

# What a \$15 Minimum Wage Would Mean for Maryland

Good Jobs, Secure Families, and a Healthy Economy

By Christopher Meyer

Maryland's economy is a study in contrasts. We have a highly educated workforce, the highest median income in the country, and more millionaires per capita than any other state. At the same time, thousands of hardworking Maryland families still struggle to make ends meet because they are not paid enough to afford the basics.<sup>i</sup> Many of these families rely on public assistance to cover the gap between what they earn and what they need to keep a roof over their heads and food on the table. An economy in which the majority of working people see few of the benefits of economic growth is neither healthy nor sustainable.

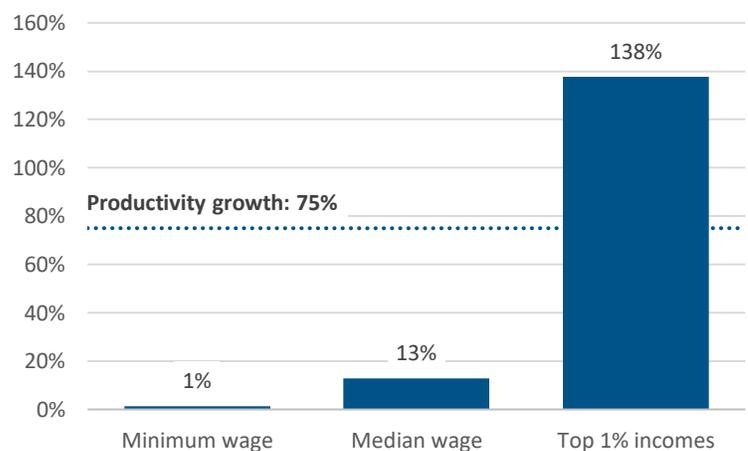
It doesn't have to be this way. Increasing Maryland's minimum wage to \$15 per hour by 2023 (equivalent to \$13.18 in today's dollars)<sup>ii</sup> would make a significant difference—especially if we at the same time make tipped workers equal under the law and guarantee that our wage floor keeps up with future inflation. A family-sustaining minimum wage would build greater economic security for hundreds of thousands of Maryland workers and their loved ones, as well as boost businesses across our state through increased spending.

Analysis by the Economic Policy Institute shows that a \$15 minimum wage would benefit hundreds of thousands of Marylanders:

- **573,000 WORKERS** would get a raise, totaling **\$2.6 BILLION** per year, by the time the minimum wage is fully phased in in 2023.
- **273,000 CHILDREN** would benefit from increased family income.
- **90 PERCENT** of affected workers are at least 20 years old, and **THREE OUT OF FIVE WORK FULL TIME**.

## Top Maryland Incomes Soar As Working Families Fall Behind

Inflation-adjusted change in Maryland minimum wage, median wage, and top 1 percent incomes, 1979–2017



Source: Economic Policy Institute analysis of unpublished total economy data from Bureau of Labor Statistics, Labor Productivity and costs program; employment data from Bureau of Labor Statistics, Local Area Unemployment Statistics; wage data from the Current Population Survey and compensation data from the Bureau of Economic Analysis, State/National Income and Product Accounts public data series; Estelle Sommeiller, Mark Price, and Ellis Wazeter, "Income inequality in the U.S. by state, metropolitan area, and county," 2016; MDCEP analysis of Department of Labor historical state minimum wage data.

- Workers benefiting include one in four Maryland **WORKING WOMEN**, one in four Maryland **WORKERS OF COLOR**, and **23,000 VETERANS**.

A \$15 minimum wage would make Maryland a better place to live in the long run by promoting a healthier, better-educated population and more secure families:

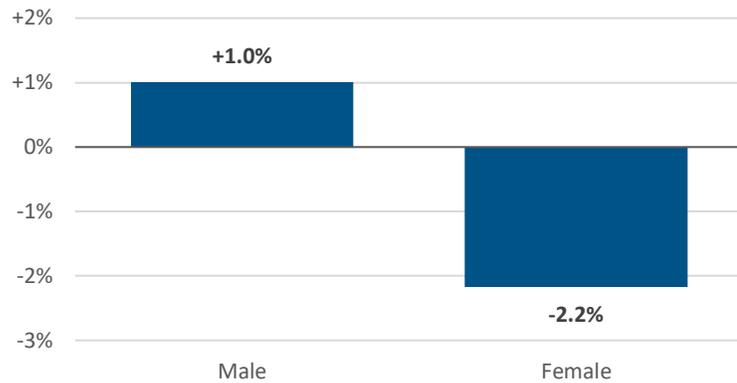
- Research finds that higher family income helps families afford basics like food and clothing, helps kids succeed in school, and improves children’s and adults’ mental health.
- The American Public Health Association has called for a higher minimum wage, noting that “current metrics for setting minimum wages inadequately capture the basic necessities for living in full health.”<sup>iii</sup>
- A large body of research, based on credible methods applied to a variety of data sources, has found little relationship between the minimum wage and the number of jobs available.

## Growth for a Few, but Many Fall Behind

In a healthy economy, wages are linked to productivity. As our capacity to produce goods and deliver services grows over time, wages should grow at a comparable pace. This is how the economy performed throughout much of the 20th century—at least for some workers—but not today. In 2016, Maryland’s economy produced 75 percent more output for each hour worked than in 1979, but wages have not kept pace. Inflation-adjusted hourly wages for a typical Maryland worker have increased by only 13 percent since 1979—equivalent to a 0.3 percent annual growth rate—while the minimum wage is up barely 1 percent.<sup>iv</sup> Meanwhile, Marylanders’ incomes have become much more unequal. As of 2014, the average inflation-adjusted incomes of the wealthiest 1 percent of Maryland households had more than doubled since 1979, accounting for 16 percent of all income in Maryland.<sup>v</sup>

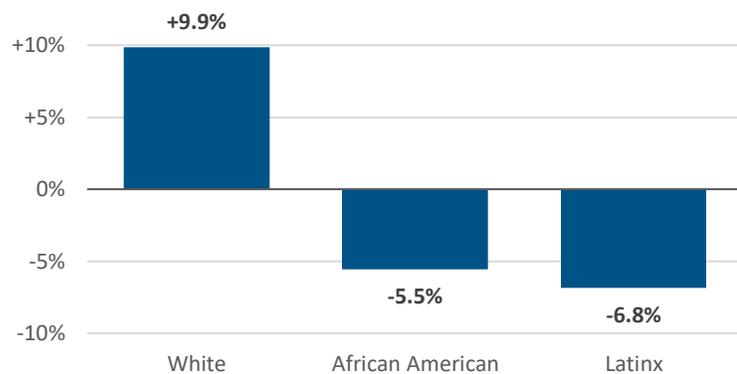
### Stagnating Wages Put Working Maryland Women Further Behind

Inflation-adjusted change in Maryland median wage, 2008–2017



### Stagnating Wages Create Highest Barriers for Working Marylanders of Color

Inflation-adjusted change in Maryland median wage, 2008–2017



Source: Economic Policy Institute analysis of Current Population Survey data.

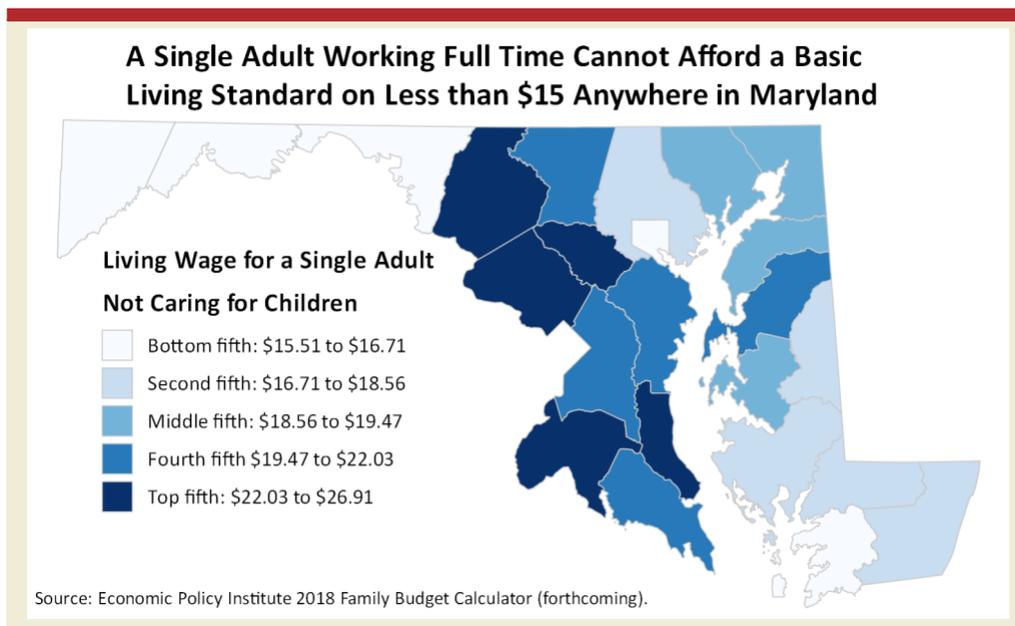
**In short, Maryland’s economy today delivers enormous rewards to a few while leaving many more behind.**

While the large majority of working people in Maryland would benefit from an economy with more widely shared prosperity, the harm caused by rising inequality falls more heavily on some. Women and people of color, who often face especially high barriers to obtaining well-paying jobs, are left worse off by stagnating wages than their white and male counterparts.<sup>vi</sup>

- Typical male workers in Maryland took home slightly more per hour in 2017 than 10 years earlier (adjusted for inflation). Meanwhile, typical working women took home 2 percent less in 2017 than in 2008.
- Typical white workers took home somewhat more per hour in 2017 than 10 years earlier. Typical Black workers took home 6 percent less, while typical Latinx workers took home 7 percent less.

Maryland has made modest progress in recent years. Our state minimum wage will increase to \$10.10 per hour this July, up from \$7.25 in 2014. Alongside other protections like earned sick days, this increase is making a meaningful difference in thousands of lives. At the same time, even \$10.10 per hour is not enough for a full-time worker with no children to afford a basic standard of living anywhere in Maryland.<sup>vii</sup> Those working to support a family on low wages have even more difficulty making ends meet. What’s more, even this inadequate standard does not apply equally to workers who are paid partly in tips, and neither our full minimum wage nor the sub-minimum for tipped workers is guaranteed to keep up with rising costs in the future. It is little surprise that 125,000 working people across our state have family incomes below the federal poverty line (\$12,140 for a single adult, or \$25,100 for a family of four).<sup>viii</sup>

The minimum wage is one part of a comprehensive agenda to strengthen Maryland’s economy. A truly healthy economy will also require policies targeting the specific barriers that hold back too many women and people of color, as well as investments in the building blocks of prosperity like great schools and a modern transportation system. At the same time, guaranteeing decent pay to all working people is an important step to ensure that Maryland’s economy delivers for everyone, not just those at the top.



## A \$15 Minimum Wage Would Benefit Hundreds of Thousands of Marylanders

An analysis by the Economic Policy Institute demonstrates just how much Maryland would benefit from a \$15 minimum wage.<sup>ix</sup> By 2023, 573,000 workers (22 percent of the Maryland workforce) would get a raise. Affected workers would take home \$4,600 more per year than under current law, on average, and their aggregate pay would increase by \$2.6 billion per year (all estimates in 2017 dollars unless otherwise noted).

In today's economy, the people who would benefit from a higher wage floor defy the stereotypical portrait often painted by minimum wage opponents. Nine out of 10 affected workers are at least 20 years old and more than 60 percent work full time. About half of affected workers have attended college and one in five has an associate's or bachelor's degree. One in eight veterans—23,000 altogether—would get a raise. Far from the inaccurate vision of a transitional or “spending money” wage, the minimum wage provides the only guarantee that many hardworking adults can pay the bills and put food on the table.

This is made even clearer by the large number of low-wage workers who support families. Nearly one-third of Maryland workers who would benefit from a \$15 minimum wage are parents, together caring for 273,000 children. This brings the total number of beneficiaries to 846,000, not including adult family members who

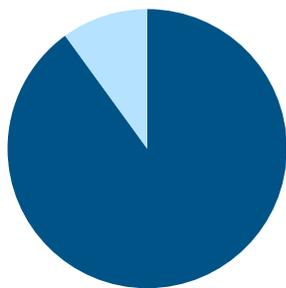
**How many people would gain from a \$15 minimum wage?**

- **573,000 workers** would get a raise
- **273,000 children** have a parent who would get a raise

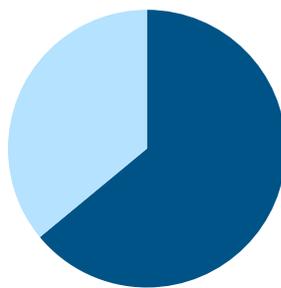
**How much would workers benefit?**

- Average raise of **\$4,600** per year
- Altogether, low-wage workers gain **\$2.6 billion** per year

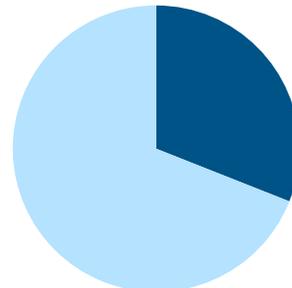
### Who would benefit from a \$15 minimum wage?



**90%** of those affected are **at least 20 years old**



**64%** of those affected **work full time**



**31%** of those affected are **parents**

Source: Economic Policy Institute analysis of 2016 American Community Survey and June 2017 CBO Economic Projections.

workers may also be supporting. Affected workers provide 43 percent of their families' incomes, on average, and more than 127,000 are sole breadwinners.

When low-wage work is such a significant part of a family's livelihood, it is often difficult to afford necessities. Of the workers expected to benefit from a \$15 minimum wage, 92,000 live under the federal poverty line and more than 200,000 have family incomes less than double the poverty line. Guaranteeing Marylanders decent pay for their work would mean more financial security for families and better opportunities for children.

A \$15 minimum wage would benefit working people in Maryland of every racial and ethnic background and at the same time narrow the pay gap between workers of color and white workers. Half of all workers who are expected to benefit are people of color, with 25 percent of Black workers and 28 percent of Latinx workers getting a raise.<sup>x</sup>

Similarly, while a family-sustaining wage floor would bring benefits to men as well as women, working women would gain at higher rates because they make up a greater share of the low-wage workforce. One in four women is expected to get a raise, amounting to 55 percent of all affected workers.

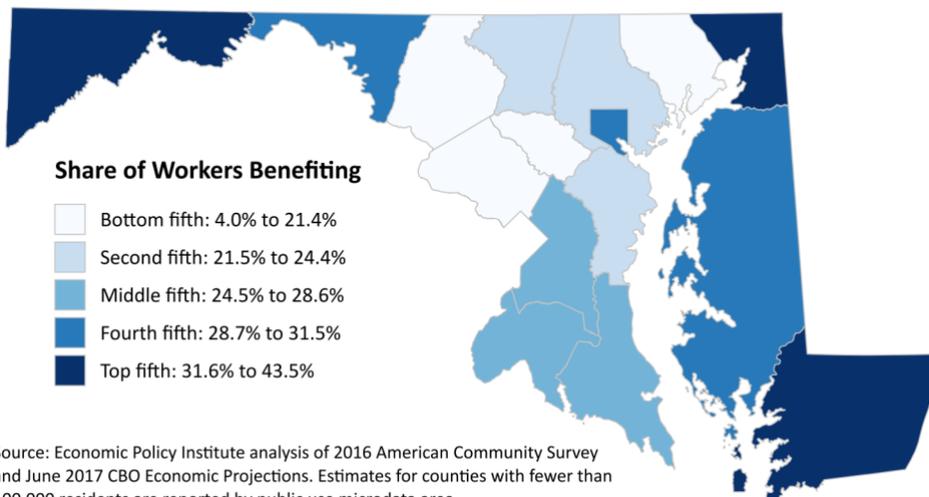
A \$15 minimum wage would mean higher pay for residents of every part of our state. More than 90 percent of affected workers live in Maryland, including:<sup>xi</sup>

- 290,000 Central Maryland residents
- 114,000 Capital Region residents
- 60,000 Eastern Shore residents
- 36,000 Southern Maryland residents
- 31,000 Western Maryland residents

#### Low-wage workers support families:

- **127,000** are sole providers
- Affected workers provide **43%** of their families' income

### Workers in Every Part of Maryland Would Gain from \$15 Minimum Wage



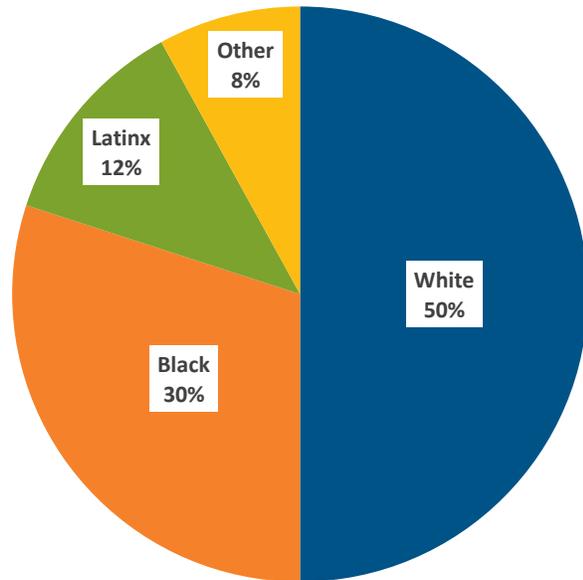
Detailed results of this analysis are available in the Appendix.

## It's Time to Guarantee Equal Treatment to Tipped Workers

One group of workers who would see outsized benefits from a uniform \$15 minimum wage is those who are paid partly in tips. Thanks to a carve-out known as the tip credit—which has historical roots in employers' attempts to avoid any responsibility to pay Black service workers following the Civil War<sup>xii</sup>—Maryland's current minimum wage law does not treat tipped workers the same as other employees. This provision allows employers to pay tipped workers as little as \$3.63 per hour, as long as their hourly pay is at least equal to the full minimum wage after counting tips. In reality, this safeguard provides little protection, which means that thousands of tipped workers cannot rely on receiving the full pay they are entitled to. By uniformly applying a \$15 minimum wage, we can guarantee tipped employees equal treatment under the law and fair pay for their work.

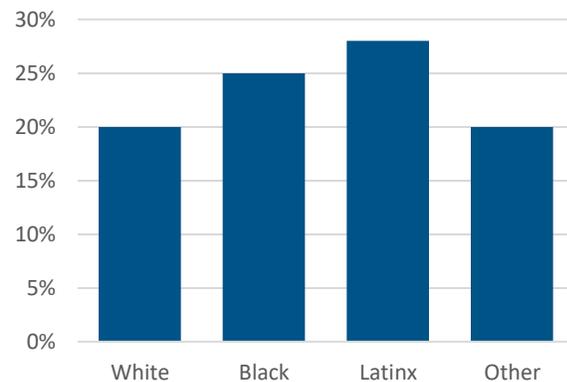
Historically, Maryland's sub-minimum wage for tipped workers was set at half of the full minimum wage. Although inadequate, this approach at least ensured that the unequal standard for tipped workers would keep pace with the full minimum wage over time. However, in 2014 Maryland lawmakers broke the link between the full wage floor and the sub-minimum for tipped workers. The sub-minimum wage has now been stuck at \$3.63 for about eight years. Its value has fallen by 11 percent after adjusting for inflation, and as of July 2018 it will be only 36 percent of the full minimum wage. This means that tipped workers are relying on the goodwill of their customers for an increasingly large share of their pay.

### \$15 Minimum Wage Would Benefit Workers in All Racial Groups



### A \$15 Wage Floor Would Narrow Racial Pay Disparity

Proportion of workers affected by racial/ethnic group



Source: Economic Policy Institute analysis of 2016 American Community Survey and June 2017 CBO Economic Projections. Note: Estimates for racial groups exclude Latinx members of each group, who can be of any race.

Although tipped workers are theoretically entitled to the full minimum wage after tips are counted, a number of factors make this safeguard difficult to enforce:

- Employers are not required to routinely calculate workers' total hourly pay and make up any deficits. Rather, enforcement relies on workers examining their own pay stubs and requesting the additional pay they are entitled to from their employers.
- Between erratic schedules and pooled tips, the calculation workers must make to ensure they have been paid what they earned is far from straightforward.<sup>xiii</sup> Even after this calculation, some workers may fear that their employer will retaliate if they request the remainder.
- The food services industry—the most significant employer of tipped workers—had more wage and hour violations than any other industry in each of the last 10 years.<sup>xiv</sup>
- The Trump administration's Department of Labor is in the process of setting a rule that would make it easier for employers to skim the top off workers' tips. In the likely event that this regulation takes effect, it will be all the more essential for Maryland to take steps to guarantee that tipped workers take home a fair wage for their work.

Like low-wage workers overall, tipped employees look very different in reality from the stereotype often portrayed by opponents of worker protections.<sup>xv</sup> Nationwide, seven out of eight tipped workers are at least 20 years old and three out of five are at least 25. One out of four tipped workers is a parent. While a small number of workers earn significant tips—such as highly skilled servers at upmarket restaurants—most tipped employees have modest incomes and far too many struggle to afford the basics. Tipped workers are nearly twice as likely as other workers to have family incomes below the federal poverty line and are more likely to need public assistance to supplement their earnings and pay for necessities.

Seven out of 10 tipped employees nationwide are food service workers like servers, bartenders, and restaurant hosts. Because restaurant employment has grown about three times as quickly as the rest of the economy since 1990, this means that a growing share of workers are paid a sub-minimum wage. The other 30 percent of tipped workers are hairdressers and barbers, drivers and chauffeurs, and other personal care and service workers.

Because tipped workers cannot rely on a stable, decent wage, they are often at the mercy of customers for adequate pay. This puts them at a higher risk of mistreatment, since workers who stick up for themselves could face lower tips.

- The accommodations and food service industry, which employs the majority of tipped workers, has more sexual harassment cases before the Equal Employment Opportunity Commission than any other industry.<sup>xvi</sup> Tipped workers face higher rates of sexual harassment than other workers, and women (two-thirds of all tipped workers) are at the highest risk.<sup>xvii</sup> This disparity is greatest in states where the tipped sub-minimum wage is lowest.
- Researchers have found that restaurant customers pay lower tips to Black servers than white servers for the same quality of service.<sup>xviii</sup> Applying a fair and uniform minimum wage would reduce the pocketbook impact of this discrimination.

There is no other way to say it: Forcing workers to choose between their dignity and paying the bills is unfair. There is no question that fundamental reforms are needed to stamp out sexual harassment and guarantee fair pay to workers of color. At the same time, ending the sub-minimum wage for tipped workers is one important step to reduce the injustices members of marginalized communities face in the workplace.

## A \$15 Minimum Wage Would Bring Numerous Benefits to Maryland Families

The impact of a decent, uniform wage floor goes far beyond workers' pay stubs or bank accounts. A large body of research shows that when families earn enough to afford the basics, the benefits ripple out to nearly every part of their lives.

In 2013, researchers conducted a systematic review of the academic literature on how increased income affects multiple measures of a family's wellbeing, focusing on low-income families.<sup>xix</sup> Some of the studies included in this review focused on wages, while others focused on public benefits or other income sources. The common thread was that each study used credible methods to investigate the effect of increased income on families' wellbeing. This review found that when families' income increased:

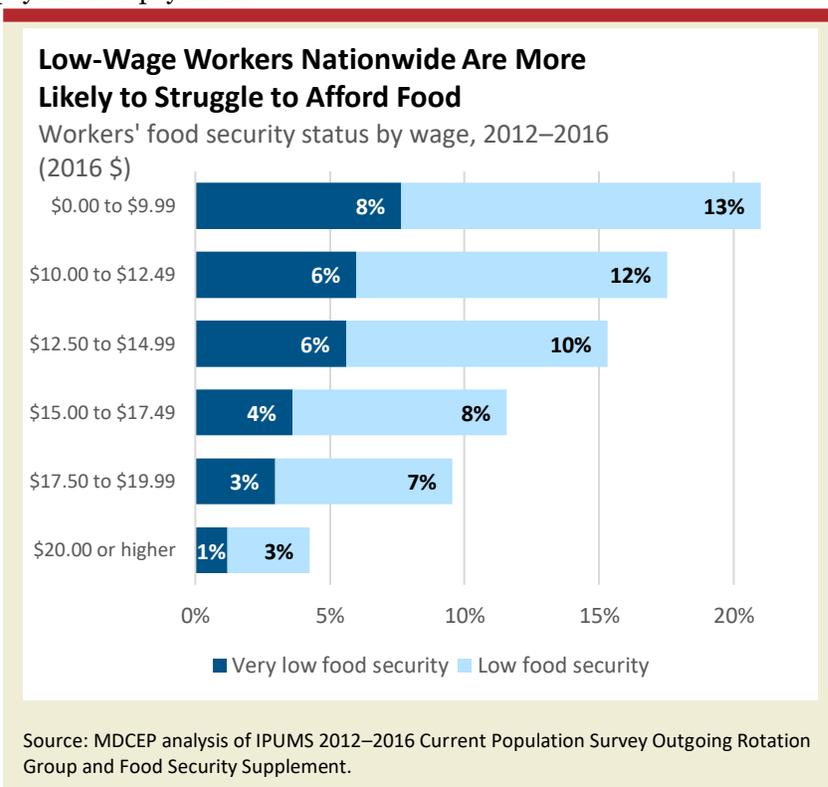
- They were less likely to struggle to put food on the table
- They spent more on children's clothing, reading materials, and toys
- Children showed fewer behavioral problems, less physical aggression, and less anxiety
- Children performed better on cognitive tests and academic standardized tests
- Children completed more years of schooling
- Mothers showed fewer symptoms of depression
- Mothers were less likely to report that they experienced domestic violence

A recent report analyzing the effects of higher wages at a Pittsburgh hospital found similar results.<sup>xx</sup> After service workers joined together in a labor union to negotiate for better wages:

- They were less likely to report living paycheck to paycheck
- They were less likely to pay rent, mortgage, or utility bills late
- They were less likely to skip meals or worry about having enough to eat
- They could better afford medical treatment and medication, and were less likely to owe medical debt

Adequate wages are also linked to individuals' and families' physical health:

- An analysis of every birth record in the United States between 1989 and 2012 found that after states raised their minimum wages, babies in those states had a longer



average gestational length and were less likely to be born underweight.<sup>xxi</sup>

- The same study found that people who became pregnant following a state minimum wage increase were more likely to obtain adequate prenatal care and less likely to smoke during pregnancy.
- Another analysis of birth records found a link between state minimum wages and birth weight as well as lower infant mortality.<sup>xxii</sup>
- Two studies from the systematic review discussed above found links between wages and adult health.<sup>xxiii</sup> One study found that workers who earned higher wages in a given year were less likely than otherwise-similar workers to have high blood pressure two years later. Another found that among adults who had ever smoked, those who lived in states with higher minimum wages and unionization rates were more likely to quit smoking and less likely to take it up again.
- In 2016, the American Public Health Association issued a policy statement officially calling for a higher minimum wage.<sup>xxiv</sup> The statement documented multiple links between income and health and noted that “current metrics for setting minimum wages inadequately capture the basic necessities for living in full health.”

## A \$15 Minimum Wage Is Part of a Healthy Economy

Much of the public debate about minimum wages focuses almost exclusively on what effects a higher minimum wage might have on the number of jobs available. This focus is overly narrow, because it ignores the numerous ways a higher minimum wage can improve families’ physical, emotional, and social wellbeing. All too often, this debate also relies on oversimplified economic analysis with little relationship to observable reality. The fact is, a large volume of carefully designed empirical research has shown that there is little relationship between the minimum wage and the number of jobs available.

One of the most comprehensive studies of the effect minimum wage has on employment examined food service employment in counties along state borders.<sup>xxv</sup> This analysis was based on the Quarterly Census of Employment and Wages, a database compiled from the full universe of unemployment insurance records, which therefore does not rely on statistical sampling. This study has two main advantages: First, because the analysis only compared adjacent counties to one another, it avoided spurious conclusions that might arise from a comparison of less-similar places.<sup>xxvi</sup> Second, because it would be relatively easy for employers to move between adjacent counties, any employment effects would likely be larger along state borders than elsewhere. This study found a strong link between minimum wage increases and higher pay for restaurant workers, but no link with employment changes.

The increasing number of local minimum wage laws in recent years has provided additional data on employment effects. Multiple credible studies using a range of state-of-the-art analytical methods have found no significant effect of the local minimum wage on employment in cities like San Francisco, Santa Fe, and Seattle.<sup>xxvii</sup>

A few studies have recently garnered media attention for claiming to find an empirical link between minimum wages and employment. However, these studies have serious flaws:

- An analysis of Seattle’s minimum wage that claimed to find a negative effect on employment had significant data problems.<sup>xxviii</sup> For example, the study omitted all workers at employers with multiple locations—including major low-wage employers like fast food chains and big box stores. While this omission was driven by data limitations, not bad faith, it is highly likely to have skewed the results.

- The same study also had some highly implausible results. For example, the analysis showed that Seattle’s minimum wage (\$13 during the analysis period) *increased* the number of jobs paying more than \$19 per hour. Although minimum wages do produce some ripple effects as employers give workers raises to maintain internal pay structures, economists broadly agree that workers earning 46 percent more than the minimum wage are not affected. If an analysis generates one conclusion that is likely to be false, it should draw the other conclusions into question as well.
- A report on an earlier version of Montgomery County’s \$15 minimum wage lacked any empirical basis whatsoever.<sup>xxix</sup> This report, which received significant attention from Washington-area media, simply asked local employers how they anticipated they might react if the bill passed. Unlike other studies based on real data taken from real minimum wage increases, this report amounted to a collection of guesses.

Far from the pessimistic picture these flawed studies paint, there is a strong business case in favor of a family-sustaining minimum wage. Because many low-wage workers and their families live paycheck to paycheck, almost every dollar that comes in quickly goes back out into the economy as families buy food and clothing or pay bills. That means higher spending at local businesses and more economic activity. A higher minimum wage is also linked to lower job turnover as workers have less need to search for higher-paying work.<sup>xxx</sup> That means businesses spend less time posting job advertisements and less money training new recruits. When everyone is guaranteed fair pay for their work, it helps build a better economy for all of us.

Maryland’s economy has made significant progress since the Great Recession and is now 75 percent more productive on an hourly basis than it was in 1979. However, the fruits of this growth have been heavily concentrated among a few wealthy households. While the top 1 percent of Marylanders have seen their income more than double in the last several decades, the majority of workers have seen slow growth at best. Maryland women and workers of color take home less for each hour worked today than they did 10 years ago, and tipped workers are now stuck at 36 percent of the full minimum wage. At times, the ideal of a strong Maryland economy that delivers a broadly shared, rising standard of living seems far off. Guaranteeing all Marylanders fair pay for their work—and raising wages for 573,000 people—would be one large step in the right direction.

## Appendix: Detailed Results of Economic Policy Institute Analysis

Tables A-1 through A-4 summarize the projected impacts of a \$15 minimum wage in Maryland. All estimates apply to a full \$15 phase-in in 2023. All dollar amounts are in 2017 dollars. All estimates are based on unpublished Economic Policy Institute analysis of 2016 American Community Survey data and June 2017 CBO Economic Projections. For detailed methodology of a comparable analysis, see David Cooper, “Raising the Minimum Wage to \$15 by 2024 Would Lift Wages for 41 Million American Workers,” Economic Policy Institute, April 2017, <http://www.epi.org/publication/15-by-2024-would-lift-wages-for-41-million/>.

**Table A-1. Summary of Total Impact**

<b>CATEGORY</b>	<b>TOTAL</b>		
Estimated workforce	2.6 million		
Total affected workers	573,000		
Share of all workers	22%		
Total increase in wages	\$2.6 billion		
Average share of family income earned by affected workers	43%		
Sole providers of family income	127,000		
Share of affected workers who are sole providers	22%		
Average annual wages with \$15 minimum wage	\$22,200		
	<b>Status quo</b>	<b>\$15 minimum wage</b>	<b>Gain</b>
Average annual wages	\$17,600	\$22,200	\$4,600
Average hourly wage	\$10.20	\$13.10	\$2.90

**Table A-2a. Demographic Profile of Affected Workers**

<b>CATEGORY</b>	<b>ESTIMATED WORKFORCE</b>	<b>TOTAL AFFECTED WORKERS</b>	<b>SHARE OF AFFECTED WORKERS</b>	<b>SHARE OF CATEGORY</b>	<b>SOLE PROVIDERS OF FAMILY INCOME</b>	<b>SHARE OF AFFECTED WORKERS WHO ARE SOLE PROVIDERS</b>
<b>Total</b>	2,602,000	573,000	100%	22%	127,000	22%
<b>Gender</b>						
<b>Women</b>	1,305,000	317,000	55%	24%	62,000	20%
<b>Men</b>	1,297,000	256,000	45%	20%	65,000	25%
<b>Age</b>						
<b>20 +</b>	2,513,000	517,000	90%	21%	123,000	24%
<b>Under 20</b>	89,000	56,000	10%	63%	4,000	7%
<b>Under 25</b>	332,000	173,000	30%	52%	28,000	16%
<b>25 to 39</b>	886,000	190,000	33%	21%	57,000	30%
<b>40 to 54</b>	815,000	114,000	20%	14%	27,000	24%
<b>55 +</b>	569,000	95,000	17%	17%	14,000	15%
<b>Race / ethnicity</b>						
<b>White</b>	1,456,000	289,000	50%	20%	55,000	19%
<b>Black</b>	676,000	170,000	30%	25%	39,000	23%
<b>Latinx</b>	246,000	69,000	12%	28%	25,000	36%
<b>Asian</b>	164,000	29,000	5%	18%	5,000	18%
<b>Other</b>	60,000	16,000	3%	26%	3,000	16%
<b>Education</b>						
<b>Less than high school</b>	207,000	92,000	16%	45%	21,000	24%
<b>High school</b>	601,000	198,000	35%	33%	42,000	21%
<b>Some college</b>	556,000	159,000	28%	29%	35,000	22%
<b>Associate's degree</b>	182,000	38,000	7%	21%	9,000	24%
<b>Bachelor's degree +</b>	1,056,000	86,000	15%	8%	18,000	21%
<b>Family status</b>						
<b>Married parent</b>	782,000	99,000	17%	13%	7,000	7%
<b>Single parent</b>	306,000	79,000	14%	26%	25,000	32%
<b>Married, no kids</b>	496,000	73,000	13%	15%	6,000	9%
<b>Unmarried, no kids</b>	1,017,000	322,000	56%	32%	88,000	27%
<b>Work hours</b>						
<b>Part time (&lt; 19 hours)</b>	147,000	59,000	10%	40%	4,000	7%
<b>Mid time (20-34)</b>	339,000	148,000	26%	44%	20,000	13%
<b>Full time (35+)</b>	2,116,000	366,000	64%	17%	103,000	28%
<b>Poverty status</b>						
<b>In poverty</b>	225,000	92,000	16%	41%	67,000	72%
<b>101-200% poverty</b>	204,000	110,000	19%	54%	39,000	36%

**Table A-2b. Demographic Profile of Affected Workers**

<b>CATEGORY</b>	<b>TOTAL INCREASE IN WAGES</b>	<b>AVERAGE INCREASE IN ANNUAL WAGES</b>	<b>AVERAGE INCREASE IN HOURLY WAGES</b>	<b>AVERAGE SHARE OF FAMILY INCOME EARNED BY AFFECTED WORKERS</b>
<b>Total</b>	\$2.6 billion	\$4,600	\$2.90	43%
<b>Gender</b>				
<b>Women</b>	\$1.4 billion	\$4,400	\$2.90	41%
<b>Men</b>	\$1.2 billion	\$4,900	\$2.90	46%
<b>Age</b>				
<b>20 +</b>	\$2.4 billion	\$4,700	\$2.80	46%
<b>Under 20</b>	\$189 million	\$3,400	\$4.20	16%
<b>Under 25</b>	\$785 million	\$4,500	\$3.70	29%
<b>25 to 39</b>	\$901 million	\$4,700	\$2.60	53%
<b>40 to 54</b>	\$532 million	\$4,700	\$2.50	49%
<b>55 +</b>	\$406 million	\$4,300	\$2.60	42%
<b>Race / ethnicity</b>				
<b>White</b>	\$1.3 billion	\$4,500	\$3.00	39%
<b>Black</b>	\$771 million	\$4,500	\$2.90	46%
<b>Latinx</b>	\$332 million	\$4,800	\$2.70	55%
<b>Asian</b>	\$140 million	\$4,700	\$2.90	38%
<b>Other</b>	\$83 million	\$5,300	\$3.40	40%
<b>Education</b>				
<b>Less than high school</b>	\$378 million	\$4,100	\$3.00	44%
<b>High school</b>	\$1.0 billion	\$5,100	\$3.00	44%
<b>Some college</b>	\$673 million	\$4,200	\$2.90	43%
<b>Associate's degree</b>	\$187 million	\$4,900	\$2.90	44%
<b>Bachelor's degree +</b>	\$377 million	\$4,400	\$2.60	41%
<b>Family status</b>				
<b>Married parent</b>	\$397 million	\$4,000	\$2.40	33%
<b>Single parent</b>	\$361 million	\$4,600	\$2.50	61%
<b>Married, no kids</b>	\$344 million	\$4,700	\$2.70	36%
<b>Unmarried, no kids</b>	\$1.5 billion	\$4,700	\$3.20	43%
<b>Work hours</b>				
<b>Part time (&lt; 19 hours)</b>	\$91 million	\$1,500	\$3.50	14%
<b>Mid time (20-34)</b>	\$563 million	\$3,800	\$3.40	30%
<b>Full time (35+)</b>	\$2.0 billion	\$5,400	\$2.60	53%
<b>Poverty status</b>				
<b>In poverty</b>	\$484 million	\$5,200	\$3.60	85%
<b>101-200% poverty</b>	\$561 million	\$5,100	\$2.90	66%

**Table A-3a. Industry Composition of Affected Workers**

<b>INDUSTRY</b>	<b>ESTIMATED WORKFORCE</b>	<b>TOTAL AFFECTED WORKERS</b>	<b>SHARE OF AFFECTED WORKERS</b>	<b>SHARE OF CATEGORY</b>	<b>SOLE PROVIDERS OF FAMILY INCOME</b>	<b>SHARE OF AFFECTED WORKERS WHO ARE SOLE PROVIDERS</b>
Construction	158,000	37,000	6%	24%	12,000	33%
Manufacturing	135,000	27,000	5%	20%	7,000	26%
Retail trade	281,000	115,000	20%	41%	17,000	15%
Transportation and warehousing	114,000	24,000	4%	21%	5,000	22%
Finance, insurance, and real estate	157,000	20,000	4%	13%	5,000	26%
Professional services	260,000	14,000	2%	5%	2,000	17%
Administrative and waste services	111,000	32,000	6%	29%	9,000	28%
Education services	275,000	48,000	8%	17%	10,000	20%
Ambulatory care	131,000	28,000	5%	21%	7,000	25%
Residential care	117,000	38,000	7%	33%	9,000	22%
Hospitals	144,000	21,000	4%	15%	5,000	24%
Accommodation and food services	172,000	84,000	15%	49%	21,000	25%
Other services	124,000	35,000	6%	29%	6,000	17%
Public administration	259,000	8,000	1%	3%	2,000	28%
Missing/other	164,000	40,000	7%	24%	9,000	22%

**Table A-3b. Industry Composition of Affected Workers**

<b>INDUSTRY</b>	<b>TOTAL INCREASE IN WAGES</b>	<b>AVERAGE INCREASE IN ANNUAL WAGES</b>	<b>AVERAGE INCREASE IN HOURLY WAGES</b>	<b>AVERAGE SHARE OF FAMILY INCOME EARNED BY AFFECTED WORKERS</b>
Construction	\$173 million	\$4,700	\$2.40	55%
Manufacturing	\$131 million	\$4,800	\$2.40	53%
Retail trade	\$521 million	\$4,500	\$3.20	35%
Transportation and warehousing	\$127 million	\$5,200	\$2.60	46%
Finance, insurance, and real estate	\$107 million	\$5,300	\$2.90	49%
Professional services	\$65 million	\$4,600	\$2.90	37%
Administrative and waste services	\$164 million	\$5,100	\$3.00	53%
Education services	\$195 million	\$4,100	\$2.90	40%
Ambulatory care	\$110 million	\$4,000	\$2.40	48%
Residential care	\$160 million	\$4,200	\$2.50	48%
Hospitals	\$82 million	\$3,900	\$2.10	50%
Accommodation and food services	\$431 million	\$5,100	\$3.60	40%
Other services	\$165 million	\$4,700	\$2.90	40%
Public administration	\$35 million	\$4,200	\$2.00	51%
Missing/other	\$158 million	\$4,000	\$2.90	40%

**Table A-4. Geographic Summary of Affected Workers**

COUNTY	ESTIMATED WORKFORCE	TOTAL AFFECTED WORKERS	SHARE OF AFFECTED WORKERS	SHARE OF CATEGORY	TOTAL ANNUAL WAGE INCREASE	AVERAGE ANNUAL WAGE INCREASE
Allegany, Garrett	35,000	15,000	3%	44%	\$73 million	\$4,900
Anne Arundel	243,000	55,000	10%	23%	\$233 million	\$4,200
Baltimore	382,000	90,000	16%	24%	\$413 million	\$4,600
Baltimore City	263,000	77,000	13%	29%	\$372 million	\$4,800
Calvert, St. Mary's	83,000	22,000	4%	26%	\$107 million	\$5,000
Caroline, Dorchester, Kent, Queen Anne's, Talbot	68,000	21,000	4%	32%	\$109 million	\$5,100
Carroll	76,000	19,000	3%	25%	\$67 million	\$3,600
Cecil	32,000	10,000	2%	33%	\$38 million	\$3,700
Charles	52,000	15,000	3%	29%	\$82 million	\$5,600
Frederick	110,000	24,000	4%	22%	\$107 million	\$4,500
Harford	115,000	24,000	4%	21%	\$112 million	\$4,700
Howard	148,000	25,000	4%	17%	\$90 million	\$3,600
Montgomery	358,000	14,000	3%	4%	\$70 million	\$4,900
Prince George's	276,000	76,000	13%	28%	\$299 million	\$3,900
Somerset, Wicomico, Worcester	69,000	28,000	5%	41%	\$137 million	\$4,900
Washington	52,000	16,000	3%	31%	\$90 million	\$5,600

Note: Estimates for counties with fewer than 100,000 residents are reported by public use microdata area.

<sup>i</sup> MDCEP analysis of 2016 American Community Survey one-year estimates shows that 59,000 Maryland families with one or more workers live in poverty.

<sup>ii</sup> Adjusted for inflation based on June 2017 Congressional Budget Office Economic Projections, <https://www.cbo.gov/about/products/budget-economic-data>

<sup>iii</sup> “Improving Health by Increasing the Minimum Wage,” American Public Health Association, November 2016, <https://www.apha.org/policies-and-advocacy/public-health-policy-statements/policy-database/2017/01/18/improving-health-by-increasing-minimum-wage>

<sup>iv</sup> Source: Economic Policy Institute analysis of unpublished total economy data from Bureau of Labor Statistics, Labor Productivity and costs program; employment data from Bureau of Labor Statistics, Local Area Unemployment Statistics; wage data from the Current Population Survey and compensation data from the Bureau of Economic Analysis, State/National Income and Product Accounts public data series; Estelle Sommeiller, Mark Price, and Ellis Wazeter, “Income inequality in the U.S. by state, metropolitan area, and county,” 2016; MDCEP analysis of Department of Labor historical state minimum wage data.

<sup>v</sup> Sommeiller, Price, and Wazeter 2017.

<sup>vi</sup> Estimates based on Economic Policy Institute analysis of Current Population Survey Outgoing Rotation Groups data.

<sup>vii</sup> Economic Policy Institute 2018 Family Budget Calculator (forthcoming), <http://www.epi.org/resources/budget/>.

<sup>viii</sup> 2016 American Community Survey one-year estimates.

<sup>ix</sup> Unless otherwise noted, all numbers in this section apply to the minimum wage when fully phased in in 2023 and are based on unpublished Economic Policy Institute analysis of 2016 American Community Survey microdata and the June 2017 CBO Economic Projections. For detailed methodology of a comparable analysis, see David Cooper, “Raising the Minimum Wage to \$15 by 2024 Would Lift Wages for 41 Million American Workers,” Economic Policy Institute, April 2017, <http://www.epi.org/publication/15-by-2024-would-lift-wages-for-41-million/>

<sup>x</sup> Estimates for racial groups do not include Latinx workers, who can be of any race.

<sup>xi</sup> For official definitions of Maryland regions, see “Maryland Regions,” State of Maryland Tourism, <http://www.visitmaryland.org/info/maryland-regions>

<sup>xii</sup> “The Racist History of Tipping,” *Splinter News*, September 2017, <https://splinternews.com/the-racist-history-of-tipping-1798704699>

- xiii The federal Department of Labor defines a workweek for purposes of minimum wage and overtime protections as a regularly recurring 168-hour period, which the employer may set to begin on any day of the week and at any time of day—regardless of the employer’s payroll schedule (29 C.F.R. Sec. 778.105). Under this definition, it is possible for a worker’s pay stub to show total pay over the minimum wage even if the employer has violated the law. It is also possible for a worker’s pay stub to show total pay under the minimum wage even if the employer has complied with the law. While a worker could likely determine whether their employer was in violation by analyzing multiple pay stubs and tracking tips closely, this imposes an onerous recordkeeping requirement on workers. What’s more, an employee who makes an error in this complex calculation and mistakenly requests additional pay could face retaliation or fear that possibility.
- xiv MDCEP analysis of Department of Labor data on low-wage, high violation industries (<https://www.dol.gov/whd/data/datatables.htm>). From 2008 to 2017, food services was no. 1 for wage and hour cases with a violation. During the same period, food services was no. 1 for the number of employees affected by a violation in nine out of 10 years.
- xv Unless otherwise noted, estimates in this section apply to tipped workers nationwide and are based on Sylvia Allegretto and David Cooper, “Twenty-Three Years and Still Waiting for Change: Why it’s Time to Give Tipped Workers the Regular Minimum Wage,” Economic Policy Institute, July 2014, <https://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/>
- xvi Jocelyn Frye, “Not Just the Rich and Famous: The Pervasiveness of Sexual Harassment across Industries Affects All Workers,” Center for American Progress, November 2017, <https://www.americanprogress.org/issues/women/news/2017/11/20/443139/not-just-rich-famous/>
- xvii “The Glass Floor: Sexual Harassment in the Restaurant Industry,” Restaurant Opportunity Centers United, October 2014, [http://rocunited.org/wp-content/uploads/2014/10/REPORT\\_TheGlassFloor\\_Sexual-Harassment-in-the-Restaurant-Industry.pdf](http://rocunited.org/wp-content/uploads/2014/10/REPORT_TheGlassFloor_Sexual-Harassment-in-the-Restaurant-Industry.pdf)
- xviii Michael Lynn, Michael Sturman, Christie Ganley, Elizabeth Adams, Mathew Douglas, and Jessica McNeil, “Consumer Racial Discrimination in Tipping: A Replication and Extension,” *Journal of Applied Social Psychology* 38(4), March 2008, <http://onlinelibrary.wiley.com/doi/10.1111/j.1559-1816.2008.00338.x/full>
- xix Kerris Cooper and Kitty Stewart, “Does Money Affect Children’s Outcomes? A Systematic Review,” Joseph Rowntree Foundation, October 2013, <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/money-children-outcomes-full.pdf>  
The systematic review methodology involves defining in advance how researchers will identify relevant studies, as well as quality control measures to ensure that only studies with credible methodologies are included. This methodology protects against researchers cherry-picking studies that support their viewpoint.
- xx Jeffrey Shook, Ray Engel, Sara Goodkind, Kess Ballentine, Sera Linardi, Sandy Wexler, Helen Petracchi, Logan Bialick, Jihee Woo, Danny Jacobson, and Rachel Fusco, “Research Brief: Pittsburgh Wage Study Preliminary Findings,” University of Pittsburgh School of Social Work, December 2017, <http://www.socialwork.pitt.edu/sites/default/files/Wage%20Study%20Preliminary%20Report%20for%20release.pdf>
- xxi George Wehby, Dhaval Dave, and Robert Kaestner, “Effects of the Minimum Wage on Infant Health,” NBER Working Paper No. 22373, June 2016, <http://www.nber.org/papers/w22373.pdf>
- xxii Kelli Komro, Melvin Livingston, Sara Markowitz, and Alexander Wagenaar, “The Effect of an Increased Minimum Wage on Infant Mortality and Birth Weight,” *American Journal of Public Health* 106(8), August 2016, <http://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2016.303268>
- xxiii Cooper and Stewart 2013.
- xxiv American Public Health Association 2016.
- xxv Arindrajit Dube, T. William Lester, and Michael Reich, “Minimum Wage Effects across State Borders: Estimates Using Contiguous Counties,” *The Review of Economics and Statistics* 92(4), 2010, <http://irle.berkeley.edu/files/2010/Minimum-Wage-Effects-Across-State-Borders.pdf>
- xxvi For example, Montgomery County, MD, is likely to follow similar economic trends to Fairfax County, VA, but may follow very different trends from Garfield County, MT. For this reason, it is plausible to attribute differences between Montgomery and Fairfax counties to state policy changes, but a comparison of Montgomery and Garfield counties could be clouded by any number of other confounding factors.
- xxvii Michael Reich, Arindrajit Dube, and Suresh Naidu, “Economics of Citywide Minimum Wages: The San Francisco Model,” UC Berkeley Institute of Industrial Relations, September 2005, <http://irle.berkeley.edu/files/2005/The-Economics-of-Citywide-Minimum-Wages.pdf>  
Nicholas Potter, “Measuring the Employment Impacts of the Living Wage Ordinance in Santa Fe, New Mexico,” University of New Mexico Bureau of Business and Economic Research, June 2006, <http://bber.unm.edu/media/files/EmploymentLivingWageAnalysis.pdf>  
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- xxviii Ben Zipperer and John Schmitt, “The ‘High Road’ Seattle Labor Market and the Effects of the Minimum Wage Increase,” Economic Policy Institute, June 2017, <http://www.epi.org/publication/the-high-road-seattle-labor-market-and-the-effects-of-the-minimum-wage-increase-data-limitations-and-methodological-problems-bias-new-analysis-of-seattles-minimum-wage-incr/>
- xxix David Cooper, “The Montgomery County Minimum Wage Impact Study Is Absurd Junk Science,” Economic Policy Institute, August 2017, <http://www.epi.org/blog/the-montgomery-county-minimum-wage-impact-study-is-absurd-junk-science/>
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