

INCOME, POVERTY, AND HEALTH INSURANCE IN THE UNITED STATES IN 1998¹

Income

Between 1997 and 1998, median household income in the U.S increased 3.5 percent, the fourth consecutive year that real (inflation-adjusted) income increased significantly. The median income of U.S. households in 1998 was \$38,885. With this increase in income, overall household median income has surpassed its 1989 pre-recession level of \$37,884 (in 1998 dollars). However, 35- to 54-year-olds, essentially the baby boomer cohort, still have not reached their 1989 income level, despite increases in the past several years (Table 1).

All age groups experienced increases in real median household income from 1997 to 1998. The increases were statistically significant for all age groups at the 90 percent confidence level, except for those aged 15 to 24. For example, median household income for those aged 65 and over increased from \$21,084 in 1997 to \$21,729 in 1998 (a 3.1 percent increase) (Table 1).

Poverty

There were 34.5 million persons in poverty in 1998, 1.1 million fewer than in 1997. The overall poverty rate in 1998, 12.7 percent, declined 0.5 percentage points from 1997, a statistically significant decrease. However, the 1998 poverty rate was not significantly different from the pre-recession rate in 1989 (13.1 percent) (Table 2).

The poverty rate declined for all age groups from 1997 to 1998 (except for persons aged 55 to 59), but not all of these decreases in poverty were significant. Poverty rates in 1998 were still significantly higher than those rates in 1989 for persons aged 18 to 24 and aged 35 to 44. Only for persons under age 18 and persons aged 65 and over were poverty rates significantly lower than the 1989 level (Table 2).

In 1998, the poverty rate among those aged 65 and over was 10.5, unchanged from 1997 and lower than the rate for all ages (12.7 percent). However, the

Age of Householder	Median Income in 1998 Dollars				Percent Change in Real Income
	1989	1996	1997	1998	1997-1998
All Ages	\$37,884	\$36,515	\$37,581	\$38,885	*3.5%
15 to 24 years	\$24,401	\$22,480	\$22,935	\$23,564	2.7%
25 to 34 years	\$39,041	\$37,185	\$38,769	\$40,069	*3.4%
35 to 44 years	\$49,310	\$46,575	\$47,081	\$48,451	*2.9%
45 to 54 years	\$54,575	\$51,497	\$52,683	\$54,148	*2.8%
55 to 64 years	\$40,569	\$40,802	\$42,000	\$43,167	*2.8%
65 years and over	\$20,719	\$20,463	\$21,084	\$21,729	*3.1%

* Statistically significant change at 90 percent confidence level
Source: U.S. Department of Commerce

¹ Based on the U.S. Census Bureau's March 1999 Current Population Survey

Age	Percent of Persons Below Poverty				Changes in Poverty Rate	
	1989	1996	1997	1998	1997 to 1998	1989-1998
All Ages	13.1%	13.7%	13.3%	12.7%	*-0.5	-0.3
Under 18	20.1%	20.5%	19.9%	18.9%	*-1.0	*-1.2
18 to 24 years	15.4%	17.9%	17.5%	16.6%	*-0.9	*1.2
25 to 34 years	11.1%	12.7%	12.1%	11.9%	-0.2	0.7
35 to 44 years	8.1%	9.9%	9.6%	9.1%	-0.4	*0.8
45 to 54 years	7.5%	7.6%	7.2%	6.9%	-0.2	-0.5
55 to 59 years	9.5%	9.4%	9.0%	9.2%	0.3	-0.3
60 to 64 years	9.4%	11.5%	11.2%	10.1%	*-1.1	0.6
65 years and over	11.4%	10.8%	10.5%	10.5%	-0.1	*-0.9

* Statistically significant change at 90 percent confidence level
Source: U.S. Department of Commerce

threshold used to establish poverty status for older persons is about 10 percent lower than for other age groups. The poverty threshold in 1998 was \$7,818 for single person aged 65 and over and \$8,480 for single persons under 65. For couples, the threshold was \$9,862 for those aged 65 and over and \$10,972 for those under 65.

In 1998, 16.8 percent of older persons were below poverty or near-poor, defined respectively as below the poverty line and between 1.0 and 1.25 times the poverty line (Table 3). The latter rate is higher than any age group except those under 25, and it would be higher still if the same poverty threshold were applied to both elderly and nonelderly persons.

Health Insurance Coverage

An estimated 44.3 million persons were without health insurance coverage

Age	Percent	Percent	Percent
	Under 1.00	Under 1.25	Under 2.00
All Persons	12.7%	17.0%	30.8%
Under 18	18.9%	24.0%	40.1%
18 to 24 years	16.6%	21.8%	36.5%
25 to 34 years	11.9%	15.9%	29.1%
35 to 44 years	9.1%	12.2%	23.8%
45 to 54 years	6.9%	9.3%	17.2%
55 to 59 years	9.2%	12.1%	21.0%
60 to 64 years	10.1%	13.8%	26.0%
65 years and over	10.5%	16.8%	37.2%

Source: U.S. Department of Commerce

during the entire 1998 calendar year (16.3 percent of the total population). This number was about one million higher than in 1997. The proportion of the uninsured population was statistically unchanged from 1997. The number of uninsured persons aged 50 to 64 was 5.5 million in 1998, 14.3 percent of all persons in this age group. The number of uninsured children under age 18 grew to 11.1 million in 1998, 15.4 percent of all children.

The majority of the nation's population (70.2 percent) was covered by a private insurance plan for some or all of 1998. Other sources of insurance coverage included government coverage through Medicare (13.2 percent), Medicaid (10.3 percent), and military health care coverage (3.2 percent).²

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