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POVERTY REPORT SHOWS NEED FOR STRONGER FEDERAL SUPPORT

Poverty Rate for Maine Children Increased to 16.8%

AUGUSTA -- A U.S. Census report released today shows increases in the number of Maine children living in poverty, and an increase in the number of poor children and families nationwide. "Three years into an economic recovery, it is deeply troubling that poverty is on the rise," said Elinor Goldberg, president and CEO of the Maine Children's Alliance.

The Census report shows that 16.7 percent of Maine children lived in poverty in 2004. That is up sharply from 2000, when 10.9 percent of Maine children lived in poor families, and 2003, when 12.8 percent did.

Nationally, the proportion of poor children also increased, though more gradually, and is currently 18 percent. For children under six, the numbers are even higher. At least one in four Maine children under five, or 26.9 percent, lived in poverty in 2004.

Goldberg said that this clear evidence of increasing poverty should prompt Congress to reconsider cuts proposed in federal programs that assist children and families. "Almost across the board, we are looking at reductions in the most vital programs that help families and children," she said.

When Congress reconvenes in September, it is scheduled to complete budget bills based on five-year targets in a process known as budget reconciliation. To date, Congress expects to cut the Medicaid program by \$10 billion and Food Stamps by \$3 billion over five years. While the effect on individual states is not yet known, Maine would likely lose at least \$150 million in funding for the MaineCare

program. In addition to health care and child nutrition, reductions are already expected in heating assistance, Head Start, and other educational programs.

The Maine Children's Alliance and other advocates have called on Congress not to cut health care services under Medicaid, but to achieve as much savings as possible through reforms in prescription drug reimbursements similar to what Maine has already achieved at the state level.

Another key issue is the long-term reauthorization of TANF, or Temporary Aid to Needy Families. As part of the 1997 welfare reform legislation, single parents are encouraged to work while receiving assistance for their children. The child care assistance contained in TANF has fallen well short of actual costs, and Maine's Sen. Olympia Snowe has championed a \$6 billion increase over five years to make the goal of welfare-to-work possible for families with young children. To date, no significant increase has been voted by Congress.

"The Maine delegation has given strong support to federal programs that help families and children in need," said Goldberg, "and we hope their colleagues follow suit. At a time of rising poverty, despite a strong overall economy, we all need to redouble our efforts to make the case against these unwise and unfair budget cuts."

The U.S. Census report "Poverty, Income and Health Insurance Coverage in the United States: 2004" is available online at <http://www.census.gov/hhes/www/poverty/poverty.html>

For more information about children and poverty, see the 2005 Maine Kids Count Data Book at www.mekids.org.

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