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NEWS MEDIA CONTACT  
HENRY FAWELL  
240-686-3510, [henry@campfirecomm.com](mailto:henry@campfirecomm.com)

## **Baltimore-area Companies Get Bullish on Business Climate**

ROCKVILLE, MD (September 18, 2018) — Baltimore-area businesses have growing optimism about Maryland's business climate according to new results from the 2018 Maryland Business Climate Survey, a joint project between the University of Baltimore's Jacob France Institute and the Maryland Public Policy Institute. The survey results also reveal businesses across Maryland expect to increase employment in the coming year despite facing persistent challenges finding qualified workers. Read the full survey at [www.mdbusinessclimate.org](http://www.mdbusinessclimate.org).

The survey of senior executives at 250 Maryland businesses during the 2nd quarter of 2018 provides rare insight into the sentiment of business leaders across Maryland and compares results with the pilot survey conducted between the end of 2017 and start of 2018.

"Greater Baltimore businesses showing greater optimism in the future even though regional challenges remain," said Richard Clinch, Ph.D., author of the survey and Executive Director of the University of Baltimore's Jacob France Institute. "Only thirty percent of businesses in the City of Baltimore are optimistic about the future and workforce shortages persist throughout the state."

Among the key findings of 2018 Maryland Business Climate Survey pilot:

- **Baltimore-area Businesses Show Increased Optimism:** Fifty-one percent of firms in the Baltimore metropolitan area had a positive view of the business climate in Maryland, a sharp uptick from the fourth quarter of 2017 (39 percent). Forty-nine percent of firms in the Washington suburbs had a positive view of Maryland's business climate, a drop from 60 percent in the fourth quarter of 2017.
- **Workforce Shortage Remains a Challenge:** In the past year, 56 percent of business surveyed reported that their companies had experienced difficulties in obtaining workers with the skills necessary to fill specific job requirements, largely tracking with the fourth quarter of 2017 (55 percent).
- **Businesses Remain Bullish Despite Sales Slip:** Statewide, 60 percent of firms surveyed expected to see an increase in their sales in the coming year, while 6 percent expected their revenues to decline. The optimism comes despite a dip in sales growth in the second quarter. Forty-one percent of firms reported an increase in sales compared with the previous year, while 54 percent reported sales growth in the fourth quarter of 2017.
- **Business-Friendly Perceptions Remains Steady:** Statewide, forty-six percent of businesses rated Maryland's overall business climate as either pro-business or business friendly, consistent with

the fourth quarter of 2017 (47 percent). Thirty-four percent rated Maryland's overall business climate as neutral, and 17 percent rated Maryland's overall business climate as either unfriendly or anti-business.

■ **Businesses Say Tax Rates Hurt Operations:** Fully 59 percent of businesses surveyed report that taxes had at least some negative impact on their operations, a slight decrease from the fourth quarter 2017 (60 percent).

“The task before policymakers is clear,” said Christopher B. Summers, president and chief executive officer of the Maryland Public Policy Institute. “Reduce the tax burden on job creators to unleash growth in all regions of the state, especially urban areas that continue to lose the businesses and employees that help drive prosperity.”

This is the second quarterly survey of sentiment toward the State's economy and business perceptions on Maryland as a place to do business.

Read the full survey findings and methodology at [www.mdbusinessclimate.org](http://www.mdbusinessclimate.org).

**About the Maryland Public Policy Institute:** Founded in 2001, the Maryland Public Policy Institute is a nonpartisan public policy research and education organization that focuses on state policy issues. The Institute's mission is to formulate and promote public policies at all levels of government based on principles of free enterprise, limited government, and civil society. Learn more at [www.mdpolicy.org](http://www.mdpolicy.org).

**About the University of Baltimore's Jacob France Institute:** The Jacob France Institute serves as a leading source of high quality statistical information and research covering the interaction of business, worker, education, social service, community development, and government investment decisions.

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