

Key Findings

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“You manage what you measure.” Among management consultants, this phrase has become something of a mantra. With the rapid advance in recent years of computerization and digital networks, the capacity of businesses, universities, governments, and other institutions to measure results has grown exponentially. You can see the thesis at work in school districts across the United States, where administrators are now measuring student achievement and adjusting pedagogy and resources on the basis of test results. They are managing what they measure.

This Human Development Report is the second produced for the United States, following the inaugural 2008–2009 report. It provides a gauge of core areas of well-being, or human development, across the nation, with data broken down by state, congressional district, race, gender, and ethnicity. **Three areas in particular form the basic building blocks of human development and contribute the data used to calculate the American Human Development Index:** health (the capacity to live a long and healthy life), education (access to knowledge), and income (the capacity to maintain a decent standard of living).

As America’s economy, educational infrastructure, and health-care system have expanded and evolved over many years, the average income, educational attainment, and life expectancy of Americans have risen. But they have sometimes risen in wildly divergent fashion for different people in different places. The typical Asian American in New Jersey lives one quarter century longer, is eleven times more likely to have a graduate degree, and earns \$33,149 more per year than the typical Native American in South Dakota, whose earnings are below the median American earnings of 1960. This is what is meant by a “gap” in human development; measured on the American Human Development Index, the gap between Asian Americans in New Jersey and Native Americans in South Dakota translates into an entire century of progress in health, education, and living standards.

Americans are one people, but given vast gaps in human development among them, they face starkly different challenges. This report provides measurements of some of the most important indicators of human development in the hope that such data will lead to better management of the conditions that create, or contribute to, those outcomes. **Particularly in times of budget cuts and hard choices, good data**

are indispensable for wise decisions. By presenting measurements of well-being beyond the narrow confines of Gross Domestic Product (GDP) and other economic indicators, this report offers a tool to pinpoint areas, some chronic, that will require sustained attention if America is to realize the promise of genuine opportunity for all its citizens. Furthermore, a more holistic analysis of which groups are surging forward and which are stalled or left behind is essential to helping the most vulnerable develop the resilience necessary to prevail in the face of financial crisis, recession, environmental catastrophe, or other challenges.

Indeed, the theme of this year's report is Mapping Risks and Resilience. In the wake of Hurricane Katrina, the financial crash of 2008, and the BP oil spill in the Gulf, it is clear that the capacity to weather difficult times is crucial. Yet tens of millions of Americans lack even the most rudimentary shelter from a storm, be it meteorological or financial. Decreasing the risks Americans face and increasing their resilience in the face of adversity are keys to advancing human development.

We have included a number of **new features** since publication of the first human development report, *The Measure of America 2008-2009*:

- **New American Human Development Index scores and rankings** for states and congressional districts to facilitate comparisons with data in the first report
- **New analysis of race and ethnicity by state**
- **Encouraging examples of what is working** to address stubborn social and economic problems
- **A Dashboard of Risks**, a supplement to the American HD Index that measures risk in ten areas of health, education, and income. The Dashboard features faster-changing indicators to highlight pervasive risk factors, from low-birth-weight babies and children not enrolled in preschool to housing insecurity and those not counted in unemployment figures because they have stopped looking for work (see pages 34-35)
- **An appendix of indicators** for further analysis, including comparisons of the United States and other OECD nations

Along with these new features, the report and Index contain a wealth of data and analysis on human development to provide:

- Answers to questions of policy makers, teachers and students, journalists, and others;
- A roadmap of needs and vulnerabilities to guide philanthropies, government agencies, concerned citizens, and others to populations that are falling behind;

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- A more comprehensive framework for diagnosing underlying causes of disadvantage and discussing poverty, encompassing noneconomic factors that both contribute to and define poverty.

KEY FINDINGS OF THE AMERICAN HUMAN DEVELOPMENT INDEX:

- Americans born today can expect to live 78.6 years on average, nearly nine years longer than in 1960.
- Eighty-five percent of adults have at least a high school education, and overall school enrollment is higher than at any other point in history.
- Once-rapid progress in median earnings of adults since 1960 has slowed to a crawl since 2000.
- Some of the largest gaps in well-being are found within a single city or among population groups living within a few miles of one another.

A Long and Healthy Life

The unprecedented attention to the nation's health-care structure over the last two years overlooked the country's most alarming health problem: huge disparities in health outcomes for different population groups. The most pervasive threats to health—everyday hazards such as tobacco, alcohol, poor diet, and lack of exercise—are often bundled together with environmental, social, and economic stresses, resulting in chronic illness and premature death. While we tend to credit medical research and advanced treatments for increased life expectancy, gains made in recent decades are due to a decrease in the risk of premature death. Decreasing risks and increasing resilience almost certainly remain the surest and most achievable path to improved health and longer lives for Americans.

KEY FINDINGS OF THE REPORT AND INDEX:

- Life expectancy in the United States is 78.6 years, on par with Chile, though Chile spends one-tenth what the United States spends on health care.
- In the country as a whole, Asian Americans live, on average, thirteen years longer than African Americans, more than twelve years longer than Native Americans, more than eight years longer than whites, and nearly four years longer than Latinos.
- The eleven states with the shortest life spans are in the South.
- Whites in Washington, DC, live, on average, twelve years longer than African Americans in the same city.
- Life expectancy in Virginia's Eighth Congressional District, in suburban Washington, DC, is a decade longer than life expectancy in West Virginia's Third Congressional District, in the rural southern part of the state.



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Access to Knowledge

More education correlates to better, healthier, happier, and longer lives as well as higher incomes. In a knowledge economy, education provides a bulwark against economic downturns and disruptions, is a key factor in expanding opportunity, and remains a long-term source of resilience in the face of adversity. In the 2007–9 recession, college graduates faced a combined unemployment and underemployment rate of 10 percent; those with only a high school education faced rates twice as high, while 35 percent of high school dropouts were either unemployed or underemployed.

KEY FINDINGS OF THE REPORT AND INDEX:

- Washington, DC, scores highest on the Education Index developed for this report; 85.8 percent of adult residents are high school graduates, and 26.7 percent have graduate or advanced degrees. Arkansas ranks last, with 82 percent and 6.3 percent, respectively.
- The top five states in the Education Index spent an average of over \$14,500 per K–12 pupil. The bottom five spent under \$9,000 per pupil.
- In California’s Thirtieth Congressional District (Hollywood, Beverly Hills, Santa Monica, and Malibu), nearly three in five adult residents are college graduates, and more than one in four have advanced degrees. A few miles west in California’s District 34 (downtown Los Angeles), only three in one hundred residents have advanced degrees.
- In every ethnic and racial group studied except Asian Americans, women have higher educational attainment and enrollment than men.
- More than 90 percent of white adult women today are high school graduates; more than 40 percent of Latino men are not.
- More than a quarter of high school freshmen do not graduate in four years—if they graduate at all.

A Decent Standard of Living

Personal earnings, the measure employed in the American HD Index to represent standard of living, have risen from the median income of \$23,000 in the mid-1970s to nearly \$30,000 today. But the rise has been anything but even across diverse populations. Female earnings doubled in constant dollars, from \$12,800 to \$24,700, while male earnings rose by only \$2,500. Perceptions that the rich have gotten richer while the poor have gotten poorer are borne out—emphatically—by the data. And finally, while we frequently measure and devote policy attention to salaries and wages, wealth, or net worth, is vital for building long-term economic security and acts as a cushion when income is disrupted. Efforts to help those with few assets build greater economic security and set their children on a trajectory of opportunity and choice have received relatively less attention.

KEY FINDINGS OF THE REPORT AND INDEX:

- The wealth of the top 1 percent of households rose, on average, 103 percent (to \$18.5 million per household) from 1983 to 2007. The poorest 40 percent of households experienced a 63 percent decline in wealth during the same period (to \$2,200 per household).
- Washington, DC, has the highest median earnings, at \$40,342; Arkansas has the lowest, at \$23,471.
- By the end of the 2007–9 recession, unemployment among the bottom tenth of U.S. households was 31 percent, which is higher than unemployment during the worst year of the Great Depression; for households earning \$150,000 and over, unemployment was just over 3 percent.
- Between 2005 and 2008, median earnings for men in Michigan fell more than 12 percent—from \$39,000 a year to \$34,000.
- The wealthiest 20 percent of U.S. households have slightly more than half of the nation's total income. The poorest 20 percent have 3.4 percent of total income.
- The wealthiest congressional district in the United States is NY-14 on Manhattan's East Side, with median earnings of \$60,000; the poorest is NY-16, a few subway stops away in the Bronx, with median earnings of \$18,000.



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Advancing Human Development

American history is frequently portrayed as a march of progress, as ever larger numbers of Americans claim their civil rights, advance through education and hard work, and secure unimpeded access to the American Dream. But progress on many fronts is growing more elusive and, for some Americans, has assumed the character of myth.

Incomes have been stagnant for a decade, and high unemployment due to the Great Recession has undermined the security of tens of millions of Americans. Chronic health problems associated with poor diet and lack of exercise, including diabetes and obesity, consume a disproportionate amount of health-care spending while condemning millions to poor health and sapping their income-earning potential, reducing their quality of life, and shortening their lives. Educational failure is epidemic in countless American cities and towns, relegating millions of American youth to a life of dead-end jobs, poverty, and social exclusion.

These problems are not new or unknown. Likewise, while their remedies may be complex and perhaps incompletely understood, they are not abject mysteries. Just as the data in this report enable us to pinpoint problems in specific communities, they also point the way toward better outcomes.

In **health**, we must address the “**Fatal Four**”—the risk factors that are the most significant contributors to premature death, namely, **smoking, poor diet, physical inactivity, and drinking to excess**. Part of the answer is personal responsibility. But health strategies built around personal responsibility alone are proven recipes for failure. People live their lives within a social context; to optimize health outcomes, we must change the attitudes and environments that undermine health—from senseless risk-taking among men who feel obligated to conform to masculine norms to environments in which sugary, salty, fatty foods are sometimes the only options.

In **education**, research shows that **quality preschool** is the single most decisive means to prepare disadvantaged children for elementary school. Providing universal access to quality preschool should be a national goal. Similarly, **high school graduation** is essential to lifetime success, yet the rate of on-time high school graduation has been fundamentally unchanged for three decades. Raising the compulsory age of education to 18 in states where it is earlier is an obvious way to improve the education prospects—and thus the life prospects—for millions of teens who would otherwise drop out, thereby all but ensuring lives of severely limited opportunities and low incomes.

In **income**, endemic poverty puts tens of millions of families at risk and strips them of the resilience they need to weather hard times. The negative consequences of this extend to health and education, as stress, poor diet, and other factors associated with poverty wear down health and chronic lack of resources undermines educational attainment. To build resilience, we must make basic financial literacy a part of high school curricula and enact programs like automatic enrollment in retirement plans that help low-income Americans build up assets.

This book concludes with a set of recommendations for priority actions required in order to improve scores on the American HD Index. The report provides a wealth of data on issues critically important to social policy. But knowing about problems and addressing problems are very different things. The information is at hand. The will to apply it is yet to be summoned.