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Perspective

Maryland's Increased Minimum Wage Will Level the Field for All

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On February 16, 2006, the State of Maryland joined 16 other states in recognizing the benefits of having a wage rate higher than the Federal minimum wage. In the months since, Congress passed and the President signed a spending bill that increases the Federal minimum wage over three years:

Federal Minimum Wage Increase:

- Effective July 24, 2007 \$5.85/hour
- Effective July 24, 2008 \$6.55/hour
- Effective July 24, 2009 \$7.25/hour




In the months since Maryland took action, more states have raised their minimum wage and now a total of [28 states](#) are higher than the Federal level, even when taking into account the Federal increases.

The new Federal minimum wage is now about \$11,700 a year for full-time work. This means that an individual making the Federal minimum wage earns barely more than the [Federal poverty level](#). Is it any wonder that some able workers elect to stay on Federal or state assistance?

It's hard these days for smaller companies – and even some not so small – to compete for entry-level workers. Larger companies can and do pay more than minimum wage, and therefore are more successful in attracting these employees. But when the minimum wage increases, all companies compete for workers at a new level. By maintaining a “playing field” that is the same for all companies, and more advantageous for workers, the pool of potential workers increases.

To a small company, raising the [Maryland minimum wage](#) to \$6.15 an hour may have seemed like another hurdle in the quest for growth and profitability. But if you look at it as helping to level the field for everyone, and increasing your potential to fill those entry level jobs that remain and are costly to you when using other staffing alternatives, you will see the increase is a positive change.

If your company seeks entry-level employees, now is the time to revisit the [Maryland state employment website](#) and take advantage of the many resources you will find there. HR Anew is always available to help you as you seek qualified and highly productive employees to join your business entity.



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