4. Earning a Living

A household's economic stability is usually determined by its ability to find and keep a job, secure a good place to live, and build and protect assets. Changes on any of these fronts will produce significant shifts in the stability and certainty of purchasing power, as well as in the quality of life enjoyed by residents in the region.

The Earning a Living chapter examines how employment, housing, and assets contribute to a family's financial stability. Comparisons are made with state and national measures when possible. There is also a discussion of the most recent 2009 Self-Sufficiency Standard for Indiana.

During their annual Business Outlook Panel (November 2011), the forecast from the Kelley School of Business, Indiana University, and the Indiana Business Research Center was for:

- Very slight growth in the national economy of 2.5% to 3%, with a "sluggish recovery".
- Relatively slow job growth with a national unemployment rate declining somewhat to around 8.4% by the end of 2012.
- Little change in home construction or prices due to a combination of the large surplus of available housing stock and persistent unemployment.
- Stable prices for energy barring any unforeseen circumstances.
- Tight state and local budgets.
- About 40,000 jobs added in Indiana in 2012, with stronger growth in financial, education, health, professional, and business services. Manufacturing, construction, and trade jobs should also see some growth. The government sector will remain steady or continue to shrink.
- Indiana unemployment of 8% by the end of 2012.
- A gain in real personal incomes in Indiana of less than 2.5%.

These came with the caveat that domestic and global factors could produce weaker outcomes than those forecasted. For more details, see www.ibrc.indiana.edu/ibr.

A comparison of some local indicators between 2003 and 2010 is shown in Table 4.1.

Table 4.1: Earnings Indicators

	2003	2010
Per Capita Personal Income for Bloomington MSA[1]	$25,118	$30,715
Median Household Income for Monroe County[2]	$33,311	$36,061
Median Household Income for Lawrence County[2]	$36,280	$39,398
Median Household Income for Owen County[2]	$36,529	$41,4225
Median Household Income for Greene County[2]	$33,998	$41,394
Unemployment Rate for Monroe County[2,3]	3%	7%
Percent of All Households Having Difficulty Finding a Job that Pays Enough for Basic Needs[4]	28%	33%*
Percent of All Households Having Difficulty Getting Access to Needed Work-Related Training[4]	10%	20%
Homeownership Rates for Monroe County[4]	54%	53%
Percent of All Households Having Difficulty Affording Rent or Mortgage[4]	27%	34%
Percent of Unbanked and Underbanked Households in Bloomington MSA[5]	--	41%^
Percent of Households Living in Poverty in Monroe County[6]	13%	22%^

SOURCE: [1] Economic Research Federal Reserve Bank of St. Louis, [2] STATS Indiana not adjusted for inflation, [3] Bureau of Labor Statistics, [4] 2003 and 2010 Household Surveys, [5] Indiana Business Research Center, [6] U.S. Census Bureau, Small Area Income and Poverty Estimates
NOTE: ^2009, †2000, *2010

FINDING AND KEEPING A JOB

Employment Status

The driving force of any economic profile is employment. Though the National Bureau of Economic Research (NBER) officially declared the end of the recession in June 2009, experts believe that it will be several years before employment growth catches up with economic growth.

The unemployment rate as of March 2011 was 7.6% for the Bloomington MSA, which is lower than the national (8.8%) and state (8.5%) unemployment rates. The 2010 Household Survey indicated a higher unemployment rate (16%) among its respondents. This higher self-reported rate may reflect individuals who are unemployed, but not currently seeking work, and those who have been unemployed for a length of time and are no longer eligible to receive benefits. There are also individuals who consider themselves unemployed when they can’t find work in their field of preparation, or who are holding out for the “right” opportunity. The figures also include students.

Tables 4.2 and 4.2a below show the current work status of households, as well as the percent of households currently looking for work.

Table 4.2: Percent of Households' Current Work Status

Household Income	Unemployed*		Retired		Part Time		Full Time	
	2003	2010	2003	2010	2003	2010	2003	2010
Less than $15,001	27%	16%	11%	13%	39%	13%	14%	58%
$15,001-$25,000	13%	46%	15%	19%	35%	15%	33%	19%
$25,001-$35,000	11%	24%	14%	12%	14%	0%	50%	44%
$35,001-$50,000	0%	7%	8%	7%	8%	9%	75%	77%
$50,001-$75,000	9%	11%	9%	5%	21%	13%	61%	71%
More than $75,000	11%	5%	13%	5%	5%	7%	62%	83%
All Households	--	16%	--	9%	--	10%	--	66%

SOURCE: 2010 Household Survey (n=276), 2003 Household Survey (n=259)

NOTE: In the 2003 SCAN for the "Unemployed" category, respondents were asked if they were temporarily unemployed whereas in the 2010 SCAN they were asked if they were unemployed.

Table 4.2a: Percent of Households Currently Looking for Work

Household Income	Yes	No
	2010	2010
Less than $15,001	48%	52%
$15,001-$25,000	28%	72%
$25,001-$35,000	31%	69%
$35,001-$50,000	18%	82%
$50,001-$75,000	7%	93%
More than $75,000	1%	99%
All Households	18%	82%

SOURCE: 2010 Household Survey (n=278)

In addition to a high unemployment rate, key SCAN informants indicated a growing number of individuals in Monroe County are considered “underemployed.” This term describes workers with high skill or education levels whose jobs do not utilize these abilities and often cannot provide a livable wage.

▼**The number of households that are having a problem finding a job that pays enough to meet the family’s basic needs has increased across all but the highest income levels.**

Table 4.3: Percent of households having difficulty finding a job that pays enough to meet the family's basic needs

Household Income	Major Problem		Minor Problem	
	2003	2010	2003	2010
Less than $15,001	19%	46%	29%	32%
$15,001-$25,000	21%	32%	21%	28%
$25,001-$35,000	17%	26%	25%	33%
$35,001-$50,000	12%	11%	12%	29%
$50,001-$75,000	4%	11%	11%	5%
More than $75,000	3%	0%	6%	1%
All Households	13%	16%	15%	17%

SOURCE:2010 Household Survey (n=276), 2003 Household Survey (n=276)

When businesses close or companies downsize, workers must often look for jobs outside of their previous profession that require a new skill set or additional education. Job training is an essential element to increase the marketability and competencies of potential employees. In 2010, 20% of all households indicated a challenge with getting access to necessary job training. While none of the 2003 respondents at the $35,000-$50,000 income level reported difficulty getting access to necessary job training, in 2010, 20% respondents in this income bracket found it to be a problem (see Table 4.4).Similarly, 10% of providers felt that limited access to job training was a problem for most or all of their clients, while 27% felt it was a problem for about half of their clients. Forty-one percent of providers felt that this was a problem for some of their clients.

▼**It is more difficult overall for to get access to necessary job training since SCAN 2003**

Table 4.4: Percent of households having difficulty getting access to needed work-related training

Household Income	Major Problem		Minor Problem	
	2003	2010	2003	2010
Less than $15,001	5%	9%	19%	41%
$15,001-$25,000	3%	4%	9%	32%
$25,001-$35,000	4%	0%	8%	12%
$35,001-$50,000	0%	7%	0%	13%
$50,001-$75,000	0%	0%	4%	18%
More than $75,000	0%	0%	9%	4%
All Households	2%	3%	8%	17%

SOURCE: 2010 Household Survey (n=276) 2003 Household Survey (n=259)

In addition to job training, reliable transportation often affects employment status, and can be a vital part of income stability. Individuals must be able to get to work, either by driving their own vehicle or taking public transportation.

Table 4.5: Means of getting to work in 2010

Transportation to Work	Monroe	Lawrence	Owen	Greene
Drove a car alone	44,462 (74%)	17,064 (80%)	7,736 (77%)	11,729 (79%)
Carpooled	6,243 (10%)	3,117 (15%)	1,725 (17%)	2,182 (15%)
Bus	1,016 (2%)	101	10	15
Railroad	27			
Taxi	70			
Motorcycle	92	23	10	15
Bicycle	956 (2%)	7	7	8
Walked	5,173 (9%)	263 (1%)	182 (2%)	376 (3%)
Other means	274	220 (1%)	68 (1%)	108 (1%)
Worked at home	2,110 (3%)	506 (2%)	362 (4%)	495 (3%)

SOURCE: 2010 Household Survey (n=276); 2003 Household Survey (n=259)

Public transportation within the city of Bloomington is accessible and runs regularly. However, outside of city limits and in surrounding counties, public transportation networks are less developed or nonexistent. Although most households indicated that having access to public transportation to go to and from work is not a problem, 25% said this was at least a minor challenge.

Table 4.6: Percent of households having difficulty with having access to adequate public transportation to get to and from work

Household Income	Major Problem		Minor Problem	
	2003	2010	2003	2010
Less than $15,001	10%	17%	19%	22%
$15,001-$25,000	12%	24%	12%	29%
$25,001-$35,000	8%	4%	13%	13%
$35,001-$50,000	18%	20%	3%	13%
$50,001-$75,000	15%	2%	7%	15%
More than $75,000	6%	8%	6%	6%
All Households	11%	11%	10%	14%

SOURCE: 2010 Household Survey (n=276), 2003 Household Survey (n=259)

INCOME

Despite unemployment rates that are lower than the nation, Indiana and the Bloomington MSA lag behind national income measures. The per capita personal income of the Bloomington MSA in 2009 was $30,796, which is 91% ($33,725) of the per capita personal income in Indiana. This may be partly due to the effect of students' low income on the overall per capita income.

Per capita personal income is a good indicator of how a region fares, but a more accurate picture may be obtained when considering household income. Although Indiana as a whole falls below national averages, the median household income in the Bloomington MSA falls even farther below national averages. This is also true for surrounding counties that are impacted less by a student population. While median household income for Monroe and surrounding counties lags below national and state medians, absolute differences between the geographical areas have remained relatively steady between 2003 and 2010.

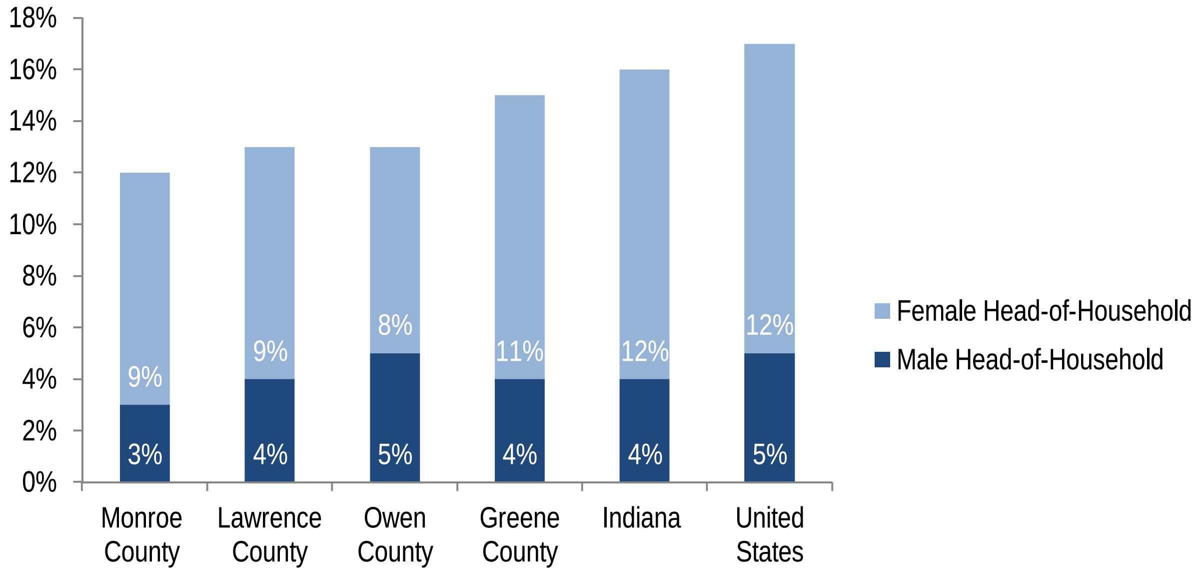
Table 4.7: Comparison of median household income

Geographical Area	2000	2010
Monroe County	$33,311	$36,061
Lawrence County	$36,280	$39,398
Owen County	$36,529	$41,422
Greene County	$33,998	$41,394
Indiana	$41,567	$45,427
United States	$50,046	$50,221

SOURCE: STATS Indiana, USA Counties in Profile

In order to understand the economic profile of this region, it is important to recognize the household demographics being served. The region consists of approximately 90,700 households (49,000 in Monroe, 19,000 in Lawrence, 8,700 in Owen, and 14,000 in Greene). While many of the income statistics incorporate both single-parent and dual-income households, many families in the Bloomington MSA have only one income earner in the home. Although the overall percentage of single-parent homes is less than in the state and nation, it is still a significant proportion in Monroe, Lawrence, Owen, and Greene counties when considering that income levels are consistently lower for single-parent families for all geographical areas (Figure 4.1).

Figure 4.1: Percent of all families with single heads-of-household, 2005-2009



SOURCE: US Census Bureau, American Community Survey, Social Characteristics

Female-led single-parent homes are considerably more prevalent than male-led single-parent homes in the Bloomington MSA, Indiana, and the nation. While the wage gap continues to close, according to the American Community Survey Narrative, a single woman heads 33% of all Monroe County households that fall below the poverty line. And, the median income for women in Monroe County is $32,486, whereas for men it is $43,452. While these data are not specific to single-parent households, they describe the overall discrepancy in compensation that most likely prevails for single-parent, full-time, year-round workers.

The influence of education on income is important to consider when assessing a community's strengths and needs. The higher degree of education attained, the greater the likelihood of increased wages. In 2009, in Monroe County, the median income of an individual with less than a high school diploma made $16,896, while an individual with a graduate or a professional degree made $44,292. Monroe County is fortunate to have two higher learning institutions within its borders: Indiana University's main campus and an Ivy Tech campus.

In Monroe, Lawrence, Greene and Owen counties, more highly educated individuals (over age 25) earn greater incomes. Residents in the surrounding counties receive higher compensation for completing high school and any amount of post-secondary education. Although residents in Monroe County are more highly educated, they receive less compensation relative to surrounding counties. This is most likely due to the high concentration of students and graduate students in the area; over 40% of Monroe County residents have at least a bachelor's degree. At all education levels within Monroe County, returns are lower than the national averages.

Although Indiana University and Ivy Tech attract a younger demographic to Monroe County, Bloomington has recently marketed itself as a retirement community. The senior citizen population, age 65 and over, constitutes 10.3% of the total population in Monroe County. Senior citizens often live on fixed incomes and must make financial decisions accordingly. Social Security is a stable source of income, but it is often not enough for most people to rely on exclusively. In 2008, 90% of the national population and 95% of the population in Indiana over the age of 65 received Social Security. For 64% of individuals receiving Social Security benefits, these payments accounted for at least 50% of their total income. Further, 34% of recipients relied on Social Security for at least 90% of their income. The mean Social Security Income for Monroe County in 2009 was only $16,079, making it difficult for individuals to use this source of revenue as anything more than a partial income supplement.

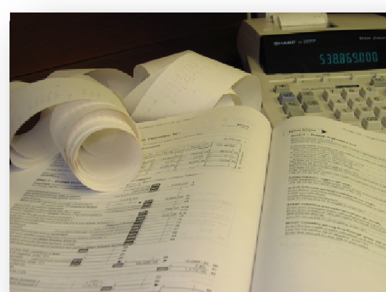
A household requires sufficient income to pay for its basic needs. Service providers in the 2010 Client Challenges Survey indicated that their clients have challenges paying for these necessities (Table 4.8).

Table 4.8: Percent of clients having difficulty paying for basic needs

	Frequency	Percent
Most or All (80-100%)	21	34%
About Half (40-60%)	16	26%
Some (20-30%)	22	35%
Few to None (about 0%)	3	5%
Total	62	100%

SOURCE: 2010 Client Challenges Survey (n=62)

The Earned Income Tax Credit (EITC), which was enacted in 1975, is a federal income tax credit for low- and moderate-income working individuals and families. The expansion of the EITC in 2010 sparked greater awareness and participation in the program. Viewed as one of the nation's largest anti-poverty program, last year it raised 6.6 million people out of poverty, including 3.3 million children. Estimates show that 20-25% of households do not claim the credit, even though they are eligible. United Way of Monroe County estimates that $200 million dollars of EITC owed to eligible Hoosiers go unclaimed every year. Forty-one percent of service providers felt that obtaining the EITC was a problem for 20-30% of their clients. The Financial Stability Alliance for South Central Indiana, led by United Way of Monroe County, is a partnership of nonprofits, financial institutions, and local government agencies working to foster community-wide collaboration around financial stability and asset development. The Alliance increases collaboration and information sharing among financial stability partners and service providers in Brown, Greene, Monroe, and Owen counties (www.financialstabilityalliance.org).



A GOOD PLACE TO LIVE: HOUSING

Numerous changes have taken place in the housing sector since SCAN 2003. Two of the most significant events are the collapse of the national housing and lending markets and the economic recession. Housing prices steadily increased around the country until the market collapsed suddenly in 2008. Many refer to this as the bursting of the housing bubble. Subprime and predatory lending practices increased risk of default among individuals with mortgages. As mortgage payments increased, many homeowners found themselves spending a larger percentage of their income on retaining housing or risked losing their place of residence.

Homeownership

A person's homeownership status is an important factor in determining his or her economic stability. According to the 2010 Household Survey, 69% of all households own their own home. This number ranges from 23% at the lowest income level to 94% at the highest.

Table 4.9: Percent of households that rent or own the place in which they live

Household Income	Rent		Own		Family/Other	
	2003	2010	2003	2010	2003	2010
Less than $15,001	85%	70%	9%	23%	7%	7%
$15,001-$25,000	61%	44%	33%	44%	6%	0%
$25,001-$35,000	50%	44%	50%	58%	0%	0%
$35,001-$50,000	28%	20%	72%	80%	0%	0%
$50,001-$75,000	15%	21%	79%	79%	6%	0%
More than $75,000	14%	6%	87%	94%	0%	0%
All Households	--	29%	--	69%	--	1%

SOURCE: 2010 Household Survey (n=276), 2003 Household Survey (n=259)

In 2009, 53.4% of Monroe County households were owner occupied units. In large part due to the sizeable student population, this number is much less than the United States owner occupancy level of 65.9% and the Indiana owner occupancy level of 70.4% in 2009.

Homeownership rates among working families at 100 and 250 percent of the federal poverty line are much lower than average rates. In Indiana, 38.4% of working families living at or below 100 percent of the poverty threshold, and 50.9% of working families at or below 200 percent of the poverty line, own their own home. At the national level, 30.3% of working families living at or below 100 percent of the poverty threshold and 42.5% of working families at or below 200 percent of the poverty line own their own home.

Affordability

The U.S. Department of Housing and Urban Development (HUD) suggests that households should spend no more than 30% of their income on housing or they are considered cost burdened. Many working families in Indiana spent more than that on housing in 2009. Twenty-seven percent of owners with a mortgage and 49% of renters spent more than 30% of their income on housing. In Monroe County those statistics are even greater at 29% and 70%

respectively. Respondents to the 2010 Client Challenges Survey also indicated that this is a problem, with 93% judging that at least some of their clients spent over 40% of their income on rent—even more than HUD's cost burden threshold.

▼**Households who indicated a major problem having enough money to pay their rent or mortgage was 13% in 2010 compared to 6% in 2003.** Even households in the $35,001-$50,000 income bracket reported having major difficulties, with an increase from 0 to 11 percent.

Table 4.10: Percent of households having difficulty having enough money to pay rent or mortgage

Household Income	Major Problem		Minor Problem	
	2003	2010	2003	2010
Less than $15,001	29%	38%	14%	36%
$15,001-$25,000	9%	20%	39%	40%
$25,001-$35,000	4%	8%	29%	35%
$35,001-$50,000	0%	11%	21%	18%
$50,001-$75,000	4%	11%	15%	23%
More than $75,000	3%	0%	3%	1%
All Households	6%	13%	21%	21%

SOURCE: 2010 Household Survey (n=276), 2003 Household Survey (n=259)

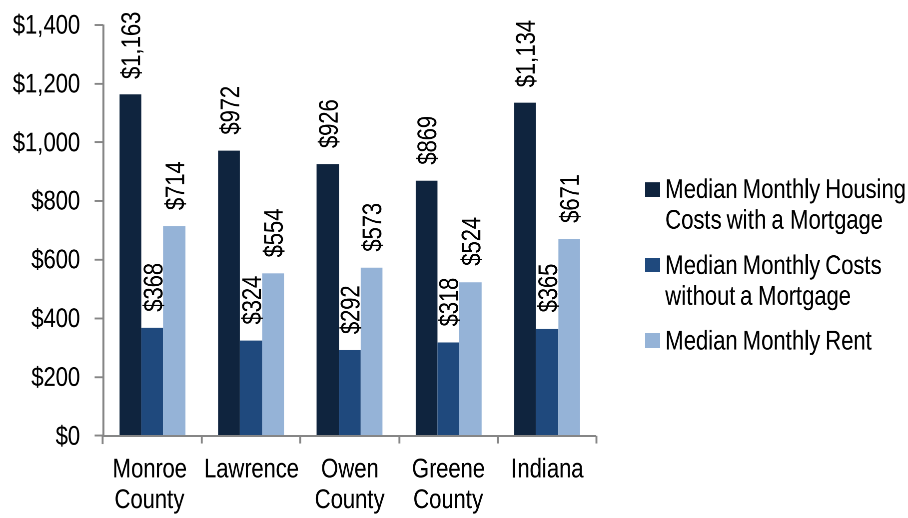
The median value for owner-occupied units in Monroe County in 2009 is $148,200 and has risen each year since the last SCAN report. Comparatively, the median value in the state of Indiana is $123,100. The estimated median monthly rent in Monroe County is higher than any of the surrounding counties and $43 more than that of the state. These prices are primarily inflated due to the number of students that are renting in the area (see Table 4.11 and Figure 4.4 below).

Table 4.11: Percent of Clients Spending over 40% of Income on Rent or Mortgage

	Frequency	Percent
Most or All (80-100%)	6	14%
About Half (40-60%)	18	42%
Some (20-30%)	16	37%
Few to None (about 0%	3	7%
Total	43	100%

SOURCE: 2010 Client Challenges Survey (n=43)

Figure 4.4: Estimates of median monthly rent and housing costs, 2005-2009 (5-Year Averages)



SOURCE: U.S. Census Bureau, American Community Survey, Narrative

Few programs exist to make rent more affordable for low-income families in the long term. One such program is the Housing Choice Voucher Program (HCV), formerly Section 8. HCV participants receive government subsidies to spend no more than 30% of their income on rent. Individuals can use these vouchers to live where they choose, provided the landlord agrees to participate in the program. However, service providers indicated in the 2010 Client Challenges Survey that the time spent on the HCV waiting list is a problem for some of their clients. Individuals may spend up to a year for the waiting list to become available because it only opens for a short period of time. Once on the waiting list, individuals usually remain there for a year or longer.

Table 4.12: Percent of clients spending 12 months or more on the section 8 waiting list

	Percent
Most or All (80-100%)	9%
About Half (40-60%)	24%
Some (20-30%)	41%
Few to None (about 0%)	26%
Total	100%

SOURCE: 2010 Client Challenges Survey (n=88)

Housing Quality

While being able to afford rent or mortgage on a house is important, the quality of that home also affects income stability and the household's standard of living.

▼**In the lowest income bracket, 65% of households reported having a problem with living in a home that is in need of major repairs in 2010. This is higher than in 2003.**

Table 4.13: Percent of households living in housing that needs major repairs

Household Income	Major Problem		Minor Problem	
	2003	2010	2003	2010
Less than $15,001	14%	16%	33%	49%
$15,001-$25,000	3%	19%	21%	23%
$25,001-$35,000	4%	4%	8%	15%
$35,001-$50,000	3%	7%	12%	22%
$50,001-$75,000	0%	0%	19%	18%
More than $75,000	6%	0%	3%	9%
All Households	4%	6%	15%	21%

SOURCE: 2010 Household Survey (n=276), 2003 Household Survey (n=259)

Although the highest income brackets did not report a major problem, they did indicate minor challenges of living in a house that is in need of major repairs. This could be due to the fact that individuals making more money have higher expectations for quality. However, more households in the middle income brackets are experiencing greater difficulties making ends meet, and may postpone items like home repairs, that are seen as less essential for the time being. These deferred expenses can catch up with a household, or result in the need for more costly work once performed.

Housing-Related Expenses

Respondents to the 2003 and 2010 Household Surveys within the lower income brackets were more challenged by having enough money to pay utility bills than households at the higher-income levels. In 2010, 64% of households at the lowest income level struggled to earn enough money to pay for utility bills, compared to 1% in the highest income bracket.

▼**There is a greater trend for working households in the middle income brackets to have major difficulties paying expenses compared to 2003.**

Providers also indicated that their clients lived in homes that need major repairs and faced challenges affording utilities (see Table 4.14 and 4.15). Forty-seven percent of providers indicated that having enough money to pay the utility bills was a problem for some of their clients in 2010.

Table 4.14: Percent of Clients Living in Housing that Needs Major Repairs

	Frequency	Percent
Most or All (80-100%)	2	5%
About Half (40-60%)	14	32%
Some (20-30%)	20	45%
Few to None (about 0%)	8	18%
Total	44	100%

SOURCE: 2010 Client Challenges Survey (n=44)

Table 4.15: Percent of households having difficulty paying utility bills

Household Income	Major Problem		Minor Problem	
	2003	2010	2003	2010
Less than $15,001	33%	32%	24%	32%
$15,001-$25,000	12%	0%	27%	36%
$25,001-$35,000	0%	16%	29%	16%
$35,001-$50,000	0%	11%	12%	14%
$50,001-$75,000	0%	5%	15%	25%
More than $75,000	0%	0%	6%	1%
All Households	6%	9%	17%	17%

SOURCE: 2010 Household Survey (n=276), 2003 Household Survey (n=259)

BANKING AND ASSET DEVELOPMENT

Banking

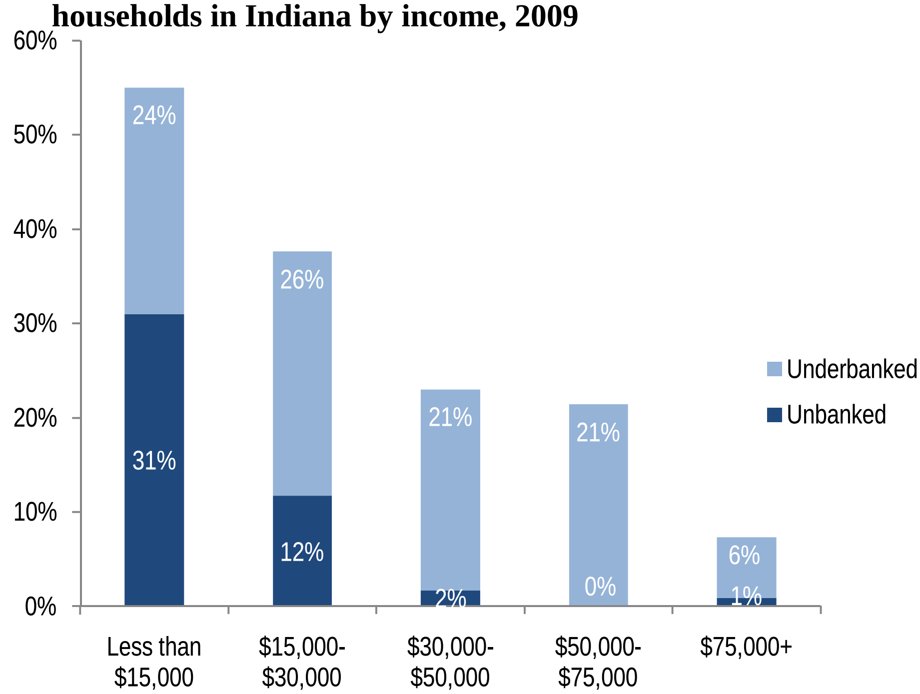
Banking is a key step in income stability and financial independence. United Way notes that banking and bank services, including access to credit, can help to stabilize a family's income. Households without a bank account pay more for financial services than those who are able to cash checks and use in-network ATMs. Possession of a bank account also helps lend credibility to an individual. Without a bank account it can be difficult, if not impossible, to obtain a loan, mortgage, or line of credit at a reasonable rate.

The recent economic downturn has not only changed the way Americans spend, it has changed the way they bank. Recent changes to predatory lending laws and the tightening of credit markets in response to the bursting of the housing bubble have also changed the financial landscape. Americans have responded to the economic recession by saving more and spending less. This reverses a trend that saw personal savings rates at record lows in the late 1990s and early 2000s. Although these data are not available for the state or region, personal savings rates in the United States increased from 1.4% in 2005 to 5.8% in 2010. While this could indicate that individuals are becoming more financially responsible, it could merely be a response to the recession. Regardless, increased rates of savings often lead to slower economic growth and recovery, at least in the short-run.

Despite recent increases in savings, there are still many individuals who remain unbanked, meaning they did not have a bank account in 2009, or "underbanked," meaning they had a checking or savings account, but had used alternative high-interest, nonbank sources. These can include tax refund anticipation loans, money orders, check cashing services, payday loans, pawn shops, or rent-to-own agreements. The IBRC estimates that the number of unbanked and "underbanked" individuals in Indiana in 2009 is 24.1%, compared to 25.6% nationally. This statistic is even higher for minorities (57.8%) and for households making less than $15,001 (55%). Estimates show that 40.6% of individuals in the Bloomington MSA are unbanked or "underbanked"—one of the highest rates in Indiana.

In 2009, Bank On Bloomington launched to bring together local financial institutions and community partners to help residents access mainstream financial services and financial education. Bank On Bloomington helps area residents open a bank account, an important step toward financial stability. Residents who have never had an account or have had difficulties in the past will find that many traditional barriers have been reduced or eliminated. These barriers may include minimum balance requirements, difficulties with an account in the past such as unpaid overdraft charges, or lack of a U.S. driver's license or state-issued identification.

Figure 4.5: Percent of unbanked and underbanked households in Indiana by income, 2009



SOURCE: FDIC National Unbanked and Underbanked Households

Traditionally, bankruptcy filings have served as a proxy for other financial stability characteristics. However, recent changes in the laws regarding bankruptcy filings have made it more difficult and skewed these data. For example, personal bankruptcy filings spiked in all 4 counties in 2005, but dropped significantly in 2006, following changes in the law. Monroe County leads Lawrence, Owen, and Greene counties in total bankruptcy filings. Lawrence County has the most bankruptcy filings per capita since 2006. Despite decreases following the legal changes, all 4 counties have seen steady increases in bankruptcy filings since the drop in 2006.

Another aspect in growing assets is the ability to get a loan at a reasonable interest rate. Income was the greatest predictor of this ability. Forty-five percent of households who made less than $15,000 and 32% of those who made between $15,000 and $35,000 said that getting a loan at a reasonable interest rate was a major problem in 2010.
▼**Getting a loan at a reasonable interest rate in 2010 was more difficult than in 2003 for all income brackets except for households with income over $75,000.**

Table 4.16: Percent of households having difficulty getting a loan at a reasonable interest rate

Household Income	Major Problem		Minor Problem	
	2003	2010	2003	2010
Less than $15,001	33%	45%	10%	20%
$15,001-$25,000	15%	32%	15%	9%
$25,001-$35,000	8%	36%	4%	0%
$35,001-$50,000	3%	13%	9%	5%
$50,001-$75,000	4%	13%	0%	14%
More than $75,000	3%	0%	9%	2%
All Households	9%	17%	8%	8%

SOURCE: 2010 Household Survey (n=276), 2003 Household Survey (n=259)

While obtaining a loan at a reasonable interest rate is difficult for households, only 3% of households surveyed indicated that setting up or keeping a bank account was a major problem. However, among those who made less than $15,000 last year, 18% said that setting up or keeping a bank account was a major problem. Seventy-three percent of service providers in the 2010 Client Challenges Survey indicated that at least some of their clients had difficulty setting up or keeping a bank account (see Table 4.17 below).

Table 4.17: Percent of households having difficulty setting up and keeping a bank account

Household Income	Major Problem	Minor Problem
Less than $15,001	18%	18%
$15,001-$25,000	0%	20%
$25,001-$35,000	4%	0%
$35,001-$50,000	0%	16%
$50,001-$75,000	0%	5%
More than $75,000	0%	1%
All Households	3%	9%

SOURCE: 2010 Household Survey (n=276), 2003 Household Survey (n=259)
NOTE: This question was not asked in 2003.

In addition to clients needing help obtaining a loan and opening a bank account, providers generally felt that clients were most in need of budgeting assistance and financial literacy. Ninety-eight percent of providers indicated that at least some of their clients have had a problem making or keeping a budget and 38% of providers felt this was an issue for most or all of their clients.

Table 4.18: Percent of clients having difficulty making and keeping a budget

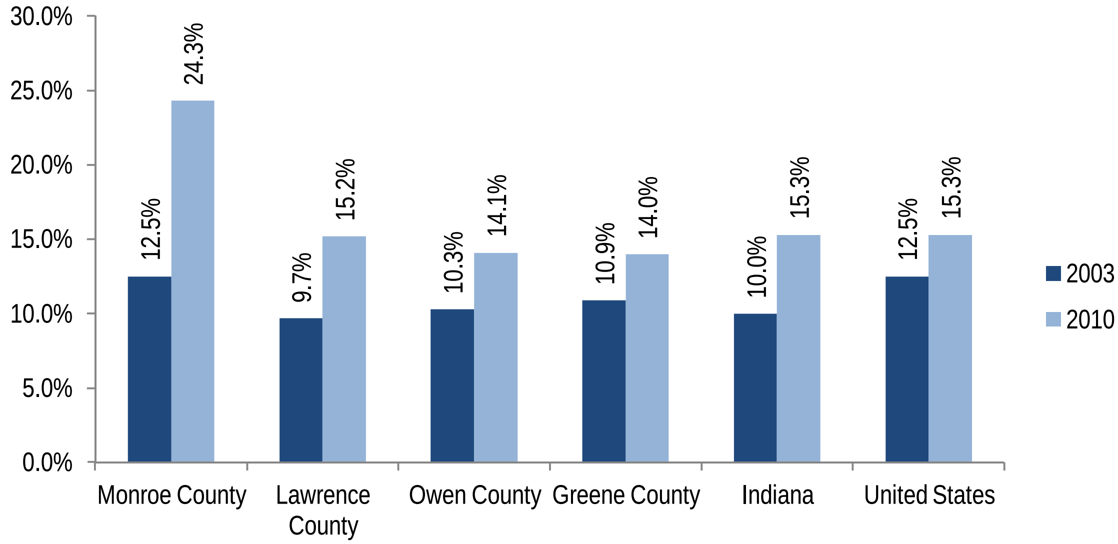
	Frequency	Percent
Most or All (80-100%)	18	38%
About Half (40-60%)	14	29%
Some (20-30%)	15	31%
Few to None (about 0%)	1	2%
Total	48	100%

SOURCE: 2010 Client Challenges Survey (n=88)
NOTE: This question was not asked in 2003.

Building Self-Sufficiency

In SCAN 2003, the demographic with the greatest need was individuals living below the poverty line. While this continues to be true, following the recession that began in December 2007, there is an increased need within the working middle class, as well. This recession depressed earnings, placed strain on families, and increased the services demanded of local nonprofit providers. This might indicate why Area 10 Infolink, the 2-1-1 resource provider for Monroe and Owen counties, saw a 47% increase in calls asking for assistance during the first year of the recession.

Figure 4.6: Poverty Rates, 2003 and 2010



SOURCE: U.S. Census Bureau, Small Area Income and Poverty Estimates

When looking at the opportunity for financial stability—finding and keeping a job, having a permanent place to live, and growing assets—the economic recession has had an especially measurable impact on households living in poverty. When calculating the poverty rate, surveys utilize different methods that produce many varied results. According to the Small Area Income and Poverty Estimates (SAIPE), which emphasize statistics at the county level and have lower variance than the American Community Survey, the poverty rate in Monroe County is 21.9% (see Figure 4.6 above). Although all of the rates in the Bloomington MSA, state, and nation increased from 2003 to 2009, Monroe County had the greatest increase.

Perhaps more useful to practitioners, the Self-Sufficiency Standard defines the amount of income a household will find necessary to meet basic needs (including taxes) without public subsidies (e.g., public housing, food stamps, Medicaid or child care) and without private/informal assistance (e.g., free babysitting by a relative or friend, food provided by churches or local food banks, or shared housing). The family types for which a Standard is calculated range from one adult with no children, to one adult with one infant, one adult with one preschooler, and so forth, up to two-adult families with three teenagers.

Molly Orshansky, who developed the Self-Sufficiency Standard, believes that the official federal poverty level has become out-of-date. "The federal poverty level (FPL) is based on USDA food budgets that meet minimal nutritional standards. Because families in the 1950s spent an average of one-third of their income on food, it was assumed that multiplying the food budget by three would result in an amount that would be adequate to meet other basic needs as well. Since its creation, the FPL has only been updated for inflation. FPL thresholds reflect the number of adults and children, but they do not vary by age of children, nor by place (SAIPE)."

In contrast, the Self-Sufficiency Standard is based on major budget items faced by working adults, not just food. These basic needs include housing, child care, food, health care, transportation, taxes, and miscellaneous costs. The Self-Sufficiency Standard calculates the most recent local or regional costs of each basic need. Accounting for regional or local variation is particularly important for housing because housing costs vary widely (e.g., the most expensive areas of the country, such as Manhattan, can cost four times as much as in the least expensive areas, such as Mississippi, for equivalent size units).

The Self-Sufficiency Standard varies costs by age groups of children (infants, preschoolers, school agers, and teenagers). This is especially important for child care, which varies substantially by age. The Self-Sufficiency Standard reflects modern family practices, and assumes that all adults (whether married or single) work full-time. Thus the Standard includes the employment-related costs of transportation, taxes, and child care (when needed). Note that the Federal Poverty Level assumes a two-parent household with a stay-at-home parent, or single parents relying on welfare or family support. Therefore work-related expenses such as child care, taxes, and transportation are not considered.

Table 4.19: Examples of self-sufficiency standard data for Monroe County

Monthly Expenses	**Adult + preschooler**	**Adult + schoolage**	**Adult + teenager**
Housing	668	668	668
Child care	668	434	0
Food	340	399	424
Transportation	231	231	224
Health Care	319	329	348
Misc	223	206	166
Taxes	445	357	226
EITC	-51	-109	-214
Child Care Tax Credit	-65	-70	0
Child Tax Credit	-83	-83	-83
Making work pay tax credit	-33	-33	-33
Self-Sufficiency Wage			
Hourly	**$15.13**	**$13.22**	**$9.81**
Monthly	**$2,662**	**$2,327**	**$1,726**
Annual	**$31,946**	**$27,919**	**$20,717**

For more information, and to see examples for types of household by county, visit www.selfsufficiencystandard.org.

The Self-Sufficiency Standard includes the net effect of federal and state taxes and tax credits, as well as any local taxes and tax credits. The Standard's real-world assumptions allow the costs of all basic needs—not just food—to vary over time and across geographic locations. With this up-dated and detailed approach, the Standard is able to develop a realistic measurement of the income requirements for 70 different family types across each county in a given state.

Several different criteria are employed to ensure the Standard is as consistent and accurate as possible, yet varied by geography and family composition. To the extent feasible, the data used in the Self-Sufficiency Standard are:

- collected or calculated using standardized or equivalent methodology nationwide;
- obtained from scholarly or credible sources such as the U.S. Census Bureau;
- set at minimum but adequate levels; (e.g., nutrition levels)
- updated annually; and
- varied geographically and/or by age as appropriate.

ECONOMIC CHALLENGES FACING VULNERABLE POPULATIONS

Elderly and Adults with Disabilities

The elderly are defined by the United States Census Bureau as persons aged 65 or older. People with disabilities include individuals of any age who live with an emotional, learning, physical, or mental impairment. These two populations may face additional difficulty accessing basic services, maintaining consistent employment, developing strong social ties, advocating effectively for themselves, and participating independently in their communities.

Population Growth

Currently, the elderly make up just over 10% of the total population living in Monroe County. All four counties have seen increases in their elderly population in the last two decades, suggesting continued growth in demand for services. The percentage of elderly in the other three counties is greater than in Monroe; with Lawrence at 16.4%, Owen at 14.8%, and Greene at 16.0%. In the state as a whole, 13% of the population is over 65. Approximately 20% of the total population living in Monroe County now falls between the ages of 45 and 64, so it is safe to project that the community will continue to experience a shift in the average age of its members.

The Indiana Business Research Center has projected population growth for the elderly through 2040. The percentage of total population in Monroe County, age 60 and older, is projected to grow to 23% in 2040; this reflects a projected 65% growth rate between 2010 and 2040. Monroe County's growth rate is projected to outpace surrounding counties. Data for the projected population growth of the disabled are more difficult to obtain. As of 2000, 13% of Monroe County residents aged 5 or older live with a disability. This percentage is significantly lower than the Indiana average of 20%, although "disability" is not always consistently defined at the state and local levels.

Elderly and People with Disabilities in Poverty

The United States Census Bureau provides poverty rates by household, family type, race, and age (youth or elderly only). In 2008, approximately 8% of the total elderly population was living below the federal poverty line in Monroe County, a figure which is similar to the state average but is slightly lower than the 10% national average. The most recent Census Bureau report does not provide information on the number of households including at least one person with a disability living in poverty.

Conditions associated with living in poverty can affect the success with which the elderly or disabled are able to maintain housing and access needed medical care, food, transportation, and clothing. In addition, many elderly have found it necessary to obtain employment past what has, historically, been the average age of retirement.

People with disabilities and their families often require expensive medical care and services that are not fully compensated by Medicaid or Medicare. The disabled also face greater difficulty maintaining regular employment and obtaining education to increase employment opportunities. For these reasons, individuals with disabilities and their families may face poverty at greater rates than those without disabilities.

Monroe County nonprofits have worked to meet the needs of the elderly and disabled in poverty. In fiscal year 2009, Area 10 Agency on Aging served approximately 50,839 home delivered meals and 33,856 congregate meals to the elderly or disabled who were living in poverty. The same agency reached approximately one third of the elderly in poverty living in Monroe County through their meal delivery and congregate meal services in 2008 and 2009. This agency currently has 25 people waiting to enter these meals programs. LifeDesigns and Stone Belt both provide services to individuals with disabilities, including employment search and support.

Employment Trends for the Elderly

Historically, labor force participation in the United States begins to fall after age 55, a figure that has been influenced over time by economic conditions, eligibility for social security benefits, the availability of health insurance, and the prevalence and design of employer-sponsored pensions. The United States Census Bureau data show that the percentage of men and women aged 62 and older who work in paid employment has risen over the past several years. On a local county level, between 2005 and 2009, Area 10 Agency on Aging assisted 500 Monroe County residents over the age of 65 with finding employment through the organization's Older Worker Employment Program.

The United States Census Bureau projects that labor force participation among people age 55 and older may continue to increase due to recent trends away from defined-benefit pension plans with a monthly annuity for life toward defined-contribution plans that typically payout lump-sum benefits. The declining portion of employers who offer retiree health insurance also may influence the number of individuals who continue to work until they are eligible for Medicare at age 65. Since 1990, there has been a steady increase in the number of individuals age 62 and older who maintain fulltime employment in the United States. Women aged 65 to 69 experienced the largest percentage increase in paid work force employment, with a 47% increase between 1990 and 2008. Men experienced a 24 to 27% increase in work force participation beyond the age of 62.

The United States Census Bureau projects that in the next two decades, rather than leaving employment entirely, the elderly will phase into retirement with part time employment. The

Pension Protection Act of 2006 (P.L. 109-280) allows pension plans to begin paying benefits to workers who have not yet separated from their employers at the earlier of age 62 or the pension plan's normal retirement age, which in most plans is 65. This may allow more elderly workers to retain employment and phase into retirement.

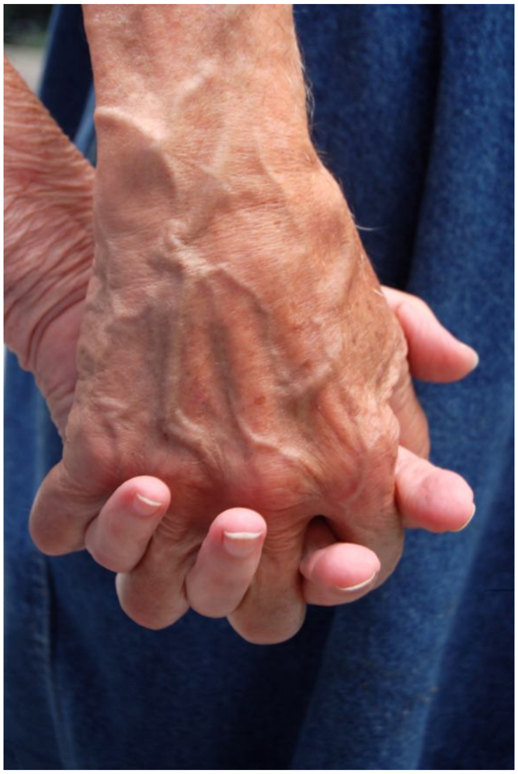
Employment Trends for the Disabled

People with disabilities may face great obstacles finding and maintaining regular paid employment. The most recent *Disability Status Report*, published in 2005 by Cornell University in collaboration with the American Association of People with Disabilities (AAPD), found that people with disabilities worked disproportionally less than people without disabilities. The *Disability Status Report* claimed that only 38% of nearly 21.5 million people in the United States with disabilities and between the ages of 21 and 64 ("working age") were employed in 2005. This figure can be compared to the proportion of individuals without disabilities of working age with employment: just over 78% in 2005. The report also asserted that, in 2005, people with disabilities made an average of $6,000 less for fulltime work than those without disabilities.

Since SCAN 2003, service providers in Monroe County have expanded their programs to assist people with disabilities to find employment and stay employed. In 2008, Stone Belt provided employment for over 150 people with disabilities and worked with local for-profit and nonprofit agencies to raise awareness of how to accommodate persons with disabilities in the workplace. Also in 2008, Options for Better Living (now LifeDesigns) expanded its continuing education program (CEO) to include Owen County, and increased participation in the Monroe County program by almost 50% between 2006 and 2008. In 2009, Stone Belt expanded employment opportunities for people with disabilities through the opening of their new Life Sciences Plant.

Retiring to Bloomington

Bloomington was rated by Rand McNally as the 8th best place to retire in the United States and Canada. The city received its ranking based on its climate, level of personal safety, services and housing opportunities for the elderly, and general affordability. There are currently three large retirement communities in Bloomington, Indiana and a number of public campaign websites to attract more people to Monroe County to retire. An increase in migration of the elderly to Monroe County may increase demand in the short term for services and recreation options for the elderly. In the long term, demand for resources such as assisted living facilities, nursing homes, acute and sustained medical care, independent living assistance, and respite care for family members may increase.



Nursing Homes and Assisted Living Facilities

When the elderly or a person with a disability can no longer live independently, they must rely on family members or outside service providers, such as nursing homes and assisted living facilities, for safe housing and healthcare options. There are six nursing homes in Monroe County, some of which also operate as retirement homes and communities. In 2011, these facilities offered a total of 599 certified beds for the elderly. A certified bed refers to the number of beds paid for through Medicare and Medicaid reimbursements.

Two major nonprofit service providers, Stone Belt and LifeDesigns, offer residential living facilities for people with disabilities. Both have staff and programs designed to offer assistance in the personal homes of people with disabilities and their families. Care to residents in these homes are provided by a range of staff members, including registered nurses, certified nursing assistants, doctors, and other staff members to provide assistance to the elderly and people with disabilities for a range of daily tasks as they need help.

SCAN 2003 identified a need for a community ombudsman to assist the elderly and their families in safe, affordable, quality nursing home placements. Area 10 Agency on Aging now has an ombudsman on staff.

Assistance to Families

In 2003, 4% of households participating in the 2003 Household Survey reported that a person with a disability lived in their household. The 2010 Household Survey discovered that 17% of survey respondents had at least one family member living in their household with a disability. Additionally, the number of households reporting at least one person, aged 65 or older, living in their household increased from 8% in 2003 to 38% in 2010.

In 2010, the Pew Research Center performed an analysis of census data and Bureau of Labor Statistics to track changes in the multi-generational household. Between 2000 and 2008, the number of households with two or more generations (grandparents and parents) grew by 7 million, to comprise 16% of all households in 2008. Many of these households are supported by two primary wage earners, now providing for their parents and their own children.

The Pew Institute cites the recent economic downturn, the high rate of home foreclosures, and Medicare cuts enacted in 1997 as incentives for the elderly to choose retirement with their children, rather than living alone or in a retirement community or nursing home. Many of these families need outside assistance during the working hours for members of their household who are elderly or have a disability.

Respite Care
Respite care is the provision of short-term, temporary relief to those who are caring for family members who might otherwise require permanent placement in a facility outside the home. In SCAN 2003, the lack of respite care for families with at least one household member with a disability or over the age of 65 was identified as a challenge. This was again identified as a problem for Monroe County families in the 2010 Client Challenges and Household Survey; 14% of service providers agreed that obtaining respite care for household members was a challenge for at least half their clients.

Elder Daycare
Adult daycare is a planned program of activities designed to promote wellbeing though social and health related services. Adult daycare centers operate during daytime hours, Monday through Friday. Nutritious meals that accommodate special diets are typically included, along with an afternoon snack. In SCAN 2003, nonprofit service providers in the Monroe County community identified a need for affordable adult eldercare programs to assist multi-generational families in supporting the elderly during working hours. This need was again identified in the 2010 Client Challenges Survey; 16% of service providers stated that accessing elder daycare for household members was a problem for at least half their clients.

Transportation and other Basic Services
Transportation for people with disabilities and the elderly was identified in SCAN 2003 as a problem for households in Monroe County. Since 2003, LifeDesigns and Area 10 Agency on Aging have both expanded their service options to provide transportation for the elderly and people with disabilities in all of their service areas. Despite this additional coverage, service providers participating in the 2010 Client Challenges Survey still identified transportation for these populations as a challenge to themselves and their family members.

Current Resources for the Elderly and People with Disabilities
In this section we highlight a sampling of human service providers that meet one or more of the following criteria: a large (by staff size and/or budget) provider in the service area, a long-established or highly visible provider, a provider serving a specific target population, a provider that offers a unique combination of services, or a provider that was mentioned in SCAN. The following is by no means an exhaustive list of service providers.

Area 10 Agency on Aging assists elderly, including low income elderly, with access to food, housing, employment and assistance with household tasks, transportation, respite care, adult day care, and community programs and volunteering opportunities.

Bell Trace Health and Living Center and Bloomington Nursing and Rehabilitation Center both received the highest quality of care and safety ratings of all Monroe County nursing homes in 2009. These homes provide a total of 110 openings for residents paying for services through Medicare and Medicaid, in addition to other openings for residents.

Elder Care Connections and Home Instead are both for profit agencies providing assistance to families with elderly household members for transportation, general in home assistance, and companionship.

Elderhouse and IU Health Bloomington both provide adult day care centers to the public.

LifeDesigns serves over 270 people with disabilities each year and experienced service growth of 35 percent in 2008. LifeDesigns provides opportunities for respite care, education, employment, assisted living, and group housing, among other programs.

Special Olympics Indiana - Monroe County offers year-round sports training and athletic competition for children (8 years and up) and adults with intellectual, cognitive, and learning disabilities.

Stone Belt enhances opportunities for 1,300 people with disabilities each year through their employment, residential, educational, volunteer, advocacy and arts programs. This total is approximately 10% of all persons with disabilities in Monroe County.