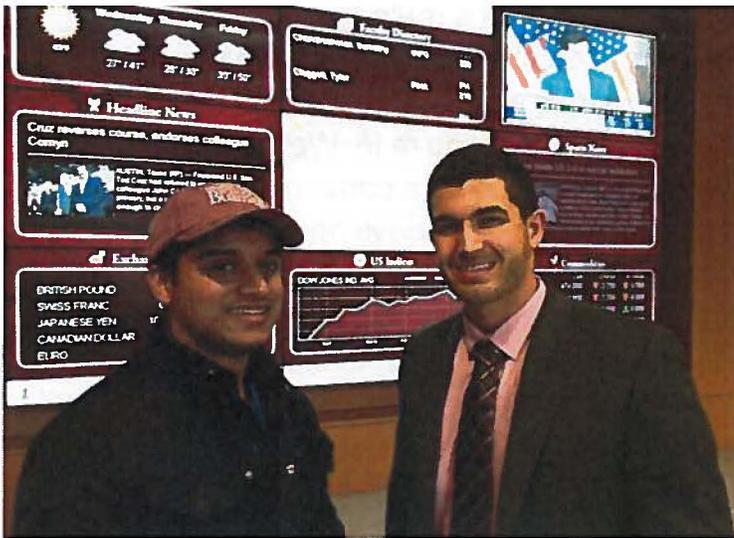


## Salisbury's challenge: Keeping the kids here

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Salisbury University students Tony Anthony, left, and Austin Whitehead are among those who plan to leave town after they graduate in order to pursue a career in a larger metropolitan area. / Staff photo by Carol Vaughn

### City Council's Day: 5 antidotes to 'brain drain'

We asked Salisbury City Council President Jacob Day, a young professional himself, this question: "How is Salisbury working to address the problem of 'brain drain'?" Here is his description of five efforts underway to solve the problem: **StartSBY:** "This started as a gathering of like-minded entrepreneurs, techies, etc., that I asked to join me at Main Roots last year after a high school friend and Salisbury native Mike Brenner, founder and CEO of Betamore, came to speak to a meeting on the entrepreneurial economy at Wor-Wic." "The meetup and Mike's talk led to

the creation of a loosely affiliated group (with a Facebook page and occasional tech breakfasts Tuesdays at HotDesks) which is really, at its core, the nascent entrepreneurial 'community' around here. And from the books on building successful incubators/coworking spaces/etc. — the first step is to have a community of the end users who begin to network." **Youth Civics Council:** "This was a proposal in my campaign plan that I talked about frequently then, but it came to fruition in the last few months. The idea is this: Give 8th-12th graders in the Salisbury area an immersive experience where they not only learn how local government works, but learn critical skills in negotiation, collaboration and communication. Perhaps most importantly, each student will craft his or her own legislative idea and bring them to the Youth Civics Council, shepherding them through the process of prioritization, troubleshooting, amendments and approval before bringing them to the City Council at the end of the year to tell us what they think we should be doing as a city." "This is an opportunity for young people to feel heard and invested in their community — something I think might bring them back here once they've earned their degree. And as a bonus, it doesn't hurt to have young eyes and ears in the room to remind us to always set a good example." "George Whitehead and the AmeriCorps/ShoreCorps program at Salisbury University encouraged us to apply for a full-time AmeriCorps staffer. We did so and hired Brittany Goff, an incredible young leader who has developed and is managing the Salisbury Youth Civics Council program. The program will (and already has this year) include an application and interview process." "This year's 24 students from Salisbury School, Bennett High School, Parkside High School, Wicomico High School and several middle schools begin their process this week. (Today), the clerk of the court, Mark Bowen, will swear them in as members of the Salisbury Youth Civics Council. They meet twice per month — once in a work session format where elected and other officials meet with them for educational and mentorship purposes and once in a legislative session format where they discuss and present the idea that they will shepherd through the year." **Linkages to Salisbury University:** "Partnership with

Salisbury University is critical. We could be capturing thousands of graduates annually into our workforce locally, but we only attract a small sliver of that population. "We are working with Salisbury University to provide incentives as part of the entrepreneur competition to offer free space, professional services and guidance and more to keep the winners, and other participants in that competition, in Salisbury. We are looking at a circulator bus route that would link downtown and the university." **Free Wi-Fi Downtown:** "Part of building the entrepreneurial community in Salisbury is providing a 'cool' place for them to want to invest their limited money, time and energy. Downtown is that place — no matter which city you're in. We feel it is important to have Wi-Fi available downtown not only for the average citizen as a commonly anticipated amenity, but also to help spur a tech-minded approach to economic development." **Co-working Space Downtown:** "This is perhaps the most important piece of the puzzle and I am in at least two meetings per week working out details. There needs to be a downtown co-working space to incubate the talented individuals who are part of the entrepreneurial community and to help them build their network. The location and managing organization are not yet determined, but I think we are very close to success."

### Brain drain by the numbers

- Wicomico County had a net loss of 130 high school graduates, 31 residents who attended some college and 77 with graduate or professional degrees, according to census data covering 2007 until 2011.
- The county had a net gain of 65 residents with bachelor's degrees.
- In 2012, 27.7 percent of city residents had attained a bachelor's degree or higher. That lags significantly behind the percentage of all adult Marylanders with at least a bachelor's degree — 36.3 percent.
- Wicomico County's workforce in 2012 was comprised of 24.2 percent with a bachelor's degree or above, 32.1 percent with some college, 30.7 percent with a high school diploma or GED, and 13 percent who did not finish high school, according to the Maryland Department of Labor.

### WEEKLONG SERIES

**Today:** What it'll take to stop the brain drain. **Coming Tuesday:** Who are Salisbury's formal and informal leaders? **Online:** Read series, watch video at DelmarvaNow.com or tweet your ideas for Salisbury using the hashtag #whatisSBY.

Salisbury University students Stefan "Tony" Anthony and Austin Whitehead are the type of rising young professionals city leaders want to keep around. They grew up in Salisbury and chose to stay here for college. Whitehead, the son of a Barbados native, was born and raised in the city. Anthony was born in India and immigrated with his parents to Maryland at age 11. "Tony and I met in high school, actually, senior year," Whitehead said. But both say they will leave after graduation, joining so many others who find education in Salisbury but a rewarding life somewhere else. The Greater Salisbury Committee labels this "brain drain" as among problems that pose a significant threat to the future of the area.

Anthony and Whitehead graduated in 2011 from local high schools — Anthony from Parkside and Whitehead from Bennett.

They both enrolled in Salisbury University's Perdue School of Business, where they have mentored younger students, excelled in business competitions and successfully completed local internships in preparation for an accounting career.

Anthony recently returned from Montreal, Quebec, Canada, where he and three other SU students participated in the John Molson Undergraduate Case Competition.

"We were undefeated until the semifinals," he said. "It was a great accomplishment for us." The Salisbury team, competing against 24 university teams from around the world including Brazil, China, Australia, and Norway, ended in eighth place.

"It was a great experience and I learned so much," he said.

Whitehead counts among his accomplishments participation in last year's Richard Bernstein Achievement Award for Excellence Business Plan Competition, the university's premier business competition.

Additionally, he already has obtained his real estate license — his father owns a real estate firm.

Still, both young men have their sights set on a larger metropolitan area for their first job.

"I see myself going up to Baltimore, working for a few years, picking up some knowledge," Whitehead said. "I'd actually like to come back to the Shore afterward, but I really want to go across the bridge and see how things work over there — the faster pace and working with companies of such large size."

Anthony agreed. "I definitely want to go into the metropolitan Baltimore area. I want to understand the business there, probably give it about three to five years, learn what corporate is all about."

Both have secured internships in Baltimore this summer.

If they leave town as planned, Salisbury will lose two more of its promising young people.

"The entire region, including Salisbury, is experiencing brain drain," said Greater Salisbury Committee Chairman John J. Allen Jr., vice president for the Delmarva Power Region of Pepco Holdings Inc. "This phenomenon is not just limited to graduates of UMES and Salisbury University but includes Wor-Wic and current skilled labor with limited opportunities."

Salisbury political and business leaders are acutely aware of the opportunities that vanish through the loss of educated residents to other places. City Council President Jacob Day even has a slide about the issue in a PowerPoint he shows during community events.

He talks to all who will listen about the need to turn things around, tossing out terms like "incubators" and "co-working spaces" and "free downtown Wi-Fi."

"Partnership with Salisbury University is critical," Day said. "We could be capturing thousands of graduates annually into our workforce locally, but we only attract a small sliver of that population."

Still, opportunities for a different outcome are not lacking — from good jobs at growing pharmaceutical company Jubilant Cadista to the prospect of further space industry development at nearby NASA Wallops Flight Facility just across the state line in Virginia. There is also an increasing spirit of cooperation among groups engaged in supporting entrepreneurship through student business competitions like the Bernstein competition and the new Shore Hatchery competition, which award thousands of dollars annually to winners.

### **Education level lags**

The percentage of Salisbury residents with college degrees remains well below the state level — 28 percent versus more than 36 percent for Maryland as a whole — although the number has improved since 2000, when only 21 percent had college degrees, according to the U.S. Census.

More troubling to officials is that 43 more college-educated residents left Wicomico County than moved in between 2007 and 2011, and that 77 people with graduate or professional degrees left the county, census figures show.

To reverse the trend will take cooperation among the many community and governmental groups working on the problem, as well as innovative ideas on multiple fronts:

- How to attract and support companies that hire highly trained workers at good salaries.
- How to ensure local educational institutions provide the training students need to be eligible for those jobs.
- How to encourage entrepreneurs to start smaller companies here.
- How to provide the lifestyle and amenities that attract educated residents.

### **"A stable, great-paying job"**

Some young professionals do stay.

Katie Cranor, 29, grew up in the area and graduated from Salisbury University with degrees in mathematics and computer science. But unlike most of her high school and college classmates, she decided to stay and found a good job.

The Princess Anne native, who was Washington High School's valedictorian in 2003, is associate range safety officer for NASA Wallops Flight Facility in Virginia.

"My primary goal upon graduation was to have a stable, great-paying job that I loved," said Cranor, who recognized early on Wallops likely was her best bet to meet that goal in the region.

Located just 5 miles from the Maryland border, Wallops has an economic impact of more than \$188 million and generates 2,341 jobs for the Lower Eastern Shore region, according to a feasibility study released last month.

Maryland residents make up almost half the workforce there.

Cranor was a panelist at the recent Women in Technology event at Salisbury University, held to encourage some 350 young women from area high schools and colleges to consider technology careers, give them networking tips and introduce them to a group of successful professional women, most of whom live and work in the region.

She met many undergraduates at the event “who were desperate for jobs.”

“If jobs are out there, then the students are not being sought hard enough or they are not being equipped with the right tools in order to find them,” Cranor said.

The topic of brain drain is a passion of Cranor’s.

“I do not think the area is doing enough to retain our homegrown talent,” she said, noting most of her high school classmates who went away to college ended up getting jobs elsewhere and did not return.

Additionally, “very few of my classmates from Salisbury University stayed in the area. I’d say 99 percent of them moved back home, or to regions where they could get jobs in the math and technology fields.”

The most important factor in stopping the region’s brain drain is opportunity, Cranor said.

“Having jobs or opportunities to grow and be successful in whatever career field are at the top of every graduate’s list after college,” she said, adding, “Knowing what is out there is a big problem.”

For example, not many residents appear to know NASA Wallops does more than launch rockets and needs workers from many different fields, including business majors to negotiate government contracts, environmentalists to study the effects of operations and pilots and aviation experts to manage the runway, Cranor said.

### **Jubilant Cadista's growing workforce**

People like Anthony, Whitehead and Cranor are the caliber of employee at least one Salisbury company is looking for — and which it will need lots more of in the near future.

Jubilant Cadista Pharmaceuticals Inc., one of the city’s success stories, broke ground last summer on a 97,000-square-foot expansion that will double the facility’s size next year, enabling it to double the number of products made there.

The company last year had net profits over \$40 million and paid \$24.6 million in federal, state and local taxes.

Cadista has grown from fewer than 30 employees in 2005, when it acquired the main stake in Trinity and Trigen Laboratories, to 300 now, with plans to add 200-plus jobs in the next five years.

Salisbury is the U.S. headquarters for the company, whose parent is in India.

Salaried positions at Cadista start in the mid-\$40,000s annually, and hourly workers can earn \$30 or more per hour.

The building lies within the city's Enterprise Zone, making the company eligible for incentives under a program started in the 1980s.

"There is a tax incentive for them to add this space on," said Salisbury-Wicomico Economic Development Director Dave Ryan.

With plans to launch 37 new products by 2017, packaging activity in Salisbury will triple, Chief Operating Officer Ward Barney said. The company also is looking to get into the controlled substances market.

"Wherever there's an opportunity, Jubilant jumps in," he said.

Seventy-five percent of positions at Cadista are filled by locals, and the company recently hired several Salisbury University graduates.

Cadista recruits locally whenever possible and needs employees from diverse fields, including chemistry, finance, engineering and more.

"We added probably 10 or 12 chemists last year alone," said Barney, noting a local disconnect — only two chemistry majors were among last spring's graduates at Salisbury University.

"When the company grows, you need everything," Chief Financial Officer Kamal Mandan said.

Like officials of other businesses looking to hire locally, they find many college students leave town once they graduate.

"We'd like to retain that talent," said Ryan, a Salisbury native who admitted he, too, moved away as a young adult but later returned.

To combat that trend and meet anticipated needs, the company is working with the University of Maryland Eastern Shore to prepare future workers through its school of pharmacy.

"We're setting up classes right now, trying to develop our own workforce, if you will," Barney said.

Students will spend weeks at the company learning different aspects of the business — including drug development, production and chemistry — while earning college credit.

"We have to start from the roots; we need to have good colleges, good schools," Mandan said.

### **Fostering entrepreneurship**

Companies like Cadista are welcome additions to the local economy, but community and academic leaders also see entrepreneurship, especially smaller-scale start-ups, as key to keeping talent here.

"In the universities, especially Salisbury University, you're seeing a heavy push, frankly, in

entrepreneurship," said Ryan, adding, "We as a community are encouraging that. ... You'll likely see 10 companies of 10 rather than one of 100. ... That will create the opportunities."

Cadista, for one, would like to see entrepreneurs step up to provide locally ancillary services the company needs, Barney said, noting, "We outsource a lot of services here."

"Somebody should really be looking at what services does this company require," Mandan added.

Cadista spends about \$50,000 a week locally on everything from temporary workers to waste management to lawn care — not including its outlay for shipping — and the company would like to keep even more spending local for services like uniforms and more, Barney said. "All that stuff should be here."

"To organically grow, that's what I believe is going to drive us in the future. ... We can do lots of small entrepreneurial companies. Every company here today at one time was a start-up," Ryan said.

Salisbury University's Bill Burke is among those working to develop young entrepreneurs — and to encourage at least some of them to set up businesses here.

The Perdue School of Business professor is director of the Salisbury University Entrepreneurship Competitions and faculty adviser for the Collegiate Entrepreneur Organization.

Most of the university's students come from across the Chesapeake Bay, not the Salisbury area, and the expectation is they will leave again, Burke said.

"We are trying to have them rethink that option and start to consider opportunities here, but there's a lack of knowledge of what's available," he said.

### **Freshmen meeting business leaders**

That's where the university's three business-oriented Living and Learning Communities come in.

The 65 freshmen who opt to live in the residences participate from the beginning of their college careers in activities involving the business community, getting to know some of Salisbury's movers and shakers early on.

Salisbury Chamber of Commerce President Brad Gillis, for example, arranged for this year's LLC students to go on field trips to local businesses including Pohanka auto dealership, WBOC-TV and Peninsula Regional Medical Center.

"They start to learn a little bit about what businesses are in the area and what opportunities may be available for them," Burke said.

Next month, the students will go on a walking tour of Salisbury, where they will interact with individuals from different business sectors — engineers, architects, bankers and more.

A few weeks ago, the students participated in their own entrepreneurship competition, Race to Innovate, which Ryan and Tim Sherman of Maryland Capital Enterprises Inc. judged. The competition gave Ryan and Sherman a chance to discuss resources their organizations can provide budding entrepreneurs.

"Basically, our goal is to inspire the students earlier, encourage and motivate them earlier" — and at the same time, introduce them to Salisbury's business leaders, Burke said.

"The key is awareness — they may not know what can be done here," he said.

### **Inside the Gull Cage**

The university also fosters entrepreneurship through two annual competitions.

Salisbury University's Bernstein Achievement Award competition is in its 27th year. The competition is April 11 this year.

When Burke became director two years ago, he brought in a group of past winners and judges to help reinvent the competition. They decided what was needed was to create a more competitive environment.

Participants now must surmount two hurdles on the day itself to get to the Bernstein level.

The first is the "Invest in my Idea" poster competition.

Then there is the Gull Cage.

"It's just a pitch. You walk in, no props. It's a one-minute pitch and four minutes of questions," Burke said.

Most of the judges are local businesspeople or representatives of support organizations, along with past winners.

Four students emerge from the Gull Cage and move on to the Bernstein, where they give a 10-minute presentation, followed by 10 minutes of questions and 10 minutes of private coaching and feedback. One of the four will be declared winner and awarded a \$10,000 prize.

Past competitions have birthed or grown businesses whose principals have stayed in the region, including Janet Wilson, designer of a beach umbrella alternative called the Beach Um; Jennifer Layton, general manager of Layton's Chance Vineyard in Vienna; and Mike Barnas who, with other college students, started Tri-Dimension, a 3D printing company in Salisbury.

Additionally, the university last year was awarded \$1 million by the Phillip E. and Carole R. Ratcliffe Foundation to establish Shore Hatchery, a similar competition open to two- and four-year college graduates residing in the mid-Atlantic region.

Shore Hatchery will fund up to \$200,000 a year in grants. Awards are made based on multi-round presentations, including a Gull Cage event. The presentations will be made May 9.

Shore Hatchery's board is composed of leaders like Jim Perdue, president and chief executive officer of Perdue Farms Inc., Mike Scarborough, founder of Scarborough Capital Management in Annapolis and Frank Gunion, owner of South Moon Under in Ocean City.

Award recipients will be advised for two years by mentors assigned them from among that group.

Burke sees an increasing spirit of cooperation between business and economic development organizations in the region as a plus for bringing together students with businesses and matching companies' needs with students' skills.

"They're rethinking the process; they're saying how can we bring the students to the businesses," he said, adding, "Everyone sees the potential of it. It's starting to come together."

### **Beyond jobs**

Still, a lucrative, rewarding job may not be enough to entice educated young adults with an entrepreneurial bent to live in Salisbury.

Quality of life may trump other factors — including tax breaks and other business-friendly policies — in attracting entrepreneurs, according to a recent report from Endeavor Insight, the research arm of a nonprofit that mentors entrepreneurs.

Based on surveys of 150 founders of fast-growing U.S. companies, the report identified two basic patterns. One finding — that size matters — Salisbury leaders can't do much about. Top business founders tend to settle in metropolitan areas with at least 500,000 residents.

Even with a newly redrawn metropolitan statistical area that captures two additional counties, the Salisbury area has only 380,000.

The second factor is access to talented employees, which means providing a lifestyle and amenities that attract them. That's beyond the power simply of local employers to make happen, Allen said.

"It is a quality of life issue and we need to be able to address as many of the concerns that people have," he said.

"It's more than providing high-paying jobs."

Most entrepreneurs Endeavor Insight surveyed were highly mobile when they started out, but 80 percent had lived in their current city for at least two years before founding companies, meaning it was important to attract them early in their careers.

The findings confirm the other reason, besides jobs, that SU students Anthony and Whitehead said people leave Salisbury after college: lack of places to gather and things to do.

What's needed, they said, is a central location, perhaps downtown, where young professionals can gather after work to socialize at non-chain, classy eateries and bars.

"There's no actual, concentrated spot for people to go," said Whitehead, adding, "If you look at the Baltimore area, you can go to Fed Hill, Fells Point, all these places. Five o'clock, everybody's going out to a restaurant or going to a small bar, not to get intoxicated, but to relax and have a good time with their friends. You're not going to attract people if you don't put it there."

Before long, Anthony and Whitehead may indeed be headed to restaurants after work in places like Baltimore's Federal Hill.

Two more brains, drained from Salisbury.