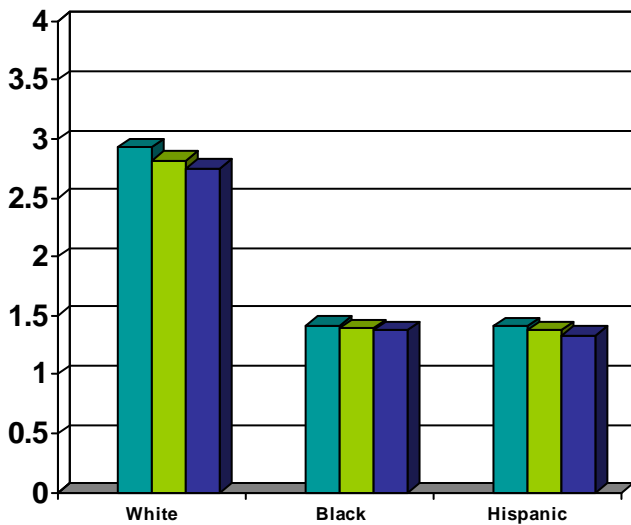


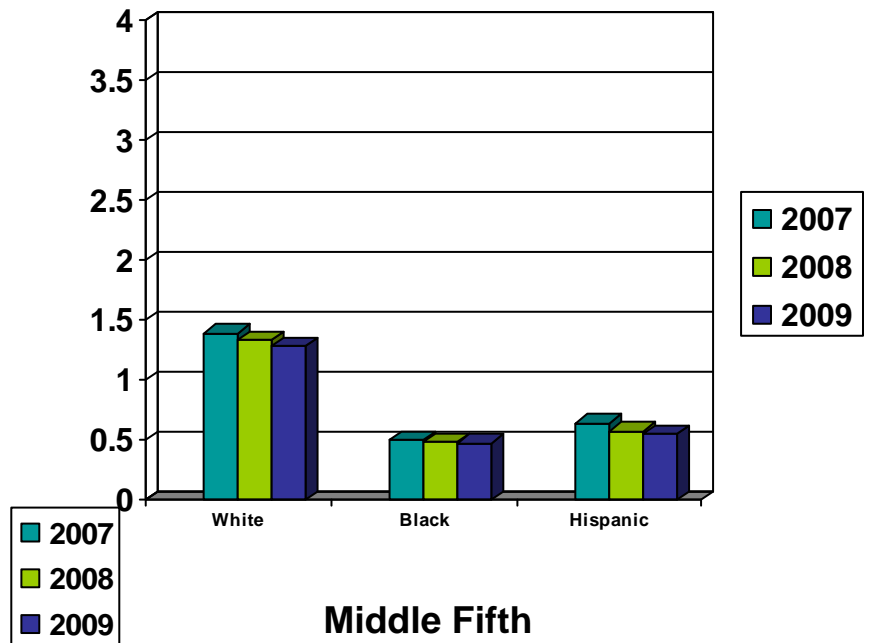
# How the Great Recession Has Cut Income for Middle and Low Income Families

*Average Income as a Percentage of the Poverty Line for the Middle and Two Lowest Quintiles, 2007-2009*

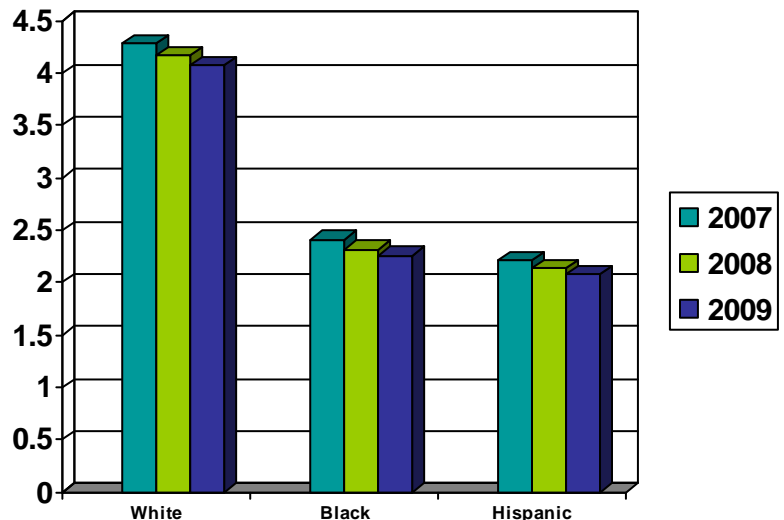
### 2<sup>nd</sup> Lowest Fifth



### Lowest Fifth



### Middle Fifth



These graphs show income in the bottom three-fifths of families as a proportion of the poverty line. For example, the average income of whites in the lowest fifth was 1.39 times the poverty line. For more explanation, see below (or overleaf).

The Great Recession has reduced incomes for families across the economic spectrum. But the proportional loss for the lowest income groups has been far greater than the loss for families in the top fifth. The Current Population Survey shows average family incomes for each fifth (quintile) in the form of a proportion of the poverty threshold. Non-Hispanic white families in the top fifth saw their incomes drop 3.7 percent from 2007 to 2009 (taking inflation into account). In contrast, black families in the poorest quintile lost 6.4 percent, and Hispanic families' incomes plunged 16.4 percent over the same period.

The Current Population Survey takes into account the poverty thresholds for different family sizes and averages all family sizes together for each quintile to get these figures. It is helpful to get a sense of what income levels would be in these quintiles, using the examples of 3- and 4-person families. For 2009, the Census average threshold for a family of three is \$17,098; it is \$21,954 for a 4-person family. To take an example from the graphs in this fact sheet, CPS shows the ratio of income to the poverty threshold for white families in the lowest fifth is 1.39. To get the average income if that family had three members, we multiply \$17,098 by 1.39, or \$23,766. Illustrating the continuing stark racial disparities, the average income of a black family of three in the lowest quintile would be only \$8,549. Below are similar calculations for white, black, and Hispanic families of three and four.

Year	Ratio of Income to Poverty Line	Family of Three	Family of Four
<b>Lowest Fifth, White Non-Hispanic</b>			
2007	1.39	\$23,766	\$30,516
2008	1.33	\$22,740	\$29,199
2009	1.28	\$21,885	\$28,101
<b>Lowest Fifth, Black</b>			
2007	0.50	\$8,549	\$10,977
2008	0.48	\$8,207	\$10,538
2009	0.47	\$8,036	\$10,318
<b>Lowest Fifth, Hispanic</b>			
2007	0.64	\$10,943	\$14,051
2008	0.57	\$9,746	\$12,514
2009	0.55	\$9,404	\$12,075
<b>2<sup>nd</sup> Lowest Fifth, White Non-Hispanic</b>			
2007	2.93	\$50,097	\$64,325
2008	2.82	\$48,216	\$61,910
2009	2.75	\$47,019	\$60,373
<b>2<sup>nd</sup> Lowest Fifth, Black</b>			
2007	1.42	\$24,279	\$31,175
2008	1.39	\$23,766	\$30,516
2009	1.37	\$22,424	\$30,077
<b>2<sup>nd</sup> Lowest Fifth, Hispanic</b>			
2007	1.41	\$24,108	\$30,955
2008	1.37	\$23,424	\$30,077
2009	1.33	\$22,740	\$29,199
<b>Middle Fifth, White Non-Hispanic</b>			
2007	4.28	\$73,179	\$93,963
2008	4.17	\$71,299	\$91,548
2009	4.08	\$69,760	\$89,572
<b>Middle Fifth, Black</b>			
2007	2.41	\$41,206	\$52,909
2008	2.32	\$39,667	\$50,933
2009	2.26	\$38,641	\$49,616
<b>Middle Fifth, Hispanic</b>			
2007	2.21	\$37,787	\$48,518
2008	2.13	\$36,419	\$46,762
2009	2.08	\$35,564	\$45,664

Source: U.S. Census Bureau, Current Population Survey, 2009 data, **Table F-21. Average Income-to-Poverty Ratios for Families, by Income Quintile, Race and Hispanic Origin of Householder**  
<http://www.census.gov/hhes/www/income/data/historical/families/index.html>. Published September 16, 2010. Calculations by the Coalition on Human Needs. From Census Bureau: "Black" includes those who identified themselves as black alone or in combination with other races. "Hispanic" may be of any race. For more information, contact Deborah Weinstein, [dweinstein@chn.org](mailto:dweinstein@chn.org)