

GBC discusses economic outlook, candidates' plans

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Anirban Basu, a regional economist, used the top presidential candidates' own words to highlight significant differences in their economic and tax policies before an audience of more than 300 Baltimore-area business leaders yesterday.

In a follow-up presentation before members of the **Greater Baltimore Committee**, Richard M. Cripps, a financial markets expert with Stifel, Nicolaus & Co., struck an optimistic note by noting how the U.S. investment markets have rebounded over the long term since the Depression.

The speakers were part of the GBC's annual Business Outlook event, which briefs regional business leaders on the economic trends they can expect to face in the coming year. With the financial markets in turmoil and the presidential election today, more than 300 business leaders attended the event.

Commenting on the health of the economy in the short term, Basu, chief executive officer of Sage Policy Group, offered a grim view: "I've been saying to audiences, whatever your outlook is for the next six to nine months, it is insufficiently pessimistic."

In his presentation, Basu pointed out the key differences between Sen. Barack Obama, the Demo-

cratic candidate, and Sen. John McCain, the Republican candidate, on short-term economic relief, taxes, Social Security, health care, energy and financial regulation. He would not endorse a candidate or say who would be better for the Baltimore area.

Both candidates offer different measures for short-term economic relief, Basu said. Obama wants to give "emergency energy" rebates up to \$1,000 per family and allow people to withdraw, without penalty, up to \$10,000 from their 401(k) and IRA retirement plans. McCain is calling for a cut in the capital gains tax and an increase in the amount of stock losses that investors can deduct from their income.

Obama's income tax plans call for tax cuts for middle-class workers and increases for families earning more than \$250,000 a year, as well as eliminating taxes for seniors earning less than \$50,000 a year. McCain, meanwhile, wants to raise personal tax exemptions for each dependent from \$3,500 to \$7,000 and set the maximum tax rate at 35 percent, Basu said.

"The bad news is what's occurred," Cripps said. "But typically and historically, these periods have been followed by the most robust gains that the market provides."