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State of Working Maryland 2008: Maryland's economy failed to produce positive change for working families in the past seven years, despite high incomes and low poverty rates.

Baltimore, Maryland— Compared with national averages, Maryland has high incomes and low poverty rates. However, when viewed on its own and through time, the state's economy has failed to produce much positive change for working families in the past seven years, and deterioration in some measures.

The Maryland Budget and Tax Policy Institute and the Progressive Maryland Education Fund today released "State of Working Maryland," a report detailing some of the economic trends affecting working families in Maryland. The report draws on recent data from the Census, Labor Department and other authoritative sources.

"While Maryland has become the nation's wealthiest state, we have seen no progress in wages for regular working people and no progress on reducing poverty. We have lost ground in covering people for health care expenses. This report shows that Maryland needs to do a better job for working families living paycheck-to-paycheck," says Neil Bergsman, director of the Maryland Budget & Tax Policy Institute (MB&TPI).

The median wage in Maryland in 2007 grew by 2.5% over 2006. At $18.25 it is only 4.4% above the 1999 level, adjusted for inflation. 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. Instead, the evidence strongly suggests that 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 housing crisis is making housing more expensive for owners and renters alike, and putting home ownership out of reach for many working families. In fact, in the second quarter of 2008, mortgage foreclosures were 130% above the previous year.

Meanwhile, both the number and the percentage of Marylanders without health insurance remained essentially the same from 2006 to 2007. Some 762,000 Marylanders, 14 percent of the population, were uninsured throughout the year in 2007. In 2001, only 11 percent were uninsured. Nationally, 15.5% were uninsured in 2007.

Over a longer term, Maryland's policymakers can take important steps to improve economic opportunity for those struggling to make ends meet, such as raising the minimum wage above the $6.55 national minimum, increasing the maximum weekly unemployment insurance benefit in line with other high cost-of-living states and making part-time workers eligible for unemployment benefits; or expanding programs for affordable rental housing, child care, transportation and other barriers that prevent low-income adults from gaining and keeping jobs.

The Maryland Budget and Tax Policy Institute is a nonpartisan research organization that provides timely, accurate and accessible analysis of state budget and tax issues. In addition to general budget and tax research and analysis, the Institute examines issues affecting low-income Marylanders and other vulnerable populations and the important community programs that serve them. The Maryland Budget and Tax Policy Institute is funded from foundation grants, and individual donations. The Institute is a project of The Maryland Association of Nonprofit Organizations and a part of the State Fiscal Analysis Initiative (www.statefiscal.org) and the Economic Analysis and Research Network, both of which are national networks of policy research organizations. More information on Maryland Nonprofits may be found at www.marylandnonprofits.org or contact Trudy R Jacobson, Director, Development, Marketing and Communications at tjacobson@mdnonprofit.org

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