The Economic Impacts of the Maine Manufacturing Extension Partnership Program on the Maine Economy

One Year Executive Summary

The Maine Manufacturing Extension Partnership (MEP) program is supported by the National Institute of Standards and Technology in the U.S. Dept. of Commerce and the state of Maine to help small- and medium-size manufacturers identify and implement advanced manufacturing and management technologies. Through a network of resources, the MEP links client firms with local and national sources of expertise to address specific problems. This study estimates the total economic contribution to the Maine economy from firms whose employment, sales, or investment activity changed as a direct result of assistance provided by the Maine MEP.

Maine MEP clients are surveyed, by an independent third party survey company, to determine the economic impact resulting from their relationship with the MEP program. Clients are surveyed roughly one year after the completion of a project and asked a number of questions relating to changes in efficiency and output as well as questions relating to the quality of the MEP services they received. 54 companies surveyed during the past year reported that as a result of their relationship with the Maine MEP they have:

- Created 181 jobs that otherwise would not have existed
- Retained 215 jobs that otherwise would not have existed
- Increased and retained $45.4 million in sales
- Spent $6.8 million on new investments
- Experienced $8.1 million in cost savings

The effects of this increased economic activity, extends beyond the client firms. Increased sales by Maine MEP client firms require that they increase their purchases of intermediate goods and services from companies located in Maine and elsewhere to support their increased output. The supplying companies, in turn, generate additional demands of their own. In this way, dollar expenditures for final demand can be traced backward to all of the affected industries in the regional economy. In addition, the income from new jobs generated by Maine MEP clients and the supplying firm’s results in increased demand for consumer goods. Each of these effects, in turn, generates subsequent ripples throughout the Maine economy. The sum of these direct, indirect, and induced effects suggests that small- and medium-size manufacturing companies that increased or retained jobs or sales and/or increased investments with assistance from the Maine MEP are responsible for:

- Creating or retaining 1,051 jobs that paid a total of $47.1 million in employee wages and benefits
- Increasing or retaining economic output worth $209 million
- Contributing or retaining $76.8 million of gross state product
- Generating or retaining $16.3 million in additional tax and non-tax revenues at the Federal, state, and local government levels, including $6.8 million at the state and local level