ALICE: A STUDY OF FINANCIAL HARDSHIP

FREDERICK COUNTY, MARYLAND
This Special Report for Frederick County, Maryland is an addendum to the 2018 ALICE Report for Maryland, which is available for download at UnitedWayALICE.org/Maryland. Information about other ALICE resources — including links to interactive maps and figures — can be found at the end of this Special Report.

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ALICE is an acronym that stands for Asset Limited, Income Constrained, Employed, comprising households with income above the Federal Poverty Level but below the basic cost of living. A household consists of all the people who occupy a housing unit but does not include those living in group quarters such as a dorm, nursing home, or prison.

The Household Survival Budget calculates the actual costs of basic necessities (housing, child care, food, transportation, health care, a smartphone, and taxes) in Frederick County, adjusted for different household types.

The ALICE Threshold is the average income that a household needs to afford the basic necessities defined by the Household Survival Budget for Frederick County. Households earning below the ALICE Threshold include both ALICE and poverty-level households.
ALICE IN FREDERICK COUNTY

In Frederick County, 34,688 households — 39 percent — could not afford basic needs such as housing, child care, food, transportation, health care, and technology in 2016. Despite overall improvement in employment rates, and gains in median income, the economic recovery in Frederick County, like that in the rest of the state of Maryland, has not reached all households. Many families continue to face challenges from low wages, reduced work hours, depleted savings, and increasing costs.

This Special Report builds on the 2018 ALICE Report for Maryland, providing an in-depth look at Frederick County and the population called ALICE — an acronym for Asset Limited, Income Constrained, Employed. ALICE households have incomes above the Federal Poverty Level (FPL), but struggle to afford basic household necessities.

The Special Report presents the cost of basic needs in the Household Survival Budget for Frederick County as well as the number of households earning below this amount — the ALICE Threshold — and focuses on how households have fared from 2010 (when the Great Recession ended) to 2016. With these indicators, the Special Report shows that although the cost of living is higher in Frederick County than other places in the state, wages are also slightly higher. As a result, in 2016, 31 percent of households were ALICE and another 8 percent were living in poverty, totalling 39 percent with income below the ALICE Threshold, slightly higher than the state average of 38 percent (Figure 1). The Special Report also breaks down ALICE demographics by age, race/ethnicity, household type, town, and census track, revealing several interesting trends in Frederick County. This research provides a unique set of data for community stakeholders to use to drive effective policy and strategic planning.

Figure 1.
Household Income, Frederick County, 2016

Sources: American Community Survey, 2016; the ALICE Threshold, 2016
COST OF LIVING IN FREDERICK COUNTY

The cost of household necessities varies across Maryland, and is higher in Frederick County than the state average. Costs have increased significantly faster in Frederick County than the overall rate of inflation since the end of the Great Recession in 2010.

THE HOUSEHOLD SURVIVAL BUDGET

The Household Survival Budget reflects the bare minimum cost to live and work in the modern economy and includes housing, child care, food, transportation, health care, technology (a smart phone), and taxes. In Frederick County, the average Household Survival Budget was $84,036 for a family of four (two adults with one infant and one preschooler) in 2016, significantly greater than the state average of $69,672. For a single adult, the average Household Survival Budget was $35,316, above the state average of $26,052 (Figure 2). This bare-minimum budget is still significantly higher than the Federal Poverty Level, which was $24,300 for a family and $11,880 for a single adult in 2016.

Another way to look at the Household Survival Budget is by the hourly wage necessary to support it. To afford the family budget in Frederick County, one parent working 40 hours per week for 50 weeks per year would need to earn $42.02 per hour, or two parents would need to earn $21.01 per hour each. To afford the single budget, an adult would need to earn $17.66 per hour full-time.

The cost of basic household expenses increased steadily in Frederick County from 2010 to 2016, increasing by 19 percent for a single adult and 20 percent for a four-person family. In comparison, the national rate of inflation was only 9 percent during this time period. The national rate of inflation conceals changes in basic household items because it includes a much larger basket of goods that are not included in the Survival Budget, such as furniture, clothing, new vehicles, airline fares, toys, pets, and college tuition (Bureau of Labor Statistics, 2016a; Bureau of Labor Statistics, 2018).

Figure 2.
Household Survival Budget, Frederick County Average, 2016

<table>
<thead>
<tr>
<th>Household Survival Budget, Frederick County Average, 2016</th>
<th>Percent Change 2010 – 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Costs</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>$1,307 ($1,623) 13%</td>
</tr>
<tr>
<td>Child Care</td>
<td>$- ($1,490) N/A 9%</td>
</tr>
<tr>
<td>Food</td>
<td>$182 ($603) 1% 10%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$361 ($722) 1% 1%</td>
</tr>
<tr>
<td>Health Care</td>
<td>$229 ($860) 101% 89%</td>
</tr>
<tr>
<td>Technology*</td>
<td>$55 ($75) N/A N/A</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$268 ($637) 19% 20%</td>
</tr>
<tr>
<td>Taxes</td>
<td>$541 ($993) 22% 36%</td>
</tr>
<tr>
<td>Monthly Total</td>
<td>$2,943 ($7,003) 19% 20%</td>
</tr>
<tr>
<td>ANNUAL TOTAL</td>
<td>$35,316 ($84,036) 19% 20%</td>
</tr>
<tr>
<td>Hourly Wage**</td>
<td>$17.66 ($42.02) 19% 20%</td>
</tr>
</tbody>
</table>

* New to budget in 2016
** Wage working full-time required to support this budget

The rise in the Household Survival Budget in Frederick County between 2010 and 2016 was driven primarily by a doubling of health care costs. These increases are due to a rise in out-of-pocket costs as well as the addition of the Affordable Care Act penalty for not purchasing health insurance. Since the Household Survival Budget only includes the bare minimum for each item, the lowest cost health option is not even the least expensive Bronze Marketplace plan, but rather the penalty families are required to pay for not having health insurance (for more details on health care costs, see the Methodology Overview). In addition, the 2016 budget now includes the cost of a basic smartphone (technology) for each adult, which is a necessity of modern-day work and life.

The big increase in taxes can largely be explained by the increase in all other budget items. As the cost of these items increased, the earnings needed to cover the expenses increased, and higher earnings resulted in a larger tax bill. Changes in tax rates were minimal from 2010 to 2016; both federal and Frederick County tax rates were on average flat, though tax brackets shifted (American Community Survey, 2010 and 2016).

The increase in the cost of living resulted in an increase in the ALICE Threshold for all age groups. The Threshold for households headed by someone under 65 years old was $60,000 in 2010, 2012, and 2014, but then increased to $75,000, the next census income bracket in 2016. The ALICE Threshold for seniors was $50,000 in 2010 and 2012, and increased to $60,000 in 2014 and 2016. For more details about the ALICE Threshold, see the Methodology Overview.

ALICE IN THE WORKFORCE

Overall economic conditions in Frederick County, like the rest of Maryland, continued to improve: 144,083 people over the age of 16 were working in 2016. Unemployment was down from a high of 7 percent in 2010 to 4.1 percent in 2016 and many businesses have increased their productivity. The core segments of the Maryland economy — health and education as well as federal employment — continued to be large and steady employers. Yet, because of several employment trends, many ALICE households were not benefiting financially from seemingly positive economic news (Cohen & Gebeloff, 2018; Federal Reserve Bank of Richmond, 2018; Maryland.gov, 2018; American Community Survey, 2016).

UNEMPLOYMENT

The unemployment rate in Frederick County fell from 7 percent in 2010 to 4 percent in 2016. While good economic news, the unemployment rate does not fully explain the labor force landscape, and often obscures large numbers of people outside the workforce. It only reflects those in the labor force looking for a job; and does not include those who are working part time or irregular hours who might prefer full-time work, nor those who have stopped actively looking for work. This discrepancy is more pronounced in older workers. For younger workers, the number of workers out of the workforce falls as the unemployment rate falls, suggesting that as work opportunities increase, young workers return to the workforce. But for older workers, as the unemployment rate falls, the number out of the workforce increases, suggesting that some seniors stopped looking for jobs or involuntarily retired. For those ages 60 to 61, for example, the unemployment rate in Frederick County is zero percent, but 20 percent are not in the labor force (American Community Survey, 2016).

LOW WAGES

Current statistics do not capture important changes in the U.S. job market, especially stagnation of wages at the low-end and the shift away from traditional full-time, full-benefit jobs over the past decade. For example, while the health and education sectors are robust in Maryland, many of their workers are in low-wage jobs. And while government jobs were once a guarantee for economic security, they have been cut back and no longer uniformly offer middle-wage jobs with benefits. Wages vary according to an array of factors including the size and location of employers as well as on the gender, education, and race/ethnicity of workers (Federal Reserve Bank of Richmond, 2018; Maryland.gov, 2018; Sage Policy Group, 2018).
Across the state, 50 percent of jobs paid less than $20 per hour in 2016, with 60 percent of those jobs paying less than $15 per hour. While wages of jobs are not available at the county level, median earnings for full-time workers provide some insight. The median earnings for workers living in Frederick County fell between 2010 and 2012, then started to increase, reaching $45,108 in 2016. Adjusted to an hourly wage, half of workers earned less than $22.55 per hour in 2016 (United Way, 2018).

Of full-time workers in Frederick County (Figure 3), the median earnings for 21 percent of workers were not enough to support the Household Survival Budget for a single adult, while the median earnings for almost 70 percent were not enough to support a family of four in 2016 (American Community Survey, 2010-2016, Bureau of Labor Statistics, 2016c).

Figure 3.
Median Earnings Compared to Household Survival Budget (HHSB), Frederick County, 2016

Sources: American Community Survey, 2010-2016; the ALICE Threshold, 2010-2016

ALICE workers are employed in occupations that build and repair our infrastructure, as well as in jobs that educate and care for the workforce. Together, these workers were aptly described as “maintainers” by technology scholars Lee Vinsel and Andrew Russel in 2016 (Frey & Osborne, 2013; Vinsel & Russell, 2016).

Breaking down employment by sector, ALICE works in a wide range of industries in Frederick County (Figure 4). The largest industry is educational services and health care, employing 22 percent of the civilian population 16 years and older, with slightly over half of this sector employed in health care (54 percent) and the rest in education (46 percent). While all sectors employ a range of wage levels, low-wage jobs dominate each of the top industry sectors in Frederick County. For example, the median hourly wage for a Nursing Assistant is $13.71 at the state level (county wage estimates are not available) (Bureau of Labor Statistics, 2016c).

The next largest industry is professional, scientific, and management, and administrative and waste management services, employing 19 percent of the labor force. While often thought of as a sector with high wage jobs, there are many occupations that do not pay enough to support even the Household Survival Budget. For example, one of the most numerous jobs in the state, Customer Service Representatives, pays $15.32 per hour.
Figure 4.
Employment by Industry, Civilian Population 16 Years and Over, Frederick County, 2016

<table>
<thead>
<tr>
<th>Top Industries</th>
<th>Percent Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational and health care</td>
<td>22%</td>
</tr>
<tr>
<td>Professional services</td>
<td>19%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>9%</td>
</tr>
<tr>
<td>Public administration</td>
<td>9%</td>
</tr>
<tr>
<td>Construction</td>
<td>8%</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>7%</td>
</tr>
<tr>
<td>Finance, insurance and real estate</td>
<td>6%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Examples of Jobs</th>
<th>Median Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing Assistants</td>
<td>$13.71</td>
</tr>
<tr>
<td>Customer Service Representatives</td>
<td>$15.32</td>
</tr>
<tr>
<td>Retail Salespersons</td>
<td>$10.23</td>
</tr>
<tr>
<td>Office Clerks</td>
<td>$15.17</td>
</tr>
<tr>
<td>Laborers and Movers, Hand</td>
<td>$12.76</td>
</tr>
<tr>
<td>Food prep, Including Fast Food</td>
<td>$9.20</td>
</tr>
<tr>
<td>Bookkeeping and Auditing Clerks</td>
<td>$17.86</td>
</tr>
<tr>
<td>Team Assemblers</td>
<td>$15.41</td>
</tr>
</tbody>
</table>


GIG ECONOMY

In 2016, 15 to 33 percent of the national workforce worked as a consultant or contingent worker, temp, freelancer, or contractor within the loosely termed “gig” economy. According to a National Bureau of Economic Research report, as much as 94 percent of U.S. net employment growth in the last decade has come from alternative or contingent labor. In the past, being employed meant a certain amount of stability, while today more workers are experiencing gaps in employment and less regular schedules and they lack retirement plans, health insurance, and worker safety protections. Many gig-economy workers struggle to afford ongoing monthly expenses and often don’t qualify for loans or other financial products that require regular income (Abraham, Haltiwanger, Sandusky, & Spletzer, 2016; Fehr, 2017; Freelancers Union & Elance-oDesk, 2016; Katz & Krueger, 2016; Wald, 2014; U.S. Government Accountability Office, 2015; West, 2015).

One of the most difficult features of the evolving gig economy, in addition to low wages, is fluctuating work schedules and income. This occurs in both full- and part-time jobs. According to the annual Report on the Economic Well-Being of U.S. Households survey by the Federal Reserve, this is a national challenge (Board of Governors of the Federal Reserve System, 2017). Of current workers:

- 22 percent earned insufficient income to pay all bills or make a partial payment in 2016; another 14 percent would have been unable to pay their bills if they incurred a $400 emergency expense.
- 28 percent reported their income varied month to month (occasionally by 20 percent; often by 8 percent).
- 16 percent reported that their hours varied week to week based on their employer’s needs. Of those, 61 percent had less than a seven-day notice of their work hours.
- 7 percent were working in a temporary job.
- 19 percent worked in more than one job (3 percent had more than one full-time job, 16 percent had more than one part-time job).
One of the key determinants of ALICE workers’ wages, benefits, and job stability is the size of their employer. Generally, large companies have greater resources to offer career-growth opportunities, continuous employment, and better benefits. Small businesses, defined by the Bureau of Labor Statistics as firms with fewer than 500 employees, have been an important engine for economic growth across the country, the state, and in Frederick County. Small businesses drive job creation, innovation, and wealth, and have traditionally grown to become medium or large employers. However, small businesses are more vulnerable to changes in demand, price of materials, and transportation costs, as well as to cyberattacks and natural disasters. As a result, their employees face more instability, reduced wages, and a greater risk of job loss. These past two decades have been particularly tough for small businesses, with entrepreneurial growth in the U.S. and Frederick County largely down from the levels experienced in the 1980s and 1990s (Ewing Marion Kauffman Foundation, 2017; Haltiwanger & et., 2017).

Despite these struggles, in Frederick Country, small businesses employed over half of the private sector workforce in 2016 (Figure 5). The very smallest firms — those with fewer than 20 people — accounted for the largest share of small-business employment yet paid the lowest wages. The average annual salary (full time year-round) for workers in firms with fewer than 20 employees was $39,324. The largest firms paid the highest wages, with those working in firms with 500 or more employees earning $50,820, almost 30 percent more than those in the smallest firms. In addition, because small firms experience the greatest employee turnover of any size firm, workers in small firms move in and out of employment more often, which can lead to periods of no wages (U.S. Census Bureau, 2016d).

**Figure 5.**
Private-Sector Employment by Firm Size, With Average Annual Wages, Frederick County, 2016

![Figure 5. Private-Sector Employment by Firm Size, With Average Annual Wages, Frederick County, 2016](source: U.S. Census Bureau, 2016d)
ALICE BY THE NUMBERS

With the cost of living increasing faster than wages in Frederick County, more families are struggling. Of Frederick County’s 89,800 households, 8 percent lived in poverty in 2016 and another 31 percent were ALICE. Combined, 39 percent (34,688 households) had income below the ALICE Threshold. ALICE households exist in all age groups, across all races and ethnicities, in single and two-parent families, and with or without children. And they exist in all parts of Frederick County.

Overall population changes: In Frederick County, the total number of households increased by 7 percent between 2010 and 2016 to 89,800. But the number of ALICE and poverty-level households increased even more, from 26,944 in 2010 to 34,688 in 2016, a 29 percent increase (Figure 6).

- **Poverty:** The number of households in poverty — defined in 2016 as those earning up to $11,880 for a single adult and $24,300 for a family of four — increased from 4,671 in 2010 to 6,801 in 2016, a 46 percent increase. The proportion of all households that were in poverty increased from 6 percent to 8 percent during that period.

- **ALICE:** The number of ALICE households increased from 22,273 in 2010 to 27,887 in 2016, a 25 percent increase. The proportion of all ALICE households rose from 27 percent to 31 percent during that period.

Figure 6.
Household Income, Frederick County, 2010 to 2016

Sources: American Community Survey, 2010-2016; the ALICE Threshold, 2010-2016

HOUSEHOLDS BY AGE

The number of households is increasing in all age groups in Frederick County with the exception of those headed by 25- to 44-year-olds. The youngest age group, households headed by those under 25 years old, is the smallest but showed the largest increase, growing by 38 percent, from 1,737 households in 2010 to 2,400 in 2016 (Figure 7). With such large growth in a small population, the trend lines of ALICE and poverty-level households are bumpy, making it more useful to look at the trends of the combined group of households below the ALICE Threshold. Together, these households grew from 57 percent in 2010 to 85 percent in 2016.
In the next age group, the total number of households headed by 25- to 44-year-olds fell from 29,841 in 2010 to 27,732 in 2016, while the percent below the ALICE Threshold increased from 25 to 37 percent. Much of this increase was among ALICE households, which increased from 20 to 31 percent.

Unlike previous generations of young Americans, many millennials (adults born between 1981 and 1996, according to the Pew Research Center) cannot afford to live on their own. Instead, they are more likely to live with their parents or with roommates. And for the first time in more than a century, they are less likely to be living with a romantic partner. These patterns vary among some millennials from immigrant families. Overall, people under the age of 25 who are the head of their household (i.e., don’t live with parents, older relatives, or roommates/partners) are far less likely to be able to afford basic necessities, with 57 percent of them living below the ALICE Threshold in Frederick County (American Community Survey, 2010, 2016; Cilluffo & Cohn, 2017; Frey W. H., 2018).

The increase in the number of ALICE households in Frederick County is driven by older households, both seniors and those 45 to 64 years old. The number of senior households (65 years and older) increased from 14,940 in 2010 to 19,882 in 2016, a 33 percent increase. The largest age group — households headed by 45- to 64-year-olds — increased from 37,446 to 39,786 households, a 6 percent increase. The number of senior households with income below the ALICE Threshold grew at an even faster rate, increasing from 49 percent in 2010 to 52 percent in 2016. The 45- to 64-year-old households below the ALICE Threshold had a slower increase, growing from 29 percent in 2010 to 31 percent in 2016, but still surprising for those in their prime earning years (American Community Survey, 2010, 2016).

Figure 7. Household Income by Age, Frederick County, 2010 to 2016
Another way of looking at age breakdown is to see where younger and older households below the ALICE Threshold live (Figure 8). There are higher concentrations of under-65-year-old households below the ALICE Threshold in the areas north of Route 40 and west of Key Parkway, Frederick Heights/Overlook, and Lucas Village. But there are higher concentrations of 65-and-older households below the ALICE Threshold in Ballenger Creek Middle School area, New Design/Crestwood, Whittier, Amber Meadows, and Walkersville.
Frederick County is predominately White (non-Hispanic), accounting for 80 percent of households (Figure 9). Households of color are more likely to have income below the ALICE Threshold, though White households account for 72 percent of all households below the ALICE Threshold.

**Figure 9.** Household Income by Race/Ethnicity, Frederick County, 2016

Sources: American Community Survey, 2016; the ALICE Threshold, 2016

The trajectory from 2010 to 2016 for each racial/ethnic group in Maryland is slightly different (Figure 10). The number of Black, Hispanic, and Asian households grew more than 19 percent during the period, while the number of White households grew by only 3 percent. However, all groups saw a significant increase in the percentage of households below the ALICE Threshold, with Hispanic households experiencing not only the largest increase in total households (31 percent) but also the largest increase in households below the ALICE Threshold, growing from 36 percent in 2010 to 57 percent in 2016.
There are longstanding preconceptions about what types of families tend to be low-income — for example, homes headed by single mothers. Yet ALICE and poverty-level families exist in all configurations. In fact, there have been such dramatic changes in the living arrangements of Americans that it is important to re-evaluate these old stereotypes.

After decades of declining marriage rates along with rising levels of divorce, remarriage, and cohabitation, the household made up of a married couple with two children is no longer typical. Since the 1970s, American households have become smaller for several reasons: Fewer households have children, there are fewer married-couple households, and more people are living alone, especially at older ages. People are living in a wider variety of arrangements, including singles living alone or with roommates, and grown children living with parents. The share of American adults who have never been married is at a historic high. In Frederick County, there are 39,547 households composed of single or cohabiting adults under the age of 65 with no children under 18 years old. They make up the largest group in Frederick County, accounting for 44 percent of all households, while families with children account for 34 percent and seniors account for 22 percent (Figure 11).
These single or cohabiting households without children under 18 are also the group with the largest number of households below the ALICE Threshold, accounting for 44 percent of all households below the ALICE Threshold. In comparison, families with children accounted for 27 percent of households below the ALICE Threshold and seniors accounted for 30 percent. In 2016, 15,117 of households without children, 38 percent, had income below the ALICE Threshold, increasing from 31 percent in 2010 (Figure 12).

Sources: American Community Survey, 2016; the ALICE Threshold, 2016
FAMILIES WITH CHILDREN

Of all Frederick County families with children, there were 9,228 or 31 percent with income below the ALICE Threshold. Of these families, 47 percent are in married-parent families, 36 percent are in single-female-parent families, and 18 percent are in single-male-parent families.

The largest family type, married-parent families with children, saw a decrease in the number by 1 percent from 2010 to 2016, while the number below the ALICE Threshold increased from 15 to 18 percent during this time period (Figure 13).

The number of single-parent families is much smaller in Frederick County, with 4,450 female-headed and 2,974 male-headed. For single-female-headed families with children, the trend from 2010 to 2016 shows a 3 percent decrease, but the number below the ALICE Threshold increased from 65 percent in 2010 to 74 percent in 2016. For single male-headed families, the number increased by 57 percent while the percent with income below the ALICE Threshold decreased slightly from 57 to 55 percent.

Figure 13.
Families With Children by Income, Frederick County, 2010 to 2016

Married

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23,361</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>22,947</td>
<td>81%</td>
<td></td>
</tr>
<tr>
<td>Poverty</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,192</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>3,608</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>ALICE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,246</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>1,390</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Above ALICE Threshold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26,383</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Poverty | ALICE | Above ALICE Threshold
Figure 13. continued
Families With Children by Income, Frederick County, 2010 to 2016

**Single Female-Headed**

- 2010:
  - Households: 4,585
  - Poverty: 18%
  - ALICE: 35%
  - Above ALICE Threshold: 47%

- 2016:
  - Households: 4,450
  - Poverty: 24%
  - ALICE: 26%
  - Above ALICE Threshold: 50%

**Single Male-Headed**

- 2010:
  - Households: 1,898
  - Poverty: 18%
  - ALICE: 43%
  - Above ALICE Threshold: 39%

- 2016:
  - Households: 2,974
  - Poverty: 14%
  - ALICE: 41%
  - Above ALICE Threshold: 45%

*Sources: American Community Survey, 2010-2016; the ALICE Threshold, 2010-2016*
Contrary to stereotypes that suggest financial hardship only exists in inner cities, ALICE households live in urban, suburban and rural areas and in every neighborhood in Frederick County. The percent of households with income below the ALICE Threshold ranges from 60 percent or more in Emmitsburg and Sabillasville to 16 percent or less in Adamstown and Urbana (Figure 14). The highest concentration of ALICE households is in rural communities and the City of Frederick.

### Figure 14.
**Household Income by City or Town, Frederick County, 2016**

<table>
<thead>
<tr>
<th>Town</th>
<th>Total Households</th>
<th>% Below the ALICE Threshold</th>
<th>% Poverty</th>
<th>% ALICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adamstown</td>
<td>754</td>
<td>16%</td>
<td>3%</td>
<td>13%</td>
</tr>
<tr>
<td>Ballenger Creek</td>
<td>7,274</td>
<td>46%</td>
<td>8%</td>
<td>38%</td>
</tr>
<tr>
<td>Bartonsville</td>
<td>538</td>
<td>37%</td>
<td>7%</td>
<td>30%</td>
</tr>
<tr>
<td>Braddock Heights</td>
<td>1,053</td>
<td>37%</td>
<td>2%</td>
<td>35%</td>
</tr>
<tr>
<td>Brunswick City</td>
<td>2,266</td>
<td>52%</td>
<td>15%</td>
<td>37%</td>
</tr>
<tr>
<td>Buckeystown</td>
<td>532</td>
<td>40%</td>
<td>2%</td>
<td>38%</td>
</tr>
<tr>
<td>City of Frederick</td>
<td>27,035</td>
<td>51%</td>
<td>10%</td>
<td>41%</td>
</tr>
<tr>
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<td>14%</td>
<td>50%</td>
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<td>3%</td>
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<td>1%</td>
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<tr>
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<td>2%</td>
<td>21%</td>
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<tr>
<td>New Market</td>
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<td>8%</td>
<td>23%</td>
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<tr>
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<tr>
<td>Sabillasville</td>
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<td>Urbana</td>
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<td>Woodsboro</td>
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<td>32%</td>
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</tbody>
</table>

**Sources:** American Community Survey, 2016; the ALICE Threshold, 2016

**Note:** Municipal level data on this is 5-year averages for Incorporate Places. Totals will not match county-level numbers because some places cross county borders, data is not available for the smallest places, and county-level data is often 1-year estimates.

ALICE households live throughout the City of Frederick, with large variation by Census tract. The proportion of households below the ALICE Threshold ranges from 28 percent to 80 percent across Census tracts. To better understand where there are higher concentrations of ALICE households, Figure 15 presents the Census tract data (blue) layered with the boundaries (multicolored) for the City of Frederick’s 12 Neighborhood Advisory Councils (NAC), which closely overlap established police beats and voting districts (City of Frederick, Maryland, nd).
Figure 15. Households Below the ALICE Threshold by Census Tract with Neighborhood Advisory Councils (NAC), City of Frederick, 2016

ALICE Threshold for Households Under 65: $75,000
ALICE Threshold for Households 65 and Over: $60,000

Sources: American Community Survey, 2016; the ALICE Threshold, 2016.
Note: Details on each county’s household income and ALICE demographics, as well as further breakdown by municipality, are listed in the ALICE County Pages and Data File at UnitedWayALICE.org
CONCLUSION

This Special Report for Frederick County offers an enhanced set of tools for stakeholders to measure the real challenges ALICE households face in trying to make ends meet. This information is presented to enable communities to move beyond stereotypes of “the poor” and an outdated Federal Poverty Level, and instead use data to inform programmatic and policy solutions for ALICE and communities.

One way the ALICE data can be used is to compare it with other community indicators in order to better understand the relationship between financial hardship and other aspects of life. Mapping financial hardship with key community indicators can help show where facilities are needed such as health clinics, safe recreation areas, and grocery stores, as well as where other interventions may be needed to improve community-specific issues, such as air quality or walkability. Mapped in Figure 16 are the percentage of the population in each Maryland county living below the ALICE Threshold and three health indicators: (a) mental health; (b) obesity (high body mass index); and (c) life expectancy at birth.

Figure 16.
Percent Below ALICE Threshold and Key Indicators by, Maryland, 2016

At the county level, each of these indicators shows a correlation with financial hardship. In Maryland, the relationship is strongest between the percentage of households below the ALICE Threshold and life expectancy at birth, defined as the average number of years that a newborn is expected to live if current mortality rates continue to apply. The data shows a statistically significant relationship — the higher the level of financial hardship, the lower the life expectancy at birth. Caroline
and Somerset counties have the highest rates of households below the ALICE Threshold, 41 and 56 percent respectively, and they also have the lowest life expectancies, less than 76 years. On the other end of the spectrum, Howard and Montgomery counties have less than 35 percent of households below the ALICE Threshold and have a life expectancy above 83 years. Frederick County is in the middle with 39 percent below the ALICE Threshold and a relatively high life expectancy of 80 years (Maryland Department of Health, 2016; United Way, 2018).

Other studies have found a strong relationship between financial hardship and both poor mental health (defined by the number of fair or poor mental health days) and obesity (a body mass index greater than 30). But across counties in Maryland, they are only slightly correlated, suggesting that there may be other factors contributing to poor mental health and obesity. The average number of fair or poor mental health days was 13 in Frederick County and ranged from 6 to 22 days across the state. The percentage of adults who report being obese was 27 percent in Frederick County and ranged from 20 to 42 percent across the state (Maryland Behavioral Risk Factor Surveillance System, 2018). Research shows that factors such as stress, genetics, social support, and access to health care, healthy food, and opportunities for physical activity, all contribute to health outcomes and are often linked to socioeconomic status (Virginia Commonwealth University, 2018; Warren, Beck and Rayburn, 2018; Mental Health America, 2018).

At the neighborhood or census track level, there is no significant correlation between financial status and these health indicators. There are several possible reasons. First, local data is often less accurate because the sample size is smaller and small errors in collection skew the results. Second, with many of these variables, the impact may take months or years to appear, and the survey is only one point in time. Third, these selected measures (e.g., body mass index to measure obesity) may not be accurate or powerful enough to show a relationship, even if obesity and financial status are related at the local level.

Two variables did provide useful information at the local level in Frederick County: access to fresh food and air quality. Figure 17 shows census tracks where ALICE households are concentrated (left map) and the percentage of the population living more than one-half mile from the nearest supermarket, supercenter, or large grocery store (right map). The overlap of low food access and a high percentage of households below the ALICE threshold (such as in Thurmont North, Frederick East, and Lucas Village) reveals a gap in resources for ALICE families and highlights where community stakeholders could focus efforts to provide more grocery stores (U.S. Department of Agriculture, 2018).

Figure 17.
Percent Below ALICE Threshold and Low Food Access by Census Tract, Frederick County, 2016

Sources: U.S. Department of Agriculture, 2018, and the ALICE Threshold, 2016
Note: Data for food access was collected in 2015.
The second variable, air quality, is essential to good health, especially for children with asthma and adults with chronic respiratory ailments. Poor health also contributes to low income, reducing ability to work and adding costs. Figure 18 shows a strong correlation between the percentage of households below the ALICE Threshold and the Environmental Protection Agency (EPA)'s National Air Toxics Assessment (NATA) estimates of health risks from toxic air pollutants (Virginia Commonwealth University, 2018, 2018; U.S. Environmental Protection Agency, 2018).

There is a statistically significant inverse correlation showing that the higher the level of financial hardship, the lower the air quality (Figure 18). For example, Lucas Village and South Bentz have a relatively high percentage of households below the ALICE threshold (above 68 percent) and among the lowest air quality scores (less than 1.5 on the domain index of 0 to 10). In contrast, Urbana and Centerville have less than 20 percent of households below the ALICE Threshold and air quality scores greater than 5.7. The EPA warns that NATA results alone should not be used to pinpoint specific risk or compare values in census tracts; local studies are needed to confirm these results (U.S. Environmental Protection Agency, 2018).

**Figure 18.** Percent Below ALICE Threshold and Air Quality Domain Score by Census Tract, Frederick County, 2016

Sources: Wolf, Chapman, Hill, Schoomaker, Vironmental Protection Agency, 2018; and the ALICE Threshold, 2016

Note: Data for air quality was collected in 2011. The Air Quality Domain Score is a composite of three indicators (Cancer Risk, Environmental Hazards, and Respiratory Risk) from the National Air Toxics Assessment conducted by the U.S. Environmental Protection Agency.

Economic change will continue, and these changes will both provide opportunity and inflict costs. Yet as the data in this Special Report shows, the distribution of opportunity and cost is not even or equitable. To have a positive impact on ALICE families, communities need to consider a range of system changes that would help ALICE to weather downturns in the short term and become more financially secure in the long term. This Special Report provides new local data to inform Frederick County community stakeholders as they plan the future of their community.
Please go to unitedwayfrederick.org/ALICE for more information about ALICE in Frederick County and the work underway at United Way of Frederick County to support ALICE households.

For more information about ALICE in Maryland and for an interactive statewide map, please go to UnitedWayALICE.org/Maryland. Please note that the full 2018 ALICE Report for Maryland, methodology, data files, County Pages, County Budgets, and bibliography are also publicly available on this website.

Information about the national ALICE project is available at UnitedWayALICE.org.

Information about the American Community Survey is available at census.gov/programs-surveys/acs/.

Additional questions about ALICE in Frederick County, opportunities for community presentations, and/or media inquiries can be directed to Malcolm Furgol at mfurgol@uwfrederick.org.
BIBLIOGRAPHY


