



# MEDA

Maryland Economic  
Development Association

Economic Development  
*Transforms lives.*



# Maryland's Economy, Key Industries and Strategic Advantages

May 30, 2024



1. State Economy
2. Regions
3. Key Industries
4. Competitive Position



# Maryland's Economy

# Population

- Geographic Area (land) – 9,707 square miles – 42<sup>nd</sup>
- Population (2020) – 6,177,224 – 18<sup>th</sup>
- Population (2023 est.) – 6,180,253 – 19<sup>th</sup>
- Population Density (2020) – 637/square mile – 5<sup>th</sup>
- Median Age (2020) – 39.2 years – 21<sup>st</sup> oldest
- Population Growth (2010>2020) – 7.0% – 22<sup>nd</sup>
- Domestic Migration (2022>2023) – **(30,905)** – 45<sup>th</sup>
- Baltimore-Washington Corridor (9 counties) share of State population (2023) – 82.2%

*Sources: Maryland Geological Survey; U.S. Census Bureau – American Community Survey.*

# Income

- Median Household Income (2022) – \$94,991 – 1<sup>st</sup>
  - 27% above national median
- Median Household Income for counties (2022)
 

○ Howard	\$140,971	7 <sup>th</sup>
○ Calvert	\$128,078	11 <sup>th</sup>
○ Montgomery	\$125,583	23 <sup>rd</sup>
○ Charles	\$116,882	43 <sup>rd</sup>
○ Anne Arundel	\$116,009	47 <sup>th</sup>
- Personal Per Capita Income (2022) – \$70,228 – 11<sup>th</sup>
- Poverty Rate (2021) – 10.3% – 9<sup>th</sup> lowest (tied)
- Millionaire households (2022) – 9.7% – 2<sup>nd</sup>



# GDP / Federal Presence

- **Gross Domestic Product (GDP) (2023:Q3)**
  - Total \$ 516.5 billion 17<sup>th</sup>
- **Federal Contracts (FFY2023)**
  - Total \$41.6 billion 4<sup>th</sup>
  - Per Capita \$6,821 2<sup>nd</sup>
- **Defense Department Contracts (FFY2023)**
  - Total \$17.7 billion 7<sup>th</sup>
  - Per Capita \$2,615 5<sup>th</sup>
- **Federal Civilian Jobs (FFY2022)**
  - Total 154,650 4<sup>th</sup>
  - Per Capita 247 per 10,000 persons 4<sup>th</sup>
  - Total Wages \$18.5 billion 4<sup>th</sup>
  - Average Salary \$119,596 1<sup>st</sup>

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; Census Bureau; USA Spending.gov.

# Largest Industry Sectors

- By Gross Domestic Product (GDP) (2023:Q3):
  - Government \$106.5 B 17.1%
  - Real Estate, Leasing \$78.9 B 12.7%
  - Professional, Scientific, Tech. Services \$54.7 B 8.8%
  - Health Care and Social Assistance \$38.9 B 6.2%
- By Employment (2023:Q3):
  - Government 488,887 18.2%
  - Health Care and Social Assistance 378,891 14.1%
  - Professional, Scientific, Tech. Services 278,408 10.3%
  - Retail Trade 268,159 10.0%

*Sources: Bureau of Economic Analysis; Bureau of Labor Statistics.*



# Research & Development

- Federal R&D Spending (FY2022) – \$20.7 billion – 2<sup>nd</sup>
- R&D Intensity (R&D/GDP) (FY2021) – 5<sup>th</sup>
- Total R&D Performance (FY2021) – 8<sup>th</sup>
- Federal Laboratories (2022) – 74 – 1<sup>st</sup>
- SBIR Awards (FY2023)
  - Total                    \$180.0 million                    8<sup>th</sup>
  - Per capita                \$29.12                                4<sup>th</sup>

*Sources: National Science Foundation; National Science Board; Federal Laboratory Consortium for Technology Transfer; Small Business Administration and Census Bureau.*

# Workforce / Education

- Professional & Technical Workers (2022) – 30.7% – 2<sup>nd</sup>
- Educational Attainment: Percent of Population 25+ (2022)
  - Bachelor’s Degree 43.8% – 5<sup>th</sup>
  - Graduate or Professional Degree 20.6% – 2<sup>nd</sup>
- Employment in STEM Occupations (2023) – 9.7% – 3<sup>rd</sup>
- Labor Force Participation (March 2024) – 65.0% – 15<sup>th</sup>
- Unemployment Rate (March 2024) – 2.5% – 4<sup>th</sup> lowest
- Annual College Graduates (2021-22) – 75,513 – 19<sup>th</sup>

*Sources: National Science Foundation; Census Bureau; Bureau of Labor Statistics; St. Louis Federal Reserve. National Center for Education Statistics.*

# Energy Costs

- Average Electric Price per kWh (2022)
  - Industrial      \$0.1010      11<sup>th</sup> highest
  - Commercial    \$0.1265      14<sup>th</sup> highest
- Average Natural Gas Price per 1,000 cubic feet (2022)
  - Industrial      \$12.22      6<sup>th</sup> highest
  - Commercial    \$14.12      8<sup>th</sup> highest

*Source: U.S. Energy Information Administration.*

# Taxes

- Corporate Net Income Tax Rate (2024)
  - 8.25% – 9<sup>th</sup> highest
- Tax Collections as Percent of Personal Income
  - State and local taxes      11.0% (2021)      17<sup>th</sup> highest
  - State taxes only              6.8% (2022)      26<sup>th</sup> highest
- State and Local Tax Burden, Residential (2022)
  - 11.3% – 35<sup>th</sup> best / 16<sup>th</sup> worst
- State Business Tax Climate Index (2023)
  - 46<sup>th</sup> best / 5<sup>th</sup> worst

Sources: Tax Foundation; Federation of Tax Administrators.

# Business Costs Index

- Cost of Doing Business Index (2023-Q4)
  - Maryland – 102.9 – 16<sup>th</sup> highest
- Cost of Doing Business Index (Dec. 2021)
  - Washington-Arlington-Alexandria DC-VA-MD-WV 110.4
  - Baltimore-Columbia-Towson MD 108.2
  - Silver Spring-Frederick-Rockville MD 103.6
  - California-Lexington Park MD 102.4
  - Hagerstown-Martinsburg MD-WV 91.4
  - Salisbury MD-DE 85.3
  - Cumberland MD-WV 84.3
  - Wilmington DE-MD-NJ 81.0

Source: Moody's Analytics.

Notes: State composite index = labor + energy + tax costs.

Metro composite index = labor + energy + tax + office rental costs.

U.S. Average = 100

# Living Costs Index

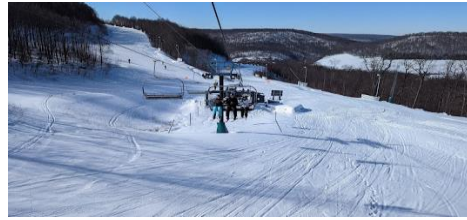
- **Moody's Cost of Living Index (Dec. 2021)**
  - Silver Spring-Frederick-Rockville MD 120.8
  - Washington-Arlington-Alexandria DC-MD-VA-WV 116.1
  - California-Lexington Park MD 103.4
  - Wilmington DE-MD-NJ 104.9
  - Baltimore-Columbia-Towson MD 103.9
  - Salisbury MD-DE 102.6
  - Hagerstown-Martinsburg MD-DE 93.5
  - Cumberland MD-WV 84.3
  
- **C2ER Cost of Living Index (2023)**
  - Washington-Arlington-Alexandria DC-VA-MD-WV 147.4
  - Frederick-Gaithersburg-Rockville MD 132.8
  - Baltimore-Columbia-Towson MD 100.9
  - Salisbury MD-DE 102.3

*Sources: Moody's Analytics, C2ER. U.S. average = 100.*

# Economy: Rankings

- WalletHub – State Innovation Index (2024) – 6<sup>th</sup>
- Milken Institute – State Technology and Science Index (2022) – 4<sup>th</sup>
- ITIF – State New Economy Index (2022) – 3<sup>rd</sup>
- Inc. Magazine – 5000 Fast Growing Companies (2023) – 111 – 6<sup>th</sup> as a percentage of all companies  
– 10<sup>th</sup> on a per capita basis
- CNBC – Best States for Business (2022) – 22<sup>nd</sup>





# Maryland's Regions

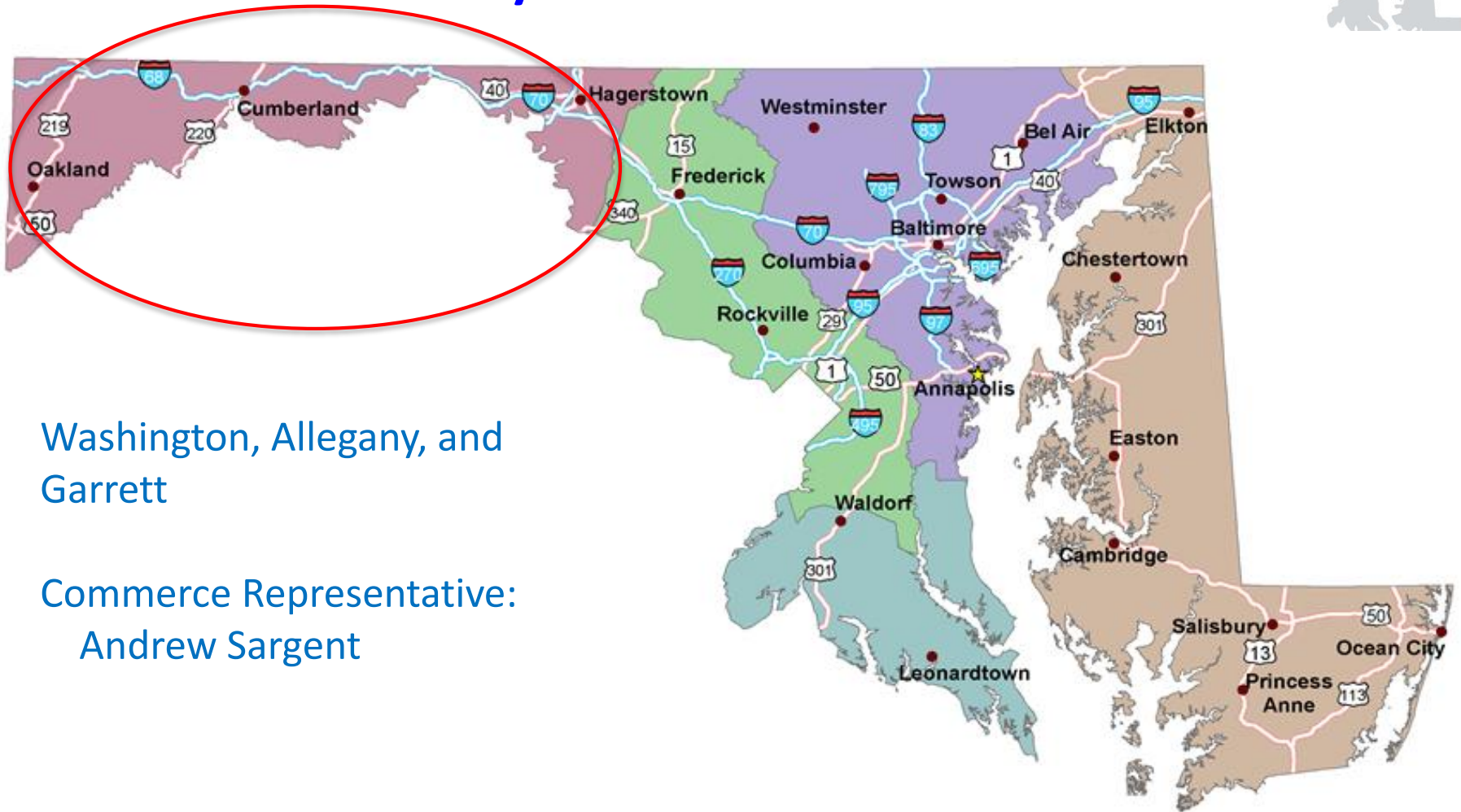




# Maryland's Regions



# Western Maryland



Washington, Allegany, and  
Garrett

Commerce Representative:  
Andrew Sargent



# Western Maryland Assets:

- Lower cost of doing business – particularly energy costs
- Available land at lower prices than core
- Diverse energy sources: coal, hydropower, wind
- Transportation: I-81, I-70, I-68, CSX, Norfolk Southern railroads
- Higher education: Frostburg State University, University System of MD – Hagerstown
- Airports – Hagerstown, Cumberland, Garrett County





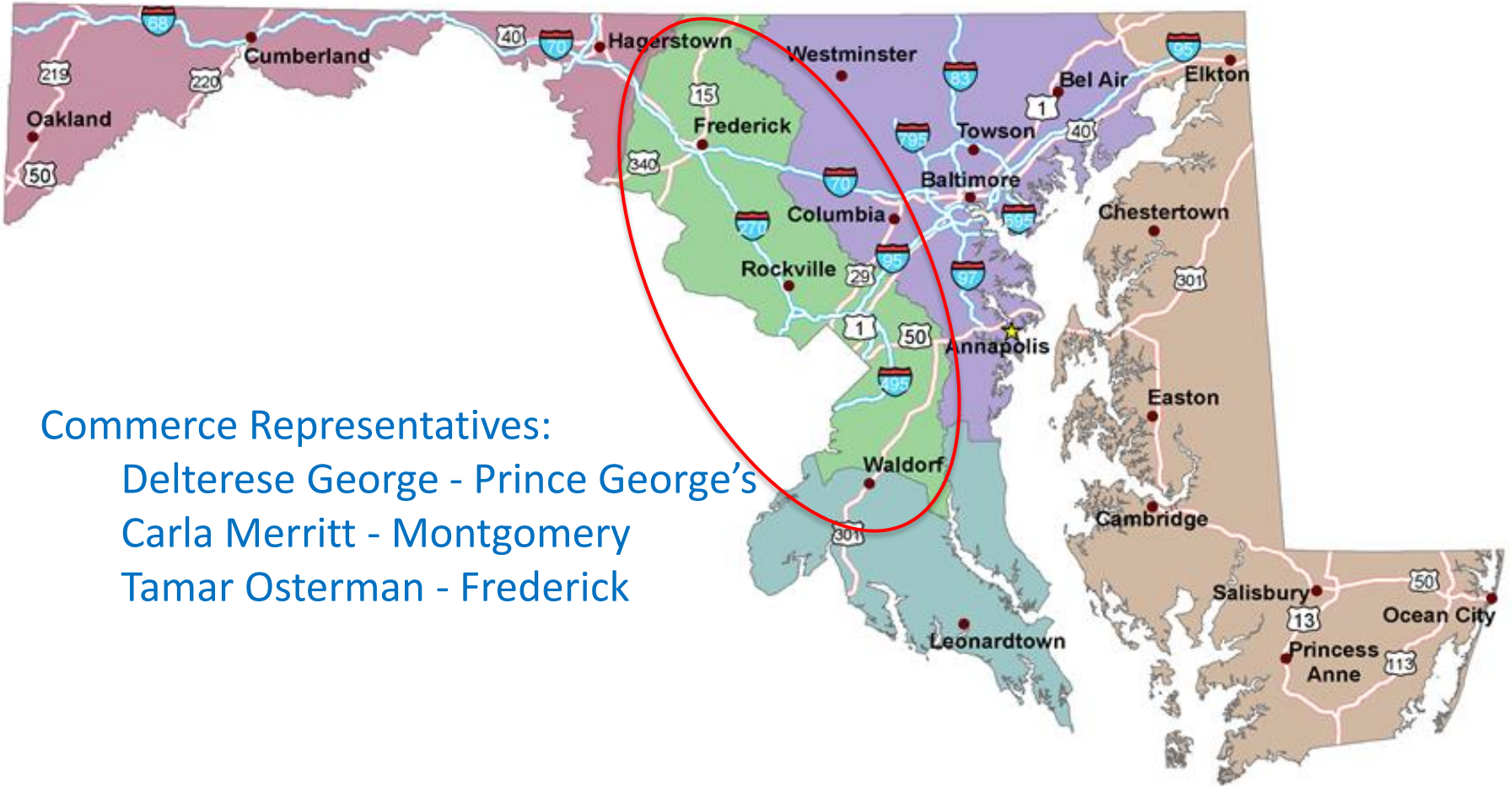


# Western MD Key Industries

- Agriculture – mixed crops/livestock, dairy
- Energy – natural gas
- Financial services
- Mining
- Manufacturing
- Tourism – Deep Creek
- Warehouse/Distribution



# National Capital



## Commerce Representatives:

Delterese George - Prince George's

Carla Merritt - Montgomery

Tamar Osterman - Frederick



# National Capital Region Assets



- Proximity to Washington, D.C. and Northern Virginia
- Federal agencies and military installations
- Transportation: I-495, I-95, I-270, I-70, US 50, Amtrak, MARC, Metrorail
- Proximity to three airports
- Higher education: Numerous colleges and universities





## National Capital Key Industries

- Aerospace/Engineering
- Cybersecurity/IT
- Federal/Military
- Professional/Scientific
- Logistics/Distribution
- Financial Services
- Hospitality/Tourism
- Life Sciences/Health Care
- R&D/Advanced Manufacturing

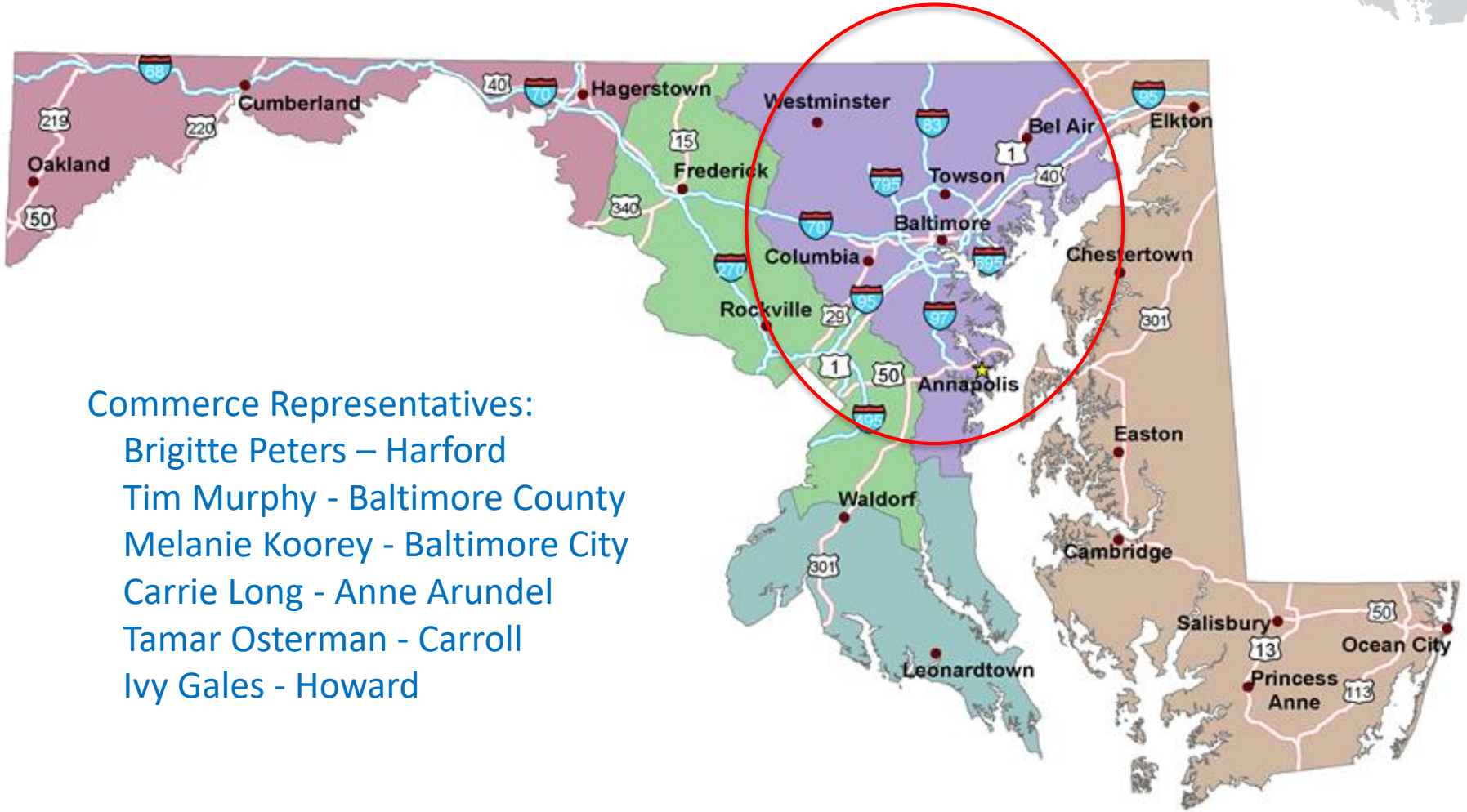








# Greater Baltimore



## Commerce Representatives:

- Brigitte Peters – Harford
- Tim Murphy - Baltimore County
- Melanie Koorey - Baltimore City
- Carrie Long - Anne Arundel
- Tamar Osterman - Carroll
- Ivy Gales - Howard

# Greater Baltimore Assets



- Baltimore/Washington Corridor location.
- Federal/Military installations.
- Port of Baltimore, BWI-Marshall Airport.
- Access to Washington D.C., Wilmington, and Philadelphia.
- Transportation: I-95, I-695, I-83, I-97, I-70, Northeast Corridor Amtrak, MARC, Baltimore Metro, CSX and Norfolk-Southern railroads
- Higher Education: Numerous colleges and universities, professional and graduate schools





# Greater Baltimore Key Industries

- Cybersecurity/IT/Defense
- Military/Federal installations
- Financial Services
- Headquarters

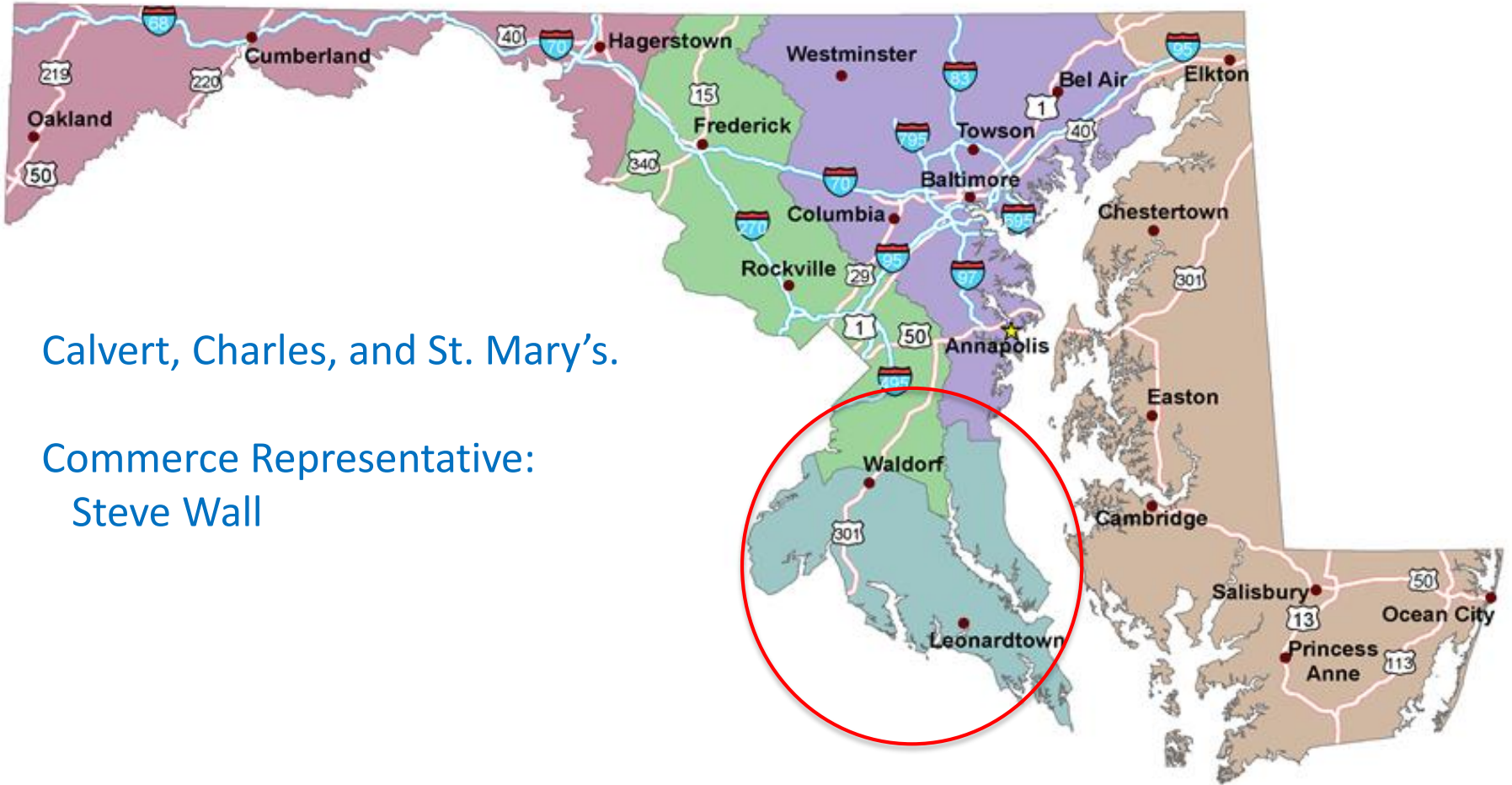
- Health Care
- Hospitality/Tourism
- Life Sciences
- Distribution, e-commerce
- Manufacturing







# Southern Maryland



Calvert, Charles, and St. Mary's.

Commerce Representative:  
Steve Wall



# Southern Maryland Assets



- Proximity to Washington, D.C.
- Transportation: US 301, MD 2, MD 4, MD 5, MD 210
- Higher Education: St. Mary's College of Maryland, University of Maryland - Southern MD, UM Chesapeake Bay Biological Lab, Morgan State Patuxent Environmental & Aquatic Research Laboratory (PEARL)
- St. Mary's County Airport
- Waterfront Proximity
- Military Installations





## Southern Maryland Key Industries

- Defense/Aerospace
- Agri/aqua culture
- Engineering
- Energy
- Heritage tourism
- Manufacturing
- Agri/aqua tourism
- Autonomous Technologies
- Uncrewed Aerial Systems (UAS)
- Uncrewed Aerial Vehicles (UAV)





**GENERAL  
DYNAMICS**



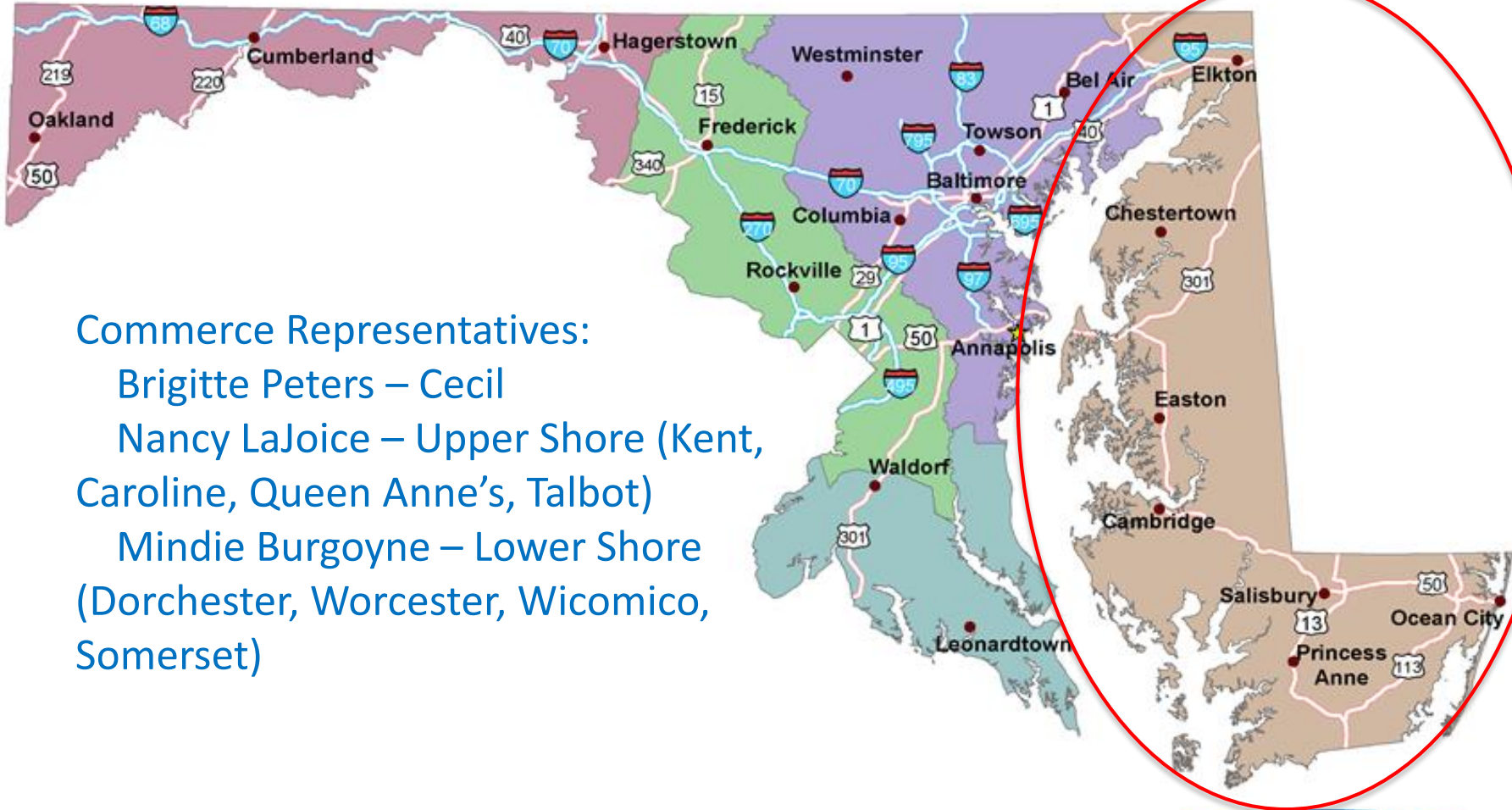
**USBTA**  
UNITED STATES BOMB TECHNICIAN ASSOCIATION



**BAE SYSTEMS**



# Eastern Shore



Commerce Representatives:  
Brigitte Peters – Cecil  
Nancy LaJoice – Upper Shore (Kent, Caroline, Queen Anne's, Talbot)  
Mandie Burgoyne – Lower Shore (Dorchester, Worcester, Wicomico, Somerset)



# Eastern Shore Assets

- Lower cost of doing business
- Available land and buildings
- Proximity to water and beaches
- Transportation: I-95, US 50, US 301, US 13, US 113, short-line rail, Salisbury-Ocean City Regional Airport (commercial passenger air service), Easton Airport
- Port of Salisbury
- Higher Education: Salisbury University, University of MD-Eastern Shore, Washington College





## Eastern Shore Key Industries

- Aerospace
- Agri/aqua culture/
- Energy
- Distribution/ e-Commerce
- Manufacturing
- Pharma/Life Sciences
- Tourism
- Uncrewed Aerial Vehicles (UAV)/ Uncrewed Aerial Systems (UAS)



**B&G FOODS, INC.**











# Maryland's Key Industries

## 2 Types of Industries

### Local (Local-Serving) Industries

Primarily serve local markets (B2B & B2C)

- Size, types and concentration relate to the market area
- Found throughout the country (“geographically dispersed”)
- Contribute to local economic growth and vibrancy
- 2/3 of Maryland’s employment



### Traded Industries

Sell products or services  
across regions and countries, bringing  
‘new’ money into the economy

- Higher wage, higher productivity jobs
- Often clustered in specific areas of the country
- Greater economic impact upon local economy
- 1/3 of Maryland’s employment





# Local Industries: Examples

- Retail sector
- Personal services
- Food & beverage
- Healthcare services
- Real estate
- Public administration
- Construction
- Hotels
- Professional services





# Traded Industries: Maryland's Targeted & Growing Sectors

- Traded Industry Sectors drive economic growth
- They bring new money into a local economy
- When that new money is spent, it creates a multiplier effect of between 3-5 new local-serving jobs
- This makes regions more productive and economically resilient



# Guess the Industry!

## Maryland's Targeted Industries

10,900 establishments

162,000 jobs

### Leading subsectors include:

- Intelligence & communications
- Computer services
- Product & Parts manufacturing
- R&D
- Unmanned systems

**MD Commerce POC:**

Colter Menke, Program Manager

# Industry is: **Aerospace & Defense**

10,900 establishments • 162,000 jobs

## Leading subsectors

- Intelligence & communications
- Computer services
- Product & Parts manufacturing
- R&D
- Unmanned systems

**MD Commerce POC:**  
Colter Menke, Program Manager



**LOCKHEED MARTIN**

**NORTHROP  
GRUMMAN**



**BAE SYSTEMS**



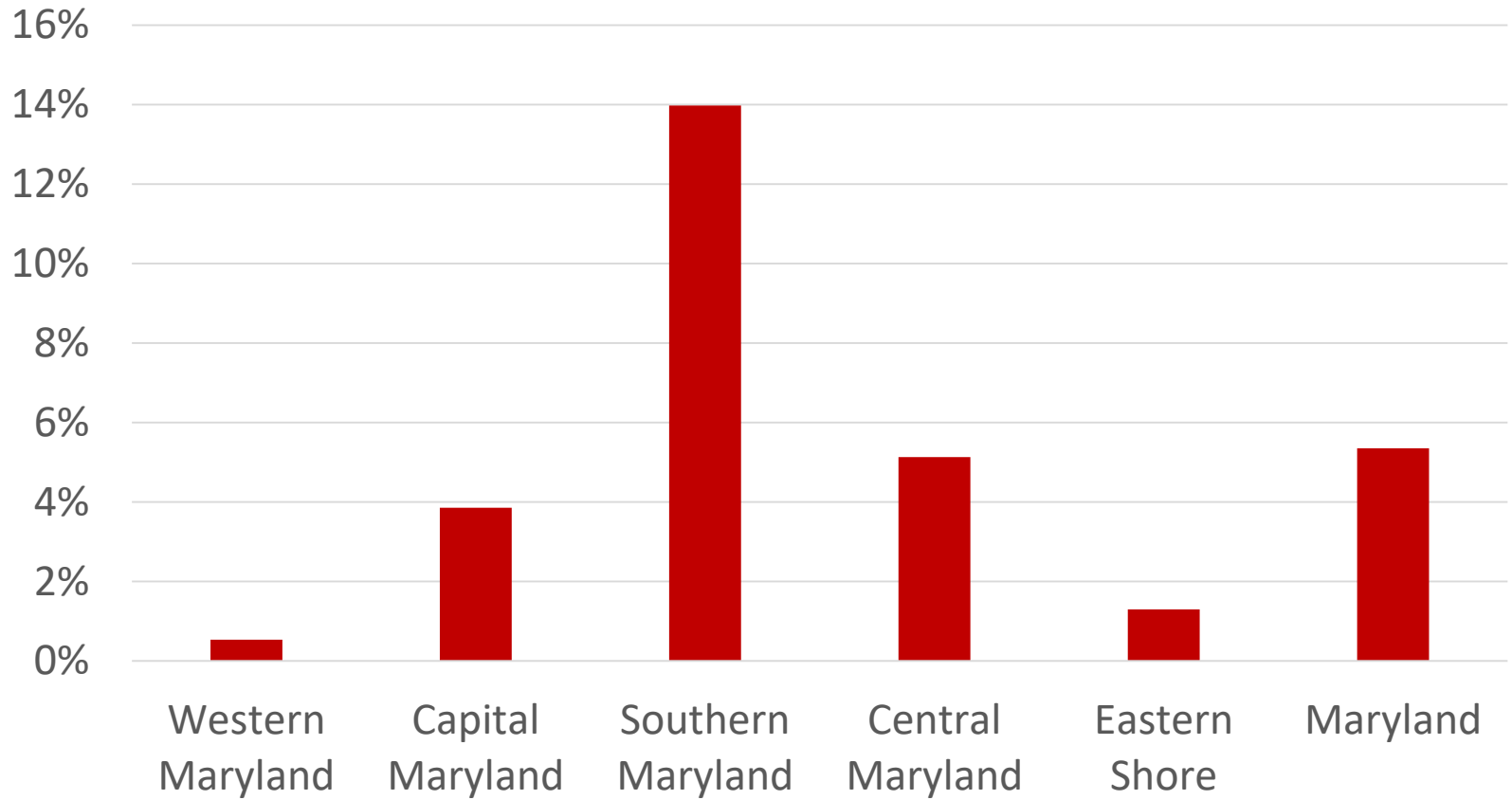
**Major Military  
Installations**

# Relevant Occupations (2020)

<b>Title</b>	<b>Employment</b>	<b>Location Quotient</b>	<b>US Rank</b>
Aerospace engineers	3,557	3.06	4
Atmospheric & space scientists	1,072	4.50	3
Computer and Information Research Scientists	2,395	3.70	1
Computer network support specialists	7,452	2.13	1
Computer systems analysts	14,156	1.40	3
Electrical engineers	5,652	1.56	4
Material engineers	859	2.12	6

# Aerospace & Defense

Percent of Regional Employment





# Guess the Industry!

## Maryland's Targeted Industries

12,400 establishments

15,100 jobs

### Leading subsectors include:

- Poultry
- Greenhouse, nursery
- Corn, soy
- Cannabis
- Aquaculture

### MD Commerce POC:

Ulyana Desiderio, Senior Director, Strategic Industries & Entrepreneurship

# Industry is: Agribusiness

◀ Farm

12,400 farms • 15,100 jobs

Non-Farm ▶

• 35,600 related jobs

## Leading subsectors

- Poultry
- Greenhouse, nursery
- Corn, soy
- Cannabis
- Aquaculture



## MD Commerce POC:

Ulyana Desiderio, Senior Director,  
Strategic Industries & Entrepreneurship

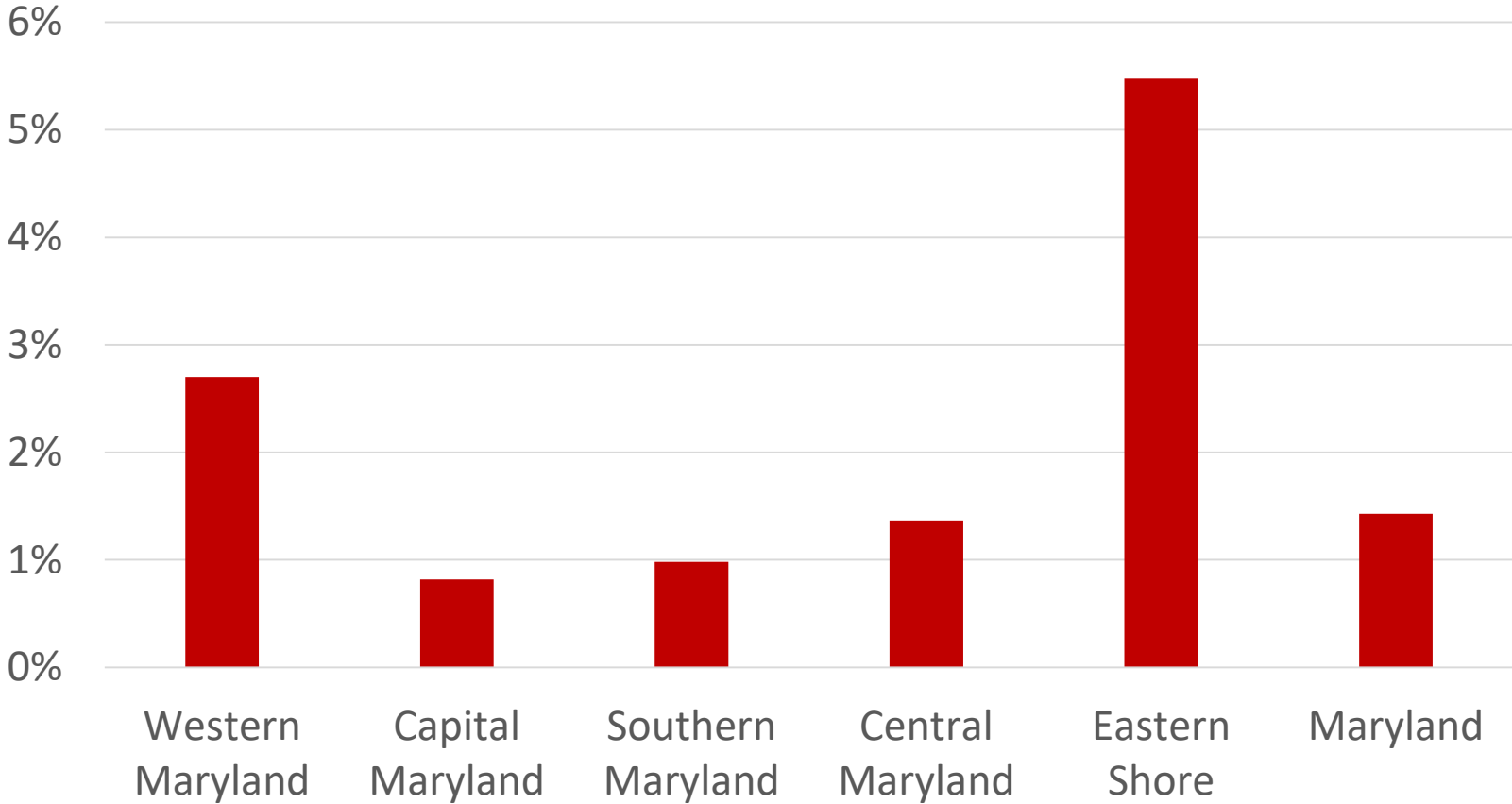


## Functions

- Food processing
- Distribution
- Crop production, fishing
- Breweries, wineries, distilleries

# Agribusiness

Percent of Regional Employment



# Guess the Industry!

## Maryland's Targeted Industries

4,200 establishments

52,300 jobs

### Leading subsectors include:

- R&D, testing & labs
- Pharmaceuticals
- Medical Devices

### MD Commerce POC:

Stefanie Trop, Senior Director, Life Sciences

# Industry is: **BioHealth & Life Sciences**

4,200 establishments • 52,300 jobs

## Leading subsectors

- R&D, testing & medical laboratories
- Pharmaceuticals
- Medical Devices

**MD Commerce POC:**

Stefanie Trop, Senior Director, Life Sciences





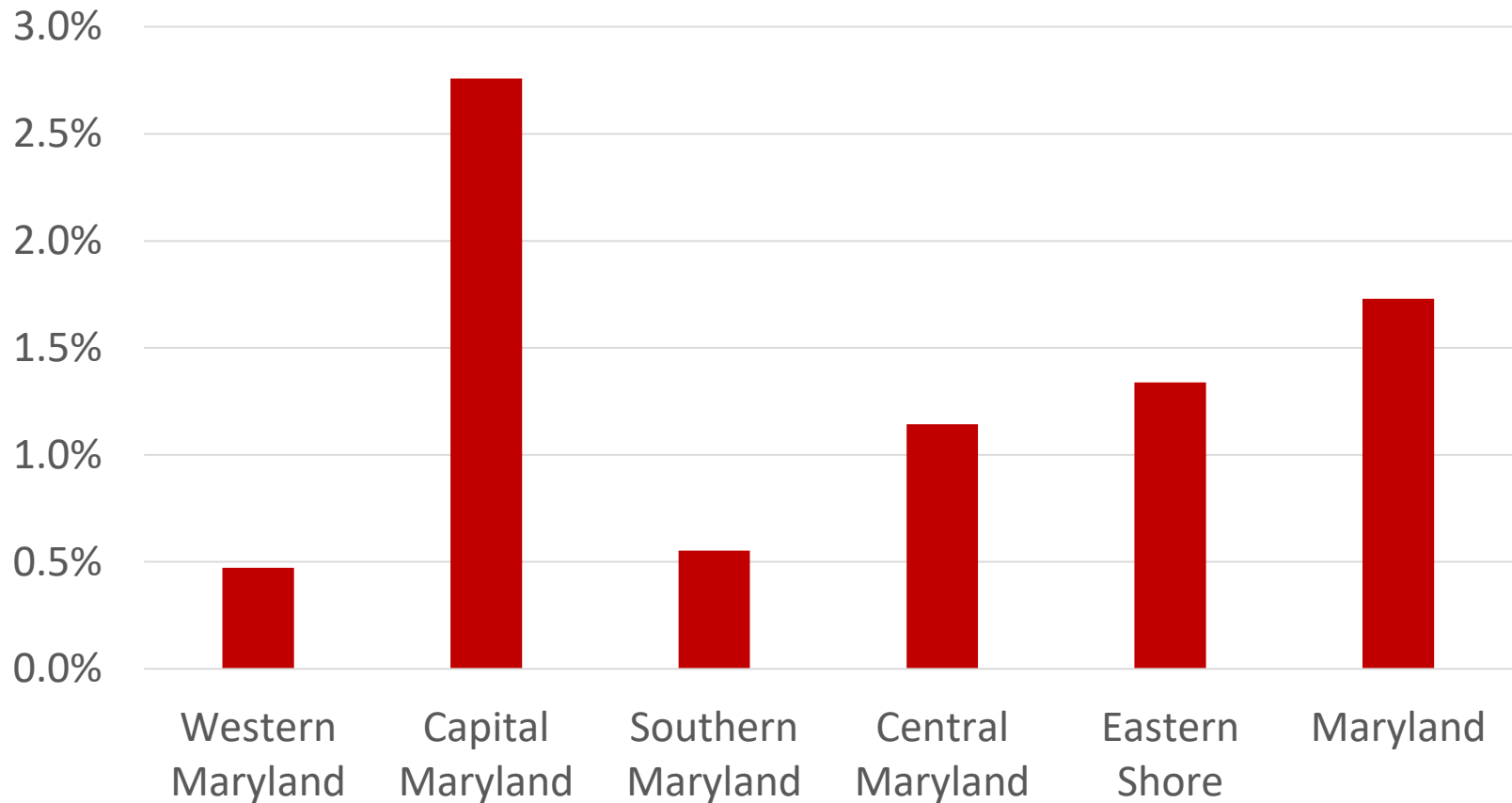
# BioHealth & Life Sciences

## Industry Rankings:

- #3 Bio Hub in the U.S.
- #1 in NIH R&D awards
- #2 in Federal Obligations for R&D
- #1 STEM concentration in US
- #5 Highest concentration of Doctoral Scientists & Engineers

# BioHealth & Life Sciences

Percent of Regional Employment



# Guess the Industry!

## Maryland's Targeted Industries

15,700 establishments

131,600 jobs

### Leading subsectors include:

- Computer systems design
- Telecommunications
- Computer & electronic products manufacturing

**MD Commerce POC:**

Kim Mentzell, Director

# Industry is: Cyber & IT

15,700 establishments • 131,600 jobs

## Leading subsectors

- Computer systems design
- Telecommunications
- Computer & electronic products manufacturing

**MD Commerce POC:**  
Kim Mentzell, Director



**LOCKHEED MARTIN**

**NORTHROP  
GRUMMAN**



**verizon**✓

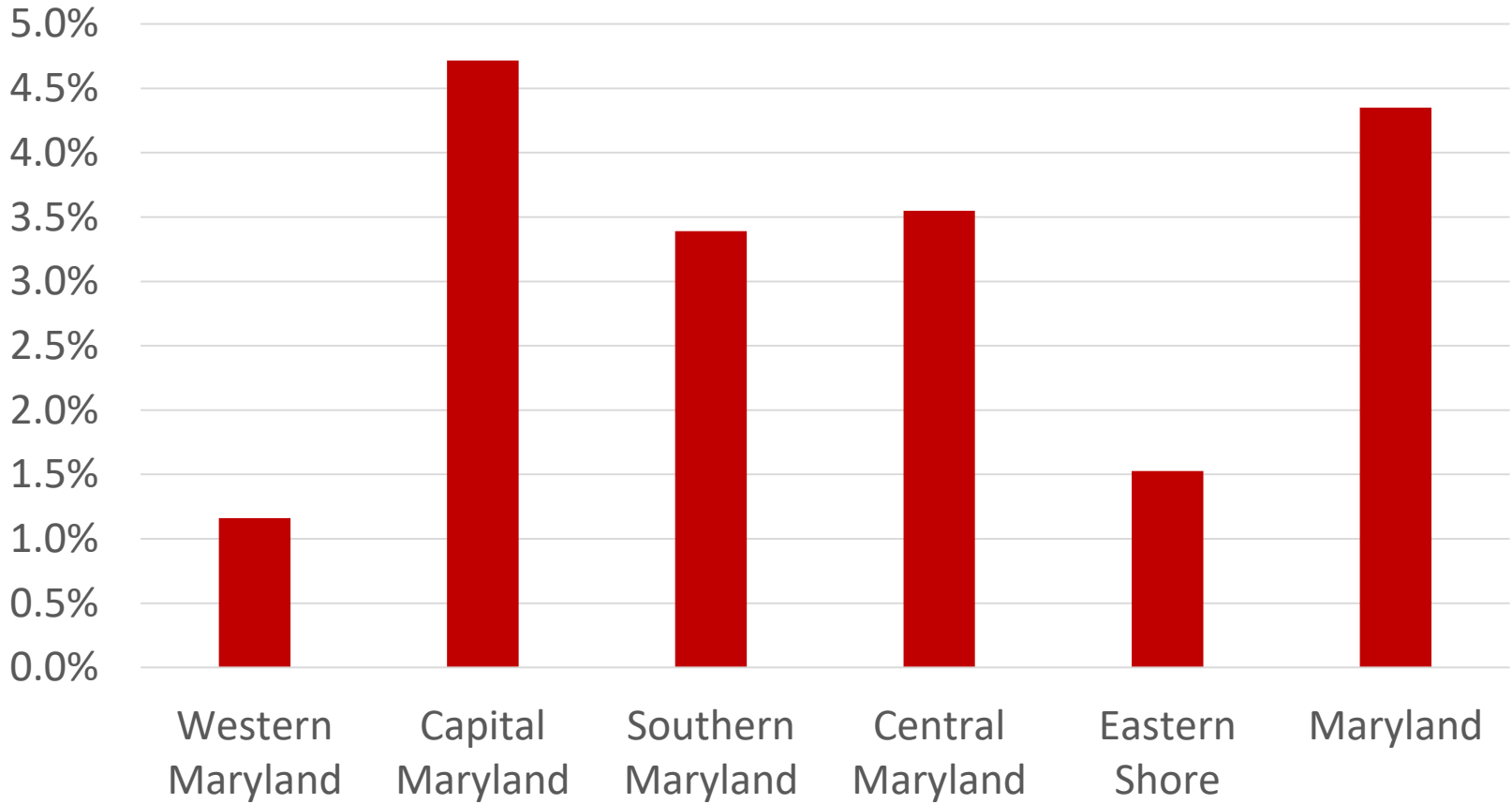


**COMCAST**



# Cyber & IT

Percent of Regional Employment





# Guess the Industry!

## Maryland's Targeted Industries

13,300 establishments

189,500 jobs

### Leading subsectors include:

- Wholesale Trade
- Transportation
- Warehousing

### MD Commerce POC:

Jayson Knott, Senior Director of Business Development



# Industry is:

## Distribution & Logistics

13,300 establishments • 189,500 jobs

### Leading subsectors

- Wholesale trade
- Transportation & warehousing

#### MD Commerce POC:

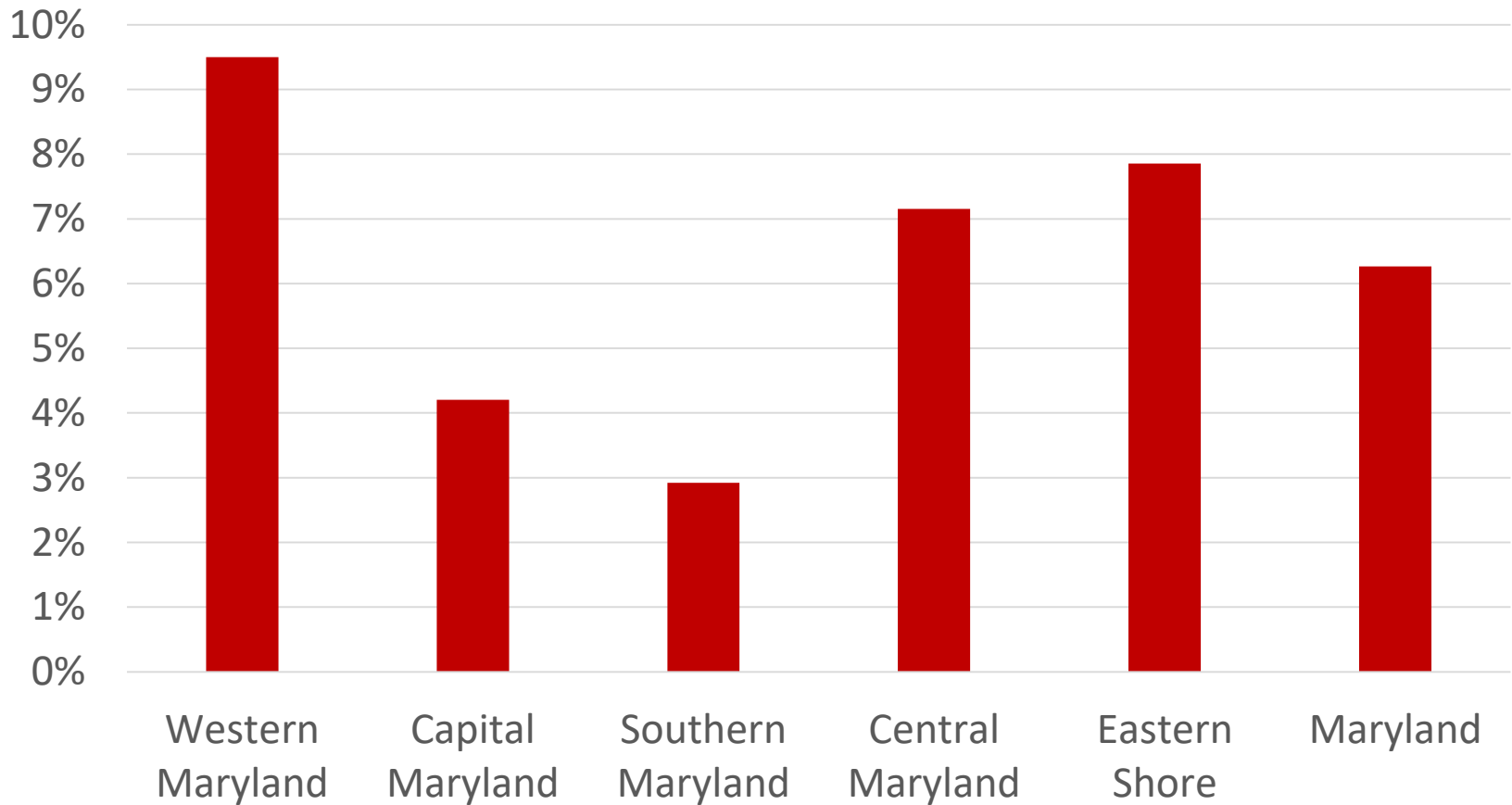
Jayson Knott, Senior Director, Business  
Development



Maryland  
Food Center  
Authority

# Distribution & Logistics

Percent of Regional Employment



# Guess the Industry!

## Maryland's Targeted Industries

17,600 establishments                      36,100 jobs

### Leading subsectors include:

- Waste management & remediation
- Power Generation (wind, solar, natural gas, nuclear)
- Administration of Environmental Programs
- Power & communications line construction

**MD Commerce POC:**

Ryan Powell, Program Manager



# Industry is: **Energy & Sustainability**

17,600 establishments • 36,100 jobs

## Leading subsectors

- Waste management & remediation
- Power generation – wind, solar, natural gas, nuclear
- Administration of environmental programs
- Power & communications line construction

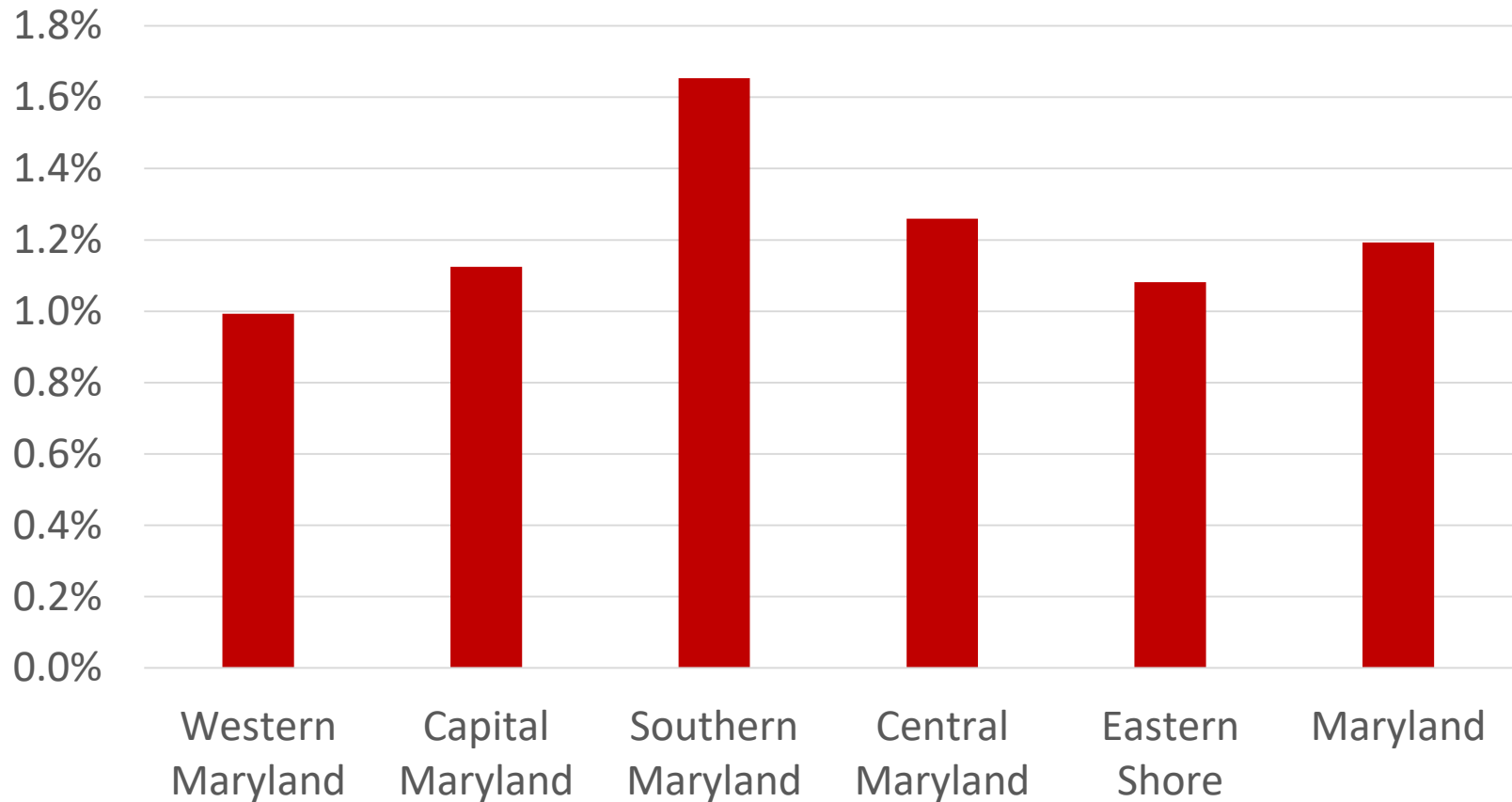
**MD Commerce POC:**  
Ryan Powell, Program Manager





# Energy and Environmental

Percent of Regional Employment



# Guess the Industry!

## Maryland's Targeted Industries

9,200 establishments

90,200 jobs

### Leading subsectors include:

- Credit intermediation
- Banking
- Insurance carriers
- Securities, commodity contracts, other

### MD Commerce POC:

Jayson Knott, Senior Director, Business Development



Industry is:

## Financial Services

9,200 establishments • 90,200 jobs

### Leading subsectors

- Credit intermediation
- Banking
- Insurance carriers
- Securities, commodity contracts, other

**MD Commerce POC:**

Jayson Knott, Senior Director, Business Development

T.RowePrice®



GEICO®



THE  
HARBOR BANK  
OF MARYLAND

WELLS  
FARGO

# Not Just for Bankers

## Total Occupations in Financial Services Industries in Maryland

**1,744**

Accountants  
& Auditors

**3,070**

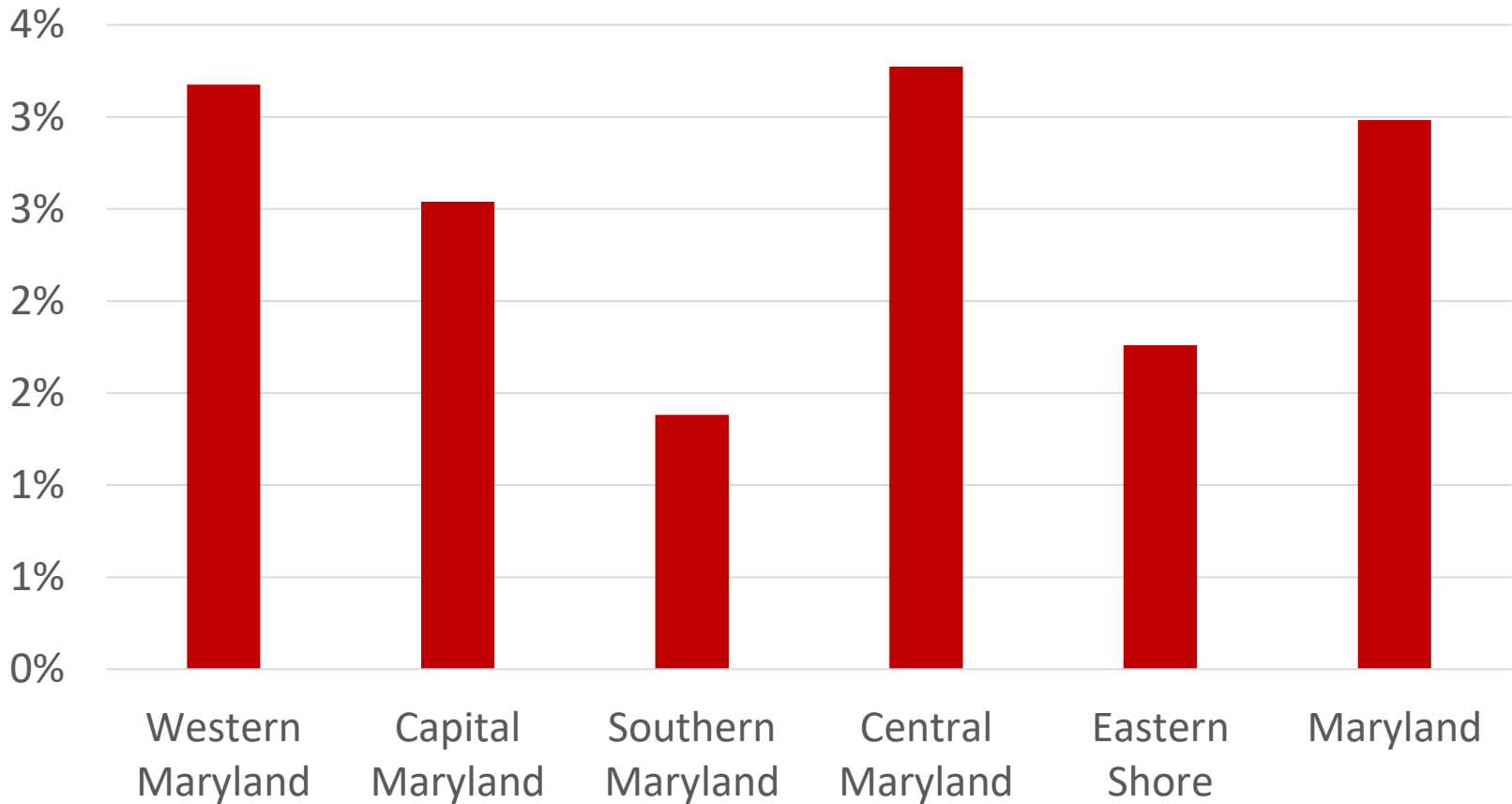
Software  
Developers

**8,663**

Business  
Operations  
Specialists

# Financial Services

Percent of Regional Employment





# Guess the Industry!

## Maryland's Targeted Industries

4,500 establishments

115,500 jobs

### Leading subsectors include:

- Computer & Electronics
- Food
- Chemical
- Fabricated metal

**MD Commerce POC:**

Ben McGlaughlin, Program Manager

# Industry is: Manufacturing

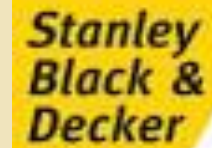
4,500 manufacturers • 115,500 jobs

## Leading subsectors

- Computer & Electronics
- Food
- Chemical
- Fabricated metal

**MD Commerce POC:**

Ben McGlaughlin, Program Manager



Stanley  
Black &  
Decker



AstraZeneca



**NORTHROP  
GRUMMAN**



**V O L V O**



# Manufacturing Facts

**\$87,950**  
per year

Average private-sector  
salary (2021)

**\$9.7**  
Billion

Total private-sector wages (2021)

**\$12.6**  
Billion

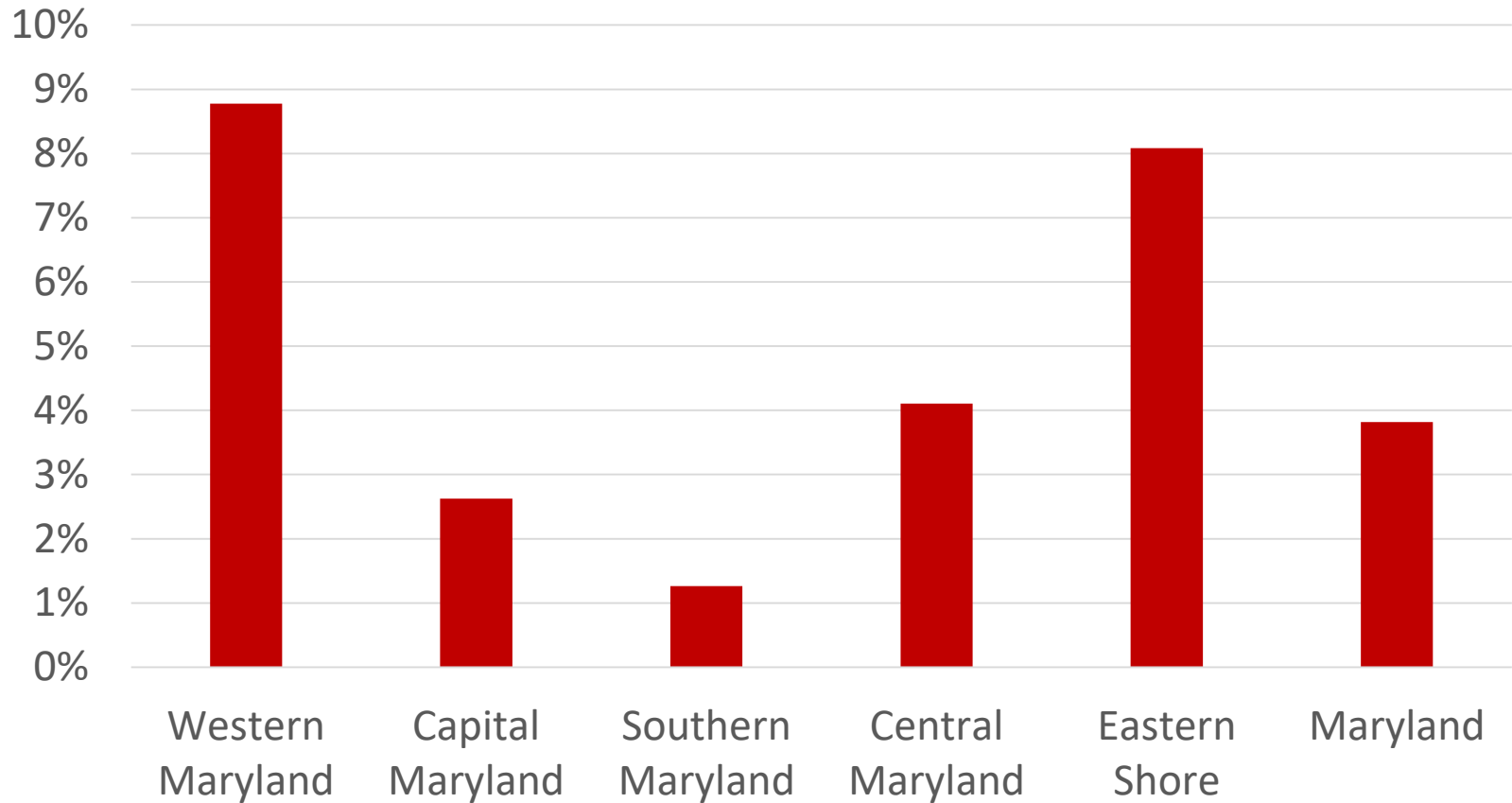
Exports (2021)

Federal procurement  
(FFY 2022)

**\$3.9**  
Billion

# Manufacturing

Percent of Regional Employment



# Guess the Industry!

## Maryland's Targeted Industries

155 Facilities, Labs, & Agencies    197,318 jobs

### Leading subsectors include:

- Scientific R&D
- Healthcare
- Information technologies

**MD Commerce POC:**

Lisa Swoboda, Senior Director



# Industry is: Military & Federal Agencies

- 60 primary civilian agencies
- 20 military facilities
- 75 federal labs
- 197,318 jobs (Civilian and Military)

## Leading subsectors

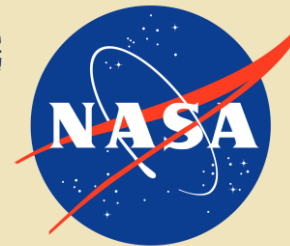
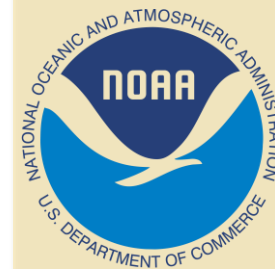
- Scientific R&D
- Healthcare
- Information

## MD Commerce POC:

Lisa Swoboda, Senior Director



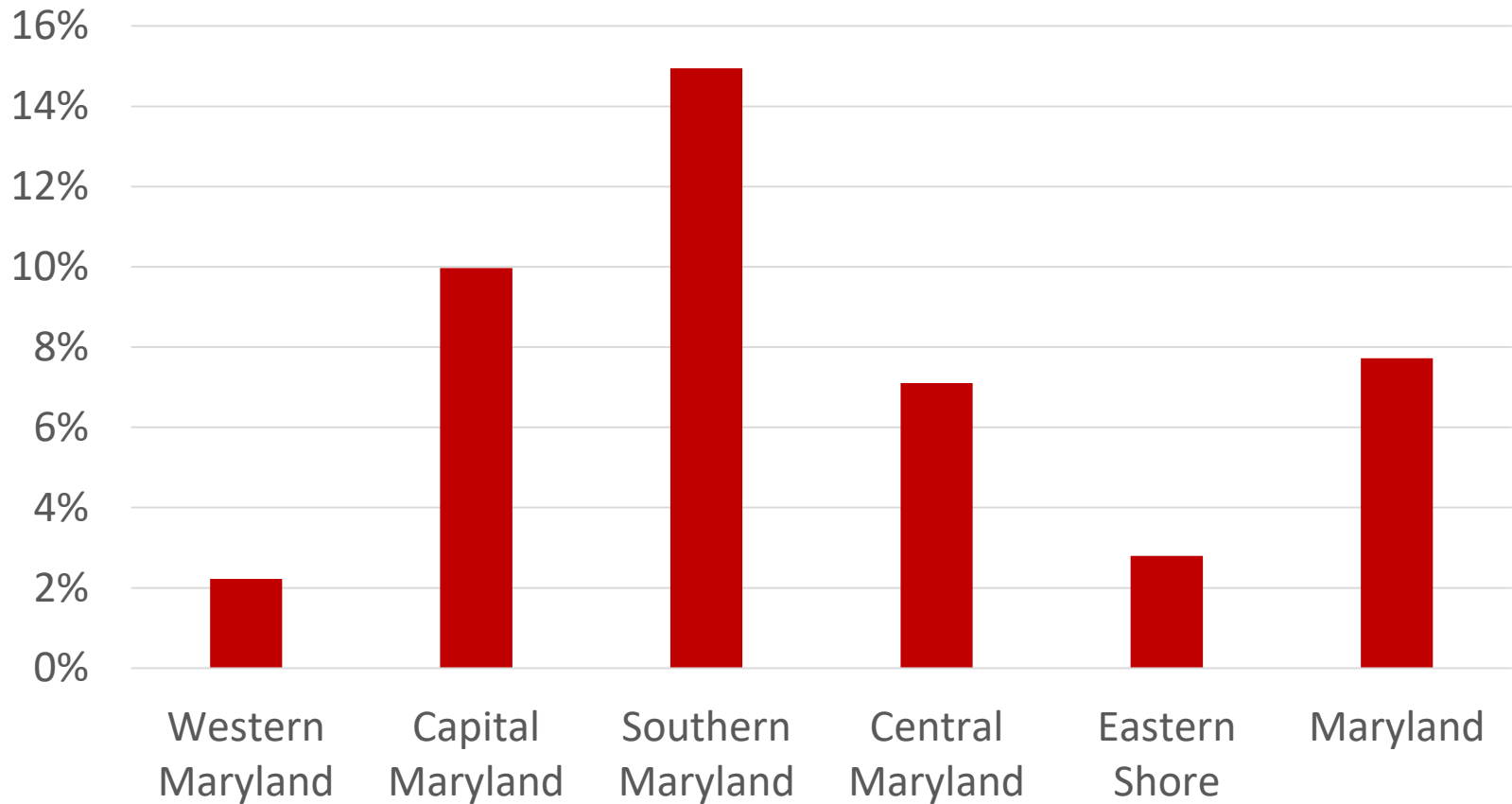
National Institutes  
of Health





# Federal Government Employment

Percent of Regional Employment



# Guess the Industry?

34,800 establishments                      595,900 jobs  
\$2.1 Billion in Economic Impact (2021)

## Leading subsectors

- Arts & Entertainment
- Amusement, Gambling
- Film
- The Arts
- Recreation

**MD Commerce POC:**

Liz Fitzsimmons, Managing Director

# Industry is: Tourism

34,800 establishments • 595,900 jobs

• \$2.1 billion in Economic Impact (2021)

## Leading subsectors

- Arts & Entertainment
- Amusement, Gambling
- Film
- The Arts
- Recreation

**MD Commerce POC:**  
Liz Fitzsimmons, Managing Director

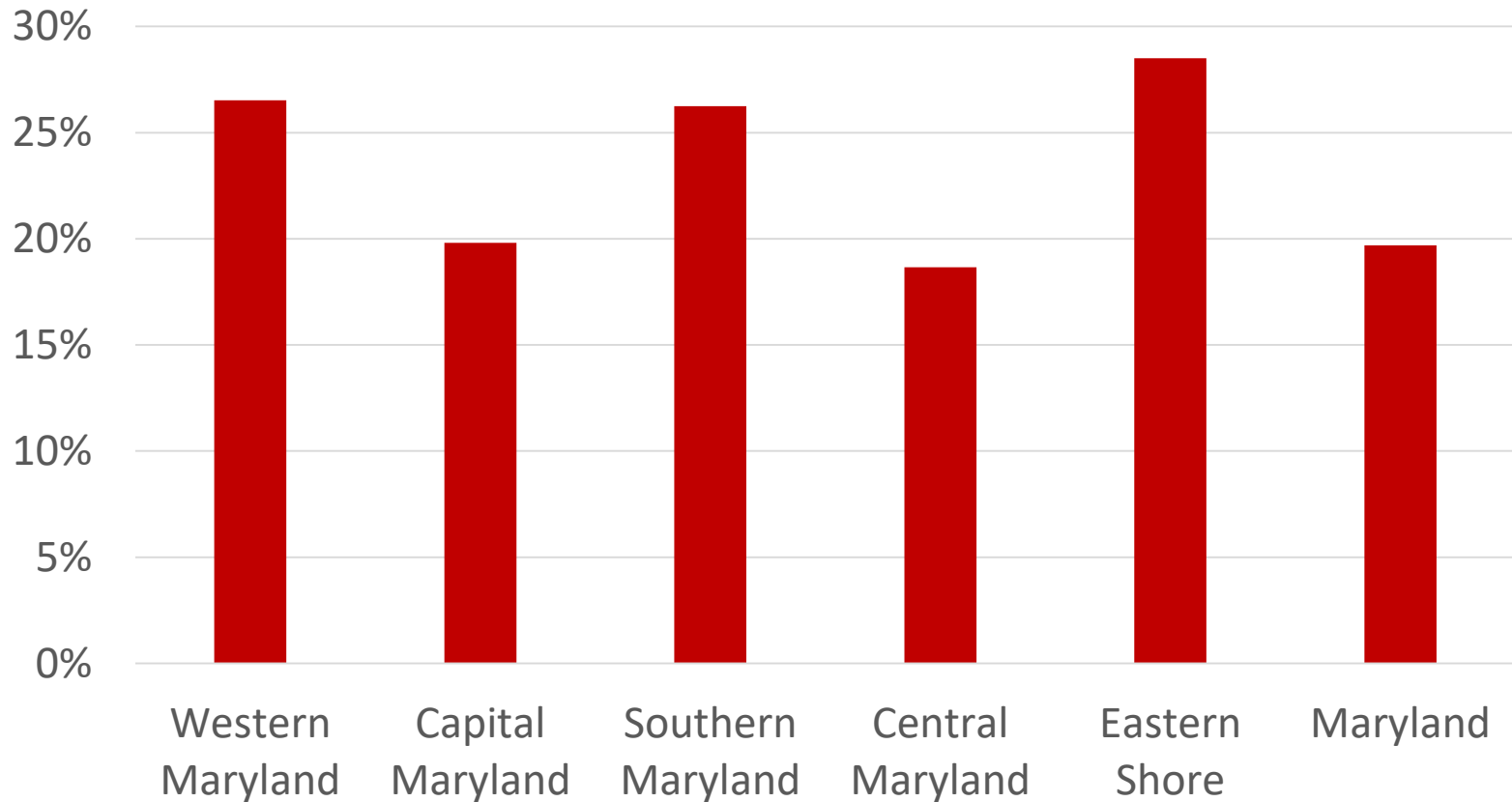


*Live!*



# Tourism

Percent of Regional Employment



# Maryland's Key Industries

- Aerospace & Defense
- Agribusiness
- BioHealth & Life Sciences
- Cyber & IT
- Distribution & Logistics
- Energy & Sustainability
- Financial Services
- Manufacturing
- Military & Federal Agencies
- Tourism

**Every jurisdiction contributes!**





# Maryland's Competitive Position





# Location Factors for Site Selection

- Location / Proximity to markets.
- Availability of buildings / sites.
- Infrastructure – transportation; utilities.
- Workforce – availability; quality; cost.
- Operating Costs – labor; real estate; energy; taxes.
- Business Climate – resources and services supporting business; permits & regulations; community receptivity.
- Business Base – companies/industries that are here.
- Quality of Life / Quality of Place.

# Location Factors: Most Important

Area Development Magazine – 38<sup>th</sup> Annual Corporate Survey

Site Selection Factor	2023		2022	
	Rank	Percent*	Rank	Percent*
Labor Costs	1	92.5	1	89.1
Availability of Skilled Labor	2	87.2	3	85.8
<b>Environmental Regulations</b>	<b>3</b>	81.5	<b>9</b>	79.0
<b>Tax Exemptions</b>	<b>4</b>	79.5	<b>13T</b>	73.0
ICT/Broadband	5	79.0	6	80.7
<b>Right-to-Work State</b>	<b>6</b>	78.4	<b>18</b>	66.7
Energy Costs	7T	78.3	8	79.4
<b>Quality of Life</b>	<b>7T</b>	78.3	<b>2</b>	87.1
Corporate Tax Rate	9T	76.9	7	79.7
Highway Accessibility	9T	76.9	11	77.8

Source: Area Development Magazine; 38<sup>th</sup> Annual Corporate Survey; March 2024. (Survey in 2023)

\* Percent of respondents answering “Important” or “Very Important.”

# Location Factors: Priorities

Location Factor	Manufacturing	Distribution	Professional Services	Research & Development
Location / Proximity to Markets	✓	✓		
Available Buildings / Sites	✓	✓		✓
Highway Accessibility	✓	✓		
Utilities / Energy Costs	✓			
Skilled Labor	✓		✓	✓
Labor Costs	✓	✓	✓	✓
Business Base	✓			✓

# Maryland's Competitive Position: Strengths/Assets (1 of 2)



- ✓ Education – Higher & Primary
- ✓ Workforce
- ✓ Location / Proximity to Markets
- ✓ Infrastructure – Transportation, Utilities
- ✓ Technology Clusters / Critical Mass
- ✓ Research & Development – Federal/University Labs
- ✓ Entrepreneurial Culture / Ecosystem

# Maryland's Competitive Position: Strengths/Assets (2 of 2)



- ✓ Federal & Military Facilities / Contractors
  - ✓ 12 major military installations
  - ✓ 60+ federal facilities
- ✓ Existing Buildings – office, industrial, lab space
- ✓ Operating Costs (compared to some major metros)
- ✓ Urban / Suburban / Rural
- ✓ Quality of Life – Recreation, Culture, Healthcare,  
Cost of Living (compared to some major metros)

# Maryland's Competitive Position: Weaknesses



- ✘ High Operating Costs (versus some competitors)
- ✘ Workforce: high cost; shortages
- ✘ High Cost of Living/Housing
- ✘ High Corporate Tax Rate
- ✘ High Personal Income Taxes (county piggyback tax)
- ✘ Local Personal Property Taxes (most MD counties have)
- ✘ Not a Right-To-Work State (manufacturing)
- ✘ Limited Inventory of Undeveloped Sites



# Maryland's Competitive Position: Moody's Cost of Doing Business Index



Is Maryland a “high cost” state?

<b>Moody's Analytics – Cost of Doing Business Index</b>	
<b>States</b>	<b>Metros</b>
▪ Labor	▪ Labor
▪ Energy	▪ Energy
▪ Tax Burden	▪ Tax Burden
	▪ Office Rents

# Maryland's Competitive Position: Moody's Cost of Doing Business Index (2023-Q4)

• Massachusetts	118.6	2 <sup>nd</sup>
• New Jersey	111.4	7 <sup>th</sup>
• <b>Maryland</b>	<b>102.9</b>	<b>16<sup>th</sup></b>
• Virginia	99.5	22 <sup>nd</sup>
• Pennsylvania	97.1	29 <sup>th</sup>
• North Carolina	97.0	30 <sup>th</sup>
• New York	96.0	33 <sup>rd</sup>
• Delaware	85.4	50 <sup>th</sup>

*Source: Moody's Analytics. Cost of Doing Business Index, 4Q 2023. U.S. average = 100.*

# Maryland's Competitive Position: Moody's Cost of Doing Business Index (Dec. 2021)

## Maryland metros

• Baltimore-Columbia-Towson	108.2
• Silver Spring-Frederick-Rockville	103.6
• California-Lexington Park	102.4
• Hagerstown-Martinsburg	91.4
• Salisbury	85.3
• Cumberland	84.3

## Selected metros

• New York	153.5	Pittsburgh	96.5
• Boston	134.8	Atlanta	92.6
• Washington	110.1	Raleigh	92.1
• Orlando	107.3	Richmond	89.8
• Philadelphia	99.2	Wilmington DE	81.0

Source: Moody's Analytics. Cost of Doing Business Index, December 2021.  
U.S. average = 100.

# Maryland's Competitive Position: Moody's Cost of Living Index (Dec. 2021)

## Maryland metros

• Silver Spring-Frederick-Rockville	120.8
• California-Lexington Park	103.4
• Baltimore-Columbia-Towson	103.9
• Salisbury	102.6
• Hagerstown	93.5
• Cumberland	84.3

## Selected metros

• Boston	125.4	Wilmington DE	104.9
• New York	120.3	Raleigh	103.8
• Washington	116.1	Richmond	101.1
• Orlando	108.9	Philadelphia	97.1
• Atlanta	105.1	Pittsburgh	93.4

Source: Moody's Analytics. Metro Area Cost of Living Index, December 2021 update.  
U.S. average = 100.

# Maryland's Competitive Position: Cost of Living



- C2ER Cost of Living Index
  - Council for Community and Economic Research
  - Components
    - Grocery Items
    - Housing
    - Utilities
    - Transportation
    - Health Care
    - Miscellaneous Goods and Services

# Maryland's Competitive Position: C2ER Cost of Living Index (2023)

## Maryland metros

• Frederick-Gaithersburg-Rockville	132.8
• Salisbury MD-DE	102.3
• Baltimore-Columbia-Towson	100.9

## Selected metros

• NYC (Manhattan)	226.5	Orlando	99.3
• Washington	147.4	Atlanta	98.6
• Boston	147.1	Pittsburgh	98.2
• Wilmington DE	104.2	Raleigh	98.1
• Philadelphia	101.7	Richmond	96.0

Source: C2ER Cost of Living Index, 2023 annual average.

Notes: U.S. avg. = 100.



# Maryland's Competitive Position:

## Operating costs



- Primary categories of business operating costs:
  - Labor
  - Energy
  - Real Estate
  - Taxes
- Maryland is at or above the national average in most/all of these categories.
- The importance of costs in each category to the business depends on what industry they are in.
- Conclusion: Promoting Maryland based on costs can be a challenge.

# Selling Maryland

# Assets

- Maryland has tremendous assets that are valued by certain industries.
  - Mid-Atlantic, East Coast location
  - Transportation infrastructure
  - Highly educated, skilled workforce
  - Higher education system
  - Research & Development
  - Entrepreneurial culture

# Costs

- Typically higher versus many areas of the country.
  - Labor
  - Energy
  - Real estate
  - Taxes
- But still competitive against high-cost metros.
  - Boston
  - New York
  - Philadelphia
  - California (Los Angeles, San Francisco)



# Selling on Costs vs. Selling on Assets

What does Maryland have?

- Unique, favorable assets that are valued by businesses.
- But not necessarily an obvious cost advantage.

What about rural areas versus urban / suburban areas?

# Rural Areas

## Costs, Assets & Challenges

- Rural areas compete favorably on costs versus the Corridor, while also having certain assets....

Land availability	Lower land prices
Highway access for distribution	Less traffic congestion
Lower wage rates	Lower crime rate

- ...but may lack amenities that some companies want.

Major airports	Major universities
Technology clusters	Federal facilities

# Takeaways & Conclusions

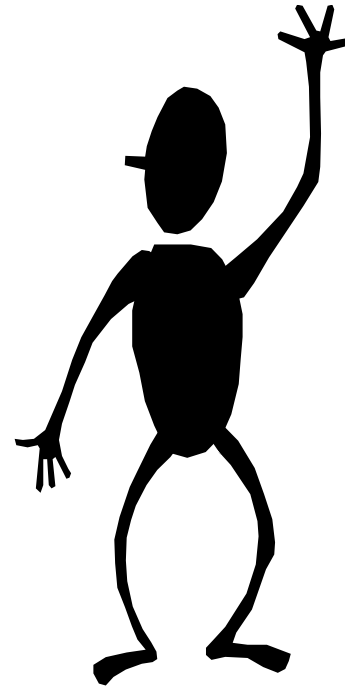
- A simple cost comparison may not always favor Maryland versus other states.
- Rural areas of Maryland can compete more favorably on costs compared with counties in the Baltimore-Washington Corridor.
- The value proposition for Maryland often relies on promoting unique, meaningful assets while trying to mitigate costs.





# Q&A

Questions ???



Answers !!!

# Thank You!

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