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There are two Marylands, and one refuses to listen to the other

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On the map, Maryland is not a large state, but economically it's big enough to encompass a stark contrast between a prosperous midsection and a deeply depressed periphery two hours' drive to the east or west. One thing we've learned in this year's debate over a statewide $15 minimum wage, now set to become law after the legislature overrode Gov. Larry Hogan's (R) veto today, is that affluent central Maryland doesn't want to listen to hard-hit rural Maryland.

According to the federal Bureau of Labor Statistics, average wages in Montgomery County ($1,333 a week), Howard County ($1,220), and Baltimore City ($1,183) are more than twice as high as those in Worcester County on the Eastern Shore ($588 a week). Weekly wages in the three westernmost counties ranged from $641 in Garrett to $736 in Allegany to $776 in Washington, all figures being from the second quarter of 2017.

In the debate over the $15 minimum wage, lawmakers from Montgomery County, Baltimore City and Howard County were nearly unanimously in favor, with most delegates supporting strong versions of the scheme. Meanwhile, most lawmakers from depressed parts of the state were passionately opposed.

Guess who had the numbers to outvote whom?

Both chambers rejected the rural lawmakers' plea to depart from a uniform $15 in favor of letting the rate vary by county or region within the state. Behind this regional divide is a simple fact: Affluent sections of Maryland can vote for $15 without much worry that a large share of their job base will disappear. Poor counties can't.

Even if you set aside the greater prevalence of seasonal and part-time work in the outlying parts of the state, a direct job-vs.-job comparison shows why. In Columbia (average salary per PayScale.com: $63,327), jobs that pay less than $15 an hour represent the low end of the employment curve, and many are paying at $12 or $13 already, even for entry-level jobs.

In Cumberland ($39,800), a $15 minimum is likely to upend the economics of hiring for positions such as sales associate ($9.16). In mountain Maryland, even job categories requiring certification in specialized medical skills often pay well below $15. That would include certified nurse assistant and certified pharmacy technician, both around $12.10 in Cumberland. As for hiking restaurant, clinic or carwash prices by a few bucks to make up the difference, that's something that may run into more customer resistance in Hagerstown (average home value $137,800) than in Hyattsville ($358,500). Especially when the Hagerstown customer can drive 15 minutes north to Pennsylvania, where the minimum wage is $7.25, or south to West Virginia, where it's $8.75.

Advocates of the $15 law felt that we didn't need to worry overmuch about the old Economics 101 ideas of supply and demand that teach that less labor will be demanded when a price is made artificially high. They were happy to seize on newer studies purporting to find that the negative employment effects aren't really all that big or, to hear some tell it, might not exist at all.

But those newer studies are quite selective. To begin with, many were done in localities that (like central Maryland) were already thriving places with high wages before the law changed. Seattle, for example, has wages about 10 percent higher than the Maryland average. And even for these places, the supposedly low-damage scenarios weren't consistent. A University of Washington study on the city's phased hike found that Seattle's increase to $11 per hour in 2015 did no significant harm to jobs or hours. Great news, right? A free lunch! But the next hike to $13 produced job losses and hour cuts so significant that low-skilled workers as a group were estimated to be worse off by an average of $74 per month.

Many other studies confirm that even when initial job losses are modest, as is often the case, the Economics 101 models weren't so far off after all. Employers adjust in other ways when they cut hours, trim fringe benefits, shift to experienced hires who don't need on-the-job training, mechanize, and so forth.

The $15 minimum wage is an arbitrary number that caught on because it's easy to remember and put on signs. It has nothing to do with productivity, which of course varies greatly between seafood workers in Crisfield, laundry workers in Cecil County and summer camp caretakers in the Catoctins.

If you think there's a case for setting wages based on need rather than productivity — most economists don't — there's still no relationship to any one number. Need varies according to the local cost of living, whether the worker has dependents and, if so, how many, and many other variables. If you're a single wage-earner trying to keep a family of four going just outside Washington, D.C., $15 doesn't go far. The calculus for the same job changes if you're a teenager bringing in a third income while learning the workplace basics, and yet again if you're a retiree who owns your home free and clear and are supplementing a pension.

Maybe politicians feel it's their task to balance the good against the bad. But should they have been so quick about doing what's popular with their local constituents when the worst costs will fall on communities far away?

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