

SOCIOECONOMIC PROFILE OF
MOUNT DESERT ISLAND COMMUNITIES

Report prepared for:

MDI Tomorrow

Report prepared by:

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INTRODUCTION

This report presents a variety of demographic and economic statistics for the Mount Desert Island communities of Bar Harbor, Mount Desert, Southwest Harbor and Tremont. Our intent, in this document, is not to provide a thorough analysis of the data, or to develop definitive conclusions based on the information. Rather, the objective of this report is to summarize some of the broad socioeconomic indicators and trends that may shape the future of the Mount Desert Island region.

KEY FINDINGS AND RESULTS

- Between 1990 and 2000, population growth rates in the towns of Bar Harbor (8.5 percent), Mount Desert (11.1 percent) and Tremont (15.5 percent) were substantially higher than growth in the state as a whole (3.8 percent). (See table 1.)
- Population projections for 2000 to 2010 (figure 1) indicate that robust population growth will continue on Mount Desert Island, although, with the exception of Southwest Harbor, at slower rates than during the past decade. Growth projections for the current decade reflect, as a general rule, a continuation of long-term population trends. (See figure 2.)
- On average, the population of Mount Desert Island is slightly older than the statewide average. (See table 1.)
- The demographic category of 45 to 64 years of age currently accounts for the largest segment of the population in Bar Harbor, Mount Desert, Southwest Harbor and Tremont. Ten years ago, the age category of 30 to 44 was the largest. The age category of 45 to 64 is expected to experience further growth between 2000 and 2010. (See figures 3, 4, 5 and 6.)
- Mount Desert Island communities are subject to wide seasonal fluctuations in population, as shown by the large percentages of housing units that are seasonal. (See table 1.) Taxable retail sales – especially in restaurant and lodging, and specialty retail sectors - also show significant seasonal fluctuations (figure 7). “Peak season” for Island retail trade appears to extend from May to October.
- Total resident employment grew substantially between 1992 and 2001 in Bar Harbor (17.2 percent), Mount Desert (21.5 percent), Southwest Harbor (28.2 percent) and Tremont (17.2 percent). (See table 2.) Please note that the resident employment figures shown near the top of table 2 represent the number of people per town that are employed, regardless of *where* they work, in the given year. On the other hand, the total employment figures shown at the bottom of table 2 reflect the number of jobs available in each town. Since the resident employment figures for Mount Desert and

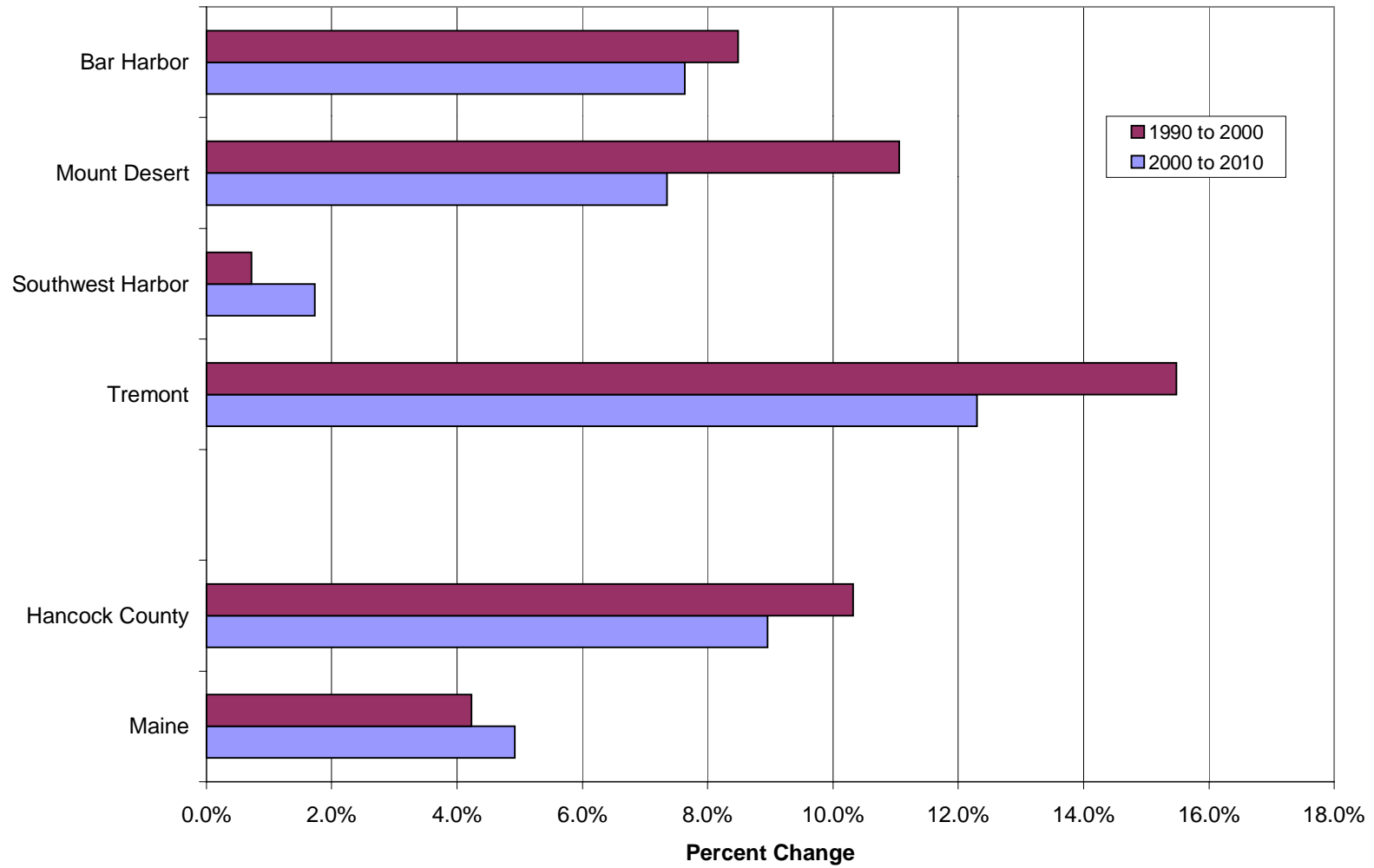
Tremont are much greater than the total employment figures for each respective town, it appears that residents in these areas tend to work outside of their community.

- A Bar Harbor industrial profile (figure 8) shows that the economy is dominated by educational, social and recreational services (27 percent of total employment), and professional, technical and business services (25 percent of total employment). Twenty percent of the Bar Harbor workforce is employed by hotels and restaurants, which is over two times the percentage of Maine workers employed in the sector (figure 10). Compared to the 17 percent of the Maine workforce employed in manufacturing, a very small percentage (3 percent of total employment) of the Bar Harbor workforce is employed in manufacturing businesses.
- Key sectors in the Southwest Harbor economy include educational, social and recreational services (26 percent of total employment), trade (20 percent of total employment) and construction (17 percent of total employment). (See figure 9.) The construction industry is almost three times larger in Southwest Harbor, in terms of the percentage of workers employed in the sector, than in the overall Maine economy.
- Bar Harbor retailers sold \$128 million and Southwest Harbor retailers sold \$32.8 million worth of taxable goods and services in 2001. (See table 3.) Restaurants and hotels generated almost 60 percent of the retail sales in Bar Harbor.
- Pull factors (table 3) reflect the size of an area's retail trade market relative to the area's population. For example, the pull factor of 2.4 in Bar Harbor suggests that the number of people served by the local retail sector is 2.4 times larger than the town population. High pulls factors, which are typically found in service centers and areas with a large tourist population, are a sign of retail strength.

REPORT SUMMARY

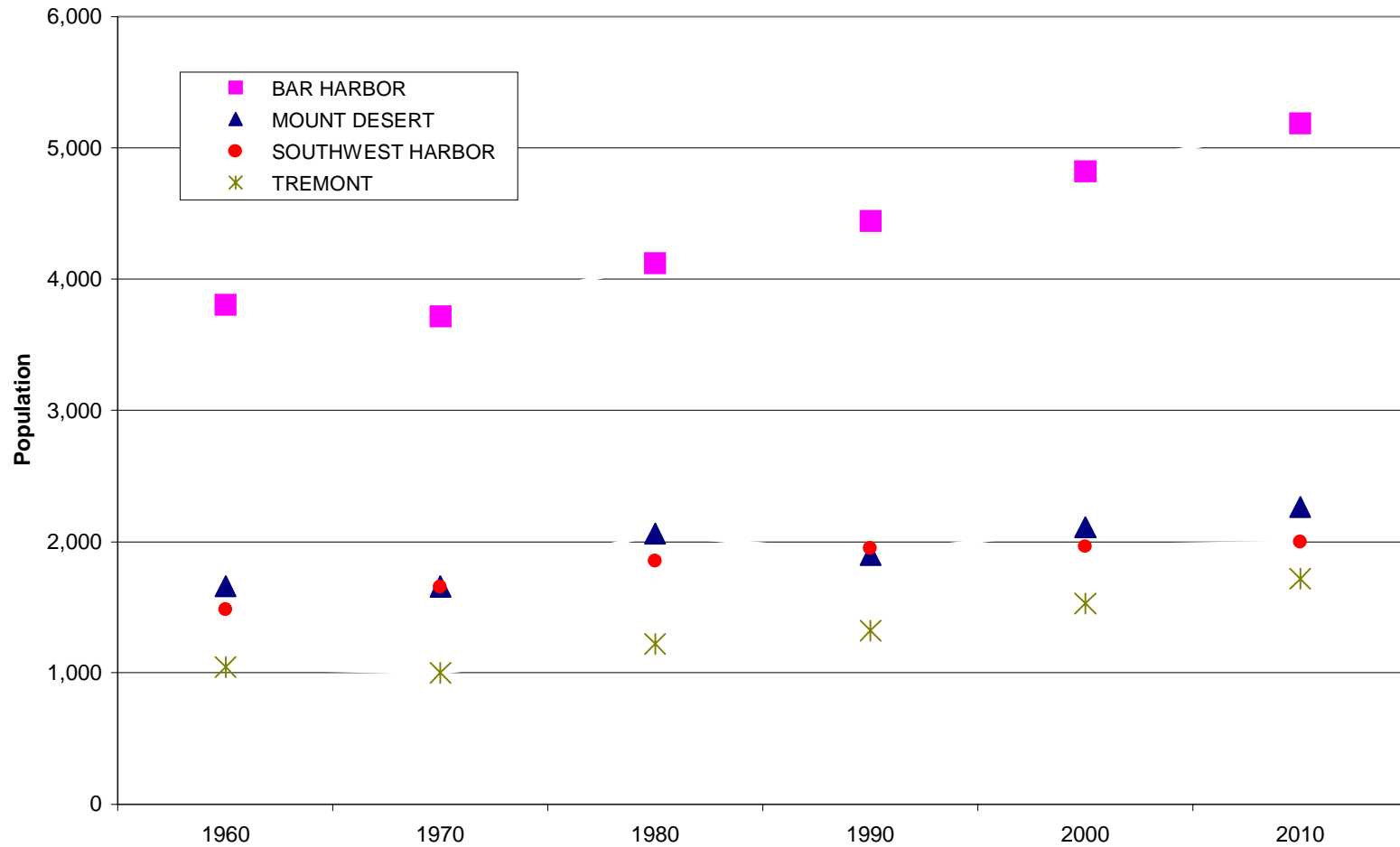
By most accounts, the Mount Desert Island region experienced substantial population and economic growth during the 1990s, and these trends are expected to continue in the current decade. Some of the economic objectives outlined in the first MDI Tomorrow project completed in 1991 were to: "attract information-based jobs," "emphasize the shoulder seasons for further tourism development," and "achieve a diversified, multi-seasonal, recession-proof economy." Although it is not evident that an information-based industry cluster has emerged on Mount Desert Island, the percentages of workers employed in information-based companies in Bar Harbor (2 percent) and Southwest Harbor (1 percent) are similar to the percentage of workers in these industries statewide (2 percent). On the basis of retail sales, it appears that the Island's "tourism season" extends from (late) spring to the middle of autumn. The importance of services and retail businesses to the Mount Desert Island economy reflects the area's popularity as a tourism destination.

Figure 1. Past and projected future population change.



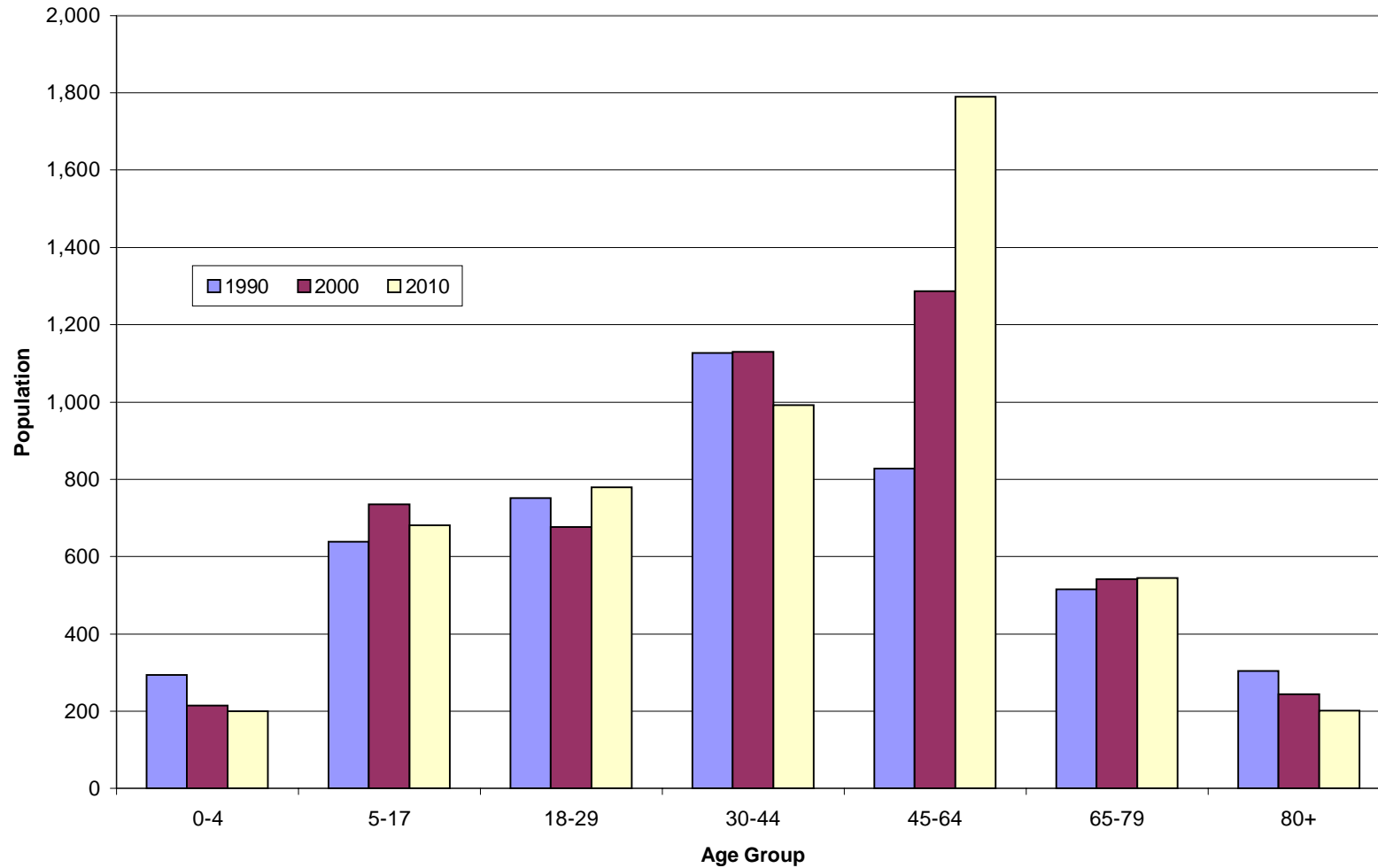
Source: U.S. Census Bureau and Maine State Planning Office.

Figure 2. Population trends on Mount Desert Island.



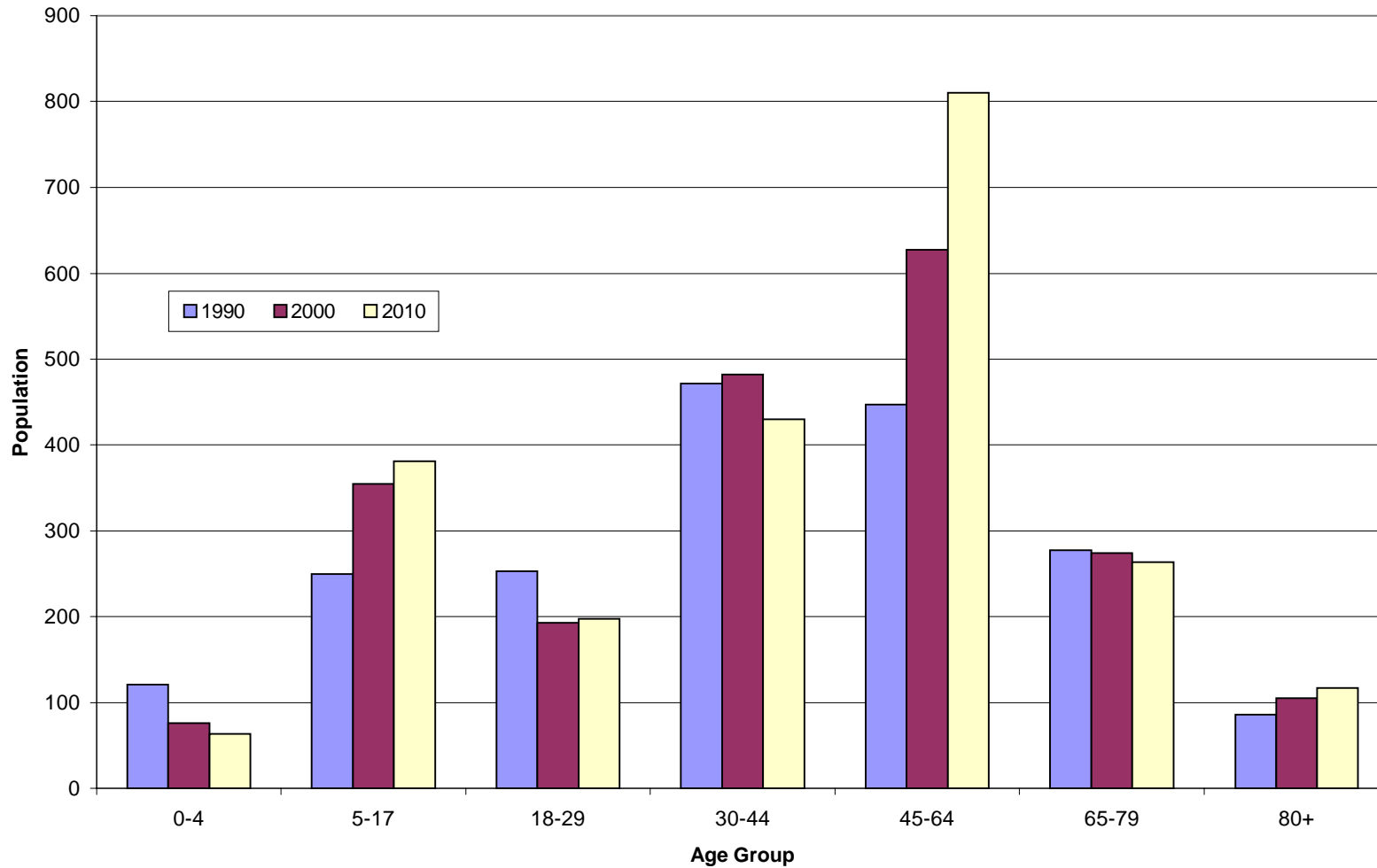
Source: U.S. Census Bureau and Maine State Planning Office.

Figure 3. Bar Harbor population by age category.



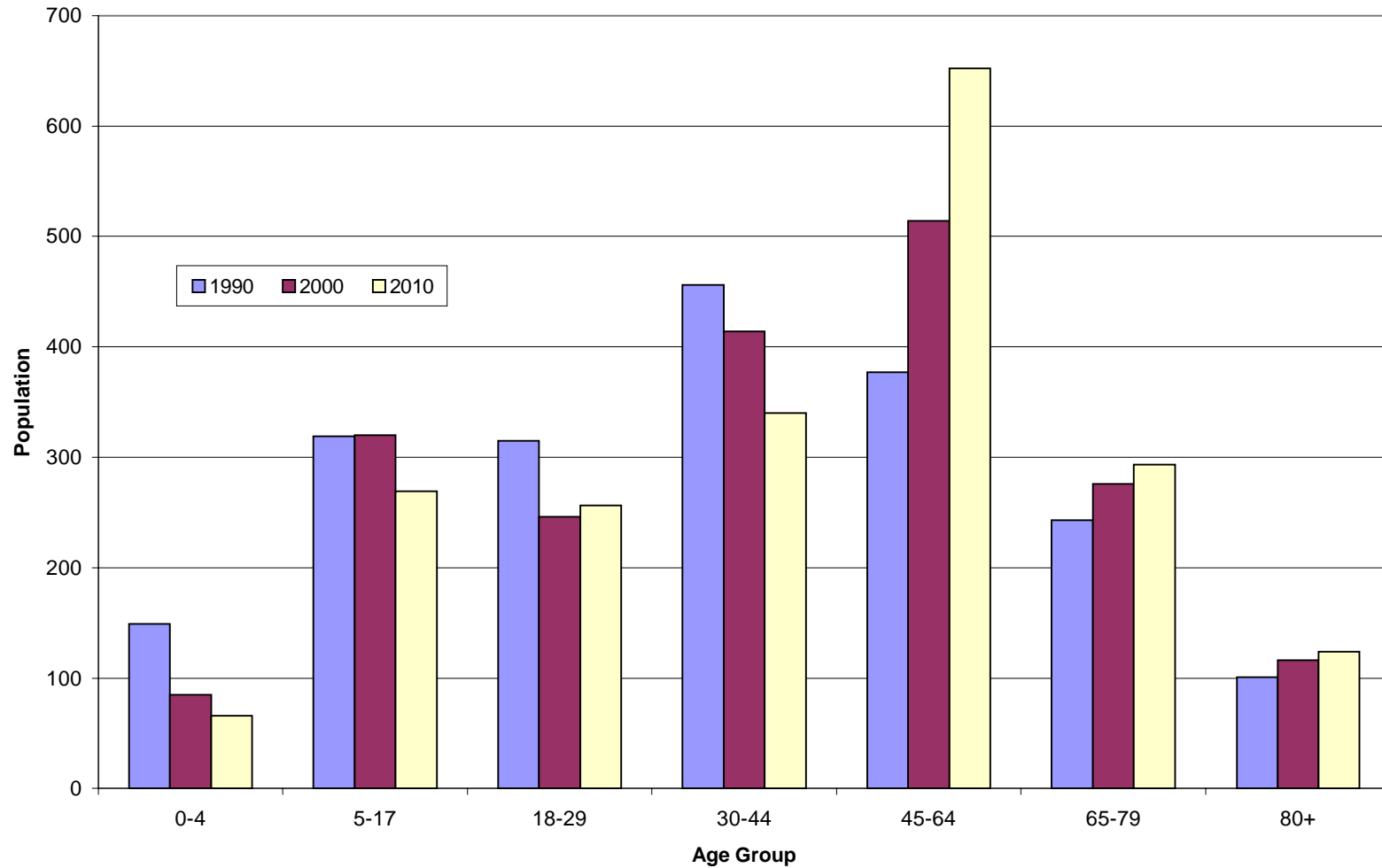
Source: U.S. Census Bureau and Maine State Planning Office.

Figure 4. Mount Desert population by age category.



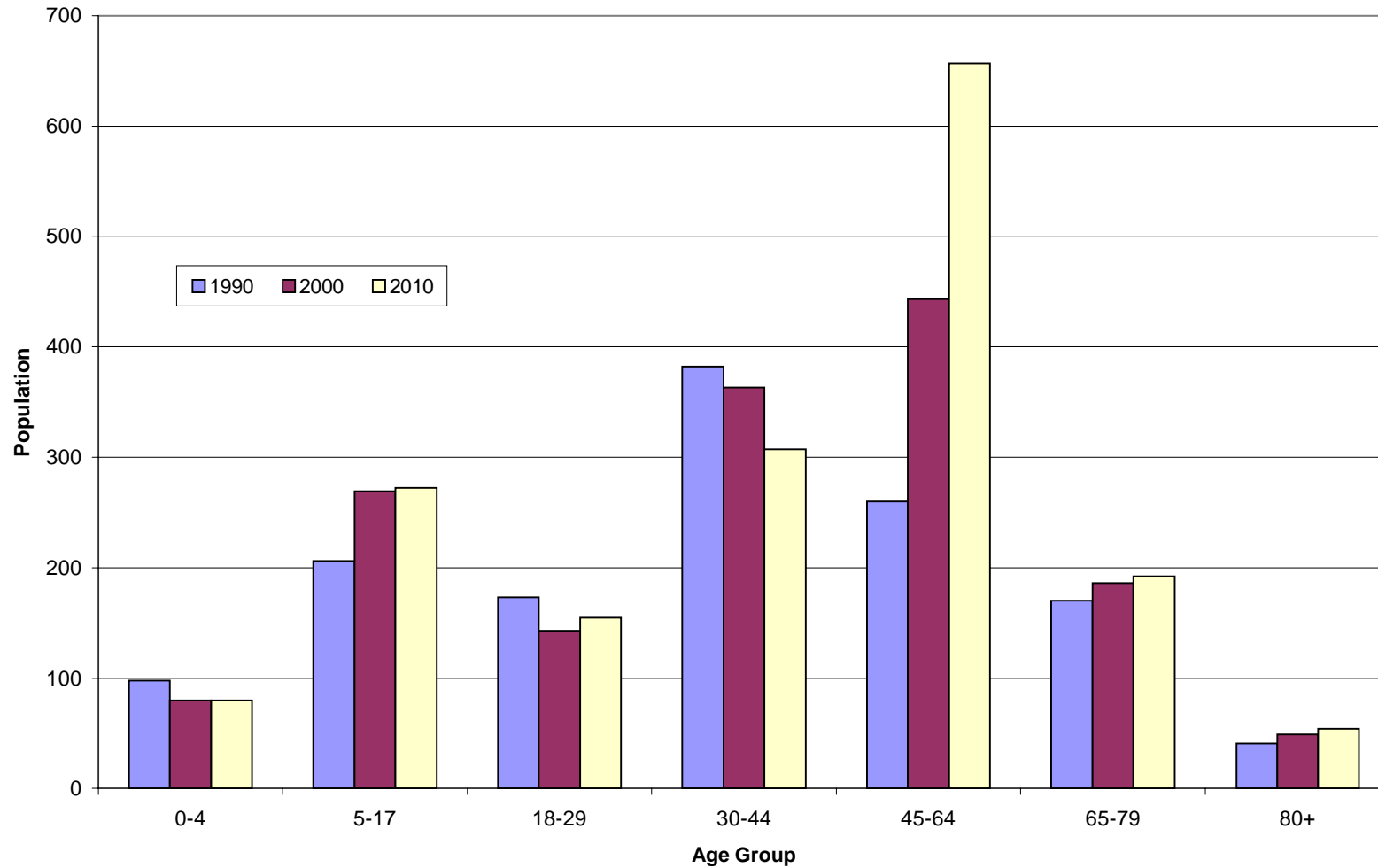
Source: U.S. Census Bureau and Maine State Planning Office.

Figure 5. Southwest Harbor population by age category.



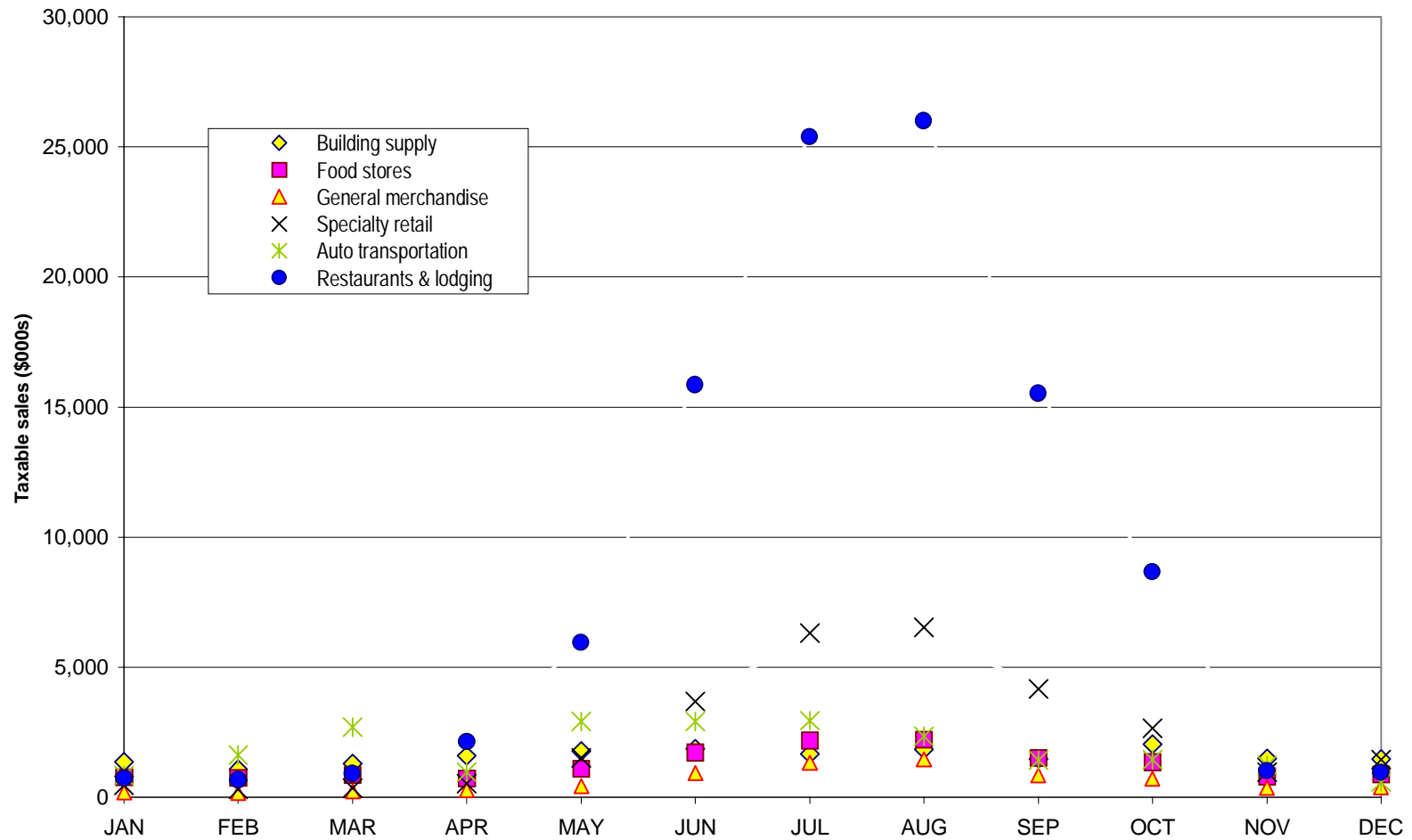
Source: U.S. Census Bureau and Maine State Planning Office.

Figure 6. Tremont population by age category.



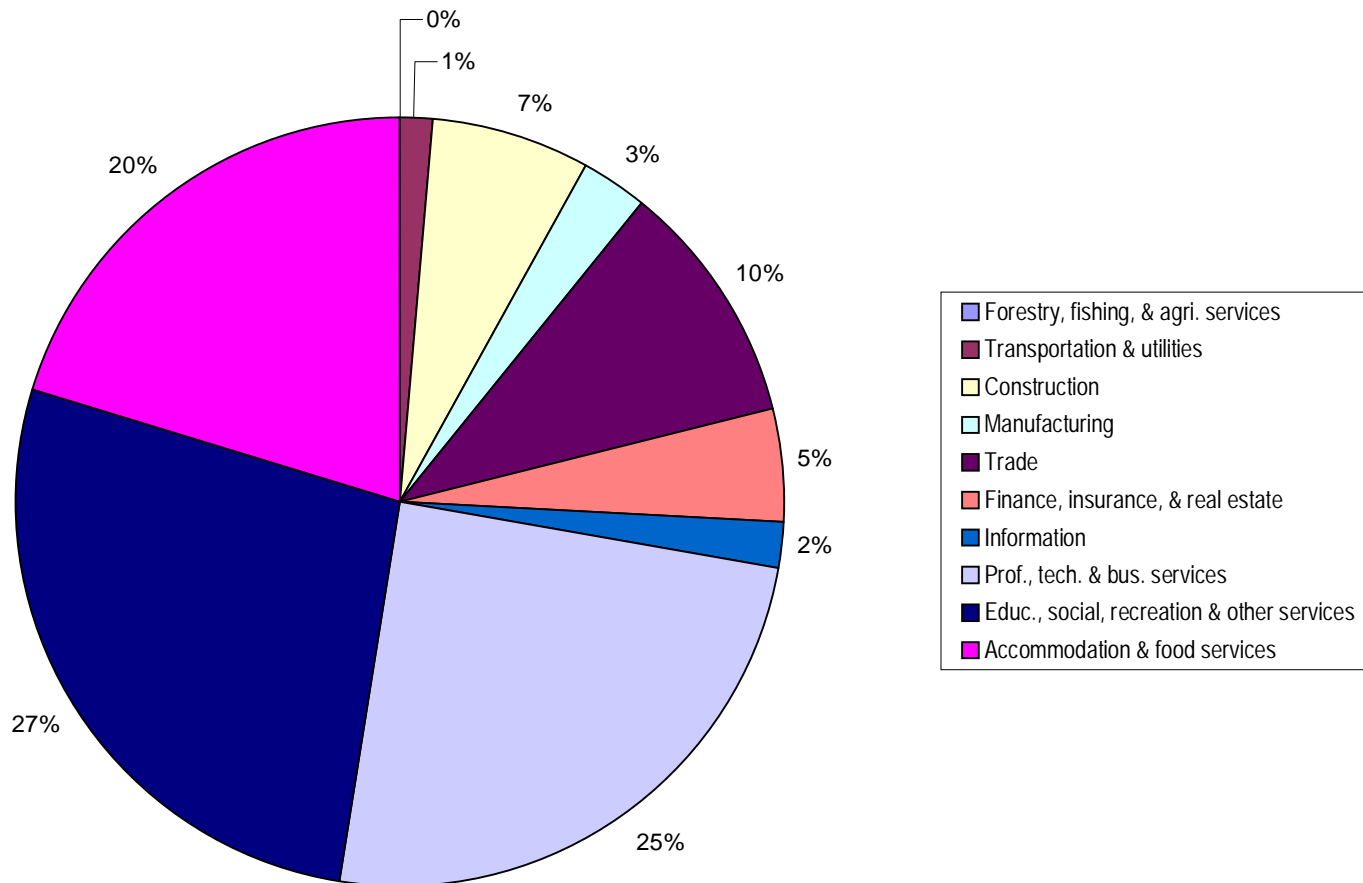
Source: U.S. Census Bureau and Maine State Planning Office.

Figure 7. Monthly retail sale on Mount Desert Island (2001).



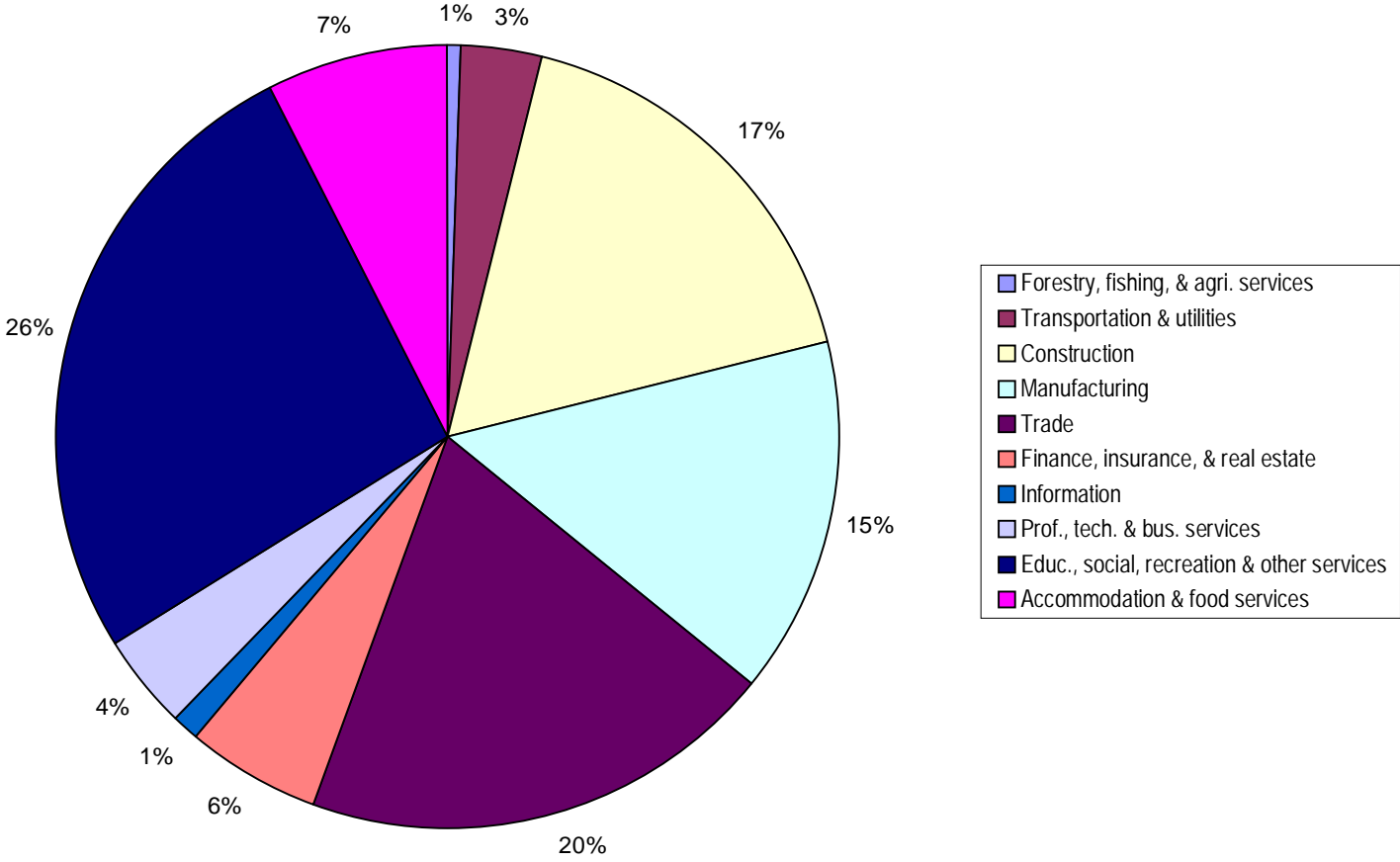
Source: Maine Revenue Services.

Figure 8. Bar Harbor employment, by industry (1999).



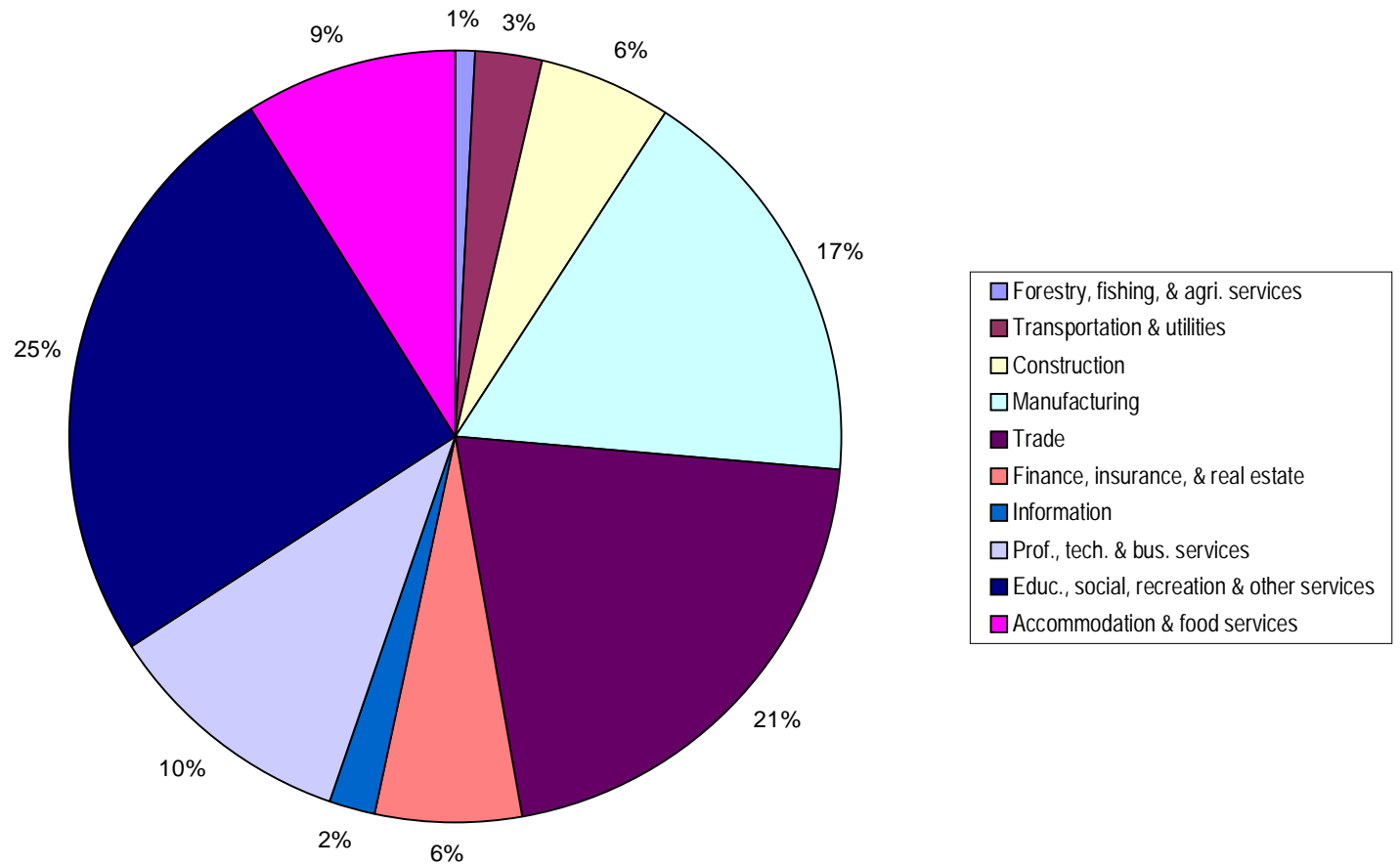
Source: U.S. Census Bureau, Zip Code Business Patterns

Figure 9. Southwest Harbor employment, by industry (1999).



Source: U.S. Census Bureau, Zip Code Business Patterns

Figure 10. Maine employment, by industry (1999).



Source: U.S. Census Bureau, Zip Code Business Patterns

Table 1. Demographic and housing information.

	Bar Harbor	Mount Desert	Southwest Harbor	Tremont	Hancock County	Maine
Population 2000	4,820	2,109	1,966	1,529	51,791	1,274,923
Change 1990-2000	8.5%	11.1%	0.7%	15.5%	10.3%	3.8%
Male	46.7%	47.4%	47.6%	47.4%	48.9%	48.7%
Female	53.3%	52.6%	52.4%	52.6%	51.1%	51.3%
Median age	40.6	43.6	42.4	41.6	40.7	38.6
Under age 18	19.8%	20.6%	20.7%	22.8%	22.3%	23.6%
Age 65+	16.1%	17.7%	19.6%	15.2%	16.0%	14.4%
Households 2000	2,142	962	899	662	21,864	518,200
Change 1990-2000	15.7%	14.9%	6.3%	19.5%	19.2%	11.4%
Family	54.3%	60.7%	59.5%	66.0%	65.1%	65.7%
Non-family	45.7%	39.3%	40.5%	34.0%	34.9%	34.3%
With individuals 65+	24.9%	28.7%	33.0%	24.6%	26.9%	24.7%
Average household size	2.16	2.19	2.15	2.31	2.31	2.39
Housing units	2,805	1,900	1,288	1,075	33,945	651,901
Change 1990-2000	8.5%	11.8%	1.7%	13.5%	11.7%	11.0%
Vacant units	23.6%	49.4%	30.2%	38.4%	35.6%	20.5%
Seasonal units	18.7%	46.5%	25.3%	34.4%	31.4%	15.6%
Owner occupied	61.7%	70.6%	65.4%	77.5%	75.7%	71.6%
Renter occupied	38.3%	29.4%	34.6%	22.5%	24.3%	28.4%

Source: U.S. Census Bureau.

Table 2. Business and employment information.

	Bar Harbor	Mount Desert	Southwest Harbor	Tremont	Hancock County	Maine
Median household income:¹						
1989	\$28,100	\$31,019	\$25,290	\$26,012	\$25,247	\$27,854
2000	\$38,938	\$42,042	\$32,609	\$36,413	\$34,393	\$35,299
% change	38.6%	35.5%	28.9%	40.0%	36.2%	26.7%
Resident employment:²						
1992	2,575	1,090	1,033	793	24,083	603,803
2001	3,019	1,324	1,324	929	27,803	656,764
% change	17.2%	21.5%	28.2%	17.2%	15.4%	8.8%
Unemployment rate:²						
1992	7.5%	6.4%	7.5%	6.7%	7.4%	7.2%
2001	5.9%	4.2 %	3.9%	4.6 %	4.5%	4.0%
Number of businesses:³						
Forestry, fishing, & agri. svcs.	1	1	5	1		
Transportation & utilities	15	1	11	2		
Construction	31	9	32	13		
Manufacturing	10	3	14	4		
Trade	89	8	47	9		
Finance, insur., & real estate	16	1	18	1		
Information	10	2	2	0		
Prof., tech. & business services	35	12	14	3		
Educ., social, rec. & other svcs.	53	16	46	9		
Accommodation & food services	113	12	34	6		
Total	373	65	223	48		
Total employment:³	3,315	235	1,064	142		

Sources: ¹Maine State Planning Office. ²U.S. Bureau of Labor Statistics. ³U.S. Census Bureau, Zip Code Business Patterns.

Table 3. Retail sales information.

	Bar Harbor	Mount Desert	Southwest Harbor	Tremont	Hancock County	Maine
Taxable retail sales 2001 (\$000s)¹						
Auto transportation	4,989.4	n.a.	14,630.0	n.a.	123,992.8	3,446,345.2
Building supply	10,805.4	n.a.	1,570.2	n.a.	93,605.3	1,746,891.8
Food stores	8,200.1	n.a.	2,873.4	n.a.	63,005.4	1,185,002.2
General merchandise	4,168.0	n.a.	1,154.8	n.a.	86,282.4	2,612,551.0
Specialty retail	21,740.9	n.a.	2,069.9	n.a.	61,384.4	1,409,147.1
Restaurant & lodging	78,087.5	n.a.	10,460.3	n.a.	155,259.7	2,013,397.5
Total retail sales	127,991.3	n.a.	32,758.6	n.a.	583,530.0	12,413,334.8
Total retail sales per capita						
1990	\$15,474	\$7,214	\$8,714	\$4,267	\$7,310	\$7,291
2001	\$27,062	\$11,932	\$18,151	\$5,973	\$11,891	\$11,125
Retail sales pull factor						
1990	2.1	1.0	1.2	0.6		
2001	2.4	1.1	1.6	0.5		

Source: Maine Revenue Services.