



GOVERNOR'S  
**ECONOMIC RECOVERY**  
COMMITTEE

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[maine.gov/future/economicrecovery](https://maine.gov/future/economicrecovery)

# Charge and Purpose

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Develop recommendations to stabilize the state's economy and build a bridge to future prosperity in the wake of the COVID-19 pandemic.

Two phases:

- Stabilize and Support: This strategy considered what resources and strategies the different sectors of Maine's economy would need to survive the COVID-19 crisis.
- Sustain and Grow: This strategy considered how to bridge the COVID-19 economic crisis to Maine's EDS.

# Subcommittee Structure & Leadership

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1. Education & Workforce: James Herbert, President of the University of New England
2. Healthcare, Nonprofits, Childcare & Support Services: Bill Burke, Chair of the MaineHealth Board of Trustees
3. Innovation: Betsy Biemann, CEO of Coastal Enterprises Inc.
4. Infrastructure: Susan Corbett, Founder and Director of the National Digital Equity Center
5. Hospitality, Tourism & Retail: Bob Montgomery-Rice, President and CEO of Bangor Savings Bank
6. Manufacturing & Natural Resource-Based Industries: Larry Shaw, CEO of MMG Insurance

# July 15: Stabilize and Support

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## SUPPORT MAINE PEOPLE

Public Health:	\$20 Million
Child Care:	\$45 Million
PreK-12:	\$300 Million
Higher Education:	\$75 Million
Housing:	\$50 Million
Immigrant Workers:	\$7 Million
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TOTAL:	\$497 Million

## STABILIZE MAINE EMPLOYERS

Employer Grants: Innovation	\$350 Million
Capital: Workforce	\$50 Million
Development:	\$30 Million
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TOTAL:	\$430 Million

## INVEST IN MAINE'S INFRASTRUCTURE

Broadband Planning and Buildout:	\$65 Million
Connections Bond:	\$100 Million
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TOTAL:	\$165 Million

# Highlighted Outcomes

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- Childcare: \$2.2 million Coronavirus Relief Fund (CRF) allocated, on top of the \$10 million CARES act dollars.
- Pre-K12: The \$364 million CRF investment for schools
  - Additional \$8 million to programming and care for children not physically in school and participating in remote learning during the week.
- Business/Nonprofit Supports: \$200 million Economic Recovery Grant program. Of that, \$5 million went to childcare businesses/nonprofits.
  - Additional \$40 million to support Maine tourism, hospitality & retail small businesses.

# Highlighted Outcomes

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- Maine Health Care Financial Relief Program: Backed by \$30 million from CRF.
- Housing: Initial \$15 million CRF for expanded Rental Relief Program
  - Additional \$6.2 million in CRF to Rental Relief in November.
- Broadband: \$5.6 million in CARES Act Coronavirus Relief Fund (CRF) for the construction of permanent internet infrastructure that will bring high-speed broadband to more than 730 students across rural Maine.

# Sustain & Grow

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This phase of the ERC's work aligned with the vision of the 10-year Economic Development Strategy:

*“By 2030, Maine will be an international leader with a vibrant, sustainable, environmentally-responsible economy. All across the state, the people of Maine will have access to an unmatched quality of life and good-paying jobs.”*

# Nov 24: Sustain & Grow

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## **GROW MAINE'S ECONOMY**

Innovation

Entrepreneurship

Talent Development

Talent Attraction

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## **SUSTAIN MAINE PEOPLE**

Internet Access

Early Care & Education Supports

Housing

Addressing Structural Inequities



# Grow Maine's Economy

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Innovation: Invest boldly, strategically, and consistently in next-generation technology and innovation to grow our value-add economy.

Entrepreneurship: Supercharge high-growth entrepreneurship while sustaining Maine's vibrant and resilient small business sector.

# Grow Maine's Economy

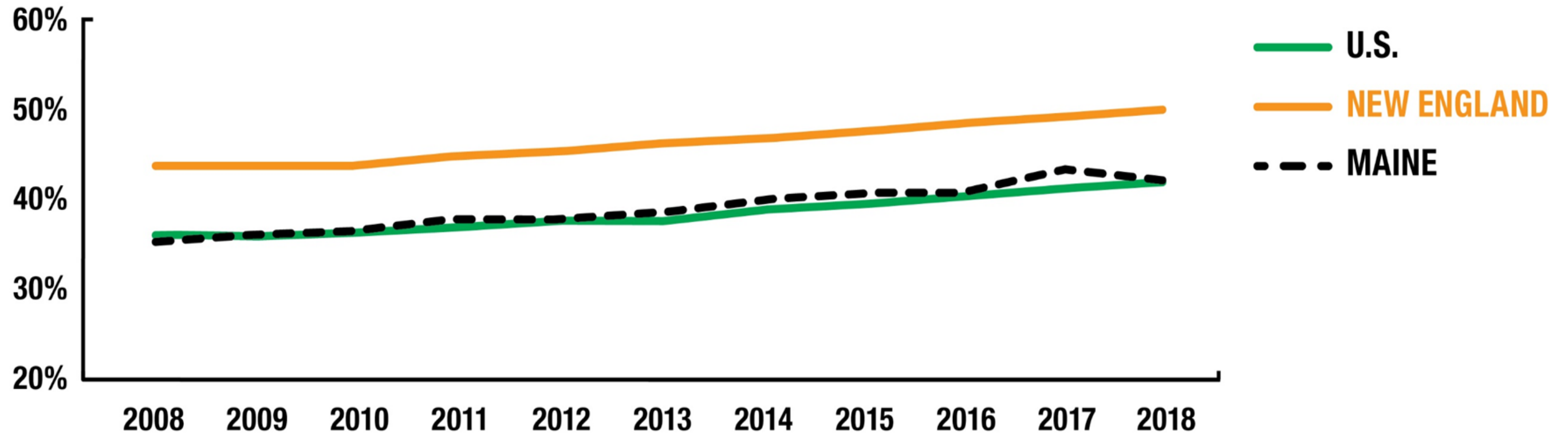
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Talent Development: Unleash the potential of Maine's workforce by creating educational and training pathways for people of all experience levels to access careers in high-demand fields.

Talent Attraction: Establish Maine as a premier career, education, and lifestyle destination to attract diverse and talented professionals to relocate and define the state's image beyond leisure and tourism.

# Postsecondary Degree Attainment

**POSTSECONDARY DEGREE ATTAINMENT, RESIDENTS AGE 25 AND OVER, 2008-2018**



# Sustain Maine People

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Internet Access: Ensure every Mainer has a high-quality internet connection to support economic development, remote work, distance education, telehealth, and meaningful community connections.

Early Care and Education Supports: Reinforce and reimagine Maine's early care and education supports to ensure that parents can go to work with the peace of mind that their children are safe, nurtured, and prepared for success entering school.

# Sustain Maine People

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Housing: Develop robust housing policies and programs that enable Maine people to live and raise their families near their work.

Address Structural Inequities: Make Maine a diverse, equitable, and inclusive state where all Mainers can reach their full potential.

# Maine's Multicultural Economy

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- Spending and Purchasing Power of Maine Asians and Latinos = \$1 billion
- Maine Asian and Latino business owners contribute \$400 million to Maine's economy and hire over 4000 employees.
- Maine would lose \$137 million in economic activity, \$60.9 million in gross state product and 1080 jobs if undocumented immigrants were removed
- Immigrants 2x business start up
- New arrivals – nearly 50% have college degrees

# Financing Recommendations

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- Maximize existing federal support, future stimulus, and funds available on an annual budget basis from various agencies.
- Invest boldly by capitalizing on historically low interest rates in the bond market.
- Leverage Maine's existing institutions and enhance their capabilities.

# Foundational Guidance

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- **Build Maine's public health infrastructure**
- **Modernize the state's regulatory environment**
- **Invest in agriculture, fisheries and aquaculture infrastructure**
- **Support Maine workers to meet their most basic needs in order to thrive and be successful**
- **Invest in transportation infrastructure.**



# Our Challenge

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The full potential of our recommendations are not possible to achieve unless and until:

1. The virus is under control and Maine's public health infrastructure is strong
2. The federal government invests fully in stabilizing the economy through federal stimulus
3. Structural inequities are addressed so all Maine people can reach their fullest potential.



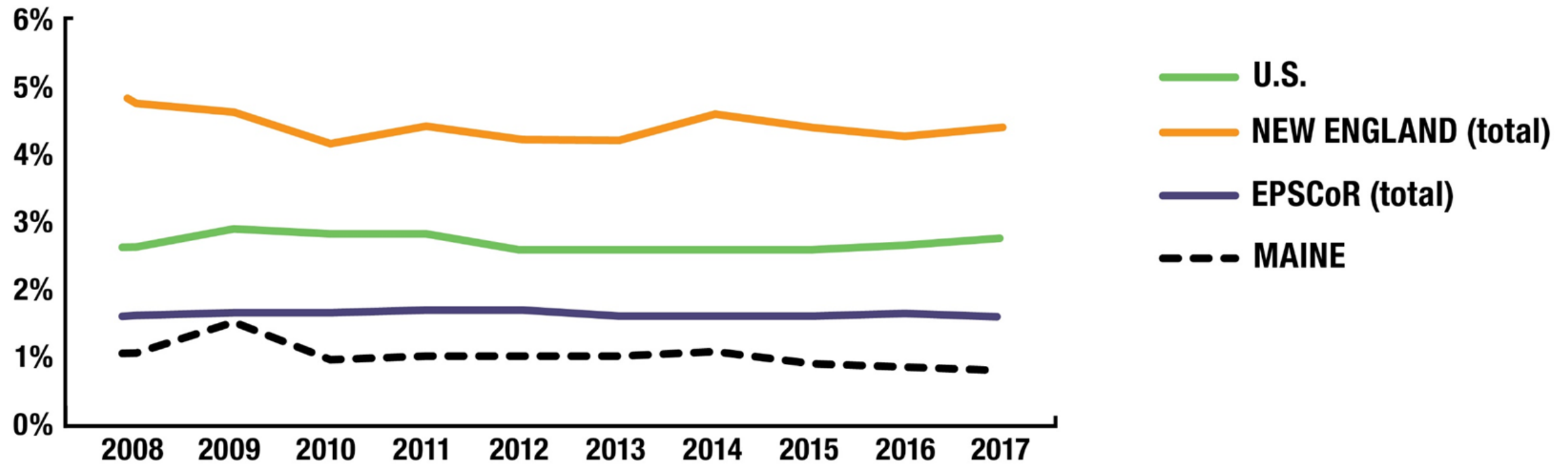
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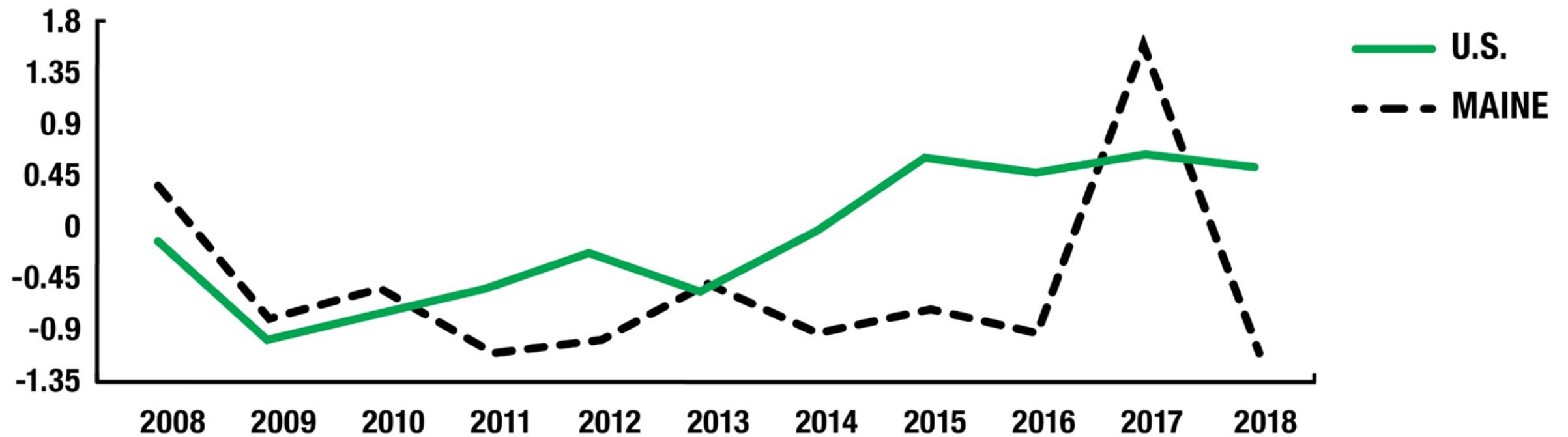
# R&D Expenditures

Total R&D Spending as a Percent of Gross Domestic Product 2008 - 2017



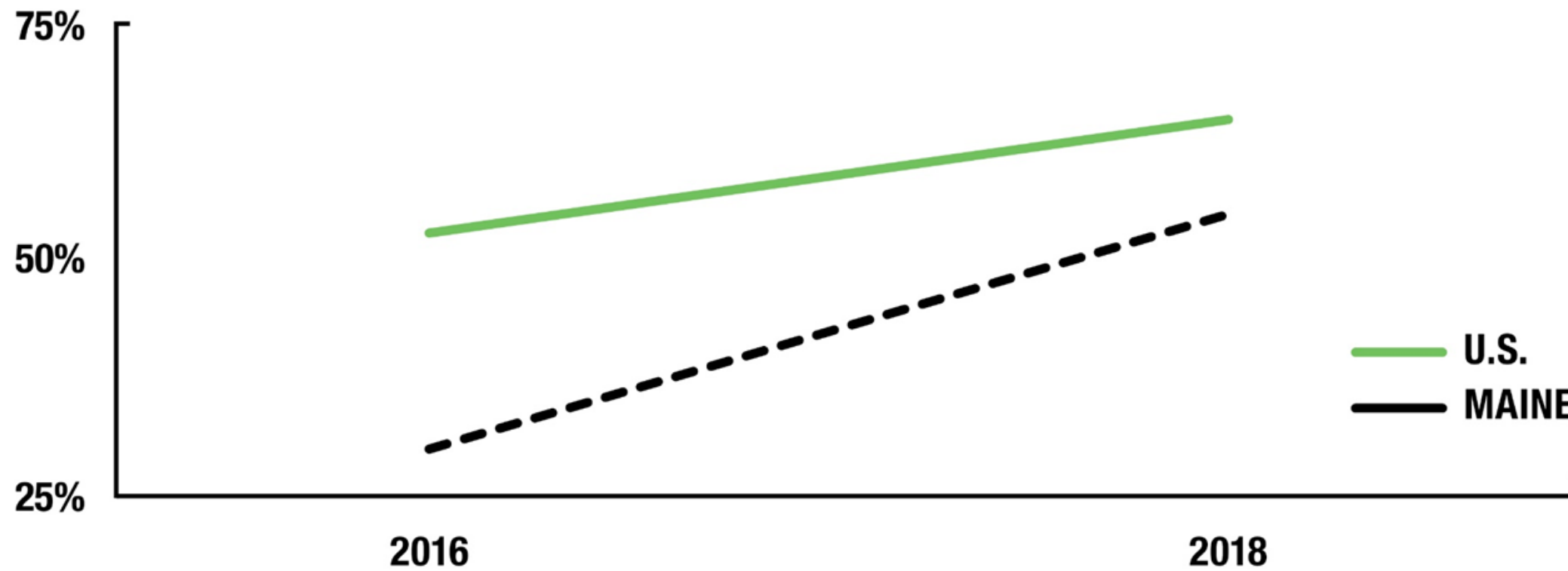
# Entrepreneurship

EARLY-STAGE ENTREPRENEURSHIP INDEX, 2008-2018



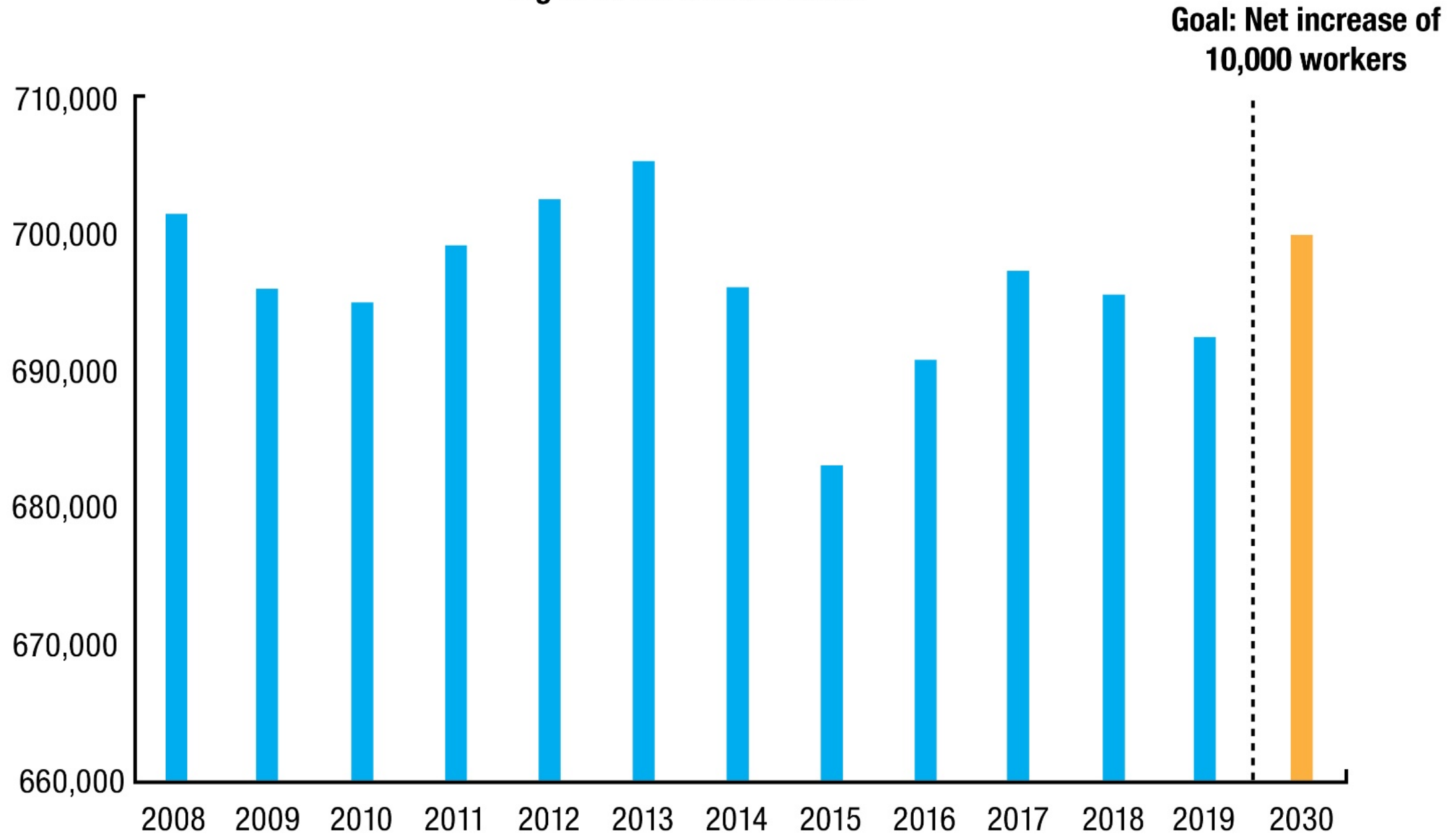
# Broadband Connectivity

**HOUSEHOLDS WITH BASIC BROADBAND INTERNET SUBSCRIPTION**



# Talent Development & Workforce

Fig 6: Maine's Labor Force



Source: U.S. Bureau of Labor Statistics

# Talent Attraction

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- We are the oldest state in the nation: median age of 45.1
- There are more people over the age of 65 than people under the age of 20.
  - 65+ = 285,978
  - <20 = 278,766
- There are more people ready to leave the workforce than people beginning their workforce career
  - 55 to 64 = 210,899
  - 20 to 29 = 156,462

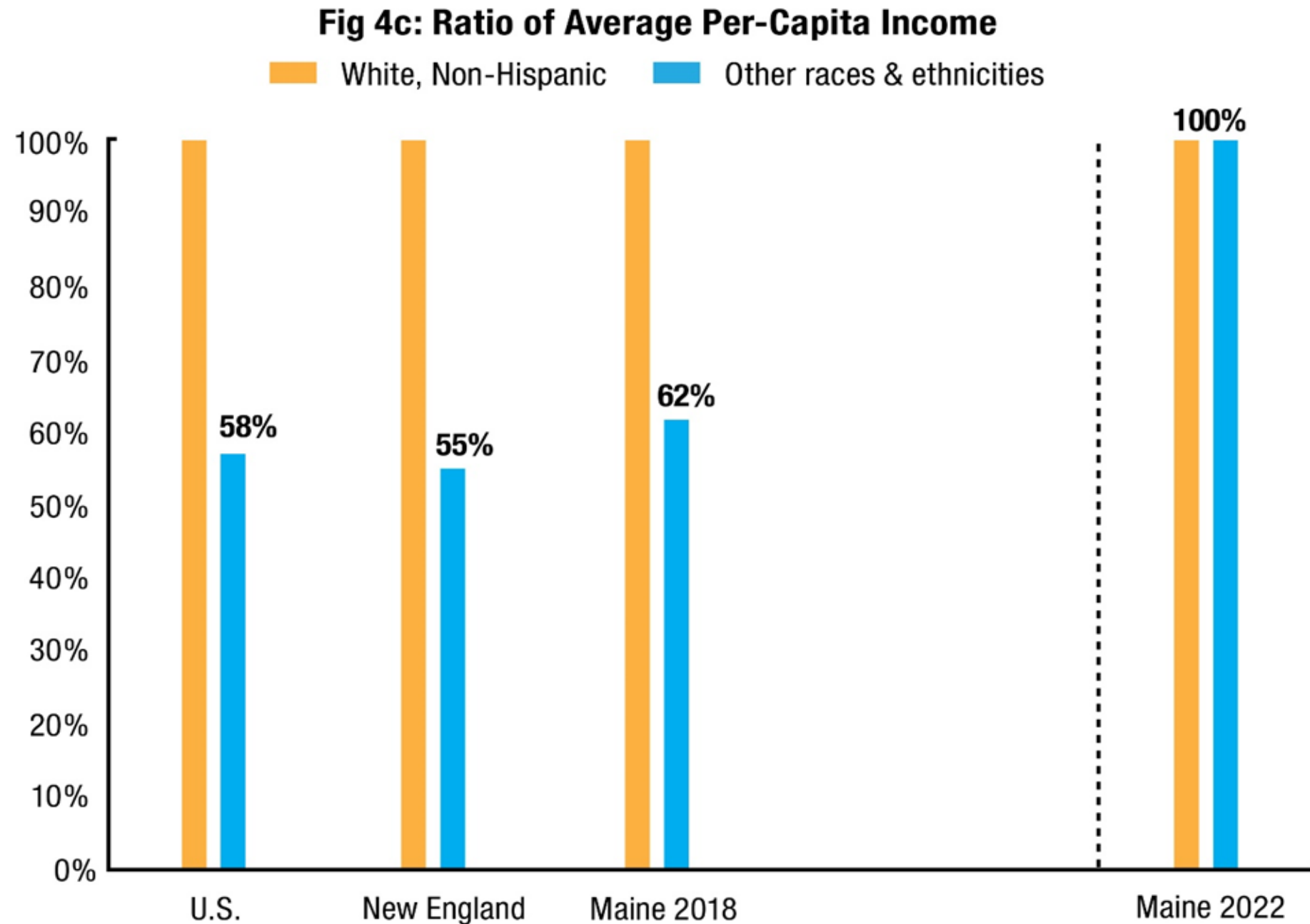
# Multicultural Entrepreneurship

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- Immigrant Business Start up is 2x higher than Non-immigrant (SBA ).  
Monthly rate of business formation
  - Immigrants: 0.62 percent vs
  - Non-immigrants: 0.28 percent



# Racial/Ethnic Income Inequality



Source: U.S. Census Bureau, American Community Survey, 2014-2018 average