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**PRESS RELEASE**

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**NEW REPORT FINDS MORE INDIANA FAMILIES EARNING LESS AND LIVING IN  
POVERTY DUE TO NEARLY A DECADE OF ECONOMIC DECLINE**

**Indianapolis, IN** –The Indiana Institute for Working Families, a program of Indiana Community Action Association, releases *The Status of Indiana's Working Families, 2009*. This report provides a statistical analysis on the status of working families in Indiana in 2008 and the economic conditions they faced. The report is organized into five chapters and highlights data pertaining to Indiana's jobs, wages, poverty rate, safety net of work support programs, and policy recommendations to improve the quality of life for Indiana's working families.

This national recession or the "Great Recession" as it has come to be known is the worst economic downturn the U.S. has experienced since the Great Depression. The bursting of the housing bubble in 2006 followed by crash of the stock market robbed Americans of \$15 trillion in personal wealth in a matter of months. This rapid loss of wealth set off a nationwide domino effect and as the demand for consumer goods declined, the economy began to slow, and unemployment rates climbed throughout the nation.

"Even before the onset of the national recession, Indiana's working families struggled just to meet their basic needs," says Sarah Downing, Research and Policy Analyst for the Institute. "The national recession only intensified these hardships and increased the number of Hoosiers workers who are unable to make ends meet on their own."

Economic growth in Indiana has slowed since 2000 and Hoosier wages have remained stagnant for many years. Meanwhile, the cost of everyday items such as gasoline, food, and housing continued to rise. Indiana's families became increasingly vulnerable living paycheck to paycheck. Indiana's safety net work support programs (including unemployment insurance, SNAP, and TANF) was not enough to keep many Hoosier families from dipping below the poverty threshold.

Some of the key findings in the report include:

- Indiana lost an average of 142,300 manufacturing jobs between 2000 and 2008 – accounting for 71 percent of the state's total job losses during that time period.
- Workers age 55 years and older comprised a larger share of the workforce in 2008 than they have any time since 2000 – an increase from 15.8 to 18.8 percent.

- In 2008, the gap between Indiana's median household income and the national median household income widened by 370 percent or \$4,063.
- In 2008, Indiana's poverty rate climbed 30 percent to reach a rate of 13.1 percent, nearly matching the national poverty rate of 13.2 percent.
- Forty-six percent of Hoosier workers exhausted their Unemployment Insurance (UI) benefits in 2008. However, only 39 percent of Indiana's unemployed workers received UI. As a result, many unemployed workers are not receiving assistance even though they had previously been employed.

The report also underscores the importance of education for all Indiana residents. "The workers who are best weathering the recession are those with higher levels of educational attainment, said Downing, "The rate of unemployment for Indiana workers in 2008 decreased at every level of educational attainment, proving that earning a high school diploma or gaining some college experience does make a difference."

- Workers who lack a high school diploma were the most likely to experience unemployment at 13.5 percent compared to 7.6 percent for those with a high school diploma, 5.0 percent for workers with some college experience, and 1.8 percent Bachelor's Degree holders.
- Underemployment is most prevalent among workers without a high school education at a rate of 22.5 percent compared to 13.4 percent for high school diploma holders, 8.5 percent for those with some college experience, and 4.0 percent for Bachelor's Degree holders.
- Education pays. Those with a Bachelor's Degree earned a median wage of \$23.10, which is \$9.47 more an hour than the median wage earned by someone with only a high school diploma and \$8.66 more than someone with some college education.

The report also found that race and gender issues demand attention. Wage inequality only perpetuates the cycle of poverty and will hinder Indiana's economic recovery and competitiveness in a global economy.

- Nearly one-third of Indiana's female-headed households are impoverished.
- African Americans earned a median hourly wage that was nearly \$2.00 less in 2007 compared to 2003 (when data was last available).
- Hoosier women working full-time, year-round earned only 71 percent of what men working full-time year-round earned.
- African-American workers experienced an unemployment rate nearly 3 times that of White Workers. The average rate of unemployment for African-American workers was 15.3 percent compared to 5.0 percent of White workers.

To view the Executive Summary or the full *Status of Indiana's Working Families, 2009* report, please visit <http://www.incap.org/iwfpRandP.html>.

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*Indiana Community Action Association (IN-CAA)*

The Indiana Community Action Association, Inc. (IN-CAA) is a statewide not-for-profit membership corporation, incorporated in the State of Indiana in 1970. IN-CAA's members (Network) is comprised of Indiana's 24 Community Action Agencies (CAAs), which serve all of Indiana's 92 counties. IN-CAA envisions a state with limited or no poverty, where its residents have decent, safe, and sanitary living conditions, and where resources are available to help low income individuals attain self sufficiency.

*Indiana Institute for Working Families*

The Indiana Institute for Working Families, a program of the Indiana Community Action Association (IN-CAA), was founded in 2004. The Institute is the only statewide program in Indiana that combines research and policy analysis on federal and state legislation, public policies and programs impacting low-income working families with education and outreach. The goal of the Institute is to help Hoosier families achieve and maintain economic self-sufficiency. The Institute achieves its work by focusing its activities in the following areas: public policy research and analysis; advocacy, education, and information; and national, statewide, and community partnerships.