

Androscoggin Valley Regional Economic Benchmarks

May 2012

ViTAL Economy Alliance

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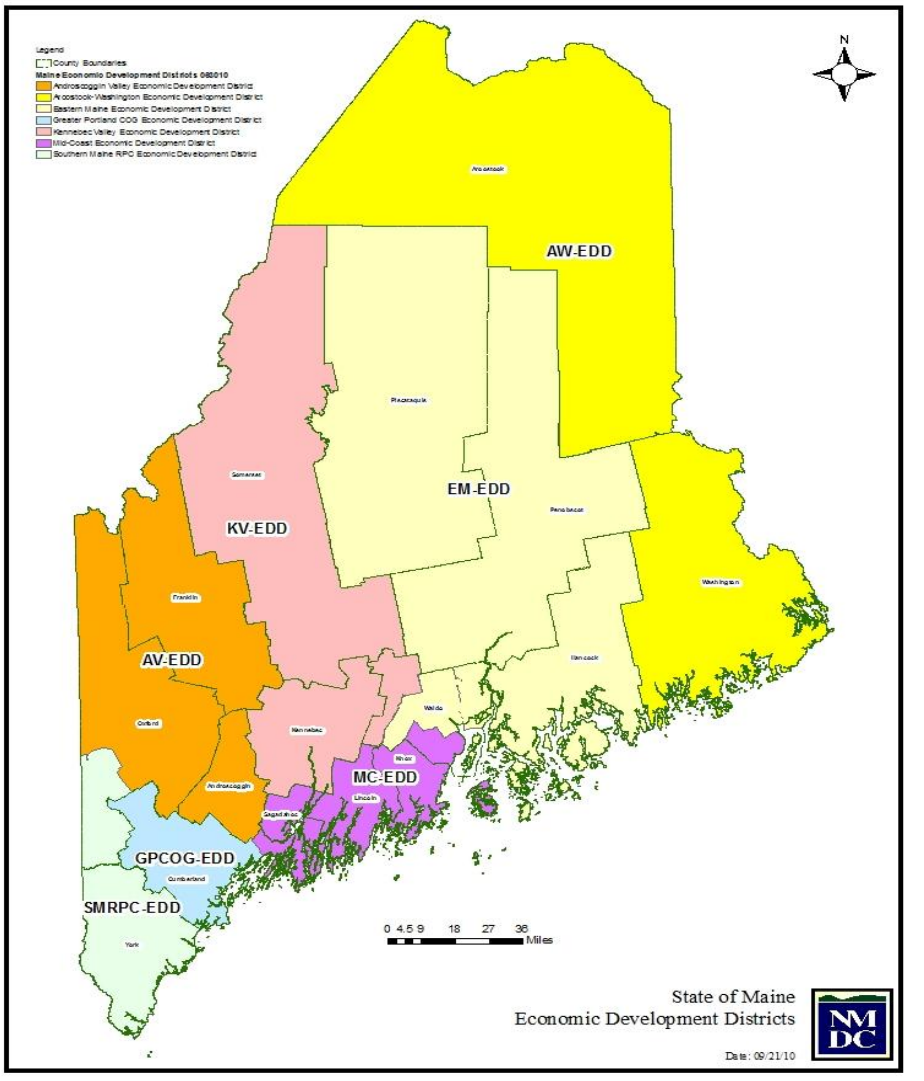
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The Maine regional economic development district names used in this report correspond to the specific regions in two ways: (a) the federally recognized organization (EDD) serving the region and (b) the geographic orientation as follows,

- AWEDD – Northern Maine
- EMEDD – Eastern Maine
- MCEDD – Mid-Coast
- KVEDD – Kennebec Valley
- AVEDD – Androscoggin Valley
- GPCOGEDD – Greater Portland Lakes
- SMRPCEDD – Southern Maine

The regional benchmark framework and data sources used in this report are based upon County boundaries which in some cases are slightly different than the exact geography of the Maine EDD boundaries.

The following are the data sources and tables used in the development of the regional benchmarks in this report.

1. BEA CA30
2. BEA CA06 & CA06N
3. BEA CA25 & CA25N
4. US Census Bureau 2010 Census
5. US Census Bureau historic population & demographic files
6. US Census Bureau – American Community Survey – Educational Attainment , ACS_10_3YR_S1501
7. Decision Data Resources – Demographic Detail
8. Decision Data Resources – Economic Detail



Using Economic Benchmarks & Performance Metrics

Benchmarking, Regional Vision and Goals go hand-in-hand and together are defined by ViTAL Economy as *Performance Metrics*. Our experience has been that communities and regions only begin to use *Performance Metrics* to their full effectiveness when they understand the linkages between the measures of economic prosperity for the region (Benchmarks or Metrics), their Economic Vision of the future (where they want to be 5 years from now), and the Strategies (the Plan) they will implement to realize that Vision.

Economic Benchmarks define where a region is at a current point in time. *Performance Metrics* state the conditions a region needs to change and the key factors that measure economic prosperity. The Mobilize Maine standard economic benchmarks are established to provide continuity across the economic regions of the State. In addition, regions will set specific economic benchmarks that are unique to them and their economy.

The benchmarks establish a foundation by which 5-year goals and performance metrics can be determined. The Mobilize Maine standard performance metrics are refined to set three levels of job creation goals; high wage, average wage and improvement of existing jobs by \$5,000/year.

The economic benchmark and *Performance Metrics* create a framework for development and meaningful analysis of strategies. Utilization of *Performance Metrics* enables a better allocation of resources, accountability in the economic development process, create a framework by which individual projects and investment can be evaluated and provide clarity and purpose for regional economic development agencies.

Communities that fail to set goals and measure progress never know how close they are.

- ViTAL Economy



Size of the Androscoggin Valley Regional Economy

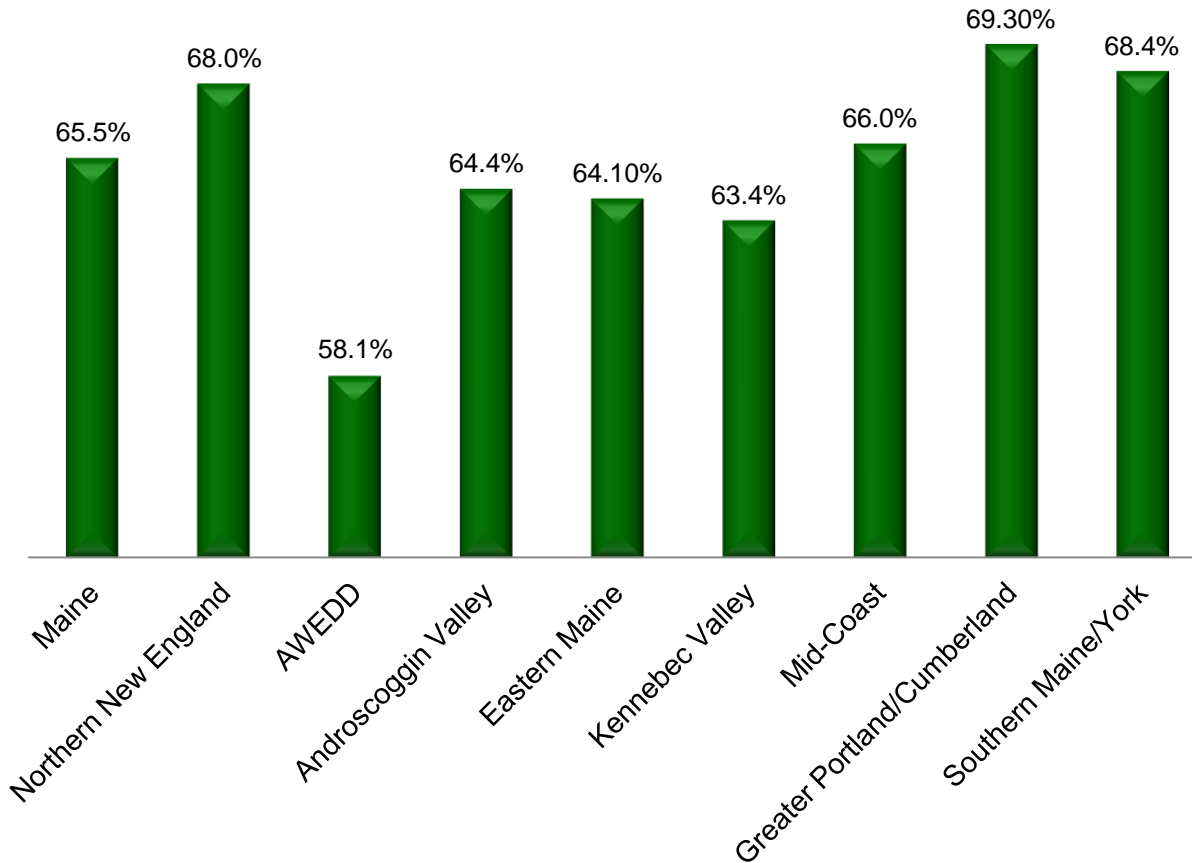
2010 Data in 2011 \$	Maine	Androscoggin	Franklin	Oxford	Androscoggin Valley Region
Employment (Jobs)	803,570.00	63,133	16,984	24,010	104,127
Earnings	\$ 32,164,337,000	\$ 2,586,416,000	\$ 646,896,000	\$ 949,069,000	\$ 4,182,381,000
GDP	\$ 66,411,740,000	\$ 4,934,491,000	\$ 1,298,719,000	\$ 1,853,594,000	\$ 8,086,804,000
Output	\$ 116,174,023,000	\$ 8,784,780,000	\$ 2,361,842,000	\$ 3,407,925,000	\$ 14,554,547,000

Using the CNNE Economic Scenario Model, we can analyze GDP and Output at the county level. GDP is the total market value of all final goods and service produced in the region. Output is the total value of the regional goods and services excluding intermediate inputs/local value.

2010 Data in 2011 \$	Maine	Androscoggin	Franklin	Oxford	Androscoggin Valley Region
GDP Per Job	\$ 82,646	\$ 78,160	\$ 76,467	\$ 77,201	\$ 77,663

GDP per job divides gross domestic product (GDP) by the number of jobs in the region. GDP per Job is especially useful in comparing the productivity of one region versus another. It also indicates the value of work per job created, which rises when higher levels of value added skills are involved in the work product produced.

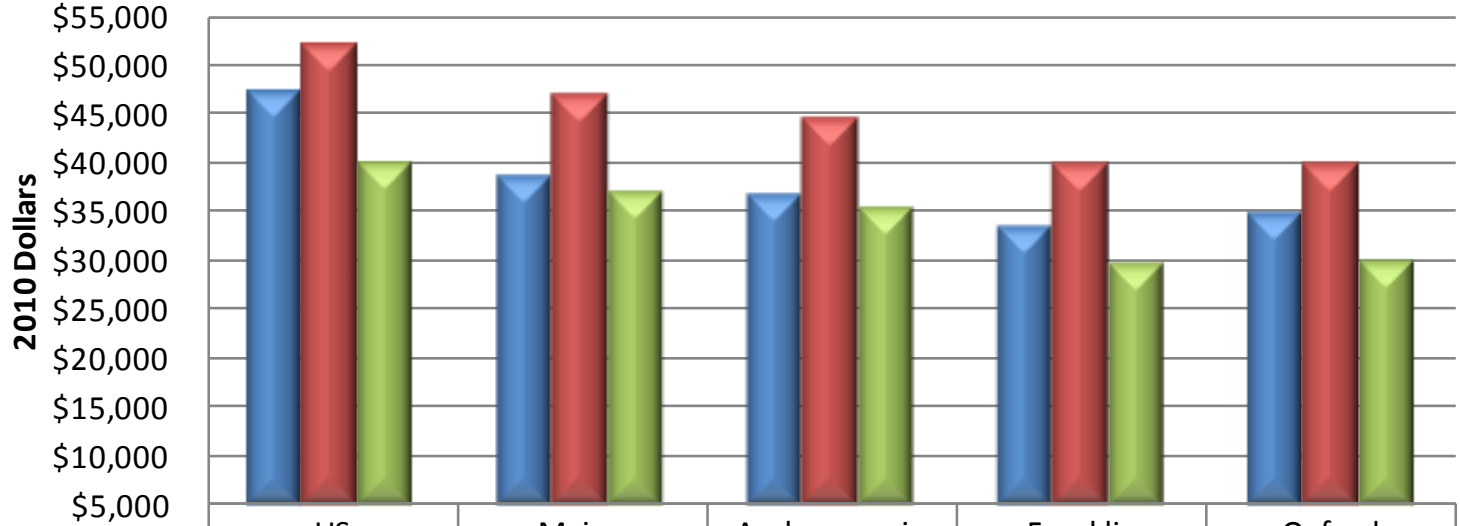
2011 Labor Force Participation



Labor Force Participation Rate (LFP), a measure of the percentage of people over 16 years of age actually working as proportion of the population that could be working.

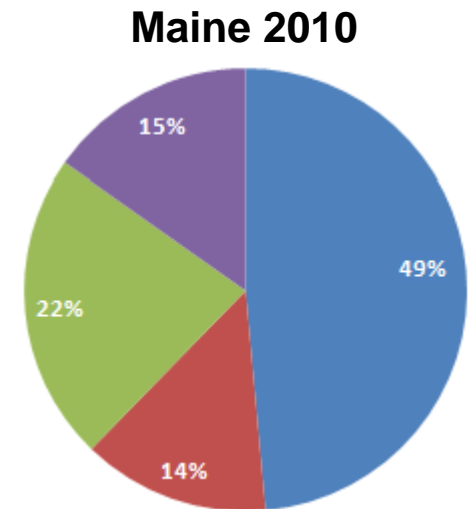
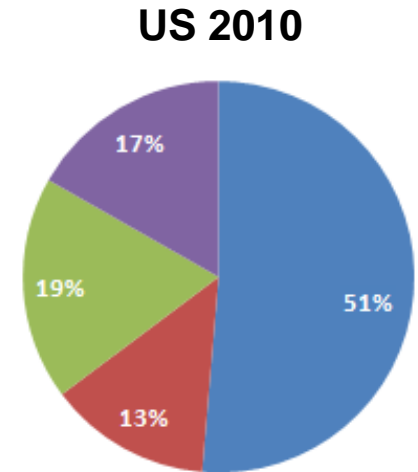
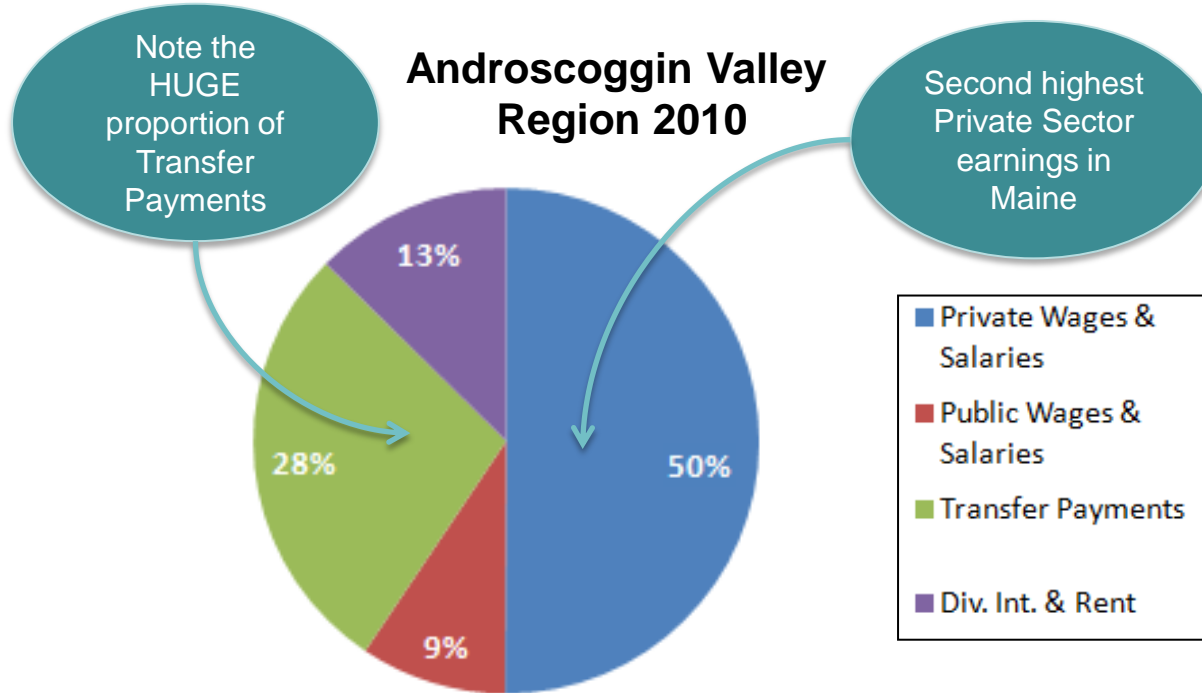
The Androscoggin Valley region has a mid range LFP of 64.4% that is slightly lower than the Maine average and 3.6% lower than the average of Maine, New Hampshire and Vermont.

2010 Average Wage Median Household Income & Per Capita Income



	US	Maine	Androcsoggin	Franklin	Oxford
■ Average Wage	\$47,046	\$38,570	\$36,679	\$33,359	\$34,690
■ Median Household Income	\$51,914	\$46,933	\$44,470	\$39,831	\$39,748
■ Per Capita Income	\$39,937	\$36,763	\$35,139	\$29,432	\$29,676

Wages and Salaries are a function of skills, productivity, and supply/demand forces as well as the structural make-up of the regional economy.



In 2010, the Androscoggin Valley Region had nearly 50% of personal compensation generated from public or external sources.

An economic regions climate of innovation is directly related to its sources of personal income. When a region's sources of personal income is less than 60% from private wages and salary, its climate of innovation and comfort with risk is diminished. A region below 50% is at greater risk of economic stagnation and decline.



Androscoggin Valley Region Demographic Makeup

	1990	%	2000	%	2010	%
Total	186,869		188,126		196,303	
0-4	13,795	7.4%	10,513	5.6%	11,362	5.8%
5 to 17	35,035	18.7%	34,436	18.3%	31,310	15.9%
18 to 24	19,017	10.2%	16,374	8.7%	17,691	9.0%
25 to 44	58,126	31.1%	53,605	28.5%	46,676	23.8%
45 to 64	35,349	18.9%	45,246	24.1%	59,077	30.1%
65+	25,547	13.7%	27,952	14.9%	30,187	15.4%

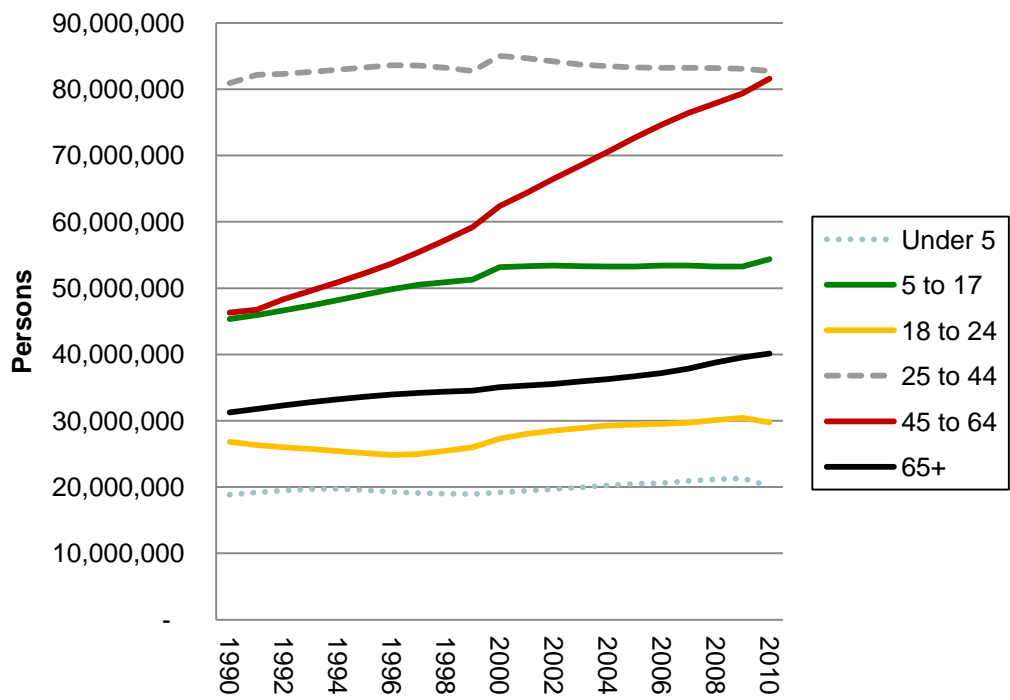
From 1990-2010, the prime source of current and future workforce (ages 0-44) declined from 67.4% to 54.5%, while the soon-to- retire or retired population (age 45-85+) went up from 32.6% to 45.5% of total population.

In the 2010 Census, Maine and Vermont ranked #1 and #2 as the oldest states.

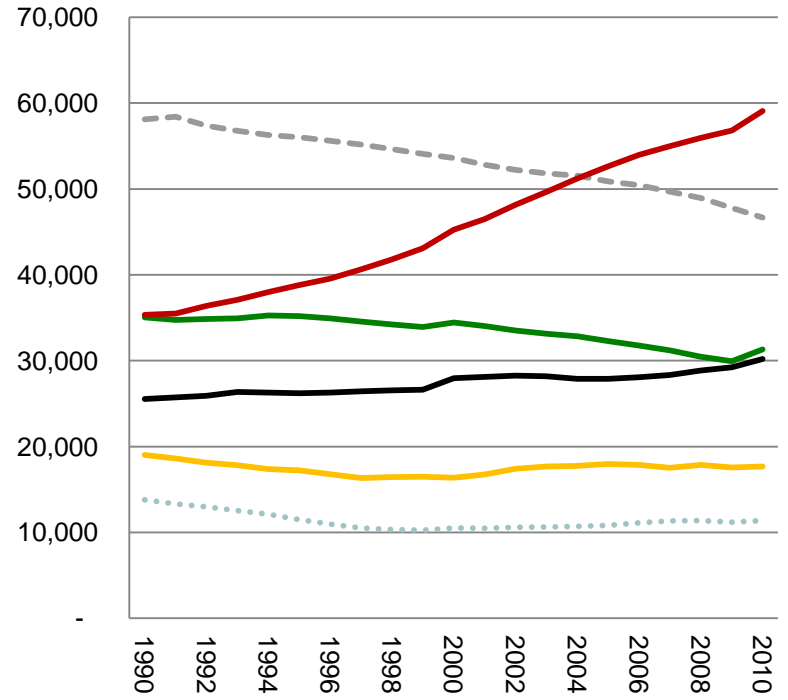


Implication Analysis of Population & Demographic Change

United States
Demographic Trend 1990-2010
 by age bracket
 Median Age = 36.7 years



Androscoggin Valley
Demographic Trend 1990-2010
 by age bracket
 Median Age = 41.0



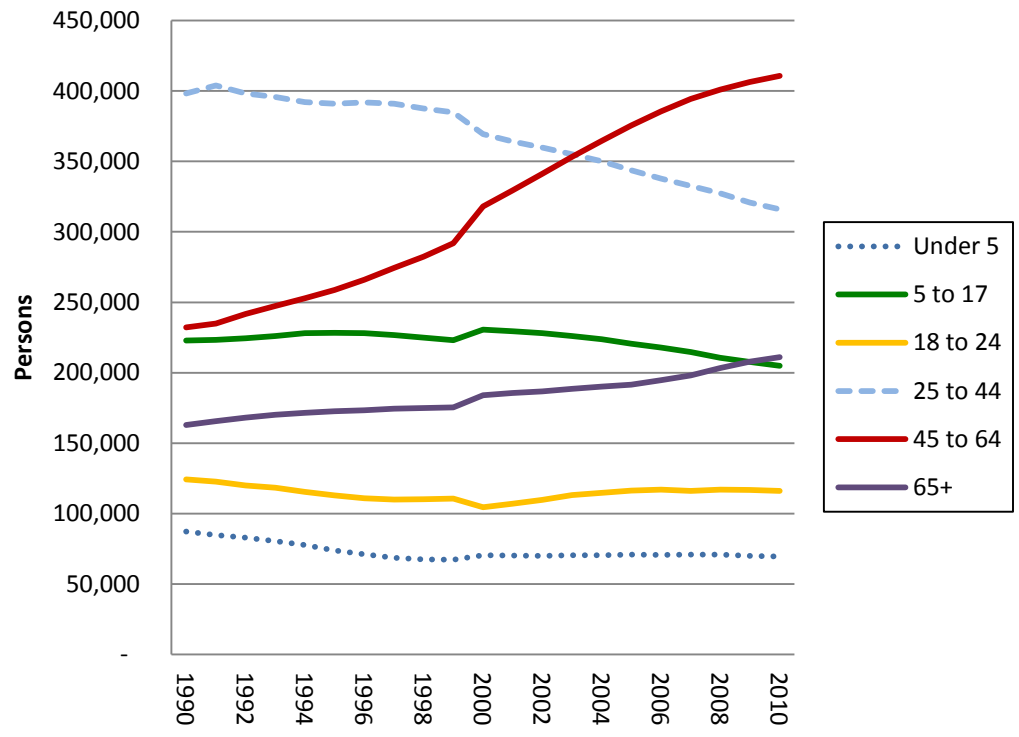
Demographic analysis reveals that while the Androscoggin Valley Region is younger than most of the regions in the State, that it is losing a significant population in the 25-44 year old family rearing age bracket, while the US has held steady through immigration. This impacts birth rates and school age cohort.

Androscoggin Valley has also experienced some decline in the 5 to 17 age bracket, while the 18 to 24 age bracket is relatively stable over the last decade.

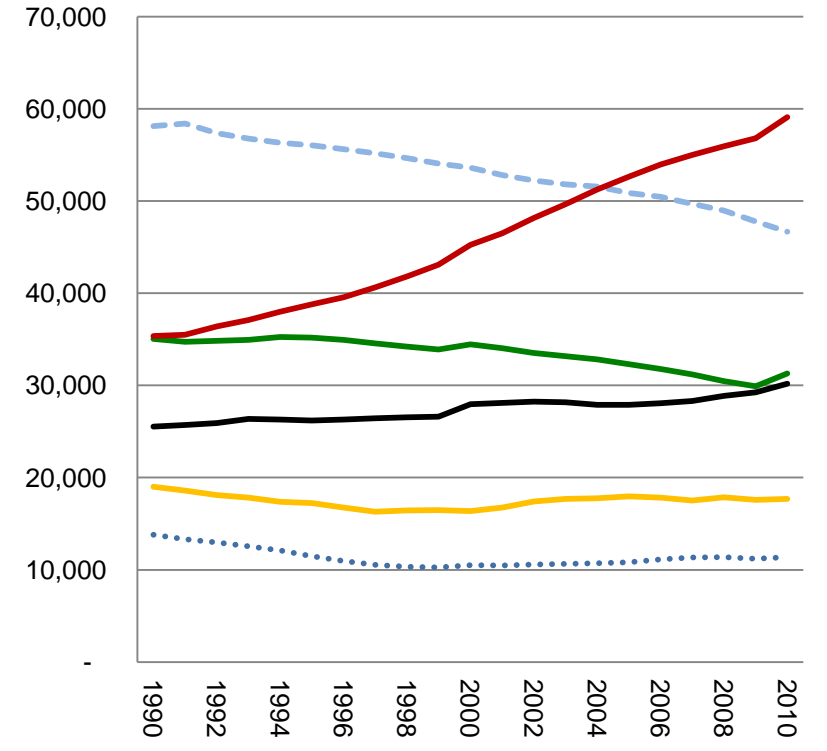


Androscoggin Valley Regional Population & Demographic Change

Maine
Demographics Trend 1990-2010
by age bracket
Median Age = 42.7 years



Androscoggin Valley
Demographic Trend 1990-2010
by age bracket
Median Age = 41.0

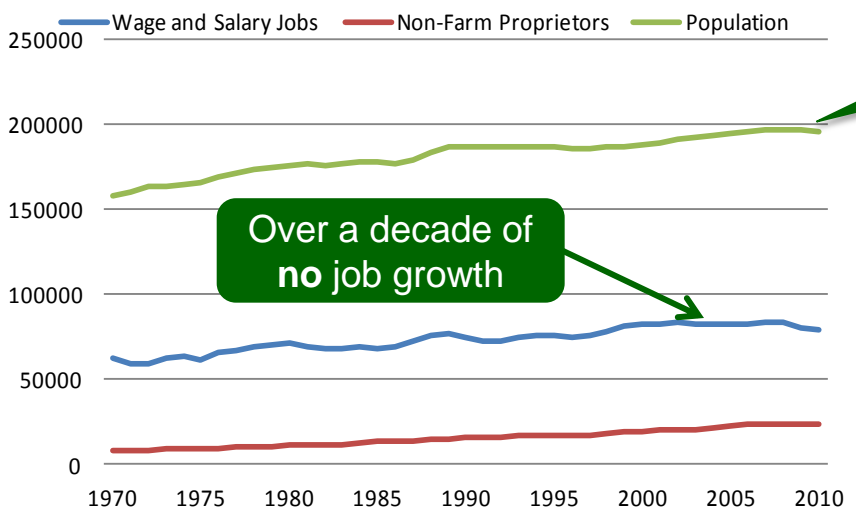


Demographic analysis confirms that Androscoggin Valley continues to lose significant population in the 25-44 year old family rearing age bracket, but has not been losing the under 24 age brackets at the same rate as the Maine average, and is thus one of the younger regions in the State.



Androscoggin Valley Regional Population & Income Trends

Population & Job Growth Trend

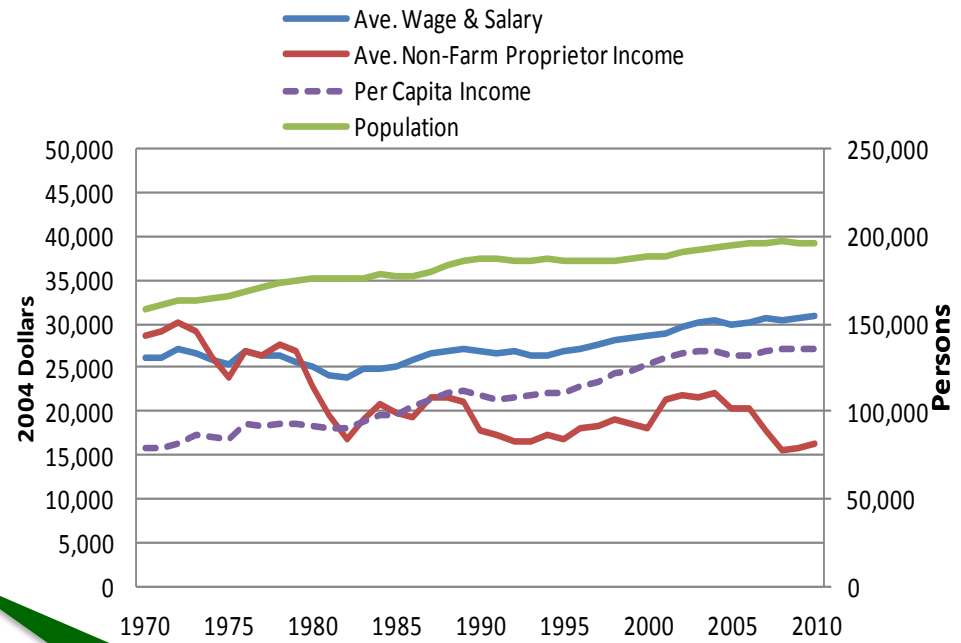


Over a decade of no job growth

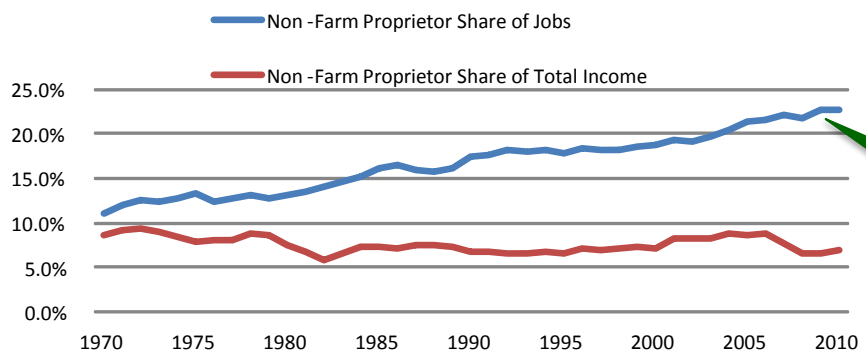
Unlike the State trend, population has risen.

Ave. Wage & Salary vs Ave. Proprietor Income

2004 Dollars



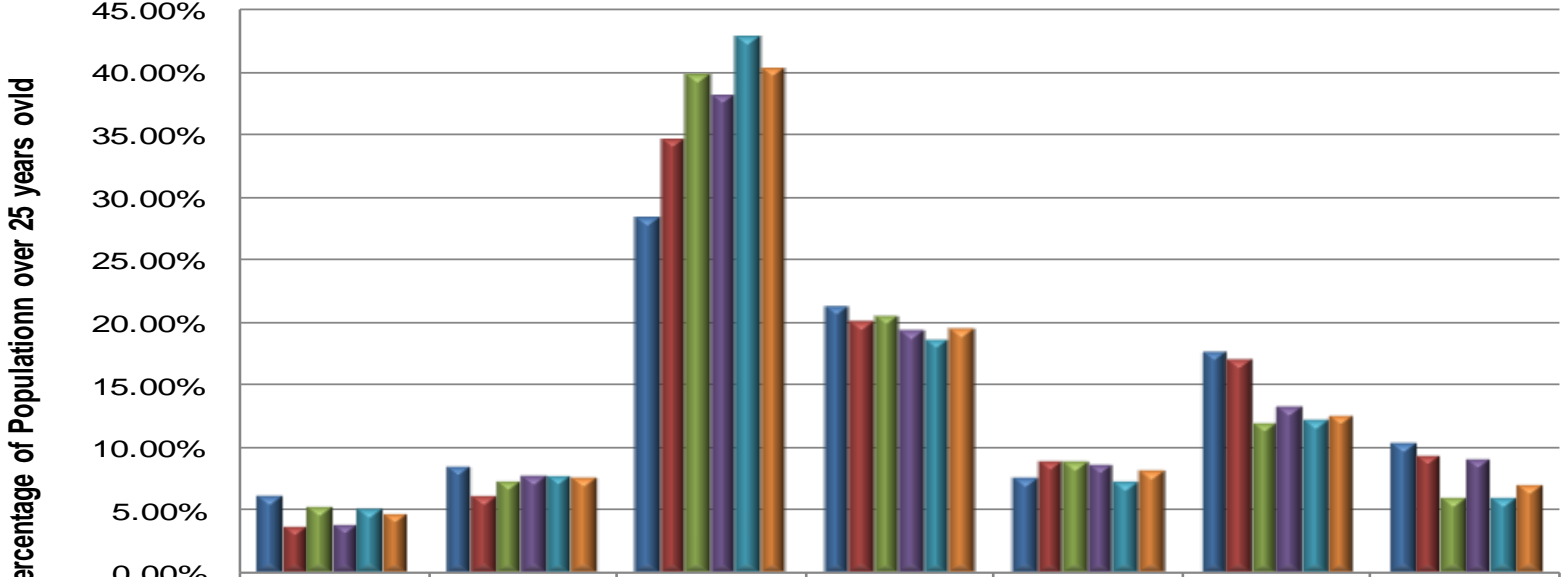
Proprietors Share of Total Income vs. Employment



More small businesses, with income flat or declining



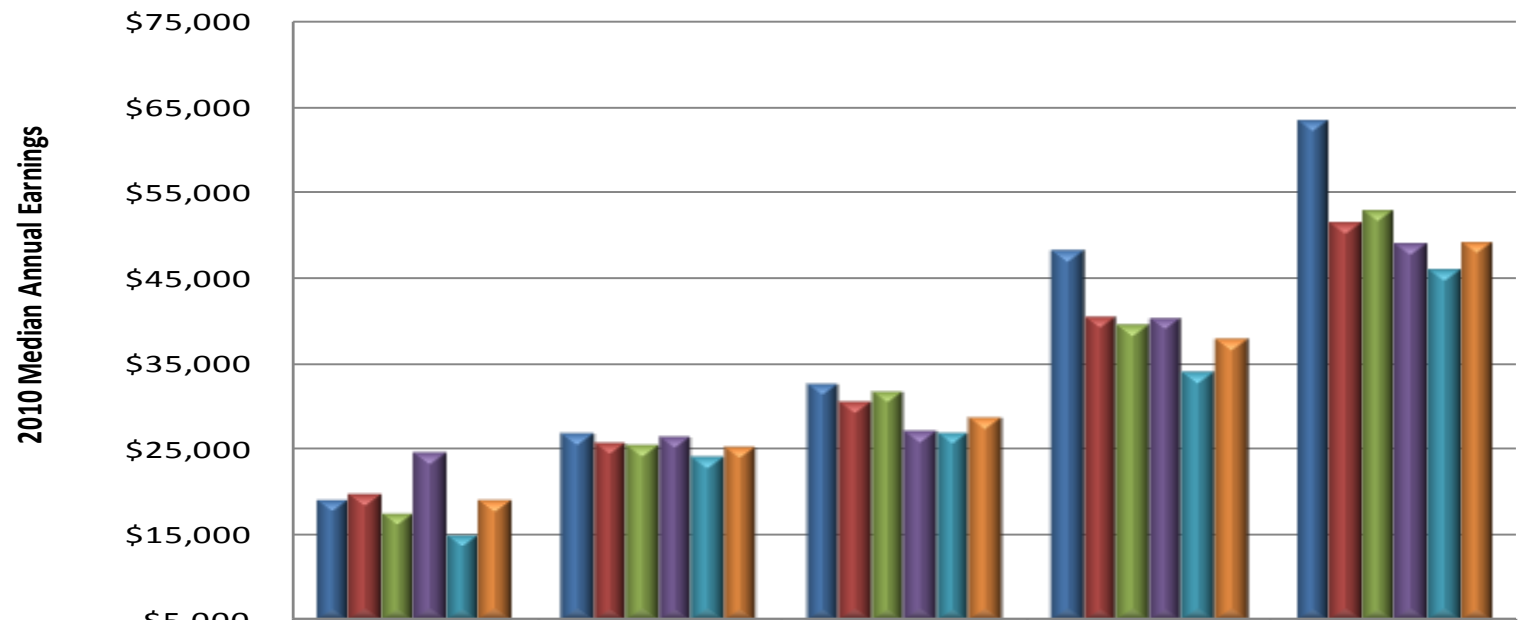
Educational Attainment Over 25 Years Old



	Less than 9th Grade	Some HS	HS Graduate	Some College	Assoc. Degree	Bachelor Degree	Grad. or Prof. Degree
■ US	6.20%	8.50%	28.40%	21.30%	7.60%	17.60%	10.40%
■ Maine	3.70%	6.20%	34.50%	20.10%	8.90%	17.10%	9.40%
■ Androscoggin	5.30%	7.40%	39.80%	20.50%	8.90%	12.00%	6.10%
■ Franklin	3.80%	7.80%	38.00%	19.40%	8.60%	13.30%	9.10%
■ Oxford	5.20%	7.80%	42.80%	18.60%	7.30%	12.30%	6.10%
■ Androscoggin Valley	4.77%	7.67%	40.20%	19.50%	8.27%	12.53%	7.10%

Androscoggin Valley exceeds Maine and the US for HS graduates, is on par for some College and Associate Degrees, but lags for Bachelor's Degrees and Higher. This can have a negative impact of Innovation in a Knowledge Based Economy (KBE). This can have a negative impact on KBE industries, which today include traditional industries such as pulp and paper.

2010 Median Earnings by Educational Attainment

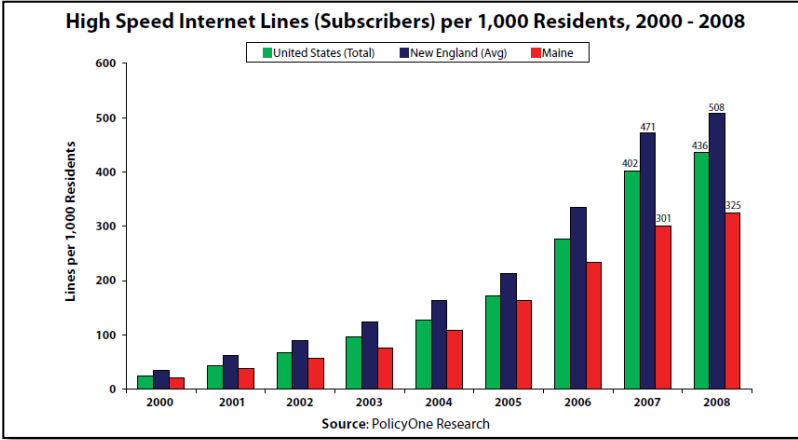


	Less than high school graduate	High school grad. (inc GED)	Some college or assoc degree	Bachelor degree	Grad. or Prof. degree
US	\$19,076	\$26,822	\$32,577	\$48,037	\$63,248
Maine	\$19,629	\$25,556	\$30,384	\$40,298	\$51,408
Androscoggin	\$17,294	\$25,497	\$31,639	\$39,396	\$52,691
Franklin	\$24,583	\$26,243	\$27,110	\$40,121	\$48,745
Oxford	\$14,818	\$24,034	\$26,885	\$33,934	\$45,809
Androscoggin Valley	\$18,898	\$25,258	\$28,545	\$37,817	\$49,082

With the exception of Oxford County, Median Earnings by Educational Attainment compares fairly well with the Maine average.

High Speed Internet Subscribers

Goal: Maine will reach the New England level of high speed internet subscribers by 2015



Source: Maine Development Foundation, 2011 Measures of Growth in Focus

In the past Mobilize Maine has used the Maine Development Foundation, Measures in Growth in Focus as a baseline for crafting consistent indicators across the economic regions. Due to additional efforts by the Connect Maine Authority and James W. Sewall Company we believe Maine has an opportunity to access better data and establish a new indicator.

Broadband continues to be an important policy and economic development topic in Maine and should be included in the Mobilize Maine regional performance metrics.

We highly recommend that *utilization* metrics be used rather than coverage or access indicators.

Recommendation:

1. Mobilize Maine and MEDDA take the lead in developing a set of broadband utilization metrics for Maine.
2. Engage parties that have expressed interest in this topic, Fletcher Kittredge, GWI, James W. Sewall Company, Connect Maine Authority, and Mobilize Maine Southern Maine which is considering a broadband pilot project.
3. Contact the Connect Maine Authority to determine current and future broadband usage data available at the regional level, determine strategic benchmarks and set goals.