

# Policy Analysis Center

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*A partnership between The Horizon Foundation & The Association of Community Services*

## **Making Ends Meet in Howard County**

Prepared by **Marsha R. B. Schachtel** and **Shelley E. Spruill**  
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### **About the Policy Analysis Center:**

The Center was established in 2007 and became operational in June 2008 as a result of a joint partnership between the Association of Community Services (ACS) of Howard County and the Horizon Foundation. This unique collaboration was designed to provide a new capability to develop useful research information in the areas of health and human services.

The Policy Analysis Center is under the direction of Viviana Simon and guided by a Steering Committee co-chaired by Rich Krieg, President of the Horizon Foundation and Duane St. Clair, Executive Director of the Association of Community Services. Current Steering Committee members include Roy Appletree, Shirley Collier, Jacqueline Eng, Glenn Falcao, Harry Schwarz and James Truby.

### **About this Report:**

Research shows that low wage work, by itself, is insufficient to move families from poverty to economic self-sufficiency. What is needed may be a fully-integrated, holistic work system if success is to be achieved in the long term. Families need employability and enhanced work skills to seek, retain, and advance in the employment world. A minimum wage job with no benefits, low hours, no opportunity for advancement, no upward mobility training and no flexibility to deal with family needs seldom moves a person to self-sufficiency or improves their quality of life. Work, no matter how low a wage, increases expenses such as transportation, child or elder care, clothing, payroll taxes. Families usually lose eligibility for public support long before they are economically self-sufficient. This report set out to study the real impact of losing benefits on financial well-being and to determine the impact of moving from relying on benefits to obtaining sufficient wages to move out of poverty in Howard County. In addition this report provides a demographic analysis of the working poor in Howard County and charts paths to achieving self-sufficiency by advancing through occupational ladders.

The contents of this report are the sole responsibility of the authors and do not represent the views of the Policy Analysis Center, the Association of Community Services, the Horizon Foundation, Johns Hopkins University, the Johns Hopkins Bloomberg School of Public Health, or the Institute for Policy Studies.

### **Advisory Committee:**

A subcommittee of the Association of Community Services Public Policy Committee served as the advisory committee during the development of this report. Advisory committee members included Vidia Dhanraj, Richard Barnard and Mary Lorsung.

### **About the Authors:**

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## Making Ends Meet in Howard County

### *Executive Summary*

The Policy Analysis Center engaged the Johns Hopkins Institute for Policy Studies to build on its previous work estimating the costs of achieving self-sufficiency in Howard County, Maryland<sup>1</sup>. The self-sufficiency standard measures how much income is needed for a family of a certain composition in a given place to adequately meet their basic needs – without public or private assistance. Unlike the **Federal Poverty Level (FPL)**, which is based mostly on a food budget and is the same for all areas within the continental United States, the self-sufficiency standard also takes into account costs of housing, childcare, transportation, healthcare and taxes and is specific to a place.

The self-sufficiency standard calculation for Howard County reveals that a household with one adult and two teenagers needs \$47,437 to cover basic yearly expenses, yet for the same sized family the FPL is \$18,310. For the purposes of this report, we define the **“working poor individuals”** in Howard County as individuals whose income falls between the FPL and the self-sufficiency standard for one adult in the County (\$10,830 – \$31,517). **“Working poor households”** are defined as households earning more than FPL for 2- or 3-person household and less than self-sufficiency wage for the household type.

**Federal Poverty Level (FPL or Federal Poverty Guidelines:** were developed in the 1960’s by an economist at the Social Security Administration. At its core was the “thrifty food budget,” the least costly of four nutritionally adequate food plans designed by the Department of Agriculture. According to the then-current expenditure patterns, families spent an average of one-third of their income on food. Thus, the basic food budget was multiplied by three to determine the Federal Poverty Level. Although the FPL does vary by family size and is updated annually for inflation, it does not account for the age of children or the geographic location of the family. **Work supports** are government programs that are designed to encourage, support, and reward work. These include earned income tax credits, child care assistance, public health insurance coverage, and housing assistance.

The FPL is generally felt by analysts and practitioners to be unrealistic in the 21<sup>st</sup> century, but it is used as the basis for eligibility determinations for many federal **work support** programs. Work supports are government programs that seek to fill the gap between low wages and the cost of an individual or family’s basic living expenses. The first part of this report analyzes how well these work supports achieve their objectives in Howard County.

The analysts who prepared this report quantified the work support benefits for which individuals and families of the five types used in the *Howard County, Maryland Self-sufficiency Indicators 2009 Report* are eligible.

**PLEASE NOTE: For the purpose of the calculations in this study, it is assumed that individuals and families receive all work supports for which they are eligible; unfortunately, due to programmatic funding constraints and lack of information, many individuals and families do not receive all available work supports.**

Next, the analysts constructed graphs using the National Center on Children and Poverty’s format<sup>2</sup> to show the effects of work supports on the incomes of the working poor as they increase earnings. These “benefits cliffs” graphs were superimposed on a grid on which “0” is the point at which an individual or family living in Howard County “breaks even” — has earned income plus benefits that meet the self-sufficiency standard for that household type. Conclusions of this analysis:

- ***The Federal Poverty Level has little relevance to the reality of trying to make ends meet in Howard County*** and sets work supports program eligibility levels so low that they often provide a disincentive to earn higher wages.
- ***All household types experience loss of total income as they earn more and exceed eligibility for benefits.*** In the most extreme example, a household with one adult and two preschoolers is surviving at minimum wage (\$7.25) working full time, but as soon as the adult earns \$1 more per hour, the downward trajectory rapidly takes them below self-sufficiency at about \$10 per hour and does not reach “breakeven,” again until earnings are \$35/hour, or \$72,000 per year.
- ***Work supports, most of them federally-funded, are not sufficient to lift individuals to self-sufficiency levels in Howard County.*** Even with work supports, a family with two adults and one infant is never above breakeven in Howard County until earning \$63,440 per year (\$15.25/hour). A gap of \$9,000 widens to \$15,000 when work supports are lost as earnings increase from \$7.25/hour, working 30 hours/week to \$11.25/hour, then finally narrows from that point to breakeven.

<sup>1</sup> Howard County Maryland Self-Sufficiency Indicators Report (2009 and 2010) based on the Self-Sufficiency Standard for Maryland updated in 2007 by the Center for Women’s Welfare, School of Social Work, University of Washington in collaboration with Advocates for Children and Youth.  
<sup>2</sup> Purmont, Jessica (2010). Making Work Supports Work, National Center for Children in Poverty, New York: Columbia University Mailman School of Public Health

The second part of this report is comprised of an analysis of Census microdata and provides a *demographic portrait of the working poor* in Howard County. Conclusions of this analysis:

- A higher percentage of the working poor individuals, compared to Howard Countians as a whole, are of working age (17-69), female (58.8 percent), and never married. The racial and ethnic distribution of working poor individuals and Howard County overall are very similar.
- Of those working poor individuals who moved within the last year, almost ¾ were from elsewhere in Maryland, and over half of the Marylander movers were previously living in Howard County. Slightly more than 11 percent were not citizens of the U.S.; and an equal share were U.S. citizens by naturalization.
- There are a total of 7,750 working poor households in Howard County. There are 2,456 one-adult households with children, and 2,062 one-adult households of adults of all ages without children. In one-adult households with children, infants and/or preschoolers are present in 16 percent, grade schoolers in 43 percent, teens in 69 percent, and young adults in 28 percent.
- There are 981 two-adult households without children. There are 1,855 two-adult households with children; pre-schoolers and infants are present in 54 percent of households, grade schoolers in 32 percent, teens in 35 percent, and young adults in 14 percent.
- There are 251 three-adult households without children and 145 three-adult households with children.

An employment analysis revealed that, reflecting their low educational attainment, most of the working poor worked in lower-pay occupations in industries with many jobs in those occupations:

- Of the working poor over five years of age, 19 percent did not speak English well or at all.
- Eight percent had less than a high school diploma, 26 percent had high school degrees, while 28 percent had attended some college.
- The vast majority of the working poor worked in Maryland, most in Howard County, and traveled to work by car, truck or van. Approximately 950 households lacked an available vehicle.

- The majority of the working poor worked in the retail trade, education services, and medical services industries. Within these industries, 20 percent worked in office and administrative support occupations, 12.6 percent worked on sales and related occupations, 7.5 percent worked in education, training and library occupations and 7 percent worked on management occupations.

The last section of this report, paths to self-sufficiency, describes industries and occupations within them that employ the largest percentages of working poor within the County, pay self-sufficiency wages, and are expected to grow within the next few years. Career paths were charted describing additional training, certifications, and education needed to advance up the ladders, especially for those starting on the no-high-school-diploma and high school rungs. Opportunities were described in educational services; medical services; other services (including repair technicians and supervisors of personal service workers); food services and accommodation; construction; administrative and support services; professional, scientific, and technical services (the largest industry in Howard County); and transportation and warehousing. The conclusions of this portion of the analysis suggest the following:

- The working poor must be *better connected to the growing economy* of Howard County.
- *Low levels of human capital* hamper the working poor from taking advantage of the Howard County economy, which runs on brainpower.
- Working poor people need *guidance through the available aids to build human capital*, starting with a central and well-publicized electronic source, and accompanied by readily available real-person information specialists, navigators, and, particularly, job coaches for those earning more than 150 percent of the federal poverty level (the upper eligibility limit for one-on-one intensive workforce services).
- Educational, training, and employment services must be *delivered in a convenient and efficient way* if they are to be useful to people working multiple jobs and raising families.
- The greatest need for both the working poor and the middle class is *affordable, high quality child care* with employment-related services for young parents.

## Introduction

The Policy Analysis Center engaged researchers from the Johns Hopkins Institute for Policy Studies to build on its previous work estimating the costs of self-sufficiency in Howard County, Maryland. This report includes the results of the additional data compilation and analysis. Specifically, it:

- Augments the Center’s work on major public benefit and services to which low income working Howard County residents are entitled, including duration and allowable wages, and adds employment-related services such as literacy, child care and transportation
- Analyzes the effects of increases in income from wages on eligibility for benefits and services
- Presents an employment analysis of characteristics of the low income current workforce in Howard County, with a crosswalk to skills/occupations/industries
- Identifies occupations within growing industries in Howard County and the region that pay a self-sufficiency supporting wage in which low income individuals might work or are working
- Assesses the availability and capacity of local workforce training and employment supports such as literacy, child care and transportation
- Presents five scenarios mapping paths to self-sufficiency based on the Self-Sufficiency Index, analysis of eligibility requirements for public benefits and services, employment analysis of workforce capabilities, available workforce development services, and job opportunities

## Effects of Work Supports

This study, based on a framework developed by the National Center for Children in Poverty at the Columbia University Mailman School of Public Health, looks at the facts about program eligibility and their perverse effects on the working poor in Howard County. The use of outmoded federal definitions of poverty has produced situations in which low income individuals and families see their total income decrease when their wages increase, because they lose eligibility for public assistance with every dime per hour increase in their wages. These effects are summarized in figures 1 through 5. Every public assistance program has an income eligibility limit based upon the federal poverty level, the area’s median family income, or another predetermined amount. For example, eligibility for the Supplemental Nutrition Assistance Program (SNAP), i.e. food stamps, is set at 130 percent of the federal poverty level; for one adult 130 percent of the federal poverty level in 2011 was \$14,079, the same no matter

where in the country the individual is located. When an individual’s earned income exceeds \$14,079 they lose their SNAP benefits, thus reducing their gross resources. If the gross resource loss is greater than the increased earned income, the individual or family falls off a “cliff”. In other words, the family or individual was financially better off earning less, or working fewer hours, to retain public assistance. It has long been argued that public assistance programs discourage employment and promote dependence on public assistance; families and individuals could make rational decisions to quit work or cut back hours when these “cliffs” are encountered, but the vast majorities persevere to higher wages. The analysis presented here suggests how long and challenging these journeys can be.

This study expands on the *2010 Howard County Maryland Self-sufficiency Indicators Report* prepared by the Policy Analysis Center. It analyzes the eligibility requirements of the available public assistance programs in Howard County to determine the “cliffs” working families face. It concludes by offering solutions to reducing and eliminating these “cliffs” and implementing true “dependence to self-sufficiency” programs.

## Background

In previous studies the Policy Analysis Center has established the inadequacy of the federal poverty level as a measure of what it costs to maintain a decent standard of living in Howard County. The Policy Analysis Center uses The Center for Women’s Welfare’s “Self-sufficiency Standard for Maryland” cost of living calculations, to determine a new minimum income, hereafter referred to as the “self-sufficiency annual income”, needed to maintain a decent standard of living in Howard County for families of varying composition. As shown in Table 1, this self-sufficiency annual income is substantially higher than the federal poverty level, as much as \$53,690 higher for some families.

## Methods

The investigation analyzed the eligibility requirements of the public assistance programs available to Howard County residents, detailed in Appendix Table 1. The Earned Income Tax Credit (EITC), Primary Adult Health Care (PAC), Child Care Subsidy, and Head Start were added to the original list of work supports included in the earlier Policy Analysis Center study and actual dollar values of the work supports were estimated.

**PLEASE NOTE: For the purpose of the calculations in this study, it is assumed that individuals and families receive all work supports for which they are eligible; unfortunately, due to programmatic funding constraints and lack of information, many individuals and families do not receive all available work supports.**

For households of the five composition types shown in Table 1, the analysis combined the annual earned income – starting at minimum wage, \$7.25/hour – and any public assistance benefits for which the family is eligible to determine total gross income. It then compared the total gross income at each wage level to the self-sufficiency cost of living presented in Table 1 to determine whether there is a negative or positive difference. The wage at which a family finally “breaks even” – earned income plus eligible public assistance benefits equals the self-sufficiency cost of living – is that family’s self-sufficiency wage. Table 2 presents a summary of the results of these calculations, which are depicted graphically in the pages that follow.

**Results**

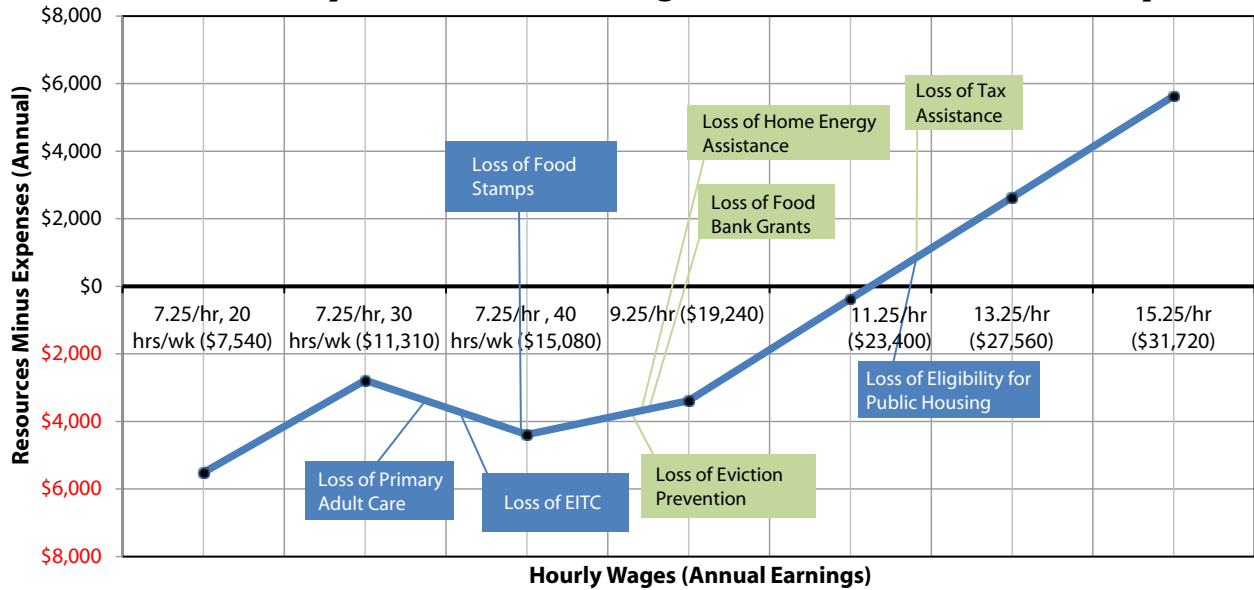
As expected, each studied family fell off at least one “cliff” when the loss of benefits exceeded any additional earned income. In both the one adult-two teens and one adult-two preschoolers families the “cliffs” were so sharp that the family moved from independence, earning more than the self-sufficiency annual income, to the void where it needed assistance most but no longer qualified, sometimes the results of only a \$2.00 per hour wage increase. For all other families the “cliffs” extended their free-fall, thus increasing their needed self-sufficiency wage.

On the following figures, blocks in blue are ongoing work supports, while green blocks note eligibility for one-time services. Eligibility requirements for the work support programs can be found in the Appendix, Table 1.

**Table 1: Cost of Living in Howard County<sup>1</sup>**

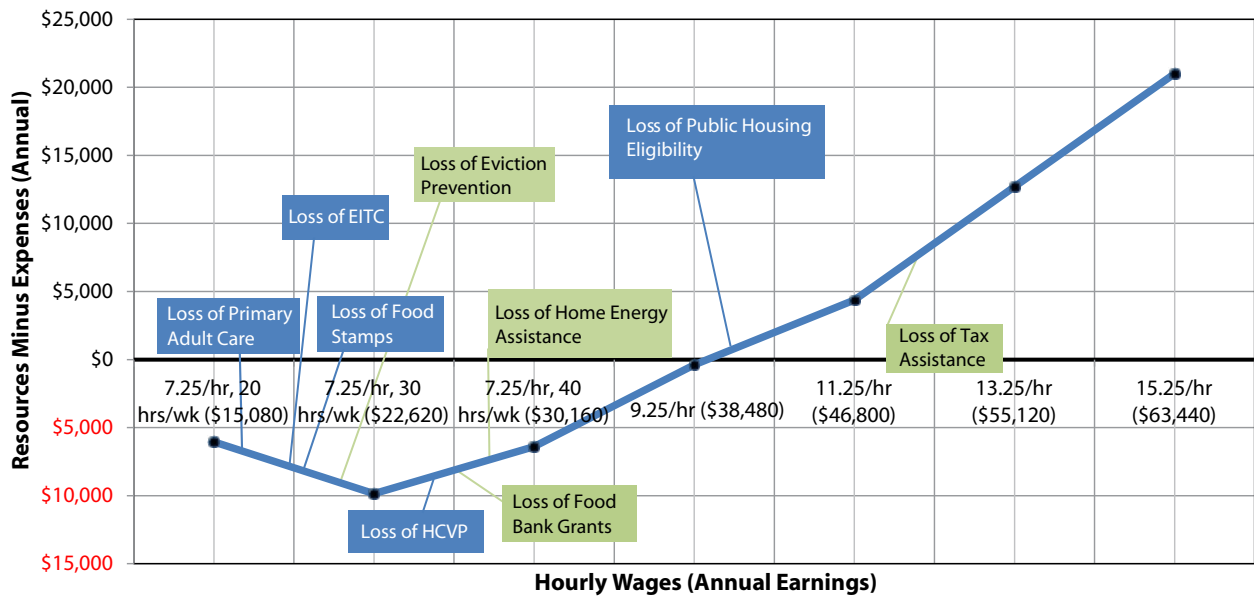
	One Adult	Two Adults	Two Adults, One Infant	One Adult, Two Teens	One Adult, Two Preschoolers
<b>Major Costs per year</b>					
Housing	14,220	14,220	17,064	17,064	17,064
Child Care	0	0	11,280	0	21,180
Food	2,748	5,412	6,612	10,236	5,532
Transportation	3,120	6,024	6,096	3,120	3,192
Health Care	1,764	4,932	5,076	5,076	4,452
Miscellaneous	2,184	3,060	4,608	996	5,148
Taxes	7,476	8,784	12,792	8,388	15,432
<b>Self-Sufficiency Annual Income</b>	<b>31,517</b>	<b>42,432</b>	<b>63,537</b>	<b>47,437</b>	<b>72,000</b>
<b>Federal Poverty Level</b>	<b>10,830</b>	<b>14,570</b>	<b>18,310</b>	<b>18,310</b>	<b>18,310</b>

**Figure 1: One Working Adult in Howard County**  
**Family 1: One Working Adult in Howard County**



Single, working adults in Howard County face a “cliff” when they lose their Primary Adult Care (PAC) eligibility, a \$1,764/year benefit, and their Earned Income Tax Credit (EITC), a \$457/year benefit. Both work supports have low-income eligibility limits set by their federal administering agencies; for single, working adults the income limit is \$12,552/year for PAC and \$13,460/year for EITC. NOTE “Resources” refers to a family’s earned income plus the monetary value of any eligible work supports. “Expenses” refers to the cost of living in Howard County as defined in Table 1.

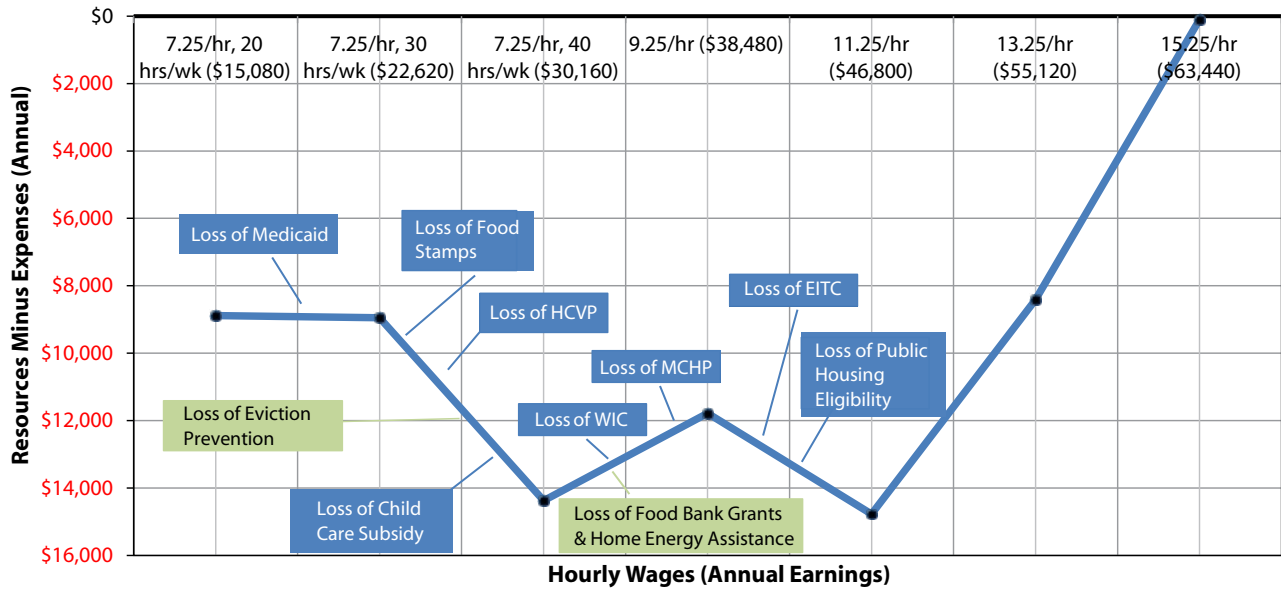
**Figure 2: Two Working Adults in Howard County**  
**Family 2: Two Working Adults in Howard County**



In Howard County it is financially better for two, married working adults with no dependent children to each work part-time, or for only one adult to work full-time, than for both to work full-time. When both adults increase their work hours from 20 to 30 hours a week, they lose their eligibility for Primary Adult Care (PAC), EITC, Food Stamps and Eviction Prevention Assistance and fall even further below the “break-even” line. NOTE “Resources” refers to a family’s earned income plus the monetary value of any eligible work supports. “Expenses” refers to the cost of living in Howard County as defined in Table 1.

Figure 3: Two Working Adults, One Infant in Howard County

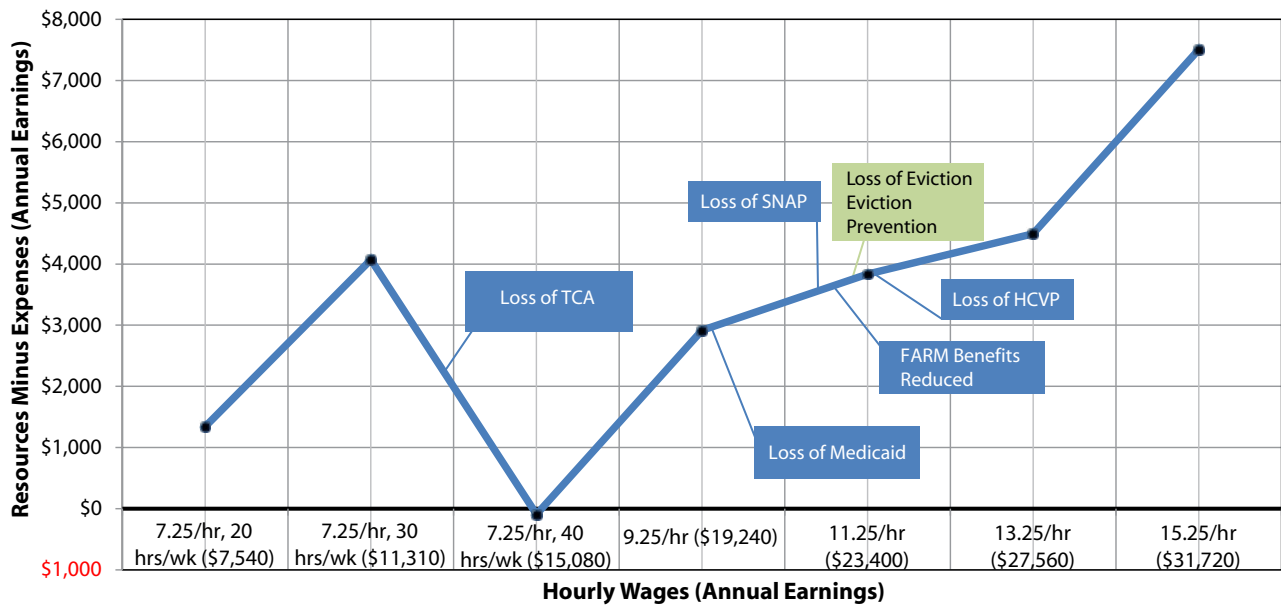
Family 3: Two Working Adults, One Infant in Howard County



Similar to working Howard County families with two adults and no children, in families with two adults and one infant it is financially better for both adults to work part-time, 30 hours a week, than for both to work full-time, 40 hours a week. When both adults increase their work hours from 30 to 40 hours they lose their eligibility for Food Stamps, HCVP, and Eviction Prevention Assistance. The family also loses its eligibility for the Child Care Subsidy, a crippling loss of over \$10,000 a year in subsidy. The family faces another cliff when both working adults receive a raise from \$9.25 to \$11.25 an hour. The salary increase places them beyond eligibility for EITC and Public Housing. By the time these families reach self-sufficiency at \$15.27/hour, with both adults working full-time, they are no longer eligible for any public assistance. NOTE "Resources" refers to a family's earned income plus the monetary value of any eligible work supports. "Expenses" refers to the cost of living in Howard County as defined in Table 1.

Figure 4: One Working Adult, Two Teens in Howard County

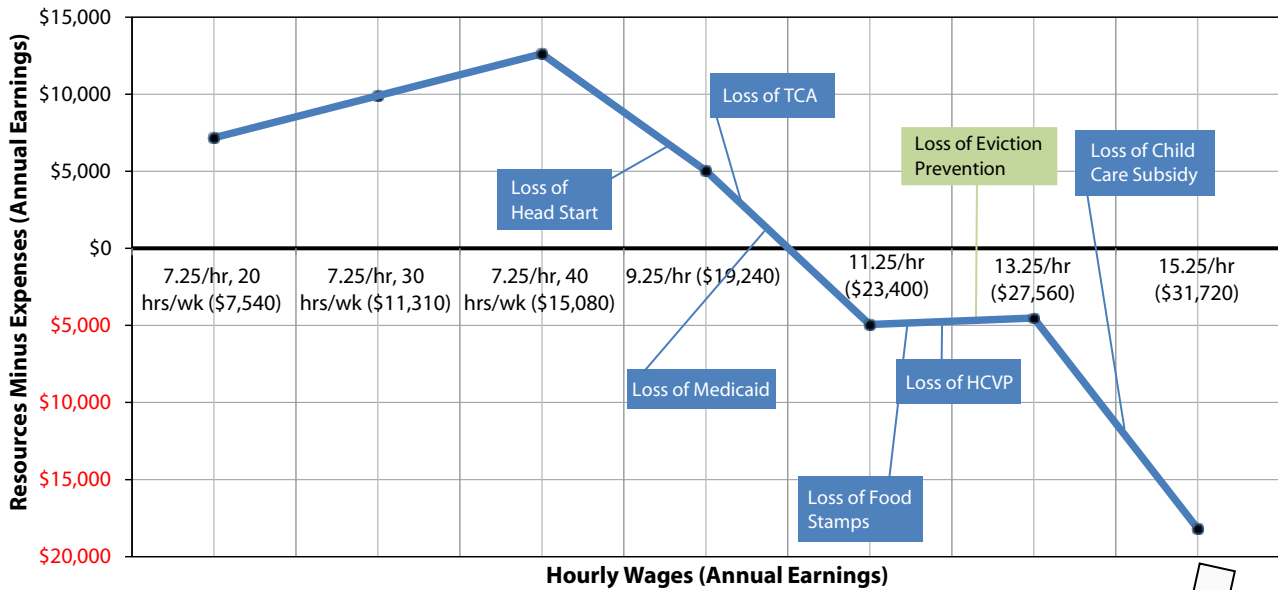
Family 4: One Working Adult, Two Teens in Howard County



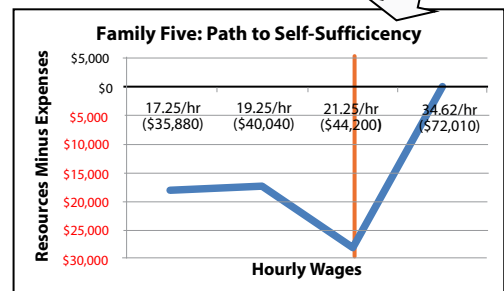
Howard County families with one working parent and two teenagers can be financially self-sufficient with the parent earning only \$7.25/hour working 20 hours a week. Unfortunately, if the parent increases her hours to 40 hours a week she loses her TCA benefits, a \$6,888/year benefit, and the family is no longer self-sufficient. The parent must receive a raise from \$7.25/hour to \$9.25/hour to become financially self-sufficient again. NOTE "Resources" refers to a family's earned income plus the monetary value of any eligible work supports. "Expenses" refers to the cost of living in Howard County as defined in Table 1.

Figure 5: One Working Adult, Two Preschoolers in Howard County

Family 5: One Working Adult, Two Preschoolers in Howard County



Howard County families with one working parent and two preschoolers are financially self-sufficient so long as the parent is earning \$9.25/hour or less. Unfortunately, if the parent's salary increases above \$9.25/hour the family begins to lose valuable work supports, including TCA, Medicaid, Food Stamps, HCVP and Eviction Prevention Assistance; due to this loss of benefits they subsequently fall below the self-sufficiency level. The single parent will not reach self-sufficiency again until she is earning \$72,000/year or \$34.62/hour. NOTE "Resources" refers to a family's earned income plus the monetary value of any eligible work supports. "Expenses" refers to the cost of living in Howard County as defined in Table 1.



Profile of Howard County's Working Poor

For the purposes of this study, a working poor individual is defined as any individual earning between \$10,830 and \$31,517 -- \$10,830 represents the Federal Poverty Level for one adult in 2009,<sup>3</sup> and \$31,517 is the self-sufficiency annual income for one adult in Howard County in 2009 as determined by 2010 Howard County Self-Sufficiency Indicators Report<sup>1</sup>. A single individual must earn more than \$31,517 a year in Howard County to be considered self-sufficient and no longer poor. The American Community Survey 3-year Estimates 2007-2009 indicate that there were 11,108 persons living below the Federal Poverty Level in Howard County in 2009, during that period 4 percent of the County's population.

A working poor household is defined by household composition, once again using the 2009 FPL guidelines for number of individuals in a household and Policy Analysis

Center calculations. Working poor households have the incomes shown in Table 2.

Demographics of Working Poor Individuals

Using the Census Bureau's Public Use Microdata Sample (PUMS) for the two PUMAs (Public Use Microdata Areas) that comprise Howard County (901 and 902), the following profile of working poor individuals was developed. The Census Bureau's PUMS files are individual records that contain information collected about each person and housing unit. The individual records and the household records have identifying numbers so that the records can be merged to produce a picture of individuals in households. For each record, there are weights that enable an analyst to create results that are representative of the whole population. Please note that these individuals may be living

<sup>3</sup> A single adult working full-time at minimum wage (\$7.25/hr) will earn \$15,080 a year, \$5,000 over the Federal Poverty Level.

**Table 2: Working Poor Households in Howard County**

Household Composition	FPL	Howard County self-sufficiency income (as % of FPL)
One adult	\$10,830	\$31,517 (291%)
2 adults	\$14,570	\$42,432 (291%)
2 adults and one infant	\$18,310	\$63,537 (347%)
1 adult and two teens	\$18,310	\$47,437 (259%)
1 adult and two preschoolers	\$18,310	\$72,000 (393%)

in households where there are other wage earners and do not fall beneath the poverty level for a household. *All numbers included in these profiles are estimates.* Household data is clearly marked; “working poor” households are those that meet the definition used here for their particular household structure, even though an individual householder might not qualify. Estimates were made of the self-sufficiency of household types that were not included in the Policy Analysis Center Self-Sufficiency Indicators Report<sup>1</sup>.

In 2009,<sup>4</sup> there were 29,284 individuals 17 years of age and older with incomes between \$10,830 and \$31,517. A greater proportion of these working poor adults are

of working age, 17 – 69, (97 percent) than are Howard Countians in general (92 percent).

Females made up a significantly larger share (58.8 percent) of the working poor than of the entire Howard County population (50.7 percent). More working poor individuals are single and fewer married than the Howard County average. The racial picture of the working poor largely mirrors that of the County overall, but the small (10 percent) Hispanic share of the working poor population is twice that of the County. Hispanics may be of any race; almost all Howard County working poor Hispanics are white.

**Table 3: Marital Status of Working Poor in Howard County**

Marital Status		
	Working poor ages 17+	Howard County ages 18+
Married	49.0%	59.9%
Widowed	2.5%	4.3%
Divorced	7.2%	7.7%
Separated	3.1%	1.9%
Never married	38.2%	27.9%

**Table 4: Race of Working Poor in Howard County**

Race		
	Working poor ages 17+	Howard County ages 18+
White alone	64%	67%
Black or African American alone	19%	18%
American Indian & Alaska Native	0%	0%
Asian alone	12%	12%
Native Hawaiian & other Pacific Islander alone	0%	0%
Some other race alone	3%	—
Two or more major race groups	2%	2%

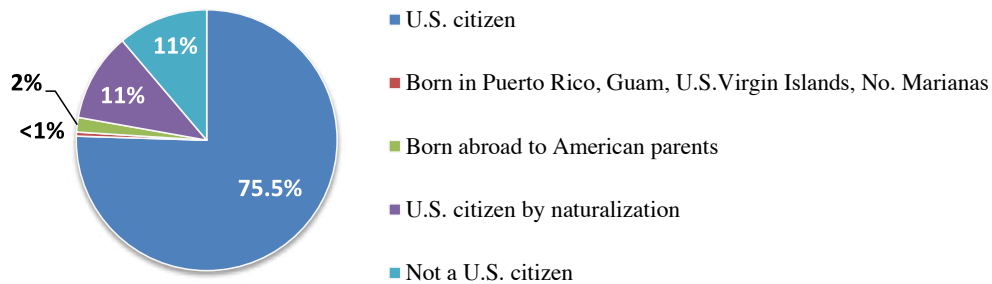
<sup>4</sup> U.S. Census Bureau calculates rolling three- and five-year averages; the 2009 data used here is the 2007-2009 average.

**Table 5: Ethnicity of Working Poor in Howard County**

Ethnicity	Working Poor	Howard County
Not Hispanic/Latino/Spanish	90%	95%
Mexican	3%	1.1%
Puerto Rican	1%	0.8%
Cuban	1%	0.2%
Central American	3%	—
South American	2%	—
Spaniard and all other Spanish/ Hispanic/ Latino	1%	3.1%

Over three quarters of the working poor are U.S. citizens:

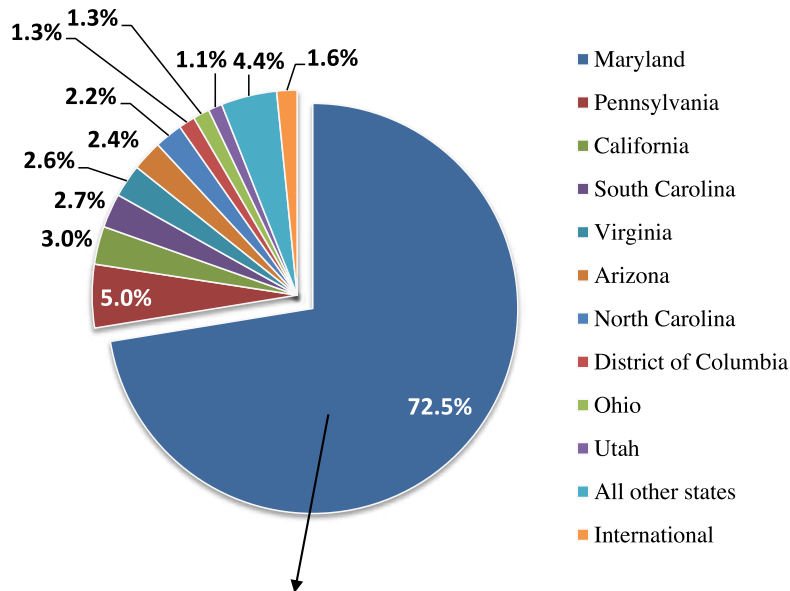
**Figure 6: Citizenship Status of Working Poor in Howard County**  
**Working Poor Citizenship Status**



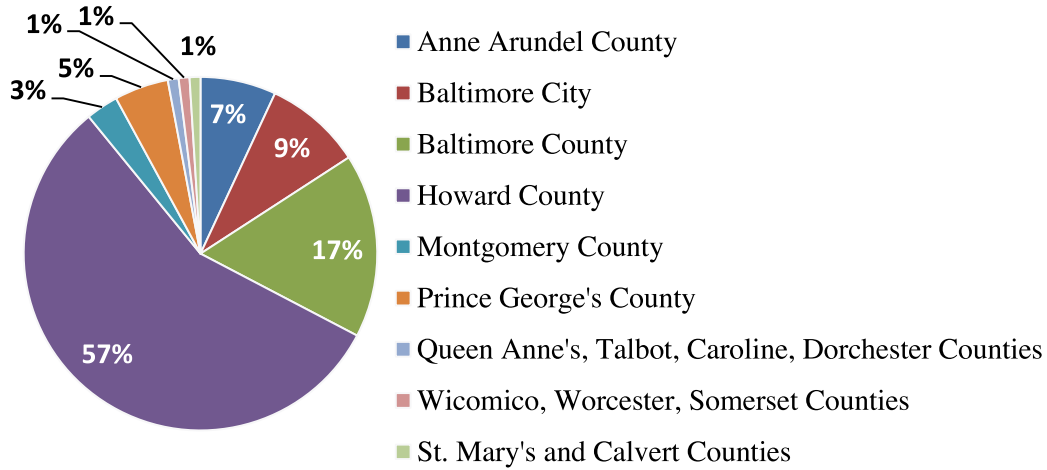
Approximately **5,350** working poor individuals moved to or within Howard County within the last year before the census sampling was done. The large majority of working poor that moved came from other counties in

Maryland or from within Howard County itself (Fig. 8). Approximately 27.5 percent relocated from elsewhere in the U.S. (Fig. 7).

**Figure 7: Working Poor Movers to Howard County from Other States**  
**Working Poor Movers to Howard County**



**Figure 8: Working Poor Movers from Maryland to Howard County**  
**Movers from Maryland**



**Howard County working poor household types**

Data for household types of the working poor were based on analysis of merged PUMS person and household data to yield **7,750 households** meeting the working poor definition for their household type.

**One-Adult Households**

There are 2,456 one-adult households with children, and 2,062 one-adult households of adults of all ages without children. In one-adult households with children, infants and/or preschoolers are present in 16 percent, grade schoolers in 43 percent, teens in 69 percent, and young adults in 28 percent.

**Table 6: One Adult Households in Howard County**

One adult with income/occupation (n=2,062 households)	
One adult 21-30	380
One adult 31-40	391
One adult 41-50	390
One adult 51-60	273
One adult 61-64	283
One adult 65+	345
One adult with children (n=1,286 households)	
One adult, one infant	0
One adult, one preschooler	155
One adult, two preschoolers	41
One adult, one grade schooler (ages 6-10)	58
One adult, two grade schooler	259
One adult, one teen (11-18)	261
One adult, two teens	378
One adult, three teens	27
One adult, one young adult (19-29)	107

**One adult, mixed age children: (n=1,170 households)  
#of children in each mixture category shown**

Infant	Preschooler	Grade Schooler	Teen	Young Adult	Total # of households of each type
1			1		43
1		1	3	1	56
	2		1		33
	1	1			25
	1	2			38
		1	1		<b>340</b>
		1	2		68
		1	3		36
		1		1	69
		1	1	1	103
			1	1	116
			2	1	127
			2	2	116

**Two-Adult Households**

There are 1,855 two-adult households with children; pre-schoolers and infants are present in 54 percent of households, grade schoolers in 32 percent, teens in 35

percent, and young adults in 14 percent. The presence of both young adults and very young children suggests three generation households. There are 981 two-adult households with no children.

**Table 7: Two Adult Households in Howard County**

<b>Two adults with no children at home (n=981)</b>	
Two adults with income/occupations* <i>*virtually all with great disparities in the two incomes</i>	597
Two adults with one income/occupations	198
Two "adults" (teens/very young adults)	152
Two seniors (65+), at least one working	
Two adults, one of whom is a senior	34
<b>Two adults with children (n=1321)</b>	
Two adults, one infant (0-1)	37
Two adults, one preschooler (<6)	565
Two adults, two preschoolers	55
Two adults, one grade schooler (6-10)	123
Two adults, two grade schoolers	203
Two adults, three grade schoolers	24
Two adults, one teen (11-28)	114
Two adults, two teens	145
Two adults, one young adult (19-30)	34
Two adults, two young adults	21

**Two adults, mixed age children: (n=534)**

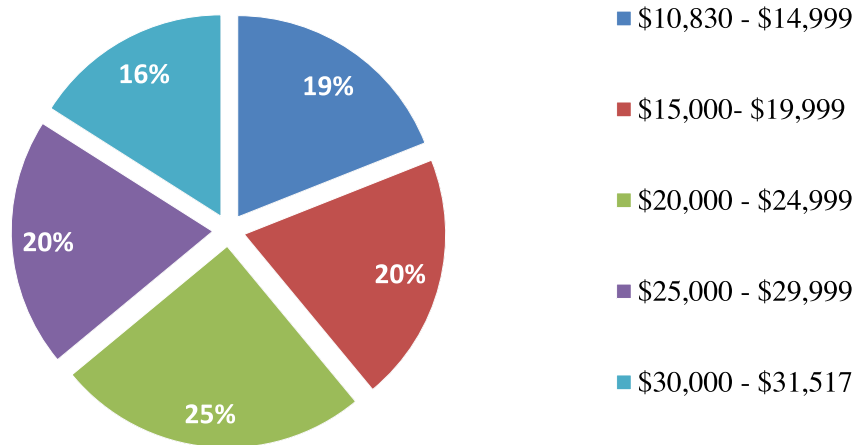
Infant	Preschooler	Grade Schooler	Teen	Young Adult	Total # of households of each type
1				1	22
	1	1			91
	1	2			28
	1		2		32
	1		1	1	126
	2		1		31
	2		2		23
		1	1		42
		1	2		28
		2	1		32
		2	2		20
			1	1	30
			1	2	29

At least one senior is present in 60 percent of the **251 three-adult households without children**. Of the 145 three-adult households with children, a senior is present in 20 percent.

*Howard County working poor income, employment status, and journey to work*

Working poor individuals fell relatively evenly across the subdivisions within the \$10,830 to \$31,517 income range defined as working poor.

**Figure 9: Income of Howard County Working Poor Individuals**



**Table 8: Employment Status of Howard County Workers**

Employment Status 16+	Working Poor	Howard County
Civilian Employed	89%	70%
Unemployed	5%	3%
Not in Labor Force	6%	27%

Approximately 950 Howard County working poor households lack an available vehicle.

**Table 9: Transportation to Work of Howard County Workers**

Journey to Work	Working Poor	Howard County
Car, truck, van	87.5%	89.0%
Bus or trolley bus	1.8%	4.1%
Subway or elevated 0.2%	0.2%	
Railroad	0.2%	
Taxicab	0.3%	
Walked	2.5%	1.1%
Worked at home	7.3%	5.2%
Other method	0.3%	0.6%

**Table 10: Work Location of Howard County Working Poor Employees**

Work Location	
District of Columbia	2.2%
Virginia	0.6%
Maryland	97.2%
<b>Howard County working poor journey to jobs in:</b>	
Anne Arundel	9.1%
Baltimore City	8.2%
Baltimore County	2.1%
Carroll County	0.9%
Frederick County	0.9%
Harford County	0.3%
Howard County	59.9%
Montgomery County	5.1%
Prince George's County	8.5%
All other counties	2.2%

**Industries in which Howard County’s working poor work**

Not surprisingly, Howard County’s working poor have a much greater extent than all County residents. jobs in services and trade industries to a much greater

**Table 11: Industries of Workers in Howard County by Employment**

Non-governmental Industry of Employment 2007-2009			
	Working Poor		Howard Co.
Agriculture (support activities)	0.4%		0.2%
Construction	8.4%		5.3%
Manufacturing	2.6%		6.0%
Wholesale trade	2.2%		3.1%
Retail trade	16.6%		8.6%
Transportation & Warehousing & utilities	4.2%		2.8%
Information	1.6%		3.2%
Finance & insurance, real estate, rental/leasing	5.6%		7.4%
Professional, scientific & technical services	8.3%		19.4%
Administrative services*	7.2%		
Waste management and remediation	0.4%		
Education services	11.0%		23%
Medical services	10.5%		
Medical offices & outpatient care		41.2%	
Hospitals		39.6%	
Nursing care & residential care		19.1%	
Social and community services	3.8%		
Entertainment, arts & recreation	8.6%		5.5%
Drinking, eating & other food services		65%	
Miscellaneous services	8.8%		5.3%
Repair services		25.9%	
Personal services		39.8%	
Organizations**		27.2%	
Private households		6.9%	

\*employment, business support, travel, investigation and security, and landscaping services, services to buildings

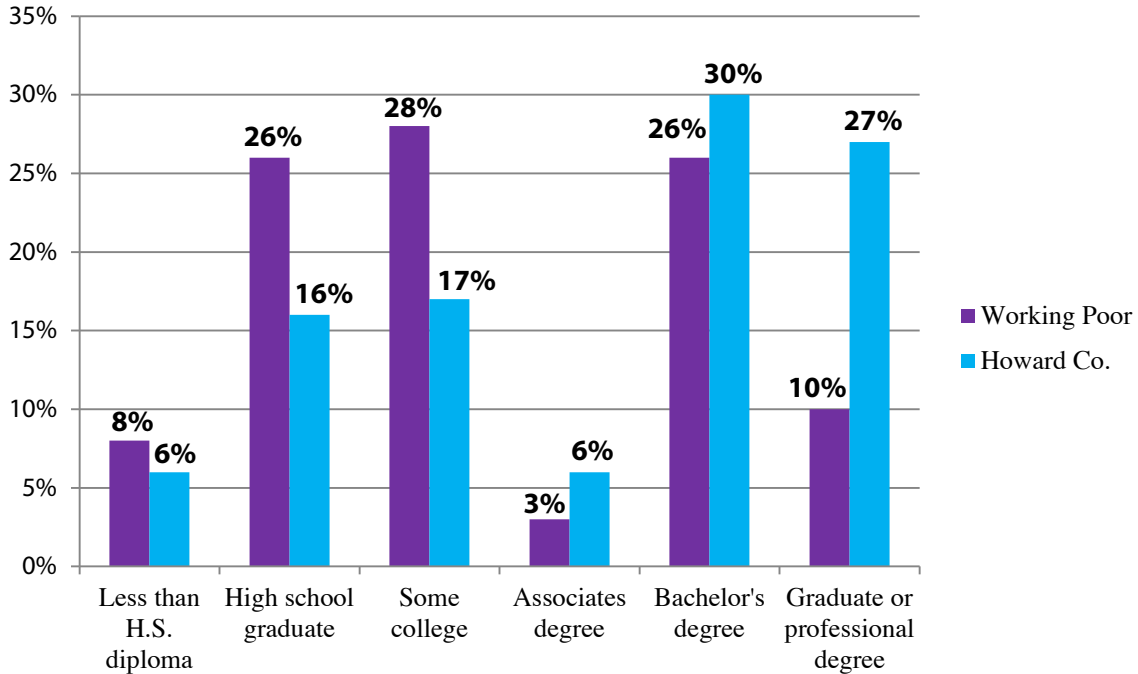
\*\*religious, labor union, associations, civic, advocacy, and philanthropic

**Education and occupations of Howard County’s Working Poor**

Howard County working poor individuals are in general hampered in employment prospects and advancement by their relatively low education levels. The surprisingly high percentage of Bachelor’s degree holders is primarily

attributable to the unmarried young singles living together or independently as they take their first steps into the workforce. Others are in married households and in similar life cycle circumstances.

**Figure 10: Educational Attainments of Howard County Workers**



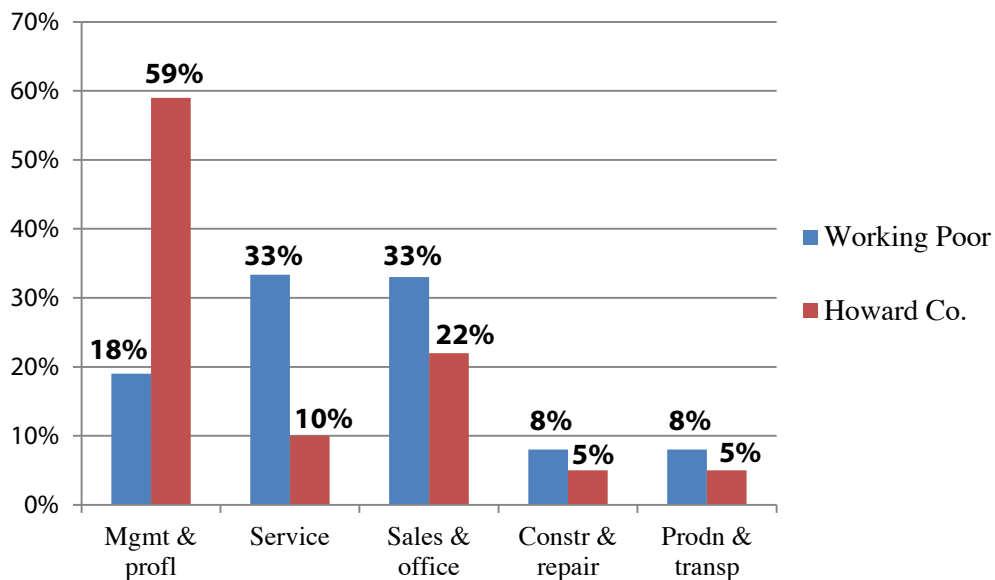
English proficiency poses a particular problem. In Howard County as a whole, 7.2 percent of citizens over five, particularly Asian and Pacific migrants, do not speak English very well. Among the working poor, 19 percent do not speak English very well or at all.

collar occupations rather than blue collar production or construction jobs, which can in part be attributed to the over-representation of women among them.

The occupational analysis of Howard County’s working poor reveals them to be concentrated in white-and-pink

When compared to the occupations of all Howard Countians, the low wage concentration is stark:

**Figure 11: Occupations of all Howard County Workers**



**Table 12: Occupations of Working Poor in Howard County**

<b>Civilian Occupation 2009</b>	
<b>MANAGEMENT OCCUPATIONS</b>	
Management occupations	7.0%
Business & Financial Operations Occupations	3.9%
Computer and Mathematical Occupations	1.9%
Architecture and Engineering Occupations	1.1%
Life, Physical & Social Science Occupations	1.1%
Community & Social Services Occupations	2.5%
Legal Occupations	0.7%
<b>SERVICE OCCUPATIONS</b>	
Education, Training & Library Occupations	7.5%
Arts, Design, Entertainment, Sports, & Media Occupations	2.2%
Healthcare Practitioners & Technical Occupations	4.5%
Healthcare Support Occupations	2.3%
Protective Service Occupations	2.2%
Food Preparation & Serving Occupations	4.2%
Building & Grounds Cleaning & Maintenance Occupations	4.3%
Personal Care & Service Occupations	5.6%
<b>SALES &amp; OFFICE OCCUPATIONS</b>	
Sales & Related Occupations	12.6%
Office & Administrative Support Occupations	20.1%
<b>CONSTRUCTION &amp; REPAIR OCCUPATIONS</b>	
Construction & Extraction Occupations	5.0%
Installation, Maintenance & Repair Occupations	2.9%
<b>PRODUCTION &amp; TRANSPORTATION OCCUPATIONS</b>	
Production Occupations	3.3%
Transportation & Material Moving Occupations	4.9%

## Paths to Self-Sufficiency

### *Industries/Occupations with Expected Job Growth in Maryland (2008-2018)*

In the table that follows, a combination of industry and occupation information provides an approach to looking at opportunity for the working poor to advance and remain above self-sufficiency levels. Table 13 depicts industries, and occupations within those industries, that are growing, filtering out those occupations that do not pay a self-sufficiency wage<sup>5</sup>. The following industries/occupations offer a combination of immediate opportunities, rungs on a career ladder, or aspirational targets for career planning. They start with the industries that employ the greatest number of

working poor Howard Countians today. Manufacturing is conspicuously missing – though it employs but 2.6 percent of the working poor – not because its industries do not pay a self-sufficiency wage but because it is not a growing sector. For each industry sector, the shaded row includes the number of Marylanders employed today, the percentage of the Howard County working poor working in the industry, and expected employment growth of the industry in Maryland over the next decade. The bulleted lists below them provide information about the growing occupations within those industries.

**Table 13: Growth Industries and Occupations in Maryland<sup>6</sup>**

Apart from retail trade, educational services enterprises employ the largest share – 11 percent – of the Howard County working poor. In repeated scrolling through the actual PUMS records, a number of them appear to be part-time lecturers, perhaps early government retirees,

listed as “other teachers and instructors.” All mean annual salaries based on data from the U.S. Bureau of Labor Statistics, “Occupational Employment Statistics, May 2010 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Baltimore-Towson, MD.”

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed <sup>7</sup>	Average Annual Earnings
<b>Educational Services</b>	<b>246,170</b>	<b>11%</b>	<b>10.5%</b>		
• <i>Preschool Teachers</i>				Certificate/Associate’s/ Bachelor’s; HS diploma required	\$28,430
• <i>Elementary School Teachers</i>				Bachelor’s	\$57,660
• <i>Middle School Teachers</i>				Bachelor’s	\$62,230
• <i>Secondary School Teachers</i>				Bachelor’s	\$60,440
• <i>Self –Enrichment Teachers</i>			32%	Experiential, mostly self-employed on an hourly basis	\$17.17/hour

<sup>5</sup>All mean annual salaries based on data from the U.S. Bureau of Labor Statistics, “Occupational Employment Statistics, May 2010 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Baltimore-Towson, MD.”

<sup>6</sup>Data on current and projected employment is from the Maryland Department of Labor, Licensing and Regulation. Industry detail is not available for the County.

<sup>7</sup>All information regarding needed education/training for various occupations based on the Occupational Outlook Handbook, 2010-11 Edition published by the U.S. Dept. of Labor, Bureau of Labor Statistics.

A sizable percentage of Howard County’s working poor are employed in medical services (10.5 percent of the total). Most work in what are called medical support

services, such as technicians and technologies, therapy assistants and aides.

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
<b>Medical Services</b>	<b>268,660</b>	<b>10.5%</b>	<b>20.6%</b>		
• <i>Registered Nurses</i>				Certificate/Associate’s	\$77,880
• <i>Occupational Therapist Assistants</i>				Associate’s degree; Must pass national certifying exam	\$63,540
• <i>Physical Therapist Assistants</i>				Associate’s degree	\$54,520
• <i>Dental Assistants</i>				On-the-job training/1 year training program/Associate’s degree; HS diploma required	\$36,230
• <i>Medical Assistants</i>				On-the-job training/1-2 year training programs/ Associate’s degree; HS diploma preferred if not required	\$31,190
• <i>Medical Transcriptionists</i>				1 year certificate/ Associate’s degree	\$35,240

Other services, which altogether employ almost 3,000 working poor Howard Countians, include personal services (40 percent of the total), religious, labor, union, association, civic, advocacy, and philanthropic organiza-

tions (27 percent of the total), repair services (25 percent of the total), and private household services (7 percent of the total).

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
<b>Other Services</b>	<b>90,105</b>	<b>8.8%</b>	<b>12.3%</b>		
• <i>Hairdressers</i>				Completion of 9th grade or GED; Completion of Cosmetology School	\$33,250
• <i>Automotive Service Technicians</i>				Post-Secondary/Associate’s	\$43,190
• <i>Supervisors/ Managers of Personal Service Workers</i>				Depends on the type of personal service	\$37,675
• <i>Printing Press Operators</i>				On-the-job training/ Apprentice program/ Associate’s; HS diploma preferred but not required	\$36,320

A significant number of working poor Howard Countians (8.6 percent of all) work in the entertainment, arts, and recreation sector, almost two thirds of them in drink-

ing, eating, and other food services enterprises that are historically low wage payers, with the exceptions of the occupations noted below.

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
Entertainment, Arts & Recreation	36,425	8.6%	11.5%		
Food Services & Accommodation	199,625	5.6%	9.7%		
• <i>Chefs &amp; Head Cooks</i>				On-the-job training; Culinary school/Associate's/Bachelor's also an option; HS diploma preferred	\$48,250
• <i>Supervisors/Managers of Food Prep &amp; Serving Workers</i>				On-the-job training; Culinary school/Associate's/Bachelor's also an option; HS diploma preferred	\$34,125
• <i>Cooks, Short Order</i>				On-the-job training; HS diploma not necessary	\$33,725
• <i>Butchers/Meat Cutters</i>				On-the-job training; HS diploma not necessary	\$38,610

Approximately 1,400 working poor Howard Countians, are employed in the construction industry. As detailed below, construction offers well-paying jobs to those without

educational credentials, has a strong career ladder for advancement and, often, small business ownership.

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
Construction	178,075	8.4%	8.5%		
• <i>Supervisors of Construction Workers</i>					\$62,870
• <i>Carpenters</i>				3-4 year apprenticeship; Associate's or Bachelor's preferred	\$42,570
• <i>Tile and Marble Setters</i>					\$49,040
• <i>Stonemasons</i>				3-4 year apprenticeship; HS diploma preferred	\$43,630
• <i>Carpet Installers</i>				On-the-job training; HS diploma not necessary	\$38,410
• <i>Cement Masons &amp; Concrete Finishers</i>				Typically start as construction laborers; On-the-job training/apprenticeship program; HS diploma preferred	\$41,300

Industry <i>Construction (Continued)</i>	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
• <i>Paving, Surfacing, &amp; Tamping Equipment Operators</i>					\$35,780
• <i>Operating Engineers</i>					\$42,450
• <i>Drywall &amp; Ceiling Tile Installers</i>				On-the-job training/appren- ticeship program/Associate's degree; HS diploma preferred	\$45,430
• <i>Electricians</i>				HS diploma required; 4 year apprenticeship or Associate's/ Bachelor's degree	\$49,790
• <i>Glaziers</i>				On-the-job training/apprentice- ship program; HS diploma not necessary	\$42,570
• <i>Painters</i>				On-the job training/apprentice- ship; HS diploma preferred	\$39,200
• <i>Pipe layers</i>				On-the-job training; HS diploma not necessary	\$36,880
• <i>Plumbers</i>				On-the-job training/ apprenticeship program; Licensing required in most states; HS diploma preferred	\$52,830
• <i>Plasterers &amp; Stucco Masons</i>				On-the-job training/appren- ticeship program/Associate's degree; HS diploma preferred	\$32,360
• <i>Roofers</i>				On-the-job training/appren- ticeship program; HS diploma preferred	\$38,940
• <i>Sheet Metal Workers</i>				On-the-job training/appren- ticeship program/Associate's degree; HS diploma preferred	\$48,410
• <i>Structural Iron &amp; Steel Workers</i>				On-the-job training/appren- ticeship program/Associate's degree; HS diploma preferred	\$49,850
• <i>Construction &amp; Building Inspectors</i>				HS diploma almost always required; Associate's/Bachelor's or extensive construction experi- ence typically preferred	\$50,150
• <i>Elevator Installers &amp; Repairers</i>				On-the-job training/appren- ticeship program/Associate's degree; HS diploma preferred	\$63,990
• <i>Hazardous Materials Removal Workers</i>				HS diploma; Minimum 40 hours on-the-job training	\$38,670
• <i>Highway Maintenance Workers</i>				On-the-job training; HS diploma not necessary	\$36,270
• <i>Septic Tank Servicers &amp; Sewer Pipe Cleaners</i>					\$37,030
• <i>Welders</i>				Certificate program/ Associate's; HS diploma preferred if not required	\$39,490

Over eight percent of Howard County’s working poor work in the professional, scientific, and technical services sector that employs the majority of all Howard Countians. Many

of the latter are employed in legal, accounting, computer systems design, and research and development services, and management, scientific, and technical consulting services.

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
<b>Professional &amp; Technical Services</b>	<b>226,210</b>	<b>8.3%</b>	<b>24.8%</b>		
<b>Computer Systems Design &amp; Related Services</b>					
• <i>Computer Support Specialists</i>				Certificate/Associate’s/ Bachelor’s	\$53,040
• <i>Network Systems &amp; Data Comm. Analysts</i>				Bachelor’s/Master’s	\$87,470
• <i>Architecture and Engineering</i>					\$77,910
• <i>Life, Physical &amp; Social Science Occupations</i>					\$73,820
• <i>Legal Occupations</i>					\$84,020
• <i>Court Reporters</i>				On-the-job training/1-2 year training programs; HS diploma preferred if not required	\$45,930

Administrative and support services is a polyglot industry sector comprising services that are primarily provided by one business to another, including office administrative services, facilities support, employment services, executive search, temporary help, document preparation, telephone answering, telemarketing, collection and credit agencies, travel agencies,

investigation and security services, services to buildings such as extermination and cleaning, and landscaping. It employs over seven percent of Howard County’s working poor, primarily in services related to keeping buildings and grounds well maintained and safe.

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
<b>Administrative &amp; Support Services</b>	<b>151,605</b>	<b>7.2%</b>	<b>14.8%</b>		
• <i>Customer Service Representatives</i>				On-the-job training/Associate’s/ Bachelor’s; HS Diploma almost always required	\$36,100
• <i>Supervisors/Managers of Housekeeping &amp; Janitorial Workers</i>					\$34,200
• <i>Supervisors/Managers of Landscaping, Lawn Service &amp; Groundskeeping</i>				HS diploma; Experience in landscaping, lawn service and grounds keeping	\$40,850

Industry <i>Administrative &amp; Support Services (Continued)</i>	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
• <i>Pest Control Workers</i>					\$33,375
• <i>Tree Trimmers &amp; Pruners</i>				HS diploma preferred but not required	\$44,150
• <i>Correctional Officers &amp; Jailers</i>				HS diploma required; College credits or law enforcement/military experience	\$45,625
• <i>Police &amp; Sheriff's Patrol Officers</i>				Associate's/Bachelor's; HS diploma required	\$57,550
• <i>Private Detectives &amp; Investigators</i>				Associate's/Bachelor's; Licensure required	\$34,650

The finance, insurance, real estate, and rental/leasing sector employ about 5.6 percent of Howard County working poor individuals. In addition to the obvious industries, it

also includes auto rental and leasing and video and disc rentals.

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
<b>Finance &amp; Insurance</b>	<b>103,035</b>	<b>5.6%</b>	<b>5.3%</b>		
• <i>Accountants &amp; Auditors</i>				Bachelor's	\$74,680
• <i>Management Analysts</i>				Bachelor's	\$94,350
<b>Real Estate &amp; Leasing</b>	<b>46,185</b>	<b>(included in figure above)</b>	<b>6.8%</b>		

Slightly more than four percent of the working poor in Howard County are employed in the transportation and warehousing sector, which includes those who work at BWI in the air transportation industry, pipeline transpor-

tation, the postal service, bus and limousine transportation, and couriers and messengers as well as warehousing and storage.

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
<b>Transportation &amp; Warehousing</b>	<b>68,790</b>	<b>4.2%</b>	<b>4.1%</b>		
• <i>Bus Drivers (Transit)</i>				Commercial Driver's License; On-the-job training; HS diploma preferred	\$34,250
• <i>Truck Drivers (Heavy &amp; Tractor-Trailer)</i>				Commercial Driver's License; On-the-job training; HS diploma preferred if not required	\$41,050

Industry <i>Transportation &amp; Warehousing (Continued)</i>	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
• <i>Truck Drivers (Light or Delivery Services)</i>				Commercial Driver's License; On-the-job training; HS diploma preferred if not required	\$34,790
• <i>Transportation Inspectors</i>				On-the-job training/ Apprenticeship program/ Associate's; HS diploma required	\$58,270
• <i>Excavating &amp; Loading Machine and Dragline Operators</i>				On-the-job training/Apprenticeship program; HS diploma preferred but not required	\$44,150
• <i>Crane &amp; Tower Operators</i>				On-the-job training/Apprenticeship program; HS diploma preferred but not required	\$56,480
• <i>Industrial Truck &amp; Tractor Operators</i>				Commercial Driver's License; On-the-job training; HS diploma preferred if not required	\$36,930

Social and community services, in which almost four percent of Howard County's working poor are employed, includes many low-paying occupations. Relatively speaking,

even those listed below that required college degrees are also modestly compensated.

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
<b>Social Assistance/ Community Services</b>	<b>44,565</b>	<b>3.8%</b>	<b>19.7%</b>		
• <i>School Counselors</i>				Bachelor's/Masters	\$47,960
• <i>Mental Health Counselors</i>				Bachelor's; Master's typically required; Licensure/ certification requirements vary by state	\$38,380
• <i>Social Workers</i>				Bachelor's/Master's; All states require a licensure or certification	\$47,960

Just over two percent of the Howard County working poor are working in the wholesale trade sector, which includes distributors of all types of durable and nondurable

goods. The machinists listed below are also in demand in other manufacturing industries as older skilled workers reach retirement.

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
<b>Wholesale Trade</b>	<b>93,405</b>	<b>2.2%</b>	<b>2.5%</b>		
• <i>Machinists</i>				HS diploma required; Many start as machine setters, operators or tenders.	\$47,340

Despite its name, the information sector does not include information technology, except software publishing, internet publishing and broadcasting, and data processing and hosting. Other industries included are newspaper publishers, motion pictures and video industries, radio

and television broadcasting, sound recording industries, wired telecommunications carriers and other telecommunications services, and libraries and archives. Almost two percent of the Howard County working poor are employed in this sector.

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
<b>Information</b>	49,815	1.6%	-0.6%		
• <i>Information Telecomm. Equip Installers &amp; Repairers</i>				Associate's/Bachelor's	\$48,550

Less than 1/2 percent of Howard County working poor are employed in this sector, which historically has paid

poverty wages.

Industry	Maryland Employment 2008	Percentage of Howard Co. working poor employed in this industry 2009	2008-18 Expected Growth	Education Needed	Average Annual Earnings
<b>Waste &amp; Remedial Services</b>	7,705	0.4%	21.5%		
• <i>Refuse &amp; Recyclable Material Collectors</i>				On-the-job training; HS diploma preferred but not required	\$32,630

Over 20 percent of the working poor in Howard County are employed in office and administrative support

occupations, which are found in most industries.

Industry	Percentage of Howard Co. working poor employed in this industry 2009	Education Needed	Average Annual Earnings
<b>Office and Administrative Support Occupations Multiple Industries: Construction, Retail, Medical, Finance, Education, Social Services, etc.</b>			
• <i>Billing &amp; Posting Clerks</i>	15%	Hired at entry level. Most need at least a high school diploma and basic software skills	\$36,030
• <i>Procurement Clerks</i>	6%	High school diploma or its equivalent. Most trained on the job under close supervision	\$41,450
• <i>Customer Service Representatives</i>	18%	Most require at least a high school diploma. Employers provide training to workers before they begin serving customers.	\$36,100
• <i>Medical Secretaries</i>	27%	High school graduates who have basic office skills may qualify for entry-level secretarial positions. Word processing, writing, and communication skills are essential. Increasing requirement for extensive knowledge of computer software applications, such as desktop publishing, project management, spreadsheets, and database management. Most medical and legal secretaries must go through specialized training programs that teach them the language of the industry.	\$33,860

## *Possible Career Paths for the Working Poor*

### **Less than High School Diploma (8%, 2,113 workers)**

- **Food Service**
  - Begin as a short order cook and receive on-the-job training; Receive on-the-job training to become a chef/head cook;
  - Butchers also receive self-sufficient wages and do not typically require a high school diploma.
  - The food service industry is expected to grow 9.7% in Howard County from 2008 to 2018<sup>6</sup>.
- **Health Care**
  - Hospital workers can begin as nursing aides, orderlies, and attendants.
  - With training and completion of a GED, workers can become physical or occupational therapy aides.
  - Upon completion of more training and at least some college, workers can become occupational therapy assistants), physical therapy assistants .
- **Construction**
  - Workers can begin as a construction laborer who may or may not earn enough to be self-sufficient in Howard County.
  - Receive on-the-job training to become one of the following skilled laborers; these jobs do not require a high school diploma and pay enough to enable self-sufficiency in Howard County:
    - Carpet installer
    - Pipe layer
    - Glazier
    - Highway maintenance worker
    - Crane and tower operators
    - Excavating and loading machine and dragline operators
- **Landscaping**
  - While general landscape workers do not earn a self-sufficient wage, tree trimmers and pruners do earn self-sufficient income in Howard County.
  - With a high school diploma, GED, or extensive experience these workers can become landscaping supervisors.

- **Office/Administrative Occupations**
  - The entry level jobs – tellers, file clerks, receptionists, stock clerks and order fillers, and general office clerks – do not pay a self-sufficiency wage.
  - In many offices in many industries, a path to higher wages can be charted, usually requiring more experience and especially a high school diploma or the equivalent.
- **Material Moving Occupations**
  - Workers can begin as a refuse and/or recyclable materials collector. Applicants must be at least 18 years old and in good physical condition.
  - Materials collectors can be promoted to more skilled labor jobs or supervisory positions.

### **High School Diploma (26% of the working poor, 7,298 workers)**

- **Office and Administrative workers**
  - Many positions require only a high school diploma combined with on-the-job training
  - Occupations that pay above self-sufficiency are those that require more experience, or special courses, such as language used in medicine or law.
  - Customer representatives are generally trained by the employer to familiarize them with the specifics of the product or service.
  - Skills and experience are relatively easily used to advance within the company or at other similar companies.
- **Bus and Truck Drivers**
  - Bus and truck driving jobs can be obtained with only a high school diploma and a Commercial Driving License (CDL).
  - Many companies will help potential drivers obtain their CDL.
- **Skilled Construction**
  - Several skilled construction jobs are available to high school graduates with the completion of on-the-job training or an apprenticeship program.

- These skilled construction jobs include:
  - Brick and block mason
  - Stone mason
  - Cement mason/concrete finisher
  - Drywall/ceiling tile installer
  - Painter
  - Plumber
  - Plasterer/Stucco Mason
  - Hazardous Materials Remover

○ **Cosmetology**

- High school graduates can become licensed cosmetologists with only six to nine months of cosmetology training.
- There are several accredited beauty schools in the area; Howard County Community College also offers a cosmetology training program.

## Scenarios for five typical Howard County working poor individuals and households<sup>8</sup>

The following five scenarios are based on actual individual records in the Census Bureau’s PUMS files, each of which is a sample representing from 20 to 120 other individuals or households – the weight is different for each record. The records were chosen to illustrate the characteristics of individuals in the most common household types among the working poor in the County, the challenges they face on the path to self-sufficiency, available resources and strategies, and gaps in resources. All personal details are invented.

### A. Single working individual

The ages of 2,062 single-member working poor householders are spread across the spectrum relatively evenly. However, the younger individuals appear to have at least some college experience if not a college degree. They are most likely just beginning their careers, and can use the job search services at the Howard County One-Stop Career Center in Columbia or view much of its information on line. Those at the upper end may be semi-retired even though they are not yet 65. Therefore, we will select a 49 year old divorced man, Mr. Single. Mr. Single is a security guard at a hospital, working 40 hours per week and making \$20,000 per year. He is a high school graduate, not a military veteran, has access to a vehicle, and is a renter. He earns too much to be eligible (150 percent of FPL) for Howard County’s Office of Workforce Services’ intensive one-

on-one counseling, but if he would like to change employers, the office can help him search for openings. If he is motivated, he can investigate opportunities for advancement with his current employer. If advancement in rank – to supervisory or manager positions – requires postsecondary education, he can investigate tuition benefits of the hospital and take classes at Howard Community College. Hospitals pay among the highest wages for security guards, but not, on average, enough to lift Mr. Single beyond the self-sufficiency barrier.

When investigating educational opportunities, he may want to consider other more lucrative career paths within the hospital. Howard County General Hospital’s parent, Johns Hopkins Health System, is part of the Baltimore Alliance for Careers in Healthcare (BACH) which has developed career paths from many entry level positions in regional hospitals. See <http://www.baltimorealliance.org/careers/index.html>. A field such as occupational therapy assistants, who earn an average of \$63,540, generally requires an associate degree. Maryland regulates the practice of occupational therapist assistants through licensing by the Maryland Board of Occupational Therapy Practice at the Maryland Department of Health and Mental Hygiene. Occupational therapist assistants must attend a school accredited by the Accreditation Council for Occupational Therapy Education (ACOTE) in order to sit for the national occupational therapist assistant’s examination. The Community College of Baltimore County at Catonsville is an accredited occupational therapy educator.

**GAPS:** Mr. Single and others like him who earn too much to be eligible for many publicly-funded job supports need [job/career coaching](#), which provides intensive ongoing counseling for workers that helps them succeed in their jobs and advance to higher paying positions. BACH’s job coaches were originally funded through government and philanthropic grants but are now paid for by each participating hospital because they have shown real financial benefits not only to the individuals coached but also to the employers who have seen reductions in costly turnover.

<sup>8</sup>All career ladder information for occupations is from Occupational Outlook Handbook, 2010-11 Edition; Average annual earnings for occupations are from the Bureau of Labor Statistics’ May 2010 Metropolitan and Nonmetropolitan Occupational Employment and Wage Estimates: Baltimore –Towson.

**B. Two adults**

Like single-individual households, the 981 two adult, no children, working poor households in Howard County vary across the age spectrum. Most, however, are characterized by one household member working and the other not working, or, more frequently, working at a significantly lower-wage job or fewer hours. This is the case even in households without small children. Often, while neither household member is over 65, there is enough disparity in age to suggest a parent-adult child relationship, with the younger most usually the primary wage earner who has either returned to the nest or taken in an aging parent. Unlike the singles households, the young two-adult householders are often poorly educated, like the 17 and 20 year old married couple in one record, neither of whom has graduated from high school. We have selected a more typical husband and wife, John, 51, and Mary, 45, Smiley, who earn a combined income of \$17,500, just above the poverty level for two people.

Mary Smiley is the primary breadwinner (\$15,000), with her job as a medical assistant (not dental assistant) at a dentist’s office, and holds an associates degree. John Smiley, a high school graduate, earns \$2,500 working as a telecommunications equipment repairer at a local store an average of five hours per week. They own their home free and clear and have two cars available. The Smileys are heading for the trough illustrated in figure 2, where the more income they realize, the more benefits they lose. They continue to be eligible for food stamps, but only until they reach an income of \$18,941 (130% of the FPL for a two-person household of \$14,570), and are eligible for the Earned Income Tax Credit, but only until John works a few more hours or Mary gets a raise. The Smileys should investigate all the earned benefits to which they are entitled to make sure they are receiving them while they are eligible. There are Earn Benefits counselors available at the Community College of Baltimore County.

John and Mary are eligible for intensive one-on-one services from the Howard County One-Stop Career Center in Columbia, in which workforce specialists will rigorously assess their capabilities and help map a path to advancement and higher wages. Mary Smiley might explore what it would take to become a dental assistant, which paid median annual wages of \$36,230 in May 2010, and therefore still leaves a \$4,000 leap to self-sufficiency. She already has an Associates degree, but medical assistants are typically paid least in nonmedical

offices, and rarely more than she is currently earning. She could move to a hospital, but the median salaries are still below the cost of living in Howard County, or advance to an office manager’s job with her current employer or another in a similar business. Most office managers are hired from within, and earn median wages of \$45,750.

**GAPS:** Like many individuals and families struggling to make ends meet, the Smileys are unaware of the benefits to which they are entitled or services they might use to climb the career ladder, either within their current employer’s business or at a different company or medical practice.

**C. Two adults with one preschooler**

This household type has been adapted from the Policy Analysis Center’s “two adults, one infant” scenario, which is relatively rare (1.5 percent of two-adult-with-children households). Two adults with one preschooler is the predominant household type, accounting for 23 percent of all such households. Clearly, the working poor share the view that the County is a terrific place to raise a family. A number of these younger families with preschoolers have wages on the lower side because they are just beginning their working careers. We have chosen a family, Russ and Helen Jones and their son Jonathan, aged five, who have advanced to the next level and are poised on the brink of a transition. Russ, 39, known to his friends as “Sparky” because he is an electrician, has a high school diploma but is doing well enough that Helen, 35, can stay home with Jon, though money is tight. Sparky makes \$43,000, but since the Jones’ do not have child care expenses – preschooler child care in Howard County is only a few dollars less expensive than infant care, both over \$11,000/year -- they are struggling to get close to the self-sufficiency level of \$65,537, or \$52,057 without child care.

When Jonathan enters school next year, Helen is considering going back to work. She holds a Bachelor’s degree in pre-primary education. Average annual wages of preschool teachers were \$28,430 in May 2010. Unless her schedule permits her to work part-days, Jonathan’s before-and-after school child care will cost \$130 per week at a high quality child care center,<sup>9</sup> which is where Helen wants him to go to build on the start she has been able to give him at home. After child care for her child

<sup>9</sup> Maryland Child Care Resource Network, “Child Care Demographics 2011: Howard County” Report.

for the 40 weeks of the school year, Helen will net about \$23,230 if she earns the median wage, and the Jones family will be comfortably above the self-sufficiency threshold. The challenge will be finding child care that is conveniently located and of high quality. There were 106 before-and-after school programs, both school and center-based, in Howard County in 2009, and 20,583 females in the work force with school-aged children. She will need to start now to use the Howard County Child Care Resource Center's LOCATE service to find possible solutions. If her own networks are not sufficient to help her find a job, she can visit the Howard County One Stop Career Center in person or on line to search for openings.

**GAPS:** Many of the working poor would not consider themselves poor at all, but in the Howard County context are paddling madly under the surface to stay afloat. They, too, tend to be unaware of job-related services available to them, particularly since they do not perceive themselves to be needy. The recession's broad reach has erased some of the stigma of financial stress, and provides an opportunity to communicate more widely with potential beneficiaries.

**D. One adult, two teens**

Women alone (with a few exceptions in which fathers are parenting solo) are raising children in as many Howard County working poor households as those composed of two adults. Most frequently, their families consist of mom and two teenagers.

Donetta Bennett was 17 when her first daughter, Felicia, now 17, was born. She did not marry Felicia's father then nor the next year, when Lucy came along; he has been out of their lives for years. Donetta moved her family to Howard County from Woodlawn in Baltimore County five years ago seeking a hospitable environment for raising her children. She rents an apartment in Laurel and owns a car. The girls are both in high school and working part time. Felicia cashiers at the Giant grocery store after school and on weekends, and Lucy also works as a cashier at the candy shop in the mall. Donetta has a production job operating machinery at a data processing company, and earned \$19,000 working 40 hours per week last year. Several years ago, she enrolled in two information technology courses at Howard Community College but found that she was not fully prepared for college-level work, her life was too pressured, and the trip to HCC was inconvenient and wearing on her ancient car.

Donetta is eligible for intensive job counseling from the Howard County Workforce Services office, which has a satellite office at the multi-service center in Laurel. She can receive individualized career guidance, help with career assessment and planning, tips on resume development, job search and placement assistance if she decides there is no opportunity for advancement at her current workplace, employment counseling and referral services, and even skills training based on eligibility requirements. Based on her session with the job counselor, she decides to take advantage of the new federally-funded Pathways initiative of the Cybersecurity Careers Consortium, which is seeking to expand the pipeline of qualified workers in this high-demand field. Howard County Office of Workforce Services and HCC are members of the consortium, and Donetta is eligible because of her underemployment status. She receives one-on-one guidance from a Cyber Career Advisor, who connects her to cybersecurity training offered in the evening at HCC. She gets help with taking sample ACCUPLACER tests to prepare for entry at HCC and in filling out the Free Application for Federal Student Aid (FAFSA) forms in order to apply for financial aid through a Pell Grant.

She has an engaging personality and enjoys helping others, so she aims to use available training and education to become a computer support specialist (average salary \$53,040) and to earn a college degree. From there, she hopes to become a network and computer systems administrator (average salary \$80,670), and perhaps even an information security analyst, job developer, or computer network architect (\$92,090) in the network security world that is exploding with opportunity. She is young and ambitious, and her low-wage starting point may turn out to be an advantage, because it makes her eligible for extra career-launching services.

**GAPS:** Workforce development offices are open only during the day on weekdays. For the employed low-income seeker of job services, charting a path to self-sufficiency adds one more costly complication, requiring time off from work.

**E. One adult, two grade schoolers**

Single parent working poor households in Howard County are far more likely to have two grade schoolers than preschoolers. Their child care expenses are much lower than those of the parents of two-to-five year-olds, but they must cover before-and-after school care.

Brenda Swift, 40, is the divorced mother of eight year-old fraternal twins, Molly and Jacob. She earns \$30,000 a year working as a property representative for a company that manages a number of condominium complexes in the Columbia area. She receives \$20,000 per year in child support from her ex-husband. Before-and-after school child care costs \$130 per week for each twin during the school year (\$10,400) and \$190 per week per child in the 12 weeks of summer and holiday times (\$4,560), plus regular babysitting expenses for her evening responsibilities. She rents an apartment and owns a car, on which she is making loan payments. Brenda holds an Associates degree. Adjusting only expenses for child care, her estimated Howard County self-sufficiency wage is \$65,780.

Brenda needs higher wages and would like to move into a real estate company central office position that does not require her to attend evening meetings of condominium associations or respond to weekend emergencies. In order to successfully compete for a position as a property

manager, she needs to complete a Bachelor's degree with specialties in accounting, contract management, and real estate management and finance. She decides to take online courses in business administration and finance from the University of Maryland University College to earn a Bachelor's degree, which will enable her to save on child care expenses involved in attending evening classes. She will need help, perhaps from the Howard County Public Library, finding supplementary courses specifically related to real estate management, which is often not covered in undergraduate courses. The average salary in May 2010 for a property manager was \$65,180.

**GAPS:** Like all the examples of people busy trying to put together all the pieces that enable them to survive, Brenda needs a navigator to streamline the process of charting a course that leads to higher wages and putting the piecemeal resources together that will help her realize her goals.

## *Observations*

Howard County's working poor are both victimized and blessed by their high cost-high talent-high opportunity environment. In other non-metropolitan parts of the state they might not be counted among the working poor because their expenses align better with their income. But they would not have the same opportunities in a growing economy. Enabling them to better connect with these opportunities remains the challenge.

At the outset of this project, there was hope that changing public policy regarding some work supports might make an appreciable difference in the assistance that could be provided to boost the working poor toward self-sufficiency. Examination of the available services quashed that hope. Most of them are federally funded, even if delivered through state or local governments and/or nonprofits, and for the most valuable programs, federal eligibility standards are based on a federal poverty definition that has not approached the reality of life in most of the U.S. for many years, and particularly not in an affluent community like Howard County.

At this fork in the road, an intensive effort to deeply understand – statistically, at least – the working poor was undertaken. Based on the conclusions, no firm number of the working poor – those with incomes between the Federal Poverty Level and the Policy Analysis Center's self-sufficiency cost estimates – is provided in this report. More intensive mining of the microdata may weed out substantial numbers of individuals whose income, when combined with that of others in their households, does not qualify them for this designation or, conversely, looks too high for a single individual but is well within the defined range for the breadwinner in a household with more people. Further record synthesis may reveal many more under-65 individuals who have retired and work part-time. How much of the gap between current incomes and self-sufficiency can be ascribed to the seemingly endless recession? The answer is in the question – if the “temporary” condition is becoming long-lived, there lays a problem. Whether the accurate count is 10 percent, 13 percent or five percent of the population, several conclusions suggest a way forward.

**1.** Neither the recession nor the data nitpicking can mask the fact that the fundamental challenge is the relatively low level of human capital of Howard County working poor residents. The Howard County economy within which they must find success runs on brainpower. The continued success of the Howard County economy depends on a deep well of talent capable of mastering the skills of today and learning the skills needed tomorrow. The simple answers are education and training. The illustrative examples from the PUMS data and

experiences of workforce specialists suggest that making it possible for individuals and families under financial stress to devote the necessary energy to investing in themselves requires new thinking by all of us. This is a classic service delivery conundrum. How can the rich array of education and training resources be delivered to people motivated to advance in the most affordable, efficient, and customer-satisfying way? How can all three of the Bennett girls go to college at the same time, which is what is required if not just Donetta, but Felicia and Lucy too are to be propelled into the middle class?

**2.** Working backwards, another efficiency issue arises: how can searchers be guided through the information overload to the valuable, customized education and training resources they need? Reading the PUMS records makes the diversity among people at the same income level stand out in high relief. Providing the same information to all of them is the equivalent of spamming. More automation and customization of information about available resources leaves more time and resources for the “librarian-assisted” or “person-in-the-loop” personalized help. Employment development offices around the country have made the requirement to provide services universally – contained in the last reauthorization of federal workforce funds – a virtue of automation. However, they lack the authorization, or resources to go along with it, to provide the individualized navigation to any but those at the very low end of the working poor spectrum – earning up to 150 percent of FPL. How can the County organize its resources to provide this chart-making help, radiating out from a central point of contact, to enable citizens to build up human capital?

**3.** Finally, what is missing? Child care remains the largest non-tax expense in Howard County family budgets and, as has been shown in the “cliffs” diagrams, has the ability to throw families into the financial abyss. Affordable, high quality child care for low and middle income families, particularly in the earliest years of a child's life, has the potential to 1) relieve financial stress in working poor families, 2) benefit employers whose parent workers can be more productive and, most importantly, 3) begin to build the human capital of a new generation.

On a far less ambitious scale, we were struck by the unavailability in the county of just the right community college courses our families would need to advance; a brief search revealed that most were available at the Catonsville campus of the Community Colleges of Baltimore County. Every place cannot offer every course of study. This brings us full circle to the first question – how can we improve education and training delivery models to make these services more widely available without daunting and de-motivating weekly commutes?

Appendix Table 1: Howard County Public Assistance Programs

Program	Eligibility	Benefit	Amount	Duration
Temporary Cash Assistance (TCA)	Dependent children	Cash	Depends on family size	60 months
Earned Income Tax Credit (EITC)	Dependent on family size & income	Tax credit	Depends on no. of children and filing status	Indefinite
Supplement Nutritional Assistance Program SNAP (Food Stamps)	130% FPL	Food stamps	Depends on family size	Certification period last six months; Families may reapply
Food Bank Grants	175% FPL			
Free and Reduced Meals (FARM's)	185%; Must qualify for SNAP for free	Reduced school meals	Save \$855/yr if free Save \$729/yr if reduced	Indefinite
Women, Infants and Children Nutrition Supplement Program (WIC)	185% FPL	Full health coverage	Cost of healthcare	Mothers must be pregnant or breastfeeding; Children up to age five
Primary Adult Care (PAC)	\$12,552/year (one adult) \$16,896/year (two adults)	Full health coverage	Cost of healthcare	Indefinite
Maryland Children's Health Program (MCHP)	200% FPL	Full health coverage	Cost of healthcare	Children up to age 19
MCHP Premium	Tier 1: 250% FPL; \$40/mo premium Tier 2: 300% FPL; \$50/mo premium	Full health coverage	Cost of healthcare minus monthly premium	Children up to age 19
Medicaid	\$21,228/year	Full health coverage	Cost of healthcare	Indefinite
Home Energy Assistance, EUSP	175% FPL	Cash to utility provider	Up to \$2,000/yr	Families must reapply every 12 months
Home Energy Assistance, MEAP	175% FPL	Cash to utility provider	Depends on energy bill	Once per heating season
Housing Choice Voucher Program (HCVP)	30% MFI	Reduced rent; Voucher to landlord	Cost of housing minus 30% of Adjusted Gross Income (AGI)	Indefinite
Public Housing Units	50% MFI	Reduced rent	Cost of housing minus 30% of AGI (deductions apply)	Indefinite
Eviction Prevention Assistance	\$26,400/year	Assistance with past-due rent	Depends on family size	One-time; Must be able to demonstrate ability to pay rent after assistance
Head Start	100% FPL	Free preschool; Cash to provider	Cost of childcare/private preschool	Children must turn three or four by September 1st of the current school year
Child Care Subsidy	\$29,989/year	Subsidized child care; Cash to childcare provider	Ccst of care minus co-pay; Co pay depends on 1. Income, 2. Type of Care 3. No. of children in care, 4. Age of children, 5. Amount of care needed	Parents must reapply every 12 months
MD Cash Campaign	\$49,000/year	Free tax assistance	N/A	Indefinite

## APPENDIX Table 2: Work Supports Calculations

### Calculating HCVP Resources:

1. Calculate weekly earnings (wage X hours worked)
2. Multiply weekly earnings by 4, this is the monthly AGI
3. Multiply the monthly AGI by 0.3, this the 30% of the AGI that HCVP participants pay towards rent
4. Subtract the 30% of the AGI the family is contributing to rent from the monthly housing expenses calculated by the Howard County Policy Analysis Center (ex. 1 adult = \$1,185/mo)
5. Multiply by 12 to get annual resource amount

### Calculating Public Housing Resources:

1. Calculate weekly earnings (wage X hours worked)
2. Multiply weekly earning by 4, this is the monthly AGI
3. Deduct \$480 for each dependent
4. Multiply the adjusted AGI by 0.3, this is the 30% of the AGI that Public Housing residents pay towards rent
5. Subtract the 30% of the Adjusted Taxable Income (ATI) the family is contributing to rent from the monthly housing expenses calculated by the Howard County PAC (ex. 1 adult-\$1,185/mo)
6. Multiply by 12 to get annual resource amount  
[http://portal.hud.gov/hudportal/HUD?src=/topics/rental\\_assistance/phprog](http://portal.hud.gov/hudportal/HUD?src=/topics/rental_assistance/phprog)

### Calculating TCA Eligibility

1. Divide the annual gross earned income (drop cents) by 52
2. Multiple by 4; This gives you the gross earned income
3. Deduct 20% of the gross earned income by multiplying by 0.8
4. If parents are working can deduct 40% of the gross earned income by multiplying by 0.6
5. Subtract out of pocket childcare expenses, up to \$200 per child if employment is full-time (100 hrs/month) or up to \$100 per child if employed part-time (100 hrs/month or less)
6. If net countable earnings are less than TCA grant amount family is eligible
7. If net countable earnings are more than TCA grant amount family is ineligible. <http://www.dhr.state.md.us/tca/index.htm#fin>

### Calculating FARM's (Free And Reduced-Price Meals) Resources

Lunch = \$3.00

Reduced = \$0.4

Savings = \$2.60 x 5 days/wk x 4 wks/mo = \$52 per child (\$104)

Dinner = \$1.75

Reduced = \$0.3

Savings = \$1.45 x 5 days/wk x 4 wks/mo = \$29 per child (\$58)

Free meals: Save \$190/mo x 9 mo/yr = \$1,710 (Qualify if qualify for SNAP)

Reduced meals: Save \$162/mo x 9 mo/yr = \$1,458

### Calculating MCHP Resources

#### Two Adults and One Infant

*Earning less than 200% FPL*

1. Cost of healthcare for One Adult and One Infant = \$361
2. Subtract cost of healthcare for One Adult, \$361-\$174
3. Monthly cost of healthcare for one infant = \$214
4. Multiply monthly cost by 12 = \$2,568 for annual savings

*Earning between 200 and 250% FPL; MCHP Premium, Tier 1*

1. Monthly cost of healthcare for one infant = \$214
2. Subtract MCHP Premium cost - \$40
3. Monthly savings = \$174
4. Multiply monthly savings by 12 = \$2,088

*Earning between 250 and 300% FPL; MCHP Premium, Tier 2*

1. Monthly cost of healthcare for one infant = \$214
2. Subtract MCHP Premium cost - \$50
3. Monthly savings = \$164
4. Multiply monthly savings by 12 = \$1,968

**One Adult, Two Teens**

*Earning less than 200% FPL*

1. Cost of healthcare for One Adult and Two Teenagers = \$423
2. Subtract cost of healthcare for One Adult, \$423 - \$174
3. Monthly cost of healthcare for two teenagers = \$249
4. Multiply monthly cost by 12 = \$2,988 for annual savings

*Earning between 200 and 250% FPL; MCHP Premium, Tier 1*

1. Monthly cost of healthcare for two teenagers = \$249
2. Subtract MCHP Premium cost- \$40
3. Monthly savings = \$209
4. Multiply monthly savings by 12 = \$2,508

*Earning between 250 and 300% FPL; MCHP Premium, Tier 2*

1. Monthly cost of healthcare for two teenagers = \$249
2. Subtract MCHP Premium cost - \$50
3. Monthly savings = \$199
4. Multiply monthly savings by 12 = \$2,388

**One Adult, Two Preschoolers**

*Earning less than 200% FPL*

1. Cost of healthcare for One Adult and Two Preschoolers = \$371
2. Subtract cost of healthcare for One Adult, \$371 - \$174
3. Monthly cost of healthcare for two preschoolers = \$197
4. Multiply monthly cost by 12 = \$2,364 for annual savings

*Earning between 200 and 250% FPL; MCHP Premium, Tier 1*

1. Monthly cost of healthcare for two preschoolers = \$197
2. Subtract MCHP Premium cost - \$40
3. Monthly savings = \$157
4. Multiply monthly savings by 12 = \$1,884

*Earning between 250 and 300% FPL; MCHP Premium, Tier 2*

1. Monthly cost of healthcare for two preschoolers = \$197
2. Subtract MCHP Premium cost - \$50
3. Monthly savings = \$147
4. Multiply monthly savings by 12 = \$1,764

Self-Sufficiency Standard for Maryland, 2007 Source: Center for Women's Welfare, University of Washington.  
For more information contact Dr. Diana Pearce at [pearce@u.washington.edu](mailto:pearce@u.washington.edu)

**Calculating Child Care Subsidy Rates**

1. Determined income level using COMAR 13A1406 and family size
2. Determined # of "units" of care needed
  - 1 unit = Less than 3 hours of care needed
  - 2 units = 3 to 6 hours of care needed
  - 3 units = 6 hours or more of care needed
3. Multiplied "Center Regular" copay by 52 (52 weeks in a year) to determine annual copay costs
4. Subtracted annual costs from costs of childcare as determined by Howard County Policy Analysis Center
5. The result is the savings

Two Adults, One Infant

*Income = \$15,080*

1. Income Level C
2. Assume infant is too young for Head Start and thus needs full day coverage, 3 units
3. "Center Regular" copay for Infants, 3 units, Level C = \$23.53  
 $\$23.53 \times 52 = \$1,223.56$
4. Annual childcare costs = \$11,280  
 $\$11,280 - \$1,223.56 = \sim\$10,056$
5. Total Savings =  $\sim\$10,056$

*Income = \$22,620*

1. Income Level H
2. Assume infant is too young for Head Start and thus needs full day coverage, 3 units
3. "Center Regular" copay for Infants, 3 units, Level H= \$81.45  
 $\$81.45 \times 52 = \$4,235.40$
4. Annual childcare costs= \$11,280  
 $\$11,280 - \$4,235.40 = \sim\$7,044$
5. Total Savings =  $\sim\$7,044$

One Adult, Two Preschoolers

*Income = \$7,540*

Eligible for TCA; Co-payment = \$0

*Income = \$15,080*

Eligible for TCA; Co-payment = \$0

*Income = \$11,310*

Eligible for TCA; Co-payment = \$0

*Income = \$19,240*

Eligible for TCA; Co-payment = \$0

*Income = \$23,400*

1. Income Level H
2. Assumes children are enrolled in Head Start for half of the day and thus each only needs half a day of coverage, 2 units
3. "Center Regular" copay = 1st child copay (\$43.32) + 2nd child copay (\$33.70) = \$77.02  
 $\$77.02 \times 52 = \$4,005.04$
4. Annual childcare costs = \$21,180  
 $\$21,180 - \$4,005.04 = \sim\$17,175$
5. Total Savings =  $\sim\$17,175$

*Income = \$27,560*

1. Income Level J
2. Assumes children are enrolled in Head Start for half of the day and thus each only needs half a day of coverage, 2 units
3. "Center Regular" copay = 1st child copay (\$48.14) + 2nd child copay (\$38.51) = \$86.65  
 $\$86.65 \times 52 = \$4,500.60$
4. Annual childcare costs = \$21,180  
 $\$21,180 - \$4,500.60 = \$16,679$
5. Total Savings =  $\sim\$16,679$

## GLOSSARY

**Working Poor Individuals:** Defined as individuals whose income falls between the FPL and the self-sufficiency standard for one adult in Howard County (\$10,830 – \$31,517).

**Working Poor Household:** Defined as households earning more than FPL for 2- or 3-person household and less than self-sufficiency wage for the household type (\$14,570 - \$72,000).

**Federal Poverty Level (FPL) or Federal Poverty Guidelines:** Developed in the 1960’s by an economist at the Social Security Administration. At its core was the “thrifty food budget,” the least costly of four nutritionally adequate food plans designed by the Department of Agriculture. According to the then-current expenditure patterns, families spent an average of one-third of their income on food. Thus, the basic food budget was multiplied by three to determine the Federal Poverty Level. Although the FPL does vary by family size and is updated annually for inflation, it does not account for the age of children or the geographic location of the family.

**Benefit Cliffs:** Significant losses of public benefits as a result of small increases in wages.

**Work Supports:** Government programs that are designed to encourage, support, and reward work. These include earned income tax credits, child care assistance, public health insurance coverage, and housing assistance.

**Human Capital:** The stock of competences, knowledge and personality attributes embodied in the ability to perform labor so as to produce economic value. It is the attributes gained by a worker through education and experience.

**Medicaid & Maryland Children’s Health Insurance Program (MCHP):** Medicaid provides means-tested health care for low-income adults and families. MCHP gives full health benefits for children up to age 19, whose parents’ earnings are over the Medicaid limit, but below state-specified thresholds.

**Child Care Subsidies:** Child care subsidies provided through the Child Care and Development Fund Block Grant

**Housing Choice Voucher Program (HCVP, formerly Section 8):** Provides vouchers for low-income individuals to rent safe, affordable housing in the marketplace.

**Tax Credits:** Federal and state Earned Income Tax Credits and the Making Work Pay Credit (expiring after 2010 tax year)  
**SNAP (formerly Food Stamps):** Nutrition assistance for low-income adults and families. SNAP provides a cash-equivalent for purchasing food.

**WIC (Women, Infants and Children):** Nutrition assistance for mothers and children. WIC provides food assistance to pregnant and nursing women and young children.

**Maryland Energy Assistance Program (MEAP):** Provides assistance with home heating bills. Payments are made to your utility company on your behalf. Under this program there is limited assistance available to replace broken or inefficient refrigerators and furnaces.

**Maryland Head Start Program:** The Head Start program (for children ages 3-5) and Early Head Start (for pregnant women, infants, and toddlers) promotes school readiness for children in low-income families by providing comprehensive educational, health, nutritional, and social services.

**Temporary Cash Assistance (TCA):** One of the components of the Family Investment Program, TCA provides cash assistance to needy families with dependent children when available resources do not fully address the family’s needs and while preparing participants for independence through work



