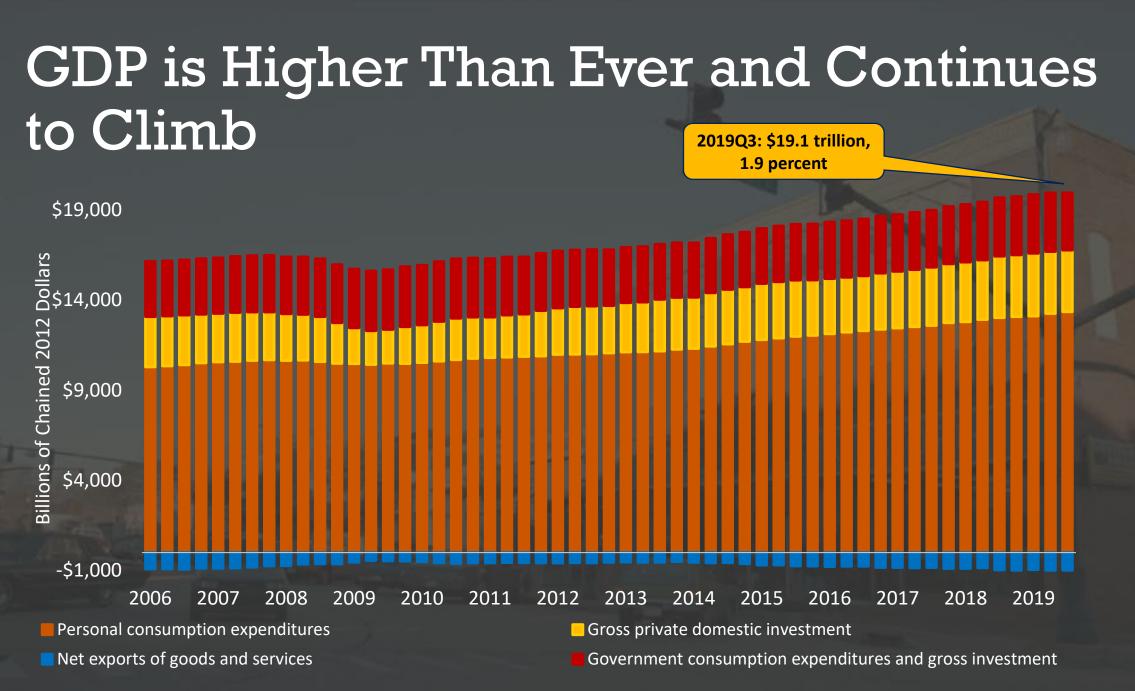


CHAPTER ONE LIFE ON THE BRIGHT SIDE



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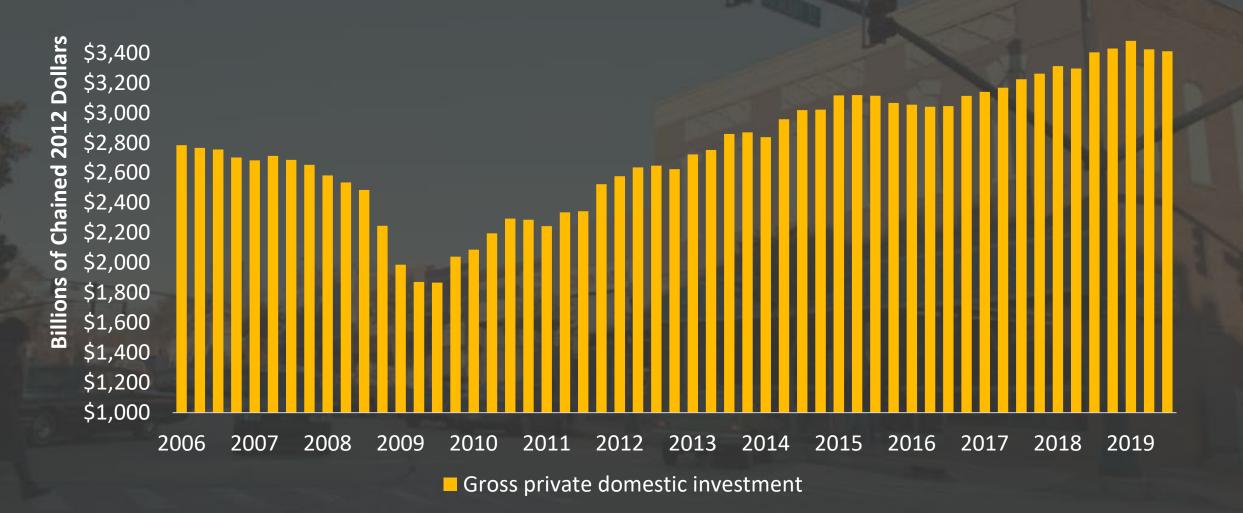
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Source: U.S. Bureau of Economic Analysis

GDP is Being Driven Higher by Most Components, But Consumption is King



Private Investment is Holding Flat...



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Source: U.S. Bureau of Economic Analysis

...But Government Spending is On the Rise



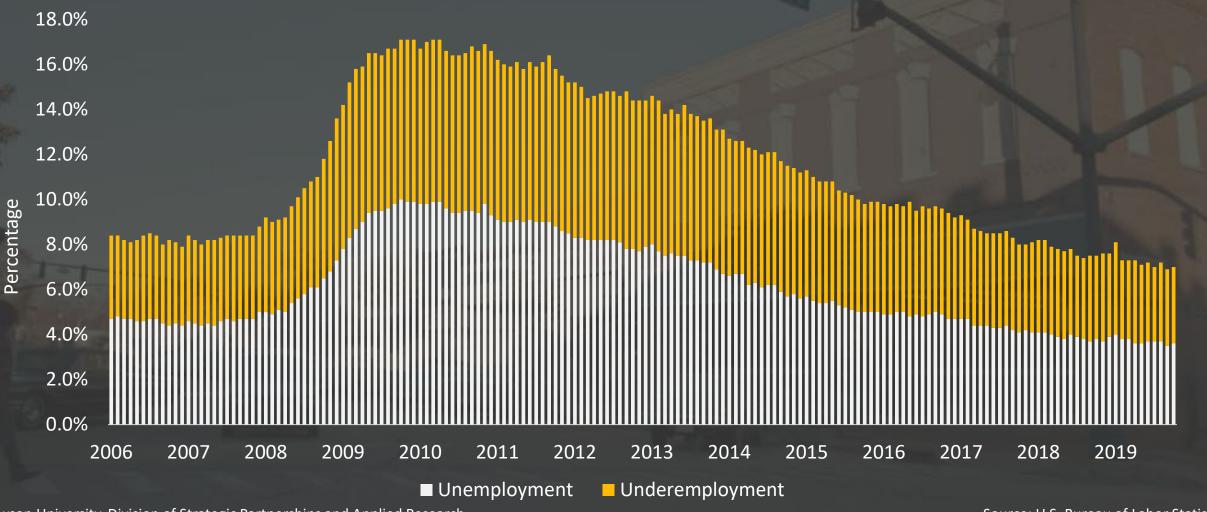
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Net Exports Represent the Only Downward Pressure on GDP, on a Much Smaller Magnitude Than Other GDP Components



Net exports of goods and services

National Unemployment and Underemployment Remain Low...



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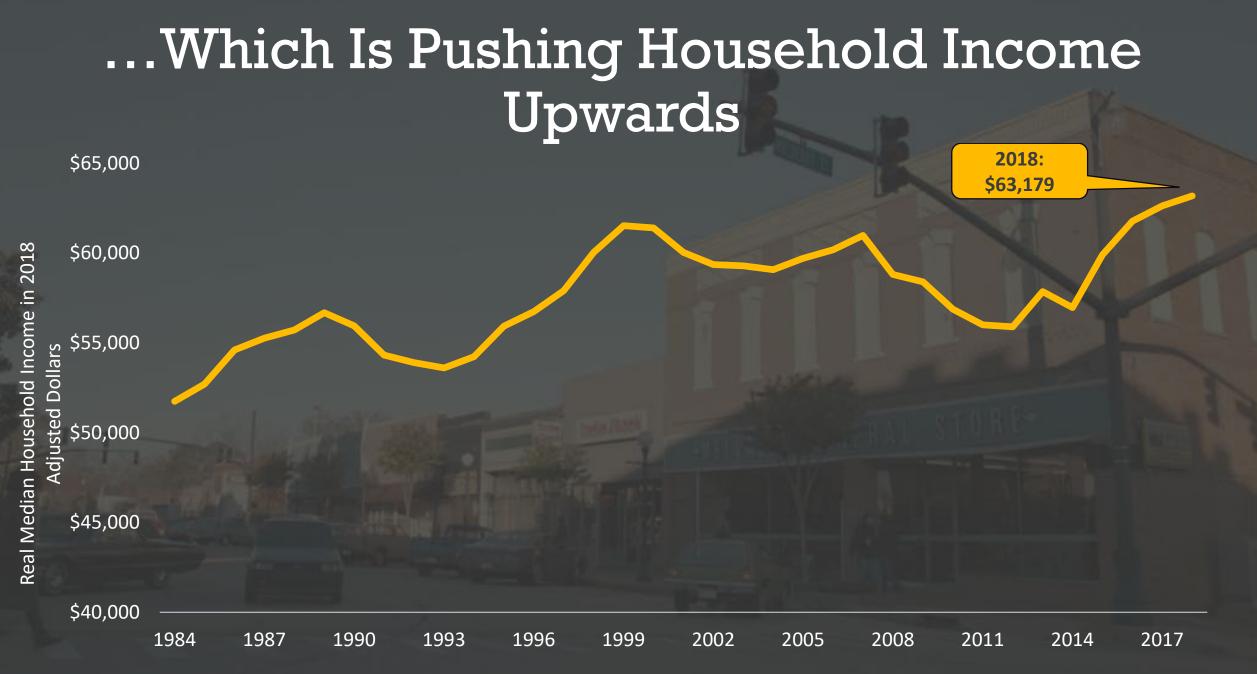
Source: U.S. Bureau of Labor Statistics

...So Low That Job Openings in the U.S. Outnumber People Looking for Work



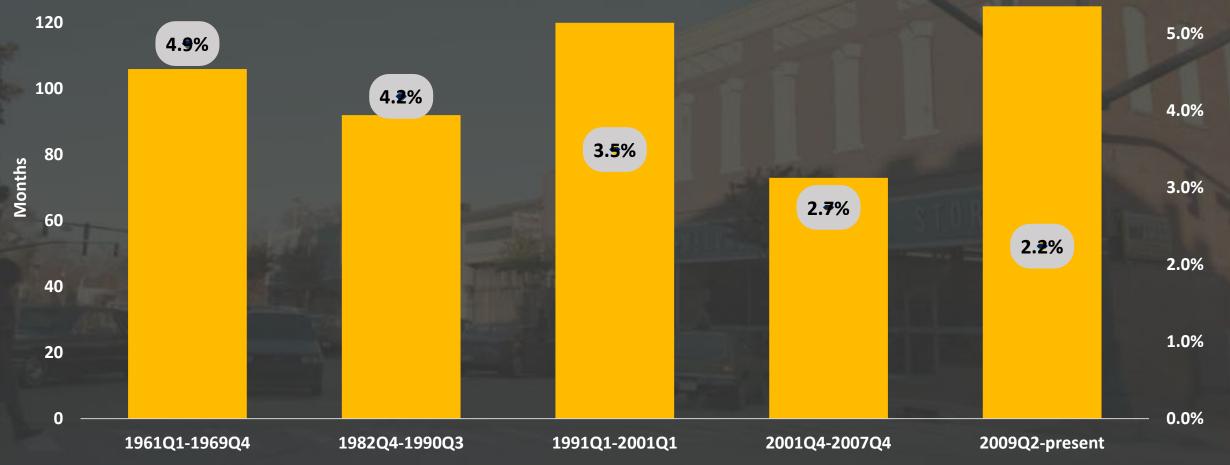
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Source: U.S. Bureau of Labor Statistics



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The U.S. Is Currently in the Longest-Ever Recovery, but Also the Slowest



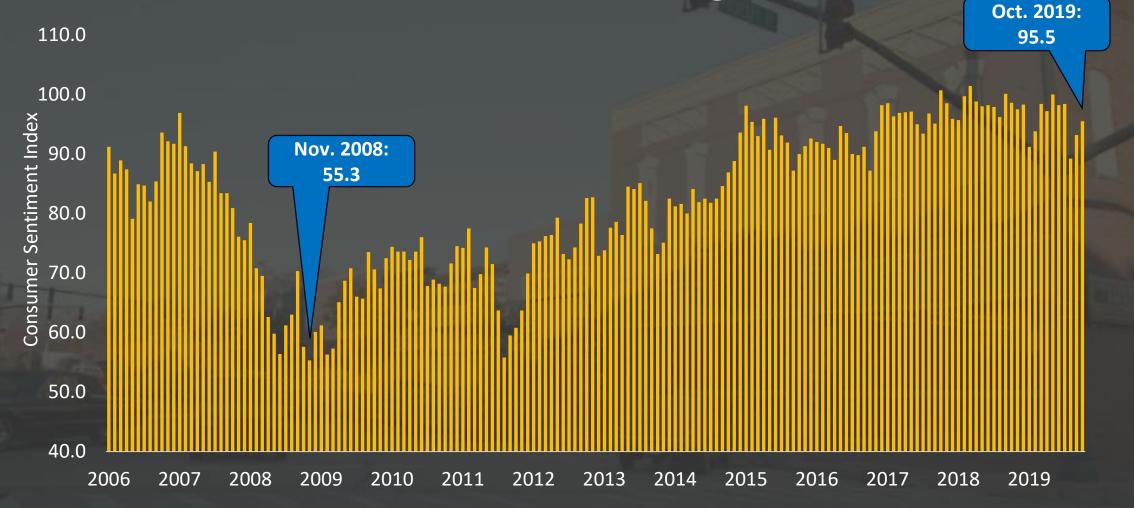
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140

Source: National Bureau for Economic Research

6.0%

Consumer Sentiment Is Volatile, But Relatively High



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Housing Starts Recently Hit a 12-Year High



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CHAPTER TWO GOVERNMENT INTERVENTION



Tariffs to Cause Likely Slowdown

- Due to "higher trade barriers" implemented since January 2018, the CBO projects that GDP will be reduced by 0.3 percent by 2020.
- Moody's Analytics estimates that as of September, 300,000 fewer jobs have been created as a result of the trade war.
- This could rise to 450,000 jobs by the end of 2019 and 900,000 jobs by the end of 2020.



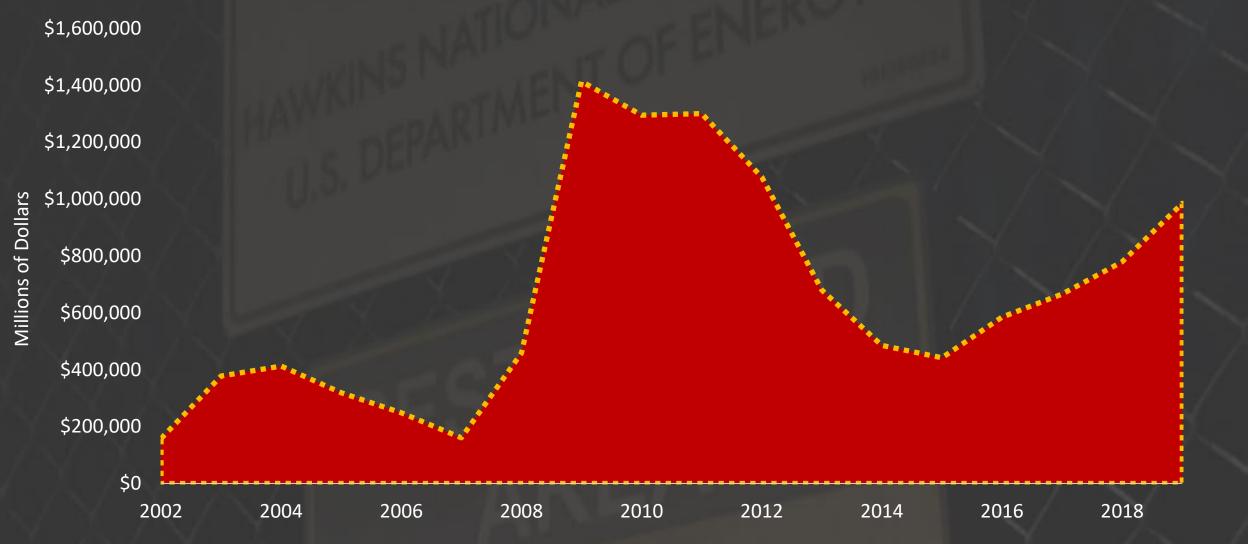
Minimal Benefits from Tax Cuts

- The 2017 Tax Cuts and Jobs Act had "a relatively small (if any) first year effect on the economy."
- Effective corporate tax rates fell "significantly," while effective individual tax rates fell "by a small amount."



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Increasing Deficits

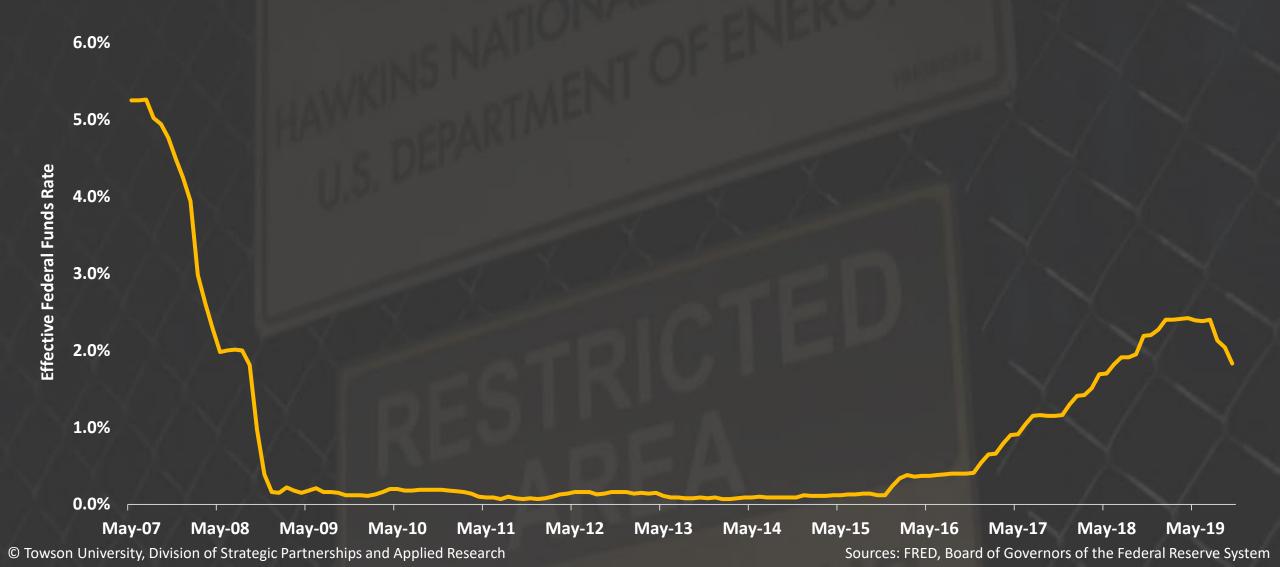


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Sources: FRED, U.S. Office of Management and Budget

Lowering Interest Rates

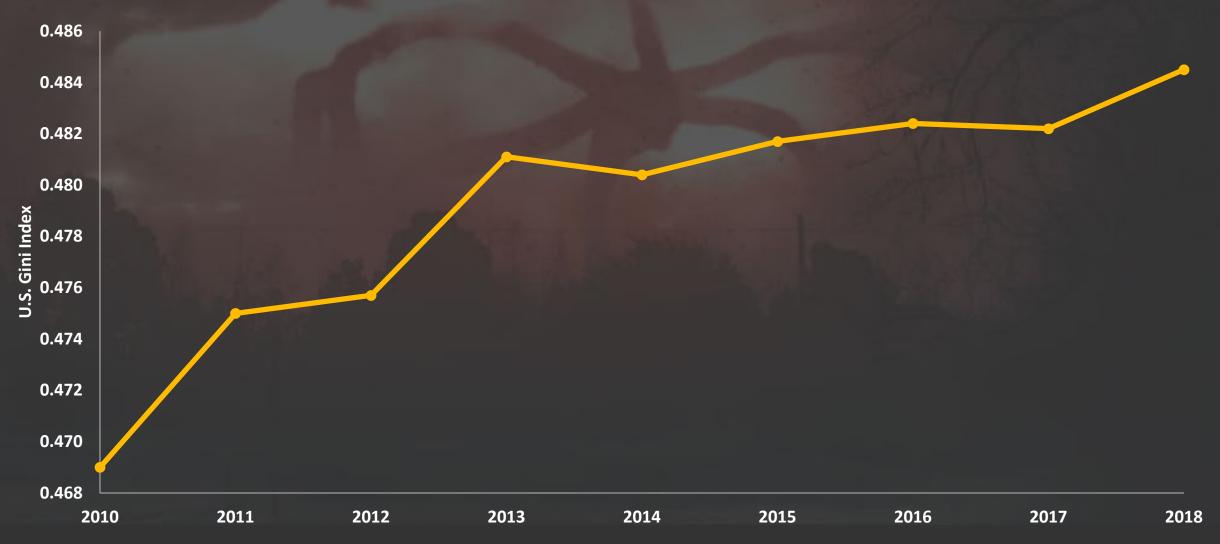
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CHAPTER THREE ENTERING THE UPSIDE DOWN



Income Inequality Continues to Grow in the United States



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Exacerbated by Some of Our Most Respected Institutions

33.6%



Non-Legacy

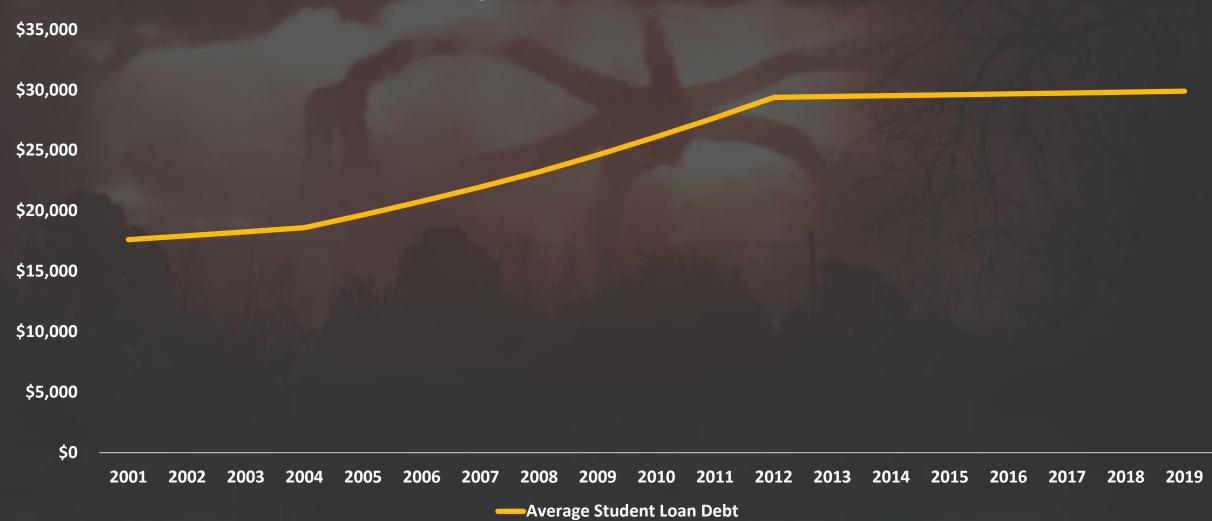
5.9%

Harvard University Admission Rates, 2014-2019

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Source: Peter Arcidiacono, Josh Kinsler, and Tyler Ransom

Students Continue to Graduate with Significant Debt



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Sources: National Center for Education Statistics, Financial Planning Association

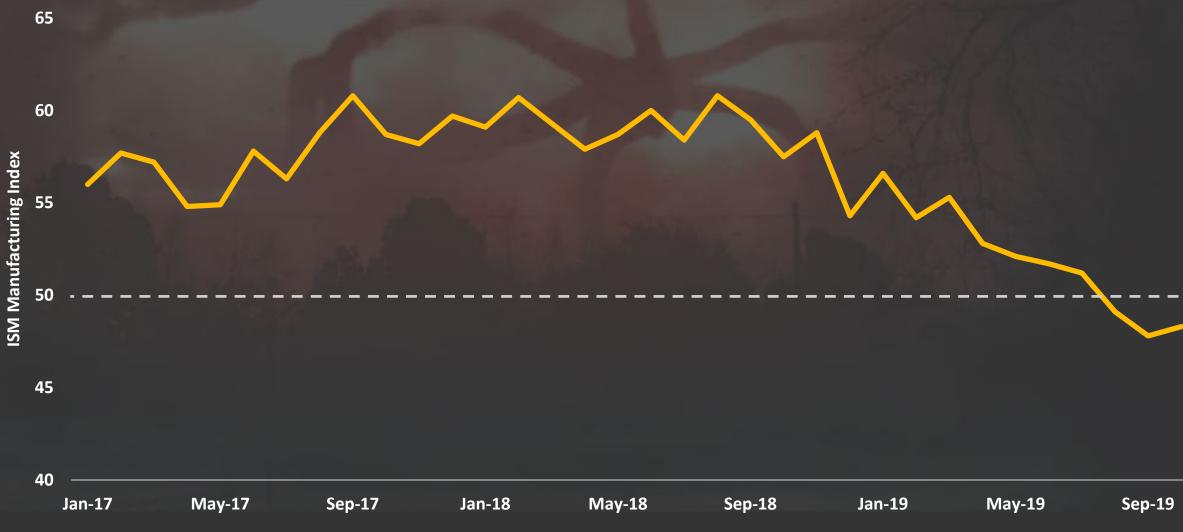
Federal Bond Rates Suggest Uncertainty About the Future



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Source: U.S. Department of the Treasury

U.S. Manufacturing Has Entered Into a Recession...



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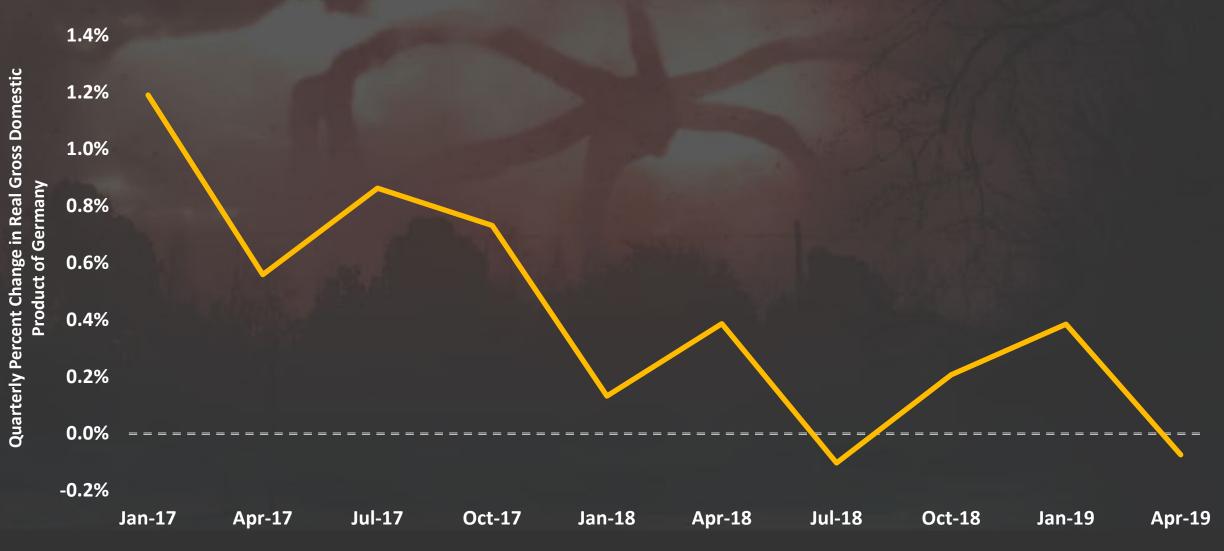
Source: Institute for Supply Management

...Which Has Affected Employment in Trucking



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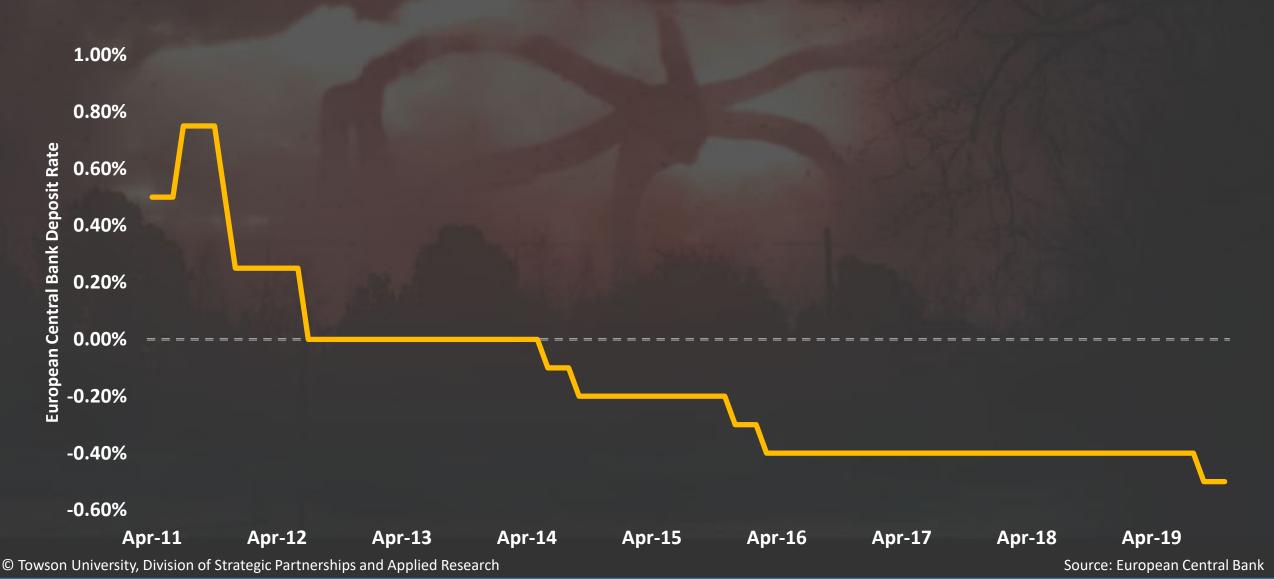
Germany is On the Brink of Recession



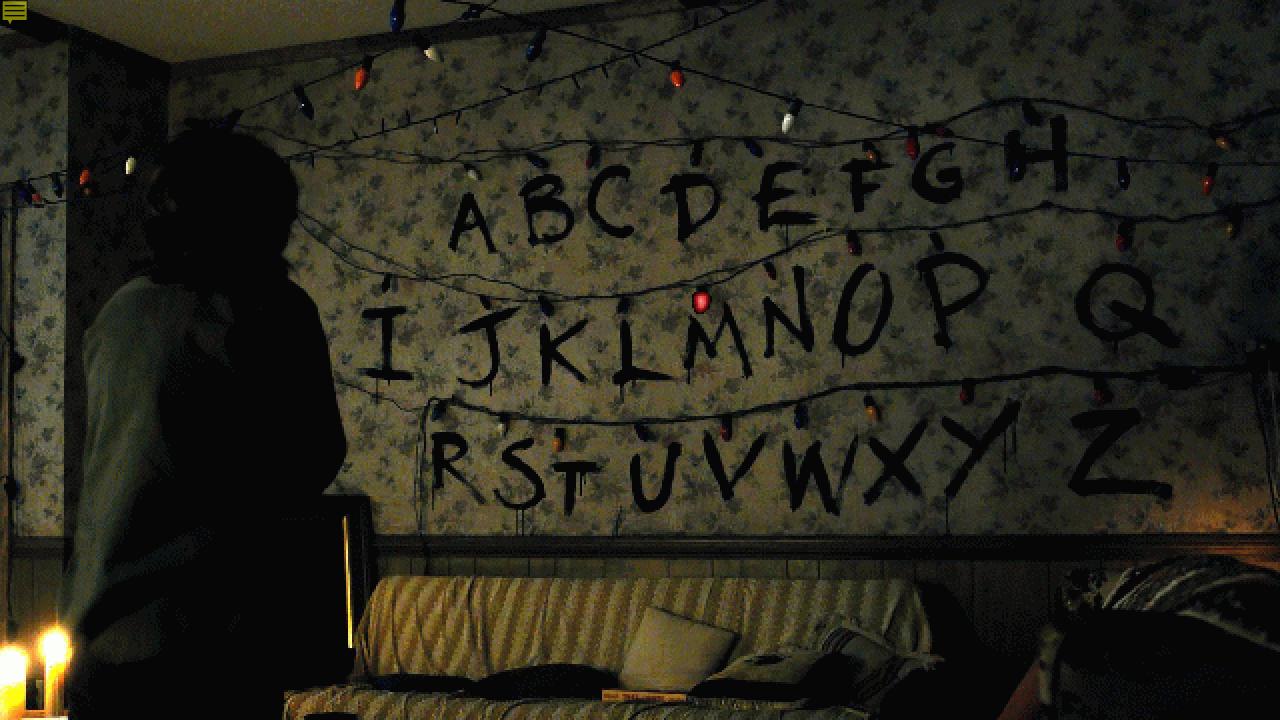
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European Interest Rates Are at an All-Time Low

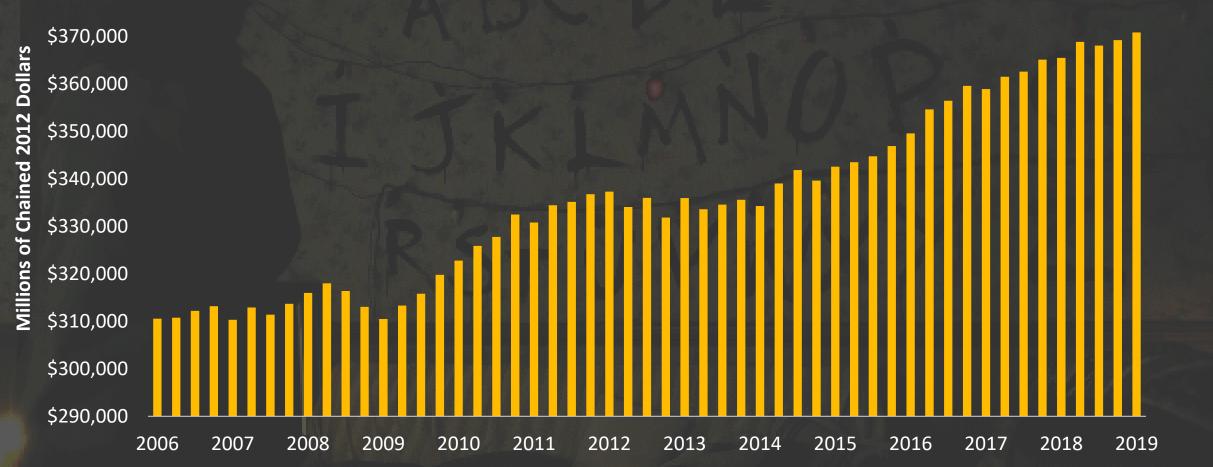


CHAPTER FOUR THE MARYLAND ECONOMY



Here in Maryland, Our Gross State Product is on the Rise

\$380,000

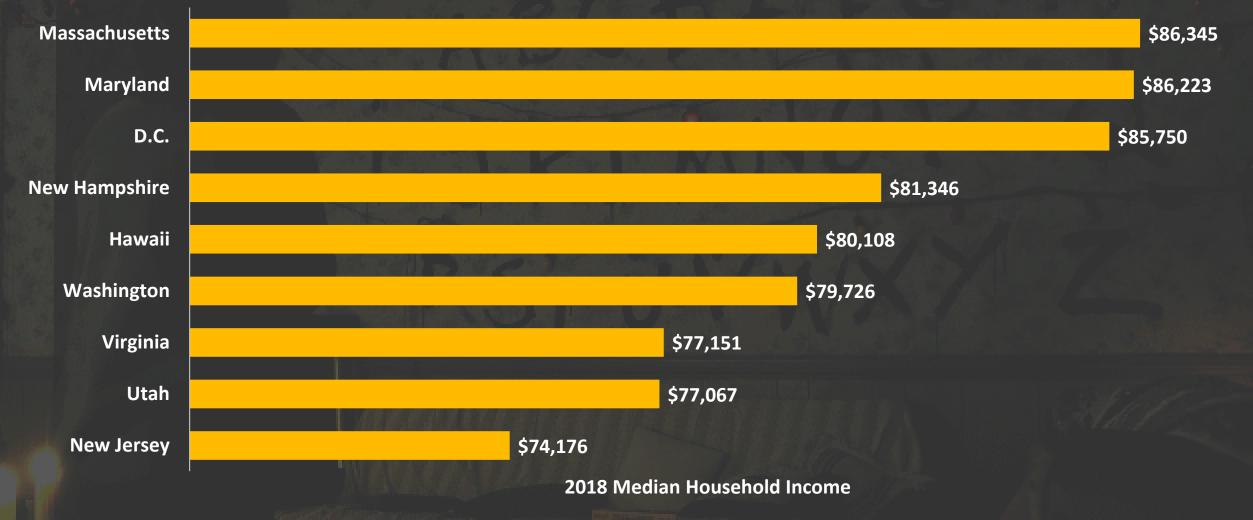


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While Our Job Numbers Fluctuate

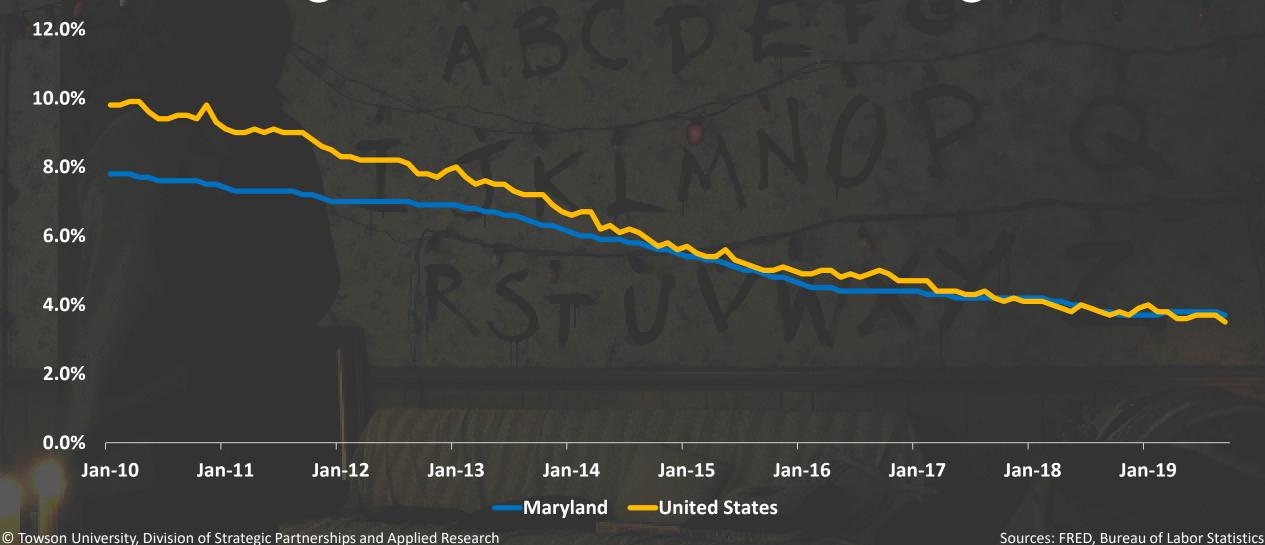


Household Income is the 2nd Highest in the United States



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But Our Unemployment Rate is Slightly Higher Than the U.S. Average



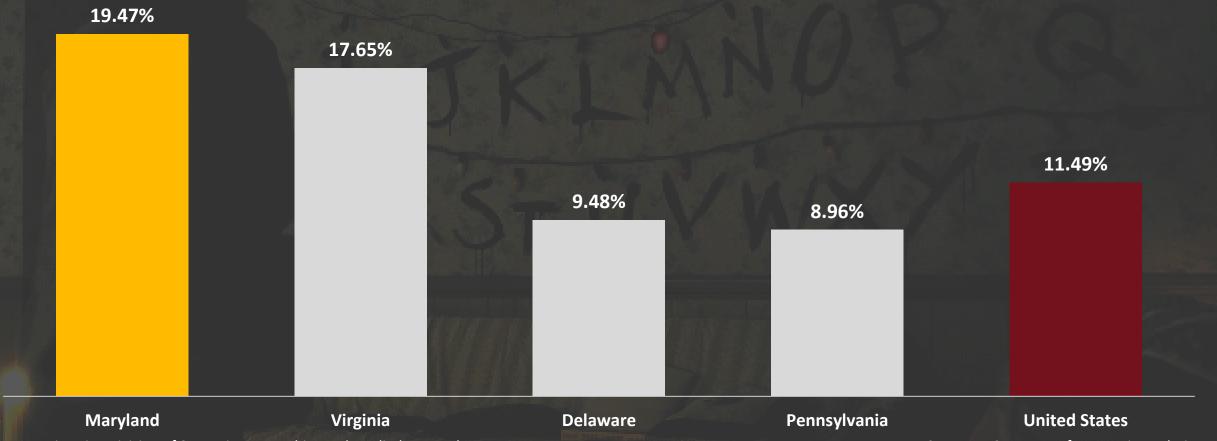
Income Inequality in Maryland is Among the Highest in the Country

 Maryland has the highest income inequality in the United States, based on 75th percentile income vs 25th percentile income.

 Maryland is ranked 35th in income inequality when based on top 1 percent vs remaining 99 percent.

• This is due to Maryland's high median income.

Government Is A Major Part of Maryland's Overall Economy...



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Source: U.S. Bureau of Economic Analysis, RESI

...As Well as the Dominant Source of Employment

Government 511.5 **Health Care and Social Assistance** 389.9 **Retail Trade** 278.1 **Professional, Scientific, and Technical Services** 257.6 Accommodation and Food Services 240 Administrative and Support and Waste Management and Remediation... 171.3 Mining, Logging, and Construction 164.9 **Financial Activities** 140.9 **Other Services** 116 **Transportation and Utilities** 99.6 **Educational Services** 97 **Finance and Insurance** 93.6 Wholesale Trade 85.3 **Durable Goods** 55.3 **Non-Durable Goods** 52.7 **Real Estate and Rental and Leasing** 47.3 Arts, Entertainment, and Recreation 44 **Management of Companies and Enterprises** 27 100 200 300 400 500 600 0 Number of Jobs in Thousands

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Source: Bureau of Labor Statistics

Computers and Healthcare Lead Current Job Openings in Maryland

Computer and Mathematical Occupations Healthcare Practitioners and Technical Occupations Management Occupations Office and Administrative Support Architecture and Engineering Sales and Related **Business and Financial Operations Food Preparation and Serving Transportation and Material Moving** Installation, Maintenance, and Repair **Healthcare Support Occupations** Arts, Design, Entertainment, Sports, and Media **Production Occupations Education, Training, and Library Community and Social Services** Life, Physical, and Social Science **Protective Service** Personal Care and Service **Building & Grounds Cleaning & Maintenance Construction and Extraction** Legal Occupations Military Farming, Fishing, and Forestry

22,267 20,346 14,289 10,106 9,427 8,064 7,266 5,610 5,014 3,784 3,714 3,426 3,424 3,218 3,023 2,404 2,253 2,063 1,657 1,411 554 153 120 3,000 8,000 13,000 18,000 23,000 Number of Job Openings

Source: Maryland Workforce Exchange

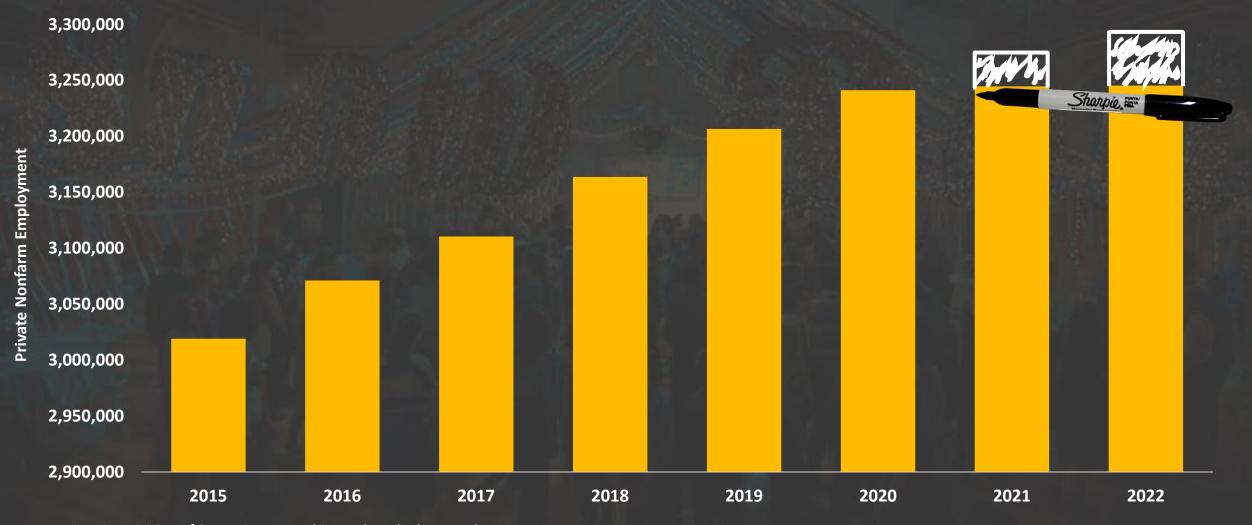
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-2,000

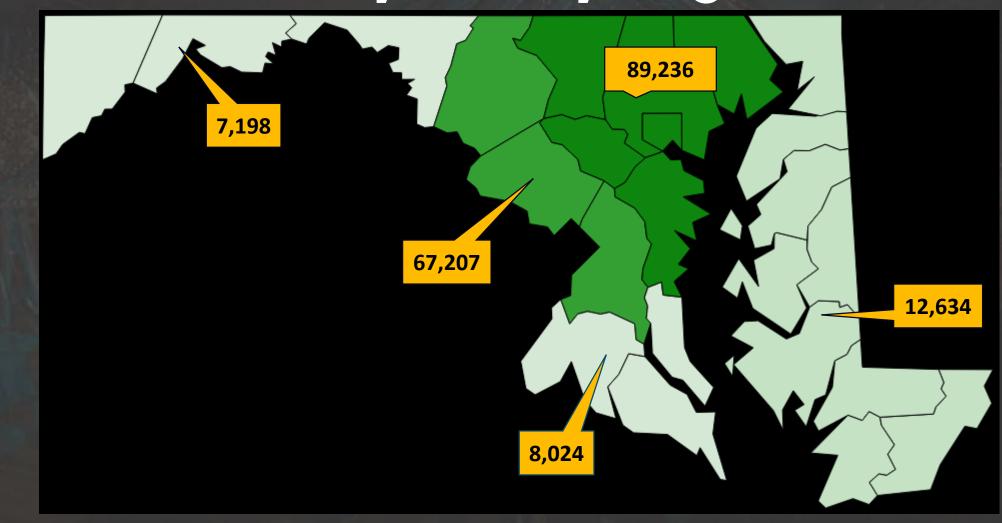
CHAPTER FIVE THE ECONOMIC FORECAST AND PROM



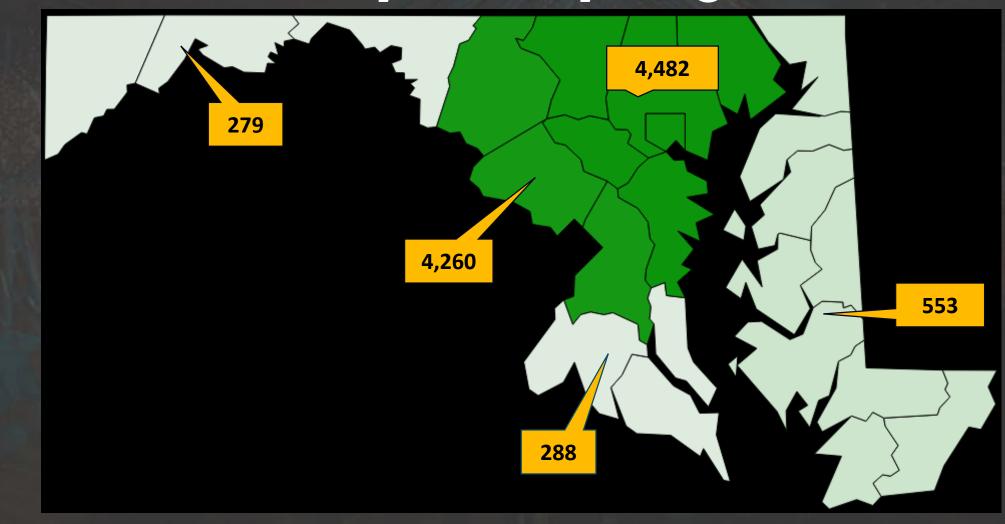
Forecasted Private Nonfarm Employment



Forecasted Total New Job Openings in Maryland by Region



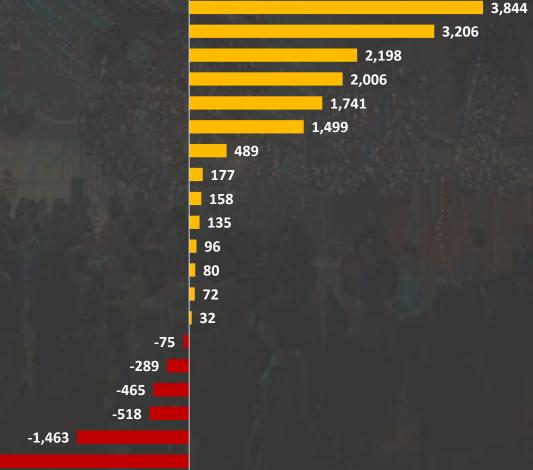
Forecasted Total Job Growth in Maryland by Region



Forecasted Maryland Job Growth by Year



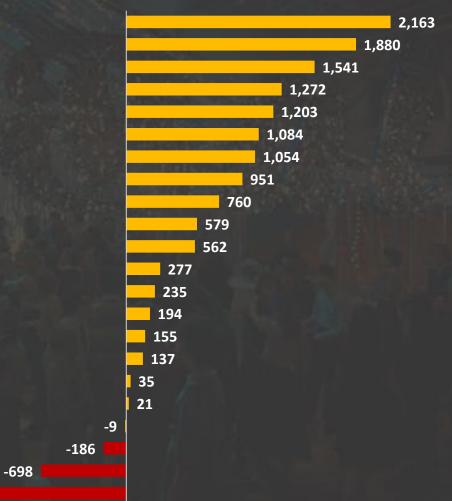
Forecasted Annual Employment Growth by Sector, 2020-2022



Health care and social assistance Professional, scientific, and technical services Other services (except public administration) Administrative, support, waste management, and remediation services Accommodation and food services **Educational services; private** Transportation and warehousing Arts, entertainment, and recreation **Retail trade** Real estate and rental and leasing Management of companies and enterprises Forestry, fishing, and hunting Construction Mining Utilities Wholesale trade Information **Finance and insurance** Manufacturing Government -3.591

Forecasted Annual Employment Growth by Occupation Group, 2020-2022

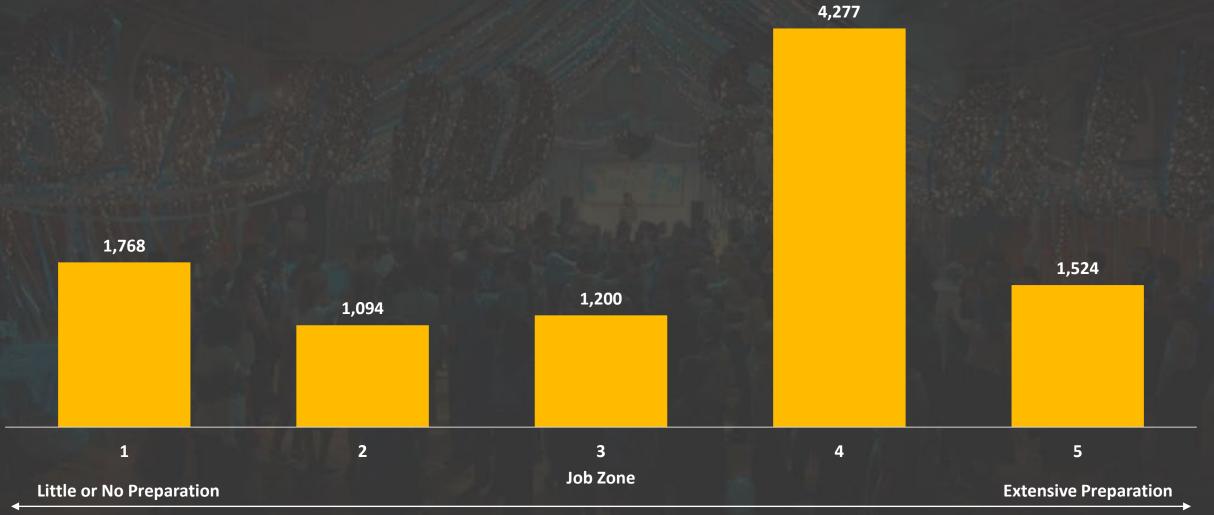
Personal Care and Service **Food Preparation and Serving Related Computer and Mathematical Education, Training, and Library** Management **Business and Financial Operations Healthcare Support Building and Grounds Cleaning and Maintenance Healthcare Practitioners and Technical Transportation and Material Moving Community and Social Service** Legal Installation, Maintenance, and Repair Arts, Design, Entertainment, Sports, and Media Life, Physical, and Social Science **Construction and Extraction Protective Service Architecture and Engineering** Farming, Fishing, and Forestry **Sales and Related** Production **Office and Administrative Support**



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-3,346

Forecasted Annual Total Job Growth by Zone, 2020-2022





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