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Census shows opportunity to boost family economic security
New data on poverty, income and health insurance show slight gains — but emphasize the stakes in coming battles over Medicaid, SNAP and more

IOWA CITY, Iowa (Sept. 13, 2018) — Improvements in poverty and health coverage for Iowans heighten the need to reinforce public policies that can help families struggling to get by.

New data for 2017 released Thursday from the U.S. Census' American Community Survey show slight improvements in poverty rates for families and children, and continued strong health coverage from the period before the Affordable Care Act (ACA), as well as an increase in median income.

“One out of nine Iowans lack basic economic security by the Census' measure. At a time when we see continued attacks on the ACA and on essential supports that families need to make ends meet, including food assistance and Medicaid, it is important to recognize the impact these services have had on breaking down barriers for Iowans,” said Mike Owen, executive director of the nonpartisan Iowa Policy Project (IPP) in Iowa City.

The new data showed:

- Poverty burdens 6.7 percent of families (down from 7.6 percent the year before) and 10.7 percent of all Iowans, down from 11.8 percent.
- Child poverty fell to 11.9 percent, from 14.4 percent.
- Iowa's long-stagnant income picture improved slightly, with a 2017 median household income level of \$58,570, up from 57,457.
- Iowa's uninsured rate is 4.7 percent — about 146,000 uninsured Iowans — which is slightly higher than 2016, but far better than the pre-ACA years, as 8.1 percent were uninsured in 2013.

“Whether we're talking about Medicaid, or Child Care Assistance, or the Earned Income Tax Credit, we already have common-sense, established solutions that can be expanded to boost family prosperity,” said Anne Discher, executive director of the nonpartisan Child and Family Policy Center (CFPC) in Des Moines, which with IPP forms the Iowa Fiscal Partnership (IFP).

The total poverty rate in 2016 was 11.8 percent, down from 12.2 percent the year before. Family poverty also decreased — it was 7.6 percent in 2016 and 7.4 percent in 2007.

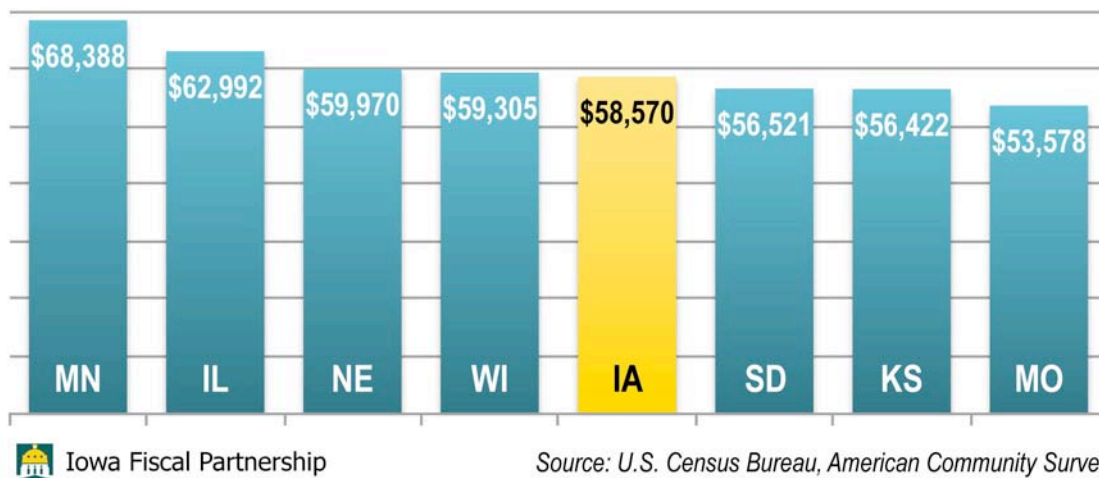
The decline in family poverty from 2016 to 2017 is good news, but should not be overstated, IFP researchers noted. The poverty guidelines are outdated and are set at less than half of a basic-needs household budget that would be relevant to families today, they said.

“Our research on the Cost of Living in Iowa better captures what a no-frills budget looks like for Iowans, how many Iowa families are unable to make ends meet, and the importance of work support programs such as Medicaid, child care assistance, food assistance and the Earned Income Tax Credit in bridging the gap between earned wages and meeting basic needs,” said Natalie Veldhouse, research associate for IPP.

“In fact, from that report, we estimate 1 in 6 Iowa working households do not earn enough to make ends meet,” she said.

The increase in median income to \$58,570 in 2017 puts Iowa 25th among the 50 states — and also in the middle of the pack regionally. Four Midwestern states — Minnesota, Illinois, Nebraska and Wisconsin — all had higher median income levels in 2017 than Iowa, while South Dakota, Kansas and Missouri ranked below.

Iowa Median Household Income in Middle of Midwest Neighbors



Reports from the Iowa Fiscal Partnership are available at www.iowafiscal.org.

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The Iowa Fiscal Partnership is a joint public policy analysis initiative of two nonpartisan, nonprofit Iowa-based organizations, the Iowa Policy Project and the Child & Family Policy Center. Reports are at www.iowafiscal.org.