

HHS COMMITTEE #1  
July 2, 2009  
**Briefing**

**MEMORANDUM**

June 30, 2009

TO: Health and Human Services Committee

FROM: Vivian Yao, Legislative Analyst *VY*  
Linda McMillan, Senior Legislative Analyst *LM*

SUBJECT: Briefing: Commission for Women Report on Single Mothers and Poverty

Today the Health and Human Services (HHS) Committee will receive a briefing on the Montgomery County Commission for Women's recent report "Single Mothers and Poverty: Agenda for Action" at ©1-20. The action agenda recommends policy changes to help move low-income mothers and their families out of poverty.

Commissioner Tedi Osias with support from Executive Director Judith Vaughan-Prather from the Commission for Women will be presenting to the Committee. In addition Commissioners Leila Aridi Afas, Resa Levy and Wilma Holmes are expected to attend the meeting.

**HIGHLIGHTS**

According to the report at ©5, the Commission for Women created the Mothers and Poverty Committee (1) to understand why single mothers are significantly over-represented among the poor, (2) to identify services, program, and policies to address the needs of low-income single mothers, and (3) to advocate for the implementation of these services, programs, and policies.

Some highlights in the report include the following:

- **Demographic Information on Single Mothers in Montgomery County (©6):** In 2007, 13% of single mother and 17.3% of single mothers with young children in live in poverty. Council staff notes that the report defines poverty according to the federal poverty guidelines, (e.g., \$13,690 for a family of 2), see also ©13.

- **Coordinated, Comprehensive Approach Required (©12):** The goal of moving low-income mothers and their families out of poverty requires a coordinated system of services and comprehensive changes to policies, programs, and laws.
- **Policy Recommendations:** The report outlines policy recommendations in six categories: Education, Employment, Child Care, Income Supports, Health Care, and Housing. Some key recommendations particularly relevant to local government include the following:

***Education (©7)***

- Develop training programs for low-income women that provide access to jobs with better pay and benefits.
- Provide incentives and supports to allow low-income women to access four-year college degrees and pursue careers in science, technology, mathematics, and engineering.

***Employment (©7-9)***

- Enact legislation requiring all workers to have at least five days of paid sick leave per year.
- Encourage employers to allow flexible work schedules for all workers, regardless of income levels.

***Child Care (©9-10)***

- Modify child care subsidy programs to limit the amount that families spend on child care to 10% of their income and remove the child support cooperation requirement.
- Implement recommendations of the Montgomery County Universal Preschool Implementation Work Group to expand access to affordable, quality preschool programs for low-income families.

***Income Supports (10-11)***

- Conduct a public outreach campaign and require employers to inform eligible employees about the Earned Income Tax Credit.
- Provide sufficient funding for and improve enforcement of child support orders.

***Health Care (©11)***

- Until comprehensive, affordable health care for all is available, raise the income eligibility level for public health care to cover more people.
- Increase access to preventive health care and family planning services for low-income women.

***Housing (©11-12)***

- Increase the total amount of affordable housing in the County and the number of vouchers available in the Housing Choice Voucher program.
- Expand support service for low-income housing.

## **DISCUSSION ISSUES**

The Committee may want to discuss the following issues during this worksession:

### ***Data Trends***

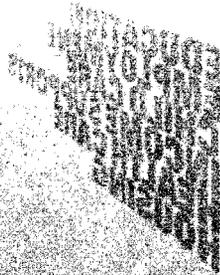
- Does census data collected by the Commission show any increase or decrease to the percentage and number of single mothers and single mothers with young children who are living in poverty from 2005 to 2007? Does the Commission have any thoughts about the extent to which current fiscal conditions are impacting the number and percentage of single mothers and single mothers with young children who are living in poverty?

### ***Next Steps***

- The report makes policy recommendations across local, state, and federal levels. What are the most important policy priorities for the Commission at the local government level?
- Has the Commission identified its next steps for moving its MAP action agenda forward in FY10 given current fiscal constraints?

# Single Mothers and Poverty

Agenda for Action



Montgomery County

**CFW**  
Commission  
for Women



**The Montgomery County Commission for Women** is a department of

Montgomery County Government with two primary mandates: advocacy and service. The 15-member Commission was created by county law in 1972 and is charged with the responsibility of advising

the public, the County Executive, and agencies of the county, state and federal governments on the issues of concern to women.

The purpose of the Commission is to advance women's equal and full participation in the benefits, responsibilities and opportunities of society. In achieving this mission, the Commission:

- Examines laws, policies, practices and procedures;
- Identifies disparities that impact women; and
- Advocates remedies on behalf of the women of Montgomery County.

The department also administers the Counseling and Career Center, providing services to those in our community struggling with difficult life crises and life transitions. The Center's services include:

- Personal, couples and career counseling;
- Classes, support groups and workshops;
- Information and referral;
- Legal information;
- Testing for career aptitude and interest, and for personality type;
- Professional training for licensed social workers and counselors.



## **Why *mothers* and poverty?**

Why not *people* and poverty, or *children* and poverty, or *fathers* and poverty? The answer lies in the disproportionate number of families in poverty that are headed by single mothers.

We on the Commission for Women were so struck by the data presented in our *2007 Report on the Status of Women in Montgomery County* that we decided to shine a spotlight on mothers in poverty, to draw attention to their plight and work toward policy changes that would benefit them and their children.

Obviously, not all single mothers are poor. Most single mothers face special challenges of managing a family on their own, and most are able to be successful. However, for mothers of low income, the challenges can be overwhelming and they, much more often than should be acceptable, find themselves and their children struggling against formidable obstacles.

Many factors contribute to the high rate of poverty among women, including unequal opportunities in education and employment, the high numbers of women who work in jobs that do not provide adequate wages and benefits, the time many women devote to unpaid family caregiving, domestic violence, lack of access to affordable child care, insufficient child support and an inadequate network of public benefits.

The lives of low-income single mothers can be a series of crises, a juggling act between untenable alternatives. Where to find safe, decent and affordable housing without spending so much of the family income on it that there's not enough left for food, or utilities, or sneakers? How to get a job that offers benefits? How to locate high-quality, affordable child care? How to navigate the bureaucracy of public benefits?

The picture is not relentlessly bleak, however. We have found programs that successfully launch single mothers into economic self-sufficiency. They share some characteristics, the most prominent of which is that they take a comprehensive approach to addressing the needs of the poor. Successful programs combine intensive, respectful guidance with support for education, child care, health care, and housing.

Many families are unable to lift themselves out of poverty without government support. Public policy should encourage work, but no family with a full-time worker should have to live in poverty. Policy changes that would ease the burden of poverty and enable hard-working single mothers to reap larger benefits from work include a living wage, pay equity, expanded family tax credits, paid sick leave and dependent care leave, and flexible work schedules so that those who have jobs can balance work and family needs.

This Agenda for Action highlights guiding principles and recommends policy that would help poor single mothers and their families. We urge policymakers at the local, state and federal level to focus on this vulnerable population and work to ease their path to economic self-sufficiency.

When a single mother leaves poverty, she takes her children with her. Isn't that what we all want?

**Regina L. Oldak, President**  
*Commission for Women*

**Tedi S. Osias, Commissioner and Chair,**  
*Mothers and Poverty Committee*

# Single Mothers and Poverty

## Guiding Principles



# Mothers and Poverty: Agenda for Action

## Part I: Introduction

The face of poverty is a woman's face, and much of the time it is a mother's face. This startling fact was apparent when the Montgomery County Commission for Women issued its decennial Report on the Status of Women in Montgomery County in June 2007. The Report found that:

- Families with incomes below the federal poverty line comprise only 3% of the county's population, but they account for 30% of families headed by a single woman with young children.
- Families headed by a single woman comprise 15% of county families, but they account for 47% of the county's families with incomes below the federal poverty line.

The Montgomery County Commission for Women (the Commission) created the Mothers and Poverty (MAP) Committee in July 2007 to concentrate on this issue. The goal of the MAP Committee's two-year work plan has been to contribute to change in the policies and programs that affect mothers in poverty. Specifically, its objectives have been:

- Understanding why single mothers are so over-represented among the poor;
- Identifying services, programs and policies to address the needs of single mothers living below the poverty level;
- Advocating the implementation of those services, programs and policies.

The MAP Committee began its work by hosting three public forums in the spring of 2008 to investigate the issues affecting low-income single mothers. Researchers, professors, advocates, service providers, service participants and other experts in the field spoke at these forums to help educate the public about the significance of the issues facing women with incomes below the poverty level and about successful strategies to better assist low-income single mothers and their families. Topics discussed in the *Dreams Deferred* forums included:

- Demographics of mothers with incomes below the poverty level;
- Challenges they confront; and
- Programs that have been effective in helping single mothers exit poverty and achieve economic self-sufficiency.

The Commission was also privileged to host a briefing by Kate Bell, Visiting Fellow at the Center for American Progress and Head of Policy and Research for One Parent Families (U.K.), a London-based nonprofit organization that works toward "a fairer society for all families, in which lone [single] parents and their children are not disadvantaged and do not suffer from poverty, isolation, or social exclusion." Attendees learned that in 1999, the U.K. committed itself to ending child poverty by 2020, with interim goals of cutting child poverty by one-quarter and one-half. This goal focused the attention of people in and out of government, established accountability for those developing and implementing the government's strategies, and has led to dramatic progress.<sup>1</sup>

Step two of the Commission's work is the development of this Agenda for Action, which sets up guide posts for policymakers to help single mothers escape poverty. Starting with the information presented in the forums, the MAP Committee examined, in more depth, data on women and poverty in Montgomery County, current policies, programs and best practices. The Committee identified issues that should be addressed in order to materially improve the circumstances of mothers with incomes below the federal poverty level.

### The Agenda is organized into six critical categories:

- **Education**
- **Employment** (including minimum wage, pay equity, paid sick leave/dependent care leave, and flexible work schedules)
- **Child Care**
- **Income Supports** (including the Earned Income Tax Credit and child support enforcement)
- **Health Care**
- **Housing**

The Commission concluded that only a comprehensive approach will achieve the goal of moving low-income mothers and their families out of poverty.

For each of these categories, the Agenda for Action examines the challenges facing single mothers with dependent children. It matches the challenges with program and policy recommendations for reducing poverty. MAP Committee members believe that the policies proposed here can help many single mothers lift themselves and their families out of poverty.

The effects of poverty endanger children's physical, emotional and educational wellbeing and threaten their ability to become economically self-sustaining adults. If we believe that children are our future, then it is our duty to ensure that children born to single mothers do not spend their formative years enduring the disadvantages wrought by poverty.

The information presented in this Agenda for Action was researched beginning in the winter of 2008. Some of the information reflects the conditions that existed prior to the recent national and global economic crisis. The information, therefore, may *underestimate* the severity of the circumstances facing low-income single mothers in Montgomery County today.

It is important to note that, unless otherwise stated, the term "poverty" used throughout this Agenda for Action refers to the *federal* poverty guidelines. As is well known, the cost of living in Montgomery County is one of the highest in the country. The federal poverty guidelines greatly underestimate the actual income needed to live self-sufficiently in an area as affluent as Montgomery County. Appendix 1 provides the current federal poverty guidelines.

The Montgomery County Commission for Women and its Mothers and Poverty Committee hope that the Agenda for Action will be a helpful and informative resource. If implemented, the recommendations can improve the lives of many single mothers and their families currently struggling to become self-sufficient. The Commission hopes that legislators and policymakers will implement these recommendations to help improve the lives of these most vulnerable members of our community.

## **Part II: A Quick Profile of Low-Income Single Mothers in Montgomery County**

### **In 2007:**

- Of 38,889 single mothers living in Montgomery County, 13% live in poverty.<sup>2</sup>
- 17.3% of single mothers with young children in Montgomery County live in poverty.<sup>2</sup>
- 57% of children whose families have incomes less than the federal poverty level in the county have a single mother.<sup>2</sup>
- The median income<sup>3</sup> for families living in Montgomery County is \$108,464. The median income of those families headed by a single mother is \$45,022, 58.5% less than the median income for the entire county.<sup>4</sup>

## **Part III: Guiding Principles for Policymakers, Agencies and Organizations Serving Low-Income Residents**

In addition to the issue-specific recommendations presented here, the Mothers and Poverty Committee has developed a list of overarching principles. The Commission recommends that policymakers, agencies and organizations apply these principles to their work on behalf of low-income women and their families.

- Focus on positive incentives rather than punitive measures.
- Take care of children, because what benefits children benefits parents.
- Ensure that all those eligible for public benefits receive them.
- Prevent loss of public benefits as a result of contradictory and inconsistent administrative requirements.
- Identify and use best practices as a model for new programs. (Two examples include the federal Family Self-Sufficiency Program and the Baltimore County Department of Social Services, Services to Pregnant and Parenting Adolescents Program.)
- Coordinate benefits and encourage collaboration among service providers and agencies.

## Part IV: Agenda for Action

### **EDUCATION**

Educational attainment determines life-long earnings, and a four-year college degree is one of the most effective paths out of poverty.<sup>5</sup>

#### *The Challenge*

- 62% of single women with incomes below the poverty level in Montgomery County have a high school diploma or less; 17% have a bachelor's degree or higher.<sup>6</sup>
- 69% of children in Maryland whose parents do not have a high school diploma are low-income (that is, family income is less than 200% of the federal poverty guidelines).<sup>7</sup>
- 20% of women who gave birth in 2007 in Montgomery County were unmarried, and 63% of them had earned a high school diploma or less.<sup>8</sup>
- 9% of female professionals work in the high-paying computer (\$1,229 per week) and engineering (\$1,213 per week) fields; 43% of male professionals work in these fields.<sup>9</sup>

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#### **POLICY RECOMMENDATIONS:**

- Provide incentives and supports for low-income girls to earn four-year college degrees.
- Establish incentives and programs to encourage and support girls to pursue careers in science, technology, mathematics and engineering.
- Develop training programs specifically for low-income women to help them escape occupational ghettos and access better jobs with better pay and benefits.
- Change the Temporary Assistance for Needy Families (TANF) and Unemployment Insurance work requirements to include education and training.
- Create an incentive program for TANF recipients to pursue education or vocational training.
- Train teachers to emphasize to their students that educational achievement is the best way to avoid poverty.

### **EMPLOYMENT**

Employment is essential to ending the intergenerational transmission of poverty. Minimum wage, pay equity, paid sick leave/dependent care leave, flexible work schedules and child care are all critical components of a family's economic security.<sup>10</sup>

#### **MINIMUM WAGE**

#### *The Challenge*

- The minimum wage of \$6.55/hour in 2008 translated to an annual income of approximately \$13,624 for a full-time worker – less than 13% of the median family income in Montgomery County.<sup>11</sup>
- When the minimum wage increased to \$7.25 in 2009, 61% of those directly affected were women.<sup>12</sup>
- While the cost of living in the United States has risen by 32% since 1997, the minimum wage has gone down in real value.<sup>12</sup>

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#### **POLICY RECOMMENDATIONS:**

- Increase the minimum wage to a *living wage*.
- Index the minimum wage to reflect annual changes in the cost of living.

## **PAY EQUITY**

### *The Challenge*

- In Montgomery County, the median income for women is 71 cents for every dollar that men earn.<sup>13</sup>
- Women at every educational level earn less than their male counterparts who have the same educational attainment. In Montgomery County, the median incomes for men and women with different levels of education are:
  - Less than high school graduate:
    - Men - \$28,146
    - Women - \$15,910 (57%)
  - High school graduate:
    - Men - \$33,595
    - Women - \$24,698 (74%)
  - Some college or associate's degree:
    - Men - \$48,001
    - Women - \$39,475 (82%)
  - Bachelor's degree:
    - Men - \$72,156
    - Women - \$48,111 (67%)
  - Graduate or professional degree:
    - Men - \$100,000+
    - Women - \$68,469 (68%)<sup>13</sup>

### ***POLICY RECOMMENDATIONS:***

- Implement the recommendations of the Maryland Pay Equity Commission.<sup>14</sup>
- Implement the legislation passed in 2008 that requires Maryland employers to report salaries by gender, position and race/ethnicity (where the employee has chosen to reveal race/ethnicity).<sup>15</sup>

## **PAID SICK LEAVE/ DEPENDENT CARE LEAVE**

### *The Challenge*

- In the United States, 75% of women with incomes below the poverty level do not have paid leave to care for a sick child.<sup>16</sup>
- In 2008, Maryland enacted legislation that allows workers to use paid sick leave to care for sick dependents.<sup>17</sup> However, 48% of Maryland workers have no paid sick leave at all,<sup>18</sup> so the law will be meaningless to nearly half of all workers in the state.
- 56% of private sector workers earning less than \$15/hour in the United States do not have access to paid sick leave.<sup>19</sup>
- The federal Family and Medical Leave Act (FMLA) provides up to 12 weeks of unpaid leave for employees to care for a newborn or newly adopted child or for a serious medical condition of their own or of a family member. However, the FMLA only applies to employers with 50 or more employees. Smaller companies employ 40% of all workers who thus have no access to FMLA benefits.<sup>20</sup> In Montgomery County, there are approximately 253,248 workers who are employed by smaller companies not covered by the FMLA.<sup>21</sup> In addition, most low-income workers would find it untenable to lose 12 weeks of pay.
- Lack of paid sick leave is a barrier to job security, especially for low-income women.

## ***POLICY RECOMMENDATIONS:***

- Enact legislation requiring that all workers have at least five days of paid sick leave per year.
- Expand Family and Medical Leave Act (FMLA) coverage to all workers.
- Enact legislation to provide paid leave under FMLA.

## **FLEXIBLE WORK SCHEDULES**

### ***The Challenge***

- Alternative work arrangements rank at the top of the list of work-life programs that effectively reduce unplanned absences from work.<sup>22</sup>
- While flextime is available to only 31% of working parents with incomes less than \$28,000, it is available to 62% of workers with annual incomes of more than \$71,000.<sup>23</sup>

## ***POLICY RECOMMENDATIONS:***

Encourage employers to allow flexible work schedules for all workers, regardless of income level.

## **CHILD CARE**

**Child care helps children, families, and communities prosper. But for many families – especially low-income families – high-quality child care is unaffordable or unavailable.<sup>24</sup>**

### ***The Challenge***

- 71% of children in Montgomery County have mothers who are employed outside the home. For the children of single mothers, that figure increases to 88%.<sup>25</sup>
- Single mothers of young children who receive child care assistance are 40% more likely to remain employed after two years.<sup>26</sup>
- More than 1,324 four-year-old children in Montgomery County who are eligible to receive publicly funded preschool services, do not, and both public and private child care providers in Montgomery County are at or above capacity, many with wait lists.<sup>27</sup>
- 80% of afterschool programs in Maryland operated at or above maximum capacity during the 2005/2006 school year.<sup>28</sup>
- Maryland's afterschool programs are serving a high-need population with over half reporting that more than three in five students qualify for free or reduced price lunches.<sup>28</sup>
- While the federal Child and Dependent Care Tax Credit helps many parents afford child care, lower income families often receive little or none of its benefits.<sup>29</sup>
- The level of co-payment required of participants in the Working Parent Assistance Program (a county child care subsidy program) may be oppressive for many low-income families. Even with subsidies, families must spend a significant portion of their income on licensed child care. Some single parent families may pay as much as 36% of their income for child care, leaving far too little for other essential expenses, including housing, food and transportation.<sup>30</sup>
- Maryland is one of 14 states that require applicants for the child care subsidy program to first apply for child support through the child support enforcement agency. Such requirements can be unduly burdensome and intimidating and may discourage some parents from seeking benefits for which they are eligible and for which they have need. As a result, children may be left in less than satisfactory care.<sup>31</sup>
- As family income increases, child care subsidies are often removed, to the detriment of the family's economic security.

Child care helps children, families, and communities prosper. But for many families – especially low-income families – high-quality child care is unaffordable or unavailable.<sup>24</sup>

### ***POLICY RECOMMENDATIONS:***

- Modify child care subsidy programs so that an eligible family is required to spend no more than 10% of its income for child care.
- Support the federal Family Tax Relief Act of 2009 (S. 997) which would improve the federal Child and Dependent Care Tax Credit for many low- and moderate – income families.
- Implement the recommendations of the Montgomery County Universal Preschool Implementation Work Group to expand the availability and enhance the quality of affordable preschool programs for families of low income.
- Remove the child support cooperation requirement from Montgomery County’s child care subsidy program.
- Provide tax credits or other incentives to encourage the business community to provide child care benefits.

### **INCOME SUPPORTS**

**Income supports help alleviate hardship for struggling women with families. The Earned Income Tax Credit (EITC) is the federal government’s most effective anti-poverty program.<sup>32</sup> It rewards work, leads to greater labor force participation, and partially mitigates the impact of other taxes on low-income workers. Child support is also a vital source of income for single mothers and children, who need and deserve support from both parents. Millions of children nationally rely on the federal-state program to collect the child support they are owed.<sup>33</sup>**

### **EARNED INCOME TAX CREDIT**

#### ***The Challenge***

- Many workers who are eligible for the EITC are not aware of it.
- 35.8% of eligible workers do not know about the EITC.<sup>34</sup>
- Only 43.2% of eligible workers receive the credit.<sup>34</sup>
- 26.5% of eligible workers with less than a high school education have ever received the credit.<sup>34</sup>

### ***POLICY RECOMMENDATIONS:***

- Conduct a public outreach campaign to inform eligible workers about the EITC.
- Require employers to inform eligible employees of the EITC.

### **CHILD SUPPORT**

#### ***The Challenge***

- 33.5% of the child support owed in Montgomery County in FY 2008 was not collected.<sup>35</sup>
- Maryland child support guidelines are based on estimates of child rearing costs established in 1972 – 73, indexed to 1988 levels. The median income for Maryland is the highest in the U.S., yet the guideline amounts for child support awards rank 40th in the nation.<sup>36</sup>
- The recently-passed federal American Recovery and Reinvestment Act (ARRA) of 2009 will help protect child support enforcement services for over 17 million children and their single parents, mostly mothers, by restoring, through September 30, 2010, federal funds cut from the child support enforcement program in 2005. In addition to costing custodial parents and their children \$1 billion a year or more in uncollected child support and forcing states to cut back on the services they provide, the 2005 cuts threatened state options for distributing collections to the family rather than to the government to reimburse welfare costs.<sup>37</sup>

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### ***POLICY RECOMMENDATIONS:***

- Make the ARRA restoration of federal funding for child support enforcement permanent.
- Provide sufficient funding for and improve enforcement of child support orders.
- Reform and update child support guidelines – including updating the underlying economic estimates of child rearing costs, income guidelines, and necessary self-sufficiency reserves – so that Maryland is a leader among states in both awarding and collecting child support.
- Deliver all of the child support paid by non-custodial parents of children receiving public assistance to the family rather than to the government to reimburse costs of public assistance, as is currently required.

### **HEALTH CARE**

**Because of their greater health care needs and lower income, more women than men are “underinsured.” “Women are also more likely than men to delay or forgo necessary care due to prohibitive costs which leads to greater health care costs later in life.”<sup>38</sup>**

#### ***The Challenge***

- 33.2% of those with incomes below the federal poverty level in Maryland are uninsured.<sup>39</sup>
- 21% of unmarried women in Montgomery County have no health insurance.<sup>40</sup>
- 15.7% of women below the age of 65 in Montgomery County have no health insurance.<sup>41</sup>
- 24% of children whose families have incomes below the federal poverty level in Maryland and 21% of children whose families have incomes near the federal poverty level (100-199% of the federal poverty guidelines) are uninsured.<sup>42</sup>
- 90,000 children eligible for state-funded public health care programs in Maryland, such as MCHIP, are not enrolled.<sup>43</sup>
- Maryland’s Medicaid family planning program extends coverage only to women who would otherwise lose full Medicaid coverage after giving birth.<sup>44</sup>
- As a family’s income increases, the family can lose public health care coverage regardless of whether it qualifies for employer-provided insurance or is able to afford to purchase coverage on its own.

Because of their greater health care needs and lower income, more women than men are “underinsured.” “Women are also more likely than men to delay or forgo necessary care due to prohibitive costs which leads to greater health care costs later in life.”<sup>38</sup>

### ***POLICY RECOMMENDATIONS:***

- Provide comprehensive, affordable health care for all.
- Maryland should expand access to critical preventive health care – including family planning – for thousands of low-income women by adopting a program with eligibility standards based solely on income.
- Until comprehensive, affordable health care for all is available:
  - Raise the income eligibility level for public health care so that more people are covered.
  - Ensure that Medicaid coverage is of the same quality and provides the same coverage as insurance provided by major medical insurance providers.
  - Ensure that all families who are eligible for Medicaid or MCHIP receive it.

### **HOUSING**

Stable housing is the foundation enabling families to benefit from services and programs. Using the generally accepted standard that a family should pay no more than 30% of its income for rent and utilities, housing in Montgomery County and throughout the country is unaffordable for workers earning the minimum wage.<sup>45</sup>

### *The Challenge*

As of March 2009 16,641 households were on the waiting list for the Housing Choice Voucher Program in Montgomery County.<sup>46</sup>

In Montgomery County in 2008:

- 72% of the households applying for Public Housing had a female head of household.
- 70% of those applying for Public Housing were single.
- 74% of those applying for the Housing Choice Voucher Program were single.<sup>47</sup>
- The annual income needed to pay the fair market rent in Montgomery County is \$52,960 for a two-bedroom home and \$68,320 for a three-bedroom home.<sup>48</sup> The median income for female-headed households in the county is \$45,022.<sup>49</sup>
- Affordability is generally defined as a family spending no more than 30% of its income on housing. In Montgomery County, the percentage of the annual 2008 median individual income (\$99,000) needed to pay for a home at the fair market rent is:
  - 47% of income for a one-bedroom home.
  - 53% of income for a two-bedroom home.
  - 69% of income for a three-bedroom home.
  - 90% of income for a four-bedroom home.<sup>50</sup>

Stable housing is the foundation enabling families to benefit from services and programs. Using the generally accepted standard that a family should pay no more than 30% of its income for rent and utilities, housing in Montgomery County and throughout the country is unaffordable for workers earning the minimum wage.<sup>45</sup>

In 2004, the latest year for which this statistic is available, households in Montgomery County earning less than \$50,000 could only afford 1% of the homes sold that year.<sup>51</sup> The median family income for a single female-headed household with children that year was \$46,474.<sup>52</sup>

Nationally, women are over-represented in the subprime housing market and are 32% more likely to receive subprime mortgages than men, even though their average credit scores are equal to or slightly better than men's.<sup>53</sup> This puts women at greater risk of rising and unaffordable mortgage payments and foreclosure.

### ***POLICY RECOMMENDATIONS:***

- Increase the number of vouchers available in the Housing Choice Voucher program.
- Increase the number of authorized participants in the federal Family Self-Sufficiency Program (administered in Montgomery County by the Housing Opportunities Commission).
- Expand support services for low-income housing.
- Increase the total amount of affordable housing, including rental housing.
- Explore the feasibility of developing alternative initiatives such as programs that might facilitate arrangements for single-mother families to share housing.

### **Putting the Agenda Into Action**

Over the two years that the Commission for Women has studied this issue, it has become clear to us that only a comprehensive approach will achieve the goal of moving low-income mothers and their families out of poverty.

It can't be done piecemeal. It can't be accomplished by any one agency or organization. It will require a well-coordinated system of services and changes to policies, programs and laws. Above all, it will take a commitment, a determination to end the poverty that so many single mothers and their children endure.

We hope that this Agenda for Action will serve as a guide for advocates, service providers, legislators, policymakers and administrators. It is intended to map our way toward the elimination of poverty among this most vulnerable population – our community's single female-headed families with young children.

## **Appendix 1 – Federal Poverty Guidelines**

### **2007 Health and Human Services Poverty Guidelines<sup>54</sup>**

<b>Persons in Family or Household</b>	<b>48 Contiguous States and D.C.</b>	<b>Alaska</b>	<b>Hawaii</b>
1	\$10,210	\$12,770	\$11,750
2	\$13,690	\$17,120	\$15,750
3	\$17,170	\$21,470	\$19,750
4	\$20,650	\$25,820	\$23,750
5	\$24,130	\$30,170	\$27,750
6	\$27,610	\$34,520	\$31,750
7	\$31,090	\$38,870	\$35,750
8	\$34,570	\$43,220	\$39,750
For each additional person, add	\$3,480	\$4,350	\$4,000

### **2008 Health and Human Services Poverty Guidelines<sup>55</sup>**

<b>Persons in Family or Household</b>	<b>48 Contiguous States and D.C.</b>	<b>Alaska</b>	<b>Hawaii</b>
1	\$10,400	\$13,000	\$11,960
2	\$14,000	\$17,500	\$16,100
3	\$17,600	\$22,000	\$20,240
4	\$21,200	\$26,500	\$24,380
5	\$24,800	\$31,000	\$28,520
6	\$28,400	\$35,500	\$32,660
7	\$32,000	\$40,000	\$36,800
8	\$35,600	\$44,500	\$40,940
For each additional person, add	\$3,600	\$4,500	\$4,140

## **Appendix 2 – Income Thresholds for Maryland State Health Care**

The Maryland Children’s Health Program is available to children whose family income is less than 200% of the federal poverty line and pregnant/post-partum women whose incomes are less than 250% of the poverty line. The Maryland Children’s Health Program Premium is available to children whose incomes are 200%-300% of the poverty line.<sup>56</sup>

### **Medical Assistance in Maryland<sup>57</sup>**

*Effective March 1, 2009*

<b>Household Size</b>	<b>Monthly Income Limit</b>	<b>Annual Income Limit</b>
1	\$1,100	\$12,600
2	\$1,400	\$16,900
3	\$1,800	\$21,200
4	\$2,100	\$25,600
5	\$2,500	\$29,900
6	\$2,900	\$34,300

### **Maryland Children’s Health Program<sup>58</sup>**

*Maximum Family Income Limit, Effective March 1, 2009*

<b>Family Size</b>	<b>Children</b>	<b>Pregnant Women (family size includes unborn child)</b>
1	\$21,660	
2	\$29,140	\$36,425
3	\$36,620	\$45,775
4	\$44,100	\$55,125
5	\$51,580	\$64,475
For each additional family member add	\$7,480	\$9,350

### **Maryland Children’s Health Program PREMIUM<sup>58</sup>**

*Maximum Family Income Limit, Effective March 1, 2009*

<b>Family Size</b>	<b>Children Above 200% through 250% FPL</b>	<b>Children Above 250% through 300% FPL</b>
1	\$27,075	\$32,490
2	\$36,425	\$43,710
3	\$45,775	\$54,930
4	\$55,125	\$66,150
5	\$64,475	\$77,370
For each additional family member add	\$9,350	\$11,220

## **Appendix 3 – The Earned Income Tax Credit (EITC)**

### **Federal Earned Income Tax Credit**

*Tax filers with adjusted gross income less than the following qualified for the federal EITC in tax year 2008:*

- \$38,646 (or \$41,646 if married filing jointly) with two or more qualifying children
- \$33,995 (or \$36,995 if married filing jointly) with one qualifying child
- \$12,880 (or \$15,880 if married filing jointly) with no qualifying children<sup>59</sup>

### **Maryland Earned Income Tax Credit**

*“The Earned Income Tax Credit is perhaps one of the greatest tools low-income residents have at their disposal to improve their quality of life, pay for much needed projects, pay down debt or to begin to save and accumulate wealth for their future.”*

*– Governor Martin O’Malley<sup>60</sup>*

Twenty three states and the District of Columbia have built on the federal framework by enacting their own versions of the EITC.<sup>61</sup> Maryland offers its own EITC at 50% of the federal credit, and recently expanded the refundable portion from 20 percent to 25 percent and extended the credit to filers without qualifying children, including low-income non-custodial parents.<sup>62</sup>

In 1999, Montgomery County was the first local jurisdiction in the nation to introduce a Refundable Earned Income Credit (EIC). The County’s EIC program is patterned after the Maryland State program and generally matches the State Refundable EIC dollar-for-dollar.<sup>63</sup>

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The Montgomery County Commission for Women was created in law by the Montgomery County Council in 1972. The Commission is both an advisory board and a department of the Montgomery County Government. The advisory board, comprised of 15 members appointed by the County Executive and confirmed by the County Council, identifies inequities in laws, policies, practices and procedures, recommends and promotes remedies, conducts research, and provides education on women's issues in the community.

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