

While Maryland scores relatively poorly in some categories on taxes, it does well enough on numerous other criteria to rank as the 14th most attractive state nationally for businesses, according to a bank economist.

Maryland's rankings in areas such as business growth and unemployment rate show "there are two sides to every coin," Gary Keith, a vice president and regional economist with M&T Bank, told business leaders Friday during the Maryland Chamber of Commerce's Business Policy Conference at the Gaylord National Resort and Convention Center at National Harbor in Oxon Hill.

Maryland ranked eighth nationally in the growth in the number of businesses from 2006 to 2008, with 20.3 percent, according to Dun & Bradstreet and YourEconomy.org. Maryland was 11th nationally in average unemployment rate since December 2000.

That contrasted with being 44th in a study by the Tax Foundation of business tax climate and 39th in commercial electricity costs so far in 2010, according to federal figures.

In the overall study by M&T of 16 variables, including business growth, unemployment rates, personal income and tax climate, Maryland ranked below only Florida and Virginia among states east of the Mississippi River. The state was 11.3 percent above the national average.

"Companies want to have their businesses here," Keith said. "But let's not put up roadblocks to future growth."

A couple of categories seemed to be contradictory. The state ranking high nationally in per-capita personal income growth was seen as a "leading" indicator, while Maryland ranking high in private-sector employee compensation was viewed as a "lagging" indicator.

Higher incomes encourage more consumer spending, savings and investment, allowing more capital for entrepreneurs, Keith said. But at the same time, if labor costs become too high, that

can hurt company startups and growth, he said.

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