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Despite Maryland's wealth, working families struggle

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WASHINGTON — Maryland remains the wealthiest state in the nation, but income and health gaps are still a concern for blue-collar families here, a new report suggests.

The report, "The State of Working Maryland 2009," was published Friday by The Progressive Maryland Education Fund, a liberal advocacy group, and The Maryland Budget and Tax Policy Institute, a non-partisan think tank. Its findings are based on an analysis of current census data and other demographic surveys.

"Overall, Maryland continues to outperform the nation as a whole," said Neil Bergsman, the policy institute's director and one of the study's authors. "But we see that the bad national economy has hurt working people more than it has higher-income folks."

While census data show that Maryland has the highest median household income in the nation at \$70,545, Bergsman said the wealth has not trickled into all parts of the state.

"There are some areas, like Baltimore City and Dorchester County, that are doing much worse than the national average" on indicators such as unemployment rates and median income, Bergsman said.

According to the report, Dorchester County's unemployment rate nearly doubled last year and has now reached 11 percent. Wealthier counties, such as Howard or Montgomery, have unemployment rates of about 5 percent. The national rate is 10 percent.

Poverty rates also vary widely, ranging from under 4 percent in Howard County to 19 percent in Baltimore City.

The report shows that while median income in the state has remained steady over the past year, hourly wages for those without a college degree have declined. As a result, the authors calculate, low-income families now spend up to 45 percent of their income on housing costs.

This steep rate is a result of Maryland's high cost of living, said Sean Dobson, co-author of the report and executive director of Progressive Maryland.

Dobson sees a "disconnect" between Maryland's wealth and its poor performance on key social indicators. This disconnect is particularly apparent in the report's findings on health: Maryland fares worse than the nation as a whole on the number of infants with a low birth-weight and on infant mortality.

"It's a glaring paradox: we have the highest median family income in the nation, but some of our health stats are actually worse than average," Dobson said.

The disparities on these health statistics are a matter of grave concern, said Lee Woods of the Maryland Department of Health and Mental Hygiene. The department is working on a plan to expand access to family planning and maternal care in three key jurisdictions: Baltimore City, Prince George's County and Somerset County.

"It will allow more women to access care earlier in pregnancy, and even more women to access care in general," Woods said.

Census figures averaged over the past three years indicate that 13 percent of Marylanders are without health insurance. The national rate is just under 16 percent, but some states, such as Massachusetts or Hawaii, have rates in the single digits.

Vincent DeMarco, president of the Maryland Health Care For All Coalition, said Maryland's health care situation has improved since the General Assembly passed an expansion of Medicaid in 2007. Before 2007, he said, Maryland ranked 44th on the number of uninsured residents per state. It now ranks 21st, according to the report.

"We expect the numbers to get better now that we've expanded our health care," DeMarco said. "We've made a lot of progress under Governor Martin O'Malley, but we need to do more."

The study also contains policy recommendations to fix some of the inequalities it points out. The authors suggest, among

other things, raising the minimum wage in Maryland from the national average of \$7.25 to \$8.15.

In addition, they recommend increasing the transparency of stimulus spending by tracking the demographic distribution and wage levels of jobs the measure has created.

"We need to make sure more stimulus money gets in the hands of workers," Dobson said. "We should use tax dollars to create family-sustaining jobs."

Bernie Kohn, a spokesman for the Maryland Department of Labor, Licensing and Regulation declined to comment on the feasibility of raising the state's minimum wage.

"As for stimulus jobs, the only data we have are the numbers of jobs themselves," Kohn said.

Kathy Snider, president of the Maryland Chamber of Commerce, said raising the minimum wage would be unwise in the current economic climate.

"This is not the time to be putting more people out of work," Snyder said. "Small businesses are suffering throughout the state, so why in the world would you recommend an increase in the minimum wage at a time when businesses are struggling to keep people hired."
