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PRESS RELEASE

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REPORT SHOWS INCOME INADEQUANCY OF HOOSIERS GROWING

Indianapolis, IN – *The Self-Sufficiency Standard for Indiana 2009* released by the Indiana Institute for Working Families (Institute), a program of the Indiana Community Action Association (IN-CAA), shows that more Hoosiers are lacking the resources needed to meet their basic needs. The Self-Sufficiency Standard measures how much income is needed for a family of a certain composition in a specific geographic location to adequately meet their basic needs without public or private assistance.

The Self-Sufficiency Standard is a more accurate measure of income adequacy compared to the Federal Poverty Guidelines (FPG). According to the FPG, families are characterized as “poor” if their income is below the FPG and “not poor” if their incomes are above them. The most significant shortcoming of the FPG is that for most families, in most places, they are simply not high enough. The Self-Sufficiency Standard varies by both family type and by geographic location because the amount of money families need to be economically self-sufficient depends on family size, composition, children’s ages, and the state and county of residence.

For example, the FPG for a family of three in 2009 is \$18,310 annually, the equivalent of earning or \$8.80 an hour for full-time employment. According to the 2009 Self-Sufficiency Standard, a family of three – consisting of one adult, one preschooler, and one schoolage child – is \$42,117 annually – the equivalent of earning \$19.94 an hour and approximately 230 percent of the FPG. This Standard Wage incorporates the cost of a two bedroom housing unit, the cost of full-time child care, food, health care, transportation, and taxes in Marion County. For this family type in Marion County, they must earn wages that are almost three times the current Federal Minimum Wage of \$7.25 per hour.

Earlier this month the U.S. Census Bureau released 2008 American Community Survey data showing that Indiana’s median household income has declined to \$47,699 and is lower than it was in 2000. Additionally, the number of Hoosiers living in poverty has increased as reflected in the state’s poverty rate of 13.1 percent. “However, if a more accurate measure of the amount of income needed by families was used, as opposed to the FPG, we would find even more Hoosiers are not earning enough to meet their basic needs,” said Lisa Travis, with the Institute.

The Self-Sufficiency Standard shows family earnings that are well above the official FPG are nevertheless far below what is needed for families to meet their basic needs. The *2009 Self-Sufficiency Standard* is a tool intended to be used in a wide variety of ways to benchmark, evaluate, educate, and illuminate. It is currently being used throughout the nation to better understand issues of income adequacy, to analyze social and economic policy, and to help individuals create pathways to economic self-sufficiency.

Self-Sufficiency Standard Wages are available on an hourly, monthly, and annual basis for over 70 different family types in all 92 counties in Indiana. Hamilton County has the highest Self-Sufficiency Standard in the state at \$49,407 (one adult, one preschooler, and one schoolage), due to the highest housing and child care costs in the state for this family type. Vermillion County has the lowest Self-Sufficiency Standard at \$26,348 for this same family type.

This report was made possible with generous support from the Richard M. Fairbanks Foundation and the Indianapolis Foundation, a CICF affiliate. This is the fourth edition of the Standard, which was previously released in 1999, 2002, and 2005. To view the full report, please visit the News and Update section on IN-CAA's homepage at www.incap.org.

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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.

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.