



**Remarks of
Gregory W. Powell
Chairman of the Board**

**Bangor Region Chamber of Commerce
Early Bird Breakfast**

**Brewer, Maine
March 20, 2024**

Thank you, Deb, for your kind introduction. And thanks to Eaton Peabody, this morning's sponsor. It is an honor and a pleasure to be with you.

Honor and pleasure aside, there are only two reasons I am here as your early bird speaker. First, I was so early I showed up in January.

Second, back when Deb and Shelly were planning your January annual breakfast, they wanted a brilliant, eloquent speaker, a renowned expert in commerce and economic development here in Maine. And ... that speaker cancelled.

So here I am, your early bird backup speaker, with – would you believe it – a message of optimism and hope for Maine. Optimism and hope, even in the face of grave peril and challenges around the world and here at home.

With that dark landscape and this a cold, March morning with a storm on the way, you must be thinking that for a speaker to give a talk on hope and optimism, he would have to be wildly confused.

Well, I'm going to try. So here it goes.

Charlie Munger, Berkshire Hathaway's Vice Chairman and long-time friend of Warren Buffett, died recently at the ripe old age of 99. Just months before he died, in sync with the optimism of Harold Alfond and Warren Buffet, Charlie was asked about all the problems in the world and how we should face them.

“Be optimistic,” Charlie said. “If I am optimistic and I’m nearly dead, you should be too!”

So, at the Foundation, in the spirit of Warren Buffett, Charlie Munger, and Harold Alfond, we are optimistic and incredibly excited about what’s happening in this state to build a better future.

And when you think about the impressive membership of this Chamber, with some 760 members across all manner of commerce, and your dedication to growth and prosperity for this region and beyond, you should be too!

So, this morning, I’m pleased and honored to tell you a little about the Foundation, what we are seeing in Maine that supports our optimism, and a bit about some of our grant programs which are targeted to promote the kind of economic and workforce development this Chamber supports.

The Foundation was created in 1950 by Harold Alfond, the founder of Dexter Shoe Company. It was the first private foundation in Maine, and today it is the largest with assets of nearly \$1.6 billion.

In the 16 years since Harold’s passing, the Foundation has paid out some \$650 million in grants. Currently, we have grant commitments of \$667 million payable over the next ten years, mostly to Maine institutions. This year, we will pay some \$90 million of those commitments.

Our areas of interest are broad but guided by the values and optimistic vision of our founder. They include education, health care, youth, and community development.

Education funding has long been a prominent focus of our grants in recognition of the fact that prosperous communities are those in which education attainment is high.

At a most basic level, our education grantmaking has always been driven by the belief that a critical mission of education should be to build and sustain a skillful workforce. And the fundamental reality that a skillful workforce is indispensable to economic prosperity and our nation’s continued leadership in the world.

This belief and reality have increasingly played a role in the strategic design and reach of our education grants.

In the last four decades, with the globalization of the world’s economy, it has become painfully apparent that while free trade and globalization have contributed to economic efficiency, large segments of our workforce have been left behind without the skills needed by a modern and ever-changing economy.

The negative impact of this skills gap has extended beyond economics to diminish for too many the American dream of prosperity, dignity, and quality of life.

Today, we are experiencing a severe nationwide labor shortage and particularly so in Maine. We are also experiencing a retrenchment in globalization as tech and other manufacturing return home.

At the same time, we are on the cusp of extraordinary change. And this change will impact all commerce from Wall Street to Main Street as amazing American-led advances in science and technology converge with the looming and blooming of artificial intelligence. The confluence of these dynamics at this moment in time poses extraordinary opportunity here in Maine.

Ironically, the pandemic actually helped set the stage for this in at least two ways:

- First, remote virtual work emerged as a fact of life for business – meaning people could live in Maine yet be connected to employers everywhere; and
- Second, urban densely-populated cities became less desirable places to live. With that, Maine became a more attractive place to live for much needed skilled workers and their families.

So as Covid ramped up in 2020, the Foundation doubled down – to use a phrase heard at the Hollywood Casino across the river – and announced over a half billion dollars in grant commitments, most of them in education with prominent investment in STEM education initiatives.

We saw at that time and see today that a renewed, inclusive, and creative commitment to the economic mission of education has become more compelling than ever.

For the Foundation and our education grantees, this has meant that our grants have been and will be strategically designed to:

- Bring education institutions and employers into closer partnership;
- Fund skill-building education programs which deploy cross-disciplinary experiential and applied learning models;
- Fund STEM education programs that spawn innovation and boost tech skills of our workforce – a workforce that can then support all sectors of the economy and especially those best positioned to compete and grow; and
- Our grants are designed to nurture opportunity and competence for all Maine workers – across the spectrum of our workforce, from frontline workers to PhDs.

This morning, based upon the latest available census and other data, reasons for optimism are growing. Let me mention four.

First, after years of economic stagnancy and the economic downturn of the pandemic, Maine's economy is improving.

In 2022, the state's GDP, adjusted for inflation, was 9% higher than in 2019, the 8th highest rate of growth in the country.

Second, after years of stagnant or even declining population, Maine is now attracting people. Since 2020, Maine's population has grown by 32,500 people with total net in-migration of 48,000. In this same period, Maine's net in-migration per capita is the 8th highest in the country.

Best of all, census data suggests that many of our newcomers are young families!

Third, the STEM and life science economies are playing an increasingly substantial role in Maine's economic growth. There are now more than 275,000 people working in Maine's STEM sector, generating almost \$30 billion in economic output.

This includes 9,500 life science jobs, a 42% increase over the last five years, and a \$2.2 billion contribution to Maine's GDP. All as life science and other tech firms are poised to expand north out of the Boston Metro area.

The potential for Maine here is especially promising as the life science industry is growing and requiring a new-age form of manufacturing with high-paying jobs for frontline workers, the very workers most disrupted by the pandemic and globalization.

Finally, Maine businesses and education institutions are coming together in new and innovative ways to expand and upskill our labor force and especially so for frontline workers.

So, there are reasons to be optimistic about Maine's future. And this optimism drives our work at the Foundation.

The Foundation's grant investments span multiple areas, and we have many great grant partners doing wonderful work in Maine. These range from teaching computer science in our public schools with the terrific help of the Maine Math and Science Alliance, to cutting edge scientific research at the Jackson Laboratory, to job creation in agriculture, aquaculture, and biopharma with FocusMaine. Well, there are just too many to mention.

But that said, this morning, I'd like to tell you about four of our investments as they align with this Chamber's 2024 strategic focus, underpin our optimism, and exemplify our efforts to help build and position our workforce for a more prosperous Maine.

The first investment is in the Maine Community College System with some \$20 million of Foundation funding.

With Governor Mill's allocation of pandemic funds and the contributions of business partners, the System has built and launched a state-wide program. We are proud to call it the Harold Alfond Center for the Advancement of Maine's Workforce.

The Alfond Workforce Center trains and upskills workers at any stage in their career through short-term, employer-driven credentials of value.

The program is flexible and provides occupational skills training for both underemployed and unemployed workers that need to learn or update skills needed by employers.

For both of these groups, the Center offers pathways to stack short-term credentials into college course credits that can lead to an associate's degree. Yet, this is an added but not necessary benefit of the Center's work. The primary benefit is skills building on a compressed timetable that is attractive to workers for whom enrollment in traditional higher ed is not practical.

The most important feature of the Center is that it is employer-driven, flexible, and adaptable to skills needed by employers as and when they arise.

Employers join the System's workforce development compact. They're called compact members, and they advise on the training that is needed. They help design the courses, and they work with the System's colleges to recruit or send their employees into the Center's training programs to gain new skills and credentials. So far, the results of the Center's programs have been exceptional. Since first launched a little over two years ago:

- 1,423 business and industry associations, representing 297,265 Maine employees, have joined the Compact to access the Center's training opportunities;
- Already some 23,000 individuals have received education and training through the Center; and
- 4,100 training programs have been launched, 28% of which are STEM related.

This morning, I am thrilled to say that the Center is now on track to train far more Mainers than initially projected, some 75,000 people over the next five years. *And* in the days to come, the Foundation will be doubling down on its support for this program. So, stay tuned!

The second investment I want to tell you about is Northeastern University's Roux Institute.

In 2020, the Foundation matched Lewiston native Dave Roux and committed \$100 million to launch the Roux Institute here in Maine. The Institute is Northeastern University's new graduate school and research center in Portland.

Though the Institute is headquartered in Portland, it has a significant presence and reach throughout the state.

The Institute is all about STEM and focused on the disciplines of AI, computer and data science, digital engineering, and the advanced life sciences and medicine. And like the Community College System, its model of education is pioneering in its intense focus on the needs of employers.

The faculty and staff of the Institute ask businesses and nonprofits what they need and then works with them to deliver solutions.

Since our 2020 grant, the Institute's growth and accomplishments have accelerated at a remarkable pace. Today, it boasts 725 students and 208 graduates, 90% of whom have stayed in Maine. Some 54 start-up companies have worked in residence at the Institute's temporary home adjoining the corporate headquarters of WEX. The Institute is now developing a new permanent campus in Portland.

As the Institute's roots deepen and its partnerships expand, we could not be more optimistic about its potential to build Maine's STEM workforce, to strengthen existing businesses, and to spawn new ones.

The third Foundation investment that I want to mention is in Husson University so ably led by President Bob Clark.

With an emphasis on experiential education, especially business education, Husson provides the steady stream of educated workers prepared for today's jobs that Maine needs. And, lucky for us, most Husson graduates stay and work in Maine. Husson's College of Business educates over 1,250 students annually.

In 2016, the Foundation awarded Husson \$4 million to build Harold Alfond Hall which houses Husson's College of Business.

In 2022, we awarded the University a \$2.2 million grant to launch New England's first Extended Reality – or XR – undergraduate degree program within Husson's growing School of Technology and Innovation.

XR is an umbrella term that includes both virtual and augmented reality. How powerful is XR? Well, would it surprise you to learn that this entire speech is actually taking place in extended reality ... and I am a hologram?

With our XR grant, Husson is attracting new students and increasing enrollment, generating research tied to workforce needs, and preparing Maine students for jobs in a growing and cutting-edge STEM field.

The fourth Foundation investment, and by far our largest, is a \$320 million multi-dimensional grant to the University of Maine System.

We made this investment for many reasons including the huge contributions our University System makes in our state, the exemplary leadership of the Chancellor and University presidents, the System's expanding excellence in STEM, and its vision and commitment to system-wide unification and collaboration between its seven universities – teamwork as Harold Alfond would call it.

Let me highlight some of the initiatives we are funding.

First, \$75 million of our \$320 million grant is to support the new system-wide Maine College of Engineering and Computing. Engineering has always been an extraordinary gem of excellence at our land grant university. Think Habib Dagher!

Having achieved the prestigious R-1 designation as a top university in the country for research, the University of Maine and the new college are spreading and sharing UMaine excellence statewide. The College is creating a robust talent pipeline for Maine's industries by offering interdisciplinary programming in emerging areas, such as renewable energy, biopharma, biofuels, robotics, advanced materials, and AI. It will also expand R&D for Maine-based industries and connect students to careers that matter to Maine.

The launch of this across-the-system College leverages the System's new unified accreditation model and enables students to take coursework across all seven universities. In doing so, the System is able to educate more students in important STEM fields and encourage new opportunities for research and innovation for Maine's economy.

Second, through our 2020 grant, we furthered our support of the Maine Graduate and Professional Center, allocating an additional \$55 million for the Center on top of previous grants of \$10 million.

The Maine Center is the country's first-ever graduate education initiative to integrate accredited graduate business, law, public service, and engineering programs under one roof. It is defined by the notion that diverse skills and knowledge across disciplines are essential in the modern economy.

Interdisciplinary programming is the defining feature of the Maine Center. In today's world, lawyers who know business and business leaders who know law, public policy, or engineering are vital. Producing these leaders is what the Maine Center is all about.

For example, the Maine MBA now offers 13 new concentrations across a variety of subject areas informed by academic programs from different schools and departments within the University System.

About the Maine Graduate MBA program, it is a program that resulted from the merger of the University of Maine accredited MBA program with the University of Southern Maine's accredited MBA program – a perfect example of building excellence through mergers and collaboration. Teamwork as Harold Alford would call it.

The Maine MBA, with business faculty from both UMaine and USM working together, is now recognized as a top-tier graduate program both globally and nationally.

And it has been recognized as the second fastest growing online MBA program in the country with over 400 enrolled students.

The Maine Center, with its graduate programs in business, law, public policy, and engineering, is dedicated to state-wide outreach and partnerships. And to lead that effort, the Maine Center now has a terrific new CEO, Seth Goodall, who will promote and oversee these partnerships.

With declining birthrates, our University System has experienced a decline in student enrollment just as most all public universities in the country have. But what you might not have read in the press is that the return rate of students is the highest in 20 years, and enrollment in University System graduate programs is up 24% system-wide outpacing national enrollment by 14%.

Why?

Bottom line, with the vision of System unification and unified accreditation, the System's leadership is bringing together excellence, concentrating resources, and capitalizing on the value

of cross-disciplinary, applied learning in unique models so needed and attractive to the students of today.

Now you may have noticed that we have been talking a lot about the Foundation's STEM investments. But I'd like to let you in on a little secret.

In the board room of the Harold Alfond Foundation, our trustees talk about STEAM, not STEM. And the "A" in STEAM doesn't stand for Art – it stands for Athletics – as in Hockey and Basketball, for example. This weekend!

So, as you may have read in the news, the Foundation has just upped its commitment to upgrade athletic facilities at UMaine to \$170 million as part of a \$208 million master plan.

Now, this master plan requires the University to raise \$38 million from others. So, if a Black Bear comes a knockin', get out your checkbooks and help give our Division One Black Bears the facilities they deserve!

The four Foundation investments I have just described in the Maine Community College System, the Roux Institute, Husson, and the UMaine System exemplify and underly this morning's message of optimism and hope. That said, there is yet another powerful reason for optimism and hope this morning:

This speech is almost over.

So let me leave you with this: a call to action and a closing word of thanks.

As you may know, in 2007, the last autumn of his life, Harold Alfond approved the launch of his Foundation's College Challenge program.

This program, the first of its kind and a leader in the nation, awards \$500 to every child in Maine at birth to be used for education beyond high school.

The program seeks to increase early awareness of the importance of higher education and inspire Maine families to save on their own through opening and contributing to the State of Maine's NextGen 529 Investment Plan.

We are hugely proud of this program as it is all about hope, aspiration, and building the American dream for all our children.

To date, over \$77 million in Alfond Grants have been invested for more than 154,000 Maine children. Since the launch of the program, Maine families have contributed over \$229 million of their own funds to their children's NextGen accounts.

With FAME's additional matching grants and the magic of compounding investment returns, the total savings for higher education for Maine children is now over \$461 million.

This program is all about building our workforce by planting the seeds of hope and aspiration in every Maine child. Think of it as an investment in our workforce supply chain.

For this program to meet its full potential, however, we need your help. Our \$500 grant is automatic and goes to every Maine child.

Yet you know, as business-savvy people, co-investment is huge for successful outcomes. Harold Alfond called it “skin in the game” and only 25% of Maine families are saving on their own.

So, my call to action is to ask for your help.

Join us and 100 Maine employers to be sure your employees with children are setting up and contributing to NextGen accounts for their children’s higher education. Up on the screen you will see all you need to know and do to get started.

And now, finally, my closing word of thanks.

America is a great country. No better place to be in the world.

And while we live in stressful times, challenging times, we have, in the past, as a nation and state, met greater challenges than we face today.

And today, despite the dangers, discord, and dysfunction at home and abroad, our nation and state move forward – propelled by the hard work of our people, our resilience and ingenuity, and an economic engine unsurpassed in human history.

Commerce is at the heart of that engine. With American-led discoveries and the power of AI, the future will see spectacular benefits in which Maine is sure to share.

Here in Penobscot county and the greater Bangor region, there are over 4,000 private businesses employing over 53,000 people.

They, no you, pay nearly \$3 billion in wages every year. Your GDP is approaching \$9 billion, more than 10% of the state’s. In short, you are a \$9-billion part of America’s engine of opportunity.

So, on behalf of the Harold Alfond Foundation – where our annual grant spending is a tiny fraction of that number – thank you for all you do.

And thank you for being optimistic.