News Conference: Income, Poverty and Health Insurance Coverage in the U.S., 2020

Tuesday, September 14, 2021, 10:00 AM

(Slide 2) – Michael Cook Intro

((Verizon Operator speaks first – gives instructions, then will turn over to you to kick off news conference.))

- Good morning and thank you for joining us. I'm Michael Cook, Chief of the Public Information Office at the U.S. Census Bureau.
- Today we are releasing the latest income, poverty, and health insurance findings for the nation. We'll have four presenters today to cover these topics.
- Immediately after the presentations, we'll open up the phone lines to answer any questions reporters may have. This live question and answer session is for the media only.
- By the way – resources for today's news conference can be found on CENSUS-DOT-GOV – including the slide decks from today's presentation. The deck will be part of an Income, Poverty, and Health Insurance press kit.

(Slide 3) – Press kits

- To find the press kit - look for the "information for" tab at the top of the census web page…

(Slide 4) – Press kits cont.

- ..and click on "media-newsroom."

(Slide 5) – Press kits cont.

- The press kits are listed on the left side of the website.

- Without further delay, I'd like to turn it over to David Waddington, Chief of our Social, Economic and Housing Statistics Division. David?

(Slide 6) – David Waddington Introduction

Good morning and thank you for joining us.
Today, we are releasing three reports:

(Slide 7) Income & Poverty Report Cover, SPM Report Cover, and Health Insurance Report Cover

Income and Poverty in the United States: 2020,
The Supplemental Poverty Measure: 2020, and
Health Insurance Coverage in the United States: 2020

The reports are based on data from the Current Population Survey's Annual Social and Economic Supplement or 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.

Now let's take a look at the main findings:

(Slide 8) Real Median Household Income: 1967 to 2020

Real median household income decreased 2.9 percent to $67,500 between 2019 and 2020.

(Slide 9) Poverty Rate and Number in Poverty: 1959 to 2020

The official poverty rate in 2020 was 11.4 percent, up 1.0 percentage point from 2019.

In 2020, there were 37.2 million people in poverty, an increase of 3.3 million people from 2019.

(Slide 10) Comparison of SPM Poverty Estimates: 2019 and 2020

The Supplemental Poverty Measure (SPM) extends the official poverty measure to include the value of noncash benefits, stimulus payments, taxes, and other necessary expenses. The SPM rate in 2020 was 9.1 percent. This was 2.6 percentage points lower than 2019.

(Slide 11) Percentage of People by Type of Health Insurance Coverage: 2020

The percentage of people with health insurance coverage for some or all of the calendar year 2020 was 91.4 percent.

Now, let's turn to our subject matter experts to take a closer look at the findings, beginning with Trudi Renwick who will start with income and poverty.

As a reminder, immediately following these presentations, we'll take your questions.

(Slide 12) Trudi Renwick - Introduction

Thank you, Dave.
Good morning.
Income and poverty statistics help us to gauge the health of the U.S. economy.

(Slide 13) What is Money Income?

Most of the estimates in my presentation are based on money income which is a measure of all cash or money resources coming into a household. It includes wages and earnings from work as well as social security benefits, unemployment compensation, retirement income, interest, dividends and public assistance. It is calculated pre-tax and therefore does not account for taxes paid, tax credits such as the Earned Income Tax Credit, the Child Tax Credit and special COVID-19 related stimulus payments nor noncash assistance such as SNAP benefits, Medicaid and Medicare.

(Slide 14) Highlights: Income, earnings and workers

Let me begin by summarizing the main findings regarding changes to household income, earnings, and work experience between 2019 and 2020.[1]

- Real median household income decreased 2.9 percent. The median is the point that divides the household income distribution into halves, one-half with income above the median and the other with income below the median.

- The total number of workers with earnings decreased by about 3.0 million.

- The number of those who worked full-time, year-round decreased by approximately 13.7 million, the largest year-to-year decrease since we began collecting comparable data in 1967.

- The real median earnings of all workers decreased 1.2 percent, while the real median earnings of those who worked full-time, year-round increased 6.9 percent.

(Slide 15) Real Median Household Income: 1967 to 2020

Let's look at some more details about the changes we observed in household median income. This chart shows median household income from 1967 to 2020 in real, inflation-adjusted dollars.[2] Median household income decreased 2.9 percent from $69,600 in 2019 to $67,500 in 2020. This is the first statistically significant decline in median household income since 2011.

[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 at the 90 percent confidence level, unless noted otherwise. All historical income data are expressed in 2020 dollars and were adjusted using the Consumer Price Index Research Series, which measured a 1.2 percent increase in consumer prices between 2019 and 2020. The poverty thresholds are also updated each year for inflation. In 2020, the weighted average threshold for a family of four was $26,496, and for a family of three, $20,591.

[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 <www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249description.pdf>.

During 2020, the United States experienced a recession. Recessions, as defined by the National Bureau of Economic Research (NBER), are depicted in this, and all time-series charts, in light shading.[3] As determined by NBER, a recession began in March 2020 and ended in April 2020.

The decline in median income between 2019 and 2020 was not statistically different from the declines experienced during the Great Recession from 2007 to 2009 and the previous recession from 2000 to 2001.[4]

(Slide 16) Real Median Household Income by Race and Hispanic Origin of Householder: 1967 to 2020

Now looking at income by race and Hispanic origin…

The 2020 real median incomes of non-Hispanic White, Asian, and Hispanic households decreased from their 2019 medians, while the change for Black households was not statistically significant. These declines amounted to changes of 2.7 percent for non-Hispanic White households, 4.5 percent for Asian households, and 2.6 percent for Hispanic households.[5]

(Slide 17) Median Household Income and Percent Change by Selected Characteristics: 2019 to 2020

The 2020 median household income estimates were lower than 2019:

- for households with a householder under 65 years of age and for those with a householder 65 years and older,[6] ***(next slide 18)***

[3] The National Bureau of Economic Research, a private research firm, is the source for defining recessions. More information on business cycle dating is available here <www.nber.org/research/business-cycle-dating>.

[4] Refer to Appendix A for information on recession periods. For more information on changes in household income during previous recessions, refer to DeNavas-Walt, Carmen, Bernadette D. Proctor, and Jessica C. Smith, "Income, Poverty, and Health Insurance Coverage in the United States: 2008," Current Population Reports, P60-236, U.S. Census Bureau, Washington, DC, September 2009, < www.census.gov/prod/2009pubs/p60-236.pdf>.

[5] The differences among the 2019–2020 percent changes in median household income among the race groups were not statistically significant.

[6] The difference between the 2019–2020 percent changes in median household income for householders under the age of 65 and those over the age of 65 was not statistically significant.

- for both native-born and foreign-born households,[7] ***(next slide 19)***
- for households in the Midwest, the South and the West,[8] ***(next slide 20)***
- and for households within metropolitan statistical areas (or MSAs), both inside and outside principal cities.
- The changes in median income for households in the Northeast and those outside MSAs were not statistically significant.[9]

(Slide 21) Gini Index of Money Income: 1967 to 2020

Using information about the distribution of household income, we can produce a Gini index—a statistical measure of income inequality ranging from 0.0 to 1.0. It measures the amount that any two incomes differ, on average, relative to mean income. It is an indicator of how far apart or "spread out" incomes are from one another. A value of 0.0 represents perfect equality, and a value of 1.0 indicates total inequality. The money income Gini index was 0.489 in 2020, not statistically different from 2019.

(Slide 22) Money Income to Post-tax Income Percent Change

As noted earlier, these estimates are based on money income before taxes and tax credits. Given the importance of the 2020 COVID-related changes to tax credits, particularly the first two rounds of Economic Impact Payments, this year we have provided an appendix to this report that compares pre-tax to post-tax median household income and income inequality measures.

As expected, taking into account all taxes and credits lowered median household income and, given the progressive structure of our income tax system, decreased inequality as measured by the Gini index. Post-tax, median household income was 7 percent lower than pre-tax, while the post-tax Gini index was 12.3 percent lower than the pre-tax Gini index.

(Slide 23) Money Income and Post-tax Income Percent Change: 2018 to 2019

[7] The differences among the 2019–2020 percent changes in median household income for foreign-born householders by specific citizenship status were not statistically significant. The difference between the 2020 median income for households maintained by a naturalized citizen and by a native-born person was not statistically different.

[8] The differences among the 2019–2020 percent changes in median household income for the regions were not statistically significant. The difference in 2020 median household incomes for the Northeast and the West was not statistically significant.

[9] The differences among the 2019–2020 percent changes in median household incomes for all categories of metropolitan statistical areas were not statistically significant.

In a year without significant changes to taxes or credits we would expect the effect of taxes and credits to change the levels of median household income and the Gini index, but not the year-to-year trends. This was the case between 2018 and 2019.

(Slide 24) Money Income and Post-tax Income Percent Change: 2018 to 2019 and 2019 to 2020

However, we can see on this slide that the effect of taxes and credits in 2020 changed the year-to-year trends for both median household income and the Gini index.

After taxes and credits, median household income increased 4.0 percent between 2019 and 2020. Inequality, as measured by the Gini index, decreased by 3.1 percent.

(Slide 25) Workers with Earnings by Sex: 1967 to 2020

These next slides switch to earnings and work experience data for people aged 15 and older.

Between 2019 and 2020, the total number of workers decreased by approximately 3.0 million. The decrease was equally distributed across men and women.[10]

There was a decrease of about 13.7 million full-time, year-round workers between 2019 and 2020. This is the largest year-to-year decline in full-time, year-round workers since 1967, the first year for which there is comparable data. The number of female full-time, year-round workers decreased by about 6.2 million between 2019 and 2020, while the decrease in the number of their male counterparts was approximately 7.5 million.

The decline of 13.7 million full-time, year-round workers compared to the decline of about 3.0 million total workers, regardless of work experience, suggests that

[10] The difference between the 2019–2020 decreases in the number of men with earnings and the number of women with earnings was not statistically significant.

many workers shifted from working full-time, year-round in 2019 to part-time or part-year work in 2020.

(Slide 26) Real Median Earnings: 1960 to 2020

Here we see historical data on the real median earnings of all workers and full-time, year-round workers from 1960 to 2020.[11] Earnings are the sum of wages, salary and self-employment income. In 2020, about 76 percent of aggregate income came from earnings.

The 2020 median earnings of working women decreased 1.2 percent from their 2019 median, while the change for their male counterparts was not statistically significant.[12]

In 2020, real median earnings of those who worked full-time, year-round increased 6.9 percent from their 2019 estimate. Median earnings increased for both men and women who worked full-time, year-round.

These represented increases of 5.6 percent and 6.5 percent, respectively, between 2019 and 2020.[13,14]

(Slide 27) Female-to-Male Earnings Ratio: 1960 to 2020

Here we see the female-to-male earnings ratio historically. The female-to-male earnings ratio compares the median earnings of women working full-time, year-round to the median earnings of men working full-time, year-round. Median earnings of men who worked full-time, year-round were $61,400 while the median for women was $51,000. The 2020 female-to-male earnings ratio was 83.0 percent, not statistically different from the 2019 ratio. Year-to-year changes in this ratio are not common.

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[11] A person with work experience is one who, during the preceding calendar year, did any work on a family-owned farm or business at any time during the year, on a part-time or full-time basis. 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.

[12] The differences among the 2019–2020 percent changes in median earnings for men with earnings and females with earnings were not statistically significant.

[13] The differences among the 2019–2020 percent changes in median earnings for male full-time, year-round workers and female full-time, year-round workers were not statistically significant.

[14] For more detailed information on the relationship between earnings and household income, see "Understanding the Relationship Between Individual Earnings and Household Income" at <www.census.gov/newsroom/blogs/random-samplings/2017/11/earnings-income.html>.

(Slide 28) Percent Change in Median Earnings and Number of Workers: 2007 to 2009 and 2019 to 2020

Here we compare changes in median earnings and the number of workers during the most recent recession to the changes during the Great Recession from 2007 to 2009. The most recent recession officially ended after two months while the Great Recession lasted 18 months.

- Real median earnings for all workers declined more during the Great Recession (4.0 percent) than between 2019 and 2020 (1.2 percent). ***(next slide 29)***
- On the other hand, for full-time, year-round workers median earnings declined between 2007 and 2009 but increased from 2019 to 2020. ***(next slide 30)***
- The percent decline in the number of total workers was greater during the Great Recession (2.4 percent) than between 2019 and 2020 (1.7 percent). ***(next slide 31)***
- But the percent decline in the total number of those working full-time, year-round was smaller during the Great Recession (8.6 percent) than between 2019 and 2020 (11.5 percent).

(Slide 32) Share of Full-Time, Year-Round Job Losses by Earnings: 2007 to 2009 and 2019 to 2020

The 6.9 percent increase in median earnings of full-time, year-round workers coupled with the 11.5 percent decline in the number of full-time, year-round workers between 2019 and 2020 suggests that many of the full-time, year-round jobs that were lost were at the lower end of the income distribution.[15]

This slide compares the share of full-time, year-round job losses by earnings below $34,000 (or approximately the 25th percentile) in the most recent recession

[15] More information on the relationship between the declines in the number of workers and the increases in median earnings is available at <www.whitehouse.gov/cea/blog/2021/04/19/the-pandemics-effect-on-measured-wage-growth/>. More information on how specific industries and occupations were affected by the most recent recession is available at <www.census.gov/america-counts/job-losses>.

to the share in the 2007 to 2009 recession. During the Great Recession, about 35 percent of the full-year, full-time job losses were from jobs in the lowest quartile of the earnings distribution (paying less than $34,000 per year in inflation adjusted dollars). In contrast, almost 54 percent of the full-year, full-time jobs lost last year paid less than $34,000 per year. [16]

(Slide 33) Highlights: Official Poverty

Now let's turn our attention to official poverty. Here are the highlights from the report:

- The official poverty rate in 2020 was 11.4 percent, up 1.0 percentage point from 10.5 percent in 2019. This is the first increase in poverty after five consecutive annual declines.

- In 2020, there were 37.2 million people in official poverty, approximately 3.3 million more than in 2019.

Following the Office of Management and Budget's (OMB) Statistical Policy Directive 14, the Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in official poverty. In 2020, a family with two adults and two children was categorized as "in official poverty" if their income was less than $26,246 dollars.

(Slide 34) Poverty Rate and Number in Poverty: 1959 to 2020

This slide shows the official poverty rate and the number of people in poverty going back to 1959, the first year for which we have estimates. As you can see from this chart, the 2020 poverty rate of 11.4 percent was the first increase following 5 years of declines.

(Slide 35) Poverty Rates by Race and Hispanic Origin: 1959 to 2020

Here we demonstrate differences in official poverty trends for people across race and Hispanic-origin groups. Between 2019 and 2020, the poverty rate for non-

[16] The difference between the 2019-2020 share of job losses for those with earnings less than $34,000 and those above was not statistically significant.

Hispanic White individuals was lower than the poverty rates for Black and Hispanic individuals, but was not statistically different from the poverty rate for Asian individuals in 2020.

The poverty rate for non-Hispanic White individuals increased by 0.9 percentage points while the poverty rate for Hispanic individuals increased by 1.3 percentage points.[17] For both Asian and Black individuals, the poverty rates were not statistically different from 2019.

(Slide 36) Poverty Rates by Age: 1959 to 2020

This slide looks at official poverty rates by age. Between 2019 and 2020 poverty rates rose for individuals under 18 and people aged 18 to 64. For individuals under age 18, 16.1 percent were in poverty. Poverty increased to 10.4 percent for people aged 18 to 64. People aged 65 and older had a poverty rate of 9.0 percent, which was not statistically different from 2019.

(Slide 37) Family Poverty Rates by Type: 1959 to 2020

In this slide, we look at official poverty rates for all families from 1959 to 2020.[18] Between 2019 and 2020, the poverty rate for families increased from 7.8 percent to 8.7 percent.

(Slide 38) Family Poverty Rates by Type: 1959 to 2020-cont

We now add the poverty rates for the Census Bureau's three major family classifications: married-couple families, male-householder, no spouse present families, and female-householder, no spouse present families. Poverty rates increased for all primary family types, except those with a male householder.[19]

The poverty rate for married-couple families was 4.7 percent.

[17] The percentage point change between 2019 and 2020 for non-Hispanic Whites and Hispanics is not statistically different.

[18] Estimates are for primary families. A primary family is a group of two or more people one of whom is the householder related by birth marriage or adoption and residing together. All such people (including related subfamily members) are considered as members of one family.

[19] The poverty rates for male householder primary families were not statistically different in 2019 and 2020.

The poverty rate for female-householder families in 2020 was 23.4 percent. Poverty rates for female-householder families increased in 2020 after declining for the previous five years.

The gap in official poverty rates between married-couple families and female-householder families has decreased from 26.9 percentage points in 1973 to 18.7 percentage points in 2020.

(Slide 39) Poverty Rates and Percentage Point Change by Selected Characteristics: 2019 to 2020

Between 2019 and 2020 official poverty rates increased for many major demographic groups including:

- Both men and women, ***(next slide 40)***
- Both native-born individuals and foreign-born individuals ***(next slide 41)***
- those living in the South and West, and ***(next slide 42)***
- individuals living inside metropolitan statistical areas.

(Slide 43) For more information on Income and Poverty

For more information on income and official poverty statistics in the United States in 2020, please visit our website, where you can find detailed and historical income and official poverty tables, as well as official poverty thresholds for 2020 by family composition.

Additionally, please see the America Counts and Research Matters stories released today, providing additional insights on income and official poverty in 2020.

Next, Liana Fox will summarize the findings for the Supplemental Poverty Measure.

(Slide 44) Liana Fox - Introduction

Thank you, Trudi.

The Supplemental Poverty Measure (or SPM) report is based on data from the CPS ASEC. The 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.

(Slide 45) Supplemental Poverty Measure (SPM) Graphic Slide

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. The first two rounds of stimulus payments are included in SPM resources for 2020. The SPM does not replace the official poverty measure and is not used to determine eligibility for government programs. [20]

In 2020, several methodological improvements were applied to both the resource and threshold estimation of the SPM. Details of those improvements are available in the report appendix. All 2019 and 2020 estimates in this report reflect implementation of the revised SPM methodology.

(Slide 46) Highlights: SPM

Let me begin by summarizing the main findings from this report.[21]

- The SPM rate in 2020 was 9.1 percent. This was 2.6 percentage points lower than 2019 and the lowest rate since estimates were initially published for 2009.

- The SPM rate for 2020 was 2.3 percentage points lower than the official poverty rate of 11.4 percent. This is the first time in the history of the SPM that poverty is lower using the SPM than the official measure.

[20] For a more detailed description of the Supplemental Poverty Measure, see www.census.gov/content/dam/Census/library/publications/2021/demo/p60-275.pdf

[21] 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.

- Stimulus payments, enacted as part of economic relief legislation related to the COVID-19 pandemic, moved 11.7 million people out of poverty. Unemployment insurance benefits, also expanded during 2020, prevented 5.5 million people from falling into poverty.

(Slide 47) Official and SPM Thresholds for Units with Two Adults and Two Children: 2020

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 48) Comparison of SPM Poverty Estimates: 2019 and 2020

This slide compares the SPM estimates for 2020 with 2019 for all people and by age group. The 2020 SPM rate for the entire population was 9.1 percent.

SPM rates were down for all major age categories in 2020 compared to 2019. In 2020, children under age 18 had an SPM rate of 9.7 percent. Adults age 18 to 64 had a rate of 8.8 percent, and adults aged 65 and older had a rate of 9.5 percent.

(Slide 49) Poverty Rates Using the Official Measure and the SPM: 2009 to 2020

Census Bureau estimates for the SPM are available back to 2009. SPM rates in 2020 were at their lowest level since 2009, even after adjusting for survey redesign, processing system, and methodological changes.[22]

[22] This report provides SPM and OPM estimates from 2009 to 2020. However, it is important to be aware that the CPS ASEC is updated periodically to improve data quality. These improvements include changes to survey design such as sampling and survey instrument changes, as well as changes to data processing such as weighting and data imputation methods. When feasible, the Census Bureau provides data users with resources that allow them to evaluate the impact of these survey changes across years. Most recently, the 2014 CPS ASEC introduced new income questions, new relationship categories were phased in over the 2015 and 2016 CPS ASEC, and beginning with the 2018 CPS ASEC reflects the implementation of an updated data processing system. Given these changes over time, historical comparisons should be made with caution. In this report, 2020 SPM estimates are compared to published estimates for earlier years when the questionnaire and processing system changes did not result in statistically significant differences. When survey changes did have statistically significant

Since the SPM's initial production, the SPM rate has been higher than the official poverty rate--ranging from 0.6 to 1.6 percentage points higher than the official measure over this period. In contrast, in 2020 the SPM was 2.3 percentage points lower than the official measure.

(Slide 50) Poverty Rates Using the Official Measure and the SPM Excluding 2020 Stimulus Payments: 2009 to 2020

The main driver of this difference is the inclusion of stimulus payments in 2020. In the absence of stimulus payments, the overall SPM rate would have been 12.7%, which was higher than the official measure.

(Slide 51) Comparison of SPM and Official Poverty Estimates: 2020

This slide compares the SPM estimates for 2020 with the official poverty estimates for all people and by age group. The 2020 SPM rate for the entire population was 2.3 percentage points lower than the 2020 official poverty rate. Looking at specific age categories, the SPM was lower than the official poverty rate for children and for people aged 18 to 64, but higher than the official poverty rate for people aged 65 and older.[23]

(Slide 52) SPM Rates by Race and Hispanic Origin: 2009 to 2020

This slide shows SPM rates over time for individuals categorized by race and Hispanic-origin groups. Between 2019 and 2020, all major groups shown in this figure experienced a decline in poverty. SPM rates in 2020 were also at their lowest level since 2009 for all groups shown. In 2020, the SPM rate for Blacks was 14.6 percent, 14.0 percent for Hispanics, 8.8 percent for Asians, and 6.5 percent for Non-Hispanic Whites. [24]

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impacts on income or poverty estimates, comparisons are made by adjusting historical published estimates to approximate the magnitude of these impacts. For more details on the adjustment used for these comparisons, see <www.census.gov/library/stories/2019/09/us-median-household-income-not-significantly-different-from-2017.html>.

[23] 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.

[24] SPM rates for 2020 for Blacks and Hispanics were not statistically different from each other.

(Slide 53) Difference in Poverty Rates by State Using the Official Measure and the SPM: 3-Year Average 2018 to 2020

While the SPM national poverty rate was lower than the official in 2020, that difference varied by geographic area. This figure shows the United States divided into three categories by state. There were 11 states plus the District of Columbia where the SPM rates were higher than official--these are shaded blue; there were 30 states where SPM was lower than official—these are shaded orange; and finally there are 9 states where the differences in the rates were not statistically significant—these are grey.

(Slide 54) Change in Number of People in Poverty After Including Each Element: 2020 *(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 2020 SPM rate of the addition or subtraction of a single resource element. Some of these elements, such as Social Security and unemployment insurance are included in the official poverty estimates. Other elements, such as stimulus payments and refundable tax credits are included only in the SPM resource measure.[25]

Using this chart, we can see that **(next slide 55):**

- 26.5 million people were taken out of poverty by Social Security benefits. This figure also shows the breakdown by age, with the majority of individuals taken out of poverty by Social Security aged 65 and older. **(next slide 56)**
- 11.7 million people were taken out of poverty by the first two rounds of stimulus payments **(next slide 57)**

[25] 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.

- 5.5 million people were taken out of poverty by unemployment insurance benefits, which were expanded in 2020. **(next slide 58)**
- However, subtracting medical expenses from income increased the number of people in poverty by 5.0 million using the SPM.

(Slide 59) For more information SPM

For more information on the Supplemental Poverty Measure, please see the report, as well as additional tables, blogs, and working papers available online.

Next, Sharon Stern will summarize the findings for Health Insurance

(Slide 60) Sharon Stern - Introduction

Thank you, Liana

Health insurance coverage is an important measure of our nation's overall well-being. Whether it's for illness, injury or preventive needs, health insurance provides greater access to medical care, protection from high unexpected costs and more economic stability.

Each year, the Census Bureau provides data on health insurance coverage. We look at who is and isn't covered, and what type of insurance they have.

(Slide 61) Highlights: Health Insurance

Let me begin by summarizing the main findings this year.

- An estimated 8.6 percent of the population, or about 28 million people, did not have health insurance coverage at any point in 2020.[26]
- 66.5 percent of people were covered by private insurance at some point during the year,
- 34.8 percent of people were covered by public coverage in 2020

[26] Infants born after the end of the calendar-year reference period are excluded from CPS ASEC calendar-year estimates.

(Slide 62) Percentage of People by Type of Health Insurance Coverage: 2020

In 2020, most people, 91.4 percent, had health insurance coverage at some point during the calendar year.

Looking at private coverage more closely: employer-based insurance was the most common subtype of coverage overall, covering 54.4 percent of the population; 10.5 percent of people purchased their coverage directly.

In 2020, 34.8 percent of people had public coverage, which includes Medicare (18.4 percent), Medicaid (17.8 percent), and VA and CHAMPVA (0.9 percent) coverage.

(Slide 63) Examining Change in Health Insurance Coverage

Changes in health coverage from year to year reflect changing economic conditions, but also demographic shifts, such as population aging, and federal and state policy changes that affect access to care.

Health insurance rates in 2020 may have been affected by economic recession, but additional forces may also have impacted estimates of coverage.

In the next slides, we report on changes in health coverage rates between 2018 and 2020. Estimates for 2018 were collected in 2019, prior to the pandemic. And estimates for 2020 were collected in 2021, after many of the COVID-related changes to data collection were lifted.

(Slide 64) Percentage Point Change in Health Coverage: 2018 to 2020

People are only considered uninsured if they had no coverage for all 12 months of 2020. This means that if someone had health insurance in early 2020, and lost coverage during the economic recession, they are not counted as uninsured by this measurement.

At the same time, people are counted as having coverage if they had coverage for even one day. Furthermore, people may have more than one coverage during the year or at the same time.

As shown on this slide, there was no statistically significant change in the uninsured rate between 2018 and 2020.

Although we see no change in the uninsured rate, there were changes in the *types* of insurance people held.

Fewer people had private insurance in 2020 than in 2018. This was driven by a 0.7 percentage point drop in employment-based insurance, and a 0.3 percentage point drop in direct purchase insurance.

There was also an increase in public coverage between 2018 and 2020. This was driven by a half a percentage point increase in Medicare coverage, likely due to population aging.

(Slide 65) Percentage of People Uninsured by Age Group: 2018 and 2020

Age is strongly associated with the likelihood that a person has health insurance. Children may be covered by their parent's health insurance up to the age of 25. In addition, children under the age of 19 may qualify for certain programs (such as the Childrens Health Insurance Program or CHIP) for which working age adults are not eligible.

In both 2018 and 2020, uninsured rates were lower for children and for those 65 and older than for other age groups.

However, there was no change in the uninsured rate for any age group between 2018 and 2020.

(Slide 66) Uninsured Rates by Race and Hispanic Origin: 2018 and 2020

Although there was no change in the uninsured rate for all children under 19 between 2018 and 2020, there were changes in the uninsured rate across race groups over this period.

For example, the uninsured rate among Black children increased 1.4 percentage points to 6 percent in 2020. Asian children saw a decrease in the uninsured rate.

There was no change in the uninsured rate for working age adults by race and origin groups shown.

(Slide 67) Uninsured Rates by Income to Poverty Ratio and Age: 2018 and 2020

Changes in the uninsured rate were also not distributed equally by income to poverty ratio for children and working age adults.

This chart shows three groups: those with incomes below their poverty threshold, those with income at or above their poverty threshold and below 400 percent of the poverty threshold, and those with incomes at or above 400 percent.

Children in poverty experienced a 1.6 percentage point increase in their uninsured rates to 9.3 percent in 2020 compared to 2018, while the uninsured rate declined for children with family incomes above 400% of poverty.

Among working age adults, the uinsured rate rose 1.0 percentage point during this period for those with incomes in the middle group: between 100 and 399% of poverty. There was no change in the uninsured rate for working age adults in either of the other two groups.

(Slide 68) Adults Aged 19 to 64 by Work Experience: 2018 and 2020

As shown on the left hand side of this slide, there was a decline in the number of workers employed full-time, year-round between 2018 and 2020 and an increase in less than full-time, year-round workers. Together, this suggests that many workers shifted from working full-time, year-round to part-time or part-year work in 2020.

This shift in the composition of the workforce was accompanied by a change the uninsured rates. For full time, full-year workers, the uninsured rate was 8.4 percent in 2020, lower than in 2018. The uninsured rate for those employed less than full-time, year-round increased to 16.4 percent in 2020.

(Slide 69) For more information on Health Insurance Coverage

More information is available in our reports and online.

Now, I will turn it back to David Waddington.

(Slide 70) Closing – David Waddington

That concludes our presentations.

(Slide 71) Highlights Recap

To recap the highlights:

- Real median household income decreased 2.9 percent to $67,500 between 2019 and 2020.
- The official poverty rate in 2020 was 11.4 percent, up 1.0 percentage point from 2019..
- The Supplemental Poverty Measure (SPM) rate in 2020 was 9.1 percent. This was 2.6 percentage points lower than 2019.
- And the percentage of people with health insurance coverage for some or all of the calendar year 2020 was 91.4 percent.

(Slide 72) For More Information – All products

More information is available in our reports and online. We have a number of detailed and historical tables on our website, as well as additional analysis in our Research Matters blog on the affect of Covid-19 on response rates, the difference between official poverty and SPM and an in depth look at annual health insurance coverage.

(Slide 73) America Counts: Stories Behind the Numbers

We are also releasing a number of America Counts stories that go into more depth about specific issues. These include the impact of expanded unemployment benefits, the distribution by earnings, occupation and industry of full-time, year-round job losses, the impact of stimulus payments, analyses of changes in health insurance coverage for working-age adults and uninsured rates for children. We also have a story describing the ways that Census surveys and programs can provide insights into social, economic and housing equity gaps.

And now I'll turn things back to Michael who will lead our question and answer session.

(SLIDE 74) Questions – Michael Cook

- Thanks, David.
- We'll start taking questions now.
- To fit in as many questions as possible, reporters can ask one question and one follow-up.
- Operator – can you please give instructions on how reporters can submit their questions?

((Verizon Operator gives quick instructions))

(SLIDE 75) Michael - Press kit reminder

- While we wait for the first question to queue up, a reminder to check out our press kit.
- It contains today's slide deck, news release, and reports on today's topics.
- We'll also be posting a recording of today's news conference in the next 48 hours or so.

(SLIDE 76) Michael - America Counts

- And a reminder to visit America Counts – stories behind the numbers ON CENSUS-DOT-GOV for news stories on the latest income, poverty, and health insurance findings that we've discussed today.

(SLIDE 77) Michael - Reminder of Upcoming Releases (ACS)

- In October, we'll release an analytical report on the data quality challenges for the 2020 American Community Survey. Stay tuned for more information on that.

- In November, we'll release the 2020 American Community Survey 1-year experimental estimates along with a working paper describing the methodology to produce these estimates.
- Operator – do you have our first question?

(SLIDE 78) Questions – Live Q&A

(SLIDE 79) Michael – Reminder of Upcoming Releases (SIPP)

- Before we wrap up, I'd like to direct your attention to a few key products we have scheduled for release this week…
- This Thursday – on September 16th – we'll be releasing data from the 2019 Survey of Income and Program Participation.

(SLIDE 80) Michael – Reminder of Upcoming Releases (Census Redistricting Data)

- Also this Thursday, we'll be uploading the data from the 2020 Census Redistricting Data Summary Files to our user-friendly website, data-dot-census-dot-gov. This is the same data we released last month, but now in an easier to use data dissemination tool for the public.

(SLIDE 81) Michael – Public Information Office

- A final note …if you have additional questions after today's news conference or you would like to arrange an interview with one of our subject matter experts, please call the Public Information Office at 301-763-3030 or email us at pio@census.gov.

- I’d like to thank today’s presenters: David Waddington, Trudi Renwick, Sharon Stern, and Liana Fox.
- I’m Michael Cook, thank you for joining us for today’s news conference. Have a great rest of your day.