Dynamics of Economic Well-Being: Fluctuations in the U.S. Income Distribution, 2001–2003

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Household Economic Studies

Current Population Reports

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As measured by income data available from the Current Population Survey's (CPS) Annual Social and Economic Supplement (ASEC), between 2001 and 2003 median household income in the United States (U.S.) declined 1.3 percent. That statistic compares a "snapshot" of households in 2001 with another "snapshot" of a different group of households in 2003. It is not a picture of what happened to the same households over that time period. Medians, like those from the CPS-ASEC, can conceal fluctuations in the income of households. To address this issue, this report uses the longitudinal data available from the Survey of Income and Program Participation (SIPP) to examine changes in the income of the same households between 2001 and 2003.[1] (The Text Box—*Household Income*—provides definitions of the key terms.)

Income quintiles were constructed for 2001 and 2003 using data collected in the SIPP (Text Box: *Constructing Income Quintiles*). Longitudinal data make it possible to identify and analyze factors that may contribute to an increase or a decrease in household income (Text Box: What Makes the SIPP a Longitudinal Survey?).[2]

Household Income

The Survey of Income and Program Participation (SIPP) collects detailed monthly information from individuals 15 years and older on wages and salaries earned; pension benefits; cash and in-kind benefits received from social welfare program participation; and income generated from returns on property, assets, and holdings. The individual-level data are aggregated up to monthly total household information, which can be aggregated by calendar year to produce annual total household income. Total household income consists of earned income from employment, as well as pension benefits, cash transfer income, and property and asset income received by household members. A complete description of the types and sources of income collected in the 2001 SIPP panel is available through the SIPP homepage at <www.sipp.census.gov/sipp/core_content/2001/2001.html>.

[1] The data in this report were collected from February 2001 through January 2004 from households interviewed in all nine waves of the 2001 Longitudinal Panel of the SIPP. The population represented (population universe) is the civilian noninstitutionalized population living in the United States. See the "Source of Data" section for more details.

[2] This report is an update of a previous U.S. Census Bureau, Current Population Report, P70-95: "Dynamics of Economic Well-Being: Movements in the U.S. Income Distribution, 1996–1999," July 2004. This report focuses on household income rather than family or individual income. Several notable studies that have similarly used household income to investigate mobility are D'Ambrosio, D. (2001), "Household Characteristics and the Distribution of Income in Italy," Review of Income and Wealth, Series 47, No.1, pp: 43–64, and Jarvis, S. and S.P. Jenkins (1997), "Low Income Dynamics in 1990s Britain," Fiscal Studies, Vol.18, No.2, pp. 123–42.

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HIGHLIGHTS

- Of U.S. households, 68 percent in the top quintile and 71 percent in the bottom quintile were in the same quintile 2 years later (Figure 1).[3]
- Between 44 percent and 49 percent of households in the middle three quintiles were in the same quintile 2 years later.
- Of U.S. households, approximately 11 million (10 percent) experienced changes in their annual income between 2001 and 2003 that resulted in their moving either up or down two or more quintiles in the income distribution (Table 2).
- Of these 11 million households, the 3.7 percent (3.9 million) in the bottom and the second quintiles experienced the largest percentage gain in annual household income between 2001 and 2003, and the 6.2 percent (1.3 million) that started in the middle quintile experienced the largest absolute gain in annual household income.
- Of these 11 million households, 11 percent (2.3 million) of those that started in the top quintile experienced a decline of two or more quintiles between 2001 and 2003.

[3] The estimates in this report (which may be shown in text, figures, and tables) are based on responses from a sample of the population and may differ from the actual values because of sampling variability and other factors. As a result, apparent differences between the estimates for two or more groups may not be statistically significant. All comparative statements have undergone statistical testing and are significant at the 90-percent confidence level unless otherwise noted.

Constructing Income Quintiles

A quintile represents a 20-percent group of data from a frequency distribution. For example, the first quintile ends at a point in the distribution where 20 percent of the data are below that point and 80 percent are above it. Similarly, the middle quintile is represented by two points on a distribution, defined so that 40 percent of the data in the distribution are below the lower point and 40 percent of the data are above the higher point. Constructing income quintiles for the years 2001 and 2003 required summing the final panel sampling weights for each householder who was interviewed for all nine waves of the 2001 Survey of Income and Program Participation (SIPP) panel. As noted in the text, longitudinal data from the SIPP are needed to understand changes in economic well-being over time for the same households. Unfortunately, not all households responded to all nine waves of interviews that are needed to create the full picture over three years. Income levels defining the quintiles are affected by this nonresponse and also by the failure to include immigrants who entered the United States after the survey began. Thus, quintile estimates after 2001 from the SIPP do not represent the incomes of all households in the U.S.

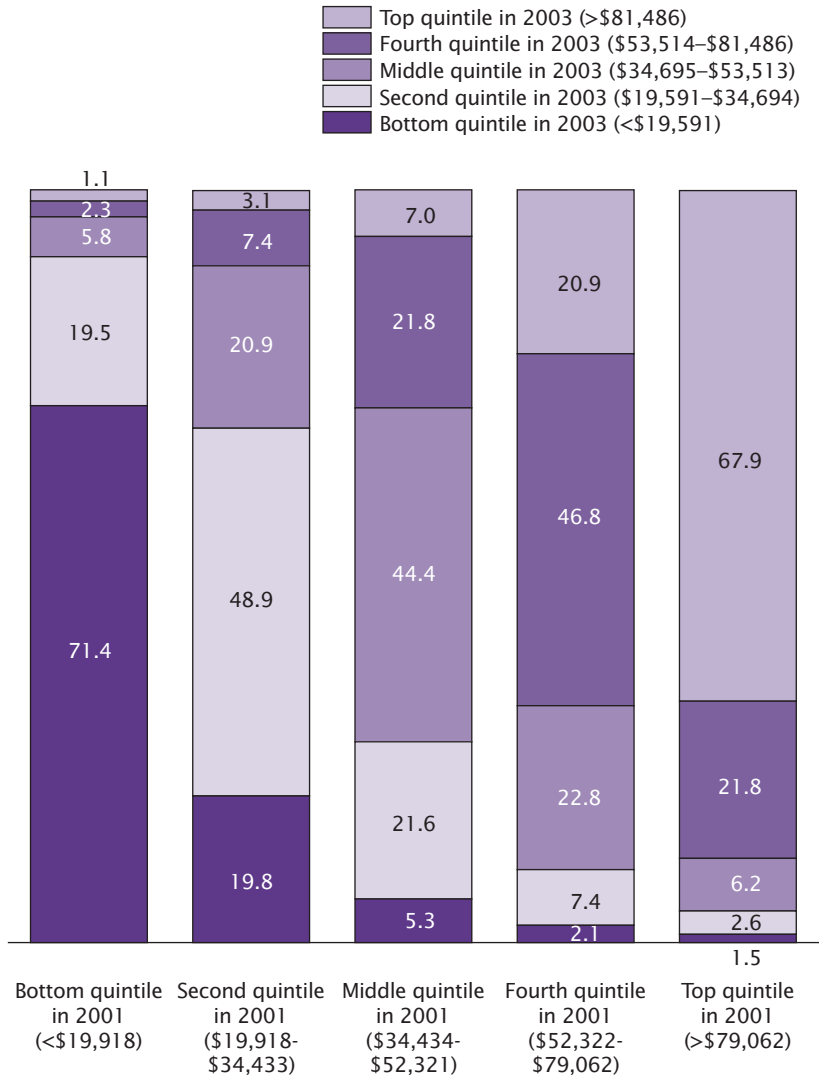
Data from the Current Population Survey (CPS) are recommended when looking at changes in the overall income distribution, but are not useful for looking at changes for the same households over time, as there is no attempt to follow households if they move, nor are any households in the CPS for more than two consecutive years.

What Makes the SIPP a Longitudinal Survey?

A longitudinal survey captures changes for the same individuals over a period of time. The 2001 Survey of Income and Program Participation (SIPP) panel is a longitudinal survey that tried to interview 35,100 households nine times at 4-month intervals from February 2001 through October 2003, following all members of the original sample household. Demographic and economic characteristics for the same households, families, and individuals were gathered during each interview, while special topics varied from interview to interview. The SIPP collects more detailed data than any other national survey on general income sources and amounts; program eligibility, access and participation; transfer income; and in-kind benefits. More information on the SIPP can be found at <www.sipp.census.gov/sipp/>.

Figure 1.

Percent Distribution of Households by Income Quintile: 2001 and 2003



Note: All incomes are adjusted to 2003 dollars using the CPI-U-RS. See footnote 11 in text for additional information.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 panel.

- Households with householders who had lower levels of education were more likely to remain in or move into a lower quintile compared with households with householders who had higher levels of education (Figure 2).
- Households with widowed householders were more likely to remain in or move into a lower quintile compared with households where householders were not widows or widowers (Figure 3).
- Households with younger householders (aged 15 to 24) were more likely than households with householders aged 25 to 54 to move down from the top and the fourth quintiles, while households with older householders (aged 65 and older) were most likely to remain in the bottom and the second quintiles (Figure 4).

METHODOLOGY

While no measure of economic well-being is all encompassing, income is the measure most commonly used because it affects the goods and services a household can buy.[4]

[4] While income is the standard metric used in assessing income inequality and mobility, consumption expenditures have also been used to discuss these issues. For a recent detailed discussion, see Fisher, Jonathan D., and David S. Johnson (2005), "Consumption Mobility in the United States: Evidence from Two Panel Data Sets," Topics in Economic Analysis & Policy, Vol. 6, No. 1, Article 16, <www.bepress.com/bejeap/topics/vol/iss1/art16>.

Table 1.
Percent Distribution of All Households by Income Quintiles, 2001 and 2003

(Number of households: 104,516,000. 2001 incomes were adjusted to 2003 dollars using the CPI-U-RS)

2001	2003									
	Bottom quintile (<$19,591)		Second quintile ($19,591–$34,694)		Middle quintile ($34,695–$53,513)		Fourth quintile ($53,514–$81,486)		Top quintile (>$81,486)	
	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)
Bottom quintile (<$19,918)	14.3	0.41	4.0	0.29	1.1	0.14	0.4	0.08	0.3	0.05
Second quintile ($19,918–$34,433)	3.9	0.23	9.8	0.34	4.3	0.23	1.5	0.14	0.5	0.09
Middle quintile ($34,434–$52,321)	1.5	0.12	4.2	0.24	8.9	0.33	4.6	0.24	1.2	0.14
Fourth quintile ($52,322–$79,062)	0.5	0.07	1.5	0.14	4.4	0.24	9.4	0.34	4.4	0.23
Top quintile (>$79,062)	0.2	0.06	0.6	0.08	1.4	0.13	4.2	0.24	13.6	0.40

Note: The margin of error can be subtracted from and added to the point estimate to get the 90-percent confidence interval around the estimate.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 Panel.

Household income can change with a strong or weak economy, as well as with life events, such as the birth or adoption of a child, completion of education, marriage, divorce or separation, or spousal death. Fluctuations in income change the relative position of households (referred to as income mobility). The estimates in this report are based on a sample of U.S. households that were interviewed in all nine waves of the 2001 SIPP panel and represent nearly 105 million households.[5] This report focuses on their ranked household income by quintiles in calendar years 2001 and 2003 and the householder's demographic characteristics.[6]

INTER-QUINTILE MOVEMENTS OVER TIME: 2001–2003

Out of 105 million U.S. households, those in the top and the bottom quintiles of the income distribution experienced the least movement across the quintiles between 2001 and 2003. Sixty-eight percent of households (14 million) starting in the top quintile and 71 percent of households (15 million) starting in the bottom quintile in 2001 remained in these respective quintiles in 2003. In comparison, more than half of the households that were in the second, the middle, and the fourth quintiles in 2001 experienced considerable movement across the income distribution by 2003, with 44 percent to 49 percent remaining in their original quintile (Figure 1).

Between 2001 and 2003, 32 percent of households (6.6 million) that started in the second income quintile moved up to a higher quintile, while 20 percent (4.1 million) experienced a drop to the bottom quintile. Of households that started in the middle quintile, 29 percent of households (6.1 million) moved up and 27 percent of households (5.6 million) moved down. Of households that started in the fourth quintile in 2001, 22 percent (4.6 million) saw their income rise to the top quintile, while 32 percent (6.6 million) experienced a decline in their quintile position (Figure 1).

Overall, 56 percent of households (59 million) remained in the same quintile between 2001 and 2003 (Table 1).[7] During this time, 44 percent of households experienced

[5] For a householder to be included in the analysis, two criteria had to be met. First, the householder had to have a positive panel weight (pnlwgt>0), and second, the householder had to be interviewed in every month of the panel (eppmis = 1 in every month).

[6] Householder refers to the person in whose name the home is owned or rented. If a married couple owns the home jointly, either the husband or the wife may be listed as the householder. If a sample member moves to a new address, attempts are made to locate them and continue to interview them every 4 months. However, failure to successfully interview individuals who left a household because of divorce or separation after the beginning of the panel will produce a shortfall compared with the true number of vital events that occurred during the life of the panel. If an individual left a household because of divorce or separation later in the panel, a longitudinal weight was not assigned to that individual for *any* interview period in the panel, thus limiting their usefulness in a longitudinal analysis. To take full advantage of the longitudinal nature of the SIPP panel, the population universe of analysis are householders interviewed in all nine waves of the 2001 panel. A more complete and detailed explanation of the SIPP's procedures for attempting to follow sample members who move and create new households is available online in the SIPP Users' Guide at <www.sipp.census.gov/sipp/>.

[7] Table 1 shows the proportion of households moving (or transitioning) among quintiles between 2001 and 2003.

Table 2.
Households That Moved Two or More Income Quintiles: 2001 and 2003

(Number of households: 104,516,000. 2001 incomes were adjusted to 2003 dollars using the CPI-U-RS)

Quintile in 2001	Households (in 000s)	Margin of error (±)	Percent of households in 2003 quintile	Margin of error (±)	Average household income (2003 dollars)					
					2001		2003		Change from 2001 to 2003	
					Income	Margin of error (±)	Income	Margin of error (±)	Income	Margin of error (±)
Moved up two or more quintiles										
Bottom quintile (<$19,918)	1,858	154.2	8.9	0.7	$13,466	$119	$61,781	$4,669	$48,315	$4,704
Second quintile ($19,918–$34,433)	2,087	162.4	10.0	0.8	$28,300	$433	$81,830	$6,175	$53,530	$6,190
Middle quintile ($34,434–$52,321)	1,294	125.5	6.2	0.6	$44,642	$639	$109,877	$5,394	$65,234	$5,431
Moved down two or more quintiles										
Middle quintile ($34,434–$52,321)	1,202	125.5	5.8	0.6	$41,429	$672	$13,072	$700	–$28,358	$970
Fourth quintile ($52,322–$79,062	2,013	158.8	9.6	0.8	$62,326	$760	$24,932	$834	–$37,394	$1,128
Top quintile (>$79,062)	2,335	170.6	11.2	0.8	$115,220	$5,295	$37,029	$1,204	–$78,191	$5,430

Note: The margin of error can be subtracted from and added to the point estimate to get the 90-percent confidence interval around the estimate.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 Panel.

either an upward or downward movement in the income distribution. By comparison, between 1997 and 1999, 59 percent of households (55 million) remained in the same quintile, while 41 percent of households experienced an upward or downward movement in their place in the income distribution.[8]

To evaluate household income mobility, Shorrocks' index was computed for 2001 and 2003, as well as 1997 and 1999.[9] Overall mobility, as reflected through the estimated index value for both time periods, was slight but statistically significant; however, the difference in mobility across the two time periods was not statistically significant.[10] This is supported from the previous discussion, which focused on the overall proportion of households that experienced no change, compared with those households that experienced either an increase or decrease in income.

[8] For purposes of comparison, the last 3 years of the SIPP 1996 4-year panel were used. All household incomes are adjusted to reflect 1999 dollars using the Consumer Price Index for Urban Consumers Research Series (CPI-U-RS). The adjustment is based on the percentage changes in prices between earlier years and 1999 and is computed by dividing the annual average Consumer Price Index for 1999 by the annual average for the earlier years. For more information on the Consumer Price Index, see <www.bls.gov/cpi/cpirsdc.htm>.

[9] Shorrocks' index is an approach to evaluate overall mobility among a distribution. It is based on the diagonal elements of the transition matrix; it can range in value between 0 and 1; and the higher the estimated index-value, the more mobility that is exhibited across the distribution. Information on the construction and use of this index can found in: Schorrocks, A.F. (1978). "The Measurement of Mobility." *Econometrica*, Vol. 46, No. 5 (September), pp. 1013–24.

[10] The estimated Shorrocks' index for 2001 and 2003 was 0.302, with a margin of error of 0.0070 and the index value for 1997 and 1999 was 0.265, with a margin of error of 0.2112. The observed difference between the Shorrocks' indices for 2001 and 2003 and for 1997 and 1999 were not statistically different based on a t-test of the difference.

Table 3.
Households That Experienced a Change in Income of 10 percent or More and Remained in the Same Income Quintile: 2001 and 2003

(Number of households: 104,516,000. 2001 incomes were adjusted to 2003 dollars using the CPI-U-RS)

Quintile in 2001	Households (in 000s)	Margin of error (±)	Percent of households in 2003 quintile	Margin of error (±)	Average household income (2003 dollars)					
					2001		2003		Change from 2001 to 2003	
					Income	Margin of error (±)	Income	Margin of error (±)	Income	Margin of error (±)
Income increased 10 percent or more										
Bottom quintile (<$19,918)	4,545	223.4	21.7	1.1	$8,797	$289	$13,097	$298	$4,300	$415
Second quintile ($19,918–$34,433)	2,829	185.3	13.5	0.9	$24,004	$248	$29,825	$283	$5,821	$377
Middle quintile ($34,434–$52,321)	2,695	181.5	12.9	0.9	$39,643	$304	$47,934	$344	$8,290	$459
Fourth quintile ($52,322–$79,062)	3,243	196.1	15.5	0.9	$59,163	$427	$71,668	$505	$12,505	$661
Top quintile (>$79,062)	5,528	238.9	26.4	1.1	$115,703	$3,279	$209,618	$33,429	$93,914	$33,590
Income decreased 10 percent or more										
Bottom quintile (<$19,918)	4,775	227.4	22.8	1.1	$12,903	$325	$8,130	$305	–$4,773	$446
Second quintile ($19,918–$34,433)	2,553	177.4	12.2	0.8	$29,657	$288	$23,449	$261	–$6,509	$389
Middle quintile ($34,434–$52,321)	1,707	148.3	8.2	0.7	$47,156	$391	$39,062	$341	–$8,093	$519
Fourth quintile ($52,322–$79,062)	1,465	138.3	7.0	0.7	$71,881	$602	$59,411	$522	–$12,470	$797
Top quintile (>$79,062)	3,811	209.1	18.2	1.0	$172,803	$8,615	$119,319	$4,169	–$53,665	$9,571

Note: The margin of error can be subtracted from and added to the point estimate to get the 90-percent confidence interval around the estimate.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 Panel.

CHANGES OF TWO OR MORE QUINTILES: 2001–2003

In 2001, about 42 million U.S. households with an annual income of less than $34,434 composed the bottom two quintiles of the income distribution, while about 42 million households with an annual income higher than $53,321, composed the fourth and the top quintiles.[11] The largest percentage gains in annual income between 2001 and 2003 occurred for the 4 million households that moved up two or more quintiles from the bottom two quintiles of the income distribution (Table 2).

In the bottom quintile, 1.9 million households (8.9 percent) experienced, on average, a three-and-one-half fold increase in annual income, from $13,466 in 2001 to $61,781 in 2003. Similarly, the 2.1 million households (10 percent) in the second quintile experienced, on average, more than a two-fold increase in annual income, from $28,300 in 2001 to $81,830 in 2003.

Between 2001 and 2003, 1.3 million households (6.2 percent) that started in the middle quintile moved to the top quintile. These households experienced, on average, a $65,234 increase in income by 2003—the largest absolute gain in annual income compared with the households from the bottom and the second quintiles that moved up two or more quintiles. In contrast, the 1.2 million households (5.8 percent) that started in the middle quintile in 2001 and moved to the bottom quintile in 2003, experienced, on average, a drop in income of $28,358—the smallest absolute decline in annual income compared with the households that started in the fourth and the top quintiles and moved down two or more quintiles.

[11] All household incomes are adjusted to reflect 2003 dollars using the Consumer Price Index for Urban Consumers Research Series (CPI-U-RS). The adjustment is based on the percentage changes in prices between earlier years and 2003 and is computed by dividing the annual average Consumer Price Index for 2003 by the annual average for the earlier years. For more information on the Consumer Price Index, see <www.bls.gov/cpi/cpirsdc.htm>.

Of households in the fourth and the top quintiles of the income distribution in 2001, one-of-ten experienced a decline in income that resulted in moving down two or more quintiles between 2001 and 2003. Two million households (10 percent) that started in the fourth quintile in 2001 experienced, on average, a $37,394 decline in income by 2003, and 2.3 million households (11 percent) that started in the top quintile in 2001, on average, experienced a $78,191 drop in income by 2003.

INTRA-QUINTILE MOVEMENTS OVER TIME: 2001–2003

Fifty-six percent of households (59 million) were in the same quintile in 2001 and 2003, with the majority of these households (33 million) experiencing a change in income of at least 10 percent (Table 3).[12] Out of 19 million households that experienced an increase, those remaining in the bottom and the top quintiles experienced, on average, the largest percentage gains. Twenty-two percent of households (4.5 million) that remained in the bottom quintile experienced, on average, a 49-percent increase ($4,300) in income and 26 percent of households (5.5 million) that remained in the top quintile experienced an 81-percent increase ($93,914) in income between 2001 and 2003. Of the remaining households that experienced at least a 10-percent increase in income, 14 percent (2.8 million) from the second quintile experienced, on average, an increase of 24 percent ($5,821), 13 percent (2.7 million) from the middle quintile experienced, on average, an increase of 21 percent ($8,290), and 16 percent (3.2 million) from the fourth quintile experienced, on average, a 21-percent ($12,505) increase.

Out of 14 million households that remained in the same quintile and experienced a decrease in income of at least 10 percent, once again, households in the bottom and the top quintiles experienced, on average, the largest percentage change between 2001 and 2003. Twenty-three percent of households (4.8 million) that remained in the bottom quintile and 18 percent of households (3.8 million) that remained in the top quintile experienced, on average, a decline in income of 37 percent (–$4,773) and 31 percent (–$53,665), respectively. Of the remaining households, 12 percent (2.6 million) from the second quintile experienced, on average, a 22-percent decline (–$6,509), and 8.2 percent from the middle quintile and 7.0 percent from the fourth quintile experienced declines of 17 percent (–$8,093 and –$12,470, respectively).

THE SHARE OF HOUSEHOLD INCOME BY QUINTILE: 2001–2003

The value of total household income between 2001 and 2003 increased $380 million (6.7 percent), while the average household income by quintile remained statistically unchanged (top of Table 4). The share of total household income received by the bottom, the second, the middle, and the fourth quintiles remained statistically unchanged, while the top quintile experienced an increase in the share of total household income. For the top quintile, the share of total household income increased from 46 percent to 49 percent, reflecting a gain of $336 million in total household income between 2001 and 2003. The majority of the increase (88 percent) that occurred in total household income can be attributed to the gains experienced by households in the top quintile.[13] Moreover, the statistically insignificant changes in the share of total household income experienced by the bottom through the fourth quintiles results in a statistically significant gain for households in the top quintile.

By comparison, between 1997 and 1999, total household income increased $166 million (3.5 percent). The change in the average household income by quintile was not statistically different (bottom of Table 4), and the share of total household income received by each quintile group was not statistically different. Between 1997 and 1999, 49 percent of the gain in total household income can be attributed to the gains experienced by households in the top quintile.[14] However, the share of total household income attributable to the households in each quintile was statistically unchanged.

MOVEMENTS IN THE BOTTOM AND TOP 5th PERCENTILES: 2001–2003

Households that remained in the top and the bottom quintiles in 2001 and 2003 experienced the largest percentage gains and drops

[12] A change in household income of 10 percent or more is a threshold commonly used in the literature that analyzes low-income dynamics. See Hisnanick, J. J. (2007), "The Dynamics of Low Income and Persistent Poverty Among U.S. Families," Journal of Income Distribution, Vol. 16, Iss. 1, March, Jarvis, S. and S.P. Jenkins (1997), "Low Income Dynamics in 1990s Britain," Fiscal Studies, Vol. 18, No. 2, pp. 123–142 and Duncan, G.J. et al. (1993), "Poverty Dynamics in Eight Countries," Journal of Population Economics, Vol. 6, pp. 215–34.

[13] Between 2001 and 2003, the average increase in income for households in the top quintile was $16,093.

[14] Between 1997 and 1999, the average increase in income for households in the top quintile was $8,888.

Table 4.
The Share of Household Income by Quintile: 2001 and 2003, 1997 and 1999

(2001 incomes were adjusted to 2003 dollars using the CPI-U-RS. 1997 incomes were adjusted to 1999 dollars using the 1999 CPI-U-RS)

Panel and quintile	Share of total household income		Number of households[1]		Total household income for quintile[2]	Average household income for quintile[3]	
	Percent	Margin of error (±)	Estimate	Margin of error (±)		Estimate	Margin of error (±)
2001 PANEL							
2001							
Bottom quintile (<$19,918)	4.45	0.239	20,900,000	58,900	$252,754,230,000	$12,100	$4,100
Second quintile ($19,918–$34,433)	10.00	0.348	20,900,000	58,900	$567,346,870,000	$27,100	$8,700
Middle quintile ($34,434–$52,321)	15.82	0.423	20,900,000	58,900	$897,972,510,000	$43,000	$11,000
Fourth quintile ($52,322–$79,062)	23.74	0.493	20,900,000	58,900	$1,347,292,500,000	$64,500	$13,500
Top quintile (>$79,062)	45.98	0.578	20,900,000	58,900	$2,609,060,600,000	$124,800	$18,700
Total	**100.0**		**104,500,000**	**294,500**	**$5,674,426,710,000**	**$54,300**	**$27,600**
2003							
Bottom quintile (<$19,591)	4.04	0.228	20,900,000	58,900	$244,732,150,000	$11,700	$5,700
Second quintile ($19,591–$34,694)	9.36	0.338	20,900,000	58,900	$566,689,800,000	$27,100	$8,700
Middle quintile ($34,695–$53,513)	15.10	0.415	20,900,000	58,900	$914,060,340,000	$43,700	$11,100
Fourth quintile ($53,514–$81,486)	22.84	0.487	20,900,000	58,900	$1,382,999,400,000	$66,200	$13,600
Top quintile (>$81,486)	48.65	0.579	20,900,000	58,900	$2,945,452,500,000	$140,900	$19,900
Total	**100.0**		**104,500,000**	**294,500**	**$6,053,934,190,000**	**$57,900**	**$28,500**
1996 PANEL							
1997							
Bottom quintile (<$18,608)	4.53	0.233	18,700,000	51,000	$212,478,000,000	$11,400	$3,300
Second quintile ($18,608–$32,327)	10.14	0.338	18,700,000	51,000	$475,599,080,000	$25,400	$3,000
Middle quintile ($32,328–$48,395)	15.98	0.411	18,700,000	51,000	$749,437,480,000	$40,100	$3,500
Fourth quintile ($48,396–$72,027)	23.57	0.476	18,700,000	51,000	$1,105,107,600,000	$59,100	$5,200
Top quintile (>$72,027)	45.78	0.558	18,700,000	51,000	$2,146,900,900,000	$114,800	$67,700
Total	**100.0**		**93,500,000**	**254,800**	**$4,689,523,060,000**	**$50,200**	**$40,400**
1999							
Bottom quintile (<$18,916)	4.43	0.231	18,700,000	51,000	$215,083,190,000	$11,500	$3,300
Second quintile ($18,916–$33,309)	10.05	0.337	18,700,000	51,000	$487,901,860,000	$26,100	$3,100
Middle quintile ($33,310–$50,177)	16.02	0.411	18,700,000	51,000	$777,700,530,000	$41,600	$3,700
Fourth quintile ($50,178–$74,606)	23.61	0.476	18,700,000	51,000	$1,146,465,600,000	$61,300	$5,300
Top quintile (>$74,606)	45.90	0.558	18,700,000	51,000	$2,228,569,300,000	$119,200	$63,800
Total	**100.00**		**93,500,000**	**254,800**	**$4,855,720,480,000**	**$51,900**	**$39,900**

[1] Estimate was rounded to the nearest 100,000.
[2] Estimate was rounded to the nearest 10,000.
[3] Estimate was rounded to the nearest 100.

Note: The margin of error can be subtracted from and added to the point estimate to obtain a 90-percent confidence interval around the estimate.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 and 1996 Panels.

in income compared with households that remained in the second, the middle, and the fourth quintiles. For a specific group of households that remained in the bottom and the top quintiles for 2001 and 2003, similar results were observed. Households that were in the 5th percentile for 2001 and 2003 experienced, on average, a 7.7-percent drop in income, while households that were in the 95th percentile for 2001 and 2003 experienced, on average, a 28-percent increase in income (Table 4).[15]

[15] This information is based on a separate analysis of those households that remained in the 5th and 95th income percentile in both 2001 and 2003. This analysis was done because, while there is a lower-bound of zero at the bottom of the income distribution, there is no upper bound at the top, and this allows looking at income mobility in the top of the income distribution.

Out of 2.9 million households (2.8 percent of all households) that were in the 5th percentile for 2001 and 2003, 1.4 million experienced, on average, a 24-percent increase ($1,230), while 1.6 million experienced, on average, a 23-percent drop (–$1,323) in income. By contrast, more households (59 percent) that were in the 95th percentile for 2001 and 2003, on average, experienced an increase

Table 5.
Households That Experienced a Change in Income and Remained in the 5th and 95th Percentiles, 2001 and 2003

(Number of households: 5th percentile—2.9 million; 95th percentile—2.8 million. 2001 incomes were adjusted to 2003 dollars using the CPI-U-RS)

2003 outcome	Number of households		Percent of households in percentile		Average household income					
					2001		2003		Change from 2001 to 2003	
	Number (000s)	Margin of error (±)	Percent	Margin of error (±)	Amount	Margin of error (±)	Amount	Margin of error (±)	Amount	Margin of error (±)
5th percentile in 2001 and 2003										
Income increased	1,357	148.0	46.5	5.1	$5,072	$75	$6,302	$198	$1,230	$334
Income decreased	1,566	138.0	53.5	4.7	$5,841	$266	$4,522	$310	–$1,323	$408
95th percentile in 2001 and 2003										
Income increased	1,614	126.2	58.7	4.6	$182,850	$9,436	$388,779	$109,927	$205,928	$110,331
Income decreased	1,135	150.5	41.3	5.5	$261,258	$23,745	$193,546	$12,696	–$67,712	$26,926

Note: The margin of error can be subtracted from and added to the point estimate to get the 90-percent confidence interval around the estimate.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 Panel.

rather than a decrease in income. Out of 2.7 million households (2.6 percent of all households) that were in the 95th percentile for 2001 and 2003, 1.6 million experienced, on average, a doubling of income ($205,928), while the remaining 1.1 million households experienced a 26-percent drop in income (–$67,712).

HOUSEHOLD DEMOGRAPHIC CHARACTERISTICS

The previous analysis focused on households' movement among and within the income quintiles. The following discussion compares households that remained in the same quintile with those that moved up or down one or more quintiles between 2001 and 2003. Comparisons among and within quintiles were done using characteristics collected in the survey's first interview—the householder's educational attainment, marital status, age, and race and ethnicity.[16] Factors commonly associated with household income mobility include changes in the householder's level of educational attainment, marital status, and age, which is often used as a proxy for work experience.[17]

[16] See Footnote 6 for the definition of householder. Since only one person in each household is designated as the householder, the number of householders is equal to the number of households. The remaining discussion in this report uses the characteristics of the householder to describe the household.

[17] Changes in the level of educational attainment, marital status, and increased work experience are the most common factors used to analyze household income mobility. Other less obvious factors can also affect household income mobility, such as changes in household composition. This could include adult children moving into or out of their parents' household, parents moving into or out of their adult children's household, unrelated people moving into or out of a household, or the birth or adoption of a child.

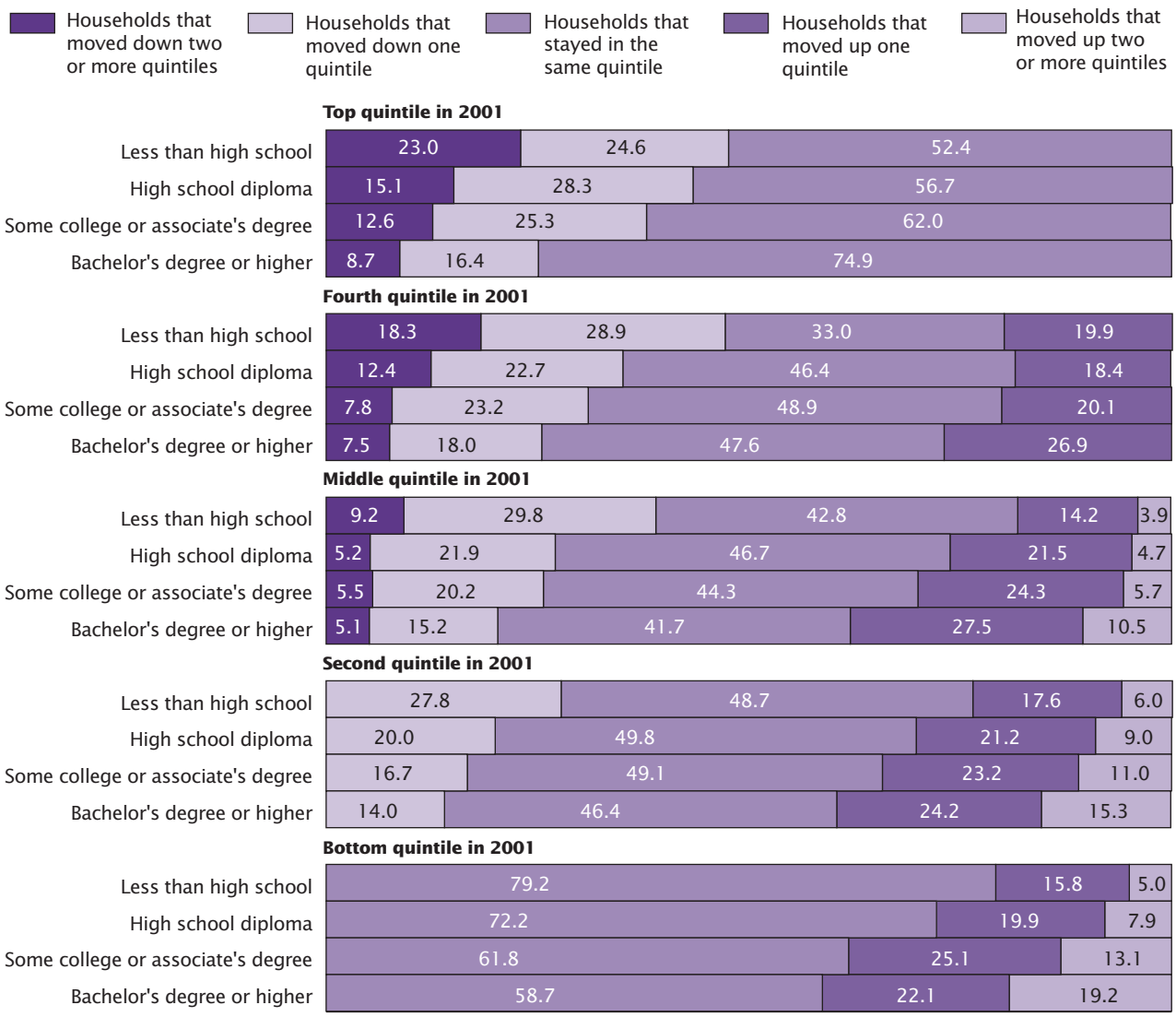
The percentages in Figures 2 through 5 are based on the total number of householders in each quintile in 2001 and their observed status in 2003. For example, of all households in the top quintile with a householder that had less than a high school education in 2001, 52 percent were in the same quintile in 2003, while 25 percent experienced a change in income that moved them down one quintile in 2003 and 23 percent experienced a change in income that moved them down two or more quintiles in 2003.

EDUCATIONAL ATTAINMENT

Households where the householder had lower levels of education were less likely to move to a higher income quintile and more likely to move to a lower income quintile than households where the

Figure 2.

Percent Distribution of Household Movement Across Quintiles Between 2001 and 2003 by Highest Level of Educational Attainment of Householder



Note: Householder level of educational attainment in 2001. Information on the base population for Figures 2 through 5 is discussed in the note for Table A-2.
Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 panel.

householder had higher levels of education (Figure 2). The most notable differences regarding movement within quintiles between 2001 and 2003 were for households with less than a high school education and those with a bachelor's degree or higher. Of households with less than a high school education in the top and the fourth quintiles in 2001, 23 percent and 18 percent, respectively, experienced a change in their income that resulted in moving down two or more quintiles in 2003. By comparison, of households with a bachelor's degree or higher in the top and the fourth quintiles in 2001, 8.7 percent and 7.5 percent, respectively, experienced a change in income that resulted in moving down two or more quintiles in 2003. Data for comparable households from the 1996 SIPP panel follow a similar pattern. Of households with less than a high school education in the top and the fourth quintiles in 1996, 33 percent and 26 percent, respectively, experienced a change in income that resulted in moving down two or more quintiles in 1999. By comparison, of

households with a bachelor's degree or higher in the top and the fourth quintiles in 1996, 11 percent and 10 percent, respectively, experienced a change in household income that resulted in moving down two or more quintiles in 1999.[18]

On the other end of the income distribution, households with a bachelor's degree or higher that were in the bottom or the second quintile in 2001 were twice as likely to experience an increase in income that resulted in their moving up two or more quintiles in 2003, compared with households with less than a high school education. Of households with a bachelor's degree or higher that were in the bottom or the second quintile in 2001, 19 percent and 15 percent, respectively, experienced a change in income that shifted them up two or more quintiles in 2003. By comparison, 5.0 percent and 6.0 percent of households with less than a high school education that were in the bottom or the second quintile in 2001 experienced a change in income that shifted them up two or more quintiles in 2003.

When looking at households in the bottom and the top quintiles, several notable findings are observed. Between 2001 and 2003, 79 percent of households with less than a high school education that were in the bottom quintile in 2001 were also in the bottom quintile in 2003. Seventy-five percent of households with a bachelor's degree or higher that were in the top quintile in 2001 were also in the top quintile in 2003. Similar results were found for comparable households in the 1996 SIPP panel: 73 percent of households with less than a high school education that were in the bottom quintile in 1996 were also in the bottom quintile in 1999, and 75 percent of households with a bachelor's degree or higher that were in the top quintile in 1996 were also in the top quintile in 1999.

The proportion of households with less than a college degree that remained in the bottom quintile was larger between 2001 and 2003 than between 1996 and 1999. One notable difference is for households with a high school diploma. In the 1996 SIPP panel, 57 percent of households with a high school diploma that were in the bottom quintile in 1996 were also in the bottom quintile in 1999. By comparison, 72 percent of households with a high school diploma that were in the bottom quintile in 2001 were also in the bottom quintile in 2003.

MARITAL STATUS

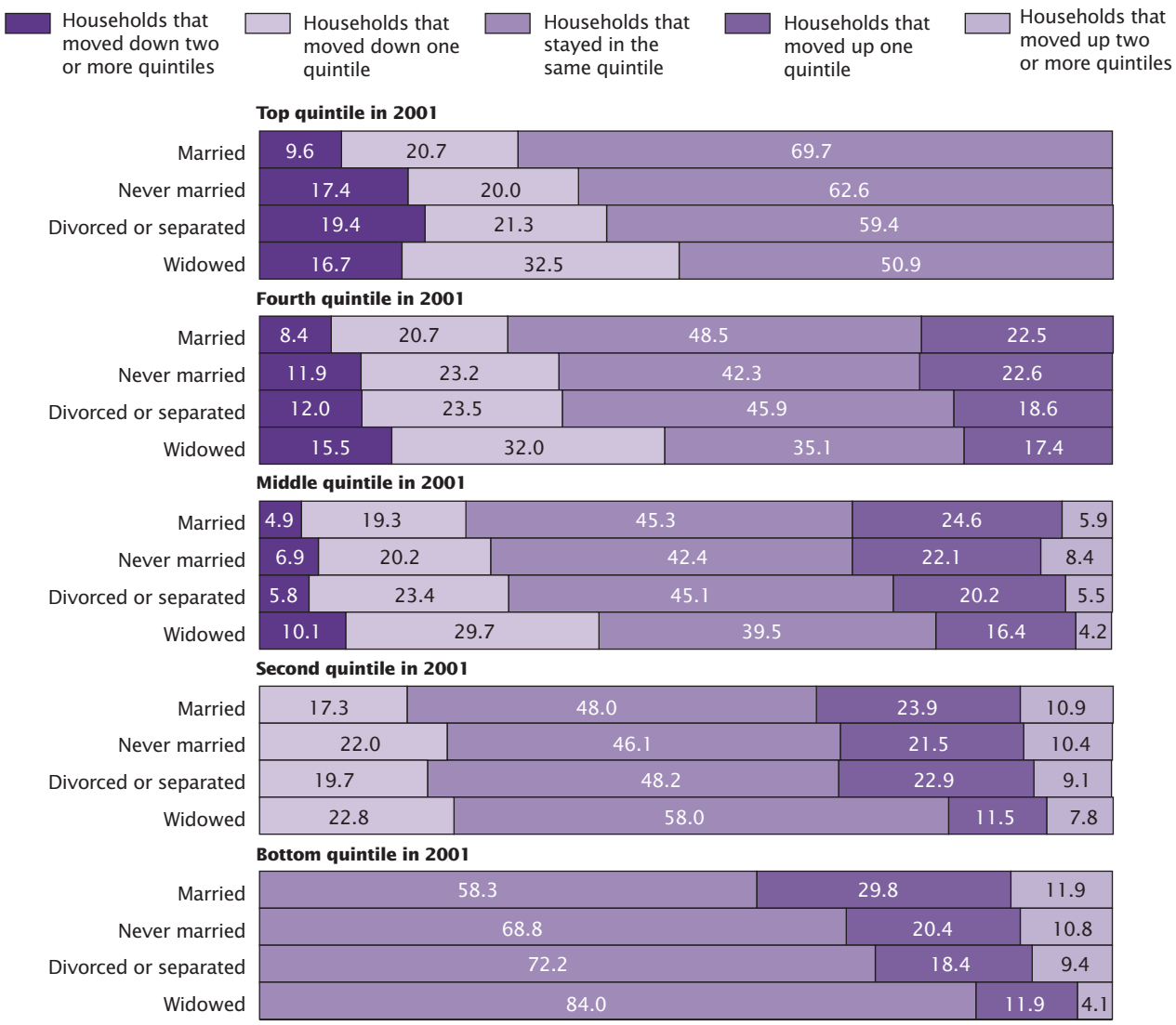
Households with a widowed householder tended to stay in the same quintile or experience a downward shift compared with households where the householder was not a widow or widower (Figure 3 and Text Box: *How Changes in Marital Status Affect Household Income*). Between 2001 and 2003, eight-in-ten (84 percent) widowed households remained in the bottom quintile and nearly six-in-ten (58 percent) remained in the second quintile. These proportions are higher relative to the other marital status categories for these quintiles.

At the other end of the income distribution, where changes in household income can result in downward shifts, a smaller proportion of widowed households in the top and the fourth quintiles remained in these quintiles compared with their married counterparts. Fifty-one percent of widowed households that were in the top quintile in 2001 remained in the top quintile in 2003; by comparison, 70 percent of married households that were in the top quintile in 2001 remained in the top quintile in 2003. Similarly, 35 percent of widowed households in the fourth quintile in 2001 remained in the fourth quintile in 2003, compared with 49 percent of married households.

[18] Data for comparisons from 1996 and 1999 are published in the previous U. S. Census Bureau report on this topic cited in footnote 2.

Figure 3.

Percent Distribution of Household Movement Across Quintiles Between 2001 and 2003 by Marital Status of Householder



Note: Marital status of householder in 2001.
Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 panel.

Between 2001 and 2003, compared with married households, widowed households in the middle quintile were more likely to move down one or more quintiles and less likely to move up one quintile. This pattern was also found in the 1996 SIPP panel when comparing the mobility of married and widowed householders between 1996 and 1999.

A few across-quintile differences appeared by marital status category for households that remained in the same quintile between 2001 and 2003. As with educational attainment, notable differences occurred between the bottom and the top quintiles. While 84 percent of widowed households remained in the bottom quintile between 2001 and 2003, 51 percent remained in the top quintile. Between 2001 and 2003, widowed households in the bottom quintile became more likely to remain there relative to similar households observed between 1996 and 1999 from the 1996 SIPP panel. The most notable change occurred for never-married households. Sixty-nine percent of never-married households that were in the bottom quintile in 2001 were also in the

How Changes in Marital Status Affect Household Income

Between 2001 and 2003, 10 percent of householders experienced a change in marital status, which could either increase or decrease household income. For example, if two working adults marry, their household income becomes the combined total of the two individual incomes. Alternatively, when a spouse dies, the household income may be reduced by the amount of pension, social security income, and/or earned income attributable to the deceased spouse. To see how changes in marital status affect household income, marital status in the first and last months of the 2001 SIPP panel was examined for those households that experienced a change in income. Of households that moved up two or more quintiles from the bottom, the second, or the middle quintile, 5.9 percent of the householders were never-married in 2001, but were married in 2003. Changes expected to decrease household income, particularly for women, include going from married to divorced, separated, or widowed. Nearly 6 percent of householders in households that moved down at least two quintiles in income from the top, the fourth, or the middle quintiles were married in 2001 and divorced or separated in 2003, while 2.6 percent were married in 2001 and widowed in 2003.

bottom quintile in 2003. By comparison, 55 percent of never-married households that were in the bottom quintile in 1996 were also in the bottom quintile in 1999.

AGE

Growing older is commonly associated with increased maturity, domestic stability, and labor force experience, which are often associated with higher household income.[19] Between 2001 and 2003, households with younger householders in the top and the fourth quintiles were more likely to move down and less likely to move up than households with older householders (Figure 4). One-third (35 percent) of younger households (those with householders aged 15 to 24) in the top quintile experienced a change in income that shifted them down two or more quintiles, compared with between 8 percent and 15 percent of older households (aged 25 to 64). Similar results were observed for comparable households from the 1996 SIPP panel. Between 1996 and 1999, two-fifths (40 percent) of younger households (aged 15 to 24) in the top quintile experienced a change in income that shifted them down two or more quintiles, compared with between 11 percent and 21 percent of older households (aged 25 to 64).

This same pattern was observed between 2001 and 2003 for households in the fourth quintile, which experienced a decline of one or more quintiles. Sixteen percent of younger households (aged 15 to 24) that were in the fourth quintile in 2001 experienced a change in income that shifted them down two or more quintiles compared with between 7.3 percent and 8.0 percent of older households (aged 25 to 54). Similarly, in the 1996 SIPP panel, 22 percent of younger households (aged 15 to 24) that were in the fourth quintile in 1996 experienced a change in income that shifted them down two or more quintiles in 1999, compared with between 8.2 percent and 10 percent of older households (aged 25 to 54). Additionally, between 2001 and 2003, younger households (aged 15 to 24) in the fourth quintile were less likely than older households (aged 25 to 54) to move up to the top quintile (13 percent compared with between 22 percent and 25 percent).

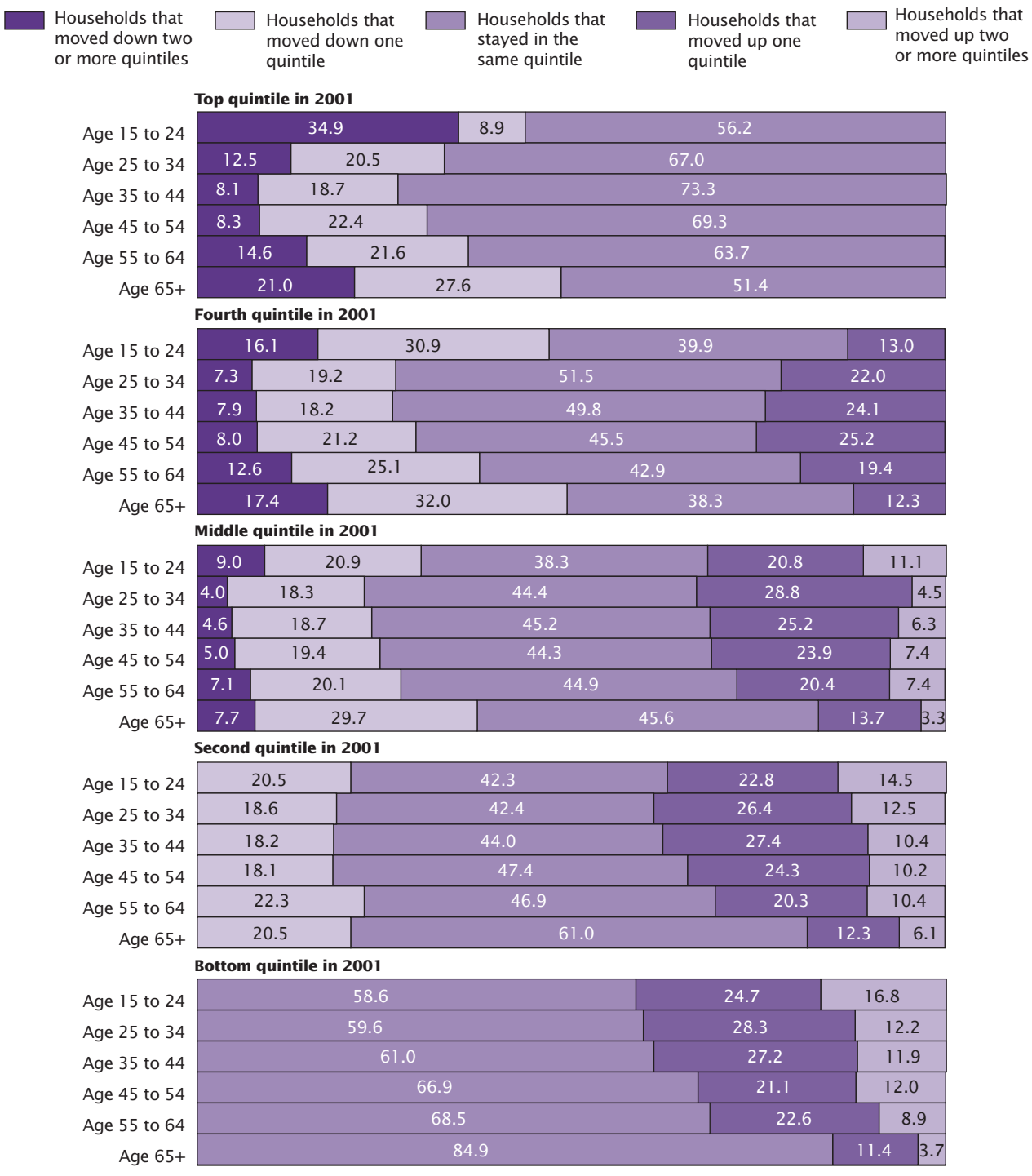
Retirement is often associated with fixed or decreased household income. A larger proportion of older households in the bottom and the second quintiles remained in the same quintile between 2001 and 2003 compared with all younger households. Eighty-five percent of households with householders aged 65 or older remained in the bottom quintile, compared with between 59 percent and 69 percent of all younger households. A similar pattern exists for comparable households in the 1996 SIPP panel. Between 1996 and 1999, 79 percent of households with householders aged 65 or older remained in the bottom quintile, compared with between 42 percent and 62 percent of younger households.

Between 2001 and 2003, older households (aged 65 and older), overall, were less likely to experience a change in income that resulted in a shift to a higher quintile than were their younger counterparts. Among households that started in the bottom quintile, for example, twice as many younger households as older households moved up one quintile (between 21 percent and 28 percent

[19] A good review of this life-cycle hypothesis and its empirical validation can be found in Murphy, Kevin and Finis Welch (1990), "Empirical Age-Earnings Profiles," Journal of Labor Economics, 8, pp. 202–29; Medoff, James L. and Katharine G. Abraham (1980), "Experience, Performance, and Earnings," Quarterly Journal of Economics, Vol. 95, No. 4, pp. 703–36; and Klevmarken, Anders and John M. Quigley (1976), "Age, Experience, and Investments in Human Capital," *Journal of Political Economy*, Vol. 84, No. 1, pp. 47–72.

Figure 4.

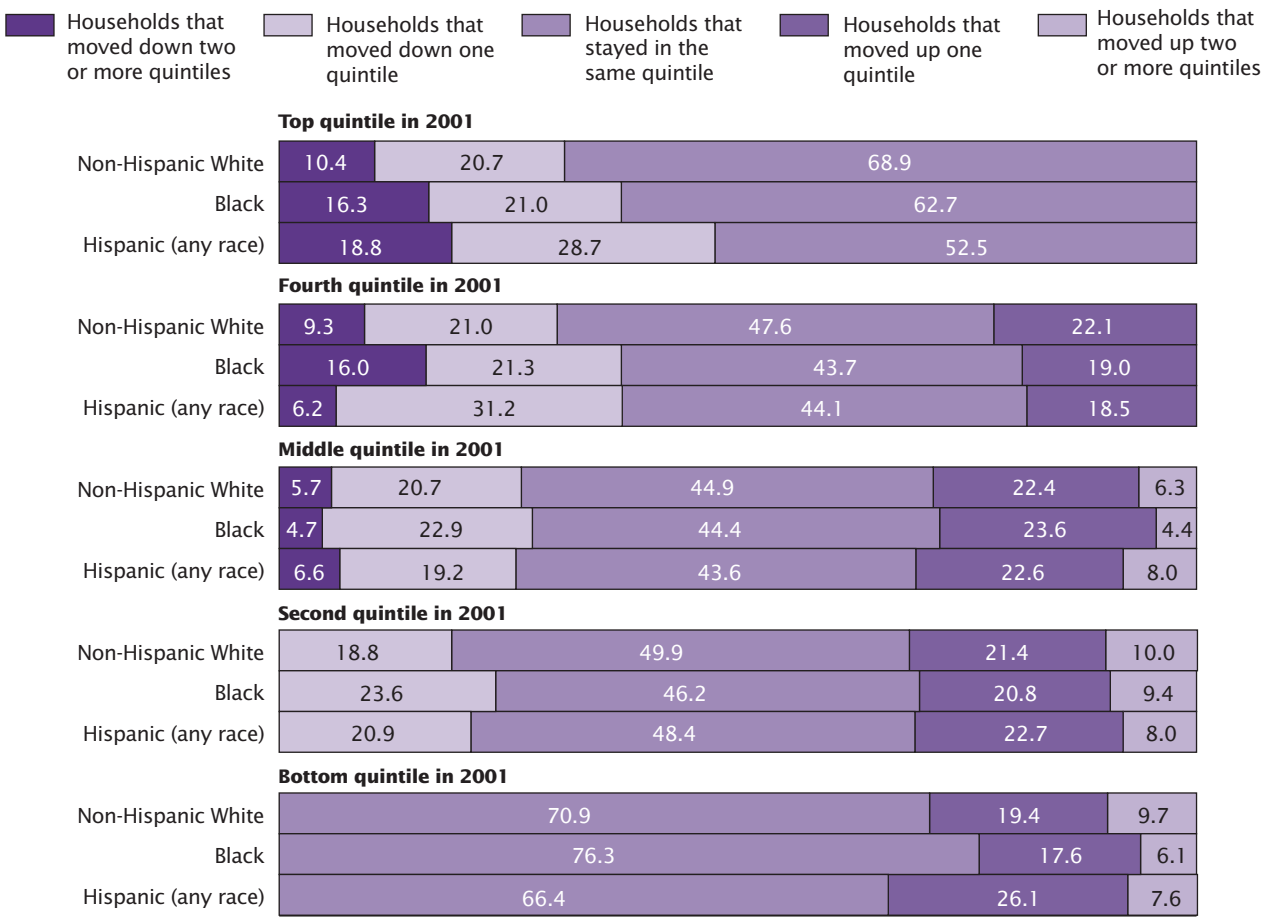
Percent Distribution of Household Movement Across Quintiles Between 2001 and 2003 by Age of Householder



Note: Age of householder in 2001.
Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 panel.

Figure 5.

Percent Distribution of Household Movement Across Quintiles Between 2001 and 2003 by Race and Ethnicity of Householder



Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 panel.

compared with 11 percent). This same pattern was observed for households that started in the bottom quintile and moved up two or more quintiles. Similarly, among comparable households from the 1996 SIPP panel that started in the bottom quintile, older households were less likely to move up one or more quintiles relative to all younger households.

RACE AND ETHNICITY

Few differences arose when looking at the race and ethnicity of the householder (Figure 5). Between 2001 and 2003, non-Hispanic White households in the top quintile were more likely to remain in the top quintile than Black or Hispanic households (69 percent compared with 63 percent and 53 percent, respectively). Hispanic households in the top and the fourth quintiles in 2001 were more likely than their non-Hispanic White and Black counterparts to move down one quintile by 2003 (29 percent and 31 percent compared with 21 percent, respectively). Additionally, Hispanic households in the fourth quintile were less likely than their non-Hispanic White and Black counterparts to move down two or more quintiles (6.2 percent compared with 9.3 percent and 16 percent, respectively).

Between 2001 and 2003, Black households in the bottom quintile were more likely to remain there than non-Hispanic White or Hispanic households (76 percent compared with 71 percent and 66 percent, respectively), while Hispanic households were more likely than their non-Hispanic White or Black counterparts to move up one quintile (26 percent compared with 19 percent and 18 percent, respectively).

Non-Hispanic White, Black, and Hispanic households were more likely to remain in the bottom quintile between 2001 and 2003 than comparable households in the 1996 SIPP panel between 1996 and 1999. For non-Hispanic White households in the bottom quintile, the proportions were 62 percent from 1996 to 1999 and 71 percent from 2001 to 2003. Comparable numbers for Black households in the bottom quintile were 65 percent (1996 to 1999) and 76 percent (2001 to 2003), and comparable numbers for Hispanic households in the bottom quintile were 59 percent (1996 to 1999) and 66 percent (2001 to 2003).

SOURCE OF THE DATA

The population represented (the population universe) in the 2001 SIPP is the civilian noninstitutionalized population of the United States. The SIPP is a longitudinal survey conducted at 4-month intervals. The data in this report refer to the period from January 2001 through December 2003. The institutionalized population, which is excluded from the population universe, is composed primarily of the population in correctional institutions and nursing homes (91 percent of the 4.1 million institutionalized population in Census 2000). Additional information on the SIPP can be found at the following Web sites:
<www.sipp.census.gov/sipp/> (main SIPP Web site),
<www.sipp.census.gov/sipp/workpapr/wp230.pdf> (SIPP Quality Profile), and
www.sipp.census.gov/sipp/usrguide/sipp2001.pdf> (SIPP User's Guide).

ACCURACY OF THE ESTIMATES

Statistics from surveys are subject to sampling and nonsampling error. All comparisons presented in this report have taken sampling error into account and are significant at the 90-percent confidence level. This means the 90-percent confidence interval for the difference between the estimates being compared does not include zero. Nonsampling errors in surveys may be attributed to a variety of sources, such as how the survey was designed, how respondents interpret questions, how able and willing respondents are to provide correct answers, and how accurately the answers are coded and classified. To minimize these errors, the U. S. Census Bureau employs quality control procedures during all stages of the production process, including the design of survey, the wording of questions, the review of the work of interviewers and coders, and the statistical review of reports.

The SIPP weighting procedure uses ratio estimation, whereby sample estimates are adjusted to independent estimates of the national population by age, race, sex, and Hispanic origin. This weighting partially corrects for bias due to undercoverage, but biases may still be present when people who are missed by the survey differ from those interviewed in ways other than age, race, sex, and Hispanic origin. How this weighting procedure affects other variables in the survey is not precisely known. All of these considerations affect comparisons across different surveys or data sources.

For further information on the source of the data and accuracy of the estimates, including standard errors and confidence intervals, go to <www.sipp.census.gov/sipp.sourceac/s&a96_040501.pdf> or contact Dennis Sissel of the Census Bureau's Demographic Statistical Methods Division on the Internet at <charlesd.sissel@census.gov> or at 301-763-5922. For information on the content of the report, contact John J. Hisnanick, Chief, Longitudinal Income Statistics Branch, on the Internet at <john.j.hisnanick@census.gov> or at 301-763-2295.

USER COMMENTS

The Census Bureau welcomes the comments and advice of users of its data and reports. If you have any suggestions or comments, please send an e-mail inquiry to <hhes-info@census.gov>.

SUGGESTED CITATION

Hisnanick, John J. and Katherine G. Giefer. *Dynamics of Economic Well-Being: Movements in the U.S. Income Distribution, 2001–2003.* Current Population Reports, P70-112. U.S. Census Bureau, Washington, DC, 2006.

Table A-1.
Households by Income Quintile: 2001 and 2003

(**Numbers in thousands.** Number of households: 104,531,000. 2001 incomes were adjusted to 2003 dollars using the CPI-U-RS)

2001	Households in 2001		2003										Total that moved two or more quintiles	
			Bottom quintile (<$19,591)		Second quintile ($19,591–$34,694)		Middle quintile ($34,695–$53,513)		Fourth quintile ($53,514–$81,486)		Top quintile (>$81,486)			
	Number	Margin of error (±)	Number	Margin of error (±)	Number	Margin of error (±)	Number	Margin of error (±)	Number	Margin of error (±)	Number	Margin of error (±)	Number	Margin of error (±)
Bottom quintile (<$19,918)	20,903	589.0	14,923	250.8	4,136	209.0	1,104	125.4	433	83.6	322	62.7	1,858	146.3
Second quintile ($19,918–$34,433)	20,903	589.0	4,092	209.0	10,217	271.7	4,518	229.3	1,543	146.3	544	83.6	2,087	167.2
Middle quintile ($34,434–$53,321)	29,903	589.0	1,202	125.4	4,364	229.9	9,276	271.7	4,774	229.9	1,294	125.4	2,497	125.4
Fourth quintile ($52,322–$79,062)	20,903	589.0	479	83.6	1,534	146.3	4,559	229.9	9,779	271.7	4,550	229.9	2,013	167.2
Top quintile (>$79,062)	20,903	589.0	226	62.7	657	104.5	1,453	146.3	4,380	229.9	14,946	250.8	2,335	167.2
	Total		Percent distribution											
Bottom quintile	100.0	(X)	71.4	1.2	19.8	1.0	5.3	0.6	2.1	0.4	1.5	0.3	8.9	0.7
Second quintile	100.0	(X)	19.5	1.0	48.9	1.3	21.6	1.1	7.4	0.7	2.6	0.4	10.0	0.8
Middle quintile	100.0	(X)	5.8	0.6	20.9	1.1	44.4	1.3	22.8	1.1	6.2	0.6	12.0	0.6
Fourth quintile	100.0	(X)	2.3	0.4	7.4	0.7	21.8	1.1	46.8	1.3	21.8	1.1	9.7	0.8
Top quintile	100.0	(X)	1.1	0.3	3.1	0.5	7.0	0.7	20.9	1.1	67.9	1.2	11.2	0.8

X Not applicable.

Note: The margin of error can be subtracted from and added to the point estimate to get the 90-percent confidence interval around the estimate.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 Panel.

Table A-2.
Demographic Characteristics for Households in the Bottom Quintile in 2001

(Householder characteristics measured during the first interview)

Characteristic	Quintile in 2003					
	Bottom		Second		Middle, fourth, or top	
	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)
Total (thousands)	**14,907**	**(X)**	**4,136**	**(X)**	**1,858**	**(X)**
Age of Householder						
15–24 years	7.3	0.8	11.1	1.8	16.8	3.2
25–34 years	11.0	1.0	18.8	2.2	18.1	3.3
35–44 years	12.0	1.0	19.2	2.3	18.7	3.4
45–54 years	12.3	1.0	14.0	2.0	17.7	3.3
55–64 years	12.8	1.0	15.2	2.1	13.3	3.0
65 years and over	44.6	1.5	21.7	2.4	15.4	3.2
Race/Ethnicity of Householder						
White	73.4	1.3	76.9	2.4	79.4	3.5
Non-Hispanic	63.6	1.5	62.8	2.8	69.9	4.0
Black	22.8	1.3	19.0	2.3	14.6	3.0
Asian or Pacific Islander	2.5	0.5	2.4	0.9	2.7	1.4
American Indian or Alaska Native	1.3	0.4	1.7	0.7	3.3	1.5
Hispanic (any race)	11.0	1.0	15.6	2.1	10.1	2.6
Marital Status of Householder						
Married, spouse present	16.1	1.2	31.6	2.7	28.7	4.0
Married, spouse absent	2.7	0.5	3.1	1.0	2.0	1.2
Never married	24.2	1.3	25.8	2.6	30.5	4.0
Divorced	20.2	1.2	17.5	2.2	19.9	3.5
Separated	5.1	0.7	5.7	1.3	6.4	2.1
Widowed	31.7	1.4	16.1	2.1	12.4	2.9
Education of Householder						
8 years or less	18.2	1.2	11.7	1.9	6.4	2.1
Some high school	21.5	1.3	16.8	2.2	13.6	3.0
High school diploma (includes GED)	34.2	1.5	34.0	2.7	29.9	4.0
Some college (no degree)	13.4	1.0	20.3	2.3	23.7	3.7
Associate's degree	6.4	0.7	8.6	1.6	9.9	2.6
Bachelor's degree or higher	6.3	0.7	8.6	1.6	16.6	3.2

X Not applicable.

Note 1: The margin of error can be subtracted from and added to the point estimate to obtain a 90-percent confidence interval around the estimate.

Note 2: The percentages presented in Tables A-2 through A-6 are based on 2001 data but are categorized by the quintile status of households in 2003. For example, all households in the bottom quintile in 2001 were divided into three groups based on their quintile status in 2003: stayed in the bottom quintile, moved up one quintile (to the second quintile), or moved up two or more quintiles (to the middle, fourth, or top quintiles). The percentages in Figures 2 through 5, however, were computed differently using percent distributions. The calculation of the first bar in Figure 2 is based on the percent distribution, which was calculated by dividing the number of householders in each quintile status group in 2003 (moved down to the bottom, second, or middle quintiles, moved down to the fourth quintile, and remained in the top quintile) by the total number of householders with less than a high school education in the top quintile in 2001.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 panel.

Table A-3.
Demographic Characteristics for Households in the Second Quintile in 2001

(Householder characteristics measured during the first interview)

Characteristic	Quintile in 2003							
	Bottom		Second		Middle		Fourth or top	
	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)
Total (thousands)	**4,092**	**(X)**	**10,217**	**(X)**	**4,512**	**(X)**	**2,086**	**(X)**
Age of Householder								
15–24 years	8.0	1.6	6.6	0.9	8.1	1.5	11.1	2.6
25–34 years	17.8	2.2	16.3	1.3	23.0	2.4	23.6	3.5
35–44 years	18.1	2.2	17.6	1.4	24.8	2.4	20.3	3.3
45–54 years	14.2	2.1	14.9	1.3	17.3	2.1	15.7	3.0
55–64 years	14.7	2.1	12.4	1.2	12.1	1.8	13.4	2.8
65 years and over	27.1	2.6	32.3	1.7	14.7	2.8	15.9	3.0
Race/Ethnicity of Householder								
White	80.6	2.3	84.3	1.3	82.8	2.1	79.4	3.3
Non-Hispanic	69.7	2.7	74.3	1.6	72.0	2.5	72.6	3.6
Black	16.3	2.2	12.8	1.2	13.0	1.9	12.7	2.7
Asian or Pacific Islander	2.1	0.9	1.9	0.5	3.1	1.0	6.0	1.9
American Indian or Alaska Native	1.0	0.6	1.0	0.4	1.1	0.6	1.8	1.1
Hispanic (any race)	11.7	1.9	10.9	1.2	11.6	1.8	8.8	2.3
Marital Status of Householder								
Married, spouse present	34.9	2.8	40.1	1.8	45.1	2.8	44.4	4.1
Married, spouse absent	2.4	0.9	1.4	0.4	1.7	0.7	1.9	1.1
Never married	24.6	2.5	20.7	1.5	21.8	2.3	22.8	3.5
Divorced	19.8	2.3	18.4	1.5	19.9	2.2	17.3	3.1
Separated	3.7	1.1	4.6	0.8	4.9	1.2	4.0	1.6
Widowed	14.5	2.1	14.8	1.3	6.6	1.4	9.7	2.4
Education of Householder								
8 years or less	8.5	1.6	7.7	1.0	5.5	1.3	4.6	1.7
Some high school	18.0	2.2	10.9	1.2	9.7	1.6	6.6	2.0
High school diploma (includes GED)	36.5	2.8	36.4	1.8	35.1	2.7	32.4	3.8
Some college (no degree)	18.4	2.2	20.5	1.5	12.6	1.8	24.9	3.5
Associate's degree	8.6	1.6	11.4	1.2	12.4	1.8	10.1	2.5
Bachelor's degree or higher	10.0	1.8	13.2	1.3	15.6	2.0	21.4	3.3

X Not applicable.

Note: The margin of error can be subtracted from and added to the point estimate to obtain a 90-percent confidence interval around the estimate. For more information, see Note 2, Table A-2.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 panel.

Table A-4.
Demographic Characteristics for Households in the Middle Quintile in 2001

(Householder characteristics measured during the first interview)

Characteristic	Quintile in 2003									
	Bottom		Second		Middle		Fourth		Top	
	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)
Total (thousands)	**1,202**	**(X)**	**4,365**	**(X)**	**9,277**	**(X)**	**4,773**	**(X)**	**1,294**	**(X)**
Age of Householder										
15–24 years	12.0	3.5	7.7	1.5	6.6	1.0	7.0	2.5	13.7	3.6
25–34 years	13.9	3.7	17.4	2.1	19.9	1.5	25.0	2.4	14.4	3.6
35–44 years	19.3	4.3	21.4	2.3	24.3	1.6	26.4	2.4	24.3	4.4
45–54 years	16.5	4.0	17.7	2.2	18.9	1.5	19.8	2.1	22.8	4.4
55–64 years	16.9	4.1	13.2	1.9	13.8	1.1	12.2	1.8	16.3	3.8
65 years and over	21.5	4.4	22.7	2.4	16.4	1.5	9.6	1.6	8.4	2.9
Race/Ethnicity of Householder										
White	85.8	3.8	82.8	2.1	84.4	1.4	83.0	2.0	87.7	3.4
Non-Hispanic	74.5	4.7	74.9	2.4	76.2	1.6	74.0	2.4	76.7	4.4
Black	9.7	3.2	12.8	1.9	11.7	1.3	12.1	1.8	8.3	2.9
Asian or Pacific Islander	2.3	1.2	2.6	0.9	2.9	0.7	3.4	1.0	3.0	1.8
American Indian or Alaska Native	2.3	1.2	1.8	0.7	1.0	0.4	1.6	0.7	1.0	1.0
Hispanic (any race)	11.3	3.4	9.0	1.6	9.6	1.2	9.7	1.6	12.6	3.5
Marital Status of Householder										
Married, spouse present	45.6	5.3	50.4	2.9	56.4	1.9	59.9	2.7	53.1	5.2
Married, spouse absent	1.9	0.9	1.6	0.7	1.1	0.4	0.9	0.5	0.4	0.7
Never married	22.8	4.6	18.4	2.2	18.2	1.5	18.4	2.1	25.8	4.6
Divorced	16.9	4.1	17.6	2.1	16.2	1.5	13.8	1.9	13.4	3.5
Separated	1.9	0.9	3.2	1.0	2.6	0.6	2.6	0.9	3.1	1.8
Widowed	10.9	3.3	8.8	1.6	5.5	0.9	4.4	1.1	4.2	2.1
Education of Householder										
8 years or less	7.5	2.9	5.5	1.3	3.4	0.7	2.2	0.8	1.7	1.3
Some high school	11.5	3.5	11.6	1.8	8.1	1.0	5.2	1.2	5.9	2.4
High school diploma (includes GED)	30.1	4.9	34.9	2.7	35.0	1.8	31.3	2.5	25.3	4.5
Some college (no degree)	21.4	4.4	22.7	2.4	21.3	1.6	21.5	2.2	20.8	4.2
Associate's degree	10.7	3.3	9.8	1.7	12.1	1.3	14.1	1.9	10.0	3.1
Bachelor's degree or higher	18.8	4.2	15.6	2.1	20.1	1.6	25.7	2.4	36.4	5.0

X Not applicable.

Note: The margin of error can be subtracted from and added to the point estimate to obtain a 90-percent confidence interval around the estimate. For more information, see Note 2, Table A-2.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 panel.

Table A-5.
Demographic Characteristics for Households in the Fourth Quintile in 2001

(Householder characteristics measured during the first interview)

Characteristic	Quintile in 2003							
	Bottom or second		Middle		Fourth		Top	
	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)
Total (thousands)	**2,012**	**(X)**	**4,558**	**(X)**	**9,779**	**(X)**	**4,554**	**(X)**
Age of Householder								
15–24 years	7.0	2.1	5.9	1.3	3.6	0.7	2.5	0.9
25–34 years	16.6	3.1	19.2	2.2	24.0	1.6	22.0	2.3
35–44 years	22.8	3.5	23.0	2.3	29.3	1.7	30.5	2.6
45–54 years	20.3	3.3	23.7	2.4	23.7	1.6	28.1	2.5
55–64 years	17.3	3.2	15.2	2.0	12.2	1.2	11.8	1.8
65 years and over	16.1	3.0	13.0	1.9	7.3	1.0	5.0	1.2
Race/Ethnicity of Householder								
White	81.5	3.2	87.0	1.9	87.8	1.2	86.9	1.9
Non-Hispanic	76.8	3.5	76.3	2.4	80.9	1.5	80.6	2.2
Black	14.1	2.9	8.2	1.5	7.9	1.0	7.4	1.5
Asian or Pacific Islander	2.6	1.3	3.7	1.0	3.2	0.7	5.2	1.2
American Indian or Alaska Native	1.9	1.2	1.0	0.5	1.1	0.4	0.5	0.4
Hispanic (any race)	5.1	1.8	11.4	1.8	7.5	1.0	6.8	1.4
Marital Status of Householder								
Married, spouse present	59.3	4.1	64.3	5.8	70.9	1.7	70.0	2.6
Married, spouse absent	0.8	0.7	1.0	0.6	0.5	0.2	1.2	0.6
Never married	16.8	3.1	14.5	0.7	12.3	1.2	14.1	1.9
Divorced	15.2	3.0	13.4	0.9	11.8	1.2	9.5	1.6
Separated	2.1	1.2	1.6	0.5	1.8	0.5	2.3	0.9
Widowed	5.7	1.9	5.2	1.0	2.7	0.6	2.8	0.9
Education of Householder								
8 years or less	4.5	1.7	3.6	1.0	1.6	0.5	1.8	0.7
Some high school	8.3	2.3	5.3	1.2	3.2	0.7	4.4	1.2
High school diploma (includes GED)	34.0	4.0	27.5	2.5	26.1	1.6	22.3	2.3
Some college (no degree)	18.3	3.2	22.9	2.3	22.2	1.6	17.0	2.1
Associate's degree	10.3	2.6	14.5	1.9	14.6	1.3	15.4	2.0
Bachelor's degree or higher	24.7	3.6	26.2	2.4	32.3	1.8	39.2	2.7

X Not applicable.

Note: The margin of error can be subtracted from and added to the point estimate to obtain a 90-percent confidence interval around the estimate. For more information, see Note 2, Table A-2.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 panel.

Table A-6.
Demographic Characteristics for Households in the Top Quintile in 2001

(Householder characteristics measured during the first interview)

Characteristic	Quintile in 2003					
	Bottom, second, or middle		Fourth		Top	
	Percent	Margin of error (±)	Percent	Margin of error (±)	Percent	Margin of error (±)
Total (thousands)	**2,334**	**(X)**	**4,380**	**(X)**	**14,194**	**(X)**
Age of Householder						
15–24 years	6.2	1.9	0.8	0.5	1.6	0.4
25–34 years	18.8	3.0	16.4	2.1	16.5	1.2
35–44 years	21.4	3.2	26.5	2.5	32.0	1.5
45–54 years	23.4	3.3	33.5	2.7	32.1	1.5
55–64 years	17.7	3.0	13.9	1.9	12.6	1.0
65 years and over	12.6	2.6	8.8	1.6	5.1	0.7
Race/Ethnicity of Householder						
White	85.0	2.8	88.7	1.8	88.3	1.0
Non-Hispanic	77.7	3.2	82.6	2.1	84.7	1.2
Black	8.1	2.1	5.6	1.3	5.1	0.7
Asian or Pacific Islander	5.8	1.8	4.5	1.2	6.1	0.7
American Indian or Alaska Native	1.1	0.8	1.3	0.6	0.5	0.2
Hispanic (any race)	8.4	2.1	6.9	1.5	3.9	0.6
Marital Status of Householder						
Married, spouse present	68.0	3.6	79.7	2.2	83.1	1.2
Married, spouse absent	1.9	1.0	0.8	0.5	0.5	0.2
Never married	14.3	2.7	8.8	1.6	8.5	0.9
Divorced	11.1	2.4	6.5	1.4	5.6	0.7
Separated	1.4	0.9	0.8	0.5	0.7	0.2
Widowed	3.3	1.4	3.5	1.0	1.7	0.4
Education of Householder						
8 years or less	1.7	1.0	0.9	0.5	0.6	0.2
Some high school	3.5	1.4	2.1	0.8	1.4	0.4
High school diploma (includes GED)	21.7	3.2	21.6	2.3	13.4	1.1
Some college (no degree)	19.7	3.1	17.1	2.1	14.6	1.1
Associate's degree	11.0	2.4	15.7	2.1	10.3	1.0
Bachelor's degree or higher	42.4	3.8	42.5	2.8	59.8	1.5

X Not applicable.

Note: The margin of error can be subtracted from and added to the point estimate to obtain a 90-percent confidence interval around the estimate. For more information, see Note 2, Table A-2.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2001 panel.

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