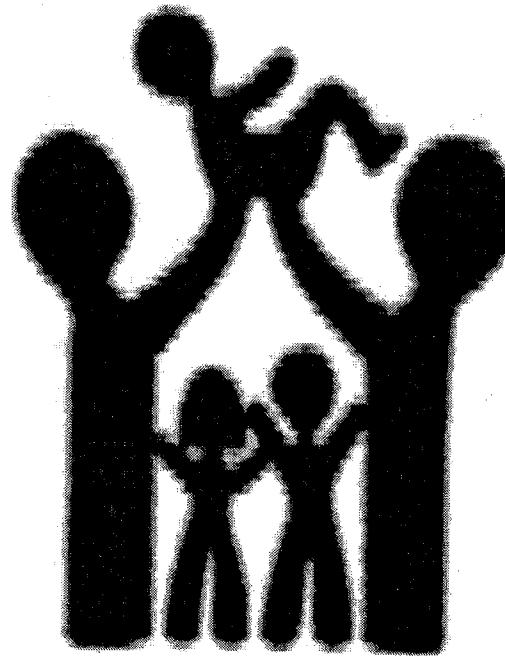


Prospects for Indiana Families

Indiana Family Impact
Seminar

Presentation by

Charles Warren, Ph.D.
January 8, 2003

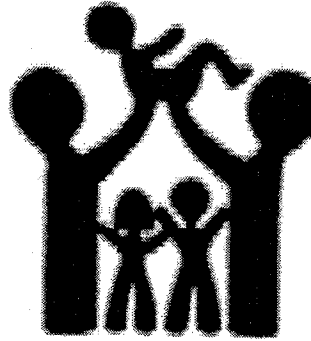


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Indiana's Families

- Family Structure
- Incomes
- Wages
- Family Budgets
- Families in Need
- Findings



This presentation attempts to provide a snapshot of Indiana families, and should provide a context for the presentations on Indiana taxes that follow.

First we will look at a summary of data from the 2000 Census on:

- family structure
- incomes
- wages
- family budgets
- and families in need

The central question is: How are Hoosier families doing?

People and Families

Indiana's People & Households

- 2000 Census = 6,080,485 Hoosiers
- 5.9 million in households (97% of Total population)
- Over 2.3 million households

The 2000 Census estimated Indiana's population at just over 6 million people. 5.9 million Hoosiers live in households – 97 percent of the total- and there are 2.3 million households.

A “household” is all the persons who occupy a housing unit. They need not be related or part of the same family. (A family consists only of those persons related by marriage, birth or adoption.)

Indiana is more diverse!

- Population change, 1990 to 2000, Up 9.7%
- Whites: ↑ 6%
- Blacks: ↑ 18%
- Hispanics: ↑ 117%
- Asians: ↑ 55%



We can also see that Indiana is becoming more diverse!

While total population increased by 9.7%, Whites gained only 6%

Blacks increased by 18%

Hispanics, still only 3.5% of the population, grew by 118%

and Asians, only 1% of the total, increased by 55%

Indiana Families, 2000

- All families -- 1.6 million
- Married couples families -- 1.25 million
- Married couples w/ children -- 556,000
- Single mothers -- 160,000
- Single fathers -- 51,400

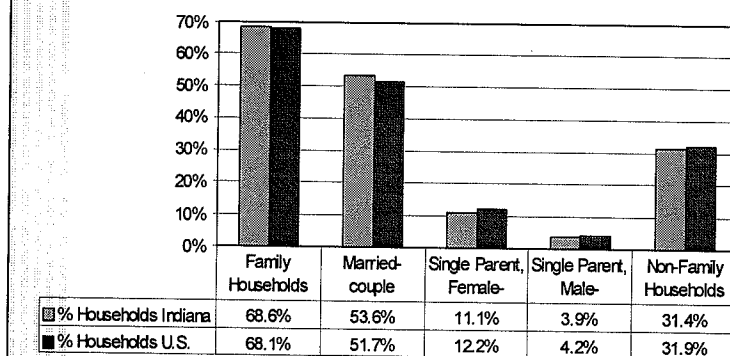
There are 2.3 million households in Indiana.

Of those households, 1.6 million are families; of those families, 1.25 million are married couples. Of those married couples 556,000 have children.

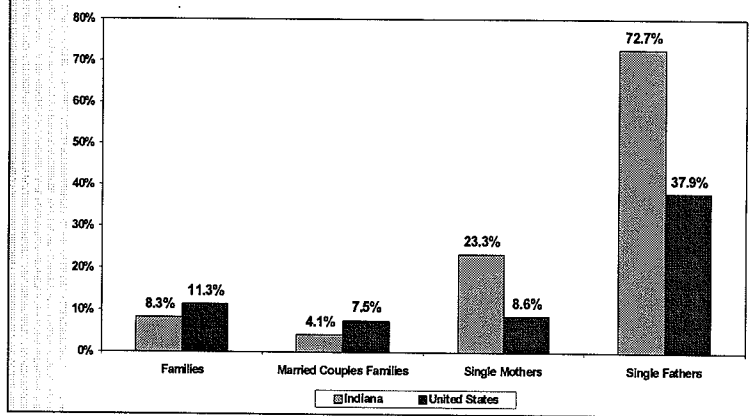
-- So, married couples living with their children represent just 35% of all families, and only 24% of all households.

160,000 families are headed by single mothers and 51,400 are headed by single fathers.

Type of Households, Indiana and U.S.



Family Change, 1990-2000, Indiana and U.S.



The number of families in Indiana increased by 8.3% from 1990 to 2000; a slower growth rate than the U.S. increase of 11.3%.

Married couples families grew only by 4.1%, compared to a 7.5% U.S. increase.

Single mothers increased dramatically, up 23 percent, compared to a much smaller increase of 8.6% in the U.S. Single fathers grew even more sharply, up by 72 percent!

Hoosier Incomes

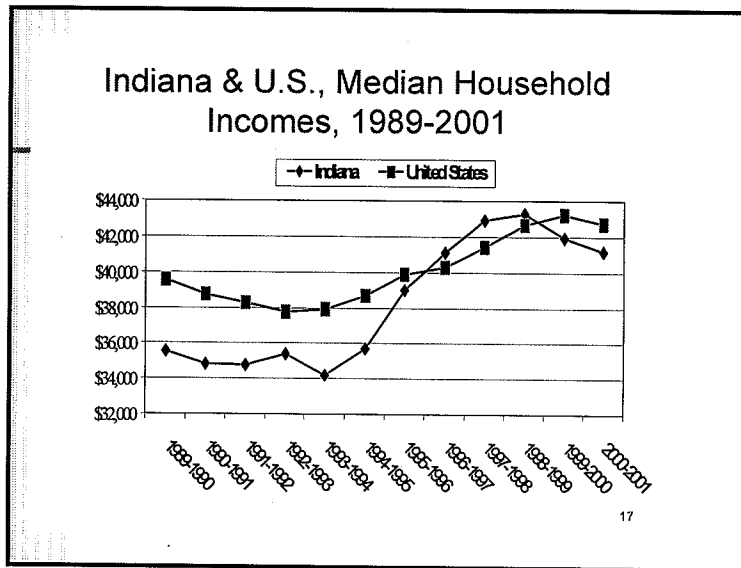
Indiana Median Household Income

- \$41,192* ranks 30th
- Lowest of Great Lakes States
- Declined by 4.8% since 1998

*2000-2001, 2 year average, U.S. Census Bureau

Now, let's look at the Indiana Median Household Income:

In 2000-2001 the median household income was \$41,192, which ranks Indiana 30th among the 50 states.



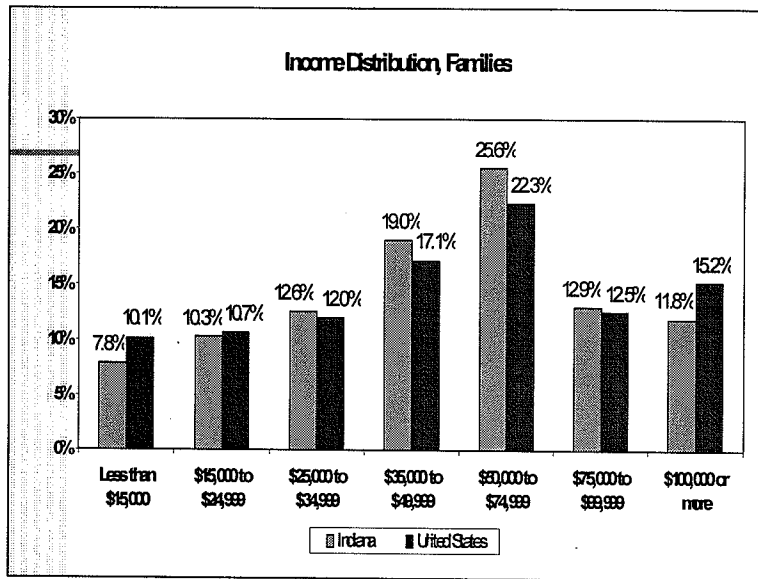
Moreover, the Indiana Median Household Income is the lowest among the Great Lakes states, and has declined by almost 5% since 1998.

Median Family Income: Indiana, 2000

- \$50,261, ranks 21st
- Slightly above U.S. average of \$50,046
- IN ranks 5th of 6 Great Lakes States
 - MN, IL, MI, WI, IN, OH

Indiana Median Family Income is \$50,261, which ranks Indiana much higher, at 21st among the states.
 -- Could that be due to many more two-income families?

Median family income is slightly above the U.S. average, but Indiana ranks only 5th of the six Great Lakes states.



Indiana is a Middle Income State.

Almost 45% of Indiana families have incomes between \$35,000 and \$75,000; this compares to 39.4% in the U.S. as a whole.

Yet, Indiana has fewer families in the lowest income categories:
 -- 7.8% below \$15,000, compared to 10% in the U.S.

And, fewer in the highest income categories:
 -- Almost 12% with incomes above \$100,000, compared to 15% in the U.S.

IN: A Middle-Income State

- Almost 45% of Indiana families with incomes between \$35,000 and \$75,000
 - Compares to 39% in U.S.
- Fewer families than U.S. in lowest income and highest income categories.

Indiana Wages

Indiana Wages Declining

- 2000, Indiana average wages were 87.5% of U.S.
- 1989, IN wages 91.6% of U.S.
- Indiana average wages rank 28th among 50 states
- Indianapolis MSA average wages were 99% of U.S. (2000)

Indiana wages are declining!

In 2000, Indiana average wages were 87.5% of U.S. average wages.

In 1989, Hoosier wages were almost 92% of U.S.

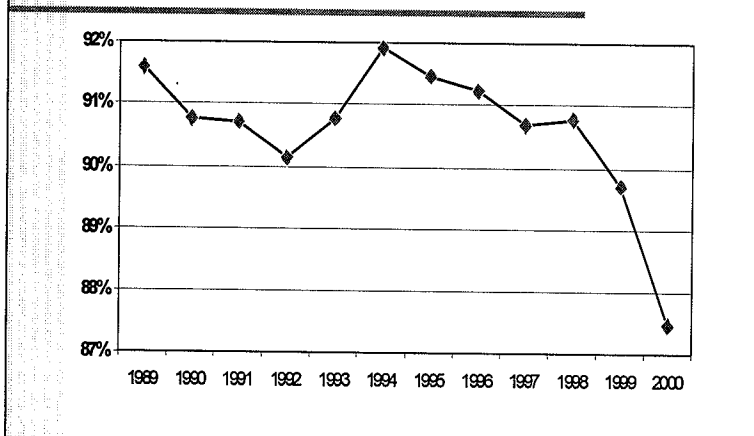
Indiana average wages rank the state 28th.

Average wages in the Indianapolis MSA are almost equal to the U.S. average.

Average wages in non-metropolitan counties of Indiana are only 77% of the U.S.

Chart, 1989 to 2000.

Indiana Average Wages as percent of U.S., 1989-2000



Why are Wages Declining?

- Changing economy: shift from manufacturing to services
 - Jan. 1990 to Jan. 2002 -17,000 fewer manufacturing jobs; 232,000 more service sector jobs.
- IN Job growth in lower wage industries
 - 1989 to 2000, 74% of jobs created in Industries with average wages below \$35,000.
 - In U.S., only 66% of jobs

Wages of Indiana Women

- Indiana women earn 68% of Hoosier males (full-time, median earnings)
- Indiana women earn 93% of U.S. women's median earnings
- Wage gap between Indiana men and women among largest in nation



Wages of Indiana Women

In Indiana women only earn 68% of what Indiana men earn!
This statistic compares both sexes-- full-time workers' median earnings.
Indiana women earn only 68% of the wages U.S. women earn.
The wage gap between Indiana men and women is among the largest in the nation. Only two states – Utah and Wyoming – had wider gaps.

There are lots of reasons for the difference, but one is educational attainment; higher education equals higher earnings:
18 percent of Indiana women have a bachelor's degree or higher, compared to 22 percent of Indiana males and 23 percent of U.S. women.

Median Earnings, IN & U.S. full-time, year-round workers

	Indiana	United States
Male	\$37,055	\$37,057
Female	\$25,252	\$27,194

Here are the Median Earnings for Hoosier males and females in Indiana and the U.S.

Indiana females earn a median wage of \$25,252. Imagine the difficulty faced by single mothers in supporting their families.

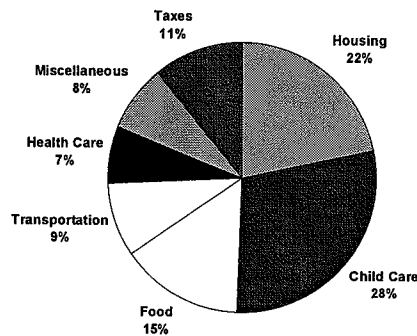
Family Budgets

How much does it take to
get by in Indiana?

The Self-Sufficiency
Standard, ICHHI,
2002

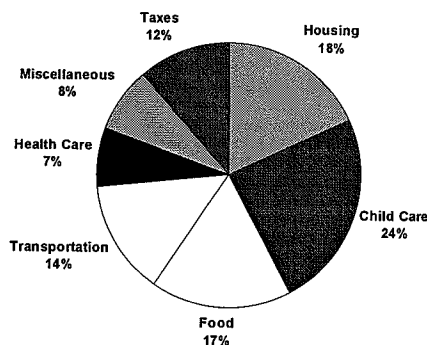
Let me tell you about the Self-Sufficiency Standard. This data is from 2002.
A new report is to be published this month (January, 2003) by the Indiana
Coalition for Housing and Homeless Issues.

3 Person Family, 1 school-age,
1 pre-school, Marion County, 2002;
Annual Costs = \$32,535



The Self Sufficiency Report contains data for all Indiana counties. This chart shows bottom-up budgeting – what does each budget item cost, e.g., housing, food, taxes, etc.

4 person Family, 1 school-age, 1
pre-schooler, Marion County, 2002,
Annual Costs = \$38,850



In Marion County:

A 3 person family's annual costs of basic needs is \$32,535

4 person family's annual costs of basic needs is \$38,850

For both families, child care constitutes largest percentage of family budgets.

For the Marion County family of three, taxes (net) are 10.7% of their budget.

For the Marion County family of four, taxes are 11.5% percent of their budget.

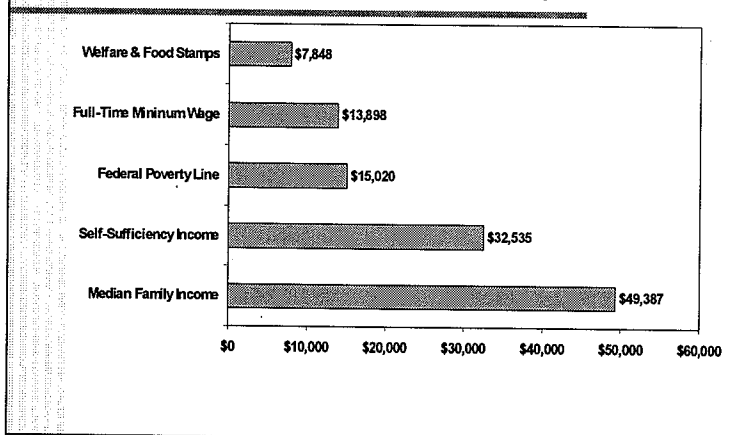
Taxes are the largest expense category after child care, housing and food.

Here is the breakdown for families in Marion Counties.

Self-Sufficiency Standard, Marion County, 2002

Monthly Costs	Family of 3	Family of 4
Housing	\$588	\$588
Child Care	\$783	\$783
Food	\$403	\$554
Transportation	\$234	\$450
Health Care	\$193	\$230
Miscellaneous	\$220	\$260
Net Taxes	\$291	\$373
Total	\$2,712	\$3,238

Self-Sufficiency Standard compared to other benchmarks Marion County, 3 person family, 2002



Let us compare the Self-sufficiency Standard to Comparison to other Annual Income benchmarks:

- a. A Welfare and Food Stamps Family receives \$7,848.
- b. A Family with one worker full-time at minimum wage earns \$13,898.
- c. The Federal poverty line for a family of three is \$15,020.
- d. The Self-sufficiency standard is \$32,535.
- e. and the Median Family income in Marion County is \$49,387.

**% Families with incomes
less than \$35,000;
U.S. & Great Lakes States**

United States	32.8%
Ohio	31.7%
Indiana	30.7%
Michigan	29.2%
Illinois	27.8%
Wisconsin	27.2%
Minnesota	24.6%

Who are the working poor?

Families with earned incomes below \$35,000.

Almost 31% of Indiana families are working poor.

-- that is slightly below U.S. percentage of 32.8%

--but that is a high percentage among Great Lakes States; only Ohio's is larger.

**% Families with incomes
less than \$35,000;
Selected Indiana Counties**

Hamilton	11.6%
Allen	28.1%
Tippecanoe	29.1%
Marion	32.8%
Vanderburgh	33.7%
Vigo	39.5%
Crawford	45.4%

In Indiana, at 45%, Crawford County has the highest percentage of families earning \$35,000 or less.

Hamilton County has the lowest, at only 11.6%.

Indiana Families in Need

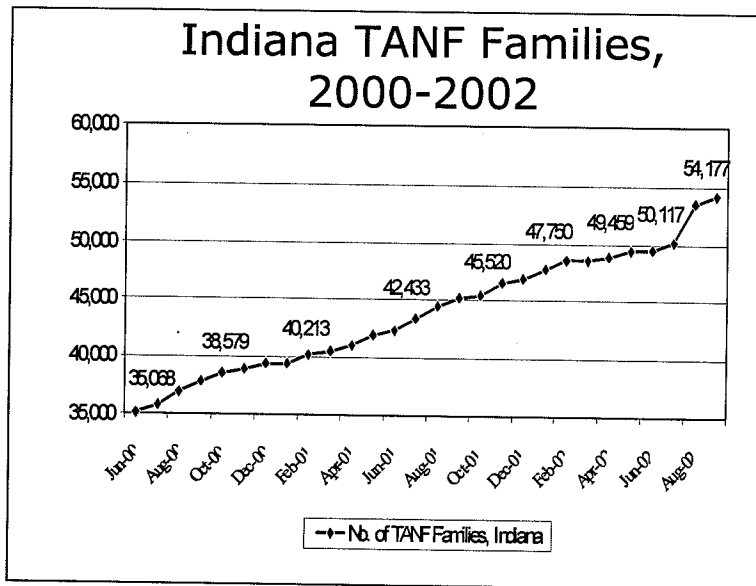
Indiana Families in Need

- Working Poor
 - 494,000 families w/ incomes <\$35,000
 - 31% of all families
- Poverty
 - 108,000 families
 - 180,000 children

Source: 2000 Census

Many Indiana Families are in Need:

494,000 families fall into the “working poor” category of incomes below \$35,000.
 108,000 families in Indiana have incomes below federal poverty line.
 180,000 children in Indiana live in poverty.



Over 54,000 Hoosier families are on TANF.
 Almost 180,000 households are receiving food stamps – a total of 430,000 individuals.
 The Indiana TANF rolls fell 53% from 1994 to 2000, but have now increased by 55 % from June 2000 to September 2002.

Summary: Findings

Findings: Indiana Families

- Households & family types still similar to U.S.
- But, family structure changing
 - Single mothers & fathers increasing faster than U.S.
 - Married couples share of families declining

Findings: Incomes

- Median household income declined by 5% since 1998.
- Median family income at U.S. average, but among lowest in Great Lakes.
- Indiana – A middle-income state; fewer poor, fewer wealthy.

Findings: Wages

- Indiana Average wages on the decline.
- Job quality is deteriorating.
- Wages of Indiana women are low and far below men's.

Findings: Poor families

- Self-Sufficiency Income now at low to mid- \$30,000s.
- 31% of families are "working poor"
- TANF rolls increasing
- Indiana poverty rate up