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VICE CHAIRMAN JIM SAXTON

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2002 INCREASE IN AFTER-TAX INCOME SHOWS IMPACT OF TAX RELIEF

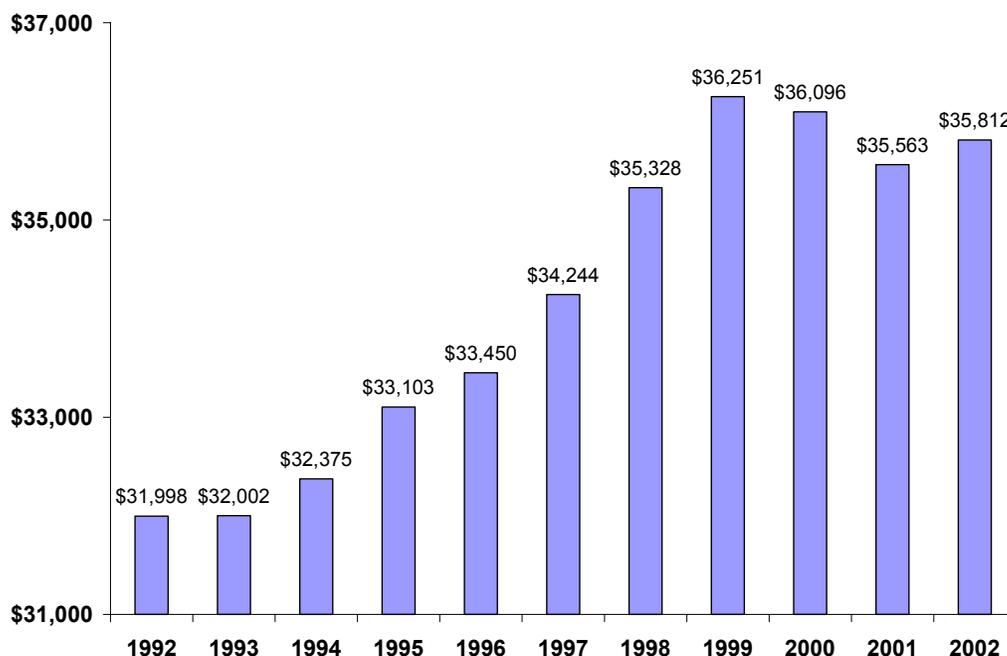
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WASHINGTON, D.C. – The increase in real median household income after taxes in 2002 reflects the benefits of tax relief legislation provided to middle income Americans, Vice Chairman Jim Saxton said today. According to this measure, after-tax income increased from \$35,563 in 2001 to \$35,812 in 2002. The rebound in 2002 left real median household income at a relatively high level, a level higher than those reached in the boom period leading up to 1998. This measure peaked in 1999, before the decline that started in 2000. The median measures income in the middle: half of households have incomes above the median, and half below the median. The data are adjusted for inflation.

“The economy has weathered the bursting of the stock market bubble in 2000, followed by economic slowdown and recession, terrorist attacks, and wars,” Saxton said. “Although the pace of economic growth in recent years has been affected by these events, tax relief was provided to cushion their impact and facilitate economic expansion. The 2002 increase in median household income is a direct result of this tax relief.

“Most households do pay taxes. Consequently, an after-tax measure of income is an important reflection of the resources available to them. The 2002 increase has pushed after-tax median income to a level higher than in most of the boom years of the 1990s. The bottom line is that the tax relief legislation of recent years has cushioned many American families from the effects of an unusual combination of events affecting the economy. The acceleration of economic growth in 2003 should push the income of households in the middle higher this year,” Saxton concluded.

Real Median Household Income After Taxes



Source: U.S. Census Bureau

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