

Poverty, Income, and Health Insurance in the Midwest*

September 2009

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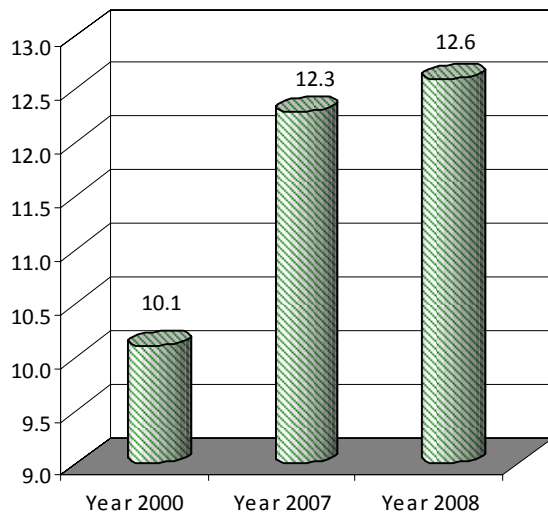
*Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, and Wisconsin

Recessions have a disproportionate impact on lower-income families because they cause rising unemployment, a reduction in work hours, and the stagnation of family incomes—all of which have the greatest impact on those with the least income. The data in this fact sheet reflect the year 2008 and so begin to capture the first effects of the recession on low-income Midwest families. However, the economic downturn has greatly accelerated since 2008, making it very likely that these figures underestimate the true deterioration of incomes and increases in poverty currently impacting families.

Poverty and Child Poverty

In the Midwest, 7,405,186 people live below the poverty line, a poverty rate of 12.6%. The poverty rate change in the Midwest from 2007 to 2008 is statistically significant, and the change from 2000 to 2008 also is statistically significant.

Poverty Rates in the Midwest

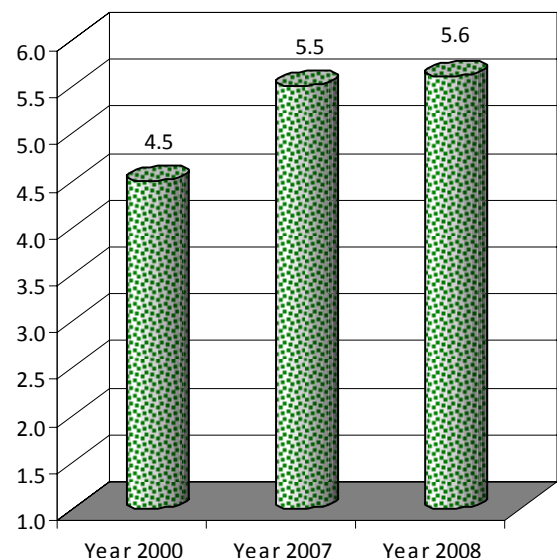


Children are particularly vulnerable to poverty. 2,381,364 children live below the poverty line in the Midwest, a child poverty rate of 16.7%. The child poverty rate in 2007 was 16.4%, and in 2000 it was 12.9%. The change from 2007 to 2008 is not statistically significant, and the change from 2000 to 2008 is statistically significant.

Extreme Poverty

Extreme poverty, living on an annual income of less than half the poverty line (below \$10,600 for a family of four), affects 3,289,103 people in the Midwest, an extreme poverty rate of 5.6%. The extreme poverty rate change from 2007 to 2008 is not statistically significant, and the change from 2000 to 2008 is statistically significant. Those living in extreme poverty are often in unsafe living conditions and struggle to meet the most basic of their needs.

Extreme Poverty Rates in the Midwest



Asset Poverty

| | |
|-----------|-------------------|
| Illinois | 22% of households |
| Indiana | 22% of households |
| Iowa | 19% of households |
| Michigan | 20% of households |
| Minnesota | 15% of households |
| Missouri | 22% of households |
| Ohio | 23% of households |
| Wisconsin | 20% of households |

(asset poverty is not having enough saved to subsist at the poverty level for 3 months if income suddenly dried up. CFED 2009-2010 Assets and Opportunity Scorecard. Visit <http://cfed.org/> for more information.)

Median Household Income

| | 2008 | 2007 | 2000 |
|-----------|----------|----------|----------|
| Illinois | \$56,235 | \$56,204 | \$60,203 |
| Indiana | \$47,966 | \$49,271 | \$53,713 |
| Iowa | \$48,980 | \$49,109 | \$51,002 |
| Michigan | \$48,591 | \$49,792 | \$57,718 |
| Minnesota | \$57,288 | \$57,946 | \$60,877 |
| Missouri | \$46,867 | \$46,847 | \$49,018 |
| Ohio | \$47,988 | \$48,387 | \$52,923 |
| Wisconsin | \$52,094 | \$52,521 | \$56,586 |

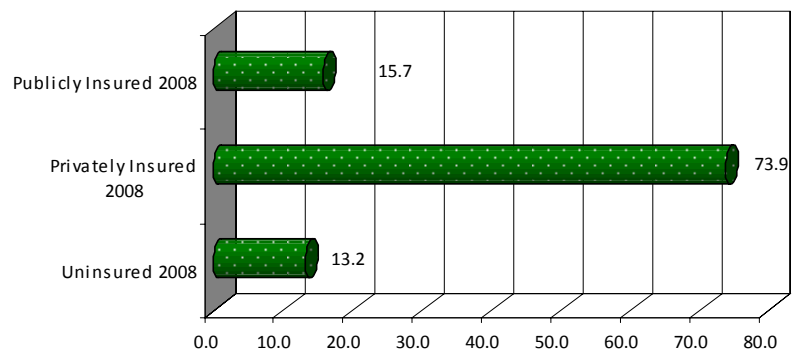
(all in 2008 dollars)

Health Insurance Coverage

In the Midwest, 6,862,583 people do not have health insurance. This translates into 13.2% of the population being uninsured.

Of those with coverage in the Midwest, 73.9% are covered by private insurance, and 15.7% are covered by public insurance. (civilian, non-institutionalized population; sum of uninsured, privately insured, and publicly insured percents do not add up to 100 because certain populations have both public and private coverage.)

Health Insurance Coverage Status in the Midwest, 2008



Measuring Hardship and Establishing What Families Need to Get By

The Federal Poverty Measure

Official poverty data are based on the federal poverty guidelines, which were developed in the 1960s. The measure is not geographically specific and does not reflect what it takes for families to make ends meet.

2008 Federal Poverty Guidelines

| Family Size | Poverty Guideline |
|-------------|-------------------|
| 1 | \$10,400 |
| 2 | \$14,000 |
| 3 | \$17,600 |
| 4 | \$21,200 |

Making Ends Meet

Efforts targeted at helping families escape poverty or as measured by the federal poverty measure are vitally important. However, it is abundantly clear that just because someone is not officially poor does not mean they have a standard of living that allows them to fully participate in American life. Experts agree that it usually takes around twice the poverty line for families to make ends meet.

Data Source Explanation:

Unless otherwise noted, all data are derived from the U.S. Census Bureau's *American Community Survey* and from the *2000 Decennial Census*. The *American Community Survey* recently released estimates on 2008 income, poverty, and health insurance coverage, which are the most current data available for geographies with populations over 65,000. For more information on the *American Community Survey*, visit www.census.gov/acs/www/.

For further analysis and comments on poverty trends, implications, and solutions, contact us:

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