

Chapter 1 Background

Comprehensive planning provides a process and a framework for anticipating change and its implications. The process is built on a foundation constructed from the demographic, economic, social and natural resource factors driving change along with extensive citizen input. An assessment of trends and changes, coupled with a thoughtful review of public policy, permits a clear-eyed review of Talbot County's progress and its areas in need of more work.

To accomplish this assessment, Chapter 1 provides a variety of information, which when linked with the Plan's citizen input yields an effective basis for the Plan's recommendations. Specifically, this chapter reviews important trends, projections, and planning assumptions that undergird the analysis and policies in the succeeding chapters.

It is important to consult reliable baseline data in order to set goals and monitor progress. Trend data provide a numerical benchmark to help determine if a plan is realistic and reasonable. Unless otherwise noted, the U.S. Census Bureau and Maryland Department of Planning are the sources for this chapter's information. Maryland State Data Center (SDC) provides Census 2010 and other data cited in the Maryland *Statistical Handbook*, found at www.mdp.state.md.us/msdc/.

The chapter begins with a look at population changes and then addresses housing, income, employment and land use trends.

I. Demographics

A. Population

Table 1-1 provides historic population data from 1950 through the last Census in 2010. Population change affects the demand for public and private goods and services. Location and age distribution have implications for the school system and other public infrastructure and services. The age and sex composition also affects government services and the economy.

Talbot County's population is estimated to be among the lowest in the state, at 37,782 persons (Census, 2010). Between 1900 and 1950 Talbot County's population remained almost unchanged at under 20,000. The 1950's brought the opening of the first Chesapeake Bay Bridge marking the beginning of increased County and regional growth.

Between 1950 and 2010, the population increased from 19,428 to 37,782, an annual growth rate of 1.17 percent.

The first half of the last decade saw a 5 percent rise, followed by a less dramatic increase of just 3.1 percent from 2005 to 2010. This slower trend reflected changes in the housing market, availability of credit and other consequences of the financially driven recession that began in 2008.

1. Population, Geographic and Age Distribution

Like most rural areas, population growth in Talbot County is not evenly distributed. Table 1-2 contains the distribution by jurisdiction for Talbot County's municipalities. Easton has traditionally been, and continues to be, the County's population center. The population of Easton was 15,945 persons, or 43 percent of the County's population, in the 2010 Census, and Easton has experienced continuous growth through the years. However, the County's other municipalities, with the exception of Queen Anne, lost population. This most likely results from the increased portion of County housing serving as second homes.

Easton is not only the commercial and business center of Talbot County, but also has the most suitable land for development, supported by robust urban infrastructure and services. The County's other towns are either land locked, limited in sewer, road or other infrastructure capacity, or host limited employment generators. County and Town growth plans are discussed in the following chapter (Land Use).

The 2010 median age in Talbot County rose to 47.4 years, up from 43.4 in the 2000 Census. Talbot has the second highest median age among Maryland counties. The statewide median age was 38 years, with just 12.3 percent of the population age 65 or over. Locally, some 8,958 persons, or about 24 percent of the County population, were reported to be age 65 or over, as shown in Table 1-4. Talbot County's relatively high median age is a function of a population that is aging in place, immigration of retirees and outmigration of younger people.

The Census' American Community Survey reports that about one fifth of the County's population is less than 18 years of age. The total male and female population is somewhat evenly distributed through all age groups up to the age of 45, where women become a slightly larger proportion of each age group, as illustrated in Figure 1-3.

2. Population Projections

Despite the present downturn in home sales and new home construction, the Maryland Department of Planning has predicted modest but steady growth for Talbot County. The greatest component of growth over the past few decades and expected through the next several decades is domestic immigration. In recent periods deaths have outnumbered births in the County (530 to 449 in the 2011 estimate), contrary to the statewide trend of greater numbers of births versus deaths.

Table 1-5 contains historic and projected County Census population and households from 1970 through 2010 and the Planning Data Service's projections through 2040. Talbot County can expect modest population growth, but a somewhat greater growth rate in the number of households as the size of households continues to decline.

In the *2005 Comprehensive Plan*, it was estimated that by 2030 the County's population would grow to 38,950, reflecting an average annual growth rate of about 0.5% per year (though some variability from year to year can be expected). The 2010 projections used in this update continue to predict a similar average annual growth rate of 1 percent or less, over the next 30 year period, which represents a substantially lower population growth rate than over the past 30 years.

3. Current and Projected Households

The growth in the number of households has been a steady trend over time. Between 1970 and 2000, the household rate of increase was 80.8%, nearly twice the rate of population growth (42.8%) over the same period.

The 2010 Census reports that 40 percent of all households consist of two persons and 28.3 percent are single person households. In addition to small household size, there is a growing number of nonfamily households — over 30 percent of all households in the County are nonfamily and almost one fourth are single person households. Table 1-5 shows household numbers and their gender and age composition. Ten percent of householders living alone are women aged 65 and over.

In summary, the demographic outlook indicates Talbot County will continue to become older on average with greater number of retirees living in smaller households. The school-aged and prime

working age populations will remain relatively unchanged in terms of numbers, resulting in only modest growth of the workforce.

The implications for the economy, prosperity and livability of the County will be considered in subsequent chapters of the Plan. The relationship between population, growth and housing is outlined in the next section.

II. Housing

The U.S. Census American Community Survey (ACS) estimates that 19,618 housing units existed in the County in 2012, including the incorporated towns. This figure is an increase of over 3,000 units from the Census 2000 total of 16,500 units.

Countywide, 16,375 housing units, or over 80% of the County's residences, are single-family homes. This figure is about 10 percent higher than the statewide average for single family housing.

Multi-family housing is almost exclusively located in the municipalities. ACA data indicate that Easton has the highest proportion of multi-family housing at 20 percent of all housing units. In contrast, the villages and rural areas of the County are reported to have little to no multi-family housing.

Of all housing units, just over 80 percent were occupied. In 2010, the percentage of vacant units rose to 19.2 percent, from the 13.3 percent vacant reported in the 2000 Census. The majority of vacant units were in the category of seasonal or occasional use, which includes guest homes and 'second' homes.

The Maryland Department of Planning reports that 2,953 new single family parcels were created between 2000 and 2009. The number of new parcels created has increased every decade since the 1960s (see Table 1-6).

Table 1-6 also reveals an ebb and flow to residential development in the County over the past seventy years. Using the Priority Funding Areas (PFAs) established in 1992 as a basis, new construction has gravitated from the towns to suburban and rural development and gradually back to the towns.

The percentage of new subdivision in urbanized areas in the 1940s was not achieved again until the last decade, with nearly four times as many new lots created within PFAs, primarily in Easton. Over the past few decades the proportion of subdivision in towns steadily increased from 47% in the 1980s, to 58% in the 1990s to over 70% in the 2000s.

Data from the Maryland Association of Realtors' Metropolitan Regional Information System reveal the demand for, and economic contributions of, single family housing in Talbot County. Since the last planning period, both the number of sales and the median price for single family homes declined in the recent recession. The number of sales fell by almost half and has yet to recover in volume. Median sale prices made a corresponding though less severe decline and remain below historic highs.

These trends not only slowed new development in the County but impacted revenues as well. Transfer taxes and real estate taxes are significant elements of the County budget and the combination of fewer real estate transfers and lower sales values will continue to influence the provision of community services. Figure 1-7 shows recent trends in home sales and the effect of the recent economic downturn.

Future subdivision and development is likely to be centered in the towns for the foreseeable future, due to a combination of State, County and municipal policies and growth management strategies. Public utilities and infrastructure, zoning regulations and land preservation strategies are directed towards a manageable pattern of growth across the County, with the majority occurring in the towns.

As housing is related to income, gross rent is a typical indication of housing affordability. The American Community Survey reported that more than half of all renters countywide paid 30% or more of their income for rent alone. Of all 2,030 renters in this category, 1,428 are reported to be in Easton.

Such statistics for Talbot County should be viewed in a local context. For example, the greatest proportions of renters paying high portions of their income for housing are in the waterfront communities west of St Michaels. There, 62% of renters are likely short term and seasonal vacationers rather than full time residents.

III. Income

Income is composed of salary or wages, self-employment income, and dividends or interest income. Talbot has traditionally ranked among the highest median income counties in the state and generally exceeds the national county average.

Median household income indicates the relative earnings of households and can be compared to other jurisdictions. The *2014 Maryland Statistical Handbook* reported the 2013 median household income for the County at \$57,525, compared to a statewide median of \$72,482.

However, per capita income data reveal how income varies within households and among wage earners. The same *Maryland Statistical Handbook* reports the County's average individual income for 2013 at \$56,955; the third highest among Maryland counties and well over the state per capita income of \$50,149.

Other per capita income statistics tell another aspect of the story, showing Talbot County with only modest gains in a statewide comparison. Talbot net per capita earnings fell by \$1,332 between 2008 and 2013 (see chart 1-8). This 2.3 percent drop in individual earnings is one of the largest declines in the State.

The *Handbook* also reports that Talbot County's poverty rate increased to 10.9 percent in 2013, a 3 percent increase from the 7.7 percent figure for 2006. This is somewhat greater than the statewide poverty rate increase over the same period from 8 percent in 2006, to 10.2 percent in 2013. The poverty threshold is not a single line, but a series of calculations based on family size and other variables, determining whether the income of a household is adequate to meet basic needs.

Though the County may have a reputation as a haven for the well off, statistics depict a solidly middle class, middle aged residential community. The latest American Community Survey five year estimates reveal the following distribution of income among residents: Over 47 percent of all households in the County had incomes between \$50,000 and \$125,000, while 7.9 percent of households in the survey data set reported incomes of less than \$15,000.

Other statistics report that the largest householder group (6,359 households) is aged 45 to 64. Within that group, 18.5 percent fall in the \$50,000 to \$125,000 income bracket. The next largest group consists of householders aged 65 years and over. Of those 5,108 households (12.3 percent) have incomes in the same middle bracket.

The demographic and income data above, combined with the employment and land use data below, can assist the County as it manages community services and programs. Income can predict revenues and population trends help anticipate local needs. While short-term economic variability can be managed, long-term changes could be problematic for public service provision and so should be monitored.

IV. Employment

State agencies including the Maryland Department of Commerce track business and employment data and provide annual updates and long-range projections. Their most recent *Brief Economic Facts, Talbot County, Maryland* reports the following data:

The 2015 County civilian labor force was comprised of 19,239 persons. In the 16,852-person private sector, Health Services employed the greatest number of people with over 2,000 jobs. Trade and Transportation employed 3,286 persons, Leisure and Hospitality services employed 3,152, while Manufacturing employed 1,104. The largest single employers in the County are the University of Maryland Shore Regional Health (1,640 employees), Genesis Health Care (250 employees), Bayleigh Chase (formerly William Hill Manor, 220 employees) and Wal-Mart (205 employees). All governments combined employ 1,409 persons in Talbot County.

The December 2015 unemployment rate was approximately 5.1 percent compared to the state's rate of 4.7 percent. The Department of Commerce reports that Talbot County's total civilian employment in 2015 was 18,226 full and part time jobs. The Bureau of Economic Analysis reports that between 2008 and 2013 County employment fell by 1,204 full or part time jobs (approximately 4.1%). That figure includes 670 jobs regained from the low point of 27,225 in 2010. Most Eastern Shore counties except Worcester and Cecil experienced similar downturns in employment.

Other data on the County's workforce from the Maryland Department of Planning indicate that just over 38% of Talbot County workers live outside the County. Of the 8,030 persons entering the County for work, an estimated 3,327 live in Caroline County, 2,208 in Dorchester County and 1,064 in Queen Anne's County. Smaller numbers come from as far as Lancaster County, PA and Fairfax County, VA.

Somewhat fewer Talbot County residents work elsewhere, with an estimated 4,885 persons commuting to other locations. The largest proportion (960) travel to Queen Anne's County, followed by Anne Arundel County (738) and Caroline County (697). A few County residents travel as far as Philadelphia and Adams Counties in Pennsylvania.

Clearly, Talbot County is part of a regional economy centered in, but not restricted to, the Eastern Shore. Workers commuting into the County make possible a dynamic retail and service economy that serves the region. Residents who work outside the County spend on housing, goods and services in their community. All will use County infrastructure and facilities, along with the considerable number of tourists and visitors who visit or pass through the County every year.

Employment and unemployment add to an already complex calculation of future demands for County services. While job opportunities remain tight, Maryland statistical projections indicate that younger workers are likely to continue to relocate outside the area. New residents replacing them will invariably be older, perhaps more prosperous and most likely retired persons attracted by Talbot's combination of rural character and urbane attractions. They will be consumers of the retail, hospitality and medical services that are already a large portion of the local economy. See Chapter 7, Economic Development and Tourism, for further discussion.

V. Existing Land Use

Map A-1 (at the end of this chapter) depicts the geographic distribution of land use/land cover in Talbot County from 2010 data.

As the map illustrates, medium and high density residential development in the County is concentrated in the incorporated towns, while lower density residential development comprises the majority of the residential use in the unincorporated areas.

The County's rural villages, as historical centers predating the automobile, formed small concentrations of somewhat higher density development, along with the remnants of earlier commercial and industrial uses.

Figure 1-11 illustrates that land use has remained relatively stable through the past decade. The Maryland Department of Planning estimates that 30,654 acres of Talbot County's 171,657 acre land area could be classified as developed in 2010. By comparison in 2002, 27,987 acres were classified as developed.

Within the category of developed land, commercial and industrial uses accounted for about 3,041 acres in 2010, up from 2,292 acres in 2002. Most commercial and industrial development in the County is located in the incorporated towns, with some development in unincorporated areas along routes U.S. Route 50 and MD 33.

The vast majority of land classified as resource land is in agricultural use. Agriculture occupied 95,662 acres in 2010, down from 97,739 acres in 2002. Forests, which are also agricultural resources, covered an additional 40,510 acres in 2010, 757 acres below the 2002 figure of 41,270.

The 2012 Census of Agriculture collects and reports farmland acreage using a different methodology and reports that Talbot County had 119,481 acres in farmland. Census of Agriculture statistics are discussed in Chapter 5.

VI. Summary

Talbot remains by design one of Maryland's sparsely populated rural counties, despite development pressures brought on by regional trends and a growing number of individuals, retirees and small families settling in the area. The County is projected to continue to age with little growth in its work force. These trends have implications for the County's communities, economy and land use.

Long-standing land use policies have protected farmland and open space from development and retained the County's rural character. Agriculture remains an important and viable industry in part because fragmentation of farm landscapes has been discouraged.

Talbot is a comparatively prosperous County. Though some poverty exists, incomes of most residents are adequate to meet their needs. Unemployment in the County is nearly equal to the State average. Hospitality businesses, medical services, education and government are important employers.

The statistics outlined in this chapter suggest some challenges that will be discussed in subsequent chapters. These range from protection of natural and historic resources, to the provision of public services and amenities, to promoting a resilient economy. The economic downturn of the last few years have impacted Talbot County less than some other areas but nevertheless have exposed some vulnerabilities that should be considered.

Chapter 2 addresses land use and provide a strategy based on the trends identified in Chapter 1.

1-1 Population Change 1950—2010				
Census Year	Population	Increase	Percent Change	Percent Annual Change
1950	19,428			
1960	21,578	2,150	11.1	1.11
1970	23,682	2,104	9.7	.97
1980	25,605	1,923	8.12	.81
1990	30,541	4,936	19.27	1.92
2000	33,812	3,271	10.7	1.07
2010	37,782	3,970	11.7	1.17
Average Annual Growth 1950—2010				1.175

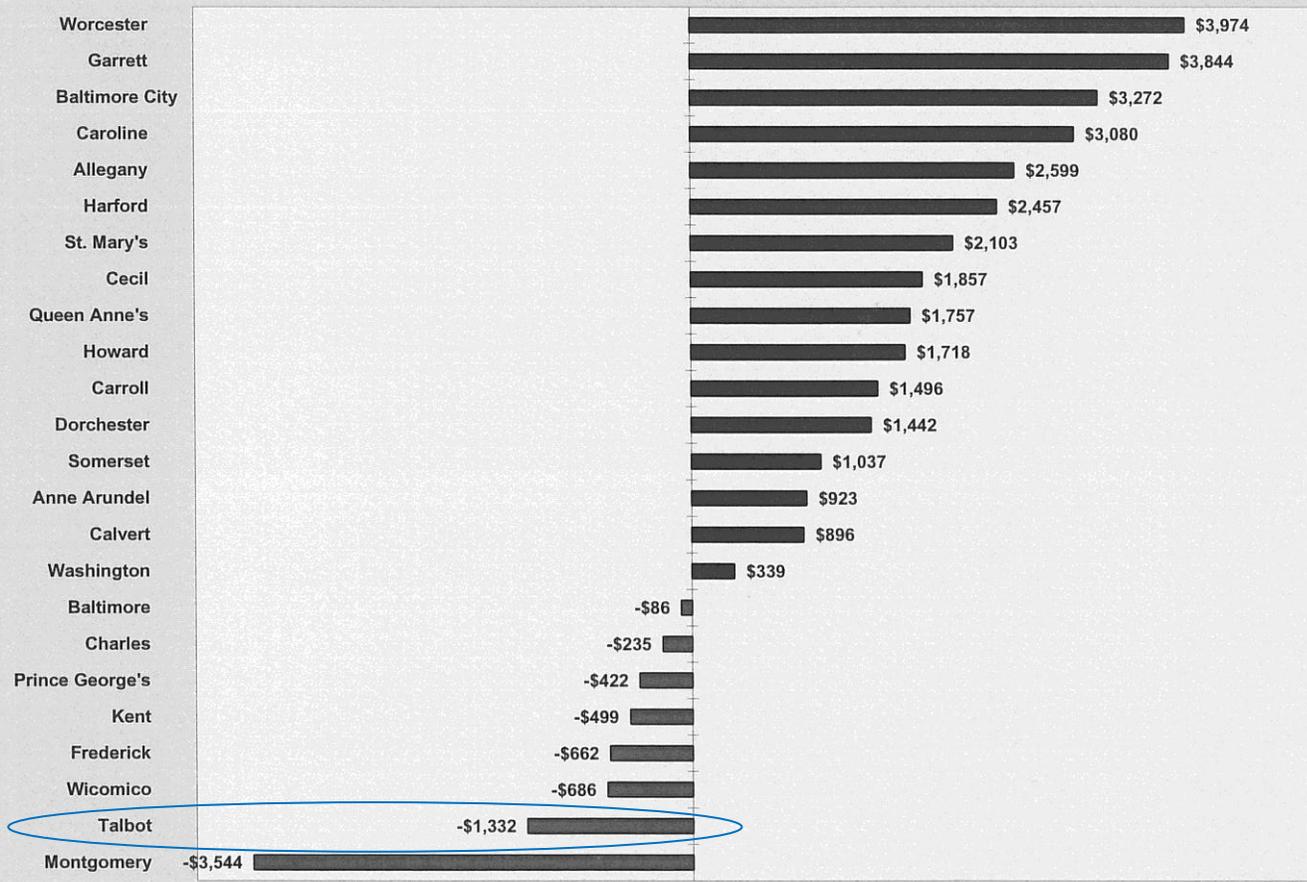
1-2 County and Municipal Population Distribution, 2010	
Talbot County Population	37,782
Total Municipal Population	18,796
Percent of County	49.7%
Easton	15,945
Oxford	651
Queen Anne (pt.)	94
St. Michaels	1,029
Trappe	1,077
Balance of County	18,986
Percent of County	50.3%

1-4 Census 2010 Age Comparisons, Maryland and Talbot County			
	2010 Total Population	Pop. 18 Years and Over	Pop. 65 Years and Over
Maryland	5,773,552	4,420,588	707,642
		76.6%	12.3%
Talbot Co.	37,782	30,407	8,958
		80.5%	23.7%
	Median Age, All	Median Age, Male	Median Age, Female
Maryland	38.0	36.4	39.3
Talbot Co.	47.4	45.8	48.9

1-5 Historic and Projected Talbot County Population and Households, 1970 – 2040								
	1970	1980	1990	2000	2010	2020	2030	2040
Population	23,682	25,604	30,549	33,812	37,780	40,850	42,900	44,000
Growth Rate		8.1%	19.3%	10.7%	11.7%	8.1%	5%	2.6%
Households	7,914	9,934	12,677	14,307	16,150	18,000	19,275	19,800
Average Household Size	2.94	2.55	2.39	2.32	2.31	2.25	2.20	2.19

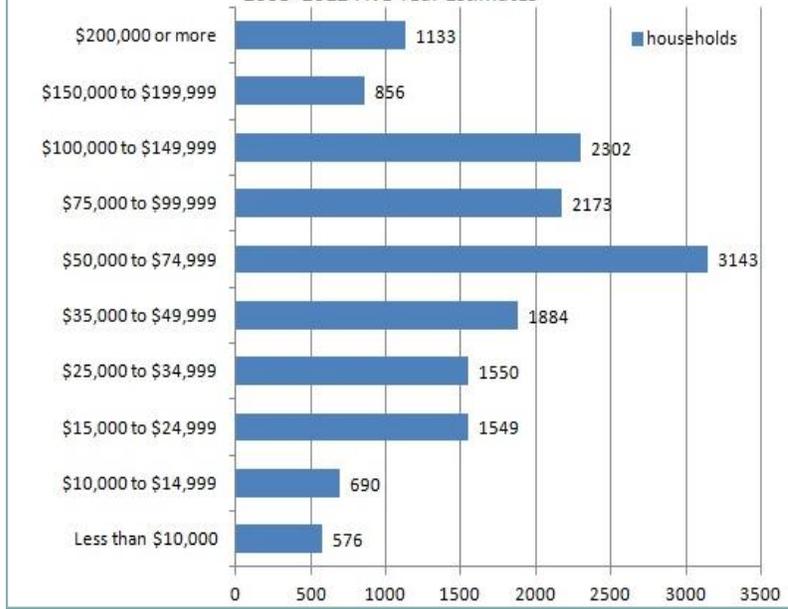
1-6 New Residential (Single Family) Parcels Created by Decade 1940 —2009							
YEARS	Total	Inside PFA	Percent	Comment Area	Percent	Outside PFA	Percent
1940-49	585	421	71.97%	20	3.42%	144	24.62%
1950-59	1,102	777	70.51%	44	3.99%	281	25.50%
1960-69	1,025	457	44.59%	124	12.10%	444	43.32%
1970-79	1,796	782	43.54%	169	9.41%	845	47.05%
1980-89	2,307	1,085	47.03%	122	5.29%	1,100	47.68%
1990-99	2,465	1,426	57.85%	97	3.94%	942	38.22%
2000-09	2,953	2,118	71.72%	49	1.66%	786	26.62%
1940-2009	12,233	7,066	57.76%	625	5.11%	4,542	37.13%

**1-8 Change in Per Capita Personal Income, 2008 - 2013
(Constant 2009 Dollars)**



Source: U.S. Bureau of Economic Analysis. Prepared by the Maryland Department of Planning, March 2015

**1-9 Number of Households by Income Level
2008-2012 Five Year Estimates**



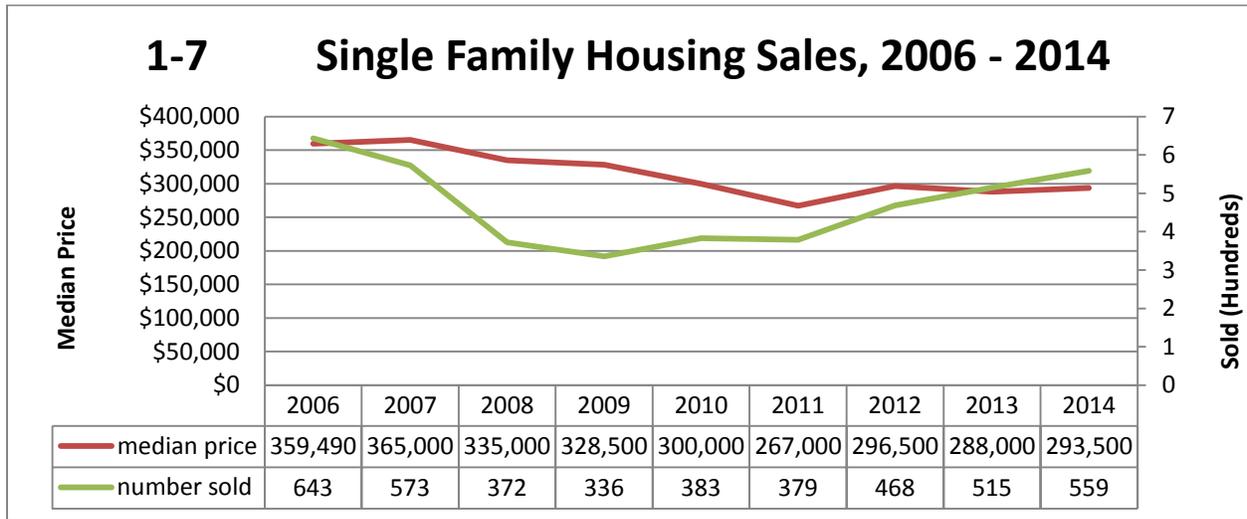


Table 1-10 Inter-County Commuters

COMMUTING INTO	COMMUTING OUT OF	NET (IN-OUT)
8,060	4,885	3,175

1-11 Talbot County Land Use, 2002 and 2010

