

www.baltimoresun.com/news/opinion/editorial/bal-ed.wage04aug04,0,4768334.story

baltimoresun.com

Rethinking minimum wage

Our view: Updating law could offer real help for Maryland workers

August 4, 2008

Maryland's minimum-wage law became moot last month when the federal minimum wage rose to \$6.55 an hour, or 40 cents higher than what the state required. Next summer, the state minimum-wage law sinks further underwater when the federal wage rises to \$7.25.

Between now and January, when the next General Assembly session convenes, Gov. Martin O'Malley needs to formulate a plan to revive the state minimum wage to a realistic standard. The potential benefits of such a law on the lives of Maryland's working-class citizens - and on our most impoverished communities - are too great to ignore.

At the federal level, the minimum-wage law has been in effect since the 1950s, but for over the past two decades, it's fallen badly behind the pace of inflation. When adjusted for the consumer price index, the minimum wage would have to be set at more than \$8 to be the equivalent of what was required 40 years ago when Richard M. Nixon was president.

A growing number of states have stepped in to fill the void. Maryland lawmakers set the wage at \$6.15 two years ago. The effect of the law was modest - a lot of employers already paid more. Its chief accomplishment may have been to give Democrats more sway with blue-collar voters.

But if one accepts the notion that a minimum wage is helpful in the fight against poverty - and the data on this are compelling - Maryland, with its higher cost of living, demands a higher minimum wage.

Business groups warn that higher wages put a squeeze on employers, who must cut jobs, improve productivity or reduce profits to meet that added cost. That's absolutely true - and a recession would seem to be a poor time to add to a small business owner's obligations.

But setting a minimum wage should be a long-term policy phased in over time. California, New York, Massachusetts and Washington state have set an \$8 minimum wage. The District of Columbia's will be \$8.25 next July.

As minimum wages rise, so do average salaries, and that would be helpful to many Maryland families. The more workers are allowed to earn a living, the less government must spend on the social safety net and the better off poverty-stressed neighborhoods will be.

Copyright © 2008, [The Baltimore Sun](#)



