

FACTS & FIGURES

From the Economic Policy Institute

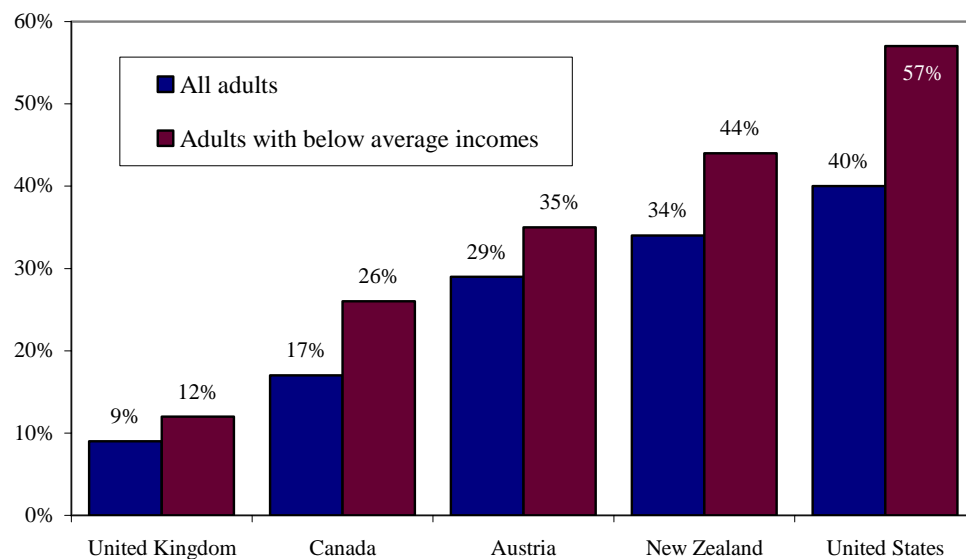
U.S. & the World

The International Comparisons chapter of *The State of Working America 2006-2007* compares the United States to 19 other member countries of the Organization for Economic Cooperation and Development (OECD), which are similarly wealthy, but have an economic model that includes broad social spending. Compared to these countries, the United States has more income inequality, higher poverty rates, an expensive yet underperforming health care system, and workers who clock more hours than European workers and have far fewer paid days off.

Health care access and cost

- ❖ While the United States spends more on health care than other OECD countries, about 16 percent or 45.8 million people in the United States did not have any form of health insurance coverage in 2004. Ireland, Austria, and Finland spend about half of what the United States spend, as a percentage of GDP, yet cover 99-100 percent of their respective populations.

Percent going without needed health care due to costs



Source: Commonwealth Fund (2004)

- ❖ 40% of adults surveyed in the United States say they have gone without needed care due to costs. The United Kingdom reported the lowest incidence of forgone needed health care due to costs. This is true despite the fact that the United Kingdom spent a relatively low 6.4% of its GDP on public health, covering 100% of its citizens.
- ❖ Higher per capita health care spending is generally associated with a higher life expectancy. The latest data (2003) show U.S. life expectancy is lower than in any other OECD countries examined, except Denmark. The United States and Denmark have the same life expectancy of 77.2 years.

Productivity and income

- ❖ U.S. infant mortality is the highest among OECD countries, with seven deaths per 1,000 live births. Japan has the lowest infant mortality, with a rate of three deaths per 1,000 live births.
- ❖ Norway was the only country with higher per capita income than the United States in 2004.
- ❖ While the United States is, on average, a very wealthy country, it has a large variance in incomes between those at the top and the bottom of the income scale. In fact, inequality is greater in the United States than in the other OECD countries. Moreover, inequality in the United States (along with the United Kingdom) has shown a strong tendency to rise, even as inequality was relatively stable or declining in most of the other OECD countries.
- ❖ In 2004, five OECD economies matched or exceeded U.S. productivity—Norway (125%), Belgium (113%), France (107%), Ireland (104%), and the Netherlands (100%).

Poverty

- ❖ U.S. wealth is no antidote for poverty. The United States led all but one OECD country (Norway) in per capita income in 2004, yet had the highest poverty and child poverty rates among these countries. The de-emphasis on redistributive social policies only exacerbates the high levels of poverty and income inequality in the United States.
- ❖ The United States, with 17.0% of its total population living in poverty, had the highest level of overall poverty among the 17 countries examined in this section. Ireland (16.5%) and Australia (14.3%) followed the United States. Finland (5.4%), Norway (6.4%), and Sweden (6.5%) had the lowest overall poverty rates among OECD nations.
- ❖ The United States has the highest rate of child poverty (21.9%) and the third-highest rate of elderly poverty (24.7%) among these countries. Countries that had higher social expenditures, as a percentage of GDP, also tend to have lower poverty rates among children.

Work hours and vacation

- ❖ In Europe, the minimum vacation is, by law, four to five weeks per year, while the United States has no mandated vacation time.
- ❖ Workers in the United States clocked more hours than workers in any other OECD country except New Zealand. U.S. workers averaged 1,824 hours per year in 2004, (the latest data available) which is a very close second to New Zealand's 1,826 hours per year. Full-time workers in the United States averaged 46.2 weeks of work per year, or 10.2 weeks more than workers in Sweden, who worked the fewest weeks of all the OECD countries.
- ❖ Norway's per capita income is 132.7% of the OECD average; their productivity was higher than the other OECD countries, but they also had the lowest hours worked per person (-23.0% of the OECD average). The apparently higher standard of living in the United States comes not from working more efficiently than other comparable economies, but simply from more people working and doing so for more hours.

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