

# Income: Super rich skew U.S. statistics

By Thomas Hargrove

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Computer czar Bill Gates and a handful of other billionaires make so much money they're messing up the nation's income statistics.

The difference between America's average — or mean — income and its median income is at an all-time high, according to the Census Bureau.

While many people don't know the subtle difference between these two measures, they illustrate a point everyone understands — the growing inequity in how wealth is distributed in the United States.

"We don't say that the rich are getting richer. But that there is a disparity in income, that certainly has been the case," Ed Welniak, chief of the Census Bureau's Income Statistics Branch, said cautiously.

The estimated mean income in 1996 for people of working age was \$25,466. This



Gates

figure is calculated by taking the total of all incomes in America and dividing by the number of people who earned money. It's a simple measure, one that is easily distorted by high earnings by those at the top.

But the median income (that is, half the people earned more than this amount and half earned less) was only \$17,587 that year. The mean is 45 percent larger than the median.

It's a difference that demographers have been charting for years. And it's the reason the Census Bureau carefully reports both statistics whenever discussing personal economics.

"The median is a measure that is less sensitive to extremes than is the mean,"

Welniak said.

The extremes, in particular, represent the relative handful of Americans who hold enough wealth to distort the averages. Gates, the head of Microsoft, for example, is worth an estimated \$38 billion. The growth in his personal wealth in one year alone was enough to account for several dollars in the difference between the mean and median incomes.

That difference has been steadily increasing. In 1974, the mean was only 36 percent larger than the median.

Welniak said those with college educations often earn far more than those without. And household income — boosted when the salaries of two or more people are combined — has been falling with the proliferation of single-parent families.

In 1996, the richest 20 percent of the American public owned 49 percent of the nation's wealth. Twenty years earlier, the top fifth owned 43 percent.