
Iowa Fiscal Partnership

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Uninsurance Problem Persists in Iowa New Census Data Show Poverty Remains High, Slight Income Gain

IOWA CITY, Iowa (Aug. 26, 2008) – The number of uninsured Iowans grew by one-third in seven years, while Iowans' median income showed slight improvement in 2007 and poverty remained high.

“The long and short of all the new numbers is that about 1 in 10 Iowans have trouble getting by whether we're talking about poverty or access to health insurance,” said Beth Pearson, research associate for the nonpartisan Iowa Policy Project (IPP). “And we know the government measure of poverty substantially understates what it means to be poor.

“These figures, particularly on health insurance, illustrate why Iowans may feel insecure about their economic situation.”

New information from the U.S. Census Bureau on Tuesday showed for Iowa:

- In 2006-07, uninsurance stood at 9.9 percent, with 291,000 Iowans not covered at some point during the year; that compares with 219,000 uninsured in 1999-2000. Nationally, 45.7 million were without coverage in 2007.

- Median income rose to \$47,292 in 2007 from \$45,753 the year before — a brighter sign than last year, when this category showed a decline. The 2007 figure represents a 3 percent increase in seven years, from \$45,969 in 2000 (2007 dollars), but the change is not statistically significant due to limitations of the survey sample.

- The poverty rate for 2006-07 was 9.6 percent, not a significant change from the 7.8 percent level of 2000-01. For 2007, a separate Census estimate* showed the poverty rate at 11 percent.

- Child poverty stood at 13.1 percent in 2007, a level that has not changed significantly since 2000.

“There is good news, and some not-so-good news in these new numbers,” said David Osterberg, executive director of the IPP. “It's good to see the increase in median income from 2006 to 2007. To look at this over time, however, it's nothing to celebrate.

“Looking at this from the peak of the last business cycle, in 2000, to what appears to be the peak of the current cycle, it appears median income has increased about 3 percent. Since the sample of people surveyed is small, we can't be sure of the change, so the increase isn't statistically significant. The Census has the best information we can get, but it isn't perfect.”

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Pearson noted the health-insurance figures present an important measure of economic health for Iowa, where the uninsurance rate rose from 7.9 percent in 2000-01 to 9.9 percent in 2006-07. Comparing those two-year averages, only Missouri and Nebraska had greater increases in their uninsurance ranks.

“The news may not be that surprising,” she said. “As health-care costs have increased, employers have been cutting back on coverage. When 72,000 more Iowans in just seven years do not have access to private or public health-insurance coverage, this is a significant change and it’s significantly bad.”

The poverty figures — particularly for child poverty — concerned Mike Crawford, senior associate at the Child & Family Policy Center (CFPC) in Des Moines.

“These figures show things are not getting better for people in poverty in Iowa,” said Crawford, who directs CFPC’s Iowa Kids Count initiative. “This presents a special challenge to Iowa policy makers to look for ways to improve access to critical services for a population of significant size in our state.”

The new data come as Congress is preparing to return from an August recess and may consider, including an expansion of the Child Tax Credit to reach more low-income working families. In addition, an unresolved issue from 2008 is reauthorization of the federal Children’s Health Insurance Program, which funds the Healthy and Well Kids in Iowa (*hawk-i*) program in Iowa.

According to Osterberg, the new figures are consistent with trends in Iowa’s job climate.

“Even in better times since the 2001 recession, Iowa has not seen the kind of job growth that we saw in the 1990s, and not the kind of growth in job numbers or job quality that could arrest the trends shown in the Census data today,” Osterberg said.

“Since the start of the last recession, the Iowa economy has produced less than one-third of the jobs it produced in the same period from the start of the 1990 recession — about 51,000 compared to 189,000 earlier,” he said. “And as we’ve shown repeatedly, the types of jobs we’re gaining tend to pay less and offer fewer benefits than the jobs we’re losing. The new measures of poverty and income are disappointing, but not surprising.”

The reports from the U.S. Census Bureau, “Income, Poverty, and Health Insurance Coverage in the United States: 2007,” and “Income, Earnings, and Poverty Data From the 2007 American Community Survey” are available at <http://www.census.gov/Press-Release/www/releases/archives/news_conferences/012515.html>

The Iowa Policy Project and the Child & Family Policy Center work together as the Iowa Fiscal Partnership to jointly provide analysis of tax policy and budget issues facing Iowans. IFP reports are available on the web at <http://www.iowafiscal.org>.

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****Dueling numbers***

The Census released information Tuesday from two surveys to illustrate trends in income, poverty and health insurance. We used the newer, and larger, American Community Survey (ACS) where possible.

There can be confusion, as the Census’ older Current Population Survey (CPS) shows different numbers and different trends. CPS is primarily a source of national statistics, while ACS provides state and local statistics. We believe the ACS numbers are a more appropriate measure for income for Iowa.

For more perspective on these issues, visit the Coalition on Human Needs <<http://www.chn.org>> and the Center on Budget and Policy Priorities <<http://www.cbpp.org>>.