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Commerce Study Finds Lower-Income Individuals Increase "Chance to Advance"

WASHINGTON—Low-income individuals were more than twice as likely to have experienced a rise in income rather than a decline between 2001 and 2002, according to a report released today by the U.S. Commerce Department.

The Commerce Department report, [A Chance to Advance: A Look at Income Variability in the U.S.](#), is based on a U.S. Census Bureau survey that follows the same sample of households over a period of at least three years. Family income is considered relative to the official poverty thresholds—measures that vary by family size and structure and that are adjusted annually for changes in the cost of living.

Data presented in the report reveal that 57 percent of people with family income below the poverty level in 2001 experienced at least a 10 percent increase in income relative to the poverty threshold between 2001 and 2002. Among those with family income of at least four times greater than the poverty rate, only 26 percent experienced a similar increase in income.

"This study is an important look at economic advancement in our country," said Commerce Under Secretary for Economic Affairs Kathleen B. Cooper. "Nearly six in 10 low-income people experienced a sizeable real increase in income relative to poverty thresholds between 2001 and 2002. This upward movement holds across racial and ethnic categories and mirrors what is happening in today's economy."

Fifty-three percent of African-Americans and 58 percent of Hispanics who had incomes below the poverty line in 2001 saw at least a 10 percent rise in family income relative to the poverty threshold in 2002. The comparable figure for Whites was 58 percent.

The study also finds that overall income variability has increased in the U.S. during the last decade, primarily as a result of upward rather than downward income movement.

The report is available at www.esa.doc.gov.

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