

REP. PETE STARK (CA)

SENIOR DEMOCRAT

REP. CAROLYN B. MALONEY (NY)

REP. MELVIN L. WATT (NC)

REP. BARON P. HILL (IN)

SEN. JACK REED (RI)

SEN. EDWARD M. KENNEDY (MA)

SEN. PAUL S. SARBANES (MD)

SEN. JEFF BINGAMAN (NM)

Congress of the United States
Joint Economic Committee
Democrats

108TH CONGRESS

804 HART SENATE OFFICE
BUILDING
WASHINGTON, DC 20510-6602
202-224-0372
FAX 202-224-5568
www.senate.gov/~jec/democrats

WENDELL PRIMUS
STAFF DIRECTOR

For Immediate Release
Friday, September 26, 2003

Contact: Nan Gibson
202-224-0377

**POVERTY RISES AND INCOMES FALL
FOR MANY AMERICAN HOUSEHOLDS**

Washington, D.C. – New reports released today by the Census Bureau show that the typical American household's income fell and more people were thrown into poverty in 2002. The proportion of Americans living in poverty in the U.S. rose to 12.1 percent in 2002. Inflation-adjusted median household income fell by 1.1 percent. Americans throughout the income distribution have experienced declines in income during the two years of the Bush Administration.

“This is more bad economic news for American families,” said **Rep. Pete Stark**, Senior Democrat on the **Joint Economic Committee (JEC)**. “After seeing great progress over the last decade of rising family incomes and a falling poverty rate, we now see the living standards of American families deteriorating. The jobless recovery is pushing more people and children into poverty and leaving families with lower incomes.”

“The President's policies are simply not helping families weather this economic storm,” said Stark. “President Bush has provided minimal unemployment benefits and denied aid to cash-strapped states that have had to cut child care and welfare-to-work programs that help low-income parents find and keep jobs. We know there's a gaping hole in the safety net when poverty is rising, but assistance for needy families is falling,” added Stark.

“Unfortunately, this report confirms that the economic fortunes of most Americans have been getting worse, not better, over the last two years,” said **Senator Jack Reed (D-RI)**, who led a Joint Economic Committee press conference reacting to the Census report today. “The President needs to focus on the economic security of our country as well as on our national security,” said Reed.

“The Bush tax cuts are providing billions of dollars of aid to millionaires while denying tax relief to the families of 12 million low-income children,” said Reed. “Legislation to restore the child tax credit benefits that were dropped from this year's tax bill has been stalled in Congress for over two months. President Bush needs to tell the Republican leadership in Congress to stop dragging their feet and get this done. Until the President begins to address the economic concerns of average Americans, we will continue to see more hardship, more hunger and more homelessness,” added Reed.

– more –

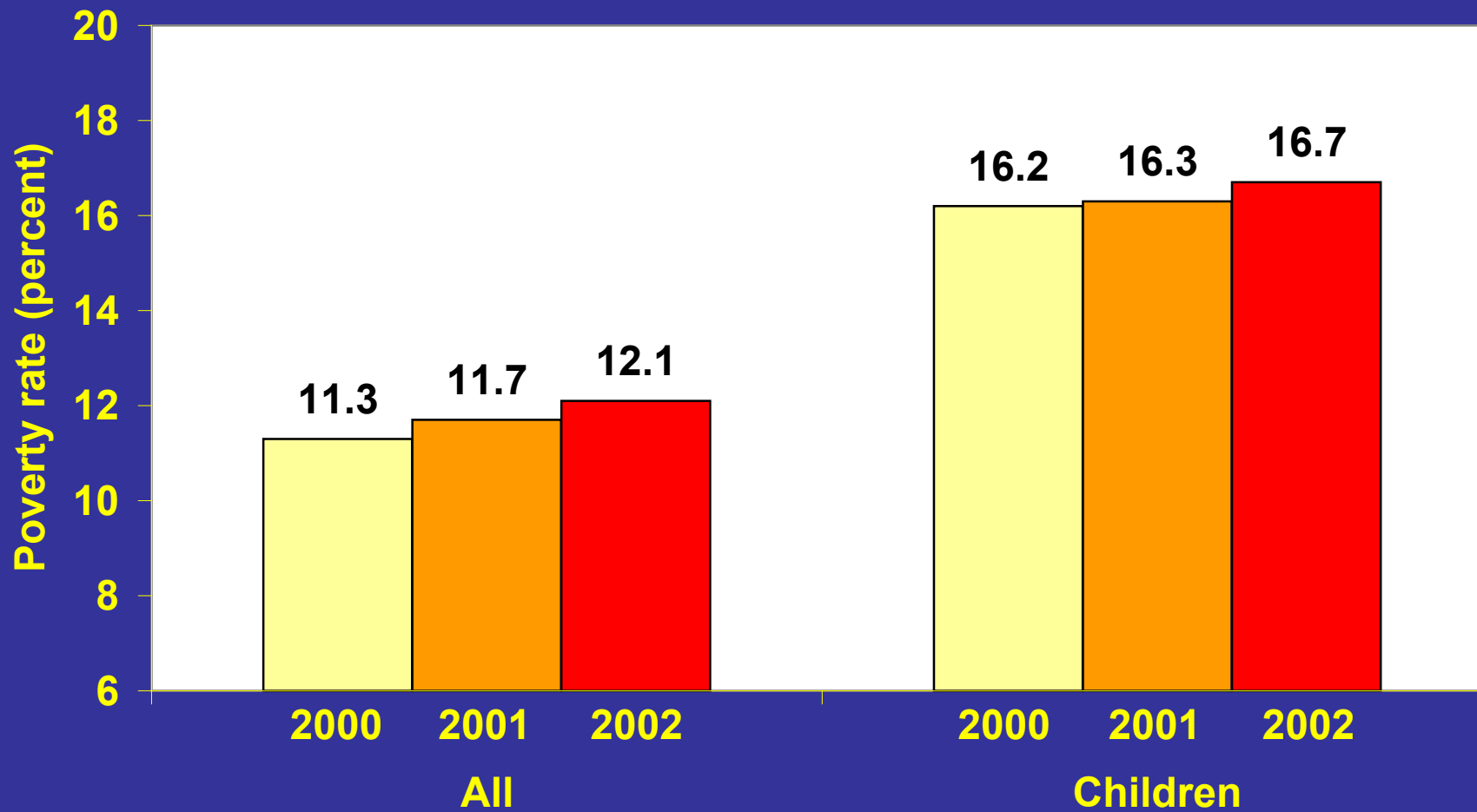
Key findings from the Census report include:

- **The poverty rate rose from 11.7 percent in 2001 to 12.1 percent in 2002 (Chart 1).** Since 2000, the poverty rate has increased by 0.8 percentage points. There were 34.6 million people in poverty in 2002, an increase of about 3 million during the Bush Administration. The Census defines the poverty line for a family of four as \$18,244.
- **One in 6 American children live in poverty.** The poverty rate for children under 18 years old was 16.7 percent in 2002, up 0.5 percentage points from 2000. There were 12.1 million children in poverty in 2002, an increase of about 0.5 million during the Bush Administration.
- **The typical American family's real (inflation-adjusted) income fell as median household income declined by 1.1 percent in 2002 (Chart 2).** Median household income has declined 3.3 percent during the Bush Administration.
- **Income declines were widespread, but huge income disparity remains (Chart 3).** The top one-fifth of households now receives almost half of all income, and the top 5 percent alone receives over 20 percent. In contrast, the bottom 60 percent receives just 27 percent of total income.
- **The number of children living in poverty has increased by 4.7 percent over the last two years,** but the number of children receiving Temporary Assistance for Needy Families (TANF) has declined by 11 percent over the same time period, according the Department of Health and Human Services.
- **The poverty rate was 24.1 percent for African Americans in 2002 and 21.8 percent for Hispanic Americans,** very high poverty rates compared with that of the population as a whole.
- **The severity of poverty increased as well.** For the average American living in poverty, the gap between actual income and the amount needed to escape poverty rose 2.3 percent.

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

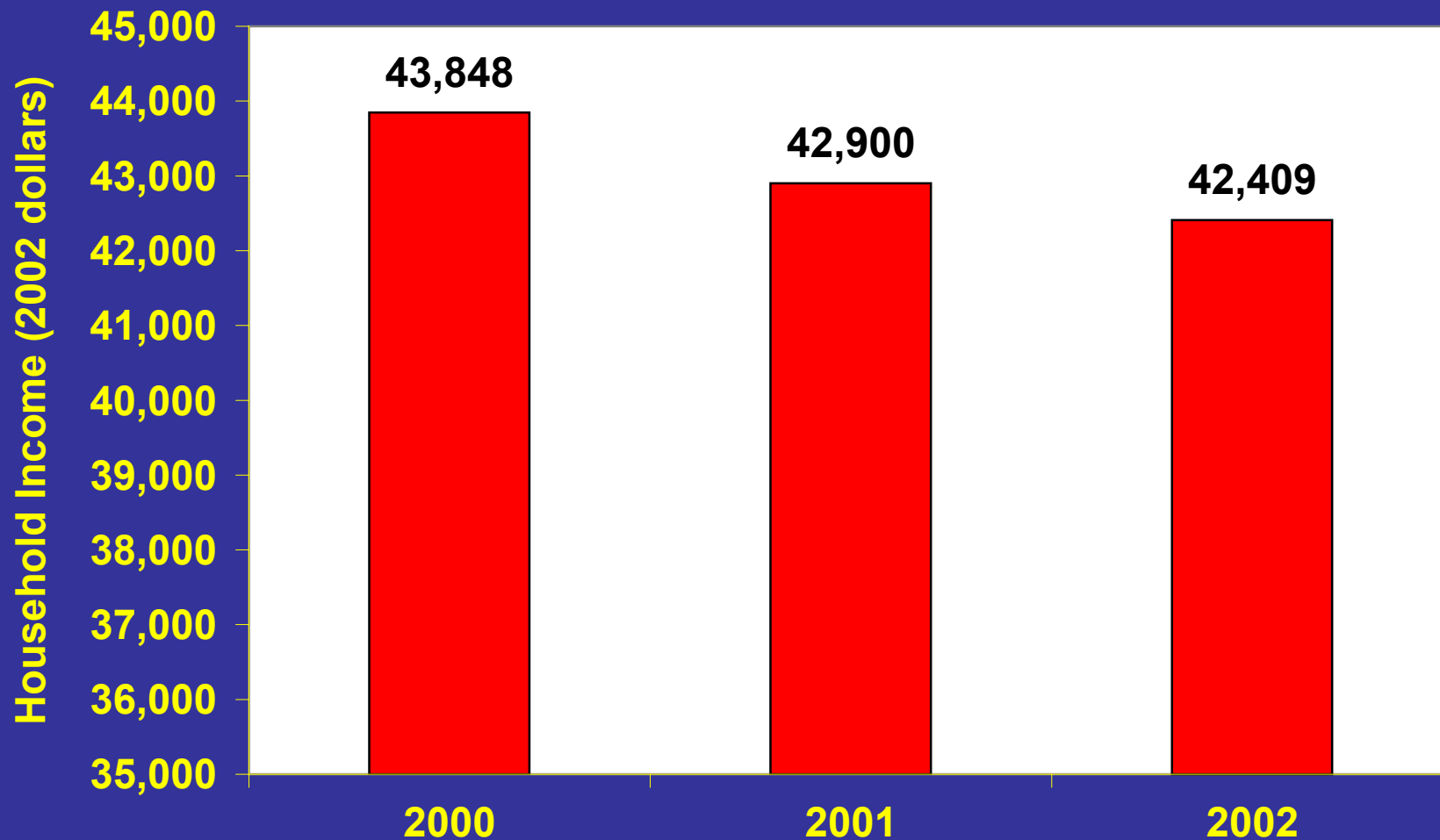
– end –

Chart 1: Poverty Rates



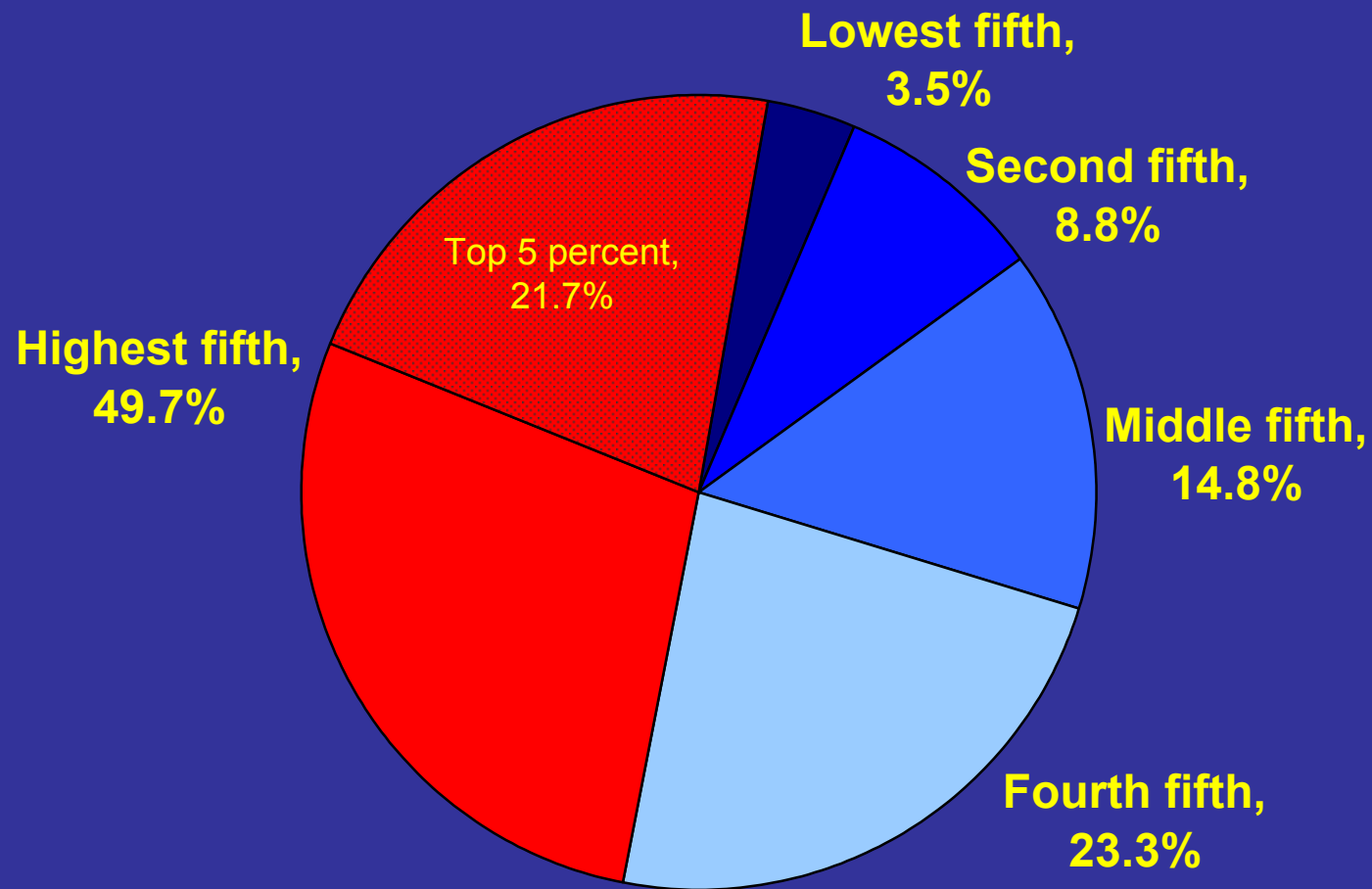
Source: Bureau of the Census, U.S. Department of Commerce.

Chart 2: Median Household Income



Source: Bureau of the Census, U.S. Department of Commerce.

Chart 3: Shares of Total Income in 2002



Source: Bureau of the Census, U.S. Department of Commerce.