

ECONOMIC DEVELOPMENT COMMISSION
MEETING MINUTES
January 4, 2017

PRESENT

Dr. Mary Bolt (Cecil College), Walter Buck (Citizen), Linda Burris (Delmarva Power), JoAnn Dawson (Fairwinds), Danny DeMarinis (URP), D'Ette Devine (CCPS), Bruce England (SWN), Paula Gilley (Citizen), Scott Holland (i-Lighting), Michael Lara (Orbital ATK), Sandy Maruchi-Turner (Tourism), Doris Mason (USRC), Grove Miller (Citizen), Morgan Miller (rep. CCPL), Christopher Moyer (Director of Economic Development), Susan O'Neill (Economic Development Manager), Robert Palsgrove (WSFS), Michael Ratchford (W.L. Gore & Associates), Joanne Richart-Young (Ag Coordinator), Dr. Carl Roberts (Chamber Government Relations), Dan Schneckenburger (County Council), Dr. Rich Szumel (Union Hospital), Mike Travers (Cecil Dancenter), Jason Zang (Economic Development)

ABSENT

Woody Jackson (Citizen), Rupert Rossetti (Citizen)

GUESTS

Joyce Bowlsbey (County Council), Miles Dean (Cecil College), Joe DiNunzio (Artesian Water), Tammy Edwards (Dept. of Commerce), Vince Fiorelli (Chesapeake Utilities), Scott Flanigan (DPW), Bonnie Grady (Cecil Co. Chamber of Commerce), Dean Holden (Chesapeake Utilities), Kathleen Kunda (Elkton Alliance/Boys & Girls Club), Jack Lewnard (Chesapeake Utilities), Tom Loflund (Cecil College), Alan McCarthy (Cecil Co. Executive), Bob Meffley (County Council), Frank Mita (Consultant), Cathy Parsons (Best Vacations), Jen Parsons (Best Vacations), Sharon Pelham (APGFCU), Alan Sexton (SWN), Bryan Waters (Triumph Industrial Park), Jim Waters (Triumph Industrial Park), Al Wein (Cecil Co. Director of Administration)

Call to Order & Welcome

- Mike Ratchford called the meeting to order at 8:09 a.m.
- Introductions were made by all in attendance.
- Minutes from November 2, 2016 Meeting were approved.

Chairman's Report – Mike Ratchford

- First week in December – swearing in of new County Executive and new members of County Council – very positive event
 - Congratulations to members of County Council and Dr. McCarthy; we look forward to next couple of years.
- Opening of new Tourism Office on Main Street in Elkton – good turnout, nice event, hope it will be a good location.
- Upcoming event – Cecil Night in Annapolis on January 12th.
 - Carl Roberts head of Government Relations driving this effort.
 - Very important event for County.
 - Terrific opportunity to put best face on Cecil County

Carl Roberts commented –

- General atmosphere of moving forward – positive attitude – we need to keep it going.
- Cecil's best foot forward – every Senator, every Delegate there, great opportunity to network.
- Bus available or drive separately.
- Afternoon Session – need to be at State House by 2:30-2:45 (go thru metal detector). Must be in House Chamber at 3:00 pm. to kick off session.
- Tour of State House scheduled from 4:15–5:00 -- will see newly renovated historic chamber where General Washington resigned his commission.
- Calvert House 5:30 Networking begins (cash bar)
- 6:35–7:00 Brief Remarks -- County Executive McCarthy, Senator Hershey
Emphasis to be on Customer Service/Business Friendly
- Goal – Make Maryland More Business Friendly -- this is what we are trying to do in Cecil County

Chairman's Report (Continued) – Mike Ratchford

- Like to introduce Chris Moyer but before doing so, would be remiss if didn't comment on many contributions that Lisa Webb made to Cecil County and the OED.
- Lisa is a respected Economic Development (ED) professional, she handled herself with great class, and it was fun to work with her.
- Want to send letter to Lisa recognizing her contributions to the EDC.
Without any objections, I will do so on the EDC's behalf.
- At this time, I want to formally introduce and welcome Chris Moyer
 - Chris has a long history as a recognized professional in Economic Development in the state of MD, during his service as Director of Business Development for the Baltimore Development Corporation, his projects exceeded \$2B in value and generated over 11,000 jobs for Baltimore City's economy

Director's Report – Christopher Moyer

- Would like to wish everyone a very Happy New Year.
- Recognize most of the faces in the room. Look forward to meeting those I haven't met & working together with EDC as partners.
- My family excited to be here.
- Like to recognize great team of OED – can't wait to work with them & work with all of you to discover new opportunities for ED – see a lot of enthusiasm, a lot of momentum and possibilities for Cecil County
- Like to recognize Dr. McCarthy, Al Wein & County Council – been great to work with them so far and look forward to continuing the momentum
- Working on large project in Principio Business Park
 - 700 jobs coming into Cecil County
 - Want to pursue more opportunities like this in the County
- Door is always open to thoughts and suggestions.

Chairman's Report (Continued) – Mike Ratchford

- EDC Meeting will continue with our regular format through the end of this year – meet on first Wednesday of each month at Cecil College – will make any needed changes in September.

Bruce England introduces our Presenter, Anirban Basu, Chairman & CEO, Sage Policy Group, Inc.
We are fortunate today to have a leading economist in the State of Maryland here to speak to us, Anirban Basu of Sage Policy Group.

- To give a little background on the Labor Market Study –
 - Traditionally we try to do Labor Market Study every 3-5 yrs. based on conditions and resources.
 - This year done in partnership with Harford and Cecil OEDs.
 - Commissioned Sage Policy Group to do this study in June.
 - Last study done end of recession – results showed where we were after recession, established priorities for workforce board and education providers that helped develop some new programs, and were source documents for Cecil County Strategic Plan.
 - 4 years later, new study helps show where we are now and what new priorities might exist to benefit programming and planning all our workforce and ED partners have.

Sage Policy Group & Anirban are a leading economists and analysts group in MD. They apply a lot of policies and ED analysis to many government and private-sector business associations in Maryland, the Mid-Atlantic Region, and all over the United States. Anirban is among most recognizable economists, as well as a lecturer at Johns Hopkins University.

A copy of Anirban Basu's presentation is available on our website.

Summary

- Due to lack of time following today's presentation and Q&A session, we will not have Subcommittee Reports.
- Remind everyone to attend Cecil Night in Annapolis on January 12th

The report will be made available via OED website.

Adjournment

Mike Ratchford adjourned the meeting at 9:29 a.m.

Our next EDC meeting will be on February 1, 2017 at 8:00 a.m. at Cecil College, Room TC208.

Respectfully Submitted,

Terri Springel
Administrative Assistant

Labor Market Analysis of the Susquehanna Workforce Investment Area

*“An Abundance of Opportunity Meets a Need for Additional
Preparedness”*

On Behalf of

The Cecil County Economic Development Commission

By: Anirban Basu
Sage Policy Group, Inc.

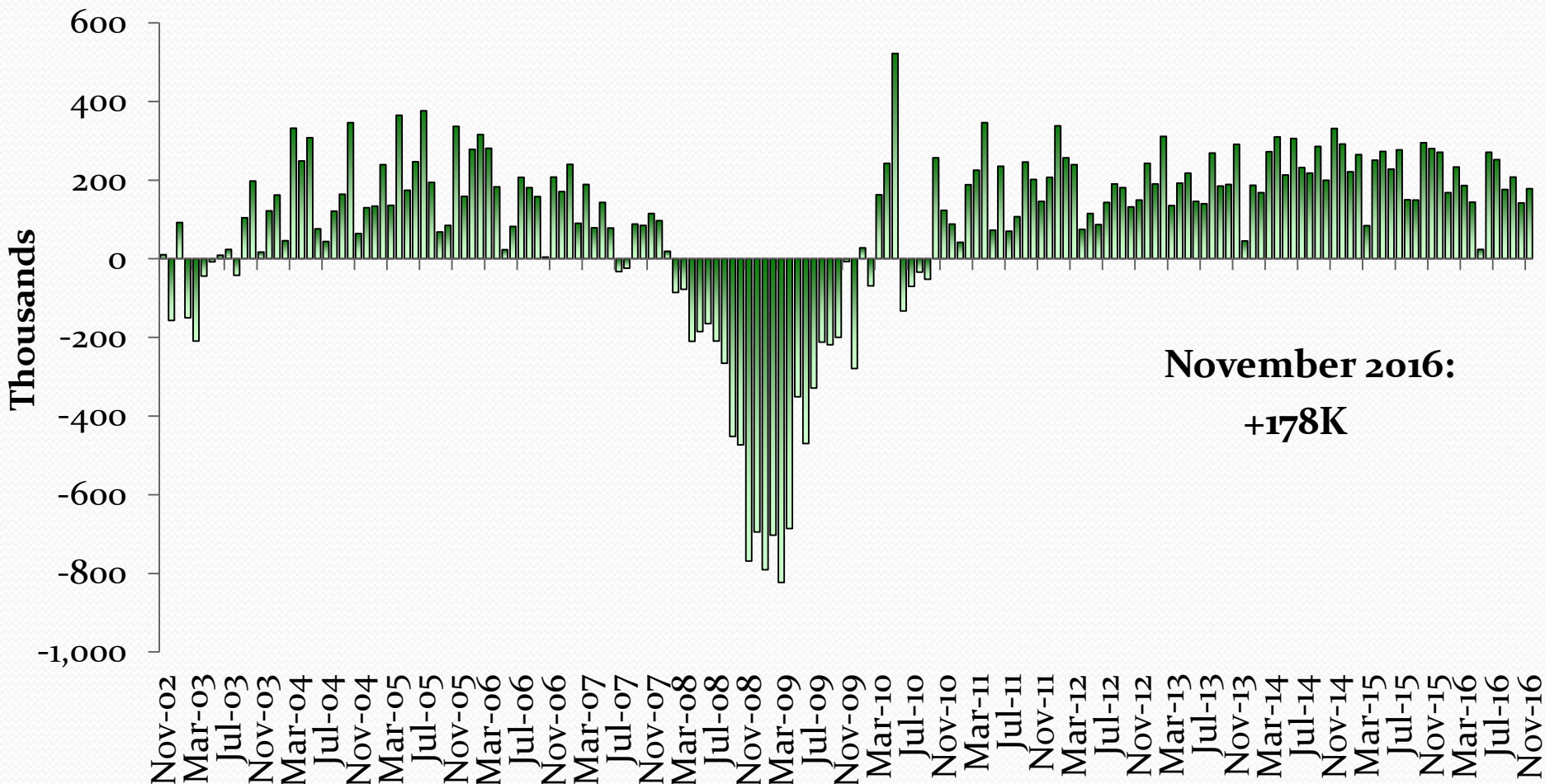
January 4th, 2017



Sage Policy
Group, Inc.

Net Change in U.S. Jobs, BLS

November 2002 through November 2016



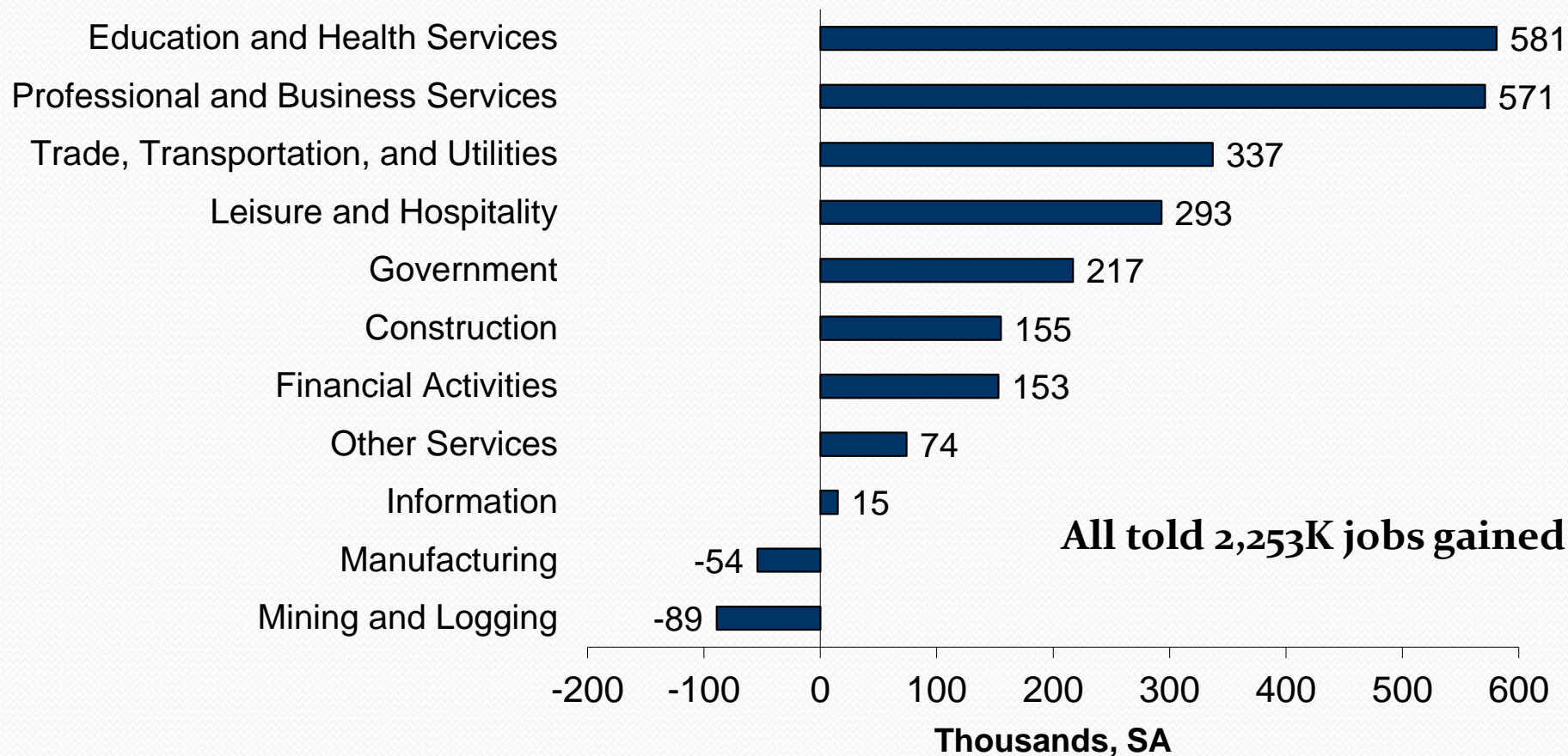
**November 2016:
+178K**

Source: U.S. Bureau of Labor Statistics

National Nonfarm Employment

by Industry Sector

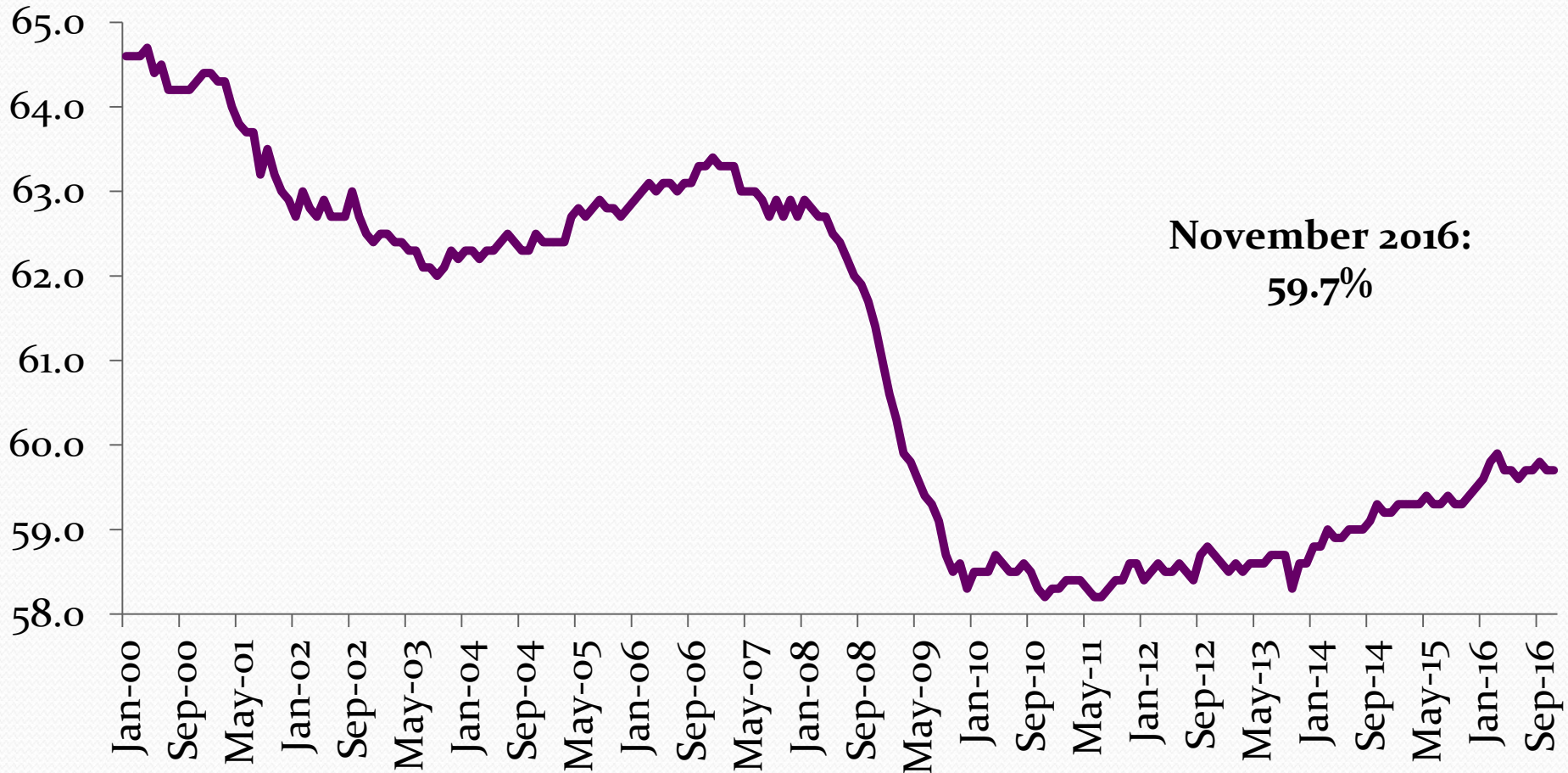
November 2015 v. November 2016



Source: U.S. Bureau of Labor Statistics

U.S. Employment to Population Ratio

January 2000 – November 2016



**November 2016:
59.7%**

Source: U.S. Bureau of Labor Statistics

Note: Civilian employment-population ratio, population 16 years and over, seasonally adjusted (SA).

Purpose

- The Susquehanna Workforce Network in partnership with the economic development offices of Cecil and Harford counties tasked Sage Policy Group with conducting a labor market analysis;
- We principally focused upon the state of the labor market, emerging opportunities, long-lived challenges, and imperatives for improved employment market functioning;
- Goals include supplying insights and recommendations that will support the economic objectives of both employers and jobseekers.

The Labor Market Has Improved, but only Gradually Since '11

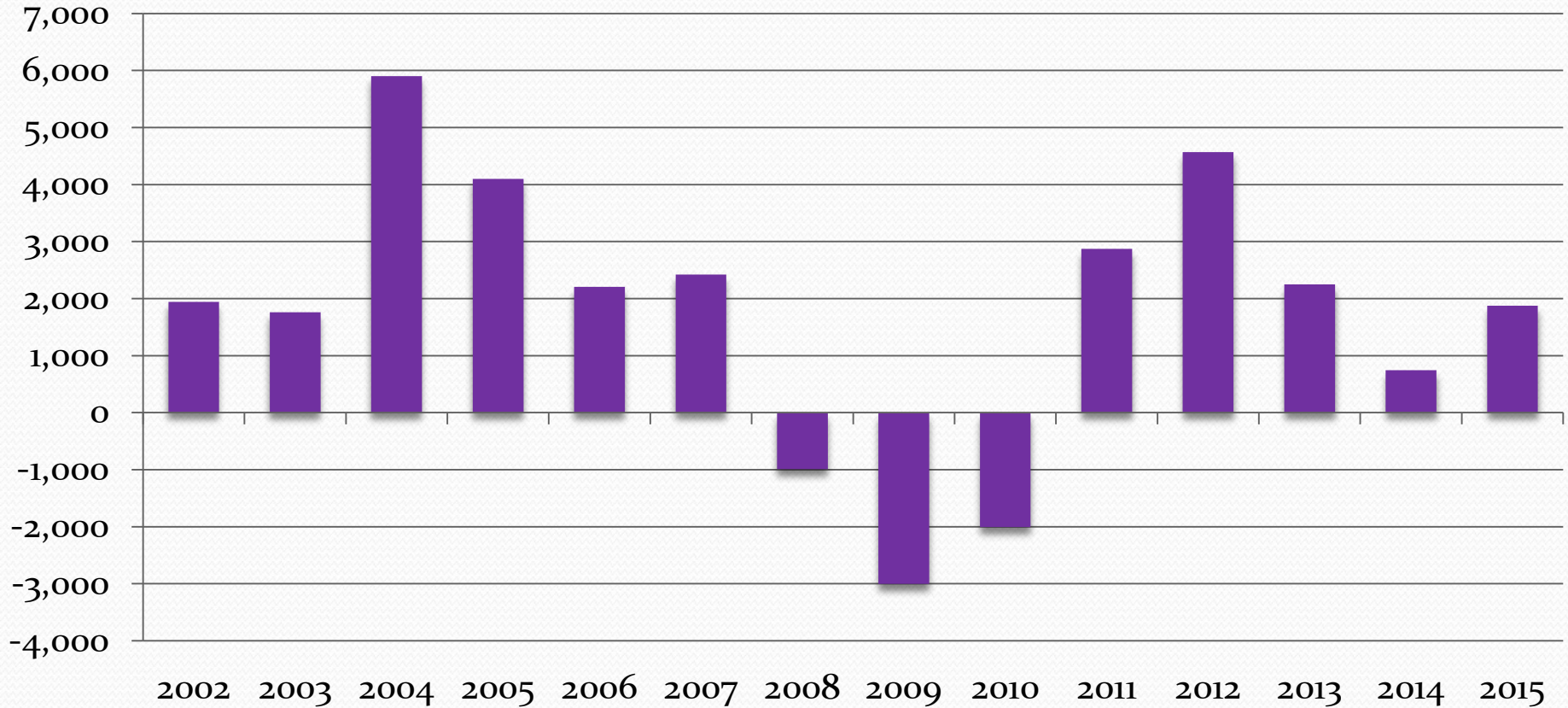
Susquehanna Region Employment, 2011 v. 2015

	Total Employment (Annual Average)		2011 v. 2015	
	2011	2015	Net	%
Maryland	2,478,505	2,591,189	112,684	4.50%
Susquehanna WIA	111,231	120,666	9,435	8.50%
Cecil County, MD	27,945	30,692	2,747	9.80%
Harford County, MD	83,286	89,974	6,688	8.00%
Baltimore County, MD	359,767	370,670	10,903	3.00%
Baltimore City, MD	328,764	334,065	5,301	1.60%
Chester County, PA	236,419	243,852	7,433	3.10%
New Castle County, DE	265,700	285,300	19,600	7.40%

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Sage. Note: Data are NSA (Not Seasonally Adjusted).

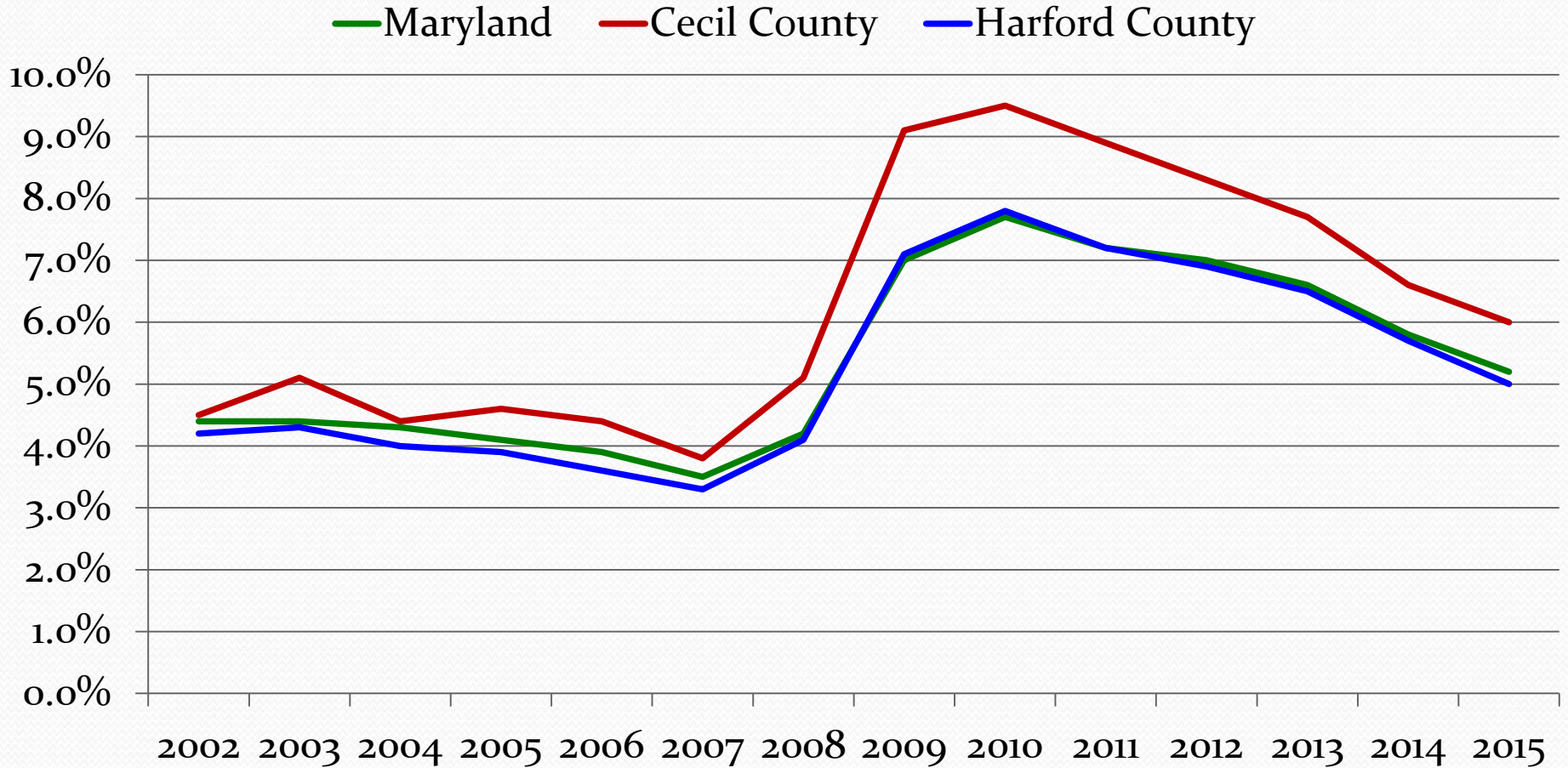
Susquehanna Region Employment Growth 2002-2015

YOY Growth



Source: U.S. Bureau of Labor Statistics; Maryland Department of Labor, Licensing and Regulation (DLLR), Maryland Quarterly Census of Employment and Wages (QCEW) program. Note: Data are NSA (Not Seasonally Adjusted).

Unemployment Rate: Susquehanna Region & Maryland, 2002-2015



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS) program. Note: Data are NSA (Not Seasonally Adjusted).

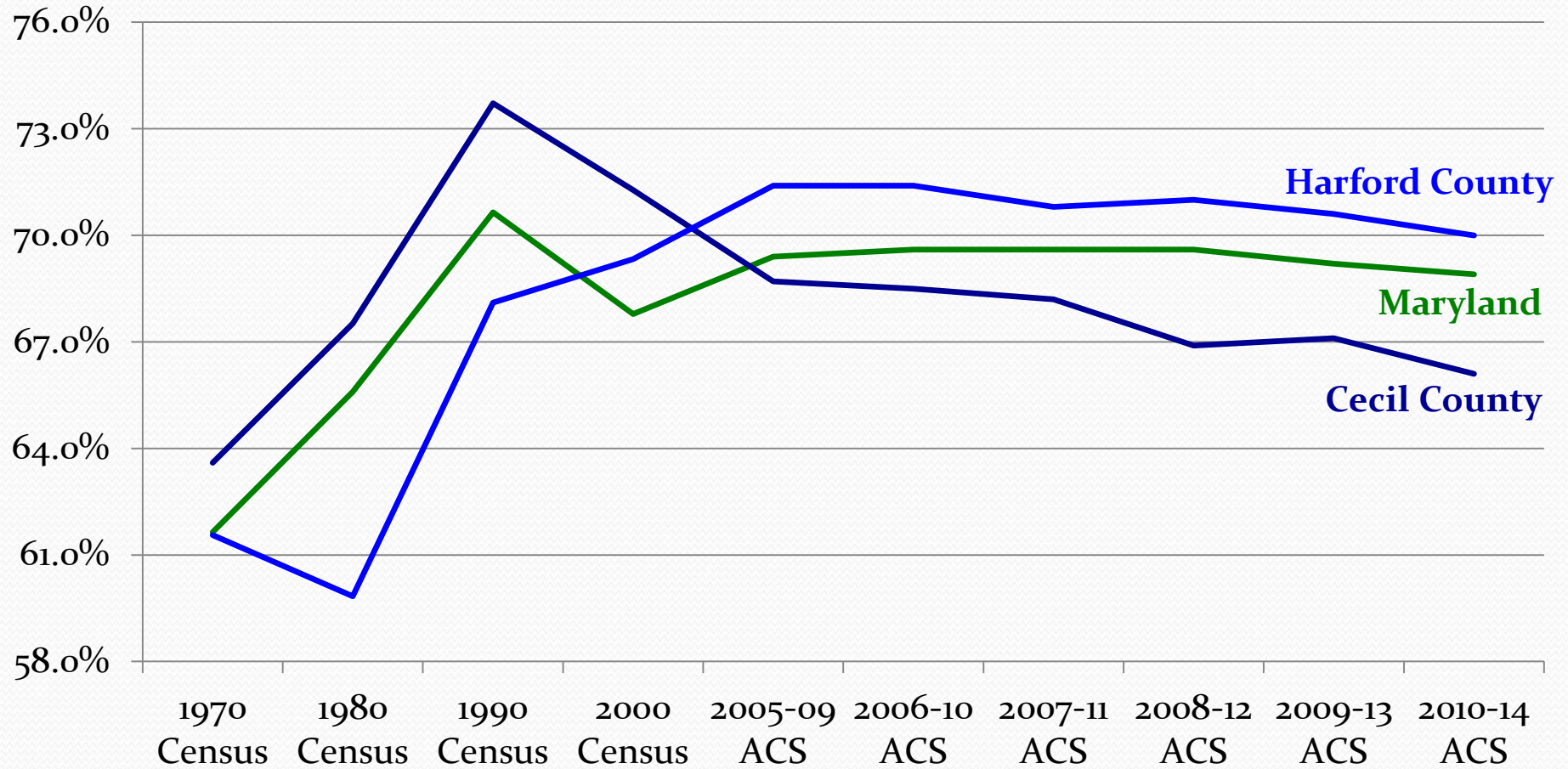
Ratio of Unemployed to Job Openings in Maryland (as of August 2016)



Source: Maryland Workforce Exchange, Labor Market Information (online advertised jobs data); U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS) Program.

Notes: 1. The exhibit shows the distribution of the ratio of the preliminary estimated number of unemployed (not Seasonally Adjusted) to the number of advertised online job openings in Maryland by workforce development regions for August 2016 (Jobs De-duplication Level 2).

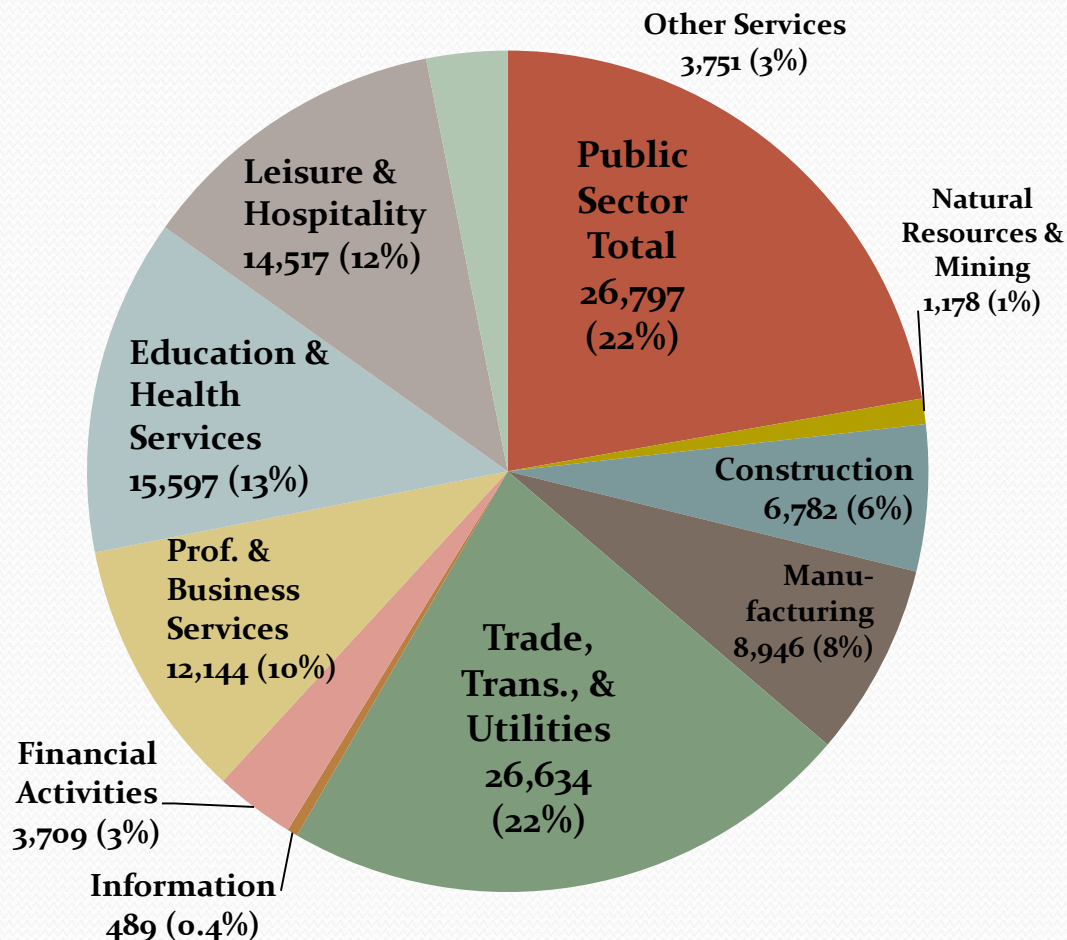
Historic Labor Force Participation: Susquehanna Region & Maryland



Source: 1. Maryland Department of Planning, 2. U.S. Census Bureau, American Community Survey 5-year estimates: S2301.

Susquehanna Region Employment by Industry

Total Employment (2015)

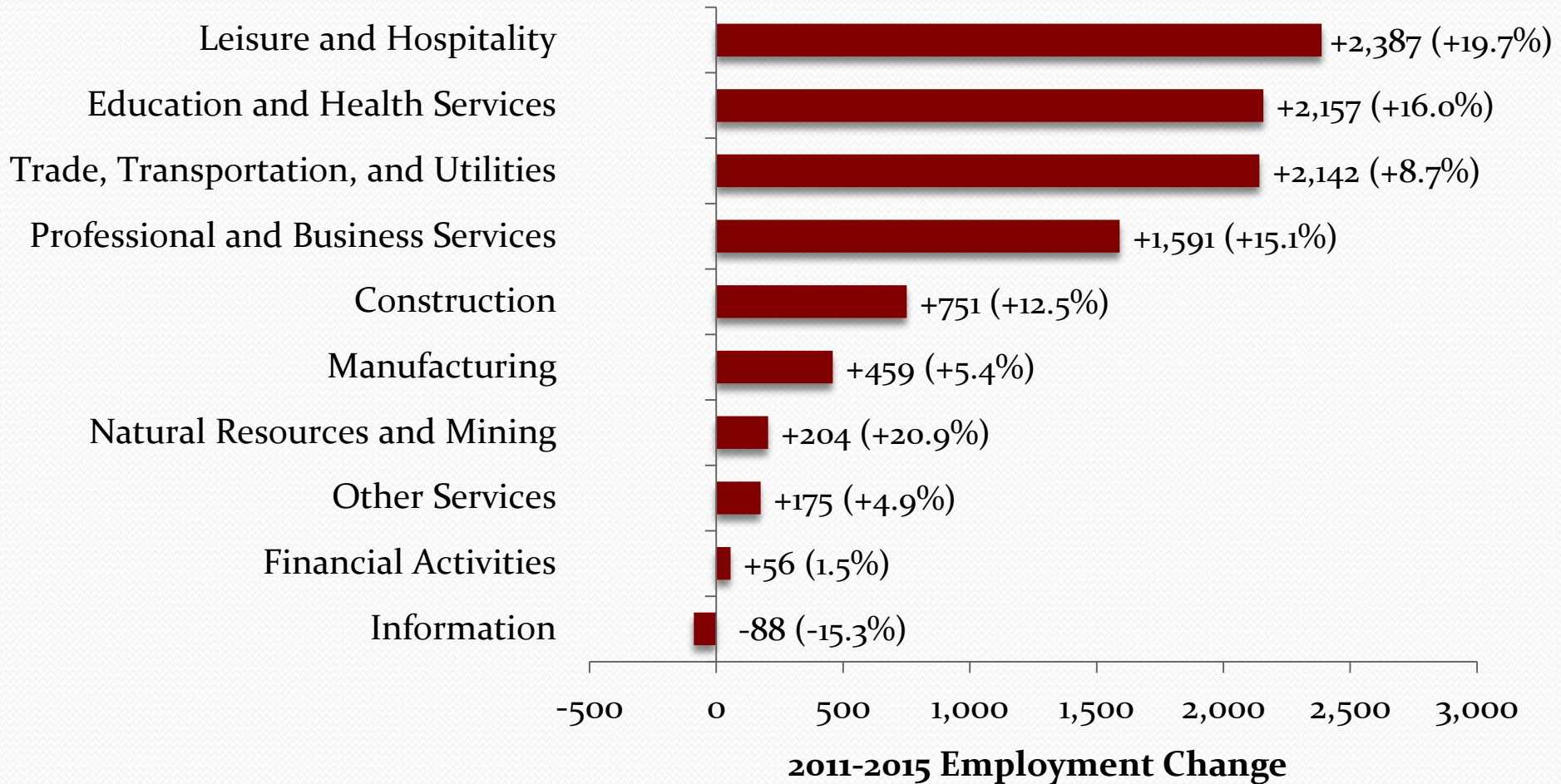


Industry	Employment LQ (2016Q1)
Federal Government	5.42
Trade, transportation, & utilities	1.15
Local Government	1.11
Leisure & hospitality	1.07
Other services	1.03
Construction	1.00
Manufacturing	0.85
Education & health services	0.85
Professional & business services	0.70
Financial activities	0.55
Information	0.32
State Government	0.29
Natural resources & mining	0.15

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Sage

Notes: 1. Figures are for private employment except for Federal/State/Local government. 2. Location quotient is the percentage of employment in a given sector relative to the percentage of employment in this sector at the national level. Values above 1.0 reflect a concentration greater than the national average. Values below 1.0 reflect a lesser concentration. For example, Las Vegas will have a location quotient greater than 1 in the Leisure and Hospitality industry because this industry makes up a larger share of the Las Vegas employment total than it does for the country as a whole.

Private Sector Industry Growth in the Susquehanna Region, 2011 v. 2015



Source: Maryland Department of Labor, Licensing and Regulation (DLLR), Maryland Quarterly Census of Employment and Wages (QCEW).

Note: Data are NSA (Not Seasonally Adjusted).

In Search of Emerging Opportunities

Susquehanna Workforce Region: Top 10 Occupations by Projected Annual Openings, 2012-2022

Rank	Occupation	2012-2022 Est. Annual Openings
1	Cashiers	244
2	Retail Salespersons	224
3	Waiters & Waitresses	167
4	Laborers & Freight, Stock, and Material Movers, Hand	135
5	Janitors & Cleaners, Except Maids and Housekeeping Cleaners	104
6	Stock Clerks and Order Fillers	96
7	Combined Food Preparation & Serving Workers, Incl. Fast Food	85
8	First-Line Supervisors of Retail Sales Workers	58
9	Secretaries & Administrative Assistants (Except Legal, Medical, and Executive)	57
10	General & Operations Managers	55

Source: Maryland Department of Labor, Licensing and Regulation (DLLR), Division of Workforce Development and Adult Learning; Maryland Workforce Exchange, Labor Market Information.

Susquehanna Workforce Region: Top 10 Industries by Projected Annual Openings, 2012-2022

Rank (Net Growth)	Industry	Total Employment		2012-2022	
		2012 Est.	2022 Proj.	Total Growth	Annual % Growth
1	General Merchandise Stores	3,579	5,657	2,078	4.70%
2	Administrative & Support Services	3,311	5,317	2,006	4.90%
3	Plastics & Rubber Products Manuf.	2,877	3,942	1,065	3.20%
4	Warehousing and Storage	3,644	4,674	1,030	2.50%
5	Educational Services	9,380	10,265	885	0.90%
6	Food Services & Drinking Places	9,704	10,569	865	0.90%
7	Professional, Scientific, & Tech. Services	9,438	10,117	679	0.70%
8	Ambulatory Health Care Services	4,561	4,881	320	0.70%
9	Food and Beverage Stores	4,390	4,698	308	0.70%
10	Amusement, Gambling, & Rec. Industries	2,257	2,517	260	1.10%

Source: Maryland Department of Labor, Licensing and Regulation (DLLR), Division of Workforce Development and Adult Learning; Maryland Workforce Exchange, Labor Market Information.

Susquehanna Region: Required Experience jobs advertised online as of 10/11/16

Work Experience Requirement	Job Openings	Share
Entry-level	198	28.50%
Less than 1 Year	43	6.20%
1 Year to 2 Years	173	24.90%
2 Years to 5 Years	189	27.20%
5 Years to 10 Years	83	11.90%
More than 10 Years	9	1.30%

Source: Maryland Workforce Exchange, Labor Market Information (online advertised jobs data).

Notes: 1. The exhibit shows the minimum required education level/work experience for job openings advertised online in Susquehanna Workforce Region, Maryland on October 11, 2016 (Jobs De-duplication Level 2). 2. Jobs De-duplication Level 2: high level de-duplication of advertised jobs (for statistical analysis).

Susquehanna Region: Skills & Training Requirements in Demand I

Rank	Detailed Job Skill	Job Openings Match Count
1	Customer service	1,329
2	Problem solving	507
3	Interpersonal skills	366
4	Risk management	210
5	Software support	186
6	Flexibility	161
7	Decision making	115
8	Time management	111
9	Business development	85
10	Mentoring	84

- Consistent with the elevated demand for entry-level workers is the fact that **customer service** represents the most commonly demanded skill as opposed to skills like knowledge of software or computer systems;
- Other skills in high demand include **problem solving** and **interpersonal skills**.

Source: Maryland Workforce Exchange, Labor Market Information (online advertised jobs data).

Notes: 1. The exhibit shows the top advertised detailed job skills for job openings advertised online in Susquehanna Workforce Region, Maryland on October 11, 2016 (Jobs De-duplication Level 2). 2. Jobs De-duplication Level 2: high level de-duplication of advertised jobs (for statistical analysis).

Susquehanna Region: Skills & Training Requirements in Demand II

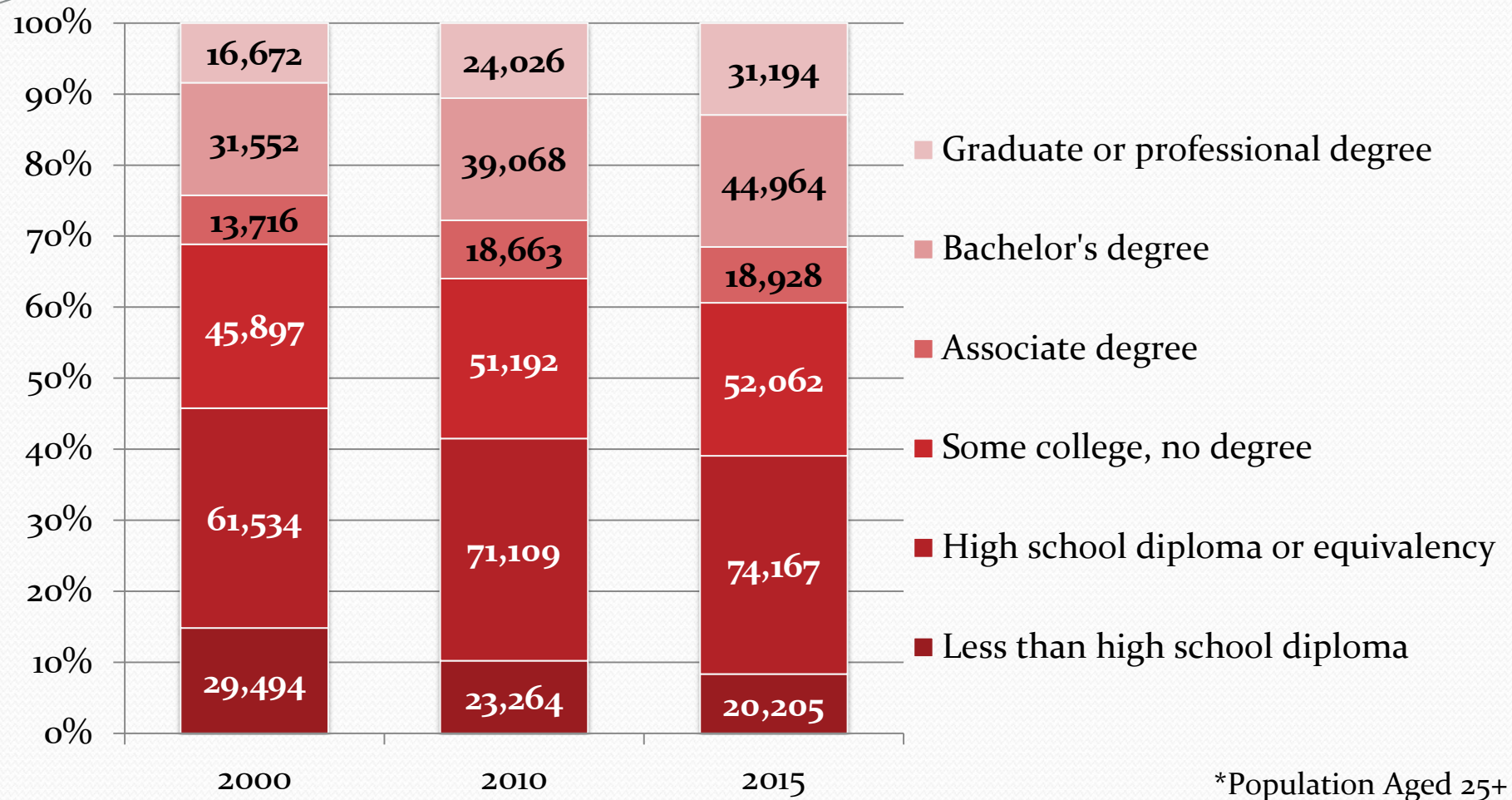
Rank	Detailed Tool/Technology	Tool/Technology Group	Job Openings Match Count
1	PowerPoint	Presentation Software	276
2	Linux	Operating System Software	213
3	Forklift	Forklifts	123
4	JavaScript	Web Platform Development Software	104
5	Git	File Versioning Software	92
6	Cash Register	Cash Registers	89
7	Pallet Jack	Pallet Trucks	80
8	UNIX	Operating System Software	70
9	Android	Development Environment Software	54
10	Hand Truck	Hand Trucks or Accessories	51
11	Mortars	Pestle or Mortars	46
12	Microsoft Word	Word Processing Software	44
13	jQuery	Web Platform Development Software	43
14	Microsoft Windows	Operating System Software	40
15	Twitter	Instant Messaging Software	40

Source: Maryland Workforce Exchange, Labor Market Information (online advertised jobs data).

Notes: 1. The exhibit shows the top advertised detailed tools and technologies for job openings advertised online in Susquehanna Workforce Region, Maryland on October 11, 2016 (Jobs De-duplication Level 2). 2. Jobs De-duplication Level 2: high level de-duplication of advertised jobs (for statistical analysis).

Workforce Dynamics & Sources of Human Capital

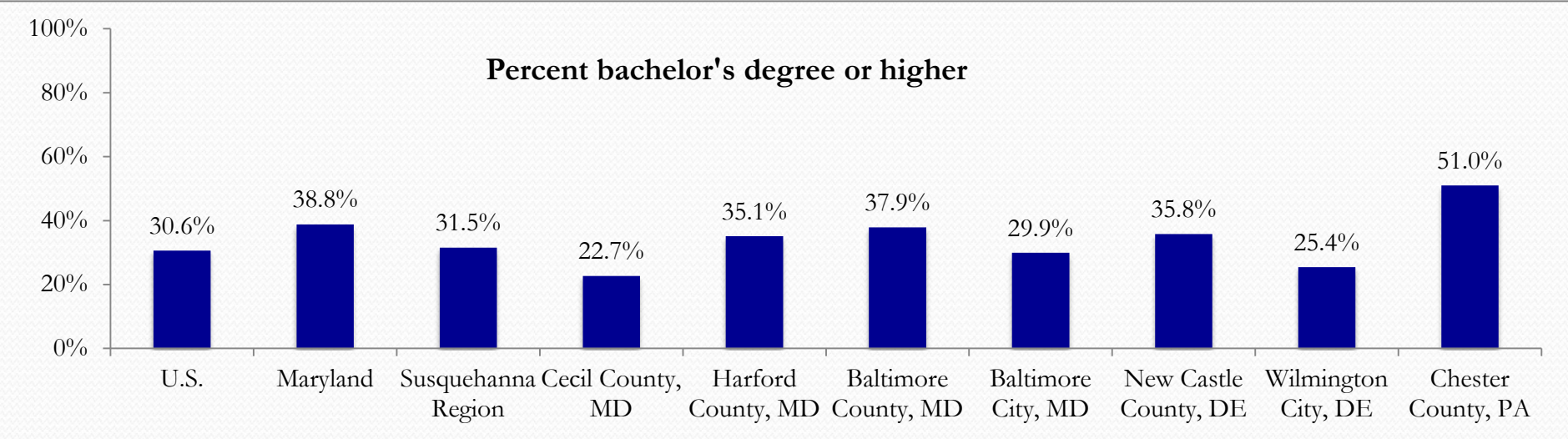
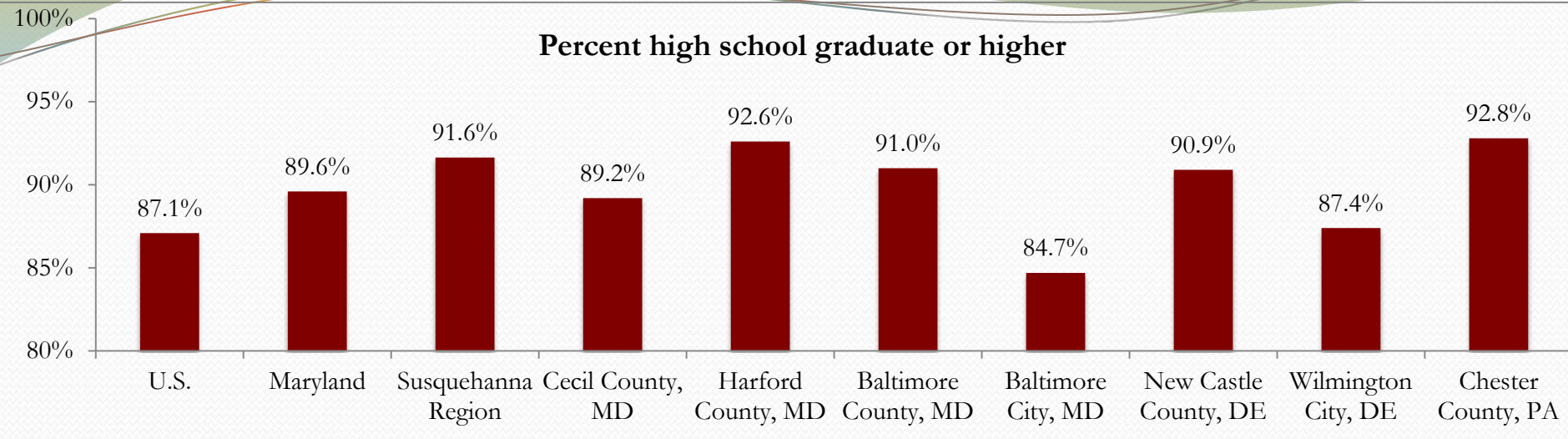
Susquehanna Region Educational Attainment



Source: U.S. Census Bureau. 2000 Census: DP-2; 2006-2010 American Community Survey 5-Year Estimates: DP02; American Community Survey 1-year estimates: DP02.

Notes: 1. 2010 figures represent a 5-year average covering 2006-2010.

Susquehanna Region Educational Attainment, 2015

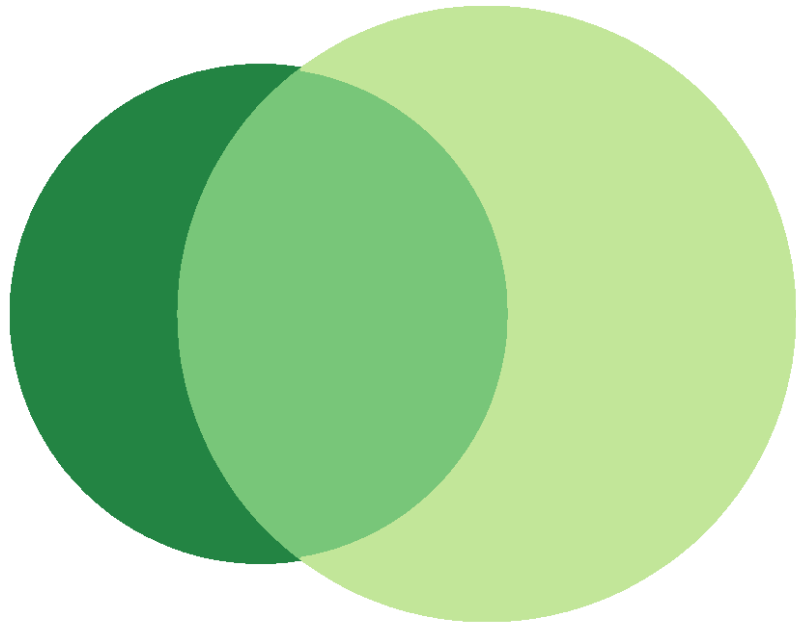


Source: U.S. Census Bureau, American Community Survey 1-year estimates: DP02.

*Population aged 25+



Susquehanna Region Employment Inflow/Outflow, 2014



38,943	- Employed in Selection Area, Live Outside
90,461	- Live in Selection Area, Employed Outside
59,310	- Employed and Live in Selection Area

- The relative size of the Venn diagram circles represents the amount of workers living and working in SWIA. The size of the intersection area represents the count of workers that live and work in SWIA.
- Of those **employed** in the Susquehanna Region, **60.4%** live in the region and **39.6%** live outside the region.
- In a coincidence of numbers, of those **living** in the Susquehanna Region, **39.6%** are employed in the region and **60.4%** are employed outside the region.

Source: U.S. Census Bureau. Longitudinal-Employer Household Dynamics Program, OnTheMap Application.

Notes: 1. Numbers represent primary jobs, not total jobs. Primary Jobs: Public and private-sector jobs, one job per worker. A primary job is the highest paying job for an individual worker.

Insights, Opinions & Recommendations

Findings and Discussions from Focus Groups I

- It is difficult to identify staff with required skill sets and credentials, including basic customer service, problem identification, problem solving, basic computing, clean driving records and backgrounds, and sufficient motivation.
- There is a general lack of emotional intelligence and interpersonal communications skills among an unacceptably high fraction of incoming workers.
- Too many jobseekers are disqualified from otherwise accessible employment opportunities due to their inability to pass drug tests and/or criminal backgrounds.
- In many instances, a two-year degree is unnecessary. Rather, workers can be adequately trained for employment opportunities through 6-, 9-, or 12-month programs.

Findings and Discussions from Focus Groups II

- There is not nearly enough vocational/technical training in most area high schools.
- There is a need for more internship opportunities and apprenticeship programs to prepare high-school students for promising career paths and to expose them to more opportunities.
- Employers need to address students and detail their opportunities at earlier ages.
- A number of industries, including construction, manufacturing, and logistics, appear not to be able to attract sufficient numbers of younger workers due to negative reputational effects.
- There is far too much emphasis on college preparedness as opposed to career preparedness, which ends up leaving too many young people behind.

Findings and Discussions from Focus Groups III

- The tastes and preferences of millennial workers present many challenges, including difficulties accommodating flexible schedules, the desire to work from home, and a perceived lack of respect for authority.
- Younger workers do not appear to be as motivated by opportunities to earn significant incomes relative to their older counterparts.
- People are generally unwilling to move to the region to accept entry-level or mid-level positions.
- Older workers are easier to attract to the area, often because cost of living is deemed favorable.
- The most credentialed workers are susceptible to being recruited out of the region by employers in major cities like Balto, Philly, and D.C.
- Recruitment to the area would benefit from greater investment and planning that produced more walkable/bikeable streets, more vibrant mixed-use communities, and more night-life.

SWOT Analysis I

STRENGTHS

- ✓ Aberdeen Proving Ground – provides a large base of technology jobs in the heart of the Susquehanna Region.
- ✓ Favorable cost of living, which improves recruitments outcomes, all things being equal, particularly for older workers.
- ✓ Large and rapidly expanding logistics community that is capable of leveraging proximity to major cities and port facilities, I-95, and industrially zoned land.
- ✓ Significant manufacturing base.
- ✓ Stepped up capacity at area workforce centers, including credentialing of workforce center staff.
- ✓ Expanding higher education capacity at 2 two-year colleges and at University Center.
- ✓ Enterprise Zones in both counties.

WEAKNESSES

- ✓ Lack of a 4-year higher education institution rooted in the region.
- ✓ Difficulty attracting younger knowledge workers given competition with Baltimore, Philadelphia, D.C. and other more urban communities.
- ✓ Lack of sufficient communication and partnerships between businesses and area schools.
- ✓ Educational attainment mismatch – region home to many high school graduates, but technology jobs often require college degrees or more.
- ✓ Many jobseekers are disqualified from opportunities due to substance abuse and/or criminal backgrounds.
- ✓ Lack of transit options.
- ✓ Massive levels of commuting both in and out of the region on a daily basis.

SWOT Analysis II

OPPORTUNITIES

- ✓ Cyber security and defense contracting given emerging threats and a new administration in Washington, D.C.
- ✓ Healthcare and retirement.
- ✓ Move to shorter training programs that offer relevant, industry recognized credentials.
- ✓ Booming logistics industry given ongoing spread of e-commerce and planned improvements in Maryland's inter-modal transportation system, including by CSX.
- ✓ Waterfront redevelopment and more walkable, mixed-use communities could create environments more apt to attract millennial knowledge workers.

THREATS

- ✓ Technology – large numbers of workers stand to be displaced by driverless trucks, artificial intelligence, 3D printing and robotics.
- ✓ Trade wars between the U.S. and other nations result in sharp declines in exports.
- ✓ Next round of base realignment.
- ✓ Debt crisis related to prospective insolvency of Medicare and Social Security drives down federal spending, including on R&D.
- ✓ Retirement of current technical professionals and the inability of the millennial generation to adequately replace them.
- ✓ State of Maryland financial issues limit investment in higher education and local infrastructure.
- ✓ Further declines in labor force participation as more workers become frustrated.

The Study Team's Prior Recommendations

- Several years ago, Sage delivered a report offering seven recommendations
- Sage recommended that these five industries emerge as focal areas:
 - *Logistics;*
 - *Primary/preventative healthcare;*
 - *Construction/infrastructure;*
 - *Manufacturing/assembly; &*
 - *Information technology.*
- **The other two recommendations:**
 - *Implementing innovative credentialing strategies;*
 - *Stepped up career and technical education at local high schools.*

New Recommendations

- **Develop Susquehanna Regional Certificate Programs in Construction and Primary Healthcare**
(The goal is to credential within a year)
 - *Sage recommends that programs similar to the Entry Level Manufacturing Training Program be developed for construction and primary healthcare.*
- **Develop a Susquehanna Workforce Network Customer Service Certification**
(The goal is to credential within 3-6 months)
 - *Sage recommends the development and implementation of a customer service certification.*

Thank You

- Follow us on Twitter @SagePolicyGroup
- You can always reach me at abasu@sagepolicy.com
- Please look for updates of information at www.sagepolicy.com.
- Also, if you need us in a hurry, we are at 410.522.7243 (410.522.SAGE)
- Please contact us when you require economic research & policy analysis.