



With all of the buzz lately of conventions, VP selections, hurricanes etc, it seems some very interesting data was released by the Census Bureau last week and has generally been overlooked. In direct opposition to the doom and gloom portrayal of the US economy that was painted last week, where workers are working harder, and longer, for less and less -- the Census Bureau says "not so!" The report shows incomes have been rising, poverty continues to remain low, and the inequality gap between rich and poor shrank dramatically in 2007.

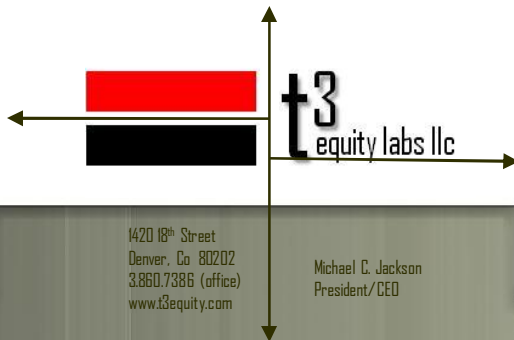
Real median family income hit \$61,355 in 2007 and that's an all-time high. (infl. adj. mid-point) That income number is up over 2% vs. '06 and is the 3rd consecutive annual increase. The last all-time high was set in 2000. This 6 yr. lag is a normal recover period for setting new highs when viewed historically vs. other recessionary periods during the last 30 years.

What should surprise the conventional doom and gloom naysayers is that last year the inequality amongst families diminished by the biggest amount in the last 45 years. Share of income at the top end of the curve (top 5%) declined to 20.1% (the largest decline in 12 years) from 21.5% while share of national income of the bottom 20% increased to 4.1% from 4% --- who picked up the slack, the middle-class!!!

The other interesting fact is that a poverty rate of 12.5% of the economy is lower than every year from 1980-1998 and lower than the 13% average poverty rate that's prevailed since the late 1960s.

To me this feels like the economy is fundamentally in better shape than some of the politicians are going to try and make us believe!!!

(First Trust/Fed Census data)



How'd we all miss this?

Income is up – Inequality is down!