

FOR IMMEDIATE RELEASE
Thursday, September 16, 2010

PRESS RELEASE

CONTACTS: Sarah Downing, Research and Policy Analyst, 317-638-4232 or 765-438-6363
sdowning@incap.org

Lisa Travis, Program Manager, 317-638-4232 or 502-608-5347 ltravis@incap.org

New Census Data Highlights the Recession's Toll on Indiana and the Nation

Indianapolis, IN—Today's release of Income, Poverty, and Health Insurance Coverage from the U.S. Census Bureau provides a look at the effects of the economic downturn. As expected, there was a stark increase in America's poverty rate. During 2009, the number of people living in poverty increased by nearly 4 million to top out at 43.6 million –the largest figure recorded by the Census Bureau in 51 years.

The national poverty rate now stands at 14.3 percent up from 13.2 percent in 2008. As a result, nearly one in nine families lived in poverty, while one in five children were considered poor. In Indiana, nearly one in six Hoosiers lived in poverty in 2009.

“The increases in poverty rates reflect decreases in wages and incomes caused by long-term unemployment and the number of workers forced to cut back their hours due to the recession,” remarked Sarah Downing, Research & Policy Analyst for the Indiana Institute for Working Families. “The longer individuals are unemployed or are forced to work reduced hours, the more difficult it becomes for them to stay above the poverty level.”

Looking back to when the recession began in 2007, the national poverty rate has since increased by 1.9 percentage points and the number of Americans living in poverty increased by 6.3 million. Also during that time, the number of children living in poverty reached 2.1 million to increase the childhood poverty rate by 2.7 percentage points.

Although the national poverty rate jumped by a percentage point, the Census Bureau reports the real median household income of \$49,777 was not statistically different from that of 2008. However, since 2007, median household income has declined by 4.2 percent from \$51,965 and is five percent below the median household income peak of \$52,388 that occurred in 1999.

For Hoosier families, there has been a significant decrease in median income between the years 2006-2007 and 2008-2009. Between 2006-2007 and 2008-2009 the median household income in Indiana fell from \$48,698 to \$45,324, a decrease of seven percent.

“These data not only speak to the magnitude of the recession, but also to the slowed economic growth that Indiana and the nation and have experienced over the last decade,” said Downing. “American families have been struggling to make ends meet long before the recession.”

Nationally, the data also reveals an increase in the number of Americans without health insurance. The number of uninsured increased from 46.3 million to 50.7 million—the highest number recorded since 1987, the first year that comparable health insurance data were collected.

The number of people with employer-sponsored health insurance decreased to 55.8 percent while those with private health insurance also experienced a decline to land at 64 percent. Both of these rates mark the lowest coverage rates on record. Meanwhile, the percentage of people covered by government health insurance programs is the highest since 1987 having increased to 93.2 million (30.6 percent) in 2009 from 87.4 million (29.0 percent) in 2008.

In Indiana, nearly 86 percent of all Hoosiers are covered by health insurance. The majority of those—58 percent—receive coverage through an employer, while 32 percent participate in a government health insurance program.

Not surprisingly, full-time yearround workers were more likely to be covered by health insurance than those workers who worked less than full-time and those who did not work. While 15 percent of America's full-time workers were uninsured, 30 percent (14.7 million) of part-time workers lacked insurance coverage. For those who were not working 29 percent lacked coverage.

“A key component to increasing the health insurance coverage rates among Americans is getting them back to work in full-time jobs that allow for the opportunity for workers to purchase insurance coverage through their employer or private company,” said Downing. “Until then, it is likely employer-provided and private health insurance rates will continue to fall while government rates continue to climb.”

###

Indiana Institute for Working Families

The Indiana Institute for Working Families (Institute) is a program of the Indiana Community Action Association, Inc. (IN-CAA). The Institute was founded in 2004. The goal of the Institute is to help Hoosier families achieve and maintain economic self-sufficiency. 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 Institute achieves its work by focusing its activities in the following areas: Public Policy; Research and Analysis; Education and Outreach; and National, Statewide, and Community Partnerships.

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 or 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.

IN-CAA serves as an advocate and facilitator of policy, planning and programs to create solutions and share responsibility as leaders in the war against poverty. Therefore, it is IN-CAA's mission is to help the state's Community Action Agencies address the conditions of poverty through: training and technical assistance; developing models for service delivery; and providing resources to help increase network capacity. For more information about IN-CAA, please visit IN-CAA's web site at www.incap.org.