

Calvert County, MD

Economic Development Strategic Plan, 2026–2031

By: Anirban Basu
MPP, MA, JD, PHD
Sage Policy Group, Inc.

Presented to
The Calvert County Board
of County Commissioners
July 22, 2025



Purpose

Update and revise previous report and establish strategic economic development priorities and actions for Calvert County for the period 2026-2031.

Methods

- Analysis of data from a range of sources including the Bureau of Labor Statistics, the Census Bureau, the Maryland Department of Planning, and Calvert County government;
- Review of prior economic development strategies for relevance to continuously shifting circumstances;
- SWOT analysis;
- Focus group meetings with key stakeholders representing a variety of local industries, nonprofits, and residents.

Key Findings: Demographics I

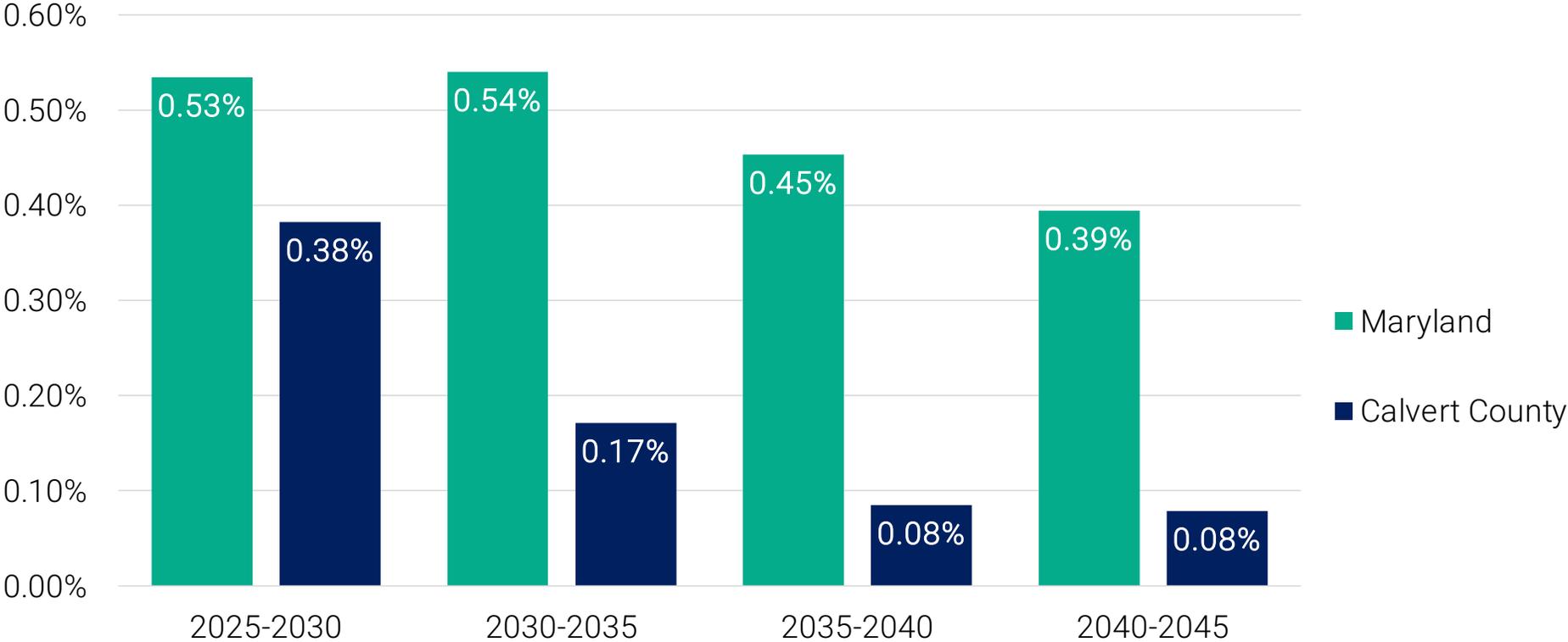
- Calvert County is **one of Maryland's most affluent jurisdictions**; second-highest median household income in the state at 30% above the statewide average.
- Calvert County's **public high schools excel in several areas** (high attendance and graduation rates, low absenteeism and dropout rates).
- However, **public school enrollment has declined** due to an aging population, slowing birth rates, and demographic shifts. Enrollment averaged a 0.7% annual decline from 2009 to 2023.

Key Findings: Demographics II

- The county's **population is becoming both older and more diverse**, reflecting state and national trends. The share of population 65 and older expanded from 8.9% in 2000 to 15.5% in 2022, while the non-white share increased from 15.6% to 22.0%.
- **Population growth accelerated between 2020 and 2024**, averaging 0.6% annually—outpacing the state—driven largely by domestic net in-migration, which accounted for 62% of the 2,100-person increase.
- However, **Calvert County's population growth is projected to slow**, with annual growth declining from 0.38% (2025–2030) to just 0.08% by 2040.

Projected Population Growth Rates, 2025-2045

Annualized Growth Rates



Source: Maryland Department of Planning; Sage.

Key Findings: Economy I

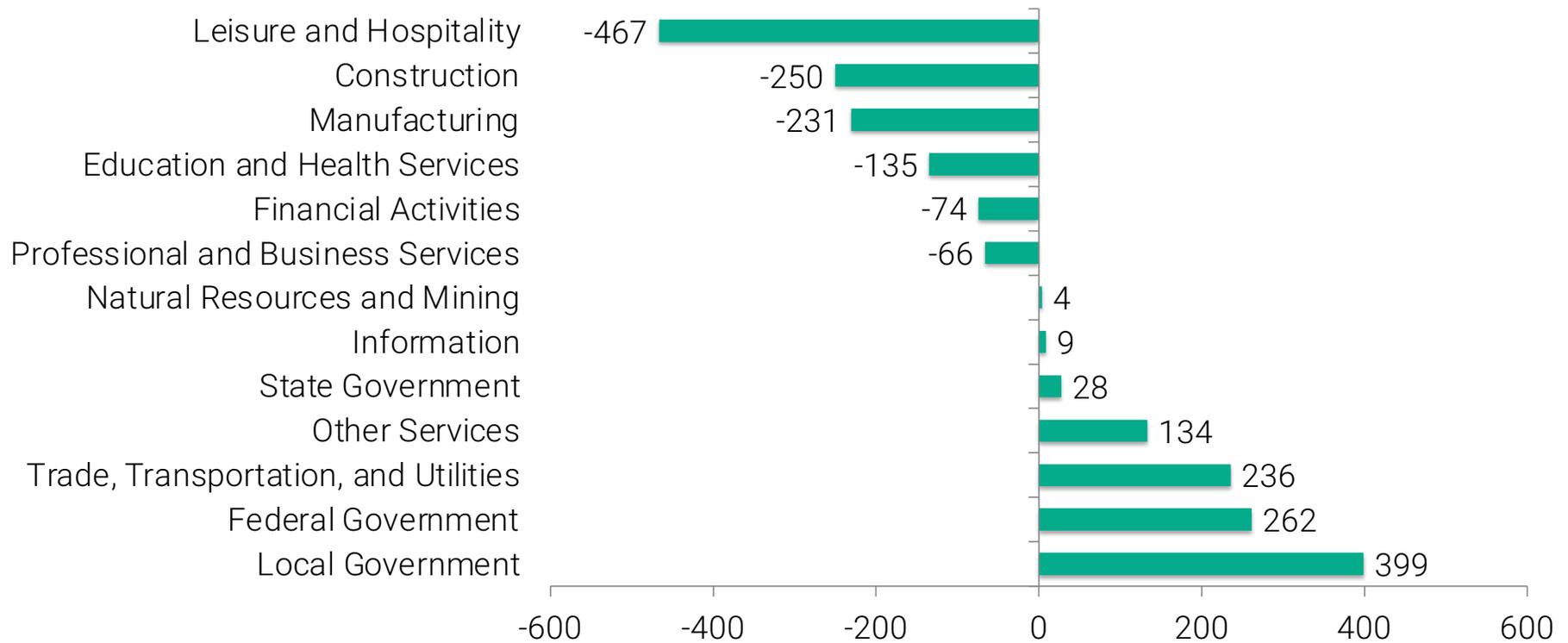
- Commuting is typical. Nearly 70% of Calvert County residents **commute to jobs outside of the county**. Approximately 46% of jobs in Calvert County are filled by workers from other counties.
- Local government accounts for nearly **20% of employment** in Calvert County.
- The largest **private sector employment** segments are trade, transportation, and utilities (22.5% of county employment), education and health services (16%), and leisure and hospitality (13.9%).

Key Findings: Economy II

- **Agriculture**, though a small part of Calvert County's economy (0.04% to 0.26% of GDP), remains central to its identity and history. Profitability is a challenge, with average farm production expenses rising 37% between 2017 and 2022.
- Real property tax collections represent Calvert County's **largest revenue source**, with most of that generated by residential property.
- Employment in Calvert County has **nearly returned to pre-pandemic levels**, down just 1% in 2024 compared to 2019. The public sector has recovered from early pandemic job losses, but private sector employment remains below pre-pandemic levels in key industries, including leisure and hospitality, and education and health services.

Growth in Calvert County Employment by Industry/Sector

2019 v. 2024 YTD Employment Change

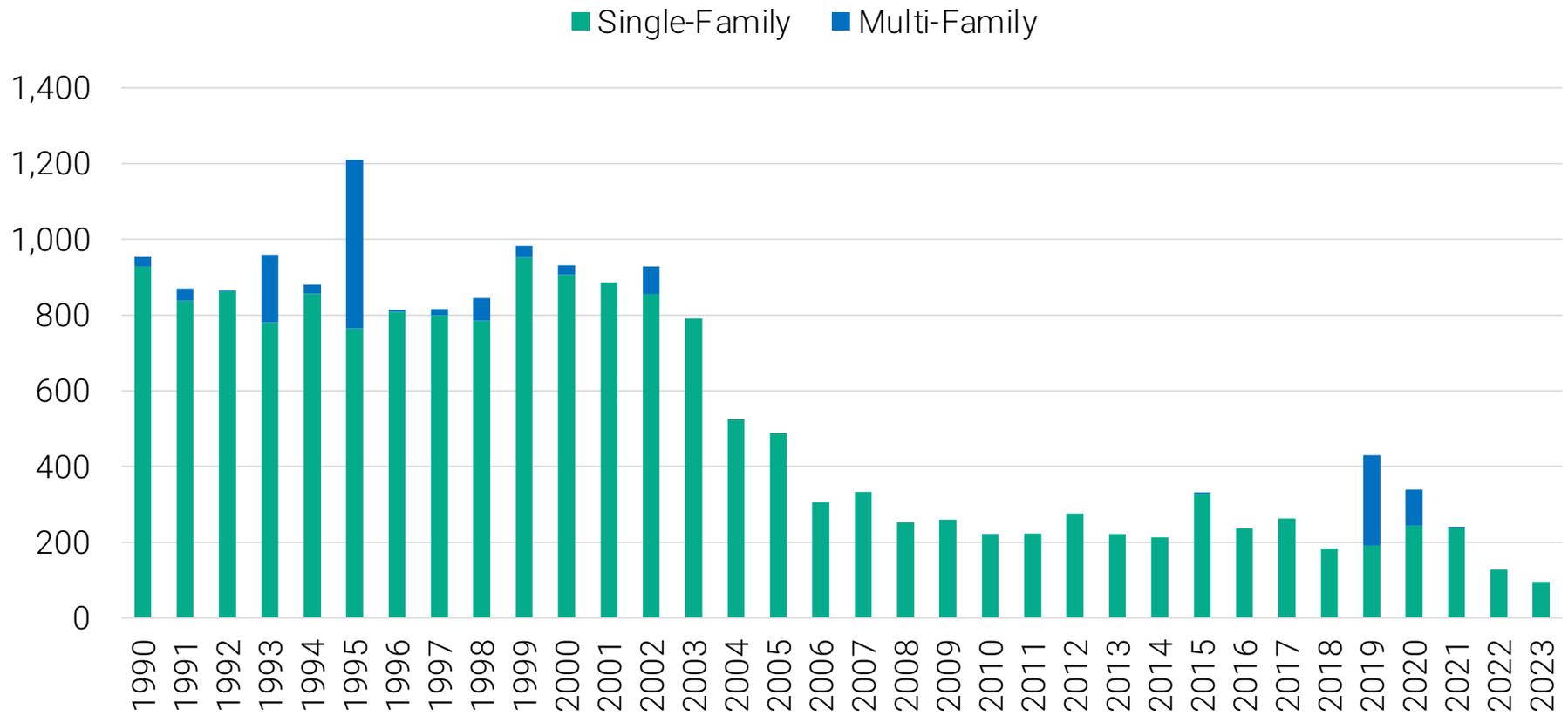


Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW) program; Sage.
Note: 2024 YTD average as of 2024Q2; 2024 figures are preliminary.

Key Findings: Housing

- Calvert County has low owner and renter vacancy rates, indicating a **housing shortage**. The homeowner vacancy rate is just 0.4%, below the statewide and national average of 1.1%. The rental vacancy rate is 4.8% compared to 5.1% statewide and 5.5% nationally as of 2022.
- **The cost of living is relatively high**. Median monthly homeownership costs for mortgaged homes are about 25% higher than the national average while median gross rent is also 25% higher.
- **Limited new housing development** has contributed to high housing costs. From 1990 through the early 2000s, Calvert County issued about 900 building permits annually. Since then, permitting has declined to fewer than 300 during most years.

Calvert County, MD: Residential Building Permits, 1990–2023

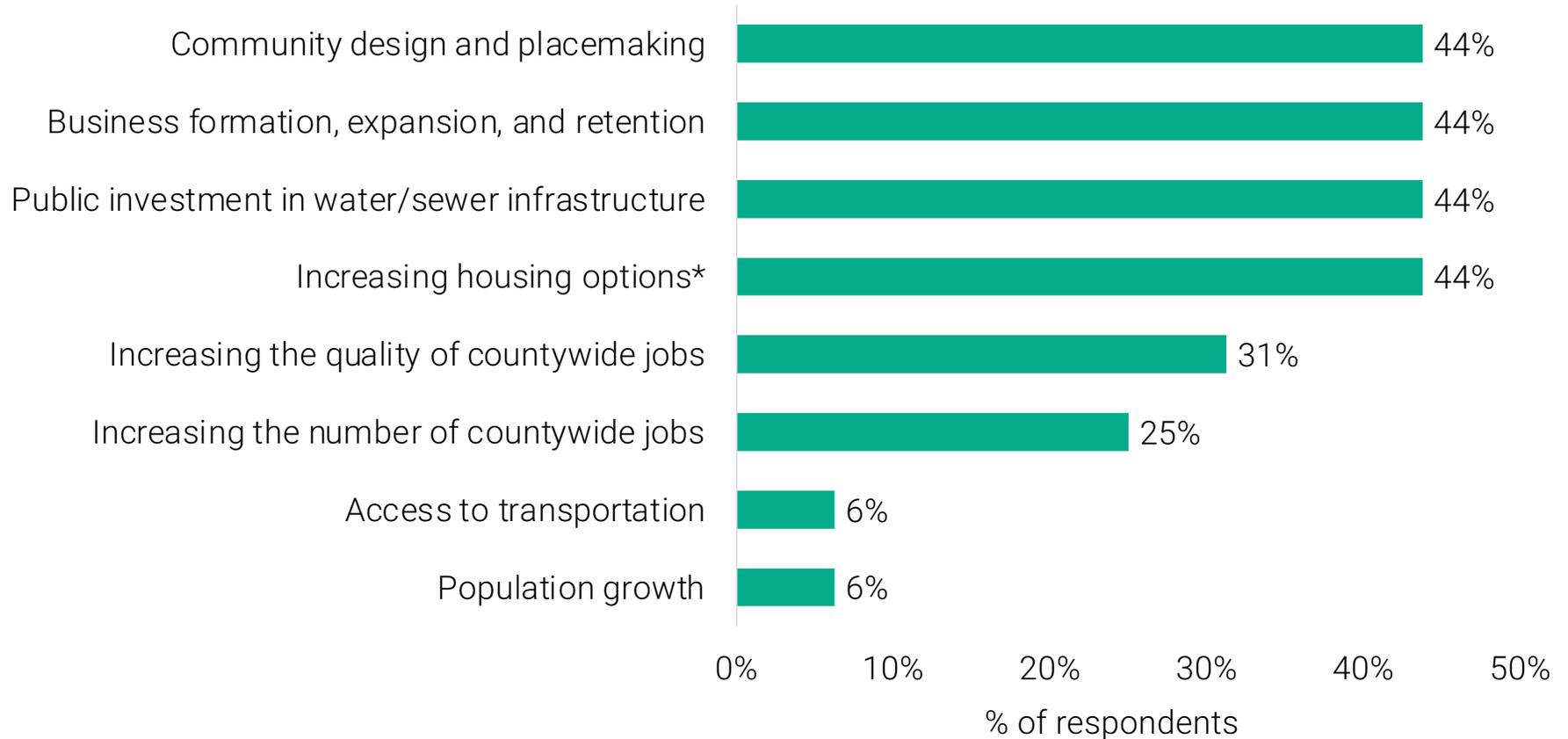


Source: Maryland Department of Planning; Sage

Key Findings: Public Views

- Residents view **quality of life** as a key Calvert County strength. A definitive small-town feel, excellent schools, beautiful landscapes, parks, and rich farmland heavily shape perception. Stakeholders also value the county's location.
- Focus group participants consider **tourism** and **agriculture** to be important economic segments for the county.
- The **town center** concept was identified as a strength, aiming to create live-work-play spaces while preserving rural areas. While this approach of concentrating development in town centers appears popular, focus group participants felt it hasn't been fully implemented.
- Several **challenges** were identified, including: 1) housing affordability; 2) lackluster economic growth; 3) job availability; 4) business attraction/retention; 5) infrastructure limitations; 6) limited amenities; 7) transportation constraints; 8) mixed views on growth; and 9) opportunities for modernized government and planning.

Survey: What should Calvert County Prioritize to Increase Economic Vibrancy? (select up to 3)



*Survey option was "Increasing housing options for more people, including younger families"

SWOT

STRENGTHS

- ◆ Quality of life
- ◆ Location; proximity to major metro areas
- ◆ Primary school system
- ◆ Residential wealth
- ◆ Tourism
- ◆ LNG exports
- ◆ Natural/environmental resources; water, trails, diverse ecosystems, etc.
- ◆ College of Southern Maryland (CSM)
- ◆ Committed economic development staff and partners
- ◆ Dedicated Board of County Commissioners leadership

WEAKNESSES

- ◆ Housing affordability; limited housing, particularly for first-time home buyers and middle-income buyers
- ◆ Workforce attraction and retention; limited job opportunities for college educated workers
- ◆ Infrastructure; lack of water/sewer infrastructure in designated growth areas
- ◆ Limited amenities to attract/support diversity
- ◆ Transportation/roadway limitations
- ◆ Slow and/or disorganized process for many business services, such as permitting
- ◆ Mixed views on some important aspects of the county's future development

OPPORTUNITIES

- ◆ Development of town centers; streamlined town center master plan process
- ◆ Development of Patuxent Business Park
- ◆ Data center development
- ◆ Improved high-speed, fiber optic internet access
- ◆ Tourism
- ◆ Agriculture/aquaculture
- ◆ Renewable energy—wind, solar, nuclear

THREATS

- ◆ Continued population aging, slowing population growth
- ◆ Outmigration of youth and young workers
- ◆ View of county as not being business friendly
- ◆ Industry shifts
- ◆ Decommissioning of Exelon Calvert Cliffs Nuclear Power Plant
- ◆ Climate change
- ◆ Reluctance towards adaptation/change
- ◆ Federal government cutbacks impacting county residents and local nonprofits

Recommendations are split into two groups:

- Recommendations for economic development efforts in 2026-2031, intended for the Department of Economic Development, the Economic Development Advisory Commission, and the Economic Development Authority.
- **Recommendations for long-term policy**, intended for the broader Calvert County community/government.
 - Intended to answer the question, “How can Calvert County be fiscally sustainable, demographically balanced, and economically dynamic over the long term?”

Recommendations: Economic Development Efforts in 2026–2031

Recommendations for **business attraction and retention** efforts include streamlining regulations, continuing to revitalize Main Streets and other commercial areas, and repurposing underutilized spaces for modern business needs.

Recommendations for **workforce development** efforts include advocating for workforce housing and improved infrastructure.

Recommendations: Economic Development Efforts in 2026–2031

Recommendations for **agriculture** efforts include supporting agritourism, encouraging cross-industry partnerships (ex. retail, hospitality, recreation), and collaborating with resource partners like the Southern Maryland Agricultural Development Commission to identify key initiatives to strengthen regional agricultural operations.

Recommendations for **tourism** efforts include strengthening regional and local coordination, supporting cohesive visitor experiences, promoting county-wide events, and expanding placemaking in town centers.

Recommendations: Economic Development Efforts in 2026–2031

Recommendations for **public outreach** include the development of a public awareness campaign to highlight the benefits of economic development, including jobs, tax revenue, and enhanced local amenities.

Recommendations for **alignment with the County Comprehensive plan** include regularly reviewing the County Comprehensive Plan for economic development goals and improving coordination through institutional mapping of related County agency efforts.

Economic Development Success Metrics

Data/Metric	Economic Development Area
Visitation	Tourism
New business formation; total establishments	Business attraction & retention
Commercial occupancy in town centers (square footage)	Business attraction & retention
Employment in key industries	Business attraction & retention/workforce development
Job openings	Workforce development
Number of farms with net financial gains	Agriculture
Farmers market sales	Agriculture/Tourism
Direct-to-consumer sales	Agriculture
Residential building permits issued and average price	Housing



Recommendations: Long-Term Countywide Efforts

- Invest in physical infrastructure expansion, especially water/sewer
- Embrace digital infrastructure development
- Support the development of expanded and improved housing options
- Invest in public services and amenities for current and future residents
- Define a clear vision for the county's growth

Embracing Digital Infrastructure

- Data centers present Calvert County with an opportunity to expand its economic base and generate tax revenues without:
 - Public infrastructure strain.
 - School system pressure.
 - The myriad impacts of significant population growth.
- Each million square feet of data center space typically employs only 100 to 125 highly skilled professionals, providing an unmatched tax revenue-to-employee ratio.
- With one construction job supported for every 275 square feet of development, even a modestly sized data center would create substantial employment opportunities, benefitting current residents without requiring permanent population increases.

Embracing Digital Infrastructure

- A Sage analysis of a proposed 800,000 square foot data center development in Calvert County estimated the facility would generate approximately \$5 million in annual property tax revenues for the county.
- Unlike residential or commercial developments, data centers require minimal *public* services, generating little traffic, minimal waste, and few demands on emergency services, schools, and other infrastructure.
- The primary challenge with data centers relates to electricity usage, and new sources of energy may need to be developed in conjunction with data center development.
- In this regard, can Calvert County leverage its nuclear reactors? Exelon is a massive enterprise, has incredible capability, and already pays approximately 15 percent of the County's real and personal property taxes.

Conclusions

- These strategies can make Calvert County more attractive to young families, entrepreneurs, and visitors, fostering economic and demographic balance while significantly expanding both the residential and commercial tax base.
- Goal is to position Calvert County for broad-based prosperity, preserving its rural heritage while channeling development into increasingly vibrant, well-equipped town centers.
- Next: Q&A and discussion...