

## **Section V.B.**

### **Economy**

## I. Historical Perspective

Historically, Islesboro relied on its natural resources as the base of its economy. Initially, Native Americans lived along protected shores and gathered, hunted, and fished for food and other necessities. Four hundred years ago Europeans traded for moose and beaver furs here. By the late 18<sup>th</sup> century, residents farmed the land and fished the surrounding waters. After the early settlement with its farming and fishing economy, Islesboro's primary industry became shipbuilding. Most vessels were small craft for local fishing and transport of surplus farm goods to other communities along the coast, as far south as Boston. For many years until the 1920's, when it was dissolved, the Pendleton family operated its nationally prominent shipmaster, ship owner, and ship building enterprises.

In the 1860's, Islesboro saw the advent of its first summer cottages and year round residents. Its workers, previously skilled in a number of trades, began to specialize. By the end of the century, off-Island land development companies and prominent families from New York, Boston, and Philadelphia had discovered Islesboro and were building more elaborate summer homes, hotels, and exclusive, private enclaves. (History of Islesboro, Maine, 1893-1983) Islesboro's commitment to a seasonal economy was firmly established. Dairies and farms produced perishable goods. Other residents provided transportation for passengers and freight, groundskeeping, housekeeping, laundries, hostelry, ice, stores for sundries and supplies, sawmills, and land sales. The first boatyard in the community was established around the turn of the century. Fisheries played a role, but were not as significant in the local economy as might be expected. The community's maritime traditions spawned cottage industries based on netting and knitting for a time prior to the adoption of a national minimum wage law. With the Great Depression, seasonal residency and its related economy changed once again. Post World War II, Islesboro's economy settled into the pattern that continues today.

## II. Islesboro Work Force

According to the US Census, there were 480 people of working age (over age 16), in Town in 2010.

## III. Employment

According to the Maine Department of Labor (DOL), in 2016 the 44 major employers (private and public) on the Island included:

Islesboro Major Employers, 2016	# Employees
Tarratine Yacht Club	50-99
Islesboro Central School	20-49
Pendleton Yacht Yard	20-49
Islesboro School Central School	20-49
Hatch & Sons Landscaping	10-19
Islesboro Marine Enterprises	5-9
Dark Harbor Boat Yard Corp	5-9
Boardman Cottage	5-9
Robert Clayton Contractor	5-9
Town Office	5-9
Island Market	5-9
Island Plumbing and Heating	5-9
Islesboro Sporting Club	5-9
Islesboro Community Center	5-9
Islesboro Health Center	5-9
Abbey at Farrow Farm	1-4
Alice L. Pendleton Library	1-4
Arthur Ashley Inc.	1-4
Artisan Books and Bindery	1-4
Brook Farm Labs	1-4
Durkee's General Store	1-4
Erik Tierney Contracting	1-4
Food History News	1-4
Grindle Point Museum	1-4
Integrated Knowledge Solutions	1-4
Islesboro Affordable Property	1-4
Islesboro Electrical Service Inc	1-4
Islesboro Historical Society	1-4
Islesboro Island News	1-4

Islesboro Islands Trust	1-4
Islesboro Pre-School	1-4
Islesboro Realty	1-4
Islesboro Transfer Station	1-4
Island Property	1-4
JB Distinctive Furniture	1-4
Maine Connection	1-4
Nichter's Home Svc. Corp.	1-4
Paul Grindle Excv.	1-4
Rolerson Plumbing and Heating	1-4
Seaside Electrical Service	1-4
Summer Shop	1-4
US Post Office	1-4
Warren Realty	1-4
West Shore Drive LLC	1-4
<b>Source: Maine Department of Labor, 2016</b>	

According to DOL, in 2016, the largest employers in the community were the various yacht clubs and boat yards, the Islesboro school system, and the Town of Islesboro. More than half of the local businesses have four or fewer employees..

#### **IV. Business and Employment Inventory**

Because of concerns about the accuracy of and to supplement DOL's data above, the Comprehensive Plan Committee surveyed Islesboro businesses identified in the Sporting Club's "yellow pages" and known municipal entities to identify and contact local businesses for the survey. The Committee recognizes that the "yellow pages" do not reveal the total nature of the Island's economy, which also includes an informal set of working relationships that transcend advertised published business listings. For instance, caretakers and domestic workers, or housekeepers, are likely under-reported because many are hired for these positions through personal relationships and "word of mouth." Indeed a number of businesses were not listed or data was not available, so it is difficult to draw hard conclusions between the two survey periods.

The following limitations of the survey should be noted:

- ☐ numbers of employees for particular firms may result in double counting because some individuals may hold two, or even three, full or part time jobs;
- ☐ many positions are negotiated employer-to-employee with hours, pay, and duration set by private agreement;
- ☐ often both heads of households work; and
- ☐ seasonal versus full time designations may not be accurate because of requests made by employers for special services or projects over the winter.

Special requirements of summer residents shape a significant part of Islesboro's economy. There are a large number of caretakers on the island who are responsible for maintenance of second homes. They may organize staffs to service as many as six or seven properties or deal, themselves, with a single summer resident's house. Similarly, housekeeping and seasonal cleaning have traditionally provided major employment opportunities for Islanders, as are jobs for cooks and laundresses, gardeners, and lawn mowers.

In addition, there are money-making opportunities which cut across seasonal lines and business listings. Home crafters – weavers, quilters, ceramists, painters, photographers - sell their artistic offerings. Some Islanders work for the state ferry or provide personal services such as hair dressing. Lobstering provides jobs for boatmen and sternmen and supply local and off-Island markets. Many of the people who fill these positions, but not all, live on the island.

## V. Occupations

Islesboro Occupation Types, 2015		
	Number	Percent
Management, professional, and related occupations	113	31
Service occupations	103	28
Sales and office occupations	41	11
Farming, fishing, and forestry occupations	18	5
Construction, extraction, and maintenance occupations	43	12

Production, transportation, and material moving occupations	47	13
	365	100
<b>Source: US Census Estimate, 2015</b>		

The Comprehensive Plan Committee determined that nearly all of the 104 businesses listed in the “Yellow Pages” are locally owned businesses.

Islesboro does not have a traditional retail center or downtown although there were a number of historic villages in the community. The Town Office area currently serves as a village center with the town office, health center, public safety and fire department located within a single complex; elderly housing across the road and the post office, one market, one church, the Community Center, and other businesses clustered a short distance away. Other historic village areas include Guinea, near the historical society and the public library, Dark Harbor, which hosts a number of small shops, and the area around Durkee’s Store. Most businesses and jobs are dispersed throughout Town and along the waterfront.

While only 3% of Islesboro’s jobs are in fishing, farming and forestry, this natural resource based industry is important to the island community and its summer and year round economy.

## VI. Tourism

Tourism, through short term visits to Islesboro, is frequent during the summer months with the ferry transporting passengers on foot, by bicycle, and by vehicle. While camping is prohibited, except on Warren Island, some visitors stay in overnight accommodations at via home rentals through local realtors who also acting as rental agents, and directly with housing owners through Airbnb and VRBO. Bicyclists often visit the Island to ride for recreation.

## VII. Unemployment

Islesboro Unemployment Rate	2012	2013	2014	2015	2016
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### Section V. B. Economy

This inventory chapter updates and builds on data in similar chapters in the 1987 Islesboro Growth Management Action Plan, 1994 Town of Islesboro Comprehensive Plan, and 2002 Islesboro Comprehensive Plan and are adopted herein by reference.

<b>Islesboro</b>	6.0%	5.2%	4.9%	4.6%	4.2%
<b>Belfast</b>	9.5%	7.8%	6.4%	5.5%	4.6%
<b>Maine</b>	7.5%	6.6%	5.6%	4.4%	3.9%
<b>Source: Maine Department of Labor</b>					

The unemployment rate of Islesboro residents declined from 2012 to 2016, reflecting an overall positive trend in the economy of the Island which reflects the regional and statewide trend.

### VIII. Fuel and the Local Economy

Petroleum industry experts and the US Department of Energy (DOE) and many others all agree that:

- FO E-1 World demand for oil is increasing, especially in India and China,
- FO E-1 World oil supplies are finite and have or will soon peak, and
- FO E-1 As described by the DOE, “fuel prices and price volatility will increase dramatically and without timely mitigation, the economic, social, and political costs will be unprecedented.”

The State of Maine has undertaken several new energy initiatives to address the state’s vulnerability to the effects of very high oil costs.

For Islesboro, like all Maine islands, transportation cost increases can be expected to be nearly as dramatic as increases in the cost of heating fuel, affecting everything from the cost of food at the store to the ability of many families to make trips to the mainland.

Mitigation measures will need to address both supply of and demand for energy. The late energy expert Matthew Simmons predicted that tidal power will be especially important for island communities, as will other sources of power such as wind. Local demand for fuel can be mitigated by a range of practices, from using more efficient or alternative forms of transportation to

producing more goods and services locally. food being perhaps one obvious example.

## **IX. Issues and Implications**

1. Islesboro's economy is, and has been, highly dependent on its second home community for more than a century. During national economic downturns, like the current recession, this dependence creates significant stresses on the Town's economy. Preliminary discussions suggest that the Town wants to stabilize, and perhaps grow, its year round population. Is this the case? If so, what role does the economy on the Island play in the community's ability to attract and retain residents year round?
2. If the Town wants to expand its year round employment base, what type(s) of employment/industry would it like to see? How might additional home occupations be encouraged?
3. Does the Town want to support traditional resource based industries and employment?
4. Are there existing businesses at risk of closure that, if closed, would be a loss to the Island? How might the community support these businesses/employers?
5. Does the Town want to encourage additional tourism to support locally owned businesses and employment? If so, how might it do this without undermining Town character or creating unacceptable impacts? Are public facilities in place to support an increase in tourism? If not, what additional facilities are needed?
6. Are there other employment sectors that the Town should encourage to further support a year round economy? What are the services/supplies for which people travel off-Island? Should, or can, they be provided on-Island in the future?



7. What public facility needs, including energy, water, sewer, broadband/DSL access, three phase power, might be needed to support these businesses, services or industries? Does the community support public investment in these areas?
  
- 8) The E.F. Schumacher Society suggest that more independent regional economies – ones in which the goods consumed locally are produced locally is one way to build a more sustainable regional economy. By examining what is imported into the community and developing the conditions to produce those products from local resources with local labor, Islesboro might build more stability in its year round economy. While there are limits to how far Islesboro might travel down this path, there are models for this type of self-reliant economic development that can be found in other parts of Maine – energy cooperatives, community supported farms, regionally based equity and loan funds, worker-owned businesses, and community land trusts. Is this economic development path -- using what is immediately available to help Islanders sustain themselves -- one that Islesboro is interested in exploring? If so, what is the best way to go about building a local economy where consumers and producers work cooperatively to share the risk in creating businesses that reflect shared culture and values?
  
- 9) It is likely, given recent trends, that increasing fuel costs will continue to impact everything on the Island. What are the best ways to address increasing fuel costs and for people to continue to maintain island activities? Scooters? Others?