

MDI Tomorrow – Subcommittee on Economic Prosperity

Notes from the March 21 Meeting

Attending: Valerie Chaisson, and Joyce Peterson, with subsequent amendments by Clare Wood and Ann Luther

Worksheet for Framing the Issue and Preparation for Inclusion in State of the Island Report

Issue area: Economic prosperity

Questions to help Frame the issue (so it becomes something we can consider alternatives and actions)

- **What is the issue/opportunity?**

MDI shares with Maine localities all along the coast a struggle to find balance between appealing to tourists and retirees and offering the kind of infrastructure needed to attract young families and year-round residents. All Maine towns also face challenges of taxes, labor force, proximity to markets, and the cost of health insurance.

Other issues include:

- Aesthetics vs. jobs: MDI is fortunate in having two economically strong sectors--biomedical research and boat building--which provide well-paying, year-round jobs with benefits but which nonetheless raise issues in an area dependent on nature-based tourism.
- Business consolidation and globalization. Can MDI continue to fend off national and international franchises? What about consolidation among local businesses, such as hotels?
- Sharing prosperity with the least prosperous.
- Maintaining a diverse economic base.
- Sustainability.

MDI is also fortunate in having a visioning process like MDI Tomorrow. It offers the opportunity for the people of our island to decide just what that balance should be—a decision that's intrinsic to our very identity, and one that all coastal areas will eventually face.

- **Why is this an issue/opportunity something that should be addressed by an MDI Tomorrow-like process?**

By its very nature, the issue of what MDI residents want their island economy to be demands an inclusive community process. The 2002 MDI Tomorrow process also offers an invaluable opportunity to evaluate the current state of the local economy in comparison to the benchmarks set in 1991.

- **Whom does this issue/opportunity affect? How are they affected?**

Every MDI resident and visitor, and in some ways every Maine resident.

- **Who are the partners who might be able to address this issue/opportunity?**

- Larger year-round employers
- Representatives of the tourist industry
- Chambers of commerce
- Environmentalists

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- Working people
- Retirees
- Economic development people
- Economic policy experts
- Small business owners
- Slow-growth/no-growth advocates

- **What are the implications for local government?**

Ordinance and zoning issues, including several now in the news, need to be addressed.

- **For the private sector?**

The ability to compromise between tourism and "business" needs.

- **How is this issue/opportunity connected to other issues?**

Economic prosperity relates directly to affordable housing, transportation, community health, and community design and land use, and indirectly to youth issues.

- **What are the regional and global trends regarding this issue/opportunity?**

- Decline of some traditional industries (paper) and changes in others (fishing)
- Steep rise in cost of health insurance
- Loss of affordable housing to "pre-retirement baby boomers"
- Drought
- State budget crisis

- Other trends to be validated or explored further (except where noted, from the Maine State Chamber of Commerce pamphlet, "Issues and Answers," distributed to attendees of the Gubernatorial Candidates Forum, May 6, 2002):
 - Maine's per capita income rating has eroded to 36th from 27th in 1990. We are 14% below the national average and 35% below New England.
 - Maine is rated 43rd in its ability to succeed in a new high tech economy and has an F rating by the corp. for Enterprise Development
 - According to the Washington-base tax foundation, Maine's comparative tax burden (state and local taxes as a percentage of per capita income) is #1 nationally - 33% higher than the national average
 - The productivity of Maine workers is 80% of US workers.
 - Maine's rate of R&D investment is \$225 per employee, the national average is \$1,000 per employee.
 - By 2017 deaths will exceed births in Maine. There is a sizable and growing out-migration of young people between the ages of 20 and 35, comparable to Frances loss in this age category in WWII.
 - The aging population of Maine is in the top 5% nationally. Within 20 years this category will increase by 50% while the overall population will increase 10%. (implications for Housing, healthcare, transportation systems, and labor force???)
 - While we are ranked in the top ten for graduating high school students, only 24% of Maine's population holds a bachelors degree, the New England average is 33%.

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- Maine is ranked 49th in tourism spending, tourism investment brings in \$14 to every dollar spent. (Governor's Conference on Tourism).
- According to the Commission on Health Care, the costs of services and prescriptions in Maine are higher than in any other state.
- (From the Coastal Acadia Development Corporation, using data from the Bureau of Economic Analysis at the US Dept of Commerce) 1/3 of the income in Hancock County derives from dividend, retirement, and interest income. Perhaps more significantly, less than two-thirds of the income in our county comes from earned wages or proprietor's income.

1) We list indicators used during the original MDI Tomorrow process. Are there important figures there that could be researched and updated easily to provide valuable information (e.g., number of housing starts, average wage of employees on the island, percentage of the island dedicated to open space).

Recommend that all indicators-economic and quality of life-be repeated for 2002 comparison.

2) Are there any indicators that are missing?

3) We list any general trends, either from Census or other data. What other data do we need to collect to see trends and patterns?

Forward-looking data: national, state, and regional economic forecasts.

4) What survey questions would help you gather information about these indicators?

Recommend a series of overlapping questions to get at where people want to see the balance between the seasonal and year-round economy to fall, prefaced with an "economic development lesson: MDI is home to businesses and institutions that offer year-round, full-time jobs, such as boat-building industries, the Mount Desert Island Biological Laboratory and Jackson Laboratory, and fisheries. Some of the physical infrastructure of these businesses may detract somewhat from the tourist/retirement economies. Please assess the following statements:

- o It's very important for me that there be year-round, well-paying jobs on MDI (agree/disagree).
- o It's very important to me that the natural beauty of MDI be preserved (agree/disagree).
- o Rank these 5 things in priority for me: develop tourist economy, continue to make this an attractive retirement destination, maintain the natural beauty of MDI, offer year-round, well-paying, full-time jobs with benefits.

5) What survey questions would help gather information about the vision for this issue area?

In addition to #4, test priority by additional an question such as: I think it's important to have full-time, year-round, well-paying jobs, even at some expense to the natural beauty that the tourist industry depends on.

6) Does your group anticipate any expenses? If so, any suggestions on possible funding sources?

No expenses anticipated during the information-gathering process.