

Erratum Note: The U.S. Census Bureau identified an error in the input of Supplemental Poverty Measure thresholds for renters used in the 2016 Supplemental Poverty Measure data products. The base threshold should have been \$26,104 and was erroneously entered as \$26,014. This error affected the Supplemental Poverty Measure poverty status for 109 unweighted observations. As a result, the overall Supplemental Poverty Measure poverty rate was understated by 0.06 percentage points—13.91 in published tables compared to 13.97 percent. Corrected tables, research files, and a revised report will be available on our website.

**WEBINAR ON
2016 INCOME, POVERTY, AND HEALTH INSURANCE COVERAGE ESTIMATES
FROM THE CURRENT POPULATION SURVEY**

David G. Waddington
Chief, Social, Economic, and Housing Statistics Division

September 12, 2017

Good morning and thank you for joining us.

Today, we are releasing income, poverty, and health insurance coverage estimates.

(Slide 4) Highlights

Let me begin by summarizing the main findings.¹

- Median household income for the nation was \$59,000 in 2016, an increase in real terms of 3.2 percent from the 2015 median of \$57,200.
- The official poverty rate in 2016 was 12.7 percent, down 0.8 percentage points from 2015. In 2016, there were 40.6 million people in poverty, 2.5 million fewer than in 2015.
- The Supplemental Poverty Measure (SPM) rate in 2016 was 13.9 percent, 0.6 percentage points lower than the SPM estimate for 2015.
- The percentage of people without health insurance coverage for the entire calendar year was 8.8 percent, or 28.1 million people. This was a decrease of 0.3 percentage points from 2015.

¹ As in all surveys, the data presented here and in the report being released today are estimates, subject to sampling variability and response errors. All statements in this briefing and the report meet the Census Bureau's standards for statistically significant differences, unless noted otherwise. All historical income data are expressed in 2016 dollars and were adjusted using the Consumer Price Index Research Series, which measured a 1.2 percent increase in consumer prices between 2015 and 2016. The poverty thresholds are also updated each year for inflation. In 2016, the weighted average threshold for a family of four was \$24,563; and for a family of three, \$19,105.

(Slide 5)

We are releasing three reports today: *Income and Poverty in the United States: 2016*, *Health Insurance Coverage in the United States: 2016*, and *The Supplemental Poverty Measure: 2016*. Once again we are releasing SPM estimates at the same time as the official poverty estimates.

The income and poverty report and the SPM report are based on data from the Current Population Survey's Annual Social and Economic Supplement (CPS ASEC). The Current Population Survey is the longest-running survey conducted by the Census Bureau and is the official source of the national poverty estimates. The estimates of the official poverty rates are calculated in accordance with the Office of Management and Budget's Statistical Policy Directive 14.

The health insurance report includes data from both the Current Population Survey and the American Community Survey. The American Community Survey is an ongoing survey that has a much larger sample size than the Current Population Survey, making it the recommended source of health insurance statistics for smaller populations and levels of geography.

(Slide 6) Real Median Household Income: 1967 to 2016

Let me start by giving more details about the changes we observed in income. This chart shows median household income from 1967 to 2016 in real, inflation-adjusted dollars.² Recessions, as defined by the National Bureau of Economic Research, are depicted in this, and all time-series charts, in light blue shading.³

The median represents the point on the distribution of household income at which half of the households have income below it and half have income above it. Real median household income was \$59,000 in 2016, an increase in real terms of 3.2

² The 2014 CPS ASEC included redesigned questions for income and health insurance coverage. All of the approximately 98,000 sampled addresses received historically consistent questions on earnings from jobs and were eligible to respond to the redesigned set of health insurance coverage questions. The redesigned income questions were implemented to a subsample of these 98,000 addresses using a probability split panel design. Approximately 68,000 addresses were eligible to receive a set of income questions similar to those used in the 2013 CPS ASEC and prior years. The remaining 30,000 addresses were eligible to receive the redesigned income questions, which have been used since. Since earnings questions remained consistent and poverty estimates showed no statistical difference across the split panel design, we continue to make historical comparisons prior to reference year 2013. Since there was a statistically significant increase in income with the redesigned questions, we do not make income historical comparisons prior to reference year 2013. For more details see, [Description of the Split Panel Test of the Current Population Survey Annual Social and Economic Supplement \(CPS ASEC\) Income Redesign and Time Series Guidance](http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249description.pdf)

³ The National Bureau of Economic Research, a private research firm, is the source for defining recessions.

percent from the 2015 median. This is the second consecutive annual increase in median household income.

(Slide 7) Real Median Household Income by Age of Householder: 2015 and 2016

Looking at selected demographic characteristics, this next chart shows household income by age of householder for 2015 and 2016. Notice the pattern, with householders aged 15 to 24 having the lowest median income, and householders aged 45 to 54 having the highest median income. The real median income of households maintained by householders aged under 65 increased 3.7 percent between 2015 and 2016, while median income of households maintained by householders aged 65 and over was not statistically different from their 2015 median.⁴

(Slide 8) Real Median Household Income by Race and Hispanic Origin of Householder: 1967 to 2016

Next, we show household income by race and Hispanic origin of the householder. The real median income of households maintained by non-Hispanic Whites (\$65,000), Blacks (\$39,500), and Hispanics (\$47,700) increased 2.0 percent, 5.7 percent, and 4.3 percent, respectively, between 2015 and 2016.⁵ This is the second annual increase in median household income for non-Hispanic White, Black, and Hispanic households. Among the race groups, households maintained by Asians had the highest median income in 2016 (\$81,400), though the 2015 to 2016 percentage change in their real median income was not statistically significant.⁶

(Slide 9) Real Median Household Income by Region: 2015 and 2016

Looking at household median income by region, households in the South and West experienced an increase in real median income of 3.9 percent and 3.3 percent, respectively, between 2015 and 2016.⁷ Comparing regional to national household median income, the medians in the Northeast and West were higher, the median for the Midwest was not statistically different, and the median in the South was lower.

(Slide 10) Real Household Income at Selected Percentiles: 1967 to 2016

⁴ The differences between the 2015-2016 percentage changes in median income for households maintained by householders aged under 65 years (3.7 percent) and by householders aged 65 years and over (2.1 percent) were not statistically significant.

⁵ The differences between the 2015-2016 percentage changes in median income for non-Hispanic White (2.0 percent), Black (5.7 percent), Hispanic (4.3 percent), and Asian (4.2 percent) households were not statistically significant.

⁶ The small sample size of the Asian population and the fact that the CPS ASEC does not use separate population controls for weighting the Asian sample to national totals contribute to the large variances surrounding estimates for this group. As a result, we are unable to detect statistically significant year-to-year differences between some estimates for the Asian population. The American Community Survey (ACS), based on a much larger sample size of the population, is a better source for estimating and identifying changes for small subgroups of the population.

⁷ The difference between the 2015-2016 percentage changes in median income for households in all regions were not statistically significant.

While the median represents one point on the distribution of household income, other points provide additional information about the nation's household income distribution. For example, 10 percent of the households had income below \$13,600. Ten percent of households had income above \$170,500, and 5 percent had income above \$225,300. Changes in the relationship of these income measures and the shares of income they possess, shown in the full report, can indicate how income inequality is changing.

(Slide 11) Gini Index of Money Income: 1967 to 2016

Using the information about the distribution of household income from the Current Population Survey, we can produce a Gini index—a widely used measure of inequality. The Gini index indicates higher inequality as the index approaches one. The Gini index is calculated using pre-tax cash income and was 0.481 in 2016. It was not statistically different from 2015.

(Slide 12) Real Median Earnings and Female-to-Male Earnings Ratio: 1960 to 2016 (Full-time, year-round workers, aged 15 and older)

These next slides switch to earnings and work experience data for people aged 15 and older. Here we see historical data on the real median earnings and female-to-male earnings ratios of full-time, year-round workers from 1960 to 2016.⁸ The median earnings of men (\$51,600) and women (\$41,600) who worked full-time, year-round were not statistically different from their respective 2015 medians. The female-to-male earnings ratio was 80.5 percent in 2016, an increase of 1.1 percent from the 2015 ratio of 79.6 percent. This is the first time the female-to-male earnings ratio has experienced a statistically significant annual increase since 2007.

(Slide 13) Total and Full-Time, Year-Round Workers with Earnings by Sex: 1967 to 2016

This slide shows the number of workers historically by work experience and sex. Between 2015 and 2016 the total number of people with earnings, regardless of work experience, increased by about 1.2 million. In addition, the total number of men and women working full-time, year-round with earnings increased by 2.2 million between 2015 and 2016, suggesting a shift from part-year, part-time work status to full-time, year-round work status.⁹

Now we'll take a look at poverty.

⁸ A full-time, year-round worker is a person who worked 35 or more hours per week (full-time) and 50 or more weeks during the previous calendar year (year-round). For school personnel, summer vacation is counted as weeks worked if they are scheduled to return to their job in the fall.

⁹ The difference between the 2015-2016 increases in the number of men and women full-time, year-round workers was not statistically significant.

(Slide 14) Poverty Rate and Number in Poverty: 1959 to 2016

This slide shows the official poverty rate and the number of people in poverty. The official poverty rate in 2016 was 12.7 percent, down from 13.5 percent in 2015. In 2016, there were 40.6 million people in poverty, down from 43.1 million in 2015. In 2016, a family with two adults and two children was categorized as “in poverty” if its income was less than \$24,339.

The difference between the poverty rate in 2016 (12.7 percent) and the poverty rate in 2007 (12.5 percent), was not statistically significant. This is the first year since the most recent recession where poverty was not significantly higher than the pre-recession period.

(Slide 15) Poverty Rates by Race and Hispanic Origin: 1959 to 2016

Here we demonstrate the differences in poverty trends across race and Hispanic-origin groups. For non-Hispanic Whites the poverty rate was 8.8 percent in 2016, not statistically different from 2015. The poverty rate for Blacks decreased to 22.0 percent in 2016, down from 24.1 percent in 2015. For Hispanics, the poverty rate decreased to 19.4 percent in 2016, down from 21.4 percent in 2015. The change in the poverty rate for Asians was not statistically significant.

(Slide 16) Poverty Rates by Age: 1959 to 2016

This slide looks at poverty rates by age. For children under age 18, 18.0 percent were in poverty in 2016, down from 19.7 percent in 2015. Poverty in 2016 decreased for people aged 18 to 64, to 11.6 percent, down from 12.4 percent in 2015. People aged 65 and older had a poverty rate of 9.3 percent in 2016. The difference between the 2015 and 2016 poverty rate for this group was not statistically significant.

(Slide 17) Comparison of Female-to-Male Poverty Rates: 1966 and 2016

The poverty rate for females has historically been higher than the poverty rate for males, but this difference has narrowed over time. In 1966, the poverty rate for females was 3.3 percentage points higher than for males. By 2016, the difference in rates across females and males had declined to 2.7 percentage points. Age, however, matters.

The narrowing of differences in poverty rates across sexes from 1966 to 2016 was concentrated among individuals aged 65 and older. In 1966, poverty was 8.5 percentage points higher among older females and by 2016 this difference had narrowed to 3.0 percentage points.

(Slide 18) Average Per Capita Income Deficit for Families and Unrelated Individuals in Poverty: 2016

The average per-capita income deficit provides a measure of how much income

per person would be necessary to move individuals and families out of poverty.

Families with female householders with no husband present in 2016 required more income to rise above the poverty line compared to other family types, while unrelated individuals experienced a larger annual income deficit than those living in families.¹⁰

(Slide 19) People with Income at Various Levels of Poverty: 2016

While 12.7 percent of the population in 2016 were in poverty, 5.8 percent of the population had incomes below 50 percent of their poverty threshold, meaning the family or individual received less than half of the income necessary to meet their poverty threshold.

Among those in poverty in 2016, 45.6 percent had incomes below 50 percent of their poverty thresholds.

(Slide 20) People Below 50 Percent of Their Threshold Among Those in Poverty by Selected Characteristics: 2016

This slide looks at the proportion of people in poverty in 2016 with income below 50 percent of their threshold by selected characteristics.

While 45.6 percent of the total population in poverty had less than 50 percent of the income needed to reach their poverty threshold, this proportion was lower among the poor aged 65 years and older as well as for Hispanics.

(Slide 21) Supplemental Poverty Measure (SPM)

The Supplemental Poverty Measure (SPM) extends the official poverty measure by taking into account many of the government programs designed to assist low-income families and individuals that are not included in the official measure. Noncash benefits, such as housing or nutritional assistance, are added to pre-tax cash income, while necessary expenses, such as taxes, work and medical expenses, are subtracted.¹¹

The SPM does not replace the official poverty measure and is not used to determine eligibility for government programs.

¹⁰ The average per capita income deficit for all families was not statistically different from the average per capita income deficit for families with a male householder.

¹¹ For a more detailed description of the Supplemental Poverty Measure, see www2.census.gov/library/publications/2017/demo/p60-261.html

(Slide 22) Official and SPM Thresholds for Units with Two Adults and Two Children: 2016

The SPM uses thresholds produced by the Bureau of Labor Statistics (BLS) from Consumer Expenditure Survey data. Separate thresholds are created for renters, homeowners with a mortgage and those who own their homes free and clear.

While the official poverty threshold is constant throughout the United States, the SPM adjusts for geographic differences in housing costs. This map shows those differences, with yellow areas having lower thresholds for renters than the official poverty threshold and blue and green areas having higher thresholds.

(Slide 23) Comparison of SPM Poverty Estimates: 2015 and 2016

This slide compares the SPM estimates for 2016 with the SPM estimates for 2015 for all people and by age group. The 2016 SPM rate for the entire population was 13.9 percent, 0.6 percentage points lower than the SPM rate for 2015.

There were statistically significant decreases in the poverty rates overall, for children under age 18, and people aged 18 to 64 between 2015 and 2016. The SPM rate for adults aged 65 and older had a statistically significant increase of 0.8 percentage points in 2016.

(Slide 24) Comparison of SPM and Official Poverty Estimates: 2016

This slide compares the SPM estimates for 2016 with the official poverty estimates for all people and by age group. The 2016 SPM rate for the entire population was 1.2 percentage points higher than the 2016 official poverty rate. Looking at specific age categories, the SPM rate was lower than the official poverty rate for children but higher than the official poverty rate for people aged 18 to 64 and people aged 65 and older.¹²

(Slide 25) Change in Number of People in Poverty After Including Each Element: 2016 (In millions)

One important contribution that the SPM provides is allowing us to gauge the effectiveness of tax credits and transfers in alleviating poverty. We can also examine the effects of the nondiscretionary expenses such as work and medical expenses. This graph shows the impact on the 2016 SPM rate of the addition or subtraction of a single resource element. Some of these elements, such as Social Security and unemployment

¹² Since the CPS ASEC does not ask income questions for individuals under age 15, they are excluded from the universe for official poverty calculations. For the official poverty estimates shown in the SPM report, all unrelated individuals under age 15 are included and presumed to have the same poverty status as the primary family. For the SPM, they are assumed to share resources with the household reference person.

insurance are included in the official estimates. Other elements, such as Supplemental Nutritional Assistance Program (SNAP) benefits and refundable tax credits are included only in the SPM resource measure.¹³

Using this chart, we can see that:

- 26.1 million people were taken out of poverty by Social Security benefits.
- 8.2 million people were taken out of poverty by Refundable tax credits.
- 3.6 million people were taken out of poverty by SNAP benefits (food stamps).
- However, subtracting medical expenses from income increased the number of people in poverty by 10.5 million using the SPM.

Now I would like to turn to health insurance.

(Slide 26) Changes in the Rate of Health Insurance Coverage

Over time, changes in the rate of health insurance coverage and the distribution of coverage types may reflect economic trends, shifts in the demographic composition of the population, and policy changes that affect access to care. Several such policy changes occurred in 2014, when many provisions of the Patient Protection and Affordable Care Act went into effect.

(Slide 27) Percentage of People by Type of Health Insurance Coverage: 2016

Let me start by giving details about coverage rates for the population as a whole. In 2016, most people, 91.2 percent, had health insurance coverage at some point during the calendar year, with more people having private health insurance, 67.5 percent, than government coverage, 37.3 percent.¹⁴ Of the sub-types of health insurance, employer-based insurance covered the most people, 55.7 percent of the population, followed by Medicaid (19.4 percent), Medicare (16.7 percent), direct-purchase, which includes health insurance exchanges (16.2 percent), and military health care (4.6 percent).

(Slide 28) Change in Percentage of People by Type of Health Insurance Coverage: 2013 to 2016

According to the Current Population Survey, the percentage of people covered by any type of health insurance increased by 0.3 percentage points to 91.2 percent in

¹³ Money income includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources.

¹⁴ Some people may have more than one coverage type during the calendar year.

2016. Between 2015 and 2016, the rate of Medicare coverage increased by 0.4 percentage points to cover 16.7 percent of people for part or all of 2016.¹⁵

Between 2015 and 2016, there was no statistically significant change for any other subtype of health insurance.

Here, on the right, we see the change in health insurance coverage rates since 2013 – the baseline year before many provisions of the Affordable Care Act went into effect.

The uninsured rate decreased by 4.6 percentage points between 2013 and 2016. The percentage of people covered by private health insurance increased by 3.3 percentage points in this four-year period. However, of the two sub-types of private coverage, only direct-purchase health insurance had a significant change (4.8 percentage points).¹⁶

During this period, the percentage of people with government coverage increased by 2.7 percentage points. Among the sub-types of government coverage, the Medicare coverage rate increased by 1.0 percentage points, and the Medicaid coverage rate increased by 1.9 percentage points.¹⁷

(Slide 29) Uninsured Rate by Household Income: 2016

Now, turning to socioeconomic characteristics: In 2016, people with lower household income had higher uninsured rates than people with higher income. The uninsured rate for people in households with an annual household income of less than \$25,000 was 13.7 percent, a 1.1 percentage-point decrease from 2015. The uninsured rate for people in households with income of \$125,000 or more was 4.2 percent in 2016.

(Slide 30) Uninsured Rate by Work Experience, Ages 19 to 64 Years: 2016

In 2016, the uninsured rate for full-time, year-round workers was 9.8 percent. For people who worked less than full-time, year-round, the uninsured rate was 14.8 percent, a 1.0 percentage-point decrease from 2015. For people who did not work at least one week, the uninsured rate was 15.0 percent, also a decrease from 2015.¹⁸

(Slide 31) Uninsured Rate by Race and Hispanic Origin: 2016

In 2016, the uninsured rate for non-Hispanic Whites was 6.3 percent, a decrease

¹⁵ This increase was likely due to an increase in the number of people aged 65 and over and not to changes in Medicare coverage rates within a particular age group.

¹⁶ Between 2013 and 2016, there was no significant difference in the percentage of people covered by employment-based health insurance.

¹⁷ Between 2013 and 2016, there was no significant difference in the percentage of people covered by military health plans.

¹⁸ The uninsured rate for people who worked less than full-time, year-round was not significantly different from the rate for people who did not work at least one week.

from 2015. This rate was lower compared with other groups. The uninsured rate was 10.5 percent for Blacks and 7.6 percent for Asians. Hispanics had the highest uninsured rate in 2016, at 16.0 percent.

(Slide 32) Uninsured Rate by Single Year of Age: 2013 to 2016

As I mentioned in the beginning of the presentation, the American Community Survey has a much larger sample size than the Current Population Survey. The larger sample size of the American Community Survey is a useful source for measuring characteristics that we cannot measure or distinguish with other surveys. The large sample size also makes it ideal for looking closely at year-to-year changes in smaller subgroups of the population, such as single-year ages. This figure shows the uninsured rates by single year of age from 2013 – in the lightest blue to 2016 – in the darkest blue.

According to the American Community Survey, the percentage of people without health insurance coverage at the time of the interview dropped for most ages under 65 between 2015 and 2016. These declines in the uninsured rate followed two years of decreases for all ages under 65.¹⁹ Younger adults tended to experience a larger decline than older adults. For example, the uninsured rate decreased by 2.0 percentage points for 26-year-olds and 0.6 percentage points for 64-year-olds.

Adults aged 26 continued to have the highest uninsured rate, at 17.5 percent in 2016.

Three notable sharp differences remained in 2016 between single age years; specifically,

- between 18- and 19-year olds,
- between 25- and 26-year olds, and
- between 64- and 65-year olds.

(Slide 33) Uninsured Rate by State: 2013 to 2016

The American Community Survey is also a useful source for estimating and identifying changes in uninsured rates at the state level. On this map, the darkest blue represents uninsured rates of 14.0 percent or more. Lighter shades represent lower uninsured rates, and the lightest blue category represents an uninsured rate of less than 8.0 percent.

Here, beginning in 2013, the year before many of the provisions of the Affordable Care Act went into effect, most states are in the darkest category. Only 3 states and the District of Columbia were in the lightest category.

Here is the map for 2014, the year many provisions of the healthcare law went into effect. In general, the colors on the map are lighter as now 11 states and the District of Columbia are in the lowest category.

¹⁹ Estimates on single-year of age come from the 2013 to 2016 1-Year American Community Surveys.

Here is the map for 2015. Generally, the colors on the map continue to lighten.

And, here again is the map for 2016. Between 2015 and 2016, the uninsured rate decreased in 39 states. Statistically significant decreases ranged from 0.3 percentage points in Massachusetts to 3.5 percentage points in Montana. Now 25 states and the District of Columbia are the lightest shade of blue, with an uninsured rate of less than 8.0 percent. Since 2013, the uninsured rate has dropped in all 50 states and the District of Columbia.

(Slide 34) Uninsured Rate by State and Medicaid Expansion Status: 2016

Variation in the uninsured rate by state may be related to whether the state expanded Medicaid eligibility beginning in 2014 as part of the Affordable Care Act.

The two maps shown here highlight whether or not states expanded Medicaid eligibility. The map on the left shows states that expanded Medicaid eligibility, referred to as expansion states. The map on the right shows states that did not expand Medicaid eligibility, referred to as non-expansion states. As of January 1, 2016, 30 states and the District of Columbia expanded Medicaid eligibility.

In expansion states, the uninsured rate in 2016 was 6.5 percent. In non-expansion states, the rate was higher at 11.7 percent.²⁰ Uninsured rates in expansion states ranged from 2.5 percent in Massachusetts to 14.0 percent in Alaska. Uninsured rates in non-expansion states for 2016 ranged from 5.3 percent in Wisconsin to 16.6 percent in Texas.

Between 2015 and 2016, the overall decrease in the uninsured rate was 0.9 percentage points in expansion states, compared with 0.7 percentage points in non-expansion states. Decreases for individual states ranged from 0.3 percentage points to 3.5 percentage points in expansion states, and 0.4 percentage points to 1.7 percentage points in non-expansion states.²¹

(Slide 35) Uninsured Rate by Poverty Status and Medicaid Expansion of State for Adults Aged 19 to 64 Years: 2013 to 2016

Medicaid eligibility, and therefore the uninsured rate, is often related to poverty status. The population with lower income may be eligible for Medicaid coverage, particularly if they resided in one of the states that expanded Medicaid eligibility.²²

²⁰ Estimates come from the 2016 1-Year American Community Survey.

²¹ Eleven states and the District of Columbia did not have a statistically significant change in their uninsured rates.

²² Medicaid expansion status as of January 1, 2016.

In 2014 through 2016, the uninsured rate was higher in non-expansion states than in expansion states at all levels of poverty.²³

The uninsured rate decreased at each level of poverty between 2015 and 2016 except for people living at or above 400 percent of poverty in non-expansion states. However, the overall decrease in the uninsured rate was greater in expansion states than in non-expansion states for all poverty status groups.

(Slide 36) Highlights

That concludes my part of the presentation. Here again are the highlights:

- Median household income for the nation was \$59,000 in 2016, an increase in real terms of 3.2 percent from the 2015 median of \$57,200.
- The official poverty rate in 2016 was 12.7 percent, down 0.8 percentage points from 2015. In 2016, there were 40.6 million people in poverty, 2.5 million fewer than in 2015.
- The Supplemental Poverty Measure (SPM) rate in 2016 was 13.9 percent, 0.6 percentage points lower than the SPM estimate for 2015.
- The percentage of people without health insurance coverage for the entire calendar year was 8.8 percent, or 28.1 million people. This was a decrease of 0.3 percentage points from 2015.

Thank you, and now I will turn it back over to Michael.

²³ Estimates are from the 2013 to 2016 1-Year American Community Surveys.