

Commentary

J. Thomas Sadowski: Economic forecast holds signs of optimism

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BALTIMORE -

Any day in the sun is a good day.

That was the feeling at the recent groundbreaking for the new [Defense Information Systems Agency](#) Headquarters at [Fort Meade](#). The sun was out, and a crowd of federal, state and local leaders was on hand to celebrate construction of the new \$440 million complex that will house more than 4,000 federal employees.

The same was true a month ago in [Aberdeen](#) when ground was broken on the new \$480 million Communications and Electronics (C4ISR) Headquarters at [Aberdeen Proving Ground](#). The sun was out and the community at large was in attendance to celebrate more than 5,000 federal jobs coming to the region.

But this isn't a conversation about the weather as much as it is about the overall "climate" in Greater Baltimore. Despite uncertain and somewhat gloomy economic times, there is cause for optimism as these federal projects continue to fuel vital growth in our region's information technology sector.

From 2000 to 2006, computer and mathematics science occupations experienced more than 40 percent growth in Greater Baltimore. That ranked No. 1 over growth realized in the business and financial services occupations — another of the region's top performing categories. Computer and math science occupations also rank third regionally in average wage (\$75,660 annually), just behind management (\$97,150) and legal (\$85,470) occupations. Similarly, more than 16,000 new jobs were added in the professional, scientific and technical services industry since 2000. Overall, Greater Baltimore ranks sixth among the 25 largest [U.S.](#) metro areas in concentration of professional and technical workers — ahead of [Denver](#), [New York](#), [Atlanta](#), [Los Angeles](#) and even [Seattle](#).

Growth in these knowledge-rich sectors has also helped to drive an increase in overall income throughout the region. In fact, Greater Baltimore ranks first in per capita income growth among the largest 25 U.S. metro areas since 2000.

This base of skilled talent and related economic activity helped substantiate [Maryland's](#) testimony to the [BRAC Commission](#), silencing emotionally charged concerns of "brain drain" upon relocation of military missions to Fort Meade and APG. It also provides the necessary foundation on which to sustain and enhance these important headquarters and security missions

going forward.

But amid all the sunshine and optimism, clouds tend to form. Such was the case in this past legislative session in [Annapolis](#). After much debate, education and compromise, the repeal of the sales tax on computer services, or “tech tax,” did much to sustain our business climate. While wounds may still be fresh in the tech community, government leaders stood up and took proper notice. Now attention is being paid to this vital industry sector to foster the retention and growth of firms that will not only support the critical military missions being built at Fort Meade and APG, but those that will develop and commercialize the latest in information security, gaming, and financial modeling technologies, to name a few.

Over the past several months, the Economic Alliance has been busy analyzing the IT sector here and its role in driving our regional and national economy. In all, more than 30 personal interviews will be conducted and in the end, relationships among industry, government and higher education, both new and existing, will be fortified.

Federal spending has long been a stabilizing, if not a driving force, of Greater Baltimore’s economic successes. Johns Hopkins recent Trends 2008 report acknowledges this and suggests it will help Greater Baltimore weather current recessionary forces.

The billions of dollars spent in new federal construction and mission enhancements, the more than \$7 billion in recently completed and ongoing downtown projects and the plethora of new commercial development projects currently underway throughout the region, portend good things for Greater Baltimore.

Nationwide, the economy’s fluctuations continue to dominate headlines. But locally, we are weathering an economic storm with a positive outlook for the future.

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Examiner