MEASURES OF GROWTH

2018 UPDATE

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

We are pleased to present the *Measures of Growth 2018 Update*. It was produced by the Maine Development Foundation in lieu of the regular, full annual report. It is intended to serve as a guide to policymakers at all levels, a tool to help them focus their efforts, and a way to understand the connections between and among the major issues affecting the economy and well-being of Maine people.

In total, *Measures of Growth 2018 Update* tracks 26 indicators that collectively support the idea that Maine's quality of life depends upon a vibrant and sustainable economy, thriving communities, and a healthy environment. These indicators reflect several major themes: the importance of human capital in improving our productivity and economy; the interplay between foundational issues and economic growth, which affect and are affected by each other; costs for businesses and individuals; and our unique wealth of natural, built, and civic assets. Thoughtful and coordinated use of our limited resources in the areas that offer a high return on investment – our educational system, health and wellness, innovative capacity, and infrastructure – is essential to moving Maine forward. While reliable data is frequently only available at the state level, we must be mindful of the disparities, at times significant, which exist within our state.

This one-page summary of the *Measures of Growth 2018 Update* focuses on eight of those indicators identified in 2017 by the Maine Economic Growth Council as "Gold Star" indicators where Maine is seeing exceptional performance, and "Red Flag" indicators where Maine faces significant challenges that we need to address.

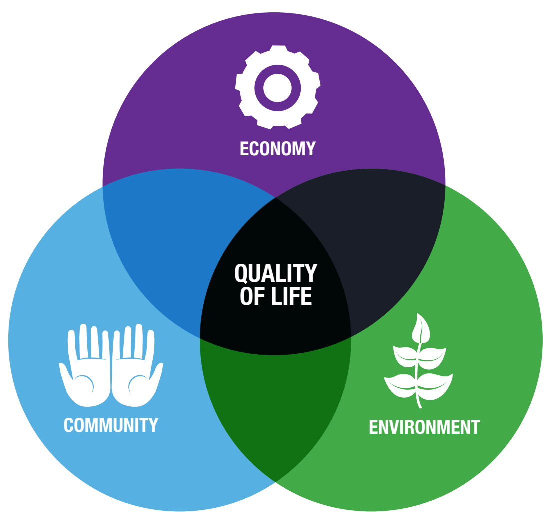
In terms of Gold Star indicators, our natural amenities stand out. Maine's **Air Quality** has improved over past decades as the number of unhealthy air quality days and the severity of the associated health risks has declined, the **Water Quality** of Maine's rivers, lakes, and streams is well above U.S. averages, and **International Exports** provide important growth opportunities for Maine businesses. In 2017, 2,262 Maine companies exported nearly $2.7 billion in goods and services to 176 countries, down from 2016's Gold Star performance.

In terms of Red Flag indicators, Maine has historically devoted less than 1% of our total gross domestic product to Research and Development Expenditures, below the U.S. average and well below the New England average. R&D spending supports innovation, the ultimate driver of most economic growth. Maine's **Transportation Infrastructure** connects us to each other and to the world outside our borders, but we have struggled to provide the necessary resources to maintain our road network, which carries the vast majority of people and goods.

The quantity and quality of Maine's current and future workforce is another area of concern. **Fourth Grade Reading Scores** are both a reflection of early childhood development and a predictor of future outcomes such as educational attainment, employment, and earnings. Just over one-third (36%) of Maine and U.S. fourth graders are reading at proficient and above levels, while the New England average is 43%. **Postsecondary Educational Attainment** speaks to the education and skill level of our workforce. Here again, Maine is on par with the U.S. average at 40%, but trails the New England average of 47%. Maine's **Working Age Population** has declined in recent years, creating significant challenges for our workforce, economy, and civic life.

Since 1993, the annual *Measures of Growth* report has highlighted the key indicators of Maine's economic performance. Full reports are compiled with guidance from the Maine Economic Growth Council, which was established to "develop and recommend a long-range plan, goals, benchmarks, and alternative strategies for a sustainable state economy."

Please visit the Maine Development Foundation website at www.mdf.org for a printable version of this one-page summary, updates on each of the 26 indicators, the full *Measures of Growth* 2018 Update, and additional information on Maine's economy.



MAINE 40 Years DEVELOPMENT FOUNDATION

MEGC Maine Economic Growth Council

Measures of Growth 2018 Update

Produced by MDF in lieu of a full, regular annual report. To download this page or updated data on any of the 26 indicators, visit www.mdf.org

MEASURES OF GROWTH 2018 UPDATE

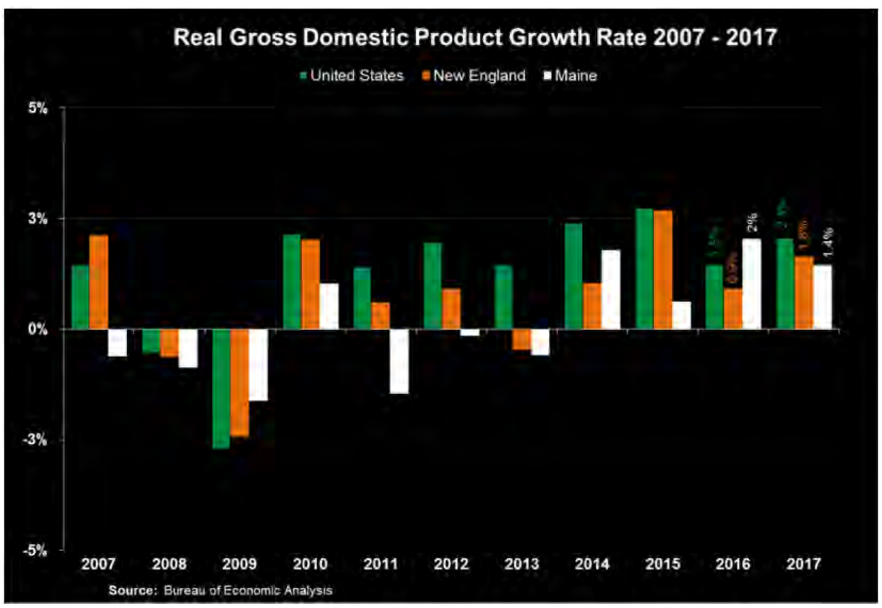
The Measures of Growth 2018 Update was produced by Maine Development Foundation in lieu of the full regular, annual report. The data is the most reliable and current at the time of publication.

	BENCHMARK	MAINE'S CURRENT PERFORMANCE
Air Quality The number of unhealthy air days in Maine was 34 in 2017, down from a high of 96 in 1998. The Council's benchmark is for the severity and overall number of days classified as a health risk to be maintained through 2020.	MAINE 1998 96 DAYS	MAINE 2017 34 DAYS
Water Quality In 2016, 95% of Maine's assessed rivers and streams and 91% of Maine's assessed lakes met the highest water quality standards. The Council's benchmark is to maintain these percentages over time.	U.S. 2014 47% Rivers/Streams 29% Lakes	MAINE 2016 95% Rivers/Streams 91% Lakes
International Exports Maine exports declined approximately -7% from 2016 to 2017 while U.S. exports grew by over 6%. The indicator received a Gold Star for its 2015 to 2016 performance, when Maine exports were up 5% and U.S. exports were down 3%. The Council's benchmark is for Maine's international exports to grow at a faster pace than the U.S.	MAINE 2007 $2.8B	MAINE 2017 $2.7B
Research and Development Expenditures Maine's total spending on research and development was approximately 0.9% in 2015. The Council's benchmark is 3% by 2020.	MAINE 2020 3%	MAINE 2015 0.9%
Fourth Grade Reading Scores 36% of Maine and U.S. fourth graders tested at proficient and above levels in reading in 2017. The Council's benchmark is 50% by 2020.	MAINE 2020 50%	MAINE 2017 36%
Postsecondary Educational Attainment In 2016, 40% of Maine adults held a postsecondary degree, even with the U.S. average and below the New England average of 47%. The Council's benchmark is for Maine to improve to at least the New England average by 2020.	NEW ENGLAND 2016 47%	MAINE 2016 40%
Working Age Population In 2016, 18 to 64 year olds made up 61.5% of Maine's population and 62% of the U.S. population. The Council's benchmark is for Maine's percentage to remain steady or improve relative to the U.S. average through 2025.	MAINE 2010 63.4%	MAINE 2016 61.5%
Transportation Infrastructure With the Maine Department of Transportation's adoption of revised Highway Corridor Priority Classifications in July 2017, the Customer Service Level trends previously cited in *Measures of Growth* are no longer valid. In 2017, 940 Highway Corridor Priority 1 miles were classified as A, B, or C, with the statutory goal of bringing the number to 1398 by 2022.	MAINE 2022 1398 MILES	MAINE 2017 940 MILES

1. Gross Domestic Product

Benchmark: The growth of Maine's gross domestic product will outpace that of New England and the U.S.

The growth of Maine's gross domestic product (GDP) provides a sense of our overall economic performance relative to that of the U.S. and New England. Maine's GDP grew by 1.4% from 2016 to 2017, trailing the New England (1.6%) and U.S. (2.1%) averages. From 2007 to 2017, Maine's GDP grew by 3%, while the New England average grew 7% and the U.S. average grew by 13.6%. Real Estate, Government, Health Care and Social Assistance, Manufacturing, and Retail Trade accounted for approximately 60% of Maine's total economic output in recent years.



Maine's Real Gross Domestic Product by Major Industry Sector 2017			
Industry Sector	**GDP Millions of Dollars**	**% of Total**	**% Change 2016 - 2017**
Real Estate & Rental & Leasing	$7,790	15%	0.5%
Government	$7,098	13%	-0.6%
Health Care and Social Assistance	$6,204	12%	2.6%
Manufacturing	$5,054	10%	2.1%
Retail Trade	$4,750	9%	2.8%
Wholesale Trade	$2,981	6%	1.3%
Finance and Insurance	$2,916	6%	2.8%
Prof., Scientific & Technical Services	$2,831	5%	2.4%
Accommodation & Food Services	$2,068	4%	4.0%
Construction	$1,895	4%	-0.7%
Source: Bureau of Economic Analysis			

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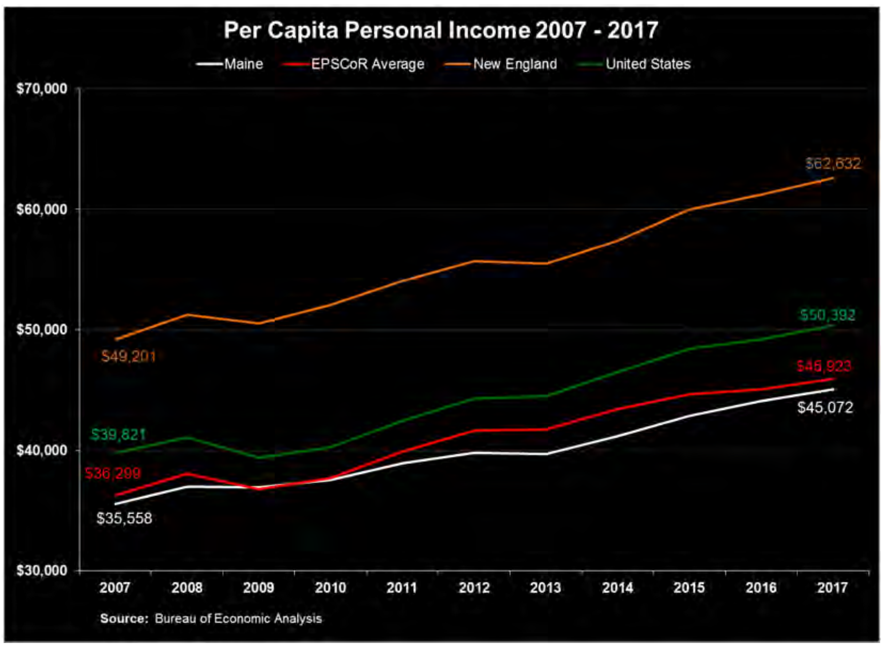
2. Per Capita Personal Income

Benchmark: Maine's per capita personal income will exceed the Experimental Program to Stimulate Competitive Research (EPSCoR) state average by 2020

Maine's per capita personal income continues to both grow and trail the New England, EPSCoR, and U.S. averages. Per capita personal income speaks to job quality, worker productivity, the makeup of our economy, economic prosperity, and the quality of life of Maine people.



2017 Personal Income and National Rank				
	Income	**Rank**	**Change 2016 - 2017**	**% Change 2016 - 2017**
United States	$50,392	N/A	$1,188	2.4%
New England	$62,632	N/A	$1,425	2.3%
EPSCoR States	$45,923	N/A	$856	1.9%
Connecticut	$70,121	2	$2,211	3.2%
Massachusetts	$65,890	3	$1,768	2.8%
New Hampshire	$57,574	8	$1,629	2.9%
Rhode Island	$51,503	19	$1,130	2.2%
Vermont	$51,114	20	$1,030	2.1%
Maine	**$45,072**	**32**	**$978**	**2.2%**

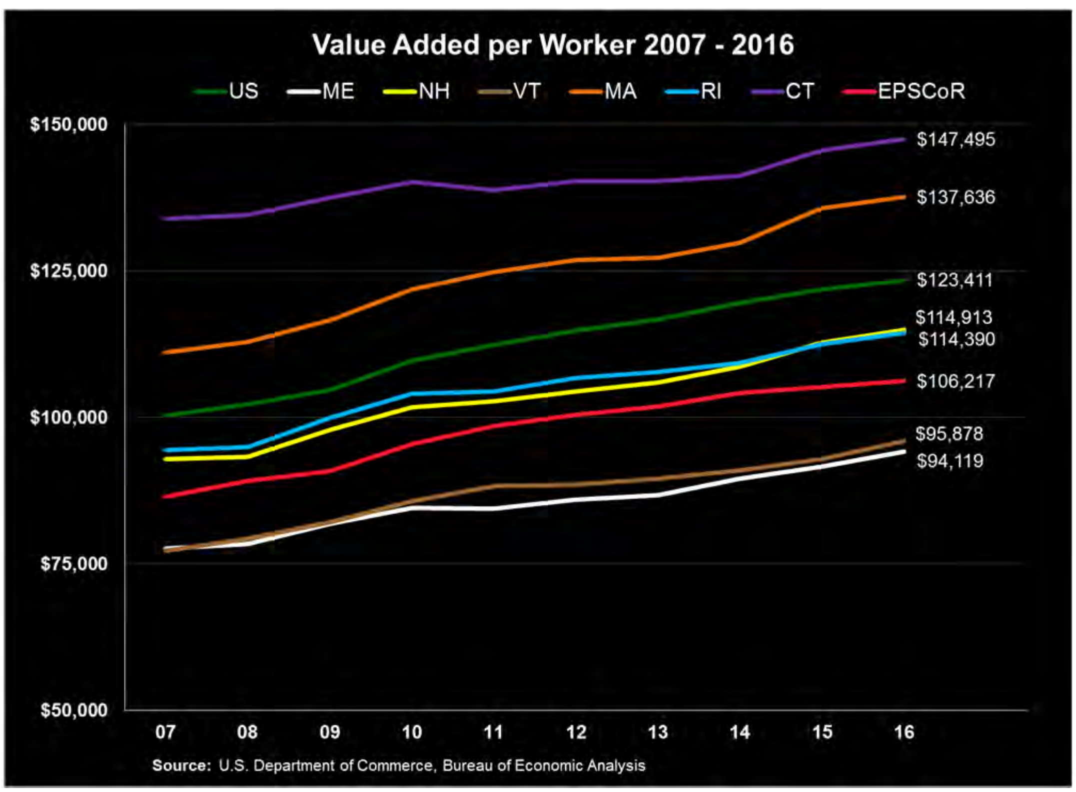
Source: Bureau of Economic Analysis

3. Value Added per Worker

Benchmark: Maine's value added per worker will improve to within 15% of the U.S. average by 2020

Value added per worker is calculated by dividing a region's total gross domestic product by its total number of full- and part-time workers. Maine's comparatively higher percentage of part-time workers negatively affects our performance. Worker productivity is the result of a number of factors, including the education and skill level of workers, the cost of doing business, a region's infrastructure, and the major industries driving a region's economy.

Maine's productivity has steadily improved, but is generally among the lowest in the U.S., ranking 50th out of the 50 states and the District of Columbia and well below the New England, EPSCoR, and U.S. averages in 2016. Maine has generally trailed the U.S. by approximately 25% in recent years, and lagged by 24% in 2016. From 2011 to 2016, output per worker improved by 11.4% in Maine, by 9.4% in New England, by 7.9% among the EPSCoR states, and by 9.8% in the U.S. as a whole.



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MAINE 40 DEVELOPMENT FOUNDATION

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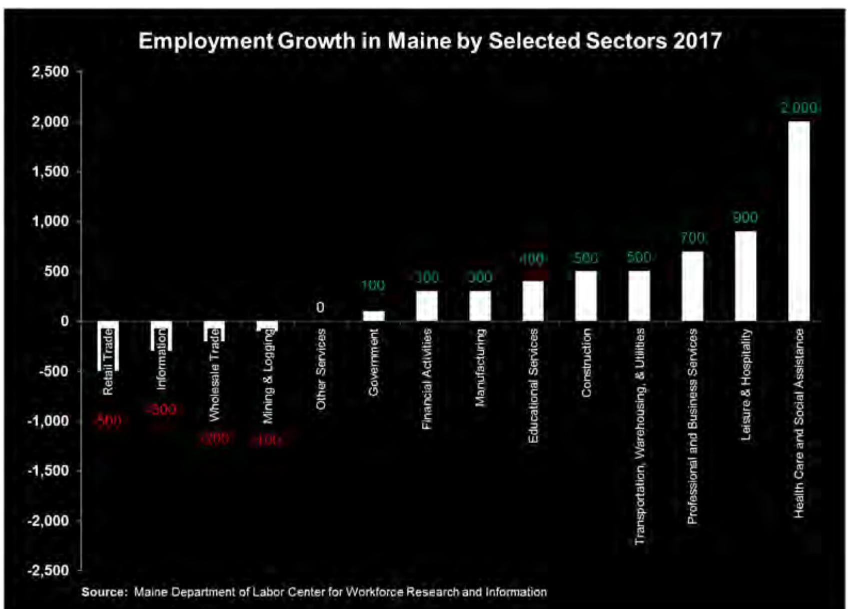
4. Employment

Benchmark: The total number of jobs in Maine will increase each year

Maine added 4,500 nonfarm payroll jobs from 2016 to 2017 and 24,600 jobs from 2012 to 2017. Together, the Government, Health Care and Social Assistance, Retail Trade, Leisure and Hospitality, and Professional and Business Services sectors account for over two-thirds of Maine's total employment. Health Care and Social Assistance led the way in job growth from 2016 to 2017 and has added 5,000 jobs from 2012 to 2017. The fact that Maine's overall job growth has occurred while our workforce has continued to decline presents a challenge that will grow in the years ahead if current trends continue, threatening our ability to grow our economy. Within the overall numbers, it is important to identify the sectors of Maine's economy with the highest potential to grow and improve our economy and quality of life, and to align resources, education, and training with these opportunities.



Employment in Maine by Selected Sectors 2017

Sector	Employment	% of Total
Health Care and Social Assistance	105,400	16.9%
Government	100,100	16.1%
Retail Trade	81,400	13.1%
Professional and Business Services	66,600	10.7%
Leisure & Hospitality	66,700	10.7%
Manufacturing	51,100	8.2%
Financial Activities	31,400	5.0%
Construction	28,000	4.5%
Educational Services	22,100	3.5%
Other Services	21,700	3.5%
Wholesale Trade	19,700	3.2%
Transportation, Warehousing, and Utilities	19,000	3.1%
Information	7,400	1.2%
Mining & Logging	2,200	0.4%

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

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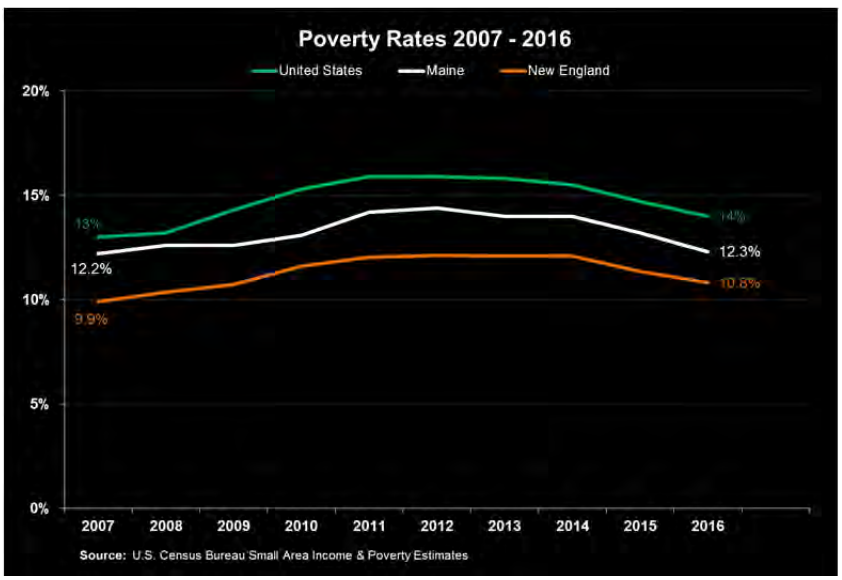
5. Poverty

Benchmark: Maine's poverty rate will decline and remain below the U.S. rate through 2020

Maine's poverty rate has consistently been below the U.S. average and above the New England average. Poverty rates in all three areas have been declining in recent years. Maine's poverty rate for children under 5 (18.7%) and under 17 (16.7%) remained below U.S. averages of 19.5% and 21.3%, respectively. Poverty rates are both a cause and effect of our economic performance. Improving our economy can reduce poverty, which in turn can help improve outcomes (educational performance, employment, food insecurity, health status) than affect the ability of Mainers to contribute to our economy. Overall poverty rates and rates for children under 18 vary widely among Maine's counties, with rates generally higher in the central and rim counties and lower in southern and coastal counties.



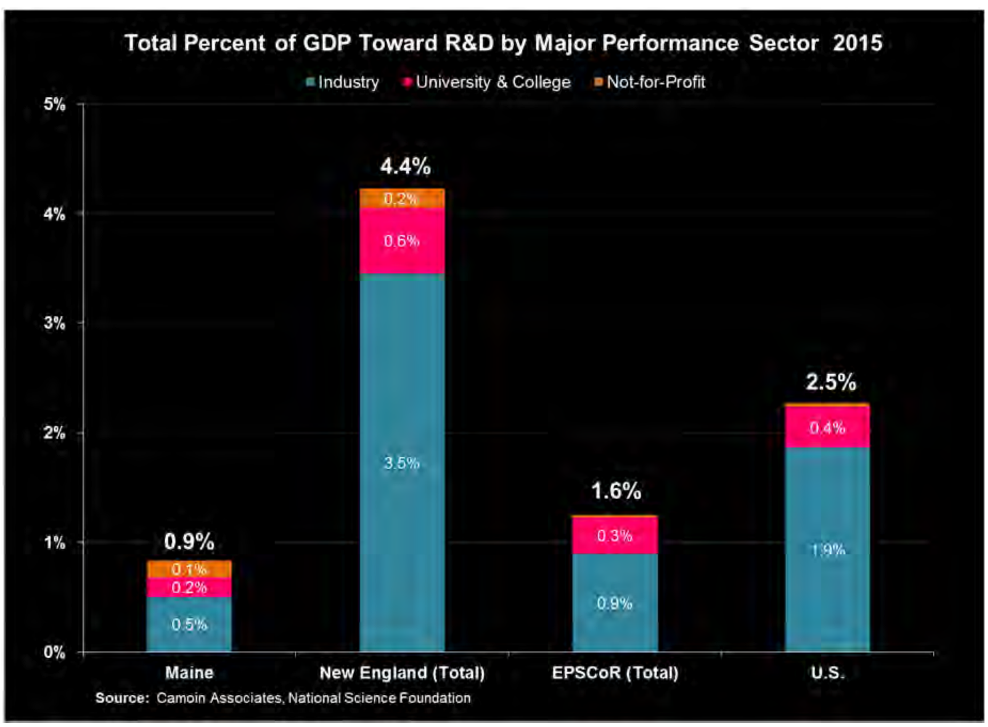
2016 Poverty Rate by Maine County	
County	Poverty Rate
Coastal Counties	
York	8.1%
Cumberland	10.0%
Sagadahoc	9.3%
Lincoln	11.3%
Knox	11.4%
Waldo	14.3%
Hancock	11.0%
Central Counties	
Androscoggin	12.7%
Kennebec	14.1%
Penobscot	14.8%
Rim Counties	
Oxford	13.4%
Franklin	14.3%
Somerset	19.5%
Piscataquis	18.9%
Aroostook	16.3%
Washington	18.4%

Source: U.S. Census Bureau Small Area Income & Poverty Estimates

6. Research and Development Expenditures

Benchmark: Maine's total spending on research and development will reach 3% of the state's total gross domestic product by 2020

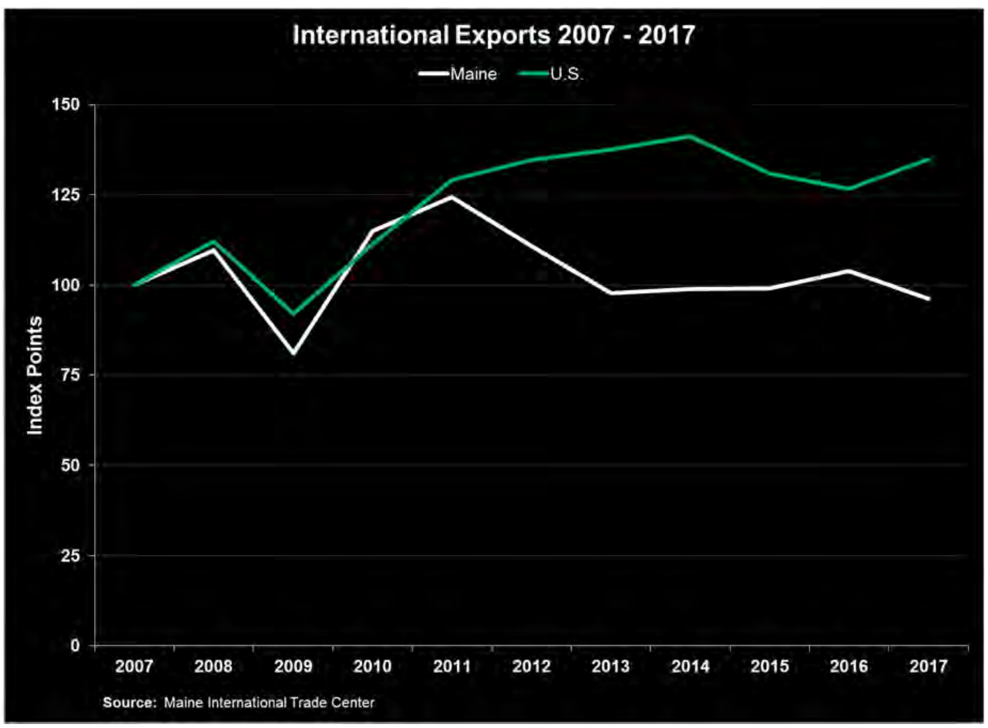
R&D spending is an indicator of the level of innovation in an economy, the ultimate driver of most economic growth. In 2015, Maine's total spending on R&D was approximately $508 million. This represented approximately 0.9% of total GDP, which ranked 42nd nationally. Maine has particularly lagged other regions in private sector R&D funds as a percentage of total GDP, while Maine's non-profit sector has typically contributed a higher percentage of total R&D funds (nearly 18% in 2015) relative to other regions (4% in New England and just over 1% for the EPSCoR states and the U.S. as a whole in 2015). Leveraging other sources to improve the level of innovation and R&D investment in Maine's private sector is key to improving our overall performance.



7. International Exports

Benchmark: Maine's international exports will grow at a faster pace than U.S. international exports

International markets provide important growth opportunities for Maine goods and services. In 2017, 2,262 Maine companies exported nearly $2.7 billion in goods and services to 176 countries, and trade supports 180,500 Maine jobs. From 2016 to 2017, Maine exports declined by approximately 7%, while overall U.S. exports grew by over 6%. With the exception of Canada, Maine's seafood exports increased, and wood pulp, Maine's fifth leading export commodity, increased by 27%. In 2017, Canada remained Maine's leading trade partner, with $1.2 billion in exports, followed by China, Malaysia, Germany, and Japan. Expanding existing international trade and investment efforts and exploring new opportunities is vital to developing new markets and improving Maine's economy.

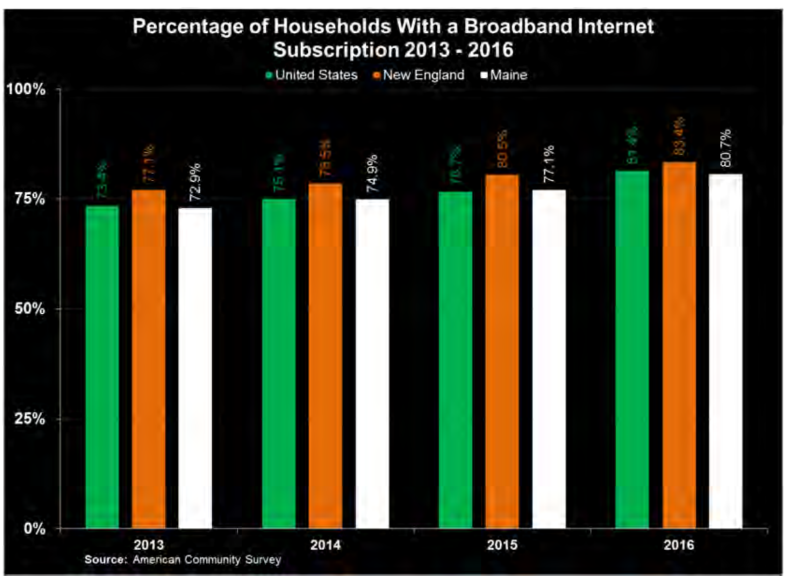


8. Broadband Connectivity

***Benchmark*: Maine will meet or exceed the U.S. percentage of households with a broadband internet subscription through 2020**

This data tracks the percentage of households with a DSL, cable, fiberoptic, mobile broadband, satellite, or fixed broadband subscription. Maine has typically been approximately equal to the U.S. average, while both have trailed the New England rate. Additionally, according to the ConnectME Authority, Maine is roughly on par with the U.S. average in the percentage of homes and businesses with access to lower upload and download speed connections, but falls well short in the higher tier connections.

Adequate broadband access is vital to participation in the global economy and modern society. In large, rural states like Maine, it is both particularly important and particularly challenging; broadband access bridges distances, yet is costly to private or public efforts. Educating more Mainers about the benefits of broadband access and technological and speed requirements can be helpful. Policymakers will also need to be mindful of changing technology requirements and the efforts of municipalities to develop their own broadband networks to address this issue efficiently and effectively.



Broadband Access, New England States, 2016

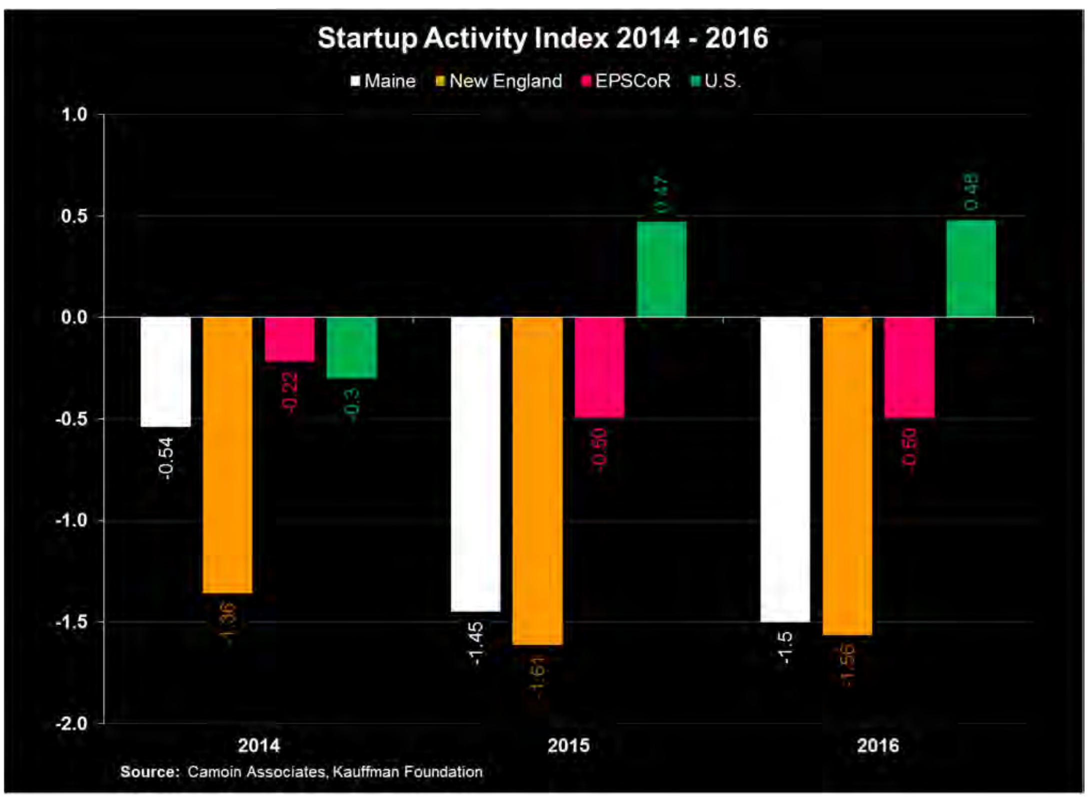
State	Percent	National Rank
NH	86.4	3
MA	85.5	6
CT	84.1	11
RI	82.8	18
VT	81.1	25
ME	80.7	28

Source: American Community Survey

9. Startup Activity

Benchmark: Maine will meet or exceed the U.S. startup activity rate through 2020

The creation of new businesses is a vital activity in today's economy. Ensuring that Mainers have the skills to take advantage of opportunities in the economy enables them to create new and expanded opportunities for themselves and others. The Kauffman Foundation's Startup Activity Index includes three components: the opportunity share of new entrepreneurs, startup density, and rate of new entrepreneurs. A higher number on the scale represents better performance by a region. The indexes for Maine, New England, the Experimental Program to Stimulate Competitive Research (EPSCoR) states, and the U.S. overall were largely unchanged from 2015 to 2016. Maine is roughly on par with the New England average, while both trail the EPSCoR and U.S. averages.

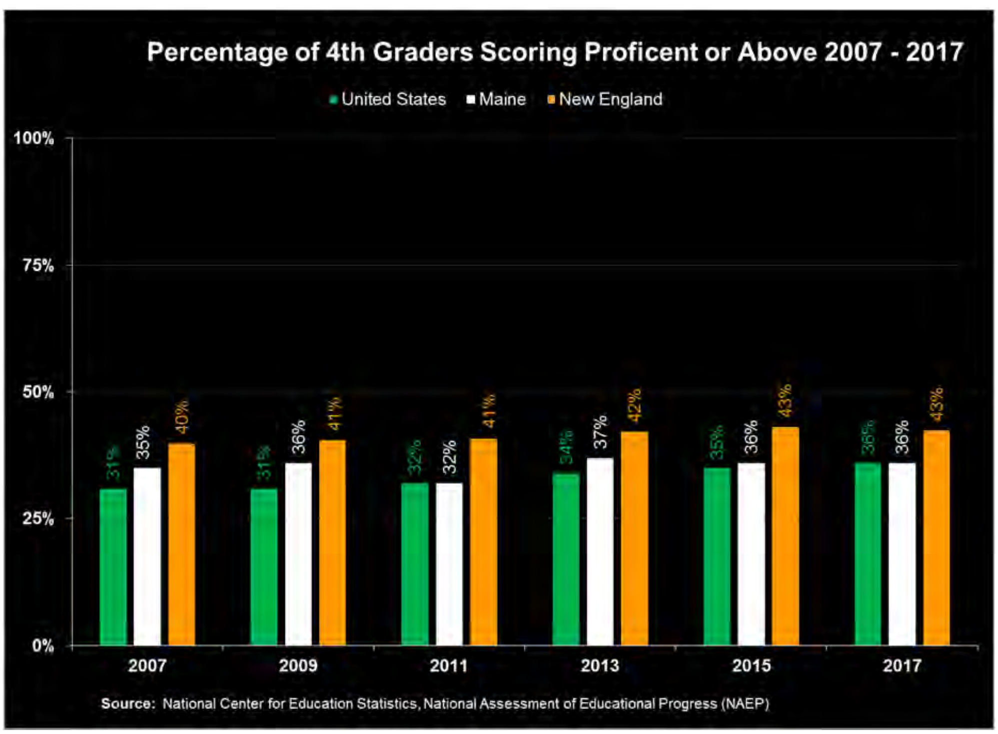


10. Fourth Grade Reading Scores

Benchmark: The percentage of Maine students scoring proficient and above on the National Assessment of Educational Progress (NAEP) will reach 50% by 2020

The indicator compares the percentage of Maine, New England, and U.S. fourth graders scoring proficient and above on the National Assessment of Educational Progress, with proficient defined as competency over challenging subject matter, application to real-world problems, and appropriate analytical skills. Maine has generally been on par with or slightly above the U.S. average and below the New England average. In 2017, Maine's 36% was even with the U.S. average and ranked 26th nationally, behind Massachusetts at 51% (1st), Connecticut, New Hampshire and Vermont at 43% (tied for 3rd), and Rhode Island at 39% (tied for 14th).

Fourth grade reading scores reflect early childhood development and offer an indication of future outcomes such as educational performance, employment and earnings, remediation, and criminal justice. Education is vital to both the individual and the state as a whole, and funding for education accounts for a significant portion of state and municipal budgets. Providing a solid foundation in the early formative years helps to ensure we maximize our return on that investment.

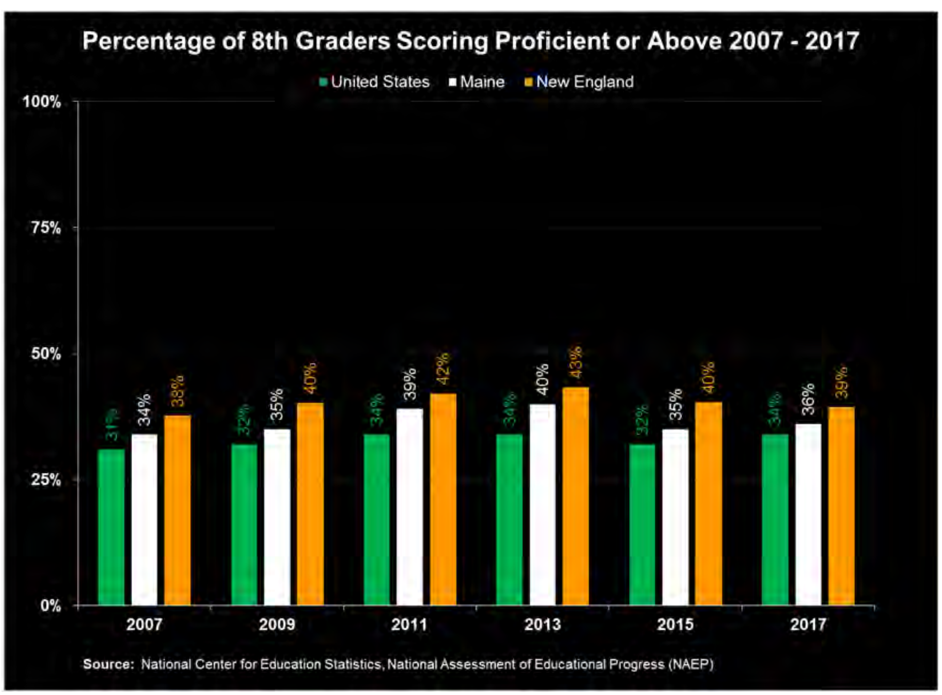


11. Eighth Grade Math Scores

Benchmark: The percentage of Maine students scoring proficient and above on the National Assessment of Educational Progress (NAEP) will reach 50% by 2020

The indicator compares the percentage of Maine, New England, and U.S. fourth graders scoring proficient and above on the National Assessment of Educational Progress, with proficient defined as competency over challenging subject matter, application to real-world problems, and appropriate analytical skills. Maine has consistently been above the U.S. average and below the New England average. In 2017, Maine's 36% ranked 21st nationally, tied with Connecticut, behind Massachusetts at 50% (1st), New Hampshire at 45% (3rd), and Vermont at 39% (tied for 10th), and ahead of Rhode Island at 30% (tied for 33rd).

Eighth grade math scores reflect competency in algebra, a foundational skill in today's society and work environment. Math proficiency helps to prepare students for college and alleviates the need for remedial courses at the postsecondary level. Eighth grade math scores have been cited as an indicator of Maine's future success in innovation, research and development, and science, technology, engineering, and math (STEM) fields. Improving our performance on this indicator can help prepare Maine's young people for success.



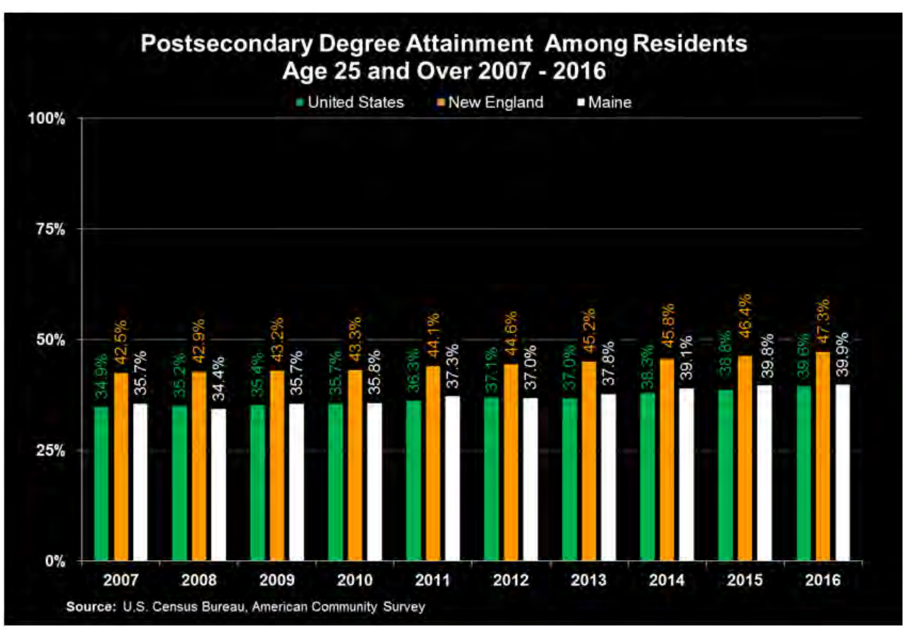
12. Postsecondary Educational Attainment

Benchmark: The percentage of Maine residents 25 and over with a postsecondary degree will improve to the New England average by 2020

The indicator compares the percentage of residents age 25 and over with an associate's, bachelor's, or graduate or professional degree. Maine has consistently been approximately even with the U.S. average and below the New England average. Additionally, the Lumina Foundation estimates that another 2% of Maine working age adults and 3% of New England working age adults hold a certificate.

Education improves people's lives and grows the economy through increased workforce participation, employment, earnings, productivity, and tax revenue, and reduced social services. Education prepares people to meet the current and future needs of employers and to create opportunities for themselves and others. Although reliable data to compare geographies over time is not available, there are a number of other pathways to success in today's economy, including professional certifications, licensures, workplace competencies, digital badging, and service in the armed forces. Apprenticeships and internships provide valuable work experience and connections to employers.

With Maine's demographic challenges, we need to engage young students and adults both in and out of the workforce. Young students need to transition successfully along each step of the educational pathway. Students of all ages need to identify and be able to follow a pathway that successfully aligns their interests and aptitudes with current and future opportunities in the economy. MaineSpark is a 10-year commitment from a coalition of organizations with a common goal of bringing the percentage of Mainers with education and workforce credentials that position Maine and its families for success to 60% by 2025. A multi-faceted effort is needed, and the initiative features four tracks: Strong Foundations, for children from birth through sixth grade; Future Success, for students from sixth grade through postsecondary education; Adult Promise, for those returning to complete degrees or change careers; and, New Opportunities for professionals looking to move or begin new careers in Maine.

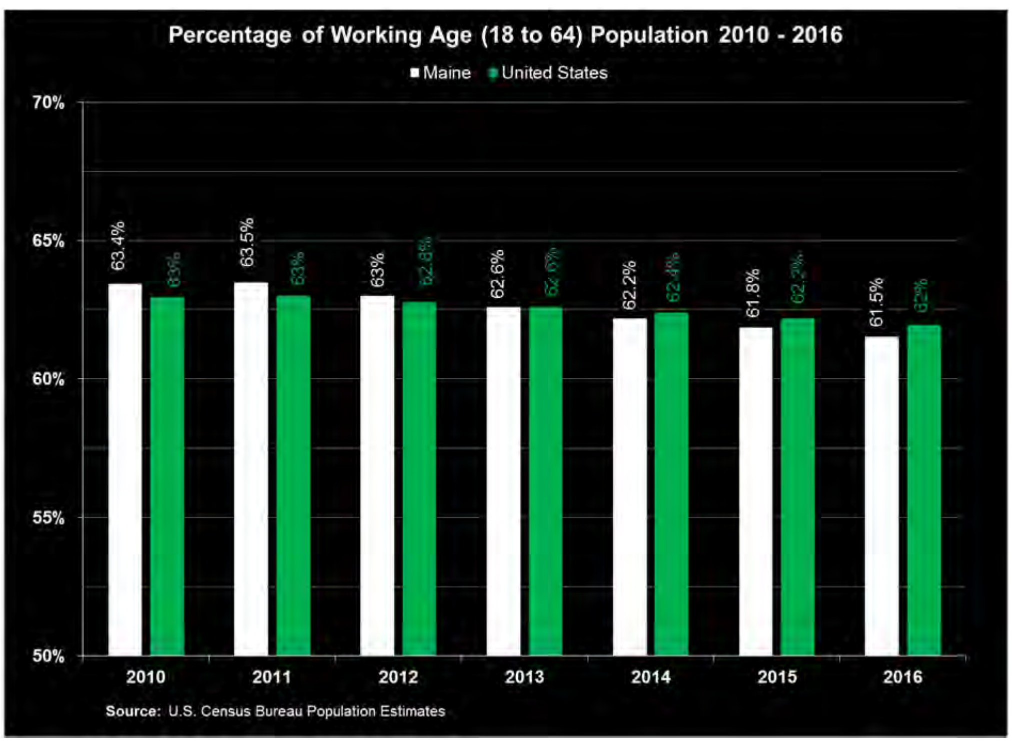


13. Working Age Population

Benchmark: The percentage of Maine residents age 18 to 64 will remain steady and improve to the U.S. percentage through 2020

Ages 18 to 64 are considered the prime working years. Maine's working age population declined by just over 24,000 (2 percentage points) from 2011 to 2016, while the corresponding U.S. percentage declined by 1 percentage point.

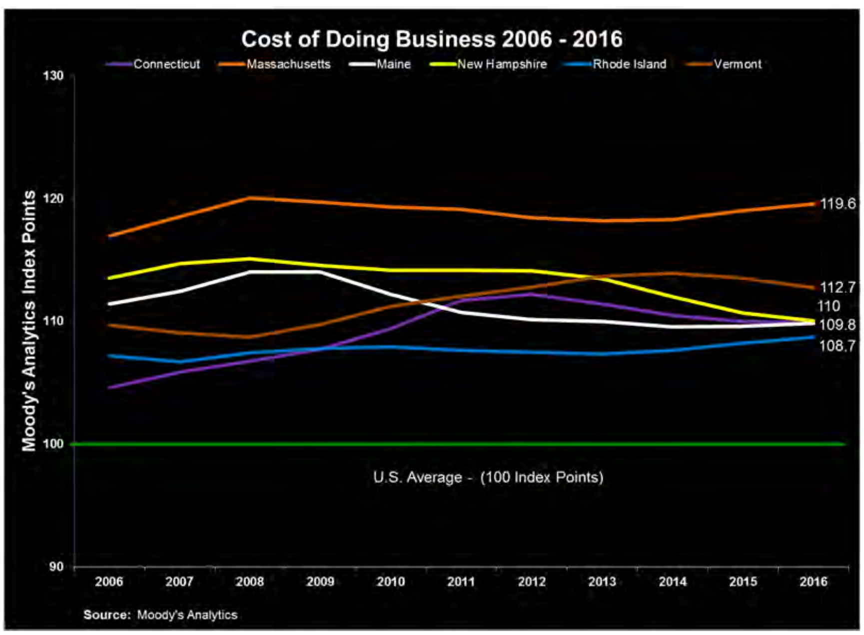
The growth in employment seen in recent years is not sustainable with a declining working age population. Businesses cite a skilled and educated workforce as a key factor in their success, and a smaller working-age population makes it difficult to find workers with the desired skills to fill current and future openings. With many Maine workers approaching retirement age, replacing their numbers, talent, and experience will be a major challenge. Our aging population also results in smaller school enrollments and declining numbers for civic institutions and essential services. With many Mainers now past child-bearing age, we will not be able to grow our population through natural change. We need to retain more young people who were born here, but we also need an infusion of young people from beyond our borders to grow our working age population and our economy.



14. Cost of Doing Business

Benchmark: Maine's cost of doing business will decline to the U.S. average by 2020

Moody's Analytics' Cost of Doing Business is a weighted scale of labor costs (wages, benefits, and productivity), industrial and commercial electricity costs, and state and local tax burden. States are compared against the U.S. average of 100 index points. Maine's overall cost of doing business has declined from a high of 114 in 2008 (6th highest nationally) to 109.8 in 2016 (9th highest). With competition at the regional, national, and international levels, relative cost of doing business is an important consideration for businesses in today's economy. Increasing productivity (unit labor cost measures cost relative to output), managing health care and energy costs, and reducing our tax burden (see those indicators for a full discussion) can help Maine improve on this measure. Capitalizing on our strengths and continuing to manage our cost of doing business helps existing companies and can make us a more attractive place for those looking to start, relocate, or expand a business.



New England Ranks, 2016 (1 is highest)				
	Overall	Unit Labor	Cost of Energy	Tax Burden
MA	2	1	4	32
VT	6	11	8	7
NH	7	10	7	50
CT	8	27	3	17
ME	**9**	**7**	**11**	**3**
RI	11	21	5	9

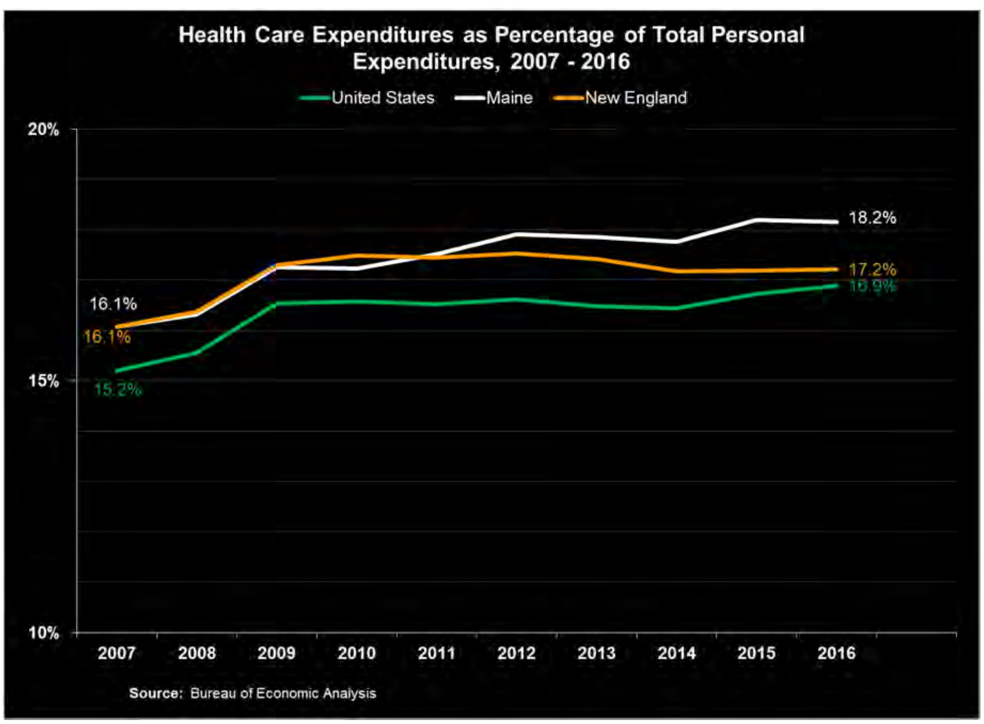
Source: Moody's Analytics

15. Cost of Health Care

Benchmark: Maine's health care spending as a percentage of total personal expenditures will decline to the New England average by 2020

The indicator tracks the aggregate percentage of total personal expenditures devoted to health care in Maine, New England, and the U.S. Maine's percentage has increased from just over 16% in 2006 to approximately 18% in 2016. Maine had been essentially on par with New England through 2011; since then, New England's percentage has leveled out and was essentially even with the U.S. in 2016.

Maine people and businesses have consistently identified the high cost of health care as a major concern. High health care costs also discourage people from seeking the preventive care which could improve their health status and alleviate the need for increased spending down the road. The high cost of government-sponsored insurance programs also leaves fewer resources available for other important services and investments. While high costs for health services are a concern throughout the state, they vary widely by region. Improving cost transparency, helping consumers make informed decisions about care and associated costs, improving access to preventive care, improving the quality and delivery of services, and encouraging healthy behaviors, can all help to control the rising cost of health care and the burden on Maine people and businesses.

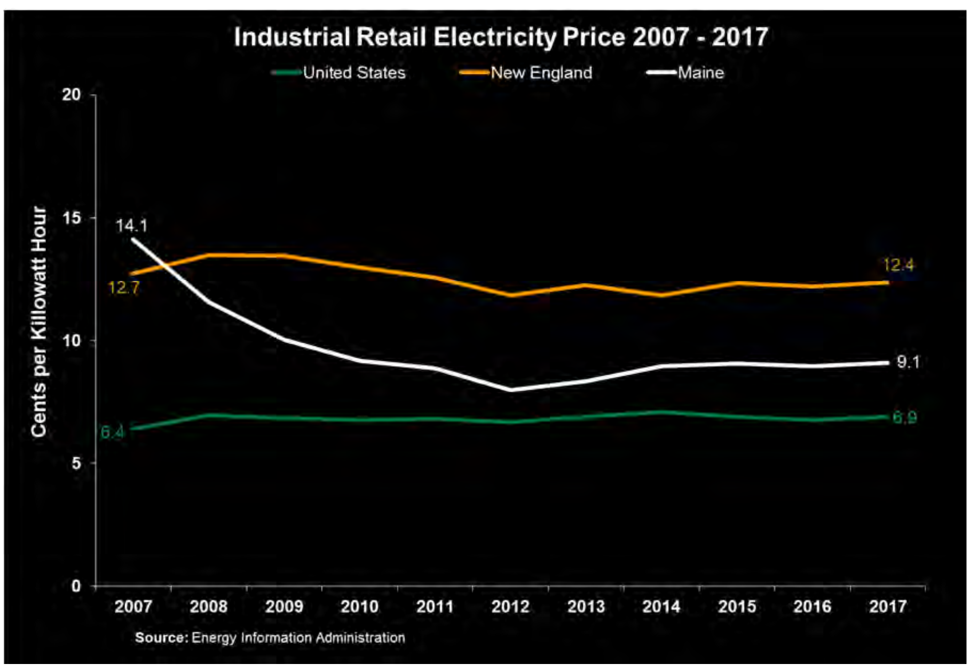


16. Cost of Energy

Benchmark: The cost of electricity in Maine will decline to the U.S. average by 2020

Industrial retail electricity prices represent the average price of delivered electricity in price per kilowatt hour. New England and U.S. prices held fairly steady from 2007 to 2017, fluctuating around 12 and just under 7 cents per kilowatt hour, respectively. Maine's prices declined from 14 cents per kilowatt hour in 2007 to roughly 9 cents per kilowatt hour in 2010 and have remained around that level through 2017.

The price of electricity is a significant cost for businesses. While Maine compares favorably to the rest of New England, the region's high costs relative to the U.S. average are a disincentive, particularly for energy-intensive businesses. Maine's economy is the most energy-intensive in New England, and a small change in the price of electricity can translate into significant costs. High energy costs also leave less money for individuals to pay for other necessities and amenities. Maine competes with Canadian provinces whose government-subsidized generation results in lower costs. Maine is increasingly turning to natural gas and renewable sources to generate electricity. The use of wood waste products for fuel provides another option and supports Maine's forest economy and many rural communities. Continued efficiency improvements can help to reduce the overall burden on Maine people and businesses, and continued diversification can help protect against price spikes.

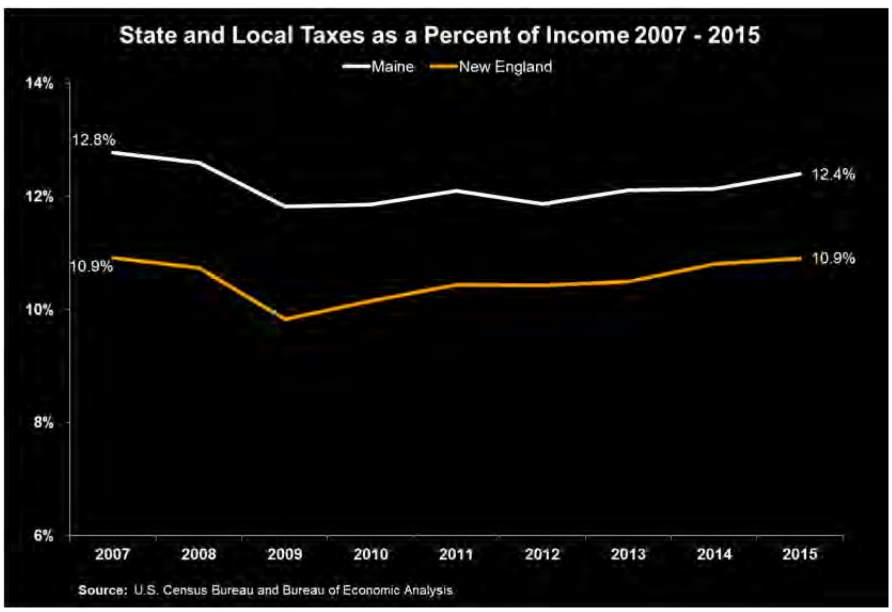


17. State and Local Tax Burden

Benchmark: Maine's tax burden will decline and move toward the New England average each year through 2020

The graph measures the percentage of income paid in state and local taxes (property, sales and gross receipts, individual income, corporate, motor vehicle license, and other taxes) by taxpayers in Maine and New England. This data reflects both the amount of taxes and the ability to pay, and can be improved by lowering taxes rates and/or increasing earnings and growing our economy. The table below also compares per capita taxes, which is the actual dollar amount paid in taxes. Maine's tax burden has ranged from just under 13% to just under 12% in recent years and has consistently exceeded the New England average.

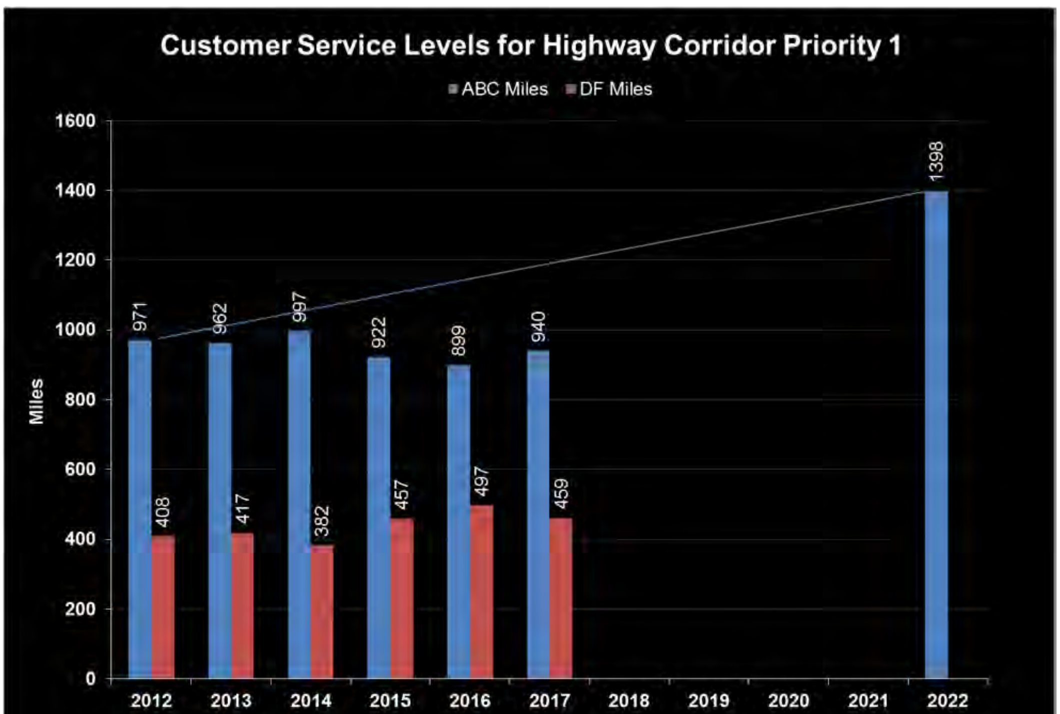
Taxes impose costs on businesses and individuals but also generate revenue for public services and investments that affect our quality of life and economy. Policymakers need to balance many issues when addressing our tax policy, including stability of revenues, impact on economic growth and job creation, ability to pay for services and investments, balance between state and municipal contributions, and burden imposed on residents and non-residents.



State and Local Taxes 2015 (1 is highest amount)				
State	**Tax Burden**	**Tax Burden Rank**	**Per Capita**	**Per Capita Rank**
U.S.	10.6%	N/A	$4,881	N/A
NE	10.9%	N/A	$5,790	N/A
CT	11.1%	14	$7,403	3
ME	12.4%	4	$5,112	14
MA	10.8%	17	$6,340	6
NH	8.9%	44	$4,649	21
RI	11.3%	12 (tie)	$5,420	13
VT	12.3%	5	$5,815	11
Source: U.S. Census Bureau and Bureau of Economic Analysis				

18. Transportation Infrastructure

The Maine Department of Transportation adopted revised Highway Corridor Priority Classifications in July 2017 that more closely aligned with treatment strategies. The revisions eliminated the Priority 5 classification and resulted in a large change in the population of Priority 2 – 4 roadways. The previous Customer Service Level trends cited in *Measures of Growth* are therefore no longer valid. The chart reflects the trend for Highway Corridor Priority 1 roadways, which were unchanged during the revision, and the table reflects the distributions of Highway Corridor Priority 2 – 4 roadways. Maine's transportation network connects us to each other and to the world. Our roadways carry the vast majority of our passengers and freight. Poor road conditions can lead to unsafe conditions, personal injury, property damage, additional vehicle repairs, and extended commute times. Maintenance and improvement costs have increased while revenues from fuel taxes, a major funding source, have declined with improved fuel efficiency. Investment in alternative modes of transportation can also help alleviate the burden on Maine's roads. Providing sufficient revenues to maintain a safe and efficient transportation network is important to Maine's economy and quality of life.



Source: Maine Department of Transportation

	Customer Service Level Miles, 2017				
	A	B	C	D	F
Priority 2 Roadways	59	360	435	237	259
Priority 3 Roadways	135	459	563	711	342
Priority 4 Roadways	2018	1,079	438	148	48
Source: Maine Department of Transportation					

19. Housing Affordability

Benchmark: Maine's housing affordability index will reach and maintain a level around 1 through 2020

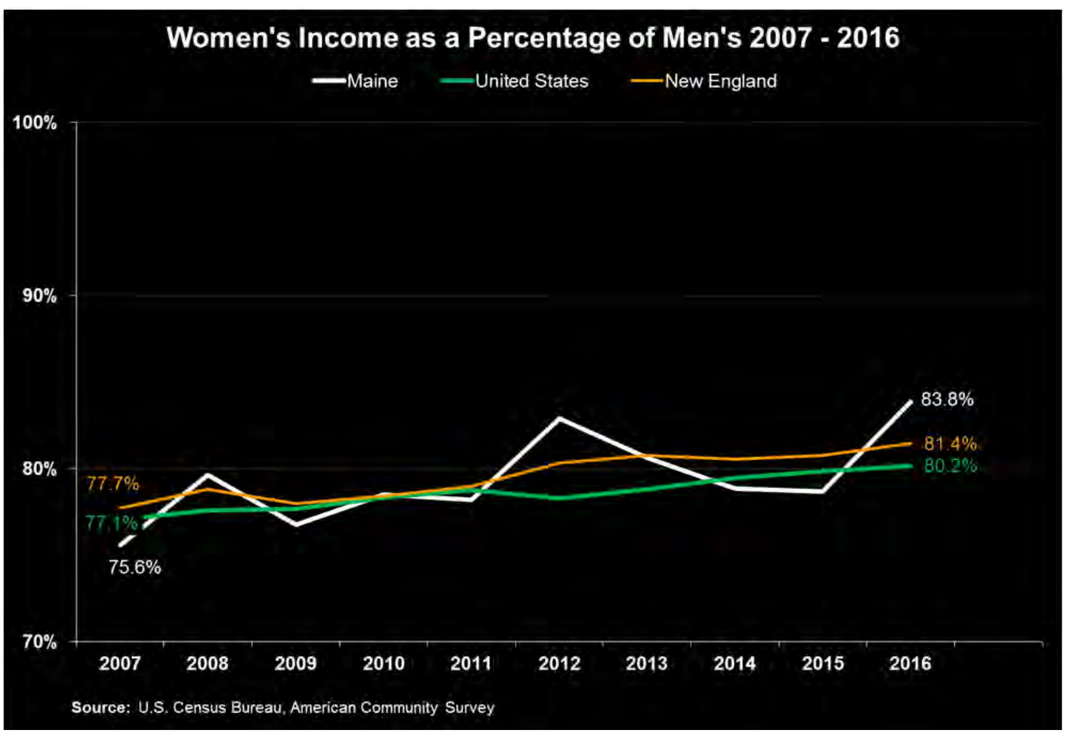
This indictor presents the weighted average of MaineHousing's homeownership affordability index (the ratio of the home price that a Maine household at median income can afford to the actual median home price) and rental affordability index (the ratio of the rent that a Maine renter household with median renter household income can afford to the actual average rent for a two-bedroom apartment, including utilities). The weighting is based on the relative numbers of homeowner and rental households. A higher index means that housing is more affordable.

Maine's housing affordability improved at the end of the last decade and has remained steady over the last four years. Home ownership has become more affordable, while rental affordability has been a challenge due to tightening markets. Maine's relatively affordable housing gives us a comparative advantage relative to the region and the U.S. in attracting and retaining people. Improved affordability allows people to devote more of their resources to other necessities and amenities. There are significant disparities within the state. Housing has consistently been more affordable in the central and rim counties, and less so in southern and coastal areas. The high housing costs in many job and service centers can make it difficult for people to live in the communities where they work, further taxing household budgets, infrastructure, environment, and family and civic lives.

20. Gender Income Disparity

Benchmark: Maine's median annual income for women working full-time will improve to 100% of the median annual income for men working full-time by 2020

Women earned approximately 84 cents for every dollar earned by men in Maine and 80 cents for every dollar earned by men in the U.S. The median earnings for Maine women improved from $36,900 in 2015 to $40,300 in 2016 (+$3,400), while men's earnings increased from $46,900 to $48,000. This disparity represents lost earnings which become even more significant over the course of a career. The disparity is affected by age, race, education level, and marital status, but the overall pattern of women earning less than men persists throughout the labor market. The earnings gap tends to be smaller at higher levels of education and in certain occupations, but varies widely across occupations with a high percentage of female employees or with relatively high earnings for women. Reducing the earnings gap requires a multi-faceted approach that addresses occupational segregation, expands career choices for women, enforces equal employment laws, and eliminates workplace harassment and discrimination.

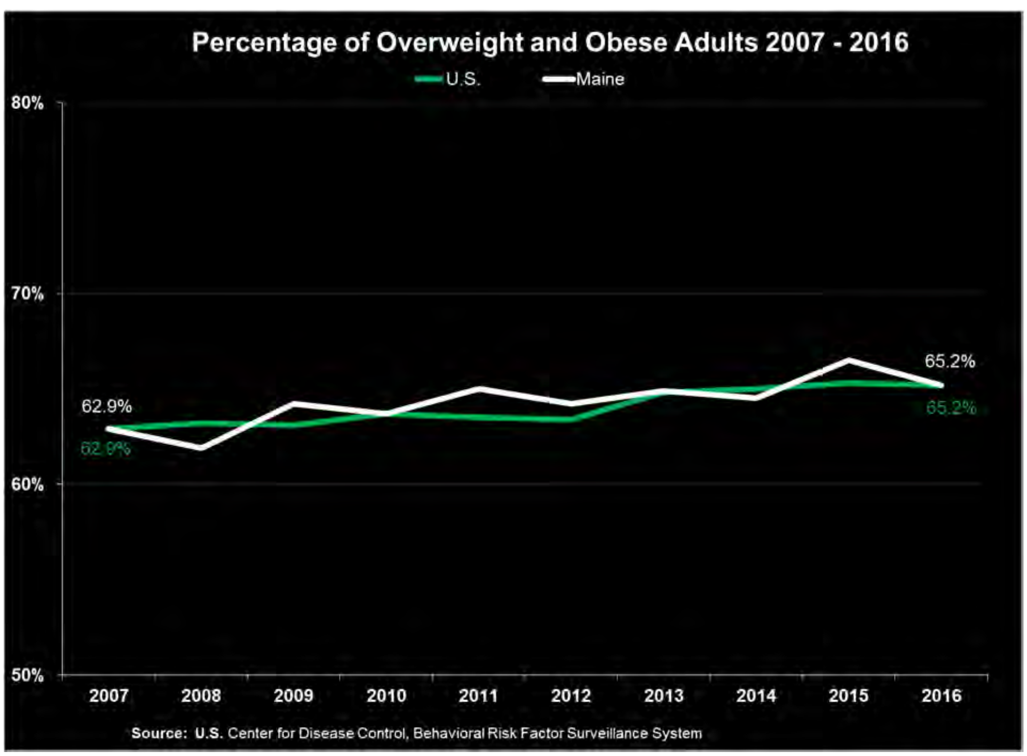


21. Wellness and Prevention

Benchmark: The combined percentage of overweight and obese adults in Maine will decline to 50% by 2020

The Behavioral Risk Factor Surveillance System includes the percentage of overweight (Body Mass Index of 25 to 29.9) and obese (Body Mass Index of 30 or greater) adults. Nearly two-thirds (65.2%) of Maine and U.S. adults were considered overweight or obese in 2016, compared to just under 60% for Maine and nearly 62% for the U.S. in 2006. Obesity rates in both Maine and the U.S. have nearly doubled since 1996, with both reaching 30% in 2016, while overweight rates have been fairly stable.

Weight is an important indicator of overall health status. Weight problems are the third leading cause of preventable deaths in Maine and the nation. Weight problems increase the risk of chronic diseases like diabetes, heart disease, stroke, high cholesterol, asthma, arthritis, and some cancers. Obesity is highly correlated with cardiovascular disease, asthma, hypertension, diabetes, and joint degeneration, which are being found at younger ages, particularly among those with low incomes. These affect the quality of life and productivity of Mainers and place additional burdens on our health care system and economy as a whole. One study found that Maine's high overweight and obesity rates created an additional $767 million annually in medical expenses and $2 billion annually in lost productivity. Improving access to healthy, nutritious foods and encouraging active, healthy lifestyles can help control health care costs, increase productivity, and improve quality of life for many Mainers.

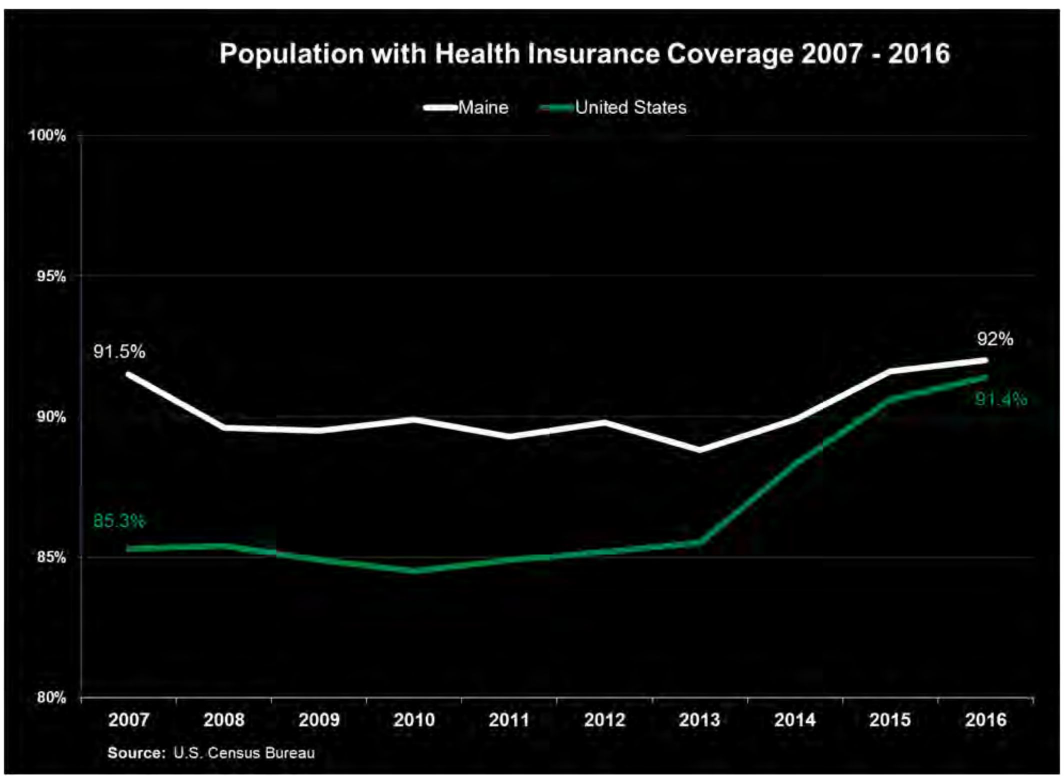


22. Health Insurance Coverage

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

Maine's health insurance coverage rate has exceeded the U.S. average, with the gap closing since 2013. A higher rate of coverage provides more people with access to health care services. Health insurance helps people establish a relationship with a provider and access preventive care that can help avoid more costly and disruptive procedures later on, helping people live healthier, more productive lives.

Financing both public and private insurance programs is likely to be an even greater challenge in the years ahead as Maine's population ages and health care costs rise. Adding more quality jobs that offer health insurance to employees can help alleviate the burden on public insurance programs. Approximately 76,000 Mainers enrolled in a health plan through the Affordable Care Act's Health Insurance Marketplace in 2018, after 79,000 enrolled in 2017. Maine policymakers will need to be mindful of developments at the federal level going forward.

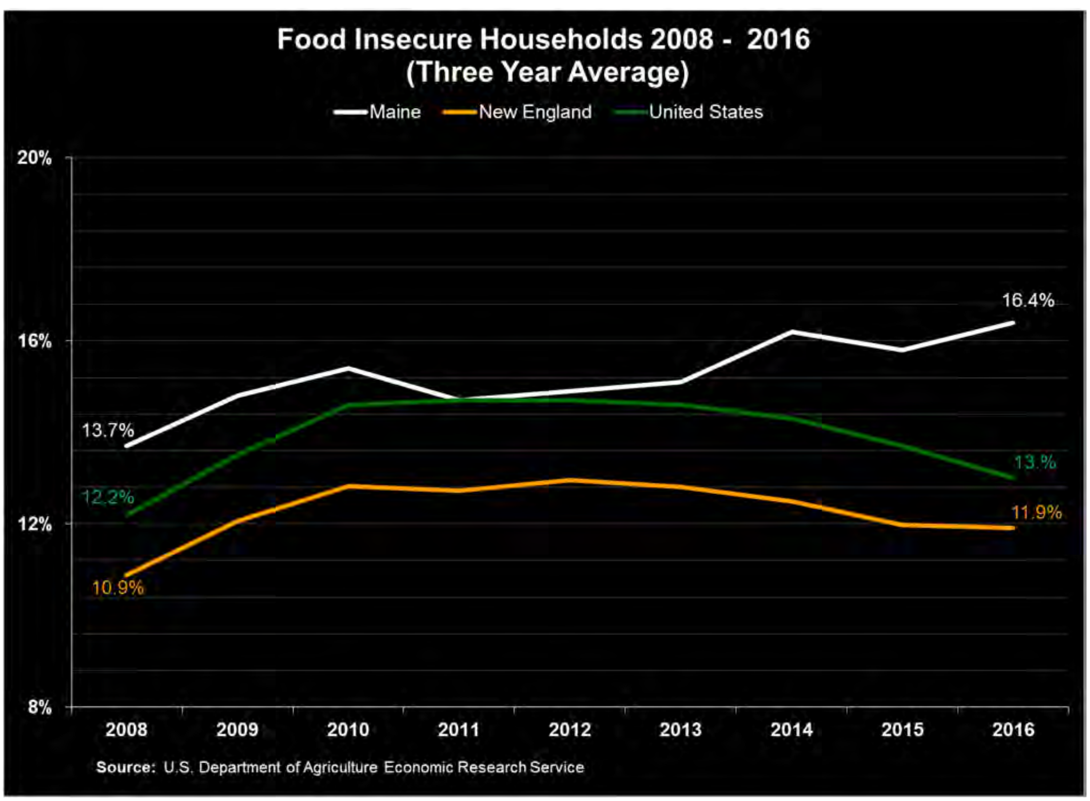


23. Food Insecurity

Benchmark: Maine's percentage of food insecure households will decline to the U.S. average by 2020

The U.S. Department of Agriculture Economic Research Service uses U.S. Census data to annually track food insecurity. Food secure households have dependable access to adequate food for active, healthy living; food insecure households experience disrupted eating patterns, reduced food intake, and reduced quality or variety of diet. The percentage of food insecure households has been increasing in Maine and declining in New England and the U.S. in recent years. In 2016, Maine ranked 7th nationally in the percentage of households experiencing food insecurity, and 3rd nationally with 7.4% of households experiencing very low food security.

Food insecurity has long-term effects on Maine's people and economy. Among adults, food insecurity is associated with poor health status, obesity and weight gain, chronic disease, and mental health issues, which can contribute to workforce challenges such as absenteeism and reduced productivity. Proper nutrition is essential to children's development. The lack of access to nutritious food can have serious effects on a child's physical and mental health, academic achievement, and future economic prosperity. The annual cost in lost productivity, diminished educational outcomes, increased educational spending, avoidable health care costs, and the value of charity efforts resulting from food insecurity has been estimated at $167.5 billion nationally and $787 million in Maine.

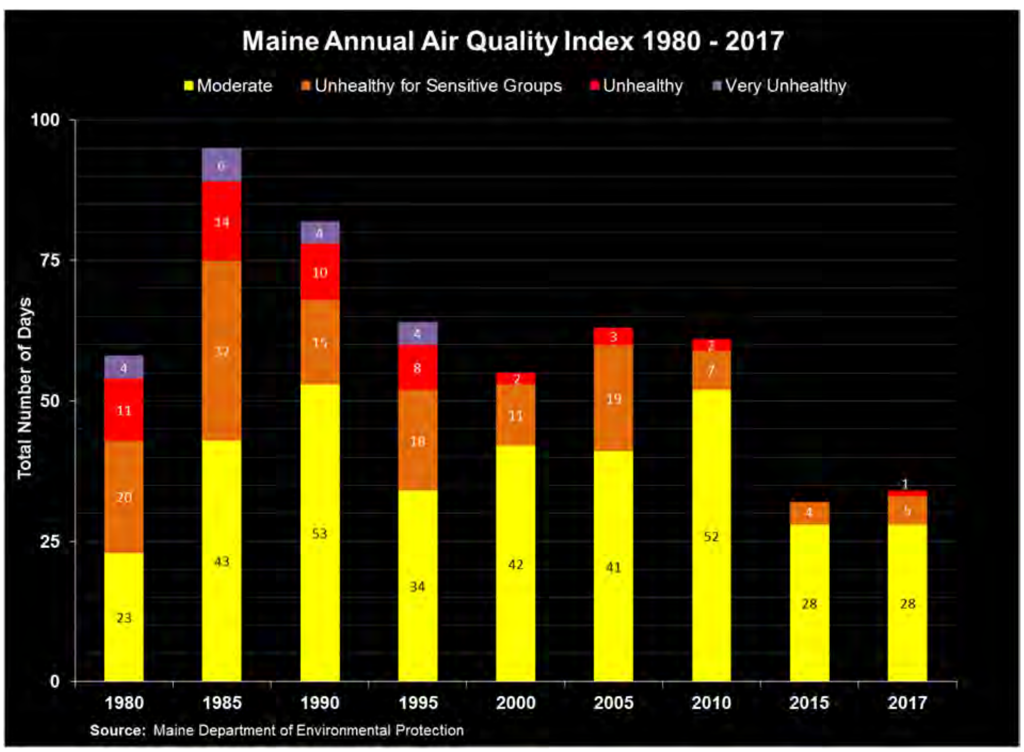


24. Air Quality

Benchmark: The overall number of days classified as a health risk and the severity of the risk categories in Maine will be maintained through 2020

This indicator is based on ozone levels averaged over an 8-hour period in parts per billion, as measured by a network of monitors recording concentrations of major pollutants throughout the state. The data is based on the number of times the maximum value in the state for each day falls into each air quality index category. Maine's air quality has improved over time, with both the number of days classified as a health risk and the severity of the health risks declining in recent years. The total number of days classified as a health risk has declined from a high of 96 in 1998 to 34 in 2017.

Maine's environmental quality and natural amenities make it an attractive place to live and visit and are important elements of Maine's brand. Maine's air quality is, on average, better than the other Northeastern states, helping to attract people and businesses and affecting our overall health and wellness. Given our location, Maine's air quality is subject to developments both within and beyond our borders, and could be affected by any changes in federal environmental regulations going forward.



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MAINE DEVELOPMENT FOUNDATION 40

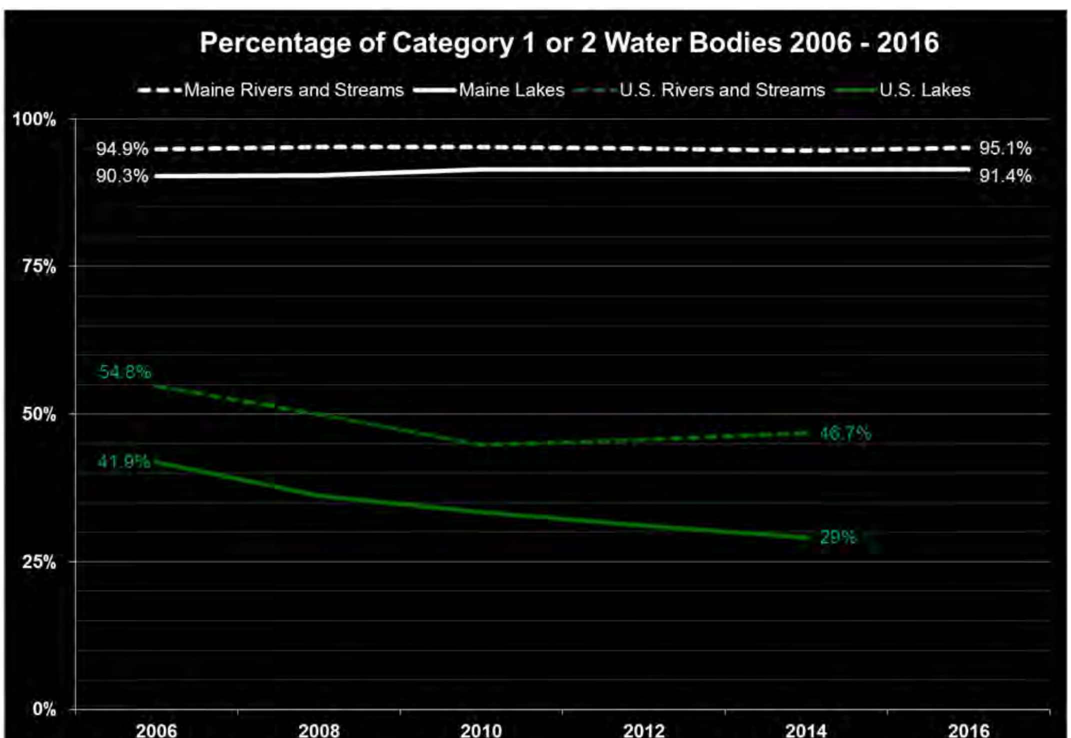
MEGC Maine Economic Growth Council

25. Water Quality

Benchmark: The percentage of Maine's assessed water bodies classified as Categories 1 or 2 will be maintained over time

The Maine Department of Environmental Protection reports to the U.S. Environmental Protection Agency every two years on the water quality of Maine's rivers and streams and lakes and ponds. Maine's Category 1 waters attain all designated uses and water quality standards, and Category 2 waters are presumed to attain all uses and standards. Maine's Categories 1 and 2 are approximately equal to the EPA's "good" classification. The chart reflects the latest data available, through 2016 for Maine waters and through 2014 for U.S. waters. Over the last decade, Maine's water quality has remained steady and well above U.S. averages.

Maine's rivers, lakes, and streams provide drinking water and recreational opportunities for people and support our diverse ecosystems. As with air quality, our water quality contributes to our health status, helps support a vibrant tourism economy, and contributes to the overall environmental quality for which Maine is known.



Source: Maine Department of Environmental Protection, Bureau of Water Quality, and U.S. Environmental Protection Agency

26. Sustainable Forest Lands

Benchmark: A net growth to removals ratio of approximately 1:1 will be maintained over time

The sustainable management of Maine's forests is indicated by the growth to harvest rate. A net growth ratio value over one indicates that growth exceeds harvest and a ratio value of less than one means that harvest exceeds growth. Maine has consistently been near the benchmark ratio over the years.

Forests cover 89% of Maine's land area. Private landowners actively manage 93% of this total forested acreage, with much of it accessible to the public. Sustainable forestry supports Maine's economy, environment, and quality of life. Forests provide habitat for wildlife, offer a variety of recreational opportunities, help protect our air and water quality, and supply the raw material used to create products ranging from newspaper to alternative fuels. The forest products industry has a long and proud heritage in Maine, and remains a significant driver in our economy, particularly in rural areas. Rapid changes in the global market have brought significant challenges. Maintaining the long-term balance between growth and removals is a key component in sustaining Maine's forests and their vital contribution to the state's economy.