
September 5, 2024

What to Watch for in Next Week's Census Data on Income, Poverty, and Health Insurance in 2023

By Arloc Sherman and Gideon Lukens

On Tuesday, September 10, the Census Bureau will release household income, poverty, and health insurance figures for 2023 from the Current Population Survey (CPS). The data may include notable good news, including record low shares of people uninsured along with rising income and falling poverty after accounting for inflation. But interpreting this year's poverty figures requires caution: a temporary quirk in the poverty thresholds may understate improvement in one poverty measure, possibly making a poverty decline appear to be a poverty rise.

Here are five things to watch for.

Share of People Without Health Coverage May Have Reached an All-Time Low

It is likely that the portion of people who are uninsured reached another record low in 2023, surpassing 2022 (also a record), driven by policies that prompted major coverage gains both in the Affordable Care Act (ACA) marketplace and in Medicaid. Next week's figures will include data from the CPS, slated for September 10, and the American Community Survey (ACS), due on September 12.

Both the ACS and CPS are key surveys for health insurance, with the ACS having a larger sample and a more consistent methodology for health insurance data over time. In 2022 the ACS revealed a record low of 8.0 percent of people who are uninsured, while the CPS matched its record low rate of 7.9 percent.

It is likely that a second consecutive all-time low will be reached in both surveys in 2023. According to preliminary data from the National Health Interview Survey (NHIS), which typically tracks well with data from the ACS and CPS, the portion of people who are uninsured reached a record low of 7.6 percent in 2023 (the previous NHIS record was 8.4 percent in 2022).¹ Likewise, the Congressional Budget Office (CBO) projects that the uninsured rate fell to a record low of 7.2

¹ Robin Cohen *et al.*, "Health Insurance Coverage: Early Release of Estimates from the National Health Interview Survey, 2023," Centers for Disease Control and Prevention, June 2024, <https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur202406.pdf>.

percent in 2023, based on the NHIS, CBO technical adjustments, and other data.²

Coverage gains could be larger among people with low and moderate incomes, as well as among Black and Latino people, whose uninsured rates are high for reasons including systemic racism, immigration-related barriers, and the refusal of some states to adopt ACA Medicaid expansions. The NHIS found a significant reduction in the uninsured rate for Black adults aged 18-64, and also found that coverage gains were concentrated among adults with incomes between 100 and 400 percent of the poverty level.³ These findings are broadly consistent with ACA marketplace enrollment, which grew particularly rapidly for people with low to moderate incomes as well as Black and Latino people.⁴

Coverage gains in recent years are due in part to enhanced premium tax credits (PTCs), which substantially reduced people's costs to enroll in ACA marketplace plans and drove rapid increases in ACA marketplace enrollment. The enhanced PTCs were first adopted in the American Rescue Plan in 2021 and were extended through 2025 by the Inflation Reduction Act. As a result, average monthly marketplace enrollment increased from 10.3 million in 2020 to 16.2 million in 2023. (As of February 2024, enrollment had surged even higher, reaching 20.8 million.)⁵

In addition, the pandemic-related continuous coverage protection, which allowed Medicaid enrollees to maintain uninterrupted coverage from March 2020 through March 2023, pushed Medicaid enrollment to record highs in the first quarter of 2023. While Medicaid enrollment has fallen since that protection expired on April 1, 2023, average monthly Medicaid enrollment over the course of 2023 was higher than any other year.

Further gains in people's access to affordable health care and coverage can be made by maintaining and building on policies that have strengthened the ACA. This includes extending the enhanced PTCs for ACA marketplace coverage (which will expire after 2025 without further action), closing the coverage gap in states that won't adopt the ACA Medicaid expansion, and eliminating immigration-related barriers to coverage.⁶ On the other hand, recent proposals to undermine or dismantle the ACA from some House Republican lawmakers and the Heritage Foundation's Project

² Jessica Hale *et al.*, "Health Insurance Coverage Projections for the U.S. Population and Sources of Coverage, by Age, 2024-34," *Health Affairs*, Vol. 43, No. 7, June 18, 2024, <https://www.healthaffairs.org/doi/10.1377/hlthaff.2024.00460>.

³ The uninsured rate for Latino adults also fell more than average from 2022 to 2023, but the change was not statistically significant, potentially due to the small sample size of the NHIS. Cohen *et al.*, *op cit.*

⁴ Anupama Warriar *et al.*, "HealthCare.gov Enrollment by Race and Ethnicity, 2015-2023," Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, March 22, 2024, <https://aspe.hhs.gov/reports/marketplace-enrollment-race-ethnicity-2015-2023>.

⁵ Centers for Medicare & Medicaid Services (CMS), "Effectuated Enrollment: Early 2024 Snapshot and Full Year 2023 Average," <https://www.cms.gov/files/document/early-2024-and-full-year-2023-effectuated-enrollment-report.pdf>; CMS, "Effectuated Enrollment: Early 2023 Snapshot and Full Year 2022 Average," <https://www.cms.gov/files/document/early-2023-and-full-year-2022-effectuated-enrollment-report.pdf>.

⁶ CBPP, "The Medicaid Coverage Gap: State Fact Sheets," updated April 3, 2024, <https://www.cbpp.org/research/health/the-medicaid-coverage-gap>.

2025 agenda would move in the other direction, leading to large-scale coverage losses.⁷

Strong Economy Could Lift Incomes, Lower Poverty, and Reduce Racial Inequities

A range of previously released economic indicators improved in 2023,⁸ giving reason to think that the Census figures will show improvements in income and poverty.

The labor market improved in 2023 — and was stronger than before the start of the pandemic — by key measures. Unemployment fell in 2023 and the monthly average employment rate for prime working-age adults (aged 25–54) rose to 80.7 percent, its highest level since 2000. The increase from 2022 (1.8 percentage points) equaled the largest seen in more than 30 years before the pandemic.⁹ Wage growth outpaced price growth, with average hourly pay for private employees rising 0.5 percent from 2022 (and 1.1 percent from 2019) in Labor Department figures adjusted for inflation. Economic growth was also strong by international standards; by late 2023, U.S. output had fully returned to its pre-pandemic growth path, unlike in Canada, the United Kingdom, or the euro area, according to Federal Reserve economists.¹⁰

Several years of tight labor markets could lift inflation-adjusted household income levels to historic highs for racial and ethnic groups that have long faced discrimination and other barriers to opportunity. For Black households, inflation-adjusted median income by 2022 reached its highest point on record in CPS data back to 1967; any further progress in 2023 would signal a new record high. For Latino households, inflation-adjusted growth of 1.8 percent or more would signal a record high, as would income growth of 1.2 percent or more for Asian households.

Quirk in Supplemental Poverty Thresholds Will Understate Improvements in Poverty

Although the most informative poverty figures the Census Bureau releases each year are usually those using the Supplemental Poverty Measure (SPM) — the more comprehensive of Census’s two main poverty measures — a temporary peculiarity in the SPM thresholds will cause the standard SPM data for 2023 to understate progress against poverty.

Under both the OPM and SPM, someone is considered to be in poverty if their family’s income is below a corresponding poverty threshold (or “poverty line”). SPM thresholds rose 8.6 percent in 2023 for renters, who make up a majority of people in poverty, according to the Labor Department, which updates the SPM thresholds each year based, in part, on changes in the amount typical

⁷ Allison Orris and Claire Heyison, “Republican Health Coverage Proposals Would Increase Number of Uninsured, Raise People’s Costs,” CBPP, September 3, 2024, <https://www.cbpp.org/research/health/republican-health-coverage-proposals-would-increase-number-of-uninsured-raise>.

⁸ Chad Stone, “Economy Strong as 2023 Ended,” CBPP, April 4, 2024, <https://www.cbpp.org/research/economy/economy-strong-as-2023-ended>.

⁹ U.S. Department of Labor, Bureau of Labor Statistics, <https://bls.gov>.

¹⁰ Francois de Soyres *et al.*, “Why is U.S. GDP recovering faster than other advanced economies?” FEDS Notes, May 17, 2024, <https://www.federalreserve.gov/econres/notes/feds-notes/why-is-the-u-s-gdp-recovering-faster-than-other-advanced-economies-20240517.html>.

families with children spend on basic needs, such as food and housing, averaged over five earlier years.

This 8.6 percent increase is more than *twice* the inflation rate in 2023 based on the traditional consumer price index (CPI-U), which stood at 4.1 percent.¹¹ Although prices rose faster for some items (like rent) that dominate the budgets of people with lower incomes, average inflation for the full range of items purchased by the poorest one-fifth of households was only slightly higher (at most 4.6 percent in 2023), Labor Department economists recently concluded.¹²

Adjusting poverty lines based on basic-needs spending, as the SPM does, has notable advantages¹³ but can lead to confusing results in years following sharp swings in household spending such as occurred in the pandemic. For Census's other main poverty measure — the cash-only official poverty measure (OPM) — Census updates poverty thresholds using only the CPI-U, so these thresholds will go up by far less than the SPM thresholds. While the overall CPI may somewhat understate the inflation that people with low incomes experienced in 2023, largely because rent comprises a larger share of their incomes, the Labor Department study suggests the resulting difference in inflation rates is modest (4.1 percent vs. 4.6 percent).

The SPM's faster-than-inflation threshold adjustment by itself could add as many as 3 million people to the poverty count and 0.9 percentage points to the poverty rate, CBPP analysis of 2022 data suggests, enough to convert a poverty decline to an apparent poverty increase — a misleading result.

Inflation-Adjusted Poverty Measures Will Be Revealing and May Reach Notable Milestones

For analyzing 2023 data, we recommend that data users:

- Pay particular attention to **inflation-adjusted SPM figures** described below for an overall understanding of how families' disposable resources (accounting for taxes and non-cash benefits) changed in 2023 after accounting for inflation, and how this affected their risk of having inadequate income.

¹¹ U.S. Bureau of Labor Statistics (BLS), 2023 Research Supplemental Poverty Measure Thresholds, June 5, 2024, https://www.bls.gov/pir/spm/spm_thresholds_2023.htm.

¹² See Table C-1 in Joshua Klick and Anya Stockburger, "Examining U.S. inflation across households grouped by equivalized income," Monthly Labor Review, July 2024, <https://www.bls.gov/opub/mlr/2024/article/examining-us-inflation-across-households-grouped-by-equivalized-income.htm>. The authors also report evidence that such estimates may slightly overstate true inflation because households, including lower-income households, are often able to substitute between goods when relative prices are shifting.

¹³ The updating method tends to roughly track the overall consumer price index (CPI) inflation rate or rise very slightly faster. By design, it helps the SPM poverty line keep pace with gradual evolution in societal spending patterns over a span of decades (for example, as married couples increasingly both work outside the home and families consequently spend more on eating out).

- Use the cash-only **OPM** figures to understand how the private economy and cash benefits such as Social Security have affected the inflation-adjusted finances of low-income people over time.
- Use the **standard SPM figures** for detailed characteristics of people in poverty in 2023 and the impact of government programs on lifting people above the poverty line.

Multi-year poverty data using one year's SPM threshold adjusted only for inflation are often known as an “anchored SPM” (in contrast with the standard SPM). Many researchers favor anchored SPM data for at least some purposes.¹⁴

To facilitate historical comparisons, CBPP has calculated *2023-anchored* SPM figures, that is, poverty figures using the 2023 SPM thresholds adjusted back only for inflation. (See Appendix.) Because they use the 2023 thresholds, these figures may be compared directly with the standard SPM data for 2023 when Census releases them. (Note that SPM data anchored to years other than 2023 would *not* be comparable to standard SPM data for 2023 because they would not share the same poverty threshold. A previous CBPP report, for example, provided extensive SPM historical tables anchored to 2022; those tables will not be comparable to next week's standard SPM data.¹⁵)

Comparisons using 2023-anchored data could yield notable milestones. For example:

- In comparisons between 2023 SPM data and comparable CBPP historical data anchored to 2023, the poverty rate may reach its lowest level on record (in data back to 1967) — with the noteworthy exception of the pandemic years of 2020 and 2021, when relief policies reduced poverty sharply. Poverty will reach a non-pandemic-year record low if the SPM rate for 2023 falls below 13.3 percent, where it stood in 2022. (Its pre-pandemic low was 13.5 percent, in 2019, CBPP estimates show. See Appendix table below.)¹⁶
- If child poverty falls below 13.6 percent in standard SPM figures for 2023, then 2023-based anchored SPM poverty for children will have reached its lowest level on record (back to 1967) — with the notable exception of 2020 and 2021, when pandemic relief policies such as the expanded Child Tax Credit cut child poverty by one-half.
- If the Black poverty rate falls below 18.6 percent in standard SPM figures for 2023, then Black 2023-based anchored SPM poverty will have reached a non-pandemic-year low going back to 1970.

¹⁴ At a recent American Enterprise Institute forum, for example, conservative economist James Sullivan endorsed anchoring the SPM. “The War on Poverty at 60: Lessons to Inform the Future,” June 20, 2024, <https://youtu.be/4eA37Z56C-M?t=4890>. White House economists during the Obama Administration also emphasized anchored SPM findings. Council of Economic Advisers, “The War on Poverty 50 Years Later: A Progress Report,” January 2014, https://obamawhitehouse.archives.gov/sites/default/files/docs/50th_anniversary_cea_report_-_final_post_embargo.pdf.

¹⁵ Danilo Trisi, “Expiration of Pandemic Relief Led to Record Increases in Poverty and Child Poverty in 2022,” CBPP, June 10, 2024, <https://www.cbpp.org/research/poverty-and-inequality/expiration-of-pandemic-relief-led-to-record-increases-in-poverty>. The data are based on analyses of Census data and additional historical data from researchers at Columbia University's Center on Poverty and Social Policy (CPSP). CPSP may release additional historical 2022-anchored SPM data next week.

¹⁶ Trisi, Appendix II Table 1a, column K.

- If the Latino poverty rate falls below 20.8 percent in standard SPM figures for 2023, then Latino 2023-based anchored SPM poverty will have reached a non-pandemic-year low going back to 1970.
- If the Asian poverty rate falls below 18.6 percent in standard SPM figures for 2023, then Asian 2023-based anchored SPM poverty will have reached a non-pandemic-year low going back to 2002.

Census may also choose to release inflation-adjusted SPM comparisons, as expert users have encouraged them to do.

Changes to Food Assistance Will Also Affect SPM Poverty

Regardless of which SPM measure is used, expiration of pandemic-era food assistance will put upward pressure on SPM poverty. And if next week's figures show poverty did *not* fall in 2023 despite the strong economy (even in an anchored measure), SPM data on food programs could help explain why.

Temporary supplementary SNAP benefits known as emergency allotments, enacted in 2020 and expanded in 2021, ended in March 2023 in 32 states and the District of Columbia (18 states ended them earlier).¹⁷ Children's eligibility for Pandemic EBT (a school meal replacement program) also narrowed in 2023. As these pandemic-related provisions expired, total SNAP payments (including Pandemic EBT) fell 22 percent in 2023 before adjusting for inflation.¹⁸ Adjusted for overall consumer price inflation, the combined value of SNAP and the school lunch program (including Pandemic EBT) fell \$39 billion or 24 percent.

In 2022, SNAP and school lunch together lifted 5.1 million people above the SPM poverty line and lowered the poverty rate by 1.5 percentage points, Census figures show.¹⁹ A decline of one-fourth in that effect, roughly proportional to the inflation-adjusted decline in SNAP and school lunch spending, could add over a million people to the poverty count.

One change to food assistance that is *not* slated to expire is the Department of Agriculture's 2021 science-based revision to the Thrifty Food Plan, on which SNAP benefit levels are based.²⁰ The revision was designed to more accurately reflect the cost of a frugal, healthy diet, and resulted in a one-time 21 percent increase in SNAP benefit levels starting in October 2021. This modernized

¹⁷ Dottie Rosenbaum, Katie Bergh, and Lauren Hall, "Temporary Pandemic SNAP Benefits Will End in Remaining 35 States in March 2023," CBPP, February 6, 2023, <https://www.cbpp.org/research/food-assistance/temporary-pandemic-snap-benefits-will-end-in-remaining-35-states-in-march>.

¹⁸ SNAP benefits declined \$29 billion, equivalent to a loss of \$35 billion, or 25 percent, after adjusting for inflation in the cost of food at home.

¹⁹ See Tables B-7 and B-8 in Emily Shrider and John Creamer, "Poverty in the United States: 2022," U.S. Census Bureau, September 12, 2023, <https://www.census.gov/library/publications/2023/demo/p60-280.html>.

²⁰ But a farm bill authored by House Agriculture Chair Glenn "GT" Thompson, and approved by the committee, would limit future TFP updates only to inflation, resulting in a SNAP benefit cut of roughly \$30 billion over the next decade. Katie Bergh, Joseph Llobrera, and Dottie Rosenbaum, "House Committee Farm Bill's \$30 Billion SNAP Cut, Other Harmful Proposals Outweigh Improvements," CBPP, August 8, 2024, <https://www.cbpp.org/research/food-assistance/house-committee-farm-bills-30-billion-snap-cut-other-harmful-proposals>.

benefit level kept poverty – and food insecurity – levels lower than they would otherwise have been in both 2022 and 2023.

Appendix: Historical Anchored SPM Data With Inflation-Adjusted 2023 Poverty Thresholds

When Census initially releases its 2023 Supplemental Poverty Measure (SPM) data, those who wish to compare them to anchored SPM data for earlier years may use the following tables. CBPP calculated the figures using 2023 SPM poverty thresholds adjusted only for inflation, and they may be compared directly to data published for 2023.

For example, the overall SPM poverty rate in 2022 using the 2023 SPM thresholds adjusted back to 2022 only for inflation stood at 13.3 percent. The overall 2023 SPM poverty rate that Census publishes on September 10 can be compared with this figure to determine if the anchored SPM poverty rate rose, fell, or stayed the same.

Additional 2023-anchored SPM data (as well as standard SPM data) on the share of people in poverty and children in poverty back to 1967 are also available.²¹

APPENDIX TABLE 1

Percentage of People in Poverty Using the Supplemental Poverty Measure With 2023 Thresholds Adjusted Only for Inflation: 2018 to 2022

	2018	2019	2020	2021	2022
All ages					
All races and ethnicities	15.0	13.5	10.0	8.7	13.3
White	10.0	9.3	7.1	6.3	9.8
Latino/Hispanic	24.3	21.8	15.5	12.7	20.8
Black	24.3	21.5	16.2	12.8	18.6
Asian	15.4	12.7	9.5	10.3	12.4
American Indian and Alaska Native	21.6	17.6	13.5	12.6	19.8
Under 18					
All races and ethnicities	16.6	14.6	10.7	6.0	13.6
White	8.5	8.0	6.3	3.1	7.9
Latino/Hispanic	26.6	23.3	16.0	9.7	21.4
Black	28.5	23.6	19.1	9.7	20.5
Asian	13.7	10.4	7.4	5.6	10.6

²¹ These are attached to this report as a related resource and can also be accessed here: https://www.cbpp.org/sites/default/files/SPM_poverty_1967-2022_anchored_and_standard.xlsx.

American Indian and Alaska Native	21.2	16.3	13.6	8.8	21.2
--	-------------	-------------	-------------	------------	-------------

Note: Figures anchored to 2023 use 2023 SPM thresholds adjusted for inflation with the retroactive Consumer Price Index research series. Groups are in order by overall population size. Categories used are white alone, not Latino; Latino/Hispanic (of any race); Black alone, not Latino; Asian alone, regardless of Latino ethnicity, and American Indian and Alaska Native alone or in combination with other races, regardless of Latino ethnicity.

Source: Figures anchored to 2023 are CBPP calculations using U.S. Census Bureau's Current Population Survey. Figures using relative SPM thresholds are from Table B-2 in Census Bureau's report, "Poverty in the United States: 2022."