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Highlights from the Census Bureau's Update on Income, Poverty, and Health Insurance Coverage in the United States, 2011

Today the U.S. Census Bureau released estimates of income, poverty, and health insurance coverage during 2011. The data, which are released annually, showed that the poverty rate was unchanged in 2011. While the poverty rate has remained elevated throughout the recovery, employment growth during 2011 led to over 2 million more Americans working full time in 2011 than in 2010, halting a further increase in poverty. Additionally, millions of Americans were lifted above the poverty line by government support from Social Security benefits, unemployment benefits and food stamps in 2011. Data also showed that median household income fell 1.5% during the year, with only households in the highest income quintile experiencing income growth. Overall, the share of uninsured Americans dropped in 2011, but coverage from employer-provided health insurance plans continued to fall. Highlights from the Census Bureau's report follow.

Household Income and Poverty

The national poverty rate was 15.0% in 2011, with 46.2 million Americans living in poverty last year. Both the number and share of people living below the poverty threshold (\$22,811 for a family of four with 2 children) were essentially unchanged from 2010, marking the first year poverty did not increase since the end of the 2007-2009 recession. Stabilization of the poverty rate is likely due to employment gains in 2011; the number of individuals working full-time, year round with earnings increased by more than 2 million between 2010 and 2011.

One in five children lives in poverty. The poverty rate among children 18 and under was 21.9% in 2011, little changed from 2010. Over 16.1 million children were living in poverty last year.

Poverty among working-age Americans remains elevated in the aftermath of the recession. In 2011, 13.7% of 18-64 year olds were living below the poverty threshold, up from 10.9% in 2007. However, without government benefits the share would be even higher. Last year unemployment insurance benefits kept 1.6 million working-age adults out of poverty, and Social Security benefits kept 5.8 million adults under age 65 out of poverty.

Without Social Security, the poverty rate would be higher among older Americans. According to the Census Bureau, Social Security benefits lifted 14.5 million individuals over 65 above the poverty threshold last year, keeping the poverty rate for these individuals at 8.7% in 2011.

Persons living in poverty include over 10 million working Americans. There were 10.3 million individuals who worked during the year living in poverty in 2011, including 2.7 million who worked full-time, year round, and 7.6 million who worked less than full time, year round. The poverty rate for all workers was 7.2% in 2011, and 16.3% for workers working less than full time, year round.

Blacks and Hispanics are more likely to be living in poverty. The poverty rate was 27.6% for blacks and 25.3% for Hispanics in 2011. By comparison, the poverty rate in 2011 was 9.8% among non-Hispanic whites and 12.3% among Asians. The Hispanic population was the only major racial or ethnic group to see a decline in poverty between 2010 and 2011, a drop of 1.2 percentage points.

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Women are more likely to live in poverty than men. In 2011, the poverty rate among women 18-64 was 15.5%, compared to 11.8% for men in the same age group. The poverty rate was especially high among women-headed families, with 31.2% of those families living below the poverty line. Among individuals 65 and older the poverty rate was 10.7% among women and 6.2% among men.

Income inequality increased between 2010 and 2011. After adjusting for inflation, median household income declined 1.5% from about \$50,800 in 2010 to \$50,100 in 2011. Only the highest quintile of the income distribution experienced a rise in household income in 2011, which caused income inequality to grow.

Median income of black and Hispanic households remains lower than income of white and Asian households. Real median household income for black households was about \$32,200 in 2011, down 2.7% from 2010. Median income of Hispanic households was little changed at \$38,600. For non-Hispanic white households, median income dropped 1.4% to \$55,400, while median income for Asian households was little changed at \$65,100.

Health Insurance Coverage

More Americans have health insurance coverage than a year ago. In 2011, the percentage of people with health coverage increased to 84.3%, from 83.7% in 2010, and the number of insured increased to 260.2 million from 256.6 million, the first increase since 2007.

Private coverage is unchanged in 2011, the first time in ten years that private health coverage has not declined. 197.3 million people (63.9%) were covered by private insurance in 2011. However, the share of people covered by employer-provided health insurance alone continued to contract in 2011.

Government health insurance coverage increases in 2011, accounting for the overall increase in health insurance coverage. The number of Americans covered by public health insurance in 2011 grew to 32.2%, up from 31.2% in 2010. The share of people covered by Medicaid increased to 16.5%, from 15.8% in 2010 and the percentage of people covered by Medicare rose to 15.2%, from 14.6% in 2010. In addition to Medicare and Medicaid, government health insurance programs include the Children's Health Insurance Program (CHIP), as well as military and veteran health care programs.

The uninsured include millions of working men and women. 27.9 million Americans ages 18-64 had no health insurance coverage in 2011, despite working at some time during the year. Those included 14.9 million people who worked full time, or 30.7% of the total uninsured population. An additional 12.9 million uninsured Americans worked part time.

Nearly one in 10 children is uninsured. In 2011, 9.4% of all children – 7.0 million children – did not have health insurance. This was statistically unchanged from 2010. 13.8% of children living in poverty were uninsured in 2011.

Fewer young adults were uninsured in 2011. The Affordable Care Act expanded coverage to dependents through their 26th birthday; the change took effect in September 2010. As a result, the number of uninsured 19-25 year olds fell by 540,000 between 2010 and 2011. The share of 19-25 year olds with coverage rose by 2.2 percentage points to 72.3% in 2011.

Minorities continue to be more likely than whites to be uninsured. The Hispanic uninsured rate was 30.1% in 2011, statistically unchanged from 2010; the uninsured rate for blacks fell to 19.5%, from 20.8% in 2010; the uninsured rate for Asians decreased to 16.8%, from 18.4% in 2010. By comparison, the uninsured rate for non-Hispanic whites declined to 11.1%, from 11.6% in 2010.