



UPPER SHORE

— OF MARYLAND —

LABOR MARKET ANALYSIS

KENT COUNTY EXECUTIVE SUMMARY



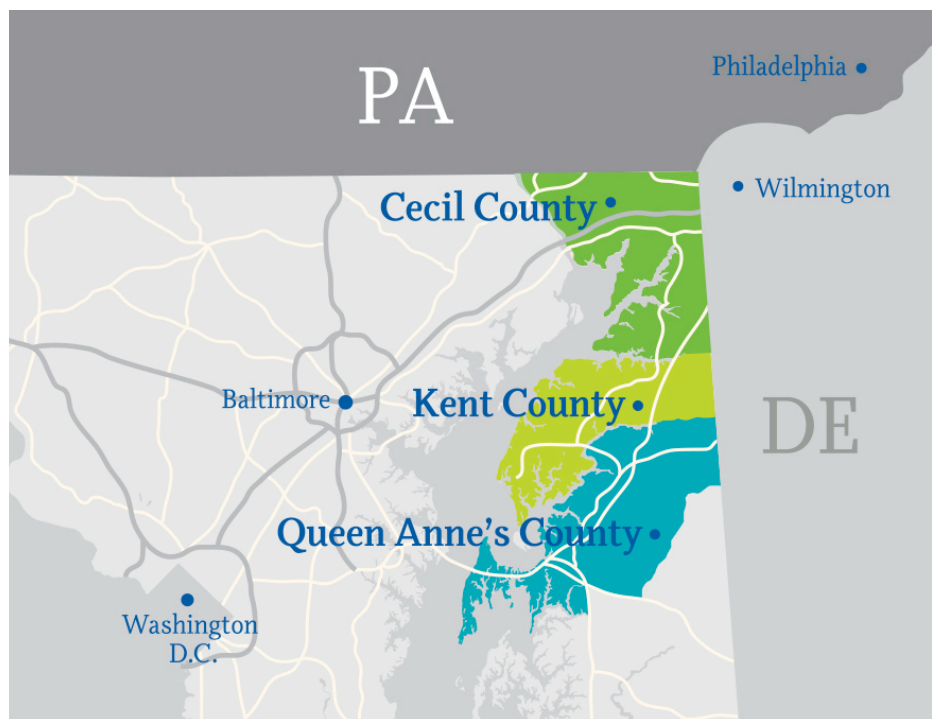
UPPER SHORE
Regional Council



The development of this analysis was funded by the **Upper Shore Regional Council** with the assistance of the **Rural Maryland Prosperity Investment Fund (RMPIF)** and the **Maryland Department of Commerce**.



Map of the Upper Shore of Maryland



19,304
Population
(2019)

Population decreased by 472 over the last 5 years and is projected to decrease by 308 over the next 5 years.

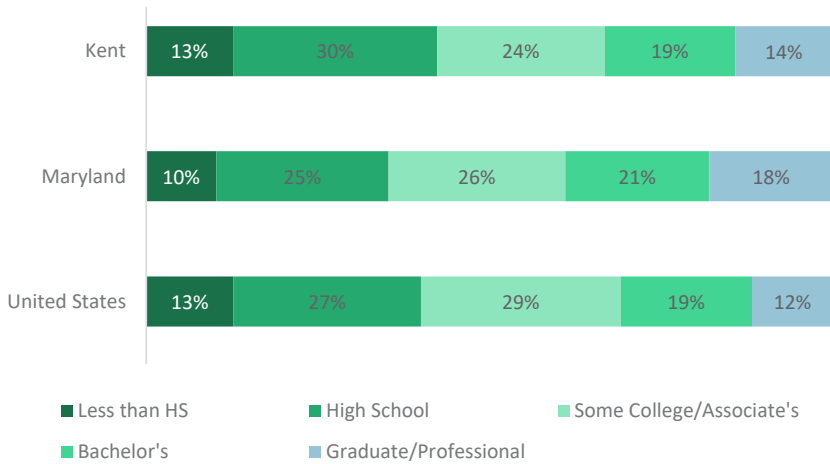
9,667
Total County
Employment

Jobs grew by 206 over the last 5 years and are projected to grow by 371 over the next 5 years.

\$56,638
Median Household
Income (2017)

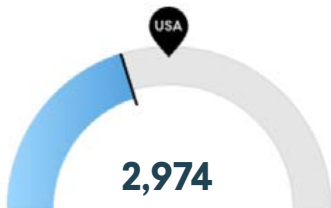
Median household income is \$1,014 below the national median household income of \$57,652.

Figure 1: Educational Attainment for Kent County Population

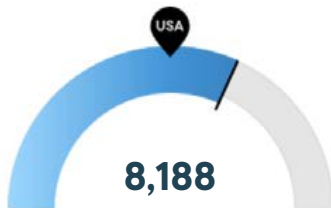


The educational attainment for Kent County's population closely mirrors the nation with a few differences—Kent County has a slightly higher share of high school graduates (30 to 27 percent). At the same time, however, Kent County also has a higher share of population with at least a bachelors (33 percent) compared to the U.S. (31 percent).

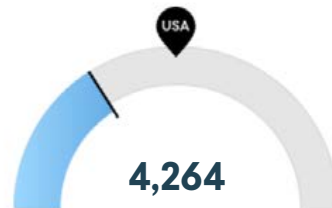
Source: Emsi



Millennials
 Kent County, MD has 2,974 millennials (ages 24–39). The national average for an area this size is 3,986.

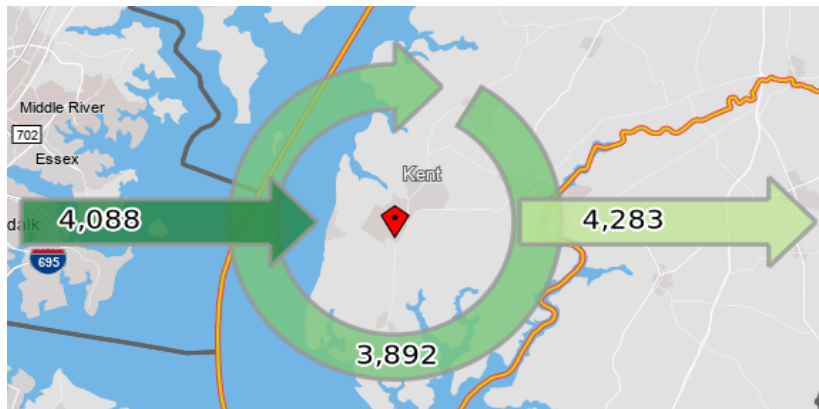


55 or Older
 Retirement risk is high in Kent County, MD. The national average for an area this size is 5,613 people 55 or older, while there are 8,188 here.



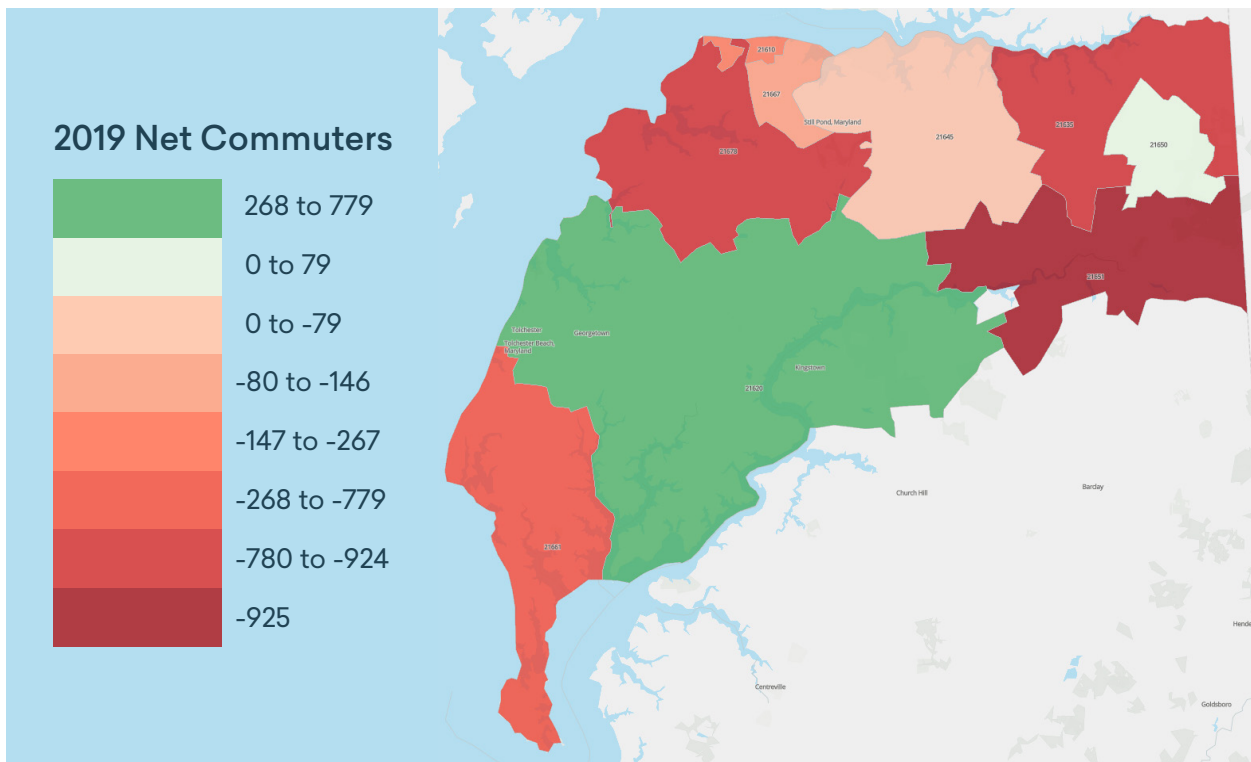
Racial Diversity
 Racial diversity is low in Kent County, MD. The national average for an area this size is 7,682 racially diverse people, while there are 4,264 here.

Figure 2: Census Commuting Patterns, 2017, Kent County



Similar to the other counties that comprise the Upper Shore, Kent County has a negative job outflow. Approximately 8,200 workers live in Kent County, however, nearly 4,300 (52 percent) travel elsewhere for work. On the other hand, about 4,100 workers that live in other Counties commute into Kent for work. The remaining 3,900 workers both live and work in Kent County.

Figure 3: Net commuters by zip code, Kent County, 2019



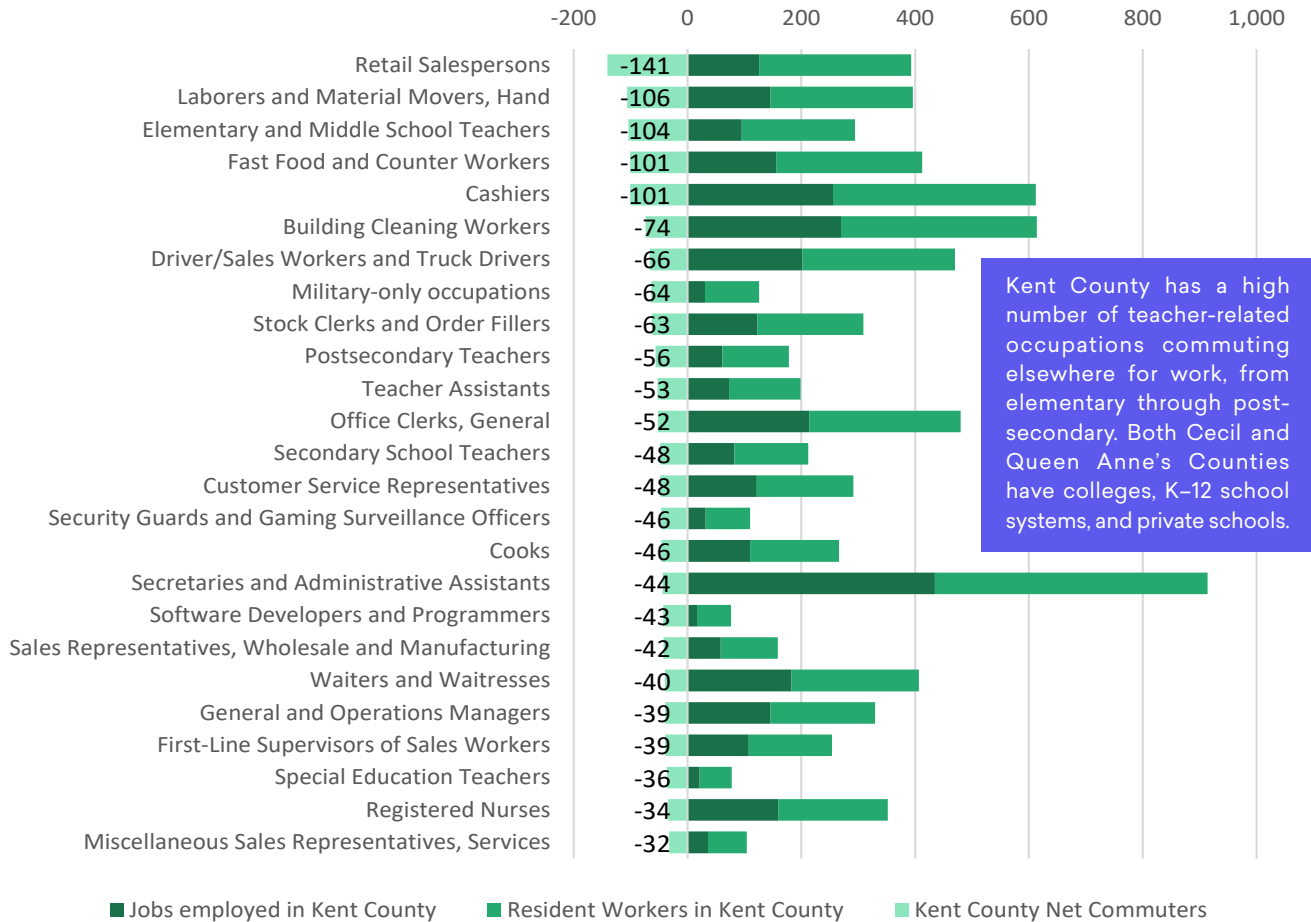
Source: Emsi

Emsi data provides a similar picture for Kent County commuting patterns, as shown by the map above for net commuters by zip codes. Overall, the nine zip codes

that comprise Kent County combine for a net commuting total of -2,700. The zip codes of Millington, Galena, and Worton have the highest share of negative net

commuters. Conversely, Chesertown appears to be a concentrated location of employment with a positive net commuting total of 300.

Figure 4: Top Occupations with a negative share of net commuters, Kent County, 2019



Source: Emsi



Throughout Kent County, 126 jobs exist for retail salespersons, yet a total of 267 retail salespersons live in the County. Consequently, Kent County is home to 141 retail salespersons that travel elsewhere for work. Other occupations that also have high numbers of residents leaving include laborers, teachers, fast food workers, and cashiers. All these occupations have more than 100 Kent County residents that work in another county.

Numerous teaching occupations have a high number of net

commuters in Kent County ranging from K-12, special education, and post-secondary teachers. Combined, teaching occupations represent nearly 300 Kent County residents that commute outside the county for work.

Many of the top occupations in Kent County with high negative shares of net commuters do not require education beyond high school and typically represent entry-level jobs. These occupations are primarily found in retail sales, food and beverage service, and material moving.

Target Clusters

Table 1: Upper Shore Target Cluster Trends in Kent County

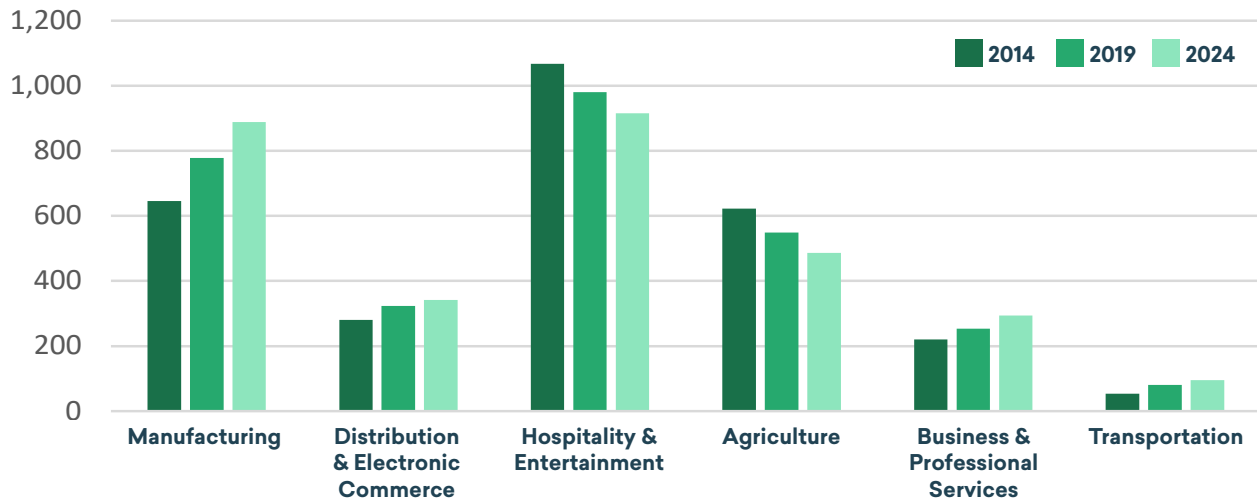
| Cluster | 2014 Jobs | 2019 Jobs | 2024 Jobs | Avg. Earnings Per Job | Current Wages, Salaries, and Proprietor Earnings | 2019 Location Quotient | 2019 Payrolled Business Locations |
|---|--------------|--------------|--------------|-----------------------|--|------------------------|-----------------------------------|
| Manufacturing | 646 | 778 | 888 | \$63,790 | \$51,420 | 7.8 | 11 |
| Distribution and Electronic Commerce | 281 | 323 | 342 | \$56,674 | \$48,481 | 1.2 | 32 |
| Hospitality and Entertainment | 1,067 | 980 | 916 | \$25,647 | \$22,131 | 1.4 | 89 |
| Agriculture | 623 | 549 | 486 | \$53,904 | \$46,606 | 5.2 | 33 |
| Business and Professional Services | 220 | 253 | 294 | \$76,530 | \$67,722 | 0.6 | 30 |
| Transportation | 54 | 80 | 95 | \$64,297 | \$55,578 | 0.6 | 11 |
| Plastics | 10 | * | * | * | * | 0.1 | 1 |
| CLUSTER TOTALS | 2,901 | 2,963 | 3,021 | | | | 207 |

Source: Emsi

The target clusters for the broader Upper Shore region have strong representation in Kent County. Overall, the clusters offer high earnings per job and wages. All of

the clusters with exception of Hospitality and Entertainment have above-average earnings per job—across all industries the average in Kent County is just \$48,000.

Figure 5: Job growth 2014 through 2024 for Upper Shore target clusters in Kent County



Manufacturing, Distribution and Electronic Commerce, and Business and Professional Services have had strong growth since 2014. Transportation, while still relatively

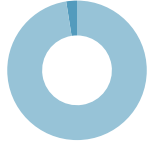
small, has a growing presence in the region. Meanwhile, Hospitality and Entertainment and Agriculture have shed jobs in the County.

Cluster Performance Trends: Sales and Demand—Kent County

Source: Emsi

MANUFACTURING

Total Sales
\$232,005,948



2% In Region
98% Exported

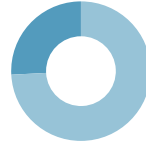
Total Demand
\$78,950,699



7% In Region
93% Imported

DISTRIBUTION & ELECTRONIC COMMERCE

Total Sales
\$95,614,710



26% In Region
74% Exported

Total Demand
\$90,321,914



27% In Region
73% Imported

HOSPITALITY & ENTERTAINMENT

Total Sales
\$77,106,704



54% In Region
46% Exported

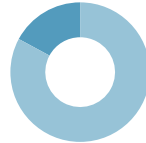
Total Demand
\$72,776,393



57% In Region
43% Imported

AGRICULTURE INPUTS & SERVICES

Total Sales
\$175,011,409



17% In Region
83% Exported

Total Demand
\$39,699,106



68% In Region
32% Imported

BUSINESS & PROFESSIONAL SERVICES

Total Sales
\$47,207,394



43% In Region
57% Exported

Total Demand
\$62,957,074



32% In Region
68% Imported

TRANSPORTATION

Total Sales
\$20,198,652



59% In Region
41% Exported

Total Demand
\$28,667,630



41% In Region
59% Imported

PLASTICS

Total Sales
\$623,478



5% In Region
95% Exported

Total Demand
\$8,324,411



0% In Region
100% Imported

Table 2: 2018 Demand for Upper Shore Target Clusters in Kent County

| Cluster | In-Region Sales | % In-Region Sales | Exported Sales | % Exported Sales | Total Sales | GRP |
|---|----------------------|-------------------|----------------------|------------------|----------------------|----------------------|
| Manufacturing | \$5,766,011 | 2% | \$226,239,938 | 98% | \$232,005,948 | \$97,751,257 |
| Distribution and Electronic Commerce | \$24,679,441 | 26% | \$70,935,270 | 74% | \$95,614,710 | \$63,197,466 |
| Hospitality and Entertainment | \$41,272,448 | 54% | \$35,834,251 | 46% | \$77,106,704 | \$42,556,831 |
| Agriculture | \$29,964,114 | 17% | \$145,047,292 | 83% | \$175,011,409 | \$70,531,287 |
| Business and Professional Services | \$20,136,140 | 43% | \$27,071,253 | 57% | \$47,207,394 | \$30,843,879 |
| Transportation | \$11,835,042 | 59% | \$8,363,610 | 41% | \$20,198,652 | \$9,394,048 |
| Plastics | \$28,813 | 5% | \$594,665 | 95% | \$623,478 | \$255,591 |
| CLUSTER TOTALS | \$133,682,009 | 21% | \$514,086,279 | 79% | \$647,768,295 | \$314,530,359 |

Source: Emsi

Demand for the seven target clusters that is met by imports represent over \$250 million being spent outside Kent County. Business and Professional Services alone has nearly \$43 million of demand met by imports, representing 68 percent of total demand for this cluster.

Despite considerable growth in Kent County, approximately 93 percent of demand for Manufacturing is met by imports, representing nearly over \$73 million—29 percent of total demand met by imports for all clusters combined. Meanwhile, Agriculture continues to meet more than two-thirds of demand in-region despite seeing job losses in recent years.



Table 3: Sales and GRP for Upper Shore Target Clusters in Kent County, 2018

| Cluster | In-Region Sales | % In-Region Sales | Exported Sales | % Exported Sales | Total Sales | GRP |
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| Agriculture | \$29,964,114 | 17% | \$145,047,292 | 83% | \$175,011,409 | \$70,531,287 |
| Business and Professional Services | \$20,136,140 | 43% | \$27,071,253 | 57% | \$47,207,394 | \$30,843,879 |
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| CLUSTER TOTALS | \$133,682,009 | 21% | \$514,086,279 | 79% | \$647,768,295 | \$314,530,359 |

Source: Emsi

The target clusters represent excellent opportunities to grow the Kent County economy because they are comprised of export-oriented industries. About 79 percent of 2018 sales for all clusters combined were exports, meaning that the target clusters brought over \$514 million outside dollars to Kent County businesses.

Manufacturing leads the target clusters in Kent County in terms of value of exported sales, exporting over \$226 million of goods, or 98 percent of total sales in 2018. At the same time, however, Table 2 shows that the vast majority (93 percent) of demand for Manufacturing is met by imports. The discrepancy between the high share of sold goods being exported outside the region while a high share of demand for goods required comes from imports indicates that opportunity exists to shorten supply chains in the region. Shortening supply chains by connecting businesses within the region and that can provide goods and services locally has numerous benefits, including growing economic prosperity while reducing environmental impacts.

A similar discrepancy exists for the Distribution and Electronic Commerce cluster.

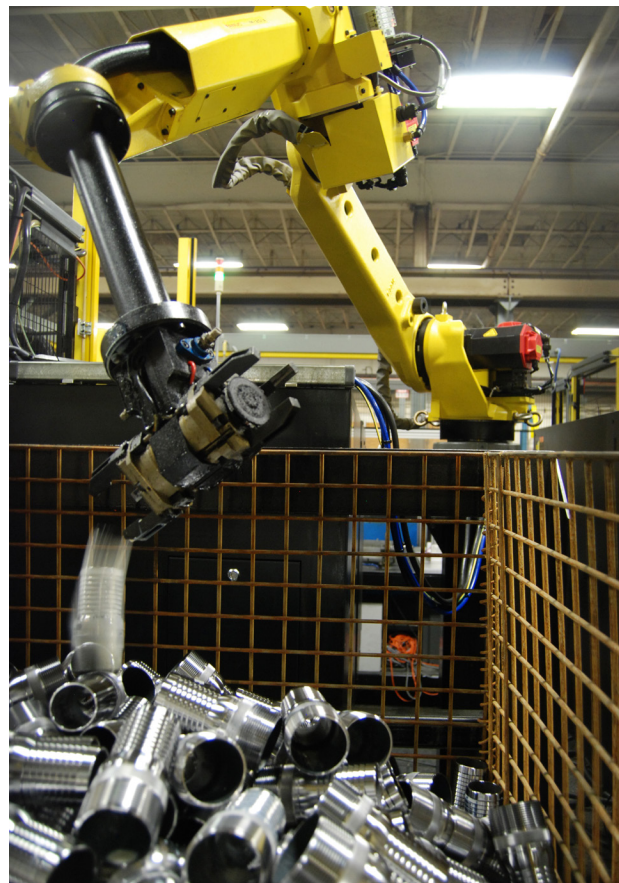


Table 4: Demand for select detailed industries in Kent County, 2018

| Demand for | Demand Met In-Region | % Demand Met In-Region | Demand Met by Imports | % Demand Met by Imports | Total Demand |
|--|-----------------------------|-------------------------------|------------------------------|--------------------------------|----------------------|
| Basic Chemical Manufacturing | \$1,048,310 | 3% | \$31,909,379 | 97% | \$32,957,689 |
| Computer Systems Design and Related Services | \$2,473,211 | 12% | \$18,458,342 | 88% | \$20,931,552 |
| Electric Power Generation, Transmission and Distribution | \$8,476,190 | 32% | \$18,263,947 | 68% | \$26,740,136 |
| Architectural, Engineering, and Related Services | \$3,206,294 | 19% | \$13,561,491 | 81% | \$16,767,786 |
| Software Publishers | \$124,183 | 1% | \$12,265,709 | 99% | \$12,389,892 |
| Traveler Accommodation | \$3,069,467 | 20% | \$11,994,210 | 80% | \$15,063,676 |
| Professional and Commercial Equipment and Supplies Merchant Wholesalers | \$97,980 | 1% | \$11,957,531 | 99% | \$12,055,511 |
| Restaurants and Other Eating Places | \$31,355,435 | 75% | \$10,491,844 | 25% | \$41,847,279 |
| Animal Food Manufacturing | \$838,032 | 8% | \$10,332,495 | 92% | \$11,170,528 |
| General Freight Trucking | \$4,816,432 | 32% | \$10,068,588 | 68% | \$14,885,020 |
| Pharmaceutical and Medicine Manufacturing | \$0 | 0% | \$10,044,596 | 100% | \$10,044,596 |
| Resin, Synthetic Rubber, and Artificial and Synthetic Fibers and Filaments Manufacturing | \$180,762 | 2% | \$9,059,730 | 98% | \$9,240,493 |
| Petroleum and Petroleum Products Merchant Wholesalers | \$3,870,834 | 31% | \$8,530,044 | 69% | \$12,400,878 |
| Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing | \$2,992,336 | 32% | \$6,284,718 | 68% | \$9,277,053 |
| Management, Scientific, and Technical Consulting Services | \$5,218,058 | 46% | \$6,210,916 | 54% | \$11,428,974 |
| SELECTED INDUSTRIES TOTALS | \$67,767,524 | 26% | \$189,433,539 | 74% | \$257,201,063 |

Source: Emsi

The industries included above represent unique opportunities to grow the Kent County economy. Combined, these 15 industries had more than \$257

million in total demand in 2018. Of that \$257 million in demand, \$189 million, or 74 percent, was met by imports from outside the County.

Table 5: Employment trends for select detailed industries in Kent County, 2019

| Industry* | 2014 Jobs | 2019 Jobs | 2024 Jobs | Avg. Earnings Per Job | 2019 Location Quotient | 2019 Payrolled Business Locations |
|--|------------|--------------|------------|-----------------------|------------------------|-----------------------------------|
| Basic Chemical Manufacturing | 16 | 28 | 14 | \$65,361 | 3.1 | 1 |
| Computer Systems Design and Related Services | 10 | 14 | 14 | \$82,382 | 0.1 | 3 |
| Electric Power Generation, Transmission and Distribution | 14 | 27 | 39 | \$67,153 | 1.2 | 1 |
| Architectural, Engineering, and Related Services | 28 | 28 | 28 | \$59,788 | 0.3 | 6 |
| Traveler Accommodation | 74 | 77 | 78 | \$17,496 | 0.7 | 10 |
| Professional and Commercial Equipment and Supplies Merchant Wholesalers | 8 | 8 | 7 | \$118,847 | 0.2 | 3 |
| Restaurants and Other Eating Places | 596 | 594 | 574 | \$21,017 | 0.9 | 49 |
| Animal Food Manufacturing | 6 | 14 | 19 | \$35,188 | 3.6 | 2 |
| General Freight Trucking | 32 | 32 | 32 | \$68,344 | 0.4 | 6 |
| Resin, Synthetic Rubber, and Artificial and Synthetic Fibers and Filaments Manufacturing | 62 | 72 | 74 | \$91,885 | 12.8 | 1 |
| Petroleum and Petroleum Products Merchant Wholesalers | 16 | 28 | 29 | \$49,494 | 4.5 | 2 |
| Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing | 36 | 22 | 13 | \$98,214 | 10.2 | 1 |
| Management, Scientific, and Technical Consulting Services | 74 | 60 | 63 | \$93,313 | 0.6 | 8 |
| SELECTED INDUSTRIES TOTALS | 973 | 1,004 | 984 | | | 93 |

Source: Emsi

*The Pharmaceutical/Medicine Manufacturing and Software Publishers industries from Table 4 currently have no employment in Kent County.

Besides restaurants, the selected industries on table 5 generally have small levels of employment. Nonetheless, many have grown rapidly in recent years and are projected to continue growing over the next five years. For example, the basic chemical manufacturing industry has nearly doubled in employment, from 16 in 2014 to 28 in 2019. Electric power generation and petroleum wholesalers have also grown rapidly.



In some instances, such as pesticide manufacturing and consulting services, jobs have decreased since 2014. This should be a signal for economic development efforts in Kent County to prioritize retention of these industries and assisting local businesses.



In other instances, an industry may not exist yet in Kent County despite considerable demand, such as software publishers. In this case, Kent County should focus on attracting a software publisher to the region or support any entrepreneurial efforts in this space. Note that software publishers often employ computer occupations such as software developers—Kent County has an excess of resident workers in these occupations according to commuting data.



Additionally, many of these industries offer above average to very high earnings relative to the County average across all industries (\$48,000).