I. THE AMERICAN HUMAN DEVELOPMENT PROJECT

What is the American Human Development Project? It is an initiative of the Social Science Research Council. Established in 2007, the Project introduced the United States to a well-honed and widely respected international tool for measuring well-being: the human development index.

The mission of the Project is to provide easy-to-use yet methodologically sound tools for understanding the distribution of well-being and opportunity in America and to stimulate fact-based dialogue about issues we all care about: health, education, and income.

Our broad goal is to push for better measures of progress and opportunity that move beyond our overreliance on economic metrics alone. Money is vital, but it is not an end in itself. It is only valuable if it enables more kids to graduate from high school, more families to feel secure about their future, more people to live long and healthy lives, more women to live in safe communities, etc.

The American Human Development Project has produced the following publications:

- The Measure of America 2010-2011: Mapping Risks and Resilience
- A Portrait of Louisiana
- A Portrait of Mississippi

The Project is funded by the Conrad N. Hilton Foundation and The Lincy Foundation.
What has the American Human Development Project accomplished thus far?

POLICY MAKERS

- AHDP research was cited as major factor influencing $2 million ARRA grant (stimulus funding) to a Fresno, California health clinic, Jan ’10;
- AHDP research was cited in testimony before Senate Judiciary Committee hearing on poverty and human rights, Dec ’09;
- Co-authors provided testimony on “the middle class squeeze” before Congress’ Joint Economic Committee, July ’08;
- Senator Mary Landrieu of Louisiana used A Portrait of Louisiana research on mental health to make the case for prioritizing health funding for her state;
- the Connecticut Secretary of Education has drawn on this work for an understanding of school priorities.
- In fall 2010, initiated by Catholic Charities USA, a bill was introduced by Senator Casey, (D-PA) and Representative McGovern (D-MA) for a more holistic, streamlined approach to fighting poverty and delivering services using the American HD Index to determine eligibility for the program. The legislation was initiated by Catholic Charities. Read more.

CIVIL SOCIETY AND PHILANTHROPIC PARTNERSHIPS

Grasstops leaders and philanthropic foundations are drawing on the HD approach to identify levers for change and to assess progress. The following are some examples:

- The Foundation Center has licensed the HD Index and relevant indicators for its online Philanthropy In/Sight tool;
- AHDP collaborated with United Way of American in the creation of the Common Good Forecaster;
- Catholic Charities USA is reframing the work of their service delivery network of 2,500 local agencies and programs in human development terms.

Could this Report and data become part of political races? It already has. In several races, such as the race for Representative Jim Costa’s seat in the lowest-ranked district in the nation on the Index (Congressional District 20 around Fresno in California’s Central Valley), candidates frustrated with low rankings and slow progress have cited the index as motivation for throwing their hat in the race. This work enables people to raise questions on the basis of objective, fact-based “apples-to-apples” comparisons, and can give candidates a tool for assessing relative progress and setbacks.

What are the biggest human development problems in the U.S. today?

The Report ends with an Agenda for Action. Action in these areas shows great promise for boosting American Human Development Index scores for all Americans, narrowing the gaps that exist between different groups, and helping everyone build resilience to weather both the inevitable vicissitudes of life and the sudden, severe shocks that destroy capabilities years in the making. For further details on these recommendations, see The Measure of America 2010-2011: Mapping Risks and Resilience.
OVERALL WELL-BEING

• Prioritize prevention.
• Account for the cost of inaction.
• Make better use of economic instruments.
• Make the best choice the easiest choice.
• Beware the commonplace threat.

HEALTH:

• Address the social and economic disparities that breed ill health.
• Minimize people’s exposure to health risks, especially to the fatal four: poor diet, tobacco, physical inactivity, and excess drinking.
• Mitigate health risks through counter-advertising, treatment programs, public information campaigns, and modifications to the environment.
• Foster greater accountability for health disparities.

EDUCATION:

• Ensure universal, quality preschool.
• Address head-on the high school dropout crisis.
• Invest in the education of immigrant children.
• Ensure that all children have good teachers.
• Deflate ballooning college tuition costs.

STANDARD OF LIVING:

• Protect young children from the risks of extreme poverty.
• Increase educational attainment.
• Create and retain jobs.
• Create incentives—and eliminate disincentives—for asset building among low-income people.
• Help families provide care.
• Strengthen financial-sector regulation and improve financial literacy.
• Reform retirement systems to enable greater retirement security and reduce elderly poverty.
II. HUMAN DEVELOPMENT AND THE HUMAN DEVELOPMENT INDEX

What is the definition of “human development?” Human development is defined as a process of enlarging people’s freedoms and opportunities and improving their well-being. Human development is about the real freedom ordinary people have to decide who to be, what to do, and how to live.

The human development concept was developed by economist Mahbub ul Haq. At the World Bank in the 1970s, and later as minister of finance in his own country, Pakistan, Dr. Haq argued that existing measures of human progress failed to account for the true purpose of development—to improve people’s lives. In particular, he believed that the commonly used measure of Gross Domestic Product failed to adequately measure well-being. Working with Nobel laureate Amartya Sen and other gifted economists, in 1990, Dr. Haq published the first Human Development Report, which was commissioned by the United Nations Development Program.

What is a Human Development (HD) Index? An HD Index is an easily-understood numerical measure that reflects what most people believe are the very basic ingredients of well-being and opportunity: health, education, and income.

While GDP measures how the economy is doing, the Human Development Index measures how ordinary people are doing.

The first Human Development Index was presented by the United Nations in 1990. It has been an annual feature of every Human Development Report since, ranking nearly every country in the world. The HD Index has become one of the most widely used indices of well-being and has succeeded in broadening the measurement and discussion of well-being beyond the important, but nevertheless narrow, confines of income.

Is the American Human Development Index the same as the UN’s Human Development Index? The modified American Human Development Index measures the same three basic dimensions as the standard HD Index—health, knowledge, and standard of living—but it uses different indicators to better reflect the U.S. context and to maximize use of available data.

Health is measured in the modified American HD Index by life expectancy. Knowledge is measured by a combination of educational attainment and school enrollment. Standard of living is measured using median personal earnings. All data are from official U.S. government sources.
Difference between UNDP HD Index and American HD Index

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>AMERICAN HD INDEX—INDICATOR USED</th>
<th>UNDP HD INDEX—INDICATOR USED</th>
<th>REASON FOR MODIFICATION</th>
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<tr>
<td>A Long and Healthy Life</td>
<td>Life expectancy at birth</td>
<td>Life expectancy at birth</td>
<td></td>
</tr>
<tr>
<td>Access to Knowledge</td>
<td>Degree attainment and school enrollment (preschool and above)</td>
<td>Adult literacy and school enrollment (elementary school and above)</td>
<td>Adult literacy is not sufficiently demanding for an advanced industrialized nation, shows little variation, and is not collected systematically in the United States. Quality preschool education serves a vital function for cognitive, emotional, and social development.</td>
</tr>
<tr>
<td>A Decent Standard of Living</td>
<td>Median personal earnings</td>
<td>Gross Domestic Product per capita</td>
<td>Refocuses attention from market activity to the wages of a typical worker. Enables analysis of different access to income between men and women. Allows comparisons among states and congressional districts as well as among racial and ethnic groups.</td>
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**Does the American Human Development Index take cost of living differences into consideration?**

The cost of essential goods and services varies across the nation and within distinct regions. However, there is currently no reliable way to factor these variations into the HD Index without introducing biases and inaccuracies. First, no official measurement of a nationally comparable cost of living currently exists; and second, cost-of-living variations within compact regions, such as states or cities, are often more pronounced than variations between states and regions.

**How has the HD Index been used in other countries?** More than 150 countries have presented the Human Development Index in their national reports, sometimes using the standard HD Index formula seen in the annual global *Human Development Report*, and in other cases modifying the formula to suit an individual country’s situation.

In many countries, the HD Index has become a staple of the national development dialogue. For example, in Brazil, the television channel that covered World Cup soccer matches displayed the flags as well as the HD Index rankings of the competing teams alongside the score on screen during the games.

When ranked according to geographic or other groupings, such as race, religion, gender, or ethnicity, the index can highlight striking contrasts and stimulate debate about why such different results have been achieved. These rankings have on many occasions assumed enormous political significance. For example:

- **in India**, HD Index rankings have become a source of competition among the governments of different Indian states and a powerful advocacy tool for civil society;
- **in the Philippines**, district HD Index rankings are a basis for government budgetary allocations;
in Brazil, the HD Index prepared for the over 5,000 municipalities has become an important tool for business decisions on the location of new plant facilities.

**Is the HD Index a fair and accurate way to gauge well-being? Is the HDI the best way to categorize this information, or are there better methods?** There are many ways to assess well-being. But most people would agree that health, knowledge, and adequate material resources are the basic ingredients of a decent life. In addition, measurable, easy-to-compare, and easily understood proxy indicators exist for these three areas. Additional important aspects and measures of well-being, such as community safety, empowerment, environmental sustainability, societal respect and others are discussed in the report, but the American HD Index is restricted to hard data on these three core dimensions.

Of course, no one indicator can fully measure complex concepts like health, knowledge, and standard of living. But people studying large populations use simple, easy-to-collect proxy indicators to represent complex phenomena that cannot be measured directly. For large populations, life expectancy is a generally accepted proxy for health, though the length of a person’s life does not tell us enough about the quality of that person’s health. Similarly, degree attainment and school enrollment are reasonable stand-ins for the broad and elusive concept of knowledge. Income is a valuable proxy for living standards, though it fails to measure the equally important issue of wealth and assets.

The American HD Index, like many composite measures, has some limitations. It does not capture information on important areas of human development beyond health, education, and income. The index cannot be used to measure the short-term impacts of policy changes, since its indicators do not change quickly.

**III. RESULTS OF THE AMERICAN HUMAN DEVELOPMENT INDEX**

**What’s the good news?** The Report presents human development progress since 1960. It is remarkable to see how far we have come as a nation on critical benchmarks: from an average life expectancy of under 70 in 1960, we are living more than 8 additional years today; while only 41.1 percent of adults had at least a high school diploma in 1960, more than 84 percent do today.

Looking at shorter-term improvement, between the first American Human Development Index (using data from 2005) and Measure of America 2010-2011, the HD Index value for the United States as a whole rose .12 points—from 5.05 to 5.17. The improvement was driven mostly by an increase of over eight months in life expectancy and small gains in educational attainment. Median personal earnings, however, have stagnated since 2000. During an earlier three-year period, from 1995 to 1998, earnings increased by almost $2,000. Americans’ earnings today are not enabling living standards to rise for the typical worker.

Another piece of good news is that if American history is any guide, our country has always been tremendously imaginative in developing practical policies to make aspects of the American Dream a possibility for more Americans, policies the rest of the world has often followed. From Social Security to the GI Bill to the Earned Income Tax Credit, these policies have helped to distribute economic opportunity and the building blocks of participation in our society, increasing the likelihood that every person has a chance to live up to his or her full potential.
Why should people in the U.S. care what the national HD Index is and the Index scores of other Congressional Districts? The American HD Index can help to gauge the relative well-being 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.

By knowing the national score, people can see if their own congressional district or state is doing better or worse than average. Knowing today’s score also allows for comparisons with the past. Knowing the scores of other congressional districts helps people understand how different parts of the country are doing compared to others in terms of progress and opportunity.

Which states have the highest HD Index scores? The top five states on the American HD Index are Connecticut, Massachusetts, Washington, DC, New Jersey, and Maryland.

Which states have the lowest scores? The lowest-scoring state is West Virginia. Alabama, Louisiana, Mississippi, and Arkansas are in the bottom five.

Which Congressional Districts score highest? Each of the country’s 435 congressional districts has approximately 650,000 inhabitants, except for a few districts located in states with small populations. The top congressional district I the nation, in terms of well-being and opportunity is NY-14, on Manhattan’s East Side. This is followed by Virginia’s Eighth District, in suburban Washington, DC. The next four districts are all in California.

Which Congressional Districts score lowest? The bottom-scoring district in the nation is California’s District 20, around Fresno in California’s Central Valley. A resident of California’s Twentieth District is more than five times as likely to lack a high school diploma or its equivalent, is about seventeen times less likely to have a master’s degree, and, on average, makes less than a third of the median earnings of a resident of New York’s Fourteenth District. The remaining bottom five districts are in eastern Kentucky, West Virginia (the rural southern part of the state), New York (the South Bronx), and Texas (north and east Houston).

Is there a way to measure inequality (social, economic, HD Index) in the U.S., and compare that measure with other countries? If so, where do we rank on the inequality index? There are several widely accepted ways to measure economic inequality. The most widely used measure is the Gini Coefficient of Income Inequality, with values ranging between 0 and 1. A low Gini coefficient (closer to 0) indicates more equal income or wealth distribution, while a higher Gini coefficient indicates more unequal distribution. Zero corresponds to perfect equality (everyone having exactly the same income) and one corresponds to perfect inequality (where one person has all the income, while everyone else has zero income).

In the year 2000, the U.S ranked number fourth among 26 OECD countries (the fourth highest Gini coefficient), with a Gini coefficient of 0.357. The only countries with higher income inequality were Poland, Turkey, and Mexico. [SOURCE: OECD Factbook: http://bit.ly/boLyeT].

What do these data tell us about racial inequalities in the U.S.? When disaggregated by racial and
ethnic group, the American HD Index reveals large gaps in human development among different groups of Americans. Asians Americans are doing the best, followed by whites, Latinos, African Americans, and Native Americans.

If you compare the racial/ethnic group at the highest level of the state index to that group at the lowest, 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.

**How can this report help direct public and private funding to areas in need?** Areas at the bottom of the congressional and state American HD Index lists are not there only because of low earnings, though that is one reason; they are also there because the average educational attainment of their residents is, on average, limited, and because they are generally living shorter lives than other Americans.

It is clear from the index that in terms of health, access to knowledge, and income, large segments of our population are being left behind. The Index scores of these areas signal to policy-makers, government agencies, non-profit organizations, and individuals who want to make a difference, where the need lies.

In addition, looking at the three indices – health, education, and earnings – separately reveals areas of critical concern for certain groups. Latinos, for instance, are doing comparatively well in health, but very badly in education – pointing to the need for greater attention to issues like high school graduation rates among Latinos.

**What is the best educated state in America?** Washington D.C. has the highest score on the education index, followed by Massachusetts, Connecticut, Maryland, and New Jersey. The bottom scoring state is Arkansas.

**GENDER AND THE HD INDEX:**

**Overall, do men and women have a different HD Index in America?** Women have a slightly higher HD Index than men, but the difference is small; American men and women have virtually the same human development level.

However, examining each of the three dimensions of the HD Index individually, outcomes for men and women are anything but equal. Women have a higher education index (mostly due to higher rates of enrollment in school from ages three to twenty-four) and live, on average, about five years longer. But lower earnings wipe out advantages in education and health. American men earn over $11,000 more annually than American women, on average.

**What does it mean to “live 30 years behind” in human development, and how is that measured?** In the Report, we present the HD Index for the U.S. as a whole, calculated for the years 1960, 1970, 1980, 1990, 2000 and 2008. When making comparisons across groups (for instance, the states with the highest and lowest HD Index) we also compare them against the historical HD Index values, using a simple linear interpolation to obtain an approximation of the year in which America as a whole had a specific
HDI value.

So, when we say, for example, that there is a human development gap of one century between Asian Americans in New Jersey and Native Americans in South Dakota, that’s because Native Americans in South Dakota have a Human Development Index similar to the HD Index for America as whole in 1960, while the HD Index of Asian Americans in New Jersey, on the other hand, will be the average HD Index for America in the year 2060, given current trends.

Can we break down the HD Index along racial and ethnic lines? Is there an overall ranking for each? Who is doing well and who is at the bottom? We have disaggregated the Index by gender, race and ethnicity at the national level; the picture is highly uneven.

Overall, **Asian Americans** have the highest HD Index, outperforming the other ethnic groups in all three human development dimensions. They earn slightly more than whites, the second-ranked group, but have a large advantage in health and education.

**Latinos** have the lowest ranking for education—more than 40 percent don’t have a high school diploma—and income, but score well on health, resulting in a number-three ranking overall. **African Americans**, on the other hand, rank third in income and education, but have a large gap in life expectancy—five years less than **American Indians**, the second lowest-ranking group on health, and more than thirteen years less than Asians. These factors result in a bottom ranking overall when compared by ethnic grouping.

When you combine gender with race/ethnicity, more differences emerge. At the top of the scale, Asian and white men have an income advantage over their female counterparts that more than compensates for their relative disadvantages in health (Asians and whites) and education (whites only).

At the lower end of the spectrum, the opposite is the case. Among African Americans, American Indians, and Latinos, men all have lower HD Indices than women in the same racial/ethnic group. While men’s earnings are higher than those of women, the female advantages in education or longevity, or a combination of the two, outweigh superior earnings to yield a higher HD Index for women.

Looking in more depth, Asian males rank first mostly because of educational differences. While Asian and white males have similar high school graduation rates, 53 percent of Asian males have at least a college degree, compared to 32 percent of white males. Asian females have the highest health index and rank second overall, followed by white males, who have the highest earned income.

**Is education related directly to income?** Education and income have a high correlation. People with more education are able to command higher salaries. At the Congressional District level, higher percentages of college graduates and people with graduate degrees may reflect more the labor market of the district (districts in large metropolitan areas usually have more demanding labor markets, offering higher salaries and thus attracting college graduates) than the district’s educational policies.

**Is there a direct correlation between income and HD INDEX, or are other factors also at play?** There is a very high correlation between income and the HD Index, for two reasons. First, income is one
of the three HD Index components, so this alone is sufficient to warrant a high correlation since it represents one third of what is being measured. Second, income is correlated with education and, to a lesser degree, with health, the other two HD Index components. Higher income levels are usually associated with higher educational levels; thus a high income has a direct effect on the HD Index, through the income component, and an indirect effect, through the education component.

However, there are other factors at play as well, namely, the education and the health components. Sometimes regions or groups with similar incomes have very different HD Index values. For example, Oregon and Texas both have about the same median earnings—around $27,300 per person. Yet these earnings afford very different levels of well-being for their citizens. Oregonians today live, on average, about three-quarters of a year longer than Texans. While nearly 90 percent of adults in Oregon have earned at least a high school diploma, in Texas fewer than 80 percent have. Oregonians earn bachelor’s degrees and professional degrees at higher rates as well. The same income is buying two different levels of human well-being.

What do these data tell us about policy levers in the United States, in terms of improving quality of life for all Americans? Americans have long accepted extreme inequality in outcomes because of a shared commitment to and belief in equality of opportunity. But the data in this report show that the very basic ingredients required to live a life of choice and value, such as education and good health, are not available to everyone. There are congressional districts in which nearly half the adult population doesn’t have a high school diploma, for instance. The infant mortality rate for African American babies is more than twice that of both whites and Latinos. For everyone to have the chance to fulfill their potential and seize opportunities, policies must be directed at closing wide gaps in fundamental capabilities.
III. DATA AND METHODOLOGICAL NOTES

Besides the HD Index, what other data are available in the Report? The Report contains social, economic, political, environmental and military data distilled from a vast array of primary sources and not found together anywhere else. These data are presented by state such that one can learn, for example, spending per pupil, obesity rates, crime rates, and hazardous waste sites in each state. In addition, there are a set of tables comparing the U.S. to the 29 other affluent countries in these same areas: where do we rank on health expenditure, tobacco consumption, performance on standardized tests, internet access, spending on R&D, and much more?

What is the American Community Survey (ACS)? The American Community Survey, the source of data for two of the three dimensions measured in the American HD Index, is a nationwide survey of the U.S. Census Bureau designed to provide communities a look at how they are changing.

Why did we use 2008 data for the American HD Index instead of more recent data? The American Human Development Project has to calculate life expectancy using mortality data released by the U.S. Centers for Disease Control and Prevention. The U.S. government does not calculate this indicator. The most recent available mortality data available at present are 2007 data. Thus, in order to maintain a relatively close base year for all the data used in the calculation of the American HD Index, we have used the 2008 American Community Survey.

Does the American HD Index include illegal immigrants? Yes. The population surveyed by the Census Bureau includes all people who indicated that the United States was their usual place of residence on the survey date. The foreign-born population includes naturalized U.S. citizens, Lawful Permanent Residents (immigrants), temporary migrants (e.g., foreign students), humanitarian migrants (e.g., refugees), and unauthorized migrants (people illegally present in the United States).

Why didn’t we calculate the American HD Index for counties? The 2005 ACS only has data for larger counties (at least 65,000 inhabitants). This leaves out more than 75 percent of all U.S. counties.

Why did we choose median earnings instead of the higher mean earnings for the American HD Index? The median was chosen for two reasons. First, it is much less sensitive to extreme values than the mean, and thus it provides a better estimate of what a “typical” person earns. Consider a hypothetical distribution where nine people earn $10,000 and one person earns $1,000,000. The mean is $109,000 – more than 10 times too high for 90 percent of the group and almost 10 times too low for the millionaire. The median is $10,000. This is a better representation of what the “typical” person in this group earns. Second, median earnings is the only income indicator provided by the ACS for all the groupings used in the American HD Index (region, state, congressional district, gender, race/ethnicity, and race/ethnicity by gender).

Does the HD Index education dimension measure educational outcomes? The education dimension has two components, the enrollment index and the educational attainment index. The enrollment index
is an input indicator: it gives an indication of the future level of educational attainment for a given community. The educational attainment index, on the other hand, measures the present stock of education of a given community, and is an outcome indicator; reflecting the effectiveness of educational policies, market incentives for the pursuit of higher education, the value placed on education by society, and other factors.

However, caution must be used when analyzing smaller geographical units, such as congressional districts, because highly educated people tend to move to large metropolitan areas where there is more demand for their skills. In this case, a high concentration of highly educated people has less to do with any specific educational policies than with a more demanding labor market.

**Do preschool and nursery school enrollment figure into the HD Index?** Yes, they do. One part of the HD Index is school enrollment, and the American Human Development Index considers school enrollment starting at age three. Numerous studies of low-income parents and their young children has shown that a quality preschool has proved to be the single most decisive and cost-effective intervention to set youth on a path to lifetime success. Given the importance of this period of schooling, the American Human Development Index includes schooling beginning at age three.

**How does the American Human Development Project calculate life expectancy?**

Life expectancy at birth is calculated using data from two principal sources. Mortality data for 2007, the most recent year for which the data are available, were obtained by arrangement with the National Center for Health Statistics (NCHS) at the Centers for Disease Control and Prevention, and the National Association for Public Health Statistics and Information Systems Vital Statistics Cooperative Program. Bridged-race population estimates for the July 1, 2007, population (using Vintage 2008 data) were obtained from the CDC WONDER Database.

Life expectancy is calculated based on a widely used method developed by C. L. Chiang. This method involves the construction of abridged life tables that use population and mortality counts by age-group as inputs.

One challenge in the calculation of life expectancy is the miscoding of race on death certificates, a surprisingly widespread occurrence affecting Asian Americans, Latinos, and Native Americans. In order to calculate life expectancy for these groups, different methods are required to correct for errors in racial classification on death certificates. The problem is particularly consequential for Native Americans. Drawing on studies undertaken by the National Center for Health Statistics and the Indian Health Service, mortality counts for Native Americans have been adjusted using age group–specific correction factors based on current research about the prevalence of miscoding across the country and in specific states. Life expectancy estimates for this group are based on these adjusted mortality counts. Due to the small population size of Native Americans in the majority of states, and data inconsistencies in others, only twelve states could be included in this analysis of Human Development for this ethnic group.