

HOUSEHOLD INCOME UP SLIGHTLY IN 2007, BUT DOWN SINCE 2000

Highlights from the Census Bureau's Update on Household Income in the United States

American families are experiencing very difficult economic times – the toughest in terms of stagnant incomes since World War II. Real median household income is 0.6 percent lower in 2007 than it was at the end of the 1990s. Even though incomes grew by 1.3 percent (\$665) between 2006 and 2007, this was not enough to make up for prior years' income losses. Since the Bush administration took office there has been a large increase in income inequality, with the poorest households' income declining even as the richest households' incomes rise. The data confirm that the vast majority of Americans have not benefited from economic growth over the past seven years.

National:

Income inequality has risen during Bush's presidency. While real median income for households near the top of the income distribution rose during the Bush years, incomes at the middle and the bottom fell. Median income fell 0.6 percent (\$324) from 2000 to 2007. Income at the lowest 20th percentile fell by 6.0 percent (\$1,285) and at the 10th percentile by 4.5 percent (\$579).

Modest recent growth in typical household's income has not been enough to reverse a seven-year decline. Real (inflation-adjusted) median household income grew a modest 1.3 percent to \$50,233 in 2007. However, the modest income growth in the last three years has not been sufficient to reverse the four years of income losses from 2000 to 2004. Last year, median household income remained 0.6 percent (\$324 in 2007 prices) below its level in 2000. By contrast, during the Clinton Administration (1992-2000), median household income rose by 14.0 percent (\$6,198 in 2007 prices) (Chart 1).

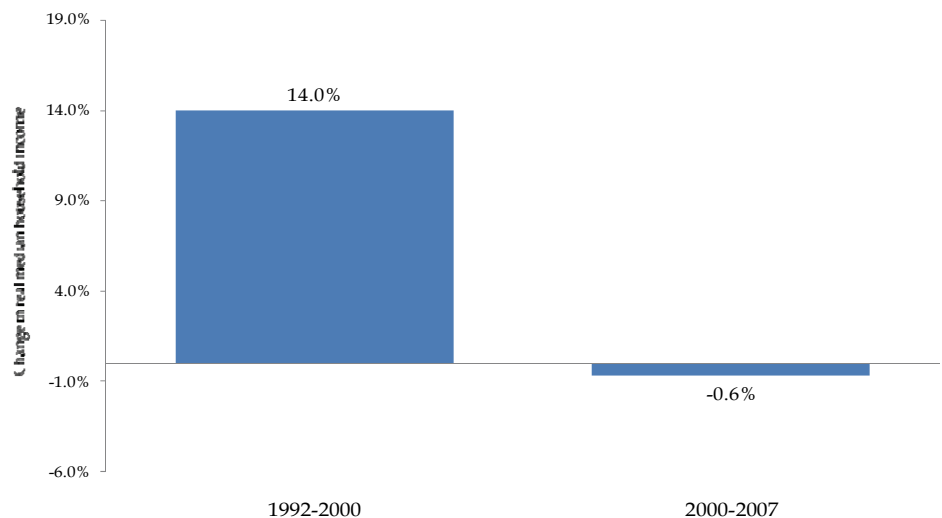
Minorities have experienced the largest drops in household income since 2000. Real median household income has declined by 5.1 percent for blacks, and 3.1 percent for Hispanics over the past seven years (Chart 3). While blacks and Hispanics faced significant declines, incomes for non-Hispanic whites remained essentially flat between 2000 and 2007.

More women are working full-time. The number of women working full-time increased by almost one million in 2007. Over three-fifths (61.4 percent) of working women worked full-time, the highest ratio ever.

States:

Following Census guidance on how to use state level data, this report compares the two-year average for 1999-2000, the peak years of the 1990s economic recovery and the last years of the

Chart 1: Household Income Has Slipped Since 2000, Following Strong Growth During the 1990s
Change in Real Median Household Income



Source: Joint Economic Committee calculations based on data from the Bureau of the Census, U.S. Department of Commerce.

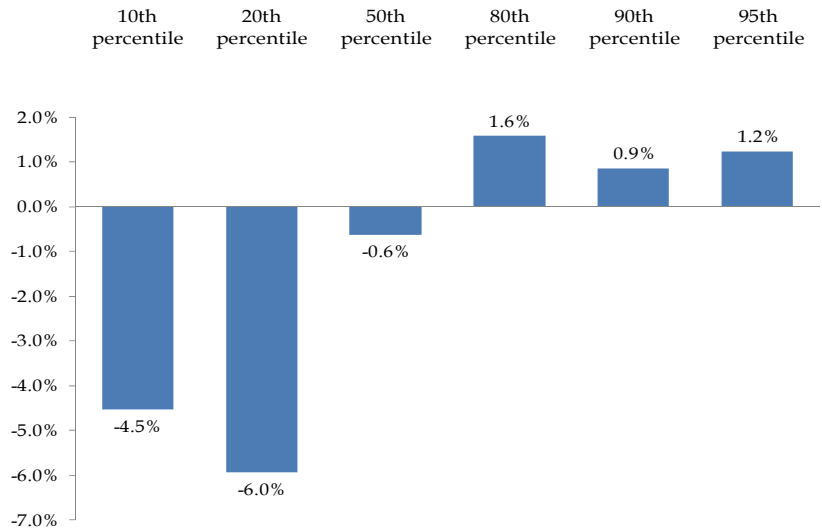
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Clinton Administration, to the two-year average for 2006-2007, to analyze changes in household income over the 2000s economic recovery under President Bush. Over that period:

Household income dropped in 13 states since President Bush took office. In 13 states, real median household income declined significantly in the 2006-2007 period relative to the 1999-2000 period (**Table 1**). In six of these states (Delaware, Illinois, Michigan, Mississippi, Missouri and North Carolina), the drop in income exceeded 8 percent. Households living in Missouri experienced the greatest declines (13.2 percent). In only eight states (Arkansas, Hawaii, Idaho, Montana, New Hampshire, New Jersey, South Dakota, and West Virginia) did the typical household see a statistically significant rise in real income in the 2006-2007 period relative to the 1999-2000 period.

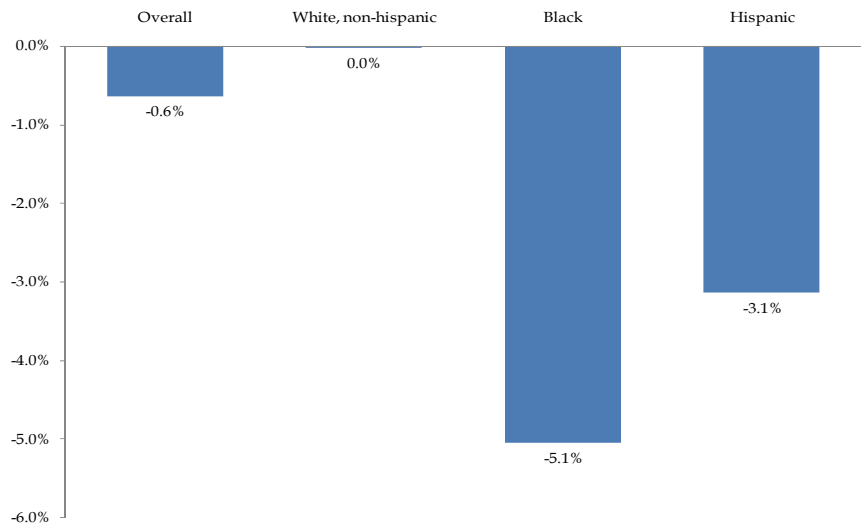
Over half of the Midwest states have experienced declines in household income since the 1999-2000 period. The Midwest region was hit the hardest by income drops. Seven of twelve states in that region experienced a statistically significant percentage decline in real median household income. The South also suffered disproportionately: six of the 17 states in the region experienced a significant percentage decline in income.

Chart 2: Household Income Down for Most Income Groups Since 2000
Change in real average household income by income group, 2000-2007



Source: Joint Economic Committee calculations based on data from the Bureau of the Census, U.S. Department of Commerce.

Chart 3: Household Income Has Declined the Most for Blacks and Hispanics Since 2000
Change in real median household income by race, 2000-2007



Source: Joint Economic Committee calculations based on data from the Bureau of the Census, U.S. Department of Commerce.

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**Table 1: Median Income of Households, by State,
1999-2000 and 2006-2007**

State	1999-2000 average	2006-2007 average	Change (from 1999-2000 to 2006-2007)
	2007 Dollars	2007 Dollars	Percentage Points
United States	50,588	49,901	-1.4*
Alabama	43,871	40,620	-7.4*
Alaska	63,779	60,506	-5.1
Arizona	46,957	47,598	1.4
Arkansas	36,338	39,452	8.6*
California	55,317	56,311	1.8
Colorado	59,003	59,209	0.3
Connecticut	61,669	64,158	4.0
Delaware	59,319	54,257	-8.5*
District of Columbia	48,865	50,318	3.0
Florida	45,675	46,383	1.5
Georgia	49,744	49,692	-0.1
Hawaii	58,709	63,104	7.5*
Idaho	44,907	48,354	7.7*
Illinois	56,545	51,279	-9.3*
Indiana	49,999	47,074	-5.9*
Iowa	50,237	49,200	-2.1
Kansas	47,945	47,671	-0.6
Kentucky	42,814	40,029	-6.5*
Louisiana	38,801	39,418	1.6
Maine	46,604	47,415	1.7
Maryland	65,298	65,552	0.4
Massachusetts	55,513	57,681	3.9
Michigan	56,062	49,699	-11.4*
Minnesota	61,913	57,932	-6.4*
Mississippi	40,847	36,499	-10.6*
Missouri	52,885	45,924	-13.2*
Montana	39,035	42,963	10.1*
Nebraska	49,156	49,342	0.4
Nevada	53,332	53,912	1.1
New Hampshire	59,300	65,652	10.7*
New Jersey	61,275	65,249	6.5*
New Mexico	41,385	42,760	3.3
New York	49,398	49,267	-0.3
North Carolina	46,236	42,219	-8.7*
North Dakota	41,983	44,708	6.5
Ohio	50,422	48,151	-4.5*
Oklahoma	39,851	41,578	4.3
Oregon	50,846	49,331	-3.0
Pennsylvania	48,872	49,145	0.6
Rhode Island	51,971	54,735	5.3
South Carolina	45,294	42,477	-6.2
South Dakota	44,240	46,567	5.3*
Tennessee	43,240	41,521	-4.0
Texas	47,304	45,294	-4.2*
Utah	57,265	54,853	-4.2
Vermont	49,698	50,423	1.5
Virginia	56,810	58,950	3.8
Washington	53,881	57,178	6.1
West Virginia	35,926	40,800	13.6*
Wisconsin	55,545	52,218	-6.0*
Wyoming	47,022	48,560	3.3

*Statistically different from zero at the 90-percent confidence level.

Source: US Census Bureau, Current Population Survey, 2000, 2001, 2007, and 2008 Annual Social and Economic Supplement