

KEY FACTS on CENSUS INCOME AND POVERTY REPORT

September 29, 1996

TODAY, THE CENSUS BUREAU RELEASED A REPORT ON INCOME AND POVERTY IN AMERICA IN 1996. HERE ARE SOME OF THE RESULTS:

- **Typical Family Income Up \$2,169 Since 1993.** Last year, the median family's income, adjusted for inflation, increased 1.2 percent -- the third consecutive yearly rise. Since President Clinton's Economic Plan passed in 1993, median family income has increased from \$40,131 in 1993 to \$42,300 in 1996 -- that's a \$2,169 increase in income, adjusted for inflation. From 1988 to 1992, median family income fell \$1,795, adjusted for inflation.
- **Under President Clinton, The Typical African-American Household's Income Is Up \$2,300.** Since 1993, the median income of African-American households has increased from \$21,209 to \$23,482 -- that's \$2,273 or an 11 percent increase, adjusted for inflation, between 1993 and 1996.
- **Income of Typical Hispanic Household Increased \$1,400 Last Year.** After dropping the previous year, the income of the median Hispanic household, adjusted for inflation, increased from \$23,535 in 1995 to \$24,906 in 1996 -- that's an increase of \$1,371 or 5.8 percent in one year, the biggest one-year increase on record.
- **All Income Groups Have Seen Incomes Rise Since 1993.** Since 1993, every income group -- from the most well-off to the poorest -- experienced a real increase in their income, with the poorest 20 percent of American households experiencing the biggest percentage increase (6.8 percent).
- **After Rising Sharply for 20 Years, Inequality Has Now Stabilized.** After rising for nearly 20 years, income inequality has stayed constant over the last three years. In 1996, incomes rose at all points in the income distribution on an after-tax basis. And while the real income of the American household at the lowest percentile -- the 20th percentile -- stagnated last year on a before-tax basis, it increased 3.3 percent on an after-tax basis, from \$7,927 in 1995 to \$8,189 in 1996.
- **Poverty Rate Fell To 13.7 Percent in 1996 -- Down from 15.1 Percent in 1993.** In 1996, the poverty rate declined to 13.7 percent from 13.8 percent the year before. Since President Clinton signed his Economic Plan into law, the poverty rate has declined from 15.1 percent in 1993 to 13.7 percent last year -- that's the biggest three-year drop in the poverty rate in a decade.
- **The African-American Poverty Rate Dropped To Its Lowest Level In History.** In 1996, the African-American poverty rate declined from 29.3 percent to 28.4 percent -- that's its lowest level recorded since data were first collected in 1959. Since 1993, the African-American poverty rate has dropped from 33.1 percent to 28.4 percent -- that's the largest three-year drop in African-American poverty in nearly 30 years (1967-1970).
- **Under President Clinton, Largest Three-Year Drop in Child Poverty Since 1960s.** In 1996, the child poverty rate declined from 20.8 percent to 20.5 percent. Since President

Clinton signed his Economic Plan into law, the child poverty rate has declined from 22.7 percent to 20.5 percent -- that's the biggest three-year drop in nearly 30 years (1966-1969).

- **Child Poverty Among African-Americans Down To Lowest Level in More Than 20 Years.** In 1996, the African-American child poverty rate fell from 41.9 percent to 39.9 percent -- its lowest level since 1974. Since 1993, the child poverty rate among African-Americans has dropped from 46.1 percent to 39.9 percent -- that's the biggest three-year drop on record.
- **4.3 Million People Lifted Out of Poverty By EITC -- Double The Number in 1993.** In 1993, President Clinton expanded the Earned Income Tax Credit, providing a tax cut for low-income working families. In 1996, the EITC lifted 4.3 million people out of poverty -- that's 2.2 million more people than were lifted out of poverty by the EITC in 1993.
- **More Children In Working Families Without Health Insurance.** The number of Americans without health insurance increased by 1.1 million to 41.7 million in 1996. Nearly three-quarters of this increase was due to a rise in the number of uninsured children (up 800,000), most of whom (500,000) were above the poverty line. These are precisely the kids who will benefit from the \$24 billion investment in children's health care the President signed into law in August -- the biggest children's health care investment since the enactment of Medicaid in 1965.

ADDRESSING OUR REMAINING CHALLENGES

September 29, 1996

TODAY'S CENSUS REPORT ON INCOME AND POVERTY IS GOOD NEWS, OVERALL, FOR AMERICA. WHILE WE HAVE MADE MUCH PROGRESS IN THE LAST 4½ YEARS, TODAY'S REPORT HIGHLIGHTS SOME OF THE CHALLENGES THAT REMAIN.

- **Typical Family Income Stagnated For 20 Years.** During the 20 years before President Clinton took office, median family income stagnated. Since 1993, the typical family's income has increased \$2,169, adjusted for inflation. *But this is not enough. That is why President Clinton fought-- and will continue to fight -- for policies that help raise incomes and families' take-home pay.*
 - **\$500 Child Tax Credit For 27 Million Families with 45 Million Children Under Age 17.** The balanced budget legislation that the President negotiated with the Congress includes a \$500 per-child tax credit for children under age 17. For the typical American family with two kids, this child tax credit will mean \$1,000 more per year in take-home pay.
 - **Education Tax Breaks.** The balanced budget deal also includes a \$1,500 Hope Scholarship to make the first two years of college universally available, and a 20-percent tuition tax credit for college juniors, seniors, graduate students, and working Americans pursuing lifelong learning. For a student attending the average four-year college, these education tax incentives will provide tax savings of up to \$5,000. [Source: Department of the Treasury]
 - **Lower Mortgage Rates Saved Families Thousands.** President Clinton's 1993 Economic Plan cut the deficit more than 80 percent. Experts -- including Alan Greenspan -- agree that this deficit reduction led to a drop in interest rates. And according to the *New York Times* and *Money*, these lower interest rates saved the 10 million families who refinanced their home mortgages \$1,000 to \$2,000 per year, on average. [Source: *New York Times*, 8/3/96; *Money*, 8/96]
- **The Number of Children In Working Families Without Health Care Continues To Rise.** In 1996, children accounted for nearly 75 percent of the 1.1 million more Americans without health insurance. Of the 800,000 additional children without health insurance, about two-thirds came from families living above the poverty line. *This is why the President fought to ensure that the Balanced Budget included \$24 billion to provide meaningful health care coverage to as many as five million of our Nation's uninsured children.*
 - **Balanced Budget Invests Unprecedented \$24 Billion for Uninsured Children.** The President insisted on increasing the investment for children's health from \$16 billion to \$24 billion by including revenue from a new tobacco tax. Because of the President's

leadership, this budget will contain the largest children's health care budget increase since the enactment of Medicaid in 1965. Including these additional revenues in the children's health initiative will not only further reduce the number of uninsured children, but it will also serve as a financial barrier to help prevent our children from starting to smoke in the first place.

- **While Every Income Group Has Experienced A Real Income Increase Under President Clinton, Income Inequality Increased Slightly in 1996.** Since 1993, every income group -- from the most well-off to the poorest -- experienced a real increase in their income, with the poorest 20 percent of American households experiencing the biggest percentage increase (6.8 percent). But, in 1996, the Gini coefficient -- a measure of inequality -- increased slightly. *That is why President Clinton fought -- and will continue to fight -- for policies that help low-income families make ends meet, while they rise up the economic ladder.*
 - **Expanded EITC Puts Money Back in Working Families' Pockets.** The President fought for a substantial expansion in the Earned Income Tax Credit in 1993 -- the average family with two kids that received the EITC got a tax cut of \$1,026. In 1996, the EITC lifted 4.3 million out of poverty -- that's 2.2 million more people than were lifted out of poverty by the EITC in 1993.
 - **Minimum Wage Hike Increases Pay By \$1,800 for Full-Time Worker.** On September 1, 1997, the minimum wage increased to \$5.15 per hour for nearly 10 million workers. For someone working at \$4.25 per hour, that was a raise of 90-cents per hour -- or \$1,800 per year for a full-time worker.
 - **Fought To Ensure Low-Income Families Benefitted from Child Tax Credit.** Because of the President's efforts, 13 million children from families with incomes below \$30,000 will receive the tax credit -- up to 7.5 million more than under the House plans. Families making under \$30,000 -- such as young teachers, police officers, farmers, nurses and others who work hard and play by the rules -- will now receive the child credit. [Source: Department of the Treasury]
 - **AmeriCorps College Support.** The AmeriCorps program has enabled 70,000 volunteers to earn money for college by serving their communities and their country.
 - **Increased WIC Nearly \$1 Billion.** President Clinton increased funding for WIC -- which provides nutrition packages, nutrition education, and health referrals to low-income pregnant women, infants, and children -- by nearly \$1 billion, or 34 percent, to \$3.8 billion in FY97. The program's participation has expanded by 1.7 million since 1993, from 5.7 to 7.4 million women, infants, and children.
 - **Expanded Head Start -- \$1 Billion Higher Each Year.** President Clinton has increased funding for Head Start by 43 percent, from \$2.8 billion in FY93 to \$4.0 billion in FY97. He also created the Early Head Start program in 1994 to

support zero-to-3 year olds and their families. And the Balanced Budget agreement increases funding so that 1 million kids can participate in 2002.

- **Doubled Dislocated Worker Funding.** The funding for dislocated workers has been doubled, from \$651 million in FY93 to \$1,286 million in FY97. This year, the dislocated worker program will assist 580,000 workers, up about 300,000 since President Clinton took office.
- **Largest Pell Grant Increase in Two Decades.** The Balanced Budget agreement boosts the maximum 1998 Pell grant from \$2,700 to \$3,000, and expands the program to more poor independent students -- that's the largest increase in two decades.

Poverty: 1959 to 1996

Millions/Percent

Year	Number in poverty	Poverty rate	Year	Number in poverty	Poverty rate
1959	39.5	22.4	1978	24.5	11.4
	39.9	22.2		26.1	11.7
	39.6	21.9		29.3	13.0
	38.6	21.0		31.8	14.0
1964	36.4	19.5	1982	34.4	15.0
	36.1	19.0		35.3	15.2
	33.2	17.3		33.7	14.4
	28.5	14.7		33.1	14.0
	27.8	14.2		32.4	13.6
	25.4	12.8		32.2	13.4
	24.1	12.1		31.7	13.0
1970	25.4	12.6	1988	31.5	12.8
	25.6	12.5		33.6	13.5
	24.5	11.9		35.7	14.2
	23.0	11.1		38.0	14.8
	23.4	11.2		39.3	15.1
	25.9	12.3		38.1	14.5
	25.0	11.8		36.4	13.8
1976	24.7	11.6	1996	36.5	13.7

Source: Census Bureau, March Current Population Survey.

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	33.2	17.3		33.7	14.4
	28.5	14.7		33.1	14.0
	27.8	14.2		32.4	13.6
	25.4	12.8		32.2	13.4
1970	24.1	12.1	1988	31.7	13.0
	25.4	12.6		31.5	12.8
	25.6	12.5		33.6	13.5
	24.5	11.9		35.7	14.2
	23.0	11.1		38.0	14.8
1976	23.4	11.2		39.3	15.1
	25.9	12.3		38.1	14.5
	25.0	11.8		36.4	13.8
	24.7	11.6	1996	36.5	13.7

Source: Census Bureau, March Current Population Survey.