



Research Brief

The Commonwealth's Official Source for Population and Economic Statistics

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U.S. Census Bureau Releases Reports on Income and Poverty

MIDDLETOWN, Pa – The U.S. Census Bureau released its annual reports on income and poverty on Friday, September 26, 2003. These reports are compiled from responses to the Current Population Survey conducted by the U.S. Census Bureau.

Income and Poverty Definitions

The 2002 income report will introduce alternative methods of defining income. Income has historically been based on the amount of money that persons or households receive during the calendar year. This year, alternative measures of income are examined to attempt to include the impact that noncash items such as employer-provided health benefits, food stamps and rent subsidies can have on a person's economic well-being. In addition, respondents to the Current Population Survey were allowed to report themselves in more than one racial group for the first time.

The U.S. Census Bureau also developed alternative definitions of poverty to complement the primary definition established by the Office of Management and Budget. Six of these methods are based on recommendations by the National Academy of Science. These methods account for benefits and taxes on income and use a new set of poverty thresholds based on the Consumer Expenditures Survey. The additional poverty measures use the alternative income measures mentioned above.

Income

The 2001-2002 2-year-average median money income in United States households was \$42,654. This represents a 1.7 percent decrease from the 2000-2001 national median money income of \$43,374. Pennsylvania fared slightly worse, decreasing 1.8 percent from 2000-2001 (\$44,117) to 2001-2002 (\$43,344). Pennsylvania remained above the national average for both time intervals.

At the national level, the report describes other findings such as:

- The real median money income of both family and nonfamily households declined between 2001 and 2002.
- Per capita money income declined by 1.8 percent, in real terms, between 2001 and 2002 to \$22,794. This is the first annual decline in per capita income since 1991.
- Real median household money income declined for all race groups except those with a White or Asian (and no other race) householder.



Poverty

The two-year average percent of persons in poverty increased in the United States from 11.5 percent in 2000-2001 to 11.9 percent in 2001-2002. Pennsylvania's average also increased 0.4 percent during this time period, while remaining 2.4 percent below the national average. The two-year average for the commonwealth was 9.1 percent 2000-2001 and 9.5 percent in 2001-2002.

In addition, the report also finds that:

- The official poverty rate in 2002 was 12.1 percent, up from 11.7 percent in 2001.
- The poverty rate for children did not change from 16.7 percent in 2001 and 2002, although the number of children in poverty did increase from 11.7 million to 12.1 million.
- The number of married-couple families in poverty increased from 4.9 percent in poverty in 2001 to 5.3 percent in poverty in 2002.
- The total number and poverty rate for persons age 18 to 64 years old rose from 17.8 million (10.1 percent) in 2001 to 18.9 million (10.6 percent) in 2002.
- In 2002, 7.2 million families (9.6 percent) were in poverty, an increase from 6.8 million families (9.2 percent) in 2001.

For additional information, please contact the Pennsylvania State Data Center's State Capital Office at 717.772.2710. To view the complete reports on income and poverty, please visit the PaSDC's website at <http://PaSDC.hbg.psu.edu>.

The Pennsylvania State Data Center is the commonwealth's official source of population and economic statistics. It is based at Penn State Harrisburg's Institute of State and Regional Affairs. The Pennsylvania State Data Center is part of the U.S. Census Bureau's National State Data Center Program.

Editors: For additional data, contact the Pennsylvania State Data Center's State Capital Office at 717.772.2710 or for faculty comment on this topic, contact Penn State Harrisburg's Public Information Office at 717.948.6029.