Greater Baltimore State of the Region Report

Summary of Major Points and Findings

Greater Baltimore showed improvement in most indicators. However, because other regions also showed improvement, Baltimore remained in the same relative position for most measurements.

Among the 20 regions studied, categories in which Greater Baltimore registered gains include:

- Per Capita Income Growth (19th to 11th)
- Innovation, New Market Opportunities - Entrepreneurship (16th to 14th)
- Innovation, New Market Opportunities - Patents (15th to 14th)
- Office Vacancy Rates (12th to 5th)
- Education and Workforce - Total College Enrollment (8th to 7th)
- Tourism - Total Hotel Rooms (14th to 12th)
- Transportation - Air Passengers (12th to 11th)
- Transportation - Average Air Fares (5th to 2nd)

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Categories in which Greater Baltimore's ranking declined include:

- Total Employment Growth (14th to 15th)

- Wholesale and Retail Employment Growth (14th to 20th)
- Education and Workforce - Higher Education, Places Rated Almanac Ranking (3rd to 8th)
- Housing - Home Ownership Rates (5th to 11th)
- Health Care - Physicians Per 100,000 (2nd to 3rd)

The Greater Baltimore region continues to have a number of important competitive strengths, including relative affluence, a very reasonable cost of living, top-notch health care, transportation and cultural assets, and quality higher education.

The region's primary competitive challenges remain in areas of public safety and employment growth. Greater Baltimore's steady employment growth has not improved its ranking among competing regions, which have also experienced solid employment growth. Meanwhile, despite a declining violent crime rate compared to 1998, Greater Baltimore's ranking in this category remains last among the 20 metropolitan areas studied.

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Other major points and findings from this update include:

Demographics

- The most positive improvement for Greater Baltimore was in per capita income growth. Among the 20 metros compared, the region significantly improved from a ranking of 19th in the l998 report to 11th in the 2000 report. Baltimore's performance also placed the region just above the national average.
- In a new ranking category, Greater Baltimore ranks 11th among the 20 regions studied, with total retail sales of $23.8 billion in 1999. This figure is low considering the region's ranking as the 9th largest in terms of population with the 7th highest effective buying income.
- Greater Baltimore's population of 2.5 million is 69.4 percent white and 27.8 percent black. Racial characteristics for Greater Baltimore are somewhat different from the 1998 State of the Region report because of that report's use of a private-sector source, whereas the 2000 report uses newly-released census data.

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Economy, Employment and Job Growth

- In a new ranking for the 2000 report, Greater Baltimore places 33rd nationally in terms of high tech employment, and 15th among the 20 metros in this report.
- A new ranking measures the output of Greater Baltimore's high tech industry at $7,990,200.
- According to the National Association of Counties, Greater Baltimore qualified for the Top 100 U.S. Metro Economies standards, ranking 28th out of 100 other metro area in gross metropolitan product and 9th when compared to the 20 metro areas analyzed in this report. Greater Baltimore ranks 57th out of 172 metro areas worldwide, with a gross metropolitan

product of $88.34 billion.

- Greater Baltimore slipped from 14th to 20th in wholesale and retail employment growth. The region had an average annual growth rate of 1.6% from 1996 to 1997, but grew at only .8% from 1997 to 1999.

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Tourism

- Total hotel rooms in the region increased by 4,500 moving the region's rank among the 20 regions from 14th to 12th.

- Downtown Baltimore's 5,885 hotel rooms rank the region 11th for downtown hotel rooms, and 4th among the metropolitan areas studied for percentage of the region ?s hotel rooms located in the downtown area.

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Innovation, New Market Opportunities

- Greater Baltimore showed an increase in patents, moving from 470 in 1996 to 647 in 1998. This improvement moved the region from 15th to 14th in the rankings. Most of the regions studied also showed dramatic gains in this factor.

- Greater Baltimore moved from 16th to 14th in entrepreneurship, based on a Cognetics report that measures actual business start-ups and business growth.

- The region ranks 2nd among the 20 metro areas compared for university research and development funding. The region's $983 million in funding for 1997 is surpassed only by Boston. Charlotte and Indianapolis received no university research and development funding.

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Commercial Real Estate

- Greater Baltimore moved from 12th in 1997 to 5th in 1999 for office vacancy rate. Greater Baltimore had a 7.8% office vacancy rate in 1999, compared with 9.7% in 1997. This is a signal of a stronger economy, but provides advance warning of the need for investment in the development of commercial real estate.

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Education and Workforce

- Greater Baltimore ranks 22nd nationally for higher education in Places Rated Almanac's most recent rating. This places the region 8th among the 20 metros. Raleigh-Durham and Boston rank 1 and 2 nationally.

- Greater Baltimore ranks 7th among the 20 metro areas in total enrollment in colleges and universities and in enrollment per 100,000 population. Among the 20 regions studied, Boston and Washington rank 1st and 2nd in total enrollment, while Raleigh-Durham and

Charlotte rank 1st and 2nd in enrollment per 100,000.

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Transportation

- Air passengers grew by more than 4 million at BWI from 1996 to 1999, improving Greater Baltimore's ranking to 11th from 12th.

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Quality of Life

- Greater Baltimore remained 2nd among the 20 metropolitan regions for average cost of living, according to ACCRA, the nonprofit organization that conducts universally recognized studies on cost of living and economic and community development. The Greater Baltimore region is one of only four regions in the State of the Region 2000 Report with average costs below the U.S. average.

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Housing

- Home ownership rates in Greater Baltimore declined from 71.6% in 1997 to 68.4% in 1999. The region dropped from 5th to 12th for this ranking.

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Health Care

- Greater Baltimore has 352 physicians per 100,000 population, ranking the region 3rd among the 20 metros. Only Boston and Raleigh-Durham have a higher ratio.
- The infant mortality rate has declined dramatically from 1989 to 1996. Baltimore's rate dropped from 9.7% to only 2.5%, ranking the region 11th among the 20 metros compared. The lowest rates were in Atlanta and Boston, while the highest rates were in San Diego and Cleveland.

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Public Safety

- Greater Baltimore showed improvement -- violent crimes per 100,000 declined from 1,237.3 in 1996 to 1,064.9 in 1998. However, the region's ranking remains 20th and 18th for total crime, as most other regions in this study also registered improvement.