



MEDA

Maryland Economic
Development Association

Economic Development
Transforms lives.

Maryland's Economy, Key Industries and Strategic Advantages

May 22, 2025

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

Each section:

- Presentation 15 minutes
- Q&A 5 minutes
- Total 20 minutes

At the end:

- Q&A 10 minutes

Total 90 minutes

Maryland's Economy

Population

- Geographic Area (land) – 9,707 square miles – 42nd
- Population (2020) – 6,177,224 – 18th
- Population (2024 est.) – 6,263,220 – 18th
- Population Density (2020) – 637/square mile – 5th
- Population Growth (2010>2020) – 7.0% – 22nd
- Population Growth (2020>2024) – 1.4% – 34th
- Net Domestic Migration (2023>2024) – (18,509) – 44th
- Net Domestic Migration (2020>2024) – (120,435) – 44th
- Baltimore-Washington Corridor (9 counties) – share of State population (2024) – 82.3%

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

Income

- Median Household Income (2023) – \$98,678 – 3rd
 - 31% above national median
- Median Household Income for counties (2023)

○ Howard	\$146,982	6 th
○ Calvert	\$132,059	11 th
○ Montgomery	\$128,733	23 rd
○ Charles	\$120,592	43 rd
○ Frederick	\$120,458	45 th
○ Anne Arundel	\$120,324	47 th
- Personal Per Capita Income (2022) – \$70,228 – 11th
- Poverty Rate (2023) – 6.4% – 7th lowest
- Millionaire households (2024) – 9.72% – 2nd

Sources: Census Bureau – American Community Survey; Bureau of Economic Analysis; Phoenix Marketing Intl.

GDP / Federal Presence

- Gross Domestic Product (GDP) (2024:Q3)
 - Total \$ 564.4 billion 18th
- Federal Contracts (FFY2024)
 - Total \$39.1 billion 4th
 - Per Capita \$6,300 2nd
- Defense Department Contracts (FFY2024)
 - Total \$18.4 billion 7th
 - Per Capita \$2,615 3rd
- Federal Civilian Jobs (FFY2023)
 - Total 158,475 4th
 - Per Capita 247 per 10,000 persons 1st
 - Total Wages \$20.0 billion 4th
 - Average Salary \$126,468 1st

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

Largest Industry Sectors

- By Gross Domestic Product (GDP) (2024:Q4):

○ Government	\$113.6 B	20.7%
○ Real Estate, Leasing	\$84.5 B	15.3%
○ Professional, Scientific, Tech. Services	\$58.2 B	10.5%
○ Health Care and Social Assistance	\$42.1 B	7.6%
- By Employment (2024:Q4):

○ Government	535,698	19.4%
○ Health Care and Social Assistance	401,172	14.5%
○ Professional, Scientific, Tech. Services	278,357	10.1%
○ Retail Trade	266,321	9.6%

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

Research & Development

- Federal R&D Spending (FY2022) – \$20.7 billion – 2nd
- R&D Intensity (R&D/GDP) (FY2021) – 5th
- Total R&D Performance (FY2021) – 8th
- Federal Laboratories (2022) – 74 – 1st
- SBIR Awards (2024)
 - Total \$139.8 million 9th
 - Per capita \$ 29.32 11th

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

Workforce / Education

- Professional & Technical Workers (2023) – 30.0% – 2nd
- Educational Attainment: Percent of Population 25+ (2023)
 - Bachelor's Degree 43.7% – 4th
 - Graduate or Professional Degree 21.3% – 2nd
- Employment in STEM Occupations (May 2023) – 9.7% – 2nd
- Labor Force Participation (March 2025) – 64.9% – 15th
- Unemployment Rate (March 2025) – 3.0% – 7th lowest
- Annual College Graduates (2022-23) – 81,986 – 18th

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 (2023)
 - Industrial \$0.0994 12th highest
 - Commercial \$0.1277 14th highest
- Average Natural Gas Price per 1000 cubic ft. (2023)
 - Industrial \$13.32 4th highest
 - Commercial \$14.03 9th highest

Source: U.S. Energy Information Administration.

Taxes

- **Corporate Net Income Tax Rate (2025)**
 - 8.25% – 9th highest
- **Tax Collections per Capita**
 - State taxes only \$4,780 (FY2023) 16th highest
 - State & local taxes \$8,048 (FY2022) 11th highest
- **State & Local Tax Burden**
 - Per Capita \$7,680 (CY2022) 11th highest
 - As Percent of State Income 11.3% (CY2022) 16th highest
- **State Business Tax Competitiveness Index (2025)**
 - 46th best / 5th worst

Source: Tax Foundation.

Business Costs Index

- Cost of Doing Business Index (2024-Q4)
 - Maryland – 103.1 – 17th highest
- Cost of Doing Business Index (Dec. 2022)

○ Washington DC-MD (DC, Prince George's, Charles)	113.6
○ Baltimore-Columbia-Towson MD	111.2
○ Silver Spring-Frederick-Rockville MD	107.3
○ California-Lexington Park MD	106.5
○ Salisbury MD	95.4
○ Hagerstown-Martinsburg MD-WV	84.8
○ Cumberland MD-WV	85.3
○ Wilmington DE-MD-NJ	82.3

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. 2022)**
 - Silver Spring-Frederick-Rockville MD 121.5
 - Washington DC-MD-VA-WV (excludes Frederick, Mont.) 115.9
 - Washington DC-MD (DC, Prince George's, Charles) 112.4
 - Wilmington DE-MD-NJ 106.3
 - Baltimore-Columbia-Towson MD 104.0
 - California-Lexington Park MD 101.5
 - Salisbury MD 96.5
 - Hagerstown-Martinsburg MD-WV 93.6
 - Cumberland MD-WV 82.3
- **C2ER Cost of Living Index (2024)**
 - Washington-Arlington-Alexandria DC-VA-MD-WV (excl. Fre./Mont.) 141.9
 - Frederick-Gaithersburg-Rockville MD 130.1
 - Baltimore-Columbia-Towson MD 100.5

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

Rankings

- WalletHub – State Innovation Index (2024) – 6th
- Milken Institute – State Technology and Science Index (2022) – 4th
- ITIF – State New Economy Index (2022) – 3rd
- Inc. Magazine – 5000 Fast Growing Companies (2024) – 116 – 4th as a percentage of all companies – 9th on a per capita basis
- CNBC – Best States for Business (2024) – 31st



Maryland's Regions

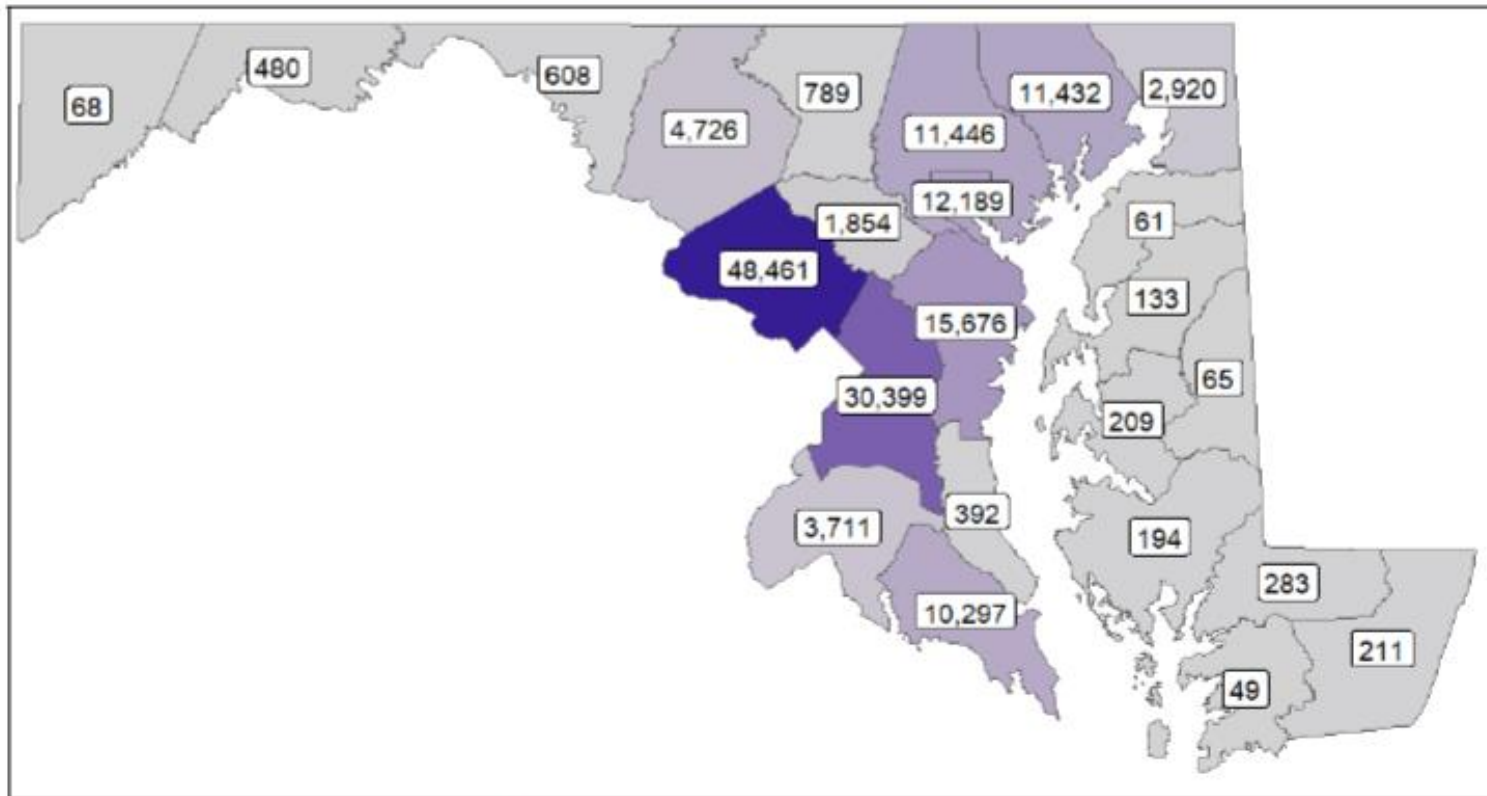


Maryland's Regions



Numbers of Federal Civilian Jobs

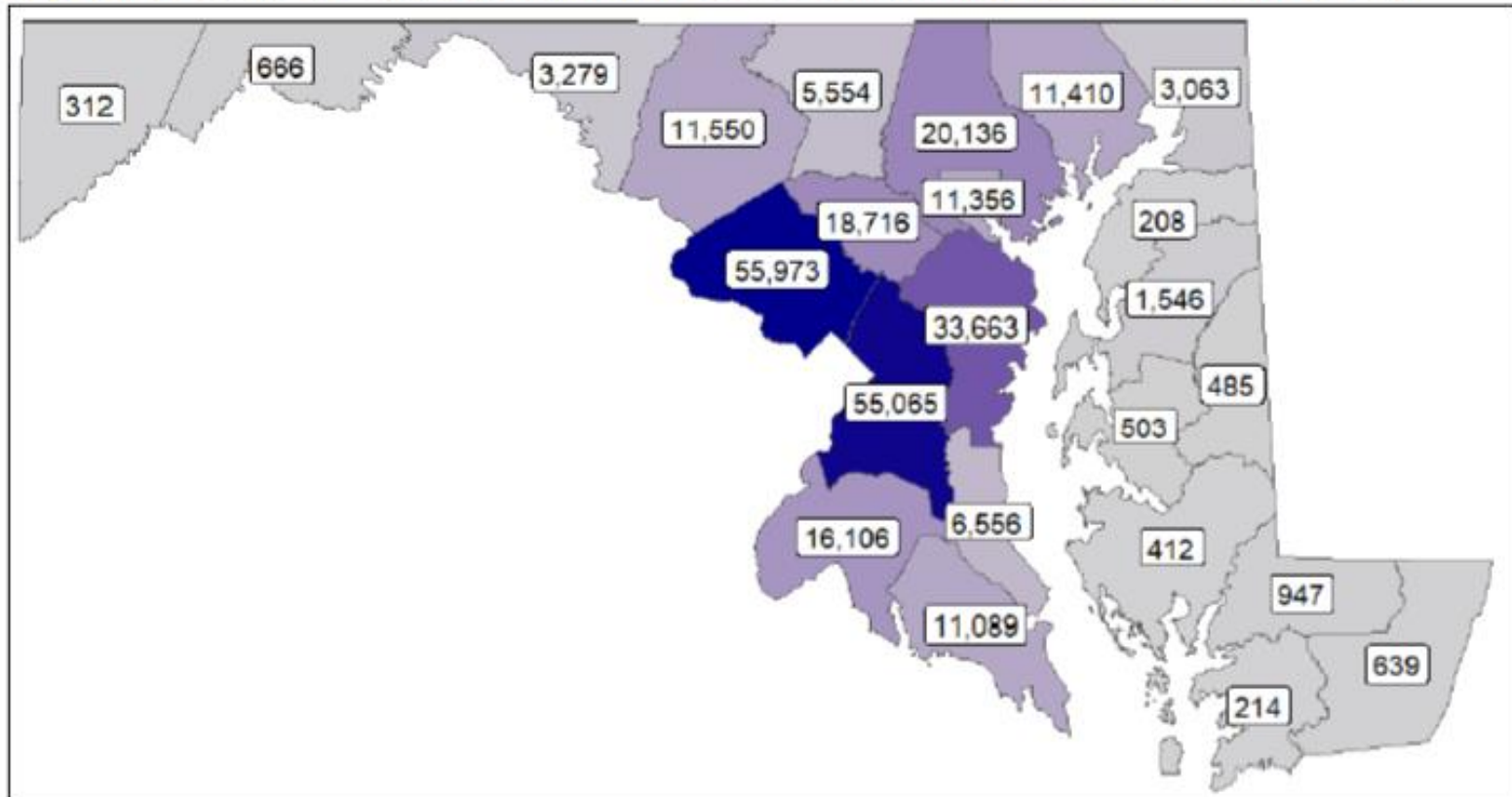
Number of Federal Civilian Jobs in Maryland by County, 2023 (of 158,475 total)



Source: Bureau of Labor Statistics (BLS)

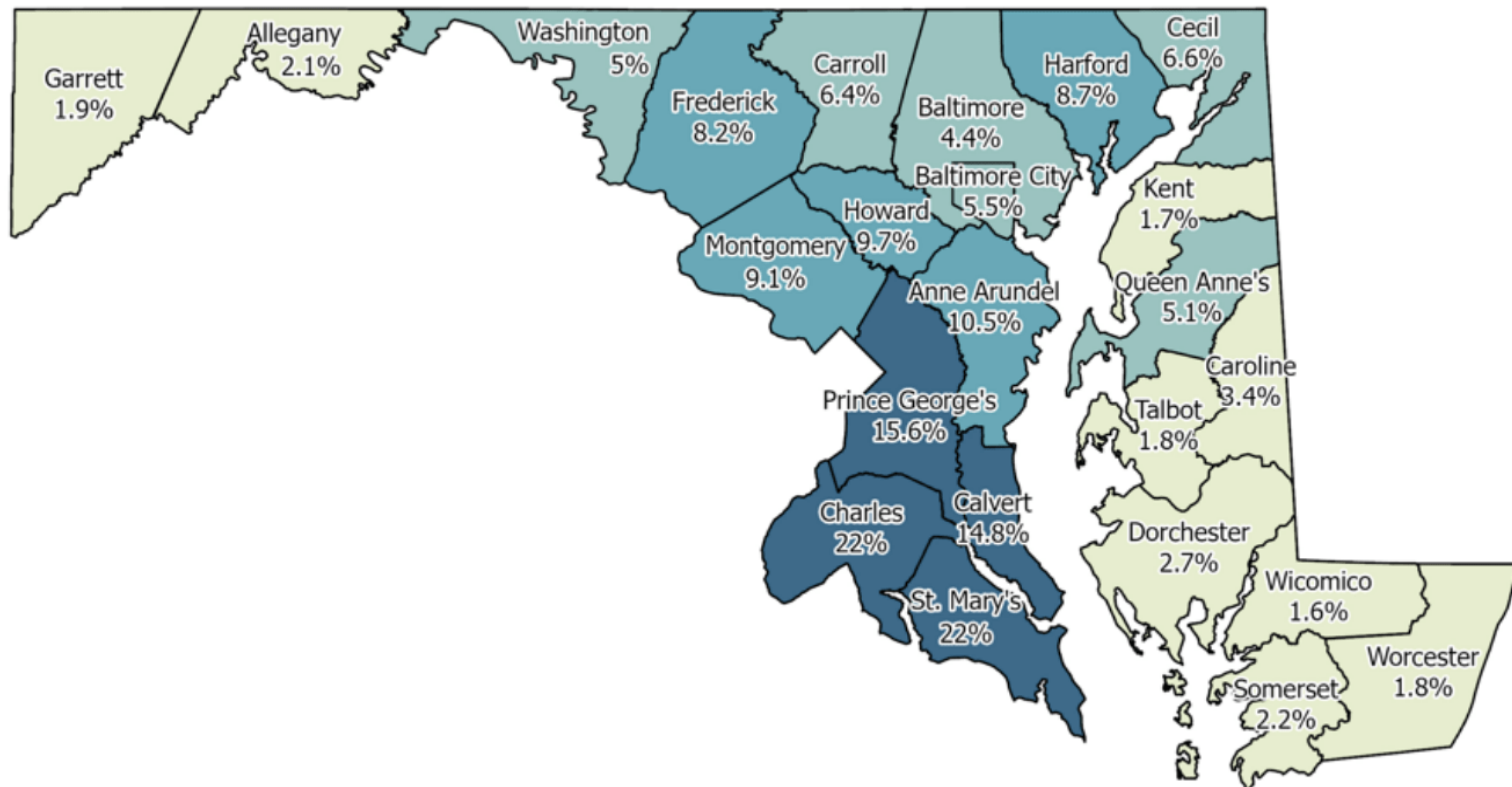
MD Residents Receiving Income from Federal Jobs

Maryland Residents Receiving Income from Federal Gov. Employment, 2023 (of 269,000 total)



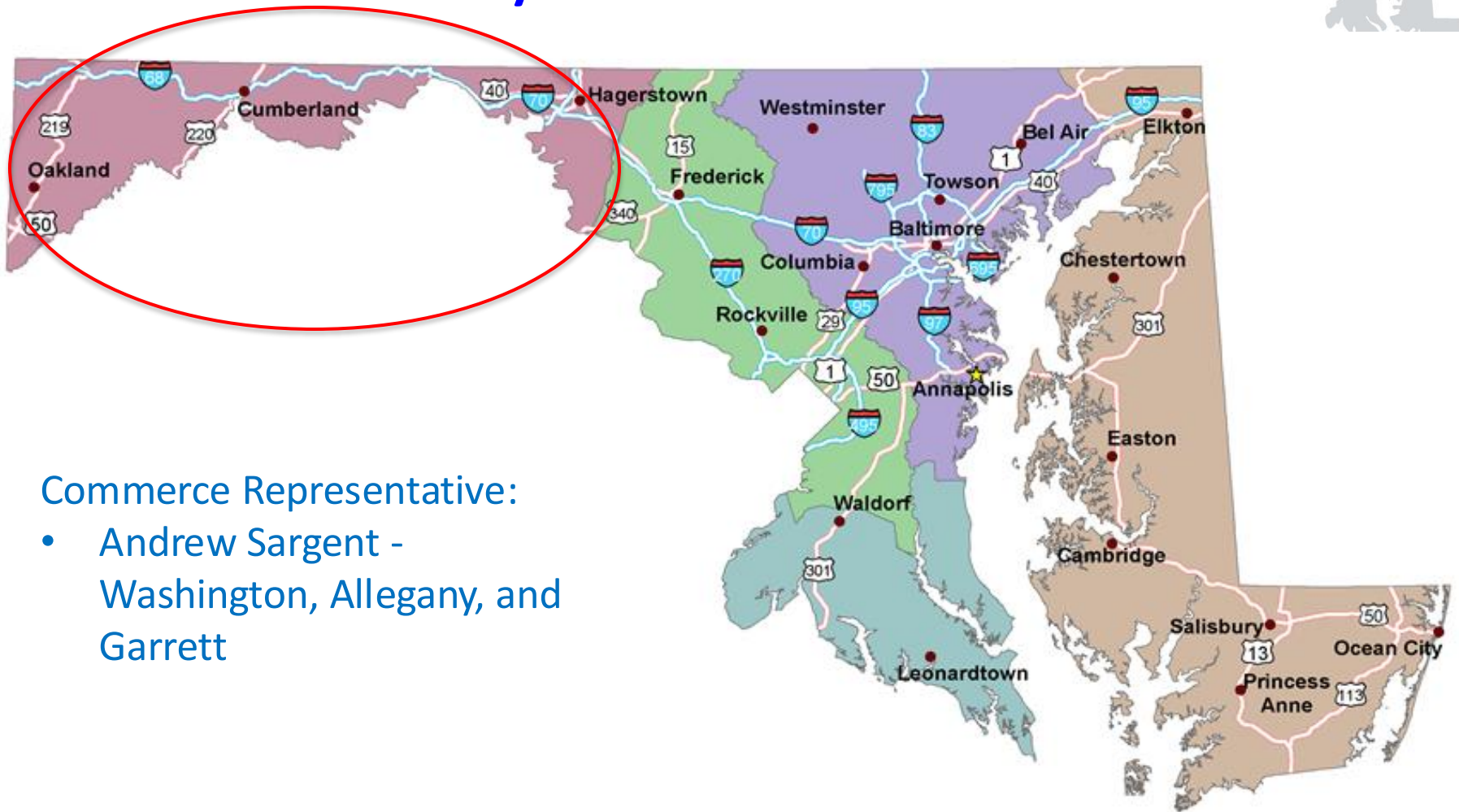
Source: MD Comptroller

Share of Gross Income from Federal Wages Tax Year 2023



Source: Comptroller's Office

Western Maryland



Commerce Representative:

- Andrew Sargent -
Washington, Allegany, and
Garrett

Western Maryland Assets:

- Lower cost of doing business
 - particularly energy costs
- Available land at lower prices than core
- 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 Maryland Key Industries

- Agriculture – mixed crops, livestock, dairy
- Financial services
- Rail
- Forestry
- Energy: wind, hydroelectric, coal, oil and natural gas.
- Manufacturing
- Tourism
- Warehousing/
Distribution



snc



fiserv.



FedEx

UPMC
WESTERN MARYLAND



WebstaurantStore

**American
Woodmark**

FROSTBURG
STATE UNIVERSITY

amazon

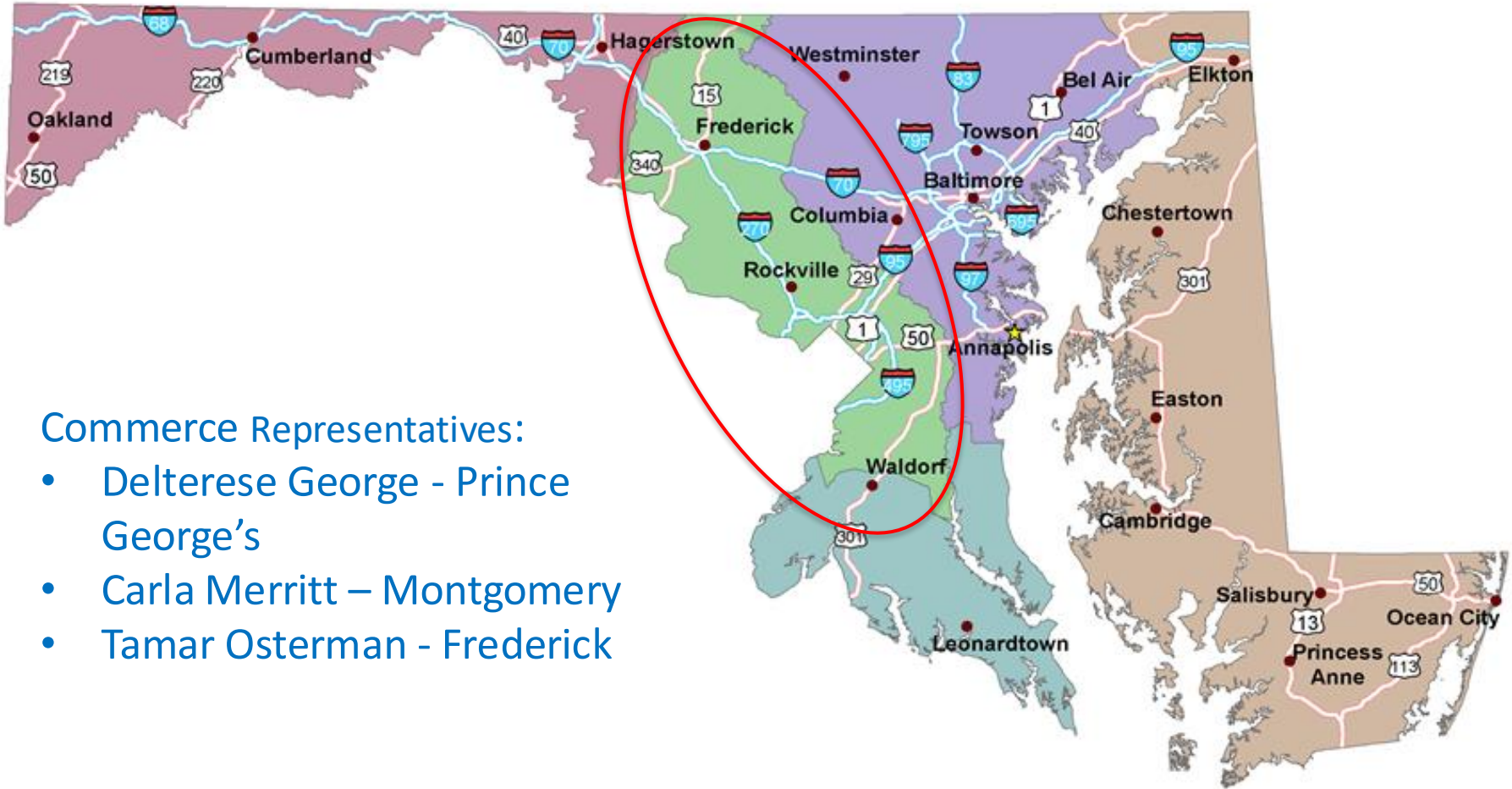


Staples



CONAIR

National Capital



Commerce Representatives:

- Delterese George - Prince George's
- Carla Merritt – Montgomery
- Tamar Osterman - Frederick



National Capital Assets



- Proximity to Washington, D.C. and Northern Virginia
- Federal agencies and military installations
- Transportation: I-495, I-95, I-270, 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
- Life Sciences/Health Care
- R&D/Advanced Manufacturing
- Hospitality/Tourism

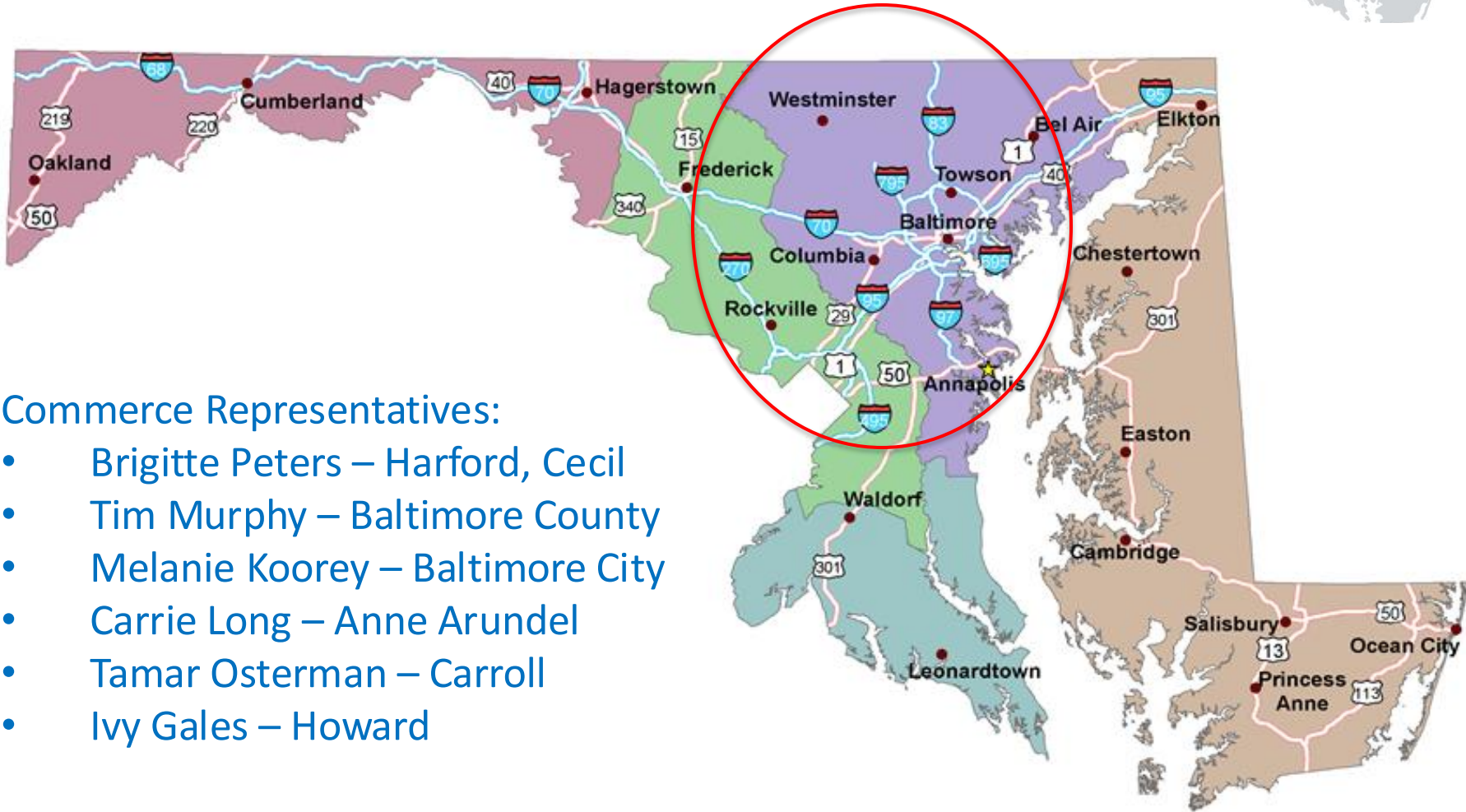


KAISER PERMANENTE®





Greater Baltimore



Commerce Representatives:

- Brigitte Peters – Harford, Cecil
- 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 and 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, 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

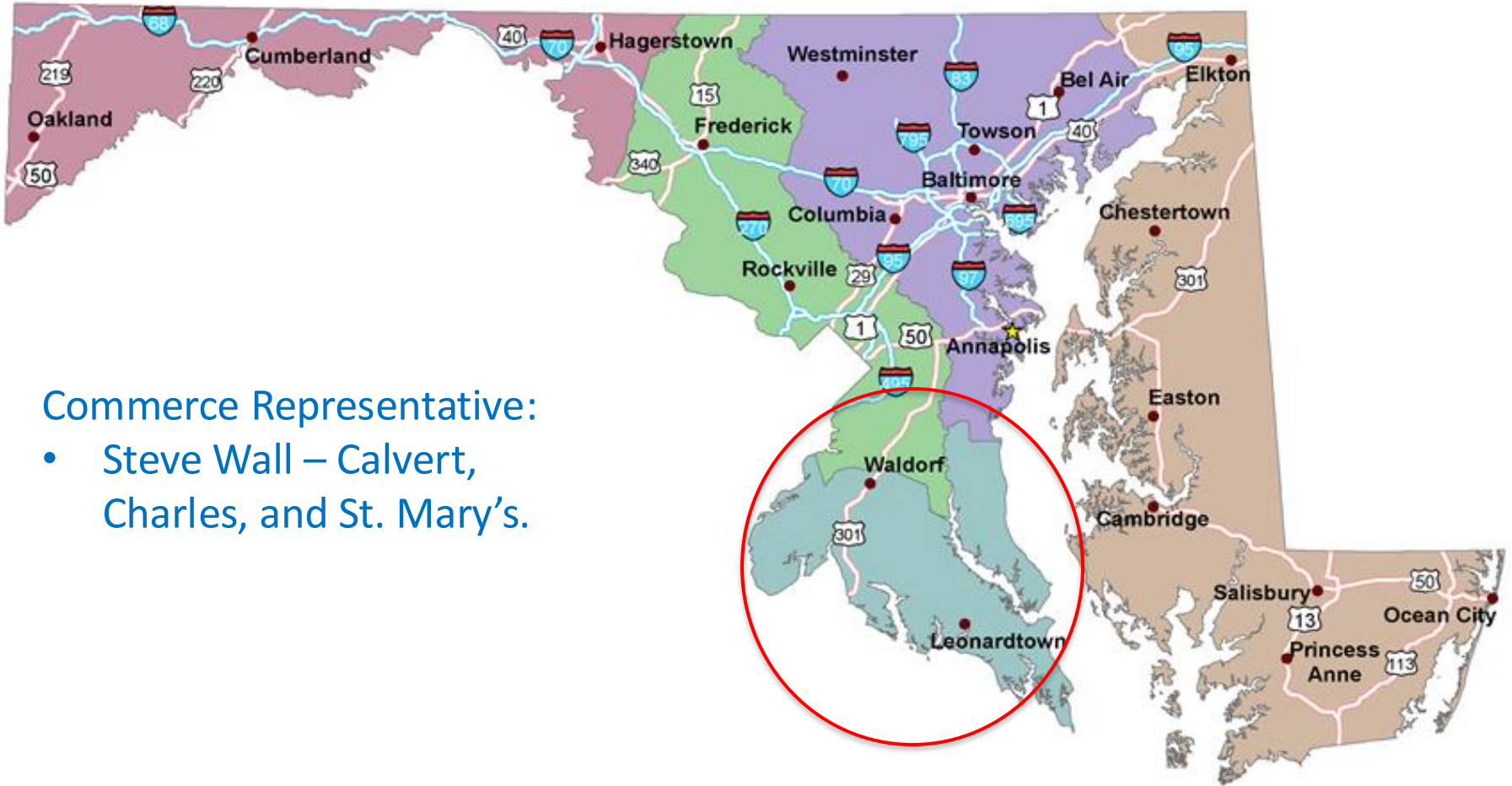
- Cybersecurity/IT/Defense
- Military/Federal installations
- Financial/Consulting Services
- Headquarters

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





Southern Maryland



Commerce Representative:

- Steve Wall – Calvert, Charles, and St. Mary's.



Southern Maryland Assets



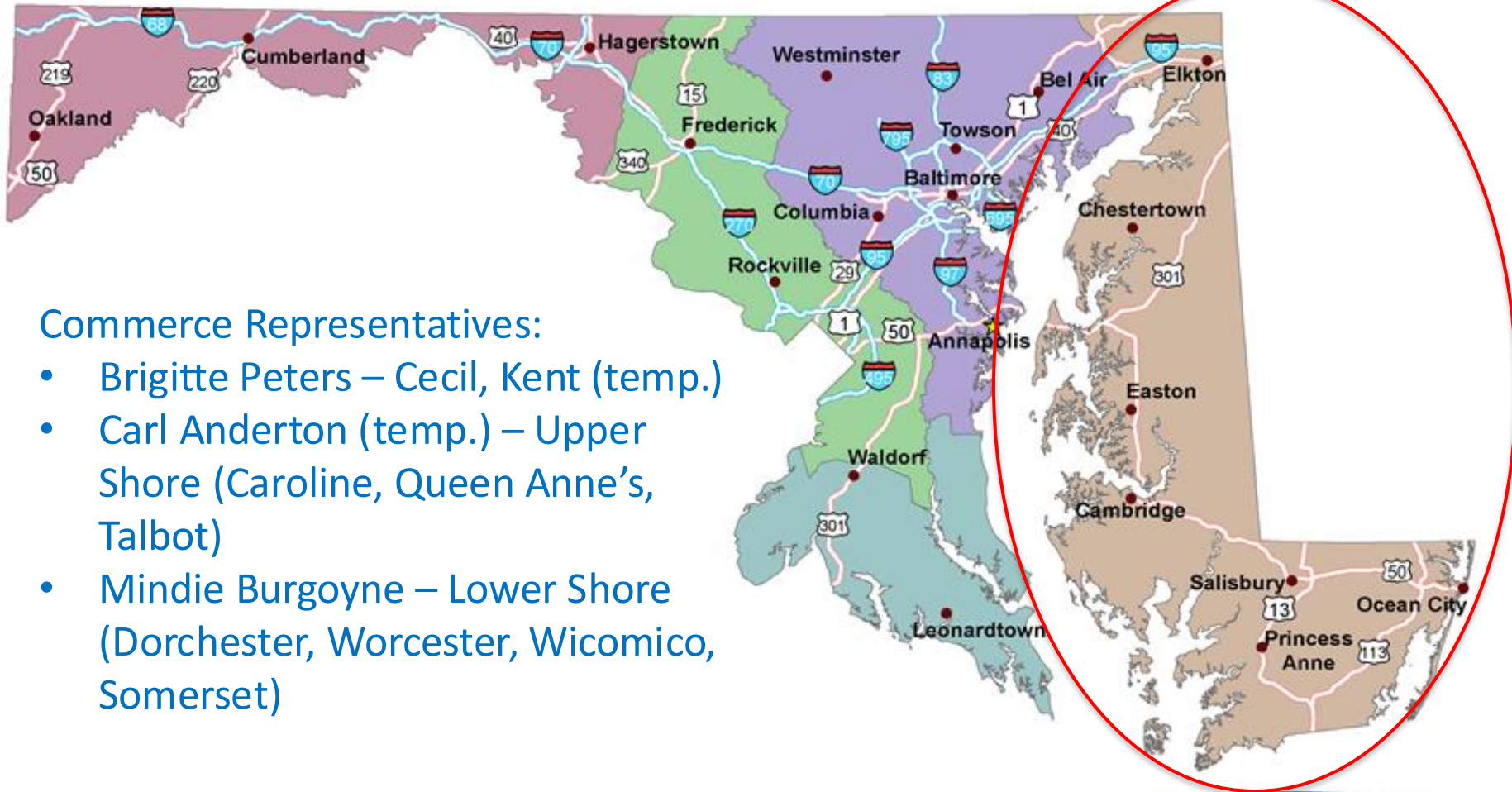
- Proximity to Washington, D.C.
- Transportation: US 301, MD 2, MD 4, MD 5, MD 210
- Higher Education: St. Mary's College, University of MD-Southern MD, UM Chesapeake Bay Biological Lab, Morgan State Patuxent Environmental & Aquatic Research Laboratory (PEARL)
- St. Mary's County Airport
- Waterfront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

Southern Maryland Key Industries

- Defense/Aerospace
- Agriculture
- Aquaculture
- Engineering
- Energy
- Heritage tourism
- Manufacturing
- Autonomous Technologies
- Uncrewed Aerial Systems (UAS)
- Uncrewed Aerial Vehicles (UAV)



Eastern Shore



Commerce Representatives:

- Brigitte Peters – Cecil, Kent (temp.)
- Carl Anderton (temp.) – Upper Shore (Caroline, Queen Anne's, Talbot)
- Mindie 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
- Agriculture
- Aquaculture
- Energy
- Distribution/e-Commerce
- Manufacturing
- Pharmaceuticals
- Tourism/Hospitality
- Uncrewed Aerial Vehicles and Systems (UAV/UAS)





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



Maryland's New Lighthouse Sectors

- **Life sciences**
 - **Computational Biology**
- **Technology**
 - **Quantum Computing**
- **Aerospace**
 - **Position, Navigation & Timing**

<https://business.maryland.gov/roadmap/>



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



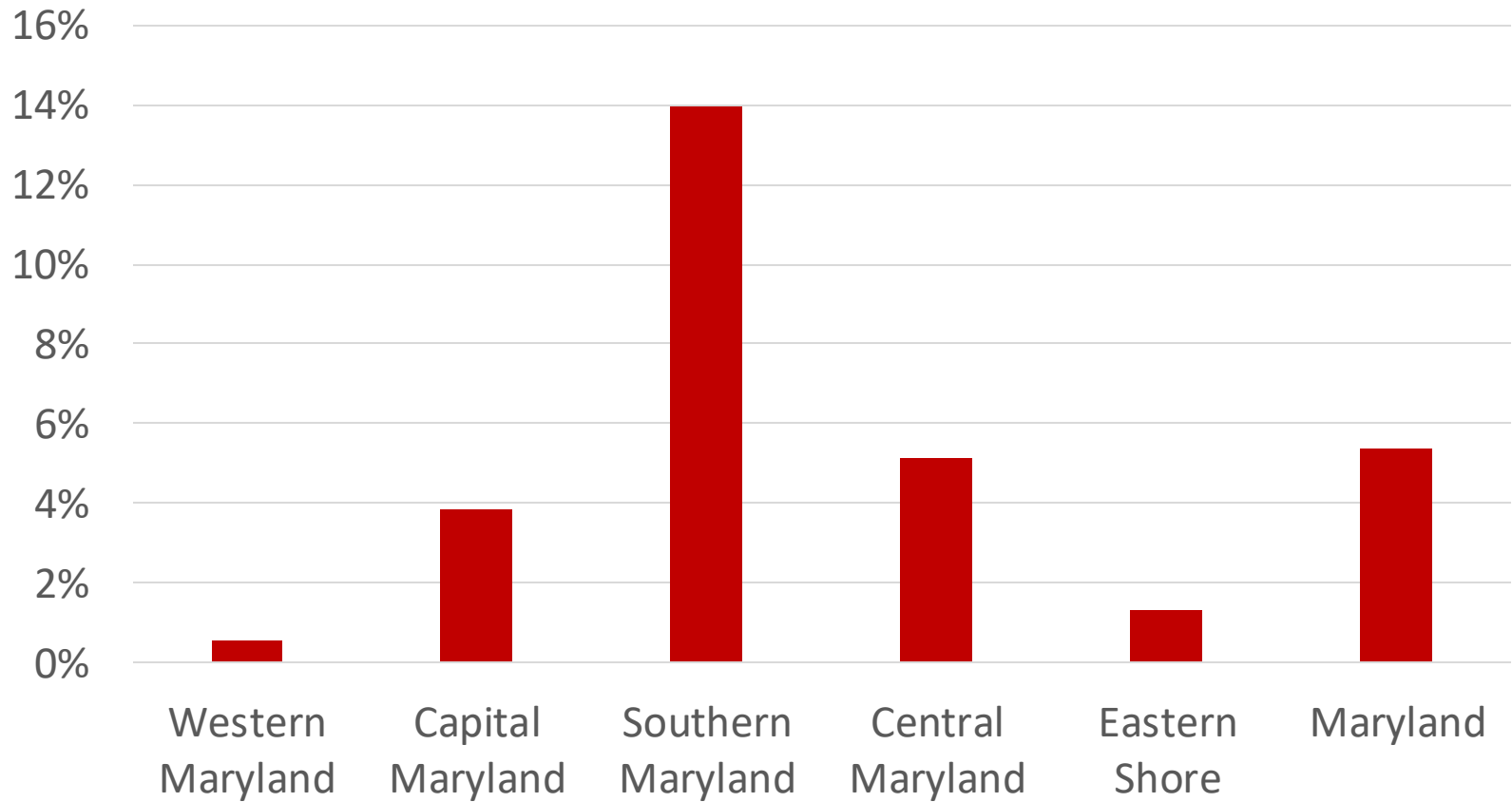
Major Military
Installations

Relevant Occupations (2020)

Title	Employment	Location Quotient	US Rank
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:

Joseph Milone, PhD, Program Manager



Industry is: Agribusiness

◀ Farm

12,400 farms • 15,100 jobs

Leading subsectors

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



Non-Farm ▶

• 35,600 related jobs

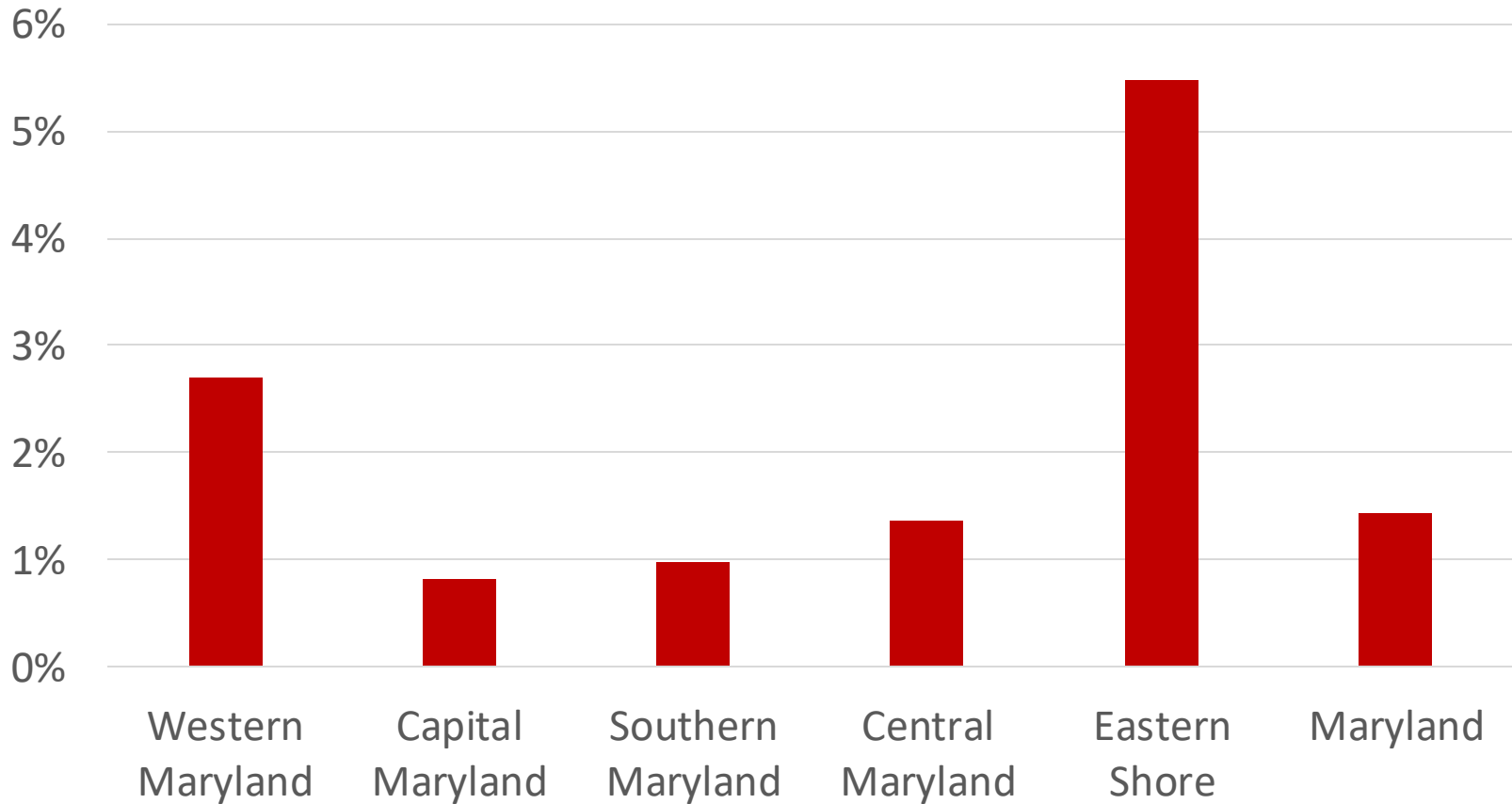
Functions

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



Agribusiness

Percent of Regional Employment



Guess the Industry!

Maryland's Targeted Industries

4,992 establishments

53,668 jobs

Leading subsectors include:

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

MD Commerce POC:

Stefanie Trop, PhD, Life Sciences Director



Industry is: **BioHealth & Life Sciences**

4,992 establishments • 53,668 jobs

Leading subsectors

- R&D, testing & medical laboratories
- Pharmaceuticals
- Medical Device Manufacturing

AstraZeneca 

 **Supernus**[®]
Pharmaceuticals



 **Kite**
A GILEAD Company

Millipore
Sigma

Lonza

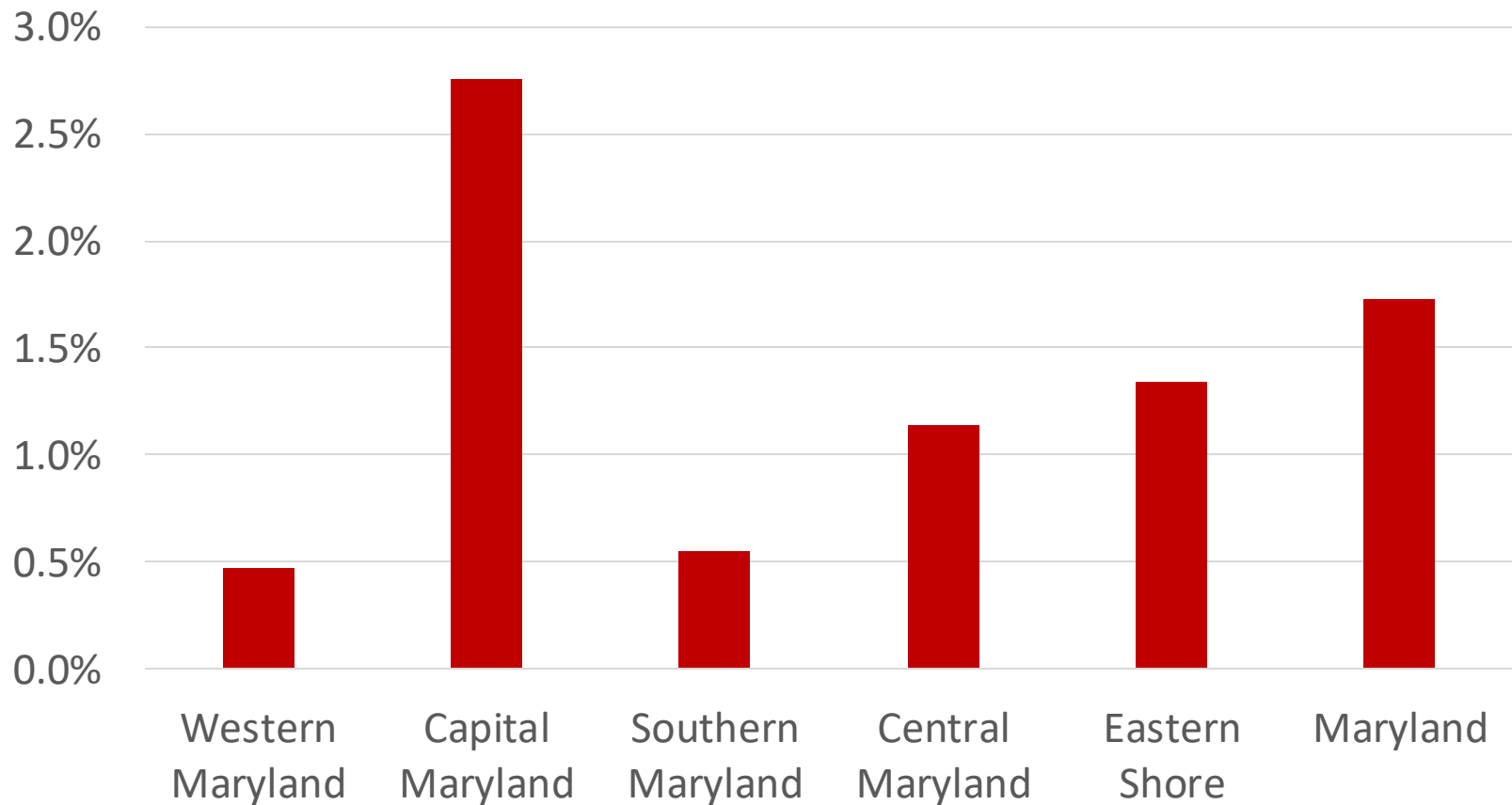
BioHealth & Life Science

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: Cybersecurity & IT

15,700 establishments • 131,600 jobs

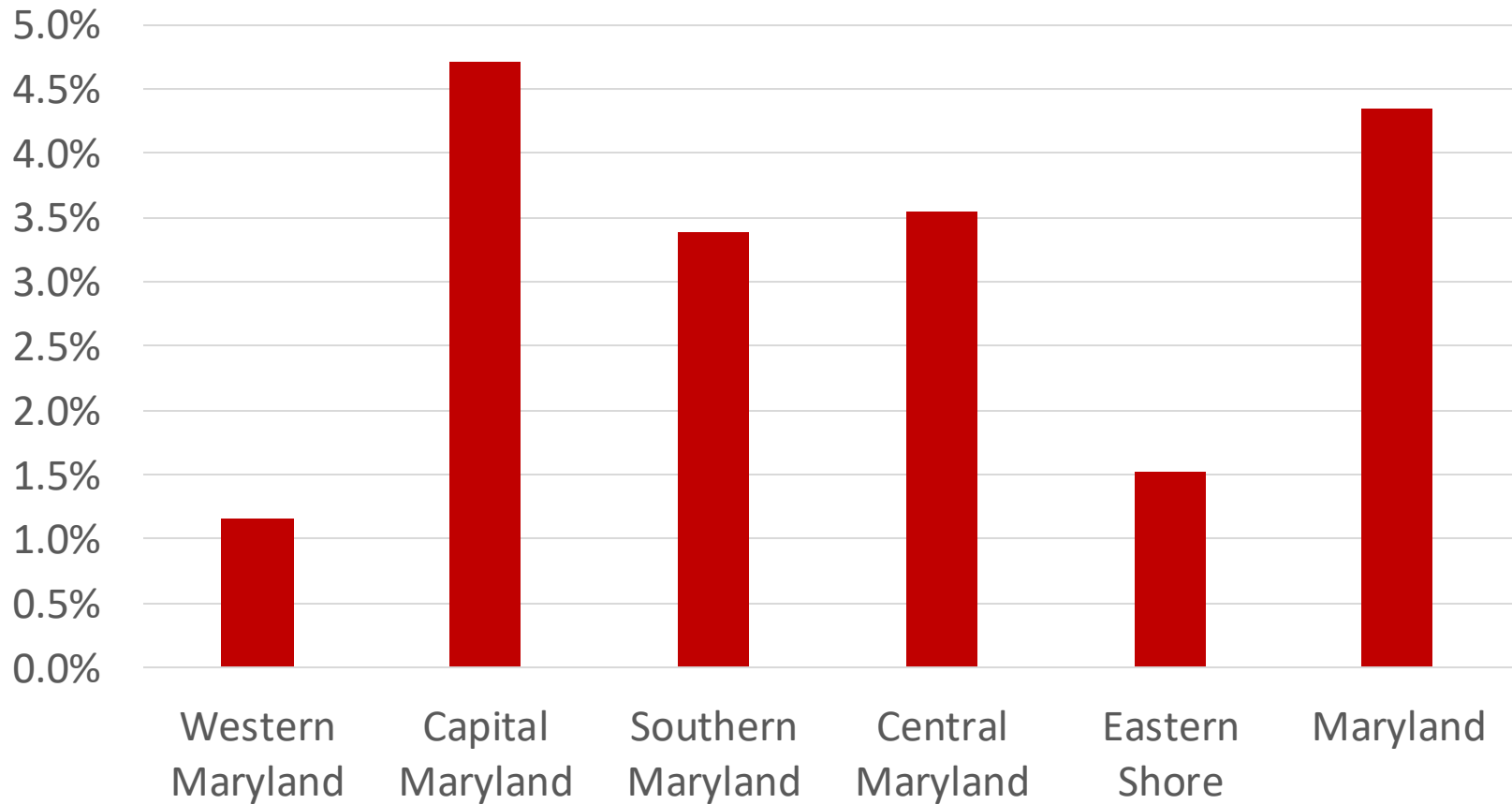
Leading subsectors

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



Cybersecurity & IT

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

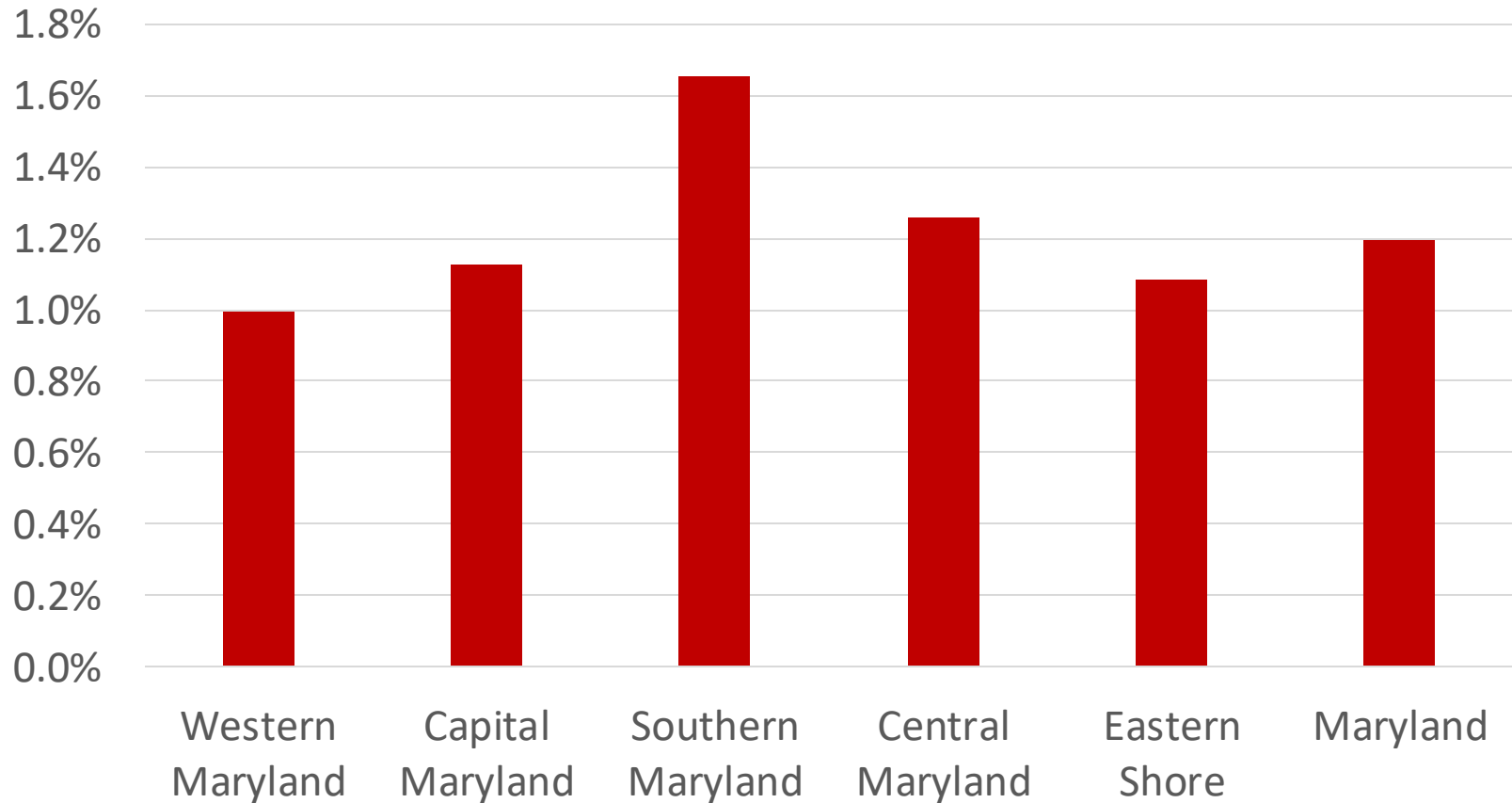
Leading subsectors

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



Energy and Environmental

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

**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

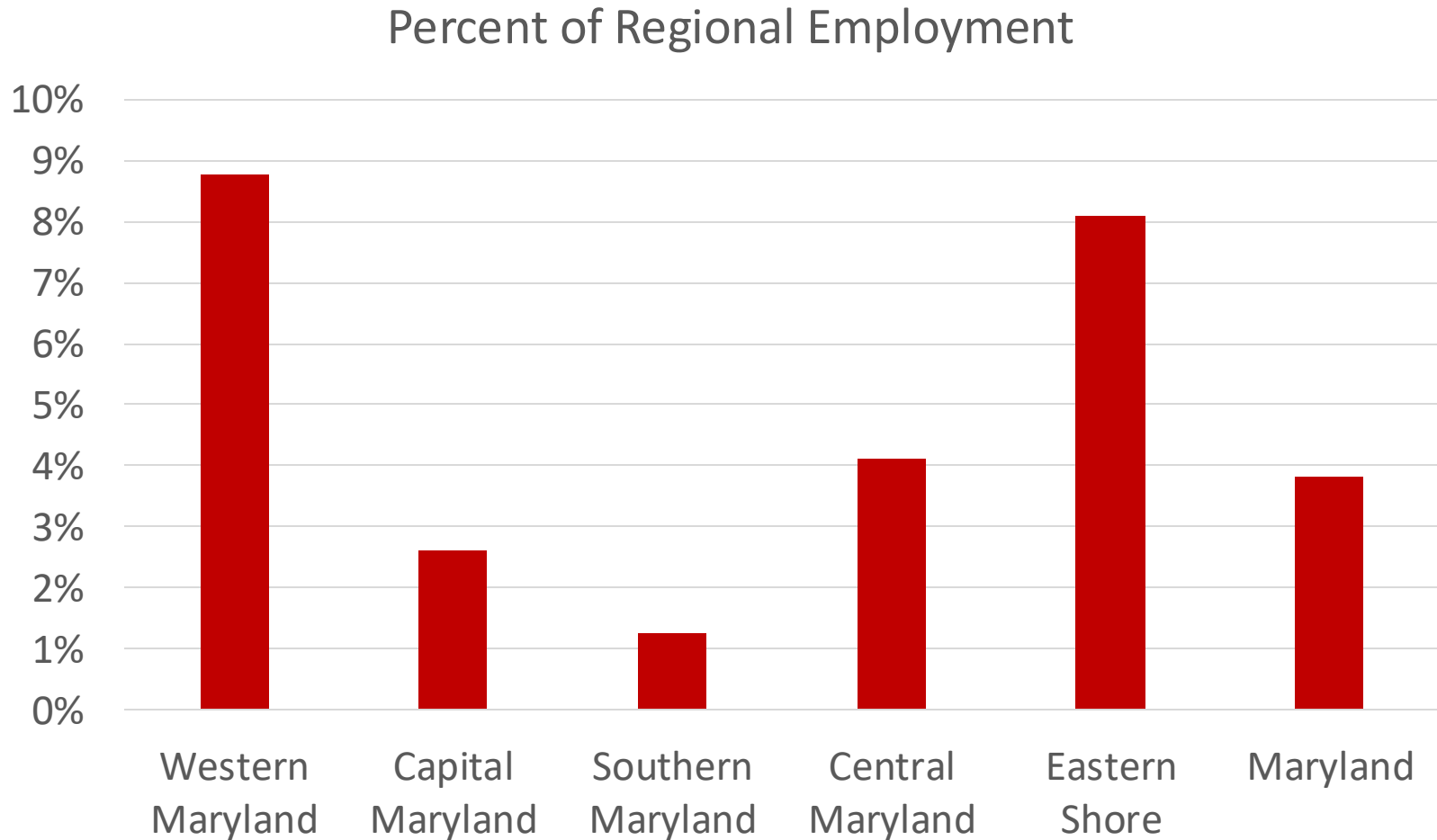
Exports (2021)

Federal procurement
(FFY 2022)

\$3.9

Billion

Manufacturing



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 Affairs

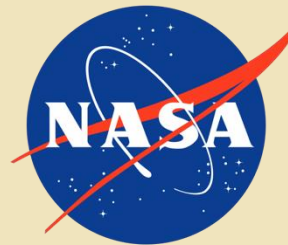
- **60** primary civilian agencies
- **20** military facilities
- **75** federal labs
- **197,318** jobs (Civilian and Military)

Leading subsectors

- Scientific R&D
- Healthcare
- Information

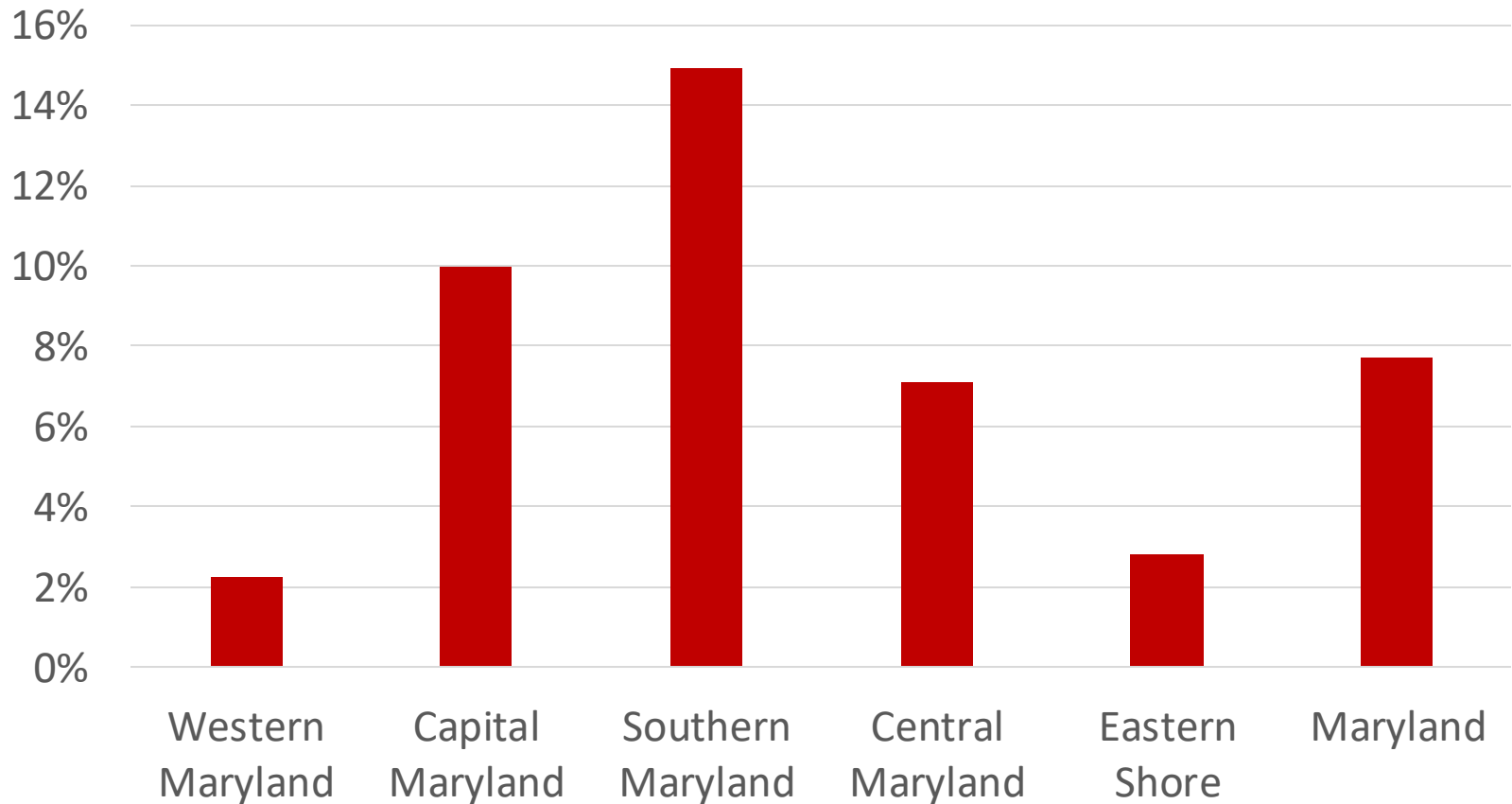


National Institutes
of Health



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:

Marci Ross, Acting Managing Director

Industry is:

Tourism, Film & the Arts

34,800 establishments • 595,900 jobs

- \$2.1 billion in Economic Impact (2021)

Leading subsectors

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

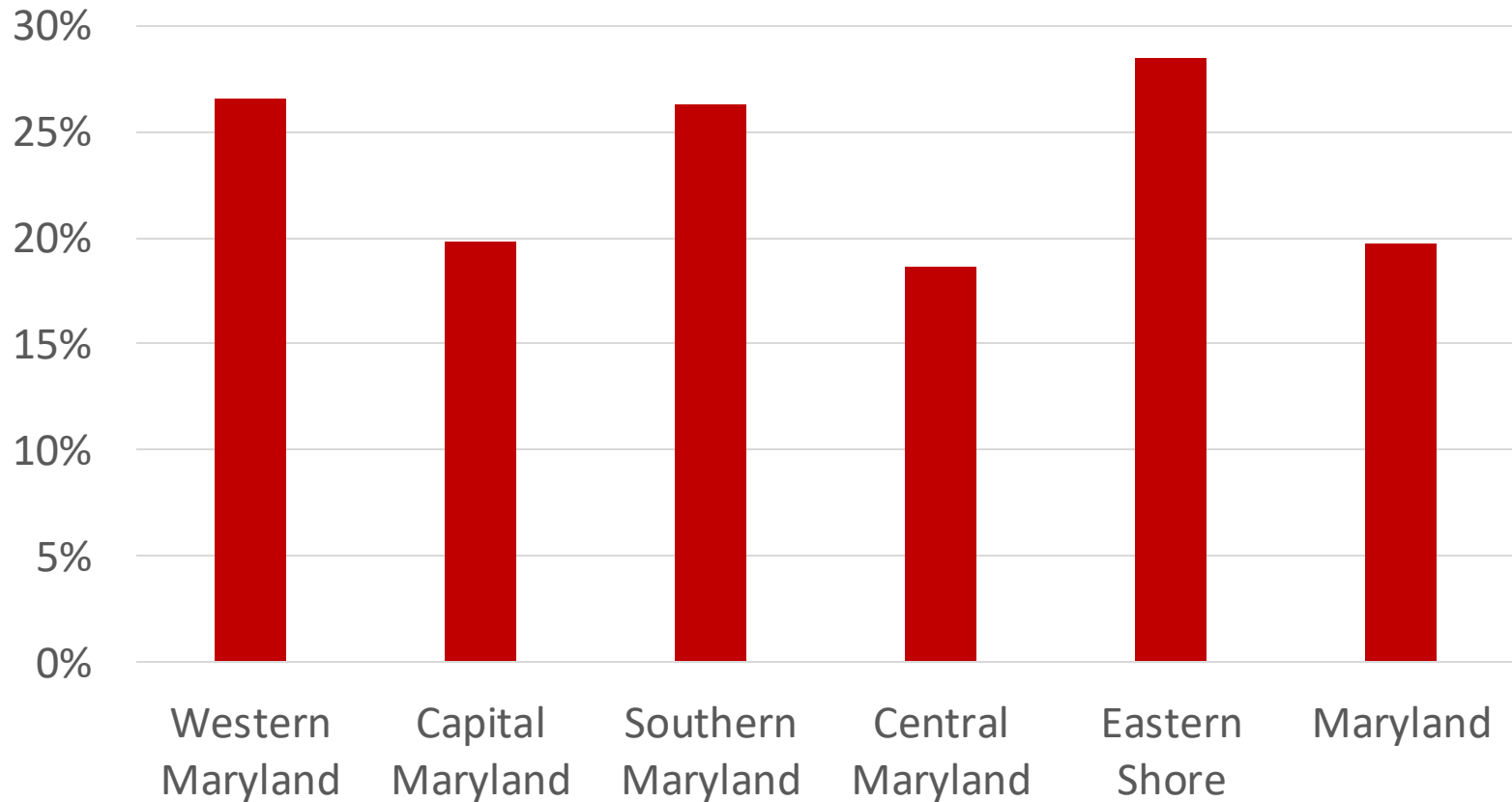


Live!



Tourism

Percent of Regional Employment



Maryland's Key Industries

- Aerospace & Defense
- Agribusiness
- BioHealth & Life Sciences
- Cybersecurity & IT
- Energy & Sustainability
- Manufacturing
- Military & Federal Agencies
- Tourism, Film & the Arts

+ 3 Lighthouse Sectors

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 – 39th Annual Corporate Survey

Site Selection Factor	2025		2024	
	Rank	Percent*	Rank	Percent*
Labor Costs	1	92.0	1	97.9
Quality of Life	2	90.2	2T	98.0
Energy Availability	3T	90.0	1	100.0
Energy Costs	3T	90.0	13T	81.6
Availability of Skilled Labor	5	89.6	7T	89.8
Responsive State/Local Govt.	6	88.2	6	93.9
ICT/Broadband	7	88.0	7	88.0
Environmental Regulations	8	86.3	3	81.5
Construction Costs	9	86.3	2T	98.0
Property Tax	10	84.3	7T	89.8

Source: Area Development Magazine; 39th Annual Corporate Survey; March 2025. (Survey in 2024)

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

Location Factors: Priorities

Location Factor	Manufacturing	Warehouse / 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?

Moody's Analytics – Cost of Doing Business Index	
States	Metros
■ Labor	■ Labor
■ Energy	■ Energy
■ Tax Burden	■ Tax Burden
	■ Office Rents

Maryland's Competitive Position: Moody's Cost of Doing Business Index (2024-Q4)

• Massachusetts	119.3	2 nd
• New Jersey	112.1	8 th
• Maryland	103.1	17th
• Virginia	101.1	18 th
• Pennsylvania	97.23	27 th
• North Carolina	97.17	29 th
• New York	97.0	30 th
• Delaware	82.1	50 th

Source: Moody's Analytics. Cost of Doing Business Index, 4Q 2024. U.S. average = 100.

Maryland's Competitive Position:

Moody's Cost of Doing Business Index (Dec. 2022)

Maryland metros

• Baltimore-Columbia-Towson MD	111.2
• Silver Spring-Frederick-Rockville MD	107.3
• California-Lexington Park MD	106.5
• Salisbury MD	95.4
• Cumberland MD	85.3
• Hagerstown-Martinsburg MD-WV	84.8

Selected metros

• New York NY-NJ	151.1	Atlanta	94.0
• Boston	130.8	Raleigh	92.9
• Philadelphia	100.1	Pittsburgh	92.4
• Washington DC*	97.6	Richmond	89.9
• Orlando	95.9	Wilmington DE-MD-NJ	82.3

Source: Moody's Analytics. Cost of Doing Business Index, December 2022.

* Washington DC-VC-MD-WV consolidated metro area.

U.S. average = 100.

Maryland's Competitive Position:

Moody's Cost of Living Index (Dec. 2022)



Maryland metros

• Silver Spring-Frederick-Rockville MD	121.5
• Washington DC-MD*	112.4
• Baltimore-Columbia-Towson MD	104.0
• California-Lexington Park MD	101.5
• Hagerstown-Martinsburg MD-WV	92.7
• Cumberland MD-WV	82.4

Selected metros

• Boston	126.4	Raleigh	106.2
• New York NY-NJ	118.9	Atlanta	105.3
• Washington DC-VA-MD-WV**	115.9	Richmond	101.8
• Orlando	111.8	Philadelphia	96.3
• Wilmington DE	106.3	Pittsburgh	91.3

Source: Moody's Analytics. Metro Area Cost of Living Index, December 2022 update.

*DC, Prince Georges, Charles only.

**DC, VA, WV, Prince George's, Charles.

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 (2024)



Maryland metros

- | | |
|------------------------------------|-------|
| • Frederick-Gaithersburg-Rockville | 130.1 |
| • Baltimore-Columbia-Towson | 100.5 |

Selected metros

- | | | | |
|--------------------------|-------|------------|------|
| • NYC (Manhattan) | 230.6 | Pittsburgh | 98.1 |
| • Boston | 145.8 | Raleigh | 97.2 |
| • Washington DC-VA-MD-WV | 141.9 | Orlando | 96.4 |
| • Wilmington DE-MD-NJ | 104.3 | Atlanta | 96.0 |
| • Philadelphia | 103.2 | Richmond | 94.2 |

Source: C2ER Cost of Living Index, 2024 annual average. 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

- Costs are typically higher in Maryland 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 certain businesses.
- But not necessarily an obvious cost advantage.

What about Rural areas versus Urban and 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.

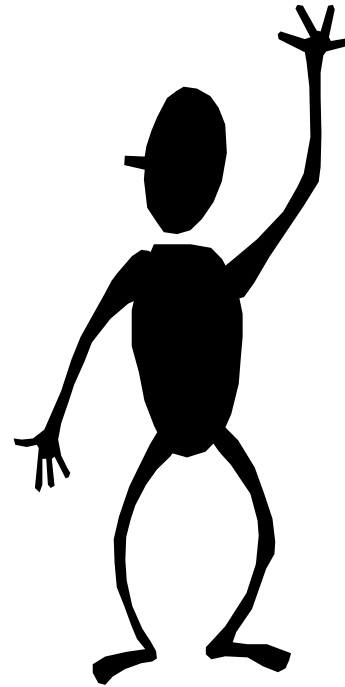
Major airports	Major universities
Technology clusters	Federal facilities

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!

Laurie Babb, CEcD

Director of Economic Development
Montgomery County Economic Development Corporation

laurie@thinkmoco.com

(240) 641.6704 (o) / (240) 446.5232 (m)

Tamar Osterman, CEcD

Senior Business Development Representative - Carroll & Frederick counties
Maryland Department of Commerce, Division of Business & Industry Sector
Development

tamar.osterman@maryland.gov

(443) 902-4487 (m)

Roger Venezia, CEcD

Director, Operations & Special Projects
Maryland Department of Commerce, Division of Business Attraction & Special
Projects

roger.venezia@maryland.gov

(410) 767-6394 (o) / (410) 292-2897 (m)