

Visitor Induced Demand Survey

STATE OF MAINE
DEPARTMENT OF TRANSPORTATION
16 STATE HOUSE STATION
AUGUST, MAINE
04333-0016

June 1, 2001

Dear Traveler:

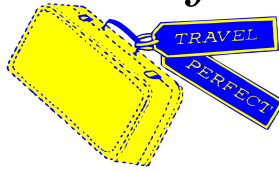
Within the last few years, you indicated an interest in traveling in Maine by requesting information from the Maine Office of Tourism. Now, the State of Maine is considering new transportation services that would make it easier to travel without an automobile, and we would like your input on these proposals.

Your name was randomly selected from among all people who requested the state's tourism literature. Would you please take a minute to answer the attached questionnaire?

Information from actual and potential tourists to the state can help us to gauge demand for proposed transportation projects. It is the Department's hope that the feedback will lead to the most worthwhile investments to meet our transportation needs.

You can use the attached pre-addressed envelope to return the completed questionnaire. We very much appreciate your participation in this effort.

Sincerely,



The TRAVELER INTERESTS Monitor

Within the last few years, you indicated an interest in traveling in Maine by requesting information from the Maine Office of Tourism. Now, the State of Maine is considering new transportation services that would make it easier to travel without an automobile, and we would like your input on these proposals. Please take a minute to fill out this survey. Thank you.

1. Where do you live? _____
 city/town state/province country

2. Did you travel to Maine in the past three years?
 Yes--**continue to question 3** No--**skip to question 6**

3. In the <u>past three years</u> , have you been to the following places in Maine:	Yes	If yes...in what seasons were you there?				...how much time did you spend in these places?		
		Winter	Spring	Summer	Fall	Day trip(s)	Stayed overnight	Number of nights
a) Bar Harbor, Acadia National Park, or Mount Desert Island	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	→ _____
b) Bangor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	→ _____
c) All other parts of Maine	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	→ _____

4. How did you get to Maine? .. (check all that you have used)

- drove from home in a private car or van (without a trailer)
- drove from home in RV or other vehicle with a trailer?
- flew to Maine airport → which ones?: Portland Bangor Hancock County-Bar Harbor
- flew to other New England airport and then drove. Which airport? _____
- regular bus service (e.g., Greyhound, Concord Trailways)
- organized tour bus
- other: _____

5. On those trips when you did not drive from home, did you then get access to a personal vehicle (rental car or get picked up)? Always Sometimes Never

6. Do you plan to visit Maine within the next year? Yes No

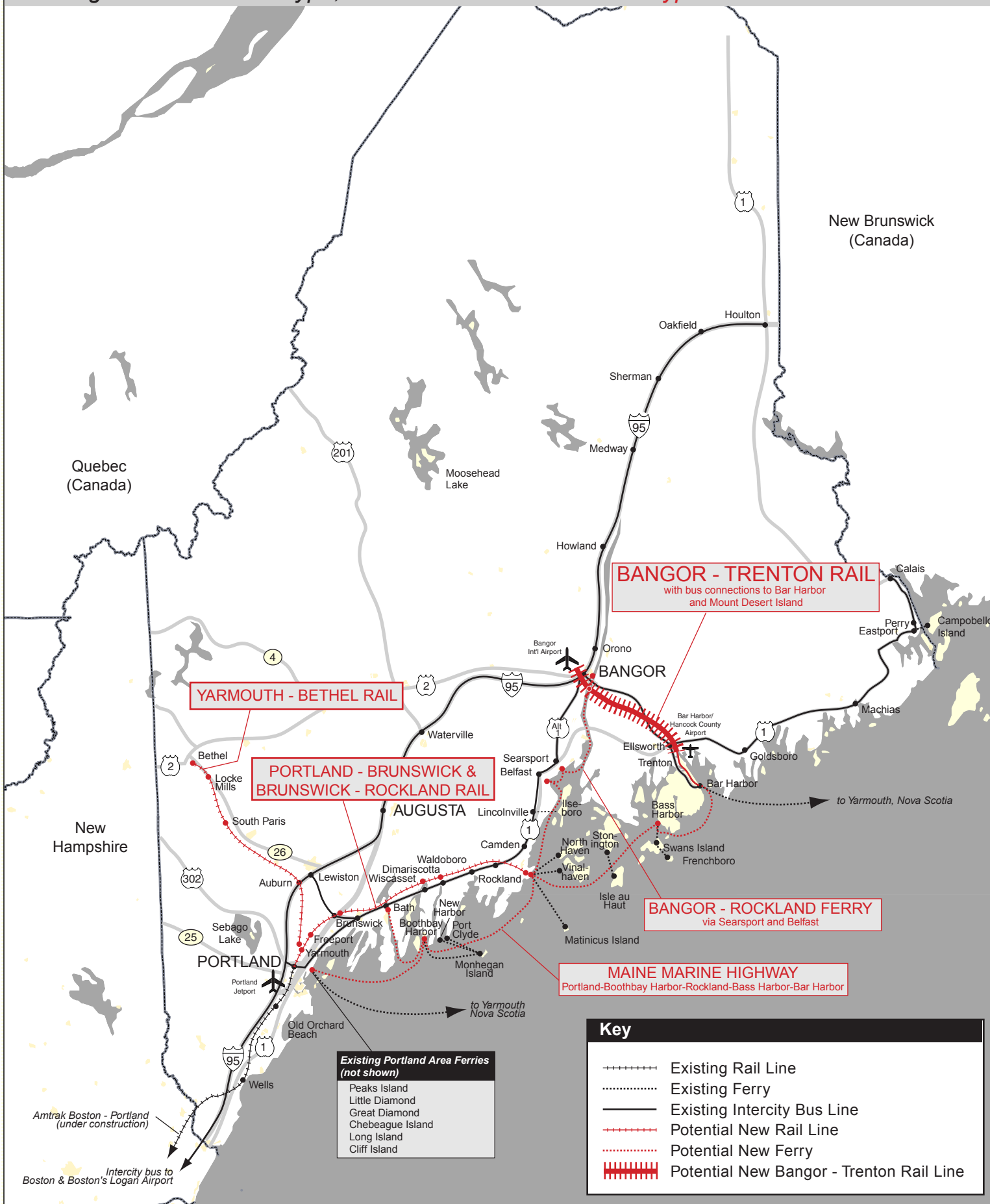
7. To what extent do you agree with the following statements? *If you have been to Maine, think of your last trip; otherwise think of a trip to Maine that you might want to make*

	Agree strongly				Disagree strongly	Don't know
A personal vehicle was the only way to get where I was going	1	2	3	4	5	<input type="checkbox"/>
I needed a car at the destination to get around locally	1	2	3	4	5	<input type="checkbox"/>
I needed a car for the convenience of hauling personal gear/luggage	1	2	3	4	5	<input type="checkbox"/>
The car was the cheapest travel option	1	2	3	4	5	<input type="checkbox"/>
My trip to Maine was part of a longer trip (e.g., all New England, Nova Scotia)	1	2	3	4	5	<input type="checkbox"/>
Traffic flows fairly smoothly in Maine	1	2	3	4	5	<input type="checkbox"/>
The drive through Maine is part of the pleasure of the trip	1	2	3	4	5	<input type="checkbox"/>

Please continue on the inside.

Existing and Potential Public Transportation Services

Existing services = black type; *Potential new services = red type*



Planners in Maine are considering the introduction of a network of **coordinated passenger train, motorcoach, and ferry services**, as shown on the map at left. This system would allow true **car-free travel** without traffic or parking concerns to Maine's most popular tourist destinations.

- Service on all lines would run regularly, and would connect to the Amtrak network for service south of Portland.
- Parking at most train and ferry terminals is free. All services would be handicapped accessible, and would have facilities for luggage, bicycles, and other personal gear.
- **The Bangor to Trenton railroad** would directly serve the Bangor Airport, and would connect at Trenton with the *Island Explorer* bus service. (Island Explorer buses provide free and frequent service to Bar Harbor, Acadia National Park, and elsewhere on Mount Desert Island. This existing bus service is extremely popular--used in the summer 2000 by 193,000 passengers.)
 - The Bangor to Trenton service would be hourly. The full one-way trip would take about one hour and would cost \$5.
 - The service would reduce traffic congestion in the corridor, and reduce environmental impacts on Acadia National Park.

First consider if Maine builds and operates the FULL transportation system proposed on the map at left

<i>For each of the following statements, circle the number 1 through 5 that most reflects your opinion.</i>	Very likely		Possible		Very unlikely
8. Would <i>this system</i> motivate you to take <u>a first trip or additional trips</u> to Maine?	1	2	3	4	5
9. Would this system motivate you to <u>stay longer</u> in Maine than you would have without the system	1	2	3	4	5
10. With this full system, how likely would you be to use the BANGOR TO TRENTON RAILROAD?	1	2	3	4	5

Now consider if Maine builds and operates only the BANGOR TO TRENTON RAILROAD and not the other proposed services.

<i>For each of the following statements, circle the number 1 through 5 that most reflects your opinion.</i>	Very likely		Possible		Very unlikely
11. Would <i>this rail service</i> motivate you to take <u>a first trip or additional trips</u> to Maine?	1	2	3	4	5
12. Would this rail service motivate you to <u>stay longer</u> in Maine than you would have without the system	1	2	3	4	5
13. How likely would you be to use the BANGOR TO TRENTON RAILROAD if Maine operated only this part of the network?.....	1	2	3	4	5

Finally, please tell us a little about yourself so that we can better understand our travel market.

- 14.** Which of the following best describes the composition of your party on last two vacations?
- | | Last vacation | Next to last vacation |
|---|--------------------------|--------------------------|
| Alone..... | <input type="checkbox"/> | <input type="checkbox"/> |
| As a couple | <input type="checkbox"/> | <input type="checkbox"/> |
| As a family with children | <input type="checkbox"/> | <input type="checkbox"/> |
| As two or more families with children | <input type="checkbox"/> | <input type="checkbox"/> |
| As two or more couples | <input type="checkbox"/> | <input type="checkbox"/> |
| With friend (s) | <input type="checkbox"/> | <input type="checkbox"/> |
| With an organized group/tour | <input type="checkbox"/> | <input type="checkbox"/> |

15. How old is the oldest person in your usual group? _____
age of eldest

16. How old is the youngest person in your usual group? _____
age of youngest

17. Do you own a car or other motor vehicle capable of a trip to Maine? Yes No

*Thank you for participating in our survey.
Please return the completed form in the postage-paid mailer.
Drop it in any US mailbox--no postage is necessary.*

Estimates of Future Travel to Maine

Estimates of Future Travel to Maine

This document contains the support data used in developing our estimates of future travel to Maine, along with the forecast and rationale. These estimates, particularly beyond a two to three year time horizon, are extremely speculative given the wide variety of unpredictable and subjective factors that impact travel activity in a general, and to a particular destination. As such, the estimates of future travel to Maine should be viewed as being “realm of magnitude”, subject to change and they should not be used as a basis for business decisions.

Current Travel Activity in Maine

The State of Maine Office of Tourism has, over the past few years, contracted with an independent research company, Longwoods International, to undertake the necessary research to determine visitor volumes, trip and visitor characteristics and visitor perceptions of Maine. Information from this research has been used to compile this summary of current domestic travel activity in Maine. Exhibits 1 and 2 summarize total overnight and same day travel to Maine by key trip purpose – visiting friends and relatives, pleasure and business for 1998, 1999 and 2000.

- Total overnight travel increased from 8.6 million person trips in 1998, to 9.4 million in 1999, then declined to 8.8 million in 2000. Travel from outside Maine accounts for some 82% - 85% of all overnight travel. During this three year period, there has been a 2.3% growth in overnight trips to Maine, with the highest rate of growth in pleasure trips (up 10%). Overnight business trips from out-of-state declined during this period. (Exhibit 1)
- The overnight travel is divided into three core segments – Visiting Friends and Relatives trips which represent some 40% - 43% of overnight travel, Marketable Pleasure Trips representing some 45% - 50% of overnight travel, and business trips, which account for the remaining 10% of overnight travel.
- Some 35 million same day person trips were made in Maine in 2000, almost equally split between residents of Maine and visitors from out-of-state. Same day travel increased by almost 8% between 1998 and 2000, with same day trips from Maine residents showing the greatest percentage increase.

Drawing on information contained in the Longwoods research, the key characteristics of Maine’s travel markets have been identified as follows:

- Almost 80% of Maine’s overnight visitors come from the Regional Market area that includes New England, DC, Delaware, Maryland, New York, New Jersey and Pennsylvania. According to Longwoods’ data, Maine’s share of overnight “marketable pleasure trips”¹ from the regional market has declined over the past six years, from a peak of 4.5% in 1994 to 3.8% in 1999.
- Maine tourism is heavily dependent on automobile traffic, and to a far greater extent than is the case for the US as a whole. Automobile is the primary transportation mode used to enter Maine for overnight marketable pleasure trips with cars (including personal and rental)

¹ “Marketable pleasure trips” is a term used by Longwoods to describe trips that can be influenced by marketing activities. It excludes trips that have as their main purpose visiting friends and relatives, as well as business trips.

being used on 76% of trips, and Truck/Van/RV being used on 14% of trips. Only 4% of those on overnight marketable pleasure trips arrive by plane compared to the US norm of 23%.

- Overnight marketable pleasure trips to Maine tend to be touring (31%), outdoors (29%), and beach (15%) trips.
- On trips to Maine, the regional market is much more likely to be on outdoors trips, beach trips and special event trips. The long haul US market is much more likely to be on touring trips.
- Trips to Maine are concentrated more in the July to September period than is the case for all US trips. 46% of Maine's overnight marketable trips occur between July and September, compared to 32% of all US trips, as summarized below:

Percent of Overnight Marketable Trips by Season		
Season	Maine	US Norm
January - March	8%	20%
April - June	30%	30%
July – September	46%	32%
October - December	16%	16%

Source: Longwoods International, Travel and Tourism in Maine: 1999 Travel Year: Top Line Results, June 2000

- Maine also receives some 35 million day visitors each year, of whom 48% (17 million) are from within Maine, 40% (14.1 million) are from Boston, and 4.1 million are from other parts of the day trip region (CT, MA, NH, RI and VT)

The above discussion relates only to travel to/within Maine by Americans. The state also receives visitation from international markets, particularly the Canadian market. However, there is no data available on the size or characteristics of the international travel market to Maine. Various sources have estimated that it might represent up to 5% of overnight travel, which would mean some 400,000 trips.

Travel to Maine Compared to All US Travel

Using data obtained from a number of other regional states, together with data from the Longwoods research on travel to Maine, EPG has developed estimates of how the types of travel to Maine compares to that for the US overall, as well as estimates of Maine's share of all US trips of each type and the percentage change in this share over the past three years. Exhibit 3 provides details on this analysis.

Compared to the US average, Maine receives a higher percentage of touring trips and outdoor trips. In fact, for each year from 1997 through 2000, Maine has had either double or close to double the US average percentage of trips in the both the touring and outdoor market segments. The proportion of Maine's trips from the visiting friends and relatives market segment has been close to National averages, as have trips for beach purposes and special events. Maine's visitors on ski trips represent over twice the proportion of total overnight visitors to the State than the national average. Maine receives a much lower than average proportion of other types of trips, which is not unexpected since these include casino trips, cruise trips and theme park trips, segments in which Maine has little product.

Exhibit 3 also examines the percent change in trips of each type to Maine, and in the US overall, as well as the change in Maine's market share during this period. For the US overall, by far the largest percentage growth has been in the Other Trip segment (37% from 1997 through 2000) (includes casino trips, cruise, theme park trips, city trips, business/pleasure trips and country resort trips).² Touring trips (15%) and special event (11%) trips have shown the next most significant percentage growth, followed by beach trips (10%). There has been a significant decline (-77%) in the proportion of ski trips and a more moderate decline in outdoor trips (-11%).

In Maine, the proportional increase in touring trips and beach trips has outstripped national averages, resulting in an increase in Maine's market share of these types of trips. Maine's market share of outdoor trips and ski trips has also increased – although there has been a proportional decrease in trips to Maine for these purposes, the decrease has been much less than the national average.

Estimate of Future Travel to Maine

To develop estimates of travel to Maine over the study period (2000 – 2020), EPG has considered a number of factors, as follows:

- U.S. Population growth projections, and projections for the North East region relative to projections for the nation as a whole;
- Growth in domestic travel in the US over the past six years relative to population growth;
- Projections of future travel growth prepared by the Travel Industry Association of America;
- An assessment of a variety of trends which are likely to impact levels of travel activity and the types of trips taken, and of the relative positioning of Maine and/or the North East Region relative to these national and international trends.

US Population Growth Forecasts

Exhibit 4 summarizes US population growth forecasts for the period from 1995 to 2025 as prepared by the U.S. Department of Commerce. Nationally, the population is expected to increase by some 4% over each five-year period, or just under 1% annually, with the growth rate declining slightly over the 25 year period. In the North East Region (Maine's major market area), growth rates are expected to be less than ½ the national average in the beginning of the period, but increasing to

² Other Trips include casino trips, cruise, theme park trips, city trips, business/pleasure trips and country resort trips.

some 60% of the national average near the end of the period. In Maine itself, the population growth rate is forecast to be higher than the average for the North East Region.

Growth in Domestic Travel and Projections of Future Travel Growth

The Travel Industry Association of America (TIA) is a national non-profit association that “represents and speaks for the common interests and concerns of all components of the U.S. travel industry”. It is a recognized source of research, analysis and forecasting for the entire industry. TIA produces TravelScope, a database on national travel activity. The table below summarizes data on the volumes of domestic travel³ and growth rates from 1994 – 2000, according to TIA, as well as their forecasts for the period from 2001 through 2003. There is no published forecast data available beyond this period.

As illustrated, US domestic pleasure travel increased 6% between 1994 and 2000, or an average of 1% per year. During this same time period, the US population increased by approximately the same amount, indicating that the rate of increase in domestic travel activity was the same as the rate of increase in the national population.

Growth Rates in US Pleasure Travel 1994 - 2000 and Projections to 2003

	No. of Domestic Trips (Millions)	% Change
1994	941	N/A
1995	966	2.7%
1996	967	0.1%
1997	999	3.3%
1998	1,004	0.5%
1999	987	-1.7%
2000	998	1.1%
Total: 1994 - 2000		6.1%
Average Annual Growth Rate		1.0%
Projections 2001-2003		
2001	1,007.2	1.0%
2002	1,028.1	2.1%
2003	1,050.9	2.2%

Source: Travel Industry Association of America Domestic Research: Travel Volume and Trends and Travel Forecast Summary

³ TIA defines a person trip as one person travelling 50 miles one way or more from home and/or overnight.

TIA has forecast increases in domestic travel of 1% for 2001, and 2.1% and 2.2% respectively for 2002 and 2003. It should be noted however, that these forecasts were done early in 2001 and may need to be adjusted based on the continuing decline in economic activity in 2001.

Trends that Will Impact Travel Activity

As indicated earlier, there are a wide variety of trends that are likely to impact travel activity over the next twenty years. These trends can be grouped into a number of categories:

- Socio-demographic factors
- Technology and transportation issues
- Travel interests and psycographics
- Trends with respect to the main purpose of trips
- Economics

Within each category, there are a number of different factors that are likely to impact travel. These are described in Exhibit 5.

While it is impossible to forecast the impact each trend will have on travel activity, we have drawn some overall conclusions based on these trends. These conclusions assume that there is no sustained (i.e. multi-year) economic downturn, no major interruptions in world peace and no major catastrophes, environmental issues or other factors (e.g. significant and sustained increases in the price of gas) that have an impact on the propensity of Americans to travel within their country.

It is expected that there will be continued growth in travel activity for the foreseeable future (15 to 20 years) due in large part to the impact of the aging baby boom generation. Travel has been an important part of the lives of this generation - as they become empty nesters with more time available and fewer pressures on this time, and as they eventually retire, and retire with more money, wealth and pensions than earlier generations, it is expected that they will indulge in more travel activity. Continued growth in air travel, new technologies impacting travel marketing such as the Internet, and more and more destinations to choose from, are all expected to contribute to increases in travel over the next twenty years.

Given these factors, and others described in Exhibit 5, we are estimating that, on a national basis, domestic travel will increase at a rate slightly higher than the rate of population growth over the next twenty years. With population growth rates forecast to be in the range of 0.8% per year, on average over a five year period, we are suggesting national domestic travel growth rates as follows:

Period	Average Annual Domestic Travel Growth Rate During the Period
2000 – 2005	1.2%
2006 – 2010	1.5%
2011 – 2015	1.5%
2016 – 2020	1.2%

In the case of Maine, however, we expect that the growth rates for domestic travel will be somewhat below national averages. The reasons for this are detailed in Exhibit 5 in which we have

discussed the relative position of Maine and/or the US North East region on each of the trends that have been identified, and drawn a conclusion as to whether the impact will be positive, neutral or negative. The resultant forecast for Maine is as follows:

Period	Average Annual Domestic Travel Growth Rate for Maine During the Period
2000 – 2005	0.9%
2006 – 2010	1.1%
2011 – 2015	1.1%
2015 – 2020	0.9%

The impact of these forecast growth rates on overnight pleasure travel to Maine are summarized in the table below. These growth rates have been used for non-resident, overnight travel. For overnight resident pleasure travel, we have estimated a growth rate equal to the projected population growth rates for Maine.

**Estimate of Future Overnight Pleasure Travel ¹ to Maine
(Domestic Travel Only)**

Period	Non-Resident Overnight Pleasure Travel		Resident Overnight Pleasure Trips		Total Overnight Pleasure Trips
	Average Annual Growth Rate	Estimated Average Annual Volume of Trips (millions)	Average Annual Growth Rate	Estimated Average Annual Volume of Trips (millions)	
1999 - Base Year		7.1		1.3	8.4
2000 - 2005	0.9%	7.42	0.4%	1.33	8.75
2006 - 2010	1.1%	7.83	0.6%	1.37	9.2
2011 - 2015	1.1%	8.26	0.6%	1.41	9.67
2015 - 2020	0.9%	8.63	0.5%	1.44	10.07

Source: EPG Estimates

- 1 Includes pleasure for main purpose of visiting friends and relatives as well as pleasure travel. Does not include business travel.

Using the above estimates of future travel, and the historical pattern of VFR (visiting friends and relatives) trips versus marketable pleasure trips, as well as seasonal patterns of demand, we have estimated future travel by key purpose of trip and by season. These allocations are described in the following two tables. We are estimating that the proportion of VFR trips will decline slightly over time, and that the proportion of winter trips will also decline slightly over time reflecting a continued decline in the ski market with an aging population.

Estimate of Future of Overnight Pleasure Trips by Purpose of Travel

Period	Visiting Friends & Relatives		Pleasure		Total
	%	#	%	#	
1999	49%	4.1	51%	4.3	8.4
2000 - 2005	47%	4.11	53%	4.64	8.75
2006 - 2010	47%	4.32	53%	4.88	9.2
2011 - 2015	45%	4.35	53%	5.32	9.67
2016 - 2020	45%	4.53	55%	5.54	10.07

Source: EPG Estimates

Estimate of Overnight Pleasure Trips by Season ¹

Period	January - March		April - June		July-September		October – December		Total
	%	#	%	#	%	#	%	#	
1999	8%	0.672	30%	2.52	46%	3.86	16%	1.34	8.4
2000 - 2005	7%	0.612	30.5%	2.66	46.5%	4.07	16%	1.4	8.75
2006 - 2010	7%	0.644	30.5%	2.81	46.5%	4.28	16%	1.47	9.2
2011 - 2015	6%	0.580	30.5%	2.95	47%	4.54	16.5%	1.59	9.67
2016 - 2020	6%	0.604	30.5%	3.07	47%	4.73	16.5%	1.66	10.07

Source: EPG Estimates

- 1 The only data available on the seasonal distribution of travel to Maine is from the Longwoods report, and is for marketable pleasure trips, i.e. not including Visiting Friends and Relatives trips. In the absence of any other baseline data, we have applied this seasonal analysis to all pleasure trips for the purposes of this forecast.

Future Demand from International Travel Markets

The World Travel and Tourism Council is forecasting continued growth in international travel over the next decade, of approximately 4% per year. However, North America is not expected to share equally in this growth, and much of it will come from non-North American markets. Since Maine's international visitation is primarily from Canada, any growth in international travel to the US is not expected to have a major impact on travel activity to Maine.

Exhibit 1												
Tourism Activity in Maine: 1998 - 2000: Overnight Trips												
Type of Trip	1998			1999			2000			Percentage Change 1998- 2000		
	Residents	Non-Residents	Total	Residents	Non-Residents	Total	Residents	Non-Residents	Total	Residents	Non-Residents	Total
Visiting Friends & Relatives	0.6	3.0	3.6	0.6	3.5	4.1	0.5	3.1	3.6	-16.7%	3.3%	-
Pleasure	0.7	3.2	3.9	0.7	3.6	4.3	0.6	3.7	4.3	-14.3%	15.6%	10.3%
Business	0.2	0.9	1.1	0.2	0.8	1.0	0.2	0.7	0.9	-	-22.2%	-18.2%
Total	1.5	7.1	8.6	1.5	7.9	9.4	1.3	7.5	8.8	-13.3%	5.6%	2.3%

Source: Longwoods International, Travel and Tourism in Maine: 1999 Travel Year; Top Line Results, June 2000

Exhibit 2												
Tourism Activity in Maine: 1998 - 2000: Day Trips												
Type of Trip	1998			1999			2000			Percentage Change 1998- 2000		
	Residents	Non-Residents	Total	Residents	Non-Residents	Total	Residents	Non-Residents	Total	Residents	Non-Residents	Total
Visiting Friends & Relatives	5.5	4.9	10.4	5.0	6.5	11.5	5.6	7.0	12.5	1.8%	42.8%	10.3%
Pleasure	7.4	11.5	18.9	9.1	10.9	20.0	9.5	10.4	20.0	28.4%	-9.6%	5.8%
Business	2.3	1.0	3.3	1.8	1.0	2.8	1.9	0.8	2.7	-17.4%	-20%	-18%
Total	15.2	17.4	32.6	15.9	18.4	34.3	17.0	18.2	35.2	11.8%	4.6%	7.9%

Source: Longwoods International, Travel and Tourism in Maine: 1999 Travel Year; Top Line Results, June 2000

Exhibit 3

Trends in Overnight Travel to Maine by Type of Trip, Compared to US Overall

	1997			1998			1999			2000			Percent Change		
	% of Maine Trips	% of US Trips	Maine Market Share (%)	% of Maine Trips	% of US Trips	Maine Market Share (%)	% of Maine Trips	% of US Trips	Maine Market Share	% of Maine Trips	% of US Trips	Maine Market Share	In Maine Trips	In US Trips	In Maine's Market Share
VFR ¹	51.7	52.4	0.62	50.9	50.5	0.63	52.0	49.2	0.71	48.7	49.7	0.62	2.9	2.6	0.24
Beach	5.1	4.9	0.64	6.1	5.1	0.74	8.5	5.0	1.08	5.2	5.0	0.66	13.2	9.9	2.9
Special Event	6.7	7.9	0.54	5.5	8.2	0.42	3.8	8.5	0.30	5.8	8.1	0.45	-5.7	11.4	-15.4
Touring	20.8	8.6	1.51	18.2	8.8	1.29	16.9	9.0	1.25	23.9	9.2	1.64	25.4	15.4	8.6
Outdoor	12.9	7.4	1.09	13.8	7.3	1.17	15.8	6.3	1.66	11.6	6.1	1.20	-1.6	-10.8	10.2
Ski	2.2	3.1	0.46	3.3	1.3	1.64	1.6	0.6	1.82	1.75	0.6	1.68	-15.1	-76.9	267.0
Other ²	8.4	16.7	0.32	9.4	18.8	0.31	8.2	21.4	0.26	9.3	21.1	0.28	20.7	37.2	-12.0

Source: EPG analysis based on data obtained from Maine and other regional states.

1 VFR - Visiting Friends and Relatives

2 Other - Includes cruise, casino, theme park, city, business/pleasure and country resort trips.

Exhibit 4							
US Population Growth Forecasts (000's)							
1995 - 2025							
	1995	2000	2005	2010	2015	2020	2025
United States							
Population	262,755	274,634	285,981	297,716	310,133	322,742	335,050
Percent Change	N/A	4.5%	4.13%	4.1%	4.17%	4.07%	3.81%
North East Region							
Population	51,486	52,107	52,767	53,692	54,836	56,103	57,392
Percent Change	N/A	1.2%	1.27%	1.75%	2.13%	2.31%	2.3%
New England							
Population	13,312	13,581	13,843	14,172	14,546	14,938	15,321
Percent Change	N/A	2%	1.93%	2.38%	2.64%	2.69%	2.56%
Mid Atlantic							
Population	38,153	38,526	38,923	39,520	40,289	41,164	42,071
Percent Change	N/A	0.98%	1.03%	1.53%	1.95%	2.17%	2.2%
Maine							
Population	1,241	1,259	1,285	1,323	1,362	1,396	1,423
Percent Change	N/A	1.45%	2.07%	2.96%	2.95%	2.5%	1.9%

Source: U.S. Department of Commerce, Current Population Reports: Population Projections: States, 1995 – 2025

Exhibit 5

Factors Impacting Growth in Travel and Comments on the Position of Maine and/or the North East Markets Relative to these Factors

Factor Impacting Travel	Comments	Maine/North East Relative Positioning	Impact on Travel to Maine
Socio-Demographic Trends			
Slowing Population Growth	From 1995 to 2000, US population growth was 4.5%; projected to decline to 4% for 2015 - 2020 period	Population growth in NE has been, and will continue to be significantly below US average - 1.2% from 1995 to 2000, 2.3% from 2015 - 2020; However, growth rates in this region are projected to increase from recent rates.	Negative
Population Growth concentrated in US South and West	California, Texas and Florida will account for 45% of the net population change in the US from 1995 to 2025	Majority of Maine's visitors are from the regional market - less than 20% from longer haul markets. Limited marketing budgets, air access constraints, strong competition make attracting increased demand from the South and the West a challenge.	Negative
Aging Population	The population is becoming older as the Baby Boomers age - by 2025, 48 states are expected to have at least 15% of their population in the elderly category (over 65) compared to 5 states in 1995. The number of elderly is expected to double in 20 states between 1995 and 2025.	Maine currently attracts a higher than average proportion of visitation from 65+ age group This segment has different travel patterns and activities - more VFR, less outdoors and beach, more cultural/heritage interests	Negative
Fewer young people	Proportion of US population under 19 will decrease to 27% by 2025, from 29% currently Will have a negative impact on availability of staff for tourism businesses - some predict this could have a significant dampening effect on growth in travel and tourism.	Maine currently has less than average proportion of visitors from this segment	Neutral
More wealth	Strong economy of past 20 years, real estate & stock market gains, transfer of wealth to the baby boomer generation, double income families, good pensions are all contributing to a period of relative wealth - with more wealth, people can afford to travel further, more often and to more exotic destinations rather than to close-by regional destinations	The North East has traditionally been a relatively wealthy part of the US although the economy has not prospered to the same extent as in the West	Neutral

Exhibit 5			
Factors Impacting Growth in Travel and Comments on the Position of Maine and/or the North East Markets Relative to these Factors			
Factor Impacting Travel	Comments	Maine/North East Relative Positioning	Impact on Travel to Maine
Population growth tending to be in Hispanic and ethnic segments	Significant portion of population growth is in these segments, due to higher birth rates and immigration	Rate of travel not as high in these markets; tends to be more VFR oriented - likely more to south and west	Negative
Younger, healthier retirees, with time and money to travel	Expectations are for increased rates of travel - the baby boomers have grown up with travel, and when they have more time, will continue to indulge in more trips	Maine can be expected to benefit from this trend, but to no greater or lesser degree than other travel destinations	Neutral
Technology and Transportation			
Growth in air travel	Strong growth expected though will be hampered by increasing congestion in skies and at airports Airline focus is on hub to hub service - competitive fares and more service on these routes 1. Smaller, regional airports are going to have increasing difficulty attracting and maintaining air service	Maine has no major air hub - unlikely to benefit from competitive rates with discount carriers Any increase in long haul travel more likely to come via out-of- state airports, e.g Boston, and then rental car	Significant Negative
Internet/ World Wide Web Marketing	Increasing use of Internet for travel planning and booking; Smaller destinations and operators are able to compete in a national and international marketplace	Maine, with a concentration of smaller operators, a more limited marketing budget than other destinations and a unique product offering, can be expected to benefit more than some other destinations, particularly in targeting longer haul markets	Positive
Travel Interests/Psychographics			
Interest in culture and heritage tourism	Growing older market, with higher education levels has a stronger interest in culture and heritage tourism - there is expected to be increases in travel involving these types of activities	Maine does not have as strong a product offering in this regards as other destinations	Negative
Interest in new, different & exotic destinations	Baby boomers have been active travellers and have been to many destinations - are seeking new and different places	Maine seen as more exciting and a must see place compared to US norms	Positive

Exhibit 5

Factors Impacting Growth in Travel and Comments on the Position of Maine and/or the North East Markets Relative to these Factors

Factor Impacting Travel	Comments	Maine/North East Relative Positioning	Impact on Travel to Maine
Interest in quality and luxury	With more wealth and travel experience, markets are seeking exceptional quality (not necessarily luxurious but great value for money spent) in all elements of their travel. There has also been strong growth in demand for luxurious travel experiences	Maine seen as less luxurious than US norm with fewer first class hotels, and sophisticated restaurants	Neutral
Decline in active outdoors activities with aging of Baby Boomer market	As baby boomers move into their 50s and 60s, the market for active outdoor activities will decline. Growth will be in "softer" activities such as walking, easy cycling,	Maine's product strengths (USPs) are in the outdoor, active sector - excellent mountain climbing, snow skiing, off road bicycling, hiking, hunting	Negative
Interest in genuine experiences	Continued growth expected in interest in the real thing as opposed to contrived, commercial experiences.	Maine is not overwhelmed by development, less commercial and more "natural" than other competing destinations	Positive
Congestion in more popular destinations	Popular destinations, such as some US National Parks, Florida, California, are already experiencing congestion Limitations on visitation levels can be expected so as not to destroy the environment or the visitor experience	Maine may benefit - seen as "not too crowded" compared to the US norm	Positive
Increasing "hassles" of travel	Congestion at airports, on highways, poor service due to staffing challenges, etc. may result in lower growth in travel, and/or more destination travel to one location as opposed to touring	Maine seen as a "worry free" destination and "a good place to relax" compared to US norm	Neutral
Strong competition for travel markets	Increasing competition from other US destinations, "exotic" foreign destinations and other types of travel such as cruise lines - with big marketing budgets.	Possibility that New England will be seen as not as competitive a destination given all the travel options available	Negative
Trends in Travel by Trip Purpose			
Visiting Friends & Relatives	Growth in this segment has been lower than overall travel - though may increase with growth in older market segments	Maine's small population limits growth potential of this market	Neutral

Exhibit 5

Factors Impacting Growth in Travel and Comments on the Position of Maine and/or the North East Markets Relative to these Factors

Factor Impacting Travel	Comments	Maine/North East Relative Positioning	Impact on Travel to Maine
Touring	Touring segment has shown continued growth, though trips may be shorter with longer periods spent in fewer destinations	Maine has increased its market share of this segment over the past three years, and touring accounts for a significant portion of the State's pleasure travel market	Positive
Outdoor	There has been strong growth in this market segment over the past 10 - 15 years, though a recent decline according to Longwoods Data. With an aging baby boom market, growth in this segment is not likely to be sustained	Maine has increased its market share in this segment, although visitation for outdoor trips has still declined in past three years. With slowing demand for active outdoors activities, this is not expected to be a growth market.	Neutral
Special Events	Nationally, there has been relatively strong growth in this segment	Maine's share of this market segment has declined; without a major focus on events, there is unlikely to be a significant increase.	Neutral
Beach	Beach destination market has increased nationally; with older population, few young families this segment may decline	Maine's market share has increased slightly; Maine seen as having great beaches, good weather in summer	Neutral
Ski	Skiing has declined significantly in past few years - partly due to poor winter ski conditions, also smaller markets available; Decline is likely to continue given demographic changes.	Maine has increased their market share significantly, although there has been a 15% decline in ski trips in past three years	Neutral
Other	Includes cruise, casino, business/pleasure, city trips - and there has been strong growth in most of these segments in past few years; however some markets now showing signs of saturation - e.g. cruising	Maine has relatively few trips from these market segments, although there has been growth in the past three years	Neutral
Economics			
Economic Prosperity	Long term economic outlook is positive due in part to the long term benefits associated with the technology revolution.	North east economy has not benefited from new economy to the same extent as other parts of the country	Negative

Exhibit 5			
Factors Impacting Growth in Travel and Comments on the Position of Maine and/or the North East Markets Relative to these Factors			
Factor Impacting Travel	Comments	Maine/North East Relative Positioning	Impact on Travel to Maine
Tourism Marketing Efforts	<p>Many US city destinations have dedicated funding tax - this is now being introduced on a state-wide basis and will likely result in increased marketing budgets.</p> <p>International destinations and forms of travel, such as cruising, have significant marketing budgets.</p>	Recent decision in Maine to introduce a dedicated funding tax will create a significant increase in tourism marketing budget. Will enable State to target longer haul markets (e.g. US Mid west) and to have higher profile tourism marketing	Strong positive

Source: EPG analysis.