

# THE MEASURE OF AMERICA

# Executive Summary



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The American HD Index provides a single measure of well-being for all Americans.

Economists, politicians, journalists, and ordinary citizens have many ways to track how America is doing. Monitoring the stock market, watching real estate prices, keeping an eye on interest rates—to follow these figures is to see how the country is progressing in one way or another. But we all have a harder time when trying to look at the big picture: on the whole, are things getting better or worse, and for whom? To answer these questions and to gauge how they stack up compared to their neighbors, countries worldwide have embraced an idea that captures key dimensions of national well-being in one framework: human development.

It has been eighteen years since the UN Development Programme published the first Human Development Report. In the nearly two decades since then, journalists, policy makers, governments, and the global development community have made important use of these studies—more than five hundred in all—on nations and regions around the world. What is new, however, and perhaps somewhat unexpected, is a Human Development Report on the United States.

Yet as the American Human Development Report itself confirms, the human development concept is as relevant and applicable to the home of the world's largest economy as it is to the home of the smallest. The indicators most frequently deployed in evaluating public welfare in the United States—GDP, the Dow Jones and NASDAQ, consumer spending, and the like—only address one aspect of the American experience. The human development model emphasizes the broader, everyday experience of ordinary people, including the economic, social, legal, psychological, cultural, environmental, and political processes that shape the range of options available to us. This approach has gained support around the world as a valuable tool in analyzing the well-being of large population groups.

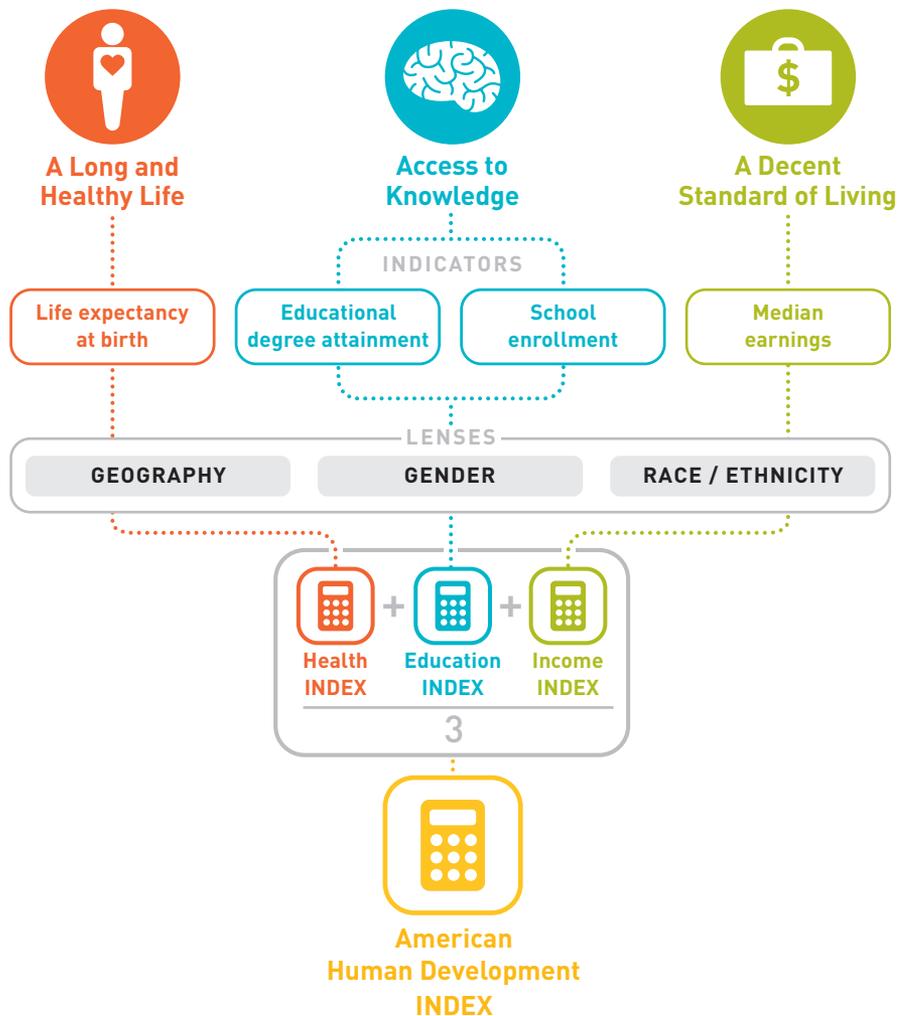
The report and its American Human Development Index contain a host of useful data on economic, social, political, military, and environmental issues. However, both the report and the index emphasize three core areas of well-being: living a long and healthy life, having access to knowledge, and enjoying a decent standard of living. All data come from official U.S. government sources. (The most recent year for which all data needed to calculate the index are available is 2005.)

The American Human Development Index (page 162) provides a single measure of well-being for all Americans, disaggregated by state and congressional

district, as well as by gender, race, and ethnicity. Overall, for example, Connecticut ranks first among states on the index, and Mississippi ranks last. The American HD Index registers a thirty-year gap in human development between the two states. Among the nation's 436 congressional districts, New York's Fourteenth District, in New York City, ranks first, and California's Twentieth District, around Fresno, ranks last. The average resident of New York's Fourteenth District earns over three times as much as the average resident of California's Twentieth District, lives four and a half years longer, and is ten times as likely to have a college degree.

By gender and ethnicity, Asian males have the highest human development score; African American males the lowest. The human development gap between the two groups is a staggering fifty years.

In other meaningful ways, as well, the American Human Development Index shows great variation among states and congressional districts, among racial/ethnic groups, and between women and men. The data that inform these analyses are derived in the following ways:



#### **A Long and Healthy Life**

is measured using life expectancy at birth, calculated from mortality data from the Centers for Disease Control and Prevention, National Center for Health Statistics, and population data from the U.S. Census Bureau, 2005.

#### **Access to Knowledge**

is measured using two indicators: school enrollment for the population age three and older, and educational degree attainment for the population twenty-five years and older. Both indicators are from the American Community Survey, U.S. Census Bureau, 2005.

#### **A Decent Standard of Living**

is measured using median earnings of all full- and part-time workers sixteen years and older from the American Community Survey, U.S. Census Bureau, 2005.



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## A Long and Healthy Life

The United States spends roughly \$5.2 billion every day on health care. But despite spending more per capita than any nation in the world, Americans live shorter lives than citizens of many other nations, including virtually every Western European and Nordic country. In addition, infant mortality rates are substantially higher in the United States than in other affluent nations. And homicide and suicide are significant contributors to premature death nationwide.

Here are some key findings of the report and index:

- In Washington, D.C., the average life expectancy is 73.8 years; in Hawaii, it is 81.7 years, a difference of almost 8 years.
- Kentucky's Fifth Congressional District, encompassing the southeastern part of the state, is at the bottom of the rankings with an average life expectancy of 72.6 years. Virginia's Eighth District, covering urban northern Virginia, is at the top of the table with a life expectancy of 82.9—a difference of more than a decade. Residents of Kentucky's Fifth District have an average life expectancy equal to that of the average American three decades ago.
- Asian females live on average to 88.8 years; African American females live to 76.3—a difference of more than 12 years.
- Among males, Asians live, on average, to 83.6; African Americans to 69.4—a difference of 14 years.
- The U.S. infant mortality rate is on par with that of Croatia, Cuba, Estonia, and Poland. If the U.S. rate were equal to that of first-ranked Sweden, twenty-one thousand more American babies would have lived to celebrate their first birthday in 2005.
- Two significant risk factors for premature death are obesity and lack of health insurance.

## Access to Knowledge

Access to knowledge is central to expanding people's choices and opportunities so that they can fulfill their human potential and lead long, creative lives that they value.

Research associates higher levels of education with a host of positive outcomes for individuals and society. Educated citizens, on average, vote more frequently, volunteer more time, make more charitable contributions, and are more tolerant. For individuals, more education is linked to better health, a longer life, higher income, more civic and political participation, greater ability to adjust to change, a more robust self-identity, stronger and more extensive social bonds, more stable relationships, and greater personal happiness.

Here are some key findings of the report and index:

- Washington, D.C., has the highest educational score among the states, followed by Massachusetts and Connecticut. However, the percentage of people in the nation's capital who did not graduate from high school is 16.4 percent, above the national average.
- California's Thirtieth Congressional District (from the Malibu coast east to Beverly Hills and West Hollywood) tops the list on the Education Index: 57 percent of adults over twenty-five have at least a bachelor's degree, and only 5 percent failed to graduate high school. In the lowest-scoring U.S. congressional district, Texas's Twenty-Ninth (predominantly eastern Houston city neighborhoods), only 6 percent of adults have earned a bachelor's degree, and 46 percent did not complete high school. In terms of high school completion rates, the Twenty-Ninth Congressional District in Texas is today roughly where the whole country was in 1970; in terms of bachelor's degree attainment, this district is behind the 1960 national average.
- High levels of educational attainment among Asians drives their number-one HD Index ranking by race/ethnicity. Half of all Asians have at least a college degree, compared to roughly 30 percent of whites, 17 percent of African Americans, 14 percent of Native Americans, and 12 percent of Latinos.
- By the end of fourth grade, African American and Latino children, and children of all races who are living in poverty, are two years behind their more affluent, predominantly white peers in reading and math. They have fallen three years behind by eighth grade, and four years behind by twelfth grade.
- Research shows that investment in intensive early childhood education pays high dividends in educational attainment and reduction of social problems, including crime, that correlate to high dropout rates.



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## A Decent Standard of Living

Income enables valuable options and alternatives, and its absence can limit life chances and restrict access to many opportunities. Income is a means to a host of critical ends, including a decent education; a safe, clean living environment; security in illness and old age; and a say in the decisions that affect one's life.

The measure used in the Human Development Index to represent standard of living is earnings and includes only income generated by labor. Median earnings in the United States in 2005 ranged from a high of \$36,948 in Washington, D.C., to a low of \$21,472 in Montana. The variations in earnings among the country's 436 congressional districts range from median earnings of more than \$51,000 in New York's Fourteenth Congressional District to earnings one-third as much, less than \$17,000, in California's Twentieth.

Here are some key findings of the report and index:

- Six of the ten states with the highest median earnings are in the Northeast (New Jersey, Connecticut, Massachusetts, New Hampshire, New York, and Rhode Island). The remaining four (Washington, D.C., Maryland, Virginia and Delaware) lie just to the south, also along the eastern seaboard.
- The average income in the top fifth of U.S. households in 2006 was \$168,170. This is almost fifteen times the average income of the lowest fifth, with an average income of \$11,352 per year.
- The top 1 percent of households possesses a full third of America's wealth. Households in the top 10 percent of income distribution hold more than 71 percent of the wealth, while those in the lowest 60 percent possess just 4 percent of wealth.
- Fifteen percent of American children—10.7 million girls and boys—live in families with monthly incomes of less than \$1,500 per month.
- White males, the highest earners, make more than \$37,000 per year, on average; at the low end of the scale, Latino females earn little more than \$16,000.
- The United States is far behind other developed countries in its support to working families, particularly in terms of family leave, sick leave, and child care.

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## Advancing Human Development

Based on the data in the American Human Development Index and the information and analysis in the American Human Development Report, a steady, broad-based advance of human development in the United States will require attention to several priorities.

- For Americans to **live longer, healthier lives**, it is obvious from the report that progress depends in large part on a comprehensive resolution of the problem of health insurance. Today, some 47 million Americans lack health insurance, risking negative health outcomes and shorter life spans. The nation appears unlikely to make significant strides in health until every American has adequate health coverage.

In addition, Americans are at risk from a wide range of preventable causes of death and disease, including obesity and violence. In a reflection of how complex social problems are linked, researchers have found that poor parents, living in neighborhoods they perceive to be dangerous, are often reluctant to allow their children to play outside. Lack of exercise contributes to childhood obesity, which lowers health scores. Restricted space to play can also have a negative impact on school performance, lowering education scores.

- In order to improve **access to knowledge**, research suggests that intensive intervention in early childhood is necessary to break the pattern by which parents with limited education raise children with limited education—short-circuiting their ability to command decent opportunities and wages in a high-tech, information-intensive, globalized economy. Superior preschool programs and intensive elementary schooling can offer students from poor families a chance to fulfill their potential, seize opportunities, and lead lives they value. The ideal of American opportunity, grounded in equal access to public education, is threatened by the lopsided educational realities of American schools. In addition, we are asking our schools to solve society's most intractable problems—social exclusion, chronic unemployment, dangerous neighborhoods, and more.
- For Americans to sustain, or obtain, **a decent standard of living**, the wages and opportunities of millions of Americans must improve. Growing inequality in income distribution and wealth raises a profound question for Americans: Can the uniquely middle-class nation that emerged in the twentieth century survive into the twenty-first century? Or is it fracturing into a land of great extremes?

The answers to these questions will determine not only the future of America, but also the future of the idea of America—that of a land of opportunity where those who work hard and live honestly can prosper in freedom and security. The American Dream has drifted beyond the reach of many, while fading from view among others. To reinvigorate it, to make it real for millions of middle-class and poor Americans, the stagnation and decline of middle and low incomes must be reversed, and opportunity must once again reach down to the lowest rungs of society.



It may well be too late to help the generation of Americans who have just come of age. But a debate is long overdue on just how many generations America is willing to waste. We hope this American Human Development Report and American Human Development Index will help prod and inform that important discussion.