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VICE CHAIRMAN JIM SAXTON

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NEW CENSUS BUREAU STUDY SHOWS INCOME MOBILITY

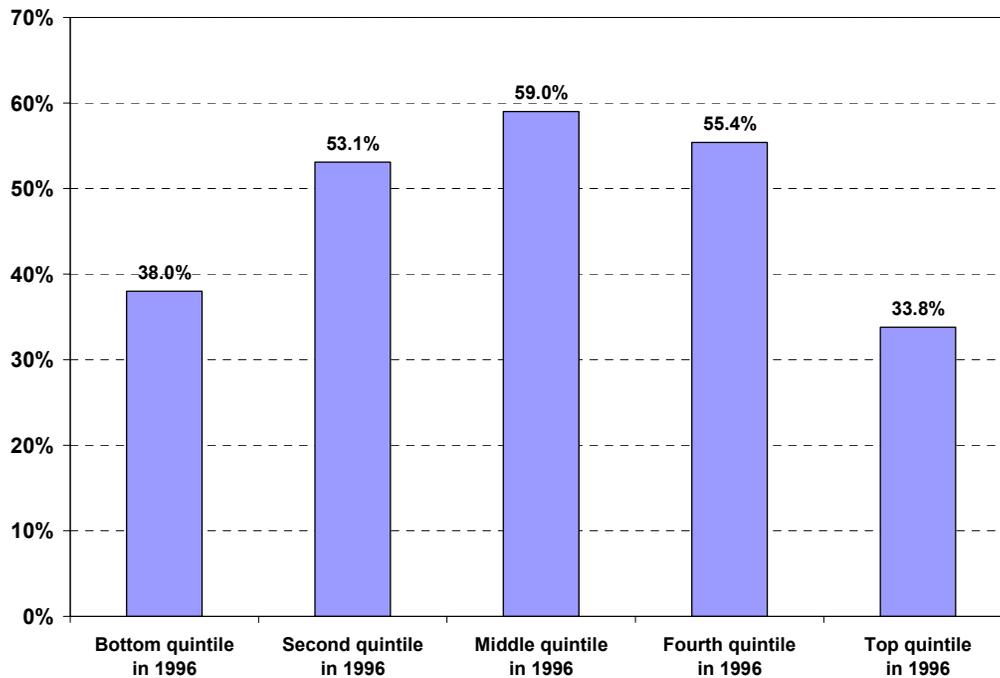
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WASHINGTON, D.C. – A new Census Bureau study showing the extent of the movement of households between different income groups over a relatively short period provides much useful information to policymakers and the public, Vice Chairman Jim Saxton said today. The study ranks surveyed households by 1996 income levels, from lowest to highest, divides the total number of households into fifths (quintiles), and assigns households to the appropriate income quintile, from the lowest to the highest.

The study then tracks the movement of households from their initial income quintile of 1996 to that of 1999. For example, of the households in the middle fifth in 1996, the study finds that 59.0 percent had exited by 1999, with most of these households moving into higher income groups. Less mobility was found for the top and bottom quintiles than for the middle three quintiles over the three-year period.

“In the examination of income or tax statistics, income mobility is often ignored,” Saxton said. “This study shows that income mobility is an important factor even over a relatively short period of three years. Other studies have shown that most households are not cemented into a particular income group for indefinite lengths of time. There is significant income mobility in and out of all income groups, and a strong tendency for this to increase over any meaningful length of time,” Saxton concluded.

**Income Mobility by Quintile
1996-1999**



The Census Bureau study, *Dynamics of Economic Well-Being: Movements in the U.S. Income Distribution, 1996-1999*, is available at <http://www.census.gov/prod/2004pubs/p70-95.pdf>.

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