



News Release

Comptroller of Maryland Releases New Federal Impact Report Produced with the University of Maryland Robert H. Smith School of Business

Analysis quantifies the impact of government spending and employment in Maryland

ANNAPOLIS, Md. (June 18, 2025) — **Comptroller Brooke E. Lierman** released the agency's [first report](#) on the impact of the federal government on Maryland's economy. The report, produced in partnership with the University of Maryland's [Robert H. Smith School of Business](#), provides a quantitative analysis of the baseline economic impact of federal government spending and direct federal employment in Maryland. The report also includes reflections from federal workers now seeking employment after workforce reductions

"My team and I are closely analyzing how federal decisions—such as workforce reductions, cuts to research funding, and changes to veterans' benefits—directly impact Maryland's economy, families, and institutions," Comptroller Lierman said. "This report offers us a baseline from which to measure and understand the scope of that impact. Working in partnership with the University of Maryland, we are reviewing the data and gaining the insight needed to assess the challenges we will face due to federal retrenchment and to chart a more resilient economic path for Maryland's future."

Graduate students in the Smith School's Master of Finance Program, under the direction of Dr. Liu Yang, associate professor of finance and founding Executive Director of the Federal Statistical Research Data Center at the University of Maryland, and Dr. Vojislav Maksimovic, William A. Longbrake Chair in Finance, utilized publicly available data to identify important patterns for the inflow of federal funds into Maryland, as well as Virginia and Washington, D.C. Research professor and Academic Director of Smith's Center for Global Business, Dr. Kislaya Prasad also contributed to the project.

In the next phase of this project, to be released later this summer, the Smith School and the Office of the Comptroller will examine the consequences of current and potential federal spending and employment reductions by the Trump Administration. Case

studies and analyses will estimate the direct financial impacts on the state economy and fiscal year 2026 budget.

The second report will be accompanied by an interactive tool that enables users to model the potential effects of additional cuts on Maryland communities. The goal would be for interested stakeholders to use the models as a starting point for their strategies moving forward to estimate and withstand changes in federal funding coming into Maryland.

“We are excited to partner with the Comptroller, enabling our outstanding faculty and students to analyze extensive data on federal spending impacts at the state and county levels,” Dean Prabhudev Konana said. “These insights and the digital interface will significantly inform policy decisions, supporting the critical work of the Comptroller’s Office and other local agencies.”

Key findings from this report

Jobs and Federal Income

- Maryland has the third-highest number of federal jobs in the nation.
- Federal jobs in Maryland represent 6% of the state’s overall employment and 10% of overall wages.
- An estimated 229,000 Maryland residents are employed by the federal government and work in either Maryland, Washington, D.C. or Virginia. These employees are represented in the defense and non-defense civilian workforce (not including active-duty service members) and earn \$26.9 billion annually.
- About 153,000 Maryland households receive \$8.8 billion in federal retirement income annually.
- Maryland is home to 50% of all jobs under the Department of Health and Human Services.

Federal Spending

- Federal agencies award an estimated \$46.2 billion annually in contracts for work to be performed in the state (procurement represents about 10% of Maryland’s Gross Domestic Product).
- Federal spending through grants to state and local governments and nonprofit organizations, and direct payments to individuals and businesses, including Social Security, veterans’ benefits, and other financial assistance and subsidies, totals about \$68.5 billion annually.
- Grants to Maryland-based organizations and governments total \$30.6 billion

- Direct Payments to Maryland businesses and individuals total \$37.7 billion (subsidies, social security, etc.).
- Counties with the most federal government activity: Anne Arundel County, Baltimore City, Baltimore County, Calvert County, Charles County, Frederick County, Harford County, Howard County, Montgomery County, Prince George's County, and St. Mary's County.

[Read the Full Report](#)

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