

The Effects of Government Taxes and Transfers on Income and Poverty: 2004

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I. Introduction

In August 2005, the Census Bureau released its annual report on income, poverty, and health insurance coverage in the United States. The income and poverty figures in that report were based on money income alone and did not include the effect of important public programs such as the Earned Income Tax Credit and noncash assistance such as food stamps and public or subsidized housing programs. As in previous years, the Census Bureau is now releasing a study that includes the effect of these and other government programs on economic summary measures, such as median household income, the Gini Index of income inequality, and the percentage of people below the poverty level. This release includes fewer alternative income definitions than previous reports to provide a more focused assessment of the effect of government programs (cash and noncash transfers and taxes, including the effect of the Earned Income Tax Credit) on income and poverty summary measures. Unlike previous reports, the poverty estimates shown here use a single set of thresholds that differ from the official poverty thresholds, see Section V for details. The resulting alternatives illustrate how poverty estimates are affected when various types of noncash benefits are treated as income and when taxes are taken into account, while holding constant the measure of need (the thresholds).

The rest of this release is divided into five sections. Section II describes the four income definitions used in the report. Section III reviews the impact of taxes and transfers on household income measures (median income and income inequality) using these four definitions of income. Section IV discusses the effect of government programs on the percentage of people below the poverty thresholds by using the alternative definitions of income. Section V provides additional details and background on the concepts used for this release. Finally, Section VI includes references for more technical details.

II. Income Definitions

Money Income: This includes all money income received by individuals who are 15 years or older. It consists of income before deductions for taxes and other expenses and does not include lump-sum payments or capital gains. It also does not include the value of noncash benefits such as food stamps. This income concept is the basis for the official U.S. poverty measure.

Market Income: Includes money income except government cash transfers; includes imputed realized capital gains and losses; includes imputed rate of return on home equity; and subtracts

imputed work expenses.¹ Market income can serve as a starting point for examining the effect of government activity on income and poverty estimates. For example, comparing market income with post-social insurance income reveals the impact of non-means tested transfers like Social Security on median household income, income inequality measures, and the percentage of people below their poverty thresholds.

Post-Social Insurance Income: Includes money income except government means-tested cash transfers; includes imputed realized capital gains and losses; includes imputed rate of return on home equity; and subtracts imputed work expenses. A comparison of post-social insurance income to disposable income shows the net impact of means-tested government transfers (both cash and noncash) and taxes.

Disposable Income: Includes money income; includes the value of noncash transfers (food stamps, public or subsidized housing, and free or reduced-price school lunches); includes imputed realized capital gains and losses; includes imputed rate of return on home equity; and subtracts imputed work expenses, federal payroll taxes, federal and state income taxes, and property taxes on owner-occupied homes.² A side-by-side comparison of market income and disposable income the net impact of government transfers and taxes on income and poverty estimates.

III. Income

Table 1 shows the effects of government taxes and transfers on income measures using the traditional money income concept and three alternative definitions: market income, post-social insurance income, and disposable income.

In 2004, median household money income was \$44,389 for the United States. Market income represents resources available to people and families based on market activities and does not include income from government sources. Income under this definition can serve as a reference point for evaluating the effects of those government sources. U.S. median household income was \$41,648 under the market income definition, or 6.2 percent lower than median household money income.

Post-social insurance income is defined as market income with non-means-tested cash transfers, such as Social Security, added back. Including those transfers increased median household income by 10.4 percent to \$45,968.

Disposable income represents the net income households have available to meet living expenses. It includes all resources based on market activities, the value of government transfers and deducts taxes. The result of these additions and subtractions lowered median household income 13.5 percent to \$39,754 or 10.4 percent below the money income concept.

¹ For more information on methods for imputing certain elements, see the following: for capital gains and losses, see Cleveland 2005, for return on home equity, see U.S. Census Bureau 1993, and for work expenses, see Short 2001.

² For more information on methods for imputing taxes, see Cleveland 2005 and O'Hara 2004.

The money income definition and two of the alternative definitions showed no change in overall real median household income between 2003 and 2004. However, market income declined by 0.8 percent. Table 1 shows year-to-year changes for each income definition for selected demographic groups.

In three regions real median household income showed the same year-to-year changes for all definitions. The Midwest declined, while the Northeast and South did not change. In contrast the West showed a decline in post-social insurance income, but no change in the other definitions.

By type of household, real median income between 2003 and 2004 showed no change for family households across all four definitions. Median income for nonfamily households showed declines under post-social insurance income and disposable income.

By work experience of the householder, all four definitions showed a decline in real median household income between 2003 and 2004 for households in which householders worked. In comparison, households in which the householder did not work showed no change in any definitions.

Table 2 shows measures of income inequality—the shares of aggregate household income by income quintile and Gini Index—for each income definition. As with money income, there was no change in the Gini Index between 2003 and 2004 for two of the three alternative income definitions. The Gini Index declined between 2003 and 2004 for disposable income accompanied by an increase in share of aggregate income in the lowest quintile. Even though the Gini Index showed no change between 2003 and 2004 for the other income definitions, there were some shifts in shares of income by quintile—money income showed a decline in shares in the second quintile, market income showed declines in shares in the third and fourth quintile, and post-social insurance showed declines in shares for the second and fourth quintile, with an increase the highest quintile.

When looking at how government programs redistribute income, the distribution of income under the market definition is more unequal than money income alone. The Gini Index for market income is 10.2 percent higher than for money income. This fact is further reinforced by the shares of aggregate income increasing in the two top quintiles and declining in the bottom three. Moving to the post-social insurance definition and the disposable income definition results in a more equal income distribution. The Gini Index declines 9.5 percent between market income and post-social insurance income and declines another 10.9 percent going from post-social insurance to a disposable income concept. Again, the quintile measures support this trend with a decline in shares of aggregate income for the highest quintile and increases in shares for the lower four quintiles.³

³ Moving from market income to post-social insurance income showed a decrease in the share of aggregate income in the fourth quintile.

IV. Poverty

Official poverty rates for 2004 were released in August 2005. In order to assess the impact of government taxes and transfers on poverty estimates, this data release uses revised income definitions. In addition, the thresholds used to determine whether a person or family is in poverty are not the official thresholds, but thresholds based on a three-parameter equivalence scale described in section V.

Table 3 shows the effects of government taxes and transfers on estimates of poverty by using four definitions of resources: money income, market income, post-social insurance income, and disposable income. All four measures use the same poverty thresholds. See Section II for the income definitions.

In 2004, using the money income definition and the three-parameter thresholds resulted in a poverty estimate of 12.6 percent for the United States. The income definition used in this measure was identical to that used in the official poverty measure (which was 12.7 percent in 2004). Thus, using the three-parameter equivalence scale lowered the estimate of the poverty rate by 0.1 percentage points overall.

Market income represents resources available to people and families based on market activities, including realized capital gains or losses resulting from investments. Because market income does not include income from government sources nor does it deduct taxes, poverty rates under this measure can serve as a reference point for evaluating the effects of those government policies. The estimate of the overall poverty rate was 19.4 percent under this definition in 2004.

Post-social insurance income is defined as market income with non-means-tested cash transfers, such as Social Security, added back in. The definition is referred to as “social insurance” because the programs included here were designed to target everyone, not only people with low income. Adding those transfers back in reduced the poverty estimate to 12.9 percent.

Disposable income, in this data release, is a representation of the net income people have available for living expenses. Like market income, disposable income includes all resources based on market activities, but also includes the value of government transfers. Disposable income excludes taxes since they are mandated by law and the money used to pay those taxes is not available for other purposes. The net effect of these additions and subtractions is a poverty rate of 10.4 percent—which is lower than the poverty rates estimated using the other income definitions.

By comparing poverty rate estimates across definitions, a pattern emerges. The estimated percentage of people below the poverty thresholds is higher when using market income than when using money income. That higher percentage reflects the impact of taking away government transfers and some work-related expenses. Since the market income definition includes returns on home equity and net capital gains (and the money income measure does not), the higher poverty estimate for market income indicates that those two income sources taken together are not as large as government transfers and work expenses combined. In turn, since non-means-tested transfers are added in the post-social insurance income definition, poverty

estimates under that definition are lower than when using market income. Under the disposable income definition, the value of noncash benefits and means-tested transfers are added, and taxes are subtracted, resulting in an even lower percentage than under post-social insurance income. The lower estimate under the disposable income definition results not only from the noncash benefits and government transfers, but also from the Earned Income Tax Credit, which, though classified under “taxes,” does not reduce income but instead functions as a means-tested transfer for people with low income.

Child poverty estimates across income definitions illustrate the same pattern of the income components’ effects. Under the money income definition, 17.4 percent of children under 18 were below the poverty line in 2004. Under the market income definition, the estimate was 20.2 percent. Adding non-means-tested cash benefits lowered the child poverty estimate to 18.1 percent. Under a disposable income concept that includes the effects of noncash benefits, cash transfers, and taxes, the child poverty estimate in 2004 was 13.1 percent.

None of the alternative income definitions exhibited a change in estimates of overall poverty between 2003 and 2004, unlike the official poverty measure, which rose from 12.5 percent in 2003 to 12.7 percent in 2004.

For many demographic and geographic groups, all four alternative definitions told the same story (see Table 3). All four definitions identified no change in poverty rates between 2003 and 2004 for people in families, Blacks, children under 18 years, 55-to-59-year-olds, the foreign-born, people living in the South and the West, people who did not work at least one week, married-couple families, and female-householder families. All four definitions measured poverty rate increases between 2003 and 2004 for non-Hispanic Whites, 18-to-24-year-olds, 45-to-54-year-olds, and people living in the Midwest. All four definitions found lower poverty rates for Asian families in 2004 than in 2003.

For some demographic and geographic groups, year-to-year changes were not uniformly identified by all four definitions. For instance, the percentage below poverty for unrelated individuals (people living alone or with non-relatives only) increased between 2003 and 2004 under the disposable income measure but not any of the others. Conversely, the percentage below poverty for Asians (measured for people as opposed to families) fell under all definitions except for disposable income.

The percentages shown in Table 4 are based on poverty thresholds adjusted with the CPI-U-RS. The CPI-U and the CPI-U-RS measure inflation differently; thus, the choice of price index affects the thresholds—the dollar values used to determine poverty status (see section V for details on poverty thresholds and on price indexes). The percentages are lower than those shown in Table 3 because the thresholds are lower. Under the money income definition, 10.6 percent of people were below the CPI-U-RS-adjusted poverty thresholds in 2004. Under the most comprehensive definition of income shown in this release (disposable income), the corresponding percentage in 2004 was 8.3 percent. Despite the lower percentages, none of the four definitions identified any change in the poverty estimate for the overall population between 2003 and 2004 for the CPI-U-RS-based estimates—a finding consistent with the CPI-U-based estimates.

V. Methodology and Alternative Income Components

Unit of Analysis: The unit of analysis for the income measures in this report is the household. The units of analysis for the poverty measures are families and people. That is, the poverty status of people is based on their family's income if they live in a family and their own individual income otherwise. For groups of two or more people living together who are related by birth, marriage, or adoption, poverty thresholds are defined for family units. For those living alone or with non-relatives, poverty thresholds are defined for individuals. Thus, two unrelated people living together are considered two separate "units" for poverty determination purposes, meaning that their combined poverty thresholds would be the same whether they lived in the same housing unit or two different ones. While it is clear that some allowance should probably be made to reflect the fact that it is less expensive for unrelated people to share living quarters, there is little research that points to exactly what type of adjustment is appropriate. But it is clear that the effect of such an adjustment is not trivial. In Weinberg 2005, there are tabulations based on a "household" definition of poverty. Under this definition, two unrelated people living together would be considered as exactly the same as a two-person family for poverty determination purposes. These tabulations showed that the effect of moving to a household-based poverty definition would have reduced the overall poverty rate by approximately 1.5 percentage points in 2002.

Work-Related Expenses: Previous Census Bureau alternative poverty reports that included the effect of work-related expenses on income have included both the effect of child care expenses and "other" (non-child care) work-related expenses (see Short 2001 and Dalaker 2005). This report only includes the effect of non-child care work expenses. The reason for this change is that the Census Bureau is considering making changes to its child care expenses imputation procedures and is deferring their inclusion until either the current method can be validated or an improved method can be found.

Government Cash Transfers: Government transfers include payments from the following sources: 1) Unemployment Compensation, 2) State Workers' Compensation, 3) Social Security, 4) Supplemental Security Income (SSI), 5) Public Assistance, including Temporary Assistance for Needy Families (TANF), 6) Veterans' Payments, 7) government survivor, disability, and pension payments, and 8) government educational assistance.

Government Means-Tested Cash Transfers: The means-tested portion of transfers includes payments from the following sources: 1) Public Assistance, including Temporary Assistance for Needy Families (TANF), 2) SSI, and 3) means-tested Veterans' Payments.

Government Non-Means-Tested Cash Transfers: The non-means-tested portion of transfers includes payments from the following sources: 1) Unemployment Compensation, 2) State Workers' Compensation, 3) Social Security, 4) non-means-tested Veterans' Payments, 5) government survivor, disability, and pension payments, and 6) government educational assistance.

Government Noncash Transfers (also called noncash benefits): Non-cash transfers include those government benefits that are distributed as services or vouchers, and for which the

recipient does not get cash. These include 1) food stamps, 2) housing subsidies, and 3) free or reduced-price school lunches.

Inequality Measures: Two widely used measures of income inequality are shares of aggregate income and the Gini Index. Shares of aggregate income are computed by ranking households from lowest to highest income and then dividing them into groups of equal numbers of households, typically quintiles (20-percent groups). The aggregate income of each group divided by the overall aggregate income is each group's share. In a perfectly equal society, the cumulative share of income should equal the cumulative share of households. The Gini Index summarizes the dispersion of income shares. The Gini Index ranges from 0, which indicates perfect equality, to 1, which denotes perfect inequality (all income is received by one household).

Poverty Thresholds: The poverty thresholds used in this release differ from the official poverty thresholds described in *Income, Poverty, and Health Insurance Coverage in the United States: 2004*. Official poverty thresholds are based on the work of Mollie Orshansky, and they vary by family size and number of children (and age for unrelated individuals and 2-person families). Because the official thresholds were based on food costs and spending patterns, rather than an overall assessment of how needs vary by family size, the relationship between thresholds for different families has been criticized as non-systematic and ad hoc, and has been cited as one of the weaknesses of the current official poverty definition (see Citro and Michael 1995). The thresholds used for this release start with the official 4-person, 2-child threshold and compute the thresholds for other families through the use of a more systematic three-parameter equivalence scale. The first scale parameter reflects that children, on average, consume less than adults; the second parameter reflects that as family size increases, expenses do not increase at the same rate; and the third parameter allows the first child in a single-adult family to represent a greater increase in expenses than the first child in a two-adult family. For details on the derivation of this equivalence scale, see Appendix A of Short 2001.

Consumer Price Indexes: Official poverty thresholds are updated each year based on the CPI-U (Consumer Price Index for All Urban Consumers), which is computed by the Bureau of Labor Statistics (BLS). The BLS also produces another index, the CPI-U-RS (Consumer Price Index Research Series Using Current Methods). The CPI-U-RS applies most of the methodological improvements made to the CPI-U since the beginning of this series in 1978. The poverty thresholds used in this release were adjusted using both methods. First, the 4-person, 2-child threshold (the starting point for the three-parameter equivalence scale) was updated for inflation using the CPI-U. Table 3 presents these estimates. Second, the set of thresholds used to create the data in Table 3 was adjusted using the CPI-U-RS. Table 4 displays the estimates based on the thresholds updated with the CPI-U-RS. For more information on the Census Bureau's use of the CPI-U-RS to adjust poverty thresholds, see Dalaker 2005. Household income is adjusted over time using the CPI-U-RS. For more information on the CPI-U-RS, see <http://www.bls.gov/cpi/cpirsdc.htm>.

Income Underreporting in the CPS: The collection vehicle for the estimates shown in this release is the Annual Social and Economic Supplement (ASEC) to the Current Population Survey. The fact that respondents don't report their incomes with perfect accuracy on the CPS

ASEC is well documented (see Roemer 2000, for example). A recent study by analysts at the Census Bureau and the Bureau of Economic Analysis (BEA) compared BEA State Personal Income (SPI) aggregates with those from the CPS for income year 2001 (Ruser, Pilot, and Nelson 2004). They found that once the necessary adjustments were made to make the two datasets conceptually the same, the CPS ASEC aggregate was about \$806 billion less than the SPI aggregate—a gap of around 11 percent. About one-half of this gap is due to adjustments BEA makes to its SPI for unreported earnings (wages and salaries and self-employment income). The study also found that the gaps are not consistent by type of income. For example, the wage and salary gap was around 3 percent while the gap for transfer incomes was around 23 percent. Clearly there needs to be more research on the effect of underreporting of key income types on important summary measures such as the poverty rate and median household income. In Weinberg 2005, there were tabulations based on files created by the Urban Institute with support from the Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation. These files include underreporting adjustment models for three transfer programs: Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), and Food Stamps. Tabulations from this file illustrate the potential importance of underreporting adjustments. They showed that the effect of using the file that incorporated imputations for unreported TANF, SSI, and Food Stamp benefits was to reduce the overall poverty rate by around 1 percentage point in 2002.

VI. References

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Table 1.

Median Income of Households by Selected Characteristics and Income Definition: 2003 and 2004

(Households as of March of the following year)

Characteristic	Number (1,000)		Money Income			Market Income		
	2003	2004	2003	2004	Percent change in real median income (2004 less 2003)	2003	2004	Percent change in real median income (2004 less 2003)
			Median (2004 dollars)	Median		Median (2004 dollars)	Median	
All households.....	112,000	113,146	44,483	44,389	-0.2	41,983	41,648	*-0.8
Region								
Northeast.....	21,017	21,137	47,998	47,994	0.0	44,963	44,727	-0.5
Midwest.....	25,643	25,911	45,934	44,657	*-2.8	43,186	42,239	*-2.2
South.....	40,742	41,159	40,893	40,773	-0.3	37,767	37,813	0.1
West.....	24,598	24,939	48,078	47,680	-0.8	46,170	45,388	-1.7
Race and Hispanic Origin								
All races	112,000	113,146	44,483	44,389	-0.2	41,983	41,648	*-0.8
White alone or in combination	93,196	94,038	46,797	46,626	-0.4	44,127	44,012	-0.3
White alone 1/	91,962	92,702	46,857	46,697	-0.3	44,209	44,111	-0.2
White alone, not Hispanic	81,148	81,445	49,061	48,977	-0.2	46,511	46,448	-0.1
Black alone or in combination	13,969	14,127	30,487	30,268	-0.7	27,639	27,056	-2.1
Black alone 2/	13,629	13,792	30,442	30,134	-1.0	27,593	26,863	-2.6
Asian alone or in combination	4,235	4,360	56,747	57,475	1.3	54,878	56,767	3.4
Asian alone 3/	4,040	4,140	57,196	57,518	0.6	55,530	56,996	2.6
Asian, Native Hawaiian and Other Pacific Islander, alone or in combination	4,497	4,620	56,907	56,680	-0.4	54,859	55,625	1.4
Asian alone or Native Hawaiian and Other Pacific Islander alone or Asian and Native Hawaiian and Other Pacific Islander 4/	4,250	4,336	57,323	57,047	-0.5	55,552	56,262	1.3
Hispanic (of any race)	11,693	12,181	33,884	34,241	1.1	32,011	31,805	-0.6
Type of Household								
Family households.....	76,217	77,010	55,442	55,327	-0.2	53,060	53,062	0.0
Married-couple families.....	57,719	58,109	64,082	63,813	-0.4	62,673	62,536	-0.2
Male householder, no wife present.....	4,717	4,893	43,086	44,923	*4.3	40,414	41,618	*3.0
Female householder, no husband present.....	13,781	14,009	30,095	29,826	-0.9	26,830	26,363	-1.7
Nonfamily households.....	35,783	36,136	26,433	26,176	-1.0	23,493	23,539	0.2
Male householder.....	16,136	16,344	32,786	31,967	*-2.5	30,484	30,068	-1.4
Living alone.....	12,562	12,652	28,176	27,357	*-2.9	25,829	25,118	*-2.8
Female householder.....	19,647	19,792	21,886	21,797	-0.4	17,975	18,208	1.3
Living alone.....	17,024	17,207	19,178	19,446	1.4	14,733	14,956	1.5
Age of Householder								
Under 65 years.....	88,951	90,012	51,520	50,923	*-1.2	50,045	49,606	*-0.9
15 to 24 years.....	6,610	6,686	27,780	27,586	-0.7	25,414	25,051	-1.4
25 to 34 years.....	19,159	19,255	45,983	45,485	-1.1	44,330	43,683	-1.5
35 to 44 years.....	23,222	23,226	56,523	56,785	0.5	55,988	56,157	0.3
45 to 54 years.....	23,137	23,370	61,861	61,111	*-1.2	61,640	60,962	-1.1
55 to 64 years.....	16,824	17,476	50,537	50,400	-0.3	48,497	48,682	0.4
65 years and over.....	23,048	23,135	24,426	24,509	0.3	13,420	13,570	1.1
65 to 74 years.....	11,499	11,519	30,437	30,854	1.4	19,510	20,102	3.0
75 years and over.....	11,550	11,616	19,993	20,467	*2.4	9,401	9,458	0.6

Table 1.

Median Income of Households by Selected Characteristics and Income Definition: 2003 and 2004--Con.

(Households as of March of the following year)

Characteristic	Post-Social Insurance Income			Disposable Income		
	2003	2004	Percent change in real median income (2004 less 2003)	2003	2004	Percent change in real median income (2004 less 2003)
	Median (2004 dollars)	Median		Median (2004 dollars)	Median	
All households.....	46,196	45,968	-0.5	39,933	39,754	-0.4
Region						
Northeast.....	49,793	49,660	-0.3	41,814	41,761	-0.1
Midwest.....	47,551	46,542	*-2.1	40,496	39,667	*-2.0
South.....	41,844	41,843	0.0	36,774	36,809	0.1
West.....	50,261	49,486	*-1.5	43,596	43,208	-0.9
Race and Hispanic Origin						
All races	46,196	45,968	-0.5	39,933	39,754	-0.4
White alone or in combination	48,556	48,417	-0.3	41,624	41,642	0.0
White alone 1/	48,647	48,515	-0.3	41,696	41,710	0.0
White alone, not Hispanic	50,997	50,971	-0.1	43,406	43,402	0.0
Black alone or in combination	30,385	29,951	-1.4	28,374	27,883	-1.7
Black alone 2/	30,327	29,781	-1.8	28,304	27,771	*-1.9
Asian alone or in combination	57,872	58,403	0.9	48,512	48,504	0.0
Asian alone 3/	58,437	58,569	0.2	48,946	48,692	-0.5
Asian, Native Hawaiian and Other Pacific Islander, alone or in combination	57,842	57,555	-0.5	48,436	47,879	-1.2
Asian alone or Native Hawaiian and Other Pacific Islander alone or Asian and Native Hawaiian and Other Pacific Islander 4/	58,450	58,066	-0.7	48,915	48,314	-1.2
Hispanic (of any race)	33,820	33,817	0.0	31,620	31,739	0.4
Type of Household						
Family households.....	57,366	57,375	0.0	49,220	49,118	-0.2
Married-couple families.....	66,575	66,388	-0.3	55,728	55,632	-0.2
Male householder, no wife present.....	43,804	44,996	2.7	38,900	39,634	1.9
Female householder, no husband present.....	30,175	29,583	*-2.0	29,381	29,232	-0.5
Nonfamily households.....	28,145	27,744	*-1.4	24,290	24,011	*-1.2
Male householder.....	33,717	33,134	*-1.7	28,173	27,794	-1.3
Living alone.....	29,407	28,804	*-2.0	24,593	24,325	-1.1
Female householder.....	24,274	23,940	-1.4	21,561	21,218	*-1.6
Living alone.....	21,853	21,744	-0.5	19,689	19,478	-1.1
Age of Householder						
Under 65 years.....	51,928	51,549	-0.7	43,676	43,366	*-0.7
15 to 24 years.....	26,639	26,506	-0.5	24,024	24,314	1.2
25 to 34 years.....	45,351	44,531	*-1.8	38,655	38,042	*-1.6
35 to 44 years.....	57,052	57,277	0.4	47,684	47,779	0.2
45 to 54 years.....	63,482	62,712	-1.2	51,802	51,176	*-1.2
55 to 64 years.....	53,223	53,293	0.1	44,875	44,722	-0.3
65 years and over.....	28,928	29,176	0.9	27,557	27,932	1.4
65 to 74 years.....	35,339	35,695	1.0	33,009	33,481	1.4
75 years and over.....	24,157	24,329	0.7	23,037	23,405	1.6

Table 1.

Median Income of Households by Selected Characteristics and Income Definition: 2003 and 2004--Con.

(Households as of March of the following year)

Characteristic	Number (1,000)		Money Income			Market Income		
	2003	2004	2003	2004	Percent change in real median income (2004 less 2003)	2003	2004	Percent change in real median income (2004 less 2003)
			Median (2004 dollars)	Median		Median (2004 dollars)	Median	
Size of Household								
One person.....	29,586	29,859	22,519	22,480	-0.2	19,082	19,412	1.7
Two people.....	37,366	37,247	48,186	47,031	*-2.4	44,200	43,165	*-2.3
Three people.....	17,968	18,347	57,223	57,876	1.1	55,213	55,728	0.9
Four people.....	16,065	16,506	66,104	65,869	-0.4	65,439	65,045	-0.6
Five people.....	7,150	7,230	61,744	62,475	1.2	60,527	61,237	1.2
Six people.....	2,476	2,522	59,670	57,087	*-4.3	58,612	55,379	*-5.5
Seven people or more.....	1,388	1,435	62,148	58,688	*-5.6	57,646	55,865	-3.1
Number of Earners								
No earners.....	23,932	23,891	16,082	16,151	0.4	5,721	5,649	-1.3
One earner.....	40,769	41,622	36,944	36,149	*-2.2	34,404	33,850	*-1.6
Two earners or more.....	47,299	47,633	73,417	72,590	*-1.1	72,755	72,404	-0.5
Two earners.....	37,917	38,120	69,158	68,892	-0.4	68,875	68,336	-0.8
Three earners.....	6,998	7,227	84,680	83,877	-0.9	84,433	83,742	-0.8
Four earners or more.....	2,384	2,287	100,000	100,000	-	100,000	100,000	-
Work Experience of Householder								
Total.....	112,000	113,146	44,483	44,389	-0.2	41,983	41,648	*-0.8
Worked.....	77,597	78,345	56,466	55,900	*-1.0	55,528	55,065	*-0.8
Worked full-time, year-round.....	55,952	56,497	62,487	61,601	*-1.4	62,220	61,330	*-1.4
Did not work.....	34,403	34,801	22,053	22,243	0.9	12,177	12,480	2.5

Table 1.

Median Income of Households by Selected Characteristics and Income Definition: 2003 and 2004--Con.

(Households as of March of the following year)

Characteristic	Post-Social Insurance Income			Disposable Income		
	2003	2004	Percent change in real median income (2004 less 2003)	2003	2004	Percent change in real median income (2004 less 2003)
	Median (2004 dollars)	Median		Median (2004 dollars)	Median	
Size of Household						
One person.....	24,761	24,430	*-1.3	21,638	21,289	*-1.6
Two people.....	50,698	49,758	*-1.9	43,384	42,534	*-2.0
Three people.....	58,510	59,136	1.1	49,237	49,564	0.7
Four people.....	67,375	66,948	-0.6	56,816	56,488	-0.6
Five people.....	62,634	63,056	0.7	54,974	55,370	0.7
Six people.....	60,509	57,417	*-5.1	55,378	53,057	*-4.2
Seven people or more.....	62,232	57,985	*-6.8	59,599	56,132	*-5.8
Number of Earners						
No earners.....	18,984	18,875	-0.6	19,064	18,896	-0.9
One earner.....	37,936	36,950	*-2.6	32,548	31,883	*-2.0
Two earners or more.....	74,564	74,210	-0.5	60,973	60,367	*-1.0
Two earners.....	70,540	70,283	-0.4	57,587	57,114	*-0.8
Three earners.....	86,613	85,689	-1.1	70,741	70,044	-1.0
Four earners or more.....	100,000	100,000	-	89,125	85,308	*-4.3
Work Experience of Householder						
Total.....	46,196	45,968	-0.5	39,933	39,754	-0.4
Worked.....	57,522	57,045	*-0.8	47,393	47,010	*-0.8
Worked full-time, year-round.....	63,485	62,597	*-1.4	51,686	50,830	*-1.7
Did not work.....	25,122	24,997	-0.5	24,620	24,804	0.7

A value of \$100,000 indicates the median is in excess of \$100,000.

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

1/ Beginning with the 2003 ASEC, respondents were allowed to choose more than one race. White Alone refers to people who reported White and did not report any other race category. The use of this single-race population does not imply that it is the preferred method of presenting or analyzing data. The Census Bureau uses a variety of approaches. Information on people who reported more than one race, such as "White and American Indian and Alaska Native" or "Asian and Black or African American," in Census 2000 is available through American FactFinder. About 2.6 percent of people reported more than one race.

2/ Black alone refers to people who reported Black and did not report any other race category.

3/ Asian alone refers to people who reported Asian and did not report any other race category.

4/ Asian and/or Native Hawaiian and Other Pacific Islander refers to people who reported either or both of these categories, but did not report any other category.

Source: U.S. Census Bureau, Current Population Survey, 2004 and 2005 Annual Social and Economic Supplements.

Table 2.

Share of Aggregate Household Income by Quintile and Gini Index: 2003 and 2004

	Money income		Market income		Post-social insurance income		Disposable income	
	2003	2004	2003	2004	2003	2004	2003	2004
Quintiles								
Lowest	3.37	3.42	1.46	1.48	3.26	3.29	4.60	4.68
Second	8.83	8.68	7.45	7.36	8.93	8.64	10.25	10.34
Third	14.72	14.83	14.47	14.10	14.76	14.54	15.84	16.08
Fourth	23.29	23.02	24.15	23.62	23.46	22.97	23.75	24.02
Highest	49.79	50.05	52.47	53.44	49.59	50.57	45.56	44.88
Gini Index	0.450	0.450	0.492	0.496	0.446	0.449	0.405	0.400

Source: U.S. Census Bureau, Current Population Survey, 2004 and 2005 Annual Social and Economic Supplements

Table 3.

People and Families With Alternative Definitions of Income Below the Three-Parameter Poverty Thresholds, by Selected Characteristics: 2003 and 2004

(Counts of people in thousands--290,605 represents 290,605,000. Poverty rates in percentages. People as of March of the following year)

Characteristic	All income levels, 2003	All income levels, 2004	Money income /1			Market income /1		
			Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003
PEOPLE								
Total.....	287,699	290,605	12.5	12.6	0.2	19.3	19.4	0.1
Family Status								
In families.....	238,903	241,153	11.1	11.2	0.2	16.6	16.8	0.1
Householder.....	76,232	77,019	10.5	10.5	0.1	17.4	17.4	-
Related children under 18.....	71,907	72,164	16.9	16.8	-	19.8	19.7	-0.1
Related children under 6.....	23,455	23,750	19.6	19.5	-	22.2	22.1	-0.2
In unrelated subfamilies.....	1,202	1,255	40.4	46.0	5.6	44.6	49.3	4.7
Reference person.....	509	518	39.2	46.2	7.0	43.3	49.8	6.5
Children under 18.....	652	675	43.3	46.8	3.5	47.6	50.1	2.5
Unrelated individual.....	47,594	48,198	18.9	18.8	-	31.8	31.8	-
Male.....	23,044	23,442	16.5	16.7	0.2	25.9	25.7	-0.2
Female.....	24,550	24,756	21.1	20.9	-0.2	37.4	37.7	0.3
Race/3 and Hispanic Origin								
White alone or in combination....	236,452	238,453	10.6	10.8	0.3	17.3	17.6	0.3
White alone/4.....	231,866	233,702	10.5	10.7	0.2	17.3	17.5	0.2
White alone, not Hispanic.....	194,595	195,054	8.2	8.6	*0.4	15.3	15.7	*0.4
Black alone or in combination....	37,503	38,016	24.4	24.6	0.2	32.0	32.1	0.1
Black alone/5.....	35,989	36,423	24.5	24.6	0.1	32.2	32.2	-
Asian alone or in combination.....	12,891	13,356	11.9	9.9	*-2.0	15.5	13.9	*-1.6
Asian alone/6.....	11,856	12,301	12.1	10.0	*-2.0	15.6	14.0	*-1.6
Hispanic (of any race).....	40,300	41,688	22.5	21.8	*-0.7	27.6	26.9	-0.6
Related Children Under 18								
White alone or in combination....	56,971	57,275	13.7	14.0	0.3	16.2	16.5	0.3
White alone/4.....	54,989	55,239	13.6	13.9	0.3	16.0	16.2	0.2
White alone, not Hispanic.....	42,547	42,382	9.2	9.7	0.5	11.3	11.8	0.5
Black alone or in combination....	11,989	12,006	32.8	32.1	-0.7	37.7	37.2	-0.5
Black alone/5.....	11,162	11,080	33.2	32.5	-0.7	38.2	37.5	-0.7
Asian alone or in combination.....	3,279	3,380	12.1	9.5	*-2.6	14.5	11.9	*-2.5
Asian alone/6.....	2,726	2,839	12.3	9.7	*-2.6	14.4	12.0	-2.5
Hispanic (of any race).....	13,519	13,936	28.5	27.5	-1.0	32.4	31.1	*-1.4
Age								
Under 18 years.....	72,999	73,271	17.3	17.4	-	20.3	20.2	-0.1
18 to 64 years.....	180,041	182,121	10.8	11.2	*0.3	14.5	14.9	0.3
18 to 24 years.....	27,824	27,972	16.5	18.2	*1.6	20.1	21.9	*1.8
25 to 34 years.....	39,201	39,307	12.8	12.4	-0.4	15.5	14.8	*-0.7
35 to 44 years.....	43,573	43,350	9.6	9.8	0.1	12.5	12.6	0.1
45 to 54 years.....	41,068	41,960	7.8	8.3	*0.5	11.1	11.7	*0.6
55 to 59 years.....	16,158	16,763	8.3	8.3	-	12.9	13.1	0.2
60 to 64 years.....	12,217	12,769	9.5	10.0	0.5	20.0	20.2	0.2
65 years and over.....	34,659	35,213	10.9	10.5	*-0.4	41.6	41.1	-0.4
Nativity								
Native.....	253,478	255,490	11.8	12.0	0.2	18.7	19.0	0.3
Foreign born.....	34,221	35,115	17.7	17.2	-0.5	23.2	22.5	-0.7
Naturalized citizen.....	13,128	13,495	10.4	10.2	-0.2	18.4	18.3	-0.1
Not a citizen.....	21,094	21,619	22.2	21.6	-0.6	26.2	25.2	-1.0
Region								
Northeast.....	53,608	53,910	11.4	11.6	0.2	18.2	18.1	-0.2
Midwest.....	64,655	64,743	10.7	11.5	*0.8	17.2	18.4	*1.1
South.....	103,347	104,878	14.2	14.1	-0.1	21.6	21.6	-
West.....	66,089	67,075	12.5	12.3	-0.2	18.5	18.1	-0.4

Table 3.

People and Families With Alternative Definitions of Income Below the Three-Parameter Poverty Thresholds, by Selected Characteristics: 2003 and 2004--Con.

(Counts of people in thousands--290,605 represents 290,605,000. Poverty rates in percentages. People as of March of the following year)

Characteristic	Post-social insurance income /1			Disposable income /1		
	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003
PEOPLE						
Total.....	12.8	12.9	0.2	10.2	10.4	0.2
Family Status						
In families.....	11.5	11.6	0.1	8.8	8.9	0.1
Householder.....	10.7	10.8	0.1	8.4	8.5	0.1
Related children under 18.....	17.8	17.6	-0.2	12.7	12.6	-0.1
Related children under 6.....	20.7	20.6	-0.1	15.7	15.5	-0.2
In unrelated subfamilies.....	41.8	47.9	6.1	35.7	41.9	6.2
Reference person.....	40.6	48.5	7.9	35.2	42.9	7.7
Children under 18.....	44.6	48.5	3.9	38.1	41.6	3.5
Unrelated individual.....	18.5	18.7	0.2	16.9	17.4	*0.5
Male.....	17.3	17.2	-	16.4	16.6	0.3
Female.....	19.7	20.0	0.4	17.3	18.1	*0.8
Race/3 and Hispanic Origin						
White alone or in combination....	10.7	11.0	*0.3	8.8	9.0	0.2
White alone/4.....	10.6	10.9	*0.3	8.7	8.9	0.2
White alone, not Hispanic.....	8.0	8.5	*0.5	6.8	7.2	*0.4
Black alone or in combination....	25.6	25.6	-0.1	19.2	19.6	0.4
Black alone/5.....	25.7	25.5	-0.2	19.4	19.7	0.3
Asian alone or in combination.....	12.6	10.8	*-1.8	9.6	9.1	-0.4
Asian alone/6.....	12.6	10.9	*-1.7	9.7	9.3	-0.4
Hispanic (of any race).....	24.0	23.0	*-1.0	18.6	17.9	*-0.6
Related Children Under 18						
White alone or in combination....	14.4	14.6	0.2	10.3	10.5	0.1
White alone/4.....	14.3	14.4	0.2	10.2	10.3	0.1
White alone, not Hispanic.....	9.5	10.0	0.5	7.0	7.2	0.3
Black alone or in combination....	34.8	33.7	-1.2	24.7	23.9	-0.8
Black alone/5.....	35.3	34.0	-1.3	25.0	24.3	-0.7
Asian alone or in combination.....	13.1	10.4	*-2.7	8.4	7.7	-0.8
Asian alone/6.....	13.1	10.7	*-2.4	8.8	8.0	-0.8
Hispanic (of any race).....	30.6	29.0	*-1.7	21.2	20.6	-0.6
Age						
Under 18 years.....	18.3	18.1	-0.2	13.2	13.1	-0.1
18 to 64 years.....	11.3	11.7	*0.4	9.7	10.1	*0.4
18 to 24 years.....	17.9	19.4	*1.5	17.3	18.6	*1.4
25 to 34 years.....	13.6	13.2	-0.4	11.3	10.7	*-0.6
35 to 44 years.....	10.2	10.4	0.2	8.1	8.5	*0.4
45 to 54 years.....	8.0	8.6	*0.7	6.5	7.3	*0.8
55 to 59 years.....	8.1	8.4	0.2	6.8	7.1	0.3
60 to 64 years.....	8.6	9.4	*0.7	7.4	7.8	0.4
65 years and over.....	8.6	8.5	-0.1	6.8	6.8	0.1
Nativity						
Native.....	11.9	12.2	*0.3	9.5	9.8	*0.3
Foreign born.....	19.0	18.3	-0.7	15.6	15.2	-0.4
Naturalized citizen.....	10.9	10.7	-0.2	8.3	8.3	0.1
Not a citizen.....	24.0	23.1	-0.9	20.2	19.5	-0.7
Region						
Northeast.....	11.8	12.0	0.2	8.8	9.3	*0.6
Midwest.....	10.6	11.7	*1.1	8.7	9.3	*0.6
South.....	14.3	14.3	-	11.9	11.8	-0.1
West.....	13.3	12.9	-0.4	10.3	10.3	-

Table 3.

People and Families With Alternative Definitions of Income Below the Three-Parameter Poverty Thresholds, by Selected Characteristics: 2003 and 2004--Con.

(Counts of people in thousands--290,605 represents 290,605,000. Poverty rates in percentages. People as of March of the following year)

Characteristic	All income levels, 2003	All income levels, 2004	Money income /1			Market income /1		
			Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003
PEOPLE--Con.								
Work Experience								
All workers (16 years and older).....	151,553	153,024	5.8	6.0	*0.3	8.0	8.0	-
Worked full-time year-round....	100,700	102,427	2.6	2.8	*0.2	3.4	3.5	0.2
Not full-time year-round.....	50,854	50,598	12.0	12.5	0.5	17.2	17.2	-0.1
Did not work at least one week...	71,868	73,081	22.0	22.0	-0.1	41.8	42.1	0.4
FAMILIES								
Total.....	76,232	77,019	10.5	10.5	0.1	17.4	17.4	-
White alone or in combination....	63,459	64,128	8.6	8.8	0.2	15.6	15.7	0.1
White alone/4.....	62,620	63,227	8.5	8.7	0.2	15.6	15.6	0.1
White alone, not Hispanic.....	54,032	54,388	6.5	6.7	*0.3	13.7	13.9	0.2
Black alone or in combination....	9,131	9,113	22.9	23.4	0.6	30.7	30.6	-0.1
Black alone/5.....	8,914	8,908	23.0	23.4	0.5	30.9	30.6	-0.3
Asian alone or in combination.....	3,194	3,295	10.8	7.8	*-3.0	14.1	12.1	*-2.1
Asian alone/6.....	3,064	3,155	11.0	7.8	*-3.1	14.2	12.0	*-2.2
Hispanic (of any race).....	9,274	9,537	21.5	21.1	-0.3	27.2	26.9	-0.3
Married-couple.....	57,725	58,118	5.7	5.8	0.1	12.5	12.5	-
White alone or in combination....	50,587	50,867	5.3	5.4	0.1	12.3	12.2	-0.1
White alone/4.....	50,025	50,265	5.3	5.4	0.1	12.3	12.2	-0.1
White alone, not Hispanic.....	44,200	44,300	3.8	4.1	*0.2	11.0	11.0	-
Black alone or in combination....	4,259	4,275	8.2	9.7	*1.5	15.1	16.7	*1.6
Black alone/5.....	4,146	4,183	8.1	9.7	*1.5	15.1	16.8	*1.7
Asian alone or in combination.....	2,576	2,649	8.5	6.0	*-2.5	11.7	10.0	*-1.8
Asian alone/6.....	2,497	2,560	8.7	6.1	*-2.6	11.9	10.1	*-1.8
Hispanic (of any race).....	6,228	6,367	16.2	15.3	-0.9	21.4	20.9	-0.6
Female householder, no husband present.....	13,791	14,009	28.9	29.0	-	36.7	36.8	0.1
White alone or in combination....	9,245	9,448	25.2	25.5	0.3	32.5	33.5	0.9
White alone/4.....	9,058	9,236	24.9	25.4	0.5	32.3	33.3	1.0
White alone, not Hispanic.....	7,121	7,200	21.2	21.5	0.3	28.8	29.8	1.0
Black alone or in combination....	4,068	4,084	37.7	38.1	0.4	46.4	45.5	-0.9
Black alone/5.....	3,986	3,991	37.8	38.2	0.3	46.6	45.5	-1.2
Asian alone or in combination.....	378	385	25.3	15.0	*-10.3	29.5	22.4	*-7.2
Asian alone/6.....	348	347	25.8	14.7	*-11.1	29.6	21.2	*-8.4
Hispanic (of any race).....	2,138	2,240	38.5	39.7	1.2	45.5	46.3	0.8
Male householder, no wife present..	4,717	4,893	14.6	14.0	-0.6	21.6	20.0	*-1.6
White alone or in combination....	3,627	3,813	12.0	12.2	0.2	19.0	18.3	-0.6
White alone/4.....	3,537	3,726	12.0	12.1	0.2	18.9	18.1	-0.8
White alone, not Hispanic.....	2,710	2,888	10.3	11.0	0.7	17.7	17.4	-0.4
Black alone or in combination....	804	754	25.5	21.7	-3.7	33.6	28.2	*-5.4
Black alone/5.....	782	734	25.9	21.8	*-4.1	34.3	28.2	*-6.1
Asian alone or in combination.....	241	261	12.5	15.5	3.0	15.6	18.2	2.6
Asian alone/6.....	219	248	13.3	15.9	2.6	16.0	18.6	2.6
Hispanic (of any race).....	908	930	17.6	16.2	-1.4	23.5	21.7	-1.8

Table 3.

People and Families With Alternative Definitions of Income Below the Three-Parameter Poverty Thresholds, by Selected Characteristics: 2003 and 2004--Con.

(Counts of people in thousands--290,605 represents 290,605,000. Poverty rates in percentages. People as of March of the following year)

Characteristic	Post-social insurance income /1			Disposable income /1		
	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003
PEOPLE--Con.						
Work Experience						
All workers (16 years and older).....	6.2	6.4	0.2	5.5	5.7	*0.2
Worked full-time year-round....	2.9	3.1	0.2	2.5	2.6	0.1
Not full-time year-round.....	12.7	13.1	0.4	11.3	11.9	*0.7
Did not work at least one week...	21.3	21.7	0.3	17.4	17.7	0.3
FAMILIES						
Total.....	10.7	10.8	0.1	8.4	8.5	0.1
White alone or in combination....	8.6	8.9	0.3	7.0	7.1	0.1
White alone/4.....	8.5	8.8	0.3	6.9	7.0	0.1
White alone, not Hispanic.....	6.3	6.7	*0.4	5.2	5.4	0.2
Black alone or in combination....	24.3	24.1	-0.2	18.1	18.7	0.6
Black alone/5.....	24.4	24.1	-0.3	18.2	18.7	0.5
Asian alone or in combination.....	10.8	8.4	*-2.4	8.3	7.1	*-1.2
Asian alone/6.....	10.8	8.4	*-2.4	8.3	7.0	*-1.3
Hispanic (of any race).....	22.9	22.2	-0.7	17.4	17.1	-0.2
Married-couple.....	5.6	5.7	-	4.6	4.7	-
White alone or in combination....	5.2	5.3	-	4.3	4.3	-
White alone/4.....	5.2	5.2	-	4.3	4.3	-
White alone, not Hispanic.....	3.6	3.8	0.2	3.2	3.3	0.1
Black alone or in combination....	8.4	9.3	0.9	6.7	7.8	*1.1
Black alone/5.....	8.3	9.3	1.0	6.7	7.8	*1.1
Asian alone or in combination.....	8.6	6.5	*-2.1	6.5	5.6	-0.9
Asian alone/6.....	8.7	6.6	*-2.2	6.6	5.6	-1.0
Hispanic (of any race).....	17.1	16.0	*-1.1	12.8	12.1	-0.7
Female householder, no husband present.....	30.3	30.5	0.2	22.7	23.3	0.6
White alone or in combination....	25.9	26.9	1.0	20.0	20.8	0.7
White alone/4.....	25.6	26.8	1.1	19.8	20.6	0.8
White alone, not Hispanic.....	21.6	22.7	1.1	16.7	17.2	0.5
Black alone or in combination....	40.4	39.8	-0.6	29.1	30.1	1.0
Black alone/5.....	40.6	39.8	-0.7	29.3	30.3	1.0
Asian alone or in combination.....	25.5	17.1	*-8.4	18.7	12.6	*-6.1
Asian alone/6.....	25.5	16.9	*-8.6	18.5	12.0	*-6.5
Hispanic (of any race).....	40.9	41.7	0.9	31.2	32.9	1.7
Male householder, no wife present..	14.9	14.6	-0.4	12.5	11.6	-0.8
White alone or in combination....	12.3	12.7	0.4	10.2	10.1	-0.1
White alone/4.....	12.2	12.5	0.3	10.1	10.0	-0.1
White alone, not Hispanic.....	9.9	11.2	1.3	8.4	9.0	0.6
Black alone or in combination....	26.7	22.9	-3.8	22.0	18.1	*-3.9
Black alone/5.....	27.2	23.0	-4.2	22.3	18.0	*-4.3
Asian alone or in combination.....	11.3	15.6	4.2	10.8	14.1	3.3
Asian alone/6.....	11.5	16.0	4.5	11.6	14.6	3.0
Hispanic (of any race).....	20.4	17.2	*-3.2	16.1	13.7	*-2.4

-Represents zero or round to zero.

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

1/ Standard errors for these estimates may be found in table RD-REV POV02. The margin of error (90-percent confidence interval) may be computed by multiplying the standard error by 1.645.

2/Details may not sum to total because of rounding.

3/ Data for American Indians and Alaska Natives, and Asian, Native Hawaiian and Other Pacific Islanders are not shown separately.

4/The 2004 and 2005 CPS asked respondents to choose one or more races. White alone refers to people who reported White and did not report any other race category. The use of this single-race population does not imply that it is the preferred method of presenting or analyzing data. The Census Bureau uses a variety of approaches. Information on people who reported more than one race, such as "White and American Indian and Alaska Native" or "Asian and Black or African American," is available from Census 2000 through American FactFinder. About 2.6 percent of people reported more than one race in Census 2000.

5/Black alone refers to people who reported Black and did not report any other race category.

6/Asian alone refers to people who reported Asian and did not report any other race category.

Source: U.S. Census Bureau, Current Population Survey, 2004 and 2005 Annual Social and Economic Supplements.

Table 4.
People and Families With Alternative Definitions of Income Below the CPI-U-RS-adjusted Three-Parameter Poverty Thresholds, by Selected Characteristics: 2003 and 2004

(Counts of people in thousands--290,605 represents 290,605,000. Poverty rates in percentages. People as of March of the following year)

Characteristic	All income levels, 2003	All income levels, 2004	Money income /1			Market income /1		
			Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003
PEOPLE								
Total.....	287,699	290,605	10.4	10.6	0.2	17.3	17.6	0.2
Family Status								
In families.....	238,903	241,153	9.2	9.4	0.1	14.7	14.9	0.2
Householder.....	76,232	77,019	8.7	8.8	0.1	15.5	15.6	0.1
Related children under 18.....	71,907	72,164	14.4	14.2	-0.1	17.6	17.4	-0.2
Related children under 6.....	23,455	23,750	16.9	16.6	-0.3	19.8	19.3	-0.5
In unrelated subfamilies.....	1,202	1,255	35.0	41.5	6.4	39.4	46.6	7.1
Reference person.....	509	518	34.1	41.5	7.4	37.8	46.6	8.8
Children under 18.....	652	675	38.0	42.5	4.5	42.8	47.5	4.7
Unrelated individual.....	47,594	48,198	15.9	16.1	0.2	30.0	30.1	0.1
Male.....	23,044	23,442	14.3	14.5	0.1	24.5	24.5	-
Female.....	24,550	24,756	17.4	17.6	0.2	35.3	35.5	0.2
Race/3 and Hispanic Origin								
White alone or in combination....	236,452	238,453	8.7	9.0	*0.3	15.5	15.8	*0.3
White alone/4.....	231,866	233,702	8.6	8.9	*0.3	15.4	15.7	0.3
White alone, not Hispanic.....	194,595	195,054	6.7	7.1	*0.4	13.8	14.3	*0.4
Black alone or in combination....	37,503	38,016	21.3	21.3	-	29.6	29.7	0.2
Black alone/5.....	35,989	36,423	21.4	21.4	-	29.8	29.8	0.1
Asian alone or in combination.....	12,891	13,356	10.3	8.6	*-1.7	13.9	12.5	*-1.4
Asian alone/6.....	11,856	12,301	10.4	8.7	*-1.7	14.1	12.5	*-1.6
Hispanic (of any race).....	40,300	41,688	18.5	17.9	-0.6	23.8	23.4	-0.4
Related Children Under 18								
White alone or in combination....	56,971	57,275	11.4	11.7	0.3	14.1	14.2	0.2
White alone/4.....	54,989	55,239	11.3	11.6	0.3	13.9	14.0	0.1
White alone, not Hispanic.....	42,547	42,382	7.7	8.1	0.5	9.8	10.2	0.4
Black alone or in combination....	11,989	12,006	29.4	28.0	-1.4	35.0	34.3	-0.8
Black alone/5.....	11,162	11,080	29.7	28.4	-1.4	35.5	34.5	-0.9
Asian alone or in combination.....	3,279	3,380	10.2	7.7	*-2.5	12.5	10.2	*-2.3
Asian alone/6.....	2,726	2,839	10.4	7.8	*-2.5	12.9	10.1	*-2.8
Hispanic (of any race).....	13,519	13,936	23.7	22.8	-0.9	28.0	26.7	*-1.4
Age								
Under 18 years.....	72,999	73,271	14.8	14.7	-0.1	18.0	17.9	-0.2
18 to 64 years.....	180,041	182,121	9.2	9.5	*0.3	12.9	13.4	*0.5
18 to 24 years.....	27,824	27,972	14.5	15.6	*1.2	17.5	19.4	*1.9
25 to 34 years.....	39,201	39,307	11.0	10.5	*-0.4	13.6	13.2	-0.4
35 to 44 years.....	43,573	43,350	8.0	8.2	0.2	11.1	11.2	0.1
45 to 54 years.....	41,068	41,960	6.4	7.0	*0.6	10.0	10.7	*0.7
55 to 59 years.....	16,158	16,763	6.8	7.1	0.3	11.6	12.0	0.4
60 to 64 years.....	12,217	12,769	8.0	8.7	*0.7	18.3	18.7	0.3
65 years and over.....	34,659	35,213	7.7	7.7	-	38.7	38.4	-0.2
Nativity								
Native.....	253,478	255,490	9.9	10.1	0.2	17.0	17.2	0.3
Foreign born.....	34,221	35,115	14.5	14.4	-0.1	20.0	19.8	-0.2
Naturalized citizen.....	13,128	13,495	8.3	8.1	-0.2	16.7	16.4	-0.3
Not a citizen.....	21,094	21,619	18.4	18.4	-	22.1	22.0	-0.1
Region								
Northeast.....	53,608	53,910	9.3	9.8	0.4	16.6	16.6	-
Midwest.....	64,655	64,743	9.0	9.6	*0.6	15.4	16.4	*1.0
South.....	103,347	104,878	11.9	11.8	-	19.4	19.6	0.1
West.....	66,089	67,075	10.5	10.4	-0.1	16.5	16.3	-0.2

Table 4.

People and Families With Alternative Definitions of Income Below the CPI-U-RS-adjusted Three-Parameter Poverty Thresholds, by Selected Characteristics: 2003 and 2004 - Con.

(Counts of people in thousands--290,605 represents 290,605,000. Poverty rates in percentages. People as of March of the following year)

Characteristic	Post-social insurance income /1			Disposable income /1		
	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003
PEOPLE						
Total.....	11.0	11.2	0.2	8.1	8.3	0.1
Family Status						
In families.....	9.8	9.9	0.2	6.8	6.8	-
Householder.....	9.1	9.2	0.1	6.6	6.6	-
Related children under 18.....	15.5	15.3	-0.1	10.0	9.7	-0.4
Related children under 6.....	18.3	17.9	-0.4	12.8	12.4	-0.4
In unrelated subfamilies.....	37.7	45.1	7.4	32.2	39.1	6.9
Reference person.....	36.4	45.1	8.7	32.6	40.2	7.7
Children under 18.....	40.7	46.3	5.6	34.1	39.4	5.4
Unrelated individual.....	16.3	16.6	0.2	14.0	14.7	*0.7
Male.....	15.5	15.7	0.2	13.6	14.2	*0.6
Female.....	17.1	17.4	0.3	14.4	15.1	*0.8
Race/3 and Hispanic Origin						
White alone or in combination....	9.0	9.4	*0.4	6.9	7.1	0.2
White alone/4.....	8.9	9.2	*0.3	6.8	7.0	0.2
White alone, not Hispanic.....	6.8	7.3	*0.5	5.5	5.7	*0.2
Black alone or in combination....	23.0	22.9	-0.1	15.5	16.0	0.4
Black alone/5.....	23.0	22.8	-0.2	15.6	16.0	0.4
Asian alone or in combination.....	10.8	9.5	*-1.2	8.1	7.2	-0.8
Asian alone/6.....	10.9	9.6	*-1.3	8.2	7.4	-0.8
Hispanic (of any race).....	20.1	19.4	*-0.7	13.8	13.3	-0.4
Related Children Under 18						
White alone or in combination....	12.2	12.5	0.3	8.1	7.9	-0.2
White alone/4.....	12.0	12.3	0.3	8.0	7.8	-0.2
White alone, not Hispanic.....	8.1	8.6	0.5	5.7	5.6	-0.1
Black alone or in combination....	32.0	30.5	-1.5	20.0	19.3	-0.8
Black alone/5.....	32.4	30.8	-1.6	20.3	19.7	-0.7
Asian alone or in combination.....	10.7	8.9	-1.8	6.7	5.1	*-1.6
Asian alone/6.....	11.0	9.2	-1.9	7.0	5.2	*-1.7
Hispanic (of any race).....	25.8	24.6	*-1.2	15.7	14.9	-0.7
Age						
Under 18 years.....	15.9	15.9	-0.1	10.5	10.2	-0.3
18 to 64 years.....	9.7	10.2	*0.5	7.7	8.1	*0.4
18 to 24 years.....	15.5	17.0	*1.5	14.2	15.6	*1.3
25 to 34 years.....	11.8	11.5	-0.3	9.0	8.4	*-0.6
35 to 44 years.....	8.7	8.9	0.2	6.3	6.6	0.3
45 to 54 years.....	6.9	7.5	*0.7	5.2	5.8	*0.6
55 to 59 years.....	6.8	7.2	0.4	5.5	6.0	*0.5
60 to 64 years.....	7.2	8.2	*1.0	5.8	6.5	*0.6
65 years and over.....	6.8	6.5	-0.2	4.9	5.0	0.1
Nativity						
Native.....	10.3	10.6	*0.2	7.6	7.8	0.2
Foreign born.....	15.7	15.6	-	11.8	11.6	-0.2
Naturalized citizen.....	9.1	8.8	-0.3	6.3	6.3	-0.1
Not a citizen.....	19.8	19.9	0.1	15.2	14.9	-0.2
Region						
Northeast.....	10.1	10.6	0.5	7.0	7.7	*0.7
Midwest.....	9.2	9.9	*0.7	7.1	7.4	0.4
South.....	12.2	12.3	0.1	9.4	9.3	-0.2
West.....	11.5	11.2	-0.3	8.0	8.0	-

Table 4.

People and Families With Alternative Definitions of Income Below the CPI-U-RS-adjusted Three-Parameter Poverty Thresholds, by Selected Characteristics: 2003 and 2004 - Con.

(Counts of people in thousands--290,605 represents 290,605,000. Poverty rates in percentages. People as of March of the following year)

Characteristic	All income levels, 2003	All income levels, 2004	Money income /1			Market income /1		
			Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003
PEOPLE--Con.								
Work Experience								
All workers (16 years and older).....	151,553	153,024	4.6	4.8	*0.2	6.6	6.8	0.2
Worked full-time year-round....	100,700	102,427	1.9	2.1	*0.2	2.5	2.7	*0.3
Not full-time year-round.....	50,854	50,598	10.0	10.4	0.4	14.7	14.9	0.2
Did not work at least one week...	71,868	73,081	18.5	18.7	0.2	39.1	39.5	0.5
FAMILIES								
Total.....	76,232	77,019	8.7	8.8	0.1	15.5	15.6	0.1
White alone or in combination....	63,459	64,128	7.0	7.2	0.2	13.8	14.0	0.2
White alone/4.....	62,620	63,227	6.9	7.2	0.2	13.7	13.9	0.2
White alone, not Hispanic.....	54,032	54,388	5.3	5.5	*0.3	12.2	12.4	0.3
Black alone or in combination....	9,131	9,113	20.0	20.4	0.4	28.0	28.3	0.4
Black alone/5.....	8,914	8,908	20.1	20.5	0.3	28.2	28.4	0.2
Asian alone or in combination.....	3,194	3,295	9.3	6.6	*-2.7	12.8	10.7	*-2.2
Asian alone/6.....	3,064	3,155	9.4	6.6	*-2.8	13.0	10.6	*-2.4
Hispanic (of any race).....	9,274	9,537	17.5	17.4	-0.1	23.4	23.4	-
Married-couple.....	57,725	58,118	4.5	4.6	-	10.9	11.0	0.1
White alone or in combination....	50,587	50,867	4.1	4.2	0.1	10.7	10.7	-
White alone/4.....	50,025	50,265	4.1	4.2	0.1	10.7	10.7	-
White alone, not Hispanic.....	44,200	44,300	3.0	3.2	*0.2	9.7	9.9	0.1
Black alone or in combination....	4,259	4,275	6.7	7.8	*1.0	13.2	14.9	*1.7
Black alone/5.....	4,146	4,183	6.7	7.8	*1.1	13.3	15.0	*1.7
Asian alone or in combination.....	2,576	2,649	7.2	4.9	*-2.3	10.8	9.1	*-1.7
Asian alone/6.....	2,497	2,560	7.4	5.0	*-2.4	11.0	9.3	*-1.7
Hispanic (of any race).....	6,228	6,367	12.5	11.7	-0.8	17.9	17.3	-0.6
Female householder, no husband present.....	13,791	14,009	25.4	25.5	0.1	33.6	33.8	0.2
White alone or in combination....	9,245	9,448	21.9	22.3	0.4	29.5	30.5	1.1
White alone/4.....	9,058	9,236	21.6	22.2	0.6	29.3	30.4	1.1
White alone, not Hispanic.....	7,121	7,200	18.5	18.7	0.1	26.0	27.0	1.0
Black alone or in combination....	4,068	4,084	33.6	33.9	0.2	43.1	42.6	-0.5
Black alone/5.....	3,986	3,991	33.7	34.0	0.3	43.3	42.6	-0.7
Asian alone or in combination.....	378	385	22.1	13.5	*-8.6	26.4	17.6	*-8.8
Asian alone/6.....	348	347	22.4	13.2	*-9.1	26.6	15.9	*-10.7
Hispanic (of any race).....	2,138	2,240	33.4	34.9	1.5	41.6	42.7	1.2
Male householder, no wife present..	4,717	4,893	11.8	11.6	-0.2	18.6	18.2	-0.4
White alone or in combination....	3,627	3,813	9.4	9.9	0.5	16.2	16.5	0.2
White alone/4.....	3,537	3,726	9.2	9.8	0.6	16.2	16.2	0.1
White alone, not Hispanic.....	2,710	2,888	7.6	8.7	1.0	15.6	15.8	0.2
Black alone or in combination....	804	754	21.5	19.0	-2.5	29.7	27.3	-2.5
Black alone/5.....	782	734	21.9	19.0	-2.9	30.3	27.2	-3.0
Asian alone or in combination.....	241	261	11.5	14.0	2.5	13.1	16.0	2.9
Asian alone/6.....	219	248	12.5	14.3	1.8	14.1	16.3	2.2
Hispanic (of any race).....	908	930	14.6	14.2	-0.4	18.5	19.1	0.6

Table 4.

People and Families With Alternative Definitions of Income Below the CPI-U-RS-adjusted Three-Parameter Poverty Thresholds, by Selected Characteristics: 2003 and 2004 - Con.

(Counts of people in thousands--290,605 represents 290,605,000. Poverty rates in percentages. People as of March of the following year)

Characteristic	Post-social insurance income /1			Disposable income /1		
	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003	Percent below poverty, 2003	Percent below poverty, 2004	Change, /2 2004 less 2003
PEOPLE--Con.						
Work Experience						
All workers (16 years and older).....	5.0	5.3	*0.3	4.1	4.3	*0.2
Worked full-time year-round....	2.1	2.4	*0.3	1.7	1.8	0.1
Not full-time year-round.....	10.7	11.1	0.4	8.9	9.5	*0.6
Did not work at least one week...	18.8	19.1	0.3	14.3	14.6	0.3
FAMILIES						
Total.....	9.1	9.2	0.1	6.6	6.6	-
White alone or in combination....	7.2	7.5	*0.3	5.4	5.5	-
White alone/4.....	7.1	7.4	*0.3	5.4	5.4	-
White alone, not Hispanic.....	5.3	5.6	*0.4	4.2	4.3	0.1
Black alone or in combination....	21.6	21.6	-	14.4	15.1	0.8
Black alone/5.....	21.7	21.6	-0.1	14.5	15.1	0.6
Asian alone or in combination.....	9.3	7.3	*-2.0	7.1	5.4	*-1.7
Asian alone/6.....	9.3	7.2	*-2.1	7.2	5.4	*-1.8
Hispanic (of any race).....	19.0	18.6	-0.3	12.8	12.6	-0.2
Married-couple.....	4.5	4.6	0.1	3.5	3.4	-
White alone or in combination....	4.2	4.2	0.1	3.2	3.2	-
White alone/4.....	4.1	4.2	0.1	3.2	3.2	-
White alone, not Hispanic.....	2.9	3.1	*0.2	2.5	2.5	0.1
Black alone or in combination....	6.8	7.7	0.9	4.9	6.1	*1.2
Black alone/5.....	6.8	7.6	0.9	4.9	6.0	*1.1
Asian alone or in combination.....	7.4	5.7	*-1.8	5.4	4.1	*-1.3
Asian alone/6.....	7.5	5.7	*-1.8	5.5	4.2	*-1.3
Hispanic (of any race).....	13.4	12.4	*-1.0	8.7	7.8	*-0.8
Female householder, no husband present.....	27.1	27.3	0.2	18.5	18.8	0.3
White alone or in combination....	23.0	23.9	0.9	16.4	16.6	0.2
White alone/4.....	22.8	23.8	1.0	16.2	16.5	0.3
White alone, not Hispanic.....	19.1	19.9	0.8	13.9	13.7	-0.2
Black alone or in combination....	36.7	36.2	-0.5	23.4	24.7	1.3
Black alone/5.....	36.8	36.3	-0.5	23.5	24.7	1.2
Asian alone or in combination.....	21.2	13.7	*-7.5	17.2	9.9	*-7.3
Asian alone/6.....	21.3	13.3	*-8.0	17.4	9.4	*-8.1
Hispanic (of any race).....	36.7	37.9	1.2	24.8	26.5	1.6
Male householder, no wife present..	12.4	12.5	0.1	10.3	9.7	-0.6
White alone or in combination....	9.9	10.6	0.7	8.2	8.4	0.2
White alone/4.....	9.8	10.4	0.7	8.1	8.3	0.1
White alone, not Hispanic.....	8.1	9.3	1.2	6.9	7.4	0.5
Black alone or in combination....	23.3	21.1	-2.2	18.7	14.8	*-3.9
Black alone/5.....	23.7	21.2	-2.5	19.1	14.7	*-4.4
Asian alone or in combination.....	10.1	13.8	3.7	10.1	12.4	2.3
Asian alone/6.....	10.8	14.1	3.3	10.8	12.8	2.0
Hispanic (of any race).....	15.6	14.8	-0.8	12.4	11.3	-1.1

-Represents zero or round to zero.

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

1/ Standard errors for these estimates may be found in table RD-REV POV02 RS. The margin of error (90-percent confidence interval) may be computed by multiplying the standard error by 1.645.

2/Details may not sum to total because of rounding.

3/ Data for American Indians and Alaska Natives, and Asian, Native Hawaiian and Other Pacific Islanders are not shown separately.

4/The 2004 and 2005 CPS asked respondents to choose one or more races. White alone refers to people who reported White and did not report any other race category. The use of this single-race population does not imply that it is the preferred method of presenting or analyzing data. The Census Bureau uses a variety of approaches. Information on people who reported more than one race, such as "White and American Indian and Alaska Native" or "Asian and Black or African American," is available from Census 2000 through American FactFinder. About 2.6 percent of people reported more than one race in Census 2000.

5/Black alone refers to people who reported Black and did not report any other race category.

6/Asian alone refers to people who reported Asian and did not report any other race category.

Source: U.S. Census Bureau, Current Population Survey, 2004 and 2005 Annual Social and Economic Supplements.