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Published: Tuesday, August 29, 2006 7:06 PM CDT

Iowa's poverty rate up for second year in row

By Dan Gearino, [Globe Des Moines Bureau](#)

DES MOINES — Iowa's poverty rate increased last year for the second year in a row, according to new Census figures.

In 2005, 11.3 percent of lowans lived in poverty, up from 10.9 percent in 2004 and 8.9 percent in 2003.

The growth in poverty is occurring at the same time that other measures show a strong economy, including a low unemployment rate.

"I am deeply disappointed that the middle-class squeeze continues to tighten its hold on hard-working Americans," said a statement from U.S. Sen. Tom Harkin, D-Iowa.

The Iowa Policy Project, a liberal-leaning think tank based in Mount Vernon, released a report Tuesday showing that while poverty is rising, there has also been no improvement over the last five years in median household incomes or the percentage of lowans with health insurance.

"Part of what's going on is the recovery which began in late-2001 has been more of a recovery for some folks than others. Some people have been completely left out of it," Peter Fisher, an economist for the Iowa Policy Project and a University of Iowa faculty member.

According to Census data, Median household income was \$45,671 in the two-year average of 2004 and 2005, which was virtually the same as 2000 and 2001. The percentage of lowans with health insurance was 9.1 in 2004 and 2005, which is about the same as 2000 and 2001.

While the poverty rate is widely publicized as an economic indicator, there are questions about its usefulness. The rate is based on a 1960s-era estimate of the cost of food for a family of three, adjusted for inflation. Last year when poverty figures were released, Iowa State University economist Peter Orazem said the poverty rate is "one of the nuttiest" statistics out there.

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