HCEDA Strategic Plan 2027-2029

PREPARED BY SAGE POLICY GROUP, INC.
ON BEHALF OF HOWARD COUNTY ECONOMIC DEVELOPMENT AUTHORITY (HCEDA)

June 2026

SAGE | policy group

HOWARD COUNTY ECONOMIC DEVELOPMENT AUTHORITY

Executive Summary

The Howard County Economic Development Authority (HCEDA) commissioned Sage Policy Group, Inc. (Sage) to evaluate and update the strategies and findings included in its 2023 strategic plan. To develop this updated strategic plan, which covers the 2027–2029 period, Sage reviewed trends and developments in other communities and regions, analyzed relevant local and national data, and gathered feedback from key stakeholders regarding conditions in Howard County and the future direction of the county's economic development strategy.

With each strategic plan, some priorities remain consistent while others evolve in response to unforeseen events and emerging trends. The past three years have brought several significant developments, including a resurgence of inflation, the accelerating adoption of artificial intelligence (AI), and dramatic shifts in federal policy.

Inflation remains above the Federal Reserve's target and has reaccelerated as of the first half of 2026, contributing to high borrowing costs, tight lending standards, stalled real estate activity, and mounting affordability pressures for households. While labor market conditions appear stable on the surface, recent national job growth has been heavily concentrated in health care, masking weakness in sectors such as manufacturing, finance, information, and government. Federal employment reductions have been especially consequential for Maryland, which has lost nearly 30,000 federal jobs since October 2024. At the same time, recent federal policy changes are expected to place significant fiscal pressure on the State, potentially reducing resources available to local governments.

Howard County has thus far been resilient, supported by a relatively stable private sector and a labor force that continues to grow modestly. However, the county's unemployment rate has risen sharply, and slowing population growth—now below 0.8 percent annually for five consecutive years—suggests that workforce availability, affordability, and long-term competitiveness will remain central economic development challenges.

Despite these challenges, Howard County remains a sought-after place to live and work. Residents continue to cite the county's quality of life, strong community spirit, and family-friendly environment as defining characteristics. When asked to rate quality of life in Howard County on a scale of 1 to 10, nearly 90 percent of survey respondents rated it a 7 or higher, including nearly 40 percent who rated it a 9 or 10. Stakeholders identified the county's educational resources, public services, parks, green space, related amenities, and strategic location among its strongest assets. Areas where stakeholders felt the county could improve include housing affordability and cost of living, public transportation, and competitive positioning.

KEY ANALYTICAL FINDINGS

- **As Federal Support Shrinks, Regions Must Lead:** U.S. policy has shifted dramatically from federal expansionism toward austerity and protectionism, creating new risks and uncertainty for state and local governments, higher education, civic organizations, and industry. As inflation and rising costs of living continue to pressure households, responsibility for economic leadership is increasingly moving downward to regional, state, and local actors who now face a clear mandate: stabilize their communities while laying the groundwork for long-term growth and resilience.
- **Howard County's Economy Is Deeply Connected to the Region:** Howard County is part of a highly interconnected Baltimore-Washington regional economy, with commuting patterns, workforce access, and the movement of talent extending across jurisdictional lines. Fully 75 percent of the jobs in Howard County are held by people who live outside the county, while many employed county residents work in neighboring jurisdictions, underscoring the importance of regional coordination around transit connectivity, workforce mobility, infrastructure, and economic development.
- **Artificial Intelligence Is Accelerating Workforce Change:** The rapid proliferation of artificial intelligence could have profound implications for the workforce, with stakeholders identifying AI as a transformative force already reshaping white-collar occupations. Because AI could either augment workers or automate tasks, economic development and workforce systems will need to monitor emerging impacts and help workers, businesses, educators, and employers adapt.
- **Howard County Has a Strong Small & Minority-Owned Business Base:** Howard County is a community of small businesses, with establishments with fewer than 50 employees accounting for more than 90 percent of all business establishments. The county is also home to a significant and growing base of women- and minority-owned enterprises, and its diverse industry mix provides an important foundation for inclusive economic growth.
- **Inclusive Growth Remains an Economic Imperative:** While Howard County's overall prosperity remains a defining strength, continued attention is needed to ensure that residents across income levels, races, ages, and housing tenures can participate in and benefit from the county's economic success.
- **Supply Chain Shifts Are Creating Local Industrial Opportunity:** While globalization remains an economic reality, supply chain disruptions, federal industrial policy, and concerns about foreign supplier risk have contributed to a shift toward localization in certain sectors. Reshoring and foreign direct investment have generated more than 2 million announced jobs since 2010, creating opportunities for local industrial growth while underscoring the importance of manufacturing-related workforce development and recruitment.
- **Affordability Pressures Threaten Workforce & Business Competitiveness:** Rising housing costs, rents, taxes, utility fees, and regulatory costs are placing growing pressure on Howard County residents and employers, making it more difficult for lower- and middle-income workers to move to or remain in the county. These pressures can increase commuting burdens, contribute to congestion, and make it more difficult for employers to fill essential positions, underscoring the need to align housing, transportation, infrastructure, workforce accessibility, and broader economic goals.

ECONOMIC DEVELOPMENT STRATEGY ANALYSIS FOR 2027-2029

This HCEDA strategic plan builds on the prior strategic plan and the organization's accomplishments over the last planning cycle. This plan adjusts and contemporizes the strategies established in 2023 in light of recent trends and current economic conditions, offering five adjusted strategies, two new strategies, and a continued call for HCEDA to serve as an influencer and policy leader on key issues.

STRATEGY #1: PRIORITIZE BRE & STRATEGIC SECTOR GROWTH

HCEDA should maintain business retention and expansion as its primary business development focus, continuing robust support for local businesses and entrepreneurs while promoting inclusive business growth and accessible employment opportunities. Relevant tactics include sustaining valued services such as networking and strategic connections, entrepreneurial advisory services, and business assistance and support services, while also refining a targeted business attraction process that is selective, evidence-based, and aligned with Howard County's value proposition and regional advantages. HCEDA should also pursue targeted international business development focused on attracting international companies to establish or expand operations in Howard County as well as helping local firms access export markets, customers, and business partnerships abroad. Finally, HCEDA should support strategic sector growth in areas where the county has an existing business base or meaningful expansion potential.

STRATEGY #2: INFLUENCE & SUPPORT KEY COUNTY INITIATIVES

HCEDA should continue serving as an influential policy partner. Stakeholder feedback gathered during the planning process supports this role, with some survey respondents indicating that HCEDA should help advance broader policy priorities and economic growth in Howard County. HCEDA's involvement in the adoption of the Gateway Master Plan in 2025 illustrates the organization's capacity to contribute to major county initiatives that have significant economic development implications.

Where appropriate and feasible, HCEDA should extend its influence beyond its core activities to support issues such as placemaking, redevelopment, and housing affordability. These are policy areas in which Howard County's General Plan, HoCo By Design, identifies HCEDA as a lead or supporting agency for several implementing actions. By influencing major *placemaking and redevelopment* efforts, HCEDA can help create environments that support economic growth, attract investment, and complement core strategies such as business retention and expansion. By advocating for policies that expand access to *housing that is affordable* to workers across a range of occupations and income levels, HCEDA can also support broadly shared prosperity and inclusive growth.

STRATEGY #3: BUILD ON HOWARD COUNTY'S INNOVATION ECOSYSTEM

HCEDA should continue building on Howard County's innovation ecosystem, particularly through the Maryland Innovation Center, which has become one of HCEDA's most visible and important platforms for entrepreneurship, small business support, mentorship, training, and business connections. Relevant

tactics include sustaining and expanding MIC programming as resources permit, deepening sector-focused initiatives such as the Cyber Howard Accelerator, and continuing BRITE programming and other efforts that expand access to entrepreneurial resources. HCEDA should also continue to influence and support the Columbia Gateway Innovation District as the place-based expression of Howard County's innovation strategy, while elevating MIC, Cyber Howard, BRITE, Gateway, and related initiatives as central elements of the county's broader value proposition.

STRATEGY #4: ADVANCE AI READINESS & WORKFORCE ADAPTATION

AI has shifted from a largely prospective economic disruptor to a technology already being adopted across occupations and industries, creating both opportunities and risks for Howard County businesses and workers. Rather than seeking to predict precisely how AI will affect every occupation or industry, HCEDA should coordinate a partnership-based AI Readiness & Workforce Adaptation initiative that positions the county to respond proactively to AI adoption and the workforce transitions it may produce. This effort should begin with accessible foundational AI training and, as resources and demonstrated needs permit, expand into one or two sector- or career-specific pilots that help workers and businesses use emerging tools responsibly, adapt to changing skill requirements, and preserve pathways to economic mobility.

STRATEGY #5: STRENGTHEN RESEARCH, MESSAGING & ECONOMIC INTELLIGENCE

HCEDA has been highly active in research and messaging, an increasingly important element of its relevance to economic life in Howard County. This work helps HCEDA communicate resources, elevate opportunities, support business retention and attraction, and reinforce its role as an authority on local economic trends. Building on recent efforts—including the launch of HCEDA and MIC mobile applications, the new MIC website, weekly Data Dives, expanded video storytelling, and added research capacity—HCEDA should continue using research, stakeholder input, and business intelligence to expand its reach, strengthen its positioning, and support broader economic development goals. Relevant tactics include developing a clearer value proposition for Howard County and positioning the county within the broader Baltimore-Washington regional economy.

STRATEGY #6: PURSUE REGIONAL COOPERATION & COALITIONS

As federal retrenchment and funding uncertainty place greater responsibility for economic leadership on state, regional, and local actors, cooperation across jurisdictions and sectors is becoming increasingly important. Many of the challenges and opportunities affecting Howard County—including workforce and talent mobility, transit and infrastructure, strategic-sector growth, economic resilience, and business attraction—extend beyond county boundaries and cannot be addressed effectively by any single organization. HCEDA should therefore deepen its participation in existing regional partnerships and, where Howard County has a significant stake or relevant capacity, selectively help convene cross-sector coalitions around clearly defined challenges or opportunities.

STRATEGY #7: PRIORITIZE HIGH-IMPACT SPECIAL PROJECTS

HCEDA should preserve flexible capacity to respond to unexpected problems, emerging opportunities, and time-sensitive economic challenges while ensuring that these efforts do not detract from core functions such as business retention and expansion (BRE) and small business/entrepreneurship support. Given limited resources and shifting economic conditions, HCEDA should prioritize high-impact projects that align with its strategic pillars, complement other agencies' efforts, advance General Plan priorities, or respond to urgent economic risks.

STRATEGY #8: MONITOR ECONOMIC DISRUPTIONS & BOLSTER RESILIENCE

HCEDA should broaden the strategy from monitoring disruptions to actively bolstering economic resilience, treating resilience as both a steady-state function and a responsive capacity. Relevant tactics include maintaining an economic early-warning function to track emerging technologies, policy changes, labor market shifts, industry vulnerabilities, business closures, and broader economic indicators; strengthening steady-state resilience planning through industry diversification, workforce adaptability, business continuity awareness, and alignment with county and regional planning efforts; and building responsive coordination capacity with businesses, county agencies, workforce partners, educational institutions, regional organizations, and state and federal officials. In this way, HCEDA can serve as both a source of economic intelligence and a convener of partners when Howard County or the broader region faces a significant economic challenge.

CONCLUSION

Together, these strategies provide a framework for HCEDA's economic development efforts during the 2027–2029 period. They seek to preserve the organization's core focus on business retention and expansion, entrepreneurship, research, innovation, and strategic sector growth, while responding to emerging challenges related to affordability, resilience, artificial intelligence, regional cooperation, and shifting federal policy.

This strategic plan also outlines performance metrics that can be used to track progress related to Howard County's economic development efforts, including new business formation, employment in relevant industries, capital investment, MIC membership, minority business ownership, commercial vacancy, and the share of cost-burdened renter and owner households. These indicators provide useful numeric measures of economic development activity and progress. However, progress toward HCEDA's 2027–2029 goals will also take forms that are less regularly measurable but equally important, including new or deepened collaborations among local and regional organizations, expanded programming to support workforce readiness and business resilience, and HCEDA's ongoing efforts to inform, support, and influence county policy, redevelopment, and long-term economic competitiveness.

Table of Contents

Executive Summary 2
Introduction 9
Situation Assessment 10
National & State Trends & Developments 10
Howard County Trends & Developments 14
Community Self-Assessment 16
Strengths 16
Challenges 18
The Role of Economic Development 20
Analytical Findings 24
As Federal Support Shrinks, Regions Must Lead 24
Howard County's Economy Is Deeply Connected to the Region 26
Artificial Intelligence Is Accelerating Workforce Change 27
Howard County Has a Strong Small & Minority-Owned Business Base 30
Inclusive Growth Remains an Economic Imperative 32
Supply Chain Shifts Are Creating Local Industrial Opportunity 35
Affordability Pressures Threaten Workforce & Business Competitiveness 37
Economic Development Strategy Analysis for 2027-2029 40
Strategy #1: Prioritize BRE & Strategic Sector Growth 40
Strategy #2: Influence & Support Key County Initiatives 43
Strategy #3: Build on Howard County's Innovation Ecosystem 45
Strategy #4: Advance AI Readiness & Workforce Adaptation 47
Strategy #5: Strengthen Research, Messaging & Economic Intelligence 49
Strategy #6: Pursue Regional Cooperation & Coalitions 52
Strategy #7: Prioritize High-Impact Special Projects 54
Strategy #8: Monitor Economic Disruptions & Bolster Resilience 55
Conclusion 57

List of Exhibits

Exhibit 1: Year-over-Year U.S. Inflation, Consumer Price Index (CPI-U), 2021-2026 10
Exhibit 2: U.S. Government Employment, 1960-2026 12
Exhibit 3: Federal Government Employment in Maryland, 2016-2026 12
Exhibit 4: Regional Unemployment, Select Areas, 2019-2026 14
Exhibit 5: Howard County Population Growth by Year 15
Exhibit 6: Stakeholder Sentiment: Howard County Quality of Life and Inclusivity 16
Exhibit 7: Stakeholder Sentiment: Howard County as a Business and Employment Location 17
Exhibit 8: Community Self-Assessment—Howard County Strengths/Weaknesses 18
Exhibit 9: Top Challenges Faced by Howard County Stakeholders with Businesses 19
Exhibit 10: Survey Results-What Should Howard County Prioritize to Increase Economic Vibrancy? 20
Exhibit 11: Survey Results-Familiarity with Available Economic Development Resources 21
Exhibit 12: Survey Results-Efficacy of Available Economic Development Resources 22
Exhibit 13: Survey Results-Stakeholder Views on the Role of HCEDA 23
Exhibit 14: Federal Government Grants-in-Aid to State and Local Governments, 1980-2026 25
Exhibit 15: Howard County Employment Inflow/Outflow 26
Exhibit 16: Frequency of AI Use at Work 27
Exhibit 17: Share of Employed Persons Using Generative AI for Work by Industry in February 2026 28
Exhibit 18: Statistics for Female-Owned Employer Firms, 2023 30
Exhibit 19: Statistics for Employer Firms by Minority/Nonminority-Ownership, 2022 30
Exhibit 20: Howard County and Surrounding Counties: Private Industries with the Highest Employment Location Quotients, 2025 31
Exhibit 21: U.S. Poverty Rates Using the Official & Supplemental Poverty Measures, 2009-2024 32
Exhibit 22: Howard County Population by Poverty Status, Select Years 33
Exhibit 23: U.S. Job Announcements Per Year, Reshoring + FDI, 2010-2024 35
Exhibit 24: Housing Costs, 2024 37
Exhibit 25: Median Home Sale Prices, Maryland & Select Maryland Counties, 2019 v. 2025 38
Exhibit 26: Economic Development Metrics 57

Introduction

HCEDA MISSION

The Howard County Economic Development Authority (HCEDA) is a public-private partnership committed to fostering economic growth and innovation in Central Maryland. HCEDA's mission is to promote economic growth and stability in Howard County by supporting existing businesses, attracting targeted new businesses and corporate and/or regional headquarters; to serve as the liaison between public and private economic development and planning organizations; and to recommend policies to County government that support the achievement of planned economic goals.

STRATEGIC PLANNING PROCESS

Every three to five years, HCEDA updates its strategic economic development plan, providing an assessment of Howard County's current economic position and the broader trends shaping its future. The plan also establishes strategies to guide HCEDA's activities in the years ahead. Each update offers an opportunity to reflect on progress during the previous planning cycle, reassess existing strategies, and respond to changing conditions.

With each strategic plan, some priorities remain consistent while others evolve in response to unforeseen events and emerging trends. The past three years have brought several significant developments, including a resurgence of inflation, dramatic shifts in federal policy, and the accelerating adoption of artificial intelligence (AI).

HCEDA's previous strategic plan, developed with Sage Policy Group in 2023, established a framework that continues to guide the organization's economic development activities. The plan emphasized inclusion, business retention and expansion, innovation, research, and the monitoring of economic disruption. It also identified placemaking, transit, and the adaptive reuse of office space as areas in which HCEDA could provide support and influence policy. HCEDA's involvement in the adoption and implementation of the Gateway Master Plan in 2025 illustrates this role.[1]

To develop the latest strategic plan, Sage Policy Group, Inc. reviewed trends and developments in other communities and regions, collected and analyzed relevant local and national data, and gathered feedback from key stakeholders regarding conditions in Howard County and the direction of the county's economic development strategy. Building on the success of the prior *HCEDA Strategic Plan 2024-2026: A Brand New Day*, this plan refines existing strategies and introduces new priorities for **2027-2029** that align with stakeholder feedback, emerging economic trends, and county priorities.

[1] Howard County, Maryland Department of Planning & Zoning, *A Master Plan for Gateway.* https://www.howardcountymd.gov/gateway.

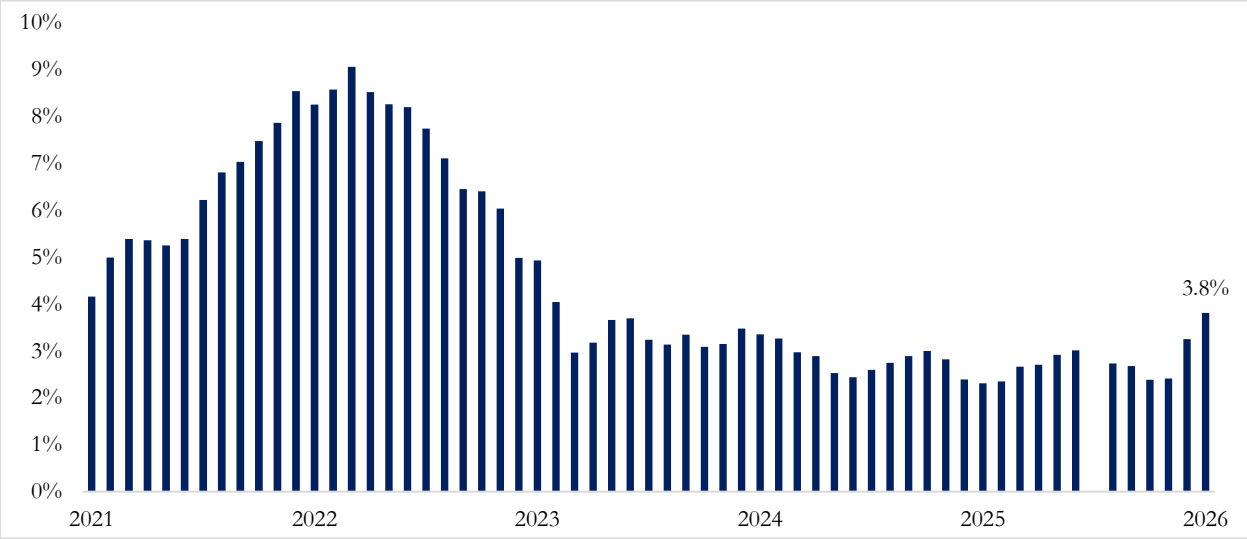
Situation Assessment

NATIONAL & STATE TRENDS & DEVELOPMENTS

INFLATION REACCELERATES

Inflation has been running above the Federal Reserve's 2.0 percent target rate for more than five years and, as of April 2026, is reaccelerating. These price increases have affected the national economy in several ways. Most notably, they have contributed to a prolonged period of high borrowing costs and tight lending standards, leaving interest-rate-sensitive sectors such as residential real estate effectively stalled.

Exhibit 1: Year-over-Year U.S. Inflation, Consumer Price Index (CPI-U), 2021-2026



Source: U.S. Bureau of Labor Statistics; Sage Policy Group

Affordability has also become a pressing issue for many households, especially those at the lower end of the income spectrum. The personal saving rate, which measures the share of disposable income that households save, fell to 2.6 percent in April 2026.[2] That is lower than at any point outside of the months leading up to the Global Financial Crisis in 2008 and a brief period in 2022. Credit card delinquency rates have also risen rapidly over the past few quarters and are at levels not seen since 2011. While consumer spending continues to rise at a healthy pace, it is clear that some households are beginning to buckle under the weight of persistently elevated inflation.

As of this writing, forecasters believe the Federal Reserve is more likely to raise the target range of the Federal Funds Rate than to lower it, and it remains unclear when inflation will return to the target level.

[2] U.S. Bureau of Economic Analysis, Personal Saving Rate [PSAVERT], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/PSAVERT

THE ARTIFICIAL INTELLIGENCE SUPER CYCLE

Artificial intelligence, and the investments in infrastructure necessary to support this burgeoning technology, have made significant contributions to U.S. economic growth over the past several quarters. In fact, AI-related investments have contributed more to real GDP growth, both in levels and as a share of the total, than internet technology-related components did during the dot-com boom.[3]

This has spurred a substantial increase in data center investment, creating both opportunities and challenges for local governments across the nation. These facilities can generate considerable property tax revenues, but rising community pushback has made them politically difficult to approve in many places.

The scale of investment in data centers has also limited the capital available for other forms of development. Commercial and residential real estate development has been virtually nonexistent in many markets as a result. Data center development has also created opportunities for certain skilled trades occupations. Electricians, for instance, have seen rapid wage growth as a result.

STABLE LABOR MARKET INDICATORS OBSCURE SECTORAL WEAKNESS

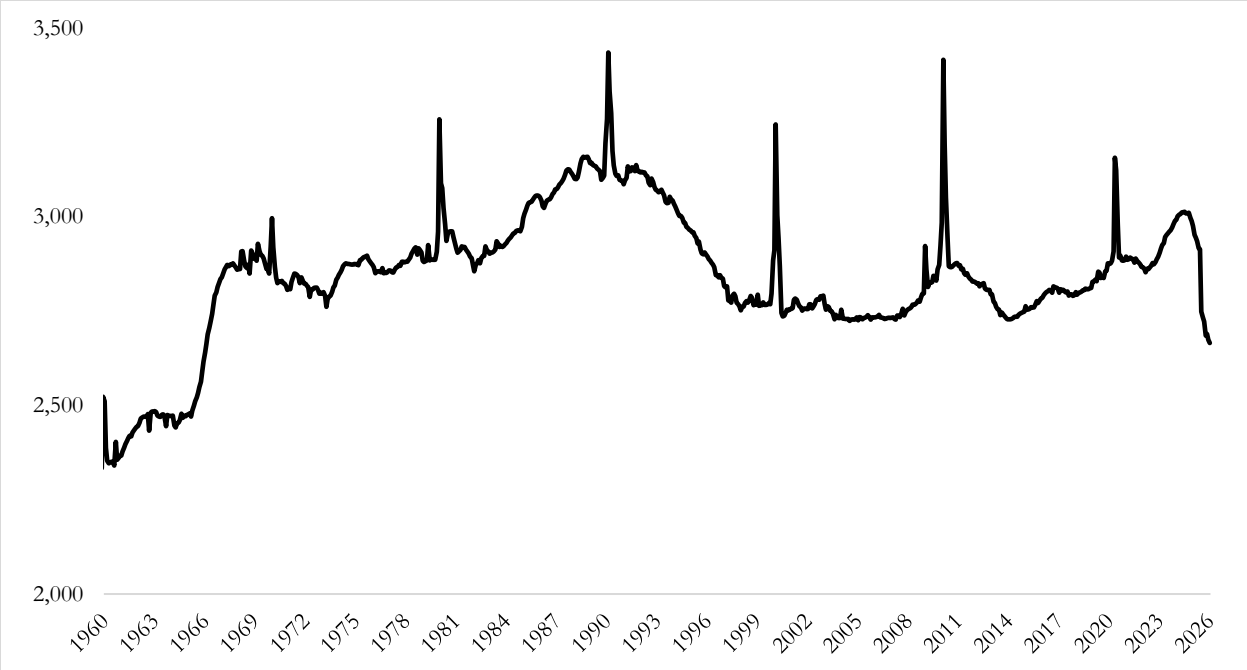
The labor market has, at least superficially, stabilized after a particularly weak 2025. The unemployment rate stood at 4.3 percent as of April 2026.[4] While that is higher than in the years immediately preceding the COVID-19 pandemic, it remains healthy by historical standards.

Employment growth, which was particularly weak in 2025, has also accelerated in recent months. However, the vast majority of job growth continues to occur in one sector: health care. In fact, the health services industry has added more jobs than every other sector combined over the past twelve months. This has obscured weakness in several other sectors, including manufacturing, financial activities, information, and, most importantly, government.

Layoffs and retirements spurred by the Department of Government Efficiency have resulted in a precipitous decline in federal government employment. The number of federal government employees has fallen from just over 3 million in October 2024 to fewer than 2.7 million as of April 2026.[5] To put this in context, the federal government currently employs fewer people than at any point since the mid-1960s, when about 150 million fewer people lived in the United States.

[3] Hannah Rubinton and Bontu Ankit Patro, "Tracking AI's Contribution to GDP Growth," *St. Louis Fed On the Economy*, Jan. 12, 2026. https://www.stlouisfed.org/on-the-economy/2026/jan/tracking-ai-contribution-gdp-growth
[4] U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/UNRATE
[5] U.S. Bureau of Labor Statistics, All Employees, Federal [CES9091000001], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/CES9091000001

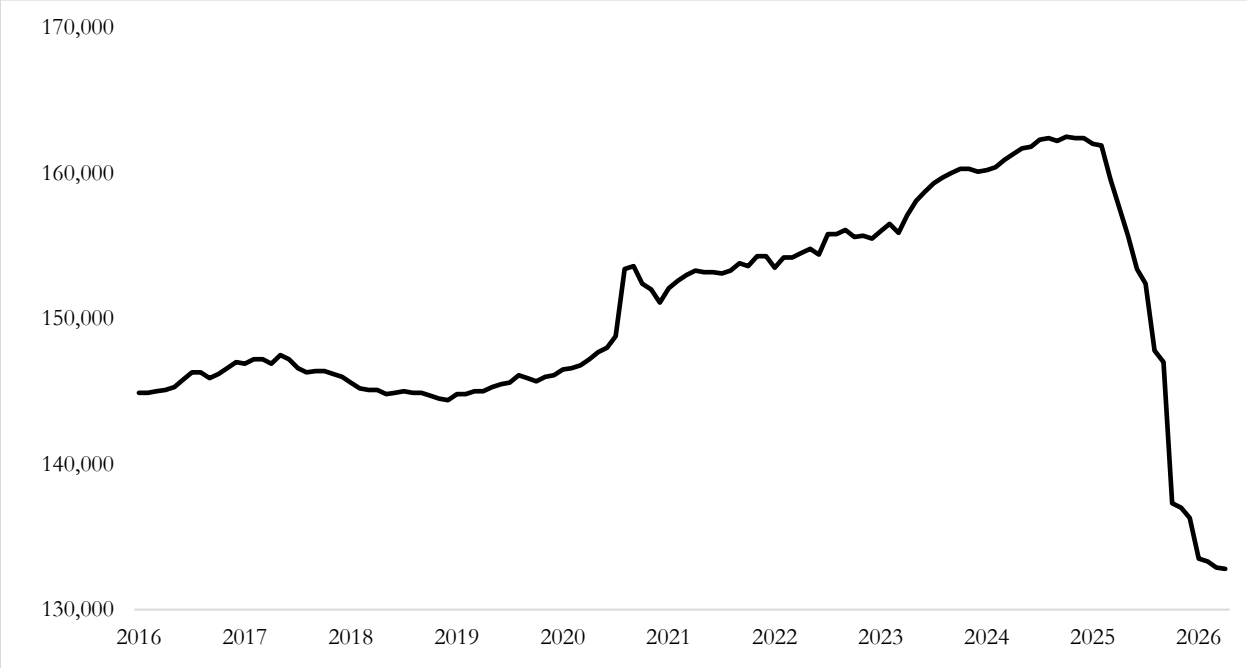
Exhibit 2: U.S. Government Employment, 1960-2026



Source: U.S. Bureau of Labor Statistics; Sage Policy Group

Maryland, which is particularly exposed to these layoffs and retirements, experienced a sudden decline in federal employment. Since peaking in October 2024, the state has lost 29,700 federal jobs.[6]

Exhibit 3: Federal Government Employment in Maryland, 2016-2026



Source: U.S. Bureau of Labor Statistics; Sage Policy Group

[6] U.S. Bureau of Labor Statistics and Federal Reserve Bank of St. Louis, All Employees: Government: Federal Government in Maryland [SMS24000009091000001], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/SMS24000009091000001

FEDERAL POLICY CAUSES STATE FUNDING HEADWINDS

The One Big Beautiful Bill Act, or OBBBA, passed in July 2025, is expected to place significant pressure on state-level fiscal health. Changes in how Medicaid funds are distributed could result in $2.7 billion fewer federal dollars for Maryland, representing a 20 percent reduction to the State's current Medicaid budget.[7]

While the loss of matching Medicaid funding represents the largest fiscal impact, it is not the only one. The OBBBA requires states to begin sharing the burden of funding the Supplemental Nutrition Assistance Program, or SNAP, in FY 2027.[8] State officials estimate that this could generate nearly $300 million in additional SNAP-related costs for Maryland.[9] Other administrative requirements implemented by the OBBBA will generate smaller, but still significant, costs, including an estimated $71 million to meet other SNAP- and Medicaid-related requirements.[10]

These additional cost burdens come at a time when Maryland has recently had to implement new taxes and fees to close a historically large $1.5 billion budget gap. As a result, state government will likely have fewer resources available for local governments over the next several years.

[7] Danielle J. Brown, "Health official warns that future Medicaid cuts could lead to $2.7 billion loss in federal funding," *Maryland Matters*, Jan. 29, 2026. https://marylandmatters.org/2026/01/29/health-official-warns-that-future-medicaid-cuts-could-lead-to-2-7-billion-loss-in-federal-funding
[8] U.S. Department of Agriculture, Food and Nutrition Administration, "SNAP Provisions of the One Big Beautiful Bill Act of 2025 – Information Memorandum," Sep. 4, 2025. https://www.fns.usda.gov/snap/obbb-implementation
[9] Danielle J. Brown, "Maryland may face more than $300 million in new SNAP costs due to high payment error," *Maryland Matters*, Dec. 3, 2025. https://marylandmatters.org/2025/12/03/maryland-may-face-more-than-300-million-in-new-snap-costs-due-to-high-payment-error
[10] Scott Maucione, "Federal changes to Medicaid, SNAP will cost Maryland $71 million over the next two years," *WYPR - 88.1 FM Baltimore*, Apr. 6, 2026. https://www.wypr.org/wypr-news/2026-04-06/federal-changes-to-medicaid-snap-will-cost-maryland-71-million-over-the-next-two-years

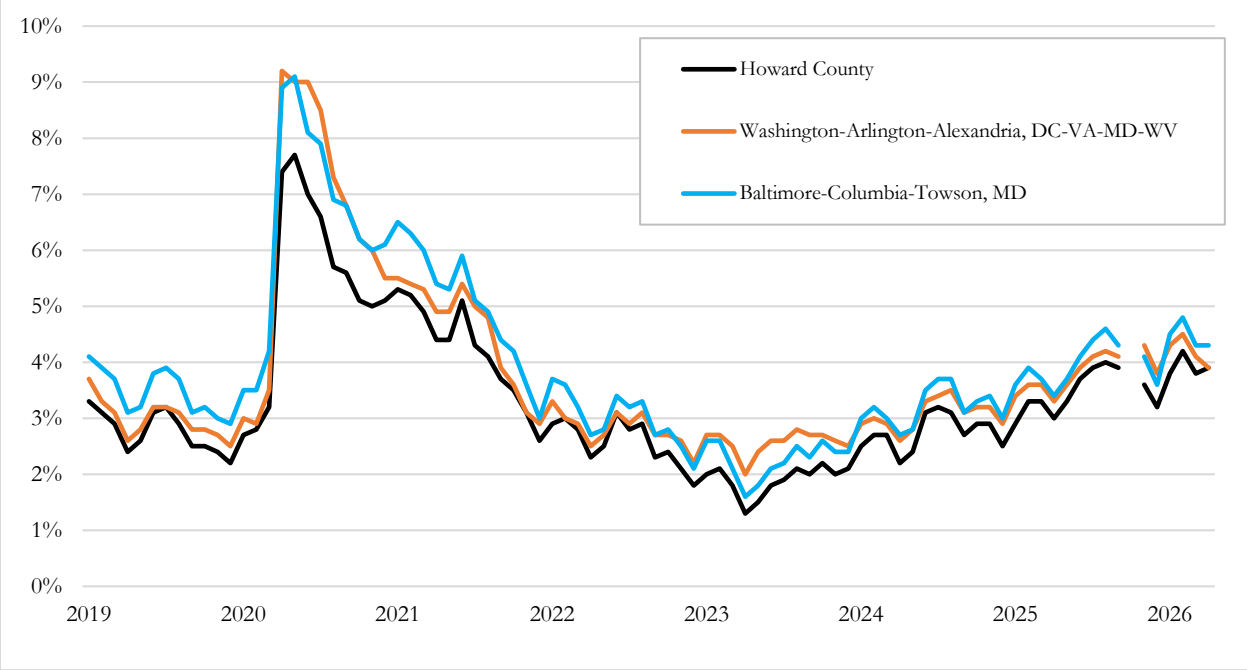
HOWARD COUNTY TRENDS & DEVELOPMENTS

COUNTY'S EMPLOYMENT BASE STRUGGLES WHILE STILL OUTPERFORMING REMAINDER OF STATE

While the aforementioned federal government job losses have contributed to a decline in the number of employed persons living in Howard County, the county has thus far held up significantly better than the remainder of the state. Over the past two years, the number of employed persons living in Howard County has fallen by approximately 1,845, a decline of 1.0 percent. The statewide employment base has contracted by more than 73,000 jobs over that span, shrinking at over twice the rate of Howard County's base. Over that same period, Howard County's labor force actually expanded, albeit modestly, while the statewide labor force shrank by more than 29,000 persons.[11]

Data regarding businesses located in Howard County also indicate that the County is slightly outperforming the state as a whole in terms of employment. Establishment employment contracted by 0.4 percent (7,968 jobs) across the state in 2025 but declined by just 0.1 percent (84 jobs) in Howard County.[12] This relative outperformance reflects the county's stable private sector and has resulted in an unemployment rate that, while rising, remains below both the broader Baltimore and Washington D.C. area unemployment rates.

Exhibit 4: Regional Unemployment, Select Areas, 2019-2026



Source: U.S. Bureau of Labor Statistics; Sage Policy Group. Note: October 2025 data unavailable due to the 2025 lapse in appropriations.

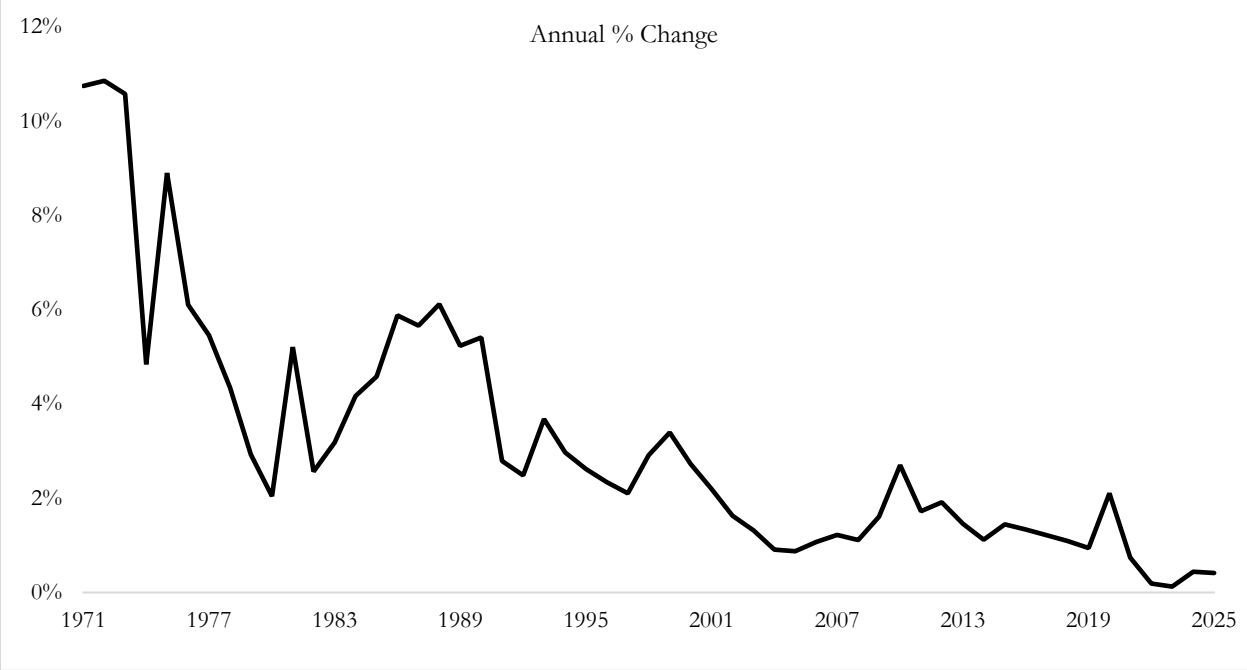
[11] U.S. Bureau of Labor Statistics, *Local Area Unemployment Statistics (LAUS).* Note: Two-year period April 2024 to April 2026.
[12] U.S. Bureau of Labor Statistics, *Quarterly Census of Employment and Wages (QCEW).*

Despite that relative outperformance, Howard County's unemployment rate has risen sharply over the past several years, surging from a historically low 1.3% in April 2023 to 3.9% as of April 2026. Outside of the pandemic-affected years of 2020 and 2021, this is the highest the county's unemployment rate has been since the first half of the 2010s. Perhaps more importantly, it is unclear how much farther it will rise.

SLOWING POPULATION GROWTH

Howard County's population growth, which had been slowing steadily over time, has fallen sharply in the years following the COVID-19 pandemic. Consider that the countywide population has grown by less than 0.8 percent in each of the past five years. That's a slower rate of growth than in any year on record prior to 2021. This trend is expected to continue, especially given immigration policy and its likely effects on the county's population of undocumented residents.

Exhibit 5: Howard County Population Growth by Year



Source: U.S. Census Bureau; Sage Policy Group. Notes: Data for resident population are estimates as of July 1. Data for 1970, 1980, 1990, and 2000 are annual census.

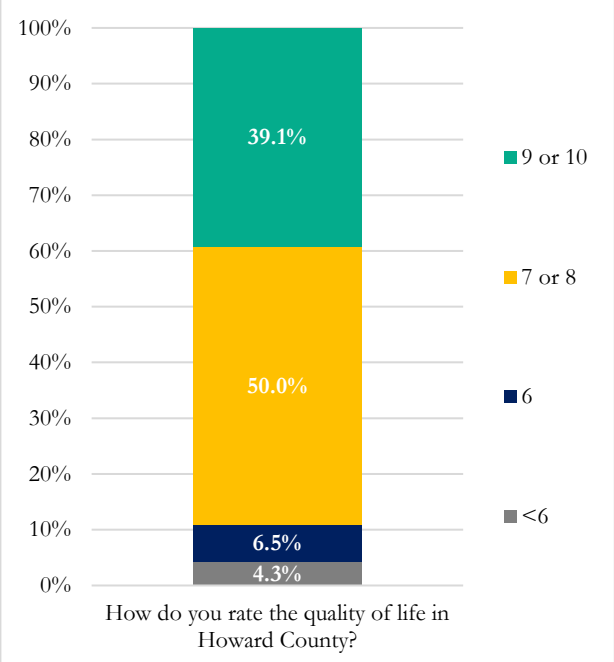
Community Self-Assessment

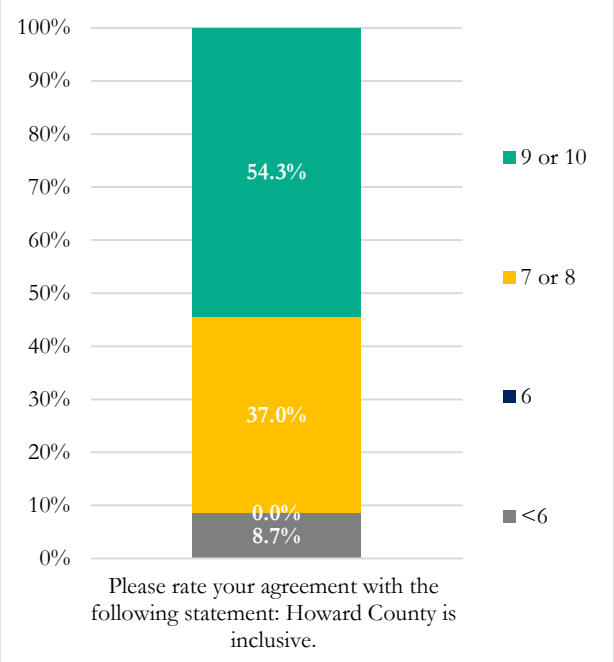
Stakeholders were invited to participate in the strategic planning process through a series of focus groups and an online survey developed by Sage in coordination with HCEDA. In March and April 2026, Sage conducted focus groups with key stakeholders to gather perspectives on economic conditions in Howard County, including the county's strengths as well as opportunities for improvement. Following the focus groups, HCEDA and Sage distributed a survey to residents, business owners, and other stakeholders to collect additional feedback regarding economic conditions, economic development priorities, and the County's future direction.

STRENGTHS

Stakeholders continue to view Howard County as an exceptional place to live, citing its quality of life, strong community spirit, and family-friendly environment as defining characteristics. As in previous years, the county's educational resources and public services, parks, green space, and related amenities, as well as its strategic location, were identified among its strongest assets contributing to this high quality of life. When asked to rate quality of life in Howard County on a scale of 1 to 10, nearly 90 percent of survey respondents rated it a 7 or higher, including nearly 40 percent who rated it a 9 or 10.

Exhibit 6: Stakeholder Sentiment: Howard County Quality of Life and Inclusivity





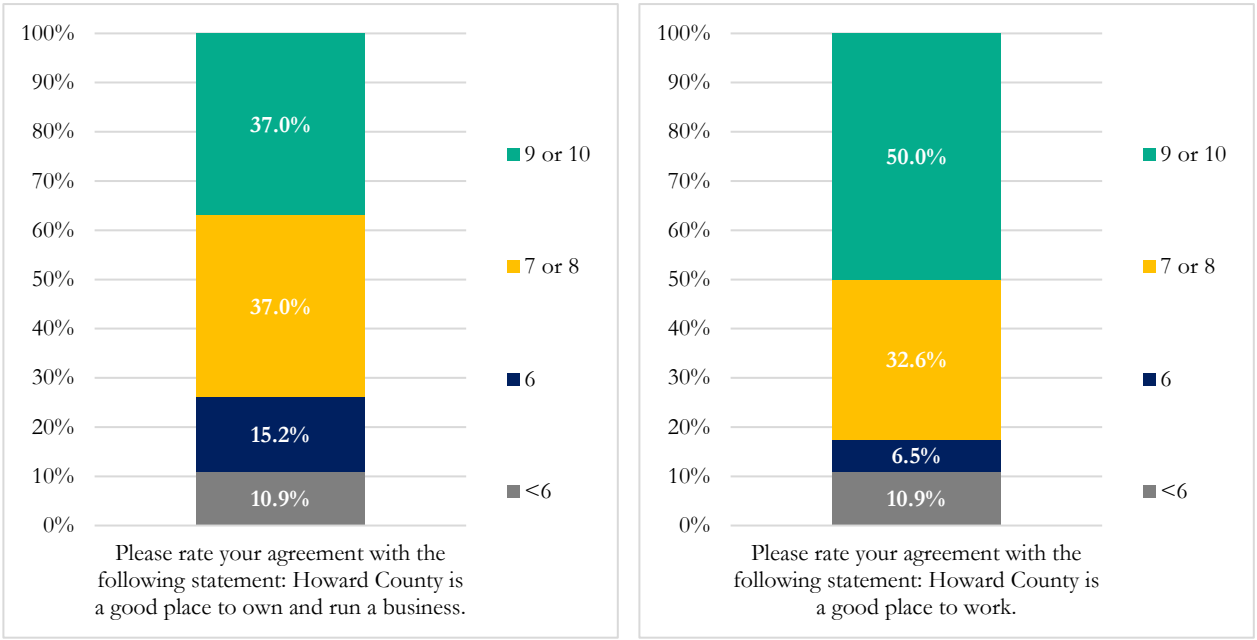
Source: HCEDA; Sage Policy Group

Stakeholders also view Howard County as a progressive and diverse community, with one stakeholder noting that there is "a strong and healthy sense of belonging for multiple groups and ethnicities." More than 91 percent of survey respondents strongly agreed that "Howard County is inclusive," including 54 percent who very strongly agreed.[13] The county's diversity continues to be identified across multiple strategic planning cycles as one of its defining strengths.

Education continues to be regarded as one of Howard County's greatest assets, driven by the strength of its public school system, access to universities and institutions such as Howard Community College, and its highly educated population and workforce. Similarly, strong public institutions and public service resources were frequently identified as key Howard County strengths. Stakeholders commonly cited effective government and leadership, libraries and community centers, and medical facilities as important aspects of the county's institutional capacity.

Howard County's location within the heart of a major urban corridor continues to be identified as a principal advantage, particularly from the perspectives of employment access and business opportunity. Stakeholders with ties to the business community also view the county as a strong environment for business operations; 89 percent of survey respondents agreed that "Howard County is a good place to own and run a business," including 37 percent who strongly agreed and another 37 percent who very strongly agreed. Similarly, 89 percent of respondents agreed that "Howard County is a good place to work," including a full 50 percent who expressed very strong agreement.

Exhibit 7: Stakeholder Sentiment: Howard County as a Business and Employment Location



Source: HCEDA; Sage Policy Group

[13] On a scale of 1-10, very strong agreement is defined here as 9-10; strong agreement is defined as 7-8, and some agreement is defined as 6.

Stakeholders identified the county's supportive business ecosystem, particularly for small businesses, as an important strength. Respondents described the county as having a "strong business base," a collaborative and supportive business community, and an active and engaged economic development authority (HCEDA).

Exhibit 8: Community Self-Assessment—Howard County Strengths/Weaknesses

HOCO's Strengths/Advantages	HOCO's Weaknesses/Challenges
▪ Quality of life/livability ▪ Schools & education ▪ Parks, green space & natural environment ▪ Location & regional connectivity ▪ Community, diversity, & inclusion ▪ Business environment & job opportunities ▪ Strong public institutions & resources	▪ Affordability & cost of living ▪ Public transportation & infrastructure ▪ Taxes & government efficiency ▪ Growth management, development & land use ▪ Economic diversification & business attraction ▪ Business support & inclusive procurement

CHALLENGES

Stakeholders also identified several areas where conditions in the county could be improved, with affordability emerging as the most common concern, particularly related to housing costs and taxes. High home prices and limited housing inventory across a range of price points were viewed as barriers for young families, first-time homebuyers, and many workers employed in Howard County. Stakeholders noted that many employees commute from outside the county because they cannot afford to live there, and several business leaders indicated that high housing costs and rents make it difficult to attract younger workers. While stakeholders recognized that housing affordability challenges are not unique to Howard County and reflect broader statewide and national trends, the overall sentiment was that the high cost of housing and living directly affects workforce availability and employers' ability to attract and retain talent.

A lack of public transportation and transit options was identified as a weakness in Howard County's infrastructure and public services. Stakeholders noted that limited transit access constrains mobility for both residents and employers, including for workers commuting within the county and older residents who can no longer drive. At the same time, stakeholders acknowledged the efforts of the Howard County Office of Transportation to improve existing services and increase ridership despite competing budget priorities. Some respondents also expressed concern about balancing continued growth and development with the preservation of the county's high quality of life. Related concerns were raised about mounting fiscal pressures and whether they could eventually constrain Howard County's ability to maintain the high level of public services and amenities for which it is known, suggesting a degree of underlying fragility despite strong overall performance.

In terms of the economy, some stakeholders expressed that Howard County would benefit from greater economic diversification, noting concerns that a significant share of residents are employed in technology and related industries and that many workers and businesses rely on the federal government, either directly through employment or indirectly through contracting. Reflecting these

concerns, 80 percent of survey respondents agreed that "Howard County has been negatively impacted by federal government job losses and spending reductions."

Stakeholders also discussed recent business attraction efforts and expressed concern that businesses may be expanding or relocating elsewhere due to cost disadvantages—including taxes, housing, and utilities—as well as insufficient messaging, competitive positioning, or both. Several recent business location decisions were cited, including Hitachi's selection of Hagerstown for its new production facility, which opened in 2025. Some stakeholders concluded that economic development increasingly requires proactive deal-making and business intelligence, not simply a business-friendly environment.

Many expressed the view that AI-driven disruption is accelerating rapidly, particularly in technology and white-collar occupations, with potential impacts on entry-level career pathways and opportunities for recent graduates. The strong sentiment was that AI's implications for workforce development and the broader economy warrant significant attention moving forward.

Finally, some stakeholders called for stronger support for local, minority-owned, and small businesses within the county. Several identified opportunities to increase the share of county government contracts awarded to local firms and to expand participation by small and minority-owned businesses in county building and community development projects. To better understand business conditions, business owners participating in the community feedback survey were asked specifically about the challenges they had faced over the previous two years. The most frequently cited challenges related to federal government instability and rising costs.

Exhibit 9: Top Challenges Faced by Howard County Stakeholders with Businesses

Top Themes	Common Topics Mentioned
Federal Government Uncertainty & Contracting Instability	Federal contract losses, DOGE/government restructuring, tariffs, procurement delays, funding uncertainty
Rising Costs & Inflation	Inflation, wages, fuel, utilities, rent, insurance, operating costs
Workforce & Staffing Challenges	Hiring qualified workers, employee reliability, wage pressures, workforce access
Access to Capital, Cash Flow & Financing	Cash flow shortages, financing growth, institutional capital, startup funding
Market Access, Visibility & Business Support	Marketing visibility, customer connections, procurement opportunities, navigating resources

Source: HCEDA; Sage Policy Group. Survey question: "If you are a business owner, what is the biggest economic problem your business has faced in the past two years?"

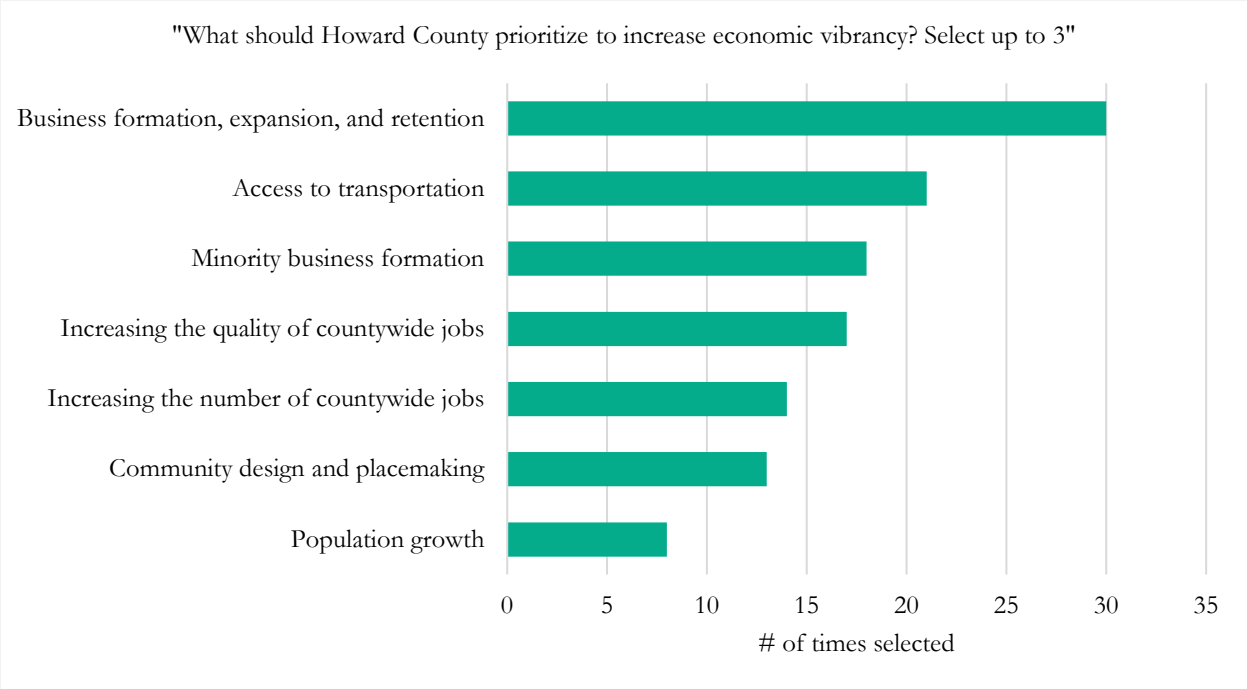
Concerns tied to the federal government included policy changes, disruptions in government contracting, and broader economic uncertainty. Business owners also frequently cited rising operating expenses, including in the form of wages, fuel, utilities, rent, and insurance costs. Additional challenges identified by stakeholders included workforce and staffing issues, access to capital and financing, cash flow constraints, and limited market visibility and business support.

THE ROLE OF ECONOMIC DEVELOPMENT

One of the main goals of the strategic planning process is to identify where economic development efforts and resources should be focused in the coming years. To help inform this process stakeholders were asked to provide perspectives on priorities for future growth and development, the role of economic development, and the types of activities and resources the Howard County Economic Development Authority (HCEDA) provides.

Survey results indicate that stakeholders view business formation, expansion, and retention as one of the most important pathways to increasing economic vibrancy, followed by greater access to transportation. Minority business formation was the third most selected response, suggesting that diversity and inclusion continue to be important community values among Howard County stakeholders.

Exhibit 10: Survey Results-What Should Howard County Prioritize to Increase Economic Vibrancy?

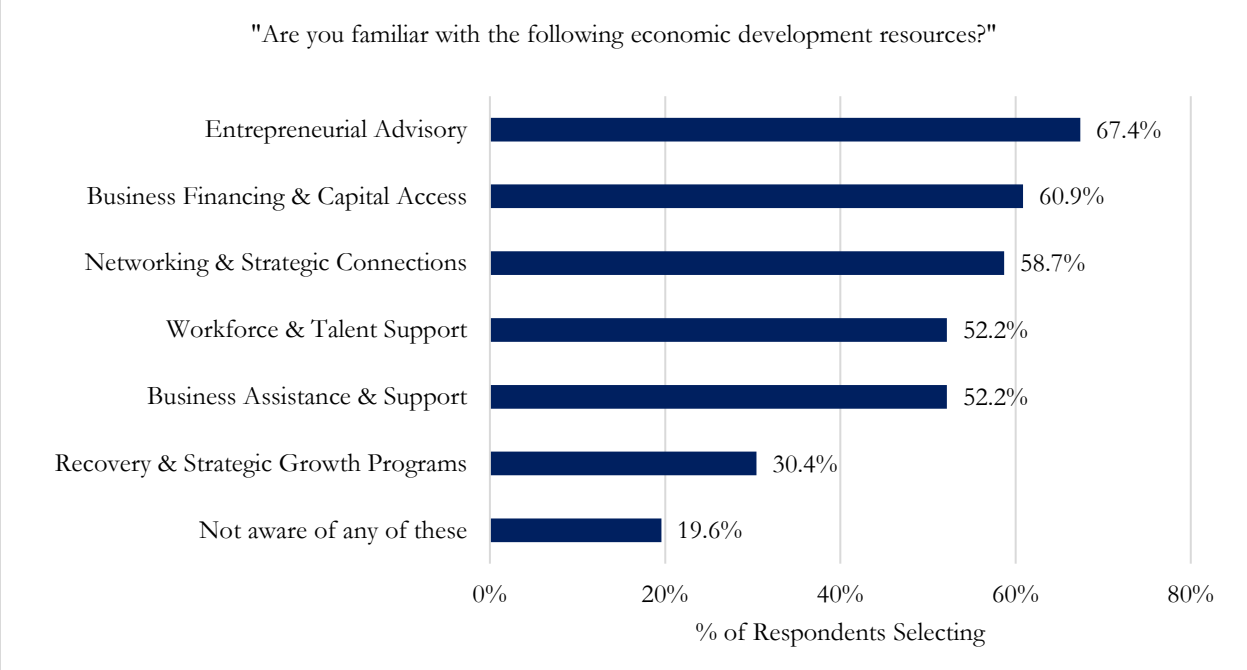


Source: HCEDA; Sage Policy Group

Survey results also indicate that stakeholders are broadly aware of HCEDA, its efforts, and the resources it offers to residents and business owners. Four in five respondents indicated they were aware of HCEDA. When asked about familiarity with specific types of support, only 20 percent indicated they were not aware of any of the economic development resources offered by HCEDA.

Entrepreneurial advisory was the resource most familiar to survey respondents, with more than 67 percent indicating awareness of that offering. Approximately 60 percent of respondents were familiar with HCEDA's *business financing and capital access* resources, as well as its *networking and strategic connections* resources. About 52 percent were familiar with its *workforce and talent support* and *business assistance and support* resources. HCEDA's recovery and strategic growth programs appeared to have the lowest level of awareness, with 30 percent of respondents indicating familiarity with those resources.

Exhibit 11: Survey Results-Familiarity with Available Economic Development Resources



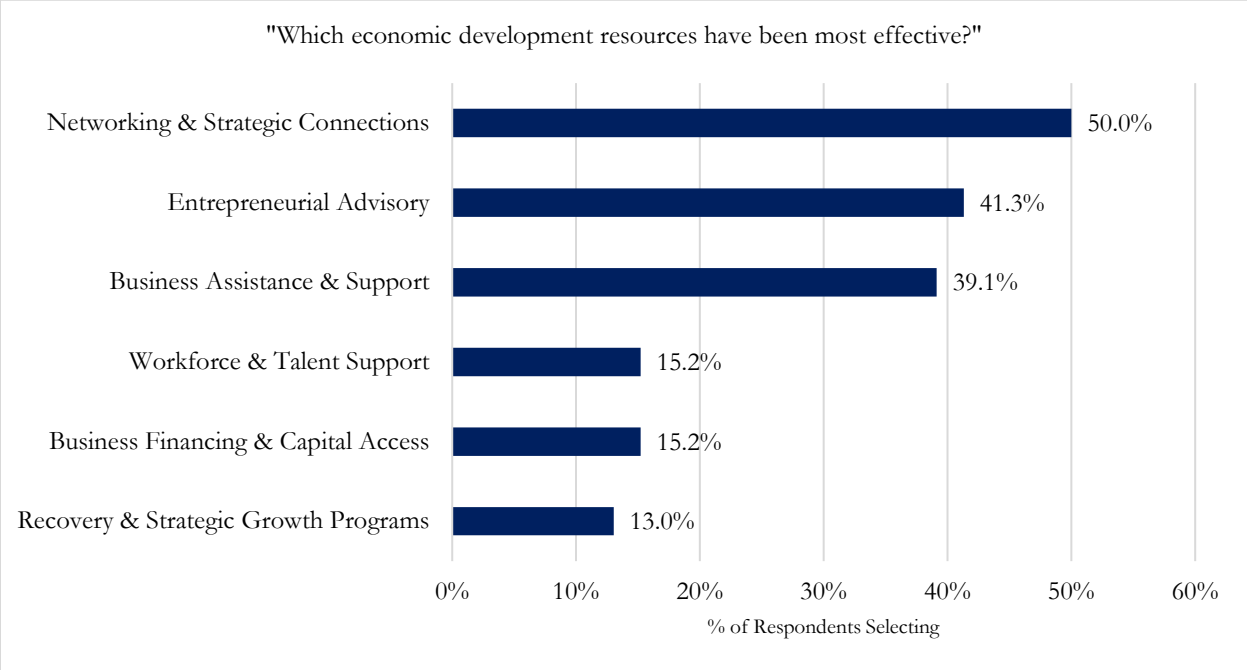
Source: HCEDA; Sage Policy Group

Respondents were then asked which of HCEDA's available economic development resources they had found to be most effective. *Networking and strategic connections* was the top resource, selected by 50 percent of survey respondents. More than 40 percent identified HCEDA's *entrepreneurial advisory* services as among the most effective offerings, while nearly 40 percent identified *business assistance and support* services. Respondents were permitted to select more than one category, and therefore sometimes cited several types of resources as being "most effective."

Survey respondents were also asked an open-ended follow-up question in which they could identify other programs or initiatives they viewed as effective in supporting economic development in the

county. One of the strongest themes was appreciation for programs that directly support small businesses and entrepreneurs, including startup support, mentoring, low-cost vending opportunities, and COVID-era assistance. Respondents also identified specific organizations and entrepreneurial support networks as effective in supporting economic development, including co-working spaces, the Maryland Small Business Development Center (SBDC), the Maryland Innovation Center (MIC), and the Small Business Administration (SBA).

Exhibit 12: Survey Results-Efficacy of Available Economic Development Resources



Source: HCEDA; Sage Policy Group

To gauge expectations for HCEDA as an agency, stakeholders were asked what its primary role should be. The dominant theme was that HCEDA should focus primarily on *supporting small and local businesses.* Representative responses included "Support small and local businesses," "Fostering the economic growth of small and local-owned businesses," and "Supporting small businesses with growth opportunities, business hubs, webinars, and resources for women-owned small businesses in the county." In a similar vein, many respondents also emphasized the traditional economic development role of business attraction, retention, and expansion (BRE). Representative responses included "Recruiting new businesses, retaining current businesses, helping current businesses to expand and advocating for new business opportunities," and "Supporting new business growth."

Many respondents also described the types of resources HCEDA should provide, most of which fall broadly under the themes of small and local business support and BRE. Commonly mentioned supports included access to financing, such as venture capital (VC) and investor connections, startup funding, access to capital, and other financial resources, as well as business resources and networking,

including mentorship and advising, webinars, outreach to entrepreneurs, facilitated business connections, and opportunities for business exposure.

A smaller portion of respondents indicated that HCEDA should play a leadership role in supporting broader policy priorities and general economic growth in Howard County. Representative responses included "The primary role of HCEDA is to foster economic growth, and improve the quality of life in the Howard County community," and "Driving the economic growth of the county through innovative practices."

Exhibit 13: Survey Results-Stakeholder Views on the Role of HCEDA

Top Themes	Common Topics Mentioned
Small and Local Business Support & Growth	Supporting local businesses, small business growth, retention, startup support, mentoring, funding assistance
Business Attraction, Retention & Expansion (BRE)	Recruiting new businesses, retaining existing firms, helping businesses expand, economic growth
Access to Capital, Funding & Investment	Bridge capital, VC access, funding resources, rent assistance, financing support
Business Resources, Networking & Visibility	Outreach, networking, business exposure, mentorship, information sharing, webinars
Economic Leadership & Countywide Growth	Serving as economic development leader, driving countywide growth, strategic economic development

Source: HCEDA; Sage Policy Group. Survey question: "What should be the primary role of Howard County Economic Development (HCEDA)?"

In sum, stakeholder feedback suggests that HCEDA is viewed primarily as a resource for supporting and fostering growth among existing businesses, attracting new businesses and business opportunities to the county, and helping strengthen the local business ecosystem. Stakeholders also see a secondary role for HCEDA as a policy influencer and strategic leader. These findings broadly align with many of the programs and services HCEDA currently provides and suggest a significant level of community support for HCEDA's mandate.

Analytical Findings

AS FEDERAL SUPPORT SHRINKS, REGIONS MUST LEAD

While the U.S. has experienced significant growth in recent years, many Americans continue to struggle as the cost of living rises. Analysis by the Brookings Institution indicates that in some parts of the U.S. less than 50 percent of families are earning enough to cover the basic costs of housing, childcare, transportation, and energy.[14]

At the same time, public confidence in national leadership is limited and highly partisan. Recent polling supports this. Gallup polling finds that, as of May 2026, Americans identified the economy as the most pressing problem facing the country, at 37 percent, followed by poor leadership, at 26 percent.[15] These findings reflect deep dissatisfaction with rising costs, broader economic conditions, and deteriorating trust in public institutions. Asked which political party can better handle the biggest problems facing the country, Americans were nearly evenly split between the Republican Party, at 38 percent, and the Democratic Party, at 40 percent.[16]

Over the past decade federal lawmakers have wavered between two starkly different economic approaches to these challenges. In the post-pandemic Biden-Harris era, Congress and the administration significantly expanded federal investment to promote short-term economic recovery, while also seeking to promote longer-term growth through major investments in infrastructure, clean energy, semiconductors, and other strategic sectors.

In an effort to reach all parts of the country, the federal government deployed a combined $40 billion towards place-based industrial policies targeted to areas left behind by deindustrialization and recent technological change.[17] Through the American Rescue Plan Act (ARPA), the Bipartisan Infrastructure Law (BIL), the CHIPS and Science Act, and the Inflation Reduction Act (IRA), the U.S. saw a surge in investment in strategic sectors and billions in private investment, much of which has flowed to economically distressed counties.[18] However, tangible and measurable impacts of such investments do not always materialize for several years as it takes time for new facilities and infrastructure to translate into jobs and earnings benefits. At the same time, persistently high inflation exacerbated cost-of-living pressures and frustrated many voters.[19]

---

[14] Parilla, Joseph, and Mayu Takeuchi. "From Federal Investment to Regional Economic Transformation: A New Model Linking Industry Growth to Economic Mobility." *Brookings Institution*, July 24, 2025. https://www.brookings.edu/articles/from-federal-investment-to-regional-economic-transformation-a-new-model-linking-industry-growth-to-economic-mobility/

[15] Gallup, *Most Important Problem.* https://news.gallup.com/poll/1675/most-important-problem.aspx. Survey results 26-May, "What do you think is the most important problem facing the country today?"

[16] Gallup, *Most Important Problem.* https://news.gallup.com/poll/1675/most-important-problem.aspx. Survey results 2025 Sep 2-16, "Which political party do you think can do a better job of handling the problem you think is most important — the Republican Party or the Democratic Party?"

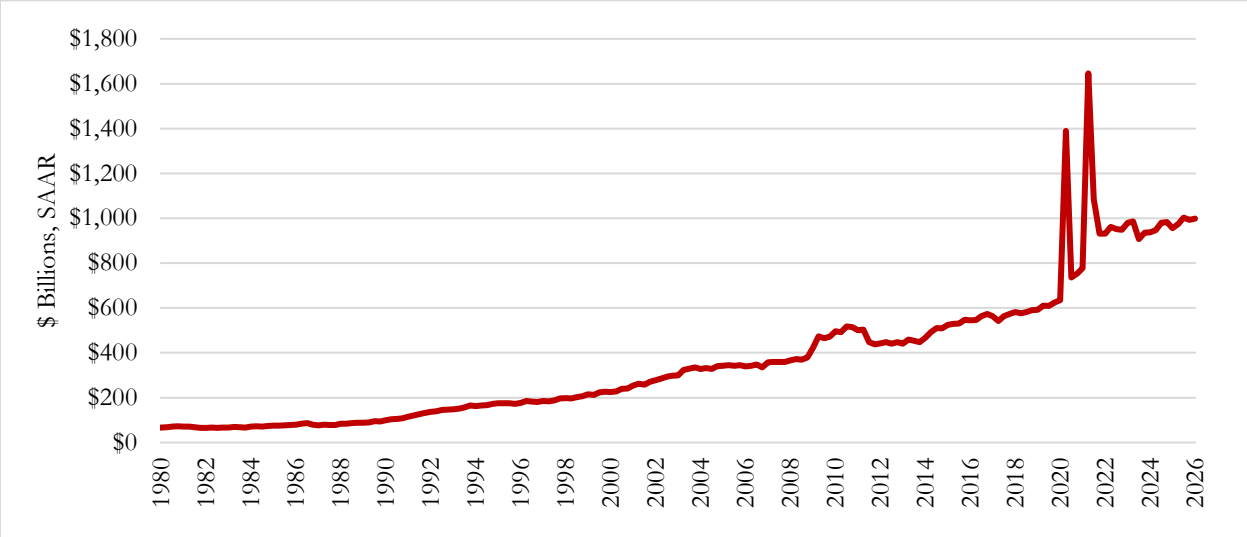
[17] Glencora Haskins and Joseph Parilla. "Sizing and seizing Washington's $40 billion down payment on place-based industrial policy." *Brookings Institution*, December 3, 2024. https://www.brookings.edu/articles/sizing-and-seizing-washingtons-40-billion-down-payment-on-place-based-industrial-policy/

[18] Joseph Parilla, Glencora Haskins, Lily Bermel, Lisa Hansmann, Mark Muro, Ryan Cummings, and Brian Deese. "Strategic sector investments are poised to benefit distressed US counties." *Brookings Institution*, February 13, 2024. https://www.brookings.edu/articles/strategic-sector-investments-are-poised-to-benefit-distressed-us-counties/

[19] Parilla, Joseph, and Mayu Takeuchi. "From Federal Investment to Regional Economic Transformation: A New Model Linking Industry Growth to Economic Mobility." *Brookings Institution*, July 24, 2025.

The Trump-Vance administration marked a significant policy pivot. While still focused on reindustrialization, its approach has emphasized geopolitical resets, tariffs, and the attraction of foreign direct investment rather than direct federal investment. Broader policy shifts have included reductions in the federal workforce, severe immigration restrictions, deregulation, and deep cuts in funding across a range of areas, including health, education, housing assistance, infrastructure, and R&D. These policies have created risks and uncertainty for state and local governments, higher education, civic organizations, and industry.[20]

Exhibit 14: Federal Government Grants-in-Aid to State and Local Governments, 1980-2026



Source: U.S. Bureau of Economic Analysis; Sage Policy Group. Note: SAAR-Seasonally adjusted annual rate

Public frustration with government leadership remains high, and consumer sentiment has continued to deteriorate, recently falling just below the previous historical trough seen in June 2022. Cost of living remains a top concern, with 57 percent of consumers spontaneously mentioning that high prices were eroding personal finances in a recent University of Michigan survey.[21] While federal legislation provided significant support for local economies and industrial investment at the start of the 2020s, U.S. policy has shifted dramatically from federal expansionism toward austerity and protectionism.

This shift is placing greater pressure on local leaders to rebuild trust and deliver policy solutions that improve conditions for residents. Responsibility for economic leadership is increasingly moving downward to regional, state, and local actors, who now face a clear mandate: stabilize their communities amid federal retrenchment while also laying the groundwork for long-term growth and resilience.[22] For economic development organizations, this means building regional resources, coalitions, and capacities capable of confronting the technological, demographic, and environmental forces that will shape the economic future of regions as a whole.

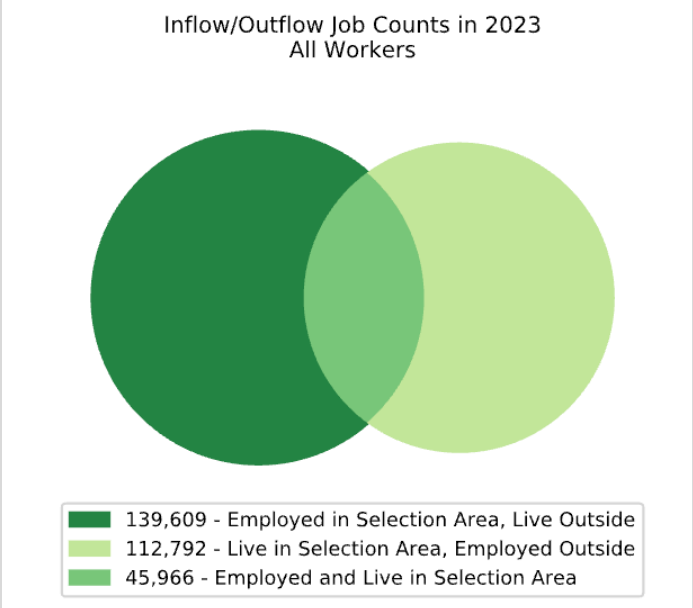
[20] Parilla, Joseph, and Mayu Takeuchi. "From Federal Investment to Regional Economic Transformation: A New Model Linking Industry Growth to Economic Mobility." *Brookings Institution*, July 24, 2025.
[21] University of Michigan Surveys of Consumers. https://www.sca.isr.umich.edu/
[22] Parilla, Joseph, and Mayu Takeuchi. "From Federal Investment to Regional Economic Transformation: A New Model Linking Industry Growth to Economic Mobility." *Brookings Institution*, July 24, 2025.

HOWARD COUNTY'S ECONOMY IS DEEPLY CONNECTED TO THE REGION

Howard County is part of a highly interconnected Baltimore-Washington regional economy. Prior HCEDA strategic plans have found that the county is not well connected by transit to key job centers in the region, and that limited plans and funding exist to address this gap. These transit and connectivity challenges persist and continue to shape daily commuting patterns, workforce access, and the movement of talent across jurisdictional lines.

Fully 75 percent of the jobs in Howard County are held by people who live outside the county. These commuting patterns reflect the regional nature of the economy, but they also contribute to congestion and produce sub-optimal outcomes from an environmental perspective. Limited transit options further constrain the county's ability to connect workers to jobsites efficiently, both within Howard County and across the broader region.

Exhibit 15: Howard County Employment Inflow/Outflow



Source: U.S. Census Bureau, *Longitudinal-Employer Household Dynamics Program,* OnTheMap Application; Sage Policy Group.

The locations that employ Howard County residents in the largest numbers include Montgomery County, which accounts for 13.0 percent of employed residents; Baltimore City (12.2%), Baltimore County (11.2%), and Anne Arundel County (10.5%). At the same time, Howard County jobs are held by residents of Baltimore County, who account for 14.2 percent of county jobs; Anne Arundel County (13.1%), Montgomery County (9.7%), Prince George's County (9.0%), and Baltimore City (7.4%).

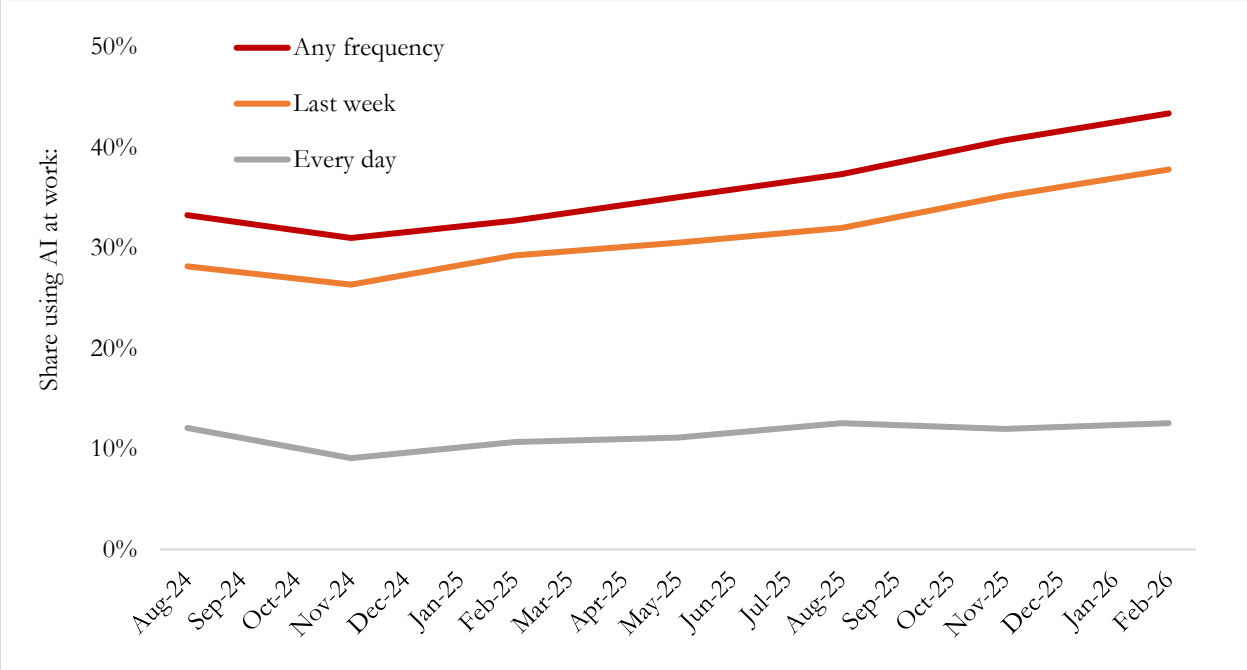
These cross-county employment flows illustrate the extent to which Howard County and its neighboring jurisdictions are economically interdependent. They also underscore the importance of regional coordination. Investments in transit connectivity, workforce mobility, infrastructure, and economic development are unlikely to benefit one jurisdiction alone; rather, they can strengthen access to jobs, talent, and business opportunities across the broader Baltimore-Washington region.

ARTIFICIAL INTELLIGENCE IS ACCELERATING WORKFORCE CHANGE

The rapid proliferation of artificial intelligence (AI) could have profound implications for the workforce. Given the pace at which the technology is advancing, however, it remains difficult to isolate impacts that have occurred to date. As a result, much of the best available evidence comes from surveys rather than traditional economic indicators.

Most surveys indicate that the share of employees using AI at work is rising at a steady and considerable, though not accelerating, pace.[23] A high-frequency Gallup poll, for instance, found that the share of employees using AI at work increased from 21 percent in April 2023 to 50 percent in February 2026.[24] Similarly, Harvard University's GenAI Adoption Tracker found that the share rose from 33 percent in August 2024 to 43 percent in February 2026.[25]

Exhibit 16: Frequency of AI Use at Work



Source: GenAI Adoption Tracker: Harvard Project on Workforce; Sage Policy Group

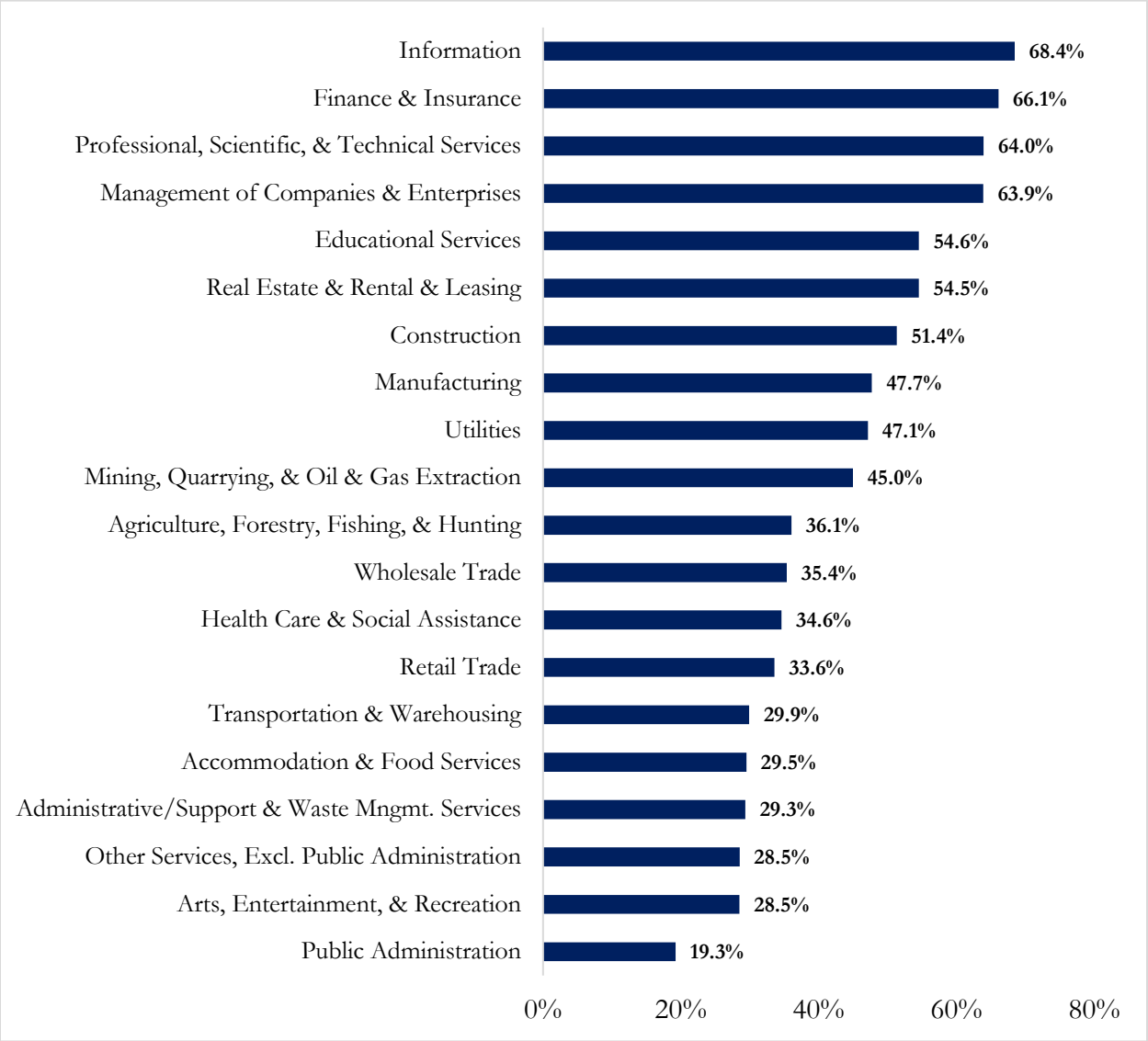
Another recent survey—one that conversely indicates that after accelerating in 2025, work-usage has actually slowed, with the share of employees using AI for work falling to 31 percent as of March 2026[26]—provides useful information on who is most likely to use AI at work, finding that AI is most

[23] Stanford Digital Economy Lab. "AI Economic Indicators: Adoption Monitor." https://digitaleconomy.stanford.edu/project/indicators/adoption/
[24] Gallup, "Indicators-Artificial Intelligence." April 2026. https://www.gallup.com/699797/indicator-artificial-intelligence.aspx
[25] GenAI Adoption Tracker: Harvard Project on Workforce, Alex Bick, Adam Blandin. (2026, May). Generative AI Adoption Tracker. https://www.genaiadoptiontracker.com/
[26] Hartley et al. referenced at Stanford Digital Economy Lab. "AI Economic Indicators: Adoption Monitor." https://digitaleconomy.stanford.edu/project/indicators/adoption/

often used by more highly educated individuals, higher income individuals, and those in particular industries such as information services and management of companies.[27]

Harvard University's GenAI Adoption Tracker indicates that generative AI usage is most prevalent in information (where 68% of employees use the technology), finance and insurance (66%), professional, scientific, and technical services (64%), and management of companies and enterprises (64%). Even in construction, which many associate with physical skills, survey results indicate that approximately half of employees use generative AI.

Exhibit 17: Share of Employed Persons Using Generative AI for Work by Industry in February 2026



Source: GenAI Adoption Tracker: Harvard Project on Workforce; Sage Policy Group

[27] Hartley, Jonathan and Jolevski, Filip and Melo, Vitor and Moore, Brendan, The Labor Market Effects of Generative Artificial Intelligence (December 18, 2024). Available at SSRN: http://dx.doi.org/10.2139/ssrn.5136877

Some of these industries are overrepresented in Howard County's private sector, a fact also recognized by stakeholders who provided feedback during the strategic planning process. Focus group participants consistently identified AI as a transformative force that is already reshaping software development, administrative work, customer support, and other white-collar occupations. Many also observed that AI-related disruption is occurring at a particularly rapid pace, distinguishing it from previous economic transitions.

While this creates potential workforce risks, some focus group participants also emphasized growing opportunities in cybersecurity, skilled trades, infrastructure, health care support, and AI-enabled industries that may be less susceptible to automation. Stakeholders called for stronger alignment among economic development, education, workforce development, and employers to help residents and businesses prepare for long-term workforce transitions.

It is important to note that exposure to AI does not necessarily translate into job losses. Deployment could generally follow two potential tracks:

- *Augmentation*: AI serves as a collaborator, reducing skill gaps and accelerating learning in ways that could broaden access to higher-wage roles.
- *Automation*: AI replaces human tasks, potentially narrowing talent pipelines and creating bottlenecks that make it more difficult for lower-wage workers to advance.[28]

These technologies remain relatively new and are developing rapidly, leaving the full extent of their economic and workforce impacts uncertain. As AI continues to evolve, however, it is likely to reshape job responsibilities, career pathways, skill requirements, and industry dynamics. This creates a clear need for economic development and workforce systems to monitor emerging impacts and help workers and employers adapt.

[28] Justin Heck, Mark Muro, Shriya Methkupally, and Joseph Siegmund. "How AI may reshape career pathways to better jobs." *Brookings Institution*, April 2, 2026. https://www.brookings.edu/articles/how-ai-may-reshape-career-pathways-to-better-jobs/

HOWARD COUNTY HAS A STRONG SMALL & MINORITY-OWNED BUSINESS BASE

Howard County is a community of small businesses. According to the most current U.S. Census Bureau data available, businesses with fewer than five employees account for more than half of all business establishments in Howard County, at 54.4 percent. Establishments with 5 to 49 employees account for another 38.1 percent, underscoring the central role that small businesses play in the county's economy.[29] Household data reflect this as well. In 2024, approximately 9.7 percent of Howard County's civilian employed population age 16 and older were self-employed workers.[30]

Howard County is also home to a significant number of women- and minority-owned enterprises. The U.S. Census Bureau's Annual Business Survey indicates that in 2023, approximately one-quarter (24.8%) of employer firms in Howard County were solely owned by women, slightly above the statewide average. Women-owned employer firms also accounted for approximately 11 percent of jobs among firms with employees.

Exhibit 18: Statistics for Female-Owned Employer Firms, 2023

% of Total	Maryland	Howard County
Female Owned Employer Firms	24.0%	24.8%
Employees of Female Owned Employer Firms	10.0%	11.2%
Sales, Value of Shipments, or Revenue of Female Owned Employer Firms	5.1%	5.6%
Annual Payroll of Female Owned Employer Firms	7.3%	8.0%

Source: U.S. Census Bureau, *Annual Business Survey*, Table AB2300CSA01; Sage Policy Group. Note: Data refer to solely female owned employer firms and exclude male-owned and female-owned firms.

Minority-owned businesses also represent an especially strong component of the county's business base. In 2022, approximately 29 percent of employer firms in Maryland were minority-owned. In Howard County, that share was higher, with minority-owned firms accounting for more than 32 percent of employer firms. These businesses also accounted for more than 13 percent of jobs among firms with employees.

Exhibit 19: Statistics for Employer Firms by Minority/Nonminority-Ownership, 2022

% of Total	Maryland	Howard County
Minority Owned Employer Firms	28.8%	32.2%
Employees of Minority Owned Employer Firms	8.8%	13.1%
Sales, Value of Shipments, or Revenue of Minority Owned Employer Firms	6.3%	7.4%
Annual Payroll of Minority Owned Employer Firms	7.6%	11.0%

Source: U.S. Census Bureau, *Annual Business Survey*, Table AB2200CSA01; Sage Policy Group. Note: Minority includes the following race/ethnicity categories: Hispanic or Latino, Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander.

[29] U.S. Census Bureau, *County Business Patterns*, Table CB2300CBP.
[30] U.S. Census Bureau, *American Community Survey*, 2024 ACS 1-Year Estimates, Table S2407.

The data suggest that both women and minority business ownership have been trending upward. The share of women-owned employer firms in Howard County increased by five percentage points between the 2017 and 2023 Annual Business Survey, from 19.7 percent to 24.8 percent.[31] Minority-owned employer firms have also grown as a share of the county's business base, reaching 32.2 percent in 2022, up from 26.2 percent according to 2017 survey data.[32]

In terms of industry composition, Howard County continues to boast employment concentrations in professional, scientific, and technical services; wholesale trade; and construction. These industries offer opportunities for workers with diverse experience and educational backgrounds, which is an important element of economic inclusivity. Together, Howard County's strong small business base, growing women- and minority-owned business community, and diverse industry mix provide an important foundation for inclusive economic growth.

Exhibit 20: Howard County and Surrounding Counties: Private Industries with the Highest Employment Location Quotients, 2025

County	Industry	LQ	County	Industry	LQ
Anne Arundel	Prof., scientific, & technical services	1.48	Frederick	Construction	1.74
	Transportation & warehousing	1.32		Retail trade	1.40
	Construction	1.30		Prof., scientific, & technical services	1.33
Baltimore Co.	Health care & social assistance	1.26	Montgomery	Prof., scientific, & technical services	1.99
	Construction	1.22		Other services (exc. public admin.)	1.42
	Real estate / rental & leasing	1.32		Real estate and rental and leasing	1.41
Carrol	Construction	2.08	Prince George's	Construction	1.68
	Wholesale trade	1.39		Real estate and rental and leasing	1.22
	Retail trade	1.33		Retail trade	1.10
Howard	Prof., scientific, & technical services	2.82	Maryland	Prof., scientific, & technical services	1.44
	Wholesale trade	1.99		Educational services	1.29
	Construction	1.21		Construction	1.13

Source: U.S. Bureau of Labor Statistics, *Quarterly Census of Employment and Wages (QCEW) Program*; Sage Policy Group
Notes: 1. ND: No data. 2. Location quotient is the percentage of employment in a given sector relative to the percentage of employment in this sector at the national level. Values above 1.0 reflect a concentration greater than the national average. Values below 1.0 reflect lesser concentration. For example, Las Vegas will have a location quotient greater than 1 in the Leisure and Hospitality industry because this industry makes up a larger share of Las Vegas' employment total than it does for the country.

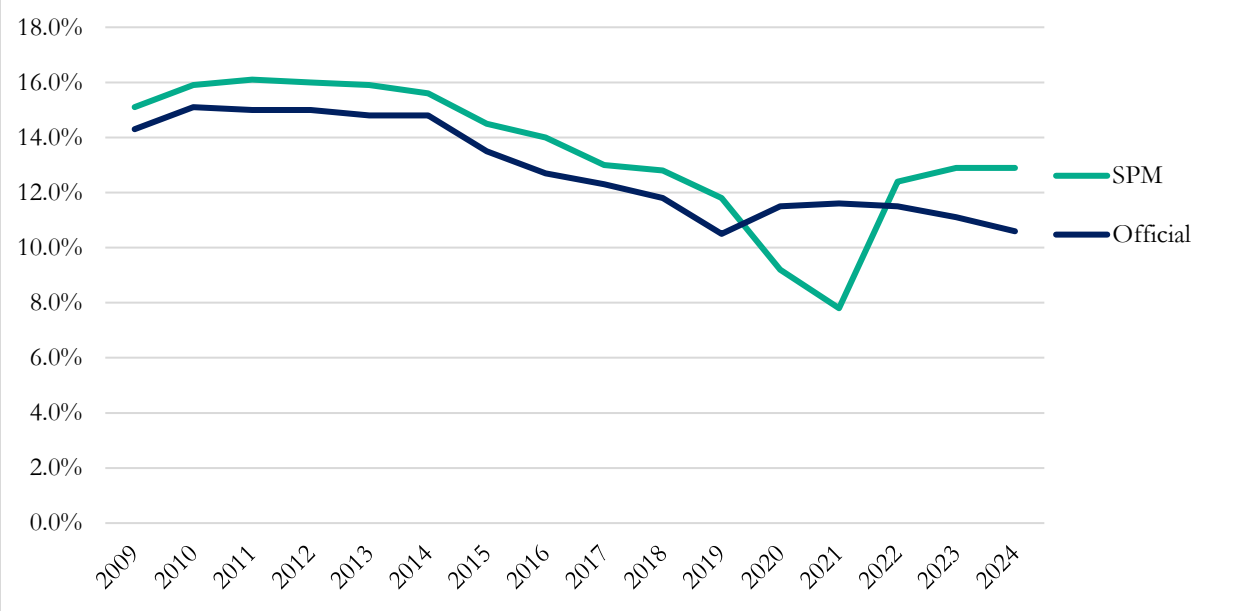
[31] U.S. Census Bureau, *Annual Business Survey*, Table AB2300CSA01; Table AB1700CSA01.
[32] U.S. Census Bureau, *Annual Business Survey*, Table AB2200CSA01; AB1700CSA01.

INCLUSIVE GROWTH REMAINS AN ECONOMIC IMPERATIVE

HCEDA's prior strategic plans have acknowledged that economic gains have not been shared with sufficient breadth in recent decades. This remains evident in national trends such as wage stagnation and the suburbanization of poverty, as well as local pressures related to housing affordability, household financial stress, and uneven access to opportunity.

National poverty trends show modest improvement by some measures, but continued strain by others. U.S. Census Bureau data indicate that the official poverty rate declined from 11.1 percent in 2023 to 10.6 percent in 2024, marking the second consecutive annual decline. However, the Supplemental Poverty Measure (SPM), which accounts for taxes, transfers, nondiscretionary expenses, and geographic differences in the cost of living, remained higher at 12.9 percent and was statistically unchanged from the prior year. Poverty trends have also varied across demographic groups. Between 2019 and 2024, SPM poverty increased more rapidly for American Indian and Alaska Native individuals, Black individuals, and Hispanic individuals of any race than for White or Asian individuals.[33]

Exhibit 21: U.S. Poverty Rates Using the Official & Supplemental Poverty Measures, 2009-2024



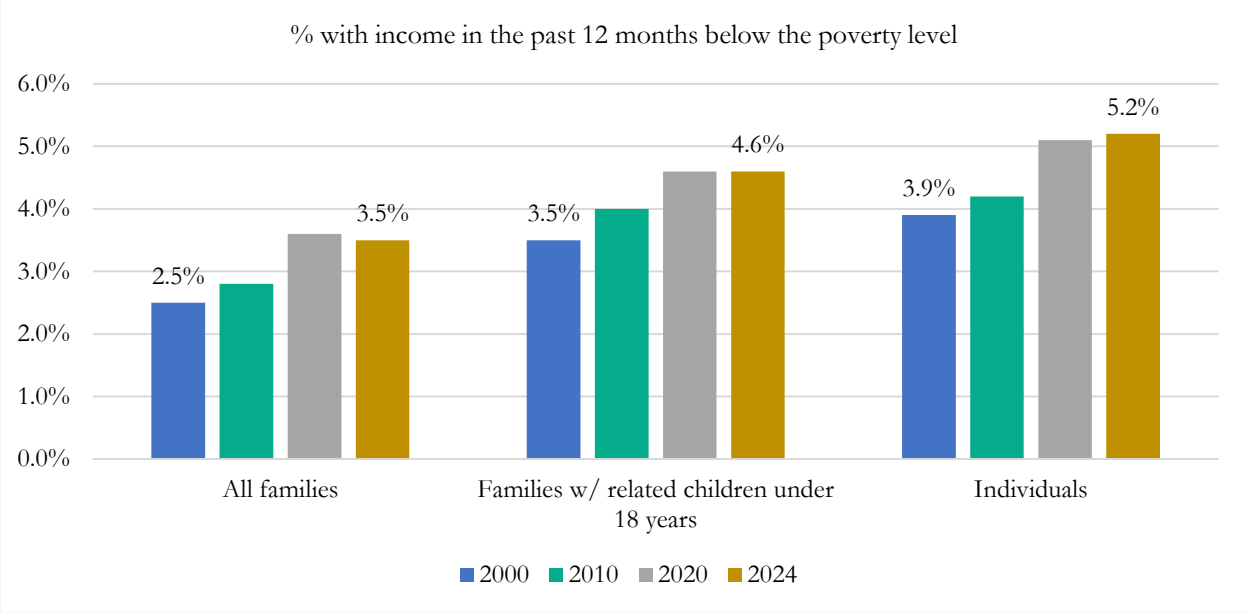
Source: U.S. Census Bureau, Current Population Survey, 2010 to 2025 Annual Social and Economic Supplements; Sage Policy Group.
Notes: * The official poverty measure, in use since the 1960s, defines poverty by comparing pretax money income to a poverty threshold that is adjusted by family composition. The Supplemental Poverty Measure (SPM), first released in 2011 and produced in collaboration with the Bureau of Labor Statistics (BLS), extends the official poverty measure by accounting for several government programs that are designed to assist low-income families but are not included in official poverty measure calculations. The SPM also accounts for geographic variation in housing expenses when calculating poverty thresholds and includes federal and state taxes, work expenses, and medical expenses.

[33] Emily A. Shrider and Christina Bijou, "Poverty in the United States: 2024." U.S. Census Bureau, Current Population Reports, P60-287. September 2025. https://www.census.gov/library/publications/2025/demo/p60-287.html

While Howard County is a very wealthy county by most common measures, and is therefore shielded from some forms of household financial insecurity, poverty and financial stress have still expanded over time. In 2010, approximately 2.8 percent of families had incomes below the poverty level. By 2020, that share had risen to 3.6 percent, equivalent to more than 3,000 families living in poverty, or about 970 more than in 2010. Data indicate that poverty has not worsened since 2020, but neither has it improved measurably. The share of families with incomes below the poverty level has ticked down from 3.6 percent to 3.5 percent, while the share of individuals with incomes below the poverty level has ticked up from 5.1 percent to 5.2 percent.[34]

Housing affordability further underscores these pressures. In 2024, more than 18 percent of Howard County homeowner households were spending more than 30 percent of their income on housing. Among renter households, nearly 48 percent were spending more than 30 percent of their income on housing. At the same time, owner-occupancy has declined slightly, from 74.7 percent in 2010 to 71.5 percent in 2024.[35] These trends indicate that even in a prosperous county, some residents face barriers to long-term financial stability and wealth-building.

Exhibit 22: Howard County Population by Poverty Status, Select Years



Source: U.S. Census Bureau—2000 Census: DP-3 and American Community Survey: DP03; Sage Policy Group.

Together, these conditions reinforce the ongoing imperative for inclusive growth. Howard County's overall prosperity remains a defining strength, but continued attention is needed to ensure that residents across income levels, races, ages, and housing tenures can participate in and benefit from the county's economic success. In recognition of these challenges, Howard County's General Plan, HoCo By Design, incorporates policies and implementation actions intended to advance inclusion in the

[34] U.S. Census Bureau—2000 Census: DP-1; DP-3 and American Community Survey: DP03; S1101
[35] U.S. Census Bureau—American Community Survey: DP04

workplace and throughout the business community, some of which HCEDA is responsible for implementing or overseeing.[36]

The case for inclusive growth is not based solely on ideas of fairness. A growing body of research indicates that inclusion can generate far-reaching economic benefits, while exclusionary outcomes impose significant social and economic costs.[37] Bradbury and Triest find that local areas with greater equality of opportunity (as measured by inter-generational mobility) are associated with faster economic growth.[38] Broad-based opportunity can also reduce the long-term costs of exclusion, such as those related to childhood poverty, higher crime and incarceration, and larger healthcare outlays.[39]

At the same time, inclusive growth is a broad concept with no universally accepted operational definition. Communities and organizations must therefore define what inclusion means in practical terms and connect those goals to measurable outcomes. Brookings Metro defines inclusive growth as: *A process that encourages long-run growth (**growth**) by improving the productivity of individuals and firms in order to raise local living standards (**prosperity**) for all (**inclusion**).*[40] That framing is useful because it links inclusion not only to equity, but also to competitiveness, productivity, and prosperity.

Recent research also suggests that communities should be cautious about assuming that the language of inclusion, by itself, produces more inclusive outcomes. Terms such as "equity," "inclusivity," and "fairness" have appeared more frequently in regional plans and economic development strategies in recent years, but increased attention in planning documents has not always translated into measurable gains for lower-income households or reductions in income inequality.[41] This reinforces the importance of pairing inclusive growth goals with clear metrics, evidence-based interventions, and a broader commitment to competitive economic conditions that expand opportunity across the full population.

For HCEDA, this means that inclusive growth should remain both a guiding value and a measurable economic development priority. Progress can be tracked through indicators related to family-sustaining employment, labor force participation, income and poverty gaps, homeownership, business ownership diversity, access to capital, contracting outcomes, and workforce development. The central task is not simply to affirm inclusion as an aspiration, but to ensure that economic development activities help expand access to opportunity and improve outcomes for residents and businesses across Howard County.

---

[36] Howard County, Maryland Department of Planning & Zoning, *General Plan*. https://www.howardcountymd.gov/planning-zoning/general-plan. Chapter 5-Economic Prosperity; Chapter 11-Implementation.
[37] Joseph Parilla, Ryan Donahue, and Sarena Martinez. "Institutionalizing inclusive growth: Rewiring systems to rebuild local economies". Brookings Institute. April 7, 2022. https://www.brookings.edu/research/institutionalizing-inclusive-growth-rewiring-systems-to-rebuild-local-economies/
[38] Bradbury, Katharine, and Robert K. Triest. "Inequality of opportunity and aggregate economic performance." *RSF: The Russell Sage Foundation Journal of the Social Sciences* 2, no. 2 (2016): 178-201. https://www.rsfjournal.org/content/2/2/178.abstract
[39] Joseph Parilla, "Opportunity for Growth: How Reducing Barriers to Economic Inclusion can Benefit Workers, Firms, and Local Economies" (Washington: Brookings Institution, 2017). https://www.brookings.edu/research/opportunity-for-growth-how-reducing-barriers-to-economic-inclusion-can-benefit-workers-firms-and-local-economies/
[40] Joseph Parilla, "Opportunity for Growth: How Reducing Barriers to Economic Inclusion can Benefit Workers, Firms, and Local Economies" (Washington: Brookings Institution, 2017). https://www.brookings.edu/research/opportunity-for-growth-how-reducing-barriers-to-economic-inclusion-can-benefit-workers-firms-and-local-economies/
[41] Seyal, Ian, and Greg Wright. "Planning for Prosperity: Analyzing the Effectiveness of Local Economic Planning." *Brookings Institution*, September 2024. https://www.brookings.edu/wp-content/uploads/2024/09/Seyal-Wright-2024-Final.pdf

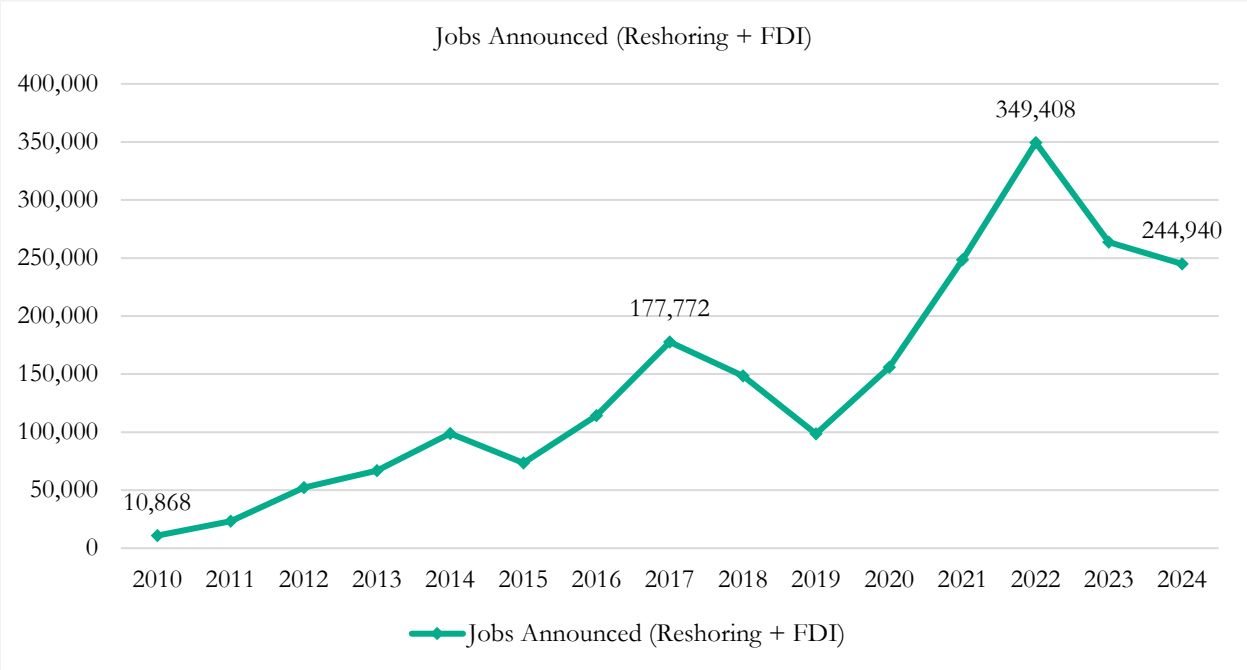
SUPPLY CHAIN SHIFTS ARE CREATING LOCAL INDUSTRIAL OPPORTUNITY

A principal finding of HCEDA's 2017 strategic plan was that "global engagement has become a local imperative," stressing the need to engage with firms and clusters associated with global potential and attendant economies of scale and scope. While globalization remains an economic reality, there has also been a shift toward localization in certain sectors.

Even prior to the pandemic, the idea of reshoring (bringing business operations back to the U.S. after they had previously been located abroad) had gained popularity among some companies and policymakers concerned about the risks of relying too heavily on foreign suppliers. The COVID-19 pandemic disrupted global supply chains and further exposed those risks, prompting some companies to rethink their supply chain strategies and consider reshoring. Federal policies, including subsidies, incentives, and content requirements, have also supported reshoring and the development of industrial capacity in the U.S. In August 2022, President Biden signed both the CHIPS and Science Act and the Inflation Reduction Act, with the goals of expanding domestic production of computer chips and inputs to alternative energy, among other priorities.

According to data from the Reshoring Initiative, reshoring and foreign direct investment manufacturing job announcements in the U.S. reached the highest level ever recorded in 2022. This growth was due to a huge surge in manufacturing capacity enhancements slated to transpire in the production of electric vehicle batteries and computer chips.

Exhibit 23: U.S. Job Announcements Per Year, Reshoring + FDI, 2010-2024



Source: Reshoring Initiative® 2024 Annual Report; Sage Policy Group

Job announcements slowed between 2022 and 2024, but were still elevated compared to recent years, driven by Inflation Reduction Act and CHIPS Act subsidies driving growth in segments like Computer & Electronic Products and Electrical Equipment, Appliances & Components, which together accounted for approximately 67% of all reshoring and FDI job announcements in 2024. However, Biden-era subsidies are winding down and trade policy uncertainty and retaliatory tariffs that have characterized the Trump presidency have likely made some companies hesitant to make some commitments to U.S. manufacturing. Still, since 2010 over 2 million jobs have been announced due to reshoring and FDI.[42]

Recent growth in manufacturing-related construction spending also shows that U.S. industrial capacity has increased significantly over the past few years. Private manufacturing-related construction spending surged starting in late 2021 and was 152 percent higher from 2022-25 than it was during the previous four-year period. While much of this was due to CHIPS Act-incentivized megaprojects, there has been persistently higher investment in other manufacturing subsegments like chemical and transportation equipment.

One of the headwinds facing manufacturing development is the potential lack of skilled workers to fill manufacturing positions. Recent reshoring and FDI activity has added more high-tech jobs than low-tech jobs, in part because many federal subsidies have supported high-tech products deemed essential, such as semiconductors and EV batteries. According to the Reshoring Initiative, 88 percent of job announcements in 2024 were associated with high- or medium-high-tech products. Higher-tech manufacturing companies also tend to employ more people per case than lower-tech companies.[43] For economic development agencies, this underscores the importance of supporting workforce development and recruitment efforts related to manufacturing.

Accordingly, Howard County's General Plan, HoCo By Design, includes the following implementing actions under its EP-7 Policy Statement: "Continue to intentionally grow jobs in the manufacturing, warehouse, distribution, and logistics industries in response to last-mile distribution demand, new machinery, innovation practices, and other automated processes."[44] HCEDA is the agency assigned to lead this implementing action.

[42] Reshoring Initiative® 2024 Annual Report. https://reshorenow.org/recent-data/
[43] Reshoring Initiative® 2024 Annual Report. https://reshorenow.org/recent-data/
[44] Howard County, Maryland Department of Planning & Zoning, *General Plan*. https://www.howardcountymd.gov/planning-zoning/general-plan. Chapter 5-Economic Prosperity; Chapter 11-Implementation.

AFFORDABILITY PRESSURES THREATEN WORKFORCE & BUSINESS COMPETITIVENESS

Despite national growth, many American families face a basic economic challenge: wages have not kept pace with rapidly rising living costs. Analysis by the Brookings Institution found that in some parts of the U.S., fewer than half of families are "thriving"—earning enough to cover the basic costs of housing, childcare, transportation, and energy. Even in regions that have experienced strong economic growth, including technology-driven booms, prosperity has not always translated into broad gains in living standards. Limited housing supply has further eroded affordability, weakening real wage gains for working- and middle-class residents.[45]

Howard County is experiencing these pressures in its own way. U.S. Census Bureau American Community Survey (ACS) data indicate that, as of 2024, more than 18 percent of Howard County homeowner households were spending more than 30 percent of their income on housing. Among renters, nearly 48 percent were spending more than 30 percent of their income on housing. While Howard County has a smaller share of cost-burdened homeowners than Maryland overall (18.3% vs. 22.9%), housing costs are significantly higher in the aggregate. Among renter-occupied units in 2024, median gross rent was 23.1 percent higher in Howard County than statewide and almost 49 percent higher than the national average. Homeowner costs are also elevated. For housing units with a mortgage, monthly costs are almost 29 percent higher than the statewide average and almost 54 percent higher than the national average. Even among homeowners without mortgages, monthly costs were almost 39 percent higher than the statewide average and almost 64 percent higher than the national average.[46]

Exhibit 24: Housing Costs, 2024

	U.S.	Maryland	Howard County
Owner-Occupied Housing Units	**84,210,142**	**1,597,565**	**86,533**
Mortgage Status			
Housing units with a mortgage	60.6%	71.0%	72.1%
Housing units without a mortgage	39.4%	29.0%	27.9%
Selected Median Monthly Homeowner Costs			
Housing units with a mortgage	$1,963	$2,347	$3,021
Housing units without a mortgage	$638	$753	$1,044
Share of Units for Which Monthly Costs Represent 30%+ of HH Income	*22.7%*	*22.9%*	*18.3%*
Renter-Occupied Housing Units	**45,017,354**	**765,363**	**34,532**
Median Gross Rent	*$1,413*	*$1,705*	*$2,099*
Share of Units for Which Gross Rent Represents 30%+ of HH Income	*51.1%*	*51.5%*	*47.7%*

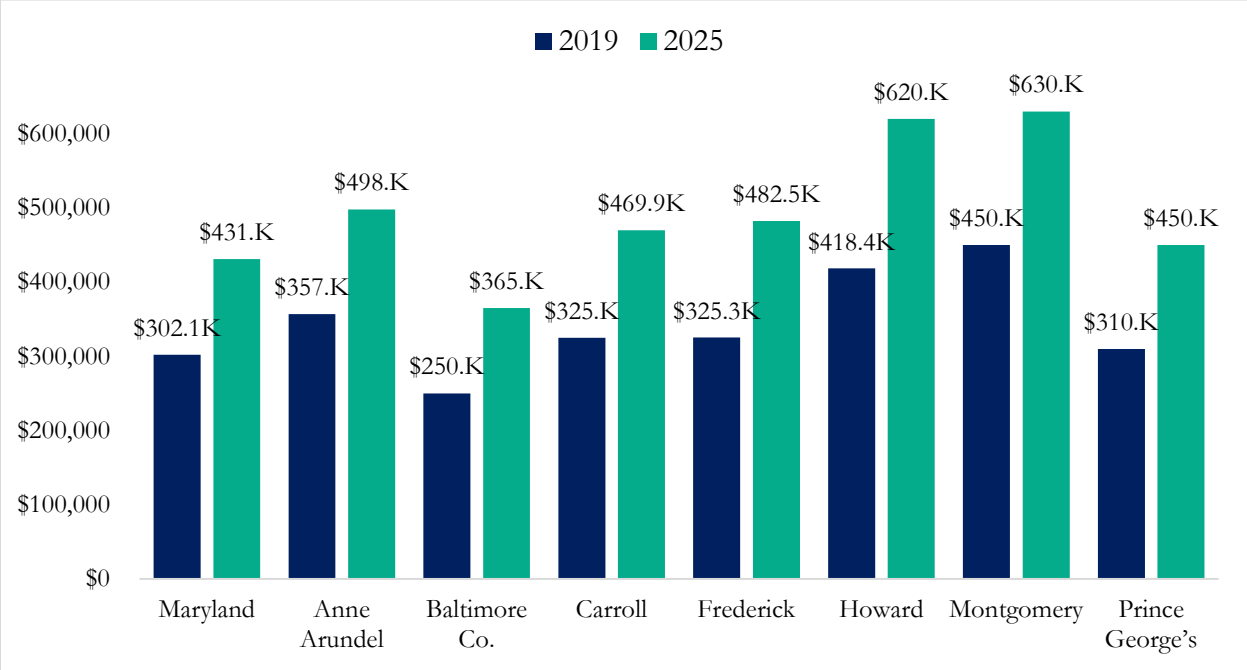
Source: U.S. Census Bureau, 2024 American Community Survey 5-Year Estimates: DP04; Sage Policy Group

[45] Parilla, Joseph, and Mayu Takeuchi. "From Federal Investment to Regional Economic Transformation: A New Model Linking Industry Growth to Economic Mobility." *Brookings Institution*, July 24, 2025.
[46] U.S. Census Bureau—American Community Survey: DP03; DP04

Recent trends suggest these pressures are intensifying. Owner occupancy declined slightly, from 74.7 percent of all housing units in Howard County in 2010 to 71.5 percent in 2024. As a result, the share of renters increased from just over 25 percent in 2010 to nearly 29 percent in 2024. Renters have faced particularly difficult conditions, as rents have skyrocketed in recent years. Between 2010 and 2024, median gross rent in Howard County increased by 55.9 percent, while median household income increased by 45.0 percent, according to U.S. Census Bureau ACS estimates.[47]

High prices have made homeownership increasingly difficult to access. In 2025, Howard County had the second-highest median home sale price in Maryland, at $619,995, behind only Montgomery County at $630,000. Across Maryland, median sale prices have increased dramatically since before the COVID-19 pandemic, rising by more than 42 percent. Among neighboring counties, Howard County experienced the largest net increase, with the median sale price rising from roughly $418,000 in 2019 to almost $620,000 in 2025—an increase of more than $200,000 or 48 percent.[48]

Exhibit 25: Median Home Sale Prices, Maryland & Select Maryland Counties, 2019 v. 2025



Source: Maryland Realtors; Sage Policy Group

Together, these conditions limit who can afford to live in Howard County. Elevated housing costs make it harder for families and workers with lower or moderate incomes to move to or remain in the county, helping to explain both the high level of worker in-migration and why a slightly smaller share of residents are housing cost-burdened compared to the statewide average. In other words, the County's cost burden statistics may understate the full scale of the affordability challenge because

[47] U.S. Census Bureau—American Community Survey: DP03; DP04
[48] Maryland Realtors

many workers who would otherwise live in Howard County are effectively priced out. This dynamic can also increase commuting burdens, contribute to congestion, and make it more difficult for employers to fill lower- and middle-wage positions that are essential to the county's economy.

Public feedback confirms the urgency of the issue. During focus groups and in survey responses, stakeholders described affordability—particularly housing affordability—as an increasingly serious threat to the county's long-term competitiveness. While Howard County continues to benefit from strong schools, high quality of life, and a strategic location, stakeholders emphasized that rising housing costs, rents, taxes, utility fees, and regulatory costs are placing growing pressure on both residents and employers. Several participants expressed concern that some essential workers—including teachers, public employees, young professionals, and entry-level staff—can no longer afford to live in the county, making workforce retention and recruitment more difficult.

Stakeholders also noted that businesses are evaluating Howard County not only against neighboring jurisdictions, but also against lower-cost states that are competing aggressively for investment. These concerns reflect a broader shift in how stakeholders understand the county's economic position: rather than viewing affluence as a source of insulation, there is growing recognition that inequality and hidden economic distress are creating real vulnerabilities. Without greater affordability, the county risks weakening the very assets that have long supported its economic strength.

Brookings research reinforces this concern. Of the nation's 195 largest metro areas, only 10 achieved strong growth between 2013 and 2023 without also experiencing sharply rising costs of living. The regions that succeeded in pairing strong growth with relatively modest cost increases, including Des Moines, IA and Fargo, ND, expanded housing supply faster than population growth, resulting in an environment where workers are not competing in a housing market that cannot keep up with demand. This suggests that creating prosperity and inclusive growth requires balancing economic growth with affordability. Regions that can foster dynamic environments for industries and workers while also enabling housing supply to keep pace with demand are better positioned to preserve affordability and help lower- and middle-income residents prosper.[49]

Addressing the affordability crisis will require economic development to be understood more broadly than business recruitment alone. Increasingly, a county's competitiveness depends on the alignment of housing, transportation, infrastructure, and workforce accessibility with its broader economic goals. In this context, HCEDA has an important role to play as an advocate for county policies that strengthen the conditions for inclusive growth, including expanded access to affordable housing.

[49] Glencora Haskins and Joseph Parilla. "Metro Monitor 2025: Growth and affordability trends in US metro areas over the past decade." *Brookings Institution*, March 13, 2025. https://www.brookings.edu/articles/metro-monitor-2025-growth-and-affordability-trends/

Economic Development Strategy Analysis for 2027-2029

The prior strategic plan put forth six strategies to guide HCEDA activities, along with several key County initiatives over which HCEDA does not have direct control, but wherein the organization may play an important supporting role. This strategic plan recommends which strategies should be carried forward, refined, or adapted to the likely economic environment of 2027-2029, while also identifying several new strategies and key initiatives for the coming planning cycle. The strategies that follow should be implemented in alignment with Howard County's General Plan, HoCo By Design. As a lead or supporting agency for several General Plan actions, HCEDA should continue incorporating relevant responsibilities into its programs, partnerships, special-project decisions, and allocation of organizational resources. This approach builds upon the prior plan's emphasis on aligning HCEDA activities with the General Plan, which was updated during that strategic planning cycle, and is important during periods of transition in County Administration, when continuity, coordination, and shared direction are particularly valuable.

STRATEGY #1: PRIORITIZE BRE & STRATEGIC SECTOR GROWTH

PRIOR STRATEGY

The 2023 strategic plan affirmed business retention and expansion as primary anchors of HCEDA's economic development efforts, with business attraction limited to selective, high-potential opportunities. It recommended using business engagement not only to support individual firms, but also to gather market intelligence and continuously improve the broader business environment. Specific priorities included retaining firms with substantial physical footprints, supporting inclusive business growth and accessible employment opportunities, and fostering manufacturing, distribution, and logistics growth, particularly along the Route 1 Corridor.

CURRENT STRATEGY

HCEDA should maintain its strong focus on supporting local businesses and entrepreneurs while promoting inclusive and diverse business growth. During the public engagement process, stakeholders identified the county's supportive business ecosystem—particularly its support for small businesses—as an important strength. When asked about HCEDA's primary role, respondents most often emphasized supporting the growth and success of small and locally owned businesses.

Business retention and expansion should therefore remain HCEDA's primary business development focus. At the same time, HCEDA has opportunities to complement its BRE work with a more deliberate and coordinated—but still selective and evidence-based—approach to business attraction, international development, and strategic sector growth. These activities should reinforce, rather than

compete with, HCEDA's commitment to existing local businesses and entrepreneurs. Relevant tactics include:

1.1. Continue Robust BRE and Inclusive Business Growth Efforts: HCEDA should continue its strong focus on helping existing businesses and entrepreneurs remain, expand, and succeed in Howard County. Survey results indicate that stakeholders view business formation, expansion, and retention as one of the most important pathways to increasing economic vibrancy. HCEDA should therefore sustain the services stakeholders value most, including *networking and strategic connections*, *entrepreneurial advisory* services, and *business assistance and support* services.

This work should also continue to advance inclusive business growth and accessible employment opportunities. In stakeholder surveys, minority business formation was the third most frequently selected priority for increasing economic vibrancy, suggesting that diversity and inclusion remain important community values. Consistent with the prior strategy, HCEDA should support businesses and industries that create jobs for residents across a range of educational backgrounds, including positions not requiring bachelor's degrees.

1.2. Refine a Targeted Business Attraction Process: Business retention and expansion should remain HCEDA's primary focus, but stakeholder feedback also supports a selective and increasingly proactive approach to business attraction. Although stakeholders most often emphasized supporting small and locally owned businesses, many also identified recruiting new businesses and pursuing new growth opportunities as important HCEDA functions. Focus group participants expressed concern that cost disadvantages—including taxes, housing, and utilities—as well as unclear messaging or competitive positioning may contribute to businesses choosing other locations over Howard County. Some also noted that attracting larger anchor businesses can benefit the local small-business ecosystem by creating new customers, suppliers, partnerships, and market opportunities.

This work is challenging. Maryland is located in a highly competitive region, with Virginia and North Carolina often ranked among the nation's leading states for economic development competitiveness. Pennsylvania and Delaware have also enhanced their appeal to private enterprise in recent years. Meanwhile, Maryland continues to struggle with high and often rising tax rates and a reputation among some as less business-friendly than competing states. A relative shortage of housing for younger families further complicates economic development efforts.

Given these dynamics, HCEDA should evaluate and refine its internal process for identifying, assessing, and responding to significant business attraction opportunities. Howard County needs more economic development wins. This could include clarifying staff and partner roles, establishing criteria for elevating high-potential projects, maintaining current site and property information, and

preparing consistent materials that communicate Howard County's value proposition and regional advantages. This work should align closely with Strategy #2: *Strengthen Research, Messaging & Economic Intelligence*. HCEDA may also want to explore whether targeted incentives or tax benefits could be appropriate for certain types of high-value investment, including in sectors such as biopharmaceuticals and quantum computing.

HCEDA could also conduct a "post-mortem review" when a major prospect selects another jurisdiction. Understanding the factors that shape such decisions is critical to improving future competitiveness. Similar reviews of successful attraction projects, such as Tradepoint Atlantic's planned expansion of international logistics operations to a new location in Howard County, could help identify effective practices, partnerships, and elements of the county's business case that can be replicated.[50]

1.3. Pursue Targeted International Business Development: HCEDA should continue advancing a focused international business development effort, building on recent trade missions, MIC Global, and the Maryland Global Gateway Program. This work should remain targeted so that it complements, rather than diverts resources from, HCEDA's primary focus on local businesses and entrepreneurs. International efforts should pursue two related objectives: attracting international companies to establish or expand operations in Howard County and helping local firms access export markets, customers, and business partnerships abroad. This two-way approach is especially relevant as globalization increasingly coexists with a shift toward localization and reshoring in strategically important sectors.

1.4. Support Strategic Sector Growth: HCEDA should continue to prioritize sectors in which Howard County already has a strong business base and opportunities for expansion, as well as sectors that offer significant growth potential or could help diversify the county's economy. At the same time, it remains important to foster a broadly competitive economic development environment that allows businesses across industries to thrive. HCEDA has already expanded its business development team and assigned directors with refined areas of focus on cybersecurity and advanced technology, defense, health technology and life sciences, agriculture and agtech, manufacturing and logistics, and retail and hospitality. This expanded sector expertise provides a stronger foundation for targeted business retention, expansion, entrepreneurship, and attraction efforts.

50 "Howard County Executive Calvin Ball Unveils Tradepoint Atlantic's Plans for New Logistics Hub in Savage." Press Release, 4/22/2025. https://www.howardcountymd.gov/News042225

STRATEGY #2: INFLUENCE & SUPPORT KEY COUNTY INITIATIVES

PRIOR STRATEGY

The 2023 strategic plan identified placemaking, transit, and the adaptive reuse of office space as areas in which HCEDA should provide influence and support.

CURRENT STRATEGY

This strategic plan calls for HCEDA to continue serving as an influential policy partner. Stakeholder feedback gathered during the planning process supports this role, with some survey respondents indicating that HCEDA should help advance broader policy priorities and economic growth in Howard County. HCEDA's involvement in the adoption of the Gateway Master Plan in 2025 illustrates how the organization can contribute to major county initiatives that have significant economic development implications.

Where appropriate and feasible, HCEDA should therefore extend its influence beyond its core activities to address issues such as housing, placemaking, tax policy, workforce development, and education. These issues shape the broader conditions in which businesses operate and workers make decisions about where to live and work.

This strategic plan identifies two areas of particular emphasis for the 2027–2029 planning period: placemaking and redevelopment and housing affordability. These are policy areas in which Howard County's General Plan, HoCo By Design, identifies HCEDA as a lead or supporting agency for several implementing actions.

Placemaking & Redevelopment: HCEDA should continue to influence placemaking and redevelopment efforts in Howard County. Attractive, well-connected, and economically vibrant places can help the County attract and retain workers, businesses, residents, and investment. Placemaking can also support existing businesses by increasing activity, improving access to amenities, and creating environments where people want to spend time. HCEDA should therefore continue its efforts to influence major placemaking and redevelopment initiatives, including the Columbia Gateway Innovation District and redevelopment along the Route 1 Corridor.

HCEDA is identified as a lead or supporting agency for several implementing actions in Howard County's General Plan that relate to placemaking and redevelopment, including:

- Explore models of public-private partnerships that facilitate redevelopment of a mixed-use activity center with a mix of for-sale and rental housing (Policy Statement DN-4)

- Support the establishment of a business district association specific to the Route 40 Corridor (Policy Statement EP-1)
- Through adaptive reuse and redevelopment, particularly within activity centers, provide opportunities for varying sizes of retail, restaurant, and service uses. Smaller spaces could provide opportunities for small start-ups, micro-retail, and food hall type uses (Policy Statement EP-9)[51]

By influencing major placemaking and redevelopment efforts, HCEDA can help create environments that support economic growth, attract investment, and complement core strategies such as business retention and expansion.

Housing Affordability: Housing affordability emerged as one of the most common concerns among stakeholders providing public feedback. The prevailing sentiment was that high housing and living costs directly affect workforce availability and employers' ability to attract and retain talent. Housing affordability is therefore not only a household concern, but also an economic competitiveness issue.

HCEDA is identified as a lead or supporting agency for several implementing actions in Howard County's General Plan that are relevant to housing affordability, including:

- Explore models of public-private partnerships that facilitate redevelopment of a mixed-use activity center with a mix of for-sale and rental housing (Policy Statement DN-4)
- Expand funding and partnerships for a Live Where You Work program. Evaluate expanding the program for homeownership opportunities (Policy Statement DN-7)[52]

Increasingly, a county's competitiveness depends on how well housing, transportation, infrastructure, and workforce accessibility align with its broader economic goals. In this context, HCEDA has an important role to play as an advocate for county policies that promote broadly shared prosperity, including expanded access to housing that is affordable to workers across a range of occupations and income levels.

As HCEDA engages on these issues, it should clarify the boundaries of its role as a policy partner and establish an internal process for reviewing and approving policy positions prior to public involvement. Doing so will help preserve HCEDA's credibility as a business-focused, nonpartisan organization while enabling it to contribute to policymaking that affects economic growth and stability in Howard County.

[51] Howard County, Maryland Department of Planning & Zoning, *General Plan*. https://www.howardcountymd.gov/planning-zoning/general-plan.
[52] Howard County, Maryland Department of Planning & Zoning, *General Plan*. https://www.howardcountymd.gov/planning-zoning/general-plan.

STRATEGY #3: BUILD ON HOWARD COUNTY'S INNOVATION ECOSYSTEM

PRIOR STRATEGY

The 2023 strategic plan recommended that HCEDA continue to support and expand the innovation assets it had already helped build, particularly the Maryland Innovation Center (MIC) as a central platform for entrepreneurship, providing space, mentorship, connections, business partners, and programs such as Business Revitalization Initiative Through Entrepreneurship (BRITE) to support entrepreneurs and underrepresented businesses. The plan also recommended that HCEDA continue to influence and support planning for the Columbia Gateway Innovation District, with the goal of encouraging a dense, mixed-use environment capable of attracting and retaining innovative firms.

CURRENT STRATEGY

3.1. Build on Howard County's Existing Innovation Ecosystem: This strategy should continue, building on the success of the innovation ecosystem that HCEDA has helped establish. The MIC has become one of HCEDA's most visible and important initiatives, providing entrepreneurs and small businesses with space, mentorship, training, workshops, resource partners, and connections to the broader business community. MIC membership expanded by 45 percent over the previous year, reaching 660 members by the end of FY2025.[53] HCEDA should sustain and expand MIC programming as resources permit, particularly where it responds to changing economic conditions, workforce transitions, entrepreneurship needs, or advances other economic development goals. One priority should be helping businesses that have historically relied on federal contracts and grants pursue private-sector opportunities when necessary.

HCEDA should also build on sector-specific innovation initiatives. In partnership with the Technology Advancement Center (TAC), HCEDA launched the Cyber Howard Accelerator (CHA) in March 2025 to support early-stage cybersecurity companies through mentorship, funding connections, and technical resources. The first cohort of seven business owners graduated in July 2025.[54] This program demonstrates how HCEDA can use the MIC platform to support entrepreneurs in sectors in which Howard County already has a strong competitive position. Going forward, HCEDA should explore opportunities to deepen similar sector-focused programming in areas aligned with county strengths. HCEDA should also sustain Business Revitalization Initiative Through Entrepreneurship (BRITE) programming and other efforts that expand access to entrepreneurial resources. As economic and political transitions continue to affect the workforce and business

[53] Howard County Economic Development Authority. "Stakeholder Annual Report July 1, 2024 - June 30, 2025." https://howardcountyeda.org/wp-content/uploads/HCEDA-Stakeholder-Annual-Report-FY25.pdf
[54] Howard County Economic Development Authority. "Stakeholder Annual Report July 1, 2024 - June 30, 2025." https://howardcountyeda.org/wp-content/uploads/HCEDA-Stakeholder-Annual-Report-FY25.pdf

operations, MIC and related programming can help residents and businesses adapt, launch new ventures, and pursue emerging market opportunities.

3.2. Continue to Influence and Support the Columbia Gateway Innovation District: HCEDA should continue to influence and support the development of the Columbia Gateway Innovation District. Gateway represents the place-based expression of Howard County's innovation strategy and has the potential to create a denser, mixed-use environment capable of retaining and attracting high-growth companies in technology, cybersecurity, and other research-driven industries. Recent planning efforts envision substantial new housing and employment, as well as office, innovation, flex, retail, and restaurant space.[55] HCEDA should continue working with the Department of Planning and Zoning, the County Administration, and relevant stakeholders to help ensure that the implementation of Gateway Master Plan adopted in 2025 advances the principles of the General Plan, reflects stakeholder input, and supports a district that is attractive to innovative firms, entrepreneurs, workers, and residents.

Together, these efforts reinforce innovation and entrepreneurship as core Howard County competitive advantages. They also directly connect to HCEDA's messaging strategy (See Strategy #5: *Strengthen Research, Messaging & Economic Intelligence*). In short, HCEDA should continue to elevate MIC, Cyber Howard, BRITE, Gateway, and related initiatives as central elements of Howard County's broader value proposition.

[55] Baltimore Business Journal, "Howard County's Gateway Innovation District targets 8,100 new jobs and 8,400 housing units," By Howard County Economic Development Authority, May 5, 2026 https://www.bizjournals.com/baltimore/news/2026/05/05/howard-county-gateway-innovation-district-jobs.html

STRATEGY #4: ADVANCE AI READINESS & WORKFORCE ADAPTATION

CURRENT STRATEGY

Artificial intelligence (AI) has shifted from a largely prospective economic disruptor to a technology already being adopted across occupations and industries. Depending on how it is deployed, AI may augment workers by improving productivity, accelerating learning, and supporting career advancement, or it may automate tasks in ways that disrupt jobs and established pathways to higher-wage work.[56] Which trajectory predominates is likely to vary across occupations, industries, employers, and even geographic regions. Several sectors with a significant presence in Howard County are already experiencing substantial AI adoption, creating both opportunities and risks for local businesses and workers. HCEDA should therefore seek to coordinate a partnership-based AI Readiness & Workforce Adaptation initiative that begins with accessible **foundational AI training** and, as resources and demonstrated needs permit, expands into one or two **sector- or career-specific AI training** pilots.

4.1. Launch an AI Foundations Pilot Training Program: HCEDA should develop or curate an introductory AI Foundations training program designed primarily for groups that broadly reflect its existing customer base, such as entrepreneurs, small-business owners, incumbent workers, and professionals. The training should be practical, accessible, and nontechnical, providing participants with an overview of commonly used AI tools and basic terminology; examples of how AI can support professional work, entrepreneurship, and productivity; and guidance on responsible use, including topics such as privacy, cybersecurity, accuracy, bias, ethics, intellectual property, and appropriate human oversight. While introductory in scope, structured training of this kind could help a wide range of participants—from entry-level workers and entrepreneurs to seasoned professionals—better understand rapidly evolving AI/digital tools and identify practical ways to incorporate them into their work.

HCEDA could develop the curriculum from scratch or curate, adapt, or license existing instructional resources. The AI Foundations pilot could be offered through MIC or other established HCEDA channels, potentially in partnership with Howard Community College or the Office of Workforce Development (OWD). Partnering with other organizations can help HCEDA avoid duplicating training already offered by colleges, workforce agencies, or private providers, while expanding awareness of and access to existing AI-related curricula. HCEDA should begin with a limited offering and evaluate enrollment, participant feedback, reported changes in confidence or practical AI use, and demand for additional programming before committing resources for expansion.

[56] James S. Denford, Gregory S. Dawson, Kevin C. Desouza, and Marc Barda Picavet. "Analyzing the passage of state-level AI bills." *Brookings Institution*, March 17, 2026. https://www.brookings.edu/articles/analyzing-the-passage-of-state-level-ai-bills/

4.2. Pilot Sector- or Career-Specific AI Training: After evaluating the AI Foundations pilot, HCEDA and its partners should assess whether more specialized training is warranted for select industries, occupations, or career pathways. Rather than developing a broad portfolio of programs, HCEDA should use labor-market data, BRE conversations, employer input, and participant feedback to identify one or two initial pilots. Selection could be based on considerations such as the size and importance of the sector or occupation within Howard County, the nature of its exposure to AI, demonstrated employer and worker demand, alignment with HCEDA's strategic sectors, potential productivity or business-growth benefits, and the occupation's role as a pathway into higher-wage work. Particular consideration could be given to gateway occupations where targeted AI training may help workers adapt, remain competitive, and preserve pathways into family-sustaining careers, including for workers without four-year degrees.

Specialized training could focus on how AI is being applied in a particular professional context, which skills are becoming more valuable, and how workers can use the technology to complement their existing expertise. HCEDA should seek to develop and deploy these sector- or career-specific AI programs in coordination with relevant local or regional partners, such as educational institutions, employers, workforce organizations, technology companies, and industry professionals with practical experience applying AI in the workplace. These partners could help identify practical applications, provide or adapt curricula, supply instructors and technical expertise, and evaluate whether the training reflects workplace needs. HCEDA's role should center on convening partners, curating resources, hosting or promoting programs through MIC and other existing channels, and gathering feedback to guide future programming.

The purpose of this initiative should not be to predict precisely how AI will affect every occupation or industry. Rather, it should position Howard County to respond proactively to AI adoption and the workforce transitions it may produce. During discussions of AI, focus group participants called for stronger alignment among economic development, education, workforce development, and employers to help residents and businesses prepare for long-term workforce change. By coordinating these partners around practical foundational AI training and a limited number of targeted pilots, HCEDA can help local businesses and workers use emerging tools responsibly, adapt to changing skill requirements, and preserve pathways to economic mobility as technologies and workforce needs continue to evolve.

STRATEGY #5: STRENGTHEN RESEARCH, MESSAGING & ECONOMIC INTELLIGENCE

PRIOR STRATEGY

The 2017 strategic plan's research and messaging strategy revolved around developing and maintaining sophisticated market intelligence to aid business retention and expansion (BRE) and attraction efforts. Specific tactics included aggregating relevant data, tracking interactions with firms and partners in ways that could help identify trends, and formulating narratives related to BRE, innovation, and influencing and supporting key county investments outside HCEDA's direct control. The 2023 strategic plan confirmed those strategies while also challenging HCEDA to position itself as a go-to source for local business intelligence by taking specific actions such as revamping the HCEDA.org data page, monitoring economic disruptors like AI and remote work, and collaborating with other Howard County entities.

CURRENT STRATEGY

HCEDA has been highly active in research and messaging, an increasingly important element of its relevance to economic life in Howard County. This work helps HCEDA communicate resources, elevate opportunities, and strengthen connections among businesses, entrepreneurs, and partner organizations. In 2025, HCEDA expanded this capacity by launching mobile applications that provide users with information on resources and events offered by HCEDA and the Maryland Innovation Center (MIC). The applications were developed by App Beacon, a resident company of the MIC.

A new MIC website was also launched in 2025, showcasing MIC as a major HCEDA initiative and a well-connected hub for startups and business leaders offering a wide array of resources and programs. Internal data indicate that the HCEDA and MIC websites both experienced significant growth in users in FY2024-2025, while HCEDA's social media following also expanded, reflecting broader reach, increased visibility, and greater relevance.

During the previous strategic planning cycle, HCEDA also began publishing weekly "Data Dives" on social media to spotlight relevant economic trends and upcoming events. It also expanded the use of video storytelling to showcase the county's business community, spotlight local success stories, and highlight key HCEDA and MIC programs. HCEDA also added a Research Assistant position to its Strategy business unit, expanding its capacity to conduct data analysis, respond to external information requests, and maintain its role as an authority on local economic trends.[57] These efforts reinforce the ongoing salience of research and messaging as a core HCEDA contribution. Going forward, **HCEDA should continue its existing research and messaging efforts while looking for**

[57] Howard County Economic Development Authority. "Stakeholder Annual Report July 1, 2024 - June 30, 2025." https://howardcountyeda.org/wp-content/uploads/HCEDA-Stakeholder-Annual-Report-FY25.pdf

opportunities to leverage this capacity to broaden its reach, expand storytelling, strengthen its positioning, and support broader economic development goals. Additional relevant tactics include:

5.1. Develop a Clearer Value Proposition for Howard County: HCEDA should use its research and messaging capacity to develop a clearer, more consistent value proposition for Howard County. This effort should not be understood simply as a branding exercise, but as a strategic use of data, stakeholder input, and business intelligence to articulate why Howard County is a compelling place to live, work, start a business, and grow a company. Several focus group participants identified the county's lack of clear identity or competitive positioning as an area where business attraction efforts could be improved, suggesting that Howard County's messaging is not always as clear as its underlying strengths. A more disciplined expression of the value proposition built around a concise set of competitive advantages could support business retention, targeted business attraction, entrepreneurship, and partner alignment by giving HCEDA and allied organizations a shared language for communicating Howard County's strengths.

This work has become more important as the economic conditions that previously supported Howard County's growth have shifted. Federal employment in Maryland, at around 132,000, is at its lowest level since the period of the Global Financial Crisis. In the past, migration from Montgomery and Prince George's Counties, combined with expanding federal outlays, helped position Howard County for growth and prosperity even without large-scale external private investment. Those conditions are less reliable today. To fill office space, support tax base growth, reduce unemployment, and help residents manage a high and rising cost of living, the county will need to attract greater levels of external investment.

Accordingly, HCEDA should identify a *limited* set of the most compelling themes and support them with data, business stories, and examples that can be repackaged across websites, social media, BRE materials, attraction efforts, presentations, and partner communications. This could include a small set of *quality-of-life assets*, such as high-quality schools, diversity and inclusion, community character, or outdoor amenities, including a major concert venue, paired with *business and economic advantages* such as the county's educated population, innovation and startup infrastructure through the MIC, concentration of small businesses and entrepreneurs, proximity to major airports and a seaport, or central location between Baltimore and Washington. The point would not be to invent a new brand from scratch, but to package existing data, assets, and stories into a clearer market-facing message. This tactic would also support other strategies in this plan, including the formalization of a Strategic Growth & Attraction Program (See strategy #1: *Prioritize BRE & Strategic Sector Growth*).

5.2. Position Howard County Within the Regional Economy: HCEDA should also use research and messaging to demonstrate how Howard County fits within the broader Baltimore-Washington economy and how regional assets strengthen the county's competitive position. Howard County's economy is deeply connected to neighboring jurisdictions through commuting patterns, workforce flows, infrastructure systems, institutional relationships, and business networks. These connections shape access to talent, customers, jobs, suppliers, and economic opportunity. HCEDA's messaging should therefore describe Howard County not only as a strong jurisdiction on its own, but as a strategically located and highly connected part of one of the nation's most important regional economies.

By showcasing Howard County's position within this larger regional ecosystem, HCEDA can strengthen its business case, clarify the county's regional role, and support coalition-building around issues that no single jurisdiction can address alone. This tactic recognizes that Howard County's economic future is deeply connected to the broader Baltimore-Washington region and also complements the new strategy to *Pursue Regional Cooperation & Coalitions* by making the case that Howard County's distinct advantages are strengthened via regional alignment.

STRATEGY #6: PURSUE REGIONAL COOPERATION & COALITIONS

CURRENT STRATEGY

As federal retrenchment and funding uncertainty place greater responsibility for economic leadership on state, regional, and local actors, cooperation across jurisdictions and sectors is becoming increasingly important. Many of the challenges and opportunities affecting Howard County—including workforce and talent mobility, transit and infrastructure, strategic-sector growth, economic resilience, and business attraction—extend beyond county boundaries and cannot be addressed effectively by any single organization.

As part of the interconnected regional economy, Howard County stands to benefit from stronger regional alignment and shared action. HCEDA should therefore deepen its participation in existing regional partnerships and, where Howard County has a significant stake or relevant capacity, selectively help convene cross-sector coalitions around clearly defined challenges or opportunities. Relevant tactics include:

6.1. Deepen Regional Partnerships & Pursue Shared Opportunities: HCEDA should deepen its participation in existing regional partnerships and continue identifying opportunities to collaborate with organizations such as the Greater Baltimore Committee, the Maryland Economic Development Corporation (MEDCO), other state agencies, neighboring Maryland jurisdictions, educational institutions, workforce organizations, and other regional entities. These partnerships may involve one or several organizations and should generally build on established relationships and institutional structures. HCEDA should serve as an active participant and, where appropriate, a project partner or co-lead. One particularly promising area for collaboration could be greater alignment around economic data, market intelligence, messaging, and branding. A more coordinated approach could help the Greater Baltimore/central Maryland region communicate a clearer economic narrative while ensuring that Howard County's assets, interests, and contributions are appropriately represented. This also complements the goal of showcasing Howard County's position within this larger regional ecosystem (see Strategy #5: *Strengthen Research, Messaging & Economic Intelligence*).

HCEDA should also look for opportunities to participate in joint project development and shared state, federal, or philanthropic funding pursuits when they align with local priorities and organizational capacity. Regional collaboration can reduce duplication, expand the scale and credibility of projects, and allow participating jurisdictions and organizations to pursue investments or resources that they might be unable to secure independently. Consistent with the strategy to prioritize high-impact special projects (see Strategy #7: *Prioritize High-Impact Special Projects*), HCEDA should focus on partnerships with clear objectives, committed participants, identifiable benefits for Howard County, and a realistic level of staff and resource commitment.

6.2. Support Focused Cross-Sector Coalition Building: HCEDA should also look for opportunities to participate in or selectively help convene cross-sector coalitions involving public agencies, businesses, educational institutions, nonprofits, philanthropic organizations, and other relevant partners. Unlike more flexible or project-based regional partnerships, these coalitions require sustained coordination among multiple organizations around a shared challenge, project, sector, or opportunity that no single participant can effectively address. Potential areas could include workforce and talent mobility, strategic-sector growth, transit and infrastructure, or economic resilience. HCEDA should avoid pursuing coalitions organized around overly broad objectives and instead focus on opportunities with committed partners, identifiable benefits for Howard County, and a realistic path from coordination to implementation.

Brookings Institution research identifies five foundational elements of effective cross-sector coalitions: (1) a **shared long-term focus** with clear goals and intermediate priorities; (2) a **governance structure** with defined leadership, membership, roles, and responsibilities; (3) an **operational rhythm** for decision-making, implementation, and stakeholder engagement; (4) **performance-management** capacity supported by baseline data and measurable outcomes; and (5) a **sustainable financial model** that draws on an appropriate mix of public, private, philanthropic, and other resources.[58] These criteria can provide a useful framework for HCEDA when evaluating whether to join, support, or help convene a coalition. Because developing this level of alignment can be difficult and time-consuming, coalition-building should be treated as a selective, long-term effort rather than a short-term program or standing mandate.

[58] Takeuchi, Mayu, and Joseph Parilla. "The Coalition Imperative: A Guidebook for How Regions Can Build and Sustain Coalitions to Grow a Good-Jobs Economy." *Brookings Institution/America Achieves*, November 20, 2025. https://www.brookings.edu/articles/the-coalition-imperative/

STRATEGY #7: PRIORITIZE HIGH-IMPACT SPECIAL PROJECTS

PRIOR STRATEGY

The 2017 strategic plan prescribed a framework for how HCEDA should approach "unpredictable or emerging challenges and opportunities that require intensive short-term attention." This included setting a defined period in which the issue must be addressed before it is transitioned to another organization or adopted as a core part of HCEDA's mission, as well as outlining procedures for how the board should determine which special projects to pursue. Ultimately, this strategy endeavored to conserve HCEDA's capacity so that core functions could be prioritized. The 2023 strategic plan largely carried that strategy forward, while recommending that a higher share of budget and capacity be set aside for special projects in order to offer local enterprises technical support and guidance in response to issues such as cybersecurity challenges, Paycheck Protection Program eligibility, and workforce shortages.

CURRENT STRATEGY

This strategy should remain largely intact, but with a sharper emphasis on prioritization, collaboration, and resource alignment. The deployment of limited resources to resolve unexpected problems, leverage emerging opportunities, and address time-sensitive economic challenges remains critical to HCEDA's operations. However, these efforts should not detract from core functions such as business retention and expansion and small business/entrepreneurship support. Given the rapidity with which economic conditions continue to change, HCEDA should preserve flexible capacity that can be deployed toward special projects, especially as businesses contend with rising costs, shifting real estate conditions, supply chain challenges, and lingering uncertainty regarding federal policy.

The current environment demands a disciplined approach to selecting and managing these efforts. Federal policy shifts are expected to create new fiscal headwinds for Maryland, which could limit the availability of state resources for local governments and economic development priorities. More broadly, as responsibility for economic leadership continues to move downstream to regional, state, and local actors, HCEDA may need to be increasingly selective about where it devotes limited resources.

Broadly, HCEDA should prioritize high-impact projects that align with its strategic pillars, advance priorities outlined in the General Plan, complement other agencies' efforts, or respond to urgent economic risks. It should also search for opportunities to maximize resources through overlap, collaboration, and shared implementation, including by aligning with existing County initiatives, partnering with other sectors or regional organizations, and leveraging state and federal resources where available. In this way, the strategy evolves from dedicating additional resources for special projects to prioritizing high-impact efforts that are focused, collaborative, and responsive to changing economic conditions.

STRATEGY #8: MONITOR ECONOMIC DISRUPTIONS & BOLSTER RESILIENCE

PRIOR STRATEGY

The 2023 strategic plan recognized that economic disruptions have the potential to alter industries, workplace dynamics, demand for physical space, and business location decisions. It recommended that HCEDA monitor emerging disruptions, maintain open communication with business leaders, support workforce development coordination, and provide targeted assistance to help local enterprises understand and respond to changing economic conditions. The strategy was intended to position HCEDA to identify threats and opportunities early and respond with flexible support as new disruptions emerged.

CURRENT STRATEGY

This strategy remains highly relevant, but should be broadened from monitoring disruptions to actively bolstering economic resilience. Regional prosperity is increasingly linked to an area's "ability to prevent, withstand, and quickly recover from major disruptions (i.e., 'shocks') to its economic base."[59] Such shocks often take one of three forms: (1) downturns or significant events in the national or international economy that affect demand for locally produced goods and consumer spending; (2) downturns in specific industries that constitute a critical component of the region's economy (e.g., federal government downsizing); or (3) other external shocks, such as a natural or man-made disaster, closure of a major facility, or exit of a major employer.[60]

Building economic resilience requires anticipating risks, understanding how those risks could affect key economic assets, and developing the capacity to withstand and respond to disruptions. Economic development practitioners often play an important role in both the pre- and post-disruption environment. For HCEDA, this means continuing to monitor emerging trends and potential disruptions while also supporting two complementary types of resilience activity: (a) *steady-state* initiatives that strengthen the county's long-term economic durability, and (b) *responsive* initiatives that help organize information, partners, and resources when disruptions occur.

The need for this approach has become more urgent. Federal funding uncertainty and anticipated state fiscal headwinds could place additional pressure on local governments, service systems, and economic development priorities. At the same time, responsibility for economic leadership is increasingly shifting toward regional, state, and local actors. HCEDA already plays an important role in responding to disruption, as demonstrated by its rapid efforts to support displaced workers affected

[59] U.S. Economic Development Administration. Comprehensive Economic Development Strategy (CEDS)-Economic Resilience. https://www.eda.gov/resources/comprehensive-economic-development-strategy/content/economic-resilience
[60] U.S. Economic Development Administration. Comprehensive Economic Development Strategy (CEDS)-Economic Resilience. https://www.eda.gov/resources/comprehensive-economic-development-strategy/content/economic-resilience

by federal layoffs through career fairs, the Business Resource Expo: From Federal Worker to GovCon Entrepreneur, and BRITE programming for federal workers reentering the workforce or exploring entrepreneurship. Going forward, HCEDA should formalize and strengthen this role by treating resilience as both a steady-state function and a responsive capacity. Relevant tactics include:

8.1. Maintain an Economic Early-Warning Function: HCEDA should continue monitoring disruptions that could affect Howard County's businesses, workforce, real estate market, and strategic sectors. This should include tracking emerging technologies such as AI, changes in federal and state policy, labor market shifts, industry vulnerabilities, business closures or contractions, and broader economic indicators. This function should be closely tied to HCEDA's research and messaging work, BRE activities, and partner engagement so that potential risks can be identified early and translated into timely guidance or support.

8.2. Strengthen Steady-State Resilience Planning: HCEDA should help identify Howard County's key economic vulnerabilities and support long-term efforts that render the county better able to withstand disruption. This could include supporting industry diversification, strengthening workforce adaptability (the ability to shift between jobs or industries), promoting business continuity awareness (ensuring businesses understand their vulnerabilities), and aligning resilience-related activities with other county and regional planning efforts. These actions are valuable even in the absence of a major shock because they strengthen the county's long-term economic durability and better position businesses, workers, and institutions to adapt when conditions change.

8.3. Build Responsive Coordination Capacity: HCEDA should also maintain the ability to respond quickly when disruptions occur. This includes establishing or strengthening communication networks with businesses, county agencies, workforce partners, educational institutions, regional organizations, and state and federal officials. These networks can help HCEDA gather real-time information on business needs, coordinate responses, disseminate resources, and support recovery efforts. HCEDA should also support pre-disruption recovery planning by helping define key stakeholders, roles, responsibilities, communication protocols, and priority actions before a major disruption occurs. In this way, HCEDA can serve as both a source of economic intelligence and a convener of partners when the county or region faces a significant economic challenge.

CONCLUSION

This HCEDA strategic plan builds on the prior strategic plan and the organization's accomplishments over the last planning cycle. This plan adjusts and updates the strategies established in 2023 in light of recent trends and current economic conditions. The latest strategic planning cycle has been shaped by a resurgence of inflation, dramatic shifts in federal policy, and the accelerating adoption of artificial intelligence (AI).

Ultimately, this strategic plan offers five adjusted strategies, two new strategies, and a continued call for HCEDA to serve as an advocate and policy partner on issues related to placemaking, redevelopment, and housing affordability during the 2027–2029 period.

The following table identifies selected data points that can be used to track progress related to Howard County's economic development efforts.

Exhibit 26: Economic Development Metrics

Data/Metric	Economic Development Strategy/ Area
New business formation; total establishments	BRE/Strategic Sector Growth; Innovation Ecosystem
Employment in key industries	BRE/Strategic Sector Growth; Innovation Ecosystem
HCEDA business assistance cases; events attendance; employer engagements	BRE/Strategic Sector Growth
Percentage of businesses founded by or owned by a minority	BRE/Strategic Sector Growth; Inclusive Growth
Capital investment associated with HCEDA-assisted projects	BRE/Strategic Sector Growth
MIC membership; Cyber Howard Accelerator graduates	Innovation Ecosystem; Research/Messaging
HCEDA website traffic; social media engagement	Research/Messaging
Share of cost-burdened renter and owner households (defined as households spending 30% or more of income on housing)	Influence & Support; Inclusive Growth
Commercial vacancy in key locations	BRE/Strategic Sector Growth; Influence & Support
Redevelopment or adaptive reuse projects advanced in priority locations	Influence & Support

These indicators provide useful numeric measures of economic development activity and progress. However, progress toward HCEDA's 2027-2029 goals will also take forms that are less regularly measurable but equally important. These include new or deepened collaborations among local and regional organizations, expanded programming to support workforce readiness and business resilience, and HCEDA's ongoing efforts to inform, support, and influence county policy, redevelopment, and long-term economic competitiveness.