WEBINAR ON
2010 INCOME, POVERTY AND HEALTH INSURANCE ESTIMATES FROM THE CURRENT POPULATION SURVEY

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Good morning and thank you for joining us today.

Today we are releasing national income, poverty, and health insurance coverage estimates from the Annual Social and Economic Supplement of the Current Population Survey (or CPS). I will be presenting the income findings. Trudi Renwick will present poverty findings and Brett O'Hara will present health insurance coverage findings.

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Let me begin by summarizing the main findings from each subject area.[1]

- Real median household income in 2010 declined 2.3 percent from 2009;
- The 2010 official poverty rate increased to 15.1 percent and the number of poor increased to 46.2 million; and
- The number without health insurance coverage increased to 49.9 million while the percentage of people without health insurance coverage was not statistically different.

Trudi and Brett will present more findings on the poverty and health insurance coverage in a little bit.

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Right now, I'm going give more details about the changes we observed in income. This chart shows median household income from 1967 to 2010 in real, inflation

[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 2010 dollars and were adjusted using the Consumer Price Index Research Series, which measured a 1.7 percent increase in consumer prices between 2009 and 2010. The poverty thresholds are also updated each year for inflation. In 2010, the weighted average threshold for a family of four was $22,314; and for a family of three, $17,374.

adjusted dollars. Recessions, as defined by the National Bureau of Economic Research (NBER), are depicted in this, and all time series charts, in light blue shading.[2] Real median household income was $49,400 in 2010, 2.3 percent lower than in 2009.

Since 2007, the year before the most recent recession, median household income has declined 6.4 percent and was 7.1 percent below its recent high achieved in 1999.[3] Since 1967, the first year household data was collected; real median household income has increased 21.3 percent.

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The most recent recession started in December 2007 and ended in June 2009. There were six other recessions during the 1967 to 2009 time period. This next slide looks more closely at what has happened to median household income in the first year after each of those recessions: income declined in 2010 and after three other recessions, and was not statistically different after two.

(Slide 9)

Looking at a couple of household demographics, this next chart shows household income by age of householder. Collectively, all households with a householder under age 65 showed a decline in real median household income between 2009 and 2010. Individually, declines were noted in the two youngest age categories as well as the 45 to 54 age group. The other age groups showed no statistically significant changes. Since 2007, median household income has declined for all householder age groups except those 65 and older where real median household income increased. The youngest age group showed the largest decline.

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Here we show real median household income by race and Hispanic origin. For the groups shown, only Black households experienced a decline in real median income between 2009 and 2010 while the changes for Asian, non-Hispanic White, and Hispanic household income were not statistically significant. Asian households continue to have the highest median household income at $64,300. Household incomes for each of these groups were down from 2007.

(Slide 11)

New in this year's report are data by disability status. This next slide shows income for households with householders 18 to 64 by disability status. In 2010, 9.5 percent of householders reported having a disability with a median household income of $25,600. The 2010 median income of households where the householder did not have a disability was $58,700. Both showed declines in real income from 2009.

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[2] The National Bureau of Economic Research (NBER), a private research firm, is the source for defining recessions.
[3] The difference between the 2007 to 2010 and 1999 to 2010 percentage changes was not statistically significant.

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While the median represents one point on the distribution of household income – the point at which half of the households have income below it and half above it—other points along the distribution provide additional information about the nation's household income distribution. For example, at the 10th percentile, 10 percent of the households had income below $11,900. At the 90th percentile, 10 percent of households had income above $138,900. Changes in the relationship of these income measures can indicate how income equality is changing. Income at the 10th percentile declined 3.4 percent between 2009 and 2010 while the change for the 90th percentile was not statistically significant. Since 1999, when real median household income peaked before the two most recent recessions, real median household income fell 7.1 percent, the 10th percentile income fell 12.1 percent while income at the 90th percentile fell 1.5 percent. Over the same time period, the ratio of the 90th-to-10th income increased from 10.4 to 11.7, indicating a widening of the gap between the extreme top and bottom income groups. Some of the other income inequality measures have also shown increased inequality.

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These next slides switch from household income to earnings and work experience data for people 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 2010. Between 2009 and 2010, the earnings of both men and women showed no statistically significant change and the female-to-male earnings ratio was 77 percent, not statistically different from 2009. Over the long term, this ratio is up from 61 percent in 1960.

Comparing the changes in median earnings of workers who were able to work full time, year round in the year following a recession shows that for men, real median earnings showed no statistically significant changes after six of the seven recessions and an increase after one. For women, earnings showed no statistically significant changes after two, increases after four and a decline after one.

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This slide shows the number of workers historically by work experience. Between 2009 and 2010 there were no statistically significant changes in the number of both men and women full-time, year-round workers. Since 2007, the number of men who worked full time, year round declined by 6.6 million and the number of women by 2.8 million. In the years following recessions, the number of full-time, year-round workers showed no statistically significant changes after three recessions and increases after four. For all workers, there was a decline in 2010, no statistically significant change after one and increases after five.

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That concludes my part of the presentation. Next Trudi Renwick will give more details about poverty.

(Slide 16)

Both poverty and income estimates are sensitive to changes in the overall economy. These charts show the changes in real median household income and the poverty rate since 1967. As you can see, the time series for poverty is generally a mirror image of the series for median income, with the poverty rate usually increasing during periods of falling median income

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The next two graphs show that the number of people in poverty increased from 43.6 million in 2009 to 46.2 million in 2010 while the poverty rate increased from 14.3 percent to 15.1 percent. In 2010, a family with two adults and two children was categorized as "in poverty" if their income was less than $22,113. This is the third annual increase in the poverty rate since 2004. The poverty rate in 2010 was the highest poverty rate since 1993, but was 7.3 percentage points lower than in 1959, the first year estimates are available.[4] (The poverty rate for 1959 was 22.4 percent). The estimate of 46.2 million people in poverty is the largest number in the 52 years for which poverty estimates have been published.

(**Slide 18**)

Since 2010 represents the first full calendar year after the recession which ended in June 2009, it is interesting to compare changes in poverty between 2009 and 2010 with changes during the first year after the end of other recessions.[5] Between 2009 and 2010 the poverty rate increased by 0.8 percentage points and the number of people in poverty increased by 2.6 million. This chart shows that the poverty rate also increased in the first calendar year following the end of the previous two recessions and after the 1980 recession.[6] On the other hand, in the calendar year following the recessions that ended in 1961 and 1975, the poverty rate decreased. The changes in the poverty rate in the year after the other two recessions were not statistically significant.[7]

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[4] The1993 poverty rate was not statistically different from the 2010 poverty rate, the 90 percent confidence interval around the difference between the 1993 estimate and the 2010 estimate includes zero.

[5] Business cycle peaks and troughs used to delineate the beginning and end of recessions are determined by the National Bureau of Economic Research, a private research organization. See Appendix A for more information.

[6] The increases in the poverty rates and the number of people in poverty in the first calendar year after the recessions that ended in 2009, 2001 and 1991 were not statistically different from each other.

[7] The decreases in the poverty rates in the first calendar year after the recessions that ended in 1975 and 1961 were not statistically different from each other. Poverty rates and the number of people in poverty went up between 1980 and 1981 but while 1981 was the first calendar year after the recession that ended in July 1980, the economy fell back into recession in July 1981. The increase in poverty rates in the year after the recession that ended in 1980 was not statistically different from the increases in the poverty rates in the year after the recessions that ended in 2009 and 1991. The increase in the number of people in poverty in the year following the recession that ended in 1980 was not statically different from the increases in the number of people in poverty in the year after the recessions that ended in 2009, 2001and 1991.

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The next slides demonstrate the disparities in poverty trends across demographic groups. Poverty rates increased between 2009 and 2010 for all racial groups except Asians.[8] Poverty rates for 2010 ranged from 9.9 percent for non-Hispanic whites to about 27 percent for Blacks and Hispanics. Poverty rates for Blacks and Hispanics were more than double the poverty rate for non-Hispanic Whites.[9]

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This slide looks at poverty rates by age. For people aged 65 and older, the poverty rate was 9.0 percent in 2010, not statistically different from the 2009 rate. For people aged 18 to 64 the poverty rate increased from 12.9 percent to 13.7 percent. The poverty rate for children increased from 20.7 percent in 2009 to 22.0 percent in 2010. In 2010, 9.9 percent of children lived in families with income less than 50 percent of their poverty threshold. (Not shown on graph.)

(Slide 21)

Looking at family poverty rates, this slide shows the differences in family poverty rates by family type for families with related children. The poverty rate for married couple families was 8.8 percent in 2010. After falling for many years, reaching a low of 33.0 percent in 2000, the poverty rate for female headed households with children has increased again, reaching 40.7 percent in 2010.

(**Slide 22**)

This slide examines poverty rates by disability status. Between 2009 and 2010 poverty increased by 2.9 percentage points for people with a disability but only 0.5 percentage points for people without a disability. The poverty rate for people with a disability in 2010 was more than twice the poverty rate for people without a disability.

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One way that individuals and families may have dealt with the recent economic downturn is to double up.[10] The number and share of doubled-up households and adults sharing households in the U.S. increased over the course of the recession which began in December 2007 and ended in June 2009. In spring 2007, doubled-up households totaled 19.7 million. By spring 2011, the number of doubled-up households had increased by 2.0 million to 21.8 million, an increase of 10.7 percent. The percent of households doubled up increased by 1.3 percentage points from 17.0 percent to 18.3 percent. Among adults, 61.7 million (27.7 percent) were doubled-up in 2007, while 69.2

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[8] The change in the poverty rate for Asians between 2009 and 2010 was not statistically significant.

[9] The poverty rate for Blacks (27.4 percent) was not statistically different from that of Hispanics (26.6 percent).

[10] Doubled-up households are defined as households that include at least one “additional” adult, a person aged 18 or older who is not enrolled in school and is not the householder, spouse or cohabiting partner of the householder. While the CPSS ASEC estimates poverty and income for the previous calendar year, household composition is measured at the time of the survey.

million (30.0 percent) adults lived in doubled-up households in 2011. While the adult population increased by 3.8 percent between 2007 and 2011, the number of doubled-up adults increased by 12.2 percent.

An estimated 5.9 million young adults aged 25-34 resided in their parents' household in 2011, compared to 4.7 million before the recession, an increase of 25.5 percent. By spring 2011, 14.2 percent of young adults lived in their parents' households, representing an increase of 2.4 percentage points since spring 2007.

It is difficult to precisely assess the impact of doubling up on overall poverty rates. In 2010, young adults aged 25-34, living with their parents, had an official poverty rate of 8.4 percent (when their entire family's income is compared to the threshold which includes them as an additional adult in the family), but if their poverty status were determined using their own income, 45.3 percent had income below the poverty threshold for a single person under age 65 ($11,344).

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The income and poverty estimates in this report are based solely on money income before taxes and use the poverty thresholds developed more than 40 years ago. In 2009 the Office of Management and Budget (OMB) Chief Statistician formed an interagency technical working group. This group provided the Census Bureau and the Bureau of Labor Statistics a set of observations to serve as a roadmap in the development of a Supplemental Poverty Measure. Since the President's fiscal year 2011 budget initiative was not approved, the first estimates using the new measure will not be published until October of this year.

The new measure will not replace the official poverty measure and will not be used to determine eligibility for government programs. The new measure will use thresholds derived by BLS from the Consumer Expenditure Survey data with separate thresholds for renters, homeowners with a mortgage and those who own their homes free and clear. The thresholds will be adjusted for geographic differences in housing costs. The income measure will take advantage of new questions in the CPS—adding estimates of the value of nutritional, housing and energy assistance and tax credits and subtracting estimates of child support paid, child care paid, other work expenses, payroll and income taxes and medical out of pocket expenditures.[11]

The Census Bureau has a web-based tool, called Table Creator II, which allows one to explore some of these alternative income and poverty measures.[12] With this tool, one can examine the sensitivity of poverty estimates to changes in the income measure or the poverty threshold. Table Creator II allows one to see the incremental impact of the addition or subtraction of a single resource element.

[11] For a more detailed description of the Supplemental Poverty Measure, see http://www.census.gov/hhes/www/poverty/SPM_TWGObservations.pdf

[12] The tool, called CPS Table Creator II, is available in a link from the "Microdata Access" page on the poverty web site, <http://www.census.gov/hhes/www/poverty/poverty.html>.

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This table presents 2010 estimates similar to those that can be calculated using the web-based tool.[13]

(Slide 25-1)

- If estimates of the federal Earned Income Tax Credit were added to income, then approximately 3.0 million fewer children would be classified as in poverty (from 16.4 million in poverty using money income to 13.4 million in poverty using income after the federal Earned Income Tax Credit).

(Slide 25-2)

- If unemployment insurance benefits were not included in money income, the number of adults aged 18 to 64 classified as in poverty in 2010 would have increased by 2.3 million.

(Slide 25-3)

- Finally, one can examine the effectiveness of the Social Security program in reducing the number of people aged 65 and older in poverty. In 2010, the number of people aged 65 and over in poverty would be higher by almost 14 million if Social Security payments were excluded from money income, more than quintupling the number of people aged 65 and over in poverty (from 3.5 million people using money income to 17.4 million people when excluding Social Security income from money income).

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Brett O'Hara, chief of the Health Insurance and Disability Statistics branch will now discuss the new health insurance coverage estimates.

Good morning. Our main finding is that health insurance coverage was not statistically different from 2009 to 2010.

(Slide 27)

This chart presents the uninsured rate from 1987 to 2010. The percentage of people without health insurance in 2010, 16.3 percent, was not statistically different from the rate in 2009. Also, the percentage of children without health insurance in 2010, 9.8 percent, was not statistically different from 2009. In 1987, the uninsured rate for all people and for children was 12.9 percent. The difference of these two rates was 6.5 percentage points in 2010.

[13] The Table Creator II will be updated with 2010 data this fall.

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This slide looks at types of health insurance. In 2010, the percentage of people covered by private health insurance decreased to 64.0 percent and the percentage covered by employment-based health insurance decreased to 55.3 percent. For the last 10 years, private insurance has continuously decreased. The percentage of people covered by government health insurance programs, which include Medicaid, Medicare, the Children's Health Insurance Program, and military coverage, increased for the fourth consecutive year to 31.0 percent in 2010.

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Let's look more closely at the new health insurance estimates. This chart shows the percentage point change in uninsured rates by age. The uninsured rate of children and people aged 18-64 were not statistically different from the year before. However, people aged 65 and over had a 0.4 percentage point increase in the uninsured rate.

(Slide 30)

Using more detailed age groups reveals that people aged 18-24 had a decrease in the uninsured rate (of 2 percentage points) while people aged 35-44 and 45-64 had an increase in the uninsured rate.

(Slide 31)

The next slide shows the age group of 18-64 year olds by disability status; this is new content to the report. In 2010, the uninsured rate for those with a disability increased by 1.2 percentage points compared with 2009.

(Slide 32) This chart focuses on uninsured people by race and ethnicity. Compared with 2009, Hispanics had a lower rate of uninsurance and Asians had a higher rate of uninsurance in 2010. Comparing 1999 and 2010, the uninsured rate went up for non-Hispanic Whites – from 9.0 percent to 11.7 percent – and for Blacks – from 18.7 to 20.8 percent. Hispanics and Asians did not have a statistical difference when comparing 1999 and 2010.

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Finally, we take a look at the relationship of household income and being uninsured. 26.9 percent of people living in households with income below $25,000 were uninsured, whereas 8.0 percent of people living in households with income above $75,000 were uninsured. The 2010 uninsured rate for people in households with income ranging between $25,000 and $50,000 experienced an increase in the uninsured rate while the other income groups did not have a statistical difference from 2009.

When we compare 1999 with 2010, all income groups have higher uninsured rates. The second highest income category, between $50,000 and $75,000, had an uninsured rate of 8.9 percent in 1999 and an uninsured rate of 15.4 percent in 2010 (an increase of 6.5 percentage points).

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That concludes my part of the presentation. Next, Stan will open the phone lines for questions from the media.