SALISBURY-WICOMICO ECONOMIC DEVELOPMENT

PORT OF SALISBURY

ECONOMIC IMPACT STUDY

October 2025

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Executive Summary

The Business, Economic, and Community Outreach Network (BEACON) of the Franklin P. Perdue School of Business at Salisbury University partnered with Salisbury-Wicomico Economic Development (SWED) to review and report on the economic impact of the operations in the Port of Salisbury (Port) in the Year 2024. We focused specifically on the impacts on Wicomico County. This was made possible by funding from the Rural Maryland Council (RMC) and the Tri-County Council for the Lower Eastern Shore of Maryland. The study was conducted from July through October 2025.

BEACON collected information from shippers that operate at the Port, along with key stakeholders. Interviews with these individuals provided information and data that assisted the BEACON team in measuring the activities and output of the Port. Any information we could not receive through direct interviews or contacts was developed through our own research and calculations based on data from public sources or prior studies. This data was modeled using IMPLAN to calculate the estimated total impact of firms that operate from the Port.

The 2024 estimated total economic impact of the Port of Salisbury in Wicomico County, Maryland, is over $225 million. This includes direct, indirect, and induced impacts. Along with the total economic output, we also calculated the impacts of related jobs and taxes within the county, including direct, indirect, and induced impacts within each. There is an estimated employment impact of 599 and $45 million in labor income. Additionally, there is an estimated tax impact of $34 million. As noted above, this estimation is only for the impacts in Wicomico County. We are aware that the Port also supports substantial economic activities in the surrounding region.

Our research estimated that in 2024, the Port had at least 1,364,335 tons of commodities shipped in or out. This is well above the US Army Corps of Engineers threshold of one million tons per year to maintain the shipping channel.

In addition to the IMPLAN modeling, we also calculated the traffic congestion that the Port provided through shipment by barge. Our analysis indicates that the barge shipping at the Port reduces road traffic by over 42,000 truck trips per year. The Port of Salisbury is the second-largest port in Maryland and is vital to the Wicomico County economy.

Introduction

The Business, Economic, and Community Outreach Network (BEACON) of the Franklin P. Perdue School of Business at Salisbury University has partnered with Salisbury-Wicomico Economic Development (SWED) to review and report on the impact of the operations of the Port of Salisbury (Port) in 2024. The study includes an analysis of the value of shipments, the jobs related to the Port, and the estimated impact that water shipment provides versus alternative delivery methods. The impacts were calculated for Wicomico County, Maryland, and reported in 2025-dollar values.

The Port of Salisbury is the second largest in Maryland. The Port operations are dependent on the maintenance of the navigational channel in the Wicomico River and the associated dredging that is necessary to maintain the channel. There is an annual one-million-ton shipping threshold in order to receive the necessary US Army Corps of Engineers support for this dredging.

This report is focused on the overall operations at the Port. We collected information from the firms that operate at the Port, but the analysis presented is structured to limit the identification of any of the individual firms.

Background

The City of Salisbury, located on Maryland's Eastern Shore, has historically served as a regional hub for commerce and transportation due to its location along the navigable Wicomico River. The river has provided a direct shipping route connecting the city to the Chesapeake Bay and beyond, supporting economic activity in agriculture, construction, and trade throughout the Delmarva Peninsula. (*Port of Salisbury*. (n.d.)).

Port-related activity in the Salisbury area can be traced to the early 18th century, when the Maryland legislature authorized Green Hill as a designated port in 1706 ("Green Hill Town and Port," n.d.). The development of river transport, including steamboat service in the 19th century, strengthened Salisbury's role as a commercial center (Landsman, Dan. (n.d.)). The city was incorporated in 1854, reflecting its growth in both population and economic significance within the region (*Wicomico County*, 2018)

By the late 19th and early 20th centuries, Salisbury benefited from the convergence of river and rail transport, which increased access to broader markets. These connections solidified its position as a key distribution point for goods moving in and out of the Delmarva Peninsula (Salisbury, Maryland, United States. (2025). Over time, the Port became recognized as Maryland's second busiest by tonnage after Baltimore, handling commodities such as petroleum, aggregate materials, and agricultural products (*Port of Salisbury*. (n.d.)). Shipbuilding has also been a major driver in economic growth within the region. This is from both the revenue and the jobs it provides.

In recent years, the City of Salisbury has evaluated opportunities to expand the Port's capacity and functionality. Studies have explored the potential for a multi-user terminal, which would diversify cargo handling capabilities and enhance regional economic competitiveness (*Port of*

Salisbury. (n.d.)). These efforts emphasize the Port's continued role as a critical infrastructure asset for the Lower Eastern Shore and the firms that rely on it directly and indirectly.

Methodology

The economic impact of the Port of Salisbury was analyzed using the IMPLAN software package, developed by Minnesota IMPLAN Group, Inc. This model, based on Input-Output (IO) theory (for which Wassily Leontief received the Nobel Prize in Economics in 1973), calculates total economic output and employment, including direct, indirect, and induced (ripple effect) impacts. The IMPLAN modeling was completed using local data from 2024, modeled using 2023 industry patterns. The results are reported in 2025-dollar values. The IMPLAN Social Accounting Matrices provide estimates of further economic and employment effects.

Within IMPLAN, economic and employment impacts are categorized into direct, indirect, and induced:

- **Direct Impacts**: The immediate effects of an economic activity or event, such as the output, employment, or income generated directly by the firms using the Port of Salisbury.
- **Indirect Impacts**: Result from the supply chain response to the direct impacts. They reflect the business-to-business transactions required to support the direct activity.
- **Induced Impacts**: These arise from the increased household spending due to income earned from the direct and indirect activities when employees spend their wages on goods and services in the local economy.

IMPLAN runs on the assumptions of constant returns to scale, fixed input structure, industry homogeneity, no supply constraints, fixed technology, constant byproduct coefficients, the model is static model, backward linkages, and time dimension. IMPLAN calculates the impacts within a specified geographic area. For this study, we modeled the impacts for Wicomico County. There are likely impacts beyond the county, but those are not included in this study.

BEACON collected estimated impacts of Port activity through reaching out to key stakeholders who were either users of the Port or had institutional knowledge. The data collection process and sources are detailed in the next section.

Data Collection

Personal Outreach

SWED provided BEACON with a list of stakeholders and firms that operate from the Port for interviews to gain a deeper understanding of the Port's operations. These stakeholders were selected based on their expertise in shipping, institutional knowledge of the Port, or as third-party users. The primary objective of these interviews was to gather insights into the Port's role as a regional asset, its contributions to the local economy, and its broader significance to the community and surrounding region. These firms were asked to provide data on the types and volumes of commodities or products they ship through the Port.

Interview scheduling was conducted via email, with participants receiving background information on the study, an overview of the number of questions, and the anticipated length of the conversation. Follow-up emails were sent to confirmed participants with additional details about the process.

A total of thirteen individuals were contacted to participate. Of those, seven agreed to schedule interviews. All participants were asked a core set of ten questions, with some individuals receiving additional questions tailored to their area of expertise.

Data collected from the interviews included both qualitative feedback and quantitative information. In several cases, shippers provided direct numerical data. It is important to note that due to the sensitive and confidential nature of some financial information, certain figures were estimated based on the details provided.

Most interviews were conducted via phone calls, though a small number of participants opted to provide their responses in writing via email.

Public Data Review

In conducting research for this report, we used public data where available to verify or supplement the direct data collection we conducted. This public data provided some historical information and data from prior studies. This data also allowed us to better estimate impacts where the privately collected data had gaps. We received documents from a stakeholder with knowledge of the Port that helped explain the need for dredging, along with timelines and the costs associated with it. In one of the reviewed documents, we identified historical revenue data for several shippers for whom full information was unavailable. Incorporating this publicly available data allowed for a more accurate estimate of Port operations for 2024. Additional data sources included industry averages from IMPLAN, as well as shipping and navigational data from NOAA and the U.S. Army Corps of Engineers. Although public sources were examined, current records detailing the specific commodities shipped to and from the Port of Salisbury were not available.

Economic Impact

IMPLAN Analysis

BEACON used the estimated output or volume of commodities as well as job data, to construct a model for the Port of Salisbury. Our IMPLAN model used data reflecting operations at the Port from 2024. The spending patterns were based on IMPLAN's 2023 dataset, the most recent available. Impacts reported in final numbers for this study are in 2025 dollars.

Output Calculations

For this report, individual firm and commodity data are blended to protect the firms' privacy and their confidential information. The value for each commodity or activity was used within the overall calculation. In studies of larger ports, there are often multiple shippers and users of commodities. In the case of the Port of Salisbury, there are very few firms, and some of them are the only entities in a specific industry. An example of why the lower number of firms matters is

the Census data in smaller jurisdictions. For these smaller jurisdictions, they suppress/aggregate the data to help protect the anonymity of the people within that area. These smaller numbers can easily compromise anonymity since it is easier to see direct correlations of exactly who is doing what. The calculation is based on impacts in Wicomico County. While there are impacts in the adjacent counties and across the region, this study was focused on Wicomico.

Assumptions for Calculations

Where specific firm data was not available, BEACON used prior data and adjusted it to match current data, such as job or other inputs, to calculate the appropriate variable. All data used was in 2024 dollars. The IMPLAN output is reported in 2025 dollars. In other cases, we matched publicly reported information to calculate the estimated annual production of firms.

To estimate the job impacts for firms with limited data available, we utilized information collected from other shippers and supplementary research to inform the employment calculations.

Overall calculations were put into IMPLAN using the information gathered from the stakeholders and firms that operate out of the Port, combined with our own research and estimations based on the information we were given.

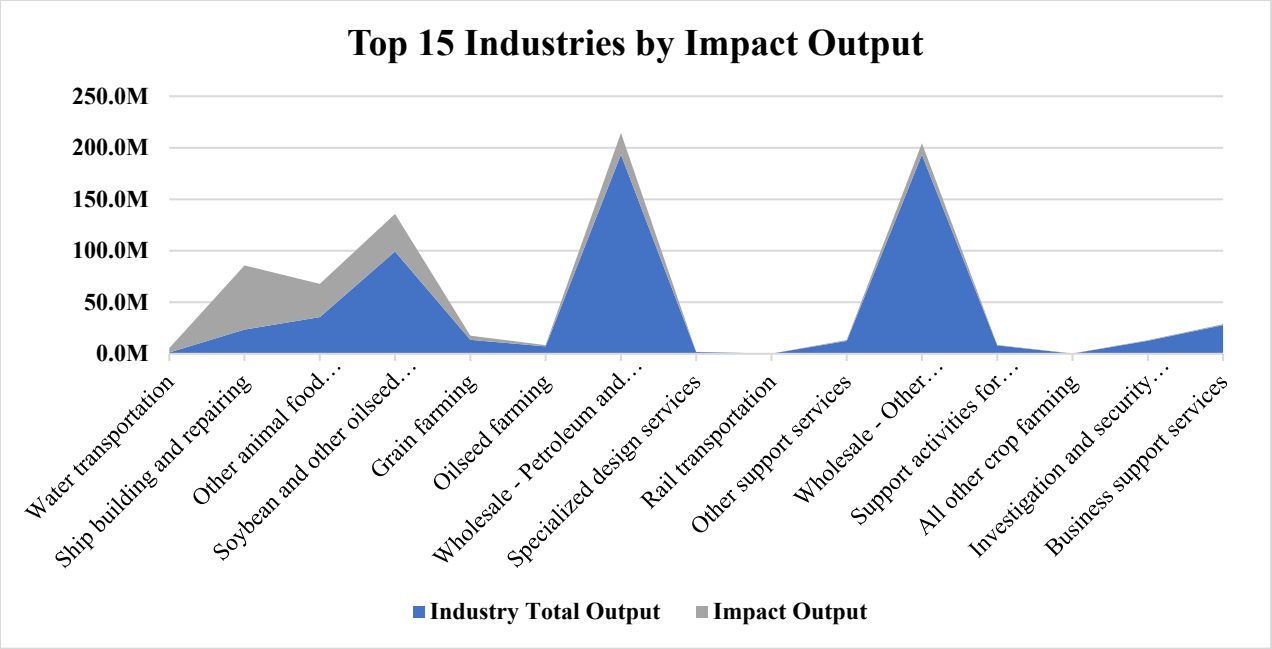
RESULTS – IMPACT OF THE PORT

The IMPLAN Model estimate of the total economic impact for Wicomico County, Maryland, of the Port of Salisbury and its users in 2024 was $225,477,234. This is made up of direct, indirect, and induced impacts. A detailed view of the impacts is summarized in the chart below.

Impact	Employment	Labor Income	Value Added	Output
Direct	245.42	$20,549,562.85	$56,595,390.28	$157,303,942.05
Indirect	246.87	$18,949,708.90	$25,600,203.58	$49,616,924.11
Induced	106.87	$5,718,525.61	$11,879,630.37	$18,556,367.72
Total	**599.16**	**$45,217,797.36**	**$94,075,224.24**	**$225,477,233.87**

Output by Industries

From the IMPLAN model, we were able to determine the industries of the Port that have the biggest outputs. The largest impact was from shipbuilding and repairing, with an overall impact of $62,340,723, including the direct, indirect, and induced. The next largest output is soybean and other oilseed processing, with a total output of $36,583,931. The third largest is animal food manufacturing, with a total output of $32,240,546. The prior two show the broader connection of the Port to the agricultural industries in the region. The fourth largest is wholesale petroleum and petroleum products with a total impact of $20,902,615. The fifth largest impact was other nondurable goods merchant wholesalers, which had an impact of $11,156,459. These are the top five; the remaining top fifteen industries have a total output impact of $29,701,314.



Employment Impacts

From our data and estimations, IMPLAN calculated an estimated total employment of 599 people. This includes direct, indirect, and induced employment. Total income associated with these 599 employees is estimated to be $45,217,797. The modeling showed that shipbuilding had the highest direct output, employment, and employee compensation. The next two largest direct wage and salary job impacts came from animal food manufacturing and wholesale petroleum. These had the next highest employment and employee compensation.

The second category of job impacts is induced employment, representing jobs supported by household spending from direct and indirect Port employees. The top five industries affected include owner-occupied housing, hospitals, physicians' offices, limited-service restaurants, and tenant-occupied housing. These induced impacts demonstrate how income generated through Port operations circulates within the local economy, driving additional spending in Wicomico County. The top 15 induced industries generated a total output of approximately $10.5 million. While the Port may not directly affect an individual's daily life, its associated spending does. The economic activity driven by Port operations produces ripple effects across multiple industries, supporting jobs and stimulating business growth throughout the region.

Tax Impacts

The Port has a significant tax impact on the local economy. We can see this by looking at the tax results from our IMPLAN model. This covers federal, state, and county impacts, with county and subcounty results being combined.

Below is a table of the full tax results. This includes direct, indirect, and induced tax impacts. It also accounts for the taxes on households, corporations, production, and imports, combined with the above household taxes.

Tax Impact	County & Sub County	State	Federal	Total
Direct	$5,374,665.30	$12,365,469.43	$5,821,624.04	**$23,561,758.77**
Indirect	$1,120,225.41	$2,502,980.71	$3,972,871.52	**$7,596,077.63**
Induced	$477,240.24	$1,117,453.83	$1,399,645.40	**$2,994,339.47**
Total	**$6,972,130.94**	**$15,985,903.97**	**$11,194,140.96**	**$34,152,175.87**

Cargo Volume

During our data collection process, the study examined the overall estimated tonnage of shipments. We calculated that in 2024, the Port had an estimated 1,364,335 tons of commodities shipped in or out. This water-borne commerce is vital to our regional economy.

Other Impacts - Trucking

A less obvious but important impact of the Port is its reduction in traffic on our roadways. BEACON estimated that it would have taken at least 42,165 tractor-trailer trucks to transport all the commodities that were shipped by barge in 2024. This means that barge shipments help prevent thousands of trucks from adding to roadway congestion and significantly reduce carbon emissions released into the environment. According to our research, transporting gas and oil by truck from Baltimore to Salisbury would increase delivery costs by approximately 6.5 cents per gallon. While we were not able to estimate the incremental cost impact on other commodities, it is reasonable to assume that they would also cost more if shipped via truck. Barge shipping not only reduces greenhouse gas emissions and roadway congestion but also helps lower costs for consumers. Although barges operate at slower speeds than trucks, their ability to transport significantly larger volumes in a single trip makes them one of the most efficient methods for moving bulk commodities. According to the feasibility study that was done in 2019, barges release 20 tons of CO2 emissions per million ton-miles, while trucking releases about 70 tons of CO2 emissions per million ton-miles (*Port of Salisbury*. (n.d.).

Additional Notes

Feedback from multiple companies indicated a strong interest in increasing both the volume and types of goods shipped through the Port of Salisbury. This interest came from existing third-party users as well as businesses that do not currently utilize the Port but expressed a desire to begin doing so. The potential commodities identified for shipment include raw materials used in the construction industry and aggregates. These additional shipments would also create more jobs within the region, thereby increasing employment within Wicomico County. Such expansions would increase overall tonnage moving through the Port, underscoring the importance of maintaining adequate dredging to ensure navigability. An increase in shipping activity would generate additional economic activity within the local economy. Given the growing interest in expansion, it is essential for SWED to maintain ongoing communication with the shippers and firms engaged in this report. As the second-largest port in Maryland, the Port of Salisbury plays a vital role in supporting the regional economy of Wicomico County.

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