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**For Wes Moore, the Time for Economic Discipline Is Now**

by

**Randolph J. May \***

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On August 19, Maryland Governor Wes Moore delivered what was clearly intended to be a memorable [address](#) at the annual Maryland Association of Counties (MACo) conference in Ocean City. But the important question is this: How will the address be remembered several years from now?

To the assembled county executives and an assortment of county functionaries, lawyers, lobbyists, and others who came mostly to enjoy the sun, fun, and caramel corn, Governor Moore did an admirable job forthrightly describing Maryland's serious economic challenges and projected budget shortfalls. But even while saying he wanted to be "clear-eyed" regarding the "new season of challenge for Maryland," and proclaiming "the time for discipline is now," he failed to provide any details regarding a path forward to address the challenge.

The truth is that a sharp turn away from Maryland's traditional big spending, high tax policies will be required if Governor Moore and the state legislature wish to resolve Maryland's fiscal woes that produce a stagnant economy.

**The Free State Foundation**  
**P.O. Box 60680, Potomac, MD 20859**  
**[info@freestatefoundation.org](mailto:info@freestatefoundation.org)**  
**[www.freestatefoundation.org](http://www.freestatefoundation.org)**

Here's how Moore himself described the state's challenge in his speech.

Maryland is "facing budget shortfalls," and "[o]ur budgets have gotten bigger over time, but our economy has not kept pace." Maryland's economy is nearly the same size it was four years ago, while neighboring Pennsylvania's economy grew by \$22 billion. During that same period, "the average New Jerseyan saw an extra \$1,700 in their bank account, while the average Marylander saw only \$1,000."

Maryland is "ranked 47<sup>th</sup> in the nation in economic momentum."

And this dismal clincher: "Last year, total personal income in Maryland grew at nearly half the rate of the nation."

Governor Moore warned that this means, while Maryland benefitted from billions of dollars in federal COVID relief funds and other federal largesse, the state now faces structural deficits as far as the "budget eye" can see. In other words, Maryland's "economic engine does not support our ambition."

So, Governor Moore proclaimed, "we are faced with a choice" between preserving the status quo or growing the economy so Maryland will have the funds available to invest (translate, spend!) on his ambitious progressive agenda.

Again, I am happy to give the governor high marks for describing in stark terms Maryland's fiscal challenge – and this to a group of county officials always looking to spend more in a state currently dominated by a Democrat-controlled legislature chock full of liberal big spenders.

Unfortunately, while Governor Moore repeatedly invoked the need for budget discipline – indeed, "discipline" became a chorus-like refrain – he studiously avoided providing any real specifics regarding the tough choices he and the General Assembly will need to make. Rather, he contented himself with saying the government needs to be "collaborative," "innovative," and "data driven." And promising to appoint a "Chief Performance Officer" to ensure efficiency across government.

Well, good. Appoint a new CPO, if there aren't already enough officials whose job, at least in part, is to monitor efficiency across government. But more than the usual shibboleths will be needed to achieve the pro-growth economy the governor suggested is required.

Maryland needs to close its projected budget deficits to support the governor's ambitions. To accomplish this, the state must reorient its public policies so that it spends, regulates, and taxes less. This will improve its currently bleak business climate that is at odds with a pro-growth economy.

Here are a few statistics Governor Moore didn't cite in his MACo speech.

According to the Tax Foundation's [2023 Business Climate Index](#), Maryland ranks close to the bottom – No. 46 out of the 50 states. The index is designed to reflect how well states structure their tax systems. In CNBC's latest rankings of [Top States for Business](#), Maryland does better at No. 22, but notably all its neighboring states but West Virginia score better, with Virginia at No. 2.

Perhaps it should not be surprising, considering the state's failing fiscal health, that Maryland is one of the top states over the last several years with respect to outbound migration, that is, Marylanders relocating to other states. Studies by the [Tax Foundation](#), [National Association of Realtors](#), and the [U. S. Census Bureau](#) all confirm this gloomy outmigration trend.

By forthrightly acknowledging Maryland's economic challenges, Governor Moore took the first step towards addressing them. But the second step – the far more difficult one necessitating tough choices to meaningfully reorient Maryland's lackluster economy by reducing government spending, regulation, and taxes – will require political courage, determined steadfastness, and skillful leadership.

My sense is Governor Moore knows what needs to be done to right Maryland's fiscal ship. The question now is whether he will really try to do it.

\* Randolph J. May is President of the Free State Foundation, a free market-oriented think tank in Rockville, MD. The views expressed in this *Perspectives* do not necessarily reflect the views of others on the staff of the Free State Foundation or those affiliated with it. *For Wes Moore, the Time for Discipline Is Now* was published in *Real Clear Markets* on August 30, 2023.