

INCOME, POVERTY, AND HEALTH INSURANCE IN THE UNITED STATES IN 2004¹

Income

The median household income in the United States in 2004 was \$44,389. The inflation-adjusted median household income remained virtually unchanged between 2003 and 2004 (Table 1).

Most age groups experienced decreases in median household income between 2003 and 2004, but only among householders age 45 to 54 was the decline statistically significant. For this age group, income declined from \$61,861 in 2003 to \$61,111 in 2004, a 1.2 percent decrease (Table 1).

Since 2001, median household income has declined for all households and for all age subgroups except those age 55 to 64, and the decrease was statistically significant for all age subgroups. This marks the third year in a row that inflation-adjusted median income decreased for most age groups (Table 1).

Poverty

There were 37.0 million persons in poverty in the United States in 2004, 1.1

million more than in 2003. The overall poverty rate in 2004 was 12.7 percent, an increase of 0.2 percentage points from the 2003 level. This marks the fourth year in a row (since 2000) that the poverty rate increased, an increase that was statistically significant (Table 2).

In 2004, the poverty rate increased for all age groups except for persons age 25 to 34 years old and age 65 and older. All increases and decreases were statistically significant except for those people under age 18 (Table 2).

The poverty rate for older persons in 2004 was lower than the rate for all ages (12.7 percent). However, the threshold used to establish poverty status for older persons is about 10 percent lower than for other age groups. The poverty threshold in 2004 was \$9,060 for single persons age 65 and over and \$9,827 for single persons under age 65. For couples, the threshold was \$11,430 for those age 65 and older and \$12,714 for those under age 65.

Age of Householder	Median Income in 2004 Dollars				Percent Change in Real Income	Percent Change in Real Income
	2001	2002	2003	2004	2003-2004	2001-2004
All Ages	\$46,052	\$45,056	\$44,482	\$44,389	-0.2%	*-3.6%
15 to 24 years	\$30,541	\$30,084	\$27,780	\$27,586	-0.7%	*-9.7%
25 to 34 years	\$48,711	\$48,099	\$45,982	\$45,485	-1.1%	*-6.6%
35 to 44 years	\$58,963	\$56,890	\$56,523	\$56,785	0.5%	*-3.7%
45 to 54 years	\$63,218	\$61,932	\$61,861	\$61,111	*-1.2%	*-3.3%
55 to 64 years	\$49,192	\$48,935	\$50,538	\$50,400	-0.3%	*2.5%
65 years and older	\$25,316	\$24,666	\$24,426	\$24,509	0.3%	*-3.2%

* Statistically significant change at 90 percent confidence level.
Source: U.S. Bureau of the Census, *Money Income, Poverty, and Health Insurance Coverage in the United States: 2004*. August 2005.

¹ Data Source: U.S. Bureau of the Census's March 2005 Current Population Survey. The survey consists of about 78,000 households in the United States for the calendar year 2004. The survey does not include the institutionalized population or those under age 15.

Age	Percentage of Persons below Poverty				Percentage Point Changes
	2001	2002	2003	2004	2003-2004
All Ages	11.7%	12.2%	12.5%	12.7%	*0.2
Under 18	16.3%	16.7%	17.6%	17.8%	0.2
18 to 24 years	16.3%	16.5%	16.5%	18.1%	*1.6
25 to 34 years	11.0%	11.9%	12.8%	12.5%	*-0.3
35 to 44 years	8.6%	9.3%	9.6%	9.9%	*0.3
45 to 54 years	7.1%	7.5%	7.6%	8.4%	*0.8
55 to 59 years	8.7%	8.4%	8.2%	8.4%	*0.2
60 to 64 years	10.3%	10.6%	9.7%	10.4%	*0.7
65 years and older	10.1%	10.4%	10.2%	9.8%	*-0.4

* Statistically significant change at 90 percent confidence level.
Source: U.S. Bureau of the Census, *Money Income, Poverty, and Health Insurance Coverage in the United States: 2004*. August 2005.

In 2004, 6.7 percent of persons age 65 and older were “near poor,” defined as between 1.0 and 1.25 times the poverty line (Table 3). The near-poor rate for those persons is higher than for any other age group, and it would be higher still if the same poverty threshold were applied to both elderly and nonelderly persons.

Health Insurance Coverage

An estimated 45.8 million persons were without health insurance coverage during the entire 2004 calendar year (15.7 percent of the total population). This number was about 0.8 million persons higher than in 2003 (0.1 percentage points higher), a

statistically significant increase. The number of uninsured persons age 45 to 64 was about 10.2 million in 2004, representing 14.3 percent of all persons in this age group. The 45 to 64 year-old uninsured population increased 0.4 percentage points from the 2003 level. The number of uninsured children under age 18 was 8.3 million in 2004, representing a decline of approximately 0.1 million persons from year 2003 (-0.2 percentage points).

A majority of the nation’s total population (68.1 percent) was covered by a private insurance plan for some or all of 2004. Other sources of insurance included government coverage through Medicare (13.7 percent), Medicaid (12.9 percent), and military health care (3.7 percent).²

Age	Under 1.00	Under 1.25	Near Poor*
All Ages	12.7%	17.1%	4.4%
Under 18	17.8%	22.9%	5.1%
18 to 24 years	18.1%	23.5%	5.4%
25 to 34 years	12.5%	16.8%	4.3%
35 to 44 years	9.9%	13.0%	3.1%
45 to 54 years	8.4%	11.1%	2.7%
55 to 59 years	8.4%	11.2%	2.8%
60 to 64 years	10.4%	13.8%	3.4%
65 years and older	9.8%	16.5%	6.7%
65 to 74 years	9.4%	14.5%	5.1%
75 years and older	10.3%	18.6%	8.3%

* "Near poor" is defined as being between 1.0 and 1.25 times the poverty line.
Source: U.S. Bureau of the Census, *Money Income, Poverty, and Health Insurance Coverage in the United States: 2004*. August 2005.

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² Health insurance coverage percentages and uninsured percentages do not add up to 100 percent because some individuals have more than one type of coverage.