

**** New data from forthcoming The State of Working America 2006/2007 ****



HEALTH CARE: U.S. SPENDS MOST, COVERS LEAST

Among wealthiest nations, U.S. scores highest poverty, highest infant mortality, largest rich-poor gap, lowest paid vacation

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the international
comparisons section of
*The State of Working
America 2006/2007*

New Economic Policy Institute research, to be released Tuesday, July 25, 2006, shows the United States spends more on health care per capita than any other advanced, industrialized country, yet has the largest uninsured population. These and other [international comparisons](#) are analyzed in a chapter in the forthcoming EPI book, *The State of Working America 2006/2007*, a comprehensive review of the U.S. labor market and living standards.

This chapter compares the United States to 19 other wealthy countries, all members of the Organization for Economic Cooperation and Development (OECD).*

The startling failure of the U.S. health care model is just one trouble area that emerges in this research. 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 spends, as a percentage of GDP, yet covers 99-100 percent of their respective populations.

The United States has one of the highest per capita incomes, but that doesn't correlate with longer life or lower infant mortality. The latest data (2003) show U.S. life expectancy is lower than in any other of these OECD countries except Denmark. The United States and Denmark have the same life expectancy of 77.2 years. 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.

U.S. wealth is also no antidote for poverty. The United States leads all but one OECD country (Norway) in per capita income in 2004, but has the highest poverty and child poverty rates among these countries.

A common international measurement of poverty is the share of households that received 50 percent or less of the median income in each country. By that measure, the United States had the highest level of overall poverty with 17 percent of its total population living in poverty, compared to Finland at 5.4 percent and Norway at 6.4 percent. Child poverty is 21.9 percent in the United States, compared to Finland with 2.8 percent, Norway with 3.4 percent, and Sweden with 4.2 percent.

"Policy makers have not effectively addressed the high and increasing rate of poverty in the United States," said Allegretto. "The U.S. tolerates these appalling levels of poverty, even though it is among the richest nations."

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The distribution of wealth in the United States stands out from other rich countries. The gap between the richest and the poorest households is widest in the United States. Lower income households in the United States are relatively worse off compared to lower income households in the other countries.

The summer months draw attention to another area where the United States trails its OECD counterparts – work hours and vacation time. In Europe, the minimum vacation is, by law, four to five weeks per year, while the United States has no mandated vacation time. So it is no surprise that 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.

“The higher per capital incomes in the United States come largely from working longer hours than in other comparable economies,” said EPI economist and *State of Working America* co-author Sylvia Allegretto.

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*The OECD countries, in addition to the United States, are:

Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom.

***The State of Working America* is scheduled for release on Labor Day weekend, Saturday, September 2, 2006. Journalists wishing to preview an electronic version of the full text of the book should contact EPI communications at 202-775-8850 or email news@epi.org.**

The Economic Policy Institute is an independent, nonprofit, nonpartisan research institute – or “think tank” – that researches the impact of economic trends and policies on working people in the United States and around the world.