

Meeting Basic Human Needs: A Fact Sheet on Strategies for Furthering Family and Individual Self-Sufficiency in Maryland

At its 2021 annual convention, the League of Women Voters of Maryland (LWVMD) voted to establish a Living Wage Study Committee to “examine ways that Maryland can ensure its residents have enough income for at least the basics of food, shelter, healthcare, transportation and childcare.”

As the study committee began its work, its members quickly realized that a living wage was just one of a number of strategies for ensuring individual and family self-sufficiency. Indeed, in some high-cost regions or municipalities it might not be feasible to establish a living wage level that would allow all family types and sizes to be fully self-sufficient. As a result, the committee chose instead to focus on the intent of the state convention’s charge: meeting basic human needs. This approach parallels the position of the national League of Women Voters, which recognizes that basic human needs may be met through income, services, or a combination of the two.

In exploring the challenges of meeting basic human needs for individuals and families in Maryland, the study committee sought to understand the role of the federal and state governments in identifying and reducing poverty, as well as the efforts of nongovernmental organizations and others to quantify self-sufficiency and promote a more nuanced definition of poverty.

Ultimately, the study committee opted not to propose a new policy position, but to defer to the existing positions of the Maryland and national League of Women Voters on meeting basic human needs. The study committee offers this Fact Sheet and questions for consideration that it hopes will encourage further discussion about strategies and advocacy for meeting basic human needs by local Leagues throughout Maryland.

I. Households Unable to Meet Basic Human Needs

In every community, despite working full-time, millions of people in low-wage jobs enroll in safety net programs to get help paying for basic needs such as health care or food.¹ In other cases, people are working full-time, perhaps in more than one job, and make too much money to qualify for public assistance, but do not earn enough money to cover their most basic needs, such as food, shelter, health care, transportation and childcare. These workers include the hourly employees who wait on customers in retail shops, those who cook, serve and clean up after those dining out in restaurants, those who clean hotel rooms for vacationers and take care of children and elders, among others. They may get by on a day-to-day basis but can find themselves in financial difficulty if a car repair is needed, a child gets sick, or a rent increase is greater than expected. They may have little or no savings so there is not much of a cushion for unexpected, costly events. They can be doing all the “right” things to achieve financial solvency—working, managing their budget, and living modestly—but cannot meet all the basic needs for themselves and their families.

¹ Government Accountability Office. *Federal Social Safety Net Programs: Millions of Full-Time Workers Rely on Federal Health Care and Food Assistance Programs*, (GAO-21-45), October 19, 2020. <https://www.gao.gov/assets/gao-21-45.pdf>

Across Maryland, it is estimated that about one-third of households fall into this category. Income instability is common among all families but is disproportionately felt by workers with fewer educational credentials, Black families, and households headed by unmarried workers. Almost three-quarters of these households are headed by those under the age of 25 and/or are single, female-headed households with children.² Without community and governmental interventions, these households in Maryland and throughout the United States fall short of meeting their basic needs.

Traditionally, public policy tools have focused on a combination of minimum wage requirements, tax credits, and supplemental benefits programs to ensure a minimum universal standard of living. More recently, some state and city governments have piloted the newer paradigm of universal basic income payments. Each of these approaches has the potential to positively affect a large number of Marylanders.

II. National League of Women Voters Position on Meeting Basic Human Needs

The League of Women Voters of the United States subscribes to the following policy position on meeting basic human needs:

“ . . . one of the goals of social policy in the United States should be to promote self-sufficiency for individuals and families and that the most-effective social programs are those designed to prevent or reduce poverty. Persons who are unable to work, whose earnings are inadequate, or for whom jobs are not available have the right to an income and/or services sufficient to meet their basic needs for food, shelter, and access to health care. The federal government should set minimum, uniform standards and guidelines for social welfare programs and should bear primary responsibility for financing programs designed to help meet the basic needs of individuals and families. State and local governments, as well as the private sector, should have a secondary role in financing food, housing, and health care programs. Income assistance programs should be financed primarily by the federal government with state governments assuming secondary responsibility.”³

Local and state Leagues have the authority to use broadly stated national League positions as a basis for advocating and lobbying for more specific state and local laws or policies that are consistent with national positions. It is at the local level especially that “grassroots” study and action can take place and potentially have a profound impact.

The national League position on meeting basic human needs supports efforts at the local level to measure where the federal response to meeting basic needs may be insufficient and how any unmet needs can be met by changes in local safety net programs. To aid local Leagues in Maryland in considering the situation in their communities and the potential impact of proposed changes or legislation, the study committee has compiled information on federal poverty guidelines, alternative measures of meeting basic needs, and government anti-poverty initiatives, summarized below.

² United Ways of Maryland. *ALICE in Maryland: A Financial Hardship Study, 2020 Maryland Report*. <https://www.unitedforalice.org/Maryland>

³ League of Women Voters. *Impact on Issues: A Guide to Public Policy Positions of the League of Women Voters 2022-2024*, pp. 145-6. https://www.lwv.org/sites/default/files/2023-02/LWV_ImpactOnIssues2022-2024.pdf

III. Federal Poverty Standards and Guidelines for Eligibility

The 1960s War on Poverty, introduced by President Lyndon Johnson, generated a new interest in the number of people in poverty and the composition of that population. To estimate the extent of poverty and to collect data on the conditions of those in poverty, the federal government created the Official Poverty Measure (OPM). The OPM set the threshold for poverty as the cost of a minimum food diet in 1963 times three (updated by inflation). Households that lacked an income equal to the cost of food times three were considered in poverty. In 2023, the federal poverty level (FPL) for an individual is \$14,580 and for a family of four, \$30,000. All individuals and all families below those thresholds are deemed in poverty.

The OPM computations, adjusted for inflation, have stayed the same since they were created and continue to be the threshold for eligibility for most federal benefits. The absolute OPM threshold results in excluding, for example, about 600,000 Maryland households, whose resources are slightly more than the FPL, but inadequate to meet their basic human needs.

More recently, another measure of poverty, the Supplemental Poverty Measure (SPM), was developed to address some of the methodological limits of the Official Poverty Measure. The SPM was established as a result of a 1995 study mandated by Congress but was not intended to replace the OPM's role as a determinant of eligibility for anti-poverty assistance programs. Instead, the SPM is considered a research measure, designed to be updated as data sources and techniques to quantify poverty improve over time.⁴

IV. Resources Needed to Meet Basic Human Needs

While federal statisticians and policymakers worked to refine and implement the Supplemental Poverty Measure, which was first utilized in a 2011 report from the US Census Bureau, other researchers and policymakers sought to develop tools for calculating the resources required for various types of households to meet basic needs for living in different locales. Three of those tools most widely used today are:

- The Self-Sufficiency Standard
- The MIT Living Wage Calculator
- United for ALICE Measures

These measures all start by identifying the cost of a household's basic human needs and the resources needed to meet those needs, adjusted for family size and geographical location. Although basic human needs are defined somewhat differently by all three methods, they generally include housing costs, childcare⁵, medical care, food, transportation, broadband services, and a modest amount for emergencies, but exclude nonessential expenses such as vacations and savings for retirement or a down payment for a home. The resulting cost

⁴ For a more complete discussion of how the two federal poverty measure contrast and compare, see the Summary and the Introduction, pg. 1 of the Congressional Research Service Report, "The Supplemental Poverty Measure: Its Core Concepts, Development, and Use" at <https://crsreports.congress.gov/product/pdf/R/R45031>

⁵ Among the education reforms included in the Blueprint for Maryland's Future is an expansion of free full-day prekindergarten for three and four-year-olds from families earning up to 300% of the federal poverty level, which has the potential to affect childcare costs in the future. <https://blueprint.marylandpublicschools.org/ece/#:~:text=The%20Blueprint%20granted%20all%20three,Pre%2DK%20at%20no%20cost.>

assessment describes a pattern of minimally adequate resources, without public or private assistance.

All three of these tools are intended to serve a variety of users, ranging from policymakers to workforce development agencies to advocacy groups intent on reducing poverty. Perhaps most importantly, individuals can utilize these tools to help choose jobs that pay adequate wages, compare expenses in different geographic areas, determine the impact of adding another child to a household, and develop strategies to become self-sufficient.

The following sections describe the three most commonly used tools for calculating the resources required for households to meet basic needs; additional details are included in the Appendix.

The Self-Sufficiency Standard

The Self-Sufficiency Standard, established in 1996, is a measure of how much income working individuals or families need to meet the cost of basic necessities: housing, childcare, health care, food, transportation, miscellaneous (household items, clothes, personal hygiene items not to exceed 10% of all other costs), emergency savings, plus taxes and tax credits.⁶ The Self-Sufficiency Standard for Maryland, using data collected from reliable sources,⁷ is calculated for over 400 family types for all Maryland counties and the city of Baltimore. Here are two examples from the calculator's 2023 estimates⁸ of the monthly cost of basic needs for a family of two working adults, one preschooler, and one school age child:

⁶ <https://selfsufficiencystandard.org/the-standard/overview/>

⁷ Maryland Action Community Partnership. The Maryland 2023 Self-Sufficiency Standard Calculator. <https://maryland-cap.org/the-maryland-2023-self-sufficiency-standard-calculator/>.

⁸ Maryland Action Community Partnership. 2023. <https://maryland-cap.org/the-maryland-2023-self-sufficiency-standard-calculator/>. Using data from the SSS data for Maryland, the Maryland Community Action Partnership has created a tool that gives easy access to the costs of basic needs and the income needed to meet those needs for all Maryland counties and family configurations.

Self-Sufficiency Standard Monthly Costs

	Baltimore City	Howard County
Housing costs	\$1,333	\$1,903
Childcare	\$1,713	\$2,698
Health Care	\$790	\$790
Food	\$1,196	\$1,160
Transportation	\$154	\$812
Broadband/Cell Phone	\$155	\$155
Other Necessities	\$519	\$736
Taxes	\$1,406	\$2,657
Child Care Tax Credit (-)	(\$100)	(\$100)
Child Tax Credit (-)	(\$333)	(\$333)
Earned Income Tax Credit (-)	\$0	\$0

For the same family size, the Self-Sufficiency wage for the Baltimore city household is \$20.64 hourly; \$7,265 monthly; and \$87,179 annually. Howard County's family needs a wage of \$31.00 hourly; \$10,913 monthly; and \$130,952 annually.

An analysis of Maryland's job market shows that only two of the ten most common occupations in Maryland offer a wage adequate to meet basic needs: general and operations manager and registered nurse.⁹ Eighty-one percent of workers in the ten most common occupations, many of them in fast growing but low-wage service occupations, earn median wages insufficient to support a family with young children.

The MIT Living Wage Calculator

The Massachusetts Institute of Technology (MIT) Living Wage Calculator was created in 2004 to measure basic needs for twelve distinct family types residing in various states, metro areas, or counties. It is a market-based approach that draws upon geographically specific expenditure data related to a family's likely minimum need for food, childcare, health insurance, housing, transportation, and other basic necessities (e.g., clothing and personal care items).¹⁰

Data used to determine the cost of basic needs is collected from publicly available, geographically specific expenditure data updated annually. Data sources for housing costs, for example, come from the U.S. Department of Housing and Urban Development Fair Market Rents; childcare costs are developed using the state-level estimates published by the National

⁹ Pearce, Diana M. *The Self-Sufficiency Standard for Maryland 2016*. Center for Women's Welfare, University of Washington School of Social Work, December 2016. <https://selfsufficiencystandard.org/the-standard/overview/>.

¹⁰ Glasmeier, Amy K. Living Wage Calculator. 2023. Massachusetts Institute of Technology <https://livingwage.mit.edu/>

Association of Child Care Resource and Referral Agencies. Other basic needs costs use similar highly respected sources.¹¹

Based on the estimated cost of a family's basic needs, the MIT Living Wage Calculator generates the minimum income necessary to meet that family's basic needs while also maintaining self-sufficiency. No funds are added for entertainment, unpaid vacations, or for a financial means of enabling savings and investment. The minimum income standard is the fine line between financial independence for the working poor and the need to seek out public assistance.

The calculator tool also displays for users the hourly wage equivalent to the upper boundary of the federal poverty level and the minimum wage set by the designated locality for a full-time worker. Additional interactive tables include figures that show the individual expenses that went into the living wage estimate. Costs and wages are available by family size, composition of the family, and the current location. The expenses chart indicates the required annual income after taxes to meet the expenses. Another chart lists the typical annual salaries for various professions in the county that is being searched.

MIT Living Wage Calculator Annual Income Required
to Meet Basic Needs in Maryland in 2022-23, by Household Size

	1 Adult	2 Adults, 2 Children
Food	\$3,926	\$11,564
Childcare	\$0	\$22,355
Medical	\$3,157	\$9,118
Housing	\$14,454	\$18,642
Transportation	\$5,477	\$14,484
Other	\$7,327	\$18,910
Taxes	\$6,326	\$18,447
Total Required Annual Income	\$40,798	\$113,650

United for ALICE Measures

The lens United for ALICE uses to view poverty differs somewhat from the Self-Sufficiency Standard and the Living Wage Calculator because it focuses on households that are **Asset Limited, Income Constrained, Employed**. These ALICE households have income above the federal poverty level, but not high enough to meet their basic needs. Of the 2.4 million

¹¹ Cary Ann Nadeau, updated by Amy K Glasmeier. *Living Wage Calculator, User's Guide/Technical Notes 2022-23*. <https://livingwage.mit.edu/resources/Living-Wage-Users-Guide-Technical-Documentation-2023-02-01.pdf>

households in Maryland in 2021, 10% were in poverty, 28% fell within the ALICE category, and 62% were above the ALICE threshold.¹²

United for ALICE measures are tools used by United Way organizations in 27 states to document financial insecurity.¹³ Each partner state publishes an annual ALICE report, which provides a framework, language, statistics, and tools for understanding households struggling to afford basic necessities. All ALICE reports include:

- *ALICE Household Survival Budget*: Basic budget items including housing, childcare, food, transportation, technology, and health care, plus taxes and a contingency fund (miscellaneous) equal to 10% of the household budget. The budget is calculated separately for each county and for different household types.
- *ALICE Essentials Index*: Reports are updated over time as the costs of the essential goods and services that households need to live and work change.
- *ALICE Income Assessment*: The income households would need to reach the ALICE threshold (the minimum income level necessary for survival for a household). For example, the ALICE threshold for a household headed by a working-age adult in Baltimore City in 2021 was \$60,000; in Howard County it was \$75,000. The ALICE Income Assessment also measures how much households actually earn, how much public and nonprofit assistance is available to help households below the ALICE threshold meet their needs, and the unfilled gap that remains.¹⁴

United for ALICE sees itself as “Harnessing the data and research on the mismatch between low-paying jobs and the cost of survival. ALICE partners convene, advocate and collaborate on solutions that promote financial stability at the local, state, and national levels.”¹⁵

ALICE Household Survival Budget: Central Maryland Average Monthly Cost¹⁶

	Single Adult	Family of 4
Rent	\$942	\$1,363
Utilities	\$154	\$292
Childcare	-n/a-	\$1,804
Food	\$480	\$1,308
Transportation	\$351	\$828
Healthcare	\$221	\$853

¹² United for ALICE, Maryland State Overview. <https://www.unitedforALICE.org/national-overview>

¹³ United for ALICE, National Overview. <https://www.unitedforALICE.org/national-overview>

¹⁴ United for ALICE, Methodology. <https://www.unitedforalice.org/methodology>

¹⁵ United for ALICE, Essentials Index, <https://www.unitedforalice.org/>

¹⁶ United for ALICE, <https://unitedforalice.org/Maryland>. See *ALICE in the Cross Currents; Covid and Financial Hardship in Maryland 2023 Report*.

Smartphone	\$75	\$110
Miscellaneous	\$222	\$656
Tax Credits	-0-	(-\$1,288*)
Tax Payments	\$518	\$1,679
Monthly Total	\$2,963	\$7,605
Annual Total	\$35,556	\$91,260

* *Child Tax Credit and Child and Dependent Care Tax Credit*

VI. Government Initiatives to Help Households Meet Basic Needs

Wage Policies

A federal minimum wage was first adopted during the Great Depression, and has been periodically expanded and increased, most recently in 2009. Increases in federal minimum wage only occur when the federal government enacts legislation, and minimum wages do not necessarily keep pace with changes in inflation or the cost of living. Full-time employment of one person at the 2023 federal minimum wage of \$7.25¹⁷ an hour is not enough to raise a family of four above the federal poverty level, which was \$27,750 in 2022. As such, the federal minimum wage cannot be classified as a living wage for any size family in any Maryland jurisdiction.

States and localities have full authority to raise standards higher than federal minimums, and many have done so. In 2023, Maryland's statewide minimum wage is \$13.25 an hour, rising to \$15.00 on January 1, 2024. Some Maryland counties have set even higher minimum wages that vary by an entity's number of employees (e.g., Montgomery County) or that increase automatically as the Consumer Price Index changes (e.g., Howard County). Increasing the minimum wage to \$15 (about \$31,000 a year for a full-time worker) could help a family with two employed persons and no children meet its basic needs but would fall short for a larger family.

In addition to widely applicable minimum wage laws, some Maryland authorities have enacted living wage ordinances that apply to entities that do business with the government. For example, in most cases, the State of Maryland requires that people working on service contracts with the state worth more than \$100,000 be paid what it defines as a living wage – as of September 28, 2023, at least \$16.16 an hour in Tier 1 areas (Anne Arundel, Baltimore, Howard, Montgomery and Prince George's Counties, and Baltimore City) with the highest costs of living.¹⁸ Though

¹⁷ Note that federal minimum wage for tipped workers is only \$2.13 per hour as long as tips ensure that workers earn at least \$7.25/hour total; workers who are under the age of 20 may be paid a training wage of \$4.25/hour for the first 90 days of their employment.

¹⁸ Tier I includes Anne Arundel, Baltimore City, Baltimore, Howard and Montgomery. Tier 2 includes any Maryland County that is not in Tier 1 (Allegany, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Kent, Prince George's, Queen Anne's, Somerset, St. Mary's, Talbot, Washington, Wicomico, Worcester). <https://www.dllr.state.md.us/labor/prev/livingoverview.shtml>

these measures have limited applicability, they may help to set higher standards that affect voluntary behavior in the private sector.

On their own, wage policies have helped to mitigate poverty, but have not ensured self-sufficiency for all working people and their dependents, much less for individuals and households headed by people who are unable to work.

Tax Relief: The Earned Income Tax Credit

The federal Earned Income Tax Credit (EITC) is designed to offset the payroll taxes for low-to-moderate income workers by providing a refundable credit to taxpayers based on their income and family circumstances. It is delivered once per year in a lump sum payment when households file their tax returns. Since it was established in 1975, the EITC has kept millions out of poverty. After several expansions, the refundable tax credit is now the largest federal cash assistance program for low-income families. In 2018, for example, more than 22 million working families and individuals in every state received the federal EITC, and the credit lifted some 5.6 million people, including about 3 million children, above the poverty line. The EITC reduced the severity of poverty for another 16.5 million people, including 6.1 million children.¹⁹

Over the past several decades, the EITC's effectiveness has been magnified as many states enacted their own tax credit programs to supplement the federal credit. State income and sales taxes are more regressive than federal taxes, and many households that are exempt from federal income tax are subject to state income taxes. To mitigate these tax burdens, a growing number of states—31 states in 2023—have adopted state EITCs using federal EITC eligibility rules that match a specified percentage of the federal credit. Current state EITCs vary on eligibility standards, methods for calculating the credit amount, refundability, awareness and outreach efforts, and data tracking requirements.²⁰ In Maryland, the state EITC either reduced or eliminated the amount of state and local income tax that was owed by those with low-to-moderate incomes.²¹ Montgomery County residents also were eligible for the county's Working Families Income Supplement, which provides a 100%-match of the state's EITC for eligible residents.²²

The Family Prosperity Act, enacted in Maryland in 2023, makes permanent a previously temporary expansion of an income tax credit for low-to-moderate-income households in the state. Since 2021, families who qualified were able to receive a 45%-state match, more than the 28% that they were previously granted. The larger match was set to expire, but now will be permanent, and is expected to provide tax relief for as many as 400,000 Marylanders.

¹⁹ Center on Budget and Policy Priorities. *Policy Basics: The Earned Income Tax Credit*. Updated December 10, 2019. <https://www.cbpp.org/research/federal-tax/the-earned-income-tax-credit>

²⁰ Institute on Taxation and Economic Policy. *Rewarding Work Through State Earned Income Tax Credits*. September 14, 2016. https://itep.org/rewarding-work-through-state-earned-income-tax-credits-2/?gclid=EAlaQobChMlyJ2Zvs-l-AIV2vLjBx1Qdw6sEAAyAAEgKtdfD_BwE

²¹ Maryland Department of Human Services. Public Assistance. Earned Income Tax Credit. <https://dhs.maryland.gov/weathering-tough-times/earned-income-tax-credit/>

²² Montgomery County, Maryland. Earned Income and Other Tax Credits. https://montgomerycountymd.gov/cashback/tax_credits.html#:~:text=The%20Earned%20Income%20Tax%20Credit,family%20size%2C%20and%20other%20fact ors.

Tax Relief: Child Tax Credit

Enacted in 1997 and expanded multiple times since 2001, the federal Child Tax Credit (CTC) has helped families manage the cost of raising children. Its purpose has been first, to reduce parents' tax liability, and second, to provide them with extra income through a tax refund. Before 2021, the CTC was worth up to \$2,000 per eligible child under the age of 17, payable at the end of the tax year. In 2018, the CTC helped to lift approximately 4.3 million people, including 2.3 million children, out of poverty, and lessened poverty for another 12 million people, including 5.8 million children.²³

The American Rescue Plan Act of 2021 included a temporary expansion of the CTC (through 2021), increasing it to \$3,600 per child under the age of 6, and \$3,000 per child between 6- and 17 years of age. The CTC expansion eliminated minimum earnings requirements and made the tax refundable with full credit available for children whose parents had low or no earnings. "Refundability" meant that even if the credit exceeded the filer's tax liability, some or all was paid as a refund through monthly cash payments.

The CTC's 2021 temporary expansion led to a historic reduction in poverty. Using the Supplemental Poverty Measure, which takes into account the effect of non-cash government programs, the U.S. Census Bureau estimated that the national child poverty rate decreased by more than half, from 12.5% in 2019 to 5.2% in 2021, its lowest level on record. Moreover, the expanded CTC benefit's monthly distribution of cash reduced volatility in recipients' income. In its first six months, the expanded tax credit shored up family finances during the COVID pandemic crisis, reduced child poverty and food insufficiency, and increased families' ability to meet their basic needs. The expansion had no discernable negative effects on parental employment.²⁴ In Maryland, the expanded federal CTC was estimated to have benefited 739,000 families with 1,194,000 children.²⁵

Eleven states and the District of Columbia have enacted state-level CTCs. The Maryland General Assembly created a modest temporary (expiring 2023) CTC limited to children with disabilities under the age of 17 in families with income less than \$6,000.²⁶ The Maryland CTC was permanently expanded with the adoption of the Family Prosperity Act of 2023, which expands the CTC to cover an estimated 40,000 taxpayers with an income of \$15,000 or less. The expansion makes all children under age six eligible, while retaining the credit for children over age six who are living with disabilities. The action is part of nearly \$200 million reserved for Maryland state tax relief, including funding for the EITC, the CTC, and new tax cuts for veterans.²⁷

²³ Center for Budget and Policy Priorities. *Policy Basics: The Child Care Tax Credit*. <https://www.cbpp.org/research/federal-tax/the-child-tax-credit>

²⁴ Curran, Megan. 2021. "Research Roundup of the Expanded Child Tax Credit: The First 6 Months." *Poverty and Social Policy Report*, Center on Poverty and Social Policy, Columbia University. Vol. 5, no. 5. www.povertycenter.columbia.edu/publication/child-tax-credit/research-roundup

²⁵ White House American Rescue Plan Implementation Team, July 2021. <https://www.whitehouse.gov/w-content/uploads/2022/03/Maryland-Tax-Credit-1-pager-3.8.pdf>

²⁶ Institute on Taxation and Economic Policy. Brief. September 15, 2022. <https://itep.org/more-states-are-boosting-economic-security-with-child-tax-credits-2022/#:~:text=Child%20Tax%20Credits%3A%20A%20Critical,for%20economic%20security%20and%20stability.>

²⁷ Office of Governor Wes Moore. Press Release. Governor Moore Presides Over First Bill Signing. April 11, 2023. <https://governor.maryland.gov/press/pages/Governor-Moore-Presides-Over-First-Bill-Signing-Dedicated-to-EndinChild-Poverty-in-Maryland.aspx>

Other Government Assistance Programs

A complex web of federal, state, and local benefits programs helps to mitigate poverty and meet the basic needs of both lower-income working people and families, and households led by adults who cannot work. Individuals may be simultaneously eligible for payments distributed exclusively by federal entities like Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) for people with disabilities), state entities (Supplemental Nutrition Assistance Program (SNAP); the Children's Health Insurance Program (CHIP)/Medicaid/public insurance exchange subsidies), and local entities (rental payment assistance; some states delegate Temporary Assistance to Needy Families(TANF), or welfare, program management to counties). Benefits programs also cover a wide range of human needs, and variously provide cash or in-kind assistance. Federal surveys indicate that the most commonly used programs are those that give people free or reduced-price medical insurance, cash that can only be used to buy food and nutrition-related items, and assistance with rents and mortgages in the form of payments directly to creditor.

At the same time, these programs can be difficult and burdensome to navigate, with multiple application processes requesting and relying upon duplicative documentation submissions; as a result, some people who need and qualify for assistance are excluded. In other situations, a "benefits cliff"—a term used to describe the loss of public benefits resulting from small increases in earned income—may make a family worse off in terms of net resources despite the increase in earnings. Sudden and often unexpected decreases in benefits for food, for medical care, and to keep them in a safe, affordable home can result from even a small increase in earnings.²⁸

Government programs provide widely varying amounts and degrees of help that may or may not be adequate to meet the needs they are intended to serve. However, they play a critical role in many people's subsistence. The average family that the safety net lifts from poverty gets half its income – nearly \$18,000 from government benefits.²⁹

Distribution of benefits is unlikely to diminish participation in the workforce. Evidence shows that families with low incomes generally package receipt of public income benefits with work; they use the programs as a complement to, not a substitute for, work.³⁰

Universal Basic Income

Universal basic income (UBI) provides monthly direct cash transfers with no means testing. Unlike other benefits programs, UBI funds can be spent however recipients choose. These programs have advantages compared to means-tested programs: they eliminate stigma associated with government assistance and are likely to result in higher uptake rates because recipients do not need to navigate bureaucracy. They are easier to administer, without the requirement to assess recipients' detailed qualifications. One example is the Baltimore Young Families Success Fund (BYFSF), a pilot project to provide 200 young parents, between 18-24 years old, with an unconditional cash payment of \$1,000 per month over the course of 24

²⁸ United Ways of Maryland. *The Impact of the Benefits Cliff*. July 24, 2020. https://uwcm.org/files/BENEFITS-CLIFF-STUDY-FINAL-7_24_20.pdf

²⁹ Jason DeParle, "Expanded Safety Net Drives Sharp Drop in Child Poverty." *New York Times*, September 11, 2022. <https://www.nytimes.com/2022/09/11/us/politics/child-poverty-analysis-safety-net.html>

³⁰ Hardy B, Smeeding T, Ziliak JP. "The Changing Safety Net for Low-Income Parents and Their Children: Structural or Cyclical Changes in Income Support Policy?" *Demography*. 2018 Feb;55 (1):189-221. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5991492/>

months.³¹ Jurisdictions that have adopted universal basic income programs to date have not seen corresponding drops in participation in the workforce.³²

One Time Payments

From time to time, most recently during the COVID-19 pandemic, governments distribute one-time stimulus payments to residents, including people not required to file tax returns or pay taxes, to help endure extraordinary circumstances. These credits may be distributed through the tax system, and in the case of COVID stimulus payments, people who did not receive the full amounts to which they were entitled could claim Recovery Rebate Credits through tax filings.

VII. Questions for Discussion

For local Leagues that would like to further explore strategies for furthering family and individual self-sufficiency in Maryland, the Committee offers the following questions for potential use in their discussions:

1. Which basic needs are most lacking in your jurisdiction? Housing? Childcare? Transportation? Other?
2. What are the barriers to helping ensure that people get their basic needs met in your jurisdiction? Are there ways to introduce additional flexibility into eligibility for government programs to provide assistance to households that fall just above the federal poverty level but cannot meet their basic needs?
3. Do employers have a role? They have typically resisted calls to increase the minimum wage faster. What might encourage them to do so?
4. How can local leagues and/or LWVMD use the information in this report to educate policymakers, employers, and residents?
5. Discuss: A policymaker is deciding whether to increase the minimum wage by \$1 or increase support to families that pay for childcare. How would you use this information to advise him or her?
6. Discuss: The governor wants to reduce poverty and ensure that all residents have economic security. What constituencies should the governor include to develop sound approaches to the problem. Who might be your partners in advocacy?

This document was prepared by: Ruth Crystal (co-chair), Jennifer Sutton (co-chair), Nancy Diamond, Kathryn Gargurevich, Erin Hustings, and Marcia Kingman.

³¹ <https://www.bmorechildren.com/guaranteed-income>

³² <https://www.forbes.com/sites/adigaskell/2018/03/05/does-a-universal-basic-income-discourage-work/?sh=4de5b524541b>

VII. Appendix

Income Needed to Meet Basic Needs by Maryland County Examples from Self-Sufficiency Standard, MIT Living Wage Calculator, and ALICE Measures

Self-Sufficiency Hourly and Annual Income by Maryland County and Size of Household, 2023

	1 Adult/ Hourly	1 Adult/ Annual	2 Adults, 1 Preschooler, 1 School Age Child/ Hourly	2 Adults, 1 Preschooler, 1 School Age Child/ Annual
Allegany	\$14.10	\$29,782	\$18.32	\$77,392
Anne Arundel	\$21.73	\$45,892	\$25.84	\$109,141
Baltimore City	\$15.72	\$33,199	\$20.64	\$87,179
Baltimore	\$19.47	\$41,122	\$24.96	\$105,420
Calvert	\$20.88	\$44,099	\$25.22	\$106,529
Caroline	\$15.29	\$32,283	\$18.97	\$80,139
Carroll	\$18.18	\$38,394	\$23.67	\$99,970
Cecil	\$18.07	\$38,171	\$21.31	\$90,019
Charles	\$21.69	\$45,813	\$25.08	\$105,946
Dorchester	\$15.13	\$31,946	\$18.63	\$78,681
Frederick	\$20.07	\$42,397	\$24.41	\$103,096
Garrett	\$14.24	\$30,079	\$17.99	\$75,975
Harford	\$19.02	\$40,178	\$24.53	\$103,623
Howard	\$22.88	\$48,321	\$31.00	\$130, 952
Kent	\$16.77	\$35,425	\$20.26	\$85,571
Montgomery	\$22.39	\$47,294	\$29.11	\$122,943
Prince Georges	\$22.01	\$46,485	\$25.65	\$108,337
Queen Anne's	\$20.43	\$43,153	\$23.52	\$99,364
Somerset	\$14.46	\$30,549	\$18.51	\$78,175
St. Mary's	\$20.29	\$42,862	\$22.83	\$96,438
Talbot	\$17.81	\$37,608	\$20.98	\$88,602
Washington	\$15.34	\$32,394	\$19.87	\$83,926
Wicomico	\$15.82	\$33,422	\$19.32	\$81,617
Worcester	\$15.49	\$32,716	\$18.91	\$79,893

Source: <https://maryland-cap.org/the-maryland-2023-self-sufficiency-standard-calculator/>, 2023 Maryland Dataset

MIT Living Wage Calculator Hourly and Annual Wages by County and Size of Household, 2022-23

	1 Adult/ Hourly	1 Adult/ Annual	2 Adults, 2 Children/ Hourly	2 Adults, 2 Children/ Annual
Allegany	\$14.68	\$30,526	\$21.90	\$91,118
Anne Arundel	\$17.99	\$37,422	\$26.92	\$111,972
Baltimore City	\$17.99	\$37,422	\$26.55	\$110,462
Baltimore	\$17.99	\$37,422	\$25.57	\$106,391
Calvert	\$22.31	\$46,403	\$28.35	\$117,949
Caroline	\$16.30	\$33,897	\$22.87	\$95,122
Carroll	\$17.99	\$37,422	\$26.92	\$111,972
Cecil	\$17.90	\$37,223	\$24.96	\$103,814
Charles	\$22.31	\$46,403	\$28.35	\$117,949
Dorchester	\$16.32	\$33,943	\$22.63	\$94,141
Frederick	\$22.31	\$46,403	\$27.99	\$116,439
Garrett	\$15.07	\$31,353	\$21.90	\$91,118
Harford	\$17.99	\$37,422	\$26.55	\$110,462
Howard	\$17.99	\$37,422	\$29.14	\$121,203
Kent	\$16.71	\$34,756	\$23.12	\$96,194
Montgomery	\$22.31	\$46,403	\$30.57	\$127,179
Prince Georges	\$22.31	\$46,403	\$28.35	\$117,949
Queen Anne's	\$17.99	\$37,422	\$25.31	\$105,300
Somerset	\$15.47	\$32,181	\$23.09	\$96,060
St. Mary's	\$18.77	\$39,031	\$24.39	\$101,466
Talbot	\$17.81	\$37,054	\$24.38	\$101,408
Washington	\$15.73	\$32,717	\$23.75	\$98,818
Wicomico	\$16.77	\$34,878	\$23.16	\$96,332
Worcester	\$16.56	\$34,449	\$22.55	\$93,800

Source: <https://livingwage.mit.edu/states/24/locations>

ALICE Thresholds by Maryland County and Age, 2021

	Households Headed by Individuals Under 65	Households Headed by Individuals 65 and Over
Allegany	\$50,000	\$45,000
Anne Arundel	\$75,000	\$60,000
Baltimore City	\$60,000	\$50,000
Baltimore	\$75,000	\$60,000
Calvert	\$75,000	\$75,000
Caroline	\$60,000	\$50,000
Carroll	\$75,000	\$60,000
Cecil	\$60,000	\$60,000
Charles	\$75,000	\$75,000
Dorchester	\$50,000	\$50,000
Frederick	\$75,000	\$75,000
Garrett	\$45,000	\$45,000
Harford	\$75,000	\$60,000
Howard	\$75,000	\$60,000
Kent	\$60,000	\$50,000
Montgomery	\$75,000	\$75,000
Prince Georges	\$75,000	\$75,000
Queen Anne's	\$75,000	\$60,000
Somerset	\$60,000	\$50,000
St. Mary's	\$75,000	\$50,000
Talbot	\$60,000	\$50,000
Washington	\$50,000	\$50,000
Wicomico	\$60,000	\$45,000
Worcester	\$50,000	\$50,000

Note: The ALICE threshold represents the minimum income level necessary for survival for a household.
Source: <https://unitedforalice.org/Maryland>, Data Sheet