

# All Maryland Workers Deserve a Real Living Wage

## Position Statement in Support of House Bill 1229

*Given before the House Government, Labor, and Elections Committee*

Most Marylanders would agree that a healthy economy should be among our elected leaders' top priorities – but what does a healthy economy mean? The goal is not simply to maximize the number of dollars changing hands or the number of people who go to work each day. A healthy economy is one that raises all families' standard of living – where we all have access to a good job that pays enough to support a family – regardless of our race, ethnicity, gender, or any other aspect of our identity. While Gov. Moore and the Maryland General Assembly have taken important steps to make this vision a reality, the fact is that today's minimum wage falls far short of a true living wage, and leaves far too many behind. House Bill 1229 would ask Maryland voters to decide whether to enshrine in Maryland's Constitution the right to a living wage, with no exceptions. Contingent on passage of this ballot measure, the bill would raise the full minimum wage to \$25 by 2030 and guarantee all workers a \$25 minimum wage by 2031. **For these reasons, the Maryland Center on Economic Policy supports House Bill 1229.**

The bill that ultimately put Maryland on the path to a \$15 minimum wage was introduced in January 2019. Since then, prices throughout the economy have increased by 29%.<sup>i</sup> Today, a single adult in Maryland working full time and not caring for children would need to take home \$25.94 per hour to afford a basic living standard, according to MIT.<sup>ii</sup>

Guaranteeing a living wage for all would make Maryland's economy more equitable. As of 2025:<sup>iii</sup>

- Working women took home 7% less per hour than men
- Black workers took home 18% less per hour than white workers
- Latinx workers took home 36% less than white workers
- Asian workers took home 7% less than white workers

Eliminating arbitrary carve-outs and asterisks is crucial for a minimum wage that leaves no one behind. Among the most egregious of these is the \$3.63 subminimum wage for tipped workers. Contingent on passage of the constitutional amendment, House Bill 1229 would gradually phase out the subminimum wage, ultimately guaranteeing tipped workers their full \$25 per hour, with tips on top.

Despite efforts to muddy the waters by industry lobbyists, tipped jobs are typically not lucrative. In Maryland, restaurant servers and bartenders typically took home less than \$36,000 per year in 2024.<sup>iv</sup> This number is from the Bureau of Labor Statistics, an agency whose integrity is under attack by President Trump, who like minimum wage opponents disagrees with its data.

To be clear, House Bill 1229 would neither prohibit nor in any way discourage tipping. Customers in states that

guarantee tipped workers the full minimum wage – from Montana to California – still tip their servers.

Corporate lobbyists perennially threaten that minimum wage increases and other pro-worker policies will cause economic calamity, but Maryland’s experience does not bear that out.<sup>v</sup>

- Between 2015 and 2019, Maryland’s unemployment rate averaged 0.3 percentage points below the national rate.
- In 2020, the year lawmakers overrode then-Gov. Hogan’s veto of the \$15 minimum wage law, Maryland’s peak unemployment rate was 5.8 percentage points below the national rate, and average unemployment was 1.6 percentage points below the national rate.
- Between 2021 and 2025 – while the state’s \$15 minimum wage was phasing in – Maryland’s unemployment rate average 0.8 percentage points below the national rate. Maryland’s overperformance grew while our minimum wage was increasing.
- In fact, Maryland had the fourth-lowest unemployment rate of any state in 2023 and the seventh-lowest rate in 2024, following Gov. Moore’s acceleration of our minimum wage phase-in under the Fair Wage Act.
- There is no question that recent years have been strange times economically. However, if opponents’ arguments were sound, one might expect the supposed negative impacts of raising the minimum wage to be *higher* during a deadly pandemic, spiking global unemployment, and rapid inflation. Instead, Maryland businesses have struggled to recruit workers quickly enough.

The minimum wage is perhaps the single most studied policy in economics. Not only has the quantity of high-quality research grown in recent years, its scope has broadened thanks to bold wage standards enacted by leading policymakers across the country.<sup>vi</sup>

Today, there is strong evidence that minimum wages as high as two-thirds of a jurisdiction’s median wage do not meaningfully affect the number of jobs available.<sup>vii</sup>

Above this level, historical experience is more limited – and therefore so is the body of evidence. Eventually this evidence base will be more robust – once more trailblazer jurisdictions take the next step.

There is not high-quality empirical evidence supporting the dire predictions corporate lobbyists make about House Bill 1229 or any other minimum wage measure.

Meanwhile, the most prominent question in minimum wage research may not be the most important one. The low-wage labor market is characterized by high turnover and variable hours. This means that even if the employment effects of a vanguard-level minimum wage are not precisely zero, the most likely outcome is workers taking home higher net income from fewer hours of paid work.

The takeaway is clear: House Bill 1229 is an ambitious measure that would put Maryland on the forefront of pro-worker policy and deliver a higher standard of living for low-wage workers across our state.

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the House Government, Labor, and Elections Committee make a favorable report on House Bill 1229.**

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<sup>i</sup> Consumer Price Index for all urban consumers

<sup>ii</sup> MIT Living Wage Calculator, <https://livingwage.mit.edu/states/24>

While this estimate includes necessities that for some families are met through non-wage income such as employer benefits, low-wage workers are among those least likely to receive such benefits.

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iii Economic Policy Institute Data Library,  
[https://data.epi.org/wages/hourly\\_wage\\_median/line/year/state24/real\\_wage\\_median\\_2025/overall?timeStart=2020-01-01&timeEnd=2025-01-01&dateString=2025-01-01&highlightedLines=overall](https://data.epi.org/wages/hourly_wage_median/line/year/state24/real_wage_median_2025/overall?timeStart=2020-01-01&timeEnd=2025-01-01&dateString=2025-01-01&highlightedLines=overall)

With calculations by MDCEP. Disparity for Latinx workers is for 2024 because 2025 data are missing.

iv Occupational Employment and Wage Statistics, Bureau of Labor Statistics, <https://data.bls.gov/oes/#/area/2400000>

v MDCEP analysis of Bureau of Labor Statistics Local Area Unemployment Statistics and Current Population Survey statistics.

<https://www.bls.gov/lau/>

<https://www.bls.gov/cps/>

vi See for example:

Analysis of 138 state minimum wage increases since 1979:

Cengiz, Dube, Lindner, and Zipperer, 2019, "The Effect of Minimum Wages on Low-Wage Jobs: Evidence from the United States Using a Bunching Estimator," NBER Working Paper 25434, <https://www.nber.org/papers/w25434.pdf>

Comprehensive review of minimum wage research since 2000:

Wolfson and Belman, 2016, "15 Years of Research on U.S. Employment and the Minimum Wage," Tuck School of Business Working Paper No. 2705499, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2705499](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2705499)

Analysis of minimum wage evidence based on credible research designs:

Allegretto, Dube, Reich, and Zipperer, 2017, "Credible Research Designs for Minimum Wage Studies: A Response to Neumark, Salas, and Wascher," ILR Review, <https://doi.org/10.1177/0019793917692788>

vii Two-thirds threshold based on forthcoming work by Ben Zipperer for the Economic Policy Institute.