Economic Resilience in California-Lexington Park, MD

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In the previous post, I noted that the unemployment rate in California-Lexington Park has performed the best among metro areas in Maryland throughout the current crises. In this post, I examine the occupational structure of California-Lexington Park (C-LP) to determine why the metro area may be faring so well.

To examine occupational structure in C-LP, I sort BLS occupation data by occupational location quotient, which indicates if the share of total employment accounted for by an occupation in C-LP is greater or less than the nation as a whole. Sorting the data by occupational location quotients immediately reveals that C-LP has high concentrations of numerous technical occupations that require advanced degrees (Table 1). For example, the location quotient for aerospace engineers indicates that the share of employment accounted for by aerospace engineers is 45.8 times greater in C-LP than the nation as a whole. The top 20 detailed occupations by location quotient, all with a location quotient great than 7, account for 20.0% of employment in C-LP. While working from home certainly makes aspects of these occupation's work more difficult, most of these occupations can successfully accomplished their work at home.

The high concentration of these highly skilled jobs is undoubtedly driven by defense contractors locating near the Patuxent River Naval Air Station. Aerospace contractors in the area include GE, Boeing, Northrup Grumman, and Lockheed Martin. Given that defense contracts on aerospace projects have long lead times and the occupational mix of the metro is conducive to working from home, it is unsurprising that the area has coasted through the economic aspects of the current crises relatively unscathed.

Table 1. Maryland MSA Unemployment

Rank	Occupation	Total Employment	Location Quotient	Mean Annual Salary
1	Aerospace Engineers	940	45.8	$115,700
2	Electro-Mechanical and Mechatronics Technologists and Technicians	190	41.3	$80,390
3	Mathematicians	30	39.5	$110,230
4	Computer and Information Research Scientists	330	33.1	$112,390
5	Computer Hardware Engineers	500	22.8	$129,190
6	Operations Research Analysts	730	22.7	$108,020
7	Aircraft Mechanics and Service Technicians	910	20.9	$73,130
8	Logisticians	1,230	20.9	$106,490
9	Aerospace Engineering and Operations Technologists and Technicians	80	20.7	$81,840
10	Electronics Engineers, Except Computer	820	19.5	$124,440
11	Electrical and Electronic Engineering Technologists and Technicians	680	17.1	$83,190
12	Engineers, All Other	730	14.8	$132,300
13	Calibration Technologists and Technicians and Engineering Technologists and Technicians, Except Drafters, All Other	310	10.9	$92,950
14	Mechanical Engineering Technologists and Technicians	150	10.7	$68,270
15	Materials Engineers	90	10.4	$124,270
16	Electrical Engineers	610	10.1	$107,000
17	Physicists	50	9.7	$106,140
18	Mechanical Engineers	750	7.56	$97,060
19	Technical Writers	120	7.5	$81,610
20	Information Security Analysts	300	7.28	$102,560

Source: Bureau of Labor Statistics, Occupational Employment Statistics (2019)