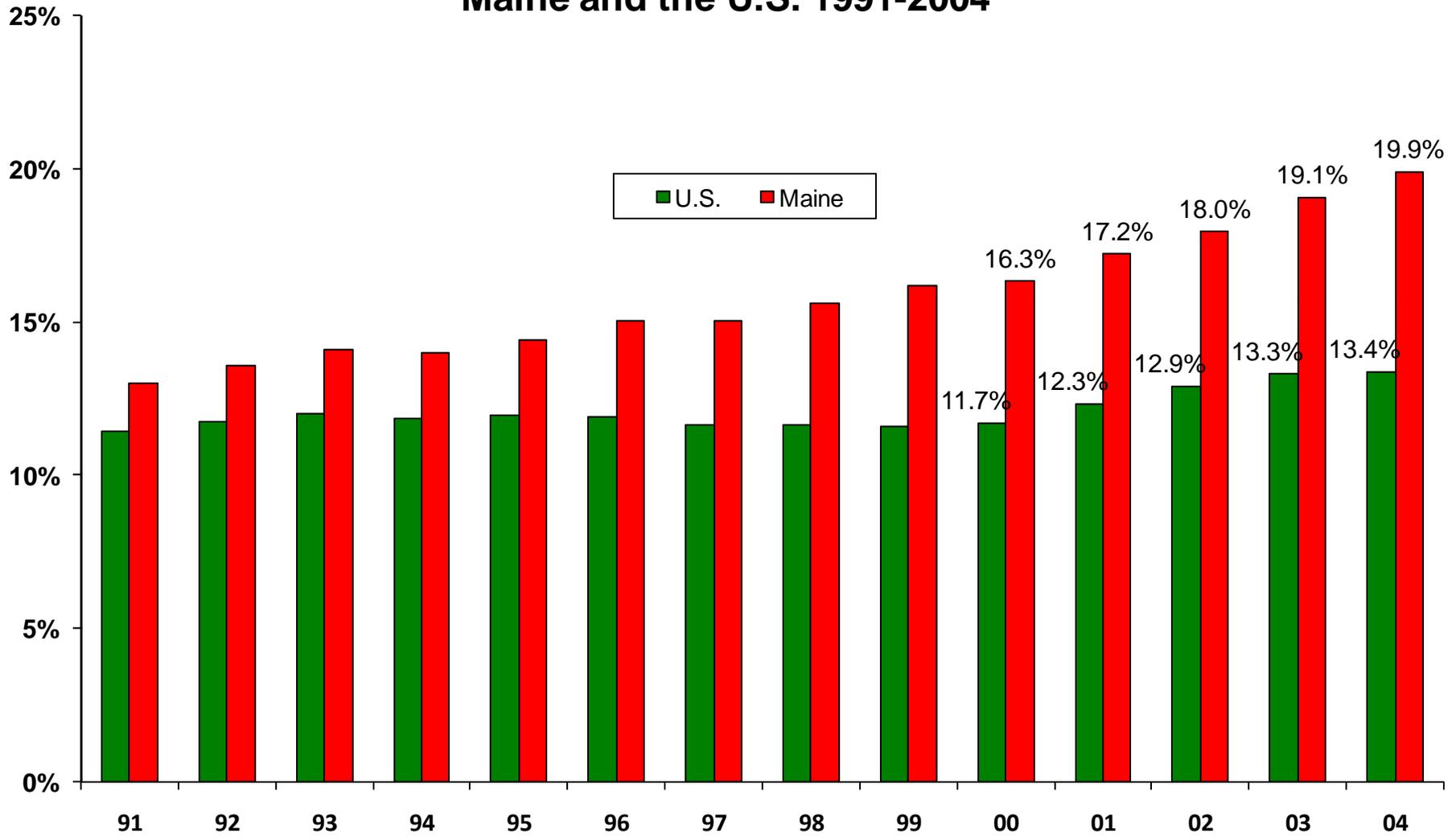


## Maine's Housing Affordability Index by County (weighted average) 2000 vs. 2007



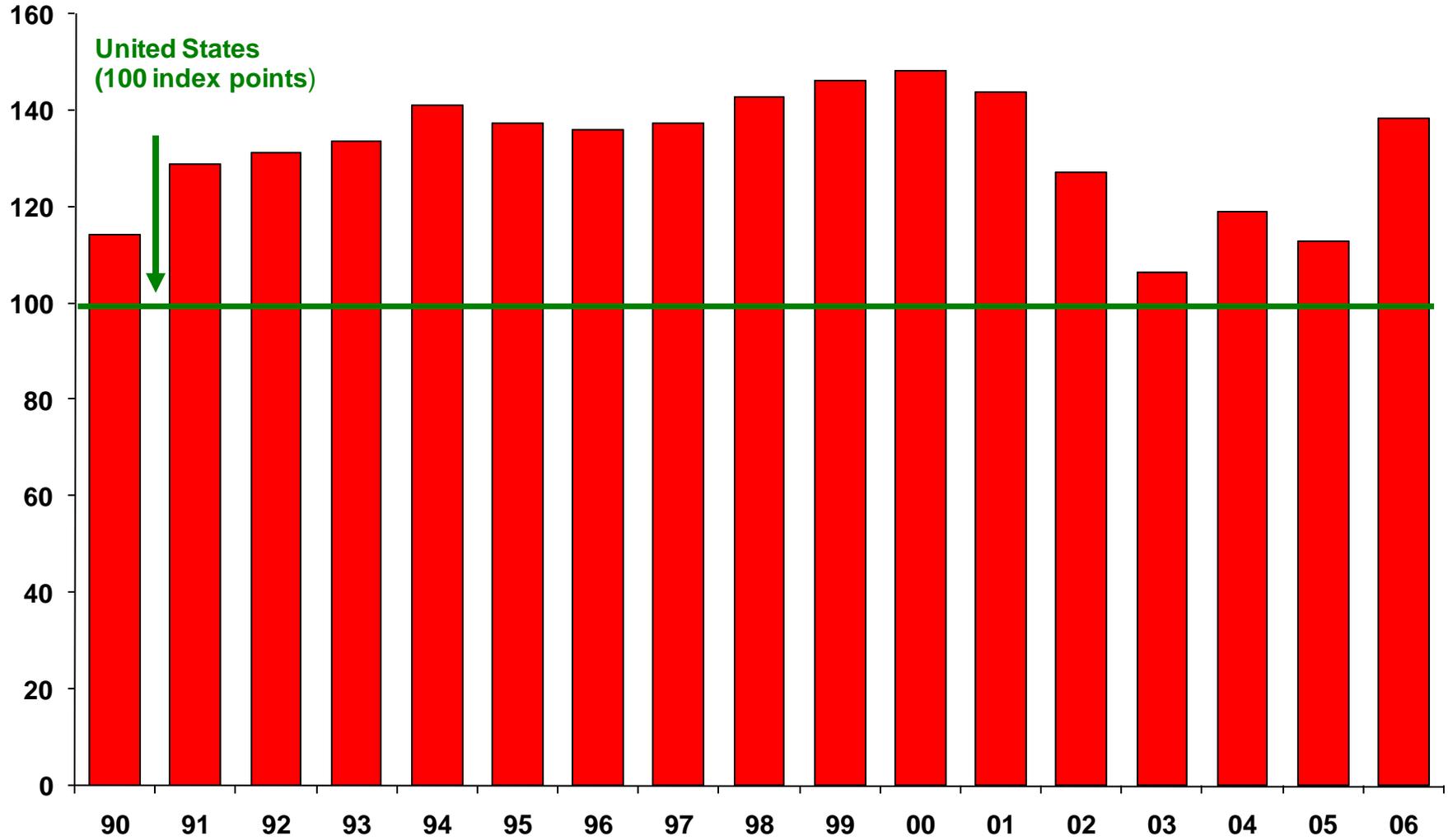
# ... to cut health care costs

## Total Health Care Costs as a Percent of GDP Maine and the U.S. 1991-2004



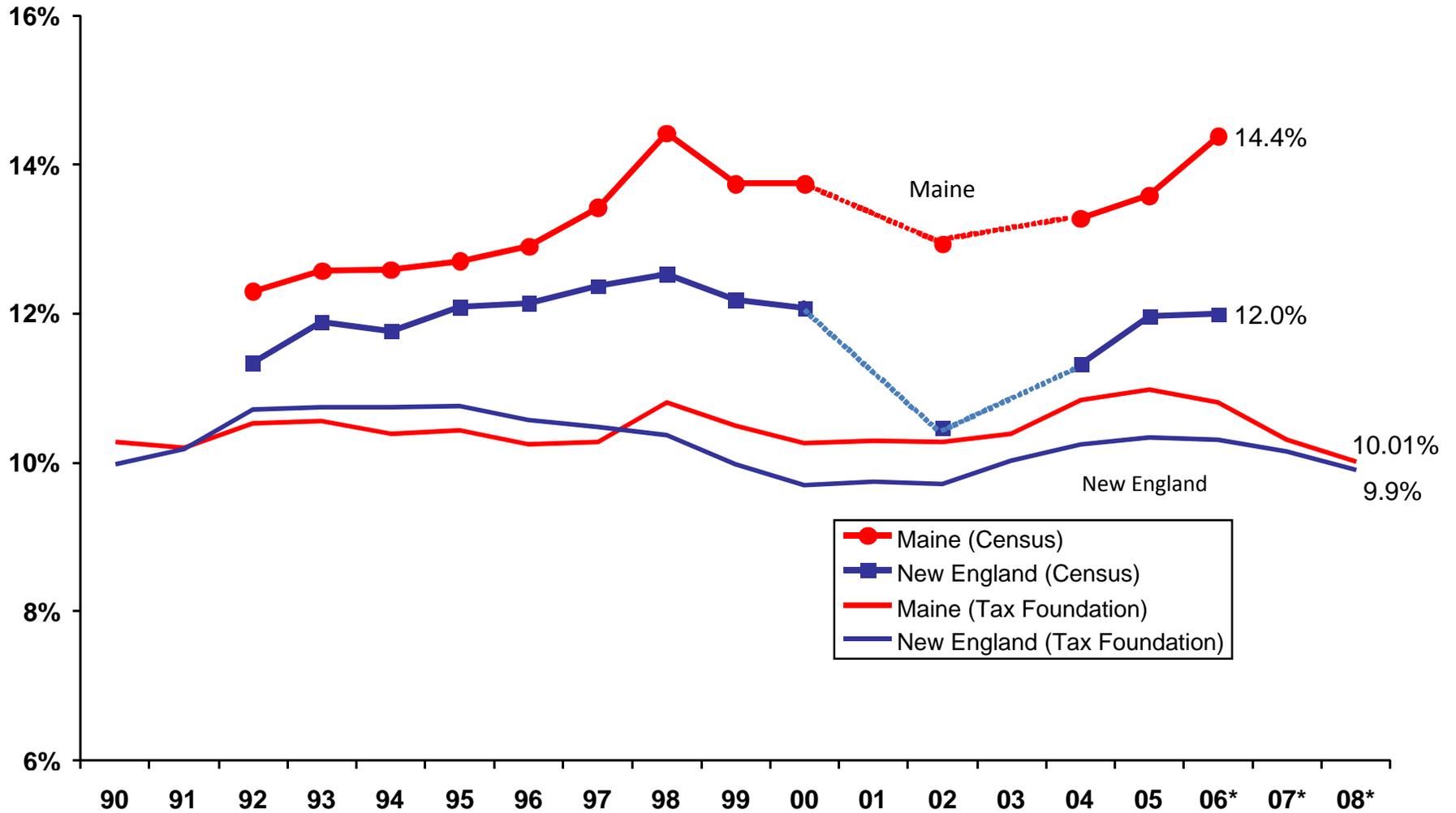
# ... to cut energy costs

## Cost of Energy, Maine 1990-2006

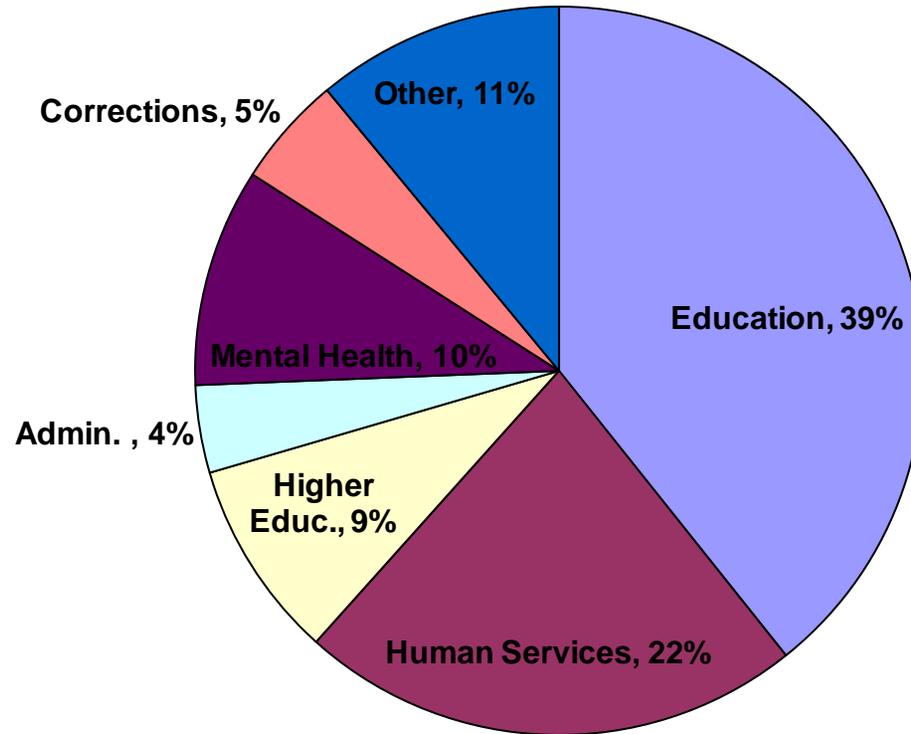


# ... to cut taxes

## State and Local Taxes as a Percent of Income New England and Maine 1990-2008

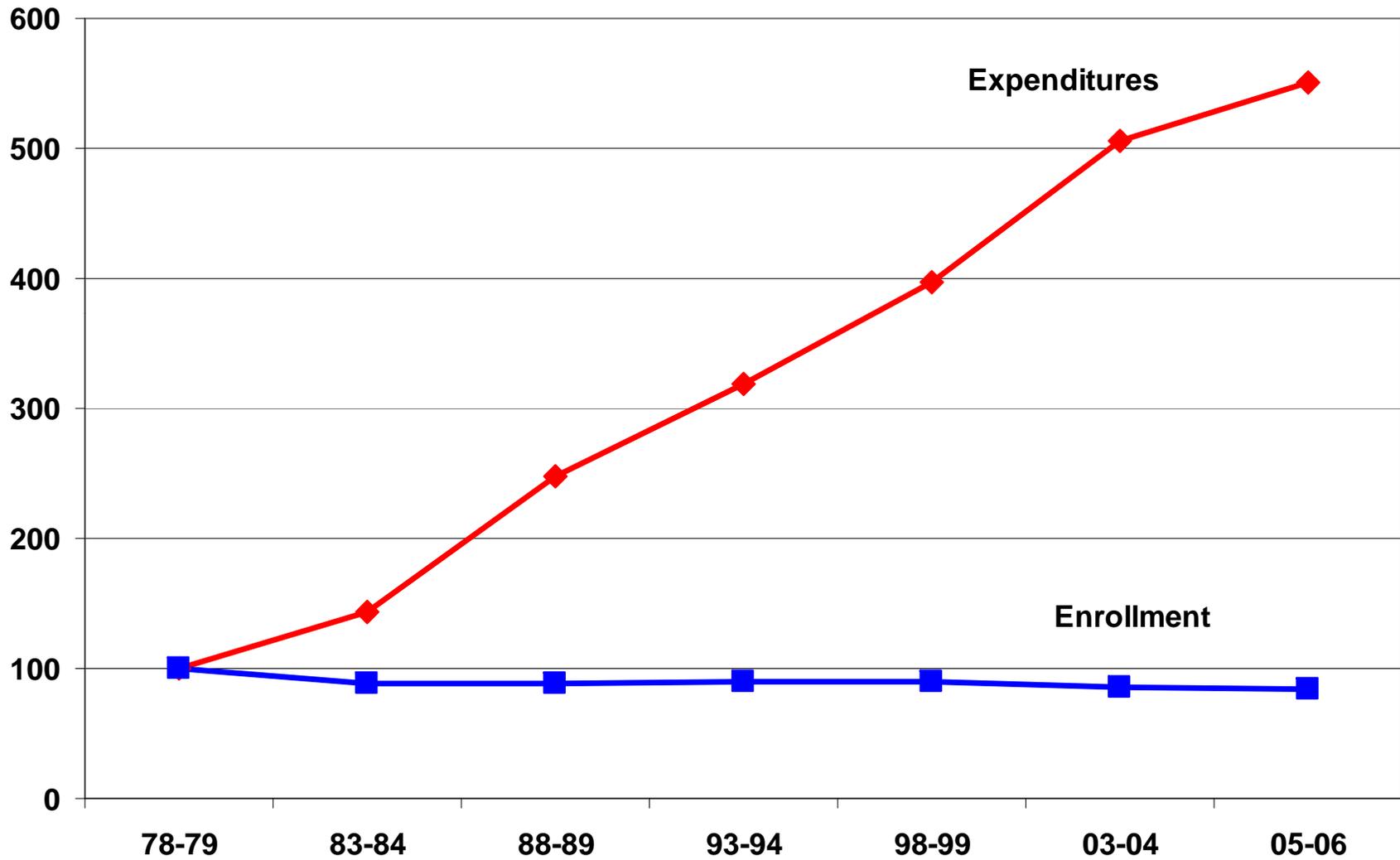


## Maine State Expenditures (2008 General Fund)

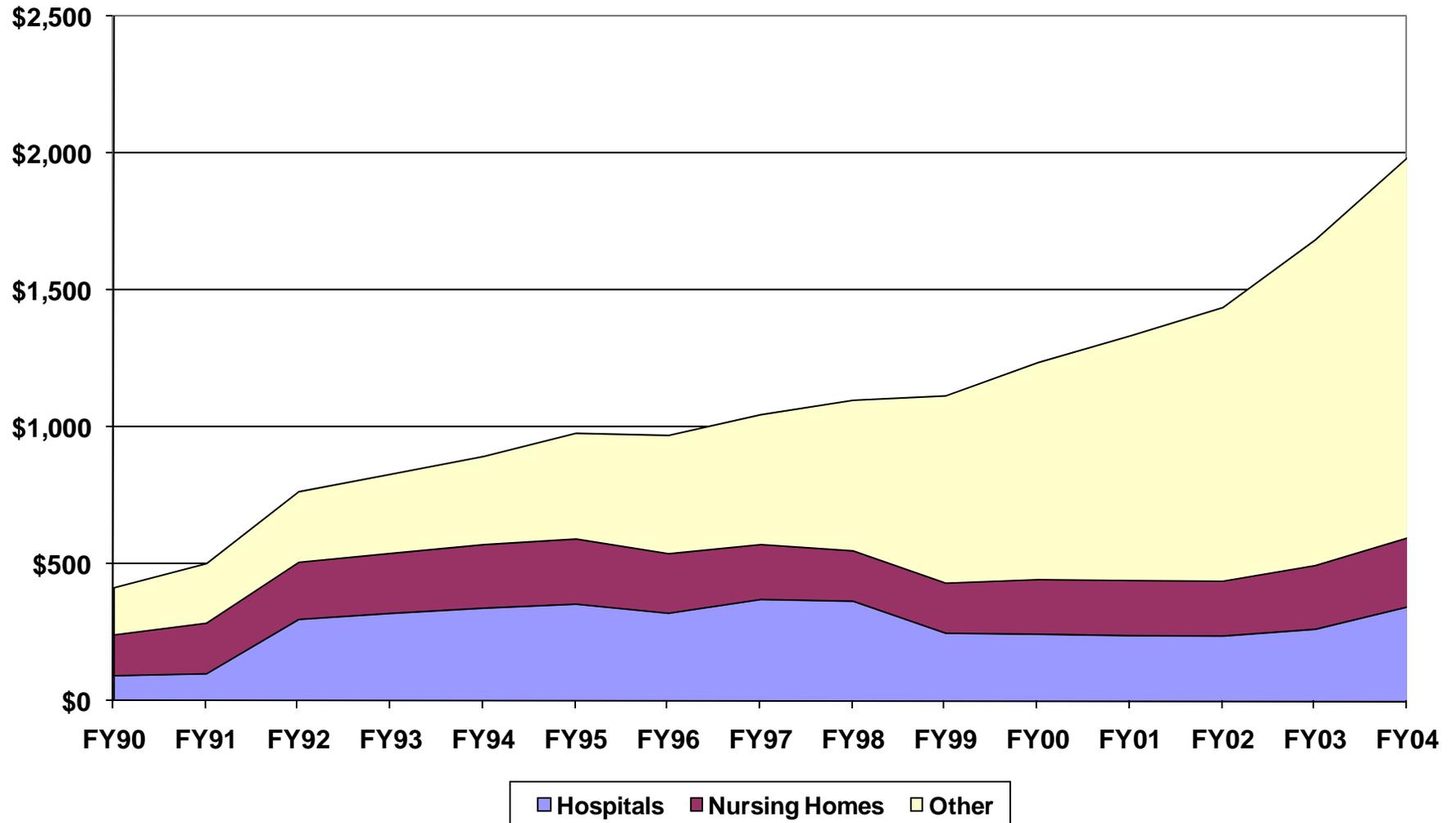


Source data: STATE of MAINE Compendium of State Fiscal Information, 2008

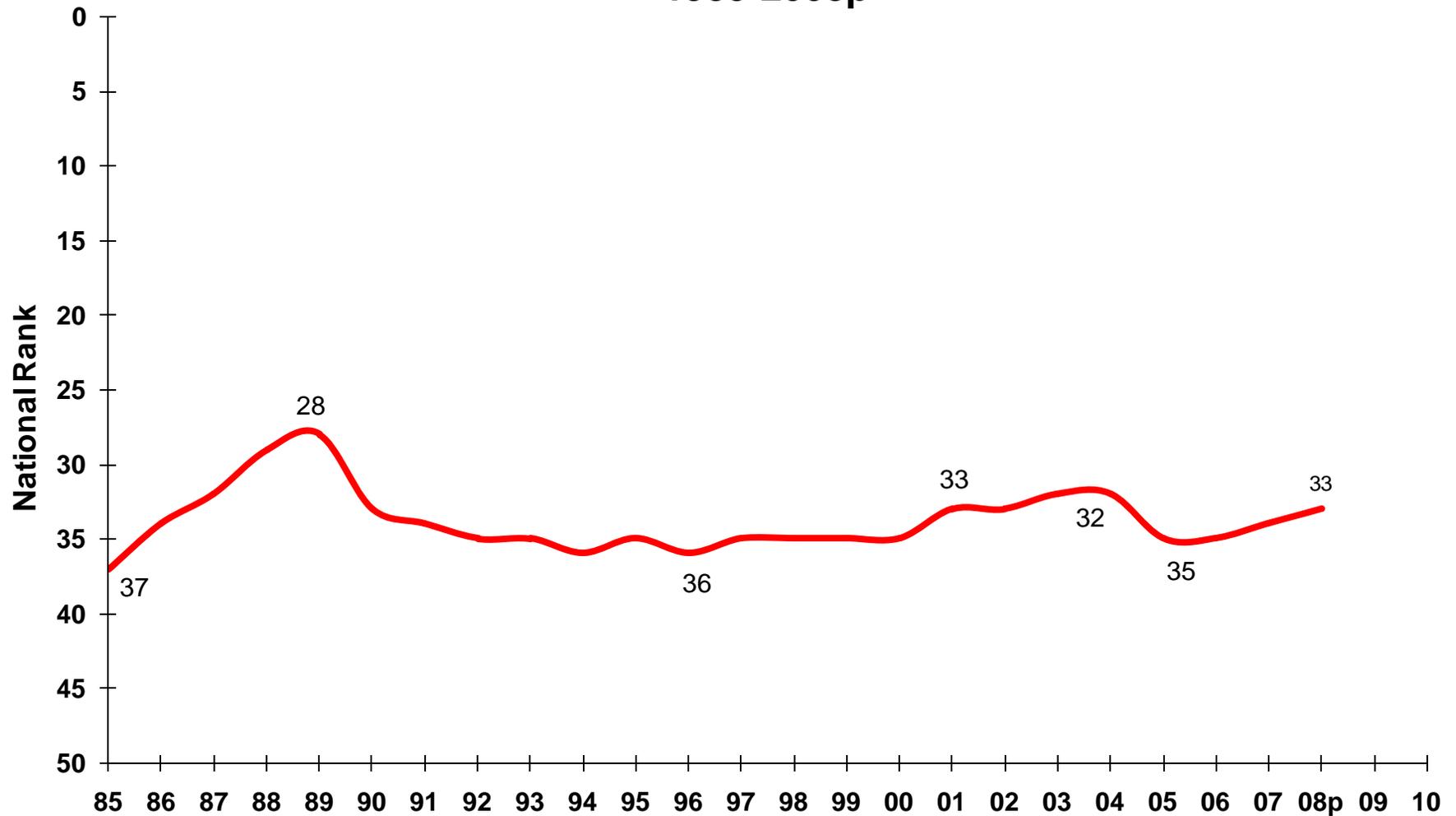
## Nominal K-12 Expenditures vs K-12 Enrollment Indexed to 1978-79 =100



## Maine Medicaid Expenditures (Millions of \$)



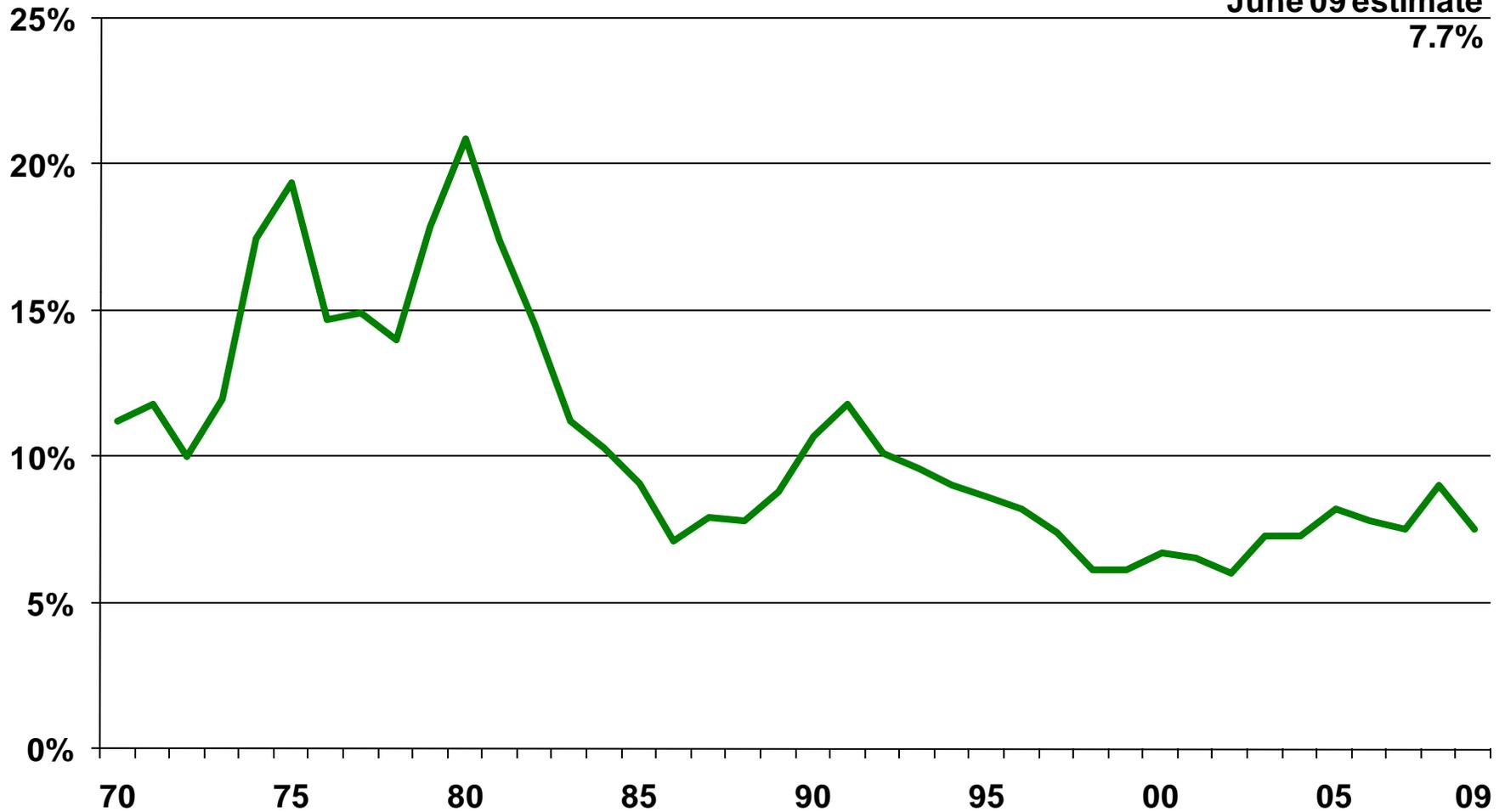
## National Rank on Per Capita Personal Income 1985-2008p



Source: BEA; Regional Economic Accounts: Annual State Personal Income.

# Maine Misery Index 1970-Current

June 09 estimate  
7.7%



# MAINE DEVELOPMENT FOUNDATION

## V I S I O N

A high quality of life for all Maine people.

*Achieving this vision requires a vibrant and sustainable economy supported by vital communities and a healthy environment.*

### Moving Maine forward by:

- Empowering Leaders
- Strengthening Communities
- Guiding Public Policy

