



INFORMATIONAL TESTIMONY ON HB 1101

Maryland People's Fund - Establishment

House Appropriations Committee

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Submitted by Stacey Jefferson and Julia Gross, Co-Chairs

Member Agencies:

Advocates for Children and Youth
Baltimore Jewish Council
Behavioral Health System Baltimore
CASH Campaign of Maryland
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Maryland Family Network
Maryland Hunger Solutions
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Marylanders Against Poverty (MAP) appreciates the opportunity to inform the discussion of HB1101, which establishes a Maryland's People's Fund.

The Maryland People's Fund might be a tool used to reconcile both past injustice and the present realities of the political economy, which have resulted in Maryland having among the highest rates of deep poverty in the U.S. even as we have the highest median income in the Union.^{1,2} Although the bill does not specify how the fund would be used, the proposition of a Maryland People's Fund might be used to address deprivation and disparity, and therefore should encourage discussions about the fundamental causes of poverty – and the fact that poverty in Maryland is not the result of scarcity. It is a question of distribution.

Public policy has substantially contributed to stark disparities between and among communities in Maryland, which might be acknowledged and partially addressed through the Maryland's People's Fund. A person who is born and lives in some communities in Maryland can be expected to live 96.1 years, whereas in other Maryland communities, the life expectancy is 30 years lower – roughly that of Afghanistan.^{3,4} Policy decisions, including how and where we have chosen to invest, have shaped the conditions of these communities – schools, transportation, access to jobs, health care and food, the quality and affordability of housing. The Maryland People's Fund could help to repair these injustices in distribution.

Dynamics of the current political economy have dramatically increased inequality, which might be mitigated by the Maryland People's Fund. Features of the modern political economy – including the increasing power of multinational corporations, the rise of finance capital, the ease with which capital can cross national borders, the decline in labor power, and technological advances that have increased worker productivity and automation – have accelerated economic inequality. From 1946-1980, income growth of the bottom quintile (109%) was roughly the same as the population as a whole (95%), while the top 1% saw their income grow by 47%. From 1980 to 2014, the lowest quintile of earners saw their real incomes *decline* by 25%. Their productive activity was captured by those at the top: the top 1% saw its earnings triple over this period. **Over the past few decades, while the bottom half of earners have seen their income growth stagnate, growing by just 1% from 1980-2014, the top .001% saw its income grow by an astonishing 636%.⁵**

The dynamics that have led to this gross and growing inequality – as well as its most visible and vicious symptoms like homelessness and food insecurity – are unlikely to subside. In fact, they are likely to accelerate as automation decreases the need for human labor, necessitating new ideas and bold action. HB1101 – the establishment of a Maryland People's Fund – is a potential tool as we reconcile with these realities.

¹ Semega, J. L. et al. (2017) [Income and Poverty in the United States: 2016](#) U.S. Census Bureau.

² Guzman, G. (Sept 2017) [Household Income: 2016](#). U.S. Census Bureau.

³ Van Dam, A. (Sept 21, 2018). [Two places in Maryland where people can expect to live longer, on average, than almost anywhere else in the U.S.](#) Washington Post.

⁴ Baltimore Neighbor Indicator Alliance (Spring 2018). [Vital Signs 16](#).

⁵ Piketty, Saez, and Zucman. (Sept 2017). Distributional National Accounts: Methods and Estimates for the United States. See chart below.

TABLE II: THE GROWTH OF NATIONAL INCOME IN THE UNITED STATES SINCE WORLD WAR II

Income group	Pre-tax income growth		Post-tax income growth	
	1946-1980	1980-2014	1946-1980	1980-2014
Full Population	95%	61%	95%	61%
Bottom 50%	102%	1%	129%	21%
Bottom 20% (P0-P20)	109%	-25%	179%	4%
Next 30% (P20-P50)	101%	7%	117%	26%
Middle 40% (P50-P90)	105%	42%	98%	49%
Top 10%	79%	121%	69%	113%
Top 1%	47%	204%	58%	194%
Top 0.1%	54%	320%	104%	298%
Top 0.01%	76%	453%	201%	423%
Top 0.001%	57%	636%	163%	616%

MAP appreciates the opportunity to submit this informational testimony and welcomes the opportunity to work with those who are, like MAP, committed to addressing the underlying causes of systemic poverty.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.