



CONGRESS OF THE UNITED STATES
JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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**AFTER-TAX HOUSEHOLD
INCOME AT HISTORICALLY
HIGH LEVELS**

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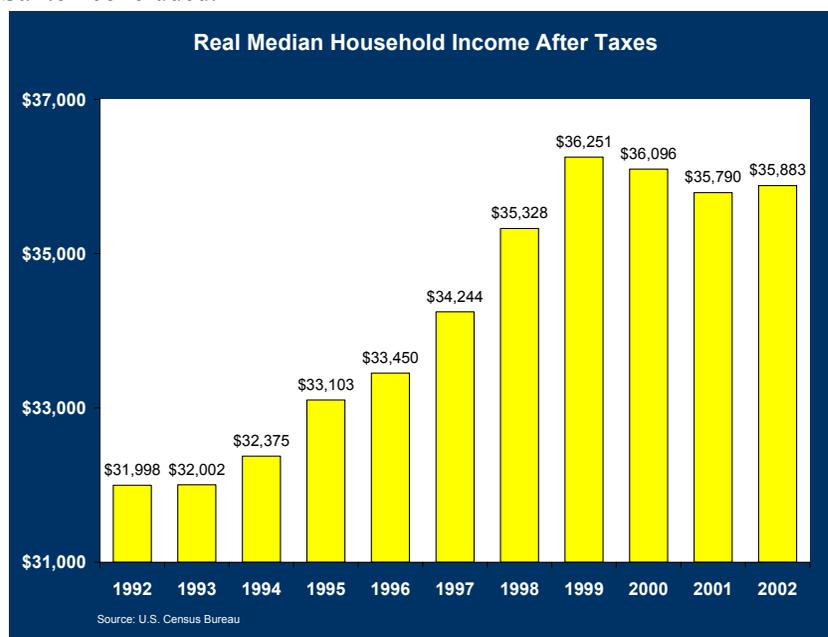
Note: The Census Bureau data originally used in this release were revised on April 29th, 2004 by the Census Bureau. The original JEC release has been replaced to take this Census Bureau revision into account.

WASHINGTON, D.C. – According to new Census Bureau data, after-tax median household income in 2002 was among the highest on record, and higher than in all years of the prior decade through 1998. The new Census data have been revised to fully account for the effects of the 2001 tax legislation. Half of all households have incomes above the median, and half below the median.

The new revised data show that after-tax median household income was \$35,790 in 2001 and \$35,883 in 2002 (measured in constant 2002 dollars). This contrasts with a 1.1 percent decline in official 2002 real median household income when the effects of recent tax changes are ignored.

“The figures available today show the benefits of tax relief for middle-income Americans,” Saxton said. “Although the economy has been buffeted by the bursting of the stock market bubble, slowdown and recession, wars, and terrorist attacks, after-tax household income in the middle has not plunged, although it has edged down a bit since its 1999 record high.

“Despite all the economy has endured since 2000, the fact remains that the 2002 middle income level is higher than in almost all years on record. Only during the last year or two of the 1990s boom were middle income levels higher. The tax benefits provided to middle income households in recent years have significantly boosted their after-tax income,” Saxton concluded.



The income data in this release have been adjusted for inflation. The income data are from Census Bureau table RDI-1, under the heading, “Household Income Before and After Taxes.” These data are classified by the Census Bureau as an experimental measure along with various other alternative measures of household income.

For more information on recent economic conditions, please visit our website at www.house.gov/jec.

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