

PAES / Invest in Kids American Prospect Discussion

January 14, 2008

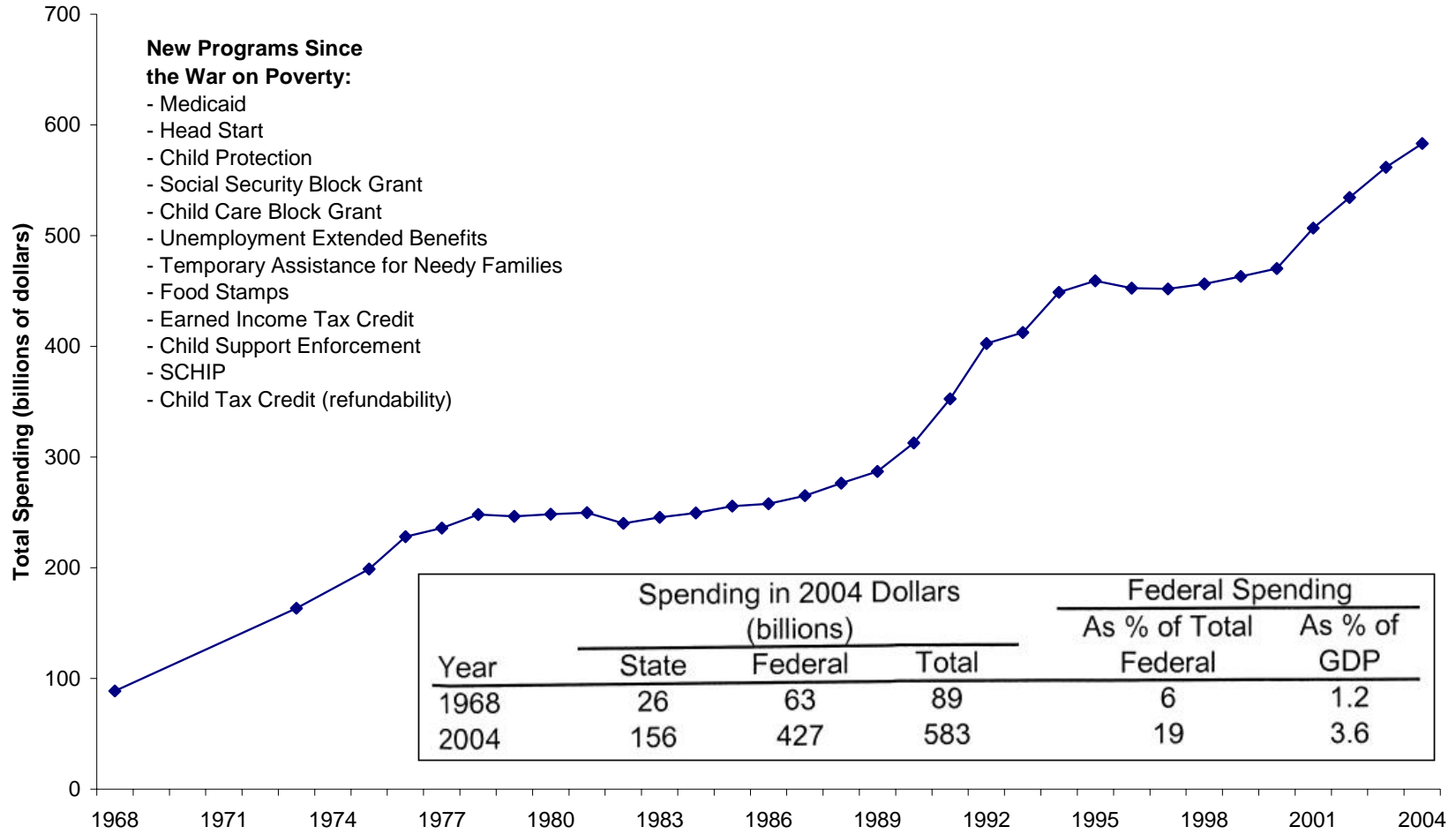
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The Brookings Institution

Does the U.S. Have a Progressive Income Tax System?

Income Category	Millions of Households	Pretax Income	Income Taxes Paid	Effective Tax Rate	% of Income Taxes Paid
Bottom Quintile	24.1	15,900	-11,034	-6.5	-2.9
Second Quintile	22.0	37,400	-374	-1.0	-0.9
Middle Quintile	22.2	58,500	11,755	3.0	4.7
Fourth Quintile	22.6	85,200	5,112	6.0	13.8
Top Quintile	23.1	231,300	32,613	14.1	85.3
Top 10%	11.7	339,100	54,256	16.0	70.8
Top 5%	5.8	520,200	91,555	17.6	58.5
Top 1%	1.1	1,558,500	302,349	19.4	36.7

Source: Congressional Budget Office, December 2007.

Federal and State Spending on Means-Tested Benefits, 1968-2004



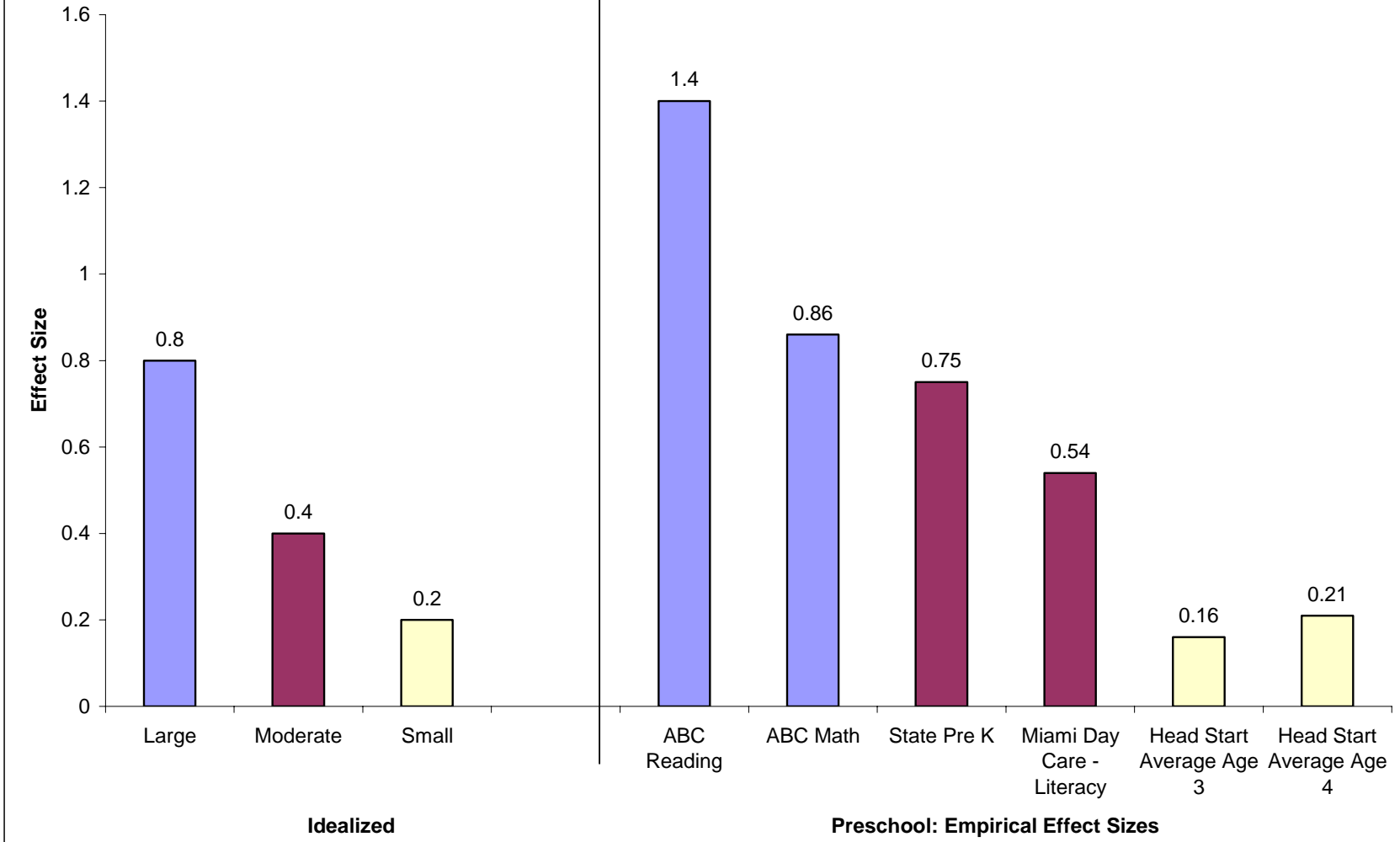
Congressional Research Service, Cash and NonCash Benefits for Persons with Limited Income: Eligibility Rules, Recipient and Expenditure Data, FY2002-FY2004 (March 27, 2006).

Key Differences Between Poor and Non Poor Families

Characteristic	Poor	Non Poor
Family Income (annual)	\$9,465	\$75,288
Hours Worked (annual)	1,017	2,151
Married (percent)	39.5	81.0
Education	High School Dropout	Some College
Number of Children	2.13	1.28

Source: Ways and Means Committee, Minority Staff (based on Census Bureau data).

Comparison of Selected Effect Sizes from Preschool Programs



Support for Working Families, 1984 and 1999

