Poverty rates, income inequality up in most Midwestern states

By Tim Anderson [1]
Friday, October 12, 2012 at 12:44 PM

Stateline Midwest — October 2012 [2]

Poverty rates and income inequality are on the rise in most parts of the Midwest, new U.S. Census Bureau data show, with the former reflecting current economic woes and the latter continuing a decades-long trend.

Most states in the region still fall below the U.S. poverty rate of 15.9 percent, with Indiana, Michigan and Ohio being the exceptions. Those three states and Illinois had “statistically significant” increases in poverty rates between 2010 and 2011. In all, 17 U.S. states reported such increases.

In contrast, North Dakota, South Dakota and Wisconsin were three of only four U.S. states to experience a drop in poverty rates over the previous two years, though none of the declines in the Midwest was statistically significant. Minnesota continues to have the lowest rate in the region.

Here are other some of the noteworthy national findings about poverty in the United States:

• Rates are highest among people under 18 (21.9 percent) and lowest among those 65 and older (8.7 percent).
• There is a large disparity among different races: 27.6 percent of blacks and 25.3 percent of Hispanics live in poverty, compared to 9.8 percent of non-Hispanic whites.
• The poverty rate for married-couple families is 6.2 percent; it is 31.2 percent for families headed by a female with no husband present.

Between 2010 and 2011, five states in the Midwest (and 20 nationwide) had statistically significant increases in income inequality: Illinois, Michigan, Nebraska, Ohio and Wisconsin.

In this region, disparities in income are most pronounced in Illinois, but even that state’s Gini Index (the measurement used to determine income inequality) is lower than the nation’s. Among the 11 Midwestern states, income is most evenly distributed in South Dakota.

An analysis of state Gini Indexes by the online news site 24/7 Wall St. found that income inequality tends to be greatest in highly populated states with relatively low levels of educational attainment among the adult population.

States across the country, though, have been experiencing an increase in income inequality since at least 1969.

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