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MEASURES OF GROWTH



2004

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

TENTH REPORT OF THE MAINE ECONOMIC GROWTH COUNCIL

PREPARED BY THE
MAINE DEVELOPMENT FOUNDATION

V I S I O N

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

2004 Performance Measures of the Maine Economic Growth Council

ECONOMY

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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.
- No new data available.

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Overview of Progress

Measures of Growth 2004 contains 56 measures that appeared in earlier editions of *Measures of Growth*, and two new measures that have been added for a total of 58 performance measures.

Three measures featured in this report previously – *Business Satisfaction with State Government*, *Parents Reading to Children*, and *New Products and Services* – were dropped this year because the survey that supplied data for these measures is no longer conducted. *Industrial Use of Toxins* was also dropped this year due to the lack of new data and the existence of only two data points over a decade.

Maine made positive progress on 23 performance measures, lost ground on 22, and held steady on two others. Eleven measures had no new data on which to report. Progress toward or away from the benchmarks is symbolized by plus and minus signs throughout the report.

The Growth Council awarded two Gold Stars to performance measures signifying exceptional performance. *High School Attainment* has shown consistent improvement and has continued to outpace graduation rates in New England and the United States since it was first measured in 1994, earning it a Gold Star. The other measure that the Council recognized for exceptional performance was *International Exports*. Between 2001 and 2002, the latest year for which data is available, Maine's international exports grew by 8.8 percent while U.S. exports declined by 5.5 percent.

The Growth Council assigned nine Red Flags to performance measures that particularly need attention. Red Flags were given to: *Jobs That Pay A Livable Wage*; *Cost of Doing Business*; *Local and State Tax Burden*; *Cost of Health Care*; *Fiscal Stability*; *Higher Degree Attainment*; *County Income Disparity*; *Cigarette Smoking*, 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.

While the data indicates that there are significant issues facing Maine's economy, there are some bright spots. Maine has outpaced New England and the nation recently on some important trends. Monitoring whether or not Maine continues to grow in these areas will provide insight into whether or not the state is experiencing trends that can lead to sustained economic growth. To accomplish this, Maine needs to make significant investment in its future.

PROSPERITY:

The wealth of all Maine people will steadily increase.

Employment grew slightly this year – Maine experienced an increase of just 1.7 percent in all jobs between 2002 and 2003 whereas New England experienced negative job growth in the same period. However, Maine's manufacturing sector lost more than 7,000 jobs in the same period. Maine's national rank on *Personal Income* improved from 35th in the nation to 33rd, but we remain relatively stagnant and in the bottom third of states. Increasing per capita income is important to prosperity and a critical indicator of Maine's overall quality of life. For the second year in a row, Maine's *Gross State Product* (GSP), the most widely accepted indicator of general economic activity, grew by 2 percent, whereas in New England, GSP declined by 7 percent.

Only 66 percent of Maine *Jobs That Pay a Livable Wage*, another area of stagnation that is worrisome for achieving the goal of sustained economic growth, earning it a Red Flag this year. Closely related to the

fact that there aren't enough good paying jobs in Maine: 7.1 percent of all Maine workers held two or more jobs in 2001, and, Maine people have high amounts of *Household Debt*.

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

Significant investment has recently been made in *Research and Development* in Maine: In 2000, Maine companies, nonprofits, and education institutions invested 27 percent more than they had in 1999, or \$401.74 per Maine worker. The value of Maine's *International Exports* also increased faster than that in the U.S., earning this measure a Gold Star. *Manufacturing Productivity* in Maine decreased from 2000 to 2001 by 3.7 percent, faster than the decrease experienced in productivity for the nation's entire manufacturing sector, which was 2.2 percent over the same time period.

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 significant work to do in this area. The *Cost of Doing Business* in Maine continues to be higher than that in the United States, over 10 index points higher according to a national economic research group, earning it a Red Flag. *Fiscal Stability* was calculated using new methodology this year and describes the extent to which state tax revenues rise or fall disproportionately with economic growth; it illustrates that Maine's General Fund revenue has had a high degree of instability over the past decade. To call attention to this issue, the Growth Council gave *Fiscal Stability* a Red Flag this year. The *Cost of Energy*, which measures the average cost of electricity for the industrial sector alone, declined in Maine but still remains more expensive than what the industrial sector experiences across the nation as a whole. While the Council was unable to find new data for the *Cost of Health Care* this year, the measure was given a Red Flag because of how critical this issue is to Maine people and the economy. No new data for New England was available to update the *State and Local Tax Burden* indicator this year. Recent actions by state government may significantly improve Maine's rankings on tax burden and health costs.

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. *Secondary School Achievement* reports that in 2002 high school students did relatively well in math and science but experienced a decline in reading achievement. The Council gave a Gold Star to *High School Attainment* because of continued improvement relative to the rest of the United States. But, the Growth Council is very concerned that not enough high school graduates are continuing on to get higher degrees. *Higher Degree Attainment* was given a Red Flag this year to highlight how important higher education attainment is to Maine's economy and illustrate that we need to move more quickly towards achieving the goal. 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." Despite sustained slight increases in these areas, Maine still lags behind New England in the percentage of adults with graduate and bachelor's degrees. And, although *Associate's Degree Attainment* is relatively strong, it must continue to grow in order to realize the promise of increased access to the new community college system. This year the Growth Council has new survey data for *Lifelong Learning* and *Employer-Sponsored Training*, both of which experienced significant reported increases in activity, a good sign for Maine's workers and companies.

COMMUNITY Goal: Vibrant Communities

Mitigating some of the low performance in the economy measures are the positive indicators among the community measures which are powerful forces in achieving economic growth. 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.

The reported state of Maine's civic assets are cause for some concern. *Child Well-Being* remains good in Maine although the state slipped a couple notches in national rank since this indicator was first monitored. In 2001 *Arts and Cultural Expenditures* per capita in Maine was \$40.77, approximately 11 percent less than that spent per capita in northern New England that year. *Citizen Participation in Community Activities* was reported significantly less – almost a 20 percentage point decline between 2001 and 2003. One of Maine's greatest community challenges is *Affordable Housing*. In 2003, Maine people paid an average of 3.6 times their household incomes for houses, a 28 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*. Data from the U.S. Census Bureau shows that fewer Maine people are living in service center communities causing significant development pressures in what used to be rural communities.

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. There are some areas, however, in which Mainers have made good progress. The percent of people living in *Poverty* in Maine remains lower than the U.S. but experienced an increase between 2001 and 2002. *County Income Disparity*, after improving in 2000, declined this year earning it a Red Star. In 2001, per capita income in the four poorest counties was only 60 percent of what it was in the four wealthiest counties in Maine. About the same number of people – 85 percent – reported that their place of work did not discriminate against them in an indicator measuring *Discrimination in the Workplace*, which is important as Maine's population becomes more diverse, particularly in urban areas.

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. A new *Health Index*, which was developed by the United Health Foundation, reports that Maine is the eighth healthiest state in the nation. *Health Insurance Coverage* declined from 2002 to 2003, resulting in 11.3 percent of Maine people lacking coverage compared with 15.2 percent nationally. After two years of alarming, reported increases, in 2002 there was a slight decrease in the number of *Domestic Assaults*. The Growth Council gave this measure a Red Flag again this year because it remains a critical problem for Maine's families and is not declining fast enough. However, the *Crime* rate and the death rates for three major *Chronic Diseases* monitored in the report showed modest improvement. *On-the-Job Injuries* in Maine declined for the fourth year in a row, registering a 5.7 percent decline from 2000 in 2001. *Cigarette Smoking* among 18-34 year-olds increased from 2001 to 2002, earning the measure a Red Flag.

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. While there is no new data for *Conservation Lands*, increases in government-owned conservation lands and in the amount of land preserved by non-government agencies through the use of conservation easements has been rising for several years. *The Water Quality of Marine Areas* is holding steady and Maine's *Air Quality* dramatically improved in 2003, registering only five poor air quality days as opposed to 17 days reported as unhealthy in 2002. However, it appears that *Mercury Contamination* is still a problem for Maine's loon population and ecosystems.

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. Despite a recent and slight decline, the acreage of *Sustainable Forest Lands* - Maine's woods that are managed or certified as sustainable - has increased in recent years, which is good news for the environment and Maine's economy as the demand for sustainable wood products increases. *Commercial Fishing Opportunity* reports that the average age of workers continues to increase. And although there is no new data for the amount of *Productive Farmland* in Maine, data represents decades of sustained decline in this resource.

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 still room for improvement. People are choosing to travel using *Alternative Modes of Transport* in greater numbers - in 2002 the number of trips made using ferries, buses, and trains increased by 2.9 percent whereas the number of trips made by Maine people using automobiles increased by slightly less - 2.2 percent. Of concern is the fact that the amount of waste being recycled has recently decreased, while statewide an even greater amount of waste is being generated.

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 tenth 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 58 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 a 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 58 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 the 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 billions of 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.

KEY TO SYMBOLS AND GRAPH COLORS

GOLD STARS & RED FLAGS

Determining which performance measures receive **Gold Stars** and **Red Flags** are judgment decisions made 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:** No new data available.

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

1. Personal Income

➤ **Maine's national rank among the 50 states on per capita income will improve from 35th in 1994 to 25th by 2007.**

Personal Income Increased, but Still Relatively Low In 2002, Maine ranked 33rd 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 2001 to 2002.

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 and household debt would diminish. Higher incomes would support increased spending on community and environmental issues.

In 2002, Maine's income per capita (total income earned in the state divided by the state's population) was \$27,804, about 9 percent less than the United States average of \$30,832. From 2001 to 2002, per capita income in Maine grew by 3.4 percent while per capita income for the U.S. as a whole grew by just 1.3 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, most of Maine has a lower cost of living than many other states.

National Rank on Per Capita Income 1980-2002



Data Source: U.S. Bureau of Economic Analysis, October 2003; and Maine State Planning Office, October 2003.

2. Gross State Product

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

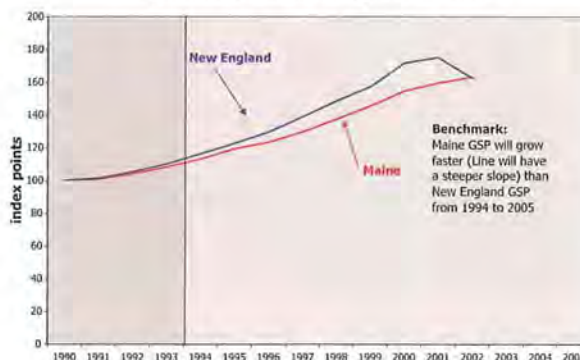
Maine's Economic Growth Outpaces New England In 2002, Maine's Gross State Product (GSP) was estimated to be \$38.3 billion, up 2 percent from 2001. During the same time period, the New England economy shrank with a loss of 7 percent. Maine's GSP outpaced New England's during the recent recession.

Since 1994, the New England economy has grown 50.3 percent while the Maine economy has grown 41.3 percent.

GSP 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.

Gross State Product, Maine & New England (Indexed from 1990) 1990-2002



Data Source: U.S. Bureau of Economic Analysis, October 2003.

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.**

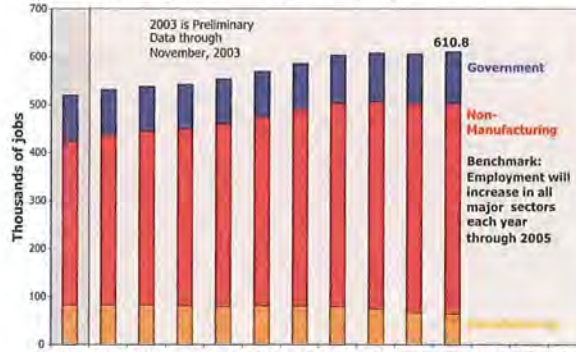
Employment Up Overall From 2002 to 2003, Maine's employment in all of the Major Industry Groupings grew very slightly, just 0.7 percent, from 606,000 jobs to 610,800 jobs. During the same period, employment in New England as a whole fell 1.9 percent and across the nation jobs grew 0.5 percent. For each of the past seven years, the number of jobs in Maine has increased an average of 1.6 percent per 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.

This growth is accounted for in both the service and government sectors. Non-manufacturing jobs have grown an average of 2.5 percent per year since 1993, but through November 2003, they grew by just 0.9 percent. Government jobs have grown an average of 1.2 percent per year, but in 2003 increased by 4.6 percent or 4,800 jobs. The job growth in the non-manufacturing sector balanced the loss experienced by the Construction, Manufacturing, and Transportation sectors, which lost more than 4,000 jobs. Nearly every state is experiencing declines in manufacturing employment.

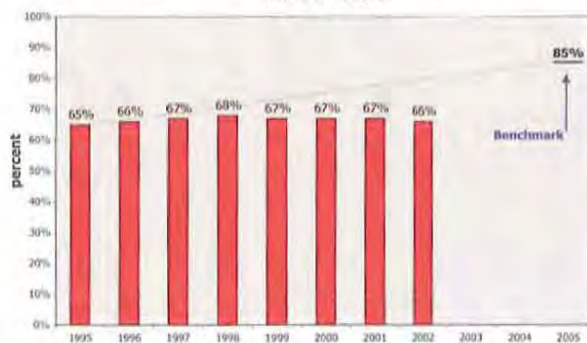
These figures represent full-time and part-time annual average employment, but do not include farm workers or self-employed people. This is an indicator of the number of jobs in Maine, unlike the unemployment rate, which indicates how many people are out of work. This performance measure should be viewed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

Non-Farm Wage and Salary Employment by Major Industry Groupings, 1993-2003



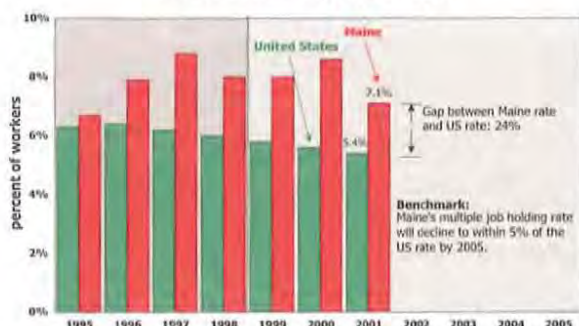
Data Source: Maine Department of Labor, Division of Labor Market Information Services in cooperation with the U.S. Bureau of Labor Statistics, November 2003.

Percent of Maine Jobs that Pay a Livable Wage, 1995-2002



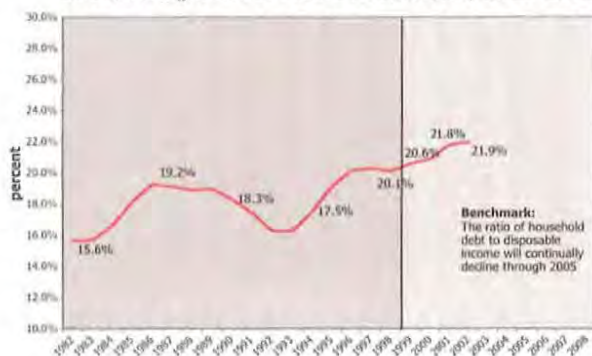
Data Source: Maine Development Foundation analysis based on Covered Employment and Wages data provided by the Maine Department of Labor, Division of Labor Market Information Services, November 2003.

Percent of People Holding Multiple Jobs Maine and U.S., 1995-2001



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

Outstanding Debt of Maine Households, 1982-2002



Data Source: Maine State Planning Office, October 2003.

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 2002, only about 66 percent of all jobs in Maine paid what the Growth Council chooses to consider to be an annual livable wage for that year: \$22,089 for a family of two. This performance measure earns a **Red Flag** again this year because there has been no significant change in this percentage since the Council began 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 citizens and businesses.

This performance measure considers a livable wage to be 85 percent above the poverty line wage for a family of two. This calculation is established by the U.S. Department of Labor and used by the U.S. Department of Health and Human Services. 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.

5. Multiple Job Holding

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

One out of Twelve Workers Hold More than One Job In 2001, 7.1 percent of all Maine workers had two or more jobs, a higher percentage than the national rate of 5.4 percent. However, the numbers of Maine workers who work more than one job dropped from a rate of 8.6 percent in 2000. The 2001 figures represent a gap of 24 percent between the Maine rate and the U.S. rate, lower than last year's gap of 25 percent, but a long way from the Council's target of only a 5 percent gap.

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 U.S. 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 jobholder. 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.

6. Household Debt

Benchmark: The ratio of household debt (not including mortgages) to annual household disposable income will continually decline each year through 2005.

Debt Comprises Over One-Fifth of Disposable Income In 2002, the outstanding debt of Maine households totaled \$6.93 billion, 21.9 percent of total disposable income for that year. This is only a slight increase over the 21.8 percent reported in 2001. Since information for this measure was collected, Maine's rate of debt has closely followed the rate of debt in the U.S., which was also 21.9 percent in 2002.

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.

7. Research and Development Investment

Benchmark: Investments in research and development per Maine worker, \$210.89 in 1998, will increase to \$1,000 per worker by 2010.

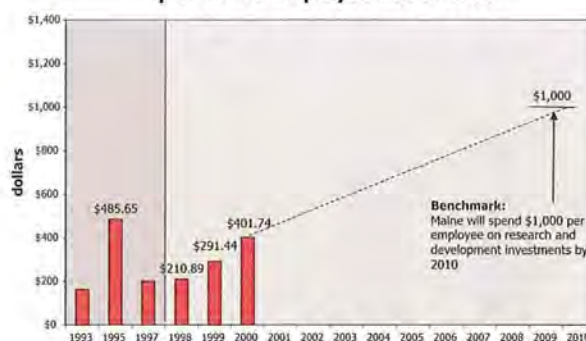
Research and Development Investments on the Increase. Research and development investments in Maine increased almost 50 percent from 1997 to 2000. In 2000, Maine companies, nonprofits, and education institutions invested over \$318 million dollars in research and development activities. In that year, 793,362 people were working in Maine, meaning that Maine invested an average of \$401.74 per worker in research and development. That is an increase of 27 percent from 1999, when \$291.44 per worker was invested.

Investment in research and development has been identified as a foundation and significant driver of prosperity and a high quality of life. 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 to the U.S. average. The benchmark for this indicator is based on this analysis.

Maine has made progress toward the established benchmark in recent years, but 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. 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.

Due to the continuous revision of numbers by both the Bureau of Economic Analysis and the National Science Foundation, more accurate information is available for this indicator this year. The figures used in this analysis differ from the figures used in indicator number 3 – *Employment* – because this indicator uses figures representing *all* employment in Maine, and not just that of the three major industry groupings depicted in the *Employment* indicator.

Maine Research and Development Expenditures per Maine Employee 1993-2000



Data Source: National Science Foundation, Division of Science Resource Studies, National Patterns of R&D Resources, and the U.S. Bureau of Economic Analysis, November 2003.

8. International Exports

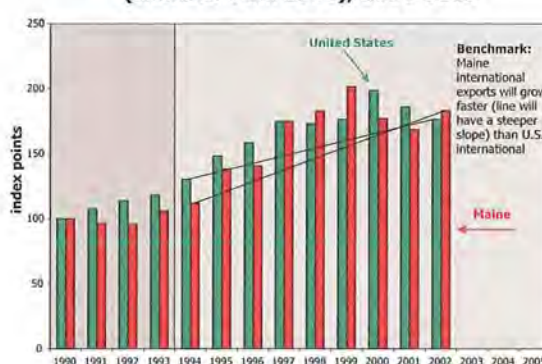
Benchmark: The value of Maine's international exports will grow faster, on average, than the growth in value of U.S. international exports from 1994 to 2005.

Maine's International Exports Grew Faster than the U.S. The Growth Council has decided to award this measure a **Gold Star** this year for exceptional performance. From 2001 to 2002, the value of Maine exports increased 8.0 percent. During the same time period, US exports declined 5.5 percent, resulting in Maine overtaking the United States in index points and achieving the stated benchmark.

In 2001, Maine companies exported \$1.970 billion worth of products. \$791 million was exported to Canada, \$168 million to Malaysia, and \$248 million to Singapore. Industries that exported the greatest value of product were computer and electronics (\$535 million), paper (\$385 million), forestry products (\$185 million), fish and marine products (\$166 million), and transportation equipment (\$101 million). In particular, computer and electronic exports, which are sent primarily to Southeast Asia, grew by 35 percent, while trade with Malaysia and Singapore grew by 42 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.

International Exports, Maine & U.S. (Indexed from 1990), 1990-2002



Data Source: Maine International Trade Center based on data provided by the Massachusetts Institute for Social and Economic Research (MISER), September 2003.

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.

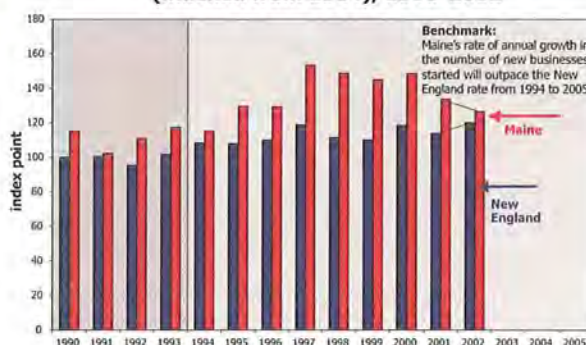
New Business Starts Decline in Maine and New England In 2002, 4,428 new businesses started in Maine, 236 fewer businesses than were started in 2001. This represents a 5 percent decline in the rate of new business started in Maine between 2001 and 2002. Across New England during the same time period, new business starts increased by over 5 percent. The rate at which Maine is starting new businesses is declining and we are falling behind our stated goal of outpacing the rate of new business starts in New England.

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 1984, whereby 1984 values were equalized to 100.

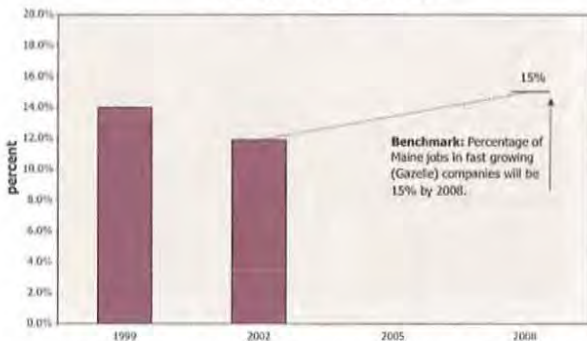
Based on recent analysis by the University of Maine Cooperative Extension, we find that about 20 percent of all Maine workers are employed in businesses of four or fewer employees, called micro-businesses.

New Business Starts, Maine & New England (indexed from 1984), 1990-2002



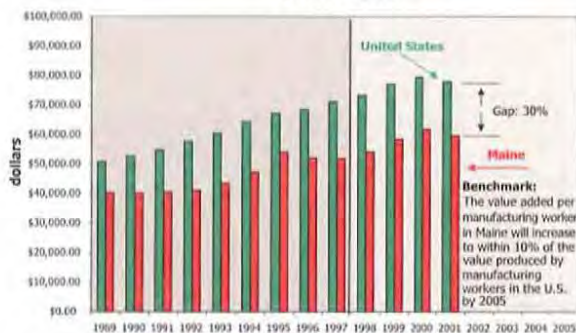
Data Source: U.S. Small Business Administration, Office of Advocacy, October 2003.

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



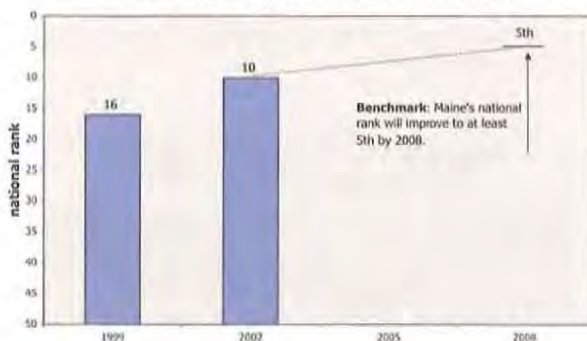
Data Source: Progressive Policy Institute, New Economy Index, 2002 and 1999.

Manufacturing Value Added per Manufacturing Worker, Maine and U.S., 1989-2001



Data Source: U.S. Bureau of Economic Analysis, October 2003 and the Maine Department of Labor, Division of Labor Market Information, October 2003.

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



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

10. Gazelle Company Jobs

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

Percent of Gazelle Jobs Could Be Higher This performance measure looks at the 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 of 22nd.

There is no new data for this indicator this year. New data will be available in 2005.

11. Manufacturing Productivity

Benchmark: The value added per manufacturing worker in Maine will increase to within 10 percent of the value produced by manufacturing workers in the U.S. by 2005.

Productivity Decreases in Maine In 2001, each manufacturing sector worker in Maine produced about \$59,682 worth of product on average, a decrease of about 3.7 percent from the average value of product produced per manufacturing worker in 2000. During the same time period, U.S. manufacturing productivity decreased by 2 percent. The gap between worker productivity in the United States and Maine increased from 28 percent in 2000 to approximately 30 percent in 2001.

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 primarily reflects improvements and human investments which increase the value of the product.

12. 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 Among the 50 states, Maine ranked 10th in the nation in 2002, up from 16th in 1999. In 2002, about 60 percent of all Maine adults had access to the Internet, whereas across the country about 54 percent had Internet access.

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 states with people online are Alaska, Minnesota, New Hampshire, Wyoming, Maryland, Utah, Washington, Oregon, Vermont, and Maine. There is no new data for this indicator this year. New data will be available in 2005.

13. 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 2002, according to this index, was 10.1 points higher than the national average cost of doing business and has increased nearly 4 percent over the past 5 years. This represents a serious competitive disadvantage for Maine-based businesses and earned this measure a **Red Flag** this year. It is difficult to overstate the importance of this measure to the state's business climate.

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 8th in the nation on this index in 2002, as compared to 7th last year. 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 11th, and on the unit labor cost index Maine was ranked the 13th most expensive state.

14. 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.

Last Available Data Shows Maine Tax Burden Declining, but New England Taxes Declining More In 2000, the last year data was available for Maine and New England, 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.

The Growth Council has chosen to give this performance measure a **Red Flag** again this year because reducing Maine's tax burden is critically important to achieving sustainable economic growth.

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.

The Growth Council was unable to attain updated state and local taxes for the New England states. The measure will be updated as soon as data becomes available.

15. Cost of Energy

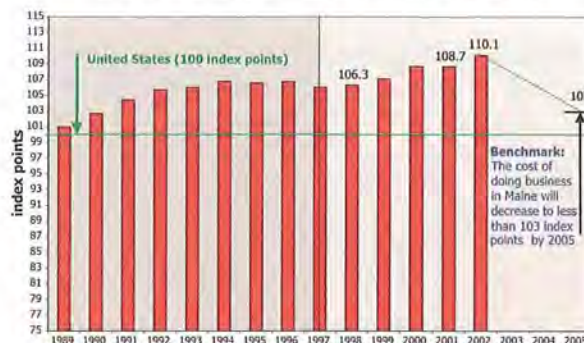
Benchmark: The cost of electricity for the industrial sector in Maine will decrease to less than 110 percent of the average cost of electricity for the industrial sector in the U.S. by 2008.

Maine Industrial Energy Costs Improve In 2002, electricity cost Maine's industrial sector an average of 6 cents per kilowatt-hour. Across the nation as a whole, the industrial sector paid an average of a little under 5 cents per kilowatt-hour. The graph shows that in 2002, Maine's industrial electric consumers paid 28 percent more for electricity than the national average, an improvement from 39 percent in 2001.

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. Overall lower costs may reflect lower delivery costs, in part.

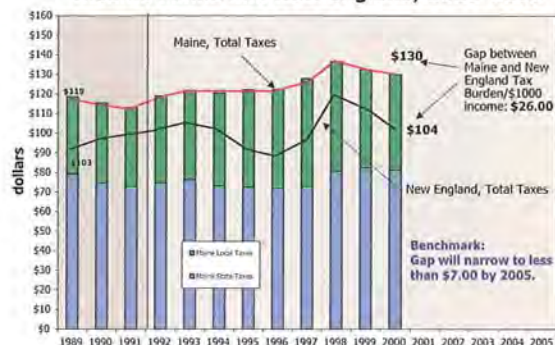
Electricity costs are now reported disaggregated, with the production costs separated from the transmission and distribution costs. Transmission and distribution costs include stranded costs. Stranded costs reflect net, above-market costs of generation obligations the utilities have incurred since the 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 percent of delivery costs are attributed to stranded costs, which should be reduced once the existing generation contracts expire within the next decade.

Cost of Doing Business, Maine, 1989-2002



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



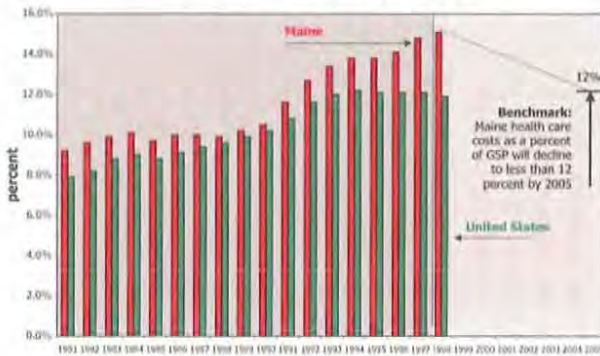
Data Source: U.S. Census, State and Local Government Finance Estimates, 1989-2000.

Average Cost of Electricity, Industrial Sector, Maine and U.S., 1989-2002



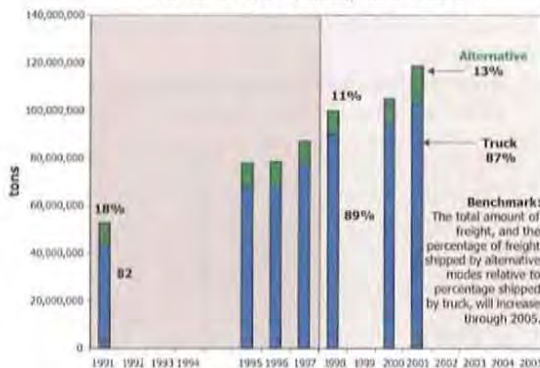
Data Source: Central Maine Power based on U.S. Department of Energy, Energy Information Administration, Annual Electric Utility Reports, 1988-2003.

Health Care Costs as a Percent of GSP, Maine and U.S., 1981-1998



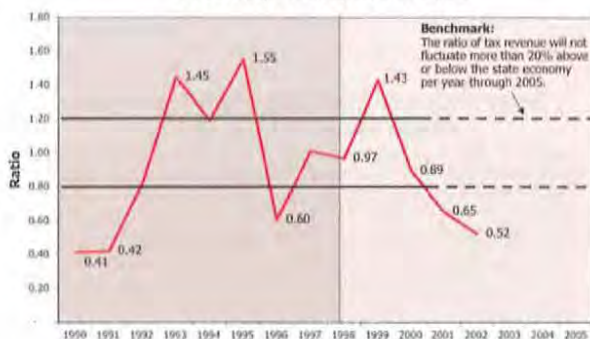
Data Source: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, November 2002.

Manufacturing Freight by Truck & Alternative Modes, 1991-2000



Data Source: Maine Department of Transportation, December 2003.

Ratio of the Percent Change in General Fund Revenues to Percent Change in Gross State Product, Maine, 1990-2002



Data Source: US Census Bureau, State Government Finances, 1989-2003; US Bureau of Economic Analysis, 2003.

16. Cost of Health Care



Benchmark: Health care costs as a percent of GSP, 15.1 percent 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** again this year, despite no new data.

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.

17. Transportation Infrastructure



Benchmark: The percentage of all manufacturing freight shipped in Maine that goes by rail, water, or air (11 percent in 1998) will improve relative to the amount shipped by truck, through 2005.

Percent of Freight Shipped by Alternative Modes Decreases In 2001, approximately 87 percent of all manufacturing freight tonnage transported in Maine occurred by truck, while approximately 13 percent was shipped by rail, water, and air. This represents movement towards the benchmark since 1998 when 89 percent of shipping was done by truck and 11 percent by other modes.

In total, an estimated 119 million tons of freight were shipped in Maine in 2001. Overall, the amount of manufacturing freight shipped in Maine increased 17 percent from 1998 to 2001.

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 or combinations of modes to carry large amounts of cargo. The increase in heavy truck traffic has contributed to traffic congestion and has increased the rate of pavement loss and bridge stress, particularly on older local and secondary highway systems. These trends reduce the speed and reliability of travel, increasing costs for shippers, carriers and consumers statewide, and increase highway and bridge maintenance costs.

Improving the choices among transport modes will result in increased modal choice and competition, which will increase the efficiency of Maine's transportation system and reduce costs for shippers, carriers and consumers. 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.

18. Fiscal Stability



Benchmark: The ratio of tax revenue will not fluctuate more than 20 percent above or below the state economy per year until 2005.

Maine's Fiscal Policy Reported Unstable Maine's General Fund revenues showed a high degree of instability over the last decade, rising and falling 40 percent or more than the economy in 8 of the 12 years shown, this is a long-term trend in Maine. For this reason, the Growth Council has decided to give the measure a **Red Flag** this year.

Fiscal stability describes the extent to which state tax revenues rise or fall disproportionately with economic growth. Fiscal stability in the accompanying graph is measured as the ratio of the annual change in Maine General Fund Revenues to annual changes in the output of goods and services in the economy measured by gross state product. A ratio of 1.0 would mean that revenues increased or decreased at the same rate as the economy.

Unstable fiscal systems see revenues increasing much faster than the economy expands, while revenues fall much faster than the economy in recession periods. The result of very small changes in economic growth produce very large changes in revenues, making it difficult to plan for continuing public services.

A more fiscally stable system would see revenues rising and falling more in line with the rate of economic growth. Thus, the Growth Council set the benchmark that revenue change should be no more than 20 percent faster or slower than economic change. A perfectly stable system could require changes that increased other undesirable characteristics of the tax system such as fairness to low-income people or providing adequate revenues to fund public services.

This indicator reflects a change in methodology from the information provided for Fiscal Stability in past years. Gross state product was chosen as the measure of economic growth because it is the broadest measure of economic activity. Personal income could also be used, but it includes a large proportion of income that does not necessarily reflect changes in the economy such as social security payments.

19. 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 Increases, but Remains Relatively Constant In 2003, 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 115.4 days, a slight increase from 2002.

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 these 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.

20. High School Student 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 in Math and Science, but Decline in Reading In the 2002-03 school year, 11th graders in Maine showed mixed achievement results on several key subjects in the Maine Educational Assessment (MEA) exams. In math and science, Maine students improved from last year. Twelve percent of Maine students met or exceeded the science test's expectations, an improvement of 3 percent, and in math 20 percent met or exceeded standards, improving 1 percent. However, only 46 percent of 11th graders met or exceeded expectations in reading, a drop of 7 percentage points from the previous school year.

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.

Maine was one of the first states 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.

21. High School Attainment

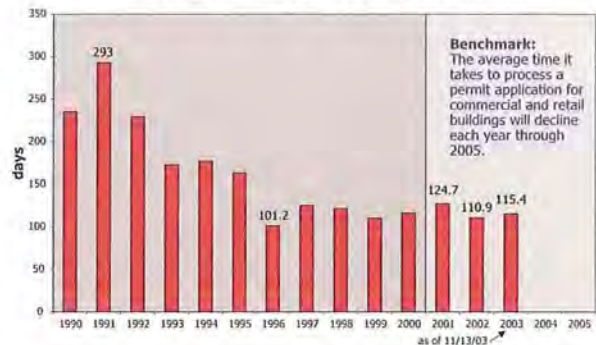
Benchmark: The percentage of Maine people aged 25 to 64 who have attained a high school diploma or beyond, 91.3 percent in 2000, will continue to exceed the New England average each year through 2013.

Maine Residents Value High School Completion In 2002, nearly 92 percent of Maine people between the ages of 25 and 64 had graduated from high school, compared to 90.6 percent of all New England people in the same age range. In 1996, the percentage of high school graduates in Maine was lower than the New England average. Because of the progress that Maine has made on this indicator and sustained excellence, the Growth Council decided to award this measure a **Gold Star** this year.

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 and attainment of a postsecondary degree.

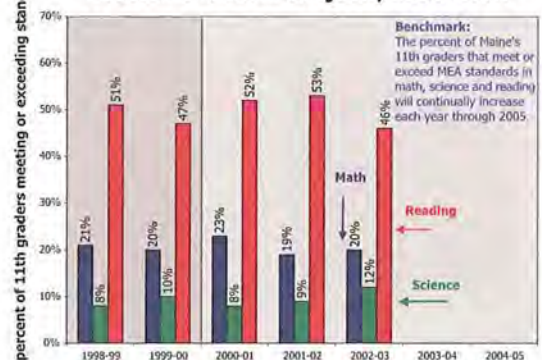
The methodology for calculating this performance measure has been revised this year in two ways. First, the indicator compares Maine's performance to New England through three-year rolling averages of data provided by the Current Population Survey of the U.S. Census Bureau. Decennial Census data was used previously. Second, the indicator focuses on the working-age population — people aged 25 to 64. The indicator previously measured educational attainment in all people over 25.

Average Time to Process Commercial and Retail Building Under the Maine Site Location of Development Law, 1990-2003 Permits



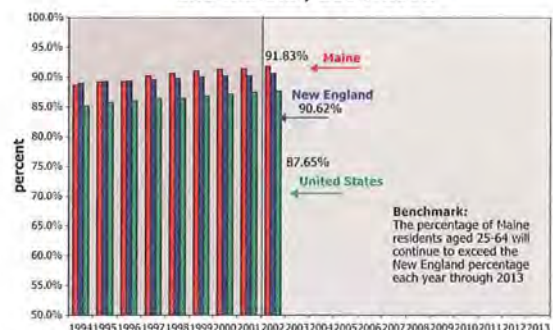
Data Source: Maine Department of Environmental Protection, November 2003.

Percent of Maine 11th Graders Meeting or Exceeding Standards, Select Maine Educational Assessment Exam Subjects, 1998-2002



Data Source: Maine Department of Education, October 2003.

Percent of Residents Aged 25 to 64 with a High School Diploma, Maine, New England and the U.S., 1994-2002



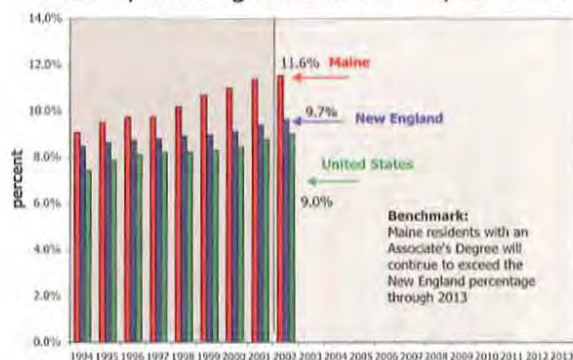
Data Source: U.S. Census Bureau Current Population Survey data, Analysis provided by the Margaret Chase Smith Center for Public Policy, 2003.

Higher Degree Attainment Among Residents Aged 25-64, Maine and New England (1994-2002)



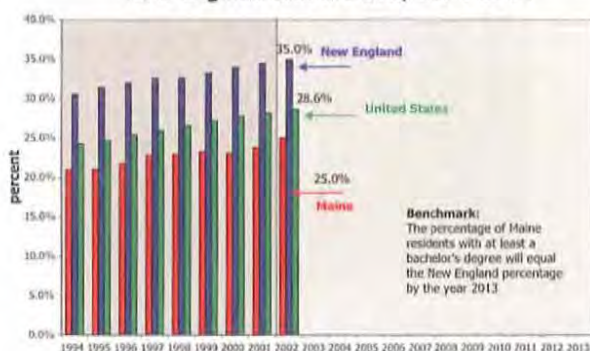
Data Source: U.S. Census Bureau Current Population Survey data, Analysis provided by the Margaret Chase Smith Center for Public Policy, 2003.

Percent of Residents Aged 25 to 64 with an Associate's Degree and No Other Degree, Maine, New England and the U.S., 1994-2002



Data Source: U.S. Census Bureau Current Population Survey data, Analysis provided by the Margaret Chase Smith Center for Public Policy, 2003.

Percent of Residents Age 25 to 64 with at least a Bachelor's Degree, Maine, New England and the U.S., 1994-2002



Data Source: U.S. Census Bureau Current Population Survey data, Analysis provided by the Margaret Chase Smith Center for Public Policy, 2003.

22. Higher Degree Attainment



Benchmark: The percentage of Maine residents age 25 to 64 with a higher education degree, 36.6 percent in 2002, will increase to at least the New England average by 2019.

Higher Degree Attainment Improving Slowly According to the U.S. Census Bureau's Current Population Survey, Maine Higher Degree attainment between the ages of 25 and 64 rose from 35.2 percent in 2001, to 36.6 percent in 2002. This includes 11.6 percent with an associate's degree and no other higher degree, and 25 percent with at least a bachelor's degree, (includes 8.6 percent with a graduate degree). All attainment levels rose in Maine between 2001 and 2002.

Maine residents are particularly lacking in attaining bachelor's and graduate degrees. Whereas 13.4 percent of New Englanders have a master's degree, professional degree, or PhD; in Maine the percentage is just 8.6 percent. In the new so-called "knowledge economy", bachelor's and graduate degree holders are increasingly necessary for economic growth. And, although Associate's Degree Attainment is relatively strong, it must continue to grow in order to realize the promise of increased access of the new Maine Community College System. To call attention to the need for higher education to support economic growth, the Growth Council awarded this measure a **Red Flag** this year.

The methodology for calculating this performance measure has been revised this year in two ways. First, the indicator compares Maine's performance to New England through three-year rolling averages of data provided by the Current Population Survey of the U.S. Census Bureau. Decennial Census data was used previously. Second, the indicator focuses on the working-age population — people aged 25 to 64. The indicator previously measured educational attainment in all people over 25.

23. Associate's Degree Attainment



Benchmark: The percentage of Maine residents with an associate's degree and no other higher degree will continue to exceed the New England percentage each year through 2013.

Associate's Degree Attainment Continues to Improve In 2002, 11.6 percent of Maine residents between the ages of 25-64 had an associate-degree, compared with 9.7 percent across New England. Since 1994, Maine has always been ahead of both New England and the United States in this measure.

This performance measure examines the percent of people with only an associate's degree and no other higher degree, rather than all those with an associate's degree and beyond. The data includes associate's 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.

This measure is particularly important because, for many Maine people, the new Maine Community College System will provide greater access to a post secondary experience, which can eventually lead to successful baccalaureate programs.

The methodology for calculating this performance measure has been revised this year in two ways. First, the indicator compares Maine's performance to New England through three-year rolling averages of data provided by the Current Population Survey of the U.S. Census Bureau. Decennial Census data was used previously. Second, the indicator focuses on the working-age population — people aged 25 to 64. The indicator previously measured educational attainment in all people over 25.

24. 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 2013.

Maine Deficient for the "Knowledge Economy" In 2002, about 25 percent of Maine people between the ages of 25-64 had a bachelor's degree or higher, an increase from the 2001 rate of about 1.2 percent. However, the percent of Maine residents with at least a bachelor's degree is considerably lower than across New England as a whole, though Maine is showing steady improvement. While New England's bachelor's degree attainment rate improved by 12.1 percent from 1994 to 2002, and the United States' attainment rate improved by 15.1 percent, Maine's rate improved 16.2 percent resulting in movement toward the benchmark.

The methodology for calculating this performance measure has been revised this year in two ways. First, the indicator compares Maine's performance to New England through three-year rolling averages of data provided by the Current Population Survey of the U.S. Census Bureau. Decennial Census data was used previously. Second, the indicator focuses on the working-age population — people aged 25 to 64. The indicator previously measured educational attainment in all people over 25.

25. Graduate Degree Attainment

Benchmark: The percentage of Maine residents with a graduate or professional degree will equal the New England percentage by the year 2013.

Maine far Behind New England in Graduate Degree Attainment In 2003, about 8.6 percent of Maine residents between the ages of 25-64 had either a master's degree, professional degree, or PhD, collectively known as graduate degrees. This is a significant increase from the 6.2 percent of residents who held graduate degrees in 1994, but considerably lower than the New England-wide rate of 13.4 percent. Between 2000 and 2002, the gap between the percent of people holding a graduate degree in New England and Maine decreased to 4.8 percentage points.

The percentage of Maine graduate degree holders increased much faster (27 percent) from 1994 to 2002 than both the percentage of New England graduate degree holders (14.8 percent) and National graduate degree holders (14.25 percent). 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. Graduate degree attainment is particularly important to many high-tech and professional areas of the economy, and is fundamental to business innovation.

The methodology for calculating this performance measure has been revised this year in two ways. First, the indicator compares Maine's performance to New England through three-year rolling averages of data provided by the Current Population Survey of the U.S. Census Bureau. Decennial Census data was used previously. Second, the indicator focuses on the working-age population — people aged 25 to 64. The indicator previously measured educational attainment in all people over 25.

26. 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 Increases In 2003, 52 percent of Maine citizens said they participated in some form of educational seminar, program, or course. This is a significant increase from the percentage reported in 2001 — only 36 percent. This brings the percentage of those surveyed reported participation in lifelong learning activities closer to the average percentage between the years of 1995 and 1999, which was 53 percent.

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), courses through their workplaces, and all other types of educational seminars and programs.

The 2000 and 2002 data for this indicator was not reported due to the discontinuation of specific surveys.

27. Employer-Sponsored Training

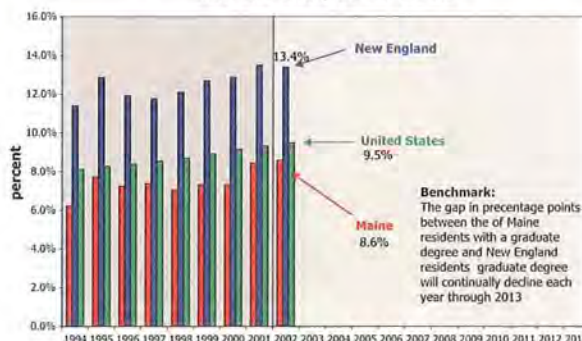
Benchmark: The percentage of front-line Maine employees who attended an educational seminar, program, or course through their place of work, 21 percent in 1995, will improve to 50 percent by 2005.

Indicator Shows Improvement, But More is Needed In 2003, 35 percent of Maine workers earning less than \$35,000 reported that they participated in training that was paid for by their employers, a substantially larger percentage than 2001, and the highest percentage recorded since 1998.

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.

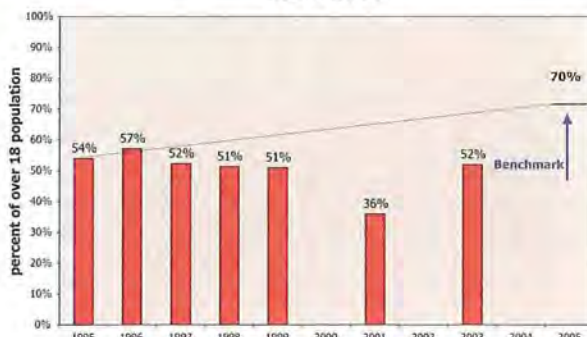
Maine citizens who reported that they earn \$35,000 per year or less were asked, "In the past 12 months have you personally attended an educational seminar, program, or course through your place of work?" The data is based on those who responded "yes."

Percent of Residents Aged 25 to 64 with a Graduate Degree, Maine, New England and the U.S., 1994-2002



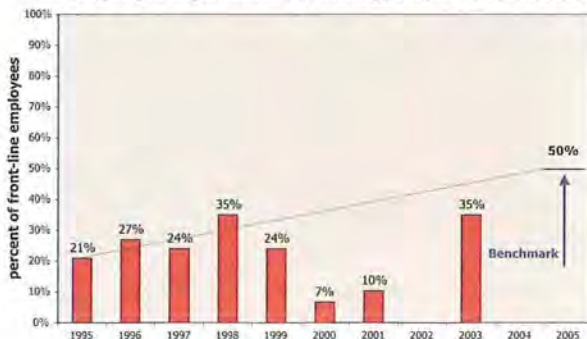
Data Source: U.S. Census Bureau Current Population Survey data, Analysis provided by the Margaret Chase Smith Center for Public Policy, 2003.

Percent of Citizens Attending Educational Seminars, Programs, Courses, 1995-2003



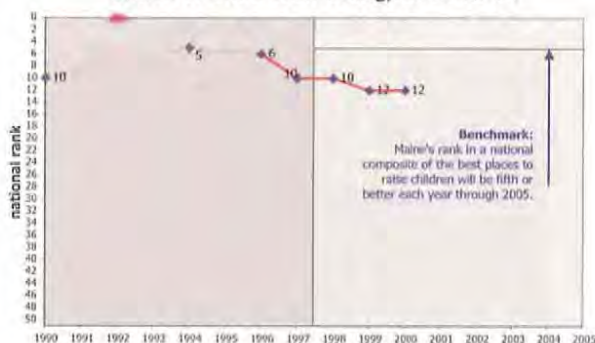
Data Source: Critical Insights, *Critical Insights on Maine Tracking Survey*, Fall 2003

Percent of Front Line Employees Who Attend Employer-Sponsored Training, Maine 1995-2003



Data Source: Critical Insights, *Critical Insights on Maine Tracking Survey*, Fall 2003

Maine's Rank in a National Composite Index of Child Well-Being, 1990-2000



Data Source: Annie E. Casey Foundation, *National Kids Count Data Book*, 1990-2003.

28. 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.

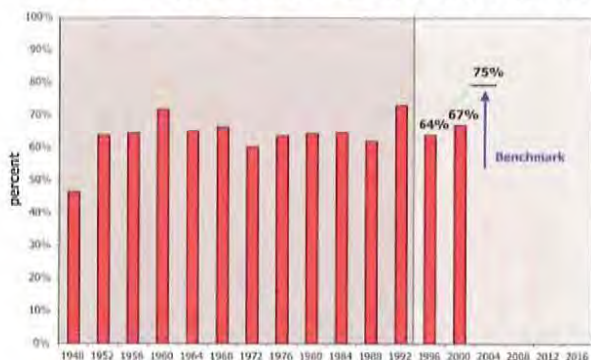
Maine Children's Well-Being Ranks Relatively Well For the period 1999-2000, Maine ranked 12th in the nation in a composite of child well-being indicators. In previous years, Maine has ranked as high as fifth and sixth in the nation on this measure.

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 areas in which Maine has improved since 1990 are the Infant Mortality Rate (down 26.5%), Child Death Rate (down 28.8%), The Rate of teen deaths by accident, homicide and suicide (down 20%), the Teen birth rate (down 64%), the Percent of children living with parents who do not have full-time year round employment (down 16.7%) and the Percent of children living in Poverty (down 7%). Maine stayed the same in the percent of teens who are high school dropouts (7%) and the percent of teens not attending school and not working (8%). There were two areas in which Maine did not improve. These were the Percent of low birth-weight babies (up 15%) and the Percent of Families with children headed by a single parent (up 26%).

The years reported in this indicator are actually the mid-year of three-year averages.

Voter Turnout in Presidential Elections, 1948-2000



Data Source: Maine Office of the Secretary of State, December 2000. No new data since the Growth Council's the 2002 *Measures of Growth* report.

29. Voter Turnout

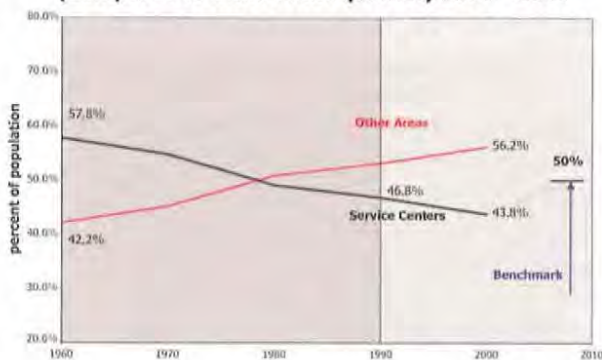
Benchmark: The Maine voter turnout rate in the presidential election will improve from 64 percent in 1996 to 75 percent in 2004.

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 2004* due to the significance of this issue. Figures will be updated following the next Presidential election.

Percent of Population Living in Regional Service Centers (Compared to Other Municipalities) 1960 - 2000



Data Source: Maine State Planning Office, November 2002.

30. Population of Service Center Communities

Benchmark: The percentage of Maine people who reside in service center municipalities will increase from 46.8 percent in 1990 to 50 percent by 2010.

Residential Choices Reflect Increasing Sprawl In 2000, 46.8 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.

31. 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 2003, Maine has experienced an 28.3 percent increase in the ratio of the median household home price to median household income in the state. A ratio of 3.6 means that, on average, house prices are three and a half times more than annual household incomes.

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.

32. 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.

New England Spends More Per Capita on Arts and Culture In 2001, Maine arts and culture organizations (performing arts organizations, museums, historical societies, festivals, and others) spent about \$52.7 million, or \$40.77 per resident. Across Northern New England (Maine, New Hampshire, and Vermont), similar organizations spent \$46.10 per resident. This represents 11.56 percent more spent per capita in Northern New England than in Maine, an increase from 6.34 percent in 2000.

From 1992 to 2001, arts and culture expenditures in Maine have increased 45.8 percent, while spending has increased by 56.4 percent between Maine, New Hampshire and Vermont. Maine's arts and cultural expenditures were 45.8 percent as a whole of the expenditures in Northern New England in 1992, but only 36 percent of the whole in 2001.

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 reflects 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.

33. Charitable Giving

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

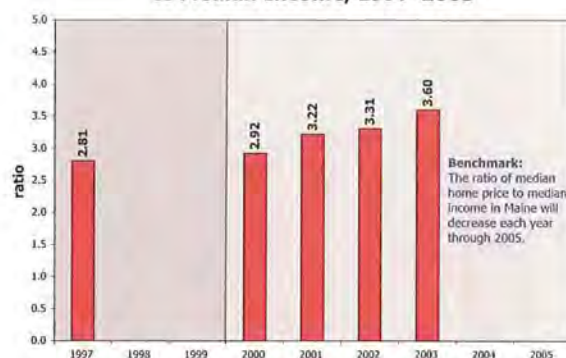
Slight Decrease in Charitable Contributions Reported In 2001, the average charitable contribution per income tax return was \$634, a decrease of \$32 from 2000 when Maine people gave an average of \$666 per return.

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.

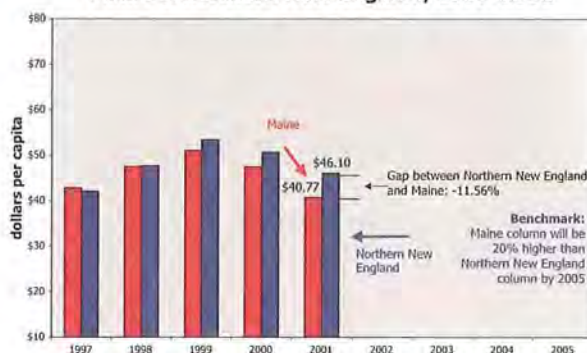
When comparing charitable contributions on itemized tax returns against adjusted gross income (AGI), we learn that Maine people gave 1.62 percent of their AGI to charity in 2001. Connecticut, Massachusetts and Rhode Island all gave a slightly higher percentage of their AGI to charity than in Maine in 2001. Vermont and New Hampshire gave less than Maine, 1.56 percent and 1.42 percent respectively.

Ratio of Median Home Price to Median Income, 1997-2003



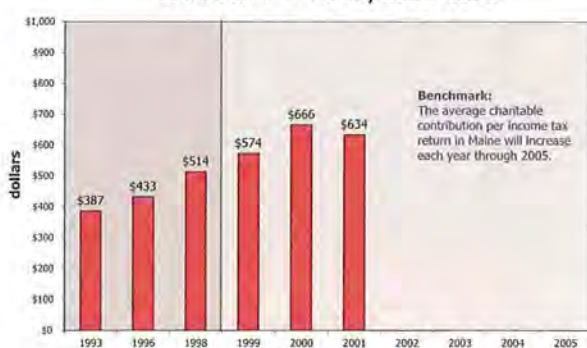
Data Source: Maine State Housing Authority, 2003. Median household income data from the U.S. Census Current Population Survey.

Arts & Cultural Expenditures per Capita, Maine & Northern New England, 1997-2001



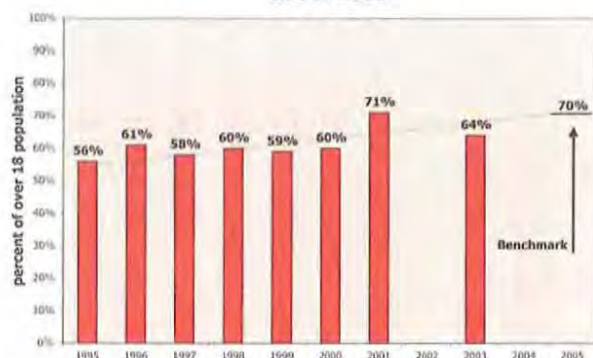
Data Source: Maine Development Foundation analysis based on data from the Urban Institute, National Center for Charitable Statistics based on data from the Internal Revenue Service, November 2003.

Average Charitable Contribution per Income Tax Return in Maine, 1993-2001



Data Source: Statistics of Income Bulletin, Internal Revenue Service, 1996-2001.

Citizen Participation in Community Activities, 1995-2003



Data Source: Critical Insights, *Critical Insights on Maine Tracking Survey*, Fall 2003

Percent of People in Poverty, Maine and U.S., 1985-2002



Data Source: U.S. Census Bureau, Current Population Survey, March Supplement, December 2003.

Income per capita of Maine Counties, Poorest vs. Wealthiest, 1985-2001



Data Source: U.S. Bureau of Economic Analysis and the Maine Department of Labor, Division of Labor Market Information, November 2003.

34. 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.

Survey Reports Drop in Citizen Involvement In 2003, 64 percent of Maine citizens devoted time outside of regular family and work activities to community organizations, dropping slightly from what was reported in 2001.

Citizens were asked if, in the previous 12 months, they had devoted time out of their regular family and work schedules to helping: out in the public schools with academic or other related school activities (23 percent said yes); community organizations which help young people such as Little League, Big Brothers and Sisters, and Scouting (36 percent said yes); organizations which assist the needy or underprivileged (36 percent said yes); organizations which assist the elderly, homebound, and people in poor health such as Meals on Wheels and home health/hospital volunteers (30 percent said yes); and/or activities sponsored by an environmental organization (16 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.

35. 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 Rises, Yet Better than National Average In 2002, 11.3 percent of Maine people were living in poverty as defined by the federal government (annual income of \$11,940 for a 2-person household). Across the entire United States, the poverty rate in 2002 was 11.7 percent. In Maine, 8.9 percent more people fell below the poverty threshold between 2001 and 2002. Between the years of 1995 and 2002, Maine's rate of poverty has risen slightly at 0.8 percent, but the National rate has fallen by nearly 18 percent.

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 U.S. 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 85 percent above the poverty threshold for a family of two, an annual income of \$22,089.

This performance measure relies on data from the Current Population Survey (CPS) conducted annually by the Census Bureau. CPS data relies on sample sizes that are less statistically significant than the annual Decennial Census.

36. 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 Continues to Widen The income gap between Maine's wealthiest and poorest counties widened significantly this year, despite signs that the gap was narrowing in previous years. In 2001, the per capita income in Maine's four poorest counties (Piscataquis, Somerset, Washington, and Oxford) was \$20,962, only 60 percent of what it was in the four wealthiest counties (Cumberland, Lincoln, Knox, and Hancock) where income per capita was \$32,078. This represents the lowest percentage relationship between counties since data was first collected in 1985, earning the measure a **Red Flag** this year.

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 must increase. 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. The disparity between wealthy and poor counties is also a national phenomenon, not a problem limited to Maine or New England.

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.

The Growth Council would like to recognize that the phenomenon documented by this indicator — the increasing disparity between rural and urban areas — is a national and international concern.

37. Gender Income Disparity

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

Women's Income Reported Still Lower than Men's In 2000, the median annual income of all women in Maine who worked full-time, full-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.

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.

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.

38. Employment of the Disabled

Benchmark: The percent of people in Maine with disabilities (who are of workforce-age and not institutionalized) who are employed, 39.3 percent in 1998, will continue to improve and remain better than the US rate through 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.

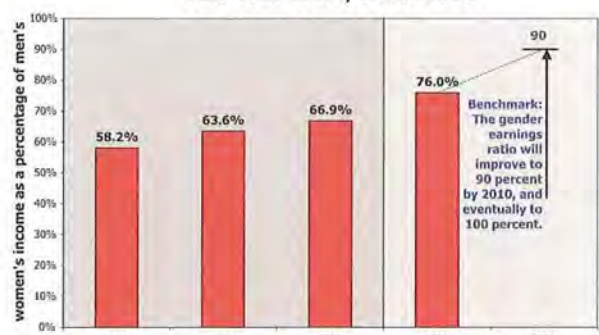
A strong economy requires the contributions of all citizens. If a class of people is under-represented in the labor force, the economy is lacking valuable skills, abilities, and assets of some of our people.

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 were employed or actively looking for work in the last four weeks of 2001.

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.

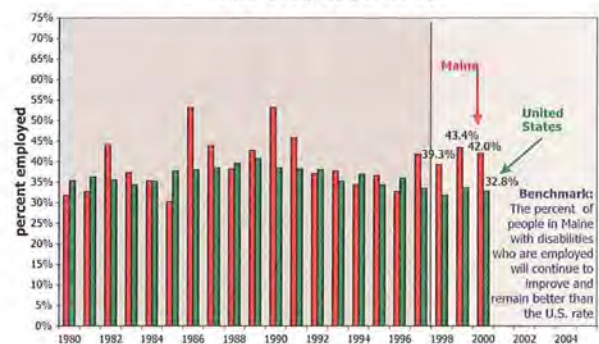
No new data is available for this performance measure since *Measures of Growth 2002*, but the Council has decided to include it in *Measures of Growth 2004* due to the significance of this issue.

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



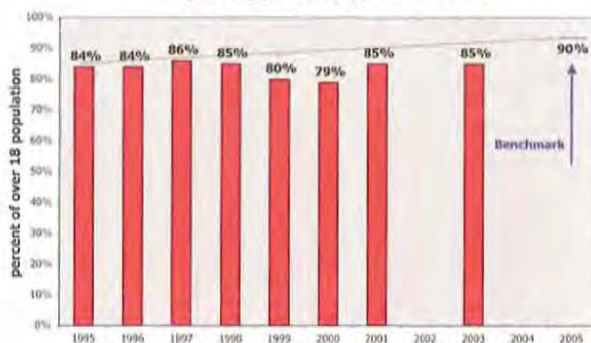
Data Source: Institute for Women's Policy Research, *Status of Women in the States*, Editions 1-4, 1996-2003.

Employment Rate of Non-Institutionalized, Working Age People with Disabilities, Maine and U.S., 1980-2000



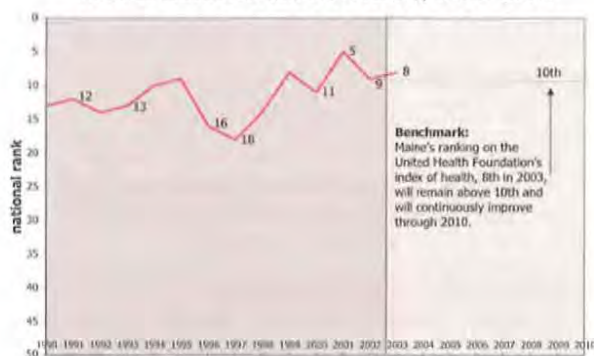
Data Source: Maine Development Foundation analysis based on a report by Cornell University's Rehabilitation Research and Training Center for Economic Research on Employment Policy for People with Disabilities, 2001.

Percent of Citizens who Perceive Workplace Equal Opportunity, 1995-2003



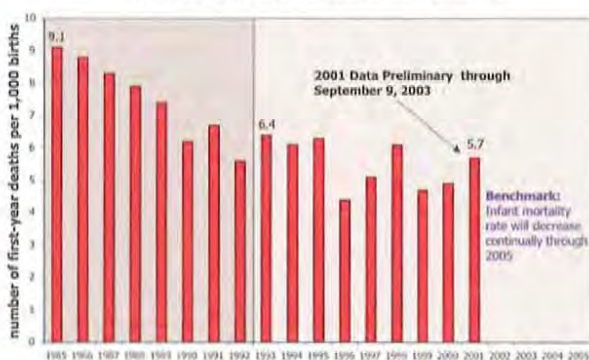
Data Source: Critical Insights, *Critical Insights on Maine Tracking Survey*, Fall 2003

Maine's National Rank on Health, 1990-2003



Data Source: United Health Foundation, *America's Health: State Health Rankings* – 2003 Edition.

Infant Mortality, Maine, 1985-2001



Data Source: Maine Department of Human Services, Bureau of Health, Office of Data, Research and Vital Statistics, *Maine Vital Statistic Files, 1980-2001*. 2001 data is preliminary through September 9, 2003.

39. 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.

Over Eighty Percent of Maine People Perceive Equal Opportunity at Work In 2003, 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 the same percent of people who agreed with the statement in 2001.

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.

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 85 percent above the poverty threshold for a family of two, an annual income of \$22,089.

40. Health Index

Benchmark: Maine's ranking on the United Health Foundation's index of health, 8th in 2003, will remain above 10th and will continuously improve through 2010.

Maine's National Health Ranking is High In 2003, Maine ranked 8th in the nation in health, a small improvement from 2002, according to an index of overall health created by the United Health Foundation. States that ranked higher than Maine in overall health in 2003 were Iowa, Connecticut, Massachusetts, Vermont, Utah, New Hampshire, and Minnesota, the latter ranking #1 in the nation.

These rankings were taken from the annual State Health Rankings performed by the United Health Foundation (UHF). The rankings take into account over 17 different factors. Factors in which Maine performs best nationally are: Violent Crime (Maine ranked 1st, or lowest in the nation), High School Graduation (11th), Adequacy of Prenatal Care (5th), Infectious Disease (5th) and Infant Mortality (5th). Areas in which the state has trouble are: Prevalence of Smoking (30th), Risk for Heart Disease (30th), Limited Activity Days (30th), and Cancer Deaths (41st). However, despite the areas in which Maine does poorly, it still has only one factor (Cancer Deaths) in which it ranks in the bottom 40 percent nationally.

There are some additional concerns, however. Although the adequacy of prenatal care ranking is high, access to prenatal care varies by race, with 71.9 percent of pregnant black women receiving adequate care as opposed to 83.6 percent of pregnant white women. In the past year, the risk for heart disease increased from two percent below the state average to three percent above average, even though the rate of deaths from heart disease has declined.

According to the UHF, the rankings of its risk factors and outcomes are similar to Maine's overall ranking, resulting in Maine's ability to remain at a high national ranking in health in the future.

41. 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 2001, Maine's infant mortality rate was 5.7, meaning that 5.7 out of every 1,000 infants died before their first birthday for various reasons. This is a higher rate than 1999 but is not significantly different from historical trends of low infant mortality. 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 or nation's health, but experts caution against drawing conclusions from year-to-year fluctuations.

42. 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 Continue to Fall 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.

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.

43. 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 2007.

Recent Improvement, but Rate Still High In 2002, an estimated 34.6 percent of Maine people aged 18-34 smoked cigarettes regularly. This marks the second highest level of cigarette smoking within this age group since data was first collected in 1992. The Growth Council has given this measure a **Red Flag** this year to call attention to the seriousness of this issue.

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.

44. 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.

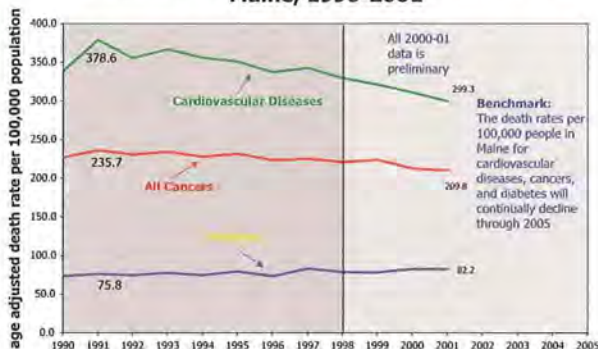
Health Coverage in Maine Decreasing In 2003, 11.3 percent of people in Maine were not covered by health insurance, whereas 15.2 percent of the U.S. population did not have coverage. However, the number of people without health insurance in Maine is increasing. From 1999 to 2003 those without health insurance coverage in Maine increased by 3.5 percent. Nationally, coverage declined by 5.9 percent during the same time period.

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 United Health Foundation's State Health Rankings. Maine's national rank fell in the categories: Prevalence of Smoking, Motor Vehicle Deaths, Risk for Heart Disease, Children in Poverty, Lack of Health Insurance, and Support for Public Health Care. Maine improved in such areas as High School Graduation, Adequacy of Prenatal Care, Occupational Fatalities, Heart Disease, Infectious Disease, and Premature Death.

**Death Rates from Select Chronic Diseases
Maine, 1990-2001**



Data Source: Maine Department of Human Services, Bureau of Health, November, 2003.

**Cigarette Smoking Among 18-34 Year Olds,
1992-2002**



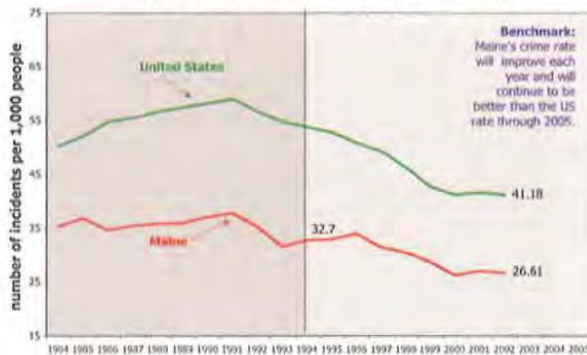
Data Source: Maine Department of Human Services, Bureau of Health, based on behavioral risk surveys, November 2003.

**Percent of Population without Health Insurance
Coverage, Maine and U.S., 1987-2003**



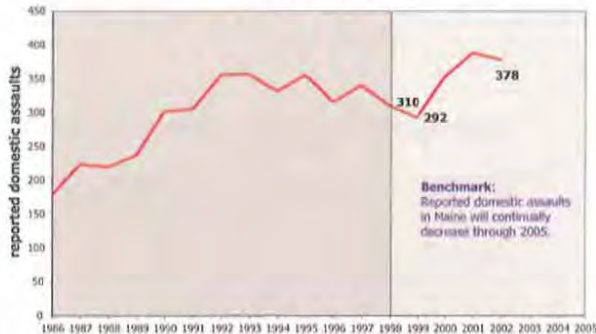
Data Source: United Health Foundation. America's Health, State Health Rankings – 2003 Edition.

Crime Rate, Maine and U.S., 1983-2002



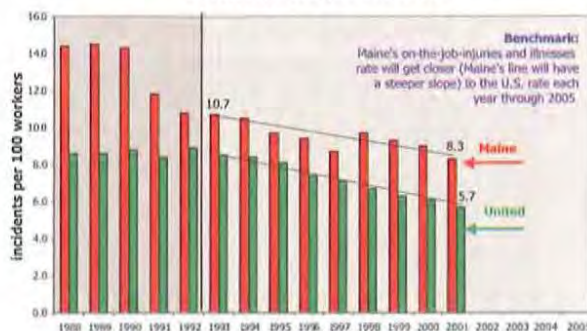
Data Source: Maine Department of Public Safety and Federal Bureau of Investigation, *Crime in the United States*, 2002.

Reported Domestic Assaults per 100,000 Population, 1986-2002



Data Source: Maine Children's Alliance analysis based on Maine Department of Public Safety, *Uniform Crime Reports*, 1986-2002.

On-the-Job Injuries and Illnesses Maine & U.S., 1988-2001



Data Source: Maine Department of Labor, Bureau of Labor Standards, *Occupational Injuries & Illnesses in Maine*, 2003.

45. Crime

Benchmark: Maine's crime rate, 32.7 incidents per 1,000 people in 1994, will improve each year and continue to be better than the US rate through 2005.

Crime Rate Remains Relatively Low In 2002, there were 26.61 incidents of crime in Maine per 1,000 people, a marginally lower rate than in 2001. The national rate in 2002 was 41.18 incidents per 1,000 people, also a slightly lower 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 a 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.

46. 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 Still a Serious Problem for Maine In 2002, there were reportedly 378 cases of domestic assaults per 100,000 people in Maine, only a slight decrease from cases reported in 2000. The rate for Domestic Abuse remains high, showing an increase of almost 18 percent from five years ago.

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.

47. On-the-Job Injuries

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

Maine Rate Improves, but Not Significantly In 2001, there were 8.3 reported injuries and illnesses reported for every 100 full-time Maine industrial workers, an 8 percent decrease in the amount of incidents from 2000. The number of incidents reported in the nation also dropped by about the same percent, from 6.1 incidents in 1999 to 5.7 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.

48. Drug and Alcohol Abuse

Benchmark: The incidence of arrests for drug and alcohol abuse will both continuously decline through 2010.

New Measure Tracks Drug and Alcohol Related Arrests. In 2002, there were 4,877 drug abuse related arrests in Maine, 2.4 percent fewer than in 2001. In the same year there were 10,412 Alcohol related arrests, 0.8 percent more than in 2001. However, between 1995 and 2002 drug abuse arrests have risen over 42 percent while alcohol related arrests have only risen by only 8 percent.

The drug related arrests represent the sale or manufacturing or possession of the following drugs: opium, cocaine, marijuana, and other dangerous narcotics. Of the 4,877 total drug arrests, 4,015 were male and 862 were female. 76.8 percent of all adult drug arrests involved possession, while 23.2 percent were for the sale or manufacturing of drugs.

Alcohol related arrests include operating under the influence and violations of Maine's liquor laws. Of the 6,817 operating under the influence (OUI) arrests in 2002, 5,532 were male and 1,285 were female. Adults accounted for 98 percent of all OUI arrests and 90 percent of all alcohol-related arrests. 70.6 percent of all adult arrests involving alcohol were for OUI's, while 29.4 percent were for violations of liquor laws.

Drug abuse and alcohol arrests represent a proxy for drug abuse in the State of Maine. This indicator may reflect variables other than actual increased drug use, such as the ability to direct resources to drug enforcement.



Data Source: Maine Department of Public Safety, Annual Crime Statistics, 1995-2002.

49. Conservation Lands

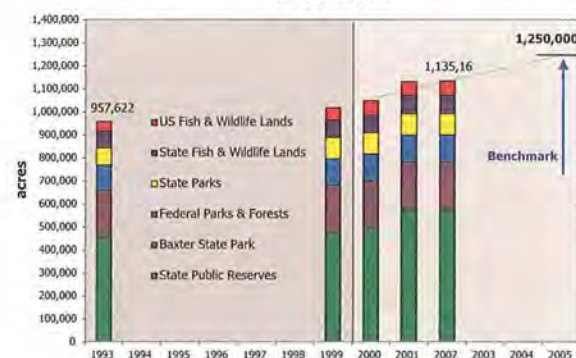
Benchmark: The amount of Maine conservation land intended for public use will increase from 1,049,123 acres in 2000 to 1,250,000 acres by 2005.

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 of 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. There is no new data for this indicator this year.

Land in Conservation Intended for Public Use, 1993-2002



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 2001 data.

50. Air Quality

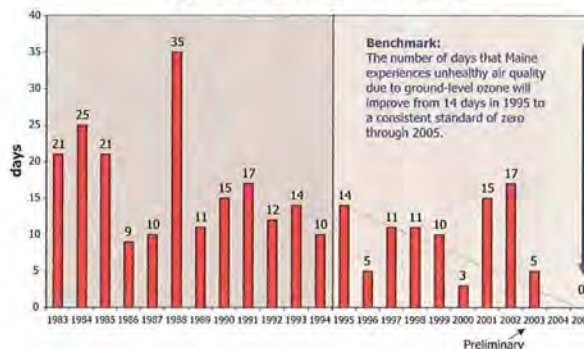
Benchmark: The number of days that Maine experiences unhealthy air quality due to ground-level ozone will improve from 14 days in 1995 to a consistent standard of zero through 2005.

Air Quality Improves This Year In 2003, there were only five days that Maine's ground-level ozone was high enough to be deemed unhealthy. This is a large decrease over the summer of 2002 in which there were 17 such days.

Air quality is important to long-term economic growth for three reasons. First, high levels of ground-level ozone are unhealthy for Maine people, possibly 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.

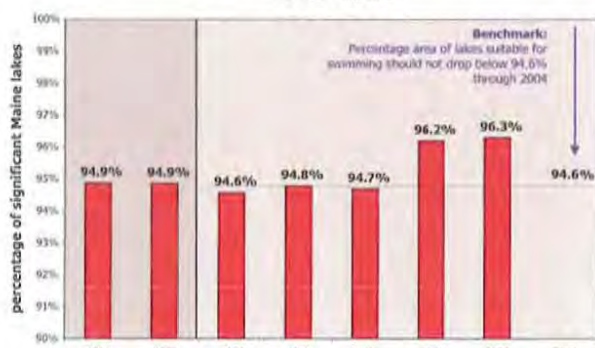
The report uses the EPA standard of air quality exceedances in which days that have .08 parts per million of ground level ozone, averaged over an eight-hour period, are reported as poor air-quality days. The number of days that are reported as exceeding these levels is a product of poor air quality and 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, 1983-2003



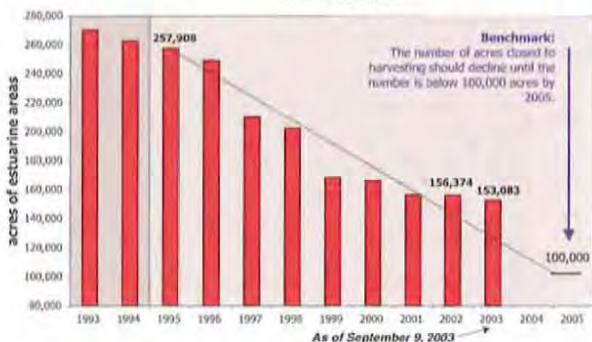
Data Source: U.S. Environmental Protection Agency, Air Quality Division, November 2003.

Percentage of Lakes Suitable for Swimming, 1990-2002



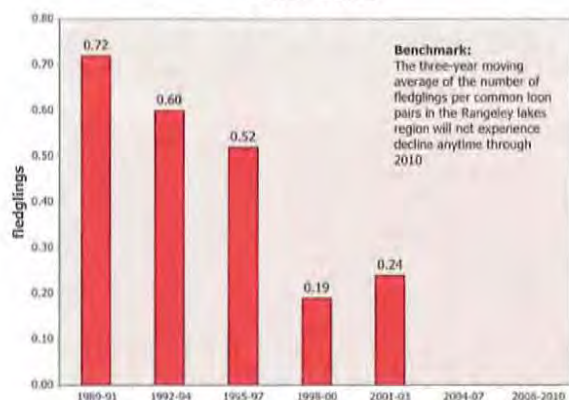
Data Source: Maine Department of Environmental Protection, *State of Maine Integrated Water Quality Assessment, 2002*

Acres of Flats and Waters Closed to Shellfish Harvesting, 1993-2003



Data Source: Maine Department of Marine Resources, October 2003.

Number of Fledglings per Common-Loon Pair, Rangeley Lakes Region, Three-Year Moving Average, 1989-2003



Data Source: BioDiversity Research Institute, December 2003.

51. 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 four 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 5,788 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 five-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.

Data for this indicator is published in a bi-annual report, due out in 2004.

52. 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.

Numbers of Acres Closed to Shellfish Harvest Continues to Decline As of September, 2003, the amount of area closed to shellfish harvesting along the Maine coast was 153,083 acres. That is a decrease from 2002 of 2 percent, continuing a nine-year decrease in closed acres of over 68 percent.

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.

53. Mercury Contamination

Benchmark: The number of fledglings per pair of common loon pairs in the Rangeley lakes region, .72 fledglings for the years 1989-1991, will not decline further anytime through 2010.

Mercury Contamination Continues to Compromise Loon Population For the three-year period from 2001 through 2003, the average number of fledglings per pair of common loons in the Rangeley Lakes Region was .24, an increase from the 1998-2000 three-year average of .19. 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. Mercury damages health at very low levels, making it one of the most hazardous chemicals commonly found in the environment. The cost of cleaning up mercury contamination also has a direct effect on Maine's economy.

Because mercury generally accumulates and magnifies in aquatic ecosystems such as lakes, wildlife that live in these systems are most likely to incur health risks. Work by the nonprofit research group, BioDiversity Research Institute, for the past 10 years has found that Maine's breeding loons have some of the highest body burdens of mercury in the nation.

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.

54. 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.

Acres 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 represents a slight decrease from 2002 but a large increase from when this indicator was first monitored in 1995.

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's (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.

Acres of Working Maine Forest Certified by the Forest Stewardship Council and the Sustainable Forestry Initiative, 1995-2003



Data Source: Maine Forest Service, December, 2002.

55. 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 was collected, Maine only had 1.2 million acres in productive farmland, a 4 percent loss from 1992 and an 80 percent loss since 1950.

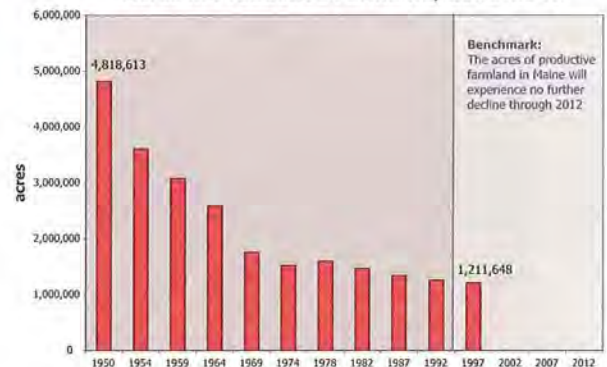
Fishing, farming, and forestry are the foundational industries on which the state's economy and heritage were built. Today, farming still plays a key economic role, supporting more than 65,000 jobs. Farmland also represents a key resource for open space, recreation, and food security for Maine people.

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.

Because the Census of Agriculture is conducted every 5 years, there is no new data available for this performance measure this year.

Acres in Productive Farmland, 1950-1997



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

56. Commercial Fishing Opportunity

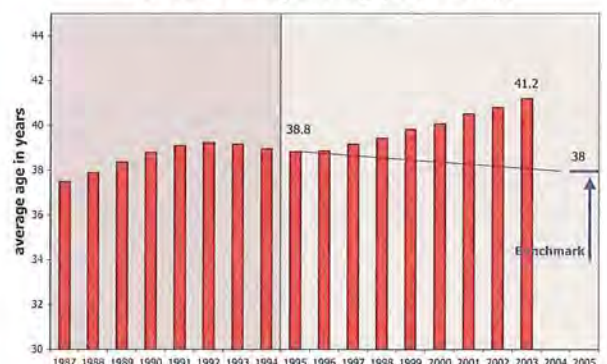
- Benchmark:** The average age of Maine's commercial fishers, examined over a three-year period, will decrease from 38.8 in 1995 to 38 by 2005.

Average Age Continues to Increase For the three-year period between 2001 to 2003, the average age of Maine fishers was 41.2, a slight increase over the 2000 to 2002 period, which was 40.9.

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.

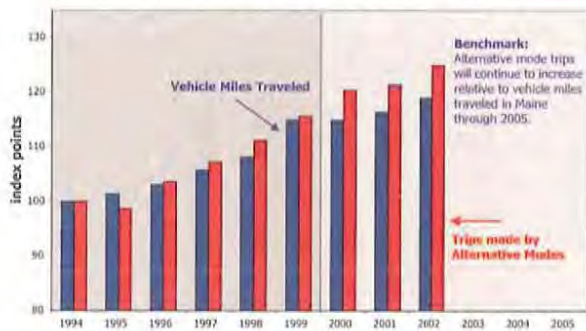
The average age is determined by looking at ages reported on all applications for Maine commercial fishing licenses. Each column in the graph reflects the average age over the previous three years.

Average Age of Commercial Fishers, 3-Year Moving Average, 1985-2003



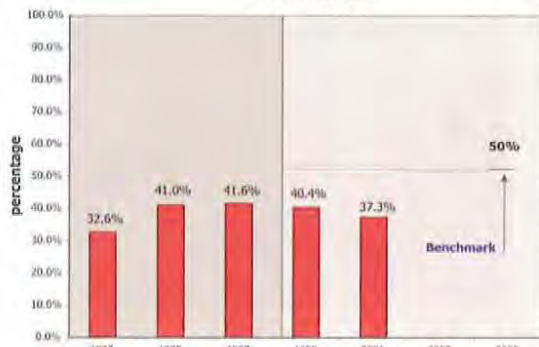
Data Source: Maine Department of Marine Resources, November 2003.

Vehicle Miles Traveled and Alternate Mode Trips (indexed from 1994), 1994-2002



Data Source: Maine Department of Transportation, November 2003.

Percentage of Municipal Solid Waste Recycled, 1993-2001



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

57. 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 Continues to Increase In 2002, the number of trips made by fixed-route buses, ferries, and airplanes (collectively known as alternative modes) increased 2.9 percent from trips made using the same modes in 2001. The number of vehicle miles traveled by automobiles increased by 2.2 percent during the same time period. For almost every year since data was first collected for this measure in 1994, trips by alternative modes have grown faster than vehicle miles traveled.

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, where-by 1994 values were equalized to 100.

58. 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 was 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 only 37.3 percent, or 687,815 tons of materials. In 1999, 40.4 percent of all waste, or 685,000 tons of material, was recycled. While the percentage of tons recycled increased by .4 percent between 1999 to 2001, the percentage of waste disposed increased by 13 percent.

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.

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 combined with other sources reporting on solid waste management practices to determine the level of waste generation and recycling in Maine.

About the Data

The data in this report comes from a wide variety of sources: primarily (1) federal agencies (see the Maine Development Foundation website for links), (2) state agencies, and (3) A Survey of Maine Citizens conducted by Critical Insights in the fall of 2003. The timeliness of the data varies considerably, but in each case we present the most recent data available.

Several performance measures rely entirely on data generated in the past 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 Foundation is no longer administering and conducting surveys of Maine citizens and businesses. Survey data used for the 2004 edition of the report was collected through an omnibus survey conducted by Critical Insights.

On The Web

Measures of Growth, 2004 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 25 years ago as a private, non-profit 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. Ian Colgan, consultant, researched and wrote the report. Darcy Rollins, Program Director at the Maine Development Foundation, managed its production and publication. J.S. McCarthy Letter Systems printed the report this year.

The work of the Growth Council is financed through a state appropriation through the Maine Department of Economic and Community Development, which is matched by private contributions from the membership of the Maine Development Foundation.

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, 2003

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

Richard Batt
President/CEO
Franklin Community Health Network

Jack Cashman
Commissioner
Department of Economic & Community Development

David T. Flanagan

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House District 130

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Owner
Sunchasers, Inc.

Robert Piccone
President & Business Agent (retired)
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
President
International Northeast Biotechnology Corridor

Dianne Tilton
Executive Director
Sunrise County Economic Council

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

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