

Financial Stability White Paper

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This is a draft white paper that was developed in the Fall of 2016 to inform the Thrive2027 community-wide goal-setting process. The narrative, data, and research reflects a point-in-time and does not capture the conversations and conclusions made during the goal-setting process.

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INTRODUCTION

Cumberland County is the economic engine of the State of Maine.¹ The County boasts the highest graduation rate, highest home ownership rates and the second-lowest poverty rate. As the largest city in the most populous county in the state, Portland's population growth is comparable to national benchmark cities with total consumer retail sales growth exceeding the State.² The Greater Portland community also serves as a health and social service center. Portland is home to two of the state's largest hospitals with world-class medical facilities and adequate health care, and the largest network of non-profit organizations, providing critical support services to help address the needs of our most vulnerable residents.

With all of these positive factors, there is a disturbing trend within the economic structure of the county, which presents some significant challenges for children and families. The area's cost of living and wage gap has significantly increased over the past 30 years, straining the social service safety net for many Cumberland County households. The Living Wage Calculator, a calculation of the income needed to support a household's basic needs such as housing, food, transportation, medicine and childcare, reports that the living wage for a single adult and child in Cumberland County is \$23.44 per hour or \$48,755 per year.³

Lack of income has an impact on the immediate basic needs (shelter, food, medical care) of individuals and families. Poverty increases the frequency and intensity of depression and anxiety disorders, and creates "toxic stress" when children have strong, frequent, and/or prolonged adversity to incidents including caregiver mental illness, and the accumulated burdens of family economic hardship. This kind of prolonged activation of the stress response systems can disrupt the development of brain architecture and other organ systems, and increase the risk for stress-related disease and cognitive impairment well into the adult years.⁴ These individual outcomes have a strong correlating effect on decreased academic achievement, graduation rates and college attainment,^{5,6} ultimately impacting a person's educational proficiency. Without possessing the knowledge, skills and opportunity required to hold a job that pays a livable wage, people will struggle to have the financial resources necessary to achieve financial stability.

Reducing poverty and increasing financial stability are sound social investments for Cumberland County because doing so generates returns to society over time in the form of higher real Gross Domestic Product (GDP), reduced expenditures on healthcare and crime, and improved quality of life.⁷

¹ Colgan, Charles, "Maine Economic Outlook." NEEPECON, October 2014. <http://neepecon.org/neepecon-october-2014-economic-outlook/?upf=dl&id=578>.

² "Portland's Economic Scorecard 2015," Portland Regional Chamber of Commerce, 2015. file:///C:/Save%20to%20Citrix/White%20Paper/Statistics/pccc_econscore15.pdf.

³ Glasmeier, Amy K., "Living Wage Calculator." Massachusetts Institute of Technology, 2015. <http://livingwage.mit.edu/counties/23005>.

⁴ Shonkoff, Jack P., Garner, Andrew S., et al, "The Lifelong Effects of Early Childhood Adversity and Toxic Stress." American Academy of Pediatrics, January 2012. <http://pediatrics.aappublications.org/content/129/1/e232.full.pdf+html>.

⁵ Bernstein, Jared, "The Impact of Inequality on Growth." The Center on American Progress, December 2013. www.americanprogress.org/wp-content/uploads/2013/12/BerensteinInequality.pdf.

⁶ Lacour, Misty and Tissington, Laura, "The Effects of Poverty on Academic Achievement." Educational Research and Reviews, July 2011. www.academicjournals.org/article/article1379765941_Lacour%20and%20Tissington.pdf.

⁷ Harry J. Holzer et al., "The Economic Costs of Poverty in the United States: Subsequent Effects of Children Growing Up Poor." National Poverty Center Working Paper Series, January 2007. http://npc.umich.edu/publications/u/working_paper07-04.pdf.

FINANCIAL STABILITY

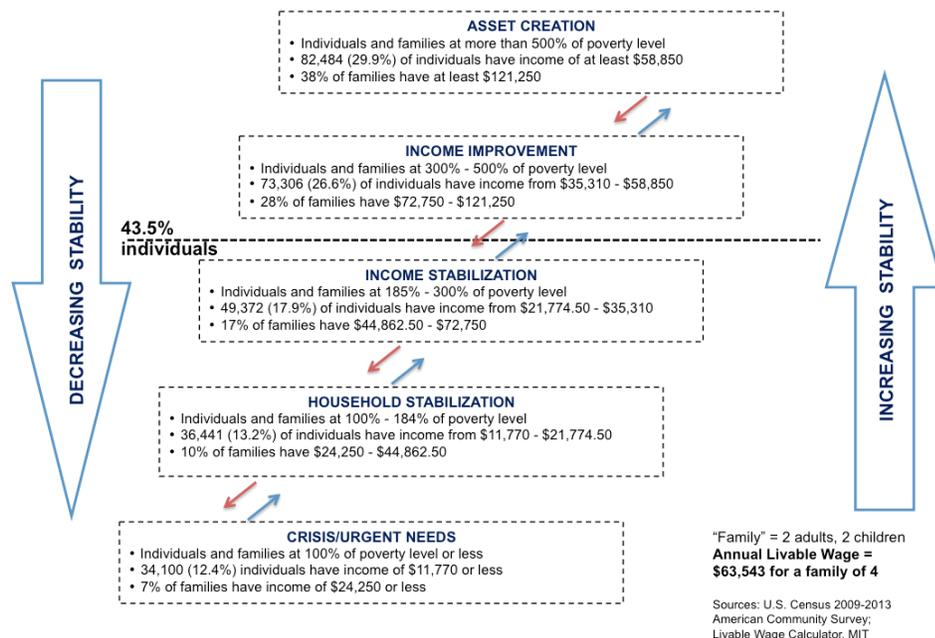
To be financially stable, an individual, family, and household needs:

- **Stable, Adequate Income: a job that can sustain a household’s basic needs budget, and in the absence of a job, income supports and subsidies.**
- **Stable, Adequate Financial Resources: income, savings and assets to cover unexpected expenses, and accessible, affordable goods and services, including affordable housing.**

Having manageable expenses impacts a household’s ability to generate disposable income to build emergency savings and create long-term assets. When it comes to financial stability, every individual and family’s personal financial stability goals may vary, from overcoming poverty or having enough resources to support a standard of living, to having enough income to pay for basic needs or savings to pay for short- and long-term goals.

Regardless of a household’s personal self-sufficiency goals, financial stability can be considered a continuum, a ladder of circumstances, events, choices and opportunities that determine where we begin and move, either up or down, throughout our lifetime.

FINANCIAL STABILITY CONTINUUM IN CUMBERLAND COUNTY

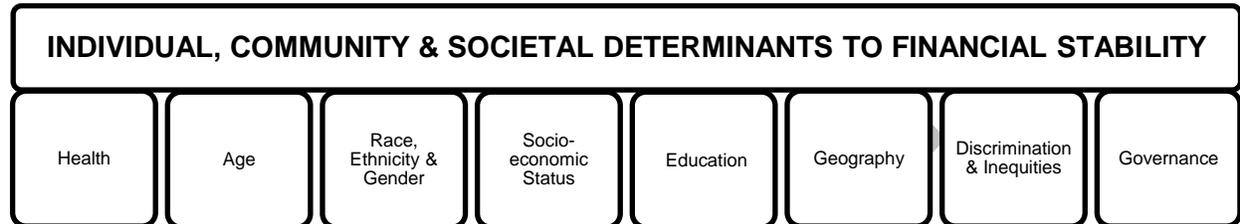


The essential foundation along the financial stability continuum is meeting an individual and family’s basic needs. Once a household is out of crisis, it can begin to stabilize with the help of income and work supports. If it can maintain this stabilization and meet its basic needs, it is more likely to be successful in stabilizing income. Through stable employment, people have fewer experiences in crisis and have more opportunities to manage expenses and use financial capability tools with long-term financial goals in mind. Individuals with increased financial capability⁸ are more likely to have access to financial resources that can help them achieve their financial stability goals.

⁸ Defined as the capacity, skills, and access to manage financial resources effectively. (Source: United States Department of the Treasury Amended Charter: President’s Advisory Council on Financial Capability.” Department of the Treasury, 2010. www.treasury.gov/resource-center/financial-education/Documents/PACFC%202010%20Amended%20Charter.pdf.)

Moving vulnerable populations up the financial stability continuum is complex. There are barriers beyond the act of *trying* to be financially stable that can influence our experience:

- From the individual level—age, socio-economic status, and geography
- To systems—discrimination, inequities, and governance



Moving vulnerable populations up the financial stability continuum cannot be accomplished alone. It is widely acknowledged that it will take the collective community, individuals, organizations, businesses, municipalities and government, to be successful. Organizations throughout Maine are addressing these foundational issues to lay the groundwork for improved outcomes.⁹

An individual’s indicators of progress along the financial stability continuum include his ability to focus on four areas:

1. Crisis/Urgent Needs—Basic Needs
2. Household Stabilization—Income Supports
3. Income Stabilization—Career Pathways
4. Income Stabilization—Financial Resources



⁹ “Measures of Growth 2016,” Maine Economic Growth Council and Maine Development Foundation. April 2016, www.mdf.org/files/MeasuresOfGrowth2016WEB.pdf/694/.

1. Basic Needs

Household and income stability cannot be achieved without first ensuring that individuals and families have safe, permanent housing, and food security. The foundation to these fundamental needs is supported by Maslow's Hierarchy of Needs, a theory that describes human behavior, and explains that without meeting one's basic needs, it is difficult to have the motivation to achieve any goal.¹⁰ Avoiding and getting out of crisis is complex and cyclical, and its impact can be experienced for generations. It takes the coordination of a nation, states, and communities to decrease homelessness and food insecurity and increase the motivation and ability of individuals and families to move beyond crisis and onto a path of self-sufficiency.

2. Income Supports

Income support programs protect people against health and injury risks that threaten their ability to work. Without these supports, vulnerable populations who are unable to work or are underemployed would not be able to support their basic needs. Unfortunately, there are a variety of system-level eligibility and participation barriers. Consequently, many individuals who should qualify for services never access these supports.

3. Career Pathways

Career pathways, including employment, wage and education, are the foundation of financial stability. Individuals and families must have a steady source of income that covers their basic needs before they can make and achieve long-term financial stability goals. Fundamental to earnings is obtaining and retaining a job; however, for many individuals, the prospect of earning a wage that sustains themselves and their families only comes with the opportunity of career advancement and retention. These scenarios are not possible without the many forms of educational attainment, from graduating with proficiency, to formal, remedial, and alternative education and work experiences. Adult learners are often faced with the added challenge of balancing work, family, and financial resource barriers, including reliable transportation and childcare.

4. Financial Resources

Low-income individuals and families can avoid a financial crisis caused by unexpected changes in income if they have an "emergency safety net" of savings. With steady income and the ability to support basic needs, a household increases its capability to manage expenses, reduce debt, and build savings using savings incentives and low-barrier financial resources. In addition to low income, people often face multiple barriers to building assets, from paying more for basic goods and services to lack of access to free or low-cost financial products, including bank accounts and low-interest loans.

¹⁰ Huitt, W., "Maslow's Hierarchy of Needs." Educational Psychology Interactive, 2007.
www.edpsycinteractive.org/topics/regsys/maslow.html.

FOCUS AREA #1: BASIC NEEDS

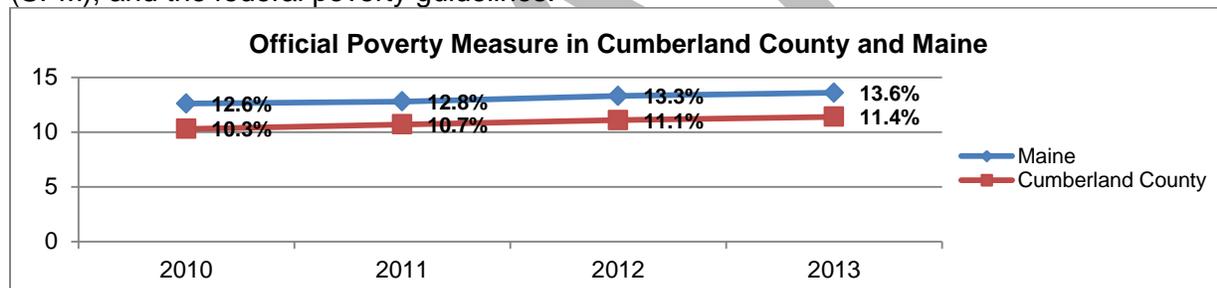
Poverty is most starkly evident within the primary basic needs of housing and food. People without income often cannot find safe housing or eat on a regular basis. **When transportation, medical care, and childcare are factored into a basic needs budget, research suggests that on average, families need an income of about twice the federal poverty threshold to meet their most basic needs.**¹¹

Poverty

Poverty is not only harmful to individuals and families, it adversely impacts entire communities. Childhood poverty costs the economy \$500 billion every year because of lower levels of productivity and earnings, increased crime, and the health-related expenses that are associated with growing up poor.¹²

In fact, when children grow up in poverty, they are five times more likely than their peers from families in the top 20% of income distribution to drop out of high school.¹³ These children are more likely to earn less as adults, because high school dropouts, on average, earn \$9,200 less per year than high school graduates, and about \$1 million less over a lifetime than college graduates.

There are several ways poverty is framed in the United States: the federal poverty threshold, also referred to as the Official Poverty Measure (OPM),¹⁴ the Supplemental Poverty Measure (SPM), and the federal poverty guidelines.



Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey.

Of 31,357 people living in poverty in Cumberland County:¹⁵

- 10,564 are working-age (18-64 years) women and 8,784 working-age men.
- 8,498 are female head of households, of which 4,249 have children under five.
- 8,944 are children under 18, including 3,107 under the age of five.
- 16,224 are foreign-born residents, of which 4,867 are children under the age of 18 years.
- 6,334 are individuals with a disability.

¹¹ "Maine: Demographics of Low-Income Children." National Center for Children in Poverty, May 2015.

http://www.nccp.org/profiles/ME_profile_6.html.

¹² Harry J. Holzer et al., "The Economic Costs of Poverty in the United States: Subsequent Effects of Children Growing Up Poor." National Poverty Center Working Paper Series, January 2007. http://npc.umich.edu/publications/u/working_paper07-04.pdf.

¹³ Chapman, Chris, et al., "Trends in High School Dropout and Completion Rates in the United States: 1972–2009." National Center for Education Statistics, U.S. Department of Education, October 2011. <http://nces.ed.gov/pubs2012/2012006.pdf>.

¹⁴ The Official Poverty Measure (OPM) is updated by the United States Census Bureau to look at individual and family income, and estimates the number of people in poverty each year. It is often referenced as an outdated standard because it does not consider the negative impacts living expenses and the positive impacts income supports have on a household's income and ability to sustain basic needs. (Source: Maine: "Demographics of Low-Income Children." National Center for Children in Poverty, May 2015.

www.nccp.org/profiles/ME_profile_6.html.)

¹⁵ Some individuals fall into multiple categories.

The OPM underestimates the number of people who struggle to meet their daily needs and make a livable wage because it doesn't account for significant expenditures such as healthcare. A common alternative threshold for identifying areas of vulnerable populations is to assess the number of individuals or households living at or below 200% of the federal poverty level within a particular population or geographic region. In Cumberland County, 70,757 (25.2%) individuals lived below 200% of the federal poverty level in 2014, of which 24,437 (34.5%) of the vulnerable individuals in Cumberland County resided in Portland.¹⁶

Permanent Housing

Individuals and families can only achieve good health, positive educational outcomes, and financial stability with permanent housing. When children have a stable home, they are more likely to succeed socially, emotionally, and academically.¹⁷

Permanent Supportive Housing (PSH)¹⁸ offers people housing, stability, and reduces the cost of services to support chronically homeless individuals. In the first statewide study of supportive housing in a rural setting in the United States, homeless service providers in Portland discovered that among homeless individuals with a disability, supportive housing helped to reduce service costs by 50%, decreased expenditures for mental health services by 57%, and reduced the incarceration rate by 95%.¹⁹ In addition, 24% more of the participants found sources of income.²⁰ The retention rate for a chronically homeless individual in PSH is almost 85%, even among individuals with severe substance abuse and mental health disorders.²¹

The federal McKinney-Vento Homeless Assistance Act defines "homeless" as an individual who lacks a fixed, regular and adequate nighttime residence, including children and youth. Homelessness is a result, not a condition. In Maine, one in four households living below the federal poverty level move each year compared to one in nine households above the federal poverty level.²²

In January 2015, the Annual Point in Time Survey, a one-night Point In Time count (PIT) of homeless in Maine and Portland, counted 1,134 people as homeless, including 472 in and around Portland, including 224 children.²³ **In 2015, an average of 459 adults and children used Portland's shelter system every month.**²⁴

¹⁶ "Ratio of Income to Poverty Level of Individuals." U.S. Census Bureau, 2010-2014 American Community Survey Table B17002.

¹⁷ "Opening Doors: Federal Strategic Plan to Prevent and End Homelessness." The United States Interagency Council on Homelessness, June 2015. http://usich.gov/resources/uploads/asset_library/USICH_OpeningDoors_Amendment2015_FINAL.pdf.

¹⁸ Defined as "decent, safe, affordable, community-based housing that provides tenants with the rights of tenancy and links to voluntary and flexible supports and services for people with disabilities who are experiencing homelessness."

¹⁹ Mondello, Melany, Chalmers McLaughlin, Thomas, and Bradley, Jon, "The Effectiveness of Permanent Supportive Housing in Maine: A Review of Costs Associated with the Second Year of Permanent Supportive Housing for Formerly Homeless Adults with Disabilities." October 2009. <http://www.mainehousing.org/docs/default-source/housing-reports/the-effectiveness-of-permanent-supportive-housing-in-maine-10-2009.pdf?sfvrsn=8>.

²⁰ Mondello, Melany, Chalmers McLaughlin, Thomas, Bradley, Jon, and Shore, Nancy. "Cost of Rural Homelessness: Rural Permanent Supportive Housing Cost Analysis." State of Maine, May 2009. www.portlandmaine.gov/DocumentCenter/Home/View/2274.

²¹ Culhane, Dennis P., Metraux, Stephen, and Byrne, Thomas Byrne, "A Prevention-Centered Approach to Homelessness Assistance: A Paradigm Shift?" United States Interagency Council on Homelessness, June 2010. http://works.bepress.com/dennis_culhane/103.

²² "Maine People Agree Opportunity is the Bridge to a Better Future," Maine Equal Justice Partners, October 2014. www.mejp.org/sites/default/files/Poverty-Report-Oct-2014_1.pdf.

²³ In Maine and Portland, 70% of those who are homeless are men. Almost five times as many females as males are head of household in families who were homeless, and 127 reported a mental illness. (Source: "Annual Point in Time Survey." Maine State Housing Authority, January 2015. www.mainehousing.org/docs/default-source/housing-reports/2015-point-in-time---statewide.pdf.)

²⁴ Monthly Emergency Shelter Assessment Committee (ESAC) Statistics. City of Portland, Maine, January-November 2015. <http://www.portlandmaine.gov/DocumentCenter/Home/View/11294>.

Food Security

Basic needs are also about access to food. When children live in families facing food insecurity and hunger, their brain architecture is affected, causing harm to their physical, mental, social and emotional health throughout their lives. Investing in effective public infrastructure to protect young children's nutritional health improves educational achievement, productivity and future earnings, as well as promotes financial stability.²⁵

People are food secure when they have access, at all times, to enough food for an active, healthy life. Conversely, individuals in food-insecure households have had a disruption to their access to food due to insufficient money and other resources, while households who have "low-food security" have reduced their food intake and eating patterns due to inadequate financial resources to food. "In most, but not all households with very low food security, the (individual) was hungry at some time during the year but did not eat because there was not enough money for food."²⁶

The cost of food insecurity in Maine has been estimated at \$787 million due to the direct and indirect costs associated with poor health, lowered educational outcomes and earning potential, and the value of related charitable contributions.²⁷

A snapshot of Maine's food insecurity:²⁸

- 16.2% of households are food insecure (1st in New England, 12th in the U.S.)
- Our increased prevalence of food insecurity ranks Maine 5th in the U.S. and 1st in New England.
- 7.5% of Mainers have very low food security (3rd in the U.S.)
- 24.1% (64,200) of children are food insecure (1st in New England.)²⁹

In Cumberland County, 40,070 individuals are food insecure, including at least one in five (11,910) children.³⁰ In 2014, 13,324 (33.5%) school children were eligible for subsidized school lunch in Cumberland County.³¹

²⁵"Reading, writing and hungry: The consequences of food insecurity on children, and on our nation's economic success." Partnerships for America's Economic Success, Food Research and Action Center (FRAC), November 2008.

http://frac.org/newsite/wp-content/uploads/2009/09/reading_writing_hungry_report.pdf.

²⁶ Coleman-Jensen, Rabbitt and Gregory. "Household Food Insecurity in the United States in 2014." United States Department of Agriculture, September 2015. www.ers.usda.gov/media/1896841/err194.pdf.

²⁷ "Measures of Growth 2015," Maine Development Foundation. www.mdf.org/publications/Measures-of-Growth-2015/820/.

²⁸ "Map the Meal Gap 2015: Overall Food Insecurity in Maine by County in 2013." Feeding America, 2015.

www.feedingamerica.org/hunger-in-america/our-research/map-the-meal-gap/2013/ME_AllCounties_CDs_MMG_2013.pdf.

²⁹ Only 12% of the children eligible for free and reduced-price lunch use summer meals programs. (Source: "Student Hunger Report," Taskforce to End Student Hunger in Maine. January 2015, <http://www.maine.gov/legis/opla/studenthungerreport.pdf>.)

³⁰ "Map the Meal Gap 2015: Overall Food Insecurity in Maine by County in 2013." Feeding America, 2015.

www.feedingamerica.org/hunger-in-america/our-research/map-the-meal-gap/2013/ME_AllCounties_CDs_MMG_2013.pdf.

³¹ "Maine Indicators," Kids Count Data Center. <http://datacenter.kidscount.org/data#ME/5/0>.

PROMISING STRATEGIES TO SUPPORT BASIC NEEDS

The impact of homelessness on children can lead to changes in brain architecture that can interfere with learning, emotional self-regulation, cognitive skills, and social relationships.³²

Reduce Homelessness and Food Insecurity

Effective responses to child homelessness must include safe affordable housing, education and employment opportunities, and comprehensive needs assessments of all family members.³³

It takes a comprehensive approach to help each person in a state of crisis navigate the complexities of the health and human service delivery systems to meet basic needs and secure permanent housing. Some possible strategies include:

- Developing a coordinated assessment process with the capacity to assess needs and connect families to targeted prevention assistance where possible and temporary shelter as needed.
- Connecting families to housing and services interventions most appropriate to their specific strengths and needs, including permanent supportive housing³⁴ for individuals who are chronically homeless³⁵ and long-term homeless.³⁶
- Helping families connect to community resources and income supports needed to sustain housing, food security and achieve stability.
- Developing and building upon evidence-based practices for serving families experiencing and at risk of experiencing homelessness.

These strategies focus on the immediate needs—food, shelter, emergency and income supports—of each individual while building a system to access services to address their long-term self-sufficiency.

³² “America’s Youngest Outcasts: A Report Card on Child Homelessness.” The National Center on Family Homelessness, November 2014. www.homelesschildrenamerica.org/mediadocs/282.pdf.

³³ “America’s Youngest Outcasts: A Report Card on Child Homelessness.” The National Center on Family Homelessness, November 2014. www.homelesschildrenamerica.org/mediadocs/282.pdf.

³⁴ Mondello, Melany, McLaughlin, Thomas, and Bradley, John. “The Effectiveness of Permanent Supportive Housing in Maine: A Review of Costs Associated with the Second Year of Permanent Supportive Housing for Formerly Homeless Adults with Disabilities.” October 2009. <http://www.mainehousing.org/docs/default-source/housing-reports/the-effectiveness-of-permanent-supportive-housing-in-maine-10-2009.pdf?sfvrsn=8>.

³⁵ Defined as “an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years.”

³⁶ Defined as “people staying over 180 cumulative days in shelters (or outdoors) within a 365 day period.”

FOCUS AREA #2: INCOME SUPPORTS

Income support programs are intended to protect people against health and injury risks that threaten their ability to work. These public benefits include Social Security, unemployment insurance, workers compensation, supplemental security income, Temporary Assistance for Needy Families (TANF), federal Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), General Assistance, other welfare, foster child payments, Supplemental Nutrition Assistance Program (SNAP), and housing assistance. These safety net resources reduce the number of people in poverty by 63%, and among non-elderly, single-parent families, income supports fill 75% of the poverty gap.³⁷

In 2014, income supports reduced the national poverty rate by 15.3%, from 29.1% to 13.8%, lifting 48 million people above the poverty line, including 12 million children.³⁸ **In Maine, income supports reduced poverty by 17.9%, the largest increase in New England, lifting 236,000 people above the poverty line.³⁹ For children in Maine, income supports helped 39,000 (15%) of children out of poverty, reducing their poverty rate from 27% to 12%.⁴⁰**

However, even with these income supports, 112,000, or 8.4% of Mainers (compared to 11.4% in the Official Poverty Measure) still live at or below the poverty line.⁴¹

Unfortunately, income supports often ignore or increase barriers for some of the most vulnerable, individuals who struggle with mental health disorders, and ignore the impact of regional economic conditions. To reduce the potential for creating a disincentive to work, federal and state governments have created income support guidelines that include time-limited benefits, relatively low benefit levels, and strict eligibility requirements that require a person to show that they are unable to undertake “substantial gainful activity,” or work. These rules that are intended to encourage work ignore characteristics of mentally ill participants, and as a result, many who are mentally disabled and only partially able to work lose benefits and find themselves without adequate income to survive.⁴² Eligibility requirements are restrictive asset limits that penalize savings and ownership and are counterproductive to the goal of helping individuals and families achieve economic security. Asset limits can make it difficult, if not impossible, for people to get the help they need when they fall on hard times.⁴³

The Federal Poverty Guidelines⁴⁴, issued by the Department of Health and Human Services, is used to determine eligibility for certain income support programs such as Low-Income Home Energy Assistance Program (LIHEAP), Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and the National School Lunch and Breakfast Programs.

³⁷ Gennetian, Lisa A., Castells, Nina, Morris, Pamela, “Meeting the Basic Needs of Children: Does Income Matter?” National Poverty Center, August 2009. http://npc.umich.edu/publications/u/working_paper09-11.pdf.

³⁸ “Income Inequality Has Grown in Maine,” Center for Budget and Policy Priorities: www.cbpp.org/sites/default/files/atoms/files/Maine.pdf.

³⁹ “Safety Net More Effective Against Poverty Than Previously Thought.” Center on Budget and Policy Priorities, May 2015. www.cbpp.org/sites/default/files/atoms/files/5-6-15pov.pdf.

⁴⁰ “Measuring Access to Opportunity in the United States.” Annie E. Casey Foundation, February 2015. www.aecf.org/resources/measuring-access-to-opportunity-in-the-united-states/.

⁴¹ “Safety Net More Effective Against Poverty Than Previously Thought.” Center on Budget and Policy Priorities, May 2015. www.cbpp.org/sites/default/files/atoms/files/5-6-15pov.pdf.

⁴² Danziger, Sheldon, Frank, Richard, and Meara, Ellen, “Mental Illness, Work, and Income Support Programs”. The American Journal of Psychiatry, April 2009. <http://ajp.psychiatryonline.org/doi/abs/10.1176/appi.ajp.2008.08020297>.

⁴³ “Asset Limits Are a Barrier to Economic Security and Mobility.” Center on American Progress, September 2014. https://cdn.americanprogress.org/wp-content/uploads/2014/09/Asset_Limits_Brief.pdf.

⁴⁴ 2015 Federal Poverty Guidelines table available in Appendix B.

As a companion assessment tool, the Supplemental Poverty Measure (SPM) incorporates basic necessities, tax payments, and work expenses in its family resource estimates. The SPM takes into account the use of government programs reflected in the federal poverty guidelines that are designed to assist low-income families and individuals.⁴⁵ It serves as an additional indicator of economic well-being, providing a deeper understanding of economic conditions and policy effects.⁴⁶ For example, unlike the OPM, the SPM recognizes the role that rising medical costs have on pushing seniors over age 55 into poverty. In Maine, one in ten seniors live in poverty—2.3% higher than the OPM.⁴⁷

Included in the SPM is the impact of refundable federal income tax credits like the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC). The federal EITC is a refundable tax credit based on a family's household composition and earnings. **The EITC demonstrates that earnings supplements reduce poverty and increase family income among low-income working families by both supplementing wages and providing incentives for people to enter the labor force.**⁴⁸ In Maine, the federal EITC lifts approximately 17,000 Mainers out of poverty every year.⁴⁹ Without this safety net, the poverty rate would be nearly twice as high.

The Supplemental Nutrition Assistance Program (SNAP) is the nation's most important anti-hunger program and one of the most effective forms of economic stimulus. Moody's Analytics estimates that in a weak economy every dollar increase in SNAP benefits generates about \$1.70 in economic activity. Similarly, an increase in SNAP benefits is one of the two most cost-effective of all spending and tax options it examined for boosting growth and jobs in a weak economy.⁵⁰ SNAP benefits reduce food insecurity between 5-10%, and by 20% among high-risk children—improving their overall health by 35%.⁵¹

Federal rental assistance enables 5 million low-income households to afford modest homes. In 2014, housing vouchers and other rental assistance lifted 2.8 million people, including about 900,000 children, above the poverty line under the SPM. Housing Choice Vouchers alone lifted more than a million people out of poverty and reduced homelessness.⁵² Despite these gains, federal rental housing subsidies only reach about a quarter of eligible households, and higher subsidy costs have strained the government's ability to maintain even that limited level of assistance.⁵³

⁴⁵ "The Supplemental Poverty Measure: 2014." United States Census Bureau. September 2015.

www.census.gov/content/dam/Census/library/publications/2015/demo/p60-254.pdf.

⁴⁶ "Supplemental Poverty Measure Overview." United States Census Bureau.

www.census.gov/hhes/povmeas/methodology/supplemental/overview.html.

⁴⁷ Schaefer, Andrew and Mattingly, Marybeth J., "Official Poverty Statistics Mask the Economic Vulnerability of Seniors: A Comparison of Maine to the Nation." Carsey Research, University of New Hampshire, Summer 2015.

<http://scholars.unh.edu/cgi/viewcontent.cgi?article=1252&context=carsey>.

⁴⁸ Gennetian, Lisa A., Castells, Nina, Morris, Pamela. "Meeting the Basic Needs of Children: Does Income Matter?" National Poverty Center, August 2009. http://npc.umich.edu/publications/u/working_paper09-11.pdf.

⁴⁹ Johnson, Joel. "Fix Maine's EITC to Reward Work and Reduce Poverty." Maine Center on Economic Policy, April, 2015.

www.mecep.org/wp-content/uploads/2015/04/EITC-Policy-Brief-FINAL-4-24-2015rev.pdf.

⁵⁰ Rosenbaum, Dottie, "SNAP Is Effective and Efficient." Center on Budget and Policy Priorities, March 2013.

www.cbpp.org/research/snap-is-effective-and-efficient.

⁵¹ Sherman, Arloc, and Danilo, Trisi, "Safety Net More Effective Against Poverty Than Previously Thought." Center on Budget and Policy Priorities, May 2015. www.cbpp.org/research/poverty-and-inequality/safety-net-more-effective-against-poverty-than-previously-thought.

⁵² Fischer, Will, "Research Shows Housing Vouchers Reduce Hardship and Provide Platform for Long-Term Gains Among Children." Center on Budget and Policy Priorities, October 2015. www.cbpp.org/research/housing/research-shows-housing-vouchers-reduce-hardship-and-provide-platform-for-long-term.

⁵³ "The State of the Nation's Housing 2015." Joint Center for Housing Studies of Harvard University, June 2015.

www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs-sonhr-2015-full.pdf.

PROMISING STRATEGIES TO PROMOTE INCOME SUPPORTS

Increase Access to Public Benefits and Work Supports

Income supports reduce poverty, yet for some, demand exceeds supply, and others have low participation rate. Therefore, strategies need to promote and connect low-income working families and individuals to all of the available income supports, and work with community, municipal, state and federal partners to increase access to these supports, and reduce asset limits and other barriers to participation.

Individuals and families also need advocates to help them access these income and work supports. Many people who are chronically homeless or have a disability have difficulty complying with benefit program requirements without assistance from service providers. Community and school-based one-stop centers provide low-barrier wrap-around services, education and connections to resources to make the greatest impact on increasing a person's financial stability.

By using strategies to increase participation in work supports like the federal and state Earned Income Tax Credits, individuals and families get connected to other public and private income supports and asset building resources that can help them make the most of their money.

DRAFT

FOCUS AREA #3: CAREER PATHWAYS

The economic recovery in Cumberland County continues to be slow and lags behind the rest of New England. The U.S. has recovered nearly two-thirds of the jobs lost, while Maine has recovered less than 10%.⁵⁴ Maine residents will continue to struggle with employment and sustainable living wages over the next 20 years.⁵⁵ This issue is compounded by the fact that Maine's working age population is in decline.

Employment

Stable employment is the key to creating and maintaining housing stability, and underemployment and low wages are frequent causes of homelessness. Research has identified that homeless families will move towards self-sufficiency with "intensive, integrated and personalized employment services to support both entry into and retention in full-time employment in jobs with family-sustaining wages and career ladders."⁵⁶

The official unemployment rate is the primary measure of changes in labor underutilization. According to the Maine Department of Labor, Maine's September unemployment rate was 4.4%, below the national average. The State's employment-to-population ratio was 59.9%, which is slightly above the U.S. average. Cumberland County's unemployment rate was 3%.

While the unemployment rate is low, it does not provide an accurate assessment of the challenges people face that find themselves underemployed with reduced wages and unreliable work schedules. The Bureau of Labor Statistics (BLS) publishes alternative measures of labor underutilization that provides a more accurate picture of the labor market, including the U-6, which looks at the "total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers." Maine's U-6 underutilized labor is 11.6%, matching the U.S. average.⁵⁷

Unreported in unemployment data are subpopulations that struggle to find livable wage jobs due to language, health, socioeconomic and other barriers, employment restrictions, or employer bias. Unemployment rates are far higher for New Americans, individuals with disabilities such as mental illness or substance abuse, and those who are homeless or ex-offenders.

Maine's decrease in the number of individuals who are unemployed has and will increasingly become impacted by Maine's "demographic cliff" of population dynamics and age structure created by approximately 200,000 workers who will reach traditional retirement age in the near future. To keep up with retirements, moves out-of-state, and exits from the workforce, 15,200 jobs will need to be filled annually through 2022.⁵⁸ In order to keep up with Maine's workforce demands, about 26,000 job openings through 2020 will need to be filled by young adults – either existing Maine residents, disengaged youth, or those moving to Maine from out of state.⁵⁹

⁵⁴ Colgan, Charles, "Maine Economic Outlook." New England Economic Partnership, October 2014. <http://neeecon.org/neepecon-2014-economic-outlook/?upf=dl&id=578>.

⁵⁵ Colgan, Charles, "Maine Economic Outlook." New England Economic Partnership, October 2014. <http://neeecon.org/neepecon-2014-economic-outlook/?upf=dl&id=578>.

⁵⁶ Tatjana Meschede, Chaganti, Sara, and Routhier, Giselle, "Secure Jobs for Homeless Families: Expanding an Integrated Service Model." Brandeis University, March 2015. <https://iasp.brandeis.edu/pdfs/2015/SJP2.pdf>.

⁵⁷ "Alternative Measures of Labor Underutilization for States, Second Quarter of 2014 through First Quarter of 2015 Averages." Bureau of Labor Statistics. <http://www.bls.gov/lau/stalt15q1.htm>.

⁵⁸ Anderson, J. Craig, "Want a top job in Maine? Think health care for best opportunity and pay." Portland Press Herald, September 20, 2015. www.pressherald.com/2015/09/20/want-a-top-job-in-maine-think-health-care-for-best-opportunity-and-pay/.

⁵⁹ "Measures of Growth 2015." Maine Development Foundation, April 2015. www.mdf.org/files/Final_MOGReport2015_WEB.pdf/641/.

These statistics reflect efforts to increase labor force participation from individuals under 35, workforce development for those who will be working beyond 65 due to financial constraints, skills matching for people with some college or training but no degree, and New Americans who have the equivalent higher education credentials and training outside of the United States. Hiring for health care workers is strong, as well as information technology and manufacturing, providing a clear indication that job growth will continue, according to the Maine Department of Labor, to be concentrated in occupations that require post-secondary education and in low-skill, low-paying occupations.

Maine Department of Labor and the Bureau of Labor statistics report that 69% of people over the age of 16 are in the labor force in Cumberland County. Of those who are working, 38.8% are in occupations such as management and professional positions, most of which require a college degree. Only 26% of jobs were positions such as construction and service industry jobs, which typically do not require a college degree.⁶⁰

Despite the steady decline for Maine's overall cost of doing business in recent years⁶¹ and unemployment rate, Cumberland County residents who work in occupations of hospitality and leisure and health care are actually working fewer hours now and earning less than four years ago.⁶² In many cases in these industries, employment does not include benefits, paid time off, or enough wages to pay for a household's basic needs. Due to low wages, workers in these occupations often don't have emergency savings, and are therefore vulnerable to continual struggles related to housing and long-term financial stability.^{63, 64}

Wage

Earning an adequate wage makes it possible for individuals and families to meet their basic needs, and focus on increasing their financial resources, saving and investing in the future. For those able to work, low-income families work multiple jobs to make ends meet, but their low wage and irregular work hours provide no opportunity to move up the financial stability ladder and build emergency savings, making them vulnerable to financial crisis and perpetual poverty.^{65,66}

In 2013, the median household income in Cumberland County was \$57,461 and the median earnings for workers were \$31,934. **The number of people who were employed and living in poverty in Maine increased from 2010-2013.**⁶⁷ In 2012, there were 40,000 low-income working families in Maine, of which 14,424 were headed by single women.⁶⁸ Maine women earned \$0.81 for every dollar earned by men in 2013—resulting in an estimated \$431,000 loss of lifetime earnings.⁶⁹

⁶⁰ 2014 statistics from Maine Department of Labor. www.maine.gov/dol.

⁶¹ "Measures of Growth 2015." Maine Development Foundation, April 2015.

www.mdf.org/files/Final_MOGReport2015_WEB.pdf/641/.

⁶² Kosma and Chalmers McLaughlin, "Cumberland County Needs Assessment." University of New England and The Opportunity Alliance, June 2015.

⁶³ UWGP analysis of Living Wage data as well as Cumberland County Needs Assessment data and report.

⁶⁴ Bureau of Labor Statistics data: www.dol.gov.

⁶⁵ UWGP analysis of Living Wage data as well as Cumberland County Needs Assessment data and report.

⁶⁶ Bureau of Labor Statistics data: www.dol.gov.

⁶⁷ "Maine People Agree Opportunity is the Bridge to a Better Future." Maine Equal Justice Partners, October 2014.

www.mejp.org/sites/default/files/Poverty-Report-Oct-2014_1.pdf.

⁶⁸ "Low-Income Working Mothers and State Policy: Investing for a Better Economic Future." Maine Equal Justice Partners, February, 2014. www.workingpoorfamilies.org/2014/02/12/state-policies-are-failing-maines-working-moms/.

⁶⁹ "Measures of Growth 2015," Maine Development Foundation, April 2015.

www.mdf.org/files/Final_MOGReport2015_WEB.pdf/641/.

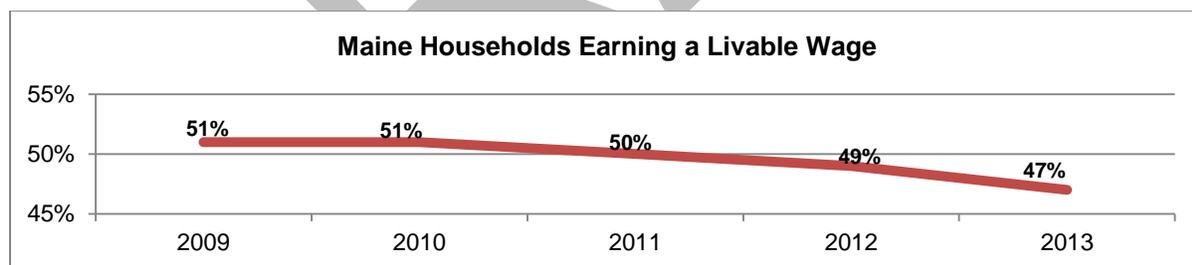
Most basic needs budgets include seven expense categories used by the U.S. Department of Labor: food, housing, transportation, health care, childcare, clothing, and personal care. A “livable wage” calculation includes these expenses as well as an estimate of state and federal taxes. The following “livable wage” table for Cumberland County looks at an individual’s full-time (2,080 hours) annual living wage to support their family’s basic needs.⁷⁰

Income That Supports Basic Needs—“Livable Wage”

Typical living expenses in Cumberland County with varying values for family size and composition that a wage needs to support.

Wages	1 Adult	1 Adult 1 Child	1 Adult 2 Children	1 Adult 3 Children	2 Adults (1 Working) 2 Children	2 Adults (1 Working) 3 Children	2 Adults	2 Adults 1 Child	2 Adults 2 Children	2 Adults 3 Children
Expense Includes: Housing Taxes Childcare Food Transportation Medical Other	\$23,208	\$48,756	\$57,802	\$72,850	\$51,081	\$57,657	\$37,799	\$53,550	\$63,544	\$74,641
Required Income before taxes										
Annual	\$23,213	\$48,756	\$57,804	\$72,842	\$51,085	\$57,658	\$37,815	\$53,540	\$63,523	\$74,631
Hourly	\$11.16	\$23.44	\$27.79	\$35.02	\$24.56	\$27.72	\$9.09	\$12.87	\$15.27	\$17.94

In an alarming trend, households earning a livable wage in Maine have declined 4% over the past five years.⁷¹ It is important to remember that this decrease has occurred within the context of the economic recovery that has taken place in Maine and the United States.



Source: Living Wage Calculator

⁷⁰ Glasmeier, Amy K., “Living Wage Calculator.” Massachusetts Institute of Technology, 2015. <http://livingwage.mit.edu/counties/23005>.

⁷¹ Glasmeier, Amy K., “Living Wage Calculator.” Massachusetts Institute of Technology, 2015. <http://livingwage.mit.edu/counties/23005>.

Education

As jobs require more skills, the share of jobs that require postsecondary education has doubled over the last 40 years.⁷² People who earn a postsecondary credential earn 65% more in their lifetime, and have fewer incidents of unemployment and poverty.⁷³ For example, one out of every 6.5 high school graduates without a college degree live in poverty, and the incidence of poverty is 27% less for those with some college but no degree compared to high school graduates without college.⁷⁴

In Cumberland County, an individual’s earnings potential is at its greatest between individuals with some college or an associate’s degree and those with a Bachelor’s Degree.⁷⁵ Those with some college but no degree earn on average \$33,525, enough to support their individual basic needs; however, the same person earned \$46,003 with a Bachelor’s degree, enough to support one child.

Education Attainment in Cumberland County in 2013⁷⁶

	Population	Percent
Less than high school graduate	21,022	11.5%
High school graduate (includes equivalency)	27,042	14.7%
Some college or associate's degree	33,525	18.2%
Bachelor's degree	46,003	25.0%
Graduate or professional degree	56,202	30.6%

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey.

Of those 25 years or older in Cumberland County,⁷⁷ **one out of four (5,571 or 26.5%) individuals with less than a high school diploma live below poverty, compared to one out of seven (3,515 or 13%) individuals who have a high school diploma or its equivalent.** The average annual income for these individuals is \$24,398 and \$32,064 respectively.

⁷² Carnevale, Anthony P. et. al. “Help Wanted: Projections of Jobs and Education Requirements through 2018.” Georgetown University Center on Education and the Workforce, June 2010. <https://cew.georgetown.edu/wp-content/uploads/2014/12/fullreport.pdf>.

⁷³ “Education Pays 2013: The Benefits of Higher Education for Individuals and Society.” The College Board, October 2013. <https://trends.collegeboard.org/sites/default/files/education-pays-2013-full-report.pdf>.

⁷⁴ Trostel, Philip, “It’s Not Just the Money: The Benefits of College Education to Individuals and to Society.” University of Maine. Lumina Foundation, October 2015. www.luminafoundation.org/files/resources/its-not-just-the-money.pdf.

⁷⁵ Nearly 40% of female heads of households in Cumberland County have no post-secondary education.

⁷⁶ Included in this data is the educational attainment of 12,536 foreign-born residents, representing: 2,582 with a high school diploma, 2,833 with some college or an associate’s degree, and 2,633 with a Bachelor’s degree.

⁷⁷ U.S. Census Bureau, 2009-2013 5-Year American Community Survey.

PROMISING STRATEGIES TO INCREASE EMPLOYMENT

The key component of financial stability is having enough income to support a household's basic needs, providing individuals and families an opportunity to get ahead. Employment is the key to income and therefore a priority in strategies to increase financial stability.

By creating pathways to employment, low-income individuals and families increase the likelihood that they obtain and retain employment, decrease underemployment, and increase their wages to support their household.

Increase Income by Creating Pathways to Employment

Coordinated assessment and case management navigators have proven, in many instances around the country, to be a successful model to provide wrap-around services to address the multiple barriers an individual and family faces when in poverty. Evidence shows that navigators have a positive impact on helping individuals find and retain employment, and advance their skills to retain jobs that pay a family-sustaining wage.⁷⁸

By working together, community, municipal and state partners increase the number of individuals who secure family-sustaining employment (a job that supports a household's basic needs, provides benefits, and pathways for wage and career advancement) through education, training and sector-based strategies. These same partnerships are also re-engaging individuals in education by helping them to increase completion of degree, certification and training programs.

When it comes to workforce advancement, low-income working families confront a variety of obstacles including remedial education, language acquisition, low levels of formal education,⁷⁹ and recognition of foreign credentials. Community colleges educate almost half of undergraduates in the U.S., helping students at all educational levels strengthen skills and build a strong foundation to transition into four-year colleges, complete associate degrees and certificates, vocational education for sector-specific work, and pursue continuing education. However, half of these students drop out, many of whom do so because of financial barriers.

Ensuring individuals in our community have the education they need to succeed is essential to helping businesses succeed.⁸⁰ Research reports that upon completing community college, students will see a 16-27% return compared to not pursuing education beyond a high school degree,⁸¹ and the unemployment rate for those with an associate's degree is just over 4%. Early reports show that resource centers co-located in educational centers like adult education and community colleges can double student retention. By completing school, securing accreditations, and building workplace competencies, individuals are securing better jobs and greater financial stability.

⁷⁸ Meschede, Tatjana, Chaganti, Sara, and Routhier, Giselle, "Secure Jobs for Homeless Families: Expanding an Integrated Service Model." Brandeis University, March 2015. <https://iasp.brandeis.edu/pdfs/2015/SJP2.pdf>.

⁷⁹ "Building a Foundation for Family Economic Success." The Working Poor Families Project, November 2009. www.workingpoorfamilies.org/pdfs/WPFP_State_Policy_Accomplishments11-02-09.pdf.

⁸⁰ "Measures of Growth 2016," Maine Economic Growth Council and Maine Development Foundation. April 2016, www.mdf.org/files/MeasuresOfGrowth2016WEB.pdf/694/.

⁸¹ Kolesnikova, Natalia A. "The Changing Role of Community Colleges." Federal Reserve Bank of St. Louis, Fall 2009. www.stlouisfed.org/publications/br/articles/?id=1699.

FOCUS AREA #4: FINANCIAL RESOURCES

Research shows that reducing the cost of living for low-income families by just 1% would add more than \$6.5 billion in new spending power in a community. When households have affordable housing, they have more financial resources to meet their basic needs, have more reliable transportation, and increase their ability to save.

Increasing Assets and Managing Expenses

Increasing the availability of and access to low-cost services and connecting people to financial education will ensure they increase their financial capability, avoid debt and increase their ability to save. “In order to save, households must have income left over after meeting basic consumption needs –such as food, housing, transportation, child care and medical care – and paying down debt. They also need the budgeting skills and financial knowledge necessary to manage their finances and credit and reduce debt. To convert that disposable income into savings, households must also have knowledge of and access to convenient, low-cost savings products and structures, such as transaction and savings vehicles, short-term credit products, and infrastructures like direct deposit and automatic enrollment in savings plans. These infrastructures can support continuous savings behavior, helping households grow savings over time.”⁸²

Affordable Housing

In 2014, the average American household spent over 33% of their income on housing—the largest expense in a household.⁸³ **Low-income households that must allocate more than 30% of their income to housing expenses are less likely to have enough resources for food, transportation and medical care.** When low-income families have affordable housing, they increase their consumer spending and on average, spend 11% more on food and 2.5 times more on transportation. In fact, people who live in rural areas are able to spend more than three times as much on transportation.⁸⁴ In Cumberland County, 53.5% or 18,601 people, spent more than 30% or more of their income on rent, with 14,993 paying more than 35%. For homeowners, 34.5% or 19,731 people, paid more than 30%, with 14,739 paying more than 35%. Throughout Maine, 52 affordable living units were available for every 100 renter-households with very low incomes in 2013, ranking the state as 41st in the nation.⁸⁵ Avesta Housing reports that “40% of the households that received a housing subsidy in 2014 were able to find an appropriate place to live, compared with more than 80% who succeeded in the two previous years.”⁸⁶ Less than 2% of apartments, at any income range, are unoccupied. This challenge will increase as individuals continue to move into Greater Portland for job opportunities.

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Cumberland County has the highest percentage of households in the state who are unable to afford a median home.^{87,88} 74,704 (62.5%) households are unable to afford a median home and 24,001 (60.9%) individuals are unable to afford rent for a two bedroom unit.

⁸² “Framework for Achieving Housing Security.” CFED, http://cfed.org/assets/CFEDHouseholdFramework_4Pager.pdf.

⁸³ “Consumer Expenditures – 2014.” Bureau of Labor Statistics, September 2015. www.bls.gov/news.release/cesan.nr0.htm.

⁸⁴ “The State of the Nation’s Housing 2015.” Joint Center for Housing Studies of Harvard University, June 2015.

www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs-sonhr-2015-full.pdf.

⁸⁵ Very low-income households are those with incomes at or below half of median income in the metropolitan or other area where they live. (Sources: Analysis of data from the U.S. Census Bureau, American Community Survey, 2012; and “Housing Spotlight 4 (1).” National Low Income Housing Center, 2014. <http://talkpoverty.org/state-year-report/maine-2014-report/>).

⁸⁶ Richardson, Whit, “Greater Portland enduring an affordable housing crunch.” Portland Press Herald, January, 9, 2015.

www.pressherald.com/2015/01/09/greater-portland-enduring-an-affordable-housing-crunch/.

⁸⁷ “2014 Housing Facts for Cumberland County.” Maine Housing, 2014. www.mainehousing.org/docs/default-source/housing-facts/cumberlandcounty2014.pdf?sfvrsn=5.

⁸⁸ Cumberland County Housing Affordability Index available in Appendix B.

PROMISING STRATEGIES TO INCREASE FINANCIAL RESOURCES

Increase Liquid Assets and Manageable Expenses

If individuals and families understand, access, and manage their financial resources to help strengthen their self-sufficiency, they will be more likely to find ways to save and protect themselves from a financial setback. For low-income households, less than \$2,000 of liquid assets can protect against eviction and food insecurity, and savings between \$2,000-\$10,000 has an even broader effect, reducing their reliance on public assistance.⁸⁹ Community partnerships focusing on household asset-building have proven to be a successful model in reaching those target populations who are ready to save. Year-round efforts should be strengthened to ensure these support services are coordinated and focusing on the same asset building indicators.

Increase Affordable Housing

Low-income working families will reduce their housing burden and increase their financial resources if they secure affordable housing. If households can decrease the amount they spend on their mortgage or rent, they will be more likely to have financial resources to save. Efforts are currently focused on increasing the number of affordable housing units in the state; however strong federal and state advocacy is needed to advance this important strategy. Many of the promising strategies discussed earlier in the “Permanent Housing” section of this paper share the same goals and indicators as affordable housing, especially for our most vulnerable populations.

⁸⁹ “Asset Limits Are a Barrier to Economic Security and Mobility.” Center on American Progress, September 2014. https://cdn.americanprogress.org/wp-content/uploads/2014/09/Asset_Limits_Brief.pdf.

APPENDIX A – DATA TABLES

2015 Federal Poverty Guidelines

The table below identifies a household’s percentage of the federal poverty threshold. Income support programs use various thresholds of poverty to determine eligibility. This may also be used for equivalent basic need income threshold examples cited in this paper.

Family Size	100%	150%	185%	200%	263%	288%	300%
1	\$11,770	\$17,655	\$21,775	\$23,540	\$30,955	\$33,898	\$35,310
2	\$15,930	\$23,895	\$29,471	\$31,860	\$41,896	\$45,878	\$47,790
3	\$20,090	\$30,135	\$37,167	\$40,180	\$52,837	\$57,859	\$60,270
4	\$24,250	\$36,375	\$44,863	\$48,500	\$63,778	\$69,840	\$72,750
5	\$28,410	\$42,615	\$52,559	\$56,820	\$74,719	\$81,821	\$85,230
6	\$32,570	\$48,855	\$60,255	\$65,140	\$85,660	\$93,802	\$97,710
7	\$36,730	\$55,095	\$67,951	\$73,460	\$96,601	\$105,783	\$110,190
8	\$40,890	\$61,335	\$75,647	\$81,780	\$107,542	\$117,764	\$122,670

Low and Moderate Income (LMI) Households in Cumberland County^{90 91}

Town	LMI Pop	Total Population	LMI Percentage	LMI Population/Total County LMI Population
Westbrook	8,280	17,120	48.4%	16.3%
Windham	6,495	15,850	41.0%	12.8%
Scarborough	4,705	18,495	25.4%	9.2%
Gorham	3,685	13,930	26.5%	7.2%
Standish	3,300	9,315	35.4%	6.5%
Gray	3,180	7,625	41.7%	6.2%
Freeport	2,410	7,665	31.4%	4.7%
Cape Elizabeth	2,300	9,055	25.4%	4.5%
Falmouth	2,190	10,935	20.0%	4.3%
Yarmouth	2,085	8,325	25.0%	4.1%
Casco	1,930	3,710	52.0%	3.8%
New Gloucester	1,720	5,430	31.7%	3.4%
Raymond	1,615	4,415	36.6%	3.2%
Cumberland	1,500	7,165	20.9%	2.9%
Naples	1,425	3,775	37.7%	2.8%
Harrison	1,330	2,665	49.9%	2.6%
North Yarmouth	875	3,515	24.9%	1.7%
Sebago	600	1,460	41.1%	1.2%
Baldwin	575	1,655	34.7%	1.1%
Pownal	435	1,510	28.8%	0.9%
Long Island	240	360	66.7%	0.5%
Chebeague Island	60	240	25.0%	0.1%
County Total w/o Portland	50,935	154,215	35.0%	

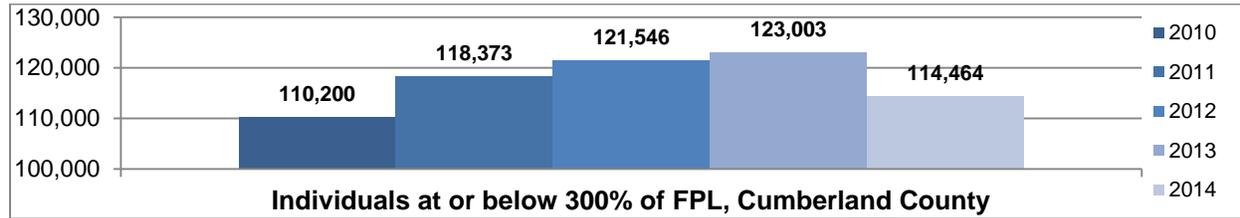
⁹⁰ 2015 Cumberland County Distress Score, Community Development Block Grant. Cumberland County, Maine.

www.cumberlandcounty.org/DocumentCenter/View/765. Moderate income is calculated by the U.S. Department of Housing & Urban Development (HUD) as 80% of the HUD Area Median Family Income (HAMFI), adjusted for household size.

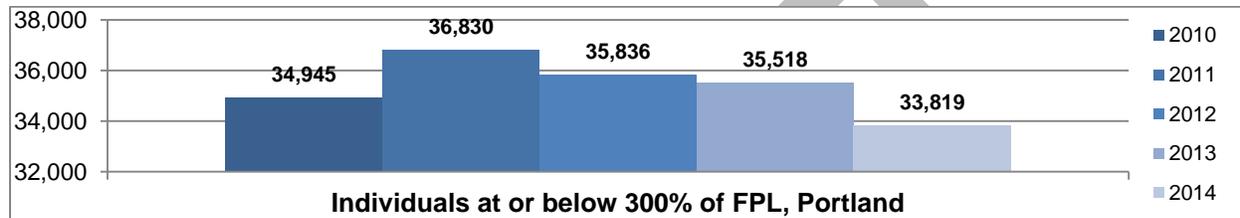
⁹¹ Income at or Below 80% of the HUD Area Median Family Income (HAMFI) outside of Portland. HUD Fiscal Year 2015 Income Limits Summary. <https://www.huduser.gov/portal/datasets/il/il2015/2015summary.odn>

Poverty in Cumberland County

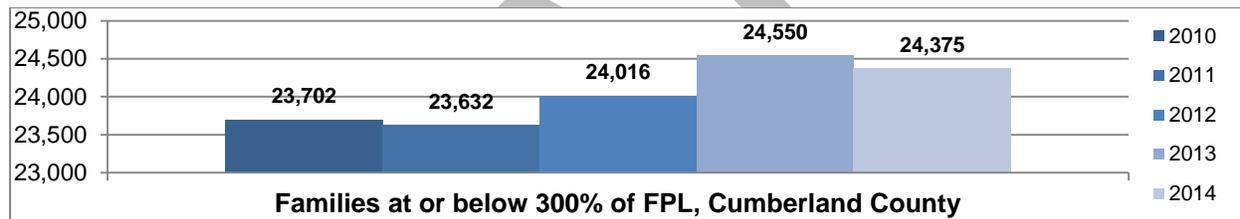
Households who have enough income to support their basic needs is estimated around 300% of federal poverty threshold.



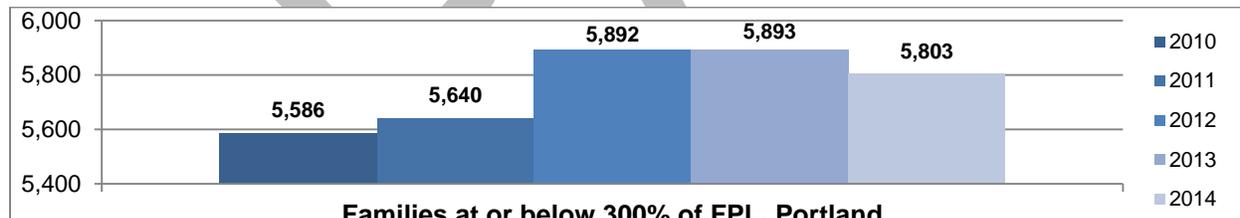
Source: ⁹²



Source: ⁹³



Source: ⁹⁴



Source: ⁹⁵

⁹² "Ratio of Income to Poverty Level of Individuals." U.S. Census Bureau, 2010-2014 American Community Survey Table B17002.
⁹³ "Ratio of Income to Poverty Level of Individuals." U.S. Census Bureau, 2010-2014 American Community Survey Table B17002.
⁹⁴ "Ratio of Income to Poverty Level of Families." U.S. Census Bureau, 2010-2014 American Community Survey Table B17026.
⁹⁵ "Ratio of Income to Poverty Level of Families." U.S. Census Bureau, 2010-2014 American Community Survey Table B17026.

Housing Affordability Index in Cumberland County⁹⁶

Households Unable to Afford Median Home

	Households Unable to Afford Median Home		Total Households	Income Needed to Afford Median Home		Median Home Price
	%	Number		Annual	Hourly	
Windham	45.0	2,945	6,541	\$58,000	\$27.88	\$204,200
Gray	45.3	1,474	3,252	\$63,142	\$30.36	\$224,500
Portland-So. Po. Mkt	53.3	81,746	153,411	\$63,586	\$30.57	\$226,200
Bridgton	55.8	1,287	2,305	\$41,632	\$20.02	\$145,000
Freeport	62.8	2,053	3,267	\$83,468	\$40.13	\$289,500
Portland	72.0	22,388	31,098	\$72,904	\$35.05	\$241,500
Cumberland County	62.5	74,704	119,550	\$66,935	\$32.18	\$237,000
Maine	49.5	278,168	561,638	\$47,981	\$23.07	\$170,000

Renter Households Unable to Afford Average 2 Bedroom Rent

	Households Unable to Afford Average 2 BR Rent		Total Renter Households	Average 2 BR Rent (with utilities)	Income Needed to Afford Average 2 BR Rent	
	%	Number			Annual	Hourly
Portland-South Portland	64.1	31,274	48,823	\$1,238	\$49,507	\$23.80
Portland	70.7	12,586	17,798	\$1,310	\$52,411	\$25.20
Bridgton	70.8	414	585	\$896	\$35,841	\$17.23
Cumberland County	60.9	24,011	39,444	\$1,124	\$44,948	\$21.61
Maine	57.8	92,844	160,766	\$872	\$34,865	\$16.76

⁹⁶ "2014 Housing Facts for Cumberland County." Maine Housing, 2014. www.mainehousing.org/docs/default-source/housing-facts/cumberlandcounty2014.pdf?sfvrsn=5.