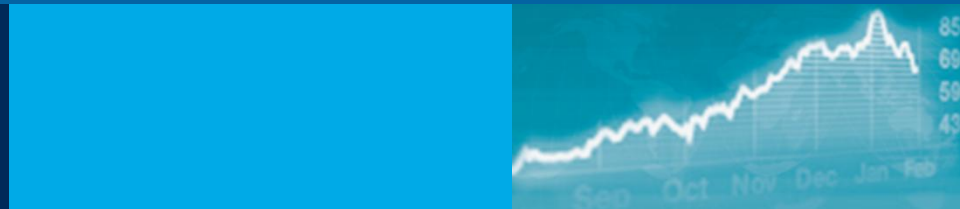




Maryland & Regional Economic Outlook

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Research Department



Greater Baltimore Committee
2014 Economic Outlook Conference
October 23, 2014

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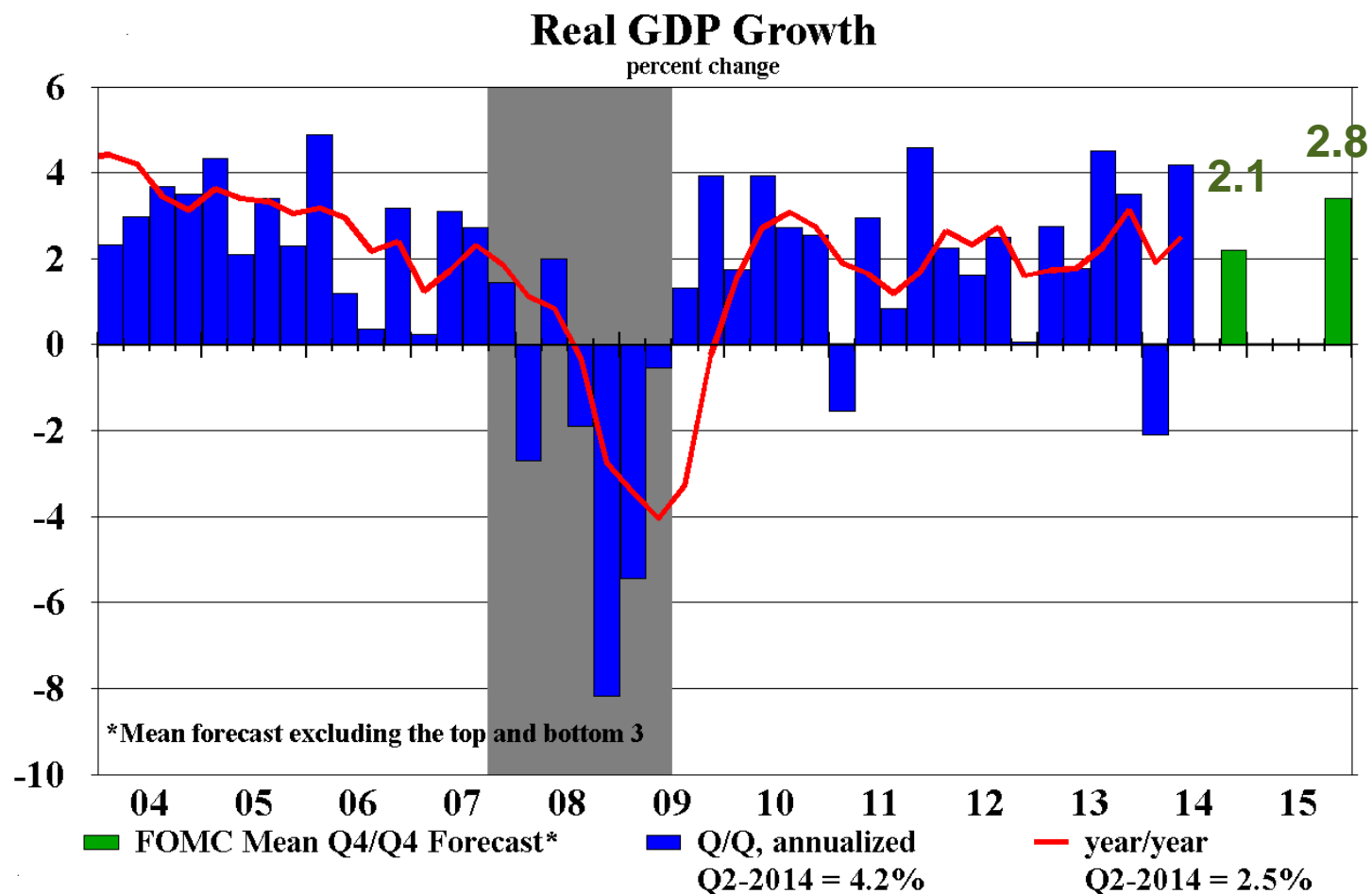
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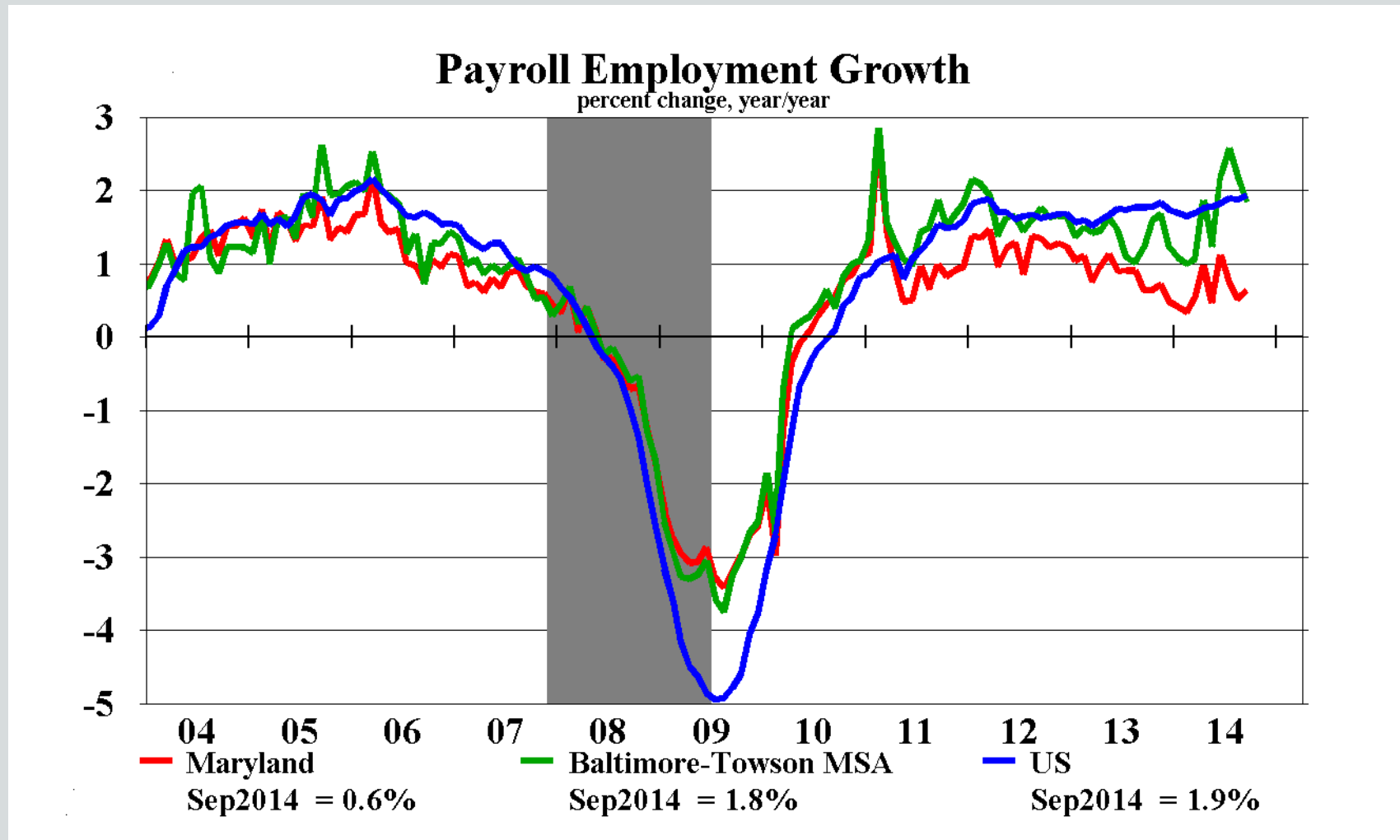
Are we there yet?

- Another year of moderate growth in 2015?
 - Consumer spending remains restrained
 - Housing sector slowly improving
 - Moderate growth in business investment
- Impact of federal spending cuts to slowly dissipate, allowing for stronger growth in the region
- Uncertainty is still an impediment to growth
 - Fiscal policy, growth abroad, regulatory uncertainty
- Moderate growth in recent years may represent a fundamental change in the economy

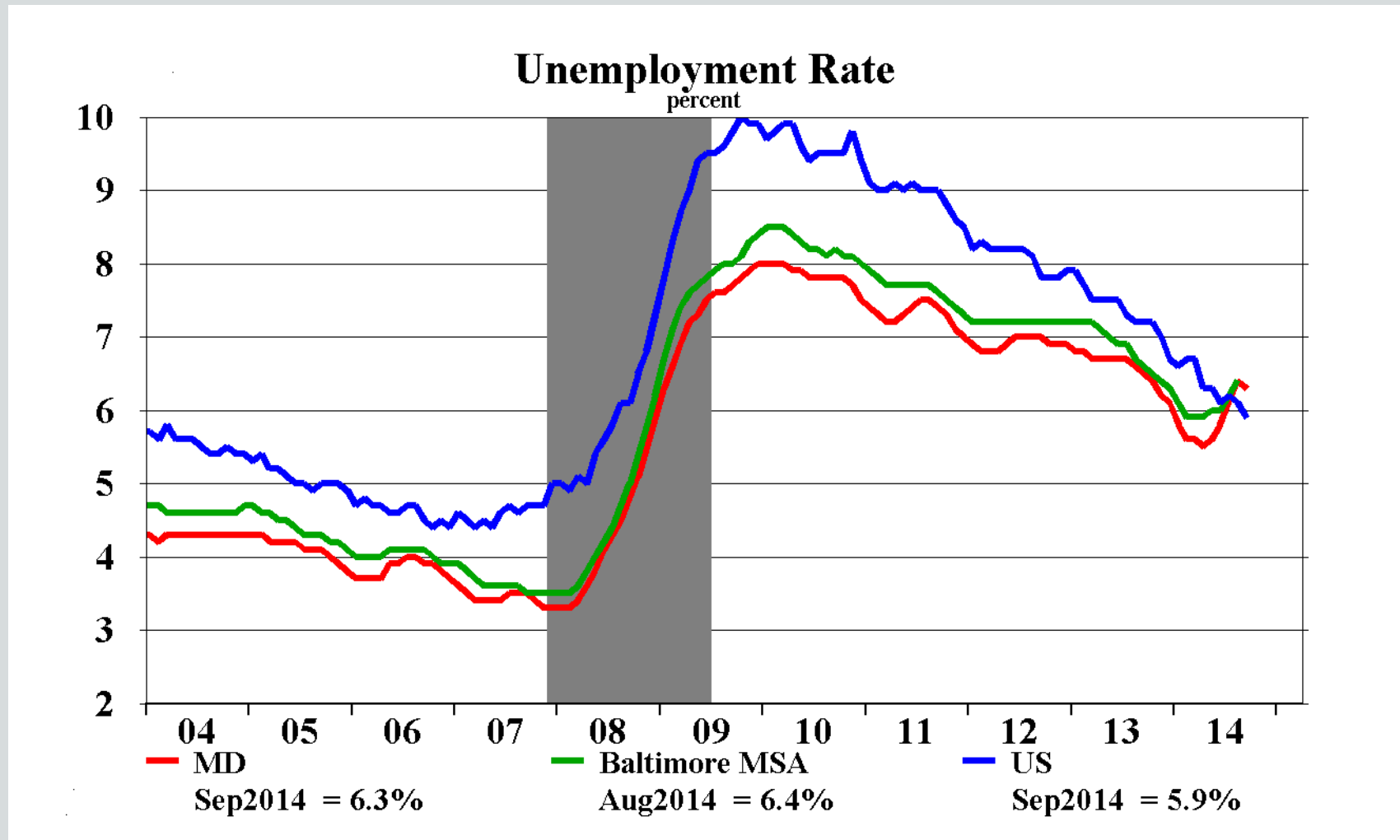
FOMC anticipates moderate increase in growth



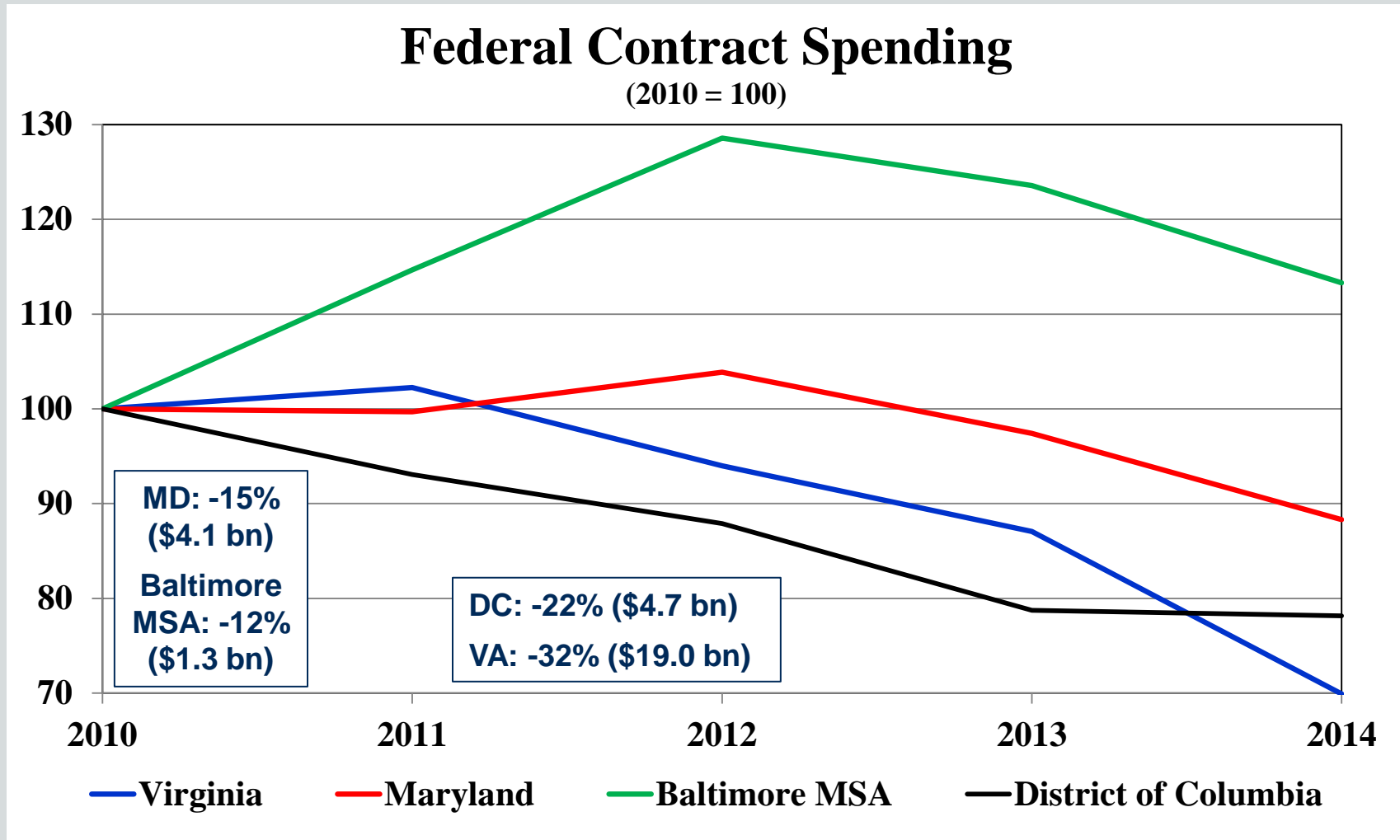
Maryland economy lagging U.S. in recent years



Maryland economy lagging U.S. in recent years



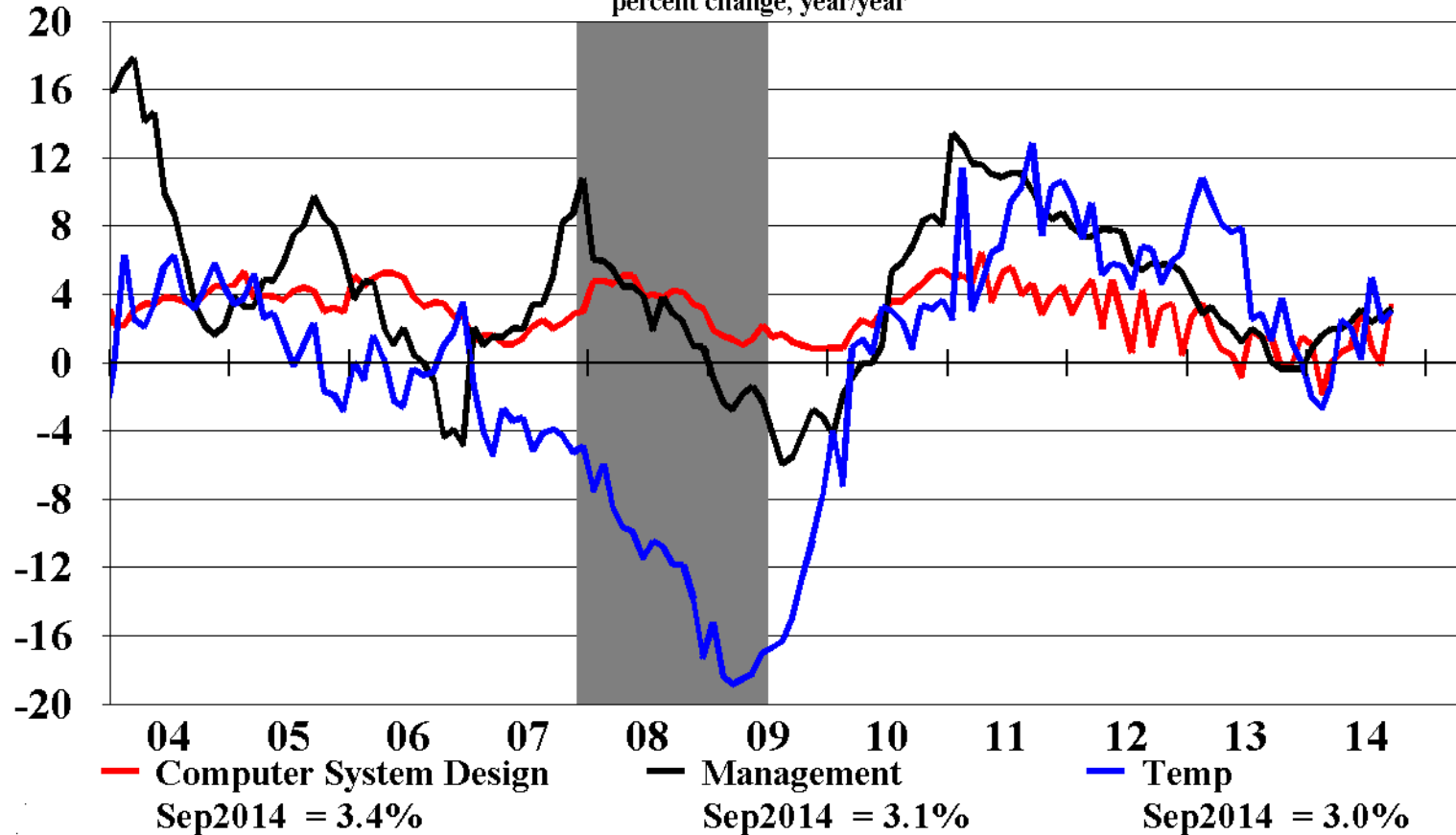
Federal cuts a considerable drag on regional economy



Federal cuts a considerable drag on regional economy

Maryland Payroll Employment Growth

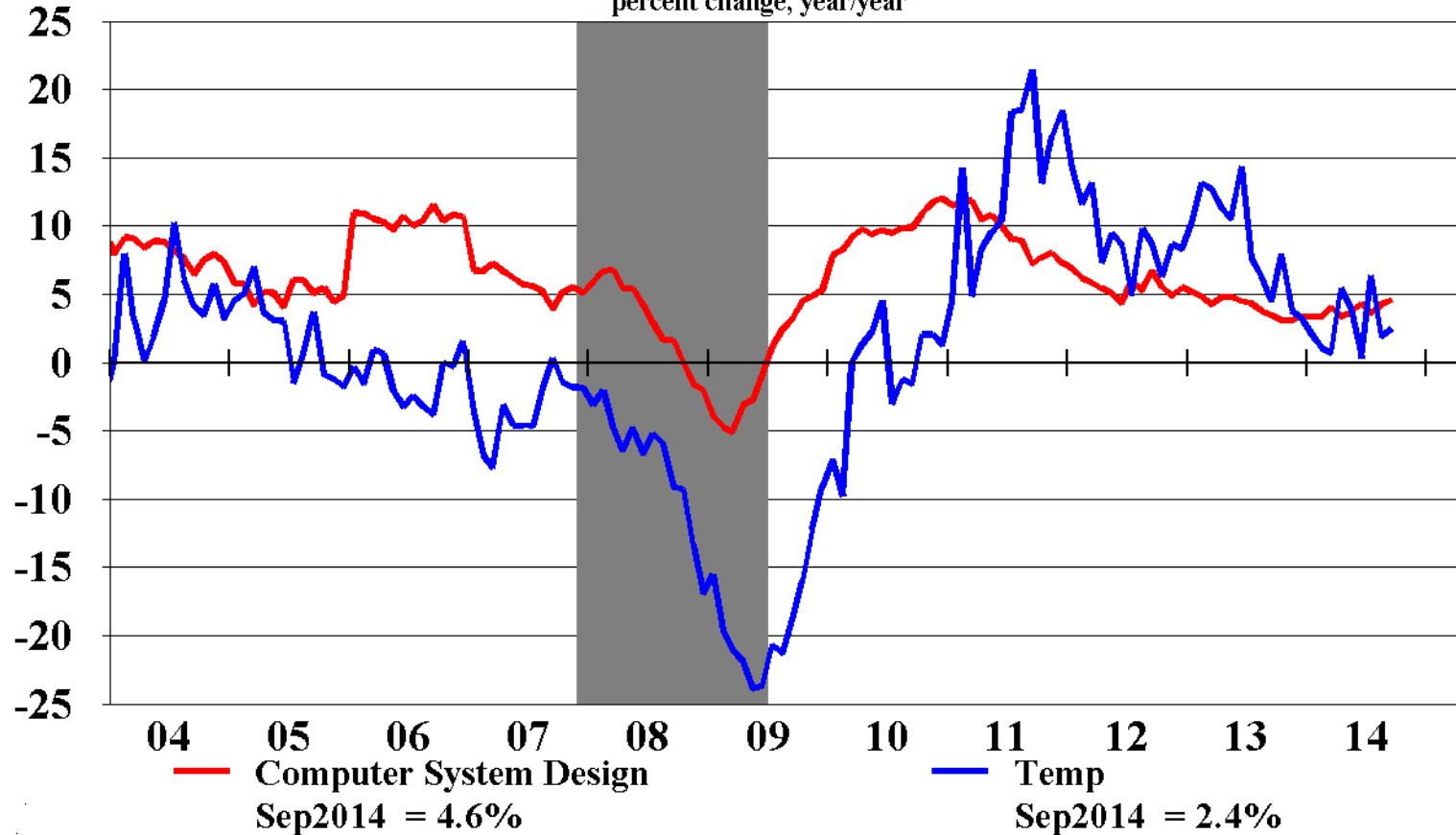
percent change, year/year



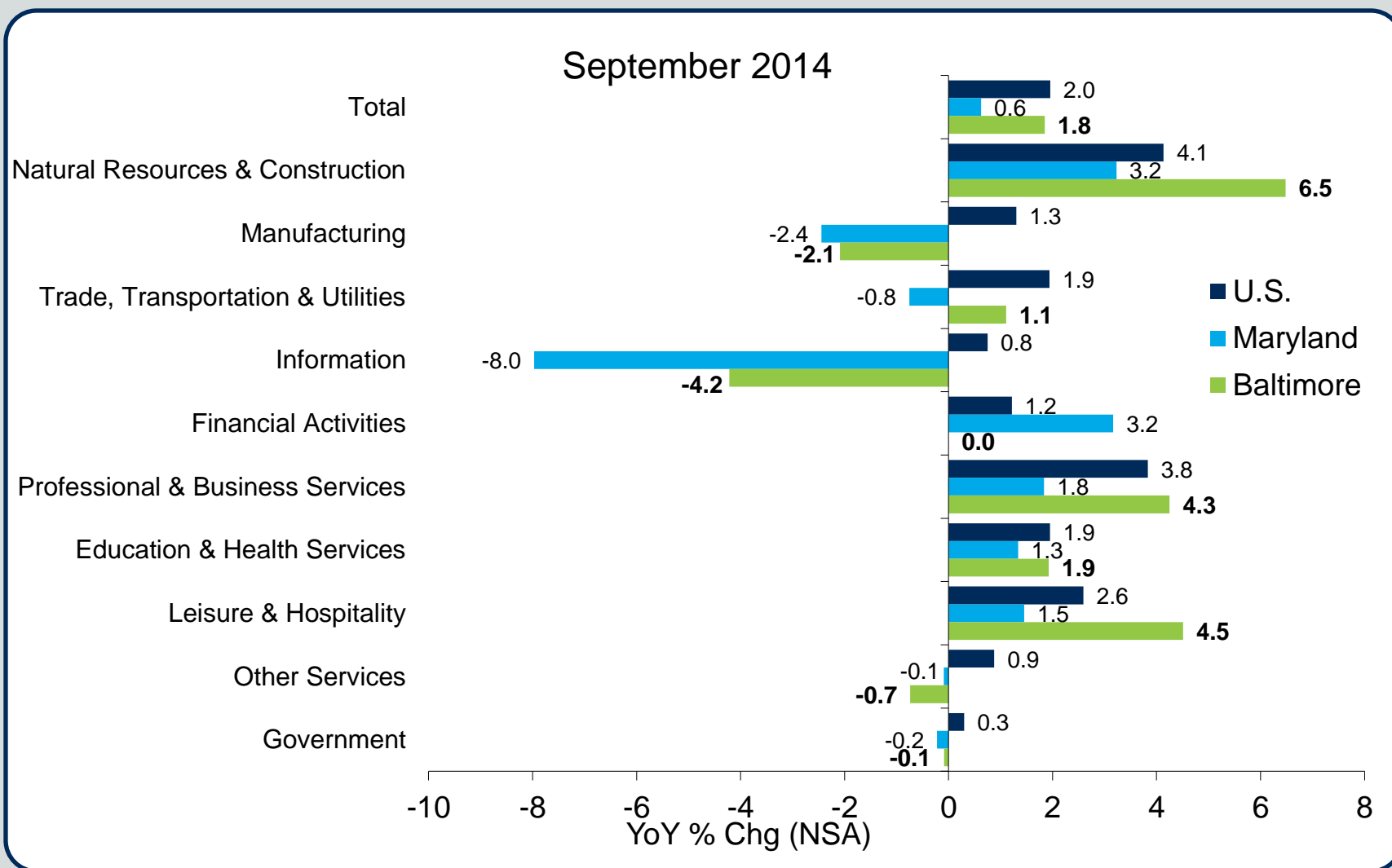
Federal cuts a considerable drag on regional economy

Baltimore-Towson MSA Payroll Employment Growth

percent change, year/year



Maryland Industry Growth



Outlook for 2015

- “Not an exciting time but a steady time”
 - Slower growth in the labor force & productivity suggests moderate growth in the economy
- Maryland economy to catch up in 2015
 - Stronger job growth and decline in the unemployment rate
 - Pace of housing market recovery to pick up modestly
- Baltimore region to continue to outperform
 - Job growth to remain on pace with U.S. average
 - IT, health & transportation sectors to lead growth



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