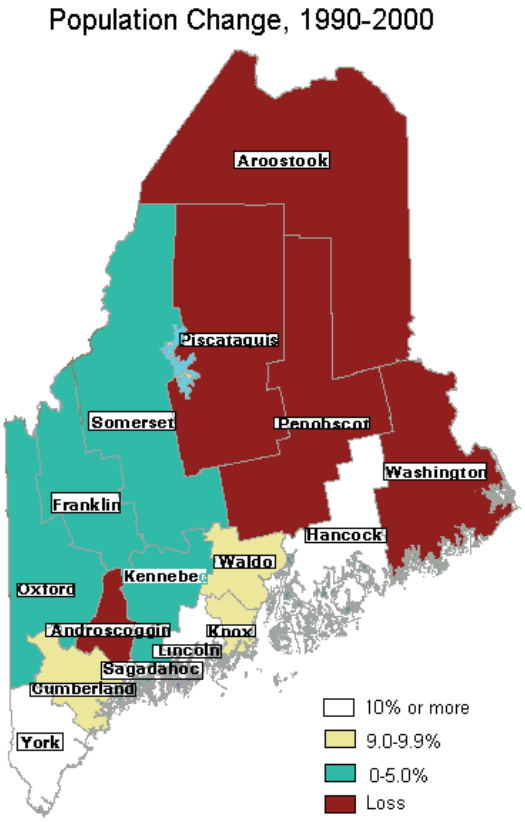
2000
Annual

REPORT CARD ON POVERTY in Maine



March, 2001
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.

Maine State Planning Office
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Preface

This year's edition of the Report Card on Poverty is arriving somewhat later than in the past. Because of the lag in data becoming available from many of the sources used in the report, the information presented in past Report Cards is usually one to two years' old, depending on the source. In a number of cases, a new year of data becomes available shortly after publication. This 2000 Report Card contains data for many of the indicators current to Dec. 31, 2000, and will hopefully prove more useful to the readers. It also includes the early data available from the 2000 census.

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*the 1998 and 1999 Report Cards on Poverty may be found on the Maine State Planning Office web site.
(http://janus.state.us.me/spo) look under programs/Maine Economy/.

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I. Summary of Highlights and Trends

Maine's overall poverty rate has continued to decline since 1993. A strong economy has created a demand for workers that has led to a low unemployment rate. Wages have risen slightly as businesses compete for workers. On the surface, more work and more income looks good for those at the lower end of the income spectrum in Maine. Yet poverty remains a stubborn and persistent fact in Maine. Those with the least appear to be helped little by what appears to be a healthy economy.

Consider the following:

- Maine's poverty rate has dropped from its decade high of 13.7% in 1993 to 10-11% in 1997-99. Yet in 1997 there were 4300 more poor in Maine than found by the 1990 Census.

- The number of people using homeless shelters in Maine has risen steadily over the past few years. (chart, page 8)

- The number of households receiving food stamps last year was lower than in the early 1990's but it has not, in spite of the "good economic times" dropped to the level it was at in 1988-1989, the last "good economic time". (chart, page 6)

- The portion of Maine citizens lacking health insurance is lower than the national average (11.9% compared to 15.5% nationally). Even so, the coverage rate in Maine today is less than in the late 1980's when over 90% of Maine's population had health insurance coverage. (chart, page 9)

- For those who are making it above the poverty level, people are working more hours than ever before, and the incidence of workers holding multiple part time jobs remains high in Maine while declining nationally. (chart, page 18)

- The number of mass layoffs (50 or more workers) has declined in recent years, but once the layoffs due to base closures and defense realignment that occurred in the early 1990's are considered, the number of large layoffs has not dropped significantly. (chart, page 17)

- Since the 1970's the economy has been moving from a goods producing to a service economy. In the 1990's, 53,00 new jobs were created in trade and service industries, the two sectors with the lowest average wage, while the number of manufacturing jobs declined by 16% and other higher paying sectors declined or at best grew only moderately. (chart, page 16)

There are indications that the economy is slowing down once again. Large layoffs have already been announced by a number of Maine businesses since the new year began, and others are scrambling to reorganize to avoid complete shutdown. The downturn in tech companies has led to the closure or down sizing of many small Internet-connected firms in Maine, most too small to be counted in mass layoff statistics collected by the USDOL.

Maine residents are coping with rising energy costs, a tight housing market that is driving rents up in many parts of Maine, and increasing health care costs. In spite of the many indicators of an overall strong economy, many of Maine's lower income are finding themselves left with less.

Broad economic indicators, both in Maine and nationally, yield a forecast of uncertainty. Though inflation has remained comparatively low, at 3.4% in 2000, real wages grew at a slower pace and in real dollars were down .2% (preliminary US Bur. of Labor Statistics) nationally last year. Throughout the decade, high levels of personal debt and bankruptcies, lack of savings, and related indicators suggest that individuals and households are finding economic security just out of their reach.

New, Revised and Dropped Measures

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 now computes income by quintile for states that are based on moving 3-year averages. The data from this source is included this year.

Adequacy of Transfer Payments: Participation rates have been included along with benefit level data.

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.

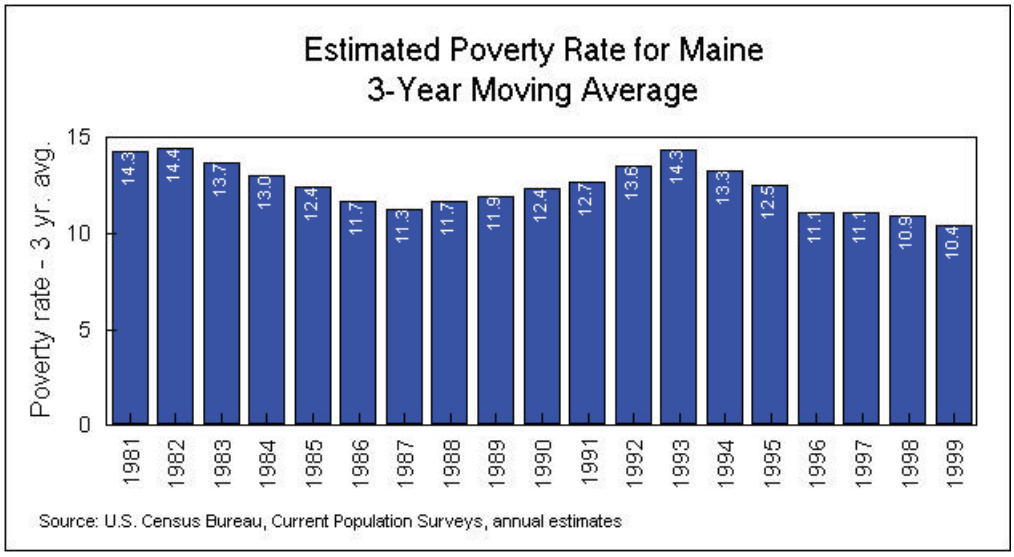
Risk Populations: Data for at risk populations has been lacking for intercensal years and will not be included until new data become available. The three risk populations identified include elderly and disabled, children, and working low income adults.

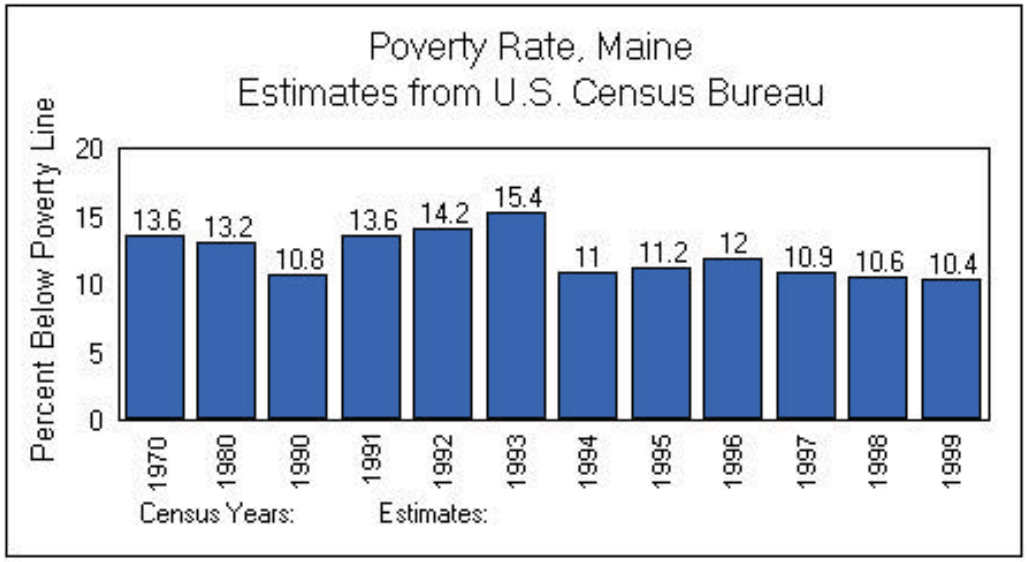
School Lunch participation in free and reduced price meals: This data has been dropped from the report card because it is unavailable in consistent format from year to year. It also reflects voluntary participation rather than need. Voluntary participation is influenced by other factors such as class schedules, stigma, menu offerings, etc. and is thus considered to be of uncertain value as an indicator of poverty among children and families with children.

II. Measures of the Extent of Poverty

1. Estimates of the Poverty Level

Since dropping from its high in 1993, the number living below the poverty line in Maine has remained relatively constant for the past 5 years.





2. Comparisons of Key Indicators in Maine to the United States: Rankings

Though the poverty rate in Maine has improved relative to the national rate since 1990, many other indicators of well-being and economic security have worsened.

Table 1.

Maine's Rank in:	1990	1998-99 (latest year available)	Scale
1. Population Characteristics:			
Percent Elderly	18th	10th	1= highest
Percent Children	35th	49th	1= highest
2. Economic Characteristics:			
Percent in Labor Force			
Workers per 100 pop.	24th	30th	1=highest
Percent Home Owner	1st	6th	1=highest
Consumer Sales per Hshld	8th	25th	1=highest
2. Income Characteristics:			
Poverty Rate	25th	19th	1=lowest
Per Capita Income			
Annual Pay of Workers	39th	40th	1=highest
Median Household Income	32nd	33rd	1=highest
Gap between richest & poorest		44th	1=widest

Source: Rankings of States, US Statistical Abstract & Center for Budget & Policy Priorities.

Table 2.

Comparison of Growth in Income, 1998-1999

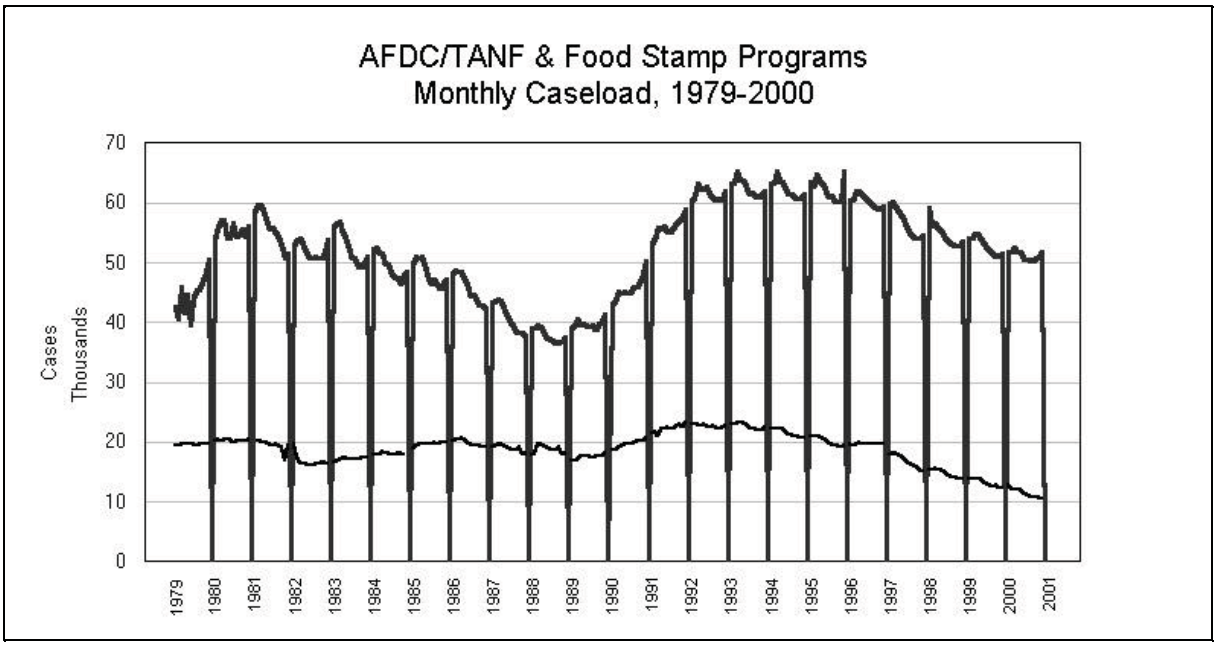
	Maine	US	Maine:US ratio
Annual pay of workers	3.9%	5.1%	80.7%
Per capita income	4.6%	4.5%	86.2%

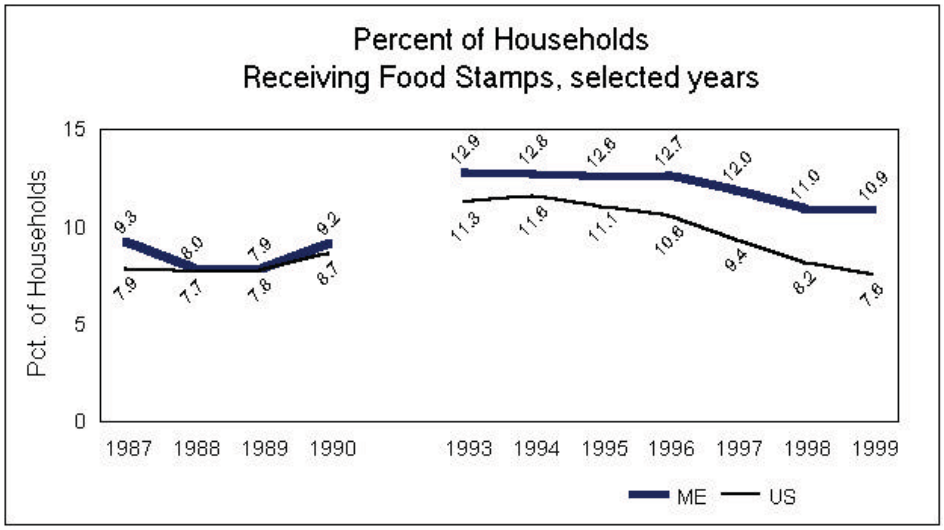
Source: US Bureau of Economic Analysis and US Bureau of Labor Statistics

3. Indicators of Need

The Food Stamp Program caseload has declined for the past several years. Yet it has not, in spite of the "good economic times" dropped to the level it was in 1988-1989, the last "good economic time." Food Stamp enrollment in Maine is higher than the national average and is increasing relative to the nation in spite of declining participation. In 1999, 10.8% of Maine households received food stamps compared to 7.6% nationally. There was little further decline in 2000.

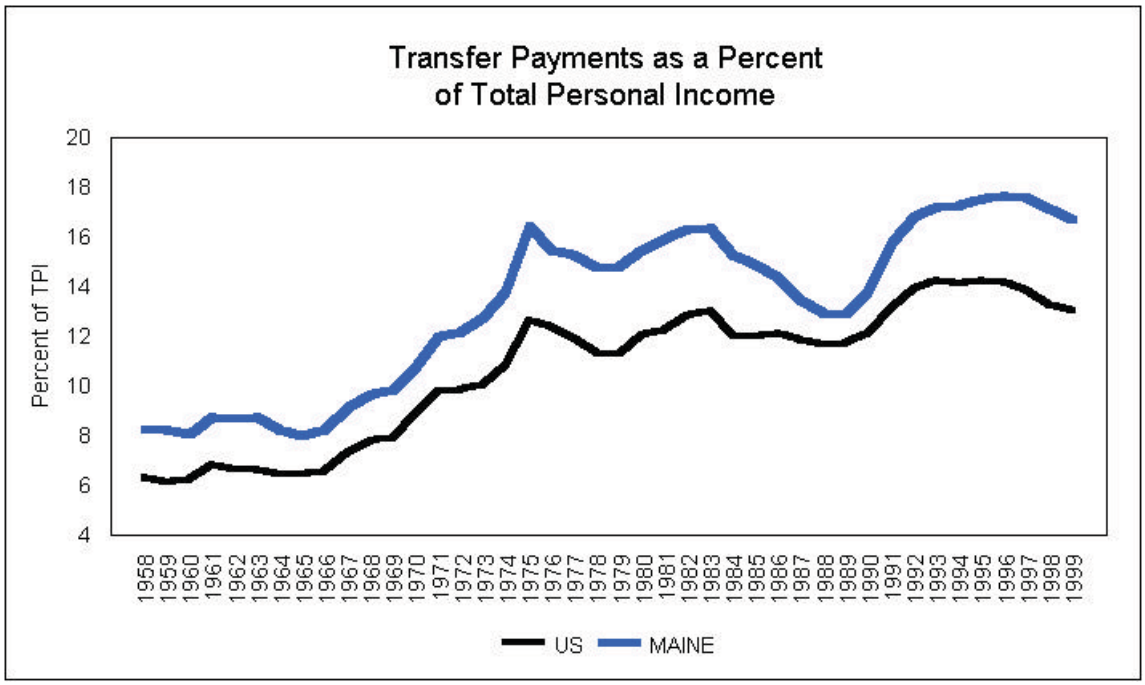
A. Caseload Levels of Income Assistance Programs in Maine

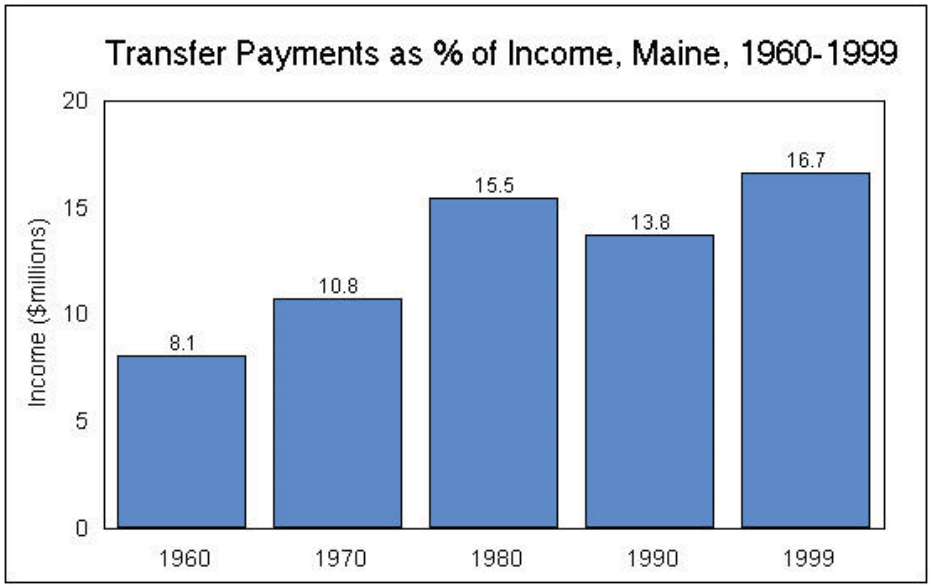




B. Dependence on Transfer Payments

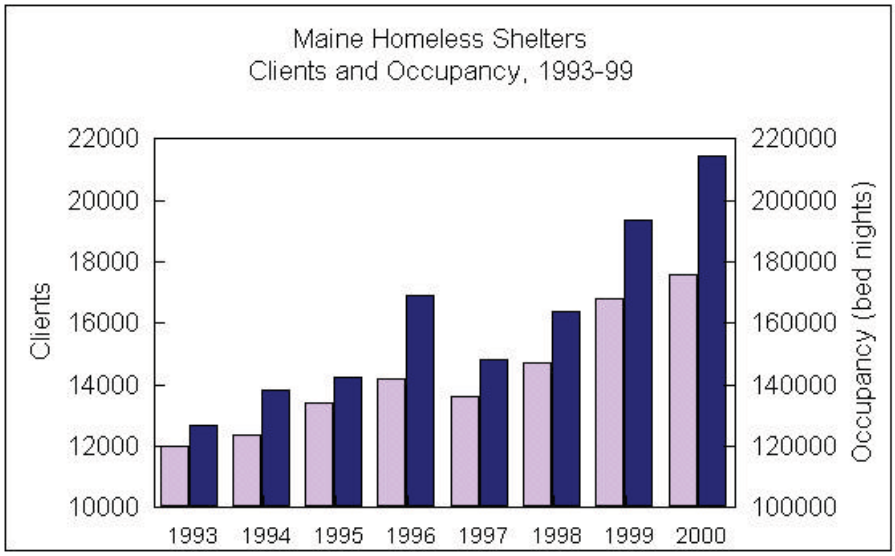
Maine citizens rely on transfer payments for one out of every six dollars (16.7%) of personal income. Though declining slightly over the past two years, Maine's reliance is increasing compared to the national average. Maine received $4,113 compared to a US average of $3,727 per capita in 1999.

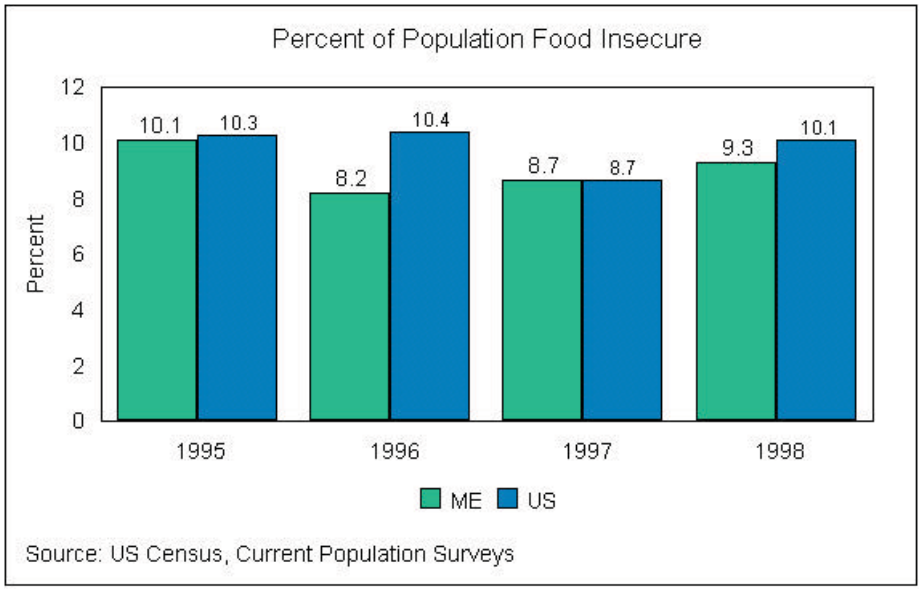




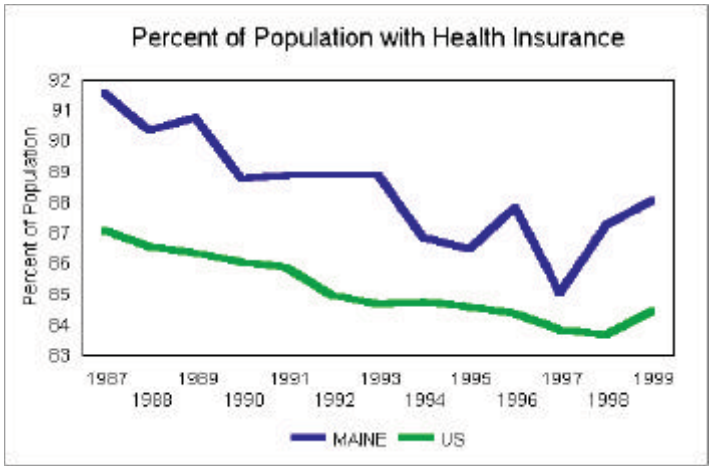
C. Recipient Levels of Service Programs

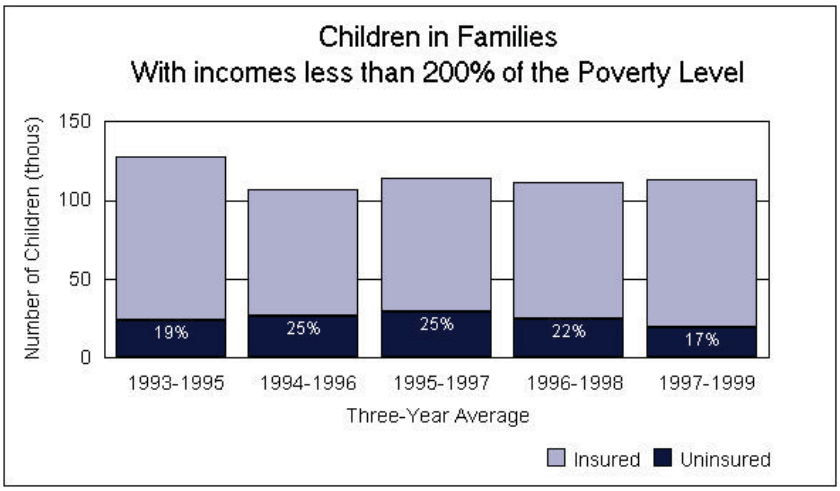
Reliance on Shelters by the Homeless has risen steadily since a uniform record was begun in 1993. Not only are more people using shelters, but the length of stay has continued to rise.





Note: New food security figures for states not yet available. US avg. is unchanged in 1999.

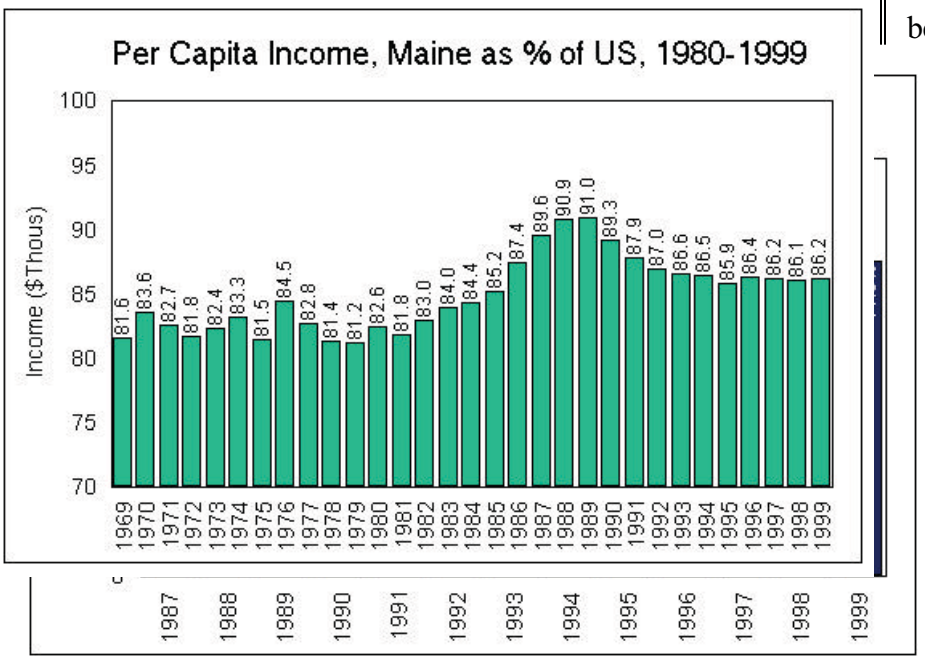

Percent of Population with Health Insurance
Percent of Population
92
91
90
89
88
87
86
85
84
83
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
MAINE
US

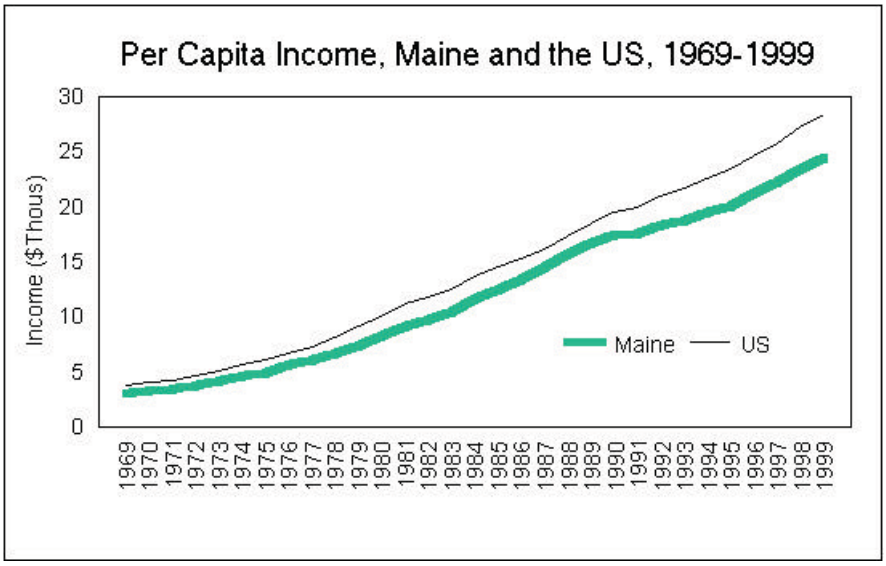

Children in Families
With incomes less than 200% of the Poverty Level
Number of Children (thous)
150
100
50
0
19%
25%
25%
22%
17%
1993-1995
1994-1996
1995-1997
1996-1998
1997-1999
Three-Year Average
Insured
Uninsured

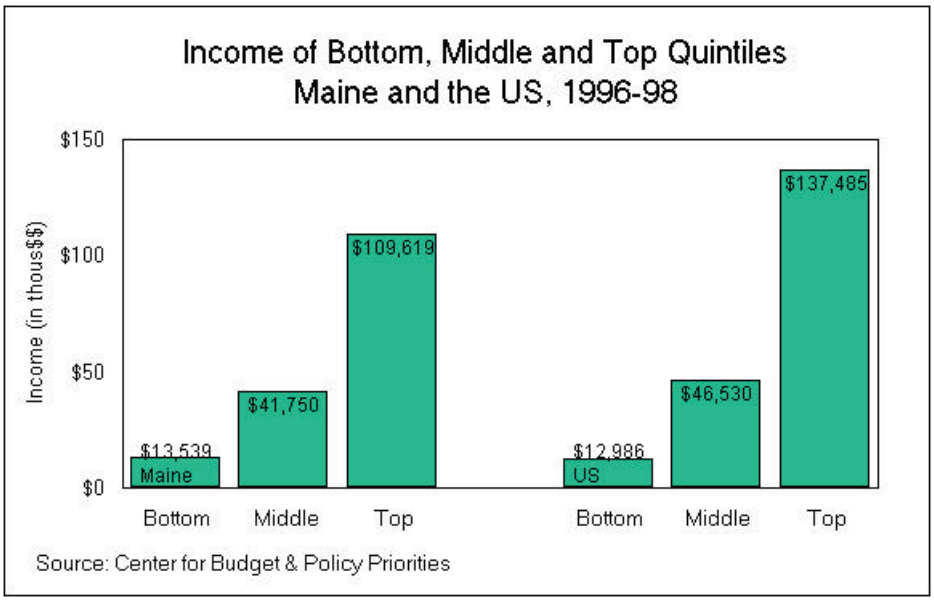
III. Conditions Contributing to Poverty

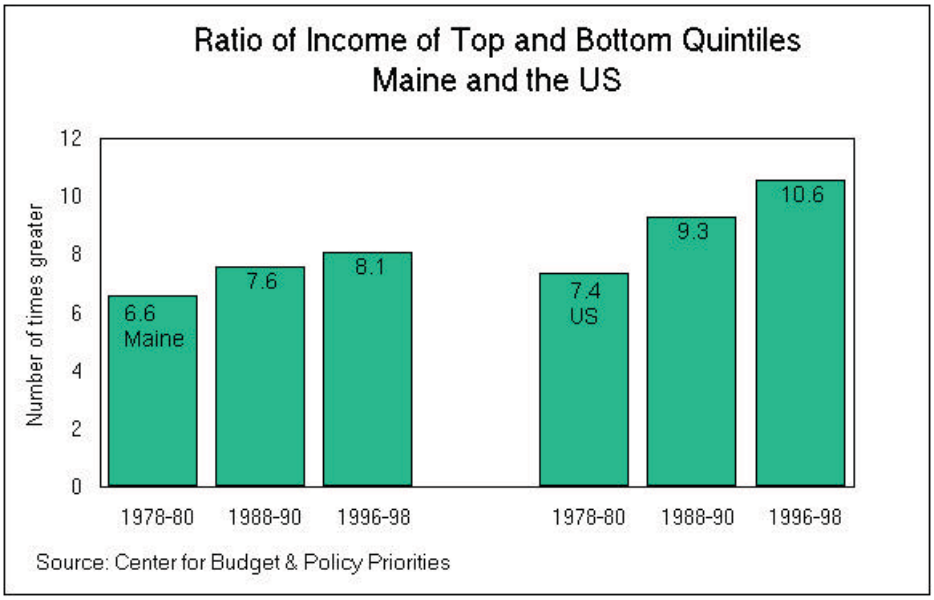
1. Income Distribution & Disparity

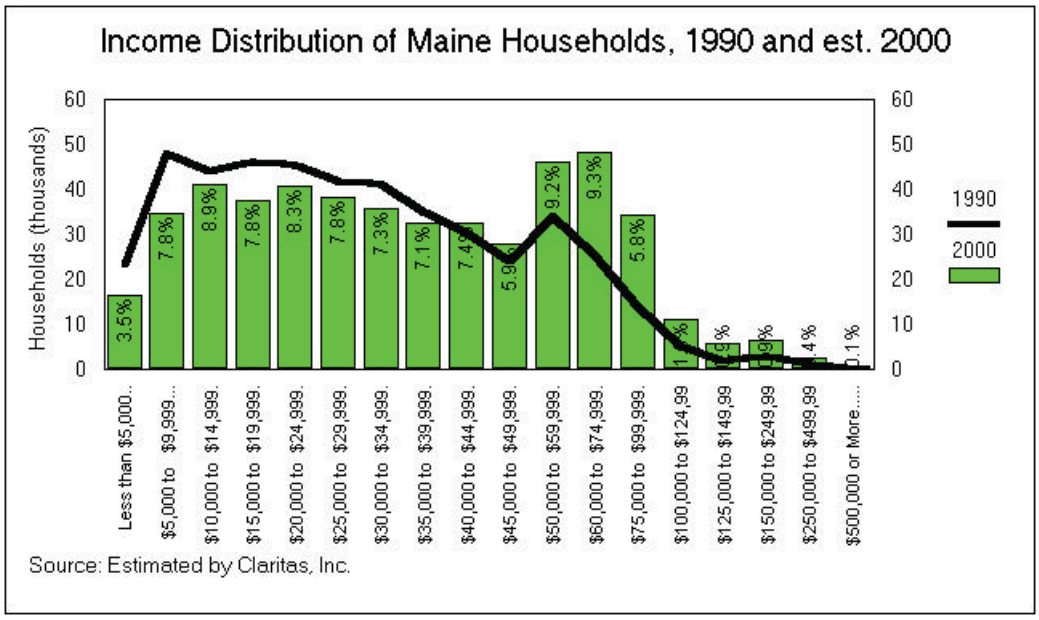
Although per capita income in Maine has grown at a steady rate, real income has gained little, and the gap between Maine and the US has not narrowed significantly in the 1990's. The gap between upper and lower quintiles continues to widen, though the gap is smaller in Maine than nationally

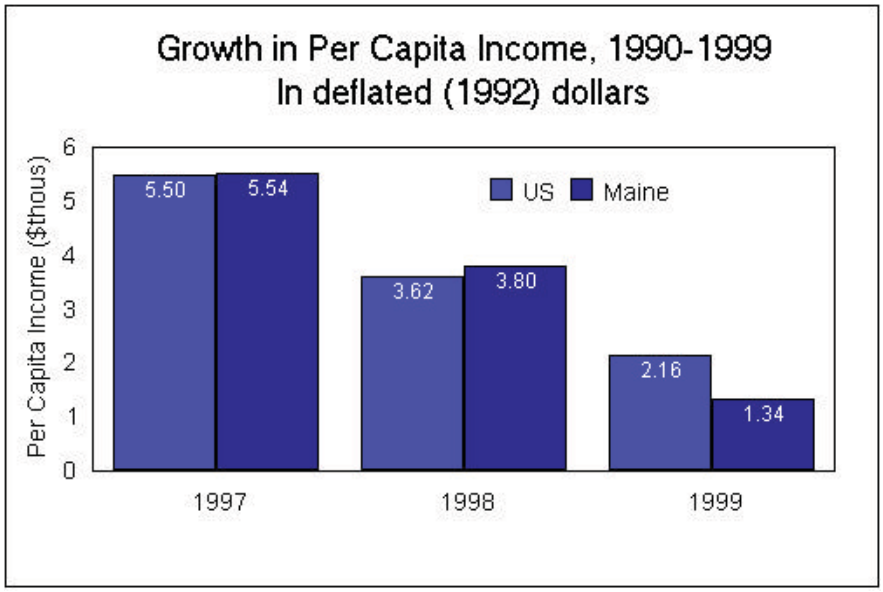



Per Capita Income, Maine and the US, 1969-1999
Income ($Thous)
30
25
20
15
10
5
0
1969
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
Maine
US

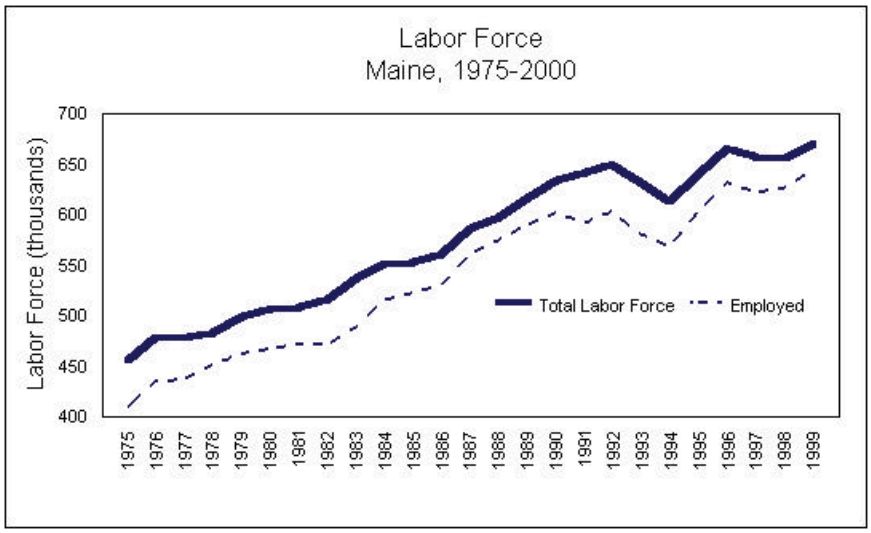

Income of Bottom, Middle and Top Quintiles
Maine and the US, 1996-98
Income (in thous$$)
$150
$100
$50
$0
$13,539
Maine
$41,750
$109,619
$12,986
US
$46,530
$137,485
Bottom
Middle
Top
Bottom
Middle
Top
Source: Center for Budget & Policy Priorities

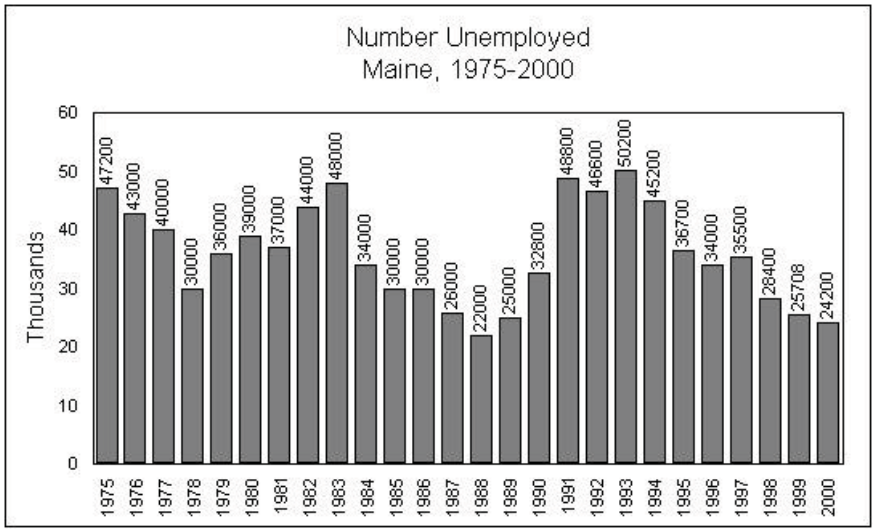

Ratio of Income of Top and Bottom Quintiles
Maine and the US
Number of times greater
12
10
8
6
4
2
0
6.6
Maine
7.6
8.1
7.4
US
9.3
10.6
1978-80
1988-90
1996-98
1978-80
1988-90
1996-98
Source: Center for Budget & Policy Priorities

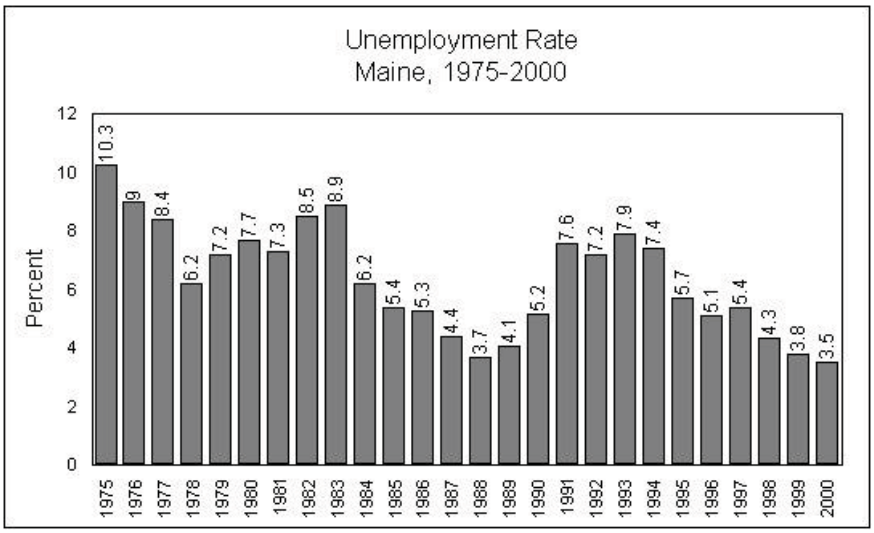

Income Distribution of Maine Households, 1990 and est. 2000
Households (thousands)
60
50
40
30
20
10
0
3.5%
7.8%
8.9%
7.8%
8.3%
7.8%
7.3%
7.1%
9.2%
9.3%
5.8%
0.1%
1990
2000
Less than $5,000..
$5,000 to $9,999...
$10,000 to $14,999.
$15,000 to $19,999.
$20,000 to $24,999.
$25,000 to $29,999.
$30,000 to $34,999.
$35,000 to $39,999.
$40,000 to $44,999.
$45,000 to $49,999.
$50,000 to $59,999.
$60,000 to $74,999.
$75,000 to $99,999.
$100,000 to $124,99
$125,000 to $149,99
$150,000 to $249,99
$250,000 to $499,99
$500,000 or More.....
Source: Estimated by Claritas, Inc.


Growth in Per Capita Income, 1990-1999
In deflated (1992) dollars
Per Capita Income ($thous)
6
5
4
3
2
1
0
US
Maine
5.50
5.54
3.62
3.80
2.16
1.34
1997
1998
1999

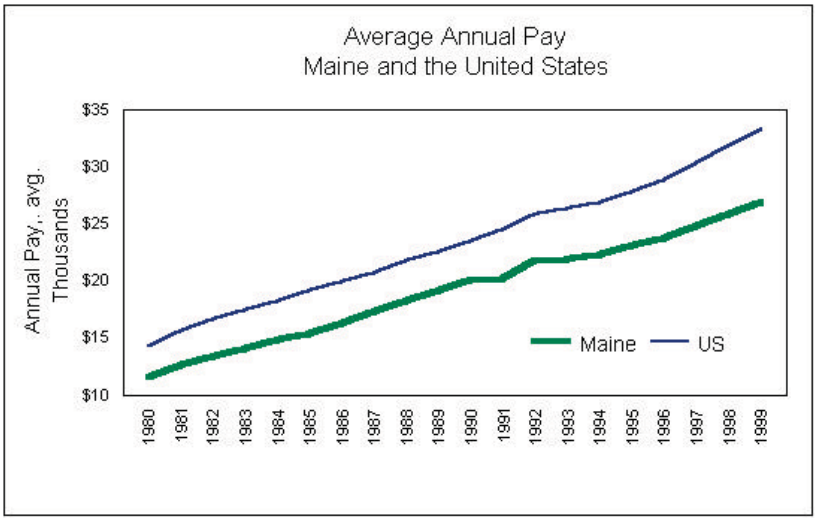
2. Employment and Unemployment

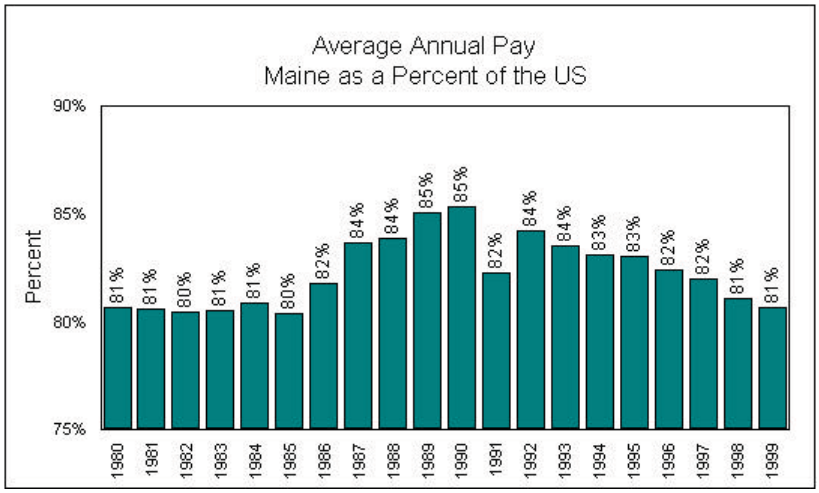


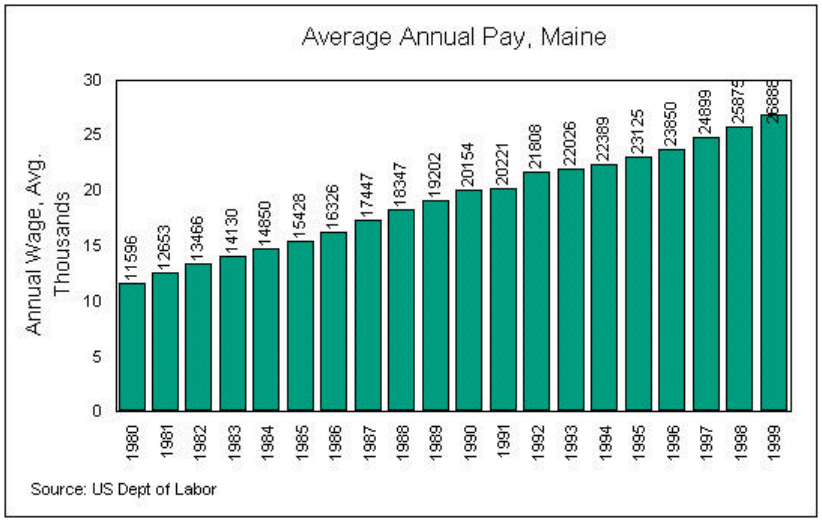




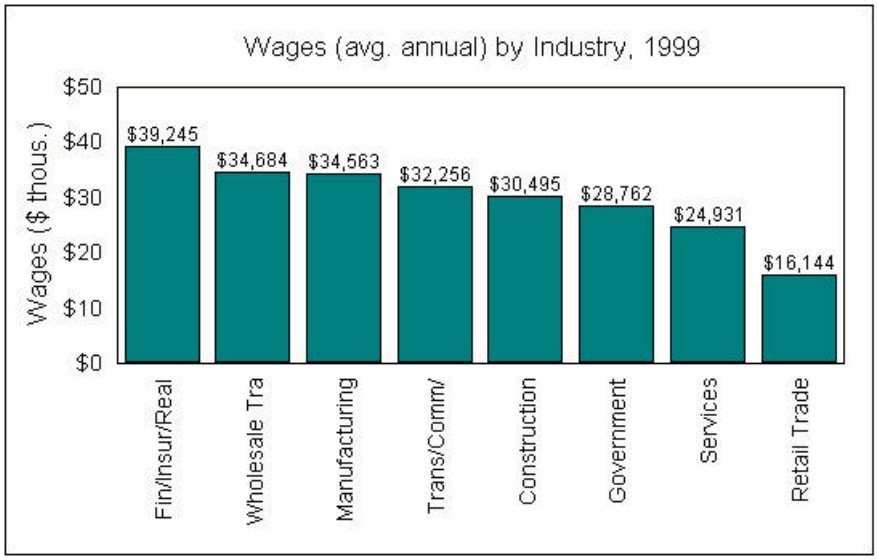
3. Earnings

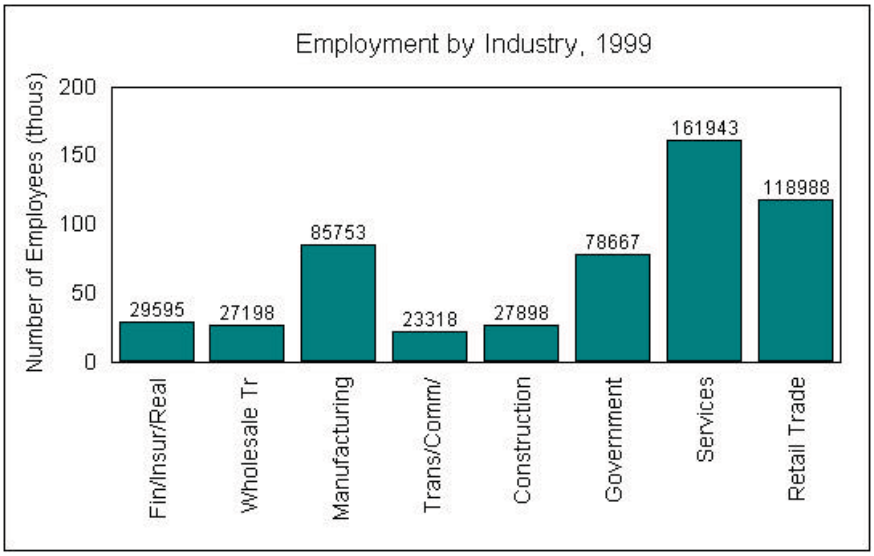

Average Annual Pay
Maine and the United States
Annual Pay, avg.
Thousands
$35
$30
$25
$20
$15
$10
Maine
US
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999


Average Annual Pay
Maine as a Percent of the US
Percent
90%
85%
80%
75%
81%
81%
80%
81%
81%
80%
82%
84%
84%
85%
85%
82%
84%
84%
83%
83%
82%
82%
81%
81%
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999

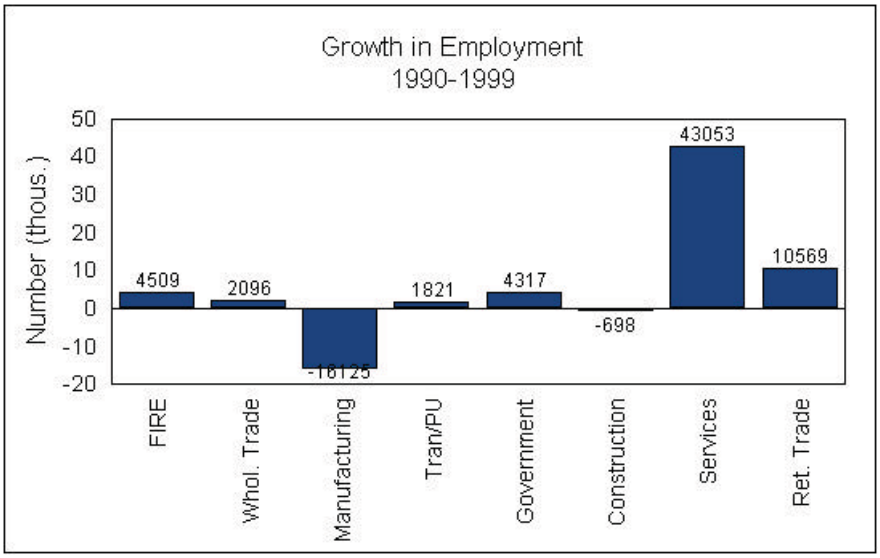

Average Annual Pay, Maine
Annual Wage, Avg.
Thousands
30
25
20
15
10
5
0
11596
12653
13466
14130
14850
15428
16326
17447
18347
19202
20154
20221
21808
22026
22389
23125
23850
24899
25875
26886
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
Source: US Dept of Labor

4. Relationship of Economic Structure and Earnings



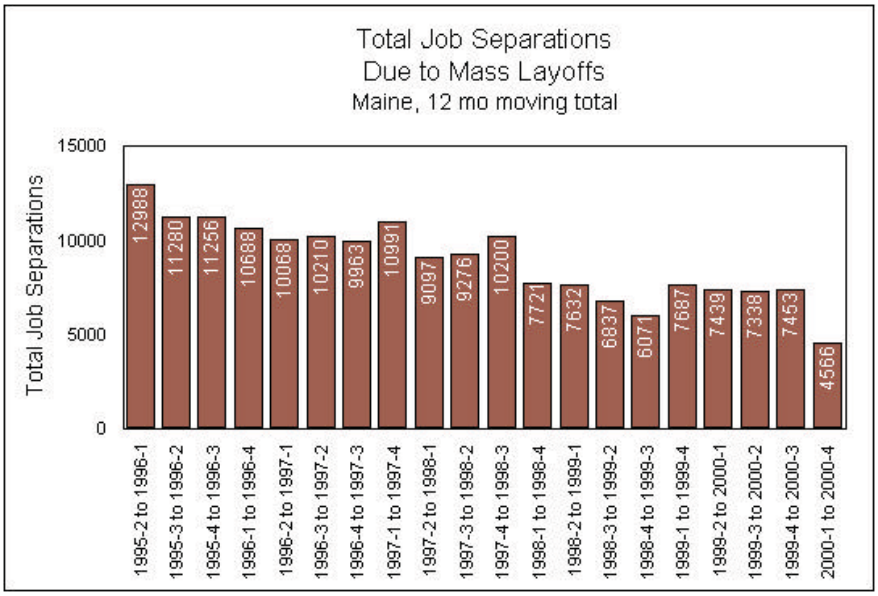


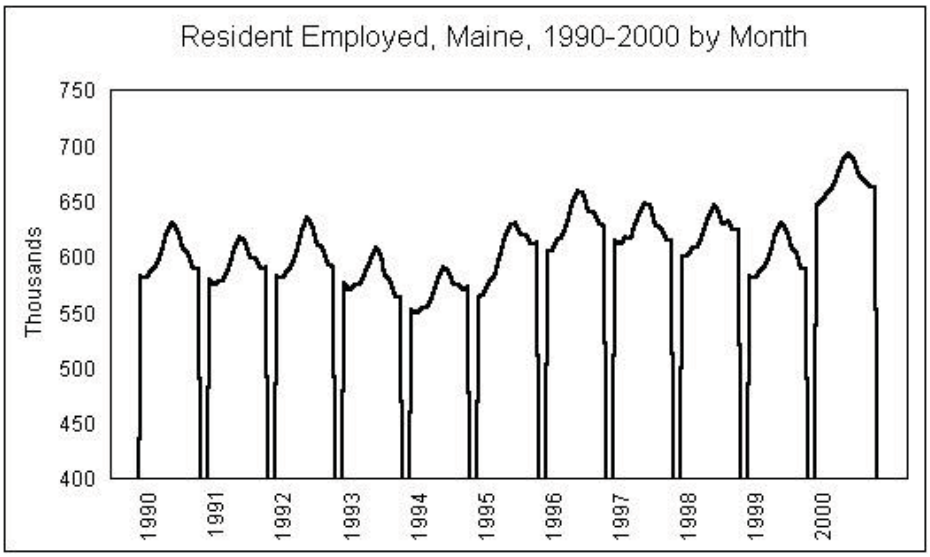
Growth in Annual Pay
1990-1999
Dollar increase
20
15
10
5
0
14120
8949
9724
6893
7648
6384
6508
4331
FIRE
Whol. Trade
Manufacturing
Tran/PU
Government
Construction
Services
Ret. Trade

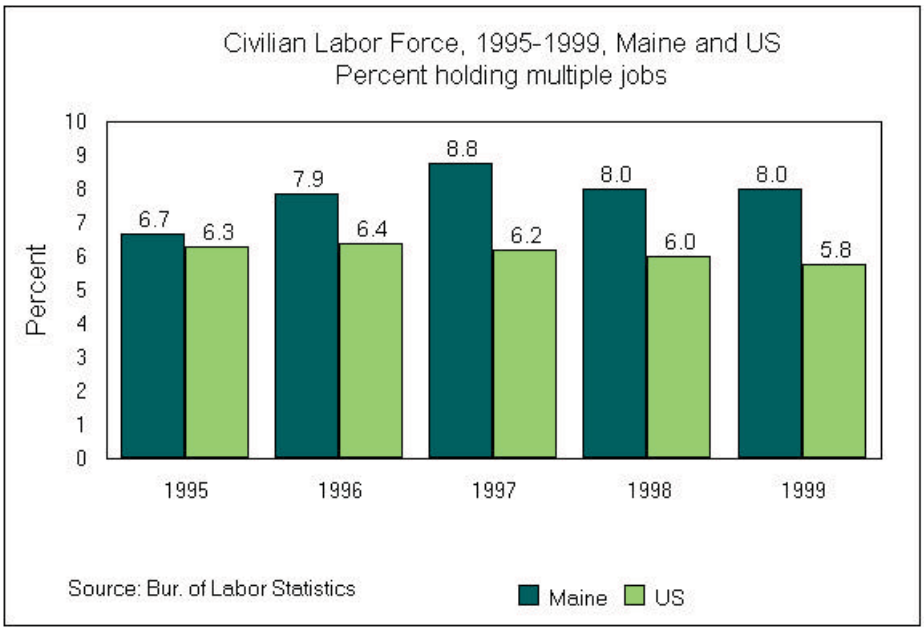

Growth in Employment
1990-1999
Number (thous.)
50
40
30
20
10
0
-10
-20
4509
2096
-16125
1821
4317
-698
43053
10569
FIRE
Whol. Trade
Manufacturing
Tran/PU
Government
Construction
Services
Ret. Trade

5. Employment Situation

Characteristics of the Maine economy that contribute to persistent poverty include seasonal fluctuation in availability of employment, persistence of mass layoffs in goods producing firms and accompanying shift toward jobs concentrated in lower wage occupations and industries, and resulting reliance on multiple jobs to make ends meet. The percent of Maine workers that hold multiple jobs is 25% above the national average.






Civilian Labor Force, 1995-1999, Maine and US
Percent holding multiple jobs
Percent
10
9
8
7
6
5
4
3
2
1
0
6.7
6.3
7.9
6.4
8.8
6.2
8.0
6.0
8.0
5.8
1995
1996
1997
1998
1999
Source: Bur. of Labor Statistics
Maine
US

IV. Adequacy of Transfer Payments

A. Benefit Levels

Transfer payments account for 16.7% of personal income in Maine, compared to 13.1% nationally. Because Maine workers have historically had lower earnings, benefits from sources that are income based tend to be lower.

Though the maximum allowable benefit levels for need based programs has been declining relative to their real value, the total received is higher in many of these programs because of greater need.

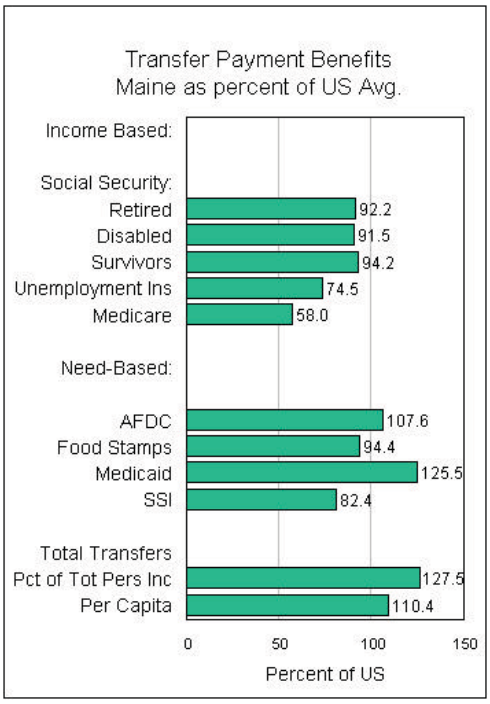
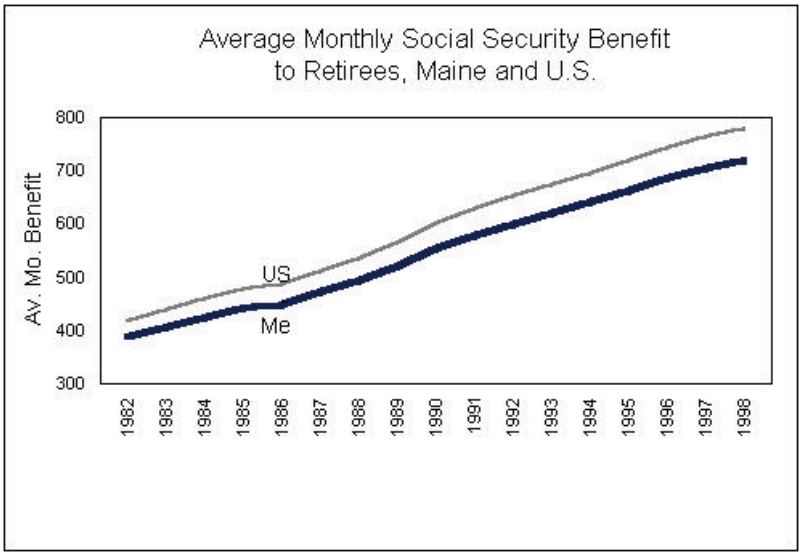


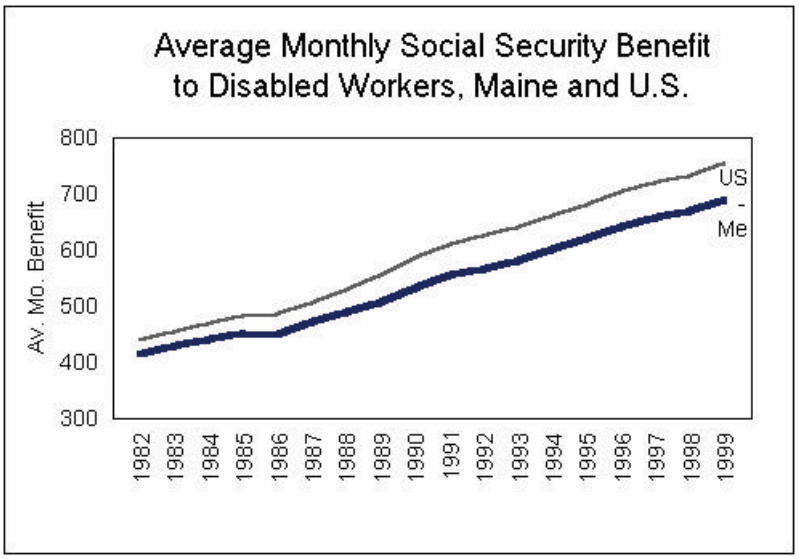
Table 3.

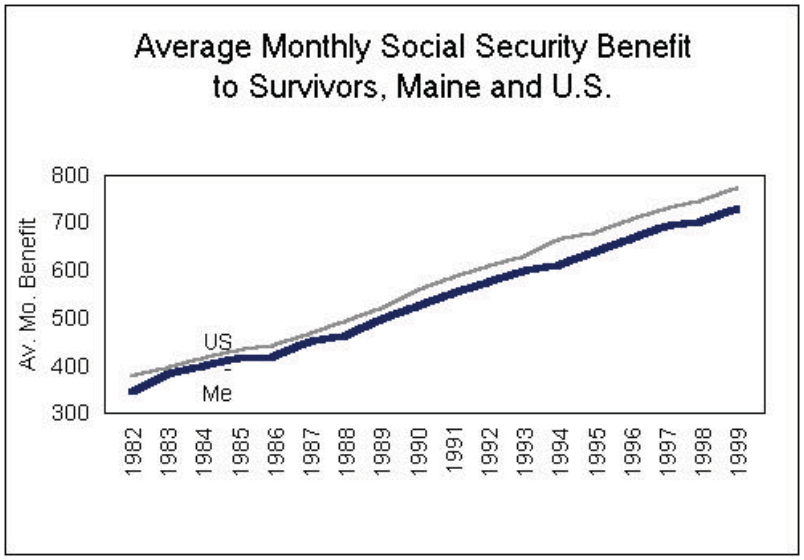
Income Transfer Programs - Avg. Monthly Benefit

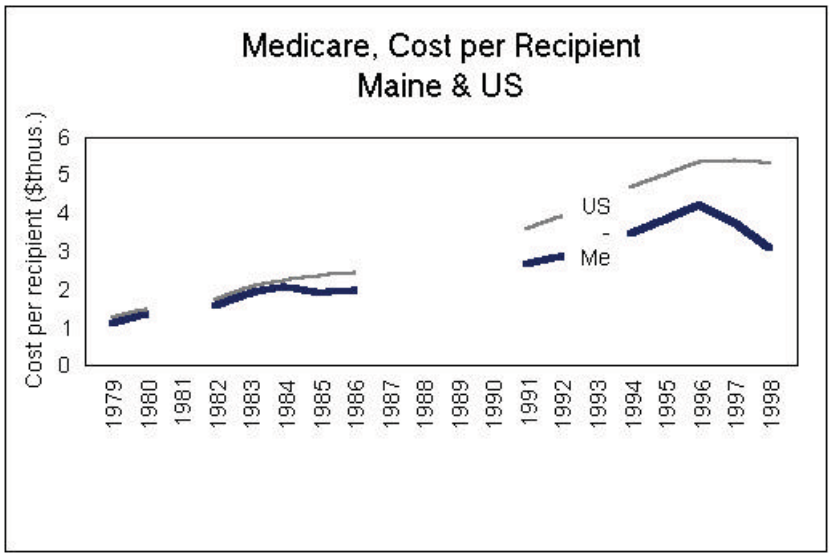
	Maine	US	Me:US Ratio*	Change** from last yr
Income Based Benefits:				
Social Security Programs (1999)				
Retired	$741	$804	92.2	-0.1
Disabled	$691	$755	91.5	0.2
Survivors	$730	$775	94.2	0.1
Unemployment Ins.(1998)	$149	$200	74.5	-4.3
Medicare,avg. annual (1999)	$3,099	$5,346	58.0	-11.3
Need-Based Benefits:				
AFDC/TANF (1999)***	$467	$434	107.6	NA
Food Stamps (1999)	$68	$72	94.4	-7.2
Medicaid (1998)	$4,394	$3,501	125.5	17.9
SSI(1998)	$308	$374	82.4	3.9
Total Transfer Payments:				
Pct of Tot Pers Inc. (1999)	16.7	13.1	127.5	-1.8
Per Capita (1999)	4,113	3,727	110.4	1.4

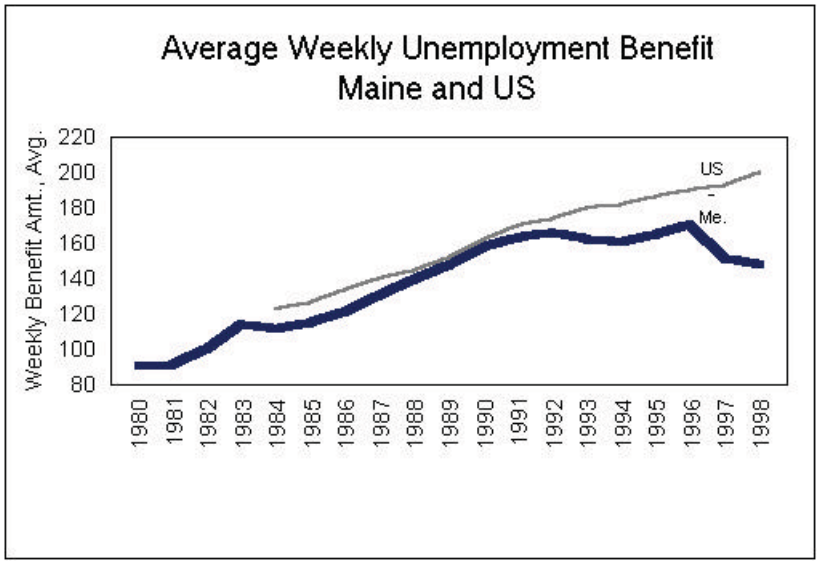
*If over 100, Maine's benefits are higher than the national average.
** If positive, Maine has gained and if negative, Maine benefits have dropped compared to the nation.
*** TANF cash and work based assistance.

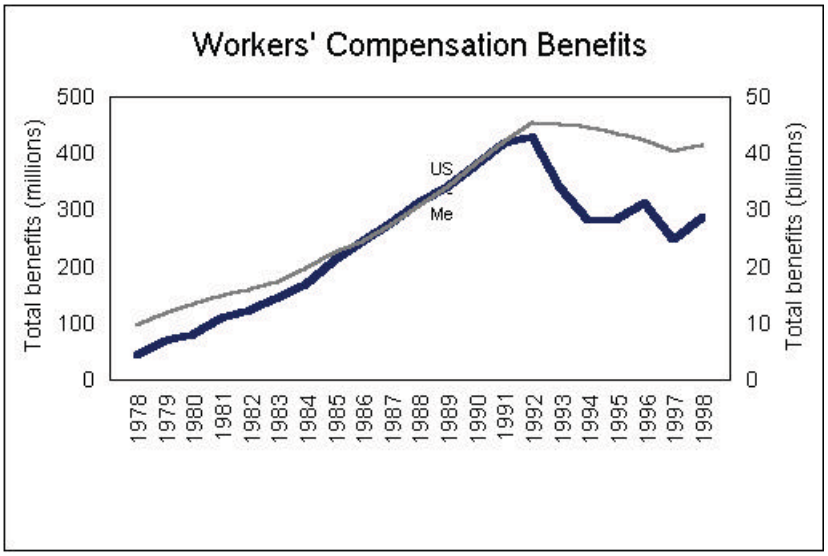

Average Monthly Social Security Benefit
to Retirees, Maine and U.S.
Av. Mo. Benefit
800
700
600
500
400
300
US
Me
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998

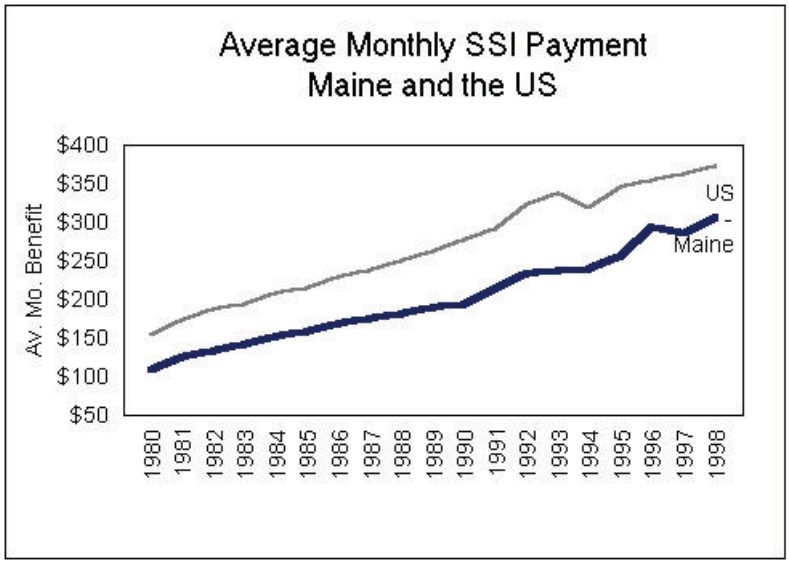

Average Monthly Social Security Benefit
to Disabled Workers, Maine and U.S.
Av. Mo. Benefit
800
700
600
500
400
300
US
Me
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999

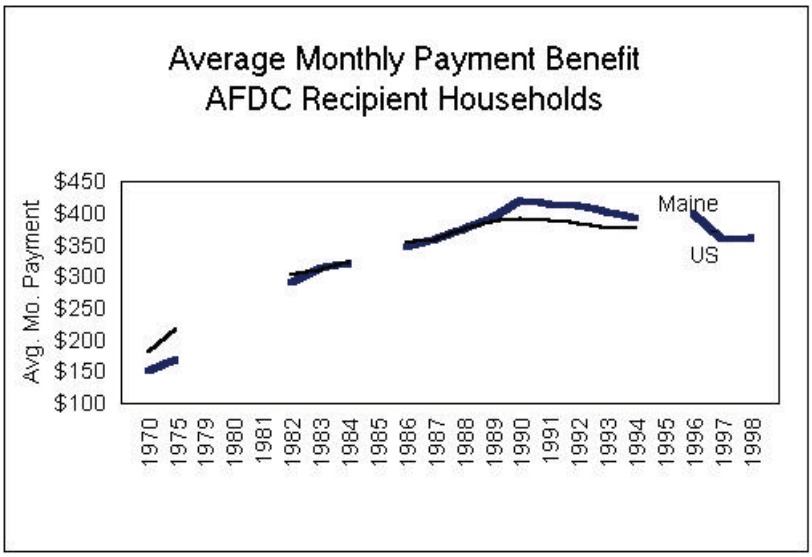

Average Monthly Social Security Benefit
to Survivors, Maine and U.S.
Av. Mo. Benefit
800
700
600
500
400
300
US
Me
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999

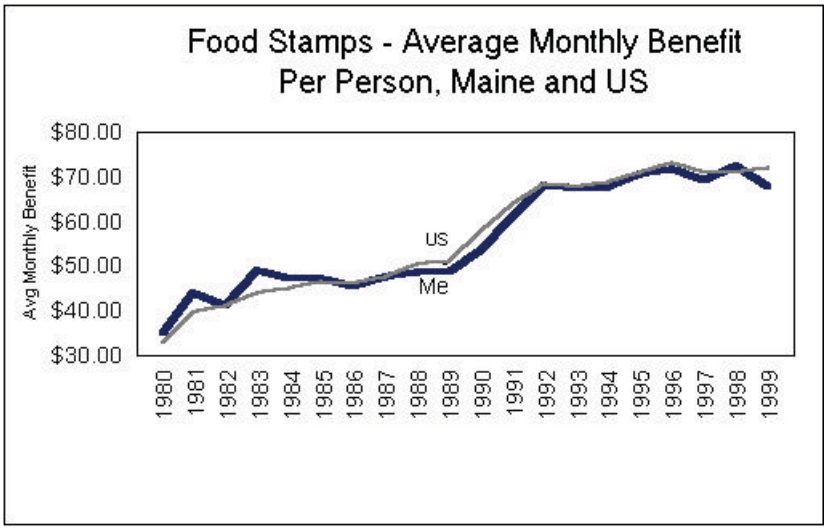

Medicare, Cost per Recipient
Maine & US
Cost per recipient ($thous.)
0
1
2
3
4
5
6
US
Me
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998


Average Weekly Unemployment Benefit
Maine and US
Weekly Benefit Amt., Avg.
80
100
120
140
160
180
200
220
US
Me.
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998

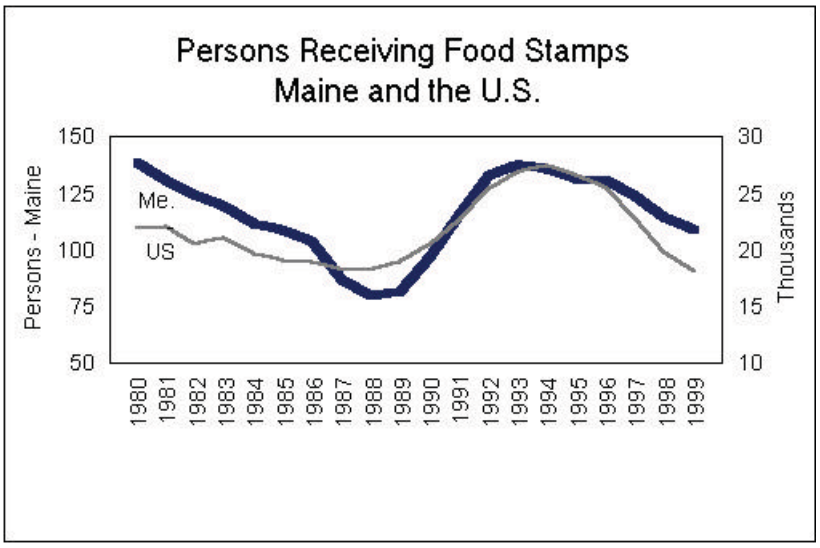

Workers' Compensation Benefits
Total benefits (millions)
0
100
200
300
400
500
Total benefits (billions)
0
10
20
30
40
50
US
Me
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998

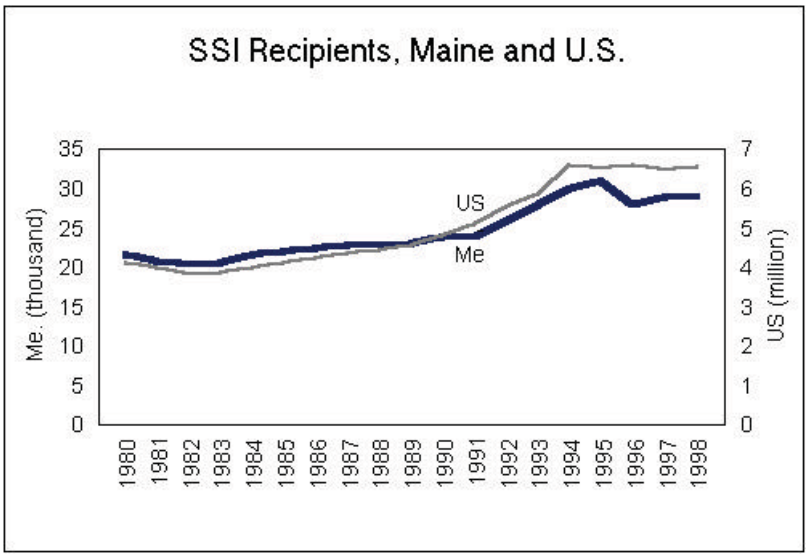

Average Monthly SSI Payment
Maine and the US
Av. Mo. Benefit
$400
$350
$300
$250
$200
$150
$100
$50
US
Maine
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998

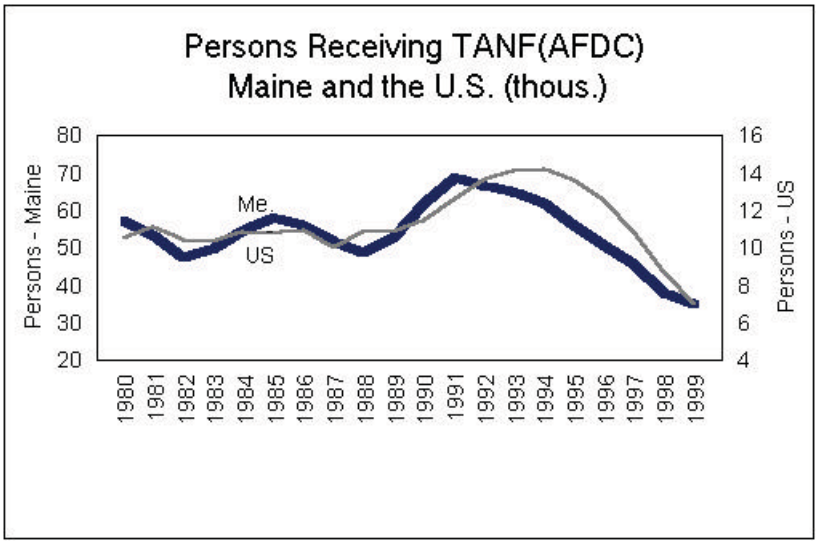

Average Monthly Payment Benefit
AFDC Recipient Households
Avg. Mo. Payment
$450
$400
$350
$300
$250
$200
$150
$100
Maine
US
1970
1975
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998

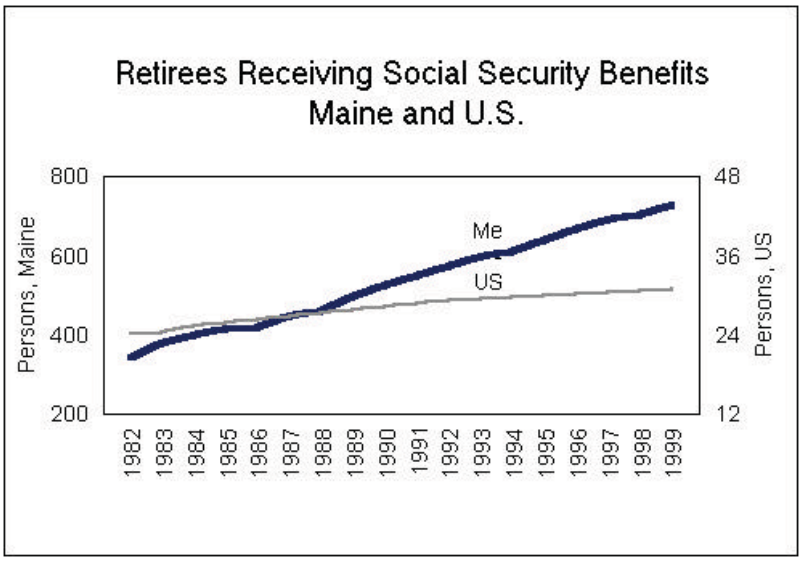

Food Stamps - Average Monthly Benefit
Per Person, Maine and US
Avg Monthly Benefit
$80.00
$70.00
$60.00
$50.00
$40.00
$30.00
US
Me
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999

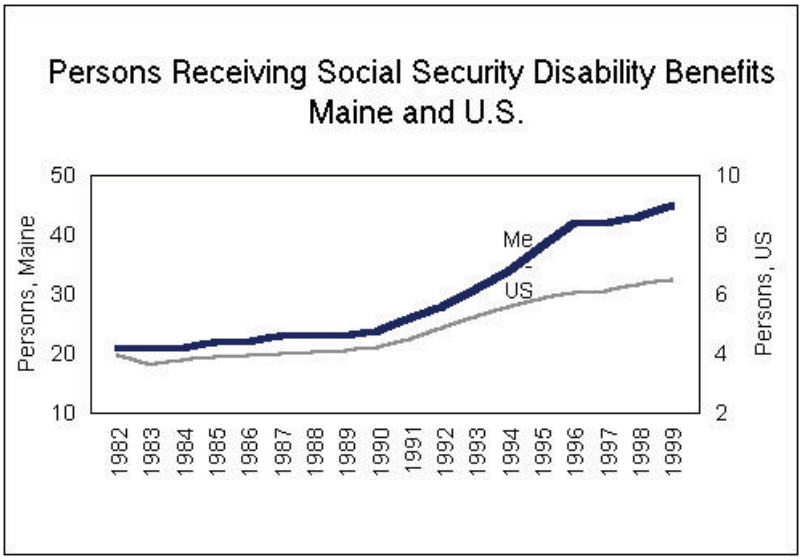
B. Participation Trends

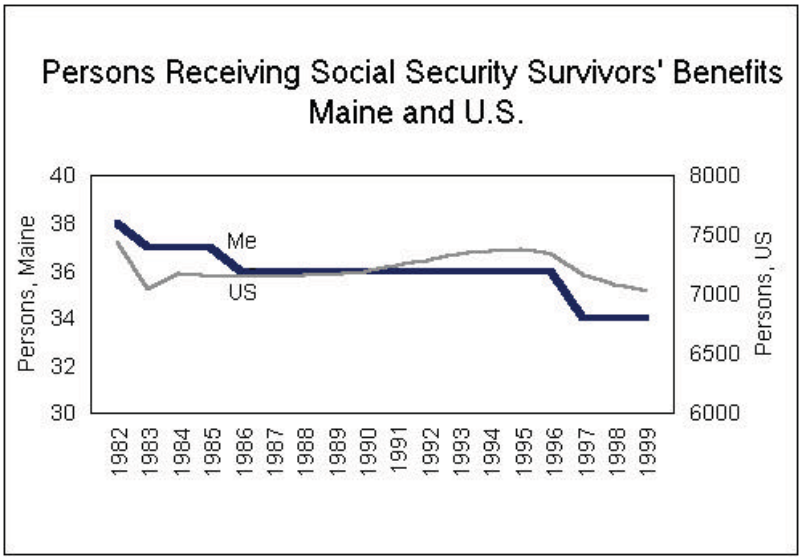







Retirees Receiving Social Security Benefits
Maine and U.S.
Persons, Maine
Persons, US
800
600
400
200
48
36
24
12
Me
US
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999


Persons Receiving Social Security Disability Benefits
Maine and U.S.
Persons, Maine
Persons, US
50
40
30
20
10
10
8
6
4
2
Me
US
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999


Persons Receiving Social Security Survivors' Benefits
Maine and U.S.
Persons, Maine
Persons, US
40
38
36
34
32
30
8000
7500
7000
6500
6000
Me
US
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999

V. Regional Disparities

The gap between the best off and worst off counties in Maine varies with the measures used. For example, though employment in Waldo County increased by 50% over the decade, a phenomenal rate for a county that has historically shown little job growth, the actual number of added jobs was substantially less than in larger counties where the growth represented a smaller percent increase.

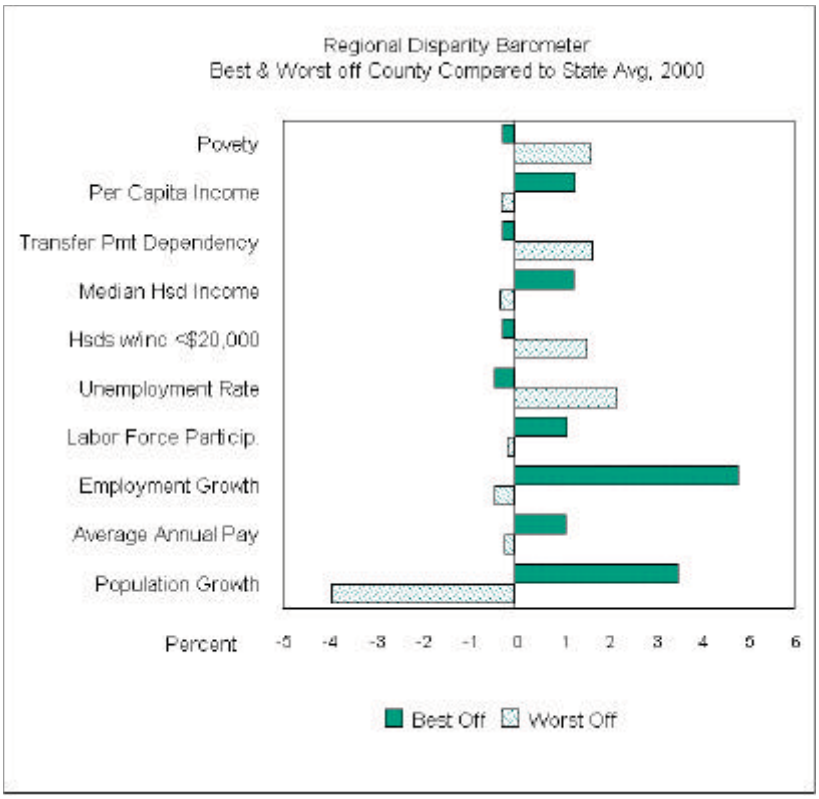


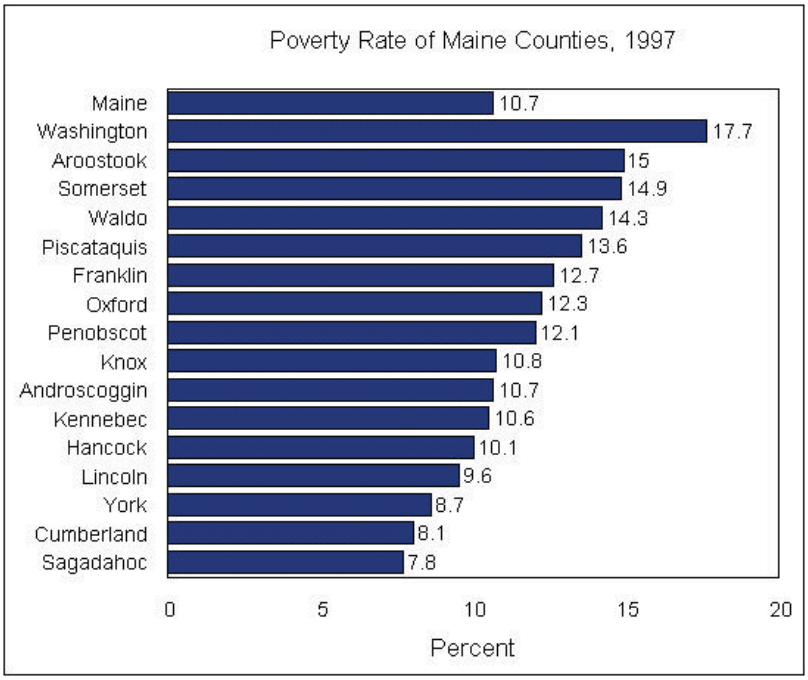
Table 4.

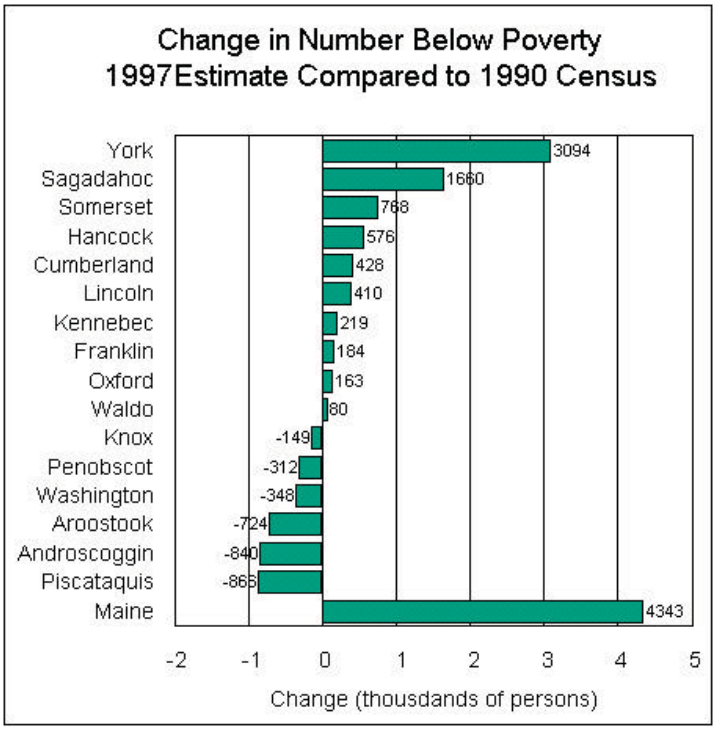
REGIONAL DISPARITY BAROMETER

Gap Between the Best and Worst Off Maine County
Data for most current year avalaible

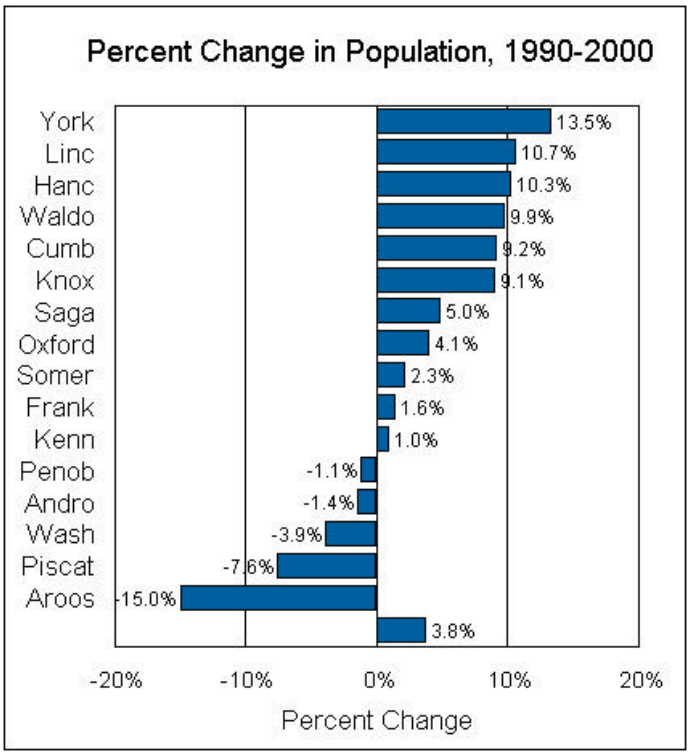
Measures:	Year	Best Off	Worst Off	Me. Avg.	Index to the State Avg. Best Off	Index to the State Avg. Worst Off	Range Width
Poverty Rate (%)	1997	7.8	17.7	10.7	0.73	1.65	92.5
Per Capita Income ($)	2000	24,259	12,814	18,343	1.32	0.70	62.4
Dependence on Transfer Payments (%)	1998	12.3	28.6	16.9	0.73	1.69	96.4
Median Household Income ($)	2000	45,599	24,066	35,599	1.28	0.68	60.5
Percent of Hshlds with income <$20,000	2000	19	41	26	0.73	1.58	84.6
Unemployment Rate (%)	2000	2.0	7.8	3.5	0.57	2.23	165.7
Labor Force Participation rate (%)	2000	63.2	45.9	54.9	1.15	0.84	31.5
Employment Growth (1990-00) (%)	2000	50.2	-4.5	10.4	4.83	-0.43	526.0
Average Annual Pay	1999	30,270	21,319	26,888	1.13	0.79	33.3
Population Growth (1990-00) (%)	2000	13.5	-15.0	3.8	3.55	-3.95	750.0

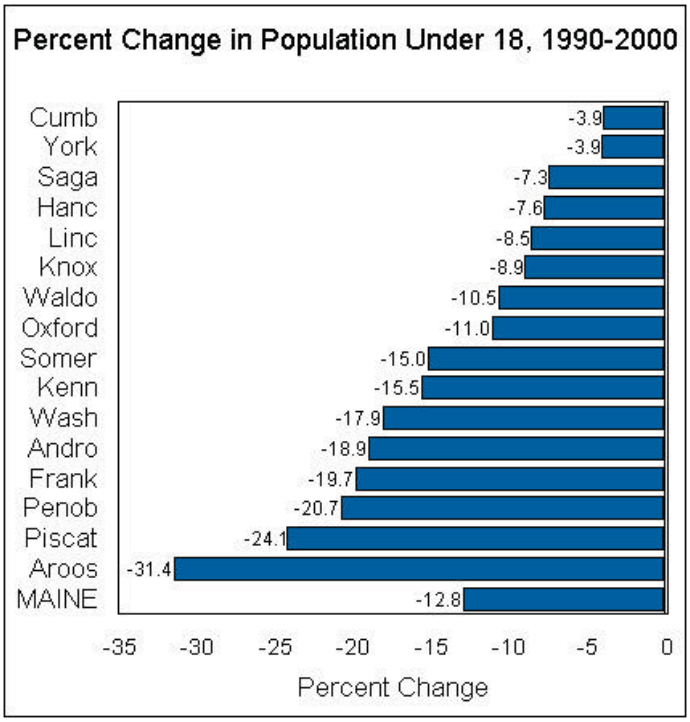
1. Poverty Level



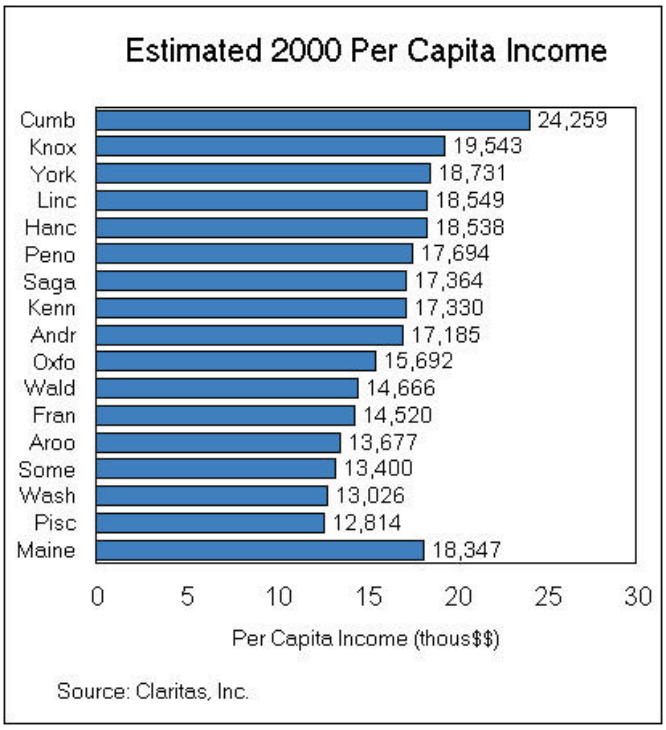


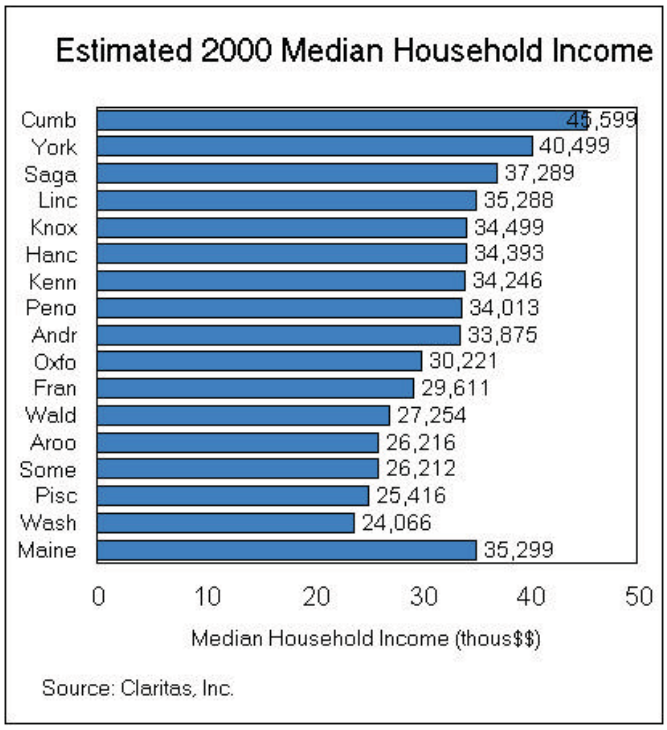
2. Population trends

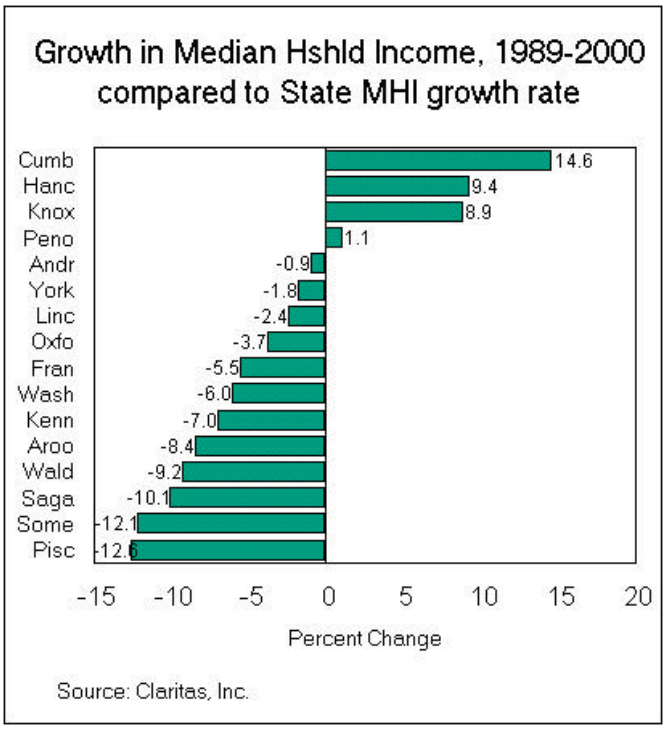


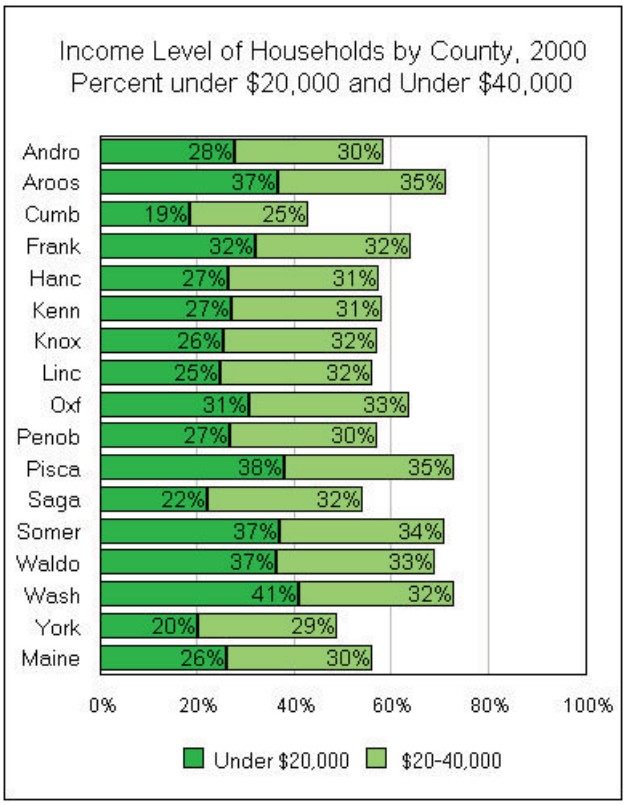


3. Income

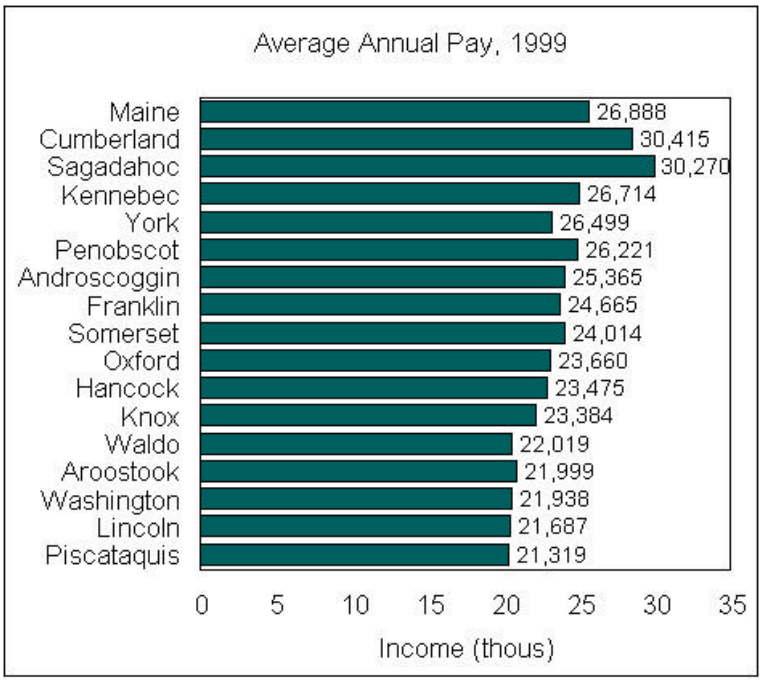

Estimated 2000 Per Capita Income
Cumb 24,259
Knox 19,543
York 18,731
Linc 18,549
Hanc 18,538
Peno 17,694
Saga 17,364
Kenn 17,330
Andr 17,185
Oxfo 15,692
Wald 14,666
Fran 14,520
Aroo 13,677
Some 13,400
Wash 13,026
Pisc 12,814
Maine 18,347
0 5 10 15 20 25 30
Per Capita Income (thous$$)
Source: Claritas, Inc.


Estimated 2000 Median Household Income
Cumb 45,599
York 40,499
Saga 37,289
Linc 35,288
Knox 34,499
Hanc 34,393
Kenn 34,246
Peno 34,013
Andr 33,875
Oxfo 30,221
Fran 29,611
Wald 27,254
Aroo 26,216
Some 26,212
Pisc 25,416
Wash 24,066
Maine 35,299
0 10 20 30 40 50
Median Household Income (thous$$)
Source: Claritas, Inc.

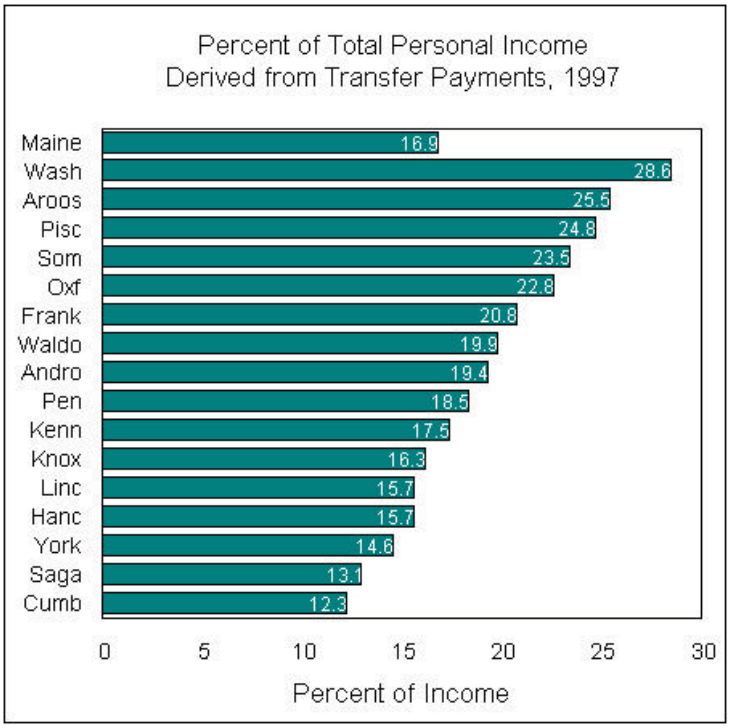

Growth in Median Hshld Income, 1989-2000
compared to State MHI growth rate
Cumb 14.6
Hanc 9.4
Knox 8.9
Peno 1.1
Andr -0.9
York -1.8
Linc -2.4
Oxfo -3.7
Fran -5.5
Wash -6.0
Kenn -7.0
Aroo -8.4
Wald -9.2
Saga -10.1
Some -12.1
Pisc -12.6
-15 -10 -5 0 5 10 15 20
Percent Change
Source: Claritas, Inc.


Income Level of Households by County, 2000
Percent under $20,000 and Under $40,000
Andro 28% 30%
Aroos 37% 35%
Cumb 19% 25%
Frank 32% 32%
Hanc 27% 31%
Kenn 27% 31%
Knox 26% 32%
Linc 25% 32%
Oxf 31% 33%
Penob 27% 30%
Pisca 38% 35%
Saga 22% 32%
Somer 37% 34%
Waldo 37% 33%
Wash 41% 32%
York 20% 29%
Maine 26% 30%
0% 20% 40% 60% 80% 100%
Under $20,000
$20-40,000

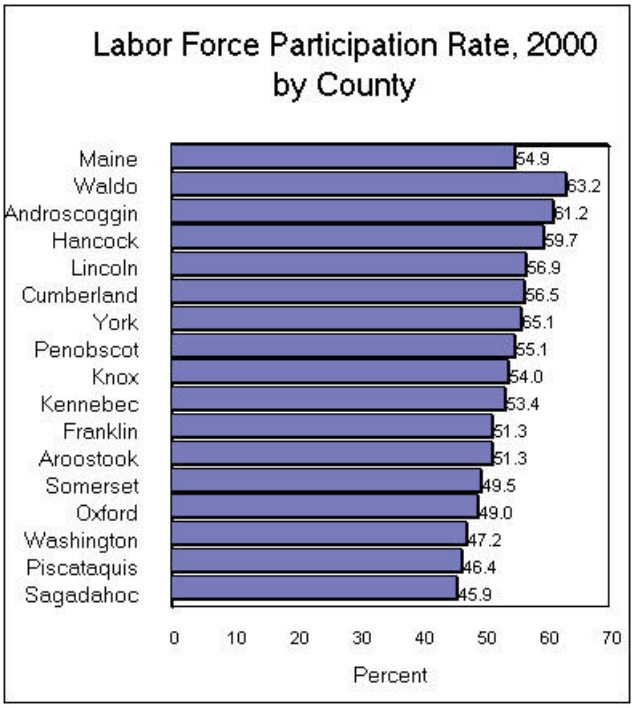
4. Earnings

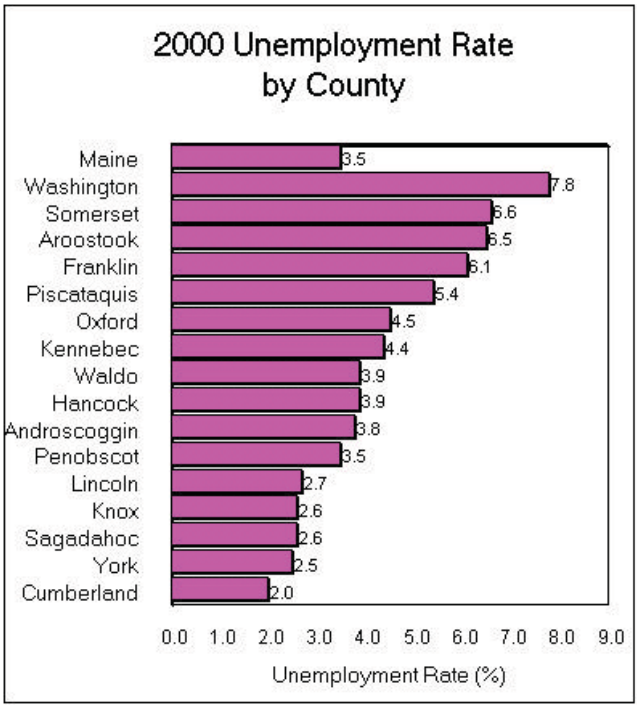


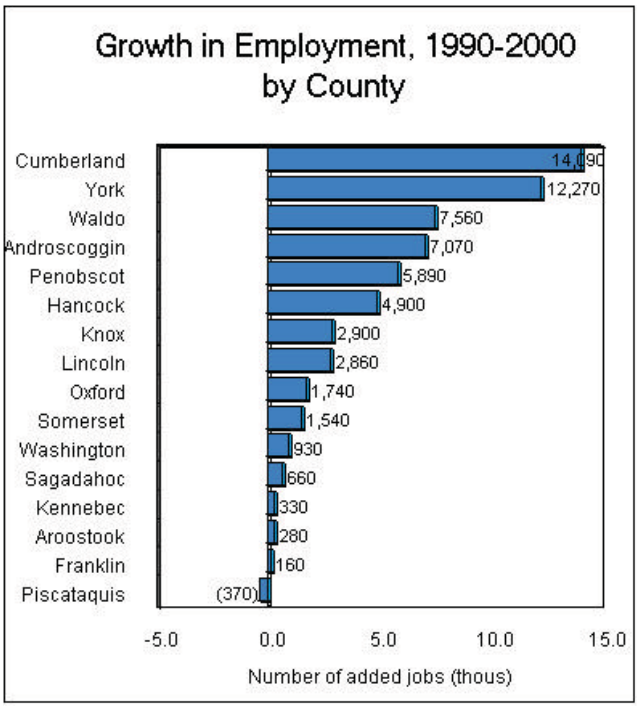
5. Transfer Payments

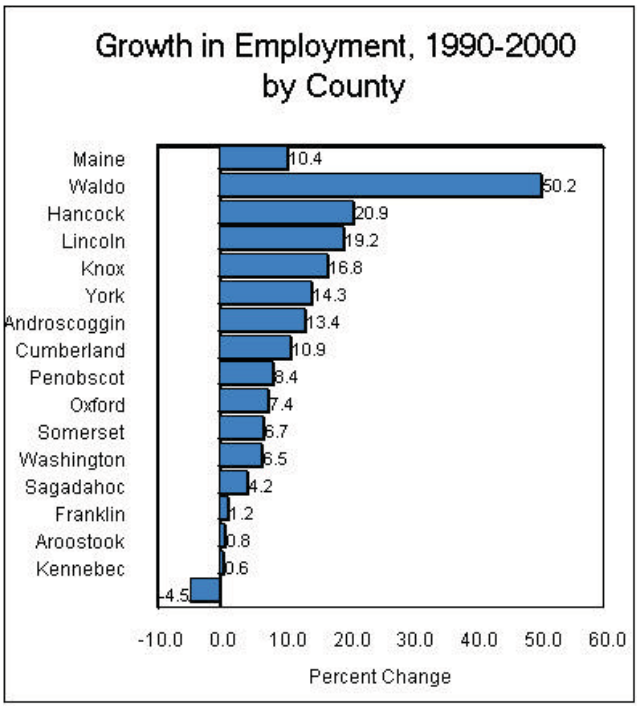


Note: BEA total personal income figures were revised for historic years in 2000. This graph will not correspond with graphs in previous report cards.


Labor Force Participation Rate, 2000
by County
Maine 54.9
Waldo 63.2
Androscoggin 61.2
Hancock 59.7
Lincoln 56.9
Cumberland 56.5
York 55.1
Penobscot 55.1
Knox 54.0
Kennebec 53.4
Franklin 51.3
Aroostook 51.3
Somerset 49.5
Oxford 49.0
Washington 47.2
Piscataquis 46.4
Sagadahoc 45.9
0 10 20 30 40 50 60 70
Percent


2000 Unemployment Rate
by County
Maine 3.5
Washington 7.8
Somerset 6.6
Aroostook 6.5
Franklin 6.1
Piscataquis 5.4
Oxford 4.5
Kennebec 4.4
Waldo 3.9
Hancock 3.9
Androscoggin 3.8
Penobscot 3.5
Lincoln 2.7
Knox 2.6
Sagadahoc 2.6
York 2.5
Cumberland 2.0
0.0 1.0 2.0 3.0 4.0 5.0 6.0 7.0 8.0 9.0
Unemployment Rate (%)


Growth in Employment, 1990-2000
by County
Cumberland
York
Waldo
Androscoggin
Penobscot
Hancock
Knox
Lincoln
Oxford
Somerset
Washington
Sagadahoc
Kennebec
Aroostook
Franklin
Piscataquis
14,190
12,270
7,560
7,070
5,890
4,900
2,900
2,860
1,740
1,540
930
660
330
280
160
(370)
-5.0
0.0
5.0
10.0
15.0
Number of added jobs (thous)


Growth in Employment, 1990-2000
by County
Maine
Waldo
Hancock
Lincoln
Knox
York
Androscoggin
Cumberland
Penobscot
Oxford
Somerset
Washington
Sagadahoc
Franklin
Aroostook
Kennebec
10.4
50.2
20.9
19.2
16.8
14.3
13.4
10.9
8.4
7.4
6.7
6.5
4.2
1.2
0.8
0.6
-4.5
-10.0
0.0
10.0
20.0
30.0
40.0
50.0
60.0
Percent Change

Appendices

Table 5.

Federal Poverty Guideline

Family Size	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001
1	4,210	5,250	6,280	7,470	7,740	7,890	8,050	8,240	8,350	8,590
2	5,590	7,050	8,420	10,030	10,360	10,610	10,850	11,060	11,250	11,610
3	6,970	8,850	10,560	12,590	12,980	13,330	13,650	13,880	14,150	14,630
4	8,350	10,650	12,700	15,150	15,600	16,050	16,450	16,700	17,050	17,650
5	9,730	12,450	14,840	17,710	18,220	18,770	19,250	19,520	19,950	20,670
6	11,110	14,250	16,980	20,270	20,840	21,490	22,050	22,340	22,850	23,690
7	12,280	16,050	19,120	22,830	23,460	24,210	24,850	25,160	25,750	26,710
8								27,980	28,650	29,730
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

Definitions/Descriptions of Key Measures

Transfer Payments (Source: US Bureau of Economic Analysis)

Individual income is made up of earned (wages, salaries, self employment, farm income, etc.) and unearned income (income from interest, investments, rents, retirement, and government payments to name a few).

Transfer payments are a form of unearned income and include all benefits received from public sources such as social security, railroad and veterans benefits and retirement, health expenditures including Medicare and Medicaid and CHAMPS, disability payments, TANF, and others.

Transfer payments are an indicator of the extent to which individuals rely on public sources for their income. Because the amount of benefit is usually determined either by the level of earnings (social security, unemployment benefits, for example) or to the presence of poverty and extreme need, changes in their use reflect overall conditions that relate to poverty. Conversely, a large infusion of transfer payments or other dollars from other unearned sources can be viewed as contributing needed new dollars into a distressed area.

Mass Layoffs (Source: US Bureau of Labor Statistics)

Mass Layoffs include only layoffs of at least 50 workers for a duration of 5 weeks or greater. The reader should be aware that there are many more layoffs of fewer workers and short term (less than a month duration) layoffs that occur throughout the year, though they tend to be concentrated in the winter-spring months. Mass layoffs are an indicator of major economic events and trends, such as strong or weak trade situations, down sizing trends, and shifting economic structure, such as the loss of manufacturing jobs and increase in trade and service employment.

Mass layoffs are not a good indicator of the dynamic nature of the economy in Maine, especially locally, because they reflect only the larger layoffs of longer duration and miss most of the temporary layoffs that occur from inventory backup and sluggish sales periods and the closing of smaller firms. There are far more layoffs occurring than the mass layoff data indicates. There is no data collected for layoffs involving less than 50 workers, and monthly data on layoffs of shorter duration often contains months for which data cannot be disclosed, creating incomplete information.

In spite of these drawbacks, in 2000, for instance (with 9 out of 12 months for which data could be disclosed), there were 43 layoffs of 50 or more workers, 15 of which were of 5 or more weeks' duration and included in the mass layoff data. The 43 layoffs that occurred in 9 months last year led to 10- 15,000 job losses. A total of 6,277 workers filed an unemployment claim in those 9 months. The 15 extended layoffs accounted for 2,173 of the claims (from less than half of the 4566 workers who lost their jobs) for unemployment compensation.

Income Inequality: The Census Bureau assesses the gap between the richest and poorest by dividing the population into 5 equal groups and comparing the fifth (quintile) having the lowest income with the four quintiles above it. Though the data is revised annually at the national level based on census surveys, no data has been available for states since 1990. The data for Maine included in this report card are prepared by the Center for Budget and Policy Priorities which has begun estimating the level of inequality for states based on 3-year averages of income, much as the Census Bureau provides 3-year average median household income data for states. The data series developed by the Center begins with 1978-1980 and is current through the 1996-1998 3-year period.

Data on income equality is valuable because it provides a comparison of those with the lowest income to higher income groups and enables us to measure the rate of income growth by those at various income levels. For instance, over the period of analysis, (1978-80 compared to 1996-98) the income of the bottom fifth in Maine grew by 1.8% while the income of the top fifth grew by 25.3%, widening the gap between the rich and poor. The income of the top 5th of Maine residents more than 8 times as high as that of the bottom fifth. Though this may seem extreme, nationally, the income of the top fifth is 10.6 times greater than that of the bottom fifth.

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