

B. ECONOMY

1. Purpose

An understanding of a town's economic base is important in planning for its future. This section aims to accomplish the following:

- a. Summarize recent economic trends; and
- b. Identify current economic issues.

2. Key Findings and Issues Taken Verbatim from the 1995 Plan

Castine has a low unemployment rate and many professionally employed residents. The major year-round employers in town are MMA and Adams School. High housing costs mean that many people commute to jobs in Castine since they cannot afford to live in town. The limited number of businesses in town makes shopping difficult for the elderly and others with limited mobility.

3. Key Findings and Issues

Most of the trends identified in the 1995 Comprehensive Plan have continued, along with some new developments. The major challenge facing Castine's economy in the future is developing and keeping a mix of year-round businesses.

Although Census data suggest a 41 per cent increase in the labor force between 1990 and 2000, the Committee believes this is misleading. The Census is taken in early April, and thus includes MMA students who are "employed" in the sense that they have part-time employment during the school year or have co-op employment during the summer, and thus are counted as part of the "labor force." It is the Committee's view that without this factor, the labor force in Castine has probably fallen below the 19 per cent average increase for Hancock County as a whole. If the trend continues, the result will be disturbing.

4. Trends Since 1995

Since 1995 MMA has become the major year-round employer in Castine employing some 260 faculty, staff, and contract workers, more than 80% of whom do not live in Castine. A survey conducted by the Committee in 2008 with the cooperation of MMA revealed that "affordability" was the major reason given for employees not living in Castine, with 132 responses falling into that category. The perceived attitude of the Town toward MMA was given as a reason by 73 respondents, with 71 citing lack of services in the Town and 60 mentioning lack of social and recreational facilities. (Several respondents gave more than one reason, in which case each was recorded in the final result.)

Table B.1 accounts for all employed Castine residents, not all of whom work in Castine itself. The 2000 Census data indicate that out of the 676 Castine residents reported in the labor force, worker destinations were available for 663. After the 456 who worked in

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Castine itself, other identified work destinations included Bucksport (18), Bar Harbor and Bangor (15 each) and Waterville.

According to the 2000 Census, a total of 822 people (resident, non-resident, and MMA students) worked in Castine. Apart from 456 Castine residents, the most common residences for workers outside the Town were Bucksport (75), Penobscot (58), Blue Hill (53) and Orland (27). The Town attracts a substantial number of commuters. In fact, probably owing to the presence of MMA, more people (366) commute into Castine than commute out (207). The average commuting time for Castine residents in 2000 was thirteen minutes. This is far less than the 2000 Hancock County mean commuting time of 22.4 minutes.

Table B.1				
Class of Workers, Employed Persons 16 years and over, 2000				
	Castine		Hancock County	
	Number	Per cent	Number	Per cent
Private Wage/Salary	432	63.9	17,470	69.8
Fed/State/Local Gov't	186	27.5	3,511	14.0
Self-employed	56	8.3	3,975	15.9
Unpaid Family Member	2	0.3	78	0.3
Total	676	100	25,034	100
SOURCE: U.S. Census, 2000, Table DP-3				
Class of Workers, Employed Persons 16 years and older, 1990				
	Castine		Hancock County	
	Number	Per cent	Number	Per cent
Private Wage/Salary	265	55.4	14,604	69.5
Fed/State/Local Gov't	158	33.1	2,998	14.3
Self-employed	55	11.5	3,325	15.8
Unpaid Family Member	0	0.0	73	0.4
Total	478	100	21,000	100
SOURCE: U.S. Census, CPH-L-83, Table 2				

Table B.2 shows the proportion of Castine employment by industry sector in the year 2000. Again, the impact of MMA is clear, with over 60 per cent of Castine's workers employed in either "educational, health and social services," or "arts, entertainment, accommodation and food services," as opposed to 30 per cent for Hancock County as a whole. The Committee believes these proportions have intensified since 2000.

<p>Table B.2 Castine & Hancock County: Employment by Industry Sector, 2000</p>

Category	Castine		Hancock County	
	Numbers	Per cent	Numbers	Per cent
Agriculture, Forestry, & Fisheries	15	2.2	1,315	5.3
Construction	25	3.7	2,524	10.1
Manufacturing	17	2.5	2,369	9.5
Wholesale Trade	7	1.0	575	2.3
Retail Trade	38	5.6	3,057	12.2
Transportation, Warehousing and Utilities	28	4.1	883	3.5
Information	31	4.6	644	2.6
Finance, Insurance & Real Estate	28	4.1	1,191	4.8
Professional, scientific, management, administrative and waste management services	38	5.6	2,005	8.0
Educational, health and social services	313	46.3	5,544	22.1
Arts, entertainment, recreation, accommodation and food services	99	14.6	2,252	9.0
Other services (except public administration)	14	2.1	1,672	6.7
Public Administration	23	3.4	1,003	4.0
Total	676	100	25,034	100.

Source: 2000 U.S. Census: Table DP.3

Table B.3 lists some of the businesses in Castine, as compiled by the CCPC as of mid-2008.

Table B.3 Town Businesses, 2008¹	
Castine, Maine	
1 Grocery Store	Seasonal: 1 Take-out Stand,
5 Retail/Gift Shops	1 Kayak Tours
1 Lunch/ Ice Cream Parlor	
4 Restaurants	
3 Inns	
1 Health Clinic	
3 Contractors	
4 Real Estate Offices	
2 Banks	
1 Boat Yard/Marina	
2 Galleries	
Several Home Occupations	

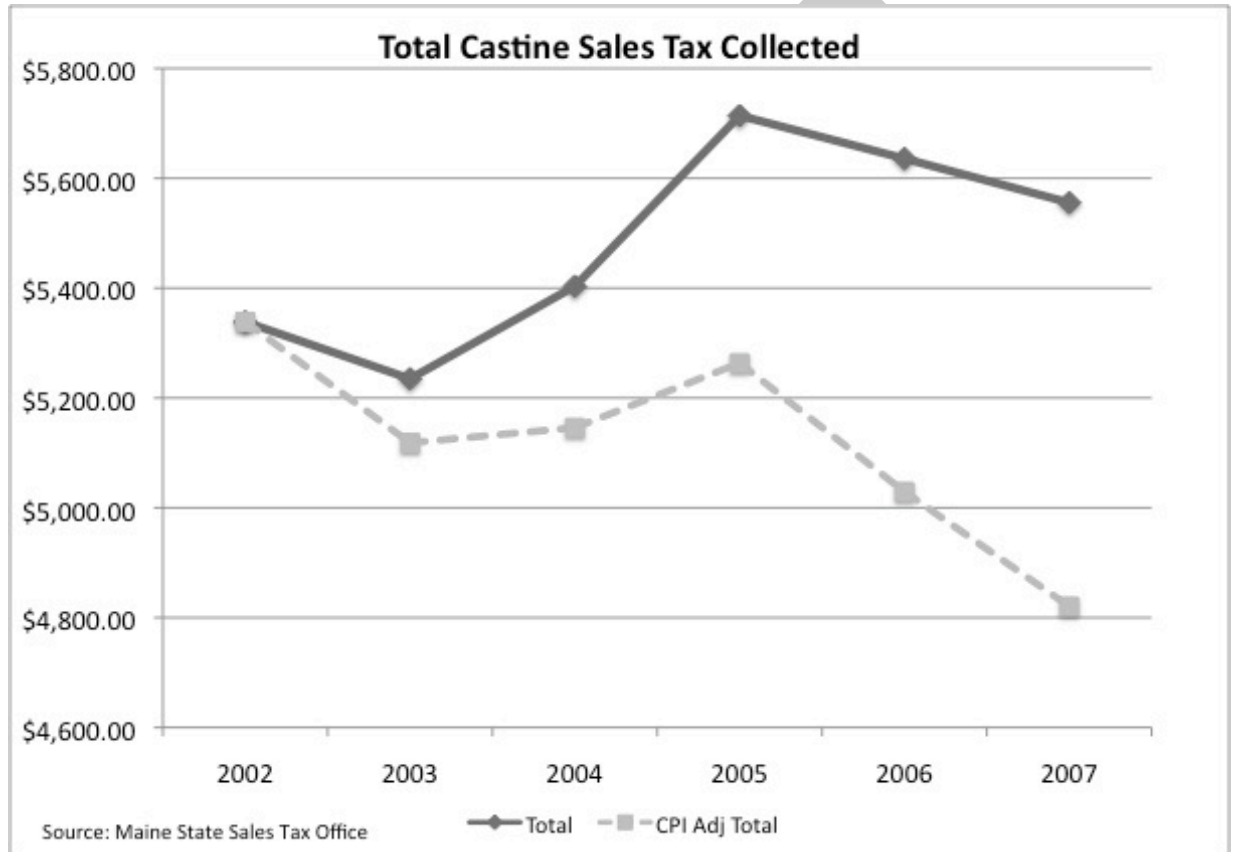
¹NOTE: This list is current as of mid- 2008. Businesses change constantly and it is possible that some operations were overlooked.
SOURCE: Castine Comprehensive Planning Committee

5. Current Economic Issues

Since 1995 the number of active business establishments in the town's relatively small commercial area has declined, often the result of commercial establishments being converted to residential uses. It is extremely unlikely that this process can be reversed.

Activity among those businesses still surviving declined, even before the downturn of late 2008, as measured by sales tax receipts. See Table B.4.

Table B.4



If these trends continue, they will have consequences for the Town's future.

Although the Town lies within the service area of the Eastern Maine Development Corporation, it has not actively participated in regional economic development plans. It does not have, in contrast to neighboring municipalities, any organized economic development activity, nor does the Town budget for economic development.

TO DO LIST

The Town might want to consider creating a new commercial zone.

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Appropriate funds for econ. development.

DRAFT