

Business and Employment Data Analysis 2006 Frederick, Maryland

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EXECUTIVE SUMMARY

PURPOSE

The intention of this analysis was to examine, categorize and compare the demographics of businesses located within the City of Frederick. This 2004 information provided location, employment and industry specific information cataloged within the North American Industry Classification System Codes (NAICS). The results of this analysis can be used to identify the most vibrant industry and employment sectors within the City of Frederick, provide an overview of the City's role within Frederick County and display the direction and size of industry growth in the City of Frederick since 2002. In addition, this analysis highlights some of the quality of life amenities offered within the City of Frederick such as restaurants, libraries, grocery stores and places of education.¹

¹ Please note that the statistics included in the aggregate analysis above are based on 2004 Info USA data. Note: Unless otherwise indicated, all County figures include City data

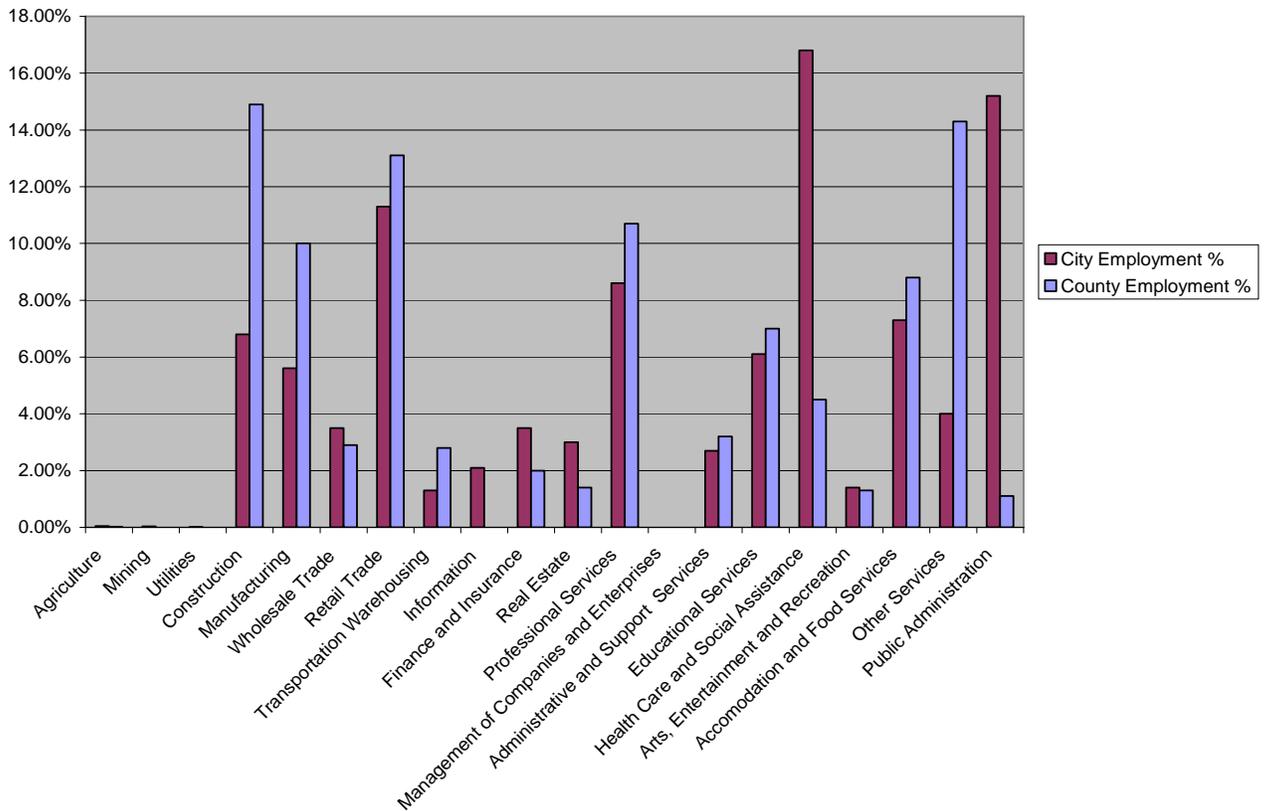
RESULTS

Employment and Industry

- ❖ 2,924 businesses - or 43% of all businesses within Frederick County - are located in the City of Frederick.
- ❖ These City businesses employ 47,266 people, an impressive 49% of all jobs in Frederick County.
- ❖ Health Care and Social Assistance, Retail Trade and Public Administration are the three largest employers in the City with Health Care offering the largest number of jobs at 7,979, Public Administration providing 7,217 and Retail Trade with 5,368.
- ❖ Comparatively, the leading employment industries in Frederick County are Construction, Retail Trade and Health Care and Social Assistance Services with Retail Trade offering the largest number of jobs at 11,845, Construction offering 10,643 and Health Care at 10,211.
- ❖ 78% of Health Care and Social Assistance employment opportunities in the Frederick County are located in the City of Frederick, as are over half the number of jobs in the Information industry.
- ❖ Public Administration makes up 8% of job industry within Frederick County it provides 7,219 or 15.2% of the jobs within the City of Frederick– a percentage that is attributable to the City/County government’s location in historic downtown Frederick.
- ❖ Ninety-five percent of Frederick businesses are small businesses, with 50 or fewer employees.

City and County Employment

**** The following chart provides a comparative percentile breakdown of employment within the NAICS industry sectors in both the City and the County.²



NAICS Codes

² All Frederick County employment totals include employment within the City of Frederick

Growth ³

- ❖ Since 2002, 5,649 new jobs have been created in the City of Frederick.
- ❖ The chart below chronicles employment growth by select industry sectors between 2002 and 2004.

<u>Industry</u>	<u>Employment 2002</u>	<u>Employment 2004</u>	<u>Net Gain/Loss</u>
<i>Health Care and Social Services</i>	7,000	7,979	979+
<i>Retail Trade</i>	4,500	5,368	868+
<i>Accommodation and Food Services</i>	2,900	3,469	569+
<i>Manufacturing</i>	2,850	2,680	180-
<i>Education</i>	2,650	2,891	241+
<i>Professional, Scientific and Technical Services</i>	1,921	4,100	2,179+
<i>Finance and Insurance</i>	2,400	1,658	742-
<i>Construction</i>	1,750	3,267	1517+
<i>Public Administration</i>	7,400	7,217	183-

- ❖ In 2004, the five industries with the largest number of employees (Health Care and Social Assistance, Retail Trade, Professional, Scientific and Technical Services, Public Administration (formerly Government) and Accommodation and Food Services) comprised more than 28,000 jobs or 59% of jobs in the City of Frederick. In 2002, those same industries comprised only 23,000 jobs or 48% percent of the city total.
- ❖ Professional, Scientific and Technical Services brought 2,100 jobs to the City of Frederick between 2002 and 2004. The significant increase in this industry can be largely attributed to the City's targeted efforts to attract Bio Science and Information Technology businesses to the area. This specific employment growth also indicates that the demand for an academic and technically trained workforce is growing rapidly in Frederick City.

³ The 2002 data referred to in this report is taken from The City of Frederick Comprehensive Plan Update prepared by HNTB and revised on August 1, 2003

Business Sectors

In recent years, the City of Frederick has launched a targeted retention and growth campaign in the manufacturing, bioscience and information technology sectors. The data below provides a brief portrait of the vitality of those three industries within Frederick County and Frederick City.

Manufacturing

- ❖ Manufacturing provides 7,469 jobs in Frederick County, over a third of which are located in the City of Frederick.
- ❖ Is the 7th largest employment sector in the City of Frederick
- ❖ 1,860 jobs are provided by primary manufacturing businesses in the City
- ❖ Sales volume for primary manufactures in the City was nearly 190 million dollars.
- ❖ These same primary manufacturing firms generated over 6 million dollars in sales volume in 2004

Bio Science

- ❖ The Maryland Department of Business and Economic Development NAICS Codes categorize businesses within the bioscience cluster underneath the subtitles of Professional, Scientific and Technical Services and Manufacturing.
- ❖ The Bioscience industry has brought 745 jobs to Frederick County since 2002, 441 of which are located in the City of Frederick.
- ❖ 6,317 jobs are provided by the top five bioscience firms in the City
- ❖ Sales volume for primary bioscience firms in the City was just over 98 million dollars.
- ❖ A major target industry sector is the bioscience industry, which has grown from 45 establishments countywide in 2005 to more than 60 bioscience companies in 2006. Forty-two percent of those companies are in the City of Frederick.
- ❖ The City of Frederick has 4 Pharmaceutical and Medical Manufacturing plants, 7 bioscience testing laboratories and 6 Research and Development facilities.

Information Technology

- ❖ Information Technology provides 1,440 jobs in Frederick County, 1007 of which are located within the City of Frederick.
- ❖ Sales volume for primary information technology firms in the City was nearly 68 million dollars.
- ❖ Information Technology offers the City services in specialty fields such as publishing, broadcasting, telecommunications, as well as internet and web development.
- ❖ This industry sector is expanding rapidly in downtown Frederick with more than 20 information technology companies currently operating within the district.

Health and Social Services

- ❖ Health Care and Social Services employs 7,979 people in the City of Frederick.
- ❖ 130 Medical Businesses offer the services of either a Physician or a Surgeon
- ❖ There are 68 Dentists offices in the City of Frederick
- ❖ There are 6 Major Facilities offering Retirement, Nursing and Residential Care for the Elderly
- ❖ The City of Frederick has 16 sites providing Pre-School and Child Care Services
- ❖ This sector provides jobs 7,979 jobs in the City of Frederick and since 2003 has overtaken the government sector in providing the largest number of employment opportunities in the City.

Retail

- ❖ Retail Trade provides 5,368 jobs in the City of Frederick
- ❖ There are 15 Food Market/Grocery Stores in the City of Frederick. Of those fifteen, nine are Chain Super Markets and six are International Specialty markets – a representation of the growing cultural and cuisine diversity in Frederick City. Food Markets provide 823 jobs to the City of Frederick.
- ❖ Of the 21 Food Market/Grocery Stores in Frederick located outside of City lines, none are international markets, 11 are independently owned grocers and 10 are Chain Supermarkets.
- ❖ 15 gas stations are also located within the City employing just over 100 people.
- ❖ Frederick City has 15 Regional and National banks with over 30 branch locations throughout the City borders.
- ❖ There are 140 Restaurants in the City of Frederick bringing 2,591 jobs to the area

Educational and Public Amenities

- ❖ The education sector provides 2,891 jobs in the City of Frederick.
- ❖ With 22 Elementary and Secondary Schools, 1 Career and Technology Center, 1 Community College and 1 four year Liberal Arts University Frederick City offers a vast array of quality educational opportunities.
- ❖ Including the Frederick County Board of Education, 2,755 people are employed in the education sector in the City of Frederick.
- ❖ In addition to high performing institutions of learning, Frederick City is the home to 7 Public and Private Libraries
- ❖ Serving as a central hub between Western Maryland and the Baltimore/D.C. area, Frederick City's transportation options are growing. With a recently renovated Greyhound Bus Station and Marc Train stop in downtown Frederick, as well as the Frederick Municipal Airport, the City of Frederick provides commuters, tourists and local businesses with efficient transportation options.

APPENDIX

NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM CODES

****Sectors and Sub sectors****

11: Agriculture, Forestry Fishery and Hunting

- 111: *Crop Production*
- 112: *Animal Production*
- 113: *Forestry and Logging*
- 114: *Fishing, Hunting and Trapping*
- 115: *Support Activities for Agriculture and Forestry*

21: Mining

- 211: *Oil and Gas Extraction*
- 212: *Mining (except Oil and Gas)*
- 213: *Support Activities for Mining*

22: Utilities

- 221: *Utilities*

23: Construction

- 236: *Construction of Buildings*
- 237: *Heavy and Civil Engineering Construction*
- 238: *Specialty Trade Contractors*

31- 33: Manufacturing

- 311: *Food Manufacturing*
- 312: *Beverage and Tobacco Product Manufacturing*
- 313: *Textile Mills*
- 314: *Textile Products Mills*
- 315: *Apparel Manufacturing*
- 316: *Leather and Allied Product Manufacturing*
- 321: *Wood Product Manufacturing*
- 322: *Paper Manufacturing*
- 323: *Printing and Related Support Activities*
- 324: *Petroleum and Coal Products Manufacturing*
- 325: *Chemical Manufacturing*
- 326: *Plastics and Rubber Products Manufacturing*
- 327: *Nonmetallic Mineral Product Manufacturing*
- 331: *Primary Metal Manufacturing*
- 332: *Fabricated Metal Product Manufacturing*
- 333: *Machinery Manufacturing*
- 334: *Computer and Electronic Product Manufacturing*
- 335: *Electrical Equipment, Appliance and Component Manufacturing*
- 336: *Transportation Equipment Manufacturing*

- 337: *Furniture and Related Product Manufacturing*
- 339: *Miscellaneous Manufacturing*

42: Wholesale Trade

- 423: *Merchant Wholesalers, Durable Goods*
- 424: *Merchant Wholesalers, Nondurable Goods*
- 425: *Wholesale Electronic Markets and Agents and Brokers*

44-45: Retail Trade

- 441: *Motor Vehicle and Parts Dealers*
- 442: *Furniture and Home Furnishings Stores*
- 443: *Electronics and Appliances Stores*
- 444: *Building Material and Garden Equipment and Supplies Dealers*
- 445: *Food and Beverage Stores*
- 446: *Health and Personal Care Stores*
- 447: *Gasoline Stores*
- 448: *Clothing and Clothing Accessories Stores*
- 451: *Sporting Good, Hobby, Book and Music Stores*
- 452: *General Merchandise Stores*
- 453: *Miscellaneous Store Retailers*
- 454: *Nonstore Retailers*

48-49: Transportation and Warehousing

- 481: *Air Transportation*
- 482: *Rail Transportation*
- 483: *Water Transportation*
- 484: *Truck Transportation*
- 485: *Transit and Ground Passenger Transportation*
- 486: *Pipeline Transportation*
- 487: *Scenic and Sightseeing Transportation*
- 488: *Support Activities for Transportation*
- 491: *Postal Service*
- 492: *Couriers and Messengers*
- 493: *Warehousing and Storage*

51: Information

- 511: *Publishing Industries (except internet)*
- 512: *Motion Picture and Sound Recording Industries*
- 515: *Broadcasting (except Internet)*
- 516: *Internet Publishing and Broadcasting*
- 517: *Telecommunications*
- 518: *Internet Service Providers, Web Search Portals, and Data Processing Services*
- 519: *Other Information Services*

52: Finance and Insurance

- 522: *Credit Intermediation and Related Activities*
- 523: *Financial Investments and Related Activities*
- 524: *Insurance Carriers and Related Activities*
- 525: *Funds, Trusts and Other Financial Vehicles*

53: Real Estate and Rental and Leasing

531: *Real Estate*

532: *Rental and Leasing Services*

533: *Lessors of Nonfinancial and Intangible Assets (except Copyrighted works)*

54: Professional, Scientific and Technical Services

541: *Professional, Scientific and Technical Services*

55: Management of Companies and Enterprises

551: *Management of Companies and Enterprises*

56: Administrative and Support and Waste Management and Remediation Services

561: *Administrative and Support Services*

562: *Waste Management and Remediation Services*

61: Education Services

611: *Educational Services*

62: Health Care and Social Assistance

621: *Ambulatory Health Care Services*

622: *Hospitals*

623: *Nursing and Residential Care Facilities*

624: *Social Assistance*

71: Arts, Entertainment and Recreation

711: *Performing Arts, Spectator Sports and Related Industries*

712: *Museums, Historical Sites and Similar Institutions*

713: *Amusement, Gambling and Recreation Industries*

72: Accommodation and Food Services

721: *Accommodation*

722: *Food Services and Drinking Places*

81: Other Services (except Public Administration)

811: *Repair and Maintenance*

812: *Personal and Laundry Services*

813: *Religious, Grantmaking, Civic, Professional and Similar Organizations*

92: Public Administration

- ❖ Small Business size standards are not established for this sector. Establishments in the Public Administration Sector are Federal, state and local government agencies which administer and oversee government programs and activities that are not performed by private establishments.