

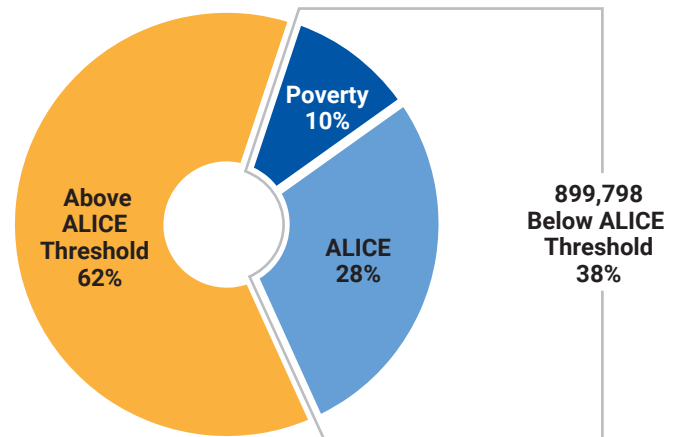
ALICE IN MARYLAND: EXECUTIVE SUMMARY



United Way
of Central Maryland

uwcm.org/ALICE

The number of households in financial hardship in Maryland continues to be undercounted in official measures. According to the FPL, 10% of households in Maryland (245,077) were in poverty in 2021. Yet [United For ALICE](#) data shows that another 28% (654,721 households) – nearly three times as many – were ALICE (Asset Limited, Income Constrained, Employed). ALICE households earn above the FPL, but not enough to afford the basics in the communities where they live.



The reality is that of the 2.3 million households in Maryland, 899,798 – 38% – had income below the [ALICE Threshold of Financial Survival](#) in 2021. These included both households in poverty and ALICE households.

The crux of the problem is a mismatch between earnings and the cost of basics. For example, 48% of cashiers (one of the most common occupations in Maryland) were below the ALICE Threshold in 2021. These workers earned a median hourly wage of \$13.46 – not even enough to cover the **ALICE Household Survival Budget** for one worker employed full time (\$17.34 per hour), much less for a family with children, even with two adults working (combined wage of \$40.97 per hour). From 2019 to 2021 the cost of basics increased in all counties in Maryland and remained well above the FPL. For a family of four in 2021, the FPL was \$26,500 while the ALICE Household Survival Budget was \$81,948. Between 2019 and 2021, the average annual costs (excluding taxes) increased 8% for a single adult, 7% for a single senior, and 8% for a family of four.

ALICE Household Survival Budget, Maryland Average, 2021			
	Single Adult	Single Senior	2 Adults, 1 Infant, 1 Preschooler
Monthly Costs			
Housing – Rent	\$928	\$928	\$1,159
Housing – Utilities	\$154	\$154	\$292
Child Care	-	-	\$1,538
Food	\$457	\$422	\$1,247
Transportation	\$336	\$293	\$787
Health Care	\$221	\$559	\$853
Technology	\$75	\$75	\$110
Miscellaneous	\$217	\$243	\$599
Tax Before Credits	\$502	\$580	\$1,503
Monthly Total	\$2,890	\$3,254	\$8,088
ANNUAL TOTAL Before Credits	\$34,680	\$39,048	\$97,056
Tax Credits (CTC and CDCTC)			(\$15,108)
ANNUAL TOTAL with Credits	\$34,680	\$39,048	\$81,948
Full-Time Hourly Wage	\$17.34	\$19.52	\$40.97

Note: CTC = Child Tax Credit, CDCTC = Child and Dependent Care Tax Credit. Percent change is pre-tax. Full-time hourly wage represents the wage needed at 40 hours per week to support the annual total, with credits. For the family of four, this represents the combined wage needed for two workers. Many households incur higher costs, especially for housing, as units may not be available at Fair Market Rent. To view ALICE Household Survival Budgets for all counties and for any household composition, visit UnitedForALICE.org/Household-Budgets/Maryland

Sources: AAA, 2021; Agency for Healthcare Research and Quality, 2021; American Community Survey, 2021; Bureau of Labor Statistics, 2021—Consumer Expenditure Surveys; Bureau of Labor Statistics, 2021—Occupational Employment Statistics; Centers for Medicare & Medicaid Services, 2021—Medicare - Chronic Conditions; Centers for Medicare & Medicaid Services, 2021—Medicare Current Beneficiary Survey; Centers for Medicare & Medicaid Services, 2021; Federal Highway Administration, 2017; Feeding America, 2022; Fowler, 2021; Internal Revenue Service, 2021; Internal Revenue Service—FICA, 2021; Maryland Family Network, 2021; Medicare.gov; Scarborough, 2021; Tax Foundation, 2021; The Zebra, 2022; U.S. Department of Agriculture, 2021—Official USDA Food Plans; U.S. Department of Housing and Urban Development, 2021—Fair Market Rents; Walczak, 2021.

This Report details the impact of competing economic forces and public policy interventions during the pandemic on ALICE households in Maryland as of 2021. It also presents research showing that the impact of the pandemic on financial security continued beyond 2021.

Key findings include:

- **Financial hardship over time:** ALICE households are especially vulnerable to national economic disruptions. The number of households below the ALICE Threshold in Maryland increased dramatically through the Great Recession (2007–2010) and continued to increase through 2018. By 2019, that number had just started to fall – and then the pandemic hit. From 2019 to 2021, the total number of households increased by 6% and the number of households below the ALICE Threshold increased by 8%.
- **Demographics:** There are households below the ALICE Threshold across all demographic groups. However, disparities exist in the rates of financial hardship due to [persistent racism](#), [ageism](#), [gender discrimination](#), and [geographic barriers](#) that limit many families' access to resources and opportunities for financial stability. For example, by race/ethnicity, 49% of Black and 44% of Hispanic households were below the ALICE Threshold in Maryland in 2021, compared to 32% of White households. By age of householder, the youngest (under age 25) and oldest (age 65+) households faced the highest rates of hardship. And by household composition, single-parent families with children were more likely to be below the Threshold than married-parent households or single/cohabiting households without children.
- **Work and wages:** Of the 20 most common occupations in Maryland in 2021, 55% paid less than \$20 per hour. Almost all of these saw an increase in the median wage; for example, the median wage for a retail salesperson increased by 17% to \$13.88 per hour in 2021 statewide. However, given that wages had stagnated for a decade, many top jobs still had a substantial percentage of workers who lived below the ALICE Threshold in 2021.
- **Pandemic assistance:** Public assistance programs were temporarily expanded in 2021, but not enough to bring most households below the ALICE Threshold to financial stability. In Maryland, a family of four with two parents working full time in two of the most common occupations (retail salesperson and cashier) could not afford the Household Survival Budget in 2021, even with the expanded Child Tax Credit, the Child and Dependent Care Tax Credit, and the Economic Impact Payments.
- **Savings and assets:** While emergency savings rates were increasing on average in Maryland, rates differed by income. According to SHED, only 32% of households below the ALICE Threshold had emergency savings or rainy day funds in October 2019 compared to 66% of households above the Threshold. By November 2021, the rate for households below the Threshold had increased to 53%, and the rate for households above the Threshold had increased to 76%. Similarly, only 55% of households below the Threshold had retirement savings in 2021, compared to 71% of those above.
- **Beyond 2021:** With pandemic assistance waning while significant challenges remain, there are warning signs that the economic situation for households below the ALICE Threshold has worsened since 2021, with sustained high levels of food insufficiency, continued difficulty paying bills including rent, heightened risk of eviction, lack of savings and increased medical debt, and feelings of anxiety and depression.