

INCOME, POVERTY, AND HEALTH INSURANCE IN THE UNITED STATES IN 2005¹

Income

The median household income in the United States in 2005 was \$46,326. The inflation-adjusted median household income increased 1.1 percent from \$45,817 in 2004; the increase is statistically significant. However, the median household income in 2005 was still lower than it was in 2001 (in 2005 dollars) for all households and all age subgroups except age 55 to 64 and age 65 and older. The differences were statistically significant (Table 1).

For most age groups, the inflation-adjusted median household income remained virtually unchanged between 2004 and 2005 except for householders age 65 and older. For this age group, the inflation-adjusted median income increased from \$25,336 in 2004 to \$26,036 in 2005, a 2.8 percent rise. The increase was statistically significant (Table 1).

Poverty

There were 37.0 million persons in poverty in the United States in 2005. The overall poverty rate was 12.6 percent. After four

consecutive increases (since 2001), poverty rates were virtually unchanged between 2004 and 2005. However, the overall poverty rate was still higher in 2005 than in 2000 (11.3 percent) (Table 2).

In 2005, the poverty rate for persons age 18 to 24 was 18.2 percent, the highest among all age groups, but the increase of 0.1 percentage point since 2004 was not statistically significant (Table 2).

The poverty rate for older persons in 2005 was 10.1 percent, lower than the rate for all ages (12.6 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 2005 was \$9,367 for single persons age 65 and older and \$10,160 for single persons under age 65. For couples, the threshold was \$11,815 for those age 65 and older and \$13,145 for those under age 65.

In 2005, 6.6 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

Table 1
Annual Median Income of Householders by Age (2001 - 2005)

Age of Householder	Median Income in 2005 Dollars					Percent Change in Real Income	Percent Change in Real Income
	2001	2002	2003	2004	2005	2004-2005	2001-2005
All Ages	\$47,224	\$46,203	\$45,614	\$45,817	\$46,326	*1.1%	*-1.9%
15 to 24 years	\$31,318	\$30,849	\$28,487	\$28,497	\$28,770	1.0%	*-8.9%
25 to 34 years	\$49,951	\$49,323	\$47,152	\$46,985	\$47,379	0.8%	-5.4%
35 to 44 years	\$60,464	\$58,338	\$57,962	\$58,573	\$58,084	-0.8%	*-4.1%
45 to 54 years	\$64,827	\$63,508	\$63,435	\$63,068	\$62,424	-1.0%	*-3.9%
55 to 64 years	\$50,444	\$50,180	\$51,824	\$52,077	\$52,260	0.4%	*3.5%
65 years and older	\$25,960	\$25,294	\$25,048	\$25,336	\$26,036	*2.8%	*0.3%

* Statistically significant change at 90 percent confidence level.

Source: U.S. Bureau of the Census, *Income, Poverty, and Health Insurance Coverage in the United States: 2005*. August 2006.

¹ Data source: U.S. Bureau of the Census’s March 2006 Current Population Survey. The survey consists of about 78,000 households in the United States for the calendar year 2005. The survey does not include the institutionalized population or those under age 15.

Age	Percentage of Persons below Poverty						Percentage Point Change
	2000	2001	2002	2003	2004	2005	2004-2005
All Ages	11.3	11.7	12.2	12.5	12.7	12.6	-0.1
Under 18	16.2	16.3	16.7	17.6	17.8	17.6	-0.2
18 to 24 years	15.2	16.3	16.5	16.5	18.1	18.2	0.1
25 to 34 years	10.5	11.0	11.9	12.8	12.5	12.6	0.1
35 to 44 years	8.2	8.6	9.3	9.6	9.9	9.7	-0.2
45 to 54 years	6.6	7.1	7.5	7.6	8.4	8.2	-0.2
55 to 59 years	8.6	8.7	8.4	8.2	8.4	8.1	-0.3
60 to 64 years	10.4	10.3	10.6	9.7	10.4	9.6	-0.8
65 years and older	9.9	10.1	10.4	10.2	9.8	10.1	0.3

* Statistically significant change at 90 percent confidence level.
Source: U.S. Bureau of the Census, *Income, Poverty, and Health Insurance Coverage in the United States: 2005. August 2006.*

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 46.6 million persons were without any health insurance coverage in all of 2005 (15.9 percent of the total population). This number was about 1.3 million persons higher than in 2004 (0.3 percentage point higher), a statistically significant increase. Among persons age 25 to 34, 10.4 million (26.4 percent of total persons in this age group) were without health insurance in 2005, 0.9 percentage point higher than the 2004 level, a statistically significant increase. The number of uninsured children

representing an increase of approximately 0.4 million persons (0.5 percentage point) from 2004. The increase was statistically significant (Table 4).

Age	Under 1.00	Under 1.25	Near Poor*
All Ages	12.6%	16.8%	4.2%
Under 18	17.6%	22.8%	5.2%
18 to 24 years	18.2%	22.8%	4.6%
25 to 34 years	12.6%	16.7%	4.1%
35 to 44 years	9.7%	13.0%	3.3%
45 to 54 years	8.2%	10.7%	2.5%
55 to 59 years	8.1%	10.8%	2.7%
60 to 64 years	9.6%	12.8%	3.2%
65 years and older	10.1%	16.7%	6.6%
65 to 74 years	9.4%	14.3%	4.9%
75 years and older	10.3%	19.3%	9.0%

* is defined as being between 1.0 and 1.25 times the poverty line.
Source: U.S. Bureau of the Census, *Income, Poverty, and Health Insurance Coverage in the United States: 2005. August 2006.*

under age 18 was 8.3 million in 2005,

	Percentage of People Without Health Insurance Coverage		Percentage Point Change
	2004	2005	2004-2005
All Ages	15.6%	15.9%	*0.3
Under age 18	10.8%	11.2%	*0.5
15 to 24 years	30.7%	30.6%	-0.1
25 to 34 years	25.5%	26.4%	*0.9
35 to 44 years	18.7%	18.8%	0.1
45 to 64 years	14.2%	14.6%	0.4
65 years and older	1.4%	1.3%	-0.1

* Statistically significant change at 90 percent confidence level.
Source: U.S. Bureau of the Census, *Income, Poverty, and Health Insurance Coverage in the United States: 2005. August 2006.*

A majority of the nation's total population (67.7 percent) was covered by a private insurance plan for some or all of 2005. Other sources of insurance included government coverage through Medicare (13.7 percent), Medicaid (13.0 percent), and military health care (3.8 percent).

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