

MAINE STATE LEGISLATURE

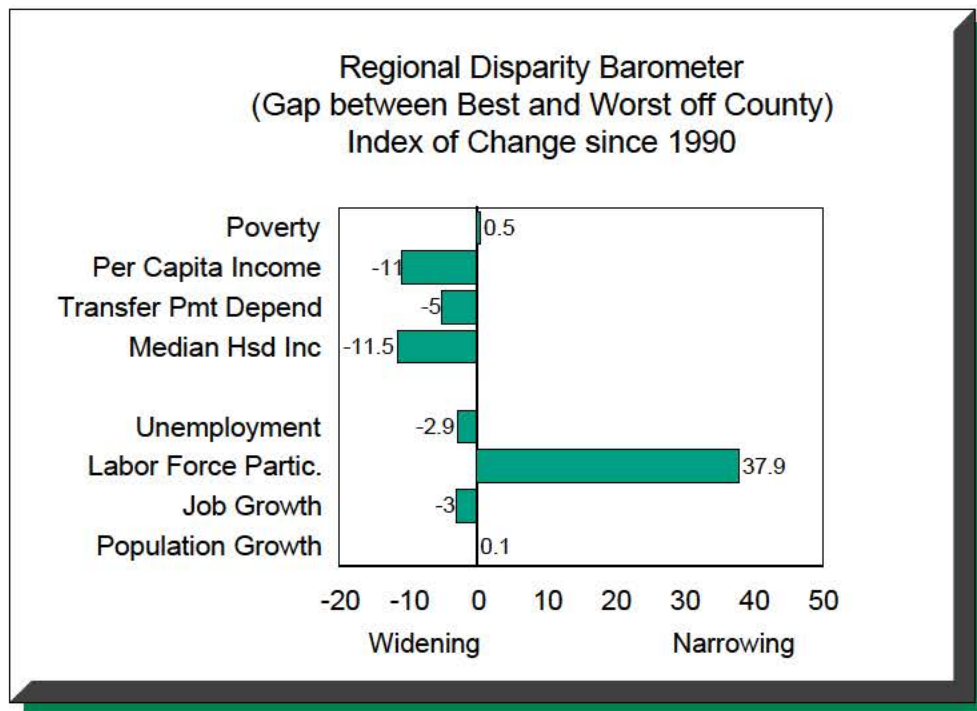
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1999
Annual

REPORT CARD ON POVERTY in Maine



January, 2000
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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Preface

The 1999 Report Card on Poverty is a more brief report than was compiled in 1998. It's primary purpose is to build on the indicators presented in the 1998 report card by updating each to show the annual change from the previous year. Several new indicators have also been included as well as more county level comparisons and a summary highlighting major changes.

Readers are encouraged to refer to the 1998 Report Card* for more background information. The 1998 report also included additional indicators from the 1990 census covering such factors as the relationship between educational attainment and income, underemployment, and special need populations for which no updated data is available. They were included in the 1998 report because of their importance as indicators, and any updated information that becomes available will be included in the future.

*the 1998 Report Card on Poverty may be found on the Maine State Planning Office web site (<http://janus.state.us.me/spo>) under Maine Economy.

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I. Summary of Highlights: Major Changes

Good News: Some Gains

1. Job Growth

Preliminary figures for 1999 show an increase of 23,000 persons employed than in 1998. This is especially good news after two years of slight decline.

The official unemployment level has dropped for two years in a row, from 5.4% in 1997 to 4.4% in 1998 and to 3.8% (preliminary) in 1999.

2. Income Growth

Per Capita income of Maine citizens has been rising faster than inflation. Since 1990 per capita income in Maine has grown by \$1898 per person in real (deflated) dollars, a real gain of 10%.

3. Declining dependence on traditional public assistance programs

Declines in AFDC/TANF and Food Stamp Program Enrollments reflect lower unemployment rates. The rate of decline, however, is also in part a function of changed policies regarding length of time a recipient can remain in the programs.

4. Improving Conditions of Maine Children

Maine's poverty rate among children continues to hold consistently below the national average. Maine has been rated number one as the best place to raise children by the Children's Rights Council, a Washington DC based advocacy group.

Not so Good News: Losses & Troubling Trends

1. Persistent income gaps

In spite of real gains in income, Maine continues to lag behind the nation. Maine dropped from 31st to 36th in per capita income between 1990 and 1998. Nationally per capita income has grown by \$2818 per person - almost a thousand dollars more per person than in Maine since 1990.

Since the minimum wage was increased to \$5.15 per hour in 1997 the gap between the minimum wage and the wages needed to meet the poverty line increased from \$1.75 per hour to \$2.03 per hour for a family of 3 and from \$3.16 to \$3.49 for a family of 4. In 1999 a full time job paying minimum wage provided enough income to meet 71.3% of the poverty line for a 3-person household and only 59.2% of the poverty line for a 4-person household.

The wage gap between Maine and the nation increased between 1997 and 1998. The average annual pay increased by 3.9% in Maine and by 5.1% nationally.

Almost three quarters (72.8%) of Maine households had less than \$50,000 in income (54% lived on less than \$35,000) in 1998.

2. Dependence on Unearned Income Sources

In spite of declines in enrollment in the AFDC/TANF and Food Stamp Programs, dependency on income from transfer payments continues to rise as a percent of total income of individuals. Between 1996 and 1997 it rose from 20.3% to 20.6% in spite of a growth of 4.5% in personal income. Maine's dependence on transfer payments is 25% greater than the national average.

Increased use of homeless shelters, food pantries, and soup kitchens. Since data began to be kept on a regular basis in 1993, the number of people staying at shelters has increased by 40%. In 1999, 2,085 more people used shelters than the previous year. Those that are staying at shelters are staying longer (up 52%). Total occupancy increased by more than 30,000 more bed-nights in 1999 than in 1998. Though consistent data is not available for food pantries and soup kitchens, many report that use continues to grow.

3. Job Mix

Growth in service and retail sector employment continues to outpace other higher income occupations. The number of jobs in these two sectors has grown by 44,000 since 1990 while 20,000 jobs have been lost in manufacturing and construction, industries that pay significantly higher than average wages. The average annual pay for retail jobs is only 61% of the state average. Service jobs pay an average of 93% of the state average.

4. Persistent Regional Disparities

Even though some indicators show improvement statewide, the gap between the best and worst off regions of Maine has not narrowed. The gap between counties is wider today than in 1990 for per capita and median household income, dependence on transfer payments, unemployment and job growth.

II. New or Revised Measures

1. Food Security Measure. A food security measure was added to the Current Population Survey (CPS) by the US Census Bureau in 1995, as indicated in the 1998 Report card. Data is now available through 1998 at the state level. In addition to the total number of persons who are food insecure, the survey identifies the portion that has actual experience of hunger during the year.
2. Extended Measures of Well-Being. The Survey of Income and Program Participation (SIPP) is another survey conducted annually by the US Census Bureau. It measures the level of difficulty households have in meeting basic needs, such as lack of enough food, late (or unpaid) rent or utility payments, putting off seeing a doctor, utility disconnections and evictions.
3. Persons without health insurance. The number of persons without health insurance is now estimated annually by the Census Bureau. Data is available beginning in 1987.
4. Income Distribution. Quintile data for the United States indicates a widening gap between people with high income and those with low income. No data exists for Maine. An estimate of the number of households falling into various income intervals is available by County. This data shows a concentration of Maine households in lower income brackets.
5. Regional Disparity Barometer. A measure of the gap between the best and worst off county has been added. It includes a comparison of several key indicators of economic health, including a comparison of poverty rates, unemployment rates, job growth, labor force participation, and income.

Measures Needed or Under Consideration

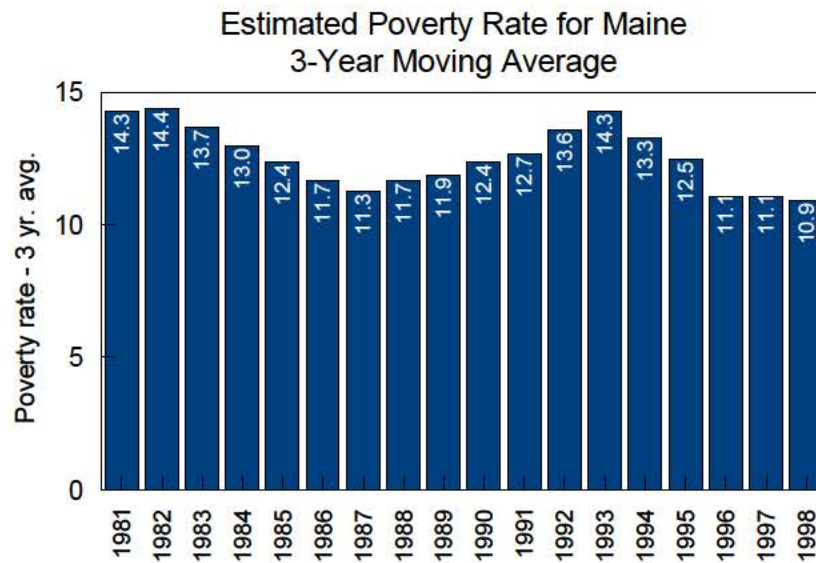
1. Non-governmental services. Services provided by churches, charitable organizations and non-profits fill a major gap for people living on the edge who either do not qualify for or choose not to accept public aid. Food pantries and soup kitchens represent one group of such services for which a method of collecting consistent and reliable data is under consideration.
2. Support services and Medicaid spending. As TANF caseloads decline and other programs restrict the length of time a person can remain enrolled, the shrinking caseloads only partially reflect improving conditions. For many, entering the workforce has meant a loss of TANF cash benefits, but has not meant that the family's economic situation has improved to the point where income is adequate to meet the basic needs of the family. Thus many continue to still rely on support services, such as child care, transportation assistance, and Medicaid. The change in enrollment and costs of such services needs to be balanced with changes in cash benefit programs.
2. Risk Populations. Three risk populations have been identified. They include (1) the elderly and disabled, for which economic security depends upon either their earnings during their working

years or the benefit levels of programs designed to assist them, (2) working adults, who in a changing work environment, are less likely to hold the same job throughout their working years, and are increasingly faced with downswing or are caught in the shift from higher wage to lower wage industries and forced to take work at lower wages than their previous earnings level, and (3) children, especially those in households whose structure and composition limits the family's capacity to earn an adequate income, such as single parent households with one or no workers present.

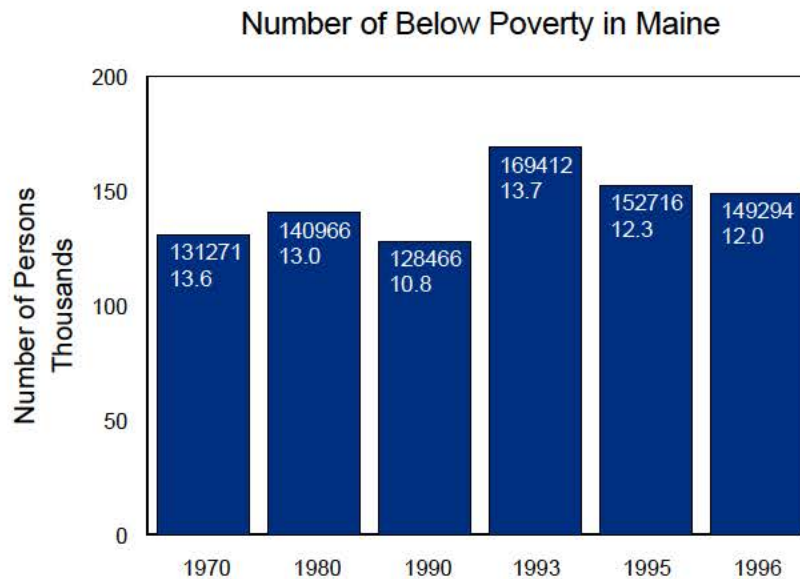
Basic profile data was presented in the last Report Card for each of these groups. However, most came from the 1990 census. Data on individual sectors of the population since 1990 has been largely unavailable, leaving little with which to assess how they are doing. Some of the indicators in the Report Card provide limited insight into how some of these populations are faring - comparisons of social security, SSI and other benefits in Maine to the national average, numbers of children that are uninsured, changes in employment and earnings in the various economic sectors, etc.

III. Measures of the Extent of Poverty

Estimates of the Poverty Level



Source: U.S. Census Bureau, Current Population Surveys, annual estimates



Source: U.S. Census

Comparisons to the United States: Rankings

Table 1. State Rankings - Key Income Indicators

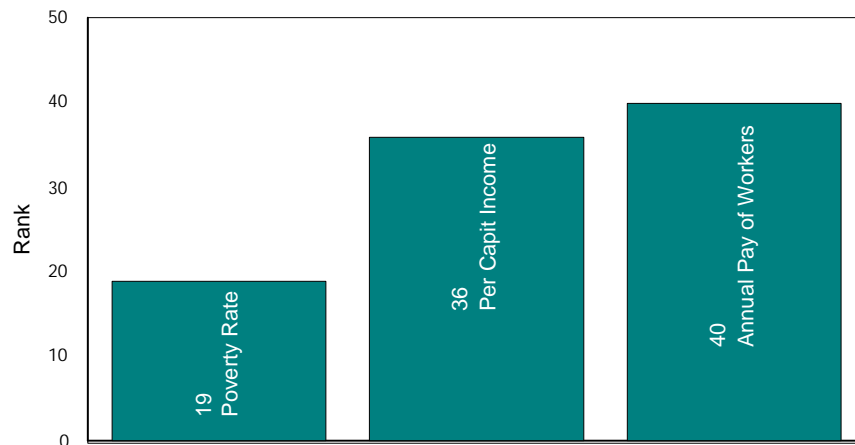
	1990	1998	Position Change
Poverty Rate (1= lowest rate)	25	19	6
Per Capita Income (1= highest)	30	36	-6
Annual Pay of Workers (1= highest)	38	40	-2

Table 2. Income Growth, 1997-1998

	Maine	US	Maine:US Ratio
Total Personal Income	5.0%	5.4%	92.6%
Annual Pay of Workers	3.9%	5.1%	76.5%
Per Capita Income	4.6%	4.4%	104.5%

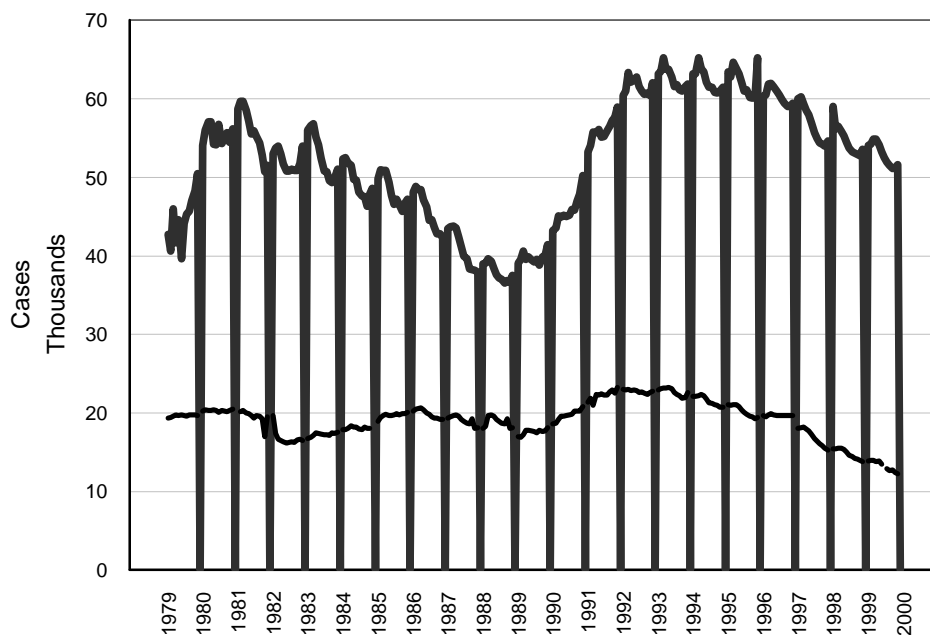
Source: Bureau of Economic Analysis, preliminary figures,
US Bureau of Labor Statistics, & U.S. Census Bureau

Maine's Rank on Key Indicators
among the 50 states and D.C.

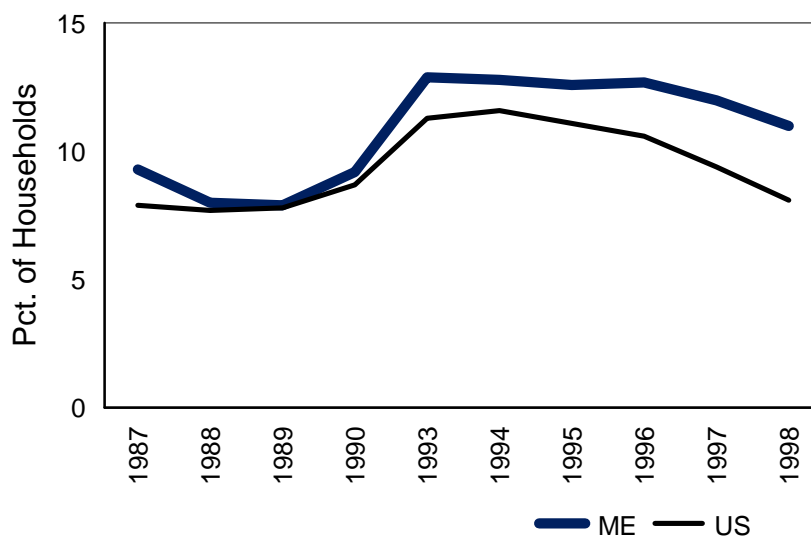


Indicators of Need

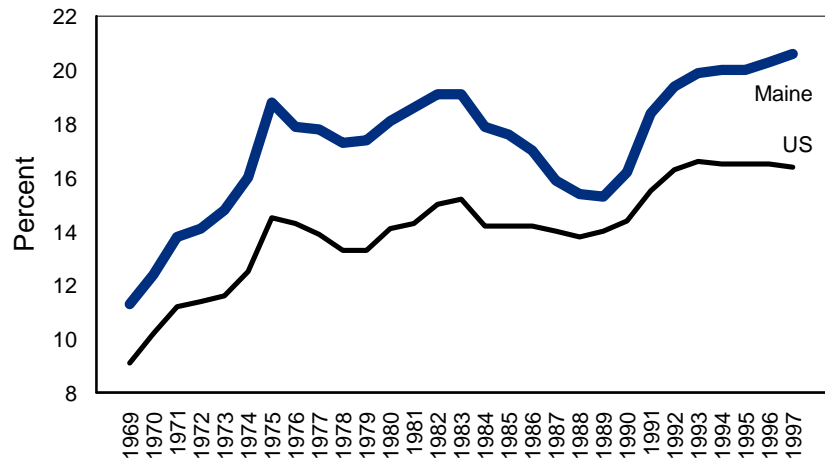
AFDC & Food Stamp Programs
Monthly Caseload, 1979-1999



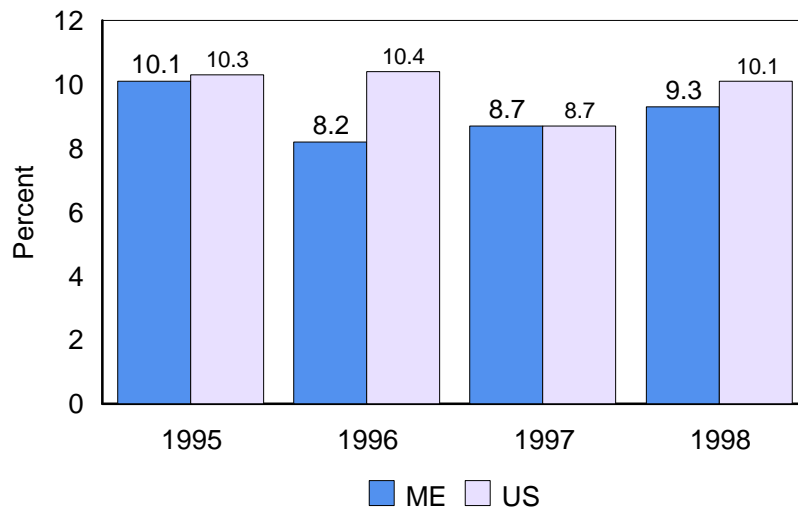
Percent of Households
Receiving Food Stamps, selected years



Percent of Total Personal Income
Derived from Transfer Payments

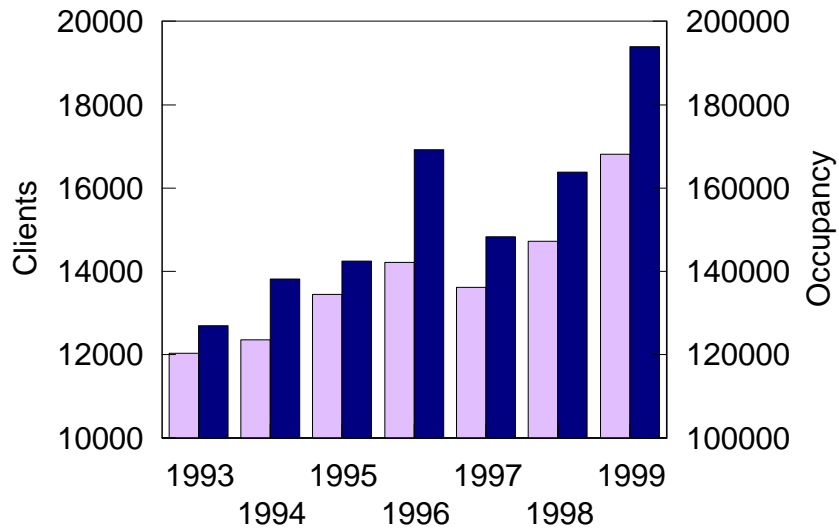


Percent of Population Food Insecure

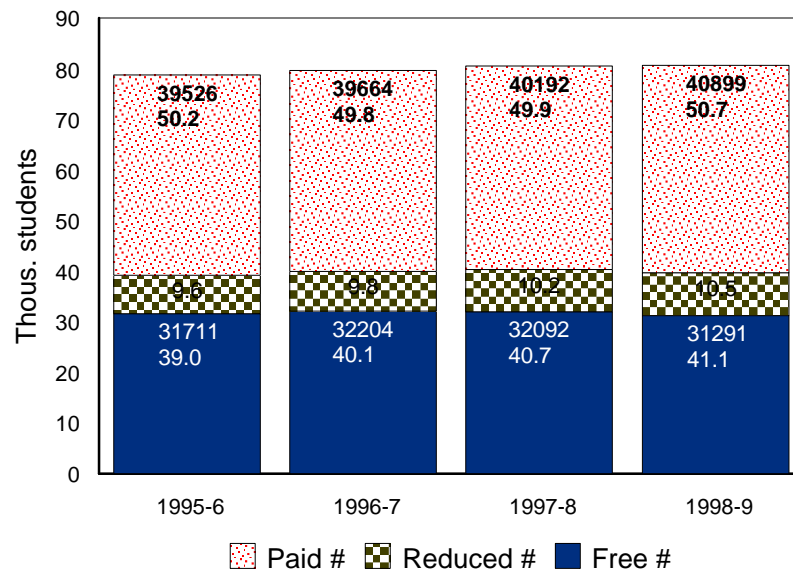


Source: US Census, Current Population Surveys

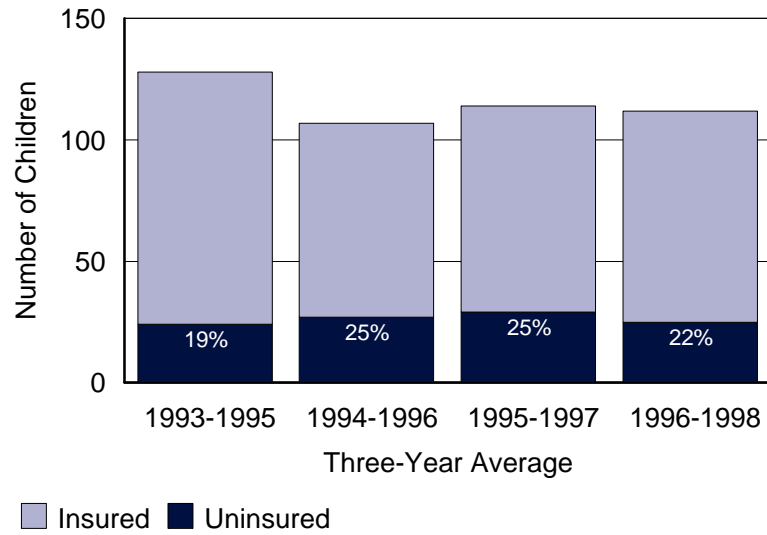
Maine Homeless Shelters
Clients and Occupancy, 1993-99



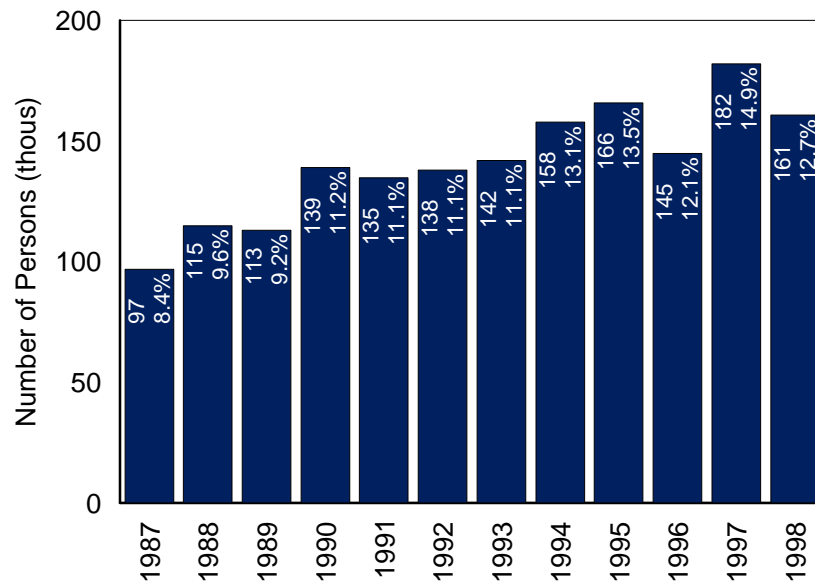
School Lunch Program, Avg. Daily Meals Served, Maine



Children in Families
With incomes less than 200% of the Poverty Level



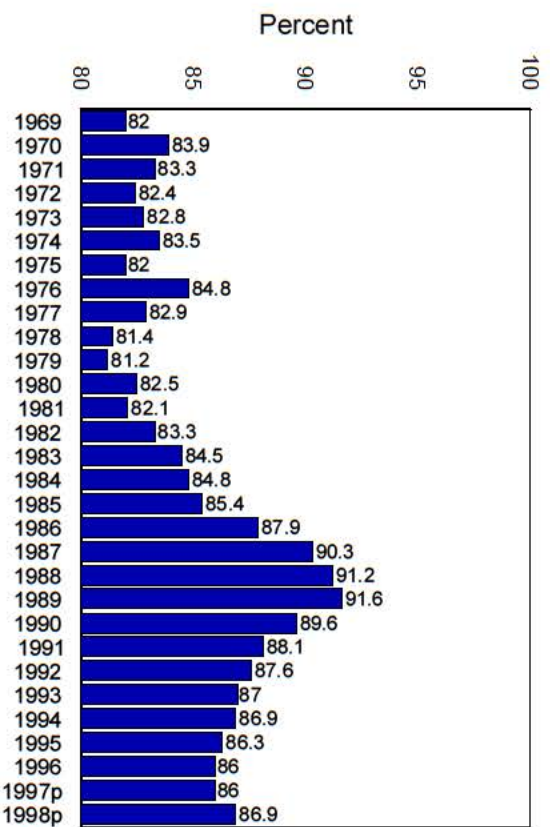
Number of Uninsured in Maine



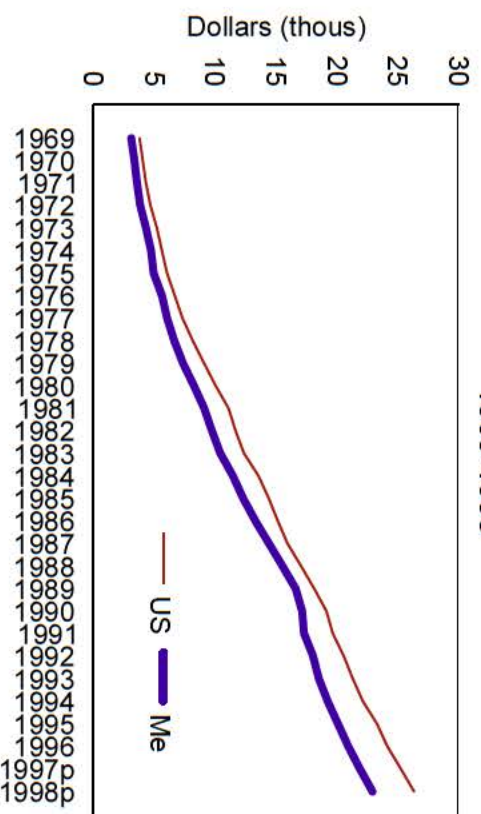
IV. Conditions Contributing to Poverty

Income Disparities

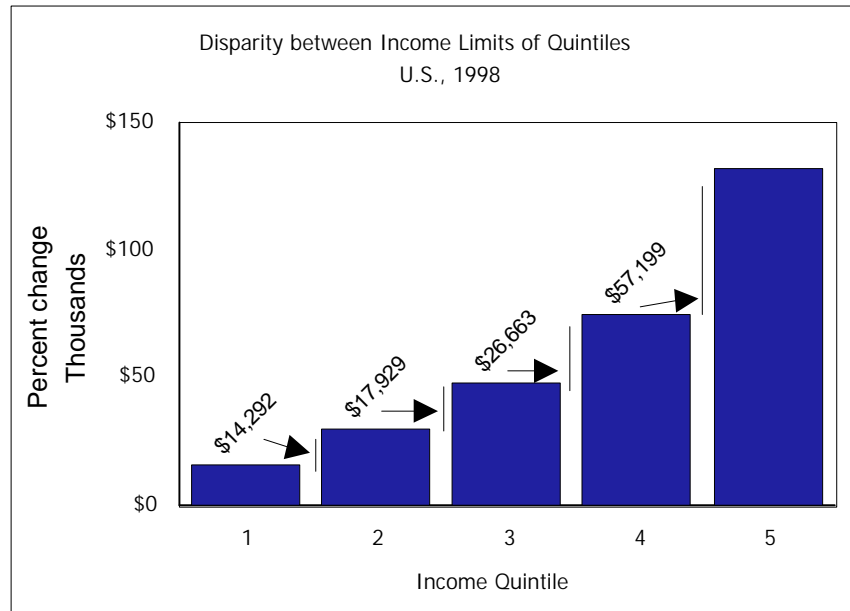
Per Capita Income. 1969-1998
Maine PCI as a Percent of the U.S.



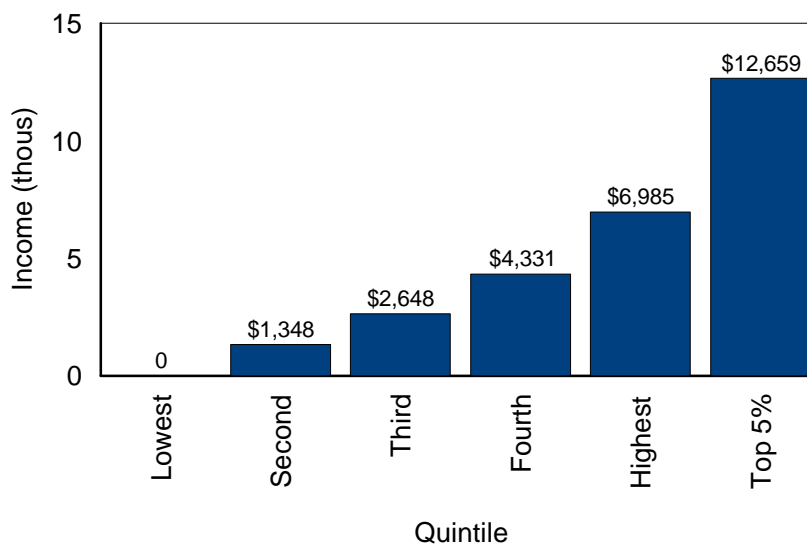
Personal Income Per Capita, Maine and the U.S.
1969-1998



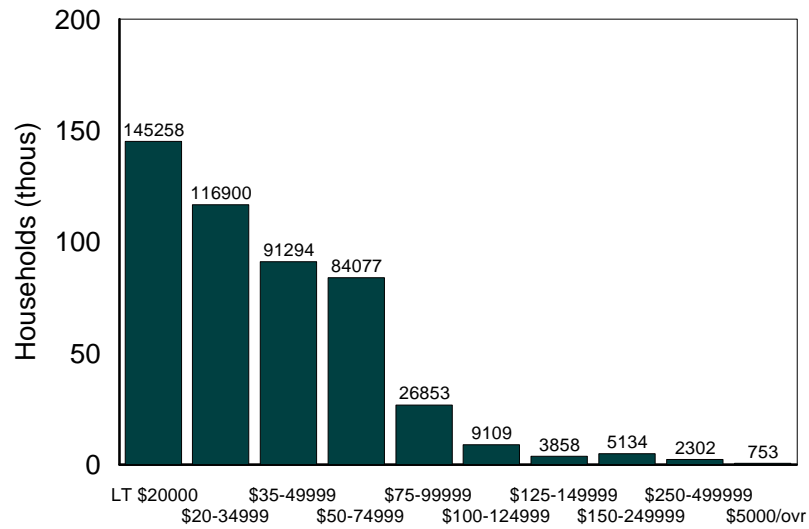
No data is available for Maine since 1990. However, nationally, the gap between upper and lower income quintiles continues to widen.



Increase in Disparity between Each Fifth of US Households
In two years' time, 1996-1998

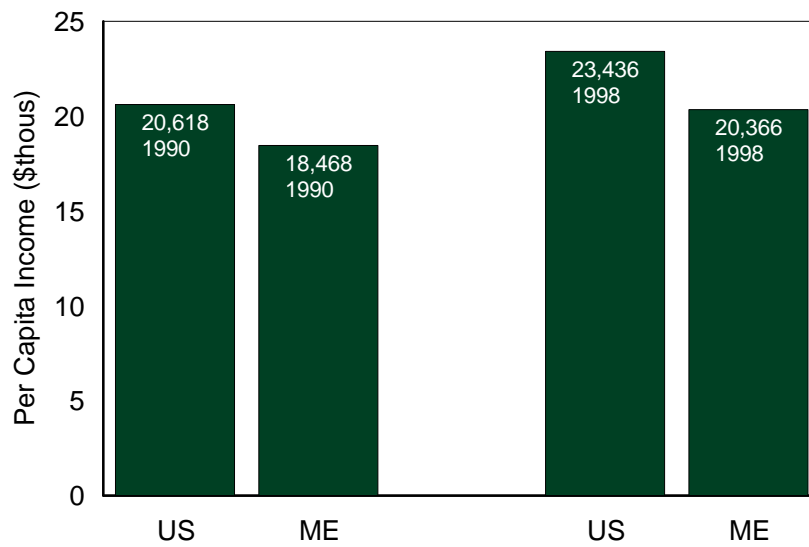


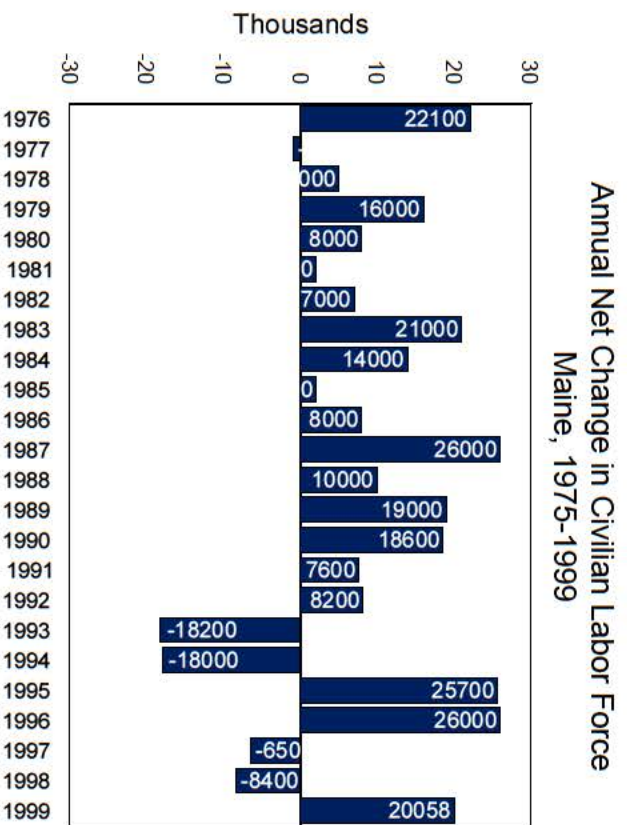
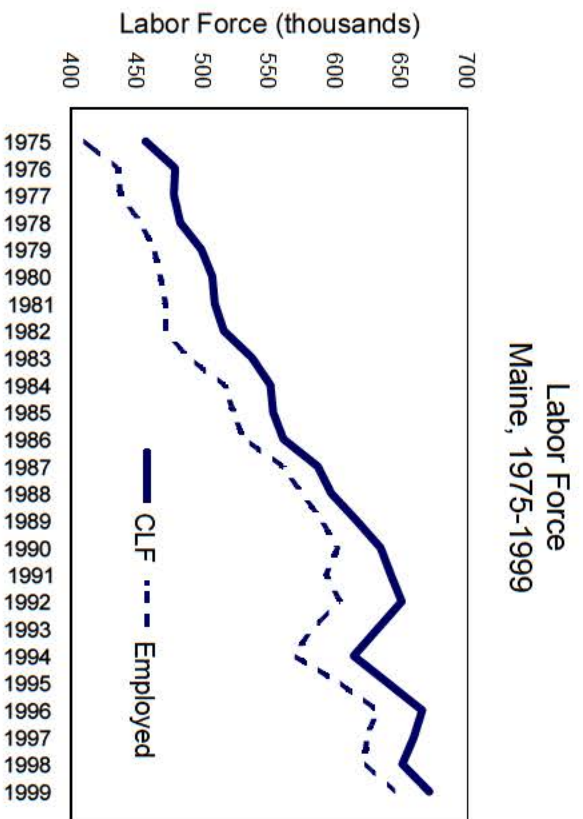
Income Distribution of Maine Households, 1998



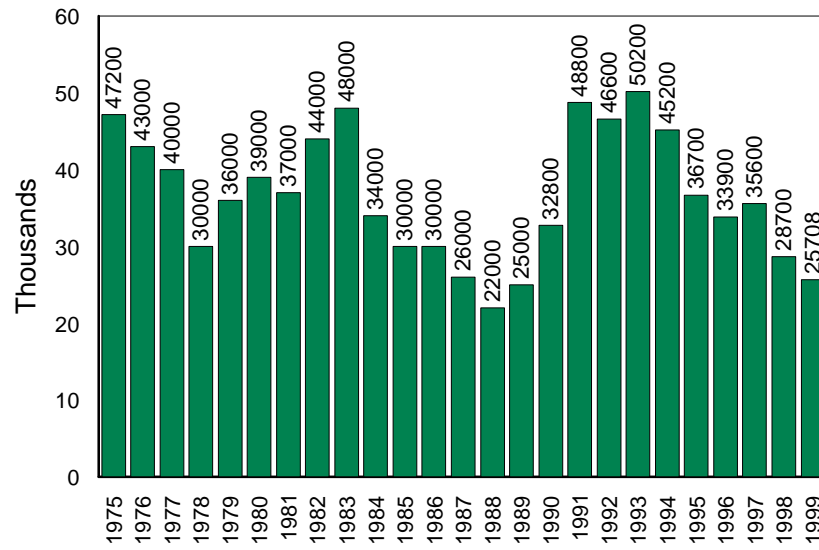
Source: Estimate by Claritas, Inc.

Growth in Per Capita Income, 1990-1998
In deflated (1992) dollars

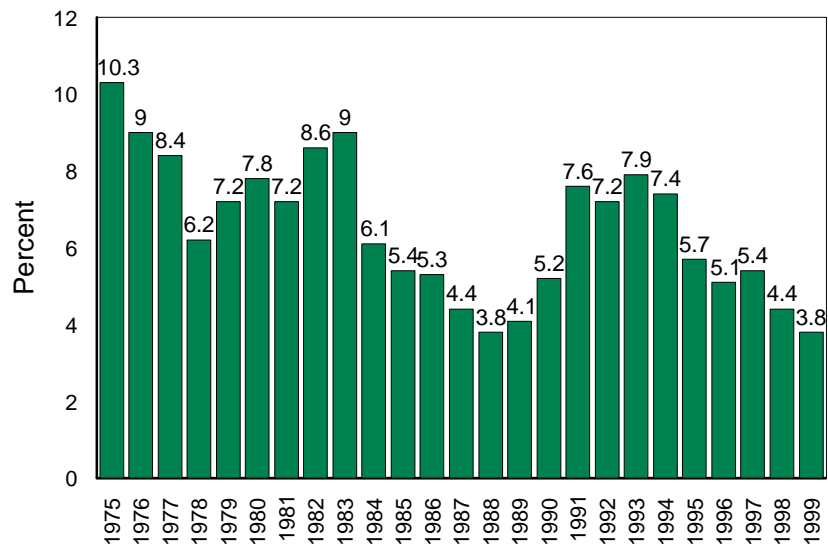




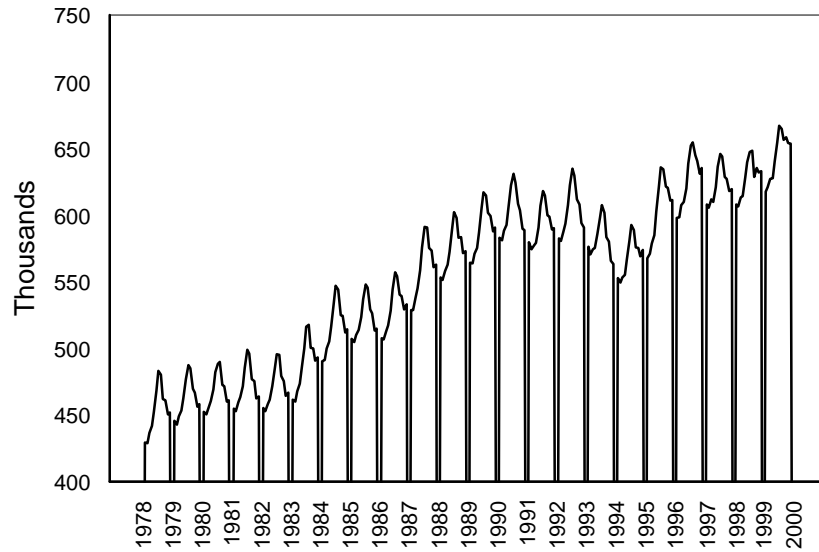
Number Unemployed
Maine, 1975-1998



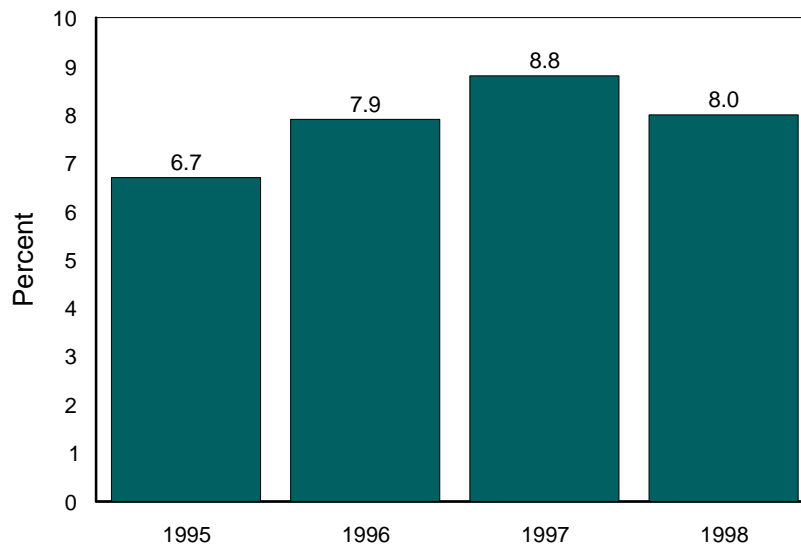
Unemployment Rate
Maine, 1975-1998

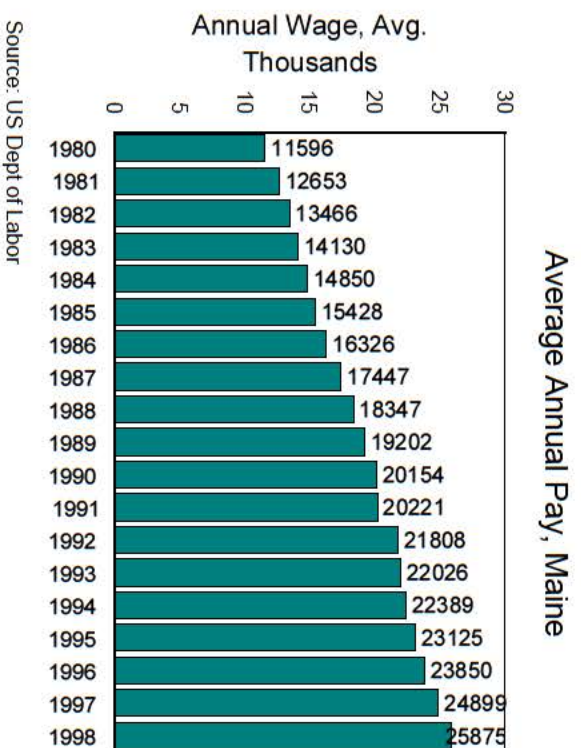
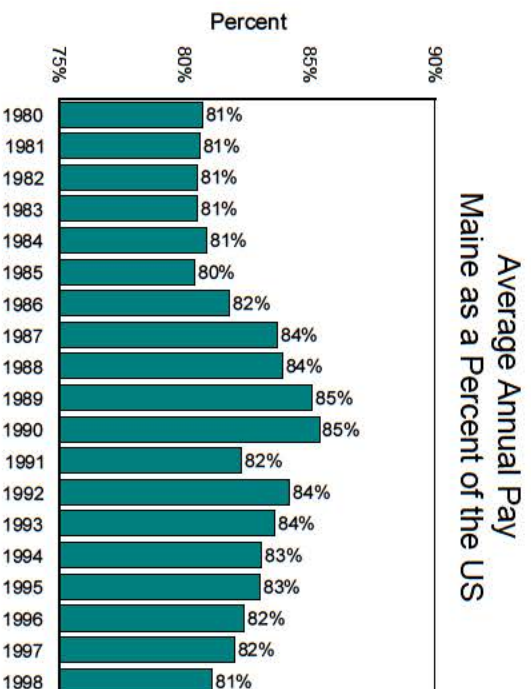
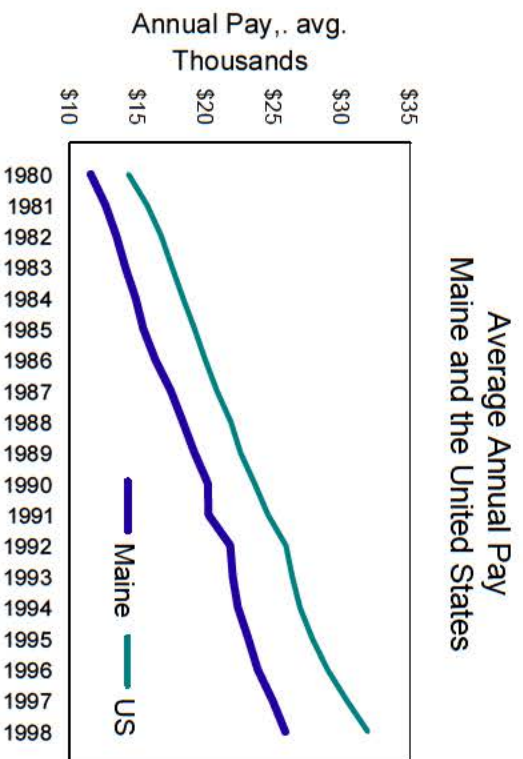


Fluctuations in Employed by Month
1978-1999

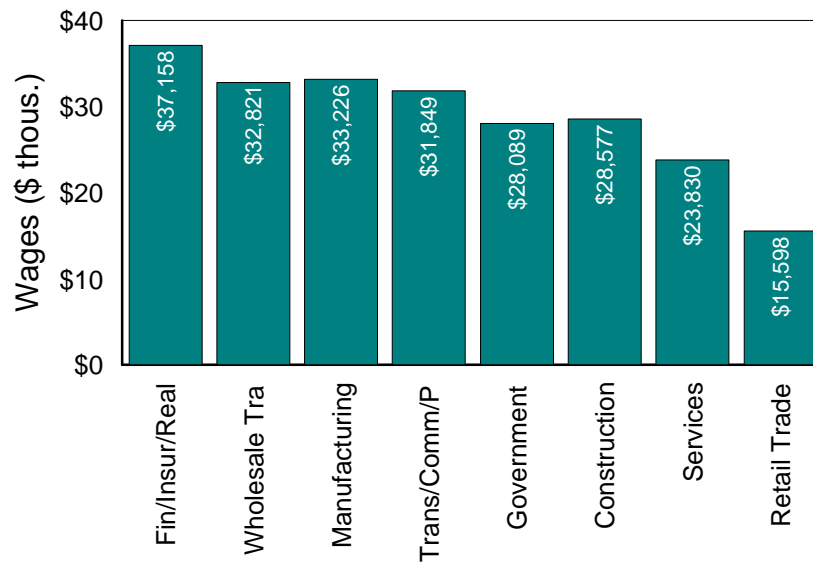


Civilian Labor Force, 1978-1998
Percent holding multiple jobs

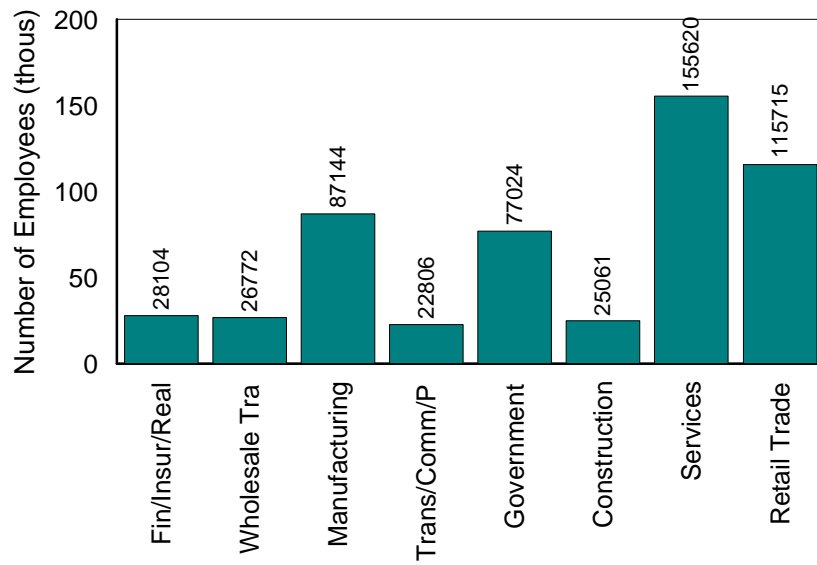


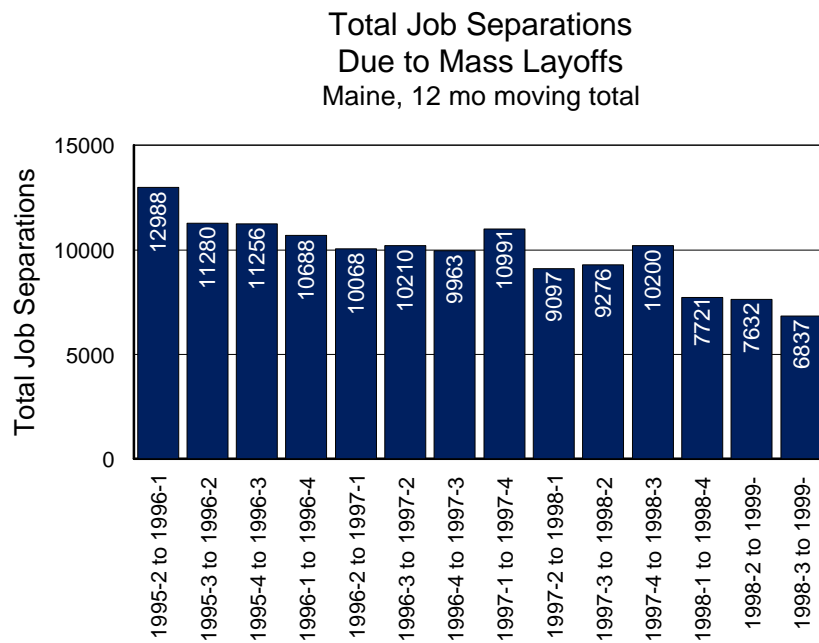
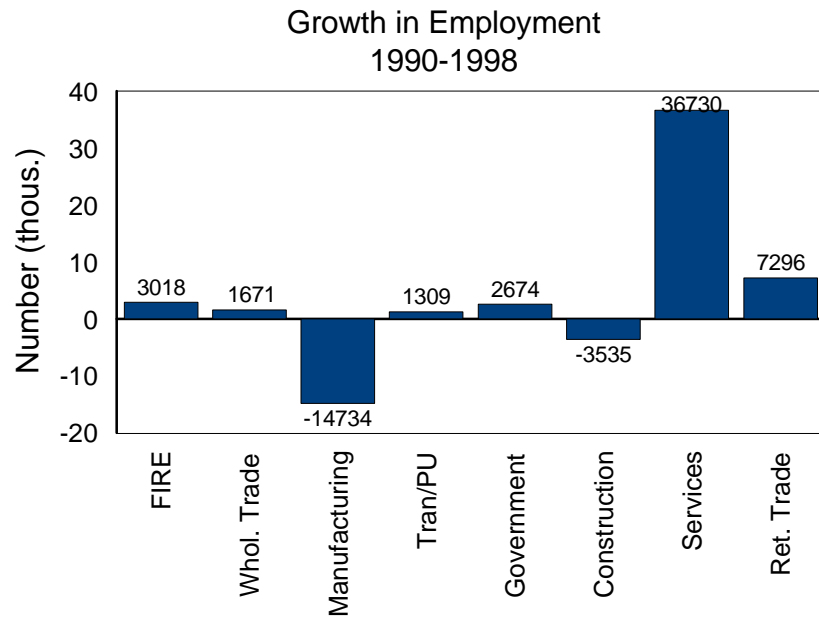


Wages (avg. annual) by Industry, 1998



Employment by Industry, 1998





Adequacy of Transfer Payments

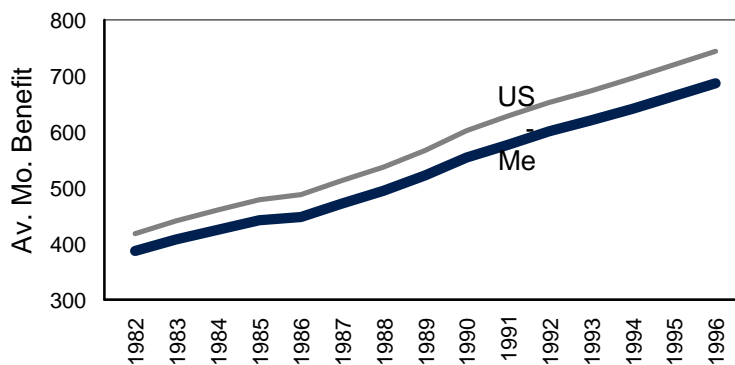
Table 3. Income Transfer Programs - Avg. Monthly Benefit

	Maine	US	Me:US Ratio*	Change** from last yr
<u>Income Based Benefits:</u>				
Social Security Programs (1997)				
Retired	\$705	\$765	92.2	0.0
Disabled	\$692	\$731	94.3	0.2
Survivors	\$658	\$722	91.1	0.2
Unemployment Ins.(1997)	\$152	\$193	78.8	-11.2
Medicare, avg. annual (1998)	\$3,776	\$5,448	69.3	-9.1
<u>Need-Based Benefits:</u>				
AFDC (1996)	\$401	\$377	106.4	
Food Stamps (1998)	\$72	\$71	101.4	4.4
Medicaid (1997)	\$3,959	\$3,679	107.6	-20.9
SSI(1997)	\$287	\$364	78.8	-0.4
Total Transfer Payments:				
Pct of Tot Pers Inc. (1997)	20.6	16.4	125.6	2.6
Per Capita (1997)	4,520	4,147	109.0	2.9

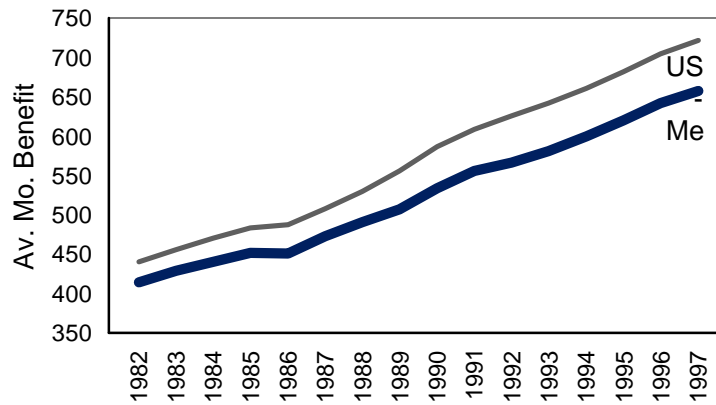
*If over 100, Maine's benefits are higher than the national average.

** If positive, Maine has gained and if negative, Maine benefits have dropped compared to the nation.

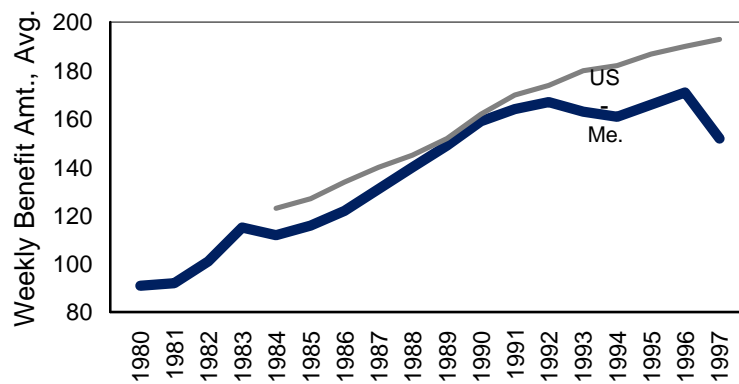
**Average Monthly Social Security Benefit
to Retirees, Maine and U.S.**



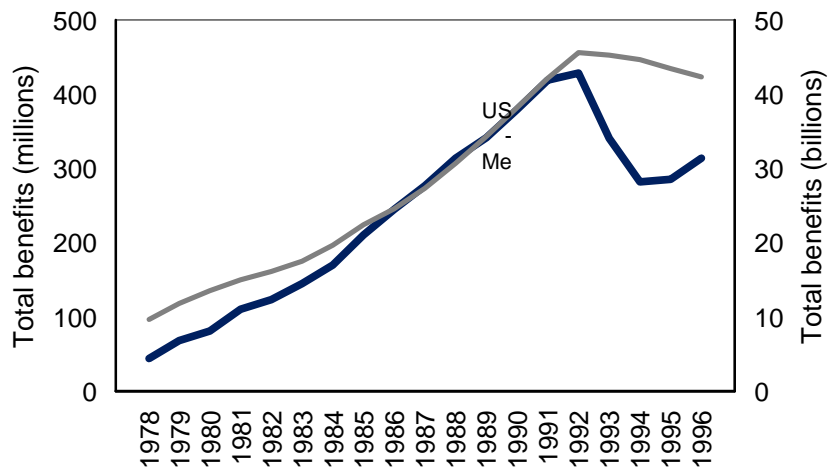
Average Monthly Social Security Benefit
to Disabled Workers, Maine and U.S.



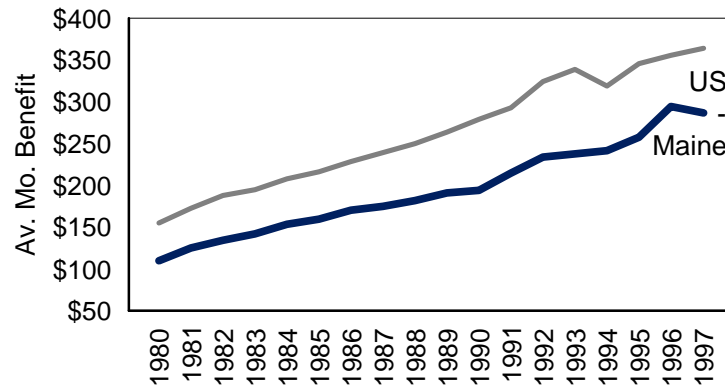
Average Weekly Unemployment Benefit
Maine and US, 1984-1996



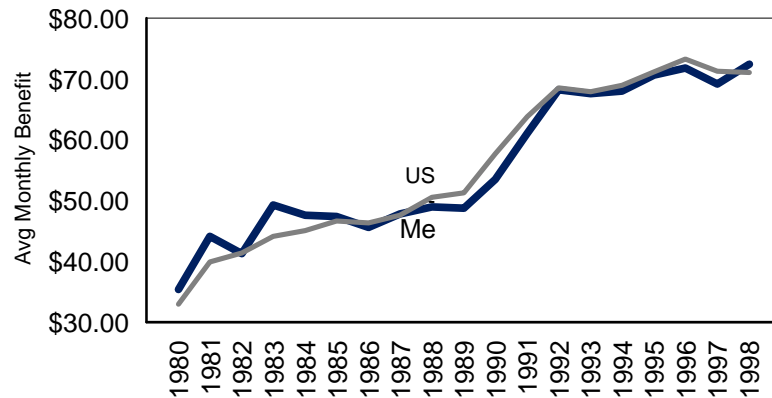
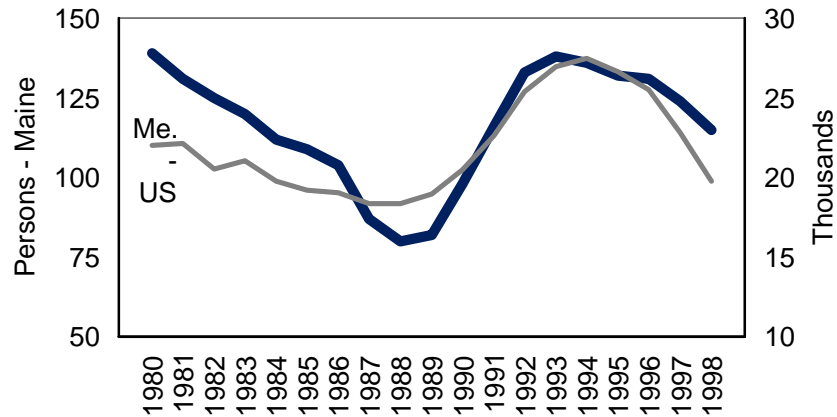
Workers' Compensation Benefits



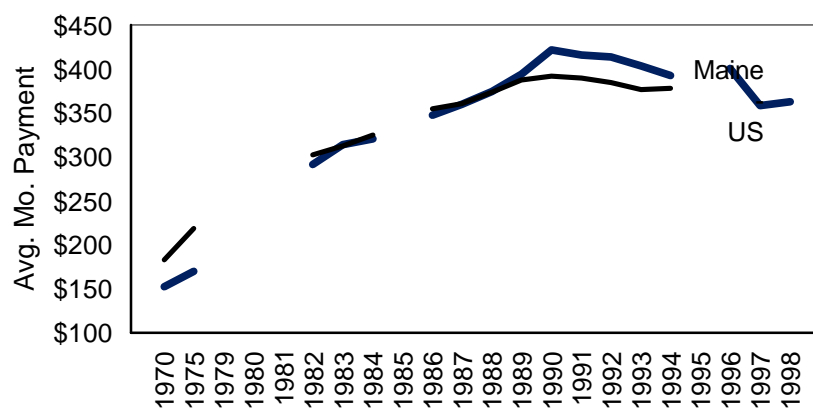
Average Monthly SSI Payment
Maine and the US



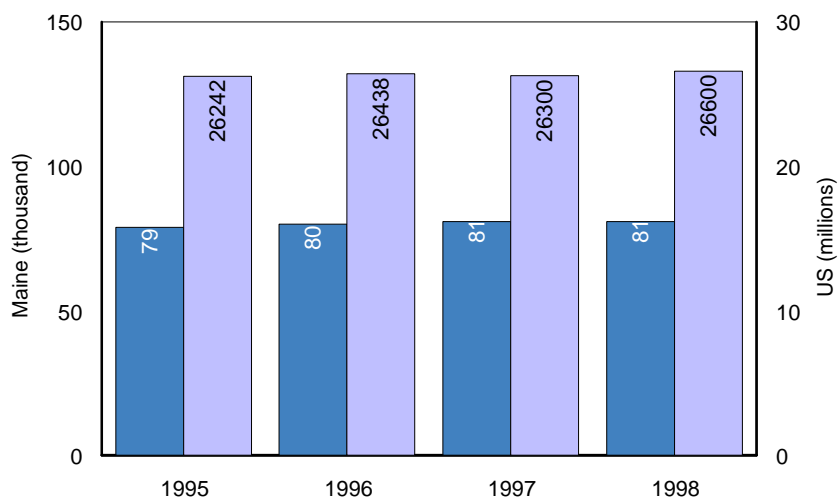
Persons Receiving Food Stamps
1980-1994, Maine and the U.S.



Average Monthly Payment Benefit
AFDC Recipient Households

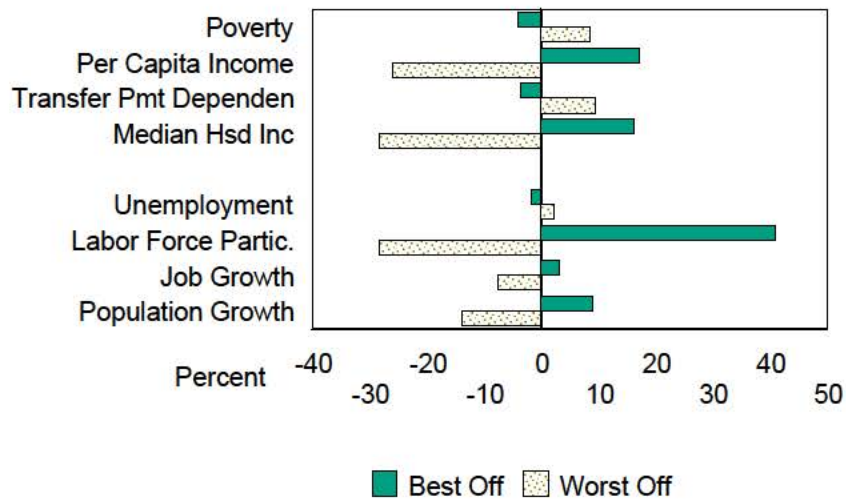


National School Lunch Program
Student Participation in Maine
Number receiving free and reduced price meals

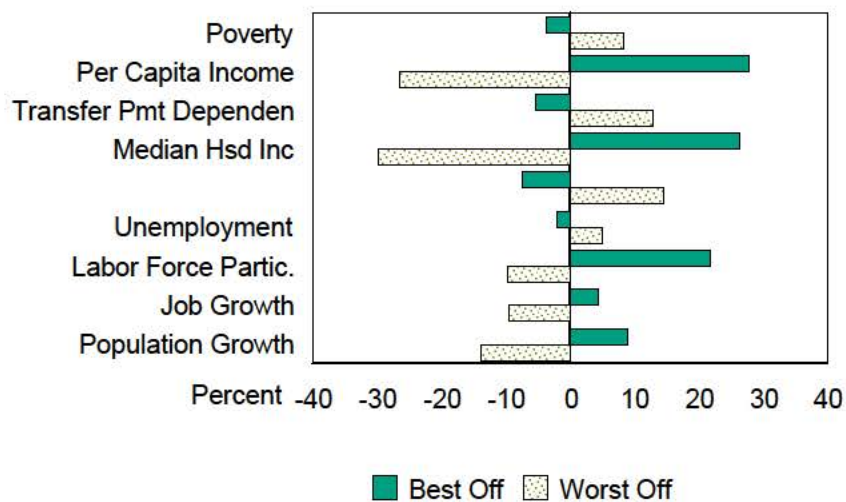


V. Regional Disparities

Regional Disparity Barometer
Best & Worst off County Compared to State Avg, 1990



Regional Disparity Barometer
Best & Worst off County Compared to State Avg, 1998



REGIONAL DISPARITY BAROMETER

Gap Between the Best and Worst Off Maine County

Data for most current year available

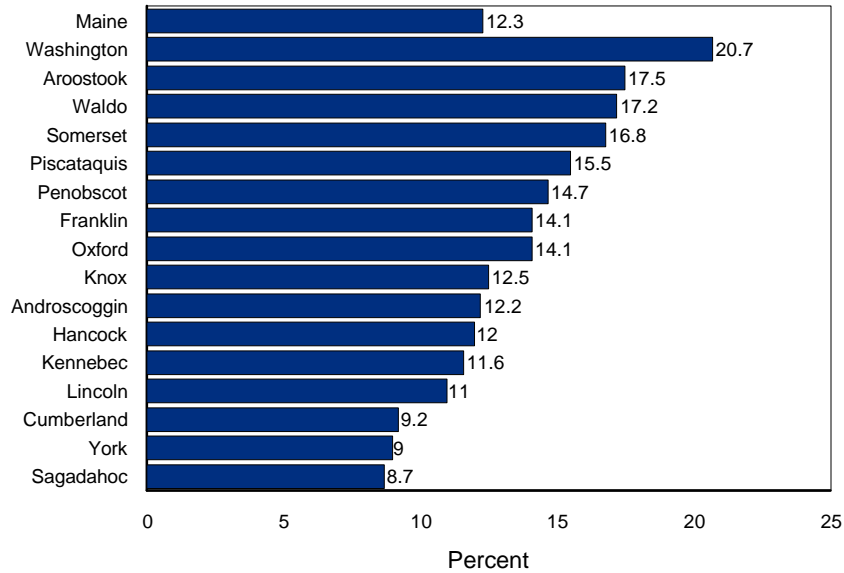
<u>Measures:</u>		<u>Best Off</u>	<u>Worst Off</u>	<u>Me. Avg.</u>	<u>Index to the State Avg.</u>		<u>Range</u>
					<u>Best Off</u>	<u>Worst Off</u>	<u>Width</u>
Poverty Rate (%)	1995	8.7	20.7	12.3	-29.3	68.3	97.6
Per Capita Income (\$)	1997	28,044	16,173	21,937	27.8	-26.3	54.1
Dependence on Transfer Payments (%)	1997	15.4	33.5	20.6	-25.2	62.4	87.6
Median Household Income (\$)	1998	40,377	22,467	31952	26.4	-29.7	56.1
Percent of Hshlds with income <\$20,000	1998	22.5	44.5	29.9	-24.7	48.8	73.6
Unemployment Rate (%)	1998	2.4	9.4	4.4	-45.5	113.6	159.1
Employment Growth (1990-98) (%)	1998	25.2	-6.2	3.4	641.2	-282.4	923.5
Labor Force Participation rate (%)	1998	56.8	42.9	52.3	8.6	-18.0	26.6
Population Growth (1990-98) (%)	1998	10.4	-12.5	1.3	700.0	-1061.5	1761.5

REGIONAL DISPARITY BAROMETER

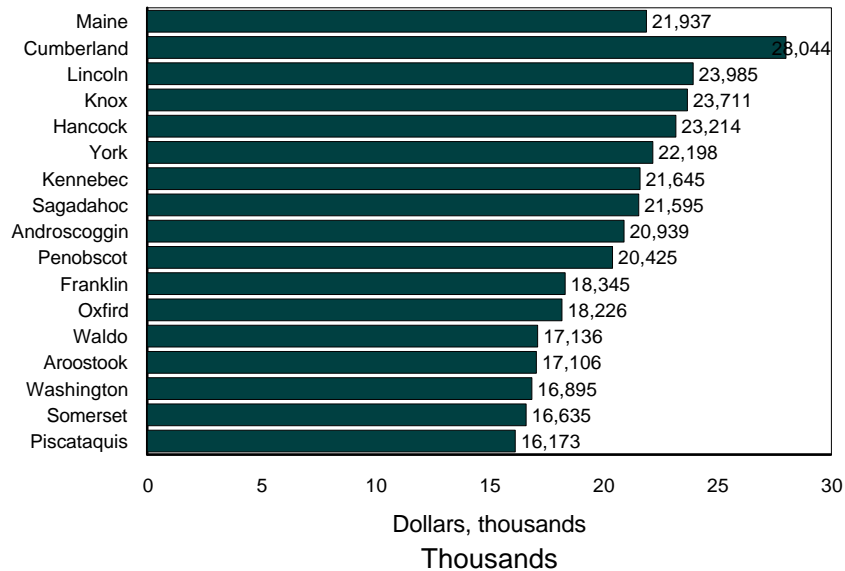
Gap Between the Best and Worst Off Maine County in 1990

<u>Measures:</u>		<u>Best Off</u>	<u>Worst Off</u>	<u>Me. Avg.</u>	<u>Index to the State Avg.</u>		<u>Range</u>
					<u>Best Off</u>	<u>Worst Off</u>	<u>Width</u>
Poverty Rate (%)		6.8	19.3	10.8	-37.0	78.7	115.7
Per Capita Income (\$)		15,186	9,607	12,957	17.2	-25.9	43.1
Dependence on Transfer Payments (%)		12.7	25.8	16.3	-22.1	58.3	80.4
Median Household Income (\$)		32,432	19,993	27854	16.4	-28.2	44.7
Unemployment Rate (%)		3.4	7.5	5.2	-34.6	44.2	78.8
Employment Growth (1980-90) (%)		69.7	0.4	28.6	143.7	-98.6	242.3
Labor Force Participation Rate (%)		55.0	44.1	51.7	6.4	-14.7	21.1
Population Growth (1890-89) (%)		18.2	-4.8	9.1	100.0	-152.7	252.7

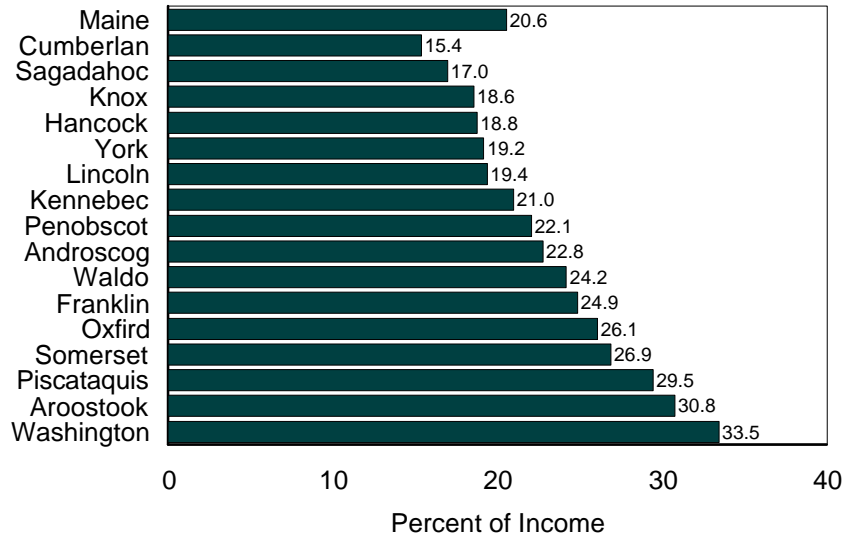
Poverty Rate of Maine Counties, 1995



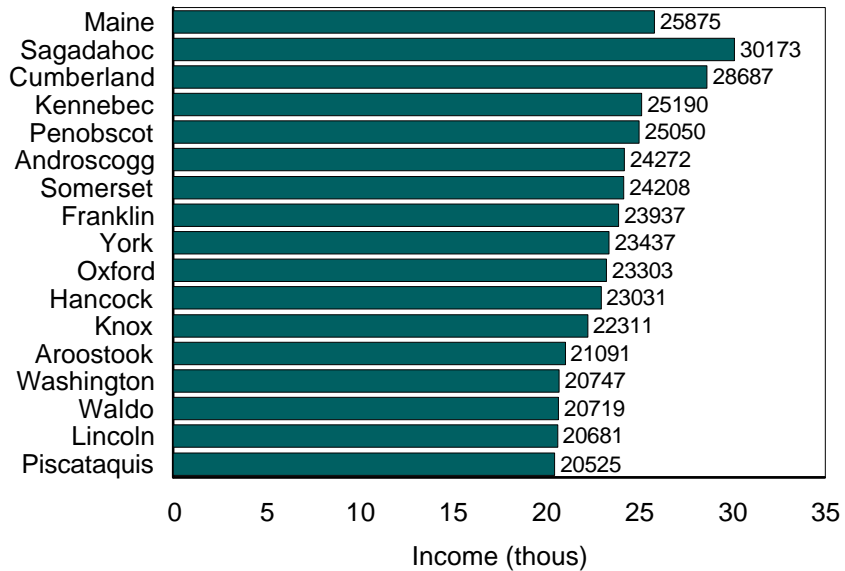
Per Capita Income, 1997



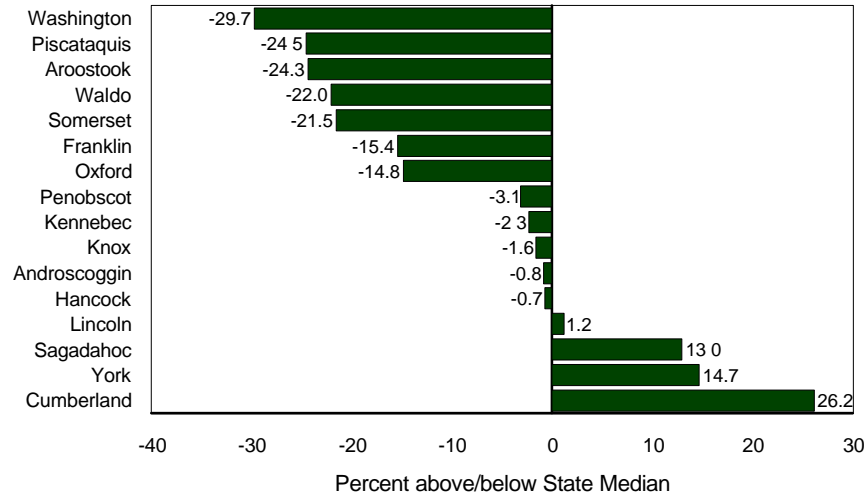
Percent of Total Personal Income
Derived from Transfer Payments, 1997



Average Annual Pay, 1988

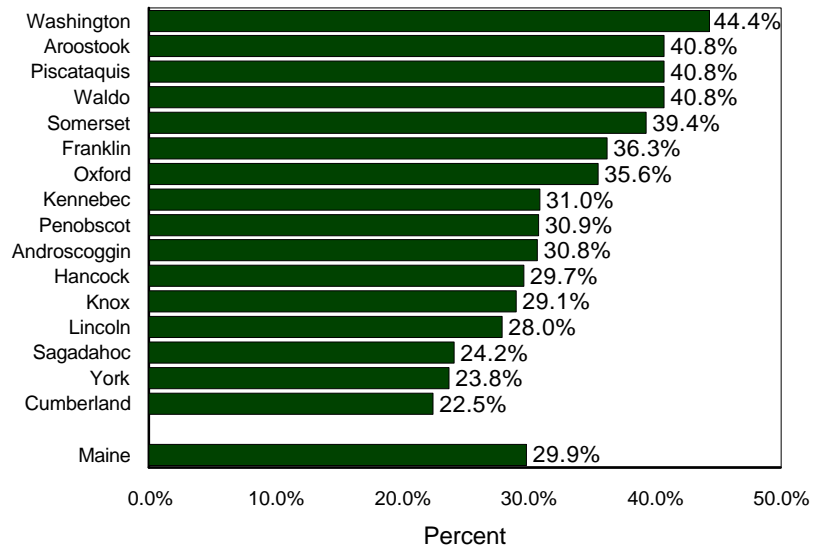


Median Household Income, by County Compared to State Median, 1998

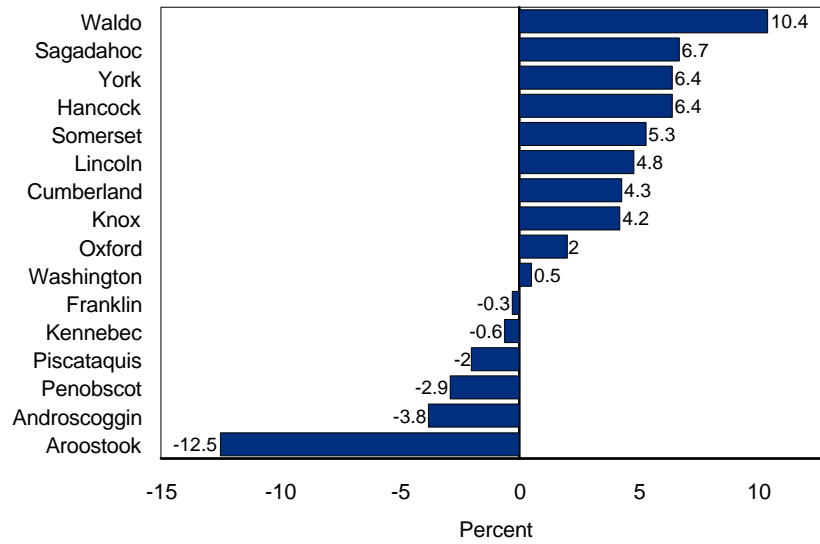


Source: Compiled from data from Claritas, Inc

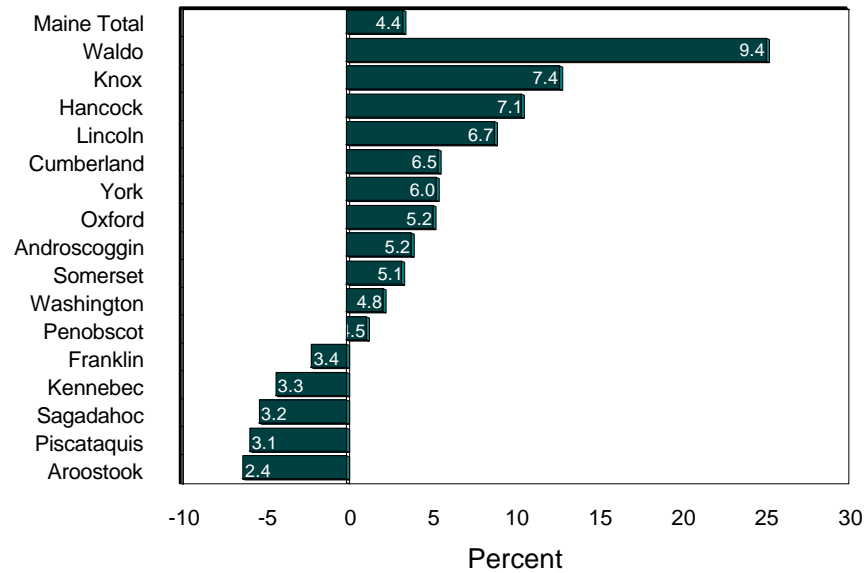
Percent of Households with Income Under \$20,000



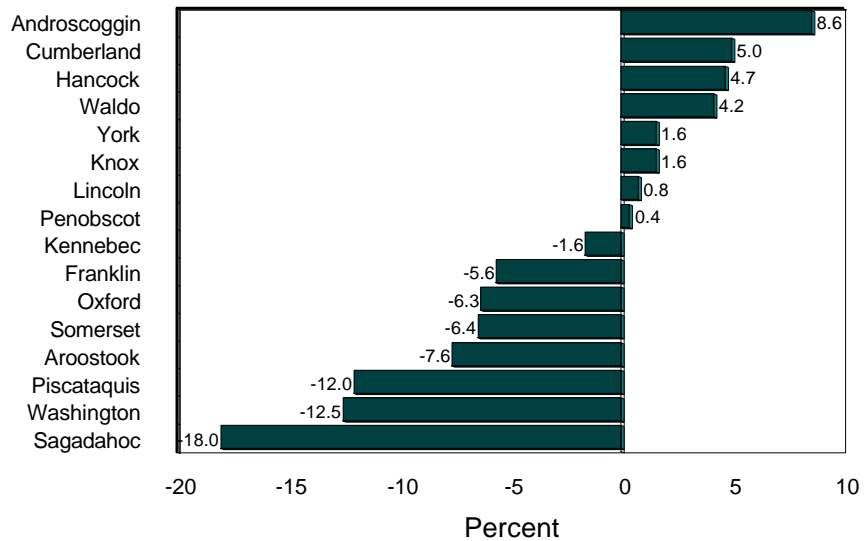
Percent Change in Population
1990-1998



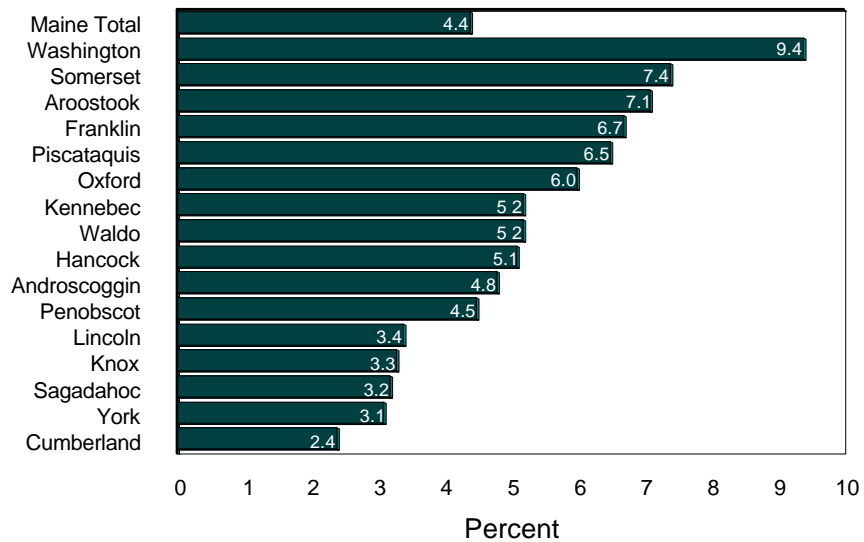
Growth in Employment, 1990-98



Labor Force Participation Rate, 1998
Compared to Maine avg. (52.3%)



Unemployment Rate, 1998
Compared to Maine avg. (52.3%)



Appendix

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>	1999
1	4,210	5,250	6,280	7,470	7,740	7,890	8,050	8,240
2	5,590	7,050	8,420	10,030	10,360	10,610	10,850	11,060
3	6,970	8,850	10,560	12,590	12,980	13,330	13,650	13,880
4	8,350	10,650	12,700	15,150	15,600	16,050	16,450	16,700
5	9,730	12,450	14,840	17,710	18,220	18,770	19,250	19,520
6	11,110	14,250	16,980	20,270	20,840	21,490	22,050	22,340
7	12,280	16,050	19,120	22,830	23,460	24,210	24,850	25,160
8								27,980
For each additional member:								
Add:	1,170	1,800	2,140	2,560	2,620	2,720	2,800	2,820