

City rises in prestige, population and price

Report shows turnaround, despite growing pains

BY JAMIE SMITH HOPKINS
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Ten years ago, concerned about the economic health of a metro area mired in the doldrums, the **Greater Baltimore Committee** began pulling numbers from across the country to compare this region with others it competes with for jobs and people.

Yesterday, the GBC's newest State of the Region report detailed a very different sort of Baltimore metro area: richer, more educated and increasingly fueled by health care and research. Its anchor city is — at last — no longer losing residents.

It is also a more congested and much pricier region. And it continues to struggle with violent crime, though the rate is no longer the highest among the 20 metro areas tracked by the GBC. That distinction goes to Charlotte, N.C., which saw its rate worsen as Baltimore's improved.

"The region clearly works better than it did 10 years ago," said Richard P. Clinch, an economist with the University of Baltimore's Jacob France Institute and co-author of the report. "I don't think we've reached the top of the mountain yet, but we're climbing. ... I think the turnaround in the city has really got a lot to do with how the region is doing."

The GBC has issued its report every other year or so. The 2007 study is the fifth and was produced with the Baltimore Metropolitan Council, which represents the region's elected officials.

The first report — released in 1998, but researched in part the year before — grew out of the GBC's desire to convince local jurisdictions that they needed to work together or be left behind by other metro areas that would.

"The real players in the global economy are regions," Donald C. Fry, president of the GBC, a business and civic leadership group, said yesterday. He said he thinks the report acts as "a wake-up call,

sort of a reality check to us as a region — here's our strengths, here's our challenges, and if we really want to be a competitive region, these are the areas that we need to work on."

The report compares Baltimore to a range of metro areas, from fast-growing Atlanta to wealthy Washington to high-tech Austin, Texas.

The cities that the GBC chose for comparison in the report also include Boston; Cleveland; Dallas-Fort Worth; Denver; Indianapolis; Minneapolis-St. Paul; Philadelphia; Pittsburgh; Portland, Ore.; Raleigh, N.C.; Richmond, Va.; San Diego; St. Louis; Seattle; and Tampa, Fla.

The Baltimore area ranked first for academic research-and-development spending, almost \$1.9 billion in fiscal 2005, outpacing academic powerhouse Boston for a second time.

Baltimore's large average annual increase in personal income per person — 6.3 percent from 2003 to 2005 — put it second in that category, just shy of San Diego. And it was third for the number of physicians: more than 500 for every 100,000 residents.

But it was 18th out of 20 on a measure of traffic frustration. The average Baltimore resident needs nearly 30 minutes to get to work.

Commutes were shorter when the first report was issued, but not by much. That is why the GBC has for some time been pressing for better transportation options, particularly mass transit.

But there were big changes on other measures. Per capita income here was growing so slowly when the first report was compiled that the Baltimore area ranked next to last. Its job growth and unemployment rate were the worst of the bunch.

Now its jobless rate is tied for seventh-best. Job growth is still

lower than average, but that is because the metro area's lack of raw land has constrained population growth. Meanwhile, a third of area residents have earned at least a bachelor's degree, up from a quarter at the time of the first report.

On the downside, the metro area is a much less affordable place now. Its cost of living, second-cheapest of the 20 metro areas a decade ago, is now more expensive than all but six.

John McIlwain, a senior fellow with the Urban Land Institute, expects increasing affordability challenges. Notwithstanding the current slump in home sales, he said, "long-term trends are for more people moving in than housing will get built."

"That's going to put pressure on prices," he said.

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RANKING THE METRO AREA

The Greater Baltimore Committee's State of the Region report ranks 20 metro areas, including Baltimore, in 105 categories. Here is how the Baltimore area ranked on eight of them, with 1 being the best and 20 the worst:

- 1. Academic research-and-development spending
- 2. Percent growth in personal income per person
- 3. Minority-owned firms as a share of total companies
- 3. Improvement in the violent-crime rate
- 4. Median household income
- 17. Manufacturing job growth
- 18. Average travel time to work
- 19. Violent-crime rate

