

How Do Rural Counties in Delmarva and Southern Maryland Generate Jobs?

The University of Maryland System and the University of Delaware studied 15 rural counties in the Delmarva Peninsula and Southern Maryland to see what they are doing to generate jobs and how fruitful these activities have been. The project determined which counties engaged in 38 distinct job-generating or -preserving activities and how county leaders evaluated the impact of these activities on jobs. The study describes economic development efforts in these rural counties and provides insight on how rural counties can develop economically.

Table 1 presents a weighted overall ranking of the most important job-generating activities in the 15 study counties. Nine informants in each county, including top officials, identified the top five job-generating events or activities for the past decade, 1980-90. Individual rankings were summed to determine the top five activities for each county, then the county rankings were summed (5 points for Rank 1 down to 1 point for Rank 5) to determine a weighted overall ranking. The leading job-generating activities in these 15 counties were industrial parks, economic development entities and tourism promotion.

Table 1. Activities chosen among the five most important for generating jobs in 15 rural counties in the Delmarva Peninsula and Southern Maryland by 9 designated informants in each county

Rank	Job generating and economic development activity	Frequency of county rankings for important development activities					Weighted sum ^a
		First	Second	Third	Fourth	Fifth	
1.	Industrial park	6	3	3	2	1	56
2.	Activity of economic development entity	2	4				26
3.	Tourism promotion	1	3	1	2	1	25
4.	A large firm locating in county or expanding	3				1	16
5.	Siting of state or Federal facility or park	2		1		1	14
6.	Grants, loans or industrial development bonds			2	2	2	12
7.	Schools improved		1	1	2		11
8.	Assistance to company to prevent failure or leaving	1	1				9
9.	Commercial sites		1	1		1	8
10.	Chamber of commerce activity			2	1		8

^aWeighted sum based on weights of 5, 4, 3, 2 and 1 for first, second, third, fourth and fifth choice respectively.

Establishing industrial parks was identified as the most important job-generating activity in 6 of the 15 counties and was included in the top five activities in 13 of the 15 counties. However, several industrial parks in the study area remain empty and some have only one or two relatively small tenants after several years of recruitment. Industrial parks generally fail in disadvantaged counties or where the government is not interested in development and does little to support recruitment to the park.

The second most important job-generating activity identified in the study was the work of economic development (ED) entities, such as an ED unit of the county government, a municipal or county committee, an active chamber of commerce, a regional organization for industrial recruitment, or a private group. Six counties had active and successful economic development entities. The interviews revealed that county ED units were often instrumental in recruiting businesses into industrial parks and that a common economic development approach for these 15 counties was the threefold combination of an industrial park, an ED unit to recruit and facilitate businesses locating in the park, and special capital arrangements to expedite the move. Sometimes other special arrangements--such as tax breaks, altered regulations or zoning--were also part of the package.

The third major job-generating activity in these maritime counties--tourism promotion--fosters a different type of development than industrial parks and economic development entities. Along with farming and fishing, tourism is highly seasonal and associated with high levels of off-season unemployment. In remote areas, tourism and recreation services may provide almost the only opportunities for generating jobs. Tourism and recreation services generated the most additional jobs in one county and the second most jobs in three counties in the study. However, across the counties, tourism promotion has only a modest impact on jobs.

The fourth and fifth leading job-generating activities were the relocation or growth of a large firm and the siting of a large state or Federal facility in the county. These are major events for rural counties and can involve several thousand employees. They do not occur often but dramatically change the county's economy when they do. For example, the siting of a state prison in Somerset, the expansion of the Purdue chicken plant in Accomack, and the expansion of Black and Decker in Talbot have altered the economic landscape of these counties. The siting or expansion of a military base or facility also can have profound effects on rural counties, but this does not happen often. Military facilities are very important to the economies of three counties in this sample, but their workforces remained relatively stable over the decade studied. Only one facility added enough jobs to make it the third most important job-generating activity of the decade for its county.

The category that includes grants, loans and industrial bonds was the sixth leading job-generating activity. It was among the top five job generators in 6 of the 15 counties. Grantsmanship was practiced in all 15 counties, but was among the five leading job-generating activities only in disadvantaged counties that did not have many successful activities or important events. In a few of the counties, informants had trouble listing as many as five important job-generating activities or events during the decade. In these counties, government grants of \$100,000 to \$200,000 in the county are noteworthy.

Informants valued development bonds and special capital arrangements for their positive impact on jobs more highly than is reflected in [Table 1](#). Access to credit on favorable terms is important for struggling rural counties and some informants spoke highly of the old industrial development bond program in this regard. According to these informants, state or Federal programs directed toward rural revitalization should have a large credit component.

In summary, the most important job-generating activities on average for these 15 rural counties were industrial parks, ED units, tourism promotion, financial arrangements, in-county siting or expansion of large firms, and in-county siting of state and Federal activities. The last two occur infrequently but have

a major effect when they do.

Maryland residents can obtain a free copy of the study by contacting Kurt Finsterbusch, Department of Sociology, University of Maryland, College Park, MD 20742.

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by

Kurt Finsterbusch
Department of Sociology
University of Maryland at College Park

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