

What a \$15 Minimum Wage Means for Women and Workers of Color in Maryland

The call for a \$15 minimum wage carries enormous implications for people of color and women throughout Maryland. Raising the state's minimum wage to \$15 would help advance efforts to close the persistent gender and race-based pay and wealth gaps, and improve educational and health prospects for children.

A \$15 Minimum Wage in Maryland Would Benefit Women and Workers of Color in Greater Proportions than their Share of the Workforce

Although workers of color comprise just 44.0 percent of Maryland's total workforce (table 1), they make up approximately half (49.6 percent) of all workers who would benefit from a \$15 minimum wage (table 2), according to analysis by the Economic Policy Institute. Looking at each racial or ethnic group separately, the analysis shows that, in general, larger shares of workers of color—compared to White workers—would benefit from \$15 minimum wage (table 2):

- 20 percent of all White workers would benefit
- 25 percent of all African-American workers
- 28 percent of all Latino workers
- 18 percent of all Asian-American workers
- 27 percent of workers of all other backgrounds

Similarly, although women comprise half of the state workforce, they make up a majority (55 percent) of all workers who would be affected by an increase to \$15 (tables 1 and 2).

These figures suggest that, although a \$15 minimum wage would greatly improve the lives of 573,000 workers of all genders and racial or ethnic affiliation, women and workers of color would benefit the most. In fact, a \$15 minimum wage would boost the annual incomes of women and workers of color by an average of \$4,400 to \$5,300 (table 2).

A \$15 Minimum Wage Could Play a Critical Role in Narrowing the Pay and Wealth Gaps for People of Color and Women in Maryland

The over-representation of workers of color at the lowest wage levels has contributed to the persistence of a large and pernicious **racial pay gap** in Maryland. In 2016, while White workers earned a median hourly wage of \$23.73, the median wage for African Americans was \$18.76—a difference of 21 percent. The pay gap for Latinos was much wider: their median wage was just \$16.07, or 32 percent lower than White workers (table 3).

The **gender wage gap** in the state is similarly worrisome. In 2016, while men’s median wage was \$22.77, the median wage for women was \$19.80, or 13 percent lower (table 3).

Unsurprisingly, **poverty rates** followed a similar pattern, with higher rates for women and people of color, compared to men and Caucasians. In fact, the current poverty rate of African Americans (14 percent) is twice the poverty rate of Whites (7 percent). Similarly, Latinos have a poverty rate (12 percent) that is substantially higher than that of Whites, though lower than African Americans (table 3).

Measures of **household wealth** also follow this pattern, with single men having higher homeownership rates (70 percent) compared to single women (62 percent), and Caucasians owning their homes at a higher rate (76 percent) than people of color (48 to 64 percent). See table 3.

The economic disadvantages that women and people of color experience, ultimately result in lower economic security, and astonishing race-based discrepancies in net worth. According to national data, the **median net worth** of Caucasians (\$171,000) is 10 times higher than of African Americans (\$17,100), eight times higher than Latinos (\$20,600) and more than twice as high as that of Asian Americans and all other people of color (\$64,700). See table 3.

While increasing the minimum wage to \$15 per hour cannot, alone, close the racial and gender pay gaps—or substantially increase the net wealth of disadvantaged families—it would directly increase the incomes of significant numbers of women, African Americans, Latinos and other workers on color in the state; bring these workers closer to economic security; and help reduce the racial and gender wealth gap over time.

Table 1. Overview of the Maryland Workforce, by Gender and Race or Ethnicity

	All Marylanders	Gender		Race				
		Male	Female	White	Black	Latino	Asian	Other
Total estimated workforce	2,601,797	1,297,230	1,304,567	1,456,223	676,328	245,731	163,953	59,562
As percent of total workforce	100.0	49.9	50.1	56.0	26.0	9.4	6.3	2.3

Source: Economic Policy Institute analysis of *American Community Survey* (2016), *CBO Economic Projections* (June 2017), and *Current Population Survey* Outgoing Rotation Groups (2017).

Table 2. Maryland Workers Benefitting from a \$15 Minimum Wage, by Gender and Race or Ethnicity

	All Marylanders	Gender		Race				
		Male	Female	White	Black	Latino	Asian	Other
Maryland workers benefitting from a \$15 minimum wage	573,000	256,000	317,000	289,000	170,000	69,000	29,000	16,000
Percent benefitting from a \$15 minimum wage (share of all workers who benefit)	100.0	44.7	55.3	50.4	29.6	12.1	5.1	2.8
Percent benefitting from a \$15 minimum wage (share of gender or racial category)	22.0	19.8	24.3	19.8	25.1	28.3	18.0	26.5
Average annual income increase resulting from a \$15 minimum wage policy	\$4,600	\$4,900	\$4,400	\$4,500	\$4,500	\$4,800	\$4,700	\$5,300

Sources: Economic Policy Institute analysis of *American Community Survey* (2016), *CBO Economic Projections* (June 2017), and *Current Population Survey* Outgoing Rotation Groups (2017); and Maryland Center on Economic Policy analysis of *American Community Survey* (2016).

Table 3. Wage, Poverty and Wealth Measurements, by Gender and Race or Ethnicity

	All Marylanders	Gender		Race			
		Male	Female	White	Black	Latino	Other*
Median wage	\$20.87	\$22.77	\$19.80	\$23.73	\$18.76	\$16.07	N/A
Poverty rate	10%	9%	10%	7%	14%	12%	10%
Homeownership rate	66%	70%	62%	76%	49%	48%	64%
Median home value among homeowners	\$300,000	\$300,000	\$280,000	\$300,000	\$250,000	\$280,000	\$380,000
Median net worth (U.S.)	\$97,300	N/A	N/A	\$171,000	\$17,100	\$20,600	\$64,700

Source: Maryland Center on Economic Policy analysis of *American Community Survey* (2016), and *Survey of Consumer Finances* (2016).

Note: All estimates are for Maryland except median net worth. Some estimates are omitted due to missing data. Homeownership and home value estimates by race/ethnicity are by race/ethnicity of householder. Homeownership and home value estimates by gender are among single-adult households (with or without children).

*Includes Asian Americans.

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