



For Immediate Release

Household Income Trends: August 2019

Median Household Income at \$65,976

Summary of Key Findings

New data from the monthly Current Population Survey (CPS), indicate that median annual household income in August 2019 was \$65,976, up \$857 or 1.3 percent from July 2019 (\$65,119).

The median is now 6.8 percent higher than the median of \$61,772 in January 2000, the beginning of this statistical series.

The August 2019 median is 3.4 percent higher than that for August 2018, when the median stood at \$63,834.

Median household income in August was 8.1 percent higher than the median of \$61,047 for December 2007, the official start of the “great recession” and 18.2 percent above the post-recession low point of \$55,828 that was not reached until June 2011, two years after the recession had officially ended.

These findings come from a report issued today by Sentier Research, titled “Household Income Trends: August 2019,” which presents monthly trends in household income from January 2000 to August 2019.

Median annual household income has displayed a somewhat erratic pattern over the past several years. More broadly, there has been a general upward trend in median household income since the post-recession low point reached in June 2011. This upward trend was initially marked by monthly movements, both up and down. Many monthly changes were not statistically significant. By the summer of 2014 however, that uneven trend became dominated by a series of significant monthly increases. (See Figure 1 at the back of this report.)

The general upward trend in median annual household income since June 2011 reflects, in part, the low level of inflation as measured by the CPI for all items used in this series,

as opposed to the CPI less food and energy. Energy prices have recently been fluctuating, which has had an effect on the CPI for all items. The CPI for all items increased by 0.1 percent between July 2019 and August 2019, compared to a 0.3 percent increase between June 2019 and July 2019.

According to Gordon Green of Sentier Research, “Real median household income has continued to display an upward trend over the past 12 months (up 3.4 percent), and especially since the low point reached in June 2011 (up 18.2 percent). We continue to monitor the course of inflation, as this has a significant effect on the trend in real median annual household income. We are at a point now where real median household income is 6.8 percent higher than January 2000, the beginning of this statistical series. We have seen a strong positive trend in real median annual household income over the past several years, which is encouraging.”

Additional Highlights

- The August reading on the labor market from the U.S. Bureau of Labor Statistics is only slightly changed from July:
 - The official unemployment rate was 3.7 percent in August 2019, the same as July 2019.
 - The median duration of unemployment was 8.9 weeks in August 2019, also the same as July 2019.
 - The broader measure of employment hardship, which includes the unemployed, marginally attached workers (of which discouraged workers are a subset), and persons working part-time for economic reasons, was 7.2 percent in August 2019, slightly higher than July 2019 (7.0 percent).
- The Sentier Household Income Index (HII) shows the value of real median annual household income in any given month as a percent of the base value at the beginning of the last decade (January 2000 = 100.0 percent):
 - The Sentier HII stood at 106.8 in August 2019, higher than December 2007 (98.8) when the “great recession” began, and higher than June 2009 (97.0), when the “economic recovery” subsequently began.
 - The Sentier HII was 90.4 in June 2011, the low point in our household income series.

Income amounts in this report are before-tax money income and have been adjusted for inflation; income amounts are expressed in August 2019 dollars and have been seasonally adjusted, unless otherwise noted.

The estimates in this report are based on the Current Population Survey (CPS), the monthly household survey that provides official estimates of the unemployment rate. The CPS samples almost 50,000 households and approximately 96,000 adult members each month. As is the case with all surveys, the estimates are subject to sampling and nonsampling errors. All comparisons made in the report have been tested and found to be statistically significant at the 90-percent confidence level, unless otherwise noted.

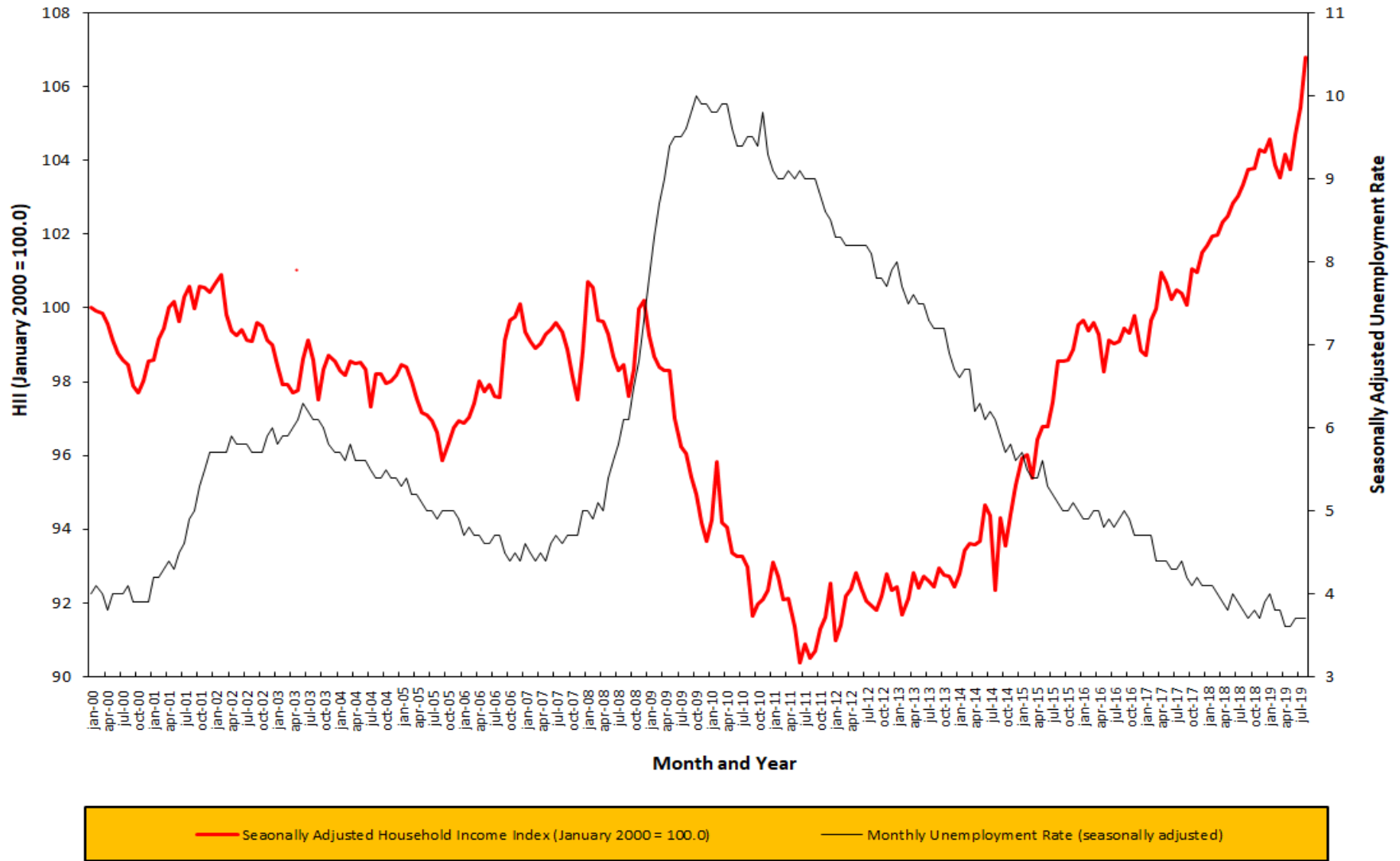
Household income is defined as the sum of the incomes of all household members. Income refers to all sources of money income including earnings from work, Social Security, interest, dividends, cash welfare, retirement pensions, unemployment compensation, veterans' benefits, etc. Income **excludes** capital gains and losses, and lump-sum, one-time amounts. Household income is measured before the payment of federal and state income taxes and Social Security payroll taxes.

Copies of the report, *Household Income Trends: August 2019* (9 pages as .pdf), issued in October 2019, can be obtained from the Sentier Research, LLC website at www.sentierresearch.com.

The authors of the new report are Gordon Green and John Coder, both former officials at the U.S. Census Bureau. All media inquiries should be addressed to Gordon Green at the email address gordonwgreen@sentierresearch.com, or by telephone on (703) 764-0249.

Figure 1.

Median Household Income Index (HII) and Unemployment Rate by Month: January 2000 to August 2019



Sources: For income data: Sentier Research, LLC estimates of annual household income derived from the monthly Current Population Survey (CPS) conducted by the U.S. Census Bureau; for the unemployment rate and the CPI-U: the U.S. Bureau of Labor Statistics.