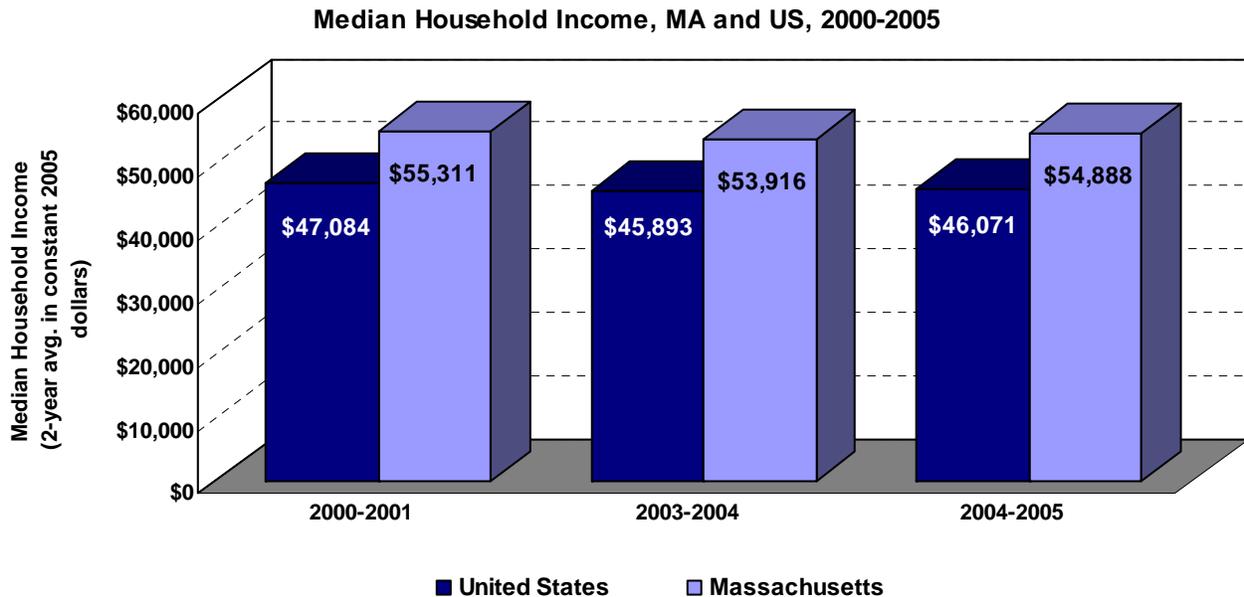




Four Years into Recovery, Incomes Stagnant in Massachusetts

On August 29, the U.S. Census Bureau released its annual updates on poverty, median household incomes, and health insurance coverage in the United States. The Census Bureau’s data show that, even though the national economic recovery is now well underway, the median household income in Massachusetts – a common barometer of how the typical household is faring – has not made any real gains, either over the course of the past year or since the recovery began.

- The median household income in Massachusetts was \$54,888 for the 2004-2005 period. For the 2003-2004 period, it was \$53,916. Though this may look like an increase over the two periods, according to the Census Bureau, the difference is not statistically significant.
- The difference in the median household income in Massachusetts between 2004-2005 and 2000-2001, the period during which the national economic recovery began, is likewise not statistically significant. In 2000-2001, the median household income was \$55,311.



- For the country as a whole, the median household income rose in a statistically meaningful fashion between 2004 and 2005, but still remains below its 2001 level. From 2004 to 2005, the U.S. median household income grew 1.1 percent, from \$45,817 to \$46,326. In 2001, the U.S. median household income stood at \$46,569 – \$243 higher than its 2005 value of \$46,326.
- Although the median household income in Massachusetts has failed to grow over the last several years, it remains substantially higher than in most states. For the period 2003-2005, the median household income in Massachusetts was \$54,617, an amount that was higher than in 40 other states. Only five other states had median household incomes above Massachusetts over this time period: New Jersey, Maryland, New Hampshire, Hawaii, and Connecticut. (The median household income in four other states was not statistically different from Massachusetts’.)

Methodological Notes

- Median household income is a statistical measure indicating the exact middle of the range of all household incomes, such that half of all households have incomes below the median and half have incomes above it. Under the Census Bureau's methodology, income refers only to before-tax money income and does not include the value of non-cash benefits such as Medicaid or food stamps.
- All dollar amounts in this summary are expressed in constant 2005 dollars.
- The Census Bureau's recent data on poverty and incomes derives from two main sources: the Current Population Survey (CPS) and the American Community Survey (ACS). The CPS is the older of the two surveys – dating back to the 1940s – and is therefore a more reliable source for making comparisons over time (though, due to sample size constraints, data must be pooled over two or three years to do so). The CPS is also the official source for national poverty and income data. The ACS is based on a larger sample and is thus able to provide information on a sub-state basis (e.g. at the county, city, or Congressional district level). However, as the full ACS sample was not in place until 2005, it is not currently considered appropriate to use it for comparisons over time.