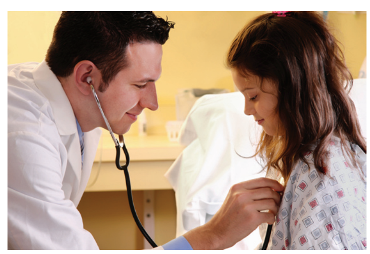
THE SELF-SUFFICIENCY STANDARD FOR **MARYLAND 2012**

Prepared for the Maryland Community Action Partnership



MARYLAND COMMUNITY ACTION PARTNERSHIP

The Maryland Community Action Partnership (MCAP) is a nonprofit, association that advocates on behalf of Maryland's low-income families to ensure their voice is heard at the local, state and national levels. In addition MCAP supports the mission and activities of Community Action Agencies throughout the state.

The State Association is composed of 16 community action agencies, 13 of which provide direct human services and three (3) are governmental agencies, together they work to lead families to self-sufficiency and independence of public programs.

The State Association provides technical assistance and training to the board of directors and staffs of these agencies, as well as, to other nonprofit organizations with similar missions who may partner with community action agencies.

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

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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 women, children, and 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.

Center for Women's Welfare
...advancing economic justice through research and the Self-Sufficiency Standard

SCHOOL OF SOCIAL WORK
UNIVERSITY *of* WASHINGTON

THE SELF-SUFFICIENCY STANDARD FOR MARYLAND 2012

By Diana M. Pearce, PhD • February 2012

DIRECTOR, CENTER FOR WOMEN'S WELFARE
UNIVERSITY OF WASHINGTON SCHOOL OF SOCIAL WORK

PREPARED FOR

THE MARYLAND COMMUNITY ACTION PARTNERSHIP

Preface

The 2012 Self-Sufficiency Standard for Maryland measures how much income a family of a certain composition in a given place must earn to meet their basic needs. Employers, advocates, and legislators can use it to evaluate wages, provide career counseling, and create programs that lead to economic self-sufficiency for working families.

*The Self-Sufficiency Standard for Maryland 201*2 is the third calculation of this data. Previous calculations were published in 2001 and 2007. As with all Self-Sufficiency Standard reports, this one 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 70 family types, is available online at www.selfsufficiencystandard.org and at **www.maryland-cap.org**.

A former Montgomery Maryland resident, 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. WOW established the national Family Economic Self-Sufficiency Project, now known as the Family Economic Security (FES) Project, in 1996 in partnership with the Ms. Foundation for Women, the Corporation for Enterprise Development, and the National Economic Development and Law Center (now the Insight Center for Community Economic Development). Over 2,500 community and state-based organizations and agencies, representing a broad range of sectors, are connected through the FES Project network. For more information about the FES Project, visit the website: www.wowonline.org/ourprograms/fess or contact the Family Economic Security Project at (202) 464-1596.

Over the past 15 years, the Standard has been calculated in 37 states as well as the District of Columbia and New York City. Its use has revolutionized the way policies and programs for low-income workers are structured and what it means to be in need 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 reports 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 at this website, or 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.

Acknowledgements

The Self-Sufficiency Standard for Maryland 2012 has been prepared collaboratively by Sarah Lowry and Lisa Manzer at the University of Washington Center for Women's Welfare, and Zenobia Williams of the Maryland Community Action Partnership. This project was made possible with support from the Maryland Department of Housing and Community Development.

A number of other people have also contributed to the development of the Standard, its calculation, and/or the writing of state reports over the past 16 years. Jennifer Brooks, Maureen Golga, and Kate Farrar, former Directors of Self-Sufficiency Programs and Policies at WOW, 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.

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.

Executive Summary

The Maryland Community Action Partnership publishes the Self-Sufficiency Standard for Maryland in an effort to ensure the best tools are available to help Maryland families and individuals make progress toward real economic security. The result is a comprehensive, credible, and user-friendly tool. The Self-Sufficiency Standard not only provides a measure of income adequacy, but it is also a versatile and useful tool in promoting family economic security. The Standard provides the means to analyze which costs are contributing most to family budget constraints, as well as which programs and policies are helping families make ends meet. As Maryland recovers from the economic downturn, long-term economic prosperity will require responsible planning that puts all Marylanders on the path to self-sufficiency.

The Self-Sufficiency Standard for Maryland 2012 describes how much income families of various sizes and compositions need to make ends meet without public or private assistance in each county of Maryland. The Self-Sufficiency Standard is a measure of economic security that is based on the costs of the basic needs for working families: housing, child care, food, health care, transportation, and miscellaneous items as well as the cost of taxes and the impact of tax credits.

The Self-Sufficiency Standard for Maryland 2012 defines the income needed to realistically support a family, without public or private assistance. For most workers throughout Maryland, the Self-Sufficiency Standard shows that earnings well above the official Federal Poverty Level are nevertheless far below what is needed to meet families' basic needs.

The Self-Sufficiency Standard for Maryland 2012 report begins with an explanation of how the Self-Sufficiency Standard is a unique and important measure of income adequacy. The report leads readers through a description of what a self-sufficient wage is for Maryland families and how it differs depending on family type and geographic area. The report compares Maryland to other places in the United States, demonstrates how the Standard has changed in Maryland over time, and compares 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 towards self-sufficiency.

The appendices include a detailed explanation of the methodology used to calculate the Maryland Standard and a discussion of how the Self-Sufficiency Standard can be used in Maryland as a tool to aid in counseling clients, evaluate program performance, inform policy making, and improve poverty research. Appendix D provides detailed tables of the costs of meeting basic needs and the Self-Sufficiency Wages for eight selected family types in every county of Maryland. The data from these tables—for 70 family types in every county of Maryland—is available at www.selfsufficiencystandard.org/pubs.html.

SELECTED FINDINGS FROM *THE SELF-SUFFICIENCY STANDARD FOR MARYLAND 2012*

- **In Maryland, the amount needed to be economically self-sufficient varies considerably by geographic location.** For instance, the amount needed to make ends meet for one adult, one preschooler, and one school-age child varies from $14.34 per hour ($30,291 annually) in Garrett County to $36.90 per hour ($77,933 annually) in Montgomery County, or from 163% of the Federal Poverty Level to 421% of the Federal Poverty Level. (Page 52)
- **The Standard also varies by family type, such as 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 $14.38 ($30,373 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 increases to $29.35 per hour ($61,998 annually) in order to cover the cost of child care, a larger housing unit, and increased food and health care costs. For families with young children, the cost of housing and child care combined typically make up at least 50% of the family's budget. For example, for this family type in Baltimore County, child care is 25% of the family's budget while housing is 24%. Food costs take up 12% and health care is 8% of the family's budget. (Pages 5-6)
- **The Federal Poverty Level for three-person families ($18,530 annually) is about one-third of the Standard for one adult, one preschooler, and one school-age child in Prince George's County ($28.61 per hour and $60,426 annually).** A full-time worker

The Self-Sufficiency Standard for Select Maryland Counties and Families, 2012

	ADULT	ADULT + PRESCHOOLER	ADULT + PRESCHOOLER SCHOOL-AGE	2 ADULTS* + PRESCHOOLER SCHOOL-AGE
ALLEGANY COUNTY	$9.14	$14.36	$16.78	$11.15
ANNE ARUNDEL COUNTY	$16.54	$27.48	$32.13	$18.02
BALTIMORE CITY	$10.71	$19.09	$23.39	$12.86
BALTIMORE COUNTY	$14.38	$24.45	$29.35	$16.75
CHARLES COUNTY	$16.98	$26.53	$31.20	$17.60
KENT COUNTY	$11.02	$17.78	$21.82	$12.88
MONTGOMERY COUNTY	$17.07	$30.59	$36.90	$19.62
PRINCE GEORGE'S COUNTY	$14.39	$23.76	$28.61	$15.82
SOMERSET COUNTY	$10.36	$16.04	$19.89	$12.00

*The hourly Self-Sufficiency Standard for two adult families is per adult. Each adult must earn the hourly wage to meet the family's total basic needs.

THE COST OF MEETING BASIC NEEDS CONTINUES TO INCREASE IN MOST OF MARYLAND DESPITE STAGNATING WAGES AND DIFFICULT ECONOMIC TIMES.

earning the state minimum wage and living in Prince George's County would be able to cover only 43% of her family's basic needs (with her take-home pay after accounting for taxes) if she had one preschooler and one school-age child. (Page 10)

- **The amount needed to meet the costs of basic needs increased between 2001 and 2012 in all Maryland counties, despite the financial crisis.** For a family with one adult, one preschooler, and one school-age child, the largest change in the Standard occurred in Queen Anne's County, increasing from $33,855 in 2001 to $65,072 in 2012. Over the past five years, costs for Maryland families at this minimally adequate level increased on average by 18%. (Pages 12-16)
- **Baltimore City's 2012 Self-Sufficiency Standard for one adult with one preschooler and one school-age child ($23.39 per hour) is comparable to Denver, CO ($23.79 per hour) and Columbus, OH ($22.35 per hour).** The Self-Sufficiency Standard for the same family type in Montgomery County ($36.90 per hour) is more than New York City ($32.49 per hour) and San Francisco, CA ($34.73 per hour). (Page 9)
- **Of the top ten most common occupations in Maryland (measured by the number of workers), only two—nurses and managers—have median wages above the Standard for a family of three.** The "top ten" occupations account for 21% of all Maryland workers. However, with the exception of registered nurses and general managers, the median wages of each of the top ten most common occupation groups are all below the Self-Sufficiency Standard for one adult, one preschooler, and one school-age child in St. Mary's County, which is $25.75 per hour ($54,395 annually). (Page 17)
- **With the help of child support, child care assistance, food assistance (SNAP and WIC), and Medicaid, a single adult supporting one preschooler and one school-age child and living in Somerset County who is transitioning from welfare to work would be able to meet her family's needs with a wage of $7.53 per hour, significantly less than full Self-Sufficiency Wage of $20.23 per hour.** As the family transitions from Medicaid, they may be eligible for Maryland's Children's Health Program, in which case the adult would need to earn $10.40 per hour to cover basic needs (including her health care costs). This wage is still only about half of the amount she would need to earn ($20.23 per hour) to cover the family's total costs without work supports in Somerset County. (Pages 19-24)

Clearly, the cost of meeting basic needs continues to increase in most of Maryland despite 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 wage gap between current wages and the Self-Sufficiency Standard requires both reducing costs and raising incomes.

REDUCING COSTS *means ensuring families that are struggling to retain employment and 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 transitional work supports and the removal of barriers and/or guidance to help meet monthly expenses as families work towards self-sufficiency over time.

RAISING INCOMES *means enhancing skills as well as improving access to jobs that pay self-sufficiency wages and have career potential.* A strong economy will mean good jobs that pay self-sufficient wages and a workforce with the skills necessary to fill those jobs. Key to raising incomes is access to education, training, and jobs that provide real potential for skill and career advancement over the long term. Further, public policies that value the goal of making work pay are necessary to ensure access to jobs with self-sufficient wages.

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

- Evaluate proposed policy changes,
- Target resources towards job training for fields that pay Self-Sufficiency Wages,
- Evaluate outcomes for clients in employment programs, and
- 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, policy institutes, legal advocates, training providers, community action agencies, and state and local officials, among others, are using the Self-Sufficiency Standard.

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Introduction

Even without job loss or home foreclosure, the Great Recession has impacted the lives of American households across the economy in many ways. We entered the economic crisis with stagnating wages and widening income inequality, and these trends continue. As a result, millions find that even with full-time jobs they are unable to stretch their wages to pay for basic necessities. In addition, in many places in Maryland, even as wages have been stagnating or falling, costs have continued to rise, making it even more difficult to meet the rising costs of food, housing, transportation, health care, and other essentials.

To properly describe the growing gap between sluggish wages and ever increasing expenses requires an accurate measure of income adequacy, one that is consistent over time and across space. The Self-Sufficiency Standard represents such a measure. The Standard tracks and calculates the true cost of living facing American families, illuminating the economic "crunch" experienced by so many families today.[1]

The Self-Sufficiency Standard for Maryland 2012 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:

- The introduction explains the unique features of the Self-Sufficiency Standard and how it is calculated.
- The main body details what a self-sufficient income is for Maryland families, describes how the Standard varies by family type and county, and compares the Maryland Standard to other places across the United States.

- Additional sections track how the Maryland Standard has changed over the past 11 years, and how the Standard compares to other common benchmarks of income.
- The conclusion 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.

This report also has several appendices:

- Appendix A provides a detailed description of the data and sources used to calculate the Standard.
- Appendix B explains the various ways of using the Standard to inform policy making, counsel clients, evaluate programs, and improve poverty research.
- Appendix C explains federal approaches to measuring poverty and shows the Maryland Self-Sufficiency Standard for select family types as a percentage of the Federal Poverty Level.
- Appendix D provides detailed tables of the Self-Sufficiency Standard for eight select family types in each Maryland county.
- Appendix E shows the data behind the figure: *Impact of Work Supports on Wage Adequacy*.

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 the majority of 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, taxes, and transportation.

GEOGRAPHIC VARIATION IN COSTS. The Standard uses geographically specific costs that are calculated at the county or sub-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 of children and by the 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, including housing, child care, food, health care, transportation, miscellaneous items, and taxes. The costs are set at a minimally adequate level, which is determined whenever possible by using what government sources have determined are 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 (plus tax credits), are included as budget items, including state and local sales tax, payroll (including Social Security and Medicare) taxes, federal and state income taxes, and tax credits.

PERMITS MODELING OF THE IMPACT OF SUBSIDIES, TAXES, AND TAX CREDITS. 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) as well as the impact of taxes and tax credits on reducing (or increasing) costs when evaluating the adequacy of a given wage for a given family.

Altogether, the above elements of the Standard make it a more detailed and comprehensive measure of income adequacy than the Federal Poverty Level. Appendix C provides a more detailed explanation of the federal approaches to measuring poverty, including the Federal Poverty Level and the Supplemental Poverty Measure, and how the Standard contrasts with each approach.

How is the Maryland Standard Calculated?

The goal for creating the Self-Sufficiency Standard is to calculate the amount needed to meet each basic need at a minimally adequate level, without public or private assistance, and to do so in a way that makes the Standard as consistent and accurate as possible, yet varied by geography and family composition. In selecting data sources, to the maximum extent possible, the data used in the Self-Sufficiency Standard meet the following criteria:

- collected or calculated using standardized or equivalent methodology nationwide;
- obtained from scholarly or credible sources such as the U.S. Census Bureau;
- calculated to meet a given need at a minimally adequate level, usually by or for a government aid agency;
- updated regularly; and,
- geographically- and/or age-specific, as appropriate.

The Self-Sufficiency Standard is calculated for 70 different family types for all Maryland counties and some sub-county areas. Family types range from one adult with no children, to one adult with one infant, one adult with one preschooler, and so forth, up to two-adult families with three teenagers.

The Self-Sufficiency Standard assumes adult household members work full-time *and therefore includes all major costs associated with employment for adult household members* (i.e., taxes, transportation, and child care for families with young children). The data components of the Standard and the assumptions included in the calculations are described below (more detailed information is included in *Appendix A: Methodology, Assumptions, and Sources*).

HOUSING. For housing costs, the Standard uses the most recent Fair Market Rents (FMRs), which are calculated annually by the U.S. Department of Housing and Urban Development (HUD) for each state's metropolitan and non-metropolitan areas. FMRs include utilities (except telephone and cable) and reflect the cost of housing that meets basic standards of decency. FMRs are generally set at the 40th percentile, meaning that 40% of the housing in a given area is less expensive than the FMR. However, in Maryland, half of the counties are set at the 50th percentile.

Since HUD calculates only one set of FMRs for an entire metropolitan area, in multiple county metropolitan areas the Standard uses county-level median gross rents from the U.S. Census Bureau's American Community Survey (ACS) to vary the FMR housing costs of the individual counties within the metropolitan area.

CHILD CARE. To calculate the cost of child care, the Standard utilizes market-rate costs (defined as the 75th percentile) by setting, age, and geographic location. Most states, including Maryland, conduct or commission market-rate surveys for setting child care assistance reimbursement rates.

The Maryland Standard assumes infants receive child care in family day care. Preschoolers are assumed to receive care in a child care center. Costs for school-age children assume they receive care before and after school (part-time) in a child care center.

FOOD. The Standard uses the U.S. Department of Agriculture (USDA) Low-Cost Food Plan for food costs. The Low-Cost Food Plan was designed to meet minimum nutritional standards using realistic assumptions about food preparation time and consumption patterns. However, it is still a very conservative estimate of food costs. For instance, the Low-Cost Food Plan does not allow for any take-out, fast-food, or restaurant meals—nor for coffee, tea, or soda drinks.

To vary costs within states, geographic differences in food costs are calculated using the ACCRA Cost of Living Index, from the Council for Community and Economic Research and data from the Economic Research Service.

TRANSPORTATION. If there is an "adequate" public transportation system in a given area, the Standard assumes workers use public transportation to get to and from work. A public transportation system is considered "adequate" if it is used by 7% or more of the working population in a given county. Baltimore City, Montgomery County, and Prince George's County have over 7% public transportation use; therefore, transportation costs are based on public transit in these areas while private transportation is assumed for all other counties in Maryland.

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. Per-mile costs (e.g., gas, oil, tires, and maintenance) are calculated from the American Automobile Association. Commuting distance is computed from the National Household Travel Survey.

Auto insurance premiums are the average premium cost for a given state, calculated by the National Association of Insurance Commissioners. Within-state variation in auto insurance premiums is calculated using sample premiums for the automobile insurance companies with the largest market shares in the state.

To estimate the fixed costs of car ownership (e.g., license, registration, repairs, monthly payments) the Standard uses Consumer Expenditure Survey amounts for families with incomes between the 20th and 40th percentile. The initial cost of purchasing a car is not included.

HEALTH CARE. The Standard assumes that an integral part of a Self-Sufficiency Wage is employer-sponsored health insurance for workers and their families. 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 73% of the premium for family coverage in Maryland.[3] Premiums are varied by county using sample insurance rates for the top market share companies in the state. Health care costs also include regional out-of-pocket costs calculated for adults, infants, preschoolers, school-age children, and teenagers 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. For Maryland families without employer-sponsored health insurance, the cost of health care would likely be higher, causing an increase in the total income needed to be self-sufficient.

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. It does not allow for recreation, entertainment, savings, or debt repayment.

TAXES. Taxes include federal income tax, payroll taxes, and state and local sales taxes where applicable. Additionally, the Standard includes federal, state, and local tax credits. Tax credits calculated for the Maryland Standard include: the federal Child and Dependent Care Tax Credit (referred to in the Standard as the Child Care Tax Credit or CCTC); the federal Earned Income Tax Credit (EITC); and the federal Child Tax Credit (CTC). Note that property taxes are assumed to be included in the cost of housing, as are gasoline taxes in the cost of transportation.

Table 1. **Items Included in the Standard**

COST	WHAT IS INCLUDED IN EACH BUDGET ITEM?
HOUSING	YES: Rent and Utilities NO: Cable or telephone
CHILD CARE	YES: Full-time family day care for infants, full-time center care for preschoolers, and before and after school care for school-age children NO: After school programs for teenagers, extracurricular activities, babysitting when not at work
FOOD	YES: Food for home preparation NO: Take-out, fast-food, or restaurant meals
TRANSPORTATION	YES: The cost of owning a car (per adult)—insurance, gas, oil, registration, etc.—or public transportation when adequate. The car or public transit is used only for commuting to and from work and day care plus a weekly shopping trip NO: Non-essential travel, vacations, etc.
HEALTH CARE	YES: Employer-sponsored health insurance & out-of-pocket costs NO: Health savings account, gym memberships, individual health insurance
TAXES	YES: Federal and state income tax and tax credits, payroll taxes, and state and local sales taxes NO: Itemized deductions, tax preparation fees or other taxes (property taxes are included in housing costs and gasoline taxes in transportation)
MISCELLANEOUS	YES: Clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal items, and telephone service NO: Recreation, entertainment, savings, emergencies, debt repayment, pets, education/training, gifts, broadband/internet, student loan repayment

Detailed information on the methodology of the Self-Sufficiency Standard and the Maryland specific data sources, are included in *Appendix A: Methodology, Assumptions, and Sources*.

How Much is the Minimum in Maryland?

The amount of money families need to be economically self-sufficient varies substantially depending on family size and the geographic region of residence. For example, **Table 2** shows that in Baltimore County the Self-Sufficiency Standard varies substantially depending on family type:

- A single adult needs to earn $14.38 per hour working full-time to be able to meet his or her basic needs.
- One parent caring for a preschool-aged child needs to earn $24.45 per hour to be self-sufficient.
- One parent with two children—a preschooler and school-age child—needs $29.35 per hour to meet her family's basic needs. This family requires, at a minimum, the equivalent of over four full-time minimum wage jobs in Maryland.[4]
- Two parents with one preschooler and one school-age child *each* need to earn $16.75 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 location. The map in **Figure 1** visually displays the geographic variation in the cost of meeting basic needs across Maryland's counties for families with one adult and one preschooler. Figure 1 groups counties into four Self-Sufficiency Wage ranges.

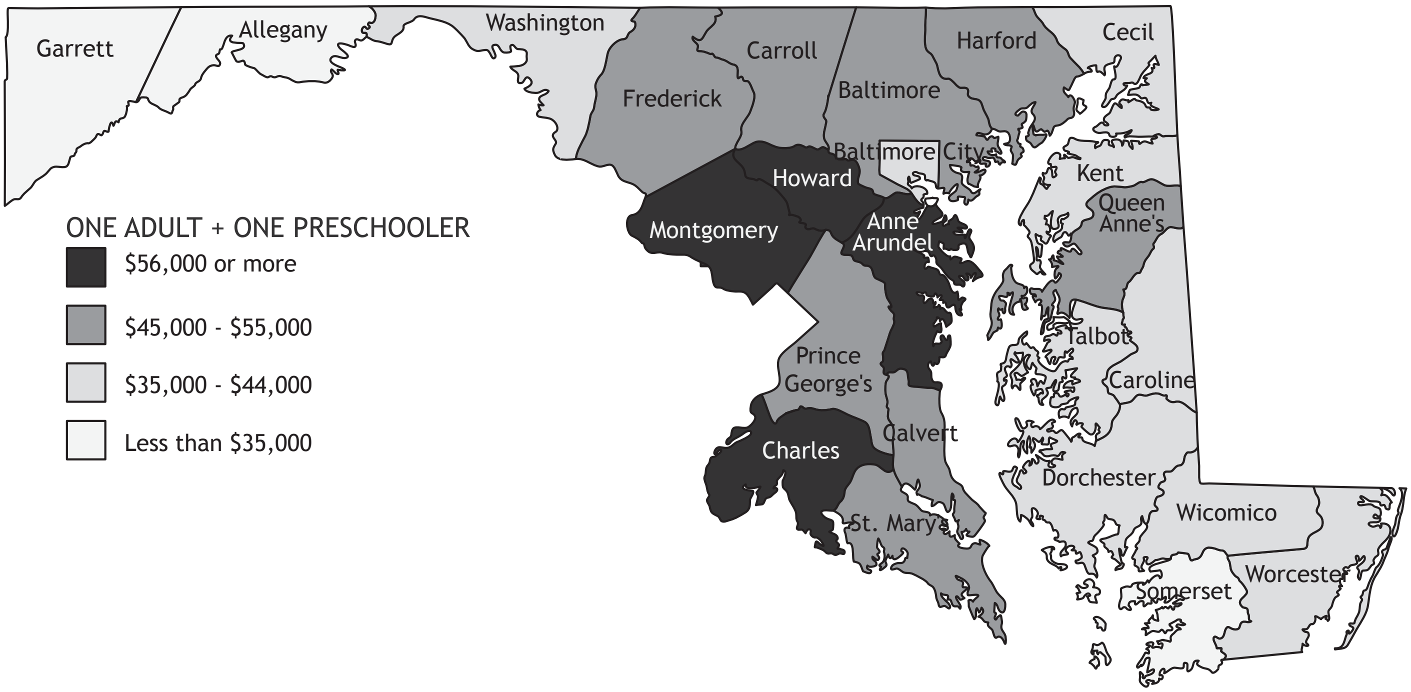
The 2012 Maryland Self-Sufficiency Standard for a single adult with one preschooler ranges from $26,847 to $64,606 annually depending on the county. The counties

Table 2. **The Self-Sufficiency Standard for Select Family Types***
Monthly Expenses and Shares of Total Budgets
Baltimore County, MD 2012

	ONE ADULT		ONE ADULT, ONE PRESCHOOLER		ONE ADULT, ONE PRESCHOOLER, ONE SCHOOL-AGE		TWO ADULTS, ONE PRESCHOOLER, ONE SCHOOL-AGE	
MONTHLY COSTS	COSTS	%	COSTS	%	COSTS	%	COSTS	%
Housing	$1,039	*41*	$1,248	*29*	$1,248	*24*	$1,248	*21*
Child Care	$0	*0*	$781	*18*	$1,302	*25*	$1,302	*22*
Food	$262	*10*	$398	*9*	$596	*12*	$819	*14*
Transportation	$323	*13*	$331	*8*	$331	*6*	$630	*11*
Health Care	$156	*6*	$396	*9*	$419	*8*	$482	*8*
Miscellaneous	$178	*7*	$315	*7*	$390	*8*	$448	*8*
Taxes	$573	*23*	$969	*23*	$1,147	*22*	$1,235	*21*
Earned Income Tax Credit (-)	$0	*0*	$0	*0*	$0	*0*	$0	*0*
Child Care Tax Credit (-)	$0	*0*	($50)	*-1*	($100)	*-2*	($100)	*-2*
Child Tax Credit (-)	$0	*0*	($83)	*-2*	($167)	*-3*	($167)	*-3*
TOTAL PERCENT		*100*		*100*		*100*		*100*
SELF-SUFFICIENCY WAGE								
HOURLY**	**$14.38**		**$24.45**		**$29.35**		**$16.75**	
MONTHLY	$2,531		$4,304		$5,166		$5,897	
ANNUAL	$30,373		$51,648		$61,998		$70,768	

* The Standard is calculated by adding expenses and taxes and subtracting tax credits. The "Taxes" row includes federal and state income taxes (including federal income taxes) and payroll 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.

Figure 1. **Map of Counties by Level of Annual Self-Sufficiency Wage**
One Adult and One Preschooler, MD 2012



in the group with the highest Self-Sufficiency Standards are concentrated in the central region of Maryland. The counties of Anne Arundel, Charles, Howard, and Montgomery have the highest Self-Sufficiency Standards in the state, ranging from $56,039 (Charles) to $64,606 (Montgomery).

The second most expensive areas in Maryland (with annual Self-Sufficiency Wages between $46,672 and $54,667) are also located in the central region of Maryland and are primarily located in the greater Washington, DC and Baltimore metropolitan areas. Baltimore, Calvert, Carroll, Frederick, Harford, Prince George's, Queen Anne's, and St. Mary's counties are part of this group.

The third most expensive areas in Maryland (with annual Self-Sufficiency Wages between $35,246 and $43,407) are the eastern shore counties of Cecil, Kent, Talbot, Caroline, Dorchester, Wicomico, and Worcester, along with Washington County to the west and Baltimore City.

The least expensive group of counties in Maryland, with Self-Sufficiency Wages less than $33,873 for an adult with one preschooler, include the two western counties of Garrett and Allegany and the south eastern shore county of Somerset. Garrett County is the least expensive county for this family type in Maryland.

THE AMOUNT OF MONEY FAMILIES NEED TO BE ECONOMICALLY SELF-SUFFICIENT VARIES SUBSTANTIALLY DEPENDING ON FAMILY SIZE AND THE GEOGRAPHIC REGION OF RESIDENCE.

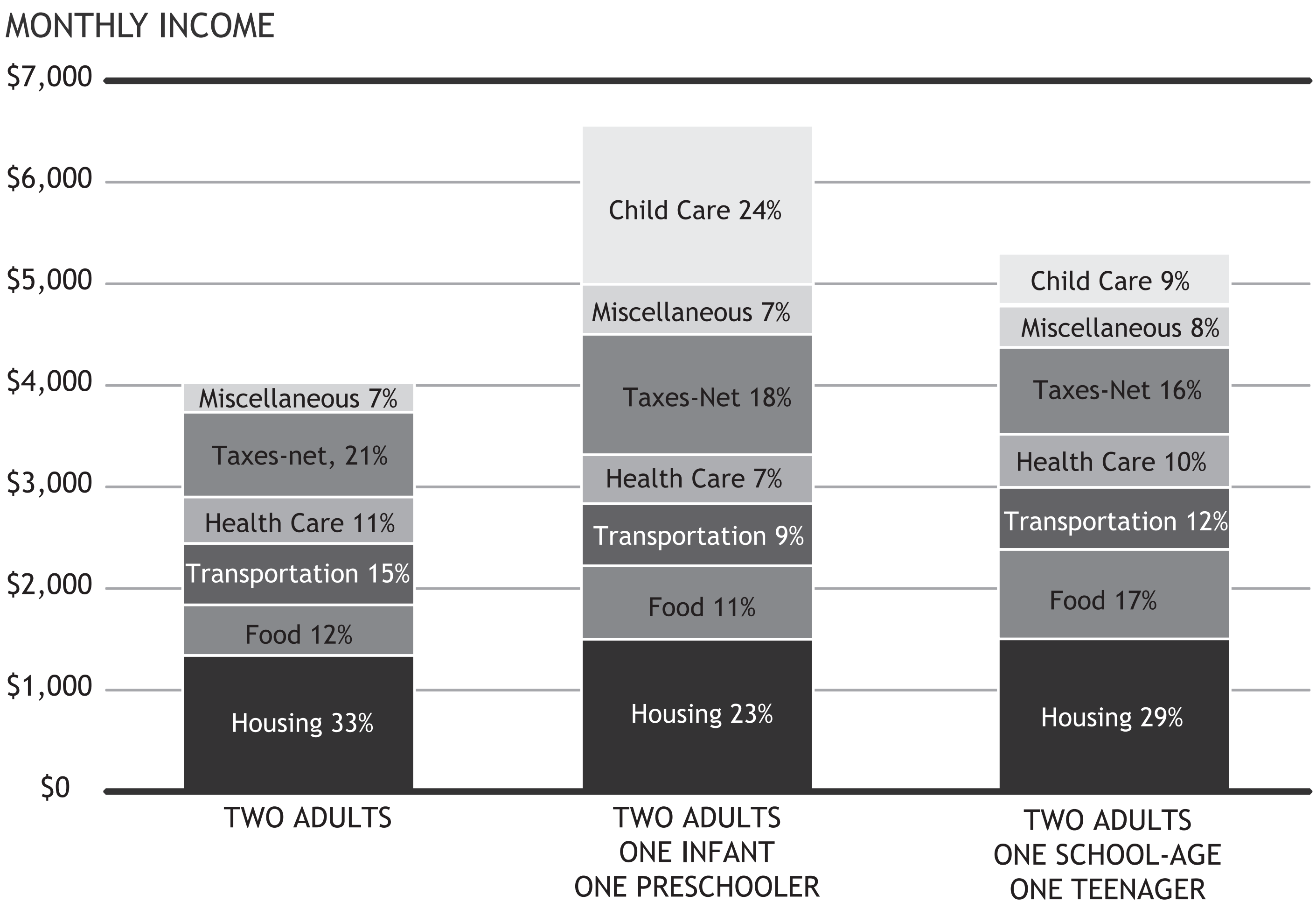
How do Family Budgets Change As Families Grow?

To illustrate how the proportions allotted to the different basic needs change as family composition changes, **Figure 2** shows the amount of income necessary to meet each of the basic needs for a family in Charles County as it changes composition. In Figure 2, each column shows the monthly expenses, with percentage of the total budget indicated for each expense.

The first bar in Figure 2 shows the monthly budget when there are just two adults. Together they need to earn a total of $4,027 per month to make ends meet. For two adults with no children in Charles County, one third of the Self-Sufficiency Standard goes towards housing while food, transportation, and health care each account for around one eighth of the Standard. Net taxes account for 21% of the budget. Since this childless family does not qualify for either of the child-related tax credits, nor for the income-contingent EITC, gross and net taxes are the same.

The second bar in Figure 2 shows what happens when the family has expanded to include two young children (one infant and one preschooler). Note that both the total budget and proportions spent on each basic need change, with the total cost of basic needs increasing to $6,595 per month, and

Figure 2. **Percentage of Budget Needed to Meet Basic Needs for Three Family Types**
Charles County, MD 2012



* 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 the 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, both families receive money back, and the amount owed in taxes is reduced to 18% for the two adult, one infant and one preschooler family and to 16% for the two adult one school-age and one teenager family. Please see *Appendix A: Methodology, Assumptions, and Sources* for an explanation of the treatment of tax credits in the Standard.

the proportion of income allotted shifting with the addition of child care. Indeed, child care alone accounts for nearly a quarter of the family's budget and 47% goes towards child care and housing combined. This is quite common: families with two children (when at least one is under school-age) generally need to budget roughly half their income for housing and child care expenses alone.

Food costs are 11% of total income, much lower than the 33% assumed by the methodology of the Federal Poverty Level, and similar to the national average expenditure on food, which was 13% in 2010.[5]

Health care takes up a smaller proportion of the family budget at 7% of total income, including both the employee's share of the health care premium, and out of pocket costs.[6]

Net taxes for the family now reflect a tax burden that is reduced to 18% with the offsetting effects of the child care and child tax credits. Note that tax credits are treated as if they were received monthly, although credits are generally not received until the following year when taxes are filed. If it were assumed, as is generally the case for most families, that tax credits are received annually in a lump sum, then the monthly tax burden would be 22% of the total costs for this family.

FAMILIES WITH TWO CHILDREN (WHEN ONE IS UNDER SCHOOL-AGE) GENERALLY NEED TO BUDGET HALF THEIR INCOME ON HOUSING AND CHILD CARE EXPENSES ALONE.

As the children grow older and no longer need as much child care, the family's budget shifts again. The third bar in Figure 2 shows the proportion of income spent on each basic need for a family with a school-age child and a teenager in Charles County. The total cost of basic needs drops to $5,295 per month; the decreased amount for child care for the school-age child accounts for just 9% of this minimum budget for this family type, a much smaller proportion than was necessary when the children were younger. In contrast, food accounts for a larger proportion of the budget, at 17%, in part due to increased food costs for the teenager.

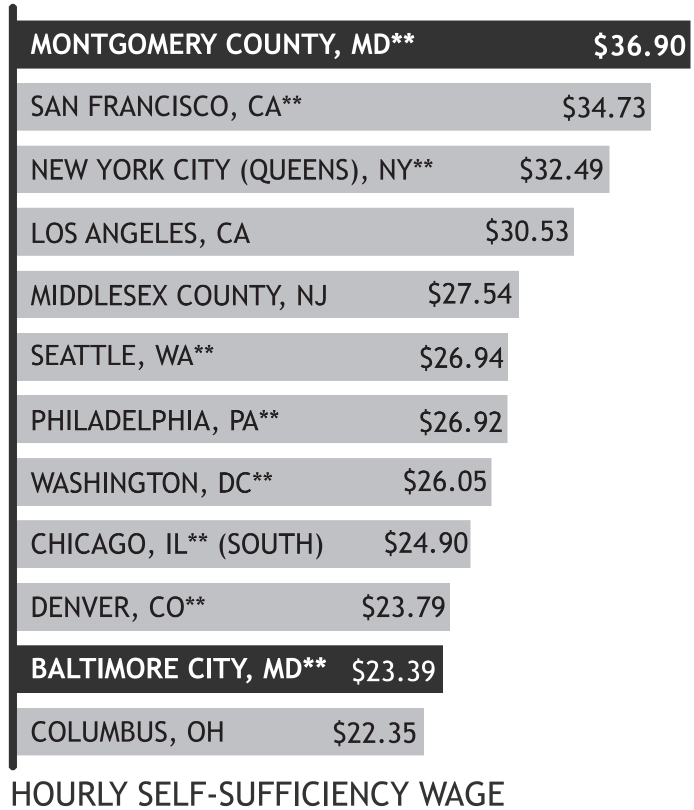
Net taxes are shown as 16% of the family's budget. If it were assumed, as suggested above, that tax credits are received annually in a lump sum, then the monthly tax burden would be 20% of the total costs for two adults with one school-age child and one teenager.

How does Maryland Compare to Other States?

The cost of living varies geographically not only within Maryland but geographically across the United States. In **Figure 3**, the Self-Sufficiency Standard for families with one parent, one preschooler, and one school-age child in Baltimore City and Montgomery County is compared to the Standard for several other places: Chicago, IL; Columbus, OH; Denver, CO; Los Angeles, CA; Middlesex County, NJ; New York City (Queens); Philadelphia, PA; San Francisco, CA; Seattle, WA; and Washington, DC.[7]

- The places compared in Figure 3 require full-time year-round wages between $22.35 and $36.90 per hour for this family type to be self-sufficient.
- Montgomery County, where the adult needs to earn $36.90 per hour to be self-sufficient, is the most expensive place in this comparison. It is most comparable to San Francisco, where the same family type needs to earn a Self-Sufficiency Wage of $34.73 per hour. New York City is the third most expensive place in this comparison, with a Self-Sufficiency Wage of $32.49 per hour for this family type. To cover basic needs living in Montgomery County, the adult in this family type needs to earn over $4 per hour more than the same family type in New York City and over $2 per hour more than the same family type living in San Francisco.
- In Baltimore City, the adult must earn a wage of $23.39 per hour to be self-sufficient, most comparable to Denver, CO and Columbus, OH. Baltimore City is the second least expensive place in this comparison.

Figure 3. **The Self-Sufficiency Wage for Baltimore City and Montgomery County Compared to Other U.S. Cities, 2012***
One Adult, One Preschooler, & One School-age Child



*Data for each city is the Self-Sufficiency Standard for the county in which the city is located, with the exception of Baltimore City, Chicago (South side of Chicago) and New York City (Queens). Wages for cities other than in Maryland, California, Denver, and Seattle are updated using the Consumer Price Index.
**Wage calculated assuming family uses public transportation.

The differences in the Self-Sufficiency Wages represent the variation in the costs of meeting basic needs across urban areas in the United States. Housing costs in particular vary drastically—for example, a two bedroom unit in Montgomery County is $1,677 per month compared to $1,031 per month in Baltimore City.

The Self-Sufficiency Standard for most of the places shown in this comparison is calculated assuming families use public transportation instead of owning their own vehicles. Public transportation costs are significantly less than the cost of owning and operating a car. In areas where private transportation costs are assumed (Columbus, Los Angeles, and Middlesex County in this comparison), the Self-Sufficiency Wage reflects higher transportation expenses. Residents of those cities who use public transit instead of the assumed private transportation may find their cost of living is lower than that reflected in the Self-Sufficiency Standard. Likewise, residents in the rest of the cities in this comparison who use private transportation may find their cost of living is higher than that reflected in the Standard.

While Baltimore City is less expensive that some other places with which it has been compared, families with one adult, one preschooler, and one school-age child in Baltimore City require hourly wages that are over three times the Maryland minimum wage of $7.25 per hour to meet their basic needs.

How has the Standard Changed Over Time in Maryland?

How have costs increased over time across Maryland?

CHANGE BETWEEN 2001 AND 2012. Figure 5 illustrates changes in the cost of living over time by comparing the 2001 and 2012 Maryland Self-Sufficiency Wages for one adult, one preschooler, and one school-age child by county.

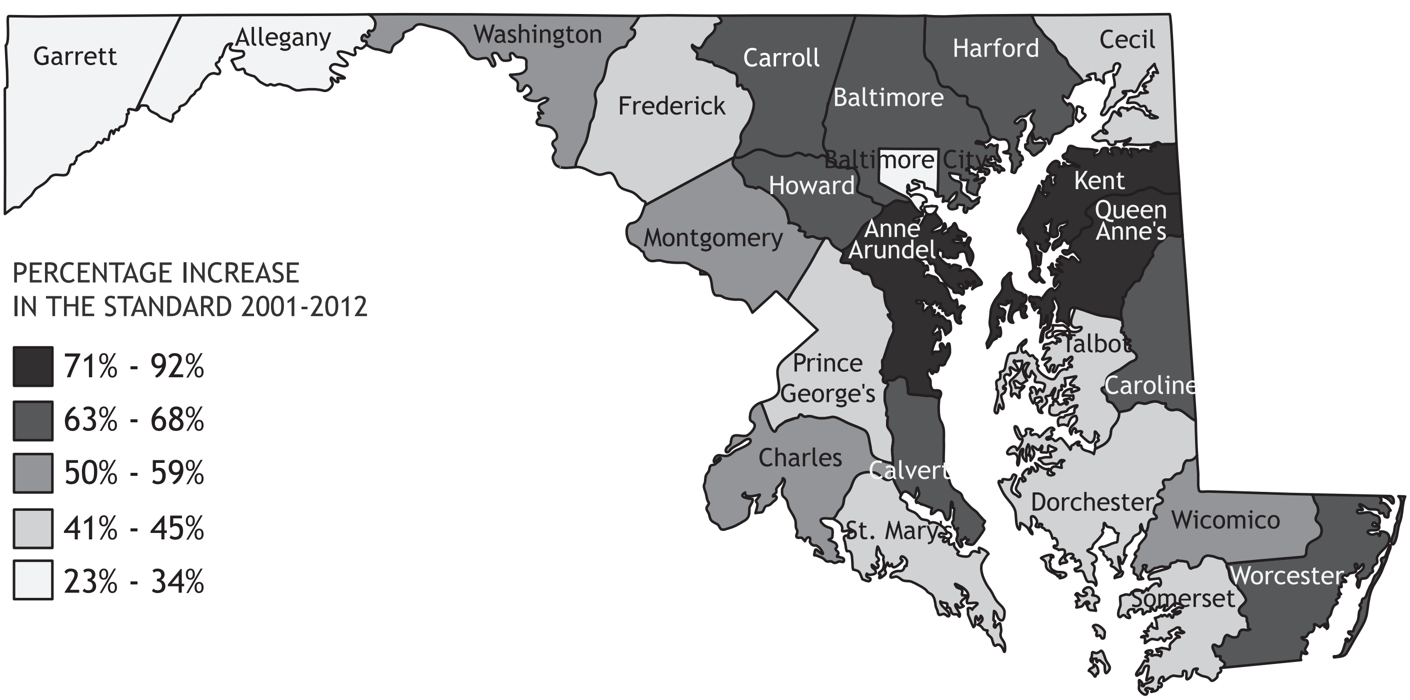
Figure 5 shows that the Self-Sufficiency Standard has increased in all Maryland counties over the past decade for this three-person family (one adult, one preschooler, and one school-age child) by an average of **54%**, or an average of 4.9% per year. The largest increases (over 70%) are found in Anne Arundel, Kent, and Queen Anne's counties. The single largest increase (92%) occurred in Queen Anne's County, where the Standard increased from $33,855 in 2001 (in 2001 Kent Island was calculated as a separate table from the rest of Queen Anne's County) to $65,072 in 2012 for a family with one adult, one preschooler, and one school-age child. Counties in the second group of increases, with costs increasing between 63%–68% over the past decade, are found in the Baltimore region (with the exception of Baltimore City) as well as Calvert, Caroline, and Worcester counties. The Standard increased 50%-59% in Charles, Montgomery, Washington, and Wicomico counties. Those counties in the lowest two groups of increases (45% or less) are found throughout the state, and are mostly rural, except for Prince George's County and Baltimore City.

Not only is there variation in where the Standard increased in Maryland, but there is also considerable variation in which costs increased, with some costs of basic needs calculated in the Standard increasing much more rapidly than others over the past 11 years.

Statewide, the greatest percentage increase was in health care costs, which rose on average 77% for this family type, ranging from increases of 66% to 83% across the state.

In contrast, while housing costs increased somewhat less rapidly on average (50%), there was much more variation between counties, from a low of just a 2% increase in Allegany and Garrett counties' housing costs to a high of 110% in Queen Anne's County. Howard and Anne Arundel counties also had high rates of increases in the cost of housing (93% and 99% respectively). It should be noted

Figure 5. **Percentage Change in the Self-Sufficiency Standard for Maryland between 2001 and 2012**
One Adult, One Preschooler, and One School-age Child, MD 2012



that the methodology for calculating housing costs has changed somewhat since the 2001 Standard. Variation in the cost of housing within metropolitan areas with multiple counties are now calculated using median rent data from the American Community Survey, while in 2001 variation was calculated using Public Housing Authority payment standards.

Child care costs increased at a rate similar to but slightly higher than housing, 57%, but also with considerable variability across counties, ranging from 28% to 115%. Kent and Queen Anne's counties experienced the highest increases in child care (115% and 91% respectively) while Dorchester increased at the lowest rate (28%).

Transportation costs increased 20% on average in counties that rely on private transportation for getting to and from work. However Baltimore City, Montgomery County, and Prince George's County switched from an assumption of private transportation in 2001 to an assumption of public transportation in 2012 (reflecting increased use of public transportation for commuting) causing transportation costs to decrease since 2001 in these three counties.

Over the past decade food costs increased on average 47% across the state. There was less variation in the rates of increase in the cost of food, ranging from 36% (Garrett County) to 51% with food costs increasing by 45% to 50% in most counties. Note that food costs were not varied by county in the 2001 Standard.

On average, taxes increased at a rate of 71% across the state since 2001. The increase in taxes is primarily due to increased costs pushing families into higher tax brackets. However, some of the tax increase was offset by policy changes that expanded tax credits. In particular, both the Child Care Tax Credit and the Child Tax Credit increased substantially for this family type (with the amount dependent on total income needed for all expenses).

Table 3 provides an example of how the actual amount of costs have changed for each basic need since 2001 for one adult, one preschooler, and one school-age child in Baltimore City. As can be seen, both overall and for most costs, the increases in costs for Baltimoreans are at a similar or lower level than the statewide average. However, there was a dramatic decrease in the cost of transportation of 67%—from $287 to $94 per month—because in 2012 public transportation is assumed for Baltimore City instead of private transportation as was assumed in 2001.

Table 3. **Percent Change in the Self-Sufficiency Standard Over Time, 2001-2012**
Baltimore City, MD
One Adult, One Preschooler, and One School-age Child

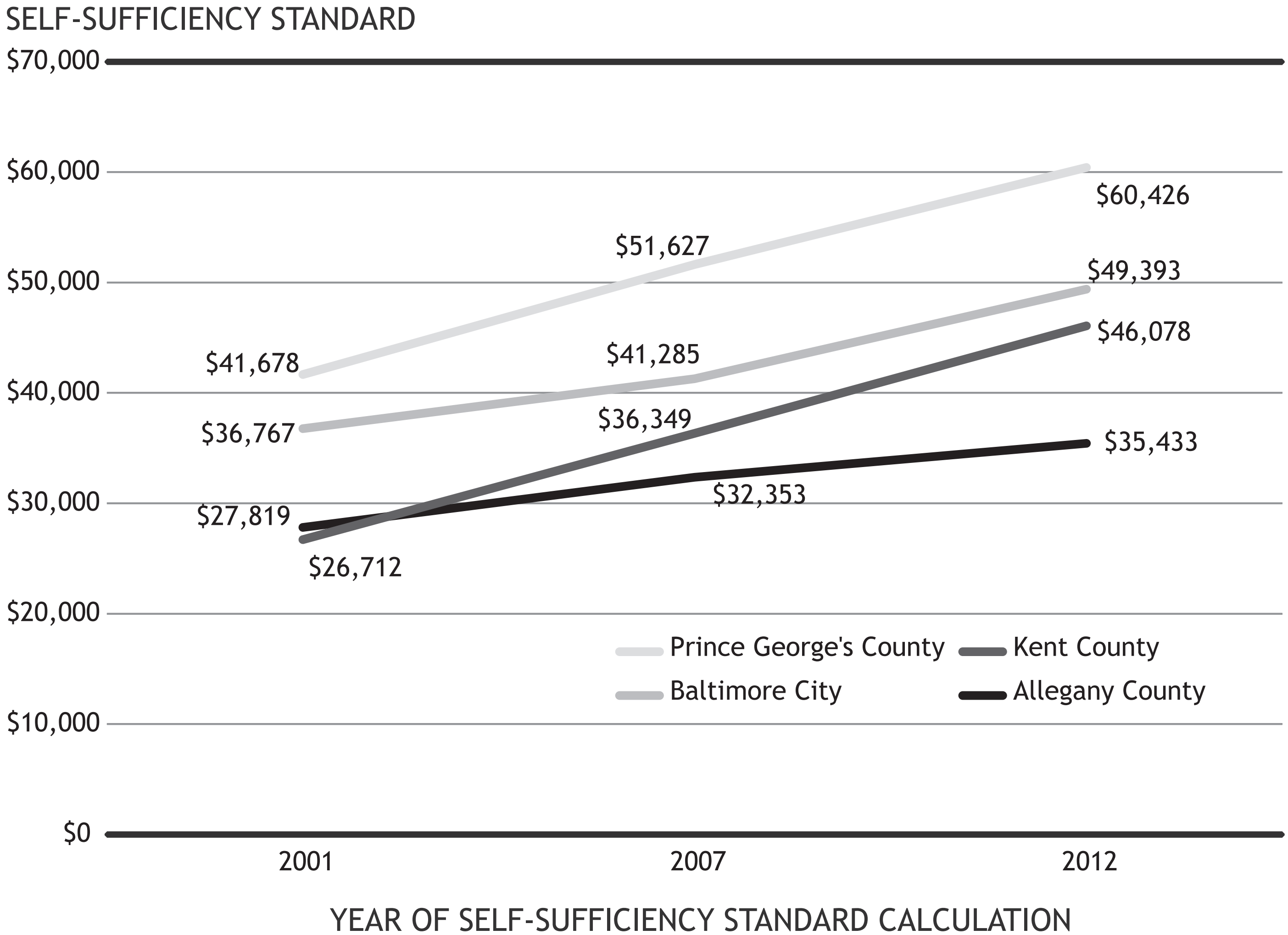
COSTS	2001	2012	PERCENT CHANGE 2001-2012	STATEWIDE PERCENT CHANGE 2001-2012
Housing	$722	$1,031	43%	50%
Child Care	$749	$1,092	46%	57%
Food	$396	$596	50%	47%
Transportation	$287	$94	-67%	13%
Health Care	$248	$419	69%	77%
Miscellaneous	$240	$323	35%	50%
Taxes	$601	$827	38%	71%
Total Tax Credits*	($180)	($267)	48%	43%
SELF-SUFFICIENCY WAGE				
MONTHLY	**$3,064**	**$4,116**	**34%**	**54%**
ANNUAL	**$36,767**	**$49,393**		
MEDIAN EARNINGS**	**$22,254**	**$31,032**	**39%**	**25%**

* Total Tax Credits is the sum of the monthly federal Earned Income Tax Credit, the federal Child Care Tax Credit, and the federal Child Tax Credit.
** Baltimore-City and Statewide Median Earnings: U.S. Census Bureau, American Community Survey (ACS). 2001 and 2009, Detailed Tables, B20002 and P112, "Median Earnings in the Past 12 Months by Sex for the Population 16 Years and Over with Earnings in the Past 12 Months, Baltimore City and Maryland," http://factfinder.census.gov (accessed November 8, 2011). 2012 median earnings are based on 2009 data (the latest available) updated using the Consumer Price Index. U.S. Department of Labor, Bureau of Labor Statistics (2011), Consumer Price Index, "South Region All Items, 1982-1984=100-CUUR-0400SA0," http://data.bls.gov/cgi-bin/surveymost?cu (accessed November 2, 2011).

Overall, the Self-Sufficiency Standard in Baltimore City for one adult, one preschooler, and one school-age child increased over the past decade by over a third (from $36,767 in 2001 to $49,393 in 2012). Median earnings among workers in Baltimore City increased by 39% (from $22,254 in 2001 to $31,032 in 2012) keeping workers' incomes abreast of cost increases in Baltimore. Note however, that the latest available median earnings data is from 2009 and has been adjusted using the CPI to current dollars, so these numbers may not accurately reflect changes in earnings over the last two years.

As can be seen in the last column of Table 3, the overall percent change in Baltimore City's Standard (34%) is less than the statewide average percent change (54%). Median earnings however grew slower on average across the state

Figure 6. **The Self-Sufficiency Standard Over Time, 2001, 2007, and 2012**
Allegany County, Baltimore City, Kent County, and Prince George's County, MD
One Adult, One Preschooler, and One School-age Child



than in Baltimore City, at 25% for the state since 2001. On average across Maryland costs grew at a much higher rate than median earnings.

CHANGE BETWEEN 2007 AND 2012. As with the decade-long comparison above, all counties experienced an increase in the cost of living between the 2007 and 2012 Self-Sufficiency Standards. The cost of meeting basic needs increased on average by **18%** across all Maryland counties for a family with one adult, one preschooler, and one school-age child. This means that costs have increased in the last five years at a lower rate than the increase over the decade as a whole (3.5% per year compared to 4.9% per year). This also means that the last five years account for about one third of the decade's increase in costs. For most counties in Maryland the increase in costs over the past five years ranged between 10% and 20%. The largest increase over the past five years was again in Queen Anne's County (31%), followed by Somerset, Kent, and Dorchester counties, each increasing above 25% between 2007 and 2012. The lowest rate of increase occurred in Charles County, where costs increased by 9% since 2007. **Figure 6** demonstrates the change over time in the Standard in four places: Allegany County, Baltimore City, Kent County, and Prince George's County.

Not only did costs increase overall in every county since 2007, but the cost of *each* basic need increased in *every* county as well since 2007 for this family type. Although there was variation in the rate at which different costs increased, depending on the county, no county had a decrease in any costs (with the exception of taxes, which decreased slightly in Allegany and Garrett counties).

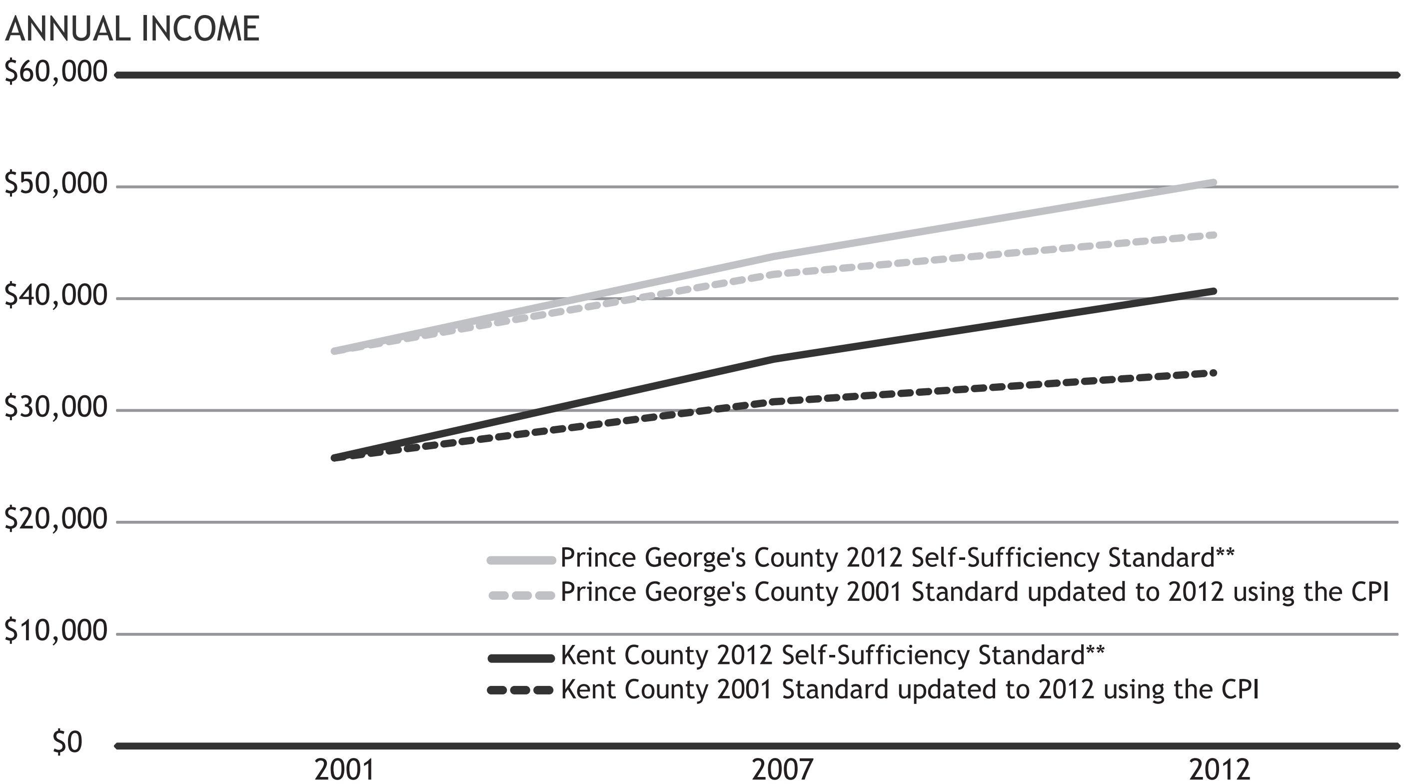
On average across the state, besides taxes, transportation has the highest rate of increase among basic needs, increasing in all Maryland counties at an average rate of 20% since 2007. Note that Baltimore City, Montgomery County, and Prince George's County are calculated assuming public transportation in both the 2007 and 2012 Standards; and, the cost of public transportation increased by 17% in Baltimore City and by 58% in Montgomery and Prince George's counties between 2007 and 2012. All other basic needs increased by average rates between 8% (food) and 18% (child care) since 2007.

Overall, the trends of falling house prices and declining earnings characterized by the Great Recession might lead one to expect falling costs. In fact, in all Maryland counties the cost of basic needs such as housing, child care, food, health care, and transportation increased for families with one adult, one preschooler, and one school-age child since the start of the Great Recession. Thus, these data show that in reality, the cost of meeting most basic needs has increased in all counties in Maryland since 2007, resulting in an overall average increase of 18% in the Standard across Maryland for this family type.

COMPARING THE STANDARD WITH THE CONSUMER PRICE INDEX

Basic costs for families earning self-sufficient wages have clearly increased over the past decade in Maryland, and even in the last five years in most places. However, how does this compare with official inflation rates? We examine this question in **Figure 7** by comparing the changes in

Figure 7. **CPI*-Measured Inflation Underestimates Real Cost of Living Increases: A Comparison of the Self-Sufficiency Standard and the Consumer Price Index, 2001-2012**
Kent County and Prince George's County, MD
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 (accessed November 2, 2011).
** Since the CPI does not incorporate taxes or tax credits, these items have been taken out of the Self-Sufficiency Standard for the comparison figure.

the Self-Sufficiency Standard in Kent County and Prince George's County for one adult, one preschooler, and one school-age child to the rate of inflation as measured by the U.S. Department of Labor's Consumer Price Index (CPI) over the past decade. The CPI is a measure of the average changes in the prices paid by urban consumers for goods and services. Since the CPI does not incorporate taxes or tax credits, for comparison purposes these items have been taken out of the Standard.

When the 2001 Self-Sufficiency Standard for Kent County ($25,696 per year when adjusted to exclude taxes and tax credits) is inflated using the South Region Consumer Price Index, the amount estimated to meet basic needs in 2012 is $33,251 per year.[10] Using the CPI results in a 29% change in the cost of basic needs since 2001, an annual average rate of 2.7%. However, the actual 2012 Kent County Standard (adjusted to exclude taxes/tax credits) is $40,537 per year for this family type, a 58% increase over the last decade or an annual average rate of 5.3%. In Prince George's County, when the adjusted 2001 Standard ($35,188 per year without taxes/tax credits) is inflated to 2012 using the CPI, the estimated cost of meeting basic needs is $45,534. However, the actual Standard for 2012 is $50,204 in Prince George's County, an increase of 43%, or 3.9% annually on average.

In sum, Figure 7 demonstrates that the rate of inflation as measured by the CPI significantly underestimates the rising costs of basic needs; instead of rising by the CPI average annual rate of 2.7%, costs actually rose by annual average rates of 5.3% in Kent County and 3.9% in Prince George's County. Indeed, for this family type in Kent County, when the Standard is updated using the CPI, the official measure of inflation underestimates the increase in costs for this family type by over $7,000 since 2001. That is, tracking costs using the CPI underestimates the real increases in costs faced by Maryland families at this level, leaving them thousands of dollars short of what they need to be self-sufficient.

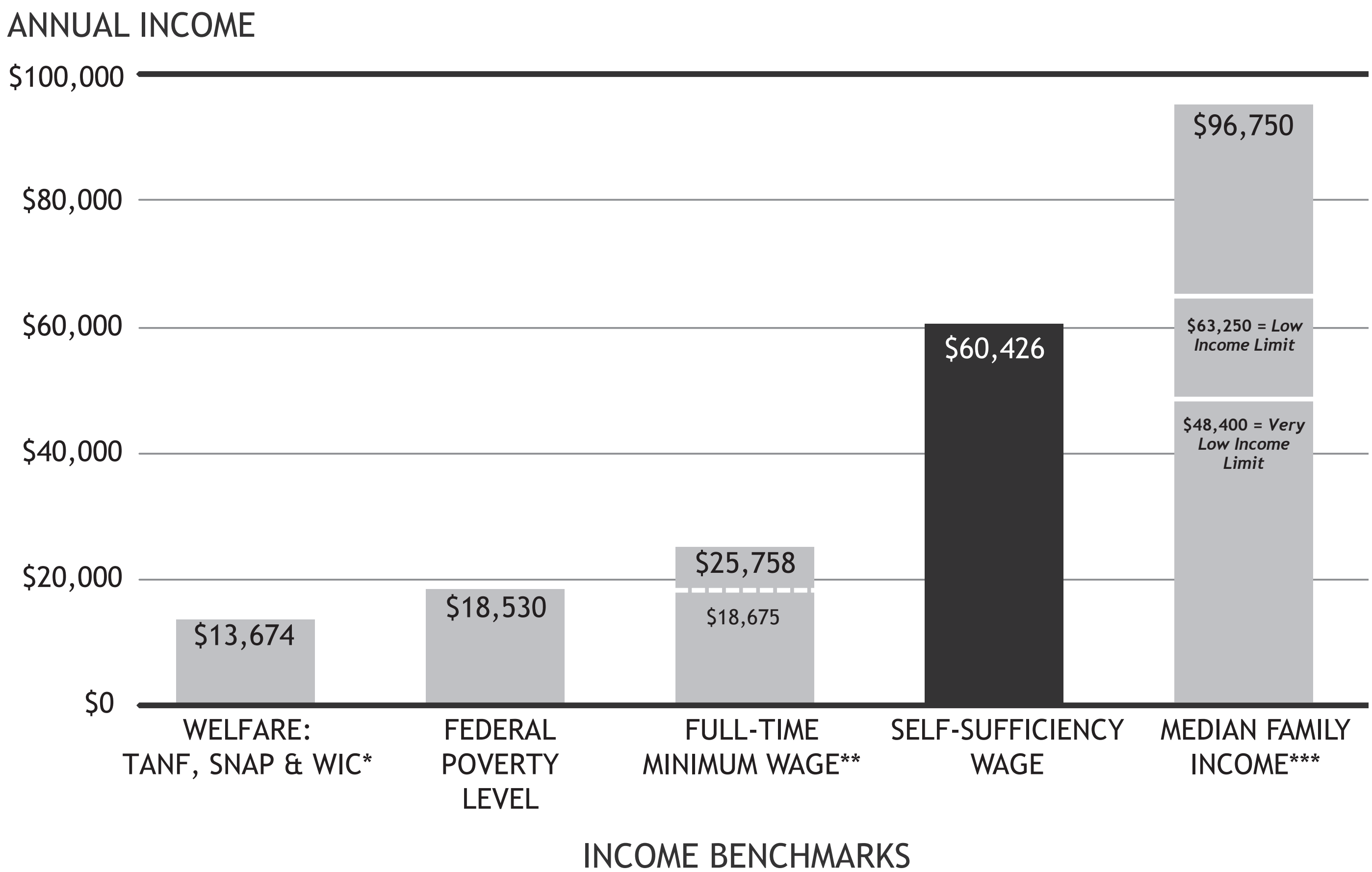
How Does the Self-Sufficiency Standard Compare to Other Benchmarks of Income?

To put the Standard in context, it is useful to compare it to other commonly used measures of income adequacy. In **Figure 4**, a comparison is made between the Prince George's County Self-Sufficiency Standard for one adult, one preschooler, and one school-age child and the following income benchmarks for three-person families:

- Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program), and WIC (Women, Infants and Children);
- the Federal Poverty Level (FPL) for a family of three;
- the Maryland minimum wage; and
- the HUD median family income limits for a family of three in the Washington-Arlington-Alexandria, DC-VA-MD metropolitan area.

However, none of the benchmarks are as specific as the Self-Sufficiency Standard in terms of age and number of children and/or geographic location. Note that this set of benchmarks is not meant to show how a family would move from a lower income to economic self-sufficiency. Rather, the concept of self-sufficiency assumes a progression that takes place over time. As indicated in the fourth bar from

Figure 4. **The Self-Sufficiency Standard Compared to Other Benchmarks, 2012**
One Adult, One Preschooler, and One School-age Child
Prince George's County, MD 2012



* The TANF benefit amount is $6,888 annually or $574 per month (2010), the SNAP benefit amount is $6,312 annually or $526 per month (2011), and the WIC benefit amount is $474 annually or $39.51 per month (2011) for a family of three in Maryland.
**The Maryland minimum wage is $7.25 per hour. This amounts to $15,312 per year; however, assuming this family pays federal, state, and city taxes and receives tax credits, the net yearly income would be a larger amount, $25,758 as shown. The dashed line shows the annual income received after accounting for taxes ($18,675) but without the addition of tax credits, which are received as a yearly lump sum after filing taxes the following year.
*** 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 shown here are FY 2012 for the Washington-Arlington-Alexandria, DC-VA-MD MD HUD Metro FMR Area.

the left in Figure 4, the Self-Sufficiency Wage for this family type in Prince George's County is $60,426 per year.

TANF, SNAP AND WIC. The first bar on the left in Figure 4 demonstrates the income of the basic public assistance package, including the cash value of SNAP (formerly food stamps), WIC, and TANF, and assuming no other income. The total public assistance package amounts to $13,674 per year for three-person families in Maryland. This public assistance package is just 23% of the Self-Sufficiency Standard for a three-person family in Prince George's County and is 74% of the FPL for a three-person family.

FEDERAL POVERTY LEVEL. According to the Federal Poverty Level, a family consisting of one adult and two children would be considered "poor" with an income of $18,530 annually or less in 2011—regardless of where they live, or the age of their children. The FPL for three-person families is just 31% of the Self-Sufficiency Standard for families with one adult, one preschooler, and one school-age child living in Prince George's County.

Statewide, the Self-Sufficiency Standard for a family with one adult, one preschooler, and one school-age child ranges from 163% of the FPL in Garrett County to 421% of the FPL in Montgomery County. Table C-1 *(in Appendix C: Federal Approaches to Measuring Poverty)* details the percentage of the FPL needed to meet basic needs by county and for several family types.

MINIMUM WAGE. Maryland's minimum wage is $7.25 per hour. A full-time minimum wage worker earns $15,312 per year. After subtracting payroll taxes (Social Security and Medicare) and adding tax credits when eligible, a working parent with one preschooler and one school-age child would have a net cash income of $25,758 per year. This amount is more than the worker's earnings alone because the tax credits for which the family qualifies are more than the taxes owed.

A full-time job at the minimum wage provides 43% of the amount needed to be self-sufficient for this family type in Prince George's County if the family receives all of the tax credits for which they might be eligible. However, if it is assumed that the worker pays taxes monthly through withholdings, but does not receive tax credits on a monthly basis (as is true of most workers), her take-home income would be $18,675 during the year, shown by the dashed line on the third bar. 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 31% of the Self-Sufficiency Standard for this family type in Prince George's County.

MEDIAN FAMILY INCOME LIMITS. Median family income (half of an area's families have incomes above this amount and half have incomes below this amount) is a rough measure of the relative cost of living in an area. The U.S. Department of Housing and Urban Development (HUD) uses area median family income to calculate income limits to assess families' needs for housing assistance. The Fiscal Year 2012 HUD median income for a three-person family in the Washington-Arlington-Alexandria, DC-VA-MD is $96,750 annually.[8] HUD income limits define "low income" three-person families in the Washington-Arlington-Alexandria, DC-VA-MD metropolitan area as those with incomes between $48,400 and $63,250, while those considered "very low income" have incomes between $29,050 and $48,400, and those with incomes below $29,050 are considered "extremely low income."[9] The Self-Sufficiency Standard of $60,426 for this family type in Prince George's County is between the HUD "low income" and "very low income" limits, demonstrating that the Standard is a conservative measure of the minimum required to be self-sufficient in Prince George's County.

The Wage Gap: How Does the Self-Sufficiency Standard Compare to Maryland's Top Occupations?

Given how much is needed to meet basic needs for Maryland's families, how many of Maryland's jobs provide a self-sufficiency level income?

Table 4 below compares the median wages of Maryland's ten most common occupations (by number of employees) to the Self-Sufficiency Standard.[11] The top ten most common occupations in Maryland represent 21% of all Maryland workers. The Standard used here is for one parent, one preschooler, and one school-age child in St. Mary's County, which is $25.75 per hour and $54,395 per year. St. Mary's County is used in this comparison because it is close to the median Self-Sufficiency Standard wage for this family type across Maryland.

The median wage of eight of the top ten occupations are below the Self-Sufficiency Standard for this family type in St. Mary's County, representing 17% of all Maryland workers. Five of Maryland's top ten occupations have median earnings that are less than half of the Standard for a St. Mary's County family with one adult, one preschooler, and one school-age child.

Retail salespersons is the most common Maryland occupation and accounts for 3% of all Maryland workers. With median hourly earnings of $10.33 per hour (median annual earnings of $21,482), the top occupation in Maryland provides workers with earnings that are only 39% of the Standard for this family type in St. Mary's County. In fact, 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 $14.84 per hour working full time.

The second most common occupation—cashiers—yields median earnings of $9.45 per hour ($19,669 per year). The median wage for Maryland's second most common

Table 4. **Wages of Maryland's Ten Largest Occupations, 2012**

OCCUPATION TITLE	NUMBER OF EMPLOYEES	Hourly Median Wage	Annual Median Wage*	Percent of Standard[1]
TOTAL, ALL OCCUPATIONS	2,462,470	$19.92	$41,422	76%
Retail Salespersons	74,830	$10.33	$21,482	39%
Cashiers	69,550	$9.45	$19,669	36%
Office Clerks General	64,390	$14.24	$29,612	54%
General and Operations Managers	51,990	$52.24	$108,673	200%
Registered Nurses	50,480	$37.51	$78,039	143%
Waiters and Waitresses	43,790	$9.08	$18,887	35%
Janitors and Cleaners Except Maids and Housekeeping Cleaners	43,510	$11.48	$23,869	44%
Combined Food Preparation and Serving Workers Including Fast Food	42,810	$8.96	$18,637	34%
Secretaries and Administrative Assistants Except Legal Medical and Executive	37,790	$18.27	$38,003	70%
Customer Service Representatives	35,870	$16.90	$35,147	65%
[1] SELF-SUFFICIENCY STANDARD FOR ONE ADULT, ONE PRESCHOOLER, AND ONE SCHOOL-AGE CHILD ST. MARY'S COUNTY		$25.75	$54,395	100%

* Wages adjusted for inflation using the South region Consumer Price Index from the Bureau of Labor Statistics.

Source: US Department of Labor, "May 2010 State Occupational Employment and Wage Estimates," Databases and Tables, Occupational Employment Statistics, http://www.bls.gov/oes/data.htm (accessed October 28, 2011).

ONLY TWO OF MARYLAND'S TEN MOST COMMON OCCUPATIONS HAVE MEDIAN WAGES THAT ARE ABOVE THE MINIMUM LEVEL OF SELF-SUFFICIENCY.

occupation falls short of self-sufficiency by nearly $35,000 annually for this St. Mary's County family of three.

Only two of the top occupations, general and operations managers and registered nurses, yield earnings that are above the minimum required to meet basic needs in St. Mary's County for this three-person family. Registered nurses in Maryland have a median income of $78,039 per year, which is 143% of the Self-Sufficiency Standard for this family type in St. Mary's County. General and operations managers earn a median income of $108,673 annually, or 200% of the Standard in St. Mary's County for this three-person family. However, these two occupations together make up only about 4% of all Maryland workers.

Although their median wages are less than the Standard, secretaries and administrative assistants earn the next highest median wages of the top ten occupations. At $18.27 per hour ($38,003 annually), their median wages are about half that of registered nurses and about one third of general and operations managers. A single parent with a preschooler and school-age child earning the median wage for secretaries and administrative assistants would earn 70% of the wage needed to be self-sufficient in St. Mary's County.

Thus, only two of Maryland's ten most common occupations have wages that are above the minimum level of self-sufficiency. In addition, most job losses of the Great Recession were in higher-wage industries yet as the economy recovers the most job gains have been in lower-wage industries.[12] Workers that have lost their jobs or are working in low-wage industries often cannot afford their housing, food and child care, much less other expenses, and are forced to choose between basic needs. This analysis of the wages of the most common Maryland occupations demonstrates that the economic insecurity faced by so many workers is not a reflection of a lack of work effort but simply that wages are too low in many Maryland occupations.

There are two basic approaches to close the income gap between low-wage work and what it really takes to make ends meet: reduce costs or raise incomes. The next two sections will discuss strategies used in each of these approaches. The first approach relies on short-term strategies to reduce costs temporarily through work supports (subsidies), such as food and child care assistance. Strategies for the second approach, raising incomes, include longer-term approaches such as increasing education levels, incumbent worker programs, and nontraditional job tracks. Reducing costs and raising incomes are not necessarily mutually exclusive, but can occur sequentially or in tandem. For example, some parents may receive education and training that leads to a new job yet continue to supplement their incomes by work supports until their wages reach the self-sufficiency level.

Closing the Wage Gap: Reducing Costs

While the Self-Sufficiency Standard provides the amount of income that meets families' basic needs without public or private assistance, many families cannot achieve self-sufficiency immediately. "Work supports" can help working families achieve stability without needing to choose between basic needs, such as scrimping on nutrition, living in overcrowded or substandard housing, or leaving children in unsafe and/or non-stimulating environments. Work supports can also offer stability to help a family retain employment, a necessary condition for improving wages. This section models how work supports temporarily reduce family 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.

Work supports include programs such as:

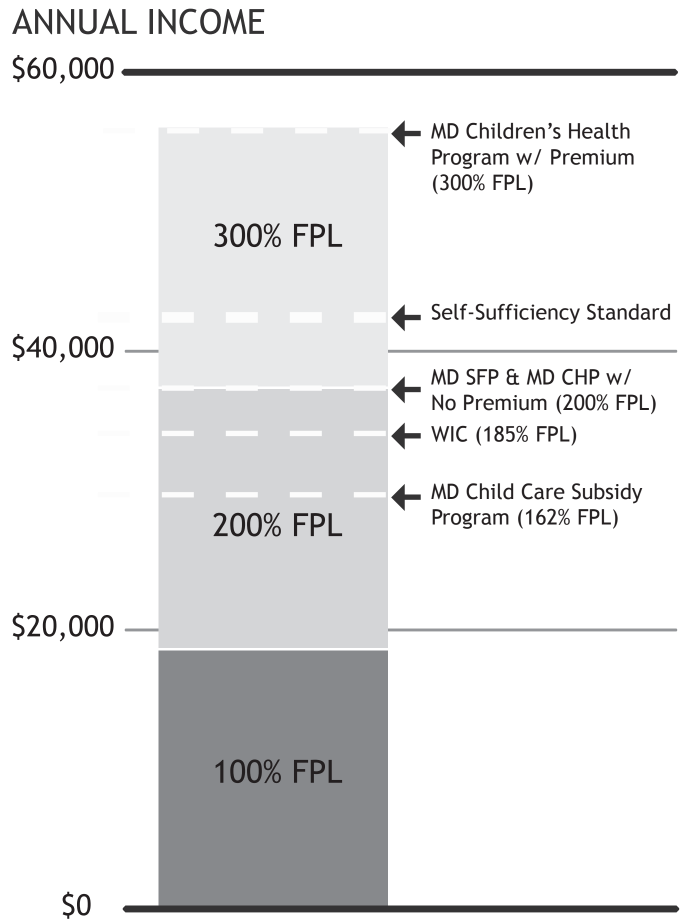
- child care assistance (Maryland Child Care Subsidy [CCS] Program)
- health care (Medicaid and Maryland's Children's Health Program [MCHP]),
- food assistance (SNAP, which in Maryland is called the Food Supplement Program [FSP], and the Women, Infants and Children [WIC] Program),
- housing assistance (including Section 8 vouchers and public housing).

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

Table 5 provides a summary of the work supports, child support, and tax credits modeled in this section. **Figure 8** shows the income eligibility levels for the work supports modeled in this section compared to the Self-Sufficiency Standard for the family type and place modeled in this section—one adult, one preschooler, and one school-age child in Somerset County. Note that the eligibility levels for all programs (except the Maryland Children's Health Program with a monthly premium) are below the Self-Sufficiency Standard, some considerably below.

WORK SUPPORTS CAN HELP WORKING FAMILIES ACHIEVE STABILITY WITHOUT NEEDING TO CHOOSE BETWEEN BASIC NEEDS

Figure 8. **Eligibility Levels for Maryland Work Supports Compared to the Standard**
One Adult, One Preschooler, and One School-age Child
Somerset County, MD, 2012



THE IMPACT OF WORK SUPPORTS AND CHILD SUPPORT ON COSTS

Table 6 contrasts the income needed to meet basic needs for one parent with one preschooler and one school-age child living in Somerset County without any work supports, i.e., the full Self-Sufficiency Standard (see Column #1), compared to how this parent can meet her family's basic needs at a variety of reduced wage levels with the help of work supports, depending on the supports received. In Columns #2-#6 of Table 6, the work supports modeled are listed in the column headings while monthly costs that have

Table 5. **Summary of Maryland Work Supports, Child Support, and Tax Credits**

WORK SUPPORT PROGRAM	BENEFIT	INCOME ELIGIBILITY
CHILD CARE ASSISTANCE (MARYLAND CHILD CARE SUBSIDY [CCS] PROGRAM)	Child care costs are reduced to a monthly co-payment which is dependent on income level, family size, number of children in care, and geographic region of the state.	Eligibility for Maryland's (CCS) Program is $29,990 for a family of three, which is about 162% of the FPL.
HOUSING ASSISTANCE (SECTION 8 HOUSING CHOICE VOUCHERS AND PUBLIC HOUSING)	Housing costs are typically set at 30% of adjusted gross income.	Households may be eligible with incomes that are 80% of area median income ($51,600 in Somerset County for a family of three). However, due to limited funding most new program participants must have income below 30% of area median income ($19,350 in Somerset County for a family of three).
MEDICAID	Health care benefits are fully subsidized.	Adult parents: income up to 100% FPL. Pregnant and postpartum women: income up to 185% FPL. Children under 5: income up to 133% FPL. Children 6-18: income up to 100% FPL.
CHILDREN'S HEALTH INSURANCE PROGRAM (MARYLAND'S CHILDREN'S HEALTH PROGRAM [MCHP])	Health care benefits for children under 19 years of age and pregnant women. Monthly premiums vary from $0 to $67 dependent on income.	Families are eligible for no monthly premium with income at or below 200% of the FPL, or $37,060 for a family of three. Families are eligible with a monthly premium with income up to $55,590 or 300% of the FPL.
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (MARYLAND FOOD SUPPLEMENT PROGRAM [FSP])	Maximum benefit for a family of 3: $526 per month. Maximum benefit for a family of 4: $668 per month. Average FSP benefit per household in Maryland is $275.27 per month.	Families must earn gross income less than 200% of the FPL 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 $39.51 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% FPL.
CHILD SUPPORT	Average payment is $271.62 per month in Maryland.	No income limit.
FEDERAL TAX CREDITS		
FEDERAL EARNED INCOME TAX CREDIT (EITC)	Max benefit for families with 1 child: $3,169 per year. Max benefit for families with 2 children: $5,236 per year. Max benefit for families with 3+ children: $5,891 per year.	1 parent family with 1 child: up to $36,920. 1 parent family with 2 children: up to $41,952. 1 parent family with 3+ children: up to $45,060.
FEDERAL CHILD AND DEPENDENT CARE TAX CREDIT (CCTC)	Credit is 20%-35% of child care costs depending on income level with maximum amount of child care costs of $3,000 for one child and up to $6,000 for two or more children. Credit is nonrefundable.	No income limit.
FEDERAL CHILD TAX CREDIT (CTC)	Up to $1,000 annual tax credit per child.	Married filing jointly: up to $110,000. Head of Household: up to $55,000. All others: up to $75,000. Refundable limited to earnings over $3,000.
STATE TAX CREDITS		
MARYLAND EARNED INCOME TAX CREDIT (EITC)	The state EITC is 50% of the Federal EITC benefit. The local EITC varies based on the local income tax rate. The Montgomery County Working Families Income Supplement is 67% of the State EITC benefit.	Maryland has a state and local refundable and a non-refundable Earned Income Tax Credit. Eligibility based on federal receipt of the EITC.
MARYLAND STATE CHILD CARE TAX CREDIT (CCTC)	The MD CCTC is a percent of the Federal CCTC claimed, depending on income.	Maryland has a state Child Care Tax Credit. Federal adjusted gross income must be less than $50,000 to qualify for the state credit.
MARYLAND STATE POVERTY LEVEL TAX CREDIT	The MD Poverty Level Tax Credit is a non-refundable credit that is 5% of earned income.	Maryland has a state Poverty Level Credit. Federal adjusted gross income and earned income must be less than the federal FPL.

Note: Eligibility and benefits for work supports and tax credits change routinely—typically yearly. The information reported in Table 5 represents eligibility and benefit guidelines for 2011. The 2011 Federal Poverty Level (FPL) for a family of three is $18,530 (annual income). See http://aspe.hhs.gov/poverty/11poverty.shtml.

been reduced by work supports are indicated with bold font in the table.

NO WORK SUPPORTS (COLUMN #1). Column #1 of Table 6 shows the Self-Sufficiency Standard for families with one adult, one preschooler, and one school-age child living in Somerset County. Without the assistance of any work (or other) supports to reduce costs, this family type has monthly child care expenses of $826 and monthly housing costs of $732. The adult in this family must earn a Self-Sufficiency Wage of $3,561 per month or $20.23 per hour working full-time to meet the family's basic needs without the help of public or private assistance.

CHILD SUPPORT (COLUMN #2). The average amount received by families participating in the Child Support

Table 6. **Impact of the Addition of Child Support and Work Supports on Monthly Costs and Self-Sufficiency Wage**

One Adult, One Preschooler, and One School-age Child: Somerset County, MD 2012

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 SUPPORT & CHILD CARE	CHILD SUPPORT CHILD CARE, FSP/ WIC* & TRANSITIONAL MEDICAID	CHILD SUPPORT CHILD CARE, FSP/WIC, MD CHILDREN'S HEALTH PROGRAM	CHILD SUPPORT CHILD CARE, FSP/WIC, MD CHILDREN'S HEALTH PROGRAM, HOUSING
MONTHLY EXPENSES:						
Housing	$732	$732	$732	$732	$732	**$350**
Child Care	$826	$826	$826	**$69**	**$209**	**$42**
Food	$577	$577	$577	**$171**	**$290**	**$239**
Transportation	$304	$304	$304	$304	$304	$304
Health Care	$431	$431	$431	**$0**	**$159**	**$159**
Miscellaneous	$287	$287	$287	$287	$287	$287
Taxes	$634	$501	$501	$33	$137	$77
TOTAL MONTHLY EXPENSES (Net of Work Supports)	**$3,792**	**$3,659**	**$3,658**	**$1,596**	**$2,118**	**$1,458**
ADDITIONAL MONTHLY RESOURCES:						
Total Tax Credits**	(231)	(178)	(178)	0	(16)	0
Child Support	0	**(272)**	**(272)**	**(272)**	**(272)**	**(272)**
TOTAL ADDITIONAL MONTHLY RESOURCES	(231)	**(450)**	(450)	(272)	(287)	(272)
SELF SUFFICIENCY WAGE: (Total Monthly Expenses Minus Total Additional Monthly Resources)						
HOURLY	$20.23	$18.23	$18.23	$7.53	$10.40	$6.74
MONTHLY	**$3,561**	**$3,209**	**$3,208**	**$1,324**	**$1,831**	**$1,186**
ANNUAL	$42,729	$38,502	$38,496	$15,894	$21,966	$14,233
ANNUAL REFUNDABLE TAX CREDITS:**						
Total Federal EITC	$0	$727	$728	$5,236	$4,209	$5,236
Total State EITC	$0	$0	$0	$0	$1,052	$0
Total Federal CTC	$486	$1,240	$1,241	$1,934	$2,000	$1,685

* WIC is the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Assumes average monthly value of WIC benefit $39.51 (FY 2010) in Maryland. SNAP is the Supplemental Nutrition Assistance Program, formerly known as the Food Stamp Program.

** 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 portions of the Child Tax Credit (which is a credit against federal taxes) is shown as available to offset monthly costs, and the refundable portions are shown in the bottom of the table. The Child Care Tax Credit on the other hand 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 discussion at the beginning of this section titled *The Treatment of Tax Credits in the Modeling Table and Figure*.

TREATMENT OF TAX CREDITS IN THE MODELING OF WORK SUPPORTS

The Standard shows *refundable* and *nonrefundable* tax credits monthly, as with all other costs. However, refundable tax credits are not received monthly, but are instead received annually when taxes are filed the following year. Therefore, to more realistically model the impact of work supports in Table 6 (Columns #2–#6), the refundable tax credits are shown as received annually; these include the federal Earned Income Tax Credit (EITC) and the "additional" refundable portion of the Child Tax Credit (CTC). However, because 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, it is included as received monthly in Table 6. (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*.)

Enforcement Program in Maryland is $272 per month (see Column #2).[13] Adding child support reduces the wage needed by this parent to meet basic needs to $3,209 per month and $18.23 per hour. Note that child support reduces the wages needed by more than the amount of child support alone because it also reduces taxes. Child support payments from absent, non-custodial parents can be a valuable addition to family budgets, even in cases where the non-custodial parent's income is relatively low.

CHILD CARE & CHILD SUPPORT (COLUMN #3). Since child care is one of the major expenses for families with children, the addition of a child care subsidy often provides the greatest financial relief of any single work support. Families of three with incomes up to 162% of the FPL are eligible for Maryland's Child Care Subsidy (CCS) Program.[14] In Column #3, child care assistance is modeled, however the family's income is beyond the eligibility level and the family does not qualify for child care assistance.

CHILD SUPPORT, CHILD CARE, FSP/WIC, & MEDICAID (COLUMN #4). For adults moving from welfare to work, child care assistance, food assistance, and Medicaid comprise the typical "package" of benefits. Assuming transitional Medicaid covers all of the family's health care expenses, health care costs are reduced from $394 per month to zero in Column #4.[15] Food costs are reduced from $577 to $171 per month with the additional resources provided by the Maryland Food Supplement Program [FSP] and WIC benefits.[16] The CCS Program reduces the family's child care copayment to $69 per month in Column #4. The combined effect of Medicaid, nutrition (FSP/WIC), and child care assistance reduce the wage required to meet basic needs to $1,324 per month. With the help of these crucial work supports, this Somerset County family making the transition from public assistance (TANF) to self-sufficiency would be able to meet the family's basic needs at a starting wage of $7.53 per hour.

CHILD SUPPORT, CHILD CARE, FSP/WIC, & MARYLAND CHILDREN'S HEALTH PROGRAM (COLUMN #5). When employers do not offer family health coverage and if the family is ineligible for Medicaid, children in families with income up to 200% of the FPL are eligible for health insurance with no premiums and children in families with income between 200% and 300% of the FPL are eligible for low-cost premiums through Maryland's Children's Health Program (MCHP).[17] Column #5 shows the same work support package as Column #4, except that instead of Medicaid for the whole family, MCHP has been substituted for the children. The adult in this family type still pays for the cost of her own health care (the premium of her employer-provided health insurance and her out-of-pocket costs). As a result, the family's total monthly cost of health care in Column #5 is equal to the adult's premium (plus her out of pocket costs) of $159 per month. The cost of food is $290 per month and the child care co-payment is $209 per month. With the help of child care, nutrition (FSP/WIC), and Maryland Children's Health Program, the parent needs to earn $1,831 per month to meet basic needs.

HOUSING, CHILD SUPPORT, CHILD CARE, FSP/WIC, & MARYLAND'S CHILDREN'S HEALTH PROGRAM (COLUMN #6). Comparing Column #5 to Column #6 shows how much housing assistance can help families with limited income meet basic needs. By reducing the cost of housing to 30% of income, housing costs drop from $732 to $350 per month.[18] With the 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 $1,186 per month or $6.74 per hour working full time. This is the equivalent of working a minimum wage job at about 90% time, or 36 hours a week.

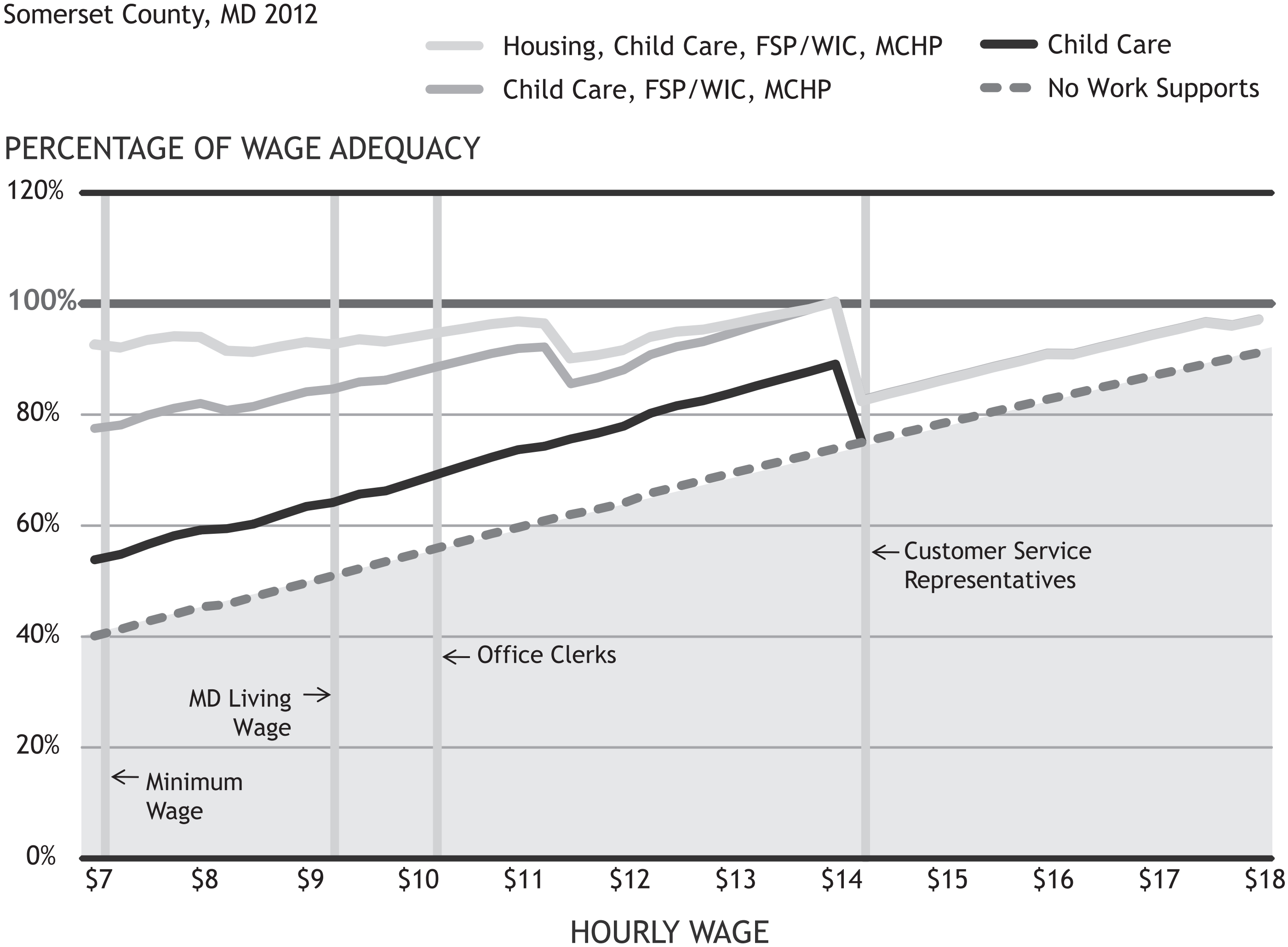
Assuming the family receives refundable tax credits annually (instead of monthly as shown in the Standard) and the adult works full-time at these wages throughout the year, the annual amounts of the refundable tax credits are shown in the shaded rows at the bottom of the table for Columns #2-#6. Without any work supports, and earning enough to meet the family's basic needs, shown in Column #1, the family's income is too high to qualify for EITC, but they are eligible for an annual child tax credit of $486. In Column #6 in which the most extensive work support package is modeled, the parent is eligible for nearly $7,000 in annual refundable tax credits.

USING WORK SUPPORTS TO INCREASE WAGE ADEQUACY

While Table 6 shows how child support and work supports reduce the wage needed, **Figure 9** 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 various work supports—or lack thereof. If wage adequacy is at or above 100%, the wage is enough or more than enough to meet 100% of the family's basic needs. Using the Self-Sufficiency Standard, a given family's income is deemed inadequate if it falls below the Standard for their family type and location. However, wage adequacy can also be achieved by reducing the costs of basic needs through the help of work supports (subsidies).

As a parent transitions from a low-wage job to a job paying self-sufficient wages, work supports help close the gap between actual wages and how much it takes to meet basic needs. Modeling the same family as Table 6 (one parent with one preschooler and one school-age child in Somerset County), Figure 9 shows the impact of work supports on wage adequacy as the parent's income increases, starting with a minimum wage job. The dashed line provides a "baseline," demonstrating the adequacy of wage levels without work supports (wages only). Each solid line represents a different work support package, and shows how much wage adequacy increases above the dashed baseline as a result of each combination of work supports. For further information, see *Appendix E: Modeling the Impact of Work Supports on Wage Adequacy* for a detailed table of the exact amounts of each work support modeled in the figure.

Figure 9. **Impact of Work Supports on Wage Adequacy**
One Adult, One Preschooler, and One School-Age Child
Somerset County, MD 2012



Note: Wage levels for occupations represent median hourly wages in Maryland. US Department of Labor, "May 2010 State Occupational Employment and Wage Estimates," Databases and Tables, Occupational Employment Statistics, http://www.bls.gov/oes/data.htm (accessed October 28, 2011).

MARYLAND MINIMUM WAGE. Starting at the Maryland minimum wage of $7.25 per hour, a single parent with one preschooler and one school-age child living in Somerset County and working full-time earns about 41% of the income needed to meet her family's basic needs if she is not receiving any work supports (see the dashed line on Figure 9).[19] However, if the parent receives child care assistance through the Maryland Child Care Subsidy (CCS) Program, shown as the first solid line from the bottom of Figure 9, the monthly cost of child care decreases from $826 to just $69, and wage adequacy increases to 55%—still only covering about half of the monthly expenses. If the family also receives assistance with food (Maryland Food Supplement Program [FSP] and Women Infant and Children program [WIC]) and health care (Maryland Children's Health Program [MCHP]) the cost of food decreases to $154 per month and health insurance to $191 per month, increasing wage adequacy to 78% (shown in the second solid line from the bottom of Figure 9). 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 92% (see the top solid line of Figure 9).

MARYLAND LIVING WAGE. The Maryland Living Wage Law requires certain contractors and subcontractors providing State services to pay their employees at least the Living Wage. There are two Maryland Living Wages, depending on the county in which the service is performed. For services performed in Somerset County the Living Wage is $9.39 per hour. If a parent with one preschooler and one school-age child earns a wage equal to the Living Wage, her wage adequacy would be 52% without any supports to reduce her monthly costs.[20] However, the CCS Program increases her wage adequacy to 65% and if she also receives food assistance (FSP/WIC) and MCHP (health insurance for children) it reaches 85%. Receiving the full work support package with housing assistance allows her to meet 94% of the family's basic needs.

RETAIL SALESPERSONS. An adult earning the median wage of retail salespersons, the largest occupation in Maryland, earns $10.33 per hour. At this wage a single parent with a preschooler and school-age child in Somerset County would be able to cover only 56% of her family's basic needs without any work supports. With child care assistance through the CCS Program her wage adequacy would increase to 70%. If she also receives food assistance and MCHP (children's health insurance), wage adequacy reaches 89% and the full work support package brings her to almost 100% of Wage Adequacy.

OFFICE CLERKS. If this parent's wage is equivalent to the median wage of office clerks in Maryland, or $14.24 per hour, she is able to meet 75% of the income needs of this family without any assistance. At this wage level, she is no longer eligible for child care, food (FSP), or housing assistance. However, receiving assistance through WIC and MCHP (children's health insurance) increases the wage adequacy of $14.24 per hour to 83% as demonstrated by the top solid line on Figure 9.

Appendix E: Modeling the Impact of Work Supports on Wage Adequacy shows the Impact of Work Supports on Wage Adequacy in a full table format, including detail of the impact on specific monthly expenses.

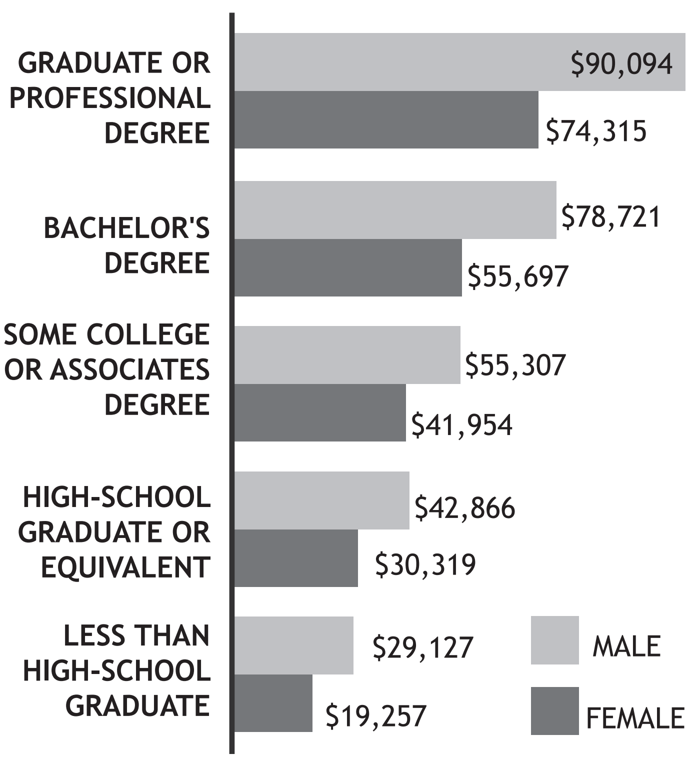
Closing the Wage Gap: Raising Incomes

For families who have not yet achieved "wage adequacy," work supports for high-cost necessities such as child care, health care, and housing are frequently the only means to adequately 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 increasing the skills of low-wage workers, recognizing the importance of asset building, and public policies that make work pay.

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.[20] As shown in **Figure 10**, the median earnings of male and female workers in Maryland grows as education levels increase.[21] 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.

Figure 10. **Impact of Education on Median Earnings by Gender in Maryland, 2012**



Source: U.S. Census Bureau, American Factfinder, "B20004. Median Earnings by Sex by Educational Attainment for the Population 25 Years and Over," 2009 American Community Survey, Detailed Tables, http://factfinder.census.gov/ (accessed October 28, 2011). Data is updated using the South Region Consumer Price Index from the Bureau of Labor Statistics.

BASIC ADULT EDUCATION. For many workers with inadequate education, language difficulties, or insufficient job skills and/or work 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 particularly important.

NONTRADITIONAL OCCUPATIONS. For women, many "nontraditional" occupations (NTOs), such as in manufacturing, technology, and construction, require relatively little post-secondary training, yet can provide wages at self-sufficiency levels. In particular, there is an anticipated demand for workers in the "green economy" 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.[22]

INCUMBENT WORKER TRAINING. For low-income 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.

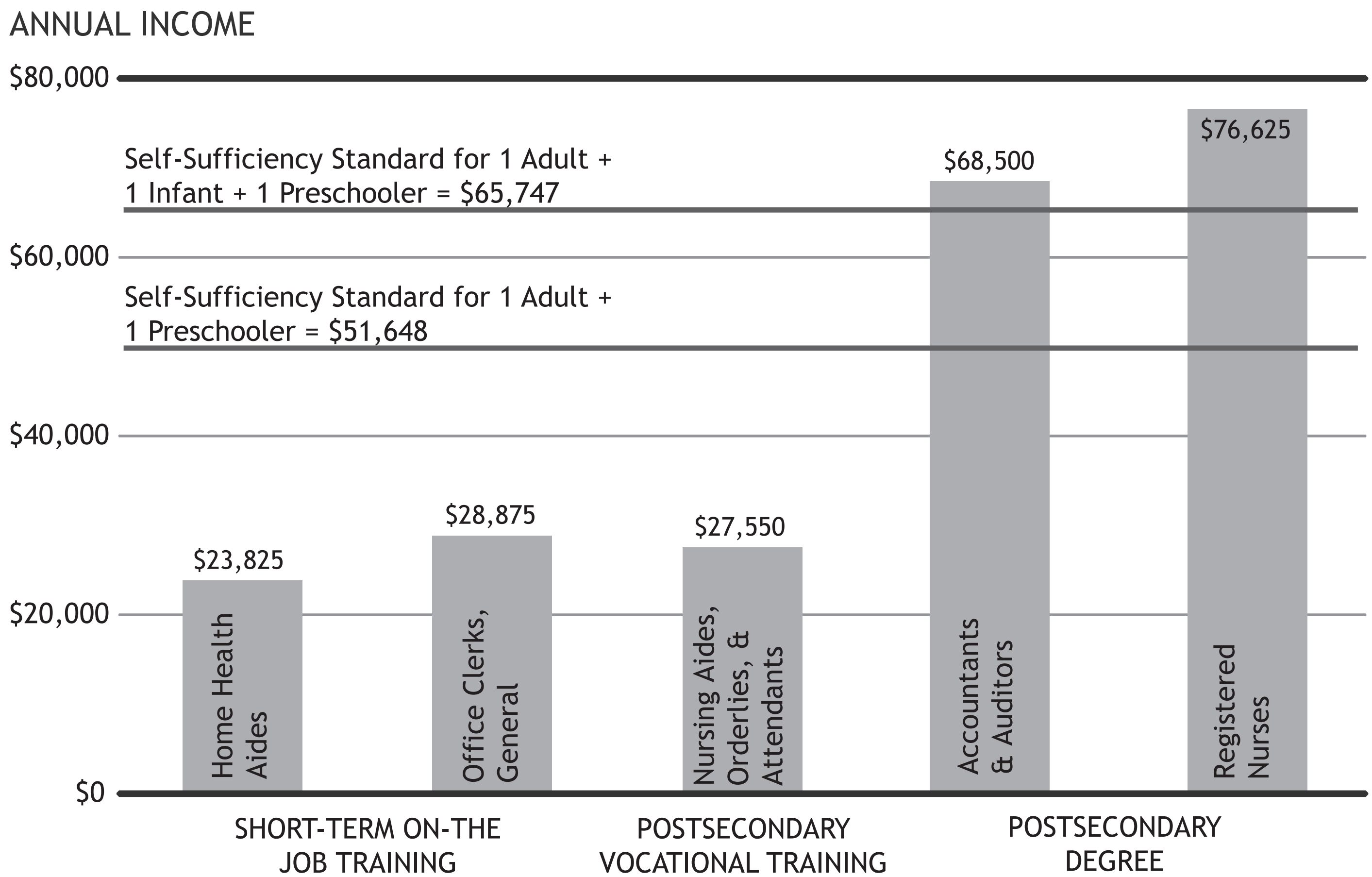
TARGETED JOBS/SECTOR STRATEGIES. Aligning training and postsecondary education programs with the workforce needs of the local labor market increases the potential income of low-wage workers and helps communities strengthen their local economies by responding to businesses' specific labor needs. Targeting job training programs towards occupations with both high growth projections and self-sufficiency level wages is one way to respond to workforce needs. For example, over the next five years, registered nurses are expected to have the most job openings due to growth in Maryland.[23] The expected growth in job openings for registered nurses is due to an increased emphasis on preventative care, an aging population creating higher demand for care, and technological advancements that allow for more health issues to be treated, according to the BLS Occupational Outook Handbook. As stated earlier, registered nurses have the second highest median wage of Maryland's top occupations. Job training programs that put students on a career pathway to being registered nurses connects specific labor market needs with a self-sufficiency wage occupation. **Figure 11** shows median earnings as well as education/training needs for select high growth occupations in Maryland (obtained from the Maryland Department of Labor, Licensing, and Regulation) compared to the Standard for two family types in Baltimore County.

CAREER COUNSELING. Opportunities to increase the skills of low-wage workers requires balancing work requirements and access to training, as well as providing income supports for low-income employed parents in college or training. Helping low-wage workers balance work, family, and financial responsibilities through career counseling, child care assistance, transportation assistance, or flexible scheduling can increase success.

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 reduction in work

Figure 11. **Self-Sufficiency Standard for Baltimore County Compared to Median Wages of Occupations with High Employment Prospects in Maryland, 2012**



Source: Maryland Department of Labor, Licensing, and Regulation, "Maryland Occupational Projections, 2008-2018" and "Maryland Wage Estimates," http://www.dllr.state.md.us/lmi/iandoproj/ and http://www.dllr.state.md.us/lmi/wages/toc001.htm (accessed November 10, 2011).

hours—can trigger a major financial crisis. One method that encourages asset building for low-wage workers are Individual Development Account (IDA) programs. IDAs are savings accounts where 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, ones 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.

RAISE WAGES

LIVING WAGES. As demonstrated in this report, even two adults working full-time must each earn well beyond a minimum wage to meet their family's basic needs. Higher wages can have a positive impact not only for workers but also for their employers by decreasing turnover, increasing work experience, and reducing training and recruitment costs. One method to increase salaries of low-wage workers is to increase the minimum wage. Localized Living Wage laws are another approach to raising wages of workers. These laws mandate that public employees as well as contractors and employers receiving public subsidies pay a "living wage," thus impacting private sector as well as public sector wages. Additionally, 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.[24]

PAY EQUITY LAWS. Pay equity laws require employers to assess and compensate jobs based on skills, effort, responsibility, and working conditions, and not based on the gender or race/ethnicity of the job's occupants.[25] Women and people of color all too often face artificial barriers to employment—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 individual persons and/or families seeking self-sufficiency.

MARYLAND LIVING WAGE

In Maryland, the Living Wage Law requires certain state services contractors and subcontractors to pay their employees at least the Living Wage. There are two Maryland Living Wages, either $12.49 or $9.39 per hour depending on the jurisdiction in which the service is performed, effective September 2011.[a] Montgomery County and Baltimore City each have their own living wage requirements as well. In Montgomery County the Wage Requirements Law requires certain county contract providers to pay at least the Living Wage, which is $13.20 per hour through June 30, 2012.[b] Baltimore City also has a City Living Wage, required of certain service contracts. Currently the Baltimore City Living Wage rate is $10.59 through June 30, 2012.[c]

a. There are two wage "tiers" established in Maryland. Tier 1 includes Montgomery County, Prince George's County, Howard County, Baltimore County, Baltimore City, and Anne Arundel County. Tier 2 is comprised of the rest of Maryland counties not included in Tier 1. The living wage rate for Tier 1 is $12.49 per hour and the rate for Tier 2 is $9.39 per hour effective September 27, 2011. Maryland Department of Labor, Licensing, and Regulation, Division of Labor and Industry, "Maryland's Living Wage Frequently Asked Questions," http://www.dllr.state.md.us/labor/prev/livingwagefaqs.shtml#1 (accessed December 19, 2011).

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How has the Self-Sufficiency Standard Been Used?

While the Self-Sufficiency Standard is an alternative measure of income adequacy that is more accurate, up-to-date, and geographically specific, it is more than an improved measure. The Standard is also a tool that can be used across a wide array of settings to benchmark, evaluate, educate, and illuminate. Below we briefly outline some of these uses. For more detail and examples, the reader is referred to **Appendix B**, which includes many more examples of the ways in which programs and persons have applied the Self-Sufficiency Standard in their work. In addition, references and websites are provided for further exploration of specific examples.

EMPLOYMENT PROGRAMS. The Self-Sufficiency Standard has been used in employment programs to determine which individuals are eligible and/or most in need of specific support or training services, to determine training and counseling needs, and to measure the effectiveness of employment programs.

For example, the Self-Sufficiency Standard has been used to **target job training resources**. Using a "targeted jobs strategy," the Standard helps to match job seekers with employment that pays Self-Sufficiency Wages. Through an evaluation of the local labor market and available job training and education infrastructure job seekers are matched to employment with family-sustaining wages. Through this analysis it is possible to determine the jobs and sectors on which to target training and education resources.

Additionally, as a **counseling tool** the Self-Sufficiency Standard helps participants in work and training programs access benefits and develop strategies to become self-sufficient. Computer-based counseling tools allow users to evaluate possible wages, then compare information on available programs and work supports to their own costs and needs. These tools integrate a wide variety of data not usually brought together, allowing clients to access information about the benefits of various programs and work supports that can move them towards economic self-sufficiency.

Finally, the Self-Sufficiency Standard can be used to **evaluate outcomes** for clients in a range of employment programs, from short-term job search and placement programs, to programs providing extensive education or job training. By evaluating wage outcomes in terms of the Standard, programs are using a measure of true effectiveness. Such evaluations can help redirect resources to approaches that result in improved outcomes for participants.

POLICY ANALYSIS. The Self-Sufficiency Standard has been used as a tool to evaluate the impact of current and proposed policy changes. As shown in the previous section, *Closing the Wage Gap: Reducing Costs*, the Standard can be used to evaluate the impact of a variety of work supports (SNAP/Food Stamp Program, Medicaid) or policy options (changes in child care co-payments, tax reform or tax credits) on a family's budget.

CASE HIGHLIGHT

In Washington State, the Workforce Development Council of Seattle-King County adopted the Self-Sufficiency Standard as its official measure of self-sufficiency and uses the Standard as a program evaluation benchmark and counseling tool shifting their focus from job placement alone to long-term economic self-sufficiency.

ECONOMIC DEVELOPMENT. The Self-Sufficiency Standard has been used to evaluate state and local level economic development proposals. Using the Standard can help determine if businesses seeking tax breaks or other government subsidies will, or will not, create jobs that pay "living wages." If not, employees may need public work supports to be able to meet their basic needs, essentially providing a "double subsidy" for businesses. Communities can use the Standard to evaluate economic development proposals and their net positive or negative effect on the local economy, as well as the impact on the well-being of potential workers and their families.

Moving Towards Economic Security

Attaining income at the Self-Sufficiency Standard level means being able to meet one's basic needs and not having to choose between basic necessities (such as child care versus food, or housing versus health care). At the same time, the Standard is admittedly a *conservative measure*. It is a "bare bones" budget with costs set at minimally adequate levels, not the average, with no extras. For example, the food budget has no take-out or restaurant food, not even a pizza or a cup of coffee.

The Standard is conservative not only in the sense that it calculates the bare minimum, but also because it does not include any savings and investments that are necessary to move beyond a basic needs level over the long run. Below we discuss four different types of future-oriented spending/savings that move families toward increased economic security: saving for emergencies, meeting the cost of big-ticket items, investing in post-secondary education/training, and saving for retirement.

Note that we do not prescribe what choices families should make, as each family must make their own choices regarding how best to balance current needs against the future. Once a family has secured the income to meet their basic needs, then they must decide what will, for their particular circumstances, best set them on the road to long-term economic security. For some families, this might be precautionary savings, both to meet immediate unforeseeable costs (such as a car breakdown), and long term foreseeable costs such as retirement. For others, paying off debts may be the first priority. For still others, having a bit extra beyond the basic minimum may enable the family to move, leaving an abusive partner or a problematic neighborhood, thus taking a first and crucial step towards long-term economic security. What choices families make depends on personal characteristics such as age of the adults, family composition changes (marriage, divorce, birth of a child), or neighborhood/community context and economy. Thus for example, for young adults, investing in education may have a higher priority, while for older adults, retirement savings may be of primary importance.

ONCE A FAMILY HAS SECURED THE INCOME TO MEET THEIR BASIC NEEDS, THEN THEY MUST DECIDE WHAT WILL, FOR THEIR PARTICULAR CIRCUMSTANCES, BEST SET THEM ON THE ROAD TO LONG-TERM ECONOMIC SECURITY.

SAVING FOR EMERGENCIES. For all families, having savings to meet unexpected emergencies is an important step towards economic security. Whether it is an accident, unemployment, an unexpected loss of a family member (through divorce, disease, desertion, or death), the unforeseen happens, and is likely to have a greater financial impact on low income families.[26] This has long been recognized as crucial by many anti-poverty organizations, as evidenced by the many programs that encourage liquid savings on a regular basis, even at very low levels.[27]

MEETING THE COST OF "BIG TICKET" ITEMS. The Standard covers the ongoing cost of meeting day to day expenses, but does not address "lump sum" needs, for example, to purchase a car or replace a refrigerator. Unless public transportation is adequate, the Standard assumes that adults will use a car to get to and from work, and for shopping; it covers the cost of maintaining, insuring, and running a car, but not the initial purchase. Likewise, major appliances are presumed to be functioning, so the costs of electricity and fuel are covered, but not the cost of purchasing such appliances.

The single biggest purchase, "big ticket" item, for most families is the purchase of a home. Again, the Standard presumes that all households are renters, and even then, only includes the cost of monthly rent and utilities, but not deposits (such as "first and last month rent" or damage deposits) sometimes required to rent an apartment or house. Although acquiring sufficient means to buy rather than rent may take considerable resources, owning a home has been considered part of the "American Dream", and an investment that can provide security. It may also, depending on the particular local housing market, cost less to own than rent when income tax impacts such as the mortgage deduction are taken into consideration. Home ownership may provide more security, particularly if families are able to secure long term fixed mortgage payments, thus not being subject to rent increases.

At the same time, for those living in areas with faltering economies and declining job opportunities, such long term investments may hinder flexibility to respond to changing labor market conditions and opportunities. Whether to aim for home ownership as a means to increased economic security is a choice each family must make, depending on their own circumstances as well as the local economy and housing market.

INVESTING IN POST-SECONDARY EDUCATION AND/OR TRAINING. Investment in what economists call "human capital", that is, education and job skills, is probably the most crucial for achieving true economic security. True long-term self-sufficiency increasingly requires human capital investments that enhance skills as well as improve access to jobs with career potential. In today's economy, one cannot easily maintain and move beyond self-sufficiency without a technologically advanced and broad-based education, which can provide the flexibility to move into new, innovative, or nontraditional jobs and careers. This means that a high school degree or G.E.D., while essential, is increasingly not enough, even with skill-imparting high school level vocational education.

Given this, human capital investment requires attending post-secondary vocational training in specialized institutions, community college which provides two-year Associate Degrees or certificates in specialized fields, or a four-year college or university. Almost all post-secondary education or training require resources for tuition, and thus require monetary investment. At the same time, the individual "owns" the investment in the sense that it cannot be taken away, and it will generally not lose value, as can happen with some kinds of investments (such as housing or pension plans). Altogether, investment in education and training provides the most flexibility for adaptation to an economy where job requirements are shifting ever more rapidly.

Just as it is for the adults, securing advanced education and training for the next generation is an important investment for the future, with children and young adults even less able to access the resources to make these crucial investments.

TRUE LONG-TERM SELF-SUFFICIENCY INCREASINGLY REQUIRES HUMAN CAPITAL INVESTMENTS THAT ENHANCE SKILLS AS WELL AS IMPROVE ACCESS TO JOBS WITH CAREER POTENTIAL.

SAVING FOR RETIREMENT. Savings for retirement are the longest term savings, and may seem like the least important, particularly for younger workers. Yet substantial data suggests that even without any changes in the future, Social Security currently does not provide adequate income for most individuals during retirement. Although it is the largest source of income for both men and women over 65, more than earnings, pensions, and assets combined, most elders find themselves just barely above official poverty.[28] In addition, although Medicare was originally intended to meet elders' medical needs once they were no longer covered by employer-provided health benefits, increasingly Medicare does not cover all such costs, such that elders are spending increasingly higher proportion of their income on health care costs.[29] Indeed, recent research using the Supplemental Poverty Measure, which takes into account the impact of "necessary expenditures", finds that health expenditures by the elderly push many below the official poverty level, substantially increasing the proportion of the elderly deemed "poor" by this poverty measure.[30] Thus saving for retirement is crucial for achieving economic security beyond the working years.

ACHIEVING ECONOMIC SECURITY: STAKEHOLDER SUPPORTS FOR FAMILIES

Each individual and family must make the decisions how best to save and/or invest to move towards economic security in the future for themselves and their families. But this task is not one that they must do alone, and in fact, there is a wide range of supports and institutions that will amplify, support, and enhance such individual efforts. Just as achieving Self-Sufficiency Wages involves a range of stakeholders, as described above, the same is true for economic security.

EMPLOYERS. First is the role of the employer. Several key components of economic security are employment-based, including health insurance, Social Security and Medicare, and unemployment insurance. As stated above, the Standard already incorporates the employee share of employer-provided health insurance, thus defining a Self-Sufficiency Standard job as including health insurance. Likewise, it is assumed that both the employer and employee pay Social Security and Medicare taxes. (That is, Self-Sufficiency Standard wages are not "cash" or under-the-table wages, with no deductions for Social Security and Medicare.) With such coverage, workers are assured that if they become disabled at any age, or when they reach retirement age, they will then be entitled to the income support and health care coverage that they have paid into over their working lives. Finally, although it does not show as a cost in the Standard, it is also assumed that a Standard job includes unemployment insurance coverage (unemployment insurance is paid for by employers through a payroll tax on their payrolls). Nevertheless, it is reasonable to assume that a Standard level wage should include such coverage against job loss, just as health insurance and Social Security/Medicare insure against income loss due to health care costs, disability or old age.

GOVERNMENT. Second is the role of the government. Already discussed are such insurance programs as Social Security and Medicare for retirement/disability, which not only insure against old age, but provide a "floor" in terms of income, and universal health coverage for the elderly, respectively. A second major source of government support for economic security is the tax system, operating through deductions and tax credits. Although not widely recognized, mortgage deductions in the income tax provide substantial amounts of "matching" funds for savings for housing investment. Depending on the tax bracket, this deduction alone "saves" American taxpayers $104.5 billion and thus supports investment in home ownership.[31] As with most tax deductions and credits, however, this is highly skewed to higher-income families. At the same time, FHA and other programs have enabled low-income families to become homeowners with lower down payments and favorable terms.[32]

A key source of government support for savings for low-income families are tax credits, particularly the EITC and Child Tax Credit. Because they are now received as lump sum payments when families file their income taxes, they act as forced savings. Indeed, studies have shown that families often see these tax refunds as savings.[33] While they may be used to either pay down debt (often medical debt) or make major purchases, interest has increased among service providers to capitalize on this opportunity to use these credit payments to set up savings programs.

A third source of support for future investments are government support of higher education through educational loans and particularly for low-income families, Pell grants. The latter provide resources for tuition and books, and make it possible for millions of students, both adult learners returning to school and the next generation, to continue their education beyond high school.

COMMUNITY. The third type of stakeholder providing support is the local community, including public and/or private community organizations and programs. A good example is IDA programs, described above, which encourage savings through matching programs underwritten by foundations and/or state governments. Other sources are local scholarship funds (e.g., Kiwanis) and entrepreneurship programs, such as Junior Achievement. Some local programs address specific needs, such as programs like Habitat for Humanity that help families become homeowners, or programs that help secure cars or carpooling to increase access to jobs, particularly in areas with limited public transportation.

THE FUTURE AND ECONOMIC SECURITY

As we look to the future, the trends for those striving to achieve economic security are mixed at best. On the one hand, there has been recognition of the importance of savings, investment, and particularly education and training as key to achieving economic security, so that low income programs have relaxed restrictions on assets or savings accounts.

Likewise, changes under the Patient Protection and Affordable Care Act (PPACA) will broaden coverage and regulate provision of services under health insurance, thus extending health insurance to more people.[34] Finally, recent reforms included in the 2009 American Recovery and Reinvestment Act (ARRA) extended unemployment insurance to more workers in many states, such as broadening eligibility for part-time workers.[35]

At the same time, a broader trend is the shifting of risk from corporations and government to individuals. For example, employers have cut or eliminated health insurance coverage, reduced or eliminated pensions, and structured jobs as temporary or contract work so as not to incur unemployment insurance coverage when layoffs occur. This decline in employer-provided health insurance could accelerate under the expanded coverage under PPACA, forcing families into the individual market and the health exchanges (with unknown but highly variable state by state effects on the costs to families in premiums, which though subsidized, may still be greater than through employment).

Furthermore, a direct effect of the Great Recession, and the housing/foreclosure crisis, is to greatly limit the access of low income families to lower-cost home mortgages. Not only income requirements but also down payment, credit rating, and other requirements have been severely tightened, making it much more difficult for families to become home owners in the foreseeable future. And in general, the Great Recession has led to cutbacks in many programs, particularly at the state level, such as the Maryland Child Care Subsidy program, which implemented a waiting list for new program participants in early 2011 due to reduced funding combined with caseload increases.[36] Looking to the future, public policy proposals to restrict access to, and/or decrease benefits in a wide range of federal programs from Social Security to food stamps, suggest that achieving economic security will continue to be a challenge. At the same time, it is also clear that this is not a challenge that individuals must face alone, but one where employers, the government, and the community can and do contribute towards achieving economic security.

Conclusion

As Maryland recovers from the Great Recession, long-term economic prosperity will require responsible action at the state and community level that puts all Marylanders on the path to self-sufficiency. A strong economy means good jobs that pay Self-Sufficiency Standard wages and a workforce with the skills necessary to fill those jobs. *The Self-Sufficiency Standard for Maryland 2012* defines the income needed to realistically support a family, without public or private assistance in Maryland. For most workers, the Self-Sufficiency Standard shows that earnings above the official Federal Poverty Level are nevertheless far below what is needed to meet families' basic needs.

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 high-cost necessities such 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, to analyze policy, and to 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.

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, North Carolina, Oklahoma, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the Washington, D.C. 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 2012*, or to find out more about the programs at the Maryland Community Action Partnership, contact (410) 740-3027, or visit http://www.maryland-cap.org/.

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32. For example, the HUD Homeownership Voucher Program allows public housing agencies the option to allow a participants payment subsidy to be used towards first-time home buying instead of rent. See U.S. Department of Housing and Urban Development, "Homeownership Vouchers," http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/homeownership (accessed August 4, 2011).

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36. Maryland State Department of Education, Child Care Subsidy Branch "Press Release-Child Care Subsidy Implements a Waiting List," http://www.marylandpublicschools.org/NR/rdonlyres/4BBFF303-3B56-47A0-AE08-4A31D1A265AC/27635/WaitingList.pdf (accessed November 28, 2011).

Appendix A: Methodology, Assumptions, and Sources

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; and,
- geographically- and/or 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 is 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 is calculated for 70 different family types for each county in Maryland. The 70 different family types 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 three teenagers. The Self-Sufficiency Standard can also be calculated for larger and multi-generational families. The cost of each basic need and the Self-Sufficiency Wages for eight selected family types for each county in Maryland are included in Appendix D of this report.

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 8 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 by 12 months per year to obtain the annual wage.

The components of *The Self-Sufficiency Standard for Maryland 2012* 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. 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. On October 1, 2011, HUD published final FMRs for fiscal year 2012. Housing costs in the 2012 Maryland Self-Sufficiency Standard are calculated using the FY 2012 HUD Fair Market Rents.

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. They are also known as Core-Based Statistical Areas (CBSAs), and if they are particularly large (with a population core of at least 2.5 million), they may be divided into "Metropolitan Divisions" (i.e., HMFAs).

Annual FMRs, used to determine the level of rent for those receiving housing assistance through Section 8 vouchers, are based on data from the 2000 decennial census, the biannual American Housing Survey, and random digit dialing telephone surveys, updated for inflation. 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.[a] In Maryland, just over half of the county FMRs are set at the 40th percentile, and the remainder are at the 50th percentile.

HUD calculates one set of FMRs for an entire metropolitan area. In Maryland there are two MSAs with more than one county sharing the same FMRs (Baltimore-Towson MD HUD Metro FMR Area and Washington-Arlington-Alexandria DC-VA-MD HUD Metro FMR Area). In order to differentiate the cost of housing by county, the Standard uses median gross rent ratios by county calculated from the U.S. Census Bureau's 2007-2009 American Community Survey (ACS) Estimates.

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, and families with three children require three 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

Housing Costs. U.S. Department of Housing and Urban Development, "Schedule B: FY 2012 Final Fair Market Rents for Existing Housing," Data Sets, Fair Market Rents, http://www.huduser.org/portal/datasets/fmr.html (accessed October 3, 2011).

County-Level Housing Costs. U.S. Census Bureau, American "Factfinder, B25064 Median Gross Rent," 2007-2009 American Community Survey 3-Year Estimates, Detailed Tables, http://factfinder.census.gov/ (accessed October 3, 2011).

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 and/or education and training. States were also required to conduct cost surveys biannually to determine the market-rate (defined as the 75th percentile) by setting, age, and geographical location or set a statewide rate.[b] Many states, including Maryland, have continued to conduct or commission the surveys on a regular basis. Data for Maryland child care costs is from the Maryland Committee for Children's *Cost of Care Report: Statewide Cost of Care Report by Jurisdiction.*

Care by family relatives accounts for the largest proportion of care for children less than three years of age (30% compared to 15% in family day care and 18% in child care centers).[c] However, since one of the basic assumptions of the Standard is that it provides the costs 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.

Thus the question becomes, which paid setting is most used for infants (defined as children under three), family day care or center care? Some proportion of relative care is paid care, with estimates ranging from one-fourth to more than half. In addition, a substantial proportion of relative caregivers also provide care for non-relative children.[d] As a result, relative care, when paid for, closely resembles the family day care home setting.

When even a minimal proportion of relative care is added to the paid family day care setting amount (e.g., it is assumed that just 20% of relative care is paid), then this combined grouping (family day care homes plus paid relative care) becomes the most common paid day care setting for infants. That is, 15% of children in family day care plus (at least) 6% who are in relative care (20% of the 30%) totals 21%, and thus is more than the 18% of infants who are in paid care in child care centers.[e]

For children three and four years old, however, clearly the most common child care arrangement is the child care center, accounting for 42% of the care (compared to 12% in family child care and 23% in relative care).[f]

For the Maryland 2012 Standard, infant rates (defined by the Standard as birth up to 3 years of age) are calculated using the average of the 75th percentile cost of licensed *family* care rates for infants and toddlers. Maryland's 75th percentile licensed *center* care rates are used to calculate child care costs for preschoolers (defined as 3 to 5 years of age by the Standard). Costs for school-age children are based on school year 75th percentile licensed *center* care rates (defined as 6 to 12 years by the Standard).

DATA SOURCES

Child Care Costs. Maryland Family Network, "Cost of Care Report," October 2011, personal communication with Arna Griffith, Director LOCATE: Child Care, Maryland Family Network (October 10, 2011).

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 safety net.[g]

The Low-Cost Food Plan is 25% higher 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 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.[h]

The USDA Low-Cost Food Plan varies by month and does not give an annual average food cost, so the Standard follows the SNAP protocol of using June data of the current year to represent the annual average. The 2012 Maryland Standard uses data for June 2011.

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 female and a two-parent household is assumed to include one adult female and one adult male.

Within-state geographic differences in food costs for the Maryland Standard are varied using the ACCRA Cost of Living Index, published by the Council for Community and Economic Research, and data from the U.S. Department of Agriculture Economic Research Service based on the Quality Food-at-Home Price Database (QFAHPD).

The ACCRA grocery index is standardized to price grocery items regardless of the shopper's socio-economic status. The ACCRA 2010 annual average cost of groceries index is applied to two urban areas in Maryland: the Baltimore-Towson metropolitan area and the Bethesda-Gaithersburg-Frederick metropolitan division.

The QFAHPD prices 52 separate food groups in 35 market groups that cover all 48 contiguous States. Using the QFAHPD, the USDA Economic Research Service priced out the cost of the Thrifty Food Plan for a family of four in each of the 35 market groups from 2002-2006. Counties not included in the ACCRA urban areas listed above are applied a ratio based on this data from the Economic Research Service.

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 2011," http://www.cnpp.usda.gov/Publications/FoodPlans/2011/CostofFoodJun11.pdf (accessed July 27, 2011).

ACCRA County-Level Food Cost Ratio. Council for Community and Economic Research, ACCRA, "ACCRA Cost of Living Index: 2010 Annual Average Section 2 Index," http://www.c2er.org (accessed May 31, 2011).

USDA County-Level Food Cost Ratio. "Thrifty Food Plan by Market Group," U.S. Department of Agriculture, Economic Research Service, Personal Communication with Christian Gregory, Research Economist, cgregory@ers.usda.gov (received May 24, 2011). Jessica Todd, Lisa Mancino, Ephraim Leibtag, & Christina Tripodo, "Methodology Behind the Quarterly Food-at-Home Price Database," Technical Bulletin No. 1926, U.S. Department of

Agriculture, Economic Research Service, April 2010, http://www.ers.usda.gov/Publications/TB1926/ (accessed August 3, 2011).

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 total public uses public transportation to commute to work that "translates" to approximately 30% of the low- and moderate-income population.[i] The Standard assumes private transportation (a car) where public transportation use to commute to work is less than 7%. In Maryland, public transportation is assumed for Baltimore City, Montgomery County, and Prince George's County based on commuting data from the 2007-2009 American Community Survey.

The cost of public transportation is calculated assuming within county travel. In Baltimore City the cost per adult is based on an unlimited use zone 1 commuter bus pass from the Maryland Transit Authority. In both Montgomery and Prince George's counties the cost per adult is calculated as the monthly price calculated for daily commute trips through Washington Metropolitan Transit Area. Commute trips are calculated assuming the daily use of both Metro Rail and Metro Bus to and from work during peak hours with the use of a smart card (enables a discount on transfers between rail and bus).

PRIVATE TRANSPORTATION. For private transportation, the Standard assumes that adults need a car to get to and from 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 to commute to and from work 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 auto insurance premium is the average premium cost for a given state from the National Association of Insurance Commissioners (NAIC) 2008 State Averages Expenditures and Premiums for Personal Automobile Insurance. To create within state variation (regional or county) in auto insurance premiums, ratios are created using sample premiums from the top market share companies in Maryland. In Maryland, ratios were created using quotes from the Maryland Insurance Administration's 2011 report *Auto Insurance: A Comparison Guide to Rates*.

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 2010 Consumer Expenditure Survey data for families with incomes between the 20th and 40th percentile living in the Census South region of the U.S. 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. Baltimore City: Maryland Transit Authority, Pass Store, https://mta.maryland.gov/pass-store (accessed September 23, 2011). Montgomery and Prince George's counties: Washington Metropolitan Transit Area, MetroBus and MetroRail Fares, http://www.wmata.com/fares/ (accessed September 23, 2011).

Auto Insurance Premium. National Association of Insurance Commissioners, "Average Expenditures for Auto Insurance by State, 2008," Insurance Information Institute, http://www.iii.org/media/facts/statsbyissue/auto (accessed October 17, 2011).

County-Level Insurance Premium. Maryland Insurance Administration, "Auto Insurance, A Comparison Guide to Rates," http://www.mdinsurance.state.md.us/sa/docs/documents/consumer/publicnew/autorateguide8-11complete.pdf.

Market Share. Maryland Insurance Administration, "2010 Report on the Effect of Competitive Rating on the Insurance Markets of Maryland," http://www.msa.md.gov/megafile/msa/speccol/sc5300/sc5339/000113/013000/013718/unrestricted/20110545e.pdf (accessed September 23, 2011).

Distance to Work. U.S. Department of Transportation, 2009 National Household Transportation Survey, "Average Person Trip Length (Trip Purpose: to/from Work)," Online Analysis Tools, http://www.nhts.ornl.gov (accessed September 23, 2011).

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 2010, CE Databases, http://www.bls.gov/data/ (accessed October 17, 2011).

Per Mile Costs. American Automobile Association, "Your Driving Costs," 2011 Edition, AAA Association Communication, http://www.aaaexchange.com/Assets/Files/201145734460.DrivingCosts2011.pdf (accessed April 15, 2011).

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://www.bls.gov/cpi/home.htm (accessed October 17, 2011).

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, 76% of non-elderly individuals in households with at least one full-time worker have employer-sponsored health insurance (nationally 68% have employer sponsored health insurance).[o] The full-time worker's employer pays an average of 78% of the insurance premium for the employee and 73% for the family in Maryland. Nationally, the employer pays 80% of the insurance premium for the employee and 73% of the insurance premium for the family.[j]

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 care premiums are the average employment-based health premium paid by a state's residents for a single adult and for a family. In Maryland the average monthly premium paid by the employee is $90 for a single adult and $311 for a family. The premium costs are then adjusted for inflation using the Medical Care Services Consumer Price Index.

To vary premium costs by county or regions within the state, the Standard uses average premiums from the health care insurance companies with the largest market shares or with the widest coverage. For the 2012 Maryland Standard variation across the state in the cost of health insurance was calculated using sample premiums for the Maryland's Comprehensive Standard Health Benefit Plan obtained from the Maryland Insurance Administration's 2011 guide, *Health Care for Small Employers (With Sample Premiums).*

Health care costs also include regional 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.

Note that although the Standard assumes employer-sponsored health coverage, not all workers have access to affordable health insurance coverage through their employers. Those who do not have access to affordable health insurance through their employers must either purchase their own coverage or do without health insurance. When an individual or a family cannot afford to purchase health coverage, an illness or injury can become a very serious financial crisis. Likewise, a serious health condition can make it extremely expensive to purchase individual coverage. However, in 2014 the Patient Protection and Affordable Care Act will require individuals who can afford it to either obtain minimal health insurance or contribute a fee towards the costs of uninsured Americans.[k] By 2014 the Affordable Care Act will also prohibit all discrimination against pre-existing conditions; and, in the meantime, states can opt to participate in a Pre-Existing Condition Insurance Plan, which provides coverage options for people who have been without health insurance for six months due to a pre-existing condition.[l]

TREATMENT OF TAX CREDITS IN MODELING TABLE AND FIGURE

The Standard shows refundable and nonrefundable tax credits as if they are received monthly. However, for the work supports modeled in Table 6 (Columns # 2-#6), the refundable federal Earned Income Tax Credit (EITC), and the "additional" refundable portion of the Child Tax Credit (CTC), are shown as received annually. However, 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 columns of Table 6.

The tax credits are calculated this way in Table 6 in order to be as realistic as possible. Until recently, a family could receive part of their EITC on a monthly basis (called Advance EITC), but many workers preferred to receive it annually as a lump sum. In fact, nearly all families received the EITC as a single payment the following year when they filed their tax returns.[a] Many families preferred to use 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.[b] Therefore, in Columns #2-#6 of Table 6, the total amount of the refundable federal EITC the family would receive annually (when they file their taxes) are shown in the shaded rows at the bottom of the table instead of being shown monthly as in the Self-Sufficiency Standard column. This is based on the assumption that the adult works at this same wage, full-time, for the year.

Like the EITC, the federal CTC is shown as received monthly in the Self-Sufficiency Standard. However, 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 Table 6.

a. Some workers may have been unaware of the advance payment option, and others may had employers who did not participate. Also, 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; hereafter cited as How Families View and Use the EITC.

b. How Families View and Use the EITC.

DATA SOURCES

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, 2008," MEPSnetHC, http://www.meps.ahrq.gov/mepsweb/data_stats/MEPSnetHC.jsp (accessed June 2, 2011).

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 Coverage at Private-Sector Establishments that Offer Health Insurance by Firm Size and State, United States, 2010," Medical Expenditure Panel Survey-Insurance Component, http://www.meps.ahrq.gov/mepsweb/data_stats/quick_tables_results.jsp?component=2&subcomponent=2&year=2010&tableSeries=2&tableSubSeries=CDE&searchText=&searchMethod=1&Action=Search (accessed August 8, 2011).

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 November 1, 2011).

Regional Ratios. Maryland Insurance Administration, "Health Carriers for Small Employers (with Sample Premiums)," http://mhcc.maryland.gov/smallgroup/mia_rateguide.pdf (accessed September 15, 2011).

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.[m]

TAXES

Taxes calculated in the Standard include federal and state income tax, payroll taxes, and state and local sales tax where applicable. 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. When applicable, income tax calculations for the Standard include state and local income tax. In Maryland, state income taxes vary between 2% and 6.25% depending on income. Additionally, Maryland has local income taxes that vary between 1.215% and 3.2%.

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% state sales and use tax.

DATA SOURCES

Federal Income Tax. Internal Revenue Service, "1040 Instructions," http://www.irs.gov/pub/irs-pdf/i1040gi.pdf (accessed April 21, 2011). Internal Revenue Service, "Revenue Procedure 2011-12," http://www.irs.gov/pub/irs-drop/rp-11-12.pdf (accessed April 21, 2011).

State Income Tax. Comptroller of Maryland, "Maryland 2010 State and Local Tax Forms & Instructions," http://forms.marylandtaxes.com/current_forms/Resident_booklet.pdf (accessed 0915/11).

State Sales and Use Tax. Comptroller of Maryland, Spotlight on Maryland Taxes, "Sales and Use Tax," http://individuals.marylandtaxes.com/usetax/default.asp (accessed September 15, 2011).

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 has a nonrefundable and partially refundable earned income tax credit at the state and local level.

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 2011, 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. Maryland also has a state CCTC.

The Child Tax Credit (CTC) is like the EITC in that it is a refundable federal tax credit. In 2011, 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.

Maryland also has a State and Local Poverty Level Credit for families with incomes below the federal poverty level and a renter's credit for low-income families with dependent children.

DATA SOURCES

Federal Child Care Tax Credit. Internal Revenue Service, "Publication 503. Child and Dependent Care Expenses," http://www.irs.gov/pub/irs-pdf/p503.pdf (accessed April 21, 2011).

Federal Child Tax Credit. Internal Revenue Service, "Publication 972. Child Tax Credit," http://www.irs.gov/pub/irs-pdf/p972.pdf (accessed April 21, 2011). U.S. Library of Congress, Thomas, "Title V: Additional Tax Relief and Other Tax Provisions, Sec. 501," http://thomas.loc.gov/ (accessed April 21, 2011).

Federal Earned Income Tax Credit. Internal Revenue Service, "Publication 596. Earned Income Credit," http://www.irs.gov/pub/irs-pdf/p596.pdf (accessed April 21, 2011). Internal Revenue Service, "EITC for Individuals. EITC thresholds and tax law updates," http://www.irs.gov/individuals/article/0,,id=150513,00.html (April 21, 2011). Internal Revenue Service, "Revised Procedures 2009-50, Section 3. 2010 Adjusted Items," Publications, Index of pub/irs-pub/, Administrative, Procedural, and Misc., http://www.irs.gov/pub/irs-drop/rp-09-50.pdf (April 21, 2011).

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ENDNOTES FOR APPENDIX A

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b. U.S. Government Printing Office, GPO Access, "Section 9. Child Care," 108th Congress 2004 House Ways and Means Committee Green Book, Search: Child Care, http://www.gpoaccess.gov/wmprints/search2.html (accessed August 17, 2010).

c. Jeffrey Capizzano et al., "Child Care Arrangements for Children under Five: Variation across States," The Urban Institute, New Federalism: National Survey of America's Families Series B, No. B-7 (March 2007) p. 8, http://www.urban.org/url.cfm?ID=309438 (accessed August 17, 2010); hereafter cited as Child Care Arrangements. Capizzano notes in a 2004 report analyzing updated National Survey of America's Families data "…there seems to have been little change in the distribution of child care arrangements among both low- and higher-income families from 1999 to 2002." Jeffrey Capizzano and Gina Adams, "Children in Low-Income Families Are Less Likely to Be in Center-Based Child Care," The Urban Institute, Snapshots of America's Families III no. 16 (2004) p. 2, http://www.urban.org/url.cfm?ID=310923 (accessed August 17, 2010); hereafter cited as Children in Low-Income Families.

d. Child Care Arrangements and Children in Low-Income Families.

e. Child Care Arrangements, p. 8.

f. Child Care Arrangements, p. 8.

g. Food Research and Action Center, "SNAP/Food Stamps," Federal Food/Nutrition Programs, http://frac.org/federal-foodnutrition-programs/snapfood-stamps/ (accessed December 13, 2010).

h. U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Expenditures in 2010," Economic News Release, http://www.bls.gov/news.release/cesan.nr0.htm (accessed November 10, 2011).

i. 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).

j. The Henry J. Kaiser Foundation State Health Facts Online, "Maryland: Employer-Sponsored Coverage Rates for the Nonelderly by Family Work Status, States (2008-2009), U.S. (2009)," Health Coverage and the Uninsured (2008-2009), http://www.statehealthfacts.org/profileind.jsp?rgn=49&cat=3&ind=150 (accessed October 17, 2011).

k. Office of the Legislative Counsel, 111th Congress 2nd Session, Compilation of Patient Protection and Affordable Care Act, "Requirement to Maintain Minimum Essential Coverage," Part 1 Individual Responsibility, Section 1501, pg 143, http://docs.house.gov/energycommerce/ppacacon.pdf (accessed August 31, 2010).

l. Office of the Legislative Counsel, 111th Congress 2nd Session, Compilation of Patient Protection and Affordable Care Act, "Immediate Access to Insurance for Uninsured Americans with a Preexisting Condition," Title 1—Quality, Affordable Health Care for All Americans, Section 1101, pg 30, http://docs.house.gov/energycommerce/ppacacon.pdf (accessed August 31, 2010).

m. Constance F. Citro and Robert T. Michael, eds., Measuring Poverty: A New Approach (Washington, DC: National Academy Press, 1995), http://www.census.gov/hhes/poverty/povmeas/toc.html (accessed August 12, 2010).

Appendix B: Examples of How the Standard Has Been Used

The Standard is a tool that can be used across a wide array of settings to benchmark, evaluate, educate, and illuminate. Below we provide specific examples of some of these uses—with references and website addresses—so that you can explore these uses as well as contact programs and persons who have applied the Self-Sufficiency Standard in their work.

ASSESSMENT OF PUBLIC POLICY OPTIONS

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

- The Self-Sufficiency Standard for Massachusetts was used in the Crittenton Women's Union 2007 report, *Unlocking the Doors to Higher Education and Training for Massachusetts' Working Poor Families* to advocate for tuition-free community college education and other ways to address financial barriers to education in Massachusetts, citing the need for post-secondary education and training in order to acquire Self-Sufficiency Wage jobs (see www.liveworkthrive.org/research_and_tools/reports_and_publications/The_Massachusetts_Working_Poor_Families_Project_Report).

- In Colorado, 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 2002 statewide report *Housing Colorado: The Challenge for a Growing State* (see http://dola.colorado.gov/cdh/researchers/documents/HousingColo02.pdf).

- In Maryland, Advocates for Children and Youth used the Self-Sufficiency Standard in their *Maryland Can Do Better for Children* campaign, a three-year plan to address critical needs of children and their families by 2010. During the 2007 special session of the Maryland General Assembly, the campaign utilized the Self-Sufficiency Standard for each of Maryland's 24 jurisdictions to successfully advocate for expanded Refundable Earned Income Tax Credits for low-income families (see www.acy.org).

- In December 2005, the Human Services Coalition of Dade County in Florida issued a policy brief titled *Nonprofits, Government, and The New War on Poverty: Beating the Odds in a Global Economy*, which used the Standard to examine Florida's human services sector from an economic and community perspective. For more information on the Human Services Coalition of Dade County, see www.hscdade.org.

- In Pennsylvania, many groups, including PathWays PA, have used the Standard to model the impact of a state Earned Income Tax Credit on the ability of a family to reach self-sufficient wages (see www.pathwayspa.org).

- When the Oklahoma Department of Human Services proposed large increases in child care co-payments, the Oklahoma Community Action Project (CAP) of Tulsa County used analysis based on the Self-Sufficiency Standard in their report, *Increased Child Care Co-Payments Threaten Access to Care for Low Income Families*, resulting in the Department rescinding the proposed increases. For more information about the work of the Community Action Project of Tulsa County, see www.captc.org.

EVALUATION OF ECONOMIC DEVELOPMENT PROPOSALS

The Self-Sufficiency Standard has been used to evaluate state and local level economic development proposals. Using the Standard can help determine if businesses seeking tax breaks or other government subsidies will, or will not, create jobs that pay "living wages." If the jobs to be created pay wages that are below the Standard so that the employees will need public work supports to be able to meet their basic needs, the new business is essentially seeking a "double subsidy." Economic development proposals can be evaluated for their net positive or negative effect on the local economy, as well as on the well-being of the potential workers and their families.

- Colorado's Fort Carson is one of the first military bases to consider reviewing its vendor contracts using the Self-Sufficiency Standard. Their sustainability plan would seek vendors who pay "livable wages" to their employees, as defined by the Standard.
- In Nebraska, the Nebraska Appleseed Center has developed a set of job quality standards that corporations should follow prior to receiving public funds (see www.neappleseed.org).
- The Delaware Economic Development Office has used the Delaware Self-Sufficiency Standard to evaluate strategic fund grant applications in order to focus its resources on quality employment growth.

TARGETING OF JOB TRAINING RESOURCES

The Self-Sufficiency Standard has been used to target job training resources. Using a targeted jobs strategy, the Standard helps to match job seekers with employment that pays Self-Sufficiency Wages. Through an evaluation of the local labor market and available job training and education infrastructure, the skills and geographic location of current or potential workers are evaluated and job seekers are matched to employment with family-sustaining wages. Through this analysis it is possible to determine the jobs and sectors on which to target training and education resources.

- In Washington, D.C., the Standard was used in the 2000 Workforce Investment Act statute, which requires that the Workforce Investment Board target job-training dollars in high-growth occupations and assess the quality of the jobs in order to meet the wage and supportive service needs of job seekers. To see a more detailed description of the District of Columbia's Workforce Investment Act go to www.does.dc.gov/does/cwp/view,a,1233,q,538387.asp.

EVALUATION OF EMPLOYMENT PROGRAM OUTCOMES

The Self-Sufficiency Standard can be used to evaluate outcomes for clients in a range of employment programs, from short-term job search and placement programs to programs providing extensive education or job training. By evaluating wage outcomes in terms of the Standard, programs are using a measure of true effectiveness. Such evaluations can help redirect resources to approaches that result in improved outcomes for participants.

- In Washington State, the Workforce Development Council of Seattle-King County adopted the Self-Sufficiency Standard as its official measure of self-sufficiency and uses the Standard as a program evaluation benchmark. Using data collected by caseworkers and the online Self-Sufficiency Standard Calculator, the Council demonstrates the impact of its education and training programs on the achievement of self-sufficiency by its participants. For more information on the Workforce Development Council of Seattle-King County, see www.seakingwdc.org. (See case highlight on page 28.)
- Under its Workforce Investment Act, the Chicago Workforce Investment Board adopted the Self-Sufficiency Standard as its self-sufficiency benchmark. For more information on Chicago's Workforce Investment Act, see www.cityofchicago.org.
- The Colorado Center on Law and Policy successfully lobbied the Eastern Regional Workforce Board in Fort Morgan, Colorado to officially adopt the Self-Sufficiency Standard to determine eligibility for intensive and/or training services (see www.yourworkforcecenter.com/other/ruralconsortium/other/WIA%205%20YR%20Plan.htm).

TARGETING EDUCATION RESOURCES

The Self-Sufficiency Standard helps demonstrate the pay-off for investing in education and training such as post-secondary education and training, including training for occupations that are nontraditional for women and people of color.

- For example, the Missouri Women's Council of the Department of Economic Development used the Standard to begin a program for low-income women that promotes nontraditional career development, leading to jobs paying Self-Sufficiency Wages. For more information on the Missouri Women's Council see www.womenscouncil.org/about_WC.htm.

- In California's Santa Clara County, the Self-Sufficiency 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 training package that targeted transportation jobs and provided $140,000 to the community college system to explore how to strengthen preparation for these jobs (see www.insightcced.org).

- Following the release of the Crittenton Women's Union (CWU) 2005 report *Achieving Success in the New Economy: Which Jobs Help Women Reach Economic Self Sufficiency*, CWU has established an online Hot Jobs for Women guide. Using the Self-Sufficiency Standard for Massachusetts, the online guide assists women in identifying jobs in high demand that pay Self-Sufficiency Wages, yet require two years or less in full-time education or training (see www.liveworkthrive.org/research_and_tools/hot_jobs).

- In Connecticut, the Self-Sufficiency Standard has been adopted at the state level since 1998. It has been used in planning state-supported job training, placement and employment retention programs, and has been distributed to all state agencies that counsel individuals seeking education, training, or employment. Connecticut's Permanent Commission on the Status of Women regularly uses the Self-Sufficiency Standard in legislative testimony (see http://ctpcsw.com/).

- In New York, the Standard has been used in modeling services for young adults in career education to demonstrate how their future career choices and educational paths might impact their ability to support a future family or to address changing family dynamics. The Standard has also been used in New York for job readiness planning for women seeking skilled employment.

- In Delaware, the Standard was used to train people from the developmental disability community on how to retain their benefits when returning to the workforce.

DETERMINATION OF NEED FOR SERVICES

The Self-Sufficiency Standard has been used to determine which individuals are eligible and/or most in need of specific support or training services.

- For example, in Virginia, Voices for Virginia's Children successfully advocated for the state's TANF Authorization Committee to use the Virginia Self-Sufficiency Standard as a tool for setting eligibility guidelines. For more information on the programs of Voices for Virginia's Children go to www.vakids.org/work/fes.htm.

- The Connecticut Legislature enacted a state statute that identified "the under-employed worker" as an individual without the skills necessary to earn a wage equal to the Self-Sufficiency Standard. The statute directed statewide workforce planning boards to recommend funding to assist such workers (see www.larcc.org/documents/mapping_change_2002.pdf).

- The Director of Human Resources and Human Services for Nevada incorporated the Nevada Self-Sufficiency Standard into Nevada's 2005 needs projections. Additionally, the Director used the Standard in the recommendations related to caseloads.

COUNSELING TOOL FOR PARTICIPANTS IN WORK & TRAINING PROGRAMS

The Self-Sufficiency Standard has been used as a counseling tool to help participants in work and training programs access benefits and develop strategies to become self-sufficient. Computer-based counseling tools allow users to evaluate possible wages, then compare information on available programs and work supports to their own costs and needs. Computer-based Self-Sufficiency Calculators, for use by counselors with clients and the public, have been developed for Illinois, New York, Oregon, Pennsylvania, Washington State, the Bay Area in California, Colorado and Washington, D.C. These tools integrate a wide variety of data not usually brought together, allowing clients to access information about the benefits of various programs and work supports that can move them towards self-sufficiency. Through online calculators, clients are empowered with information and tools that allow them to develop and test out their own strategies for achieving self-sufficient incomes.

- For example, in Washington State, a statewide Self-Sufficiency Calculator is used across workforce councils as a counseling tool and can be viewed at www.thecalculator.org (see case highlight on page 28). Additionally, the Snohomish County Workforce Development Council in Washington has developed a self-sufficiency matrix that is used in case management. The self-sufficiency matrix can be used as a case management tool, a self-assessment tool, a measurement tool, and a communication tool. The matrix is composed of 25 key outcome scales (e.g., employment stability, education, English language skills, life skills, and child care). The scales are based on a continuum of "in crisis" to "thriving." The case manager works with the customer to score the scales and monitor progress. To learn more about the matrix, please visit www.worksourceonline.com/js/documents/Instructions.pdf.
- PathWays PA offers *The Pennsylvania Online Training and Benefits Eligibility Tool*, an interactive career-counseling tool based on the 2010 Pennsylvania Self-Sufficiency Standard. The online counseling tool can be used by counselors and clients to test the ability of various wages to meet a family's self-sufficiency needs, as well as what training programs they might be eligible for at their current wage. This tool also allows clients to apply for benefits immediately or for counselors to do so on a client's behalf. *The Pennsylvania Online Training and Benefits Eligibility Tool* can be found at www.pathwayspa.org.
- The Oregon *Prosperity Planner*, a calculator based on the 2011 Oregon Self-Sufficiency Standard can be found at www.prosperityplanner.org.
- The Denver County Office of Economic Development, Division of Workforce Development uses the Self-Sufficiency Standard as well as the Colorado Economic Self-Sufficiency Standard Calculator to inform participants about the career choices that will move them toward economic self-sufficiency. The Workplace Center at the Community College of Denver utilizes the Colorado Economic Self-Sufficiency Standard Calculator to counsel participants on career choices, real wage determination and avoiding potential obstacles to economic self-sufficiency such as the systemic "cliff effect" built in to many work support programs. The Colorado Center on Law and Policy hosts the Colorado Self-Sufficiency Calculator at www.coloradoselfsufficiencystandardcalculator.org/ColoradoCalculator/Home.aspx.
- Virginia Kids developed *The Self-Sufficiency Standard for Virginia – Budget Worksheet Exercise* as a counseling tool (see http://www.vakids.org/pubs/FES/budget_worksheet_exercise.htm).
- In the D.C. Metropolitan Area, Wider Opportunities for Women developed and piloted a Teen Curriculum based on the Standard that educates adolescents about career choices, life decisions, and self-sufficiency (see www.wowonline.org). Additionally, the Washington, D.C. Metro Area Self-Sufficiency Calculator can be found at www.dcmassc.org.
- In New York the Women's Center for Education and Career Advancement has used the Standard to train counselors to better communicate ideas about Self-Sufficiency and economic issues with their clients and assess benefit eligibility. The Women's Center for Education and Career Advancement also hosts an online Self-Sufficiency Calculator for the City of New York. The Calculator for the City of New York can be accessed at www.wceca.org/index.html.
- The Social Impact Research Center at the Heartland Alliance for Human Needs and Human Rights hosts *The Illinois Self-Sufficiency Calculator* at www.ilcalculator.org/.
- The California Bay Area Self-Sufficiency Calculator, *The Calculator*, can be found at www.insightcced.org/index.php/insight-communities/cfess/calculator.

PUBLIC EDUCATION

The Self-Sufficiency Standard has been used as a public education tool. As an education tool, the Standard helps the public at large understand what is involved in making the transition to self-sufficiency. For employers the Standard can be used to demonstrate the importance of providing benefits, especially health care, which help families meet their needs. As an education tool for service providers, the Standard can show how the various components of social services fit together, helping to facilitate the coordination of a range of services and supports. For policy makers and legislators, the Standard as an education tool shows both the need for and the impact of work support programs on low-wage workers' family budgets.

- For example, Voices for Utah Children distributed copies of the Utah Self-Sufficiency Standard to state legislators and candidates during the 2003 legislative session to frame a discussion about increasing funding for Utah's Children's Health Insurance Program. For more information on Voices for Utah Children go to www.utahchildren.org.

- In Seattle, bookmarks were distributed during the run of a play based on *Nickel and Dimed: On (Not) Getting By in America*, a book by Barbara Ehrenreich that explores the struggles confronted by low-wage workers. A computer with a mock website allowed participants to enter their incomes and compare them to the Standard and begin to understand the plight of working families.

- MassFESS (hosted by the Crittenton Women's Union) developed an Economic Self-Sufficiency Standard Curriculum that can be used by organizations to support their work in career development, education/training, economic literacy, living wage campaigns, and other types of community organizing, policymaking and advocacy efforts. For information on the Crittenton Women's Union, see www.liveworkthrive.org.

- In an initiative started at the University of Washington School of Social Work, policymakers participate in the "Walk-A-Mile" program, where they "walk" in the shoes of welfare recipients by living on a SNAP budget for one month. The Washington Standard was used to develop educational tools used by policymakers about the impact of benefits on family budgets.

- The Wisconsin Women's Network distributed the Wisconsin Self-Sufficiency Standard to its many and varied women's coalition members, many of whom continue to find a use for the Standard in their advocacy work. The Wisconsin Women's Network website can be accessed at www.wiwomensnetwork.org.

CREATE GUIDELINES 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.

- For example, Vanderbilt University in Tennessee uses the Standard to educate employees and administrators about the need to increase the take-home pay of service staff. For more information go to http://studentorgs.vanderbilt.edu/students4livingwage/info.php.

- Employers and educational institutions have used the Self-Sufficiency Standard to set organizational wage standards in Colorado. The introduction of the Self-Sufficiency Standard in Pitkin County, Colorado has encouraged county commissioners and directors to review current pay scales and work support policies.

- The Standard has been used in California, Illinois, New York, New Jersey, Hawaii, Nebraska, South Dakota, Tennessee, Virginia, and Washington State to advocate for higher wages through Living Wage ordinances and in negotiating labor union agreements (see www.ncsl.org/default.aspx?tabid=13394).

- At the request of the state of California, the Center for the Child Care Workforce used the Self-Sufficiency Standard in 2002 to develop specific salary guidelines by county (see www.ccw.org/data.html).

- In Maryland, the Center for Poverty Solutions and Advocates for Children and Youth (among other organizations) proposed state legislation that would require the Maryland Secretary of Budget and Management to consider a specified Self-Sufficiency Standard when setting or amending a pay rate and require that a state employee whose pay rate is less than the Self-Sufficiency Standard receive a specified pay increase. For more information on Advocates for Children and Youth, see www.acy.org.

- In California, the National Economic Development and Law Center (now the Insight Center for Community Economic Development, or Insight CCED) used the Self-Sufficiency Standard in a wage analysis of University of California service workers, entitled *High Ideals, Low*

Pay. The Standard was used to assess the degree to which University of California service workers' wages are sufficient to provide the basic needs for employees and their families. Insight CCED recommends the University of California consider using the Standard to determine and adopt living wage policies (see www.insightcced.org).

- The Self-Sufficiency Standard was an integral tool for increasing Hawaii's minimum wage to $6.75 on January 1, 2006 and $7.25 on January 1, 2007.

- Georgetown University students ended a nine day hunger strike when the University administration agreed to improve wages for the low-paid custodial, food service, and security workers. The student group utilized the Self-Sufficiency Standard for the District of Columbia in their campaign advocacy. The negotiated agreement included raising the minimum hourly wage to $13 beginning July 2006 and annual wage adjustments based on the Consumer Price Index.

SUPPORT RESEARCH

Because the Self-Sufficiency Standard provides an accurate and specific measure of income adequacy, it is frequently used in research. The Standard provides a means of estimating how poverty differs from place to place and among different family types. The Standard also provides a means to measure the adequacy of various work supports, such as child support or child care assistance, given a family's income, place of residence, and composition.

- For example, the Self-Sufficiency Standard has been used to examine the cost of health insurance in Washington and Massachusetts. *Income Adequacy and the Affordability of Health Insurance in Washington State* and the *Health Economic Sufficiency Standard for Massachusetts* used the Standard to examine the cost of health insurance for different family types, with varying health statuses and health care coverage, in different locations (see www.wowonline.org/ourprograms/fess/state-resources/documents/MAHealthEconomicSelf-SufficiencyStandard.pdf).

- PathWays PA cites the Self-Sufficiency Standard frequently in its publications, including *Investing in Pennsylvania's Families: Economic Opportunities for All*, a policy publication looking at the needs of working families in Pennsylvania earning less than 200% of the Federal Poverty Level (see www.pathwayspa.org/InvestingPAFamily_Aug_2_2007.pdf). PathWays PA also uses the Standard as a measure against which to base tax credits, healthcare reform, and other needs.

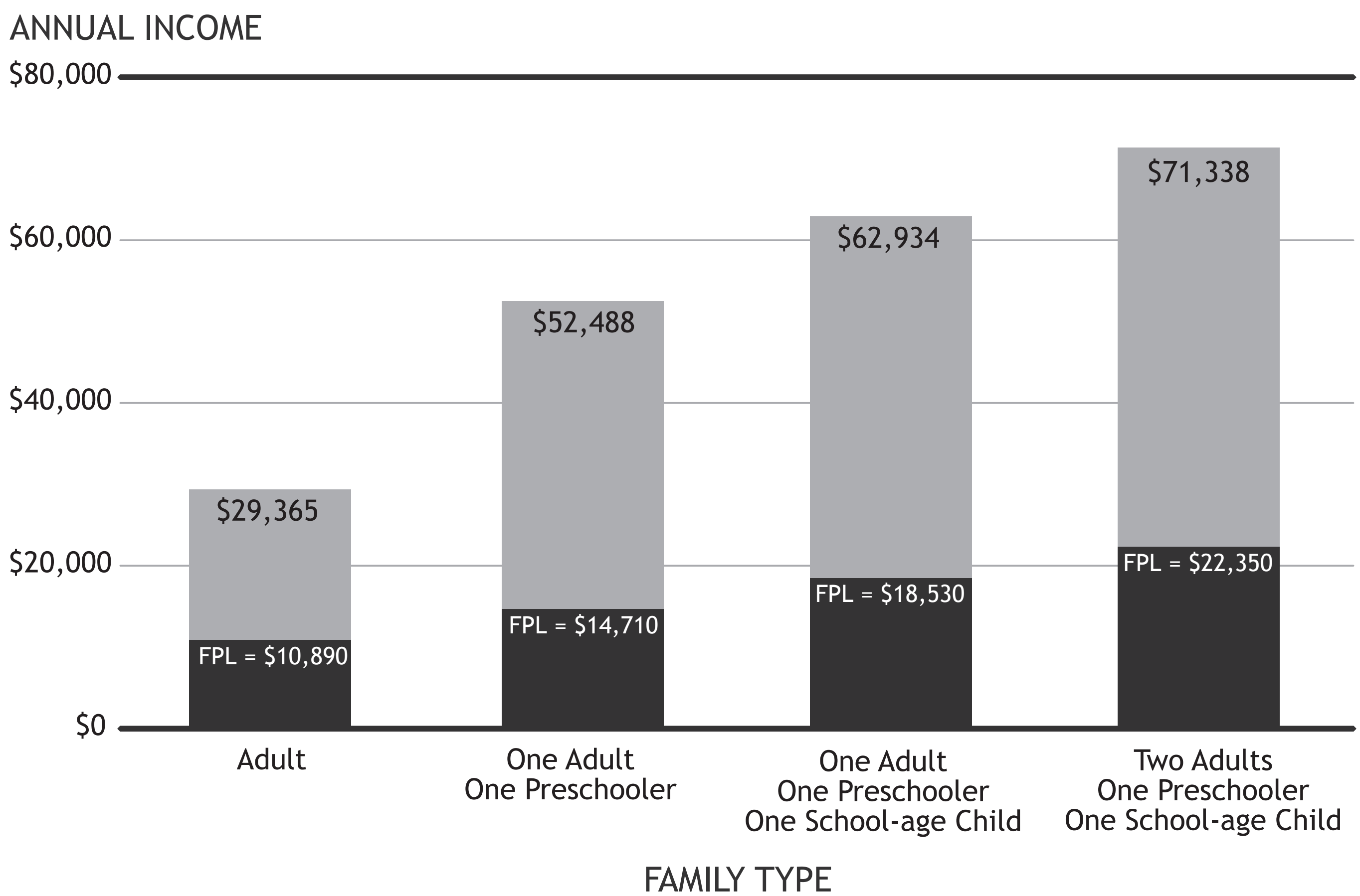
- In several states, the Self-Sufficiency Standard has been used along with data from the U.S. Census Bureau to measure the number of families above and below the Self-Sufficiency Standard, as well as the characteristics of those above and below the Standard, such as race, ethnicity, family type, education, and employment. These demographic reports have been published by the Center for Women's Welfare for seven states, such as the report *Overlooked and Undercounted 2009: Struggling to Make Ends Meet in California* (see www.selfsufficiencystandard.org/pubs.html#addpubs).

Appendix C: Federal Approaches to Measuring Poverty

The official federal poverty measure, often known as the Federal Poverty Level (FPL), was developed over four decades ago and today has become increasingly problematic and outdated as a measure of income adequacy.[a] Indeed, the Census Bureau itself states, "the official poverty measure should be interpreted as a statistical yardstick rather than as a complete description of what people and families need to live."[b] Despite the many limitations of the federal poverty measure, it is still used to calculate eligibility for a number of poverty and work support programs. The most significant shortcoming of the federal poverty measure is that for most families, in most places, *the poverty level is simply too low*. **Figure C-1**, *The Self-Sufficiency Standard and Federal Poverty Level for Select Family Types*, demonstrates that for various family types in Harford County the income needed to meet basic needs is far above the FPL. While the Standard changes by family type to account for the increase in costs specific to the type of family member—whether this person is an adult or child, and for children, by age—the FPL increases by a constant $3,820 per year for each additional family member and therefore does not adequately account for the real costs of meeting basic needs. **Table C-1**, *The Self-Sufficiency Standard as a Percentage of the Federal Poverty Level*, demonstrates that across all of Maryland's counties the income needed to meet basic

THE MOST SIGNIFICANT SHORTCOMING OF THE FEDERAL POVERTY MEASURE IS THAT FOR MOST FAMILIES, IN MOST PLACES, THE POVERTY LEVEL IS SIMPLY TOO LOW.

Figure C-1. **The Self-Sufficiency Standard and Federal Poverty Level for Select Family Types**
Harford County, MD 2012



needs is far above the FPL, indicating that families across Maryland can have incomes above the federal poverty measure and yet lack sufficient resources to adequately meet their basic needs. For this reason, most assistance programs use a multiple of the federal poverty measure to determine need. For instance, children's health insurance with no or low-cost premiums is available through Maryland's Children's Health Program (MCHP) for families with incomes up to 300% of the FPL.[c]

However, simply raising the poverty level, or using a multiple of the FPL, cannot solve the structural problems inherent in the official poverty measure. In addition to the fundamental problem of being too low, there are five basic methodological problems with the federal poverty measure.

First, the measure is based on the cost of a single item—food—rather than a "market basket" of all basic needs. Over four decades ago, when the Federal Poverty Level was first developed by Mollie Orshansky, food was the only budget item for which the cost of meeting a minimal standard, in this case nutrition, was known. (The Department of Agriculture had determined household food budgets based on nutritional standards.) Knowing that the average American family spent a third of their budget on food, Orshansky reasoned that multiplying the food budget by three would yield an estimate of the amount needed to meet other basic needs, and thus this became the basis of the FPL.[d]

Second, the measure's methodology is "frozen," not allowing for changes in the relative cost of food or non-food items, nor the addition of new necessary costs. Since it was developed, the poverty level has only been updated annually using the Consumer Price Index. As a result, the percentage of the household budget devoted to food has remained at one-third of the FPL even though American families now spend an average of only 13% of their income on food.[e] At the same time, other costs have risen much faster—such as health care, housing, and more recently food and energy—and new costs have arisen, such as child care and taxes. None of these changes are, or can be, reflected in the federal poverty measure based on a "frozen" methodology.

Third, the federal poverty measure is dated, implicitly using the demographic model of a two-parent family with a "stay-at-home" wife, or if a single parent, implicitly assumes she is not employed. This family demographic no longer reflects the reality of the majority of American families today. According to the U.S. Bureau of Labor Statistics, both parents were employed in 58% of two-parent families with children in 2010. Likewise, 67% of single mothers with children were employed in 2010 and 76% of single fathers with children were employed in 2010.[f] Thus, paid employment and its associated costs such as child care, transportation, and taxes is the norm for the majority of families today rather than the exception. Moreover, when the poverty measure was first developed, these employment-related items were not a significant expense for most families: taxes were relatively low, transportation was inexpensive, and child care for families with young children was not common. However, today these expenses are substantial, and borne by most families, and thus these costs should be included in a modern poverty measure.

Fourth, the poverty measure does not vary by geographic location. That is, the federal poverty measure is the same whether one lives in Louisiana or in the San Francisco Bay Area of California (with Alaska and Hawaii the only exceptions to the rule). However, housing in the most expensive areas of the United States costs over three times as much as in the least expensive areas.[g] Even within states, costs vary considerably: in Maryland, the cost of a two-bedroom rental in Columbia City ($1,587 per month) is three times the cost of the same size rental in Allegany or Garrett counties ($584 per month).

Finally, the federal poverty measure provides no information or means to track changes in specific costs (such as housing, child care, etc.), nor the impact of subsidies, taxes, and/or tax credits that reduce (or increase) these costs. The federal poverty measure does not allow for determining how specific costs rise or fall over time. Likewise, when assessing the impact of subsidies, taxes, and tax credits, poverty measures cannot trace the impact they have on net costs unless they are explicitly included in the measure itself.

For these and other reasons, many researchers and analysts have proposed revising the federal poverty measure. Suggested changes would reflect twenty-first century needs, incorporate geographically based differences in costs, and respond to changes over time.[h]

Table C-1. **The Self-Sufficiency Standard as a Percentage of the Federal Poverty Level, 2012**
Three Family Types, All Maryland Counties

COUNTY	ONE ADULT, ONE PRESCHOOLER		ONE ADULT, ONE PRESCHOOLER, ONE SCHOOL-AGE		TWO ADULTS, ONE PRESCHOOLER, ONE SCHOOL-AGE	
	Annual Self-Sufficiency Standard	Self-Sufficiency Standard as Percentage of Federal Poverty Level (FPL)	Annual Self-Sufficiency Standard	Self-Sufficiency Standard as Percentage of Federal Poverty Level (FPL)	Annual Self-Sufficiency Standard	Self-Sufficiency Standard as Percentage of Federal Poverty Level (FPL)
Allegany	$30,335	**206%**	$35,433	**191%**	$47,106	**211%**
Anne Arundel	$58,048	**395%**	$67,865	**366%**	$76,108	**341%**
Baltimore County	$51,648	**351%**	$61,998	**335%**	$70,768	**317%**
Baltimore City	$40,317	**274%**	$49,393	**267%**	$54,318	**243%**
Calvert	$53,735	**365%**	$62,724	**339%**	$71,003	**318%**
Caroline	$37,332	**254%**	$44,510	**240%**	$52,913	**237%**
Carroll	$48,769	**332%**	$58,463	**316%**	$66,801	**299%**
Cecil	$43,407	**295%**	$51,777	**279%**	$59,654	**267%**
Charles	$56,039	**381%**	$65,900	**356%**	$74,360	**333%**
Dorchester	$35,246	**240%**	$42,818	**231%**	$51,463	**230%**
Frederick	$54,667	**372%**	$65,609	**354%**	$73,706	**330%**
Garrett	$26,847	**183%**	$30,291	**163%**	$39,826	**178%**
Harford	$52,488	**357%**	$62,934	**340%**	$71,338	**319%**
Howard (excluding Columbia City)	$63,350	**431%**	$77,566	**419%**	$84,533	**378%**
Howard (Columbia City)	$62,374	**424%**	$76,425	**412%**	$83,557	**374%**
Kent	$37,546	**255%**	$46,078	**249%**	$54,418	**243%**
Montgomery	$64,606	**439%**	$77,933	**421%**	$82,877	**371%**
Prince George's	$50,176	**341%**	$60,426	**326%**	$66,830	**299%**
Queen Anne's	$54,308	**369%**	$65,072	**351%**	$73,204	**328%**
St. Mary's	$46,672	**317%**	$54,395	**294%**	$62,669	**280%**
Somerset	$33,873	**230%**	$42,014	**227%**	$50,701	**227%**
Talbot	$41,840	**284%**	$48,546	**262%**	$56,706	**254%**
Washington	$39,040	**265%**	$44,724	**241%**	$52,981	**237%**
Wicomico	$39,683	**270%**	$47,108	**254%**	$55,402	**248%**
Worcester	$39,861	**271%**	$46,634	**252%**	$54,882	**246%**

The 2011 FPL is: $14,710 for a family of two, $18,530 for a family of three, and $22,350 for a family of four. See http://aspe.hhs.gov/poverty/11poverty.shtml.

THE SUPPLEMENTAL POVERTY MEASURE

Besides the Self-Sufficiency Standard, the other major proposed alternative to the federal poverty measure is a measure based on recommendations from the National Academy of Sciences (NAS).[i] The new Supplemental Poverty Measure (SPM) developed by the Obama Administration, for which data was released November 7, 2011, is based on the NAS methodology, with some revisions.[j] The Census Bureau has produced poverty estimates based on various combinations of the NAS recommendations, designating them as experimental poverty measures.[k]

Designed primarily to track poverty trends over time, the Supplemental Poverty Measure provides a new and improved statistic to better understand the prevalence of poverty in the United States. The SPM is not intended to be a replacement for the FPL, but it will provide policymakers with additional data on the extent of poverty and the impact of public policies. At the same time, the SPM will not replace the need for other benchmarks of income adequacy. The Standard will continue to be an essential tool for understanding what it takes to makes ends meet at a minimally adequate level in today’s economy.

APPENDIX C ENDNOTES

a. There are two federal measurements of poverty. A detailed matrix of poverty thresholds is calculated each year by the U.S. Census Bureau, which varies by the number of adults and the number of children in the household, and by age for one and two adult households. The threshold is used to calculate the number of people in poverty for the previous year. The other form of the poverty measure is called the "federal poverty guidelines" or the "Federal Poverty Level" (FPG/FPL). The FPL is calculated by the U.S. Department of Health and Human Services each February and is primarily used by federal and state programs to determine eligibility and/or calculate benefits, such as for SNAP (formerly the Food Stamps Program). The FPL only varies by family size, regardless of composition; the 2011 FPL for a family of three is $18,530. The Standard references the FPL in this report. For more information about the federal poverty measurements, see http://aspe.hhs.gov/poverty/faq.shtml#thrifty and http://aspe.hhs.gov/poverty/11poverty.shtml.

b. Carmen DeNavas-Walt, Bernadette Proctor, and Cheryl Hill-Lee, "Income, Poverty, and Health Insurance Coverage in the U.S.: 2004," U.S. Census Bureau, Current Population Reports, Series P60-229, Washington, D.C. (U.S. Government Printing Office), http://www.census.gov/prod/2005pubs/p60-229.pdf (accessed September 14, 2005).

c. Maryland Department of Health and Mental Hygiene, Maryland's Children's Health Program (MCHP), "Monthly Income and Asset Guidelines Medical Care Programs," http://www.dhmh.state.md.us/mma/pdf/2011/IncomeAssetGuidelines-2011.pdf (accessed September 26, 2011).

d. U.S. Department of Health and Human Services, "Frequently Asked Questions Related to the Poverty Guidelines and Poverty," http://aspe.hhs.gov/poverty/faq.shtml (accessed December 14, 2010).

e. In 2010 the average consumer expenditure on food was $6,129 per year or 12.7% of total expenditures. U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Expenditures in 2010," http://www.bls.gov/news.release/cesan.nr0.htm (accessed November 10, 2011).

f. U.S. Department of Labor, U.S. Bureau of Labor Statistics, "Employment Characteristics of Families-2010," http://www.bls.gov/news.release/pdf/famee.pdf (accessed June 1, 2011).

g. Using the 2012 Fair Market Rents, the cost of housing (including utilities) at the 40th percentile, for a two-bedroom unit in the most expensive place—the San Francisco metropolitan area—is $1,905 per month. This is nearly four times as much as the least expensive housing in the country, found in several counties in Kentucky, where two-bedroom units cost $491 per month. U.S. Housing and Urban Development Department, "Fair Market Rents," http://www.huduser.org/datasets/fmr.html (accessed November 10, 2011).

h. One of the first persons to advocate implementing changes over time into the Federal Poverty Level was Patricia Ruggles, author of *Drawing the Line*. Ruggles' work and the analyses of many others are summarized in *Measuring Poverty: A New Approach*. Constance Citro and Robert Michael, Eds., "Measuring Poverty: A New Approach," Washington, D.C.: National Academy Press, http://www.census.gov/hhes/www/povmeas/toc.html (accessed November 10, 2010); hereafter cited as Measuring Poverty.

i. Measuring Poverty.

j. U.S. Department of Commerce, U.S. Census Bureau, "Observations from the Interagency Technical Working Group on Developing a Supplemental Poverty Measure," Poverty Measurement Studies and Alternative Measures, http://www.census.gov/hhes/www/povmeas/povmeas.html (accessed March 15, 2010). U.S. Department of Commerce, U.S. Census Bureau, "Webinar: Supplemental Poverty Measure Research," http://www.census.gov/newsroom/releases/archives/news_conferences/2011-11-04_spm_webinar.html (accessed November 10, 2011).

k. Kathleen Short and Teresa Garner, "Creating a Consistent Poverty Measure Over Time Using NAS Procedures: 1996-2005," U.S. Census Bureau, Working Paper Series, Poverty Thresholds, http://www.census.gov/hhes/www/povmeas/papers/experimental_measures_96_05v7.pdf (accessed March 30, 2010).

Appendix D:
The Self-Sufficiency Standard for Select Family Types in Maryland

Table 1
The Self-Sufficiency Standard for Allegany County, MD 2012

MONTHLY COSTS	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
Housing	$498	$584	$584	$584	$584	$584	$584	$584
Child Care	$0	$529	$985	$817	$288	$456	$985	$817
Food	$253	$385	$506	$577	$668	$615	$725	$793
Transportation	$292	$300	$300	$300	$300	$566	$566	$566
Health Care	$153	$387	$400	$411	$442	$450	$462	$474
Miscellaneous	$120	$219	$277	$269	$228	$267	$332	$323
Taxes	$293	$363	$478	$397	$254	$497	$670	$636
Earned Income Tax Credit (-)	$0	-$88	-$66	-$114	-$256	-$41	$0	-$1
Child Care Tax Credit (-)	$0	-$68	-$115	-$120	-$60	-$55	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$9.14	$14.36	$18.08	$16.78	$12.95	$9.25 per adult	$11.53 per adult	$11.15 per adult
MONTHLY	$1,609	$2,528	$3,182	$2,953	$2,280	$3,257	$4,058	$3,926
ANNUAL	$19,310	$30,335	$38,179	$35,433	$27,356	$39,085	$48,691	$47,106

Table 2
The Self-Sufficiency Standard for Anne Arundel County, MD 2012

MONTHLY COSTS	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
Housing	$1,308	$1,571	$1,571	$1,571	$1,571	$1,571	$1,571	$1,571
Child Care	$0	$827	$1,688	$1,318	$490	$861	$1,688	$1,318
Food	$262	$398	$522	$596	$690	$636	$749	$819
Transportation	$299	$307	$307	$307	$307	$582	$582	$582
Health Care	$156	$396	$408	$419	$450	$459	$471	$482
Miscellaneous	$202	$350	$450	$421	$351	$411	$506	$477
Taxes	$684	$1,122	$1,502	$1,290	$996	$1,221	$1,499	$1,361
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$16.54	$27.48	$35.12	$32.13	$26.36	$15.93 per adult	$19.31 per adult	$18.02 per adult
MONTHLY	$2,910	$4,837	$6,181	$5,655	$4,639	$5,607	$6,798	$6,342
ANNUAL	$34,924	$58,048	$74,173	$67,865	$55,667	$67,280	$81,581	$76,108

Table 3
The Self-Sufficiency Standard for Baltimore County, MD 2012

MONTHLY COSTS	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
Housing	$1,039	$1,248	$1,248	$1,248	$1,248	$1,248	$1,248	$1,248
Child Care	$0	$781	$1,584	$1,302	$521	$803	$1,584	$1,302
Food	$262	$398	$522	$596	$690	$636	$749	$819
Transportation	$323	$331	$331	$331	$331	$630	$630	$630
Health Care	$156	$396	$408	$419	$450	$459	$471	$482
Miscellaneous	$178	$315	$409	$390	$324	$378	$468	$448
Taxes	$573	$969	$1,243	$1,147	$878	$1,075	$1,333	$1,235
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$14.38	$24.45	$31.13	$29.35	$24.01	$14.47 per adult	$17.66 per adult	$16.75 per adult
MONTHLY	$2,531	$4,304	$5,479	$5,166	$4,225	$5,094	$6,215	$5,897
ANNUAL	$30,373	$51,648	$65,747	$61,998	$50,704	$61,132	$74,584	$70,768

Table 4
The Self-Sufficiency Standard for Baltimore City, MD 2012

MONTHLY COSTS	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
Housing	$859	$1,031	$1,031	$1,031	$1,031	$1,031	$1,031	$1,031
Child Care	$0	$658	$1,331	$1,092	$434	$673	$1,331	$1,092
Food	$262	$398	$522	$596	$690	$636	$749	$819
Transportation	$94	$94	$94	$94	$94	$187	$187	$187
Health Care	$156	$396	$408	$419	$450	$459	$471	$482
Miscellaneous	$137	$258	$339	$323	$270	$299	$377	$361
Taxes	$378	$664	$907	$827	$554	$689	$898	$821
Earned Income Tax Credit (-)	$0	$0	$0	$0	-$53	$0	$0	$0
Child Care Tax Credit (-)	$0	-$55	-$100	-$100	-$58	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$10.71	$19.09	$24.80	$23.39	$18.45	$10.91 per adult	$13.57 per adult	$12.86 per adult
MONTHLY	$1,885	$3,360	$4,365	$4,116	$3,247	$3,840	$4,776	$4,526
ANNUAL	$22,615	$40,317	$52,382	$49,393	$38,961	$46,077	$57,317	$54,318

Table 5
The Self-Sufficiency Standard for Calvert County, MD 2012

MONTHLY COSTS	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
Housing	$1,292	$1,465	$1,465	$1,465	$1,465	$1,465	$1,465	$1,465
Child Care	$0	$694	$1,468	$1,150	$456	$774	$1,468	$1,150
Food	$253	$385	$506	$577	$668	$615	$725	$793
Transportation	$304	$312	$312	$312	$312	$592	$592	$592
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$201	$326	$417	$394	$336	$392	$473	$449
Taxes	$684	$1,021	$1,279	$1,165	$936	$1,142	$1,356	$1,240
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$16.44	$25.44	$31.82	$29.70	$25.11	$15.11 per adult	$17.89 per adult	$16.81 per adult
MONTHLY	$2,893	$4,478	$5,600	$5,227	$4,419	$5,318	$6,296	$5,917
ANNUAL	$34,721	$53,735	$67,205	$62,724	$53,027	$63,818	$75,547	$71,003

Table 6
The Self-Sufficiency Standard for Caroline County, MD 2012

MONTHLY COSTS	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
Housing	$737	$862	$862	$862	$862	$862	$862	$862
Child Care	$0	$477	$984	$825	$347	$506	$984	$825
Food	$254	$386	$507	$579	$670	$617	$727	$795
Transportation	$294	$302	$302	$302	$302	$571	$571	$571
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$144	$243	$307	$300	$264	$303	$363	$355
Taxes	$407	$574	$724	$678	$481	$696	$814	$776
Earned Income Tax Credit (-)	$0	$0	$0	$0	-$89	$0	$0	$0
Child Care Tax Credit (-)	$0	-$58	-$100	-$100	-$60	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$11.34	$17.68	$21.81	$21.07	$17.46	$11.06 per adult	$12.88 per adult	$12.53 per adult
MONTHLY	$1,995	$3,111	$3,839	$3,709	$3,073	$3,892	$4,535	$4,409
ANNUAL	$23,943	$37,332	$46,068	$44,510	$36,874	$46,707	$54,425	$52,913

Table 7
The Self-Sufficiency Standard for Carroll County, MD 2012

MONTHLY COSTS	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
Housing	$919	$1,103	$1,103	$1,103	$1,103	$1,103	$1,103	$1,103
Child Care	$0	$804	$1,580	$1,287	$483	$776	$1,580	$1,287
Food	$262	$398	$522	$596	$690	$636	$749	$819
Transportation	$300	$307	$307	$307	$307	$583	$583	$583
Health Care	$153	$387	$400	$411	$442	$450	$462	$474
Miscellaneous	$163	$300	$391	$370	$303	$355	$448	$427
Taxes	$508	$898	$1,165	$1,063	$771	$974	$1,245	$1,141
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$13.09	$23.09	$29.56	$27.68	$22.06	$13.48 per adult	$16.77 per adult	$15.81 per adult
MONTHLY	$2,304	$4,064	$5,203	$4,872	$3,883	$4,744	$5,903	$5,567
ANNUAL	$27,651	$48,769	$62,431	$58,463	$46,596	$56,926	$70,836	$66,801

Table 8
The Self-Sufficiency Standard for Cecil County, MD 2012

MONTHLY COSTS	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
Housing	$899	$1,075	$1,075	$1,075	$1,075	$1,075	$1,075	$1,075
Child Care	$0	$577	$1,210	$990	$412	$633	$1,210	$990
Food	$254	$386	$507	$579	$670	$617	$727	$795
Transportation	$278	$286	$286	$286	$286	$544	$544	$544
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$159	$273	$350	$336	$291	$334	$404	$390
Taxes	$481	$746	$952	$886	$700	$862	$1,019	$951
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$12.67	$20.55	$25.76	$24.52	$20.90	$12.51 per adult	$14.76 per adult	$14.12 per adult
MONTHLY	$2,230	$3,617	$4,533	$4,315	$3,679	$4,403	$5,195	$4,971
ANNUAL	$26,755	$43,407	$54,397	$51,777	$44,146	$52,830	$62,338	$59,654

Table 9
The Self-Sufficiency Standard for Charles County, MD 2012

MONTHLY COSTS	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
Housing	$1,341	$1,520	$1,520	$1,520	$1,520	$1,520	$1,520	$1,520
Child Care	$0	$748	$1,580	$1,250	$501	$832	$1,580	$1,250
Food	$253	$385	$506	$577	$668	$615	$725	$793
Transportation	$314	$321	$321	$321	$321	$611	$611	$611
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$207	$338	$435	$410	$347	$405	$492	$467
Taxes	$715	$1,083	$1,414	$1,249	$993	$1,212	$1,452	$1,330
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$16.98	$26.53	$33.69	$31.20	$26.12	$15.72 per adult	$18.74 per adult	$17.60 per adult
MONTHLY	$2,988	$4,670	$5,929	$5,492	$4,597	$5,532	$6,595	$6,197
ANNUAL	$35,859	$56,039	$71,152	$65,900	$55,167	$66,381	$79,145	$74,360

Table 10
The Self-Sufficiency Standard for Dorchester County, MD 2012

MONTHLY COSTS	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
Housing	$613	$781	$781	$781	$781	$781	$781	$781
Child Care	$0	$477	$984	$825	$347	$506	$984	$825
Food	$254	$386	$507	$579	$670	$617	$727	$795
Transportation	$296	$304	$304	$304	$304	$575	$575	$575
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$132	$236	$300	$292	$256	$295	$355	$347
Taxes	$348	$511	$677	$628	$414	$657	$777	$739
Earned Income Tax Credit (-)	$0	-$22	$0	$0	-$131	$0	$0	$0
Child Care Tax Credit (-)	$0	-$60	-$100	-$105	-$63	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$10.24	$16.69	$21.05	$20.27	$16.34	$10.71 per adult	$12.54 per adult	$12.18 per adult
MONTHLY	$1,803	$2,937	$3,705	$3,568	$2,875	$3,769	$4,414	$4,289
ANNUAL	$21,634	$35,246	$44,462	$42,818	$34,502	$45,228	$52,974	$51,463

Table 11
The Self-Sufficiency Standard for Frederick County, MD 2012

MONTHLY COSTS	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
Housing	$1,170	$1,327	$1,327	$1,327	$1,327	$1,327	$1,327	$1,327
Child Care	$0	$906	$1,745	$1,461	$556	$839	$1,745	$1,461
Food	$256	$389	$512	$584	$676	$623	$733	$802
Transportation	$292	$300	$300	$300	$300	$567	$567	$567
Health Care	$153	$387	$400	$411	$442	$450	$462	$474
Miscellaneous	$187	$331	$428	$408	$330	$381	$483	$463
Taxes	$621	$1,050	$1,369	$1,244	$911	$1,096	$1,415	$1,315
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$15.23	$25.88	$33.03	$31.06	$24.57	$14.63 per adult	$18.37 per adult	$17.45 per adult
MONTHLY	$2,680	$4,556	$5,813	$5,467	$4,324	$5,149	$6,465	$6,142
ANNUAL	$32,157	$54,667	$69,752	$65,609	$51,892	$61,791	$77,584	$73,706

Table 12
The Self-Sufficiency Standard for Garrett County, MD 2012

MONTHLY COSTS	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
Housing	$470	$584	$584	$584	$584	$584	$584	$584
Child Care	$0	$391	$826	$640	$250	$436	$826	$640
Food	$236	$359	$471	$538	$623	$573	$675	$739
Transportation	$292	$300	$300	$300	$300	$566	$566	$566
Health Care	$153	$387	$400	$411	$442	$450	$462	$474
Miscellaneous	$115	$202	$258	$247	$220	$261	$311	$300
Taxes	$267	$305	$339	$261	$203	$442	$476	$417
Earned Income Tax Credit (-)	$0	-$134	-$158	-$205	-$290	-$64	-$80	-$129
Child Care Tax Credit (-)	$0	-$73	-$109	-$85	-$44	-$58	-$105	-$106
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$8.71	$12.71	$15.59	$14.34	$12.04	$8.83 per adult	$10.09 per adult	$9.43 per adult
MONTHLY	$1,533	$2,237	$2,744	$2,524	$2,120	$3,108	$3,550	$3,319
ANNUAL	$18,392	$26,847	$32,927	$30,291	$25,438	$37,295	$42,605	$39,826

Table 13
The Self-Sufficiency Standard for Harford County, MD 2012

MONTHLY COSTS	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
Housing	$1,003	$1,204	$1,204	$1,204	$1,204	$1,204	$1,204	$1,204
Child Care	$0	$883	$1,650	$1,408	$525	$767	$1,650	$1,408
Food	$262	$398	$522	$596	$690	$636	$749	$819
Transportation	$303	$311	$311	$311	$311	$590	$590	$590
Health Care	$156	$396	$408	$419	$450	$459	$471	$482
Miscellaneous	$172	$319	$410	$394	$318	$365	$466	$450
Taxes	$552	$997	$1,255	$1,179	$854	$1,027	$1,337	$1,258
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$13.90	$24.85	$31.21	$29.80	$23.50	$13.96 per adult	$17.61 per adult	$16.89 per adult
MONTHLY	$2,447	$4,374	$5,494	$5,245	$4,137	$4,914	$6,199	$5,945
ANNUAL	$29,365	$52,488	$65,923	$62,934	$49,638	$58,971	$74,394	$71,338

Table 14
The Self-Sufficiency Standard for Howard County (Excluding Columbia City), MD 2012

MONTHLY COSTS	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
Housing	$1,364	$1,638	$1,638	$1,638	$1,638	$1,638	$1,638	$1,638
Child Care	$0	$1,013	$2,033	$1,658	$646	$1,020	$2,033	$1,658
Food	$262	$398	$522	$596	$690	$636	$749	$819
Transportation	$304	$312	$312	$312	$312	$591	$591	$591
Health Care	$156	$396	$408	$419	$450	$459	$471	$482
Miscellaneous	$209	$376	$491	$462	$374	$434	$548	$519
Taxes	$734	$1,281	$1,865	$1,645	$1,136	$1,374	$1,749	$1,604
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$17.20	$30.00	$39.79	$36.73	$28.57	$17.10 per adult	$21.34 per adult	$20.01 per adult
MONTHLY	$3,028	$5,279	$7,003	$6,464	$5,029	$6,018	$7,511	$7,044
ANNUAL	$36,331	$63,350	$84,030	$77,566	$60,343	$72,216	$90,133	$84,533

Table 15
The Self-Sufficiency Standard for Howard County (Columbia City), MD 2012

MONTHLY COSTS	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
Housing	$1,368	$1,587	$1,587	$1,587	$1,587	$1,587	$1,587	$1,587
Child Care	$0	$1,013	$2,033	$1,658	$646	$1,020	$2,033	$1,658
Food	$262	$398	$522	$596	$690	$636	$749	$819
Transportation	$304	$312	$312	$312	$312	$591	$591	$591
Health Care	$156	$396	$408	$419	$450	$459	$471	$482
Miscellaneous	$209	$370	$486	$457	$368	$429	$543	$514
Taxes	$736	$1,256	$1,826	$1,606	$1,111	$1,348	$1,723	$1,579
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$17.24	$29.53	$39.25	$36.19	$28.11	$16.87 per adult	$21.11 per adult	$19.78 per adult
MONTHLY	$3,034	$5,198	$6,907	$6,369	$4,947	$5,937	$7,430	$6,963
ANNUAL	$36,409	$62,374	$82,889	$76,425	$59,367	$71,239	$89,157	$83,557

Table 16
The Self-Sufficiency Standard for Kent County, MD 2012

MONTHLY COSTS	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
Housing	$697	$839	$839	$839	$839	$839	$839	$839
Child Care	$0	$506	$1,056	$919	$412	$550	$1,056	$919
Food	$254	$386	$507	$579	$670	$617	$727	$795
Transportation	$296	$304	$304	$304	$304	$574	$574	$574
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$141	$244	$313	$307	$269	$305	$368	$362
Taxes	$392	$583	$760	$728	$528	$717	$847	$819
Earned Income Tax Credit (-)	$0	$0	$0	$0	-$63	$0	$0	$0
Child Care Tax Credit (-)	$0	-$58	-$100	-$100	-$58	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$11.02	$17.78	$22.34	$21.82	$18.16	$11.19 per adult	$13.14 per adult	$12.88 per adult
MONTHLY	$1,939	$3,129	$3,931	$3,840	$3,196	$3,940	$4,627	$4,535
ANNUAL	$23,268	$37,546	$47,172	$46,078	$38,356	$47,276	$55,521	$54,418

Table 17
The Self-Sufficiency Standard for Montgomery County, MD 2012

MONTHLY COSTS	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
Housing	$1,479	$1,677	$1,677	$1,677	$1,677	$1,677	$1,677	$1,677
Child Care	$0	$1,174	$2,223	$1,782	$608	$1,049	$2,223	$1,782
Food	$256	$389	$512	$584	$676	$623	$733	$802
Transportation	$181	$181	$181	$181	$181	$362	$362	$362
Health Care	$155	$393	$405	$416	$447	$456	$468	$479
Miscellaneous	$207	$381	$500	$464	$359	$417	$546	$510
Taxes	$727	$1,322	$1,930	$1,657	$1,063	$1,286	$1,740	$1,561
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$17.07	$30.59	$40.68	$36.90	$27.24	$16.29 per adult	$21.26 per adult	$19.62 per adult
MONTHLY	$3,005	$5,384	$7,161	$6,494	$4,795	$5,735	$7,482	$6,906
ANNUAL	$36,060	$64,606	$85,926	$77,933	$57,536	$68,825	$89,784	$82,877

Table 18
The Self-Sufficiency Standard for Prince George's County, MD 2012

MONTHLY COSTS	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
Housing	$1,186	$1,345	$1,345	$1,345	$1,345	$1,345	$1,345	$1,345
Child Care	$0	$764	$1,596	$1,285	$521	$832	$1,596	$1,285
Food	$253	$385	$506	$577	$668	$615	$725	$793
Transportation	$181	$181	$181	$181	$181	$362	$362	$362
Health Care	$155	$393	$405	$416	$447	$456	$468	$479
Miscellaneous	$177	$307	$403	$380	$316	$361	$449	$426
Taxes	$581	$941	$1,231	$1,119	$850	$1,011	$1,262	$1,147
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$14.39	$23.76	$30.68	$28.61	$23.36	$13.77 per adult	$16.87 per adult	$15.82 per adult
MONTHLY	$2,533	$4,181	$5,399	$5,036	$4,111	$4,848	$5,939	$5,569
ANNUAL	$30,393	$50,176	$64,794	$60,426	$49,334	$58,173	$71,263	$66,830

Table 19
The Self-Sufficiency Standard for Queen Anne's County, MD 2012

MONTHLY COSTS	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
Housing	$1,264	$1,518	$1,518	$1,518	$1,518	$1,518	$1,518	$1,518
Child Care	$0	$673	$1,425	$1,215	$543	$752	$1,425	$1,215
Food	$262	$398	$522	$596	$690	$636	$749	$819
Transportation	$289	$297	$297	$297	$297	$562	$562	$562
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$197	$329	$418	$406	$351	$394	$474	$461
Taxes	$668	$1,037	$1,287	$1,226	$1,009	$1,155	$1,361	$1,298
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$16.14	$25.71	$31.93	$30.81	$26.44	$15.21 per adult	$17.91 per adult	$17.33 per adult
MONTHLY	$2,840	$4,526	$5,620	$5,423	$4,653	$5,355	$6,304	$6,100
ANNUAL	$34,078	$54,308	$67,446	$65,072	$55,840	$64,255	$75,645	$73,204

Table 20
The Self-Sufficiency Standard for St. Mary's County, MD 2012

MONTHLY COSTS	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
Housing	$823	$1,071	$1,071	$1,071	$1,071	$1,071	$1,071	$1,071
Child Care	$0	$719	$1,468	$1,102	$383	$749	$1,468	$1,102
Food	$253	$385	$506	$577	$668	$615	$725	$793
Transportation	$304	$311	$311	$311	$311	$591	$591	$591
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$154	$289	$378	$349	$290	$350	$434	$405
Taxes	$460	$839	$1,096	$958	$701	$947	$1,174	$1,034
Earned Income Tax Credit (-)	$0	$0	$0	$0	$0	$0	$0	$0
Child Care Tax Credit (-)	$0	-$50	-$100	-$100	-$50	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$12.23	$22.10	$28.31	$25.75	$20.85	$13.24 per adult	$16.13 per adult	$14.84 per adult
MONTHLY	$2,153	$3,889	$4,983	$4,533	$3,669	$4,659	$5,677	$5,222
ANNUAL	$25,836	$46,672	$59,791	$54,395	$44,034	$55,908	$68,130	$62,669

Table 21
The Self-Sufficiency Standard for Somerset County, MD 2012

MONTHLY COSTS	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
Housing	$621	$732	$732	$732	$732	$732	$732	$732
Child Care	$0	$474	$980	$826	$353	$506	$980	$826
Food	$253	$385	$506	$577	$668	$615	$725	$793
Transportation	$296	$304	$304	$304	$304	$575	$575	$575
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$133	$230	$294	$287	$252	$290	$349	$342
Taxes	$360	$477	$659	$615	$427	$645	$766	$730
Earned Income Tax Credit (-)	$0	-$41	$0	$0	-$141	$0	$0	$0
Child Care Tax Credit (-)	$0	-$63	-$100	-$105	-$63	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$10.36	$16.04	$20.61	$19.89	$16.07	$10.51 per adult	$12.34 per adult	$12.00 per adult
MONTHLY	$1,823	$2,823	$3,628	$3,501	$2,828	$3,701	$4,344	$4,225
ANNUAL	$21,874	$33,873	$43,537	$42,014	$33,938	$44,413	$52,123	$50,701

Table 22
The Self-Sufficiency Standard for Talbot County, MD 2012

MONTHLY COSTS	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
Housing	$749	$901	$901	$901	$901	$901	$901	$901
Child Care	$0	$669	$1,284	$994	$325	$615	$1,284	$994
Food	$254	$386	$507	$579	$670	$617	$727	$795
Transportation	$294	$302	$302	$302	$302	$571	$571	$571
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$146	$267	$341	$321	$266	$317	$396	$375
Taxes	$405	$691	$892	$785	$479	$761	$962	$862
Earned Income Tax Credit (-)	$0	$0	$0	$0	-$84	$0	$0	$0
Child Care Tax Credit (-)	$0	-$53	-$100	-$100	-$58	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$11.40	$19.81	$24.89	$22.99	$17.59	$11.70 per adult	$14.36 per adult	$13.42 per adult
MONTHLY	$2,007	$3,487	$4,380	$4,046	$3,097	$4,119	$5,056	$4,726
ANNUAL	$24,085	$41,840	$52,562	$48,546	$37,160	$49,433	$60,675	$56,706

Table 23
The Self-Sufficiency Standard for Washington County, MD 2012

MONTHLY COSTS	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
Housing	$658	$842	$842	$842	$842	$842	$842	$842
Child Care	$0	$608	$1,194	$883	$276	$586	$1,194	$883
Food	$253	$385	$506	$577	$668	$615	$725	$793
Transportation	$286	$293	$293	$293	$293	$555	$555	$555
Health Care	$153	$387	$400	$411	$442	$450	$462	$474
Miscellaneous	$135	$252	$323	$301	$252	$305	$378	$355
Taxes	$365	$625	$820	$686	$432	$714	$893	$781
Earned Income Tax Credit (-)	$0	$0	$0	$0	-$139	$0	$0	$0
Child Care Tax Credit (-)	$0	-$55	-$100	-$100	-$63	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$10.51	$18.48	$23.36	$21.18	$16.12	$11.18 per adult	$13.58 per adult	$12.54 per adult
MONTHLY	$1,850	$3,253	$4,111	$3,727	$2,837	$3,934	$4,781	$4,415
ANNUAL	$22,197	$39,040	$49,332	$44,724	$34,045	$47,212	$57,375	$52,981

Table 24
The Self-Sufficiency Standard for Wicomico County, MD 2012

MONTHLY COSTS	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
Housing	$778	$914	$914	$914	$914	$914	$914	$914
Child Care	$0	$533	$1,127	$892	$358	$593	$1,127	$892
Food	$253	$385	$506	$577	$668	$615	$725	$793
Transportation	$296	$304	$304	$304	$304	$575	$575	$575
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$149	$254	$327	$312	$271	$317	$382	$367
Taxes	$437	$647	$852	$763	$560	$788	$926	$850
Earned Income Tax Credit (-)	$0	$0	$0	$0	-$48	$0	$0	$0
Child Care Tax Credit (-)	$0	-$55	-$100	-$100	-$55	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$11.77	$18.79	$23.76	$22.30	$18.56	$11.76 per adult	$13.82 per adult	$13.12 per adult
MONTHLY	$2,072	$3,307	$4,182	$3,926	$3,267	$4,139	$4,865	$4,617
ANNUAL	$24,863	$39,683	$50,187	$47,108	$39,199	$49,670	$58,378	$55,402

Table 25
The Self-Sufficiency Standard for Worcester County, MD 2012

MONTHLY COSTS	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
Housing	$781	$905	$905	$905	$905	$905	$905	$905
Child Care	$0	$584	$1,199	$912	$328	$615	$1,199	$912
Food	$253	$385	$506	$577	$668	$615	$725	$793
Transportation	$296	$304	$304	$304	$304	$575	$575	$575
Health Care	$159	$407	$420	$431	$462	$471	$482	$494
Miscellaneous	$149	$259	$333	$313	$267	$318	$389	$368
Taxes	$402	$616	$821	$711	$450	$731	$887	$794
Earned Income Tax Credit (-)	$0	$0	$0	$0	-$90	$0	$0	$0
Child Care Tax Credit (-)	$0	-$55	-$100	-$100	-$60	-$50	-$100	-$100
Child Tax Credit (-)	$0	-$83	-$167	-$167	-$167	-$83	-$167	-$167
SELF-SUFFICIENCY WAGE								
HOURLY	$11.59	$18.87	$23.99	$22.08	$17.42	$11.64 per adult	$13.91 per adult	$12.99 per adult
MONTHLY	$2,041	$3,322	$4,221	$3,886	$3,067	$4,096	$4,896	$4,573
ANNUAL	$24,487	$39,861	$50,657	$46,634	$36,800	$49,158	$58,749	$54,882

Appendix E: Impact of Work Supports on Wage Adequacy

Appendix E. **Impact of Work Supports on Wage Adequacy**
One Adult, One Preschooler, and One School-age Child
Somerset County, MD 2012

	#1	#2	#3	#4
	Maryland 2011 Minimum Wage	Maryland Living Wage	Median Hourly Wage of Maryland Occupations	
			Retail Salesperson	Office Clerks
HOURLY WAGE:	$7.25	$9.39	$10.33	$14.24
TOTAL MONTHLY INCOME:	$1,276	$1,653	$1,818	$2,506
PANEL A: NO WORK SUPPORTS				
MONTHLY COSTS:				
Housing	$732	$732	$732	$732
Child Care	$826	$826	$826	$826
Food	$577	$577	$577	$577
Transportation	$304	$304	$304	$304
Health Care	$431	$431	$431	$431
Miscellaneous	$287	$287	$287	$287
Taxes	($72)	$37	$78	$269
Tax Credits (-) *	$0	$0	($14)	($83)
TOTAL MONTHLY EXPENSES	$3,085	$3,195	$3,221	$3,344
SHORTFALL (-) OR SURPLUS	**($1,809)**	**($1,542)**	**($1,403)**	**($838)**
WAGE ADEQUACY Total Income/Total Expenses	**41%**	**52%**	**56%**	**75%**
PANEL B: WORKING CONNNECTIONS CHILD CARE ASSISTANCE				
MONTHLY COSTS:				
Housing	$732	$732	$732	$732
Child Care	**$69**	**$170**	**$209**	$826
Food	$577	$577	$577	$577
Transportation	$304	$304	$304	$304
Health Care	$431	$431	$431	$431
Miscellaneous	$287	$287	$287	$287
Taxes	($72)	$37	$78	$269
Tax Credits (-) *	$0	$0	($14)	($83)
TOTAL MONTHLY EXPENSES	$2,328	$2,539	$2,604	$3,344
SHORTFALL (-) OR SURPLUS	**($1,052)**	**($886)**	**($786)**	**($838)**
WAGE ADEQUACY Total Income/Total Expenses	**55%**	**65%**	**70%**	**75%**
ANNUAL REFUNDABLE TAX CREDITS*:				
Annual Federal EITC	$5,236	$4,659	$4,241	$2,501
Annual State EITC	$0	$0	$0	$625
Annual Federal CTC	$1,847	$2,000	$2,000	$2,000

* 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 an annual tax credits. The nonrefundable portions of the Child Tax Credit (which is a credit against federal taxes) is shown as available to offset monthly costs, and the refundable portions are shown in the bottom of the table. The Child Care Tax Credit on the other hand 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 the Modeling Table and Wage Adequacy Figure.

Table E-1 *Continued*. **Impact of Work Supports on Wage Adequacy**
One Adult, One Preschooler, and One School-age Child
Somerset County, MD 2012

	#1	#2	#3	#4
	Maryland 2011 Minimum Wage	Maryland Living Wage	Median Hourly Wage of Maryland Occupations	
			Retail Salesperson	Office Clerks
HOURLY WAGE:	$7.25	$9.39	$10.33	$14.24
TOTAL MONTHLY INCOME:	$1,276	$1,653	$1,818	$2,506
PANEL C: CHILD CARE, SNAP/ WIC*, & MARYLAND CHILDREN'S HEALTH PROGRAM				
MONTHLY COSTS:				
Housing	$732	$732	$732	$732
Child Care	**$69**	**$170**	**$209**	$826
Food	**$154**	**$244**	**$286**	**$537**
Transportation	$304	$304	$304	$304
Health Care	**$159**	**$159**	**$159**	**$159**
Miscellaneous	$287	$287	$287	$287
Taxes	($72)	$37	$78	$269
Tax Credits (-) *	$0	$0	($14)	($83)
TOTAL MONTHLY EXPENSES	$1,633	$1,934	$2,041	$3,032
SHORTFALL (-) OR SURPLUS	**($357)**	**($281)**	**($223)**	**($526)**
WAGE ADEQUACY Total Income/Total Expenses	**78%**	**85%**	**89%**	**83%**
PANEL D: HOUSING, CHILD CARE, SNAP/ WIC*, & MARYLAND CHILDREN'S HEALTH PROGRAM				
MONTHLY COSTS:				
Housing	**$383**	**$496**	**$545**	$732
Child Care	**$69**	**$170**	**$209**	$826
Food	**$253**	**$313**	**$341**	**$537**
Transportation	$304	$304	$304	$304
Health Care	**$159**	**$159**	**$159**	**$159**
Miscellaneous	$287	$287	$287	$287
Taxes	($72)	$37	$78	$269
Tax Credits (-) *	$0	$0	($14)	($83)
TOTAL MONTHLY EXPENSES	$1,382	$1,766	$1,909	$3,032
SHORTFALL (-) OR SURPLUS	**($106)**	**($114)**	**($91)**	**($526)**
WAGE ADEQUACY Total Income/Total Expenses	**92%**	**94%**	**95%**	**83%**
ANNUAL REFUNDABLE TAX CREDITS*:				
Annual Federal EITC	$5,236	$4,659	$4,241	$2,501
Annual State EITC	$0	$0	$0	$625
Annual Federal CTC	$1,847	$2,000	$2,000	$2,000

* 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 an annual tax credits. The nonrefundable portions of the Child Tax Credit (which is a credit against federal taxes) is shown as available to offset monthly costs, and the refundable portions are shown in the bottom of the table. The Child Care Tax Credit on the other hand 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 the Modeling Table and Wage Adequacy Figure.

About the Author

Diana M. Pearce, PhD teaches 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.

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