



## EXECUTIVE SUMMARY

# The Status of Working Families in Indiana: 2010 Update



By  
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INDIANA INSTITUTE FOR  
WORKING FAMILIES

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*A Program of*



INDIANA COMMUNITY  
ACTION ASSOCIATION

## **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 (Network) is 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. Therefore, it is IN-CAA's mission is to help the state's Community Action Agencies 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](http://www.incap.org).

## **About the Indiana Institute for Working Families**

The Indiana Institute for Working Families promotes data-driven policy that results in opportunities for Hoosier families to become self-sufficient. The Indiana Institute for Working Families, a program of the Indiana Community Action Association (IN-CAA), was founded in 2004. 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.

The Institute has completed a number of research reports and has become a reliable source for information on low-income workers in Indiana. The Institute furthers the debate that sometimes work alone is not enough to support a family and that the educational and training needs of Indiana's workforce must be addressed in order for Indiana to compete in a global economy. For more information about the Institute, please visit the Indiana Institute for Working Families section on IN-CAA's web site at <http://www.incap.org/iwfw.html>.

## **About the Author**

*Sarah Downing* is a Research and Policy Analyst with the Indiana Institute for Working Families. Prior to this position, she served as a Resource Development Associate at Horizon House, a multi-purpose day center serving the homeless of central Indiana. Sarah has a Masters in Philanthropic Studies from the Center on Philanthropy and a Masters in Public Affairs from the School of Public and Environmental Affairs from Indiana University, Indianapolis. She obtained her Bachelors of Arts in Sociology from Hanover College.

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## The Status of Working Families in Indiana: 2010 Update

In March 2010, the Indiana Institute for Working Families completed *The Status of Working Families in Indiana, 2009* which was a comprehensive report on the economic challenges facing low-income, working families in Indiana. *The Status of Working Families in Indiana: 2010 Update* is the 8th annual publication of the annual Status report and uses the best available data from the 2009 U.S. Census Bureau to update the data contained in the Institute's 2009 Status report. This 2010 report analyzes Indiana's economic conditions and its effects on Hoosier workers and their families. To reference the 2009 report, visit: [www.incap.org/iwfrandp.html](http://www.incap.org/iwfrandp.html).

Hoosier workers and their families are toiling to stay afloat while the effects of the national recession linger on. Among the report's most significant findings, data from the 2009 U.S. Census Bureau's Current Population Survey shows:

- One in three Hoosiers are now low-income—that is they earn less than 200 percent of the Federal Poverty Guidelines (FPG) (\$36,620 for a family of three in 2009). These individuals, despite their best efforts, are struggling to meet their most basic needs.
- Hoosier incomes have declined over the decade. In 1999, the median household income in Indiana was \$50,896. By 2009 the median household income had fallen 15 percent to \$44,305.
- Hoosier workers continue to earn a median wage lower than the average American and have throughout the past decade. Workers in Indiana earned 96 cents for every dollar earned by the average worker.
- Unemployment and underemployment have increased and have disproportionately affected Indiana's African-American and Hispanic workers. African-Americans have an unemployment rate of 18.7 percent and underemployment rate of 25.5 percent. While Hispanics have an unemployment rate of 17.3 percent and underemployment rate of 35.5 percent.
- National long-term unemployment—lasting longer than 26 weeks—is at its highest level since 1948. Long-term unemployment continues to plague Hoosier workers as Indiana's economy remains weak—58 percent of unemployed Hoosier workers have exhausted their 26 weeks of benefits in 2009.
- With each additional level of educational attainment, Hoosier workers are less likely to be unemployed, underemployed, and working part-time for economic reasons. Workers with a Bachelor's degree or higher are weathering this recession better than workers with lower levels of educational attainment.

- Poverty is more prevalent in Indiana than in the U.S., as 1 in every 6 Hoosiers lives below the FPG—\$22,050 for a family of four in 2009.

In order for Indiana to recover from the national recession's lasting effects and prepare for a more prosperous future, policymakers must choose to invest in Indiana's workers and their families by strengthening state policies that lead to opportunities for Hoosiers to achieve and maintain economic self-sufficiency. Special attention needs to be paid to the education and training needs of Indiana's low-income workers to ensure these most vulnerable workers have access to basic skills and postsecondary education opportunities that will increase their employability and earnings. These workers are the backbone of our families, communities, and economy. Opportunities must be expanded and policies strengthened for Indiana to maintain a strong and vibrant economy that is capable of reducing poverty and increasing economic self-sufficiency among its working families.

To view the full *Status of Working Families in Indiana: 2010 Update* which includes specific policy recommendations, please visit: <http://www.incap.org/iiwfRandP.html>.