

# News Release

## Comptroller Brooke Lierman Issues Statement in Response to Governor's Speech on Maryland's Economy

### *Comptroller Commends Governor on his Strategic Planning and Transparency*

ANNAPOLIS, Md. (August 19, 2023) - **Comptroller Brooke Lierman** issued the following statement following Governor Wes Moore's keynote address on the final day of the Maryland Association of Counties annual summer conference.

"Today, during his keynote address at the 2023 Summer MACo Conference, Governor Moore provided an assessment of Maryland's current fiscal health. He outlined our challenges and presented a clear and inspiring vision for how we can chart a new path for our state economy using data, demonstrating discipline, and working with a 'tireless spirit of partnership.'

"The Governor is sober about the state of the economy and he is ready to take on the challenges ahead. As Comptroller of Maryland and our state's chief financial officer, I commend the Governor for his foresight and transparency in providing this important economic update.

"The Governor is correct that while we continue to project positive economic growth, Maryland has been slow to recover from the pandemic compared to the nation as a whole. This trend of slowing growth in the state actually pre-dates the pandemic. The most recent gross domestic product (GDP) data show the U.S. GDP growing at an annual rate of 2% and Maryland growing at an annual rate of 0.7%.

"In March, the Board of Revenue Estimates (BRE) announced a downward adjustment to Maryland's revenue forecasts after a one-time surge in general fund revenues during FY 2021 and FY 2022 that was due mainly to the federal stimulus

package and has now concluded. That forecast indicated that Maryland's economy was still growing but growing more slowly than expected.

“As chair of the BRE, I noted the forecast was a ‘flashing yellow light’ to all of us regarding our economy due to the effects of national inflation, which has disproportionately impacted families making low- to moderate incomes. Maryland’s economy also appeared to be underperforming in terms of employment and consumer spending, which also explained a decrease in sales and use tax and withholding tax forecasts. These factors highlighted the need for more research into the ‘new normal’ that we find ourselves in post-pandemic.

“Therefore, earlier this year our agency embarked on an effort to more fully understand the structural changes in our economy and revenue base and the associated risks, challenges, and opportunities. Our Policy Division has partnered with the BRE to spearhead this effort, holding a series of roundtables and interviews over the summer with local business, industry, and economic development leaders throughout the state to learn what they, their members, and their communities are experiencing on the front line of the state’s economy and what they need to grow, prosper, and succeed.

“This qualitative and quantitative data will be compiled into a report, which the agency will issue this fall. This “State of the Economy” report will examine the current performance of Maryland’s economy compared to the region and the nation and will detail the key underlying factors driving our economic performance. It will also look at shifts seen in the post-pandemic workforce and consider how these shifts may affect Maryland’s economy. We hope this Report proves useful to the Governor and all elected leaders.

“As we navigate this post-pandemic ‘new normal,’ I want to thank Governor Moore for his transparency, his willingness to speak candidly about where we find ourselves in this moment, and for leadership and his commitment to working with leaders at the state and local levels – along with labor and our business community – to build a stronger economic foundation and future for Maryland.

“I look forward to working together with the Governor and the General Assembly in the months ahead to cultivate sustainable economic growth, resilience and prosperity for Maryland, guided by data, prudent fiscal management, and strategic investments.”

**MEDIA CONTACTS:** Adam Abadir: [AAbadir@marylandtaxes.gov](mailto:AAbadir@marylandtaxes.gov)  
667-408-0768 (cell)  
Barbara Sauers: [bsauers@marylandtaxes.gov](mailto:bsauers@marylandtaxes.gov)  
410-212-9414 (cell)

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