



1 in 9 Iowans Uninsured; Less Job-Based Coverage

- *New Census Data Sets Stage for Health Reform Law*
- *National Poverty Spike Carries Implications for Iowa Families, Recovery Efforts*

Erosion of employer-sponsored health insurance contributed to a persistent shortage of coverage for Iowans, as new Census data show more than 1 in 9 Iowans went without coverage in 2008-09.

Iowa Fiscal Partnership (IFP) analysts found discouraging trends in health coverage and poverty data released today (Sept. 16) by the Census Bureau.

“Although Iowa has made important strides in covering children, the overall loss of health coverage is a serious problem,” said Noga O’Connor, research associate for the nonpartisan Iowa Policy Project (IPP).

IFP is a joint initiative of two nonpartisan Iowa organizations, IPP in Iowa City and the Child & Family Policy Center (CFPC) in Des Moines.

About 310,000 nonelderly Iowans, or 11.8 percent, went without health coverage, on average, for the two years preceding passage of health insurance reforms in the Affordable Care Act, the Census Bureau reported.

Census data showed a sharp rise in poverty nationally, and preliminary indications of an increase in Iowa as well. While some trend data on poverty and income for Iowa were released today, more complete Iowa-specific information will be available Sept. 28 in a separate Census survey release.

“Many Iowans need assistance — and making sure they have the resources they need to weather the recession helps the overall economy as well,” said Mike Crawford, senior associate at CFPC and director of its Kids Count project. “The poverty and income data we’ll get from Census later this month will shed more light on recession impacts right here in Iowa.”

On health care, erosion of employer-sponsored insurance is contributing to Iowa’s persistent overall uninsurance issues (using two-year averages):

- Employer-sponsored coverage dropped to 68.6 percent for 2008-09 from 70.9 percent in 2006-07.
- The overall uninsurance rate among children remained low at 5.6 percent, the same percentage for 2008-09 as in 2006-07.

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About the numbers

The data released today by the Census Bureau are from the Current Population Survey (CPS), one of two surveys that are commonly cited about poverty and income in the United States. On Sept. 28, Census will release data from the American Community Survey (ACS), which covers a larger portion of U.S. households. Census recommends use of ACS data for state-level estimates of poverty and income. As a result, the Iowa-specific poverty and income observations drawn from CPS data today are considered preliminary findings, pending release of the ACS.

For the health coverage numbers cited here, Census averages two years of survey data in order to improve the reliability at the state level, due to the size of the sample.

Poverty: The official poverty threshold for 2009 for a family of four was \$21,954.

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Public efforts, including Medicaid and Iowa's *hawk-i* program, have helped cushion the loss in employer coverage, particularly for children. Medicaid covered almost 14 percent of nonelderly Iowans in 2008-09 (13.9 percent, or 364,000), compared to 13.2 percent in 2006-07.

“The rise in the uninsurance rates for Iowans highlights the importance of the new Health Reform Law,” O’Connor said. “The new law will enable many uninsured Iowans to receive coverage through Medicaid and through the new health insurance exchanges.”

According to preliminary poverty and income data, Iowa saw a 5 percent rise in the poverty rate in 2008-09, to 10.1 percent, compared to the pre-recession average of 9.6 percent for 2006-07. Meanwhile, the median household income in Iowa dropped a full percentage point in 2008-09 to \$50,337, from \$50,896 in 2006-07.

While the preliminary poverty data must be viewed carefully for the state, the national findings present serious implications for public policy decisions in Washington that will affect Iowans, as other official indicators have shown. Iowans have seen unemployment rise to almost 7 percent in recent months (compared to a 6 percent average in 2009). From 2008 to 2009, the number of Iowans needing food assistance rose by about 60 percent — from 189,877 (6.3 percent) in an average month to 307,324 (10.2 percent)

Despite the national increase in poverty, the new figures do not measure substantial help provided to many households by the Recovery Act, including food assistance and tax credits to low-income working families.

“We can say that without the Recovery Act, poverty would be even worse. Unfortunately, we may be able to see in the future just how much worse, because several key aspects of the Act are scheduled to expire,” Crawford said. “In other words, we can expect poverty to rise even higher if Congress does not act.”

Crawford noted the following Recovery Act provisions about to expire, and Iowa impacts of the provisions:

- ***Extra weeks of unemployment benefits for the long-term unemployed*** (*expire November 30*) — The Recovery Act has provided Iowa with \$383 million in additional unemployment assistance through August 2010.
- ***Expanded Child Tax Credit for working families*** (*expires Dec. 31*) — The credit would be reduced or eliminated for parents of an estimated 170,000 Iowa children.

In addition, the TANF Emergency Fund jobs program, which expires Sept. 30, provided about 250,000 temporary jobs nationwide, including 840 youth jobs this summer in Iowa. These subsidized jobs have helped families and local economies.

IFP analysts said the research is clear that there are long-lasting consequences for children who fall into poverty during a recession.

“Even if they get out of poverty later, these children as adults have less income and education and experience poorer health, on average, than those who did not experience poverty,” Crawford said. “That is an important point for decision makers, because children are our future workforce and community leaders. Their well-being is the key to Iowa’s future economic vitality.”

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