

Unemployment in Maryland peaked at 7.7 percent in January 2010 and has been slowly declining since, reaching 7.2 percent in October 2011, but still much higher than its 3.6 percent before the recession.

Maryland's per capita real GDP (\$45,900 in 2010) is above the regional average. Eight of Maryland's top ten employers are in healthcare and wholesale and retail trade services. Four are in healthcare: Adventist Healthcare, Helix Health System, Johns Hopkins Hospital and the University of Maryland Medical System. Another four are in wholesale and retail trade services: Giant Food Stores, Safeway, Target and Wal-Mart. Johns Hopkins University (education services) and Northrop Grumman Corporation (manufacturing) round out the list.<sup>29</sup>

### Industry in Maryland

Showing moderate gains since 2007, real output for the government and public education sector in Maryland has stayed relatively stable, which is not surprising given the state's proximity to the nation's capital. This sector draws almost half of its real output (45%) from the federal civilian government, nearly three times the national average. As a result, this sector was less vulnerable when state and local tax revenues dried up during the recession. But it may suffer more from recent and potential federal budget cuts. As of 2010, 18.9 percent of the state's workers were employed by government and public education, more than by any other sector.

Overall, the state's employment is expected to grow by 15 percent between 2010 and 2020. The professional and business services sector, including scientific and technical services, computer systems, and legal services, remained robust during the economic downturn. In fact, its real output grew by 7 percent between 2007 and 2010, more than twice the pace of the state's economy as a whole. While jobs in this sector declined by 6.9 percent nationwide between 2008 and 2009, the Maryland figure was only 0.3 percent.<sup>30</sup> Currently, the professional and business services sector employs the second-largest share of workers (16%) and is followed by wholesale and retail trade services (14%) and healthcare services (12%). These three sectors' real GDP grew slowly but steadily during the recession.

Maryland's real estate, rental and leasing industry, a part of financial services, contributed 17.4 percent to real state output in 2010, helping the economy grow despite the recession.<sup>31</sup> Between 2007 and 2010 this sector grew by more than 6 percent, even though it is closely tied to the highly cyclical construction industry, which was shrinking by 18.7 percent.

Industries that are less education-intensive did not fare as well during and after the recession. Between 2007 and 2010, real output for transportation and utilities services declined by 9.2 percent, while construction and manufacturing eliminated thousands of jobs, many of which are never coming back.

29. <http://www.msa.md.gov/msa/mdmanual/01glance/html/employ.html>

30. Maryland Annual Report: Workforce Investment Act Title 1-B, 2008

31. Rental and leasing also includes car, office equipment, and other supply rentals.

Maryland has made the expansion of its science and technology-related industries a top budget priority, creating the Biotech Tax Credit <sup>32</sup>, Stem Cell Research Fund <sup>33</sup>, and Nano/Biotechnology Initiative Fund.<sup>34</sup> Maryland's bioscience industry cluster employs an estimated 30,000 people across 400 private-sector companies. The state also continues to attract foreign direct investment in industries such as bioscience, advanced technology, and aerospace and defense. This year more than a dozen foreign-based companies from Israel, Russia, China and other countries invested in Maryland.<sup>35</sup>

Among the rapidly growing industry clusters in the state is the cyber-security field. Initiatives to bolster the industry include the formation of public-private partnerships and the creation of centers of research and development at the University of Maryland. The state is home to 163 of Inc.com's fastest-growing companies. One is Ciphent (#16), a firm in Hanover that grew by 1442 percent and created 93 jobs from 2007 to 2010.

## Occupations in Maryland

The fastest-growing occupational groups in the state are healthcare (22%), STEM (18%), and community services and arts (17%). Blue-collar jobs are expected to grow the least between 2010 and 2020, at a rate of 9 percent.

### 66% OF JOBS IN MARYLAND WILL REQUIRE POSTSECONDARY EDUCATION AND TRAINING IN 2020 (UP FROM 65% IN 2010)

Table 6: Snapshot of Education Demand for Total Jobs in Maryland (2010 and 2020)

|                     | 2010             | 2020             | % in 2020   |
|---------------------|------------------|------------------|-------------|
| High school or less | 947,800          | 1,073,200        | 34%         |
| Some college        | 560,700          | 653,600          | 21%         |
| Associate's         | 185,200          | 279,200          | 9%          |
| Bachelor's          | 590,400          | 624,900          | 20%         |
| Graduate            | 433,000          | 536,400          | 17%         |
| <b>Total</b>        | <b>2,717,100</b> | <b>3,167,300</b> | <b>100%</b> |

By 2020, 66 percent of all jobs in the state will require some postsecondary training, one percentage point above the national average.

During the same period, the state will create 960,100 job vacancies both from new jobs and from retirement. There will be 634,700 job vacancies for individuals with post-secondary credentials, in contrast to 325,400 jobs for high school graduates and dropouts.

Maryland ranks 3<sup>rd</sup> in the South in the proportion of its 2020 jobs requiring a bachelor's degree, 2<sup>nd</sup> in the proportion requiring a graduate degree, and 16<sup>th</sup> in jobs for high school dropouts.

32. <http://www.choosemaryland.org/businessresources/pages/biotechnologyinvestmenttaxcredit.aspx>

33. <http://www.msrf.org/>

34. <http://www.gov.state.md.us/pressreleases/080616b.asp>

35. Maryland's Energy Industry Workforce Report, 2009