

the region. Tourists pay for services of the County's hotels, restaurants, gas stations, shops, museums, campgrounds and rental car agencies. When it comes to income derived from tourists, these businesses are interdependent upon one another.

The State's Department of Natural Resources' Forests, Wildlife Management Areas and State Parks and the C&O Canal National Historical Park occupy more than 27% of the County's area. Due to the size of these parks and the informal way in which they may be used, it is difficult to gauge their participation rates. It is noteworthy at the time of this writing that at Rocky Gap State Park, the Rocky Gap Resort has been reconfigured as a casino. The National Park Service operates a Visitor Center at the Canal Terminus in Cumberland that is also the location of the Canal Place Heritage Area. The Park Service reports "Average Annual Park Visitation at Cumberland Terminus area based on actual counts in [the] Visitor Center, trail counter numbers (hikers and bike riders), canal boat replica, and Canal Place and park special events – 100,000 visitors a year".

The Western Maryland Scenic Railroad reports that 39,008 riders took the trip from Cumberland to Frostburg in 2012.

The Great Allegheny Passage uses optical counters to generate a user count. In 2012 it is reported that 75,000 people utilized the Maryland portion of the trail. Using a "Trail Town Economic Impact Study" that analyzed the spending habits of both day-users and those who spend the night, the Allegany Trail Alliance conservatively estimates an annual economic impact of \$1,475,000 in Allegany County that is derived from trail users.

The Allegany County Fairgrounds is the County's premier regional that park draws attendees from the County and the immediate surrounding area. Some events attract attendees from nearby states and central Maryland. Fairgrounds personnel estimate 2012 attendance of 130,000 for all events. Del Fest is one annual musical event that attracts participants from a much wider area. The 2012 event was attended by approximately 35,000 music lovers, most of them camped on the property over a four day span in May. The annual County Fair attracts approximately 40,000 attendees.

Tourism does have a County-wide economic impact that is greater than what is generated by the main attractions mentioned above. The cities of Cumberland and Frostburg have annual events that attract crowds of participants. The smaller towns of Georges Creek and unincorporated communities throughout the County also have annual events and festivals that contribute to the overall success of the County's tourism effort.

10.8 Economic Trends and Analysis

In order to better understand which types of employment to retain and attract, it is necessary to know which industries are thriving at a local level. The shift-share analysis in this section provides such a glimpse and reveals those employment sectors in which the County has a competitive advantage. Economic trends at the national and local level

will be analyzed first in order to provide a clearer framework for which the shift-share analysis operates within.

10.8.1 National and Local Growth Trends

Table 6 depicts the percent employment change between consecutive years for the 2001 to 2011 time period. Data in this table was derived from total national employment figures for each NAICS Sector that is represented. These national trends allow for a more complete understanding of the national growth component, which is explained further in Section 10.8.2

At the national level, growth is fairly steady for the majority of industries. Some notable exceptions include the Mining, Construction, and Manufacturing industries, likely because they are more prone to ups and downs due to demand. The 2008-2009 column, highlighted in yellow, shows the negative effects of the 2008 recession on most industries, with the exception of Health Services, Education, Utilities, and Public Administration; all of which continued to grow during the economic downturn.

NAICS Sector	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Agriculture, Forestry, Fishing and Hunting	-1.3%	0.0%	-0.1%	0.7%	-0.3%	0.4%	0.3%	-2.3%	0.4%	1.1%
Mining, Quarrying, and Oil and Gas Extraction	-5.5%	-1.2%	4.0%	7.9%	10.0%	7.0%	8.1%	-10.1%	1.6%	12.0%
Utilities	0.1%	-1.6%	-1.2%	-1.6%	-0.4%	0.9%	0.7%	0.6%	-1.7%	-0.4%
Construction	-1.3%	-0.2%	3.5%	4.9%	4.4%	-0.5%	-5.7%	-16.1%	-7.6%	-0.4%
Manufacturing	-7.2%	-4.9%	-1.5%	-0.5%	-0.6%	-2.0%	-3.2%	-11.7%	-2.7%	1.9%
Wholesale Trade	-2.0%	-0.5%	1.0%	2.0%	2.3%	1.7%	-0.5%	-6.6%	-1.7%	1.5%
Retail Trade	-1.1%	-0.6%	0.9%	1.3%	0.7%	0.9%	-1.3%	-5.0%	-0.4%	1.3%
Transportation and Warehousing	-3.3%	-1.5%	0.8%	1.6%	1.8%	1.5%	-0.5%	-6.1%	-1.9%	1.7%
Information	-6.0%	-5.3%	-2.4%	-1.3%	-0.4%	-0.3%	-1.2%	-5.8%	-3.7%	-1.1%
Finance and Insurance	0.6%	1.8%	0.5%	1.7%	1.6%	-0.2%	-2.2%	-4.0%	-2.3%	0.4%
Real Estate and Rental and Leasing	-0.3%	0.8%	1.5%	2.2%	1.2%	-0.1%	-2.0%	-6.5%	-2.8%	-0.3%
Prof., Scientific, and Technical Services	-2.8%	-0.4%	2.1%	4.1%	4.6%	3.2%	2.3%	-4.2%	-0.2%	2.9%
Management of Companies and Enterprises	-1.2%	-2.1%	2.2%	2.8%	2.4%	3.0%	3.0%	-2.1%	0.0%	3.2%
Administrative and Support and Waste Management and Remediation Services	-1.9%	-0.4%	3.6%	3.1%	2.7%	1.1%	-4.6%	-10.4%	3.4%	4.1%
Educational Services	2.5%	1.4%	1.1%	1.5%	1.3%	1.6%	1.6%	0.6%	-0.2%	-0.4%

Health Care and Social Services	3.0%	2.2%	2.0%	2.3%	2.3%	2.9%	2.8%	1.9%	1.8%	1.6%
Arts, Entertainment, and Recreation	1.2%	1.2%	2.1%	1.0%	1.5%	2.7%	1.4%	-2.4%	-1.0%	0.6%
Accommodation and Food Services	1.0%	1.6%	2.6%	2.5%	2.3%	2.3%	0.4%	-2.9%	0.2%	2.4%
Other Services	2.1%	0.3%	0.7%	0.9%	0.9%	1.7%	1.1%	-2.6%	-0.4%	1.2%
Public Administration	1.4%	0.1%	-0.4%	0.4%	1.1%	1.1%	1.6%	0.6%	0.9%	-2.9%
Total	-1.0%	-0.3%	1.1%	1.8%	1.7%	1.2%	-0.4%	-4.6%	-0.6%	1.2%

Source: U.S. Bureau of Labor Statistics

The local growth trends depicted in Table 7 are much more variable than the national trends, which makes sense as they are more affected by local business cycles and development that is not readily apparent at a national level aggregation. Most local industries experience some sort of boom and bust period, including Mining, Construction, and Manufacturing; a trend which was evident at the national level as well. Health Care and Social Services, Educational Services, Utilities, and Public Administration were the only local industries that did not experience negative growth during the economic downturn period between 2008 and 2009. This suggests that these industries may be "recession-proof" in that they are resistant towards severe economic shifts, given the nature of the services they provide.

Table 10-9: Local Growth Trend, 2001 to 2011

NAICS Sector	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Agriculture, Forestry, Fishing and Hunting	21.7%	42.9%	-32.5%	29.6%	-62.9%	--	--	-12.5%	-42.9%	-25.0%
Mining, Quarrying, and Oil and Gas Extraction	-0.9%	8.6%	16.7%	10.5%	-12.9%	2.3%	-16.0%	-23.6%	16.7%	29.6%
Utilities	-4.0%	0.0%	4.2%	1.6%	0.8%	0.8%	2.3%	-0.8%	-8.4%	--
Construction	7.6%	-3.4%	-2.6%	5.5%	-2.2%	5.2%	-5.8%	-15.1%	4.5%	-4.8%
Manufacturing	-4.1%	-6.6%	0.5%	-0.1%	-11.3%	-10.2%	-8.4%	-3.0%	3.5%	0.9%
Wholesale Trade	2.9%	10.1%	4.2%	3.8%	3.1%	0.0%	1.3%	-5.8%	-10.1%	--
Retail Trade	-2.9%	-5.6%	-4.4%	3.3%	-0.2%	-1.3%	-1.0%	-3.8%	2.0%	-0.8%
Transportation and Warehousing	-5.4%	12.5%	-2.4%	-6.6%	2.1%	16.5%	4.3%	-19.2%	-2.0%	4.4%
Information	5.8%	-11.9%	48.2%	-0.4%	-0.4%	4.5%	-6.2%	-6.4%	13.5%	-7.1%
Finance and Insurance	-1.0%	-0.5%	10.4%	-15.5%	2.3%	2.6%	1.7%	-1.8%	-4.9%	29.9%
Real Estate and Rental and Leasing	-5.7%	6.6%	-47.2%	-2.5%	2.0%	16.7%	-5.5%	3.1%	-16.9%	-16.1%
Prof., Scientific, and Technical Services	2.0%	-1.6%	2.2%	0.0%	2.0%	8.7%	7.0%	-4.8%	--	--
Management of Companies and Enterprises	1.3%	6.7%	-9.8%	1.7%	-8.9%	1.4%	-4.1%	3.8%	--	--
Administrative and Support and Waste Management and	5.5%	11.5%	-3.4%	5.1%	3.0%	-0.2%	-6.1%	-1.3%	-1.7%	-3.5%

Remediation Services										
Educational Services	1.1%	0.9%	0.3%	-1.2%	-0.1%	-0.7%	0.4%	1.6%	2.7%	-0.8%
Health Care and Social Services	1.4%	3.0%	2.8%	4.7%	-0.3%	-1.7%	0.1%	2.3%	6.0%	-2.9%
Arts, Entertainment, and Recreation	14.3%	4.3%	4.1%	-0.4%	-7.6%	-1.3%	3.9%	-1.7%	1.3%	-4.6%
Accommodation and Food Services	1.0%	-14.4%	8.6%	12.3%	-0.5%	-7.5%	-0.1%	0.5%	2.2%	3.1%
Other Services	3.2%	-4.0%	-2.7%	-2.3%	-0.1%	-4.6%	5.7%	6.4%	-5.8%	-5.2%
Public Administration	-1.0%	-1.0%	-1.6%	-1.4%	0.4%	-1.0%	6.7%	4.6%	-1.8%	-2.6%
Total	0.1%	-1.8%	0.3%	2.4%	-1.5%	-1.7%	-0.6%	-1.4%	-1.2%	-2.9%

Source: U.S. Bureau of Labor Statistics
 (--) Data unavailable at this level of analysis.

10.8.2 Shift-Share Analysis

The shift-share analysis technique is based on the assumption that local growth can be explained via three components (defined below): national share, industrial mix, and competitive share. By applying shift-share, one can determine how much each of these components contributes to local economic growth. Additionally, this technique can be used to identify competitive industries in a local economy. Competitive industries are defined as those that outperform their counterparts at the national level.

- **National Share** - Measures how much total employment in a local area increased because of growth in the national economy during the period of analysis.
- **Industrial Mix** - Identifies fast or slow growing industrial sectors in a local area based on the national growth rates for individual industry sectors. This component is found by calculating the percent growth rate for an economic sector at the national level and then subtracting the national growth component.
- **Competitive Share** - The remaining employment change that is left over after accounting for the national and industrial mix components. Competitive share highlights a local area's leading and lagging industries. A leading industry is one where the industry's local area growth rate is greater than the U.S. growth rate, while a lagging industry is the opposite.

Overview

This analysis takes into consideration employment changes that occurred between two different time periods: 1990 to 2010 and 2001 to 2011. Overall, employment increased from 1990 to 2010, but decreased from 2001 to 2011. This information describes very general trends, and as such, raises many questions. Has the growth been steady or unpredictable? What parts of the economy have gained or lost employees? These questions, among others, are better answered by the data presented in Tables 1 through 4.

1990-2010

Table 1 depicts the eleven high-level aggregate sectors chosen for this analysis, as defined by the Bureau of Labor Statistics (BLS), and ranks them by total employment per sector in Allegany County for 2010. These high-level aggregates were chosen for the 1990-2010 time period due to the unavailability of NAICS two-digit sector data for some years. The top three industry sectors with the highest total employment were: (1) Education and Health Services, (2) Trade, Transportation, and Utilities, and (3) Leisure and Hospitality. The three industry sectors displaying the greatest percentage of growth are highlighted in yellow and consist of: (1) Education and Health Services, (2) Public Administration, and (3) Professional and Business Services. The remaining eight industries had very minimal growth, or negative growth. The three industry sectors displaying the greatest negative growth were: (1) Natural Resources and Mining, (2) Manufacturing, and (3) Financial Activities.

NAICS Sector	Employment		Change	Percent Growth
	1990	2010		
Education and Health Services	4351	10175	5824	133.9
Trade, Transportation, and Utilities	5969	5240	-729	-12.2
Leisure and Hospitality	3085	3143	58	1.9
Public Administration	1164	2703	1539	132.2
Manufacturing	4682	2488	-2194	-46.9
Professional and Business Services	929	2136	1207	129.9
Construction	1490	1159	-331	-22.2
Other Services	1169	1093	-76	-6.5
Financial Activities	1199	757	-442	-36.9
Information	461	463	2	0.4
Natural Resources and Mining	202	101	-101	-50.0
Total	24701	29458	4757	-

Source: U.S. Bureau of Labor Statistics' Census of Employment and Wages

NAICS Sector	National Growth Component		Industrial Mix Component		Competitive Share Component	
	Percent	Jobs	Percent	Jobs	Percent	Jobs
Education and Health Services	17.7	769	37.2	1618	79.0	3437
Public Administration	17.7	206	0.7	8	113.8	1325
Professional and Business Services	17.7	164	41.0	381	71.3	662
Information	17.7	82	-19.5	-90	2.2	10
Natural Resources and Mining	17.7	36	-14.9	-30	-52.8	-107
Other Services	17.7	207	7.7	90	-31.9	-372
Construction	17.7	263	-12.4	-184	-27.5	-410
Manufacturing	17.7	828	-53.3	-2496	-11.2	-526
Financial Activities	17.7	212	-9.2	-110	-45.4	-544
Leisure and Hospitality	17.7	545	21.7	669	-37.5	-1157
Trade, Transportation, and Utilities	17.7	1055	-10.0	-597	-19.9	-1187
Total		4367		-741		1131

Source: U.S. Bureau of Labor Statistics Census of Employment and Wages

Results 1990-2010

The National Growth Component

This component measures the growth or contraction of the United States economy during the selected study period. In this case, the nation's employment grew by 17.7 percent between 1990 and 2010. Table 2 indicates the amount of jobs created within the county, in each industry, that can be attributed to the national growth component. For example, the Trade, Transportation, and Utilities sector had the highest national growth component. That is, the national growth component of 17.7 percent led to 1,055 jobs being created in this sector. In total, the national growth component was responsible for creating 4,367 jobs in Allegany County.

The Industrial Mix Component

This component measures how well an industry has grown in an area based on the national growth rates for individual industries. The industry with the highest industrial mix component was Professional and Business Services with 41 percent and it was responsible for creating 381 jobs within the county. By adding up all eleven sectors, it becomes clear that the industrial mix component was responsible for decreasing employment by 741 in Allegany County from 1990 to 2010. Because this component has caused an overall decrease in jobs, it can be concluded that Allegany County has a concentration of employment in industries that are decreasing at the national level. Of the decreasing industries, Manufacturing has shown the greatest decline (53.3 percent) and is responsible for a loss of 2,496 jobs in the area during the time period.

The Competitive Share Component

This component accounts for the remaining changes in employment after considering the national and industrial mix components. Generally, if a sector has a positive competitive share then it has a local advantage in promoting economic growth. For example, the Education and Health Services sector showed the largest percentage growth (133.9 percent) during the study time period. The national growth component accounted for 17.7 percent of the growth, while the industrial mix component accounted for 37.2 percent of the growth. This means that the remaining 79 percent of growth can be attributed to the competitive share component. In terms of the Education and Health Services sector, 3,437 jobs can be attributed to the competitive share. In total, the competitive share component accounts for an increase of 1,131 jobs within the county. This positive number indicates that the study area is, overall, competitive in securing additional employment.

2001-2011

This study period was selected in order to provide a more recent analysis of economic development within the county. Furthermore, because this analysis excludes years prior to 2000, it more accurately represents changes caused by the 2008 economic decline.

Table 3 depicts the twenty sectors chosen for this analysis, as defined by the Bureau of Labor Statistics (BLS), and ranks them by the total change in employment per sector in Allegany County for the study period. The top five industry sectors with the highest total employment were: (1) Health Care and Social Services, (2) Educational Services, (3) Accommodation and Food, (4) Public Administration and (5) Manufacturing. The five industry sectors displaying the greatest percentage of growth are highlighted in yellow and consist of: (1) Information, (2) Mining, (3) Finance, (4) Professional, Scientific, and Health Services, and (5) Health Care and Social Services. The five industry sectors displaying the greatest negative growth were: (1) Agriculture, Forestry, Fishing and Hunting, (2) Real Estate, (3) Manufacturing, (4) Retail Trade, and (5) Construction.

NAICS Sector	Employment		Change	Percent Growth
	2001	2011		
Information	325	430	105	32.3
Mining, Quarrying, and Oil and Gas Extraction	106	127	21	19.8
Finance and Insurance	617	734	117	19.0
Professional, Scientific, and Technical Services	493	571 ⁽²⁰⁰⁹⁾	78	15.8
Health Care and Social Services	5594	6466	872	15.6
Arts, Entertainment, and Recreation	203	226	23	11.3
Educational Services	2060	2260	200	9.7
Wholesale Trade	443	480 ⁽²⁰¹⁰⁾	37	8.4
Administrative and Support and Waste Management and Remediation Services	1282	1385	103	8.0
Accommodation and Food Services	2918	2997	79	2.7
Transportation and Warehousing	828	824	-4	-0.5
Utilities	125	120 ⁽²⁰¹⁰⁾	-5	-4.0
Management of Companies and Enterprises	237	216 ⁽²⁰⁰⁹⁾	-21	-8.9
Public Administration	2895 ⁽²⁰⁰³⁾	2633	-262	-9.1
Other Services	1149	1036	-113	-9.8
Construction	1264	1103	-161	-12.7
Retail Trade	4435	3809	-626	-14.1
Manufacturing	3778	2510	-1268	-33.5
Real Estate and Rental and Leasing	384	161	-223	-58.1
Agriculture, Forestry, Fishing and Hunting	23	3	-20	-87.0
Total	28819	27716	-1103	-

Source: U.S. Bureau of Labor Statistics' Census of Employment and Wages
 *(1234) Indicates a different starting or ending year due to incomplete data

NAICS Sector	National Growth Component		Industrial Mix Component		Competitive Share Component	
	Percent	Jobs	Percent	Jobs	Percent	Jobs
Health Care and Social Services	0.23	13	11.3	619	4.1	240
Information	0.23	1	-24.5	-80	56.6	185
Finance and Insurance	0.23	1	-2.3	-16	21.1	131

Administrative and Support and Waste Management and Remediation Services	0.23	3	-0.3	-7	8.1	107
Construction	0.23	3	-18.9	-242	6.0	78
Educational Services	0.23	5	6.0	119	0.3	76
Professional, Scientific, and Technical Services	0.23	1	2.6	12	13.0	65
Wholesale Trade	0.23	1	-4.6	-21	12.8	57
Arts, Entertainment, and Recreation	0.23	0	8.5	17	2.6	6
Utilities	0.23	0	-4.1	-5	-0.1	0
Mining, Quarrying, and Oil and Gas Extraction	0.23	0	36.4	38	-16.8	-18
Agriculture, Forestry, Fishing and Hunting	0.23	0	-0.9	0	-86.3	-20
Management of Companies and Enterprises	0.23	1	8.1	19	-17.2	-40
Transportation and Warehousing	0.23	2	13.1	107	-13.8	-112
Other Services	0.23	3	5.9	65	-15.9	-181
Manufacturing	0.23	9	-28.5	-1085	-5.3	-189
Real Estate and Rental and Leasing	0.23	1	-6.4	-25	-51.9	-198
Accommodation and Food Services	0.23	7	13.0	373	-10.5	-300
Public Administration	0.23	7	2.5	67	-11.9	-335
Retail Trade	0.23	10	-3.4	-161	-10.9	-475
Total		66		-246		-938

Source: U.S. Bureau of Labor Statistics Census of Employment and Wages

Results 2001-2011

The National Growth Component

This component measures the growth or contraction of the United States economy during the selected study period. In this case, the nation's employment grew by 0.23 percent between 2001 and 2011. Table 4 indicates the amount of jobs created within the county, in each industry, that can be attributed to the national growth component. For example, the Healthcare and Social Services sector had the highest national growth component. That is, the national growth component of 0.23 percent led to thirteen jobs being created in this sector. In total, the national growth component was responsible for creating 66 jobs in Allegany County.

The Industrial Mix Component

This component measures how well an industry has grown in an area based on the national growth rates for individual industries. The industry with the highest industrial mix component was Mining, Quarrying, and Oil and Gas Extraction with 36.4 percent

and it was responsible for creating 38 jobs within the county. By adding up all eleven sectors, it becomes clear that the industrial mix component was responsible for decreasing employment by 246 in Allegany County from 2001 to 2011. Because this component has caused an overall decrease in jobs, it can be concluded that Allegany County has a concentration of employment in industries that are decreasing at the national level. Of the decreasing industries, Manufacturing has shown the greatest decline (28.5 percent) and is responsible for a loss of 1,085 jobs in the area during the time period.

The Competitive Share Component

This component accounts for the remaining changes in employment after considering the national and industrial mix components. Generally, if a sector has a positive competitive share then it has a local advantage in promoting economic growth. For example, the Information sector showed the largest percentage growth (32.3 percent) during the study period. The national growth component accounted for 0.23 percent of the growth, while the industrial mix component accounted for -24.5 percent of the growth. This means that the remaining 56.6 percent of growth can be attributed to the competitive share component. In terms of the Information sector, 185 jobs can be attributed to the competitive share. In total, the competitive share component accounts for a decrease of 938 jobs within the county. This negative number indicates that the study area is, overall, not competitive in securing additional employment.

Recommendations

Based on the analyses, Allegany County should focus on retaining and recruiting for jobs that are part of industry sectors considered to be competitive. An industry sector is considered to be competitive if, at the local level, that sector outperforms the same sector at the national level. For a local sector to possess a competitive advantage in terms of shift-share, it needs to have a positive competitive share component (Table 2 and 4). For the 1990-2010 study, the following industry sectors are considered competitive: (1) Education and Health Services, (2) Public Administration, (3) Professional and Business Services, and (4) Information. By comparison, the 2001-2011 study indicates the following industry sectors as being competitive: (1) Health Care and Social Services, (2) Information, (3) Finance and Insurance, (4) Administrative and Support and Waste Management and Remediation Services, (5) Construction, (6) Educational Services, (7) Professional, Scientific, and Technical Services, (8) Wholesale Trade, and (9) Arts, Entertainment, and Recreation. Because these sectors already have an advantage within Allegany County, officials should focus on creating incentives to increase employment in these sectors.

Limitations of Shift-Share Analysis

While useful for identifying industries that may provide significant future growth opportunities, shift-share analysis is only a descriptive tool. Because shift-share provides a static look at two different points in time (the starting year and end year), it is unable to

explain the impacts of the business cycle and other economic features that may be unique to a region. In order to determine a region's true economic potential, this analysis should be combined with other studies.

*Shift-share methodology contained in Appendix C-1.

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