

Number of Americans Without Health Insurance Grew By 1.3 Million in 2005

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HEADLINE:Number of Americans Without Health Insurance Grew By 1.3 Million in 2005

By Tony Pugh, McClatchy Washington Bureau

Aug. 30--WASHINGTON -- One of the nation's most vexing public-health problems deepened last year as the number of Americans without health insurance jumped by 1.3 million to 46.6 million, the Census Bureau reported Tuesday.

Children accounted for 8.3 million of the uninsured, up from 7.9 million in 2004. Nearly 1 in 5 impoverished children lacked coverage in 2005, and 22 percent of Hispanic children were uninsured.

The new estimates, part of an annual census survey, mark the fifth straight year that the ranks of the uninsured have increased. The new data, which show that nearly 16 percent of Americans lack health coverage, caught many by surprise because unemployment rates were fairly stable last year.

"I thought we'd have a little reprieve," said Dr. Catherine Hoffman, senior researcher at the Kaiser Commission on Medicaid and the Uninsured. "But the problem doesn't seem to be abating even though the economy seemed to have settled in 2005."

The spike in uninsured children, from 10.8 percent in 2004 to 11.2 percent in 2005, is the first in nearly a decade, Hoffman said.

Most experts cited the cost-driven decline of employer-based health coverage and private insurance for the overall increase.

The report also had more upbeat news. After increasing for four straight years, the nation's poverty rate held steady at 12.6 percent in 2005.

And the median household income -- the point at which half of households earn more and half less -- increased for the first time since 1999, by 1.1 percent to \$46,326.

But a closer look tells a more complex story. For the second straight year, full-time male employees saw their earnings decline in 2005, while their female counterparts took a similar hit for the third straight year. The median earnings for men fell 1.8 percent to \$41,400. Women saw a 1.3 percent decline to \$31,900.

"It's a bizarre situation where the pie is growing pretty dramatically but most people's slices are getting smaller," said Harry Holzer, a visiting fellow at the Urban Institute and former chief economist for the U.S. Department of Labor.

That wasn't true, however, for high-income workers. The 20 percent of U.S. households with the highest income accounted for more than half the total U.S. household income in 2005. That disparity has widened over the last 10 years, "indicating a higher level of income inequality than in 1995," said David Johnson, the chief of housing and household economic statistics at the Census Bureau. "Also, the share of total income received by the highest 20 percent of households has increased, while the shares received by those in the lowest 60 percent have declined."

The conflicting data reflect growing concern that despite 2 million new jobs in 2005 and consistent gains in productivity, real wages for working Americans haven't kept pace with inflation. Rising costs for food, energy and health care are eroding a greater share of wages for the middle class and working poor.

Those concerns could weigh on voters in the fall.

"Today's numbers are more proof that middle-class life is growing less affordable and less secure under this Republican Congress," said Senate Minority Leader Harry Reid, D-Nev. "It is time to take this country in a new direction, with a Congress that responds to the challenges the American people face every day."

The Bush administration and Republican congressional leaders focused on the report's positive data to deflect Democratic attacks and tout the economy's strength.

"While we still have challenges ahead, our ability to bounce back is a testament to the strong work ethic of the American people, the resiliency of our economy and pro-growth economic policies, including tax relief," said Rob Portman, the director of the Office of Management and Budget at the White House.

Said Carolyn Weyforth, a spokeswoman for Senate Majority Leader Bill Frist, R-Tenn.: "Yes, there are some disconcerting numbers that Senator Frist feels that Congress must continue to address, but by no means do these numbers mean that the economy is anything but strong and continuing to grow."

The accuracy of census poverty figures has come under scrutiny because they exclude family expenses such as out-of-pocket medical costs and child care. They also don't adjust for cost-of-living differences in urban and rural areas or consider the effects of federal anti-poverty programs such as food stamps, the Earned Income Tax Credit and housing subsidies. As a result, "there are a lot fewer poor families over time than the official measures indicate," said Bruce Meyer, a professor of public policy at the University of Chicago and an expert on welfare and unemployment policy.

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