State policies that promote the economic security of our nation’s families can help offset larger economic and social conditions that make it difficult for families to get by and get ahead. This four-part profile provides data on Indiana’s low-income children and families and highlights state policy choices regarding families’ work attachment and advancement, income adequacy, and asset development.

In Indiana, there are 813,711 families, with 1,570,201 children. Among these children, 44 percent live in families that are low-income, defined as income below twice the federal poverty level (nationally, 45 percent of children live in low-income families). Young children are particularly likely to live in low-income families.

Low wages and a lack of higher education contribute to families having insufficient incomes. Nationally, 48 percent of low-income children have at least one parent who works full-time, year-round; in Indiana, the figure is 47 percent.

Parents without a college education often struggle to earn enough to support a family, but only 22 percent of adults in Indiana have a bachelor’s degree. A substantial portion of children in Indiana whose parents only have a high school diploma—63 percent—are low income.

Children of foreign-born parents are also more likely to be low income than children of native-born parents.

Percent of children who are low-income by parental education, 2011

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Indiana</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No high school degree</td>
<td>85%</td>
<td>86%</td>
</tr>
<tr>
<td>Only a high school degree</td>
<td>63%</td>
<td>66%</td>
</tr>
<tr>
<td>Beyond a high school degree</td>
<td>32%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Percent of children who are low-income by parents’ nativity, 2011

<table>
<thead>
<tr>
<th>Nativity</th>
<th>Indiana</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children w/native-born parents</td>
<td>43%</td>
<td>41%</td>
</tr>
<tr>
<td>Children w/immigrant parents</td>
<td>67%</td>
<td>63%</td>
</tr>
</tbody>
</table>
WORK ATTACHMENT AND ADVANCEMENT

State Choices to Promote Child Care Affordability and Access

Child Care and Development Fund (CCDF) Subsidies

- Earnings limit for a single-parent family of 3\textsuperscript{2} $21,084/year
- Co-payment as percent of income for family of 3 at 150% FPL, 1 child in care\textsuperscript{3} Not eligible
- Providers prohibited from charging additional fees\textsuperscript{4} No
- Provider payment rates at least 75th percentile of market rate\textsuperscript{5} Yes

State Child and Dependent Care Tax Credit

- Refundable credit available\textsuperscript{6} No state credit
- Benefit structure\textsuperscript{6} No state credit
- Max benefit for family with 2 qualifying children\textsuperscript{6} No state credit

State Choices to Promote Access to Health Insurance

Public Health Insurance for Parents

- Applicant earnings limit for single parent with 2 children\textsuperscript{8} $36,276/year\textsuperscript{7}
- Parents eligible up to same limit as children, single parent with 2 children\textsuperscript{9} No\textsuperscript{7}
- Legal immigrants eligible for state-funded benefits when barred from federal\textsuperscript{10} No\textsuperscript{7}
- Legal immigrants otherwise barred from benefits eligible for prenatal care\textsuperscript{11} No\textsuperscript{7}

Public Health Insurance for Children

- Medicaid income eligibility limit as % of FPL for children ages 1-5 in family of 3\textsuperscript{12} 150%
- Medicaid income eligibility limit as % of FPL for children ages 6-19 in family of 3\textsuperscript{12} 150%
- SCHIP (separate program) income eligibility as % of FPL for children in family of 3\textsuperscript{13} 250%
State Choices to Promote Access to Benefits for the Under- and Unemployed

**Unemployment Insurance**
- State counts most recent earnings when determining eligibility\(^{17}\) No
- Eligible if seeking part-time work\(^{18}\) No
- State has general provision recognizing "good cause" for quitting work\(^{19}\) No

**Temporary Assistance for Needy Families (TANF) Cash Assistance**
- Earnings limit for a single-parent family of 3\(^{20}\) $4,536/year

**INCOME ADEQUACY**

**State Choices to Increase and Supplement Wages**

**Minimum Wage Standards**
- Indexed to inflation\(^{23}\) Not applicable

**State Earned Income Tax Credit**
- Refundable credit available\(^{24}\) Yes
- Percent of federal EITC\(^{24}\) 9%

**State Choices to Reduce Tax Burdens**

**Income Tax Liability**
- Income tax threshold for single-parent family of 3\(^{25}\) $14,300/year
- Income tax threshold for two-parent family of 4\(^{25}\) $15,300/year
- Income tax burden for single-parent family of 3 at 100% FPL\(^{25}\) $89/year

**Official unemployment rate, 2007\(^{21}\)**
- U.S. 4.6%
- Indiana 4.5%

**Part-time workers who want full-time work, 2003\(^{22}\)**
- U.S. 13%
- Indiana 10%

Income tax burden for two-parent family of 4 at 100% FPL\(^{25}\) $248/year
Median annual household income for family of four, 2006

- U.S.: $70,354
- Indiana: $67,787

Workers covered by a union, 1987 and 2007

- 1987
  - Indiana: 23%
  - U.S.: 19%
- 2007
  - Indiana: 13%
  - U.S.: 13%
State Choices to Promote Access to Paid Leave

Family and Medical Leave

State provisions for paid leave\(^{28}\) None

State Choices to Promote Adequate Benefits for the Under- and Unemployed

Unemployment Insurance

- Minimum weekly benefit (no dependents)\(^{29}\): $50/week
- Additional dependent allowance provided\(^{29}\): No
- Weekly benefit amount is indexed to average weekly wage\(^{30}\): No
- Potential duration of benefits\(^{31}\): 8 - 26 weeks

Food Stamps

- Legal immigrants eligible for state-funded benefits when barred from federal\(^{33}\): No

Temporary Assistance for Needy Families (TANF) Cash Assistance

- Annual maximum benefit for family of 3\(^{20}\): $3,456/year
- Treatment of child support income\(^{34}\): No pass-through or disregard

Households facing hardships, 2006\(^{32}\)

- Households that are "food insecure": 11% (Indiana), 11% (U.S.)
- Renting households that are "housing insecure": 48% (Indiana), 50% (U.S.)
ASSET DEVELOPMENT AND PROTECTION

State Policy Choices to Promote Asset Development

Individual Development Accounts

State-supported IDA program in operation\(^{35}\) Yes

State Choices to Promote Asset Protection

Public Health Insurance for Parents

Assets disregarded for eligibility determination\(^{13}\) No ($1,000)

Public Health Insurance for Children

Assets disregarded for Medicaid eligibility\(^{36}\) Yes

Assets disregarded for SCHIP (separate program) eligibility\(^{13}\) Yes

Food Stamps

Treatment of vehicles in asset test\(^{37}\) Aligned to TANF child care assistance rules

Temporary Assistance for Needy Families (TANF) Cash Assistance

Assets disregarded for eligibility determination\(^{20}\) No

Treatment of vehicles in asset test\(^{20}\) Counts equity value in excess of $5,000\(^{38}\)

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Children who are "asset poor," 2004\(^{39}\)

- U.S.: 30%
- Indiana: 31%

Homeownership rate, 2007\(^{40}\)

- U.S.: 68%
- Indiana: 74%
Data were compiled from 50-state sources. Some state policy decisions may have changed since these data were collected.

1. National data were calculated from the 2011 American Community Survey, representing information from 2011. State data were calculated from the 2009-2011 American Community Survey, representing information from the years 2009 to 2011.


3. If the state calculates co-payments based on the cost of care, figure reflects the co-payment for a 4-year-old in licensed, nonaccredited center care at the maximum state payment rate. If the state calculates co-payments based on the cost of care, figure reflects the co-payment for a 4-year-old in licensed, nonaccredited center care at the maximum state payment rate.


5. States were asked to report state reimbursement rates and the 75th percentile of market rates for their state’s most populous city, country, or region. Data reflect basic provider payment rates (higher rates may be available for particular types of care). Rates are considered below the 75th percentile if they are based on an out-dated market rate survey (more than 2 years old).


7. Figure reflects limit for Indiana’s waiver program, which offers a limited benefit package with premiums and co-payments. The “regular” Medicaid program’s income limit is $4,761.


17. In most states, the base period consists of the first 4 of the 5 most recently completed quarters. Some states allow claimants to use an alternative base period that includes more recent earnings.


19. A general “good cause” provision extends eligibility to persons who leave their jobs for “personal emergencies” or “compelling circumstances,” which should include—among others—child care conflicts, illness, domestic violence, and spousal relocation. Eligibility determinations, however, may vary in practice. States may also specifically recognize certain reasons as “good cause”;
for more information see Appendix B in Rebecca Smith, Rick McHugh, Andrew Stettner, and Nancy Segal, Between a Rock and a Hard Place: Confronting the Failure of State Unemployment Insurance Systems to Serve Women and Working Families, National Employment Law Project, 2003.

Rebecca Smith, Rick McHugh, Andrew Stettner, and Nancy Segal, Between a Rock and a Hard Place: Confronting the Failure of State Unemployment Insurance Systems to Serve Women and Working Families, National Employment Law Project, July 2003.


22. Figure reflects the percent of part-time workers who are available to work full-time, but usually work less than 35 hours per week due to slack work or unfavorable business conditions, inability to find full-time work, or seasonal declines in demand. U.S. Department of Labor, Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 2003, "Estimates for States, Table 16: Employed and Unemployed Persons by Full- and Part-Time Status, Sex, Age, Race, and Hispanic or Latino Ethnicity," http://www.bls.gov (accessed March 14, 2008).


25. Calculations include income tax credits that are available to all low-income families in the state, such as state earned income tax credits.


27. Percent of employed workers who are covered by a collective bargaining agreement.


28. These reflect provisions for private sector employees; more generous rules may apply for the public sector.


31. Potential duration is the maximum number of weeks of benefits that a claimant is eligible for under the regular state program. In most states, it is determined based on the amount and distribution of the recipient’s earnings in the base period; eight states have a uniform potential duration for all claimants.


32. Food Insecurity:

Figure reflects the percent of households forced to reduce food intake, disrupt normal eating patterns, or go hungry because they lack the money or resources to obtain adequate food.


Figure reflects the percent of families living in rental units who pay 30 percent or more of their income on housing.


33. Adult lawful permanent residents (LPRs) are generally barred from federal benefits during their first 5 years as LPRs. Exceptions include refugees and U.S. veterans (and their families). See data source for more details.


34. A child support pass-through is the amount of collected child support that the state gives to families on whose behalf the child support was collected. A child support disregard is the amount of child support that the family can keep without lowering their TANF benefits.


35. Community-based IDA programs are operating in all states but often without state support. Also, in some states without state-supported IDA programs, IDA legislation was passed but never implemented due to lack of state funding, or IDA legislation expired, and no new state support was allocated.


36. Rule applies to SCHIP-funded Medicaid expansions, where applicable.


37. Households in which all members receive TANF cash assistance or SSI benefits do not have to meet gross income or asset eligibility criteria. Most states also waive these criteria for recipients of certain other benefits; some states waive these criteria for nearly all applicants.


38. The equity value equals the fair market value minus the amount still owed on the vehicle.

39. Figure reflects the percent of children in households that have insufficient net worth to subsist at the federal poverty level for three months in the absence of income. Corporation for Enterprise Development, Assets and Opportunity Scorecard, http://www.cfed.org (accessed February 25, 2008).
40. Figure reflects the percent of households who are homeowners.