



# CHALLENGES AND OPPORTUNITIES FOR ECONOMIC PROSPERITY IN THE 21<sup>ST</sup> CENTURY

---

*Sustainable and Equitable Economic Development in Maryland*

## Executive Summary

---

In this report we summarize the results of research by the National Center for Smart Growth on Maryland's economic, social, and spatial development trends. Funded by the Surdna Foundation, the focus of the research is both broad and narrow. The focus is broad in the sense that the research is intended to promote sustainable development in all its various manifestations. The focus is narrow in that the primary thrust of the research is on economic and demographic trends, and their spatial and equity implications. The research is based almost entirely on data obtained from federal, state, and local data sources. In this first of several forthcoming reports, our value added, therefore, is largely in the organization and interpretation of data. Subsequent reports will address economic and equity issues in greater depth.

Our analysis reveals that Maryland has for several decades grown at a modest but largely steady pace, generally outperforming the rest of the nation. But economic growth and prosperity is far from even and has benefited some regions and demographic groups more than others. Further, although the state has a highly diversified economy, it relies extensively on the federal government, which is expected to contract in the coming years, at least in the national-capital region. Further still, some regions and demographic groups are doing very well while others experience high levels of poverty and a measureable lack of opportunity. These longstanding economic, demographic, and geographic trends portend a future that is sustainable from neither an economic nor an environmental perspective. Therefore, PlanMaryland, the state's first statewide development plan, represents a unique opportunity to address Maryland's economic, demographic, and geographic imbalances.

To address these issues, we offer several recommendations for the implementation of PlanMaryland.

First, the implementation of PlanMaryland needs to address the diversity of Maryland's regions. Toward this end, the state should develop economic development strategies for each region. In doing so, it should explicitly consider regionally specific growth prospects, comparative advantage, wage levels, career ladders, agglomeration opportunities, interregional integration, and environmental factors in the selection of industrial targets. The Maryland Department of Business and Economic Development in particular should work with regional stakeholders and sister state agencies, to prepare economic development plans that integrate infrastructure, land use, workforce

and equity goals and strategies for each region of the state. These economic development plans must be based on regional economic strengths and weaknesses, integrate urban centers with their rural peripheries, and advance the well-being of the underserved. In addition, specific programs, policies, and incentives should be developed for regions of statewide economic concern, such as Baltimore City, Western Maryland and the Lower Eastern Shore. Moving to a region-focused approach will be a challenge that requires a very deliberate effort. Ultimately, it may even require a re-evaluation of regional definitions from a needs-based perspective rather than from a geographical or jurisdictional perspective.

Second, as Maryland's demographic composition continues to evolve, the state should formulate economic development and workforce strategies within PlanMaryland for special populations such as recent immigrants, the previously incarcerated, single mothers, senior citizens, and others. The Maryland Department of Labor, Licensing and Regulation in particular should lead a multi-agency effort to eliminate achievement gaps using targeted education, workforce development, and housing programs and by expanding access to opportunities. These strategies must be both regionally and demographically specific and designed to reduce or eliminate disparities in opportunities between residents with different ethnic and cultural backgrounds and residents located in various parts of urban and rural Maryland.

Third, PlanMaryland should be augmented to address spatially specific economic and transportation centers. To do so, PlanMaryland map elements should include regions and centers as complements to planning area designations submitted by local governments. These new planning elements should be identified based on scientific analyses of economic, social, environmental, and transportation functions.<sup>1</sup> For each critical economic center, the state should work with local governments to develop "sustainable community" plans if they have not already been designated as sustainable communities by the Smart Growth subcommittee. These newly designated economic centers should feature prominently in the forthcoming state transportation, housing, workforce, and economic development plans.

Finally, PlanMaryland should be designed to serve as a central link to the forthcoming state transportation, housing, climate change, and workforce development plans. Such linkages can be established using web-based hyperlinks and integrated planning information systems.

**Download the entire report and appendix at  
<http://smartgrowth.umd.edu/seedproject.html>**

---

<sup>1</sup> See, e.g., Puget Sound Regional Council (2002).