

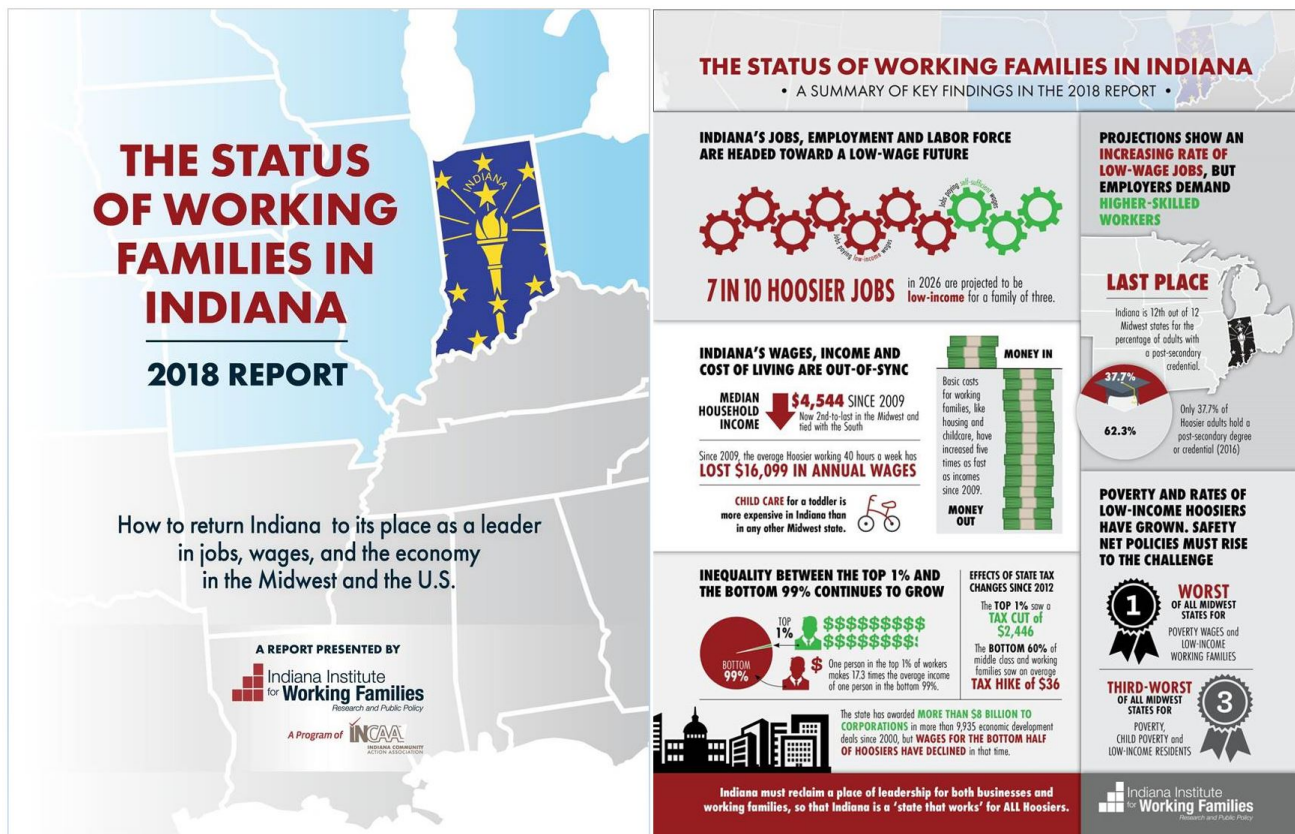
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For Immediate Release

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On Labor Day 2018, the Status of Working Families in Indiana is slipping from the Midwest to the South due to state policy decisions

Indianapolis— In celebration of Labor Day and the working Hoosier families responsible for raising productivity and profits in Indiana, the Indiana Institute for Working Families is pleased to release **The Status of Working Families in Indiana, 2018: How to return Indiana to its place as a leader in jobs, wages, and the economy in the Midwest and the U.S.** The report finds that despite Hoosiers' hard work, state policy choices are preventing them from being properly rewarded, with key indicators including incomes and rates of working poor families near the bottom of the Midwest, and with trends moving towards the South.



“The data in this report should be a wake-up call to all Hoosiers that Indiana is now a fundamentally different state for working families in 2018 than it was at the beginning of the 21st century,” said Senior Policy Analyst and report author Andrew Bradley. “The average Hoosier now makes less per hour than the average Southerner, with per capita incomes next-to-last in the Midwest even adjusting for cost of living, plus state forecasts that 7 in 10 jobs will be in low-wage occupations by 2026. These aren’t accidents or bad luck, but the results of policy choices that

have kept job quality standards low, weakened the safety net, reduced worker voice, widened income inequality, and put an increasing state tax burden on middle class and working families. But the good news is that Hoosiers will find a way to get the job done if they're given the right tools. It's time for Indiana to implement an Agenda for Working Hoosier Families and reclaim its place as a leader in the Midwest and the U.S.," Bradley said.

The new report includes data exclusive within Indiana through the Institute's membership in the Economic Policy Institute's [Economic Analysis and Research Network](#), as well as analysis of federal, state, and county-specific data. The report covers issues of jobs, educational attainment, incomes, cost of living, poverty, economic self-sufficiency, taxes, and economic inequality. The report also explores the impact of policy decisions on working Hoosier families across genders and racial groups throughout Indiana. Chapter topics and data includes:

Indiana's Jobs, Employment, & Labor Force Headed Toward a Low-Wage Future: Over a decade since the beginning of the Great Recession, Indiana's labor force is not fully recovered, and the status of Indiana's jobs reflects a weak recovery that is also evident in the state's relative standing compared to all 12 Midwestern states. While there are some areas where the state has done well, there are many more where Indiana doesn't measure up, some attributed to policy decisions resulting in poor access to the job market, low-wage, low-quality jobs, loosened labor standards, and a weakened safety net. Indiana now has the highest rates in the Midwest for poverty-wage jobs and working poor families. Most troubling is an increasing reliance on low-wage occupations, with 7 in 10 jobs by 2026 projected to be low-income for a family of 3.

Educational Attainment & Skills-Building for Hoosier Adults: As Indiana's policymakers grapple with the reality of state projections of a low-wage future, but also employer demand for an increasingly-skilled labor supply, there is a short-term policy response that can bring long-term benefits to working families and the economy. By focusing policies on clearing non-academic barriers to educational attainment and skills training for low-income adults and underserved populations, Indiana has its best opportunity to quickly fulfill employer demand while making up ground on Midwestern neighbors in wages, labor force participation, and other employment standards for working families.

Wages, Income, and Cost of Living: After rising in the 1990s to compete with the Midwest average, Indiana's median hourly wages hit their last peak of \$17.70 in 2004 (in 2017 dollars) and have now fallen to \$17.03, below the average of the U.S., Midwest, and even the South as whole. Indiana's family and household incomes have also fallen in the 21st century, and now resemble the South more than the Midwest. Even accounting for cost of living, Indiana now has the second-to-last per capita income in the Midwest. And worse, basic costs for working families, such as housing and childcare, have increased five times as fast as incomes since 2009.

Poverty and Rates of Low-Income Hoosiers Have Grown, Safety Net Policies Must Rise to the Challenge: While Indiana began the 21st century as a leader among neighbors and the nation in providing paths to economic security, Indiana's rates of poverty, and lack of self-sufficiency, now exceed most neighbors and resembles the South as much as the Midwest. These changes started well before the Great Recession and are tied to policy choices that made families less resilient to economic shocks, including weakened safety net programs, with results that continue to affect Hoosiers' well-being nine years after the recession's end.

Inequality, Taxes, and Economic Policy: As Hoosiers' productivity has increased and profits have outpaced those of the Midwest and U.S. average, compensation lags behind the national rate. Inequality has grown the top 1% has captured a larger share of incomes than the Midwest or the U.S. as a whole. The state's tax structure has only exacerbated the income inequalities working families experience. Economic development policy should now focus on benefitting working Hoosiers, not corporations.

In order to improve the status of working Hoosier families, Indiana must "raise the bar" for wages, job quality and labor standards, including for the largest occupations that are projected to power Indiana's economy into the future. This means a policy focus on increasing Hoosiers' pay from the bottom and middle – up and modernizing Indiana's labor standards to return to competitiveness and position the state for leadership. **Indiana needs an Agenda for Working Hoosier Families, with policy recommendations that will:**

- **Improve jobs:** Raise Indiana's minimum wage to \$12 by 2026, and improve job quality standards including the ability to earn paid sick days, paid family and medical leave, fair

scheduling, & pregnancy accommodation; policies that will improve worker health and strengthen families. Restore worker voice by repealing the so-called 'Right to Work' law and bans on public sector collective bargaining.

- **Strengthen protections for Hoosier families:** Add consumer protections against predatory lending and add renter protections to prevent evictions and increase housing stability. Repair Indiana's safety net and introduce work sharing to protect jobs in temporary downturns.
- **Increase economic mobility:** Remove non-academic barriers to adult student completion and labor force participation by expanding access to necessary services such as childcare, transportation, affordable housing, and internet. Rebalance regressive state tax policies and refocus economic development to incentivize good jobs and community revitalization.

Read the full report: www.incap.org/iwof/2018status.html

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About the Indiana Institute for Working Families

The Indiana Institute for Working Families – a program of the Indiana Community Action Association (INCAA) – conducts research and promotes public policies 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. The Institute achieves its work through advocacy and education, and through national, statewide, and community partnerships. The Institute was founded in 2004.

About the 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 22 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 on 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.