

PRESS RELEASE: For Immediate Release: Thursday, January 15, 2015

CONTACT: Derek Thomas, Senior Policy Analyst, 317-638-4232 or dthomas@incap.org

NEW REPORT - Status of Working Families in Indiana
Low-Wage Industry Growth Dominates 21st Century, More Balanced Recovery
Poverty and Inequality Still on the Rise in Indiana

Indianapolis, IN— The Status of Working Families is a biennial report that analyzes the general state of Indiana's economy as it relates to working families by examining data on poverty, labor force and wages. The report also explores working-family friendly policy options. This year, our report will offer access to the data, online and interactively for users who wish to further explore our findings and/or embed the charts into webpages and blogs.

Despite an improving unemployment rate, the number of impoverished and low-income Hoosiers is still on the rise. Whether measured from the beginning of the recession, the start of the official recovery or from the beginning of the century, Hoosier families have steadily lost ground, often faster than the U.S. average and all neighbor states. Among the findings in **Chapter 1 – Poverty (Still) on the Rise:**

- *There are now a record-breaking 1,015,127 Hoosiers in poverty.*
- *Since the recession started, Indiana has eclipsed the U.S. average and all neighboring states in growing poverty, child poverty and low-income individuals.*

This disproportionate economic decline is largely explained by the loss of good-paying manufacturing jobs. Growth in low-wage jobs far and away outnumbered growth in middle- and high-wage jobs since the Great Recession started, exacerbating the loss of an enormous amount of middle- and high-wage jobs that took place during the first part of the century. Among the findings in **Chapter 2 – Labor Force and 21st Century Job Swap:**

- *Among low, mid and high wage industry-categories, only the low-wage category experienced a net gain during the growth period of 2001 - 2007 (97 percent of which pay less than \$13.00 per hour).*
- *Among the three wage categories, only the low-wage category experienced net gain since the beginning of the recession (2007 – 2013).*
- *The largest losses to both state and local government occurred during the recovery period.*

Despite getting back to work, Hoosier workers are not being rewarded. Simply having a job is not enough; Hoosier families and communities need quality jobs that pay well enough to meet a family's most basic needs, such as childcare, housing, food, transportation. Among the findings in **Chapter 3 – Working for a (Basic) Living:**

- *At last count, median household income is still declining – down more than \$8,000 since 2000.*
- *Of the half-million jobs in the today's top three industries, 74 percent pay below \$13.00 per hour.*
- *Median hourly wages are down by more than \$0.80 per hour since 2007.*
- *As low wage jobs rise, 20th percentile wages (right around the poverty level wage) are declining – down more than \$0.70 per hour since 2007.*

- *According to latest U.S. Census Bureau data, only two other states saw larger increases in income inequality from 2013 - 2013 (last measured).*

State tax policy can be constructed based on the principle of fairness. Regressive tax policy that requires low- to middle-income families to pay a larger share of their income than wealthy Hoosiers shifts the responsibility of funding government services toward those with little to give, diminishing pocketbooks and a quality of life. Among the findings in **Chapter 4 - 5 Ways to Improve Indiana's Upside Down Tax System:**

- According to the Institute for Taxation and Economic Policy's (ITEP) Tax Inequality Index, Indiana has the 10th most unfair state and local tax system in the country, with the 8th highest taxes on the poor.

“Dominant growth in low-wage industries, rising poverty and declining wages have been a feature in Indiana for far too long. If policymakers wish to stop the full decade-and-a-half of losses for lower- and middle-income families, they should prioritize a toolbox of policies that have a measurably positive impact for working Hoosier families,” said Derek Thomas, Senior Policy Analyst. This toolbox should: reward hard working Hoosiers by ensuring they share in economic growth; strengthen work support programs for our most vulnerable citizens and ultimately; equip all Hoosiers with the opportunity to obtain the skills to attract high-paying, quality jobs that are necessary for a family's economic self-sufficiency.

###

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. To learn more about the Institute, please visit: www.incap.org/iiwf.html

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 are comprised of Indiana's 23 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. 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: www.incap.org

ABOUT THE INDIANAPOLIS FOUNDATION:

As Indiana's oldest and largest community foundation, The Indianapolis Foundation (a CICF affiliate) was created in 1916 to ensure that the quality of life in Marion County continuously improves; to help where the needs are greatest and the benefits to the community are most extensive; and to provide donors a vehicle for using their gifts in the best possible way now, and in the future as conditions in the community change. To learn more about the Indianapolis Foundation, please visit: <http://www.cicf.org/the-indianapolis-foundation>