



# Sustaining Strong Communities

## ON MARYLAND'S EASTERN SHORE

By Christopher Meyer

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Maryland's Eastern Shore is a place with significant assets including natural beauty, productive farmland, and an iconic seafood industry. The region also faces significant challenges—some that would be familiar to residents of any other part of Maryland, and some that stem from the region's distinctive geography and development patterns. The Eastern Shore's labor market is characterized by higher unemployment and lower wages than other parts of the state. Partly as a result, families in the region are more likely to struggle to afford the basics. Parts of the Shore lack adequate numbers of health care providers and require residents to travel long distances for care, even in the event of a medical emergency. Finally, while the threat of climate change looms over our entire state, it is already a dangerous reality for many of the Eastern Shore's coastal communities. Actions—or in some cases inaction—by the federal government could exacerbate each one of these challenges.

State policymakers as well as local governments on the Eastern Shore must make important choices in responding to these challenges. Ineffective strategies, such as an emphasis on tax breaks and low labor costs, will only undermine the foundations of prosperity in the region. Worse yet, the state could embrace “bus ticket economics,” encouraging residents to leave their communities and seek work elsewhere. There is a better path, starting by recognizing that Maryland's regions depend on one another and our state can only thrive if all residents have the support they need to succeed. The state and local governments should invest in proven strategies to sustain strong communities on the Eastern Shore.

- **Invest in education and training.** A well-educated workforce is one of the strongest determinants of economic growth. Investing in education and training from early childhood through adulthood will strengthen the Eastern Shore's economy in both the short and long term. The state should enact a robust education reform package based on the Kirwan Commission's forthcoming recommendations,





including both increased state investments and a requirement that counties fully fund their share of school system costs. Policymakers should expand meaningful access to community college by ensuring that students are able to afford necessities. Finally, the state and local workforce development boards should continue and strengthen successful approaches to workforce development.

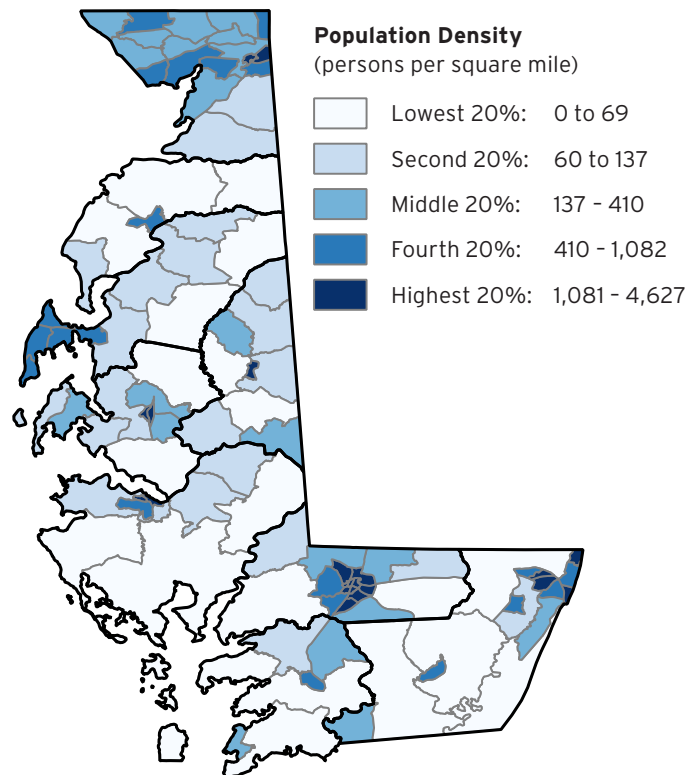
- **Protect and strengthen investments in economic security.** Federal and state investments in economic security bring enormous benefits to the Eastern Shore, but unreliable federal support threatens families who depend on these investments, as well as the communities whose economies those families support. The state should continue to develop plans for protecting families in the case of damaging federal cuts. The state should also ensure all families can keep a roof over their head and see a doctor without going into debt.
- **Pair evidence-based support for businesses with protections for workers.** Too often, Maryland's economic development policies rely on costly and ineffective approaches like corporate tax breaks. The state should move away from this strategy and instead invest in customized business services like training, credit assistance, and technical assistance. Whenever the state directly supports businesses, it should maximize the benefit to communities through strong worker protections. Promising approaches include living wage protections, sanctions for companies with labor standard violations, and well-designed incentives for employers to go beyond minimum legal standards.
- **Create good jobs meeting the region's health and climate needs.** There is plenty of work to be done on the Eastern Shore—and there are many workers willing to do it. Increasing health care access, caring for aging residents, and adapting to climate change will all take work. In some cases, workers would benefit from greater investments in education and training so they can build the skills this work requires. In other cases, the skills are there but capital is lacking. The state should build the required skills base through education and training and create high-quality jobs to address pressing needs. It can do so either through direct public employment or by partnering with community organizations. Either case requires strong worker protections to ensure our investment creates family-sustaining jobs.
- **Improve state and local tax policies.** Maryland's state and local budgets reflect where our priorities lie. Effective responses to the challenges facing Eastern Shore communities will require increased state and local investments, which is possible only with a well-functioning revenue system. The state should clean up and rebalance its tax code to close corporate loopholes, ensure wealthy individuals are contributing to the services we all rely on, and stretch low-wage workers' earnings. These reforms will have the added benefit of making Maryland's tax code more equitable for the Eastern Shore. Finally, counties that have rigid tax limitations on the books should repeal those limitations, enhancing their capacity to invest in the pillars of the modern economy and respond to emergencies.

# Profile of the Eastern Shore

Maryland's Eastern Shore consists of the state's nine counties on the Delmarva Peninsula: Caroline, Cecil, Dorchester, Kent, Queen Anne's, Talbot, Somerset, Wicomico, and Worcester. The region was home to 455,000 people as of July 2017, an increase of 6,000 or 1.3 percent from its 2010 population. While Eastern Shore communities share several unifying characteristics, there is also considerable variation. The region includes both rural and urban communities; predominantly white and racially diverse communities; affluent communities and economically struggling ones.

The Shore is more rural than the state as a whole, with an average population density of 138 residents per square mile. That is just over one-fifth of the state average of 623 residents per square mile. However, these averages conceal considerable variation within the region. For example, 15 percent of Eastern Shore residents live in communities with less than half the region's average density, while 10 percent live in neighborhoods with more than 2,000 residents per square mile (between Prince George's County and Montgomery County in density). Half of residents live in a community with less than 278 residents per square mile, close to the average density of Wicomico County.

## Eastern Shore Population Density Is Far from Uniform

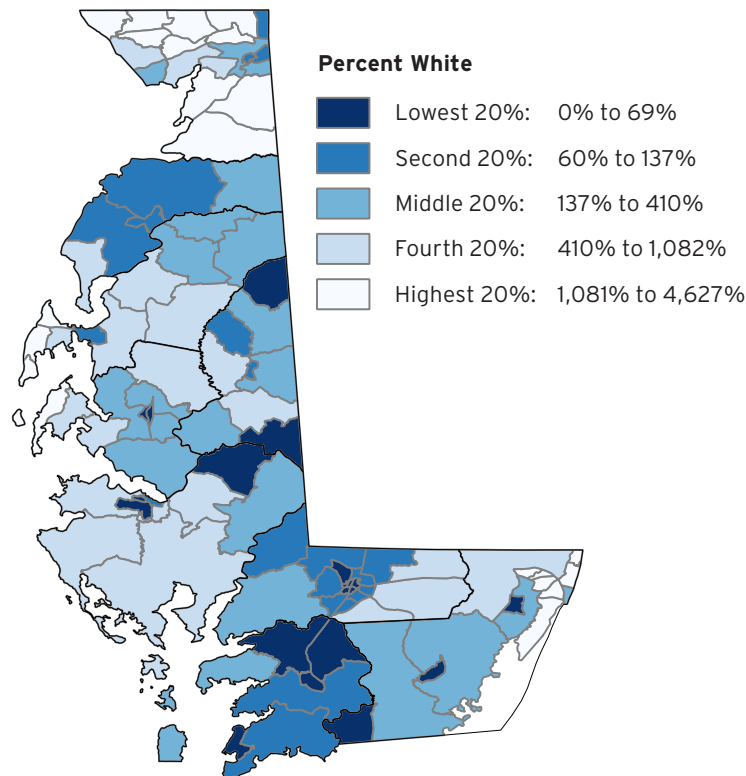


Source: MDCEP analysis of 2012-2016 American Community Survey five-year estimates and U.S. Gazetteer Files.

The Eastern Shore has an older population than the state overall, with 19 percent of its residents being ages 65 or older (compared to 15 percent for the state overall). Both the Eastern Shore and the state overall have experienced population aging in recent years, with the share ages 65 or older increasing by 3.2 and 2.6 percentage points, respectively. Children under 18 years old account for similar shares of the under-65 population on the Eastern Shore and elsewhere in Maryland.

Nearly three-quarters of Eastern Shore residents are white, compared to just over half of Maryland residents overall. Black residents constitute 17 percent of the Eastern Shore population, while 5 percent of residents are Latinx. Although the region's racial composition is significantly different from other parts of Maryland, it has experienced similar trends in recent years. The white population has declined by 2 percent since 2010 while the Latinx population has increased by 26 percent. There has been modest population growth in the number of Black residents of the Eastern Shore and other people of color. Like population density, racial composition differs significantly across the region. Queen Anne's and Cecil counties are both over 85 percent white, while 42 percent of Somerset County residents are Black.

### Eastern Shore Communities Vary in Racial Composition



Source: MDCEP analysis of U.S. Census Population Estimates Program.

Eastern Shore residents have completed fewer years of education compared to statewide averages. While adults in the region are nearly as likely as those elsewhere in Maryland to have completed high school (88 percent of Eastern Shore residents 25 or older, compared to 90 percent statewide), they are less likely to have attended college. On the Eastern Shore, 26 percent of adults have a bachelor's degree or higher and 33 percent have an associate's degree or higher. Statewide, 38 percent of adults have at least a bachelor's degree and 45 percent have at least an associate's. Region-wide averages also mask variation in educational levels. For example, 21 percent of Somerset County residents who are at least 25 years old did not complete high school, compared to 8 percent in Queen Anne's County.

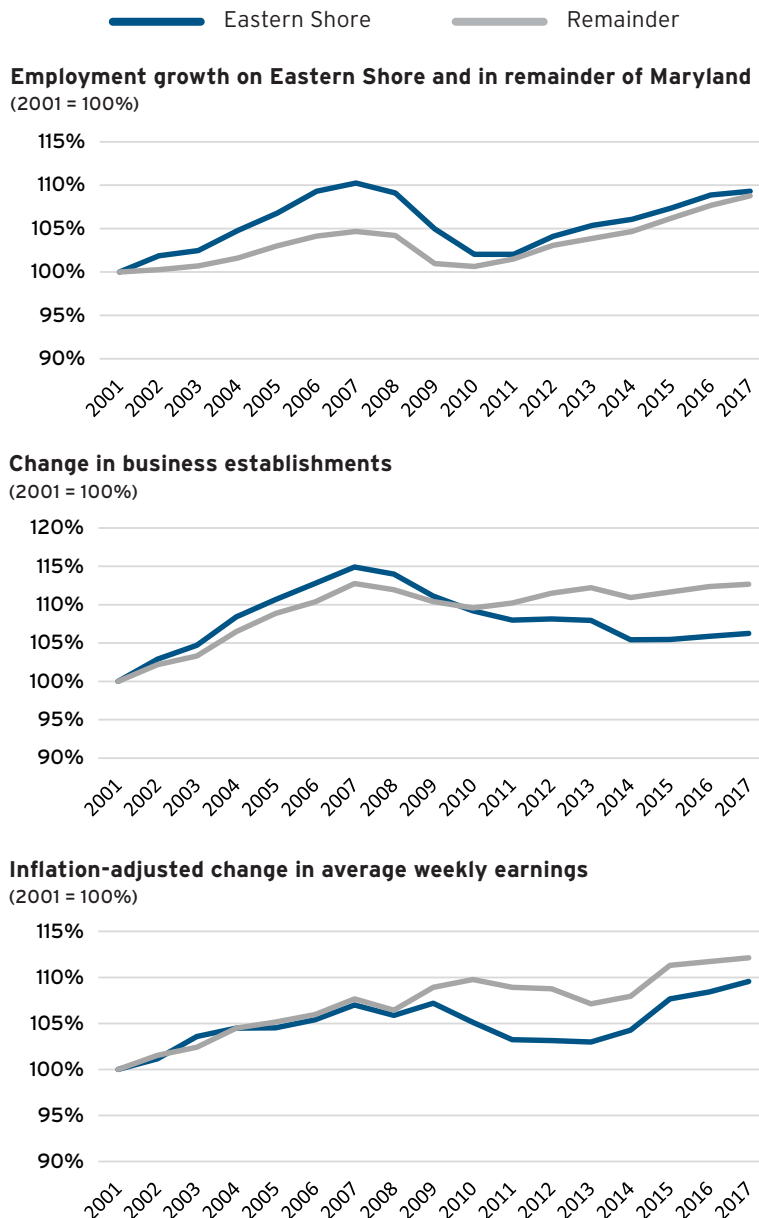




# Supporting Broad Prosperity

In a modern economy built on connections among people and places, our state cannot thrive unless every part of it thrives. Strengthening the Eastern Shore's economy by fostering healthy employment growth, business creation, and family-sustaining jobs will bring benefits to residents of the region and across the state.

## Great Recession Took a Toll on Eastern Shore Economy



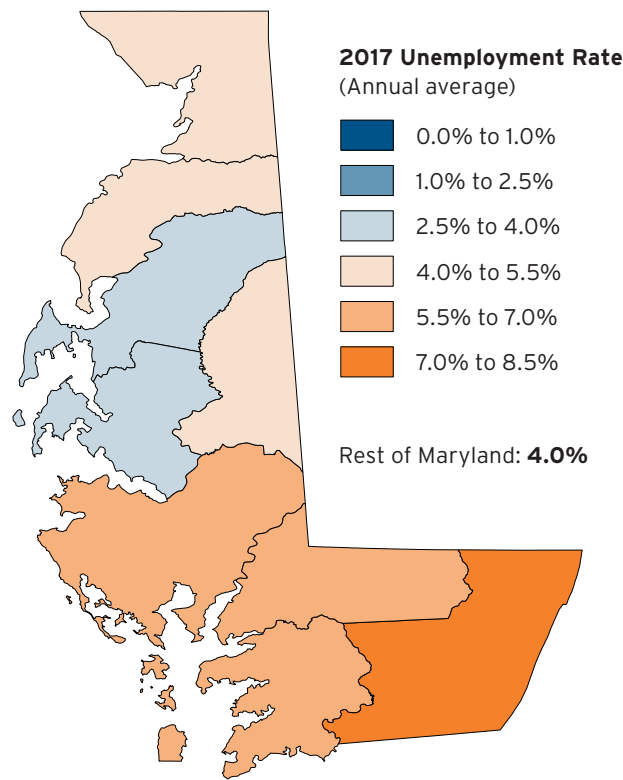
Source: MDCEP analysis of Quarterly Census of Employment and Wages.

The Eastern Shore began the 21st century with strong growth across multiple economic indicators. The region gained jobs at double the rate of the rest of the state from 2001 to 2007 while also outpacing the state in net business creation and keeping pace in wage growth.<sup>1</sup> However, the Great Recession hit the region as hard as the rest of the state and in some respects changed its trajectory. Post-recession job growth on the Eastern Shore has been slower than during the pre-recession period, while the number of private employers in the region did not begin growing again until 2014. Inflation-adjusted wages have also grown more slowly since the Great Recession, although the region has outpaced the state-wide average.

The unemployment rate averaged 5.3 percent across the Eastern Shore in 2017, 1.2 percentage points above the statewide average.<sup>2</sup> Unemployment was lowest in the Mid-Shore region, with Queen Anne's and Talbot counties having jobless rates at or below the state average. The Lower Shore continued to experience above-average unemployment, ranging from 5.7 percent in Wicomico County to 8.5 percent in Worcester County.<sup>3</sup>

Although wages have grown more quickly on the Eastern Shore than elsewhere in Maryland in recent years, jobs in the region still generally pay less than in the rest of the state. This is partly a function of the mix of industries present and types of jobs available

### Upper Shore Labor Market Has Recovered, but Unemployment Lingers on Lower Shore



Source: Local Area Unemployment Statistics.

on the Shore. For example, arts, entertainment, recreation, accommodation, and food services jobs—which typically pay low wages—together account for 11 percent of jobs in the region, compared to 8 percent statewide. Meanwhile, professional, scientific, management, administrative, and waste management services—which typically pay significantly higher wages—together account for 12 percent of Eastern Shore jobs, compared to 15 percent statewide.<sup>4</sup> Looking at types of jobs rather than types of employers, low-paying food preparation and serving occupations are a larger share of jobs on the Eastern Shore than high-paying computer and mathematical occupations. Statewide, computer and mathematical occupations are higher.

**TABLE 1. EASTERN SHORE INDUSTRY COMPOSITION AND TYPICAL EARNINGS**

INDUSTRY	MEDIAN ANNUAL EARNINGS		EMPLOYMENT SHARES		LOCATION QUOTIENT
	Eastern Shore	Maryland	Eastern Shore	Maryland	
Agriculture, Forestry, Fishing and Hunting	\$31,361	\$25,089	2.4%	0.5%	<b>4.98</b>
Mining	\$30,000	\$42,700	0.1%	0.1%	<b>1.75</b>
Utilities	<b>\$53,670</b>	<b>\$63,884</b>	0.7%	0.7%	1.06
Construction	\$36,497	\$41,600	6.5%	6.6%	1.00
Manufacturing	<b>\$41,216</b>	<b>\$52,268</b>	6.3%	4.5%	<b>1.39</b>
Wholesale Trade	<b>\$40,246</b>	\$48,257	2.0%	1.9%	1.05
Retail Trade	\$20,608	\$23,291	<b>10.7%</b>	<b>9.6%</b>	<b>1.11</b>
Transportation and Warehousing	<b>\$40,000</b>	\$41,216	4.0%	3.8%	1.06
Information and Communications	\$32,442	<b>\$52,718</b>	1.8%	2.1%	0.83
Finance, Insurance, Real Estate, and Rental and Leasing	\$36,064	\$51,520	4.9%	6.1%	0.81
Professional, Scientific, Management, Administrative, and Waste Management Services	\$35,442	<b>\$60,000</b>	<b>11.8%</b>	<b>15.2%</b>	0.78
Educational, Health and Social Services	\$35,990	\$41,566	<b>22.7%</b>	<b>23.5%</b>	0.97
Arts, Entertainment, Recreation, Accommodations, and Food Services	\$15,190	\$16,202	<b>10.9%</b>	<b>8.3%</b>	<b>1.31</b>
Other Services (Except Public Administration)	\$25,000	\$30,000	5.3%	5.4%	0.99
Public Administration	<b>\$47,041</b>	<b>\$72,994</b>	<b>9.3%</b>	<b>10.8%</b>	0.86
Active Duty Military	\$38,365	\$45,569	0.5%	0.9%	0.52

Source: MDCEP analysis of 2012-2016 American Community Survey (five-year estimates and IPUMS microdata). Note: The location quotient measures the relative concentration of an industry on the Eastern Shore. It is defined as the Eastern Shore employment share divided by the statewide employment share. The top five values in each column are **bold**.



In addition to differences in the predominant types of jobs available, Eastern Shore jobs typically pay less than similar jobs elsewhere in the state. For example, manufacturing is one of the best-paying industries for typical workers (those in the middle of the earnings distribution) both on the Eastern Shore and throughout Maryland. However, while a typical manufacturing job statewide pays \$52,000 per year, it pays only \$41,000 on the Eastern Shore.<sup>5</sup> Similarly, sales and related occupations typically pay \$30,000 statewide, compared to \$23,000 on the Eastern Shore. A major exception is agriculture, which pays better on the Eastern Shore than elsewhere in the state. However, this is a function more of low earnings among agriculture workers statewide than of especially high pay on the Shore.

**TABLE 2. EASTERN SHORE OCCUPATIONAL COMPOSITION AND TYPICAL EARNINGS**

OCCUPATION	MEDIAN ANNUAL EARNINGS		EMPLOYMENT SHARES		LOCATION QUOTIENT
	Eastern Shore	Maryland	Eastern Shore	Maryland	
Management Occupations	<b>\$56,708</b>	<b>\$79,076</b>	<b>10.1%</b>	<b>11.6%</b>	0.87
Business Operations Specialists	\$50,000	\$64,812			
Financial Specialists	\$42,531	\$65,000	4.3%	<b>6.2%</b>	0.69
Computer and Mathematical Occupations	<b>\$68,000</b>	<b>\$87,583</b>	1.7%	5.1%	0.33
Architecture and Engineering Occupations	<b>\$65,897</b>	<b>\$86,074</b>	1.6%	2.1%	0.78
Life, Physical, and Social Science Occupations	\$46,368	<b>\$70,000</b>	1.0%	1.8%	0.56
Community and Social Services Occupations	\$36,588	\$45,000	1.9%	1.9%	0.99
Legal Occupations	<b>\$54,682</b>	<b>\$84,492</b>	0.8%	1.7%	0.48
Education, Training, and Library Occupations	\$45,621	\$46,368	6.2%	<b>6.4%</b>	0.97
Arts, Design, Entertainment, Sports, and Media Occupations	\$27,821	\$44,607	1.6%	2.1%	0.77
Healthcare Practitioners and Technical Occupations	<b>\$51,520</b>	\$60,758	5.9%	6.1%	0.98
Healthcare Support Occupations	\$23,000	\$25,760	2.5%	2.3%	1.08
Protective Service Occupations	\$47,041	\$50,000	2.7%	3.0%	0.89
Food Preparation and Serving Occupations	\$12,500	\$14,425	<b>6.4%</b>	4.8%	<b>1.34</b>
Building and Grounds Cleaning and Maintenance Occupations	\$23,699	\$22,359	4.3%	3.6%	1.19
Personal Care and Service Occupations	\$17,517	\$17,771	3.6%	3.4%	1.05
Sales and Related Occupations	\$22,506	\$30,379	<b>10.5%</b>	<b>9.2%</b>	1.14
Office and Administrative Support Occupations	\$28,386	\$34,430	<b>12.9%</b>	<b>13.0%</b>	0.99
Farming, Fishing, and Forestry Occupations	\$25,000	\$20,608	1.1%	0.2%	<b>4.79</b>
Construction Occupations	\$34,497	\$37,633			
Extraction Workers	\$40,505	\$41,216	5.4%	4.7%	1.16
Installation, Maintenance, and Repair Workers	\$40,000	\$46,800	3.9%	2.8%	<b>1.39</b>
Production Occupations	\$28,000	\$35,483	5.3%	2.9%	<b>1.84</b>
Transportation and Material Moving Occupations	\$27,000	\$30,379	<b>6.3%</b>	5.1%	<b>1.24</b>

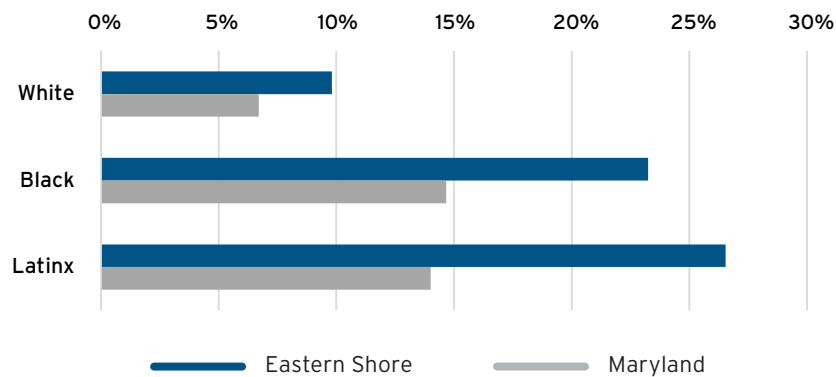
Source: MDCEP analysis of 2012-2016 American Community Survey (five-year estimates and IPUMS microdata). Note: The location quotient measures the relative concentration of an occupation on the Eastern Shore. It is defined as the Eastern Shore employment share divided by the statewide employment share. The top five values in each column are **bold**.



Partly as a result of above-average unemployment and below average wages, families on the Eastern Shore are more likely than families in other parts of Maryland to struggle to make ends meet. In 2016, 13.6 percent of Eastern Shore residents had family incomes below the federal poverty line (\$24,300 for a family of four in that year).<sup>6</sup> Statewide, 9.7 percent of residents had family incomes below the poverty line in 2016, down from a peak of 10.3 percent following the Great Recession.

### Necessities Are Out of Reach for Many Eastern Shore Residents of Color

Poverty rate by race and ethnicity, 2012-2016



Source: Local Area Unemployment Statistics.

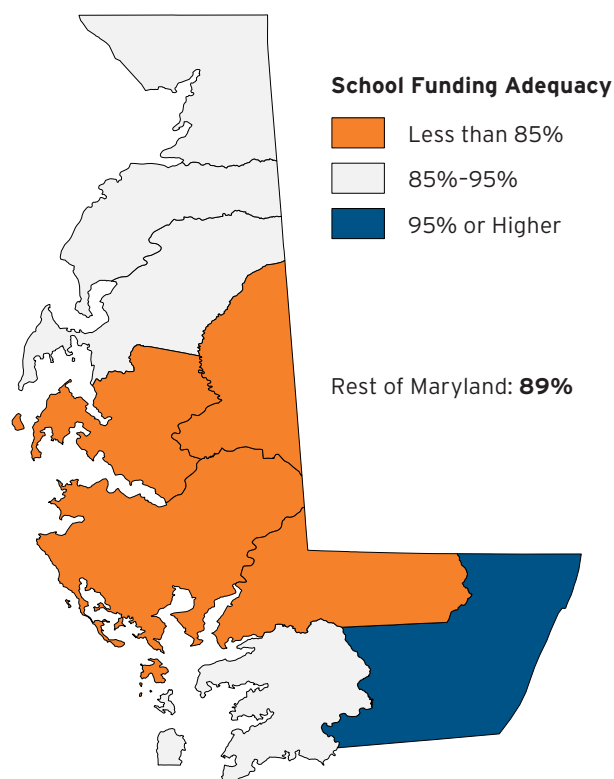
Some Eastern Shore residents face an even higher risk of financial hardship. For example, 24 percent of Somerset County residents had incomes below the poverty line in 2016, compared to only 7 percent of Queen Anne's County residents.<sup>7</sup> Black and Latinx residents face some of the highest barriers to opportunity, with more than 20 percent unable to afford basic necessities.



## Policy Solutions

Addressing the challenges facing the Eastern Shore's economy will require a multipronged approach with cooperation from state and local policymakers.

### Only One Eastern Shore School System Fully Funded; Four Underfunded by More than 15%



Source: DLS January 2017 Presentation to Kirwan Commission.  
Adequacy estimates are for FY 2015.

### Invest in Education and Training

High-quality education and training systems are part of the backbone of Maryland's economy. A skilled workforce consistently ranks among business owners' top priorities when choosing where to locate, and is key to enabling existing businesses to succeed and expand. Greater investments in each component of the Eastern Shore's educational system will help the region's economy thrive.

- **Fully fund public schools.** The state and most counties cut back on public school funding to close revenue holes after the Great Recession, and these cuts are now baked into the state's school funding formula. As of 2015, all but one of the Eastern Shore's school systems were underfunded in comparison to state standards, and four were underfunded by 15 percent or more.<sup>8</sup> The state's Commission on Innovation and Excellence in Education (the Kirwan Commission) poses a

once-in-a-generation opportunity to guarantee all Maryland children a great education, from prekindergarten through graduation. A robust, fully funded reform package will bring especially large benefits to the Eastern Shore. A well-designed package would bring significant new state resources into Eastern Shore schools and require county governments to fully fund the local share of school system costs.

- **Expand meaningful access to community college.** Somerset and Wicomico counties took the lead in expanding access to community college through grant programs to bring students' net tuition to zero after counting all financial aid. For example, a Wicomico County student at Wor-Wic Community College (full-time tuition \$3,750 in fall 2017) might receive \$2,000 in need-based financial aid and a \$750 merit-based scholarship, bringing their net tuition to \$1,000 for the semester. The county would provide a grant in this amount, making the student's education essentially tuition-free. The state in 2018 passed a law to expand tuition-free community college to residents of all parts of Maryland using state funds.<sup>9</sup> This is a strong step in the right direction and the state should consistently provide the funding needed for this program to succeed. To further strengthen these programs, the state should consider expanding them to cover costs other than tuition. Ensuring that students can buy books and put food on the table will give them the greatest possible chance at succeeding in school.
- **Continue and strengthen successful approaches to workforce development.** Workforce development services are the final component of a complete educational system, enabling adult learners to acquire new skills and connecting businesses with qualified workers. The state currently has effective workforce development strategies like EARN Maryland. The state should continue investing in these services and strengthen supportive services like transportation and child care assistance.



### *Protect and Strengthen Investments in Economic Security*

Federal and state investments in economic security such as Medicaid and nutrition assistance bring enormous benefits to the Eastern Shore. Medicaid provides health insurance to 93,000 Eastern Shore residents (21 percent of all residents), while 24,000 households in the region are able to put food on the table because of food assistance (14 percent of households). When families are able to feed their children and see a doctor without going into debt, their entire community benefits. However, the unpredictable federal policy climate now puts these policies at risk. The state should take three steps to protect and strengthen these investments:

- **Continue planning for federal sabotage.** The state took the smart step of proactively planning its response to a potential repeal of the Affordable Care Act in 2017. While a wholesale repeal now seems unlikely, federal moves like repealing the individual insurance mandate and promoting rigid work requirements continue to put families at risk. Planning will put the state in the best position to protect families while continuing to invest in the foundations of our economy.
- **Expand access to health insurance.** While the Affordable Care Act has enabled thousands of Marylanders to get the care they need without worrying about crushing bills, more than 20,000 Eastern Shore residents still lack health insurance.<sup>10</sup> The state should use innovative approaches like a Medicaid buy-in, basic health plan, or state-based Medicare for all to guarantee all Marylanders meaningful access to health care. We can achieve the greatest immediate gains through policies to help Marylanders born outside the United States obtain health insurance. One in three Eastern Shore residents born outside the United States lacked health insurance between 2012 and 2016, compared to one in four statewide.<sup>11</sup>
- **Invest in deeply affordable housing.** One-third of Eastern Shore households spend at least 30 percent of their incomes on housing, above the threshold the U.S. Department of Housing and Urban Development considers affordable.<sup>12</sup> Those struggling to afford housing on the Eastern Shore are more likely to be low-income. Statewide, a significant number of households who pay more than they can afford for housing have incomes above \$50,000. Eastern Shore households in these higher-income groups are less likely than households elsewhere in the state to face high housing costs. However, a larger number of Eastern Shore households taking home less than \$35,000 annually are spending more on housing than they can afford. For this reason, an effective housing strategy for the Eastern Shore should focus on housing affordable to these low-income households.

### *Pair Evidence-Based Support for Businesses with Protections for Workers*

Too often, Maryland's economic development policies rely on costly and ineffective approaches like corporate tax breaks. Because state and local taxes represent a small part of most businesses' cost structures, tax breaks do little to promote business growth. In a series of evaluations, state legislative analysts have also concluded that most state tax credit programs intended to grow the economy do not work. The state should move toward evidence-based economic development strategies and put in place safeguards to ensure communities benefit from these policies:

- **Shift the focus to customized business services.** Research shows that customized business services deliver the most bang for the economic development buck.<sup>13</sup> For example, training workers in the specific skills growing businesses need both reduces business costs and enhances workers' productivity. To the extent that services like these already exist (such as partnerships between community colleges and expanding businesses) the state should use savings from cutting down on ineffective subsidies to increase access.
- **Pair business support with worker protections.** The end goal of economic development is to raise living standards for residents. Well-designed policies to support business growth work best when they are intentionally targeted to create jobs with salaries that can support a family. Pennsylvania's Keystone Research Center has developed recommendations for incorporating job quality standards into workforce development programs.<sup>14</sup> These recommendations, such as targeting greater support to businesses that go beyond their legal requirements to create good jobs and educating learners on their rights in the workplace, translate naturally to customized training programs.

### *Improve State and Local Tax Policies*

Maryland's state and local budgets reflect where our priorities lie. Effective responses to the challenges facing Eastern Shore communities will require increased state and local investments, which is possible only with a well-functioning revenue system. Both the state and local governments should enact tax reforms to create an effective, equitable tax code:

- **Clean up the tax code.** Large corporations and other powerful interests have inserted loopholes into our tax code that allow them to avoid contributing to the services we all rely on. Getting rid of tax breaks for large multistate corporations will strengthen local businesses on the Eastern Shore and throughout Maryland and will allow the state to invest more in the foundations of our economy.
- **Rebalance the tax code.** Maryland currently has an upside-down tax code in which the wealthiest individuals pay a smaller share of their income in state and local taxes than the rest of us do. Rebalancing the tax code to ensure that wealthy and powerful individuals are contributing to the services we all rely on will make the state's tax code more equitable for communities on the Eastern Shore.



- **Expand access to the Earned Income Tax Credit.** The Earned Income Tax Credit provides a meaningful boost to low-wage workers, allowing them to pay for one-time expenses like car repairs or put money away for an emergency. But workers who don't claim dependent children on their taxes receive a minimal credit. Increasing the value of the tax credit to these workers will have the biggest benefits in communities where low-wage work is most common.
- **Repeal ineffective tax limitations.** Four Maryland counties have strict limits on how much property tax revenues can increase in a given year, and the two most rigid limitations are in Talbot and Wicomico counties. These limitations gradually eat away at counties' ability to invest in things like schools, roads, and fire protection. They make it harder to respond to an emergency. And they can harm a county's bond rating, leading to higher costs to improve infrastructure. These limitations hold back the counties that have them on the books, and the counties should leave them behind.



## Sustaining a Healthy Shore

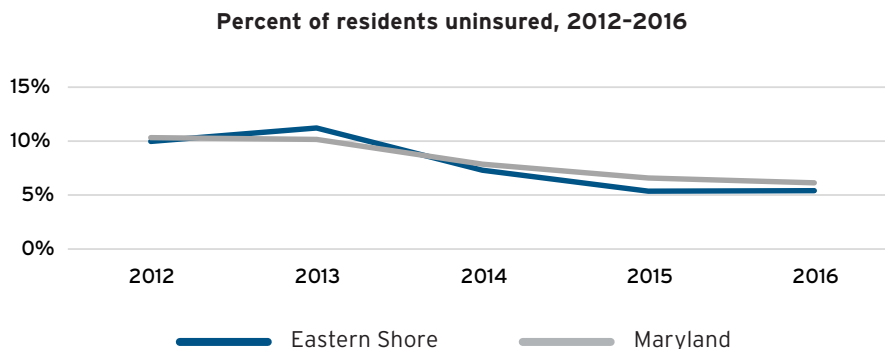
A good quality of life and a strong economy both require a healthy population. Healthy residents have lower medical costs and lose fewer workdays to illness. In addition, research shows that children who face health problems early on in life have a harder time succeeding in school and the workforce.<sup>15</sup> That's why our investments in healthy communities are so important for a strong Eastern Shore.

Residents of the Eastern Shore face significant barriers to accessing health care, which can make it harder to prevent and treat chronic illnesses or get care quickly during an emergency. These barriers fall into three categories: insurance coverage, access to primary and specialist care, and access to emergency care.

Health coverage is a basic precondition for maintaining physical and financial health. Without insurance or coverage through programs like Medicaid and Medicare, people may avoid getting regular preventive care or seeing a doctor when they are sick due to fear of medical bills they can't afford. This can allow chronic conditions to worsen, which puts people without insurance at a greater risk of developing serious health problems and ultimately means higher health care costs for everyone.

The share of Eastern Shore residents without insurance coverage has declined considerably since 2013, thanks in large part to Maryland's decision to expand access to Medicaid under the Affordable Care Act. At the same time, about 24,000 Eastern Shore residents still did not have health insurance as of 2016. Residents who were born outside the United States were especially likely to be uninsured, with 33 percent lacking health insurance between 2012 and 2016.<sup>16</sup>

### Medicaid Expansion Contributed to Sharp Increase in Insurance Coverage on Eastern Shore

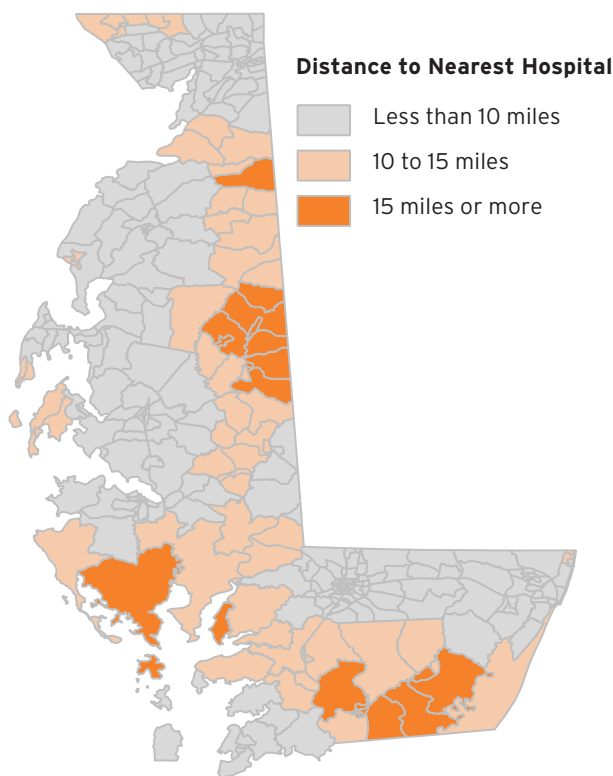


Source: MDCEP analysis of American Community Survey one-year estimates.

Health insurance on its own does not guarantee meaningful access to care. An adequate supply of health care professionals is necessary to ensure that people can get the care they need, when they need it. Several communities on the Eastern Shore have among the lowest shares of health practitioners per capita in the state, which can make it hard to get an appointment or require traveling a long distance to get to a doctor's office.<sup>17</sup>

- All five of Maryland's counties with the fewest primary care physicians per capita are on the Eastern Shore. Somerset County has the greatest need, with only one primary care physician per 3,200 residents (just over one-third of the state average).
- Three out of five of the state's counties with the fewest dentists per capita are on the Eastern Shore. Queen Anne's County has the greatest need, with only one dentist per 2,700 residents (less than half of the state average).
- Two of the five Maryland counties with the fewest mental health providers are on the Eastern Shore. Caroline County has the greatest need, with only one provider per 2,500 residents (less than one-fifth of the state average).

### One in Four Eastern Shore Residents Lives at Least 10 Miles from a Hospital



Source: MDCEP analysis of 2012-2016 American Community Survey five-year estimates, TIGER shapefile, and U.S. Geological Survey hospital location data for Maryland and adjacent states. Distance calculated at block group centroid.

Distance can create another barrier to care in rural communities, especially in a medical emergency. Researchers have found that each additional 10 kilometers from a hospital (about 6 miles) is associated with up to a 3 percent drop in the likelihood of surviving a heart attack. One study found that patients who traveled more than 20 kilometers in straight-line distance to a hospital (about 12 miles) faced an especially high risk of death.<sup>18</sup> One in four Eastern Shore residents lives at least 10 miles from a hospital, including more than half of Caroline County and Somerset County residents.<sup>19</sup> More than half of all Marylanders who live at least 15 miles from a hospital live on the Eastern Shore.

Residents of the region are more likely than other Marylanders to experience a range of health problems, partly as a result of population age, higher poverty rates, and less access to health care.<sup>20</sup>

- Somerset County has both the highest infant mortality rate (11.4 deaths per 1,000 live births between 2010 and 2016) and the highest child mortality rate (148.4 deaths per 100,000 children between 2013 and 2016) in the state. Four Eastern Shore counties are among the top five in Maryland for infant mortality and for child mortality, with Somerset and Caroline counties among the top five in both age groups.
- As of 2014, residents of Dorchester County were the most likely in Maryland to have diabetes, with Somerset and Worcester counties also among the top five in the state.
- Between 2014 and 2016, Caroline, Cecil, and Somerset counties were among the five Maryland counties in which residents were most likely to die relatively early in life.<sup>21</sup>

## Policy Solutions

### *Recruit More Eastern Shore Residents into Health Care Professions*

The need for health care workers on the Eastern Shore is an opportunity to create high-quality jobs for the region's residents. The key to meeting both needs is a long-term investment in recruitment, education, and training.

- **Target diverse professions.** Efforts to build the Eastern Shore's homegrown health care workforce should include physicians, dentists, and other health care practitioners as well as high-demand health care support occupations like home health aides. The need for these workers will only increase as population aging increases demand for long-term care.
- **Invest in high-quality jobs.** Policymakers can simultaneously improve health care and strengthen the region's economy by pairing training efforts with worker protections. This is especially necessary in health care support occupations where low wages currently contribute to high turnover.<sup>22</sup> Ensuring that care workers earn enough to support their families is an important step to improving quality and continuity of care.

### *Increase Access to Care in the Near Term*

While the best solution to the Eastern Shore's needs in the long run is to build a strong homegrown health care workforce, the region would also benefit from policies to improve access to care today.

- **Encourage health professionals to work on the Eastern Shore.** State and local policymakers should work to make the Eastern Shore a more attractive location for health care workers. Today, typical health practitioners and technical workers in the region earn 15 percent less per year than typical workers in these occupations statewide.<sup>23</sup> In health care support occupations such as home health aides, typical pay in the region is 11 percent lower than the statewide average. Worker protections like living wage requirements can make the region more attractive to workers in lower-paying occupations, while forgiving student loans of health professionals who take jobs on the Eastern Shore could help attract highly trained workers.
- **Use the full menu of medical credentials.** While physicians are in the best position to meet some of the region's needs, such as access to specialist care, medical professionals with other credentials can provide primary care and certain other services. Some of these providers are already in widespread use, such as nurse practitioners. Legislation may be necessary in other cases to allow a wider range of professionals to provide care. For example, Vermont in 2016 passed legislation to join other states in allowing dental therapists to perform certain procedures that had previously been the sole preserve of dentists.<sup>24</sup> Similar legislation passed the Maryland House of Delegates in 2018, but stalled in the Senate.<sup>25</sup>
- **Invest in school-based health centers.** School-based health centers allow students to access primary care and other health services beyond those available from a school nurse, typically provided by a physician's assistant. Nineteen schools in Caroline, Dorchester, Talbot, and Wicomico counties currently have school-based health centers.<sup>26</sup> The state should include more widespread school-based health centers in its school finance reform package.

### *Expand Emergency Care Capacity in Underserved Areas*

Policymakers should explore ways to improve access to emergency care in areas that do not have a hospital nearby. Reducing the distance patients must travel in the event of a heart attack or other medical crisis has the potential to save lives. While building full-service hospitals would likely generate significant costs while duplicating non-emergency medical services already available at existing facilities, there are other options, including free-standing emergency departments and mobile intensive care ambulances.<sup>27</sup>

### *Target Resources to the Highest-Need Communities*

While health care needs exist across the Eastern Shore, policymakers should act most quickly to improve access to care in communities where the needs are most urgent.



- **Somerset County:** Somerset County has the greatest need among all Maryland counties for primary care providers and interventions to reduce infant and child mortality. Residents of Somerset County are also more likely than many Marylanders to live relatively far from emergency care, to have diabetes, and to die at a relatively young age.
- **Caroline County:** Residents of Caroline County are more like than those in any other part of Maryland to live a significant distance from emergency care. They also have the least access to mental health care providers. The county would also benefit from additional primary care providers and interventions to improve infant mortality, child mortality, and overall life expectancy.
- **Dorchester County:** Residents of Dorchester County are more likely than those in any other part of Maryland to be diagnosed with diabetes and babies in Dorchester are among the most likely to be born underweight. The county also has limited access to primary care providers.



# Facing the Climate Change Present

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Rising seas and increasingly extreme weather patterns pose an urgent threat to many Eastern Shore communities. An effective response must be both swift and thoughtful.

Twelve communities on the Eastern Shore—more than in any other state except Louisiana—currently face frequent, severe flooding attributable to climate change, according to a 2017 Union of Concerned Scientists analysis.<sup>28</sup> At least 10 percent of the land area in these communities (not including wetlands) is flooded more than 25 times per year. Flooding of this frequency and severity is forcing rapid economic changes and affecting basic infrastructure like plumbing.<sup>29</sup> The present-day impacts of climate change on the Eastern Shore pose the greatest threats to children, aging adults, low-income families, and people of color who in too many cases lack the necessary resources to adjust easily.

Of the 8,300 residents of the Somerset and Dorchester County communities experiencing the most severe flooding today, 26 percent are at least 65 years old and 21 percent are children under 18.<sup>30</sup> One out of four affected residents has a family income below the federal poverty line, including nearly half of children in these communities. While the share of people of color living in affected communities is similar to the Eastern Shore overall, 38 percent of people of color who live in these areas have low incomes.

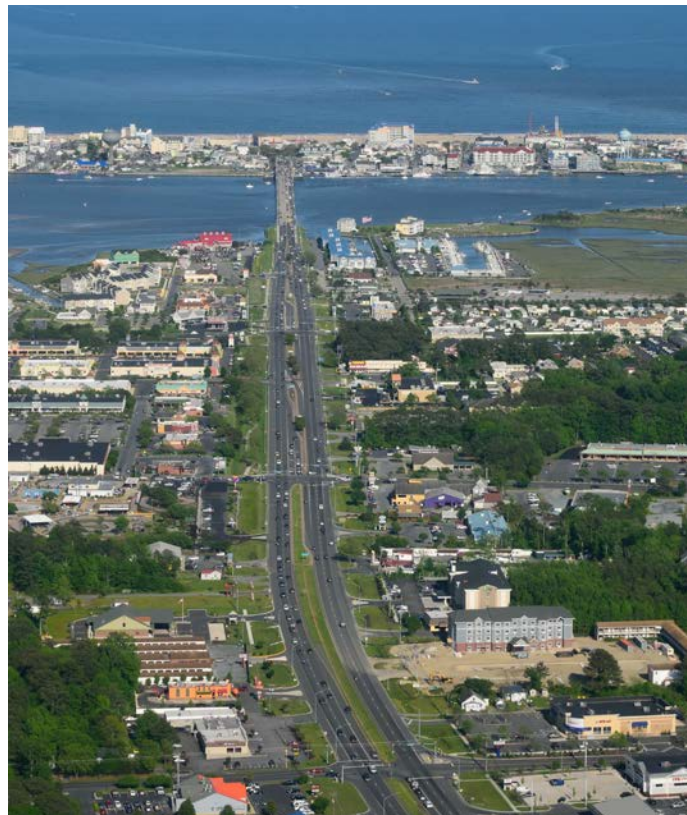
The combined effects of rising seas and sinking land on the Eastern Shore are expected to both spread and intensify coastal flooding in the coming decades. By 2035, an additional



nine Eastern Shore communities are projected to face severe flooding at least once every two weeks, bringing the affected population to more than 15,000, using today's population numbers.

Both the coastal flooding affecting the region today and the wider range of impacts expected in future years threaten industries that are central to the Eastern Shore economy:<sup>31</sup>

- **Agriculture:** As sea level rise increases flooding in rivers and other inland bodies of water, saltwater can make its way into farmland, making soil less hospitable to economically important crops. Changes in precipitation in either direction can affect crop yields and shift agricultural calendars.
- **Seafood:** Rising sea levels and water temperatures, as well as changes in water chemistry, pose an array of threats to the Eastern Shore's seafood industry. Examples include the loss of habitats like coastal marshes and eelgrass that sustain fish and crabs' food sources, and increasing ocean acidity making shellfish more vulnerable.
- **Tourism:** Coastal erosion is expected to erode or even destroy many sand beaches, costing communities an important income source. More severe storms threaten structures along the coast, which can result in extensive property damage, such as in 2003 when Hurricane Isabel caused \$400 million in damage on both sides of the Chesapeake. Even when this threat does not materialize, the mere possibility is likely to make flood and other types of property insurance both cost more and cover less.



Climate change also increases public health risks on the Eastern Shore. Extreme summer-time heat is likely to become more frequent across Maryland, and the Shore's above-average population of aging adults faces particular dangers from high temperatures. More severe health problems are possible in the event of climate-linked displacement, either gradually as frequently flooded communities become uninhabitable or rapidly if an especially severe storm strikes. For example, Louisiana residents who had to leave their homes because of Hurricane Katrina faced a range of barriers to accessing health care.<sup>32</sup> Some people who lost their jobs, either because their employers closed or because they weren't able to show up to work, also lost employer-provided health insurance. Some people who did not evacuate still had health insurance, but were unable to see a doctor because of the loss of providers and hospital beds in the New Orleans metro area. There was a spike in the number of children who missed doses of prescription drugs because they were unable to get needed medication, sending some to the hospital for conditions such as asthma.

## Policy Solutions

Maryland is currently pursuing several strategies to shift the state's economy away from fossil fuels and update infrastructure to withstand flooding and extreme weather. While many of these strategies are promising, the urgency of the climate change threat requires an equally urgent response. The state should continue, strengthen, and intensify the approaches currently in place.

### *Shifting to a Sustainable Economy*

While reducing emissions will not eliminate the climate impacts the region is already experiencing, steep reductions in global emissions are necessary to prevent the worst future impacts.

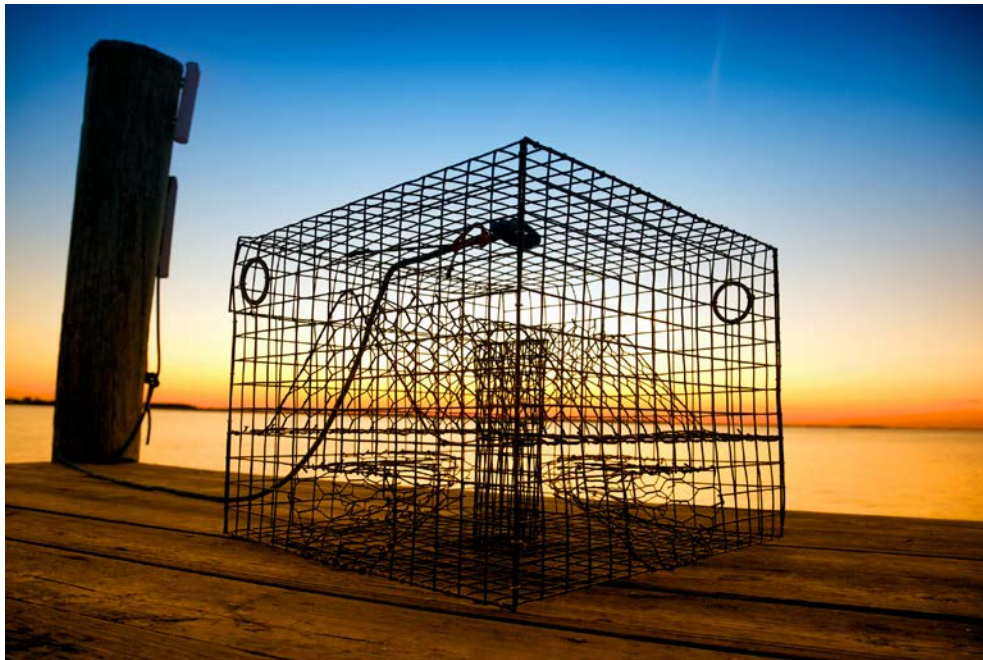
- **Set aggressive energy transition goals.** The state is currently developing a plan to reduce greenhouse gas emissions to 40 percent below 2006 levels by 2030, as called for under the Greenhouse Gas Reduction Act of 2016.<sup>33</sup> Components of the plan are likely to include increasing renewable energy generation and increasing the state's use of zero-emission vehicles.<sup>34</sup> The state should adopt ambitious goals for renewable energy generation and reducing the state government's greenhouse gas emissions.
- **Go beyond electricity generation.** As the state continues to ramp up renewable electricity generation, other sources of carbon emissions will take on greater urgency. For example, shifting the focus of the state's transportation policies toward public transit—including in higher-density communities on the Eastern Shore—will enable the state to continue reducing its reliance on fossil fuels after opportunities for new renewable electricity generation are exhausted.
- **Link public investments to high-quality jobs.** Both renewable energy and transportation infrastructure projects should include training and worker protections to ensure that our investments in a sustainable economy create high-quality jobs that are accessible to working people who are currently locked out of opportunities.



## *Responding to Immediate Impacts*

The state should expand and strengthen immediate actions to respond to the climate change impacts that have already arrived, with a focus on protecting communities that face the greatest risks.

- **Local governments should emulate state infrastructure standards.** The state passed a law in 2018 that strengthened standards state infrastructure projects must meet to ensure they can withstand climate-related flooding.<sup>35</sup> The law also expanded these standards so that they apply to most local projects that receive at least half their funding from the state. Local governments should adopt similar standards applying to projects that are primarily locally funded.
- **Protect communities on the front lines.** The impacts of climate change on the Eastern Shore are already serious, and the upheaval will only increase in coming years. These threats are greatest for low-income families and Marylanders of color, who already are more likely to face challenges like physiologically taxing stress, health problems, and unstable housing. State and local policymakers should be intentional about protecting the communities that face the greatest risks.
- **Be prepared for the worst.** While future climate impacts remain uncertain, the likelihood of communities facing devastating storms or becoming uninhabitable is higher than ever. State and local policymakers should invest in their capacity to respond to emergencies and plan for equitable relocation in the event that this becomes necessary.





# Notes

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- 1 Cecil County, located at the northern tip of the Chesapeake Bay, is included in some definitions of the Eastern Shore and excluded from others. For the purposes of this report, the Eastern Shore is defined to include Cecil County.
- 2 U.S. Census Bureau Population Estimates Program and 2010 decennial census.
- 3 Ibid.
- 4 MDCEP analysis of 2012–2016 American Community Survey five-year estimates and U.S. Gazetteer Files. Census tracts are the geographic unit of analysis.
- 5 MDCEP analysis of U.S. Census Population Estimates Program.
- 6 Ibid.
- 7 “Latinx” refers to persons of any gender who identify themselves as having Hispanic or Latino origin on publicly administered surveys.
- 8 MDCEP analysis of 2012–2016 American Community Survey five-year estimates.
- 9 This difference is not primarily due to the region’s age composition. For example, 28 percent of 35–44-year-olds on the Eastern Shore and 43 percent of 35–44-year-olds statewide have completed at least a bachelor’s degree.
- 10 MDCEP analysis of Quarterly Census of Employment and Wages.
- 11 Local Area Unemployment Statistics.
- 12 Because its economy is based heavily on summertime tourism, Worcester County’s unemployment rate shows a great deal of seasonal variation. Its lowest point in 2017 was 5.1 percent (September) while its highest point was 14.2 percent (January). On average, 8.5 percent of the county’s workers were actively looking for a job but unable to find one.
- 13 MDCEP analysis of 2012–2016 American Community Survey five-year estimates and 2012–2016 IPUMS American Community Survey microdata. These high-level industry summaries mask variation between different types of employers. For example, professional services employers typically pay higher wages than those in administrative and waste management services. However, wage and employment data for more detailed industries are often unavailable or unreliable for small or sparsely populated areas.
- 14 Because these are industry-wide medians, it is possible that differences in occupational composition still contribute to the difference in median earnings.
- 15 MDCEP analysis of 2016 American Community Survey one-year estimates.
- 16 Small Area Income and Poverty Estimates.
- 17 “Adequacy of Education Funding in Maryland,” Department of Legislative Services presentation to the Commission on Innovation and Excellence in Education, January 2017, [http://dls.maryland.gov/pubs/prod/NoPblTabMtg/CmsnInnovEduc/2017\\_01\\_09\\_DLS\\_Presentation\\_Adequacy.pdf](http://dls.maryland.gov/pubs/prod/NoPblTabMtg/CmsnInnovEduc/2017_01_09_DLS_Presentation_Adequacy.pdf)
- 18 House Bill 16 of 2018, <http://mgaleg.maryland.gov/webmga/frmMain.aspx?pid=billpage&tab=subject3&id=hb0016&stab=01&sys=2018RS>
- 19 2016 American Community Survey one-year estimates.
- 20 2012–2016 American Community Survey five-year estimates.
- 21 Ibid.
- 22 Timothy Bartik, “Who Benefits from Economic Development Incentives? How Incentive Effects on Local Incomes and the Income Distribution Vary with Different Assumptions about Incentive Policy and the Local Economy,” W.E. Upjohn Institute, 2018, [https://research.upjohn.org/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1037&context=up\\_technicalreports](https://research.upjohn.org/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1037&context=up_technicalreports)
- 23 “High Road WIOA: Building Higher Job Quality into Workforce Development,” Keystone Research Center, 2015, [http://keystoneresearch.org/sites/default/files/KRC\\_WIOA.pdf](http://keystoneresearch.org/sites/default/files/KRC_WIOA.pdf)
- 24 See for example John Fantuzzo, Whitney LeBoeuf, and Heather Rouse, “An Investigation of the Relations between School Concentrations of Student Risk Factors and Student Educational Well-Being,” *Educational Researcher* 43 no. 1, 2014, <http://journals.sagepub.com/doi/pdf/10.3102/0013189X13512673>. This study found that Philadelphia students who were born prematurely or with low birth weight scored 2.9 points lower on reading assessments and 3.8 points lower on math assessments than otherwise-similar students at the same school.
- 25 MDCEP analysis of American Community Survey five-year estimates. A five-year period is used to obtain a reasonably precise estimate for a small population.
- 26 All data in this paragraph from County Health Rankings, <http://www.countyhealthrankings.org/>

- 27 Daniel Avdic, "A Matter of Life and Death? Hospital Distance and Quality of Care," CINCH Health Economics Research Center Working Paper Series, 2015, [https://cinch.uni-due.de/fileadmin/content/research/workingpaper/1501\\_CINCH-Series\\_avdic.pdf](https://cinch.uni-due.de/fileadmin/content/research/workingpaper/1501_CINCH-Series_avdic.pdf)
- 28 Jon Nicholl, James West, Steve Goodacre, and Janette Turner, "The Relationship between Distance to Hospital and Patient Mortality in Emergencies: An Observational Study," *Emergency Medicine Journal* 24(9), 2007, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2464671/>
- 29 MDCEP analysis of 2012–2016 American Community Survey five-year estimates, TIGER shapefiles, and U.S. Geological Survey data on hospital locations for Maryland and neighboring states. This analysis is based on straight-line (geodesic) distance from a hospital to the geographic center (centroid) of a census block group. This analysis has two major limitations. First, using block group centroids introduces error because in reality residents live throughout a block group, not at its geographic center. For some residents this will lead to underestimating the distance to a hospital, while for others it will lead to overestimating this distance. Second, straight-line distance is an imperfect proxy measure for driving time, the relevant consideration in an emergency. Driving distance is always greater than or equal to straight-line distance, but the relationship between the two depends on the directness of the route. Furthermore, the same distance will likely be more survivable if local roads allow faster speeds.
- 30 All data in this paragraph from County Health Rankings.
- 31 Specifically, these counties lost more years of life per capita due to residents dying under the age of 75 than most other counties in Maryland.
- 32 See Christopher Meyer, "Expanding Home Care Options in Maryland: Paying Independent Home Care Aides Appropriately Would Bring Real Benefits at an Affordable Price," Maryland Center on Economic Policy, 2017, <http://www.mdeconomy.org/homecare/>
- 33 See Table 2. Note that while housing and other necessities are generally less expensive on the Eastern Shore than elsewhere in Maryland, many health care practitioners who choose to work in the region would still face high student debt costs.
- 34 John Grant and Andrew Peters, "Vermont Passes Legislation Authorizing Dental Therapists," Pew Charitable Trusts, 2016, <https://www.pewtrusts.org/en/research-and-analysis/articles/2016/06/20/vermont-passes-legislation-authorizing-dental-therapists>
- 35 House Bill 879 of 2018, <http://mgaleg.maryland.gov/webmga/frmMain.aspx?pid=billpage&stab=01&id=hb0879&tab=subject3&ys=2018RS>
- 36 Maryland Assembly on School-Based Health Care, <http://masbhc.org/what-is-school-based-health/maryland-sbhcs/>
- 37 See for example Nir Harish, Jennifer Wiler, and Richard Zane, "How the Freestanding Emergency Department Boom Can Help Patients," *NEJM Catalyst*, 2016, <https://catalyst.nejm.org/how-the-freestanding-emergency-department-boom-can-help-patients/>
- 38 Erika Spanger-Siegfried, Kristina Dahl, Astrid Caldas, Shana Udvardy, Rachel Cleetus, Pamela Worth, and Nicole Hernandez Hammer, "When Rising Seas Hit Home: Hard Choices Ahead for Hundreds of US Coastal Communities," Union of Concerned Scientists, 2017, <https://www.ucsusa.org/sites/default/files/attach/2017/07/when-rising-seas-hit-home-full-report.pdf> County subdivisions are the geographic unit of analysis.
- 39 Len Lazerick, "Rising Seas 2: Former Seafood Capital Crisfield Struggles to Survive," *MarylandReporter*, 2013, <http://marylandreporter.com/2013/07/29/rising-seas-2-former-seafood-capital-crisfield-struggles-to-survive/>
- 40 "Flooding in Crisfield Causing Problems with Florence Still on the Way," WBOC 16, 2018, <http://www.wboc.com/story/39071718/flooding-in-crisfield-causing-problems-with-florence-still-on-the-way>
- 41 MDCEP analysis of 2012–2016 American Community Survey five-year estimates.
- 42 All facts in this paragraph from "What Climate Change Means for Maryland," Environmental Protection Agency, 2016, <https://19january2017snapshot.epa.gov/sites/production/files/2016-09/documents/climate-change-md.pdf>
- 43 All facts in this paragraph from Thomas Huelskoetter, "Hurricane Katrina's Health Care Legacy," Center for American Progress, 2015, <https://www.americanprogress.org/issues/healthcare/reports/2015/08/20/119670/hurricane-katrinass-health-care-legacy/>
- 44 "2017 Annual Report," Maryland Commission on Climate Change, 2017, [https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/Documents/MCCC\\_2017\\_final.pdf](https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/Documents/MCCC_2017_final.pdf)
- 45 See for example the following outline of one scenario that would reduce emissions below current policy, although not to the degree called for under the 2016 law, prepared for the Maryland Commission on Climate Change. <https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/Commission/MCCCE3PathwaysPolicyScenario1.pdf>
- 46 Senate Bill 1006 of 2018, <http://mgaleg.maryland.gov/webmga/frmMain.aspx?id=sb1006&stab=01&pid=billpage&tab=subject3&ys=2018RS>

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