

2008



Washington Hancock  
Community Agency

# Needs Assessment Report

# Washington Hancock Community Agency Needs Assessment 2008



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## Introduction

In October 2006, the Board of Directors of the Washington Hancock Community Agency (WHCA) set several strategic goals for the agency, one of which was to “develop a plan [and] undertake a comprehensive needs assessment for the people we serve” in the two counties. The following spring, Board President Jack Corrigan established an *ad hoc* Needs Assessment Committee and charged it with planning, conducting, and reporting on the findings of the assessment. Committee members initially included board members Bill Stone, Joan Weber, and David Sanderson, and staff members J Martin, Keith Small, and Executive Director Tim King. We began meeting in June 2007, and by the end of the summer were able to develop a plan for the project which focused on discovering the current needs of lower-income people in both counties (up to 150% of the federal poverty level). We were able to fund the project through a Community Services Block Grant.

For a sense of how many people live at or below 100% of the poverty level, consider first that of the roughly 80,000 people in these two counties, 5,300 in Washington County stand at or below the poverty level, 5,200 in Hancock County – a total of 10,500. Raising the level to 150%, we find that as many as 20,000 people – 25% of the two-county population – may well be involved. (The federal poverty guidelines for 2007 stood at \$10,210 for an individual and \$20,650 for a family of four.)

The committee devised an assessment process that included personal interviews with lower-income people and community forums, open to the public, with participants invited from other service providers, volunteer community organizations, social activists, and town leaders (including elected officials and managers). The committee convened four community forums – in Ellsworth, Milbridge, Machias, and Calais – in September and October 2007. We were ably assisted in designing and conducting these forums by Charles Morris and Ann Acheson, of the Margaret Chase Smith Policy Center at the University of Maine, whom we chose both because of the Center’s expertise about public policy issues in Maine and because Ms. Acheson authored the Center’s report (sponsored jointly with the Maine Community Action Association), *Poverty in Maine 2006*.

Beginning in the fall of 2007 and running through the following spring, with the invaluable assistance of Eleanor West and her staff in WHCA’s Community Services Division, we interviewed 290 applicants to the Low Income Home Energy Assistance Program (LIHEAP).

Two other events, in June and July 2008, completed the assessment process. First, the Maine Community Action Association asked WHCA to participate in “Maine Voices,” a series of forums designed to listen to Maine’s low-income residents. WHCA convened its forum in Milbridge, and we on the committee took the opportunity to add our own questions for the seven participants – questions that focused on the results of the LIHEAP interviews and were meant to refine our understanding of that data. Second, we invited the

participants in the community forums to return to a follow-up meeting in which we shared what we had learned from the assessment and learned their responses and suggestions.

Altogether, we met and spoke with 362 residents of the two counties. The LIHEAP data are statistically significant with an error rate of +/- 5%.

The committee itself evolved over the course of the 15 months of work. We lost J Martin, who left WHCA for a new position, and Bill Stone, who died December 1, 2007. We welcomed staff member Ellen Hathaway and board members Craig Schoppe and Barbara Arter. Special thanks are due to all the stalwart, committed members who believed in the importance of this project and worked so hard to make it successful.

We hope the findings noted here and the recommendations to the WHCA Board of Directors will have an important impact.

David Sanderson, Chair  
WHCA Needs Assessment Committee

The 2008 Washington Hancock Community Agency Needs Assessment Report was prepared by the Needs Assessment Committee with text and photos by Ellen Hathaway. *Poverty in Maine 2006* data used by permission.

## Recommendations of the Committee

Based on the findings from all four assessment collection methods, the committee compiled a list of **categories of need**. The list is not arranged in any order of priority of need. We identified nine categories, the largest of which is income.

- Income – current and potential ameliorations include:
  - LIHEAP
  - Childcare vouchers
  - Weatherization
  - Family Development Accounts
  - Earned Income Credit
  - Bank On through Pew Charitable Trust
  - Political advocacy in areas such as minimum wage and job quality
- Financial Literacy – how to create and manage a household budget and obtain credit
- Health – portable clinics, such as the one in Farmington, traveling health professionals
- Volunteer Advocates – to help clients navigate to the services they need
- Volunteer Mediators – to resolve disputes, (Penquis has a model), *pro bono* lawyers
- Disseminating Information – marketing social service agencies, including face-to-face and word-of-mouth methods
- Education – higher education and vocational training
- Business Development – for job creation and to stimulate the regional economy
- Transportation – to work and essential appointments, a reliable vehicle

We offer these findings to the board to be used in its planning process, to inform its decisions regarding changes to current programs or addition of new programs.

### **Our recommendations to the board are as follows:**

1. Develop a Strategic Plan addressing the findings of the Needs Assessment.
2. Re-emphasize the crucial place of political advocacy around poverty.
3. Increase interactions and networking with other organizations that work with the same population we assist.
4. Re-balance WHCA's government-surrogate role by emphasizing a community development, grass-roots approach.

## Methodology

### Project Beginnings

In October 2006, the board of WHCA identified needs assessment as a priority. Executive Director Tim King wrote at that time, “Periodically, it is strategically important to determine the service needs for the people of Hancock and Washington counties and how WHCA and other service providers address those needs.” A committee was established to determine how the assessment would be conducted. Typically, a needs assessment involves one or more techniques, such as surveys, interviews, focus groups, community meetings, and client meetings.

The committee decided to conduct four community forums, at least 250 surveys of clients and follow-up focus group meetings. The forums were to be conducted in population centers that would be convenient to the most participants. The surveys would be conducted with those applying for the Low Income Heating Assistance Program or LIHEAP. The focus group would be composed of a smaller group of those who attended the community forums.

In July of 2007, the Margaret Chase Smith Policy Center was engaged to provide technical assistance to Washington Hancock Community Agency in the design and facilitation of the community forums and the survey content. Senior Research Associates Charlie Morris and Ann Acheson worked with the Needs Assessment Committee to design the structure of the forums and Acheson served as facilitator.

Ann Acheson is Editor of *Maine Policy Review* at the Margaret Chase Smith Policy Center, University of Maine, and is a faculty associate in the Anthropology Department. Since coming to the Center in 1999, she has worked on several major behavioral and social service research and evaluation projects. Her recent work focuses on health and social policy, particularly poverty and substance abuse. She is the author of two reports produced under sponsorship from the Maine Community Action Association: “*Poverty in Maine 2003*” and “*Poverty in Maine 2006*,” has published several articles on Maine poverty, and in 2008 initiated a twice-yearly newsletter, *Poverty in Maine Update*.

### Target Population

The Committee agreed to target the community forums to include:

- Those up to 150% of the poverty level
- Town leaders, including elected officials and managers
- Those with other perspectives – e.g., volunteer community organizations, activists, providers

Forums were scheduled in Ellsworth, Calais, Machias and Milbridge.

A wide spectrum of citizens and social service providers were invited to the forums, as well as legislators, volunteers, food pantry operators, community activists, educators, medical professionals, local government officials, state officials, business owners, legal professionals, members of local chambers of commerce, university staff and students, and others.

The LIHEAP surveys were administered to a random group of male and female applicants, with a representative number of persons over the age of 60 and under the age of 60, and from both Washington and Hancock counties, with a goal of 250 completed surveys.

**Purpose**

During the summer and fall of 2007, the committee met with WHCA staff and Ann Acheson and Charlie Morris of the Margaret Chase Smith Policy Center to develop questions for the survey and the agenda for community forums. The committee identified three objectives:

- To learn the opinions of the citizens of Hancock and Washington counties about factors that are affecting lower-income people
- To identify the high-priority needs of lower-income people in the two counties
- To learn what changes in programs and services for lower-income people should be considered

**Questions for the Forums**

The Committee came up with a list of questions to guide the forums.

1. What do you think are the most important needs facing lower income residents in your communities?
2. Why do you think these are important?
3. How well are these needs being met currently?
4. Are there programs or benefits to assist lower-income people in your communities that you think need to be changed in some way?
5. We want to end with a more general question for you to consider. Forty years ago, Washington County was the poorest county in Maine. It is still the poorest county. Hancock County has more pockets of prosperity, but there are areas in Hancock County where people are not doing very well economically. Why do you think we have persistent poverty?

**LIHEAP Surveys**

As a second source of data, the committee studied various survey tools to develop a survey to be used with a random sample of at least 250 LIHEAP clients. The final survey posed 32 questions to which the respondent would answer that the item was not a problem, a slight problem, a serious problem, don't know or doesn't apply to my

household. The questions were about money, employment, legal help, medical care, transportation, childcare, housing, education and other topics. The survey also included eight demographic questions about the respondent and an opportunity to make a final comment on the one thing that would help most to meet the needs of the people living in the household.

**LIHEAP Questions**

See LIHEAP Survey Background on page 8 and LIHEAP Survey Respondents' Demographics on page 10. Also see the original LIHEAP Survey and detailed results in the Appendix.

**Maine Voices**

An opportunity arose when WHCA was asked to participate in the Maine Voices initiative hosted by the Maine Community Action Association in partnership with Western Maine Community Action and the Maine Association of Independent Neighborhoods. Seven "listening sessions" were held in communities around the State during the last two weeks of June 2008. One of these was held in Milbridge, hosted by WHCA. Following the Maine Voices session, we asked the seven participants a series of questions related to our Needs Assessment project.

**Questions for Maine Voices**

Maine Voices participants were asked five questions:

1. The WHCA Needs Assessment Committee has understood the top priority in the LIHEAP interviews to be "not enough money in general" – especially to pay monthly bills, to buy gas for a vehicle, pay debts, and buy clothing, food and other necessities. From your own experience, does this seem accurate?
2. Other topics we have noted are, in this order: access to legal help; ability to make a household budget, ability to get credit; health insurance coverage, having a physical health problem, no dentist; transportation – for shopping, medical visits and work. Do these ring true to you?
3. Help us understand the problem of access to legal help. What kinds of legal help are most needed? Are there lawyers available to you?
4. Twenty nine percent of the people we interviewed said that paying rent or a mortgage was a serious to moderate problem. In your experience, is there a lack of affordable housing?
5. Are there other major problems you don't see mentioned in the survey results?

**Focus Group Follow-up**

Those who participated in the community forums were invited to participate in a focus group that met in July 2008 to review the



findings from the other forums, the LIHEAP survey and the Maine Voices event. They met in Calais, Machias and Ellsworth. The sites were connected by telecom or telephone conference so that the groups could interact. The focus groups included 19 of the original community forum participants.

**Focus Group Questions**

The focus groups were presented with the findings and asked two questions:

1. How do our current programs and the Needs Assessment survey results square with each other?
2. What innovations would you urge WHCA to pursue, short- and long-term?

Following the focus group meetings, the committee met again to review findings and make recommendations to WHCA's Board of Directors.

## LIHEAP Survey Background

The largest number of clients seeking services from WHCA comes through the Low Income Home Energy Assistance Program or LIHEAP. WHCA typically assists 4,500 to 5,000 LIHEAP clients per year in Washington and Hancock counties. Of those, 37% are elderly and 25% are disabled. In 2007, they spent close to 30% of their income heating their homes.

LIHEAP pays a portion of home heating costs for low-income and very low-income households with income up to 150% of federal poverty guidelines. LIHEAP pays a portion of the resident’s home heating costs through participating fuel suppliers. Payment is usually made directly to the supplier. The program is funded through the U.S. Department of Health and Human Services.

### 2007 HHS Poverty Guidelines

Persons in Family or Household	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$10,210	\$12,770	\$11,750
2	13,690	17,120	15,750
3	17,170	21,470	19,750
4	20,650	25,820	23,750
5	24,130	30,170	27,750
6	27,610	34,520	31,750
7	31,090	38,870	35,750
8	34,570	43,220	39,750
For each additional person, add	3,480	4,350	4,000

**SOURCE:** *Federal Register*, Vol. 72, No. 15, January 24, 2007, pp. 3147–3148

The committee relied on advice from Charlie Morris and Ann Acheson of the Margaret Chase Smith Policy Center to help create a survey to be administered to LIHEAP applicants. Every effort was made to ensure that we obtained a representative sample of low-income people without selecting specific clients. They suggested that we predetermine the appropriate split of age groups, then determine the target number of surveys for each age grouping, and have each interviewer maintain a running tally to ensure that they interviewed approximately the right number of each age category to meet our target percentages.

It was determined that there was no need to ensure proper sampling based on gender because our programs are not gender specific. The demographic information collected was age, number of children, type of housing and county of residence. An attempt was made to obtain surveys from a representative number of persons over 60 years of age and under 60 years of

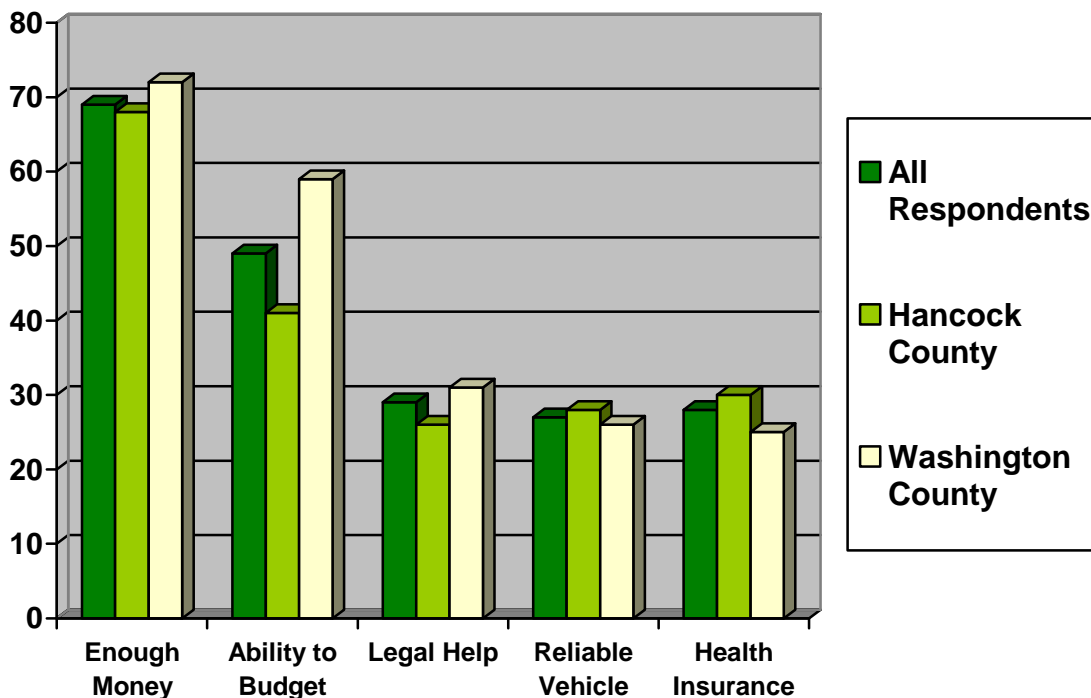
age. Because roughly 37% of the 5,000 LIHEAP clients WHCA serves each year are elderly and only 16% of the local population is over 65, an effort was made to include younger respondents. We also tried to include an equal number from both Washington and Hancock counties.

Morris and Acheson offered advice about how to avoid issues of coercion and helped devise a statement to be presented at the beginning of each interview. The most important points were to ensure that clients did not associate the needs assessment interview with their LIHEAP application and to assure them that the interview was optional.

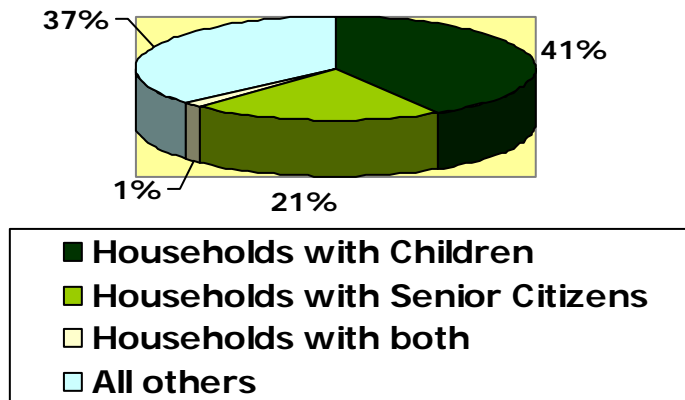
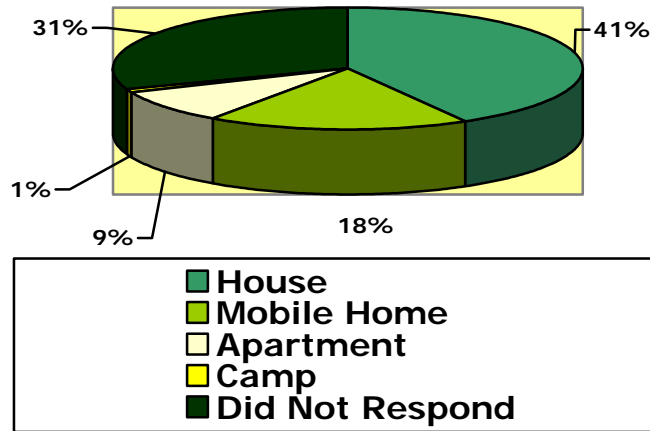
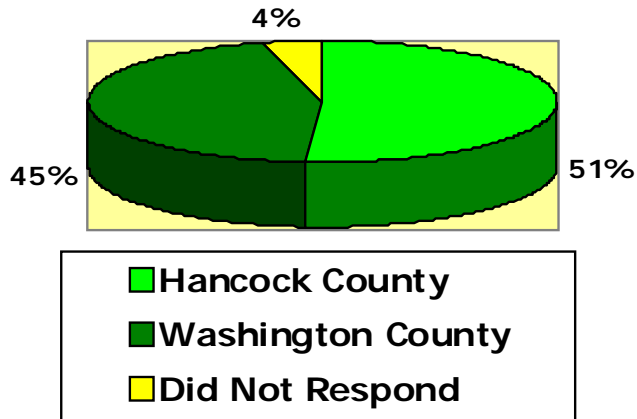
Because some respondents might not be able to read and some might be hard of hearing, the surveyor would read the questions aloud and also make the questionnaire available to clients so they would have the option to read or listen, without having to self-identify as illiterate or deaf.

The introduction to the survey, which was written down for the respondent, emphasized the interview's being optional, confidential, and separate from the LIHEAP application and WHCA services in general. Respondents were assured that nothing personal in their application file would be associated with the survey and that they did not have to respond unless they chose to do so.

The following chart summarizes the top five needs identified by those who participated in the LIHEAP survey.



## LIHEAP Survey Respondents' Demographics



## Findings

A series of four community forums – in Calais, Ellsworth, Machias and Milbridge – were held in fall 2007 and a survey of 290 LIHEAP clients was conducted over the winter. In addition, a small group of seven clients was interviewed in June 2008 as part of the Maine Voices initiative to test our preliminary findings. Follow-up focus groups convened in July 2008 to look at the data collected. Of the 65 original participants, 19 (almost 30%) attended the focus group meetings. The four methods produced mostly consistent results, with some interesting exceptions.

### Top 5 problems faced by LIHEAP clients

*“Nothing can help us, unless you can find a way to put more money in our pockets.”*

### The survey of LIHEAP clients found the top five problems they faced to be:

- Enough money to pay monthly bills and meet expenses
- Ability to make a household budget and obtain credit
- Access to legal help
- Health insurance and health issues; access to medical and dental care
- Transportation to work and essential appointments; a reliable vehicle

### Access to legal help

*“I think there’s a problem with people knowing what their rights are.”*

**The Maine Voices group agreed with this list of priorities; however they would put access to legal help at the bottom of the list.** The discussion revealed that most of them know where to find legal help when they need it and they agreed that it’s only a priority when you are in crisis. They did express a need for affordable legal help, at a rate less than the \$150-\$200 per hour that most lawyers charge. The **focus group** was aware that some legal assistance is available from Pine Tree Legal, but there are restrictions on the types of cases they can pursue. It was suggested that volunteer mediators would be helpful in cases that could be settled out-of-court.

### Employment

*“I’d like to make money enough to make ends meet so I wouldn’t have to be on assisted programs.”*

Of the LIHEAP survey respondents, 31% said a stable job was a serious or moderate problem, but participants at all four community forums expressed concern over the general lack of employment in the region and the quality of jobs that are available. At the Ellsworth forum, there was considerable concern expressed about new jobs being primarily low-income retail positions. The prevalence of seasonal employment was an issue at the Washington County forums. Several people said this was part of the culture in Washington County and one participant in Machias remarked, “We have a

*"You used to be able to go out and clam and make a good living."*

plantation, part-time economy."

**Living Wage:** The focus groups suggested that jobs available in the region are typically not high-paying and there is too much reliance on service industry employment. Wages are not keeping up with inflation. They identified some barriers to entrepreneurship, such as poor cell phone reception and lack of broadband service in rural areas.

## Housing

*"If ... you're giving out vouchers, it doesn't help if your landlord doesn't take them."*

Housing was a major topic of discussion at the forums in Ellsworth, Machias and Milbridge and for the Maine Voices group, but not a significant issue for the LIHEAP respondents, the majority of whom either own or rent a home (94%). In the comments section of the survey, the LIHEAP clients did mention home repairs as a need. In the Machias forum, the lack of Section 8 housing was discussed. Clients can get the vouchers, but the properties are not available. A lack of affordable housing was noted in Milbridge, Machias and Ellsworth. The need for single-room rentals was discussed in Ellsworth.

## Medication

*"It costs \$10 for gas to get from Calais to Machias to a pharmacy. That hurts!"*

The lack of ready access to prescription medicines was a big issue in Calais and Machias. The recent closure of a pharmacy in Calais was noted and the absence of large chain pharmacies means that residents have to drive some distance to get their prescriptions filled.

## Food Stamps

*"Young moms...they can't afford fruits and vegetables."*

In several locations, participants noted that Food Stamps don't pay for toiletries, disposable diapers and other essentials and many food pantries don't have these items either. There is a need for some method to help low-income people obtain these essentials.

## Additional Areas of Need

*"The cost of living is hitting everyone, across the board."*

The Maine Voices group was asked if there were other major problems not mentioned in the LIHEAP survey list of priorities. They added the following needs:

- More assistance for the elderly and disabled
- Help paying first and last month's rent
- Money to pay for education
- Money for car repairs and maintenance
- Jobs for senior citizens

## Cliff Effect

The "cliff effect" was discussed as a problem for those just above the poverty level at all four forums. When a person who is eligible for benefits – housing, healthcare, etc. – goes above a certain income level, they "fall off the cliff" and lose

*“If you work hard and make more, you’re not eligible for most things.”*

benefits. In Calais a service provider said she hears people ask “Why work?” when they lose benefits and subsidies by taking minimum wage jobs and are worse off than when they were not working. “What are the rewards for trying?” one woman in Ellsworth asked. One of the LIHEAP survey respondents wrote: “The poverty guidelines should be increased. I make \$19,000 for the year, not enough to get by from week to week and pay all my bills, but too much to qualify for any help from anywhere. I’m stuck between a rock and a hard place.”

### **How Are We Doing?**

The participants in the various assessment methods gave WHCA credit for its work and specifically noted the service in Transportation, administering LIHEAP, Down East Business Alliance and its Incubator Without Walls program, Helping Hands Garage and Expert Energy Solutions. As one LIHEAP client put it, “I think you are all doing a wonderful job.” Another wrote: “I think WHCA does a good job with what they get to work with.”

Other organizations mentioned as doing a good job included Healthy Community projects in Bucksport, Blue Hill and MDI; Volunteers for Hancock County Jail Residents; Ellsworth Ministerial Association; H.O.M.E. Cooperative; SCORE; Career Centers in Ellsworth and Machias; Women Work and Community; Neighbors Helping Neighbors; Keep Me Warm; REACH; Maine Equal Justice Partners; Harrington Family Health Center; local access TV and local radio; Parents Are Teachers Too; Able Network; the Aspire program; Washington County Youth Initiative; Faith in Action Community Connections; and local food pantries. These organizations are all candidates for future collaborations.

At all the assessment venues, there was a lack of awareness about the services that local organizations provide, including among service providers. Some comments were: “Agencies don’t talk to each other.” “We need more collaboration between organizations.” “People have to have the knowledge of programs that are available and how to get qualified.”

### **The Fit between WHCA Programs and Need**

There was general agreement that WHCA’s programs fit the need, except perhaps in health care, but that the need is greater than the number of people WHCA is able to serve. Many people are not eligible for WHCA’s programs because they make a little too much money for the programs, but not enough to be self-sufficient. As one participant put it, “WHCA is doing a good job, but it’s not enough.”

## Suggestions

### Participants' Suggestions for Services and Innovations

Participants at the community forums, focus groups and Maine Voices event were encouraged to share their ideas about what services they would like to see provided. The LIHEAP survey participants were asked “If you could tell the people at WHCA just one thing that would help most to meet the needs of people living in your household, what would it be?” The various groups shared ideas of ways WHCA could improve service and suggested innovations WHCA, or other service providers, could pursue for the future.

#### Advocacy and Legal Assistance

- Volunteer mediators to fill the gaps in legal services
  - Volunteer advocates to help people navigate the social service world
  - Volunteer advocates so that no person is turned away without help
  - Policy advocacy around low-income and poverty issues
  - Advocacy to reduce taxes on benefits
  - Advocacy to adjust the poverty level to the current cost of living
  - Continue social service benefits after a person becomes employed and gradually taper them off
  - Cut down the red tape it takes to get benefits
- 

#### Collaboration

- WHCA takes a leadership role for strategic planning among agencies
  - WHCA could be the “nexus of networks,” building connections between people and agencies/services
  - One-stop shopping for assistance
  - Asset mapping of social services available in the two counties
  - Partnerships to expand the level of service WHCA can offer
  - Periodic meetings of service providers to exchange information
  - Create a network of lawyers, accountants, and others to provide services on a *pro bono* basis
  - Networking and strategic planning among agencies, including all types of service providers: lawyers, accountants, government agencies
  - Work with the judicial system to utilize those sentenced to community service
-



**Communication**

- Centralize information on services
- Share information with food pantries, town offices, fraternal organizations and other service providers about what WHCA does
- Face-to-face sharing of information, not just printed material or websites
- Educate other providers about what WHCA does
- Develop remote sites in both counties
- Engage translators for non-English speakers

**Education**

- Provide budgeting and financial literacy courses
- Create vocational education centers for all kinds of trades
- Provide nutrition education and cooking classes
- Provide money to pay back education loans
- Provide funds to send children to college or vocational schools

**Employment**

- Take Down East Business Alliance to the next level by supporting larger “small businesses to develop more and better jobs”
- Apprenticeships and on-the-job training programs
- Teach people the value of their labor so they don’t undercharge
- Create more higher paying jobs
- Job placement services
- Jobs closer to home

**Health**

- Provide mobile medical services
- Insurance funds and pooling of resources for those who need health insurance but don’t belong to a group
- Create community support systems to attract medical professionals
- Attract more specialized health care providers to Washington County
- A medication delivery service in rural Washington County
- Incentive programs for nursing teachers to help train new nurses
- Assistance paying dental bills

**Housing**

- Incentives to landlords to provide Section 8 and low-income housing
- Single-room rentals and boarding house style living options

**Transportation**

- Provide transportation to social engagements for the elderly and home-bound
  - Transportation for school and work-related appointments
  - Transportation for grocery shopping
  - Assistance with car repairs
- 

**Additional Suggestions**

- Childcare for people who work odd shifts
  - Help taking care of young people with autism and Asperger's
  - Create school lunch and snack funds so students don't accrue debt
  - Volunteer snow plowing for elderly residents
  - Assistance doing yard work for elderly and disabled
  - Funds to buy pellets for wood pellet stoves
  - Speed up the fuel assistance process
  - Fill the gap left by Food Stamps which don't provide paper goods, diapers, pet food, etc.
  - Improve communications systems in Washington County, including expanding broadband and helping people pay for telephone service
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# Appendices

## A Brief History of Washington Hancock Community Agency

On August 20, 1964, the Economic Opportunity Act was signed into law by President Lyndon Johnson which began the War on Poverty. Community Action Programs were created to man the front lines in this effort to eliminate poverty in the United States. The Community Action Partnership was established in 1971 as the National Association of Community Action Agencies and now represents 1,000 Community Action Agencies working to fight poverty at the local level. There are 10 Community Action Agencies in Maine, of which Washington Hancock Community Agency is one.

WHCA grew out of a grassroots initiative in Washington County. It started with an organizational meeting held early in 1965 by 124 residents of the county to address their concerns with the causes of poverty. Dr. James Payson was elected to lead the group and the Washington County Regional Action Agency (WCRAA) was formed. When the War on Poverty began taking shape, 20% of the families in Washington County were living on less than \$3,000 per year. WCRAA wrote its first grant in 1966 and was funded for \$23,191 by the Office of Economic Opportunity to help identify the causes of poverty. In 1967, WCRAA operated on a \$26,000 budget, and was partially funded by the county with office space donated by the Merrill Trust Company. The purpose of the agency was to help county residents deal with the problems of poverty on the local level and to help low-income people attain self-sufficiency. At that time, the agency operated just two programs: the Head Start Program at Lubec and the Indian Community Action Program at Indian Township. The agency began outreach and food distributions initiatives.

On July 12, 1969, the agency accepted the Federal Government's offer to use the old post office building and customs house in Machias as headquarters. WCRAA received \$13,160 to operate an outreach program to provide information about the region's governmental programs and social services to those in need of assistance. Office of Economic Opportunity funds in the amount of \$217,000 were awarded to the county to help fight the War on Poverty. The Board of Directors identified five program areas that they felt should take top priority: nutrition, housing, education, economic development and health.

By 1971, plans were underway to expand into Hancock County. The new Office of Economic Opportunity guidelines called for a service area of 50,000 people to qualify as a Community Action Agency. Washington and Hancock counties together would meet

that requirement. The certificate of organization was filed in the Machias Registry on May 25, 1972. The main office would be in Machias, in the old post office and customs building. An additional office was established over Dick's Diner in Ellsworth. The purpose of this newly formed bi-county corporation was exclusively charitable and educational. In 1972, the Washington Hancock Community Agency, a Community Action Agency, was formed.

In the 1980s, an executive director, Paul Buckwalter, was hired to advocate for low-income people's rights, and to set a new course for the agency to follow. Buckwalter stressed the need for a strong Board that would have Community Services Administration support. The agency emphasized self-help, resource mobilization, citizen advocacy, and economic and community development. The Rakers Center was established in Cherryfield, Our Team Project was started in Danforth, and the first Federal Emergency Management Agency funds were received in Washington County to provide food and shelter to those in emergency situations.

In 1985, WHCA centralized its office at its present location in Milbridge. An IBM 36 computer was purchased and the agency became computerized. In 1986, WHCA celebrated 20 years of Community Services and produced a special newspaper edition which discussed poverty in Washington and Hancock counties. The agency's total budget reached \$4.4 million dollars.

By the early 1990s, WHCA was a leader in providing community services. WHCA was the only surplus commodity distributor to family day care providers in the state, and delivered over 22 tons of surplus food to benefit 1688 children in 1991. The number of phone calls from residents seeking winter aid and heating assistance increased to over 500 calls daily. In 1993, the Housing Preservation Loan program approved \$187,543.40 in loans to low-income homeowners to make health and safety improvements to their homes. On July 31, 1993, WHCA sponsored its first fund-raising auction, raising \$4,284.93 for the Affordable Housing program. WHCA received a \$200,000 loan to start its Incubator Without Walls program in 1996.

In the late 1990s, WHCA experienced growth, development and reorganization. The board began a review of space needs and began preparing for decentralization to better serve both counties. Six new divisions were created: Administrative Services; Community Child Care; Job Opportunities & Business Success; Heating, Utilities & Rental Assistance; Research, Communication & Resource Development; and Peaceful Choices, a family violence prevention program. In 1999, Finance and Transportation moved to the new facility on the Bucksport Road in Ellsworth.

The year 2000 marked a new era for WHCA. A website at [www.whcacap.org](http://www.whcacap.org) was created to help promote the agency. In 2001, an open house was held in August for the new 6,000 square foot building constructed in Ellsworth to house Heating, Utility and Rental Assistance; and Resource and Community Development.

In 2006, WHCA marked its 40<sup>th</sup> anniversary. We've come a long way in four decades. The agency now has five divisions and an annual budget of roughly \$8 million. WHCA played a key role in launching 2-1-1, a statewide human services information and referral system. The Heating and Warmth Fund (THAW) provided heating assistance to more than 150 families. Helping Hands Garage has now provided nearly 100 families with reliable transportation. Housing Services created Expert Energy Solutions to provide weatherization services. Family Resource Center Downeast launched the Medication Assistance Program (MAP) to help families qualify for low-cost or no-cost prescription drugs. In November of 2006, WHCA acquired the former Left Bank Café property in Blue Hill to house a new Adult Day Service Program. A capital campaign for the facility raised over \$1 million and Friendship Cottage opened its doors to participants in 2008. In 2007, Down East Business Alliance launched its 30<sup>th</sup> Incubator Without Walls program to help small businesses succeed

We've come a long way, but there is still work to be done. Washington County continues to have the highest poverty and unemployment rates in the state. Family Resource Center Downeast has been decimated by cutbacks due to centralization of child care vouchers and slots programs by the State of Maine.

This Needs Assessment intends to guide us in administering current program, creating new programs and finding our way to better help those we serve in the coming years.

**WHCA Needs Assessment  
Hancock and Washington Counties Community Forums**

**SUMMARY**

Prepared by Ann Acheson, Margaret Chase Smith Policy Center, University of Maine  
January, 2008

**Background**

As part of a community needs assessment process, WHCA contracted with the Margaret Chase Smith Policy Center, University of Maine, to conduct a series of community forums in Washington and Hancock Counties. Planning for the forums was done collaboratively by a needs assessment subcommittee of WHCA staff and Board members (the late Bill Stone, Joan Weber, David Sanderson, Keith Small, J Martin, Ellen Hathaway and Tim King) and staff from the Margaret Chase Smith Policy Center (Charles Morris and Ann Acheson). Four forums were held in September and October, 2007: in Ellsworth (September 17), Calais (September 19), Machias (September 27), and Milbridge (October 2).

**Objectives of the forums:**

- To learn the opinions of citizens of Hancock and Washington Counties on what is affecting lower-income people;
- To identify the high-priority needs of lower-income people in the two counties;
- To learn what changes in programs and services for lower-income people should be considered.

**Methods**

To recruit forum participants, WHCA staff and board members developed invitation lists from various organizations and sectors of the communities in Washington and Hancock counties. These included representatives from educational institutions, healthcare facilities, town and county government, Native American communities, law enforcement, religious groups, food pantries, other volunteer groups, local businesses, elder and children's services providers, employment and labor services organizations, and others. Invitees received letters, followed up in some cases by personal phone calls to those who had not responded. The letters included background material about poverty in Washington and Hancock counties taken from the *Poverty in Maine: 2006* report (Ann Acheson, Margaret Chase Smith Policy Center), along with information about WHCA. To encourage open participation from the community at large, press releases were sent to the *Ellsworth American*, *Bar Harbor Times*, and other papers in the counties, and to MPBN's Community Calendar. Members of the WHCA Board were invited to attend any or all forums as listeners.

Ann Acheson facilitated the forums, which were held in the evenings, with a light meal provided. WHCA Executive Director Tim King attended all the forums, as did Dave Sanderson from the WHCA Board; additional Board members were also at each forum. Participants were provided

with an agenda that included the objectives of the forum and the questions that were going to be asked. The facilitator reviewed forum ground rules, which were posted during the meeting, as were the questions. At each forum, one WHCA staff person took notes on flip chart sheets which were posted for reference during the discussion, while another staff person transcribed verbatim notes.

## Forum Questions

Discussion was directed around the following questions:

1. What do you think are the most important needs facing lower income residents in your communities?
2. Why do you think these are important?
3. How well are these needs being met currently?
4. Are there programs or benefits to assist low-income people in your communities that you think need to be changed in some way?
5. Why do you think we have persistent poverty? [Due to lack of time, this question was not asked at all the forums.]

## Participants

A total of 65 came to the forums:

Ellsworth: 23

Calais: 14

Machias: 23 (5 of whom were UMaine Machias students attending as part of a class)

Milbridge: 5

Most of those who attended had received letters of invitation, though there were a few who came in response to the public announcements in the press and elsewhere.

## Forum Highlights

The following general observations are derived from the meetings and from later review of the flip chart notes and transcripts. It is not intended to be a full analysis, or to provide specific recommendations or conclusions.

***Most Important Needs Facing Lower-Income Residents*** [these categories are not presented here in any priority order, as the emphasis of the discussion varied from one forum site to another]

### Jobs, Employment and Wages: Needs and Barriers

- Quality and number of available jobs is poor. In both counties, there is a preponderance of seasonal jobs, and jobs paying only minimum wage or low wages, with few or no benefits. “*Education is immaterial when there are no jobs available.*”
- Pay scales [Washington County] are very low, including professional jobs. “*Employers aren’t looking for the best employee; they’re looking for the cheapest employee.*”
- People are “patching together” seasonal jobs to make ends meet.



- Quality and availability of workforce: some younger workers are seen as “flighty;” young adults lack adequate education and experience to get jobs; there is increasing difficulty finding local workers for seasonal employment; problems of substance abuse in the workforce; outmigration has “*left behind the bottom 2/3rds of students.*”
- People are not necessarily “job ready” for jobs that do exist, changing from seasonal labor to year-round work.
- Larger employers that paid better are leaving or cutting back (e.g., Domtar).
- “*Small business is what we have*”: but there is a high cost of doing business for micro and small businesses: health and other insurance, worker’s comp, financing, telecommunications.

### Housing and Energy

- Not enough subsidized housing; long wait lists for Section 8.
- Housing stock old and inefficient; not enough programs to update and weatherize old housing stock
- Cost of housing too high for locals to buy, given their incomes. People “from away” driving up housing prices (and therefore also increasing property taxes).
- Shortage of rental housing, high cost.
- Energy costs drive up rents.

### Healthcare/Health

- The “in-between” are suffering (no insurance, not eligible for MaineCare). Lack of practitioners of all types: e.g., physician specialists, dentists, speech therapists, occupational therapists, etc.; people have to take time to travel long distances for services (a “hidden cost” of healthcare).
- Inadequate dental care, especially for adults.
- Inadequate mental health care.
- Chemical addiction.
- Access to and affordability of prescription medications: pharmacies closing; high costs for non-insured.
- Few health insurance programs for small businesses.
- Poor health can contribute to people not being able to work: “*I think there is a large percentage of poverty that is exacerbated by health problems, physical and mental, which make for an endless cycle.*”

### Food/Nutrition

- There is still food insecurity.
- Nutrition in general is a problem: lower income people can’t afford to have healthier diets.
- Food pantries are getting overwhelmed by demand; don’t have enough supplies of fresh foods.
- Need for education about nutrition and cooking: “*There are no services to allow you to get nutrition services. ... Nutrition is not taught in the schools. ... People don’t cook, they microwave.*”
- People are reluctant to apply for assistance.
- Access to benefits: difficulty getting food stamps.

- Need for more registered dietitians.

### Transportation

- Rural people are highly dependent on cars and hard-hit by rising transportation costs (gas prices).
- *“Transportation is important for the economic health of the area.”*
- Employment and access to educational opportunities depend on reliable transportation, but there are no public transportation alternatives: *“Reliable transportation is critical for moving people out of poverty or towards independence.”*
- Lower income people have a hard time being able to afford a car and keep it on the road.
- People who don’t have transportation have to spend more on needed items (e.g., food, medication) because they can’t readily travel to where they might be less expensive.
- Even if travel vouchers are available, most communities lack any kind of taxi service.
- A lot of people have lost their licenses, can’t afford the cost of license and car registration, or have given up driving [elders].

### Education/Training

- Need for training/retraining so people can get better jobs, increased income.
- Change needs to start in elementary school; need programs in high schools to encourage young people to aspire, to stay here.
- People are not necessarily aware of what is available for training/retraining.

### Children and Elders

- Childcare: quality, quantity, affordability.
- Lack of “odd hour” childcare is a barrier to employment and to education/training.
- Childcare vouchers are hard to get.
- Many children with special needs, partly due to drug problem [Washington County].
- Care for elderly not being adequately met: lack of availability, high cost.
- Unless they are in congregate housing, socialization opportunities for elders are limited—transportation is a big issue.
- Elderly not able to sustain their homes, need help around the house—maintenance, repairs, chores—but can’t afford it, may not be aware of existing programs, and may be too proud to ask for help.

### Cultural and Social Issues

- “Culture” of Washington County was discussed at several forums (with some disagreement). *“It’s a way of life”*: Preference for seasonal, self-employment, and part-time work, to have “independence” rather than being tied down to a year-round job with a single employer.
- One person noted that the situation isn’t just related to individual preference: *“. . . we have a structure of part-time employment in this county [Washington] and there are entities in this county that don’t want it to change . . . we have a plantation part-time economy.”*
- Pride and shame are barriers to people’s willingness to seek or accept help.
- Stigma toward people seeking services, and sometimes problems in attitudes of people providing services.

### Other Needs and Barriers

- Inadequate legal advice and support for lower income people: Pine Tree Legal works very hard, but doesn't have enough funding or staff to meet needs.
- Lower-income people are so busy with basic survival (adequate shelter, food, transportation) that they don't have time or wherewithal to seek out information or programs to "lift" themselves out of their situation.
- Agencies, organizations and programs are fragmented, do not always communicate with one another, and are in competition for funding.
- People in need of service and service providers themselves are not aware of available programs, services and benefits.
- Latino community [Washington County] has need for knowing their legal rights and how to get services; there's a language barrier.

### ***Participants' Views and Recommendations for Changes Needed in Programs and Services***

#### Jobs/Employment/Wages

- Should make employers and workers more aware of services available through Career Center.
- Organizations such as Sunrise Economic Council and Washington County Development Authority do business development, and there is support from lending institutions in Washington County to grow businesses: need more outreach to raise awareness of what's being done and what's available.
- Expand and make more use of services of organizations such as RSVP (Retired Senior Volunteer Program) and SCORE (Service Corps of Retired Executives) to provide mentoring, advising, apprenticeships.
- Need to continue to try to bring larger employers into Washington County, offer incentives, etc.
- A lot of the jobs being created [specifically in Hancock County] are minimum wage and low wage: need to continue the fight for livable wages.

#### Housing and Energy

- Need financial support for rising cost of utilities, especially heat.
- Need incentives for builders/landlords to build affordable housing.
- Need more "workforce housing" [for those whose incomes are too high to qualify for subsidized housing].
- Improve system so emergency fuel can be delivered more quickly.

#### Healthcare/Health

- Need more sliding scale health centers, and get information out about those that are already available.
- Need more complete set of substance abuse services [*"dire need for substance abuse treatment programs"*] and more mental health services providers.
- Expand on programs such as those offered through Healthy Communities to address "lifestyle" issues that lead to poor health (e.g., smoking, diet, exercise).

- Need major policy overhaul of the healthcare system, e.g., MaineCare eligibility; costs of insurance to businesses and individuals; separating healthcare coverage from employment.
- Might consider a “health insurance cooperative” where people pay as a group for minor healthcare coverage.

#### Food/Nutrition

- Need to expand education about healthy choices and inexpensive meal options: elementary and high school students, young moms, etc. [participants mentioned examples such as programs through Cooperative Education, Healthy Communities, after school programs, some food pantries, etc.].
- Improve outreach so people will take advantage of what is already available, and streamline bureaucratic red tape (e.g., related to food stamps).

#### Transportation

- Existing transportation programs (e.g., WHCA’s) are geared toward getting people to medical appointments (MaineCare recipients); need is much broader than that, and should be expanded to include more “social” and shopping opportunities, especially for elderly who are isolated.
- Voluntary (informal) car pooling could be developed on a community-by-community basis [comparable to university ride boards].

#### Education/Training

- Need internship or apprentice programs post-high school, leading to jobs with benefits.
- Need for more “entrepreneurial” training for the self-employed, not necessarily formal classroom work but peer-to-peer opportunities and mentoring (e.g., WHCA’s Incubator without Walls; Women, Work and Community; Down East Business Alliance).
- Need to design education programs that will “*get people an actual job.*”
- Need more funding for higher education, e.g., training for increasing opportunities in healthcare such as nursing is hampered by lack of funding to attract faculty to local colleges: jobs are available, but demand from potential students is much greater than can be met.
- Some career-preparation programs are working and could be expanded: Upward Bound; Project Reach (for middle school students) and Jobs for Maine Grads (high school students); ABLE Network (which places people working at minimum wage in nonprofits which help train them in skills for unsubsidized employment).

#### Children/Elders

- Need to spend more resources on families and small children.
- “*Focus should be very young children if we are looking for a quick fix,*” e.g., need more funding to be able to provide more slots in Early Head Start.
- Need to expand “odd hour” childcare [there have been cutbacks].
- Need more outreach to elders to enable/encourage them to take advantage of existing benefits and programs (including volunteer-run programs).

## Miscellaneous

- Improved communication capacity (especially high speed internet access and better cell phone coverage) were mentioned as being critical both for business/job development and for education. Schools and libraries currently have high speed access, and can be an important resource for the community at large.
- More use could be made of community access cable TV and also radio to get out information, seek volunteers, or obtain private donations.
- “*Work with the judicial system:*” there are people whose sentences require them to do community service, and they could be brought in to help support what’s going on—they could use the resources to help themselves as well.

## **Some Final Thoughts**

The comments and recommendations summarized here reflect the perspectives of the particular participants attending these community forums. There was a cross-section of service providers, county and local government representatives, businesses and business-related organizations, educational organizations, religious groups and organizations, civic and other voluntary organizations, WHCA Board members, community members, and others. However, the Department of Labor was the only participant from a state agency which serves the low income population. DHHS, the largest provider of benefits to the low-income population, was invited but did not participate. There were very few representatives from medical service providers, including mental health and substance abuse services. We need to be aware that some of the needs and “lacking” services mentioned at the forums and noted here might have been discussed differently if other community members, agencies and service providers had been present at the forums.

Lack of knowledge and awareness of existing programs, and the need to disseminate information, was a theme that ran through discussions at all the forums. Participants felt that a lot of effort needs to be put into disseminating information and getting this to those in the “front lines” who deal with people in need, such as town General Assistance administrators and those running food pantries. Some expressed the sentiment that WHCA should take the lead in coordinating and convening, or at least disseminating information about, all the programs, agencies and benefits for lower-income people. Several people mentioned they weren’t even aware of what services WHCA provided until receiving the information in their invitation letters or at the forums. There appeared to be a significant number of participants who were not familiar with 2-1-1 as a resource

Participants spoke of wanting people to have a central “spot” for accessing and finding out about programs, benefits and services—“one stop shopping,” one person called it. They noted the difficulties low-income people have in dealing with bureaucratic red tape, having to “jump through hoops,” and the complexity of eligibility requirements and regulations. “Red tape” was also mentioned as a barrier for small business development.

There was a lot of discussion about the struggles faced by those who were just above the poverty “line,” who are not eligible for benefits but are barely getting by. This theme was particularly noticeable in the Ellsworth forum, but also came up at the other three meetings.

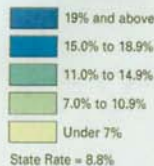
There was general consensus that a lot of additional funding, while desirable, was not likely to be forthcoming. In that regard, numbers of people mentioned that there needs to be better coordination and communication between existing agencies and groups. As one person phrased it, *“The problem is with people not working together. . . . We need to break down some of these organizational walls and really do true collaborations where we have missions that are similar. [Competition] doesn’t really help the people trying to find services. .... Maybe we need to eliminate some of these organizations and put them together under one roof.”*

Finally, participants at all the forums suggested that the role of volunteers and communities needs to be acknowledged and strengthened; some of the examples mentioned were Neighbors Helping Neighbors, Keep Me Warm, informal networks to check up on the elderly, and food pantries.

## PROFILE

- Population growth in Hancock County from 2000 to 2005 (3.6%) was about the same as the state average (3.7%). Hancock's population profile in 2005 was somewhat older than the state as a whole, with a lower proportion under age 18.
- Hancock County's individual poverty rate for the population as a whole in 2003 was slightly lower than the state rate. However, for those under 18 Hancock's poverty rate was about the same as the state rate.
- Median household income in Hancock County in 2003 was slightly lower than the state median income. It was almost identical to the 200% poverty level for a four-person household.
- The 2004 'livable wage' estimate for a four-person household (2 parents, both wage earners, and 2 children) in Hancock County was more than twice as high as the poverty level for a four-person household.
- The proportion of per-capita personal income in 2004 from net earnings was lower in Hancock County than in the state as a whole, and the proportion from dividends, interest and rent was considerably higher. This personal income distribution may reflect the recent influx of relatively well-off retirees.
- Hancock County's monthly average unemployment rate for 2005 was somewhat higher than the state average.
- Hancock County residents were considerably under the state average in participation rates for food stamps in FY05, a pattern which has been true since at least FY02.

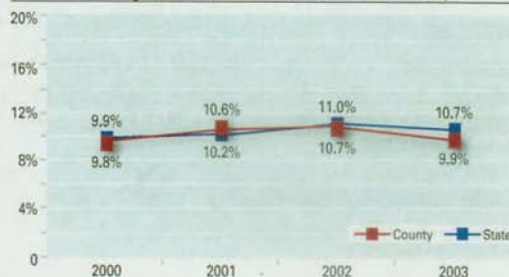
### Households Receiving LIHEAP Benefits, 2004-2005



Source: Derived from LIHEAP household database provided by Maine State Housing Authority.  
 Numbers are households receiving LIHEAP benefits.  
 \* Fewer than 50 total households (Census 2000)  
 - No households or no data



### Poverty Rate Estimates — % Individuals Below Poverty



- The proportion of households receiving LIHEAP benefits in FY05 was close to the statewide level, and the proportion of the school-age population eligible for free and reduced school lunch in FY06 was close to that in the state as a whole.
- A considerably higher proportion of the Hancock County population has college degrees (associate or bachelor's) than in the state as a whole, and the county has the second highest proportion of residents with college degrees among Maine's counties. This education profile may be related to immigration of better-educated retirees and to the presence of institutions such as the College of the Atlantic and the Jackson Lab.

## TREND HIGHLIGHTS

- Over the most recent four-year period for which county-level data are available, the poverty rate trend in Hancock County generally mirrors that of the state as a whole. The estimated percentage of individuals below poverty increased each year from 2000 to 2002, with a decrease in 2003.
- Although the participation rate in the food stamp program in Hancock County is lower than in most counties, the rate of growth in the numbers of households receiving food stamps from FY02 to FY05 was one of the highest in the state, 60.1%, compared with the statewide increase of 49% in this time period.
- The number of Hancock County households receiving LIHEAP benefits declined slightly each year from FY02 to FY05.
- From 2002 to 2005, Hancock County's monthly average unemployment rate increased or remained the same each year, reaching a peak in 2005. This trend is different than that of the state as a whole, where there was a decrease in the unemployment rate from 2004 to 2005.
- The percentage of school-age children eligible for free and reduced school lunch in Hancock County increased slightly from FY03 to FY06, showing a generally similar pattern of increase as the state as a whole.

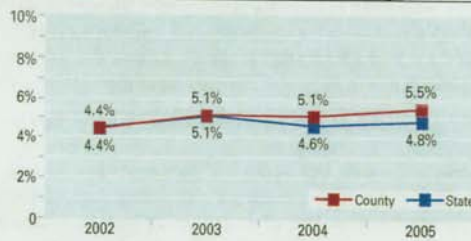


### Income, Poverty, Employment

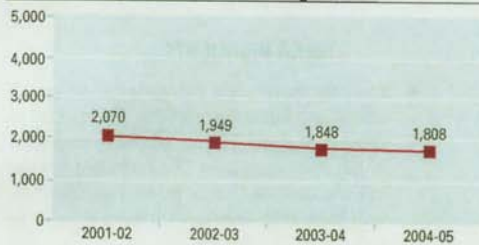
	County		State	
<b>Poverty, 2003*</b>				
All individuals	5,213	9.9%	138,219	10.7%
Age 0-17	1,490	14.2%	39,896	14.3%
<b>Median Household Income, 2003</b>	\$37,924		\$39,212	
<b>Unemployment, 2005</b>				
Labor force (total)	30,560		711,900	
Monthly average unemployment rate	5.5%		4.8%	

\* Poverty and income are the most recent available figures from the U.S. Census Small Area Income and Poverty Estimates program (SAIPE)

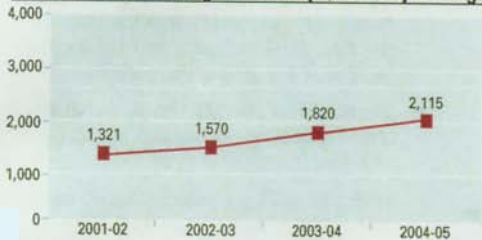
### Unemployment Rate, Monthly Average



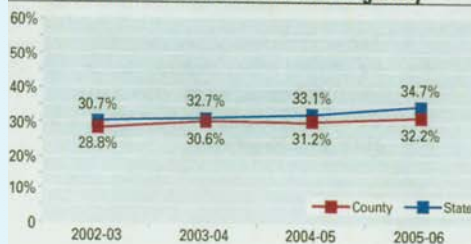
### Households Receiving LIHEAP



### Households Receiving Food Stamps, Monthly Average

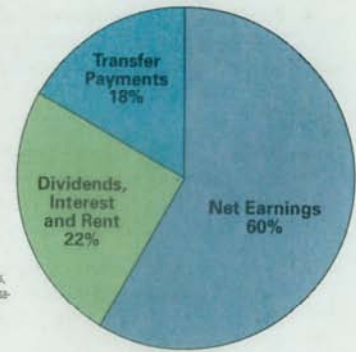


### Free and Reduced School Lunch Eligibility



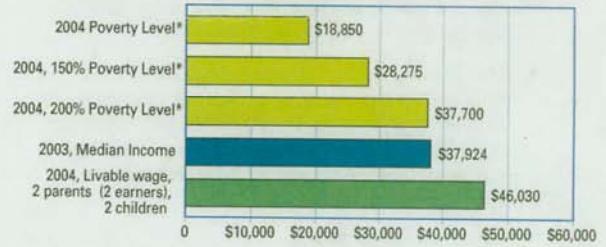
### Per-capita Personal Income by Source, 2004

**State Personal Income:**  
 Net earnings = 65.6%  
 Transfer payments = 19.0%  
 Dividends, interest and rent = 15.4%



Transfer payments are payments by federal, state, and local governments and by businesses for which no current services are performed; they include government retirement and disability insurance benefits, medical benefits (Medicare, Medicaid, etc.), income maintenance benefits, unemployment insurance compensation, and other similar payments.

### Poverty and Livable Wages



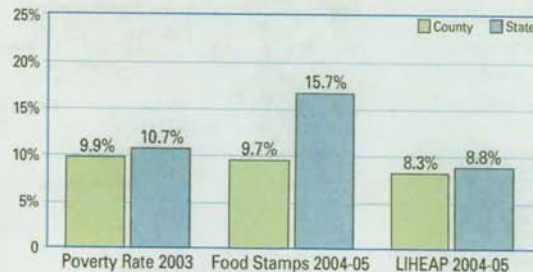
\* DHS poverty guidelines for four-person household

### Food Stamps and LIHEAP Benefits, 2004-05

	County		State	
<b>Food Stamps, Monthly Average*</b>				
Cases (households)	2,115	9.7%	81,298	15.7%
Recipients (individuals)	4,248	8.2%	157,091	12.3%
<b>LIHEAP*</b>				
Households	1,808	8.3%	45,737	8.8%
Recipients (individuals)	3,664	7.1%	94,961	7.4%
Hshlds age 65 & over	697	11.9%	16,520	12.9%
<b>LIHEAP Client Household Characteristics**</b>				
Single person households	866	48.0%	21,175	46.4%
Receiving food stamps	837	46.3%	25,838	56.5%
Receiving Medicaid	1,271	70.3%	29,620	65.2%
Receiving SSI	277	15.3%	8,917	19.5%
Receiving SS/SSD	1,035	57.2%	26,292	57.5%
Applicants age 65 & over	697	38.6%	16,520	36.2%

\* Percentage cases or households is % of total county or state households in 2000 Census; percentage recipients is % of county or state population in 2000 Census

\*\*Percentage is % of LIHEAP households



From Poverty in Maine 2006 by Ann W. Acheson, Ph.D., Margaret Chase Smith Policy Center, Prepared for Maine Community Action Association, Sept. 2006.

Hancock County Data

**Appendices**

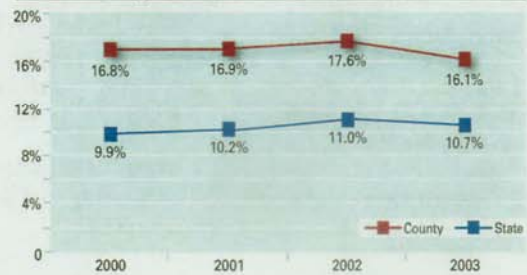
Washington Hancock Community Agency  
 Needs Assessment Page 13



## PROFILE

- Washington County was one of only two counties in Maine that experienced continued population decline from 2000 to 2005, a loss of 1.5% compared with the statewide population increase of 3.7%. Among Maine's counties in 2005, Washington had a much lower proportion in the 18-64 age group, and had the second highest proportion of the population age 65 and over.
- Washington County's individual poverty rate in 2003 was considerably higher than the state rate, and was the highest of any county. This was true for the population as a whole and for those under 18.
- Median household income in Washington County in 2003 was the lowest of all Maine's counties, almost 28% below the state's level, and 25% below the 200% poverty level for a four-person household.
- The 2004 'livable wage' estimate for a four-person household (2 parents, both wage earners, and 2 children) in Washington County was more than twice as high as the poverty level for a four-person household.
- The proportion of per-capita personal income in 2004 from net earnings was lower in Washington County than in any county, and the proportion from transfer payments was higher than in any county, amounting to over one-third of per-capita personal income. This income pattern is consistent with the county's older population and high poverty rate.

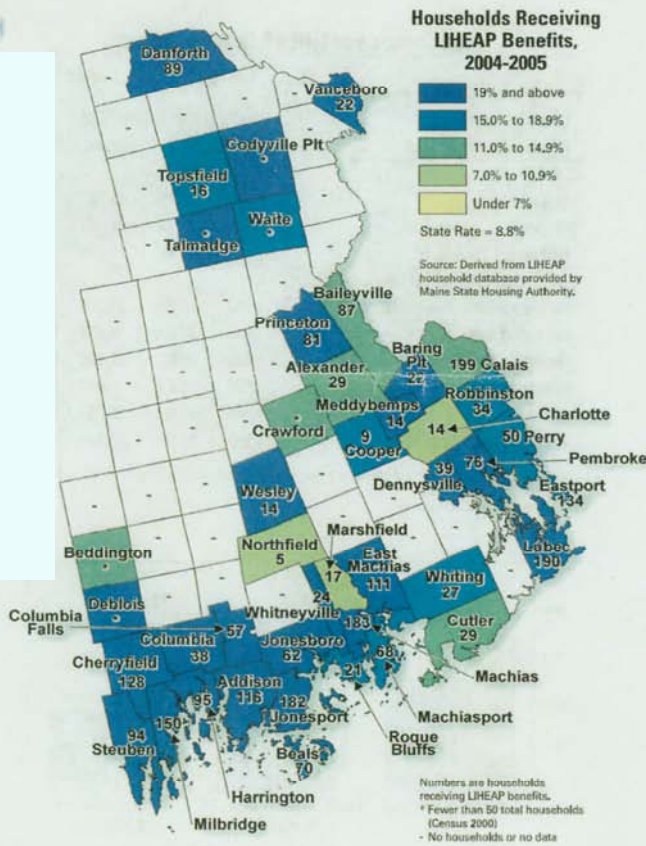
## Poverty Rate Estimates — % Individuals Below Poverty



- Washington County's monthly average unemployment rate for 2005 was more than three percentage points higher than the state average, and was the highest of Maine's counties.
- Washington County residents were considerably above the state average participation rate for food stamps in FY05.
- Over half of the county's the school-age population was eligible for free and reduced school lunch in FY06, considerably higher than in the state as a whole and highest among Maine's counties.
- The proportion of households in Washington County receiving LIHEAP benefits in FY05 was considerably higher than in the state as a whole. Compared with LIHEAP households statewide, a much larger proportion in Washington County had household members age 65 over, and a larger proportion receiving Medicaid.
- A considerably lower proportion of the Washington County population has college degrees (associate or bachelor's) than in the state as a whole, and a considerably greater proportion has less than a high school education.

## TREND HIGHLIGHTS

- Over the most recent four-year period for which county-level data are available, the poverty rate trend in Washington County mirrors the statewide trend. The estimated percentage of individuals below poverty increased each year from 2000 to 2002, with a decrease in 2003. The county's poverty rate in 2003, while still highest in the state, was lower than in the preceding three-year period.
- Over the four-year period from FY02 to FY05, the number of Washington County households receiving food stamps increased each year; the number in FY05 was 40.5% greater than in FY02, but this was less than the statewide increase of 49% in this time period.
- The number of Washington County households receiving LIHEAP decreased somewhat each year from FY02 to FY05.
- From 2002 to 2005, Washington County's monthly average unemployment rate fluctuated more than the statewide rate, and more than in most other counties, with the highest rate in this period in 2003 and the lowest in 2004.
- The percentage of school-age children eligible for free and reduced school lunch in Washington County decreased each year from FY03 to FY05, and increased in FY06. This was different than the statewide pattern of increase each year during this period.



From Poverty in Maine 2006 by Ann W. Acheson, Ph.D., Margaret Chase Smith Policy Center, Prepared for Maine Community Action Association, Sept. 2006.

### Washington County Data

### Appendices

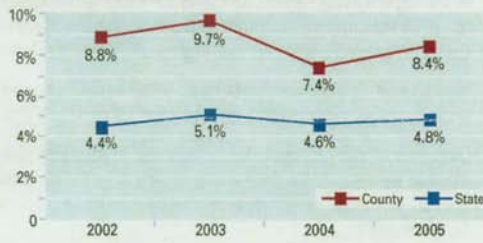
Washington Hancock Community Agency  
Needs Assessment Page 14

### Income, Poverty, Employment

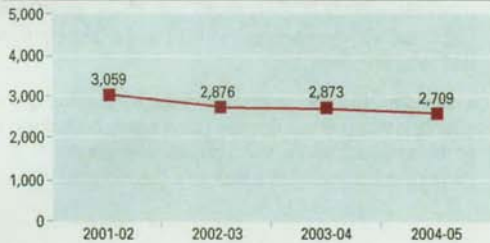
	County		State	
<b>Poverty, 2003*</b>				
All individuals	5,312	16.1%	138,219	10.7%
Age 0-17	1,591	23.1%	39,896	14.3%
<b>Median Household Income, 2003</b>	<b>\$28,311</b>		<b>\$39,212</b>	
<b>Unemployment, 2005</b>				
Labor force (total)	15,820		711,900	
Monthly average unemployment rate	8.4%		4.8%	

\* Poverty and income are the most recent available figures from the U.S. Census Small Area Income and Poverty Estimates program (SAIPE).

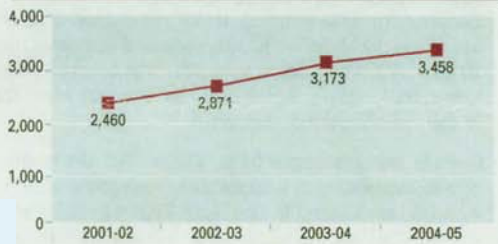
### Unemployment Rate, Monthly Average



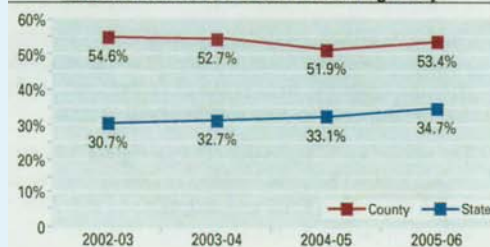
### Households Receiving LIHEAP



### Households Receiving Food Stamps, Monthly Average



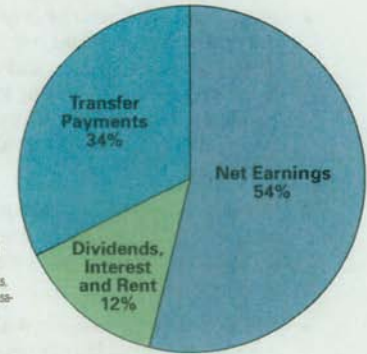
### Free and Reduced School Lunch Eligibility



### Per-capita Personal Income by Source, 2004

**State Personal Income:**  
 Net earnings = 65.6%  
 Transfer payments = 19.0%  
 Dividends, interest and rent = 15.4%

Transfer payments are payments by federal, state, and local governments and by businesses for which no current services are performed; they include government retirement and disability insurance benefits, medical benefits (Medicare, Medicaid, etc.), income maintenance benefits, unemployment insurance compensation, and other similar payments.



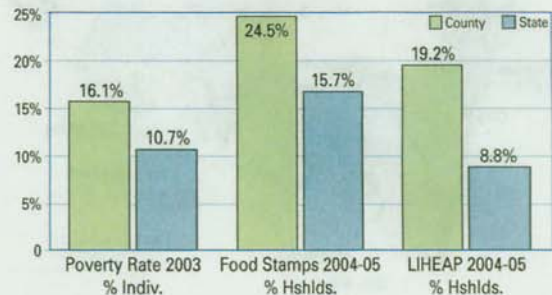
### Poverty and Livable Wages



### Food Stamps and LIHEAP Benefits, 2004-05

	County		State	
<b>Food Stamps, Monthly Average*</b>				
Cases (households)	3,458	24.5%	81,298	15.7%
Recipients (individuals)	6,535	19.3%	157,091	12.3%
<b>LIHEAP*</b>				
Households	2,709	19.2%	45,737	8.8%
Recipients (individuals)	5,460	16.1%	94,961	7.4%
Hshlds age 65 & over	1,051	25.1%	16,520	12.9%
<b>LIHEAP Client Household Characteristics**</b>				
Single person households	1,276	47.2%	21,175	46.4%
Receiving food stamps	1,559	57.5%	25,838	56.5%
Receiving Medicaid	1,923	71.0%	29,820	65.2%
Receiving SSI	532	19.6%	8,917	19.5%
Receiving SS/SSD	1,545	57.0%	26,292	57.5%
Applicants age 65 & over	1,051	38.9%	16,520	36.2%

\* Percentage cases or households is % of total county or state households in 2000 Census; percentage recipients is % of county or state population in 2000 Census  
 \*\*Percentage is % of LIHEAP households



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 Margaret Chase Smith Policy Center, Prepared for  
 Maine Community Action Association, Sept. 2006.

### Washington County Data

### Appendices



WHCA Needs Assessment Survey Results – All Respondents

Question number	What about...	Percentage of respondents for whom this is a serious to moderate problem*	Percentage of respondents for whom this is little or no problem*
9	Enough money to pay the other monthly bills?	69	27
12	Enough money to buy gas for a vehicle?	64	29
26	The ability to pay your debts?	63	29
23	Enough money to buy clothing, food, and other necessities?	61	36
27	The ability to budget money for your household?	49	47
22	A job that pays enough to meet your needs?	45	23
25	The ability to get credit?	36	41
5	A stable job for the adults in this household who can work?	31	37
8	Rent or mortgage payments that you can afford?	29	42
1	Access to legal help?	29	44
10	Being able to pay a security deposit?	29	21
4	Health insurance coverage?	28	64
13	A car that is reliable? (if not a problem, skip to 17)	27	57
31	Dealing with a physical health problem?	26	56
3	A dentist you can go to?	25	66
16	Reliable transportation for shopping and other activities?	24	47
15	Reliable transportation for doctor and dentist visits?	23	47
14	Reliable transportation to and from work?	21	42
18	Enough money to pay for childcare?	20	19
30	Dealing with an emotional or mental health problem?	19	54
20	Child care that is affordable?	18	18
11	A drugstore nearby?	18	77
24	People you can talk to when things go wrong?	17	78
7	Housing that is safe?	16	80
2	A doctor you can go to?	13	80
17	The availability of childcare?	13	30
6	Enough room in your home for the people who live here?	12	83
19	Child care that is safe and reliable?	12	27
21	Enough education for the adults in your household?	11	68
29	Finding help with caregiving?	8	52
32	Discrimination or prejudice toward you by other people in this community?	4	77
28	The ability to read and write English?	2	92

WHCA Needs Assessment Survey Results – Hancock County

Question number	What about...	Percentage of respondents for whom this is a serious to moderate problem*	Percentage of respondents for whom this is little or no problem*
9	Enough money to pay the other monthly bills?	68	27
12	Enough money to buy gas for a vehicle?	58	34
26	The ability to pay your debts?	64	28
23	Enough money to buy clothing, food, and other necessities?	57	39
27	The ability to budget money for your household?	41	53
22	A job that pays enough to meet your needs?	51	24
25	The ability to get credit?	43	42
5	A stable job for the adults in this household who can work?	37	39
8	Rent or mortgage payments that you can afford?	36	51
1	Access to legal help?	26	42
10	Being able to pay a security deposit?	35	22
4	Health insurance coverage?	30	58
13	A car that is reliable? (if not a problem, skip to 17)	28	57
31	Dealing with a physical health problem?	25	55
3	A dentist you can go to?	27	61
16	Reliable transportation for shopping and other activities?	24	48
15	Reliable transportation for doctor and dentist visits?	22	49
14	Reliable transportation to and from work?	21	41
18	Enough money to pay for childcare?	21	20
30	Dealing with an emotional or mental health problem?	15	54
20	Child care that is affordable?	17	20
11	A drugstore nearby?	9	82
24	People you can talk to when things go wrong?	17	76
7	Housing that is safe?	12	80
2	A doctor you can go to?	11	78
17	The availability of childcare?	14	32
6	Enough room in your home for the people who live here?	13	80
19	Child care that is safe and reliable?	11	29
21	Enough education for the adults in your household?	11	63
29	Finding help with caregiving?	7	47
32	Discrimination or prejudice toward you by other people in this community?	5	69
28	The ability to read and write English?	2	90

WHCA Needs Assessment Survey Results – Washington County

Question number	What about...	Percentage of respondents for whom this is a serious to moderate problem*	Percentage of respondents for whom this is little or no problem*
9	Enough money to pay the other monthly bills?	72	26
12	Enough money to buy gas for a vehicle?	70	22
26	The ability to pay your debts?	65	29
23	Enough money to buy clothing, food, and other necessities?	67	31
27	The ability to budget money for your household?	59	38
22	A job that pays enough to meet your needs?	37	21
25	The ability to get credit?	29	40
5	A stable job for the adults in this household who can work?	25	34
8	Rent or mortgage payments that you can afford?	19	34
1	Access to legal help?	31	49
10	Being able to pay a security deposit?	20	18
4	Health insurance coverage?	25	72
13	A car that is reliable? (if not a problem, skip to 17)	26	55
31	Dealing with a physical health problem?	27	56
3	A dentist you can go to?	22	72
16	Reliable transportation for shopping and other activities?	25	47
15	Reliable transportation for doctor and dentist visits?	25	47
14	Reliable transportation to and from work?	23	45
18	Enough money to pay for childcare?	19	17
30	Dealing with an emotional or mental health problem?	25	55
20	Child care that is affordable?	20	15
11	A drugstore nearby?	28	70
24	People you can talk to when things go wrong?	16	80
7	Housing that is safe?	20	78
2	A doctor you can go to?	12	84
17	The availability of childcare?	12	26
6	Enough room in your home for the people who live here?	12	86
19	Child care that is safe and reliable?	12	24
21	Enough education for the adults in your household?	12	74
29	Finding help with caregiving?	10	62
32	Discrimination or prejudice toward you by other people in this community?	2	91
28	The ability to read and write English?	1	98

WHCA Needs Assessment Survey Results – No County Specified

Question number	What about...	Percentage of respondents for whom this is a serious to moderate problem*	Percentage of respondents for whom this is little or no problem*
9	Enough money to pay the other monthly bills?	58	42
12	Enough money to buy gas for a vehicle?	67	33
26	The ability to pay your debts?	42	42
23	Enough money to buy clothing, food, and other necessities?	50	42
27	The ability to budget money for your household?	25	58
22	A job that pays enough to meet your needs?	50	33
25	The ability to get credit?	33	42
5	A stable job for the adults in this household who can work?	33	50
8	Rent or mortgage payments that you can afford?	58	33
1	Access to legal help?	33	25
10	Being able to pay a security deposit?	42	42
4	Health insurance coverage?	33	67
13	A car that is reliable? (if not a problem, skip to 17)	8	75
31	Dealing with a physical health problem?	17	50
3	A dentist you can go to?	33	58
16	Reliable transportation for shopping and other activities?	8	33
15	Reliable transportation for doctor and dentist visits?	8	33
14	Reliable transportation to and from work?	8	17
18	Enough money to pay for childcare?	8	33
30	Dealing with an emotional or mental health problem?	8	50
20	Child care that is affordable?	8	33
11	A drugstore nearby?	8	92
24	People you can talk to when things go wrong?	17	75
7	Housing that is safe?	8	92
2	A doctor you can go to?	42	58
17	The availability of childcare?	8	42
6	Enough room in your home for the people who live here?	8	92
19	Child care that is safe and reliable?	8	42
21	Enough education for the adults in your household?	8	58
29	Finding help with caregiving?	8	25
32	Discrimination or prejudice toward you by other people in this community?	8	33
28	The ability to read and write English?	17	50

Office Use:

Initials\_\_\_\_

H W

↓ 60 ↑

M F

## WHCA Needs Assessment Survey

The purpose of this survey is to help guide the administration and Board of Directors of WHCA in the assessment and development of programs to serve the people of Washington and Hancock counties.

This survey is strictly optional and will have nothing to do with your eligibility or non-eligibility for Fuel Assistance or any other program that you or any member of your household may apply for through the Washington Hancock Community Agency. Your name will not be put on the survey and your responses will not be connected in any way to your name. Do you agree to participate?

After I read an item in this list, just tell me if it is “NOT A PROBLEM” for anyone in your household, “A SLIGHT PROBLEM FOR ANYONE” in your household, “A MODERATE PROBLEM” or “A SERIOUS PROBLEM”. If the question doesn’t apply you can simply say it doesn’t apply. You do not have to answer any questions you don’t want to answer.

### Would you say that is .....

	(What about ....	Not a problem,	A slight problem for anyone,	A moderate problem for anyone,	A serious problem for anyone?	Don't know	Doesn't apply
1	access to legal help?	1	2	3	4	8	9
2	a doctor you can go to?	1	2	3	4	8	9
3	a dentist you can go to?	1	2	3	4	8	9
4	health insurance coverage?	1	2	3	4	8	9
5	a stable job for the adults in this household who can work?	1	2	3	4	8	9
6	enough room in your home for the people who live here?	1	2	3	4	8	9
7	housing that is safe?	1	2	3	4	8	9
8	rent or mortgage payments you can afford?	1	2	3	4	8	9
9	enough money to pay the other monthly bills?	1	2	3	4	8	9
10	being able to pay a security deposit?	1	2	3	4	8	9
11	a drugstore nearby?	1	2	3	4	8	9

### Appendices

	<b>(What about ....</b>	<b>Not a problem,</b>	<b>A slight problem for anyone,</b>	<b>A moderate problem for anyone,</b>	<b>A serious problem for anyone?</b>	<b>Don't know</b>	<b>Doesn't apply</b>
12	enough money to buy gas for a vehicle?	1	2	3	4	8	9
13	a car that is reliable? (If not a problem, skip to 17)	1	2	3	4	8	9
14	reliable transportation to and from work?	1	2	3	4	8	9
15	reliable transportation for doctor or dentist visits?	1	2	3	4	8	9
16	reliable transportation for shopping and other activities?	1	2	3	4	8	9
17	the availability of child care?	1	2	3	4	8	9
18	enough money to pay for child care?	1	2	3	4	8	9
19	child care that is safe and reliable?	1	2	3	4	8	9
20	child care that is affordable?	1	2	3	4	8	9
21	enough education for the adults in your household?	1	2	3	4	8	9
22	a job that pays enough to meet your needs?	1	2	3	4	8	9
23	enough money to buy clothing, food and other necessities?	1	2	3	4	8	9
24	people you can talk to when things go wrong?	1	2	3	4	8	9
25	the ability to get credit?	1	2	3	4	8	9
26	the ability to pay your debts?	1	2	3	4	8	9
27	the ability to budget money for your household?	1	2	3	4	8	9



	<b>(What about ....</b>	<b>Not a problem,</b>	<b>A slight problem for anyone,</b>	<b>A moderate problem for anyone,</b>	<b>A serious problem for anyone?</b>	<b>Don't know</b>	<b>Doesn't apply</b>
28	the ability to read and write English?	1	2	3	4	8	9
29	Finding help with caregiving?	1	2	3	4	8	9
30	dealing with an emotional or mental health problem?	1	2	3	4	8	9
31	dealing with a physical health problem?	1	2	3	4	8	9
32	discrimination or prejudice toward you by other people in this community?	1	2	3	4	8	9

33. What city or town do you live in? \_\_\_\_\_
34. What type of housing best describes where you live now? \_\_\_\_\_
35. Do you own or pay rent for this housing? \_\_\_\_\_
36. How many people in your household? \_\_\_\_\_
37. How many in your household are 65 years of age and older? \_\_\_\_\_
38. How many in your household are 18 years of age and younger? \_\_\_\_\_
39. Is yours a single-parent household? Yes No
40. Do any adults in your household work more than one job? \_\_\_\_ More than two? \_\_\_\_
41. Finally, if you could tell the people at WHCA just one thing that would help the most to meet the needs of the people living in your household, what would it be?
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

November 24, 2007

## Barely Getting By and Facing a Cold Maine Winter

By [ERIK ECKHOLM](#)

MILBRIDGE, Me. — They have worked since their teens in backbreaking seasonal jobs, extracting resources from the sea and the forest. Their yards are filled with peeling boats and broken lobster traps.

In sagging wood homes and aged trailers scattered across Washington County, many of [Maine](#)'s poorest and oldest shiver too much in the winter, eat far more biscuits and beans than meat and cannot afford the weekly bingo game at the V.F.W. hall.

In this long-depressed “down east” region, where the wild blueberry patches have turned a brilliant crimson, thousands of elderly residents live on crushingly meager incomes. This winter promises to be especially chilling, with fuel oil prices rising and fuel assistance expected to decline. But many assume that others are worse off than themselves and are too proud to ask for assistance, according to groups that run meal programs and provide aid for heating and weatherizing.

“One of our biggest problems is convincing people to take help,” said Eleanor West, director of services for the Washington Hancock Community Agency, a federally chartered nonprofit group. “I tell them, ‘You worked hard all your life and paid taxes and are getting back a little of what you paid in.’”

Over the last half century, Social Security, [Medicare](#) and private pensions have lifted most of the nation’s elderly. In 1960, one in three lived below the poverty line; now fewer than one in 10 do. But in Washington County, the poverty rate among those 65 and older is nearly one in five and many more live only a little above the federal subsistence standard in 2007 of \$10,200 for a single person and \$13,690 for two.

For thousands on fixed incomes, fuel assistance may decline while Social Security checks are scarcely rising.

Viola Brooks, 81, worked in fish and blueberry factories while her husband worked in textile and logging jobs. Now widowed, she gets \$588 a month from Social Security, supplemented by \$112 in food stamps and one-time fuel aid of more than \$500 for the winter.

But this year, that fuel aid will not fill a single tank. The average house cost \$1,800 to heat last year, and minimal comfort this winter may require closer to \$3,000; trailers will require somewhat less. Electricity and rent already take up most of Ms. Brooks's income.

"I'm broke every month, and the trailer needs storm windows," she said. "I cook a lot of pea soup and baked beans and buy flour to make biscuits."

"Some day I'd like to go to a hairdresser," Ms. Brooks said of a dream deferred. Still she says she enjoys her lovebirds and cats, and points out that "some people have it worse."

Jobs for the elderly, a growing trend nationwide, are virtually nonexistent in these hamlets. Many people survive with help from a range of programs including food stamps, [Medicaid](#), disability and energy assistance; others suffer silently, long used to hardship and fiercely independent.

In a pattern still common, older people here often held a series of seasonal jobs, usually without benefits. They worked on lobster boats and dug clams or bloodworms (to sell for bait) from spring to fall, raked wild blueberries in August, harvested potatoes and then made Christmas wreaths for mail-order companies to mid-December. Wives often worked in sardine canneries or in blueberry processing.

"By their 50s, their bodies start breaking down," said Tim King, director of the community agency at its headquarters in Milbridge, adding that high rates of smoking, obesity and diabetes also contributed to early aging. The aid programs define those as 60 and over as elderly.

Because of their irregular careers and payments into the system, many people get Social Security benefits far below the national average of more than \$1,000 a month.

Velma L. Harmon, a 79-year-old widow, receives only \$220 a month from Social Security and has a grand total of \$85 to live on each month after she pays her subsidized rent and utilities at her apartment complex in Machias, one of a growing number of such federally aided facilities for the elderly.

She is grateful for free lunches provided by the Eastern Agency on Aging, another government-financed group, but too proud to apply for food stamps that would give her a bit more spending money. “Trying to buy Christmas presents, that’s the hardest thing,” said Ms. Harmon, who has a mangled finger from her years of snipping sardine heads in a canning factory.

The preoccupation right now is soaring fuel prices: cheaper natural gas is unavailable in this region, and wood heat is often impractical or insufficient. But because of limited federal money, average fuel assistance for the 46,000 low-income Maine families expected to apply will probably decline to \$579 this year, from \$688 last year, said Jo-Ann Choate of the Maine State Housing Agency.

“Low-income people aren’t even going to be able to fill up a single tank of fuel oil,” Ms. Choate said. “They already wrap themselves up in blankets during the winter. This year they’ll be colder.”

The disabled, and there are many, may have it hardest. Dolly Jordan of Milbridge has a history of two bad marriages, a bone-crushing auto accident and poor health, and looks and feels older than 61. With osteoporosis, arthritis, diabetes and obesity, she spends most of the day in a wheelchair and uses a combination of a gripper, a broom and a cane to make her bed or hang her laundry.

Come winter, she hangs a blanket over the front door of her little red wooden house, where she has lived alone the last 10 years and which sits on

concrete blocks with no foundation. She turns the heat off at night to save fuel.

Her disability payment is \$623 a month, plus she gets just \$10 from the state and \$74 in food stamps. After paying the housing tax and her utility bills, she said, she must watch every remaining penny. A daughter drives her to the distant town of Ellsworth for cheaper shopping.

Like many, she keeps a police scanner on as a diversion and, unable to afford cable, she watches the same videos over and over — her favorite is “On Golden Pond.”

“I wish for bedtime to come,” she said. “The days are so long.”

Easing down a ramp to her mailbox is a perilous 15-minute ordeal. Still, she said, “I wait for Fridays.”

“That’s junk-mail day, and I read all the ads. That’s my best day.”

She added, “There’s always older people out there who have it harder.”

Frederick and Kathleen Call, in Harrington, are in their 60s and live in a 1970s trailer with buckling walls. They live on his disability check — he has had six heart attacks — and food stamps and fuel assistance. Like many others in the region, they buy all their clothes at a church-run thrift shop. They spend their days playing board games and rummy and watching squirrels on their porch.

“We used to go to the food pantry for a free box,” Ms. Call said, “but I saw an old woman who looked like she really needed it. She was thin and cold. I gave her a blanket. We haven’t gone for free food for years.”

Some people here seem to have sunny outlooks no matter what. In the fishing village of Jonesport, Elizabeth Emerson, 87, is hard of hearing and has a titanium knee but is spry and irrepressively cheerful.

She lives in the tiny house her husband, a trucker, built in 1949, and has a view of the gravestone where her name is already etched next to his.

Having a daughter nearby, and a total of 52 grand-, great-grand and great-great-grandchildren, whose pictures fill the walls and the refrigerator door, helps in ways practical and emotional.

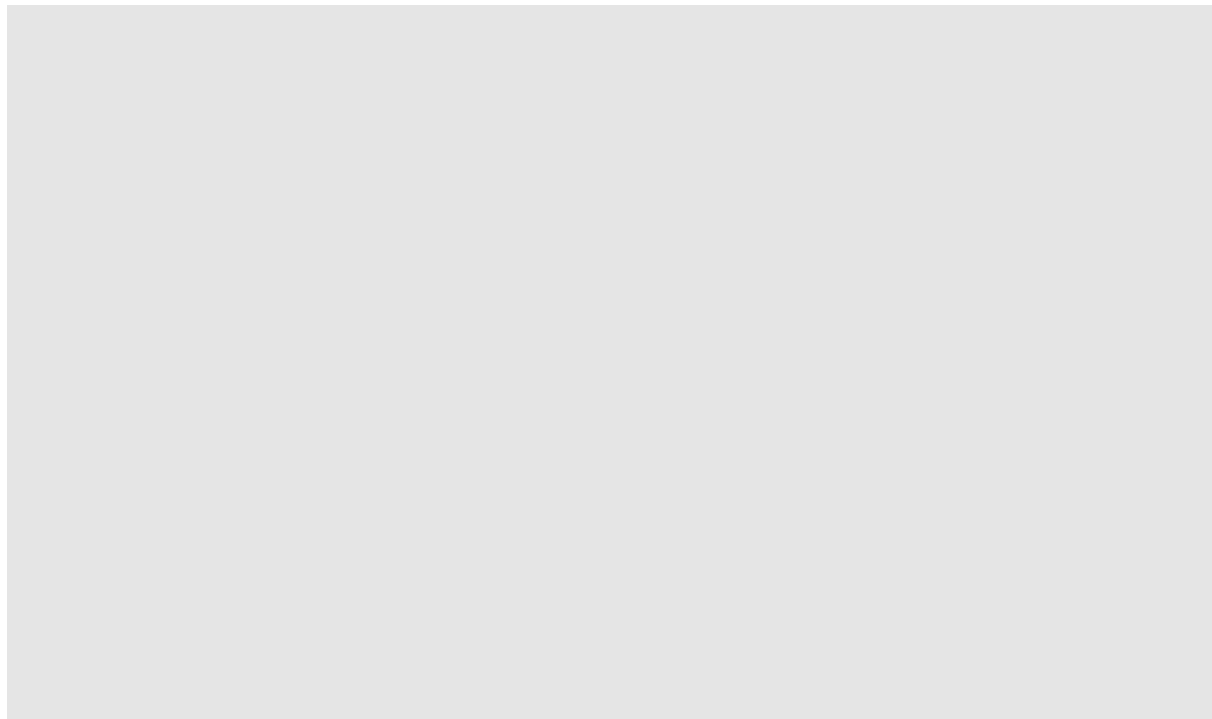
Ms. Emerson said she “thoroughly enjoyed” the 25 years she spent working as an aide in a nursing home, and she demonstrated the yodeling she used to perform on command for one patient.

Each day she walks with her dog, Sabrina, down to the stony beach where her family once swam. “I saw moose tracks the other day,” she exulted. “Here is where I used to pick heather.”

With her Social Security payment of \$683 a month, she refuses to feel impoverished.

“I was never a person to be extravagant,” Ms. Emerson said, adding, “I don’t play beano,” using the local term for bingo.

Besides, she said, she can still afford an indulgence here and there. “My greatest vice,” she added, “is Hershey bars.”



*The sting of poverty:*

*The Boston Globe*

*What bees and dented cars can teach about what it means to be poor - and the flaws of economics* By Drake Bennett

March 30, 2008

IMAGINE GETTING A bee sting; then imagine getting six more. You are now in a position to think about what it means to be poor, according to Charles Karelis, a philosopher and former president of Colgate University.

In the community of people dedicated to analyzing poverty, one of the sharpest debates is over why some poor people act in ways that ensure their continued indigence. Compared with the middle class or the wealthy, the poor are disproportionately likely to drop out of school, to have children while in their teens, to abuse drugs, to commit crimes, to not save when extra money comes their way, to not work.

To an economist, this is irrational behavior. It might make sense for a wealthy person to quit his job, or to eschew education or develop a costly drug habit. But a poor person, having little money, would seem to have the strongest incentive to subscribe to the Puritan work ethic, since each dollar earned would be worth more to him than to someone higher on the income scale. Social conservatives have tended to argue that poor people lack the smarts or willpower to make the right choices. Social liberals have countered by blaming racial prejudice and the crippling conditions of the ghetto for denying the poor any choice in their fate. Neoconservatives have argued that antipoverty programs themselves are to blame for essentially bribing people to stay poor.

Karelis, a professor at George Washington University, has a simpler but far more radical argument to make: traditional economics just doesn't apply to the poor. When we're poor, Karelis argues, our economic worldview is shaped by deprivation, and we see the world around us not in terms of goods to be consumed but as problems to be alleviated. This is where the bee stings come in: A person with one bee sting is highly motivated to get it treated. But a person with multiple bee stings does not have much incentive to get one sting treated, because the others will still throb. The more of a painful or undesirable thing one has (i.e. the poorer one is) the less likely one is to do anything about any one problem. Poverty is less a matter of having few goods than having lots of problems.

Poverty and wealth, by this logic, don't just fall along a continuum the way hot and cold or short and tall do. They are instead fundamentally different experiences, each working on the human psyche in its own way. At some point between the two, people stop thinking in terms of goods and start thinking in terms of problems, and that shift has enormous consequences. Perhaps because economists, by and large, are well-off, he suggests, they've failed to see the shift at all.

If Karelis is right, antipoverty initiatives championed all along the ideological spectrum are unlikely to work - from work requirements, time-limited benefits, and marriage and drug counseling to overhauling inner-city education and replacing ghettos with commercially vibrant mixed-income neighborhoods. It also means, Karelis argues, that at one level

economists and poverty experts will have to reconsider scarcity, one of the most basic ideas in economics.

"It's Econ 101 that's to blame," Karelis says. "It's created this tired, phony debate about what causes poverty."

In challenging decades of poverty research, Karelis draws on some economic data and some sociological research. But, more than that, he makes his case as a philosopher, arguing by analogy and induction. This approach means that he remains relatively unknown, even among poverty researchers. The book in which he laid out his argument, "The Persistence of Poverty: Why the Economics of the Well-Off Can't Help the Poor," wasn't widely read when it was published last year.

A few, though, have taken notice, and are arguing that Karelis does have something important to say.

"There's not much evidence in the book, and there are a lot of bold claims, but it's great that he's making them," says Tyler Cowen, an economics professor at George Mason University. It "was a really great book, and it was totally neglected."

The economist's term for the idea Karelis takes issue with is the law of diminishing marginal utility. In brief, it means the more we have of something, the less any additional unit of that thing means to us. It undergirds, among other things, how the US government taxes people. We assume that taking \$40,000 in taxes from Warren Buffett will be a lot less onerous to him than to an elementary school teacher, because he has so much more to begin with.

In many cases, Karelis says, diminishing marginal utility certainly does apply: Our seventh ice cream cone will no doubt be less pleasurable than our first. But the logic flips when we are dealing with privation rather than plenty. To understand why, he argues, we need only think about how we all deal with certain familiar situations.

If, for example, our car has several dents on it, and then we get one more, we're far less likely to get that one fixed than if the car was pristine before. If we have a sink full of dishes, the prospect of washing a few of them is much more daunting than if there are only a few in the sink to begin with. Karelis's name for goods that reduce or salve these sort of burdens is "relievers."

Karelis argues that being poor is defined by having to deal with a multitude of problems: One doesn't have enough money to pay rent or car insurance or credit card bills or day care or sometimes even food. Even if one works hard enough to pay off half of those costs, some fairly imposing ones still remain, which creates a large disincentive to bestir oneself to work at all.

"The core of the problem has not been self-discipline or a lack of opportunity," Karelis says. "My argument is that the cause of poverty has been poverty."



The upshot of this for policy makers, Karelis believes, is that they don't need to fret so much about the fragility of the work ethic among the poor. In recent decades, experts and policy makers all along the ideological spectrum have worried that the more aid the government gives the poor, the less likely they are to work to provide for themselves. David Ellwood, an economist and the dean of Harvard's John F. Kennedy School of Government, has called this "the helping conundrum." It was this concern that drove the Clinton administration's welfare reform efforts.

But, according to Karelis, that argument is exactly backward. Reducing the number of economic hardships that the poor have to deal with actually make them more, not less, likely to work, just as repairing most of the dents on a car makes the owner more likely to fix the last couple on his own. Simply giving the poor money with no strings attached, rather than using it, as federal and state governments do now, to try to encourage specific behaviors - food stamps to make sure money doesn't get spent on drugs or non-necessities, education grants to encourage schooling, time limits on benefits to encourage recipients to look for work - would be just as effective, and with far less bureaucracy. (One federal measure Karelis particularly likes is the Earned Income Tax Credit, which, by subsidizing work, helps strengthen the "reliever" effect he identifies.)

Few economists are familiar with Karelis's work, and when it's presented to them, they tend to be skeptical of its explanatory power. If Karelis is right, we should see even more defeatist behavior than we do from the poor, says Kevin Lang, chairman of the Boston University economics department and author of "Poverty and Discrimination." Plus, he argues, there's little evidence that simply making poor people less poor increases their work ethic - and some evidence that it does the opposite. In the early 1970s, a large-scale study gave poor people in four cities a so-called "negative income tax," a no-strings-attached payment based on how little money they made. The conclusion: the aid tended to discourage work.

Karelis responds that the data from that experiment is in fact quite ambiguous, and there has been debate among economists over how to interpret the results. But ultimately, he believes, the strength of his arguments is less in how they fit with the economic work that's been done to date on poverty - much of which he is suspicious of anyway - but in how familiar they feel to all of us, rich or poor.

"The bee sting argument, or the car dent one," he says, "I've never had anybody say that that isn't true."

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