MEASURES OF GROWTH

2003

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

NINTH REPORT OF THE MAINE ECONOMIC GROWTH COUNCIL

PREPARED BY THE
MAINE DEVELOPMENT FOUNDATION

V I S I O N

Our vision is a high quality of life for all Maine citizens.

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

Prepared for the Maine Economic Growth Council
by the
MAINE DEVELOPMENT FOUNDATION

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2003 Performance Measures of the Maine Economic Growth Council

ECONOMY

Prosperity

- ⊕ 1 Personal Income
- ⊕ 2 Gross State Product
- ⊖ 3 Employment
- ⊖ 4 Jobs That Pay a Livable Wage
- ⊖ 5 Multiple Job Holding
- ⊖ 6 Household Debt

Business Innovation

- ⊕ 7 Research and Development Investment
- ⊕ 8 International Exports
- ⊖ 9 New Business Starts
- ⊖ 10 Gazelle Company Jobs
- ⊖ 11 New Products and Services
- ⊕ 12 Manufacturing Productivity
- ⊕ ★ 13 On Line Population

Business Climate

- ⊖ 14 Cost of Doing Business
- ⊖ 15 Local and State Tax Burden
- ⊕ 16 Cost of Energy
- ⊖ 17 Cost of Health Care
- ⊖ 18 Transportation Infrastructure
- ⊖ 19 Fiscal Stability
- ⊕ 20 Building Permit Efficiency
- ⊖ 21 Business Satisfaction with State Government

Skilled and Educated Workers

- ⊖ 22 Parents Reading to Children
- ⊕ 23 Secondary School Achievement
- ● 24 Higher Degree Attainment
- ⊕ 25 High School Attainment
- ⊕ 26 Associate Degree Attainment
- ⊕ 27 Bachelor's Degree Attainment
- ⊕ 28 Graduate Degree Attainment
- ⊖ 29 Lifelong Learning
- ⊕ 30 Employer-Sponsored Training

Key to Symbols

This is a summary. For more detailed information please see the inside back cover.

★ Exceptional performance.

Needs attention.

⊕ We have moved toward the benchmark since last available data.

⊖ We have moved away from the benchmark since last available data.

⊖ No significant movement either way since last available data.

● We can't reasonably discern a meaningful trend toward or away from the benchmark.

COMMUNITY

Civic Assets

- ⊖ 31 Child Well-Being
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- ⊖ 33 Population of Service Center Communities
- ⊖ 34 Affordable Housing
- ⊖ 35 Arts and Cultural Expenditures
- ⊕ 36 Charitable Giving
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- ⊕ 40 County Income Disparity
- ⊕ ★ 41 Gender Income Disparity
- ⊕ 42 Employment of the Disabled
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- ⊖ 45 Chronic Disease
- ⊕ 46 Cigarette Smoking
- ⊕ 47 Health Insurance Coverage
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- ⊖ 49 Domestic Assaults
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- ⊕ ★ 51 Conservation Lands
- ⊖ 52 Air Quality
- ⊕ 53 Water Quality of Lakes
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Access

- ⊕ 56 Sustainable Forest Lands
- ⊖ 57 Productive Farmland
- ⊖ 58 Commercial Fishing Opportunity

Stewardship

- ⊕ 59 Industrial Use of Toxins
- ⊕ 60 Alternative Modes of Travel
- ⊖ 61 Municipal Recycling

Prepared by the Maine Development Foundation for the Maine Economic Growth Council, February 2003.

Overview of Progress

Measures of Growth 2003 contains 52 measures that appeared in earlier editions of *Measures of Growth*, and 9 new measures that have been added for a total of 61 performance measures. Five of the new measures take advantage of recently released data from the decennial census, available in such detail every 10 years.

Maine made positive progress on 29 performance measures, lost ground on 23, and held steady on 8 others. Progress toward or away from the benchmarks is symbolized by plus and minus signs throughout the report.

The Growth Council awarded three Gold Stars to performance measures signifying exceptional performance. *Gender Income Disparity* has shown considerable progress in recent years and achieved its benchmark, earning it a Gold Star. The other measures that the Council recognized for exceptional performance are *Online Population* and *Conservation Lands*.

The Growth Council assigned 10 Red Flags to performance measures that particularly need attention. Red Flags were given to: *Personal Income; Jobs that Pay a Livable Wage; Household Debt; Local and State Tax Burden; Cost of Health Care; Higher Degree Attainment; Bachelor's Degree Attainment; Graduate Degree Attainment; Affordable Housing;* and *Domestic Assaults*.

Goals and Maine's Recent Progress Toward Achieving them

Below is a brief description of the progress under each of the Growth Council's goals and sub-goals:

ECONOMY
Goal: Sustained Economic Development

A high quality of life in Maine depends on a vibrant and sustainable economy, which is stimulated by business innovation, a competitive business climate, and a highly educated workforce. The vitality of communities and the health and sustainability of Maine's natural resources also depend on a vibrant and sustainable economy; and they support its achievement.

In recent years, the national economy was hit hard. But Maine faired relatively well. Maine has outpaced New England and the nation recently on some important trends. But short term well-being does not guarantee sustained economic growth. Maine needs to invest in its future, and take proactive steps to achieve sustainable long-term economic growth.

PROSPERITY:
The wealth of all Maine people will steadily increase.

Maine's national rank on *Personal Income* improved one notch but this does not alter the long term relative stagnation. For years, Maine's national rank has hovered in the mid-thirties and this must change. From 2000 to 2001, *Gross State Product (GSP)*, the most widely accepted indicator of general economic activity, increased 4.8 percent, which was a faster pace than experienced in New England, where GSP grew by 3.4 percent. Again this year, about 67 percent of Maine jobs pay a *Livable Wage*, another area of stagnation. Concerned with the lack of improvement, *Jobs that Pay a Livable Wage* gets a Red Flag this year. Closely related to the fact that there aren't enough good paying jobs in Maine, 8.6 percent of all Maine workers held two or more jobs in 2000. Also related, Maine people have relatively high amounts of *Household Debt*. Employment rose again this year, but not in the manufacturing sector. Still, Maine's employment growth rate from 2000 to 2001 was better than the New England rate and the national growth rate.

BUSINESS INNOVATION:
Innovation will be a hallmark of Maine businesses.

Much needed *Research and Development Investment* improved in 1999 which bodes well for business innovation. Increases in *Manufacturing Productivity* outpaced US increases, although Maine is still far behind in the value of output produced by the average Maine worker, due mostly to lack of capital investment. The value of *International Exports* declined from 2000 to 2001, although not as rapid a decline as across the entire nation, another relatively positive sign. From 2000 to 2001, the number of new businesses started in Maine declined by 10 percent, while across New England, new business starts declined just 4 percent. The Growth Council added two new performance measures in this section,

Online Population and *Gazelle Company Jobs*. They both replace previous, similar performance measures. *Online Population* earns a Gold Star because so many Maine people are active on the Internet, thought to be an important ingredient of business innovation. On *Gazelle Company Jobs* Maine does not perform well relative to other states, but the Growth Council will track it and hope for improvement.

BUSINESS CLIMATE: Maine will have a consistently positive business climate.

A state's business climate can either stimulate or hinder economic growth, and the performance measures in this section indicate that Maine has work to do in this area. The gap between Maine and New England on *Local and State Tax Burden* increased again from 1999 to 2000 and earned another Red Flag this year. *Fiscal Stability*, which measures the relationship between changes in income and taxes, didn't show improvement although it wasn't nearly as bad as some previous years. *Building Permit Efficiency* improved again this year. Although the *Cost of Energy*, which measures the average cost of electricity for the industrial sector alone, increased this year it did so at a slower pace than national increases. *The Cost of Health Care* is a different story. Having increased almost 10 percent per year for the past several years, in 1998 Maine had the highest health care costs in the country, earning this performance measure a Red Flag this year.

SKILLED AND EDUCATED WORKERS: Maine workers will be among the highest skilled and best educated in New England.

Education levels are considered a key factor in achieving and sustaining economic growth. The performance measures in this area tell us that Maine must focus on increasing the educational levels of its citizens. High school students did relatively well in 2001 on *Secondary School Achievement*, and a relatively high number of Maine people have High School diplomas, but the Growth Council has added a new measure this year specifically to call attention to the fact that not enough high school graduates are continuing on to get higher degrees. *Higher Degree Attainment* shows us that 38 percent of New Englanders have degrees beyond high school, but in Maine that percentage is just 30 percent. Furthermore, performance measures look specifically at *Bachelor's Degree Attainment* and *Graduate Degree Attainment*, both of which are critical to economic growth in the new "knowledge economy." A bright spot, Maine has made good progress over the past ten years in the percentage of people who have attained *Associate's Degrees*.

COMMUNITY Goal: Vibrant Communities

Vibrant communities are safe, attractive places to live. They stimulate leadership and civic engagement, and they serve as a supportive environment for children and families. Vital communities support the achievement of a high quality of life for Maine citizens by providing the social and familial foundation for healthy and engaged citizens and for equal opportunity. Such communities can also attract new residents and new businesses to the state, both of which are important for a sustainable and vibrant economy. The measures indicate that while Maine communities are generally vital places, disparities exist.

CIVIC ASSETS: The vitality of Maine communities will be enhanced by increasing citizen participation and leadership.

One of Maine's greatest community challenges is *Affordable Housing*. In 2002, Maine people paid an average of 3.31 times their household incomes for houses, an 18 percent increase in the ratio over the past four years. In some areas of the state, affordable housing shortages have reached crisis proportions. It is one of the factors contributing to another alarming trend captured in *Population of Service Center Communities*. Fewer and fewer Maine people are living in service center communities causing significant development pressures in what used to be rural communities. *Arts and Cultural Expenditures* are down but overall *Charitable Giving* is up. *Child Well-Being* remains good in Maine although the state slipped a couple notches in national rank. *Voter Turnout* and involvement of Mainers in civic affairs remains strong.

DISPARITIES: Economic disparity will be continually reduced.

There are a number of troubling disparities among Maine people that adversely affect the vitality of Maine's communities, and the extent to which people contribute to economic growth and experience a high

quality of life. And there are some areas in which Mainers have made good progress. In 1997, the Growth Council established a benchmark for *Gender Income Disparity* which was recently achieved. The amount of pay that full-time, full-year working women receive is steadily increasing relative to full-time, full-year working men. Also, *County Income Disparity* improved for the first time in many years. The gap between Maine's wealthiest and poorest counties closed slightly, reversing a multi-year trend. In 2001, *Poverty* levels in Maine increased by 2 percent over 2000 levels, but national increases were even greater.

HEALTH and SAFETY: Maine people will be healthy, and will live and work in safe communities.

Safe communities with healthy citizens are important to the vitality of Maine's communities. This year's edition of *Measures of Growth* reports that we have made forward progress on some health issues, but have retreated on some safety issues. *Cigarette Smoking* among 18-34 year-olds decreased from 2000 to 2001, the first decrease in the rate in the past five years. *Health Insurance Coverage* also improved from 1999 to 2000, resulting in 10.3 percent of Maine people lacking coverage compared with 14.6 percent nationally. Of grave concern, however, there appears to be a steady increase in the number of *Domestic Assaults*, a 10 percent increase from 2000 to 2001 alone. The Growth Council has awarded a Red Flag to the issue of domestic violence. The *Crime* rate is also up slightly.

ENVIRONMENT Goal: Healthy natural resources

One of Maine's greatest competitive advantages is its natural environment. The environment's health is supported through preservation and stewardship. Maine's natural environment is also important to the economy, which has traditionally been based on natural resource industries such as timber harvesting and agriculture. The measures tell us that while the state continues to host generally healthy natural resources, citizens must be vigilant and proactive about protecting the natural environment for future use and enjoyment, as well as for natural habitat.

PRESERVATION: Maine will be characterized worldwide as a place of extraordinary natural beauty.

Maine appears to be making good progress towards environmental preservation, although there is still much work to be done. Of particular note, *Conservation Lands* receives a Gold Star this year in recognition not only of sustained increases in government-owned conservation lands, but also to honor dramatic recent increases in the amount of land preserved by non-government agencies through the use of conservation easements. *Water Quality of Lakes* shows improvement and *Water Quality of Marine Areas* holds steady. Of concern, *Air Quality* worsened and it appears that *Mercury Contamination* is an increasing threat.

ACCESS: Access to Maine's natural resources will be sustained for responsible productive and nonproductive purposes.

Maintaining access to Maine's natural resources for both production and recreation is important to maintaining the state's economic advantage and promoting a high quality of life. The amount of *Sustainable Forest Land* continues to increase, a good sign both for the future of the industry and the resource. However, the commercial fishing industry continues to be seriously challenged as evidenced by continually decreasing *Commercial Fishing Opportunity*.

STEWARDSHIP: Maine people and businesses will be world leaders in acting for the good of the natural environment.

Many Maine people and businesses are acting as stewards of the environment, but there is much room to improve. The amount of waste being recycled has recently increased, but the statewide rate has actually slipped due to an even greater amount of waste being generated. Industrial *Use of Toxins* continues to decline.

Purpose and Scope

The Maine Economic Growth Council was established in 1993 and was charged with developing and maintaining a long-term economic plan for the state, including goal-setting, measurable outcomes, and benchmarks. The Growth Council is administered by the Maine Development Foundation.

The primary product of the Growth Council is this

annual report, *Measures of Growth*, which is now in its ninth edition. Its purpose is to measure how successful Maine is in achieving the council's vision of a high quality of life for all Maine citizens.

The Maine Economic Growth Council strives to be accurate, nonpartisan, and objective, and to exhibit common sense. The Growth Council does not advocate specific strategies to accomplish the goals set forth in *Measures of Growth*. Its mission is to identify what's important and to measure how Maine is performing.

This report is not a business agenda, an environmental agenda, or a state government agenda. Rather, it is a broad-based framework for achieving a high quality of life in Maine through promoting a vibrant and sustainable economy, vital communities, and healthy natural resources. Its intent is to motivate public and private leaders at the state and local level to take actions to advance the performance measures. The Growth Council has consulted numerous organizations that have a stake in Maine's economic future, and their opinions are reflected in this work. In keeping with its legislative mandate, the report takes a long view--five to 15 years--and defines quality of life and the economy broadly.

State legislators may use the report to guide their policy decisions; economic development leaders may use it to focus special attention on local priorities; and business leaders may use it to set priorities. All Maine people may use the performance measures to evaluate how we are doing as a whole at improving the economy and moving toward our vision.

Report Structure

The contents of the report are driven by the Growth Council's **vision statement**, which helps to focus and guide all the work. The Growth Council envisions a high quality of life for all Maine citizens. Achieving this vision requires a vibrant and sustainable economy, supported by vital communities and a healthy environment.

To give the vision meaning, **goals** have been developed for the following key areas: the Economy, Community, and Environment.

Sub-goals were developed under each goal to assist with the organization and selection of appropriate performance measures. The sub-goal areas also have a goal statement against which we measure progress.

Measures of Growth contains 61 **performance measures** that are specifically defined data sets used to measure progress toward achieving the stated goals. The performance measures are indicators of progress. We can look at them and see where Maine stands today relative to the goals. For each performance measure, there are **benchmarks**: targets of where we would like to be on each measure at a specific time in the future.

In summary, the Growth Council believes that high quality of life for all Maine people can be achieved by working on goals in the areas of Economy, Community, and Environment. Within these broad goal areas, ten sub-goal areas with discrete goals have also been identified. We monitor 61 performance measures and measure progress against a benchmark for each.

Goals and Measures Integrated

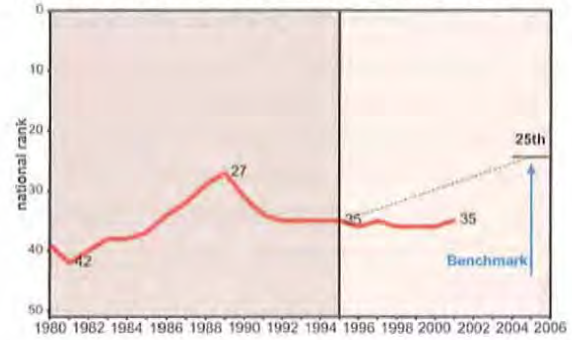
While progress is reported on individual measures in specific goal areas, it is important to remember that their performance is related to success or failure of other issues measured in the report. All of the goal areas and performance measures are part of a larger system that is interrelated and interdependent.

The Growth Council developed a diagram to illustrate these relationships which is shown on the inside cover of this report. The diagram shows the achievement of the vision statement, a high quality of life for all Maine citizens, at the intersection of the three goal areas and their measures. The diagram also shows that achieving the goals and benchmarks is a cooperative effort.

For example, it has been documented that a person's income is related to his or her level of educational attainment. Protecting Maine's claim of being "vacationland", which contributes over $5 billion tourist dollars to the Maine economy each year, is largely dependent on the health and beauty of our natural environment. And the number of people in Maine who smoke cigarettes is important to economic and community vitality because of its impact on employee productivity, health care expenditures, and family health.

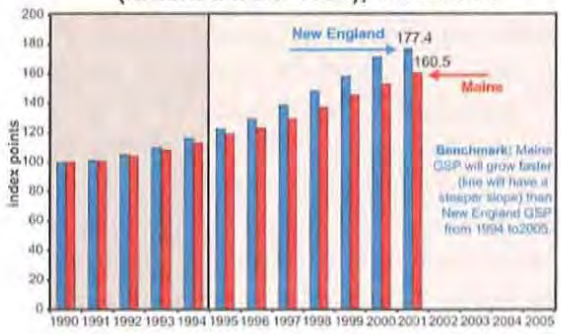
The reader is encouraged to seek out and consider many other relationships among the performance measures.

National Rank on Per Capita Income 1980-2001



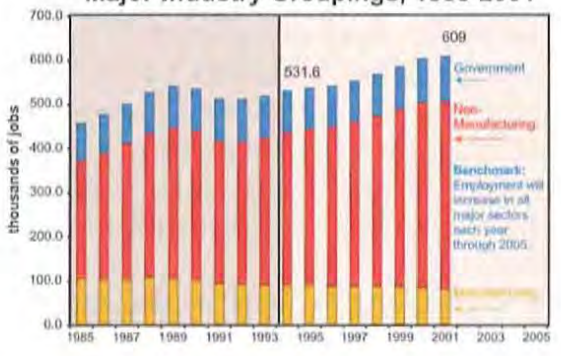
Data Source: U.S. Bureau of Economic Analysis, October, 2002; and Maine State Planning Office, October 2002.

Gross State Product, Maine & New England (Indexed from 1990), 1990-2001



Data Source: US Bureau of Economic Analysis, October 2002; and Maine State Planning Office, October 2002.

(Non-farm Wage and Salary) Employment by Major Industry Groupings, 1985-2001



Data Source: Maine Department of Labor, Division of Labor Market Information Services in cooperation with the US Bureau of Labor Statistics, November, 2002.

1. Personal Income

Benchmark: Maine's national rank among the 50 states on per capita income will improve from 35th in 1994 to 25th by 2005.

Personal Income Increased, but Still Relatively Low In 2001, Maine ranked 35th in the nation on per capita personal income, a marginal improvement in national rank over the previous year. Maine's rank improved because per capita personal income in Maine grew slightly faster than the national average from 2000 to 2001.

However, over the past several years Maine's per capita personal income has been essentially stagnant relative to other states. If the relative wealth of Maine people could significantly improve, many other problems such as tax burden, cost of health care, and household debt would diminish. Higher incomes would support increased spending on community and environmental issues. For these reasons, the Growth Council gives this performance measure a Red Flag again this year.

In 2001, Maine's income per capita (total income earned in the state divided by the state's population) was $26,723, about 12 percent less than the United States average of $30,472. From 2000 to 2001, per capita income in Maine grew by 4.1 percent while per-capita income for the U.S. as a whole grew by just 2.4 percent.

A high personal income is a direct reflection of economic prosperity, and helps to support other economic activity. Income is derived from wages and salaries, but it also comes from other sources such as returns on investments and transfer payments from government.

Increasing personal income is fundamental to achieving a high quality of life for Maine citizens. People are able to live a high quality life if they have the means to secure its foundation, whether that is housing, health insurance, or a car to drive to work. Luxuries, which many people include in their definition of a high quality of life, also depend on a reasonable income. Personal income differences between states and regions should be viewed with cost-of-living differences in mind, and in Maine the cost of living is lower than in most other states.

2. Gross State Product

Benchmark: Maine's gross state product will grow faster than New England's, on average, between 1994 and 2005.

Maine's Economic Growth Outpaces New England In 2001, Maine's gross state product was estimated to be $37.7 billion, up 4.8 percent from 2000. During the same time period, the New England economy grew at a slower pace of 3.4 percent. The Maine economy accounts for about 6 percent of New England's economy.

Since the Maine Economic Growth Council began tracking this performance measure in 1994, the New England economy has grown 52 percent while the Maine economy has grown 42 percent.

Gross state product is the value added in production by labor and property located in a state. It is a fundamental measure of economic health, and the primary determinant of the extent to which an economy is growing or in recession. The sum of value added in all industry sectors totals gross state product.

For ease of comparison, the graph shows Maine and New England data indexed to 1990; that is, 1990 values are set to 100.

3. Employment

Benchmark: The number of jobs held by Maine people in all major industry groups, 531,600 in 1994, will increase each year through 2005.

Employment Up Overall, but Manufacturing Continues Slow Decline From 2000 to 2001, employment in Maine grew very slightly, just 0.9 percent, from 604,200 jobs to 609,400 jobs. During the same period, employment in New England as a whole grew 0.2 percent and across the nation grew 0.2 percent. For each of the past seven years, the number of jobs in Maine has increased an average of 2 percent per year.

This year the performance measure breaks employment figures into three major industry groups – Manufacturing, Non Manufacturing *(which includes: Mining; Wholesale Trade; Retail Trade; Construction; Services; Finance; Insurance and Real Estate; Transportation; and Communications* and *Public Utilities)* and *Government*. This is done to provide a closer look at the composition of employment in Maine. The graph shows that the non-manufacturing sectors have increased over the years while manufacturing jobs in Maine have been declining for more than a decade. The progress arrow is down because employment increases were not achieved in each of the three sectors.

Several industries in particular are contributing to the growth in employment in the non-manufacturing group. From October 2001 to October 2002, Maine's construction industry added 400 jobs, a 1.3 percent increase. Maine's service industries added 2,600 jobs, for a 1.4 percent increase. During the same time period, the number of manufacturing jobs decreased by 4.7 percent.

These figures represent full-time and part-time annual average employment, but do not include farm workers or self-employed people. This is an indicator of the number of jobs in Maine, unlike the unemployment rate, which indicates how many people are out of work. This performance measure should be viewed with the next indicator, which depicts *Jobs that Pay a Livable Wage*.

Data Source: Maine Department of Labor, Division of Labor Market Information Services in cooperation with the US Bureau of Labor Statistics, November, 2002.

4. Jobs that Pay a Livable Wage

Benchmark: The percentage of jobs that pay a livable wage will improve from 65 percent in 1995 to 85 percent by 2005.

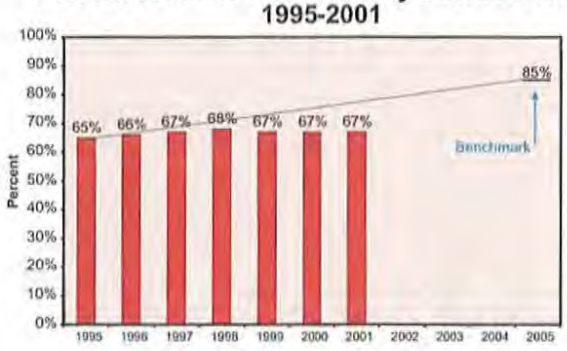
Percent of Jobs that Pay a Livable Wage Not Improving In 2001, about 67 percent of all jobs in Maine paid what the Growth Council considers to be an annual livable wage for that year: $21,403 for a family of two. This performance measures earns a Red Flag this year because there has been no significant change in this percentage since the Council has been tracking it, and it is vitally important to long-term economic growth.

If people are not earning a high enough wage to support themselves and their non-income earning dependents (such as children, spouses, or elders), they are forced either to live without some basic necessities, or depend on some type of public assistance. Each has a negative impact on individual health and morale, and on the economy. Jobs that pay below a livable wage are not likely to contribute to a vibrant and sustainable economy, and they ultimately result in higher taxes for Maine businesses and citizens.

This performance measure considers a livable wage to be 85 percent above the poverty line (established by the U.S. Department of Labor) wage for a family of two. In that way, it is directly related to the number of Maine people living in poverty. The family size of two was chosen because roughly half of all Maine people are employed (each job in Maine supports roughly two people).

The number of livable wage jobs is calculated by looking at the average annual wages paid in each Maine industry (451 of them defined by a three-digit Standard Industrial Code) and simply adding up the number of jobs in those industries that pay above the livable wage. This number is then divided into the total number of jobs to arrive at the percentage of jobs that pay a livable wage.

Percent of Maine Jobs that Pay a Livable Wage, 1995-2001



Data Source: Maine Development Foundation analysis based on Covered Employment and Wages data provided by the Maine Department of Labor, Division of Labor Market Information Services November 2002.

5. Multiple Job Holding

Benchmark: Maine's multiple job holding rate, 27% greater than the US rate in 1999, will decline to within 5 percent of the US rate by 2005.

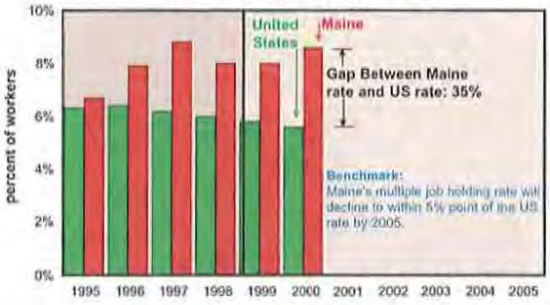
One out of Twelve Workers Have More than One Job In 2000, 8.6 percent of all Maine workers had two or more jobs, a higher percentage than the national rate of 5.6 percent. Furthermore, while the national multiple job holding rate declined from 1999 to 2000, Maine's rate increased.

People who have to hold multiple jobs in order to make a living have less time for families, community involvement, and education. The relatively high rate of people in Maine who hold multiple jobs suggests that many jobs are not paying enough, and is closely related to the number of livable wage jobs available in the state. Low paying jobs cannot sustain a healthy economy. While some workers may choose second jobs to earn money for non-essentials, most work multiple jobs to pay for basic needs.

According to the US Department of Labor, Bureau of Labor Statistics, multiple job holders are employed persons who, during a specific week in which workers were surveyed, had either two or more jobs as a wage and salary worker, were self employed and also had a wage and salary job, or worked as an unpaid family worker and also held a wage and salary job. A person employed only in private households (cleaner, gardener, babysitter, etc.) who worked for two or more employers is not considered a multiple job holder. Also excluded are self-employed persons with multiple businesses and persons with multiple jobs as unpaid family workers. The same methodology is applied in Maine as across the country.

This is a new performance measure this year, revived from an earlier edition of *Measures of Growth*.

Percent of Peopole Holding Multiple Jobs US & Maine, 1995-2000



Data Source: US Department of Labor, Bureau of Labor Statistics, and the Maine Department of Labor, Bureau of Labor Information Services, November, 2003.

6. Household Debt

Benchmark: The ratio of household debt (not including mortages) to annual household disposable income, 20.7 percent in 2000, will continually decline each year through 2005.

Debt Comprises Over One-Fifth of Disposable Income In 2001, the outstanding debt of Maine households totaled $6.35 billion, 21.8 percent of total disposable income for that year. This is an increase from the 2000 percentage of 20.8 percent. Because debt levels have been generally increasing in Maine households since 1992 and are currently the highest they have been in 20 years, the Growth Council gives this performance measure a Red Flag.

Household debt levels in the United States have historically been very similar to those in Maine.

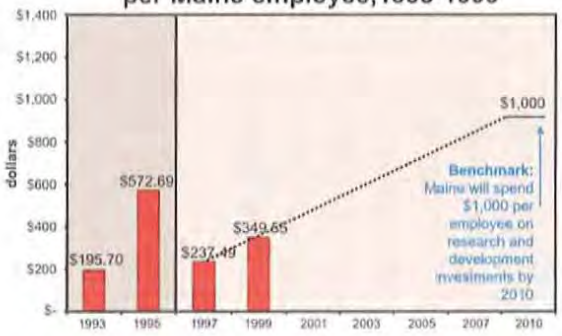
When Maine households carry a large amount of debt, they are vulnerable and ill-prepared to weather an economic downturn. Keeping a high percentage of disposable household income in debt also decreases the amount of money that families can put into savings or investments, which are important to long-term economic security.

Household debt as defined in this performance measure represents all debt except mortgage debt, and includes credit cards, store cards, and debt owed to companies such as utilities or phone companies. Disposable income is the amount of money that a household has available for immediate purchases and payments.

Outstanding Debt of Maine Households, 1982-2002

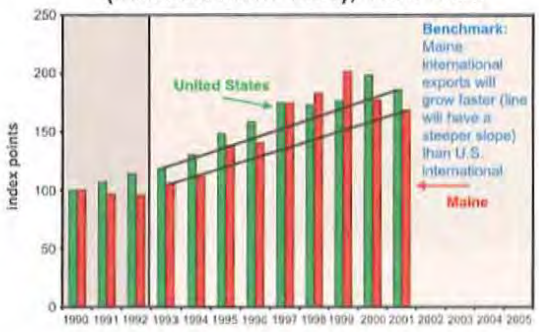
Data Source: Maine State Planning Office, based on forecasts by Economy.com, October 2002.

Maine Research and Development Expenditures per Maine employee,1993-1999



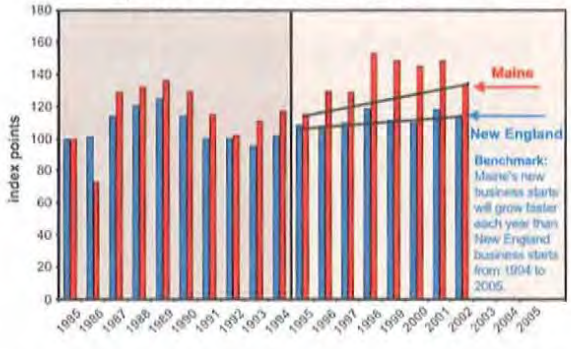
Data Source: National Science Foundation, Division of Science Resource Studies, *National Patterns of R&D Resources*, and the Maine Science and Technology Foundation, November.

Internatioanl Exports, Maine & United States (Indexed from 1990), 1990-2001



Data Source: Maine International Trade Center based on data provided by the Massachusetts Institute for Social and Economic Research (MISER), September 2002.

New Busines Starts, Maine & New England (indexed from 1984), 1984-2001



Data Source: US Small Business Administration, Office of Advocacy, October 2002.

7. Research and Development Investment

Benchmark: Investments in research and development per Maine worker, $255.44 in 1998, will increase to $1,000 per worker by 2010.

Research and Development Investments on the Increase In 1999, Maine companies, nonprofits, and education institutions invested over $225 million dollars in research and development activities. In that year, 642,500 people were working in Maine, meaning that Maine invested an average of $349.55 per worker in research and development in 1999. That is an increase of 47% from 1997, when $237.49 per worker was invested in Maine.

Although Maine increased the amount of research and development spending per worker from 1997 to 1999, the state has a long way to go to achieve the established benchmark.

Investment in research and development has been identified as a foundation and significant driver of prosperity and a high quality of life. In Maine, industry consistently invests the most money relative to other sectors in research and development - $140 million in 1999. Still, in order to achieve the stated goal, Maine's industries will need to be even more focused on research and development. That will require continued focus on encouraging innovation and technology, including continued development of industry clusters.

State investment in support of research and development has increased significantly in the last decade in Maine. Between state fiscal years 1999 and 2003, the state appropriated an average of just over $31 million annually in support of research and development. This compares to an average investment of just over $4 million annually during the previous five-year period, 1994-1998.

Analysis by the Maine State Planning Office in 2002 identified research and development and bachelor's degree attainment levels as the key to increasing per-capita income in Maine. The study determined that Maine would need to spend $1,000 (in 2001 dollars) per worker to increase its per-capita income. The benchmark for this indicator is based on this analysis.

8. International Exports

Benchmark: The value of Maine's international exports will grow faster, on average, than the growth in value of US international exports from 1994 to 2005.

International Exports Decline, Nationally and in Maine From 2000 to 2001, the value of Maine exports declined 4.8 percent. During the same time period, US exports declined 6.3 percent, resulting in Maine moving closer toward achieving the benchmark.

In 2001, Maine companies exported $1.812 billion worth of products. $846 million worth of product was exported to Canada, $133 million worth of product to Malaysia, and $105 million worth of product to Singapore. Industries that exported the greatest value of product were paper ($354 million), computer and electronics ($347 million), forestry products ($186 million), and fish and marine products ($149 million).

Since 1993, Maine's overall growth in exports has been almost identical to the US growth rate; both about 58 percent.

These data represent the value of products exported to other countries, but exclude services. For ease of comparison, the graph shows Maine and United States data indexed to 1990; that is, 1990 values were set to 100.

9. New Business Starts

Benchmark: Maine's rate of annual growth in the number of new businesses started will outpace the New England rate from 1994 to 2005.

New Business Starts Decline in Maine and New England In 2001, 4,677 new businesses started in Maine, 10 percent fewer than in 1999. Across New England during the same time period, new business starts declined by about 4 percent.

This performance measure is an indicator of the availability of investment capital and the extent to which people perceive economic opportunities.

The measure itself does not consider the number of business failures, acquisitions or mergers. It is the number of businesses each year that are "a new registration" with the state, or an applicant for a new account number with the state's department of employment security. Also, the data presented here reflect only new businesses that have at least one employee, other than the owner.

For ease of comparison, the graph shows Maine and New England data indexed to 1990, whereby 1990 values were equalized to 100.

Based on recent analysis by the University of Maine Cooperative Extension, we find that about 20% of all Maine workers are employed in businesses of four or fewer employees, called micro-businesses.

10. Gazelle Company Jobs

Benchmark: The percentage of Maine jobs in fast-growing companies, 11.9% in 2002, will be 15% by 2008.

Percent of Gazelle Jobs Could Be Higher This new performance measure looks at percent of all jobs in Maine that are in companies with annual sales revenue that has grown 20 percent or more for four straight years. These are known as "gazelle companies;" they are very fast-moving and entrepreneurial.

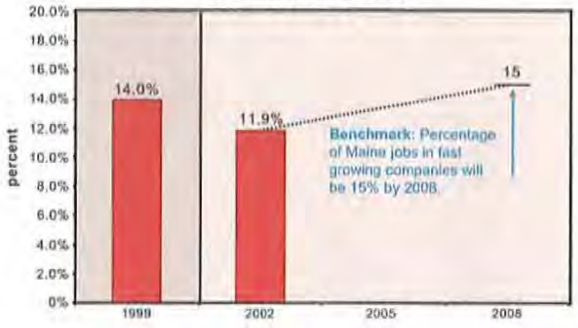
The degree to which a state's economy is composed of new, rapidly growing companies is indicative of the extent to which the state's economy is dynamic and adaptive. Between 1993 and 1996, for instance, the number of gazelle companies across the country grew by 40 percent and those companies were responsible for creating 70 percent of the new jobs added during that period.

This performance measure is tracked nationally by the Washington-based Progressive Policy Institute via their now twice-published report called the New Economy Index. The report ranks the 50 states on 17 indicators designed to measure the capacity of state economies to flourish in the new economy.

In 2002, the New Economy Index ranked Maine 40th in the nation on "Gazelle" jobs, a drop from Maine's 1999 ranking on this measure of 22nd.

This new performance measure replaces "Job Growth Among New Businesses" which the Growth Council used for many years but for which data is no longer available.

Percent of Jobs in Fast Growing Companies, Maine, 1999-2002



Data Source: Progressive Policy Institute, New Economy Index, 2002 and 1999.

11. New Products and Services

Benchmark: The percentage of Maine for-profit businesses that develop new products or services each year will improve from 44 percent in 1995 to 70 percent by 2005.

Historical Lack of Improvement In 2001, 54 percent of Maine businesses reported that they developed new products or services. This is a relatively direct measure of business innovation and is an important indicator of how well existing Maine businesses are competing and adapting to new customer needs and managing economic pressures.

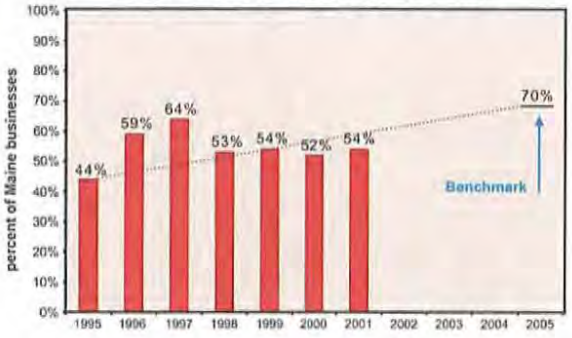
Over the past four years, the percentage of Maine businesses reporting that they have developed new products or services has remained low, a troubling trend for this fundamental measure of business innovation.

In a fast-paced global economy, Maine businesses must be able to capture new markets and expand through the development of new products and services. Although the percentage did increase this year, the Growth Council would like to see even greater improvement in the percentage of Maine businesses producing new products and services because it is so critical to promoting a vibrant and sustainable economy in Maine.

Maine leaders of for-profit businesses were asked: "Over the past 12 months, did your company develop new products or services that are consistent with your core business?" The data above reflect the percentage that responded "yes." The 2 percent point change from 2000 to 2001 is not significant given the survey sample size.

No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue. The Growth Council intends to administer the survey again in time for *Measures of Growth, 2004*.

Percent of Busineses With New Products or Services, 1995-2001



Data Source: Maine Development Foundation Annual Survey of Maine Businesses, 1995-2001.

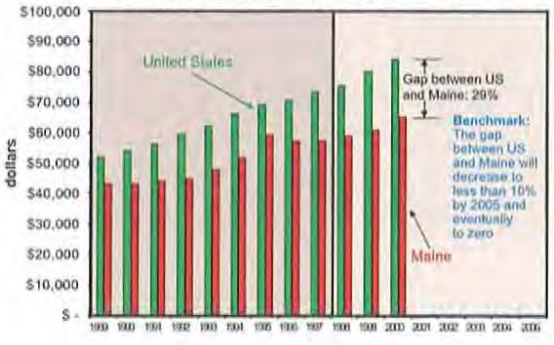
12. Manufacturing Productivity

Benchmark: The gap between US and Maine in value added per manufacturing worker, 28% in 1998, will decrease to less than 10% by 2005, and eventually to zero.

Productivity Continues to Increase, but Still Relatively Low In 2000, each manufacturing sector worker in Maine produced about $65,270 worth of product on average: an increase of about 7 percent from the average value of product produced per manufacturing worker in 1999. During the same time period, US productivity increased 5.25 percent. Thus the difference in Maine's productivity and US productivity lessened slightly from 31% to 29%.

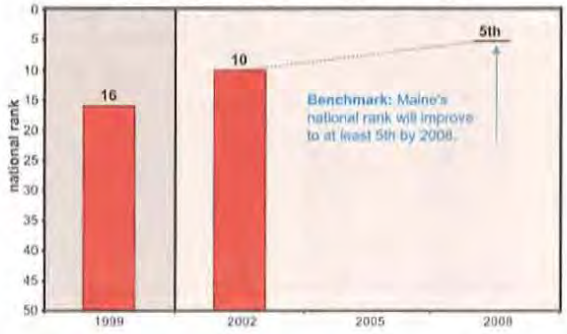
Productivity is calculated in this performance measure by dividing the total number of manufacturing employees into value added by the manufacturing sector in Maine. Value added is defined as the amount contributed by the sector to the state's gross state product. Productivity measured in this way does not strictly reflect worker productivity because capital improvements also increase the value of product.

Manufacturing Value Added per Manufacturing Worker Maine and US, 1989-2000



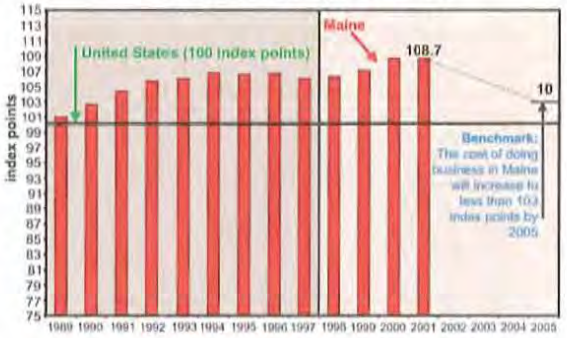
Data Source: Bureau of Economic Analysis, October 2002 and the Maine Department of Labor, Division of Labor Market information, October 2002.

Maine's National Rank on the Percent of People with Internet Access, 1999-2002



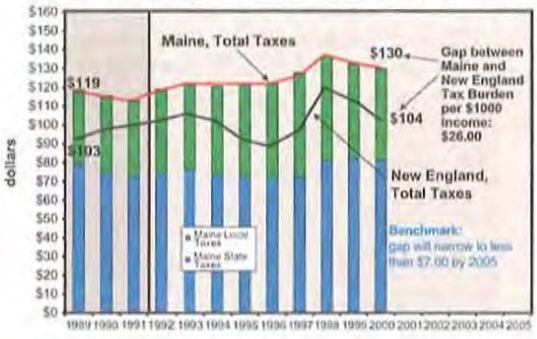
Data Source: Progressive Policy Institute, New Economy Index, 2002 and 1999; based on data from the US Census, Current Population Survey, Internet and Computer Use Supplement.

Cost of Doing business, Maine and United States,1989-2001



Data Source: Economy.com, United States Business Cost Review, 2003.

Individual Tax Burden of all taxes per $1,000 Income Maine and New England, 1989-2000



Data Source: US Census, State and Local Government Finance Estimates, 1989-2000.

13. Online Population

Benchmark: Maine's national rank on the percentage of people online, 10th in 2002, will improve to at least 5th by 2008.

Maine is the Tenth Most Connected State In 2002, about 60 percent of all Maine adults had access to the Internet, whereas across the country about 54 percent had Internet access. Among the fifty states, Maine ranked 10th in the nation in 2002, up from 16th in 1999. Because this is an important issue on which Maine does relatively well, and is improving, the Growth Council has awarded this performance measure with a Gold Star.

The percent of people online is an excellent indicator of a state's progress toward the digital economy. Increasingly, goods and services are being exchanged via the Internet and people are increasingly using it for research. To compete in this emerging Internet-driven economy, a high percentage of people need to be online.

Furthermore, for a rural state like Maine, Internet access is a way to be on equal footing with more urban areas for gaining new information and ideas. The Internet allows people to more easily work and do business from Maine with the rest of the world.

The top ten connected states are Alaska, Minnesota, New Hampshire, Wyoming, Maryland, Utah, Washington, Oregon, Vermont, and Maine.

Related, the New Economy Index also tracks "Technology in Schools," a weighted measure of five factors measuring computer and Internet use in schools. On this measure in 2002, Maine ranked 15th in the nation, 40 percent better than the US average.

14. Cost of Doing Business

Benchmark: The cost of doing business in Maine, 106 index points in 1998, will decrease to less than 103 index points by 2005.

Cost of Doing Business High in Maine Relative to U.S. Maine's cost of doing business in 2001, according to this index, was 8.7 points higher than the national average cost of doing business and has increased 5% over the past 10 years. This represents a serious competitive disadvantage for Maine-based businesses.

This performance measure is an important indicator of the costs of operating a business in the state of Maine relative to other states, and an important consideration for businesses looking to relocate to Maine, expand, or leave the state.

The index includes the unit cost of labor, the energy costs, and the tax burden in each state. Unit labor costs comprise 75 percent of the index, energy costs comprise 15 percent, and the tax burden is 10 percent of the total index. Unit labor costs are defined as the average wages and salaries earned per dollar of output created. The energy cost component of the index compares the average commercial and industrial electricity costs, in cents per kilowatt-hour, to the U.S. average. The tax burden is the total tax burden as a percent of total personal income indexed to the national effective tax rate, which is calculated in the same manner.

Maine was ranked 7th in the nation on this index in 2002. Maine's high rank is attributed to its high state and local tax burden, which placed Maine 3rd highest in the nation on this component of the index. On the energy index Maine was ranked 6th, and on the unit labor cost index, Maine was ranked the 18th most expensive state.

15. Local and State Tax Burden

Benchmark: The gap between Maine and New England in state and local tax burden per $1,000 of income generated will improve from $8.70 in 1992 to less than $7.00 by 2005.

Maine Tax Burden Declines, but New England Taxes Decline More In 2000, Maine people earned about $32.8 billion of income, and paid a total of $4.3 billion in state and local taxes. For every $1,000 earned as income in Maine, about $130 was paid in state and local taxes. The average tax burden per $1,000 of income for New England for the same year was about $104, a gap of approximately $26, and a significant increase from 1998 when the gap was only $18. The Growth Council has chosen to give this performance measure a Red Flag again this year because gap between Maine and New England continues to grow.

People and businesses making decisions about where to locate look at the amount of taxes they will have to pay as part of that decision. Maine competes with other New England states to attract people and businesses, and is concerned with its comparative tax burden. National indices and many experts place Maine in the top tenth percentile of states with the highest tax burden, which is cited by many Maine businesses as a disincentive to do business in the state.

There are several ways to measure tax burden. This measure was chosen because it considers ALL taxes paid to state and local governments, not just income taxes or any other specific type of taxes. Also, unlike per-capita measures, this measure relates taxes to the state's relative wealth, not the size of its population. It is calculated by adding the total amount of income, sales, property, corporate income, and other taxes collected (it does not include transfers from the federal government or other revenue sources such as liquor or lottery sales) and dividing that by the total amount of income earned by individuals (as a proxy for wealth of the state). The same calculation is made for Maine and for New England as a whole.

16. Cost of Energy

Benchmark: The cost of electricity for the industrial sector in Maine will decrease to less than 130 percent of the average cost of electricity for the industrial sector in the US by 2005.

Maine Industrial Energy Costs Decrease Slightly In 2001, electricity cost Maine's industrial sector an average of 7 cents per kilowatt-hour. Across the nation as a whole, the industrial sector paid an average of about 5 cents per kilowatt-hour. The graph shows that in 2001, Maine industrial electric consumers paid 39 percent more for electricity than the national average.

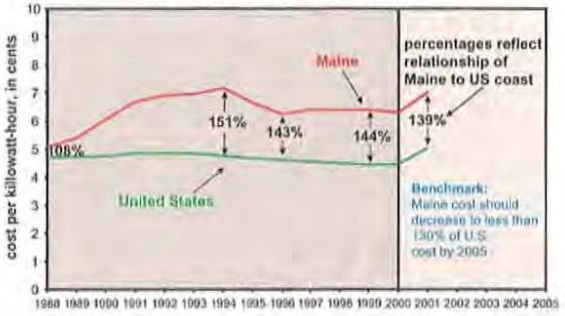
Both nationally and in Maine, industrial electricity prices increased from 2000 to 2001, but Maine prices increased at a slightly slower rate. Thus Maine moved closer to achieving the benchmark.

The cost of electricity is a fundamental cost of doing business and its cost reflects and affects other economic conditions. It is important that the cost of energy in Maine be competitively low in order to attract and retain businesses and to help support the vitality of the state's industrial operations. Actual lower costs may reflect lower delivery costs.

Maine's residential consumers paid 11 cents per kilowatt-hour in 2001. Nationally, residential consumers paid an average of 8.5 cents per kilowatt-hour. In 2001, Maine commercial entities paid an average of 11.3 cents per kilowatt-hour.

Electricity costs are now reported disaggregated, with the production costs separated from the transmission and distribution costs. Transmission and distribution costs include stranded costs. Stranded costs reflect net, above-market costs of generation obligations the utilities have incurred since the 1980's, prior to restructuring that occurred in the late 1990's in Maine. These costs are passed on to consumers through utilities' rates. Almost 30% of delivery costs are attributed to stranded costs, which should be reduced once the existing generation contracts expire within the next decade.

Average Cost of Electricity, Industrial Sector, Maine and US, 1989-2001



Data Source: Central Maine Power based on US Department of Energy, Energy Information Administration, Annual Electric Utility Reports,1988-2001.

17. Cost of Health Care

Benchmark: Health care costs as a percent of GSP, 15.1% in 1998, will decrease to less than 12 percent by 2005.

Health Care Costs Continue Dramatic Rise In 1998, Maine people and businesses spent about $4.9 billion on health care, which amounted to 15.1 percent of Maine's gross state product (a summation of the amount of money spent on all goods and services). Nationally in 1998, 11.6 percent of the gross domestic product was spent on health care. In 1998, Maine's health care costs as a percent of GSP were the 3rd highest in the country, behind West Virginia and North Dakota. 1998 is the most recent year for which we have comparable health care cost data for all 50 states.

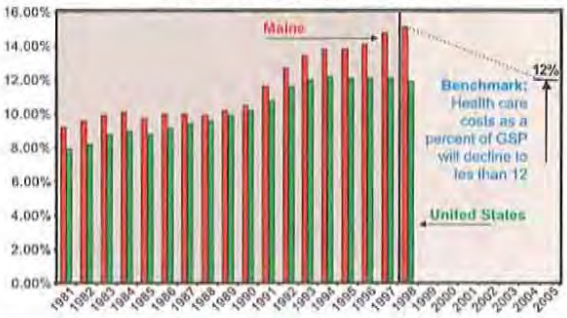
Between 1980 and 1998, health care costs in Maine grew an average of 9.7 percent per year. The national annual growth rate during this period was 9 percent. Because of the sustained and dramatic increase in health care costs, this performance measure earns a Red Flag.

The cost of health care is of major concern to Maine businesses and citizens alike. Nearly 60 percent of Maine citizens have some portion of their personal health expenditures covered under an employer-based health insurance program. Cost shifting by government and those who lack adequate insurance coverage is placing an increased burden on the privately insured, which is increasing costs for businesses.

In 1998, Maine health care costs were estimated to be $4,025 per person, the 10th highest per capita costs in the country.

This is a new performance measure replacing a health care cost measure in previous *Measures of Growth* editions that examined health care premium costs of Maine state employees.

Health Care Costs as a Percent of GSP, Maine and US, 1981-1998



Data Source: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, November, 2002.

18. Transportation Infrastructure

Benchmark: The percentage of all manufacturing freight shipped in Maine that goes by rail, water, or air (11 percent in 1997) will improve relative to the amount shipped by truck, through 2005.

Percent of Freight Shipped by Alternative Modes Decreases In 2000, approximately 90 percent of all manufacturing freight tonnage transported in Maine was done by truck, while 10 percent was shipped by rail, water, and air. This represents movement away from the benchmark since 1998 when 89 percent of shipping was done by truck and 11 percent by other means.

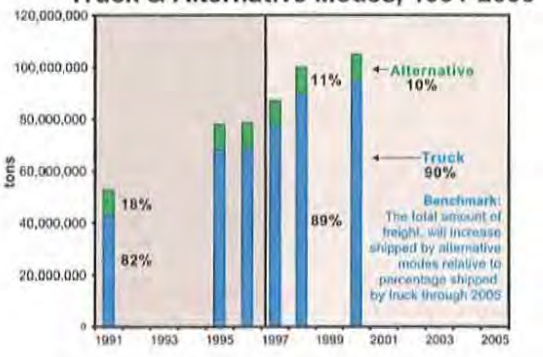
In total, an estimated 105 million tons of freight were shipped in Maine in 2000. Overall, the amount of manufacturing freight shipped in Maine increased 17 percent from 1998 to 2000.

A good business climate requires an efficient transportation system. While trucks serve as an important means of transport in Maine, it is often more efficient to use other modes to carry large amounts of cargo. The increase in heavy truck traffic has increased traffic congestion and the rate of pavement loss and bridge stress, particularly on older local and secondary highway systems, all of which reduce the speed of travel. The situation also can translate into increased highway and bridge funding needs.

Improving the balance among transport modes will result in increased modal choice and competition, which will increase the efficiency of Maine's transportation system. Maine has a number of underutilized transport modes - railroads, airports, and seaports - that can efficiently transport large amounts of cargo. Greater utilization of rail in particular, as well as air and seaports, would increase competition and relieve the dependency on the traditional road system.

No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue.

Manufacturing Freight by Truck & Alternative Modes, 1991-2000

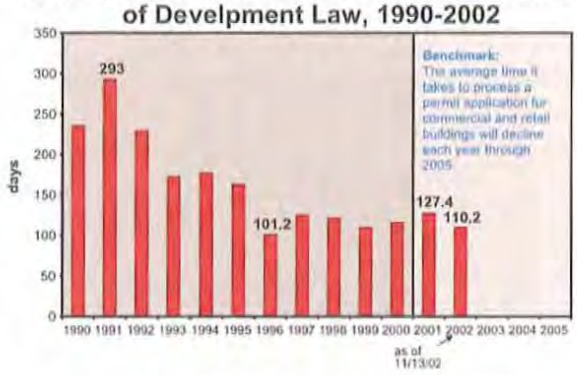


Data Source: Maine Department of Transportation, November 2001

State Tax Revenues as a Percent of Personal income in Maine,1989-2001

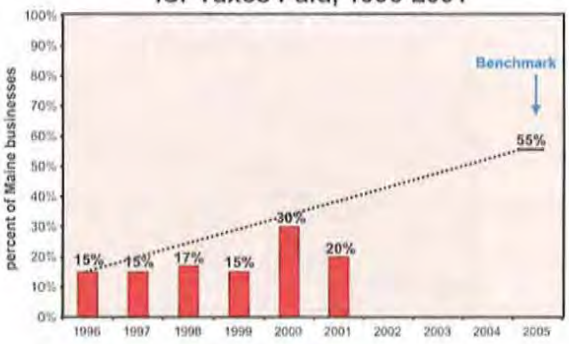
Data Source: US Census Bureau, State Government Finances, 1989-2001; Maine State Planning Office and the Bureau of Economic Analysis, 2002.

Average Time to Process Commercial and retail building Permits Under the Maine Site Location of Develpment Law, 1990-2002



Data Source: Maine Department of Environmental Protection, November 2002.

Business Opinion of Value of State Services for Taxes Paid, 1996-2001



Data Source: Maine Development Foundation, Annual Survey of Maine Businesses, 1996-2001.

19. Fiscal Stability

Benchmark: State tax revenues as a percentage of personal income will not fluctuate more than .02 percentage points in either direction per year through 2005.

Maine's Fiscal Policy Marginally Unstable In 2001 Maine's state tax revenues increased slightly relative to changes in the state's personal income. The increase of .03 percentage points between 2000 and 2001 is just outside the benchmarked range of no more than .02 percentage points in either direction, signaling marginal fiscal instability between those years.

Fiscal stability is important to Maine's economic health because businesses are better able, and more willing, to make sound investments in a stable fiscal environment.

Examining state taxes as a percentage of personal income over time provides a proxy for the stability of fiscal policy in the State of Maine. In a fiscally stable environment, one might expect state tax revenues to increase and decrease relative to changes in personal income. The graph depicts this relationship. A perfect correlation between taxes and personal income would be reflected in a line with zero change. Fluctuations away from this line represent volatility in fiscal policy, meaning that taxes were raised despite no increase in personal income.

20. Building Permit Efficiency

Benchmark: The average number of days to process a permit under Maine's Site Location of Development Law for new commercial and retail buildings, 124.7 days in 2001, will decline each year through 2005.

Permit Processing Time Continues to Improve In 2002, the time it took to process a permit under the Site Location of Development Law for a new commercial or retail building permit was an average of 110.2 days, a slight decrease from 2001.

The length of time that it takes to process a permit for a new business or commercial enterprise can affect decisions to expand or establish operations because of the time and other resources involved.

The average number of days reported for permit processing under the Site Law is a result of many factors including the integrity and impact of the project, the number of projects to be permitted at any given time, the expertise of those submitting the permit, local opposition to the permit, and the number of other agencies that may be involved in the process.

The permit process was established to allow time to consider the merits and impact of a proposed development, and is important to overall quality of life in the state. Maine's Site Law was passed in 1970 and requires review of developments that may have a substantial effect upon the environment. A permit is issued if a project meets applicable standards addressing areas such as stormwater management, groundwater protection, infrastructure, and noise. The time frame for permit processing is mandated by the state legislature and was originally set at 240 days in 1994.

The Maine Department of Environmental Protection, which is responsible for processing permits, sets targets for permit processing time annually. Currently, the department has set the goal of reviewing all permits in 185 days or less, a goal that has been consistently met since 1993. Reduction in permit processing time over the past decade largely reflects increased efficiencies within the department.

21. Business Satisfaction with State Government

Benchmark: The percentage of Maine's for-profit businesses that regard the value of state services that they receive for the taxes they pay to the state as "good" or "excellent" will improve from 15 percent in 1996 to 55 percent by 2005.

Businesses' Opinion of State Government Down In 2001, 20 percent of businesses surveyed responded "good" or "excellent" to the following question: "How would you rate the value of state services that you receive for the taxes you pay to the state?"

Maine's business climate is directly influenced by state government policies and programs. This performance measure serves as an indication of how well received these policies are, and as a reflection of how well they have stimulated a positive business climate.

The survey data illustrate that only one-fifth of Maine companies, regardless of size or focus, were pleased by the services provided by the state government for their tax dollar spent. This year's response is significantly lower than last year's percentage of 30 percent, but is more typical.

No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue. The Growth Council intends to administer the survey again in time for *Measures of Growth, 2004*.

22. Parents Reading to Children

Benchmark: The percentage of Maine parents reading to their children every day will increase from 59 percent in 2001 to 75 percent by 2005.

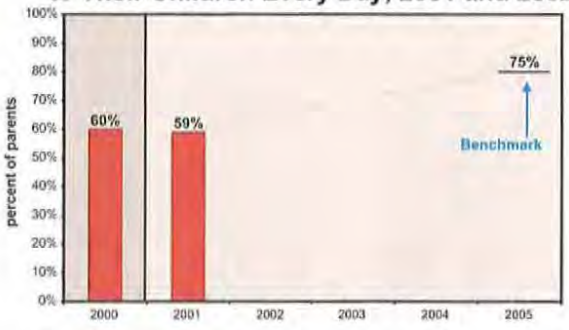
Over Half of Maine Parents Report Reading to their Children In 2001, 59 percent of Maine parents reported reading to their children every day. This is the second year that Maine parents were surveyed on this question.

Reading to children is important to the economy and Maine's communities because it is part of the foundation for educational success. Reading and engaging children in literacy-related activities promotes language acquisition. Reading correlates with literacy development, achievement in reading and comprehension, and overall success in school.

This question was asked as part of the Maine Development Foundation's Annual Survey of Maine Citizens on behalf of the Governor's Children's Cabinet. The data is used by the Cabinet in an annual indicators report on the well-being of Maine's children called *Maine Marks*.

No new data is available for this performance measure since Measures of Growth 2002, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue. The Growth Council intends to administer the survey again in time for *Measures of Growth, 2004*.

Percent of Maine Parents Reporting Reading to Their Children Every Day, 2001 and 2002



Data Source: Maine Development Foundation, Survey of Maine Citizens, 2000 and 2001.

23. Secondary School Achievement

Benchmark: The percentage of Maine 11th graders meeting or exceeding standards on Maine's Educational Assessment tests in math, science, and reading will all continually increase each year through 2005.

Maine's 11th Graders Improve but Lacking in Math and Science In 2002, 11th graders in Maine showed mixed achievement results on several key subjects in the Maine Educational Assessment (MEA) exams. In science, 9 percent of Maine students met or exceeded the test's expectations, and in math 25 percent did. In reading the students performed better, with 53 percent of 11th graders meeting or exceeding expectations. Test results improved from 2001 to 2002 in each of these three areas.

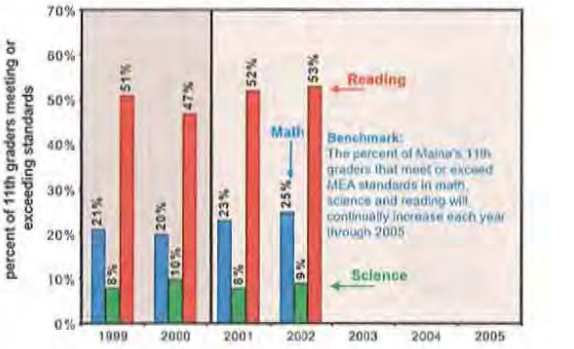
In math and science the gender gap is closing, with female performance coming to within points of male performance, whereas females have traditionally lagged in these areas. However, a gender gap continues in reading with male performance lagging.

An educated workforce is fundamental to long-term economic growth in Maine, and education in secondary schools provides a foundation for all future learning. Assessing the performance of Maine's secondary school students provides important information that can help Maine's educators provide an even higher-quality learning experience.

According to national secondary school assessment tests, Maine ranks at the top in educational performance levels. Maine was also the first state to adopt a comprehensive, results-driven system of learning that will eventually base graduation on achievement of set learning standards. Learning Results serves as the focal point for state and local efforts to improve student learning, define professional development needs, update local curriculum and instructional practices, and assess student achievement.

The state assessment system for Learning Results includes the MEA, which is given to students in grades 4, 8, and 11 in several content areas. Science, math, and reading were chosen as representative subjects because of the critical importance of those skill sets to building an effective workforce.

Percent of Maine's 11th Graders Meeting or Exceeding Standards, Select Maine educational Assesment Exam Subjects, 1998-2002



Data Source: Maine Department of Education, October 2002.

24. Higher Degree Attainment

Benchmark: The percentage of Maine residents age 25 and over with a higher degree, 30.1 percent in 2000, will increase to at least the New England average by 2010.

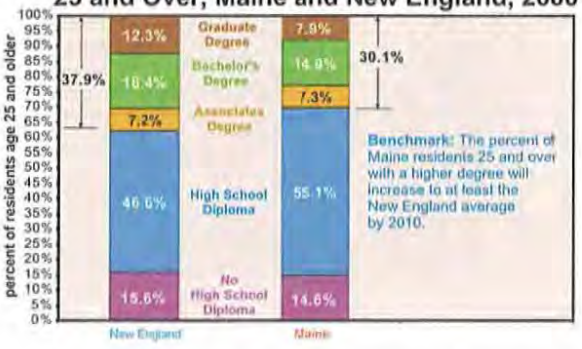
Maine High School Graduates Not Continuing On According to the 2000 decennial census, about 30 percent of all Maine residents age 25 and over have a degree beyond a high school diploma. This compares with about 38 percent of all New England residents who have some sort of college degree. A relatively high percent of Maine people achieve high school graduation, but relatively few of them are continuing on to attain higher degrees. Given the importance of higher education achievement to Maine's competitive advantage in the new economy, this performance measure gets a Red Flag.

Maine residents are particularly lacking in attaining bachelors and graduate degrees. Whereas 18.4 percent of New Englanders have a Bachelor's degree, in Maine the percentage is 14.9 percent. And where 12.3 percent of New Englanders have a master's degree, professional degree, or PhD; in Maine the percentage is just 7.9 percent. In the new so-called "knowledge economy," bachelor's and graduate degree holders are increasingly necessary for economic growth.

This is a new performance measure this year added specifically to show that there is a need for high school graduates to continue on and achieve higher degrees.

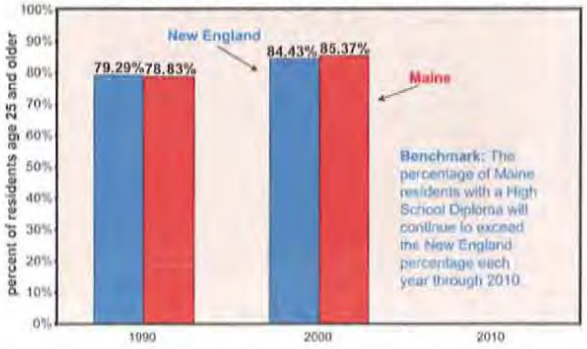
For more information, please see the Educational Attainment Tables on page 26 of this report.

Degree Attainment Among Residents Age 25 and Over, Maine and New England, 2000



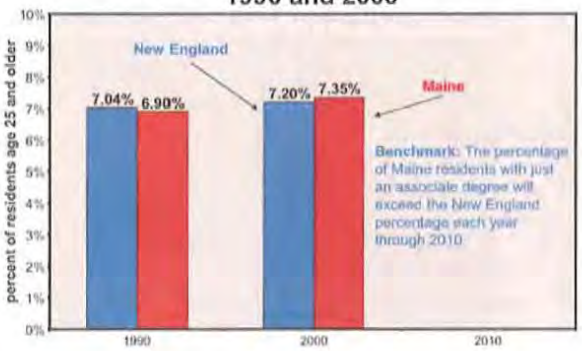
Data Source: Maine Development Foundation analysis of data from the US Decennial Census, 2000.

Percent of Residents Age 25 and Over with a High School Diploma, ME and New England, 1990 and 2000



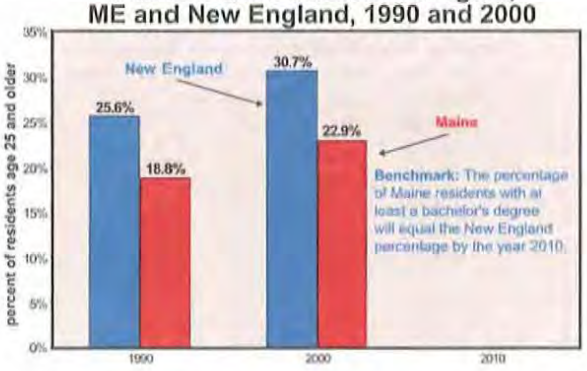
Data Source: Maine Development Foundation analysis of data from the US Decennial Census, 2000.

Percent of Residents Age 25 and Over with just an Associate Degree, ME and New England, 1990 and 2000



Data Source: Maine Development Foundation analysis of data from the US Decennial Census, 2000.

Percent of Residents Age 25 and Over with at least a Bachelor's Degree, ME and New England, 1990 and 2000



Data Source: Maine Development Foundation analysis of data from the US Decennial Census, 2000.

25. High School Attainment

Benchmark: The percentage of Maine people over the age of 25 who have attained a high school diploma or beyond, 85.4 percent in 2000, will continue to exceed the New England average each year through 2010.

Maine Residents Value High School Completion In 2000, 85.4 percent of Maine people age 25 and over had graduated from high school, compared to 84.4 percent of all New England people. In 1990, the percentage of high school graduates in Maine was lower than the New England average.

An educated workforce is fundamental to a high quality of life and long-term economic growth, and a high school diploma is considered a basic credential for obtaining meaningful employment.

This is a new performance measure this year which uses recently published decennial census data and replaces a similar performance measure in previous editions of *Measures of Growth* that relied on Current Population Surveys conducted by the Census Bureau.

For more information, please see the Educational Attainment Tables on page 26 of this report.

26. Associate Degree Attainment

Benchmark: The percentage of Maine residents with just an associate degree will continue to exceed the New England percentage each year through 2010.

Associate Degree Attainment Much Improved In 2000, 7.35 percent of Maine residents age 25 and over had an associate degree, compared with 7.2 percent across New England. This is an improvement from 1990 when Maine lagged behind New England in associate degree attainment.

This performance measure examines the percent of people with just an associate degree, rather than all those with an associate degree and beyond. This is because having an associate degree is not generally a prerequisite for matriculation toward higher degrees. The data includes associate degrees in academic and occupational disciplines.

Tracking attainment levels is an important measure of the education level of Maine's population. In order to compete for skilled work, Maine workers require an educational attainment level beyond high school. The labor market must have a well-trained and educated workforce that is flexible, adaptable, and poised for work in a global economy.

The benchmark for this performance measure has been revised this year to compare Maine's performance to New England, and the methodology has been slightly revised to rely on recently published decennial census.

For more information, please see the Educational Attainment Tables on page 26 of this report.

27. Bachelor's Degree Attainment

Benchmark: The percentage of Maine residents with at least a Bachelor's Degree will equal the New England percentage by the year 2010.

Maine Deficient for the "Knowledge Economy" In 2000, about 23 percent of Maine people over the age of 25 had a bachelor's degree or higher, an increase from the 1990 rate of about 19 percent. However, the percent of Maine residents with at least a bachelor's degree is considerably lower than across New England as a whole. In fact, Maine's bachelor's degree attainment rate is the lowest of all six New England states, but Maine appears to be slowly gaining. While New England's bachelor's degree attainment rate improved by 19.6 percent from 1990 to 2000, Maine's rate improved 21.8 percent resulting in movement toward the benchmark.

Because the Growth Council feels this measure is critical to Maine's quality of life, it has been given a Red Flag as a means to highlight its importance and the distance Maine has to go to achieve its stated goal. The goal will be difficult to attain given current populations and demographic projections. It will require further investments in education and in generating employment opportunities that will attract and support highly educated workers.

This is a new performance measure this year which uses recently published decennial census data and replaces a similar performance measure in previous editions of *Measures of Growth* that relied on Current Population Surveys conducted by the Census Bureau.

For more information, please see the Educational Attainment Tables on page 26 of this report.

28. Graduate Degree Attainment

Benchmark: The difference between the percentage of Maine residents with a graduate degree and New England residents with a graduate degree, 36 percent in 2000, will decrease to 18 percent by the year 2010.

Maine far Behind New England in Graduate Degree Attainment In 2000, about 7.9 percent of Maine residents age 25 and over had either a master's degree, professional degree, or PhD, collectively known as graduate degrees. This is a significant increase from the 6.1 percent of residents who held graduate degrees in 1990, but considerably lower than the New England-wide rate of 12.3 percent.

However, the percentage of Maine graduate degree holders increased slightly faster from 1990 to 2000 than the percentage of New England graduate degree holders. This suggests movement in the direction of achieving the benchmark.

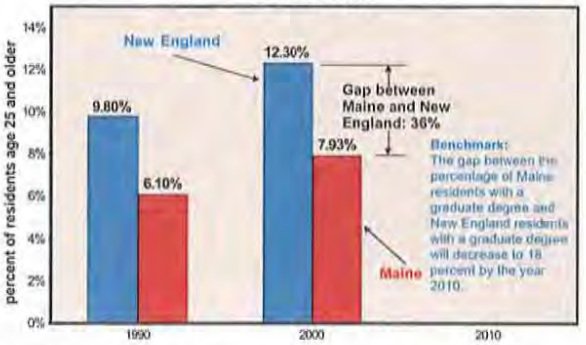
To compete in the "knowledge economy," Maine must come closer to being on par with New England. Currently, Maine has the lowest percentage of graduate degree holders of any of the six New England states. Due to the importance of this issue and Maine's relative standing, the Growth Council has awarded this performance measure a Red Flag this year.

Graduate degree attainment is particularly important to many high-tech and professional areas of the economy, and is fundamental to business innovation.

This is a new performance measure this year which uses recently published decennial census data and replaces a similar performance measure in previous editions of *Measures of Growth* that relied on Current Population Surveys conducted by the Census Bureau.

For more information, please see the Educational Attainment Tables on page 26 of this report.

Percent of residents Age 25 and Over with a Graduate Degree, ME and New England, 1990-2000



Data Source: Maine Development Foundation analysis of data from the US Decennial Census, 2000.

29. Lifelong Learning

Benchmark: The percentage of Maine people who attended an educational seminar, program, or course in the past year will improve from 54 percent in 1995 to 70 percent by 2005.

Lifelong Learning Participation Drops Significantly In 2001, just 36 percent of Maine citizens said they participated in some form of educational seminar, program, or course. This is a significant decrease from 1999, when 51 percent of those surveyed reported participation in lifelong learning activities.

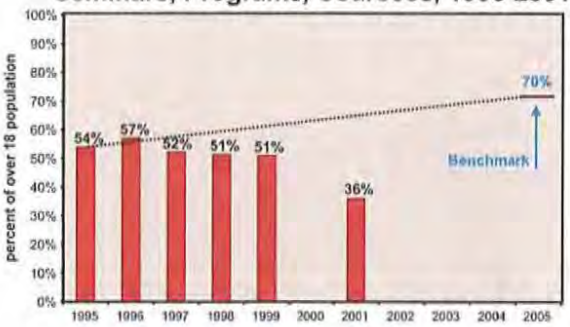
Lifelong learning and education is a critical component of a high quality of life and growing a healthy economy. The workforce must continue to expand its skills and knowledge in order for Maine businesses to be competitive, and for Maine workers to keep pace with changing situations and job requirements.

Maine citizens were asked: "In the past 12 months, have you personally attended an educational seminar, program, or course?" The data reflect the percentage of those who said "yes." This percentage includes people enrolled in for-credit courses, adult education courses (primarily high school level courses), continuing education courses (primarily post-secondary level), courses through their workplaces, and all other types of educational seminars and programs.

The 2000 data for this indicator was not reported because of a data collection error that year.

No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue. The Growth Council intends to administer the survey again in time for *Measures of Growth, 2004*.

Percent of Citizens Attending educational Seminars, Programs, Coursees, 1995-2001



Data Source: Maine Development Foundation, *Annual Survey of Maine Citizens, 1995-1999 and 2001.*

30. Employer-Sponsored Training

Benchmark: The percentage of front-line Maine employees who attended an educational seminar, program, or course through their place of work, 21 percent in 1995, will improve to 50 percent by 2005.

Participation Still Too Low In 2001, only 10 percent of Maine workers earning less than $35,000 reported that they participated in training that was paid for by their employers, a slightly larger percentage than last year. Employee training and education is critical to a vibrant and sustainable economy in Maine.

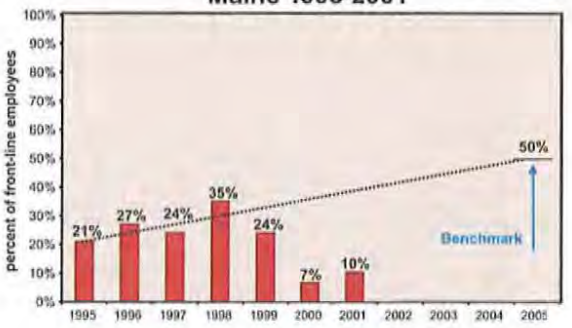
Maine employers must ensure that their workforce has the skills the business needs to remain competitive in the global market place. A related concern is that training should be provided to front-line workers (roughly defined as those earning less than $35,000 per year), not just managers and other salaried employees.

Maine citizens who reported that they earn $35,000 per year or less were asked, "In the past 12 months have you personally attended an educational seminar, program, or course through your place of work?" The data is based on those who responded "yes."

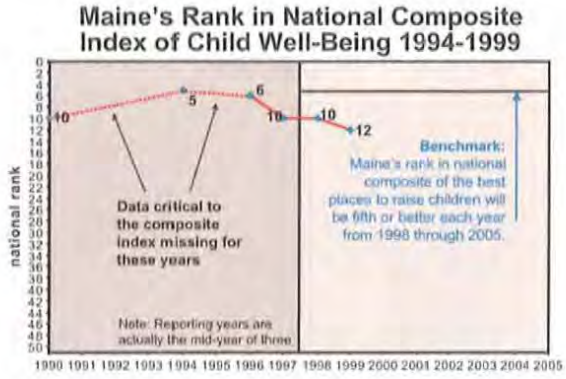
No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue. The Growth Council intends to administer the survey again in time for *Measures of Growth, 2004*.

A 2001 inventory of all workforce development efforts in Maine was conducted by the National Conference of State Legislatures at the request of the 120th Legislature. The study found that seven entities in Maine – Department of Education, Department of Human Services, Department of Labor, Department of Mental Health, Department of Transportation, Maine Technical College System, and the University of Maine System - provide most of Maine's workforce preparedness programs. Maine receives more than $48 million in federal funds and provides more than $61 million in state funds for a combined annual total of $109 million for workforce development.

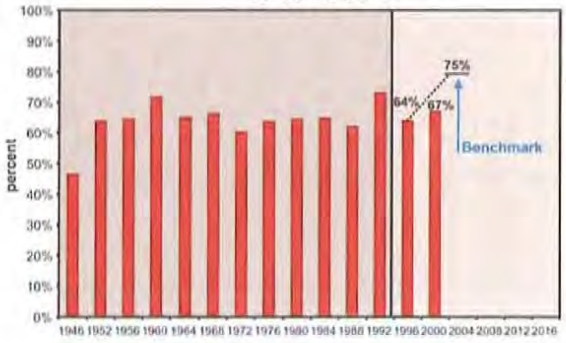
Percent of Front Line Employees Who Attend Employer-Sponsored Training, Maine 1995-2001



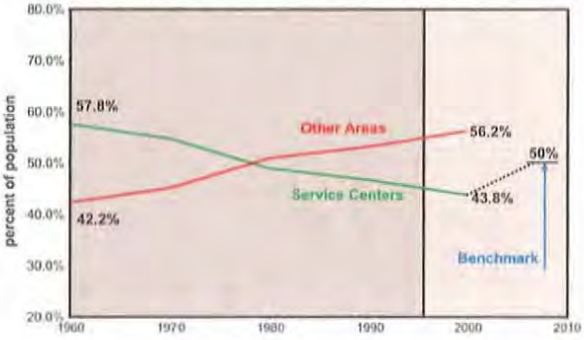
Data Source: Maine Development Foundation *Annual Survey of Maine Citizens*, 1995-2001



Data Source: Annie E. Casey Foundation, *National Kids Count Data Book*, 1990-2002.



Data Source: Maine Office of the Secretary of State. December 2000. No new data since the Growth Council's last *Measures of Growth* report.



Data Source: Maine State Planning Office, November, 2002.

31. Child Well-Being

Benchmark: Maine's national rank in a composite on child well-being, 10th in 1998, will be fifth or better each year through 2005.

Maine Children Are Relatively Well, but There Are Concerns For the three-year period 1998-2000, Maine ranked 12th in the nation in a composite of child well-being indicators. In previous years Maine has ranked fifth and sixth in the nation on this measure.

The environment in which a child is raised plays a large role in determining his or her well-being. Thus, a child's well-being is a fairly good indicator of the vitality and safety of their community. Communities that nurture children generally have strong social networks, low crime, access to quality health care, positive role models, and good educational opportunities, all of which are essential ingredients of vital communities.

The national composite and ranking is done by the Annie E. Casey Foundation for their annual *National Kids Count Data Book*, which provides state and national profiles on the well being of children. The composite contains ten discrete measures that are indexed and then scored. Each state's score determines its rank, with 1 being the highest and 51 the lowest. The measures that compose the index are: percentage of low birth-weight babies; infant mortality rate; child death rate; rate of teen deaths by accident; homicide and suicide; teen death rate; percent of teens who are high school drop-outs; percentage of teens not attending school and not working; percentage of children living with parents who do not have full-time, year–round employment; percentage of children in poverty; and percentage of families with children headed by a single parent.

Some argue that changes in rank on this performance measure are not significant because Maine's rank changes easily due to it relatively small population. A slightly greater incidence of one factor or another in any given year can change the rank.

32. Voter Turnout

Benchmark: The Maine voter turnout rate in the presidential election will improve from 64 percent in 1996 to 75 percent in 2004.

Maine Rates Consistently High In the 2000 election, an estimated 67 percent of Maine people over the age of 18 voted for the office of President of the United States. Maine's rate was 16 percentage points above the national voter turnout rate of 51 percent. These figures are based upon the percentage of voting age population casting a ballot in the 2000 election.

Voter turnout is a good indicator of participation in democracy and has been very slowly, but steadily rising for the past few decades. Maine has a long legacy of outstanding voter turnout, having led the nation in the 1992 and 1996 presidential elections. The 2000 presidential election found Maine again at the front of the pack, in second place with 67.3 percent, just being edged out of the first place spot by Minnesota with 68.7 percent, according to figures released by the Committee for the Study of the American Electorate.

No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue.

33. Population of Service Center Communities

Benchmark: The percentage of Maine people who reside in service center municipalities will improve from 46 percent in 1995 to 50 percent by 2010.

Residential Choices Reflect Increasing Sprawl In 2000, about 44 percent of Maine people lived in regional service center communities whereas 40 years ago, about 60 percent lived in these communities. The continuing trend of people moving out of urban centers into the more rural parts of the state increases public costs and impoverishes Maine's central communities.

Within the boundaries of 62 specifically identified regional service center municipalities are almost three-quarters of all Maine jobs, services (hospitals, social services, education institutions, cultural activities, and government services), and the state's consumer retail sales. For the most part, these are the places in which Maine people work, shop, and visit for a wide variety of services. To the extent that people live close to or actually within these service centers, economic growth is enhanced because services are delivered more efficiently, people are not traveling as far to work and to shop, and environmental impacts of residential development are lessened in rural areas.

This year, the Maine State Planning Office revised its methodology for identifying regional service centers according to recent rule changes prescribed by the Legislature. However, the changes do not significantly affect the conclusions or the benchmark established by the Growth Council when it began tracking this performance measure in 1999.

34. Affordable Housing

Benchmark: The ratio of median home price to median household income in Maine, 2.92 in 2000, will decrease each year through 2005.

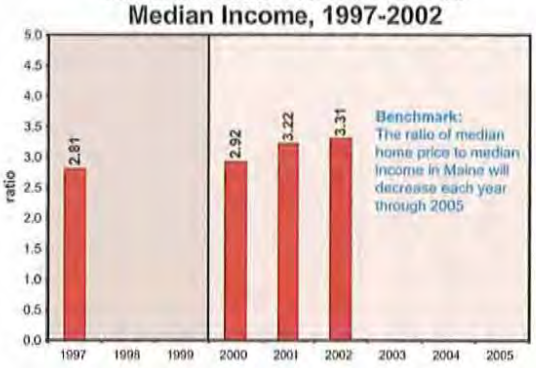
Home Prices in Maine Increasing Relative to Income From 1997 to 2002, Maine has experienced an 18 percent increase in the ratio of the median household home price to median household income in the state. A ratio of 3.31 means that, on average, house prices are three times more than annual household incomes. Because of the significance of this issue, the Growth Council this year has given this performance measure a Red Flag.

This is a rough measure of the affordability of homes in Maine. The larger the number, the less affordable the homes. The ratio provides a rough estimate of the affordability of housing in Maine but does not consider all costs of purchasing a home such as taxes, interest and insurance rates, down payment, and length of mortgage.

Also, because this measure addresses housing affordability for the entire state of Maine it masks regional differences. According to recent analysis by the Maine State Housing Authority, homes are generally less affordable in coastal and southern areas of the state, and more affordable elsewhere. In many places, high housing costs are forcing people to commute long distances because they can't afford to live in the same communities in which they work.

The Washington-based Corporation for Enterprise Development (CFED) recently gave Maine an A grade for what they call "asset outcomes," and ranked Maine 4th in the nation on this index. The index measures the wealth of each state's residents and how wealth is distributed, the extent to which residents can access opportunities to save money, and how well assets are protected. The index is comprised of 30 socioeconomic measures. One of the reasons Maine ranks so high on this index is because Maine has one of the highest home ownership rates in the country. The Growth Council intends to consider CFED's State Asset Development Report Card for future performance measures after the index has been published a second time and some trends are established.

Ratio of Median Home Price to Median Income, 1997-2002



Data Source: Maine State Housing Authority, 1997-2001. Median household income data from the US Census Current Population Survey.

35. Arts and Cultural Expenditures

Benchmark: Maine arts and cultural expenditures per capita will improve relative to Northern New England expenditures per capita, from 2 percent less in 1997 to 20 percent more by 2005.

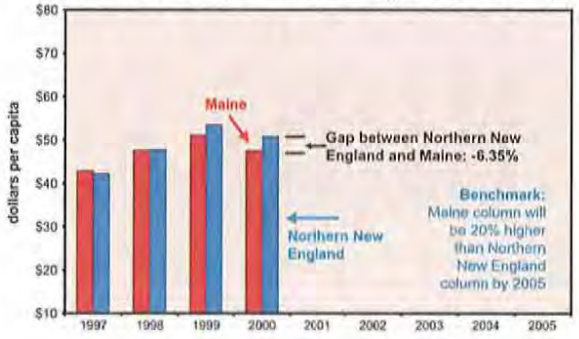
Spending Declines, More So in Maine In 2000 Maine arts and culture organizations (performing arts organizations, museums, historical societies, festivals, and others) spent about $60.6 million, or $47.50 per resident. Across Northern New England (Maine, New Hampshire, and Vermont), similar organizations spent $50.72 per resident. This represents 6.35 percent more spent per capita in Northern New England than in Maine.

From 1999 to 2000, arts and culture expenditures in Maine declined about 7 percent, and declined about 5 percent across Maine, New Hampshire and Vermont.

Per capita expenditures by arts and culture organizations is a general indicator of all arts and cultural activity and is comparable across jurisdictions. Beyond its direct economic contribution through spending and wages, arts and cultural activity is important to a high quality of life and a vibrant and sustainable economy because it influences business location decisions, attracts tourists, and generally improves community vitality.

The data reflect the spending of arts and cultural nonprofit organizations with annual gross receipts over $25,000 who are required to file Form 990 with the Internal Revenue Service.

Arts & Cultural Expenditures per Capita, Maine and Northern New England, 1997-2000



Data Source: Maine Development Foundation analysis based on data from the Urban Institute, National Center for Charitable Statistics based on data from the Internal Revenue Service, November 2002.

36. Charitable Giving

Benchmark: The average charitable contribution per Maine income tax return, $574 in 1999, will increase each year through 2005.

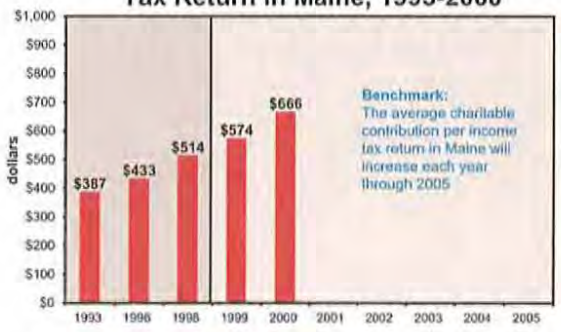
Consistent Increase in Charitable Contributions Reported In 2000, the average charitable contribution per income tax return was $666, an increase of 16 percent from 1999 when Maine people gave an average of $574 per return. In 2000, Maine ranked 46th in the nation on this performance measure, although the National Center for Charitable Statistics cautions that states vary widely in the extent to which they allow charitable deductions thus rendering comparisons very difficult.

Charitable giving is important to community vitality and a high quality of life in Maine. It is an indicator of civic engagement and a key source of financial support for many nonprofit organizations that provide important services within their community and the entire state. It is also an indicator of disposable income.

The average charitable contribution per income tax return is based on the total amount of charitable deductions itemized in a state divided by the total number of filers. Because only 30 percent of people in the U.S. itemize deductions, average contributions per return is, at best, an estimate of giving in a state because it does not account for those who do not itemize.

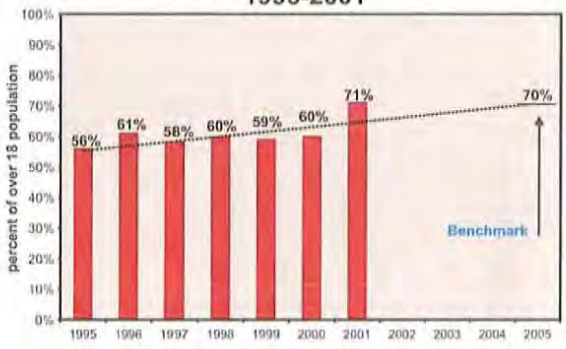
When comparing charitable contributions on itemized tax returns against adjusted gross income, we learn that Maine people have consistently given about 1.5 percent of their income to charity.

Average Charitable Contribution per Income Tax Return in Maine, 1993-2000



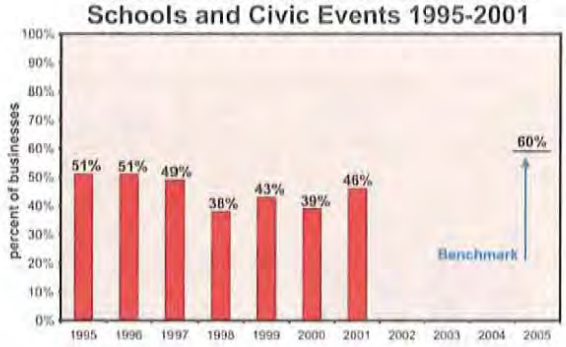
Data Source: National Center for Charitable Statistics based on data from the Statistics of Income Bulletin, Internal Revenue Service, 1996-2000.

Citizen Participation in Community Activities, 1995-2001



Data Source: Maine Development Foundation, *Annual Survey of Maine Citizens*, 1995-2001.

Business Interest and Involvement in Schools and Civic Events 1995-2001



Data Source: Maine Development Foundation, Annual Survey of Maine Businesses, 1995-2001.

Percent of People in Poverty, Maine and United States, 1985-2001

Data Source: US Census Bureau, Current Population Survey, March Supplement, December 2002.

37. Citizen Participation in Community Activities

Benchmark: The percentage of Maine people who devote time outside regular family and work activities to community organizations will improve from 56 percent in 1995 to 70 percent by 2005.

Almost Three Quarters of Citizens Involved With Community Organizations In 2001, 71 percent of Maine citizens devoted time outside of regular family and work activities to community organizations, above the goal for this performance measure.

The Growth Council hopes that this upward trend continues in the future, as it is a fundamental indicator of community vitality and bodes well for supporting a sustainable and vibrant economy.

Citizens were asked if, in the previous 12 months, they had devoted time out of their regular family and work schedule to: helping out in the public schools with academic or other related school activities (39 percent said yes); community organizations which help young people such as Little League, Big Brothers and Sisters, and Scouting (39 percent said yes); organizations which assist the needy or underprivileged (27 percent said yes); organizations which assist the elderly, homebound, and people in poor health such as Meals on Wheels and home health/hospital volunteers (22 percent said yes); and/or activities sponsored by an environmental organization (12.3 percent said yes). The graph reflects the percentage of people each year who reported devoting time to at least one of these types of organizations or activities.

No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue. The Growth Council intends to administer the survey again in time for *Measures of Growth, 2004*.

38. Business Involvement in Communities and Schools

Benchmark: The percentage of Maine for-profit businesses that are involved in school and civic events will improve from 51 percent in 1995 to 60 percent by 2005.

Almost Half of Maine Businesses Report Civic Involvement In 2001, 46 percent of Maine businesses reportedly were involved in local school and civic events. This is a statistically significant increase from the 39 percent of businesses that reported civic involvement in 2000.

Partnerships between businesses and schools or other community groups often result in benefits for the community and the business. It is a sound avenue towards sustainable economic growth and is an important component of a high quality of life for Maine. Businesses that are engaged in local schools and civic events are members of the community rather than just employers. Their involvement serves to strengthen business commitment to their community and employee commitment to that business.

Maine for-profit businesses were asked the extent to which they do well at "taking an interest and getting involved in local school and civic events." The data for this performance measure represents those businesses that responded "very well" or "well".

No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue. The Growth Council intends to administer the survey again in time for *Measures of Growth, 2004*.

39. Poverty

Benchmark: The percentage of Maine people living in poverty, 8.3 percent in 2000, will continually decline and remain below the U.S. rate through 2005.

Maine's Poverty Rate Better than National Average In 2001, 10.3 percent of Maine people were living in poverty, as defined by the federal government (annual income of $11,569 for a 2-person household). Across the entire United States, the poverty rate in 2001 was 11.7 percent. In Maine, 2 percent more people fell below the poverty threshold between 2000 and 2001. Nationally, 3.5 percent more people fell into poverty from 2000 to 2001.

The costs of poverty to Maine's quality of life, its people, their communities, and the economy are large. Children growing up in poverty are more likely to experience lags in physical and mental development. The long-term costs to society include ill health, reduced work performance, increased financial dependency on the public, and costly antisocial behavior.

The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine poverty thresholds, as well as who is poor. If a family's income is less than that family's threshold, then that family, and every individual in it, is considered to live in poverty. Poverty thresholds do not vary geographically, but are updated for inflation. The official poverty definition counts money income before taxes and does not include capital gains and non-cash benefits.

The income threshold that the Census Bureau uses to define poverty is considerably lower than what is considered a livable income. The Growth Council's performance measure, *Jobs that Pay a Livable Wage* defines a livable wage to be 185 percent above the poverty threshold for a family of two, an annual income of $21,403.

This performance measure relies on data from the Current Population Survey (CPS) conducted annually by the US Census Bureau. In 2001, the Bureau introduced Census 2000-Based Population Controls to the CPS rendering a slight discrepancy in reported trends between 2000 and 2001.

40. County Income Disparity

Benchmark: Per capita income in Maine's poorest counties will improve from 66 percent in 1993 to 75 percent of per capita income of the wealthiest counties by 2005.

Gap Decreases for the First Time in Many Years The income gap between Maine's wealthiest and poorest counties closed slightly from 1999 to 2000, reversing a long-standing trend of a widening gap. In 2000, the per-capita income in Maine's four poorest counties (Piscataquis, Somerset, Washington, and Oxford) was $20,096, about 67 percent of what it was in the four wealthiest counties (Cumberland, Lincoln, Knox, and Hancock) where income per capita was $30,009. Statewide per-capita income in 2000 was $25,380.

Geographic disparities in the wealth of Maine people are detrimental to the quality of life in those counties and the economy of the state as a whole. To minimize the disparity, per-capita income in the poorest counties should be raised.

It is important to note that county-wide averages mask the fact that even though the percentage of poor people may be low in more populous counties, actual numbers of poor people are much greater than in smaller counties.

Recognizing that there is disparity among counties with regard to cost of living, the benchmark has been established at 75 percent rather than 100 percent.

Income per capita is calculated by adding up all income earned in a given year by a group of people (in this case all those residing in the four wealthiest and four poorest counties), and then dividing that number by the number of people in the group.

Income per capita of Maine Counties, Poorest vs. Wealthiest, 1985-2000

Data Source: US Bureau of Economic Analysis and the Maine Department of Labor, Division of Labor Market Information, November, 2002.

41. Gender Income Disparity

Benchmark: The median annual income of full-time, full-year working women will improve from 76 percent of the median annual income of full-time, full-year working men in 2000 to 90 percent by 2010, and eventually to 100 percent.

Benchmark Achieved, but Much Progress Still to be Made In 2000, the median annual income of all women in Maine who worked full-time for the entire year was estimated to be $25,850, compared to a median income of $34,014 earned by men who worked full-time, full-year. This translates to an earnings ratio of 76 percent which exceeds the previous 75 percent benchmark set by the Growth Council several years ago. To recognize good progress on this important issue, and to encourage further progress, the Growth Council awards this performance measure with a Gold Star.

Comparing Maine's gender earnings ratio to other states, Maine has the 17th best ratio in the country. The District of Columbia has the best gender earnings ratio at 89.2 percent.

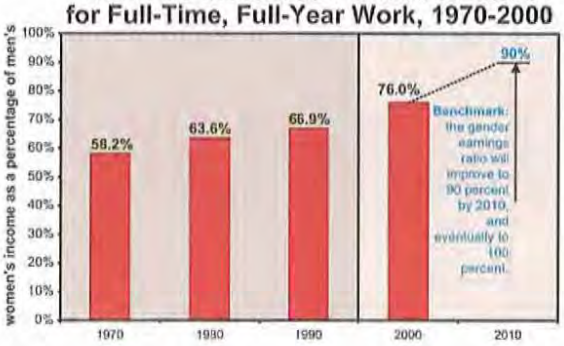
Because the previous benchmark was achieved, the Growth Council has established a new benchmark which calls for a 90 percent ratio by 2010 and eventually a 100 percent ratio.

This is not a job-for-job comparison, but does compare wages earned based on equal time worked. On average, women work fewer hours per week and fewer weeks per year resulting in an even greater disparity in the total amount of annual income earned by men and women.

Disparities in the amount of money that women make compared to men provide disincentives for women to contribute to the labor force, and impair economic growth by not fully realizing the benefit of having productive, economic contributions from all people.

The prosperity of women affects Maine's communities broadly and there are significant economic costs for the wage disparity. Since many more women constitute single heads of households, increasing women's wages to a level more in line with male earning can decrease poverty. And higher earnings among younger women, who are saving for retirement and contributing to social security, can provide greater economic security for those women later in life and decrease the dependency of Maine's elderly population.

Women's Income as Percent of Men's for Full-Time, Full-Year Work, 1970-2000



Data Source: Institute for Women's Policy Research, *Status of Women in the States*, Editions 1-4, 1996-2003.

42. Employment of the Disabled

Benchmark: The percentage of disabled Maine people (who are of workforce-age and not institutionalized) that are employed, 39.3 percent in 1998, will increase and continually be better than the US rate until 2005.

Relatively High Percent of Disabled Maine People are Employed In 2000, among non-institutionalized people with disabilities in Maine, 42 percent were employed, whereas in the United States, only 32.8 percent were employed.

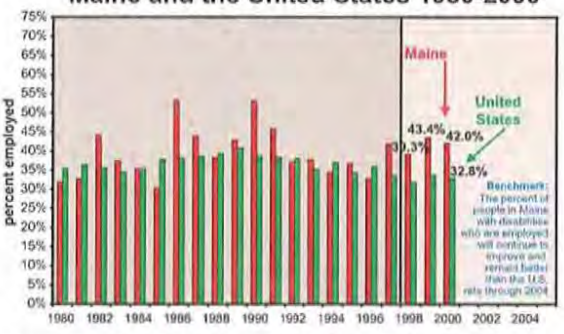
A strong economy requires the contributions of all citizens. If a class of people is under-represented in the labor force, the economy is lacking valuable skills, abilities, and assets of some of our people.

The data in this performance measure represent the percentage of disabled people in Maine who are part of the workforce. The workforce is defined as those people who are employed or actively looking for work in the last four weeks.

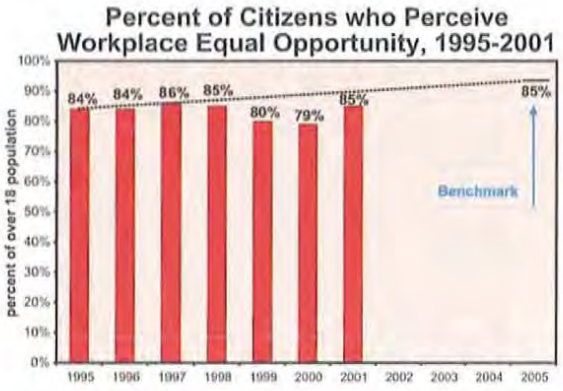
Many capable, disabled people have dropped out of the workforce because of the difficulties they face in gaining meaningful and rewarding employment. If given reasonable accommodations and/or services, those people would be more likely to re-engage themselves in this category.

No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue.

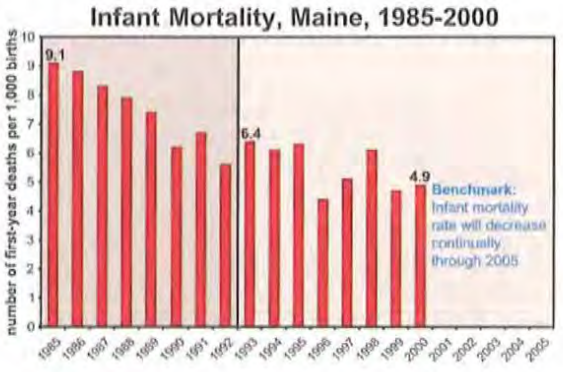
Employment Rate of Non-Institutionalized, Working Age People with Disabilities, Maine and the United States 1980-2000



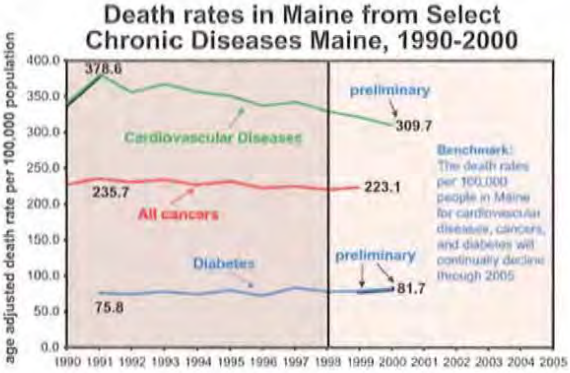
Data Source: Maine Development Foundation analysis based on a report by Cornell University's Rehabilitation Research and Training Center for Economic Research on Employment Policy for People with Disabilities, 2001.



Data Source: Maine Development Foundation, Annual Survey of Maine Citizens, 1995-2001.



Data Source: Maine Department of Human Services, Bureau of Health, Office of Data, Research and Vital Statistics, Maine Vital Statistic Files, 1980-1999. 1999 data are preliminary.



Data Source: Maine Department of Human Services, Bureau of Health, November, 2002.

43. Discrimination in the Workplace

Benchmark: The percentage of Maine people who believe that their employers maintain an equal-opportunity environment where traits such as gender, race, or ethnicity do not impact their ability to grow and succeed, will improve from 84 percent in 1995 to 90 percent by 2005, and eventually to 100 percent.

Citizens Perceive Discrimination Decreasing Slightly In 2001, 85 percent of Maine citizens "agreed" or "strongly agreed" that: "traits such as a person's gender, race, and ethnicity have no impact on a person's ability to grow and succeed." This is a significant increase from the percent of people who agreed with the statement in 2000, when only 79 percent of Maine people responded to this question affirmatively.

Fundamental to vital communities, a vibrant economy, and overall high quality of life in Maine are work environments that afford equal opportunity for employment and advancement. A workforce that respects diversity bodes well for Maine's participation in the global economy.

No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue. The Growth Council intends to administer the survey again in time for *Measures of Growth, 2004*.

44. Infant Mortality

Benchmark: Maine's infant mortality rate, 6.4 per 1,000 births in 1993, will decrease each year through 2005.

Maine Infant Mortality Rate Remains Low In 2000, Maine's infant mortality rate was 4.9, meaning that 4.9 out of every 1,000 infants died before their first birthday for various reasons. This is a slightly higher rate than 1999 but not significantly different. Maine has consistently registered low infant mortality rates, and has been in the top ten states with the lowest infant mortality rate since 1985.

A high quality of life depends on many factors, including an environment that nurtures pregnant women and their unborn children. Infant mortality indicates adverse social conditions such as poverty and an unhealthy environment. The rate taken for the state as a whole is a reflection of the extent to which pregnant women and babies under a year old are subjected to negative conditions. The social conditions affecting a human at this early stage of life are a good indicator of expected social conditions throughout the individual's life.

Infant mortality is most meaningful when looked at over the decades. Over time it is a good although rough measure of a state's or nation's health, but experts caution against drawing conclusions from year-to-year fluctuations.

45. Chronic Disease

Benchmark: The death rates per 100,000 people in Maine attributed to cardiovascular diseases, cancers and diabetes will each continually decline through 2005.

Death Rates from Chronic Disease Monitored The term "chronic disease" refers to a wide variety of health conditions that are not contagious and that can rarely be completely cured. Death rates in Maine attributed to any of three major chronic diseases – cardiovascular diseases, cancers and diabetes – are largely attributed to lifestyle choices such as smoking, diet, and exercise.

Chronic diseases have a negative impact on the quality of individual lives and on their larger community. Costs associated with lost work time, hospitalization, and treatment of these often-fatal diseases also affect our economy. Death rates serve as a proxy for the incidence of chronic disease in Maine, or the number of people living with these chronic diseases. Caring for people living with chronic diseases comprises a large part of Maine's health care costs.

According to 1997 data from the Centers of Disease Control and Prevention, Maine has the 4th highest percentage of people in the nation who die from the four major chronic diseases of cardiovascular disease, cancer, chronic lung disease and diabetes.

Cardiovascular disease was the primary cause of hospitalization in 1998, and was estimated to cost the state more than $700 million that year. Maine is about on par with the national average of the percent of people that die due to stroke (a form of cardiovascular disease) and Maine's coronary heart disease rate is lower than the national average.

Cancers kill the highest proportion of Maine residents under age 75. Maine cancer rates tend to be higher than the national average due primarily to Maine's higher rates of lung cancer attributable to higher rates of smoking.

Maine's diabetes rates are similar to US average rates and tend to be kept low due to the lack of racial and ethnic mix among Maine's population.

Data on chronic diseases were age adjusted to the year 2000 standard population. Age-adjusted rates are useful for comparison purposes only, not to measure absolute magnitude.

46. Cigarette Smoking

Benchmark: The percentage of Maine people aged 18-34 who smoke cigarettes will decline from 31.6 percent in 1995 to less than 25 percent by 2005.

Recent Improvement, but Rate Still High In 2001, an estimated 30.2 percent of Maine people aged 18-34 smoked cigarettes. This marks the reversal of a four trend of increasing rates.

Cigarette smoking is the leading cause of preventable death in Maine. Smoking among 18-34 year-olds is particularly relevant, as they are most likely to pass the detrimental effects of smoking onto children. This age group will also be part of the labor force for years to come, and it has been shown that workers who smoke are more costly to employers than non-smoking employees.

47. Health Insurance Coverage

Benchmark: The percentage of Maine's population without health insurance coverage, 11.8 percent in 2000, will continually decline and remain below the U.S. rate through 2005.

Health Coverage in Maine Better than US Average In 2000, 10.3 percent of people in Maine were not covered by health insurance, whereas 14.6 percent of the U.S. population did not have coverage. From 1999 to 2000, health insurance coverage of Maine people improved by 5.5 percent, whereas nationally, coverage worsened by 2.8 percent.

Health insurance coverage is a key determinant in helping people access appropriate health care services. This is important to community vitality because healthy people are more engaged in their communities and access to health care is an important part of maintaining healthy citizens. A healthy workforce is a critical component of a vibrant and sustainable economy. The economic impact of the uninsured is felt through cost shifting onto private payers for uncompensated care and through lost productivity in the workforce.

Many Maine citizens have some of their personal health expenditures covered under an employer-based health insurance program. This coverage is jeopardized by rising insurance costs that make it increasingly difficult for small and large employers to offer affordable health insurance benefits to employees.

This performance measure relies on data from the Current Population Survey (CPS) conducted annually by the US Census Bureau. In 2001, the Bureau introduced Census 2000-Based Population Controls to the CPS rendering a slight discrepancy in reported trends between 2000 and 2001.

48. Crime

Benchmark: Maine's crime rate, 32.7 incidents per 1000 people in 1994, will improve each year and continue to be better than the US rate through 2005.

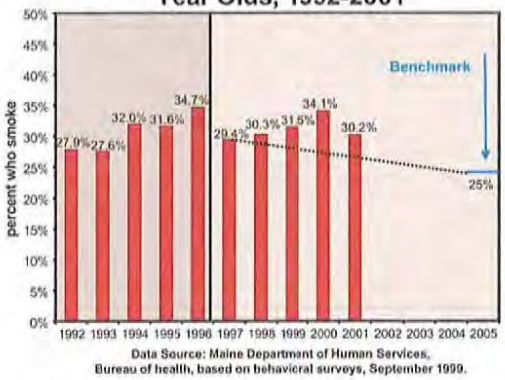
Crime Rate Remains Relatively Low In 2001, there were 26.9 incidents of crime in Maine per 1,000 people, a marginally higher rate than in 2000. The national rate in 2001 was 41.6 incidents per 1,000 people, also a slightly higher rate than the previous year.

Maine's crime rate has been declining for the past decade, a good sign for community vitality and overall quality of life in the state. Crime disrupts communities and families and costs taxpayers thousands of dollars each year to incarcerate and manage criminals.

The long-term decline is due in part to demographics. Experts point out that young males are declining as a percent of our overall population nationally, and that changing demographic contributes to the lowering of the crime rate. In Maine, an aging population also contributes to the state's declining crime rate.

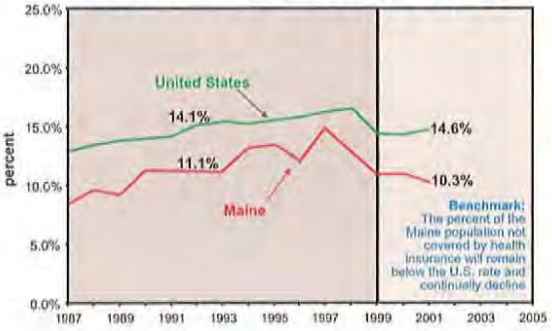
Crime directly affects the vitality of Maine's economy because it adds to the cost of conducting business and to the tax burden for prosecution and incarceration of criminals. In addition, lower crime rates mean Maine offers individuals and businesses a safe environment in which to live, rear children, and do business.

Cigarette Smoking Among 18-34 Year Olds, 1992-2001



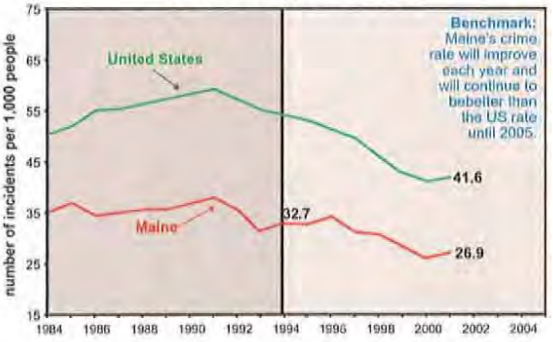
Data Source: Maine Department of Human Services, Bureau of Health, based on behavioral risk surveys, November 2002.

Percent of Population without Health Insurance Coverage Maine and the United States, 1987-2001



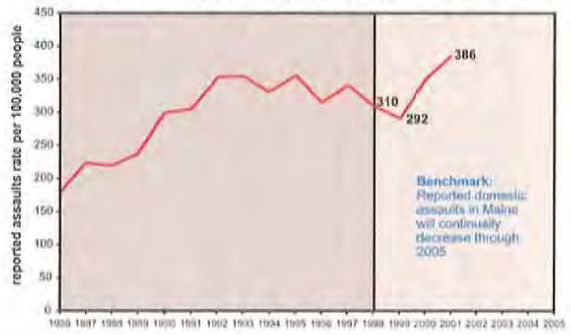
Data Source: U.S. Census Bureau, Housing and Household Economic Statistics Division, November 2001.

Crime Rate, 1983-2001



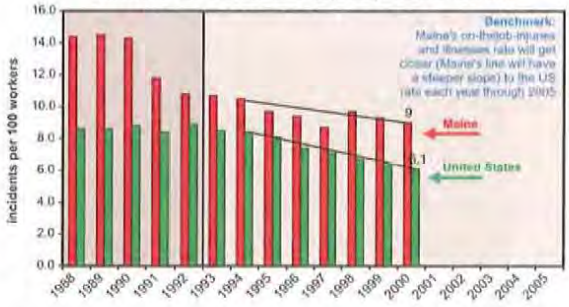
Data Source: Federal Bureau of Investigation, Crime in the United States, 2002.

Reported Domestic Assaults per 100,000 population, 1986-2001



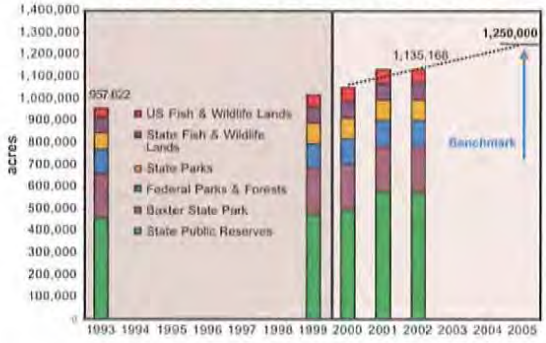
Data Source: Maine Children's Alliance analysis based on Maine Department of Public Safety, *Uniform Crime Reports*, 1986-2001.

On-the-Job Injuries and Illnesses Maine & United States, 1988-2000



Data Source: Maine Department of Labor, Bureau of Labor Standards, Occupational Injuries & Illnesses in Maine, 2000.

Land in Conservation Intended for Public Use, 1993-2001



Data Sources: Maine Department of Conservation, Bureau of Parks and Lands; Maine Department of Inland Fisheries and Wildlife; Baxter State Park Authority; Acadia National Park; White Mountain National Forest; Appalachian Trail Commission; US Fish and Wildlife Service; all 2002 data.

49. Domestic Assaults

Benchmark: The number of domestic assaults reported in Maine, 310 per 100,000 population in 1998, will continually decrease through 2005.

Domestic Assaults a Serious Problem for Maine In 2001, there were reportedly 386 cases of domestic assaults per 100,000 people in Maine, an increase of about 10 percent from 2000. Domestic abuse, whether perpetrated against women, children, or men, cripples families and overall community vitality. For this reason, the Growth Council has given this performance measure a Red Flag again this year.

"Reported domestic assault" is defined by assaults reported to the police that were perpetrated by family or household members who are, or were, married or living together in a romantic relationship, natural parents of the same child, or other adult family members related by blood or marriage. These accounts may include numerous assaults affecting the same individuals. While domestic assault is sometimes perpetrated against men, women are by far the primary targets. It is important to note that the performance measure tracks reported domestic assaults, not the number of actual domestic assaults or convicted domestic abusers. Decreases and increases in reported domestic assault in Maine could be the result of either, or both, of two factors: more people calling due to greater awareness or ability; or more assaults actually occurring and being reported.

50. On-the-Job Injuries

Benchmark: Maine's rate of on-the-job injuries per 100 full-time workers, 10.7 in 1993, will get closer to the US rate each year from now through 2005.

Maine Rate Improves, but Not Significantly In 2000, there were 9 injuries and illnesses for every 100 full-time Maine industrial workers, a 3 percent decrease in the amount of incidents from 1999. The number of incidents in the nation also dropped by about the same percent, from 6.3 incidents in 1999 to 6.1 incidents in 2000.

The vitality of the workplace community and larger community is negatively affected by injuries that occur on the job. Workplace safety is also an important component of long-term economic growth because injuries translate directly into increased costs.

The data upon which this measure is based includes all types of work-related injuries and illnesses required to be recorded by the Occupational Safety and Health Administration (OSHA). Many injuries and illnesses may go unreported.

51. Conservation Lands

Benchmark: The amount of Maine conservation land intended for public use will increase from 1,049,123 acres in 2000 to 1,250,000 acres by 2005.

Land in Conservation Continues to Increase In 2002, Maine had 1,135,168 acres of publicly-owned conservation land with public access. This is a modest increase from 2001, but the continuation of an established trend of increasing conservation lands.

Given the small percentage of Maine land that is in public ownership compared to other states, conserving vast areas of land has always been a challenge. Maine's high quality of life is connected to its natural resources and access to public and private lands. These lands are the location or recreational activities, support diverse plant and wildlife species, and are important to the natural beauty of the state. Land conserved from development where public use is encouraged is important to a vibrant and sustainable economy because the natural resources provide quality of life, jobs and industry for residents, and a draw for tourists.

The amount of conservation land reflected in the graph is an indicator of land conservation trends but does not accurately reflect the magnitude of all lands in the state that are actually in conservation. In fact, the past eight years have been the greatest period of land conservation in the state's history; about 1.6 million acres in Maine have been protected by government and non-government conservation organizations through outright acquisition or the use of easements. For this reason, and to recognize the sustained upward trend, the Growth Council awards Conservation Lands with a Gold Star.

In this edition of Measures of Growth, State Fish and Wildlife Lands figures have been revised downward slightly to compensate for a previous reporting error, and the benchmark has also been appropriately revised downward. As in all previous editions, federal parks and forests include Acadia National Park, the White Mountain National Forest, and the Appalachian Trail Corridor.

52. Air Quality

Benchmark: The number of days that Maine experiences unhealthy air quality due to ground-level ozone will improve from 14 days in 1995 to a consistent standard of zero through 2005.

Poor Air Quality Reported In 2002 there were seventeen days that Maine's ground-level ozone was high enough to be deemed unhealthy. This is a slight increase over the summer of 2001 in which there were fifteen such days. The recent increase is mostly attributable to a combination of particularly warm weather and weather patterns that cause pollution from south and west of Maine to come this way.

Air quality is important to long-term economic growth for three reasons. First, high levels of ground-level ozone are unhealthy for Maine people, causing lost work days and other costs associated with ill health. Second, clean air is more valuable than dirty air because the dirtier the air is, the more we must reduce allowable additional pollution, and pollution reduction is costly. Third, Maine benefits economically from its reputation for being pristine. Gaining a reputation for poor air quality, whatever the cause, would work against economic growth.

The report uses the EPA standard of air quality exceedances in which days that have .08 parts per million of ground level ozone, averaged over an 8-hour period, are reported as poor air-quality days. The number of days that are reported as exceeding these levels is a product of poor air quality and the air temperature. Because ground level ozone forms when ozone gas interacts with sunlight and high temperatures, a hot, sunny summer is more likely to produce more ozone days than a cooler year.

Annual Number of Days in Maine with Unhealthy Air Quality, US EPA 8-hour Average Ground-Level Ozone Standard, 1983-2002

Data Source: U.S. Environmental Protection Agency, Air Quality Division, November 2002.

53. Water Quality of Lakes

Benchmark: The percentage area of significant Maine lakes that are fully suitable for swimming will be at least 94.6 percent from 1994 through 2004.

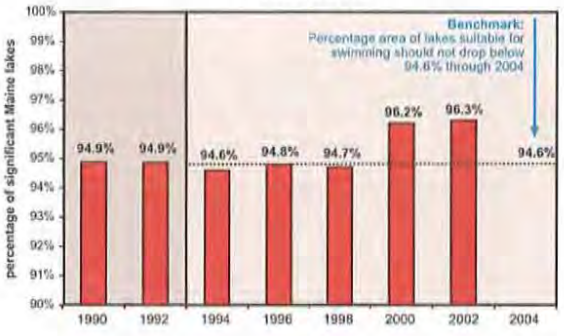
Quality of Lakes Improves Slightly Out of all Maine's "significant lakes," 34 were considered not fully suitable for swimming as of 2002 (35,343 acres of surface water area), a net decrease of 4 lakes since 2000. The percentage of acres of significant lakes that fully support swimming has increased slightly to 96.3 percent since the 2000 evaluation.

Maine has 5788 lakes, 2,314 of which are deemed "significant." These lakes make up 97 percent of the state's total lake area and amount to 959,193 acres. Approximately one-third of these lakes are monitored by the Maine Department of Environmental Protection and the Maine Volunteer Lakes Monitoring Program in any 5-year span.

The primary determinant of a lake's suitability for swimming is the extent to which it has algal blooms. When a lake experiences a "bloom," it appears green and is quite unattractive and unsuitable for swimming. The most common cause of algal blooms is storm water run-off entering a lake directly, carrying nonpoint source pollution, particularly the nutrient phosphorus. Lake-water quality is also affected by land use development decisions.

Clean lakes provide recreational opportunities such as swimming, boating, and fishing and are directly linked to Maine's tourism industry. It is estimated that economic activity related to lakes leads to over $1.2 billion in annual income for Maine residents and supports 50,000 jobs. Near-shore property values and many small businesses are often dependent on the water quality of local lakes. Lakes also provide drinking water and habitat for diverse plant and animal communities.

Percentage of Lakes Suitable for Swimming, 1990-2002



Data Source: Maine Department of Environmental Protection, State of Maine Integrated Water Quality Assessment, 2002 (draft).

54. Water Quality of Marine Areas

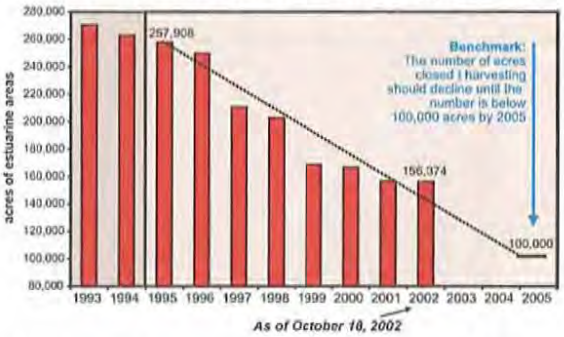
Benchmark: The number of acres of estuarine areas not suitable for shellfish harvesting, 257,908 acres in 1995, will decrease to 100,000 by 2005.

Water Quality of Shellfish Areas Holds Steady As of October 2002, the amount of area closed to shellfish harvesting along the Maine coast was 156,374 acres. That is slightly more than in 2001, but not a significant improvement.

Keeping shellfish beds open to harvesting is important not only because it has a direct effect on the shellfishing industry, but also because it is an indicator of overall marine and estuarine water quality which is vital to commercial fishing activity and the ecological integrity of the marine environment. Shellfish beds are typically closed to harvesting due to sewage discharge, nonpoint source pollution, and marine biotoxin.

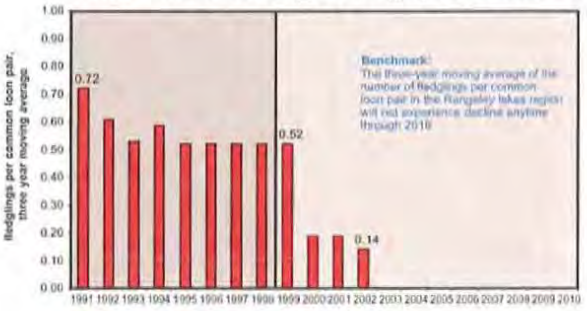
Another major factor affecting Maine's shellfish beds is unplanned development and sprawl. The increased load of pollutants from nonpoint sources that accompanies development threatens many ecological zones, including marine areas.

Acres of Flats and Waters Closed to Shellfish Harvesting,1993-2002



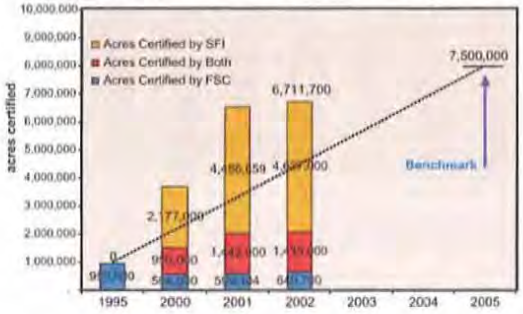
Data Source: Maine Department of Marine Resources, October 2002.

Number of Fledgleings per Common Loon Pair, Rangeley Lakes Region, Three-Year Moving Average, 1991-2002



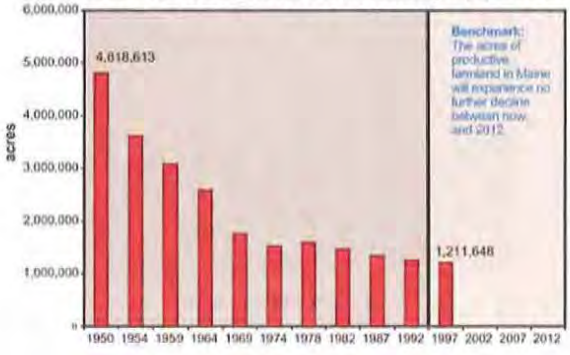
Data Source: BioDiversity Research Institute, November 2002.

Acres of Working Maine Forest Certified by the Forest Stewardship Council and the Sustainable Forestry Initiative, 1995-2002



Data Source: Maine Forest Service, December, 2002.

Acres in Productive Farmland, 1950-1997



Data Source: US Department of Agriculture, Census of Agriculture, 1997.

55. Mercury Contamination

Benchmark: The number of fledglings per pair of common loon pairs in the Rangeley lakes region, an average of .52 fledglings for the years 1999-2001, will not decline further anytime through 2010.

Mercury Contamination Compromises Quality of Life For the three-year period from 2000 through 2002, the average number of fledglings per pair of common loons in the Rangeley Lakes Region was .14, a decrease from the three-year period 1999-2001. A fledgling is a loon chick that reaches six weeks of age or more. After six weeks the mortality rate of loons is very low. Mercury has been shown to impact the number of loon chicks that survive and become fledglings.

This measure serves as a proxy for the general damage caused to Maine's environment by mercury pollution, which impacts Maine's communities and economy as well as overall natural resource health. Mercury damages health at very low levels, making it one of the most hazardous chemicals commonly found in the environment. Contamination by mercury affects species at all levels of the food chain, eventually causing harm to people eating contaminated fish or fowl. Exposure to mercury hurts the ability of children to learn, remember, and pay attention. Mercury also threatens the health and reproduction of wildlife, especially loons, bald eagles, and other fish-eating birds and mammals. The cost of cleaning up mercury contamination also has a direct effect on Maine's economy.

The graph reflects loon productivity in the Rangeley Lakes region, one of Maine's highest risk areas for mercury contamination. These lakes are located on Maine's western border and, as is the case with most pollution, their level of mercury contamination is influenced by Maine sources as well as pollution from beyond Maine's physical boundaries. The graph represents a three year moving average; that is, the number shown for each year is actually an average of that year and the previous two. This is different from how the data was presented in previous editions of Measures of Growth. The benchmark has been revised accordingly.

56. Sustainable Forest Lands

Benchmark: The number of acres of Maine's working forest that are certified as "well managed" will increase from 950,000 acres in 1995 to at least 7.5 million acres by 2005.

Acreage of Forest Land Certified as "Well Managed" Increasing As of December 2002, a total of 6,711,700 acres of Maine forest has been certified as "well managed" by one or both of two primary certification programs operating in Maine. This is a modest increase from 2001.

Forest certification requires successful passage of an audit conducted by, or through, specific certification programs designed to assess the quality of land management policies and/or practices on the acreage under review.

Maine currently has two primary certification programs that differ somewhat in their processes and goals. The Forest Stewardship Council (FSC) goal is to provide market-based incentives for sustainable forestry, specifically the "green labeling" of forest products. FSC is an international, nonprofit organization, comprising a wide array of stakeholders, including environmental groups, timber trade, forestry professionals, forest certification organizations, and indigenous peoples. FSC emphasizes performance-based audits.

The second program is the Sustainable Forestry Initiative (SFI). SFI's guidelines were developed by the American Forestry and Paper Association (AFPA) in 1994. The main goal of SFI is to promote continuous improvement of forest management and is more focused on the overall process of forest management than on a specific product.

57. Productive Farmland

Benchmark: The acres of land in productive farming in Maine,1,211,648 acres in 1997, will experience no further decline between now and 2012.

Acres of Productive Farmland Declining in Maine The number of acres in productive farmland in Maine has been declining since 1950, when the state had over 4.8 million acres in productive farmland. In 1997, the last year that data were collected, Maine only had 1.2 million acres in productive farmland, a 4 percent loss from 1992 and an 80 percent loss since 1950.

Fishing, farming, and forestry are the foundational industries on which the state's economy and heritage were built. Today, farming still plays a key economic role, supporting more than 65,000 jobs. Farmland also represents a key resource for open space, recreation, and food security for Maine people.

Acres of productive farmland are lost for multiple reasons, including economic failure of farms and increased productivity that makes it possible to farm similar crops on smaller amounts of land. However the major reason for farmland loss, especially in southern Maine, is its conversion to commercial and residential uses. Farmland is an easy target for development. It is already cleared, relatively well drained and level, rendering it easy to develop. The loss of farmland to these purposes is irreversible, and directly impacts the Maine economy by removing these acres from production and further compromising an important component of the Maine economy.

Information on the acres of land in productive farmland in Maine comes from the U.S. Department of Agriculture's Census of Agriculture, which is now conducted every 5 years. Information on farmland in Maine is available dating back to the 1880's (when the state had more

than 6.5 million acres in productive farmland). We have chosen to show the acreage since 1950, when this information began being collected every 4 to 6 years.

No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue.

58. Commercial Fishing Opportunity

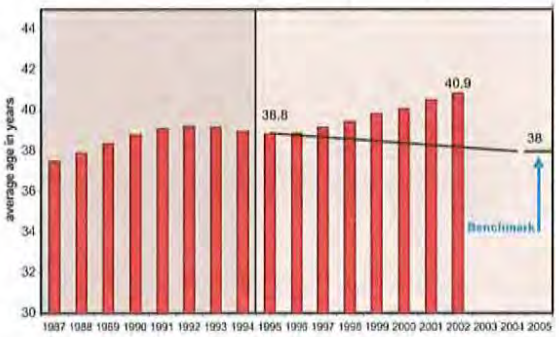
Benchmark: The average age of Maine's commercial fishers, examined over a three-year period, will decrease from 38.8 in 1995 to 38 by 2005.

Average Age Continues to Increase For the three year period 2000 to 2002, the average age of Maine fishers was 40.9, a slight increase over the 1999 to 2001 period which was 40.6.

This measure is a proxy for "perceived opportunities" in the fishing industry. If there is a belief among fishers that the industry holds promise, young people will enter its workforce and drive the average age down. If there are regulations prohibiting entry into the workforce, the average age of fishers will rise, which is not a good sign for the industry. This performance measure does not suggest that more people should enter the fishing industry, only that if the average age of people in the industry went down, that would be a good sign.

The average age is determined by looking at ages reported on all applications for Maine commercial fishing licenses. The 2002 average age is based on all applications issued through November 27, 2002, 18,149 licenses issued to 12,687 individuals (individuals may hold multiple licenses). Each column in the graph reflects the average age over the previous three years.

Average Age of Commercial Fishers, 3-Year Moving Average, 1985-2002



Data Source: Maine Department of Marine Resources, November, 2002.

59. Industrial Use of Toxins

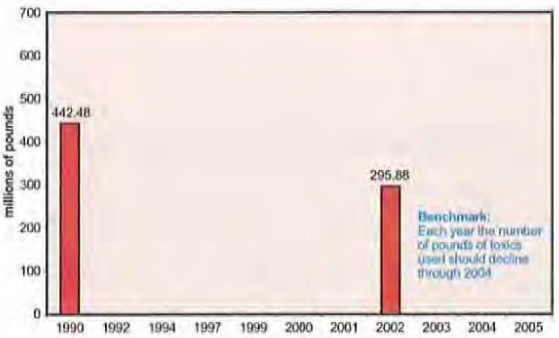
Benchmark: The number of pounds of toxins used by businesses, 220 million in 1999, will decrease each year until 2004.

Significant Reduction Recorded In 2002, 295.88 million pounds of toxic materials were used by Maine businesses that, back in 1990, reported using 442.48 million pounds. This is a 33 percent reduction. Most of these companies are involved in manufacturing.

Toxic substances or toxins (also known as extremely hazardous substances) are defined by the federal government and include chlorine, sulfuric acid and ammonia. Toxins are typically found in paper mills, metal production facilities, energy producers, and food processors, among others.

Beginning in 1999, reductions in the use of toxic materials became voluntary for Maine businesses. Because they are not required to reduce their use of these materials, those businesses that do so are going beyond compliance and demonstrating good stewardship. Businesses acting as stewards of the environment and those resources they depend on are critical to a high quality of life in Maine, and, to a vibrant and sustainable economy.

Toxics Used in Manufacturing, 1990-2002



Data Source: Maine Department of Environmental Protection, Office of Innovation and Assistance, December 2002.

60. Alternative Modes of Travel

Benchmark: Trips made by Maine people using alternative modes of travel will continue to increase relative to vehicle miles traveled in Maine through 2005.

Travel Using Alternative Modes Slowly Increasing In 2000, the number of trips made by fixed-route buses, ferries, and airplanes (collectively known as alternative modes) increased 4.2 percent from trips made using the same modes in 1999. The number of vehicle miles traveled by automobiles declined by .03 percent during the same time period.

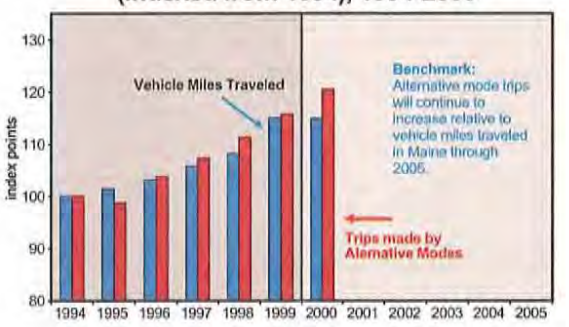
These figures were indexed for ease of comparison. In raw numbers there are a great many more miles traveled by automobile than all other alternative modes combined. In 2000, fixed-bus routes, ferries, and airplanes made an estimated 6.45 million miles of trips in Maine, up from 6.19 in 1999. Maine people traveled 14.15 billion miles in their cars in 2000. This is a slight decrease from 1999, when cars were used to travel 14.16 billion miles.

Traveling by any mode generally has a positive impact on the economy because it represents the movement of goods and services. However, alternative means of transport provide a more environmentally beneficial means of travel than vehicular transit, which is generally low occupancy. Increased use of alternative modes of transit is also part of a vibrant and sustainable economy because it increases the competitive choices for travel and movement of people and goods.

The graph shows vehicle miles traveled and alternative mode trips indexed to 1994, whereby 1994 values were equalized to 100.

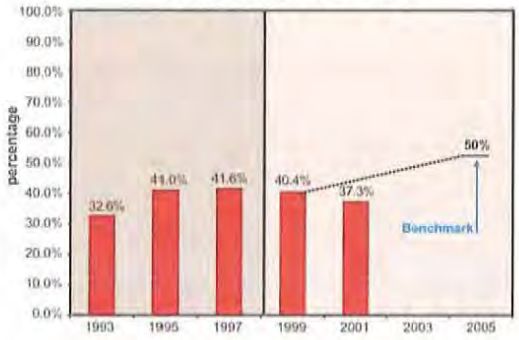
No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2003* due to the significance of this issue.

Vehicle Miles Traveled and Alernate Mode Trips (indexed from 1994), 1994-2000



Data Source: Maine Department of Transportation's Strategic Plan, Strategic Passenger Transportation Plan, Biennial Operating Plans, Transportation Service Providers, November 2001.

Percentage of Municipal Solid Waste Recycled, 1993-2001



Data Source: Maine State Planning Office, Waste Management and Recycling Program, December, 2002.

61. Municipal Recycling

Benchmark: The percent of municipal solid waste recycled each year, 40 percent in 1999, will increase to 50 percent recycled by 2005.

Recycling Rates Decline as Total Waste Generated Increases In 2001, Maine residents, businesses and visitors generated 1,844,059 tons of Municipal Solid Waste. This is a considerable increase from 1999 (the last time data was collected) due primarily to large increases in the amount of construction and demolition debris generated.

Of all Municipal Solid Waste generated in Maine in 2001, recycling efforts retrieved 37.3 percent, or 687,815 tons of materials. The number of tons recycled increased from 1999 to 2002, but the percentage of waste recycled has decreased.

Maine adopted a solid waste management plan in 1989 that set the following priorities for managing municipal solid waste: reduce, reuse, recycle, compost, incinerate, and landfill.

Recycling is important to Maine's economy because it can reduce our costs for managing solid wastes, and create jobs and markets for new products. Many eco-conscious consumers are interested in purchasing products made from recycled goods, a market that some Maine manufacturers have been able to tap. As solid waste disposal options decrease in number and rise in costs, recycling can become an even more attractive management option. In order to reduce the state's dependency upon incinerators and landfills for solid waste disposal, it is crucial that residents and businesses work together to reduce the volume and toxicity of solid waste they generate, reuse materials as much as possible, recycle, and compost their organics.

By recycling, we help maintain Maine's natural beauty by reducing the number and size of landfills necessary to receive our unwanted wastes. Incinerators and landfills, while a necessary part of the solid waste management system, may be unwelcome neighbors in many places.

The amount of solid waste generated and recycled by municipalities is reported annually to the Maine State Planning Office. The information is then combined with other sources reporting on solid waste management practices to determine the level of waste generation and recycling in Maine.

Educational Attainment Tables

Because educational attainment of Maine residents is so important to sustainable long-term economic growth and because we have decennial census data for the first time in ten years, we have decided this year to include the educational attainment tables below. The graphs presented in performance measure numbers 24 through 28 are based on the numbers from these tables.

In the 2000 US Census of the Population, Americans were asked to report the highest level of education attained, and the numbers and percents below reflect those answers. To ascertain how many people are high school graduates, for instance, one needs to look not only at how many people reported a high school diploma as being their highest educational achievement, but also the number of people who attained higher degrees for which a high school diploma is a prerequisite.

Educational Attainment of New England Residents Age 25 and Over, 2000

Highest level of attainment	Conn.	Maine	Mass.	N. H.	R.I.	Vermont	New England
Less than 9th grade	132,917	47,183	247,556	32,426	56,312	20,769	537,163
9th to 12th grade, no diploma	234,739	80,105	403,537	71,328	96,774	34,127	920,610
High school graduate	653,300	314,600	1,165,489	247,723	192,914	130,804	2,704,830
Some college, no degree	402,741	165,111	730,135	164,634	122,261	68,440	1,653,322
Associate degree	150,926	63,934	308,263	71,772	48,495	31,058	674,448
Bachelor's degree	416,751	129,992	834,554	153,874	110,175	74,124	1,719,470
Graduate or professional degree	304,243	68,968	583,741	82,230	67,642	44,901	1,151,725
Total population age 25 and over	2,295,617	869,893	4,273,275	823,987	694,573	404,223	9,361,568

Educational Attainment of New England Residents, by Percent of Residents Age 25 and Over, 2000

Highest level of attainment	Conn.	Maine	Mass.	N. H.	R.I.	Vermont	New England
Less than 9th grade	5.8%	5.4%	5.8%	3.9%	8.1%	5.1%	5.7%
9th to 12th grade, no diploma	10.2%	9.2%	9.4%	8.7%	13.9%	8.4%	9.8%
High school graduate	28.5%	36.2%	27.3%	30.1%	27.8%	32.4%	28.9%
Some college, no degree	17.5%	19.0%	17.1%	20.0%	17.6%	16.9%	17.7%
Associate degree	6.6%	7.3%	7.2%	8.7%	7.0%	7.7%	7.2%
Bachelor's degree	18.2%	14.9%	19.5%	18.7%	15.9%	18.3%	18.4%
Graduate or professional degree	13.3%	7.9%	13.7%	10.0%	9.7%	11.1%	12.3%

About the Data

The data in this report come from a wide variety of sources: primarily (1) federal agencies (see the Maine Development Foundation website for links), (2) state agencies, and (3) surveys conducted by the Maine Development Foundation. The timeliness of the data varies considerably, but in each case we present the most recent data available.

Eight of the performance measures rely entirely on data generated by the Maine Development Foundation's Annual Surveys of Maine Businesses and Citizens. These statewide surveys were conducted in September and October 1995, 1996, 1997, 1998, 1999, 2000, and 2001. The methodologies from year to year were very similar. The surveys were not conducted in 2002. In 2001, the citizen survey was done by telephone interviews with 601 randomly selected citizens and has a sampling error of +/- 4 percentage points with a 95 percent confidence rate. The business survey was a written instrument sent to a stratified random sample of Maine businesses, completed by 663 of them, and has a sampling error of +/- 6.7 percentage points with a 95 percent confidence rate.

On The Web

Measures of Growth, 2003 is available at the website of the Maine Development Foundation in Portable Document Format (PDF) for easy download and printing. Also at the site are useful links to up-to-date tables of federal and state data, related reports, and eight years of survey data reflecting opinions of Maine citizens and businesses on more than one hundred issues. Visit the Maine Economic Growth Council through the homepage of the Maine Development Foundation at http://www.mdf.org.

Background and Report Development

Established in statute by the governor and legislature, the Maine Economic Growth Council began its work in 1993 by setting forth a vision and goals for the state's long-term economic growth. Hundreds of people from government, education, business, labor, environment, and economic development were involved. From a vast array of recommendations, the Council chose more than a dozen goals and about 50 performance measures by which to continually assess the state's progress towards achieving those goals. The Council held workshops, focus groups, and solicited advice from experts and state leaders from all sectors.

Since its inception, the Council has published nine well-received annual reports. Several state agencies have formally incorporated goals and benchmarks of the Maine Economic Growth Council into their own strategic plans. Nonprofit organizations have initiated programs directly aimed at accomplishing specific benchmarks. Government officials have used Measures of Growth to justify programs to achieve the goals. Teachers have incorporated the substance of the reports into their curricula. Policy development forums have used the benchmarks as springboards for meaningful discussions. Businesses have pledged financial resources and other forms of support to the effort. Furthermore, the council's work is receiving increasing recognition from community groups and other states as a model for establishing a vision, goals, and measurable objectives.

Acknowledgments

The Maine Economic Growth Council is co-chaired by retired President and CEO of Madison Paper Industries, Roy Barry; and former State Representative Paul Tessier. The Council is administered by the Maine Development Foundation.

The Maine Development Foundation drives sustainable, long-term economic growth for Maine. The foundation is a catalyst for new ideas and provides common ground for solving problems and advancing issues. The foundation was created by the legislature and governor more than twenty years ago as a private, nonprofit corporation with a broad mandate to promote Maine's economy. Today, the foundation is financed primarily with private resources.

The Foundation's president, Henry Bourgeois, provided oversight for the process of deciding the content of this report. Craig Freshley, former program director of the Maine Development Foundation and now a consultant with Policy Development, Inc., researched and wrote the report, and managed its production and publication. Market Decisions, Inc. performed the statewide surveys of businesses, and Strategic Marketing Services performed the statewide surveys of citizens. J.S. McCarthy Letter Systems printed the report this year. The Maine Development Foundation and the Maine Economic Growth Council extend sincere appreciation to all those people and organizations who generously provided data and guidance.

Adopt A Benchmark

The Maine Economic Growth Council has established a list of key issues (the performance measures) and has established a target for each one (the benchmarks), but the Growth Council does not actually do the work required to achieve the benchmarks. That work is best left to specific organizations whose missions are aligned with specific issues. Achieving the benchmarks is a shared responsibility among government, businesses, nonprofits, and educational institutions.

The Growth Council encourages organizations to adopt the benchmarks it has established. When an organization adopts a benchmark, it is making a public statement of intent to work on achieving that particular benchmark. Organizations that have adopted benchmarks have publicly accepted some responsibility for Maine's long-term economic growth. Please visit the Maine Economic Growth Council's website through the homepage of the Maine Development Foundation at http://www.mdf.org for a complete list of the measures that have been adopted by Maine organizations and businesses to date.

Maine Economic Growth Council, 2002

Leroy J. Barry, Co-Chair
President & CEO (retired)
Madison Paper Industries

Richard Batt
President/CEO
Franklin Community Health Network

Edward Dinan
President & CEO - Maine
Verizon Communications

David T. Flanagan

Idella Harter
President
Maine Education Association

Joyce B. Hedlund
President
Eastern Maine Technical College

Nancy Hensel
President
University of Maine - Presque Isle

Theodore Stark Koffman
Director, Government Relations
College of the Atlantic
State Representative
House District 130

Laurie G. Lachance
State Economist
State Planning Office

Lillian J. LeBlanc
CEO
Twin Cities Air Service, Inc.

Steven Levesque
Commissioner
Department of Economic & Community Development

Susan W. Longley
State Senator
Senate District 11

Robert Piccone
President & Business Agent
Teamsters Union Local 340

Richard W. Rosen
State Representative
House District 113

Kevin L. Shorey
State Senator
Senate District 4

Paul L. Tessier, Co-Chair
State Representative
House District 101

Dianne Tilton
Executive Director
Sunrise County Economic Council

Eloise Vitelli
Associate Director
Maine Centers for Women, Work, & Community

KEY TO SYMBOLS AND GRAPH COLORS

GOLD STARS & RED FLAGS

Determining which performance measures receive Gold Stars and Red Flags are judgment decisions by members of the Maine Economic Growth Council. These determinations reflect consensus of the group and are based on consideration of the best data available and the experienced perspectives of Growth Council members. Generally, criteria are as follows:

GOLD STAR Exceptional performance. Very high national standing and/or established trend towards dramatic improvement.

RED FLAG Needs attention. Very low national standing and/or established trend towards dramatic decline. In some cases there is improvement but it is still viewed as needing attention.

PROGRESS SYMBOLS

The progress symbols reflect movement toward or away from the benchmarks. The benchmarks are established by the Growth Council and determining progress is done objectively each year by reviewing the most recent trend. Criteria for applying the progress symbols is as follows:

PLUS: We have moved toward the benchmark since last available data.

MINUS: We have moved away from the benchmark since last available data.

EQUAL: No significant movement either way since last available data (in instances of survey data, "significant" is defined as at least two percentage points).

BLANK: We can't reasonably discern a meaningful trend toward or away from the benchmark.

ON THE GRAPHS

Except where otherwise stated, all data presented are for Maine.

The vertical line separating the two background colors represents the year we started benchmarking. It is the baseline year referred to in the benchmark statement. - Where we have no data prior to the baseline year, the graphs have just one background color.

Maine data is always shown in this color
New England data is always shown in this color
United States data is always shown in this color

CITING INFORMATION IN THIS REPORT

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