

OFFICE OF THE COMPTROLLER MARYLAND 2023 | STATE OF THE ECONOMY



BACKGROUND

Published in January 2024, the Comptroller’s inaugural State of the Economy report analyzes Maryland’s economic trends relative to the nation and neighboring states between 2016 and 2023 to help policymakers, businesses, and the public better understand and support Maryland’s economy.

Maryland has a high performing economy and tops the nation in several key economic categories, including the highest median household income (\$108,200) and the lowest unemployment rate (1.8%). The State is a leader in industries of the future, including vaccine development, medical technologies, quantum computing, and next generation military defense weapons and systems. However, Maryland’s economy has been sluggish since the end of 2016 and has experienced a slow recovery from the COVID-19 pandemic. Key challenges include a shallow labor pool, slowing population growth, and the high cost of housing.

ECONOMIC TRENDS

Since the end of 2016, Maryland has trailed the U.S. and its neighbors on key growth indicators, including GDP, employment, personal income, and real wages.

The federal government – inclusive of federal agencies, military installations, and research centers – plays an outsized role in Maryland’s economy, making up 5.7% of total employment in the State compared to 1.9% of total employment in the U.S. Since the pandemic, federal government employment has grown significantly in Maryland while private employment growth has remained stagnant.

Maryland Comparative Economic Growth 2016-2023

Geography	GDP Total Growth	Employment Total Growth	Personal Income Per Capita Growth	Real Wages Average Growth
Pennsylvania	6.6%	1.0%	5.6%	5.6%
Virginia	11.2%	5.3%	6.4%	6.5%
United States	13.9%	7.4%	9.5%	7.4%
Maryland	1.6%	1.0%	1.2%	4.3%

Sources: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, MD Bureau of Revenue Estimates

Note: Growth was measured beginning in the fourth quarter of 2016. Where applicable, amounts expressed are in real dollars and have been adjusted for inflation

Find the full State of the Economy Report at marylandtaxes.gov/research