

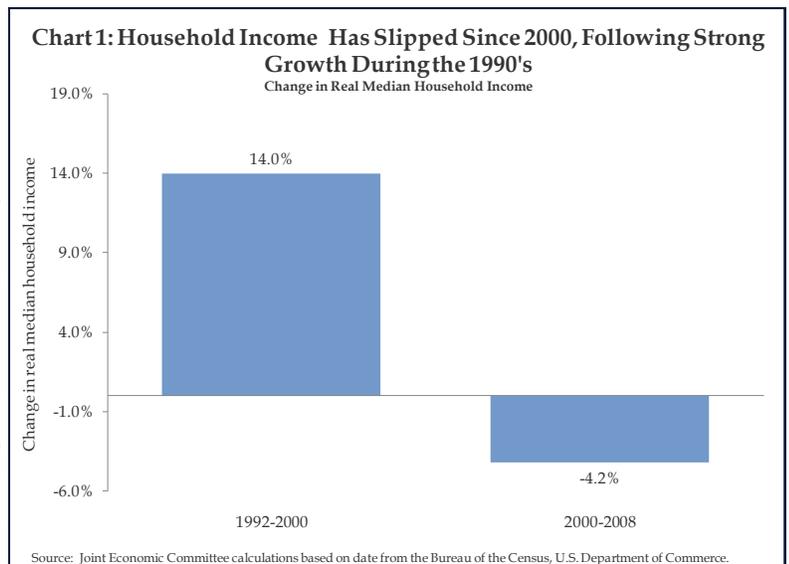
HOUSEHOLD INCOME FALLS IN 2008, DROPPING BELOW 1998 LEVEL

American families are experiencing very difficult economic times – the toughest since World War II. During the Bush administration, a weak recovery, compounded by a devastating economic downturn, pushed the typical household’s income down to the lowest level in a decade. Real median household income fell by \$2,197 (in 2008 dollars) from 2000 to 2008, a 4.2 percent decline. Median income in 2008 (\$50,303 in 2008 dollars) declined to a level not experienced by households since 1997. Between 2000 and 2008, the poorest households’ income declined by 8.1 percent while the richest households’ incomes declined by only 1.2 percent. The data confirm that the vast majority of Americans were made substantially worse off over the 2000-2008 period. The new direction of policies being pursued by Congress and the Obama Administration will work to counter these trends and improve the well-being of families across the country.

National:

Household income drops below 1998 level.

Modest gains in household income were wiped out by a drop in 2008. Real (inflation-adjusted) median household income fell \$1,860 between 2007 and 2008 to \$50,303 (in 2008 dollars). While median household income rose during the three-year period between 2005 and 2007, those increases were more than offset by the 3.6 percent decline in 2008. Real median household income fell by \$2,197 (in 2008 dollars) from 2000 to 2008, a 4.2 percent decline. By contrast, during the Clinton Administration (1992-2000), median household income rose by \$6,437 (in 2008 dollars) or 14.0 percent (Chart 1).



Households across the board faced declines in income. While income for the richest households’ (90th percentile) declined by only 1.2 percent during the 2000-2008 period, other households experienced even larger declines (Chart 2). Over the 2000-2008 period, income for the typical household (50th percentile) fell by 4.2 percent, and income for the poorest households (10th percentile) declined by 8.1 percent. The data confirm that the vast majority of Americans were made substantially worse off during the past eight years.

Minorities experienced the largest drops in household income during the Bush presidency. Real median household income declined by 7.4 percent for African Americans, and 8.6 percent for His-

FACT SHEET: INCOME IN 2008

panics between 2000 and 2008 (Chart 3). African Americans and Hispanics faced income declines more than three times as large as the declines for non-Hispanic whites, which fell by 2.7 percent.

Women continue to earn less than men. Real median earnings of both men and women working full-time, year round, fell between 2007 and 2008. While the gender wage gap did not widen in 2008, women's earnings fell by a larger percentage. Men's earnings fell by 1.0 percent, while earnings of women fell 1.9 percent. In 2008, real median earnings of women were \$35,745, just 77 percent of their male counterparts.

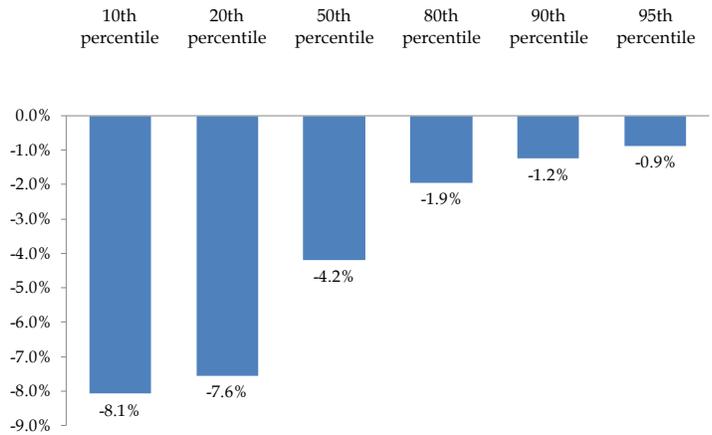
States:

Following Census guidance on how to utilize and compare state-level data, this report compares the two-year average for 1999-2000 (the last years of the Clinton Administration), with the two-year average for 2007-2008 (the last years of the Bush Administration), in order to gauge trends in household income during President Bush's two terms. Over that period:

Household income dropped in 15 states between 2000 and 2008. Real median household income fell significantly in the 2007-2008 period relative to the 1999-2000 period (Table 1). In nine of these states (Delaware, Illinois, Michigan, Mississippi, Minnesota, Missouri, North Carolina, Tennessee, and Wisconsin), the drop in income exceeded 8 percent. Households living in Missouri experienced the greatest declines (14.6 percent). In only eight states (Arkansas, Montana, New Hampshire, North Dakota, Oklahoma, South Dakota, West Virginia, and Wyoming) and the District of Columbia did the typical household see a statistically significant rise in real income in the 2007-2008 period relative to the 1999-2000 period.

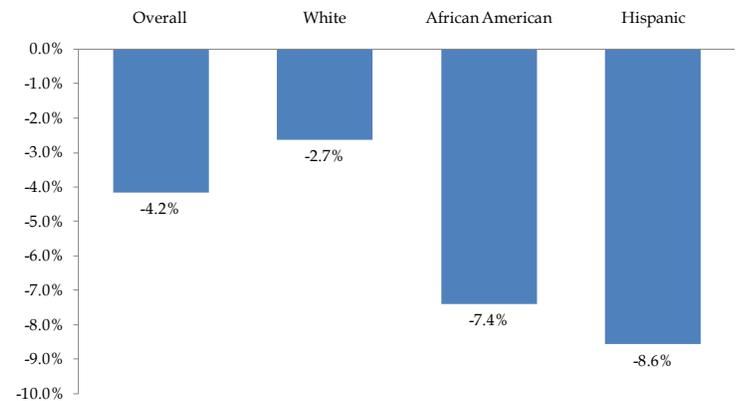
Nearly two-thirds of the Midwest states experienced declines in household income since the 1999-2000 period. The Midwest region was hit the hardest by income drops. Seven of twelve states in that region experienced a statistically significant percentage decline in real median household income. The South also suffered disproportionately: eight of the 17 states in the region experienced a significant percentage decline in income.

Chart 2: Household Income Down for Across the Board Since 2000
Change in real average household income by income group, 2000-2008



Source: Joint Economic Committee calculations based on data from the Bureau of the Census, U.S. Department of Commerce.

Chart 3: Household Income Has Declined the Most for African Americans and Hispanics Since 2000
Change in real median household income by race and Hispanic origin, 2000-2008*



Source: Joint Economic Committee calculations based on data from the Bureau of the Census, U.S. Department of Commerce. *White denotes White, non Hispanic. African American denotes those identifying themselves as African American alone, or in combination with another race (A.I.O.C.).

Median Income of Households, By State, 1999-2000 and 2007-2008

State	1999-2000 Average	2007-2008 Average	Change (from 1999-2000 to 2007-2008) ¹
	2008 Dollars	2008 Dollars	Percentage Points
United States	52,532	51,233	-2.5 *
Alabama	45,557	44,155	-3.1
Alaska	66,229	64,701	-2.3
Arizona	48,762	47,972	-1.6
Arkansas	37,734	40,974	8.6 *
California	57,443	57,445	0.0
Colorado	61,270	62,217	1.5
Connecticut	64,038	65,644	2.5
Delaware	61,598	53,695	-12.8 *
District of Columbia	50,743	54,162	6.7 *
Florida	47,430	46,206	-2.6
Georgia	51,655	48,369	-6.4 *
Hawaii	60,964	64,002	5.0
Idaho	46,632	49,247	5.6
Illinois	58,717	53,889	-8.2 *
Indiana	51,920	47,898	-7.7 *
Iowa	52,167	50,465	-3.3
Kansas	49,787	49,119	-1.3
Kentucky	44,459	41,058	-7.6 *
Louisiana	40,292	41,232	2.3
Maine	48,394	48,481	0.2
Maryland	67,807	65,932	-2.8
Massachusetts	57,646	60,515	5.0
Michigan	58,217	50,528	-13.2 *
Minnesota	64,292	57,607	-10.4 *
Mississippi	42,416	37,579	-11.4 *
Missouri	54,917	46,906	-14.6 *
Montana	40,535	44,116	8.8 *
Nebraska	51,045	50,896	-0.3
Nevada	55,381	55,440	0.1
New Hampshire	61,579	68,175	10.7 *
New Jersey	63,629	64,070	0.7
New Mexico	42,975	44,081	2.6
New York	51,296	50,643	-1.3
North Carolina	48,013	44,058	-8.2 *
North Dakota	43,597	49,325	13.1 *
Ohio	52,360	48,960	-6.5 *
Oklahoma	41,382	45,494	9.9 *
Oregon	52,800	51,947	-1.6
Pennsylvania	50,750	50,850	0.2
Rhode Island	53,968	54,767	1.5
South Carolina	47,034	44,034	-6.4 *
South Dakota	45,940	49,901	8.6 *
Tennessee	44,902	41,240	-8.2 *
Texas	49,121	47,157	-4.0 *
Utah	59,465	59,062	-0.7
Vermont	51,608	49,959	-3.2
Virginia	58,993	61,710	4.6
Washington	55,952	58,472	4.5
West Virginia	37,307	40,851	9.5 *
Wisconsin	57,679	52,224	-9.5 *
Wyoming	48,829	51,977	6.4 *

Notes: Following Census guidance on how to utilize and compare state-level data, this report compares the two-year average for 1999-2000 (the last years of the Clinton Administration), with the two-year average for 2007-2008 (the last years of the Bush Administration), in order to gauge trends in household income during President Bush's two terms.

*Statistically different from zero at the 90-percent confidence level.

¹Details may not sum to totals because of rounding

Source: U.S. Census Bureau, Current Population Survey.