



Invest in Tomorrow

2018 REPORT

Invest in Tomorrow

A Collective and Measurable Plan to Reduce Child Poverty and Strengthen Maine's Workforce

December 2018

This report was prepared by the Invest in Tomorrow Working Group, comprised of Maine-based content experts representing years of experience working on children's issues, workforce development, housing, poverty, transportation, public assistance, and more. The group led a months-long process to gather input from a wide variety of stakeholders across the state. The Invest in Tomorrow Working Group members are: Christy Daggett - Aroostook County Action Program; Shawn Yardley - Community Concepts; Claire Berkowitz and Helen Hemminger - Maine Children's Alliance; Rick McCarthy - representing the Maine Community Action Association; Stephanie Eglinton - Maine Community Foundation; Robyn Merrill, Chris Hastedt and Joby Thoyalil - Maine Equal Justice; Eliza Townsend - Maine Women's Lobby; Denise Buzzelli - Piscataquis Chamber of Commerce.

Executive Summary

Invest in Tomorrow is an initiative undertaken by Maine organizations, businesses, and individuals to cut Maine's child poverty rate in half over the next ten years as a bold step toward eradicating child poverty in a generation. Solving child poverty will forever change the lives of Maine children and families for the better. It will also strengthen our workforce, because these efforts have the potential to increase low-income families' work hours by 1.5 million hours a year and increase earning capacity for low-wage working parents by more than \$20 million a year.

A sustained commitment to ending child poverty in Maine. Invest in Tomorrow began with a year-long series of conversations with Mainers from all walks of life who have an interest in increasing economic opportunity in Maine, including business leaders, faith leaders, health care professionals, teachers and school administrators, social service providers, civil legal aid providers, and families living in poverty. Outreach focused on parts of the state hardest hit by child poverty. Using data and broad-based community input, we identified priority areas to focus on in order to make the biggest difference, and we will track a set of "Measurements of Economic Security and Opportunity" over the next ten years (2019-2029) to observe their impact.

Maine has a child poverty problem. Today nearly one in eight Maine children is growing up poor and one out of every five kids is food insecure, living in families that worry whether they will have enough to eat. Some Mainers are more likely to be impacted by poverty, including rural Mainers, female-headed single-parent households, and children of color.

Child poverty has serious, long-term consequences for children and communities. Children who grow up in poverty are less likely to succeed in school, less likely to graduate high school, and more likely to be out of the workforce as adults. The experience of childhood poverty has profound long-term effects on health, earnings, and even mortality.

We all have a stake in addressing child poverty. Poverty challenges our schools, our health care system, our communities, our workforce, and our economy. Invest in Tomorrow envisions a world in which families can meet their basic needs to thrive and find gainful, sustainable employment, lifting their families out of poverty and setting us all on a better path. To that end, we have identified promising policy solutions that could increase the likelihood that every Maine child gets what they need to have a fair shot at a bright future.

To meet our goals of halving child poverty over a decade and increasing workforce participation and families' earning capacity, Invest in Tomorrow's stakeholders have committed to shared priorities. As we work together on these priorities, we will hold ourselves accountable for creating meaningful results by tracking the Measurements of Economic Security and Opportunity, monitoring our progress year-to-year, and recommitting to collective action over time. Each year, the data scorecard will be published at www.investintomorrow.me.

If your organization is interested in joining the Invest in Tomorrow stakeholder group, please contact Joby Thoyalil at jthoyalil@mejp.org.

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Introduction

Children have become the face of poverty, in Maine and throughout the nation. Today nearly one in eight Maine children is growing up poor with an average household income of less than \$12,000 a year.¹ One out of every five is food insecure, living in families that worry whether they will have enough to eat.²

Child poverty has serious, long-term consequences, not only for the children themselves, but for all of us. We know that children who grow up in poverty are less likely to succeed in school, less likely to graduate from high school, and more likely to be out of the workforce as adults.³ The experience of childhood poverty has profound long-term effects on health, earnings, and even mortality.⁴ Due to historical and contemporary structural inequities and discrimination, children of color in Maine face poverty rates three to four times higher than white children.

Poverty weighs all of us down — it challenges our schools, our health care system, our communities, and our economy. We all have a stake in addressing child poverty here in Maine, not only for the children themselves, but also for their families, our communities, our workforce and our state economy overall.

Reducing child poverty is an economic imperative today and tomorrow. Today's Maine children will be tomorrow's adult workforce. In the more immediate future, eliminating barriers to employment so families living in poverty can participate in the workforce will lift these families out of poverty and strengthen our workforce simultaneously. As we work together today to raise more children out of poverty we will also be contributing to a healthier, better educated workforce with the earning power to fuel economic growth and productivity for decades to come.

Children and families must be able to meet their basic needs to thrive and to find steady, gainful, and sustainable employment. While meeting basic needs is essential, it is not enough; families also need well-paying, reliable jobs. Given these social and economic imperatives, we must develop a strategic plan to increase the likelihood that every Maine child gets what they need to have a fair shot at a bright future. Such a plan will require leadership, shared goals and alignment across sectors, robust and effective policies, and sustained effort. This can be achieved by setting goals, creating and maintaining accountability, monitoring

¹ The 2018 poverty level for a family of three is \$20,780, however, the mean income deficit for these families is \$9,011. The mean income deficit is the difference in dollars between family income and the family's poverty threshold meaning that the average for a Maine poverty level family is estimated to be just below \$12,000. U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates

² Good Shepherd Food Bank of Maine. (n.d.). Hunger | Ending Hunger in Maine. Retrieved November 19, 2018, from <https://www.gsfb.org/hunger-in-maine/>

³ Educate Maine. (2017). College and Career Readiness for Maine. Retrieved November 19, 2018, from www.educatemaine.org/research-reports

⁴ Repka, M. (2013, November 27). Enduring Damage: The Effects of Childhood Poverty on Adult Health. *Chicago Policy Review*. Retrieved November 19, 2018, from <http://chicagopolicyreview.org/2013/11/27/enduring-damage-the-effects-of-childhood-poverty-on-adult-health/>

progress toward our goals over time, and reporting results transparently. Our goals will direct policy solutions that will lead to favorable outcomes and create the motivation and perseverance needed to sustain governmental and community action that achieve meaningful results.

Toward this end, we challenge ourselves, our communities, and policy makers to commit to the goal of cutting child poverty in half over the next ten years as a step toward eradicating child poverty in a generation.

Committing to this goal will also benefit Maine’s workforce and economy. Working together to implement effective policy solutions, we can both significantly reduce child poverty and achieve the following workforce results:

- **Increase work** among families with low income by **1.5 million hours a year** (which equates to more than 700 new full-time equivalent workers) through both increased employment and additional hours for current workers; and
- **Increase earning capacity** for low-income working parents by more than **\$20 million a year** through a combination of higher wages and work supports that increase access to employment and provide greater economic security.

The intended result of this community-driven process boils down to a simple equation:

$$\begin{array}{c} \text{Investing in} \\ \text{Basic Needs} \end{array} + \begin{array}{c} \text{Supporting Work} \\ \text{Participation and} \\ \text{Training} \end{array} =$$

FAMILIES WORKING MORE, HIGHER WAGES, AND INCREASED INCOME

Goals need to balance ambition with realism. The goal of reducing child poverty in Maine by half strikes this balance. As a state, we have the means to substantially reduce child poverty through policy changes if we commit to that priority. We have a range of legal, rule-making, and budgeting policy levers available to make a significant difference in childhood outcomes.

Invest in Tomorrow is a community-based effort. Beginning in the fall of 2017, a diverse group of stakeholders⁵ joined forces to identify the promising strategies and policies included in this report. They began by talking to hundreds of Mainers throughout the State, focusing on rural and high poverty areas. They spoke with community agencies, families living in poverty, health care providers, educators, economists, faith leaders, and employers and business leaders. What emerged are clear areas of focus and an informed list of policies to bolster families, build Maine’s workforce, and strengthen our economy in the short- and long-term.

⁵ For a list of Invest in Tomorrow stakeholder organizations, visit www.investintomorrow.me

To ensure that these and future strategies are truly moving us steadily and sustainably toward our 10-year goal, we have established [Measurements of Economic Security and Opportunity](#) and plan to monitor and measure our progress as a state over time. Together, we will track the investments in Maine children and our workforce that we make today to ensure we are seeing a significant return on these investments tomorrow.

Background

Guided by data, Invest in Tomorrow stakeholders engaged the public, including families living in poverty, in conversations focused on barriers to employment and how to best create economic security and opportunity for families with children. This effort included a series of community forums, interviews, meetings, and surveys to explore the issues in a thoughtful and meaningful way informed by data and the real experiences of people living in poverty.

The stakeholder group engaged in a highly collaborative process to obtain input from across the state:

- We convened community forums in parts of Maine hard hit by child poverty: Aroostook, Piscataquis, Androscoggin, Washington and Hancock counties during the spring and summer of 2017. Community members heard from experts on the statewide and regional economic forecasts as well as child poverty in Maine and its consequences and engaged in discussions focused on barriers to employment and solutions to child poverty. People attended these forums representing multiple sectors that have an interest in reducing child poverty including business leaders, faith leaders, health care professionals, teachers and school administrators, social service providers, civil legal aid providers, and families living in poverty.
- Ongoing communication and input from Invest in Tomorrow stakeholder groups (at least 35 statewide and regional organizations)
- Survey of over 100 social service providers statewide during fall of 2017
- Dozens of meetings with parents and caregivers living in poverty discussing the primary barriers and possible solutions
- Community meetings during winter of 2017/2018 (Presque Isle, Dover-Foxcroft, Auburn, Ellsworth, and Machias)
- More than 30 stakeholder/expert one-on-one interviews
- Four small focus group meetings
- Targeted statewide online survey completed by more than 180 respondents







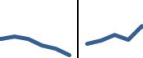
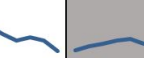

What we learned paints a compelling picture.






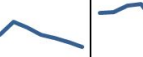



CHILD POVERTY IN MAINE

While Maine's child poverty rate had been trending up over the last ten years, we saw some welcome progress in 2017 as it fell to 13.1%, finally below pre-recession levels. Eight years after the end of the Great Recession, more families throughout the country are beginning to emerge from poverty, suggesting that the effects of an improving national economy may be helping some of our state's most vulnerable residents.

While the reduction in child poverty is good news, there remain reasons to be cautious. Year-to-year spikes in the child poverty rate are common and we know that while many face poverty due to temporary, cyclical economic conditions, many others face longer-term barriers that are more structural in nature. Thus, the challenge will be to both sustain this current gain and place greater focus on the larger, more structural reasons for poverty in order to reach our goal. With that in mind, it is necessary to take a deeper look at the picture of child poverty in Maine. We must better understand who remains in poverty and how to help more of those families become economically secure.

Even with the drop in last year's rate, child poverty remains a persistent and disturbing problem in Maine. While Maine is experiencing unprecedented low rates of unemployment, an unacceptably high number of Maine children living in poverty continues to plague the state – 33,000 according to most recent data.⁶ County-based poverty rates show that poverty remains notably worse in certain areas of the state.

Child Poverty Rates by County Source: Kids Count/ American Community Survey (5-year average)									
County	Androscoggin	Aroostook	Cumberland	Franklin	Hancock	Kennebec	Knox	Lincoln	Maine**
% Poverty 2017*	20%	22%	13%	14%	15%	20%	15%	16%	13%
Trend 2008 - 2017									
Percent Change from 2008	9%	12%	2%	-40%	-6%	31%	-22%	-11%	-21%

County	Oxford	Penobscot	Piscataquis	Sagadahoc	Somerset	Waldo	Washington	York	Maine**
% Poverty 2017*	22%	19%	27%	20%	26%	19%	23%	10%	13%
Trend 2005 - 2017									
Percent Change from 2008	6%	3%	2%	36%	5%	-3%	-19%	-16%	-21%

*Red indicates county poverty rate is higher than state average.

** The statewide rate is based on American Community Survey 1-year estimates, given the confidence level provided by a suitable sample size.

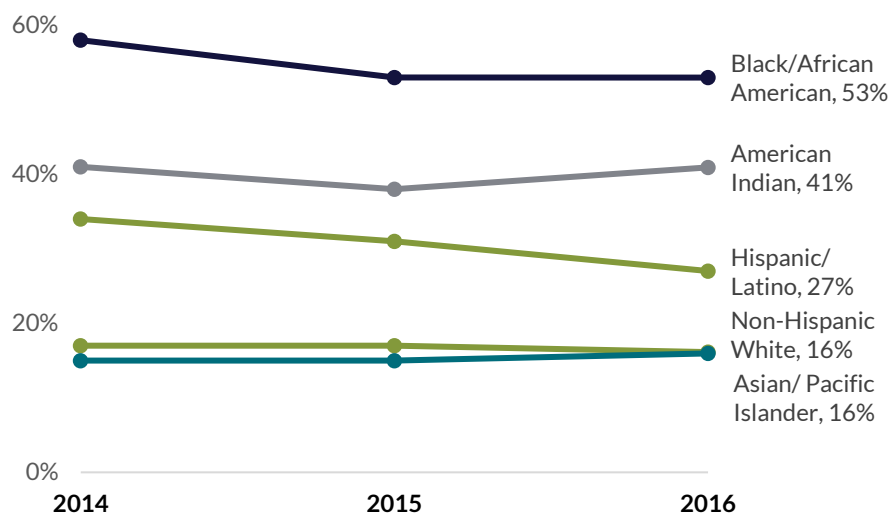
Female-headed, single-parent households are almost three times more likely to live in poverty than all households with children (31.4% for single parents compared to 11.6% for all families). These female-headed households did not share in the overall reductions in poverty seen this year, with their rate staying virtually the same as in 2016.⁷ The disparity is far worse for children who are African American, Native American,

⁶ U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates

⁷ Population Reference Bureau, analysis of data from the U.S. Census Bureau, 2016 and 2017 American Community Survey.

Child Poverty Rates by Race or Ethnicity (5-yr average)

Source: Kids Count



Hispanic or Latinx, for whom the data show dramatically higher poverty rates.⁸ Eighty-five percent (85%) of young parents ages 18-24 raising children fall below 200% of the federal poverty level—the highest rate in the nation for this group.⁹ Finally, it is worth noting that while there are fewer children in poverty this year than last, those who remain in poverty are getting poorer, as evidenced by the increasing gap between the average income that a family in poverty actually has, and the federal poverty level itself. Over the past ten years, increases in poverty

have generally been associated with increases in the average gap between families' incomes and the poverty line, and decreases in poverty associated with a decrease in that gap. 2017 bucked this trend. Despite a significant decrease in the poverty rate, the average gap between the incomes of people living in poverty and the poverty line itself, increased by over 10%. This indicates that those families who remain in poverty are poorer, on average, than those who were in poverty in recent years, and implies that a growing economy may not be enough to help those that remain in poverty.¹⁰

Throughout our community conversations we heard over and over that families in poverty want to work, to the extent they are able, in jobs that will lift them out of poverty. But that is not always possible because of real-life challenges. For many there are barriers that stand in the way, like a lack of transportation, child care, or poor health. Still some people are only able to access low-wage, unsteady work. While a strong economy helps to bring the poverty rate down, policy interventions are required to sustain that lower rate and ultimately create a Maine in which everyone who can work has that opportunity.

Lessons from the last several decades, as interpreted through the supplemental poverty measure that considers the value of tax credits like the Earned Income Tax Credit, and certain public benefits like the Supplemental Nutrition Assistance Program (SNAP), show that these policies have raised millions of children above the poverty line.¹¹ This demonstrates that we can and must do more to supplement the gains from a stronger economy if we are to truly help more families gain and maintain economic security and opportunity in the long term. Steps in this policy direction have already been taken. In 2017 and 2018, the Maine legislature passed policies to address barriers to economic security for thousands of Maine children and

⁸ Population Reference Bureau, analysis of data from the U.S. Census Bureau, 2017 American Community Survey.

⁹ Annie E. Casey Foundation Kids Count Policy Report. (September 25, 2018). Opening Doors for Young Parents. Retrieved November 19, 2018, from <https://www.aecf.org/resources/opening-doors-for-young-parents/>

¹⁰ Population Reference Bureau, analysis of data from the U.S. Census Bureau, 2008 through 2017 American Community Survey.

¹¹ Lowery, A. (October 5, 2017). America's Child-Poverty Rate Has Hit a Record Low. The Atlantic. Retrieved November 19, 2018 from <https://www.theatlantic.com/business/archive/2017/10/child-poverty-rate-record-low/542058/>

their parents, by helping very poor families meet their basic needs such as housing, food, and heating and making it possible for hundreds of parents to pursue post-secondary education in high-demand, high-wage professional fields. The Invest in Tomorrow initiative aims to build upon these policy solutions to continue to reduce Maine's child poverty rate.

THE POVERTY-WORKFORCE LINK

Maine's workforce needs more qualified workers to fill gainful, family-supporting jobs that are available today. According to the Task Force on Maine's 21st Century Economy and Workforce, established by the 128th Legislature, "There are existing sources of prime, working-age adults that are not being fully deployed into Maine's workforce."¹² This includes parents with low-income, many of whom either face barriers to employment, or who are stuck on the bottom rung of the economic ladder because they haven't attained the skills and training needed to climb up. The Invest in Tomorrow stakeholder group has made a commitment to identify and implement both short- and long-term solutions to these problems.

Over the last ten years, Maine's workforce has remained relatively flat, growing by only one to two percent (as compared to 10% in each of the preceding two decades).¹³ While Maine's economy did grow over the last decade, recovery has not been as fast as it has been in the rest of the nation.

At the same time, our workforce is aging. Maine is one of only two states in the country (the other being West Virginia) that had more deaths than births in 2016-2017.¹⁴ Maine's population went down by 0.9 residents per 1,000, while West Virginia's dropped by 1.7 residents per 1,000.¹⁵ While census figures did show that Maine saw more people moving to the state than leaving in 2017, it remains true that more Mainers are approaching retirement than entering the workforce. Experts agree that Maine's labor force shortage is impeding our potential job, income, and economic growth.¹⁶ With that in mind, displaced workers and the long-term unemployed have become an increasingly important focus for workforce development.¹⁷ Engaging more of these individuals will help to address the shrinking workforce and expand the Maine economy.

Policy decisions play an important role and can dramatically affect whether families in poverty can successfully participate in the workforce. Taking steps to create economic opportunity and reduce barriers to employment for Maine families through evidence-based strategies will improve their lives and contribute to the strength of Maine's communities and our economy.

¹² State of Maine 128th Legislature First Regular Session. (December 2017). Task Force on Maine's 21st Century Economy and Workforce. Retrieved November 19, 2018, from <http://legislature.maine.gov/doc/1984>

¹³ Maine Department of Labor. (July 2016). The Outlook for Workforce Growth to 2024. Retrieved November 19, 2018, from www.maine.gov/labor/cwri/pubs.html.

¹⁴ U.S. Census Bureau, Population Division. (December 20, 2017). Table 5. Estimates of the Components of Resident Population Change for the United States, Regions, States, and Puerto Rico: July 1, 2016 to July 1, 2017 (NST-EST2017-05). Retrieved November 19, 2018 from: <https://www2.census.gov/programs-surveys/popest/tables/2010-2017/state/totals/nst-est2017-05.xlsx>

¹⁵ Parker, N. (January 9, 2018). These US states have more deaths than births, according to new data. *The Atlanta Journal-Constitution*. Retrieved November 19, 2018 from <https://www.ajc.com/news/world/these-states-have-more-deaths-than-births-according-new-data/vyEOBvBg9uOGUry6MhE7I/>

¹⁶ Maine State Chamber of Commerce, Maine Development Foundation, Educate Maine. (July 26, 2018). 2018 Making Maine Work: Critical Investments for the Maine Economy. Retrieved November 19, 2018, from www.mainechamber.org/makingmainework.php

¹⁷ Id.

Areas of Investment Developed Through Community Forums

In 2017, we held four community forums in Maine counties hard hit by child poverty: Aroostook, Androscoggin, Piscataquis, Hancock and Washington. We also held five follow-up community meetings in those regions, which focused on identifying barriers to employment and solutions to child poverty. Over 200 people personally participated in these forums and each person brought with them their experience, knowledge and passion for improving their community. Not surprisingly, we gained valuable insight.

There were key, overall themes that emerged throughout this process:

We need to reduce the stigma that is often associated with poverty.

There is often a negative stigma that comes with living in poverty and many were concerned about an "us vs. them" dynamic that is not constructive when it comes to addressing the problems. When poverty is defined through false "stereotypes", it is no wonder that solutions based on those mistaken beliefs will be misdirected and ineffective. Many community members identified a need for more education about the reality of what families in poverty face and what it takes to move out of poverty. People across the state agreed that parents living in poverty are often working but unable to earn enough to adequately provide for their families. Participants also talked about situations in which parents are not working, but want to be, and they named barriers like a lack of transportation, childcare, or needing to care for a disabled family member that often stand in the way making sustainable work challenging or impossible. People wanted to build a better understanding among local community leaders, government officials, policy makers, employers, and the public. Many agreed that if we have a shared understanding of the real problems facing people living in poverty, then we are more likely to find and implement solutions that will make a real difference.

Anti-poverty programs should and could work better.

Applying for the various programs that help struggling families meet their basic needs and navigating the bureaucracy of DHHS is often confusing and cumbersome and can lead to families not receiving help they qualify for and desperately need. This is inefficient, administratively burdensome and a poor way to deliver help to people. The delivery systems should be streamlined and made more efficient and effective.

Promote the “whole-family” approach.

One of the most effective ways to ensure that children move out of poverty for good is to make sure their parents or caretakers can move up the economic ladder and toward self-sufficiency. This whole-family approach recognizes that a child’s wellbeing is directly affected by parent education, economic stability, and health. Likewise, parent success is affected by how well their child’s health and educational needs are met. The whole family approach provides opportunities for parents or caretakers to access services for both meeting their families’ basic needs as well as improving their families’ long-term economic circumstances. Fragmented service delivery may leave either the child or parent behind which negatively impacts the whole family’s chance at success. It is equally as important to build education, economic assets, health and mental health supports to build economic security that passes from one generation to another. In Maine, some promising new initiatives are underway to address the goals of parents and children together, often with the use of family coaches or navigators. Community Action organizations and others around the state are implementing various service models that encompass the whole family approach to increase the supports provided to individuals and families while working towards overall family stability.

Solving child poverty is everyone’s business and requires coordinated cross-sector solutions

To solve child poverty and increase economic opportunity for families we need to take a multi-pronged approach that is cross-sector. We must address these issues at a statewide public policy level, a regional level, a community level and an individual level. Multiple sectors (including business, education, healthcare, the faith community, and families impacted by poverty) must work together and we must secure the resources needed to ensure success to address these issues if we are going to make a significant difference.

When it comes to how to reduce child poverty and increase workforce participation, two major themes developed throughout this process:

1. Families need to have ECONOMIC SECURITY, meaning they are consistently able to meet their basic needs; and
2. Families need to be able to take advantage of ECONOMIC OPPORTUNITY, meaning they can get and keep gainful employment if they are to move out of poverty.

Within each area we consistently heard about factors we must address for families to establish economic security and access economic opportunity. These factors are now the focus of the Invest in Tomorrow initiative, from which goals can be drawn and policy changes sharpened.

ECONOMIC SECURITY

Across the state, people agreed that primary basic needs that are essential to families' success include **housing, food, and health care**. Meeting these basic needs is nearly always a prerequisite for finding and sustaining employment; steady work is extremely difficult without a home, adequate nourishment, or access to health care. When basic needs are met, parents are better equipped to get and keep steady employment. For some families, work is impossible, and basic needs still must be fulfilled. For example, a single parent may need to care for a family member with special needs or she may have mental health or substance use issues herself that need to be addressed. Adequate housing, food, and health care are just as important for these families' survival, allowing them to set their children up for success and work to improve their financial circumstances.

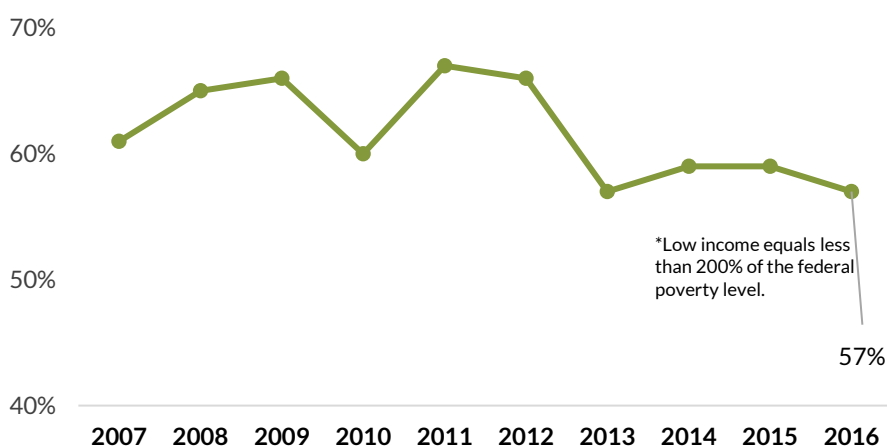
HOUSING

Families need affordable, stable, and safe housing to be economically secure.

Having a stable place to call home is a critical essential, especially for families with young children. When children are not properly housed, their health and ability to learn and successfully participate in school can be severely diminished.

Housing is the greatest expense for most families. The federal Department of Housing and Urban Development (HUD) considers that families who pay more than 30 percent of their income for housing are cost burdened and may have difficulty affording other necessities such as food, clothing, transportation and medical care. Severe rent burden is defined as paying more than 50 percent of income on rent. As noted below, a high percentage of low-income households with children have rental costs in excess of these levels.

**Children in Low-Income* Households with High Housing Cost Burden
(30% or more of monthly income needed for housing)**
Source: Kids Count



Maine's rental market—where most low-income families seek housing—is among the least affordable in the nation. The gap in Maine between an average renter's wage and what is needed to reasonably manage the cost of a two-bedroom rental is 9th highest in the nation.¹⁸ That burden is particularly acute for low-income families with children who typically face the highest rent-to-income

¹⁸ Aurand, A., Emmanuel, D., Yentel, D., Errico, E., Gaby-Biegel, J., & Kerr, E. (2018). Out of Reach: The High Cost of Housing. National Low-Income Housing Coalition. Retrieved November 19, 2018 from https://nlihc.org/sites/default/files/oor/OOR_2018.pdf

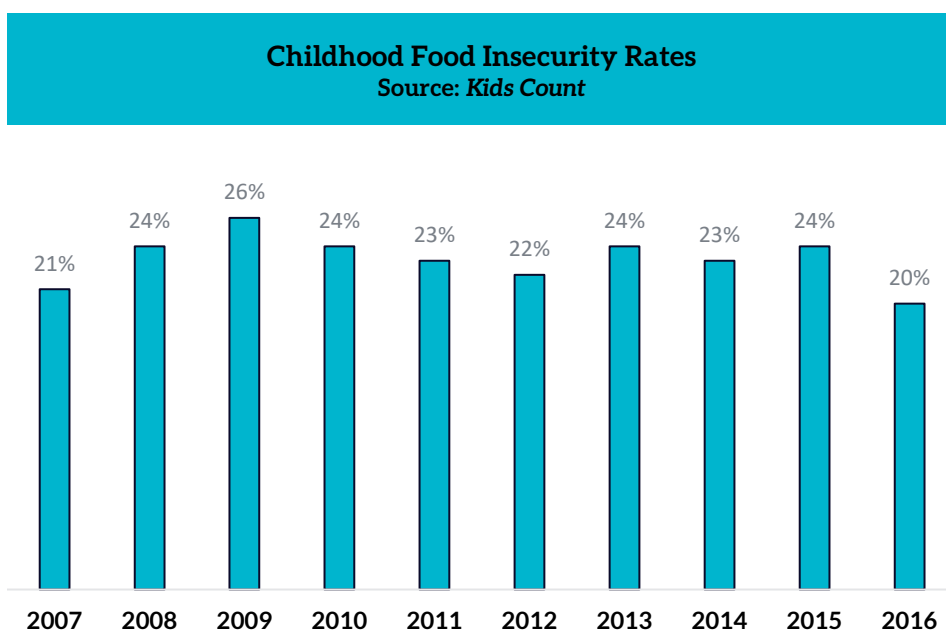
ratios, leaving little residual income for other basic needs.¹⁹

Increasing access to affordable housing for low-income families with children is one of the most effective strategies for reducing poverty, having been shown to reduce child poverty by nearly 21%.²⁰

FOOD

Families need adequate, affordable food to avoid hunger and be economically secure.

Maine is one of the most “food insecure” states in the nation, meaning that many people worry that they won’t have enough to eat, or don’t have enough to eat. Maine ranks fifth worst in the nation for very low food security—that’s real hunger—and in the top 10 of the nation’s most overall food insecure states.²¹ One out of every five kids in Maine is food insecure, compared to one in six nationally.²²



Children growing up in poverty who are hungry are significantly more likely to receive special education services, to repeat a grade in school and to have received mental health counseling than at-risk-for-hunger or not-hungry children.²³ The impact of hunger can have lifelong consequences for children as they move into adulthood.²⁴

¹⁹ Larrimore, J., & Schuetz, J. (December 22, 2017). Assessing the Severity of Rent Burden on Low-Income Families. *Feds Notes*. Retrieved November 19, 2018 from: <https://www.federalreserve.gov/econres/notes/feds-notes/assessing-the-severity-of-rent-burden-on-low-income-families-20171222.htm>

²⁰ Giannarelli, L., Lippold, K., Minton, S., & Wheaton, L. (January 2015). *Reducing Child Poverty in the US: Costs and Impacts of Policies Proposed by the Children's Defense Fund*. Urban Institute. Retrieved November 19, 2018 from https://www.urban.org/research/publication/reducing-child-poverty-us/view/full_report

²¹ Coleman-Jensen, A., Rabbitt, M.P., Gregory, C.A., & Singh, A. (September 2018). Household Food Security in the United States in 2017. United States Department of Agriculture Economic Research Service. Economic Research Report Number 256. Retrieved November 19, 2018 from <https://www.ers.usda.gov/webdocs/publications/90023/err-256.pdf?v=0>

²² Feeding America. (2018). Retrieved Maine and national data November 19, 2018 from <http://map.feedingamerica.org/county/2016/child/maine> and from <https://www.feedingamerica.org/sites/default/files/research/map-the-meal-gap/2016/2016-map-the-meal-gap-child-food-insecurity.pdf>

²³ American Psychological Association. (n.d.) Effects of Poverty, Hunger and Homelessness on Children and Youth. Retrieved November 19, 2018 from <http://www.apa.org/pi/families/poverty.aspx>

²⁴ Hartline-Grafton, H., & Dean, O. (December 2017). *Hunger & Health: Impact of Poverty, Food Insecurity, and Poor Nutrition*. Food Research & Action Center. Retrieved November 19, 2018 from <http://frac.org/wp-content/uploads/hunger-health-impact-poverty-food-insecurity-health-well-being.pdf>

HEALTH CARE

Families need access to comprehensive, affordable health care to be economically secure.

Maine has dropped from 8th healthiest state in the nation in 2010 to 23rd in 2017 according to the United Health Foundation's America's Health Ratings.²⁵ This represents a substantial decline in overall health status and reversal of positive health trends that Maine experienced only seven years earlier. Similarly, Maine went from being the state with the 5th highest rate of insured children in 2010 to 33rd in 2016.²⁶

Maine children in poverty have a slightly higher uninsured rate than the nation and a significantly higher uninsured rate compared to the rest of New England.²⁷ Notably, Maine voters enacted Medicaid expansion to cover all people with incomes below 138% of the poverty level in November 2017. Once fully implemented, thousands of parents will benefit from expansion.

Making sure Maine children have access to affordable, quality preventative physical, oral and mental health care early on is critical for their health as adults. It is well established that ensuring parents have health insurance is important for children even when the children themselves have coverage. Children with uninsured parents have a greater risk of gaps in coverage, and are less likely to receive checkups, preventive care and other health care services.²⁸ Parents and caregivers who are able to meet their own health care needs are better equipped to support the health care needs of their children. They are also better equipped themselves to find or keep employment. Confirming the correlation between health coverage and employment, research in both Ohio and Michigan found that Medicaid expansion enrollees who were unemployed and looking for work found that coverage made it easier to seek employment and those employed found it helped them to work or made them better at their jobs.²⁹

ECONOMIC OPPORTUNITY

Families need employment opportunities and supports to get and keep good jobs. Experts, stakeholders, and community members agreed that several barriers to employment must be addressed to bring more low-income parents and caregivers into the workforce. Primary barriers to employment included a lack of **transportation**, a lack of quality, affordable **child care** so parents can work and **early learning** opportunities for children, the need for more **education or training** to get jobs that will increase wages and enable families to support themselves through employment, and **difficulties transitioning from public assistance to**

²⁵ United Health Foundation. (2017). America's Health Rankings. Retrieved November 19, 2018 from <https://www.americashealthrankings.org/explore/annual/measure/Overall/state/OR>

²⁶ The Annie E. Casey Foundation Kids Count Data Center. Children without Health Insurance. 2010 and 2016. Retrieved December 6, 2018 from <https://datacenter.kidscount.org/data/tables/8810-children-without-health-insurance?loc=1&loc=1#detailed/1/any/false/870,573,869,36,868,867,133,38,35/any/17657,17658>

²⁷ The Annie E. Casey Foundation Kids Count Data Center. Children without health insurance by poverty level. 2016. Retrieved December 6, 2018 from <https://datacenter.kidscount.org/data/tables/10189-children-without-health-insurance-by-poverty-level?loc=1&loc=1#detailed/2/2-53/false/871/22,4844,4845,1233,4846/19718,19719>

²⁸ Maine Children's Alliance. (2014). *Ensuring Health Coverage for Maine Families with Children in 2014*. Retrieved December 6, 2018 from http://www.mekids.org/assets/files/issue_papers/healthcoverage_children_2014.pdf

²⁹ Center on Budget and Policy Priorities. (2018). *Medicaid Expansion Enrollees Report Coverage Helps Them Work and Look for Work*. Retrieved December 6, 2018 from <https://www.cbpp.org/medicaid-expansion-enrollees-report-coverage-helps-them-work-and-look-for-work-1>

employment because of the loss of critical public assistance that can happen abruptly when parents get a job or earnings increase (what some refer to as the “cliff effect”).

TRANSPORTATION

Families need reliable, affordable transportation to access economic opportunity.

A lack of transportation is a major barrier to getting and keeping a job. In every discussion held throughout the state, access to reliable transportation was raised as a necessary component of economic mobility and quality of life. Without it, families with limited incomes could not access employment, were missing doctor’s appointments, couldn’t get their children to child care, and couldn’t participate in community events.

With reliable transportation, parents could get to work more consistently, work more hours and earn higher wages, improving their family’s wellbeing and reducing their need for public assistance. Research has shown that welfare recipients who own cars are more likely to be employed, work more hours, and earn more than those who do not.³⁰ Additionally, having access to a car shortens periods of unemployment and increases earnings.³¹

Both national and state level reviews show Maine is not doing enough to meet the transportation needs of its residents. The 2018 Annual Survey of State Funding for Public Transportation from the American Association of State Highway and Transportation Officials (AASHTO) reports Maine is spending only 86 cents per capita on public transportation, the lowest rate in New England.³² Only seven states spend less per capita than Maine. The result of that lack of investment is clearly documented in the Maine Strategic Transit Plan 2015. The Plan concludes Maine does not provide even 20% of the needed rides, falling 1.5 million rides short of even that modest goal. The Plan recommends an increase in state support for public transportation in every part of Maine.³³

CHILD CARE & EARLY LEARNING

Families need quality, affordable childcare and early learning to access economic opportunity.

Seventy three percent (73%) of Maine children under age six live in households in which all parents are working.³⁴

³⁰ Ong, P. The University of California Transportation Center. (February 2001). *Car Ownership and Welfare-to-Work*. Retrieved December 6, 2018 from <http://www.uctc.net/papers/540.pdf>

³¹ Holzer, H., Ihlanfeldt, K., and Sjoquist, D. (1994). Work, Search and Travel Among White and Black Youth. *Journal of Urban Economics*, 35: 320–345

³² American Association of State Highway and Transportation Officials. (2018). Final Report 2018 - FY 2016 Data. Survey of State Funding for Public Transportation, p. 1-11

³³ Maine Department of Transportation. (June 30, 2015). *Maine Strategic Transit Plan 2025: Transforming Public Transit, Meeting Future Needs, Managing Expectations, and Resources*. Retrieved December 6, 2018 from <https://www1.maine.gov/mdot/publications/docs/plansreports/MEFinalStrategicPlan2025.pdf>, p. 54

³⁴ The Annie E. Casey Foundation Kids Count Data Center. (2017). Children under age 6 with all available parents in the labor force. Retrieved December 6, 2018 from <https://datacenter.kidscount.org/data/tables/5057-children-under-age-6-with-all-available-parents-in-the-labor-force?loc=1&loc=1#detailed/2/21/false/871,870,573,869,36,868,867,133,38,35/any/11472,11473>

Yet nearly one in five low-income parents of a child under six reported that child care problems affected their employment.³⁵

A lack of child care is one of the most common barriers to finding and keeping a job for parents. Many Maine parents face significant barriers in accessing affordable, quality care for their children. The implications are important for children, for families, and for our economy. For a single parent in Maine with one child, the cost of care can absorb a staggering 37 percent of their income.³⁶ The Child Care Subsidy Program makes child care more affordable for low income families. However, following numerous program changes, including a cut to the provider payment rate in 2011, Maine has seen a significant decline in the number of providers able to participate in the program. U.S. Office of Child Care data show the number of participating providers has dropped from 2,480 in 2006 to 1,089 in 2016. It also shows a significant decline in the number of children served by the program with numbers dropping from 5,400 in 2006 to 3,400 in 2016.³⁷

Removing the barrier to affordable, quality child care would improve a family's wellbeing and reduce their need for public assistance. There is a substantial and wide-ranging body of economic research that demonstrates a clear relationship between employment levels and changes in the price of child care or reductions in costs to families through child care assistance. Reduced child care costs and increased child care availability increases parental employment, primarily among mothers and those from low-income families.³⁸ Furthermore, high-quality early learning experiences help set a child on a path to success in school, leading toward higher education and a career, with low income children and English learners benefiting the most.³⁹

State legislation in June 2018 restored the Child Care Subsidy Program's provider payment rate to its pre-2011 level and recent federal legislation increased funding for the program. If these steps are going to have the greatest impact they must be effectively implemented and administered to increase affordability and availability of quality care for children in Maine. However, they alone aren't enough to meet the demand, which continues to far outpace the supply.

³⁵ The Annie E. Casey Foundation Kids Count Data Center. (2011-2012). Children ages 0 to 5 whose parents report that child care issues affect their employment, by income level. Retrieved December 6, 2018 from <https://datacenter.kidscount.org/data/tables/8260-children-ages-0-to-5-whose-parents-report-that-child-care-issues-affected-their-employment-by-income-level?loc=21&loct=2#detailed/2/8,21,23,31,41,47/true/1021/4325,4321,4322/16810>

³⁶ Child Care Aware of America. (2018). The US and the High Cost of Child Care: A Review of Prices and Proposed Solutions for a Broken System. Retrieved December 6, 2018 from <https://usa.childcareaware.org/advocacy-public-policy/resources/research/costofcare/>

³⁷ U.S. Department of Health and Human Services, Administration for Children & Families, Office of Child Care. Child Care and Development Fund Statistics. Retrieved December 6, 2018 from <https://www.acf.hhs.gov/occ/resource/ccdf-statistics>

³⁸ Center for American Progress. (2017). *The Child Care for Working Families Act will Boost Employment and Create Jobs*. Retrieved December 6, 2018 from <https://www.americanprogress.org/issues/early-childhood/reports/2017/12/07/443783/child-care-working-families-act-will-boost-employment-create-jobs/>

³⁹ Hirokazu Yoshikawa et al. (2013). Investing in Our Future: The Evidence Base on Preschool Education, Foundation for Child Development. Retrieved December 6, 2018 from <http://www.srcd.org/policy-media/policy-updates/meet-ings-briefings/investing-our-future-evidence-base-preschool> and https://learningpolicyinstitute.org/sites/default/files/product-files/Building_Blocks_Early_Childhood_Education_04202016.pdf

TRANSITION FROM ASSISTANCE TO EMPLOYMENT

Families need to be able to make a smooth and sustainable transition from public assistance to employment to access economic opportunity (reduce the “benefits cliff”).

Instead of penalizing people who get a job or increase their work hours or wages by cutting public assistance off abruptly and undermining the foundation upon which they are rebuilding their lives, we should be supporting work and protecting earning gains for parents who receive Temporary Assistance for Needy Families (TANF) and other forms of public assistance. This abrupt reduction in assistance is widely referred to as the “benefits cliff.” The cliff effect occurs when public benefit programs like TANF and Food Assistance (SNAP) phase out quickly when household earnings increase. It can be very disruptive for families because even though household earnings increased, they usually have not increased enough for families to be truly self-sufficient. That transition can take time. Strategies that smooth out or eliminate this cliff through changes in methodologies related to benefit calculations or earnings supplements will help support sustainable employment that enables families to access economic opportunity and move out of poverty.

While there has been limited long term research on efforts to smooth out the cliff effect, several studies have shown that state experiments to reduce the cliff for those that remain eligible for any assistance have mitigated the hardship gap that families face until their income exceeds program eligibility levels.⁴⁰

One highly regarded study conducted in Canada in the 1990s involved three randomized controlled trials in which generous earnings supplements were provided to long-term public assistance recipients contingent on their finding full time employment and leaving the income assistance program. Key findings from this group of studies found sizable increases in employment, earnings and family income and reductions in poverty and welfare receipt compared to the control group.⁴¹

EDUCATION & TRAINING

Parents and caregivers with low incomes need education and training opportunities to increase their earning capacity and access economic opportunity.

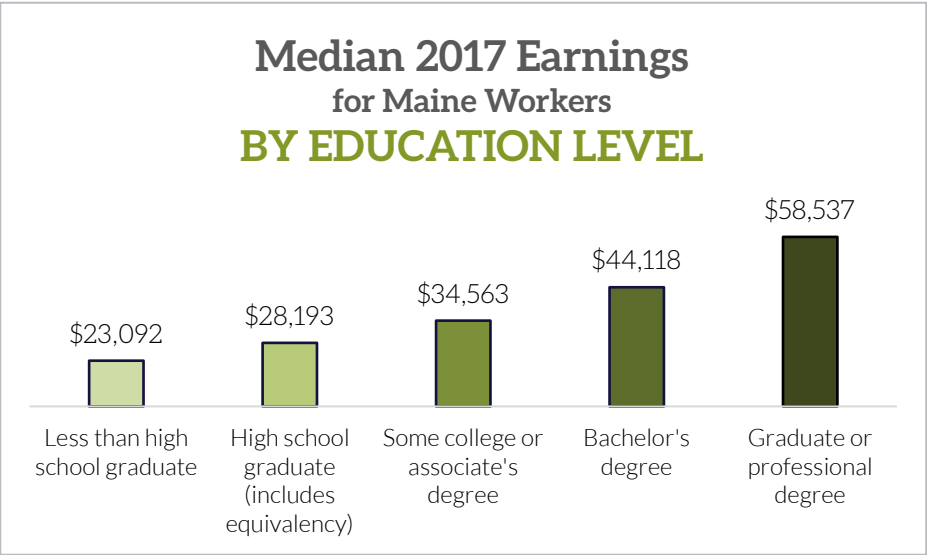
Earlier this year, the Maine State Chamber of Commerce in partnership with the Maine Development Foundation and Educate Maine published Making Maine Work, a call to action aimed at addressing the concerns of Maine business leaders and the future of Maine’s economy and its challenges. Chief among these was the need to grow Maine’s workforce with an emphasis on increasing the employability and skill level of working age adults through education and training. According to the Task Force on Maine’s 21st Century Economy and Workforce, Maine’s shortage of skilled workers is expected to worsen as “...the fastest rate of job growth is expected in occupations with the highest education requirements, and Maine currently has a

⁴⁰ Maurer, Julie A., MA, ABD Ohio State University. National Association of Welfare Research and Statistics Workshop, Providence Rhode Island. (August 18, 2014). *Benefits Policies and the Cliff Effect in Ohio*. Retrieved December 6, 2018 from https://nawrs.org/wp-content/uploads/2014/11/2C_Maurer_BenefitsPolicies.pdf

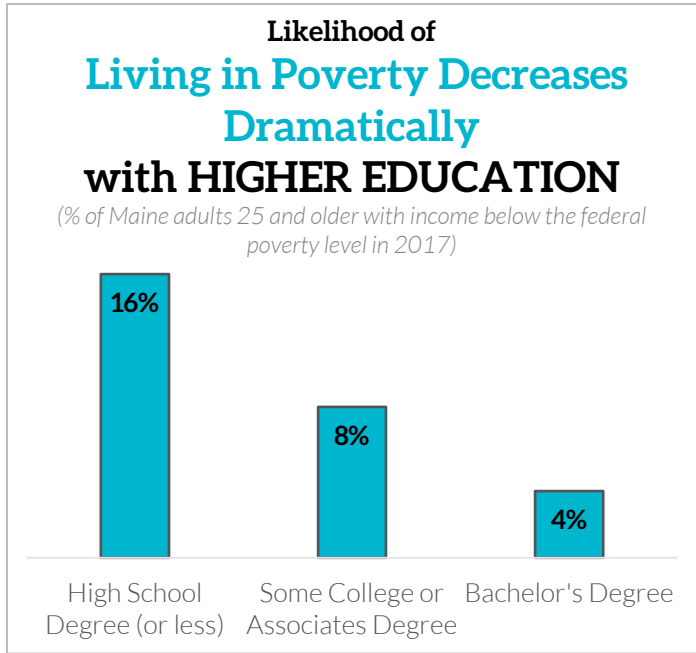
⁴¹ Laura and John Arnold Foundation. Social Programs that Work. (November 2017). *Evidence Summary for the Canadian Self-Sufficiency Project*. Retrieved December 6, 2018 from <https://evidencebasedprograms.org/document/canadian-self-sufficiency-project-evidence-summary/>

post-secondary education attainment level below what is required to meet the requirements of these jobs of the future.”⁴² Maine Spark , a network of Maine’s most influential education and business leaders committed to meeting the future workforce needs of Maine by giving all—regardless of race, income and other socioeconomic factors—the opportunities that postsecondary attainment provides, has set an ambitious target that by 2025, 60% of Mainers will hold credentials valued by Maine’s businesses and industries.⁴³

Increasing the education and training of the working-age population (whether it’s a two-year degree, a trade certification, or a four-year college degree) is not only essential for the future of Maine’s economy, but also for the development and expansion of Maine’s workforce. It is well documented that higher levels of education correlate with higher levels of income and that post-secondary education increases one’s likelihood of being employed at all.



An analysis of Maine Census data shows that in 2016, working-age Maine adults with some college or an associate degree were 21 percent more likely to be employed than those with a high school degree or less,



while those with a bachelor's degree were 36 percent more likely to be employed than those with a high school degree or less. On the other hand, not having post-secondary education correlates strongly with one’s likelihood of living in poverty. In 2016, Mainers with a high school degree or less were almost twice as likely to be living below the federal poverty level as those with some college or an associate degree, and more than four times as likely as those with a bachelor’s degree.⁴⁴

⁴² State of Maine 128th Legislature First Regular Session. (December 2017). Task Force on Maine’s 21st Century Economy and Workforce. Retrieved December 6, 2018 from <http://legislature.maine.gov/doc/1984>

⁴³ Maine Spark. (2018). *What is Maine Spark?* Retrieved December 6, 2018 from <http://mainespark.me/about-mainespark/>

⁴⁴ Source for both charts and corresponding text on this page: U.S. Census Bureau, 2016 American Community Survey 1-year estimates

Measuring Our Progress

The Invest in Tomorrow initiative aims to reduce child poverty and increase workforce participation and low-income families' earning capacity. The data compelled collective action to address these issues and tracking our progress will be imperative to our success.

Toward this end, members of the Invest in Tomorrow stakeholder group worked with [the Data Innovation Project](#) to design a [Measurements of Economic Security and Opportunity](#) dashboard that will enable us to track our progress toward meeting our overall goals and benchmarks as well in making improvements in each area of focus: housing, hunger, health care, transportation, childcare/early learning, transitioning from public assistance to employment, and education and training opportunities. Using the most recent data available as a baseline, the dashboard contains indicators in each area that we will track annually to assess our status as a state and determine whether we are making progress and moving the trendline in the right direction within each area of focus. Tracking outcomes will help to hold us all accountable with respect to the progress we make. If we are not progressing as intended, we can make course corrections accordingly. Being accountable to the data is a key component of our success as a state.

Policy Goals for 2019

The Invest in Tomorrow initiative has set a long-term goal of cutting child poverty in half over the next ten years. As a first step, in year one, the stakeholder group has worked to set realistic and meaningful goals. In 2019, we aim to lift 2,000 children out of poverty and increase work among low-income families by 160,000 hours and earnings by more than \$5 million. Together, we will advance several timely and achievable policy solutions that will represent a significant step toward meeting our shared goals.

We aim to accomplish the following results in 2019:



Children in Maine have increased access to **ADEQUATE FOOD & NUTRITION**

providing them with consistent access to adequate nutrition and improving their overall wellbeing and ability to function and thrive in school and beyond.



Parents have increased access to **POST-SECONDARY DEGREES AND CREDENTIALS**

connecting them to a future with greater economic security, elevating the aspirations and outlook for their children, and strengthening our workforce and our economy.



Parents & caregivers have increased access to **QUALITY, AFFORDABLE CHILDCARE & EARLY LEARNING**

so they can sustain employment while providing their children with the support and learning that is necessary for healthy development.



Our social welfare system sets families up to **MAKE A SUCCESSFUL TRANSITION INTO THE WORKFORCE**

by mitigating the current "benefits cliff" that can set families back by abruptly cutting off public assistance with an increase in earnings.



STREAMLINE, SIMPLIFY, & IMPROVE THE DELIVERY OF STATE SUPPORTS & SERVICES

for families struggling to sustain employment through a collaborative model in which the state partners with community-based organizations to better meet the needs of families living in poverty so they can access opportunity and sustain economic security.

Children and families must be able to meet their basic needs and have steady, gainful, and sustainable employment to thrive. By addressing these key areas, we can lift thousands of children out of poverty and start to strengthen Maine's workforce in 2019, while also setting ourselves up to advance additional reforms in the years ahead.

