
**HOUSEHOLD INCOME DOWN, POVERTY UP
MORE THAN 1 MILLION FELL OUT OF MIDDLE CLASS IN 2004**

Before President Bush took office, income was on the rise, jobs were expanding, and the economy was booming. The Census Bureau says real household income has decreased in 2004, falling for the fourth consecutive year. Over 1.1 million people fell out of the middle class into poverty in 2004, an increase of 5.4 million people living in poverty since Bush took office. Despite this, Republicans still have no plan to help struggling middle class families. Democrats are fighting to create jobs and keep good paying jobs here at home.

Nebraska Poverty Numbers

The poverty rate in Nebraska reached 11 percent in 2004. Douglas and Lancaster Counties had higher-than-average poverty rates. Just under 12 percent of Douglas County residents were under the poverty line. In Lancaster County, the overall poverty rate was 14.5 percent. That is almost two percent higher than the national average of 12.7 percent. [Omaha World Herald, 8/31/05]

The majority of impoverished Nebraskans are families. In Douglas County, about 9 percent of families fall below the federal poverty lines. In Lancaster County, 9.6 percent of families fall below the poverty line. [Omaha World Herald, 8/31/05]

Nebraska's median income was \$2,732 below the national average. Nebraska's median income was \$41,657 while the U.S. average was \$44,657. Nebraska was \$3,000 below the Midwest average income of \$44,657. [Omaha World Herald, 8/31/05]

Household Income Dropped Since Bush Took Office

Household Income Declined by Nearly \$1,700 Under Bush. For the second consecutive year, median household income declined: income dropped last year by \$93—down to \$44,389. In real terms, median household income has declined by \$1,669 since 2000. [U.S. Census Bureau, 8/30/05; Table A-1]

African Americans And Latino Household Incomes Have Declined by More Than \$2,000 Under Bush. Real median household income did not increase between 2003 and 2004 for African Americans and Latinos. Black households had the lowest median income, at \$30,134—down by \$2,273 since Bush took office. Median income for Hispanic households was \$34,241 in 2004—down by \$2,141 since Bush took office. [U.S. Census Bureau, 8/30/05; Table A-1]

Average Earnings by Women Declined by About \$330 in Real Dollars During the Past Year. The median earnings of women declined over the past year, from \$31,550 to \$31,223. [U.S. Census Bureau, 8/30/05; Table A-2]

1.1 Million People Fell Out of the Middle Class and into Poverty in 2004

Number of People Living in Poverty Increased by 1.1 Million in 2004. Approximately 1.1 million people fell out of the middle class into poverty in 2004, an increase of 5.4 million people living in poverty since Bush took office in 2001. The poverty rate has increased from 12.5 to 12.7 percent over the past year, increasing for the fourth consecutive year. [U.S. Census Bureau, 8/30/05; Table B-1]

Nearly 1 in 5 American Children Lived in Poverty During 2004. 13 million children lived in poverty in 2004, an increase of about 1.4 million since the beginning of the Bush Administration. This comes on the heels of a 730,000 increase in the number of children living in poverty in 2003. [U.S. Census Bureau, 8/30/05; Table B-2]

Disproportionately High Number of African Americans and Latinos Live in Poverty. Nearly 25 percent of all African Americans (9 million) lived in poverty in 2004, an increase of over 250,000 over the past two years. Nearly 22 percent (9.1 million) of Latinos lived in poverty, an increase of almost 500,000 over the past two years. [U.S. Census Bureau, 8/30/05; Table 3]

1.9 Million More Americans Enrolled in Medicaid in 2004. As 1.1 million Americans dropped out of the middle class and into poverty in 2004, the enrollment rate in Medicaid increased from 12.4 percent of the population in 2003 to 12.9 percent in 2004. Without the safety net of Medicaid and SCHIP for people who dropped into poverty, the health insurance numbers would be even worse. [U.S. Census Bureau, 8/30/05, page 16]