

Income, Poverty and Health Insurance in the United States: 2004 - Press Briefing

NEWS CONFERENCE ON 2004 INCOME, POVERTY, AND HEALTH INSURANCE ESTIMATES FROM THE CURRENT POPULATION SURVEY

Charles Nelson
Assistant Division Chief,
Housing and Household Economic Statistics

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Thank you, Jacque.

[figure 2](#)

Good morning and thank you once again for attending today's news conference. The Census Bureau's main focus is to gather data, through surveys like the Current Population Survey and the American Community Survey, as accurately and as completely as possible.

We do this to provide updated and current information about the population and economy, and to arm local officials with the knowledge they need to make important policy decisions. The Census Bureau leaves to others the task of interpreting the data and using it to improve their communities.

The figures I am presenting today are the income, poverty, and health insurance coverage data from the Current Population Survey. Let me first summarize the main findings about income and poverty from the Current Population Survey report.

[figure 3](#)

Median household money income in the nation in 2004 was \$44,400, and was unchanged from 2003 in real terms.

There were also no changes in the most commonly used measures of income inequality between 2003 and 2004.

The median earnings of both men and women who worked full-time, year-round declined in 2004. The ratio of female-to-male earnings for full-time, year-round workers was 77 percent, an increase from 76 percent in 2003.

[figure 4](#)

The official poverty rate for the nation rose from 12.5 percent in 2003 to 12.7 percent in 2004.

The number in poverty increased also, by 1.1 million people, to 37.0 million in 2004.

Finally, the poverty rate for children remained unchanged.

Now let me provide some of the details.

[figure 5](#)

This chart provides a time series perspective on median household income. As already noted, the 2004 median money income for all households was unchanged from the year before, at \$44,400.

This is the second consecutive year that households did not experience an annual change in real median income, after declining in real terms for two years (in 2001 and 2002). Since 1967, the first year household incomes were computed, median household income has risen 30 percent in real terms.

[figure 6](#)

The number of people in poverty (37.0 million people) increased by 1.1 million in 2004, and the poverty rate rose from 12.5 percent to 12.7 percent. This is the fourth consecutive year in which the poverty rate has increased. Past experience tells us that it is not uncommon to have several years of rising poverty following a recession.

As slide four shows, these increases led to a poverty rate in 2004 of 12.7 percent, or 1.4 percentage points higher than its recent low point of 11.3 percent in 2000. Since 1959, the first year poverty was measured by the Current Population Survey, the nation's poverty rate has fallen by about 43 percent.

[figure 7](#)

Now let's take a look at the changes in real median household income by race and Hispanic origin between 2003 and 2004. Median household money income did not change in real terms for any of these groups in 2004.

[figure 8](#)

Focusing on poverty rates by race and Hispanic origin, we see that the only group to show an increase in its poverty rate in 2004 was non-Hispanic Whites, at 8.6 percent, up from

8.2 percent in 2003. Asians were the only group to show a decline in poverty, down 2 percentage points from 11.8 percent in 2003 to 9.8 percent in 2004.

[figure 9](#)

Concentrating on differences between regions in the U.S. shows that median household income declined from the year before in only one region, the Midwest, where it fell 2.8 percent. This was also the only region to experience an increase in poverty, from 10.7 percent in 2003 to 11.6 percent in 2004.

[figure 10](#)

Moving from poverty rates of all ages, I am now going to speak about poverty for various age groups. Child poverty stood at 17.8 percent in 2004, not different from the 2003 child poverty rate, but down from its most recent peak of 22.7 percent in 1993.

Among the nation's senior population, the poverty rate for those 65 and older declined from 10.2 percent in 2003 to 9.8 percent in 2004. The poverty rate for people 18 to 64 increased by .5 percentage points, from 10.8 to 11.3 percent.

Income inequality can be measured in a number of ways.

[figure 11](#)

According to the most widely used measure, the Gini index, household money income inequality did not change from 2003 to 2004. Another measure is based on the share of total income that each 20 percent of households received. None of the shares changed between 2003 and 2004.

Over the last decade, however, the Gini index has increased, indicating a higher level of income inequality than in 1995. Also, the share of total income received by the highest 20 percent of households has increased, while the shares received by those in lowest 60 percent have declined.

[figure 12](#)

Earnings are by far the biggest component of income. Median earnings for men who worked full time, all year, declined by 2.3 percent in real terms in 2004. The earnings of year-round, full-time women decreased 1.0 percent in 2004 from the year before, the second consecutive annual decline for women.

Prior to 2003, women had not experienced an annual decline in real median earnings since 1995. As shown in this slide, the ratio of female-to-male earnings for full-time year-round workers was 77 percent in 2004, which is up from 76 percent in 2003.

[figure 13](#)

Moving from the national level and based on a comparison of two-year moving averages for states, real median household income rose for six states and decreased for eight. Also using a comparison of two-year moving averages, the poverty rate rose in seven states and fell in three. One state "Hawaii" had an increase in income and a decline in poverty, while two states "Kentucky and Missouri" had both decreases in income and increases in poverty.

Individuals also derive economic well-being from noncash benefits such as food stamps and employer contributions to health insurance, and have reductions in disposable income from taxes. The Census Bureau computes a number of other measures of income and poverty that attempt to account for those factors. Those estimates will be released later this year. Note that the

report is being modified in response to comments to make it simpler and more focused, and it will show fewer alternative definitions of income than past reports.

[figure 14](#)

Next I will summarize the main findings about health insurance coverage in the U.S. from the Current Population Survey report.

The number of people with health insurance coverage rose by 2.0 million from 2003 to 2004.

The number of people without health insurance coverage rose by 800,000 over that same period, from 45.0 million to 45.8 million people.

The net result was that percentage of the nation's population without health insurance did not change in 2004, remaining at 15.7 percent.

The percentage of children not covered by health insurance also did not change, remaining at 11.2 percent.

[figure 15](#)

By looking at this graph, one can see that the 12-year period from 1987 to 1998 is marked by years in which the uninsured rate either increased, or was unchanged from one year to the next.

After peaking at 16.3 percent in 1998, the rate dropped for two years in a row to 14.2 percent in 2000. The uninsured rate increased for three years, from 2001 to 2003, before stabilizing at 15.7 percent in 2004.

The stabilization in the overall coverage rate can be explained by an increase in government coverage (notably Medicaid and the State Children's Health Insurance Program) that offset a decline in employment-based coverage.

[figure 16](#)

As shown in this slide, employment-based health insurance coverage fell 0.6 percentage points between 2003 and 2004, while Medicaid and State Children's Health Insurance Program coverage increased 0.5 percentage points. Also, the percentage of persons covered by military health care increased by .2 percentage points.

[figure 17](#)

There was no change in the uninsured rates for Blacks and non-Hispanic Whites from the year before. However, the percentage of Asians without health insurance coverage decreased by 2.0 percentage points to 16.8 percent in 2004.

Hispanics had the highest rate of people without health insurance in 2004 of any group shown here, 32.7 percent, which is unchanged from 2003.

[figure 18](#)

Children in poverty had a higher uninsured rate than all children in 2004, 18.9 percent compared with 11.2 percent. Children 12 to 17 years old had a higher uninsured rate than those under 12, 12.5 percent compared with 10.5 percent. Also, Hispanic children, at 21.1 percent, had a higher uninsured rate than non-Hispanic White, Black, or Asian children.

[figure 19](#)

Among states and based on a comparison of two-year averages, there were three states in which the uninsured rate declined and eight states in which the uninsured rate rose.

That concludes my portion of the news conference. Now Jay Waite, associate director for decennial census, will discuss American Community Survey local data about income, poverty and earnings.