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Roundtable Report

Fall 2011

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Blueprint Maryland held a series of roundtables and the notes are presented here for public review and comment. We are planning additional roundtables as well, but welcome your suggestions, comments, and priorities on the attached as we determine the subject of our next professional research study.

Please forward them to info@blueprintmaryland.org.

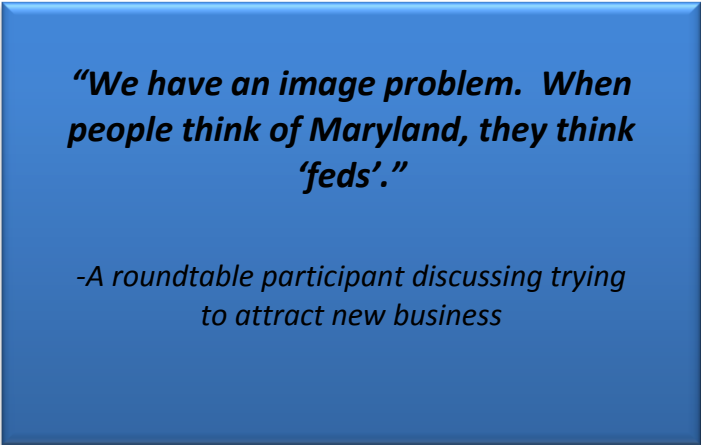
Introduction

Maryland has entered a new work era. In the coming years, our workforce will be significantly impacted by the cuts in the federal budget, as Blueprint Maryland's first research study illustrated. Furthermore, the changes over the past decade in the State's demographics have altered the population and economic centers, the educational system, and the industries that have provided jobs in the past. The steps we take now can help maintain a strong state, a vibrant workforce, and a preferred place to live and work.

But we have to be ready to try new things in recognition that Maryland is not the same state it used to be. Traditional Maryland continues to maintain a strong alliance with the heritage of the Bay – crabs, fisherman, and the port, while the new Maryland associates with the Bay for environmental and lifestyle concerns. And while old Maryland continues to regard Baltimore City as an important center of power and politics, new Marylanders are looking towards the DC suburbs and the 270 corridor which have seen tremendous growth. Old Maryland was about government jobs, but the new Maryland's job opportunities are still in question.

Blueprint Maryland doesn't look at specific geographic regions or industries as old or new Maryland. We look towards a united Maryland, one that is strong in attracting jobs to all parts of the State, ensuring that we have a strong and educated workforce, and that we continue our appeal as a place where people can live and work. As we enter the new work era, we need a plan by the people and for the people to lead the way in how Maryland addresses a changed State in dramatically altered national and global economies. What will the changes mean for our families, our communities, and our jobs, and what plan for success can we offer?

Blueprint Maryland held a series of roundtables and numerous meetings around the State to better understand the challenges, opportunities, and potential solutions facing the hard working men and women of Maryland as we prepare for, as one participant described it, the realization that the federal pigot is going to trickle down in Maryland.



"We have an image problem. When people think of Maryland, they think 'feds'."

-A roundtable participant discussing trying to attract new business

These roundtables evoked a strong reaction that it's not just about what jobs we can create in Maryland and the relevant aspects (such as transportation to the jobs, education and training for the jobs, changes in government policies and regulations to help businesses, etc.), but also how we change the climate and attitudes towards economic development in the State and away from the grip of politicians and

dependency on government jobs. Although our current unemployment numbers are relatively low, people in Maryland are extremely apprehensive about what awaits us in the coming years. When the recession began, it altered a willingness to take risk. In the past few years, Marylanders have increased their aversion to risk as a protection in a bad economy. How do we rebuild confidence in Maryland so the risks that drive creativity, innovation, and private sector job growth can be taken?

The roundtables raised more questions than were answered, but it was the launching pad for important discussions that needed to be held in a balanced, non-partisan format. What was conclusive from the roundtables was that the conversation must continue about how all stakeholders can work together to initiate and lead the way in creating job growth, which the government should complement with smart spending and regulatory policies.

Tremendous gratitude is extended to all the participants who took time to travel to and attend our roundtable from all parts of the State. The diverse representation ensured that all Marylanders had a voice at the table, and we will continue to provide a forum for people to be heard. Blueprint Maryland does not necessarily endorse all the comments and suggestions included in this report, but wanted to share all the results for further discussion. In the coming weeks and months, we will be conducting research through a professional economic policy center to determine viable solutions for our State, to present concrete proposals, and the steps we need to take to implement them. As we work to create this blueprint for our State, please help determine the key areas we should research by sharing your thoughts on this summary of meetings and roundtables with stakeholders in this important discussion.

Issue #1: Workforce & Education

The prevailing topic at the roundtables was the workforce in Maryland and its education and training. Our current education system is based on an antiquated system where few went to college and the rest of the population obtained skills-dependent jobs. We haven't prepared ourselves for a different kind of workplace demand, and in the coming years we will see the impact of this. Today, labor can be outsourced around the world at a fraction of the cost, and it will hurt some of our local jobs which can't financially compete.

Our current educational system created a disconnect between high school and college or career, and between college and career. Students are not prepared sufficiently for the jobs of today, despite investing in their education, nor is there an across-the-board effort to initiate innovation at a young enough age. Many students cannot afford or do not desire to attend college. And of the students who do enter college, far too many may not have ambition or the orientation to finish college. Subsequently, a whole generation is left saddled with severe student loan debt, insufficient training and lack of appropriate skills, and an uncertainty of how they can provide for themselves in the future. We have created a workforce that has greater potential than where they end up.

Education binds Marylanders together, as it affects our quality of life, economic development, and means to attract families and businesses to the State. But being #1 in education, as Maryland has been rated, can lead to complacency. Today there is room for improvement in Maryland's educational

system, but it will come at a cost – a public cost, whether it is constructing new schools, improving existing facilities, or hiring bright and qualified teachers.

There are varying views as to the ultimate goal of our schools. Are high schools supposed to be producing well-rounded students? Prioritizing STEM subjects? Producing students who can pass standardized tests? Building character? One participant noted that schools should be developing great thinkers. As we think about the roles and responsibilities of schools, some of the major education concerns that were raised include:

- The vast difference in the educational achievements (test scores, graduation rates, etc.) between counties, largely related to the socio-economics of the areas. Maryland's #1 national ranking is not an accurate portrayal of all the schools, particularly Baltimore City, P.G. County and the lower Eastern Shore. And this year's dramatic drop in scores in Baltimore County, for example, raises a red flag.
- In some parts of Maryland, usually based on the socio-economic status of the students, the class size in the classroom makes it impossible for students to learn.
- It also makes it impossible for teachers to teach. Teachers often feel that they are doing triage, and half of the good teachers are chased out of the profession within in 5 years. The teachers who leave are from the top half of college SAT results, so the best and brightest are walking away because they are frustrated, tired of babysitting, and exhausted from 60-70 hour work-weeks when they are officially being paid to work less than 40.
- The lack of focus by educational leaders on kids who don't want to go or can't attend college, and even those who drop out of high school. Although some students would better succeed at working with their hands rather than trying to get through coursework, the educators of Maryland don't have a broad plan for helping students apply their natural strengths or talents.

A ubiquitous trend in every part of the State and in every industry is the lack of soft skills in the workforce.

The attitude and behavior of both workers and job applicants is alarming. Employers complain about late arrivals; failure to be able to communicate with the boss, co-workers, and customers; resistance to be trained; and so forth. As one participant noted, people no longer learn civility. People arrive in inappropriate clothing to jobs and even job interviews. They don't know how to greet people with a handshake, and how to verbally communicate. It was suggested that schools incorporate soft skills education into the classroom

One participant suggested creating a summer program that teaches soft skills, targeting the pilot projects in areas that have lower academic success such as the Lower Eastern Shore, Baltimore City, and Prince George's County. The program would incorporate emotional, physical and financial support with hands-on skill development, financial literacy, internships/apprenticeships at local businesses, and the basic necessities that they need as incentives (hot lunches, stipend for transportation, etc.). They would regularly have classes and guest lectures on the basic soft skills that have gotten lost today.

- Beyond the concern for the high school drop-outs, the drop-out rate in first year of college is 50%, and no one is attending to these students. Participants noted that we should be working to encourage students to attend college and to stay in college, as a college education offers more opportunities and the ability to earn higher incomes. According to a Governor’s report, “High skill jobs, which require at least a bachelor’s degree, are projected to account for 38% of job openings” in the coming 10 years. But there also should be organized options for those who do not finish college.
- The big push nationally for financial literacy is not being properly integrated into our schools. As one participant noted, if we are already teaching math in school, we should incorporate financial literacy (or “functional math”) with basic elements such as how to balance checkbooks. Kids cannot understand the national or global economic issues when they don’t know what simple terms, such as “interest rate”, are or why it is relevant to them.
- Standardized testing is a “one size fits all” that doesn’t produce people who can get jobs. Yes, we need to focus on basic math and reading, but today a high school diploma doesn’t mean they can do reading and writing and basic math. And if students are focused on excelling on the standardized test (and teachers are encouraged to use this as a tool to measure success), we may be overlooking potential innovators and workforce leaders of the next generation.
- Charter schools were briefly raised, noting Maryland’s hostility to that movement due to the power of the teacher’s unions. But someone pointed out that Virginia doesn’t have a high number of charter schools either, so would charter schools improve our education system and workforce?
- The achievement gap comes during the summer time, and there aren’t appropriate or sufficient summer programs for students who cannot afford specialized programs.

Exploring alternative educational models

Participants noted that Maryland should look at foreign models, such as the French school system that offers apprenticeships. A few suggested the German high school model, in which the federal government leaves most of the educational decisions to the States which offer programs that enable students to leave high school with hands-on skills. In Germany, many public high schools offer a dual education system which combines apprenticeships in a company and vocational training in a school.

One type of school offers students a full-time vocational program that prepares them for very specific job training, which can change based on the demands of the job market.

A second type of public high school offers a part-time curriculum of trades, where students learn all relevant skills and subjects while the rest of their time is spent learning at the company where they take their apprenticeship. The whole program lasts 2-3.5 years depending on the subject taken, with the vast majority of courses lasting 3 years.

In light of the numerous concerns raised about the education and workforce in Maryland, one participant reminded us that there are many Marylanders who do everything right and they are still struggling for jobs. Parents are overwhelmed by their sons and daughters who may have excelled in high school and gone to college, only to be left with a somewhat worthless degree and no concrete goals or plans. We have to realize that we are in the 21st century version of the Industrial Revolution. Things have changed, and workers today may not do what they went to college for or were trained to do. Instead we have to come up with new ways of doing things. And if we look at it as a major change, a revolution in the workplace, then our solutions have to be drastic and all-encompassing and not attending to a handful of students at a time in one particular school or area.

Beyond the educational issues, we must determine whether the skills of Maryland's workers and potential workers are in line with the jobs available (or to become available). This cannot be answered without an independent study that includes a closer look at each industry. For example, some parts of Anne Arundel County have residents with strong educational backgrounds and experience who work for the government. But a high pocket of unemployment exists in Glen Burnie, a bedroom community of Baltimore City. Many of these residents used to work in manufacturing in Baltimore City and lost those jobs, and the question for their future is what education or training can be provided to this group who were skilled in something very specific. This example can be echoed around the State, in most counties that have leaders without answers.

Some of the concerns raised about Maryland's workforce include:

- When planning for the future, we also have to look beyond the new college graduates or traditional experienced workforce. A Baltimore City participant noted that in his jurisdiction, 10,000 ex-offenders are coming back to the market every year, and only 39% of high school graduates are ready for college or career. How are we preparing them for decent jobs?
- One program in Maryland works with less-than-traditional potential employees (unskilled, ex-cons, etc.). Working on a small scale, 60-70% of people they train go back to work. For such workers, we have to look beyond job arenas such as cyber-security and bio-tech, and we have to address these kinds of potential employees around the State.
- Maryland's workforce is very academic and research focused, and there is very little commercialization. Bio-tech is one of the most viable in Maryland, but for that and other such industries in Maryland, we have to import people to work here.
- While the State promotes cyber-security as a future field, employers are looking for certification and clearances, which many Marylanders do not have and may not be able to get. For every potential industry suggested for Maryland, we have to determine if the workforce we have will qualify.
- It's hard to find people with the skill sets needed. In some industries, such as manufacturing, it is because tasks that previously required more basic skills today have a greater need for higher tech skills. Even what used to be low-skilled jobs such as auto mechanics now require technical training. And for the more basic skilled jobs, our State simply had a lack of preparedness. For example, we're bringing more slots into Maryland, but we don't have people who are trained to fix the slot machines. Instead, slots will be fixed by an out-of-state company. Another participant noted that for all the talk about bringing wind power to Maryland, how is our population being educated and trained so we don't outsource that work to another state? We know some of the jobs coming to Maryland but we don't properly plan. Training organizations are regulated by the State of Maryland, but it was not forward thinking they could have planned better. As a state, we should look inside to our own population and make a better workforce.

- Another reason some Maryland companies are finding it hard to attract employees is because of geographic issues. Baltimore City high-tech companies can't find local workers, as the qualified men and women are working (or looking for work) in the DC suburbs. And most high-tech workers aren't looking towards Baltimore City for jobs, but rather for high-paying government jobs in DC or its suburbs.
- Often when a company has staff on board, they can't adapt the employees to new skills or requirements. In manufacturing, for example, workers don't want to be trained in updating skills if they know they are going to be retiring in a few years.
- Many jobs carry a stigma. Parents with higher degrees may not want their children training for vocational jobs, despite the good salaries that may accompany them. How do you alter the perceptions

For some of the problems in education and the workforce, the solutions are already apparent but either may not have been implemented or may need to be strengthened and expanded. Some of the next steps or potential solutions raised for further discussion or research include:

- Taking a closer look at how education dollars are being spent. It seems that a lot of funds are going towards education, but may not be allocated in the best interest of all students. One participant gave the example that in Anne Arundel County the school board wanted to spend \$475,000 to purchase synchronized clocks, when some Maryland students don't have enough books, classrooms or teachers. Is there a way to have an outside party closely review the spending and hold people accountable for that spending?
- Explore what are we doing to expand good programs that enhance education, such as the National Foundation for Teaching Entrepreneurship, which reaches out to students in low-income areas?
- Another participant noted that we have lost the ability to teach students how to learn, even in homes where parents are devoted. Today's youth are not motivated, and we need to find a way to make a strong impression upon them. Creating a strong, statewide mentoring program was

Howard County schools have "Career academies" incorporated into their public high schools, so students can learn a range of skills directly related to jobs – including Culinary and Restaurant Operations, auto technology, fashion design, architect, animation, construction, foods and nutrition, teaching and child development, biotechnology, emergency medical technician, and energy, power and transportation.

According to a Howard County participant, the old vo-tech model doesn't work because there is too much stigma. "Blue collared jobs" should not be a dirty word, and we have to start training parents that not everyone is college material. There's a need for skilled workers.

suggested, although numerous mentoring programs already exist in Maryland. An Eastern Shore leader suggested “marrying” one generation with another, whereby retired professionals would use their corporate backgrounds to train students in areas such as soft skills.

- Looking at hands-on programs for students should be considered by exploring some of the successful programs in Maryland. For example, a participant noted that Calvert Hall College High School has its own credit union operated by students. This was undertaken to teach basic financial skills in a practical way.
- It was noted that it may not be the mentoring that is needed, but a way to excite the young men and women into having changed attitudes. We need to stimulate them to take leadership of the jobs issues, and to lead their peers towards careers. Some of the best inventions were made when people crossed boundaries and stepped out-of-the-box. But Maryland doesn’t encourage that early enough; it starts in the college level rather than at the high school level where entrepreneurial programs can help kids learn to explore more and be creative early for better career options. The most innovative minds that we have could be our young people, if we help guide them and develop their skills.
- There are insufficient well-known role models and mentors that can help appeal to students at the high school level. Finding and utilizing young leaders, such as Kevin Plank of Under Armour, and working closely with career counselors and faculty in high schools to create a broad PR drive towards certain jobs may help. Maryland’s sports stars and even our success stories in the entertainment world are well known, but kids today (and often adults) can’t name our business/innovation leaders.
- A review of the collective education programs in Maryland should be conducted to better understand what we are teaching to whom, and what businesses are generating out of that (i.e. health care, hospitals, research, etc.).
- One Maryland county reached out to the businesses to better understand what kind of employees are hard to find. When they heard that the hospitality industry couldn’t find hotel workers, a program was created that recruited potential employees, trained them and helped them get jobs. This worked on a small scale (about a dozen participants), but it helped the industry and workers.
- There was strong consensus to offer more vocational programs, internships, and alternative educational activities with participants noting:
 - There was overall affirmation that internship programs are a positive way to get students involved in a career early on, particularly at the high school level before parents invest in their college education, so companies can help provide hands-on training that would not be offered in educational institutions. One local CEO noted that his firm used a lot of interns, which feeds into their hiring. An educational leader concurred that internships are the best training, motivating them to build resumes while giving them the skills they need. The question that loomed was how to get public high schools involved in creating internship programs. And even with such internship programs, are the students prepared with the soft skills (including behavior and dress) and mobility to hold such internships?
 - A downside is that some of the vocational training programs require training with power tools, but some jurisdictions may not allow students to use power tools due to policies or insurance issues. So local non-profits or community groups may have to partner in, such as Boys and Girls Clubs.
 - Internships or apprenticeship programs would be best offered in small, targeted efforts or with enough flexibility to change after a few years as the skills demand alters. Today,

the majority of apprenticeship programs are in construction (including electricians, plumbing, and steamfitters), and often at the community college level. Are these closely monitored (i.e. re-examine the demands of individual programs, to make changes, to suggest creating new ones, or to cancel irrelevant ones, etc.)?

- In one county, a public-private partnership effort created skilled training programs as part of both a drop-out prevention program and drop-out program. Working very small scale, they tried to determine what occupations students were interested in, and then taught skills related to that. For example, if someone enjoys baking, they will need to excel at fractions, which a training program can provide to students who may not have excelled at general math. The program is very vocational and job specific, and the students generally succeed because they understand how the academic skills relate to them.
- We need to review how to make it easier for educational institutions to educate and train Marylanders. The trainings concerns are great, particularly considering the Governor's report that indicated that "middle-skill jobs, which require training or education beyond high school but not a four-year degree, are projected to make up 39% of job openings in Maryland" in the next ten years. We lack sufficient trained and skilled workers, but restrict the ability to train and teach Marylanders, as seen in the following examples mentioned by participants:
 - The Apollo Group (University of Phoenix) wanted to come to Maryland but got turned away.
 - A technical institute that wanted to open a new location in Maryland faced hurdles that took 10 months to get license to open a new center.
- It's the balance of education, workforce, and the need that creates the demand, and we have to work closely with community colleges to create training programs as students are increasingly turning to these schools rather than bigger, four year colleges.
 - For example, Montgomery College now offers a 2 year lab technician degree because there's a demand in the field so they were approached and positively responded in designing and creating a program.
 - Another county spoke to the business sector to learn where they were having trouble finding employees. They learned that the hospitality sector couldn't find front desk people. The county worked with a community college to create a specific curriculum that would help students learn customer service and skills related to the hospitality sector. 15 began the program, 12 completed it, and 8 were hired in a short time.
- When targeting specific industries for growth in Maryland, we should look at the current workforce and consider what kinds of jobs we have trained professionals for already. Some industries will have trouble finding workers, such as software engineering, which currently can't find a sufficient pool to pull staff from, as most of that industry in the region is in northern Virginia. Spending state resources to attract these kinds of businesses to Maryland may not be in our overall best interest, when those resourced could attract jobs for which the employee pool is larger.
- It was pointed out to Blueprint Maryland that the health care industry is struggling to find appropriate qualified nurses. A suggestion was made that we should explore creating a new category of para-nurses, health aides who would take care of some of the non-medical nursing activities. This would be professionally certified as its own category, so medical professionals and patients alike could be confident in the training and education of these workers. This would enable the nurses to focus more on the medical side of their activities, while someone else would do more of the "cleaning up" responsibilities, providing more efficient and cost-effective health care.

This is important to explore because today, doctors are off-loading responsibilities to nurses, and the nurses could be off-loading some of their non-medical responsibilities. It was mentioned that approximately 80% of healthcare spending comes in the last years of one's life, and with this category of nursing assistance, it can make health care more affordable and even potentially keep patients at home.

Issue #2: Financial hindrances to growing a business

Surprisingly, the financial issues were not at the center of the roundtable discussions, although there are some key fiscal concerns that were raised, including:

- High taxes of operating businesses in Maryland. The tax issue was not raised as a partisan concern, but rather as a jobs issue.
 - While high taxes may be a downside to attracting or keeping businesses in State, it is questionable as to whether it really discourages international firms from opening a Maryland office. If the tax structure and fees do not change to be more competitive with surrounding States, it may be in Maryland's best interest to work on attracting foreign business, which may not care and which also generally offer high salaries.
 - Manufacturing leaders note that taxes forced upon them are often damaging. For example, manufacturers consume 30% of energy output, so any tax on energy producers will impact the manufacturers (and subsequently trickle down to the consumers).
 - Small business owners are feeling the hardships of higher taxes and agree that it prevents them from having funds to hire more workers. It was noted that businesses have to be careful what they ask for because they've been successful in getting what they want from the State to move it towards a more pro-business climate, but then the businesses which came up with the ideas are now being taxed for implementing some of the pro-business solutions.
- There are no current funds to improve Maryland's infrastructure, and lack of improved transportation and transit will hinder job growth. But the gas tax issue, which was raised by representatives of the DC suburbs, is greatly opposed by many other parts of the State.
- Maryland's private sector finds it hard to offer salaries that are competitive with what the government jobs offers. Students coming out of college find government salaries more appealing, which can often pay \$10,000-\$20,000 more a year.
- Small businesses don't have access to affordable capital, as they can't get loans, and this is true of larger companies in some industries such as manufacturing as well as entrepreneurs who are qualified to open businesses but can't get off the ground. While the community banks are deemed easier to work with than the larger, national banks, often they face regulatory hurdles that prevent them from giving out more loans. In short, local companies need financial help and solutions. We could be creating thousands of jobs but there aren't funds for businesses to start or expand.
- Environmental regulations and concerns drain manufacturer's finances, even if they agree with the concept. For example, switching factories from coal base to natural gas for environmental benefits is something that manufacturers agree with in theory, but they can't afford to pay for it. What was raised but not answered, for both the manufacturing industry but also beyond that, is who funds healthy living in Maryland?

Issue #3: Lack of strong infrastructure limits growth

The transportation issue was raised, primarily by roundtable participants from the DC suburbs who find that lack of appropriate infrastructure not only causes problems today but is already forecasting serious hindrance in job creation in the coming years. According to one participant, Maryland will be in bad shape when the light rail opens in northern Virginia.

There are foundational issues have to be addressed to allow communities and businesses to grow. Montgomery County has a hard time competing with northern Virginia because Virginia has begun to invest in infrastructure, but Maryland no longer does. Any investment we put into Montgomery County's transit system will have a greater return, claim that county's leaders. For example, the master plan for a large center of science was approved but is constrained by transit problems. But Marylanders are very torn between the need to raise funds for transportation through a gas tax and the idea of taxing all Marylanders for immediate benefits to only some parts of the State.

We can't create the high quality jobs here without transit. Without it, we'll be nibbling on the margins.

-A roundtable participant

A concern about raising funds for greater transportation/ transit/infrastructure development is to prevent the procurement process from sending money out of state and limiting our jobs and revenue. Any infrastructure funds should be kept in state and circulated here. Investing in our infrastructure can boost our economy in the short term. As there won't be more federal funds coming in to build statewide projects, we would have to explore public-private partnerships.

How do we keep the infrastructure jobs in Maryland? It was suggested that we need to incorporate relevant language into the criteria of all bids for transportation projects.

Issue #4: Maryland is losing its middle class

Many people feel that there is an increasing disparity between the higher earners in the State (senior-level government workers, researchers, and so forth) and the low skilled workers. The way to keep Maryland from losing its middle class is to revitalize the manufacturing base, an industry that is not getting sufficient support from within the State. Any approach to job creation must be towards balanced job creation.

Participants felt that most political leaders in Maryland think there is no future in manufacturing, but a study conducted by Sage Policy Center of Maryland's manufacturing industry indicates otherwise. How do we put manufacturing on the front burner in Maryland?

Manufacturing is part of Maryland's fabric, and denying the resources to expand it would put too many people's lives and futures at stake. Contrary to the belief that all manufacturing is now being done in the Far East, there are very successful manufacturing opportunities for the United States and we have to make Maryland a competitive player because manufacturing jobs are good paying, offer financial benefits, and enable people to use their hands and develop skills for which they can be proud.

Moreover, it is a great industry for certain parts of the State that badly needs jobs, such as Western Maryland, parts of the Eastern Shore and even Baltimore City. And studies show that any jobs that generate greater exports from the State offer a more solid economic foundation.

Among the concerns about manufacturing in Maryland:

- Manufacturing has changed; today's manufacturing requires greater skills and technology than the manufacturing of yesterday. But our workers are not properly prepared and the manufacturers often don't have the funds to provide proper training.
- In Maryland, that training is not being offered at the university (or even at community college) level. In Baltimore, there's not even an industrial design study program.
- We have to be smart about what we manufacture. There is a huge market for things that need to be made, but not everything being made is a commodity. Maryland's advantages – including location and infrastructure – are great for manufacturing so long as we identify a niche for things that can be made successfully in this State.
- Maryland has no water structure to sustain manufacturing because of political issues, so there will have to be political/legislative changes to secure important industries.

“In manufacturing, a key component is mentality. Creative thought is a key part of the process. If you move towards a service economy, you don't incorporate the creative thinking in the State. So we can dumb down and eliminate human tendency to solve problems, or we can embrace manufacturing.”

-A roundtable participant

Issue #5: Our changing population and changing communities

- The aging population in Maryland will change our landscape. Today, we have to consider how this affects our jobs and communities. Many of tomorrow's jobs are health care related because of the aging population. What does this mean in Maryland? In the aging community, there are many job prospects but we have to have properly trained and certified people to ensure that there won't be any abuses. We need people to start assisted-living homes, or go into senior homes to help them, or retro-fit homes with ramps, and so forth. There is a tsunami coming with the seniors.

- It is also important to understand the aging workforce to understand its training, education and skills. Today, approximately 43% of the workforce is over the age of 45, while ten years ago it was only 34%.
- We have to review which communities are growing and how that impacts commuting to jobs when there are insufficient local opportunities. Marylanders have one of the longest commutes in the country. Are we focusing on creating more local jobs that will allow men and women to spend more time with their families and in their communities? Almost 47% of Marylanders leave their home county to go to work.
- Government jobs are higher paying than non-governmental jobs, and if federal jobs are cut and we have to expand local, private sector jobs, how will Maryland families adjust their new incomes to the high cost of living in this State?
- We have to look at how some regions or sectors are impacted more than others. For example, in Montgomery County there is only 5.6% unemployment but that's double what it normally is. Who is impacted? Of 18,000 jobs lost in the last 4 years, 13,000 are in construction and real estate, which disproportionately affects the Latino community as well as the low-skilled workers. Another example is Baltimore City, which has a large population of low-skilled workers. According to a study, "two out of every three low-skilled jobs were located in the suburbs." As the future is in high-skilled jobs which require innovation, how can Baltimore City's residents obtain skills for those jobs without moving or having to commute?
- Different sectors of our State have to work together in the planning stages. One participant noted that when we build communities, why don't we plan our houses better? For example, why aren't we building houses with a cistern to collect rainwater to water gardens? Building houses better builds better communities.
- The roundtables did not address the Immigrant issue, although this is an population that must be considered. In Maryland, the Asians and Hispanics communities have seen tremendous growth as small business owners. A representative of the Hispanic community did mention a specific program that they began about 10 years ago, which teaches the nuts and bolts about how to start a business. They bring in bankers, entrepreneurs, business owners, and other professionals to teach and train, and this opportunity could be duplicated and expanded. We have to muster resources – helping schools, mentor kids better, kids have to see opportunities. We can also utilize unemployed and retired professionals to offer classes in skills that immigrants are lacking (language, math, science, etc.). Widespread, our educational institutions have to put themselves at the disposal of businesses, and we have to put educators at the

According to one participant, we used to be a vertical society. Years ago, grandparents lived near their children and grandchildren. People were thriftier and so it was a good financial arrangement. Then we became horizontal – people went to neighborhoods according to age demographics. Young families lived in one area, elderly in another. Now it looks like we are going back to vertical population again. How does this affect housing, shopping, transportation, local jobs and so forth?

disposal of the businesses. But this is particularly true in the immigrant community, which is tight-knit and desperate to succeed.

Issue #6: Policy/Government

- A key issue raised is the over-regulation in Maryland, and this appeared to be an even greater concern than the high taxes. Regulations affect employee hiring, bank loans, day-to-day working activities of a company, and almost every aspect of business growth in Maryland. We're at the point where Maryland is really imploding on itself. Specific issues that were raised include:
 - The heavy regulatory compliance for small business community, which often conflicts with federal standards, prevents job growth. One example is defining of "independent contractor".
 - Many companies are finding themselves spending more money to make on-site changes to comply with regulations, to pay fines for non-compliance, or to fund lawyers or HR staff to ensure full compliance.
 - Deforestation is often in conflict with small business growth, and it becomes very bureaucratic when low level employees can make a decision on this issue. Often the cost of planting trees drains financial resources of a business so it must limit or cut employees.
 - Regulations issues affect some parts of the State from competing with neighboring states. For example, in parts of Western Maryland that compete with Pennsylvania and West Virginia for jobs, Maryland's heavy regulations turn businesses away from the State which can more easily locate over the State line.
 - Regulations harm the agricultural industry and are harming our farms and the poultry industry.
 - The manufacturing industry is severely harmed by government over-regulating. For example, the allowance for micro-unions, where companies can have 10-15 sub-unions at a factory, can dramatically affect the ability of a company to be managed.
 - There are new regulations that are coming out which will continue to harm businesses, such as new regulations on apprentice training for any federal job over \$25,000. If you are a company whose staff does not include people who have completed apprenticeships, you have to pay 25 cents for each man-hour if you don't have training, and the company will be penalized if the staff hasn't gone to school, even if they were trained on-the-job. The process is right; we want people to be trained. But now that we're getting people into these training, there's a tax being put on it.
- Maryland has the age old problem of dealing with bureaucracy. At the bottom levels which deal with businesses, they "just don't get it" and are impediment to job growth.

We need to create healthier private sector economy. Before we create jobs, we need to do no more harm.

-A roundtable participant

- Environmental groups hinder real estate development that could create more local jobs. While we care about the environment, we also need to have work for local families.
- The government should not pick which industrial sectors should succeed. That should be decided by the business community, but the government needs to set the table (creating the right policies, right incentives, etc.).
- Maryland needs to evaluate the incentives. For example, a \$1000 tax credit to hire someone making \$80k isn't an incentive. It seems that the politicians are making incentives which don't provide enough for the companies which need them.
- There is too much oversight from institutions within industries. If a new institution of higher learning wants to open, all the other institutions of higher learning get to weigh in on it. They will want to protect their own turf, even if it is at the expense of Maryland's workforce. The same thing happens in hospitals. If a new hospital wants to open, they are subject to review from other medical institutions/hospitals. And new hospitals can mean more jobs (and better health care).
- Issues have become too partisan in the State. For example, generally the Republicans are against more spending, the Democrats are against limiting spending. But there is an issue of fiscal responsibility that is bi-partisan. State spending has grown more than people's incomes, and that is a great concern to everyone who cares about job growth.
- Maryland ranks #2 in the country in terms of the amount of health insurance mandates we have, and we're #13 in the cost of health insurance. A lot of that is because of mandates that don't necessarily have to be there. Small businesses can't expand their staff because of these mandates. We have to involve business owners in health care policy making.

Virginia vs. Maryland: How do we match up?

- Maryland's populace as a whole is comfortable in our government and university jobs, and they have no incentive to step beyond their comfort zone. This cultural component aspect of our economic development contrasts strongly with the attitude in Virginia.
- It was suggested that in Virginia, because of one-term limits on the governor, he can take more risky action without worrying about whether he is appealing to his base for re-election.
- Maryland's taxes are higher than Virginia; our taxes are one of the highest in the country. We are losing high income people and bringing in more low income residents. Cost-wise, Virginia is much cheaper - both for individuals and businesses.
- Virginia embraced growth in northern Virginia more than parts of Maryland has.
- Northern Virginia has more office space than the DC suburbs in Maryland can offer to attract or expand businesses.

Creating a Triangle Park

A suggestion made was to explore the Triangle Parks that have successfully attracted business to their regions. One model to review is Research Triangle Park in North Carolina, although Maryland would want to include the manufacturing aspect as well. The following information is taken from a report, “The Growth of Research Triangle Park” by Albert Link.

“Research Triangle” sits on 6,900 acres, hosting 137 organizations with over 41,600 employees. The concept was created post-World War II, “when the North Carolina economy was very unstable. Historically, the state’s economy had relied almost exclusively on three traditional industries. The furniture industry was leaving the state and expanding into the northeastern United States; the textile industry was beginning to face growing competition from Asian producers; and tobacco manufacturing employment was on the decline, in part because of automation and in part because of decreasing demand.”

A dialogue began that led to “the idea of using the three triangle universities to attract research companies into a park area central to the universities.” Initially, people were very skeptical of its potential, but thorough research helped make a convincing sell. It was set up as a private effort, using local universities as a magnet to attract industries because of the talent on nearby campuses.

The private business sector led the way, finding investors to purchase land, while government grants enabled things to move forward. They marketed five industries using brochures developed to emphasize expertise in pharmaceuticals, chemistry, electronics, engineering, and forestry. Although it took a decade for people to see that it was a credible and successful venture, its success continued because of entrepreneurship as a private sector driven project, couple with it being a community project involving academia, business leaders and local communities.

Maryland has the potential to create such a venture, which would take one of our problems and turn it into an asset. We have great federal and private facilities that attract research to the State. Although federal jobs will be cut, the facilities will still be located in Maryland and we’ll have a greater pool of talent for incoming firms to tap into. Moreover, we can reach beyond our research capabilities by offering the added bonus of an ability to host manufacturing sites nearby, enabling companies to have their research and manufacturing facilities in one state, along with easy access to Washington, D.C., ports and universities.

With Johns Hopkins, UMCP, and UMBC supplemented by more than a dozen of public and private Maryland institutions of higher learning a stone’s throw away, such an endeavor could not only enhance Maryland’s reputation as a research state but also directly tie it to our manufacturing capabilities.

Conclusion

These roundtables were the discussion starter. A few ideas were brought forward here, which would have to be carefully reviewed and researched to determine their viability in Maryland. But before that step, we encourage greater brainstorming on other solutions, and more feedback on some of the issues raised here.

Beyond the aforementioned issues which have to be further explored, there are additional topics that should be reviewed for viability, including:

- We are facing the chicken and egg situation. Companies like UnderArmour realized a problem, created the demand and then created the jobs. We need to determine the demand and create jobs around that.
- We have to ensure that whatever path(s) we take to meets the needs of Marylanders, we do not sacrifice our people. So we need to figure out what our workforce can offer and correlate that to what the demands are.
- We cannot sacrifice or protect any regions or industries of Maryland at the expense of another. Each one has its strengths, and we need to work towards those strengths.
- We have to stop the state from focusing on a one-track economy. When determining industries that could offer great job growth in Maryland, we should keep in mind that we must have a balance. There is a sense out there that if you aren't government based or high tech, you don't have a place in the future of this State. One participant noted that to succeed in creating jobs, there has to be an understanding of the need to diversify local economies and to make the necessary investments in education. And we should hold the politicians' feet to the fire and ensure accountability. Most important is a unified focus on growth and competitiveness, and ensuring that our state is nimble to adopt quickly as the new work era evolves.
- How do we involve the community so they feel a part of everything and understand that every piece of growth in Maryland can have a direct benefit to another community? How can we get businesses involved in building and strengthening our social fabric?

“Maryland is full of people who have innovation and technology in their backgrounds and who are trying to start businesses. We need to find the right balance for Maryland. Like a flotilla that has a lot of boats, but different kinds of boats. We have to create a flotilla for Maryland that exploits entrepreneurship and offers opportunities to our State’s hungry, ready talented people.”

-A roundtable participant

- We have to focus on the industries that are practical for us. For example, Maryland has insufficient skilled workers in the software industry, whereas northern Virginia has a greater concentration. We should utilize tax benefits or other special incentives to attract software companies that won't have long-term growth potential in Maryland. So we have to target industries, ensure that we have programs that teach those skills, encourage companies to offer internships to provide hands-on training, and complement that with incentives to businesses in that industry to move, open or expand here.
- Maryland has to build a stronger eco-system. For example, Maryland banks are less understanding than California banks about financing the venture sector. As one participant noted, "Maryland just doesn't get it." We have to build a strong culture that encourages competitiveness, entrepreneurship, and start-up businesses.
- One of Maryland's great strengths is that we have the knowledge economy. We educate, we research, and we develop new technologies. This is a huge strength for us, and we have to build off that as we move forward and address world problems – finding bio-solutions, etc. Maryland has the opportunity to prepare for the future – to create more solutions for what the world will be facing in the coming decades. If we come with this approach, we can use our strength to prepare for the future. We bring thinkers and thinking to the table, such as product development thinking, etc. One piece of that is clean energy, national security is another.
- We need to increase academic spin-offs. Maryland colleges are exploring this independently, with one group from Baltimore traveling to California in the near future to look more closely at what is being done there. With the recognition that federal spending on research will be cut and schools will compete more for the remaining dollars, finding ways for universities to commercialize their research may attract more money but more importantly can create more jobs in the State. Maryland has to explore greater incentive some schools offer to encourage spin-offs, such as Berkeley College where the professors are encouraged to spin off businesses and their positions are held for them to return to. This encourages risk, which is good from a career standpoint.
- Some of the suggested industries to explore include:
 - Life sciences is a great opportunity to utilize Maryland's educated workers, but it is a long-term future (Montgomery County is taking the lead on working hard to attract this sector). But to make it more productive for Maryland, we should find a way to utilize the workers in Maryland who may not be academics, researchers or highly skilled, such as finding a way to manufacture related products (health industry) in Maryland.
 - Green technology. This is a broad term because there's been a re-classification of jobs based on the greening of America. For example, architects are now part of green economy.
 - Maryland offers a great location to defense manufacturers who may want to look at being closer to the Pentagon.
 - Clean energy is a growing industry that spreads itself across a diverse range of industries, including both high and low skilled jobs.

- Participants agreed that there has to be greater involvement in leading from the private section, particularly business owners. One suggestion was to create meeting between Virginia business and political leaders and Maryland political and business leaders – so we can learn from them and understand what kind of activities and action should be initiated.
- But it also involves getting the broad communities more involved, and people have to better understand the issues and what's at stake, and to voice opinions more to legislators.

Maryland is like an ocean; the wave is coming out, and the current drives the outcomes. As a State, we are well-positioned, but will Maryland take advantage of our assets? As we move forward, we must work together to build capacity within our communities, so that local jobs can feed their own community, provide energy to their own community, travel within their own community, and educate and train their own community. And as we work together to build our communities, Maryland and its people will prosper.