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## The poor among us

With one in 12 Hoosiers struggling to get by, we all have a stake in helping to lift them

More than three-quarters of a million Hoosiers live in poverty, a third of them children. The U.S. Census August reported Indiana's 2005 poverty rate at 12.2 percent, the third consecutive annual increase. 1/3 of female-headed households with children under 5 live below the poverty level.



⊕ zoom

Off the streets: The homeless sit in the Horizon House dayroom waiting to meet with medical professionals or case managers or sign up for job training. The center also is a place to shower and do laundry. - Gary Moore / The Star

### DEFINING POVERTY

The poverty threshold is an artificially low income level calculated on a multiplier of food cost. For example, for 2005 the poverty level of a family of two adults and two children under 18 was \$19,806.

Below that level anywhere in the country, you are poor and therefore eligible for a variety of government programs. Above that level, you and your family are not counted among the poor.

Many scholars argue that a better

Indiana's poor have little confidence in the American Dream struggle each day to put food on the table and to keep a roof and their children in school.

We all have a stake in lowering in helping them escape poverty higher insurance premiums when too many can't afford health increased taxes to support overburdened social services, in safety as crime rates rise, in a sluggish economy, and in an that fails too many students.

These underlying symptoms of poverty are reflected in a report Tuesday, "Still on Shaky Ground 2006," from the Women's Fund of Indiana, a philanthropic organization that creates opportunities for girls in Central Indiana. It highlights problems with insufficient giving, domestic violence and health issues. And on Page 2 United Way of Central Indiana's Ellen Annala challenges all possible long-term change for people at risk of poverty by its Way's annual fund drive.

Horizon House's Carter Wolf, the Indiana Coalition for Human O'Callaghan, and Katharine Byers, who heads Indiana University social work program, examine the causes and effects of poverty offer suggestions on how to help our friends and neighbors day to get by.

### Working hard, but staying poor

By Katharine V. Byers

We hear that poverty in Indiana affects more than 740,000 children, and we are stunned. We had been told that the economy but evidentially not for some citizens in our state. If the number is increasing, that means that some families who were not poor. What could have happened to them?

Many of us think about poverty as something that happens to

estimate of family need would be a Self-Sufficiency Standard above which you would not be dependent on assistance programs. The standard would also be more sensitive to differential costs of various family compositions and communities.

Using such a standard (see Indiana Coalition on Housing and Homeless Issues website: <http://www.ichhi.org>), the self-sufficiency standard for the same four-person family in Marion County would be \$37,937. We can assume that those earning above the poverty threshold but below about \$38,000 would be experiencing some level of need.

Seen from this perspective, there are many more people in significant economic need in Indiana than the official poverty rate would reflect.

#### **INDIANA NUMBERS**

- **6 million:** population.
- **9.0%:** Families living below poverty level, compared with 10.2% nationally.
- **12.2%:** Individuals living below poverty level, compared with 13.3% in U.S.
- **260,000:** approximate number of children living in poverty.
- **284,000:** approximate number of families living on less than \$25,000 per year. (There are 1.6 million families in state).

#### **Indiana families with annual income below the poverty level:**

- **9%:** All families.
- **14.4%:** Families with related children under 18.
- **18.4%:** Families with related children under 5.
- **30.3%:** Families with female heads of household (with children under age 5 it's 51.2% and with children under 18 it's 39.2%).
- **14.8%:** Number of Marion County residents living in poverty.

Source: U.S. Census Bureau's American Community Survey, 2005.

certainly not us. We point to the ways "those people" have created the conditions that lead them into poverty. We feel they bear responsibility for changing their own circumstances: They are not spending their money on frivolous things. They need to stop drugs. They need to get back in school or learn a trade. The manner of things to "better themselves."

While the research tells us that changes in individual behavior increase income, the causes of poverty go beyond deficits in individuals. There are deficits and shortcomings in our community that contribute to poverty as well. Consequently, individuals and still be poor.

What has happened recently that might explain some of the increase in Indiana? Though our poverty rate of 12.2 percent is slightly above the national average of 10.2 percent, our rate has increased in the last five years while the national rate has remained unchanged. If this trend continues, Indiana's poverty rate in the future to be higher than the national rate. We should look at jobs, wages, and education as community factors that increase the chances of poverty.

Better-paying manufacturing jobs have left the state, and they tend to be in the lower-paying service industries. During the slowdown, Indiana lost 122,000 jobs; we are still 46,000 jobs below the job level.

While much of the rest of the country has seen wage gains, wages here have remained stagnant. In addition, those at the bottom of the scale actually suffered wage losses in 2004. According to the Report on Working Families from the Indiana Coalition on Housing and Homeless Issues, 22 percent of Indiana workers earned wages below the poverty level. Some middle-income wage earners are only a few steps away from poverty themselves.

A recent report estimating that 20,000 Indiana high school seniors every year does not bode well for their or our state's future. Our economy and education is very strong. To quote from the 2004 Families Report, "Indiana lacks high-wage jobs due to the relative dominance of service-sector industries in its economy and a relatively low educational attainment of its adult workforce."

Recent increases in poverty rates in Indiana should not be surprising that nonprofit, public and faith-based agencies providing clothing, shelter and other necessities are seeing increased needs. What may be surprising to some is the connection between increased needs for mental health services due to higher rates of depression, family disruption and family violence. When both mental health needs are not met, long-term chronic illness, high blood pressure and heart disease. Inability to get early and more expensive care later in the disease process.

Payment for these services for the uninsured poor is passed on to higher hospital bills, co-pays and insurance premiums. What we do for the poor does impact the rest of us.

In addition to the direct services for individuals and families, we need to address some of the root causes of poverty in our state if we want a vibrant economy that addresses the needs of all our citizens.

**Byers is associate professor of social work and director of the degree social work program at Indiana University-Bloomington.**

**Beyond basics to the big picture**

**By Patti O'Callaghan**

The waiting room at Lafayette Urban Ministry provides a daily glimpse of the people behind the pove has worked full-time as a sales representative in a local electronics store for three years. He's espec when it comes to TVs, DVDs, CD players, and computers. And while he's a model employee, his \$7. barely enough to make ends meet.

His wife cares for their five children and does her best to keep the family budget balanced. But an un a child's doctor visit or an unusually high utility bill is all it takes to throw this family into a financial err they are facing eviction because they have fallen behind on their rent.

And there are others, such as the asthmatic senior who lives in a trailer. The summer heat forced he conditioner more than usual and she doesn't have the money for her electric bill.

A grandmother is caring for two special-needs grandchildren. She can't go to work until the children a state-supported placement and professional services. They need food and shelter assistance until th

A guest in our homeless shelter lost his job and apartment when suffering from poor health. He's bee and the only thing standing between him and a fresh start in life is a pair of steel-toe work boots. But boots.

The number of people struggling to make ends meet is growing, as evidenced by the data recently re census bureau. Two surveys and many numbers may make it confusing to understand the situation. RCA Dome filled to capacity more than 12 times -- that's the number of individuals in Indiana living in

Every day at Lafayette Urban Ministry (and at social service agencies all over Indiana) we help peopl the immediate needs. And that's necessary. But we also have to think of the big picture: Why do so r help?

There are policy changes that can improve the economic security of Hoosiers who are struggling. We earn a decent wage by increasing the minimum wage. We can help them get to work by supporting s dependent care tax credits. We can make work pay by increasing the state earned income tax credit has been the most effective program in lifting people out of poverty.

We can help more people pay their utility bills by permanently removing the state sales tax on federa to Indiana for the Low Income Home Energy Assistance Program. We can help families with student: textbooks -- and help more students learn by giving them free breakfast and enrolling their families ir program.

We can help people have an affordable place to live by funding the Indiana Housing Trust Fund. We their homes by ending predatory lending. We can provide job training and education for improved em opportunities.

So the challenge is set before us.

A folk parable tells the story of people trying frantically to rescue babies that are floating down a river of the group finally decides to go upstream to stop whoever is throwing the babies in. We have to pul the river before they drown. We must provide direct services to those in need. Donate to your local fc agency.

But we must also go upstream to promote systemic change to prevent the need for services in the fir your legislators and demand action.

**O'Callaghan is president of the Indiana Coalition for Human Services and director of social ju: Urban Ministry.**

**The realities of living in poverty**

**By Carter Wolf**

The economy is stronger and a good many of us are fortunate to have jobs that pay at or above the r our community. However, many of our neighbors are working one or two minimum-wage jobs or, wor employed. They live right here but are in a separate world that does not allow them to grasp the Ame they are holding on for dear life. The world they live in is "poverty."

As recently released U.S. Census Bureau statistics show, many of our Central Indiana neighbors live

poverty, homelessness or one paycheck away from either. Without the ability to earn a decent livelihood every day that are daunting and sometimes insurmountable.

Earl Shorris writes about the "surround of force" that confronts people of poverty. Issues that many of our class experience episodically during our lives happen with compounded frequency for the poor. These issues include unemployment, rent problems, domestic violence, death or illness of the primary provider, poor health care, street crime, lack of transportation or child care, predatory lenders, gang activity and teen pregnancy. A large number of youth in poverty drop out of school, fall into other bad life choices and cycle through jails, unemployment, only to learn later in life that their options for improvement are slim to none. A common theme is the loss of hope that the American Dream will ever be open to them.

Loss of hope and dignity is a very real characteristic of those coming through the Horizon House doors. For the homeless; severe poverty is the rule. Many have just fallen on bad times; others are trying to cope with the past. Their history becomes a barrier in this journey and often closes the very doors they need to open. They also find themselves ill-prepared to earn a living wage to sustain them. The "working poor" have become "working homeless." We work to provide the resources and self-empowerment to not only end their cycle but to break the cycle.

When we share success stories at Horizon House, we are talking about individuals who, with many people's support services, overcame huge obstacles to reach independence.

When Hurricane Katrina exposed the poverty of New Orleans, everyone, including the Federal Emergency Management Agency director, acted surprised, as if these people appeared out of nowhere. The fact is that all our people have become more economically segregated in the last few decades, thus increasing the invisibility of those who are poor.

Often these individuals use a disproportionate amount of community resources, from emergency room care to the justice system. Last year a story was circulated among homeless providers about a homeless man in New York hospital who became known as "Million-Dollar Murray." This man was a severe alcoholic who cost \$1 million of resources when costs were calculated by police, courts and hospitals. Very little money was spent on service providers that could have kept him housed and out of the emergency room and jail.

By almost any indicator, things are getting better for the middle class and certainly for the wealthy, but for the poor. The poverty rate in greater Indianapolis has increased by five percentage points in the last five years (and for children). At the same time the rate for those without health insurance increased by 5.5 points. Some 14 percent loss in manufacturing jobs -- jobs that often benefit those with lower education levels. A person in Indianapolis who works full time must make at least \$8.20 to meet his or her very basic needs.

Welfare reform has been successful in moving many people from welfare to work, but it has not provided the support for those who are doing what society asks. The consequence is working mothers and responsible fathers without decent housing, child care, insurance and transportation. Federal dollars for job training, Medicaid and other programs have gone down as well. The federal resources that organizations like Horizon House have relied on for support are still eroding. Aside from disaster relief, overall private giving to support social services has steadily gone down as a percentage of the philanthropic dollar.

The reductions in support dollars directed to the poor are directly related to their invisibility and lack of political voice. The net effect is that society bears the cost of public services, lost economic productivity and human resources. The poor don't need handouts; they need opportunities. Investing in the resources to provide opportunities is in the best interest of the community. The United Way's new tag line, "Addressing today's needs, reducing tomorrow's," explains the need to give to them and poverty-focused organizations.

David Hilfiker, the noted physician and writer who serves the poor in our nation's capital, said, "The effects of poverty on the poorest members of our society does tangibly affect us all, whether we know it or not. A basic social justice principle is that the divisions among us continue to deepen, and the neglect that comes from 'invisibility' continues to erode the foundations of democracy and equality will not survive. We could become a community we do not recognize."

**Wolf is executive director of Horizon House, a day center for the homeless in Indianapolis.**

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