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Minimum wage hike not unreasonable

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At the Frederick County Chamber of Commerce annual legislative breakfast recently, Republican lawmakers got their ears boxed by business leaders for their continuing opposition to stating support for a new downtown hotel.

On other issues that were discussed, however, they had a much more receptive audience. And no issue got more attention than the law raising the statewide minimum wage.

The Legislature overrode Gov. Larry Hogan's veto of the bill in March with all four Frederick Democrats supporting it. The wage will be increased in stages from the current $10.10 an hour to $15 an hour by 2025 for larger employers, with somewhat slower adoption by employers with 14 or fewer workers.

When the discussion focused on the minimum wage hike, it was the turn of Democratic lawmakers to defend an action that did not have much support in the business community.

Del. Karen Lewis began by arguing that statistics show 39 percent of families in Frederick County cannot afford to pay the basic costs of living.

"We must address income inequality," she said.

Del. Carol Krimm noted that the new law attempted to accommodate business concerns by phasing in the requirements.

Sen. Ron Young made the plainest argument of all for the bill: "Anybody who works full time should make enough to live."

He also told the audience that minimum wage workers are not as young as they once were, saying the average age of a someone making the minimum wage now is 35, a number cited by the New York Times.

The Democrats all focused on the workers the bill would help, rather than the businesses that will be required to pay the wages.

District 4 Republican Sen. Michael Hough noted that he had voted against the bill and against the veto override. He argued that the economic disparity in the state means that the state should not have a single minimum level for all workers. He said the differing costs of living and the resulting variance in wage levels should mean each county should set its own minimum wage.

Earlier this year, in an opinion piece for The Washington Post, two writers from the Cato Institute, a libertarian think tank, made a similar argument. Walter Olson and Ryan Bourne wrote that the statewide $15 wage was unfair to employers in western Maryland and Eastern Shore counties, and they predicted that jobs in rural areas would disappear because of the law.

But Hough undercut his own arguments by going on to argue that even within Frederick County, different communities would be affected in different ways. He noted that employers in Brunswick and Thurmont would be hurt more than those in the city of Frederick or in Urbana.

We could go even further to note that disparities might exist within the city, with businesses downtown affected less than those along the Golden Mile. Taken to its logical extreme, you would have to create a separate minimum wage for every block and every business. This makes no sense, of course.

We believe the minimum wage should be imposed statewide, and gradually increasing it to $15 an hour is the correct course.

It is helpful to remember that only a small fraction of hourly workers are being paid the federal minimum wage of $7.25 an hour. The federal Bureau of Labor Statistics reports:

“In 2018, 81.9 million workers age 16 and older in the United States were paid at hourly rates. … Among those paid by the hour, 434,000 workers earned exactly the prevailing federal minimum wage of $7.25 per hour. About 1.3 million had wages below the federal minimum. Together, these 1.7 million workers with wages at or below the federal minimum made up 2.1 percent of all hourly paid workers.”

This is the very definition of the working poor. The federal level has been constant since 1993, and Congress has consistently declined to raise it. It is up to the states, the laboratories of democracy, to respond, and many, like Maryland, have. A $15 minimum wage almost six years from now is not unreasonable.