

CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

For Immediate Release
October 25, 2002

Press Release #107-110
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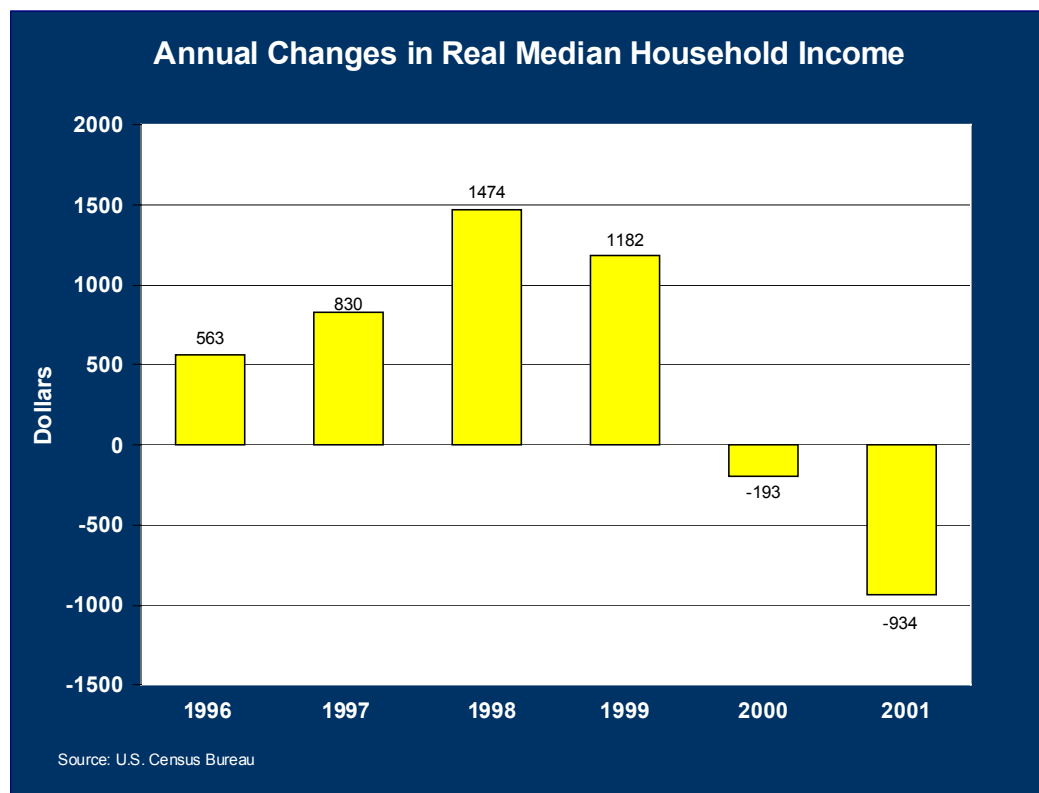
UPWARD TREND IN HOUSEHOLD INCOME WAS BROKEN IN 2000

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

WASHINGTON, D.C. – The strong upward movement in real cash median household income during the last half of the 1990s came to abrupt end in 2000, not 2001, Joint Economic Committee (JEC) Chairman Jim Saxton said today. The timing of this stagnation closely corresponds to a variety of other data on GDP growth, factory employment, industrial production, stock prices and other measures reflecting a major economic slowdown beginning in 2000. Real cash median family income went on to decline in 2001; however, when taxes and government benefits are taken into account, real median household income was unchanged even after the economic slowdown and recession.

“The facts show that the big turning point in real median family income was 2000, when the progress of the 1990s ended,” Saxton said. “The 2000 stagnation reflects the economic slowdown then underway. Unfortunately, some persist in trying to associate the economic trends in place before January 2001, with the changes in personnel and policies that came only later.

“Even so, the more complete measure of real median household income including taxes and government benefits showed essentially no change between 2000 and 2001, at \$41,533. Since most Americans do pay taxes and/or receive government benefits, this is probably a more relevant measure of well-being for the majority of households,” Saxton concluded.



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

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