

4-1-2003

2002 Annual Report Card on Poverty in Maine

Maine State Planning Office

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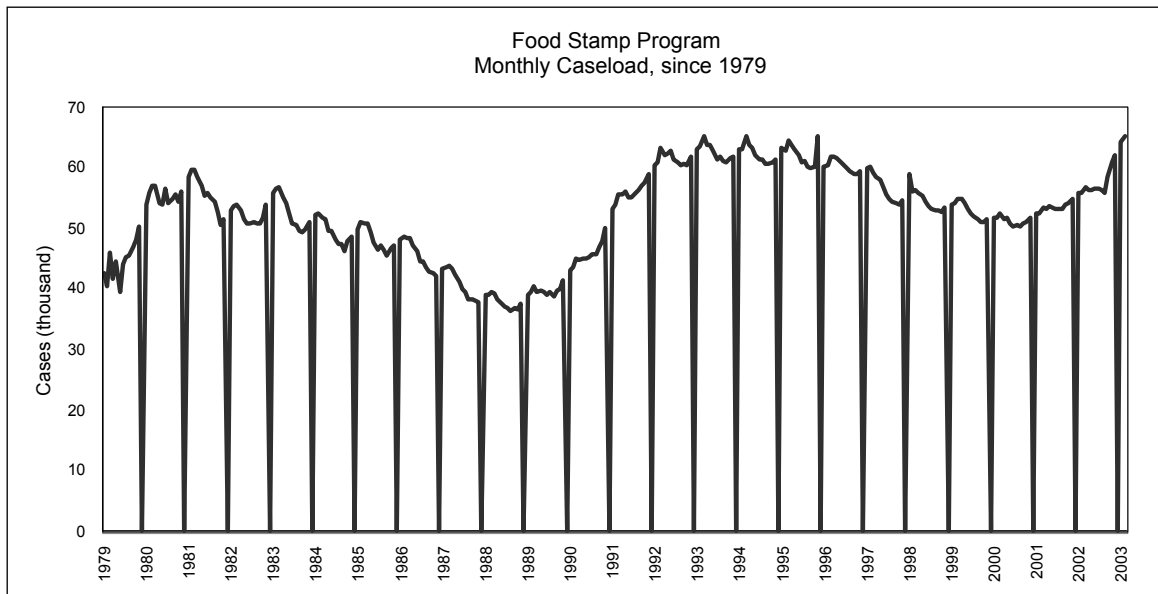
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2002 Annual

Report Card on Poverty in Maine



April 2003
Maine State Planning Office

Resolves

CHAPTER 36

H.P. 270 - L.D. 334

Resolve, to Implement the Recommendations of the Commission to Study Poverty
Among Working Parents with Regard to an Annual Report Card on Poverty

Sec. 1. Report on poverty. Resolved: That the State Planning Office shall report annually to the Legislature, beginning on January 1, 1998, on the subject of poverty in this State. The report must include information on poverty among children and adults, regional differences in poverty rates and indicators, conditions responsible for changes from the prior year, expectations for the coming year and the economic condition of the State's communities.

Effective September 19, 1997, unless otherwise indicated.

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3. Conditions Contributing to Poverty	11
4. Adequacy of Transfer Payments	19
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6. End Notes	34

Federal Poverty Guideline												
Family Size	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	2002	<u>2003</u>
1	4,210	5,250	6,280	7,470	7,740	7,890	8,050	8,240	8,350	8,590	8,860	8,980
2	5,590	7,050	8,420	10,030	10,360	10,610	10,850	11,060	11,250	11,610	11,940	12,120
3	6,970	8,850	10,560	12,590	12,980	13,330	13,650	13,880	14,150	14,630	15,020	15,260
4	8,350	10,650	12,700	15,150	15,600	16,050	16,450	16,700	17,050	17,650	18,100	18,400
5	9,730	12,450	14,840	17,710	18,220	18,770	19,250	19,520	19,950	20,670	21,180	21,540
6	11,110	14,250	16,980	20,270	20,840	21,490	22,050	22,340	22,850	23,690	24,260	24,680
7	12,280	16,050	19,120	22,830	23,460	24,210	24,850	25,160	25,750	26,710	27,340	27,820
8								27,980	28,650	29,730	30,420	30,960
For each additional member:												
Add:	1,170	1,800	2,140	2,560	2,620	2,720	2,800	2,820	2,900	3,020	3,080	3,140
SOURCE: published annually in the Federal Register												

1. Summary & Highlights

A. Poverty Measures

Poverty Level: The poverty rate in Maine is slightly below the national average. However, the 2000 census shows that Maine's poverty rate rose slightly (from 10.8% to 10.9%). Maine has 7000 more people living below the poverty line now than 10 years ago. Regionally, within Maine, the poverty rate varies from as high as 19% in Washington County to a low of 7.9% in Cumberland County.

Regional Shift: Maine's most rural counties still have the highest rates of poverty overall. However, a new pattern is emerging. Between 1990 and 2000, there was an identifiable shift in the distribution of persons below the poverty level, largely toward more urban counties.

Food Stamp Program Enrollment: The average annual enrollment increased by nearly 8,000 individuals (4,000 households) in 2002. After a slight dip in mid summer, enrollment began to rise sharply in the fall.

Transfer Payments: The portion of household income derived from transfer payments rose again in 2000. Though a greater portion of income in Maine is typically from transfer payments due to the larger portion of elderly in the population (hence a higher portion receiving social security, railroad retirement, and other benefits), Maine's dependence on transfer payments accelerated in the mid 1990's and has remained much higher than the national average since.

Insured: The number of people without health insurance is rising. In spite of progressive programs in Maine that have enabled many to obtain health insurance and led to a higher rate of insured in Maine than the national average, the proportion of Maine residents without insurance is increasing and now is almost at the national level.

Other indicators remain relatively unchanged. Measures of homelessness and food insecurity show little change.

B. Contributing Factors

Income: Income in Maine has lagged behind the nation for decades. In 1999, the income gap narrowed to 91% of the national average, but has declined since. In 2001, Maine ranked 40th in per capita and median household income, at 87% of the national level.

Income Disparity: Income data from the 2000 Census data showed that more Maine households have low incomes and fewer are in high-income categories than the national average. A third of Maine households had incomes below \$25,000 in 1999,

compared to only 28% nationally. At the other extreme, only 12% of Maine households (compared to 22.5% nationally) had income in excess of \$75,000.

Earnings: Earnings have been flat. Average annual pay measured by the US Dept. of Labor shows slight improvement in 2001. The average wage in Maine stands at 80% of the national level, up from a record low 79% the previous year.

Employment: Stagnant job growth has been is the key factor slowing income growth. The average annual employment in 2002 dropped for the second year in a row. Labor force growth has been flat since 2000. Fewer people are entering the labor force. Labor supply is key to job growth.

The unemployment rate in Maine has increased for the past 2 years, though still below the national average. The overall lack of growth in the labor force and people unable to find a job leaving the labor force have kept the unemployment rate lower

Mass layoffs also contributed to slowing growth in earnings. For some workers, sidelined by cyclical events the income loss is temporary. Those displaced by downsizing or the demise of firm or industry frequently find new jobs with lower pay.

Economic Structure: In 2001, half of Maine workers were employed in jobs where the average annual pay is less than \$30,000. Even in a time of flat job growth, jobs in retail trade and other lower paying industries continued to grow between 2000 and 2002 while jobs in manufacturing declined and jobs in other relatively higher paying industries remained unchanged.

Transfer Payments: Federal data sources show the number of Maine residents receiving government benefits from nearly all federal programs (TANF the only major exception) has increased since 2000.

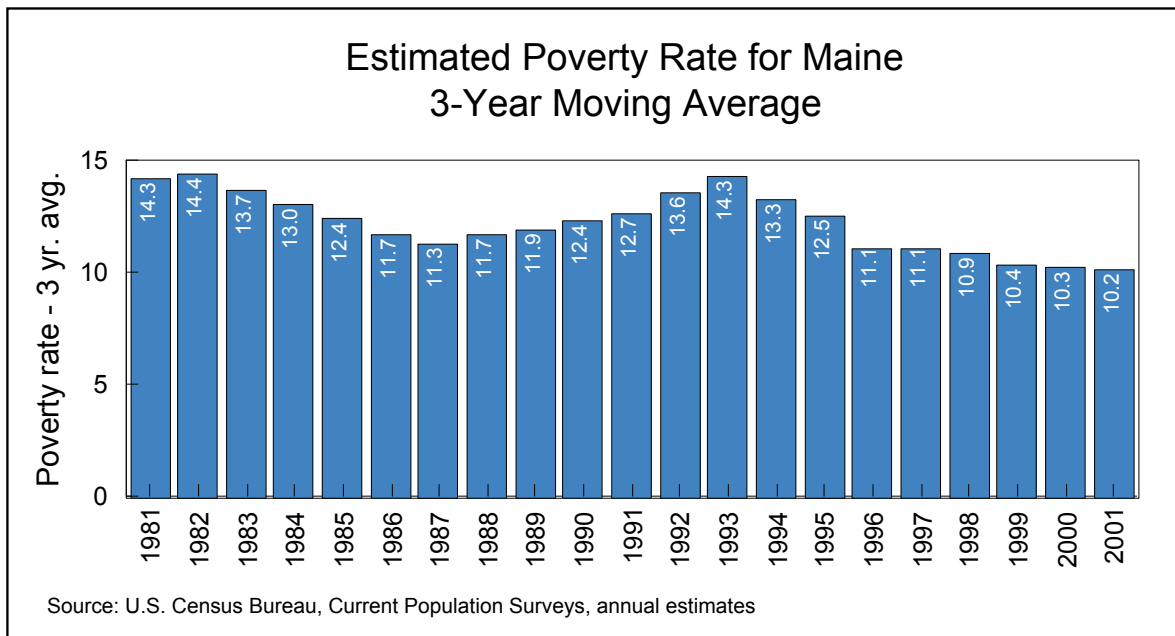
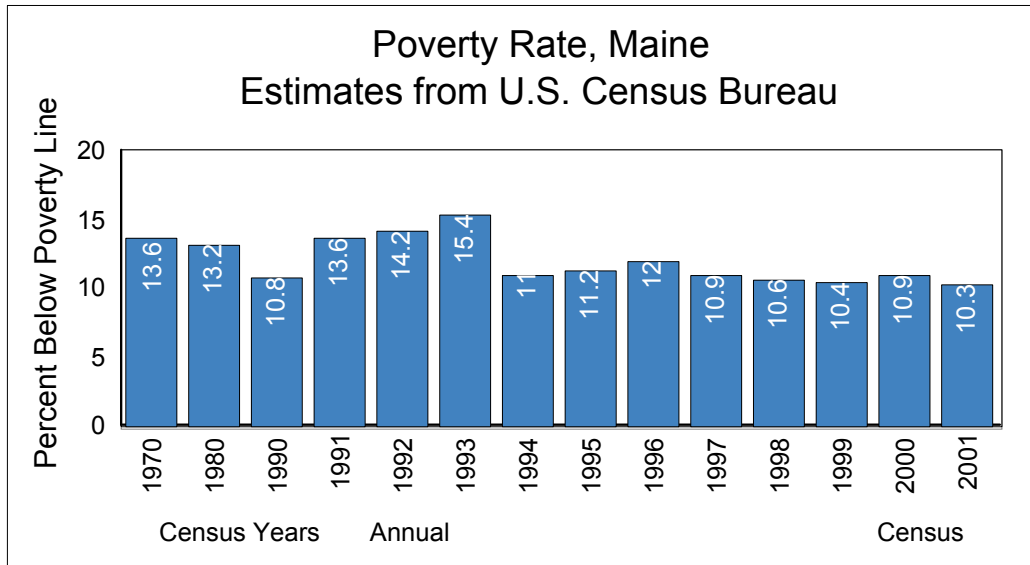
The average monthly benefit in income-based programs (social security, retirement programs, unemployment, disability benefits, etc.) continues to lag behind the average benefit nationally, and can be expected to do so as long as earnings in Maine lag behind the national average. Though cost of living increases keep recipients from slipping further into poverty, most are not as well off as their counterparts in other parts of the country.

Benefits from need-based programs, such as Food Stamps and Supplemental Security Income (SSI) lag behind the national average but the gap narrowed in 2001, suggesting a growing need pushing benefits upward.

2. Measures of the Extent of Poverty

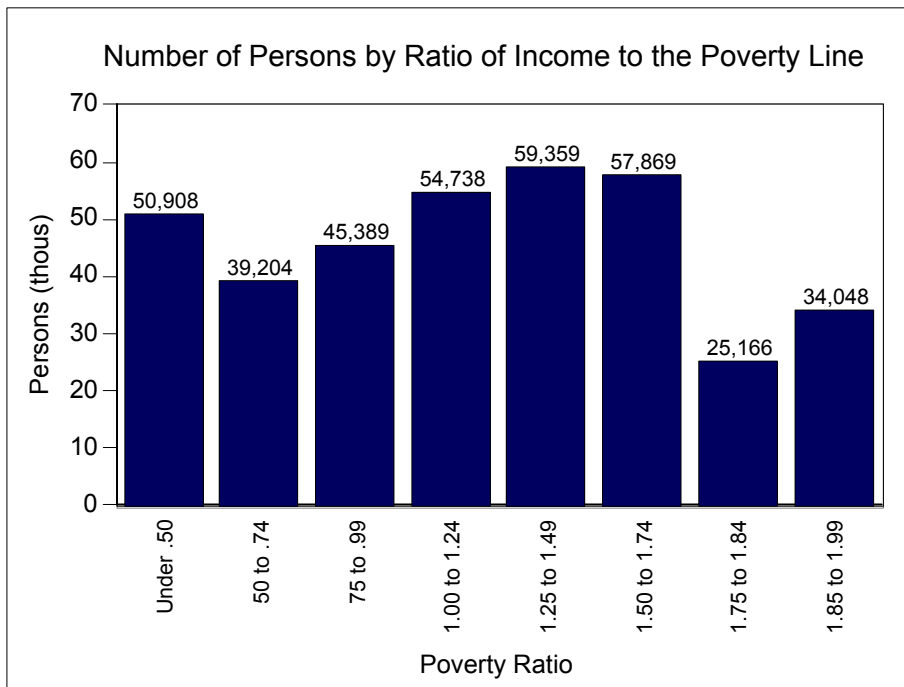
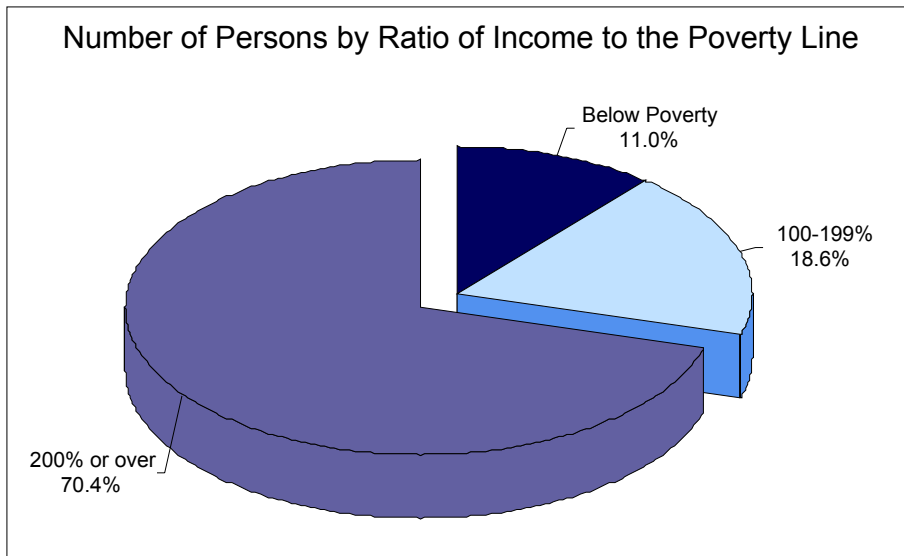
A. Poverty Estimates

The latest estimates of poverty released by the Census Bureau for 2001 shows the overall poverty rate in Maine to be holding consistently below the national average (10.3% compared to 11.5% nationally). However, the method used by the Census Bureau to estimate the poverty rate in years between the decennial census yields estimates of poverty that are conservatively low. For instance, the 2000 census showed that Maine's poverty rate stood at 10.9% while the bureau's estimates indicated 9.8%.



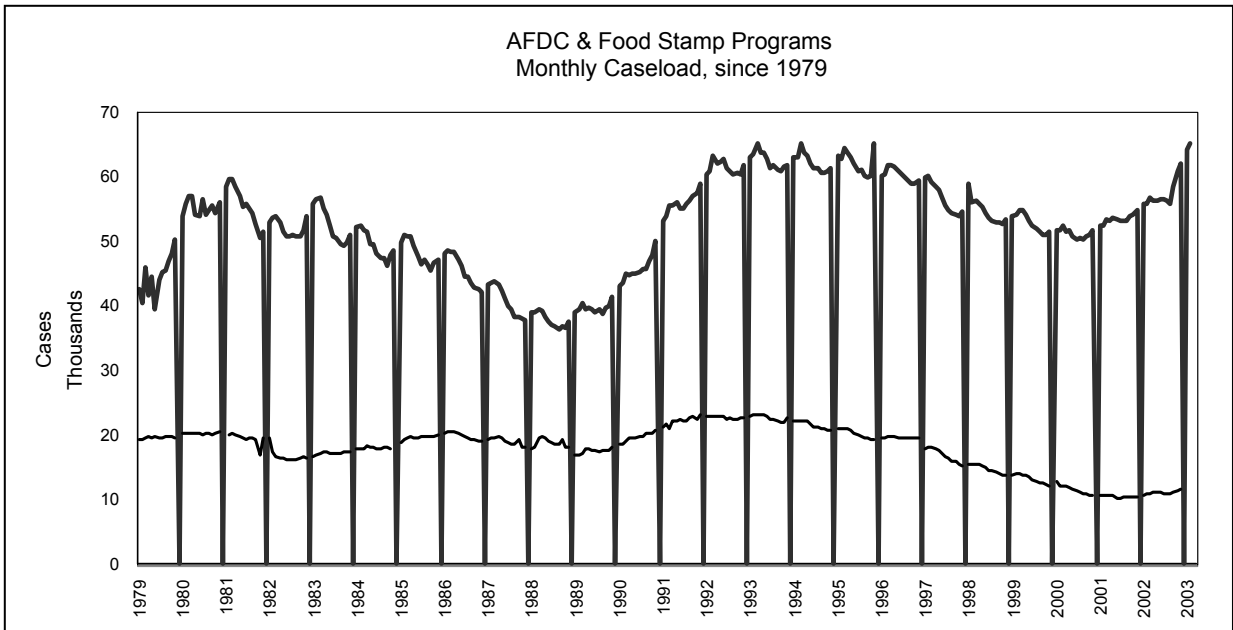
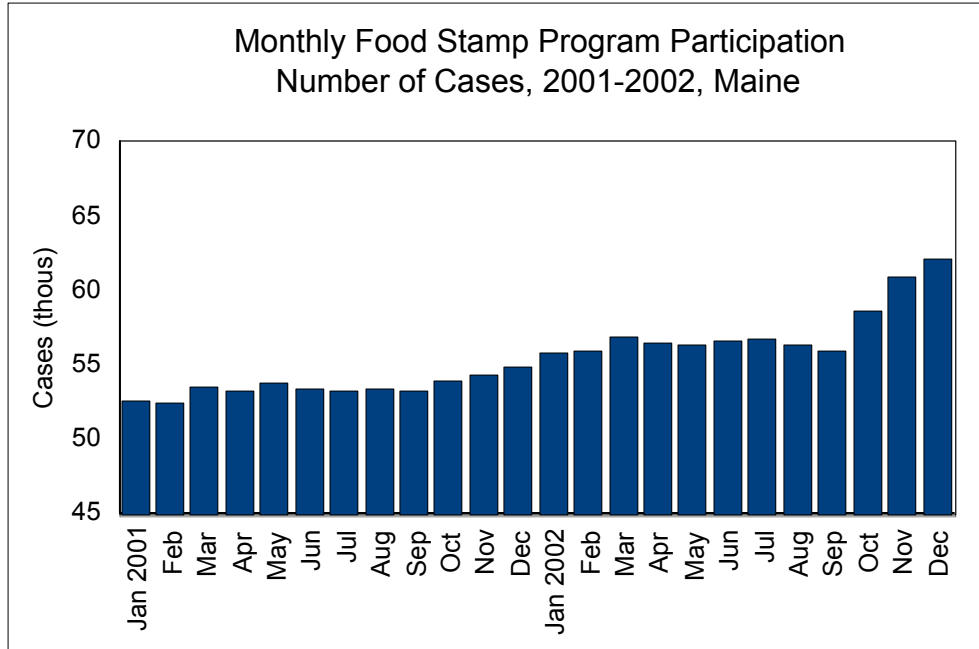
The federal poverty level itself is a “bare bones” income figure below which individuals will have difficulty achieving even the most basic “lower level standard of living.” The decennial censuses provide additional detail about the conditions of poverty. One of the most useful data items is the ratio of income to the poverty level. The ratio shows not only how poor the poor are, but also the portion of the population whose income lies within a short distance of the poverty level, i.e., the near poor. In general, most persons with income that is below 185 – 200% of the poverty level have inadequate resources to meet basic needs.

Nearly 30% of Maine’s population had income below 200% of the federal poverty guideline according to the 2000 Census. This amounts to 367,000 individuals.



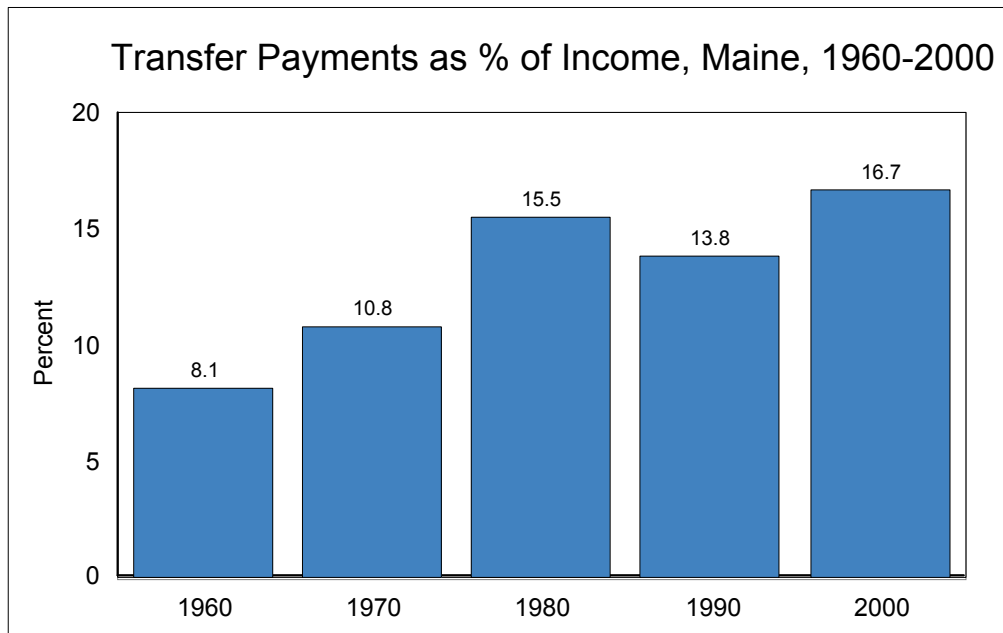
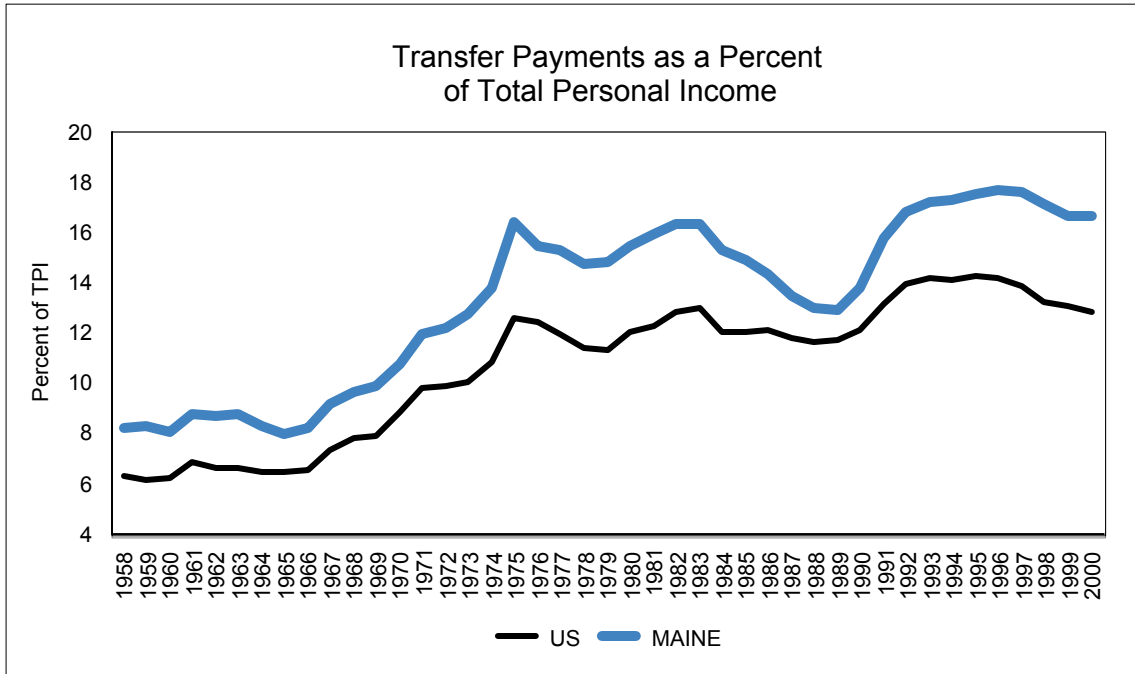
B. Food Stamp Program Enrollment

Food Stamp Program Participation continued to increase in 2002. An annual average of 8000 more people were enrolled in 2002 compared to 2001.

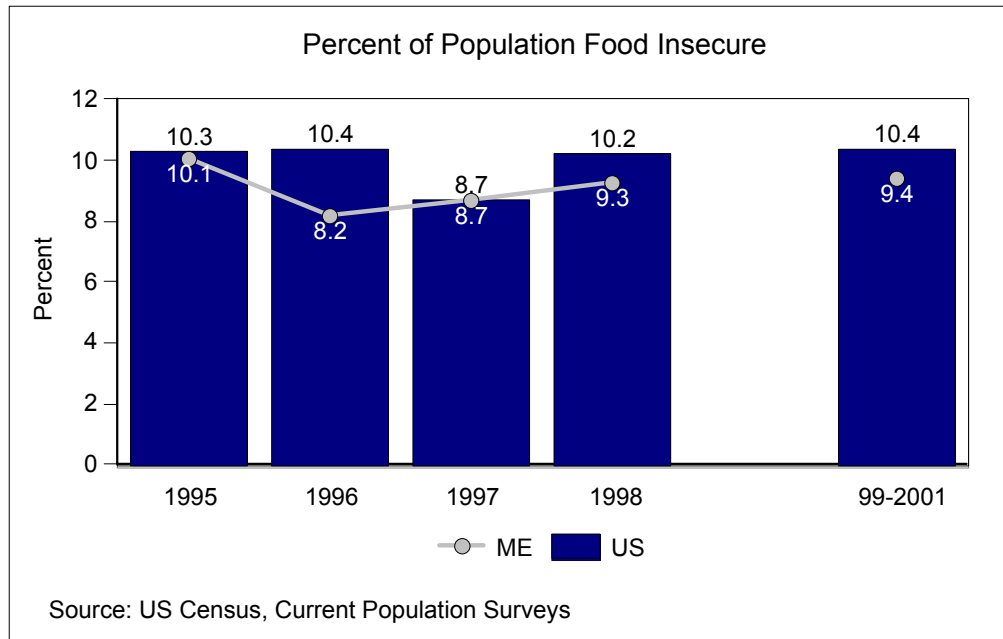
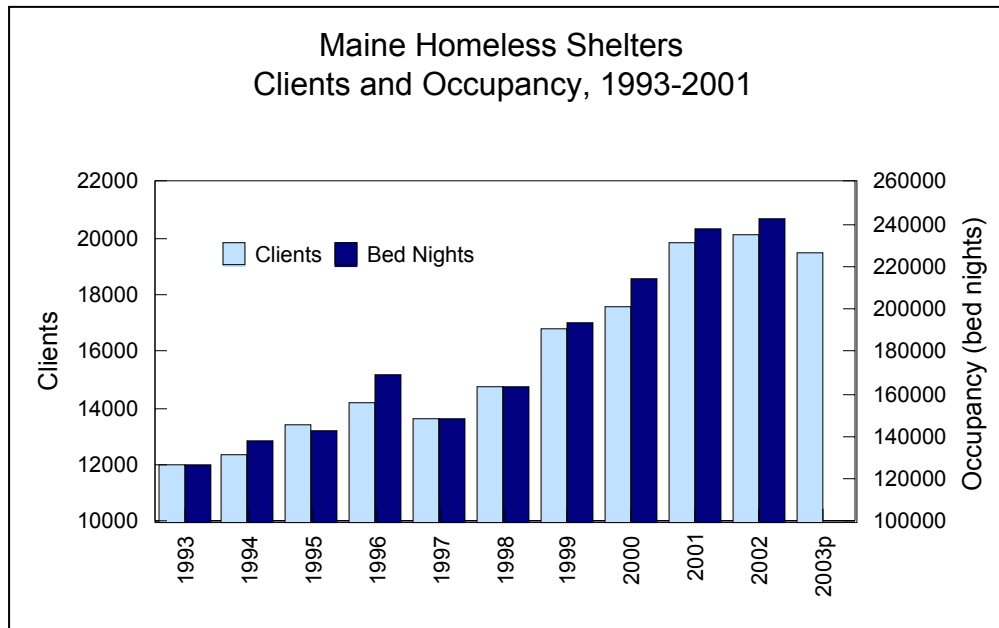


Note: Historic data in this graph for the AFDC program was replaced by TANF in more recent years.

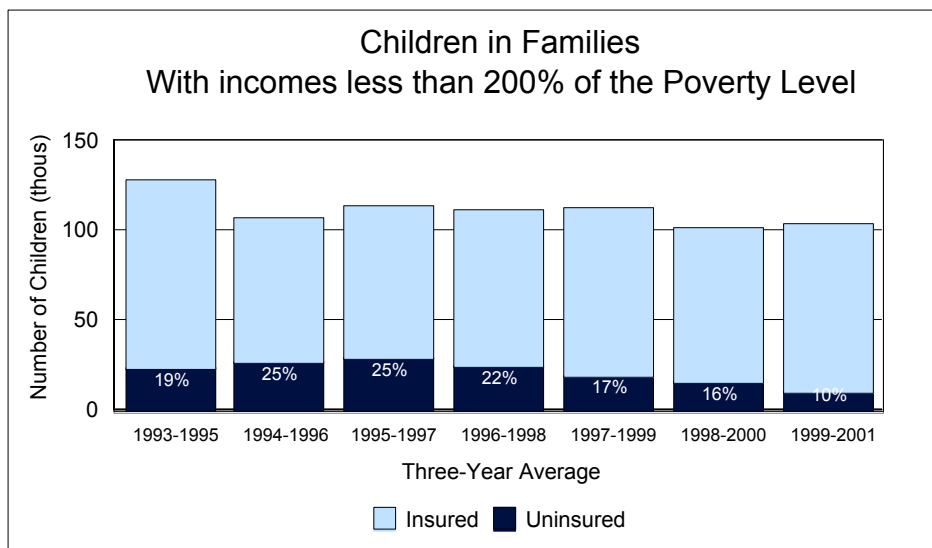
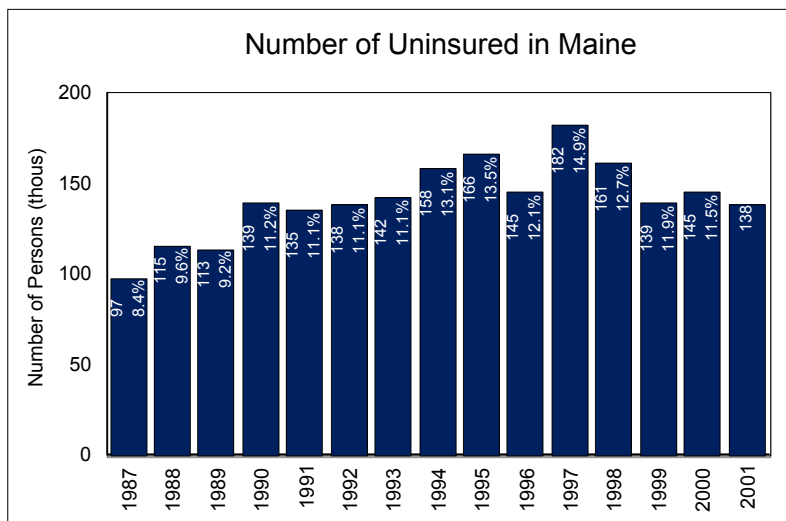
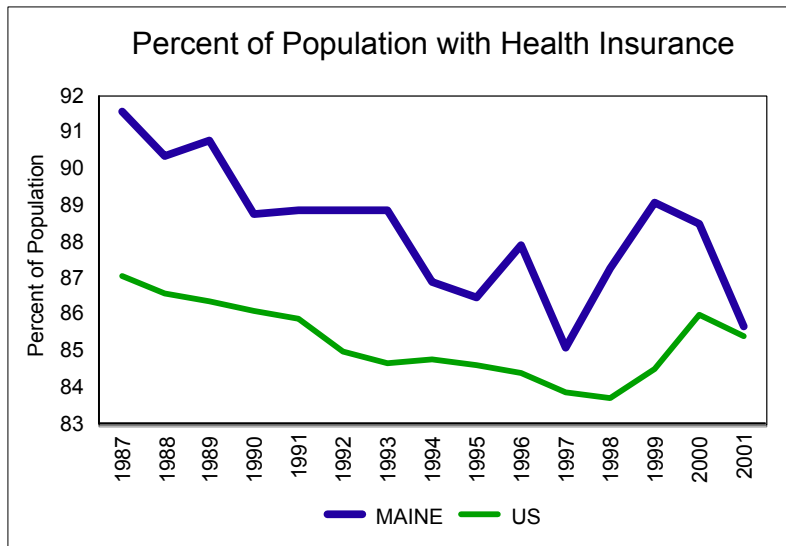
C. Portion of Income derived from Transfer Payments



D. Other indicators of Need

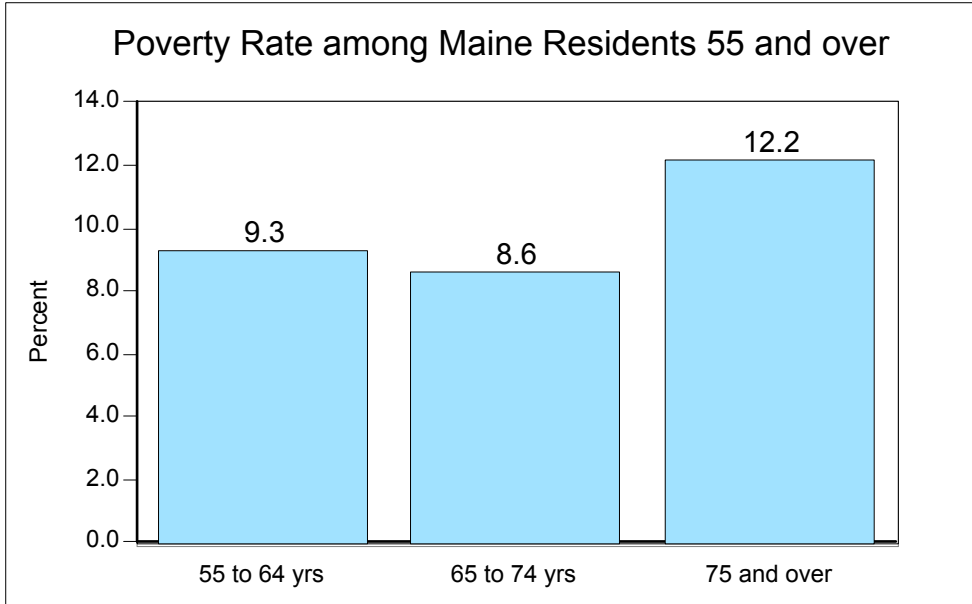


NOTE: New data does not correspond with data for previous years. The system of measuring food security has changed. See note at back of this report

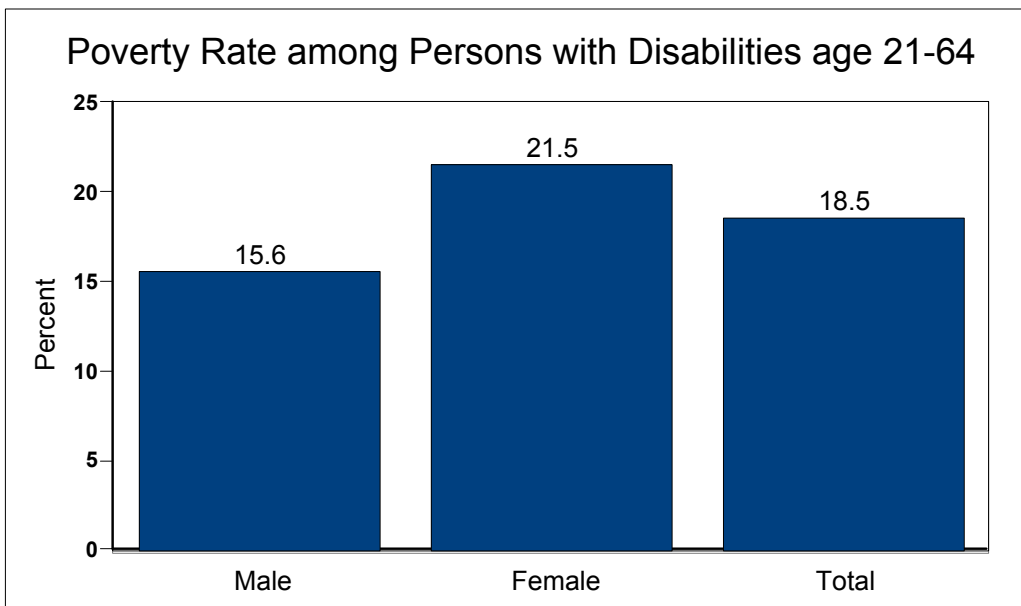


E. Special Populations and Poverty

Elderly

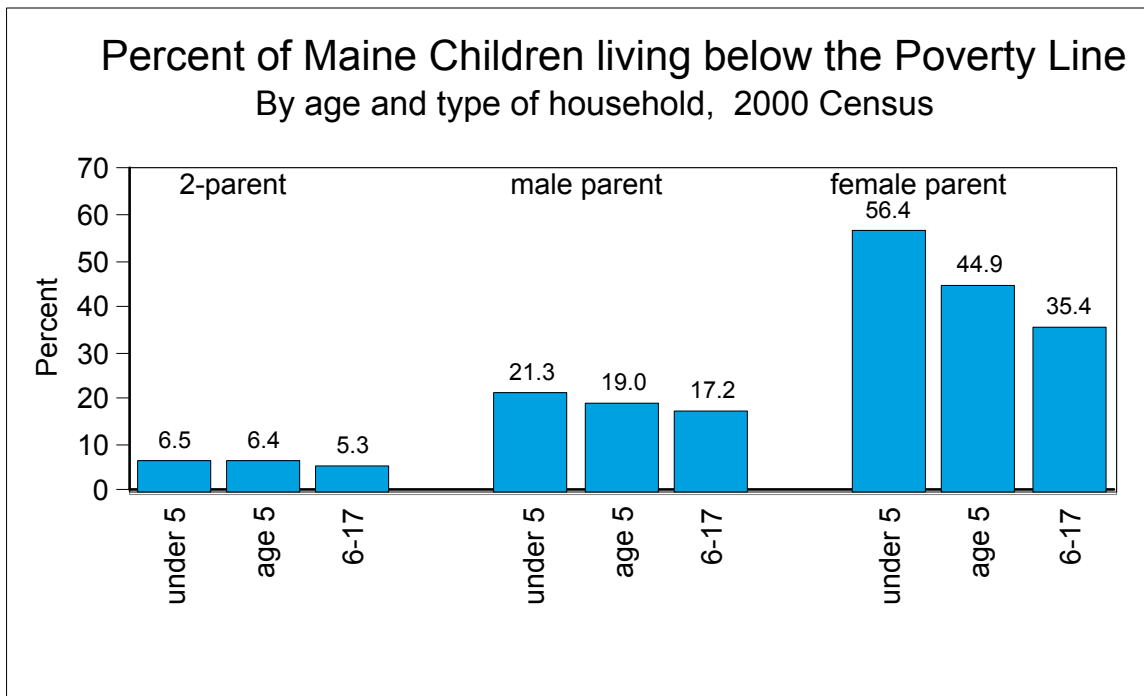
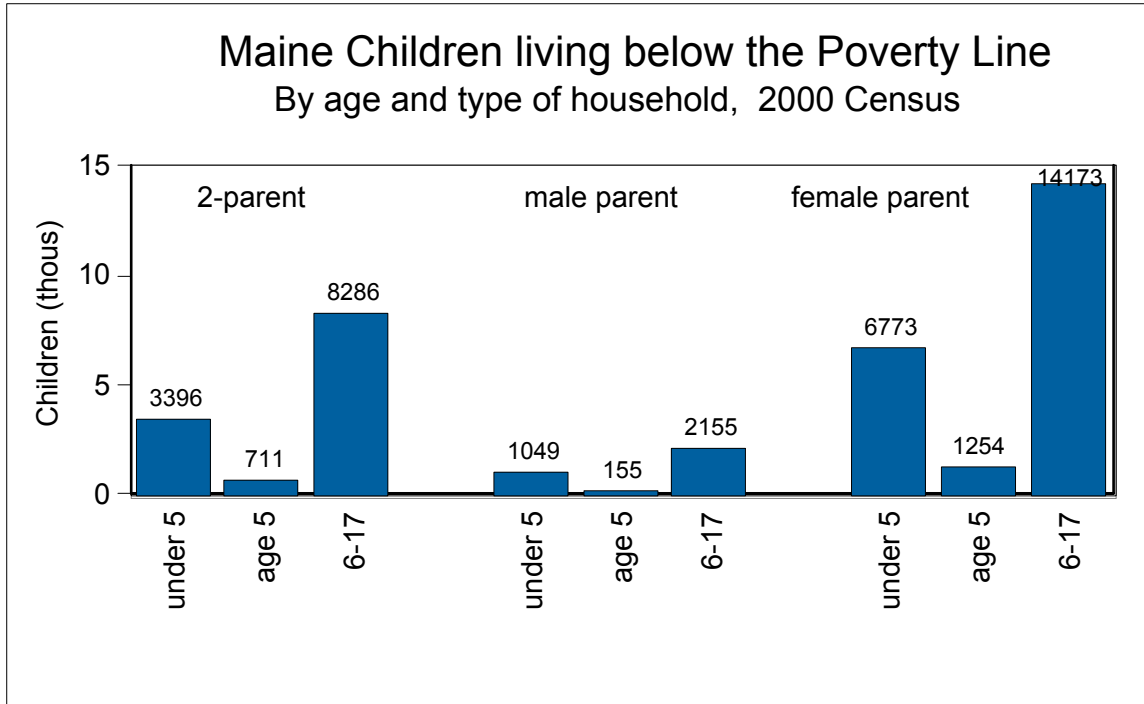


Non-elderly adults with a disability



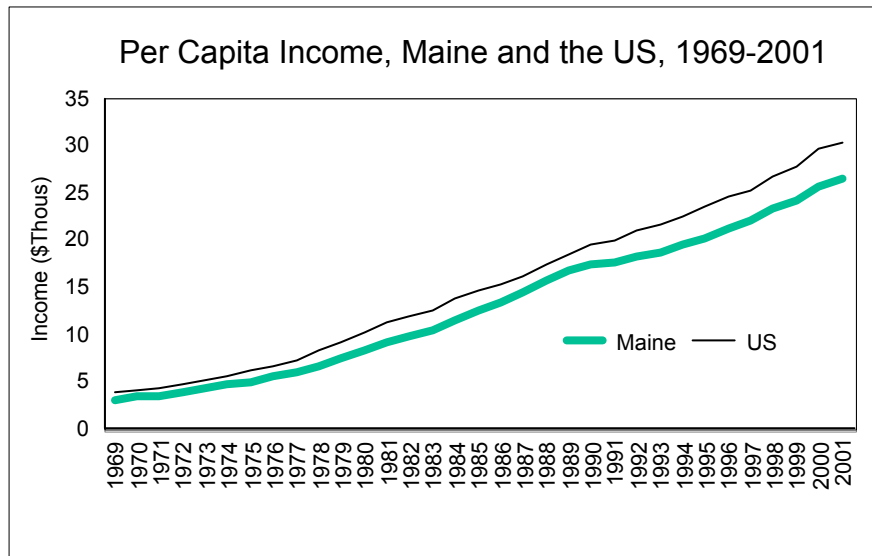
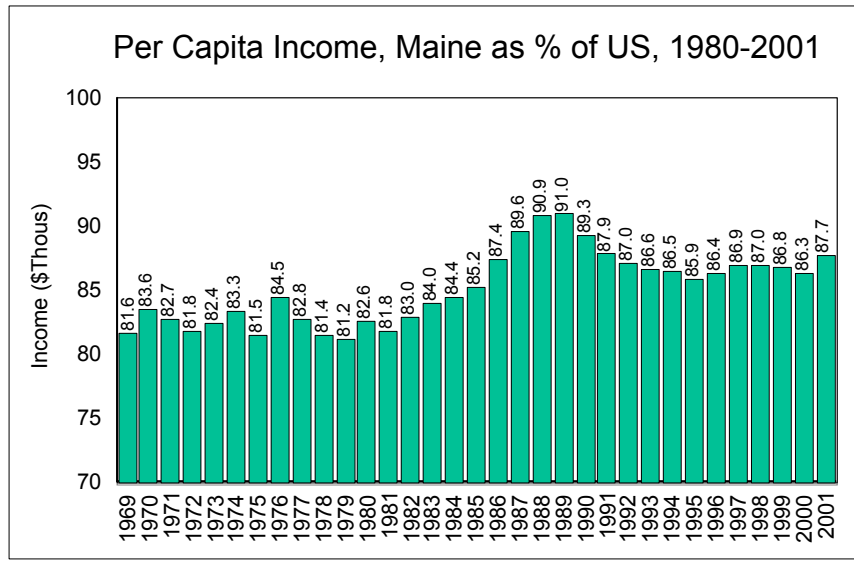
Children

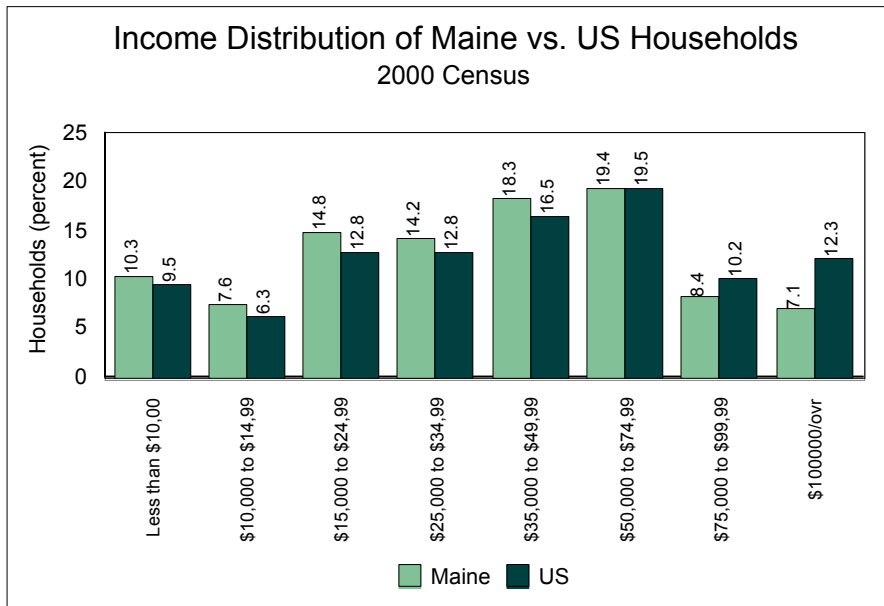
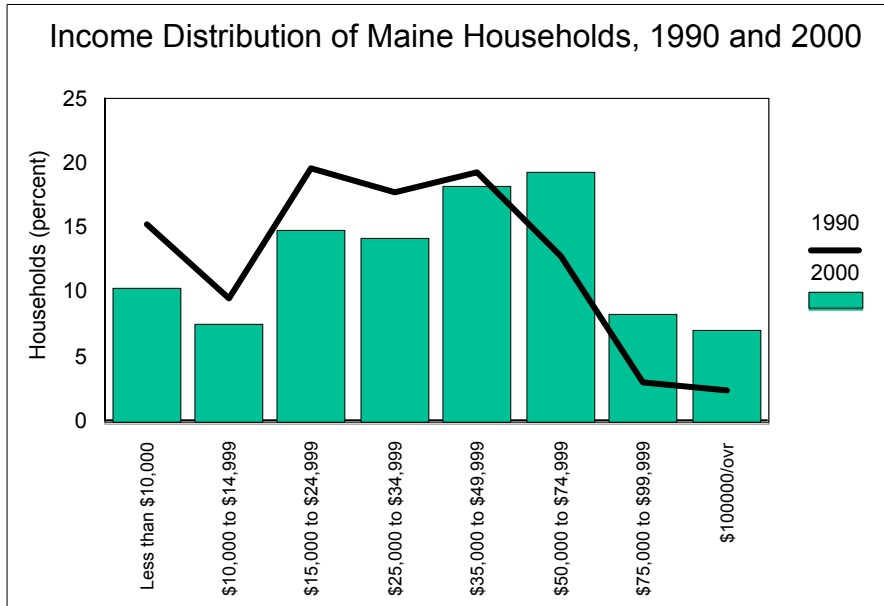
38,000 children in Maine live in households with income below the poverty line. The vast majority live in single parent homes, most in homes with a single female parent.



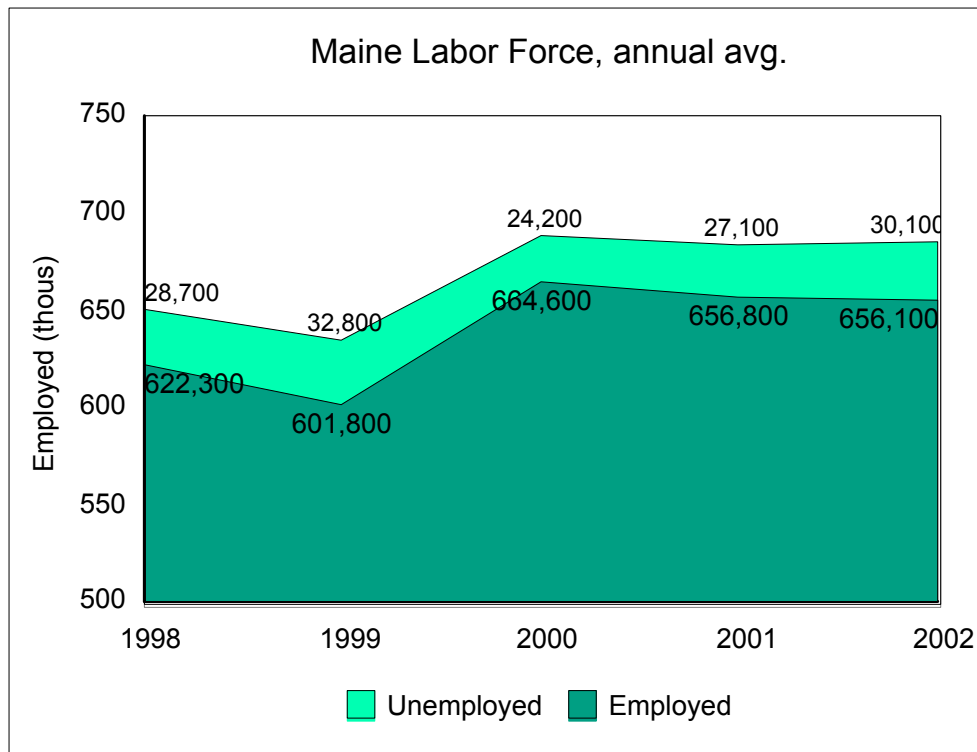
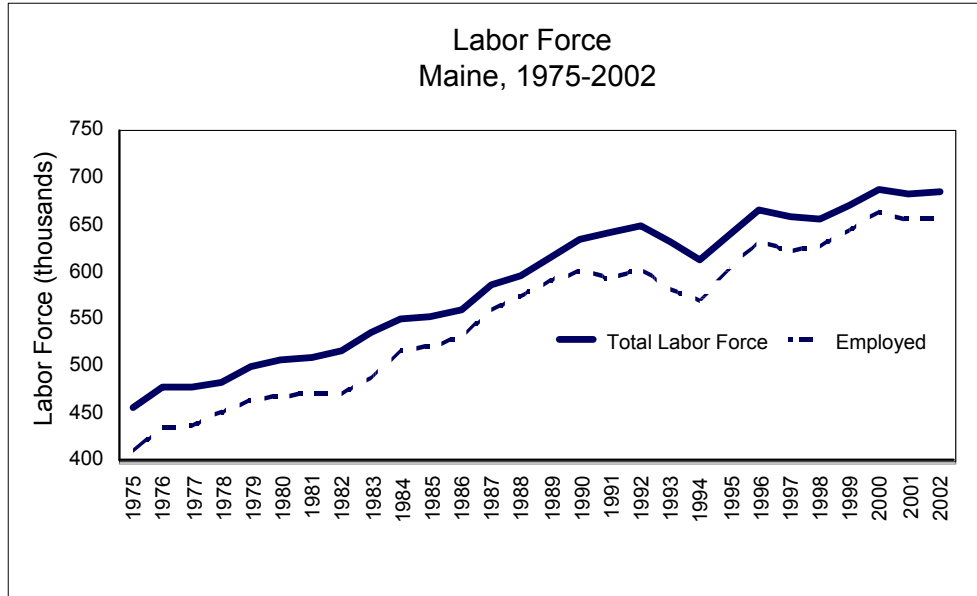
3. Conditions Contributing to Poverty – Economic Indicators

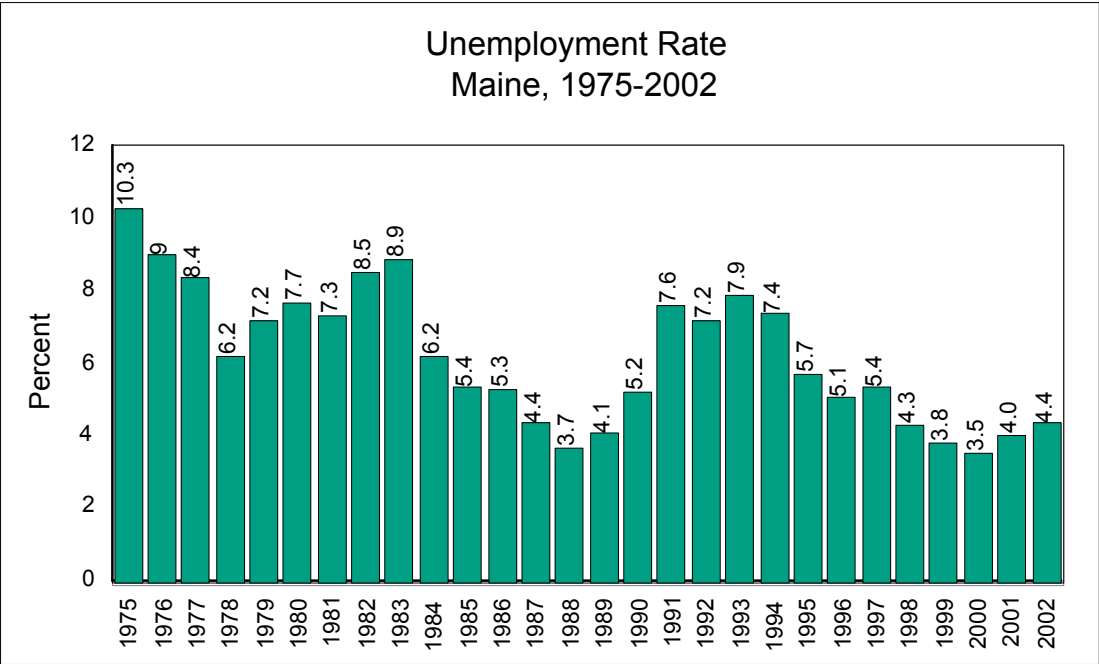
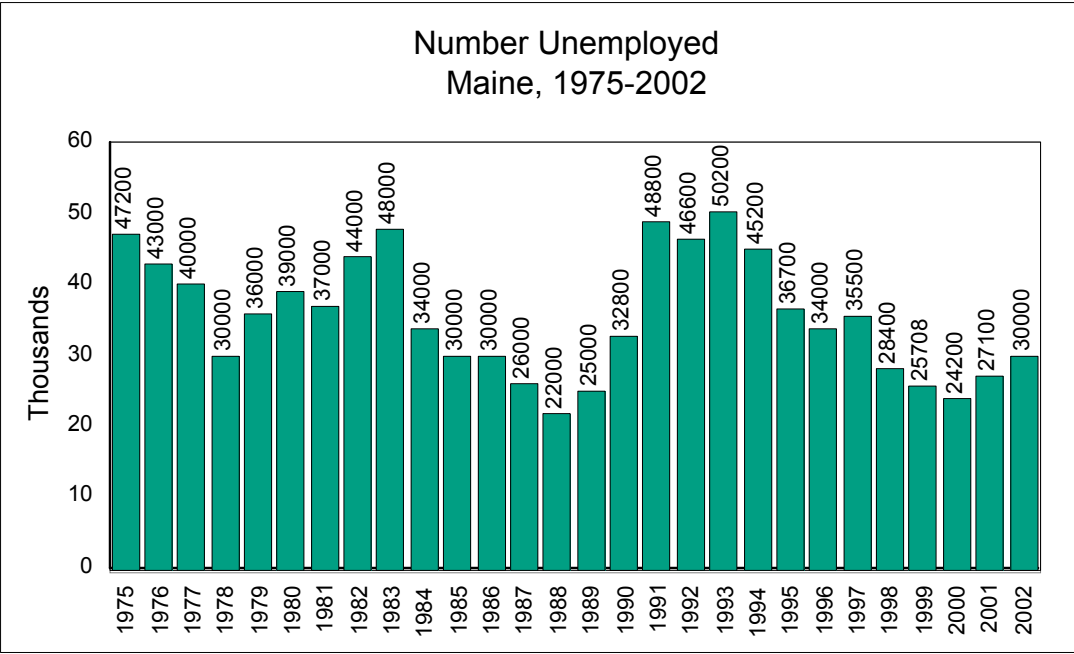
A. Income Distribution and Disparity



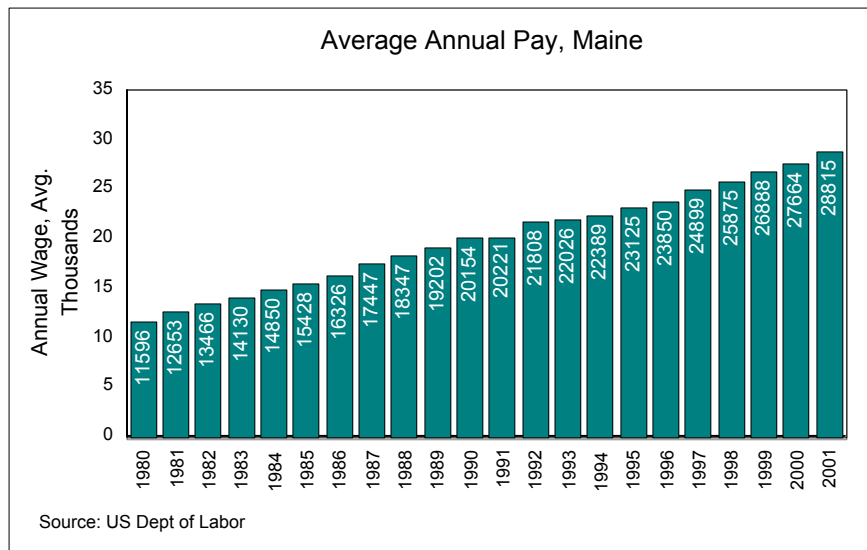
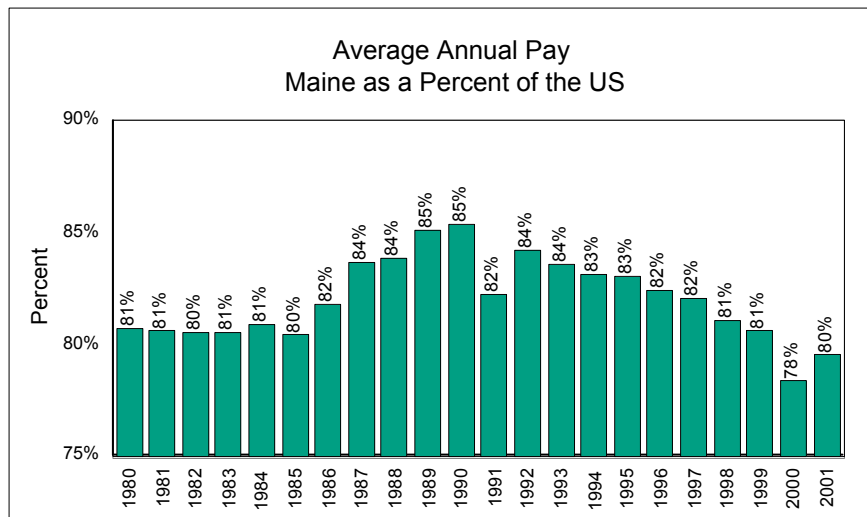
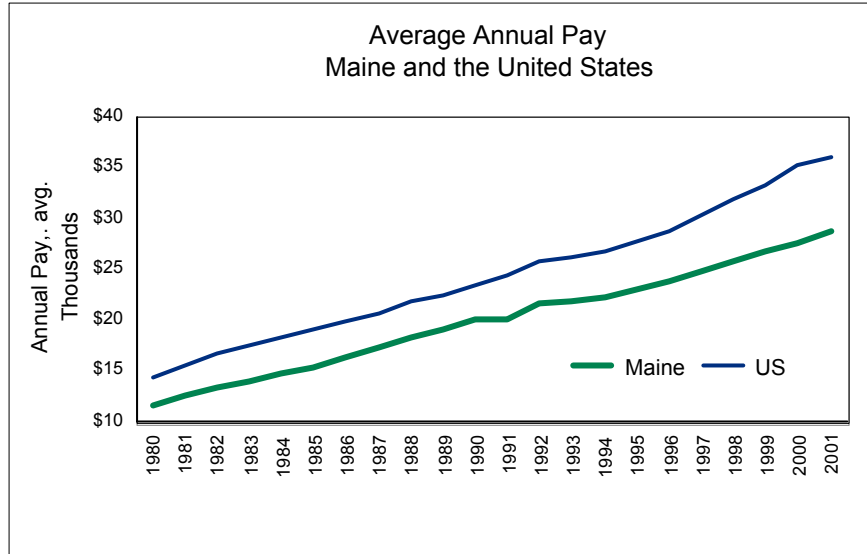


B. Employment and Unemployment



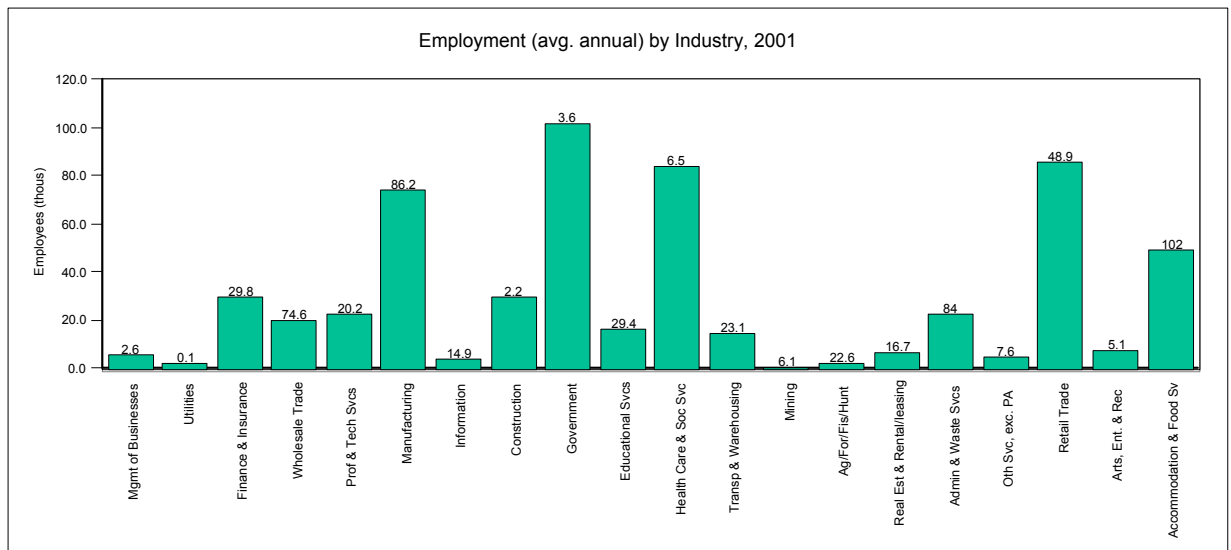
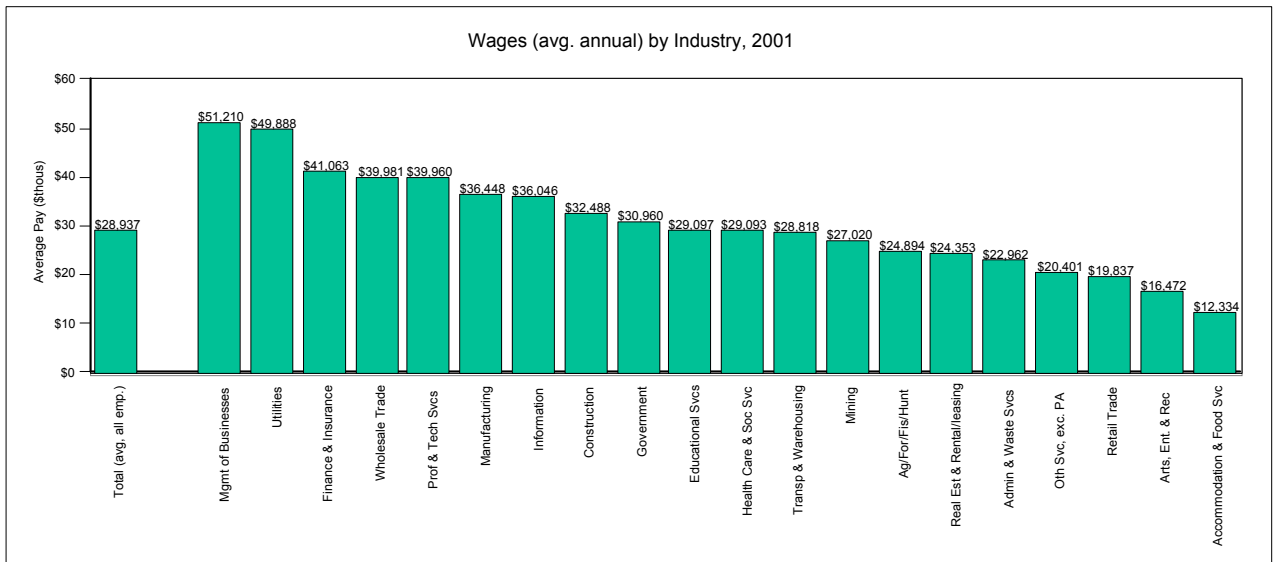


C. Earnings

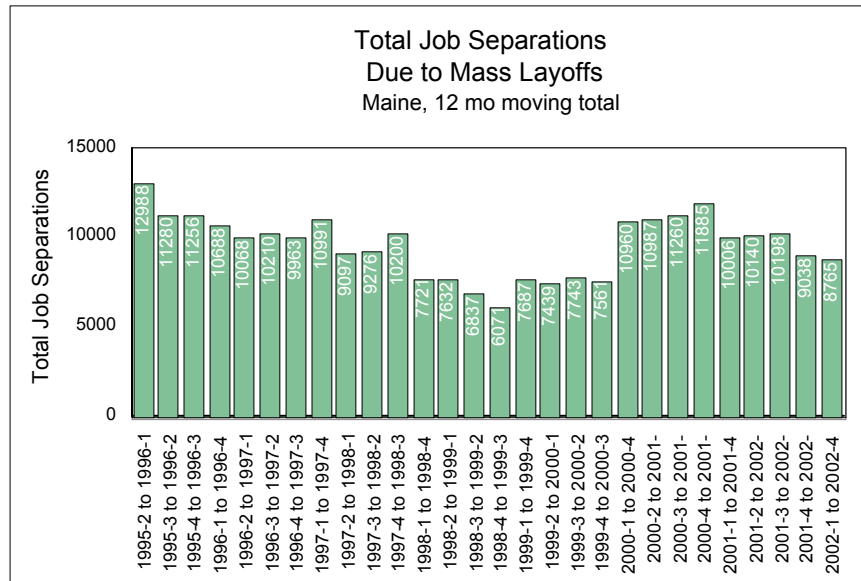


D. Relationship of Economic Structure and Earnings

The US Department of Labor recently adopted a new system of classifying industries, commonly referred to as “NAICS”, or North American Industry Classification System. Previously the old system, which divided industries into ten categories had been used in this report. The US Bureau of Labor Statistics began to use the new 20-sector system is used for the annual pay survey this year. The new NAICS categories are substantially different from the previous ten and are not comparable.

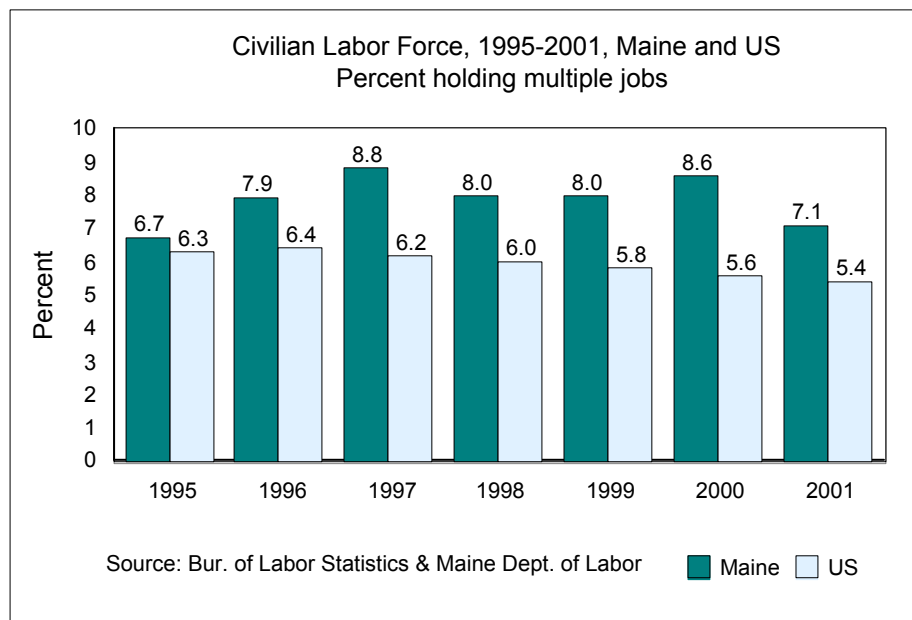


Mass Layoffs

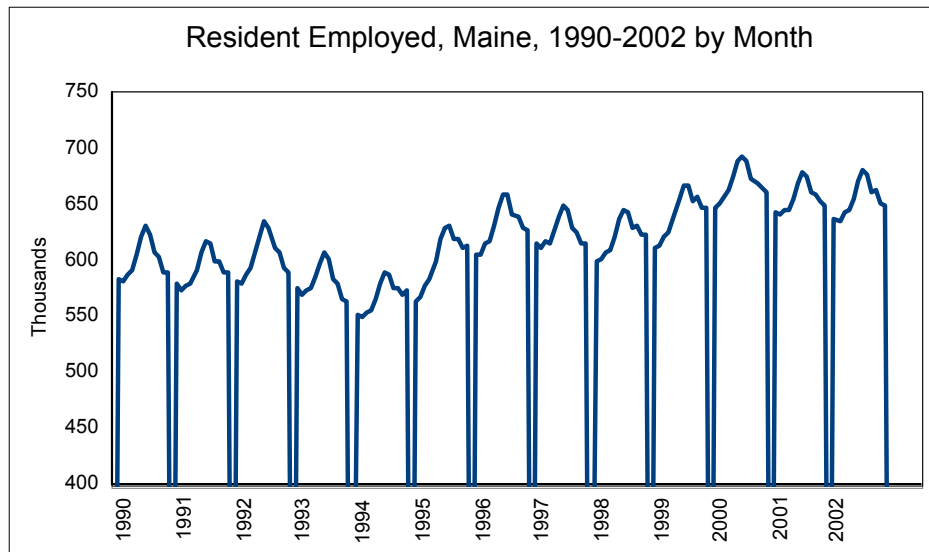


NOTE: 2002 data (last bar) is for 3 quarters only. Data for the third quarter of 2002 is suppressed.

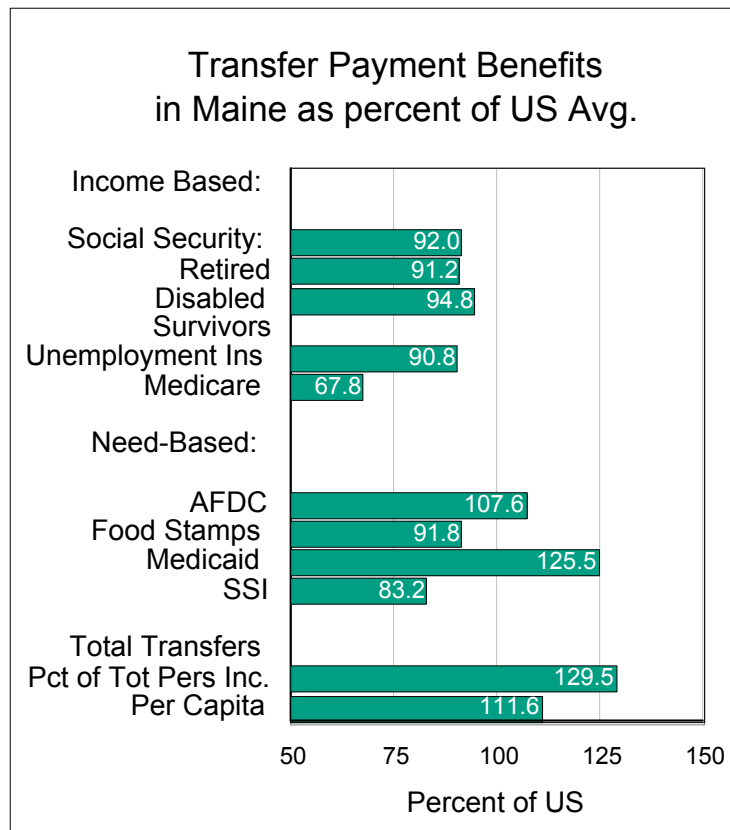
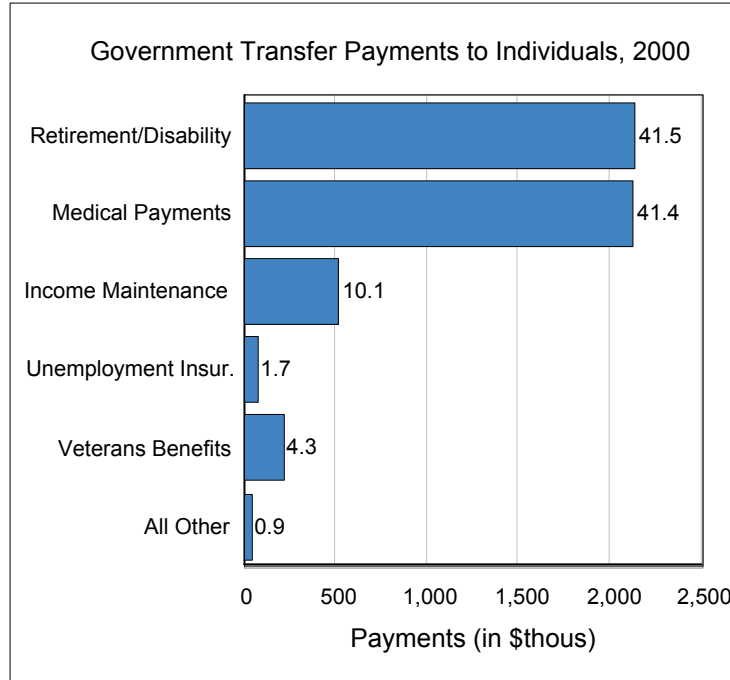
Multiple Job Holdings



Seasonality



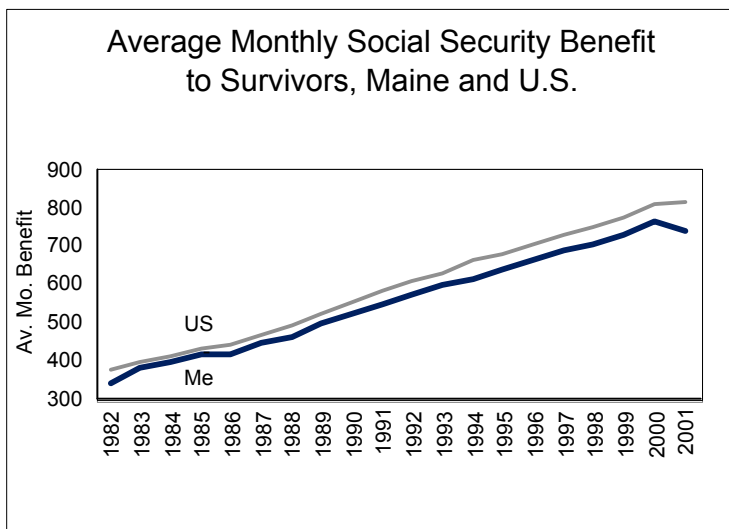
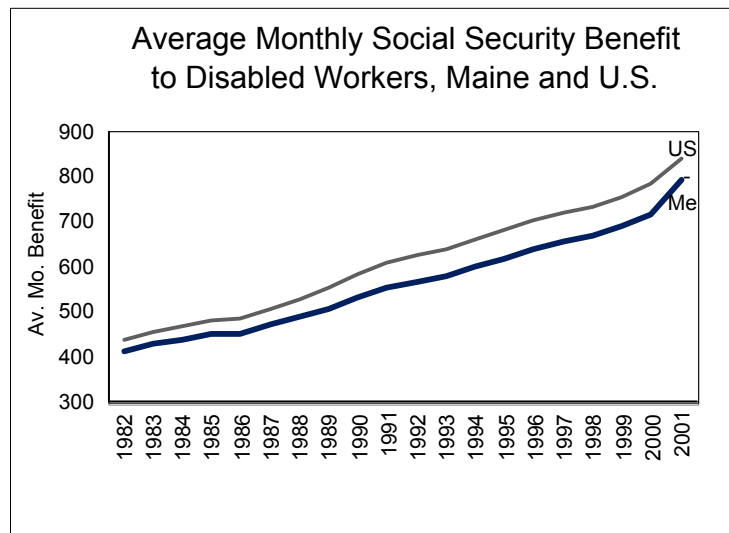
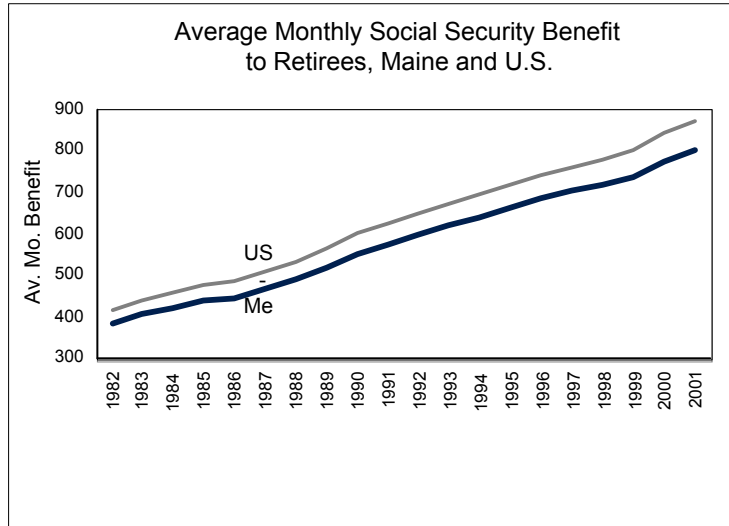
4. Adequacy of Transfer Payments

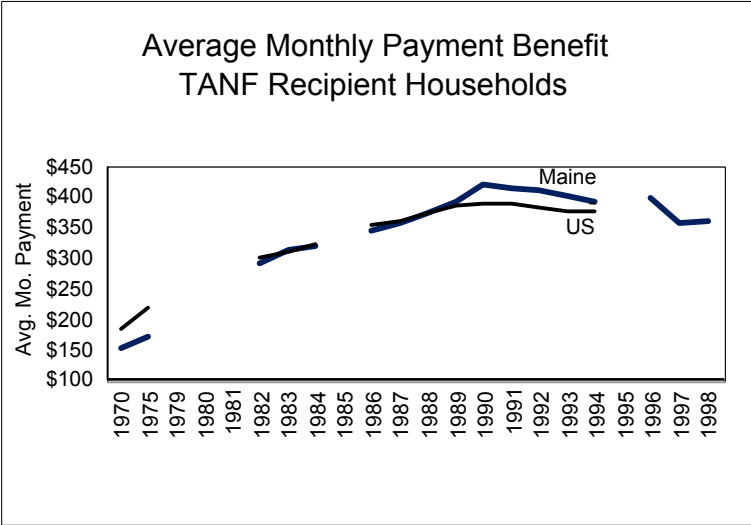
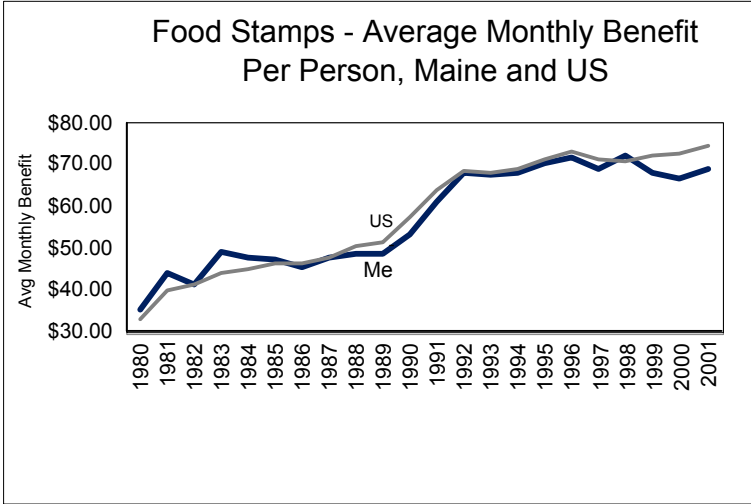
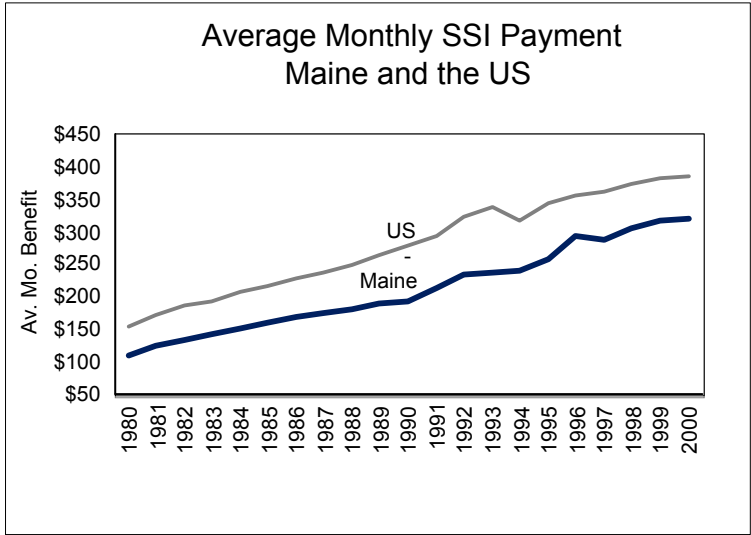


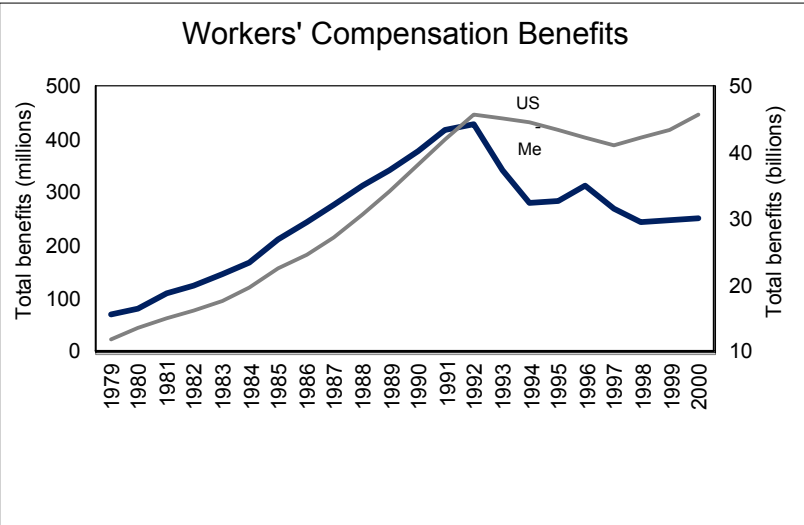
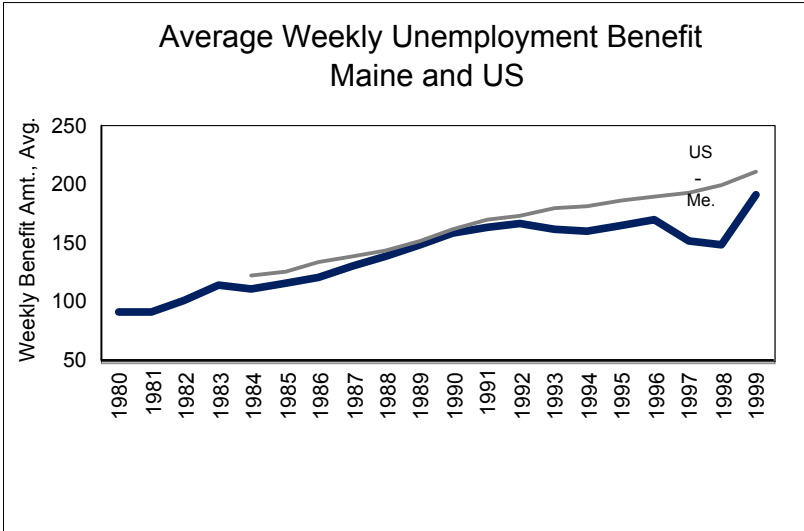
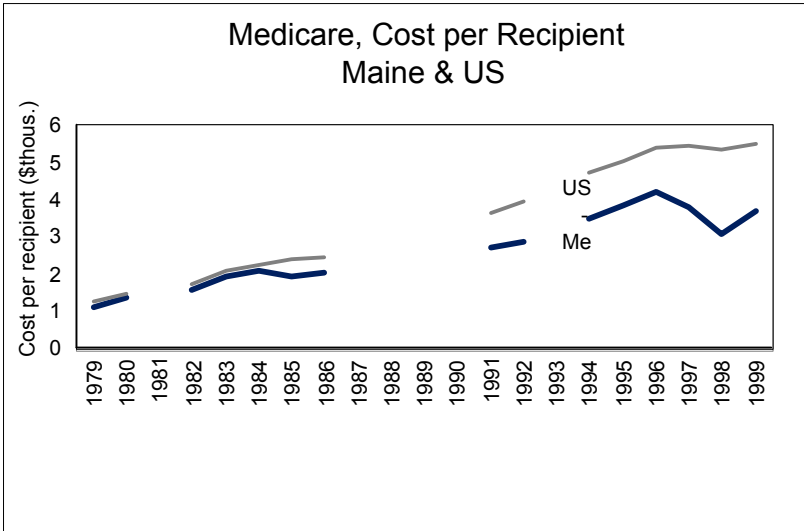
Income Transfer Programs - Avg. Monthly Benefit			
	Maine	US	Me:US Ratio
<u>Income Based Benefits:</u>			
Social Security Programs (2001)			
Retired	\$805	\$875	92.0
Disabled	\$743	\$815	91.2
Survivors	\$797	\$841	94.8
Unemployment Ins.(2001)	\$216	\$238	90.8
Medicare, avg. annual (2000)*	\$3,723	\$5,489	67.8
<u>Need-Based Benefits:</u>			
AFDC/TANF (1999)*	\$467	\$434	107.6
Food Stamps (2000)	\$67	\$73	91.8
Medicaid (1998)*	\$4,394	\$3,501	125.5
SSI (2000)	\$322	\$387	83.2
Total Transfer Payments:			
Pct of Tot Pers Inc. (2000)	16.7	12.9	129.5
Per Capita (2000)	4,233	3,792	111.6
* Data not available to update from last year.			

NOTE: The national data for a number of the programs tracked in this section of the Report Card have not been updated at this time.

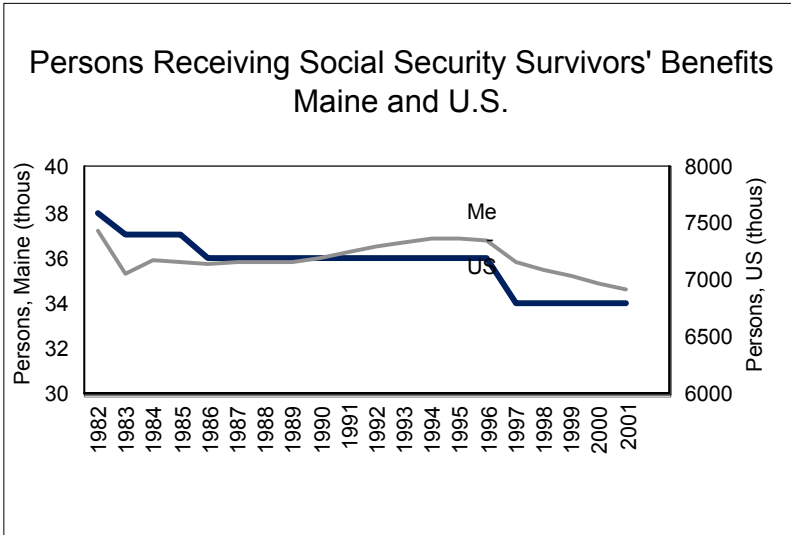
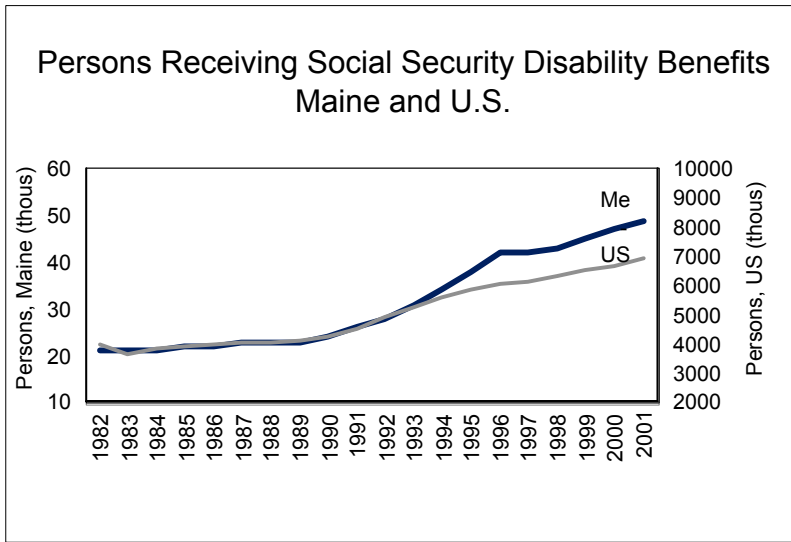
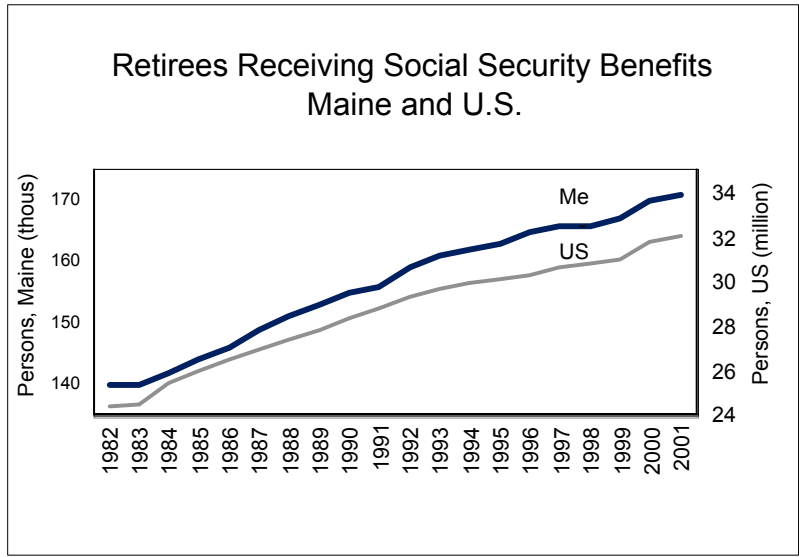
Comparison of Benefits, Maine and the US

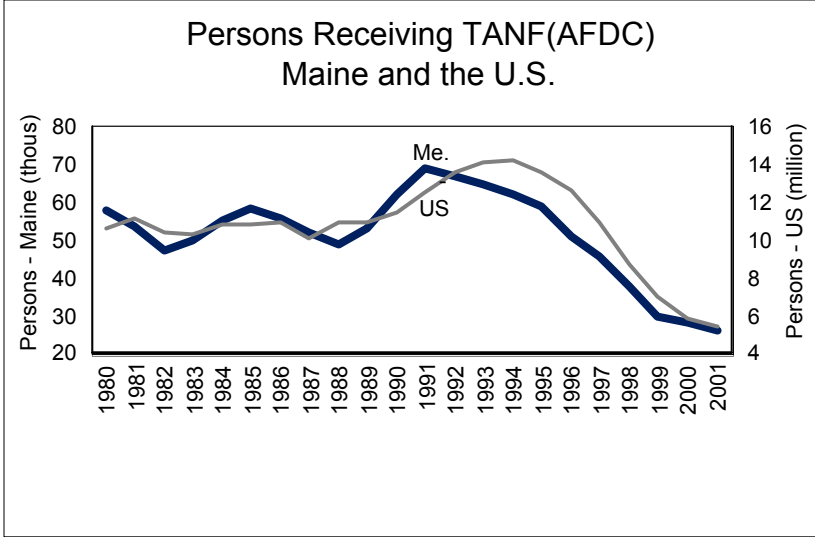
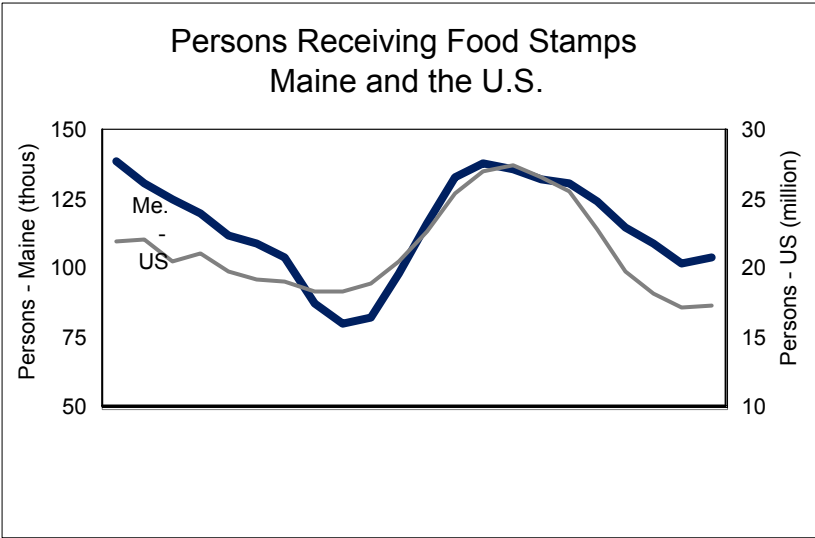
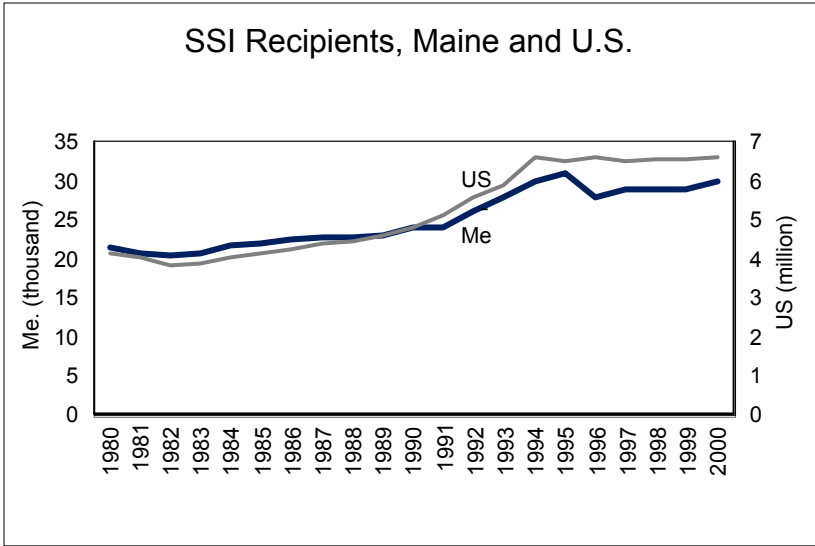






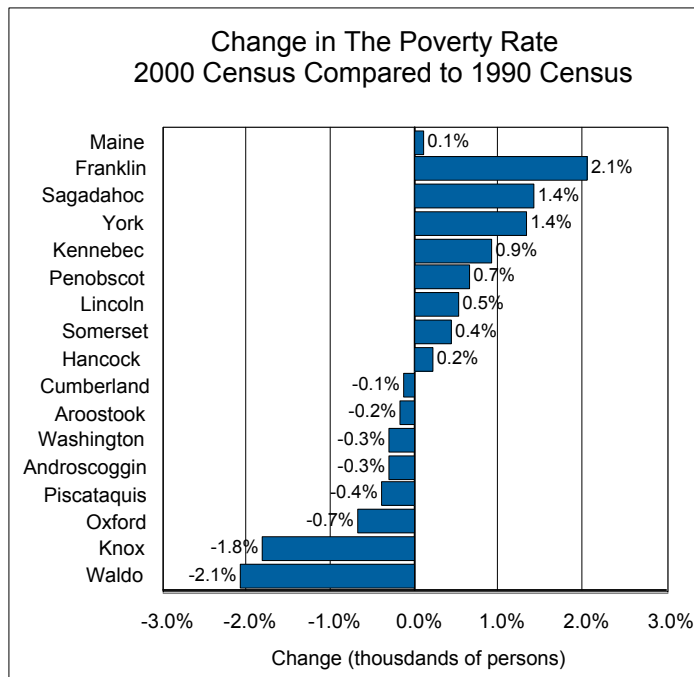
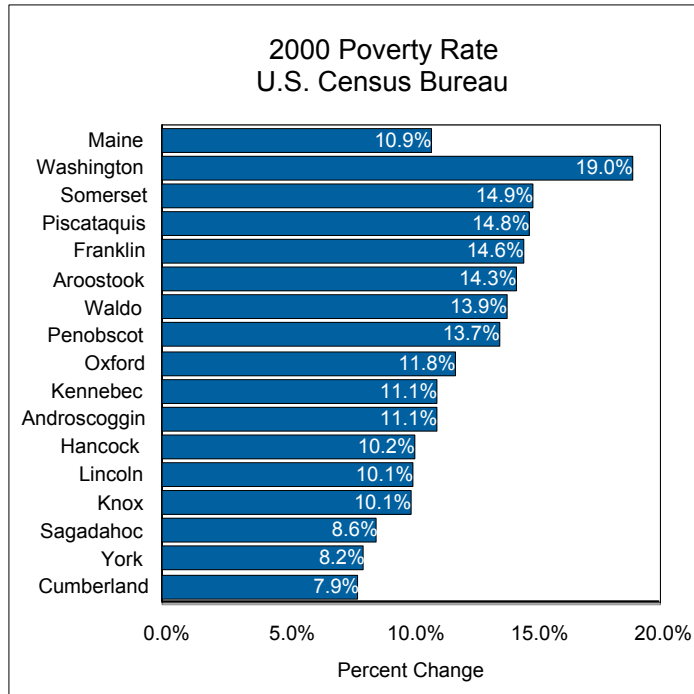
Participation Trends



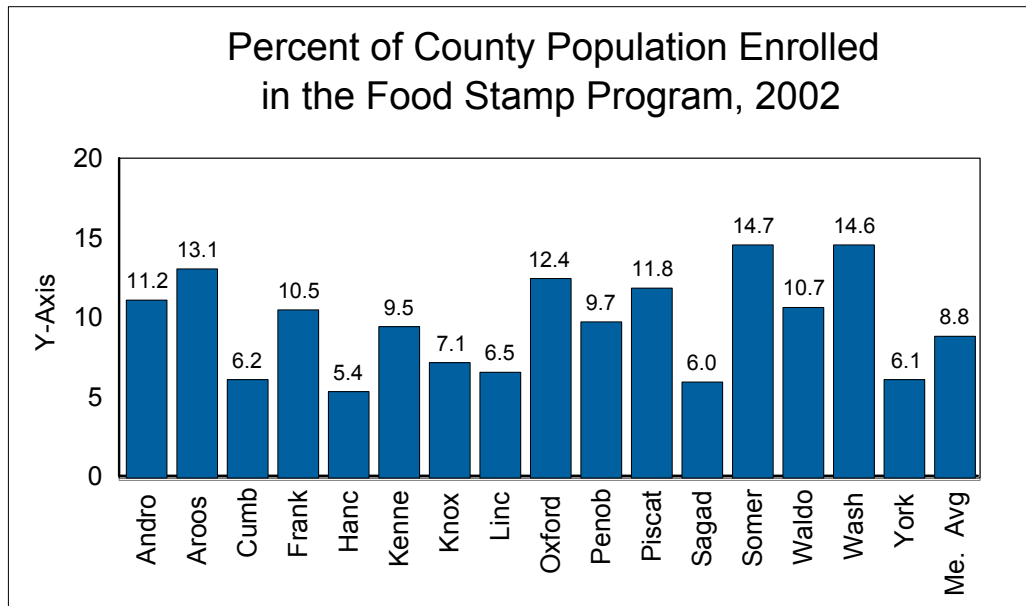
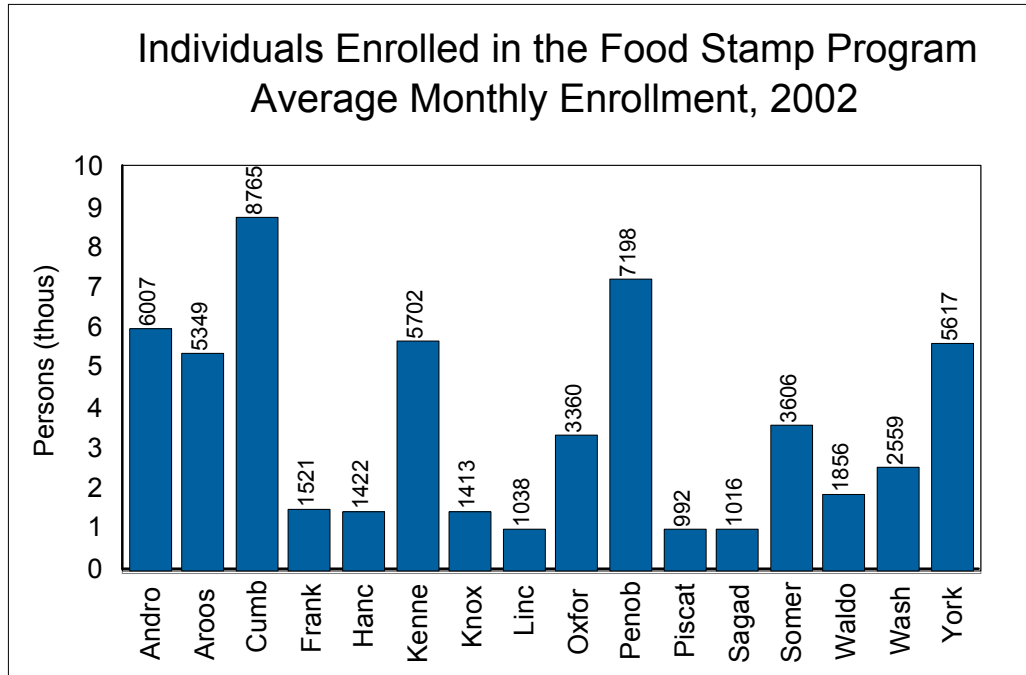


5. Regional Disparities

A. Poverty Level



B. Food Stamp Program Enrollment



USDA Food Stamp Program
Participation by County
Annual Average Number of Cases and Persons Enrolled in the Program

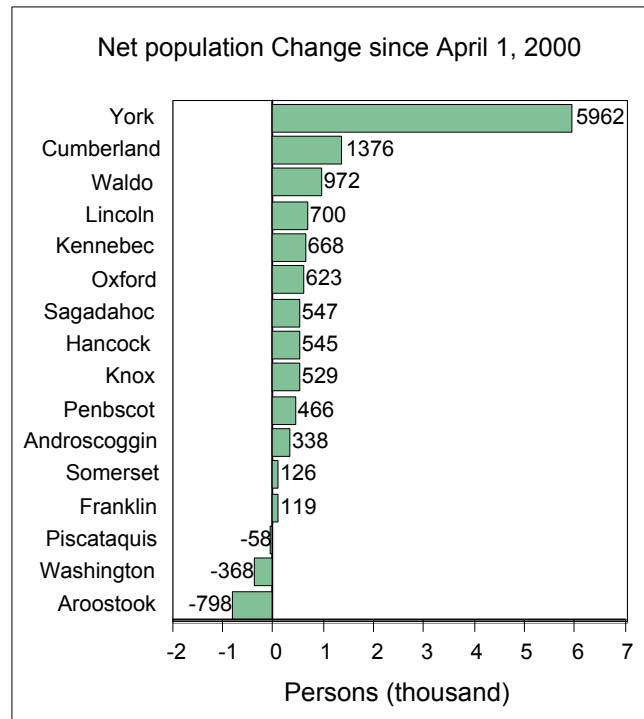
Table 1 Number of Households (Cases) Enrolled

County	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Andro	4088	4765	5069	4863	4834	4756	4870	4666	4233	3989	4277	5029	6005	6626	6696	6688	6426	6208	6586	5489	5305	5132	5659	6007
Arocs	4729	5765	5556	5188	5327	5046	4859	4805	4588	4429	4885	4842	5385	5801	5975	5894	6081	6786	5470	5184	4897	4802	5094	5349
Cumb	8149	8626	8654	8639	8642	7660	7294	6601	6362	6288	6707	6946	8396	8881	10032	9978	9740	9376	8991	8348	7944	7746	8154	8786
Frank	794	1068	1190	1181	1194	1256	1384	1425	1245	1076	1130	1285	1514	1619	1697	1693	1566	1525	1630	1474	1407	1384	1481	1521
Hanc	1725	2123	2051	1942	1987	1927	1886	1787	1586	1346	1300	1405	1514	1727	1673	1646	1664	1603	1639	1420	1380	1302	1305	1422
Kenne	3707	5031	5403	4881	5089	4822	4660	4346	3886	3651	3830	4237	5163	6887	6062	5961	6042	5946	5683	5488	5318	5101	5346	5702
Knox	1400	1719	1691	1663	1579	1425	1368	1338	1179	1092	1166	1351	1647	1744	1767	1710	1621	1596	1494	1434	1339	1297	1303	1413
Linc	789	1014	1037	986	967	826	768	740	625	646	688	703	924	1040	1148	1178	1164	1162	1079	1027	869	814	864	1038
Oxford	2282	2843	2822	2729	2666	2466	2456	2300	2066	1872	1922	2380	2850	3046	3046	3066	3066	2889	2746	2626	2622	2820	3020	3380
Penob	4272	5697	6636	5480	5683	5396	5327	5162	4640	4397	4463	4468	5991	6716	7094	7263	7586	7477	7074	6908	6761	6603	6762	7188
Piscat	581	722	822	785	786	714	719	720	662	685	602	689	888	982	985	957	1017	1000	934	916	919	917	922	982
Sagad	871	939	1011	844	876	828	867	813	867	841	814	887	901	1026	1071	1080	1116	1062	1006	973	961	919	941	1016
Somer	2300	2756	2945	2881	2928	2777	2737	2695	2386	2200	2373	2662	3339	3636	3613	3690	3742	3662	3618	3470	3344	3195	3313	3606
Waldo	1988	2043	2026	1851	1788	1646	1649	1664	1402	1323	1361	1582	1964	2140	2232	2184	2134	2106	1908	1880	1767	1661	1679	1866
Wash	3066	3441	3387	3286	3203	3080	2886	2737	2472	2217	2288	2464	2771	2863	2876	2930	2884	2836	2726	2642	2563	2472	2481	2669
York	4461	5626	5719	5254	5206	4686	4444	3984	3527	3324	3722	4907	6043	6708	6709	6669	6448	6188	6720	5667	5883	5125	5190	5617
Maine	44894	56420	56944	52139	52719	48478	48307	46863	40978	37904	39754	45754	56963	61542	62657	62376	62306	60401	56674	54740	52916	51626	53604	57419

Table 2 Number of Persons Enrolled

County	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Andro	10670	11790	12295	11763	11760	11136	11280	10635	9500	8870	9409	10667	13114	14464	14267	13866	13167	12290	10886	10687	10091	9490	10679	11623
Arocs	13981	16809	14746	14218	14130	12742	12260	11606	10718	10010	9696	10276	11944	13012	13046	12808	12887	11706	10785	9889	9625	9801	9302	9712
Cumb	20186	23418	20811	20434	20200	18006	16869	15001	12726	11540	12621	16940	19466	21044	21633	21026	20002	18767	17561	16426	15334	14666	16239	16448
Frank	2286	2830	3115	3117	3160	3331	3632	3624	3084	2616	2628	3029	3666	3844	3679	3673	3680	3493	3367	3114	2925	2789	3076	3108
Hanc	4886	6665	6372	6032	6276	4986	4790	4483	3788	3170	2888	3285	3880	4193	3980	3862	3610	3249	3249	2833	2639	2600	2991	2790
Kenne	9891	13802	13605	12444	12824	11690	11338	10441	9066	8304	9422	9432	11511	12949	13231	12959	12406	11566	11566	10663	10272	9814	10363	11063
Knox	3779	4410	4290	4127	4168	3667	3660	3278	2951	2608	2756	3211	3994	4814	4266	3960	3666	3397	3048	2781	2651	2499	2653	2831
Linc	2307	2883	2906	2626	2448	2316	2112	1941	1626	1371	1488	1781	2368	2998	2806	2804	2676	2696	2380	2236	2066	1872	2019	2191
Oxford	6028	7943	7367	6626	6760	6177	6126	5920	5001	4371	4623	5676	6793	7060	7100	6916	6573	6327	5889	5664	5406	5061	6167	6814
Penob	11826	15190	16062	14884	14923	14146	13873	13288	11773	10483	10888	12047	14828	16200	16886	16777	16987	16237	15057	14032	13680	12841	13389	14060
Piscat	1807	2043	2093	2237	2232	1961	1684	1943	1706	1472	1406	1706	2319	2637	2674	2490	2304	2304	2049	1620	1688	1609	1644	2042
Sagad	1937	2431	2673	2004	2262	2144	2211	2016	1661	1511	1374	1671	2103	2406	2516	2629	2512	2303	2201	2112	2008	1909	1981	2016
Somer	6786	7660	7737	7198	8143	7602	7359	6784	6064	5486	5739	6479	8220	8872	8749	8713	8681	8316	8063	7464	7034	6669	6862	7474
Waldo	4679	5733	5647	5189	4982	4602	4602	4061	3762	3603	3481	3864	4988	5426	5609	5286	5072	4871	4462	4189	3638	3542	3686	3878
Wash	8339	8810	8864	8739	8726	7948	7344	6946	6168	5476	5496	6040	6776	7113	7033	6769	6491	6149	5770	5424	5046	4948	4652	4862
York	12886	14848	14666	13637	13468	11733	10908	9661	8200	7623	8460	10860	14247	16491	16471	14936	14377	13446	12444	11849	11189	10268	10408	11328
Maine	122163	144217	140074	136221	136967	124950	120115	112089	97872	88162	91814	106800	130110	141504	142606	136787	136787	128146	118806	111824	106669	96792	104700	112469

C. Population Shifts and Trends

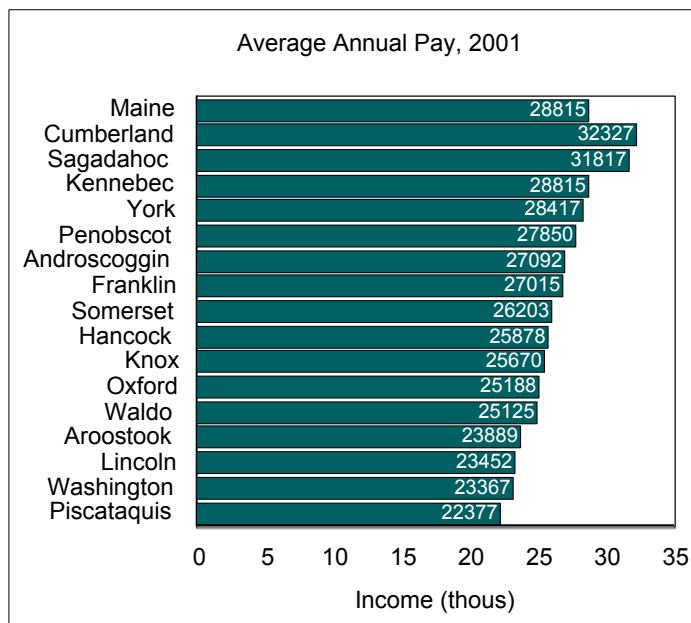
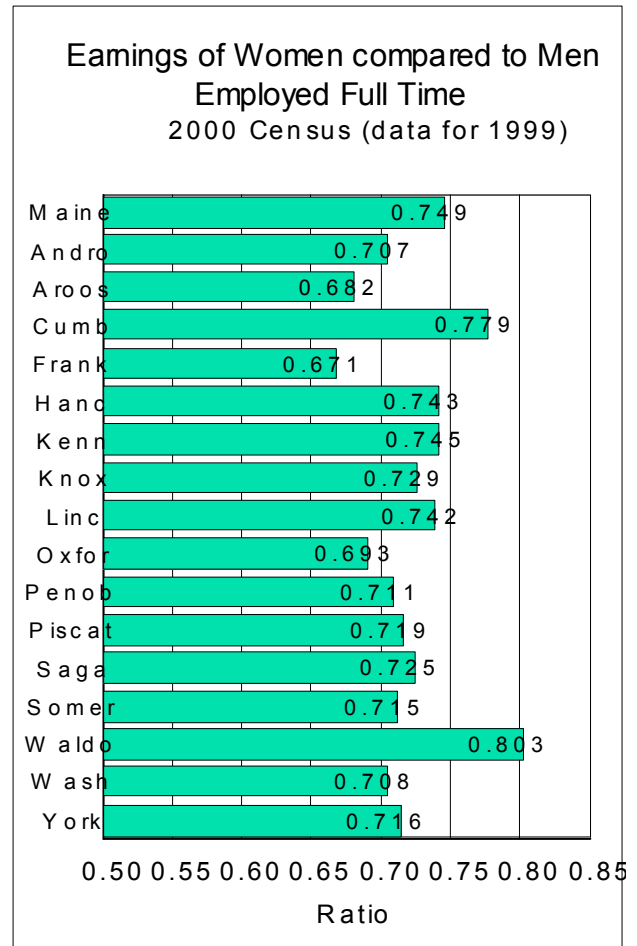
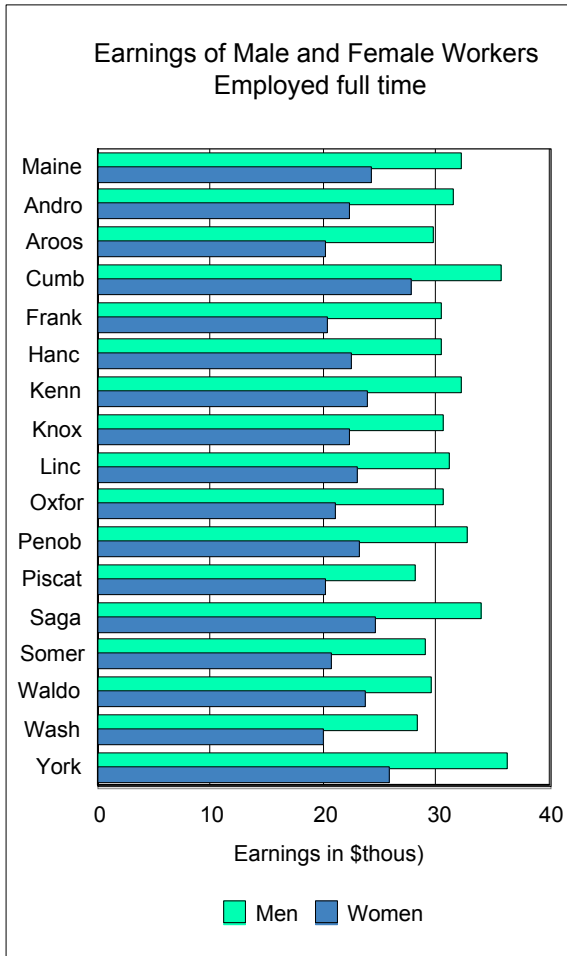


**Number of Residents by Age and Sex Reported f, 1980, 1990 and 2000 Decennial Censuses
(Data for 1990 Taken from the Modified Age, Race and Sex File which Revised the Published Numbers)**

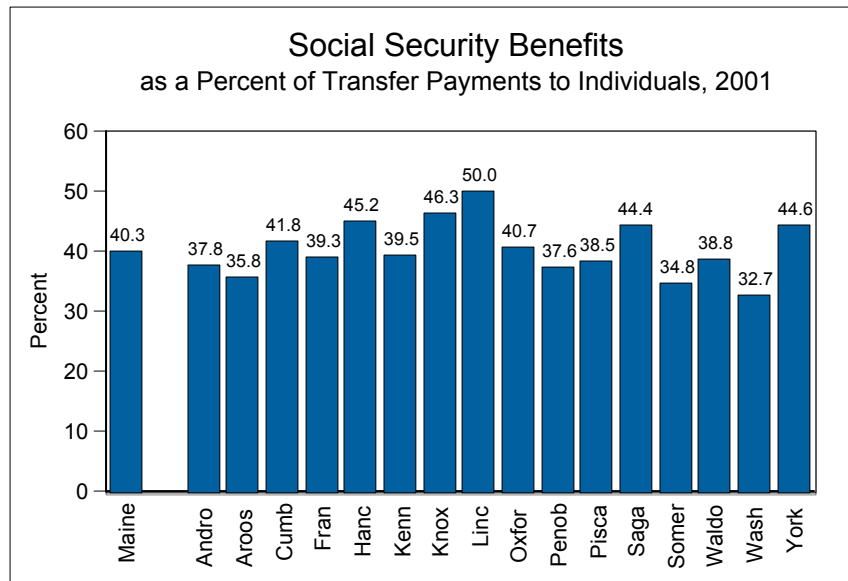
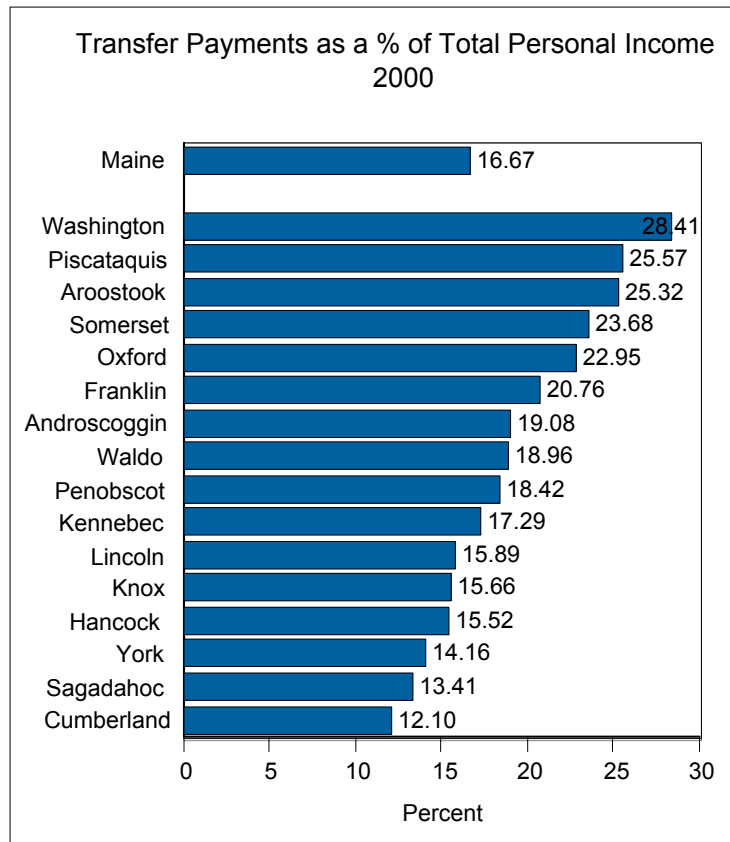
COUNTY	1980 Total Pop	1990	2000	Net Change:			Pct chg 1990-2000
				1980-1990	1990-2000	Since 1980	
Androscoggin	99657	105259	103793	5602	-1466	4136	-1.4
Aroostook	91331	86936	73938	-4395	-12998	-17393	-15.0
Cumberland	215789	243135	265612	27346	22477	49823	9.2
Franklin	27098	29008	29467	1910	459	2369	1.6
Hancock	41781	46948	51791	5167	4843	10010	10.3
Kennebec	109889	115904	117114	6015	1210	7225	1.0
Knox	32941	36310	39618	3369	3308	6677	9.1
Lincoln	25691	30357	33616	4666	3259	7925	10.7
Oxford	48968	52602	54755	3634	2153	5787	4.1
Penobscot	137015	146601	144919	9586	-1682	7904	-1.1
Piscataquis	17634	18653	17235	1019	-1418	-399	-7.6
Sagadahoc	28795	33535	35214	4740	1679	6419	5.0
Somerset	45028	49767	50888	4739	1121	5860	2.3
Waldo	28414	33018	36280	4604	3262	7866	9.9
Washington	34963	35308	33941	345	-1367	-1022	-3.9
York	139666	164587	186742	24921	22155	47076	13.5
Statewide	1124660	1227928	1274923	103268	46995	150263	3.8

D. Economic Factors

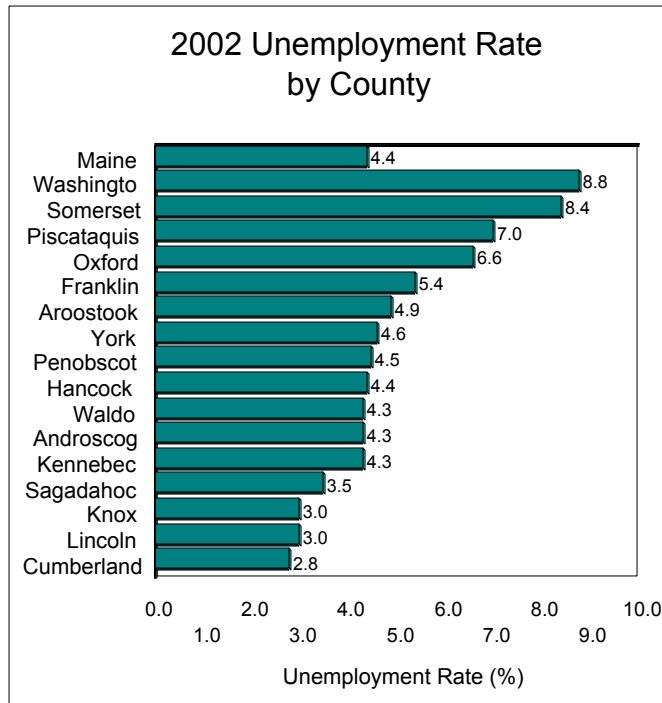
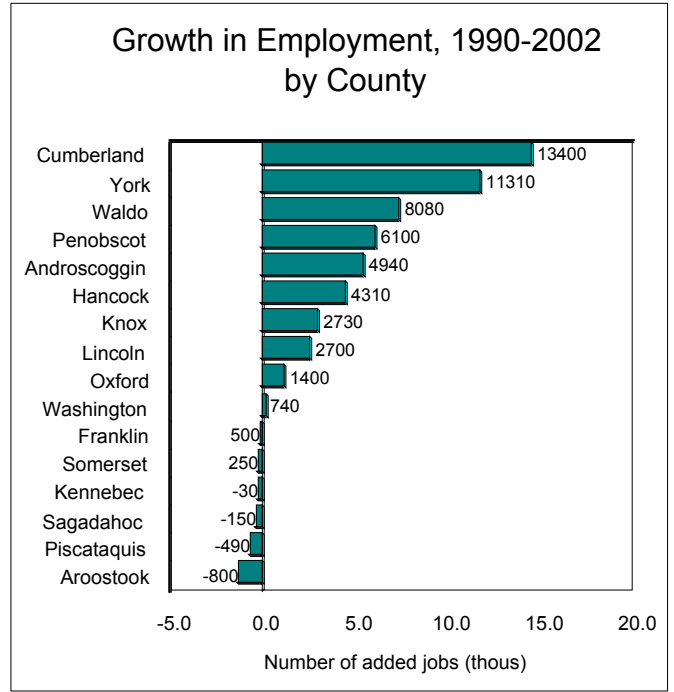
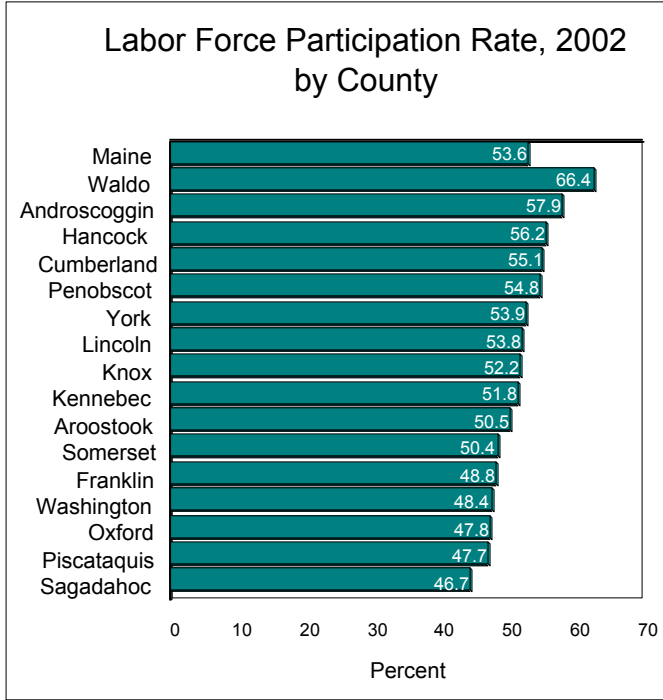
Income and Earnings



Transfer Payments



Labor Force Participation, Employment and Unemployment



End Notes

Community Food Security: The statistics on food insecurity and hunger in the U.S. are based on a survey measure developed by the U.S. Food Security Measurement Project, an ongoing collaboration among Federal agencies, academic researchers, and private commercial and nonprofit organizations. The measure was developed over the course of several years in response to the National Nutrition Monitoring and Related Research Act of 1990 (NNMRR).

After 1998 data for states was not published annually in the survey. State level data was once again provided in 2001, but as a 3-year average, combining the survey results for the past 3 years (1999-2001). ERS believes that the 3-year average is more reliable due to the small sample size in the annual surveys and the high margins of error they create. Due to the changes in measurement, 2001 state level food security statistics cannot be compared directly with those of previous years.

Income Distribution: Income data by quintile for Maine has not been available from the Census Bureau since 1990 though the disparity among quintiles is estimated nationally each year. The Center for Budget and Policy Priorities computed income by quintile for states that are based on moving 3-year averages. The data from this source was included 2 years ago. No new figures are available until the detailed information from the 2000 Census becomes available.

Adequacy of Transfer Payments: In 2000, participation rates were included along with benefit level data. This has been continued. However, consistent annual data for some of the programs (TANF and Medicaid) has become unavailable.

Non-Governmental Services: The search continues for a reliable and consistent measure of services provided by private agencies. Anecdotal information indicates that such nonprofit entities fill a major gap for people who do not qualify for or choose not to accept public forms of assistance. Food pantries and soup kitchens represent one group of such services for which a method of collecting consistent data is under consideration.

Risk Populations: Data for at risk populations has been lacking for intercensal years. The three risk populations identified include elderly and disabled, children, and working low-income adults. Data from the 2000 census has been included in this report.

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