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CHAIRMAN JIM SAXTON

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2000 ECONOMIC SLOWDOWN REFLECTED IN HOUSEHOLD INCOME DATA

-- Comprehensive Income Measure Shows No Change in 2001 Despite Recession --

WASHINGTON, D.C. – Census data show that the economic slowdown that began in the middle of 2000 abruptly halted the strong income growth of the later half of the 1990s, Joint Economic Committee (JEC) Chairman Jim Saxton said today. As a result, household money income growth stagnated in 2000, and declined as the slowing economy slipped into recession in 2001.

Real (inflation adjusted) median household income surged \$1,182 to a level of \$43,355 in 1999, but stagnated at a level of \$43,162 in 2000, then slipping to \$42,228 in 2001. However, a more complete measure of real median household income including taxes and government benefits showed essentially no change between 2000 and 2001, at \$41,533. Furthermore, in 2001 the real median earnings of full-time, year-round female workers jumped 3.5 percent, while those of males were unchanged in 2001 (as well as in 2000).

“Those of us who warned of the dangers of an economic slowdown and recession in 2000 unfortunately were right about deteriorating economic conditions at that time,” Saxton said. “The stagnation of household income since 2000 shows why some of us have been so concerned about the need to improve the rate of economic growth.

“One should keep in mind that the Census Bureau also computes a more complete measure of median family income that takes taxes and benefits into account. According to this more complete measure, median household income was essentially unchanged in 2001, despite the recession,” Saxton concluded.

For more information on household income, please visit the JEC website at www.house.gov/jec.

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