



CONGRESS OF THE UNITED STATES  
*JOINT ECONOMIC COMMITTEE*

Congressman Jim Saxton  
Ranking Republican Member

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PRESS RELEASE

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For Immediate Release  
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**INCOME GAINS OF TOP  
1 PERCENT SLOWED  
BETWEEN 2000 AND 2005**

Press Release #110-32  
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WASHINGTON, D.C. – New income data show that the income growth rate of the top 1 percent of households between 2000 and 2005 slowed relative to that of the 1990s. Between 2000 and 2005, the average pretax income of the top 1 percent increased 6.7 percent, **compared to 38.1 percent for the 1992-1997 period**, covering the first five years of the previous administration. Between **1992 and 2000**, the average income of the top 1 percent soared by **84.5 percent** (all average income data measured in inflation-adjusted 2005 dollars). The new data were released by the Congressional Budget Office (CBO) for the years 1979 through 2005. Joint Economic Committee ranking member Jim Saxton made the following statement regarding the new figures:

“The new income data, viewed in historical context, refute the myth that the rich have had abnormally high income growth under the current administration. By recent historical standards, it would be more accurate to say that this trend has slowed significantly. The average income of the top 1 percent declined sharply between 2000 and 2002, and only in 2005 exceeded the level reached in 2000. The deep decline of the stock market between 2000 and 2002, and its subsequent recovery, explain much of this short-term fluctuation of income, which says little about longer term trends.

In examining longer term trends in the average income of the top 1 percent, it becomes clear that the 2000 level of \$1,460,600 reflects a striking increase from its 1992 level of \$791,700. By comparison, the 6.7 percent increase between 2000 and 2005 to an average level of \$1,558,500 is much more modest.

“The bottom line is that the rise in the income of the top 1 percent was especially sustained and rapid during the Clinton Administration. It is also true that the share of total income generated by the top 1 percent is little changed between 2000 and 2005 (17.8 percent versus 18.1 percent), whereas this share soared **between 1992 and 2000 from 12.3 to 17.8 percent**. The tone of some of the recent commentary on the CBO data might suggest that something like a 5.5 percentage point increase in the income share of the top 1 percent had occurred between 2000 and 2005, but the facts show this increase had already happened by 2000, well before the current administration or its policies were in place.”

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