

Welfare - Poverty Rates

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KEY FACTS ON CENSUS INCOME AND POVERTY REPORT

September 30, 1999

TODAY, THE CENSUS BUREAU RELEASED THEIR ANNUAL REPORT ON INCOME AND POVERTY IN AMERICA FOR 1998. HERE ARE SOME OF THE RESULTS:

Strong Broad-Based Income Gains:

- **All Groups Have Seen Their Incomes Rise – From Richest to Poorest.** For the second year in a row, all five quintiles of the income distribution saw their incomes, adjusted for inflation, rise. Since 1993, all five quintiles have seen their incomes rise strongly, after 12 years in which there was little if any improvement for the bottom 60 percent of Americans.
- **Household Income Up 3.5 Percent – Tied For the Largest Gain Since 1978.** Income for the median household rose \$1,304, from \$37,581 in 1997 to \$38,885 in 1998, adjusted for inflation. Real median household income is now at the highest level ever recorded.
- **Typical Family Income Up Over \$5,000 Since 1993.** Another measure of income -- family income, which excludes single individuals and counts only related members in any household -- shows a similar trend. In 1998, the median family's income, adjusted for inflation, increased 3.3 percent (or \$1,475) -- the fifth consecutive annual rise. Median family income is also at an all-time high. Since President Clinton's Economic Plan passed in 1993, median family income has increased from \$41,691 in 1993 to \$46,737 in 1998 -- that's a \$5,046 increase in income, adjusted for inflation. From 1988 to 1992, median family income *fell* \$1,864, adjusted for inflation.
- **Income Growth Up for All Regions of the Country in 1998 for the First Time on Record.** For the first time since data were reported by region (in 1975), all regions of the country saw significant increases in median household income. The incomes of households living in the Midwest rose 4.4 percent in 1998, with a rise of 3.0 percent in the West, 2.8 percent in the Northeast, and 2.6 percent in the South.
- **Income of Typical Hispanic Household Up \$3,880 in Past Three Years.** In 1998, the income of the median Hispanic household, adjusted for inflation, increased from \$27,043 in 1997 to \$28,330 in 1998 -- that's an increase of \$1,287 or 4.8 percent. Over the past three years, the income of the typical Hispanic household has risen \$3,880 -- or 15.9 percent -- the largest three-year increase in Hispanic income on record.
- **Under President Clinton, The Typical African-American Household's Income Is Up \$3,317.** While median income of African-American households was unchanged in 1998, it is up 15.1 percent (or \$3,317) since 1993, from \$22,034 in 1993 to \$25,351 in 1998, adjusted for inflation.
- **After Rising Sharply for 20 Years, Inequality Has Stabilized.** After rising for nearly 20 years, income inequality has not changed significantly over the past five years -- and fell slightly in 1998. In the 1970s and 1980s, income inequality increased, while the economy expanded. In the 1990s, all parts of the income scale are benefiting from a growing economy.

Large Reductions in Poverty:

- **Poverty Rate Fell To 12.7 Percent in 1998 -- Its Lowest Level Since 1979.** In 1998, the poverty rate dropped to 12.7 percent from 13.3 percent the year before -- that's the lowest poverty rate in two decades. Since President Clinton signed his Economic Plan into law, the poverty rate has declined from 15.1 percent in 1993 to 12.7 percent last year -- that's the largest five-year drop in poverty in nearly 30 years (1965-1970). There are now 4.8 million fewer people in poverty than in 1993. (In 1998, the poverty threshold was \$16,660 for a family of four.)
- **In 1998, The Largest One-Year Drop in Child Poverty in More than Two Decades.** While the child poverty rate remains too high, in 1998, it declined from 19.9 percent to 18.9 percent -- that's the lowest child poverty rate since 1980 and the largest one-year drop in child poverty since 1976. Under President Clinton, the child poverty rate has declined from 22.7 percent to 18.9 percent -- that's the biggest five-year drop in nearly 30 years (1965-1970).
- **Elderly Poverty Rate As Low As It's Ever Been.** In 1998, the elderly poverty rate remained at 10.5 percent -- as low as it's ever been. In 1959, the elderly poverty rate was 35.2 percent.
- **The Hispanic Poverty Rate Dropped To Its Lowest Level Since 1979.** In 1998, the Hispanic poverty rate dropped from 27.1 percent to 25.6 percent -- that's the lowest level since 1979. While there is still more work to do, since President Clinton took office, Hispanic poverty has dropped from 30.6 percent to 25.6 percent. In the past two years, the poverty rate among Hispanics has dropped from 29.4 percent to 25.6 percent -- that's the largest two-year drop in Hispanic poverty in more than 20 years (1975-1977). The Hispanic child poverty rate fell from 36.8 percent to 34.4 percent -- and is now 6.5 percentage points lower than it was in 1993.
- **The African-American Poverty Rate Down To Its Lowest Level on Record.** While the African-American poverty rate is still far above the poverty rate for whites, it declined from 26.5 percent in 1997 to 26.1 percent in 1998 -- 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 26.1 percent -- that's the largest five-year drop in African-American poverty in more than a quarter century (1967-1972).
- **Child Poverty Among African-Americans Down To Lowest Level on Record.** While the African-American child poverty rate is too high, it fell from 37.2 percent to 36.7 percent in 1998 -- its lowest level on record (data collected since 1959). Since 1993, the child poverty rate among African-Americans has dropped from 46.1 percent to 36.7 percent -- that's the biggest five-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 1998, the EITC lifted 4.3 million people out of poverty -- that's double the number of people lifted out of poverty by the EITC in 1993.