



Income, Poverty and Health Insurance Coverage in the United States Highlights from the Census Bureau's 2012 Update

Today the U.S. Census Bureau released estimates of income, poverty and health insurance coverage during 2012. The data, released annually, showed that the poverty rate remained steady in 2012. The poverty line depends on the number and age of people in a household; for a single working-age American it is defined to be \$11,945. This past year 46.5 million Americans were living in poverty, compared with 46.2 million in 2011. Twenty-three percent of those living in poverty were employed, highlighting the importance of programs like the Supplemental Nutritional Assistance Program (SNAP) and the Earned Income Tax Credit (EITC), which help support the working poor. Additional programs have lifted millions out of poverty: Social Security alone keeps almost 15.3 million of those over the age of 65 out of poverty. The report also showed that median household income remained steady during the year. Finally, both the rate and number of Americans with health insurance increased in 2012.

Household Income

The real median income of working-age householders remained at 2011 levels. The working-age population saw no statistical change in the median income in 2012, nor did those sixty-five and older.

Median income remains below pre-recession levels. In 2012, real median household income was 8.3 percent lower than in 2007, but there are signs of resurgence. Real median income held steady for family households for the first time in four years.

Income in the Western region rose after four consecutive years of real median income decline. Just as in 2011, the Northeastern, Midwestern and Southern regions saw no statistically significant changes.

Racial differences in income persist. Asian and white households continue to see higher median income than Hispanics and blacks: median income in 2012 was \$68,636 for Asian households, \$57,009 for white households, \$39,005 for Hispanic households and \$33,321 for black households. Real median household income remained statistically unchanged from 2011 across all racial groups.

Income inequality persisted in 2012. The share of aggregate income remained the same for the highest quintile at around 50 percent. The top five percent earned about 22 percent of the nation's income. Since 1993, the share of income earned by the highest quintile has increased by 4.6 percent, while the share of income earned by the lowest, second and third quintiles has decreased by 13.2 percent, 8.0 percent and 4.9 percent respectively.

Poverty

The poverty rate remains unchanged from 2011. The poverty rate held steady at 15 percent last year. In 2012, 46.5 million Americans were living in poverty, compared to 46.2 million in 2011.

Children remain more likely than other age groups to be in poverty. The percentage of children in poverty was 21.8 percent, statistically unchanged from 2011. For children in families with a female head of household, 47.2 percent were in poverty, compared with only 11.1 percent of children in married-couple families.

Employment helps lift a family out of poverty, but millions of workers still live below the poverty line. In 2012, 7.3 percent of workers aged 18 to 64 were in poverty, statistically unchanged from 2011. 2.9 percent of those who worked full-time lived below the poverty line, compared to 16.6 percent of those who worked less than full-time.

The West saw the poverty rate decrease. The West was the only region to see a significant decline in its poverty rate in 2012, from 15.8 percent to 15.1 percent, reflecting the exit of over 380,000 people from poverty.

Blacks and Hispanics continue to be more likely to live in poverty. The poverty rate was 27.2 percent for blacks and 25.6 percent for Hispanics (compared to 27.6 percent and 25.3 percent in 2011).

Government policies have kept millions out of poverty. Unemployment insurance kept 1.7 million working-age adults out of poverty, while Social Security prevented almost 15.3 million of those over the age of 65 from falling into poverty. If the EITC and SNAP benefits were counted as income, an additional 7.1 million people would be raised out of poverty.

Health Insurance Coverage

More Americans have health insurance than in 2011. Both the percentage and number of people with health insurance increased in 2012, up from 84.3 percent (260.2 million) in 2011 to 84.6 percent (263.2 million) this year.

The uninsured include millions of working men and women. 28.4 million Americans aged 18 to 64 had no health insurance last year, despite working at some time during the year. 53.9 percent of these were full-time workers.

Nearly one in ten children remains uninsured. 8.9 percent of children were uninsured in 2012, down from 9.4 percent in 2011. The uninsured rate for children in poverty was 12.9 percent.

Young adults continued to see a drop in the uninsured rate thanks to the Affordable Care Act. In 2012, the uninsured rate for this group was 27.2 percent, compared to 27.7 percent in 2011.

Coverage by employment-based health insurance remains steady. 54.9 percent of people were covered by employment-based health insurance in 2012 (170.9 million), not statistically different from the 55.1 percent (170.1 million) covered in 2011.

Minorities continue to be more likely than whites to be uninsured. While the uninsured rate decreased for all racial groups, the uninsured rate for whites was 11.1 percent, compared to 19.0 percent for blacks, 15.1 percent for Asians and 29.1 percent for Hispanics.