

Baltimore needs—and can afford—a \$15 minimum wage

As Maryland's leading nonprofit provider of integrated health services for individuals and families experiencing homelessness, we at Health Care for the Homeless are disappointed in Baltimore Mayor Catherine Pugh's decision to veto the minimum wage bill overwhelmingly approved by the Baltimore City Council on Monday, March 20.

As we look again to the council to right the mayor's action and override her veto—and do right by the tens of thousands of Baltimoreans who would benefit from a more livable minimum wage—our council members threaten to squander that opportunity.

Fifteen years ago, a woman who worked the front desk at Health Care for the Homeless finally had enough. She flagged for the agency's leadership the stark contradictions among our mission to end homelessness, our advocacy work around "livable incomes" and the wages earned by our lowest-paid staff. *"Do you have any idea how close my family is to experiencing homelessness?"* she asked.

Her frustration kicked off a yearlong debate within our organization that resulted in establishment of a wage floor indexed to the local cost of housing. Many of our nonprofit peers responded with doomsday scenarios: *"You'll have to lay off staff."* *"You'll harm the very people you're trying to help."* *"You'll reach fewer people who need your help."* Here's what actually happened: We hired more staff and have since tripled in size. Morale improved, staff retention improved and staff took fewer hardship loans against their retirement accounts. And, most importantly, the number of people we've served has grown every year.

Today, no one at Health Care for the Homeless earns less than \$16.65 an hour, slightly more than what the U.S. Department of Housing and Urban Development said was needed in 2016 to afford an *efficiency* apartment in Baltimore.

Over the past four decades, federal and state "minimum wages" have failed to keep up with the ever-rising cost of living while the supply of subsidized housing has steadily dropped. According to HUD, families who pay more than 30% of their income for housing are "cost burdened" and risk being unable to afford other basic and key necessities. Yet, given fair market rents in Baltimore, one would need an hourly wage of \$16.37 to afford an efficiency apartment without paying more than 30% of income on housing. And a family requiring a two-bedroom apartment would need to earn \$24.96 an hour to afford it. Meantime, the Abell Foundation has reported that **33% of Baltimore renters pay more than 50% of their income for rent**—making them decidedly cost burdened and placing them at great risk of homelessness.

On March 20, our own City Council also finally had enough and moved decisively to end the disparity between minimum wages and the cost of living. The council voted 11 to 3 in favor of a course to increase the city's hourly wage floor to \$15 an hour by 2022 for large employers, and by 2026 for small businesses. We applaud the council's leadership to establish this modest goal (\$15 an hour isn't enough to afford housing *now*, let alone in 2026) that at least moves us forward in the right direction.

During the City Council's deliberations on the minimum wage bill, Councilman Leon Pinkett said we shouldn't put all of our eggs in one basket—that there were other matters of justice that meant even more to his constituents, such as education and food deserts. Councilman Kristerfer Burnett replied that the council could "walk and chew gum at the same time," pledging to work on multiple fronts to address

structural inequities. And lead sponsor Councilwoman Mary Pat Clarke noted that “no one has ever suggested that one piece of legislation would solve injustice as a whole. It’s never going to be one thing, but it’s got to start with *something*.”

All three councilmembers are right on. The road ahead of us is long, and we must address structural inequities at every turn. And this particular inequity at this particular turn marks a critical opportunity for the Baltimore City Council to move Baltimore City closer to being a socially just community in which we all can live.

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