

Good afternoon, Madam chair and members of the Finance committee. I am Indira Obichere the Public Policy Manager for United Way of Central Maryland to testify on behalf of SB787. United Way has identified 39% of Maryland households as ALICE, Asset Limited, Income Constrained, Employed. ALICE is a framework that measures the challenges of the growing number of households whose income prohibits their ability to afford basic needs such as food, transportation, childcare, etc. Unfortunately, since the pandemic, we have seen ALICE families regress financially. As we are seeing a gradual decrease in benefits, we must find ways to ease the burden placed on families by creating a Benefits Cliff Pilot Program.

Kelly and her son, Christian, came to our Family Stability Program in Dundalk 4 months behind on her bills, facing eviction, and car repossession. They struggled to make ends meet even though Kelly worked an administrative job and a second job with a total income of just under \$32k a year. She received a raise of \$100 annually; however, she lost \$360 in food stamps. The Family Stability Program helped her avoid an eviction and car repossession. Kelly is determined to keep their family stable, so her son does not have to experience the same hardships when he is older.

State	Maryland	Massachusetts
Population (2021)	6,165,129	6,984,723
Part of Pop. at Risk of Poverty (2020)	9.2%	8.4%
GDP per Capita (2021)	\$72,007	\$91,819
Unemployment Rate (12/2022)	4.0%	3.3%
Population Density (2021)	192 people per sq km	256 people per sq km
Human Development Index (2015)	.934	.955

(Alldatanow, 2023)

On the chart in front of you, Maryland and Massachusetts are fairly similar when it comes to poverty risk and unemployment rates. Of particular note is the comparative Human Development Index score. A higher score means that a state's residents have a longer life expectancy, higher education levels, and a greater gross domestic profit per capita than residents in a state with a lower score (Stanton, 2007). A similar score here means that the residents in these two states face a similar landscape on their journey to health, happiness, and financial freedom.

The chart amplifies a need for Maryland to lead in efforts similar to the Massachusetts Benefits Cliff Pilot Program. The Benefits Cliff Pilot Program in Maryland is a tool that will be used to pilot solutions to the benefits cliff. Working collaboratively with other United Way's across the state and Department of Human Services, we will develop a state strategy that will seamlessly be implemented post-pilot program. Just imagine the results if fewer people who were experiencing poverty and becoming ALICE, were able to achieve financial stability without benefits from government assistance. Voting in support of this bill will mean enhancing the quality of life for ALICE households. It will also mean increasing equity and giving families a chance to obtain economic mobility that creates generational wealth. We ask for a favorable decision on SB787.

