

Wednesday, Dec. 9, 2009

'Working Maryland' hurting, report finds

Despite wealth, wages are stagnant; state scores low on health

by Sean R. Sedam | Staff Writer

The standard of living for Maryland's working families is on the decline despite the state having the nation's highest median income and a low poverty rate, according to a new report.

The "State of Working Maryland" report, by the Progressive Maryland Education Fund and the nonpartisan Maryland Budget and Tax Policy Institute, found that the median family income remained tops in the nation at \$70,545 in 2008.

But income levels vary widely across the state and did not increase between 2007 and 2008, the first time since the recession of the early 1980s that has happened, according to the report, which was released Friday.

Of greater importance, the report said, is that "real hourly wages" paid to most of Maryland's blue- and pink-collar workers — secretarial and sales clerk-type jobs for which women traditionally have been hired — have been stagnant for several years, up through 2008.

"Of course since that time the national recession worsened, so 2009 wage data will almost certainly show a further depression in real hourly wages," the report said.

In 2008, Maryland's median hourly wage was \$18.88, about 20 percent higher than the national median hourly wage of \$15.74. But "higher wages here are quickly consumed by our state's higher cost of living," the report said.

Maryland's poverty rate of 8.1 percent remained unchanged between 2007 and 2008, as did the national rate of 13.2 percent.

Unemployment, while up to 7.2 percent in September, is still lower than the national rate of 10.2 percent. But rates vary widely around the state — from a low of 5.3 percent in Montgomery County to a high of 10.9 percent in Dorchester County.

The cost of energy, health care, child care and housing are putting a strain on family budgets, said Neil Bergsman, director of the Maryland Budget and Tax Policy Institute.

The state scores low on health care measures, he said.

"When you look at low birth rates, infant death rates, we do very poorly versus the nation as a whole," said Bergsman, a co-author of the report.

The report found that the state had 9.17 low birth-weights per 1,000 live births (compared with a national average of 8.07) and a rate of 8 infant deaths per 1,000 live births (compared with 6.8 nationally).

Considering the state's high median income, "that's a real disconnect," said Sean Dobson, executive director of Progressive Maryland.

The report offers several recommendations for improving economic opportunities for working families, including raising the state's minimum wage to \$8.15 an hour. The national minimum wage is \$7.25.

The report also recommends broadening the state's living wage law, by requiring companies that receive any state dollars, whether in the form of a state contract or a subsidy, to pay workers a living wage.

"You shouldn't use public dollars to create poverty jobs," said Dobson, a report co-author.

Progressive Maryland also plans to push the 2010 General Assembly to make permanent the tax on people earning more than \$1 million a year and to pass a law that would require corporations operating in Maryland to report profits that are often shifted to entities in other states.

The so-called combined reporting law, which has been enacted in 23 other states, could bring in about \$100 million annually to state coffers.

"It really is a no-brainer, and there really is no policy reason for the delay except to wait until after the election," Bergsman said.