THE SELF-SUFFICIENCY STANDARD FOR MARYLAND 2016

Common Cents Conference
September 13, 2017
FEDERAL POVERTY LEVEL?

- Developed in 1963-1964 by multiplying the cost of the economy food plan by three.
- It is too low: it started off at 50% of median income, now less than 30% of median income.
- It was meant to cover costs faced by families then, but that does not work for today’s families. Now, all adults work, so need to have transportation and child care. Now, even low income families pay taxes.
- It does not vary by place, but costs today vary a lot by where one lives, even within a state. It does not vary by family composition, yet some costs, like child care, vary a lot by a child’s age.
SSS = Self-Sufficiency Standard

The SSS defines 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.
## SELF-SUFFICIENCY STANDARD BASICS

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td><strong>Focused on</strong></td>
<td>working age families, i.e., nondisabled, nonelderly.</td>
</tr>
<tr>
<td><strong>Calculates</strong></td>
<td>basic necessities: housing, food, child care, transportation, taxes, and miscellaneous costs (clothing, shoes, diapers, etc.).</td>
</tr>
<tr>
<td><strong>Set at</strong></td>
<td>minimally adequate level, using government set levels of adequacy when available (Fair Market Rents for housing, child care subsidy levels, etc.).</td>
</tr>
<tr>
<td><strong>“Bare bones”</strong></td>
<td>with no extras – no takeout/restaurant food/lattes; no savings or investments (car, education); no gifts/charity/recreation.</td>
</tr>
<tr>
<td><strong>Varied by</strong></td>
<td>family type: number of adults plus number and age of children.</td>
</tr>
<tr>
<td><strong>Geographically specific:</strong></td>
<td>county and/or city, data permitting.</td>
</tr>
</tbody>
</table>
# How Do 2016 Costs in Maryland Compare to Other Cities in the US?

**One Adult, One Preschooler, One School Age Child?**

*Baltimore City & Montgomery*

<table>
<thead>
<tr>
<th>City / County</th>
<th>Cost</th>
</tr>
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<tbody>
<tr>
<td>Stamford, CT**</td>
<td>$41.94</td>
</tr>
<tr>
<td>Montgomery County, MD**</td>
<td>$40.99</td>
</tr>
<tr>
<td>Fairfax County, VA</td>
<td>$39.99</td>
</tr>
<tr>
<td>San Francisco, CA**</td>
<td>$39.88</td>
</tr>
<tr>
<td>New York City (Queens), NY**</td>
<td>$36.96</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>$34.93</td>
</tr>
<tr>
<td>Seattle, WA**</td>
<td>$32.16</td>
</tr>
<tr>
<td>Virginia Beach City, VA</td>
<td>$31.60</td>
</tr>
<tr>
<td>Middlesex County, NJ</td>
<td>$31.01</td>
</tr>
<tr>
<td>Portland, OR**</td>
<td>$30.05</td>
</tr>
<tr>
<td>Delaware County, PA</td>
<td>$29.38</td>
</tr>
<tr>
<td>Chicago, IL** (South side of...</td>
<td>$27.68</td>
</tr>
<tr>
<td>Denver, CO**</td>
<td>$27.58</td>
</tr>
<tr>
<td>Philadelphia, PA**</td>
<td>$27.58</td>
</tr>
<tr>
<td>Milwaukee, WI</td>
<td>$27.09</td>
</tr>
<tr>
<td>Columbus, OH</td>
<td>$25.99</td>
</tr>
<tr>
<td>Baltimore City, MD**</td>
<td>$25.87</td>
</tr>
<tr>
<td>Tucson, AZ</td>
<td>$25.22</td>
</tr>
<tr>
<td>Indianapolis, IN</td>
<td>$23.63</td>
</tr>
<tr>
<td>Jacksonville, FL</td>
<td>$23.15</td>
</tr>
<tr>
<td>Oklahoma City, OK</td>
<td>$22.56</td>
</tr>
<tr>
<td></td>
<td>$19.74</td>
</tr>
</tbody>
</table>
The Self-Sufficiency Standard for Maryland 2016: One adult and one preschooler

HIGHEST $71,755

LOWEST $34,040
WHILE COSTS HAVE INCREASED, WAGES HAVE NOT

Despite Montgomery’s higher minimum wage, in 2016, a parent with two young children needed to work over 155 hours per week at minimum wage ($10.75/hour) to make ends meet.
SSS: MONTGOMERY SNAPSHOT

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

Expenses = $8,827 per month

Housing = $1,748
Child Care = $2,773
Food = $839
Transportation = $360
Health Care = $590
Miscellaneous = $631
Taxes (Net) = $1,886

HOURLY WAGE TO BE SELF-SUFFICIENT VARIES BY FAMILY TYPE

1 Adult: $17.90
1 Adult + 1 Preschooler: $33.98
1 Adult + 1 Preschooler + 1 School-age: $40.99
2 Adults + 1 Preschooler + 1 School-age: $21.60 per adult

Two Adults + One Infant + One Preschooler
THE CLIFF EFFECT

Impact of Wage Adequacy on Work Supports, Montgomery County, MD 2016
One Adult, One Preschooler, & One School-Age Child

PERCENTAGE OF WAGE ADEQUACY

HOURLY WAGE (FULL TIME)
THE CLIFF EFFECT

Eligibility Levels Compared to the Montgomery County Self-Sufficiency Standard, 2016
One Adult, One Preschooler, & One School-Age Child

500% FPL

400% FPL
Self-Sufficiency Standard
Montgomery County $86,580

300% FPL
CHIP (300% FPL)
Montgomery County Child Care Subsidy Program
(287% FPL)

200% FPL
WIC (185% FPL)
MD Child Care (150% FPL)
SNAP (130% FPL)

100% FPL
REGIONAL SALARIES: 10 LARGEST OCCUPATIONS COMPARED TO THE SSS

- General & Operations Managers: $62.49
- Business Operations Specialists: $42.84
- Registered Nurses: $37.57
- Secretaries & Administrative Assistants: $19.69
- Customer Service Representatives: $16.96
- Janitors and Cleaners: $12.22
- Retail Salespersons: $11.15
- Cashiers: $9.76
- Waitstaff: $9.33
- Food Prep. & Serving Workers (Fast Food): $9.24

PERCENTAGE OF SELF-SUFFICIENCY STANDARD

$40.99 per hour
THE IMPACT OF PAY EQUITY

Impact of Education on Median Earnings by Gender
Montgomery County, MD 2011-2015

- Graduate or Professional Degree: 69%
- Bachelor's Degree: 70%
- Some College or Associates Degree: 76%
- High-School Graduate or Equivalent: 76%
- Less than High-School Graduate: 67%

STRATEGIES TO MEET THE SELF-SUFFICIENCY STANDARD

Work Supports:

- Child Care
- Supportive Employment
- Health Care
- SNAP/Food
- Housing
- Transportation
STRATEGIES TO MEET THE SELF-SUFFICIENCY STANDARD

Expand Refundable Tax Credits:

- Federal, state, and local Earned Income Tax Credits
- Renter’s Tax Credit
STRATEGIES TO MEET THE SELF-SUFFICIENCY STANDARD

Raise Wages:

- **Minimum wages**
- **Local living wages**
- Unionization
- Increase Benefits (paid sick leave, holidays, family leave, insurance, etc.)
- Pay equity/anti-discrimination laws
- Increasing/improving education/training
- **Economic development**
- **Economic Justice (Ban the Box)**
OTHER USES OF THE SELF-SUFFICIENCY STANDARD

- Policy Analysis
- Counseling Tool
- Evaluation Tool
- Benchmark for Wage-Setting
- Targeted Allocation of Resources
- Supports Research
- Community Indicator
To download the Maryland 2016 report:
http://selfsufficiencystandard.org/maryland

FOR MORE INFO
Please call the Community Action Agency:
240-777-1697

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www.montgomerycountymd.gov/communityaction