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## Survey: Business Optimism Persists Despite Declining Revenue

ROCKVILLE, MD (August 12, 2019) — Despite reporting declining revenue, Maryland businesses say they remain optimistic about their future growth. That is one finding in the latest Maryland Business Climate Survey, which measured local business sentiment in the second quarter of 2019.

Commissioned by the University of Baltimore's Jacob France Institute and the Maryland Public Policy Institute, the Survey offers the only quantitative glimpse into employer confidence in Maryland's economic competitiveness. Every three months, the Survey captures rare insights from 250 senior executives in Maryland on a range of business climate factors, from sales and hiring to state tax policy and workforce strength.

Read the full survey at [mdbusinessclimate.org](http://mdbusinessclimate.org).

Survey results include:

- **Revenue Growth Remains Down:** Forty-five percent of Maryland businesses reported increasing revenue in the 2nd quarter of 2019. While that is a 2 percent increase over the first quarter of 2019, it remains well below the peak of 57 percent in the 4th quarter of 2018.
- **Optimism for Growth Remains Strong:** Sixty-five percent of Maryland businesses surveyed expect their markets to grow in the coming year, higher than 56 percent in first quarter of 2019, but below 72 percent expecting growth in fourth quarter 2018.
- **Worker Shortages May Be Getting Worse:** In the second quarter of 2019, half of firms reported experiencing worker shortages, above the 39 percent figure in the first quarter, but below levels in the prior year. A troubling data point is that the share of firms characterizing their inability to find qualified workers as both short- and long-term in nature has risen steadily over the past six quarters. In second quarter 2019, 78 percent of responding businesses said they experienced both long-term and combined long- and short-term shortages, up from 70 percent in the beginning of 2018. Maryland businesses thus appear to be experiencing worker shortages across the **low, middle, and high skilled** spectrum of occupations.

“Maryland businesses have been flagging workforce shortages as a big problem for more than a year, and it does not appear to be getting better,” said Richard Clinch, Ph.D., author of the Survey. “The public and private sectors will need to work together on creative solutions to alleviate this hindrance to growth.”

- **Taxes Remain a Problem:** In the second quarter of 2019, 63 percent of businesses surveyed reported taxes had negative impact on their operations. Tax policy has consistently polled as a drag on Maryland's business climate in the eyes of business leaders.



# The Maryland Public Policy Institute

“The survey also shows optimism in our business climate is not shared among difference regions in the state,” said Christopher B. Summers, president and chief executive officer of the Maryland Public Policy Institute. “Policymakers need to ensure that Baltimore City and rural Maryland have reason to be as optimistic about the future as Central Maryland.”

Read the full survey findings at [mdbusinessclimate.org](http://mdbusinessclimate.org).

**About the Maryland Public Policy Institute:** Founded in 2001, the Maryland Public Policy Institute is a nonpartisan public policy research and education organization that focuses on state policy issues. The Institute’s mission is to formulate and promote public policies at all levels of government based on principles of free enterprise, limited government, and civil society. Learn more at [www.mdpolicy.org](http://www.mdpolicy.org).

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