



Wider Opportunities for Women

***Support for Baltimore Council Bill 05-0083
Income Tax – Working Families Income Tax Credit***

Wider Opportunities for Women urges the members of the Baltimore City Council Taxation and Finance Committee to support and endorse Council Bill 05-0083. This bill creates a Working Family Tax Credit for any city resident who is eligible for the Federal and State Earned Income Tax Credit. The EITC and additional state/local EITCs provide an important hedge against poverty, helping to provide for “lump sum” needs of working families.

Wider Opportunities for Women (WOW) is a 40 year-old women's employment organization that works nationally and in its home community of Washington, D.C. to achieve economic independence and equality of opportunity for women and girls. WOW is recognized nationally for its skills training models, technical assistance, and advocacy for women workers.

Wider Opportunities for Women (WOW) established the national Family Economic Self-Sufficiency (FESS) Project in 1996. In partnership with other national organizations, WOW designed the Project to put tools and resources in the hands of state-level policymakers, business leaders, advocates and service providers to help move individuals and families forward on the path to economic self-sufficiency. A cornerstone of the Project has been the development of the Self-Sufficiency Standard. Through the Project, the Self-Sufficiency Standard has been calculated in 36 states and the District of Columbia, , including the *Self-Sufficiency Standard for Maryland* that is being used and disseminated by our partner organizations, the Center for Poverty Solutions and Advocates for Children and Youth.

The Self-Sufficiency Standard calculates how much money working adults need to meet their basic needs without subsidies of any kind. Unlike the federal poverty standard, the Self-Sufficiency Standard accounts for the costs of living and working as they vary by family size and composition and by geographic location. The Standard defines the amount of income necessary to meet basic needs (including paying taxes) in the regular “marketplace” without public subsidies—such as public housing, Food Stamps, Medicaid or child care—or private/informal subsidies—such as free babysitting by a relative or friend, food provided by churches or local food banks, or shared housing. The Standard, therefore, estimates the level of income necessary for a given family type—whether working now or making the transition to work—to be independent of welfare and/or other public and private subsidies.

In many parts of the country including Maryland, low-wage work does not pay Self-Sufficiency wages. In fact, there are huge gaps between the income families must have to meet their basic needs, the wages available to them, and the availability and accessibility of supports. In Baltimore, MD (2001), a single adult with an infant needs to earn \$15.32/per hour or \$2,697/per month to make ends meet. In Garrett County, Maryland, this same sample family of single adult and an infant needs to earn \$10.74/per hour or \$1,891/per month. (Please see attached tables)

This gap between wages and needs presents policymakers with a challenge: how to aid families who are striving for self-sufficiency. The two basic approaches to address these gaps are to raise the income of low-income families and/or to reduce their costs through public or private assistance. The Working Family Tax Credit that you have proposed for Baltimore is one policy that can support low-income families and their pathways to self-sufficiency. We thank you for your time in addressing this important issue for Baltimore’s families. We urge the passage of Council Bill 05-0083 and encourage future strategies that help families move towards self-sufficiency and build your community’s economic stability.



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