

## APPENDIX H. DATA ON POVERTY

### MEASURING POVERTY

When the Federal Government began measuring poverty in the early 1960's, the continued existence of poor people in a time of the ``Affluent Society'' seemed anomalous. Official concern soon translated into efforts to measure the size of the poverty population, and the search began for programmatic ways to alleviate poverty. The first rough estimates of the incidence of poverty were based on survey data indicating that families generally spent about one-third of their income on food. A poverty level income was then calculated by using as a yardstick the amount of money necessary to purchase the lowest cost ``nutritionally adequate'' diet calculated by the Department of Agriculture (roughly equivalent to the current Thrifty Food Plan). This price tag was multiplied by 3 to produce a poverty threshold. This procedure assumed, then, that if a family did not have enough income to buy the lowest cost nutritionally adequate diet, and twice that amount to buy other goods and services, it was ``poor.'' Adjustments were made for the size of the family, the sex of the family head, and for whether or not the family lived on a farm. Farm families were assumed to need less cash income because their needs could be met partially by farm products, particularly food. The adjustments for sex of the family head and for farm-nonfarm

residence were abolished in 1981. Policy officials made one change to the basic approach for calculating the poverty threshold in 1969. The current poverty threshold is established each year simply by increasing the previous year's threshold by the change in the Consumer Price Index (CPI), rather than multiplying the cost of the Thrifty Food Plan by three. The poverty thresholds for selected years are shown in table 2.

Note that the tables in this subsection provide poverty data calculated using the official Census definition of poverty. The Census definition of poverty has remained fairly standard over time and is useful for measuring progress against poverty. Under this definition, poverty is determined by comparing pretax cash income with the poverty threshold.

It should be noted that the Census Bureau revised its method of estimating the poverty threshold four times--in 1966, 1974, 1979, and 1981. These revisions changed the estimate of the poverty rate. The first two revisions slightly reduced the estimated number of poor, while the more recent revisions slightly increased the number. In 1984, the Census Bureau also revised its method of imputing missing values for interest income, which slightly lowered the estimated poverty rate.

Data on income and poverty after 1987 may not be comparable to data in earlier years because of changes in the methods used by the Census Bureau to process survey results. This new processing system was applied to 1987 data so that 1988 and 1987 data are comparable. Revised 1987 data are denoted as 1987R. The new processing system increased aggregate income by 0.9 percent and lowered the poverty rate for 1987 by 0.1 percent.

Table H-1 shows the population, number of persons in

poverty and the poverty rate in 1992 by age, race, region and family type. In 1992, 14.5 percent (36.9 million persons) of the total U.S. population lived in poverty. Of all demographic groups shown, poverty was highest among female-headed families with children (48.3 percent). Among children under age 18, nearly 22 percent, or 14.6 million children, lived in poverty in 1992; this represents an increase of over 1 million since 1990.

Families with children represented a small fraction of the increase in poverty between 1991 and 1992. The increase in the number of poor individuals in families with children was 0.2 million, out of a total increase of 1.2 million. Poverty among female-headed families decreased by 0.2 million between 1991 and 1992 while poverty among married-couple families with children rose by 0.4 million.

TABLE H-1.--POVERTY STATUS OF PERSONS, 1992

Poverty			Poverty	Population	Percent
of	Number of	Percent of	increase	Percent of	
total	poor	poverty	rate	[thousands]	increase
population	[thousands]	population	[percent]	[thousands]	
			from 1991		

Age:				
	Under 18.....		21.9	66,834
26.3	14,617	39.6	276	23.5
	18 to 64.....		11.7	156,265
61.5	18,281	49.6	696	59.4
	65 and over.....		12.9	30,870
12.2	3,983	10.8	202	17.2

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	Total.....		14.5	253,969
100.0	36,880	100.0	1,172	100.0

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Race:				
	White.....		11.6	211,820
83.4	24,523	66.5	776	66.2
	Black.....		33.3	31,916
12.6	10,613	28.8	371	31.7
	Hispanic\1\.....		29.3	22,720
8.9	6,655	18.0	316	27.0

Region:				
	Northeast.....		12.3	50,655
19.9	6,227	16.9	50	4.3
	Midwest.....		13.1	60,931
24.0	7,983	21.6	-6	-.5
	South.....		16.9	7,422
34.4	14,763	40.0	980	83.6
	West.....		14.4	54,961
21.6	7,907	21.4	148	12.6

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	Total.....		14.5	253,969
100.0	36,880	100.0	1,172	100.0

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Family type:				
	Unrelated individuals		21.8	36,734

14.5	7,991	21.7	218	18.6
	Female-headed families with children.....		48.3	26,283
10.3	12,707	34.5	-200	-17
	Married-couple families with children.....		9.6	107,107
42.2	10,247	27.8	427	36.4
	Other families with children.....		22.9	4,598
1.8	1,054	2.9	131	11.2
	All other families...		6.2	79,247
31.2	4,481	12.2	197	16.8

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Total..... 14.5 253,969  
100.0 36,880 100.0 1,172 100.0  
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\1\Persons of Hispanic origin may be of any race.  
Source: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 185, ``Poverty in the United States: 1992'' and special tabulations.

TABLE H-2.--WEIGHTED AVERAGE POVERTY THRESHOLDS FOR NONFARM FAMILIES OF SPECIFIED SIZE, SELECTED YEARS, 1959-92

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individuals Unrelated  
or more persons Families of 2

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-----  
2 persons

Calendar year

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Aged 65	Head			All ages	Under age	
5	6	7	persons	Head aged	3	4
or older	All ages	under age	65 or	persons	65	
persons	persons	persons	or more		persons	
65	older					
-----						
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1959.....				\$1,467	\$1,503	
\$1,397	\$1,894	\$1,952	\$1,761	\$2,324	\$2,973	
\$3,506	\$3,944	\$4,849				
1960.....				1,490	1,526	
1,418	1,924	1,982	1,788	2,359	3,022	
3,560	4,002	4,921				
1965.....				1,582	1,626	
1,512	2,048	2,114	1,906	2,514	3,223	
3,797	4,264	5,248				
1970.....				1,954	2,010	
1,861	2,525	2,604	2,348	3,099	3,968	
4,680	5,260	6,468				
1975.....				2,724	1,797	
2,581	3,506	3,617	3,257	4,293	5,500	
6,499	7,316	9,022				
1980.....				4,190	4,290	
3,949	5,363	5,537	4,983	6,565	8,414	
9,966	11,269	\1\12,761				
1981.....				4,620	4,729	
4,359	5,917	6,111	5,498	7,250	9,287	
11,007	12,449	\1\14,110				
1982.....				4,901	5,019	
4,626	6,281	6,487	5,836	7,693	9,862	
11,684	13,207	\1\15,036				
1983.....				5,061	5,180	
4,775	6,483	6,697	6,023	7,938	10,178	
12,049	13,630	\1\15,500				

1984.....				5,278	5,400
4,979	6,762	6,983	6,282	8,277	10,609
12,566	14,207	\1\16,096			
1985.....				5,469	5,593
5,156	6,998	7,231	6,503	8,573	10,989
13,007	14,696	\1\16,656			
1986.....				5,572	5,702
5,255	7,138	7,372	6,630	8,737	11,203
13,259	14,986	\1\17,049			
1987.....				5,778	5,909
5,447	7,397	7,641	6,872	9,056	11,611
13,737	15,509	\1\17,649			
1988.....				6,024	6,155
5,674	7,704	7,958	7,158	9,435	12,092
14,305	16,149	\1\18,248			
1989.....				6,311	6,452
5,947	8,076	8,343	7,501	9,885	12,675
14,990	16,921	\1\19,162			
1990.....				6,652	6,800
6,268	8,509	8,794	7,905	10,419	13,359
15,792	17,839	\1\20,241			
1991.....				6,932	7,086
6,532	8,865	9,165	8,241	10,860	13,924
16,456	18,587	\1\21,058			
1992.....				7,143	7,229
6,729	9,137	9,443	8,487	11,186	14,335
16,592	19,137	\1\21,594			

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 \1\Poverty threshold for 7 persons, not 7 persons or more.

Source: Bureau of the Census, technical papers.

TRENDS IN THE OVERALL POVERTY RATE\2\  
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\2\All poverty trend information is based upon

published Census

Bureau data contained in Current Population Reports, Series P-60, Nos.

124, 140, 145, 149, 154, 157, 161, 166, 168, 174, 180, and 185. These

figures may differ with other parts of this report which provide a more

refined breakdown of this age category. Data for blacks, the aged, and

nonaged population were not available for the years 1961 to 1965.

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In the late 1950s, the overall poverty rate for individuals in the United States was 22 percent, representing 39.5 million poor persons (tables 3 and 4). Between 1959 and 1969, the poverty rate declined dramatically and steadily to 12.1 percent. As a result of a sluggish economy, the rate increased

slightly to 12.5 percent by 1971. In 1972 and 1973, however, it began to decrease again. The lowest rate over the entire 24-

year period occurred in 1973, when the poverty rate was 11.1

percent. At that time roughly 23 million people were poor, 42

percent less than were poor in 1959.

The poverty rate increased by 1975 to 12.3 percent, and then oscillated around 11.5 percent through 1979. After 1978,

however, the poverty rate rose steadily reaching 15.2 percent

in 1983. In 1992, the last year for which data are available,

the poverty rate was 14.5 percent and 36.8 million people were

poor.

POVERTY RATES FOR INDIVIDUALS IN SELECTED SUBGROUPS OF THE POPULATION

As table H-4 also illustrates, there are substantial differences between the overall poverty rate and the poverty rates of individuals in certain demographic subgroups. Most notably, blacks, individuals in female-headed households, and Hispanics have poverty rates that greatly exceed the average. The poverty rates for blacks and individuals in female-headed households remained above 30 percent over the 1959 through 1992 period. The poverty rate for all Hispanics has remained near 30 percent during the 1980s and early 1990s. The poverty rate for the aged, which exceeded the overall poverty rate in 1959, fell below the overall poverty rate beginning in 1982. It was 12.9 percent in 1992. The poverty rate for whites was below the overall poverty rate throughout the entire 1959-91 period. It was 11.6 percent in 1992. The poverty rate for children exceeds the average rate; it was 21.9 percent in 1992.

TABLE H-3.--NUMBER OF PERSONS IN POVERTY FOR INDIVIDUALS IN SELECTED DEMOGRAPHIC GROUPS, 1959-92  
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Individuals				
in female- Children\1\	Year headed	Hispanic	Overall origin\3\	Aged
		Blacks		Whites

families\2\  
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	Number below			
poverty (thousands)				
1959.....			39,490	5,481
17,552	7,014	9,927	NA	28,484
1960.....			39,851	NA
17,634	7,247	NA	NA	28,309
1961.....			39,628	NA
16,909	7,252	NA	NA	27,890
1962.....			38,625	NA
16,963	7,781	NA	NA	26,672
1963.....			36,436	NA
16,005	7,646	NA	NA	25,238
1964.....			36,055	NA
16,051	7,297	NA	NA	24,957
1965.....			33,185	NA
14,676	7,524	NA	NA	22,496
1966.....			28,510	5,114
12,389	6,861	8,867	NA	19,290
1967.....			27,769	5,388
11,656	6,898	8,486	NA	18,983
1968.....			25,389	4,632
10,954	6,990	7,616	NA	17,395
1969.....			24,147	4,787
9,691	6,879	7,095	NA	16,659
1970.....			25,420	4,793
10,440	7,503	7,548	NA	17,484
1971.....			25,559	4,273
10,551	7,797	7,396	NA	17,780
1972.....			24,460	3,738
10,284	8,114	7,710	2,414	16,203
1973.....			22,973	3,354
9,642	8,178	7,388	2,366	15,142
1974.....			23,370	3,085
10,156	8,462	7,182	2,575	15,736

1975.....			25,877	3,317
11,104	8,846	7,545	2,991	17,770
1976.....			24,975	3,313
10,273	9,029	7,595	2,783	16,713
1977.....			24,720	3,177
10,288	9,205	7,726	2,700	16,416
1978.....			24,497	3,233
9,931	9,269	7,625	2,607	16,259
1979.....			26,072	3,682
10,377	9,400	8,050	2,921	17,214
1980.....			29,272	3,871
11,543	10,120	8,579	3,491	19,699
1981.....			31,822	3,853
12,505	11,051	9,173	3,713	21,553
1982.....			34,398	3,751
13,647	11,701	9,697	4,301	23,517
1983.....			35,303	3,625
13,911	12,072	9,882	4,633	23,984
1984.....			33,700	3,330
13,420	11,831	9,490	4,806	22,955
1985.....			33,064	3,456
13,010	11,600	8,926	5,236	22,860
1986.....			32,370	3,477
12,876	11,944	8,983	5,117	22,183
1987.....			32,341	3,564
12,963	12,278	9,577	5,442	21,249
1988.....			31,745	3,481
12,455	11,972	9,356	5,357	20,715
1989.....			31,534	3,369
12,590	11,668	9,305	5,430	20,788
1990.....			33,585	3,658
13,431	12,578	9,837	6,006	22,326
1991.....			35,708	3,781
14,341	13,824	10,242	6,339	23,747
1992.....			36,880	3,983
14,617	13,716	10,613	6,655	24,523

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 \1\All children including unrelated children.

\2\Does not include females living alone.

\3\Hispanic origin may be of any race; it is an overlapping

category.

NA--Not available.

Source: Bureau of the Census, Current Population Reports series P-60-185.

TABLE H-4.--POVERTY RATE FOR INDIVIDUALS IN SELECTED DEMOGRAPHIC GROUPS, 1959-92

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Individuals

in female-  
Children\1\                      Hispanic  
                    Year                      Blacks                      Overall                      Aged  
                    headed                                           origin\3\                      Whites

families\2\  
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1959.....			22.4	35.2
27.3	49.4	55.1	NA	18.1
1960.....			22.2	NA
26.9	48.9	NA	NA	17.8
1961.....			21.9	NA
25.6	48.1	NA	NA	17.4
1962.....			21.0	NA
25.0	50.3	NA	NA	16.4
1963.....			19.5	NA
23.1	47.7	NA	NA	15.3
1964.....			19.0	NA
23.0	44.4	NA	NA	14.9
1965.....			17.3	NA
21.0	46.0	NA	NA	13.3
1966.....			14.7	28.5
17.6	39.8	41.8	NA	11.3
1967.....			14.2	29.5
16.6	38.8	39.3	NA	11.0
1968.....			12.8	25.0

15.6	38.7	34.7	NA	10.0
1969.....			12.1	25.3
14.0	38.2	32.2	NA	9.5
1970.....			12.6	24.6
15.1	38.1	33.5	NA	9.9
1971.....			12.5	21.6
15.3	38.7	32.5	NA	9.9
1972.....			11.9	18.6
15.1	38.2	33.3	22.8	9.0
1973.....			11.1	16.3
14.4	37.5	31.4	21.9	8.4
1974.....			11.2	14.6
15.4	36.5	30.3	23.0	8.6
1975.....			12.3	15.3
17.1	37.5	31.3	26.9	9.7
1976.....			11.8	15.0
16.0	37.3	31.1	24.7	9.1
1977.....			11.6	14.1
16.2	36.2	31.3	22.4	8.9
1978.....			11.4	14.0
15.9	35.6	30.6	21.6	8.7
1979.....			11.7	15.2
16.4	34.9	31.0	21.8	9.0
1980.....			13.0	15.7
18.3	36.7	32.5	25.7	10.2
1981.....			14.0	15.3
20.0	38.7	34.2	26.5	11.1
1982.....			15.0	14.6
21.9	40.6	35.6	29.9	12.0
1983.....			15.2	13.8
22.3	40.2	35.7	28.0	12.1
1984.....			14.4	12.4
21.5	38.4	33.8	28.4	11.5
1985.....			14.0	12.6
20.7	37.6	31.3	29.0	11.4
1986.....			13.6	12.4
20.5	38.3	31.1	27.3	11.0
1987.....			13.4	12.5
20.5	38.3	32.6	28.1	10.4
1988.....			13.0	12.0
19.5	37.2	31.3	26.7	10.1

1989.....				12.8	11.4
19.6	35.9	30.7	26.2		10.0
1990.....				13.5	12.2
20.6	37.2	31.9	28.1		10.7
1991.....				14.2	12.4
21.8	39.7	32.7	28.7		11.3
1992.....				14.5	12.9
21.9	38.5	33.3	29.3		11.6

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 \1\All children including unrelated children.

\2\Does not include females living alone.

\3\Hispanic origin may be of any race; it is an overlapping category.

NA--Not available.

Source: Bureau of the Census, Technical Paper 56, table 1; Current Population Reports series P-60.

#### CHART H-1. POVERTY RATES BY AGE: 1959-92

<CHART H-1>

Source: U.S. Bureau of the Census.

#### POVERTY RATES FOR FAMILIES\3\ ----- -----

\3\Income figures reported in this subsection were from the March 1991 Current Population Survey (CPS) computer data tape. There is a tendency in surveys, such as the CPS, for respondents to underreport their incomes by both source and amount. Reporting of income from earnings is usually more accurate than reporting of income from other

sources. In general, CPS estimates of amounts or numbers of recipients of various cash and noncash transfer programs tend to be lower than administrative program totals. As a result, the data are a better reflection of general trends and patterns than of absolute numbers with income from a particular source, or the amount received.

Unrelated subfamilies are included as families in this analysis.

The Census Bureau excludes such families from its poverty counts.

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Table H-5 shows the composition of the poverty population for various demographic groups for selected years between 1959 and 1991. Table H-6 presents poverty data for families and unrelated individuals (individuals living alone). Female-headed families with children and unrelated individuals are more likely to be poor than other families with children or families with aged members. In 1992, 47 percent of female-headed families with children were poor, compared with 9 percent of male-present families. Although only about 7 percent of all families with an aged member were poor, 25 percent of all unrelated individuals were poor. About 21 percent of nonaged unrelated individuals were poor.

TABLE H-5.--COMPOSITION OF  
POVERTY POPULATION FOR SELECTED DEMOGRAPHIC GROUPS\1\

[Percent of poverty population]

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	Male present.....					NA
NA	NA	NA	NA	NA	NA	NA
31.3	30.7	30.3	30.9			
	Female-headed.....					NA
NA	NA	NA	NA	NA	NA	NA
36.6	37.2	38.1	36.7			
	Individuals in all other families.....					NA
NA	NA	NA	NA	NA	NA	NA
32.1	32.0	31.6	32.4			

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 \1\Data are for March of the following year.  
 \2\Includes unrelated or single individuals.  
 \3\Hispanic origin may be of any race; therefore numbers  
 add to more than 100 percent.  
 \4\Family includes related children under 18.

NA--Not available.

Note: 1987, 1988, 1989, 1990, 1991 and 1992 estimates are not comparable to prior years due to processing changes in the CPS.

Source: 1959-1985 estimates based on data from ``Money Income and Poverty Status of Families and Persons in the United States 1985,' ' P-60 No. 154 and No. 157. 1986-1992 data from ``March Current Population Survey.' ' Table prepared by CRS.

TABLE H-6.--POVERTY RATES BY FAMILY TYPE, 1987-92, AND PERCENTAGE OF FAMILIES AND UNRELATED INDIVIDUALS BY RATIO OF TOTAL INCOME TO POVERTY

THRESHOLD, 1992\1\,\2\  
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Poverty rate, 1987-92

Percentage distributions

by ratio of total

----- income to  
poverty threshold, 1992

----- 1992  
total

0.50 1.00 1.25 1.50 2.00 3.00 (in  
1988 1989 1990 1991 1992 Under to to to  
to to and thousands)

0.50 0.99 1.24 1.49 1.99 2.99 over  
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-----  
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Total:

Families..... 11.0  
10.8 10.6 11.1 11.8 12.1 5.1 7.0 4.1  
4.3 9.1 18.2 52.2 68,852

Unrelated individuals..... 20.4  
20.6 19.2 20.7 21.1 21.8 8.2 13.6 7.7  
6.4 11.8 17.9 34.6 36,734

No members age 65 or over:

Families..... 11.9  
11.6 11.5 12.2 13.0 13.1 5.8 7.3 4.0  
4.0 8.3 17.0 53.6 55,706

Unrelated individuals..... 19.1  
19.3 18.1 19.1 19.6 20.6 10.1 10.5 5.5  
4.9 10.1 18.3 40.6 26,693

Any member age 65 or over:

Families..... 7.2  
6.9 6.6 6.4 6.7 7.7 2.0 5.7 4.8 5.4  
12.3 23.2 46.6 13,146

Unrelated individuals..... 23.9  
24.1 22.0 24.7 24.9 24.9 3.2 21.7 13.5  
10.4 16.1 16.7 18.4 10,041

Families with children:

Female headed family, no husband present..... 46.3  
45.5 43.7 45.3 47.6 46.5 24.8 21.8 8.2

6.5	11.7	14.3	12.8	8,787				
	Male present families.....							8.1
7.7	8.0	8.5	9.0	9.3	2.9	6.4	4.4	4.6
9.9	21.3	50.5	27,371					

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 \1\Based on Census ('Orshansky') poverty levels.  
 \2\Unrelated subfamilies are treated as separate families;  
 related subfamilies are not treated as separate families  
 but as members of the family with  
 whom they reside.

Source: March Current Population Survey for selected years.  
 Table prepared by CRS.

POVERTY UNDER ALTERNATIVE MEASURES OF INCOME AND PRICE  
 INFLATION

The Census Bureau publishes data that reflect two adjustments in the official definition of poverty. The first of these is an alternative inflation adjustment. The official poverty line is based on a procedure developed in 1965 with yearly adjustments for inflation using the Consumer Price Index (CPI). The Consumer Price Index, in turn, is based on the yearly change in prices of goods used by most Americans. Prior to 1983, the CPI measured housing prices using a procedure that included changes in the asset value of owned homes. Because the asset value of houses was growing so much faster than the consumption value, the inflation rate that included asset values was excessive.

In 1983 the Bureau of Labor Statistics began using a rental equivalence approach to measuring the value of housing. The official CPI-U inflation rate, then, is based on the asset value of housing prior to 1983 and rental equivalence in

1983

and thereafter. To provide a consistent time series, the Bureau constructed an experimental series called the CPI-U-X1 for 1967 through 1982 based on rental equivalence.

The general effect of using the CPI-U-X1 is to lower inflation in past years which in turn has the effect of lowering poverty thresholds for those years. A lower threshold means that fewer people are poor. As can be seen by comparing the first two columns in table H-7, adjusting the poverty threshold using the CPI-U-X1 reduces the official poverty rate by an average of about 1.5 percentage points (or 11 percent) per year between 1979 and 1992. Using the CPI-U-X1 to adjust the poverty threshold each year from 1967 to 1992 results in 3.2 million fewer poor persons in 1992.

The second adjustment in the official poverty rate made by the Census Bureau is to expand the definition of income to take into account some noncash income, including Government benefits. Under the procedures by which the official poverty rate is calculated, only cash, including Government benefits, is counted in determining whether a family is poor; income from cash welfare programs counts, but benefits from food programs, medical care, social services, education and training, and housing are not included in the calculation. Moreover, because Government spending on means-tested noncash benefits has increased more rapidly than spending on means-tested cash benefits over the years, ignoring noncash benefits may be

an increasingly serious omission if we want a broad picture of the impact of Government programs on poverty.

The question of how to value noncash benefits raises a variety of substantive and technical issues. The Census Bureau has been working on these issues, consulting with academic experts, sponsoring conferences, and issuing technical reports.

In 1992, the Bureau published a consistent historical data series, covering the years 1979 to 1991, to trace the impact of variety of taxes and noncash benefits on poverty and income.

The measurement of noncash benefits extended beyond Government spending for the poor to include Government spending programs such as Medicare that are not means-tested as well as to employer contributions to employee health plans.

To examine the impact on income and poverty of various State and Federal taxes, Government noncash programs, employer-provided benefits, and so forth, the Bureau has adopted a framework that includes 15 definitions of income. By comparing income under these multiple definitions, it is possible to estimate the impact of the various income sources on the average income and the poverty rates of individuals and families.

Income definition 14 is of interest to those concerned with the impact of Government means-tested, noncash benefits on poverty rates. Unlike the official poverty rate, which includes only cash Government benefits, definition 14 includes the effects of State and Federal taxes, employer-provided benefits, non-means-tested Government benefits, and means-tested noncash

benefits including Food Stamps, housing, school lunch, and the fungible value of Medicaid.

By comparing the official poverty rate with the definition 14 poverty rate, we can determine the impact on poverty of noncash benefits and Government taxes. The fifth column in table H-7 is the poverty rate for years 1979 through 1992 based on definition 14 and using the CPI-U-X1 deflator. Compared with the rate based on CPI-U-X1 (column 2), including taxes and noncash benefits (and a few other types of income that have little impact on poverty) in the poverty calculation reduces the poverty rate by an average of 2.8 percentage points.

The combined impact of using the CPI-U-X1 and including noncash benefits can be determined by comparing the poverty rate in column 5 with the official rate in column 1. On average, the two Census Bureau adjustments reduce the poverty rate by over 4 percentage points or 30 percent across the years 1979-92 and by 4.2 percentage points or nearly 11 million persons in 1992.

The question of whether or not to include medical benefits when measuring poverty has great implications on poverty rates. The valuation of medical benefits is particularly difficult. Medical coverage should not by itself raise poor individuals above the poverty line or constitute a major portion of the poverty threshold. The development of the poverty thresholds did not take into account medical costs. Although poor persons are clearly better off with medical coverage, such benefits cannot be used by recipients to meet other needs of daily living. Also, since health insurance costs are not imputed

to the incomes of those above poverty, it seems inappropriate to count health benefits as income for those below the poverty line.

Table H-7 illustrates that regardless of what measure of income or which price inflator is used, the trend is the same: poverty has increased substantially over the last decade. Using the official CPI-U definition, the poverty rate increased by 23.9 percent between 1979 and 1992. Using the CPI-U-X1 inflator and factoring in all noncash benefits (including health benefits), poverty has increased by 23.6 percent. Between 1979 and 1989, two peak years in the economic cycle, the increase in poverty has been smaller. Using the CPI-U-X1, the poverty rate increased by 7.5 percent over this time period. Including all noncash benefits yields a poverty increase of 12.7 percent. The relatively greater decrease in the poverty rate, according to measures that include means-tested Government benefits, suggests that Government programs benefiting the poor have not reduced poverty as much as they had in prior years.

TABLE H-7.--POVERTY UNDER ALTERNATIVE MEASURES OF INCOME AND PRICE INFLATION, 1979-92

-----	
-----	
Poverty rate	Percentage reduction in
-----	official poverty

associated with:

	Year				
CPI-U-X1 w/	-----				
Official U)	Using U-X1	CPI- benefits\1\	noncash CPI-U-X1	CPI-U-X1 w/ noncash (CPI- benefits\1\	
-----					
1979.....	11.7	10.6	7.9	9.4	32.5
1980.....	13.0	11.5	8.6	11.5	33.8
1981.....	14.0	12.2	9.8	12.9	30.0
1982.....	15.0	13.2	10.6	12.0	29.3
1983.....	15.2	13.7	11.0	9.9	27.6
1984.....	14.4	12.8	10.4	11.1	27.8
1985.....	14.0	12.5	10.1	10.7	27.9
1986.....	13.6	12.2	9.8	10.3	27.9
1987.....	13.4	12.0	9.5	10.4	29.1
1988.....	13.0	11.7	9.5	10.0	26.9
1989.....	12.8	11.4	8.9	10.9	30.5
1990.....	13.5	12.1	9.5	10.4	29.6
1991.....	14.2	12.7	9.9	10.6	30.3
1992.....	14.5	13.1	10.3	9.7	29.0

Percent change:

	1979-89.....			
9.4	7.5	12.7	NA	NA
	1979-92.....			
23.9	23.6	30.4	NA	NA

-----  
 -----  
 \1\Includes income from capital gains, health insurance supplements to wage or salary income, nonmeans-tested and means-tested government cash transfers, other means-tested government noncash transfers, the value of Medicare, the value of regulars-price school lunches, the value of Medicaid, the Earned Income Tax Credit (EITC), less Social Security payroll taxes, less Federal Income Taxes (excluding the EITC), less State income taxes.

Source: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 182RD, ``Measuring the Effect of Benefits and Taxes on Income and Poverty: 1979 to 1992.''

TABLE H-8.--POVERTY RATES IN NONMETRO AND METRO AREAS, 1978-92

[Percent of persons]

-----		
-----		
Metro		
-----		
	Nonmetro	
Central		
		Total
cities		
only		
-----		
-----		
1978.....		13.5
10.4	15.4	
1979.....		13.8

10.7	15.7	
1980.....		15.4
11.9	17.2	
1981.....		17.0
12.6	18.0	
1982.....		17.8
13.7	19.9	
1983.....		18.3
13.8	19.8	
1984.....		NA
NA	NA	
1985.....		18.3
12.7	19.0	
1986.....		18.1
12.3	18.0	
1987.....		16.9
12.5	18.6	
1989.....		15.7
12.0	18.1	
1990.....		16.3
12.7	19.0	
1991.....		16.1
13.7	20.2	
1992.....		16.8
13.9	20.5	
Percent increase, 1978-92.....		24.4
33.7	33.1	

-----  
 -----  
 NA--Not available.

Source: U.S. Census Bureau, Poverty in the United States:  
 1992, Table 8.

TABLE H-9.--PERCENT OF PERSONS IN POVERTY BY RACE, BY  
 METRO AND  
 NONMETRO RESIDENCE, 1992  
 -----  
 -----

Metro

-----

Nonmetro

Central

Total

cities

only

-----

-----

1992:

All races.....		16.8
13.9	20.5	
White.....		14.2
10.7	15.6	
Black.....		40.8
31.9	35.2	
Hispanic.....		36.7
28.7	33.7	

-----

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Source: Bureau of the Census, Poverty in the United States:  
 1992, Table  
 8.

TABLE H-10.--POVERTY

STATISTICS BY STATE

-----

-----

Poverty rate

State

-----

-----

			1969\1\	1975\2\	
1979\3\	1983\4\	1989\4\	1990\4\	1991\4\	1992\4\

-----

-----

Alabama.....				25.4	16.4
18.9	22.9	18.9	19.2	18.8	17.1
Alaska.....				12.6	6.7
10.7	12.4	10.5	11.4	11.8	10.0
Arizona.....				15.3	13.8
13.2	16.5	14.1	13.7	14.8	15.1
Arkansas.....				26.8	18.5
19.0	21.6	18.3	19.6	17.3	17.4
California.....				11.1	10.4
11.4	14.9	12.9	13.9	15.7	15.8
Colorado.....				12.3	9.1
10.1	12.5	12.1	13.7	10.4	10.6
Connecticut.....				7.2	6.7
8.0	8.7	2.9	6.0	8.6	9.4
Delaware.....				10.9	8.2
11.8	8.5	10.0	6.9	7.5	7.6
DC.....				17.0	12.5
18.6	21.3	18.0	21.1	18.6	20.3
Florida.....				16.4	14.4
13.4	14.8	12.5	14.4	15.4	15.3
Georgia.....				20.7	18.0
16.6	18.8	15.0	15.8	17.2	17.8
Hawaii.....				9.3	7.9
9.9	13.4	11.3	11.0	7.7	11.0
Idaho.....				13.2	10.3
12.6	17.3	12.4	14.9	13.9	15.0
Illinois.....				10.2	10.5
11.0	14.4	12.7	13.7	13.5	15.3
Indiana.....				9.7	8.1
9.7	16.1	13.7	13.0	15.7	11.7
Iowa.....				11.6	7.9
10.1	16.7	10.3	10.4	9.6	11.3
Kansas.....				12.7	8.0
10.1	13.5	10.8	10.3	12.3	11.0
Kentucky.....				22.9	17.7
17.6	18.0	16.1	17.3	18.8	19.7
Louisiana.....				26.3	19.3
18.6	21.6	23.3	23.6	19.0	24.2

Maine.....				13.6	12.0
13.0	12.4	10.4	13.1	14.1	13.4
Maryland.....				10.7	7.7
9.8	8.6	9.0	9.9	9.1	11.6
Massachusetts.....				8.6	7.1
9.6	7.7	8.8	10.7	11.0	10.0
Michigan.....				9.4	9.1
10.4	16.8	13.2	14.3	14.1	13.5
Minnesota.....				10.7	8.3
9.5	12.3	11.2	12.0	12.9	12.8
Mississippi.....				35.4	26.1
23.9	26.9	22.0	25.7	23.7	24.5
Missouri.....				14.7	12.0
12.2	16.7	12.6	13.4	14.8	15.6
Montana.....				13.4	11.5
12.3	15.1	15.6	16.3	15.4	13.7
Nebraska.....				13.1	9.6
10.7	15.3	12.8	10.3	9.5	10.3
Nevada.....				9.1	8.8
8.7	9.8	10.8	9.8	11.4	14.4
New Hampshire.....				9.1	7.9
8.5	8.1	7.7	6.3	7.3	8.6
New Jersey.....				8.1	8.1
9.5	10.9	8.2	9.2	9.7	10.0
New Mexico.....				22.8	19.3
17.6	24.2	19.5	20.9	22.4	21.0
New York.....				11.1	9.4
13.4	15.8	12.6	14.3	15.3	15.3
North Carolina.....				20.3	14.7
14.8	15.9	12.2	13.0	14.5	15.7
North Dakota.....				15.7	10.6
12.6	15.1	12.2	13.7	14.5	11.9
Ohio.....				10.0	9.4
10.3	13.6	10.6	11.5	13.4	12.4
Oklahoma.....				18.8	13.8
13.4	16.9	14.7	15.6	17.0	18.4
Oregon.....				11.5	8.9

10.7	16.4	11.2	9.2	13.5	11.3
Pennsylvania.....				10.6	9.7
10.5	15.5	10.4	11.0	11.0	11.7
Rhode Island.....				11.0	8.7
10.3	14.8	6.7	7.5	10.4	12.0
South Carolina.....				23.9	17.2
16.6	20.9	17.0	16.2	16.4	18.9
South Dakota.....				18.7	13.1
16.9	18.1	13.2	13.3	14.0	14.8
Tennessee.....				21.8	15.8
16.4	20.1	18.4	16.9	15.5	17.0
Texas.....				18.8	15.2
14.7	15.7	17.1	15.9	17.5	17.8
Utah.....				11.4	8.5
10.3	13.9	8.2	8.2	12.9	9.3
Vermont.....				12.1	13.5
12.0	15.6	8.0	10.9	12.6	10.4
Virginia.....				15.5	10.5
11.8	11.4	10.9	11.1	9.9	9.4
Washington.....				10.2	8.5
9.8	10.8	9.6	8.9	9.5	11.0
West Virginia.....				22.2	15.1
15.0	22.3	15.7	18.1	17.9	22.3
Wisconsin.....				9.8	7.7
8.7	10.6	8.4	9.3	9.9	10.8
Wyoming.....				11.7	8.7
7.9	12.7	10.9	11.0	9.9	10.3

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 \1\U.S. Bureau of the Census, Statistical Abstract of the United States: 1979, table 764, pp. 465 (110th edition), Washington, D.C. 1979, 1969 estimates are from the 1970 census.

\2\Data are also from the 1979 Statistical Abstract of the United States, but estimates are from the Survey of Income and Education.

\3\U.S. Bureau of the Census, Statistical Abstract of the United States: 1982-83, table 732, p. 443. (103d

edition). Washington, D.C. 1982. 1979 estimates are from the 1980 census.

\4\U.S. Department of Commerce, Bureau of the Census.

``Poverty in the United States: 1992.'' Series P-60, No. 181.

#### ANTIPOVERTY EFFECTIVENESS OF VARIOUS CASH AND NEARCASH INCOME SOURCES

The following tables provide estimates of the number and percentage of individuals removed from poverty by different social insurance programs (e.g., Social Security, Unemployment Compensation and Workers Compensation), means-tested cash and nearcash programs (e.g., Aid to Families With Dependent Children, Supplemental Security Income, General Assistance, Food Stamps, Housing, and School Lunch programs) and Federal payroll and income taxes. The analysis allows comparisons between 1979 and 1989 (peaks of economic cycles); 1979 to 1983 (peak of an economic cycle to a year when poverty was at its peak); and 1989 to 1992 (peak of an economic cycle to the latest year data are available).

#### METHODOLOGY

One way of measuring the antipoverty effectiveness of various income sources is to estimate the number of persons who would be counted as poor if a particular source of income were not received. Subtracting from this number the actual number of persons that are counted as poor after accounting for the effects of the income source provides an estimate of the

number  
of people lifted out of poverty by that particular income  
source. For example, the effect of Social Security upon  
poverty  
can be seen by comparing the number who would be counted as  
poor if they did not receive Social Security with the  
number of  
poor remaining after Social Security income is counted.

A second way of assessing the effectiveness of various  
income sources upon poverty is to estimate the degree to  
which  
those sources reduce the gap between a poor family's income  
and  
the poverty threshold. This concept is known as the  
`poverty  
gap'' or the `poverty income deficit.'' A cash transfer  
program which is highly targeted toward the poor may appear  
to  
do little to eliminate poverty--that is, to reduce the  
number  
who are counted as poor--but such a program may still have  
a  
very real impact by reducing the degree of poverty as  
measured  
by the poverty gap.

The number of persons who would be counted as poor (or  
the  
degree to which the poverty gap expands) if a particular  
governmental source of income were not received overstates  
the  
magnitude of the effect upon poverty because the  
methodology  
fails to account for any work disincentives that may be  
associated with that particular program. However, the  
analysis  
comparing different years does give reliable estimates of  
how a  
given program's antipoverty effectiveness changes over  
time.

There are also several reasons why the analysis does  
not

capture all the changes in antipoverty effectiveness. The Census Bureau has noted that for many different reasons there is a tendency in household surveys for respondents to underreport their income. In addition, Federal law requires AFDC families to assign their child support rights to the State. While child support payments ought to be counted as private income, because they are administered by the State, recipients probably do not distinguish between AFDC benefit payments and child support payments. Therefore, the effect of governmental programs is slightly overstated as private income may appear to be a government benefit. At the same time, the decline in the effectiveness of governmental benefits in reducing poverty over time is probably slightly understated because AFDC child support payments have increased from \$597 million in 1979 to \$2.0 billion in 1991. Further, in 1979, the Comprehensive Employment and Training Act (CETA) spent some \$5 billion on public service employment jobs. This program was terminated by 1983. These expenditures of monies and their antipoverty effects are not reflected in the analysis as a change in governmental policy.

All valuations of in-kind transfers are those estimated by the Bureau of the Census using a market-based valuation technique. The market value generally attempts to measure the private market cost of benefits provided in-kind. Food stamps are assigned their value, while school lunches are assigned the average amount of Federal subsidy per child. Housing assistance is valued as the difference between the estimated market rent (based on the American Housing Survey) and the reduced rent

paid by subsidized households.

In this analysis, poverty is measured under five or six different income concepts. ``Cash income before transfers'' is all cash income prior to any governmental benefits or taxes (also referred to as ``private cash income''). ``Plus social insurance'' adds to cash income all benefits from social insurance programs such as Workers' Compensation and Unemployment Compensation, as well as all benefits from the Social Security programs. On some of the tables, the Social Security program is separated from other social insurance programs. ``Plus means-tested cash transfers'' adds to cash income and social insurance all means-tested transfer income such as Aid to Families with Dependent Children, Supplemental Security Income, Veteran's pensions and General Assistance. ``Plus food and housing benefits'' adds to cash, social insurance and means-tested cash income all means-tested in-kind transfers received for food and housing. These would include food stamps, housing programs and school lunch programs. ``Less Federal taxes'' subtracts from income all Federal income taxes and the employee portion of Federal payroll taxes.

#### CHANGES IN POVERTY SINCE THE 1990-91 RECESSION

Total population

As a result of the 1990-91 economic recession, gross domestic product in 1987 dollars bottomed out at \$4,821 billion in 1991. In 1992, the economy recovered to its 1990 level of \$4,878 billion and began an expansion which has continued well into 1994. This section examines the impact of the economic

recovery and expansion on poverty as of 1992, the latest year for which data are available.

As the economy fell into recession, the official rate of poverty rose from 12.8 percent in 1989 to 13.5 percent in 1990 and 14.2 percent in 1991. With the first full year of economic recovery and expansion, the rate of increase in poverty slowed dramatically to what is likely to be a cyclical peak of 14.5 percent. With continued economic expansion in 1993, the rate of poverty for 1993, which will be available late in 1994, is likely to be down from 14.5 percent.

Overall, the population grew by 1.1 percent in 1992 to nearly 253 million. Reflecting the lagging effects of the recession, the poverty population, before accounting for Federal income transfers and taxes, grew by 4.3 percent to over 57 million. After accounting for income transfers and taxes, the poverty population was still over 33 million, which was a 4.2 percent increase over 1991.

The proportion of individuals removed from poverty by Federal income transfers and taxes in 1992 remained unchanged from 1991 at 41.9 percent. Nearly three-fourths of this poverty reduction was due to social insurance programs and over one-fourth was attributable to means-tested welfare benefits. Poverty was increased by nearly one percent or 438,000 persons because of taxes, but with the large increase in the earned income tax credit enacted in 1993, this impact is likely to diminish when data for 1994 and subsequent years become available.

In contrast to the 4.3 percent rise in the poverty population, before accounting for Federal income transfers and taxes, the corresponding poverty gap jumped by 5.4 percent from 1991 to 1992 to over \$169 billion. After accounting for taxes and transfers, the increase in the poverty gap was 6.8 percent at about \$55 billion. While the poverty population was reduced by only 41.9 percent, the poverty gap was cut by 67.3 percent.

Two-thirds of the reduction in the poverty gap stemmed from social insurance programs while one-third derived from means-tested welfare programs. Taxes had the minor effect of increasing the poverty gap by only 0.3 percent.

Without Federal income transfers and taxes, the poverty rate would have been 22.5 percent in 1992 compared to 21.8 percent in 1991. Social insurance programs reduced the 1992 poverty rate to 15.6 percent. Means-tested welfare programs reduced the poverty rate further to 14.5 percent, and when food and housing benefits were factored in, the poverty rate dropped to 12.9 percent. Federal taxes raised this rate to 13.0 percent.

### Single-parent families

In 1992, there were over 32 million persons in single-parent families with related children under 18 years old. Nearly 17 million of these families or 51.5 percent of them were poor. After Federal taxes and transfers, about 12.5 million were still poor. Seventy percent of this reduction in poverty was due to means-tested welfare programs. None of these figures changed substantially from 1991.

The poverty gap before Federal transfers and taxes for

single-parent families was \$44.6 billion in 1992, up 2.8 percent from 1991. Federal transfers and taxes reduced this gap by 61.6 percent to about \$17 billion in 1992. Eighty percent of this reduction was attributable to means-tested welfare programs.

Without Federal transfers and taxes, the poverty rate for single-parent families would have been 51.5 percent. After factoring in Federal transfers and tax benefits, the poverty rate of single-parent families fell to 38.5 percent.

Persons in housing units with all members 65 years old and older

Before Federal transfers and taxes, about 13 million elderly persons in these households were poor. After including Federal transfers and taxes, only 2.7 million elderly persons in these households were poor. Ninety-three percent of this reduction in poverty is due to social insurance. Federal taxes had virtually no impact. There was little change in these figures from 1991.

The poverty gap before Federal transfers and taxes for these elderly persons was nearly \$52 billion in 1992. After Federal transfers and taxes, the poverty gap was reduced to only \$4.5 billion. Ninety-five percent of this reduction was due to social insurance programs. There was little change in these figures from 1991.

The poverty rate before Federal transfers and taxes for these elderly would have been 57 percent. After Federal transfers and taxes, the poverty rate was only 11.8 percent. There was little change in these figures from 1991.

TABLE H-11.--ANTIPOVERTY EFFECTIVENESS OF CASH AND NEARCASH TRANSFERS (INCLUDING FEDERAL INCOME AND PAYROLL TAXES) FOR ALL PERSONS

	1983	1989	1990	1991	1992	1979
Total population (thousands).....	231,140	246,492	248,054	251,179	253,969	222,893
Number of poor individuals (thousands):						
Cash income before transfers.....	52,700	49,052	50,851	54,679	57,021	42,783
Plus social insurance (other than Social Security).....	49,468	47,377	49,052	52,164	54,367	40,867
Plus Social Security.....	36,928	33,825	35,928	38,131	39,717	28,604
Plus means-tested cash transfers.....	35,030	31,534	33,585	35,708	36,880	25,924
Plus food and housing benefits.....	31,697	27,642	29,377	31,129	32,680	21,546
Less Federal taxes.....	33,923	28,941	30,465	31,770	33,118	22,215
=====						
Number of individuals removed from poverty due to (thousands):						
Social insurance (other than Social Security).....	3,232	1,675	1,799	2,515	2,654	1,916
Social insurance (including Social Security).....	15,772	15,227	14,923	16,548	17,304	14,179
Means-tested cash, food, and housing benefits.....	5,231	6,183	6,551	7,002	7,037	7,058
Federal taxes.....						-669

-2,226	-1,299	-1,088	-641	-438
--------	--------	--------	------	------

-----  
-----

	Total.....				20,568
18,777	20,111	20,386	22,909	23,903	

=====  
=====

Percent of poor individuals removed from poverty due to:

	Social insurance (including Social Security).....				33.1
29.9	31.0	29.3	30.3	30.3	
	Means-tested cash, food, and housing benefits.....				16.5
9.9	12.6	12.9	12.8	12.3	
	Federal taxes.....				-1.6
-4.2	-2.6	-2.1	-1.2	-.8	

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-----

	Total.....				48.1
35.6	41.0	40.1	41.9	41.9	

=====  
=====

Poverty gap (millions of 1991 dollars):

	Cash income before transfers.....				122,875
151,930	143,907	149,149	160,355	169,050	
	Plus social insurance (other than Social Security).....				114,537
139,817	137,082	141,845	150,704	158,534	
	Plus Social Security.....				63,624
85,642	79,050	84,527	91,123	94,317	
	Plus means-tested cash transfers.....				44,235
63,821	58,978	62,991	67,920	71,693	
	Plus food and housing benefits.....				34,630
50,846	45,631	47,630	51,161	54,814	
	Less Federal taxes.....				35,176

52,739      46,583      48,630      51,734      55,250

Percent reduction in the poverty gap due to:

	Social insurance (including Social Security).....				48.2
43.6	45.1	43.3	43.2	44.2	
	Means-tested cash, food and housing benefits.....				23.2
22.9	23.2	24.7	24.9	23.4	
	Federal taxes.....				-0.4
-1.2	-0.7	-0.7	-0.4	-0.3	

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	Total.....				70.9
65.3	67.6	67.4	67.7	67.3	

=====  
=====

Poverty rate (in percent):

	Cash income before transfers.....				19.2
22.8	19.9	20.5	21.8	22.5	
	Plus social insurance (other than Social Security).....				18.3
21.4	19.3	19.7	20.8	21.4	
	Plus Social Security.....				12.8
15.9	13.8	14.4	15.2	15.6	
	Plus means-tested cash transfers.....				11.6
15.1	12.8	13.5	14.2	14.5	
	Plus food and housing benefits.....				9.7
13.7	11.2	11.8	12.4	12.9	
	Less Federal taxes.....				10.0
14.6	11.8	12.3	12.6	13.0	

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	Total reduction in poverty rate.....				9.2
8.2	8.1	8.2	9.2	9.5	

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Source: Congressional Budget Office.

TABLE H-12.--ANTIPOVERTY EFFECTIVENESS OF CASH AND NEARCASH TRANSFERS (INCLUDING FEDERAL INCOME AND PAYROLL TAXES) FOR INDIVIDUALS IN SINGLE-PARENT FAMILIES WITH RELATED CHILDREN UNDER AGE 18

					1979
1983	1989	1990	1991	1992	
Total population (thousands).....					23,547
25,559	29,260	30,525	31,733	32,381	
Number of poor individuals (thousands):					
Cash income before transfers.....					11,786
13,751	14,074	15,110	16,387	16,679	
Plus social insurance (other than Social Security).....					11,568
13,501	13,820	14,841	16,061	16,361	
Plus Social Security.....					10,645
12,611	13,040	14,203	15,290	15,600	
Plus means-tested cash transfers.....					9,491
12,063	12,388	13,324	14,573	14,647	
Plus food and housing benefits.....					7,115
10,531	10,636	11,313	12,452	12,661	
Less Federal taxes.....					7,141
10,800	10,648	11,234	12,263	12,461	
=====					
=====					
Number of individuals removed from poverty due to (thousands):					
Social insurance (other than Social Security).....					218
250	254	269	326	318	
Social insurance (including Social Security).....					1,141
1,140	1,034	907	1,097	1,079	
Means-tested cash, food, and housing benefits.....					3,530

2,080	2,404	2,890	2,838	2,939	
	Federal taxes.....				-26
-269	-12	79	189	200	

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	Total.....				4,645
2,951	3,426	3,876	4,124	4,218	

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Percent of poor individuals removed from poverty due to:

	Social insurance (including Social Security).....				9.7
8.3	7.3	6.0	6.7	6.5	
	Means-tested cash, food, and housing benefits.....				30.0
15.1	17.1	19.1	17.3	17.6	
	Federal taxes.....				-0.2
-2.0	-0.1	0.5	1.2	1.2	

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	Total.....				39.4
21.5	24.3	25.7	25.2	25.3	

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Poverty gap (millions of 1991 dollars):

	Cash income before transfers.....				30,003
37,790	37,189	40,081	43,363	44,599	
	Plus social insurance (other than Social Security).....				29,154
36,398	36,387	39,015	41,948	43,017	
	Plus Social Security.....				25,747
32,804	33,011	35,968	38,913	39,581	
	Plus means-tested cash transfers.....				14,856
21,552	22,593	24,418	26,659	27,982	
	Plus food and housing benefits.....				9,219

14,006	14,391	14,761	16,029	17,547
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					9,153
14,095	14,221	14,588	15,643	17,106	

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Percent reduction in the poverty gap due to:

						14.2
13.2	11.2	10.3	10.3	11.3		
						55.1
49.7	50.1	52.9	52.8	49.4		
						0.2
-0.2	0.5	0.4	0.9	1.0		

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						69.5
62.7	61.8	63.6	63.9	61.6		

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Poverty rate (in percent):

						50.1
53.8	48.1	49.5	51.6	51.5		
						49.1
52.8	47.2	48.6	50.6	50.5		
						45.2
49.3	44.6	46.6	48.2	48.2		
						40.3
47.2	42.3	43.7	45.9	45.2		
						30.2
41.2	36.4	37.1	39.2	39.1		
						30.3
42.2	36.4	36.8	38.6	38.5		

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Total reduction in poverty rate..... 19.8  
11.6            11.7            12.7            13.0            13.0  
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Source: Congressional Budget Office.

TABLE H-13.--ANTIPOVERTY EFFECTIVENESS OF CASH AND  
NEARCASH TRANSFERS (INCLUDING FEDERAL INCOME AND PAYROLL  
TAXES) FOR ALL INDIVIDUALS IN MARRIED-COUPLE  
FAMILIES WITH RELATED CHILDREN UNDER AGE 18  
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	1979				
	1983	1989	1990	1991	1992
Total population (thousands).....					109,888
	106,182	105,876	106,092	106,058	107,241
Number of poor individuals (thousands):					
Cash income before transfers.....					10,302
	15,184	11,117	11,564	12,454	13,071
Plus social insurance (other than Social Security).....					9,538
	13,447	10,521	10,918	11,510	12,047
Plus Social Security.....					8,453
	12,644	9,665	10,191	10,617	11,092
Plus means-tested cash transfers.....					7,785
	12,183	9,019	9,507	9,846	10,291
Plus food and housing benefits.....					6,528
	11,205	7,813	8,412	8,628	9,127
Less Federal taxes.....					6,867
	12,620	8,515	8,693	8,827	9,167

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Number of individuals removed from poverty due  
to (thousands):

  Social insurance (other than Social

	Security).....					764
1,737	596	646	944	1,024		
	Social insurance (including Social Security).....					1,849
2,540	1,452	1,373	1,837	1,979		
	Means-tested cash, food, and housing benefits.....					1,925
1,439	1,852	1,779	1,989	1,965		
	Federal taxes.....					-339
-1,415	-702	-281	-199	-40		

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	Total.....					3,435
2,564	2,602	2,871	3,627	3,904		

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Percent of poor individuals removed from poverty due to:

	Social insurance (including Social Security).....					17.9
16.7	13.1	11.9	14.8	15.1		
	Means-tested cash, food, and housing benefits.....					18.7
9.5	16.7	15.4	16.0	15.0		
	Federal taxes.....					-3.3
-9.3	-6.3	-2.4	-1.6	-.3		

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	Total.....					33.3
16.9	23.4	24.8	29.1	29.9		

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Poverty gap (millions of 1991 dollars):

	Cash income before transfers.....					16,425
25,497	17,366	17,991	20,544	21,382		
	Plus social insurance (other than Social					

					Security).....	14,637
21,570	15,685	16,283	18,168	18,906		
					Plus Social Security.....	11,600
18,936	13,034	14,091	15,672	16,035		
					Plus means-tested cash transfers.....	9,228
15,150	10,123	10,836	12,395	12,563		
					Plus food and housing benefits.....	6,994
11,895	7,568	8,184	9,300	9,374		
					Less Federal taxes.....	7,045
12,705	7,676	8,249	9,076	9,065		

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Percent reduction in the poverty gap due to:

					Social Insurance (including Social Security).....	29.4
25.7	24.9	21.7	23.7	25.0		
					Means-tested cash, food, and housing benefits.....	28.0
27.6	31.5	32.8	31.0	31.2		
					Federal taxes.....	-0.3
-3.2	-0.6	-0.4	1.1	1.4		

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					Total.....	57.1
50.2	55.8	54.2	55.8	57.6		

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Poverty rate (in percent):

					Cash income before transfers.....	9.4
14.3	10.5	10.9	11.7	12.2		
					Plus social insurance (other than Social Security).....	8.7
12.7	9.9	10.3	10.9	11.2		
					Plus Social Security.....	7.7
11.9	9.1	9.6	10.0	10.3		
					Plus means-tested cash transfers.....	7.7
11.5	8.5	8.9	9.3	9.6		
					Plus food and housing benefits.....	5.9

10.5	7.4	7.9	8.1	8.5	
	Less Federal taxes.....				6.2
11.9	8.0	8.4	8.3	8.5	

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	Total reduction in poverty rate.....				3.2
2.4	2.5	2.5	3.4	3.7	

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Source: Congressional Budget Office.

TABLE H-14.--ANTIPOVERTY EFFECTIVENESS OF CASH AND NEARCASH TRANSFERS (INCLUDING FEDERAL INCOME AND PAYROLL TAXES) FOR ALL INDIVIDUALS IN FAMILIES WITH RELATED CHILDREN UNDER AGE 18\1\

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	1983	1989	1990	1991	1992	1979
Total population (thousands).....						133,435
	132,123	135,430	136,790	137,791	139,622	
Number of poor individuals (thousands):						
Cash income before transfers.....						22,088
	28,935	25,190	26,674	28,841	29,751	
Plus social insurance (other than Social Security).....						21,106
	26,948	24,341	25,759	27,570	28,408	
Plus Social Security.....						19,098
	25,255	22,704	24,394	25,906	26,691	
Plus means-tested cash transfers.....						17,276
	24,246	21,408	22,832	24,419	24,939	
Plus food and housing benefits.....						13,642
	21,736	18,449	19,725	21,080	21,788	
Less Federal taxes.....						14,008
	23,420	19,163	20,197	21,090	21,627	

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Number of individuals removed from poverty due  
to (thousands):

	Social insurance (other than Social Security).....				982
1,987	849	915	1,271	1,343	
	Social insurance (including Social Security).....				2,990
3,680	2,486	2,280	2,935	3,060	
	Means-tested cash, food, and housing benefits.....				5,456
3,519	4,255	4,669	4,826	4,903	
	Federal taxes.....				-366
-1684	-714	-472	-10	161	

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	Total.....				8,080
5,515	6,027	6,477	7,751	8,124	

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Percent of poor individuals removed from  
poverty due to:

	Social insurance (including Social Security).....				13.5
12.7	9.9	8.5	10.2	10.3	
	Means-tested cash, food, and housing benefits.....				24.7
12.2	16.9	17.5	16.7	16.5	
	Federal taxes.....				-1.7
-5.8	-2.8	-1.8	0.0	.5	

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	Total.....				36.6
19.1	23.9	24.3	26.9	27.3	

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Poverty gap (millions of 1991 dollars):					
	Cash income before transfers.....				46,428
63,286	54,553	58,072	63,907	65,980	
	Plus social insurance (other than Social Security).....				43,788
57,968	52,071	55,298	60,116	61,922	
	Plus Social Security.....				37,346
51,739	46,044	50,059	54,586	55,616	
	Plus means-tested cash transfers.....				24,085
36,702	32,717	35,254	39,054	40,545	
	Plus food and housing benefits.....				16,213
25,901	21,959	22,945	25,329	26,920	
	Less Federal taxes.....				16,198
26,800	21,896	22,836	24,719	26,171	

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Percent reduction in the poverty gap due to:					
	Social insurance (including Social Security).....				19.6
18.2	15.6	13.8	14.6	15.7	
	Means-tested cash, food and housing benefits.....				45.5
40.8	44.2	46.7	45.8	43.5	
	Federal taxes.....				0.0
-1.4	0.1	0.2	1.0	1.1	

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	Total.....				65.1
57.7	59.9	60.7	61.3	60.3	

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Poverty rate (in percent):					
	Cash income before transfers.....				16.6
21.9	18.6	19.5	20.9	21.3	
	Plus social insurance (other than Social Security).....				15.8
20.4	18.0	18.8	20.0	20.3	
	Plus Social Security.....				14.3

19.2	16.8	17.8	18.8	19.1	
	Plus means-tested cash transfers.....				12.9
18.4	15.8	16.7	17.7	17.9	
	Plus food and housing benefits.....				10.2
16.5	13.6	14.4	15.3	15.6	
	Less Federal taxes.....				10.5
17.8	14.2	14.8	15.3	15.5	

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	Total reduction in poverty rate.....				6.1
4.1	4.4	4.7	5.6	5.8	

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\1\This table is a summation of female-headed and married-couple families with children.

Source: Congressional Budget Office.

TABLE H-15.--ANTIPOVERTY EFFECTIVENESS OF CASH AND NEARCASH TRANSFERS (INCLUDING FEDERAL INCOME AND PAYROLL TAXES) FOR INDIVIDUALS IN UNITS WITH ALL MEMBERS AGE 65 OR OLDER

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					1979
1983	1989	1990	1991	1992	
Total population (thousands).....					17,623
19,294	21,805	22,209	22,812	22,940	
Number of poor individuals (thousands):					
Cash income before transfers.....					10,564
10,843	11,971	11,904	12,551	13,073	
Plus social insurance (other than Social Security).....					10,344
10,654	11,806	11,733	12,298	12,798	
Plus Social Security.....					3,361
3,231	3,138	3,253	3,404	3,512	
Plus means-tested cash transfers.....					3,008

2,928	2,810	3,038	3,157	3,239	
	Plus food and housing benefits.....				2,635
2,520	2,335	2,452	2,498	2,712	
	Less Federal taxes.....				2,641
2,533	2,354	2,458	2,505	2,715	

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Number of individuals removed from poverty due to (thousands):

	Social insurance (other than Social Security).....				220
189	165	171	253	275	
	Social insurance (including Social Security).....				7,203
7,612	8,833	8,651	9,147	9,561	
	Means-tested cash, food, and housing benefits.....				726
711	803	801	906	800	
	Federal taxes.....				-6
-13	-19	-6	-7	-3	

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	Total.....				7,923
8,310	9,617	9,446	10,046	10,358	

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Percent of poor individuals removed from poverty due to:

	Social insurance (including Social Security).....				68.2
70.2	73.8	72.7	72.9	73.1	
	Means-tested cash, food, and housing benefits.....				6.9
6.6	6.7	6.7	7.2	6.1	
	Federal taxes.....				-0.1
-0.1	-0.2	-0.1	-0.1	0.0	

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 Total..... 75.0  
 76.6        80.3        79.4        80.0        79.2

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Poverty gap (millions of 1991 dollars):

					41,873
Cash income before transfers.....					
43,678	47,473	47,453	50,015	51,932	
Plus social insurance (other than Social Security).....					39,890
42,106	46,083	46,268	48,471	50,238	
Plus Social Security.....					7,166
6,814	6,505	6,788	7,560	7,054	
Plus means-tested cash transfers.....					4,773
4,470	4,563	5,056	5,423	5,396	
Plus food and housing benefits.....					4,114
3,887	3,766	4,105	4,515	4,527	
Less Federal taxes.....					4,125
3,901	3,780	4,117	4,533	4,539	

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Percent reduction in the poverty gap due to:

Social insurance (including Social Security).....					82.9
84.4	86.3	85.7	84.9	86.4	
Means-tested cash, food and housing benefits.....					7.3
6.7	5.8	5.7	6.1	4.9	
Federal taxes.....					0.0
0.0	0.0	0.0	0.0	0.0	

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 Total..... 90.1  
 91.1        92.0        91.3        90.9        91.3

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Poverty rate (in percent):					
					59.9
56.2	54.9	53.6	55.0	57.0	
					58.7
55.3	54.1	52.8	53.9	55.8	
					19.1
16.8	14.4	14.7	14.9	15.3	
					17.1
15.2	12.9	13.7	13.8	14.1	
					15.0
13.1	10.7	11.0	11.0	11.8	
					15.0
13.1	10.8	11.1	11.0	11.8	

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					44.9
43.1	44.1	42.5	44.0	45.2	

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Source: Congressional Budget Office.

#### TRENDS IN FAMILY INCOMES, 1967-92

In the past 25 years, the level of and inequality among family incomes has changed significantly according to all income measures. Between 1967 and 1973, income increased for all quintiles, and income inequality went down. As measured by the Congressional Budget Office, over this time period, the lowest quintile experienced an increase in mean adjusted family income (family income divided by the poverty threshold for the appropriate family size) of 30 percent, while income for the highest quintile grew by 21 percent. Since, 1973, however, the trend has been markedly different. Income of the bottom

quintile has declined, while the income for the highest quintile has risen.

While the general trends in families' economic well-being are similar regardless of how measured, varying results for the distribution of family incomes are obtained depending on which income measure is used. Three commonly used income measures (all adjusted for inflation) are family cash income, family cash income per capita, and adjusted family income. While no measure perfectly captures the economic well-being of families, adjusted family income most accurately accounts for differences in family size by incorporating the scale implicit in the official Federal poverty thresholds.

Family composition in the United States has undergone pronounced changes over the past two decades, as the number of families grew twice as fast as the population between 1973 and 1989.\7\ The growth in families overall reflects very different trends among particular types of families. The number of married couples with children, for example, fell almost 2 percent between 1973 and 1989. In contrast, the number of families headed by a single mother grew over 70 percent during the same period.

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\7\In contrast to some measures of income from the Bureau of the Census, this analysis treats unrelated individuals as one-person families. Family types are defined in detail below.

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Changes in family composition are also reflected in the number of persons and earners per family. The average family has become smaller, reflecting in part relatively fewer families with children (and fewer children in those families). The average family also had fewer earners in 1989 than in 1973.

Total family cash income grew over 50 percent in real terms between 1973 and 1989, before falling slightly as the recession that began in 1990 took hold. The real income of the average family rose during this period as well, but the magnitude and timing of the increase depends on the income measure used. For example, family cash income rose about 9 percent between 1973 and 1989, on average, with virtually all of the increase taking place between 1979 and 1989. In contrast, average pretax adjusted family income (AFI)--which takes into account changes in family size--rose about 20 percent, with the annual increase about equally divided between the two time periods shown. The larger increase in AFI reflects in part a decrease in average family size.

TABLE H-16.--CHANGES IN POPULATION, FAMILY COMPOSITION, AND INCOME, 1973, 1979, 1989, AND 1992

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Percent change

			1973
1979	1989	1992	-----

1973-89    1979-89    1989-92

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A. Distribution of families and persons by family type

Number of families (in thousands)..... 73,166  
84,229    101,663    105,460            38.9            20.7            3.7

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Families with children..... 31,098  
32,166    34,768    36,158            11.8            8.1            4.0  
    Married couples with children..... 24,798  
24,166    24,378    24,640            -1.7            .9            1.1  
    Single mothers with children..... 4,126  
5,650        7,123        8,041            72.6            26.1            12.9  
    Nonelderly childless units\1\..... 28,183  
35,730    46,467    48,270            64.9            30.1            3.9  
    Elderly childless units\2\..... 13,884  
16,331    20,428    21,032            47.1            25.1            3.0

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Number of persons in different family types (in thousands)..... 207,525  
217,718    245,846    253,843            18.5            12.9            3.3

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Families with children..... 134,248  
130,426    135,381    139,622            .8            3.8            3.1  
    Married couples with children..... 108,976  
101,318    99,471    100,533            -8.7            -1.8            1.1  
    Single mothers with children..... 14,240  
18,132    21,504    24,159            51.0            18.6            12.3  
    Nonelderly childless units\1\..... 50,148  
60,514    77,025    79,496            53.6            27.3            3.2  
    Elderly childless units\2\..... 23,129  
26,778    33,440    34,725            44.6            24.9            3.8

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B. Size, age composition, and number of  
 earners for all families

Average number of persons per family:

	Total.....					2.87
2.59	2.40	2.41	-16.4	-7.3		0.5

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	Under 18.....					.
94	.75	.64	0.63	-31.9		-14.7
-1.7						
	18 to 64.....					1.64
1.55	1.47	1.49	-10.1	-5.2		1.3
	65 and older.....					.
30	.28	.29	0.29	-1.9		
3.6	.09					

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Average number of earners per family:

	Total.....					1.39
1.34	1.29	1.29	-6.9	-3.7		-0.2

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	Male earners.....					.
81	.75	.69	0.69	-15.3		-8.0
0.2						
	Female earners.....					.
57	.59	.60	0.60	5.2		1.7
-0.7						

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C. Income trends for all families, by  
 income measure

Income measure (in 1989 dollars):

	Total family cash income (billions)...				2,220	
2,591	3,353	3,272	51.0	29.4	-2.4	
	Mean family cash income.....				30,341	
30,764	32,978	31,022	8.7	7.2	-5.9	
	Mean family cash income per capita\3\.				10,718	
11,922	13,743	12,888	28.2	15.3	-6.2	
	Adjusted pretax income\4\.....				19,096	
20,592	23,025	21,776	20.6	11.8	-5.4	
	Adjusted posttax income\5\.....				NA	
17,404	19,424	18,502	NA	11.6	-4.7	
	High adult male earner.....				NA	
12,044	12,189	11,128	NA	1.2	-8.7	
	High adult female earner.....				NA	
4,111	5,633	5,758	NA	37.0	2.2	
	Other earners in family.....				NA	
923	894	718	NA	-3.1	-19.7	
	Other private income.....				NA	
2,021	2,700	2,471	NA	33.6	-8.5	
	Cash transfer income (non-means- tested).....				NA	
1,190	1,429	1,492	NA	20.0	4.4	
	Cash transfer income (means- tested).....				NA	
302	180	197	NA	-40.4	9.7	
	Noncash transfer income.....				NA	
145	139	170	NA	-4.0	21.8	
	Taxes.....				NA	
-3,333	-3,740	(3,431)	NA	12.2	-8.3	

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 \1\Families in which both the head and spouse are under age 65 and there are no children under 18, and unrelated individuals under age 65.

\2\Families in which either the head or spouse of head is 65 or older and there are no children under 18, and unrelated individuals 65 and older.

\3\Family cash income divided by the number of persons in the family.

\4\Pretax AFI (adjusted family income) is pretax family

income divided by the poverty threshold. Thresholds are based on the 1989 distribution of family sizes, with no adjustment for the age of the head of household or the number of children. In this table only, pretax AFI is expressed in dollars by multiplying adjusted family income by the 1-person poverty threshold.

\5\Posttax AFI (adjusted family income) is posttax family income, plus the cash value of noncash food and housing benefits, divided by the poverty threshold.

Thresholds are based on the 1989 distribution of family sizes, with no adjustment for the age of the head of household or the number of children. In this table only, posttax AFI is expressed in dollars by multiplying adjusted family income by the 1-person poverty threshold.

NA-Not available.

Source: Congressional Budget Office based on CPS data.

#### Definitions and methods

Analyzing trends in the distribution of family incomes over time requires making decisions about a number of variables: How should variation in incomes be measured? What is the appropriate timeframe over which to look at changes? How should inflation be taken into account? And, finally, what is the appropriate measure of income to use?

Measuring variation. Most of the data in this section are presented for income quintiles, each of which represents one-fifth of the income distribution (either families or persons, as indicated). Quintiles are calculated by ordering all relevant family units from that with the lowest income to that with the highest. For the analysis of changes in incomes among

different types of families, quintiles are defined separately for each family type.

The analysis of changes in the distribution of family incomes over time is done by looking at average incomes, adjusted for inflation, by income quintile for specific types of families.

Timeframe. Most of the analysis focuses on data for 4 years: 1967, 1973, 1979, and 1989. These years reflect peaks in the business cycle, and allow comparisons to be made in a consistent fashion that holds constant general economic conditions. Data are also shown for 1992, the most recent year for which data are available.

Adjustment for inflation. To examine changes in family income over time, the dollar amounts must be adjusted for inflation to compare actual buying power. Adjustment for inflation is done here using the CPI-U-X1, a revised version of the official Consumer Price Index that provides a consistent treatment of the costs of homeownership over the years examined. The CPI-U-X1 is an index of the cost of a market basket of goods and services representing the average consumption of the urban population.\8\

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\8\The official CPI is viewed by many analysts as having overstated the growth in housing costs during the late 1970s. Prior to 1983, the housing component of the CPI reflected both the flow of services and the investment aspects of homeownership; only the former is appropriate in an index measuring consumption costs.

Since 1983, the Bureau of Labor Statistics (BLS) has used a rental-equivalence measure incorporating the consumption aspects

of owning a home, not the investment aspects. The CPI-U-X1 series is used to calculate what the CPI would be had the rental-equivalence measure been in place since 1967. The BLS recommends using the CPI-U-X1 when a consistent treatment of homeowner costs is desired. See Bureau of Census; ``Money Income of Households, Families, and Persons in the United States: 1991,`` Current Population Reports, Series P-60, No. 180 Appendices A and B.

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Income measure. The purpose of looking at the distribution of family incomes over time is to analyze changes in family economic well-being. Two important issues in choosing an appropriate income measure are how to adjust for differences in family size and what to include as income.

One measure, used extensively by the Bureau of the Census, is real family cash income, which is the sum of wage, salary, and self-employment earnings, private pension and retirement income, interest and dividends, and government cash transfers received by each family member. By this measure, which takes inflation into account, but not changes in family size, noncash transfers, or taxes, the average income of all families increased 8.7 percent between 1973 and 1989, with most of the growth occurring between 1979 and 1989 (see A of table H-17).

Family cash income also shows quite different trends among income quintiles: the average income of the lowest quintile fell 3.2 percent between 1973 and 1989, whereas the average income of the highest quintile rose 17.1 percent.

Family cash income has several shortcomings as a measure of changes in economic well-being. Most notably, it fails to take into account changes in family size and composition: a family of one--i.e., a person living alone--with \$30,000 in income is treated as being as well off as a family of four with \$30,000 in income. This assumption is inappropriate, however, as a family of four requires more income to attain the same standard of living as a single person.

An alternative approach is to measure income on a per capita basis, by dividing total family income by the number of persons in the family. Using family cash income per capita yields quite different results (see C of table H-17). The growth in average per capita income among all families between 1973 and 1989 is much larger than the growth in average family cash income: 28.2 percent, compared with 8.7 percent. Moreover, average cash income per capita rose for each quintile between 1973 and 1989, whereas average family cash income rose only for the top two quintiles. These results reflect a decline in family size between 1973 and 1989.

In contrast to family cash income, which completely ignores differences in family size, using per capita family income as a measure of well-being assumes that a family of four

requires exactly four times as much as a single person to attain the same standard of living. But four persons living together would generally require less than four times as much income because of the economies of scale reaped from increased family size. (For example, families with more children might require more bedrooms, but not more kitchens.) A measure that reflects such economies of scale would therefore provide a better method of taking family size into account.

TABLE H-17.--ALTERNATIVE MEASURES OF FAMILY INCOME, BY INCOME QUINTILE AND CHANGE OVER TIME, 1973, 1979, 1989, AND 1992 FOR ALL FAMILIES

[In 1989

dollars]

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Percent change

	Quintile			1967	1973
1979	1989	1992			
1973-89	1979-89	1989-92			

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I. Pre-Tax Cash Income

A. Mean family cash income (family weighted):

Lowest.....				NA	6,061
5,994	5,866	5,256	-3.2	-2.1	-10.4
Second.....				NA	15,416
15,306	15,107	13,885	-2.0	-1.3	-8.1
Middle.....				NA	25,909

25,609	25,823	24,118	-.3	.8	-6.6
Fourth.....				NA	37,946
38,680	40,374	38,367	6.4	4.4	-5.0
Highest.....				NA	66,364
68,230	77,716	73,487	17.1	13.9	-5.4

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Total.....				NA	30,341
30,764	32,978	31,022	8.7	7.2	-5.9

B. Mean adjusted family income  
(person weighted):\1\

Lowest.....				.69	.
90	.90	.86	0.77	-4.3	-4.3
-10.4					
Second.....				1.54	1.94
2.06	2.09	1.95	7.7	1.3	-6.7
Middle.....				2.26	2.82
3.07	3.27	3.10	16.0	6.7	-5.2
Fourth.....				3.16	3.94
4.32	4.77	4.55	20.9	10.5	-4.5
Highest.....				5.67	6.87
7.39	8.84	8.36	28.7	19.6	-5.4

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Total.....				2.66	3.29
3.55	3.97	3.75	20.4	11.8	-5.5

C. Mean family income per capita  
(person weighted):\2\

Lowest.....				NA	2,795
2,912	2,822	2,504	1.0	-3.1	-11.3
Second.....				NA	5,906
6,535	6,872	6,384	16.4	5.2	-7.1
Middle.....				NA	8,628
9,713	10,723	10,134	24.3	10.4	-5.5
Fourth.....				NA	12,386
14,046	16,058	15,145	29.6	14.3	-5.7
Highest.....				NA	23,875

26,405	32,237	30,274	35.0	22.1	-6.1
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Total.....				NA	10,718
11,922	13,743	12,888	28.2	15.3	-6.2

D. Mean adjusted family income  
(post-tax income plus food and  
housing benefits) (person  
weighted):\1\

Lowest.....				NA	
NA	.96	.93	.88	N/A	-2.1
-6.4					
Second.....				NA	NA
1.89	1.90	1.80	N/A	0.5	-5.2
Middle.....				NA	NA
2.67	2.84	2.71	N/A	6.4	-4.6
Fourth.....				NA	NA
3.63	4.01	3.85	N/A	10.6	-3.9
Highest.....				NA	NA
5.85	7.04	6.69	N/A	20.4	-5.0

-----

Total.....				NA	NA
3.00	3.35	3.19	N/A	11.6	-4.8

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\1\Family income divided by the poverty threshold.  
Thresholds are based on the 1989 distribution of family  
sizes, with no adjustment for the age of the head of  
household or the number of children.  
\2\Total family income divided by the number of persons in  
the family.

Source: Congressional Budget Office tabulations of data  
from the March Current Population Survey, 1974, 1980,  
1990, and 1993.

Analysts disagree over the best method of making

incomes comparable for families of different size, but one readily available candidate is the scale implicit in the official Federal poverty thresholds. This scale assumes, for example, that a family of four needs about twice as much income as a single person to attain an equivalent standard of living (see table H-18). The equivalence scale implicit in the poverty thresholds may not perfectly capture the disparate needs of families of different sizes, but it probably yields a better assessment of relative economic well-being than making no adjustment (mean family cash income) or assuming no economies of scale (mean family cash income per capita).

TABLE H-18.--POVERTY THRESHOLDS AND EQUIVALENCE VALUES FOR DIFFERENT

FAMILY SIZES, 1992

	Official poverty threshold	Adjusted poverty threshold
Equivalence value (one person=1.00)		
Family size (persons):		
1.....	\$7,143	\$6,572
1.00		
2.....	9,137	8,407
1.28		
3.....	11,186	10,292
1.57		
4.....	14,335	13,190
2.01		
5.....	16,592	15,266
2.32		

6.....	19,137	17,608
2.68		
7.....	21,594	19,869
3.02		
8.....	24,053	22,131
3.37		
9 or more.....	28,745	26,449
4.02		

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Note.--Poverty thresholds shown for 1- and 2-person families are a weighted average of the separate official thresholds for elderly and non-elderly individuals and families. Adjusted poverty thresholds are computed using the CPI-U-X1 (1967 equals 100) to adjust for inflation. The official poverty threshold is adjusted for inflation using the CPI.

Source: Congressional Budget Office.

CHART H-2. CHANGES IN POSTTAX ADJUSTED FAMILY INCOME BY QUINTILE,  
1979-89

<CHART H-2>

The adjusted family income (AFI) measure shown in B of table H-17 incorporates the equivalence scale underlying the poverty thresholds. Each family's pretax cash income is divided by its poverty threshold, yielding family income as a multiple of poverty. Thus, for example, the average family in the middle quintile in 1989 had an income of 3.27 times its poverty threshold.\9\

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-----  
    \9\Poverty thresholds for 1- and 2-person families in  
this section  
do not vary by the age of the family head. The 1989  
weighted averages  
are adjusted for inflation using the CPI-U-X1.  
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    Adjusting for family size in this way yields results  
that  
are generally intermediate to those obtained for the family  
cash income and family cash income per capita measures.  
Between  
1967 and 1973, income increased significantly for all  
quintiles, by 30 percent for the lowest quintile. On  
average,  
pretax AFI increased 20.4 percent between 1973 and 1989,  
with a  
4.3 percent decline for the lowest quintile and a 28.7  
percent  
increase for the highest quintile. Also like the other  
measures, average pretax AFI declined for the lowest  
quintile  
between 1979 and 1989 and rose for the highest quintile.

    It must be remembered that there is no adjustment in  
these  
analyses for labor inputs. For example, if mean income  
increases by 10 percent over a given time period while  
family  
work hours also increase by 10 percent, the family's  
overall  
economic well-being may be qualitatively different than a  
10-  
percent increase in income would suggest. For example, work  
expenses may have increased by an even larger amount,  
particularly if more family members are working, and  
leisure  
time would have decreased.

    Adjusting for noncash income and taxes. A family's

economic well-being is determined not only by its pretax cash income, but also by the amount of any noncash income it receives. Analyses that ignore noncash benefits--whether received from employers in the form of fringe benefits or through social welfare transfer programs--understate how well-off families are. The understatement has grown over time, moreover, because in-kind income has increased as a share of personal income. Employer-provided benefits increased from about 7 percent of wages and salaries in 1973 to 10 percent in 1989. Adjusted for inflation and population growth, spending on the major government noncash transfer programs--food stamps, public housing, Medicare, and Medicaid--almost tripled over the same period.

Whereas the omission of noncash income understates economic well-being for most families, pretax measures of income overstate it. Both income and payroll taxes reduce disposable income, so that posttax income provides a better measure of the resources available to families at any point in time. Taking taxes into account is especially important for assessing income trends over time because Social Security tax rates increased by almost 30 percent, and the amount of annual earnings subject to the tax increased by nearly 70 percent in real terms between 1973 and 1989. And although individual income taxes as a share of income have been relatively constant, the share varies widely across income quintiles.

The income measure shown in D of table H-17 shows posttax AFI, plus the estimated cash value of food and housing benefits, for 1979, 1989, and 1992. Food benefits reflect the value of food stamps and school lunches; housing benefits reflect subsidized public housing; and taxes include Federal income and payroll taxes, but not State income taxes. Being more comprehensive, posttax AFI is a better indicator of economic well-being than pretax AFI, and is used extensively in this study.

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Data on noncash transfers are available only for 1979 and later years, as the Bureau of the Census did not collect this information until then. Similar information about the value of Medicaid and Medicare is also available, but the family-level data needed to allocate employer-provided health insurance benefits are not. The value of Medicaid and Medicare benefits is therefore excluded to avoid skewing the distribution of income toward low-income families.

Unless stated otherwise, posttax AFI always includes the cash value of noncash food and housing benefits.

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The growth in average posttax AFI between 1979 and 1989 is generally similar to the growth in pretax AFI, both for families overall and for each income quintile. The most notable

difference between the two measures is in their levels:  
 average  
 posttax AFI was about 8 percent higher than average pretax  
 AFI  
 for the lowest quintile in 1989, but about 20 percent lower  
 for  
 the highest quintile. The difference in the two measures  
 reflects the addition of food and housing benefits to the  
 incomes of families in the lowest quintile and the  
 subtraction  
 of taxes from incomes of families in the highest quintile.

Income shares. Another way of tracking income trends is  
 to  
 look at changes in the percentage share of income received  
 by  
 families in each quintile. Income shares measure whether  
 families have gained or lost in relative terms. That is, a  
 given quintile may receive a smaller share of real income  
 even  
 as its average income has increased.

All four income measures show broadly similar trends in  
 the  
 share of income received by each quintile (see table H-19).  
 Between 1973 and 1989, the shares of each of the lowest  
 three  
 quintiles fell, and the share of the top quintile rose. The  
 measures show different patterns of shares at any point in  
 time, however. In 1989, for example, the share of the top  
 quintile was 47.1 percent when measured as family cash  
 income,  
 compared with 42.1 percent when measured as posttax AFI.

TABLE H-19.--SHARES OF FAMILY INCOME, BY INCOME  
 QUINTILE FOR  
 SELECTED YEARS, 1967-92 FOR ALL FAMILIES  
 [In percent]

		1967	1973	1979
1989	Quintile			
	1992			

-----

## I. Pretax Cash Income

### A. Mean family cash income (family weighted):

Lowest.....	NA	4.0	3.9
3.6      3.4			
Second.....	NA	10.2	10.0
9.2      9.0			
Middle.....	NA	17.1	16.6
15.7     15.5			
Fourth.....	NA	25.0	25.1
24.5     24.7			
Highest.....	NA	43.7	44.4
47.1     47.4			

### B. Adjusted family income (AFI) (person weighted):\1\

Lowest.....	5.2	5.5	5.1
4.3      4.1			
Second.....	11.6	11.8	11.6
10.5     10.4			
Middle.....	16.9	17.1	17.3
16.5     16.6			
Fourth.....	23.7	23.9	24.3
24.0     24.3			
Highest.....	42.6	41.7	41.7
44.6     44.6			

### C. Family cash income per capita (person weighted):\2\

Lowest.....	NA	5.2	4.9
4.1      3.9			
Second.....	NA	11.0	11.0
10.0     9.9			
Middle.....	NA	16.1	16.3
15.6     15.7			
Fourth.....	NA	23.1	23.6
23.4     23.5			
Highest.....	NA	44.6	44.3
46.9     47.0			

## II. Posttax Income Plus Food and

Housing Benefits

D. Adjusted family income (AFI)				
(person weighted):\1\				
	Lowest.....	NA	NA	6.4
5.6	5.5			
	Second.....	NA	NA	12.6
11.4	11.3			
	Middle.....	NA	NA	17.8
17.0	17.0			
	Fourth.....	NA	NA	24.2
24.0	24.2			
	Highest.....	NA	NA	39.0
42.1	42.0			

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-----

\1\Family income divided by the poverty threshold.  
 Thresholds are based  
 on the 1989 distribution of family sizes, with no  
 adjustment for the  
 age of the head of household or the number of children.  
 \2\Total family income divided by the number of persons in  
 the family.

Source: Congressional Budget Office tabulations of data  
 from the March  
 Current Population Survey, 1968, 1974, 1980, 1990, and  
 1993.

CHART H-3. RATIO OF AVERAGE ADJUSTED FAMILY INCOME OF  
 HIGHEST QUINTILE  
 TO AVERAGE INCOME OF LOWEST QUINTILE, 1967-92

<CHART H-3>

Year

Note: Data available only for points shown.

Source: Congressional Budget Office. Calculations and  
 chart done

by committee staff.

#### TRENDS IN PRETAX CASH INCOMES BY TYPE OF FAMILY

The composition of the typical family has changed over time. Compared with 1973 and 1979, there were fewer persons in each family in 1989, on average, and married couples with children made up a smaller fraction of all families. (See table

H-20.) Additional insights can therefore be gained by looking

at changes in incomes for specific family types. This analysis

distinguishes seven types of family units:

--Married couples with children, which are families composed

of a married couple living only with their own or related children, at least one of whom is under age 18;

--Single mothers with children, which are families composed of

unmarried, divorced, separated, or widowed mothers living only with their own or related children, at least one of whom is under age 18;

--Other families with children, which are all other families

with at least one related child under age 18;

--Nonelderly childless families, which are families composed

of two or more related people living together, in which

the family head and the spouse of the head are both under age 65 and there are no children under age 18;

--Nonelderly unrelated individuals, which are people over age

17 and under age 65 who are not living with relatives;

--Elderly childless families, which are families composed

of

two or more related people living together, in  
which

either the family head or the spouse of the head is  
65

or older and there are no children under age 18;  
--Elderly unrelated individuals, which are people 65 or  
older

who are not living with relatives.

In addition, results are also presented for four  
aggregates:

--All families with children, which comprises married  
couples,

single mothers, and other families with children;

--Nonelderly childless units, which comprises nonelderly  
childless families and nonelderly unrelated  
individuals;

--Elderly childless units, which comprises elderly  
childless

families and elderly unrelated individuals;

--All families, which comprises all families and unrelated  
individuals (i.e., the noninstitutional U.S.  
population).

Unless otherwise noted, the analysis of changes in  
income  
for each family type listed above is based on quintiles  
computed for that family type. This procedure permits  
comparisons within, but not across, family types; the  
quintile  
in which a particular family is found says nothing about  
its  
place among all families, but measures its position in  
relation  
to families of the same type. (For example, individuals in  
the  
middle quintile of single mothers with children may be in  
the  
lowest quintile of the all-families grouping.)

Comparisons over time show how the incomes of families  
of a  
given type compare with similar families at another time,

not  
 how incomes have changed for a particular type of family.  
 Families may move among income quintiles as their incomes--  
 or  
 the incomes of other families--rise or fall; they may also  
 change types as their members grow older, have children,  
 marry,  
 or divorce. In addition, the average number of members and  
 earners within a given type of family may change over time,  
 as  
 may the characteristics of those persons.

TABLE H-20.--AVERAGE FAMILY SIZE AND NUMBER OF FAMILIES,  
 \1\ BY FAMILY  
 TYPE, WEIGHTED BY FAMILIES, 1973, 1979, 1989 AND  
 1992

Family type and year Percent of families	Persons per family	Number of families (thousands)
-----		
-----		
All families:\1\ 1973.....	2.84	73,166
100.0		
1979.....	2.59	84,229
100.0		
1989.....	2.42	101,663
100.0		
1992.....	2.41	105,460
100.0		
-----		
All families with children:		
1973.....	4.35	31,098
42.5		
1979.....	4.09	32,166
38.2		

1989.....	3.89	34,768
34.2		
1992.....	3.89	36,158
34.3		

-----  
Married couples with children:

1973.....	4.42	24,798
33.9		
1979.....	4.23	24,166
28.7		
1989.....	4.08	24,378
24.0		
1992.....	4.08	24,640
23.4		

-----  
Single mothers with children:

1973.....	3.50	4,126
5.6		
1979.....	3.24	5,650
6.7		
1989.....	3.02	7,123
7.0		
1992.....	3.00	8,041
7.6		

-----  
Nonelderly childless units:

1973.....	1.76	28,183
38.5		
1979.....	1.68	35,730
42.4		
1989.....	1.66	46,467
45.7		
1992.....	1.65	48,270
45.8		

-----  
Nonelderly childless families:

1973.....	2.32	16,363
-----------	------	--------

22.4		
1979.....	2.35	17,931
21.3		
1989.....	2.44	21,257
20.9		
1992.....	2.44	21,704
20.6		

-----

Nonelderly unrelated individuals:		
1973.....	1.00	11,820
16.2		
1979.....	1.00	17,799
21.1		
1989.....	1.00	25,210
24.8		
1992.....	1.00	26,567
25.2		

-----

Elderly childless units:		
1973.....	1.64	13,884
19.0		
1979.....	1.62	16,331
19.4		
1989.....	1.64	20,428
20.1		
1992.....	1.65	21,032
19.9		

-----

Elderly childless families:		
1973.....	2.17	7,590
10.4		
1979.....	2.16	8,676
10.3		
1989.....	2.23	10,600
10.4		
1992.....	2.25	10,990
10.4		

-----		
Elderly unrelated individuals:		
1973.....	1.00	6,294
8.6		
1979.....	1.00	7,655
9.1		
1989.....	1.00	9,828
9.7		
1992.....	1.00	10,041
9.5		
-----		

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 \1\ Corresponds more closely to census definition of household. Includes families of one person.

Source: Congressional Budget Office tabulations of data from the March Current Population Survey, 1974, 1980, 1990 and 1993.

Pretax AFI

Trends in incomes for different family types show more variation than trends for families overall. Between 1973 and 1989, adjusted family income grew 14.9 percent, on average, for families with children (see table H-21). This compares with an income gain of 20.4 percent for all families. Average AFI fell 16.1 percent during this period for the lowest quintile, from 88 percent of poverty to 74 percent of poverty. For the highest quintile, average AFI rose 25.6 percent, compared with 28.7 percent for all families.

Must of the divergence in incomes among families with children reflects compositional change, as families of single mothers with children became increasingly common. The

lowest  
quintile of married couples with children has a 1.1 percent  
decline in average AFI between 1973 and 1989; the lowest  
quintile of single mothers with children fared much worse,  
with  
a 23.4 percent decline during the same period. These two  
family  
types as a whole, however, showed income gains: 20.6  
percent  
for married couples with children and 16.9 percent for  
single  
mothers with children.

TABLE H-21.--AVERAGE PRETAX AFI (INCOME AS A MULTIPLE  
OF POVERTY) BY FAMILY TYPE AND INCOME QUINTILE,  
WEIGHTED BY PERSONS, 1967, 1973,  
1979, 1989, AND 1992

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Percent change					
Family type and		1967	1973	1979	
1989	1992	-----			
quintile					
1967-89	1973-89	1979-89	1989-92		
-----					
-----					
All families:					
Lowest.....		0.69	0.90	0.90	
0.86	0.77	25.1	-4.3	-4.3	-10.4
Second.....		1.54	1.94	2.06	
2.09	1.95	35.5	7.7	1.3	-6.7
Middle.....		2.26	2.82	3.07	
3.27	3.10	45.2	16.0	6.7	-5.2
Fourth.....		3.16	3.94	4.32	
4.77	4.55	50.8	20.9	10.5	-4.5
Highest.....		5.67	6.87	7.39	
8.84	8.36	56.0	28.7	19.6	-5.4

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	Total.....		2.66	3.29	3.55
3.97	3.75	49.0	20.4	11.8	-5.5

=====  
=====

All families with children:

	Lowest.....		.74	.88	.
84	.74	.65	.1	-16.1	-11.9
-12.2					
	Second.....		1.54	1.88	1.95
1.87	1.72	21.6	-.7	-4.2	-7.8
	Middle.....		2.13	2.65	2.84
2.93	2.77	37.4	10.8	3.3	-5.5
	Fourth.....		2.84	3.54	3.85
4.14	4.00	45.5	16.9	7.6	-3.4
	Highest.....		4.77	5.73	6.15
7.20	6.86	50.9	25.6	17.1	-4.7

-----  
-----

	Total.....		2.40	2.94	3.13
3.38	3.20	40.4	14.9	8.0	-5.2

=====  
=====

Married couples with children:

	Lowest.....		.89	1.16	1.18
1.14	1.07	27.9	-1.1	-2.9	-6.6
	Second.....		1.66	2.12	2.29
2.34	2.25	40.9	10.1	2.2	-3.8
	Middle.....		2.23	2.84	3.12
3.34	3.26	49.9	17.8	7.1	-2.6
	Fourth.....		2.93	3.71	4.11
4.52	4.43	54.2	21.9	10.2	-2.0
	Highest.....		4.88	5.94	6.41
7.67	7.36	57.3	29.2	19.8	-4.1

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-----

	Total.....		2.52	3.15	3.42
3.80	3.67	51.1	20.6	11.2	-3.5

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=====

Single mothers with children:

	Lowest.....		.21	.33	.
32	.25	0.23	18.6	-23.4	-22.9
-9.2					
	Second.....		.59	.71	.
75	.64	.58	9.3	-9.2	-13.8
-10.0					
	Middle.....		.91	1.03	1.22
1.14	1.06	26.0	10.7	-6.1	-7.3
	Fourth.....		1.45	1.67	2.01
2.03	1.89	39.9	21.5	.6	-6.8
	Highest.....		2.78	3.29	3.65
4.14	3.81	49.2	26.0	13.5	-8.2

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	Total.....		1.19	1.41	1.59
1.64	1.51	38.5	16.9	3.2	-7.9

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Nonelderly childless units:

	Lowest.....		.80	1.22	1.24
1.19	1.07	49.3	-1.8	-3.9	-10.5
	Second.....		2.19	2.81	2.91
2.94	2.75	34.0	4.5	.9	-6.6
	Middle.....		3.28	4.09	4.27
4.45	4.24	35.6	8.9	4.2	-4.7
	Fourth.....		4.47	5.49	5.78
6.29	6.00	40.8	14.5	8.8	-4.6
	Highest.....		7.42	8.95	9.35
10.94	10.38	47.4	22.3	17.1	-5.2

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	Total.....		3.63	4.51	4.71
5.16	4.89	42.1	14.4	9.6	-5.3

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Nonelderly childless families:

	Lowest.....		1.03	1.74	1.85
1.80	1.71	74.2	3.5	-2.8	-4.9
	Second.....		2.47	3.31	3.59
3.68	3.55	49.1	11.1	2.5	-3.4
	Middle.....		3.52	4.53	4.89
5.20	5.03	48.0	15.0	6.3	-3.4
	Fourth.....		4.70	5.88	6.33
7.03	6.77	49.6	19.5	11.1	-3.7
	Highest.....		7.65	9.33	9.94
11.72	11.19	53.3	25.7	17.9	-4.6

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	Total.....		3.87	4.96	5.32
5.89	5.65	52.0	18.8	10.7	-4.0

Nonelderly unrelated individuals:

	Lowest.....		.32	.51	.
61	.61	.51	90.4	19.4	-.4
-16.4					
	Second.....		1.14	1.49	1.72
1.83	1.63	61.1	23.1	6.4	-11.3
	Middle.....		2.12	2.53	2.78
3.00	2.74	41.5	18.8	8.0	-8.7
	Fourth.....		3.23	3.82	4.03
4.46	4.15	37.9	16.9	10.6	-7.0
	Highest.....		5.88	7.00	7.11
8.48	7.83	44.3	21.2	19.3	-7.7

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	Total.....		2.54	3.07	3.25
3.68	3.37	44.9	19.9	13.1	-8.4

=====

Elderly childless  
units:

Lowest.....	.48	.76	.
84 .95 .90	96.8	24.7	13.4
-6.1			
Second.....	.95	1.34	1.50
1.73 1.69 82.6	28.6	14.8	-2.0
Middle.....	1.48	1.97	2.26
2.64 2.52 78.1	34.1	16.9	-4.4
Fourth.....	2.40	3.02	3.38
4.02 3.73 67.3	33.2	19.1	-7.4
Highest.....	5.32	6.54	6.85
8.63 7.86 62.1	32.0	26.0	-8.9

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Total.....	2.13	2.73	2.97
3.59 3.34 68.9	31.8	21.2	-7.1

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Elderly childless  
families:

Lowest.....	.60	.96	1.06
1.20 1.13 100.2	25.3	13.5	-5.7
Second.....	1.16	1.63	1.86
2.15 2.09 85.9	31.5	15.2	-2.8
Middle.....	1.77	2.34	2.67
3.14 2.97 77.6	34.0	17.4	-5.3
Fourth.....	2.76	3.50	3.83
4.61 4.20 67.2	31.8	20.3	-8.9
Highest.....	5.73	7.12	7.37
9.54 8.58 66.7	34.0	29.4	-10.1

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Total.....	2.40	3.11	3.36
4.13 3.79 72.0	32.7	22.9	-8.1

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Elderly unrelated  
individuals:

Lowest.....	.35	.54	.
64 .73 .70 109.0	35.7	13.6	-4.0
Second.....	.63	.93	1.02
1.17 1.12 86.1	26.1	14.7	-4.5
Middle.....	.86	1.23	1.37
1.62 1.59 88.9	32.2	18.2	-2.4
Fourth.....	1.29	1.73	2.05
2.46 2.32 91.2	42.1	20.2	-5.8
Highest.....	3.44	4.08	4.83
5.58 5.41 62.3	36.8	15.5	-3.1

-----

Total.....	1.31	1.70	1.98
2.31 2.23 76.3	36.0	16.7	-3.8

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Note: Poverty thresholds are based on the 1989 distribution of family sizes, with no adjustment for the age of the head of household or the number of children. Quintiles are based on the number of persons.

Source: Congressional Budget Office tabulations of data from the March Current Population Survey, 1968, 1974, 1980, 1990, and 1993.

Elderly persons experienced income gains across the board between 1973 and 1989. For elderly childless units, which include both single persons and married couples, average AFI rose 24.7 percent for the lowest quintile and 32.0 percent for the highest quintile. Despite their gains, the elderly generally had much lower incomes than the nonelderly. In

1989,  
for example, the average income of elderly childless units was about 3.6 times poverty; the average income of nonelderly childless units, by comparison, was about 5.2 times poverty.

The effects of differences in rates of growth in incomes by quintile show up directly in data on income shares. The share of total family income received by families in the lowest quintile declined, while the share received by the highest quintile increased between 1973 and 1989 (see table H-22).

#### Average family cash income

For all families, average cash income grew more slowly than average pre-tax AFI between 1973 and 1989. This was also generally true for specific family types. At the same time, those groups of families whose average cash incomes declined, had more pronounced decreases than occurred in pretax AFI.

Average family cash income grew 5.8 percent for families with children between 1973 and 1989, with most of the growth taking place between 1979 and 1989 (see table H-23). The average for the lowest quintile fell 26.7 percent during the 1973 to 1989 period, while the average for the highest quintile rose 16.4 percent. As with pretax AFI, compositional change is important for interpreting changes in incomes among families with children. The 5.5 percent decrease in average family cash income for the lowest quintile of married couples with children was much smaller than the 26.9 percent decline for single

mothers with children.

Because the change in family size among elderly persons was almost negligible over the period, their trend in average family cash incomes is almost identical to the trend in average pretax AFI. Elderly childless units, which comprise married couples and unrelated individuals, experienced income gains in every quintile between 1973 and 1989.

In percentage terms, average family cash income increased slightly less among nonelderly childless units between 1973 and 1989 than did pretax AFI: 10.4 percent, compared with 14.4 percent. Among both nonelderly childless families and individuals separately, average family cash income increased for every quintile between 1973 and 1989.

Table H-24 shows family cash income limits (the income cutoffs between quintiles) by quintile and family type. Between 1973 and 1992, income limits among families with children have declined or grown slowly while those for the elderly have increased, in some cases significantly. Across all family types, income limits among the higher quintiles have increased more than among the lower quintiles.

For most family types, the share of average family cash income received by the highest quintile is slightly higher than that quintile's share of pretax AFI (see table H-25). The trend in these shares between 1973 and 1989, and between 1979 and 1989 is generally similar.

Income trends year by year

Tables H-26 and H-27 show average pretax AFI and average

family cash income by type of family and income quintile for selected years before 1979 and all years thereafter.

TABLE H-22.--SHARES OF PRETAX ADJUSTED FAMILY INCOME (AFI) BY FAMILY TYPE AND INCOME QUINTILE, 1967, 1973, 1979, 1989, AND 1992

Family type and quintile		1967	1973	1979
1989	1992			
All families:				
	Lowest.....	5.2	5.5	5.1
4.3	4.1			
	Second.....	11.6	11.8	11.6
10.5	10.4			
	Middle.....	16.9	17.1	17.3
16.5	16.6			
	Fourth.....	23.7	23.9	24.3
24.0	24.3			
	Highest.....	42.6	41.7	41.7
44.6	44.6			
All families with children:				
	Lowest.....	6.2	6.0	5.4
4.4	4.1			
	Second.....	12.8	12.8	12.5
11.1	10.8			
	Middle.....	17.8	18.0	18.2
17.4	17.3			
	Fourth.....	23.7	24.1	24.6
24.5	25.0			
	Highest.....	39.7	39.0	39.3
42.6	42.9			
Married couples with children:				
	Lowest.....	7.1	7.3	6.9
6.0	5.8			
	Second.....	13.2	13.5	13.4
12.3	12.2			

Middle.....	17.7	18.0	18.2
17.6 17.7			
Fourth.....	23.3	23.5	24.0
23.8 24.1			
Highest.....	38.7	37.7	37.5
40.3 40.1			
Single mothers with children:			
Lowest.....	3.5	4.6	4.1
3.0 3.0			
Second.....	9.9	10.1	9.4
7.9 7.7			
Middle.....	15.3	14.7	15.3
13.9 14.0			
Fourth.....	24.4	23.7	25.3
24.7 25.0			
Highest.....	46.8	46.8	45.9
50.5 50.3			
Nonelderly childless units:			
Lowest.....	4.4	5.4	5.3
4.6 4.4			
Second.....	12.1	12.5	12.4
11.4 11.2			
Middle.....	18.1	18.1	18.1
17.2 17.4			
Fourth.....	24.6	24.4	24.5
24.4 24.6			
Highest.....	40.9	39.7	39.7
42.4 42.5			
Nonelderly childless families:			
Lowest.....	5.3	7.0	7.0
6.1 6.1			
Second.....	12.7	13.4	13.5
12.5 12.6			
Middle.....	18.2	18.3	18.4
17.7 17.8			
Fourth.....	24.3	23.7	23.8
23.9 24.0			
Highest.....	39.5	37.6	37.4
39.8 39.6			

Nonelderly unrelated

individuals:				
	Lowest.....	2.5	3.3	3.8
3.3	3.0			
	Second.....	9.0	9.7	10.6
10.0	9.6			
	Middle.....	16.7	16.5	17.1
16.3	16.3			
	Fourth.....	25.5	24.9	24.8
24.3	24.6			
	Highest.....	46.3	45.6	43.8
46.1	46.5			
Elderly childless units:				
	Lowest.....	4.6	5.6	5.7
5.3	5.4			
	Second.....	8.9	9.9	10.1
9.6	10.1			
	Middle.....	13.9	14.4	15.2
14.7	15.1			
	Fourth.....	22.6	22.1	22.8
22.4	22.3			
	Highest.....	50.0	48.0	46.2
48.0	47.1			
Elderly childless families:				
	Lowest.....	5.0	6.1	6.3
5.8	6.0			
	Second.....	9.6	10.5	11.1
10.4	11.0			
	Middle.....	14.7	15.1	15.9
15.2	15.7			
	Fourth.....	23.0	22.5	22.8
22.4	22.1			
	Highest.....	47.7	45.8	43.9
46.2	45.2			
Elderly unrelated individuals:				
	Lowest.....	5.3	6.3	6.5
6.3	6.3			
	Second.....	9.6	10.9	10.3
10.1	10.1			
	Middle.....	13.1	14.4	13.8
14.0	14.2			
	Fourth.....	19.6	20.4	20.7

21.3	20.9			
Highest.....		52.4	47.9	48.7
48.2	48.6			

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 Note: Poverty thresholds are based on the 1989 distribution of family sizes, with no adjustment for the age of the head of household or the number of children. Quintiles are based on the number of persons.

Source: Congressional Budget Office tabulations of data from the March Current Population Survey, 1968, 1974, 1980, 1990, and 1993.

TABLE H-23.--AVERAGE FAMILY CASH INCOME BY FAMILY TYPE AND INCOME QUINTILE 1973, 1979, 1989, AND 1992 [In 1989 dollars]

Percent change						
Family type and income quintile						1973
1979	1989	1992	-----			
1973-89	1979-89	1989-92	-----			
-----						
All families:						
Lowest.....						6,061
5,994	5,866	5,256	-3.2	-2.1	-10.4	
Second.....						15,416
15,306	15,107	13,885	-2.0	-1.3	-8.1	
Middle.....						25,909
25,609	25,823	24,118	-0.3	0.8	-6.6	
Fourth.....						37,946
38,680	40,374	38,367	6.4	4.4	-5.0	

Highest.....						66,364
68,230	77,716	73,487	17.1	13.9	-5.4	

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Total.....						30,341
30,764	32,978	31,022	8.7	7.2	-5.9	

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All families with children:

Lowest.....						10,529
9,369	7,714	6,568	-26.7	-17.7	-14.9	

Second.....						23,176
22,365	20,664	18,561	-10.8	-7.6	-10.2	

Middle.....						32,616
33,317	33,067	31,038	1.4	-0.8	-6.1	

Fourth.....						43,426
44,940	47,217	45,427	8.7	5.1	-3.8	

Highest.....						70,420
72,971	81,966	78,057	16.4	12.3	-4.8	

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Total.....						36,034
36,592	38,127	35,929	5.8	4.2	-5.8	

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Married couples with children:

Lowest.....						15,450
15,148	14,606	13,491	-5.5	-3.6	-7.6	

Second.....						27,170
28,294	28,660	27,471	5.5	1.3	-4.1	

Middle.....						35,513
37,693	39,683	39,023	11.7	5.3	-1.7	

Fourth.....						45,783
48,616	53,106	52,147	16.0	9.2	-1.8	

Highest.....						72,842
76,547	88,168	84,522	21.0	15.2	-4.1	

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 Total..... 39,352  
 41,260 44,846 43,327 14.0 8.7 -3.4

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Single mothers with children:  
 Lowest..... 3,505  
 3,338 2,563 2,308 -26.9 -23.2 -9.9  
 Second..... 7,931  
 8,122 6,737 6,086 -15.1 -17.1 -9.7  
 Middle..... 11,922  
 13,136 11,803 10,736 -1.0 -10.1 -9.0  
 Fourth..... 17,867  
 19,904 19,427 18,201 8.7 -2.4 -6.3  
 Highest..... 33,430  
 35,714 38,394 35,263 14.8 7.5 -8.2

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 Total..... 14,930  
 16,043 15,792 14,517 5.8 -1.6 -8.1

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Nonelderly childless units:  
 Lowest..... 5,809  
 5,863 5,727 4,990 -1.4 -2.3 -12.9  
 Second..... 15,886  
 15,808 15,840 14,496 -.3 0.2 -8.5  
 Middle..... 25,562  
 25,397 26,154 24,570 2.3 3.0 -6.1  
 Fourth..... 37,670  
 38,217 40,549 38,624 7.6 6.1 -4.7  
 Highest..... 67,136  
 69,142 79,550 74,864 18.5 15.1 -5.9

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 Total..... 30,412

30,886 33,565 31,507 10.4 8.7 -6.1

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Nonelderly childless families:

Lowest.....	13,044
13,881 13,712 13,240 5.1 -1.2 -3.4	
Second.....	25,352
27,773 28,880 28,100 13.9 4.0 -2.7	
Middle.....	35,256
38,599 41,716 40,551 18.3 8.1 -2.8	
Fourth.....	47,199
51,058 57,713 55,483 22.3 13.0 -3.9	
Highest.....	76,867
83,026 98,413 93,304 28.0 18.5 -5.2	

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Total.....	39,543
42,867 48,093 46,127 21.6 12.2 -4.1	

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Nonelderly unrelated individuals

Lowest.....	2,948
3,504 3,522 2,950 19.5 .5 -16.2	
Second.....	8,620
9,957 10,621 9,437 23.2 6.7 -11.1	
Middle.....	14,628
16,065 17,389 15,898 18.9 8.2 -8.6	
Fourth.....	22,105
23,330 25,849 24,075 16.9 10.8 -6.9	
Highest.....	40,555
41,215 49,182 45,457 21.3 19.3 -7.6	

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Total.....	17,770
18,814 21,315 19,563 20.0 13.3 -8.2	

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Elderly childless units:

Lowest.....						4,148
4,632	5,221	4,945	25.9	12.7	-5.3	
Second.....						7,556
8,367	9,665	9,410	27.9	15.5	-2.6	
Middle.....						11,628
13,325	15,446	14,936	32.8	15.9	-3.3	
Fourth.....						18,576
21,202	25,021	23,750	34.7	18.0	-5.1	
Highest.....						45,276
47,577	59,036	54,327	30.4	24.1	-8.0	

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Total.....						17,436
19,021	22,880	21,473	31.2	20.3	-6.2	

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Elderly childless families:

Lowest.....						7,083
7,864	8,940	8,514	26.2	13.7	4.8	
Second.....						12,074
13,841	15,967	15,666	32.2	15.4	1.9	
Middle.....						17,200
19,750	23,381	22,497	35.9	18.4	-3.8	
Fourth.....						26,124
28,889	34,869	32,016	33.5	20.7	-8.2	
Highest.....						56,136
57,963	75,091	67,731	33.8	29.5	-9.8	

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Total.....						23,723
25,661	31,657	29,282	33.4	23.4	-7.5	

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Elderly unrelated individuals:

Lowest.....						3,108
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3,717	4,221	4,061	35.8	13.6	-3.8	
Second.....						5,393
5,932	6,806	6,513	26.2	14.7	-4.3	
Middle.....						7,114
7,963	9,414	9,206	32.3	18.2	-2.2	
Fourth.....						10,046
11,881	14,286	13,482	42.2	20.2	-5.6	
Highest.....						23,626
27,984	32,331	31,387	36.8	15.5	-2.9	

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Total.....						9,857
11,495	13,414	12,925	36.1	16.7	-3.6	

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Note: Quintiles are based on the number of families.

Source: Congressional Budget Office tabulations of data from the March Current Population Survey, 1974, 1980, 1990, and 1993.

TABLE H-24.--FAMILY CASH INCOME LIMITS BY QUINTILE AND FAMILY TYPE

[In 1989

dollars]

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Year	Percent change				
	Family type				
					1973
1979	1989	1992	1973-79	1979-89	1973-92

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All families:

					10,561
10,604	10,452	9,545	0	-1	-9.6

Second.....						20,595
20,099	20,005	18,560	-2	0		-9.9
Middle.....						31,540
31,679	32,050	30,306	0	1		-3.9
Fourth.....						45,759
46,951	50,319	48,212	3	7		5.4
All families with children:						
Lowest.....						17,778
16,749	14,472	12,621	-6	-14		-29.0
Second.....						28,049
28,063	26,944	24,659	0	-4		-12.1
Middle.....						37,353
38,583	39,400	37,719	3	2		1.0
Fourth.....						50,745
52,386	56,415	54,708	3	8		7.8
Married couples with children:						
Lowest.....						22,606
22,946	22,678	21,505	2	-1		-4.9
Second.....						31,540
33,230	34,110	33,408	5	3		5.9
Middle.....						39,934
42,350	45,524	44,810	6	7		12.2
Fourth.....						52,937
56,109	62,200	60,895	6	11		15.0
Single mothers with children:						
Lowest.....						6,150
6,080	4,770	4,266	-1	-22		-30.6
Second.....						9,909
10,391	9,000	7,954	5	-13		-19.7
Middle.....						14,456
16,317	15,000	13,699	13	-8		-5.2
Fourth.....						21,933
24,286	24,935	23,008	11	3		4.9
Nonelderly childless unit:						
Lowest.....						11,039
11,222	11,053	9,877	2	-2		-10.5
Second.....						20,737
20,137	20,551	19,267	-3	2		-7.1
Middle.....						31,182
31,011	32,100	30,693	-1	4		-1.6
Fourth.....						45,982

46,911	50,681	48,669	2	8	5.8
Nonelderly childless families:					
Lowest.....					20,209
22,058	22,500	21,600	9	2	6.9
Second.....					30,257
33,377	35,010	34,344	10	5	13.5
Middle.....					40,665
44,217	48,900	47,196	9	11	16.1
Fourth.....					55,194
59,638	68,739	65,793	8	15	19.2
Nonelderly unrelated individuals:					
Lowest.....					5,677
6,782	7,200	6,364	19	6	12.1
Second.....					11,617
13,064	14,000	12,556	12	7	8.1
Middle.....					18,348
19,285	21,020	19,462	5	9	6.1
Fourth.....					26,591
28,390	31,635	29,343	7	11	10.4
Elderly childless units:					
Lowest.....					6,069
6,579	7,466	7,128	8	13	17.5
Second.....					9,330
10,562	12,215	11,803	13	16	26.5
Middle.....					14,230
16,473	19,249	18,477	16	17	29.8
Fourth.....					24,443
27,246	32,371	30,200	11	19	23.6
Elderly childless families:					
Lowest.....					9,967
11,284	12,767	12,565	13	13	26.1
Second.....					14,301
16,600	19,454	18,782	16	17	31.3
Middle.....					20,711
23,147	28,000	26,419	12	21	27.6
Fourth.....					33,353
36,412	43,400	39,294	9	19	17.8
Elderly unrelated individuals:					
Lowest.....					4,452
5,001	5,688	5,437	12	14	22.1

						6,274
6,860	7,904	7,645	9	15		21.9
						8,129
9,493	11,368	10,924	17	20		34.4
						12,490
15,074	18,061	16,992	21	20		36.1
Other families with children:						
						18,713
16,556	14,008	11,638	-12	-15		-37.8
						28,793
27,611	24,100	21,212	-4	-13		-26.3
						40,145
39,715	36,150	31,871	-1	-9		-20.6
						55,066
55,759	55,075	49,455	1	-1		-10.2

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 Source: Congressional Budget Office tabulations of data from the March Current Population Survey, 1974, 1980, 1990, and 1993.

TABLE H-25.--SHARES OF FAMILY CASH INCOME, BY INCOME QUINTILE AND FAMILY TYPE, 1973, 1979, 1989, AND 1992 [In percent]

Family type and quintile		1973	1979
1989	1992		
-----			
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All families:			
		4.0	3.9
3.6	3.4		
		10.2	10.0
9.2	9.0		
		17.1	16.6
15.7	15.5		
		25.0	25.1
24.5	24.7		

Highest.....	43.7	44.4
47.1      47.4		
All families with children:		
Lowest.....	5.8	5.1
4.0      3.7		
Second.....	12.9	12.2
10.8      10.3		
Middle.....	18.1	18.2
17.3      17.3		
Fourth.....	24.1	24.6
24.8      25.3		
Highest.....	39.1	39.9
43.0      43.4		
Married couples with children:		
Lowest.....	7.9	7.3
6.5      6.2		
Second.....	13.8	13.7
12.8      12.7		
Middle.....	18.0	18.3
17.7      18.0		
Fourth.....	23.3	23.6
23.7      24.1		
Highest.....	37.0	37.1
39.3      39.0		
Single mothers with children:		
Lowest.....	4.7	4.2
3.2      3.2		
Second.....	10.6	10.1
8.5      8.4		
Middle.....	16.0	16.4
14.9      14.8		
Fourth.....	23.9	24.8
24.6      25.1		
Highest.....	44.8	44.5
48.6      48.6		
Nonelderly childless units:		
Lowest.....	3.8	3.8
3.4      3.2		
Second.....	10.4	10.2
9.4      9.2		
Middle.....	16.8	16.4

15.6	15.6		
	Fourth.....	24.8	24.7
24.2	24.5		
	Highest.....	44.2	44.8
47.4	47.5		
Nonelderly childless families:			
	Lowest.....	6.6	6.5
5.7	5.7		
	Second.....	12.8	13.0
12.0	12.2		
	Middle.....	17.8	18.0
17.3	17.6		
	Fourth.....	23.9	23.8
24.0	24.1		
	Highest.....	38.9	38.7
40.9	40.4		
Nonelderly unrelated individuals:			
	Lowest.....	3.3	3.7
3.3	3.0		
	Second.....	9.7	10.6
10.0	9.6		
	Middle.....	16.5	17.1
16.3	16.3		
	Fourth.....	24.9	24.8
24.3	24.6		
	Highest.....	45.6	43.8
46.1	46.5		
Elderly childless units:			
	Lowest.....	4.8	4.9
4.6	4.6		
	Second.....	8.7	8.8
8.4	8.8		
	Middle.....	13.3	14.0
13.5	13.9		
	Fourth.....	21.3	22.3
21.9	22.1		
	Highest.....	51.9	50.0
51.6	50.6		
Elderly childless families:			
	Lowest.....	6.0	6.1

5.6	5.8		
	Second.....	10.2	10.8
10.1	10.7		
	Middle.....	14.5	15.4
14.8	15.4		
	Fourth.....	22.0	22.5
22.0	21.9		
	Highest.....	47.3	45.2
47.4	46.3		
Elderly unrelated individuals:			
	Lowest.....	6.3	6.5
6.3	6.3		
	Second.....	10.9	10.3
10.1	10.1		
	Middle.....	14.4	13.9
14.0	14.2		
	Fourth.....	20.4	20.7
21.3	20.9		
	Highest.....	47.9	48.7
48.2	48.6		

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Note: Quintiles are based on the number of families.

Source: Congressional Budget Office tabulations of data from the March Current Population Survey, 1974, 1980, 1990, and 1993.

TABLE H-26.--AVERAGE PRETAX AFI (INCOME AS A MULTIPLE OF POVERTY) BY  
FAMILY TYPE AND INCOME QUINTILE, 1973-92

		1973	1979	1989	1990
1991	1992				
-----					
-----					
All families:					
	Lowest.....	0.93	0.92	0.87	0.84
0.80	0.78				

Second.....	1.97	2.09	2.10	2.04
1.98 1.96				
Middle.....	2.85	3.09	3.28	3.18
3.12 3.11				
Fourth.....	3.94	4.31	4.75	4.63
4.54 4.55				
Highest.....	6.86	7.36	8.80	8.52
8.34 8.32				

---

Total.....	3.31	3.55	3.96	3.84
3.76 3.74				

=====

All families with children:

Lowest.....	0.91	0.85	0.74	0.71
0.66 0.65				
Second.....	1.91	1.96	1.86	1.79
1.72 1.72				
Middle.....	2.67	2.85	2.92	2.79
2.76 2.76				
Fourth.....	3.55	3.84	4.12	3.97
3.96 3.98				
Highest.....	5.72	6.11	7.14	6.89
6.76 6.82				

---

Total.....	2.95	3.12	3.36	3.23
3.17 3.18				

=====

Married couples with children:

Lowest.....	1.19	1.20	1.15	1.12
1.07 1.07				
Second.....	2.15	2.30	2.34	2.27
2.24 2.25				
Middle.....	2.86	3.13	3.34	3.22
3.23 3.26				
Fourth.....	3.72	4.11	4.51	4.41

4.39	4.43				
	Highest.....	5.93	6.38	7.63	7.39
7.28	7.33				

---

	Total.....	3.17	3.42	3.80	3.68
3.64	3.67				

=====

Single mothers with children:

	Lowest.....	0.33	0.33	0.25	0.25
0.24	0.23				
	Second.....	0.72	0.75	0.64	0.61
0.59	0.58				
	Middle.....	1.05	1.22	1.13	1.07
1.02	1.05				
	Fourth.....	1.67	2.01	1.98	1.90
1.86	1.85				
	Highest.....	3.32	3.67	4.03	3.79
3.77	3.71				

---

	Total.....	1.42	1.60	1.61	1.52
1.49	1.48				

=====

Nonelderly childless units:

	Lowest.....	1.21	1.23	1.17	1.13
1.10	1.05				
	Second.....	2.79	2.88	2.89	2.84
2.76	2.70				
	Middle.....	4.04	4.22	4.38	4.30
4.20	4.18				
	Fourth.....	5.42	5.70	6.20	6.03
5.93	5.92				
	Highest.....	8.83	9.23	10.77	10.45
10.26	10.22				

---

	Total.....	4.46	4.65	5.08	4.95
4.85	4.81				

=====

Nonelderly childless families:

	Lowest.....	1.73	1.84	1.77	1.78
1.74	1.68				
	Second.....	3.28	3.56	3.62	3.60
3.51	3.50				
	Middle.....	4.48	4.85	5.14	5.06
4.95	4.96				
	Fourth.....	5.82	6.26	6.94	6.77
6.66	6.69				
	Highest.....	9.22	9.84	11.55	11.26
11.05	11.03				

	Total.....	4.91	5.27	5.80	5.69
5.58	5.57				

=====

Nonelderly unrelated individuals:

	Lowest.....	0.50	0.60	0.59	0.57
0.55	0.50				
	Second.....	1.47	1.69	1.79	1.70
1.65	1.59				
	Middle.....	2.49	2.73	2.93	2.86
2.78	2.68				
	Fourth.....	3.74	3.93	4.36	4.24
4.17	4.06				
	Highest.....	6.78	6.88	8.30	7.95
7.84	7.66				

	Total.....	3.00	3.17	3.60	3.46
3.40	3.30				

=====

Elderly childless units:				
Lowest.....	0.82	0.90	1.01	1.00
0.99 0.95				
Second.....	1.44	1.61	1.84	1.86
1.84 1.80				
Middle.....	2.11	2.42	2.80	2.83
2.73 2.68				
Fourth.....	3.22	3.60	4.25	4.21
3.97 3.95				
Highest.....	6.95	7.28	9.10	8.92
8.50 8.30				

---

Total.....	2.91	3.16	3.80	3.76
3.60 3.53				

=====

Elderly childless families:

Lowest.....	1.03	1.13	1.27	1.29
1.30 1.20				
Second.....	1.76	2.00	2.28	2.33
2.29 2.22				
Middle.....	2.51	2.85	3.32	3.37
3.20 3.15				
Fourth.....	3.71	4.08	4.86	4.77
4.51 4.44				
Highest.....	7.58	7.83	10.05	9.82
9.42 9.05				

---

Total.....	3.32	3.58	4.36	4.31
4.15 4.01				

=====

Elderly unrelated individuals:

Lowest.....	0.57	0.68	0.77	0.74
0.74 0.74				
Second.....	0.99	1.09	1.25	1.21
1.19 1.19				

Middle.....	1.31	1.46	1.72	1.73
1.69 1.68				
Fourth.....	1.85	2.19	2.61	2.62
2.50 2.46				
Highest.....	4.35	5.15	5.92	5.92
5.50 5.74				
-----				
Total.....	1.81	2.12	2.45	2.44
2.32 2.36				
-----				

Note: Adjusted family income equals pretax family cash income divided by the poverty threshold. Entries in this table are based on poverty thresholds that take age, gender, and rural residence into account, and are therefore not directly comparable with other tables in this section. Quintiles are based on the number of persons. In 1989, the Bureau of the Census revised its method of processing data from the Current Population Survey, which made the incomes of some families higher than what they would have been using the old method. For further discussion, see U.S. Bureau of the Census, ``Money Income and Poverty Status in the United States: 1988,`` Current Population Reports, Series P-60, No. 166, October 1989.

Source: Congressional Budget Office tabulations of data from the March Current Population Survey, 1974-93.

TABLE H-27.--AVERAGE FAMILY INCOME BY INCOME QUINTILE AND FAMILY TYPE, 1973-1992

[In 1989

dollars]

-----  
-----

1973            1979            1989            1990            1991            1992

-----  
-----

All families:

Lowest.....					
6,061	5,994	5,866	5,649	5,429	5,256
Second.....					
15,416	15,306	15,107	14,781	14,241	13,885
Middle.....					
25,909	25,609	25,823	25,191	24,387	24,118
Fourth.....					
37,946	38,680	40,374	39,269	38,446	38,367
Highest.....					
66,364	68,230	77,716	75,429	73,680	73,487

-----

Total.....					
30,341	30,764	32,978	32,063	31,236	31,022

=====

All families with children:

Lowest.....					
10,529	9,369	7,714	7,317	6,730	6,568
Second.....					
23,176	22,365	20,664	19,834	19,024	18,561
Middle.....					
32,616	33,317	33,067	31,916	31,239	31,038
Fourth.....					
43,426	44,940	47,217	45,964	45,285	45,427
Highest.....					
70,420	72,971	81,966	79,427	77,681	78,057

-----

Total.....					
36,034	36,592	38,127	36,890	35,989	35,929

=====  
Married couples with children:

Lowest.....					
15,450	15,148	14,606	14,186	13,569	13,491
Second.....					
27,170	28,294	28,660	27,960	27,497	27,471
Middle.....					
35,513	37,693	39,683	38,810	38,583	39,023
Fourth.....					
45,783	48,616	53,106	52,275	52,042	52,147
Highest.....					
72,842	76,547	88,168	85,483	84,140	84,522

-----

Total.....					
39,352	41,260	44,846	43,741	43,163	43,327

=====  
Single mothers with children:

Lowest.....					
3,505	3,338	2,563	2,529	2,461	2,308
Second.....					
7,931	8,122	6,737	6,499	6,247	6,086
Middle.....					
11,922	13,136	11,803	11,238	10,785	10,736
Fourth.....					
17,867	19,904	19,427	18,703	18,503	18,201
Highest.....					
33,430	35,714	38,394	36,228	36,019	35,263

-----

Total.....					
14,930	16,043	15,792	15,036	14,797	14,517

=====  
Nonelderly childless units:

Lowest.....					
5,809	5,863	5,727	5,425	5,287	4,990
Second.....					
15,886	15,808	15,840	15,448	14,985	14,496
Middle.....					

25,562	25,397	26,154	25,518	24,961	24,570
Fourth.....					
37,670	38,217	40,549	39,503	38,897	38,624
Highest.....					
67,136	69,142	79,550	77,006	75,405	74,864

---

Total.....					
30,412	30,886	33,565	32,578	31,903	31,507

=====  
Nonelderly childless families:

Lowest.....					
13,044	13,881	13,712	13,969	13,670	13,240
Second.....					
25,352	27,773	28,880	28,802	28,067	28,100
Middle.....					
35,256	38,599	41,716	41,203	40,572	40,551
Fourth.....					
47,199	51,058	57,713	56,552	55,733	55,483
Highest.....					
76,867	83,026	98,413	96,054	93,869	93,304

---

Total.....					
39,543	42,867	48,093	47,311	46,380	46,127

=====  
Nonelderly unrelated individuals:

Lowest.....					
2,948	3,504	3,522	3,362	3,273	2,950
Second.....					
8,620	9,957	10,621	10,077	9,782	9,437
Middle.....					
14,628	16,065	17,389	16,950	16,484	15,898
Fourth.....					
22,105	23,330	25,849	25,189	24,776	24,075
Highest.....					
40,555	41,215	49,182	47,167	46,520	45,457

---

Total.....					
17,770	18,814	21,315	20,546	20,166	19,563

=====

Elderly childless units:

Lowest.....					
4,148	4,632	5,221	5,060	4,984	4,945
Second.....					
7,556	8,367	9,665	9,724	9,561	9,410
Middle.....					
11,628	13,325	15,446	15,702	15,226	14,936
Fourth.....					
18,576	21,202	25,021	25,097	23,771	23,750
Highest.....					
45,276	47,577	59,036	58,134	55,280	54,327

-----

Total.....					
17,436	19,021	22,880	22,741	21,761	21,473

=====

Elderly childless families:

Lowest.....					
7,083	7,864	8,940	9,138	9,096	8,514
Second.....					
12,074	13,841	15,967	16,468	16,185	15,666
Middle.....					
17,200	19,750	23,381	23,917	22,861	22,497
Fourth.....					
26,124	28,889	34,869	34,665	32,736	32,016
Highest.....					
56,136	57,963	75,091	73,345	70,387	67,731

-----

Total.....					
23,723	25,661	31,657	31,503	30,247	29,282

=====

Elderly unrelated individuals:

Lowest.....					
3,108	3,717	4,221	4,038	4,022	4,061

Second.....					
5,393	5,932	6,806	6,616	6,498	6,513
Middle.....					
7,114	7,963	9,414	9,468	9,233	9,206
Fourth.....					
10,046	11,881	13,973	14,286	13,692	13,482
Highest.....					
23,626	27,984	32,331	32,398	30,106	31,387

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Total.....					
9,857	11,495	13,414	13,367	12,707	12,925

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Note: Quintiles are based on the number of families. In 1989, the Bureau of the Census revised its methods of processing data from the Current Population Survey, which made the incomes of some families higher than what they would have been using the old method. For further discussion, see U.S. Bureau of the Census, "Money Income and Poverty Status in the United States: 1988," Current Population Reports, Series, P-60, No. 166, October 1989.

Sources: Congressional Budget Office tabulations of data from the March Current Population Survey, 1974-93.

