

Local Economy

Introduction and Overview

The health of a community is often measured by its economic activity. Income and employment, in addition to describing the nature of the population, can be indicators of current and future demand for housing, recreation, social and cultural services. While the Historic Profile chapter outlines the active role that community leaders and citizens in general have played in building the backbone of Belgrade, this chapter seeks to describe the town's current conditions, outline Belgrade's role in the regional economy, and examine visible trends and areas that need improvement. This chapter will also identify the town's economic development assets and incorporate public sentiment to lay out a direction and strategy intended to guide the town's economic development efforts for the foreseeable future.

As with many central Maine communities in recent times, Belgrade has had challenges and successes with regard to economic development. The town of Belgrade must constantly grow and adapt to changes in economic activities and consumer demands. These efforts are ongoing in that the town must make purposeful decisions that will retain and attract both consumers, workforce members and businesses.

As will be discussed throughout this chapter and several others, the data and subsequent analysis needs to be viewed through the lens of the COVID-19 pandemic. The pandemic, which in Maine began in March 2020, changed nearly all aspects of daily life. At this point in time, it is not possible to truly depict and see the long-term impacts on Belgrade. In light of this, it is recommended to plan for a range of possibilities so the town will be well prepared. In the interim, statistics and data presented in this plan are primarily based on information from early 2020, and as such will not reflect the sudden changes brought on by COVID-19. These statistics and data will present a baseline of the essential components for Belgrade's local economy, even if it is used for a comparison before and after the effects of the pandemic.

Per Capita Income Vs. Household Income:

The most conventional measure of a town's economic health is the income of its individuals and families. The Census reports two basic types of income measures: "per-capita income," which is simply the aggregate income of the town divided by its population, and "household income," which is the income, usually the median income, of the households within the town. The latter is more helpful from a planning perspective.

The per-capita income, or PCI, is used to determine the average per-person income for an area and to evaluate the standard of living and quality of life of the population. Since PCI divides the number of the town population, including all individuals and not just adults, by the total income of the population, it will inevitably be lower for areas where more people are not working or are working but earning lower wages money. PCI is also a useful way to assess a municipality's affordability. When compared to real estate prices it

can determine if average home prices align with a family’s income, as well as in commercial settings such as a new business opening. If a town’s population has a high per capita income, there is most likely a better chance at generating higher revenue and goods sales.

One use of per-capita income is comparison among towns. According to the 2020 American Community Survey (ACS), Belgrade had a per-capita income (PCI) of \$45,494, which is the highest of the five towns compared in Table 1. The median household income of Belgrade is the second highest, with Readfield being the highest of the comparison towns.

Table 1: Comparison of Surrounding towns Per Capita Vs. median Household Incomes

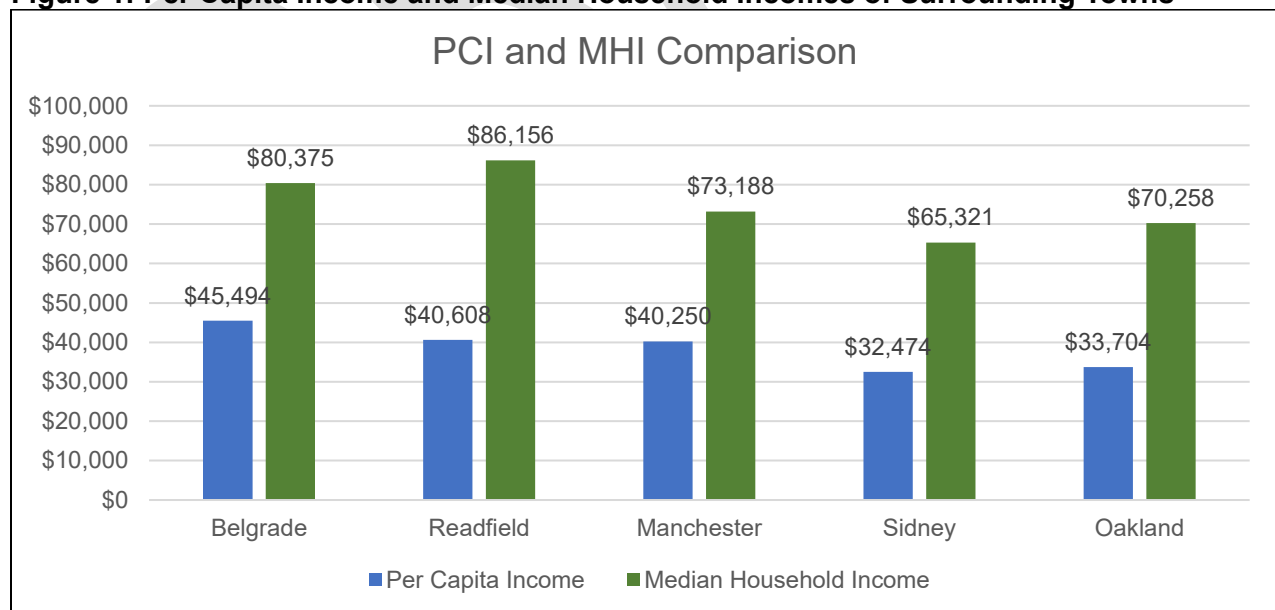
	Belgrade	Readfield	Manchester	Sidney	Oakland
Per Capita Income	\$45,494	\$40,608	\$40,250	\$32,474	\$33,704
Median Household Income	\$80,375	\$86,156	\$73,188	\$65,321	\$70,258

Source: 2020 American Community Survey

Median household income represents the total gross income received by all members of a household within a 12-month period. The median divides the income distribution into two equal parts: one half of the cases falling below the median income and one half above the median income. Two factors distinguish medium household income from per capita income:

- Decreasing household size over time.
- Changes in the number of members of the household with income.

Figure 1: Per Capita Income and Median Household Incomes of Surrounding Towns



Source: 2020 American Community Survey

Figure 1, above, presents the same data as Table 1 but in a graphic format rather than a numerical format. It shows the per-capita income of Belgrade and surrounding towns alongside the median household income.

Belgrade’s income profile most closely resembles Readfield’s and Manchester’s. To give more perspective, the State of Maine has a Per-Capita Income of \$87,756 and a median household income of \$69,543. Kennebec County had a PCI of \$74,079 and a median household income of \$62,943. Belgrade has a significantly lower Per Capita Income than both Maine and Kennebec County, and a much higher median household income.

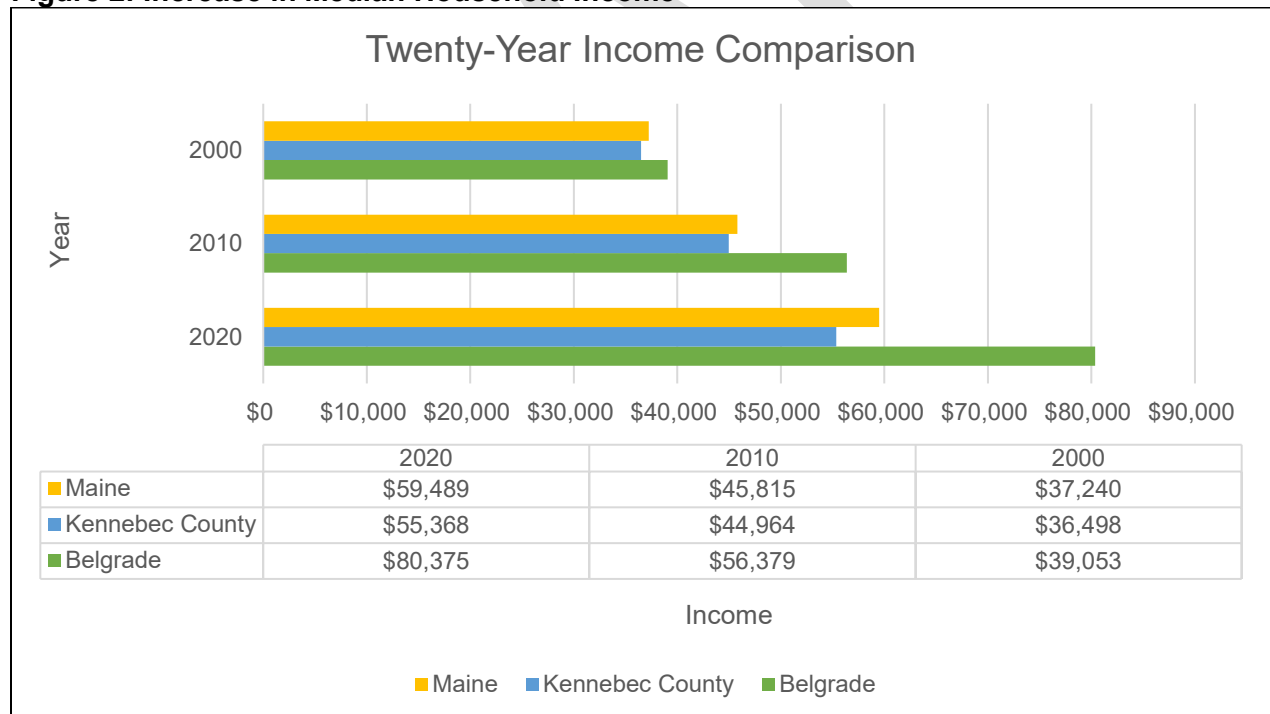
Table 2: Median Household Income Comparison

Median Household Income	
Belgrade	\$80,375
Kennebec County	\$62,943
Maine	\$69,543
United States	\$74,755

Source: 2020 American Community Survey

The changes in Belgrade’s Median Household Income over time are illustrated in Figure 2.

Figure 2: Increase in Median Household Income



Source: 2020 American Community Survey

From 2000 to 2010 there was a 44-percent increase, from 2010 to 2020 there was a 43-percent increase in median household income. When considering the economic events of the past two decades, these percentages make sense. While Belgrade has historically

maintained a higher MHI when compared to Kennebec County and the State of Maine, the difference calculated in the 2020 census is drastic, over \$20,000.

These income levels are also a way to assess housing affordability. A house is considered affordable if a household whose income is at or below 80 percent of the Area Median Income (AMI) can live there without spending more than 28 percent of their income on housing costs (including heat, electricity, insurance, etc.). What this means in practice differs for rental and ownership units. For rentals to be considered affordable at 80 percent of the AMI, the household should be able to live there without spending more than 30 percent of their income on housing expenses.

Table 3: 80% of Annual Median Income by Household Size

County	Household Size							
	1	2	3	4	5	6	7	8
Kennebec	\$45,500	\$52,000	\$58,500	\$64,950	\$70,150	\$75,350	\$80,550	\$85,750

Source: Maine State Economist

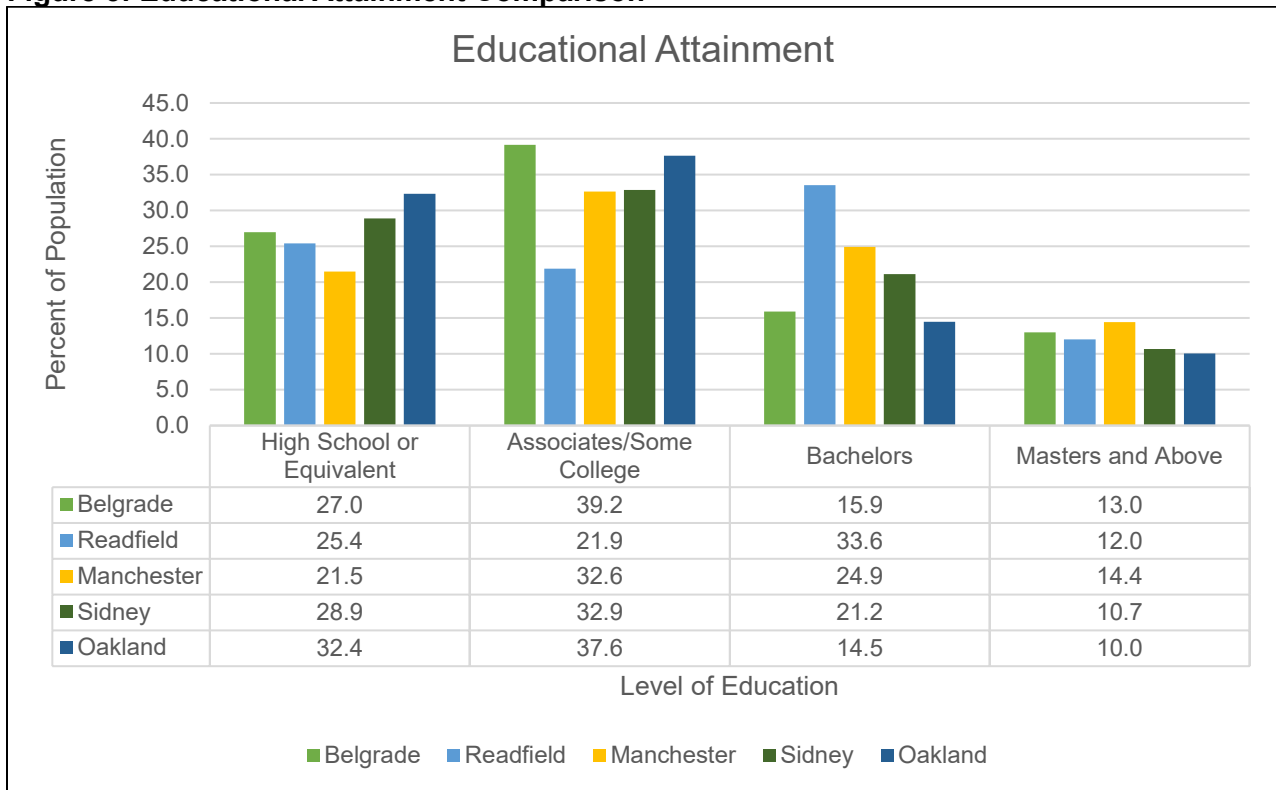
The data above is from 2023 and is produced and maintained by Maine Housing. In Belgrade, 80% of the median household income is \$64,300. 20.8% of Belgrade households make \$49,999 or less, equating to 261 households.

The American Community survey identified 525 households whose income includes social security benefits in 2020, roughly 41% of households in Belgrade. It further identifies 398 households with retirement income, which equates to 31% of households. There is certainly significant overlap between both categories. 4.8% of households, 61 households, in Belgrade receive some sort of public assistance in the form of food stamp benefits.

Educational Attainment:

Analyzing the educational attainment and background of a municipality’s residents is another way to measure how likely the town is to progress and change through time. Jobs that require mastery of mathematics, sciences and specialty skills are more likely to cause a concentration of residents that have higher educational levels. Conversely, positions, such as those in the trades, that require high levels of technical licensing and education do not require employees to live in proximity to a traditional “office.” Many of these jobs have large service areas that allow employees a broader range of locations to reside in. The following figure referencing high educational attainment charts collegiate education levels.

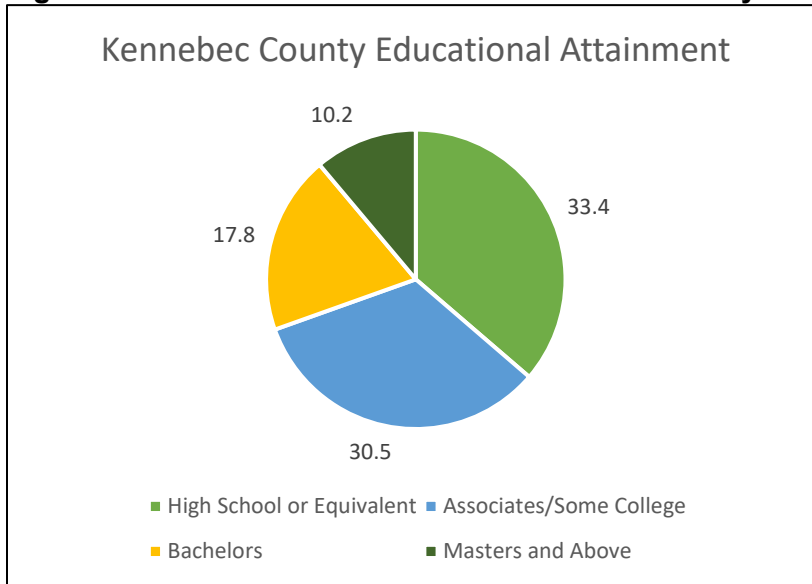
Figure 3: Educational Attainment Comparison



Source: Maine State Economist

The percentage of the population of Belgrade that has a high school diploma or equivalent is seemingly equivalent with the neighboring communities, as shown above. The population with an associate’s degree or completion of some college is the highest percentage of the comparison towns at 39.2%. The town closest to this percentage is Oakland, which has a baseline population nearly double that of Belgrade. At 15.9%, the category of those with a bachelor’s degree is the second-lowest of the compared towns; it is nearly half of the neighboring town of Readfield. Comparatively, Belgrade has the second-highest level of those with a master’s degree and above, just lower than Manchester.

Figure 4: Educational Attainment in Kennebec County



The rate of those in Kennebec County who have a high school degree or equivalent is higher than that of Belgrade at 33.4%, as is the rate of those with a bachelors' degree. However, the population of Belgrade has a higher rate of those with an associate degree and a higher rate of those with a master's degree or above when compared with Kennebec County. Overall, Belgrade residents have

lower levels of education at the high school level and equivalent as well as those with a bachelor's degree. Belgrade has high levels of residents with an associate's degree or some college, and high levels of residents who had earned a master's degree or higher.

Local Labor Force and Employment:

The labor force refers to the number of people either working or available to work within the working-age population. For the purposes of the U.S. Census, the working-age population is everyone over the age of 16, including those of retirement age. Being in the labor force does not equate to being employed. Rather, the labor force is the sum of the employed plus the unemployed; this makes up the number of individuals *available to work*. It should be noted that the Census defined "unemployment rate" only as representing the number of unemployed people as a percentage of the civilian labor force. What it does not specify is that those counted as being unemployed were only those who were actively collecting unemployment.

In 2020 Belgrade's working-age population consisted of 2,535 people. Of that, 59.8% of the working age population was in the labor force, 1,515 residents. Of this 580, or 46.3%, were female and 935, or 53.7%, were males. In 2010, there was a working-age population of 2,479 and 62.3% of the population was in the labor force. This was made up of 737 females and 1,266 males. In 2020, there were 2,267 households in Belgrade,

Table 4: Labor Force Data Through Past Two Decades

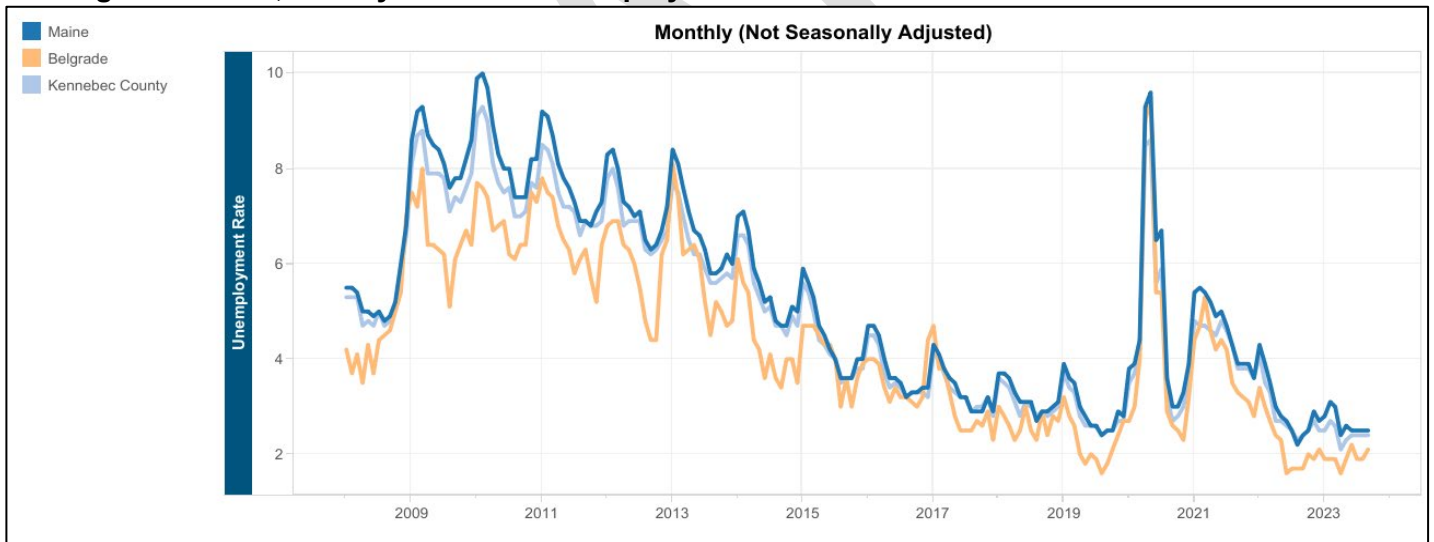
Year	Working Age Population	In Labor Force	Female	Male	Unemployed
2020	2,535	1,515	580	935	108
2010	2,479	1,545	737	808	70
2000	2,315	1,574	765	810	46

Source: Maine Department of Labor

An interesting trend that appears in the above data is that while population and working-age population in Belgrade are steadily growing, as discussed in depth in the Community Profile chapter, the number of residents in the labor force, specifically women in the labor force, is decreasing. Despite the decrease in the labor force, the number of men in the labor force has grown.

The Maine Department of Labor better reports unemployment through Maine specific surveys. MDOL defines unemployment as the number of people who are not employed but are actively seeking work. Included in that category are those who are waiting to be called back from being laid off or those who are waiting to report to a new job within 30 days. The unemployment rate is measured on a month-to-month basis through a sample of surveyed households.

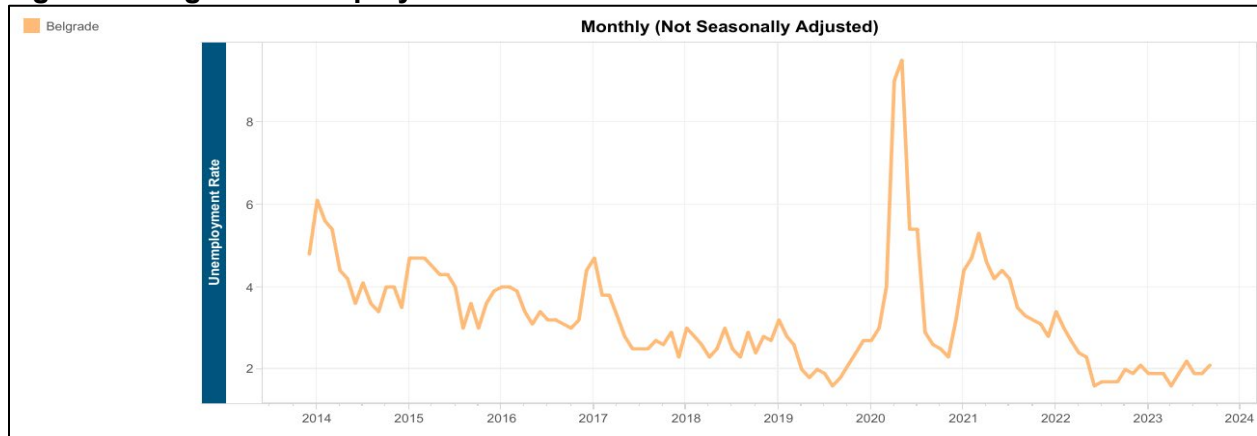
Figure 5: Town, County and State Unemployment Rate



Source: Maine Department of Labor

Figure 5 depicts the dropping unemployment trend until 2020, when the global pandemic caused unemployment rates to skyrocket until mid-2021. While the graph depicts a sobering rate of unemployment, it is significantly less than what many other states witnessed, nor did the trend last as long as in other places. Figure 6 below shows Belgrade’s unemployment rate, taken from the first month of each year. Belgrade saw the same spike in unemployment as the rest of Maine did, as well as a drastic drop and smaller ebbs and flows.

Figure 6: Belgrade Unemployment Rate



Source: Maine Department of Labor

The above analysis does not take into account the prominent seasonal employment in Belgrade. There are a significant number of businesses, such as summer camps, hotels, and restaurants, that rely on seasonal employment. There is currently no state or federal mechanism for tracking seasonal employment.

Labor Market

In 2010, there were an estimated 1,729 persons in the labor force in Belgrade. That number had decreased by 95 people in 2020 to 1,634.

Belgrade is designated as one of the municipality's serving the Augusta Micropolitan Area, otherwise known as the Augusta Labor Market Area. This designation is defined by the U.S. Office of Management and Budget. A micropolitan area is an area with at least one urbanized area of at least 10,000 people but fewer than 50,000 persons and the adjacent towns that have a high degree of social and economic integration, with the core integration being measured by commuting ties. It's been identified by those in the community that residents in Belgrade identify as those that go to Waterville for services or those that go to Augusta for services. That determination is based on the individual's location in Belgrade as well as personnel connections to either of those larger services areas. Table 5 below highlights Belgrade's contribution to the Augusta and Waterville LMA.

Table 5: Labor Force and Employment in Belgrade and Augusta Labor Market Area

Year	Location	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
2022	Augusta Micro	40,144	39,073	1,071	4.1%
	Waterville Micro	21,941	21,252	689	3.1%
	Belgrade	1,648	1,612	36	2.2%
2020	Augusta Micro	39,944	38,152	1,792	4.5%
	Waterville Micro	22,411	21,326	1,085	4.8%
	Belgrade	1,634	1,563	71	4.3%
2015	Augusta Micro	40,684	39,064	1,620	4.0%
	Waterville Micro	22,656	21,548	1,108	4.9%
	Belgrade	1,701	1,632	69	4.1%
2010	Augusta Micro	41,635	38,534	3,101	7.4%
	Waterville Micro	22,776	20,750	2,026	8.9%
	Belgrade	1,729	1,609	120	6.9%
2008	Augusta Micro	41,779	39,703	2,076	5.0%
	Waterville Micro	22,822	21,504	1,318	5.8%
	Belgrade	1,768	1,688	80	4.5%

Source: Maine Department of Labor

Table 5 depicts Belgrade's unemployment rate is a reflection of both of the Labor Market Area's, with a few variations and usually trending slightly lower. Belgrade is a net contributor of workers to the regional economy as are all small towns in the area. Augusta and Waterville are the only net importers of workers.

Employment

The American Community Survey sorts the labor force into five categories. The category of "management, business, science and art" is the largest in both the fields that it encompasses as well as the persons in the category for Belgrade. This category includes management, business, and financial occupations; computer and mathematical occupations; architectural and engineering occupations; life, physical, and social science occupations; community and social service occupations; legal occupations; educational instruction and library occupations; art, design, entertainment, sports, and media occupations; health diagnosing and treating practitioners and other technical occupations; and finally health technologists and technicians. Due to how many occupations are included in this category, it is the reason for such a high number of employees in the category.

Table 6: Occupational Profile for Belgrade Workers

Occupation	2010	% of Total	2020	% of Total
Management, Business, Science, Art	598	40.8%	568	41.3%
Service	202	13.8%	259	18.9%
Sales and Office	245	23.5%	342	24.9%
Natural Resource, Construction, and Maintenance	156	10.6%	87	6.3%
Production, Transportation, and Material Moving	166	11.3%	118	8.6%

Source: Maine Department of Labor

Belgrade's workforce can also be broken down by the industry of employment. This is not as specific as describing a person's actual job. For example, a job in the manufacturing category may include secretaries, managers, sales staff, and skilled workers all together. Breaking industries down in this way provides information to gauge which sectors of the economy are doing well and expanding. An additional advantage is that the Maine Department of Labor uses this classification for its annual updates.

Table 7: Industry Profile for Belgrade Workers

Industry	2010	% of Total	2020	% of Total
Agriculture, forestry, fishing & hunting, mining	19	1.3%	0	0%
Construction	150	10.2%	49	3.6%
Manufacturing	83	5.7%	107	7.8%
Wholesale Trade	68	4.6%	74	5.4%
Retail Trade	159	10.8%	265	19.3%
Transportation & warehousing, and utilities	52	3.5%	28	2.0%
Information	54	3.7%	0	0%
Finance & insurance, real estate, rentals and leasing	63	4.3%	56	4.1%
Professional, scientific, and management. And administrative waste management services	26	1.8%	150	10.9%
Educational services, health care and social assistance	497	33.9%	489	35.6%
Arts, entertainment, and recreation, and accommodation and food services	76	5.2%	42	3.1%
Other services, except Public Administration	137	9.3%	55	4.0%
Public Administration	83	5.7%	59	4.3%

Source: Maine Department of Labor

The above table indicates the largest industry for Belgrade workers is the educational services, health care and social assistance industry by a significant amount. The retail trade and the professional, scientific, and management and administrative waste management services categories had the most growth from 2010 to 2020, both growing

by approximately 9%. The other services-- construction, information, and agricultural categories -- saw significant decline, with the agricultural and information categories losing all of their employees.

While all of the categories experienced changes through the years, to completely lose two industries is interesting. Despite this, the changes in categories that Belgrade is experiencing is similar to what neighboring communities and the greater Augusta Labor Market Area are seeing. These changes are indicators for local and regional economic growth. For example, the manufacturing category is in the headlines when a mill or plant closes, and retail is in the news when a store opens or closes. Belgrade's strength is in the educational and health fields. Fortunately, both sectors are expected to continue to grow as Central Maine seeks to expand offerings to adapt to changing populations and to become a draw for professionals. Belgrade and its workforce are positioned to take advantage of predicted economic trends.

Inflow and outflow counts gathered by the U.S. Census are helpful in that they show where residents of an area work. In the case of Belgrade, a rough outline of the municipality indicates that 1,352 residents of Belgrade leave the town to work. It also shows that 92 residents live and work in Belgrade, while another 534 come into Belgrade for employment. Again, these are counts based off surveys and rough outlines of Belgrade.

Image 1: Inflow and Outflow Counts for Belgrade

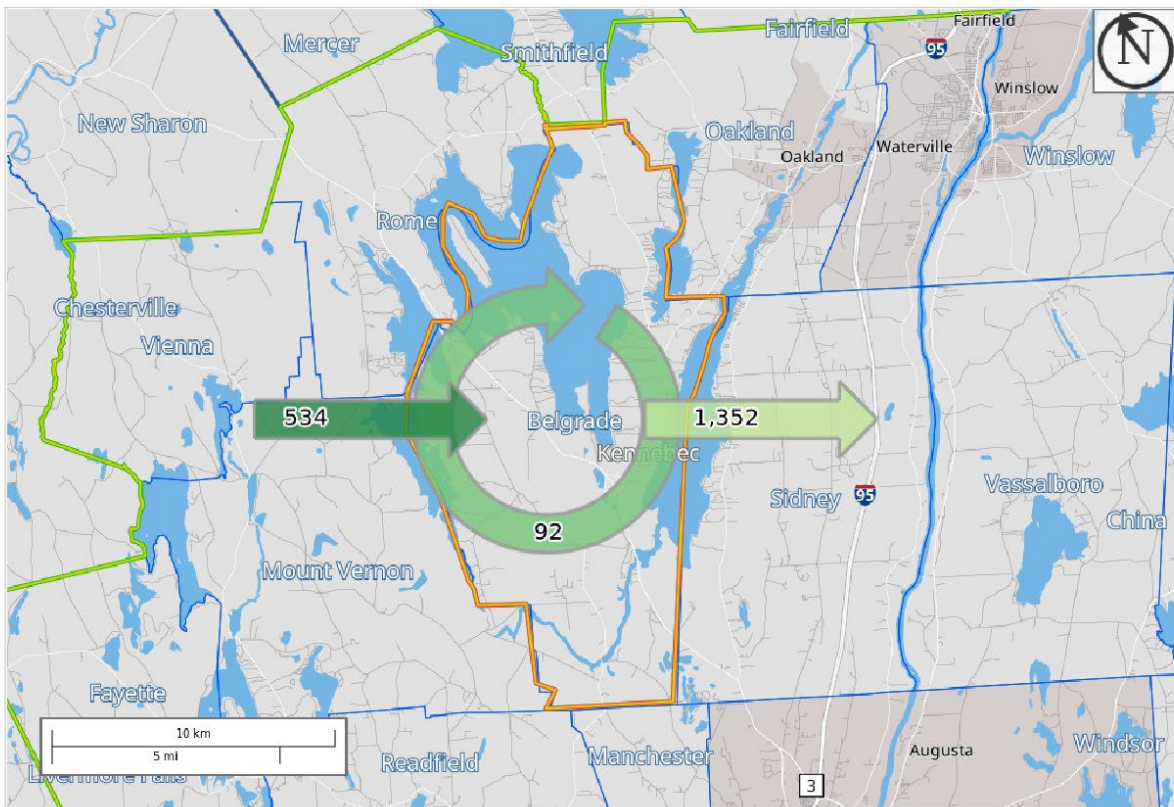
Inflow/Outflow Report

All Jobs for All Workers in 2020

Created by the U.S. Census Bureau's OnTheMap <https://onthemap.ces.census.gov> on 10/27/2023

Inflow/Outflow Counts of All Jobs for Selection Area in 2020

All Workers



Map Legend

Selection Areas

- Selection Area
- Remainder Area

Inflow/Outflow

- Employed and Live in Selection Area
 - Employed in Selection Area, Live Outside
 - Live in Selection Area, Employed Outside
- Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations.



Local Business Climate:

The retail/commercial economy of Belgrade is comprised of small businesses primarily in the service and retail sectors to serve both the year-round and seasonal residents of Belgrade. The commercial and retail enterprises are located in one of two sections of town, either the Village or the Depot. The businesses in the Village are primarily comprised of restaurants, seasonal or temporary lodging, and small stores. The Depot houses the original Hammond Lumber Company location, started in 1953 and now employing over 120 people across the company's various locations. Also located in the Depot portion of town are several marinas and a convenience store.

The following list of business was derived from information provided by the town as well as the Comprehensive Plan Committee. This table reflects statistical data; it does not take into account the numerous home businesses that surely exist but offer limited outside employment or services. Many of these businesses are solely for an extra income and primarily utilize web-based sales.

Business	Industry	Location
Belgrade Lakes Farmers Market*	Local goods	Main Street
Belgrade Lakes Seafood and Dairy Bar	Dining	Main Street
Christy's County Store	Convenience	Augusta Road
Day's Store	Convenience	Main Street
Hello, Good Pie Co. Bakery and Gourmet Kitchen	Baked Goods	Main Street
H.J. Blakes for Goodness Sakes	Dining	West Road
Lakeside Scoops*	Ice cream	Main Street
Sadie's Boathouse Restaurant*	Dining	Marina Dr
Dockside Physical Therapy	Healthcare	Main Street
Sunset Grill	Dining	West Road
Village Inn and Tavern	Dining	Main Street
Winterberry Farm Stand	Produce	Augusta Road
Balloons and Things	Party Supplies	Main Street
Belgrade Lakes Co.	Art & Merchandise	Main Street
Gagne & Son Concrete	Construction	Old Route 27 Road
Hammond Lumber	Construction	Hammond Drive
Lakeside Light Design Studio	Merchandise	
Mind, Body, Soul Wellness Center	Holistic Healing	Main Street
North Belgrade Gun Shop	Firearms	Route 8
Oliver & Friends Bookshop and Reading Room	Book	Main Street
Remedy Salon & Spa	Spa	Main Street
A Second Life	Consignment Store	Manchester Road
Belgrade Reservation Center	Lodging	

Castle Island Camps	Lodging	Castle Island Road
Lakeside Cottage Rentals	Lodging	
Lakeside Inn in Belgrade Lakes	Lodging	
Loon Ridge of Belgrade	Lodging	Augusta Road
Partridge Cottage	Lodging	Davenport Road
Taconnet on Great Pond	Lodging	Starbird Lane
Woodrest Cottages	Lodging	McGrath Pond Road
Belgrade Boat Shop	Recreation	Oakland Road
Belgrade Lakes Golf Club	Recreation	Water Road
Belgrade Boat Storage and Marine Repair	Recreation	Augusta Road
Belgrade Lakes Marine & Storage	Recreation	Augusta Road
Great Pond Marina*	Recreation	Marina Road
Willow Run Bed, Biscuit & Bath	Pet Care	Augusta Road
All Purpose Storage	Storage Facility	Manchester Road
Wicked Good Elderberry	Gift Shop	Main Street
The Maine Place	Gift Shop	Main Street
Remedy Salon and Spa	Spa	Main Street
Brightside Marine	Marina	Hulin Road
All Seasons Tree Service	Arborist	West Road

*Seasonal Business

Regulation of Economic Development

Belgrade currently has a Commercial Development Review Ordinance that is applicable to the construction or placement of any new building or structure for non-residential use with a footprint greater than 1,200 square feet or the expansion of an existing nonresidential structure. It is also applicable to the change on an existing nonresidential use, in whole or in part, to another nonresidential use, the construction or expansion or paved areas or other impervious surfaces more than 5,000 square feet, and facilities for the storage of bulk fuel, chemicals or other flammable or hazardous substances that exceed 1,000 gallons.

Some concerns that residents have historically had revolved around the development of the historic Village area and the effect that it would have on the visual and ecological standards that the town has long held itself to.

Economic Growth Projections

Historically, Belgrade's economic growth has followed a similar path as much of the region with the exception of the dependence on tourism. The seasonal industries provide a range of employment opportunities, oftentimes for those under the standard working age such as high school students who work only during the summer. These positions are often at recreational locations such as marinas, golf courses, camps, and seasonal restaurants, of which Belgrade has a plethora of.

One of the many side-effects of the COVID-19 pandemic is the increase in residents who work from home. While these positions existed prior to 2020, there was certainly a boom during and after the pandemic. This has led to an increase in demand for access to stable and adequate internet access as well as commonality of shared workspaces.

As discussed in the Community Profile chapter, it is predicted that Belgrade will see a 9.1% population growth rate, or 289 new residents by 2040. This population growth will affect everything from jobs to housing. As the demographics of Belgrade change, the town will also need to adapt to commercial opportunities to compete in the region to maintain existing residents and draw new residents.

Analysis

Economic activities provide goods and services used by the residents of the community, as well as local jobs. At the same time, they can have undesirable impacts on neighboring properties and the environment, such as noise, dust, litter, traffic, visual degradation or loss of privacy. Mitigating these impacts will protect both parties and ensure that the community's existing character is maintained.

Residents may not feel that large-scale development is appropriate for Belgrade and will not support it. However, the growth in demand for jobs, concern over commuting pressure, and the lack of opportunities in town suggest that the need for locally based measures be taken.

Belgrade operates primarily as a tourist economy. There are multiple marinas, camps, and seasonal businesses that thrive during the months of May-October. There are also businesses that are year-round, primarily restaurants and some construction field businesses.

To maintain the idyllic and historic nature of the town, Belgrade will need to maintain a balance of encouraging growth and providing services, while keeping with the existing and desired qualities of the town.