

THE SELF-SUFFICIENCY STANDARD FOR MARYLAND 2016

Prepared for Maryland Community Action Partnership



MARYLAND COMMUNITY ACTION PARTNERSHIP

Maryland Community Action Partnership (MCAP) is a nonprofit, multi-regional association. MCAP advocates on behalf of Community Action Agencies (CAAs) and partnering organizations that serve individuals and families with low-income who reside in Maryland, Delaware, and the District of Columbia to ensure their voices are heard at the local, state, and national levels. MCAP supports the mission and activities of its member agencies throughout the three regions. With an anti-poverty focus, agencies provide direct human and social services in all cities and counties in the three service areas as they work to lead families to self-sufficiency and independence of public programs.

MISSION. MCAP strengthens members' capacity to provide quality services and opportunities that empower individuals and families to achieve economic stability.

VISION. All individuals and families are stable, economically secure, and live in safe and thriving communities.

HISTORY. Community Action Agencies are nonprofit organizations and governmental agencies created by President Lyndon B. Johnson's signing of the Economic Opportunity Act of 1964. This Act embodies the philosophy that low-income individuals can best identify the problems their community face and also develop solutions that will resolve the issues. Currently, 1,100 community action agencies in the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands and the Trust Territories provide direct human services to 95 percent of the nation's counties.

SERVICES. In Maryland, Community Action Agencies and partnering organizations perform 40+ essential and basic services and programs, with services designed to meet local needs, including: Head Start/early childhood programs, weatherization and energy assistance, food and shelter services, job training and placement, services for seniors and the disabled, free tax help and financial education, and transportation assistance. MCAP supports the combined network by providing services such as:

- Advocacy (state/regional/federal)
- Full-scale state lobbying and legislative representation services
- Legislation tracking (state and federal)
- Legislative Breakfast
- Information dissemination and sharing
- Annual Human Services Conference
- Customized training and technical assistance services
- Strength-based Family Worker Certification Program
- Training Scholarships
- College Internship Program
- Legal Services via CAPLAW
- Regional events and information
- Networking
- Strategic planning



For more information on the Maryland Community Action Partnership please visit www.maryland-cap.org.

THE SELF-SUFFICIENCY STANDARD FOR MARYLAND 2016

By Diana M. Pearce, PhD • December 2016

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UNIVERSITY OF WASHINGTON SCHOOL OF SOCIAL WORK

PREPARED FOR

The Maryland Community Action Partnership

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ACKNOWLEDGMENTS

The Self-Sufficiency Standard for Maryland 2016 has been prepared through the cooperative efforts of Lisa Manzer, Lisa Mikesell, and Karen Segar at the University of Washington, Center for Women's Welfare, and Antonio Coffield, Sr., Angela Martin, and Michael E. Young of the Maryland Community Action Partnership, Inc. (MCAP).

A number of other people have also contributed to the development of the Standard, its calculation, and the writing of state reports over the past 20 years. Jennifer Brooks, Maureen Golga, and Kate Farrar, former Directors of Self-Sufficiency Programs and Policies at Wider Opportunities for Women, were key to the early development of initiatives that promoted the concept of self-sufficiency and the use of the Standard, and were instrumental in facilitating and nurturing state coalitions. Additional past contributors to the Standard have included Laura Henze Russell, Janice Hamilton Outtz, Roberta Spalter-Roth, Antonia Juhasz, Alice Gates, Alesha Durfee, Melanie Lavelle, Nina Dunning, Maureen Newby, and Seook Jeong.

This project was made possible with generous support from the Maryland Community Action Partnership. MCAP strengthens members' capacity to provide quality services and opportunities that empower individuals and families to achieve economic stability. (Learn more from the inside cover and at www.maryland-cap.org.) The following agencies also supported the development of this report:

- Anne Arundel Community Action Agency, Inc.
- Baltimore City Community Action Partnership
- Community Assistance Network, Inc. (CAN)
- Delmarva Community Services, Inc.
- Harford County Community Action Agency, Inc.
- Human Services Programs of Carroll County, Inc.
- Maryland Rural Development Corporation
- Montgomery County Community Action Agency (Department of Health & Human Services)
- Neighborhood Services Center, Inc.
- SHORE UP! Inc.
- Southern Maryland Tri-County Community Action Committee, Inc. (SMTCCAC)
- United Communities Against Poverty, Inc. (UCAP)

Additional support for this report provided by:

The Allegany County Local Management Board.

And, the Maryland Department of Housing and Community Development (DHCD). DHCD is committed to promoting and preserving homeownership and affordable rental housing and improving Maryland's communities. Learn more at <http://dhcd.maryland.gov>.

The conclusions and opinions contained within this document do not necessarily reflect the opinions of those listed above. Any mistakes are the author's responsibility.

PREFACE

Maryland Community Action Partnership is publishing *The Self-Sufficiency Standard for Maryland 2016* in an effort to ensure the best data and analyses are available to enable Maryland's families and individuals to make progress toward real economic security. The result is a comprehensive, credible, and user-friendly tool. This report presents and analyzes *The Self-Sufficiency Standard for Maryland 2016*. This measure calculates how much income a family must earn to meet basic needs, with the amount varying by family composition and where they live. The Standard presented here is a tool that can be used in a variety of ways—by clients of workforce and training programs seeking paths to self-sufficiency, by program managers to evaluate program effectiveness, and by policymakers and legislators seeking to create programs and pathways that lead to self-sufficiency for working families.

As with all Self-Sufficiency Standard reports, *The Self-Sufficiency Standard for Maryland 2016* was authored by Dr. Diana M. Pearce and produced by the Center for Women's Welfare at the University of Washington. This report, plus tables providing county-specific information for 472 family types, is available online at www.selfsufficiencystandard.org/Maryland and www.maryland-cap.org.

Dr. Diana Pearce developed the Self-Sufficiency Standard while she was the Director of the Women and Poverty Project at Wider Opportunities for Women (WOW). The Ford Foundation provided funding for the Standard's original development.

Over the past 20 years the Standard has been calculated for 38 states as well as the District of Columbia and New York City. Its use has transformed the way policies and programs for low-income workers are structured and has contributed to a greater understanding of what it takes to have adequate income to meet one's basic needs in the United States.

For further information about any of the other states with the Standard, including the latest reports, the Standard data itself, and related publications such as demographic reports (which analyze how many and which households are above and below the Standard), please see www.selfsufficiencystandard.org. A list of Self-Sufficiency Standard state partners is also available on this website.

For further information, contact Lisa Manzer with the Center at (206) 685-5264/lmanzer@uw.edu, or the report author and Center Director, Dr. Diana Pearce, at (206) 616-2850/pearce@uw.edu.

KEY FINDINGS

At the heart of this report is the Self-Sufficiency Standard itself. This measure describes how much income families of various sizes and compositions need to make ends meet without public or private assistance in each county in Maryland, at a minimally adequate level.

Note that these budgets are “bare bones,” with just enough allotted to meet basic needs, but no extras. Thus the food budget is only for groceries, with no takeout or restaurant food, not even a pizza or a latte. Nevertheless, throughout Maryland the Self-Sufficiency Standard shows that incomes well above the official federal poverty guidelines are far below what is needed to meet families’ basic needs.

SELECTED FINDINGS FROM THE SELF-SUFFICIENCY STANDARD FOR MARYLAND 2016

- **The Standard varies by family type; that is, by how many adults and children are in a family and the age of each child.** One adult living in Baltimore County needs an hourly wage of \$13.56 (\$28,633 annually) to meet basic needs. For families with children, the amount needed to cover basic needs increases considerably. If the adult has a preschooler and a school-age child, the amount necessary to be economically secure more than doubles, increasing to \$30.57 per hour (\$64,558 annually) in order to cover the cost of child care, a larger housing unit, and increased food and health care costs. See *Table 1 on page 6*.
- **In Maryland, the amount needed to be economically self-sufficient also varies considerably by geographic location.** For instance, the amount needed to make ends meet for one adult and one preschooler child varies from \$16.12 per hour (\$34,040 annually) in Somerset County on the Eastern Shore, to \$33.98 per hour (\$71,755 annually) in Montgomery County neighboring Washington, D.C., or from 212% of the federal poverty guidelines to 448% of the federal poverty guidelines for a family of two. See *Figure A on page 7*.
- **For families with young children, the cost of housing and child care combined typically make up nearly 50% of the family’s budget.** For example, for a family with two adults, one infant, and one preschooler in Charles County, child care is 25% of the family’s budget while housing is 22%. See *Figure B on page 8*.
- **The 2016 Self-Sufficiency Standard for Baltimore City is comparable to Rust Belt and smaller East Coast cities.** The Self-Sufficiency Standard for one adult, one preschooler, and one school-age child in Baltimore City (\$25.22 per hour) is most comparable to Milwaukee, WI (\$26.99 per hour). Montgomery County is most similar in cost to other suburbs of major metropolitan areas such as Fairfax County, VA and Stamford, CT. See *Figure C on page 10 and Figure D on page 11*.

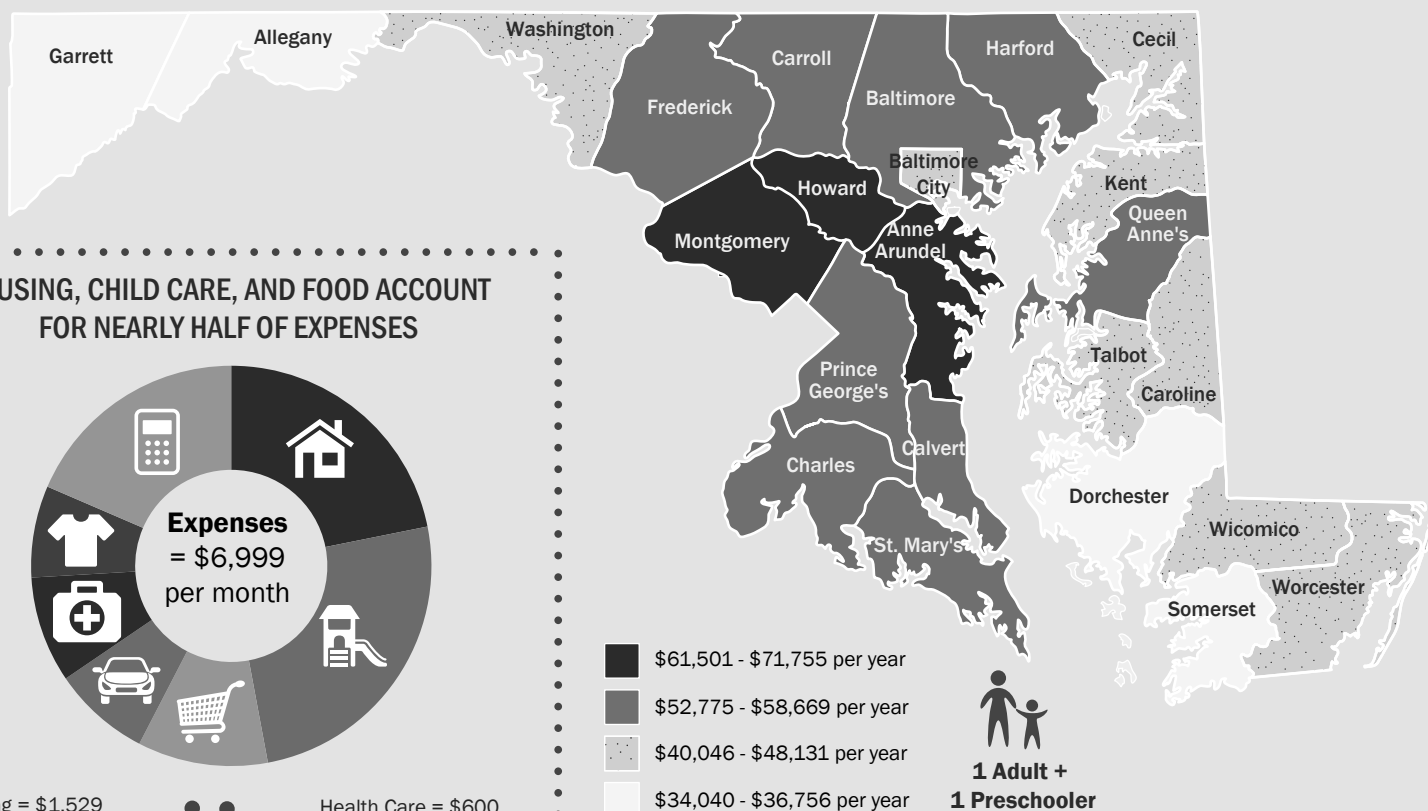
THE SELF-SUFFICIENCY STANDARD AT A GLANCE

HOW MUCH IS ENOUGH IN MARYLAND?

THE SELF-SUFFICIENCY STANDARD DEFINED

The Self-Sufficiency Standard calculates how much income families of various sizes and compositions need to make ends meet at a minimally adequate level without *public or private assistance*.

ANNUAL INCOME TO BE SELF-SUFFICIENT VARIES BY COUNTY



HOUSING, CHILD CARE, AND FOOD ACCOUNT FOR NEARLY HALF OF EXPENSES



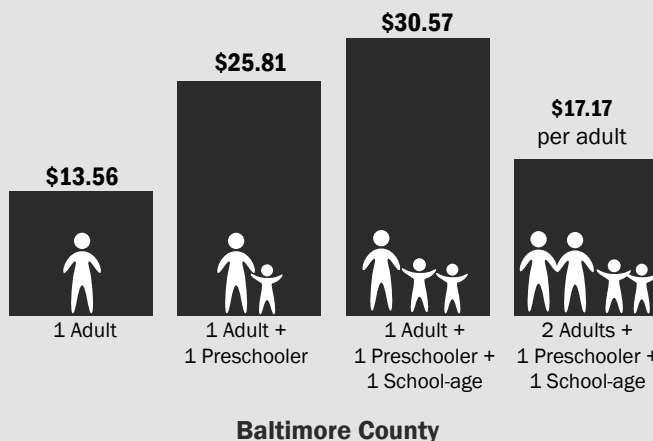
Housing = \$1,529
Child Care = \$1,765
Food = \$737
Transportation = \$553



Charles County
Two Adults + One Infant
+ One Preschooler

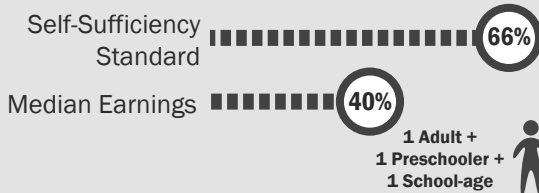
Health Care = \$600
Miscellaneous = \$518
Taxes (Net) = \$1,296

HOURLY WAGE TO BE SELF-SUFFICIENT VARIES BY FAMILY TYPE



THE MEDIAN WAGE HAS NOT KEPT UP WITH INCREASES IN THE COST OF LIVING

Statewide Percentage Change (2001-2016)



- **The amount needed to meet the costs of basic needs increased between 2001 and 2016 in all Maryland counties, despite the financial crisis.** For a family with one adult, one preschooler, and one school-age child, the Standard increased between 42% and 90%, on average by 66%, across the state. This contrasts with the median wage, which only increased 40% over this time period. See *Figure E* on page 12 and *Table 2* on page 14.
- **The federal poverty guidelines for three-person families (\$20,160 annually) is set at a level well below what is minimally needed to meet a family's basic needs.** For example, the federal poverty measure is 40% of the Standard for one adult, one preschooler, and one school-age child in Kent County (\$24.02 per hour and \$50,733 annually). See *Figure H* on page 16.
- **Even working full time, a parent earning the 2016 Maryland minimum wage (\$8.75 per hour) will fall short of meeting the Standard for a family with two young children.** If she has one preschooler and one school-age child, and lives in Kent County, she would be able to cover only 34% of her family's basic needs (with her take-home pay after accounting for taxes). See *Figure H* on page 16.
- **Although a fifth of Maryland workers hold one of the top ten most common occupations in Maryland (measured by the number of workers), only two of these occupations have median wages above the Standard for a family of three in St. Mary's County.** General and operations managers and registered nurses have median wages above the Self-Sufficiency Standard for one adult, one preschooler, and one school-age child in St. Mary's County, which is \$29.62 per hour (\$62,564 annually), while the median wages for the other eight most common occupations are below this family type's Standard in St. Mary's County. See *Figure I* on page 20.
- **Maintaining an emergency savings fund is a crucial step towards economic security.** A single parent with a preschool-aged child living in Allegany County needs to earn \$2,899 per month to meet her basic needs. She needs to earn an additional \$165 per month to have an emergency savings fund. If she lives in Prince George's County she needs \$4,652 per month to be self-sufficient and an additional \$171 per month to save for emergencies. See *Table 6* on page 33.

The Self-Sufficiency Standard for Select Maryland Places and Family Types, 2016

County	One Adult	One Adult One Preschooler	One Adult One Preschooler One School-age	Two Adults One Preschooler One School-age
Allegany	\$20,990	\$34,788	\$39,550	\$47,742
Anne Arundel	\$34,177	\$61,501	\$74,801	\$81,935
Baltimore City	\$22,905	\$44,132	\$53,258	\$57,678
Baltimore County	\$28,633	\$54,506	\$64,558	\$72,521
Charles	\$35,460	\$58,669	\$68,160	\$75,962
Kent	\$22,847	\$42,143	\$50,733	\$58,765
Montgomery	\$37,807	\$71,755	\$86,580	\$91,252
Prince George's	\$32,550	\$55,822	\$65,791	\$71,851
Somerset	\$21,479	\$34,040	\$41,194	\$48,601

An Excel file of all 472 family types for each county can be downloaded at: www.selfsufficienstandard.org/Maryland

GETTING TO SELF-SUFFICIENCY

Closing the wage gap between current wages and the Self-Sufficiency Standard requires both *reducing* costs and *raising* incomes.

HOW DOES THE STANDARD COMPARE?



Kent County

1 adult + 1 preschooler + 1 school-age

SELF-SUFFICIENCY WAGE **\$50,733**

FULL-TIME MINIMUM WAGE **\$24,577**
\$8.75/hr

FEDERAL POVERTY LEVEL **\$20,160**
Family of 3

40% The amount of basic needs covered by the federal poverty level

Number of hours a minimum wage worker must work per week to meet basic needs **110**

HOW DO MARYLAND'S JOBS STACK UP?

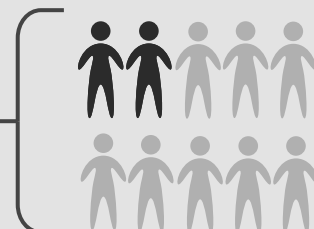


St. Mary's County

1 adult + 1 preschooler + 1 school-age



The ten most common occupations cover a fifth of Maryland's workforce



Only **TWO** of these occupations have median wages above the Standard for this family type in St. Mary's County

HOW DO WORK SUPPORTS HELP FAMILIES MEET BASIC NEEDS?



Somerset County

1 adult + 1 preschooler + 1 school-age

This figure shows how work supports can reduce a family's expenses, so they can get by on a lower wage until the adult is able to earn a Self-Sufficiency level wage.

- A housing voucher reduces costs from \$719 to \$575 per month (30% of income).
- Child care assistance reduces child care costs from \$868 to \$280 per month.
- Food assistance reduces groceries from \$559 to \$321 per month.
- Medicaid reduces health care costs from \$552 to \$0 per month.

Monthly Expenses = \$3,682
Wage needed = \$20.92 per hour



With NO Work Supports

Monthly Expenses = \$1,902
Wage needed = \$10.81 per hour



With Work Supports

.....

A PARENT WORKING FULL TIME AND EARNING THE 2016 MARYLAND MINIMUM WAGE (\$8.75 PER HOUR) WILL FALL SHORT OF MEETING THE STANDARD FOR A FAMILY WITH TWO YOUNG CHILDREN.

.....

Clearly, meeting basic needs is difficult for many Maryland families, and has only been made worse due to stagnating wages and difficult economic times. Further, what it takes to become self-sufficient in Maryland depends on where a family lives, how many people are in the family, and the number and ages of children.

WHAT THE SELF-SUFFICIENCY STANDARD MEANS FOR MARYLAND

Closing the gap between current wages and the Self-Sufficiency Standard requires both reducing costs and raising incomes.

REDUCING COSTS means ensuring families who are struggling to cover basic costs have access to work supports—such as child care assistance, food benefits, and the Earned Income Tax Credit—that offer stability and resources while they become self-sufficient. Most individuals cannot achieve self-sufficiency through stopgap measures or in a single step, but require support through transitional work supports and programs, as well as the removal of barriers to help families work towards self-sufficiency over time. The report finds that:

- **Work supports are crucial for helping families meet their basic needs.** A single parent in Somerset County with one preschooler and one school-age child transitioning from welfare to work with the help of child care assistance, food assistance (SNAP/WIC), and transitional Medicaid would be able to meet her family's needs on a wage of \$11.97 per hour. This is significantly less than the full wage needed of \$20.92 per hour without work supports, though it is well above the minimum wage. See *Table 5 on page 25*.
- **Even at the minimum wage, work supports can help families meet their needs while working towards self-sufficiency.** A single parent with one preschooler and one school-age child living in Harford County and working a full-time minimum wage job, which is currently \$8.75 in Maryland, earns only 34% of the income needed to meet her family's basic needs if she is not receiving any work supports. However, with the help of housing, child care, food, and health care work supports, this parent could meet 90% of her family's needs. See *Figure K on page 26*.

RAISING INCOMES means enhancing skills as well as improving access to jobs that pay self-sufficient wages and have career potential. A strong economy will mean good jobs that pay self-sufficient wages, a workforce with the skills necessary to fill those jobs, and enhancing links and removing barriers between those jobs and the workers that need them. Key to raising incomes are public policies such as living/minimum wage policies and paid sick and family/medical leave, that increase wages directly. Likewise,

access to education, training, and jobs that provide real potential for skill and career advancement over the long term is also important.

The Self-Sufficiency Standard can be used as a tool to:

- Evaluate proposed policy changes
- Target resources toward job training for fields that pay self-sufficiency wage
- Evaluate outcomes for clients in employment programs
- Assist grant-makers with needs analyses of their communities to assess the impacts of their grants
- Serve as a counseling tool in work training programs

The Self-Sufficiency Standard is currently used to better understand issues of income adequacy, analyze policy, and help individuals striving to be self-sufficient. Community organizations, academic researchers, foundations, policy institutes, legal advocates, training providers, community action agencies, and state and local officials, among others, are using the Self-Sufficiency Standard.

THE REPORT IN A NUTSHELL

The report begins with putting the Self-Sufficiency Standard in context, describing how it is a unique and important measure of income adequacy, comparing and contrasting it with federal poverty measures. The report then leads readers through a description of what a self-sufficient wage is for Maryland families, how it differs depending on family type and geographic area, and how it has changed over the past 15 years. The report compares Maryland to other places in the United States and contrasts the Maryland Standard to other commonly used benchmarks of income. For families without adequate income, the report models how public supports, such as child care assistance, can be a valuable resource to help families cover their basic needs as they move toward self-sufficiency. It concludes with a brief discussion of the various pathways to economic self-sufficiency.

The appendices provide a more detailed explanation of the methodology and data sources used to calculate the Maryland Standard; detailed tables of the Standard, including the specific costs of meeting each basic need and the Self-Sufficiency Wage for eight selected family types in all counties; and detailed calculations behind the modeling of work supports' impact on wage adequacy in the report itself. Note that the data for the full set of 472 family types, for every Maryland county and the City of Baltimore, is available at www.selfsufficiencystandard.org/Maryland and www.maryland-cap.org.

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PART 1

ABOUT THE SELF-SUFFICIENCY STANDARD

HOW IS THE SELF-SUFFICIENCY STANDARD CALCULATED?

The Self-Sufficiency Standard is the amount needed to meet each basic need at a minimally adequate level, without public or private assistance. The Standard is calculated for over 400 family types for all Maryland counties and the independent city of Baltimore. The data components and assumptions included in the calculations are briefly described below. For more details and the specific data sources for Maryland, see the *Appendix A: Methodology, Assumptions, and Data Sources*.



HOUSING. Housing costs are based on the U.S. Department of Housing and Urban Development Fair Market Rents (FMRs). FMRs include utilities, except telephone and cable, and reflect the cost of housing that meets basic standards of decency. FMRs are set at the 40th percentile, meaning that 40% of the decent rental housing in a given area is less expensive than the FMR and 60% is more expensive. FMRs within a multi-county metropolitan area are adjusted using Small Area FMRs.



CHILD CARE. Child care includes the expense of full-time care for infants and preschoolers and part-time—before and after school—care for school-age children. The cost of child care is calculated from market-rate costs (defined as the 75th percentile) taken from a state-commissioned survey by facility type, age, and geographic location. It does not include extracurricular activities or babysitting when not at work.



FOOD. Food assumes the cost of nutritious food prepared at home based on the U.S. Department of Agriculture Low-Cost Food Plan. The Low-Cost Food Plan was designed to meet minimum nutritional standards using realistic assumptions about food preparation time and consumption patterns. The food costs do not allow for any take-out or restaurant meals. Food costs are varied by county using Feeding America's *Map the Meal Gap* data based on Nielsen scans of grocery receipts.



TRANSPORTATION. Public transportation is assumed if 7% or more of workers use public transportation to get to and from work (applicable in Baltimore City plus Montgomery and Prince George's counties). Private transportation costs assume the expense of owning and operating a car. Per-mile costs are calculated from the American Automobile Association. Commuting distance is computed from the National Household Travel Survey. Auto insurance premiums are the average statewide premium cost from the National Association of Insurance Commissioners indexed by county using premiums from top market share automobile insurance companies. Fixed costs of car ownership are calculated using Consumer Expenditure Survey amounts for families with incomes between the 20th and 40th percentile. Travel is limited to commuting to work and day care plus one shopping trip per week.



HEALTH CARE. Health care costs assume the expenses of employer-sponsored health insurance. Health care premiums are the statewide average paid by workers, for single adults and for families, from the Medical Expenditure Panel Survey. A county index is calculated based on rates for the lowest cost Silver plans approved by Maryland Insurance Administration. Out-of-pocket costs are from the Medical Expenditure Panel Survey Insurance Component.



MISCELLANEOUS. Miscellaneous expenses are calculated by taking 10% of all other costs. This expense category consists of all other essentials including clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal hygiene items, and telephone service.



TAXES AND TAX CREDITS. Taxes include federal income tax, payroll taxes, and state and local sales taxes where applicable. Tax credits calculated in the Standard include: the federal Earned Income Tax Credit (EITC), Child and Dependent Care Tax Credit (CCTC), and the Child Tax Credit (CTC). State tax credits include the Maryland Earned Income Tax Credit (EITC), the Maryland Child and Dependent Care Tax Credit (CCTC), and the Maryland Poverty Level Tax Credit.



EMERGENCY SAVINGS. Emergency savings is the amount needed to cover living expenses when there is job loss net of the amount expected to be received in unemployment benefits. The amount calculated takes into account the average tenure on a job and the average length of unemployment of Maryland workers. In two-adult households, the second adult is assumed to be employed so that the savings only need to cover half of the family's basic living expenses over the job loss period.

INTRODUCTION

This report documents the increasing costs of living in Maryland in the last decade. Even as Maryland's economy emerges from the Great Recession, many of the longer-term trends continue, particularly stagnating wages, widening income inequality, and rising costs. As a result, many find that even with full-time jobs, they are unable to stretch their wages to pay for basic necessities. Indeed, in many places in Maryland, the gap between income and expenses has continued to widen, as the costs of food, housing, transportation, health care, and other essentials have risen—even during the Great Recession—while wages have not.

The Self-Sufficiency Standard highlights the growing gap between sluggish wages and ever-increasing expenses, clearly illuminating the economic “crunch” experienced by so many families today.¹ Moreover, by tracking and calculating the true cost of living facing American families, the Standard allows for comparisons of area geographic differences as well as documentation of historical trends.

The Self-Sufficiency Standard for Maryland 2016 defines the amount of income necessary to meet the basic needs of Maryland families, differentiated by family type and where they live. The Standard calculates the costs of six basic needs plus taxes and tax credits. It assumes the full cost of each need, without help from *public* subsidies (e.g., public housing, Medicaid, or child care assistance) or *private/informal* assistance (e.g., unpaid babysitting by a relative or friend, food from food banks, or shared housing).

The Self-Sufficiency Standard measures how much income a family of a certain composition in a given place needs to adequately meet their basic needs—without public or private assistance.

This report presents the Standard and what it means for Maryland families. Below is a summary of the sections included in this report:

- Part 1 includes the introduction which explains the unique features of the Self-Sufficiency Standard and how it is calculated.
- Part 2 presents the details of the Standard for Maryland: how much a self-sufficient income is for Maryland families, how the Standard varies by family type and county, how the Maryland Standard compares to other places across the United States, and how the Standard compares to other income benchmarks.

- Part 3 discusses how work supports can help families move toward self-sufficiency, as well as strategies for closing the gap between prevailing wages and the Self-Sufficiency Standard.
- Part 4 provides examples of how the Standard is used and discusses what it takes to move toward long-term economic security once the resources to meet basic needs have been secured.

This report also has several appendices:

- *Appendix A: Methodology, Assumptions, and Sources* provides a detailed description of the data, sources, and assumptions used to calculate the Standard.
- *Appendix B: The Self-Sufficiency Standard for Select Family Types in Maryland* provides detailed tables of the Self-Sufficiency Standard for eight select family types in each Maryland county and Baltimore City.
- *Appendix C: Impact of Work Supports on Wage Adequacy* shows the detailed data behind **Figure K**.

A REAL-WORLD APPROACH TO MEASURING NEED

The Self-Sufficiency Standard is a unique measure of income adequacy that uses a modern, comprehensive, and detailed approach to determine what it takes for today's families to make ends meet. The key elements of the Standard that distinguish it from other measures of income adequacy or poverty are the following:

A FOCUS ON MODERN FAMILIES WITH WORKING ADULTS.

Because paid employment is the norm for supporting families today in the United States,² the Standard assumes all adults work to support their families, and thus includes the costs of work-related expenses such as child care (when needed), taxes, and transportation.

GEOGRAPHIC VARIATION IN COSTS. The Standard uses geographically specific costs that are calculated at the county level as data availability allows.

VARIATION BY FAMILY COMPOSITION. Because the costs of some basic needs vary substantially by the age of children, the Standard varies by both the number and age of children. While food and health care costs are slightly lower for younger children, child care costs are generally much higher—particularly for children not yet in school—and therefore become a substantial budget item for workers with young children.

INDIVIDUAL AND INDEPENDENT PRICING OF EACH COST.

Rather than assume that any one item is a fixed percentage of family budgets, the Standard calculates the real costs of meeting each of the major budget items families encounter independently. The costs—which include housing, child care, food, health care, transportation, miscellaneous items, and taxes—are set at a minimally adequate level, which is determined whenever possible by using what government sources have defined as minimally adequate for those receiving assistance, e.g., child care subsidy benefit levels.

TAXES AND TAX CREDITS ARE INCLUDED AS BUDGET

ITEMS. Instead of calculating needs “pretax,” taxes and tax credits are included in the budget itself. Taxes include state and local sales tax, payroll (including Social Security and Medicare) taxes, federal and state income taxes, plus applicable state and federal tax credits.

PERMITS MODELING OF THE IMPACT OF SUBSIDIES.

Because the Standard specifies the real cost of each major necessity, it is possible to model the impact of specific subsidies (such as the Supplemental Nutrition Assistance Program, child care assistance, or Medicaid) on reducing costs. Likewise, the adequacy of a given wage for a given family, with and without various subsidies, can be evaluated using the family's Standard as the benchmark.

Altogether, the above elements of the Standard make it a more detailed, modern, accurate, and comprehensive measure of economic well-being than the Federal Poverty Guidelines.

PART 2
SELF-SUFFICIENCY STANDARD RESULTS
FOR MARYLAND

WHAT IT TAKES TO MAKE ENDS MEET IN MARYLAND

How much income families need to be economically self-sufficient depends both on family composition—the number of adults, the number of children, and the children’s ages—and where they live. **Table 1** illustrates how substantially the Standard varies by family type by showing the Standard for four different family configurations in Baltimore County.

- A single adult needs to earn \$13.56 per hour working full time to be able to meet his or her basic needs, which is nearly five dollars more than the 2016 state minimum wage (\$8.75 per hour).
- Adding a child nearly doubles this requirement; one parent caring for one preschool-aged child needs to earn \$25.81 per hour to be self-sufficient.

- Adding a second child further increases the needed wages: one parent with two children—a preschooler and school-age child—needs \$30.57 per hour to meet her family’s basic needs. This is the equivalent of nearly three and a half full-time minimum wage jobs in Maryland.³
- When there are two adults, the additional adult adds some costs, but splits the economic burden; nevertheless, two parents with one preschooler and one school-age child *each* need to earn a minimum of \$17.17 per hour, working full time, to meet their family’s basic needs.

In addition to varying by family composition, the Self-Sufficiency Standard also varies by geographic

TABLE 1. The Self-Sufficiency Standard for Select Family Types*
Baltimore County, MD 2016

	1 ADULT	1 ADULT 1 PRESCHOOLER	1 ADULT 1 PRESCHOOLER 1 SCHOOL-AGE	2 ADULTS 1 PRESCHOOLER 1 SCHOOL-AGE
MONTHLY COSTS				
Housing	\$959	\$1,206	\$1,206	\$1,206
Child Care	\$0	\$889	\$1,401	\$1,401
Food	\$256	\$387	\$585	\$803
Transportation	\$294	\$301	\$301	\$575
Health Care	\$182	\$530	\$551	\$606
Miscellaneous	\$169	\$331	\$404	\$459
Taxes	\$526	\$1,031	\$1,199	\$1,260
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE				
Hourly**	\$13.56	\$25.81	\$30.57	\$17.17 per adult
Monthly	\$2,386	\$4,542	\$5,380	\$6,043
Annual	\$28,633	\$54,506	\$64,558	\$72,521

* The Standard is calculated by adding expenses and taxes and subtracting tax credits. The “Taxes” row includes payroll and sales taxes plus federal and state income taxes.

** 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.

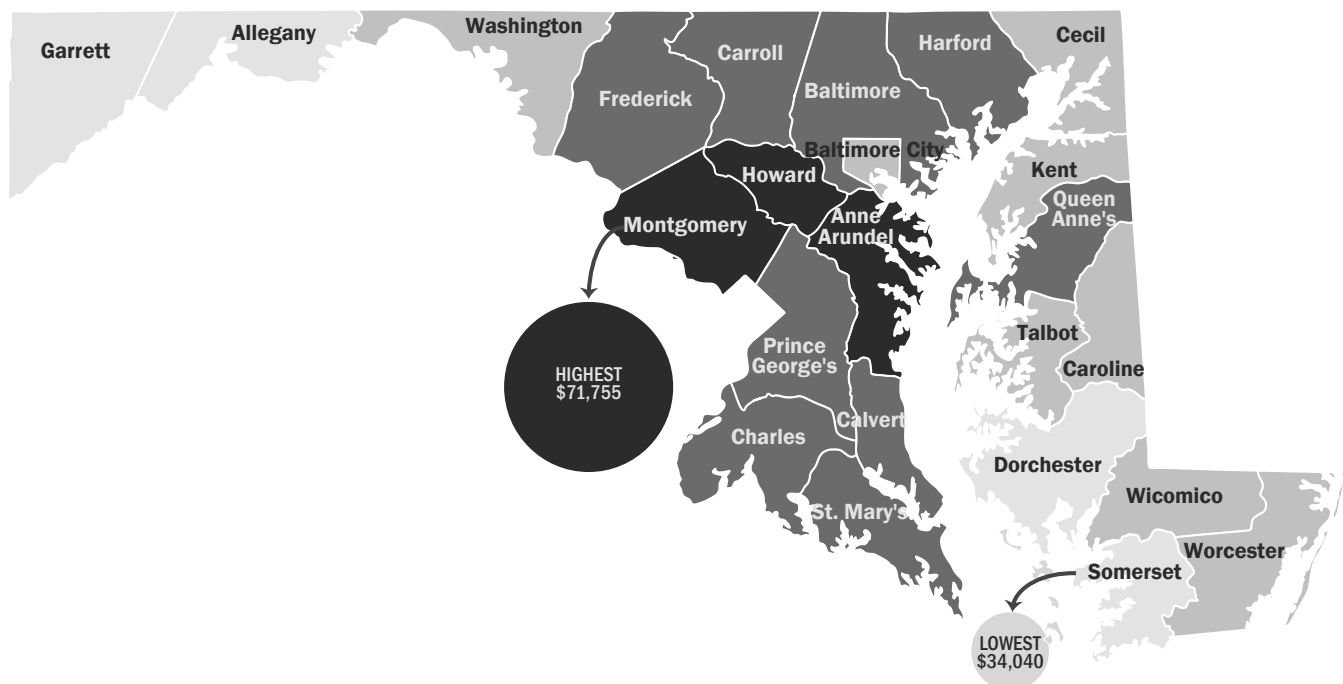
Note: Totals may not add exactly due to rounding.

location. The map in **Figure A** displays the geographic variation in the cost of meeting basic needs across Maryland for families with one adult and one preschooler. The 2016 Self-Sufficiency Standard for a single adult with one preschooler ranges from \$34,040 to \$71,755 per year depending on the county, or 212% of the federal poverty guidelines to 448% of the federal poverty guidelines for a family of two.

- The most affordable counties in Maryland are located in western Maryland and the Eastern Shore region. The counties of Allegany, Garrett, Somerset, and Dorchester require between \$34,040 and \$36,756 annually for a family with one adult and one preschooler.

- The second lowest cost group requires between \$40,046 and \$48,131 annually for a family with one adult and one preschooler. This group includes Baltimore City and Caroline, Worcester, Kent, Wicomico, Washington, Cecil, and Talbot counties.
- The second highest cost group requires wages between \$52,775 and \$58,669 per year to meet basic needs and includes St. Mary's, Carroll, Harford, Baltimore, Frederick, Prince George's, Queen Anne's, Calvert, and Charles counties.
- The most expensive counties require wages between \$61,501 and \$71,755 annually to meet basic needs and include the counties of Anne Arundel, Howard, and Montgomery.

FIGURE A. Map of Counties by Level of Annual Self-Sufficiency Wage One Adult and One Preschooler, MD 2016



ANNUAL SELF-SUFFICIENCY WAGE FOR ONE ADULT AND ONE PRESCHOOLER

\$34,040 - \$36,756		\$40,046 - \$48,131		\$52,775 - \$58,669		\$61,501 - \$71,755	
Somerset	\$34,040	Caroline	\$40,046	St. Mary's	\$52,775	Anne Arundel	\$61,501
Garrett	\$34,653	Worcester	\$41,198	Carroll	\$53,240	Howard	\$68,055
Allegany	\$34,788	Kent	\$42,143	Harford	\$54,178	Montgomery	\$71,755
Dorchester	\$36,756	Wicomico	\$42,245	Baltimore	\$54,506		
		Washington	\$42,879	Frederick	\$55,450		
		Baltimore City	\$44,132	Prince George's	\$55,822		
		Cecil	\$47,097	Queen Anne's	\$55,979		
		Talbot	\$48,131	Calvert	\$57,583		
				Charles	\$58,669		

HOW DO FAMILY BUDGETS CHANGE AS FAMILIES GROW?

As a family grows and changes composition, the amounts they spend on basic expenses (such as food and shelter) change, and new ones are added, most notably child care. **Figure B** demonstrates how these changes occur, as the family composition changes, for a family in Charles County. Each bar shows the percentage of the total budget needed for each expense and how it differs as the family changes composition.

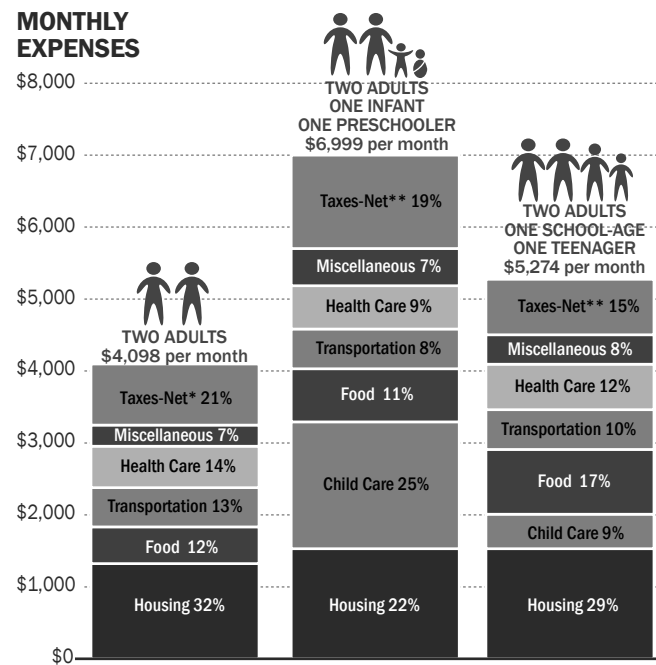
When there are just two adults, they need to earn a total of \$4,098 per month to make ends meet, plus a small monthly amount of savings for emergencies. For families with two adults and no children in Charles County:

- Housing is about a third of the Self-Sufficiency Standard budget.
- Food takes up about 12% of the budget.
- Health care accounts for 14% of the total household budget.
- Transportation is 13% of the budget.
- Taxes account for 21% of household expenses and there are no tax credits.

When a family expands to include two young children (one infant and one preschooler), the total budget increases substantially to \$6,999 per month. At the same time, with the addition of child care, the proportions spent on each basic need change:

- Child care alone accounts for a quarter of the family’s budget; when one adds housing, together these two items account for 47% of expenses. This is quite common: across the country, it is typical for Self-Sufficiency Standard budgets for families with two children (when at least one is under school-age) to have roughly half the budget going for housing and child care expenses alone.
- Food costs are 11% of total income. This is slightly lower than the national average expenditure on food of 13%, and it is much lower than the 33% assumed by the methodology of the federal poverty guidelines.⁴

FIGURE B. Percentage of Standard Needed to Meet Basic Needs for Three Family Types*
Charles County, MD 2016



* While the column heights are different to represent the different totals, the percentages for each cost add to 100% for each column.
 ** The two-adult family is not eligible for any tax credits and therefore the taxes-net is the same as gross taxes owed. The actual percentage of income needed for taxes without the inclusion of tax credits is 22% for two adults with one infant and one preschooler and 20% for two adults with one school-age child and one teenager. However, with tax credits included, as in the Standard, the amount owed in taxes is reduced. Please see *Appendix A: Methodology, Assumptions, and Sources* for an explanation of the treatment of tax credits in the Standard.

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ACROSS THE COUNTRY, IT IS TYPICAL FOR SELF-SUFFICIENCY STANDARD BUDGETS FOR FAMILIES WITH TWO CHILDREN (WHEN AT LEAST ONE IS UNDER SCHOOL-AGE) TO HAVE ROUGHLY HALF THE BUDGET GOING FOR HOUSING AND CHILD CARE EXPENSES ALONE.

- Health care accounts for 9% of the family budget, including both the employees' share of the health care premium (\$465 per month) and out-of-pocket costs (\$135 per month).⁵ If neither adult had employer sponsored health insurance, and they got a Silver health care plan through the Maryland health care marketplace, the premium amount would be about \$647 per month after estimated tax credits plus an estimate of \$135 for out-of-pocket costs.⁶
- Net taxes for the family now reflect a tax burden that is about 19%, due to the offsetting effects of tax credits. Note that tax credits are treated as if they were received monthly in the Standard, although most credits are not received until the following year when taxes are filed. If it were assumed that tax credits are not received monthly, but instead annually in a lump sum, then the monthly tax burden would be 22% of total expenses for this family.

The third bar in **Figure B** shows the shift in the budget as the children get older, and are now a school-age child and a teenager, and no longer need as much child care. The total cost of basic needs drops to \$5,274 per month and without the large amount for child care, the proportions for the other budget items all increase.

- The larger proportion of the budget for food, at 17%, is due in part to increased food costs for the teenager.
- Housing costs are now 29% of the family budget.
- Health care accounts for 12% of the family budget.
- Transportation is 10% of the total family budget.
- The decreased amount for child care for the school-age child accounts for just 9% of the basic needs budget for this family type, a much smaller proportion than was necessary when the children were younger.
- Net taxes have now decreased to 15% of the family's budget. If it were assumed, as noted above, that tax credits are received annually in a lump sum, then the monthly tax burden without tax credits would be 20% of the total costs for two adults with one school-age child and one teenager.

HOW DOES THE REAL COST OF LIVING IN BALTIMORE CITY AND MONTGOMERY COUNTY COMPARE TO OTHER U.S. PLACES?

The cost of living varies not only within Maryland, but across the United States as well.

BALTIMORE CITY. In **Figure C**, the Self-Sufficiency Standard for a family with one parent, one preschooler, and one school-age child in Baltimore City, MD is compared to the Standard for the same family type in several other large cities around the country: Chicago (south), IL; Denver, CO; Indianapolis, IN; Jacksonville, FL; Los Angeles, CA; Milwaukee, WI; New York City (Queens), NY; Oklahoma City, OK; Philadelphia, PA; Portland, OR; San Francisco, CA; Seattle, WA; Tucson, AZ; and Virginia Beach City, VA.⁷

- The full-time, year-round wages required to meet the Self-Sufficiency Standard in these cities range from a low of \$19.74 to a high of \$36.96 per hour, or \$41,696 to \$78,050 annually.

- Baltimore City requires a Self-Sufficiency Wage of \$24.35 per hour for this family type and is most comparable in cost to Milwaukee, WI.

While all the budget items in the Standard vary geographically, housing and child care costs in particular vary considerably. For example, a two-bedroom rental costs \$1,079 in Baltimore City compared to \$791 per month in Oklahoma City, OK. Additionally, public transportation costs are significantly less than the cost of owning and operating a car; thus, in areas where private transportation costs are assumed, the Self-Sufficiency Standard wage reflects higher transportation expenses. Families in Baltimore City who require a car would have higher transportation costs than shown here, and then the Self-Sufficiency Wage would be more comparable to Philadelphia, PA.

FIGURE C. The Self-Sufficiency Wage for Baltimore Compared to Other U.S. Cities 2016*
One Adult, One Preschooler, and One School-age Child.



*The Self-Sufficiency Standard for each city represents the county in which the city is located. Wages other than Baltimore are updated using the Consumer Price Index.
** Wage calculated assuming family uses public transportation.

Overall, if the parent in this comparison has just a minimum wage job, she⁸ requires 2.9 minimum wage jobs to meet her family's basic needs in Baltimore City.

MONTGOMERY COUNTY. Figure D compares Maryland's most expensive county, Montgomery, to similar jurisdictions in nearby states: Delaware County, PA; Fairfax County, VA; Franklin County, OH; Middlesex County, NJ; and Stamford, CT.

In Montgomery County, a parent with one preschooler and one school-age child requires a wage of \$40.99 per hour to meet the families' basic needs.

- The Self-Sufficiency Wage for Montgomery County is on the high end of this comparison with only Stamford, CT requiring a higher wage of \$41.94 per hour.
- If the cost of a car was included instead of public transportation, the Standard for Montgomery County would be higher than that calculated for Stamford, CT.

While Montgomery County has a higher minimum wage than the state, a parent with two young children would still need to work over 155 hours per week in Montgomery County to make ends meet with a minimum wage job.

FIGURE D. The Self-Sufficiency Wage for Montgomery County, MD Compared to Other U.S. Counties 2016*: One Adult, One Preschooler, and One School-age Child.



* Wages for places other than Montgomery County are updated using the Consumer Price Index.

** Wage calculated assuming family uses public transportation.

HOW HAS THE COST OF LIVING CHANGED OVER TIME IN MARYLAND?

This is the fourth time the Self-Sufficiency Standard has been calculated for Maryland. This section examines how the 2016 Self-Sufficiency Standard and cost components compare to the results in 2001, 2007, and 2012.

The map in **Figure E** depicts the changes in the cost of living (as measured by the Self-Sufficiency Standard) for one family type—one adult, one preschooler, and one school-age child—by county between 2001 and 2016.

Over the last 15 years, the Self-Sufficiency Standard for this three-person family has increased on average across all Maryland counties by 66%, or an annual average growth rate of 3.4% per year. However, there is considerable variation by county, ranging from 42% to 90%. Anne Arundel County's costs increased at one of the fastest rates: in 2001, a family with one adult, one preschooler, and one school-age child in Anne Arundel County needed about \$40,000 per year to meet their basic needs, but by 2016 that amount had nearly doubled to about \$75,000, increasing by about \$2,300 each year in average (an annual average growth rate of 4.3%).

The largest percentage increase in the Standard since 2001 occurred in both Kent and Queen Anne's counties, where costs increased by 90%. Housing, child care, and taxes especially increased at a much higher rate in these counties than on average in Maryland. However, Montgomery County had the largest dollar increase in costs since 2001. The Self-Sufficiency Standard for a one-adult family with one preschooler and one school-age child increased from about \$50,000 in 2001 to about \$87,000, or roughly \$2,500 per year on average.

Over time, costs have increased fairly steadily, although with some variation, as can be seen in **Figure F** on page 13. Tracing the changes in the Standard for this three-person family in four counties illustrates a few trends. First, while all counties increased over the 15 years, the variation in rates of change increased the difference (or spread) between higher cost and lower cost counties in 2016. For these four counties, the difference between the highest cost and lowest cost county increased from about \$15,000 to about \$26,000.

FIGURE E. Percentage Change in the Self-Sufficiency Standard for Maryland between 2001 and 2016
One Adult, One Preschooler, and One School-Age Child: MD 2016

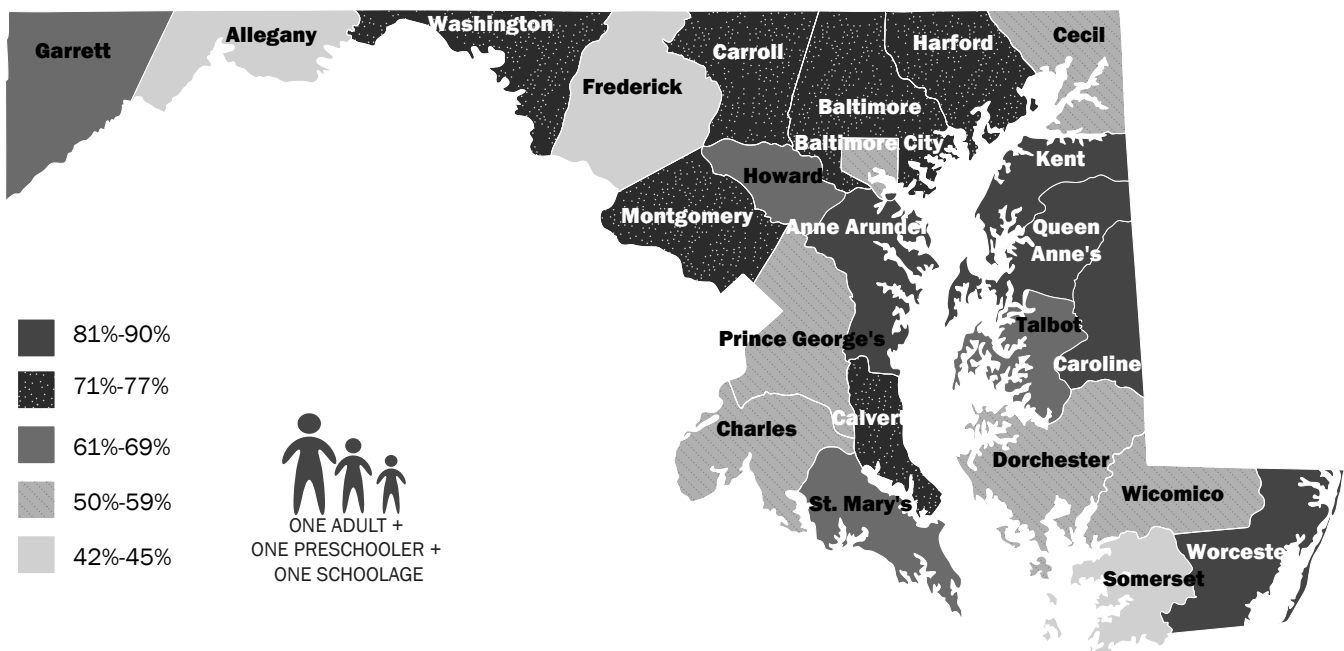
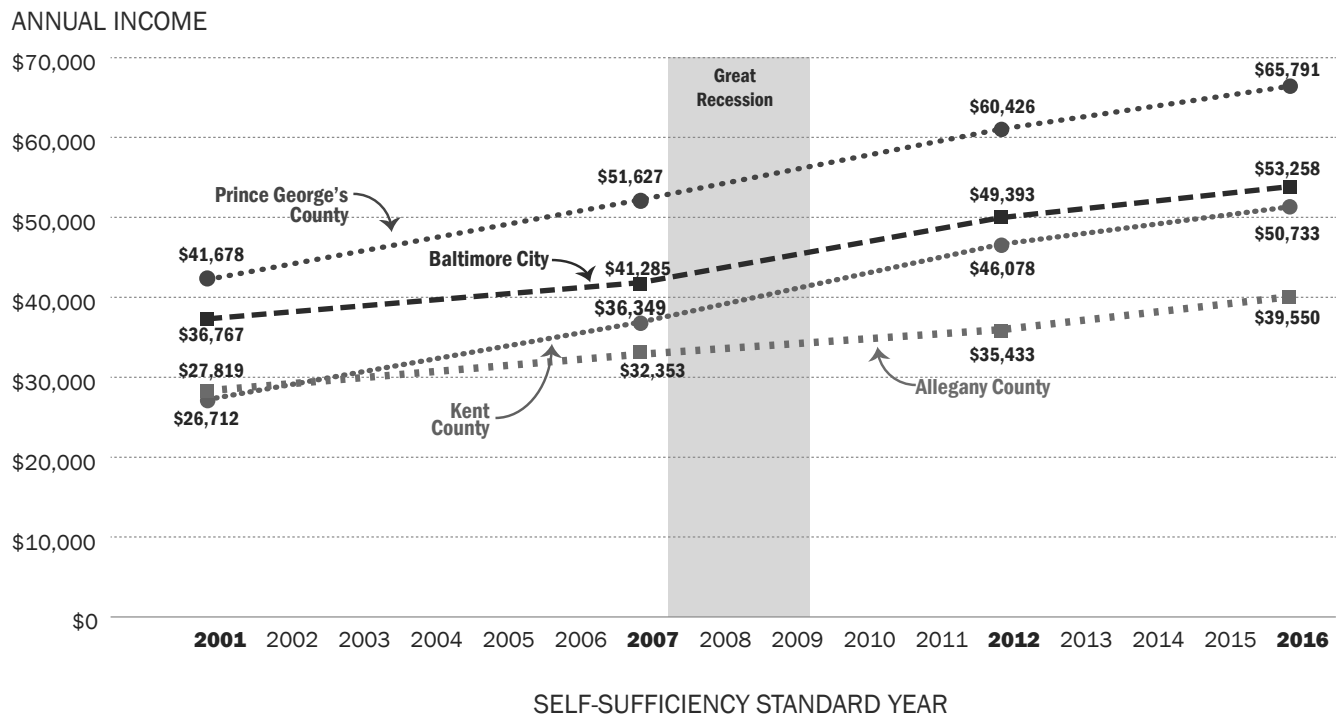


FIGURE F. The Self-Sufficiency Standard for Maryland by Year for Select Counties
One Adult, One Preschooler, and One School-age Child: 2001, 2007, 2012, and 2016



Second, there is no significant slowing of cost increases during the Great Recession or the recovery after 2009 (shown by the blue bar in **Figure F**). That is, despite the increases in the minimum wage, the cost of living has continued to rise in Maryland.

Although the Standard increased to various degrees in different counties in Maryland (fairly steadily), this masks sizable variation in how much *each* cost increased across counties. Using the same three-person family as above (one adult, one preschooler, and one school-age child), **Table 2** shows the actual cost and percentage of change for each basic need since 2001 in Howard County, as well as statewide.

- Health care was the largest increase, rising by 122% in Howard County, almost the same rate (131%) as the statewide average.
- The increase in child care costs was 51% for Howard County, somewhat lower than the statewide average increase of 67%. In dollar terms, the cost of child care increased by \$572 per month in Howard County over this time period.

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THERE IS NO SIGNIFICANT SLOWING OF COST INCREASES DURING THE GREAT RECESSION OR THE RECOVERY AFTER 2009. THAT IS, DESPITE INCREASES IN THE MINIMUM WAGE, THE COST OF LIVING HAS CONTINUED TO RISE.

- The cost of housing increased 74% since 2001, growing from \$913 to \$1,591 per month for a two-bedroom housing unit in Howard County. Housing costs increased 52% on average statewide.
- Food costs increased by 70% in Howard County, above the statewide average of 56%.
- Transportation costs in Howard County *decreased* by 8% since 2001 due to lower insurance rates, and have only gone up by 1% across the state.

TABLE 2. Percent Change in the Self-Sufficiency Standard Over Time, 2001-2016
Howard County, MD: One Adult, One Preschooler, and One School-Age Child

COSTS	2001	2016	PERCENT CHANGE 2001-2016	
			Howard County	Statewide
Housing	\$913	\$1,591	74%	52%
Child Care	\$1,115	\$1,687	51%	67%
Food	\$396	\$672	70%	56%
Transportation	\$305	\$279	-8%	1%
Health Care	\$248	\$551	122%	131%
Miscellaneous	\$298	\$478	61%	59%
Taxes	\$862	\$1,681	95%	89%
Tax Credits*	(\$180)	(\$267)	48%	41%
SELF-SUFFICIENCY WAGE				
Monthly	\$3,956	\$6,672	69%	66%
Annual	\$47,467	\$80,065		
MEDIAN EARNINGS**				
Howard County	\$38,889	\$56,830	46%	40%
Statewide	\$29,881	\$41,833		

* Total Tax Credits is the sum of the monthly EITC, CTC, and CTC.

** U.S. Census Bureau, 2014 American Community Survey, "B20002: Median Earnings in the Past 12 Months by Sex for the Population 16 Years and Over with Earnings in the Past 12 Months, Maryland and Howard County" and Census 2000 Summary File 3, P085, "Median Earnings in 1999 (Dollars) by Sex for the Population 16 Years and Over with Earnings in the Past 12 Months," <http://factfinder2.census.gov> (accessed August 1, 2016). Median earnings from 1999 and 2014 updated using the Employment Cost Index (ECI). U.S. Department of Labor, Bureau of Labor Statistics, Employment Cost Index, Wages and salaries for All Civilian workers in All industries and occupations, Employment Cost Index Historical Listing – Volume II, March 2013, <http://www.bls.gov/ncs/ect/sp/econst.pdf>, and <http://data.bls.gov/cgi-bin/srgate>, Series C1S1020000000001 (accessed August 1, 2016).

COST OF LIVING INCREASES VERSUS EARNINGS

INCREASES. While the Self-Sufficiency Standard for this three-person family in Howard County increased by 69% over the past 15 years, workers' median earnings increased by 46% (from \$38,889 to \$56,830) in Howard County over the same time period, at roughly the same level. Statewide median earnings, however, have increased by only 40%, while statewide costs have increased by 66%. Clearly, the fact that cost increases have far outstripped wage increases puts pressure on family budgets.

DOCUMENTING CHANGES IN LIVING COSTS WITH THE STANDARD VERSUS THE CONSUMER PRICE INDEX

Nationally, the official measure of inflation is the U.S. Department of Labor's Consumer Price Index (CPI). The CPI is a measure of the average changes in the prices paid by urban consumers for all goods and services. Since the Standard measures the costs of only basic needs, the question is how the increases in costs documented here compare to official inflation rates. We examine this question in **Figure G** by comparing the actual increase in the Self-Sufficiency Standard to what the numbers would be if we had just updated the 2001 Standard with the CPI. Since the CPI does not incorporate taxes or tax credits, these items have been removed from the Standard shown in **Figure G**. Using the same three-person family as above (one adult, one preschooler, and one school-age child), this comparison was done for two places in Maryland: Kent and Prince George's counties.

The South Region Consumer Price Index (CPI) increased 36% between 2001 and 2016. If the 2001 Self-Sufficiency Standard for Kent County (\$25,696 per year without taxes/tax credits), was increased by this amount, the CPI-adjusted cost of basic needs in 2016 would be estimated to be \$35,118 per year.⁹ However, the *actual* 2016 Standard for Kent County, (without taxes or tax credits) is considerably higher: \$43,770 per year for this family type, a 70% increase over the last 15 years. Similarly, when the CPI inflation rate is applied to the 2001 Standard for Prince George's County (\$35,118 without taxes in 2001), the CPI adjusted estimate for 2016 would be \$48,091. However, the actual 2016 Self-Sufficiency Standard amount for Prince George's County (without taxes or tax credits) is \$54,055, 54% higher than in 2001.

In sum, **Figure G** demonstrates that the rate of inflation as measured by the CPI substantially underestimates the rising costs of basic needs; instead of increasing

OVER THE LAST 15 YEARS, THE SELF-SUFFICIENCY STANDARD FOR THIS THREE-PERSON FAMILY HAS INCREASED ON AVERAGE ACROSS ALL MARYLAND COUNTIES BY 66%, AT AN ANNUAL GROWTH RATE OF 4.7% PER YEAR.

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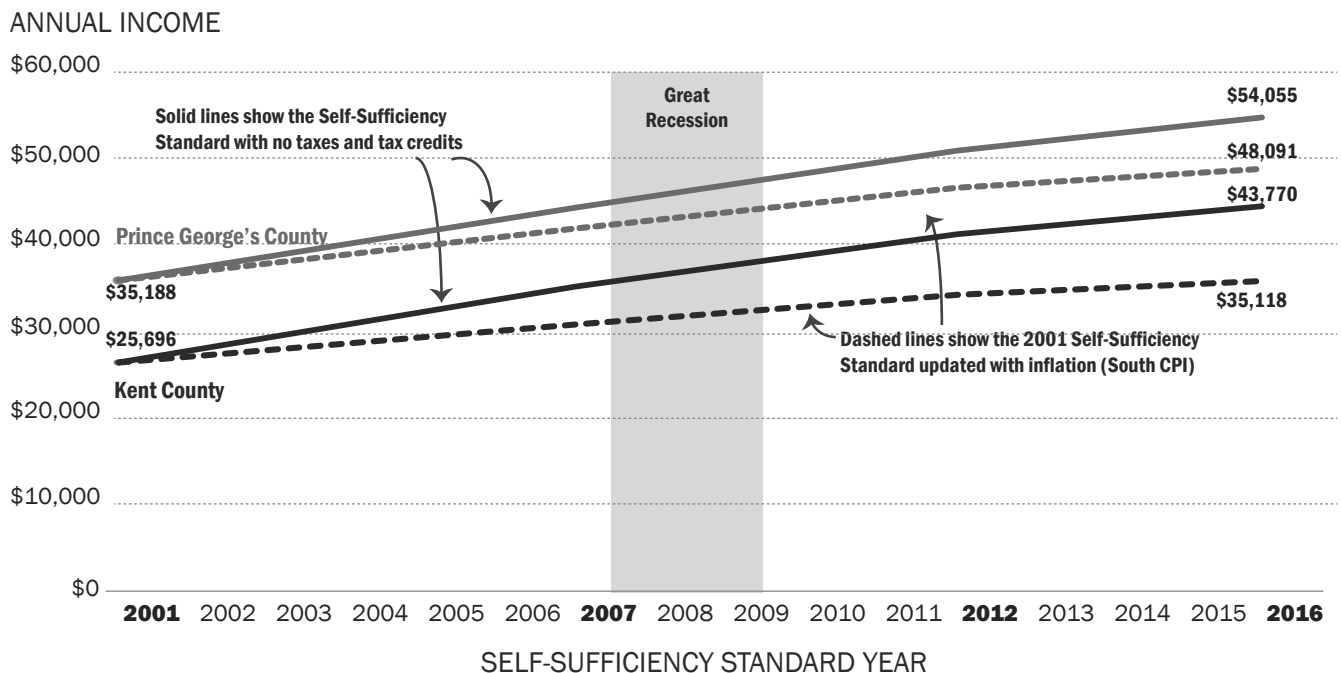
ESTIMATING THE INCREASE IN COSTS USING THE CPI DRASTICALLY UNDERESTIMATES THE REAL INCREASES IN THE COST OF BASIC NEEDS FACED BY MARYLAND FAMILIES, LEAVING THEM THOUSANDS OF DOLLARS SHORT.

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36%, costs rose by 70% in Kent County and 54% in Prince George's County. Indeed, using the CPI for this family type in Prince George's County results in a 2016 estimate of costs that is about \$12,000 less than the actual costs in the 2016 Standard, and about \$8,000 less for Kent County. That is, estimating the increase in costs using the CPI drastically underestimates the real increases in the cost of basic needs faced by Maryland families, leaving them thousands of dollars short. This analysis also suggests that assuming that the CPI

reflects the experience of households equally across the income spectrum hides the lived experience of those at the lower end. For lower income families, not only have wages stagnated, but basic costs are rising faster than for higher income families, aggravating the economic crunch that they are experiencing.

**FIGURE G. CPI*-Measured Inflation Underestimates Real Cost of Living Increases:
A Comparison of the Self-Sufficiency Standard and the Consumer Price Index, 2001-2016
Kent and Prince George's Counties, MD 2016: One Adult, One Preschooler, and One School-Age Child**



* U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index, "South Region All Items, 1982-84=100-CUURA101SAO," <http://data.bls.gov/cgi-bin/surveymost?cu> (accessed July 11, 2016).

** Since the CPI does not incorporate taxes or tax credits, these items have been taken out of the Self-Sufficiency Standard for this comparison figure.

HOW DOES THE SELF-SUFFICIENCY STANDARD COMPARE TO OTHER BENCHMARKS OF INCOME?

As a measure of income adequacy, how does the Standard compare to other commonly used measures? **Figure H** compares the Kent County Self-Sufficiency Standard for one adult, one preschooler, and one school-age child to the following income benchmarks for three-person families:

- Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamps Program), and WIC (Women, Infants and Children)
- The federal poverty guidelines (FPG)
- The 2016 Maryland minimum wage
- The Lower Living Standard Income Level
- HUD income eligibility limits

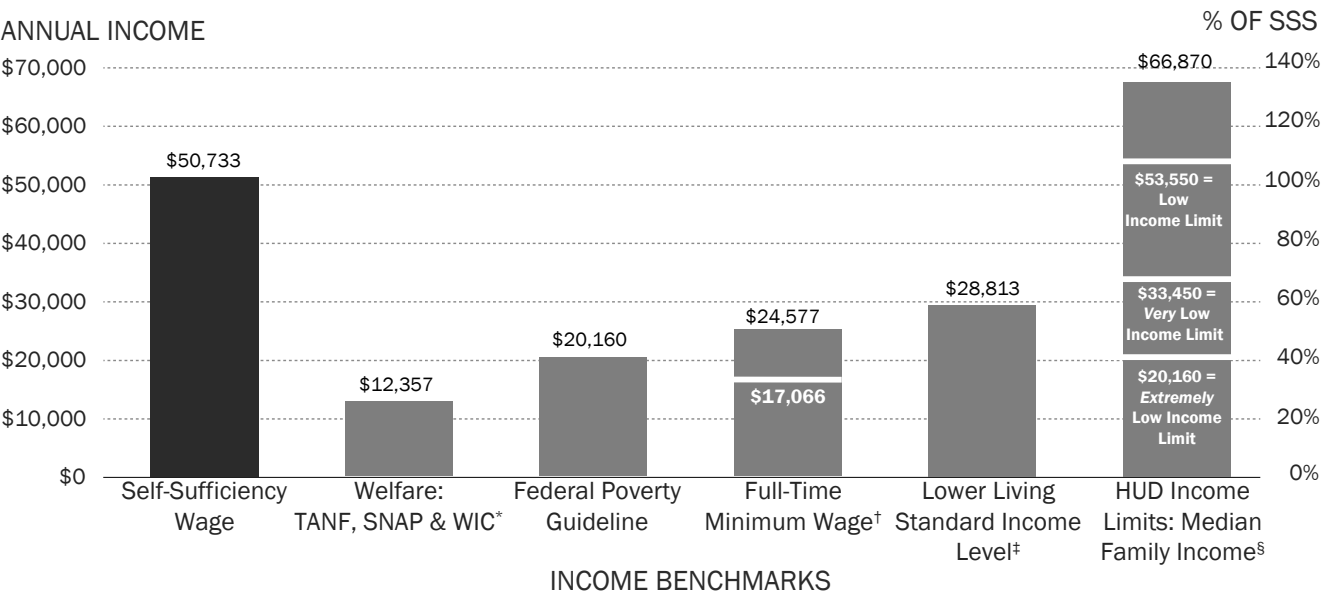
As indicated in the first bar in **Figure H**, the Self-Sufficiency Wage for this family type in Kent County is \$50,733 per year.

TANF, SNAP AND WIC. The second bar on the left in **Figure H** calculates the cash value of the basic public assistance package, assuming no other income, and includes the cash value of SNAP (formerly food stamps), WIC, and TANF. This public assistance package totals \$12,357 per year for three-person families in Maryland, which is just 24% of the Self-Sufficiency Standard for a three-person family in Kent County, and 61% of the FPG for a three-person family.

FEDERAL POVERTY GUIDELINES. A three-person family, regardless of composition or where they live, would be considered “poor” with an income of \$20,160 annually or less, according to the 2016 federal poverty guidelines. The FPG for three-person families is just 40% of the Self-Sufficiency Standard for this Kent County family.

This comparison is for just one family type. In Kent County, the Self-Sufficiency Standard is 169% of the FPG for a household with one adult and three

FIGURE H. The Self-Sufficiency Standard Compared to Other Benchmarks One Adult, One Preschooler, and One School-Age Child: Kent County, MD 2016



* For FY 2016, the maximum Temporary Assistance for Needy Families (TANF) benefit amount is \$7,322 annually, the Supplemental Nutrition Assistance Program (SNAP) benefit amount is \$4,493 annually, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefit amount is \$542 annually for a family of three in Maryland.

† The Maryland minimum wage is \$8.75 per hour as of July 1, 2016. This amounts to \$18,480 per year; however, assuming this family pays federal and state taxes and receives tax credits, the net yearly income would be a larger amount, \$24,577 as shown. The dashed line shows the annual income received after accounting for taxes (\$16,091) but without the addition of tax credits, which are received as a yearly lump sum after filing taxes the following year.

‡ Lower Living Standard Income Level (LLSIL) limits are 2016 limits for South non-metro areas.

§ The U.S. Department of Housing and Urban Development (HUD) uses area median family income as a standard to assess families’ needs for housing assistance. The HUD median family income limits are for FY 2016.

teenagers and 252% of the FPG for a household consisting of one adult with one preschooler and one school-age child.

There is also considerable variation by place. **Table 3** compares the percentage of the FPG needed to meet basic needs for one adult, one preschooler, and one school-age child across Maryland, and finds that the Self-Sufficiency Standard for this family type ranges from 196% of the FPG in Allegany County to 429% of the FPG in Montgomery County. For a two-adult family with a preschooler and school-age child (with a FPG of \$24,250), also shown in **Table 3**, there is a similarly wide range, with the Standard varying from 196% of the FPG in Allegany County to 376% of the FPG in Montgomery County.

MINIMUM WAGE. Although the minimum wage is incrementally increasing in Maryland (sidebar page 28), the 2016 minimum wage is \$8.75 per hour, which amounts to \$18,480 per year working full time. Because this is earned income, payroll taxes (Social Security and Medicare) are subtracted and eligible tax credits (ETC and CTC) are added. Altogether a working parent with two children would have a net cash income of \$24,577 per year. This net “take home” amount is more than the worker’s earnings alone because the tax credits the family qualifies for are more than the taxes owed.

A full-time minimum wage job in Maryland provides 48% of the amount needed to be self-sufficient for this family type in Kent County. More realistically, if it is assumed that the worker pays taxes *monthly* through withholding, but receives tax credits *annually* (as is true of all workers), her take-home income would be \$17,066 over the year, shown by the dashed line on the third bar in **Figure H**. Without including the impact of tax credits in either the minimum wage or Self-Sufficiency Standard income (but still accounting for payment of taxes), a minimum wage job amounts to just 34% of the Self-Sufficiency Standard for this family type in Kent County.

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**THE STANDARD IS A CONSERVATIVE MEASURE
OF THE MINIMUM REQUIRED TO BE SELF-
SUFFICIENT IN KENT COUNTY.**
.....

Put another way, including the value of tax credits, at the minimum wage she would need to work more than two full-time jobs to meet her basic costs of living. If tax credits are excluded from current income (as they are actually received the next year at tax filing), she would need to work *three* full-time jobs to meet her basic costs.

LOWER LIVING STANDARD INCOME LEVEL. The Workforce Innovation and Opportunity Act (WIOA) of 2014 requires the Department of Labor to publish the Lower Living Standard Income Level (LLSIL) annually. Under WIOA one of the criteria to be considered low income, is if a family’s income does not exceed the higher of the FPG or 70% of the LLSIL.¹⁰ The LLSIL was last revised in 1981 by the Bureau of Labor Statistics and has only been updated for inflation. For 2016 a three-person family in the non-metropolitan South, of which Kent County is a part, the LLSIL is \$28,813 and 70% of the LLSIL is \$20,169, which is only \$9 above the FPG for this family size.¹¹

MEDIAN FAMILY INCOME LIMITS. The U.S. Department of Housing and Urban Development (HUD) uses percentages of area median family income (i.e., half of families in the area have income above this amount, and half below) to determine families’ eligibility for housing assistance on the assumption that area median income is a rough measure of the local cost of living. The Fiscal Year 2016 HUD median income for a three-person family in Kent County is \$66,870 annually.¹² HUD income limits define three levels:

- “Low income” three-person families in Kent County have incomes between 50% and 80% of area median income, i.e., between \$33,450 and \$53,550.
- “Very low income” three-person families have incomes between 30% of area median income and 50% of area median income, or \$20,160 and \$33,450.
- Families with incomes below 30% of area median income are considered “extremely low income.”¹³

The Self-Sufficiency Standard of \$50,733 for this family type in Kent County is in the HUD “low income” range, demonstrating that the Standard is a conservative measure of the minimum required to be self-sufficient in Kent County. (Due to limited resources, most federal housing assistance goes to families with incomes that are considered “very low” or “extremely low.”)

TABLE 3. The Self-Sufficiency Standard as a Percentage of Other Benchmarks of Income, 2016
Two Family Types, All Maryland Counties and Baltimore City

COUNTY	Self-Sufficiency Standard for One Adult + One Preschooler + One School-age				Self-Sufficiency Standard for Two Adults + One Preschooler + One School-age			
	Annual Self-Sufficiency Standard	As Percentage of:			Annual Self-Sufficiency Standard	As Percentage of:		
		Federal Poverty Guidelines	Minimum Wage	Median Family Income		Federal Poverty Guidelines	Minimum Wage	Median Family Income
Allegany County	\$39,550	196%	214%	61%	\$47,742	196%	129%	66%
Anne Arundel County	\$74,801	371%	405%	96%	\$81,935	337%	222%	95%
Baltimore County	\$64,558	320%	349%	83%	\$72,521	298%	196%	84%
Baltimore City	\$53,258	264%	288%	68%	\$57,678	237%	156%	67%
Calvert County	\$67,364	334%	365%	69%	\$75,620	311%	205%	70%
Caroline County	\$48,643	241%	263%	75%	\$56,138	231%	152%	78%
Carroll County	\$63,700	316%	345%	82%	\$71,555	294%	194%	83%
Cecil County	\$56,445	280%	305%	78%	\$63,555	262%	172%	79%
Charles County	\$68,160	338%	369%	70%	\$75,962	313%	206%	70%
Dorchester County	\$45,512	226%	246%	70%	\$50,438	208%	136%	70%
Frederick County	\$64,265	319%	348%	66%	\$71,691	295%	194%	66%
Garrett County	\$39,713	197%	215%	61%	\$47,844	197%	129%	66%
Harford County	\$64,727	321%	350%	83%	\$72,480	298%	196%	84%
Howard County	\$80,065	397%	433%	103%	\$87,066	358%	236%	100%
Kent County	\$50,733	252%	275%	76%	\$58,765	242%	159%	79%
Montgomery County	\$86,580	429%	469%	89%	\$91,252	376%	247%	84%
Prince George's County	\$65,791	326%	356%	67%	\$71,851	296%	194%	66%
Queen Anne's County	\$65,089	323%	352%	83%	\$73,491	302%	199%	85%
St. Mary's County	\$62,564	310%	339%	72%	\$70,258	289%	190%	72%
Somerset County	\$41,194	204%	223%	63%	\$48,601	200%	131%	67%
Talbot County	\$56,386	280%	305%	82%	\$64,395	265%	174%	84%
Washington County	\$50,423	250%	273%	78%	\$57,628	237%	156%	80%
Wicomico County	\$49,385	245%	267%	76%	\$56,679	233%	153%	79%
Worcester County	\$50,928	253%	276%	78%	\$58,658	241%	159%	81%

Definitions: The federal poverty guidelines for family of three = \$20,160 and for a family of four = \$24,300. Annual minimum wage is the gross amount of full-time, year-round work at an hourly wage of \$8.75 per hour (assumes both adults work). Area median family income varies by county and is calculated based on HUD's FY2016 Low Income Limit (50% of median family income).

OTHER APPROACHES TO POVERTY MEASUREMENT

For a more in-depth look at how the Standard compares to the federal poverty measure please visit www.selfsufficiencystandard.org/measuring-poverty

PART 3

STRATEGIES TO MEET THE STANDARD

MARYLAND'S MOST COMMON OCCUPATIONS: FALLING SHORT OF THE SELF-SUFFICIENCY STANDARD

Given these costs, the next question is how families can secure the resources necessary to meet their needs. Since almost all working-age families meet their income needs with employment, a crucial question is whether the jobs available provide sufficient wages.

To answer this question, the wages of the ten most common occupations (by number of employees) in Maryland are compared to the Standard. For this analysis, the Standard used is that of a one-parent family with a preschooler and school-age child in St.

Mary's County, which is \$29.62 per hour and \$62,564 per year. These ten occupations, which include 20% of Maryland workers, and their median wages are listed in **Figure I.**¹⁴

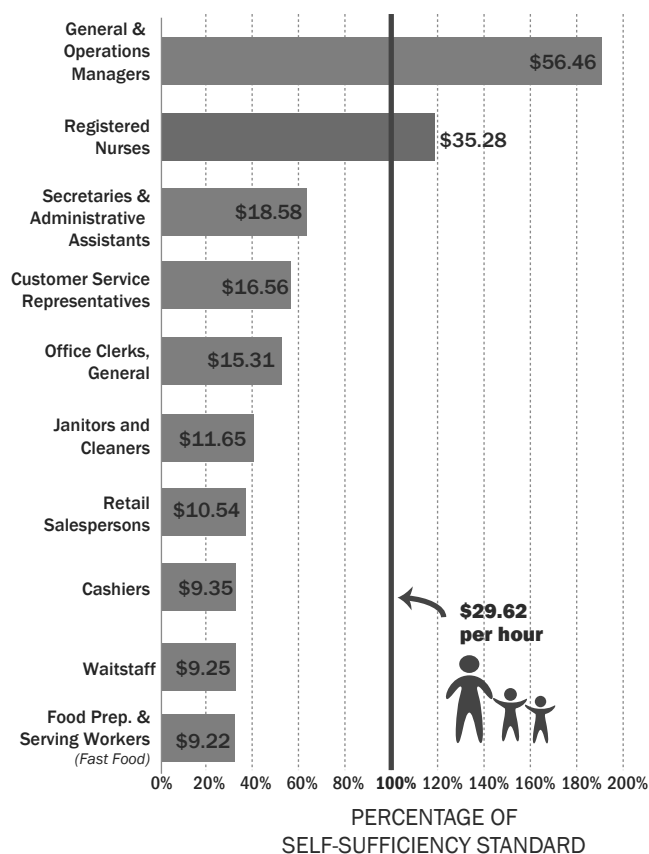
Two of the state's ten most common occupations—general and operations managers and registered nurses—have median wages that are above the Self-Sufficiency Standard for this family type in St. Mary's County. On the other hand, five of Maryland's top ten occupations have median earnings that are less than half of the Standard for this family type in St. Mary's County: food preparation and serving workers (fast food), waitstaff, cashiers, retail salespersons, and housekeeping cleaners.

The most common Maryland occupation is cashier, which accounts for 3% of all Maryland workers. With median hourly earnings of \$9.35 per hour (median annual earnings of \$19,433), the most common occupation in Maryland provides workers with earnings that are less than a third of the Standard for this family type in St. Mary's County. Even working *three* full-time jobs would not yield enough income to meet this single-parent family's basic needs. The median wages of this occupation is above the Maryland minimum wage yet is not enough for a single adult to support themselves or a child of any age in St. Mary's County.

Similarly, the median wages for all but the three most highly paid of the top ten occupations are such that *two adults* working full time at this wage would still not be able to earn the minimum needed to support a preschooler and a school-age child in St. Mary's County, as the Self-Sufficiency Standard for two adults with one preschooler and one school-age child requires each adult to earn at least \$16.63 per hour (a total of \$70,258 annually) working full time.

These numbers reflect the shift towards an increased number of low-wage jobs in the recovery from the Great Recession. That is, while job losses of the Great Recession were concentrated disproportionately in mid-wage occupations, as the economy recovers the job gains have been disproportionately in lower-wage

FIGURE I. Hourly Wages of Maryland's Ten Largest Occupations Compared to the Self-Sufficiency Standard for St. Mary's County, MD 2016
One Adult, One Preschooler, & One School-age Child



Source: U.S. Department of Labor, "May 2014 State Occupational Employment and Wage Estimates," Databases and Tables, Occupational Employment Statistics, <http://www.bls.gov/oes/data.htm> (accessed June 3, 2016). Wages adjusted for inflation using the South region Consumer Price Index from the Bureau of Labor Statistics.

occupations. At the same time the income gains have been to those at the very top, driving the increased income inequality that underlies Maryland's high levels of socioeconomic inequality.¹⁵ *Put another way, 81% of workers in the ten most common occupations, many of them in fast growing but low-wage service occupations, earn median wages insufficient to support a family with young children. And 53% of workers in the ten most common occupations, are in the five occupations that provide, on average, less than half of the income needed to meet their basic needs.*

This growing job gap has consequences in increased economic distress, as increasing numbers of workers struggle to make ends meet at wages well below the minimum required to meet their needs. At the same time, this analysis of the wages of the state's most common occupations demonstrates that the economic insecurity faced by so many of Maryland's workers does not reflect a lack of work effort, or lack of skills, but simply that wages are too low in many common Maryland occupations, a situation exacerbated by the unbalanced recovery from the Great Recession.

There are two basic approaches to closing the income gap between low wages and what it really takes to make ends meet: reduce costs or raise incomes. The next two sections will discuss each of these approaches.

The first approach relies on strategies to reduce costs, often temporarily, through work supports (subsidies), such as food and child care assistance. Strategies for the second approach, raising incomes, are often broader, such as increasing incomes through raising the minimum wage as well as increasing education levels, incumbent worker programs, and nontraditional job training. Reducing costs and raising incomes are not necessarily mutually exclusive, but can occur sequentially or in tandem, at the individual level or at the community, state or national level. For example, some parents may seek education and training that leads to a new job, yet continue to supplement their incomes with work supports until their wages reach the self-sufficiency level.

.....
81% OF WORKERS IN THE TEN MOST COMMON OCCUPATIONS ARE IN OCCUPATIONS WITH MEDIAN WAGES INSUFFICIENT TO SUPPORT A FAMILY WITH YOUNG CHILDREN.
.....

MEETING THE STANDARD: REDUCING COSTS

As described above, given the current job situation, many families struggle to meet their families' basic needs on earnings alone. Work supports (subsidies or assistance) can help working families achieve economic stability, so that they do not need to choose from among their basic needs, such as scrimping on nutrition, living in overcrowded or substandard housing, or leaving children in unsafe or non-stimulating environments. With such stability, parents can not only obtain jobs, but are able to retain employment, a necessary condition for improving wages.

This section models how work supports can reduce a family's expenses until they are able to earn Self-Sufficiency Wages, thus closing the gap between actual wages and what it really takes to make ends meet.

Maryland work supports include programs such as:

- Maryland's Child Care Subsidy Program
- Medicaid and Maryland Children's Health Program
- Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp Program) and the Women, Infants, and Children (WIC) Program
- Section 8 vouchers and public housing

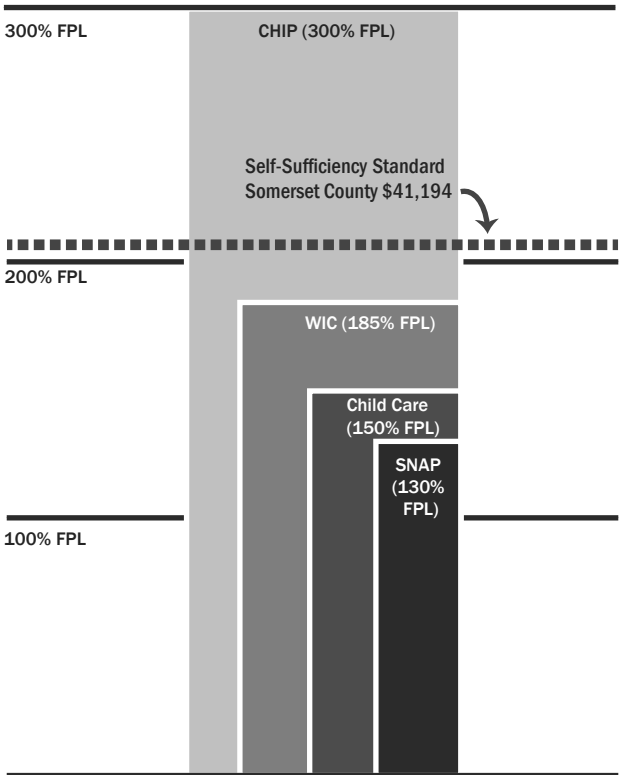
While not a work support per se, child support is also modeled as it assists families in meeting basic needs.

HOW DO WORK SUPPORTS AND CHILD SUPPORT REDUCE COSTS?

Our starting point is the Self-Sufficiency Standard, which is calculated without any assistance, public or private, and then we add work supports, one by one. **Table 4** provides a summary of the work supports, child support, and tax credits modeled in this section, while **Figure J** shows the income eligibility levels for the work supports modeled in this section.

Table 5 on page 25 shows the impact of work supports. The family type used here is a Somerset County family with one adult, one preschooler, and one school-age child. Column #1 of **Table 5** shows the full costs of each basic need in the Self-Sufficiency

FIGURE J. Eligibility Levels Compared to the Maryland Self-Sufficiency Standard, 2016
One Adult, One Preschooler, & One School-Age Child



Standard, without any work supports or child support to reduce these costs. Subsequent columns (#2-#6) of **Table 5** model various combinations of work supports, as listed in the column headings, and monthly costs reduced by these work supports indicated with shading and bolded numbers in the table.

NO WORK SUPPORTS (COLUMN #1). Note that in **Table 5** tax credits that are available as a refund on annual taxes are shown at the bottom of the table and not included in the wage calculation like in the Self-Sufficiency Standard. This family has monthly child care expenses of \$868 and monthly housing costs of \$719. Without any refundable tax credits or work (or other) supports to reduce costs, this Somerset County family needs \$3,682 per month, or \$20.92 per hour, to meet the cost of basic needs.

CHILD SUPPORT (COLUMN #2). Child support payments from absent, non-custodial parents can be a valuable

TABLE 4. Summary of Maryland's Work Supports, Child Support, and Tax Credits

PROGRAM	BENEFIT	INCOME ELIGIBILITY
WORK SUPPORTS		
CHILD CARE ASSISTANCE (Maryland's Child Care Subsidy Program)	Child care copayments are calculated on a sliding scale based on income.	Families are no longer eligible once income exceeds about 150% of the FPG.
HOUSING ASSISTANCE (Section 8 Housing Vouchers & Public Housing)	Housing costs are typically set at 30% of adjusted gross income.	Households may be eligible with incomes that are below 80% of area median income. However, due to limited funding most new program participants must have income below 30% of area median income (or below the federal poverty guidelines).
MEDICAID	Subsidized health insurance with copays.	138% of the FPG.
CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP) (Maryland Children's Health Program)	Health care benefits for uninsured children ages 18 and under.	Children in families with income less than 200% FPG receive free care. Families with incomes between 200-300% of the FPG pay annual premiums.
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)	Maximum benefit for a family of 3: \$511 per month. Maximum benefit for a family of 4: \$649 per month.	Families must earn gross income less than 130% of the FPG to be eligible and must also meet net income (gross income minus allowable deductions) guidelines.
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)	Average monthly benefit of \$45 in Maryland for purchasing supplemental nutritious foods. Also includes breastfeeding support and health education.	Pregnant and postpartum women and children up to age 5: at or below 185% FPG.
TAX CREDITS		
FEDERAL EARNED INCOME TAX CREDIT (EITC)	Maximum benefit for families with: • 1 child = \$3,373 per year • 2 children = \$5,572 per year • 3+ children = \$6,268 per year.	Maximum eligibility for families with: • 1 child = \$39,296 one parent, \$44,836 married • 2 children = \$44,648 one parent, \$50,188 married • 3+ children = \$47,955 one parent, \$53,495 married.
FEDERAL CHILD AND DEPENDENT CARE TAX CREDIT (CCTC)	Nonrefundable credit for child care costs with maximum of \$3,000 for one child and up to \$6,000 for two or more children.	No income limit.
FEDERAL CHILD TAX CREDIT (CTC)	Up to \$1,000 annual tax credit per child. Benefit is reduced by \$50 for every \$1,000 over income threshold.	Married filing jointly: up to \$110,000. Head of Household: up to \$75,000. Refundable portion limited to earnings over \$3,000.
MARYLAND EARNED INCOME TAX CREDIT (EITC)	The nonrefundable credit is 50% of the federal EITC benefit and the local EITC varies based on the local income tax rate. The refundable EITC is the amount by which 25.5% of the federal EITC exceeds the Maryland tax liability. Starting in 2015, an increase in the refundable credit is being phased in to 28% in 2018.	Non-refundable EITC is based on federal receipt of the EITC. If one-half of federal EITC is greater than the Maryland tax, families may also be eligible for a refundable earned income credit.
MARYLAND CHILD AND DEPENDENT CARE TAX CREDIT (CCTC)	Nonrefundable credit for child care costs with maximum of \$3,000 for one child and up to \$6,000 for two or more children.	No income limit.
MARYLAND POVERTY LEVEL TAX CREDIT	Non-refundable credit equal to 5% of earned income.	Income must be less than the FPG.
OTHER		
CHILD SUPPORT	Average payment from non-custodial parents is \$287 per month in Maryland.	No income limit.

Note: Eligibility levels and benefits for work supports and tax credits change routinely—typically yearly. The information reported in above represents eligibility and benefit guidelines for 2016. The federal poverty guidelines (FPG) for a family of three is \$20,160 (annual income). See <https://aspe.hhs.gov/poverty-guidelines>.

addition to family budgets. The average amount received by families participating in the child support enforcement program in Maryland is \$287 per month (see column #2).¹⁶ Adding child support reduces the wage needed by this parent to meet basic needs to \$3,278 per month, or \$18.63 per hour.

CHILD CARE (COLUMN #3). Because child care is a major expense for families with young children, child care assistance often provides the greatest financial relief of any single work support, and at the same time adds stability for parents, children, and employers. In Maryland, families must have incomes below \$2,499 per month for a three-person family to be eligible for child care assistance.¹⁷ In column #3, while child care assistance is modeled, in order to meet the family's other basic needs, the family income must be at a level too high to qualify for child care assistance. Note that compared to state median income, the income eligibility level for child care assistance in Maryland is the lowest in the country.¹⁸

CHILD CARE, FOOD, & MEDICAID (COLUMN #4).

For adults transitioning from cash assistance to employment, the typical package of benefits includes child care assistance, food assistance, and Medicaid.

- **Health Care.** Under the assumption that transitional Medicaid covers all of the family's health care expenses, health care costs are reduced from \$552 per month to zero in column #4.
- **Food.** SNAP and WIC together reduce food costs from \$559 to \$341 per month.¹⁹
- **Child Care.** Child care assistance further reduces the family's child care costs to the copayment of \$302 per month.

Altogether, these three work supports reduce the wage required to meet basic needs to \$2,106 per month, about three-fifths of the full Self-Sufficiency Standard. With the help of these crucial work supports, this Somerset County family making the transition from public assistance would be able to meet the family's basic needs at a starting wage of \$11.97 per hour.

CHILD CARE, FOOD, & CHIP (COLUMN #5). After 12 months, the adult would no longer be eligible for transitional Medicaid, but would now be eligible

for Medicaid due to the expanded coverage of adults under the Affordable Care Act (Obamacare). Additionally, the children would continue to be eligible under Maryland's CHIP program, with family income up to 300% of the FPG. So, costs would be the same as in the previous column. However, if the adult obtains health care through her employer, her costs would change. Column #5 shows the effects of the adult transitioning to an employer-sponsored health plan while keeping the children covered under CHIP.

Assuming the adult obtains health insurance through her employer, and pays her employee share of the premium, the health care costs for the family go up to \$182 to cover the adult. The additional income needed to cover that expense makes the family no longer eligible for child care subsidies, raising child care costs to \$868. At this income level, they lose their SNAP and WIC benefits as well, pushing up the monthly food bill from \$341 up to \$559. The minimum monthly wage needed under these circumstances is \$3,177 (\$18.05 hourly).

CHILD CARE, FOOD, MEDICAID, & HOUSING (COLUMN #6).

Housing assistance has a substantial impact on helping families meet their basic needs, as can be seen by comparing column #5 to column #6. By reducing the cost of housing to 30% of income, through a housing voucher or other assistance, housing costs drop from \$719 to \$575 per month.²⁰ The addition of housing assistance reduces the income needed to meet basic needs, thereby making the family again eligible for SNAP (food stamps) and WIC benefits and lowering food costs to \$321 per month. With less income required to meet other needs, the family again qualifies for child care assistance, with the copayment reduced to \$280. At this income level, the adult also qualifies for health coverage under Maryland's Medicaid expansion, reducing health costs even further to zero.

With this full benefit package, a parent with one preschooler and one school-age child living in Somerset County can meet basic needs with an income of just \$1,902 per month. Note however that very few families receive *all* of these benefits. Although analyzed in this section, this modeling should not imply that all households with inadequate income receive these work supports or child support.

TABLE 5. Impact of the Addition of Supports on Monthly Costs and Self-Sufficiency Wage**One Adult, One Preschooler, and One School-Age Child: Somerset County, MD 2016**

Each column demonstrates how specific work supports can lower the cost of specific basic needs, and therefore lessen the income necessary to meet all of a family's basic needs. Costs that have been reduced by these supports are indicated with bold font in the table.

	#1	#2	#3	#4	#5	#6
	No Work Supports	Child Support	Child Care	Child Care, SNAP/ WIC* & Transitional Medicaid	Child Care, SNAP/ WIC* & CHIP	Housing, Child Care, SNAP/ WIC*, & CHIP
MONTHLY EXPENSES:						
Housing	\$719	\$719	\$719	\$719	\$719	\$575
Child Care	\$868	\$868	\$868	\$302	\$868	\$280
Food	\$559	\$559	\$559	\$341	\$559	\$321
Transportation	\$270	\$270	\$270	\$270	\$270	\$270
Health Care	\$552	\$552	\$552	\$0	\$182	\$0
Miscellaneous	\$297	\$297	\$297	\$297	\$297	\$297
Taxes	\$647	\$469	\$647	\$210	\$436	\$171
TOTAL MONTHLY EXPENSES (NET OF WORK SUPPORTS)	\$3,911	\$3,734	\$3,911	\$2,138	\$3,331	\$1,914
ADDITIONAL MONTHLY RESOURCES:						
Earned Income Tax Credit (-)	**	**	**	**	**	**
Child Care Tax Credit (-)	(\$100)	(\$110)	(\$100)	(\$32)	(\$115)	(\$11)
Child Tax Credit (-)	(\$129)	(\$58)	(\$129)	(\$0)	(\$38)	(\$0)
Child Support		(\$287)				
TOTAL ADDITIONAL MONTHLY RESOURCES	(\$229)	(\$455)	(\$229)	(\$32)	(\$153)	(\$11)
SELF SUFFICIENCY WAGE: (TOTAL MONTHLY EXPENSES MINUS TOTAL ADDITIONAL MONTHLY RESOURCES)						
Hourly	\$20.92	\$18.63	\$20.92	\$11.97	\$18.05	\$10.81
Monthly	\$3,682	\$3,278	\$3,682	\$2,106	\$3,177	\$1,902
Annual	\$44,190	\$39,342	\$44,190	\$25,273	\$38,130	\$22,826
ANNUAL REFUNDABLE TAX CREDITS**:						
Total Federal EITC	\$97	\$1,117	\$97	\$4,080	\$1,373	\$4,597
Total State EITC	\$0	\$0	\$0	\$698	\$0	\$909
Total Federal CTC	\$452	\$1,299	\$452	\$2,000	\$1,541	\$2,000

* WIC is the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Assumes average monthly value of WIC benefit \$45 (FY 2016) in Maryland. SNAP is the Supplemental Nutrition Assistance Program, formerly known as the Food Stamp Program.

** The Standard shows both refundable and nonrefundable tax credits as if they are received monthly. However, in order to be as realistic as possible, tax credits that are available only as a refund on annual taxes are shown at the bottom of this table. EITC is only refundable, so it is shown only as an annual tax credit. The nonrefundable portion of the Child Tax Credit (which is a credit against federal taxes) is included as available to offset monthly costs, and the refundable portion is shown in the bottom of the table. The Child Care Tax Credit is nonrefundable, and therefore is only part of the monthly budget and does not appear in the bottom shaded rows of the table. In the Standard, the state EITC is calculated with state taxes in the 'taxes' row but is shown separately in the modeling table for illustration purposes.

Unfortunately, these supports are not available or accessible to all who need them due to eligibility criteria, lack of sufficient funding to help all who are eligible, waiting lists, administrative barriers, lack of knowledge or legal enforcement, or the perceived stigma of receiving assistance. Yet, when families do receive them, work supports, tax credits, and child

support play a critical role in helping families move towards economic self-sufficiency.

REFUNDABLE TAX CREDITS. All taxes and tax credits are shown in the Standard as monthly because the Standard costs are shown as a monthly budget. However, because families do not actually receive the refundable tax credits monthly, but instead receive

them at tax filing (as tax refunds), the annual amounts of the refundable tax credits are shown in the shaded rows at the bottom of the table. (This annual total assumes that the adult works full time at these wages throughout the year.) The amounts vary significantly, depending upon income. When costs are shown without work supports in column #1, the family's income is high enough that they qualify for about \$550 in refundable tax credits. In column #6, in which the full work support package is modeled, the parent is eligible for over \$7,000 in annual refundable tax credits. A more detailed explanation of how and why the taxes and tax credits are treated differently when modeling work supports is provided in *Appendix A: Methodology, Assumptions, and Sources*.

HOW DO WORK SUPPORTS INCREASE WAGE ADEQUACY?

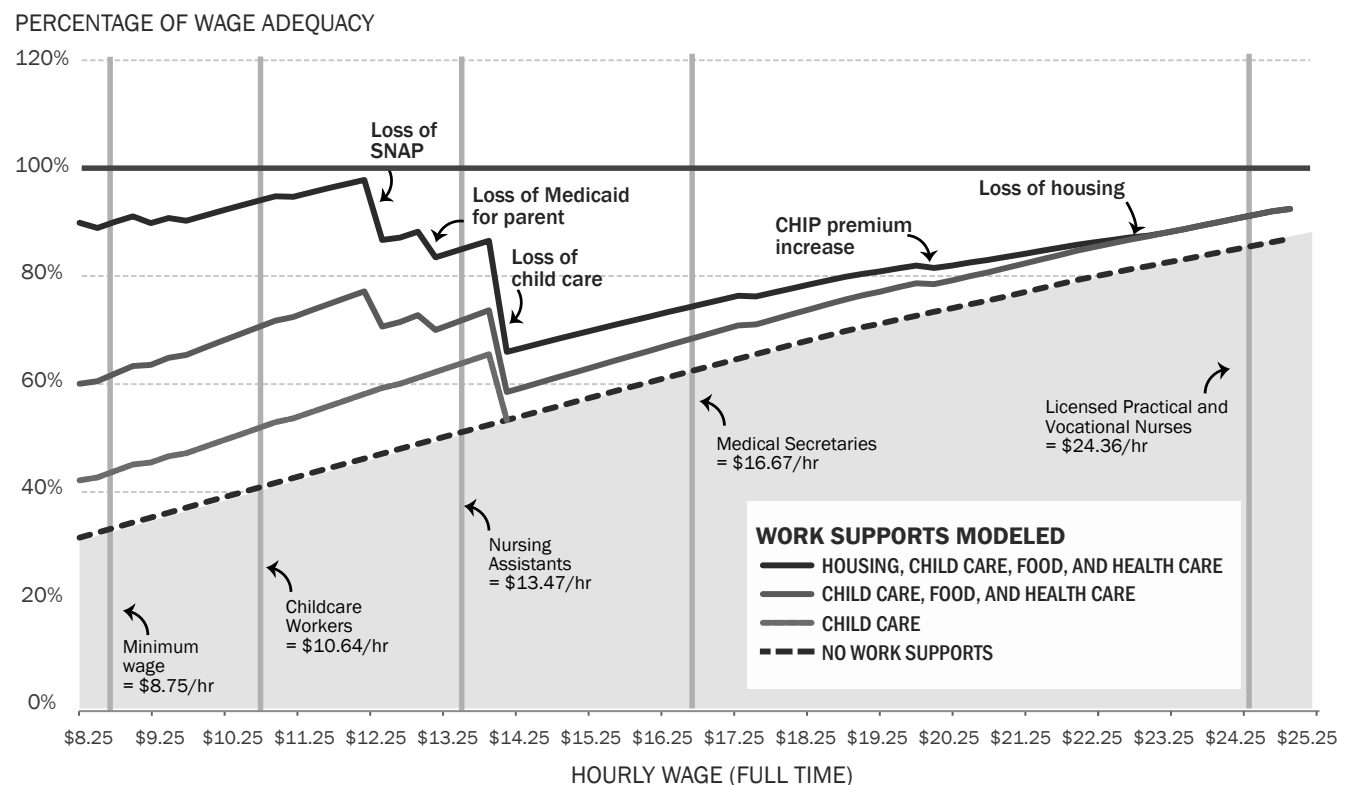
Table 5 shows how child support and work supports reduce the wage needed to meet basic needs. In contrast, **Figure K** starts with specific wages and asks: "How adequate are these wages in meeting a family's

needs, with and without various combinations of work supports?"

Wage adequacy is defined as the degree to which a given wage is adequate to meet basic needs, taking into account the financial impact of various work supports, or lack thereof. If wage adequacy is at or above 100%, the wage is enough or more than enough to meet all of the family's basic needs; if it is below 100%, it is only adequate to cover that percentage of the family's basic needs. For example, if wage adequacy is at 60%, then the wage (along with any work supports) only covers 60% of the cost of meeting that family's basic needs.

Modeling the same family type as in **Table 5** (one parent with one preschooler and one school-age child) now in Harford County, **Figure K** shows the impact of work supports on wage adequacy as the parent's income increases, starting with the minimum wage. The dashed line provides the baseline, showing the adequacy of various wages without *any* work supports. Each solid line represents a different work support package, and shows how much wage adequacy

FIGURE K. Impact of Wage Adequacy on Work Supports, Harford County, MD 2016
One Adult, One Preschooler, & One School-Age Child



increases above the dashed baseline as a result of the addition of one or more work supports. In addition to examining wage adequacy results at the minimum wage level, **Figure K** highlights the adequacy results at percentages of the federal poverty guidelines.

Appendix C: Modeling the Impact of Work Supports on Wage Adequacy provides a detailed table of the exact amounts of each work support modeled.

MINIMUM WAGE. With the Maryland minimum wage of \$8.75 per hour in 2016, a Harford County parent with two children working full time earns just over a third (only 34%) of the income needed to meet her family's basic needs if she is not receiving any work supports (see the dashed line in **Figure K**).²¹

However, if the parent receives help from Maryland's child care subsidy program (the first solid line from the bottom in **Figure K**), the monthly cost of child care decreases from \$1,367 to \$274, and wage adequacy increases to 44%—a substantial increase but still covering less than half of her monthly expenses. If the family also receives assistance with food (SNAP and WIC) and health care, the cost of food decreases to \$147 per month and the cost of health insurance to \$0 per month. Combined, assistance with child care, food, and health care increases wage adequacy to 62% (shown in the second solid line from the top in **Figure K**). With the addition of housing assistance combined with the other work supports, housing costs are reduced to 30% of the family's income and wage adequacy reaches 90% (top solid line in **Figure K**).

CHILDCARE WORKERS. If this parent's wage was \$10.64 per hour (fifty cents an hour above the 2018 Maryland minimum wage), which is the median hourly wage for childcare workers, they would earn enough to cover 40% of their family's basic needs without any assistance. Receiving assistance with child care costs increases the wage adequacy to 51%. The further addition of food assistance and health coverage increases the wage adequacy to 70% and if they also receive housing assistance, wage adequacy reaches 94%.

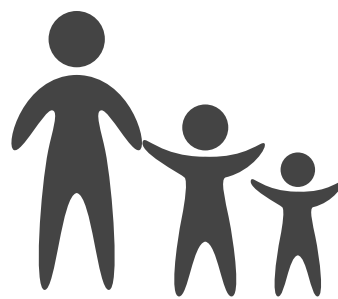
NURSING ASSISTANTS. The median wage of nursing assistants, \$13.47 per hour, is such that this single parent would be able to meet 51% of the income needs of their family without any assistance. Receiving assistance with child care costs increases the wage adequacy to 63%. The further addition of food and

health assistance increases the wage adequacy to 71%. Finally, if they receive the full work support package, they will be able to meet 85% of their family's needs.

MEDICAL SECRETARIES. At the median wage of medical secretaries, which is \$16.67 per hour, this single parent would be able to cover 62% of their family's basic needs without any work supports. Unfortunately at this income level, their income is above eligibility caps, so they receive no child care or food assistance, but their children are still eligible for coverage under CHIP, increasing their wage adequacy to 68%. With the addition of housing assistance, they can meet 74% of their family's basic needs.

LICENSED PRACTICAL AND VOCATIONAL NURSES. If this parent's wage was \$24.36 per hour, the median hourly wage of licensed practical and vocational nurses, wage adequacy would be 85% without any assistance. They do not qualify for childcare, housing, or food assistance, but CHIP coverage for the children reduce health care costs, and wage adequacy increases to 90%.

Note that at about \$14 per hour, this parent experiences a "cliff" effect. That is, when her wage increases to just above this amount, she loses her child care assistance (as her income has exceeded the eligibility threshold), and this results in a substantial drop in her wage adequacy of around 20 percentage points. This is particularly noticeable in the case of medical secretaries, who have a substantially lower wage adequacy rate than nursing assistants and childcare workers despite their higher wages due to a lack of eligibility for child care assistance.



MEETING THE STANDARD: RAISING INCOMES

For families whose earnings are below 100% wage adequacy, work supports for high-cost necessities such as child care, health care, and housing are frequently the only means to meet basic needs. However, true long-term self-sufficiency means the ability of families to meet basic needs without any public or private assistance. Fully closing Maryland's wage gap will require public policies that make work pay, increase the skills of low-wage workers, and recognize the importance of asset building.

RAISE WAGES

As demonstrated in this report, in many cases even two adults working full time must each earn well beyond a minimum wage to meet their family's basic needs. Raising wages can have a positive impact not only for workers, but also for employers by decreasing turnover, increasing work experience, and reducing training and recruitment costs.

MINIMUM WAGE. One method to increase salaries of low-wage workers is to increase and index the minimum wage, thus providing a floor under wages for all workers, and insuring that the minimum wage will continue to keep pace with inflation.

While the federal minimum wage has remained at \$7.25 an hour since 2009, 29 states have passed higher minimum wages, with ten indexing them as well.²² In 2016, California and Massachusetts have the highest state minimum wage at \$10 per hour.²³ Fifteen states have enacted legislation that will lead to higher wages in the future.²⁴

Local minimum wages are even higher, with Seattle, WA, and San Francisco, CA, having adopted the highest to date. In 2018 the minimum wage will reach \$15 per hour in San Francisco and thereafter will be indexed. In Seattle the minimum wage will reach \$15 per hour in 2018 for workers of large employers but not until 2021 for all workers, and will be indexed thereafter.²⁵

LOCAL LIVING WAGES. Localized living wage laws are another approach to raising wages of workers. These laws mandate that public employers, as well as contractors and employers receiving public

subsidies, pay a "living wage," thus impacting private sector as well as public sector wages. For example, in Maryland the Living Wage Law requires contractors and subcontractors working on state contracts above \$100,000 to pay their employees a minimum of \$13.59 per hour or \$10.21 per hour depending on jurisdiction.²⁶ Baltimore City and Montgomery County also have established living wage requirements for contractors.

UNIONIZATION. According to the Bureau of Labor Statistics and the U.S. Department of Labor, union representation of workers also leads to higher wages and better benefits.²⁷ This union "premium," controlling for other factors is worth about 14% in increased wages.²⁸ However, the percentage of workers represented by unions over the past half century has decreased, so that currently only about 7% of private sector, and 35% of public sector workers are union members.²⁹

PAY EQUITY AND ANTI-DISCRIMINATION LAWS. Pay equity laws require employers to assess and compensate

MINIMUM WAGE INCREMENTAL INCREASES IN MARYLAND

MARYLAND MINIMUM WAGE RATES

- \$8.75 Effective 7/1/16
- \$9.25 Effective 7/1/17
- \$10.10 Effective 7/1/18

See <https://www.dllr.state.md.us/labor/wages/minimumwagelaw.pdf>

MONTGOMERY COUNTY MINIMUM WAGE RATES

- \$10.75 Effective 7/1/16
- \$11.50 Effective 7/1/17

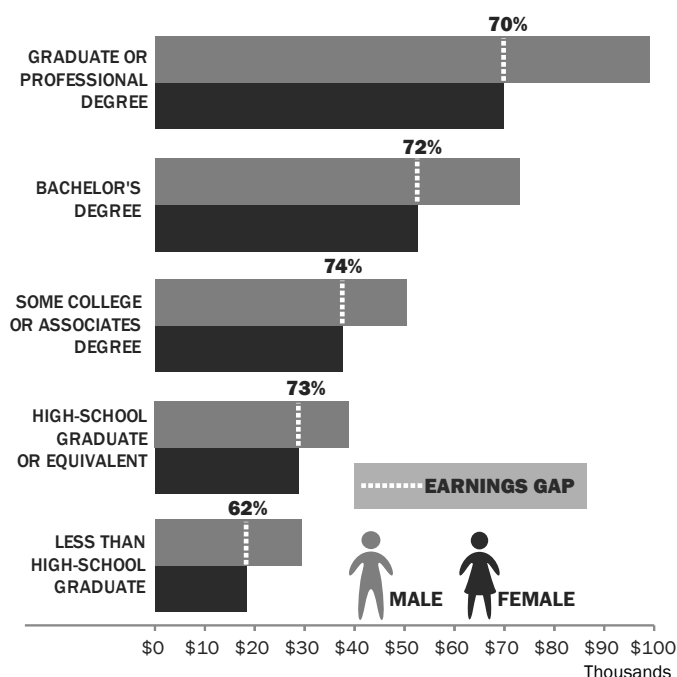
See <https://www.dllr.state.md.us/labor/wages/minimumwagelawmont.pdf>

PRINCE GEORGE'S COUNTY MINIMUM WAGE RATES

- \$9.55 Until 9/30/16
- \$10.75 Effective 10/1/16
- \$11.50 Effective 10/1/17

See <https://www.dllr.state.md.us/labor/wages/minimumwagelawpg.pdf>

FIGURE L. Impact of Education on Median Earnings by Gender, Maryland 2016



Source: U.S. Census Bureau, American Factfinder, 2014 American Community Survey, "B20004. Median Earnings by Sex by Educational Attainment for the Population 25 Years and Over," Detailed Tables, <http://factfinder.census.gov/> (accessed May 25, 2016). U.S. Department of Labor, Bureau of Labor Statistics, "Employment Cost Index, Wages and salaries for All Civilian workers in All industries and occupations, Index," <http://data.bls.gov/cgi-bin/srgate, Series CIS102000000000001> (accessed May 25, 2016).

jobs based on skills, effort, responsibility, and working conditions, and not based on the gender or race/ethnicity of the job's occupants.³⁰ Women and people of color all too often face artificial barriers to fair hiring, fair wages, and equal benefits and promotion opportunities—barriers not addressed by tax credits or training and education strategies. It is important to recognize that not all barriers to self-sufficiency lie in the individuals or families seeking self-sufficiency, but that some are gender- or race-based structural constraints and discrimination.

BENEFITS. An increasingly important source of resources for workers are employer-provided benefits, including health insurance, paid sick leave, paid holidays, and paid family leave.

INCREASE SKILLS

POST-SECONDARY EDUCATION/TRAINING. Increasing the skills of low-wage workers provides paths to self-sufficiency and strengthens local economies. As

businesses increasingly need workers with higher skill levels, a high school diploma or GED does not have the value that it once had in the job market.³¹ As shown in Figure L, the median earnings of male and female workers in Maryland increase as education levels increase.³² While increased education is important for both men and women, the gender wage gap at every level continues to present additional challenges for women workers. In Maryland, women at each educational level earn about the same, sometimes a little more, sometimes a little less, than the average for men at the next lower level of education. For example, women with a graduate or professional degree in Maryland earn about what the average man does with just a bachelor's degree.

BASIC ADULT EDUCATION. For many workers with inadequate education, Limited English Proficiency, or insufficient job skills or experience, basic adult education programs are an important first step. Due to welfare time limits and restrictions on education and training, short-term, high quality programs that teach basic skills and job skills together in a work-related context are important.

MONTGOMERY COUNTY EARNED SICK AND SAFE LEAVE POLICY

Montgomery County's earned sick and safe leave policy went into effect October 2016.

- Employers must provide a minimum of one-hour sick leave for every 30 hours worked. Employees in business with less than five employees can accrue up to 32 paid hours and 24 unpaid hours. Employees in businesses with more than five employees can accrue up to 56 paid hours.
- Employees can use up to 80 sick and safe leave hours in a year.
- Applies to employees who regularly work more than eight hours per week. The law does not cover independent contractors or persons with irregular work schedules.

See https://www.montgomerycountymd.gov/COUNCIL/Resources/Files/bill/2014/20150623_60-14.pdf

NONTRADITIONAL OCCUPATIONS. For women, many “nontraditional” occupations (NTOs), such as in manufacturing, health care, technology, and construction, require relatively little post-secondary training, yet can provide wages at self-sufficiency levels. In particular, demand for workers in the “green economy” is anticipated and investing in NTO training programs for women will broaden the pool of skilled workers available to employers and create a more diverse workforce that is reflective of the community.³³

INCUMBENT WORKER TRAINING. For low-wage workers who are already in an industry that offers adequate wages to medium or high-skilled workers, incumbent worker training creates a career ladder to self-sufficiency. Training incumbent workers allows employers to retain their employees while giving employees an opportunity to become self-sufficient. Retraining and training current employees is a “win-win” (for both employer and employee) strategy in many industries, particularly those which rely on skills and technology unique to a given company or industry subset.

TARGETED JOBS/SECTOR STRATEGIES. Aligning training and postsecondary education programs with the workforce needs of the local labor market increases the potential income of low-wage workers and helps communities strengthen their local economies by responding to businesses’ specific labor needs. Targeting job training programs towards occupations with both high growth projections and self-sufficient wages is one way to respond to workforce needs.

COUNSELING AND COORDINATED TARGETED SERVICES. Helping low-wage workers balance work, family, and financial responsibilities requires provision of a wide range of services that meet specific subsets of clients’ particular needs, including career counseling to find the occupations that best fit workers’ skills and needs as well as linkage to income and in-kind work supports such as child care, food, transportation, and health care assistance.

INCREASE ASSETS

INDIVIDUAL DEVELOPMENT ACCOUNTS. A necessary aspect of long-term economic security is the accumulation of assets. For families with no savings, the slightest setback—an unexpected hospital bill or a

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TRUE LONG-TERM SELF-SUFFICIENCY MEANS THE ABILITY OF FAMILIES TO MEET BASIC NEEDS WITHOUT ANY PUBLIC OR PRIVATE ASSISTANCE. FULLY CLOSING MARYLAND’S WAGE GAP WILL REQUIRE PUBLIC POLICIES THAT MAKE WORK PAY, INCREASE THE SKILLS OF LOW-WAGE WORKERS, AND RECOGNIZE THE IMPORTANCE OF ASSET BUILDING.

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reduction in work hours—can trigger a major financial crisis. In addition to the Emergency Savings Funds (see “Beyond Self-Sufficiency” section of this report), Individual Development Account (IDA) programs are one way to enable asset building for low-wage workers. IDAs are savings accounts to which families make regular contributions which are then matched by contributions from a public or private entity and managed by community-based organizations. The savings can only be used for certain objectives that enhance long-term economic security, such as the down payment for a house, payment for higher education, or start-up costs for a small business.

SELF-EMPLOYMENT

Some individuals, rather than seeking new training or higher wage employment, may choose to become entrepreneurs and start their own business. This is a viable opportunity for many, and small businesses help support and grow the economic base of local communities.³⁴ However, failure rates are extremely high, with half of businesses no longer in operation after five years.³⁵ Most businesses are launched via the owners’ or relatives’ personal financial resources, so low-income individuals may have difficulty accessing capital to start their business, particularly if they have poor credit.³⁶

Median income for individuals in Maryland employed at their own incorporated firms was \$51,697. For individuals employed at their own unincorporated firms, it was \$26,697.³⁷

PART 4

BEYOND SELF-SUFFICIENCY

SAVING FOR EMERGENCIES

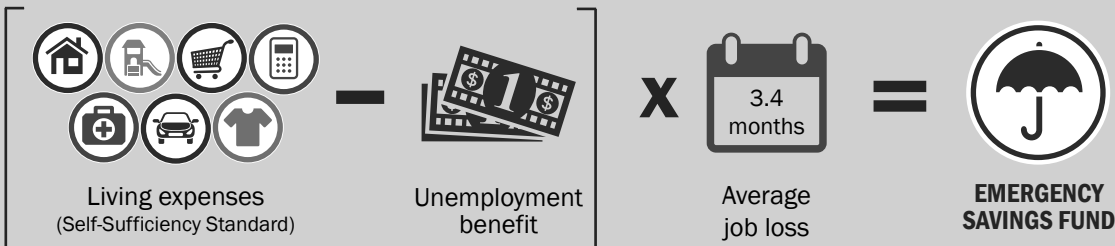
The Self-Sufficiency Standard approach to economic security consists of three elements: securing the costs of daily basic needs, creating an Emergency Savings Fund, and choosing the appropriate asset-building Economic Security Pathway(s). This section describes how Emergency Savings Fund goals are calculated, and how these amounts vary across Maryland and by family type. Note that in addition to the amount of basic needs required on a daily basis, the 2016 Self-Sufficiency Standard for Maryland includes an emergency savings amount for every family type in every county and Baltimore City.

Beyond meeting basic needs, the next step towards economic security is saving for emergencies. Emergency savings enable families to weather economic crises, and are essential for achieving economic security. The Emergency Savings Fund calculations are for the most common emergency, that of job loss. These estimates assume that the minimum savings needed includes the cost of living expenses (using the Self-Sufficiency Standard) minus the amount of other resources available to meet those needs (primarily, unemployment insurance), for the length of time of the emergency. The estimates use the median amount of time out of work (about three and three-quarters months in Maryland), and the median tenure in current employment in Maryland (five years). An additional amount is added to allow for the taxes on the additional earnings for the Emergency Savings Fund.

Of course, the specific amount of money families need to be able to maintain economic self-sufficiency varies depending on family composition and the local cost of living. **Table 6** illustrates the emergency savings amounts for Allegany and Prince George’s counties for three different family types.

- A single adult needs to earn \$1,749 per month working full time to be able to meet basic needs in Allegany County. The single adult needs to earn an additional \$43 per month to meet the emergency savings goal of having enough savings to meet basic living costs, allowing for the receipt of unemployment insurance, in the case of job loss. In Prince George’s County a single adult needs to earn a minimum of \$2,712 per month to be self-sufficient and earn an additional \$57 per month to meet the emergency savings goal.
- One adult caring for a preschool-age child needs to earn \$2,899 per month in Allegany County or \$4,652 per month in Prince George’s County to be self-sufficient. Maintaining economic security for this family type requires earning an additional \$165 per month in Allegany County and an additional \$171 per month in Prince George’s County. In these counties, the overall emergency savings goal over four years is \$9,908 in Allegany County and \$10,265 in Prince George’s County.
- For families with two adults, a preschooler, and a school-age child, it is assumed that only one adult

HOW IS THE EMERGENCY SAVINGS FUND CALCULATED?



is out of work at a given time, so the emergency savings goal needs to cover only half of the family's total living expenses for three and three quarters months. Therefore, the monthly contribution to the savings account is less for the two-parent household with one preschooler and one school-age child than the one-adult household with one child. In Allegany County this household needs an additional \$75 per month in total earnings and in Prince George's County the adults need an additional \$76 per month in earnings in order to save for a spell of unemployment. Because the Self-Sufficiency Wage is higher in Prince George's County, the unemployment benefit is larger than in Allegany County. Additionally, the increase in income needed to add emergency savings to the family budget in Allegany County causes the family to increase tax brackets and eligibility for tax credits decreases.

Note that the Emergency Savings Fund assumes adults receive unemployment insurance if a job loss occurs. Without unemployment insurance, the adults would need to save over twice as much per month.

Once a family has secured income at the Self-Sufficiency Standard level and instituted their Emergency Savings Fund, the road to long-term economic security will be different for each. For some, this might be additional savings, to meet immediate costs (such as a car breakdown) or to ensure sufficient resources for the long-term costs of retirement. For others, paying off debts may be the first priority. For still others, income beyond that needed for the essentials may be devoted to securing alternative housing thus enabling the family to move, such as to leave an abusive partner or a problematic living situation.

**TABLE 6. The Self-Sufficiency Standard and Emergency Savings Fund for Select Family Types
Allegany and Prince George's Counties, MD 2016**

	ALLEGANY COUNTY			PRINCE GEORGE'S COUNTY		
	1 Adult	1 Adult 1 Preschool	2 Adults 1 Preschool 1 School-age	1 Adult	1 Adult 1 Preschool	2 Adults 1 Preschool 1 School-age
MONTHLY EXPENSES						
Housing	\$581	\$672	\$672	\$1,281	\$1,481	\$1,481
Child Care	\$0	\$523	\$820	\$0	\$811	\$1,323
Food	\$264	\$399	\$828	\$249	\$377	\$781
Transportation	\$260	\$266	\$507	\$180	\$180	\$360
Health Care	\$182	\$532	\$607	\$179	\$521	\$597
Miscellaneous	\$129	\$239	\$343	\$189	\$337	\$454
Taxes & Tax Credits	\$334	\$267	\$201	\$635	\$944	\$991
SELF-SUFFICIENCY WAGE						
Monthly	\$1,749	\$2,899	\$3,978	\$2,712	\$4,652	\$5,988
EMERGENCY SAVINGS FUND						
Living expenses (3.4 months)*	\$5,452	\$10,140	\$7,277	\$8,006	\$14,283	\$9,625
Tax on additional earnings	\$791	\$5,942	\$1,634	\$1,038	\$3,141	\$1,412
Subtotal	\$6,243	\$16,082	\$8,910	\$9,044	\$17,424	\$11,037
Unemployment Insurance Benefit	-\$3,645	-\$6,174	-\$4,411	-\$5,652	-\$7,160	-\$6,504
Total Savings	\$2,598	\$9,908	\$4,499	\$3,392	\$10,265	\$4,532
Additional Monthly Earnings (Assumes interest accrued)	\$43	\$165	\$75 Per Adult	\$57	\$171	\$76 Per Adult

* Living expenses for two adults assumes half of overall living expenses, assuming only one adult will be unemployed at a time.

HOW IS THE SELF-SUFFICIENCY STANDARD USED?

The Self-Sufficiency Standard is currently used to better understand issues of income adequacy, create and analyze policy, and help individuals striving to meet their basic needs. Community organizations, academic researchers, policy institutes, legal advocates, training providers, community action agencies, and government officials, among others are using the Standard. Below are some examples of ways that the Standard is being used.

POLICY ANALYSIS

The Self-Sufficiency Standard is used as a tool to analyze the impact of current and proposed policy changes. The Standard can be used to evaluate the impact of a variety of work supports (such as SNAP/Food Stamp Program or Medicaid) or policy options (such as changes in child care co-payments, tax reform, or tax credits) on family budgets.

- The Colorado Center on Law and Policy used the Colorado Self-Sufficiency Standard to determine the impact of affordable housing on family stability and upward mobility. In addition, the Colorado Division of Housing used information from the Colorado Self-Sufficiency Standard in its report *Housing Colorado: The Challenge for a Growing State*.
- In Pennsylvania, the Standard was used to model the impact of a state Earned Income Tax Credit on the ability of a family to reach self-sufficient wages. Pennsylvania also used the Standard to successfully prevent proposed child care co-payment increases.

COUNSELING TOOL

The Self-Sufficiency Standard is used as a counseling tool to help participants in work and training programs to choose jobs that pay adequate wages, access benefits and develop strategies to become self-sufficient. Counseling tools allow users to evaluate possible wages, then compare information on available programs and work supports to their own costs and needs. Clients are empowered with information that allows them to develop and test out their own strategies for achieving self-sufficient incomes.

- In Washington State, the online Self-Sufficiency Calculator is used by workforce councils across the state as a counseling tool; it is publicly accessible at www.thecalculator.org.
- Also in Washington State, counselors in a variety of agencies such as homeless shelters, transitional housing, and substance abuse counseling centers, have used the Standard-based Snohomish Self-Sufficiency Matrix, or adaptations of this tool. It includes 25 dimensions that measure client progress from “striving/in crisis” to “thriving”, and is available at www.snohomishcountywa.gov/DocumentCenter/View/7130.

EVALUATION TOOL

The Self-Sufficiency Standard is used to evaluate outcomes for grantees of economic development and foundation programs. Such evaluations help redirect resources to approaches that result in improved outcomes and more efficient use of limited foundation and government funding.

- In California, the United Way of the Bay Area and Y&H Soda Foundation are evaluating the success of their grantees by how effectively they are able to move families toward self-sufficiency, as defined by the Self-Sufficiency Standard. These foundations understand that to be effective, job training and direct service programs need to know the actual costs that clients are facing, information that is provided by the Standard.
- The San Diego Women’s Foundation focused their 2013-2014 grant cycle on proposals that would help families move to self-sufficiency. They defined their target population as families with incomes higher than the federal poverty guidelines but lower than the Standard for San Diego.

BENCHMARK FOR WAGE-SETTING

The Self-Sufficiency Standard has been used as a guideline for wage setting. By determining the wages necessary to meet basic needs, the Standard provides information for setting wage standards. The Standard

has been used in California, Connecticut, Hawaii, Illinois, New York, New Jersey, Nebraska, Oregon, South Dakota, Tennessee, Virginia, and Washington State to advocate for higher wages through living wage ordinances, minimum wage campaigns, and in negotiating labor union agreements.

- In New York City, the Real Living Wage NYC campaign used the Standard to make a case for their target of a \$20 per hour “living wage.”
- The Standard was cited in the successful campaign to raise the minimum wage in Seattle to \$15/hour (over several years, depending on establishment size), in support of the SeaTac, Washington living wage ordinance (raising wages to \$15/hour for covered employees), and in support of raising the statewide Washington minimum wage to \$12/hour.
- The Standard was used to design the unique Oregon statewide three-tiered minimum wage schedule, which raises the minimum wage (in steps, and then indexed) to three different levels, depending on the cost of living in the three areas in Oregon.

TARGETED ALLOCATION OF RESOURCES

The Self-Sufficiency Standard is used to target job training resources on education/training that leads to self-sufficiency waged jobs. Using a targeted jobs strategy, the Standard helps to match job seekers with employment that pays Self-Sufficiency Wages. Through analysis it is possible to determine the jobs and sectors on which to target training and education resources, including training for occupations that are nontraditional for women.

- In California’s Santa Clara County, the Standard was used in a sectoral employment intervention analysis that focused on the availability of nontraditional jobs, the geographical spread of those jobs, the availability of training resources, and wage rates. The analysis led to a curriculum and counselor

THE STANDARD IN PRACTICE

For more descriptions of the ways organizations apply the Self-Sufficiency Standard in their work and links to examples, please visit: www.selfsufficiencystandard.org/standard-practice

training package that targeted transportation jobs and provided \$140,000 to the community college system to explore how to strengthen preparation for these jobs.

SUPPORT RESEARCH

Because the Standard provides a means of estimating how poverty and income adequacy differs from place to place and among different family types, it is frequently used in research. The Standard provides a means to measure the adequacy of various work supports, such as child care assistance, given a family’s income, place of residence, and composition.

- Rise Together Bay Area and Insight Center for Community Economic Development’s report *Promoting Family Economic Security in the San Francisco Bay Area Region* included the Standard as a key benchmark in its economic models.
- The Standard has been used along with data from the U.S. Census Bureau to measure the number of families above and below the Standard, as well as by characteristics such as race, ethnicity, gender, family type, education, occupation, and employment. These demographic reports have been published by the Center for Women’s Welfare for eight states, and the most recent reports demonstrate the impact of the Great Recession as measured by the Standard.

COMMUNITY INDICATOR

Community indicators and scorecards help communities to examine the well-being of residents. The Self-Sufficiency Standard provides communities with an indicator of the cost of living at a basic needs level and, in some states, how many households are living below the Standard.

- The Dave and Lucille Packard Foundation includes the Standard in kidsdata.org, a database tool providing access to information about the health and well-being of children across California.
- The increase or decrease in the number of families living below the Self-Sufficiency Standard is included as an indicator of economic well-being in the Erie Vital Signs Dashboard (Pennsylvania).

CONCLUSION

In Maryland, long-term economic prosperity will require responses at the state and community level that enable all Maryland families to move forward on the path to self-sufficiency. *The Self-Sufficiency Standard for Maryland 2016* defines the income needed to realistically support a family without public or private assistance in Maryland. For most workers, the Standard shows that earnings above the official federal poverty guidelines are nevertheless far below what is needed to meet families' basic needs. A strong economy means good jobs that pay Self-Sufficiency Standard wages and a workforce with the skills necessary to fill those jobs.

Although the Self-Sufficiency Standard determines an adequate wage level without public benefits, it does not imply that public work supports are inappropriate or unnecessary for Maryland families. For workers with wages below the Self-Sufficiency Standard, public subsidies for such necessities as child care, health care, and housing are critical to meeting basic needs, retaining jobs, and advancing in the workforce. By utilizing the Self-Sufficiency Standard, Maryland has the opportunity to lay the foundation to achieve a strong workforce and thriving communities.

The Self-Sufficiency Standard is currently being used to better understand issues of income adequacy, analyze policy, and help individuals striving to be self-sufficient. Community organizations, academic researchers, policy institutes, legal advocates, training providers, community action agencies, and state and local officials, among others, are using the Self-Sufficiency Standard.

FOR MORE INFORMATION ABOUT THE STANDARD

In addition to Maryland, the Standard has been calculated for Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New York, New York City, North Carolina, Oklahoma, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington State, West Virginia, Wisconsin, Wyoming, and the Washington, DC metropolitan area.

For further information about the Standard, how it is calculated or used, or the findings reported here, as well as information about other states or localities, contact Dr. Diana Pearce at pearce@uw.edu or (206) 616-2850, or the Center for Women's Welfare staff at (206) 685-5264, or visit www.selfsufficiencystandard.org.

For more information on *The Self-Sufficiency Standard for Maryland 2016*, this publication or the Standard wage tables for Maryland counties, or to find out more about the Maryland Community Action Partnership, visit www.maryland-cap.org.

ENDNOTES

1. Jared Bernstein, *Crunch: Why Do I Feel so Squeezed (and other Unsolved Economic Mysteries)*, (San Francisco, CA: Berrett-Koehler Publishers, Inc., 2008).
2. According to the U.S. Bureau of Labor Statistics, both parents were employed in 60% of two-parent families with children in 2014. Likewise, 69% of single mothers and 82% of single fathers were employed in 2014. Although about 75% of employed women with children under 18 years of age worked full time in 2014, working part time is clearly the desirable option under many circumstances such as when the children are very young or in need of special care, or when affordable/appropriate child care is not available. For many low-income mothers it is equally clear that economic necessity, as well as the TANF requirements that limit benefits and stipulate that recipients participate in job searches, preclude this option. U.S. Department of Labor, Bureau of Labor Statistics, "Employment Characteristics of Families in 2014," Economic News Releases, Employment and Unemployment, <http://www.bls.gov/news.release/pdf/famee.pdf> (accessed December 2, 2015).
3. Maryland's minimum wage is \$8.75 per hour. U.S. Department of Labor, Wage and Hour Division. "Minimum Wage Laws in the States - July 1, 2015" <http://www.dol.gov/esa/minwage/america.htm> (accessed July 28, 2016).
4. In 2015 the average consumer expenditure on food was \$7,023 per year or 12.5% of total expenditures. U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Expenditures in 2015," <http://www.bls.gov/news.release/cesan.nr0.htm> (accessed September 27, 2016).
5. Health care premiums are the statewide average paid by workers for single adults and for families, from the national Medical Expenditure Panel Survey (MEPS), which is 24.3% of the premium for family coverage and 35.4% of the premium for individual coverage in Maryland. U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends, "Tables II.C.3 and II.D.3: Percent of total premiums contributed by employees enrolled in single (family) coverage at private-sector establishments that offer health insurance by firm size and State: Maryland 2015," Medical Expenditure Panel Survey-Insurance Component, http://meps.ahrq.gov/mepsweb/data_stats/quick_tables_results.jsp?component=2&subcomponent=2&year=2015&tableSeries=2&tableSubSeries=&searchText=&searchMethod=1&Action=Search (accessed September 27, 2016).
6. The lowest cost Silver plan for a family with two adults (age 30) living in Charles County and earning \$83,988 annually with one year old and 4 year old is \$647 per month after estimated tax credits. Maryland Health Connection, Individuals and Families, Shop Online Now "What Kind of Coverage Are You Looking For," <https://secure.marylandhealthconnection.gov/AHCT/LandingPageCTHIX> (accessed July 6, 2016).
7. The Self-Sufficiency Wage for each of these places has been updated to current dollars using the Consumer Price Index for the appropriate regions. U.S. Department of Labor, Bureau of Labor Statistics, "All Items, 1982-84=100 - CUURA101SA0," Consumer Price Index, <http://data.bls.gov/cgi-bin/surveymost?cu> (accessed July 7, 2016).
8. In the report, single parents are referred to as "she" because 84% of all one-parent unmarried families are maintained by the mother. U.S. Census Bureau, Current Population Survey, 2015 Annual Social and Economic Supplement, "Table FG5. One-Parent Unmarried Family Groups with Own Children Under 18, by Labor Force Status of the Reference Person: 2015," <http://www.census.gov/hhes/families/data/cps2015FG.html> (accessed September 21, 2016).
9. U.S. Department of Labor, Bureau of Labor Statistics, "South Region All Items, 1982-84=100 - CUURA101SA0," Consumer Price Index, <http://data.bls.gov/cgi-bin/surveymost?cu> (accessed July 7, 2016).
10. Workforce Innovation and Opportunity Act, HR 803, 113th Congress, 2nd Session, 2014, <https://www.congress.gov/113/bills/hr803/BILLS-113hr803enr.pdf> (accessed July 28, 2016).
11. Employment and Training Administration, Workforce Innovation and Opportunity Act (WIOA) 2014; Lower Living Standard Income Level (LLSIL), 81 Federal Register 16217 (July 28, 2016), pp 16217-16223, <https://federalregister.gov/a/2016-06764> (accessed July 28, 2016).
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APPENDIX A: METHODOLOGY, ASSUMPTIONS, & SOURCES

METHODOLOGY AND DATA SOURCES FOR THE MARYLAND STANDARD

This appendix explains the methodology, assumptions, and sources used to calculate the Standard. We begin with a discussion of our general approach, followed by the specifics of how each cost is calculated, ending with a list of data sources. Making the Standard as consistent and accurate as possible, yet varied by geography and the age of children, requires meeting several different criteria. To the extent possible, the data used in the Self-Sufficiency Standard are:

- Collected or calculated using standardized or equivalent methodology nationwide
- Obtained from scholarly or credible sources such as the U.S. Census Bureau
- Updated regularly
- Geographically and age-specific (as appropriate)

Costs that vary substantially by place, such as housing and child care, are calculated at the most geographically specific level for which data are available. Other costs, such as health care, food, and transportation, are varied geographically to the extent there is variation and appropriate data available. In addition, as improved or standardized data sources become available, the methodology used by the Standard is refined accordingly, resulting in an improved Standard that is comparable across place as well as time.

The Self-Sufficiency Standard assumes adult household members work full time and therefore includes all major costs associated with employment for every adult household member (i.e., taxes, transportation, and child care for families with young children). The Self-Sufficiency Standard does not calculate costs for adults with disabilities or elderly household members who no longer work. It should be noted that for families with persons with disabilities or elderly family members there are costs that the Standard does not account for, such as increased transportation and health care costs.

The Standard assumes adults work eight hours per day for 22 days per month and 12 months per year. Each cost component in the Standard is first calculated as a monthly cost. Hourly and annual Self-Sufficiency

Wages are calculated based on the monthly Standard by dividing the monthly Self-Sufficiency Standard by 176 hours per month to obtain the hourly wage and multiplying by 12 months to obtain the annual wage.

The Self-Sufficiency Standard differentiates costs by the number of adults plus the number *and* age of children in a family. The four ages of children in the Standard are: (1) infants—0 to 2 years old (meaning 0 through 35 months), (2) preschoolers—3 to 5 years old, (3) school-age children—6 to 12 years old, and (4) teenagers—13 to 18 years old.

The 2016 edition of the Maryland Self-Sufficiency Standard is calculated for 472 family types. The first 420 family types include all one- and two-adult families with zero to six children and range from a single adult with no children, to one adult with one infant, one adult with one preschooler, and so forth, up to two-adult families with six teenagers. An additional 52 family types are also calculated that incorporate families with three or more adults.¹

All adults in one- and two-adult households are working full time. For households with more than two adults, it is assumed that all adults beyond two are non-working dependents of the first two working adults, as household composition analysis has shown that a substantial proportion of additional adults are under 25, often completing school, unemployed, or underemployed.² The main effect of this assumption is that the costs for these adults do not include transportation (but do include all other costs such as food, housing, health care, and miscellaneous).

The cost components of *The Self-Sufficiency Standard for Maryland 2016* and the assumptions included in the calculations are described below.

HOUSING

The Standard uses the most recent Fiscal Year (FY) Fair Market Rents (FMRs), calculated annually by the U.S. Department of Housing and Urban Development (HUD), to calculate housing costs for each state's metropolitan and non-metropolitan areas, and are used to determine the level of rent for those receiving housing assistance

through the Housing Choice Voucher Program. Section 8(c)(1) of the United States Housing Act of 1937 (USHA) requires the Secretary to publish Fair Market Rents (FMRs) periodically, but not less than annually, to be effective on October 1 of each year. Housing costs in the 2016 Maryland Self-Sufficiency Standard are calculated using the FY 2016 HUD Fair Market Rents.

The FMRs are based on data from the 1-year and 5-year American Community Survey, and are updated for inflation using the Consumer Price Index. The survey sample includes renters who have rented their unit within the last two years, excluding new housing (two years old or less), substandard housing, and public housing. FMRs, which include utilities (except telephone and cable), are intended to reflect the cost of housing that meets minimum standards of decency. In most cases, FMRs are set at the 40th percentile; meaning 40% of the housing in a given area is less expensive than the FMR.³ All of Maryland's FMRs are set at the 40th percentile except those in the Baltimore-Columbia-Towson, MD MSA, the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area, and Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA, which are set at the 50th percentile.

The FMRs are calculated for Metropolitan Statistical Areas (MSAs), HUD Metro FMR Areas (HMFAs), and non-metropolitan counties. The term MSA is used for all metropolitan areas. HUD calculates one set of FMRs for an entire metropolitan area. In Maryland there are three MSAs with more than one county sharing the same FMR: Baltimore-Columbia-Towson, MD MSA, the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area, and Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA. Because HUD only calculates one set of FMRs for each of these metropolitan areas, we used HUD's Small Area Fair Market Rents (SAFMR) to create county variation to adjust the metropolitan FMR. A Census zip code to county relationship file was used to weight SAFMR by county and by MSA.

To determine the number of bedrooms required for a family, the Standard assumes that parents and children do not share the same bedroom and no more than two children share a bedroom. Therefore, the Standard assumes that single persons and couples without children have one-bedroom units, families with one or two children require two bedrooms, families with three or four children require three bedrooms, and families with five or six children require four bedrooms.

Because there are few efficiencies (studio apartments) in some areas, and their quality is very uneven, the Self-Sufficiency Standard uses one-bedroom units for the single adult and childless couple.

DATA SOURCES

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POPULATION WEIGHTS. U.S. Census Bureau, "2010 ZCTA to County Relationship File," Geography, Maps and Data, https://www.census.gov/geo/maps-data/data/zcta_rel_download.html (accessed March 17, 2016).

CHILD CARE

The Family Support Act, in effect from 1988 until welfare reform in 1996, required states to provide child care assistance at market rate for low-income families in employment or education and training. States were also required to conduct cost surveys biannually to determine the market rate (defined as the 75th percentile) by facility type, age, and geographical location or set a statewide rate.⁴ Many states, including Maryland, have continued to conduct or commission the surveys on a regular basis. Maryland Family network conducted a market rate survey in 2016.

Infant and preschooler costs were calculated assuming full-time care and costs for school-age children were calculated using part-time rates. Costs were calculated based on a weighted average of family child care and center child care. Since one of the basic assumptions of the Standard is that it provides the cost of meeting needs without public or private subsidies, the "private subsidy" of free or low-cost child care provided by relatives and others is not assumed.

For infants, family child care accounts for 43% of the care and center child care accounts for 57%. For preschoolers, family child care accounts for 26% of the care and center child care accounts for 74%. For school-age children, family child care accounts for 46% of the care and center child care accounts for 54%.⁵

DATA SOURCES

CHILD CARE RATES. Maryland Family Network, Personal communication with Steve Rohde, “May 2016 State Cost of Care,” (received May 19, 2016).

FOOD

Although the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program) uses the U.S. Department of Agriculture (USDA) Thrifty Food Plan to calculate benefits, the Standard uses the Low-Cost Food Plan for food costs. While both of these USDA diets were designed to meet minimum nutritional standards, SNAP (which is based on the Thrifty Food Plan) is intended to be only a temporary diet.⁶

The Low-Cost Food Plan costs 25% more than the Thrifty Food Plan, and is based on more realistic assumptions about food preparation time and consumption patterns, while still being a very conservative estimate of food costs. For instance, the Low-Cost Food Plan also does not allow for any take-out, fast-food, or restaurant meals, even though, according to the Consumer Expenditure Survey, the average American family spends about 41% of their food budget on food prepared away from home.⁷

The USDA Low-Cost Food Plan costs vary by month and the USDA does not give an annual average food cost; therefore, the Standard follows the SNAP protocol of using June data of the current year to represent the annual average. The Maryland Standard for 2016 uses data for June 2015.

Both the Low-Cost Food Plan and the Standard’s budget calculations vary food costs by the number and ages of children and the number and gender of adults. The Standard assumes that a single-person household is one adult male, while the single-parent household is one adult female. A two-parent household is assumed to include one adult male and one adult female. Additional adults (greater than two) are calculated

using the assumption that the third adult is a female and the fourth adult is a male, with the applicable food costs added for each.

Geographic differences in food costs within Maryland are varied using *Map the Meal Gap* data provided by Feeding America. To establish a relative price index that allows for comparability between counties, Nielsen assigns every sale of UPC-coded food items in a county to one of the 26 food categories in the USDA Thrifty Food Plan (TFP). The cost to purchase a market basket of these 26 categories is then calculated for each county. Because not all stores are sampled, in low-population counties this could result in an inaccurate representation of the cost of food. For this reason, counties with a population less than 20,000 have their costs imputed by averaging them with those of the surrounding counties.⁸ A county index is calculated by comparing the county market basket price to the national average cost of food. The county index is applied to the Low-Cost Food Plan.

DATA SOURCES

FOOD COSTS. U.S. Department of Agriculture, Center for Nutrition Policy and Promotion, “Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, June 2015,” <http://www.cnpp.usda.gov/sites/default/files/CostofFoodJun2015.pdf> (accessed August 17, 2015).

COUNTY INDEX. Craig Gunderson, Adam Dewey, Michael Kato, & Elaine Waxman, Feeding America, “Map the Meal Gap 2016: Food Insecurity and Child Food Insecurity Estimates at the County Level,” received from research@feedingamerica.org (May 2, 2016).

TRANSPORTATION

PUBLIC TRANSPORTATION. If there is an “adequate” public transportation system in a given area, it is assumed that workers use public transportation to get to and from work. A public transportation system is considered “adequate” if it is used by a substantial percentage of the working population to commute to work. According to a study by the Institute of Urban and Regional Development, University of California, if about 7% of the general public uses public transportation, then approximately

30% of the low- and moderate-income population use public transit.⁹ The Standard assumes private transportation (a car) in counties where less than 7% of workers commute by public transportation. For Maryland, the Standard uses the 2010-2014 American Community Survey 5-Year Estimates to calculate the percentage of the county population that commutes by public transportation. In Maryland, Baltimore City, Montgomery County, and Prince George's County all have rates above 7% and thus are assumed to use public transportation.

PRIVATE TRANSPORTATION. For private transportation, the Standard assumes that adults need a car to get to work. Private transportation costs are based on the average costs of owning and operating a car. One car is assumed for households with one adult and two cars are assumed for households with two adults. It is understood that the car(s) will be used for commuting five days per week, plus one trip per week for shopping and errands. In addition, one parent in each household with young children is assumed to have a slightly longer weekday trip to allow for "linking" trips to a day care site.

Per-mile driving costs (e.g., gas, oil, tires, and maintenance) are from the American Automobile Association. The commuting distance is computed from the 2009 National Household Travel Survey (NHTS). The Maryland statewide average round trip commute to work distance is 30.6 miles. Cecil County, in the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA, has an average commute distance of 25.5 miles.

In Maryland, the average expenditure for auto insurance was \$81.61 per month in 2013 based on data from the National Association of Insurance Commissioners (NAIC). County variation in the cost of auto insurance for the 2016 Maryland Standard is calculated using rates filed with the Maryland Insurance Administration for the top market share companies. Market share information is obtained from the Maryland Insurance Administration's "2015 Report on the Effect of Competitive Rating on the Insurance Markets of Maryland." Rates filed with the Maryland Insurance Administration for State Farm, GEICO, Erie Insurance Exchange, Allstate, and United Service Automobile Association for a family renting a home with two cars and two drivers and two children under 12 are used to calculate a county index. This index is

used to vary the statewide premium from the National Association of Insurance Commissioners by county.

The fixed costs of car ownership such as fire, theft, property damage and liability insurance, license, registration, taxes, repairs, monthly payments, and finance charges are also included in the cost of private transportation for the Standard. However, the initial cost of purchasing a car is not. Fixed costs are from the 2014 Consumer Expenditure Survey data for families with incomes between the 20th and 40th percentile living in the Census South region of the United States. Auto insurance premiums and fixed auto costs are adjusted for inflation using the most recent and area-specific Consumer Price Index.

DATA SOURCES

PUBLIC TRANSPORTATION USE. U.S. Census Bureau, "Table B08101: Means of Transportation to Work," 2010-2014 American Community Survey 5-Year Estimates, Detailed Tables, <http://www.factfinder.census.gov> (accessed June 1, 2016).

AUTO INSURANCE PREMIUM. National Association of Insurance Commissioners, "Average Expenditures for Auto Insurance by State, 2004-2013," Insurance Information Institute, <http://www.iii.org/fact-statistic/auto-insurance> (accessed June 8, 2016).

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FIXED AUTO COSTS. Calculated and adjusted for regional inflation using Bureau of Labor Statistics data query for the Consumer Expenditure Survey. U.S. Department of Labor, Bureau of Labor Statistics, "Other Vehicle Expenses," Consumer Expenditure Survey 2014, CE Databases, <http://data.bls.gov/pdq/querytool.jsp?survey=cx> (accessed June 8, 2016).

INFLATION. U.S. Department of Labor, Bureau of Labor Statistics, “Consumer Price Index–All Urban Consumers, U.S. City Average,” Consumer Price Index, CPI Databases, <http://data.bls.gov/cgi-bin/surveymost?cu> (accessed June 27, 2016).

PER-MILE COSTS. American Automobile Association, “Your Driving Costs,” Behind the Numbers 2015 Edition, AAA Association Communication, <http://publicaffairsresources.aaa.biz/resources/yourdrivingcosts/index.html> (accessed June 27, 2016).

HEALTH CARE

The Standard assumes that an integral part of a Self-Sufficiency Wage is employer-sponsored health insurance for workers and their families. In Maryland, 74% of non-elderly individuals in households with at least one full-time worker have employer-sponsored health insurance (nationally 64% have employer sponsored health insurance).¹⁰ The full-time worker’s employer pays an average of 77% of the insurance premium for the employee and 70% for the family in Maryland. Nationally, the employer pays 79% of the insurance premium for the employee and 73% of the insurance premium for the family.¹¹

Health care premiums are obtained from the Medical Expenditure Panel Survey (MEPS), Insurance Component produced by the Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends. The MEPS health insurance premiums are the statewide average employee-contribution at private-sector establishments. In Maryland the average premium paid by the employee was \$119 for a single adult and \$435 for a family in 2014. The premium costs are adjusted for inflation using the Medical Care Services Consumer Price Index.

As a result of the Affordable Care Act, companies can only set rates based on established rating areas. In Maryland, there are four rating areas based on county groupings.¹² To vary the state premium by the Maryland rating areas, the Standard used Maryland Insurance Administration approved rates for a standardized Silver plan. The state-level MEPS average premium is adjusted with the index created from the county-specific premium rates.

Health care costs also include out-of-pocket costs calculated for adults, infants, preschoolers, school-age children, and teenagers. Data for out-of-pocket health care costs (by age) are also obtained from the MEPS, adjusted by Census region using the MEPS Household Component Analytical Tool, and adjusted for inflation using the Medical Care Consumer Price Index.

Although the Standard assumes employer-sponsored health coverage, not all workers have access to affordable health insurance coverage through employers. However, as a result of the Patient Protection and Affordable Care Act of 2010, large employers are required to provide health insurance or pay a fine. Those who do not have access to affordable health insurance through their employers, and who are not eligible for the expanded Medicaid program, must purchase their own coverage individually or through the federal marketplace, or pay a fine.¹³ Individuals who cannot afford health insurance may be eligible for a premium tax credit or lower copayments, deductibles, and out of pocket cost maximums.¹⁴ Additional assistance programs also exist such as Montgomery Cares and Care for Kids which provide health insurance to families with income below 250% of the federal poverty guidelines.¹⁵

DATA SOURCES

INFLATION. U.S. Department of Labor, Bureau of Labor Statistics, “Consumer Price Index – All Urban Consumers, U.S. City Average,” Medical Care Services (for premiums) and Medical Services (for out-of-pocket costs), <http://www.bls.gov/cpi/> (accessed June 27, 2016).

OUT-OF-POCKET COSTS. U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends, Medical Expenditure Panel Survey-Household Component Analytical Tool, “Total Amount Paid by Self/Family, all Types of Service, 2013” MEPSnetHC, http://www.meps.ahrq.gov/mepsweb/data_stats/MEPSnetHC.jsp (accessed June 27, 2016).

PREMIUMS. U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends, “Tables II.C.2 and II.D.2: Average Total Employee Contribution (in Dollars) per Enrolled Employee for Single/Family

TREATMENT OF TAX CREDITS IN CLOSING THE WAGE GAP

The Self-Sufficiency Standard shows refundable and nonrefundable tax credits as if they are received monthly. However, in reality, the tax credits are received as a single payment the following year when families file their tax returns. Many families use their tax return, particularly the EITC, as “forced savings” to pay for larger items that are important family needs, such as paying the security deposit for housing, buying a car, or settling debts.^a

In order to be as realistic as possible, the modeling table and figures in the section *Closing the Wage Gap: Work Supports Reduce Costs* the refundable federal Earned Income Tax Credit (EITC) and the “additional” refundable portion of the Child Tax Credit (CTC) are shown as received annually (when they file their taxes). This is based on the assumption that the adult works at this same wage, full time, for the whole year. For the modeled work support columns, the CTC is split into two amounts with only the portion that can be used to offset any remaining (after the CCTC) taxes owed shown monthly, while the “additional” refundable portion of the CTC is shown as a lump sum received annually in the shaded rows at the bottom of the modeling table. Note that the Child Care Tax Credit (CCTC) is nonrefundable, meaning it can only be used to reduce taxes and does not contribute to a tax refund. Therefore, it is shown as a monthly credit against federal taxes in both the Self-Sufficiency Standard and in the modeling section.

a. Research has shown that families make financial decisions based on receipt of the EITC (together with tax refunds) when they file their taxes early in the following year. Jennifer Romich and Thomas Weisner, “How Families View and Use the EITC: The Case for Lump-Sum Delivery,” *National Tax Journal*, 53(4) (part 2) (2000): 1107-1134.

Coverage at Private-Sector Establishments that Offer Health Insurance by Firm Size and State, United States, 2014,” Medical Expenditure Panel Survey-Insurance Component, http://meps.ahrq.gov/mepsweb/data_stats/quick_tables.jsp (accessed June 8, 2016).

COUNTY INDEX. Maryland Insurance Administration, “2016 Sample Insurance Rates,” Rate Review, <http://www.healthrates.mdinsurance.state.md.us/SampleRate1.aspx> (accessed June 6, 2016).

MISCELLANEOUS

This expense category consists of all other essentials including clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal hygiene items, and telephone service.

Miscellaneous expenses are calculated by taking 10% of all other costs. This percentage is a conservative estimate in comparison to estimates in other basic needs budgets, which commonly use 15% and account

for other costs such as recreation, entertainment, savings, or debt repayment.¹⁶

TAXES

Taxes calculated in the Standard include federal and state income tax, payroll taxes, and state and local sales tax where applicable. The first two adults in a family are assumed to be a married couple and taxes are calculated for the whole household together (i.e., as a family), with additional adults counted as additional (adult) tax exemptions.

Federal payroll taxes for Social Security and Medicare are calculated at 7.65% of each dollar earned. Although the federal income tax rate is higher than the payroll tax rate, federal exemptions and deductions are substantial. As a result, while payroll tax is paid on every dollar earned, most families will not owe federal income tax on the first \$10,000 to \$15,000 or more, thus lowering the effective federal tax rate to about 7% for some family types. Income tax calculations for the Standard include state and local income tax.

For tax year 2015, Maryland's personal tax rates begin at 2% on the first \$1,000 of taxable income and increase up to a maximum of 5.75% on incomes exceeding \$300,000. Local income tax rates range between 1.25% and 3.20% across counties and Baltimore City.

Indirect taxes (e.g., property taxes paid by the landlord on housing) are assumed to be included in the price of housing passed on by the landlord to the tenant. Taxes on gasoline and automobiles are included in the calculated cost of owning and running a car.

Maryland has a 6% statewide sales and use tax.

DATA SOURCES

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TAX CREDITS

The Standard includes federal tax credits (the Earned Income Tax Credit, the Child Care Tax Credit, and the Child Tax Credit) and applicable state tax credits. Tax credits are shown as received monthly in the Standard.

The Earned Income Tax Credit (EITC), or as it is also called, the Earned Income Credit, is a federal tax refund intended to offset the loss of income from payroll taxes owed by low-income working families.

The EITC is a "refundable" tax credit, meaning working adults may receive the tax credit whether or not they owe any federal taxes. Maryland also several earned income credits:

- The Maryland non-refundable EITC is 50% of the federal EITC.
- The Maryland refundable EITC is the amount by which 25.5% of the federal EITC exceeds the Maryland tax liability. The refundable EITC amount increases to 26% in 2016, 27% in 2017, and 28% in 2018.
- The local EITC is 10% of the local tax rate.
- The Montgomery County EITC is 100% of the refundable state EITC.

The Child Care Tax Credit (CCTC), also known as the Child and Dependent Care Tax Credit, is a federal tax credit that allows working parents to deduct a percentage of their child care costs from the federal income taxes they owe. Like the EITC, the CCTC is deducted from the total amount of money a family needs to be self-sufficient. Unlike the EITC, the federal CCTC is not a refundable federal tax credit; that is, a family may only receive the CCTC as a credit against federal income taxes owed. Therefore, families who owe very little or nothing in federal income taxes will receive little or no CCTC. In 2015, up to \$3,000 in child care costs was deductible for one qualifying child and up to \$6,000 for two or more qualifying children. Additionally, Maryland has a state CCTC worth between 3.25% and 32.5% of Adjusted Gross Income.

The Child Tax Credit (CTC) is like the EITC in that it is a refundable federal tax credit. In 2015, the CTC provided parents with a deduction of \$1,000 for each child under 17 years old, or 15% of earned income over \$3,000, whichever was less. For the Standard, the CTC is shown as received monthly.

DATA SOURCES

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EMERGENCY SAVINGS FUND

The Self-Sufficiency Standards are basic needs, no-frills budgets created for all family types in each county in a given state. As such, the Standard does not allow for anything extra beyond daily needs, such as retirement savings, education expenses, or emergencies. Of course, without question families need more resources if they are to maintain economic security and be able to weather any unexpected income loss. Therefore, the Self-Sufficiency Standard now includes the calculation of the most universal of economic security needs after basic needs are met at the Self-Sufficiency Standard level—that of savings for emergencies.

The emergency savings amount is calculated to make up for the earnings of one adult becoming unemployed over the average job loss period, less the amount expected to be received in unemployment benefits.¹⁷ In two-adult households, it is assumed that the second adult continues to be employed, so that the savings only need to cover half of the family’s basic living expenses over the job loss period. Since the median length of job tenure among Maryland workers is five

years, it is assumed that workers save for job loss over the course of five years.

To determine the amount of resources needed, this estimate uses the average period of unemployment and assumes that the minimal cost of basic needs that must be met will stay the same, i.e., the family’s Self-Sufficiency Standard. Since the monthly emergency savings contribution requires additional earnings, the estimate includes the calculation of taxes and tax credits of current earnings (at the Self-Sufficiency Standard level). Savings are assumed to have accumulated based on average savings account interest rates.

The emergency savings calculation is based on all current expenses in the Self-Sufficiency Standard.¹⁸ The adult may not be commuting to work five days a week; however, the overall transportation expenses may not change significantly. A weekly shopping trip is still a necessity, as is driving young children to child care. Actively seeking employment requires being available for job interviews, attending job fairs, and engaging in networking opportunities, in addition to the time spent looking for and applying for positions. Therefore, saving enough to cover the cost of continuing child care if unemployed is important for supporting active job seeking as well as the benefit of keeping children in their normal routine during a time of crisis.

In addition to the income needed to cover the costs of housing, food, child care and transportation, families need health insurance. The Standard assumes that adults work full time and in jobs that provide employer-sponsored health insurance. In households with two adults, it is assumed that if one adult loses employment the spouse’s health insurance will provide coverage for the entire family at no additional cost. In a one-adult household, it is assumed coverage will be provided through the state-operated Affordable Insurance Exchanges under the Patient Protection and Affordable Care Act, at approximately the same cost as when employed.¹⁹ In some cases, children, or the whole family, may be covered under state Medicaid or the Children Health Insurance Program, depending upon income, resources, and eligibility requirements in effect at the time, which would decrease health care costs below these estimates.²⁰

DATA SOURCES

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ENDNOTES FOR APPENDIX A

1. The Standard was originally designed to provide calculations for 70 family configurations, which includes all one- and two-adult families with zero to three children (in four different age groups).

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3. U.S. Housing and Urban Development, “Fair Market Rents for the Section 8 Housing Assistance Payments Program,” Data Sets, Fair Market Rents: Overview (2007), http://www.huduser.org/portal/datasets/fmr/fmrover_071707R2.doc (accessed June 7, 2014).

4. U.S. Government Printing Office, “Section 9. Child Care,” 108th Congress 2004 House Ways and Means Committee Green Book, <http://www.gpo.gov/fdsys/pkg/GPO-CPRT-108WPRT108-6/pdf/GPO-CPRT-108WPRT108-6-2-9.pdf> (accessed June 7, 2014).

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9. Chris Porter and Elizabeth Deakin, Socioeconomic and Journey-to-Work Data: A Compendium for the 35 Largest U.S. Metropolitan Areas (Berkeley: Institute of Urban and Regional Development, University of California, 1995).

10. The Henry J. Kaiser Foundation State Health Facts Online, “Maryland: Employer-Sponsored Coverage Rates for the Nonelderly by Family Work Status (2014),” <http://kff.org/other/state-indicator/rate-by-employment-status-2/?state=MD> (accessed May 18, 2016).

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17. The dependent allowance for Maryland unemployment benefits covers children up to 16 years old. The Standard does

not differentiate between 16- and 17-year-old teenagers, so for unemployment calculations, all teenagers are assumed to be covered as dependents.

18. This amount excludes taxes and tax credits (which are in the Standard), as the family would be living on savings, on which taxes and tax credits have already been paid when earned, as described above.

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20. Children can be enrolled in Maryland Children's Health Program for free if income is not more than 200% of the federal poverty level (FPL), and with graduated premiums up to 300% of the FPL. Maryland Department of Health and Mental Hygiene, "Maryland Medical Assistance for Families, Children, and Pregnant Women." <https://mmcp.dhmdh.maryland.gov/chp/Documents/Rate%20Cards%202015.pdf> (accessed April 20, 2016).

APPENDIX B: THE SELF-SUFFICIENCY STANDARD FOR SELECT FAMILY TYPES IN MARYLAND

This report and an Excel file of all 472 family types can be downloaded at:
www.selfsufficiencystandard.org/maryland

TABLE B-1. The Self-Sufficiency Standard for Allegany County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$581	\$672	\$672	\$672	\$672	\$672	\$672	\$672
Child Care	\$0	\$523	\$1,083	\$820	\$297	\$560	\$1,083	\$820
Food	\$264	\$399	\$523	\$603	\$699	\$639	\$752	\$828
Transportation	\$260	\$266	\$266	\$266	\$266	\$507	\$507	\$507
Health Care	\$182	\$532	\$546	\$552	\$577	\$590	\$601	\$607
Miscellaneous	\$129	\$239	\$309	\$291	\$251	\$297	\$362	\$343
Taxes	\$334	\$473	\$725	\$457	\$291	\$598	\$795	\$511
Earned Income Tax Credit (-)	\$0	(\$60)	\$0	(\$89)	(\$243)	(\$1)	\$0	(\$43)
Child Care Tax Credit (-)	\$0	(\$63)	(\$100)	(\$110)	(\$78)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$9.94	\$16.47	\$21.93	\$18.73	\$14.58	\$10.59 per adult	\$12.80 per adult	\$11.30 per adult
Monthly	\$1,749	\$2,899	\$3,859	\$3,296	\$2,566	\$3,729	\$4,505	\$3,979
Annual	\$20,990	\$34,788	\$46,308	\$39,550	\$30,792	\$44,746	\$54,056	\$47,742
Emergency Savings Fund (Monthly)	\$43	\$165	\$147	\$422	\$135	\$76	\$65	\$75

TABLE B-2. The Self-Sufficiency Standard for Anne Arundel County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$1,277	\$1,604	\$1,604	\$1,604	\$1,604	\$1,604	\$1,604	\$1,604
Child Care	\$0	\$887	\$2,042	\$1,547	\$660	\$1,155	\$2,042	\$1,547
Food	\$258	\$391	\$513	\$591	\$685	\$627	\$737	\$811
Transportation	\$271	\$278	\$278	\$278	\$278	\$530	\$530	\$530
Health Care	\$182	\$530	\$544	\$551	\$575	\$589	\$600	\$606
Miscellaneous	\$199	\$369	\$498	\$457	\$380	\$450	\$551	\$510
Taxes	\$661	\$1,199	\$1,777	\$1,472	\$1,069	\$1,387	\$1,687	\$1,487
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$100)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$16.18	\$29.12	\$39.72	\$35.42	\$28.32	\$17.64 per adult	\$21.26 per adult	\$19.40 per adult
Monthly	\$2,848	\$5,125	\$6,990	\$6,233	\$4,985	\$6,208	\$7,483	\$6,828
Annual	\$34,177	\$61,501	\$83,882	\$74,801	\$59,819	\$74,491	\$89,800	\$81,935
Emergency Savings Fund (Monthly)	\$59	\$202	\$387	\$339	\$213	\$70	\$107	\$87

TABLE B-3. The Self-Sufficiency Standard for Baltimore County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$959	\$1,206	\$1,206	\$1,206	\$1,206	\$1,206	\$1,206	\$1,206
Child Care	\$0	\$889	\$1,984	\$1,401	\$512	\$1,095	\$1,984	\$1,401
Food	\$256	\$387	\$508	\$585	\$678	\$620	\$730	\$803
Transportation	\$294	\$301	\$301	\$301	\$301	\$575	\$575	\$575
Health Care	\$182	\$530	\$544	\$551	\$575	\$589	\$600	\$606
Miscellaneous	\$169	\$331	\$454	\$404	\$327	\$408	\$509	\$459
Taxes	\$526	\$1,031	\$1,470	\$1,199	\$820	\$1,202	\$1,505	\$1,260
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$100)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$13.56	\$25.81	\$35.23	\$30.57	\$23.59	\$15.80 per adult	\$19.44 per adult	\$17.17 per adult
Monthly	\$2,386	\$4,542	\$6,201	\$5,380	\$4,152	\$5,561	\$6,842	\$6,043
Annual	\$28,633	\$54,506	\$74,409	\$64,558	\$49,828	\$66,737	\$82,099	\$72,521
Emergency Savings Fund (Monthly)	\$52	\$164	\$338	\$238	\$165	\$65	\$87	\$76

TABLE B-4. The Self-Sufficiency Standard for Baltimore City, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$859	\$1,079	\$1,079	\$1,079	\$1,079	\$1,079	\$1,079	\$1,079
Child Care	\$0	\$681	\$1,555	\$1,132	\$451	\$874	\$1,555	\$1,132
Food	\$259	\$393	\$515	\$593	\$687	\$629	\$740	\$814
Transportation	\$85	\$85	\$85	\$85	\$85	\$170	\$170	\$170
Health Care	\$182	\$530	\$544	\$551	\$575	\$589	\$600	\$606
Miscellaneous	\$138	\$277	\$378	\$344	\$288	\$334	\$414	\$380
Taxes	\$386	\$766	\$1,088	\$921	\$498	\$856	\$1,061	\$892
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	(\$86)	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$99)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$10.85	\$20.90	\$28.28	\$25.22	\$18.81	\$12.49 per adult	\$15.20 per adult	\$13.65 per adult
Monthly	\$1,909	\$3,678	\$4,978	\$4,438	\$3,311	\$4,397	\$5,352	\$4,807
Annual	\$22,905	\$44,132	\$59,732	\$53,258	\$39,734	\$52,759	\$64,223	\$57,678
Emergency Savings Fund (Monthly)	\$45	\$112	\$212	\$178	\$370	\$57	\$70	\$67

TABLE B-5. The Self-Sufficiency Standard for Calvert County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$1,271	\$1,497	\$1,497	\$1,497	\$1,497	\$1,497	\$1,497	\$1,497
Child Care	\$0	\$714	\$1,643	\$1,177	\$463	\$929	\$1,643	\$1,177
Food	\$301	\$456	\$598	\$688	\$798	\$730	\$858	\$945
Transportation	\$271	\$278	\$278	\$278	\$278	\$529	\$529	\$529
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$202	\$348	\$456	\$419	\$361	\$427	\$513	\$475
Taxes	\$687	\$1,109	\$1,482	\$1,269	\$996	\$1,292	\$1,519	\$1,338
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$93)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$16.56	\$27.26	\$35.41	\$31.90	\$26.76	\$16.65 per adult	\$19.58 per adult	\$17.90 per adult
Monthly	\$2,914	\$4,799	\$6,232	\$5,614	\$4,709	\$5,860	\$6,894	\$6,302
Annual	\$34,970	\$57,583	\$74,779	\$67,364	\$56,512	\$70,325	\$82,722	\$75,620
Emergency Savings Fund (Monthly)	\$60	\$181	\$341	\$253	\$194	\$67	\$88	\$78

TABLE B-6. The Self-Sufficiency Standard for Caroline County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$624	\$835	\$835	\$835	\$835	\$835	\$835	\$835
Child Care	\$0	\$554	\$1,162	\$977	\$423	\$608	\$1,162	\$977
Food	\$257	\$389	\$510	\$587	\$681	\$622	\$732	\$806
Transportation	\$260	\$267	\$267	\$267	\$267	\$507	\$507	\$507
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$132	\$258	\$332	\$322	\$278	\$316	\$384	\$373
Taxes	\$346	\$642	\$844	\$781	\$380	\$743	\$891	\$840
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	(\$147)	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$55)	(\$100)	(\$100)	(\$102)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$10.23	\$18.96	\$24.02	\$23.03	\$17.18	\$11.61 per adult	\$13.76 per adult	\$13.29 per adult
Monthly	\$1,800	\$3,337	\$4,228	\$4,054	\$3,024	\$4,088	\$4,844	\$4,678
Annual	\$21,604	\$40,046	\$50,731	\$48,643	\$36,289	\$49,056	\$58,132	\$56,138
Emergency Savings Fund (Monthly)	\$44	\$98	\$164	\$168	\$240	\$60	\$67	\$66

TABLE B-7. The Self-Sufficiency Standard for Carroll County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$905	\$1,137	\$1,137	\$1,137	\$1,137	\$1,137	\$1,137	\$1,137
Child Care	\$0	\$874	\$1,826	\$1,388	\$514	\$952	\$1,826	\$1,388
Food	\$280	\$424	\$556	\$641	\$743	\$679	\$799	\$879
Transportation	\$267	\$274	\$274	\$274	\$274	\$521	\$521	\$521
Health Care	\$182	\$532	\$546	\$552	\$577	\$590	\$601	\$607
Miscellaneous	\$163	\$324	\$434	\$399	\$324	\$388	\$488	\$453
Taxes	\$504	\$1,006	\$1,355	\$1,184	\$814	\$1,113	\$1,416	\$1,243
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$100)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$13.08	\$25.21	\$33.30	\$30.16	\$23.38	\$14.91 per adult	\$18.53 per adult	\$16.94 per adult
Monthly	\$2,302	\$4,437	\$5,860	\$5,308	\$4,115	\$5,247	\$6,522	\$5,963
Annual	\$27,627	\$53,240	\$70,324	\$63,700	\$49,382	\$62,963	\$78,263	\$71,555
Emergency Savings Fund (Monthly)	\$51	\$157	\$292	\$233	\$162	\$63	\$79	\$75

TABLE B-8. The Self-Sufficiency Standard for Cecil County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$944	\$1,138	\$1,138	\$1,138	\$1,138	\$1,138	\$1,138	\$1,138
Child Care	\$0	\$626	\$1,456	\$1,104	\$478	\$830	\$1,456	\$1,104
Food	\$246	\$373	\$489	\$563	\$653	\$597	\$702	\$773
Transportation	\$254	\$260	\$260	\$260	\$260	\$498	\$498	\$498
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$163	\$293	\$389	\$362	\$311	\$365	\$440	\$412
Taxes	\$494	\$837	\$1,123	\$991	\$730	\$991	\$1,164	\$1,031
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$96)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$12.97	\$22.30	\$29.17	\$26.73	\$22.07	\$13.85 per adult	\$16.28 per adult	\$15.05 per adult
Monthly	\$2,283	\$3,925	\$5,134	\$4,704	\$3,884	\$4,875	\$5,732	\$5,296
Annual	\$27,393	\$47,097	\$61,606	\$56,445	\$46,603	\$58,504	\$68,783	\$63,555
Emergency Savings Fund (Monthly)	\$51	\$125	\$222	\$195	\$148	\$60	\$73	\$70

TABLE B-9. The Self-Sufficiency Standard for Charles County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$1,322	\$1,529	\$1,529	\$1,529	\$1,529	\$1,529	\$1,529	\$1,529
Child Care	\$0	\$784	\$1,765	\$1,264	\$480	\$981	\$1,765	\$1,264
Food	\$258	\$391	\$513	\$591	\$685	\$627	\$737	\$811
Transportation	\$283	\$289	\$289	\$289	\$289	\$553	\$553	\$553
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$205	\$353	\$464	\$423	\$356	\$428	\$518	\$476
Taxes	\$705	\$1,145	\$1,563	\$1,299	\$977	\$1,308	\$1,563	\$1,357
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$96)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$16.79	\$27.78	\$36.38	\$32.27	\$26.31	\$16.71 per adult	\$19.88 per adult	\$17.98 per adult
Monthly	\$2,955	\$4,889	\$6,402	\$5,680	\$4,630	\$5,882	\$6,999	\$6,330
Annual	\$35,460	\$58,669	\$76,826	\$68,160	\$55,561	\$70,582	\$83,988	\$75,962
Emergency Savings Fund (Monthly)	\$60	\$186	\$350	\$257	\$190	\$67	\$92	\$78

TABLE B-10. The Self-Sufficiency Standard for Dorchester County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$648	\$814	\$814	\$814	\$814	\$814	\$814	\$814
Child Care	\$0	\$473	\$999	\$865	\$392	\$526	\$999	\$865
Food	\$245	\$372	\$487	\$561	\$651	\$595	\$700	\$771
Transportation	\$262	\$269	\$269	\$269	\$269	\$511	\$511	\$511
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$134	\$246	\$311	\$306	\$270	\$304	\$362	\$357
Taxes	\$351	\$536	\$723	\$693	\$345	\$649	\$784	\$546
Earned Income Tax Credit (-)	\$0	(\$34)	\$0	\$0	(\$178)	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$60)	(\$100)	(\$100)	(\$98)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$10.35	\$17.40	\$22.06	\$21.55	\$16.33	\$10.95 per adult	\$12.80 per adult	\$11.94 per adult
Monthly	\$1,822	\$3,063	\$3,882	\$3,793	\$2,873	\$3,855	\$4,505	\$4,203
Annual	\$21,860	\$36,756	\$46,586	\$45,512	\$34,481	\$46,263	\$54,057	\$50,438
Emergency Savings Fund (Monthly)	\$45	\$153	\$149	\$147	\$162	\$83	\$65	\$280

TABLE B-11. The Self-Sufficiency Standard for Frederick County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$1,079	\$1,265	\$1,265	\$1,265	\$1,265	\$1,265	\$1,265	\$1,265
Child Care	\$0	\$898	\$2,022	\$1,340	\$442	\$1,124	\$2,022	\$1,340
Food	\$262	\$396	\$520	\$599	\$694	\$635	\$747	\$822
Transportation	\$260	\$267	\$267	\$267	\$267	\$508	\$508	\$508
Health Care	\$182	\$532	\$546	\$552	\$577	\$590	\$601	\$607
Miscellaneous	\$178	\$336	\$462	\$402	\$325	\$412	\$514	\$454
Taxes	\$575	\$1,060	\$1,540	\$1,196	\$824	\$1,228	\$1,538	\$1,244
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$88)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$14.42	\$26.25	\$36.11	\$30.43	\$23.51	\$15.99 per adult	\$19.68 per adult	\$16.97 per adult
Monthly	\$2,537	\$4,621	\$6,355	\$5,355	\$4,138	\$5,628	\$6,928	\$5,974
Annual	\$30,446	\$55,450	\$76,265	\$64,265	\$49,661	\$67,541	\$83,141	\$71,691
Emergency Savings Fund (Monthly)	\$54	\$169	\$347	\$236	\$162	\$65	\$89	\$75

TABLE B-12. The Self-Sufficiency Standard for Garrett County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$551	\$688	\$688	\$688	\$688	\$688	\$688	\$688
Child Care	\$0	\$514	\$1,046	\$822	\$308	\$532	\$1,046	\$822
Food	\$259	\$393	\$515	\$593	\$687	\$629	\$740	\$814
Transportation	\$260	\$267	\$267	\$267	\$267	\$507	\$507	\$507
Health Care	\$182	\$532	\$546	\$552	\$577	\$590	\$601	\$607
Miscellaneous	\$125	\$239	\$306	\$292	\$253	\$295	\$358	\$344
Taxes	\$310	\$463	\$694	\$459	\$296	\$571	\$765	\$512
Earned Income Tax Credit (-)	\$0	(\$62)	\$0	(\$87)	(\$238)	(\$11)	\$0	(\$41)
Child Care Tax Credit (-)	\$0	(\$63)	(\$100)	(\$110)	(\$80)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$9.59	\$16.41	\$21.56	\$18.80	\$14.72	\$10.42 per adult	\$12.61 per adult	\$11.33 per adult
Monthly	\$1,688	\$2,888	\$3,795	\$3,309	\$2,590	\$3,667	\$4,438	\$3,987
Annual	\$20,256	\$34,653	\$45,538	\$39,713	\$31,085	\$44,010	\$53,258	\$47,844
Emergency Savings Fund (Monthly)	\$43	\$162	\$148	\$408	\$135	\$92	\$64	\$75

TABLE B-13. The Self-Sufficiency Standard for Harford County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$982	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235
Child Care	\$0	\$839	\$1,865	\$1,367	\$528	\$1,026	\$1,865	\$1,367
Food	\$268	\$406	\$532	\$613	\$710	\$650	\$764	\$841
Transportation	\$272	\$279	\$279	\$279	\$279	\$531	\$531	\$531
Health Care	\$182	\$530	\$544	\$551	\$575	\$589	\$600	\$606
Miscellaneous	\$170	\$329	\$446	\$404	\$333	\$403	\$500	\$458
Taxes	\$539	\$1,031	\$1,424	\$1,212	\$860	\$1,189	\$1,472	\$1,268
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$100)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$13.71	\$25.65	\$34.42	\$30.65	\$24.17	\$15.59 per adult	\$19.03 per adult	\$17.16 per adult
Monthly	\$2,413	\$4,515	\$6,057	\$5,394	\$4,254	\$5,489	\$6,700	\$6,040
Annual	\$28,960	\$54,178	\$72,690	\$64,727	\$51,043	\$65,866	\$80,402	\$72,480
Emergency Savings Fund (Monthly)	\$52	\$162	\$327	\$239	\$166	\$64	\$82	\$76

TABLE B-14. The Self-Sufficiency Standard for Howard County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$1,265	\$1,591	\$1,591	\$1,591	\$1,591	\$1,591	\$1,591	\$1,591
Child Care	\$0	\$1,163	\$2,546	\$1,687	\$524	\$1,383	\$2,546	\$1,687
Food	\$294	\$445	\$584	\$672	\$779	\$713	\$839	\$923
Transportation	\$272	\$279	\$279	\$279	\$279	\$532	\$532	\$532
Health Care	\$182	\$530	\$544	\$551	\$575	\$589	\$600	\$606
Miscellaneous	\$201	\$401	\$554	\$478	\$375	\$481	\$611	\$534
Taxes	\$696	\$1,396	\$2,264	\$1,681	\$1,073	\$1,580	\$2,031	\$1,650
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$100)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$16.54	\$32.22	\$45.99	\$37.91	\$28.01	\$19.13 per adult	\$24.09 per adult	\$20.61 per adult
Monthly	\$2,910	\$5,671	\$8,095	\$6,672	\$4,930	\$6,734	\$8,481	\$7,255
Annual	\$34,924	\$68,055	\$97,139	\$80,065	\$59,158	\$80,810	\$101,772	\$87,066
Emergency Savings Fund (Monthly)	\$59	\$275	\$458	\$367	\$209	\$73	\$139	\$101

TABLE B-15. The Self-Sufficiency Standard for Kent County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$645	\$863	\$863	\$863	\$863	\$863	\$863	\$863
Child Care	\$0	\$563	\$1,221	\$950	\$387	\$658	\$1,221	\$950
Food	\$299	\$453	\$594	\$684	\$793	\$725	\$853	\$939
Transportation	\$260	\$267	\$267	\$267	\$267	\$508	\$508	\$508
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$139	\$268	\$349	\$332	\$289	\$334	\$405	\$387
Taxes	\$379	\$703	\$932	\$847	\$457	\$843	\$997	\$910
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	(\$91)	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$53)	(\$100)	(\$100)	(\$85)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$10.82	\$19.95	\$25.59	\$24.02	\$18.69	\$12.46 per adult	\$14.72 per adult	\$13.91 per adult
Monthly	\$1,904	\$3,512	\$4,504	\$4,228	\$3,289	\$4,388	\$5,181	\$4,897
Annual	\$22,847	\$42,143	\$54,052	\$50,733	\$39,464	\$52,650	\$62,166	\$58,765
Emergency Savings Fund (Monthly)	\$46	\$107	\$182	\$164	\$422	\$57	\$69	\$67

TABLE B-16. The Self-Sufficiency Standard for Montgomery County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$1,511	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748
Child Care	\$0	\$1,279	\$2,773	\$1,929	\$650	\$1,494	\$2,773	\$1,929
Food	\$294	\$445	\$584	\$672	\$779	\$713	\$839	\$923
Transportation	\$180	\$180	\$180	\$180	\$180	\$360	\$360	\$360
Health Care	\$179	\$521	\$535	\$541	\$566	\$579	\$590	\$597
Miscellaneous	\$216	\$417	\$582	\$507	\$392	\$489	\$631	\$556
Taxes	\$770	\$1,522	\$2,474	\$1,903	\$1,160	\$1,623	\$2,152	\$1,758
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$100)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$17.90	\$33.98	\$48.92	\$40.99	\$29.60	\$19.53 per adult	\$25.08 per adult	\$21.60 per adult
Monthly	\$3,151	\$5,980	\$8,610	\$7,215	\$5,210	\$6,874	\$8,827	\$7,604
Annual	\$37,807	\$71,755	\$103,322	\$86,580	\$62,518	\$82,489	\$105,925	\$91,252
Emergency Savings Fund (Monthly)	\$62	\$295	\$491	\$402	\$227	\$77	\$174	\$112

TABLE B-17. The Self-Sufficiency Standard for Prince George's County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$1,281	\$1,481	\$1,481	\$1,481	\$1,481	\$1,481	\$1,481	\$1,481
Child Care	\$0	\$811	\$1,831	\$1,323	\$512	\$1,020	\$1,831	\$1,323
Food	\$249	\$377	\$494	\$569	\$660	\$603	\$710	\$781
Transportation	\$180	\$180	\$180	\$180	\$180	\$360	\$360	\$360
Health Care	\$179	\$521	\$535	\$541	\$566	\$579	\$590	\$597
Miscellaneous	\$189	\$337	\$452	\$410	\$340	\$404	\$497	\$454
Taxes	\$635	\$1,078	\$1,483	\$1,245	\$901	\$1,203	\$1,471	\$1,258
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$100)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$15.41	\$26.43	\$35.17	\$31.15	\$24.85	\$15.68 per adult	\$18.96 per adult	\$17.01 per adult
Monthly	\$2,712	\$4,652	\$6,190	\$5,483	\$4,374	\$5,519	\$6,674	\$5,988
Annual	\$32,550	\$55,822	\$74,280	\$65,791	\$52,483	\$66,224	\$80,086	\$71,851
Emergency Savings Fund (Monthly)	\$56	\$171	\$338	\$244	\$174	\$64	\$81	\$75

TABLE B-18. The Self-Sufficiency Standard for Queen Anne's County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$1,103	\$1,387	\$1,387	\$1,387	\$1,387	\$1,387	\$1,387	\$1,387
Child Care	\$0	\$706	\$1,585	\$1,116	\$410	\$879	\$1,585	\$1,116
Food	\$323	\$488	\$641	\$738	\$855	\$782	\$920	\$1,013
Transportation	\$259	\$266	\$266	\$266	\$266	\$505	\$505	\$505
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$187	\$338	\$442	\$406	\$349	\$414	\$500	\$463
Taxes	\$624	\$1,082	\$1,410	\$1,227	\$966	\$1,252	\$1,483	\$1,300
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$82)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$15.21	\$26.51	\$34.15	\$30.82	\$25.92	\$16.13 per adult	\$19.08 per adult	\$17.40 per adult
Monthly	\$2,677	\$4,665	\$6,010	\$5,424	\$4,561	\$5,676	\$6,715	\$6,124
Annual	\$32,124	\$55,979	\$72,115	\$65,089	\$54,736	\$68,117	\$80,574	\$73,491
Emergency Savings Fund (Monthly)	\$56	\$172	\$324	\$241	\$183	\$66	\$82	\$76

TABLE B-19. The Self-Sufficiency Standard for St. Mary's County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$994	\$1,155	\$1,155	\$1,155	\$1,155	\$1,155	\$1,155	\$1,155
Child Care	\$0	\$848	\$1,864	\$1,335	\$487	\$1,016	\$1,864	\$1,335
Food	\$270	\$408	\$536	\$617	\$715	\$654	\$769	\$847
Transportation	\$268	\$274	\$274	\$274	\$274	\$522	\$522	\$522
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$171	\$322	\$437	\$393	\$321	\$394	\$491	\$447
Taxes	\$542	\$993	\$1,370	\$1,154	\$789	\$1,139	\$1,427	\$1,209
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$97)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$13.79	\$24.99	\$33.61	\$29.62	\$23.03	\$15.16 per adult	\$18.64 per adult	\$16.63 per adult
Monthly	\$2,427	\$4,398	\$5,915	\$5,214	\$4,053	\$5,337	\$6,563	\$5,855
Annual	\$29,118	\$52,775	\$70,980	\$62,564	\$48,635	\$64,039	\$78,755	\$70,258
Emergency Savings Fund (Monthly)	\$53	\$155	\$303	\$227	\$167	\$63	\$79	\$75

TABLE B-20. The Self-Sufficiency Standard for Somerset County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$621	\$719	\$719	\$719	\$719	\$719	\$719	\$719
Child Care	\$0	\$491	\$1,090	\$868	\$377	\$599	\$1,090	\$868
Food	\$244	\$370	\$486	\$559	\$648	\$593	\$698	\$768
Transportation	\$263	\$270	\$270	\$270	\$270	\$514	\$514	\$514
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$131	\$238	\$311	\$297	\$259	\$301	\$362	\$348
Taxes	\$348	\$433	\$738	\$500	\$316	\$648	\$801	\$522
Earned Income Tax Credit (-)	\$0	(\$70)	\$0	(\$61)	(\$217)	\$0	\$0	(\$28)
Child Care Tax Credit (-)	\$0	(\$63)	(\$100)	(\$105)	(\$90)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$10.17	\$16.12	\$22.11	\$19.50	\$15.30	\$10.88 per adult	\$12.83 per adult	\$11.51 per adult
Monthly	\$1,790	\$2,837	\$3,892	\$3,433	\$2,692	\$3,830	\$4,517	\$4,050
Annual	\$21,479	\$34,040	\$46,706	\$41,194	\$32,305	\$45,962	\$54,210	\$48,601
Emergency Savings Fund (Monthly)	\$44	\$205	\$149	\$358	\$125	\$90	\$65	\$304

TABLE B-21. The Self-Sufficiency Standard for Talbot County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$810	\$1,083	\$1,083	\$1,083	\$1,083	\$1,083	\$1,083	\$1,083
Child Care	\$0	\$658	\$1,445	\$1,037	\$379	\$787	\$1,445	\$1,037
Food	\$301	\$456	\$598	\$688	\$798	\$730	\$858	\$945
Transportation	\$259	\$265	\$265	\$265	\$265	\$505	\$505	\$505
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$155	\$299	\$394	\$363	\$310	\$369	\$449	\$418
Taxes	\$448	\$852	\$1,125	\$978	\$737	\$991	\$1,189	\$1,039
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$50)	(\$100)	(\$100)	(\$76)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$12.24	\$22.79	\$29.48	\$26.70	\$22.19	\$13.98 per adult	\$16.66 per adult	\$15.25 per adult
Monthly	\$2,155	\$4,011	\$5,189	\$4,699	\$3,906	\$4,921	\$5,863	\$5,366
Annual	\$25,859	\$48,131	\$62,264	\$56,386	\$46,872	\$59,053	\$70,356	\$64,395
Emergency Savings Fund (Monthly)	\$49	\$135	\$226	\$195	\$146	\$61	\$75	\$71

TABLE B-22. The Self-Sufficiency Standard for Washington County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$678	\$898	\$898	\$898	\$898	\$898	\$898	\$898
Child Care	\$0	\$644	\$1,453	\$1,015	\$371	\$809	\$1,453	\$1,015
Food	\$249	\$377	\$494	\$569	\$660	\$603	\$710	\$781
Transportation	\$260	\$266	\$266	\$266	\$266	\$507	\$507	\$507
Health Care	\$182	\$532	\$546	\$552	\$577	\$590	\$601	\$607
Miscellaneous	\$137	\$272	\$366	\$330	\$277	\$341	\$417	\$381
Taxes	\$369	\$720	\$1,011	\$838	\$382	\$871	\$1,054	\$880
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	(\$146)	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$53)	(\$100)	(\$100)	(\$89)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$10.65	\$20.30	\$27.09	\$23.87	\$17.21	\$12.74 per adult	\$15.26 per adult	\$13.64 per adult
Monthly	\$1,875	\$3,573	\$4,767	\$4,202	\$3,030	\$4,486	\$5,373	\$4,802
Annual	\$22,499	\$42,879	\$57,205	\$50,423	\$36,355	\$53,833	\$64,478	\$57,628
Emergency Savings Fund (Monthly)	\$45	\$113	\$199	\$163	\$257	\$58	\$71	\$67

TABLE B-23. The Self-Sufficiency Standard for Wicomico County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$714	\$956	\$956	\$956	\$956	\$956	\$956	\$956
Child Care	\$0	\$545	\$1,219	\$899	\$354	\$674	\$1,219	\$899
Food	\$247	\$374	\$491	\$565	\$655	\$599	\$705	\$776
Transportation	\$262	\$268	\$268	\$268	\$268	\$511	\$511	\$511
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$140	\$268	\$348	\$324	\$281	\$333	\$399	\$375
Taxes	\$395	\$714	\$941	\$818	\$465	\$850	\$986	\$867
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	(\$110)	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$53)	(\$100)	(\$100)	(\$81)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$11.03	\$20.00	\$25.58	\$23.38	\$18.17	\$12.44 per adult	\$14.52 per adult	\$13.42 per adult
Monthly	\$1,941	\$3,520	\$4,502	\$4,115	\$3,198	\$4,380	\$5,110	\$4,723
Annual	\$23,291	\$42,245	\$54,020	\$49,385	\$38,373	\$52,557	\$61,321	\$56,679
Emergency Savings Fund (Monthly)	\$46	\$107	\$182	\$163	\$213	\$57	\$69	\$66

TABLE B-24. The Self-Sufficiency Standard for Worcester County, MD 2016

	Adult	Adult Preschooler	Adult Infant Preschooler	Adult Preschooler School-age	Adult School-age Teenager	2 Adults Infant	2 Adults Infant Preschooler	2 Adults Preschooler School-age
MONTHLY COSTS								
Housing	\$676	\$873	\$873	\$873	\$873	\$873	\$873	\$873
Child Care	\$0	\$560	\$1,300	\$1,021	\$461	\$740	\$1,300	\$1,021
Food	\$284	\$431	\$565	\$651	\$754	\$690	\$811	\$893
Transportation	\$261	\$268	\$268	\$268	\$268	\$509	\$509	\$509
Health Care	\$182	\$531	\$545	\$552	\$576	\$590	\$600	\$607
Miscellaneous	\$140	\$266	\$355	\$336	\$293	\$340	\$409	\$390
Taxes	\$354	\$640	\$895	\$810	\$512	\$804	\$948	\$862
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0	(\$67)	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$53)	(\$100)	(\$100)	(\$101)	(\$50)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)	(\$167)	(\$83)	(\$167)	(\$167)
SELF-SUFFICIENCY WAGE								
Hourly	\$10.78	\$19.51	\$25.76	\$24.11	\$19.33	\$12.53 per adult	\$14.73 per adult	\$13.89 per adult
Monthly	\$1,897	\$3,433	\$4,534	\$4,244	\$3,402	\$4,412	\$5,184	\$4,888
Annual	\$22,767	\$41,198	\$54,404	\$50,928	\$40,827	\$52,944	\$62,211	\$58,658
Emergency Savings Fund (Monthly)	\$47	\$99	\$184	\$166	\$301	\$58	\$70	\$68

APPENDIX C: IMPACT OF WORK SUPPORTS ON WAGE ADEQUACY IN MARYLAND

TABLE C-1 Impact of Work Supports on Wage Adequacy Compared to Select Occupations
One Adult, One Preschooler, and One School-Age Child: Harford County, MD 2016

	#1	#2	#3	#4	#5
	MARYLAND MINIMUM WAGE	MEDIAN WAGE			
		Childcare Workers	Nursing Assistants	Medical Secretaries	Licensed Practical & Vocational Nurses
HOURLY WAGE:	\$8.75	\$10.64	\$13.47	\$16.67	\$24.36
TOTAL MONTHLY INCOME:	\$1,540	\$1,873	\$2,371	\$2,934	\$4,287
PANEL A: NO WORK SUPPORTS					
MONTHLY COSTS					
Housing	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235
Child Care	\$1,367	\$1,367	\$1,367	\$1,367	\$1,367
Food	\$613	\$613	\$613	\$613	\$613
Transportation	\$279	\$279	\$279	\$279	\$279
Health Care	\$551	\$551	\$551	\$551	\$551
Miscellaneous	\$404	\$404	\$404	\$404	\$404
Taxes	\$142	\$185	\$287	\$405	\$875
Tax Credits (-) *	\$0	(\$9)	(\$58)	(\$117)	(\$267)
TOTAL MONTHLY EXPENSES	\$4,449	\$4,449	\$4,449	\$4,449	\$4,449
SHORTFALL (-) or SURPLUS	(\$3,051)	(\$2,752)	(\$2,306)	(\$1,803)	(\$770)
WAGE ADEQUACY	34%	40%	51%	62%	85%
Total Income/Total Expenses					
PANEL B: CHILD CARE ASSISTANCE					
MONTHLY COSTS					
Housing	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235
Child Care	\$274	\$385	\$433	\$1,367	\$1,367
Food	\$613	\$613	\$613	\$613	\$613
Transportation	\$279	\$279	\$279	\$279	\$279
Health Care	\$551	\$551	\$551	\$551	\$551
Miscellaneous	\$404	\$404	\$404	\$404	\$404
Taxes	\$142	\$185	\$287	\$405	\$875
Tax Credits (-) *	\$0	(\$9)	(\$58)	(\$117)	(\$267)
TOTAL MONTHLY EXPENSES	\$3,355	\$3,467	\$3,515	\$4,449	\$4,449
SHORTFALL (-) or SURPLUS	(\$1,957)	(\$1,770)	(\$1,372)	(\$1,803)	(\$770)
WAGE ADEQUACY	44%	51%	63%	62%	85%
Total Income/Total Expenses					
ANNUAL REFUNDABLE TAX CREDITS*:					
Annual Federal EITC	\$5,511	\$4,670	\$3,412	\$1,988	\$0
Annual State EITC	\$1,405	\$1,077	\$502	\$0	\$0
Annual Federal CTC	\$2,000	\$2,000	\$2,000	\$2,000	\$0

* The Standard shows refundable and nonrefundable tax credits as if they are received monthly. However, in order to be as realistic as possible, tax credits that are available as a refund on annual taxes are shown at the bottom of this table. EITC is shown only as annual tax credits. The nonrefundable portion of the Child Tax Credit (which is a credit against federal taxes) is shown as available to offset monthly costs, and the refundable portion is shown in the bottom of the table. The Child Care Tax Credit however is nonrefundable, and therefore is only shown as part of the monthly budget and does not appear in the bottom shaded rows of the table. See the discussion in *Appendix A: Methodology, Assumptions, and Sources* titled *Treatment of Tax Credits in Closing the Wage Gap: Work Supports Reduce Costs*.

**TABLE C-1 (CONTINUED) Impact of Work Supports on Wage Adequacy Compared to Select Occupations
One Adult, One Preschooler, and One School-Age Child: Harford County, MD 2016**

	#1	#2	#3	#4	#5
	MARYLAND MINIMUM WAGE	MEDIAN WAGE			
		Childcare Workers	Nursing Assistants	Medical Secretaries	Licensed Practical & Vocational Nurses
HOURLY WAGE:	\$8.75	\$10.64	\$13.47	\$16.67	\$24.36
TOTAL MONTHLY INCOME:	\$1,540	\$1,873	\$2,371	\$2,934	\$4,287
PANEL C: CHILD CARE, FOOD (SNAP/ WIC), & HEALTH (MEDICAID/CHIP)					
MONTHLY COSTS					
Housing	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235
Child Care	\$274	\$385	\$433	\$1,367	\$1,367
Food	\$147	\$193	\$568	\$568	\$613
Transportation	\$279	\$279	\$279	\$279	\$279
Health Care	\$0	\$0	\$182	\$182	\$235
Miscellaneous	\$404	\$404	\$404	\$404	\$404
Taxes	\$142	\$185	\$287	\$405	\$875
Tax Credits (-) *	\$0	(\$9)	(\$58)	(\$117)	(\$267)
TOTAL MONTHLY EXPENSES	\$2,338	\$2,496	\$3,101	\$4,034	\$4,133
SHORTFALL (-) or SURPLUS	(\$940)	(\$800)	(\$958)	(\$1,389)	(\$453)
WAGE ADEQUACY Total Income/Total Expenses	62%	70%	71%	68%	90%
PANEL D: HOUSING, CHILD CARE, FOOD (SNAP/ WIC), & HEALTH (MEDICAID/CHIP)					
MONTHLY COSTS					
Housing	\$462	\$562	\$711	\$880	\$1,235
Child Care	\$274	\$385	\$433	\$1,367	\$1,367
Food	\$147	\$193	\$568	\$568	\$613
Transportation	\$279	\$279	\$279	\$279	\$279
Health Care	\$0	\$0	\$182	\$182	\$235
Miscellaneous	\$404	\$404	\$404	\$404	\$404
Taxes	\$142	\$185	\$287	\$405	\$875
Tax Credits (-) *	\$0	(\$9)	(\$58)	(\$117)	(\$267)
TOTAL MONTHLY EXPENSES	\$1,565	\$1,823	\$2,577	\$3,680	\$4,133
SHORTFALL (-) or SURPLUS	(\$168)	(\$127)	(\$434)	(\$1,034)	(\$453)
WAGE ADEQUACY Total Income/Total Expenses	90%	94%	85%	74%	90%
ANNUAL REFUNDABLE TAX CREDITS*:					
Annual Federal EITC	\$5,511	\$4,670	\$3,412	\$1,988	\$0
Annual State EITC	\$1,405	\$1,077	\$502	\$0	\$0
Annual Federal CTC	\$2,000	\$2,000	\$2,000	\$2,000	\$0

* The Standard shows refundable and nonrefundable tax credits as if they are received monthly. However, in order to be as realistic as possible, tax credits that are available as a refund on annual taxes are shown at the bottom of this table. EITC is shown only as annual tax credits. The nonrefundable portion of the Child Tax Credit (which is a credit against federal taxes) is shown as available to offset monthly costs, and the refundable portions is shown in the bottom of the table. The Child Care Tax Credit however is nonrefundable, and therefore is only shown as part of the monthly budget and does not appear in the bottom shaded rows of the table. See the discussion in *Appendix A: Methodology, Assumptions, and Sources* titled *Treatment of Tax Credits in Closing the Wage Gap: Work Supports Reduce Costs*.

ABOUT THE AUTHOR

Diana M. Pearce, PhD is on faculty at the School of Social Work, University of Washington in Seattle, Washington, and is Director of the Center for Women's Welfare. Recognized for coining the phrase "the feminization of poverty," Dr. Pearce founded and directed the Women and Poverty Project at Wider Opportunities for Women (WOW). She has written and spoken widely on women's poverty and economic inequality, including testimony before Congress and the President's Working Group on Welfare Reform. While at WOW, Dr. Pearce conceived and developed the methodology for the Self-Sufficiency Standard and first published results in 1996 for Iowa and California. Her areas of expertise include low-wage and part-time employment, unemployment insurance, homelessness, and welfare reform as they impact women. Dr. Pearce has helped found and lead several coalitions, including the Women, Work and Welfare Coalition and the Women and Job Training Coalition. She received her PhD degree in Sociology and Social Work from the University of Michigan.

CENTER FOR WOMEN'S WELFARE

The Center for Women's Welfare at the University of Washington School of Social Work is devoted to furthering the goal of economic justice for women and their families. The main work of the Center focuses on the development of the Self-Sufficiency Standard. Under the direction of Dr. Diana Pearce, the Center partners with a range of government, non-profit, women's, children's, and community-based groups to:

- research and evaluate public policy related to income adequacy;
- create tools to assess and establish income adequacy; and
- develop programs and policies that strengthen public investment in low-income families.

For more information about the Center's programs, or work related to the Self-Sufficiency Standard, call (206) 685-5264. This report and more can be viewed at www.selfsufficiencystandard.org.

