



IWPR R559

October 2018

Basic Economic Security in Maryland: How Much Income Do Working Adults Need?

Economic security is a critical part of the overall health and well-being of Maryland's women, men, and children. To have economic security, working adults must have enough income to meet their basic monthly expenses—such as housing, food, transportation, and child care expenses—and save for emergencies and retirement. The Basic Economic Security Tables (BEST) Index provides a measure of how much income working adults of different family types need to be economically secure.¹

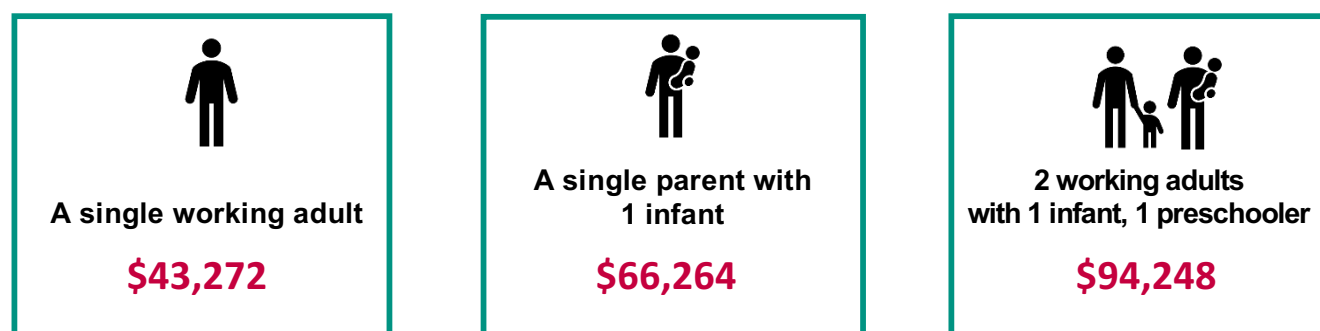
This measure of economic security is a resource for addressing the needs of economically vulnerable populations, including survivors of intimate partner violence who are seeking independence from an abusive partner. In Maryland, 38 percent of women aged 18 and older report having experienced sexual violence, physical violence, and/or stalking by a partner at some point in their lifetime.² Research indicates that intimate partner violence has short- and long-term economic consequences for survivors,³ and many survivors report staying with their abuser longer for economic reasons.⁴ BEST data can help practitioners working with survivors and other clients to identify significant areas of financial need for them and benchmark progress in achieving improved economic security.

This fact sheet presents new state-level BEST data calculated by the Institute for Women's Policy Research. BEST data for many more family types than shown here are available at <http://www.basiceconomicsecurity.org/>.

Economic Security Snapshot

- Only 69 percent of Maryland's working women and men (aged 19–64) are economically secure, meaning their family household income is enough to meet monthly basic expenses and reach modest asset development goals. Maryland ranks 25th among the 50 states and the District of Columbia for its share of working adults with economic security.⁵

Amount of income working adults with employment benefits need for basic economic security in Maryland...



For Working People with Employment-Based Benefits

- In Maryland, a single working adult with employment-based benefits (including health insurance and a retirement plan) needs an hourly wage of \$20.49 for full-time work (defined as 176 hours per month) to have basic economic security from earned income (see Table 1), well above the state minimum wage of \$10.10.⁶ Working single adults with benefits need an income that amounts to \$3,606 per month or \$43,272 per year.
- A working adult with one preschooler and one schoolchild needs an hourly wage of \$36.62, or an income of \$6,445 per month or \$77,340 per year, to be economically secure (Table 1).

For Working People without Employment-Based Benefits

Working adults without employment-based benefits need a higher income to have basic economic security. Without benefits, workers need to pay for health insurance and save for retirement on their own.⁷

- In Maryland, a single working adult without benefits needs an hourly wage of \$22.59 for full-time work, or an income of \$3,975 per month or \$47,700 per year, to be economically secure.

Table 1. Amount of Income Needed for Maryland Working Adults with Employment-based Benefits to be Economically Secure, Selected Family Types, 2016

Monthly Expenses and Wages Needed	1 Working Adult	1 Working Adult, 1 Infant	1 Working Adult, 1 Preschooler, 1 Schoolchild	2 Working Adults	2 Working Adults, 1 Preschooler, 1 Schoolchild
Housing and Utilities	\$1,123	\$1,258	\$1,258	\$1,123	\$1,258
Food	\$267	\$381	\$581	\$489	\$776
Transportation	\$493	\$541	\$541	\$974	\$1,022
Child Care	\$0	\$841	\$1,088	\$0	\$1,088
Personal & Household Items	\$513	\$605	\$679	\$595	\$751
Health Care	\$200	\$418	\$617	\$456	\$671
Emergency Savings	\$136	\$270	\$334	\$177	\$278
Retirement Savings	\$109	\$109	\$109	\$109	\$109
Taxes	\$765	\$1,194	\$1,417	\$851	\$1,511
Tax Credits	\$0	-\$95	-\$179	\$0	-\$180
Monthly Total (per Worker)	\$3,606	\$5,522	\$6,445	\$2,387	\$3,642
Annual Total (per Worker)	\$43,272	\$66,264	\$77,340	\$57,288	\$87,408
Hourly Wages (per Worker)	\$20.49	\$31.38	\$36.62	\$13.56	\$20.69
Additional Asset Building Savings (per month)					
Children's Higher Education	\$0	\$115	\$231	\$0	\$231
Homeownership	\$181	\$235	\$235	\$181	\$235

Notes: "Benefits" include employment-based health insurance and retirement plans. Infants are aged 0–12 months, preschool children are 13 months–4 years, and schoolchildren are 5–12 years. Hourly wages are for 176 hours per month. Source: IWPR compilation of data from the Basic Economic Security Tables available at www.basiceconomicsecurity.org.

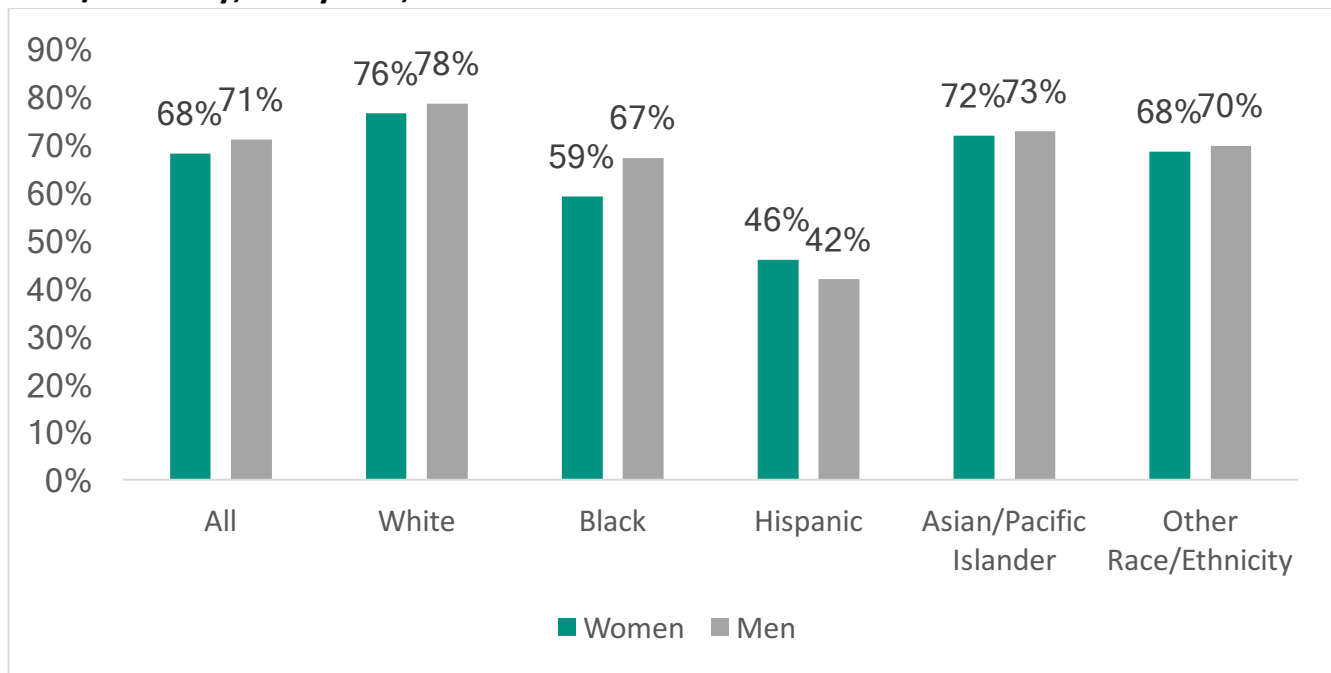
- A working adult with a preschool and school-aged child who does not have employment-based benefits needs to be paid \$38.04 per hour for full-time work, which amounts to \$6,695 per month or \$80,340 per year, for basic economic security.

The BEST Index shows that living above the federal poverty threshold is not necessarily enough for basic economic security. In 2017, the federal poverty line for a single adult under age 65 was \$12,752 (\$30,520 less than the \$43,272 income a working single adult in Maryland needs for economic security) and \$19,479 for a household of three with two children under age 18 (\$57,591 less than the \$77,340 income a working adult with a preschooler and school-age child needs to be economically secure).⁸

Family Households Headed by Working Women and People of Color are Less Likely to Have Basic Economic Security

- Among working women from the racial and ethnic groups shown in Figure 1, White women are the most likely to live with economic security (76 percent; Figure 1).
- Hispanic women are the least likely to have economic security (46 percent).

Figure 1. Percent of Working Adults Living with Economic Security by Gender and Race/Ethnicity, Maryland, 2016



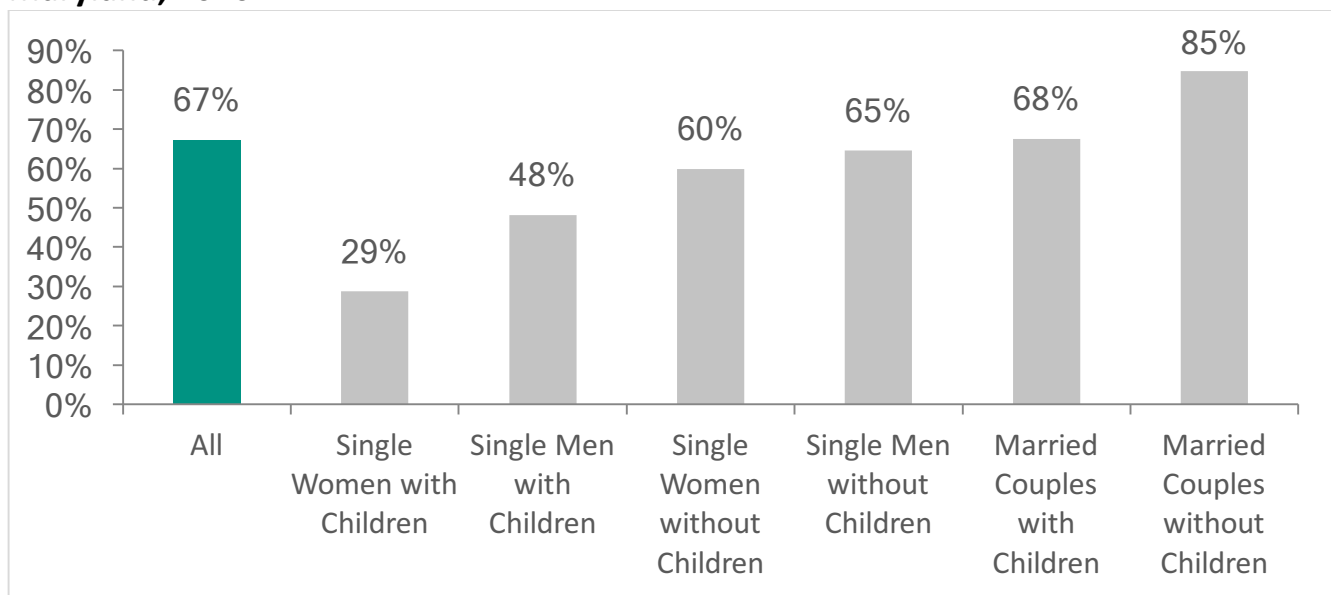
Notes: Includes working adults aged 19–64. Racial groups are non-Hispanic.

Sources: IWPR analysis of five years (2012–2016) of data from American Community Survey (Integrated Public Use Microdata Series, Version 7.0) and the Basic Economic Security Tables Index.

Families with Single Working Mothers are the Least Likely Family Household Type to Have Economic Security

- Only 29 percent of family households headed by single mothers in Maryland live with family incomes above the BEST Index for their family type (Figure 2). Forty-eight percent of family households headed by single fathers have incomes that provide economic security.
- Family households headed by Married Couples without Children are the most likely to be economically secure. Eighty-five percent have incomes above the BEST Index economic security threshold for their household type.

Figure 2. Percent of Households with Economic Security by Household Type, Maryland, 2016



Notes: Children are under the age of 19 and the number of children is capped at 6 to make it comparable to the BEST indices. Married couples include cohabiting partners.

Sources: IWPR analysis of five years (2012–2016) of data from American Community Survey (Integrated Public Use Microdata Series, Version 7.0) and the Basic Economic Security Tables Index.

Policies that Increase Access to Economic Supports for Vulnerable Populations, Including Survivors of Intimate Partner Violence, Will Strengthen Economic Security

Policies that promote economic security for survivors of intimate partner violence and other economically vulnerable populations are essential to improving the health, well-being, and stability of individuals, families, and the nation as a whole. These policies may include, among others, those that ensure that all individuals have access to educational and training opportunities that can lead to good-paying jobs, strengthen the basic safety net for those who earn very low wages or cannot work, and increase funding for programs that offer financial services—such as career empowerment services, credit repair and debt remediation, and financial assistance—to survivors of intimate partner violence and other economically vulnerable populations. Such policies can help ensure that all individuals in Maryland and across the nation have the economic security they need to thrive.

Notes

¹ The Basic Economic Security Tables (BEST) were originally created by researchers at Wider Opportunities for Women (WOW) and the Center for Social Development (CSD) at Washington University as a part of WOW's national BEST Initiative.

² L.K. Basile, M.T. Gilbert, N. Merrick, M. Patel, M. Walling, and A. Jain. 2017. *The National Intimate Partner and Sexual Violence Survey (NISVS): 2010–2012 State Report*. Atlanta, GA: National Center for Injury Prevention and Control, Centers for Disease Control and Prevention.

³ Cynthia Hess and Alona Del Rosario. Forthcoming. *Dreams Deferred: A Survey on the Impact of Intimate Partner Violence on Survivors' Education, Careers, and Economic Security*. Washington, DC: Institute for Women's Policy Research; Jennifer E. Swanberg and TK Logan. 2005. "Domestic Violence and Employment: A Qualitative Study." *Journal of Occupational Health Psychology* 10(1): 3–17; Angela M. Moe and Myrtle P. Bell. 2004. "Abject Economics: The Effects of Battering and Violence on Women's Work and Employability." *Violence Against Women* 10(1): 29–55; and Sara J. Shoener and Erika A. Sussman. 2013 (August/September). "Economic Ripple Effect of IPV: Building Partnerships for Systemic Change." *Domestic Violence Report* 83–95. Kingston, NJ: Civic Research Institute.

⁴ Cynthia Hess and Alona Del Rosario. Forthcoming. *Dreams Deferred: A Survey on the Impact of Intimate Partner Violence on Survivors' Education, Careers, and Economic Security*. Washington, DC: Institute for Women's Policy Research; and Mary Kay Foundation. 2012. *Truth About Abuse Survey Report*. Mary Kay Foundation.

<http://www.ncdsv.org/images/MK_TruthAboutAbuseSurveyReport_NatFindings_2012.pdf> (accessed May 17, 2018).

⁵ Includes working adults aged 19–64, both those with and those without employment-based benefits.

⁶ U.S. Department of Labor. 2018. "Minimum Wage Laws in the States."

<<https://www.dol.gov/whd/minwage/america.htm>> (accessed July 17, 2018).

⁷ While the BEST Index's calculations for workers with benefits include only employer-provided health insurance and a retirement plan, additional benefits such as paid sick days, paid family and medical leave, life insurance, and temporary disability insurance would also help many working adults to have basic economic security.

⁸ U.S. Department of Commerce. Economics and Statistics Administration. 2017. "Poverty Thresholds for 2017 by Size of Family and Number of Related Children under 18 Years."

<<https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>> (accessed June 13, 2018).

Technical Notes

Calculations are based on analyses of data from the American Community (ACS) Survey for 2012–2016 (Integrated Public Use Microdata Series: Version 7.0). The sample includes households where the householder and their spouse or partner are aged 19 to 64 years, one or both are employed, and up to 6 related, dependent children under age 19 are living with them. Workplace benefits are measured as employment-based health insurance for either the householder or their spouse/partner. Economic security is determined by comparing the household's economic resources (the total income reported by the householder and their spouse/partner) to the Basic

Economic Security Index for their family structure considering number of workers and distribution of related children by age. Households with economic resources greater than or equal to their BEST needs are counted as economically secure.

About the Basic Economic Security Tables Index

The BEST Index was originally developed by Wider Opportunities for Women and the Center for Social Development at Washington University-St. Louis, and is maintained by the [Institute for Women's Policy Research](#). The BEST Index presents the specific economic needs of more than 400 family types—all possible one- or two-worker families with up to six children—for every state and county in the United States. The Index draws on more than 100 data sources from the federal government and other organizations, including the Bureau of Labor Statistics, the National Center for Education Statistics, the U.S. Department of Health and Human Services, and Child Care Aware of America, among others. To find a list of these sources and the BEST Index for a particular state or county, see <http://www.basiceconomicsecurity.org/>.

About the Institute for Women's Policy Research

The Institute for Women's Policy Research (IWPR) conducts and communicates research to inspire public dialogue, shape policy, and improve the lives and opportunities of women of diverse backgrounds, circumstances, and experiences. The Institute's research strives to give voice to the needs of women from diverse ethnic and racial backgrounds across the income spectrum and to ensure that their perspectives enter the public debate on ending discrimination and inequality, improving opportunity and increasing economic security for women and families. The Institute works with policymakers, scholars, and public interest groups to design, execute, and disseminate research and to build a diverse network of individuals and organizations that conduct and use women-oriented policy research. IWPR's work is supported by foundation grants, government grants and contracts, donations from individuals, and contributions from organizations and corporations. IWPR is a 501(c)(3) tax-exempt organization that also works in affiliation with the Program on Gender Analysis in Economics at American University.

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