

# Society at a Glance 2014 Highlights: UNITED STATES OECD Social Indicators



The United States continues to have higher levels of inequality than most OECD countries, driven by rising gains by the wealthiest 1% and greater poverty among the poorest Americans.

Policymakers responded swiftly to the recession and to rising unemployment by strengthening some out-of-work benefits, notably unemployment insurance. Reforms mainly focused on income support, however, while measures to support people from benefits back into work were less decisive.

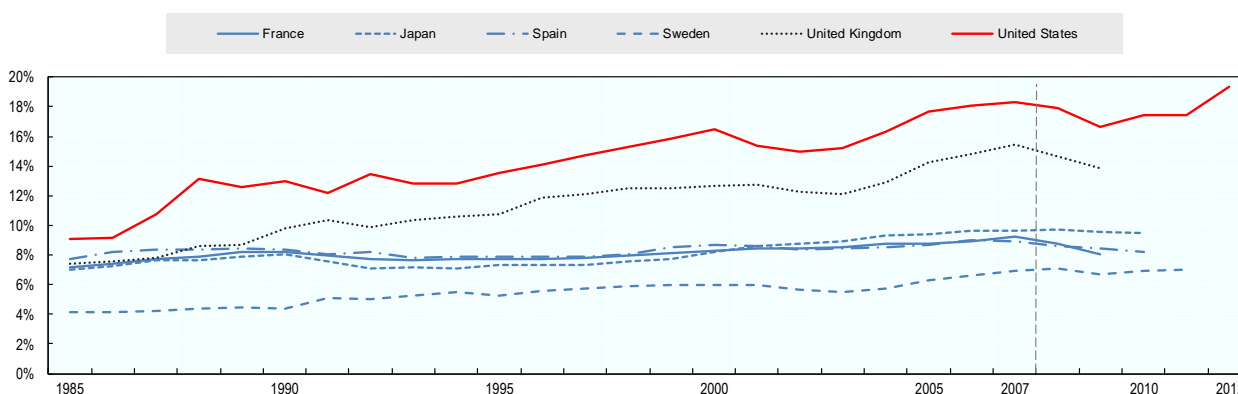
Public and private spending on healthcare in the U.S. has continued to outpace healthcare spending in other OECD countries, while U.S. life expectancy is below the OECD average.

## The income share of the top 1% of U.S. earners is the highest in the OECD

Although average disposable household income in the United States is substantially higher than the OECD average, income is distributed relatively unequally in the United States. U.S. income inequality, measured by the Gini coefficient, is the 4<sup>th</sup> highest among the OECD countries. Only Chile, Mexico and Turkey have worse income inequality outcomes.

Inequality is driven partly by gains at the top of the income distribution. The top 1% of earners in the United States more than doubled their share of pre-tax income over the past two decades: from 8.2% in 1980 to 19.3% in 2012. The economic crisis in 2007/08 did reduce top income shares in the United States, but, unlike other income groups, this drop appears to have been short-lived. Elsewhere, top 1% of earners also dramatically increased their income share in the United Kingdom. The trend is, however, much less marked in countries like Sweden, France and Japan.

### The share of income going to the top 1% remains higher in the US than in other OECD countries



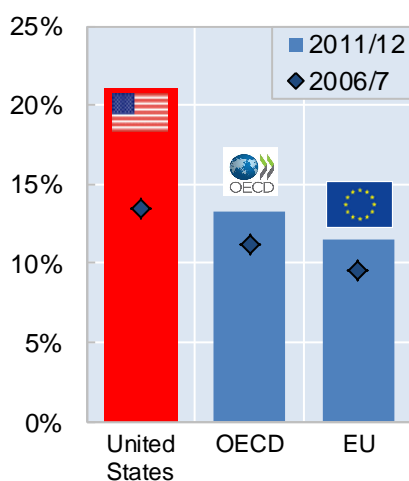
[Figure 5.2.xls]

## Poverty rates in the United States are among the highest in the OECD

Gains by the wealthiest Americans have been accompanied by rising poverty and by increasing economic insecurity among the poorest Americans. The relative poverty rate in the U.S. is 17.4%, compared to an OECD average of 11.1%. Only Chile, Israel, Mexico and Turkey have higher poverty rates than the U.S.

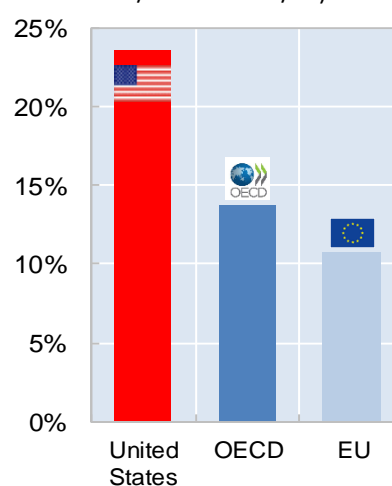
These high levels of poverty in the U.S. are reflected in other measures of material hardship. In 2012, more than 20% of Americans reported instances of not being able to afford enough food for themselves or their family. Measured in this way, the number of food-insecure Americans has increased by some 50% since the onset of the economic crisis, and is now substantially higher than the OECD average. Projected budget cuts to the federal Supplemental Nutrition Assistance Program (SNAP), the primary U.S. food assistance programme, could exacerbate the hardship experienced by low-income Americans.

**Growing number of Americans feel they cannot afford food**  
(Percentage of survey respondents)



[Figure 1.7.xls]

**Real social spending has increased in the US**  
(Percentage point change between 2007/08 and 2012/13)



[Figure 1.10.xls]

## Social protection was actively expanded during the crisis, but early cut-backs hurt the poor

Largely in response to higher unemployment, social spending in the United States increased by just under a quarter in real terms from 2007/08 to 2012/13 (from 16.6% to 19.8% of GDP). This is the fourth highest spending increase in the OECD. Nevertheless, U.S. social spending has remained well below the OECD average of 21.9%.

In the wake of the economic crisis, long-term unemployment increased by 16.7 percentage points between 2007 and the second quarter of 2013. In 2013, long-term unemployment rates reached 26.5%. Following the major extension of benefit durations, the share of working-age individuals receiving unemployment insurance tripled between 2007 and 2010, to 4.6%. But this still left about a third of jobseekers uncovered.

Although pre-crisis unemployment benefits were relatively modest in the United States, maximum benefit durations were quickly extended as finding a new job became more difficult and people remained unemployed for longer. However, fiscal uncertainty has led the federal government and many states to reduce support for low-income families at a time when poverty remained very high and labour markets were still weak. Timely benefit extensions were also not accompanied by equally decisive efforts to prevent longer-term benefit dependence and the United States continues to spend only around half of the OECD average on activation measures and employment support.

## **Spending on health care is by far the highest in the OECD**

The United States spends far more than every other OECD country on health expenditures, at a rate of USD 8 500 per capita. This level of health spending is two-and-a-half times the OECD country average, and 50% higher than Norway and Switzerland, which were the next biggest spenders. Private health spending accounts for just over half of the total. While the private sector continues to finance most health spending, the United States' public spending on health per capita is still greater than that of almost any other OECD country (except the Netherlands and Norway).

In spite of high health expenditures, average life expectancy, at 78.7 years, is now more than one year *below* the OECD average of 80.1 years. The United States' life expectancy was one year *above* the OECD average four decades ago.

**Scoreboard: selected social indicators**  
(Click on indicators for full data and information)

	Pre-crisis			Latest year		
	United States	EU	OECD	United States	EU	OECD
<a href="#">Annual disposable household income</a> in national currency, last year real prices						
Average	<b>34 800</b>	..	..	<b>35 600</b>	..	..
Bottom 10%	<b>6 400</b>	..	..	<b>6 200</b>	..	..
in USD at constant prices and PPPs of the latest year						
Average	<b>34 800</b>	22 900	23 100	<b>35 600</b>	22 900	23 100
Bottom 10%	<b>6 400</b>	7 900	7 300	<b>6 200</b>	7 700	7 100
<a href="#">Total Fertility rate</a>	<b>2.07</b>	1.63	1.75	<b>1.89</b>	1.59	1.70
<a href="#">Unemployment rate (%)</a>	<b>4.6</b>	6.6	5.9	<b>7.6</b>	11.1	9.1
<a href="#">Youth neither in employment, education nor training, NEET rate (%)</a>	<b>12.0</b>	10.7	11.5	<b>15.0</b>	12.7	12.6
<a href="#">Income inequality:</a>						
Gini coefficient	<b>0.378</b>	0.288	0.313	<b>0.380</b>	0.291	0.313
Gap between richest and poorest 10%	<b>15.1</b>	6.9	9.2	<b>15.9</b>	7.4	9.5
<a href="#">Relative poverty (%)</a>	<b>17.3</b>	9.2	11.2	<b>17.4</b>	9.4	11.3
<a href="#">Share of people reporting not enough money to buy food (%)</a>	<b>13.4</b>	9.5	11.2	<b>21.1</b>	11.5	13.2
<a href="#">Public social spending (% GDP)</a>	<b>16.6</b>	22.5	19.6	<b>19.8</b>	25.1	21.9
<a href="#">Suicide rates, per 100 000 population</a>	<b>11.7</b>	12.5	12.5	<b>12.5</b>	12.2	12.4
<a href="#">Health expenditure per capita (latest year USD PPPs)</a>	<b>8 000</b>	3 100	3 100	<b>8 500</b>	3 200	3 300
<a href="#">Confidence in national government (%)</a>	<b>40</b>	50	49	<b>35</b>	41	43
<a href="#">Confidence in financial institutions (%)</a>	<b>74</b>	65	63	<b>38</b>	43	46


Unweighted average of the 21 EU and 34 OECD countries.

[from OECD Employment database](#)

[from OECD Income Distribution Database](#)

[from OECD Social Expenditure Database \(SOCX\)](#)

[from OECD Health Data](#)

<p><b>See also:</b></p> <ul style="list-style-type: none"> <li>• How does your country compare: <a href="#">data visualization</a></li> <li>• Executive summary: in your <a href="#">language</a></li> </ul>	
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