

News Release

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Progressive Md. Educ. Fund and Md. Budget & Tax Policy Inst. Release *The State of Working Maryland 2008*

*Report finds benefits of Maryland's economic expansion
not trickling down to middle-class and blue-collar families*

Silver Spring, MD. The Progressive Maryland Education Fund (PMEF) and the Maryland Budget & Tax Policy Institute today released a co-authored report, *The State of Working Maryland 2008*.

This annual publication – based on fresh census data and other authoritative sources – provides the only comprehensive overview of living standards and life opportunities of Maryland's working families. The report and Executive Summary are available at www.ProgressiveMaryland.org.

"In the period 2001-2007, strong productivity growth produced robust overall economic growth in Maryland, but the fruits of this expansion did not trickle down to most Marylanders," said Sean Dobson, PMEF's Executive Director. "Instead, most of those fruits went to top and upper-middle earners, whose income growth was so strong that it hoisted Maryland's median family income to the highest in the country."

The report's specific findings include:

- Maryland now enjoys the highest median household income among the 50 states, at \$68,080. The increase is driven mostly by income growth among affluent and upper-middle class Marylanders, not middle-class and blue-collar workers, whose wages rose by only 4.4% from 1999 to 2007 when adjusted for inflation.
- The gap between high- and low-earning workers in Maryland remains persistently high, mirroring national trends.

(more)

- Maryland's high median family income also masks great disparities among Maryland's localities. Maryland includes two of the nation's wealthiest 10 jurisdictions over 250,000 population (Montgomery and Howard Counties), while Baltimore City has the eighth lowest median income of any jurisdiction over 250,000 population.
- Maryland's high median family income has not put a dent in Maryland's poverty rate, which, though low by national standards, has remained essentially unchanged since 2001.
- Despite its high median family income, key indices of public health are surprisingly mediocre compared to other states. Moreover, since 2001, 251,000 fewer Marylanders have health coverage, bringing the total who lack insurance to 762,000 Marylanders – or 14% of the population. The census data do not yet measure the effect of the groundbreaking 2007 law to expand health care coverage to 100,000 Marylanders.
- In the second quarter of 2008, mortgage foreclosures were 130% above the previous year.
- Electricity and gasoline prices both rose sharply in 2007.
- Union membership as a percentage of workers continues its long-term decline.
- The new census data, on which these mostly sobering findings are based, do not cover 2008 – a year in which the economy has slowed appreciably and financial markets are in turmoil.
- Since 2006, Maryland policymakers have taken first steps to direct more of the benefits of economic growth to middle- and low-income wage earners. But lawmakers need to do more. In the Conclusion of this report, they can find specific policy recommendations that reward work, build the middle class, and create more opportunity for upward social mobility.

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