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BALTIMORE’S GENUINE PROGRESS INDICATOR SHOWS HEATHY ECONOMIC GROWTH IN 2013

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WASHINGTON – In the first city-level analysis of its kind in Maryland, the Center for Sustainable Economy (CSE) found Baltimore’s economy well on the way to economic recovery taking into account social and environmental costs as well as the benefits associated with consumer spending, infrastructure and unpaid labor. The analysis utilized the first iteration of the Genuine Progress Indicator (GPI) for Baltimore, a metric adopted by Governor O’Malley in 2010 at the State level to measure economic performance in a more comprehensive manner than conventional approaches. Using the GPI, CSE found that between 2012 and 2013, economic wellbeing of Baltimore’s households grew by nearly 5% - a rate much higher than the growth in gross domestic product (GDP) per capita, which hovered around 1.5% during the same period for the Baltimore-Towson metropolitan area.

According to Dr. John Talberth, lead author of the study, “Baltimore’s economy is heading in the right direction by bolstering the economic wellbeing of households while reducing environmental and social costs. The City’s innovative policies on climate, stormwater, and living wages are helping to reduce the resource intensity of economic activity while improving livelihoods. This is reflected in the GPI’s robust growth rate.”

As an example, the GPI tracks the costs of depleting nonrenewable energy resources including oil, coal and gas by calculating what it will take to replace them with renewable energy substitutes. Because the share of renewable energy consumption increased and the amount of fossil energy consumed by vehicles and power plants dropped the costs of this line item decreased by 5.47% between 2012 and 2013. On the benefits side, the GPI’s increase was based in part on the benefits of leisure time, which rose from $4,182 per capita in 2012 to $4,668 in 2013, an increase of over 11.5%. “As the economy recovers, people can afford to drop that second job and enjoy time with friends and family,” Talberth continued.

CSE will be presenting the results of the GPI analysis to the Baltimore Sustainability Commission and other City departments and agencies in the weeks ahead to make the case for using the GPI to monitor economic performance and quantify the economic benefits associated with major policy decisions.

For a copy of the Baltimore GPI report, please visit:
http://www.sustainable-economy.org

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