

# The 2023 Montgomery County Self-Sufficiency Standard

## A SNAPSHOT

The Self-Sufficiency Standard describes how much income families of various sizes and compositions need to make ends meet without public or private assistance in a specific geographic area.

The Self-Sufficiency Standard is a measure of income adequacy based on the costs of basic needs for working families: housing, child care, food, health care, transportation, and miscellaneous items, as well as the cost of taxes and the impact of tax credits.

### How Does the Standard Compare?

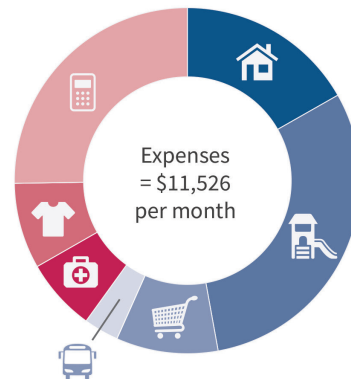
The Self-Sufficiency Standard calculates the real costs of meeting all basic needs. In contrast, the official poverty measure is based only on the cost of food.

#### The Standard Calculates the Real Costs of Meeting Each of the Major Budget Items:


**Official Poverty Measure**  
Food is 1/3 of the budget and all other costs are 2/3 of the budget.



**Self-Sufficiency Standard**  
Housing and child care account for almost half of the family budget in the Standard.



**21%** The official poverty measure only covers 21% of the cost of all basic needs as defined by the Self-Sufficiency Standard.

 **Montgomery County**  
2 adults + 1 infant + 1 preschooler

-  *Housing Costs*
-  *Child Care*
-  *Food*
-  *Transportation*

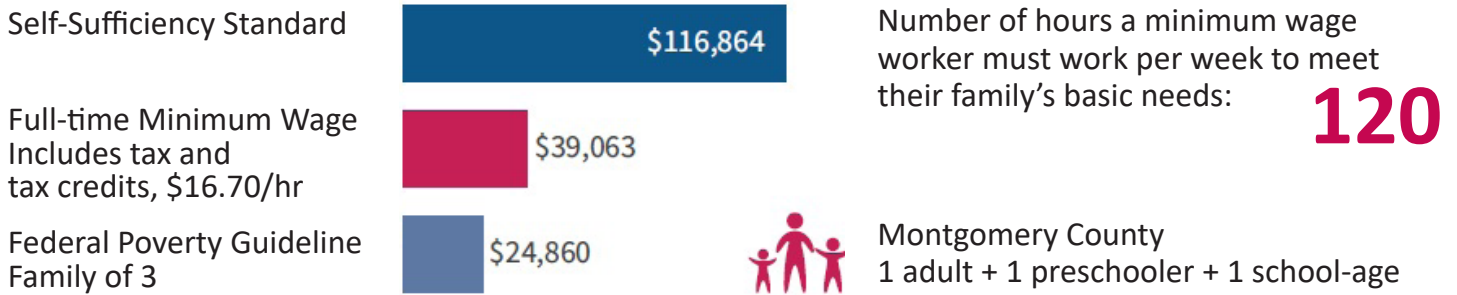
-  *Healthcare*
-  *Miscellaneous*
-  *Taxes*

# Key Findings

- ✓ In Maryland, the amount needed to be economically self-sufficient varies greatly by geographic location. Montgomery County is the second most expensive county in the state.
- ✓ The Standard varies by family type; that is, by how many adults and children are in a family and the age of each child.
- ✓ For families with young children, the combined costs of housing and child care typically make up the most substantial portion of the family's budget.
- ✓ The 2023 Self-Sufficiency Standard for Montgomery County falls above many similarly sized counties. The Self-Sufficiency Standard for one adult, one preschooler, and one school-age child in Montgomery County, MD (\$55.33 per hour) is most comparable to Fairfax County, VA (\$53.38 per hour).
- ✓ The amount needed to meet the costs of basic needs increased between 2001 and 2023 by a larger amount than predicted using the Consumer Price Index (CPI). For a family with two adults, one preschooler, and one school-age child, the cost of living increased by 101% not including taxes, rather than the 71% predicted if the 2001 Standard were adjusted to 2023 using the CPI.
- ✓ The federal poverty guidelines for three-person families (\$24,860 annually) are set at a level well below what is needed to meet a family's basic needs.
- ✓ Even working full time, earning the 2023 Montgomery County minimum wage of \$16.70 per hour (as of July 1, 2023) is not enough to meet the Standard for a family with children across Montgomery County, Maryland. If a parent has one preschooler and one school-age child, they would be able to cover only 39% of the family's basic needs earning minimum wage (with their take-home pay after accounting for taxes).



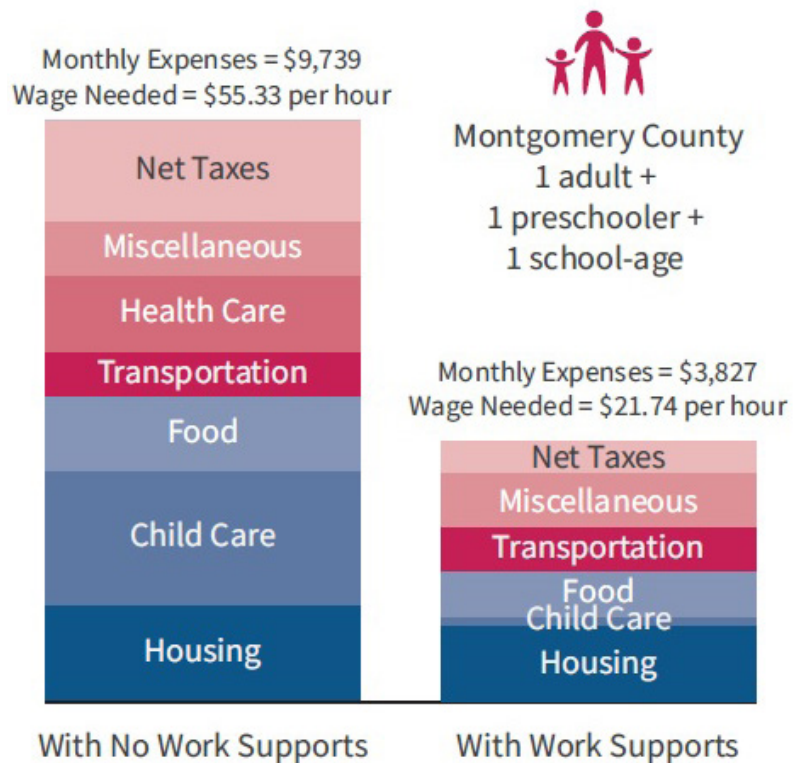
# A Minimum Wage Job Does Not Cover the Cost of Basic Needs in Montgomery County



## How Do Work Supports Help Families Meet Basic Needs?

This figure shows how work supports, some of which are specific to Montgomery County, can reduce a family's expenses, so they can get by on a lower wage until they are able to earn Self-Sufficiency Wages.

- Taxes (net of tax credits) decrease from \$2,996 to \$832 per month.
- Child health insurance and Medicaid reduce health care costs from \$697 to \$238 per month.
- Child care assistance reduces child care costs from \$2,698 to \$0 per month.
- A housing voucher which sets rent at 30% of income reduces housing costs from \$1,934 to \$1,134.



However, this family is not eligible for food assistance, maintaining a grocery bill of \$905 per month.

# The Self-Sufficiency Standard for Select Family Types\*

Montgomery County, MD 2023

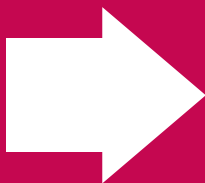
	1 Adult	1 Adult 1 Preschooler	1 Adult 1 Preschooler 1 School-age	2 Adults 1 Preschooler 1 School-age
<b>Monthly Costs</b>				
Housing	\$1,699	\$1,934	\$1,934	\$1,934
Child Care	\$0	\$1,677	\$2,698	\$2,698
Food	\$413	\$610	\$905	\$1,207
Transportation	\$189	\$189	\$189	\$378
Health Care	\$238	\$667	\$697	\$790
Miscellaneous	\$365	\$619	\$753	\$856
Broadband & Cell Phone	\$111	\$111	\$111	\$155
Other Necessities	\$254	\$508	\$642	\$701
Taxes	\$1,038	\$2,160	\$2,996	\$2,816
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$167)	(\$333)	(\$333)
<b>Self-Sufficiency Wage</b>				
Hourly (per adult) **	\$22.39	\$43.41	\$55.33	\$29.11
Monthly	\$3,941	\$7,639	\$9,739	\$10,245
Annual	\$47,294	\$91,674	\$116,864	\$122,943
Emergency Savings Fund (Monthly)	\$122	\$519	\$742	\$280

\* The Standard is calculated by adding expenses and taxes and subtracting tax credits.

\*\* The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month). The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

**Scan here to read the full report!**



**[montgomerycountymd.gov/communityaction](https://montgomerycountymd.gov/communityaction)**  
**[selfsufficiencystandard.org/](https://selfsufficiencystandard.org/)**

