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PRESS RELEASE

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Indiana Sees Steep Rise in Poverty and Income Loss

Indianapolis, IN— Today's release of American Community Survey (ACS) data shows poverty rose steeply in Indiana and throughout the nation during the economic recession. Indiana's poverty rate jumped to 14.4 percent from 13.0 percent – slightly surpassing the national rate of 14.3 percent.

In 2009, one out of every five children was poor – both in Indiana and in the nation. The number of poor children in Indiana reached 311,031 – an increase of 27,804 in just one year. For children living in a female-headed household, poverty was even more prevalent as one out of every three children was considered poor.

The ACS data also reveals a growing number of individuals who are severely poor – earning below half of the Federal Poverty Guidelines (FPG) – or less than \$9,155 for a family of three. In Indiana, nearly 4 percent of the population was considered severely poor. Additionally, the data shows one out of every three Hoosiers lack the income to be considered self-sufficient – that is they earn less than 200 percent of the FPG.

Families across the state lost ground as the median income dropped sharply. Indiana's median household income fell to \$45,424, a decline of nearly 5 percent from 2008. Hoosiers also fell further behind the nation earning only 90 percent of the national median household income, which was \$50,221. "With increased poverty and loss of earnings, we can see the need for the continued funding of family supports such as the Supplemental Nutrition Assistance Program (SNAP), child nutrition programs, and refundable tax credits to help prevent our Hoosier families from falling below the poverty level," stated Downing.

Enrollment in federal programs, such as SNAP, increased in Indiana as families' incomes declined. Indiana's usage rate rose to 10.8 percent, surpassing the national rate of 10.3 percent. Poverty experts considered the rise in food stamp use good news and the U.S. Census Bureau reported on September 16th that 3.6 million people were lifted out of poverty when the value of SNAP benefits were counted in their income.

Unemployment for 2009 hovered around 10 percent in Indiana, one percentage point lower than the national rate of 11 percent. The number of Hoosiers without employment can be linked to the drop in the number of Hoosiers with health insurance. Indiana's health insurance coverage

rate fell nearly one percentage point to 85.7 percent, but stayed above the national rate of 84.9 percent.

“Today’s poverty release serves as a reminder of just how deeply the national recession has impacted Indiana,” said Downing. “In order to focus on the economic growth of the future, we need to focus on the economic needs of our working families today.”

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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 and 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 organized education and outreach. The goal of the Institute is to promote data-driven research and public policy that result in opportunities for Hoosier families to achieve and maintain economic self-sufficiency. The Institute fulfills its mission by focusing its work 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), a statewide not-for-profit membership corporation, was incorporated in the State of Indiana in 1970. IN-CAA’s 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 CAAs 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.