MFP COMMITTEE #3
July 27, 2009

M E M O R A N D U M

July 23, 2009

TO: Management and Fiscal Policy Committee

FROM: Stephen B. Farber, Council Staff Director SBF

SUBJECT: Update on Economic Indicators

Finance Director Jennifer Barrett, Treasury Division Chief Rob Hagedoorn, and Chief Economist David Platt will brief the Committee on recent national, regional, and County economic data. They will discuss the graphs and charts on ©1-23 prepared by Mr. Platt.

The **national indicators** continue to reflect the deep recession that started in December 2007. Real gross domestic product, which **fell** 6.3 percent in the fourth quarter of 2008 and 5.5 percent more in the first quarter of 2009, is expected to have fallen another 1.6 percent in the second quarter, compared to the 3.1 percent average **increase** in 2004-2006. The Federal Reserve projects that the economy will start to grow slowly now and into 2010, but concern is widespread that the recovery will be not only weak but "jobless." Major stock indexes, after six quarters of sharp decline to less than half their peak levels, had a very strong performance in the second quarter that has continued this month. Unemployment in June was at 9.5 percent and rising, with layoffs in the housing, financial services, and retail sectors continuing to spread to other sectors as well.[1] Consumer spending and business investment remain weak. Consumer price increases and housing starts are slowly starting to rebound from near record-low levels.

[1] The extremely high June national unemployment rate of 9.5 percent (seasonally adjusted), which is expected to exceed 10 percent later this year, does not capture the gravity of the rates in such states as Michigan (15.2 percent), Rhode Island (12.4 percent), Oregon (12.2 percent), South Carolina (12.1 percent), Nevada (12.0 percent), California (11.6 percent), Ohio (11.1 percent), North Carolina (11.0 percent), and Florida (10.6 percent). Maryland's rate, while problematic, is much lower (7.3 percent). A broader measure of unemployment, including discouraged and underemployed workers, is now at 16.5 percent nationally. It is at 19.2 percent in Michigan and above 15 percent in 9 other states. These measures too are expected to rise further.

The leading indicator for the **regional economy**, down 4.9 percent from its peak in April 2007, rose 1.1 percent in April over March. Recovery is expected to be a slow and lengthy process. Payroll employment, a lagging indicator, is down 42,500 in June 2009 compared to one year earlier; in the Bethesda-Gaithersburg-Frederick metropolitan division it was down 1,500. The projected sharp rise in federal employment may improve the picture somewhat. The decline in home prices for the region – down 16.9 percent in April 2009 compared to one year earlier, according to the Case-Shiller index – may now be easing. The overall CPI fell 0.2 percent in May compared to one year earlier and is up just 0.4 percent this calendar year.

County economic indicators raise similar concerns. Resident employment in May, 481,000, was down 19,000 from one year earlier. The unemployment rate in June, when announced shortly, is expected to exceed the May rate, 5.2 percent.[2] Home sales, after sharp consecutive declines in FY06 (15.7 percent), FY07 (21.4 percent), and FY08 (31.3 percent), rose slightly in FY09 (2.9 percent), but the average sales price fell 15.8 percent. The number of new residential construction projects fell 67.5 percent in FY09 compared to FY05, with continued weakness in the number and value of non-residential construction projects as well. The vacancy rate for Class A property rose from 5.7 percent in the second quarter of 2006 to nearly 11 percent in the first quarter of 2009. **Taken together, these indicators suggest continued weakness, or at best sluggish growth, in County income, property, and transfer and recordation tax revenue.**

The June 2009 report on Howard County economic indicators on ©24-25 includes much comparable information.

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[2] This was more than double the County's rate in November 2007, 2.5 percent. Until January 2009, the County's rate had not reached even 4 percent (much less 5 percent) at any time in at least 20 years, including recession years.

Presentation of Economic Indicators

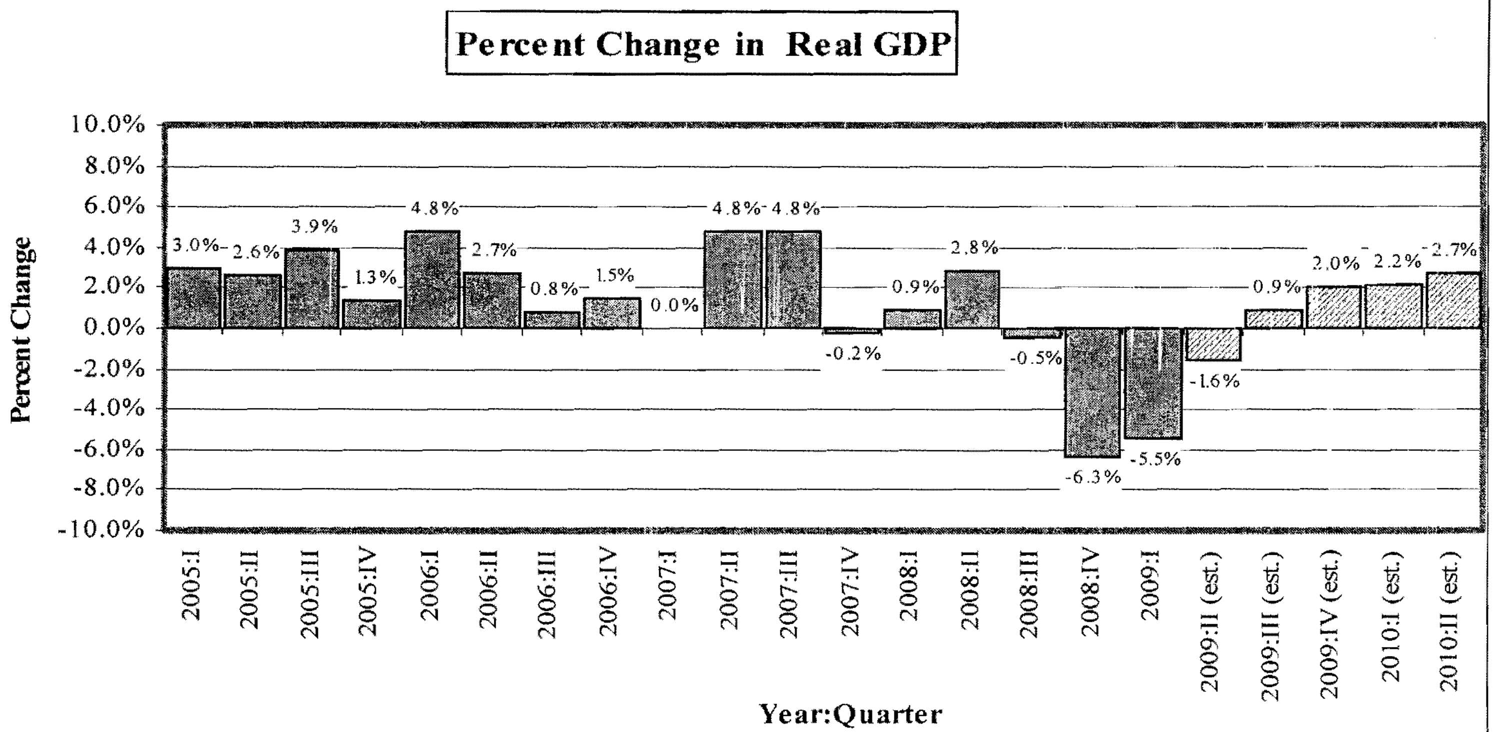
To the
Management and Fiscal Policy Committee
By the
Department of Finance
July 27, 2009

1

National Economic Indicators

2

BEA reported that real GDP decreased 5.5 percent during the first quarter. On average over 50 economists surveyed by *The Wall Street Journal* earlier this month expect GDP to decline 1.6 percent the second quarter and increase 0.9 percent and 2.0 percent during this quarter and the fourth quarter, respectively.



SOURCE: Bureau of Economic Analysis, U.S. Department of Commerce. Hatched bars from *Wall Street Journal* survey conducted July 2-7.

NOTE: Percent changes are at annual rates.

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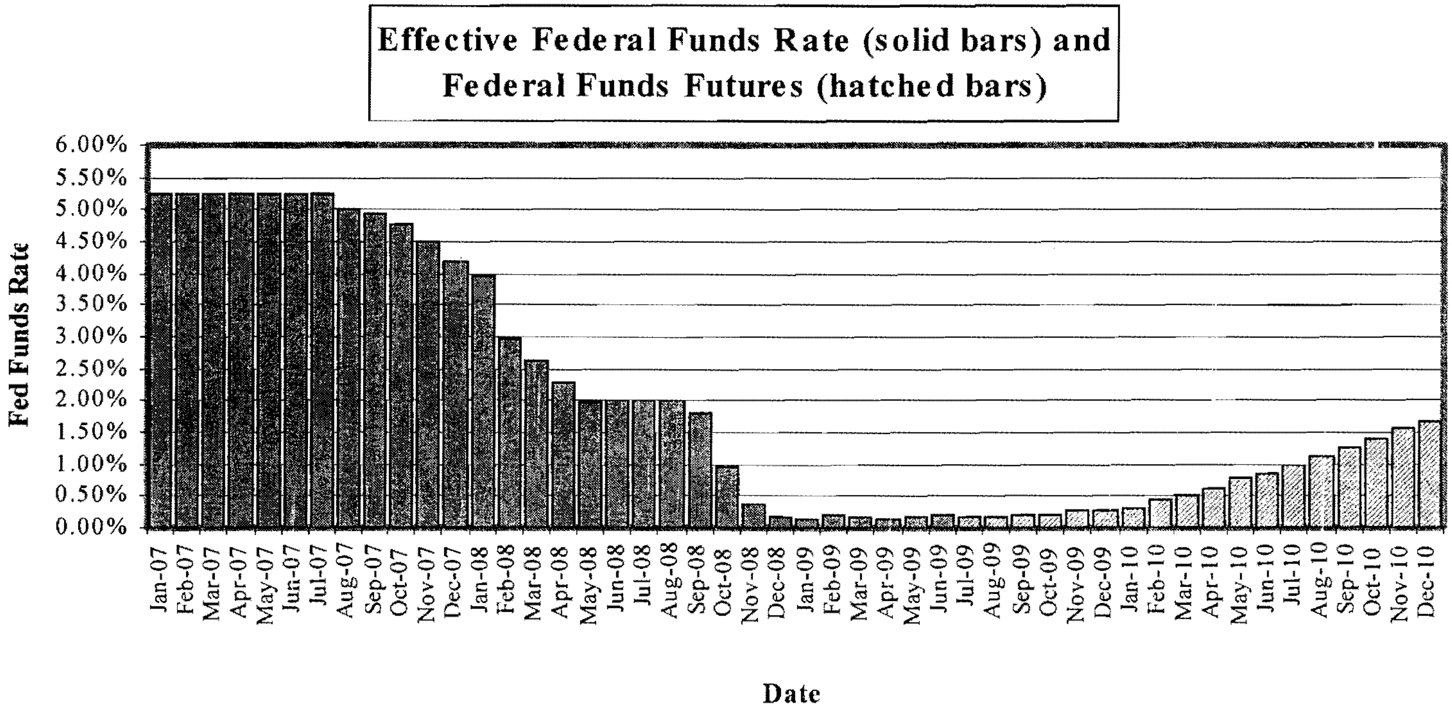
On June 24th, the Federal Open Market Committee of the Federal Reserve decided to keep its target range for the federal funds rate at 0.00 to 0.25 percent. The futures market anticipates no changes to the target range until the beginning of next year.



SOURCES: Federal Reserve Bank of St. Louis (solid bars) and the Chicago Board of Trade (hatched bars) as of July 18, 2009

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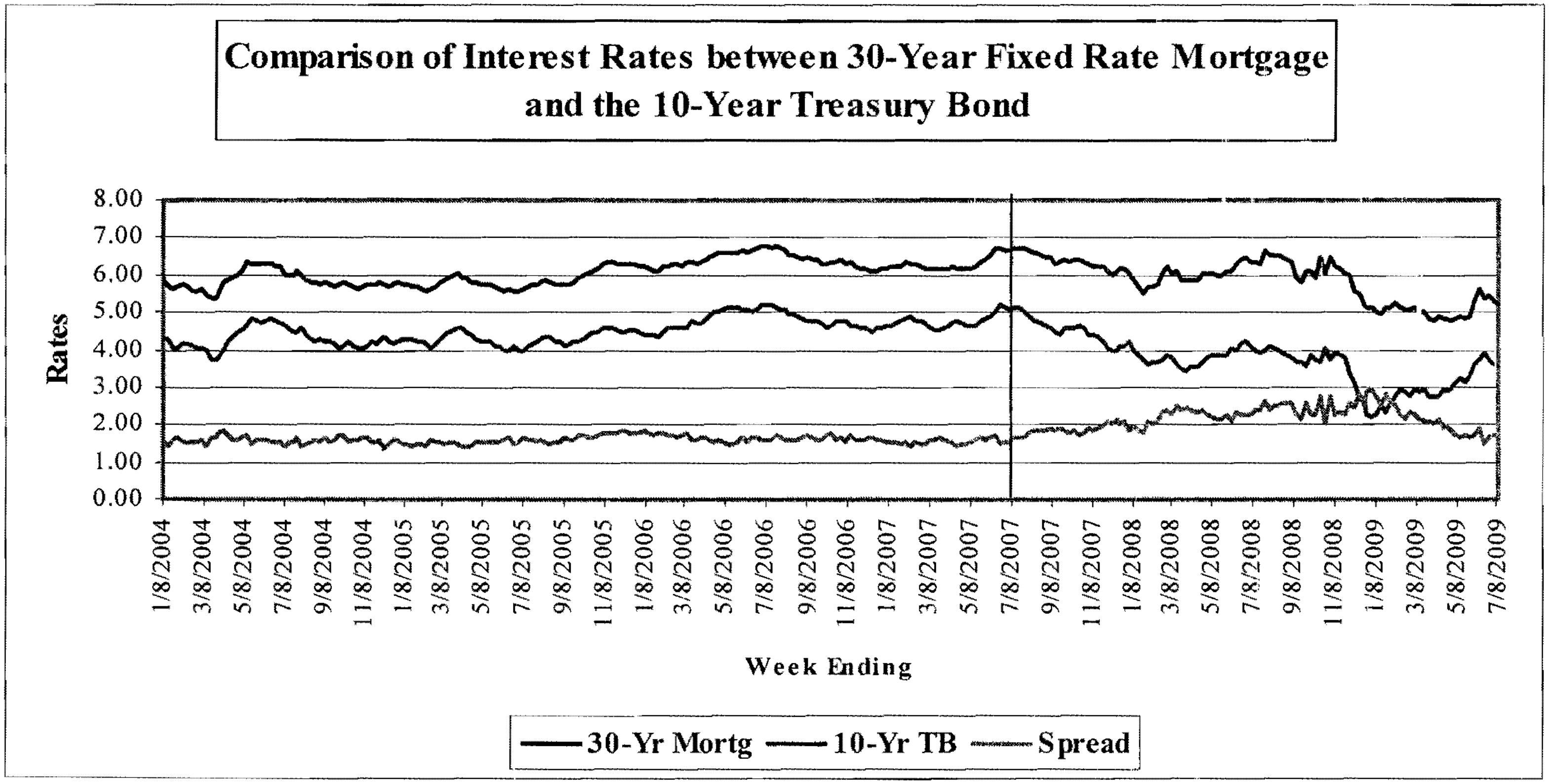
The 30-year fixed mortgage rate was 5.14 percent as of July 16 – down from its recent peak of 5.59 percent on June 11th. Since August 2007, the spread between the weekly 30-year rate and the 10-year Treasury Bond yield averaged nearly 220 basis points (bps) compared to an average of nearly 160 bps prior to August 2007.



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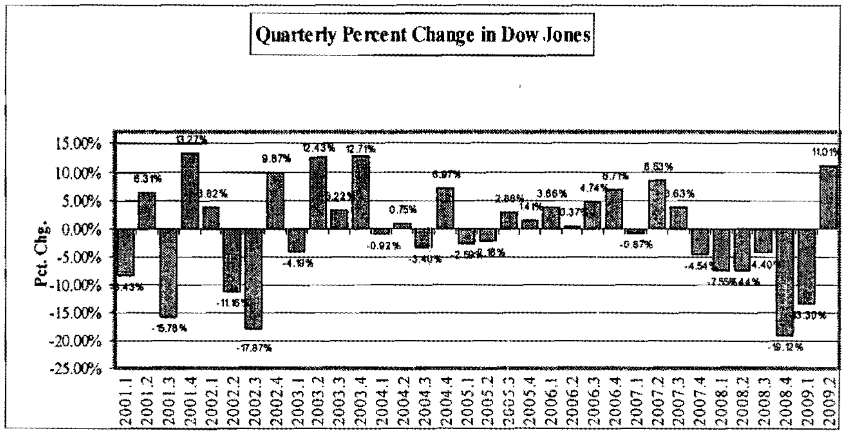
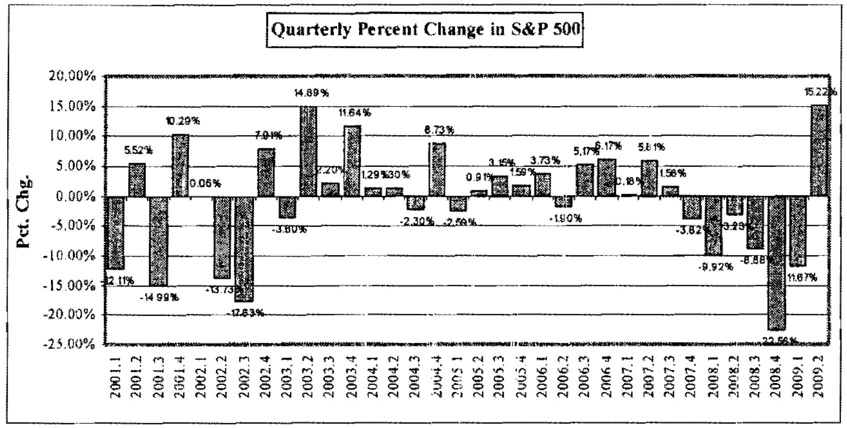
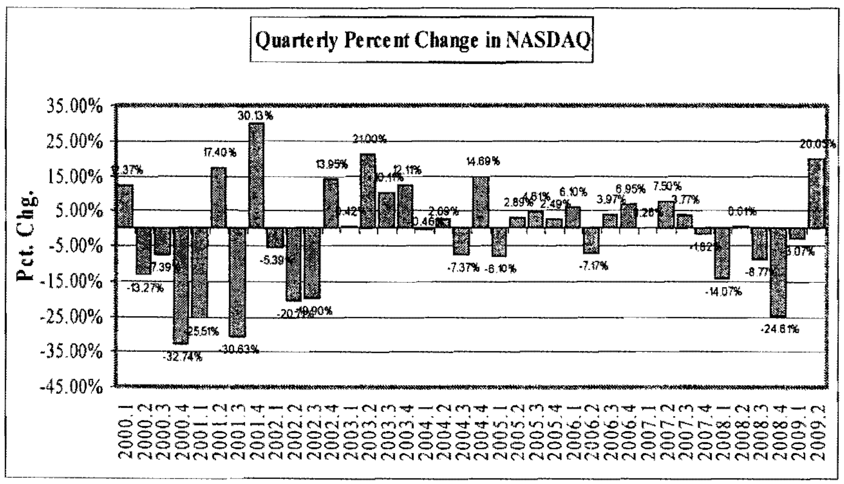
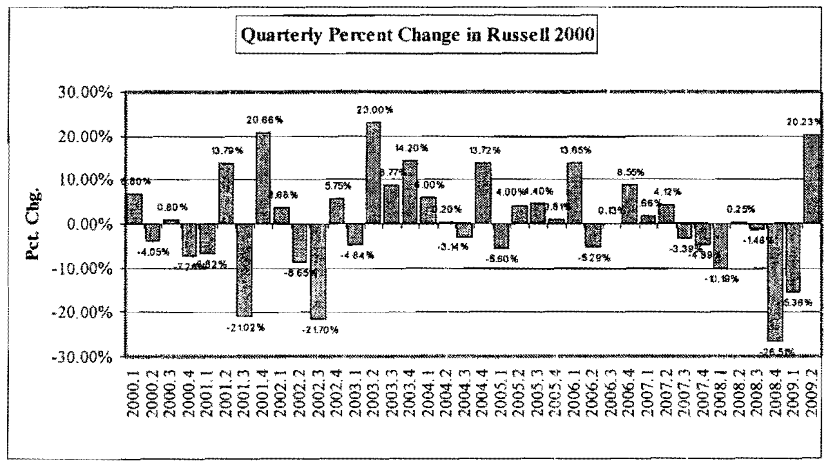
After six quarters of decline, the stock market experienced a strong performance during the second quarter. The Dow Jones increased 11.0 percent and the S&P 500 increased 15.2 percent. But the most dramatic increases occurred with the NASDAQ and Russell 2000 indices (↑20.1% and ↑20.2%, respectively).









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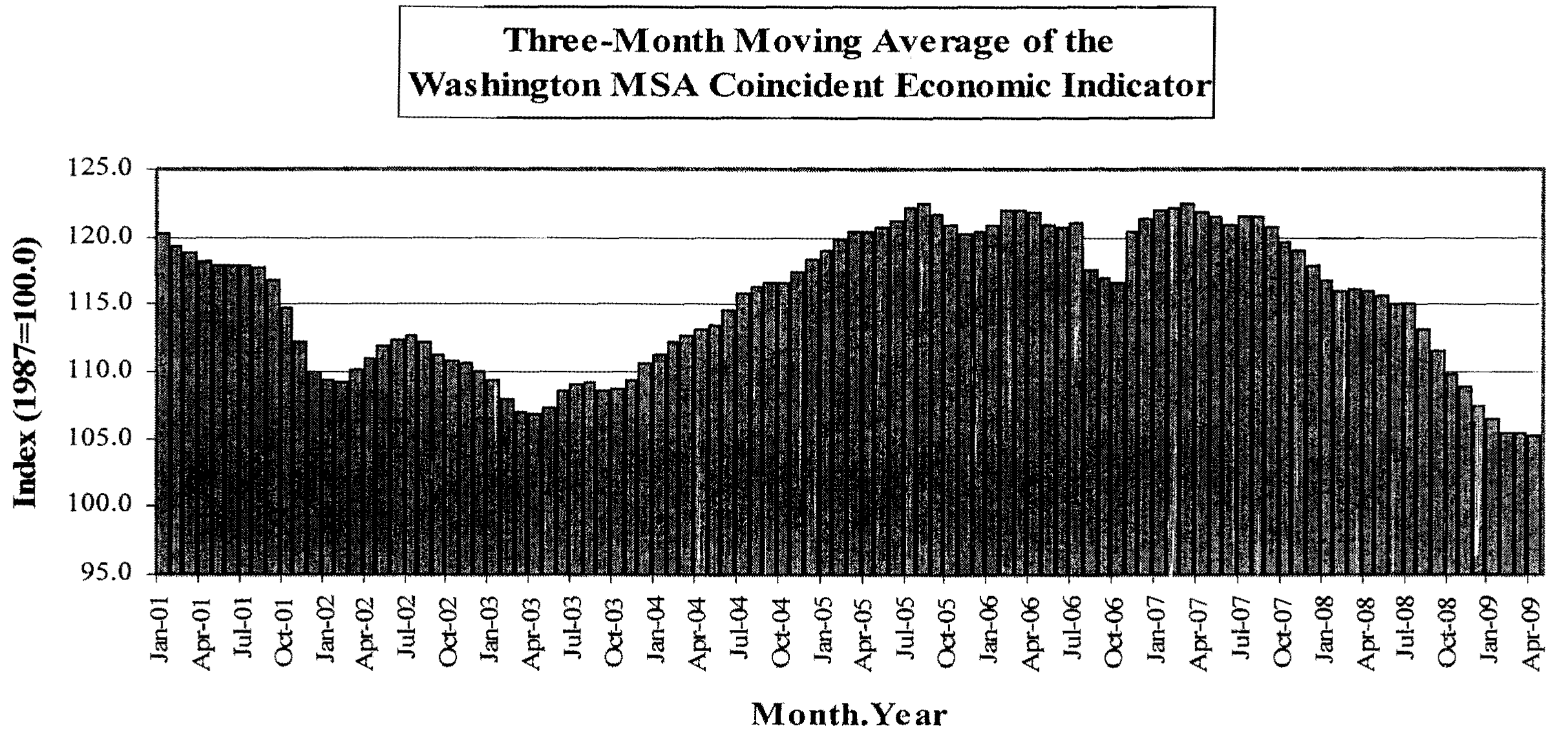
Regional Economic Indicators

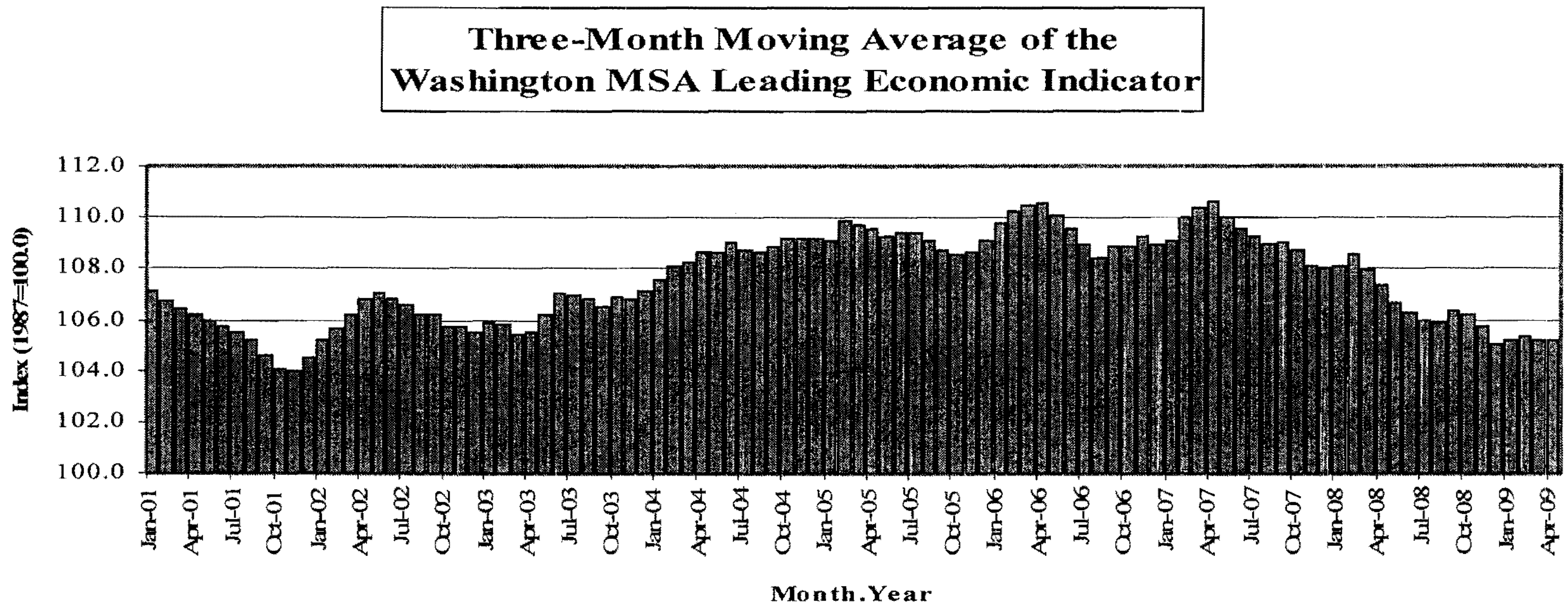
The Washington region's coincident economic indicator increased 0.6 percent in April over March for the second consecutive month. However, even with the recent improvement in the indicator, CRA states that the region's economy experienced its worst performance during the first quarter since 1991.



SOURCE: Center for Regional Analysis(CRA), George Mason University

NOTE: Coincident indicator respresents the current state of the economy and includes total wage and salary employment, consumer confidence, domestic airport passengers, and purchases of nondurable goods.

Although the leading index increased 1.1 percent in April over March, it has declined 4.9 percent since its peak in April '07. The Center for Regional Analysis estimates that the recent rate of decline has decelerated and the region's economy has begun to improve albeit the recovery may be a slow and lengthy process.



SOURCE: Center for Regional Analysis(CRA), George Mason University
NOTE: Leading indicator is designed to forecast economic performance six to eight months in advance and includes residential building permits, consumer expectations, help wanted index, initial claims for unemployment insurance, and purchases of durable goods.

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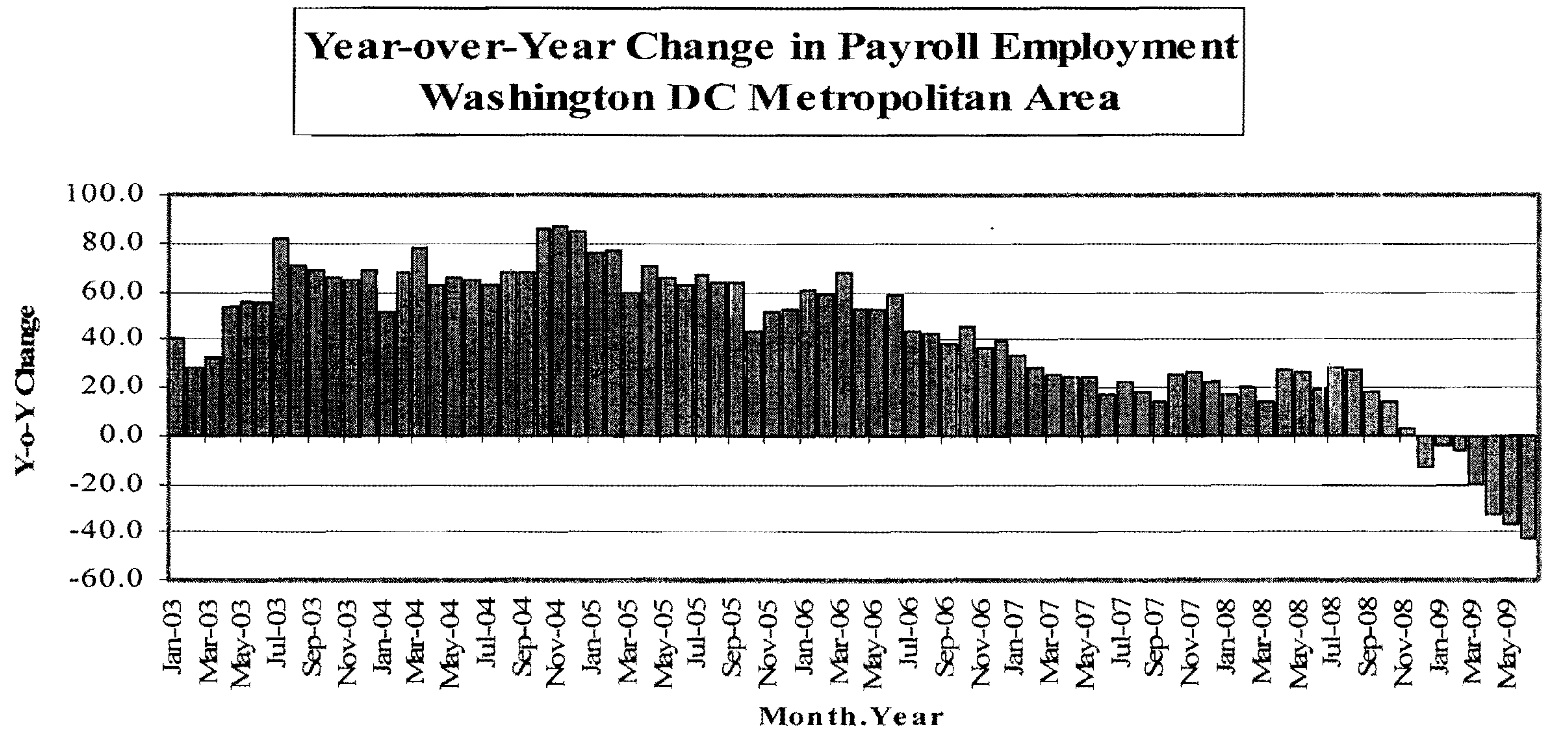
While CRA suggests that the region's economy has begun to improve, payroll employment, which is a lagging economic indicator, continues to show weakness. Employment in the metropolitan region stood at nearly 2.990 million in June compared to 3.032 million in June '08 - decline of 42,500.



SOURCE: Bureau of Labor Statistics, U.S. Department of Labor

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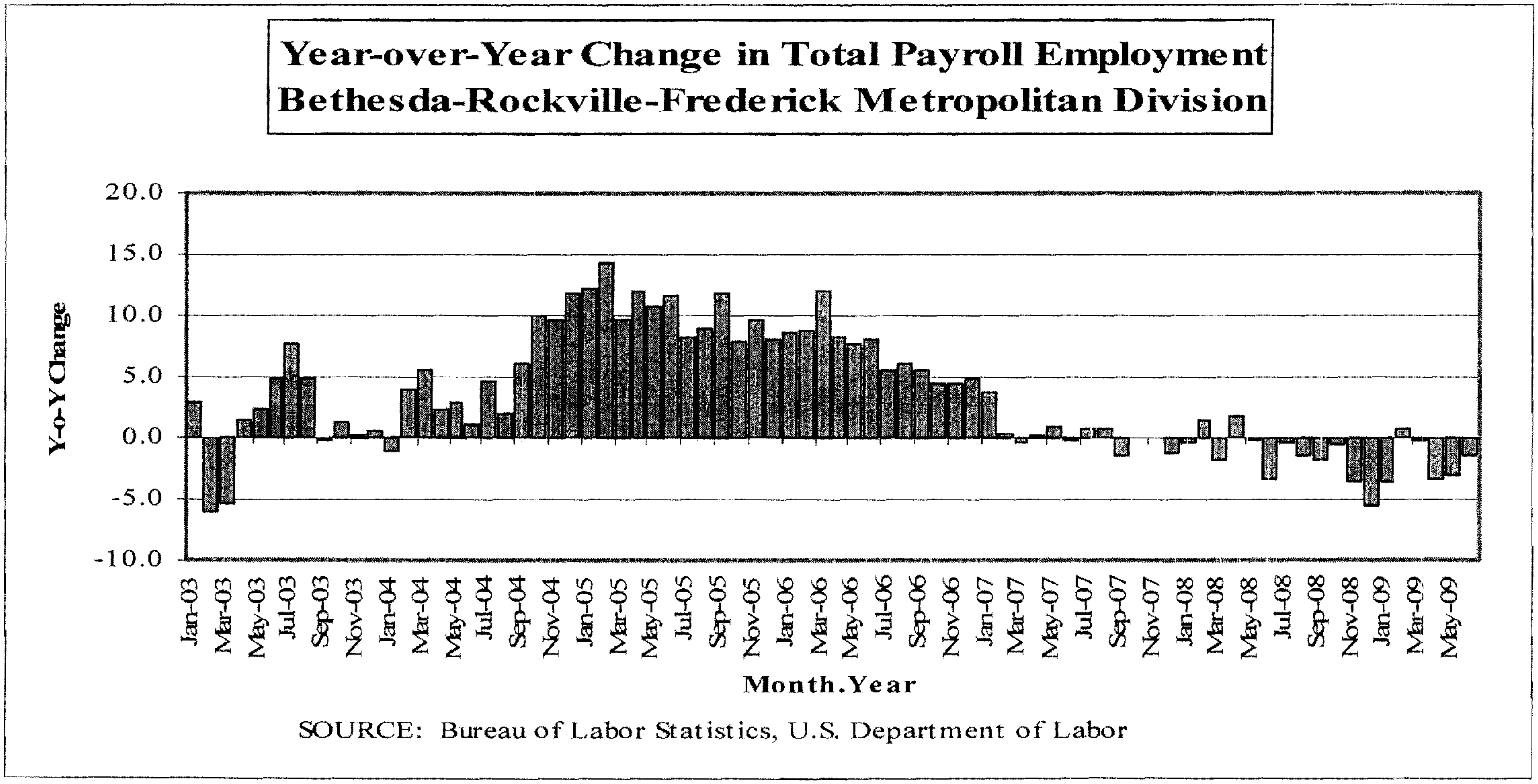
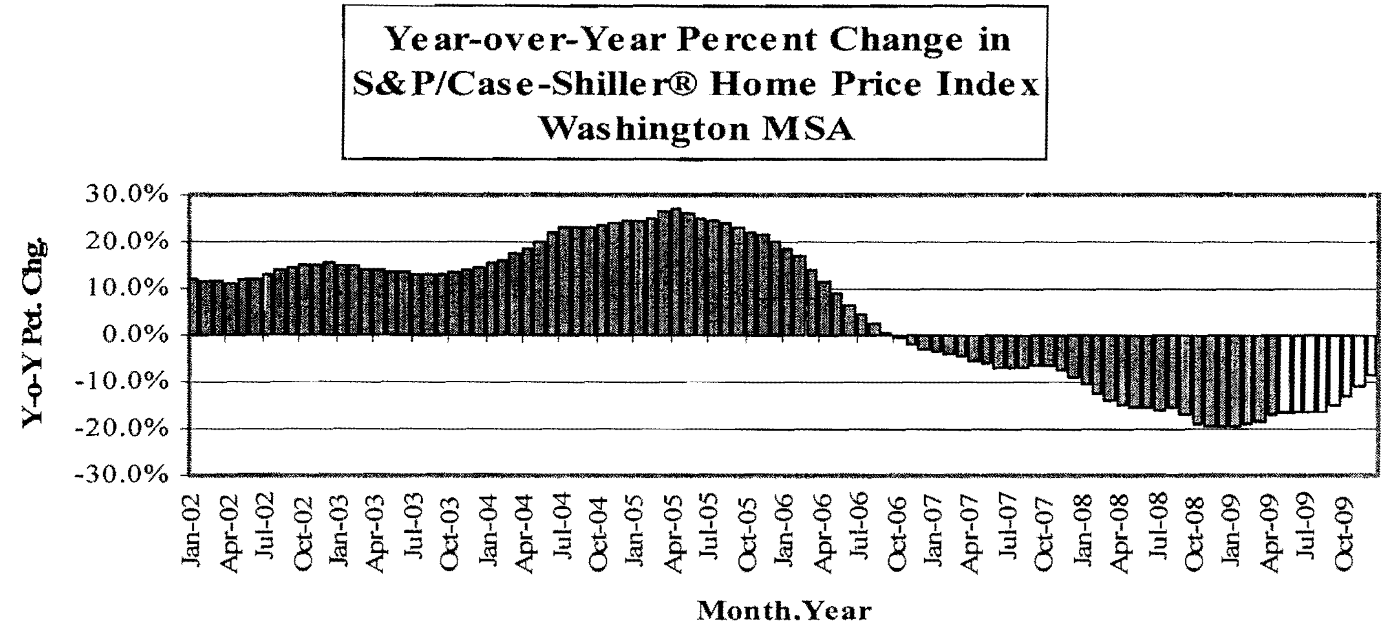
Payroll employment for Montgomery and Frederick counties stood at 578,200 in June - a decline of 1,500 jobs since June '08. For the first half of this year, monthly payroll employment averaged 571,800 – a 0.3 percent decline over the monthly average for the same period last year.

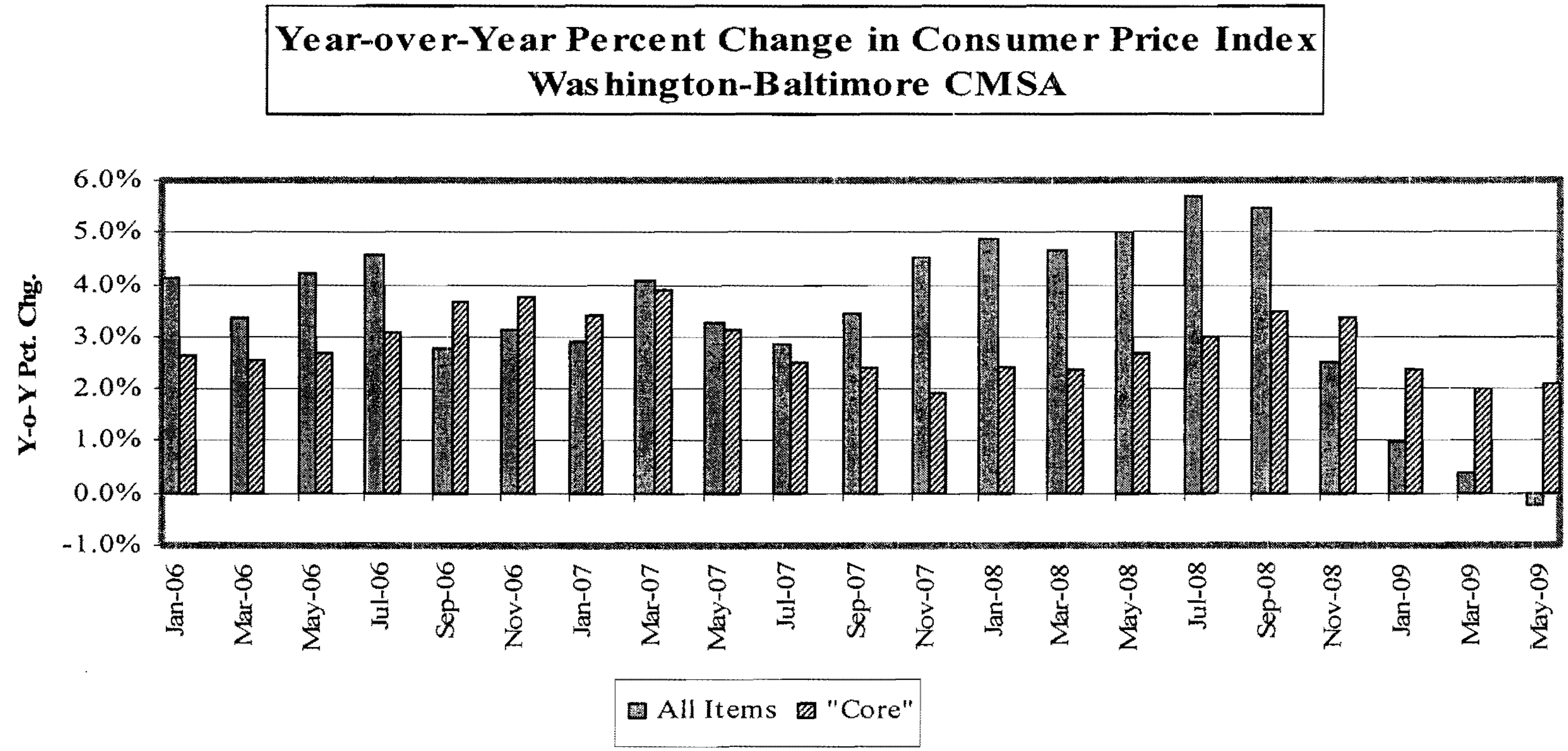


Based on the Case-Shiller® index, home prices in the Washington metropolitan region decreased 16.9 percent in April compared to April '08. The futures market suggests that the region may experience a year-over-year growth in prices by the beginning of next year.



NOTE: S&P/Case-Shiller price index is a registered trademark of Standard and Poor's. Data from May 2009 to December 2009 extrapolated from Chicago Mercantile Exchange futures data.

Because of the dramatic decrease in energy prices, the overall consumer price index for the Washington-Baltimore consolidated region declined 0.2 percent in May compared to May '08. For the calendar year (January through May), the index increased a meager 0.4 percent compared to 4.5 percent in 2008.



SOURCE: Bureau of Labor Statistics, U.S. Department. of Labor

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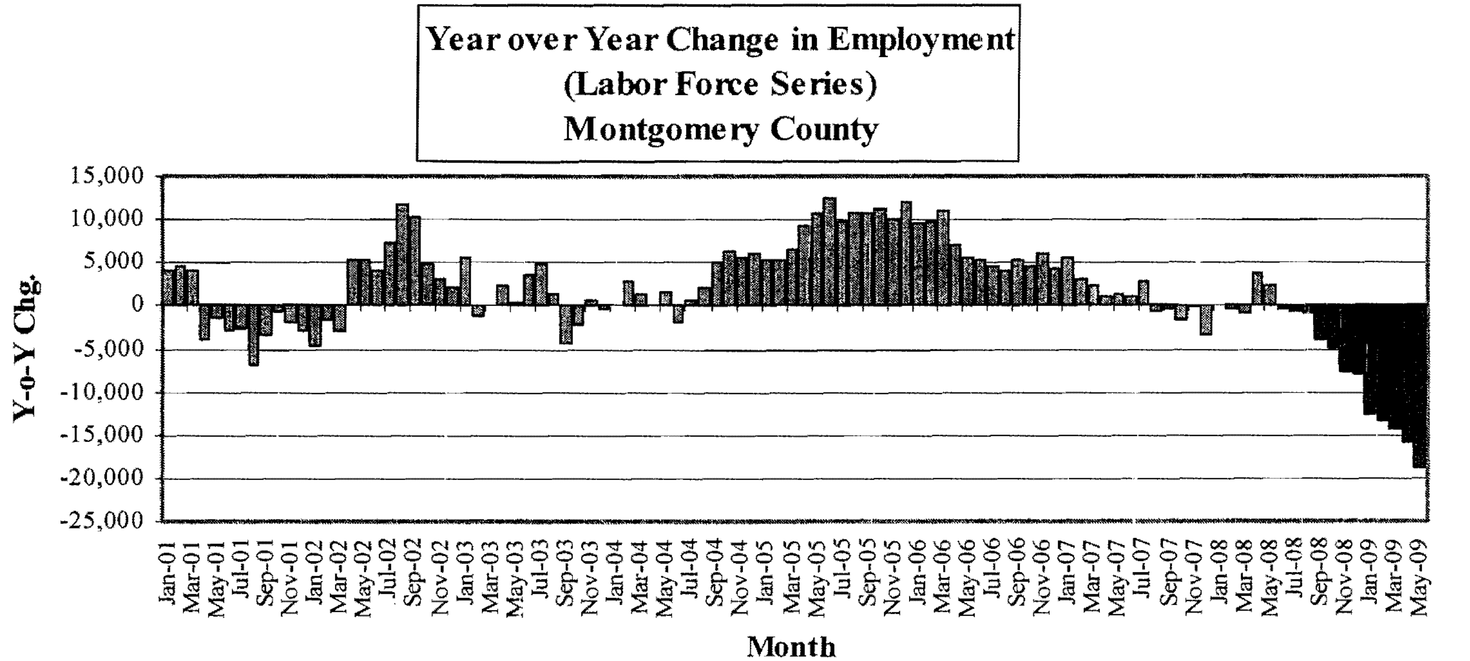
Montgomery County Economic Indicators

Resident employment in Montgomery County was nearly 481,000 in May compared to almost 500,000 in May '08 - a decline of nearly 19,000. Since May of last year, the year-over-year change in the County's monthly employment declined each month.



SOURCES: Bureau of Labor Statistics, U.S. Department of Labor
Montgomery County Department of Finance

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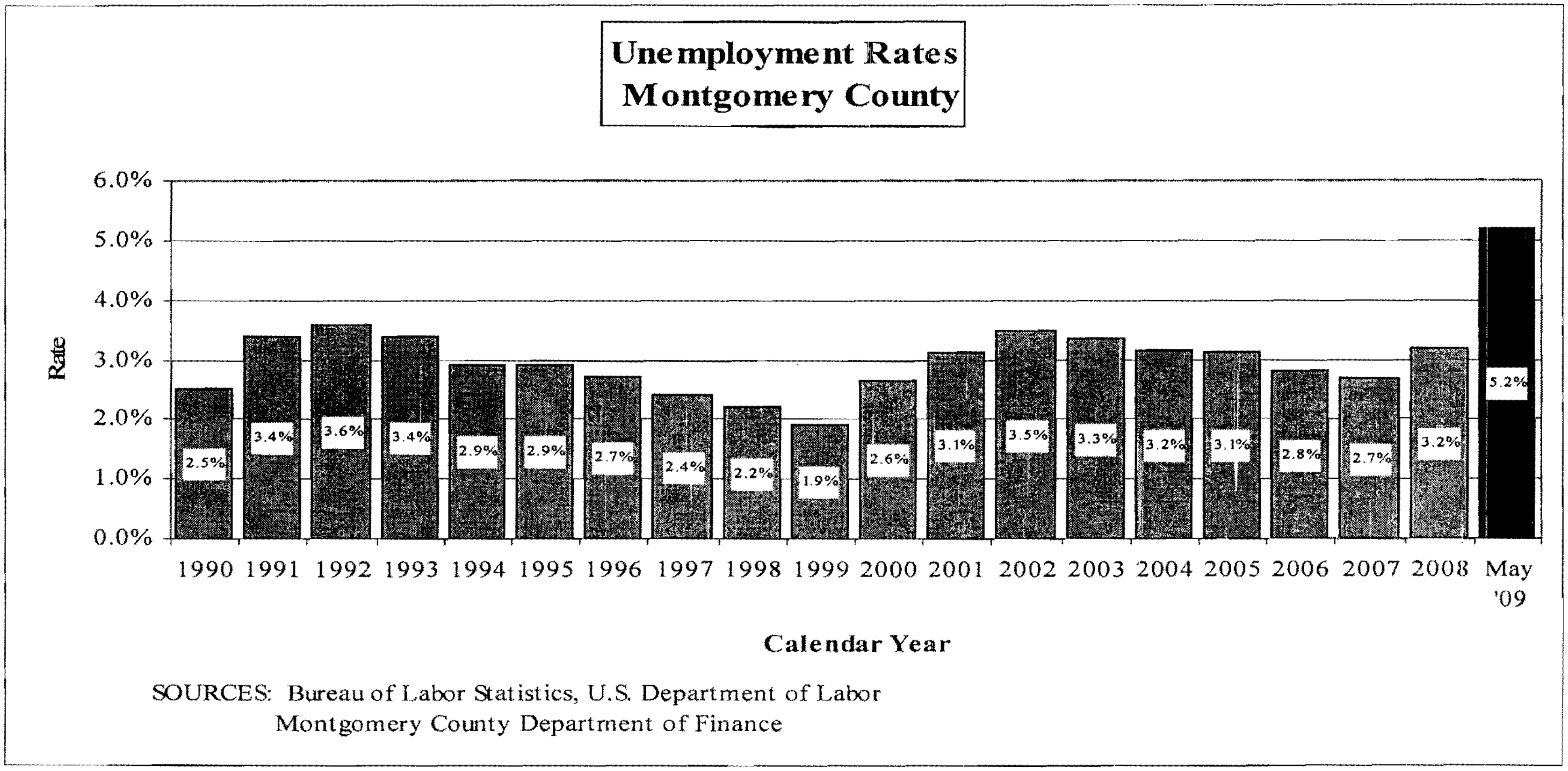
Because of the steady decline in the County's employment, the unemployment rate has jumped from 3.0 percent in May 2008 to 5.2 percent in May of this year.



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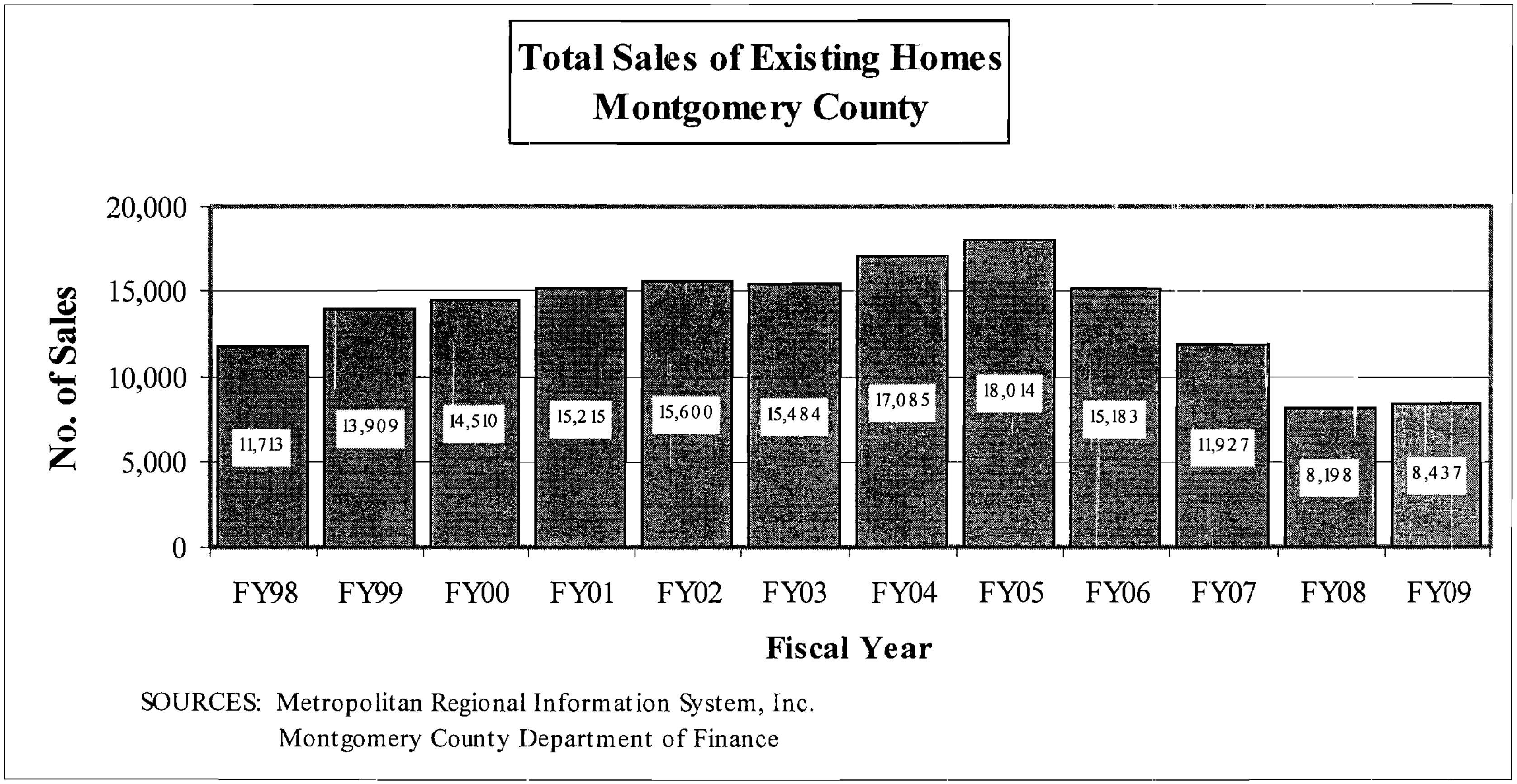
With home sales increasing at an average monthly rate of 100 units between March and June compared to the same period last year, total home sales increased 2.9 percent in fiscal year 2009 compared to declines of 15.7 percent (FY06), 21.4 percent (FY07), and 31.3 percent (FY08).



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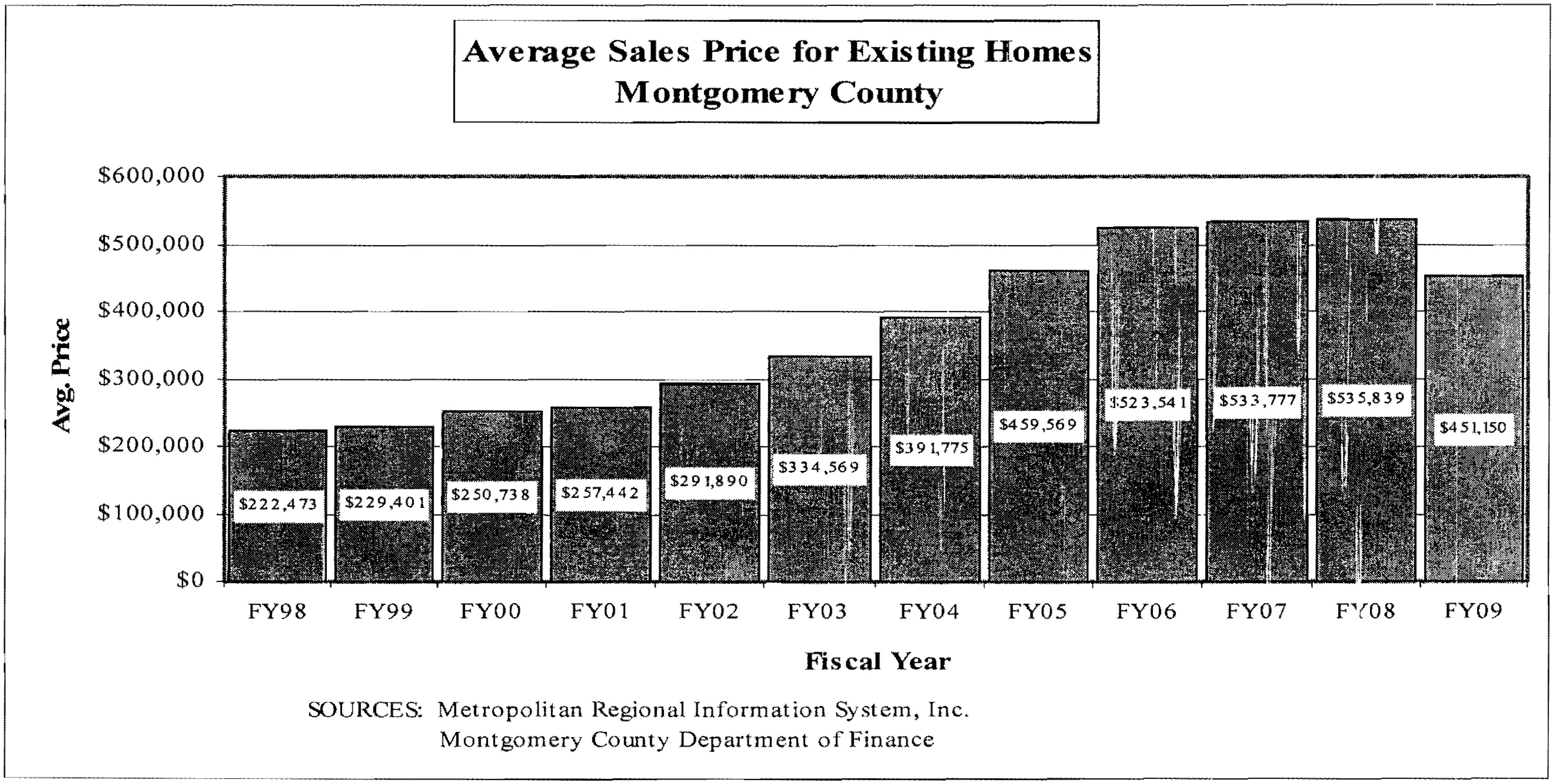
While the sales of existing homes in the County increased slightly in FY09, the average sales price declined 15.8 percent, which followed increases of 13.9 percent (FY06), 2.0 percent (FY07), and 0.4 percent (FY08).



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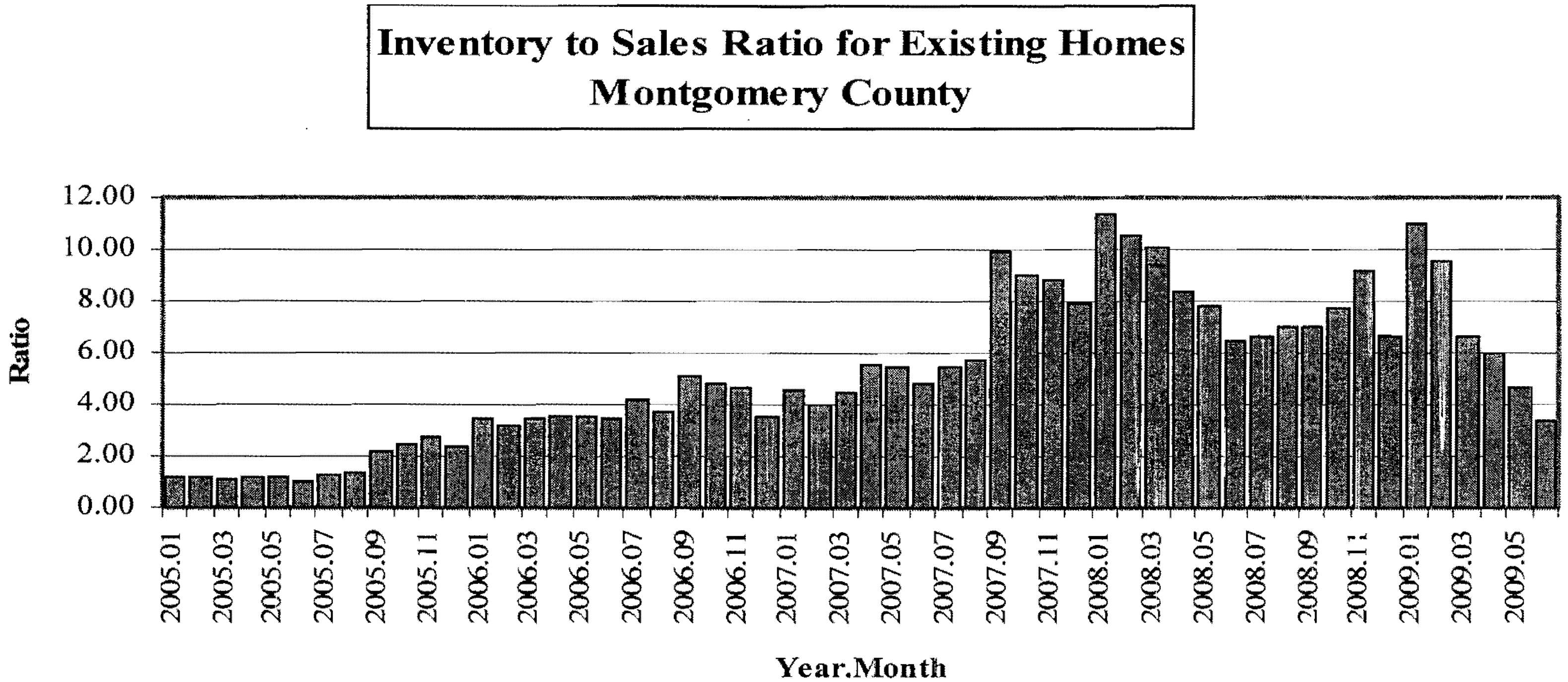
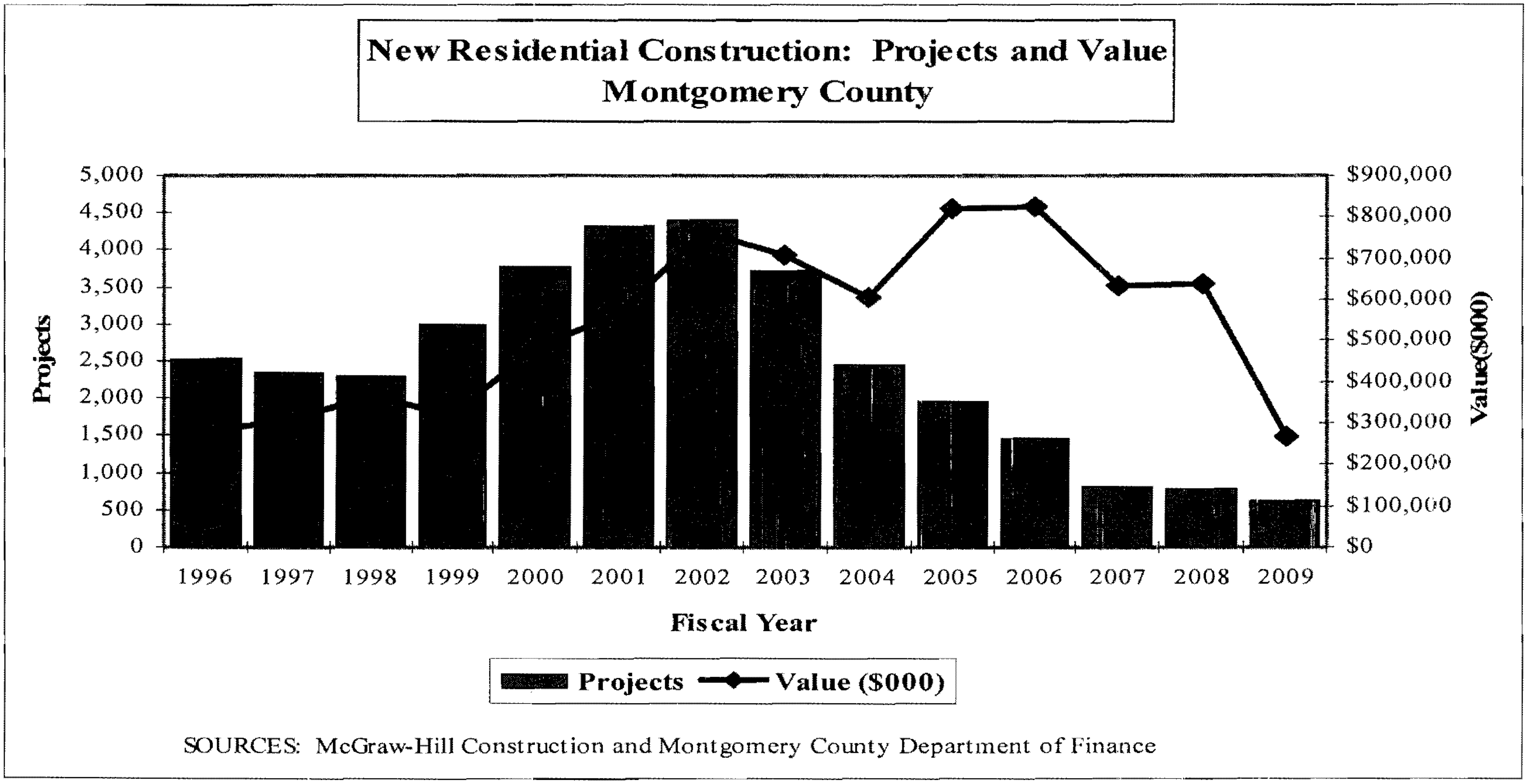
The inventory of existing homes for sale has declined significantly from its recent peak of an eleven-month supply in January to less than a four-month supply in June. While June sales occur during the peak selling period, the latest inventory figure is below the 6-month figure of June 2008.

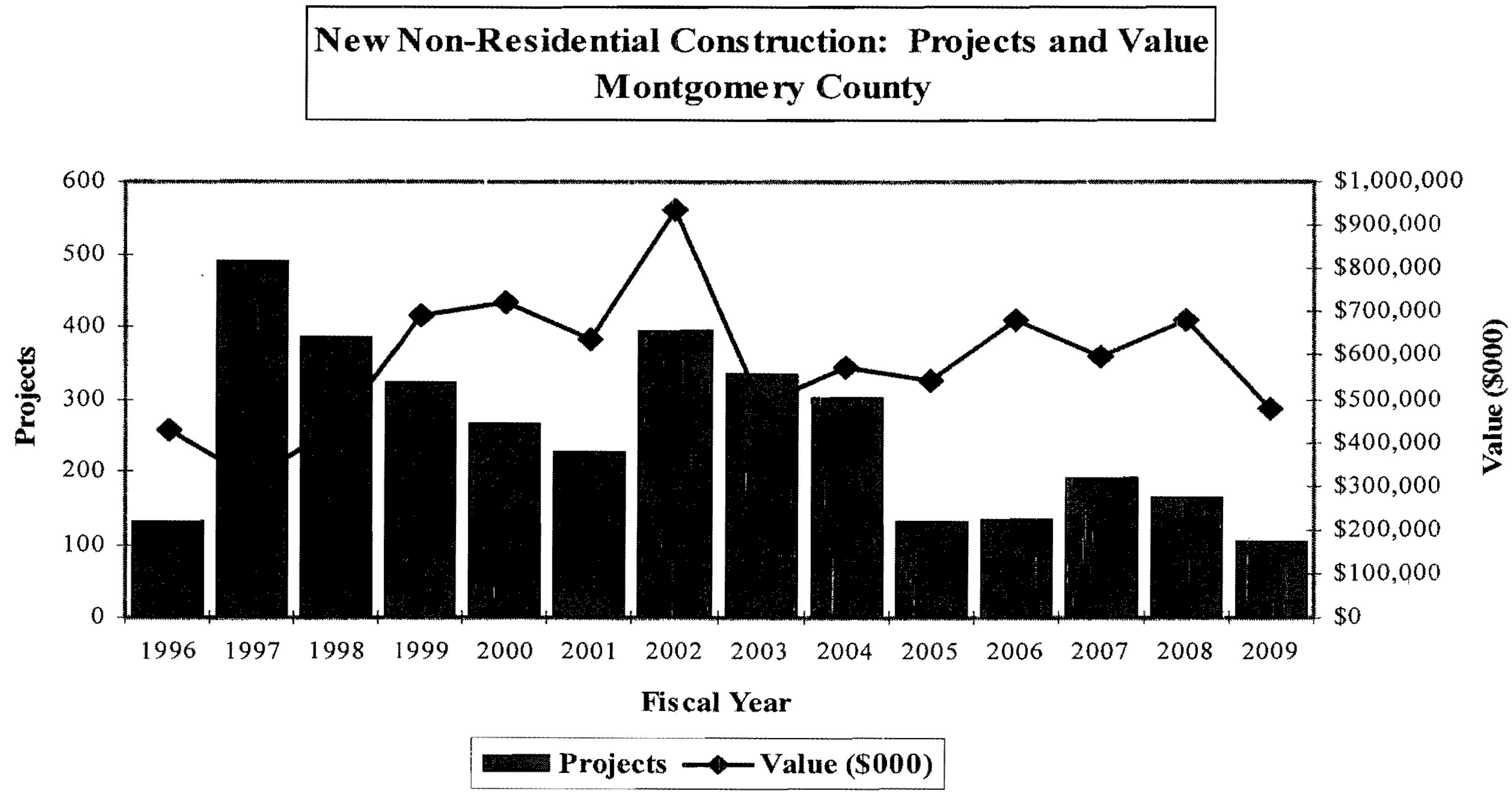


SOURCES: Metropolitan Regional Information System Inc.
Greater Capital Area Association of Realtors
Montgomery County Department of Finance

The decline or weakness in home sales over the past four fiscal years coupled with the increase in the inventory of homes for sale has affected new residential construction. The number of projects declined from 1,947 in FY05 (5,400 units) to 633 in FY09 (1,085 units) – a decrease of 67.5 percent (↓79.9% new units).

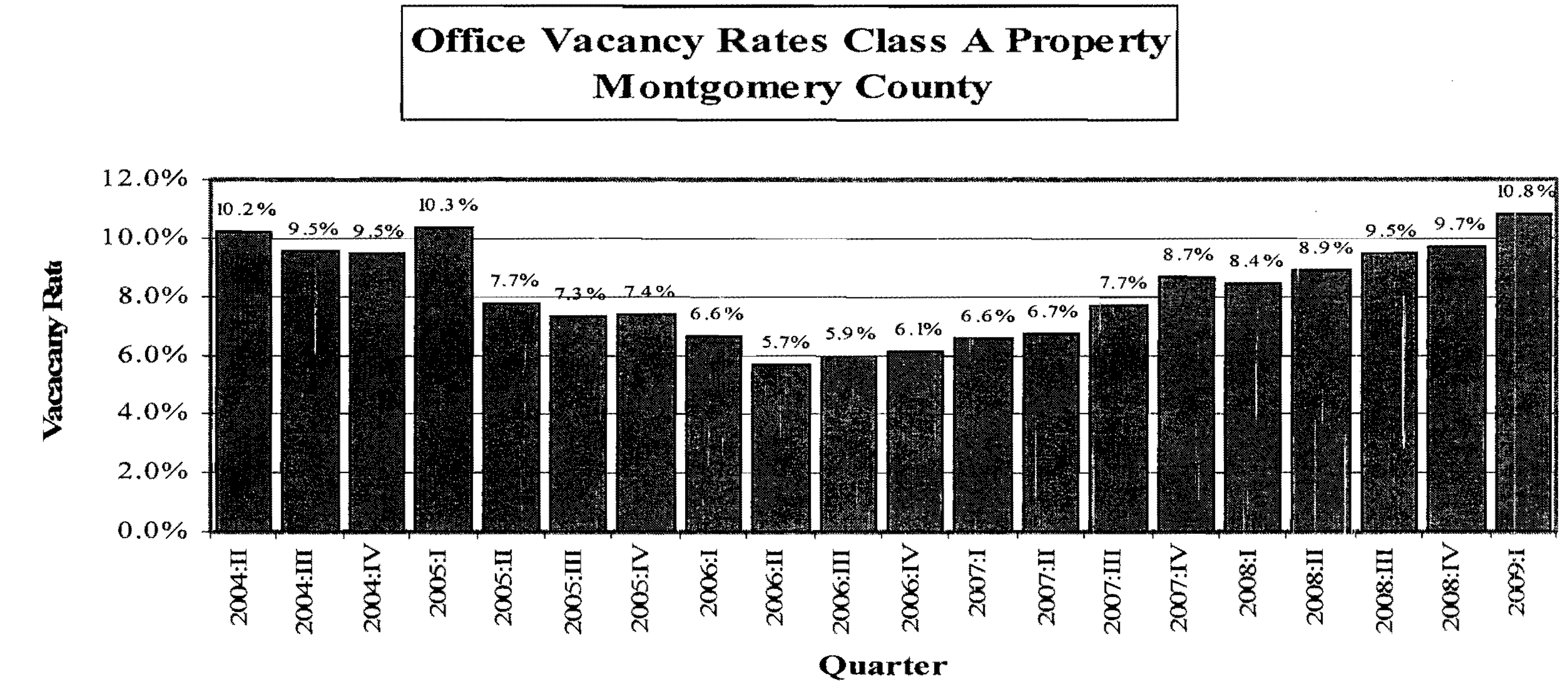


The number of non-residential projects decreased from a four-year average of 154 new projects between FY05 and FY08 to 105 in FY09. The average annual value of new construction during the previous four-year period was $624.6 million compared to $480.0 million in FY09 – a decrease of 23.2 percent.



SOURCES: McGraw-Hill Construction and Montgomery County Department of Finance

The decrease in non-residential construction is attributed to the steady increase in the vacancy rates of Class A property in the County. Since the second quarter of 2006, that rate increased from 5.7 percent to nearly 11 percent during the first quarter of this year.



SOURCES: Planning Division, MNCPPC-MC
Montgomery County Department of Finance

Summary

- Employment:
  - The County's unemployment rate has risen by over 2 percentage points during the past year (through May). Based on recent unemployment figures for the State, it is expected that the County's rate will increase in June above its current rate of 5.2%
  - Because the unemployment rate is a lagging indicator in terms of an economic recovery, it may not improve significantly over the next calendar year. If the economic forecasts are correct in that the national unemployment rate could reach 10 percent by the end of this year (it is currently at 9.5 percent), employment will remain a drag on the economy for the foreseeable future.
  - The County's resident employment was nearly 481,000 in May – a decline of 19,000 from May 2008. With a decline in resident employment and possibly slow recovery, both factors may have a significant effect on income tax revenues in FY10 and possibly FY11.
- Construction:
  - With the combined values of new construction for residential and non-residential projects below $750 million in FY09, additional property assessments from new construction could be at their lowest level by FY11 in over 10 years.
- Inflation:
  - While the recent figures for inflation are a welcome relief to the local consumer, it may have an effect on the amount of property tax revenues under the Charter Limit in FY11. Currently the index is less than a 0.4 percent annual rate for calendar year 2009.
- Housing Sales and Average Sales Prices:
  - Home sales increased 2.9 percent in FY09 which was attributed to strong sales in March through June. That rate is consistent with Finance's assumption for sales growth in FY10.
  - Average sales prices decreased 15.8 percent in FY09. That decline and the futures market for the Case-Shiller index is consistent with Finance's assumption that prices will continue to decline, albeit at a decelerating rate, through the first half of FY10.

Howard County, Maryland

economic INDICATORS

Insight & Outlook

Our Mission...
Review the most currently available economic indicators for Howard County and surrounding areas to assist in providing advance warning of possible shifts in the local economy that may be helpful in the evaluation of current and future government policies and private sector business decisions.

June 2009

Service Industries...representatives reported this sector appears to be doing better than counterparts in the region and nationally. Businesses with government contracts are doing well. Economic stimulus funds are available for a wide variety of initiatives. Transportation services have seen business fluctuate from month to month. The convention side of the business has been good and should continue as cruises are now leaving Baltimore several times per week. Lower fuel prices have helped the bottom line. Small businesses with government subcontracts are anticipating the trickle down of stimulus funds and are poised to act. Businesses with government contracts remain busy. RFP's from government agencies are numerous. Competition has increased as more providers seek government contracts.

Retail...representatives reported consumers are spending. Lower gasoline prices have helped free up consumer dollars and improve gasoline sales. Some small retailers are reporting record sales of some items. Coupon redemptions are popular with consumers and are helping retailers. Value items are used to attract customers and as a result sales are up but profits are either flat or down. Retailers are negotiating prices with some vendors on commodities. These prices have stabilized but some vendors have attempted to push items with smaller volumes and higher prices. Sales in food, groceries and perishables remain strongest. There is a definite weakness in demand for jewelry, major and small appliances and similar products. Most retailers are keeping inventories tight. Local auto dealers report new vehicle sales rate levels are at the lowest in decades. The big question is when will the bottom be reached? Industry experts feel the floor has been reached or very close to it as new auto sales cannot fall much lower. State sales are expected to decline by 18% this year, although a slow, sustained period of improvement is possible in 2010 and beyond.

Residential Real Estate...representatives reported local offices are very busy. For some realtors this may even be a record year. Offices are "going gang busters." The $8,000 credit from the federal stimulus package is providing a boost to this market. This credit applies to settlements that occur by December 1, 2009. Buyers of all types are active. There are first time buyers as well as move up buyers in the mix. Most buyers have been local. Prices are down and well priced homes in good condition are moving fast. There have even been reports of multiple offers on some homes. Traffic overall has been up dramatically. Even homes in the $600k range are moving. One such home had 40 showings in one week and three offers. There remains a lot of inventory to choose from, but inventories have fallen and the current level will take an estimated 11.4 months to burn through. Interest rates have never been better and have not been this low since the early 1970's. The current 4.78% is well below the 1972 level of 7.5%. The higher end market, $1m and above, is still slow and buyers who can afford this level are looking at new homes.

Agricultural...representatives reported farmers are grateful for the April and May rains. The threat of continued drought caused a lot of fear. Recent rains will make small grain, vegetable and fruit crop planting easier. Record prices in August and September 2008 were short lived. Grain, meat and milk prices have all taken a severe drop. Milk prices paid to farmers are equal to those paid in 1970--$.95/gallon. The cost of producing milk on the other hand is approximately $1.50/gallon. If this pricing continues the stress on local and regional dairy farmers may be more than they can bear. Farmers continue to be very efficient producers. In 2008 one American farmer fed 143 people, compared to 73 in 1970.

Banking...representatives reported commercial clients were doing fairly well through the 3rd quarter of 2008. The fourth quarter everything stopped. Everyone was surprised with the suddenness of the change. Most businesses are not seeing improvement in 2009. Layoffs have taken place. Businesses are focused on their expense structure and revenues. Bad debt expense is starting to creep into the equation. Many businesses are very cautious about taking on new clients in the current climate.

Professional Service...industry representatives reported most local business owners are now expecting any recovery will be delayed until the spring of 2010. Firms with government contracts have been the least affected by the economic downturn. Those businesses have sustained or even increased revenues. Most businesses are experiencing flat or no growth. Discretionary spending has been eliminated and price shopping for goods and services has become routine. Very few businesses are adding new employees and

A Joint Publication of Howard County Government & the Howard County Chamber of Commerce

	Reporting Period	Current Reporting Period	Last Year's Reporting Period	Current Fiscal Year Average-to-Date	Last Fiscal Year Average-to-Date	Percent Change
EMPLOYMENT (Source: Maryland Department of Labor, Licensing and Regulation)						
Resident						
Resident Employment	March 2009	147,747	155,624	152,365	155,074	-1.7%
Unemployment Rate	March 2009	5.0%	2.5%	4.0%	2.6%	
At Place						
At Place Employment	September 2008	148,457	147,666	148,754	147,175	1.1%
Total Wages	September 2008	$1,893,959,083	$1,807,874,796	$1,893,959,083	$1,912,339,128	-1.0%
Average Weekly Wage	September 2008	$979	$945	$979	$994	-1.5%
COUNTY REVENUES (Source: Howard County Budget Office)						
Personal Income	March 2009	$2,663,965	$2,916,596	$190,436,230	$187,198,067	1.73%
Planning and Zoning Fees	March 2009	$68,583	$61,662	$523,371	$809,305	-35.3%
Transfer Tax	March 2009	$925,296	$1,027,603	$12,809,360	$16,461,458	-22.2%
REAL ESTATE (Source: Maryland Property View; and Cushman & Wakefield, Inc.)						
Single-family Dwellings						
Average Selling Price	January 2009	$430,166	$455,005	$450,889	$485,339	-7.1%
Number of Units Sold	January 2009	113	155	176	234	-24.9%
Condominiums						
Average Selling Price	January 2009	$251,234	$284,375	$333,039	$332,248	0.2%
Number of Units Sold	January 2009	6	4	8	4	111.5%
Office Market						
Total Square Footage	March 2009	11,510,641	10,813,341	11,510,641	10,813,341	6.45%
Absorption	March 2009	-21,222	-14,003	-21,222	-14,003	51.6%
Vacancy Rate Class A & B	March 2009	16.60%	12.50%	16.60%	12.50%	32.8%
SALES TAX (Source: Office of Comptroller of the Treasury, Revenue Administration Division)						
Apparel	March 2009	$649,485	$725,228	$7,668,844	$6,948,963	10.4%
Furniture and Appliance	March 2009	$1,187,640	$1,096,635	$10,610,858	$11,218,113	-5.4%
General Merchandise	March 2009	$2,064,231	$2,202,459	$24,154,544	$21,889,831	10.3%
CONSTRUCTION (Source: Howard County Department of Inspections, Licenses, and Permits)						
All Building Permits Issued	March 2009	214	322	2,240	2,961	-24.3%
Residential Issuances						
Single-family Detached	March 2009	23	40	181	322	-43.8%
Single-family Attached	March 2009	39	43	304	277	9.7%
Multi-family Living Units	March 2009	1	0	117	127	-7.9%
Nonresidential						
New & AAI Issuances	March 2009	31	64	501	615	-18.5%
Reported Square Footage	March 2009	6,809	14,817	407,267	1,085,023	-62.5%
Estimated Construction Cost	March 2009	$920,000	$411,500	$69,581,600	$87,704,755	-20.7%
ECONOMIC INDICES (Source: The Conference Board; George Mason University Center for Regional Analysis)						
National						
Leading Economic Index	March 2009	98.1	101.9	99.4	INA	INA
Washington MSA						
Leading Economic Index	February 2009	105.6	108.6	105.7	108.5	-2.6%
Coincident Economic Index	February 2009	104.2	116.7	108.5	118.6	-8.5%

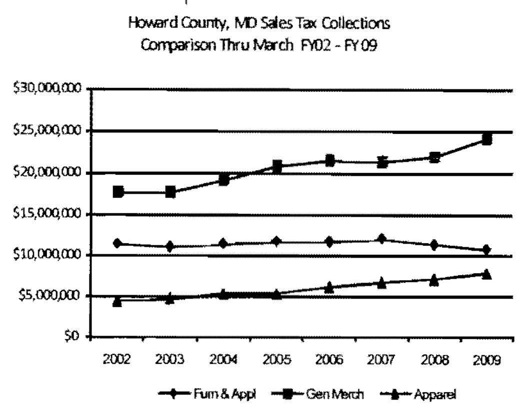
The fiscal year for Howard County runs from July 1 to June 30

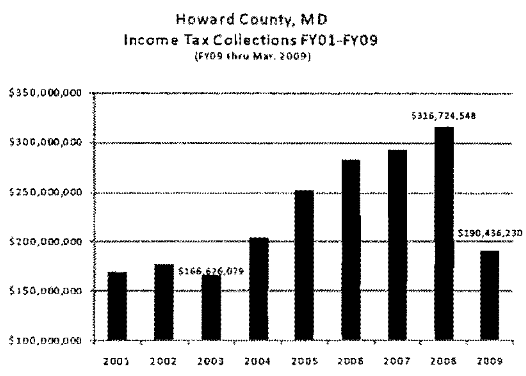
"The forecast for the economic climate, as predicted by local business leaders, seems to indicate a long, cold summer."

most have trimmed in order to reach levels to service reduced volume. Vacancies are not being filled. Job applicants are in abundance if hiring does take place. Most businesses are more concerned about keeping existing lines of credit rather than increasing. Capital expenditures have been eliminated pending improvements to the overall economy. Few business owners are optimistic that the local business climate will improve substantially until 2010. Impacts from BRAC are not expected to have a dramatic effect on business opportunities until mid 2010 or later.

Residential Construction...representatives reported the new home market remains slow and most builders are losing money to sell homes. Most builders purchased lots during the peak market and are now forced to sell homes at prices that cut into the profit margin. Builders with capital will survive. It's a cash flow business now. Many builders are turning land into cash to help with liquidity. The enthusiasm experienced in the resale market is not yet being realized in the new home market. Foot traffic has improved and consumers are more positive, but it is a tough market. The commercial real estate market in Howard County lags the residential market but is slowing catching up. Vacancy rates have continued to climb. As unemployment rises, vacancy rates typically climb. Rent concessions have not appeared in the market. Interest rates from bank loans are still low. Rates on capitalization loans, if they can be found, tend to be higher.

Overall...it seems the Howard County economy is still dealing with the economic downturn. Resale real estate is seeing signs that buyers are finally getting off of the fence. New home sales however remain in the doldrums. It is hoped as the existing home sales burn through inventory the new home sales will begin to improve. Retailers have reported consumers are more willing to spend and that consumer confidence appears to be improving. Other sectors have noted corporate spending is there, but more tentative as businesses are less confident about when the downturn will subside. Most businesses and the local government have looked for cost savings and are carefully watching revenue streams. Unemployment locally continues to be the lowest in the State. Federal stimulus dollars are showing up in surprising places and these dollars are being translated into jobs, which are pumping more dollars into the local economy.





Summary

Employment... Resident employment in March 2009 reached 147,747 persons. The March 2009 unemployment rate of 5.0% was tied for lowest in the State of Maryland and significantly below the State rate of 6.9%. The unemployment rate for March 2008 was 2.5%. The FY09 average unemployment rate is now 4.0% compared to the FY08 average of 2.6 % thru March.

At Place Employment is reported for September 2008 and was 148,457 an increase of .54% compared to the September 2007 level. Total wages reported for September 2008 grew 4.7% over the September 2007 level, rising from $1,807,874,796 to $1,893,959,083. The average weekly wage reported for September 2008 was $979 up $34 or 3.6% from the $945 reported for September 2007.

County Revenues... Personal income tax receipts as reported for March 2009 were 8.7% lower than income tax revenues collected for March 2008. Fiscal year to date FY09 income tax revenues are 1.7% above FY08 levels. Planning & Zoning fees are reported for March 2009 and are 18.5% lower than the March 2008 level. Fiscal year-to-date collections for these fees are 35% lower than the FY08 levels. Transfer tax is reported for March 2009. Compared to March 2008 current collections are down 10% in March 2009. Average fiscal year-to-date collections for FY09 are down 22% when compared to FY08.

Construction... Building permits issued in March 2009 decreased by 33.5% compared to the March 2008 level. Fiscal year '09 to date permit activity reflects a decline of 24%, or 721 fewer permits than the FY08 level of 2,961 permits. Single-family detached issuances for March 2009 reached 23 units compared to the March 2008 level of 40 units. FY09 to date SFD permits are down 44% when compared to FY08 year to date levels. Attached single-family issuances decreased by 4 units in March 2009 compared to the prior year. Fiscal year to date the number of single family attached units is up 9.7% from FY08 to FY09. Multi-family permits posted 0 units in March 2009, the same level as reported for March 2008. Non-residential new and additions, alterations, interior completions (AAI) permits were down by 33 units in March 2009 compared to March 2008. Non-residential reported square footage fiscal year to date is reported thru March 2009. FY09 s.f. to date totals 407,267 compared to 1,085,023 reported for FY08 thru the same period. The estimated non-residential construction cost reported for March 2009 was $920 thousand compared to $411,000 in March 2008.

Economic Indices... National Leading Economic Index (LEI) as reported for March 2009 was 98.1, down 3.7% from the March 2008 level of 101.9. The LEI for the Washington MSA was 105.6 in February 2009, down from the 108.6 reported in February 2008. The Coincident Index for the Washington MSA was 104.2 in February 2009, down from the February 2008 level of 116.7. Fiscal year to date averages for the Washington indices were both down. The leading index was down 2.6% at 105.7 for FY09 compared to 108.6 for FY08. The coincident was down 8.5% at 108.5 for FY09 compared to 118.6 for FY08.

Real Estate... The average sale price for a single-family home (includes single family detached and town homes) in January 2009 decreased by 5.5% from the January 2008 average of $455,005 to $430,166. Fiscal year-to-date average prices declined by 7.1% thru the same period. A total of 113 single-family homes were sold during January 2009, a decrease of 27% or 42 fewer units than the 155 units sold in January 2008. Average units sold fiscal year to date were 176 compared to 234 units thru January 2008, a decrease of 25%. Condominium prices in FY09 thru January averaged $333,039 up a fraction from the average price of $332,248 thru January 2008. Sales of condo units in January 2009 increased by 2 units compared to the numbers reported for January 2008 when 4 units were sold. The commercial office vacancy rate for March 2009 was 16.6%, up from 12.5% in March 2008. The vacancy rate does not reflect pre-leased new construction. Square footage available has increased by 697,300 s.f. when comparing March 2009 to March 2008. Net absorption for the first quarter of calendar 2009 was -21,222 s.f. compared to net absorption of -14,003 s.f. through the first quarter of calendar 2008.

Sales Tax... March 2009 collections for Apparels declined by 10.4% compared to the level collected in the same month last year. The FY09 average receipts to date increased by 10.4% when compared to the prior year. Collections reported for March 2009 Furniture and Appliance sales increased by 8.3% compared to March 2008. Fiscal year-to-date, average revenues thru March 2009 declined by 5.4% from the previous fiscal year. General Merchandise collections decreased by 5.4% in March 2009 compared to March 2008. Fiscal year-to-date average levels increased by 10.3% compared to the prior year. It should be noted sales tax revenues are not returned to the county as direct revenue. They are an indicator of discretionary spending in the county as reported by local businesses to the State of Maryland.

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