

Maryland Business Climate Survey 2019



Annual Report

A Project By



The Maryland Public Policy Institute

Media Partner



The
Jacob *france* Institute



Contents

Executive Summary	ii
Business Performance and Expectations.....	2
<i>Current Performance</i>	2
<i>Future Performance</i>	2
Maryland's Overall Business Climate	8
Maryland's Business Environment.....	14
<i>Taxes</i>	16
<i>Regulations</i>	17
<i>Labor Market</i>	18
<i>Infrastructure</i>	19
<i>Quality of Life</i>	20
Maryland's Labor Market and Labor Force.....	21
<i>Labor Market Conditions</i>	21
<i>Worker Shortages</i>	21
<i>Maryland Educational Institutions</i>	26
Firm Demographics	28
<i>Ownership, Industry, and Firm Size</i>	28
<i>Markets Served</i>	28
Appendix A - Description of Businesses Surveyed.....	31
Appendix B - Maryland Business Climate Survey Methodology.....	31

Introduction and Executive Summary

In 2018, the Maryland Public Policy Institute and the University of Baltimore's Jacob France Institute partnered to restart the Maryland Business Climate Survey. The survey collects information from businesses in leading sectors of the state's economy, regarding the overall direction of Maryland's economy and perceptions of the state's business climate.

The survey was first initiated by the Jacob France Institute in 1995 and ran through 2006, and was also conducted in 2011 and 2012. The goal of the survey is to provide timely data on the performance and direction of the state's economy. This survey uses the same questions, survey population, and methodology and is comparable to past versions of the survey. It thereby provides a rich source of historical data on the performance of the state's economy and perceptions of Maryland as a place to do business.

This is the second annual report on the results of the survey. Key findings include:

Business Performance and Expectations

- Maryland businesses reported strong revenue and employment growth over the past year. Forty-seven percent of firms reported revenue growth over the past year and 31% reported adding jobs while 15% reported declines in revenue and 7% reported declines in employment over the past year.
- Results in 2019 slightly lagged behind 2018, when 51% of firms reported revenue growth over the past year and 37% reported adding jobs.
- In 2019, Maryland businesses remained optimistic about the future and reported that they expect their market, revenues, and employment to grow in the coming year. Fifty-nine percent of responding firms expected the market they serve to expand in the coming year, 64% expected their revenues to grow, and 44% expected to add jobs.
- While Maryland businesses remained optimistic in 2019, these results fell slightly from 2018 when 67% of the responding firms reported that they expected the market they serve to expand in the coming year, 69% expected their revenues to grow, and 52% expected to add jobs.

Maryland's Overall Business Climate

- Overall, firms had a positive view of Maryland's business climate, with 48% reporting that Maryland's business environment is pro-business or business-friendly and only 18% responding that Maryland is either unfriendly to business or anti-business, down slightly from 2018 when 51% of firms reported a positive view of Maryland's business climate and 16% reported a negative view.
- When asked to name the most important advantage of doing business in Maryland, 60% of firms reported Maryland's location as its most important advantage, 7% cited Maryland's business environment as its greatest advantage, and 7% of firms cited Maryland's strong local market as its greatest advantage.
- When asked to identify the most important disadvantage of doing business in the state, 43% of responding firms named taxes, 15% cited Maryland's business environment, and 11% stated that regulations are the most important disadvantage to doing business in Maryland.
- When asked what steps can be taken to improve Maryland's business climate, 40% of firms cited reducing or reforming taxes as the single most important step, 13% of firms said improving or lessening regulations, and 13% reported expanding economic development efforts as the most important step.

Maryland's Business Environment

- Sixty-five percent of Maryland businesses reported being negatively impacted by Maryland's taxes and 24% reported being negatively impacted by state regulations.
- Overall, Maryland businesses have a less-favorable view of Maryland's tax and regulatory climate than its infrastructure and labor market assets. Firms were first asked to rate Maryland's competitiveness in taxes, regulations, infrastructure, and labor markets to neighboring states. The results are as follows:
- More Maryland businesses have a negative view of the state's tax climate, with 41% of responding firms viewing Maryland's tax climate as somewhat or very uncompetitive and only 34% viewing it as competitive.
- Maryland businesses are split on their view of the state's regulatory climate, with 30% viewing it as competitive and 30% viewing it as uncompetitive.
- Firms have a more strongly positive view of Maryland's infrastructure assets, with 45% viewing it as competitive and only 17% as uncompetitive, and labor market assets, with 45% viewing it as competitive and only 17% as uncompetitive.
- Maryland businesses have a favorable view of the state's quality of life, with 48% of firms viewing quality of life as a strong competitive asset or a competitive asset and only 6% reporting a negative view of the state's quality of life. Maryland's chief quality of life assets are its location, environment/weather, and education system, and the key identified quality of life disadvantages were cost of living, crime, and congestion.

Labor Markets

- Maryland businesses reported difficulties in finding the workers needed to support operations, with 48% of businesses reporting experiencing difficulties in obtaining workers with the skills necessary to fill specific job requirements (down from 56% in 2018), and 78% experiencing either long-term shortages or both long- and short-term shortages.
- Maryland businesses are experiencing workforce shortages across all skills and education levels:
 - At the lower skill level, 12% reported difficulties in finding unskilled workers or laborers
 - At the middle skill level, 19% of firms reported difficulties in finding manufacturing or skilled workers and 8% reported difficulty finding commercial drivers and warehouse workers
 - At the higher skill level, 12% reported difficulties in finding engineers or scientists and 7% reported difficulties in finding computer programmers or analysts.
- Maryland businesses have a positive view of the state's educational institutions, especially of four-year colleges and universities, and graduate and professional schools. Maryland businesses ranked them as good or excellent by 84% and 83% respectively.

Overall, Maryland firms were optimistic about the direction of the state's economy and had a positive and improved view of the state's competitiveness. Taxes stood out as a competitive disadvantage, and worker shortages were identified as a critical barrier to continued economic growth.

Business Performance and Expectations

In order to assess the current and expected near term performance of the Maryland economy, businesses were surveyed on their performance over the past year, and expected performance over the coming year in terms of revenues, employment, and the markets they serve. Businesses were asked whether their market, revenues, and employment had expanded or contracted over the past year and whether they expect each to grow or contract in the coming year. Because of the time sensitivity of the survey findings, data are presented on a quarterly basis.

Current Performance

Maryland businesses reported continued strong revenue and employment growth over the past year. Forty-seven percent of responding firms reported revenue growth over the past year and 31% reported adding jobs, while 15% reported declines in revenue and 7% reported declines in employment over the past year.

- While Maryland firms reported continued strong revenue and employment growth in 2019, results modestly lagged behind 2018, with 51% of firms reporting revenue growth and 37% reporting adding jobs in 2018.
- Firms in the Eastern Shore and Western Maryland (Other Maryland) counties reported the strongest growth in revenues and employment, with 53% reporting revenue growth and 33% reporting employment growth.
- Firms in the fourth quarter reported the strongest revenue growth with 52% of firms reporting revenue growth up from 43% in the first quarter. The percentage of firms reporting employment growth fluctuated throughout the year, starting at 32% in the first quarter and ending the year at 29% in the fourth quarter.

Future Performance

Maryland firms surveyed in 2019 remained optimistic about the future and reported that they expect their market, revenues, and employment to grow in the coming year; however, expectations for future growth lagged behind the results of the 2018 survey. Fifty-nine percent of responding firms expected the market they serve to expand in the coming year, 64% expected their revenues to grow, and 44% expected to add jobs.

- Overall, firms in the Washington suburbs were the most optimistic, with 62% of suburban Washington area firms reporting that they expected the market they serve to expand in the coming year, 67% expected their revenues to grow, and 48% expected to add jobs.

Expectations for the coming year remained generally stable over the year, but lagged behind 2018 results. In 2019, 59% of firms expect the market they serve to expand in the coming year, down from 67% in 2018; 64% reported that they expected their revenues to grow, down from 69% in 2018; and 44% expected to add jobs, down from 52% in 2018. While expectations for future growth fell in 2019, firms remained optimistic for future growth, with more than half expecting market, revenue, and employment growth and less than 10% of firms expecting declines.

Table 1 Compared to last year, how have your company's sales expanded or contracted? (Q10)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	29	3%	5	5%	12	3%	10	3%	2	2%
Total Classifiable Responses	981		97		416		350		118	
Greatly expanded	91	9%	10	10%	41	10%	25	7%	15	13%
Slightly expanded	372	38%	35	36%	150	36%	140	40%	47	40%
Stayed about the same	375	38%	38	39%	168	40%	122	35%	47	40%
Slightly contracted	129	13%	11	11%	56	13%	54	15%	8	7%
Greatly contracted	14	1%	3	3%	1	0%	9	3%	1	1%
4th Quarter, 2019										
Total Responses	256		34		112		80		30	
Don't Know - No Answer	6	2%	1	3%	3	3%	2	3%	0	0%
Total Classifiable Responses	250		33		109		78		30	
Greatly expanded	26	10%	4	12%	15	14%	4	5%	3	10%
Slightly expanded	104	42%	13	39%	39	36%	38	49%	14	47%
Stayed about the same	80	32%	11	33%	38	35%	19	24%	12	40%
Slightly contracted	36	14%	4	12%	17	16%	14	18%	1	3%
Greatly contracted	4	2%	1	3%	0	0%	3	4%	0	0%
3rd Quarter, 2019										
Total Responses	250		20		104		93		33	
Don't Know - No Answer	7	3%	1	5%	1	1%	3	3%	2	6%
Total Classifiable Responses	243		19		103		90		31	
Greatly expanded	28	12%	4	21%	9	9%	11	12%	4	13%
Slightly expanded	90	37%	7	37%	37	36%	34	38%	12	39%
Stayed about the same	91	37%	6	32%	45	44%	28	31%	12	39%
Slightly contracted	32	13%	1	5%	12	12%	16	18%	3	10%
Greatly contracted	2	1%	1	5%	0	0%	1	1%	0	0%
2nd Quarter, 2019										
Total Responses	250		20		103		102		25	
Don't Know - No Answer	7	3%	1	5%	4	4%	2	2%	0	0%
Total Classifiable Responses	243		19		99		100		25	
Greatly expanded	18	7%	1	5%	8	8%	5	5%	4	16%
Slightly expanded	92	38%	7	37%	37	37%	41	41%	7	28%
Stayed about the same	92	38%	8	42%	39	39%	35	35%	10	40%
Slightly contracted	35	14%	2	11%	14	14%	16	16%	3	12%
Greatly contracted	6	2%	1	5%	1	1%	3	3%	1	4%
1st Quarter, 2019										
Total Responses	254		28		109		85		32	
Don't know/no answer	9	4%	2	7%	4	4%	3	4%	0	0%
Total Classifiable Responses	245		26		105		82		32	
Greatly expanded	19	8%	1	4%	9	9%	5	6%	4	13%
Slightly expanded	86	35%	8	31%	37	35%	27	33%	14	44%
Stayed about the same	112	46%	13	50%	46	44%	40	49%	13	41%
Slightly contracted	26	11%	4	15%	13	12%	8	10%	1	3%
Greatly contracted	2	1%	0	0%	0	0%	2	2%	0	0%

Source: The Jacob France Institute

Table 2 Compared to last year, how has your company's employment expanded or contracted? (Q11)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	17	2%	3	3%	8	2%	6	2%	0	0%
Total Classifiable Responses	993		99		420		354		120	
Greatly expanded		47	5%	6	6%	20	5%	15	4%	6 5%
Slightly expanded	260	26%	27	27%	112	27%	87	25%	34	28%
Stayed about the same	612	62%	63	64%	255	61%	216	61%	78	65%
Slightly contracted	64	6%	1	1%	30	7%	31	9%	2	2%
Greatly contracted	10	1%	2	2%	3	1%	5	1%	0	0%
4th Quarter, 2019										
Total Responses	256		34		112		80		30	
Don't Know - No Answer	5	2%	2	6%	1	1%	2	3%	0	0%
Total Classifiable Responses	251		32		111		78		30	
Greatly expanded	11	4%	2	6%	5	5%	2	3%	2	7%
Slightly expanded	61	24%	9	28%	29	26%	17	22%	6	20%
Stayed about the same	160	64%	21	66%	68	61%	49	63%	22	73%
Slightly contracted	15	6%	0	0%	8	7%	7	9%	0	0%
Greatly contracted	4	2%	0	0%	1	1%	3	4%	0	0%
3rd Quarter, 2019										
Total Responses	250		20		104		93		33	
Don't Know - No Answer	3	1%	0	0%	1	1%	2	2%	0	0%
Total Classifiable Responses	247		20		103		91		33	
Greatly expanded	13	5%	1	5%	4	4%	8	9%	0	0%
Slightly expanded	71	29%	6	30%	31	30%	22	24%	12	36%
Stayed about the same	146	59%	12	60%	61	59%	53	58%	20	61%
Slightly contracted	16	6%	0	0%	7	7%	8	9%	1	3%
Greatly contracted	1	0%	1	5%	0	0%	0	0%	0	0%
2nd Quarter, 2019										
Total Responses	250		20		103		102		25	
Don't know/no answer	3	1%	0	0%	2	2%	1	1%	0	0%
Total Classifiable Responses	247		20		101		101		25	
Greatly expanded	10	4%	1	5%	6	6%	1	1%	2	8%
Slightly expanded	62	25%	7	35%	22	22%	27	27%	6	24%
Stayed about the same	153	62%	11	55%	64	63%	62	61%	16	64%
Slightly contracted	18	7%	0	0%	7	7%	10	10%	1	4%
Greatly contracted	4	2%	1	5%	2	2%	1	1%	0	0%
1st Quarter, 2019										
Total Responses	254		28		109		85		32	
Don't know/no answer	6	2%	1	4%	4	4%	1	1%	0	0%
Total Classifiable Responses	248		27		105		84		32	
Greatly expanded	13	5%	2	7%	5	5%	4	5%	2	6%
Slightly expanded	66	27%	5	19%	30	29%	21	25%	10	31%
Stayed about the same	153	62%	19	70%	62	59%	52	62%	20	63%
Slightly contracted	15	6%	1	4%	8	8%	6	7%	0	0%
Greatly contracted	1	0%	0	0%	0	0%	1	1%	0	0%

Source: The Jacob France Institute

Table 3 Do you expect the market for your product or service to expand or contract next year? (Q12)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	30	3%	6	6%	11	3%	10	3%	3	3%
Total Classifiable Responses	980		96		417		350		117	
Greatly expand	125	13%	8	8%	51	12%	51	15%	15	13%
Slightly expand	449	46%	43	45%	189	45%	167	48%	50	43%
Stay about the same	331	34%	37	39%	145	35%	107	31%	42	36%
Slightly contract	66	7%	6	6%	28	7%	22	6%	10	9%
Greatly contract	9	1%	2	2%	4	1%	3	1%		
4th Quarter, 2019										
Total Responses	256		34		112		80		30	
Don't know/no answer	9	4%	3	9%	4	4%	2	3%	0	0%
Total Classifiable Responses	247		31		108		78		30	
Greatly expand	33	13%	2	6%	19	18%	8	10%	4	13%
Slightly expand	112	45%	19	61%	47	44%	33	42%	13	43%
Stay about the same	83	34%	7	23%	36	33%	30	38%	10	33%
Slightly contract	17	7%	3	10%	6	6%	5	6%	3	10%
Greatly contract	2	1%	0	0%	0	0%	2	3%	0	0%
3rd Quarter, 2019										
Total Responses	250		20		104		93		33	
Don't know/no answer	7	3%	1	5%	0	0%	4	4%	2	6%
Total Classifiable Responses	243		19		104		89		31	
Greatly expand	30	12%	2	11%	8	8%	17	19%	3	10%
Slightly expand	104	43%	10	53%	47	45%	34	38%	13	42%
Stay about the same	87	36%	6	32%	41	39%	27	30%	13	42%
Slightly contract	20	8%	0	0%	7	7%	11	12%	2	6%
Greatly contract	2	1%	1	5%	1	1%	0	0%	0	0%
2nd Quarter, 2019										
Total Responses	250		20		103		102		25	
Don't know/no answer	8	3%	2	10%	4	4%	2	2%	0	0%
Total Classifiable Responses	242		18		99		100		25	
Greatly expand	33	14%	0	0%	13	13%	17	17%	3	12%
Slightly expand	124	51%	7	39%	50	51%	56	56%	11	44%
Stay about the same	67	28%	10	56%	28	28%	22	22%	7	28%
Slightly contract	16	7%	1	6%	7	7%	4	4%	4	16%
Greatly contract	2	1%	0	0%	1	1%	1	1%	0	0%
1st Quarter, 2019										
Total Responses	254		28		109		85		32	
Don't know/no answer	6	2%	0	0%	3	3%	2	2%	1	3%
Total Classifiable Responses	248		28		106		83		31	
Greatly expand	29	12%	4	14%	11	10%	9	11%	5	16%
Slightly expand	109	44%	7	25%	45	42%	44	53%	13	42%
Stay about the same	94	38%	14	50%	40	38%	28	34%	12	39%
Slightly contract	13	5%	2	7%	8	8%	2	2%	1	3%
Greatly contract	3	1%	1	4%	2	2%	0	0%	0	0%

Source: The Jacob France Institute

Table 4 How do you see your company's revenues changing in the next year? (Q13)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	26	3%	5	5%	9	2%	9	3%	3	3%
Total Classifiable Responses	984		97		419		351		117	
Greatly expand	118	12%	9	9%	48	11%	50	14%	11	9%
Slightly expand	514	52%	53	55%	217	52%	184	52%	60	51%
Stay about the same	304	31%	31	32%	131	31%	103	29%	39	33%
Slightly contract	46	5%	4	4%	22	5%	13	4%	7	6%
Greatly contract	2	0%	0	0%	1	0%	1	0%		
4th Quarter, 2019										
Total Responses	256		34		112		80		30	
Don't know/no answer	7	3%	1	3%	3	3%	3	4%	0	0%
Total Classifiable Responses	249		33		109		77		30	
Greatly expand	28	11%	1	3%	18	17%	7	9%	2	7%
Slightly expand	135	54%	21	64%	54	50%	44	57%	16	53%
Stay about the same	77	31%	9	27%	34	31%	22	29%	12	40%
Slightly contract	8	3%	2	6%	3	3%	3	4%	0	0%
Greatly contract	1	0%	0	0%	0	0%	1	1%	0	0%
3rd Quarter, 2019										
Total Responses	250		20		104		93		33	
Don't know/no answer	9	4%	2	10%	1	1%	4	4%	2	6%
Total Classifiable Responses	241		18		103		89		31	
Greatly expand	31	13%	3	17%	9	9%	17	19%	2	6%
Slightly expand	123	51%	8	44%	58	56%	42	47%	15	48%
Stay about the same	76	32%	7	39%	31	30%	26	29%	12	39%
Slightly contract	11	5%	0	0%	5	5%	4	4%	2	6%
Greatly contract	0	0%	0	0%	0	0%	0	0%	0	0%
2nd Quarter, 2019										
Total Responses	250		20		103		102		25	
Don't know/no answer	7	3%	1	5%	4	4%	2	2%	0	0%
Total Classifiable Responses	243		19		99		100		25	
Greatly expand	28	12%	1	5%	10	10%	14	14%	3	12%
Slightly expand	129	53%	9	47%	55	56%	53	53%	12	48%
Stay about the same	75	31%	9	47%	28	28%	31	31%	7	28%
Slightly contract	11	5%	0	0%	6	6%	2	2%	3	12%
Greatly contract	0	0%	0	0%	0	0%	0	0%	0	0%
1st Quarter, 2019										
Total Responses	254		28		109		85		32	
Don't know/no answer	3	1%	1	4%	1	1%	0	0%	1	3%
Total Classifiable Responses	251		27		108		85		31	
Greatly expand	31	12%	4	15%	11	10%	12	14%	4	13%
Slightly expand	127	51%	15	56%	50	46%	45	53%	17	55%
Stay about the same	76	30%	6	22%	38	35%	24	28%	8	26%
Slightly contract	16	6%	2	7%	8	7%	4	5%	2	6%
Greatly contract	1	0%	0	0%	1	1%	0	0%	0	0%

Source: The Jacob France Institute

Table 5 How do You See your Company's Employment Changing in the Next Year? (Q14)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	20	2%	4	4%	9	2%	5	1%	2	2%
Total Classifiable Responses	990		98		419		355		118	
Greatly expand	60	6%	4	4%	18	4%	32	9%	6	5%
Slightly expand	378	38%	36	37%	155	37%	137	39%	50	42%
Stay about the same	516	52%	54	55%	235	56%	170	48%	57	48%
Slightly contract	35	4%	3	3%	11	3%	16	5%	5	4%
Greatly contract	1	0%	1	1%	0	0%	0	0%	0	0%
4th Quarter, 2019										
Total Responses	256		34		112		80		30	
Don't know/no answer	5	2%	1	3%	2	2%	2	3%	0	0%
Total Classifiable Responses	251		33		110		78		30	
Greatly expand	8	3%	1	3%	3	3%	2	3%	2	7%
Slightly expand	90	36%	11	33%	37	34%	31	40%	11	37%
Stay about the same	143	57%	19	58%	68	62%	40	51%	16	53%
Slightly contract	10	4%	2	6%	2	2%	5	6%	1	3%
Greatly contract	0	0%	0	0%	0	0%	0	0%	0	0%
3rd Quarter, 2019										
Total Responses	250		20		104		93		33	
Don't know/no answer	7	3%	1	5%	3	3%	2	2%	1	3%
Total Classifiable Responses	243		19		101		91		32	
Greatly expand	18	7%	2	11%	4	4%	12	13%	0	0%
Slightly expand	90	37%	7	37%	41	41%	29	32%	13	41%
Stay about the same	124	51%	10	53%	53	52%	45	49%	16	50%
Slightly contract	11	5%	0	0%	3	3%	5	5%	3	9%
Greatly contract	0	0%	0	0%	0	0%	0	0%	0	0%
2nd Quarter, 2019										
Total Responses	250		20		103		102		25	
Don't know/no answer	5	2%	1	5%	3	3%	1	1%	0	0%
Total Classifiable Responses	245		19		100		101		25	
Greatly expand	20	8%	0	0%	8	8%	10	10%	2	8%
Slightly expand	98	40%	9	47%	38	38%	40	40%	11	44%
Stay about the same	119	49%	9	47%	52	52%	47	47%	11	44%
Slightly contract	7	3%	0	0%	2	2%	4	4%	1	4%
Greatly contract	1	0%	1	5%	0	0%	0	0%	0	0%
1st Quarter, 2019										
Total Responses	254		28		109		85		32	
Don't know/no answer	3	1%	1	4%	1	1%	0	0%	1	3%
Total Classifiable Responses	251		27		108		85		31	
Greatly expand	14	6%	1	4%	3	3%	8	9%	2	6%
Slightly expand	100	40%	9	33%	39	36%	37	44%	15	48%
Stay about the same	130	52%	16	59%	62	57%	38	45%	14	45%
Slightly contract	7	3%	1	4%	4	4%	2	2%	0	0%
Greatly contract	0	0%	0	0%	0	0%	0	0%	0	0%

Source: The Jacob France Institute

Maryland's Overall Business Climate

Companies were surveyed on their perception of the overall business climate in Maryland, the advantages and disadvantages associated with doing business in Maryland, the steps that they believe are necessary to improve the state's business climate, and their likelihood of remaining in Maryland.

Maryland's Business Climate

Companies were asked to rate Maryland's business climate as pro-business, business-friendly, neutral, unfriendly, or anti-business.

- Overall, firms had a positive view of Maryland's business climate, with 48% reporting that the state's business environment is pro-business or business-friendly and only 18% responding that Maryland is either unfriendly to business or anti-business.
- In 2018, 51% of responding firms reported that Maryland's business environment is pro-business or business-friendly and 16% reported that Maryland was either unfriendly to business or anti-business.
- The 2018 and 2019 results represent a significant improvement over 2011, when only 30% reported that Maryland is either pro-business or business-friendly and 35% saying the state is either unfriendly to business or anti-business.
- Firms outside of the I-95 corridor (Other Maryland) have the least positive view of Maryland's business climate, with 39% rating it pro-business or business-friendly and 32% unfriendly to business or anti-business, and firms in the Washington suburbs have the most positive view, at 53% and 12% respectively.

Advantages to Doing Business in Maryland

Companies were asked to name the most important advantage of doing business in Maryland.

- Sixty percent of firms reported Maryland's location as its most important advantage. In particular, Maryland's proximity to the federal government and overall customer/supplier base was seen as the greatest advantage to doing business in the state.
- Seven percent of firms cited Maryland's business environment as its greatest advantage.
- Seven percent of firms cited Maryland's strong local market as its greatest advantage.

Disadvantages to Doing Business in Maryland

Companies were also asked to identify the most important disadvantage to doing business in the state.

- Forty-three percent of responding firms reported taxes to be the greatest disadvantage to doing business in Maryland. This is up slightly from 39% in 2018.
- Fifteen percent of businesses cited Maryland's business environment—which included costs associated with doing business, the business climate, government attitudes towards business, and government agency inefficiency—as the most important disadvantage to doing business in Maryland.
- Eleven percent of firms stated that regulations are the most important disadvantage to doing business in Maryland.

Steps to Improve Maryland's Business Climate

Companies were asked to provide the single most important step that can be taken to improve Maryland's business climate, going forward.

- Forty percent of firms cited reducing or reforming taxes as the single most important step that can be taken to improve the state's business climate.
- Thirteen percent of firms stated that reducing or reforming regulations is the most important step to improve the business climate.
- Thirteen percent of firms reported that expanding or investing in economic development efforts, such as assisting/promoting small business and expanding business incentives, as the most important step to improve Maryland's business climate.

Business Retention

In an effort to assess the threats of firm's risk of relocating out of state, firms were asked if they planned on remaining in Maryland or if they were planning on leaving, where they would relocate to and why.

- Ninety-seven percent of firms responded that they would be remaining in Maryland (very likely or just likely), and 3% of firms (26 businesses) reported that it is unlikely or very unlikely they will remain in Maryland.
- Of the 26 of firms that responded that they may be relocating, 21 firms identified the state they are considering moving to, with five considering moving to North Carolina, four to Virginia, three to Florida, and two each Delaware and Texas.
- When asked why they would be relocating, seven firms cited business climate factors, five cited taxes, two responded business conditions, and one firm cited cost of living or business opportunities as the reason. Three firms are moving because they were acquired by or merged with an out-of-state firm.

Table 6 How would you rate Maryland's overall business climate? (Q17)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	32	3%	4	4%	13	3%	14	4%	1	1%
Total Classifiable Responses	978		98		415		346		119	
Pro-business	151	15%	10	10%	66	16%	58	17%	17	14%
Business-friendly	319	33%	32	33%	132	32%	126	36%	29	24%
Neutral	333	34%	31	32%	148	36%	119	34%	35	29%
Unfriendly to business	143	15%	21	21%	58	14%	35	10%	29	24%
Anti-business	32	3%	4	4%	11	3%	8	2%	9	8%
4th Quarter, 2019										
Total Responses	256		34		112		80		30	
Don't know/no answer	9	4%	1	3%	3	3%	5	6%	0	0%
Total Classifiable Responses	247		33		109		75		30	
Pro-business	43	17%	5	15%	20	18%	12	16%	6	20%
Business-friendly	77	31%	9	27%	31	28%	31	41%	6	20%
Neutral	85	34%	11	33%	42	39%	24	32%	8	27%
Unfriendly to business	31	13%	6	18%	12	11%	6	8%	7	23%
Anti-business	11	4%	2	6%	4	4%	2	3%	3	10%
3rd Quarter, 2019										
Total Responses	250		20		104		93		33	
Don't know/no answer	5	2%	1	5%	3	3%	1	1%	0	0%
Total Classifiable Responses	245		19		101		92		33	
Pro-business	42	17%	1	5%	15	15%	20	22%	6	18%
Business-friendly	80	33%	7	37%	35	35%	28	30%	10	30%
Neutral	80	33%	7	37%	33	33%	33	36%	7	21%
Unfriendly to business	35	14%	4	21%	16	16%	7	8%	8	24%
Anti-business	8	3%	0	0%	2	2%	4	4%	2	6%
2nd Quarter, 2019										
Total Responses	250		20		103		102		25	
Don't know/no answer	9	4%	1	5%	5	5%	3	3%	0	0%
Total Classifiable Responses	241		19		98		99		25	
Pro-business	28	12%	1	5%	11	11%	14	14%	2	8%
Business-friendly	87	36%	5	26%	39	40%	39	39%	4	16%
Neutral	83	34%	4	21%	33	34%	34	34%	12	48%
Unfriendly to business	37	15%	7	37%	14	14%	11	11%	5	20%
Anti-business	6	2%	2	11%	1	1%	1	1%	2	8%
1st Quarter, 2019										
Total Responses	254		28		109		85		32	
Don't know/no answer	9	4%	1	4%	2	2%	5	6%	1	3%
Total Classifiable Responses	245		27		107		80		31	
Pro-business	38	16%	3	11%	20	19%	12	15%	3	10%
Business-friendly	75	31%	11	41%	27	25%	28	35%	9	29%
Neutral	85	35%	9	33%	40	37%	28	35%	8	26%
Unfriendly to business	40	16%	4	15%	16	15%	11	14%	9	29%
Anti-business	7	3%	0	0%	4	4%	1	1%	2	6%

Source: The Jacob France Institute

Table 7 What would you say is the single most important advantage of doing business in Maryland? (Q15)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	72	7%	5	5%	40	9%	21	6%	6	5%
No advantage	129	13%	15	15%	49	11%	41	11%	24	20%
Total Classifiable Responses	809		82		339		298		90	
Location	485	60%	51	62%	210	62%	174	58%	50	56%
Near federal government	44	5%	5	6%	18	5%	21	7%	0	0%
Transportation/infrastructure	17	2%	4	5%	9	3%	3	1%	1	1%
Near markets/clients/suppliers/raw materials	28	3%	4	5%	12	4%	11	4%	1	1%
General/other location	396	49%	38	46%	171	50%	139	47%	48	53%
Business environment	60	7%	7	9%	18	5%	27	9%	8	9%
Labor market	22	3%	0	0%	7	2%	11	4%	4	4%
Quality of life	13	2%	2	2%	6	2%	2	1%	3	3%
Strong local market	57	7%	6	7%	32	9%	16	5%	3	3%
Always been here/live here	121	15%	10	12%	45	13%	48	16%	18	20%
General/other	51	6%	6	7%	21	6%	20	7%	4	4%

Source: The Jacob France Institute

Table 8 What would you say is the single most important disadvantage of doing business in Maryland? (Q16)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	112	11%	10	10%	53	12%	38	11%	11	9%
No disadvantage	236	23%	24	24%	93	22%	100	28%	19	16%
Total Classifiable Responses	662		68		282		222		90	
Taxes and Regulations	14	2%	3	4%	4	1%	6	3%	1	1%
Regulations	71	11%	6	9%	28	10%	25	11%	12	13%
Taxes	284	43%	23	34%	125	44%	89	40%	47	52%
Labor Market	48	7%	7	10%	18	6%	18	8%	5	6%
Labor costs	13	2%	1	1%	1	0%	7	3%	4	4%
Labor quality and availability	29	4%	4	6%	16	6%	8	4%	1	1%
General/other labor	6	1%	2	3%	1	0%	3	1%	0	0%
Quality of Life	48	7%	3	4%	21	7%	21	9%	3	3%
Cost of living	10	2%	1	1%	5	2%	3	1%	1	1%
Traffic/parking	33	5%	2	3%	13	5%	17	8%	1	1%
Crime/violence	0	0%		0%		0%		0%		0%
General/other QOL	5	1%	0	0%	3	1%	1	0%	1	1%
Business Environment	98	15%	13	19%	43	15%	31	14%	11	12%
Gov't attitude towards business	42	6%	5	7%	16	6%	13	6%	8	9%
Gov't agency inefficiency/red tape	2	0%	0	0%	1	0%	1	0%	0	0%
Business climate	12	2%	3	4%	5	2%	4	2%	0	0%
Infrastructure	7	1%	2	3%	1	0%	3	1%	1	1%
Cost of doing business/ business costs	25	4%	3	4%	12	4%	9	4%	1	1%
General/other business environment	10	2%	0	0%	8	3%	1	0%	1	1%
Economy/Local Market (Competition)	29	4%	6	9%	11	4%	12	5%	0	0%
General/ Other	70	11%	7	10%	32	11%	20	9%	11	12%

Source: The Jacob France Institute

Table 9 What would you say is the single most important step that could be taken to improve Maryland's business climate? (Q18)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	128	13%	9	9%	63	15%	49	14%	7	6%
None	76	8%	8	8%	30	7%	30	8%	8	7%
Total Classifiable Responses	806		85		335		281		105	
Reduce/reform regulations	105	13%	8	9%	38	11%	37	13%	22	21%
Reduce/reform taxes	324	40%	29	34%	152	45%	94	33%	49	47%
Invest in infrastructure	27	3%	3	4%	8	2%	13	5%	3	3%
Decrease crime	4	0%	2	2%	2	1%	0	0%	0	
Better gov't/state attitude toward business	72	9%	11	13%	28	8%	25	9%	8	8%
Invest in/expand economic development	102	13%	6	7%	39	12%	48	17%	9	9%
Invest in/expand workforce development	17	2%	3	4%	3	1%	9	3%	2	2%
Reduce business costs	14	2%	1	1%	9	3%	4	1%	0	0%
Address labor issues/availability/cost	33	4%	7	8%	13	4%	11	4%	2	
General/other	108	13%	15	18%	43	13%	40	14%	10	10%

Source: The Jacob France Institute

Table 10a Looking ahead, how likely do you think it is that your business will remain in Maryland? (Q39)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	10	1%	1	1%	6	1%	3	1%	0	0%
Total Classifiable Responses	1,000		101		422		357		120	
Very likely	886	89%	89	88%	376	89%	317	89%	104	87%
Just likely	88	9%	9	9%	35	8%	30	8%	14	12%
Unlikely	21	2%	3	3%	8	2%	8	2%	2	2%
Very unlikely	5	1%	0	0%	3	1%	2	1%	0	0%

Source: The Jacob France Institute

Table 10b Location/Reasons for Relocation

Where would your firm be most likely to relocate?				Why would you be likely to relocate there?	
State Indicated	# of Responses	State Indicated	# of Responses	Reason Indicated	# of Responses
North Carolina	5	Delaware	2	Business climate	7
Virginia	4	Texas	2	Taxes	5
Florida	3	All other (DC, GA, PA, SC, Abroad)	5	Merged/acquired	3
				Business opportunities	2
				Cost of living	1

Source: The Jacob France Institute

Maryland's Business Environment

A state's business environment is comprised of the policy and locational attributes that impact business operations. There is no uniform list of factors that make up or influence a state's business climate, but there is broad agreement that key policy issues (state tax and regulatory) and locational issues (market size, location, infrastructure, and quality of life) are the key factors considered by businesses when making a business location choice.

While firms' overall perception of Maryland's business climate is described above, the Jacob France Institute asked firms to rate Maryland's competitiveness in five key areas that impact a state's business climate: taxes, regulations, infrastructure, labor markets, and quality of life.

Overall, Maryland businesses have a less-favorable view of Maryland's tax and regulatory climate than its infrastructure and labor market assets. Firms were first asked to rate Maryland's competitiveness in taxes, regulations, infrastructure, and labor markets to neighboring states. The result are as follows:

- More Maryland businesses have a negative view of Maryland's tax climate than a positive view, with 41% of responding firms viewing Maryland's tax climate as somewhat or very uncompetitive and only 34% viewing it as somewhat or very competitive.
- Maryland businesses are split on their view of Maryland's regulatory climate, with 30% viewing it as competitive and 30% viewing it as uncompetitive compared to neighboring states.
- Firms have a more strongly positive view of Maryland's infrastructure assets, with 45% viewing it as competitive and only 17% as uncompetitive, and labor market assets, with 45% viewing it as competitive and only 16% as uncompetitive.
- Perceptions of Maryland's tax and regulatory climate have improved since 2011, with:
 - Perceptions of Maryland's tax climate improving from 28% competitive and 50% noncompetitive in 2011 to 34% competitive and 41% uncompetitive in 2019
 - Perceptions of Maryland's regulatory climate improving from 28% competitive and 38% noncompetitive in 2011 to 30% competitive and 30% uncompetitive in 2019
- Perceptions of Maryland's infrastructure and labor market competitiveness worsened slightly since 2011

Firms were asked more detailed questions on taxes, regulations, labor force, infrastructure, and quality of life issues and their impact on Maryland's business environment.

Table 11 How would you compare Maryland business taxes to neighboring states? (Q33-1)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	354	35%	34	33%	166	39%	121	34%	33	28%
Total Classifiable Responses	656		68		262		239		87	
Very competitive	53	8%	2	3%	24	9%	21	9%	6	7%
Somewhat competitive	169	26%	9	13%	74	28%	76	32%	10	11%
About the same	166	25%	22	32%	61	23%	71	30%	12	14%
Un-competitive	228	35%	33	49%	88	34%	61	26%	46	53%
Very un-competitive	40	6%	2	3%	15	6%	10	4%	13	15%

Source: The Jacob France Institute

Table 12 How would you compare Maryland's overall regulations to neighboring states? (Q33-2)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	347	34%	33	32%	160	37%	121	34%	33	28%
Total Classifiable Responses	663		69		268		239		87	
Very competitive	56	8%	1	1%	25	9%	23	10%	7	8%
Somewhat competitive	146	22%	14	20%	59	22%	64	27%	9	10%
About the same	264	40%	38	55%	102	38%	98	41%	26	30%
Un-competitive	169	25%	12	17%	68	25%	48	20%	41	47%
Very un-competitive	28	4%	4	6%	14	5%	6	3%	4	5%

Source: The Jacob France Institute

Table 13 How would you compare Maryland Infrastructure to neighboring states? (Q33-3)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	308	30%	32	31%	141	33%	102	28%	33	28%
Total Classifiable Responses	702		70		287		258		87	
Very competitive	96	14%	10	14%	38	13%	35	14%	13	15%
Somewhat competitive	218	31%	14	20%	101	35%	70	27%	33	38%
About the same	270	38%	31	44%	103	36%	107	41%	29	33%
Un-competitive	102	15%	13	19%	40	14%	40	16%	9	10%
Very un-competitive	16	2%	2	3%	5	2%	6	2%	3	3%

Source: The Jacob France Institute

Table 14 How would you compare Maryland Labor Markets to neighboring states? (Q33-4)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	310	31%	30	29%	148	35%	104	29%	28	23%
Total Classifiable Responses	700		72		280		256		92	
Very competitive	117	17%	12	17%	46	16%	50	20%	9	10%
Somewhat competitive	201	29%	13	18%	86	31%	76	30%	26	28%
About the same	267	38%	31	43%	103	37%	95	37%	38	41%
Un-competitive	95	14%	11	15%	38	14%	32	13%	14	15%
Very un-competitive	20	3%	5	7%	7	3%	3	1%	5	5%

Source: The Jacob France Institute

Taxes

Firms were asked to rate the extent to which state or local taxes hindered their ability to meet their strategic goals. Overall, 65% of businesses reported being negatively impacted by Maryland state or local taxes, down slightly from 67% of responding

firms in 2011. When asked which taxes were most burdensome, nearly half (46%) reported taxes in general, 20% income taxes, 16% payroll taxes, and 12% property taxes.

Table 15 To what extent have state or local taxes hindered the ability of your business to meet its strategic goals? (Q30)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	68	7%	7	7%	32	7%	24	7%	5	4%
Total Classifiable Responses	942		95		396		336		115	
Not at all	330	35%	41	43%	125	32%	129	38%	35	30%
Just a little	244	26%	17	18%	115	29%	83	25%	29	25%
Moderately	273	29%	23	24%	122	31%	94	28%	34	30%
A great deal	95	10%	14	15%	34	9%	30	9%	17	15%
Which tax do you find most burdensome to your company? 804			86		343		273		102	
Income taxes	157	20%	14	16%	83	24%	47	17%	13	13%
Payroll taxes	128	16%	13	15%	51	15%	45	16%	19	19%
Sales or use taxes	50	6%	5	6%	21	6%	15	5%	9	9%
Property taxes	97	12%	16	19%	31	9%	40	15%	10	10%
Taxes in general	372	46%	38	44%	157	46%	126	46%	51	50%

Source: The Jacob France Institute

Table 16 Have regulations enacted by Maryland state government hindered the ability of your business to meet its strategic goals? (Q28)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	61	6%	7	7%	30	7%	22	6%	2	2%
Total Classifiable Responses	949		95		398		338		118	
Yes	230	24%	20	21%	95	24%	68	20%	47	40%
No	719	76%	75	79%	303	76%	270	80%	71	60%
Total Citing Regulations		224		20		92		65		47
Environmental regulations	21	9%	0	0%	5	5%	9	14%	7	15%
Labor regulations	37	17%	6	30%	13	14%	10	15%	8	17%
Health care regulations or medical coverage	18	8%	1	5%	9	10%	5	8%	3	6%
Problems with dealing with regulatory agencies	12	5%	3	15%	4	4%	5	8%	0	0%
Tax regulations	33	15%	2	10%	19	21%	8	12%	4	9%
Occupational safety (MOSH, OSHA)	2	1%	1	5%	1	1%	0	0%	0	0%
Building permits	11	5%	2	10%	2	2%	4	6%	3	6%
General or other regulations	26	12%	2	10%	10	11%	10	15%	4	9%
All regulations	64	29%	3	15%	29	32%	14	22%	18	38%

Source: The Jacob France Institute

Regulations

Firms were asked to rate the extent to which state regulations hindered their ability to meet their strategic goals. Overall, only 24% of businesses report being negatively impacted by Maryland state regulations, down from 36% of responding firms in

2011. When asked which state regulations were most burdensome, most responded regulations in general or all regulations, at 41% combined, with 17% reporting labor Regulations and 15% tax regulations.

Table 17 How would you characterize overall labor market conditions in Maryland?
Maryland Labor Market Advantages and Disadvantages (Q34-35-36)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	60	6%	5	5%	27	6%	27	8%	1	1%
Total Classifiable Responses	950		97		401		333		119	
A competitive asset for the state	310	33%	24	25%	133	33%	125	38%	28	24%
A competitive weakness for the state	256	27%	26	27%	116	29%	76	23%	38	32%
Neither an asset or weakness	384	40%	47	48%	152	38%	132	40%	53	45%
What is the most important labor market advantage in Maryland? (Q35)										
Total Classifiable Advantages	842		83		358		305		96	
Availability of skilled workers	266	32%	28	34%	108	30%	104	34%	26	27%
Education level of workers	292	35%	24	29%	132	37%	115	38%	21	22%
Wage Costs	118	14%	10	12%	49	14%	43	14%	16	17%
Labor and workplace regulations	27	3%	1	1%	15	4%	8	3%	3	3%
Productivity	65	8%	5	6%	26	7%	18	6%	16	17%
Access to workforce training	55	7%	11	13%	19	5%	15	5%	10	10%
Unions or labor management relations	19	2%	4	5%	9	3%	2	1%	4	4%
What is the most important labor market disadvantage in Maryland? (Q36)										
Total Classifiable Disadvantages	863		89		365		302		107	
Availability of skilled workers	293	34%	35	39%	117	32%	94	31%	47	44%
Education level of workers	155	18%	14	16%	66	18%	55	18%	20	19%
Wage costs	222	26%	14	16%	101	28%	87	29%	20	19%
Labor and workplace regulations	45	5%	4	4%	18	5%	19	6%	4	4%
Productivity	66	8%	6	7%	30	8%	22	7%	8	7%
Access to workforce training	49	6%	13	15%	19	5%	13	4%	4	4%
Unions or labor management relations	33	4%	3	3%	14	4%	12	4%	4	4%

Source: The Jacob France Institute

Labor Market

Firms were asked to characterize overall labor market conditions in Maryland and identify the state's labor market advantages and disadvantages. Overall, more firms viewed local labor markets as a competitive asset for the state (33%) than a weakness (27%).

When asked to identify the core labor market advantages and disadvantages in Maryland:

- The education level of workers was cited as an advantage by 35% of firms and as a disadvantage by 18%.

- The availability of skilled workers was cited as an advantage by 32% of firms and a disadvantage by 34%.
- Wage costs was cited as an advantage by 14% of firms and as a disadvantage by 26%.

Labor market issues appeared to become a key issue for Maryland businesses, with 33% of firms reporting that the state labor market is an economic development asset below 37% of firms in 2018 and 39% in 2011, and with more firms in 2019 viewing the availability of skilled workers as a disadvantage than an advantage.

Table 18 How would you rank Maryland’s transportation infrastructure in terms of its impact on your business? (Q25)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	25	2%	0	0%	10	2%	11	3%	4	3%
Total Classifiable Responses	985	100%	102	100%	418	100%	349	100%	116	100%
A strong competitive asset	83	8%	6	6%	32	8%	36	10%	9	8%
A competitive asset	151	15%	10	10%	61	15%	59	17%	21	18%
Neither an asset nor a disadvantage	521	53%	57	56%	229	55%	164	47%	71	61%
A competitive disadvantage	178	18%	22	22%	78	19%	66	19%	12	10%
A strong competitive disadvantage	52	5%	7	7%	18	4%	24	7%	3	3%
What is Maryland’s most important Transportation Infrastructure Asset? (Q25a)										
Total Classifiable Issues	210	100%	13	100%	85	100%	89	100%	23	100%
Highways	110	52%	3	23%	46	54%	39	44%	22	96%
Airports	10	5%	0	0%	6	7%	4	4%	0	0%
Ports	11	5%	3	23%	4	5%	3	3%	1	4%
Mass Transit	66	31%	6	46%	22	26%	38	43%	0	0%
Rail	1	0%	0	0%	1	1%	0	0%	0	0%
Other	12	6%	1	8%	6	7%	5	6%	0	0%
What would you say is Maryland’s most important Transportation Infrastructure Disadvantage? (Q25b)										
Total Classifiable Issues	226	100%	29	100%	93	100%	89	100%	15	100%
Highways	43	19%	2	7%	20	22%	19	21%	2	13%
Airports	1	0%	0	0%	0	0%	0	0%	1	7%
Ports	0	0%	0	0%	0	0%	0	0%	0	0%
Mass transit	74	33%	17	59%	31	33%	18	20%	8	53%
Congestion	88	39%	6	21%	34	37%	45	51%	3	20%
Conditions/construction	7	3%	0	0%	4	4%	3	3%	0	0%
Other	13	6%	4	14%	4	4%	4	4%	1	7%

Source: The Jacob France Institute

Infrastructure

Firms were asked to describe the impact of Maryland’s transportation infrastructure on their business, were split on their view of the state’s transportation infrastructure. Twenty-four percent of Maryland businesses viewed the state’s transportation infrastructure as a competitive asset and 23% viewed it as a competi-

tive disadvantage. Maryland’s highway infrastructure and mass transit system were considered the most important transportation assets by firms with a positive view of the state’s transportation infrastructure. Businesses with a negative view of Maryland’s transportation infrastructure saw congestion and lack of access to mass transit as the chief problems.

Table 19 How would you rank Maryland's quality of life in terms of its impact on your business? (Q24)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	43	4%	3	3%	18	4%	16	4%	6	5%
Total Classifiable Responses	967		99		410		344		114	
A Strong competitive asset	154	16%	12	12%	61	15%	59	17%	22	19%
A competitive asset	310	32%	21	21%	139	34%	110	32%	40	35%
Neither an asset nor a disadvantage	439	45%	60	61%	184	45%	153	44%	42	37%
A competitive disadvantage	53	5%	6	6%	22	5%	17	5%	8	7%
A strong competitive disadvantage	11	1%	0	0%	4	1%	5	1%	2	2%
What is Maryland's most important quality of life asset? (Q24a)										
Total Classifiable Issues	364	100%	25	100%	156	100%	134	100%	49	100%
Chesapeake Bay	18	5%	1	4%	9	6%	7	5%	1	2%
Demographics/population	16	4%	0	0%	3	2%	11	8%	2	4%
Education	39	11%	5	20%	16	10%	15	11%	3	6%
Location	83	23%	7	28%	31	20%	29	22%	16	33%
Culture	26	7%	1	4%	15	10%	7	5%	3	6%
Business community/economy	23	6%	1	4%	9	6%	12	9%	1	2%
Things to do	17	5%	0	0%	7	4%	5	4%	5	10%
Environment/weather	44	12%	3	12%	18	12%	15	11%	8	16%
Other	98	27%	7	28%	48	31%	33	25%	10	20%
What would you say is Maryland's most important quality of life disadvantage? (Q24b)										
Total Classifiable Issues	58	100%	4	100%	24	100%	21	100%	9	100%
Cost of living	13	22%	0	0%	7	29%	6	29%	0	0%
Taxes	2	3%	0	0%	1	4%	1	5%	0	0%
Crime	8	14%	1	25%	6	25%	0	0%	1	11%
Congestion	5	9%	0	0%	2	8%	3	14%	0	0%
Other disadvantage	30	52%	3	75%	8	33%	11	52%	8	89%

Source: The Jacob France Institute

Quality of Life

Firms were asked to rank the state's quality of life as either an asset or a disadvantage, and to identify the greatest quality of life asset and the greatest quality of life disadvantage in Maryland.

- Forty-eight percent of responding businesses rated Maryland's quality of life as either a strong competitive asset or a competitive asset.
- Among firms with a positive view of Maryland's quality of life, the most frequently cited asset was Maryland's location (23%) followed by the environment/weather (12%), and the state's education system (11%).
- Among firms with a negative view of Maryland's quality of life, the most frequently cited disadvantage was the cost of living (22%) followed by crime (14%).

Maryland's Labor Market and Labor Force

With the national economic expansion now the longest on record and Maryland's unemployment rate at 3.6%, finding the workers needed to support and grow operations has become increasingly difficult for businesses. The Jacob France Institute included more focused questions in this survey regarding how the local labor market is impacting business operations. The survey included questions on how labor market conditions are impacting business operations, worker shortages, recruitment, and satisfaction with Maryland's education system.

Labor Market Conditions

The labor market was identified as a primary concern for business. Area Development magazine's 33rd Annual Corporate Survey identified labor costs and labor availability as the top two factors businesses consider when rating a location's business climate. According to the survey,

It's no surprise that availability of skilled labor is the corporate respondents' No. 1 factor in the location decision, considered "very important" or "important" by more than 90% of the respondents. Skilled labor is necessary in order to realize the potential of robotics and artificial intelligence that is driving Industry 4.0. Labor costs are ranked No. 2 in the Corporate Survey, followed by highway accessibility, which historically has held the first or second spot, slipping to the No. 3 ranking.

If the local talent pipeline is unable to supply the number and quality of workers needed by firms, then firms suffer by either having to hire and train less-qualified candidates, settle for under-qualified candidates, or recruit their employees from outside of the state. In the long run, if the local market is unable to supply the required talent, a company may choose to relocate to a location with a stronger labor market.

With the state and nation at full employment, assessing the impact of local labor market conditions on business operations is critical to understanding Maryland's basic competitiveness. Firms were asked to characterize the overall labor market in Maryland and the greatest labor market advantage and disadvantage in Maryland. Overall, firms in Maryland are split on the impact of labor market conditions on their business operations, with 16%

reporting that labor market conditions helped their operations and 21% reporting they hurt their operations, with 63% reporting no impact. When asked to identify the most important labor market issue impacting their business, some key issues arose:

- Labor market availability (the availability of qualified candidates) was identified as the top issue by 26% of firms.
- Benefit costs (health, workers' compensation, etc.) was identified as the top issue by 25% of firms.
- Wage costs (15%), worker productivity (12%), and education levels (11%) were identified as the third, fourth, and fifth most important issues.

Worker Shortages

The key issue in assessing a state or region's labor market competitiveness is whether it can supply workers with the education and skills needed by the local employer community. To assess this, firms were surveyed on whether they had experienced difficulty in obtaining workers, if these were short-term or long-term worker shortages, in addition to the positions they experienced difficulty in filling, and if workers had to be recruited from out-of-state. The key findings are as follows:

- Overall, in 2019, 48% of businesses reported difficulties in obtaining workers with the skills necessary to fill specific job requirements, down from 56% in the 2018 survey. The share of businesses reporting difficulty in finding workers started the year at 39% in the first quarter, but increased over the next three quarters as national and state expansion continued.
- With the economic recovery, the percentage of firms reporting difficulties in finding workers increased from the 2011 survey (the last year of the survey before this restart), increasing from 38% of firms in 2011 to 56% in 2018, but decreasing to 48% in 2019.
- Maryland firms appeared to be experiencing long-term difficulties in finding the workers needed, with 37% reporting difficulties in obtaining workers experiencing long-term shortages and 41% reporting both long- and short-term shortages. Thus, 78% of firms reporting difficulties in finding workers, or

Table 20 Have labor market conditions in Maryland hindered the ability of your business to meet its goals? (Q19 -20)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	27	3%	4	4%	9	2%	13	4%	1	1%
Total Classifiable Responses	983		98		419		347		119	
Helped your business a great deal	25	3%	2	2%	8	2%	14	4%	1	1%
Helped your business somewhat	129	13%	8	8%	58	14%	53	15%	10	8%
Had no impact on your business	620	63%	64	65%	271	65%	219	63%	66	55%
Hurt your business somewhat	171	17%	22	22%	60	14%	53	15%	36	30%
Hurt your business a great deal	38	4%	2	2%	22	5%	8	2%	6	5%
What do you consider to be the most important work-force issue in your business? (Q20)										
Total Classifiable Issues	965		97		407		344		117	
Wage costs	144	15%	16	16%	57	14%	61	18%	10	9%
Benefit costs (health, workers' compensation, etc.)	242	25%	29	30%	101	25%	83	24%	29	25%
Productivity (effort/motivation)	111	12%	8	8%	51	13%	39	11%	13	11%
Availability (availability of qualified candidates)	249	26%	19	20%	117	29%	81	24%	32	27%
Labor/management relations, or (unions, col. bargaining, right to work)	33	3%	5	5%	13	3%	14	4%	1	1%
Education levels	105	11%	11	11%	34	8%	35	10%	25	21%
Other	12	1%	1	1%	5	1%	6	2%	0	0%
All of the above	69	7%	8	8%	29	7%	25	7%	7	6%

Source: The Jacob France Institute

37% of the total of 1,010 firms surveyed, were experiencing either long-term worker or both long- and short-term shortages in finding needed workers.

- When asked about what types of workers firms were experiencing difficulties in hiring, Maryland businesses are experiencing workforce shortages across all skills and education levels.
 - At the lower skill level, 12% of responding firms reported difficulties in finding unskilled workers or laborers.
 - At the middle skill level, 19% of responding firms reported difficulties in finding manufacturing or skilled workers and 8% of responding firms reporting difficulty in finding drivers and warehouse workers.

- At the higher skill level, 12% of responding firms reported difficulties in finding engineers or scientists and 7% reported difficulties in finding computer programmers or analysts.
- Compared to the 2018 survey results, the number of firms reporting difficulty finding workers fell across the high, middle, and lower skill levels, with:
 - Fewer firms reporting difficulty finding engineers or scientists (12% in 2019 compared to 18% in 2018) and computer programmers or analysts (7% in 2019 compared to 10% in 2018).
 - Fewer firms reported difficulty finding manufacturing workers, at 19% compared to 30% in 2018.
 - Fewer firms reported difficulty finding unskilled workers, at 12% compared to 21% in 2018.

Table 21 In the past year, has your company experienced difficulties in obtaining workers with the skills necessary to fill specific job requirements? (Q37)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't know/no answer	8	1%	2	2%	2	0%	4	1%	0	0%
Total Classifiable Responses	1,002		100		426		356		120	
Yes	480	48%	50	50%	195	46%	158	44%	77	64%
No	522	52%	50	50%	231	54%	198	56%	43	36%
4th Quarter, 2019										
Total Responses	256		34		112		80		30	
Don't know/no answer	1	0%	0	0%	1	1%	0	0%	0	0%
Total Classifiable Responses	255		34		111		80		30	
Yes	134	53%	17	50%	48	43%	43	54%	26	87%
No	121	47%	17	50%	63	57%	37	46%	4	13%
3rd Quarter, 2019										
Total Responses	250		20		104		93		33	
Don't know/no answer	2	1%	0	0%	1	1%	1	1%	0	0%
Total Classifiable Responses	248		20		103		92		33	
Yes	124	50%	9	45%	53	51%	43	47%	19	58%
No	124	50%	11	55%	50	49%	49	53%	14	42%
2nd Quarter, 2019										
Total Responses	250		20		103		102		25	
Don't know/no answer	1	0%	1	5%		0%		0%		0%
Total Classifiable Responses	249		19		103		102		25	
Yes	125	50%	14	74%	46	45%	47	46%	18	72%
No	124	50%	5	26%	57	55%	55	54%	7	28%
1st Quarter, 2019										
Total Responses	254		28		109		85		32	
Don't know/no answer	4	2%	1	4%	0	0%	3	4%	0	0%
Total Classifiable Responses	250		27		109		82		32	
Yes	97	39%	10	37%	48	44%	25	30%	14	44%
No	153	61%	17	63%	61	56%	57	70%	18	56%

Source: The Jacob France Institute

- When asked about steps required to address workforce shortages, 44% of responding firms reported they were forced to recruit workers from out of state and 7% said they had to recruit workers internationally using a H1B visa or other method.
- Thirteen percent of firms reported that they experienced difficulty in hiring workers with a security clearance, down from 16% in the 2018 survey but up from 11% in 2011, indicating the growth of Maryland's cyber- and national security business base.

Table 22 Were these short-term shortages that you were able to fill eventually, or long-term shortages of workers in specific categories, or both? (Q37b)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	532	53%	52	51%	235	55%	202	56%	43	36%
Total Classifiable Responses	478		50		193		158		77	
Short term that we were able to fill	103	22%	10	20%	36	19%	41	26%	16	21%
Long term shortages	177	37%	15	30%	74	38%	49	31%	39	51%
Both	198	41%	25	50%	83	43%	68	43%	22	29%
4th Quarter, 2019										
Total Responses	256		34		112		80		30	
Don't Know - No Answer	123	48%	17	50%	65	58%	37	46%	4	13%
Total Classifiable Responses	133		17		47		43		26	
Short term that we were able to fill	22	17%	3	18%	6	13%	8	19%	5	19%
Long term shortages	57	43%	4	24%	19	40%	17	40%	17	65%
Both	54	41%	10	59%	22	47%	18	42%	4	15%
3rd Quarter, 2019										
Total Responses	250		20		104		93		33	
Don't Know - No Answer	127	51%	11	55%	52	50%	50	54%	14	42%
Total Classifiable Responses	123		9		52		43		19	
Short term that we were able to fill	31	25%	1	11%	11	21%	13	30%	6	32%
Long term shortages	38	31%	4	44%	17	33%	11	26%	6	32%
Both	54	44%	4	44%	24	46%	19	44%	7	37%
2nd Quarter, 2019										
Total Responses	250		20		103		102		25	
Don't Know - No Answer	125	50%	6	30%	57	55%	55	54%	7	28%
Total Classifiable Responses	125		14		46		47		18	
Short term that we were able to fill	27	22%	2	14%	10	22%	13	28%	2	11%
Long term shortages	47	38%	6	43%	20	43%	14	30%	7	39%
Both	51	41%	6	43%	16	35%	20	43%	9	50%
1st Quarter, 2019										
Total Responses	254		28		109		85		32	
Don't Know - No Answer	157	62%	18	64%	61	56%	60	71%	18	56%
Total Classifiable Responses	97		10		48		25		14	
Short term that we were able to fill	23	24%	4	40%	9	19%	7	28%	3	21%
Long term shortages	35	36%	1	10%	18	38%	7	28%	9	64%
Both	39	40%	5	50%	21	44%	11	44%	2	14%

Source: The Jacob France Institute

Table 23 For what types of positions did your company experience difficulties in recruiting? (Q37c)

2019	Maryland Total	% of Firms
Firm Experiencing Shortages	480	
Don't Know - No Answer		
Firms Reporting Occupations ¹	626	n.m.
01. Manufacturing or skilled workers	118	19%
02. Computer Programmers or Analysts	43	7%
03. Engineers or Scientists	72	12%
04. Laboratory or Technical Personnel	50	8%
05. Computer Technicians or Operators	39	6%
06. Sales or Marketing Personnel	58	9%
07. Supervisory or Managerial Personnel	73	12%
08. Clerical, Administrative or Secretarial	53	8%
09. Unskilled Workers or Laborers	73	12%
10: Drivers and Warehouse Workers	47	8%

(1) Firms allowed to identify multiple occupations.

Source: The Jacob France Institute

Table 24 To recruit experienced workers, were you forced to recruit workers from out of state? (Q37d)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	533	53%	53	52%	235	55%	202	56%	43	36%
Total Classifiable Responses	477		49		193		158		77	
Yes	208	44%	12	24%	71	37%	81	51%	44	57%
No	269	56%	37	76%	122	63%	77	49%	33	43%

Source: The Jacob France Institute

Table 25 To recruit experienced workers, were you forced to recruit workers internationally using a H1B visa or other method? (Q37e)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	533	53%	52	51%	235	55%	203	56%	43	36%
Total Classifiable Responses	477		50		193		157		77	
Yes	35	7%	4	8%	13	7%	16	10%	2	3%
No	442	93%	46	92%	180	93%	141	90%	75	97%

Source: The Jacob France Institute

Table 26 Have you experienced difficulty in recruiting workers with a security clearance? (Q37f)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	540	53%	55	54%	236	55%	206	57%	43	36%
Total Classifiable Responses	470		47		192		154		77	
Yes	63	13%	4	9%	30	16%	23	15%	6	8%
No	407	87%	43	91%	162	84%	131	85%	71	92%

Source: The Jacob France Institute

Maryland Educational Institutions

Maryland businesses have a positive view of Maryland's educational institutions. The local workforce development system is made up of the local K-12 educational systems, community colleges, private training institutions, and four-year colleges and universities. These educational and training institutions provide the pipeline of new workers required by the employer community.

Firms were asked to rate the effectiveness of Maryland's educational institutions in providing a skilled and educated workforce. Maryland's educational institutions were grouped into five categories: primary and secondary schools, private career schools, community colleges, four-year colleges and universities, and graduate and professional schools. Responses were categorized as excellent, good, fair, or poor. Overall, firms rated Maryland's colleges and universities and its graduate and professional schools as being the best, with the overall responses being:

- Primary and secondary schools: 42% of firms rated these schools as good and 13% rated them as excellent.
- Private career schools: 51% of firms rated these schools as good and 18% rated them as excellent.
- Community colleges: 54% of firms rated community colleges as good and 27% rated them as excellent.
- Four-year colleges and universities: 48% of firms rated these schools as good and 37% rated them as excellent.
- Graduate and professional schools: 51% of firms rated these schools as good and 33% rated them as excellent.

These results are consistent with the results of the 2018, 2011, and prior surveys, with firms maintaining a consistently positive perception of Maryland's educational institutions over time.

Table 27 How would you rate the effectiveness of the state’s educational institutions in providing a skilled and educated workforce that meets the needs of your company? (Q38 a-e)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
PRIMARY AND SECONDARY SCHOOLS										
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	149	15%	18	18%	68	16%	52	14%	11	9%
Total Classifiable Responses	861		84		360		308		109	
Excellent	116	13%	5	6%	38	11%	56	18%	17	16%
Good	362	42%	30	36%	147	41%	141	46%	44	40%
Only Fair	275	32%	29	35%	133	37%	82	27%	31	28%
Poor	108	13%	20	24%	42	12%	29	9%	17	16%
PRIVATE CAREER SCHOOLS										
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	428	42%	42	41%	163	38%	174	48%	49	41%
Total Classifiable Responses	582		60		265		186		71	
Excellent	103	18%	6	10%	52	20%	35	19%	10	14%
Good	295	51%	26	43%	136	51%	96	52%	37	52%
Only Fair	135	23%	19	32%	59	22%	39	21%	18	25%
Poor	49	8%	9	15%	18	7%	16	9%	6	8%
COMMUNITY COLLEGES										
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	121	12%	22	22%	49	11%	38	11%	12	10%
Total Classifiable Responses	889		80		379		322		108	
Excellent	240	27%	15	19%	105	28%	86	27%	34	31%
Good	479	54%	39	49%	198	52%	188	58%	54	50%
Only Fair	134	15%	21	26%	57	15%	39	12%	17	16%
Poor	36	4%	5	6%	19	5%	9	3%	3	3%
FOUR YEAR COLLEGES & UNIVERSITIES										
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	87	9%	8	8%	34	8%	33	9%	12	10%
Total Classifiable Responses	923		94		394		327		108	
Excellent	339	37%	31	33%	155	39%	123	38%	30	28%
Good	440	48%	41	44%	182	46%	163	50%	54	50%
Only Fair	108	12%	18	19%	44	11%	27	8%	19	18%
Poor	36	4%	4	4%	13	3%	14	4%	5	5%
GRADUATE & PROFESSIONAL SCHOOLS										
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	170	17%	16	16%	60	14%	63	18%	31	26%
Total Classifiable Responses	840		86		368		297		89	
Excellent	274	33%	26	30%	125	34%	93	31%	30	34%
Good	426	51%	46	53%	183	50%	155	52%	42	47%
Only Fair	93	11%	6	7%	39	11%	35	12%	13	15%
Poor	47	6%	8	9%	21	6%	14	5%	4	4%

Source: The Jacob France Institute

Firm Demographics

The Maryland Business Climate Survey focuses on firms in the “export base” of the state’s economy that sell or compete for the sale of their products/services regionally, nationally, or internationally. These firms are concentrated in the manufacturing, wholesale/distribution, finance, and business/professional services sectors of the economy, in contrast to the construction, utilities, retail, health-care, and personal services companies that primarily serve the local population. Because they serve regional, national, or international markets, these export base companies are the most impacted by Maryland’s business climate.

Ownership, Industry, and Firm Size

The firms participating in the 2019 survey are primarily locally owned, with 90% of firms surveyed being headquartered in Maryland. Of the 103 out-of-state based firms participating in the survey, 95 identified the location of their headquarters, with 8 firms being international and 87 having headquarters in other states, primarily neighboring Virginia (10), Pennsylvania (9), and Delaware (4), but also Illinois (7), California (5), and Texas (5).

In terms of industry of operation 42% of firms surveyed were in the professional services sector, followed by the wholesale

sector at 18% and manufacturing at 17%. Eighty-four percent of firms were single-location operations, with most firms (three-quarters) had multiple locations operating less than five additional locations in Maryland.

Markets Served

In terms of the markets served by the companies participating in the Maryland Business Climate Survey, 63% of businesses surveyed relied on Maryland for more than half of sales and about a quarter of firms sold more than three-quarters of their goods and services outside of the state. Firms in the Washington suburbs reported the highest share of firms deriving more than half of their revenues from out of state. In terms of federal and export markets served:

- Thirty-three percent of participating firms sold goods or services to the federal government, with the Washington suburbs having the highest share of federal contractors.
- Twenty percent of participating firms exported goods or services with the Baltimore suburbs and Baltimore City reporting the highest share of exporters.

Table 28a Is your company owned in Maryland or are you part of an out-of-state or international organization? (Q2)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	0	0%	0	0%	0	0%	0	0%	0	0%
Total Classifiable Responses	1,010		102		428		360		120	
Owned locally	907	90%	93	91%	378	88%	326	91%	110	92%
Part of an out of state / international organization	103	10%	9	9%	50	12%	34	9%	10	8%

Source: The Jacob France Institute

Table 28b Location of out-of-state headquarters

Total Responses	95	New York	4
Virginia	10	North Carolina	4
Pennsylvania	9	Ohio	4
Illinois	7	Connecticut	3
California	5	Georgia	3
Texas	5	Minnesota	3
Delaware	4	Florida	3
Massachusetts	4	Other States	15
New Jersey	4	Foreign	8

(1) Firms allowed to identify multiple occupations.

Source: The Jacob France Institute

Table 29 Industry of Responding Firm? (NAICS)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Companies	1,010		102		428		360		120	
Manufacturing	170	17%	24	24%	62	14%	55	15%	29	24%
Wholesale	177	18%	17	17%	74	17%	62	17%	24	20%
TCPU	46	5%	3	3%	27	6%	12	3%	4	3%
FIRE	78	8%	8	8%	36	8%	27	8%	7	6%
Services	420	42%	34	33%	186	43%	163	45%	37	31%
Other	119	12%	16	16%	43	10%	41	11%	19	16%

Source: The Jacob France Institute

Table 30 Is the place where you work the only business location your company has in Maryland? (Q4)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	1	0%	0	0%	1	0%	0	0%	0	0%
Total Classifiable Responses	1,009		102		427		360		120	
Yes	852	84%	90	88%	356	83%	307	85%	99	83%
No	157	16%	12	12%	71	17%	53	15%	21	18%
How many other locations does your company operate in Maryland? (Q5)										
Total Classifiable Responses	150		12		69		50		19	
1 to 5	113	75%	8	67%	54	78%	37	74%	14	74%
6 to 10	14	9%	1	8%	4	6%	7	14%	2	11%
11 to 50	14	9%	2	17%	7	10%	4	8%	1	5%
51+	9	6%	1	8%	4	6%	2	4%	2	11%

Source: The Jacob France Institute

Table 31 What percentage of your revenues would you estimate comes from inside of Maryland? (Q6)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Companies	1,010		102		428		360		120	
Don't Know/No Response	79	8%	12	12%	30	7%	31	9%	6	5%
Total Classifiable Responses	931		90		398		329		114	
0% - 25%	213	23%	20	22%	91	23%	84	26%	18	16%
26% - 50%	132	14%	9	10%	45	11%	58	18%	20	18%
51% - 75%	198	21%	12	13%	81	20%	77	23%	28	25%
76% - 100%	388	42%	49	54%	181	45%	110	33%	48	42%

Source: The Jacob France Institute

Table 32 Do you directly sell goods or services to the federal government (i.e., are you a federal contractor)? (Q7)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	12	1%	4	4%	6	1%	2	1%	0	0%
Total Classifiable Responses	998		98		422		358		120	
Yes	326	33%	25	26%	129	31%	149	42%	23	19%
No	672	67%	73	74%	293	69%	209	58%	97	81%
Responding Firms	295		23		113		139		20	
1-10%	115	39%	11	48%	49	43%	46	33%	9	45%
11-25%	57	19%	6	26%	24	21%	24	17%	3	15%
26-50%	34	12%	4	17%	8	7%	20	14%	2	10%
51-75%	28	9%	0	0%	9	8%	16	12%	3	15%
76-100%	61	21%	2	9%	23	20%	33	24%	3	15%

Source: The Jacob France Institute

Table 33 Does your company export goods or services out of the United States? (Q9)

2019	Maryland Total	% of Total	Baltimore City	% of Total	Baltimore Metro	% of Total	Washington Suburbs	% of Total	Other Maryland	% of Total
Total Responses	1,010		102		428		360		120	
Don't Know - No Answer	10	1%	0	0%	5	1%	3	1%	2	2%
Total Classifiable Responses	1,000		102		423		357		118	
Yes	195	20%	21	21%	95	22%	60	17%	19	16%
No	805	81%	81	79%	328	78%	297	83%	99	84%
Responding Exporters	157		14		82		46		15	
1-10%	100	64%	9	64%	53	65%	26	57%	12	80%
11-25%	25	16%	4	29%	16	20%	3	7%	2	13%
26-50%	18	11%	0	0%	6	7%	11	24%	1	7%
51-75%	5	3%	0	0%	1	1%	4	9%	0	0%
76-100%	9	6%	1	7%	6	7%	2	4%	0	0%

Source: The Jacob France Institute

Appendix A

Description of Businesses Surveyed

The 2019 Maryland Business Climate Survey used firm information purchased from Dun and Bradstreet. This database included business name, employment size, industry, and contact information for selected businesses.

The sample of businesses that was used for the survey included firms that:

- Were located in Maryland
- Were private businesses
- Had over 10 employees
- Were in selected “mobile” industries that include:
 - Manufacturing (NAICS 31-33)
 - Wholesale trade (NAICS 42)
 - Transportation and warehousing (NAICS 48)
 - Information (NAICS 51)
 - Finance and insurance (NAICS 52)
 - Professional, scientific, and technical services (NAICS 54)
 - Management of companies and enterprises (NAICS 55)
 - Telephone call centers (NAICS 5614)

Appendix B

Maryland Business Climate Survey Methodology

The Maryland Business Climate Survey offers an unparalleled resource for analyzing both the direction and perception of the state’s economy. The Jacob France Institute of the University of Baltimore began the survey in the second quarter of 1995, inspired by work it was doing for the Maryland Chamber of Commerce and some of the state’s leading corporations in developing a business-oriented strategic plan for Maryland.

For more than a decade, the survey took the pulse of the business community and contributed to a better understanding of the issues facing businesses in all parts of the state. The survey was ended in 2006 but re-started in the second quarter of 2010 through 2011 with the support of the Merrick School of Business of the University of Baltimore. In 2017, the Maryland Public Policy Institute teamed with the Jacob France Institute with the Baltimore Business Journal as media partner to restart the survey.

Each quarter, the Schafer Center at the University of Baltimore conducted telephone interviews with senior executives in 250 or more businesses with 10 or more employees from across Maryland. This survey has a total of 1,010 completed interviews over the four quarters of the 2019 survey period—a standard sample size for many types of surveys seeking a margin of error of three percent for the overall state-level results.

Notes

- 1 See Appendix A and B for a discussion of the survey population and methodology.
- 2 For instance, see the Area Development magazine’s *33rd Annual Corporate Survey & the 15th Annual Consultants Survey* for a description of business issues considered by companies in general: <https://www.areadevelopment.com/Corporate-Consultants-Survey-Results/Q1-2019/33nd-annual-corporate-survey-15th-annual-consultants-survey.shtml>
- 3 Area Development, “33rd Annual Corporate Survey & the 15th Annual Consultants Survey,” <https://www.areadevelopment.com/Corporate-Consultants-Survey-Results/Q1-2019/33nd-annual-corporate-survey-15th-annual-consultants-survey.shtml>

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