



Making KIDS COUNT in Rural Northern New England

PREPARED BY THE NORTHERN NEW ENGLAND KIDS COUNT COLLABORATIVE

Fall 2004

MAINE • NEW HAMPSHIRE • VERMONT

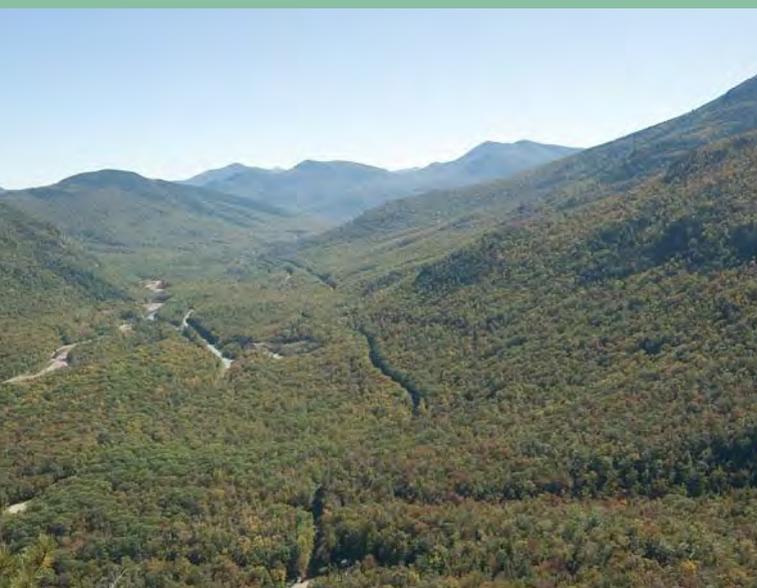




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Executive Summary

Hard times threaten rural families in Northern New England today. Rural towns throughout Maine, New Hampshire and Vermont are losing stable, good paying jobs, while young adults and families leave to find economic opportunity elsewhere. Public schools are facing the pressures of slowing population growth and calls for consolidation, while struggling to provide students with the skills and knowledge to compete in a new global economy. Families are trying to cope with limited access to medical care. Early child care and education, transportation and youth activities are all in short supply.

Working from the common sense premise that children do better when families are strong, and families do better when they live in areas that help them succeed, this report presents both qualitative and quantitative data to describe the level of family economic success in rural Northern New England.

Life in rural northern New England is changing, and with those changes come both challenges and opportunities. The challenge lies in recognizing and addressing the many areas in which rural children and families are falling behind their peers in urban areas. The opportunity lies in the benefits of rural life and the continuing strength of the social networks so unique to the area. The data confirm that children in rural Northern New England are lagging behind other children in Maine, New Hampshire and Vermont in key measures of family economic security, health and educational attainment.

- Among children, the poverty rate in rural Northern New England is more than 40% higher than the rate in non-rural areas.
- Rural residents are more likely than non-rural residents to be under-, self-employed or unemployed, and lacking health benefits.
- Challenges for rural families are exacerbated by isolation, loss of jobs and lack of support services.
- Families and community leaders tell of shifts and changes in the area, including factory closings, lost jobs and increasing numbers of young residents leaving the area in search of economic opportunity.

What does this mean for the future of children and families in rural communities in Northern New England? What does it suggest in terms of unmet needs and unrealized opportunities? The report is a first step toward answering some of these questions, and the start of a dialogue for future efforts to address family economic success.

About the Project

THE NORTHERN NEW ENGLAND KIDS COUNT COLLABORATIVE

The Northern New England KIDS COUNT Collaborative, a cooperative effort of the KIDS COUNT projects of the Maine Children’s Alliance, the Children’s Alliance of New Hampshire and the Vermont Children’s Forum, conducted this project. The Dignitas Group, an economic development research and consulting firm, conducted much of the research. The project was made possible by The Annie E. Casey Foundation. Through its national network of state KIDS COUNT projects, the Annie E. Casey Foundation supports data-based research and policy advocacy, with a commitment to identifying unmet needs as a critical step toward developing General Recommendations.

In the past several years, the Annie E. Casey Foundation has supported regional collaboratives to address the unique challenges of rural life. The Northern New England Rural Collaborative (hereafter referred to as “the partners”) is the newest of these regional collaboratives. The Northern New England Collaborative joins the efforts of four other regions examining rural life: the Great Plains (Nebraska, North Dakota, and South Dakota), the South (Alabama, Kentucky, and Tennessee), the Prairie States (Arkansas and Oklahoma) and the Northwest (Oregon and Washington).

The Casey Foundation has used an approach called “Family Economic Success” to help working-poor families achieve economic self-sufficiency, and to help communities become marketable places for investment. The Family Economic Success approach is built on a combination of workforce development, family economic supports and community investment strategies. The research throughout this report was modeled after this approach.



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For more information on the Northern New England KIDS COUNT projects, visit these websites:

- MAINE CHILDREN’S ALLIANCE: www.mekids.org
- CHILDREN’S ALLIANCE OF NEW HAMPSHIRE: www.childrennh.org
- VERMONT CHILDREN’S FORUM: www.childrensforum.org
- ANNIE E. CASEY FOUNDATION: www.aecf.org

RESEARCH METHODOLOGY

QUALITATIVE DATA

Focus Groups

Through the course of one year, in fifteen focus groups from eight New England communities involving more than 100 parents, qualitative data have been collected and analyzed to form the heart of this project.

In choosing the eight focus group communities, the partners consulted rural leaders in each state to find towns that represented a diverse sample of rural Northern New England, towns that are agricultural-based, geographically-isolated, impacted by tourism, characterized by population decline or entrepreneurial success. Through this process, the partners chose three towns in Maine, two in New Hampshire, two in Vermont, and one in a community that included two towns straddling the New Hampshire-Vermont border.

In each of the eight communities, the partners contacted a locally-based community organization, to serve as an on-the-ground “institutional partner.” Staff members from these institutional partners facilitated two focus groups in each community, one group that included low-income residents, while the other group included mixed-income residents or

was non-income-specific.¹ The partners chose to include residents of different income levels to identify which economic factors help families succeed, in addition to factors that present challenges. The goal was to give a more complete picture of the needs of rural residents in Northern New England while also celebrating their successes.

The focus group participants included 104 mothers and fathers representing 231 children, the latter of which ranged in age from infancy through adulthood.

RURAL NORTHERN NEW ENGLAND FOCUS GROUP FINAL COUNT

	ADULTS	CHILDREN
Town A Group 1	8	23
Town A Group 2	9	32
Town B Group 1	3	5
Town B Group 2	13	38
Town C Group 1	6	11
Town C Group 2	3	4
Town D Group 1	3	6
Town D Group 2	10	14
Town E	14	19
Town F Group 1	7	16
Town F Group 2	6	15
Town G	5	11
Town H Group 1	8	19
Town H Group 2	9	18
TOTAL	104	231

Key Informants

In order to gain additional perspectives on issues raised in the focus groups, the partners also interviewed more than 30 “key informants,” either in-person or over the phone. Key informants included professionals living within the communities as well as those focused on regional or statewide efforts, such as educators, public officials, health care professionals, child care workers, economic developers and child advocates.

QUANTITATIVE DATA

The partners supplemented issues raised in focus groups and interviews with secondary data highlighting aspects of life in rural Northern New England and the United States. The sources of quantitative data include the 1990 and 2000 decennial census reports, regional economic information from the Bureau of Economic Analysis, labor market information from Maine, New Hampshire and Vermont, and school district statistics from the department of education in each state. These sources and others are cited in the footnotes and charts throughout the report.

In all cases, the partners attempted to provide town-level data. Unfortunately, town-level data is not uniformly available for many indicators of family economic success and child well-being in rural Northern New England. To illustrate these indicators, the partners used county-level or statewide data.

Secondary Reports and Literature

Finally, the partners benefited from the extensive research that has been conducted by rural advocates and experts in Maine, New Hampshire and Vermont, as well as national researchers. The partners collected studies and analyses by academics, state agencies, nonprofit policy groups and consultants from across the three states. The report also relied on the body of knowledge collected by the Annie E. Casey Foundation under its KIDS COUNT project and its Rural Family Economic Success Initiative.



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An Overview of Rural Northern New England

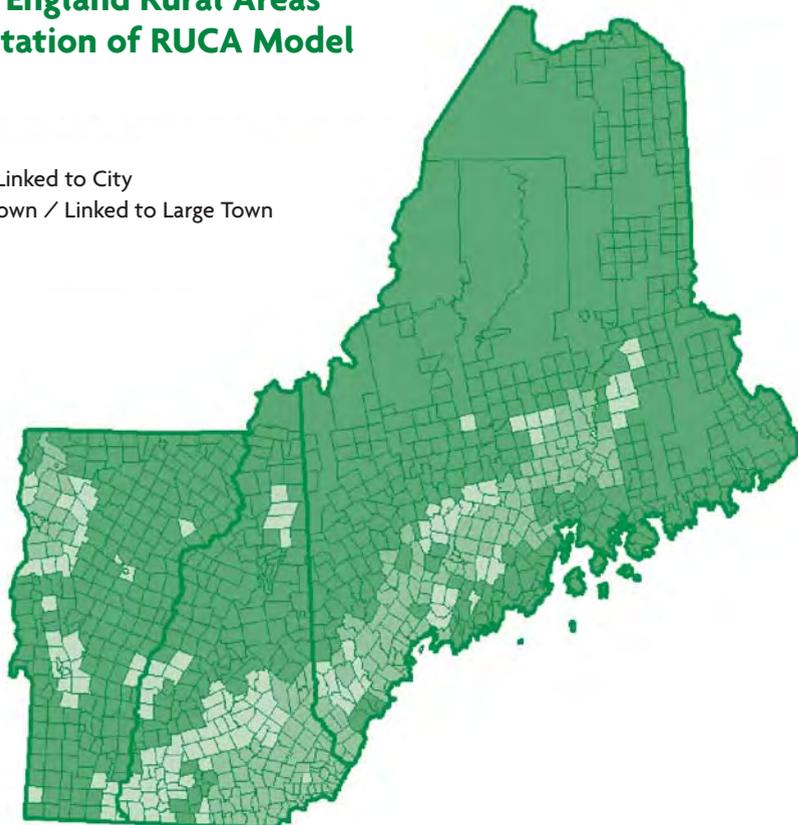
DEFINING “RURAL”

There are many ways to define “rural.” One definition identifies non-metropolitan areas. Another focuses on population density and proximity to metropolitan areas. Yet another is county-based. All these definitions have shortcomings when applied to Northern New England. The non-metropolitan definition describes rural by what it is not – that is, rural is “not metropolitan.” The population density-based definition limits the discussion to the number of people in a given area, which is an incomplete understanding of the range of rural life in Northern New England. The county-based definition masks town-by-town variation within a county.

This project defines rural by using a variation of the Rural-Urban Commuting Areas (RUCA) codes adapted by the Federal Office of Rural Health Policy. Designed to address the shortcomings as defined above, it defines rural on a town-by-town basis; it does not rely solely on population density

Northern New England Rural Areas Based on Adaptation of RUCA Model

- City / Linked to City
- Large Town / Linked to Large Town
- Rural



as a measure; it includes a continuum of non-rural and rural definitions. Defining “rural,” however, is more than assigning RUCA codes. Quantitative indicators and qualitative data from focus groups present a full picture in understanding the regional characteristics that define rural designated communities in Northern New England.

The RUCA model uses 1990 census data to create a series of 30 codes that reflect how closely a census tract is tied to different census places such as “urban core,” “large town” and “small town.” The codes also reflect the proportion of “primary” and “secondary” flows of commuters to places of work.² For this project, the partners grouped these 30 codes into three groups: cities or communities that are linked economically to cities; large towns or communities that are linked to large towns; and rural. For clarity and brevity in this report, we refer to the first two categories as non-rural.³

DEMOGRAPHICS

GEOGRAPHY

Rural Northern New England includes 639 towns in Maine, New Hampshire and Vermont. It stretches from Vermont’s border with New York in the west, eastward through the Green Mountains, into New Hampshire’s White Mountains, and on to Maine’s Atlantic coast in the east. Canada runs along the three states’ northern border. The southern border of all three states is Massachusetts.

POPULATION

Rural Northern New England covers 61,971 square miles, slightly bigger than the state of Georgia. Rural towns represent 78.3 % of the landmass of all three states. In contrast, this large geographic land mass includes fewer than one million people (967,000 in 1999), only 31% of the three states’ total population. The racial makeup of Northern New England as a whole is predominantly white. In 1999, 97.3% of the rural population was white, slightly higher than the non-rural population, 96% of which was white.

The population of this rural region has grown in the last decade. From 1990 to 2000, rural Northern New England’s population grew 5.8%, from 914,000 to 967,000. This growth, however, did not keep pace with the non-rural population, which grew by 8.4% during the same period.⁴

Recent years have seen a shift in the proportion of older people in the population as the population growth of younger residents has slowed. The two fastest growing segments of the rural population have been residents ages 35 to 64 and those 65 and over. The 35-to-64 age group grew by 25.8% from 1990 and 2000, while those ages 65 and over grew by 17%. In comparison, the population of rural Northern New England’s youngest children has declined by 20.3% from 1990 to 2000. Children ages 5 to 19 grew by only 3.1% from 1990 to 2000, while the sharpest decline was in the 20-34 age group, which fell by 22.6%.⁵

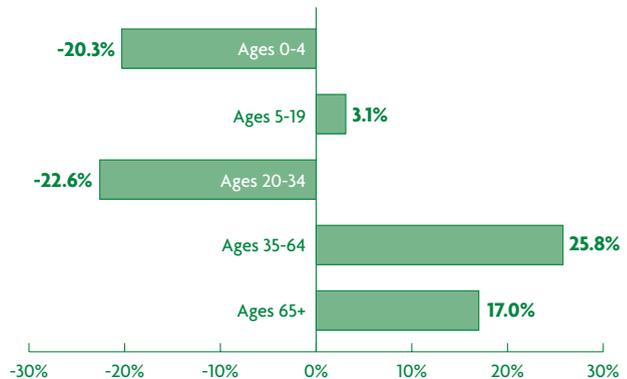
POPULATION AND LAND AREA FOR NORTHERN NEW ENGLAND

	RURAL	NON-RURAL
Population (2000)	967,445	2,144,285
Percent of Total Population (2000)	31.0%	68.7%
Land Area (square miles)	61,971	17,200
Percent of Total Land Area	78.3%	21.7%
Population Density (population per square mile)	16	125
Change in Population 1990 to 2000	5.8%	8.4%
Percent White (2000)	97.3%	96.0%
Percent Minority (2000)	2.7%	4.0%

Source: US Census Bureau, 1990 and 2000 Decennial Census.

These numbers have the potential to impact rural communities in various sectors. A greater proportion of older residents affects the demand for a variety of services in rural towns. Individuals on a fixed income sometimes have less discretionary spending to invest in local economies, although it must be noted here that all residents, regardless of age, have less income for discretionary spending. Aging populations also have higher health care needs resulting in higher costs. In addition, many older individuals and others without close connections to young people may be less inclined to advocate for investments in local school budgets.⁶ However, older residents have traditionally contributed to community life in ways that defy statistical measurement, for example, child care, mentoring and volunteering. While these qualities cannot be defined by numbers, they are an important factor here, given the strong social support networks of these communities.

PERCENT CHANGE IN AGE DISTRIBUTION in Rural Northern New England, 1990-2000



Source: US Census Bureau, Decennial Census, 2000

BEHIND THE NUMBERS: RURAL FAMILIES' PERSPECTIVES

Numbers can only tell a piece of the story. This project collected data from numerous focus groups with rural residents to gain their perspectives on the characteristics, challenges and opportunities of

COMMUNITY STABILITY

	RURAL	NON-RURAL
Population 5 Years and Older Living in Same House, 1995	62.5%	55.6%
Population Born in State of Current Residence, 1999	59.4%	53.3%

Source: US Census Bureau, 2000 Decennial Census.

rural life. Similar to national and regional research, participants in nearly every focus group said the best part of rural life was the social networks within their communities.

A national survey of people’s priorities and perceptions of community life found that civic bonds are strong in rural America, as demonstrated by volunteering and participation in civic groups. In fact, the survey found that rural residents are more likely to feel connected to their communities than urban residents.⁷ In a study of rural families in New Hampshire, sociologist Margaret Walsh found that the extended family is an important part of rural community life.⁸ Many of the parents of young families in the focus groups echoed the importance of the extended family in rural towns. Some said they had returned to their rural hometowns after having children, both for the way of rural life and to rely on these family networks for child care.

Voices on COMMUNITY

By far the most frequently cited advantage of rural living mentioned in our focus groups was the close, tight-knit nature of rural communities. Here is some of what people said:

“You don’t just know everybody, you know everybody and their family.”

– Chrystal, a mother of one from rural New Hampshire

“People look out for each other here.”

– Carol, a mother of two from rural Maine

“There’s a groundedness here. You know where your food comes from, and you know who built your house.”

– Lisa, a mother of four from rural Vermont

“There’s a saying here that if you want to know what’s going on in your life, just go into the bank and they’ll tell you.”

– Wendy, a mother of two from rural Maine

Statistics on the stability of residents in rural Northern New England suggest permanence facilitates strong community ties. A higher percentage of rural residents (62.5%) live in the same house they did five years ago than non-rural residents (55.6%). Similarly, a higher number of rural residents live in the state in which they were born (59.4%) than non-rural residents (53.3%).

Social networks are about the connections families have to networks of friends, neighbors and kin as well as institutions such as communities of faith and civic organizations. These positive social relationships encourage and provide neighbor-to-neighbor support and mutual aid. They help people feel less alone.⁹ The research throughout this report demonstrates the unique theme in rural life: these social networks are what help enable families overcome the economic challenges and obstacles presented due to isolation. These social networks are what make strong families in rural Northern New England.

Economic Challenges

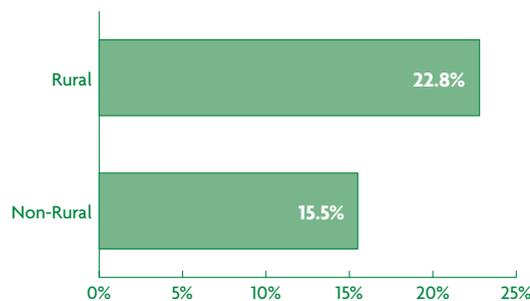
Rural areas have a long history of being places of ingenuity and empowerment, but in modern times are untapped assets. Rural family life in Northern New England has been deeply affected by outside forces, which have eroded good-paying jobs. What is often missing from discussions on rural economic development is that we are all connected – economic boundaries blend between rural and urban/more suburban areas.

RURAL FAMILY ECONOMIC SUCCESS

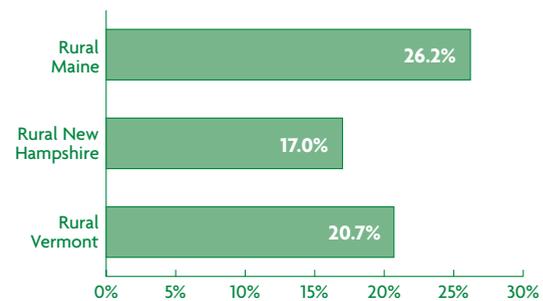
Family income has a direct impact on future outcomes for children. Research has consistently demonstrated that family socioeconomic status is one of the best indicators of a child's school readiness, academic success, physical, social and emotional development, and future occupational choices.¹⁰

A number of economic indicators show Northern New England's rural families lagging behind their non-rural counterparts. Almost a quarter (23%) of rural families earn less than \$25,000 per year, compared to 15.5% of families in non-rural areas. In Maine, rural families fare even worse, with 26.2% of rural families earning less than \$25,000, compared to 20.7% of rural families in Vermont and 17% in rural New Hampshire.

PERCENT OF FAMILIES EARNING LESS THAN \$25,000 in Northern New England, 1999



... by State

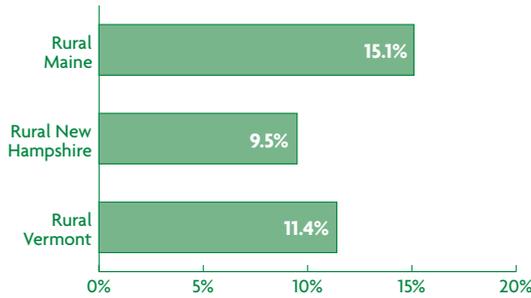


Source: US Census Bureau, Decennial Census, 2000

CHILD POVERTY

Nearly 29,000 children in rural Northern New England, or 12.9%, live in poverty according to the 2000 US Census. That ratio is well above the 9.1% of non-rural children in the region who live in poverty. In this category again, rural Maine fares worst with 15.1% of children living in poverty, compared to 11.7% of non-rural children in the state. 11.4% of children in rural Vermont lived in

PERCENT OF RURAL CHILDREN IN POVERTY, 1999



SINGLE FEMALE-HEADED HOUSEHOLDS WITH CHILDREN in Northern New England, 1999



Source: US Census Bureau, Decennial Census, 2000

poverty in 2000 compared to 10.1% of non-rural children. In rural New Hampshire, 9.5% of children live in poverty according to the Census, compared to 6.9% of non-rural children in the state.¹¹

The economic disparities of rural families are consistent across various family categories. For example, in 1999 11.6% of rural families with children under 18 lived in poverty, compared to 8.3% of non-rural families with children under 18. The difference is more dramatic among female-headed families with children. According to the 2000 Census, more than half of female-headed families in rural areas with children under 5, 52.4%, live in poverty, compared to 47.3% in non-rural areas.¹² These numbers echo a national trend for the past ten years of poverty rates among female-headed families with children higher in rural areas than non-rural areas.¹³

The human costs of child poverty are high. Poor children are more likely to attend under-funded schools, live in families that are subject to greater stress, and have less access to adequate nutrition and health care. These and other poverty-related conditions present risks to children’s healthy social, emotional and academic achievement, as well as reaching their full potential. Research shows that poor children are twice as likely to drop out of high school, five times as likely to suffer from abuse, and three times as likely to experience childhood death.¹⁴

POVERTY RATES IN NORTHERN NEW ENGLAND, 1999

	RURAL	NON-RURAL
Children in Poverty	28,617	46,539
Child Poverty Rate	12.9%	9.1%
Poverty Rate of Families with Children under 18	11.6%	8.3%
Poverty Rate of Families with Children under 5	15.3%	11.3%
Poverty Rate Single Female HH with Children under 18	34.1%	29.1%
Poverty Rate Single Female HH with Children under 5	52.4%	47.3%

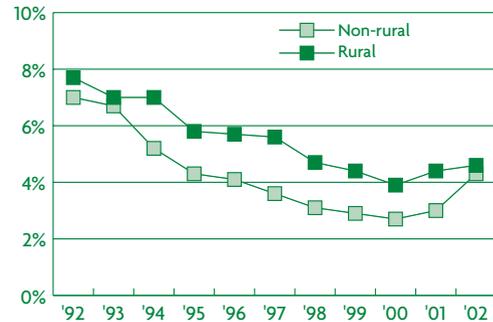
Source: US Census Bureau, 2000 Decennial Census.

UNEMPLOYMENT AND LABOR FORCE PARTICIPATION

Unemployment rates and labor force participation are two factors in the level of economic opportunity for residents in an area.¹⁵ Despite a recent decrease in disparities, workers living in rural Northern New England towns experience slightly higher rates of unemployment than non-rural workers. In 1992, 7.7% of rural workers and 7% of non-rural workers were unemployed. By 2002, 4.3% of rural workers and 4% of non-rural workers were unemployed.¹⁶

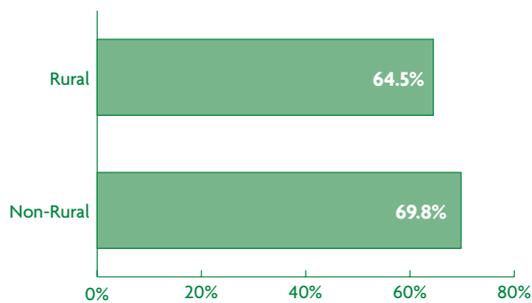
Northern New England also has fewer rural residents working or trying to participate in the labor force compared to non-rural areas. In 1999, 64.5 % of rural residents over age 16 were in the labor force, compared to 69.8% of non-rural residents. The gap was greater a decade ago, but narrowed between 1990 and 2000 in part because women 16 and over entered the labor force at a faster rate in rural areas than in non-rural areas.

UNEMPLOYMENT RATES in Northern New England, 1992-2002



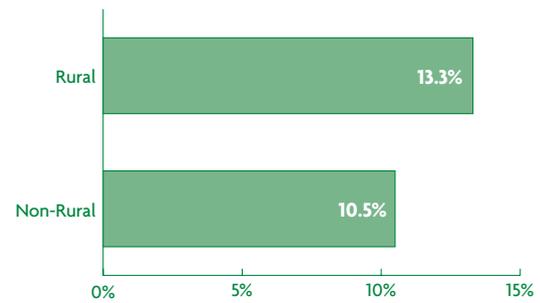
Source: Bureau of Labor Statistics, Local Area Unemployment Statistics

LABOR FORCE PARTICIPATION RATE in Northern New England, 1999



Source: US Census Bureau, Decennial Census, 2000

CHANGE IN RATE OF LABOR FORCE PARTICIPATION FOR FEMALE WORKERS in Northern New England, 1990-2000



Source: US Census Bureau, Decennial Census, 1990 and 2000

JOBS AND WAGES

Employment opportunities in many parts of rural Northern New England are fragile. The number of jobs has increased by 25,000 in the last six years, continuing a long-term trend. Since 1970, the total number of jobs in this rural region has increased from 300,000 to more than 547,000.¹⁷ Despite job growth, however, the number of good-paying jobs in rural Maine, New Hampshire and Vermont are declining, creating economic challenges for families in rural communities.

Historically, agriculture, natural resources industries and the manufacturing sector have been central to rural economic life. Farming, logging and other work dependent on natural resources have provided

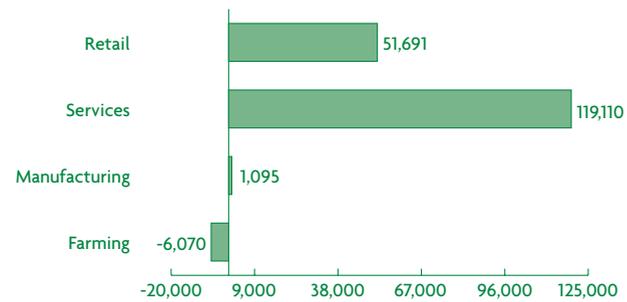
mostly low-income wages. Manufacturing, on the other hand, has consistently provided some of the highest-paying jobs in rural areas, with benefits providing parents and their children with good health care coverage and pension plans. But manufacturing jobs, along with farming and other long-established jobs in the region, are disappearing.

Between 1970 and 2000, the share of manufacturing jobs in the region's rural economy fell by almost half, from 23.9% of all jobs in 1970 to 13.3% in 2000. The share of farming jobs fell even faster, from 6.6% in 1970 to 2.5% in 2000, a decline of 62.1%. In 2000, the average job in rural Maine, New Hampshire and Vermont paid about \$26,210, nearly \$10,000 less than the \$35,891 average income for non-rural jobs. Thirty years ago, when adjusted for inflation, the difference was just over \$2,000

In non-rural parts of the region, manufacturing jobs have been replaced with good-paying jobs in high technology, financial services and other professional companies.¹⁸ In rural areas, however, industries that have created the most opportunities are in service and retail, which typically pay lower wages, offer fewer benefits, and are often part-time or seasonal. Workers in retail jobs in rural Northern New England earned \$16,979 per year on average in 2000, while workers in service jobs in the region averaged \$23,657.

The difference in wage growth can primarily be attributed to the increase in service and retail industries in the rural economy.¹⁹

INDUSTRY JOB GROWTH in Rural Northern New England, 1970-2000



Source: Bureau of Economic Analysis, Regional Economic Information System, 1970-2000

Voices on JOBS

A theme from the focus groups was the decline in good-paying jobs. While there was widespread concern about this issue, the concern from low-income participants was more pronounced. Here is some of what people had to say:

“Basically now it’s just service jobs – waitresses, chamber maids and gas pump attendants.”

– Pam, a mother of eight in rural Maine

“A lot of the issues we have are because there are no jobs, and if you get a job, it’s low pay and crappy hours.”

– Lynette, a mother of one in rural Vermont.

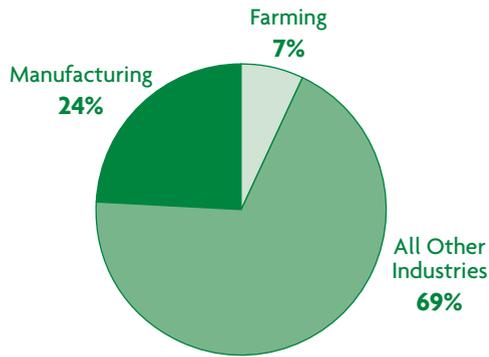
“We’re getting that same bug as other tourism areas where locals can’t afford to live locally.”

– Beth, who manages a restaurant in rural Maine.

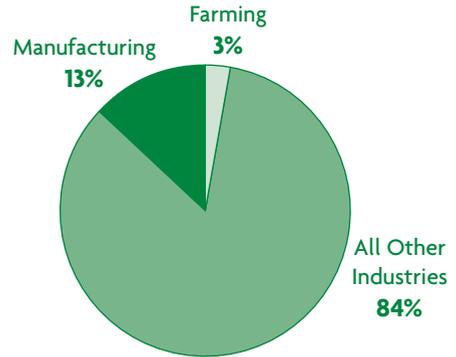
“If you could make a living here, this would be like heaven on Earth.”

– Janice, a mother of three in rural Maine.

**PERCENT OF TOTAL JOBS BY INDUSTRY
in Rural Northern New England, 1970**



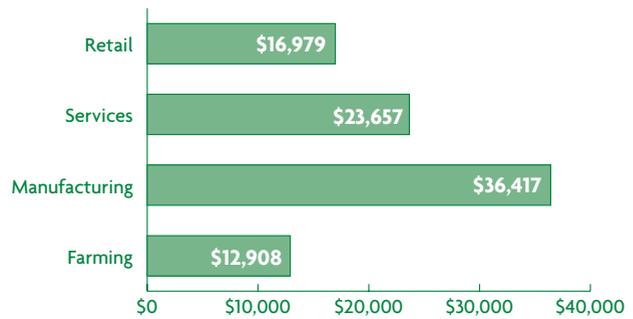
**PERCENT OF TOTAL JOBS BY INDUSTRY
in Rural Northern New England, 2000**



Source: Bureau of Labor Statistics, Regional Economic Information Systems, 1970-2000.

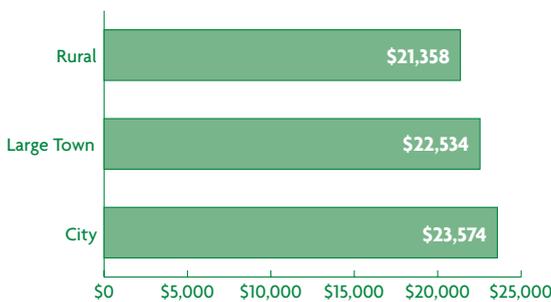
The shift in economic engines in rural Northern New England has resulted in a gap between average wages in rural and non-rural areas. Wages in rural areas grew an average of 22.7% when adjusted for inflation between 1970 and 2000. By contrast, wages grew by 30.6% in large towns and by 52.2% in cities.²⁰ The end result is that for a two-parent working family of four in rural Northern New England, wages earned from full-time employment still present challenges in securing essentials including housing, food, clothing and other basic needs.²¹

**AVERAGE WAGE BY INDUSTRY
in Rural Northern New England, 2000**



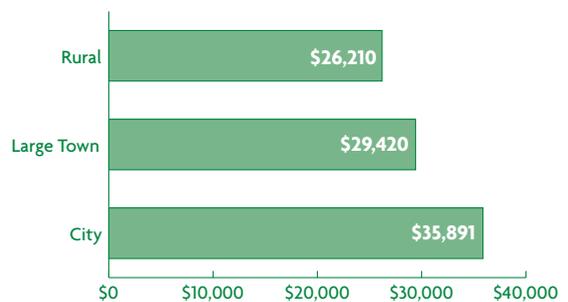
Source: Bureau of Economic Analysis, Regional Economic Information System, 2000

**AVERAGE WAGE PER JOB
in Northern New England, 1970
(in 2000 dollars)**



Source: Bureau of Economic Analysis, Regional Economic Information System, 1970

**AVERAGE WAGE PER JOB
in Northern New England, 2000**



Source: Bureau of Economic Analysis, Regional Economic Information System, 2000

PROFILES OF THE RURAL ECONOMY

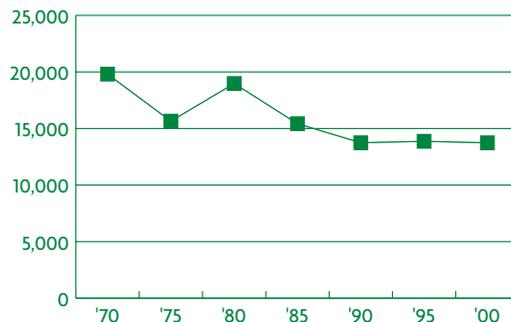
AGRICULTURE AND FOREST PRODUCTS

From the earliest days, families in rural Northern New England relied on natural resources such as forests, rivers and agricultural land for jobs, income and a way of life. Over the last century, however, many of these rural jobs have been siphoned off by cheaper labor and more productive areas south and west of Northern New England. More recently, the globalization of farming and forest-based products has exacerbated the trend, making it harder for Northern New England families that rely on these industries to survive.²²

The number of farms and total land in farms has been declining over time, resulting in dramatic losses in related jobs. Employment in farming dropped by 30% between 1970 and 2000. More recently, the number of farms in Maine, New Hampshire and Vermont fell by 1,265 between 1997 and 2002, a 6.9% decrease, according to the Census of Agriculture. Over the same period, the land used for farms decreased by 32,208 acres, a one-percent decline.

As the number of farms and farm-related jobs has fallen, fewer young adults have taken up farming, and many parts of rural Northern New England's agricultural infrastructure have suffered. The declining numbers of farms has, in turn, hurt service businesses that supplied farmers, and forced them to close or leave the region. Smaller merchants who depended on these businesses have also been hurt. This downward spiral of lost jobs has deprived some remote villages of their economic core, leaving those residents isolated and at greater risk of poverty.²³

**DECLINE OF FARM JOBS
in Rural Northern New England, 1970-2000**



Source: Bureau of Economic Analysis, Regional Economic Information System, 1970-2000

NUMBER OF FARMS AND ACREAGE IN USE BY FARMS FOR NORTHERN NEW ENGLAND, 1997 AND 2002

	NUMBER OF FARMS			LAND IN USE BY FARMS (ACRES)		
	1997	2002	Change	1997	2002	Change
Maine	7,404	7,196	-208	1,313,066	1,369,768	56,702
New Hampshire	3,928	3,363	-565	463,383	444,879	-18,504
Vermont	7,063	6,571	-492	1,315,315	1,244,909	-70,406
Total Northern New England	18,395	17,130	-1,265	3,091,764	3,059,556	-32,208

Source: US Department of Agriculture, Census of Agriculture, 1987-2002.

Like farming, the pulp and paper industry has a long history in rural Northern England. Many communities were based on pulp and paper jobs, but it too is a mature industry, and faces intense competition from abroad. Jobs in the pulp and paper mills are on the decline. Employment in the industry declined considerably across the three states from 1969 to 1999, according to data gathered by the Northern Forest Alliance. Maine's employment in pulp and paper fell by 24% over the period, while New Hampshire's fell by 33% and Vermont's by 17%.

Wood products manufacturing, on the other hand, has been more stable. Jobs in this industry grew by 14% in New Hampshire and by 76% in Vermont between 1969 and 1999. In Maine, jobs in wood products fell by -2 % between 1969 and 1999.²⁴

Each of the three states has promoted strategies to help stem the decline in farming and improve natural resource industries to provide farming families with new markets and sources of income. In Vermont, for example, the state has heavily promoted "value-added" dairy and other products to help farmers. "Value-added" refers to a change in raw material or a new or changed process that results in a product with enhanced value. For example, the diversification of traditional farming has resulted in the creation of a wide array of goat cheeses; development of new meat animal markets, including fallow deer and other exotic animals; and promotion of agri-tourism, such as vacations on working farms. Vermont also has promoted the "Vermont Brand" to strengthen agricultural exports in commodity and niche markets.²⁵ Maine, for its part, has promoted research to find expanded uses for its famed wild blueberries. It has also pursued aquaculture farming such as raising fish and shellfish in salt, brackish and fresh water to sustain its commercial fishing industry.

Promise also lies in value-added wood products. Much of the wood products industry in the three states has used new technologies and found new markets to shift to high value-added product lines. Furniture making, mobile home construction, and wood-based crafts are examples of the value-added processing of wood products. According to The Northern Forest Alliance, "By processing our wood here into new products, rather than exporting it unprocessed, we create manufacturing jobs, increase the value of the raw wood with each step of production, and keep more of the wood's economic value circulating"²⁶ within the local economy. Value-added wood manufacturing is important to the economic health, traditional landscape and welfare of many towns in rural Northern New England.

THE SINGLE-INDUSTRY TOWN

In several of the focus group communities, the decline of a paper mill or other dominant industry had crippled the town's economy. Focus group participants discussed the various ramifications, including large-scale elimination of reliable jobs, entire companies that closed, and families that uprooted their children to move elsewhere in search of work.

In some cases, the mill dominated many aspects of life for more than 100 years, organizing holiday parties and charity events, leasing land to workers, and deciding which other businesses could open. In some mill towns, generations of workers' children were virtually guaranteed a good-paying job with benefits upon graduating from high school. But the decline of the mills eliminated these jobs.

Voices on THE SINGLE-INDUSTRY TOWN

Unease over the decline of the dominant or single industry in town was a strong theme in several focus groups. Here is some of what people said:

“For the last 100 years, you either worked for the mill or you worked in services for the people who worked at the mill.”

– Dom, a father of four from rural Maine

“When you graduated, there was a sure deal, you could either go to college or you could work in the mill...those days are gone forever.”

– A mother from rural Maine

“This whole town has been existing on the mill.”

– Jonathan, a father of one from rural New Hampshire

“A good job is in the mill, but that’s up in the air right now.”

– Chrystal, a mother of one from rural New Hampshire

The impact reached far, affecting the child-care center that depended on workers’ children and salaries, the school sports uniforms sponsored by the union, or the library and playground backed by the mill owner.

As we have seen, the decision of a single company to disband operations can leave entire communities bereft on every level. These communities must be rebuilt with an eye toward diversity of their economy, local governments and social functions.

In some of the towns visited by the project researchers, people interviewed for the project said they have resorted to “creative employment,” to fill the void, starting their own businesses or piecing together two or three jobs to earn enough to live. According to a recent study on the impacts of the paper industry downsizing in New Hampshire, the replacement jobs are often low-paying service jobs that lack adequate benefits, such as jobs in retail, food services or the tourism industry.²⁷

TOURISM

With a long history in rural Northern New England, the tourism industry has recently experienced significant gains in all three states. Heritage, recreation and nature-based tourism have been prominent economic developments in diversifying rural economies.

All three states have undertaken efforts to capitalize on seasonal visitors who come for skiing, snowmobiling and summer vacations in the mountains or by the water. In addition to recreational tourism, cultural tourism is a growing focus. One study by The Creative Economy Initiative found that 3.4 million people from outside the region travel to Maine, New Hampshire and Vermont every

KEY OCCUPATIONAL WAGE RATES IN THE TOURISM INDUSTRY, MAY 2003

	Maine	New Hampshire	Vermont
Amusement and Recreation Attendants	\$17,350	\$16,900	\$18,210
Restaurant Cooks	\$20,130	\$22,340	\$23,170
Hotel, Motel and Resort Desk Clerks	\$18,020	\$20,000	\$20,360
Maids and Housekeeping	\$17,860	\$19,010	\$18,090
Retail Sales	\$21,830	\$23,700	\$24,060
Tour Guides and Escorts	\$17,940	\$19,250	\$18,110
Restaurant Waiters and Waitresses	\$17,690	\$15,640	\$18,640

Source: Bureau of Labor Statistics, Maine Department of Labor, New Hampshire Employment Security, Vermont Department of Employment and Training, May 2003 State Occupational Employment and Wage Estimates.

NOTE: THE 2003 POVERTY THRESHOLD FOR A FAMILY OF FOUR (TWO CHILDREN) IS \$18,660/YEAR

year primarily to experience Northern New England's cultural events and heritage. The tourism generated by these visitors created about 11,700 jobs in Northern New England.²⁸

A study by the Northern Forest Alliance documented the increasing importance of tourism. It found that inflation-adjusted income from recreation and tourism grew by 61% in rural parts of Maine, New Hampshire, Vermont and New York from 1969 to 1999. The rate of growth in rural areas was much higher than in non-rural parts of the states, the report found.²⁹

One problem with relying on tourism is the typically low wage and seasonal nature of the work. Desk clerks and housekeepers in hotels, motels and resort accommodations, for example, typically earn less than \$20,000 per year in Maine, New Hampshire and Vermont. Cooks and waiters in the three states earn between \$15,460 and \$23,170 per year on average. Jobs like these are affected by seasonal fluctuations and are often part-time positions with few, if any, benefits.³⁰

Minimum wages vary among the states and may play a role in the variability of occupational wage rates across the states. In Vermont the minimum wage is \$6.75/hour and will increase to \$7.00/hour on January 1, 2005; in New Hampshire the minimum wage is \$5.15/hour; in Maine the minimum wage is \$6.25/hour.

SELF-EMPLOYMENT AND ENTREPRENEURSHIP

Another aspect of the rural economy that presents challenges to families is a recent increase in self-employment. Studies have shown that large firms offer the best advancement potential, training opportunities, benefits packages, security and wages for workers and their families.³¹ Self-employed workers, however, are more likely to go without health insurance, training opportunities and the other benefits of working for a large employer. A recent report on rural health in New Hampshire noted that self-

employed workers typically have no access to group-rate insurance and must purchase more expensive individual plans.³²

Key informant interviews also revealed many challenges unique to rural entrepreneurship. Many rural areas don't have community colleges or other educational facilities where entrepreneurs can learn the basics of starting a business, from business strategies to cash flow to marketing to website design. Another challenge regards networking and making business contacts; rural entrepreneurs can feel isolated and have trouble creating the networks essential to small business success.³³ Making a success of a new business is risky, can take some time and is not guaranteed.

In Northern New England, higher shares of rural workers are self-employed than non-rural workers. Between 1970 to 2000, employment among rural self-employed workers grew by 155%. This growth was a slower rate than self-employed workers in non-rural areas of Northern New England (206.5%). One study found that low-income families turn to self-employment due to a lack of available high-quality jobs or the need for extra income.³⁴ According to the 2000 US Census, 11.9% of employed workers in rural Northern New England were self-employed, compared to 7.5% in non-rural areas.

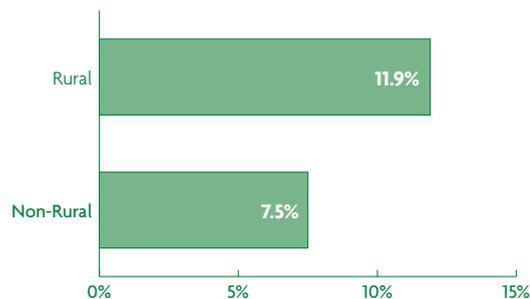
Workers also turn to self-employment to take advantage of a business opportunity. These entrepreneurs have the opportunity to build new ideas into sustainable incomes by selling a product or service. While there is great risk associated with any entrepreneurial venture, it is still a viable and creative solution that pays dividends above and beyond the financial when successful.

Maine, New Hampshire, and Vermont have supported entrepreneurship and micro enterprise development (a business with fewer than five employees) as strategies to give rural residents new jobs and income.³⁵ These initiatives mirror a national effort to promote entrepreneurship in rural America. Maine has sponsored a Rural Entrepreneurship Initiative to study and define new entrepre-

SELF-EMPLOYED WORKERS IN RURAL NORTHERN NEW ENGLAND, 1970 AND 2000		
	1970	2000
Rural	53,464	136,349
Non-Rural	81,972	251,211

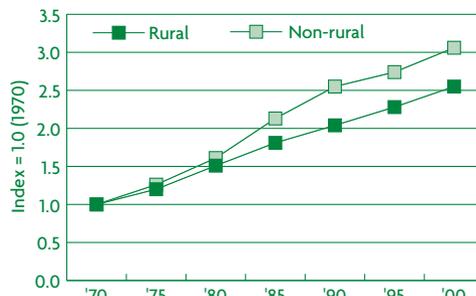
Source: Bureau of Economic Analysis, Regional Economic Information System, 1970-2000

PERCENT OF SELF-EMPLOYED WORKERS in Northern New England, 1999



Source: US Census Bureau, Decennial Census, 2000

GROWTH OF SELF-EMPLOYMENT in Northern New England, 1970-2000



Source: Bureau of Economic Analysis, Regional Economic Information System, 1970-2000

neural strategies for rural towns. Vermont provides microbusiness assistance in the form of a Government Marketing Assistance Center; Business Information Center, a collaborative of the Vermont Small Business Development Centers, SCORE (Service Corps of Retired Executives), and the Small Business Administration; regional development corporations among other institutions and services. New Hampshire's small business development centers have partnered with the Women's Rural Entrepreneurial Network to support the growth of women-centered entrepreneurship in rural New Hampshire through free or low cost consulting, technical assistance and peer groups.

COST OF LIVING

CONSUMER GOODS

Participants of the focus groups believe the overall cost of living is high in their rural communities, citing everything from children's clothing to baby formula as expensive. Some people said the isolation of their rural towns meant there were fewer competing stores to drive down prices. High gasoline prices hit rural residents particularly hard because they tend to drive longer distances than city residents. High heating fuel prices exact a heavy burden on rural Northern New Englanders who create high demand during long, harsh winters.

National data echo some of the participants' experiences. The U.S. supermarket industry has consolidated dramatically in recent years. According to Gregory White, a professor of resource economics and policy at the University of Maine, national grocery store sales rose 30% between

Voices on CONSUMER GOODS

A theme that emerged in the focus groups was that people like to shop locally but the prices were too high, so they often traveled to "big box" retail stores. Here is some of what people said:

"I feel bad for the Mom and Pop store, I do, but I can't afford them."

– Sonia, a mother of four from rural Vermont

"Wal-Mart ... we do everything there."

– Chrystal, a mother of one from rural New Hampshire

"We do our groceries there. We buy our clothes there. We meet up with our families there. It's the Friday night social event, the walk at Wal-Mart."

– Louise, a mother of one from rural New Hampshire

"What I saved last night at Wal-Mart, because I was down that way, I actually saved about \$40."

– Marlene, a mother of three from rural Vermont, when talking about her 50-minute drive to Wal-Mart

1990 and 2000, while the number of independent supermarkets and small grocery stores decreased by 17.2% and 35.9%, respectively, between 1990 and 2000.

American consumers on the whole have not experienced an increase in food prices, but rural communities may be hit hardest by the closings of small and independent grocers. Rural residents often rely on small and independent grocery stores commonly found in downtown or very rural areas. When these stores go out of business, it can create hardships for rural or low-income people who don't have cars. Also, when these grocers close, business traffic declines for nearby retailers, which results in a blow to the economic vitality of small towns and rural areas.³⁶

A common lament among focus group participants was that there are not enough local stores, a situation that is economically understandable. In general, the greater distances between rural merchants and wholesalers means they have to charge more to cover their costs than non-rural merchants.³⁷ People said they would prefer shopping locally, but even if such businesses were available to them, they couldn't afford to pay the higher prices; they travel to shop at larger stores and benefit from economies of scale. Many of the people we interviewed said they liked the warehouse department stores and other large stores because of their low prices.

HOUSING

In general, housing is less expensive in rural areas of Northern New England than it is in non-rural areas. More than 56% of the region's rural homes cost less than \$100,000, according to figures released by the 2000 Decennial Census. In non-rural areas, by contrast, only 31.9% of homes cost less than \$100,000.

Despite the lower housing costs relative to non-rural areas, the share of rural and non-rural households that spent more than 30% of their income on housing in 1999 was roughly the same, at just under 22%. Among renters, 36.7% of rural households spent more than 30% of their income on rent, compared to a slightly higher percentage, 37.2%, among non-rural households.

Whether in rural or non-rural areas, the housing supply plays a key role in whether families can find affordable places to live. Key informants mentioned shortages of affordable housing in their states. The smaller housing supply of rural communities often means there is less variety in the types of housing (2, 3, or 4-bedroom homes, multifamily homes, condominiums,

HOUSING PRICES IN NORTHERN NEW ENGLAND, 1999		
	RURAL	NON-RURAL
Less than \$50,000	11.1%	2.2%
\$50,000 to \$99,999	45.1%	29.7%
\$100,000 to \$149,999	23.2%	35.5%
\$150,000 to \$199,999	9.5%	17.1%
\$200,000 to \$299,999	6.6%	10.8%
\$300,000 to \$499,999	3.1%	3.7%
\$500,000 to \$999,999	1.1%	0.8%
\$1,000,000 or more	0.3%	0.2%

Source: US Census Bureau, 2000 Decennial Census.

efficiency apartments and multi-room apartments) for potential renters and buyers.³⁸ A shortage of housing, in conjunction with a high demand, pushes up prices for renters and homebuyers and hurts families with little money.

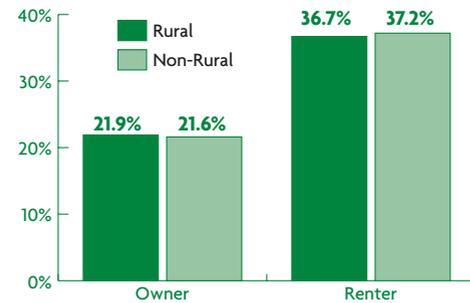
State-based studies have found that affordable housing is an issue for all three states in Northern New England. A recent report in Vermont noted that affordable housing is a serious problem for low-income residents as well as middle-income families in the state. The median price of a home in Vermont increased nearly 54% from 1996 to 2003.³⁹ In New Hampshire, the Rural Development Council found in their 2003 housing needs assessment that there is an affordable housing crisis that hits rural towns just as hard as towns in non-rural parts of the state. The Council reports that the crisis is a result of not enough single-family homes and rental units being built. Along with the greater likelihood that existing housing stock is inadequate in rural areas.⁴⁰ In Maine, rural towns on the edges of expansive metropolitan areas such as Portland and Bangor have some of the greatest affordability challenges where housing costs are disproportionate to local residents' incomes. A 2002 Maine State Housing Authority report found that despite higher housing costs in metropolitan areas, the challenge to secure affordable housing is greater in some rural areas because incomes are lower.⁴¹

The data show that there is a slightly higher rate of vacant housing in rural Northern New England than in the region's non-rural areas. In 1999, 5.1% of the housing in rural communities was vacant, compared to 3.2% in non-rural areas.⁴²

A common theme that emerged from the focus groups was the concern about affluent outsiders buying real estate in rural communities as vacation, investment or retirement properties. Statistics support a growing trend in all three states of real estate ownership by out-of-staters. In 1999, 24.2% of all housing units in rural Northern New England were vacation or seasonal properties. Only 6.2% of housing units in non-rural areas were vacation or seasonal properties.⁴³ In fact, Maine, Vermont and New Hampshire have the three highest percentages of vacation homes, according to U.S. Census figures.⁴⁴

When people from outside the community build expensive second homes, property values rise. This makes home ownership more problematic for low-income residents. However, property values are a significant factor in school funding. We cannot conclude, however, that the rise in property taxes, which takes a toll on low-income home ownership, also provides a concomitant benefit in funding the public school system in these communities. Each state grapples with property tax to varying degrees as part of its formula for education funding, but the complexities are beyond the scope of this report, particularly given current reform initiatives in the three states that are yet to be resolved.

PERCENT OF HOUSEHOLDS PAYING MORE THAN 30% OF INCOME ON HOUSING in Northern New England, 1999



Source: US Census Bureau, Decennial Census, 2000

ACCESS TO CAPITAL

A key part of family economic success is a family's ability to increase their income and build their asset base. Access to affordable financial services enables families to create financial security and build wealth. A family's economic success relies on access to tax credits, credit repair and asset-building tools such as home ownership.⁴⁵ Owning a home builds equity for families, which gives parents access to college and other loan opportunities. Unlike paying rent, home ownership builds a foundation of capital that families can sell in the future. Low-income families who cannot afford to buy homes or other equity purchases find it harder to build long-term equity.

A higher proportion of families in rural Northern New England own homes than in non-rural areas. In 1999, 76.1% of homes in the region's rural areas were owned, 8 percentage points higher than non-rural areas.

Participants in the focus groups said an advantage of rural life is the familiarity with local business people. Participants said banks are more likely to extend credit because they would like to see a local resident succeed. Others said banks in rural areas are more likely to give a loan because, for example, the bankers know their lending applicants on a personal level.

HOME OWNERSHIP IN NORTHERN NEW ENGLAND, 1999

Rural	76.1%
Non-rural	68.1%

Source: US Census Bureau, 2000 Decennial Census.

The Rural Policy Research Institute has found, on the other hand, that a lack of access to credit has hurt rural economies around the country. "Much anecdotal evidence exists of rural small businesses not started, rural housing not constructed, and rural infrastructure projects not undertaken because credit and/or more formal capital markets were 'unavailable' or 'too costly' to use," the Institute's Rural Finance Task Force found in a 1997 report. The small number of credit institutions in rural markets results in reduced competition, conservative lending practices and limited financial services for rural borrowers, the report found.



COURTESY OF SHARON PIENIAK

GENERAL RECOMMENDATIONS

Rural family life in Northern New England has been deeply affected by regional economic change. As employment opportunities have shifted away from high-skill, high-wage jobs toward lower skilled and lower paying jobs in the service and retail industries, workers and families have suffered. As wages have decreased, so too has the availability of benefit packages. As parents piece together multiple jobs to meet basic needs, family life has been strained.

These systemic changes can be remedied by informed public policy. To improve family economic success in these rural communities, the Northern New England states need to consider family supportive tax and policy changes that enable working families to retain more of their earnings, and that put in place the supports that poor and near-poor families need to help them achieve economic success.

As a first step, states should work toward ensuring that full-time work provides sufficient earnings to meet basic needs. No one working full-time at minimum wage should be living below the poverty threshold, which is currently the case. In these rural communities, we found that piecing together a monthly income from two or three part-time jobs has become a way of life. Along those lines, the definition of “part-time” requires either state or federal action. This report documents an increase in “part-time employment” for both year-round and seasonal jobs requiring 30 to 35 hours of work per week. These jobs offer limited to no benefits, denying families basic supports and economic security.

States should also assess the overall impact of the tax structure on working-poor families. An information campaign alerting low-income families to the availability and advantage of the Earned Income Tax Credit (EITC) is another way to help them negotiate financial difficulties. Increased awareness of federal (and state) earned income tax credit(s) can significantly improve family economic well being, reducing the tax burden and rewarding work.

These economic trends have real life consequences on the overall health and well being of rural families and children. Sociologist Cynthia Duncan studied rural poverty in America and found that rural towns with steady, good-paying jobs afford children a better chance to escape poverty.⁴⁶



COURTESY OF LYNN DAVEY

Education

Research has shown that improving the quality of public schools strengthens a community or region's prospects for economic development. For example, public schools can boost state and local economic growth by producing an educated labor force that attracts new businesses. In addition, schools themselves are an important industry and a major employer that can have a stimulus impact on state and local economies. Some research has also shown a clear link between public schools and the real estate market, by which high-performing schools boost the values of homes in nearby school districts compared to low-performing districts. Still other research has shown how public school facilities themselves, along with the construction and renovation of those facilities, boost economic development, particularly in distressed areas.⁴⁷

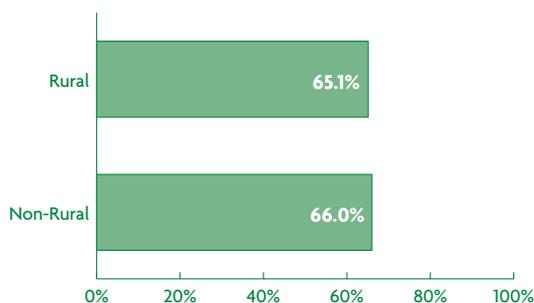
EARLY CARE AND EDUCATION

Early care and education has lasting effects on how children learn and develop. Life-long academic success is highly associated with growth and development during the first years of life.⁴⁸ Well-educated, well-trained staff is crucial to ensuring that young children receive the support and age-appropriate curriculum they need to start school ready to succeed. Licensed center and family-based early care and education programs are especially important for some rural households, where children are out of the home for long days while parents commute long distances to and from work. Research has found significant lasting benefits from early childhood education, including better school achievement and health for the child, and future success resulting in higher tax revenues and less welfare dependence on the state. In addition, research has found that early childhood education yields a higher likelihood of college enrollment, higher wages and lower teen pregnancy rates.⁴⁹

The benefits of early care and education extend to the labor market. The availability of child care allows parents to work. Nationally, 61% of married couples with children under age six had both parents in the workforce in 2000.⁵⁰ In rural Northern New England, 66% of married couples with children under six had both parents in the workforce. The rate in non-rural parts of Northern New England was slightly lower at 65.1%.

The child-care industry contributes significantly to the economy by enabling parents to work outside the home. One study estimated that in Vermont, one out of every nine people in the labor force has a child under 12 in child care. Together, these 37,000 working Vermont parents earn more than \$1 billion

MARRIED COUPLES, TWO PARENTS IN THE LABOR FORCE WITH CHILDREN UNDER 6 in Northern New England, 1999



Source: US Census Bureau, Decennial Census, 2000

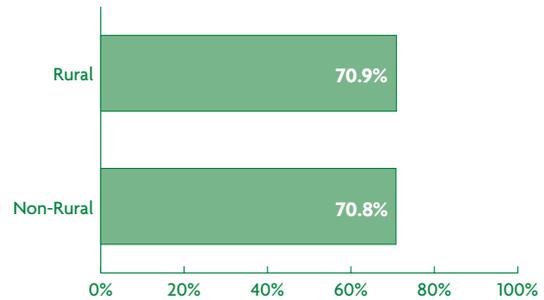
annually, or 13% of the state's total wages, and pay about \$100 million in state and federal income taxes.⁵¹

In general, licensed child-care centers in Northern New England appear to be limited and expensive. One board member of a child-care center in rural Vermont said the small number of children in rural areas makes it difficult for licensed child-care providers to stay in business. Some years there are too many children, while other years there aren't enough to stay open.

Throughout many of the focus groups, family and friends were cited as common care alternatives to child-care centers. Many young parents discussed the social networks that provide early care and education as reasons for returning to rural Northern New England.

Vermont, New Hampshire and Maine all provide subsidized child-care for low-income families. Vermont offers incentives to providers to further their training so they may receive accreditation. In Maine, eligible families can receive direct vouchers for child care, or participate in subsidized assistance that is contracted to the child-care provider. In New Hampshire, eligible families can apply for child-care scholarships at state-registered child-care centers.

PERCENT (%) FEMALE-HEADED HOUSEHOLD WITH CHILDREN UNDER 6 YEARS AND MOTHER IN LABOR FORCE in Rural Northern New England, 1999



Source: US Census Bureau, Decennial Census, 2000

PERCENT (%) FEMALE HEADED HOUSEHOLDS WITH CHILDREN UNDER 6 YEARS AND MOTHER IN LABOR FORCE BY STATE, 1999

	Maine	New Hampshire	Vermont
Rural	70.6%	74.1%	69.4%
Non-rural	71.5%	71.7%	66.6%

Source: US Census Bureau, 2000 Decennial Census

EDUCATIONAL ATTAINMENT

According to national data from the Census Bureau, there is a clear association between average family income and educational level. In 2002, annual income for families headed by high school dropouts averaged \$38,398, rose to \$52,581 for a head of household with a high school diploma, and increased to \$95,181 for a head of household with a four-year college degree.⁵²

Historically, rural residents have been less educated than other residents of Northern New England. According to the 2000 Census, residents in rural areas of Northern New England age 25 and over had

smaller percentages in every category – high school graduate, bachelor’s degree, or graduate and professional degree – than their counterparts in non-rural areas. A higher proportion of rural adults did not finish high school, 15.4%, compared to non-rural residents, 12.8%.

Education attainment is a critical factor regarding future success and positive outcomes for children.

YOUTH OPPORTUNITIES

Opinions on after-school activities among parents in the focus groups were divided. Some parents said after-school activities for children are plentiful, from band to chorus to dance class to math league. Much of it is funded through local fund-raising such as bake sales and in some cases, by grants. Once in high school, sports are the dominant social activity in many rural communities. Some schools, however, don’t have enough money to offer all sports. Often, families pay for their children to participate in extracurricular activities because the school or town does not have the money to fund them.

Other residents in the focus groups said activities for adolescents are limited. Many residents said there is little for adolescents to do. In difficult economic times, adults often take low-wage jobs traditionally held by adolescents. This leaves adolescents with time on their hands. Since many families have both parents in the labor force, these adolescents can be unsupervised if after-school care is not set up.⁵³

Nearly every community visited during the focus groups reported that alcohol and marijuana use among youth was a problem. In some places, heroin and Oxycontin use were reported. The feedback from the focus groups suggests that rural residents are as aware and concerned about the issue as their peers in non-rural areas.

EDUCATIONAL ATTAINMENT IN NORTHERN NEW ENGLAND, POPULATION 25 YEARS AND OVER, 1999		
	RURAL	NON-RURAL
Less than High School	15.4%	12.8%
High School or more	84.6%	87.2%
Bachelors degree or more	23.4%	27.9%
Graduate or professional degree	8.4%	9.8%

Source: US Census Bureau, 2000 Decennial Census.

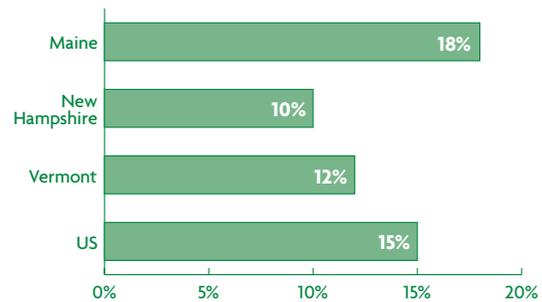
Parents in the focus groups stressed the need for community or teen centers. Many towns lack them because they don’t have enough people to support one. A few of the towns visited during the focus groups were trying to find money to build one. Some parents said that the lack of access to a car in rural areas increases the isolation of youth.

A minority of young adults is at more risk of negative outcomes than their peers. This group, identified as “disconnected youth” by the Annie E. Casey Foundation, is not enrolled in school, is not working, and has no educational credential beyond high school. Statewide data⁵⁴ show sizable numbers of

disconnected youth in New Hampshire, Vermont and particularly in Maine. About 10% of young adults in New Hampshire and 12% in Vermont were considered disconnected in 2002. In Maine, 18% of young adults were considered disconnected in 2002, well above the 15% national average.⁵⁵

“Over the next decade a new generation of children will be born to parents whose ability to provide for them financially will be severely compromised. Given the background and experiences of today’s disconnected youth, a significant number of their offspring will be at risk for the same negative outcomes experienced by their parents.” Doug Nelson, President, Annie E. Casey Foundation.⁵⁶

DISCONNECTED YOUNG ADULTS (18-24) in Northern New England, 2002



Source: Annie E. Casey Foundation, 2004 Kids Count Book

SCHOOL CONSOLIDATION

As the rural population ages, and the student base declines, some communities in Northern New England are feeling pressure to consider regional consolidation. The three states together suffered a net loss of 27,900 people under age 18 between 2000 and 2003, according to the U.S. Census. Vermont, with a 6.8% drop over the period, trailed only North Dakota in terms of under-18 population loss. Maine was 45th of the 50 states plus Washington, D.C., with a 4.8% under-18 population decline. New Hampshire’s under-18 population fell by 1.1% over the period, placing it 26th.⁵⁷

Some communities have considered consolidation as a cost-saving measure. Interestingly, however, research has shown that consolidation does not necessarily save money and in some cases increases costs. West Virginia, for example, has closed more than 300 schools since 1990. The state has spent more than \$1 billion on school consolidation. Closing local schools means school districts face increased transportation costs due to busing students to distant schools. West Virginia spends more of its education dollars on transportation than any other state, and rising transportation costs there have forced counties to cut funding from classrooms, offices and cafeterias.⁵⁸

PERCENT CHANGE IN AGE DISTRIBUTION IN NORTHERN NEW ENGLAND, 1990 TO 2000

	RURAL	NON-RURAL
Under 5 years of Age	-20.3%	-12.3%
Ages 5 to 19	3.1%	11.8%

Source: US Census Bureau, Decennial Census, 2000

Other research has shown a variety of reasons explaining why school consolidation may actually increase costs. These include hiring more specialized staff; raising the costs of transporting children; producing higher rates of vandalism; lowering support for school-related bond levies, and creating a need for new and larger facilities.⁵⁹

POPULATION ESTIMATES FOR AGE 18 AND UNDER, 2000 TO 2003

	United States	New Hampshire	Maine	Vermont
Rank (50 states plus DC)		26	45	50
Population age 18 and under, 2000	72,294,521	309,562	301,238	147,523
Population age 18 and under, 2003	73,043,506	306,231	286,746	137,446
Absolute Change 2000 to 2003	748,985	-3,331	-14,492	-10,077
Percent Change 2000 to 2003	1.0%	-1.1%	-4.8%	-6.8%

Source: Population Reference Bureau, Population Estimates by Age from July 1, 2003 to April 1, 2000

Regional consolidation also has ramifications beyond school budgets, including education quality, social networks and daily life. There is considerable research in support of smaller schools. Research shows that small schools produce higher academic achievement, particularly among low-income communities; higher attendance rates; more high school graduates, and more parental involvement.⁶⁰ Data support the concern voiced by focus group participants that school consolidation has the potential to exacerbate the problem with youth opportunity. Larger schools create a more impersonal climate for students and more bureaucracy. In addition, research has shown that school closures in the name of consolidation tend to exacerbate the out-migration of the population that may have led to the consolidation in the first place.

For children in rural areas, consolidation usually means longer bus rides to school, sometimes an hour or more. Parents are less likely to want to transport children to after-school activities at distant schools. In one community surveyed, children who participated in extra-curricular activities sometimes didn't get home until after midnight. Closing schools and transporting students to schools far away from families and communities often times eliminates what was once the heart of community life.

Voices on EDUCATION

Concerns about school consolidation and school funding were two themes from the focus group discussions. Here is some of what people said:

“Right now my kids are up at 6 to be at school by 7. If they consolidate the school, they’d have to be up at 5 to be at school by 7.”

– Mary, a mother of two from rural Maine

“It’s an aging population, and a lot of people over the years have forgotten children’s issues.”

– Louise, a mother of one from rural New Hampshire

“We send our kids on this hour bus ride every morning. No one goes to the school. We don’t go to any ballgames, we don’t go to any plays, we don’t go to see the band. We do nothing. There’s very limited parental involvement. Our high school is over an hour away. We have no connection to our high school at all. It’s a crime.”

– Beth, who manages a restaurant in rural Maine

GENERAL RECOMMENDATIONS

High-quality education for all children is a priority beyond debate. Education provides the opportunity for all children to reach their full potential. Quality education also provides children with greater economic opportunities upon maturity, creates a prepared workforce for tomorrow and enables parents today to focus on the workplace during working hours.

Improving educational outcomes in the rural northern New England states will require investments in public education, early childhood education, after-school programming and adult education. To improve educational outcomes in the communities studied, states need to invest in quality public education. Investments in public education benefit not only individuals but the entire community. Strong communities have strong public schools, and strong public schools have clear standards, fair, sustainable and reliable funding, and meaningful measures of success. State support is needed to ensure quality and to address the growing threat of school consolidation. Research has demonstrated the value of community schools that build on and strengthen local networks and the negative impacts on children, parents and communities of school consolidation.

Rural communities need further support in the areas of early care and education, out-of-school-time programs and adult education. In the area of early care and education, states should consider targeted investments in the education, training and support of family child care providers. Family care providers not only provide quality care for children within their own community, they can also create local employment.

Investments are also needed in the area of out-of-school programming. With parents engaged in long work commutes, children need quality supervision after school. Programs ranging from homework assistance, arts and sports will nurture child development while keeping children safe during their parents' absence. Such programming is especially important for rural teens. With potential after-school jobs taken up by working adults, compounded with parents driving long commutes, teens need specialized programs to help keep them in high school, to show them the benefits and the possibilities of higher education, and to engage them during after-school hours. This report highlights the threat posed by drugs and alcohol to rural teens. Rural communities need centers and programs that deal with the effects of this abuse, and ones that will prevent such abuse.

Finally, adult educational opportunities are needed in the rural north. Given the high value placed on entrepreneurial enterprise, and the need for development of local resources, the Northern New England states should consider supporting classes in small business development, accounting and management, along with training in retail sales and service. A better-educated work force will encourage outside investment in the local economy.

Services and Supports

Services and supports connect people to accessible, affordable and family-centered forms of help. In rural Northern New England, families rely on health care, early care and education, and transportation to help connect them to the mainstream economy and give their children a good quality of life. Similar to economic and educational opportunities, however, access to these services and supports present challenges to rural families.

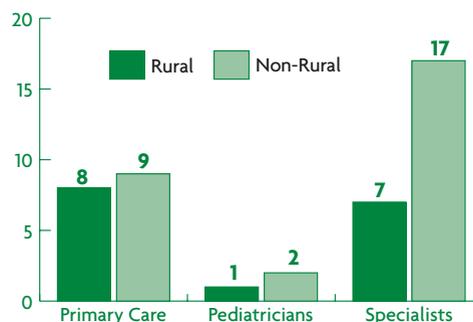
HEALTH CARE

New England has some of the world's best hospitals, yet rural residents in Northern New England face obstacles when accessing basic health care. Focus group participants said they often have to drive outside their community to find a doctor for their children. Parents of children who benefit from federal and state-subsidized health insurance additionally struggle with finding a doctor who accepts their insurance. In general, health care appears to be an important concern for residents of rural Northern New England. In Vermont, for example, a survey of residents in Vermont's Northeast Kingdom show that 87% of respondents believe there is a critical need for health care and mentioned prescription drugs, mental health, home health care and dental care as particularly important. In the same survey, 86% of respondents said transportation services to medical services were needed.⁶¹

Barriers to health care present obvious risks to the healthy development of children and families in rural communities. When a parent has difficulty taking their child to a pediatrician for routine visits, medical conditions are more likely to go undetected and are more likely to be serious once they are detected.⁶² Specialists and mental health providers are more difficult to find in rural areas.

The data underscore the shortages of pediatricians and specialists for rural residents. For every 10,000 residents in rural Northern New England, there is on average 1 pediatrician, or half as many pediatricians as are available in non-rural areas. Rural residents have about 7 specialists for every 10,000 residents, compared to almost two and a half times as many in non-rural areas, where there are 17 specialists per 10,000 residents. Similarly, there is a disparity in the proportion of primary care physicians. There are 8 primary care physicians for every 10,000 residents in rural areas and 9 for every 10,000 residents in non-rural areas.⁶³

ACCESS TO PHYSICIANS PER 10,000 RESIDENTS in Northern New England, 2000



Source: Center for Clinical Evaluative Sciences, Dartmouth Medical School

Studies show that the lack of doctors in rural areas can often be linked to challenges in physician staffing and recruitment. According to the National Rural Health Association, physicians earn less in rural areas than physicians in non-rural areas. Nationally, 20% of the population live in rural areas, yet less than 11% of the nation's physicians practice in rural areas.⁶⁴

Compounding a shortage in doctors able to serve rural residents, many residents lack health benefits to cover health costs due to a large number of self-employed workers and residents in low-wage, often seasonal service and tourism jobs. According to a 2004 report on rural health in New Hampshire, health insurance is one of the greatest disparities between rural and non-rural areas. The report found rural residents are much less likely to be employer-insured for health services, and more likely to be on Medicaid.⁶⁵ Lack of health insurance is a challenge for children and families. Children who are uninsured are less likely to receive regular preventive medical care, are more likely to use emergency rooms as a source of health care, and are more likely to go without needed prescription medication.⁶⁶

Important programs that provide medical care for many rural children from low- and middle-income families include Medicaid and the State Children's Health Insurance Program, SCHIP. The eligibility requirements vary by state, with Vermont's being the most generous, followed by New Hampshire and then Maine. Each state covers pregnant women, Maine and Vermont to 200 % of the federal poverty level and New Hampshire to 185%.⁶⁷

It's important to note that Maine has organized all Medicaid and SCHIP programs under the heading of MaineCare. In addition to children, MaineCare provides health insurance to pregnant women, to youth age 19 and 20, to parents with children under age 19 at home, to elderly and disabled adults and to non-categorical adults. Children who have a serious health condition are served under the Katie Beckett option.

In New Hampshire Healthy Kids Gold and Healthy Kids Silver are publicly funded health insurance programs administered by a partnership between the non-profit New Hampshire Healthy Kids Corporation and the NH Department of Health & Human. Healthy Kids Gold provides health insurance to children and pregnant women who are Medicaid-eligible. Healthy Kids Silver provides

INCOME ELIGIBILITY LEVELS FOR CHILDREN UNDER MEDICAID AS A PERCENT OF FEDERAL POVERTY LEVEL, APRIL 2003

	Maine	New Hampshire	Vermont
Medicaid Infants Ages 0-1	200%	300%	300%
Medicaid Children Ages 1-5	150%	185%	300%
Medicaid Children Ages 6-19	150%	185%	300%

NOTE: The state income eligibility levels noted may refer to gross or net income depending on the state.

Source: The Henry J. Kaiser Family Foundation, State Health Facts Online, 2003.

health insurance to children who are not Medicaid eligible but live in low-income households, and requires a family premium. Since implementation in January 1999, more than 20,000 children have gained health coverage for some period of time. A point in time survey conducted in 2001 showed that the Healthy Kids program insured 50,300 children in New Hampshire, more than one in seven children. In addition, Healthy Kids reduced the number of uninsured children from 9% in 1999 to 5% in 2001.⁶⁸

In Vermont, more than one child out of three was insured through Dr. Dynasaur, the state's Medicaid/SCHIP-funded children's health insurance program, between 1999-2001. In late 2003, new legislative policy replaced co-payments with monthly premium payments for children in families earning 185% of poverty or more. This change resulted in some reductions in enrollments, which, as of June 2004, had not reached prior levels for children whose family incomes are 225-300% of poverty.⁶⁹

Access to dental health is also difficult for rural families in Northern New England. In several focus groups, participants said local dentists are not accepting new patients. Some parents said the dentists had little incentive to treat children with state health insurance because the reimbursement rates were too low and because the dentists had to wait a long time for payment from the state.

Children who are denied regular dental care can develop long-term oral health problems and are more likely to have dental conditions that require emergency treatment. Poor oral health in children can lead to poor self-image, absenteeism and reduced school performance.⁷⁰

Maine is addressing this need through several programs administered by the Bureau of Health's Oral Health Program. Since 2001, with funding from Maine's tobacco settlement, the Dental Services Development and Subsidy Program has enhanced capacity for existing community-based oral health programs and supported the development of new dental clinics and community programs, resulting in a 25% increase in the total number of dental clinics in Maine. Maine also funds and administers a school-based oral health program, with close to 37,000 children in grades K-6 involved. Dental sealants are also offered to second-graders in 121 schools. Finally, a wonder-

INCOME ELIGIBILITY LEVELS FOR CHILDREN UNDER STATE CHILDREN'S HEALTH INSURANCE PROGRAM AS A PERCENT OF FEDERAL POVERTY LEVEL, APRIL 2003

Percent of Poverty Level	
Maine	200%
New Hampshire	300%
Vermont	300%

NOTE: The state income eligibility levels noted may refer to gross or net income depending on the state.

Source: The Henry J. Kaiser Family Foundation, State Health Facts Online, 2003.

ful example of outreach is the Miles for Smiles program based out of the Penobscot Community Health Center and sponsored by Anthem. Miles for Smiles is a fully equipped mobile oral health center that travels to critically underserved areas of Maine, offering both preventative and restorative dental care. Miles for Smiles was launched in the fall of 2003, and as of May 2004, roughly 1800 children had been served.

In New Hampshire, nearly a quarter of adults and 22% of children in the state are without dental insurance. NH has hospital and community-based dental programs in the rural community of Littleton. This program provides access to dental care for families who otherwise would not receive care. Statewide, similar programs treated a total of 10,942 people between 2002 and 2003. A school-based screening survey was conducted in 2001, obtaining oral health status of 410 3rd graders. The survey found that 25% of the 410 students screened required early dental care and 5% required urgent care.⁷¹

Vermont leads the nation in the percent of Medicaid-insured children who receive dental care—but even so, only about 48% received dental treatment within Fiscal Year 2004. Vermont's unique Tooth Tutor Dental Access Program for K-6 students, located in predominantly rural areas, seeks to improve dental health through education, prevention, and assisting children without a regular dentist to find a dental home. In 2003-2004 school year, of children in the 100 schools then served, 92% saw a dentist through the program by the end of the school year. The program, funded at the school level by EPSDT funds (Early Periodic Screening and Diagnostic Testing), an RWJ Grant and other sources, continues to grow — by fall 2004, 118 schools offered the Tooth Tutor Program.⁷²

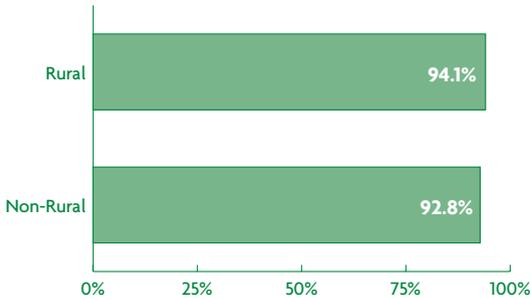
When it came to prescription drugs, people interviewed for the project seemed satisfied with their availability, though some said the prices were high. Some parents living in remote areas said they rely on Federal Express and UPS to deliver their prescription drugs from Wal-Mart or other large pharmacies. In communities within driving distance of Canada, residents without prescription coverage told us they often cross the border to get lower prices.

TRANSPORTATION

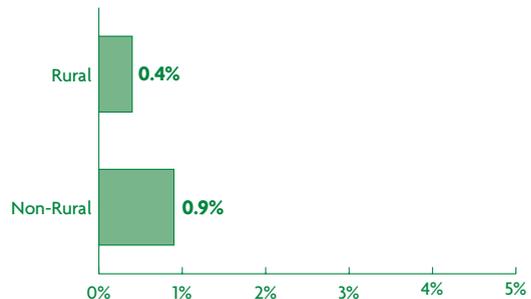
Transportation is a particularly troublesome problem in rural areas. Rural residents of Northern New England tend to rely more on their cars than those in non-rural areas. In 1999, according to the US Census, 94.1% of rural households had a vehicle available to them, while 92.8% of non-rural households had a vehicle available.

Rural residents who drive to work in large towns or cities rely heavily on their cars, particularly because the housing that many workers can most easily afford tends to be far from the more urban area in which their job is located. For low-income families, affordable cars are often older cars, which break down more often than newer cars. Unreliable cars make it difficult to get to work on time, to day care, the grocery store or an appointment with a caseworker.⁷³

VEHICLE AVAILABLE AMONG OCCUPIED HOUSING UNITS in Northern New England, 1999



UTILIZATION OF PUBLIC TRANSPORTATION in Northern New England, 1999



Source: US Census Bureau, Decennial Census, 2000

There are few alternatives. Some people interviewed in the focus groups said they relied on relatives or friends for a ride, but that can also be unreliable, particularly if the relative or friend has an old car. Adequate public transportation is simply a rarity in rural Northern New England, evidenced by Census bureau data which show that only 0.4 % of workers in rural communities in Northern New England use public transportation to get to their jobs, about half the rate of workers in non-rural areas.

Voices on TRANSPORTATION

The difficulty of long distances and travel times, along with the heavy reliance on cars were focus group themes related to transportation. Here is some of what people said:

“Having a car is crucial.”

– Lisa, a mother of four from rural Vermont

“When my truck’s in the shop, I walk.”

– Teri, a mother of four from rural New Hampshire

“You have to drive an hour to get anywhere.”

– Stephanie, a mother of three from rural Maine

“There’s not going to be a lot of need for public transportation if there’s no place to go.”

– Chrystal, a mother of one from rural New Hampshire

GENERAL RECOMMENDATIONS

Access to health care is instrumental in strengthening rural communities in Northern New England. Despite the enormous positive impact Medicaid and State Child Health Insurance Programs (SCHIP) have had on providing essential health care, rural children and families are falling behind their non-rural peers on measures of health access and health outcomes. At a minimum, all three states must continue to support children and families by maintaining current eligibility and funding levels under SCHIP and Medicaid. In addition, investments are needed to extend health insurance to uninsured children and to address shortages in the supply of quality mental and dental care.

Different options exist. The Miles for Smiles program from Maine's Penobscot Community Health Center is a successful model for improving accessibility to routine health care. Some states have had success through school-based mental and dental health care clinics. A recent study by the Maine Rural Health Research Center investigated whether advanced practice psychiatric nurses (APPNs) could be the key to filling the shortage of mental health providers in rural areas.⁷⁴ The study notes that Maine, New Hampshire and Vermont already have a significant percentage of APPNs practicing in rural areas, and a trend among APPNs to seek independent practice settings. Clearly, states must investigate all options that have the potential to relieve the chronic health and mental health provider shortages in rural areas.

Primary care, dental care and mental health care are all crucial to supporting and sustaining child and family well-being, and enabling families to achieve economic success. Access to reliable transportation cannot be overlooked as an essential component of families accessing health care, employment and other support services. State and regional policies must address these challenges and needs to offer consistent and effective services to children and families in rural areas.



COURTESY OF SHARON PIENIAK

Conclusion

The good news for rural Northern New England is that families enjoy a quality of life unique to small rural communities because of the healthy, strong, and supportive social networks. At the same time, families are continually challenged by the lack of jobs that pay for basic needs, insufficient resources for their children's education and barriers to affordable, accessible health care.

All of Northern New England's urban, rural and suburban regions are intimately connected, in ways that might not be immediately obvious. It is, however, becoming increasingly clear to citizens, town and state officials, social scientists, and legislators that when one part of the system breaks down, it affects the entire region. When declining traditional industries and manufacturing and inadequate replacement employment push residents to move, the heart of small villages may disappear, diminishing children's and families' opportunities and, in a broader ripple effect, diminishing a region and state's economic standing, its social culture, and even its identity.

By the same token, the macro effects of region-wide—even state and national—policy and economic trends can be felt even in small villages of 300 people or less.

For these reasons, we simply cannot afford to neglect our rural communities. Working from the common sense premise that children do better when families are strong, and families do better when communities are strong, all of us, whether we live in rural, urban or suburban Northern New England, are mutually dependent. And when hard times threaten rural families in Northern New England, we all pay the price.

What must be kept in mind is that change and progress are not synonymous – any move toward economic and social progress must be tailored to the character of these communities. This kind of mutual support and sense of community is essential to achieving successful policies and programs, for within this social infrastructure lies communities' strength.

End Notes

- 1 In each town, staff members from the institutional partners helped find meeting space, organize logistics, and invite participants along “low-income” and “mixed-income” guidelines. Each local community organization received \$500, and each person who attended a focus group received an honorarium. Trained facilitators directed the focus groups.
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