3 SOCIOECONOMIC ANALYSIS

A. INTRODUCTION

Cumberland, Maryland has historically been the center for manufacturing and industry within Western Maryland with multimodal (rail, auto, and recreation) transportation access to the Pittsburgh, PA, Washington, DC and Baltimore, MD metropolitan areas. Over the last several decades, the influence and prominence of Cumberland as an industrial and manufacturing hub in the region has diminished as businesses gravitated to lower cost environments in the southern U.S. and international facilities. This economic shift, seen in numerous northeastern and Midwestern manufacturing/industry-based economies, has had a direct impact on the current economy of Cumberland and declining and changing population and household trends over the last decade and a half. By analyzing the demographic characteristics and economic base of Cumberland, the foundation can be developed for economic development strategies that acknowledge and incorporate these realities.

B. MAJOR FINDINGS

Cumberland has experienced a decline in population and households and is projected to continue to do so, unlike the Western Maryland Region which continues to grow. The decline in population that Cumberland has experience over the last decade and a half reflect not only a population shift, but also an economic shift as labor-intensive industries that previously dominated the local economy have departed. Conversely, Regional growth is largely due to the increase in population and households in Washington County which is benefitting from continued economic expansion from the Baltimore and Washington DC markets.

The number of young families and retirees has decrease in Cumberland impacting the economic capacity of the City. The loss of population within the 35 to 44 years of age cohort substantially reduces the experienced labor force within the City, which would otherwise provide a solid foundation for the economy. Additionally, there has been a decline in the retiree population, aged 65 years or greater, possibly due to a lack of housing, infrastructure and services that can accommodate aging in place. While not often a substantial part of the workforce, this population represents substantial spending power within the economy.

The median household income of Cumberland is lower than both Allegany County and the Region as a whole. The Cumberland population has an overall lower wage/income levels than the rest of the Region, and substantially lower incomes than the surrounding metropolitan areas. However, the cost of living within Cumberland is consistent with the wage levels (as compared to the metropolitan areas). To these points, local businesses have noted they benefit from the local cost efficiencies, being able to pay a comparatively lower wage rate than metropolitan locations while providing a greater real income levels.

Growth in the healthcare/social service sector has offset declines in manufacturing, both in Cumberland and in the Region. Resident employment and local/regional job trends reflect consistent expansion of jobs and residents employed in health care throughout the Region. When combined with continued declines in manufacturing in Western Maryland, this ultimately indicates a shift in the foundation of the economy from a production-based market to a service-based market throughout the Region.

Cumberland remains a center for employment within Allegany County. Despite the decline of economic scale within the City and the region compared to the surrounding metropolitan markets, The City remains an employment center, with more workers commuting to Cumberland than residents commuting out of the City for work. The majority of in-commuters come from other parts of Allegany County. This corroborates anecdotal findings that the countywide economy is inextricably linked, and the regional labor force recognizes the value of being within proximity of personal and professional services available in Cumberland.

The Cumberland labor force is competitively educated and employed in primarily white-collar occupations. The overall level of education attainment is higher in Cumberland than the Region as a whole. The majority of City residents are employed in white-collar jobs. While perceptions of Cumberland and the Region may not be consistent with these findings, they highlight the existing labor force potential to further expand professional service sectors such as Health Care/Social Assistance.

Telecommuting is a small, but growing reality for Cumberland's employment base. More than 2% of City residents "commute" to each of the following destinations: Ann Arundel County, Montgomery County, Baltimore City and Baltimore County. This indicates that while the majority of residents stay within Western Maryland to work, a small portion are choosing to live in Cumberland despite their jobs being located in the major metropolitan areas on the eastern side of the state. The growth of telecommuting most likely explains this finding, as the jobs are technically located in these metropolitan areas but the workers reside in the City. This finding supports the potential growth of back office, or "rural sourcing," as a viable economic development strategy for the City.

C. METHODOLGY

1. Geographic Focus of Analysis

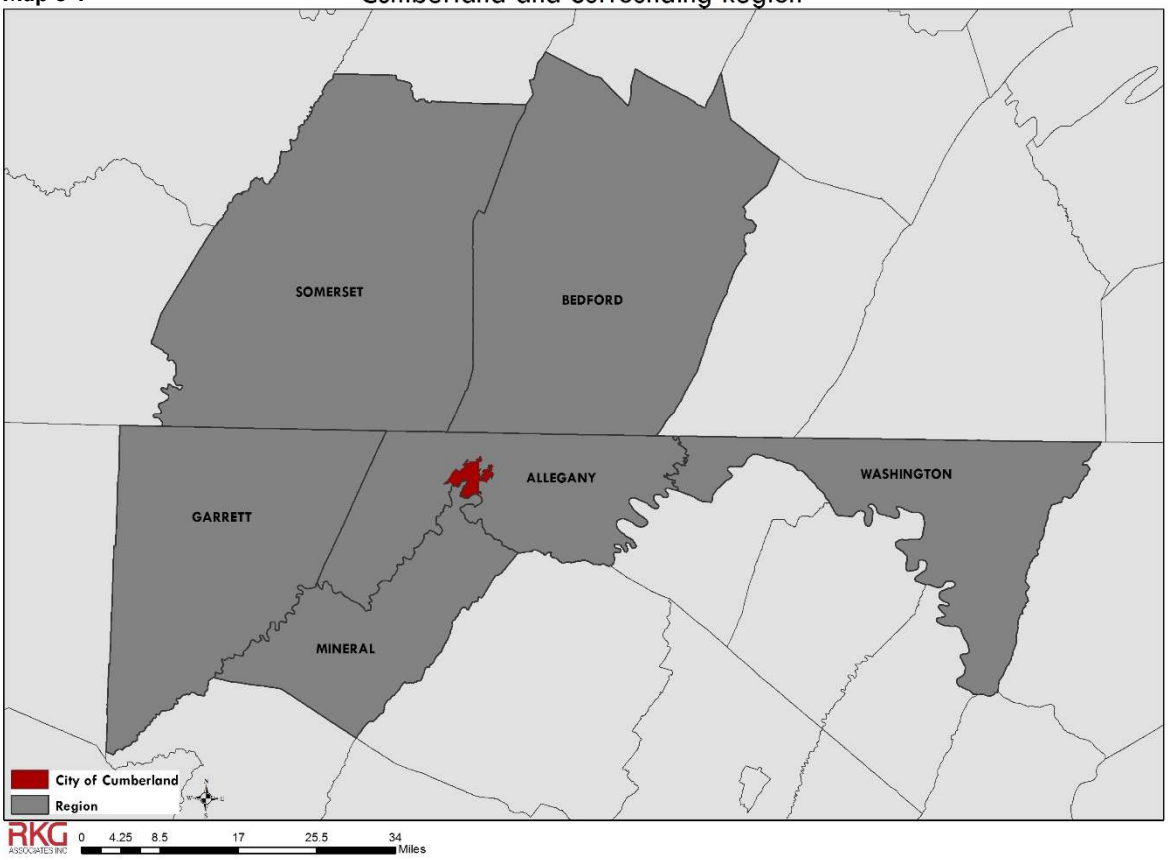
Cumberland is part of the greater Western Maryland region. Therefore, to better understand the demographic characteristics and economic base of this area, the analysis looked at the City of Cumberland, Allegany County and the region as a whole. As seen in Map 3-1 at the end of the Methodology Section, the region includes Allegany, Garret and Washington Counties in Maryland, Bedford and Somerset Counties in Pennsylvania and Mineral County in West Virginia. When appropriate, Allegany County without the City of Cumberland was also analyzed to better understand the role Cumberland plays within the County.

An examination of demographic data from all counties within the region highlighted the fact that Washington County consistently out-performs the rest of the counties in the Region. This is likely due to the influence of the continued suburbanization along the I-270 corridor from Washington, DC, subsequently expanding the economy of Fredericksburg and Hagerstown. The associated migration of households seeking more affordable housing options is pushing into Washington County. Therefore, Washington County is highlighted when appropriate in the discussion of the region.

2. Data Sources

The socioeconomic analysis for the Strategic Economic Development Plan includes an analysis of demographic, workforce and economic metrics. Data for the demographic analysis came from third-party data provider Experian, which compiles U.S. Census data for 2000 and 2010 as well as calculated estimates for 2013 and projections for 2018 on a variety of population and household characteristics. Economic data related to employment industries and workforce characteristics

Map 3-1 Cumberland and Surrounding Region



primarily comes from *On The Map*, an analysis tool provided by the U.S. Census Bureau and the U.S. Department of Commerce with data collected for the Longitudinal Employer-Household Dynamics Program (LEHD) and the U.S. Bureau of Labor Statistics.

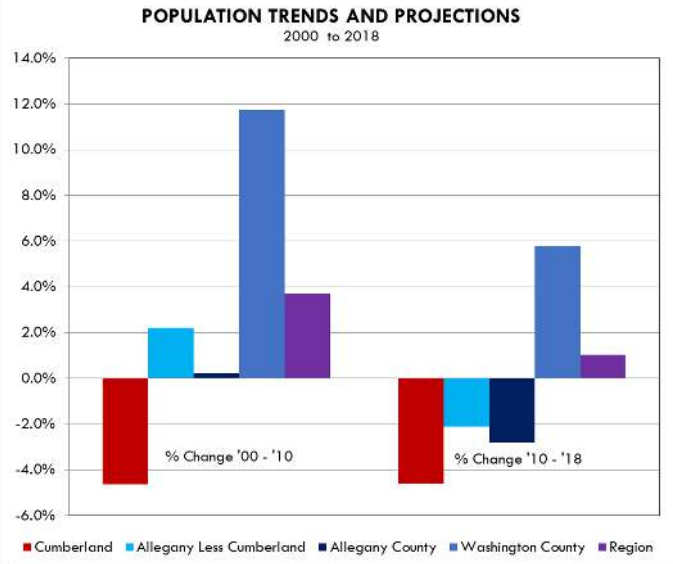
D. DEMOGRAPHIC ANALYSIS

1. Population

In 2000, the total population of Cumberland was 21,850 persons. Since then, the population has slowly but steadily declined by 4.6% to 20,836 persons in 2010 and is projected to continue to decline at the same rate by 2018. Compared to the rest of Allegany County and the Region as a whole, only Cumberland's population declined between 2000 and 2010. However, as seen in Figure 3-1, the rest of Allegany County is also projected to see a decline in population likely due to slowing growth throughout the County and the continued decline in total population in Cumberland. While the shift in population from the City to the rest of the County can be interpreted as shifts in housing

preference, the estimates and projections through 2018 are an indication that the City's (and County's) economic stagnation will start effecting population levels as the retirees from the area's industrial decline continue to move away (and pass away). Simply put, there is no economic incentive for persons and households to backfill the City's and County's aging population. In other terms, the decline in population that Cumberland is experiencing—and is projected to continue to experience—reflects an economic shift more than a migration shift.

Figure 3-1



Source: Experian, RKG Associates, Inc., 2014

Conversely, the total population across the region has increased. This is largely due to the growth of Washington County which increased in population by more than 11% between 2000 and 2010 and is projected to increase by 5.8% by 2018 (Figure 1-1). As discussed earlier in the methodology section, the growth in Washington County likely is due to economic success of the Frederick area, rather than a refocusing of activity within Western Maryland. To this point, Washington County, particularly east of I-81 is now a different economic market from Cumberland and Allegany County.

2. Racial/Ethnic Composition

The majority of the Cumberland population is white, a trend reflected in 2000 Census data and projected to continue through 2018. As seen in Table 3-1, approximately 10% of the current population is represented by minorities. African Americans make up an estimated 6.4% of the total population and persons of more than one race make up an additional 3.2%. A similar racial and ethnic composition has and is projected to continue to exist throughout Allegany County and the Region with approximately 83% to 97% of the population composed by White persons.

Table 3-1
Racial/Ethnic Composition
2013 Estimates

	Cumberland	Region
American Indian, Eskimo, Aleut	0.3%	0.2%
Asian	1.0%	0.9%
Black	6.4%	6.3%
Hawaiian/Pacific Islander	0.1%	0.0%
White	88.9%	90.2%
Other	0.3%	0.6%
Multi-Race	3.2%	1.7%
Hispanic Ethnicity	1.3%	2.2%
Not of Hispanic Ethnicity	98.7%	97.8%

Source: Experian, RKG Associates, Inc., 2014

Unlike other municipalities in Maryland and Virginia, Cumberland has not seen an influx of Hispanic immigrants. While there is projected to be a slight increase in this population by 2018, Hispanic persons is and is projected to remain less than 2% of the total population in Cumberland. A similar trend exists across the Region. Hispanics currently make up 2.2% of the population and this anticipated to only increase slightly by 2018.

The racial and ethnic composition analysis illustrates that Western Maryland is further away from major metropolitan areas which are often an entry point for recent immigrants. It also indicates that service, construction and manufacturing jobs that are often filled by recent immigrants are not in high

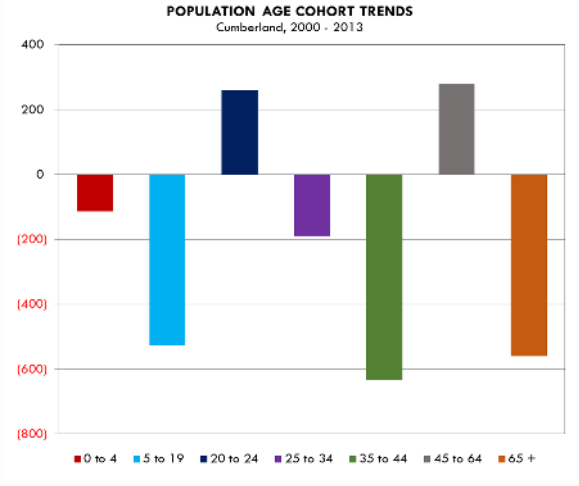
enough demand to attract immigrants away from the larger municipalities in the region where job opportunities and social support networks are more readily available.

3. Age

While the overall racial/ethnic composition of Cumberland has not changed since 2000, the composition of the population based on age demonstrates a notable shift. Between 2000 and 2013, Cumberland lost more than 525 persons within the 5 years to 19 years, and over 600 persons in the 35 years to 44 years of age cohorts (Figure 3-2). Among these, the most notable shift is the loss of population within the 35 years to 44 years of age cohort. This is the cohort most likely to include full-time employees in middle to upper management positions with at least a decade of experience. Within a community, the workers within this age cohort provide a solid foundation for the economy.

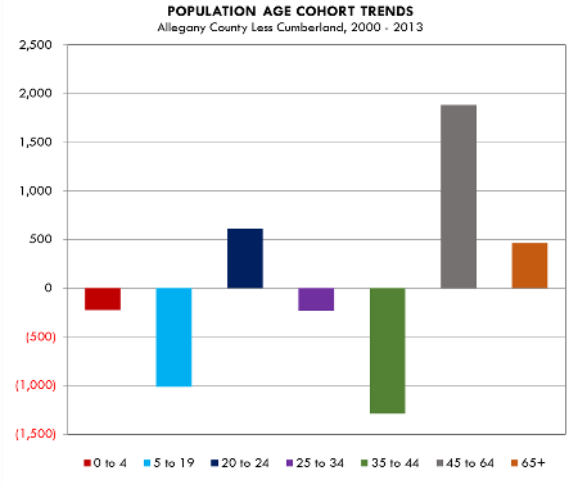
Another substantial shift is the decline in the retiree population, aged 65 years or greater. Simply put, the population of persons over 65 years-old has steadily declined in Cumberland and Allegany County. This finding is unexpected, given the proximity to large metropolitan areas, the affordable cost of living, access to high-quality healthcare, and having an abundant four-season outdoor recreation market. However, this finding is consistent with the inevitable loss of Cumberland and Allegany County's former manufacturing labor force that chose to remain in the area without an effective in-migration of new laborers or retirees.

Figure 3-2



Source: Experian, RKG Associates, Inc., 2014

Figure 3-3



Source: Experian, RKG Associates, Inc., 2014

While commercial broker feedback indicates that some federal government retirees from the Washington Metro Area begin a second career in Cumberland, community feedback also indicates that one possible reason for the decline in this cohort is due to a lack of housing choice, community infrastructure and services that can accommodate aging in place. Most notably, the City's housing stock is relatively old and not built to current accessibility standards.

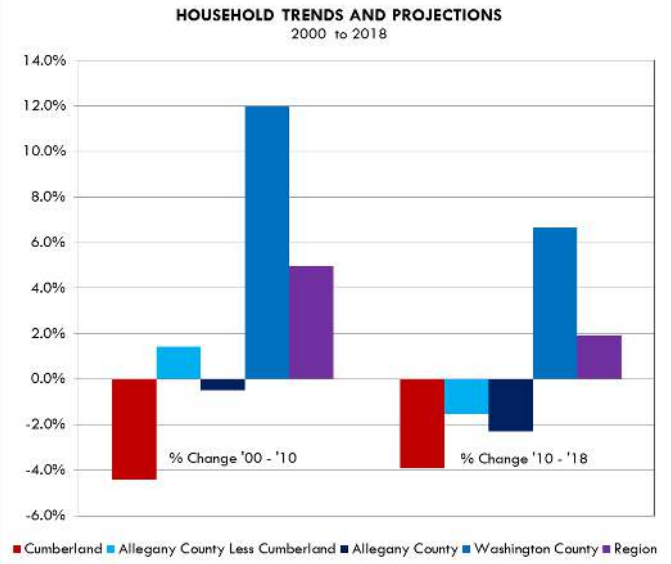
When the age composition of Allegany County (less the City's population) is compared to that of Cumberland, similar patterns of growth and decline exist within the 5 to 19 years of age and 35 to 44 years of age cohorts. However, unlike Cumberland, Allegany County has seen a slight increase in retirees (65+ years of age) during the study period. This finding indicates the County may have better amenities/housing options conducive to aging in place. To this point, a portion of this shift could be persons leaving the City of Cumberland and primarily moving elsewhere in the County.

4. Households and Household Size

4.1 Households

Similar to population trends, the total number of households in Cumberland decreased from 2000 to 2010. At 4.4%, it is a loss of more than 400 households, which represent spending power within the Cumberland economy. This declining trend is projected to continue through 2018 when the total households is projected to be 8,850 reflecting a loss of an additional 360 households (Figure 3-4).

Figure 3-4



Source: Experian, RKG Associates, Inc., 2014

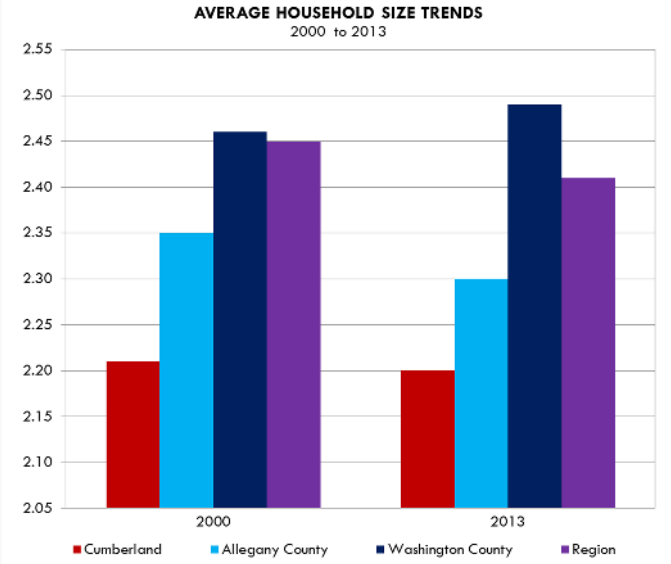
The rest of Allegany County experienced a net increase in the number of households through the 2000s. However, it also is projected to experience a 1.5% decline in number of households through 2018. As noted, the shift in County trends reflects both the impact of households choosing the County over the City as well as the impact of employment stagnation.

The projected decline in households between 2010 and 2018 throughout Allegany County contrasts the household growth seen and projected for the Region as a whole. This is due in large part to the robust growth of 12% in households in Washington County between 2000 and 2010 and the projected growth of more than 6% between 2010 and 2018.

4.2 Household Size

The similar trends and projections of population and household shifts within Cumberland and the surrounding region have resulted in little change in average household size. As seen in Figure 3-5, household size in Cumberland remained at approximately 2.20 persons per household from 2000 to 2013. The County and Region as a whole slightly declined in average household size from 2.35 to 2.30 and 2.45 to 2.41respectively. While household size has not substantially changed, it is worth noting that Cumberland has a consistently smaller average household size than rest of the County or the Region. This is likely due to the more urban nature of Cumberland, which typically indicates a larger number of rental units. Rental

Figure 3-5



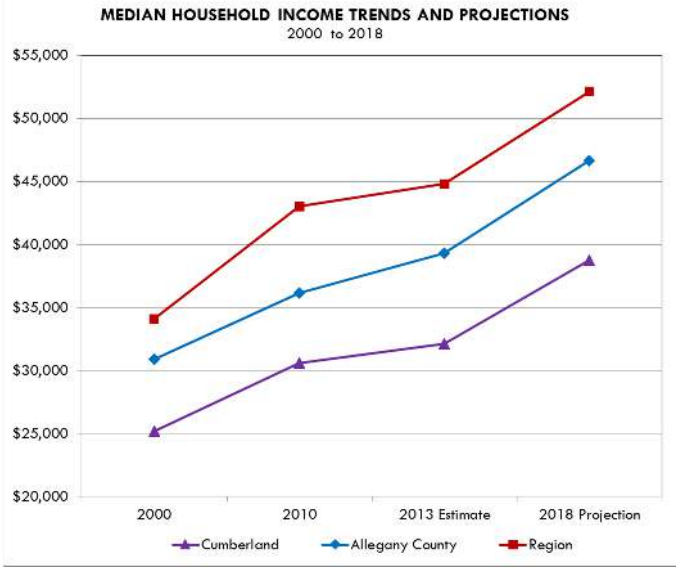
Source: Experian, RKG Associates, Inc., 2014

units, often 1 or 2 bedrooms, generally accommodate fewer people, thus smaller households. The larger average household sizes at the County and Regional level reflect the predominance of single-family style housing that can accommodate larger households. This finding is corroborated by other household data, which indicates nearly 39% of Cumberland households are 1-person households, compared to 24% to 29% for the surrounding counties.

5. Income

Between 2000 and 2013, the median household income in Cumberland, Allegany County and the Region as a whole increased and is projected to continue to do so through 2018. Cumberland and Allegany County experienced a gain in median household income of 21.5% and 17.1% respectively between 2000 and 2010, a slower pace than the Region at 26.1%. This trend is anticipated to reverse between 2010 and 2018, when median household incomes for the City and County are anticipated to increase by 26.6% and 29% while the Region's household income is anticipated to grow more slowly at 21.2%.

Figure 3-6



Source: Experian, RKG Associates, Inc., 2014

Although median household incomes are generally increasing, Cumberland's household income, an estimated $32,115 in 2013, is consistently several thousand dollars below that of the County ($39,337) and the Region ($44,818). All counties in the Region outperform Cumberland from a household income perspective, but the Regional median household income is substantially higher due in large part to the higher household incomes in Washington County from ex-urban development. The consistently lower median household income in Cumberland indicates that there are a larger number of households within the City with comparatively less ability to pay for goods and services than elsewhere in the Region. However, community feedback indicates that the cost of living in Cumberland is overall very low, making it affordable to live comfortably in Cumberland without a high income. This is particularly true when comparing Cumberland to municipalities in the Washington, DC metro area. From an economic development perspective, this indicates that businesses might benefit from locating a portion of their operations in Cumberland because worker wages will not have to be inflated to as great a degree to compensate for cost of living (Figure 3-6).

E. ECONOMIC BASE ANALYSIS

Demographic characteristics provide a sense of the current conditions of the population of Cumberland as a whole. Characteristics such as age composition and household income can have a substantial impact on a local economy, particularly as it relates to spending patterns and available labor force – both major economic drivers. However, these are only two aspects of the economy. Further analysis into the economic base of Cumberland, including characteristics of the labor force and existing industry analysis, provide a greater understanding of the Cumberland economy. The analysis that follows provides the foundation for target industry analysis related to industry opportunity later in this report.

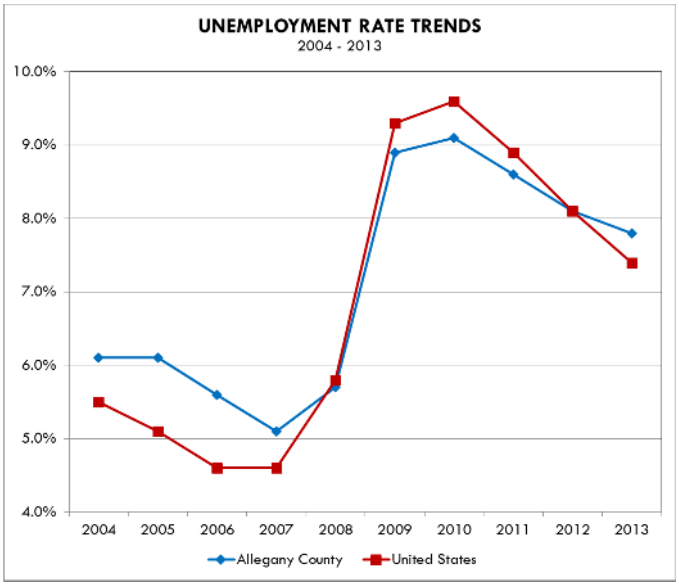
1. Labor Force Characteristics

Population data for Cumberland shows that since 2000, the population has steadily declined and is projected to continue to do so through 2018. While a decline in the employed population can also coincide with population declines, between 2002 and 2011 Cumberland added 916 employed persons or a 12.2% gain for a total of 8,449 employed residents. This increase is likely due to a growth in labor participation during this time as single earner households became dual earner households to accommodate changes in earnings associated with the 2008 Recession and economic downturn. Based on labor force industry data, most of these additional persons were likely hired in the Health Care/Social Assistance sector through the development and expansion of the Western Maryland Hospital System facility and associated healthcare operations, Accommodation and Food Services from jobs created by Rocky Gap Casino and Resort and Retail Trade sector in regional retail hubs such as neighboring La Vale. The following further analyzes the characteristics of employed residents in Cumberland including those added to the labor force over the last decade.

1.2 Unemployment

The annual unemployment rate between 2004 and 2013 is available for Allegany County from the Current Population Survey from the Local Area Unemployment Statistics report. Data was not available for the municipal level, but to the extent that Cumberland represents approximately 28% of the population of the County, the unemployment rate of Allegany has a relationship to that of Cumberland. As seen in Figure 3-7, Allegany County's unemployment rate grew from 6.1% to 7.8% in 2013. When compared to the national unemployment rate, the County began and ended the 10 year period just above the national unemployment rate. During this period, unemployment rates in the County fluctuated from 5.1% in 2007 to 9.1% in 2010, due to the impact of the 2008 Recession that impacted both the County and the Nation.

Figure 3-7



Source: U.S. Bureau of Labor Statistics, RKG Associates, Inc., 2014

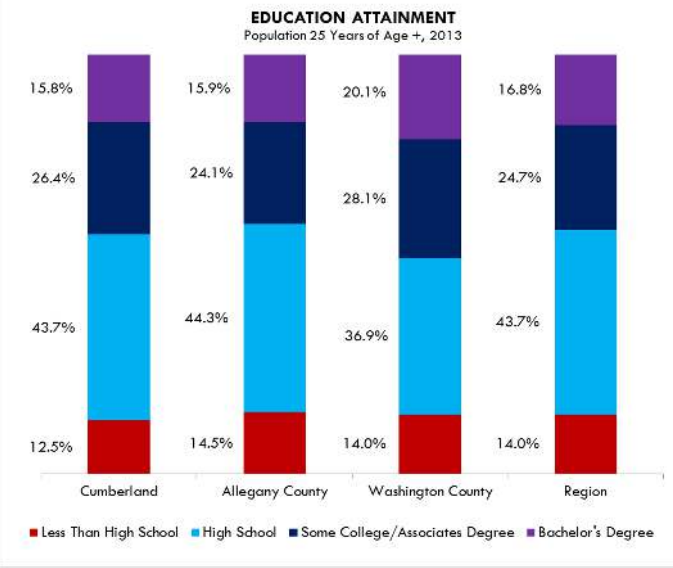
As illustrated in Figure 3-7, Allegany County weathered the Recession better than the nation as a whole. This is due, in part, to the relative concentration of employment in specific industries that were less impacted by the downturn including public administration, education services, and healthcare. Another factor was the lack of concentration in employment sectors such as manufacturing and construction, which were greatly affected. However, Allegany County has not recovered as quickly when compared to the nation for the very same reasons. The industries that were less impacted have not changed as dramatically as those that are now recovering.

1.3 Education Attainment

A highly educated workforce can be an advantage for a community looking to attract new businesses and bolster economic growth. While education attainment requirements vary by industry, an educated and skilled workforce is attractive to semi/highly-skilled and professional service sectors.

An educated workforce also typically correlates with higher paying jobs which can ultimately increase spending within the local economy. When compared to Allegany County and the Region, the Cumberland population has attained an overall higher level of education than the County, with 42.2% with at least some college and the approximately an equal portion of the population with similarly high education attainment as the Region. Additionally, 12.5% of the Cumberland population over 25 years of age has less than a high school degree, more than 2% below that of Allegany County, Washington County and the Region as a whole. This indicates that Cumberland is as competitive with regard to education as the Region for attracting businesses seeking employees with at least a high school degree and more so than the rest of the County (Figure 3-8).

Figure 3-8



Source: Experian, RKG Associates, Inc., 2014

Washington County, which overall outperforms the rest of the region by many socioeconomic metrics, continues to outperform in this area as well with a greater portion of persons (48.2%) with at least some college than the Region. This further supports the conclusion discussed earlier in this chapter that Washington County is seeing a growth in population in as employees in and around Frederick are seeking more affordable housing further West near Hagerstown.

1.4 Occupational Skill Level

In addition to an educated workforce, businesses also seek an appropriately skilled workforce. Simply put, a well-educated worker that lacks the appropriate skills for a particular job is as ineffective as a less educated worker that lacks the appropriate skills. RKG Associates examined the skill level of the Cumberland, MD-WV MSA labor force using U.S. Bureau of Labor Statistics Standard Occupation Classifications (SOC) data. These groupings were derived from the consultant's knowledge regarding the skill and educational requirements of general occupational categories. Although it is difficult to group occupational categories in this manner with great precision, the results provide some indication of the distribution and diversity of skills available within the labor force. The occupational categories and their descriptions are as follows:

- *Highly-Skilled White Collar (HSWC)* – a professional position requiring a college degree, with supervisory/ management responsibility or specialized training while working within a white-collar work environment. EXAMPLES: lawyers, registered nurses, school teachers

- *Highly-Skilled Blue Collar (HSBC)* – a trade or non-professional position requiring less than an advanced degree, but some post-secondary education, a certificate, or specialized training or skill while working within a white collar work environment. EXAMPLES: production supervisors, carpenters

- *Semi-Skilled White Collar (SSWC)* – a professional position requiring less than an advanced degree, but some post-secondary education, a certificate, or specialized training or skill while

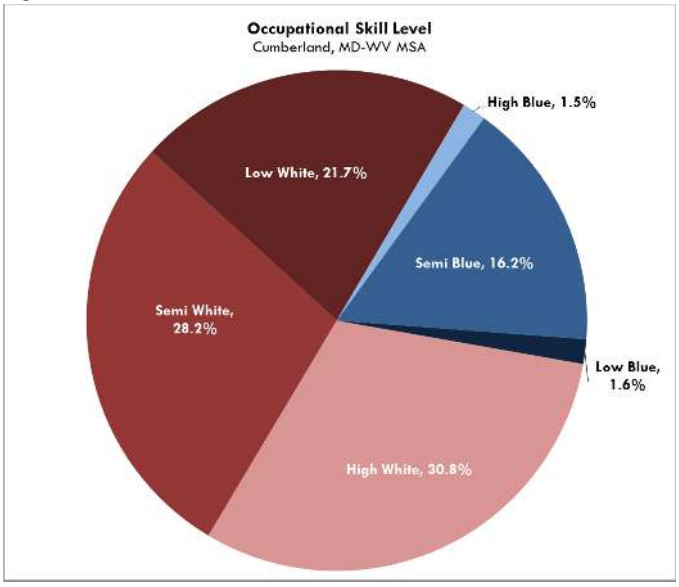
working within a white collar work environment. EXAMPLES: administrative assistants, correctional officers

- *Semi-Skilled Blue Collar (SSBC)* – a trade position requiring less than an advanced or trade school degree but requiring some specialized training or skill, while working within a blue collar environment. EXAMPLES: tool setters and operators, machinists

- *Low-Skilled White Collar (LSWC)* – a position within a white collar work environment requiring no degree or formal schooling beyond high school, but requiring some on-the-job training. EXAMPLES: food preparation, retails sales

- *Low-Skilled Blue Collar (LSBC)* – a position within a trade profession requiring no advanced degree or formal schooling, but requiring some on-the-job training. EXAMPLES: truck/delivery service drivers, laborers

Figure 3-9



Source: U.S. Bureau of Labor Statistics, RKG Associates, Inc., 2014

Based on an analysis of this data, over half (59%) of the Cumberland, MD-WV MSA labor force is employed in either High-Skilled or Semi-Skilled White Collar occupations. While perceptions of western Maryland often characterize it as a center for manufacturing and industry, sectors associated with large numbers of Blue Collar workers, approximately 81% of the labor force is employed in White Collar occupations (Figure 3-9). The high concentration of White Collar occupations, particularly semi and highly-skilled jobs, is likely due to the economic shift that has occurred over the last few decades as large manufacturing and industrial businesses have become a smaller share of overall economy. In their place, the health care and social service jobs and federal jobs related to Rocket City in Mineral County, West Virginia have become a larger part of the region's economy. To this point, providing opportunities for professional development and changing the perceptions of the existing labor force will better define the Cumberland market and enhance the potential to attract new service-based, White Collar industries to Cumberland and the Region.

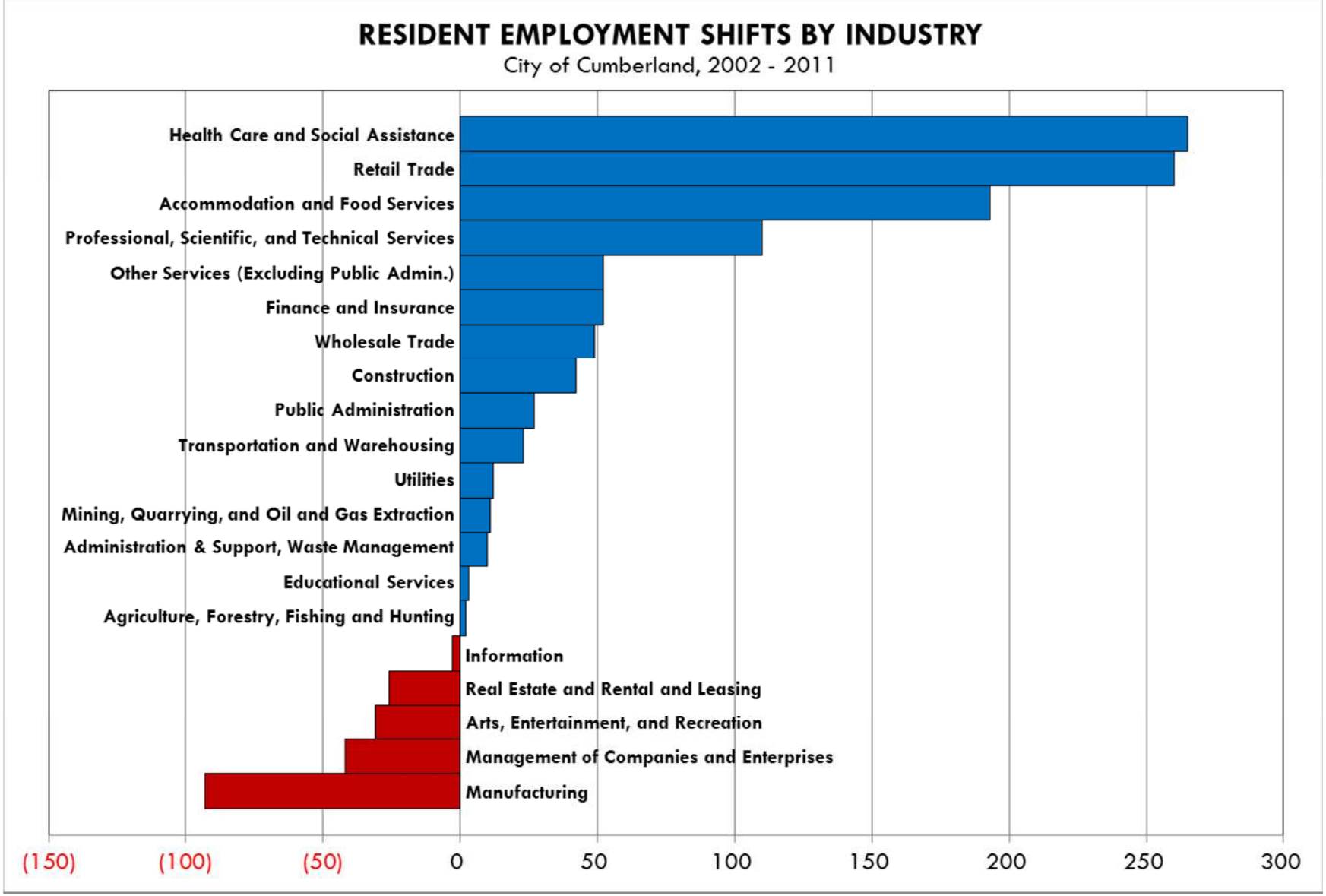
Most of the Blue Collar positions require some formal training/education (SSBC). These positions constitute approximately 16% of the jobs in the Cumberland, MD-WV MSA. On a positive note, the concentration of semi-skilled labor provides an opportunity to accommodate more production-cycle companies that require fewer laborers but could benefit from knowledgeable, Blue Collar labor force to supervise plant operations. On the negative side, the lack of Blue Collar laborers as a whole creates challenges in attracting larger, labor-intensive companies. The limited supply of appropriately-skilled labor creates a barrier for large-scale industry recruitment for the City.

2. Resident Labor Force Analysis

In 2011, more than half (53.4%) of employed residents in Cumberland had jobs in service-based industries. Health care/social assistance, retail trade, accommodation/food services and education services constitute the largest share of this employment base. As discussed earlier in this Chapter, by this time more than 900 additional residents were employed in Cumberland when compared to the 7,533 residents in 2002. The increase of Cumberland residents employed in these sectors coincides with the opening of the Rocky Gap Casino and Resort, the development of the Western Maryland Medical System's hospital campus and the addition of retail jobs in existing retail nodes such as La Vale. Between 2002 and 2011, these three sectors saw the greatest growth in employment of Cumberland residents (Figure 3-11). Conversely, manufacturing experienced the greatest decline in the number of City residents employed in that industry. This is consistent with other findings that reveal production-based industries are declining in both Cumberland and across the Region.

Regionally, the employment of residents is more evenly spread out across all industries. The greatest concentrations of resident employment in 2011 are in Health Care/Social Assistance (12.9%), Retail Trade (12.7%) and Manufacturing (10.2%) which accounts for approximately one third of the 166,443 residents employed in 2011. Between 2002 and 2011, 2,727 fewer residents were employed across the Region. This represents and decline in employed residents of approximately 1.6%. While a combined 5,311 additional residents were employed in health care/social assistance, transportation/warehousing and public administration by 2011, these gains were not sufficient to off-set the loss of more than 7,600 employed residents in manufacturing. However, the data indicates that Western Maryland is a viable location for transportation/logistics operations as well as service-based industries. Access to the rail lines and I-68 running through Cumberland are strong assets, from a business recruitment perspective. That said, the physical limitations in Cumberland—most notably the lack of large, developable properties—requires the City's economic development effort focus on small-scale opportunities, leaving larger-scale efforts to the County and surrounding jurisdictions.

Figure 3-10



Source: Longitudinal Employer Household Dynamics, RKG Associates, Inc., 2014

Figure 3-11

Source: Longitudinal Employer Household Dynamics, RKG Associates, Inc., 2014

3. Industry Analysis

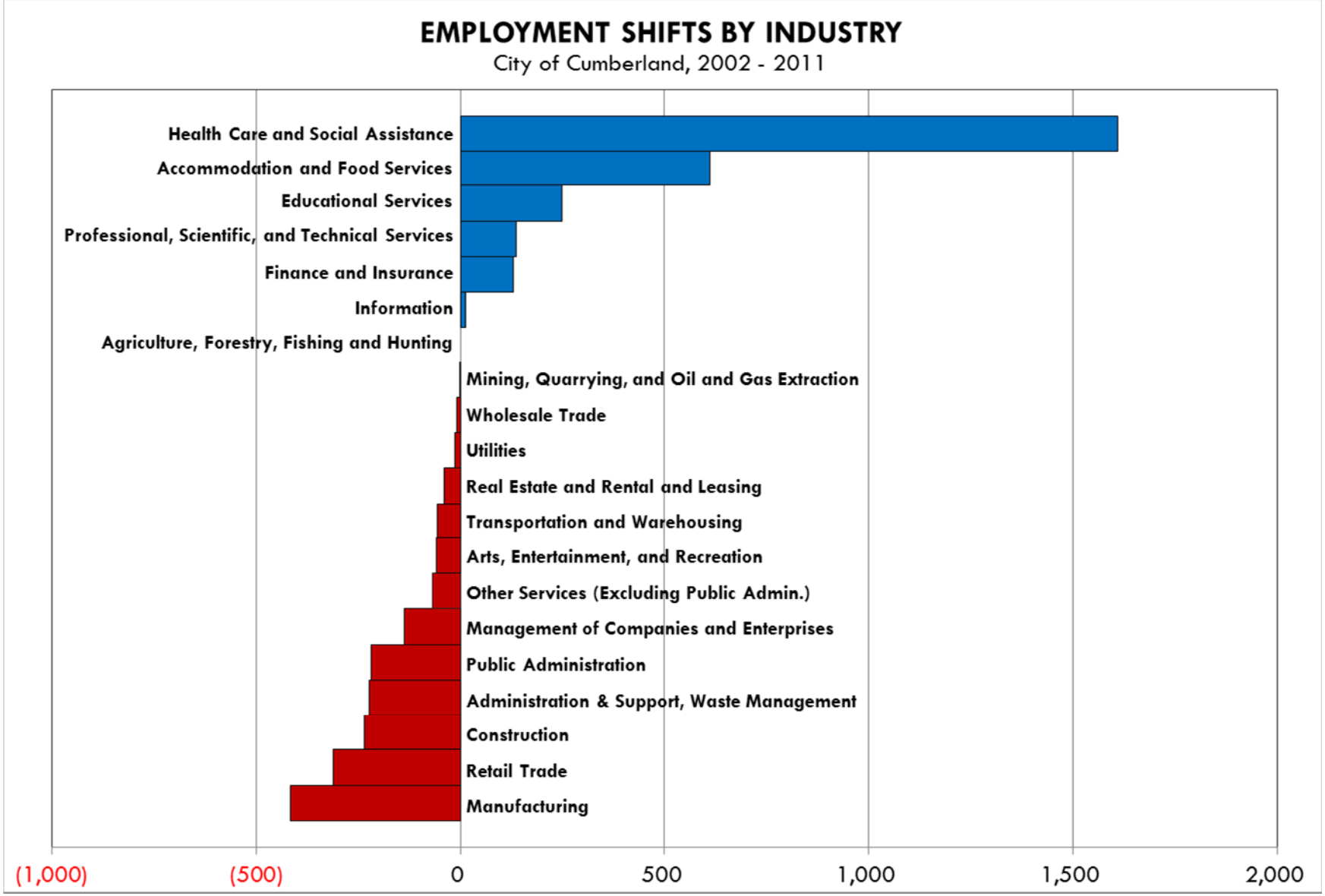
Resident employment trends provide a perspective on the spending potential of local residents and the types of jobs and industries within which local citizens are employed. It also provides an initial indicator about the prominence of different employment sectors across the region. In contrast, the following analysis focuses on understanding trends in job creation and loss regardless of where the worker lives. This perspective provides a greater understanding of the relative competitiveness, and therefore health, of industries within the local and regional economy.

Overall, the number of jobs in Cumberland increased by 960 to 13,897 jobs between 2002 and 2011. This is due largely to the fact that healthcare/social assistance added 1,609 jobs (i.e. growth of Western Maryland Health Systems) and accommodation/food service added 610 jobs (i.e. development of the Fairfield Inn). During this same period, job growth was tempered by a loss of production-based jobs in manufacturing and construction. However, some service sectors also experienced net job loss, including the retail trade and public administration sectors. While a decline in manufacturing reflects a shift in the overall economy, the decline in retail trade jobs in Cumberland illustrates the impact of the 2008 Recession. This is supported by anecdotal feedback provided by community stakeholders which describes previously successful retail businesses forced to close or downsize to weather the difficult economic times (Figure 3-12).

As of 2011, the greatest concentration of jobs in Cumberland were in healthcare/social assistance. Health-related jobs constitute 35.3% of all jobs in the City. Education services (14.8%) provides a substantial, but smaller, share of employment in the City. Together, they represents approximately half of the jobs in Cumberland. This finding is not surprising, given the influence of the Western Maryland Health System regional hospital, the local school system, and Allegany College.

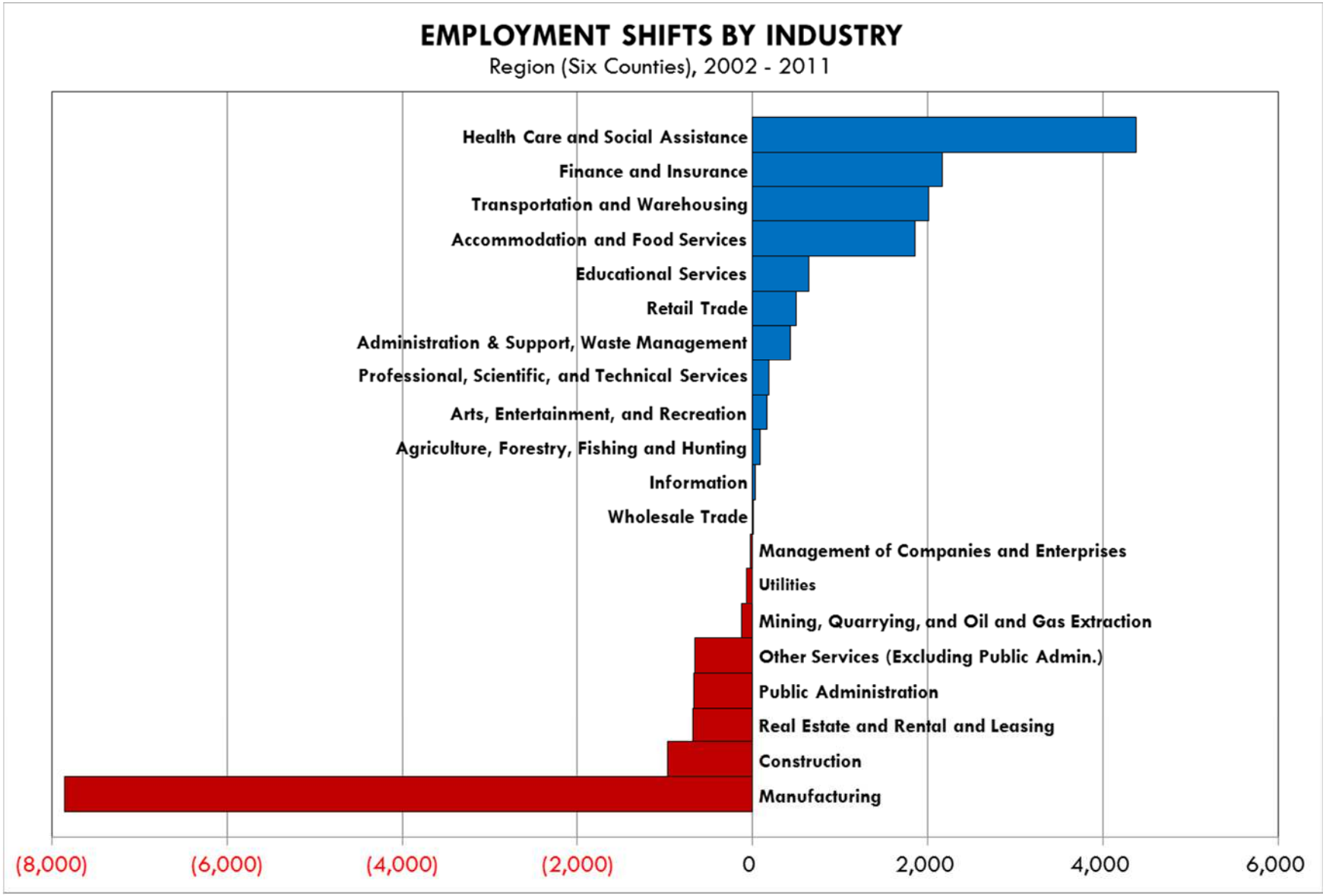
Regionally no one sector represents a substantial portion of the jobs within the six counties. In 2011, the greatest concentrations of jobs exist in healthcare/social assistance (15.7%), retail trade (13.3%), public administration (10.3%) and manufacturing (10.1%).which combined make up approximately half of the jobs within the Region. These six counties gained 1,406 jobs between 2002 and 2011, which represents a growth of 0.9% to 157,103 jobs. This slight increase in jobs is due largely to gains in healthcare/social assistance of more than 4,000 jobs, finance and insurance and transportation and warehousing with more than 2,000 jobs each. As noted earlier, the expansion of transportation-related jobs regionally, but not locally, indicates there is an opportunity for both the City and the County to focus industry recruitment efforts. The addition of more than 8,000 jobs in these industry sectors helped to temper substantial losses of more than 7,800 jobs within the manufacturing industry. As seen at the local level, growth in sectors such as healthcare/social assistance through the growth of the Western Maryland Health System helped to off-set losses in manufacturing that started several decades ago, but continue to impact the economy of Western Maryland (Figure 3-13).

Figure 3-12



Source: Longitudinal Employer Household Dynamics, RKG Associates, Inc., 2014

Figure 3-13



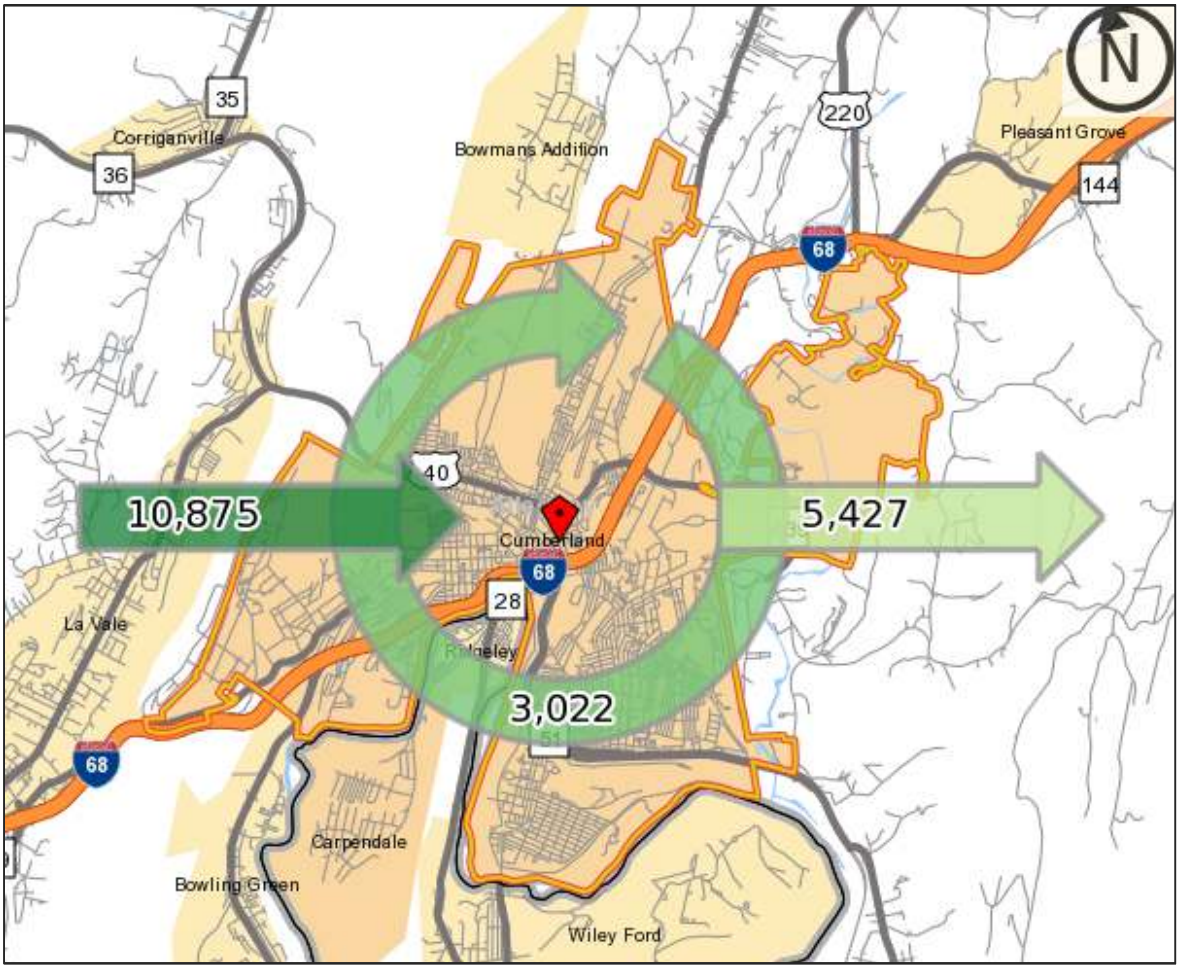
Source: Longitudinal Employer Household Dynamics, RKG Associates, Inc., 2014

4. Labor Force Dynamics

4.1 Inflow/Outflow, Labor Force Efficiency

As seen in Map 3-2, Cumberland is a net importer of workers, as 10,875 persons commute to the City to work each day compared to the 5,427 City residents that commute to jobs elsewhere. In comparison, Allegany County is also an importer of jobs, but to a lesser degree. At the County level, approximately 12,000 workers commute to the County for jobs while approximately 10,500 commute to jobs outside the County (Map 3-3). This indicates that Cumberland is a major employment center within the County.

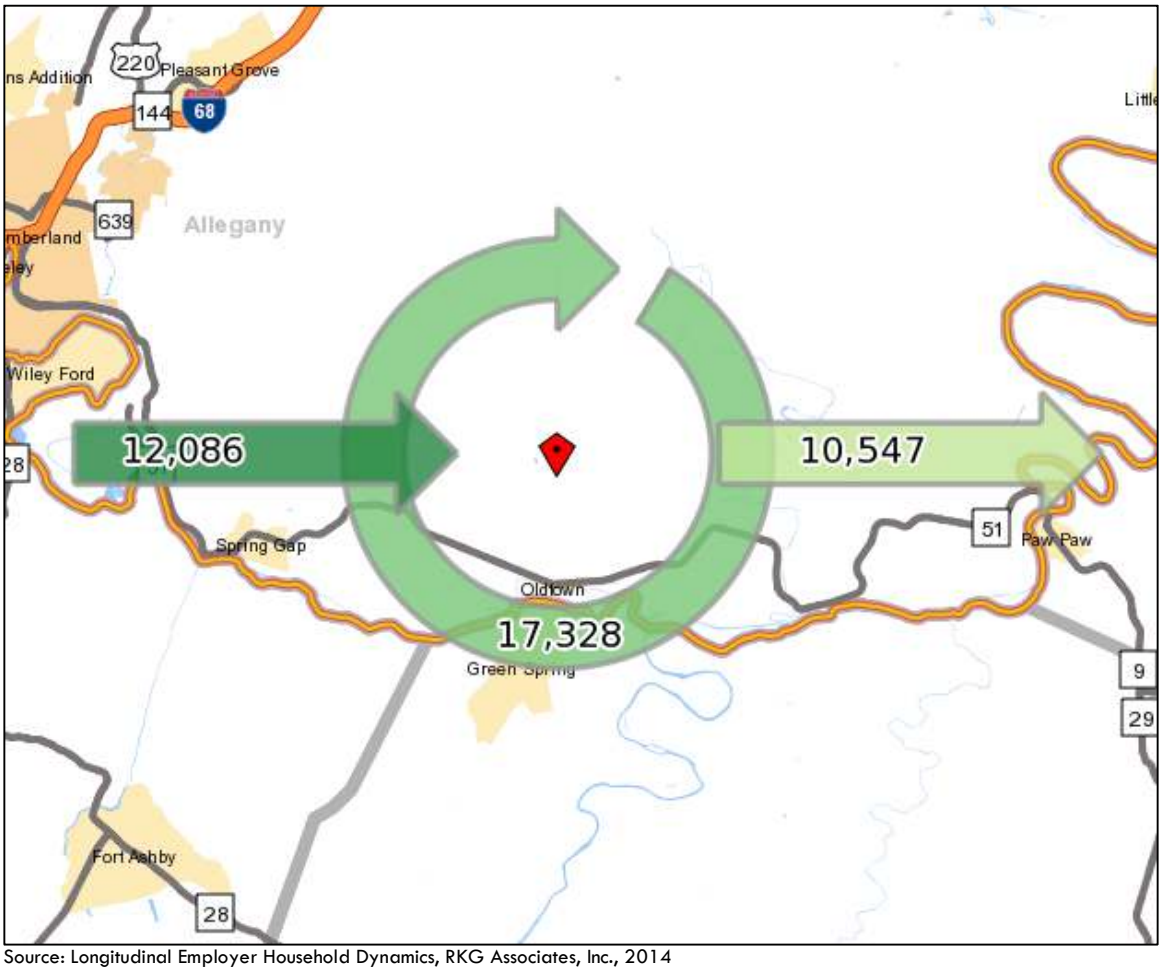
Map 3-2
Inflow/Outflow Labor Patterns, City of Cumberland



Source: Longitudinal Employer Household Dynamics, RKG Associates, Inc., 2014

That said, the number of persons that live and work within the City is much smaller, on a comparative basis, than for the County. Only 3,000 of the approximately 14,000 jobs, or 21.5%, in the City are staffed by City residents. In contrast, more than 17,300 County residents work in the 29,300 jobs available in Allegany, totaling more than 59%. While both the City and the County are employment centers, this data indicate that the local economic nucleus is larger than the City limits. The proximity of the County workforce to County jobs make the municipal boundary less important. To this point, the City's economic development efforts will be well served by marketing County labor and employment assets as well as City-specific ones.

Map 3-3
Inflow/Outflow Labor Patterns – Allegany County



Source: Longitudinal Employer Household Dynamics, RKG Associates, Inc., 2014

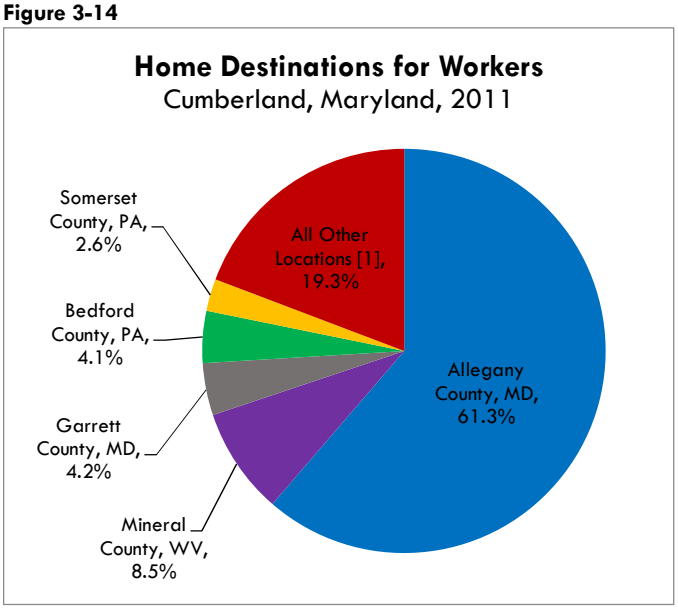
4.2 Employee and Employer Locations

The amount of time spent commuting to and from work can impact the overall quality of life of a household, as well as have an economic impact on a community if dollars spent during the day are not spent in the local economy. As a net importer of jobs, it follows that only 21.7% of workers in Cumberland also live in the City. A majority, 61%, commute to Cumberland from Allegany County including those that live in Cumberland. Additional concentrations of workers commute to Cumberland from counties across the region including Mineral County, West Virginia (8.5%), Garret County, Maryland (4.2%), Bedford County (4.1%) and Somerset County (2.6%) in Pennsylvania (Figure 3-14). This indicates that most workers in Cumberland commute from within the County. Therefore, businesses seeking to relocate part of their operations in Cumberland will be utilizing a relatively local labor force to fill their positions.

Similarly, the majority of Cumberland residents (62%) work within Allegany County (Figure 3-15). Additional concentrations of residents commute regionally to Mineral County, WV (3.4%) or Washington County (4.1%). This indicates that most residents do not commute great distances to work and spend much of their income within the City and County. However, more than 2% of residents commute to each of the following destinations: Ann Arundel County, Montgomery County, Baltimore City and Baltimore County. This indicates that while the majority of residents stay within

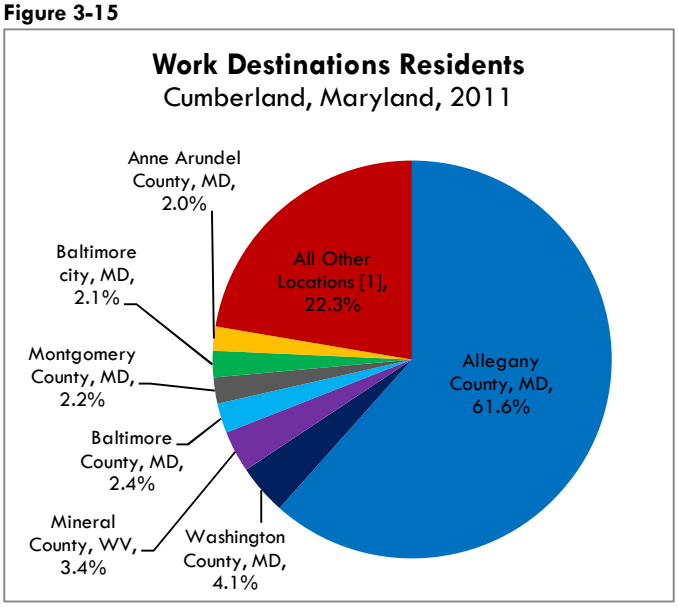
Western Maryland to work, a small portion are choosing to live in Cumberland despite their jobs being located in the major metropolitan areas on the eastern side of the state. The growth of telecommuting most likely explains this finding, as the jobs are technically located in these metropolitan areas but the workers reside in the City. This finding supports the potential growth of back office, or "rural sourcing," as a viable economic development strategy for the City (detailed in the next two chapters of the document).

Figure 3-14



[1] Counties with less than 2% worker commuters.
Source: Longitudinal Employer Household Dynamics, RKG Associates, Inc., 2014

Figure 3-15



[1] Counties with less than 2% resident commuters.
Source: Longitudinal Employer Household Dynamics, RKG Associates, Inc., 2014