

As politicians, bishops take sides, minimum wage raise winners, losers uncertain

By Maria Wiering

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FORT MEADE – Laura Bailey said she used to make \$60,000 a year in a government job. Now the 45-year-old makes about \$15,600 working fulltime at a Hanover fast-food restaurant.

A tragic series of events – job loss, her husband’s death, a serious illness – sent the mother of two spiraling from a comfortable life in Crownsville to homelessness and joblessness. After countless attempts to find clerical work, Bailey took a position in the Arundel Mills outlet mall for \$7.80 an hour.

In her off-hours, she’s been an advocate for raising the \$7.25 minimum hourly wage, a proposal gaining momentum in the Maryland General Assembly.

The state’s Catholic bishops support an increase in the minimum wage, calling it a matter of human dignity. Bishop Denis J. Madden testified in support of the measure in the House of Delegates in Annapolis Feb. 11.

Gov. Martin J. O’Malley and Baltimore Mayor Stephanie Rawlings-Blake stood with religious leaders, including Bishop Madden, Feb. 3 at St. Vincent de Paul Church in Baltimore to call for the wage to rise.

The Maryland Minimum Wage Act (HB 295/SB 331) proposes to raise the minimum wage to \$10.10 incrementally by 2016 and index it to the cost of living. It would also raise tipped workers’ pay from 50 to 70 percent of the minimum wage.

Represented by the Maryland Catholic Conference, the state’s bishops advocated for a wage increase in a January statement titled “The Dignity of Work.”

“As the state’s largest private social service provider, we witness in our Catholic ministries the painful reality of those who struggle to keep up with the basic costs of food, rent, utilities and transportation,” the bishops said. “This desperate cycle cannot end unless we find a way to give all capable men and women the chance to work at a job through which they can live with true independence and dignity.”

Bailey agrees that a higher wage could make workers feel more valued and motivated.

The extra boost – about \$6,000 a year – could also help her buy a car, which could

lead to better employment, she said. She lives at Sarah's House, a Catholic Charities run shelter and supportive housing program for families in Anne Arundel County. Its programs are helping Bailey get back on her feet.

"It would open a lot of doors," she said of a wage raise.

Like Bailey, 50 percent of minimum-wage workers nationally are adult women.

Her advocacy has focused on the federal minimum wage, also \$7.25. She participated in two roundtables last year - one with then-Acting Secretary of Labor Seth Harris, and the other with Vice President Joe Biden.

Recent proposals in Congress have pushed for a federal minimum wage raise to \$10.10. President Barack Obama announced during the State of the Union address Jan. 28 that the wage is the new minimum for future federal contract hires.

Raise Maryland, a nonprofit coalition backing the minimum wage raise, argues that raising the states minimum wage would directly affect the pay of 455,000 Marylanders, to the benefit of the state's economy.

As the state bill gains traction, however, some business associations are digging in their heels. The Maryland Chamber of Commerce is among the legislation's opposition.

"A minimum wage increase would drive up employer cost, causing an increase in the cost of goods and services, which would ultimately be passed on to consumers, as well as it could lead employers to downsize their workforce," the Chamber's website states.

That argument doesn't resonate with Mary Anne O'Donnell, Catholic Charities' director of community services. After 15 years of helping clients find employment, O'Donnell said a minimum wage increase is "a step in the right direction."

"If I'm an employer, and I'm going to pay someone a dollar or more an hour, my presumption has to be that that additional money is somehow going to go back into the economy," she said.

Longtime Loyola University Maryland economics professor Fred Derrick said there's truth in both arguments. He suspects the increase would mean both winners and losers: Some workers would see their pay raise and keep their hours, but others would face reduced hours or lose their job, he said. Some new jobs may be created, he added.

Despite these different scenarios, Derrick expects the overall effect of a minimum wage increase to be relatively minimal.

"At this stage, it's largely a political decision without sound economic logic to argue strongly one side or the other," he said. "You're very close to a breaking point where it could go slightly better or slightly worse."

The jump from \$7.25 to \$10.10 per hour would be the largest jump in the state's history; other raises have been \$1 or less.

According to the Pew Research Center, the federal minimum wage peaked in 1968 at \$8.56 in 2012 dollars when adjusted for inflation.

Derrick said his concern is that a wage hike that large might harm the people it's designed to help.

"It's too radical a shift over too short a time," he said. "It is also a significant increase in how the employer views their (employees') contribution to their business. ... The question is whether businesses think it's worthwhile to be employing as many people in those jobs as they currently have."

Maryland is one of five states - including neighboring Pennsylvania, Virginia and West Virginia - whose state minimum wage matches the federal level. Others with lower or no minimum wage also pay the federal minimum. Twenty-one states and the District of Columbia have higher minimum wages, with the highest at \$9.32 in Washington state.

Multiple barriers prevent workers from seeking jobs that pay better than minimum wage, O'Donnell said. People without high school degrees, no skill training or intermittent employment history face dismal prospects in the current market, where they compete with higher educated or skilled workers for low-paying jobs. Other roadblocks include transportation, housing costs and childcare, she said.

Catholic Charities' goal for most clients is full-time work with an hourly wage of \$9 to \$10 and benefits, O'Donnell said. It's not a living wage, but it's a start, she said.

"I always try to put myself in the spot," she said. "If I were a single person, if I were a parent and I was trying to work my hardest to raise my family and take care of myself, and all I could get was a job for \$7.25 an hour, and I could never get ahead, how frustrating and tough that is."

Join Lobby Night

The 30th annual Catholic Lobby Night will be held Feb. 17 from 3 to 8:30 p.m. in Annapolis, beginning at St. John Neumann Mission Church. Catholics will receive briefings on legislation important to the state's bishops before meeting with lawmakers.

The event is free, but registration is required. For more information or to register, call the Maryland Catholic Conference at 410-269-1155 or visit mdcathcon.org.

See also:

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