
Policy Brief

July 2011

State of Poverty in Indiana: A Demographic Analysis

How Does the U.S. Measure Poverty?

In the United States, households are considered to be in poverty if their annual income is less than the Federal Poverty Thresholds for their household size. The Federal Poverty Thresholds are the measures used by the U.S. Census Bureau for statistical purposes, such as calculating the official poverty population for each year. When citing statistics about poverty from the US Census Bureau, it is the population below these thresholds that is being counted.

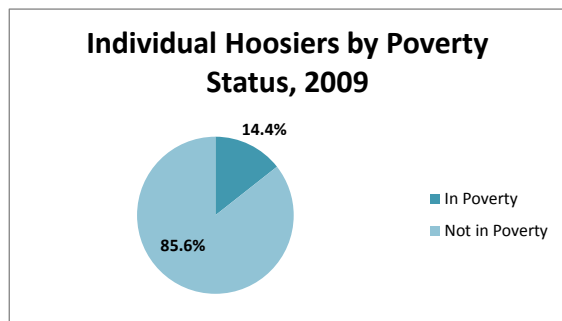
Another poverty measure, often mistaken for the Federal Poverty Thresholds is the Federal Poverty Guidelines (FPG). These guidelines, published each year by the Department of Health and Human Services (HHS) are a simplified version of the Federal Poverty Thresholds. The FPG is used for administrative purposes such as determining eligibility for certain federal programs.

Programs using FPG (or percentage multiples of FPG— for instance, 125 percent or 185 percent of FPG) in determining eligibility include Head Start, the Supplemental Nutrition Assistance Program, the National School Lunch and Breakfast Programs, the Low-Income Home Energy Assistance Program, and Hoosier Healthwise.

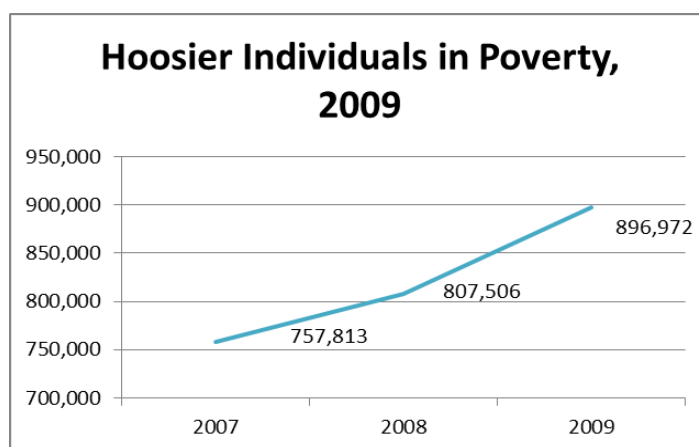
Although the statistics cited in this brief from the U.S. Census Bureau used the Federal Poverty Thresholds to determine the population in poverty, it is also correct to say that households earning below the Federal Poverty Guidelines (FPG) are in poverty. Because the annual earning limits of the FPG are most often cited and understood, this brief will refer to the FPG when discussing specific earning limits.

Who is Living in Poverty in Indiana?

Stagnant wages and incomes for Hoosier workers led to increased poverty in Indiana. According to the FPG for 2009, a family of four was considered poor if their annual income was at or below \$22,050. Indiana's poverty rate was 14.4 percent in 2009--slightly above the national rate of 14.3 percent. The number of Hoosiers living in poverty increased by 18 percent since 2007. The number of Hoosier families living in poverty is up nearly 23 percent.



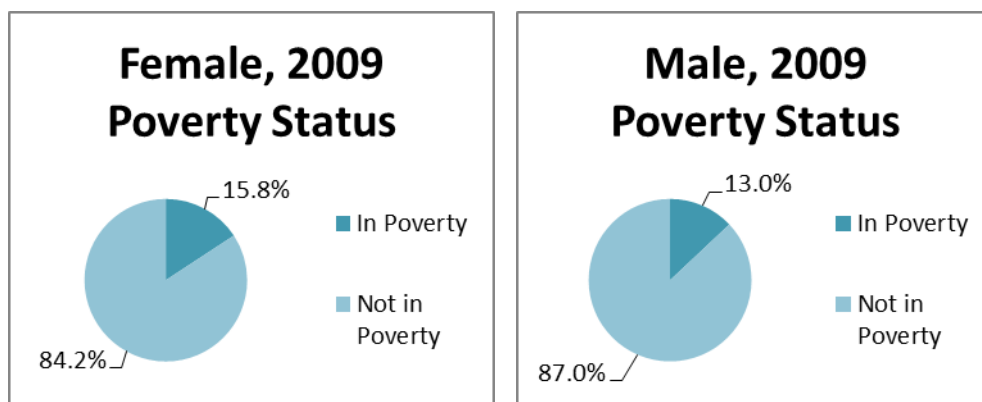
Source: U.S. Census Bureau, 2009 American Community Survey



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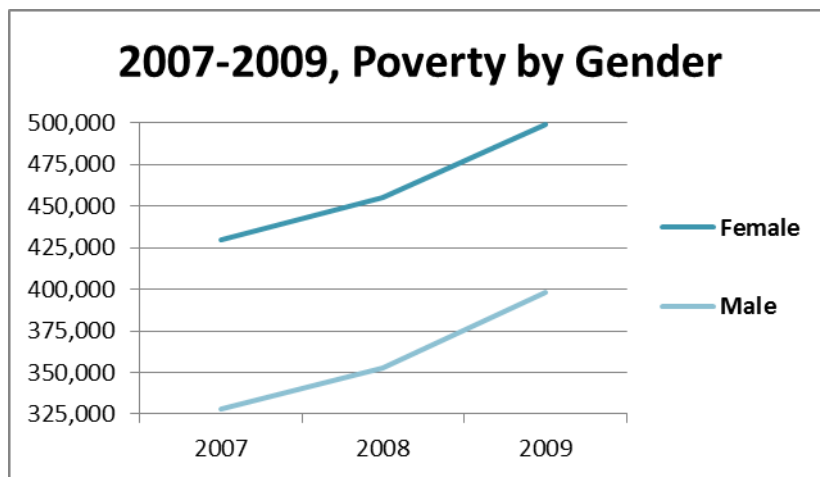
When discussing issues around poverty, and trying to determine what can be done to end poverty in Indiana, it is helpful to look at the full picture of poverty in our state. What can we learn about those Hoosier individuals and families who are living in poverty?

When analyzing poverty by gender, we find that a larger proportion of women experience poverty than do men. Nearly 16 percent of all Hoosier women are living in poverty, compared to just 13 percent of all Hoosier men.



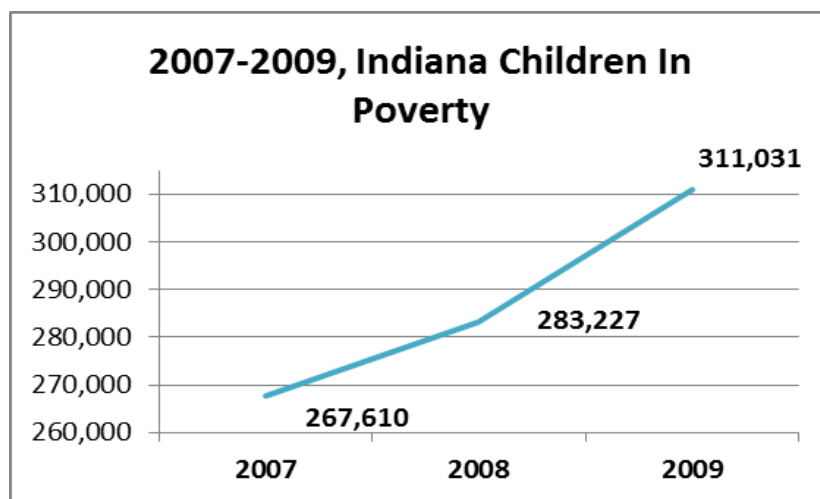
Source: U.S. Census Bureau, 2009 American Community Survey

However, the number of Hoosier men in poverty has increased at a higher rate in recent years, than that for women. The number of Hoosier men in poverty has increased by 21 percent since 2007. By contrast, the number of Hoosier women living in poverty has increased by 16 percent over the same time period.

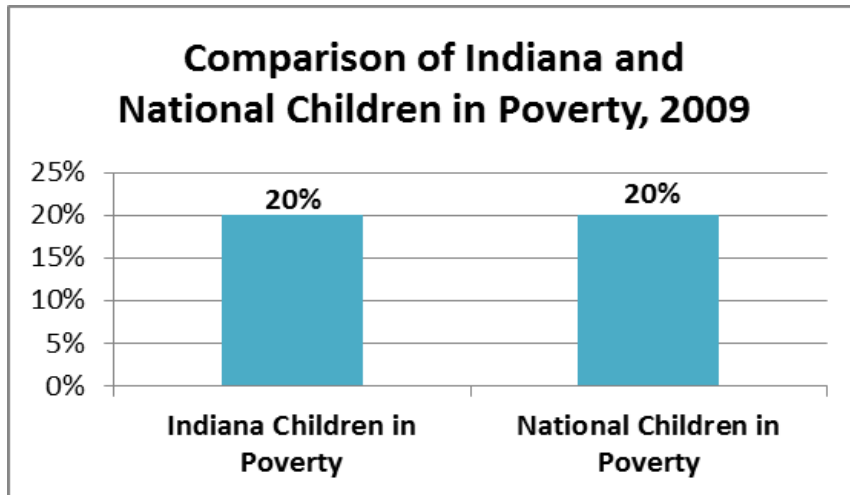


Source: U.S. Census Bureau, 2009 American Community Survey

Hoosier children also experience poverty at a relatively high proportion. Twenty percent of Indiana’s children live in poverty. That is one in five. This is equal to the national rate. Additionally, childhood poverty in Indiana is on the rise. The number of Hoosier children living in poverty is up 16 percent from 2007.

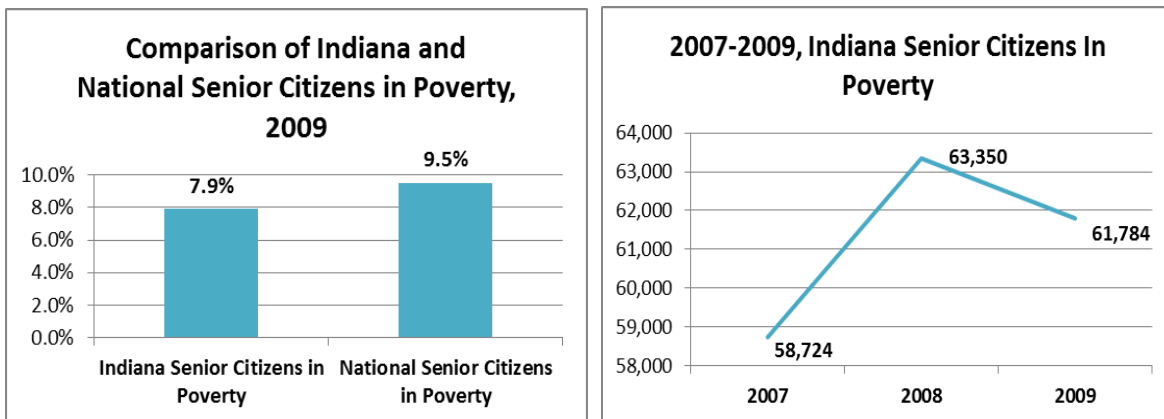


Source: U.S. Census Bureau, 2009 American Community Survey



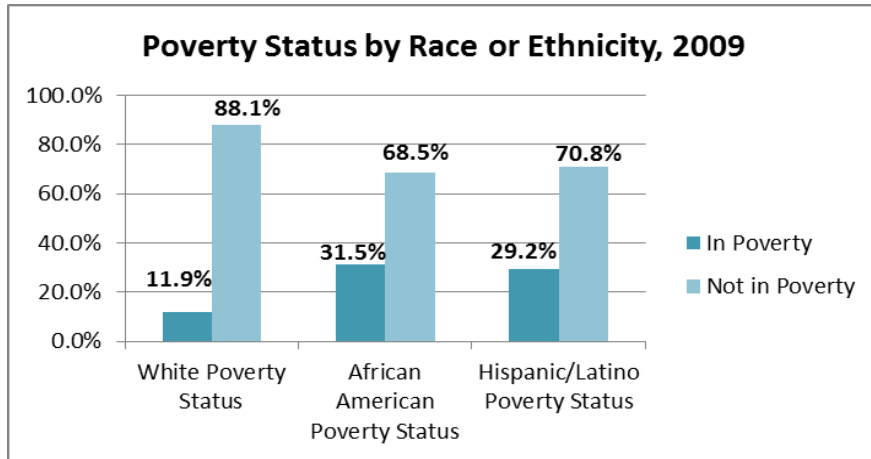
Source: U.S. Census Bureau, 2009 American Community Survey

Hoosier senior citizens also experience poverty, but at a much lower rate than children, and also at a lower rate than seniors nationwide. Nearly 8 percent of Hoosier senior citizens lived in poverty in 2009. By contrast, 9.5 percent of seniors live in poverty nationally. While senior citizens experienced an overall increase from 2007 to 2009, the number did not increase each year as with children, but peaked in 2008 and made a slight downward tick in 2009.



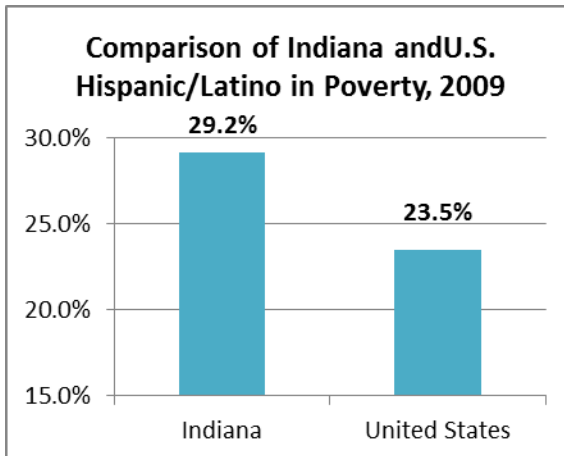
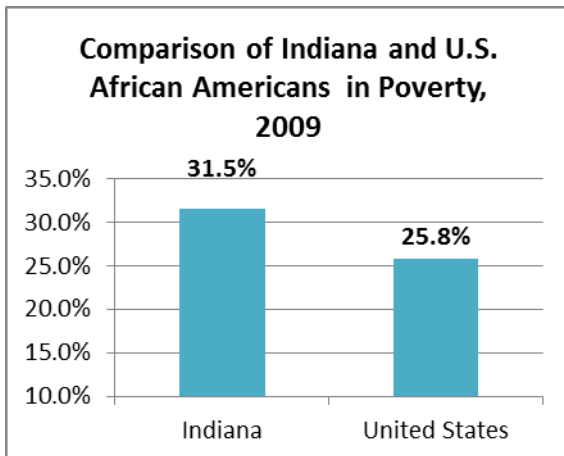
Source: U.S. Census Bureau, 2009 American Community Survey

Poverty disproportionately affects minorities in Indiana. While only 12 percent of white Hoosiers experience poverty, nearly 32 percent of African Americans in Indiana live in poverty, and 29 percent of Indiana’s Hispanic population are in poverty.



Source: U.S. Census Bureau, 2009 American Community Survey

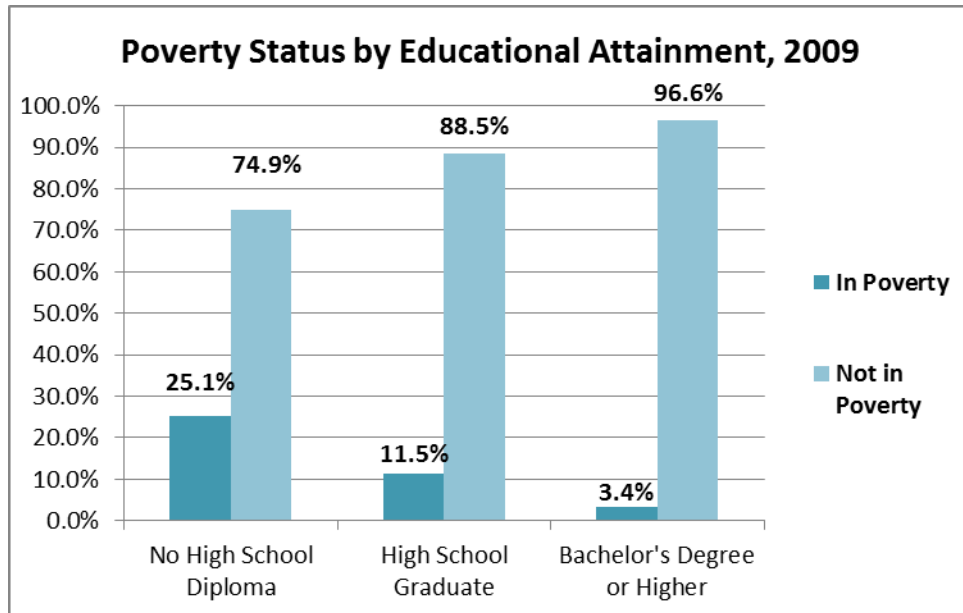
When compared to the United States as a whole, nearly the same proportion of whites live in poverty (11.9 percent in Indiana, 11.7 percent nationally). This is not the case for African-Americans or Hispanics, a greater proportion of each of these groups experience poverty than the proportion nationwide.



Source: U.S. Census Bureau, 2009 American Community Survey

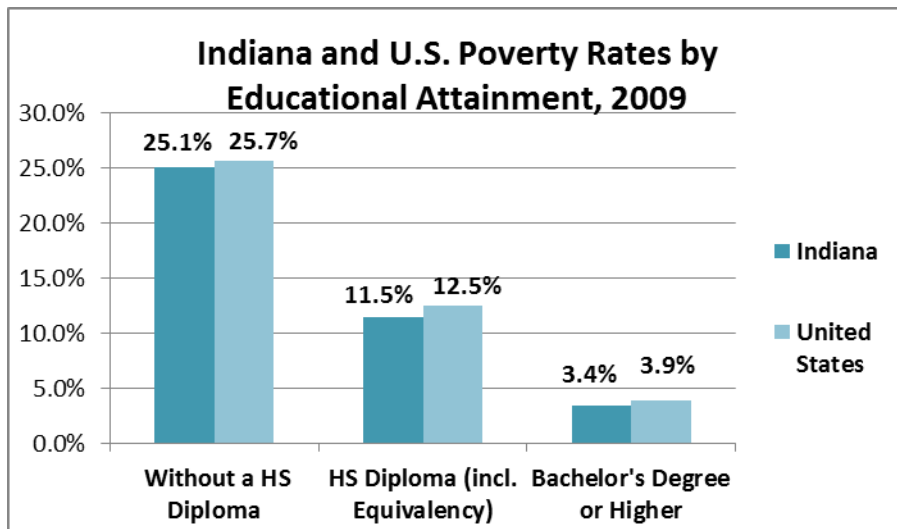
While whites, African Americans and Hispanics all experienced an increase in poverty from 2007 to 2009, Hispanics in poverty grew at the highest rate, increasing by 47 percent. Hispanics were followed by African Americans in poverty, increasing by 27.6 percent. Whites in poverty grew at the slowest rate, increasing 15.5 percent.

A person's level of educational attainment can be a strong indicator of poverty status. Twenty-five percent of Hoosiers without a high school diploma live in poverty. By contrast, just over 4 percent of Hoosiers holding a Bachelor's Degree or higher are living in poverty.



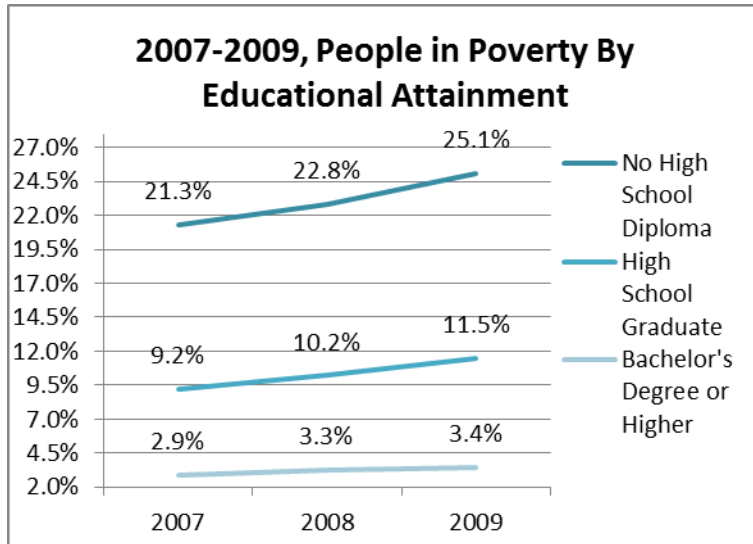
Source: U.S. Census Bureau, 2009 American Community Survey

Indiana's poverty rates, when broken out by educational attainment, are very similar to that of the national rates in the same categories. The national rate in each category is slightly higher than that of Indiana.



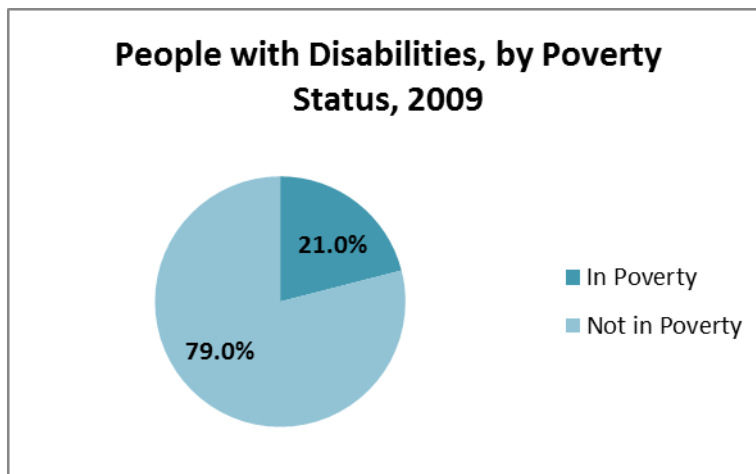
Source: U.S. Census Bureau, 2009 American Community Survey

In Indiana, poverty rates for all three categories of educational attainment (no high school diploma, high school graduate, and Bachelor's Degree or Higher) increased from 2007 to 2009.

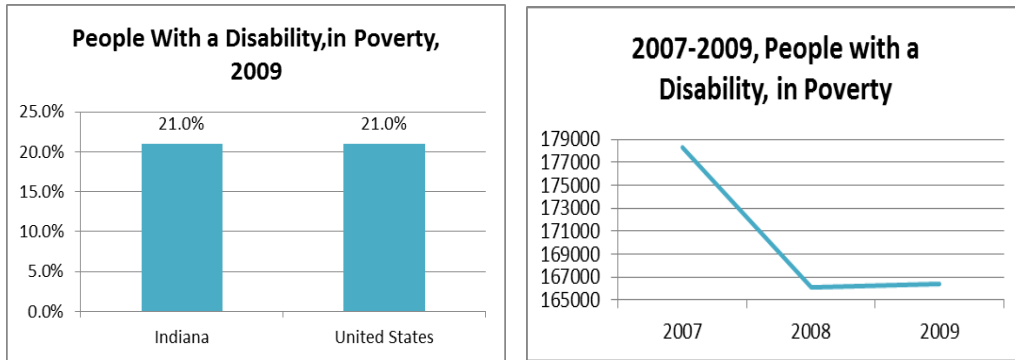


Source: U.S. Census Bureau, 2009 American Community Survey

A considerably high number of Hoosiers with disabilities also tend to live in poverty. Of all Hoosiers with some type of disability, 21 percent were living in poverty as of 2009. This is on par with the national poverty rates for disabled persons and actually represents a 6.7 percent decrease from the 2007 poverty rate for Indiana's poverty population.

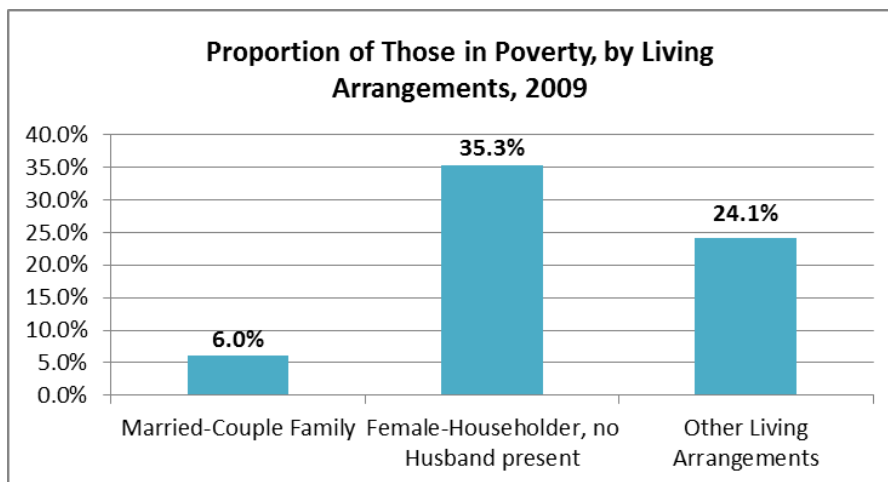


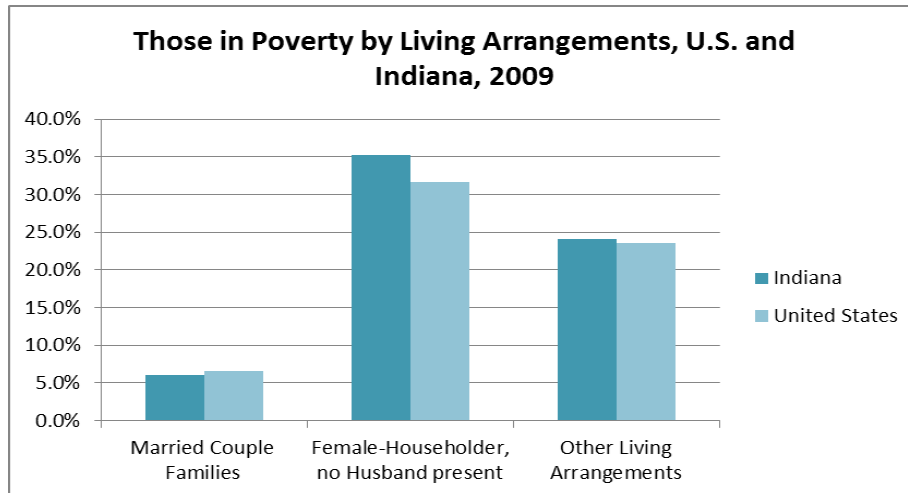
Source: U.S. Census Bureau, 2009 American Community Survey



Source: U.S. Census Bureau, 2009 American Community Survey

Living Arrangements are also an indicator of poverty status in Indiana. More than one-third, or 35 percent, of Hoosier women who are the head of their household and have no husband present were impoverished. By comparison, 6 percent of married-couple families lived in poverty. For those in “Other Living Arrangements,” nearly a quarter, 24 percent lived in poverty in 2009. Each of these categories has increased since 2007. Married-Couple families experienced the largest increase with a 27.8 percent increase from 2007 to 2009. These families were followed by “Female-Householders with no Husband Present”, which experienced an increase in population in poverty of 16.1 percent over the same time period. People in “Other Living Arrangements,” also had an increase in poverty, but at the lowest rate of the three categories, increasing 10.6 percent.





Household Type	Change from 2007 to 2009
Married-Couple Family	27.8%
Female-Householder, no Husband present	16.1%
Other Living Arrangements	10.6%

Self-Sufficiency... the Rest of the Story.

Not only is the number of impoverished Hoosiers growing, so is the number of individuals earning incomes above the FPG, but who still lack the sufficient resources to meet their basic needs. For most families, in most places, the FPG criteria are simply not enough to make ends meet. For a family to become economically self-sufficient, it generally requires 200 percent of the FPG (\$36,620 for a family of three in 2009).

The proportion of low-income individuals—those living below 200 percent of poverty—has also grown steadily in recent years, though lower than the historic levels reached in 1993. Even before the onset of the recession, Hoosier families struggled to meet their basic needs. At the beginning of the decade, one in four individuals (27 percent) were considered low-income—earning less than 200 percent of the FPG. However, by 2009, the number of low-income individuals ballooned by nearly eight percentage points as one in every three Hoosiers is now considered low-income.

When reviewing public policy that affects low-income and impoverished Hoosiers, it is helpful to think about the demographics of the population that are in poverty. This allows us to better understand the types and breadth of changes needed to end poverty in our state. It is also good to remember that poverty is only one piece of the puzzle; while so many of our citizens live in poverty, an even larger number live below self-sufficiency. To end the cycle of poverty, we need to not only help our fellow Hoosiers lift themselves out of poverty, but also, help them achieve self-sufficiency.

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