

# THE MEASURE OF AMERICA

AMERICAN HUMAN DEVELOPMENT REPORT 2008–2009

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## HUMAN DEVELOPMENT AND THE AMERICAN HUMAN DEVELOPMENT INDEX

### The Human Development Approach

Human development is an alternative approach to economic development. It seeks to broaden the discussion of well-being beyond the narrow confines of income. The human development approach seeks a holistic measure of a country's progress.

- Human development puts *people* at the center of development and is defined as the process of enlarging people's freedoms and opportunities and improving their well-being.
- The human development approach emphasizes the everyday experience of all people, including the economic, social, legal, psychological, cultural, environmental, and political processes that shape the range of options available to each of us.

### Origins of the Human Development Approach

Economist Mahbub ul Haq developed this alternative approach because he believed that existing measures of human progress, and in particular Gross National Product, failed to account for improvement in people's lives – the true purpose of development. Working with Nobel Laureate Amartya Sen and other gifted economists, Dr. Haq published the first Human Development Report in 1990.

### Human Development Reports

The global "Human Development Report" is now an annual publication, commissioned by the United Nations Development Programme and published by Palgrave Macmillan. The Human Development Report is an authoritative source on global development issues and a valued public policy tool. Adapting this global methodology to assess progress within a country, more than 500 national and regional reports have been produced in the last 15 years, leading in many cases to reshaping of public policies and spending. In Brazil, the Human Development Index is such a staple of national development debates that a Brazilian television broadcast of World Cup soccer displayed the Human Development Index of each of Brazil's competitors.

### The Human Development Index

The trademark of this work is the Human Development (HD) Index, an easy-to-understand numerical measure made up of what most people believe are the basic ingredients of human well-being: health, education, and income.

An important distinction between the human development concept and the index is that the concept is holistic, encompassing all of the things humans value. This could include such important dimensions as religious expression, environmental sustainability, cultural liberty, political participation, self-confidence, community bonds, dignity, nondiscrimination, and others. The index is restricted to statistics on longevity, education, and material well-being because reliable, objective data can be found for these dimensions and because they represent three central ingredients of a life of opportunity and freedom.

### The American Human Development Index

In the United States, the state of the nation is often expressed through Gross Domestic Product, daily stock market results, consumer spending levels, and national debt figures. But these numbers provide only a partial view of how we are faring. This report offers an alternative.

The American Human Development (HD) Index measures human well-being in the United States by combining data about people’s health, knowledge, and standard of living. All data are from the American Community Survey, U.S. Census Bureau, 2005.

- Health is measured by life expectancy.
- Knowledge is measured by a combination of educational attainment and school enrollment.
- Standard of living is measured using median earnings.

The American Human Development Index is not comparable to the U.N. Human Development Index. Both indices measure health, knowledge, and standard of living, but the American Human Development Index uses different indicators to take advantage of available data and better reflect society in the U.S.

### Using the American Human Development Index

The American Human Development Index is a tool to assess the relative socioeconomic progress of groups of Americans as well as different parts of the country. It provides a snapshot of how different groups stack up today and sets a benchmark by which to evaluate progress in the future. The detail provided by the index will help public and private policy makers to create and monitor policies to more effectively address problems revealed by the index.

### What the American Human Development Index Shows

The American HD Index shows for the first time that some Americans are 10, 20, and even 50 years behind others in human development or well-being.

The American HD Index shows that some of America’s wealthiest states, New York and California, have the highest gaps in human development between groups living in the state.

Huge disparities or gaps in human development are often found in groups that live within only a few miles from each other, as shown by the 50-year lag in human development between those living in New York’s 14<sup>th</sup> Congressional District (Manhattan’s East Side) and those living in New York’s 16<sup>th</sup> Congressional District (the South Bronx).

The American HD Index shows that America experienced tremendous progress during the past half century with increases in all three components -- income, educational attainment, and health improvements – each decade. Income, however, has stagnated so far in the 21<sup>st</sup> century.

American males have a higher human development index simply by virtue of having a higher median income than females.

The human development index ranks populations by race in the following order starting at the top: Asians, Whites, Latinos, American Indians, and African Americans. Asians top the index in every category: health, education, and income. African Americans are at the bottom of the ranking in large part because this group has the lowest life expectancy.

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