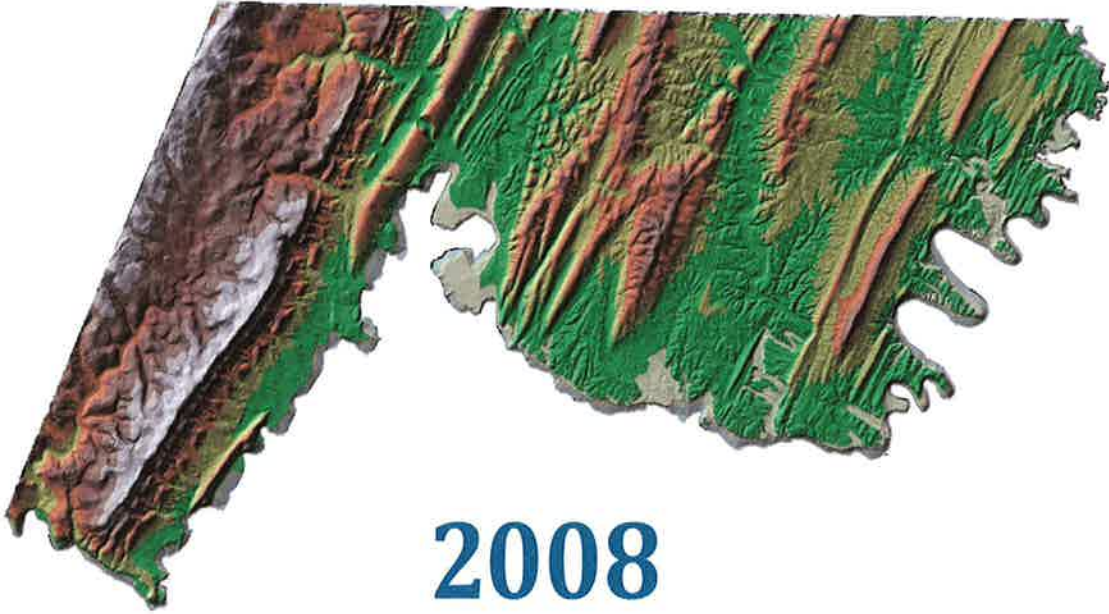


STATISTICAL REFERENCE

ALLEGANY COUNTY, MARYLAND



2008

PREPARED BY THE ALLEGANY COUNTY ECONOMIC DEVELOPMENT OFFICE



Executive Summary

The Maryland Department of Planning forecasted in November 2007 a 2% drop in Allegany County's population from the year 2000 to the year 2005. At the same time, the Maryland Department of Labor Licensing and Regulation has reported an actual increase of 8% for the labor force in the county for the same time period. In the year 2000, the labor force was 44% of the actual population. The problem is that the forecast is based on prior data which shows a downward trend for the county's population since 1950. Forecasts can't predict an upturn until it actual happens. Even basing the forecast on actual data, however, shows it is flawed. The county's population only decreased by 16 people or .02% between the years 1990 and 2000. This would forecast a leveling of the population rather than continuing declines.

Six counties adjacent to Allegany County have all seen increases in their population and all are forecasted to increase in population from 1990 to the year 2030. For the same time period, Allegany County is forecasted to lose 3% of its population. The forecasted gain for Washington County alone is 68,557. This is almost as much as the population of 72,899 forecasted for Allegany County in the year 2030.

Every age group below the age of 35 is forecasted to decrease between the year 1990 and 2030. Since 1993, the number of births have been below the number of deaths in Allegany County. The gap, however, peaked in 2005 with the number of deaths decreasing and the number of births increasing for 2006 compared to 2005.

Looking at net migration from 2000 to 2006, shows that Allegany County is losing more people to other states than it is gaining from other Maryland counties. However, the amount that the county is losing to other states is declining and the interchange with other counties went positive in 2004. If the trend for both continues, in a few years we could see positive numbers for total migration for Allegany County. Ignoring the positive total migration in 2004, (which bucks the trend in a good way), the total migration in 2006 is the best result yet since 2000.

The changes in migration table might be explained in general by working people moving into our county for more affordable housing and older people moving out for retirement. The working people are moving here from more expensive counties to the east for housing. The older people are moving out to retirement states or to be near their children. Comparing the period 200-2003 to 2004-2006, Allegany County is now gaining rather than losing people in net from the Maryland suburbs of Washington D.C., Washington County and the state of Virginia. Allegany County is also enjoying bigger gains than before from the Baltimore region. The County is losing people in net more to the southern and western regions of the United States than other regions.

The median selling price of residential units in Allegany County had yearly increases of 23% in 2005, 8% in 2006, and 15% in 2007. Price is determined by both supply and demand. The housing stock increased 1.4% between 1990 and 2000 while the population stayed stable. This doesn't suggest a lack of housing supply at the turn of the century. This must mean that demand for housing has increased in Allegany County. The main determinants of the demand for housing are demographic.

Executive Summary

(Continued)

Other factors like income and the price of housing can sometimes play a role. In 2007, median housing prices in Allegany County were only 33% of those for the state and 47% of those for the country. The problem with pinning the increase in demand mainly on housing prices is that the gap had been widening up till 2004. Since then the gap has been getting narrower.

In the year 2000, per capita personal income in Allegany County reached a low as a percent of that for both the state and the country overall. Looking at the most recent data, 2005, since then it has rebounded only mildly compared to Maryland, but compared to the country overall, it is the best it has been since 1995. The "hidden" good news, however, is effective buying income, better known as disposable income. In 2005, median household disposable income for the county compared to the state and the country is the best it has been since 1990. In 2005, Allegany County was estimated to have the lowest cost of living of any of the Maryland counties.

Along with the increase in the median selling price of residential units in Allegany County overall, there has been an increase in the permits the county government and city governments for Cumberland and Frostburg have together issued for single family dwellings. After reaching a low of 72 in 1999, they surged to 92 in 2002, and surged again to 106 in 2006. The estimated value of these permits has more than doubled, from a little over 8.3 million dollars to 19 million dollars.

The number of employed Allegany County residents has climbed 9% from 2000 to 2007, from 31,035 to 33,811. While the unemployment rate for the county remains above that for the state overall, the gap narrowed to less than two percentage points in 2002 and has stayed that narrow since then. The rate has dropped despite the labor force increasing 8% since 2000.

Allegany County's economy has become more diversified since 1994. Federal and State employment has increased from 1,864 to 2,961 in 2006. The number of companies employing 100 or more has increased from 16 in 1996, to 27 in 2007. Overall employment in this group has increased 10%. Ten years ago manufacturers accounted for 42% of the employment in this group, now they account for 29%. Instead, telecommunications employment in this group has gone from 5% to 10%, and new industries such as financial services and hotel management have joined the list.

While overall public school enrollment continues to decline, the details reveal positive results. Kindergarten enrollment after reaching a low in 2004 of 603, climbed to 659 in 2007. Elementary school enrollment is no longer declining. It was 3,282 in 2005, 3,278 in 2006, and 3,282 in 2007.



Allegany County lies in Western Maryland, and is bounded on the west by Garrett County, Maryland; on the east by Washington County, Maryland; on the north by Somerset, Bedford, and Fulton Counties, Pennsylvania; and on the south by Mineral, Hampshire, and Morgan Counties, West Virginia.

The County's boundaries are the Chisholm line on the west, the Mason and Dixon line on the north, Sideling Hill Creek on the east, and the Potomac River on the south. The County is about 40 miles long from east to west and varies from 5 to 20 miles wide from north to south, comprising an area 428 square miles or 274,519 acres.

The County lies in the Potomac River Basin, and in the Appalachian Mountains, partly in the Ridge and Valley Physiographic Province, and partly in the Allegheny Mountains Physiographic Province. The County also lies entirely within the Potomac River Basin and the Chesapeake Bay Drainage area.

Allegany County was officially established in 1789 from land that was part of Washington County. Until 1872, present day Garrett County was a part of Allegany County.



ECONOMIC DEVELOPMENT OFFICE **Allegany County, MD.**

The Allegany County Economic Development Office consists of a staff of seven (7) full time employees. The staff's work involves:

- Strategic Planning
- Business Development
- Project Financing and Administration
- Facility Management
- Enterprise Zone Administration
- Business Retention
- Natural Resources Development
- GIS/Mapping
- Engineering/Permitting
- Environmental Analysis
- Grants and Special Projects
- Economic Analysis
- Marketing and Prospect Development
- Special Events
- Facility Operation and Maintenance

Allegany County and its Department of Economic Development are dedicated to job creation, business growth and industry diversification. Whether you are starting, expanding or relocating your business, the Allegany County Department of Economic Development will work with you, providing access to a multitude of valuable resources. Our eight business parks as well as individual buildings located throughout the county offer ample choices for nearly all types of businesses and industries. Our goal is to ensure that Allegany County is one of the best places to do business.

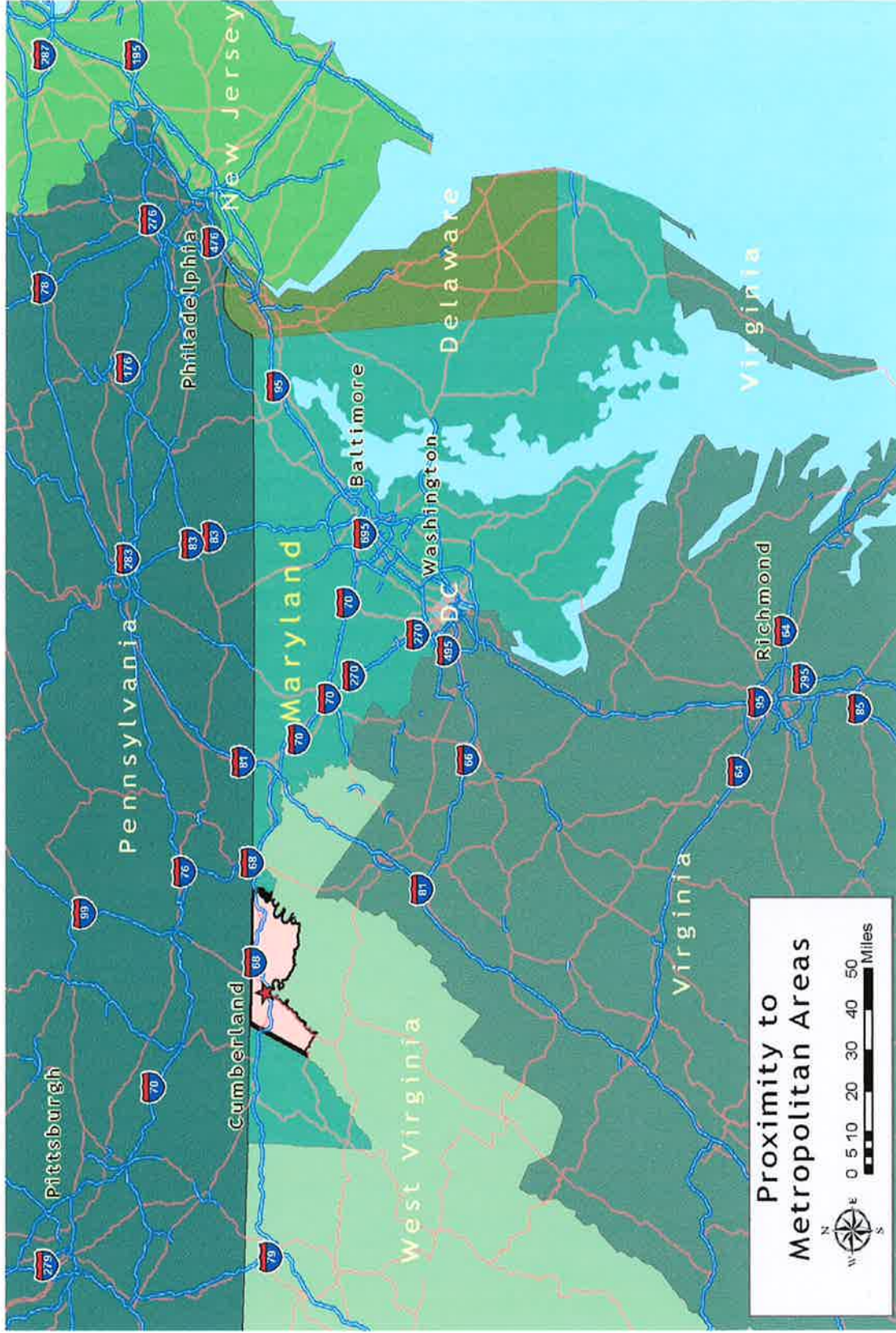
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**PROXIMITY TO METROPOLITAN AREAS
ALLEGANY COUNTY, MARYLAND**



ADJACENT COUNTIES ALLEGANY COUNTY, MARYLAND

