



## Income

### Goal

A healthy standard of living for all

Income is the most common measure of socioeconomic status, and a strong predictor of the health of an individual or community.

When assessing the health of a population, considering income apart from education and occupation is nearly impossible. Having enough money is closely tied to both, and to the greater realm of social, economic and environmental resources that favor good health. A supply of fresh and nutritious foods, access to reliable health insurance and quality medical care, safe

housing in communities that encourage physical activity, play, learning, social and civic interaction, and discourage smoking and other unhealthy behaviors. These are all income-related predictors of optimal health.

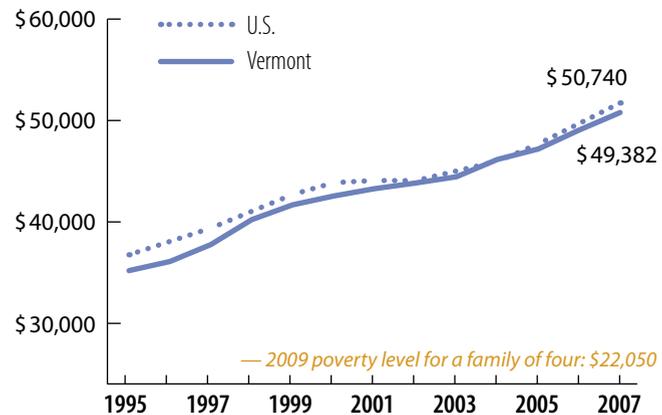
### Wealth = health

Health tracks income. Studies in the U.S. and Europe show a distinct relationship between income and health.

The greater the income, the more likely a person will enjoy more years of healthy life. The lower the income, the greater the likelihood a person will suffer from chronic conditions such as diabetes, heart disease and stroke, and face untimely death.<sup>1</sup>

### Income Trends

Median household income, VT and U.S.



## What is poverty?

Poverty can be defined as the lack of means to provide material needs or comforts. In terms of dollars, federal poverty guidelines are set each year by the U.S. Department of Health & Human Services as a national measure used to determine eligibility for an array of programs and services. These guidelines are sometimes referred to as the Federal Poverty Level, or FPL.

> The 2009 poverty level for one person is \$10,830 in annual income, and \$22,050 for a family of four.<sup>2</sup>

> In Vermont for 2005 to 2007, the median income per person was \$26,223, and the median household income was \$49,382.<sup>3</sup>

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## Definitions

**Household Income** = The pooled income of all members of a household.

**Family Income** = This is NOT the same as household income, as it only includes households with two or more people related by blood, marriage, or adoption.

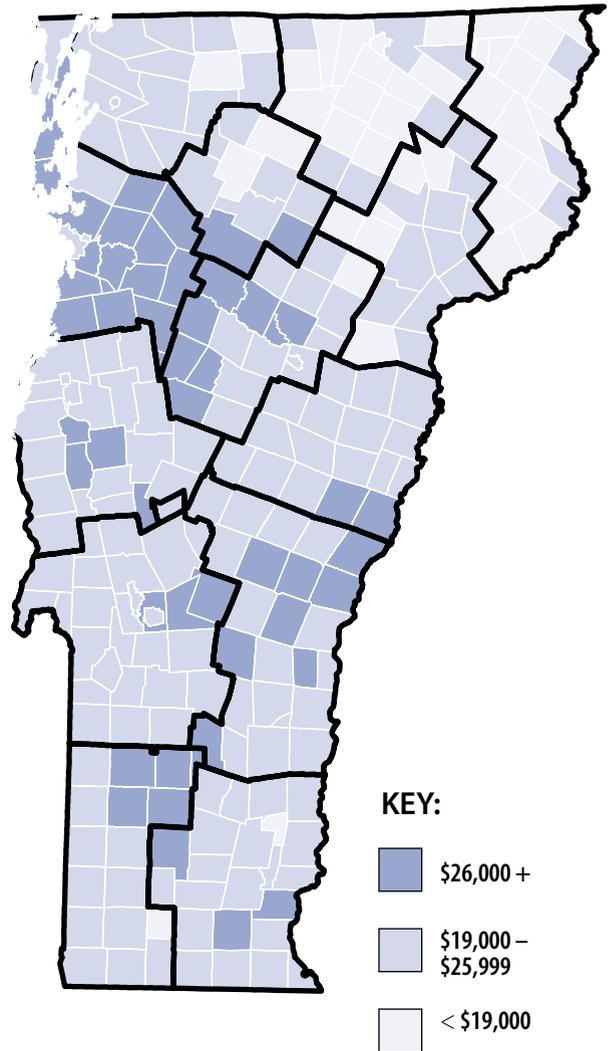
**Median Income** = Middle point of all incomes measured.

**Median Household Income** = Middle point of all the household incomes measured.

**Poverty** = Lack of means to provide for material needs or comforts. Every year the U.S. government sets Federal Poverty Levels (FPL). These are guidelines used to determine income eligibility for an array of programs.

## Income Distribution

Average personal adjusted gross income per person  
Vermont income tax returns, by town • 2007



**Family Size % of Federal Poverty Level (FPL) • 2009**

Family Size	100%	130%	185%	250%
1	\$10,830	\$14,079	\$20,036	\$27,075
2	\$14,570	\$18,941	\$26,955	\$36,425
3	\$18,310	\$23,803	\$33,874	\$45,775
4	\$22,050	\$28,665	\$40,793	\$55,125
5	\$25,790	\$33,527	\$47,712	\$64,475
6	\$29,530	\$38,389	\$54,631	\$73,825
7	\$33,270	\$43,251	\$61,550	\$83,175
8*	\$37,010	\$48,113	\$68,469	\$92,525

\* For families with more than 8 people, add \$3,740 for each additional person

**Who is poor in Vermont?**

While the median household income has climbed steadily over the past decade, both in the state and nationally, there are still too many Vermonters struggling to make ends meet.

In Vermont, from 2005 to 2007:

> 7% of all families reported their past year’s income to be below the poverty level.

> 13% of families with children under the age of 5 reported their past year’s income to be below the poverty level.

> 40% of families with a single mother and children under the age of 5 reported their past year’s income to be below the poverty level.<sup>3</sup>

In Vermont, low income people are more likely to be:

- > young (18 to 34 years old)
- > less educated
- > unemployed or unable to work
- > female
- > a member of a racial or ethnic minority

**What the Federal Poverty Level means**

Government programs, both federal and state, often use a percentage of the poverty level to determine eligibility. This is done because many households earning above the poverty level still lack sufficient income to meet basic needs. People who earn as much as 250 to 300 percent of the Federal Poverty Level can still be considered low income:

> Eligibility guidelines for free or reduced price meals and milk in school are households earning 130% to 185% of the poverty level.<sup>4</sup>

> Families with an income below 185% of the poverty level are income-eligible for federal WIC food and nutrition education provided by the Health Department.

> Women who earn up to 250% of the poverty level are eligible for cancer and heart health screenings through the Health Department’s *Ladies First* program.

## Health, Education & Food Safety Net Programs

% of Federal Poverty Level (FPL) eligibility and estimated enrollment in Vermont • June 2009

% FPL	Program	Enrollment
100%	Head Start pre-school education	1,542 per year
130%	School Meals - free & reduced (up to 185%)	29,000 per year
130%	3SquaresVT (formerly food stamps)	76,000 per month
130%	Commodity Supplemental Food Program (to 185%)	3,800 per month
185%	WIC: Supplemental Nutrition Program for Women, Infants & Children	24,239 per year
185%	Farm to Family food coupons	4,885 households per year

> And uninsured Vermonters are eligible for a variety of public health insurance programs, with eligibility based on percentages of poverty level up to 300%.

### The cost of living in Vermont

Living in Vermont can be expensive compared to elsewhere in the U.S., and federal poverty guidelines may not take into account cost-of-living differences across the states.

> In Vermont, a family of four would have to earn over \$10,000 more than the same size family elsewhere in the U.S. to have equal purchasing power.<sup>5</sup>

Due to the higher cost of living here, many Vermonters may not qualify for the help they need.



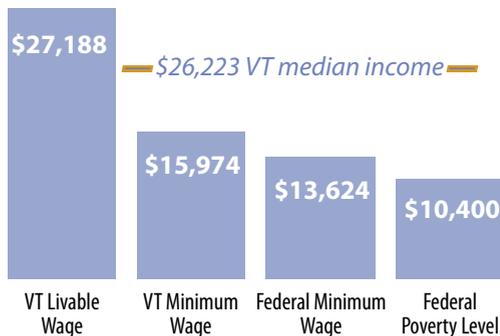
## Vermont Livable Wage

Hourly pay by family type, rural or urban • 2008

Family Type	Urban	Rural
1 person	\$17.08	\$16.41
1 parent + 1 child	\$25.04	\$23.04
1 parent + 2 children	\$31.37	\$28.58
2 adults + 0 children	\$13.10	\$13.04
2 adults + 2 children (1 wage earner)	\$31.23	\$30.11
2 adults + 2 children (2 wage earners)	\$20.07	\$18.75

## Livable Wage Comparison

Vermont per capita income & wage levels • 2008



## Definition

**Liveable Wage** = The hourly wage for work needed to provide the essential needs of daily life such as food, shelter, clothing, transportation, health care, etc.

To highlight the cost of living, in 1999 the Legislative Liveable Income Study Committee created a *Basic Needs Budgets and Livable Wage* calculation for Vermont, which is now updated every year.

This calculation takes into account the estimated costs for essential needs such as food, housing, transportation, child care, clothing, household expenses, health and dental care, telecommunications, renter's insurance, life insurance, savings and taxes. Budgets are based on family size and whether the family lives in an urban or a rural part of the state.<sup>6</sup>

> In July 2009, the federal minimum hourly wage was \$7.25.<sup>6</sup>

> At \$8.06 per hour, Vermont's minimum wage is higher than the federal minimum wage, but it is still far less than the wage determined to be "livable" in our state.<sup>7</sup>



### The high cost of health care

Studies have shown many income-related disparities in health care. In Vermont, low income people are most likely to report having no health insurance, not going to see a doctor due to cost, and not seeing a dentist in the past year.

To improve access to health care for all, Vermont has progressively implemented a series of health insurance programs for adults and children. These programs are now known as Green Mountain Care.

*(See Access to Care chapter for more about state public health insurance programs.)*

## Health Care & Income

Vermont adults age 18-64 • 2008

income less than  
2½ times  
poverty level



22%

income more than  
2½ times  
poverty level



6%

those who report having no health insurance

42%

9%

those who report they needed a doctor,  
but did not go due to cost

38%

16%

those who have not visited a dentist  
in the past year

## The health costs of poverty

Income is correlated with adult health habits and overall health.

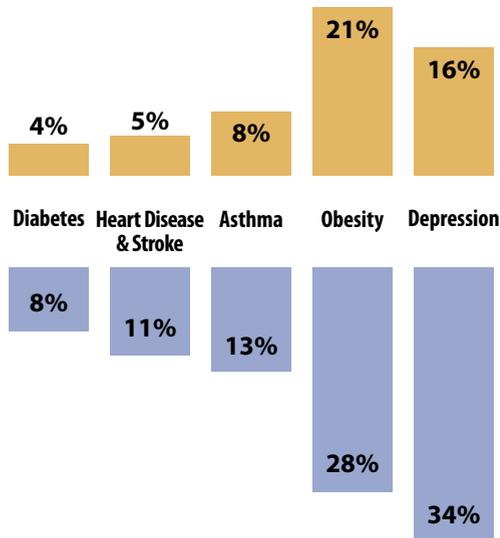
> Lower income Vermonters report higher rates of depression and chronic conditions such as obesity, asthma, heart disease, stroke, and diabetes.

> 15% of low income Vermont adults have two or more chronic conditions, compared to 7% of higher income Vermonters.

## Chronic Conditions & Income

Vermont adults who report having a chronic condition, by Federal Poverty Level • 2008

HIGHER INCOME % with income more than 2½ times poverty level



LOWER INCOME % with income less than 2½ times poverty level

## Definition

**Food Insecurity** = Refers to the lack of access to enough food to fully meet one's basic nutritional needs, due to lack of money.

> As income rises, a person's perception of his or her general health also improves.

### • Nutrition

People without food security must too often compromise quality for quantity, eating higher-calorie but lower cost and nutritionally deficient foods. Over time, food insecurity can lead to malnutrition, obesity and chronic illness. According to Vermont Behavioral Risk Factor Surveillance System data:

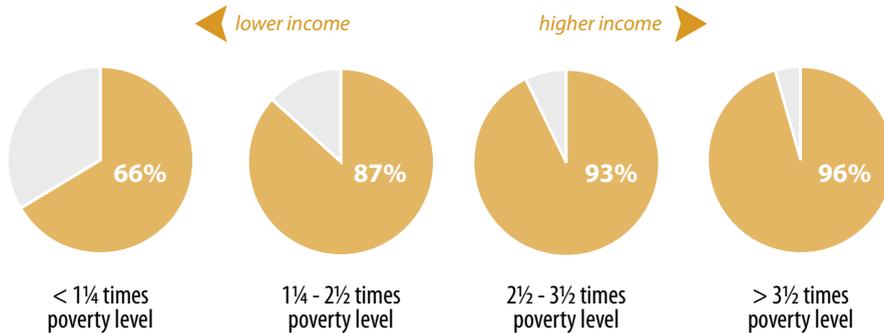
> 16% of low income Vermonters eat less than they feel they should because there is not enough food, or money to buy food.

> 28% of Vermonters who earn less than 250% of the poverty level are obese.

More than half of all the babies born in Vermont and their families benefit from the healthy food package they receive through the WIC supplemental nutrition program. Offerings include whole grain and lower-fat foods, and a debit-like card that enables them to buy fresh fruit and vegetables at a number of Vermont markets.

## Personal Health & Income

Vermont adults who report they are in good or excellent health, by Federal Poverty Level • 2008



### • Physical inactivity and obesity

Low-income people are less likely to have regular physical activity and more likely to become obese than people with higher incomes, and this trend starts in early childhood.

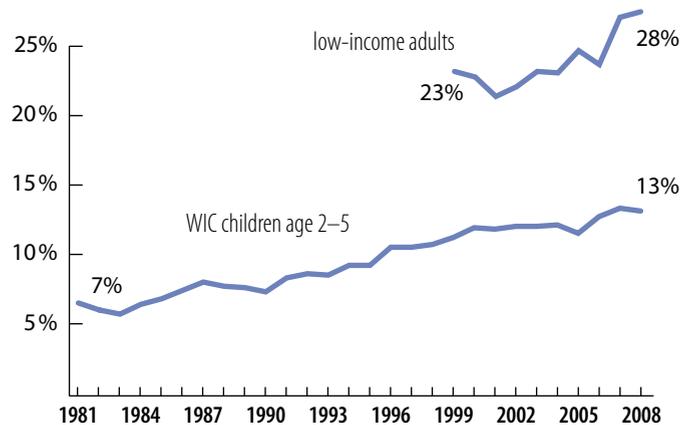
> 39% of low income adult Vermonters engage in regular physical activity, compared to 47% of those who are not low income.

### • Smoking

Low income Vermonters are also more likely to smoke. Smoking is still the leading killer, causing or aggravating asthma, cancer, heart disease, lung disease, stroke, pneumonia, low birthweight and infant death.

## Weight & Income

% of low-income Vermonters who are obese (weighing ≥ 95th percentile Body Mass Index for age and gender)



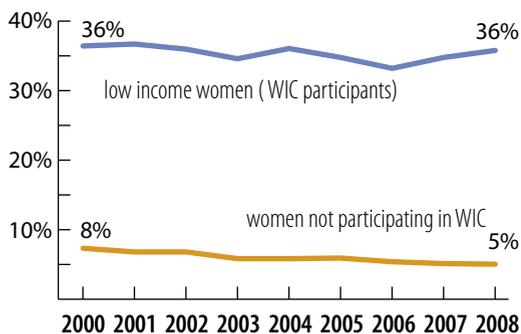
## Smoking & Income

% of Vermont adult smokers, by Federal Poverty Level • 2008



## Smoking during Pregnancy

% pregnant Vermonters who smoked during pregnancy



## Definition

**Inadequate prenatal care** = Entering care later than the fourth month of pregnancy, and also having fewer than 80% of the recommended number of prenatal care visits.

## Off to a less healthy start?

The most important reason for getting into prenatal care early, and continuing with regular visits, is to identify medical risks and behavioral risks (such as smoking) – or other health issues that need to be addressed early in pregnancy.

> Twice as many low income women (as represented by enrollment in WIC) have inadequate prenatal care, compared to other women.

> Seven times as many low income women (as represented by enrollment in WIC) smoke during pregnancy, compared to other women.

> And, while rates of smoking during pregnancy have decreased over the last decade among women not in WIC, smoking rates have stayed the same among low income women (as represented by enrollment in WIC).



Women who have inadequate prenatal care or who smoke during pregnancy are more likely to deliver premature or low birth weight babies. These babies are, in turn, at greater risk of not surviving to their first birthday, and of suffering some degree of disability.<sup>8</sup>

> 8% of low income women (as represented by enrollment in WIC) have low birth weight babies, compared to 5.5% of other women.

Breastfeeding is the cheapest, the most nutritious, and the most protective way to feed a baby during the first months of life, yet breastfeeding is less common among lower income women.

> 69% of pregnant women enrolled in WIC said they planned to breastfeed, while 91% of women not in WIC said they intended to breastfeed.▼

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## References

<sup>1</sup> *Unnatural Causes: Is Inequity Making Us Sick? California Newsreel with Vital Pictures, Inc. Presented by the National Minority Consortia of Public Television.* 2008.

<sup>2</sup> U.S. Dept. of Health & Human Services. [www.aspe.hhs.gov](http://www.aspe.hhs.gov)

<sup>3</sup> U.S. Census Bureau, Vermont. *Selected Economic Characteristics: 2005-2007.* [www.factfinder.census.gov](http://www.factfinder.census.gov)

U.S. Census Bureau, Vermont. *Small Area Income & Poverty Estimates.* [www.census.gov](http://www.census.gov)

<sup>4</sup> U.S. Dept. of Agriculture. [www.fns.usda.gov](http://www.fns.usda.gov)

<sup>5</sup> [www.statehealthfacts.org](http://www.statehealthfacts.org)

<sup>6</sup> *Basic Needs Budgets and the Livable Wage. Prepared by the Vermont Joint Fiscal Office, in accordance with Act No. 202 of 2008. January 15, 2009.*

<sup>7</sup> Vermont Dept. of Labor. [www.vtlmi.info](http://www.vtlmi.info)

<sup>8</sup> *WIC/PNSS Reports, 2006 – Pregnancy Nutrition Surveillance System, Vermont Dept. of Health, Public Health Statistics, May 2008.*