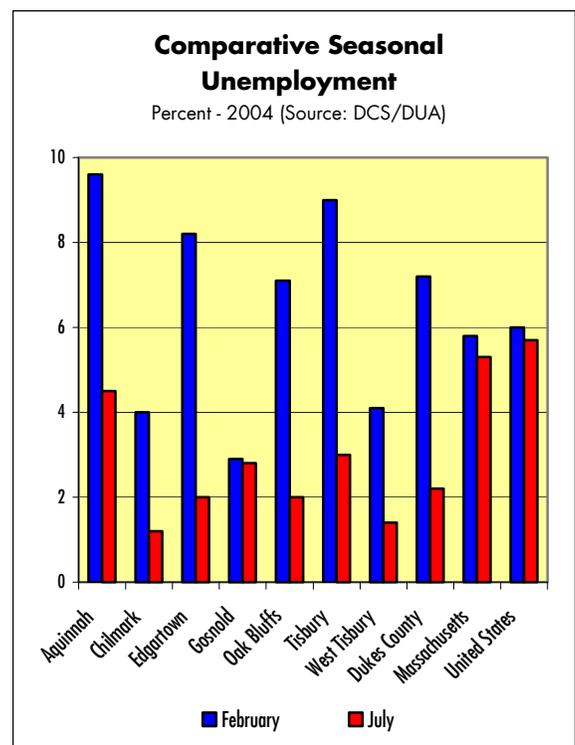




Economic Profile of Martha's Vineyard

1. The Vineyard Has a Highly Seasonal, Visitor-Based Economy

- For decades Martha's Vineyard has been a classic, seasonal, visitor-based economy. With the exception of some remaining commercial fishing employing only a very small number of people, there are no significant exports of Island goods or services.
- The MVC estimates the number of people on the Vineyard on a peak summer day swells from its year-round population of about 15,000 to about 75,000 people. This includes about 39,000 seasonal residents and vacationers renting for a week and more, and up to 9,000 day-trippers and cruise passengers.
- The driving force of the Island's economic base is visitors and especially second homeowners who purchase goods and services during their stay. Consumer spending can vary widely among sub-groups: year-round resident, seasonal resident, vacationer, transient (staying for less than a week), or day-tripper.
- Second-home owners pay property taxes, but do not require the most costly of public services – education. This, and the philanthropy of the seasonal residents, allow for a much higher level of services on the Vineyard – both government and private – while also keeping tax levels relatively low.
- The extreme fluctuations in population from winter to summer place severe strains on the towns' infrastructure: water, sewer, solid waste, and especially the Island's road network.
- Off-season unemployment rates are two to four times summer rates.
- Within the past twenty years, seasonal retail and service businesses have extended their operations to the increasingly broad shoulder seasons.
- The seasonal nature of the Vineyard has an adverse impact on housing availability and affordability, for both year-round residents and seasonal workers. The majority of dwellings are occupied seasonally (except in Tisbury and West Tisbury). The additional demand for summer housing brought on by 5,000 seasonal workers place more strains on the already limited rental market.
- The lack of readily available and affordable housing for year-round residents and seasonal workers affects the community as a whole. The resulting difficulty of maintaining a stable workforce has a significant economic impact on the Island.

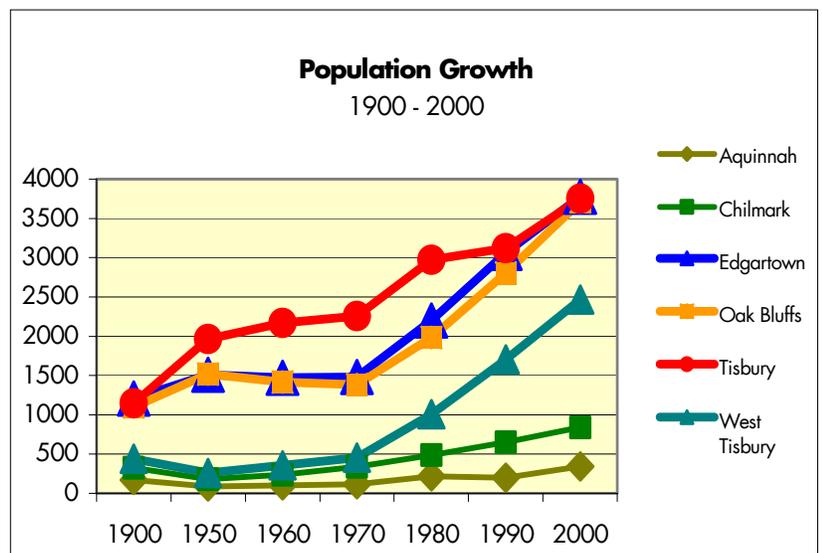
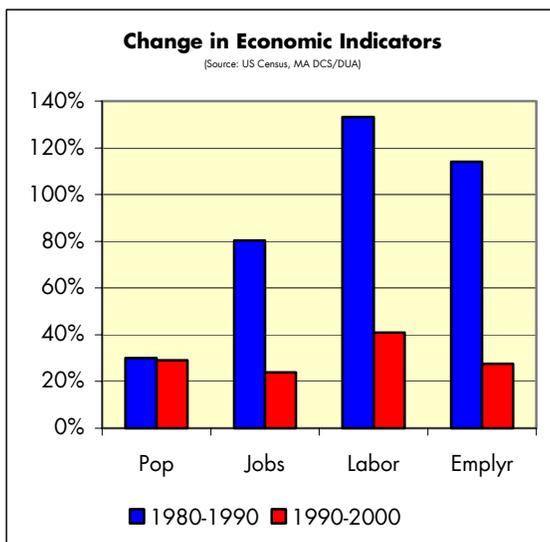


2. The Vineyard Has Experienced Rapid Growth Over the Past Generation

Population, Jobs (Workforce), Labor Force and Number of Employers by Town													
	1980				1990				2000				
	Pop	Jobs	Labor	Emplyr	Pop	Jobs	Labor	Emplyr	Pop	Jobs	Labor	Emplyr	
AQ	220	85	na	na	201	85	59	12	344	102	77	14	
CH	489	228	na	na	650	359	152	35	843	448	303	59	
ED	2,204	1,011	na	na	3,062	2,039	1,451	226	3,779	2,581	2,004	308	
OB	1,984	764	na	na	2,804	1,700	1,210	173	3,713	2,027	1,849	193	
TI	2,972	1,383	na	na	3,120	1,870	1,971	324	3,755	2,145	2,327	361	
WT	1,010	509	na	na	1,704	1,124	221	48	2,467	1,584	578	109	
MV	8,879	3,980	2,172	382	11,541	7,177	5,064	818	14,901	8,887	7,138	1,044	

Source: U.S. Census; MA DCS/DUA

- Large increases in jobs, labor force, and employers from 1980 to 1990 reflect the Island's economic and building boom of the mid-80s, paralleling national rates. The same categories then grew at a slower and much more uniform pace compared to the 1980's with the impact of the severe national recession of the early 90s felt more mildly on the Vineyard. Growth has continued to be strong in the past eight years, despite another national recession.



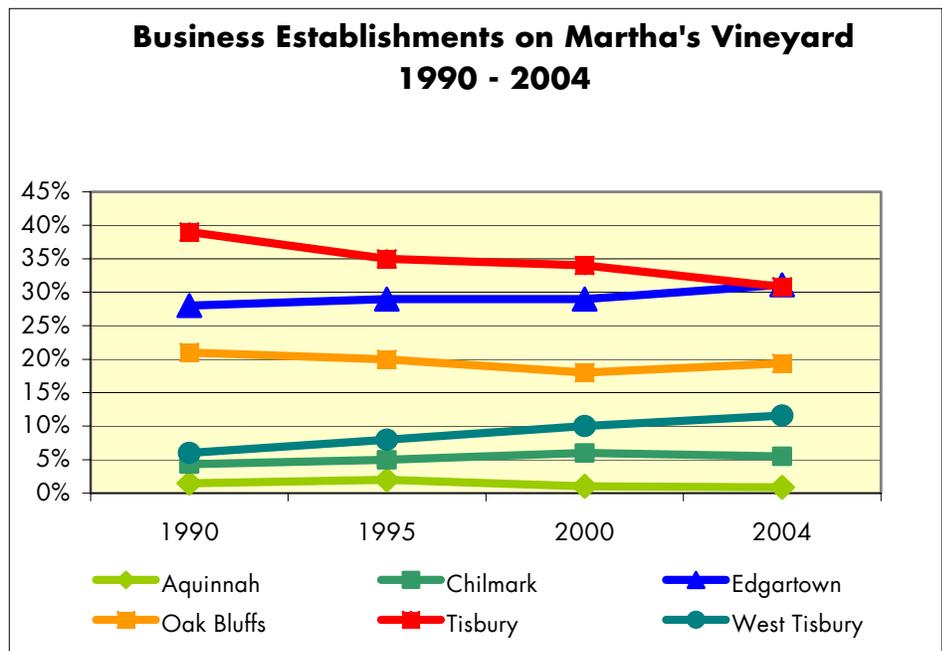
3. Business is Concentrated in the Down-Island Towns

- The primary economic activities, both seasonally and year round, on Martha's Vineyard take place predominantly within the Down-Island town centers of Edgartown, Oak Bluffs, and Tisbury. Each town center is located around its own harbor and waterfront areas that are surrounded by dense commercial, mixed-use, and residential development. The waterfronts of Edgartown and Oak Bluffs, and to a lesser extent Tisbury, are comprised of primarily visitor-oriented establishments that typically close in the off-season. Many year-round retail and office activities are still located in these Down-Island towns, but have grown away from the historical commercial centers, most notably along and near Upper Main Street in Edgartown and Upper State Road in Tisbury.

- Other retail and office activities are located in smaller Up-Island centers such as the West Tisbury village center, Menemsha fishing village, and Chilmark's Beetlebung Corner. The newest, largest, and most Down-Island is in North Tisbury.
- Industrial activities are found in various in-town and rural locations scattered in different parts of the Island, notably in the Airport Business Park.
- Traditional industries include farming and fishing. Although at reduced levels from previous generations, they contribute to the character of the Island and its appeal to visitors.
- Martha's Vineyard has a considerable number of home businesses throughout the Island. Also dispersed places of employment are businesses and activities related to the construction, renovation, maintenance and landscaping of properties.

4. The Number of Business Establishments is Growing, Especially in West Tisbury

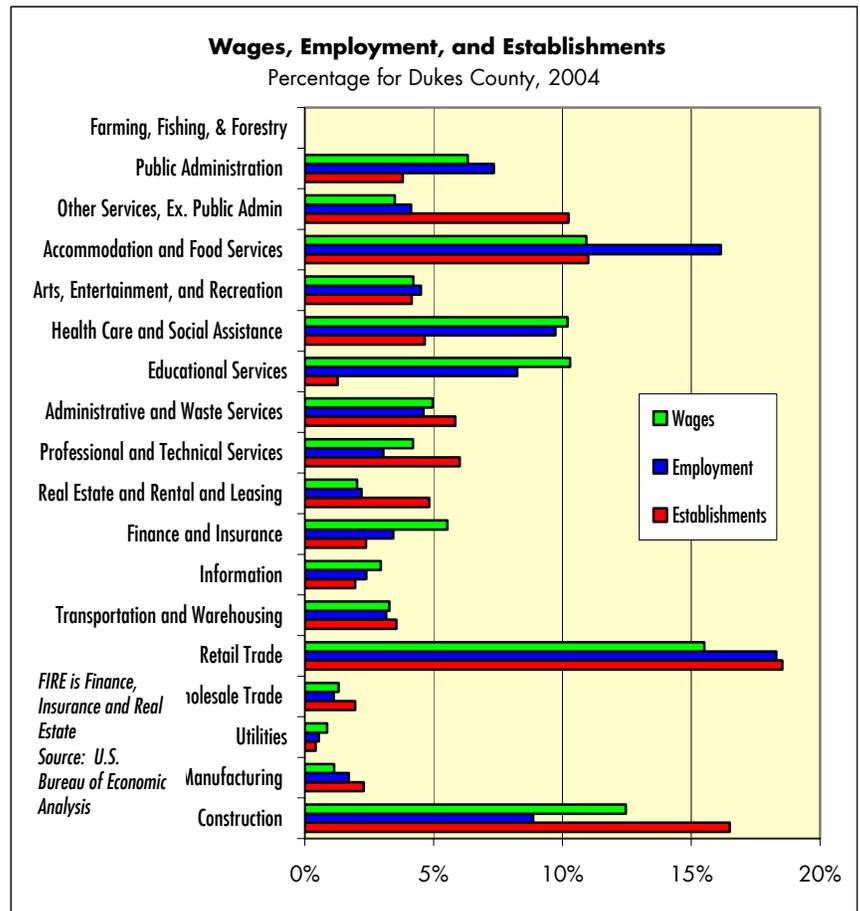
- Martha's Vineyard has seen continued growth in the total number of business establishments (employers reporting payroll withholding taxes) between 1985 and 2002. Between 1985 and 2004, the number of business establishments increased from 655 to 1,173, a 76% increase.



- The percentages of establishments in the Up-Island towns of Aquinnah and Chilmark have remained constant. The number of establishments in West Tisbury has grown at an accelerated rate since 1990 and represents an increasing percentage of the Island's businesses. Although the total number of establishments increased within each Down-Island town, Tisbury and, to a much lesser extent, Oak Bluffs lost a proportional share of business establishments to West Tisbury.
- Approximately two-thirds of the establishments on Martha's Vineyard employ between one and four individuals, according to the US Census County-to-County Business Patterns; 70% have 1-4 employees and 17% have 5-9 employees compared to 54% and 19% respectively for Massachusetts as a whole. The 2003 Business Survey conducted jointly by the MVC and the MV Chamber of Commerce indicated a somewhat larger size (possibly because there was an under-representation of home businesses) with an average of five to six full-time employees in retail businesses and eight to ten full-time workers in non-retail businesses. The survey figures did not include part-time workers or seasonal workers.

5. The Majority of People Work in Retail and Service Jobs

- Vineyard retail and services jobs (health care, landscapers, lodging, etc.) have consistently accounted for more than half of all reported employment. (Note: Most employment statistics from federal sources come only from employers required to file withholding taxes for employees; sole proprietors are not included.)
- Since 1985, construction consistently represented 8-9% of total employment and 12-14% of business establishments.
- In 2004, educational and public administration jobs accounted for 15% of employment.
- While largely tourist-related jobs (accommodation, food, arts, recreation, entertainment, and retail) represented 44% of employment in 2004, they accounted for only 41% of the total Island wages. Conversely, the 8% of Island jobs in construction and government provided 13% of the wages.



- As the Vineyard's baby boom population surge reaches retirement age in the coming decades, the demand for health care and social services will grow.
- From 1985 to 2004, the number of workers working within each town increased, except Tisbury, which slowly declined since 2001. In 2003, Edgartown and in 2004, Oak Bluffs surpassed Tisbury as the towns with the largest number of workers, followed by West Tisbury, Chilmark, and Aquinnah. The workforce size among the three Down-Island towns is equalizing – much like their year-round populations.
- From 1985 to 2002, Tisbury had the largest workforce, although its share of the Island's workforce declined from its peak of 39% in 1990, to 33% in 2002. West Tisbury picked up Tisbury's lost percentages increasing from 4% to 10%. In 1985 Edgartown had 32% of the Island workforce while Oak Bluffs had 23%. Over the next ten years, there was a shift between the two towns: Edgartown experienced a 4% decline while Oak Bluffs experienced a 5% gain. Between 1995 and 2002, Edgartown led Oak Bluffs by a margin less than two percent, a lead that has now grown to 4%. Chilmark and Aquinnah combined have less than 5% of the Island's workforce.

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