



Income, Poverty and Health Insurance Coverage in the United States Highlights from the Census Bureau's 2013 Update

Today the U.S. Census Bureau released estimates of income, poverty and health insurance coverage during 2013. The data, released annually, showed that the poverty rate decreased to 14.5 percent in 2013 from 15.0 percent in 2012, the first decrease since 2006. 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 \$12,119. This past year, 45.3 million Americans were living in poverty. Although the number of people living in poverty increased substantially during the recession and the early part of the economic recovery, the number of people in poverty has not increased during the past three years. Last year, 41 percent of working-age Americans living in poverty were employed, highlighting the importance of programs such as the Supplemental Nutrition 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 14.7 million of those over the age of 65 out of poverty. The report also showed that median household income was unchanged during the year. Finally, the uninsured rate was 13.4 percent in 2013. Due to extensive survey redesign, health insurance coverage data for 2013 are not directly comparable to data from prior years; however, according to the Census Bureau, results of a separate survey, the American Community Survey, suggest that the number and percent of Americans without health insurance continued to decline.

Poverty

The poverty rate declined to 14.5 percent in 2013, down from 15.0 percent in 2012. This marked the first decline in the poverty rate since 2006. In 2013, 45.3 million Americans were living in poverty. The number of people living in poverty was not statistically different from 2012.

Poverty rates declined for both men and women. The poverty rate for men was 13.1 percent, down from 13.6 percent in 2012, and 15.8 percent for women, down from 16.3 percent in 2012.

The poverty rate for children fell in 2013. The percentage of children in poverty was 19.9 percent in 2013, down from 21.8 percent in 2012. For related children in families with a female head of household, 45.8 percent were in poverty, compared with only 9.5 percent of related children in married-couple families.

Employment helps lift a family out of poverty, but millions of workers still live below the poverty line. In 2013, 7.3 percent of workers aged 18 to 64 (10.7 million workers) were in poverty, statistically unchanged from 2012. Of those who worked full time, 2.7 percent lived below the poverty line, compared to 17.5 percent of those who worked less than full time. The poverty rate for people who worked less than full time increased almost a full percentage point from 2012.

Hispanics saw a decline in both their poverty rate and the number of people living in poverty. The poverty rate for Hispanics fell from 25.6 percent in 2012 to 23.5 percent in 2013. The number of Hispanics living in poverty fell from 13.6 million to 12.7 million.

Blacks and Hispanics continue to be more likely to live in poverty. The poverty rate for whites was 9.6 percent, 10.5 percent for Asians, 27.2 percent for blacks and 23.5 percent for Hispanics.

Government policies have kept millions out of poverty. Unemployment insurance kept 1.2 million working-age adults out of poverty, while Social Security prevented 14.7 million of those over the age of 65 from falling into poverty. If SNAP benefits were counted as income, an additional 3.7 million people would be raised out of poverty.

Household Income

Median income has stabilized over the last two years. Real median household income (\$51,900) has remained the same since 2011. However, households have not reached pre-recession levels (2013 income levels were 8.0 percent lower than in 2007).

Income in the Western region held steady after increasing last year. Just as in 2012, the Northeastern, Midwestern and Southern regions saw no statistically significant changes.

The real median income of working-age householders remained at 2012 levels. The working-age population saw no statistical change in the median income in 2013. However, Hispanic households, those headed by a non-citizen, those headed by people aged 15 to 24 or headed by people aged 65 and older experienced an increase in real median income.

Racial differences in income persist. Asian and white households continue to see higher median income than Hispanics and blacks: median income in 2013 was \$67,065 for Asian households, \$58,270 for white households, \$40,963 for Hispanic households and \$34,598 for black households. Real median income of Hispanic households increased by 3.5 percent in 2013. Median household income was statistically unchanged for all other racial groups.

Income inequality did not widen in 2013. 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.

Health Insurance Coverage

More than 86 percent of Americans had health insurance in 2013. Last year, 271.4 million Americans (86.6 percent) were covered by a health insurance plan for all or part of the year. 42 million Americans (13.4 percent) had no health insurance coverage during the year.

The uninsured include millions of working men and women. Roughly 25 million Americans aged 18 to 64 had no health insurance last year, despite working at some time during the year. 56.3 percent of these were full-time workers.

Nearly one in thirteen children remains uninsured. 7.6 percent of children under the age of 19 were uninsured in 2013. Children younger than 19 years are eligible for Medicaid/CHIP coverage. The uninsured rate for children in poverty was 9.8 percent.

Over three-quarters of young adults had health insurance last year. In 2013, the uninsured rate for 19 to 25 year olds was 22.6 percent. As a result of the Affordable Care Act (ACA), young adults in this age group may be eligible to be covered as a dependent on their parent's health insurance plan. Their uninsured rate has fallen since the passage of the ACA.

Coverage by employment-based health insurance remains steady. 53.9 percent of people were covered by employment-based health insurance in 2013 (169.0 million). 11.0 percent of people were covered by a private insurance plan not based on their employment (direct purchase), and 34.3 percent of people were covered by a government health plan, including Medicaid, Medicare and military-related health insurance plans.

Minorities continue to be more likely than whites to be uninsured. The uninsured rate for whites was 9.8 percent in 2013, compared to 15.9 percent for blacks, 14.5 percent for Asians and 24.3 percent for Hispanics.