

[The State of Working Maryland 2010](#)

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Executive Summary

The state of working families in Maryland has deteriorated, and the prospects for the future are shaky, unless state and national governments take strong action to promote a broadly-shared recovery.

The current economic downturn is notable not just for the severity of economic contraction but also for the length of decline. In the nine previous recessions on record, by seven quarters (21 months) after the official start of the recession, the economy had actually grown by an average of 4% compared to its pre-recession peak.¹

This has not yet occurred since the 2007-2009 recession; making it the worst known recession in the nation's history. As of the third quarter of 2010, inflation-adjusted GDP remained 0.6% below its pre-recession peak.

Since 2000, median household income in Maryland increased only 6% in inflation-adjusted terms, from \$65,325 to \$69,272 (in 2009 dollars). The average annual increase was only 6/10 of 1% over the decade. Moreover, the median household income in Maryland actually declined in 2009 compared with both 2007 and 2008.

Over the last decade, the rate of poverty in Maryland has risen from 7.4% in 2000 to 9.1% in 2009. Maryland's unemployment rate stands at 7.4% - the higher level since 1983. By numerous indicators detailed in this report, working families in Maryland are hurting, even as Maryland has retained its ranking as the wealthiest state in the nation. Business profits and stock prices have recovered, but employment and median incomes have not. The national and state economies are on a path to a "jobless recovery." The danger Maryland faces is that most of the gains of the economic recovery will flow to the wealthiest Marylanders. New jobs will be few, and those that emerge will have lower wages and fewer benefits than before the recession.

Public policy has a crucial role to play in addressing this danger. National and state governments must promote the development of jobs that can support families. They must support initiatives in training and education to prepare workers for 21st century job demands. They must vigorously implement the Patient Protection and Affordable Care Act. They must reinforce investments in transportation, child care and housing affordability that make it possible for people to work. They must make public benefits accessible and efficient, by implementing "no wrong door" processes for obtaining benefits and by outlawing discrimination on the basis of source of income. They must support the ability of working people to organize and bargain collectively for improved wages and benefits.

The economy remains fragile and is performing well below its potential. Major deficit reduction should not be on the table until the recovery is firmly on track, that is, until unemployment has dropped and is on a downward trajectory. The public structures that support a strong economy must be financed by revenue measures that are adequate to the state's needs and that reflect individuals' and businesses' ability to pay.

Maryland's strong economy won't just happen by itself -- it will be guided by our public policies. Maryland and the nation need to make the wise choices now that will lay the foundations for broadly shared prosperity, not a jobless recovery that mainly benefits those who are already doing well.

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