



POVERTY IN MAINE UPDATE

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Dear Readers,

This *Poverty in Maine Update* has been prepared by the Margaret Chase Smith Policy Center at the University of Maine for the Maine Community Action Association. We are pleased to present this *Update* which makes available county-level poverty data recently released by the U.S. Census. Several trends become immediately apparent from a review of the data.

Rural Poverty is Severe:

The new county-level figures demonstrate clearly that poverty in Maine is a statewide challenge. While the urban areas of Portland, Lewiston-Auburn, and Bangor have significant low-income populations, poverty is not simply an urban issue. Washington County has the highest poverty rate in the state (19.4 percent), followed by Somerset (18.6 percent) and Piscataquis (16.6 percent).

This suggests that state policymakers should consider the unique needs of those in rural areas as it implements programs for low-income residents. These include transportation between home and work or services, the availability of support services, the isolation of seniors, and the relative scarcity of employment.

Children in Maine are Living in Poverty at Distressingly High Rates:

The statewide child poverty rate is 18.2 percent, compared to 14.8 percent for the overall population. In each county, child poverty is higher than that for the population as a whole. The child poverty rate in some counties is alarming. More than one in five children are living in poverty in Washington, Piscataquis, Somerset, Waldo, Oxford, Franklin, Lincoln, Penobscot, Androscoggin, Hancock, and Aroostook counties, with the highest rate of 30.9 percent in Washington County.

Many others are in households living just above the poverty rate. As a result, this year over 45 percent of Maine school children are eligible for free and reduced school lunches, with the figure close to 60 percent in several counties.

The long-term impacts of childhood poverty are significant. In a recent special issue of *Maine Policy Review* (2009) focused on early childhood, several authors review current research showing the long-term negative impacts of family economic insecurity. The research also demonstrates that quality early care and education can mitigate those impacts and has long-term economic benefits for both individual children and the larger society.

Maine Seniors at Risk:

Maine is the “oldest” state in the nation and seniors in Maine live in poverty at higher rates than the national average. That creates unique challenges. Many seniors are struggling to pay medical bills, purchase prescription drugs, heat their homes, and keep food on the table within a fixed income. Major increases in the cost of heating oil and deep federal cuts in the Low-Income Home Energy Assistance Program (LIHEAP) mean many seniors will struggle to stay warm this winter.

We hope that policymakers and the public find this *Update* useful in understanding and addressing the challenges posed by poverty in Maine. Our low-income neighbors deserve assistance to meet their basic needs now, as well as a hand up to self-sufficiency through education and employment. Together, we can make that happen.

Pat Kosma, President
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MCA
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LATEST CENSUS INFORMATION SHOWS CONTINUED REGIONAL DISPARITIES IN MAINE POVERTY AND HOUSEHOLD INCOME

Poverty

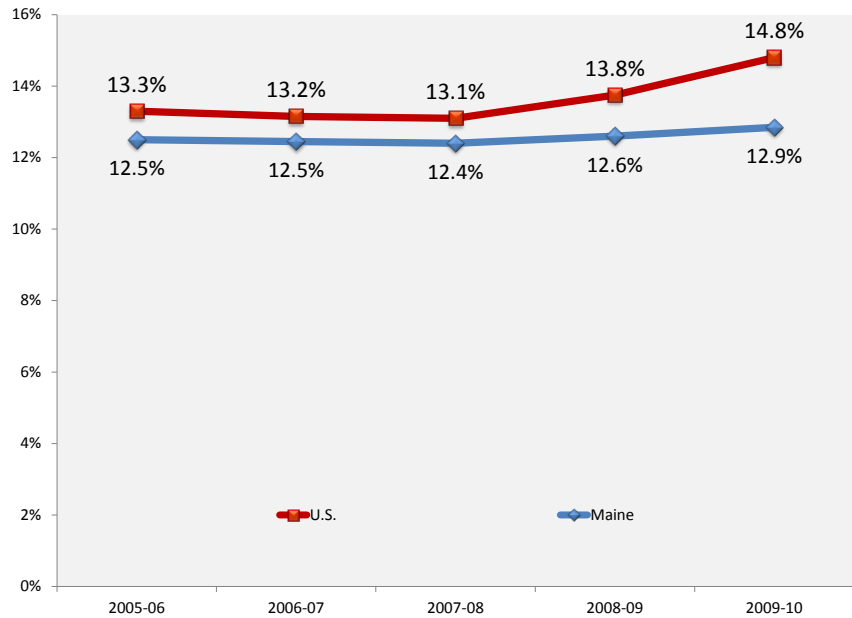
Recently published figures from the U.S. Census show that Maine's two-year average poverty rate has gone up somewhat since the start of the economic downturn, from 12.4 percent in 2007-2008 to 12.9 percent in 2009-2010. The poverty rate in Maine remains below the U.S. national two-year average of 14.8 percent which had a sharp increase since the economic downturn started (Figure 1). In 2010, the poverty level for a family of four was \$22,050 and in 2011 it is \$22,350 (Table 1).

The recent Census figures indicate that there continue to be marked regional disparities in poverty within the state (Figure 2). In 2010, the state's estimated individual poverty rate was 13.1 percent, while the national rate was 15.3 percent. Eleven Maine counties had poverty rates above the state average (Figure 2). Highest rates were in Washington County (19.4 percent), followed by Somerset (18.6 percent) and Piscataquis (16.6 percent) counties. Lowest rates were in York and Cumberland counties (10.3 percent) and in Sagadahoc County (10.5 percent).

Table 1. Federal Poverty Guidelines, 2010 and 2011

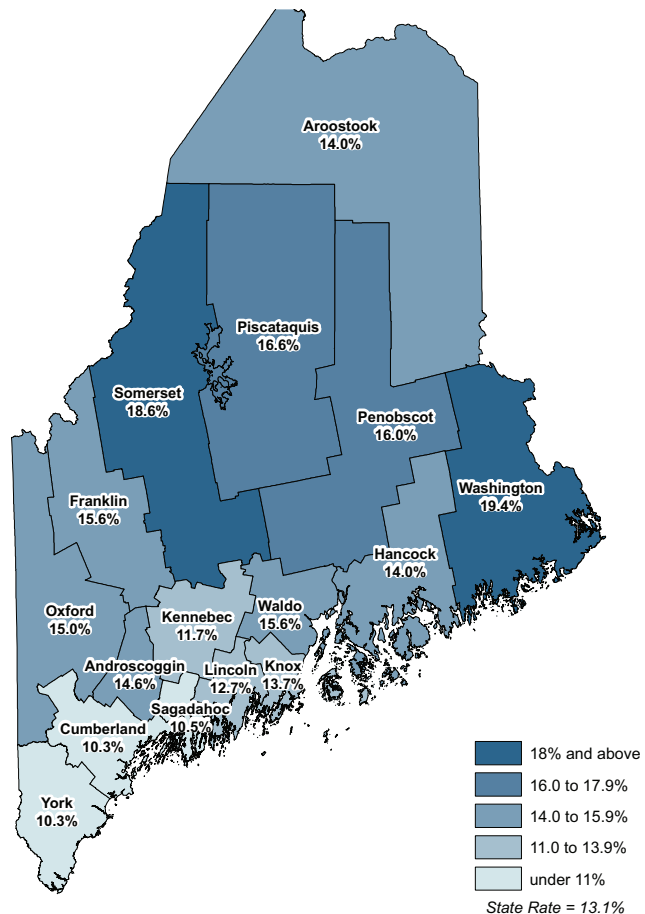
Persons in family	2010	2011
1	\$10,830	\$10,890
2	14,570	14,710
3	18,310	18,530
4	22,050	22,350
For each additional person add:	3,740	3,820

Figure 1. Maine and U.S. Poverty Rates, Two-year Averages



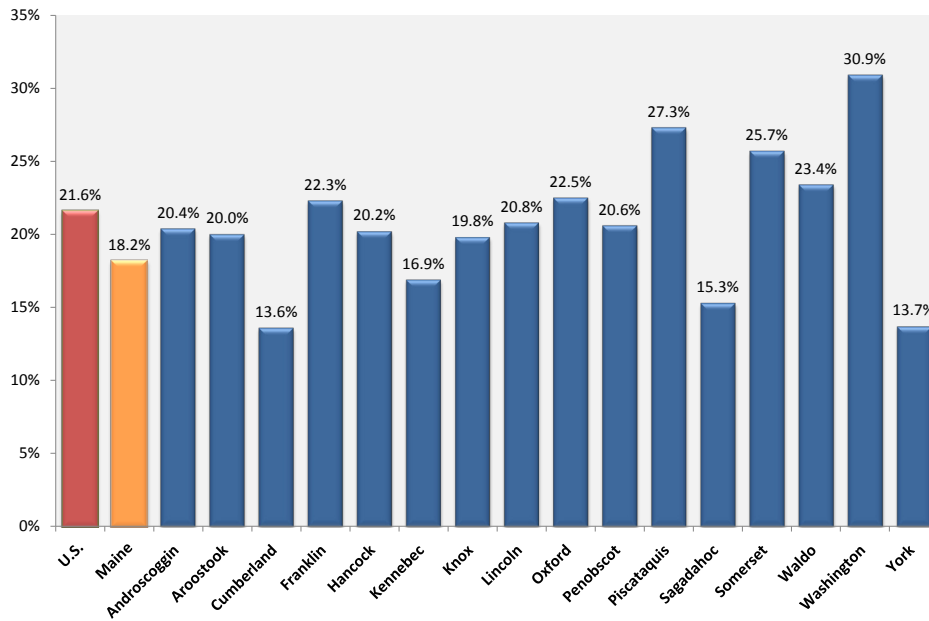
Source: U.S. Census, Small Area Income and Poverty Estimates (SAIPE)

Figure 2. Individual Poverty Rates, 2010



Source: U.S. Census Small Area Income and Poverty Estimates (SAIPE)

Figure 3. Age 0-17 in Poverty, 2010: U.S., Maine and Maine Counties

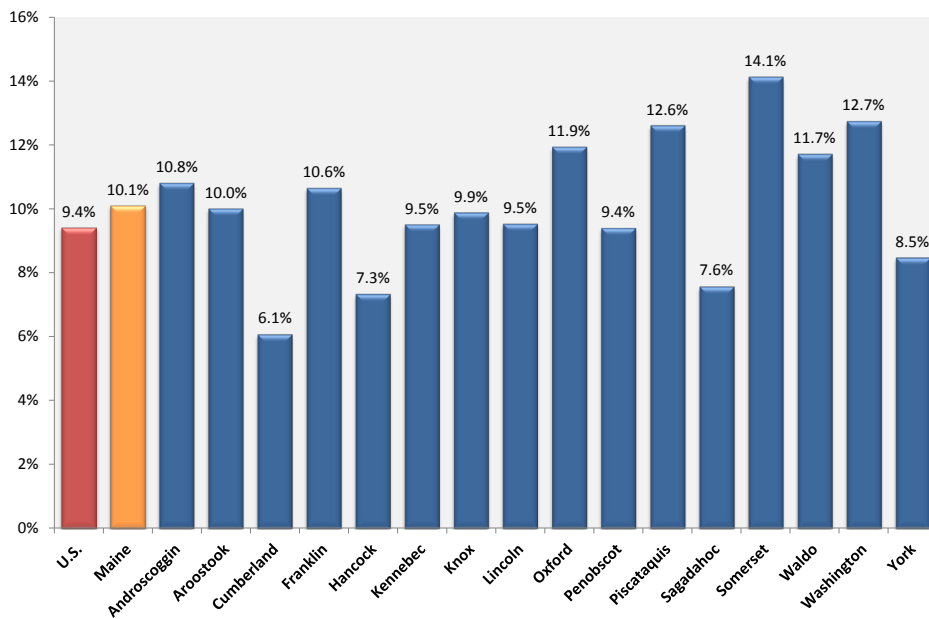


Source: U.S. Census, Small Area Income and Poverty Estimates (SAIPE)

Regional disparities are also seen in Maine child poverty rates. In 2010, 18.2 percent of Maine children under age 18 were below poverty, compared with 21.6 percent nationally. Highest rates of child poverty were in Washington County (30.9 percent), followed by Piscataquis (27.3 percent) and Somerset (25.7 percent) counties (Figure 3). Lowest rates were in Cumberland (13.6 percent), York (13.7 percent) and Sagadahoc (15.3 percent) counties.

The poverty rate for Maine's elders is higher than that in the U.S. as a whole. Based on three-year estimates from the Census American Community Survey, the poverty rate in 2008-10 for those aged 65 and over in Maine was 10.1 percent, while nationally it was 9.4 percent. There was a wide range in elders' poverty rates among Maine's counties, from highs of 14.1 percent in Somerset County and 12.7 percent in Washington County to a low of 6.1 percent in Cumberland County (Figure 4).

Figure 4. Age 65 and Over in Poverty: U.S., Maine and Maine Counties, Three-year Average (2008-2010)^a



(a) Due to small population and small sample sizes, ACS poverty estimates for Piscataquis County are a five-year average (2006-2010)
 Source: U.S. Census, American Community Survey

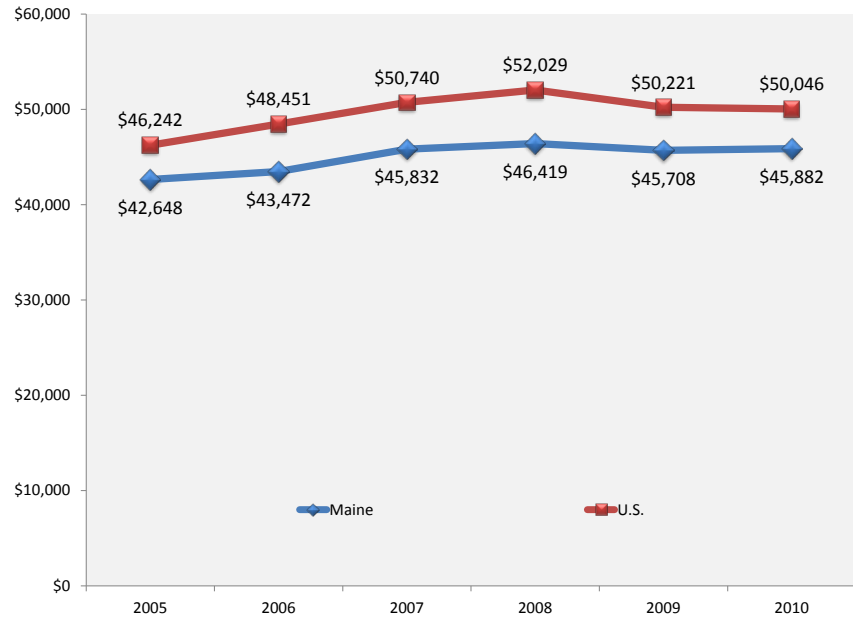
The poverty rate for elders is below that of the general population, in large part due to safety net programs such as social security and Medicare. However, poverty rates do not tell the whole story. Elders pay a higher proportion of their incomes in medical expenses than do younger families. In addition younger working families with children are eligible for a variety of additional benefits that elders do not generally receive, including the Earned Income Tax Credit (EITC), childcare credit, free/reduced school lunch, and WIC.

Household Income

The effects of the economic downturn can be seen very clearly in household income (Figure 5). In 2009 and 2010, median household income in the U.S. decreased for the first time; in Maine, household income decreased in 2009, and in 2010 increased very slightly compared with 2009. Maine's median household income in 2010 remained below the national average, as it has been since at least 2000. However, the gap between Maine's median household income and that of the nation as a whole has narrowed somewhat recently. In 2008, Maine's median household income was 89.2 percent of the U.S. median, and by 2010 it had improved to 91.7 percent of the national figure: \$45,882 in Maine compared with \$50,046 nationally.

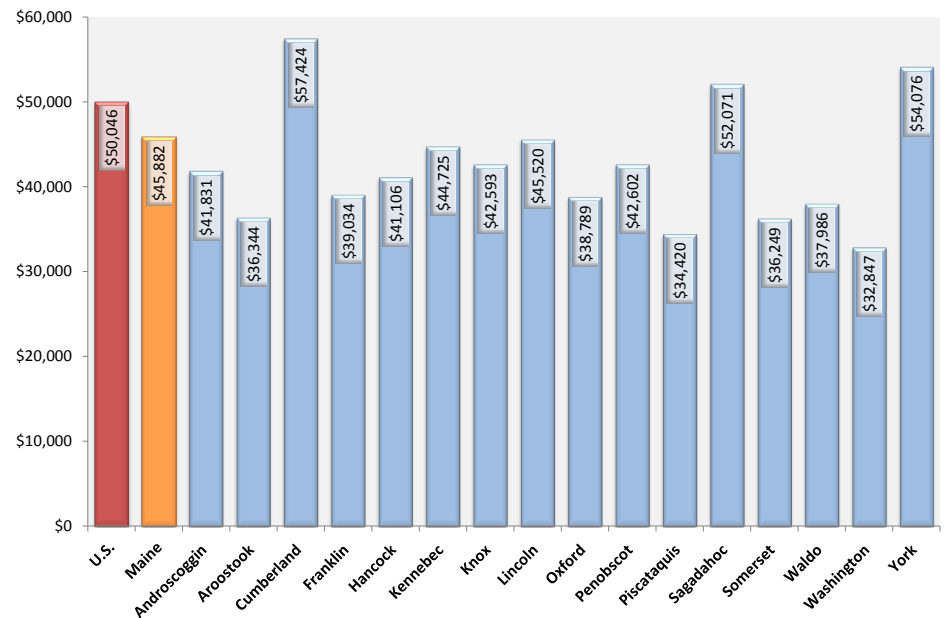
Maine continues to see marked disparities in median household income between counties (Figure 6), ranging from a high of \$57,424 in Cumberland County to lows of \$32,847 in Washington County and \$34,420 in Piscataquis County. Household income in Washington and Piscataquis counties was more than 25 percent lower than in Cumberland. However, it is important to point out that the cost of living varies across different regions of the state; the "liveable wage" needed to live on a basic budget in southern Maine is higher than that needed in the northern and eastern parts of the state (Pease 2009).

Figure 5. Median Household Income Trends, Maine and U.S. 2005-2010



Source: U.S. Census, Small Area Income and Poverty Estimates (SAIPE)

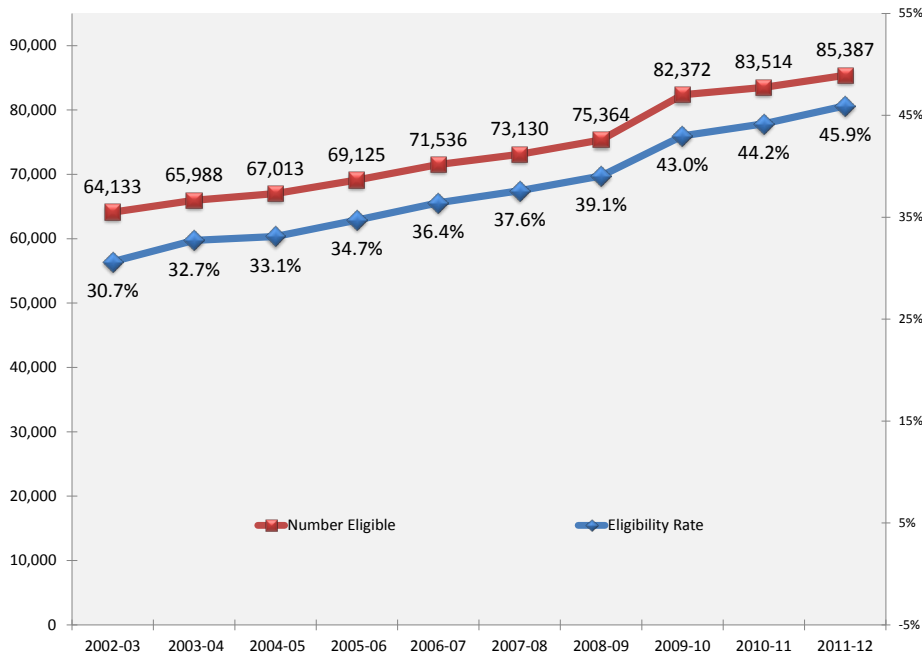
Figure 6. Median Household Income, 2010: U.S., Maine and Maine Counties



Source: U.S. Census, Small Area Income and Poverty Estimates (SAIPE)

FREE AND REDUCED SCHOOL LUNCH PROGRAM

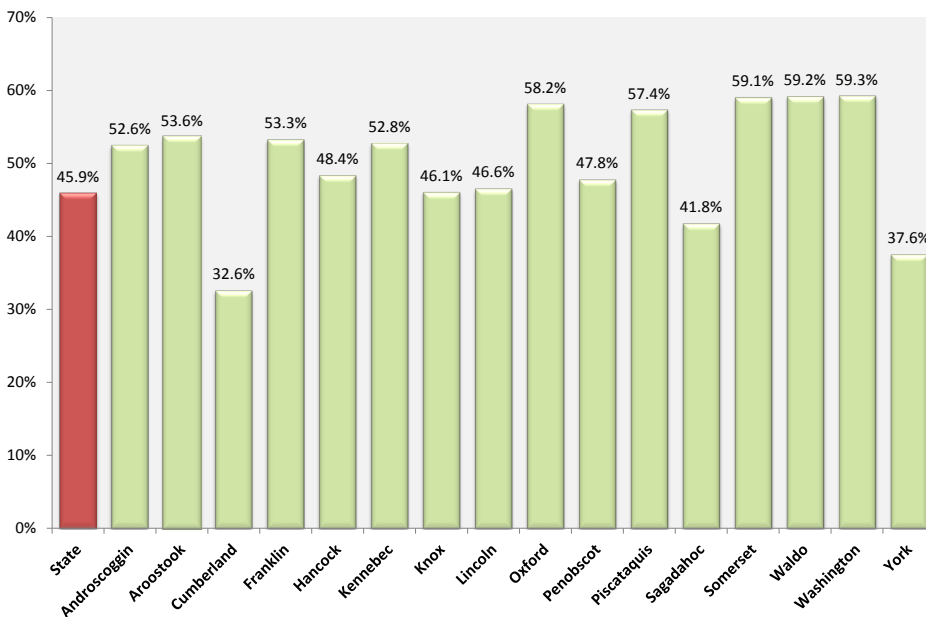
Figure 7. Enrolled Maine Students Eligible for Free or Reduced Meals FY2002-FY2012



Source: Maine Department of Education

The effects of the economic downturn are very evident in the increase in the number and percentage of Maine students eligible for free and reduced school lunch (Figure 7). Since 2008-09, there has been a 13 percent increase in the number of qualifying students, even as enrollment overall has declined. As of October 1, 2011, a record high 45.9 percent of Maine school children were eligible for the free/reduced meals program. Those from families with incomes at or below 130 percent of the poverty level are eligible for free meals [lunch, and in some school districts, breakfast], while those with family incomes between 130 percent and 185 percent of the poverty level are eligible for reduced-price meals.

Figure 8. Percentage of Enrolled Students in Maine Eligible for Free or Reduced Meals, October 1, 2011



Source: Maine Department of Education

More than half of all school-age children were eligible for free/reduced lunch in nine of the state's counties (Figure 8). In four of these counties (Oxford, Somerset, Waldo, and Washington) the eligibility rate was close to 60 percent.

The percentage of children eligible for free or reduced meals is an important indicator of poverty and economic insecurity in a school district or region. The free and reduced meals program also has practical consequences beyond the direct impact on the children being served. Higher eligibility levels entitle schools and school districts to receive additional federal funds and to participate in programs aimed at disadvantaged students, such as Title I program funding for "compensatory education" and special education.

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