

**A Confidential Report
Prepared for the**

Maine Economic Research Institute



**MAINE
ECONOMIC
RESEARCH
INSTITUTE**

Maine Senior Management Survey - 2002

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Maine Senior Management Survey
2002**

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Introduction

This report represents the results of a comprehensive survey completed by Marketing Research Institute of Maine's Senior Management officials. This survey provides insight into the opinions of key business decision makers in Maine. A total of 673 business leaders completed the questionnaire which contained 102 items. This study provides a statistical error factor of less than 4% at the .95 level of confidence.

Executive Summary

Marketing Research Institute assisted Maine Economic Research Institute with a survey of Maine's senior business officials. The Senior Management Survey had 673 business leader participants providing a sampling error factor of 4% at a .95 level of confidence. Dr. Verne Kennedy, MRI President and Senior Analyst, served as Project Director. Survey participants had considerable diversity in business industry classification. Although 20% were in manufacturing, 27 other business classifications were included. The study also provides a wide representation of business size as determined by number of employees.

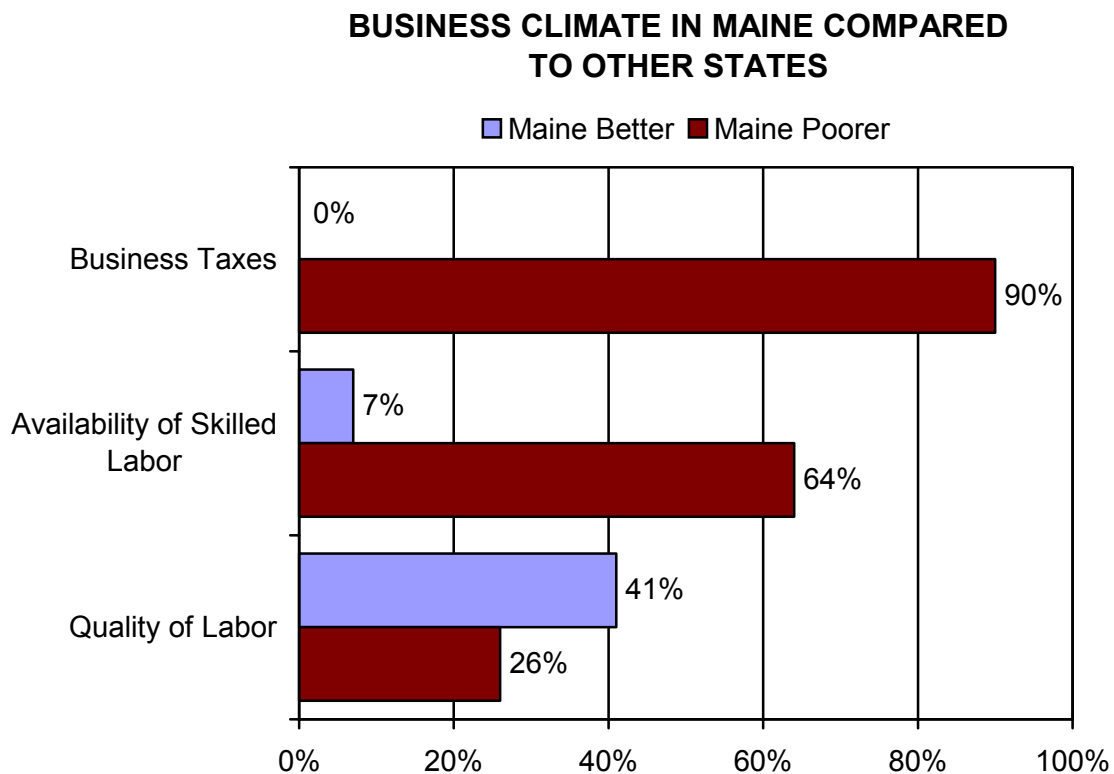
NUMBER OF MAINE EMPLOYEES	
5 Employees or Less	15%
6 - 20 Employees	28
21 - 50 Employees	23
51 - 99 Employees	11
100 - 1,000 Employees	21
Over 1,000 Employees	3

The organization of participating businesses was primarily corporate, 85%, with 7% sole proprietor, 5% partnership, 3% not for profit, and 1% other structures. Among participating companies, 34% also have operations in other states. Cumberland, Penobscot, and York Counties were most represented and made up over 50% of all respondents. Actual survey participants were 55% owners, 23% CEOs, 14% senior management officials, and 7% other categories.

Senior management officials are very pessimistic about the business climate in Maine with 88% saying they consider the overall business climate in Maine poorer than in other states and in Canada. In addition, 85% hold the opinion that the perception of Maine's business climate as held by business executives in other states is negative. Pessimism about Maine's economy is greater today than when surveyed in 1999. Senior Management officials saying that Maine's economy is poorer than other states and Canada increased from 78% to 88%. Respondents believing that executives in other states hold a negative opinion of Maine's economy went from 74% to 85%. Those saying that skilled labor availability in Maine was poorer than other states increased from 56% to 64%. The perception of Maine business taxes changed between 1999 and 2002 with business executives responding 81% too high in 1999 and 90% too high in 2002. Respondents also said that personal

taxes have gone up as well. In addition, 89% of senior management officials said the overall cost of doing business in Maine is higher than in other states, and 47% said much more expensive. If business taxes are lowered, 76% of business leaders say it is more likely their company would expand or invest new capital in Maine.

Several questions asked Maine business leaders to compare taxes, availability of skilled labor, and quality of that labor with other states and Canada. The following graph summarizes results depicting the percent of business leaders saying that Maine is better or poorer.



Maine business leaders say that business taxes are much higher in their state, the availability of skilled labor much lower, but the quality of labor somewhat better. The quality of life, Maine work ethic, and access to raw materials were key factors attracting businesses to Maine. Senior management officials were asked if factors attracting their company to Maine have changed. Although the Maine quality of life was seen as remaining constant, access to raw materials was considered slightly worse, the Maine work ethic somewhat worse, but access to labor much worse.

The survey also examined Maine’s regulatory environment. The administration of state and local regulations in Maine were considered 58% too strict and 2% too lenient. Most respondents say that

Maine's cost for Worker's Compensation applies to the whole system rather than individual factors such as medical costs, benefit levels, or workforce behavior. Senior management officials say that Maine's cost for Worker's Compensation is lower in other states, and 75% say that these costs are increasing in Maine with 24% responding rapidly increasing. Senior management officials consider Maine's tax burden much higher for both corporate and personal taxes. In fact, 95% said that personal taxes were too high and 90% corporate taxes too high. Among respondents, 76% said their companies would be more likely to expand or invest new capital in Maine if the overall tax burden for businesses and individuals were lowered.

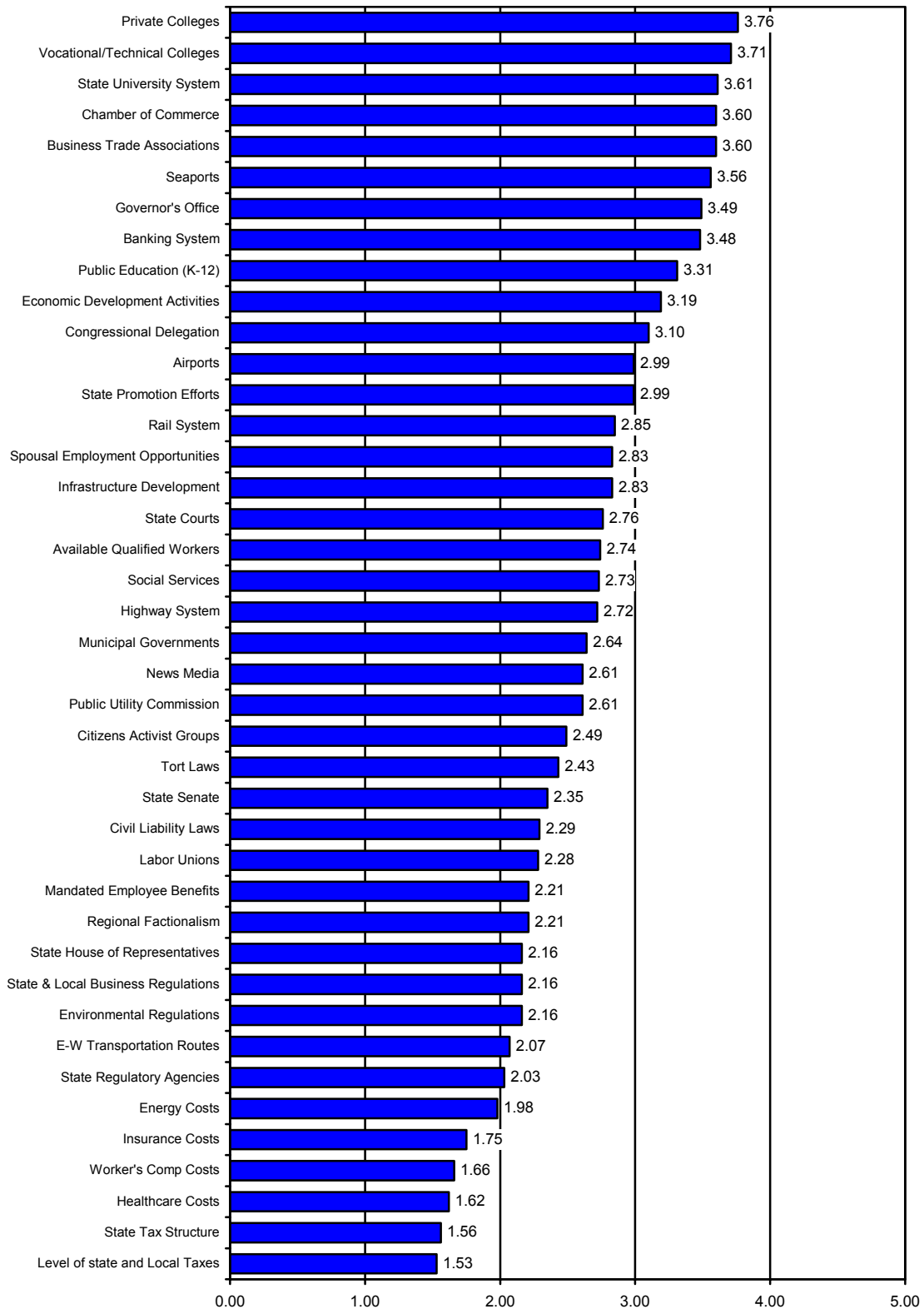
When it comes to encouraging business expansion in Maine, 89% of respondents say that Maine should offer incentives to encourage existing business and industry to expand and incentives for new companies to locate in the state. In addition, 90% say Maine should make its business tax incentive programs competitive with other states.

The survey examined influences on Maine's economy. Senior management officials were asked if each of the following was a positive or a negative factor on Maine's economic and business growth. The survey used a five-point scale ranging from five for very positive to one for very negative. The following graph depicts results. The higher the score, the more positive a factor.

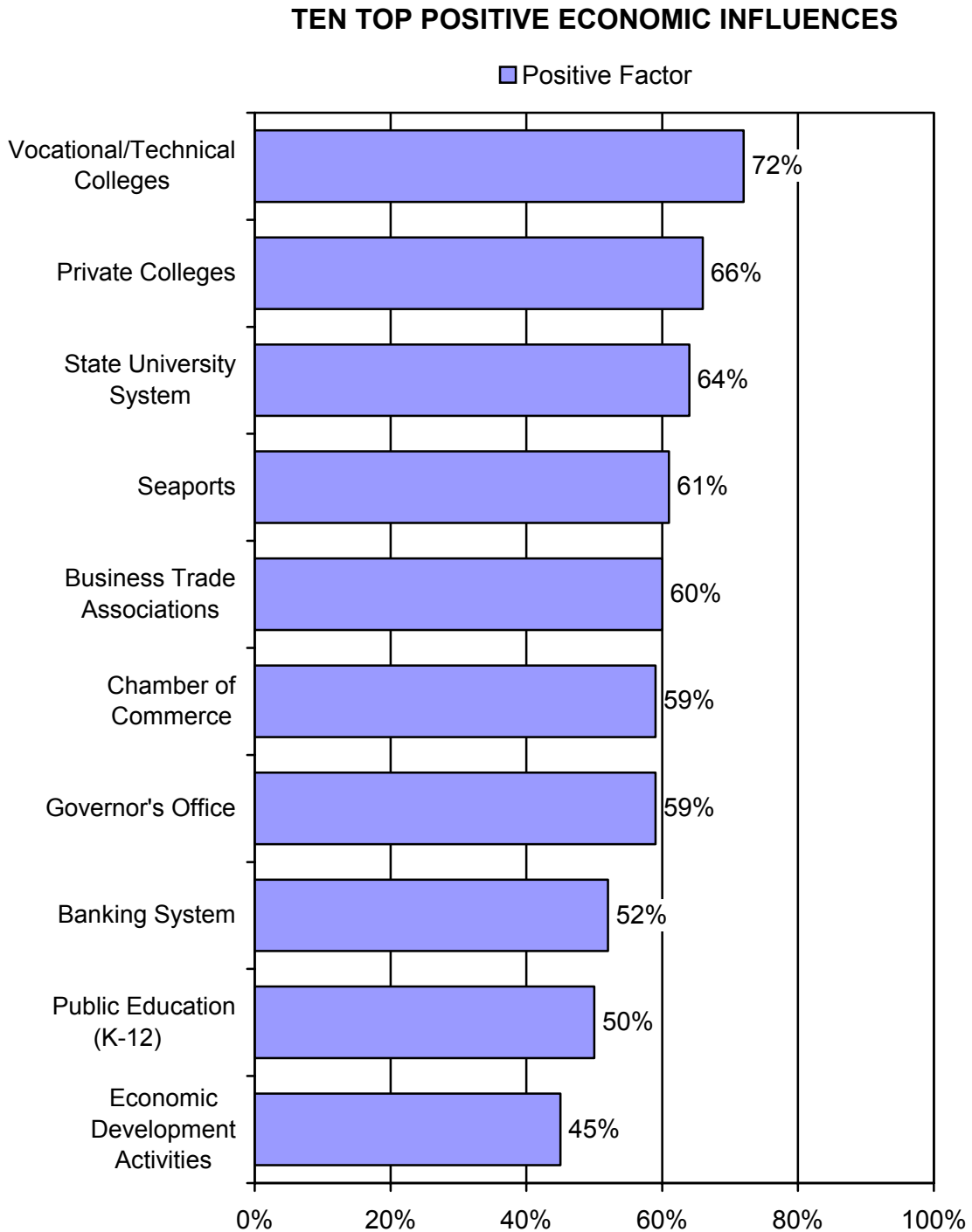
(See graph on following page)

OVERALL INFLUENCES ON MAINE'S ECONOMY

■ 5-Point Mean Score



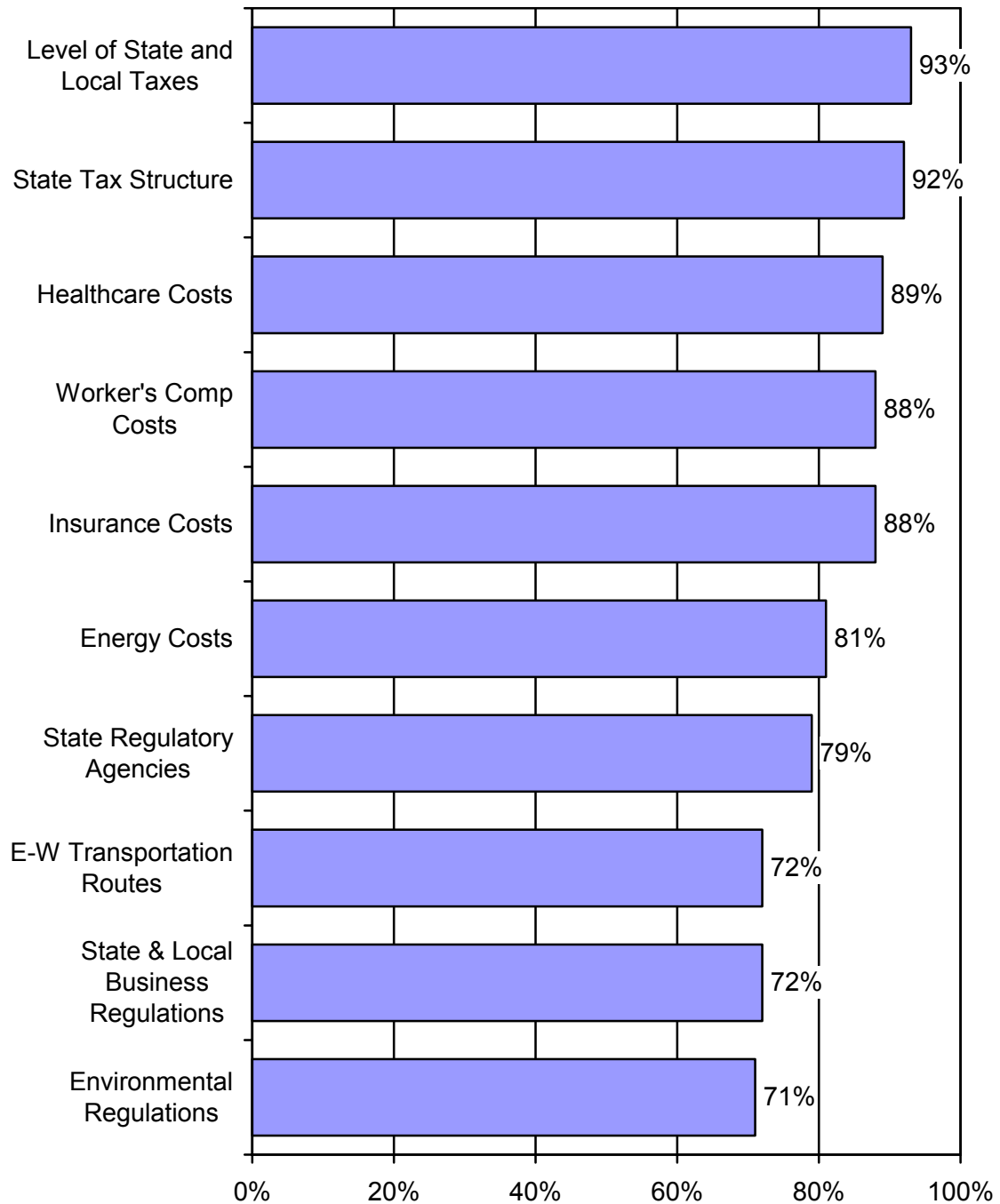
The following graph depicts the ten factors receiving most positive influence responses for helping Maine's economy.



The next graph depicts the ten most negative response factors influencing Maine's economy.

TEN TOP NEGATIVE ECONOMIC INFLUENCES

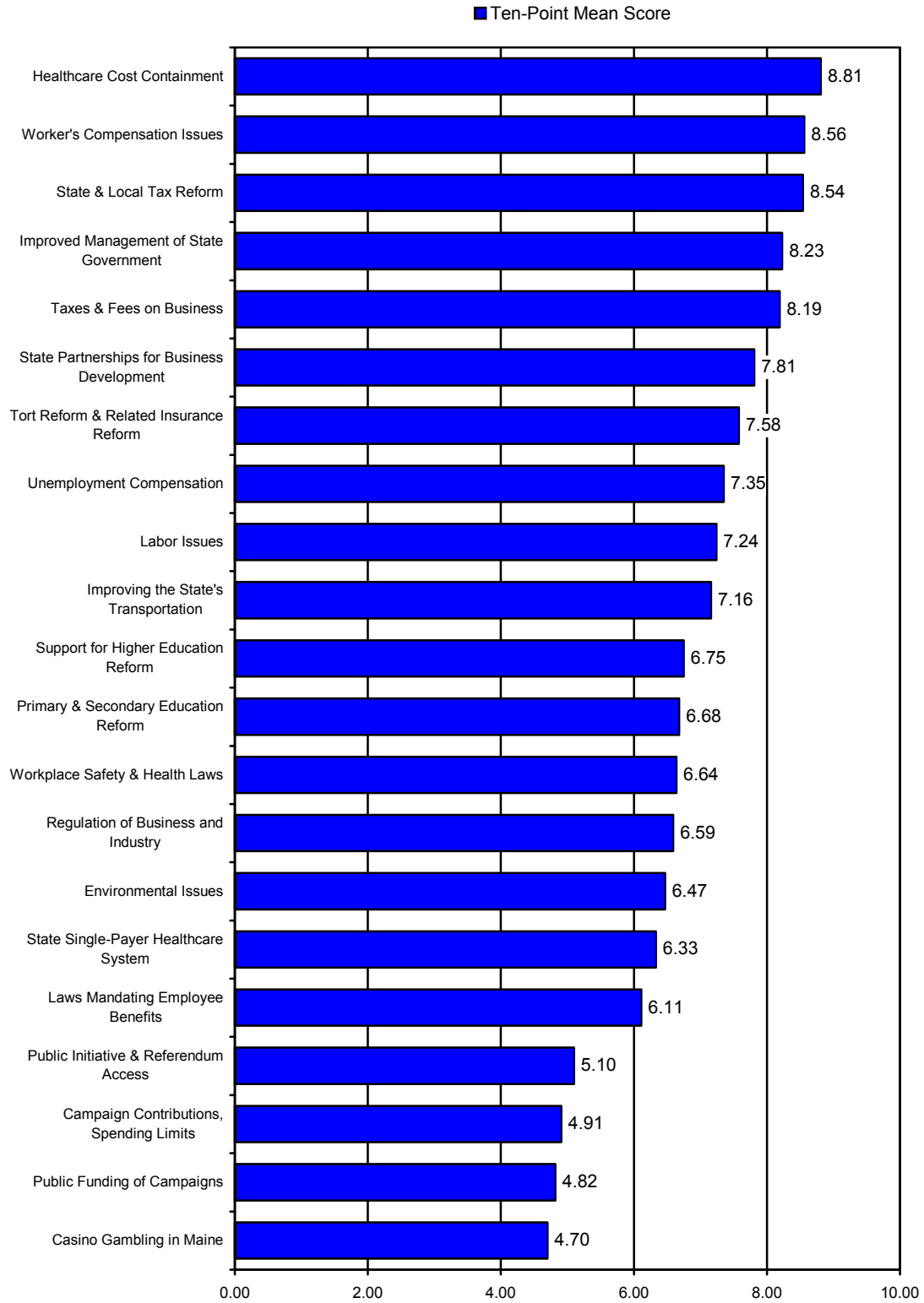
■ Negative Factor



How do business leaders determine which legislative candidates to support based upon specific issues? Using a ten-point scale, business leaders rated the following issues. The higher the rating, the more important the issue when it comes to identifying pro-business candidates for the State Legislature.

(See graph on following page)

IMPORTANT ISSUES DETERMINING BUSINESS CANDIDATE SUPPORT



Maine business leaders are very aware of negative influences on their economy. When it comes to support for legislative candidates, business leaders want candidates who will work to reverse the negative consequences of these factors.

Business opinion of casino gambling was 59% against and 41% for. Senior management officials still consider business and industry in Maine more fragmented than united with 72% responding fragmented and 28% united. In addition, 60% say that Maine legislators are unresponsive and 24% responsive to the needs of business people. Laws and programs affecting businesses were labeled 76% inconsistent and only 24% consistent. State agencies were considered 46% unresponsive and 26% responsive. Key business leaders believe that Maine state legislators are not at all knowledgeable of business needs when it comes to state policies.

When compared to 1999 survey results, Maine business leaders consider the business and industry community more fragmented today, believe that legislators are less responsive to business needs, say that laws and programs effecting businesses are more inconsistent today than before, and say that state agencies are less responsive in 2002.

Business leaders say that the top remedial actions for improving public education in Maine are increased teacher skills, more accountability, and merit pay; improved basic skills of students; better teacher quality, teacher testing, maintaining standards; and improved funding.

When it comes to priorities for strengthening Maine's economy, tax relief, fixing Workman's Compensation, controlling healthcare costs, better education, improving the state's infrastructure and transportation system, and increased incentives for businesses were most frequently mentioned. The state's tax system, anti-business legislative sentiment, and increasing cost were considered the main roadblocks to improving Maine's business environment.

Overall, 673 Maine business leaders participating in the Senior Management Survey are very pessimistic about the state's economy and potential for future growth. When compared to 1999 survey results, business leaders are more pessimistic today on almost every issue tested. Business executives say that Maine is at a strong disadvantage compared to other states and Canada on almost all issues important for a strong economy. High taxes, healthcare costs, rapidly increasing worker's compensation costs, high cost of insurance, energy costs, state regulatory policies and agencies, no east-west transportation routes, and a legislature that lacks understanding of critical business needs and is unresponsive when business leaders ask for help were seen as key factors hurting the state's economy and preventing economic growth.

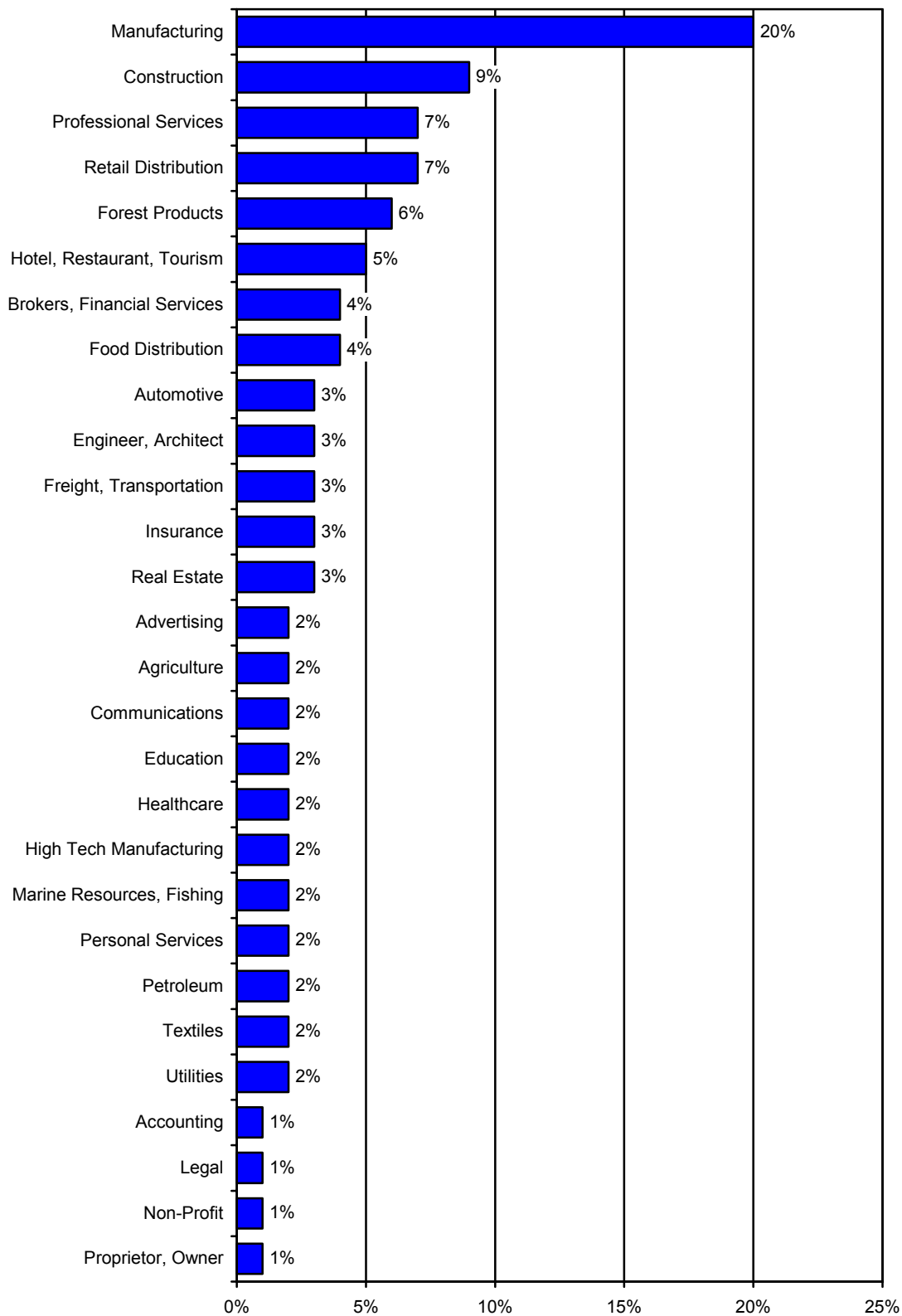
Maine Business Characteristics

Industry Background Material

Section V of the survey, which included Questions 97 through 102, examined background descriptions of individual business leaders participating in the study. The initial question, number 97, identified industry groups taking part in the Senior Management Survey. That question asked: “Which of the following industries most nearly identifies your particular business?”

(See graph on following page)

BUSINESS INDUSTRY CLASSIFICATION



As indicated, Senior Management respondents represented a broad diversity of industries in Maine.

Question 98 identified the number of employees. The question asked: “How many workers does your company employ in Maine?”

NUMBER OF MAINE EMPLOYEES	
5 Employees or Less	15%
6 - 20 Employees	28
21 - 50 Employees	23
51 - 99 Employees	11
100 - 1,000 Employees	21
Over 1,000 Employees	3

Question 99 asked: “The organization of this business is: Sole Proprietor, Partnership, Corporation, Not For Profit, or Other?”

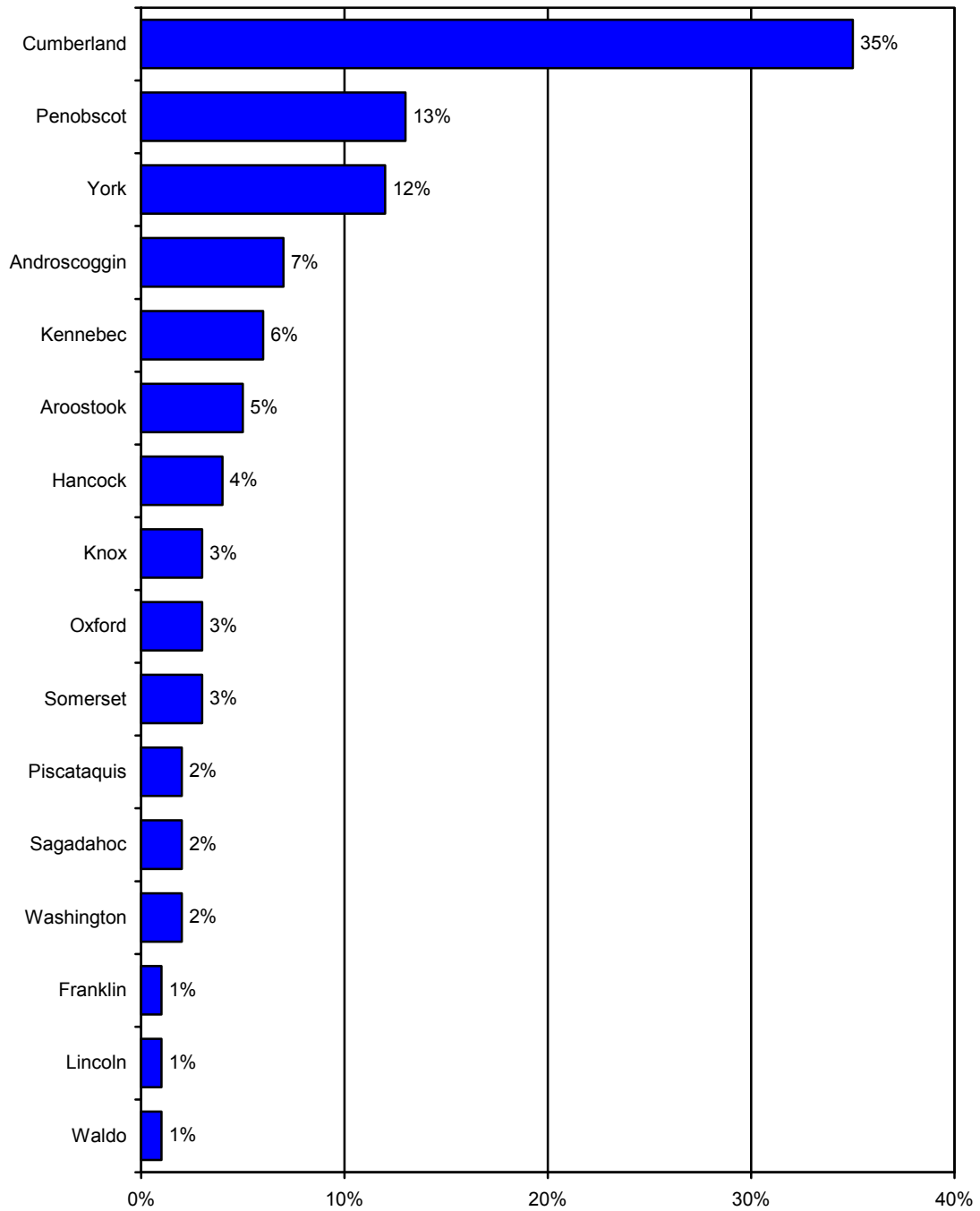
BUSINESS ORGANIZATION	
Sole Proprietor	7%
Partnership	5%
Corporation	85%
Not for Profit	3%
Other	1%

Question 100 asked: “Does your company have operations in states other than Maine?”

OPERATIONS IN OTHER STATES	
Yes	34%
No	66

Question 101 determined actual business location. The question asked: "In which Maine County is your office located?"

COMPANY/HEADQUARTER COUNTY LOCATION



A final question in this sequence determined position of respondents. Question 102 asked: “Which of the following descriptions best describes your position with the company?”

POSITION OF RESPONDENT IN COMPANY	
Owner	55%
Chief Executive Officer	23
Senior Management Official	14
Branch Manager	3
Middle Management	3
Government Affairs Representative	1

Business Climate in Maine

Three questions examined overall respondent optimism and pessimism concerning Maine’s business climate. Question 1 asked: “How does the overall business climate in Maine compare to other states and Canada?”

BUSINESS CLIMATE IN MAINE COMPARED TO OTHER STATES AND CANADA		
	2002 Survey	1999 Survey
5 Much Better	0	1%
4 Somewhat Better	2	6
3 About The Same/Uncertain	9	15
2 Somewhat Poorer	39	54
1 Much Poorer	49	24
Total Better	2%	7%
Total Poorer	88	78
Ratio Better/Poorer	0.02:1	0.9:1
Mean Score	1.59	2.06

Question 2 asked: “How would you describe the perception of Maine’s business climate as held by business executives in other states?”

PERCEPTION OF MAINE’S BUSINESS CLIMATE HELD ELSEWHERE		
	2002 Survey	1999 Survey
5 Very Positive	0	1%
4 Somewhat Positive	2	8
3 Neutral/Uncertain	13	18
2 Somewhat Negative	55	61
1 Very Negative	30	13
Total Positive	2%	9%
Total Negative	85	74
Ratio Positive/Negative	0.02:1	0.1:1
Mean Score	1.82	2.24

The final question in this series looked at state and local taxes in Maine compared to other areas. Question 3 asked: “How would you describe the current level of state and local taxes paid by business and industry in Maine compared to business taxes in other States?”

MAINE BUSINESS TAXES VERSUS OTHER STATES		
	2002 Survey	1999 Survey
5 Much Too Low	0	1%
4 Too Low	0	0
3 About Right/Uncertain	9	11
2 Too High	41	60
1 Much Too High	49	29
Total Low	0%	1%
Total High	90	89
Ratio Low/High	NA	NA
Mean Score	1.54	1.84

Question 4 asked: “How would you describe the current level of state and local taxes paid by individuals in Maine compared to taxes in other States?”

MAINE INDIVIDUAL TAXES VERSUS OTHER STATES	
	2002 Survey
6 Uncertain	1%
5 Much Too Low	0
4 Too Low	0
3 About Right	5
2 Too High	38
1 Much Too High	54
Total Low	0%
Total High	92
Ratio Low/High	NA
Mean Score	1.52

Question 47 asked: “How would you compare the availability of skilled labor in Maine with that of other states?”

MAINE'S SKILLED LABOR VERSUS OTHER STATES		
	2002 Survey	1999 Survey
6 Uncertain	5%	---
5 Much Greater	0	2
4 Greater	7	18
3 About The Same	24	25
2 Poorer	50	48
1 Much Poorer	14	8
Total Greater	7%	20%
Total Poorer	64	56
Ratio Greater/Poorer	0.1:1	0.4:1
Mean Score	2.26	2.58

Question 48 asked: "How would you compare the quality (*including skill level & work ethic*) of labor in Maine with that of other states?"

QUALITY OF LABOR IN MAINE	
	2002 Survey
6 Uncertain	3%
5 Much Greater	5
4 Greater	36
3 About The Same	31
2 Poorer	20
1 Much Poorer	6
Total Greater	41%
Total Poorer	26
Ratio Greater/Poorer	1.6:1
Mean Score	3.15

Question 49 asked: “What strengths does Maine have that attracted your company to Maine and keeps it here?”

MAINE STRENGTHS THAT ATTRACTED YOUR COMPANY	
Maine Quality of Life	69%
Maine Work Ethic	35
Access to Raw Materials	10
Founded in Maine/Native	10
Access to Labor	6
Market For Product	1
Location	1
Nothing	1

Question 50 read: “Have any of the reasons in question #49 above changed and if so are they?”

STRENGTHS CHANGED			
	Better	Same	Worse
Maine Work Ethic	5%	57%	38%
Maine Quality of Life	13	73	14
Access to Raw Materials	4	74	22
Access to Labor	5	44	51
Other	6%	44%	50%

Maine's Regulatory Environment

Several questions examined regulatory issues in Maine. Question 5 asked: “How would you describe the administration of state and local regulations in Maine applicable to business and industry?”

ADMINISTRATION OF REGULATIONS IN MAINE		
	2002 Survey	1999 Survey
5 Much Too Lenient	0%	1%
4 Too Lenient	2	6
3 About Right	39	38
2 Too Strict	45	47
1 Much Too Strict	13	9
Total Lenient	2%	7%
Total Strict	58	56
Mean Score	2.32	2.43

Question 57 asked: “If your company does business in other states besides Maine, how does your workers’ compensation expense in those states compare to Maine?”

WORKER'S COMPENSATION COSTS IN OTHER STATES COMPARED TO MAINE	
	2002 Survey
5 Much Less Expensive Than Other States	16%
4 Somewhat Less Expensive Than Other States	24
3 The Same As Other States	8
2 Somewhat More Expensive Than Other States	13
1 Much More Expensive Than Other States	10
Cannot Compare	29
Total Less Expensive Than Other States	40%
Total More Expensive Than Other States	23
Ratio Less/More	1.7:1
Mean Score	3.35

Question 58 asked: “If your experience shows that Maine’s Workers’ Compensation costs are higher than other states, why do you believe they are higher?”

REASON MAINE WORKER’S COMPENSATION COSTS HIGHER	
Maine’s Worker’s Comp System Overall	52%
Medical Costs	27
Benefit Levels	24
Workforce Behavior/Characteristics	22
Administrative Costs (Of System)	14
Pharmaceutical Costs	12
Fraud	2
Lawyers/Courts	2
Politics/Government	2
All Of The Above	30

Question 59 asked: “Are your company’s costs for workers’ compensation?”

YOUR COMPANY’S COSTS FOR WORKER’S COMPENSATION	
5 Rapidly Increasing	24%
4 Somewhat Increasing	51
3 Stable	23
2 Somewhat Decreasing	2
1 Rapidly Decreasing	0
Total Increasing	75%
Total Decreasing	2
Ratio Increasing/Decreasing	37.5:1
Mean Score	3.97

Business Taxation Issues

Two questions, 51 and 52, asked respondents to agree or disagree with specific statements regarding taxation. The introductory comments to this section of the survey read: “The next few questions concern opinions on issues relating to effectiveness and taxation in State Government. Please indicate whether you agree or disagree with each of the following statements.” Actual areas tested were:

- “Maine should offer incentives to encourage existing business and industry to expand in the state and for new companies to come to Maine.”
- “Maine should make its business tax incentive programs competitive with other states.”

MAINE SHOULD OFFER INCENTIVES TO EXISTING BUSINESSES	
5 Strongly Agree	48%
4 Agree	41
3 Uncertain	5
2 Disagree	5
1 Strongly Disagree	1
Total Agree	89%
Total Disagree	6
Ratio Agree/Disagree	14.8:1
Mean Score	4.29

MAINE SHOULD MAKE ITS TAX INCENTIVES COMPETITIVE WITH OTHER STATES	
5 Strongly Agree	50%
4 Agree	40
3 Uncertain	6
2 Disagree	3
1 Strongly Disagree	1
Total Agree	90%
Total Disagree	4
Ratio Agree/Disagree	22.5:1
Mean Score	4.37

Question 53 asked: “How would you rate the overall tax burden in Maine as it applies to business and personal taxes?”

BUSINESS TAX BURDEN IN MAINE		
	2002 Survey	1999 Survey
5 Much Too High	41%	27%
4 Somewhat Too High	49	54
3 About Right	9	16
2 Somewhat Too Low	0	2
1 Much Too Low	0	0
Total High	90%	81%
Total Low	0	2
Ratio High/Low	NA	40.5:1
Mean Score	4.30	4.06

PERSONAL TAX BURDEN IN MAINE		
	2002 Survey	1999 Survey
5 Much Too High	66%	58%
4 Somewhat Too High	29	33
3 About Right	5	9
2 Somewhat Too Low	0	0
1 Much Too Low	0	0
Total High	95%	91%
Total Low	0	0
Ratio High/Low	NA	NA
Mean Score	4.61	4.48

Question 54 asked: “Do you believe that any state tax restructuring must result in an overall lower tax burden?”

STATE TAX RESTRUCTURING RESULTS IN LOWER TAX BURDEN	
5 Strongly Agree	51%
4 Agree	38
3 Uncertain	7
2 Disagree	3
1 Strongly Disagree	1
Total Agree	89%
Total Disagree	4
Ratio Agree/Disagree	22.3:1
Mean Score	4.33

Question 55 read: “How would you rate the overall cost of doing business in Maine relative to other states?”

OVERALL COST OF DOING BUSINESS IN MAINE	
6 Uncertain	4%
5 Much Less Expensive	0
4 Somewhat Less Expensive	3
3 The Same	3
2 Somewhat More Expensive	42
1 Much More Expensive	47
Total Less Expensive	3%
Total More Expensive	89
Ratio Less/More	0.03:1
Mean Score	1.63

Question 56 asked: “If the overall tax burden for businesses and individuals were lowered, my company would be more likely to expand and/or invest new capital in Maine?”

EXPAND MY BUSINESS IF TAXES ARE LOWERED	
5 Strongly Agree	23%
4 Agree	53
3 Uncertain	21
2 Disagree	3
1 Strongly Disagree	0
Total Agree	76%
Total Disagree	3
Ratio Agree/Disagree	25.3:1
Mean Score	3.96

Influences on Maine's Economy

Questions 6 through 46 asked Senior Management officials to rate the influence of a number of items on Maine's economy and business growth. The actual question read: "What type of influence, positive or negative, would you say each of the following factors is having on Maine's economy and business growth?" Respondents replied to a five-point scale ranging from five for major positive to one for major negative. The following table provides actual responses to the questionnaire sequence.

(See table on following page)

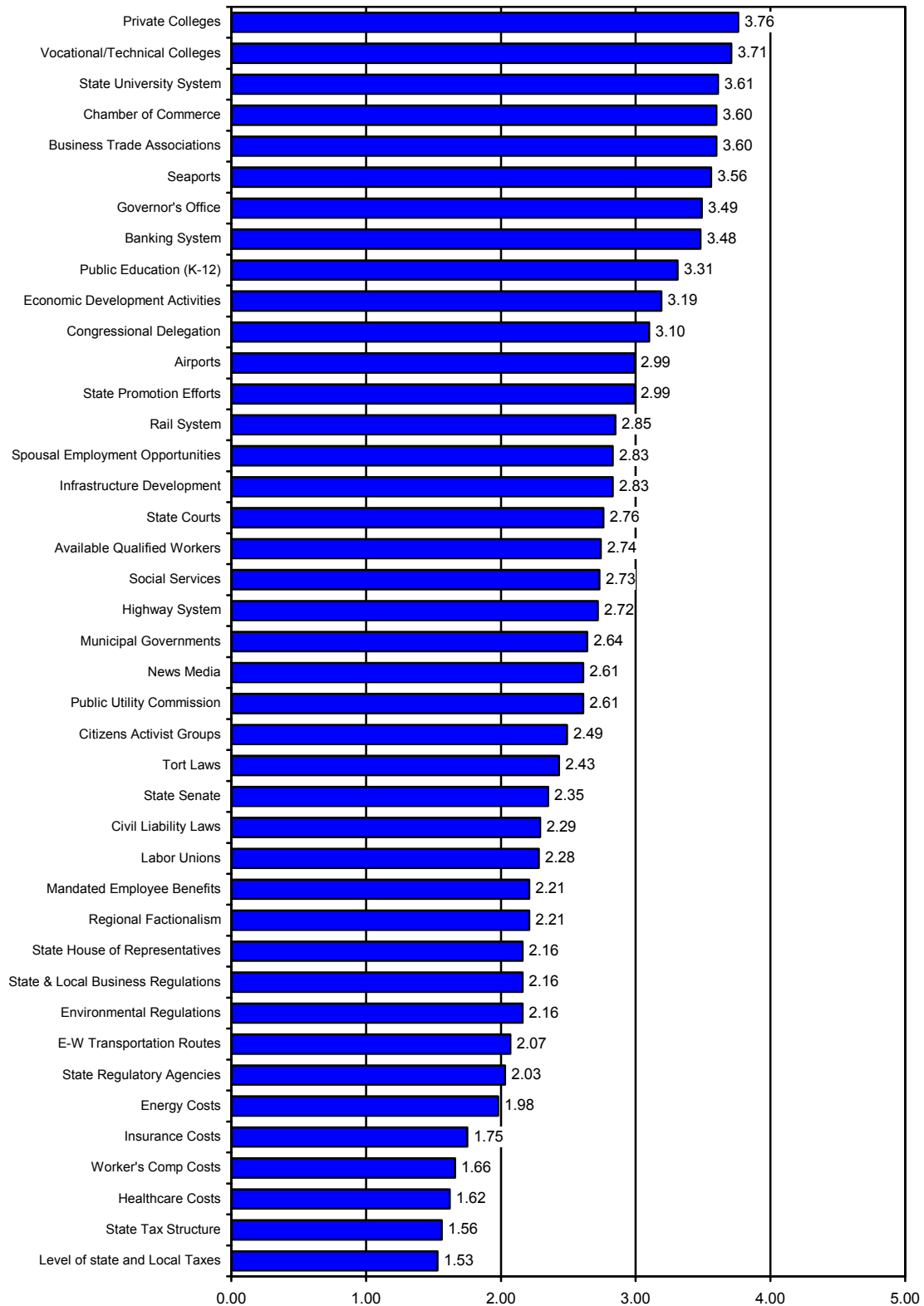
POSITIVE AND NEGATIVE INFLUENCES ON MAINE'S ECONOMY								
	Very Pos	Some Pos	No Influ	Some Neg	Very Neg	Total Pos	Total Neg	Mean Score
Airports and Access to Specific Destinations	8%	33%	14%	38%	7%	41%	45%	2.99
Availability of Trained, Qualified Workers	7	24	15	45	9	31	54	2.74
Banking System	9	43	37	9	2	52	11	3.48
Chambers of Commerce	8	51	36	4	2	59	6	3.60
Citizens Activist Groups	1	14	31	40	14	15	54	2.49
Business Trade Associations	4	56	37	4	0	60	4	3.60
State University System	10	54	26	10	1	64	11	3.61
Private Colleges	14	52	29	5	0	66	5	3.76
Congressional Delegation	6	37	24	25	7	43	32	3.10
Economic Development Activities	3	42	30	21	4	45	25	3.19
Energy Costs	2	5	12	52	29	7	81	1.98
Environmental Regulations	1	8	20	48	23	9	71	2.16
Other State & Local Business Regulations	1	3	24	55	17	4	72	2.16
Factionalism Between Regions of the State	0	2	35	43	19	2	62	2.21
Governor's Office	12	47	24	12	5	59	17	3.49
Healthcare; Costs and Quality	2	2	7	34	55	4	89	1.62
Highway System	4	23	23	41	9	27	50	2.72
Infrastructure Research & Development	1	21	42	32	4	22	36	2.83
Insurance Costs	1	2	9	47	41	3	88	1.75
Labor Unions	0	4	37	39	19	4	58	2.28
Laws Governing Civil Liability Cases	0	4	38	43	16	4	59	2.29
Mandated Employee Benefits	0	4	31	47	18	4	65	2.21
Municipal Governments	0	15	42	35	8	15	43	2.64
News Media	1	14	42	32	11	15	43	2.61
Public Education (K-12)	5	45	29	17	4	50	21	3.31
Public Utility Commission	0	11	48	33	9	11	42	2.61
Rail System	1	23	43	26	7	24	33	2.85
Seaports	8	53	28	8	2	61	10	3.56
Social Services	1	17	43	32	7	18	39	2.73
Spousal Employment Opportunities	1	19	46	30	4	20	34	2.83
State Promotion Efforts – <i>Business Attraction</i>	2	34	34	22	8	36	30	2.99
State Courts	0	9	63	22	6	9	28	2.76
State Legislature - <i>House of Representatives</i>	0	8	22	45	24	8	69	2.16
State Regulatory Climate	0%	4%	17%	56%	23%	4%	79%	2.03
State Legislature - <i>Senate</i>	0	12	26	45	16	12	61	2.35
State's Tax Structure	1	1	6	38	54	2	92	1.56
Transportation East-West Routes	1	5	22	44	28	6	72	2.07
Tort Laws	0	3	48	35	13	3	48	2.43
Vocational & Technical Colleges	9	63	21	5	2	72	7	3.71
Workers' Compensation Costs	1	4	7	37	51	5	88	1.66
Level of State and Local Taxes	1	1	5	36	57	2	93	1.53

The following graphs highlight overall influence using the five-point mean score, most positive influences by rank ordering total positive replies, and negative influences by rank ordering total negative replies. Keep in mind that the five-point mean score is the best overall indicator of responses since it is the average of all participating Senior Management officials.

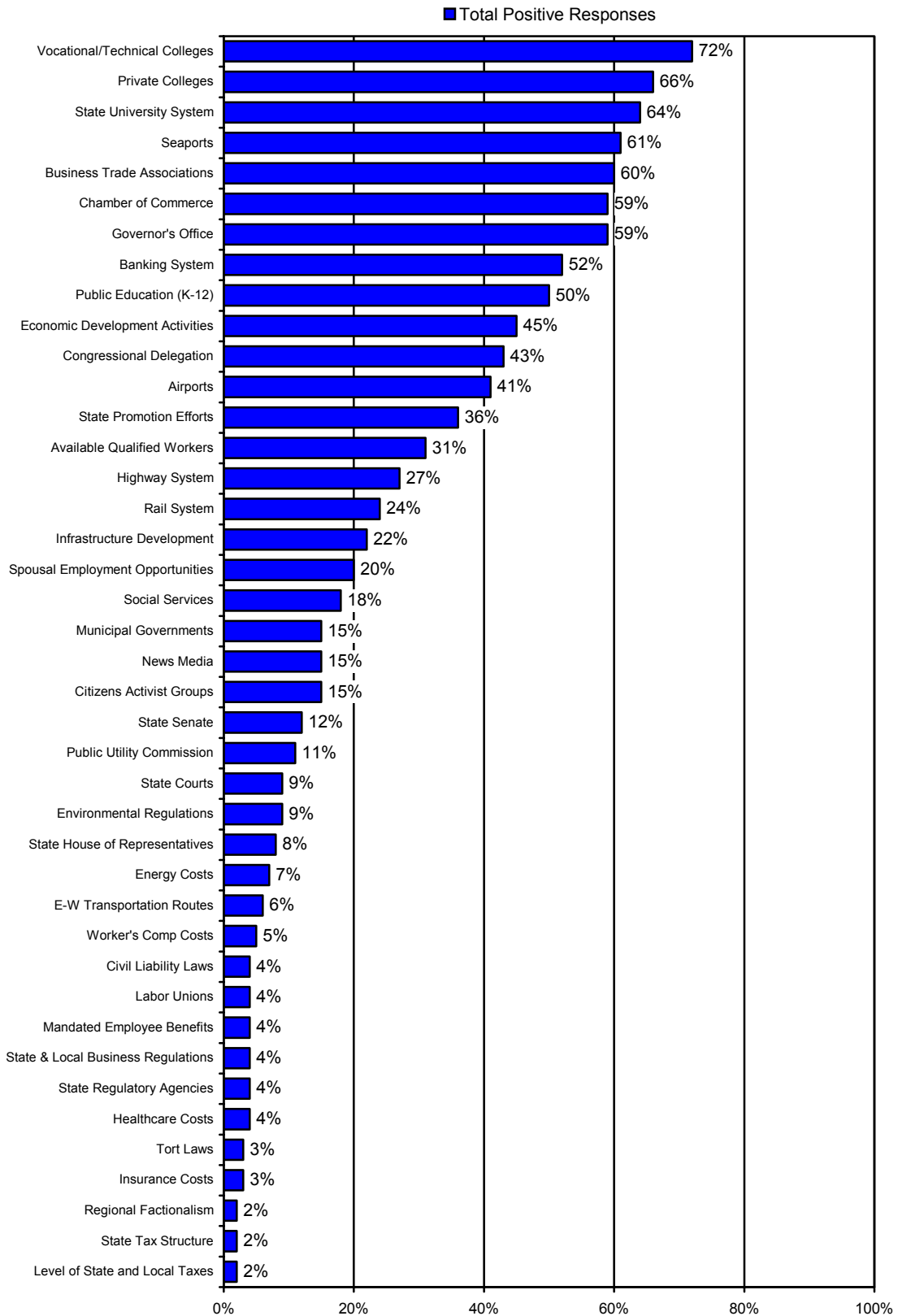
(See graphs on following pages)

OVERALL INFLUENCES ON MAINE'S ECONOMY

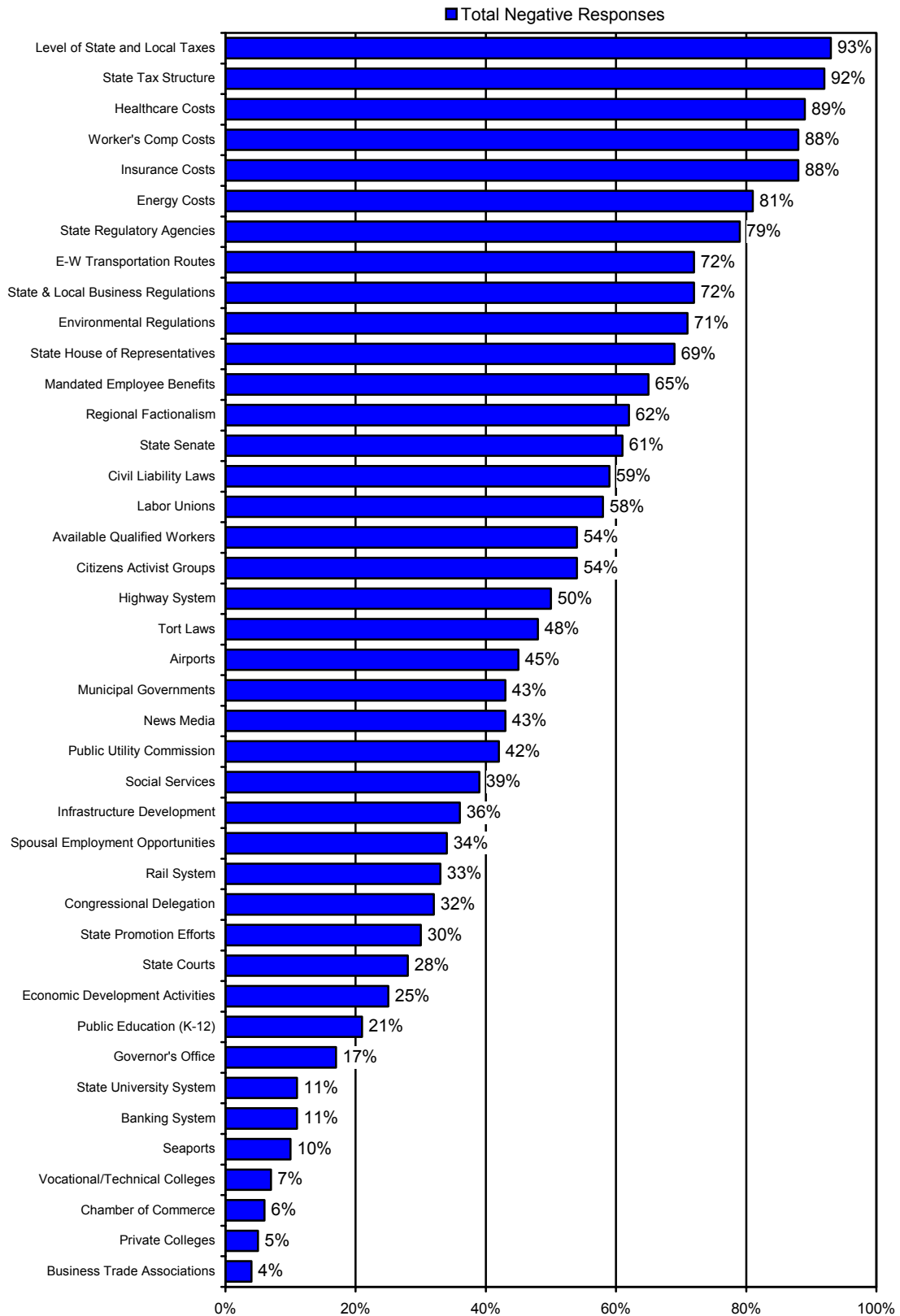
■ 5-Point Mean Score



POSITIVE INFLUENCES ON MAINE'S ECONOMY



NEGATIVE INFLUENCES ON MAINE'S ECONOMY



Political Influences on Maine

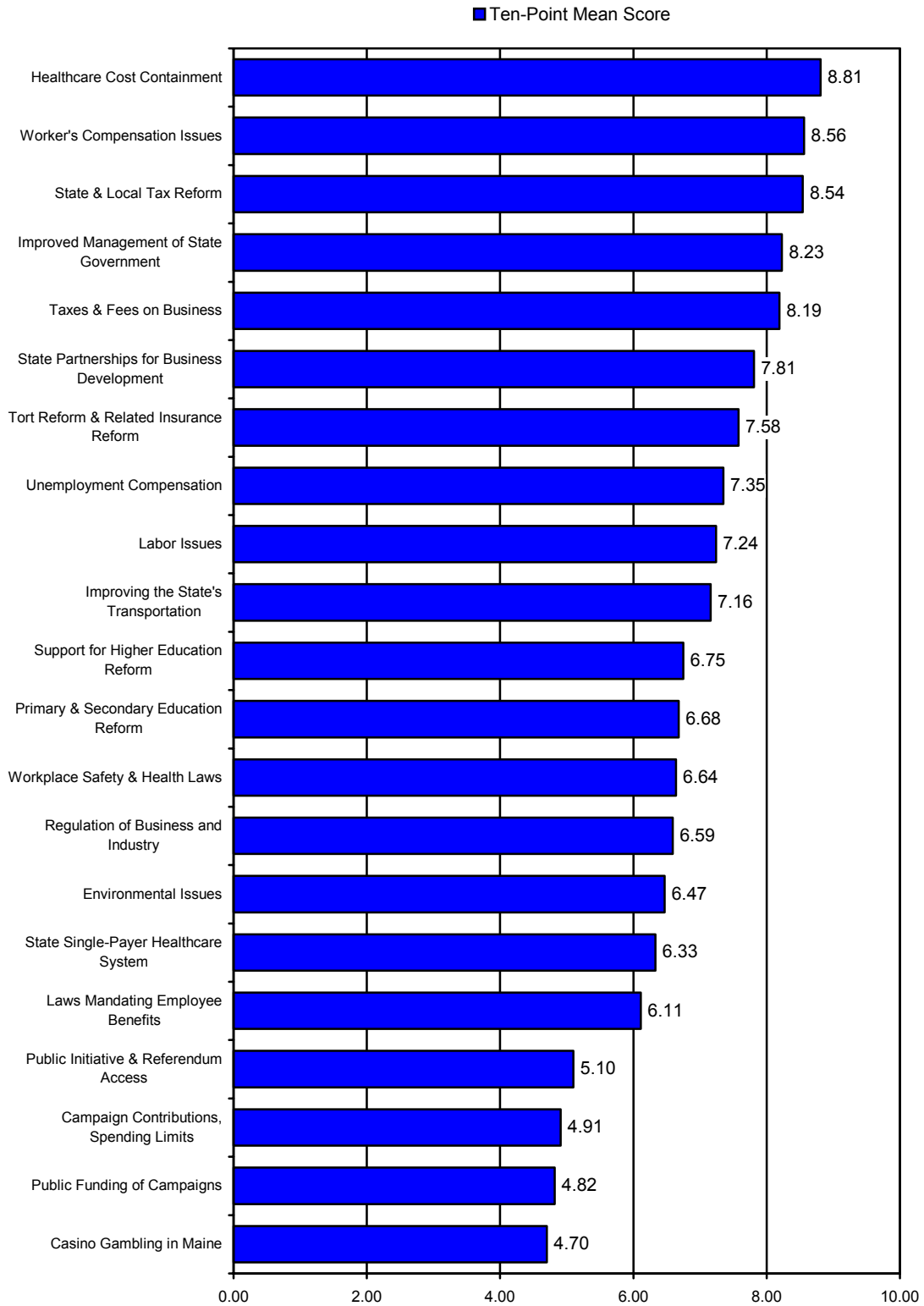
The Maine Senior Management Survey examined political influences from several different approaches. Initially, the survey identified key issues which drive business support of members of the State Legislature. The introductory comments to the questionnaire sequence for Questions 60 through 80 read: “If a candidate for the State Legislature asked you to support their campaign, how would you determine whether this was a strong pro-business candidate? Using the issues below, tell how much importance you would place on the candidate’s positions on each issue using a 10 point scale.” Items tested included:

- Campaign Contributions & Spending Limits
- Environmental Issues
- Healthcare Cost Containment
- Improved Management of State Government
- Improving the State’s Transportation System
- Laws Mandating Employee Benefits
- Primary and Secondary Education Reform
- Public Initiative & Referendum Access
- Regulation of Business & Industry
- Support for Higher Education Reform
- Taxes & Fees on Business
- Tort Reform and Related Insurance Reform
- Unemployment Compensation
- Work Place Safety & Health Laws
- State & Local Tax Reform
- Public Funding Of Campaigns (*Clean Elections Act*)
- Workers’ Compensation Issues
- Labor Issues
- State Single-Payer Healthcare System
- State Partnerships With Business For Business Development & New Business Attraction
- Casino Gambling In Maine

The following graph displays the mean ten-point score received for each item tested. The higher the score, the more important the issue when it comes to business leaders deciding which candidates they support.

(See graph on following page)

IMPORTANT ISSUES DETERMINING BUSINESS CANDIDATE SUPPORT



Question 81 asked: “Are you for or against casino gambling?”

CASINO GAMBLING OPINION	
For	41%
Against	59

Question 82 asked: “Are there other issues which are a major factor in selecting legislative candidates you support? If yes, please list.”

ADDITIONAL IMPORTANT ISSUES IN IDENTIFYING BUSINESS CANDIDATES	
Understands Business, Ran a Business	6%
Jobs, Economic Development, Existing Business	6
Reduce Size of Government, Budget	4
Tax Cuts	4
Healthcare Reform	4
In-Touch, Access	3
Honesty, Character	3
Less Regulations	3
Independent	2
Cut Welfare & Give-Aways	1
Education Reform	1
Intelligence	1
Abortion Issue	1
Leadership	1
Other	2%
None	67

Question 83 read: “In some states, business and industry is well-organized and speaks with a strong, unified voice. In other states, business and industry is poorly organized and lacks cohesiveness in pursuing business interests. On a statewide basis, how unified is business and industry in Maine?”

(See table on following page)

BUSINESS AND INDUSTRY IN MAINE		
	2002 Survey	1999 Survey
Very Fragmented	24%	21%
Moderately Fragmented	48	44
Moderately Unified	27	32
Very Unified	1	2
Total Fragmented	72%	65%
Total Unified	28	34

Question 84 asked: “In your experience, how responsive are Maine state legislators to the needs of business people like yourself?”

MAINE LEGISLATORS RESPONSIVENESS TO NEEDS OF BUSINESS PEOPLE		
	2002 Survey	1999 Survey
Very Responsive	3%	6%
Somewhat Responsive	21	33
Uncertain	16	19
Somewhat Unresponsive	39	31
Very Unresponsive	21	11
Total Responsive	24%	39%
Total Unresponsive	60	42

Question 85 asked: “When it comes to state laws and programs effecting business, would you describe these laws and programs as: very consistent & fair, somewhat consistent & fair, somewhat inconsistent & unfair, very inconsistent & unfair?”

(See table on following page)

LAWS AND PROGRAMS AFFECTING BUSINESS		
	2002 Survey	1999 Survey
Very Consistent & Fair	1%	1%
Somewhat Consistent & Fair	23	36
Somewhat Inconsistent & Unfair	60	55
Very Inconsistent & Unfair	16	8
Total Consistent	24%	37%
Total Inconsistent	76	63

Question 86 asked: “How responsive have state agencies been to the needs of your business?”

STATE AGENCIES RESPONSIVENESS TO NEEDS OF YOUR BUSINESS	
	2002 Survey
Very Responsive	2%
Somewhat Responsive	24
Uncertain	27
Somewhat Unresponsive	36
Very Unresponsive	10
Total Responsive	26%
Total Unresponsive	46

Question 87 asked: “How well do you believe Maine’s state legislators understand your company’s needs when it comes to state policies?”

STATE LEGISLATORS UNDERSTANDING YOUR COMPANY’S NEEDS	
Very Knowledgeable	1%
Somewhat Knowledgeable	21
Barely Knowledgeable	57
No Idea	22

Question 88 asked: “How often do you communicate with your state legislators?”

HOW OFTEN COMMUNICATE WITH STATE LEGISLATORS	
	2002 Survey
Frequently	11%
Occasionally	44
Infrequently	35
Never	10

Question 89 asked: “Maine’s state legislature understands the role of business in Maine’s economy?”

MAINE’S STATE LEGISLATURE UNDERSTANDS ROLE OF BUSINESS	
	2002 Survey
5 Strongly Agree	1%
4 Agree	10
3 Uncertain	17
2 Disagree	45
1 Strongly Disagree	27
Total Agree	11%
Total Disagree	72
Ratio Agree/Disagree	0.2:1
Mean Score	2.14

Education in Maine

Questions 90-92 examined Senior Management opinion concerning Maine’s education. The question asked: “From a business needs point of view, what are the top three remedial actions that must be taken to improve public education in Maine.”

TOP REMEDIAL ACTIONS TO IMPROVE PUBLIC EDUCATION	
Increase Teacher Skills, Accountability, Merit Pay	16%
Improve Basic Skills	15
Teach Quality, Testing, Maintain Standards	12
Improve Funding	12
Improve Vocational, Technical Schools	8
Improve Universities, Higher Education	8
Increase Teachers Pay	7
Closer Cooperation With Business	7
Increase Computer Skills	6
Emphasize Technology	6
Less Administration	6
Discipline	5
Improve Business Skills	5
Parent Involvement	4
Eliminate Mandates	3
Vouchers	3
Smaller Class Size	3
Reduce Union Influence	3
Other	4%
Don’t Know	30

Establishing Priorities For Strengthening Maine's Economy

Questions 93-95 examined how Maine can deal with attracting new business and industry to the state. The question read: “How can State policies change to help create an environment that enhances the competitive position of Maine companies while maintaining Maine’s quality of life? Please indicate your top 3 recommendations for how State policies can help attract new business and industry and help strengthen current businesses.”

HOW STATE POLICIES CAN HELP ATTRACT NEW BUSINESS	
Tax Relief	43%
Fix Workman’s Compensation	19
Control Healthcare Costs	15
Improve Education	11
Improve Infrastructure, Transportation	10
Increase Incentives	10
Ease Regulations	8
Less Government	6
Be Pro-Business	5
Control Insurance Costs	5
Stable, Consistent Policies	4
Promote the State	4
Diversify, Bring in New Industries	3
More, Promote Environmentally Friendly Industry	3
Less Environmental Control	3
Help Small Business	3
Expand Economic Development	2
Lower Business Expenses	1
Put Existing Business First	1
Other	1%
Don’t Know	29

Question 96 read: “What do you consider the roadblocks to improving Maine’s business environment?”

ROADBLOCKS TO IMPROVING MAINE’S BUSINESS ENVIRONMENT	
Taxation	24%
Anti-Business Legislature, Government	13
Worker Comp Costs	10
Healthcare Costs	9
Inexperienced Legislators	8
Infrastructure, East-West Highway	6
Lack of Qualified Labor	5
Government Regulations, Mandates	5
Special Interests, Unions	5
Insurance Costs	5
Politics	5
Schools, Education	5
High Utility Costs	4
Location	4
Transportation Costs	4
Lack of Foresight, Planning	3
Lack of Political Leadership	3
Population Resistance to Change	3
Competitors, Canada	3
Cost of Living, Quality of Life	3
Environmental Regulations	3
Size of Government	3
Cost of Business	2
Population Distribution	2
Unemployment Compensation Too High	2
Local Governments	1
Lack of Capital, Banks	1
Retaining Employees	1
Perception of Maine	1
Other	3%
Don’t Know	24