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Income Climbs, Poverty Stabilizes, Uninsured Rate Increases

Real median household income in the United States rose by 1.1 percent between 2004 and 2005, reaching \$46,326, according to a report released today by the U.S. Census Bureau. Meanwhile, the nation's official poverty rate remained statistically unchanged at 12.6 percent. The percentage of people without health insurance coverage rose from 15.6 percent to 15.9 percent (46.6 million people).

These findings are contained in the [Income, Poverty, and Health Insurance Coverage in the United States: 2005](#) [PDF] report. The report's data were compiled from information collected in the 2006 Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS).

Source of Estimates and Statistical Accuracy

As with all surveys, the estimates may differ from the actual values because of sampling variation or other factors. All statements in this news release have undergone statistical testing, and all comparisons are significant at the 90-percent confidence level, unless otherwise noted.

Also released today were tabulations of economic data from the [2005 American](#)

[Community Survey \(ACS\)](#), a powerful new tool that provides timely and updated information about the nation's changing and diverse population every year. The data are available for nearly 7,000 areas including for the first time all congressional districts, and counties, cities and American Indian/Alaska native areas of 65,000 population or more. Without the ACS, this type of information — previously gathered just once a decade — would not be available for communities until 2012.

The CPS-ASEC produces the income measures used to calculate the official national estimates of poverty, as well as national estimates of money income and health insurance coverage. In addition to the national-level data, the CPS-ASEC provides estimates for state-level health insurance. Estimates of household income and poverty for states and substate areas with populations of 65,000 or more are available from the ACS.

The fact sheet, [Differences Between the Income and Poverty Estimates From the American Community Survey and the Current Population Survey Annual Social and Economic Supplement](#), provides information on the differences in concepts and purposes of the ACS and the CPS.

Current Population Survey

The 2006 Current Population Survey Annual Social and Economic Supplement shows the following results for the nation:

Income Overview

- Nationally, 2005 marked the first year since 1999 in which real median household income showed an annual increase.

Race and Hispanic Origin (Race data refer to people reporting a single race only.)

- Real median household income remained statistically unchanged between 2004 and 2005 for each of the race groups (whites, non-Hispanic whites, blacks and Asians) and for Hispanic households.
- Black households had the lowest median income in 2005 (\$30,858) among race groups. Asian households had the highest median income (\$61,094). The median income for non-Hispanic white households was \$50,784. Median income for Hispanic households was \$35,967.
- The three-year-average (2003 to 2005) real median income for American Indian and Alaska Native households was \$33,627. The three-year-average median income for Native Hawaiian and other Pacific Islander households was \$54,318. (Because of the relatively small populations of American Indians and Alaska Natives and Native Hawaiians and other Pacific Islanders, the sampling variability of their income data is larger than for the other racial groups and may cause single-year estimates to fluctuate more widely. To moderate these fluctuations in income, the Census Bureau uses 3-year-average medians when comparing the incomes of the American Indian and Alaska Native and the Native Hawaiian and other Pacific Islander populations with other racial groups.)

Regions

- Real median income of households rose in the Northeast (2.9 percent) and in the West (1.5 percent) between 2004 and 2005. Income remained statistically unchanged for the South and Midwest. (The difference between the percentage increases in the Northeast and West was not statistically significant.)
- The Northeast had the highest household income of all four regions (\$50,882) in 2005, followed by the West (\$50,002) and the Midwest (\$45,950). Households in the South had the lowest median income (\$42,138).

Nativity

- Real median income rose by 3.3 percent to \$42,040 in 2005 for foreign-born households and remained statistically unchanged for native households (\$46,897). Among foreign-born households, naturalized citizen households experienced an increase in median income of 5 percent to \$50,030. (The difference between the percentage increases for foreign-born households overall and naturalized citizen households was not statistically significant.)

Earnings

- Real median earnings of males age 15 and older who worked full-time, year-round declined 1.8 percent between 2004 and 2005, to \$41,386. Women with similar work experience saw their earnings decline by 1.3 percent, to \$31,858. (The difference between the rates of decrease for men and women was not statistically significant.)
- The ratio of female-to-male earnings for full-time, year-round workers was 77 cents on the dollar in 2005, statistically unchanged from 2004.

Poverty Overview

- There were 37 million people in poverty (12.6 percent) in 2005. Both the number and rate were statistically unchanged from 2004 and marked the end of four consecutive years of increases in the poverty rate (2001-2004).
- There were 7.7 million families in poverty in 2005, statistically unchanged from 2004. The poverty rate for families declined from 10.2 percent in 2004 to 9.9 percent in 2005. The poverty rate and the number living in poverty both declined for married-couple families (5.1 percent and 2.9 million in 2005, down from 5.5 percent and 3.2 million in 2004). However, the poverty rate and number in poverty showed no statistical change between 2004 and 2005 for female-householder-with-no-husband-present families (28.7 percent and 4.0 million) and for male-householder-with-no-wife-present families (13.0 percent and 669,000).
- As defined by the Office of Management and Budget and updated for inflation using the Consumer Price Index, the average poverty threshold for a family of four in 2005 was \$19,971; for a family of three, \$15,577; for a family of two, \$12,755; and for unrelated individuals, \$9,973.

Race and Hispanic Origin (Race data refer to people reporting a single race only.)

- Poverty rates remained statistically unchanged for blacks (24.9 percent) and Hispanics (21.8 percent). The poverty rate decreased for non-Hispanic whites (8.3 percent in 2005, down from 8.7 percent in 2004) and increased for Asians (11.1 percent in 2005, up from 9.8 percent in 2004).
- The three-year average poverty rate for American Indians and Alaska Natives was 25.3 percent. The three-year average poverty rate for Native Hawaiians and other Pacific Islanders was 12.2 percent. (Because of the relatively small populations of American Indians and Alaska Natives and Native Hawaiians and other Pacific Islanders, the Census Bureau uses 3-year-average medians.)

Age

- The poverty rate in 2005 for children under 18 (17.6 percent) remained higher than that of 18-to-64-year olds (11.1 percent) and that of people 65 and older (10.1 percent). For all three groups, the rate was statistically unchanged from 2004.
- In 2005, the number in poverty remained statistically unchanged from 2004 for people under 18 and people 18 to 64 years old (12.9 million and 20.5 million, respectively).
- The number in poverty increased for seniors 65 and older – 3.6 million in 2005, up from 3.5 million in 2004.

Nativity

- Among the native-born population, 12.1 percent, or 31.1 million, were in poverty in 2005. Both the rate and number were statistically unchanged from 2004.
- Among the foreign-born population, 16.5 percent, or 5.9 million, were in poverty. Both the rate and number were statistically unchanged from 2004.
- Among the foreign-born population, poverty rates in 2005 were 10.4 percent for foreign-born naturalized citizens and 20.4 percent for those who had not become citizens – both statistically unchanged from 2004.

Regions

- In 2005, the poverty rates in the Northeast (11.3 percent) and the Midwest (11.4 percent) were not statistically different from each other. However, they were lower than the other two regions. Poverty rates for the South and the West were 14.0 percent and 12.6 percent, respectively. Both the poverty rate and the number in poverty remained stable in all regions between 2004 and 2005.

Health Insurance Coverage

Overview

- The number of people with health insurance coverage increased by 1.4 million to 247.3 million between 2004 and 2005, and the number without such coverage rose by

1.3 million to 46.6 million (from 15.6 percent in 2004 to 15.9 percent in 2005).

- Between 2004 and 2005, people covered by employment-based health insurance (174.8 million) declined from 59.8 percent to 59.5 percent.
- While the number of people covered by government health programs increased between 2004 and 2005, from 79.4 million to 80.2 million, the percentage of people covered by government health insurance remained at 27.3 percent. There was no statistical difference in the number or percentage of people covered by Medicaid (38.1 million and 13.0 percent, respectively) between 2004 and 2005.
- The proportion and number of uninsured children increased between 2004 and 2005, from 10.8 percent to 11.2 percent and from 7.9 million to 8.3 million, respectively.

Race and Hispanic Origin (Race data refer to those reporting a single race only.)

- The uninsured rate, as well as the number of uninsured, remained statistically unchanged from 2004 to 2005 for non-Hispanic whites (at 11.3 percent and 22.1 million) and for blacks (at 19.6 percent and 7.2 million). The rate for Asians increased to 17.9 percent in 2005, up from 16.5 percent in 2004. The number of uninsured Asians was 2.3 million, up from 2 million.
- The uninsured rate for Hispanics, who may be of any race, was 32.7 percent in 2005 — statistically unchanged from 2004. The number of uninsured Hispanics increased from 13.5 million to 14.1 million.
- Based on a three-year average (2003-2005), 29.9 percent of people who reported American Indian and Alaska Native as their race were without coverage. The three-year average for Native Hawaiians and other Pacific Islanders was 21.8 percent.

Nativity

- Between 2004 and 2005, the uninsured rate for the population born in the United States increased from 13.1 percent to 13.4 percent. The uninsured rate for the foreign-born population was statistically unchanged at 33.6 percent. The number of uninsured naturalized citizens increased from 2.3 million in 2004 to 2.5 million in 2005. The uninsured rate for naturalized citizens remained statistically unchanged at 17.9 percent. The number and rate for noncitizens also remained statistically unchanged at 9.5 million and 43.6 percent, respectively, in 2005.

Regions

- The uninsured rate for those in the South increased from 18.2 percent to 18.6 percent between 2004 and 2005 and in the West from 17.4 percent in 2004 to 18.1 percent in 2005. (The 2005 uninsured rates in the South and West were not statistically different.) The Midwest and Northeast had the lowest uninsured rates in 2005, at 11.9 percent and 12.3 percent, respectively. Neither region experienced a statistical change in its rate from 2004. (The uninsured rates for the Midwest and Northeast were not statistically different from one another in 2005.)

- There were 19.8 million uninsured people in the South, compared to 12.4 million in the West. The approximate numbers of uninsured were 7.8 million in the Midwest and 6.7 million in the Northeast.

States

- Uninsured rates for 2003-2005 using a three-year average show that Texas (24.6 percent) had the highest percentage of uninsured, while Minnesota (8.7 percent) had the lowest. Minnesota's rate was not statistically different from that of Hawaii (9.5 percent).

American Community Survey

The 2005 ACS data release marks the first time that the fully implemented survey provides data for all areas larger than 65,000 people. Historical trend data on state median household income and poverty from the CPS-ASEC are available on the Internet. The 2005 ACS presents the first data since Census 2000 on the socioeconomic characteristics of places with populations between 65,000 and 249,999 people. When examining localities of 65,000 or more residents, the 2005 ACS shows the following results concerning income, poverty and earnings:

Income

- Household income estimates in 2005 varied from state to state, ranging from a median of \$61,672 for New Jersey to \$32,938 for Mississippi. (The estimate for New Jersey was not significantly different from the estimates for Maryland and Connecticut, and the estimate for Mississippi is not significantly different from the estimate for West Virginia.) Median incomes in 19 states were above the U.S. median, while in 28 states the median incomes were below it. Three states and the District of Columbia had median incomes that were not statistically different from the U.S. median.
- For counties with 250,000 or more people in 2005, median household income ranged from \$98,483 in Loudoun County, Va., to \$24,501 in Hidalgo County, Texas. (The estimate for Loudoun County, Va., was not significantly different from the estimate for Fairfax County, Va. Also, the estimate for Hidalgo County, Texas, was not significantly different from the estimate for Cameron County, Texas.) For cities of similar size, median household incomes ranged from \$71,560 in Plano, Texas, to \$24,105 in Cleveland. (The estimate for Plano, Texas, was not significantly different from the estimate for San Jose, Calif. Also, the estimate for Cleveland was not significantly different from the estimate for Miami.)
- For counties with a population between 65,000 and 249,999 people, 2005 median household income ranged from \$93,342 in Hunterdon County, N.J., to \$22,460 in St. Landry Parish, La. (The estimate for Hunterdon County, N.J., was not significantly different from the estimate for Douglas County, Colo. Also, the estimate for St. Landry Parish, La., was not significantly different from the estimates for Apache County, Ariz., or Robeson County, N.C.) Median household income for places of this size ranged from \$101,022 in Pleasanton, Calif., to \$18,007 in Camden, N.J. (The estimate for Pleasanton, Calif., was not significantly different from the estimates for Newport Beach, Livermore, and Chino Hills in California, Naperville, Ill., or Newton, Mass. Also,

the estimate for Camden, N.J., was not significantly different from the estimate for Bloomington, Ind.)

Poverty

Poverty rates in 2005 among the 50 states and the District of Columbia ranged from a low of 7.5 percent in New Hampshire to a high of 21.3 percent in Mississippi. (The estimated poverty rate for New Hampshire was not statistically different from that of Maryland.)

- Among counties with 250,000 or more people in 2005, Cameron and Hidalgo counties in Texas had the highest proportions of people with income below the poverty level in the past 12 months, at about 41 percent. On the other hand, Loudoun County, Va.; Morris and Somerset counties in New Jersey; Howard County, Md., and Waukesha County, Wis., had poverty rates of less than 5 percent. (The estimates for Cameron and Hidalgo counties were not significantly different from each other.)
- Larger cities with the highest proportions of people in poverty in 2005 included Cleveland (32.4 percent) and Detroit (31.4 percent). Cities with the lowest percentages were Plano, Texas (6.3 percent) and Virginia Beach, Va. (7.4 percent). (The estimates for Cleveland and Detroit were not significantly different from each other. In addition, the estimates for Plano, Texas, and Virginia Beach, Va., were not significantly different from each other.)
- In smaller areas – that is, those with populations between 65,000 and 249,999 – Apache County, Ariz., had one of the highest proportions of people in poverty in 2005 (44.5 percent), although it was not significantly different from the estimate for McKinley County, N.M. Kendall County, Ill., had a lower proportion of people in poverty (1.2 percent) than all but two other counties of comparable size: Hunterdon County, N.J., and Carver County, Minn.
- Among the smaller cities, Camden, N.J., had one of the highest poverty rate in 2005 (44 percent), although its rate was not statistically different from the estimates for Brownsville and College Station in Texas. Among the cities with poverty rates under 5 percent were Weston, Fla.; Frisco, Texas; Livonia, Mich.; Redondo Beach, Calif., and Naperville and Arlington Heights in Illinois.

Earnings

- New Jersey, Connecticut, Massachusetts and Maryland had median earnings for males that were above \$50,000 in 2005. Maryland and Connecticut were the only states where median earnings for women were above \$40,000, as was the District of Columbia.
- In each of the 50 states and the District of Columbia, median earnings were less for women than they were for men in 2005. In the District of Columbia, women earned about 91 cents for every dollar that men earned, the highest among all states.

Earnings by Industry

- Among the 20 major industry sectors, men earned the most in 2005 in the management of companies and enterprises sector (\$79,023). Women had median earnings at \$40,000 or higher in each of the following sectors: utilities (\$44,302); management of companies and enterprises (\$44,175); professional, scientific and technological services (\$43,426); and information (\$41,398). (The estimates for utilities, management of companies and enterprises, and professional, scientific and technological services were not significantly different from one another.)
- In each of the major industry sectors, men earned more than women in 2005. The sectors where the earnings gap between men and women were the largest were finance and insurance, where women earned about 55 percent of what men earned; followed by the management of companies and enterprises (55.9 percent); and professional, scientific and technical services (61.6 percent). (The estimates for finance and insurance and management of companies and enterprises, were not significantly different from each other.)

Earnings by Occupation

- Among the 22 major occupational groups in 2005, men earned the most in the legal occupations (\$102,272). Women had the highest median earnings in the computer and mathematical occupations (\$58,906). (Estimates for legal occupations were calculated from unpublished data.)
- Community and social services was the only major occupational group in which women's earnings exceeded 90 percent of men's in 2005. In contrast, legal occupations had the lowest percentage of women's earnings when compared to that of men's earnings (49.5 percent). (Estimates for legal occupations were calculated from unpublished data.)

Estimates from the CPS-ASEC may not match the estimates from the ACS because of differences in the questionnaires, data collection methodology, reference period, processing procedures, etc. Both are surveys and are subject to sampling and nonsampling errors. All comparisons made in the reports have been tested and found to be statistically significant at the 90 percent confidence level, unless otherwise noted.

For additional information on the CPS data, visit http://www.census.gov/hhes/www/income/p60_231sa.pdf. For additional information on ACS data, visit <http://www.census.gov/acs/www/UseData/Accuracy/Accuracy1.htm>.

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