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(Revised Aug. 31 to note that the increase in child poverty is statistically significant.)

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Poverty on the Rise in Iowa Median Income, Health Coverage Return to 2000-01 Levels

MOUNT VERNON, Iowa (Aug. 29, 2006) – Poverty keeps climbing in Iowa while health insurance coverage and household income show no improvement from the start of the decade.

A new report Tuesday from the U.S. Census Bureau showed recent improvement has returned Iowa to where it was five years ago on uninsurance and median household income. But the poverty rate has risen to 11.1 percent – a jump of three percentage points.

“Iowa has typically been a low poverty state. There is cause for some concern when Iowa’s poverty rate is closing in on the national level,” said Elaine Ditsler, an Iowa Policy Project (IPP) research associate who analyzed the census information.

David Osterberg, executive director of the IPP, noted the new figures showed the results of Iowa’s slow recovery from the 2001 recession.

“The best we can say is that things are not worse for some Iowans. But more are in poverty, and we’re not seeing improvement for middle-income Iowans or the uninsured,” Osterberg said.

Using a two-year average for the 2004-05 period, an IPP review of the new data showed:

■ Iowa’s median household income of \$45,671 lags the national median by \$400 and ranks 29th among the states. Median household income in Iowa remains statistically unchanged from 2000-01.

■ 320,500 Iowans lived in poverty in 2004-05. Iowa’s poverty rate is up from 7.8 percent in 2000-01 to 11.1 percent in 2004-05.

■ 264,000 Iowans, or 9.1 percent of all Iowans, were without health insurance in 2004-05. The percentage of Iowans without health insurance is statistically unchanged since 2000-01.

■ 747,000 Iowans, or 25.7 percent of all Iowans, were covered by a public health insurance plan (Medicare, Medicaid, SCHIP, military). The number of Iowans dependent on public health insurance has increased 17 percent since 2000-01.

**Iowa Local/Metropolitan Areas
Poverty and Median Household Income, 2005**

	Poverty Rate	Median H’hold Income
Ames, IA MSA	19.7	\$40,471
Cedar Rapids, IA MSA	11.8	48,268
Davenport-Moline-RI MSA	12.4	44,226
Des Moines, IA MSA	6.1	52,647
Dubuque, IA MSA	8.1	44,161
Iowa City, IA MSA	18.4	43,138
Omaha-Council Bluffs MSA	10.3	49,197
Sioux City, IA-NE-SD MSA	14.4	42,905
Waterloo-Cedar Falls, IA MSA	13.3	41,194
Pottawattamie County	11.7	45,348
City of Davenport	16.0	42,801
City of Sioux City	16.0	39,037

U.S. Census Bureau

The Census Bureau recommends using two-year average medians in order to ensure accuracy. All figures are adjusted for inflation to equal the purchasing power of the dollar in 2005.

More detailed data by category:

Median Income

■ Iowa's median household income was \$45,828 in 2000-01. In 2004-05, it was \$45,671.

■ In the 1990s, by contrast, incomes adjusted for inflation rose dramatically in Iowa. The income of the typical Iowa household grew from \$38,663 in 1992-93 to \$47,304 in 1999-2000, an increase of 23 percent. The new figures show that Iowa's median household income is still about \$2,000 below the 1999-2000 peak.

Poverty

Iowa's poverty rate of 11.1 percent has moved much closer to the national rate of 12.7 percent, although only 13 states have a better poverty rate. Both the number and share of Iowans in poverty are high compared to pre-recession levels:

■ The number of Iowans in poverty rose to 320,500, from 224,500 in 2000-01.

■ The overall poverty rate for children under the age of 18 in Iowa has increased from 8.2 percent in 2000-01 to about 13.7 percent in 2004-05. The increase is statistically significant.

Health Insurance Coverage

Iowans are more likely than typical Americans to have health insurance. About 9.1 percent of Iowans are uninsured compared to 15.7 percent for the nation. Only two states (Hawaii and Minnesota) have a lower rate of uninsurance. Although the percentage of uninsured Iowans is unchanged since 2000-01, the source of insurance coverage is changing:

■ The share of Iowans with job-based health insurance fell to 66 percent, down from 69.5 percent five years ago. The number of Iowans with job-based coverage declined from 1,986,000 in 2000-01 to 1,918,500 in 2004-05.

■ Among those folks who lost job-based coverage, more than half were picked up by public health insurance plans. The number of Iowans with public health insurance rose from 639,000 (22.4 percent) in 2000-01 to 747,000 (25.7 percent) in 2004-05.

The report from the U.S. Census Bureau, *Income, Poverty and Health Insurance Coverage in the United States: 2005*, is available at <http://www.census.gov> <<http://www.census.gov/>>

The Iowa Policy Project is a nonpartisan, nonprofit research and policy analysis organization based in Mount Vernon. IPP reports are available to the public free of charge at <<http://www.iowapolicyproject.org>>.

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