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5 **LIVELIHOOD & COMMERCE WORK GROUP**
6 **PRELIMINARY RECOMMENDATIONS**

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9 **THE VINEYARD ECONOMY** is largely driven by its vacationers and seasonal
10 residents, who bring significant economic activity to the island and. We need to keep
11 this part of the economy – hospitality, construction, and real estate - robust, vital, and
12 responsive to changing needs. At the same time, a more diverse and stronger year-round
13 economy would be good for the Island’s residents, seasonal and year-round alike. The
14 Livelihood and Commerce Work Group of the Island Plan (L&C Work Group) set out to
15 understand how the Vineyard might support the existing economy, imagine how to
16 improve it, and help our economy assure long-term prosperity for all. The natural beauty
17 and history of the island are matched by the great diversity of its community. In all that
18 we do, we must be certain to protect and build on what we have - our natural resources,
19 our environment, and our cultural heritage.

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21 **THIS DOCUMENT ASSEMBLES** the L&C Work Group preliminary findings which
22 derive from a series of inquiries, meetings with many islanders (farmers, fishermen,
23 health care workers, school officials, entrepreneurs, employees, and others) and the work
24 of consultants John Ryan of Development Cycles and Michael Shuman and Doug Hoffer
25 of Training Development Corp. Both have done studies for us; their findings are
26 summarized in John Ryan’s *Martha’s Vineyard Economic Profile* (attached).

27
28 **THE ESSENTIAL INDICATORS** of community – shared core values, caring for one
29 another, civic involvement, good communication - remain strong and rich, but our
30 economy needs to focus on the significant benefits of greater balance to remain strong in
31 the face of upcoming challenges. Greater economic self-reliance means that the
32 Vineyard economy can remain strong and our residents and visitors can count on
33 authenticity, beauty, health, and a strong sense of community as we face the challenges of
34 climate change, peak oil, and globalization.

35
36 **THE ECONOMIC APPROACHES** which might help to strengthen and balance the
37 economy are to:

- 38 • Bolster the existing vacation-based economy;
- 39 • Encourage more Island spending (reduce economic leakage) to foster greater
40 circulation of money within the community (increase economic multipliers);
- 41 • Support local ownership (when those who are conducting commerce are deeply
42 connected to the community they tend to have community interests at heart);
- 43 • Substitute imports through local production, especially of such essentials as
44 food and energy;
- 45 • Stimulate local investment;

- 46 • Increase year-round jobs with living wages;
- 47 • Optimize self-reliance, so that we become less dependent on distant forces and
- 48 events;
- 49 • Utilize our historic character and geophysical attributes more fully by promoting
- 50 a greater diversity of off-season activity;
- 51 • Create a robust environment for lifetime learning;
- 52 • Incentivize economic behaviors that protect, restore, and celebrate our
- 53 environment.

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55 **IN SUMMARY**, the Vineyard will benefit from a diverse and prosperous year-round
56 economy that enhances our community and environment, that respects our character and
57 history, and that understands that although we are an island we are also part of the larger
58 world. The material that follows consists of the core economic objectives that this work
59 group has developed and the various initiatives we are examining.

60 **PRIMARY ECONOMIC OBJECTIVES**

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63 **THE PURPOSES** of the Livelihood & Commerce work group’s effort are to 1) help
64 year-round residents -- individuals and families -- live meaningful and productive lives in
65 harmony with the values that make Martha’s Vineyard unique and 2) to help build a
66 vibrant economy that inspires, welcomes, and enables those who grow up here to stay or
67 return. The following represent six economic objectives that have guided the work group
68 in our deliberations and recommendations:

69
70 **1. Emphasize initiatives that are environmentally benign or restorative.**

71 To truly focus on the long-term economic wellbeing of this island, we must begin
72 with our natural environment. Each initiative we recommend should, ideally, have
73 positive net impacts on the water we drink, the air we breathe, the soil we
74 cultivate, and the natural beauty we enjoy.

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77 **2. Find ways to provide “career path” jobs for the next generation.**

78 Many young adults raised on the island have expressed a desire to stay here or to
79 come back (if they have gone elsewhere for education, military service, or other
80 work and life experiences). We need to create new work opportunities that utilize
81 our young peoples’ educations and provide long-term capacity to grow in skills,
82 responsibility and income. We emphasize this value both for those professionally
83 trained and for those who are not. Equally important are those things that will
84 cause the island to be a welcoming environment for those returning: community
85 vitality and sufficient affordable housing.

86
87 **3. Expand the proportion of higher paying “living wage” jobs.**

88 The main challenge is not to encourage job growth *per se* but to encourage the
89 growth of good-paying, year-round jobs, and to raise the level of pay for all jobs.
90 The universal dilemma of vacation communities like Martha’s Vineyard is that
91 costs are high and the type of work needed pays relatively low wages. We need to

92 continuously look for ways to address that imbalance, by adding value within the
93 vacation sectors as well as by facilitating the development of new and existing
94 workforce and continuing educational opportunities not driven by our vacation
95 economy. It also helps to bring jobs that are often “under the table” into the
96 official economy. This is not to say that barter, which is a traditional part of our
97 culture, should not be encouraged, but it is important that workers are not left un-
98 protected if they are injured, require health care, or find themselves unemployed.
99

100 **4. Use the community’s buying power to keep more dollars circulating within**
101 **the local economy.**

102 One of the key lessons learned in this planning effort is how valuable it is to keep
103 the money earned on the island circulating within the local economy. In the
104 simplest terms, every dollar we spend locally contributes to another resident’s
105 financial wellbeing. As long as that dollar keeps getting spent on the island, its
106 benefit multiplies here. Once it leaves the island, its benefit goes elsewhere. This
107 is true not only for our purchases of consumer goods, but also for large
108 expenditures for products like mortgages, insurance, health care, and pre-
109 fabricated homes. For a small island like ours, there are clearly limits to what we
110 can buy locally, but even in our off-island purchases, we need to explore ways we
111 can combine our buying power to purchase those items at a lower cost. The idea is
112 to “buy sensibly”- first: on-island, second: on-island collectively, third: off-island
113 collectively. Creating a Vineyard buyers cooperative might allow us to influence
114 prices on and off island.
115

116 **5. Create new “export” opportunities appropriate to the Vineyard.**

117 For all the benefits of an economy based on serving the vacation needs of its
118 visitors (lower taxes, lower off-season population and demands) there is a
119 downside to putting all of one’s eggs in this basket. Personal and property
120 services for this visitor-based population tend to create economic stratification
121 and dependence on low-wage jobs. We need to concentrate efforts on building
122 the infrastructure and capacity to export high-value services from the island to
123 other places. This might involve development of more web-based jobs, a
124 Vineyard “brand”, and new educational services. It may be worthwhile to
125 strategize with high school officials about how our educational system meshes
126 with future economic opportunity, and whether there are improvements that could
127 be made.
128

129 **6. Strengthen and gradually re-align our core economic activities.**

130 Hospitality, construction, and real estate are our bread-and-butter.
131 Embracing visitors is the driving force of our economy and the hospitality sector
132 can be bolstered with specifically targeted niche marketing efforts. If we over-
133 build the island, however, our natural and cultural resources can become
134 endangered, thereby undermining the economy we count on.

135 Many Vineyarders rely on construction and real estate for good
136 livelihoods, and these sectors are becoming more sustainable as they now deal
137 more and more with already developed properties. The challenge is to continue to

138 make these important sources of income and livelihood durable while being
139 careful to align them with the other purposes of the Island Plan.

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SOME PROMISING INITIATIVES

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143 The following represent a number of promising initiatives that spring from the values
144 expressed above and form the basis of the Livelihood & Commerce Work group’s
145 recommendations. They are not in order of importance.

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147 *The first five initiatives look at the creative stewardship of the island’s rich natural*
148 *resource base in ways that generate interesting, meaningful, living-wage jobs.*

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1. Create a world-class “heritage” tourism program.

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2. Develop new strategies to harness local renewable energy resources.

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3. Expand local agriculture and aquaculture.

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To encourage more local food production we need to expand the supply of agricultural land for commercially viable agricultural enterprises, develop the island’s food processing and production infrastructure (meat-processing facility, fish-processing facility, dairy co-operative) and promote local agricultural and fishery products. This initiative goes well beyond the number of jobs created and the amount of new economic activity generated. The island’s working landscape on land and on water is an invaluable resource connecting each of us to our

184 historic roots and to the sources of our food. It adds richness and authenticity to
185 the concept of a “heritage” tourism program, adds to the character of the island,
186 and adds to the market value of real estate. Expanding the cottage industry of
187 “artisan” foods that already exists here, gives meaningful work to those for whom
188 this is a passion, and in some cases combines with regular jobs to make a better
189 living.

190
191 **4. Consider “formula” business impact on Island character and economy.**

192 So-called “formula” businesses, owned by off-island corporate entities, might, if
193 they became more widespread, bleed funds from the local economy and change
194 the character of our commerce. To what degree should we consider and plan for
195 this? Do they represent any threat at all? Does it make sense to regulate them, as
196 some nearby towns have done, or to suggest to the MVC that they add this kind of
197 commercial activity to the Development of Regional Impact checklist? The L&C
198 work group has no answers to these questions; we have just begun to explore the
199 issue.

200
201 **5. Encourage the business community to lead the celebration and support of the
202 Island’s beauty, heritage, and non-profit sector.**

203 All of these contribute, in ways that we cannot even measure, to the extraordinary
204 nature of our economic climate. Vineyard businesses need to lead the way in
205 protecting and enhancing our environment by embracing low-impact business
206 practices whenever possible. Many do so, but the commitment can be broadened
207 and far more can be done through financial support and ensuring that business
208 practices do not undermine Island Plan values.

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210
211 *The next two initiatives consider how we can act in relation to our purchasing. The*
212 *emphasis is not on a “buy-local-at-all-costs” doctrine, but rather to buy smart, to buy*
213 *sensibly, and for everyone to know the effects of their purchasing habits.*

214
215 **6. Increase community awareness of the impact of purchasing decisions and
216 create an integrated “buy local” campaign.**

217 Establish an on-going a mechanism to keep the following inter-related issues in
218 the minds of islanders in ways that will influence individual and institutional
219 actions: buying local products and services, reducing economic leakage off-
220 island, expanding the island’s capacity to provide more and better services for the
221 resident population. As part of the educational effort above, develop a multi-
222 faceted island-wide *Buy Local* campaign that emphasizes the community value,
223 authenticity, and economic advantages of local production and buying.

224
225 **7. Establish an island-based buying cooperative to provide islander discounts
226 for products and services that must be obtained off-island.**

227 Many big-ticket items will never be economically feasible to support with the
228 island’s population alone. If we could harness our collective purchasing power,
229 however, we may be able to buy automobiles, health insurance policies, and an

230 array of other products and services from off-island providers at wholesale rather
231 than retail prices. The savings would generate a financial benefit and leave more
232 money available to circulate in the local economy. Our geographic isolation has
233 historically translated into paying a premium for items. It may be possible to turn
234 it around into a buying advantage.

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237 *The next six initiatives aim to promote local entrepreneurial activities that create year-*
238 *round, “career path” jobs.*

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241 **8. Provide entrepreneurial training, mentorship, and technical support to sole-**
242 **proprietors and micro-businesses in the for-profit sector.**

243 The Vineyard has a thriving culture of sole proprietors and micro-businesses.
244 Over 70 percent of the island’s business establishments have fewer than five
245 employees; in addition, there are roughly 2,000 self-employed individuals and
246 unreported businesses. This seems like an especially ripe environment to build
247 entrepreneurial capacity. What common needs do these sole and micro-businesses
248 have that could be handled more efficiently? What marketing, operational, and
249 financial tools would allow the scope of entrepreneurial activity to grow? What
250 outside linkages and partnerships could begin to export what is done especially
251 well on-island to other locations? In this arena, “continuing education” could
252 have enormous payback over time.

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255 **9. Expand the physical and human infrastructure needed to develop the**
256 **island’s capacity to export professional, scientific, technical, and waste**
257 **management services and products.**

258 We need appropriate in-town places for these kinds of businesses to locate. A
259 collection of initiatives might lead us in that direction. Some measures that might
260 be considered for commercial development include:

- 261 ❖ Property tax incentives for land owners and/or business owners who
262 satisfy all or some of the following criteria: create year round living wage
263 jobs; locate essential anchor businesses in downtown centers; create
264 import substitution businesses
- 265 ❖ Zoning changes and/or incentives that allow larger buildings in downtown
266 areas and that promote downtown residential and other uses above
267 businesses
- 268 ❖ Areas for art and craft-based and export-oriented small manufacturing and
269 service businesses, and wholesale and industrial uses to locate.

270 At the same time, we need greater access to local investment capital, stronger
271 business-to-business networking capabilities, and a more integrated marketing
272 effort to support these entrepreneurial activities.

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275 **10. Create new financial mechanisms such as a revolving loan fund (“The**
276 **Vineyard Fund”) to promote investment in local enterprise.**

275 The Vineyard has significant capacity to attract investment capital from those
276 with local ties to the island as well as from our local banking community. This
277 capital can spur the kinds of entrepreneurial efforts needed to develop the heritage
278 tourism concept, expand export products and services, harness local renewable
279 energy sources, and expand agriculture-related production. We need to create
280 simple, locally focused mechanisms that offer community-based investors the
281 opportunity to earn fair-market returns from local for-profit initiatives.
282

283 **11. Encourage new opportunities for higher learning and continuing education.**

284 The Vineyard has a long history of post-secondary education. Degree and
285 certification programs for teaching, environmental studies, and other carefully
286 chosen areas may be beneficial to many Vineyarders. Some of these may be
287 attractive to off-islanders and make use of under-utilized facilities off-season.
288

289 **12. Optimize the environment for remote work and telecommuting**

290 A small but growing sector of island professionals work “freelance” or for a
291 remote employer via computer, telephone, and occasional off-island travel. This is
292 certainly a growing national trend that supports the kind of higher-paying
293 professional work needed to afford life on the island. The Vineyard has many
294 attractions for this kind of work and could develop this sector with greater
295 intentionality. We need to explore further what infrastructure and linkage
296 characteristics promote development of remote work professions.
297

298 **13. Strengthen the health and human service sector to meet the needs of an**
299 **aging population and growing number of retirees.**

300 The number of Vineyarders over 65 will grow dramatically in the coming decade,
301 as Island baby boomers reaching retirement age are joined by seasonal
302 residents moving here to retire. The growing demand for health and human
303 services increases opportunities for businesses and jobs to serve their varied needs.
304

305 *The last initiative addresses the manner in which the Vineyard presents its economic*
306 *offerings to the outside world.*
307

308 **14. Establish and market a Martha’s Vineyard “brand” based on our primary**
309 **economic objectives.**

310 Such a branding exercise can drive marketing efforts in tourism; in professional,
311 scientific, technology, and waste-management initiatives; in renewable energy
312 production; in agricultural and marine products; in local arts and crafts; and in
313 other emerging industries.
314

315 **CONCLUSION**

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317 This document presents objectives and proposes initiatives, but it does not address
318 implementation. If the community agrees with these recommendations, the Livelihood
319 and Commerce Work Group and the Island Plan Steering Committee hopes to work with

320 members of the community – and particularly the private sector – to bring these
321 recommendations to fruition.
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