

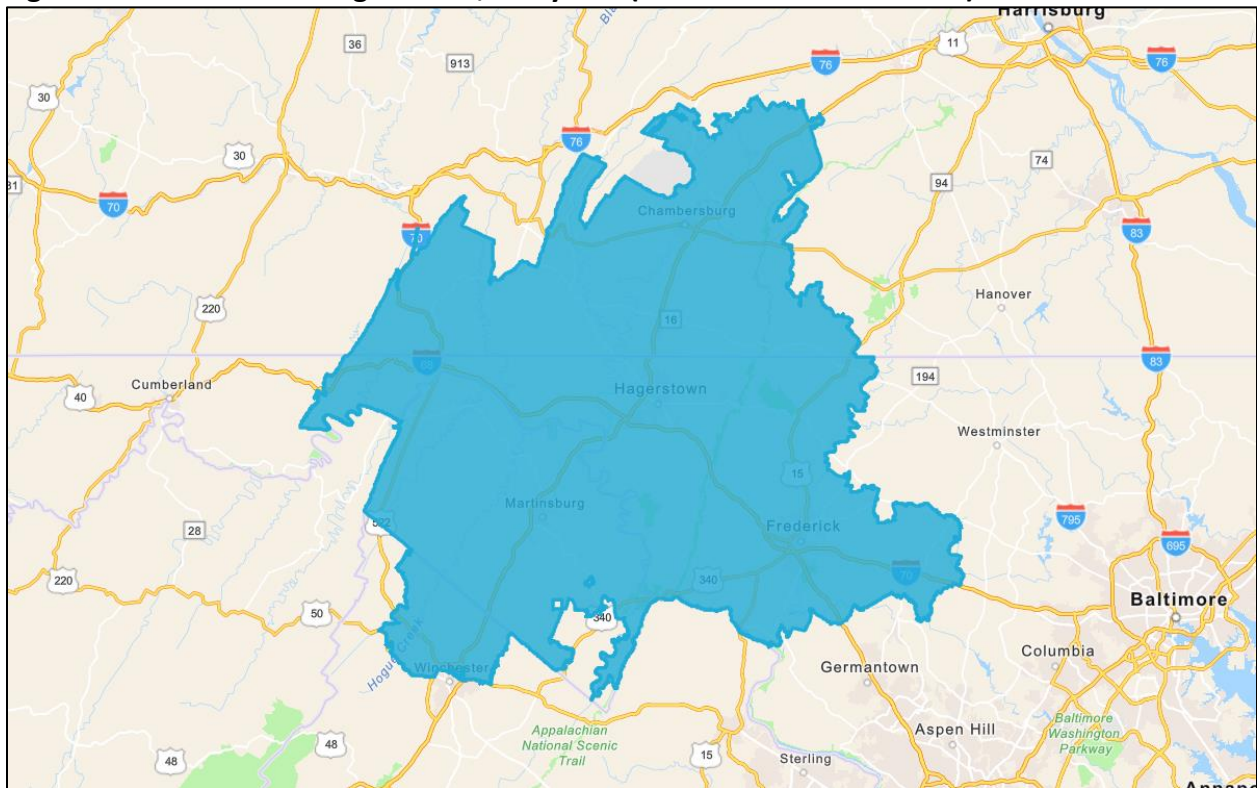


Hagerstown Laborshed Analysis

1. Laborshed Designation

Figure 1 below shows the laborshed for Hagerstown Maryland. The laborshed is defined as those zip codes that lie within a 45 minute drive of downtown Hagerstown at 8 AM. The Hagerstown laborshed encompasses the cities of Hagerstown, Maryland; Frederick, Maryland; Martinsburg, West Virginia; and Chambersburg, Pennsylvania among others. The laborshed reaches the northern suburbs of Winchester, Virginia and Germantown, Maryland. If a company were to offer sufficiently high wages, it would be able to attract workers from outside the base laborshed here, as workers are more willing to tolerate a higher commute for increases in pay.

Figure 1: Laborshed for Hagerstown, Maryland (45 Minute Drive at 8 AM)



Source: Chmura Economics

2. Workforce Demographics

This section outlines the characteristics of the Hagerstown laborshed. As Figure 2 shows, the Hagerstown laborshed encompasses a total population of nearly 782,000 people and a total labor force of 408,000. The Hagerstown laborshed has a lower labor force participation rate and prime age labor force participation rate than either the Washington DC MSA or Maryland as a whole. This is partly because the population in the Hagerstown laborshed skews older. The median age in the Hagerstown laborshed is over 3 years older than the Washington DC MSA. Additionally, 16.2 percent of the Hagerstown laborshed is over the age of 64 compared to 12.7 percent of the Washington DC MSA and 15.0 percent of Maryland.



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Figure 2: Workforce Characteristics of the Hagerstown Laborshed

Region	Population	Median Age	Labor Force Size	Prime Age Labor Force (Ages 25-54)
Hagerstown Laborshed	781,944	40.4	408,382	258,545
Washington DC MSA	6,196,585	37.3	3,486,436	2,330,901
Maryland	6,018,848	38.7	3,238,282	2,071,267

Source: Chmura Economics

As Figure 3 illustrates, the Hagerstown laborshed has a lower concentration of available workers with a bachelor's degree or higher. Only 30.2 percent of the workforce in the Hagerstown laborshed has an advanced degree relative to 52.4 percent of the population in the Washington DC MSA and 41.7 percent of Maryland's workforce. However, the laborshed does not have an appreciably different concentration of workers without a high school diploma from either the Washington DC MSA or Maryland as a whole. Existing education levels reflect the job opportunities that currently and have historically existed in the region.

Figure 3: Educational Attainment in the Hagerstown Laborshed

Region	No High School Diploma	High School Graduate	Some College, No Degree	Associate Degree	Bachelor's Degree	Postgraduate Degree
Hagerstown Laborshed	8.7%	32.4%	19.6%	9.1%	18.3%	12.0%
Washington DC MSA	8.4%	17.3%	15.9%	6.0%	27.1%	25.2%
Maryland	8.7%	23.4%	19.1%	7.1%	22.9%	18.8%

Source: Chmura Economics

The Hagerstown laborshed has a number of advantages relative to either the Washington DC MSA or Maryland as a whole. The average commute time is shorter in the region and the median home value is significantly cheaper. Additionally, median and average household incomes are below the levels in the Washington DC MSA or the state as a whole. This signals an opportunity for businesses who locate in the MSA to attract a qualified workforce for less money than in other nearby areas.



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Figure 4: Other Characteristics of the Hagerstown Laborshed

Location	Average Commute Time	Median House Value	Median Household Income	Average Household Income
Hagerstown Laborshed	31.2	\$247,820	\$75,974	\$92,022
Washington DC MSA	35.0	\$454,773	\$105,121	\$134,513
Maryland	33.2	\$314,800	\$84,805	\$111,417

Source: Chmura Economics

3. Industry Characteristics

The Hagerstown laborshed currently has over 300,000 workers employed across a number of different industries. Figure 5 on the next page covers key characteristics of the Hagerstown laborshed’s employment by industry. Figure 5 covers the following statistics:

- The number of workers currently employed in the industry;
- The average annual wages for workers in that industry;
- The location quotient for that industry.
 - The location quotient is a measure of how concentrated employment is in a given industry. Values above 1 signal that an industry is concentrated in a given region relative to nationwide employment patterns. For example, a location quotient of 2 signals that there is twice as much employment in that industry as we would expect given nationwide patterns while a location quotient of 0.5 indicates there is half as much employment as expected.
- The estimated number of job openings in that industry over the next five years.
 - Job openings can occur for a number of reasons. Some individuals leave the labor force entirely. This could be due to retirement, staying home to care for children, returning to school, or moving outside the laborshed. Other job openings occur because workers take new jobs in different industries. Still other job openings occur because of growth in the industry. This metric captures total job openings and worker demand, not just straight growth.

As Figure 5 on the next page illustrates, the Hagerstown laborshed has the most employment in the Health Care and Social Assistance industry. The Transportation and Warehousing sector has the highest location quotient, signaling the region has a competitive advantage. Additionally, new businesses in the sector can expect more qualified workers relative to the size of the laborshed than in most other areas of the country. Other industries with high location quotients include Retail Trade, Construction, Manufacturing, and Public Administration.



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Figure 5: Industry-Level Employment Data for Hagerstown Laborshed

NAICS	Industry	Employment	Average Annual Wage	Location Quotient	Forecasted Total Job Openings, 2021 - 2026
11	Agriculture, Forestry, Fishing and Hunting	4,506	\$35,640	1.05	2,272
21	Mining, Quarrying, and Oil and Gas Extraction	490	\$48,923	0.46	258
22	Utilities	950	\$78,353	0.58	392
23	Construction	21,968	\$60,429	1.23	11,150
31	Manufacturing	28,879	\$62,267	1.16	14,372
42	Wholesale Trade	8,157	\$62,596	0.71	4,145
44	Retail Trade	39,504	\$33,698	1.26	25,321
48	Transportation and Warehousing	20,935	\$49,104	1.41	11,902
51	Information	3,258	\$56,277	0.55	1,311
52	Finance and Insurance	9,337	\$87,616	0.73	4,400
53	Real Estate and Rental and Leasing	3,592	\$55,194	0.68	1,773
54	Professional, Scientific, and Technical Services	17,615	\$79,027	0.82	8,532
55	Management of Companies and Enterprises	1,854	\$92,560	0.40	912
56	Administrative and Support and Waste Management and Remediation Services	15,373	\$38,622	0.81	9,337
61	Educational Services	23,195	\$54,566	0.95	11,238
62	Health Care and Social Assistance	44,306	\$58,018	0.99	24,051
71	Arts, Entertainment, and Recreation	3,956	\$26,143	0.87	3,016
72	Accommodation and Food Services	22,719	\$20,328	1.04	19,289
81	Other Services (except Public Administration)	13,213	\$33,080	1.02	7,911
92	Public Administration	17,223	\$74,673	1.14	7,806
99	Unclassified	39	\$36,621	0.12	26
	Total - All Industries	301,071	\$52,272	1.00	169,824

Source: Chmura Economics

4. Occupation Characteristics

A key advantage of the Hagerstown MSA is labor costs. As Figure 6 on the next page illustrates, wages in the Hagerstown laborshed are significantly below wages in either the Washington DC MSA or the state of Maryland as a whole. Across all occupations, the average wage in the laborshed is \$10,000 less than Maryland’s average wage and \$22,200 less than the average wage in the Washington DC MSA. Wages are lower for every high-level occupation in the Hagerstown laborshed than they are for either the Washington DC MSA or the state of



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Maryland as a whole. When coupled with the region’s strong existing workforces in industries such as Manufacturing or Transportation and Warehousing, employers have multiple benefits. An employer in Transportation and Warehousing, for example, can take advantage of a qualified workforce in the area (as signaled by the high location quotient) and pay wages below the level in surrounding areas.

Figure 6: Wages for Occupations in Hagerstown Laborshed and Nearby Areas

SOC	Occupation	Hagerstown Laborshed Average Wage	Washington DC MSA Average Wage	Maryland Average Wage
11	Management	\$112,400	\$150,600	\$128,900
13	Business and Financial Operations	\$76,700	\$98,100	\$87,100
15	Computer and Mathematical	\$90,300	\$112,000	\$104,500
17	Architecture and Engineering	\$86,400	\$106,900	\$101,300
19	Life, Physical, and Social Science	\$79,800	\$104,400	\$93,500
21	Community and Social Service	\$52,100	\$62,100	\$55,500
23	Legal	\$112,100	\$152,200	\$108,500
25	Educational Instruction and Library	\$59,900	\$71,600	\$68,600
27	Arts, Design, Entertainment, Sports, and Media	\$56,400	\$84,300	\$62,600
29	Healthcare Practitioners and Technical	\$85,900	\$98,500	\$93,900
31	Healthcare Support	\$32,200	\$35,000	\$33,900
33	Protective Service	\$52,400	\$64,800	\$56,700
35	Food Preparation and Serving Related	\$26,700	\$31,400	\$28,600
37	Building and Grounds Cleaning and Maintenance	\$32,100	\$35,700	\$32,900
39	Personal Care and Service	\$31,100	\$36,300	\$34,800
41	Sales and Related	\$40,500	\$52,500	\$47,300
43	Office and Administrative Support	\$40,900	\$49,700	\$45,200
45	Farming, Fishing, and Forestry	\$31,500	\$41,100	\$35,700
47	Construction and Extraction	\$46,900	\$53,500	\$51,400
49	Installation, Maintenance, and Repair	\$50,600	\$59,800	\$55,300
51	Production	\$42,500	\$46,100	\$44,400
53	Transportation and Material Moving	\$38,000	\$44,100	\$40,700
	All Occupations	\$52,900	\$75,100	\$62,900

Source: Chmura Economics