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Median Household Income Lower and Poverty Rate Higher Than It Was During the 2001 National Recession

Indianapolis, IN – The 2008 American Community Survey data released yesterday by the U.S. Census Bureau shows that Indiana families are fairing far worse than they did during the 2001 national recession. One of the most alarming statistics in the recently released data is that Hoosiers median household income has drastically decreased. In 2008, the median household income in Indiana was \$47,966, below the national average of \$52,029. This is a decrease from \$49,271 (in 2008 dollars) in 2007. However, what is more concerning, the 2007 and 2008 median household incomes were lower than the Indiana median household income of \$51,005 (in 2008 dollars) in 2000.

According to the ACS data, 807,506 Hoosiers were living at or below poverty in 2008 (\$21,200 for a family of four). Although Indiana's poverty rate of 13.1% was below the national average of 13.2% in 2008, it is a significant increase from 12.3% in 2007. The number of Hoosiers in poverty has increased significantly in Indiana since 2000, when Indiana's poverty rate was 10.1%. This is reflective of the decrease seen in Hoosiers median household income, as well as, the impact of the recession, as reflected in the increased number of job losses and growing unemployment rate in Indiana.

Even more concerning is the growing number of children in poverty, which is the highest it has been in the last decade. The childhood poverty rate in Indiana is 17.9% in 2008 (276,430 children). This is a 1.2% increase from 2007. Childhood poverty has also steadily increased in Indiana since 2000 when the child poverty rate was 14.3%.

Even though the newly released Census data is displaying a rise in total poverty since 2007, we can predict with near certainty that there are more persons living in poverty in Indiana today than there were in 2008 as the current unemployment rate is much higher now than in 2008, and has continued to climb since August 2008.

“This data is very concerning considering it only captures the first quarter of the national recession, and the numbers for 2009 are certain to be worse as they will reflect an entire year of the national and statewide economic decline,” said Lisa Travis, Program Director of the Indiana Institute for Working Families, a program of the Indiana Community Action Association (INCAA). “Within the Indiana Community Action Network alone, in 2008 we have served 712,916 low-income Hoosiers, an increase of 197,372 individuals from 2007. This data should be a warning sign to state officials and community organizations that more needs to be done to help working Hoosier families through these difficult economic times as the number of Hoosiers living below the poverty guidelines continues to grow and the worse is yet to come.”

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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 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.

About the 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 with generous support from The Joyce Foundation. 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; advocacy, education, and information; and national, statewide, and community partnerships.