

mation in the article you found before quoting from it.

■ Know the database you are searching, says Elizabeth Haworth, manager of information services at the Sinkler & Boyd law firm in Columbia, South Carolina. It is not enough to know which database stores the data you want, she said. "You have to know more than that. You have to know the laws that cover the reporting of that data." If you report there have been X number of insider transactions in the last month without realizing the law allows a 30-day lag before such trades must be reported, you're going to get yourself in trouble, Haworth said.

■ Don't take numbers on faith just because they come from a government, said Pat Stith, Pulitzer Prize-winning investigative reporter with the Raleigh News & Observer. Question everything, even the names of categories. A category labeled "Date last raise" may seem to be cut-and-dried to you, but the way the category is used may have changed since the database originally was built. And, you must always know how frequently a database is updated, Stith said. You can get into all sorts of trouble if you don't realize that there's a six-month backlog of paper reports waiting to be entered into the database you are using.

■ Electronic searching is a lot like fishing with a dragnet, says Linda Henderson, library director at the Providence Journal: You can cover great expanses of ocean and catch lots of fish, but the net scoops up seaweed, garbage and junk fish along with the species you are trying to catch. It takes good journalistic skills to separate the good from the bad, she said. And one more thing, says Henderson: Electronic searching of online databases is a great new tool, but should be just one more item in your toolbox. Or, as Henderson likes to tell reporters, "Go out and make some phone calls."

—Christopher J Feola

come for Social Security but 56 percent of their total income to the federal government because of the 55 percent for income taxes. The Social Security income cap for 1979 was \$22,900.

Those who make more than \$100,000 a year account for about 3 percent of people between 25 and 64 years old. Those who make less than \$5,000 a year comprise about 7 percent of the population younger than 25 to older than 75. Those in the \$35,000 to \$49,999 income bracket comprise 19 percent of the population, concentrated most heavily in the ages between 25 and 54.

By 1989, just 10 years later, those households in the lowest bracket, earning a median of \$2,500 a year, kept 77 percent or \$1,925 of their income, an 18 percent loss. The highest group, with a median household income of \$250,000 a year, kept 69 percent or \$172,500, a 57 percent gain.

Those in the middle, earning a median of \$42,500 a year, kept 73 percent of their income or \$31,450, a 5.7 percent increase compared to 1979.

The Social Security tax income cap in 1989 was \$48,000, up more than 109 percent since 1979. While the lower brackets saw an increase that put them at 7.65 percent of their income paid for Social Security, the higher brackets still paid anywhere from 1 percent for a median income of \$250,000 to 4 percent for a median income of \$87,500.

Using statistics for married couples filing jointly, unless noted otherwise, households earning a median of \$2,500 in 1979 paid nothing in income tax. Ten years later, they were paying 15 percent to income tax, not to mention 2 percent more in Social Security taxes.

In the middle, households with a median income of \$42,500 paid 3 percent or \$1,275 to Social Security in 1979, compared to 7.65 percent or \$3,400 in 1989. For income tax, this same group paid 27 percent or \$11,475 in 1979 and 19 percent or \$8,075 in 1989.

Another group "in the middle" with a median household income of \$22,500 was not affected greatly by the changes over the 10 years. In 1979, this group paid 6.65 percent or \$1,350 to Social Security, compared to 7.65 percent or \$1,800 in 1989. In terms of income tax, this group paid 17 percent or \$3,825 in 1979 compared to 15 percent or \$3,375 in 1989. This group's after-taxes income stayed the same over the 10 years.

The household income group from \$15,000 to \$24,999 makes up 20 percent, or one-fifth, of the population, with 5 percent of the group 75 and older, and 5 percent

34 and younger.

In 1995, the 1996 presidential campaign was well underway, and calls for 15 percent tax cuts, flat taxes, and deductions for adoptive parents, foster parents and parents with college-age kids were all the rage.

In that year, the lowest earners with a median of \$2,500 a year still kept 77 percent of their income or \$1,925. The highest earners kept 66 percent of their income, 4 percent less than they did in 1989.

In the middle, those who made \$22,500, a group whose status had not changed significantly from 1979 to 1989, in 1995 paid 7.65 percent to Social Security, the same as in 1989, and 15 percent or \$3,375 to income tax, also the same as in 1989. Does this mean that the way to avoid being a "loser" is to avoid earning much more than \$20,000 a year?

By 1995, the Social Security income cap had become \$61,200 across-the-board, a 27.5 percent increase from prior years. So someone earning a median of \$62,500 paid 2 percent or \$1,250 to Social Security in 1979. In 1989, this group paid 6 percent or \$3,750 and in 1995 paid 7 percent or \$4,375. No drastic changes, yet on the "extreme" ends of the income spectrum, there are some definite winners and losers.

Income taxes for the highest three brackets have changed significantly since 1979 when those households with annual incomes of \$100,000 or more paid from 44 percent to 55 percent, to 1989 when these groups paid from 26 percent to 30 percent, to 1995 when they paid 24 percent to 30 percent. If annual income was \$100,000 during the entire period, the yearly savings would have built up to \$22,500.

In the lower four tax brackets, the change is much the same, but what results is a staggering loss. Households earning \$17,500 and less in 1979 paid from nothing to a maximum of 15 percent in income taxes. In 1989 and 1995, these same households paid a flat 15 percent across-the-board. For a household earning \$17,500 a year, this translated into a steady 15 percent income tax rate over the period studied. But the lower the household income, the higher the percentage of income lost over the years: For a family earning \$12,500 a year, income taxes during the period rose 25 percent, from \$1,500 to \$1,875. For a household earning \$7,500 a year, income taxes rose 87.5 percent, from \$600 to \$1,125.

And, as already noted, the lowest-earning households, with a median income of \$2,500, paid 15 percent or \$375 in income tax in 1995. In 1979 they paid nothing.