



**FOR IMMEDIATE RELEASE: WEDNESDAY, SEPTEMBER 16, 2015**

## **Income, Poverty and Health Insurance Coverage in the United States: 2014**

September 16, 2015

Release Number: CB15-157

**SEPT. 16, 2015** — The U.S. Census Bureau announced today that in 2014, there was no statistically significant change from 2013 in either real median household income or the official poverty rate. At the same time, the percentage of people without health insurance coverage declined. Unless otherwise noted, the following results for the nation were compiled from information collected in the 2015 Current Population Survey Annual Social and Economic Supplement.

The nation's official poverty rate in 2014 was 14.8 percent, which means there were 46.7 million people in poverty. Neither the poverty rate nor the number of people in poverty were statistically different from 2013 estimates. This marks the fourth consecutive year in which the number of people in poverty was not statistically different from the previous year's estimate.

Median household income in the United States in 2014 was \$53,657, not statistically different in real terms from the 2013 median income. This is the third consecutive year that the annual change was not statistically significant, following two consecutive annual declines.

The percentage of people without health insurance coverage for the entire 2014 calendar year was 10.4 percent, down from 13.3 percent in 2013. The number of people without health insurance declined to 33.0 million from 41.8 million over the period.

These findings are contained in two reports: [\*Income and Poverty in the United States: 2014\*](#) and [\*Health Insurance Coverage in the United States: 2014\*](#). The Current Population Survey Annual Social and Economic Supplement was conducted between February and April 2015 and collected information about income and health insurance coverage during the 2014 calendar year. The Current Population Survey, sponsored jointly by the U.S. Census Bureau and U.S. Bureau of Labor Statistics, is conducted every month and is the primary source of labor force statistics for the U.S. population; it is used to calculate the monthly unemployment rate estimates. Supplements are added in most months; the Annual Social and Economic Supplement questionnaire is designed to give annual, calendar-year, national estimates of income, poverty and health insurance numbers and rates.

Another Census Bureau report, [\*The Supplemental Poverty Measure: 2014\*](#), was also released today. With support from the Bureau of Labor Statistics, it describes research showing a different way of measuring poverty in the United States. The supplemental poverty measure serves as an additional indicator of economic well-being and provides a deeper understanding of economic conditions. The Census Bureau has published poverty estimates using this supplemental measure annually since 2011. Today marks the first time the official poverty measure and the supplemental poverty measure have been released simultaneously.

The Current Population Survey-based income and poverty report includes comparisons with one year earlier and to 2007 (before the last recession); historical tables in the report contain statistics back to 1959. The health insurance report is based on both the Current Population Survey and the American Community Survey and includes comparisons with one year earlier. State and local income and poverty results, as well as local health insurance coverage results, will be available Thursday, Sept. 17, from the American Community Survey.

### **Income**

- Real median incomes in 2014 for family households (\$68,426) and nonfamily households (\$32,047) did not experience statistically significant changes from the levels in 2013.
- A comparison of real median household income over the past seven years shows that income is 6.5 percent lower than in 2007, the year before the nation entered the most recent economic recession.

### **Race and Hispanic Origin**

(Race data refer to people reporting a single race only; Hispanics can be of any race)

- The real median income of non-Hispanic white households declined by 1.7 percent between 2013 and 2014. Changes were not statistically significant for any of the other race groups or for Hispanics. (See [Table A.](#))

### **Regions**

- Households in the West experienced a 4.6 percent decline in real median income between 2013 and 2014, whereas the apparent changes in household income were not statistically significant in the other three regions. (See [Table A.](#))

### **Earnings**

- The changes in the real median earnings of men and women who worked full time, year-round between 2013 and 2014 were not statistically significant. In 2014, the median earnings of women who worked full time, year-round (\$39,621) was 79 percent of that for men working full time, year-round (\$50,383) — not statistically different from the 2013 ratio. The female-to-male earnings ratio has not shown a statistically significant annual increase since 2007.

- The number of men and women working full time, year-round with earnings increased by 1.2 million and 1.6 million, respectively, between 2013 and 2014. Taken in combination with an increase of about 800,000 in the number of women with earnings, regardless of work experience, and no statistically significant change for their male counterparts, this suggests a shift of workers moving from part-year, part-time work status to full-time, year-round work status. The respective increases in the number of men and women working full time, year-round with earnings were not statistically different from one another, nor were they statistically different from the increase in the number of women with earnings, regardless of work experience.

### **Income Inequality**

- The Gini index was 0.480 in 2014; the change from 2013 was not statistically significant. Since 1993, the earliest year available for comparable measures of income inequality, the Gini index has increased 5.9 percent. (Developed more than a century ago, the Gini index is the most common measure of household income inequality used by economists, with 0.0 representing total income equality and 1.0 equivalent to total inequality.)
- Changes in income inequality between 2013 and 2014 were not statistically significant as measured by the shares of aggregate household income by quintiles.

### **Poverty**

- The poverty rate for families and the number of families in poverty were 11.6 percent and 9.5 million in 2014, neither statistically different from the 2013 estimates
- In 2014, 6.2 percent of married-couple families, 30.6 percent of families with a female householder and 15.7 percent of families with a male householder lived in poverty. For married-couple families, both the poverty rate and the number in poverty increased. For families with a female householder, the poverty rate was not statistically different from 2013, while the number in poverty declined. Neither the poverty rates nor the estimate of the number of families in poverty showed any statistically significant change between 2013 and 2014 for families with a male householder.

### **Thresholds**

- As defined by the Office of Management and Budget and updated for inflation using the consumer price index, the weighted average poverty threshold for a family of four in 2014 was \$24,230.

(See <<https://www.census.gov/hhes/www/poverty/data/threshld/index.html>> for the complete set of dollar value thresholds that vary by family size and composition.)

### **Sex**

- Between 2013 and 2014, changes in poverty rates for males (13.4 percent) and females (16.1 percent) were not statistically significant.

### **Race and Hispanic Origin**

(Race data refer to people reporting a single race only; Hispanics can be of any race)

- None of the major race and ethnic groups experienced a statistically significant change in their poverty rates nor in the number of people in poverty. [Table B](#) details 2014 poverty rates and numbers in poverty, as well as changes since 2013 in these measures, for race groups and Hispanics.

### **Age**

- In 2014, 13.5 percent of people 18 to 64 (26.5 million) were in poverty compared with 10.0 percent of people 65 and older (4.6 million) and 21.1 percent of children under 18 (15.5 million). None of these age groups experienced a statistically significant change in the number or rates of people in poverty between 2013 and 2014.

### **Regions**

- None of the four regions experienced a significant change in the poverty rate or the number in poverty between 2013 and 2014. (See [Table B](#).)

### **Shared Households**

Shared households are defined as households that include at least one “additional” adult: a person 18 or older who is not enrolled in school and is not the householder, spouse or cohabiting partner of the householder. The information on shared households covers adults living in the household at the time of the survey.

- In spring 2007, prior to the recession, there were 19.7 million shared households, representing 17.0 percent of all households. By spring 2015, the number had increased to 23.9 million and represented 19.2 percent of all households. Between 2014 and 2015, however, the changes in the number and percentage of shared households were not statistically significant.
- In spring 2015, 6.5 million young adults age 25 to 34 (15.1 percent) lived with their parents. Neither the number nor percentage of young adults living with their parents experienced a statistically significant change from 2014.
- It is difficult to precisely assess the impact of household sharing on overall poverty rates. In 2014, young adults age 25 to 34, living with their parents, had an official poverty rate of 7.2 percent, but if their poverty status were determined using only their own income, 39.4 percent had an income below the poverty threshold for a single person under age 65.

### **Supplemental Poverty Measure**

The supplemental poverty measure is an effort to take into account many of the government programs designed to assist low-income families and individuals that were not included in the current official poverty measure. While the nation's official poverty rate, presented in the [\*Income and Poverty in the United States: 2014\*](#) report, was 14.8 percent in 2014, the universe for the supplemental poverty measure is different because it includes children younger than 15 who are not related to anyone in the household, such as foster children. Therefore, the official poverty rate presented in the [\*Supplemental Poverty Measure: 2014\*](#) report was 14.9 percent.

The supplemental poverty measure also released today shows:

- The supplemental poverty rate was 15.3 percent, not a statistically significant change from 2013.
- There were 48.4 million poor in 2014 using the supplemental measure, higher than the 47.0 million using the official poverty definition with the supplemental poverty measure universe.
- The number of poor in 2014 according to the supplemental measure was not statistically different from the 2013 number.
- Including tax credits and noncash benefits results in lower poverty rates for some groups. For instance, the supplemental poverty rate was lower for children than the official rate: 16.7 percent compared with 21.5 percent.

While the official poverty measure includes only pre-tax money income, the supplemental measure adds the value of in-kind benefits, such as the Supplemental Nutrition Assistance Program, school lunches, housing assistance and refundable tax credits. Additionally, the supplemental poverty measure deducts necessary expenses for critical goods and services from income. Expenses that are deducted include taxes, child care and commuting expenses, out-of-pocket medical expenses and child support paid to another household. The supplemental poverty measure permits the examination of the effects of government transfers on poverty estimates. For example, not including refundable tax credits (the Earned Income Tax Credit and the refundable portion of the child tax credit) in resources, the poverty rate for all people would have been 18.4 percent rather than 15.3 percent.

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

## **Health Insurance Coverage**

- The Current Population Survey shows that the percentage of people with health insurance for all or part of 2014 was 89.6 percent, higher than the rate in 2013 (86.7 percent).
- After several years of a relatively stable uninsured rate between 2008 and 2013 as measured by the American Community Survey, the percentage of the population who were uninsured dropped in 2014. This represents the largest percentage point decline in

the uninsured rate during this period. 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 impact access to health care. Several such policy changes occurred in 2014, when many provisions of the Patient Protection and Affordable Care Act went into effect.

- Between 2013 and 2014, the increase in the percentage of the population covered by health insurance was due to an increase in the rates of both private and government coverage. The rate of private coverage increased by 1.8 percentage points to 66.0 percent in 2014, and the government coverage rate increased by 2.0 percentage points to 36.5 percent, changes which were not significantly different from each other.
- Of the subtypes of health insurance, employment-based insurance covered the most people (55.4 percent of the population), followed by Medicaid (19.5 percent), Medicare (16.0 percent), direct-purchase (14.6 percent) and military health care (4.5 percent).
- Between 2013 and 2014, the greatest changes in coverage rates were the increases in direct-purchase health insurance and Medicaid. The largest percentage-point change in coverage was for direct-purchase, which increased by 3.2 percentage points to cover 14.6 percent of people for some or all of 2014. The percentage of people with Medicaid coverage during all or part of the year increased by 2.0 percentage points to 19.5 percent in 2014.
- In 2014, the uninsured rate for children younger than 19 was 6.2 percent, down from 7.5 percent in 2013.
- In 2014, the uninsured rate for children younger than 19 in poverty (8.6 percent) was higher than the uninsured rate for children not in poverty (5.6 percent).

### **Race and Hispanic Origin**

(Race data refer to people reporting a single race only; Hispanics can be of any race)

- Between 2013 and 2014, the overall rate of health insurance coverage increased for all race and Hispanic origin groups. The increase was comparable for blacks, Asians and Hispanics (just over 4.0 percentage points) and lower for non-Hispanic whites (2.1 percentage points).
- In 2014, non-Hispanic whites had a higher rate of health insurance coverage (92.4 percent) compared with blacks and Asians (88.2 percent and 90.7 percent, respectively). Hispanics had the lowest rate of health insurance coverage, at 80.1 percent.

### **Nativity**

- Between 2013 and 2014, health insurance coverage rates increased for all nativity groups. The foreign-born population, including both naturalized citizens and noncitizens,

experienced a larger increase in health insurance coverage than did the native-born population.

- In 2014, the uninsured rate of noncitizens was over three times that of the native-born population (31.2 percent for noncitizens compared with 8.7 percent for the native-born population).

## States

- According to the American Community Survey, during 2014, the state with the lowest percentage of people without health insurance at the time of the interview was Massachusetts (3.3 percent), while the highest uninsured rate was for Texas (19.1 percent).
- The American Community Survey also showed that between 2013 and 2014, all 50 states and the District of Columbia showed a decrease in the percentage of people without health insurance coverage at the time of the interview. The declines for the states ranged from 0.4 percentage points to 5.8 percentage points.

## State and Local Estimates from the American Community Survey

On Thursday, Sept. 17, the Census Bureau will release single-year estimates of median household income, poverty and health insurance for all states, counties, places and other geographic units with populations of 65,000 or more from the 2014 [American Community Survey](#). These statistics will include numerous social, economic and housing characteristics, such as language, education, commuting, employment, mortgage status and rent. Later today, subscribers will be able to access these estimates on an [embargoed](#) basis.

The American Community Survey provides a wide range of important statistics about people and housing for every community (i.e., census tracts or neighborhoods) across the nation. The results are used by everyone from town and city planners to retailers and homebuilders. The survey is the only source of local estimates for most of the 40 topics it covers for even the smallest communities.

## Redesigned Questions

The 2015 Current Population Survey Annual Social and Economic Supplement data on income and poverty are based on a redesigned questionnaire aimed at improving income reporting, increasing response rates, reducing reporting errors by taking better advantage of an automated questionnaire environment and updating questions on retirement income and the income generated from retirement accounts and other assets.

The 2013 income and poverty estimates in the report released today differ from those released in September 2014 on the Internet and in the report [Income and Poverty in the United States: 2013](#). All of the approximately 98,000 addresses included in the 2014 Current Population Survey Annual Social and Economic Supplement were eligible to receive the redesigned set of health

insurance questions. The redesigned income questions were implemented to a subsample of the 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 Current Population Survey Annual Social and Economic Supplement and the remaining 30,000 addresses were eligible to receive the redesigned income questions. The source of the new 2013 data used in the report released today is the portion of the sample which received the redesigned income questions: approximately 30,000 addresses. A probability split panel design means the Census Bureau assigned each address in the sample to either the traditional questionnaire or the alternate redesigned questionnaire based on a random number.

**The Current Population Survey Annual Social and Economic Supplement is subject to sampling and nonsampling errors. All comparisons made in the report have been tested and found to be statistically significant at the 90 percent confidence level, unless otherwise noted.**

**For additional information on the source of the data and accuracy of the Income and Poverty estimates, visit <<ftp://ftp2.census.gov/library/publications/2015/demo/p60-252sa.pdf>>. For additional information on the source of the data and accuracy of the Health Insurance estimates, visit <[www2.census.gov/library/publications/2015/demo/p60-253sa.pdf](http://www2.census.gov/library/publications/2015/demo/p60-253sa.pdf)>.**

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