



## **Faces of Poverty 2018 Montgomery County, MD**

The Montgomery County Community Action Board

The Community Action Board (CAB), the County's federally designated antipoverty group, advises the County about poverty and the needs of low-income people. CAB provides oversight for the Community Action Agency's federal grants and the agency's services.

### **Montgomery County at a Glance**

- Over 1 million residents (ACS)
- The highest population density in the state behind Baltimore City (MDP)
- Between 2010 and 2013, the County saw the largest increase in overall population in Maryland (an increase of 44,900 residents) (MDP)

### **Demographics**

- The County's population is 18.3% African American, 14.8% Asian, 19.1% Hispanic or Latino, and 44.5% white (non-Hispanic or Latino) (ACS)
- 41% of County residents age 5 and older speak a language other than English and 34.1% of these residents say they speak English "less than very well" (ACS)
- 39% of the of the 920,418 Maryland residents who speak a language other than English live in Montgomery County (CountyStat)
- 33% of residents were born outside of the United States (ACS)



### **Poverty in Montgomery County**

- 6.7% of the population lives (or 69,755 people live) below the Federal Poverty Line (ACS)
- 17.7% of the population lives (or 183,091 people live) below 200% of the Federal Poverty Line (ACS)
- Among families, 16.3% of female-headed households and 23.6% of female-headed households with related children under age 18 live in poverty (ACS)
- Female-headed households comprise 63.8% of families with children under 18, living in poverty (ACS)
- 51.4% of residents living in poverty (age 5 or older) speak a language other than English at home (ACS)

### **Children**

- The poverty rate for children in the County is 8.2% or 19,952 children (ACS)
- 30,666 children under age 6 (39%) live below 300% of the Federal Poverty Level (ACS)
- 55,027 children in Montgomery County Public Schools (approximately 34.5% of all students) qualify for the Free and Reduced Meals Program and over 82% of those students qualify for *free meals* (MSDE)

### **Seniors**

- The number of seniors (age 65+) is projected to more than double between 2010 and 2040, from 120,000 to 244,000 (Aging)
- 26% of seniors (age 65+) live below 300% of the poverty level (ACS)
- 54.8% of senior renters (age 65+) and 28.3% of senior homeowners (age 65+) are “housing burdened” – spending 30% or more on income on housing costs (ACS)



### Self-Sufficiency in Montgomery County

- According to the 2016 Self-Sufficiency Standard, it costs about \$91,200 for a four-person family with two working parents, a preschooler and a school-age child, to afford the basic necessities in the County, over **three times** the Federal Poverty Level <sup>(SSS)</sup>
- The Montgomery County Self-Sufficiency wage is the highest in the state and also higher than in large metropolitan areas such as San Francisco, Los Angeles, and Philadelphia <sup>(SSS)</sup>

### Poverty vs. Self-Sufficiency

- The Federal Poverty guidelines are based on the total number of people in a household, regardless of age, while the Self-Sufficiency Standard takes into account the number of adults and children in a household and the age of the household members <sup>(USDHHS and SSS)</sup>
- The Federal Poverty Level is the same for all 48 contiguous states. The Self-Sufficiency Standard is based on the cost of living in a specific area <sup>(USDHHS and SSS)</sup>

|                                                | <b>1 single adult<br/>(annual<br/>household<br/>income)</b> | <b>1 adult + 1 infant<br/>+ 1 preschooler<br/>(annual<br/>household<br/>income)</b> | <b>2 adults + 1<br/>preschooler + 1<br/>school-age child<br/>(annual<br/>household<br/>income)</b> | <b>2 adults + 1<br/>infant + 1<br/>preschooler + 1<br/>teenager (annual<br/>household<br/>income)</b> |
|------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>2017 Federal<br/>Poverty Level</b>          | \$12,060                                                    | \$20,420                                                                            | \$24,600                                                                                           | \$28,780                                                                                              |
| <b>New County<br/>Minimum<br/>Wage*</b>        | \$23,920                                                    | \$23,920                                                                            | \$47,840                                                                                           | \$47,840                                                                                              |
| <b>2016 Self-<br/>Sufficiency<br/>Standard</b> | \$37,807                                                    | \$103,322                                                                           | \$91,252                                                                                           | \$120,068                                                                                             |

\*The County's minimum wage increased to \$11.50/hour on July 1, 2017. The annual income listed here is based on an average work year consisting of 2,080 hours.



### **Earned Income Tax Credit**

- 55,526 County households received the Federal Earned Income Tax Credit in TY 2013 totaling over \$122 million in EITC (Brookings)
- It is estimated that in Montgomery County, between \$13.5 million and \$34.5 million in federal and Maryland EITC remain unclaimed (MD CASH)
- Approximately 33,914 EITC filers used paid tax preparers in TY 2013 (MD CASH)

### **Household Wealth & Financial Access**

- Asset poverty: 18.2% of Montgomery households are without sufficient net worth to subsist at the poverty level for three months in the absence of income (PN)
- Liquid Asset Poverty: 24.1% of households are without sufficient liquid assets to subsist at the poverty level for three months in the absence of income (PN)
- Zero Net Worth: 13% of households have zero or negative net worth (PN)
- Underbanked: 16.1% of households with a checking and/or a savings account have used alternative financial services in the past 12 months (PN)

### **Food/Hunger**

- 7% of the County's population is food insecure (70,780 people) (FSSP)
- In total, more children in Montgomery County (33,000 children or 13.9%) are food insecure than any other County in the state (FSSP)
- 9,078 of the 52,433 seniors in Maryland who qualify for food assistance but are not receiving it live in Montgomery County. After Baltimore City, Montgomery County has the most seniors who are eligible but not enrolled in the Food Supplement Program. (MHS)
- As of April 2017, there were 29,660 SNAP recipients in the County (County DHHS)



## Housing

- Housing burden:
  - 24.5% of homeowners spend 30% or more of their income on housing (ASC)
  - 47.8% of renters spend 30% or more of their income on housing (ASC)
  - 80% of County households with incomes less than \$35,000 spend more than 30% of their income on housing alone (ASC)
- According to the 2016 Point-In-Time Survey, there were 981 “literally homeless” people in the County (MWCOC)
- In January 2017:
  - 1,757 households received a Rental Assistance Program subsidy and 2,049 applicants were on the program’s waiting list (County DHHS)
  - 201 households received Emergency Services grants to prevent eviction or homelessness (County DHHS)
  - 30 families served in family shelters and 32 families were on the waiting list (County DHHS)

## Child Care

- Child care costs in the County are the highest in the state. In Montgomery County:
  - The average annual cost for *infant care at a family child care* program is **\$13,302** and **\$18,913** at a *child care center* (MDFN)
  - The average annual cost for *care of a young child age 2 – 4 at a family child care program* is **\$11,615** and **\$13,774** at a *child care center* (MDFN)
- For a family of four with two parents, one infant and one preschooler, 21.5% of median income is spent on child care costs on average (MDFN)
- There are 44 *potentially eligible* children for every child receiving a subsidy through the Working Parents Assistance Program (OLO)

## References

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<http://www.montgomerycountymd.gov/hhs/>
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- Office of Legislative Oversight Report, *Child Care in Montgomery County* (OLO)  
[http://www.montgomerycountymd.gov/OLO/Resources/Files/2015\\_Reports/Report2016-3ChildCare.pdf](http://www.montgomerycountymd.gov/OLO/Resources/Files/2015_Reports/Report2016-3ChildCare.pdf)
- Prosperity Now Scorecard (PN) <http://scorecard.prosperitynow.org/>
- United States Department of Health and Human Services Federal Poverty Guidelines (USDHHS)  
<https://aspe.hhs.gov/poverty-guidelines>



**The Montgomery County Community Action Agency**

Department of Health and Human Services, Office of Community Affairs

The Montgomery County Community Action Agency seeks to reduce poverty and improve the self-sufficiency of low-income residents. Community Action manages \$5 million in federal and state Head Start and Community Services Block Grant funding. The agency provides comprehensive early childhood services through Head Start, delivers social services at the Takoma-East Silver Spring (TESS) Community Action Center, and increases asset development through its Volunteer Income Tax Assistance (VITA) partnership. Throughout the County, nonprofits with contracts monitored by CAA staff – totaling over \$3 million – deliver emergency food, clothing, and social services; legal assistance; employment training; and education to Montgomery County's diverse low-income residents and facilitate community engagement.

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