



S E N T I E R  
R E S E A R C H

**For Immediate Release**

## **Household Income Trends: Statistical Brief**

### **Working Class White Males Falling Behind**

#### **Background**

The “working class” in America has frequently been defined as white males with a high school education working at wage and salary jobs. Some have said that this is one of the groups that has been “left behind” and newly energized during this year’s election process. This statistical brief compares changes in earnings experienced by white males and contrasts those experiences for high school graduates and college graduates between 1996 and 2014 within age cohorts.

In this brief study ten two-year age cohorts were defined for 1996 beginning with white males 25 to 26 years old and ending with those 43 to 44 years old. The incomes of these cohorts in 1996 were then compared to their incomes 18 years later in 2014. For example, the wage and salary incomes of white male high school graduates, ages 25 to 26 years in 1996 were compared to their incomes at ages 43 to 44 in 2014. Similarly, the wage and salary income of white male college graduates, age 25 to 26 years old in 1996, were compared to the income of those age 43 to 44 years old in 2014, etc. The terms working class and white male high school graduates are used synonymously in this brief.

The metric used to make income comparisons was wage and salary income per cohort member. These income estimates were computed by dividing the total amount of wage and salary income received by members of the cohort by the overall number of individuals in the cohort. As such, it is not the most common measure of mean wage and salary income based just on those receiving wage and salary income and working year-round full-time. This alternative measure was chosen because it indirectly reflects changes in the labor force participation rate, the unemployment rate, and in the number of hours and weeks worked during the reference year. Wage and salary income was based on the total amount of wage and salary income received during the reference year from all jobs. All estimates are presented in terms of 2014 prices.

## Summary of Key Findings

This statistical brief provides a unique perspective on the earnings of the working class by examining income changes by age cohorts. As such, it compares income levels for the “same” individuals at two points in time, in this case for the period from 1996 to 2014. It found, for example, that for the working class, the amount of wage and salary income per cohort member age 25 to 44 in 1996 declined from \$40,362 in that year to \$36,787 in 2014 (9 percent lower) when they reached the ages between 43 to 62 years. White male college graduates 25 to 44 in 1996 had a comparable income per cohort member amount of \$77,209 in 1996. That figure rose to \$94,601 in 2014 (23 percent higher).

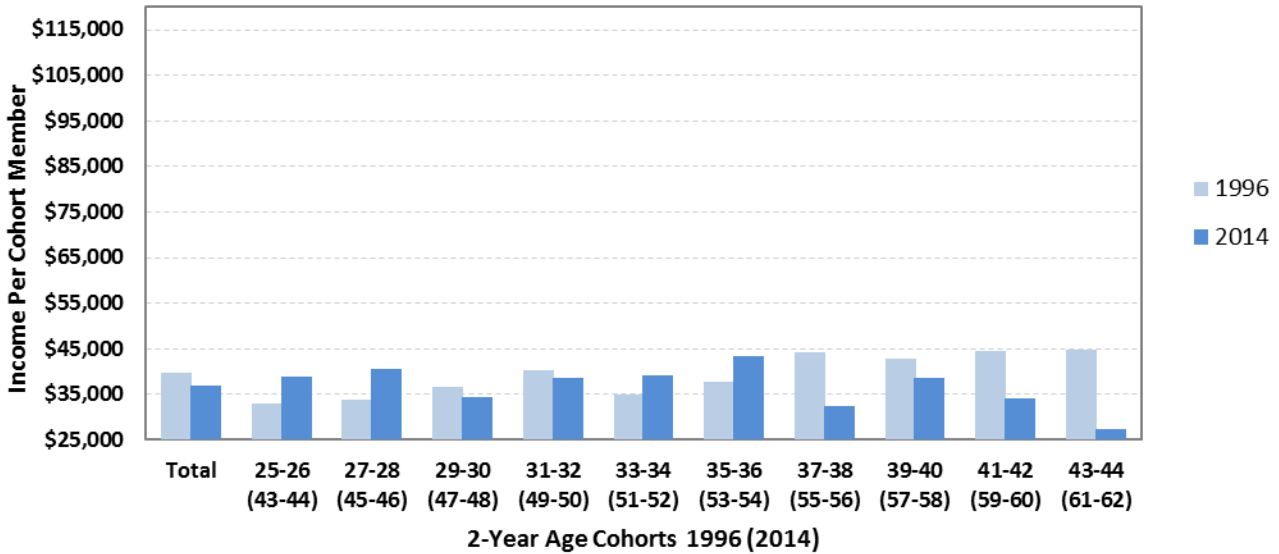
Comparisons within specific two-year cohorts show vastly different experiences for the working class and white male college graduates. For the youngest working class cohort, ages 25 to 26 in 1996, aging to 43 to 44 years in 2014, wage and salary income per cohort member rose in real terms by 19 percent during this 18-year period. College graduates, on the other hand, experienced an increase of 133 percent. The levels of wage and salary income per cohort member in 1996 for the youngest two-year groups were \$32,677 for high school graduates compared to \$40,487 for college graduates. By 2014 (the cohort now 43 to 44 years old) the gap between high school and college graduates had exploded. The wage and salary income for college graduates climbed to \$94,252 per cohort member while that of high school graduates had risen to just \$38,803. Increases for college graduates in the 27 to 28 and 29 to 30 age cohorts were 125 percent and 103 percent, respectively. Their income levels rose from \$48,832 and \$55,481 to \$109,733 and \$112,426. Their working class counterparts in these two age groups experienced a 19 percent increase and a 6 percent decrease over the same period; their incomes in 2014 reaching \$40,480 and \$34,304.

Incomes declined for the older age cohorts as would be expected. For the 43 to 44 year age cohort (61 and 62 in 2014), income per cohort member had fallen to \$27,230 for the working class cohort while the wage and salary income per cohort member for college graduates had declined to \$68,406 from \$95,734.

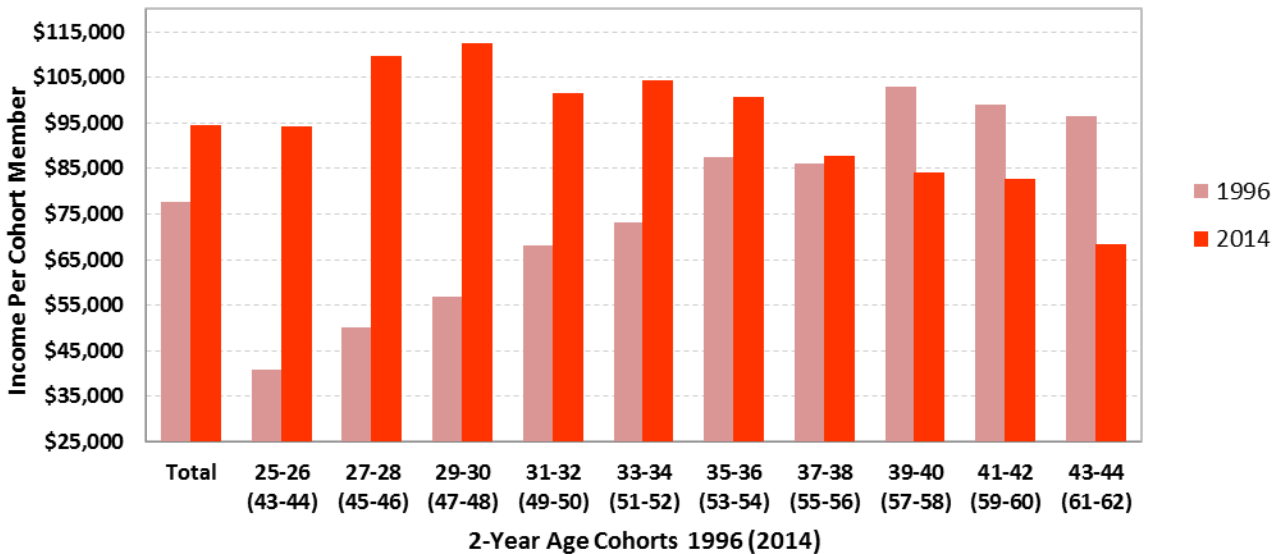
(See Charts 1 and 2 for a visual representation of the experiences of the other two-year age cohorts.)

Please see the full statistical brief for additional analysis.

**Chart 1. Wage and Salary Income Per Cohort Member for White Male High School Graduates: 1996 and 2014 (in 2014 Dollars)**



**Chart 2. Wage and Salary Income Per Cohort Member for White Male College Graduates: 1996 and 2014 (in 2014 Dollars)**



All income values shown have been adjusted to reflect 2014 consumer prices. All estimates were generated by Sentier Research using publicly available survey data files containing anonymized survey observations and released by the U.S. Census Bureau. The data files used here were down-loaded from IPUMS-USA at the University of Minnesota ([www.ipums.org](http://www.ipums.org)).

Copies of the statistical brief, "*Comparing Earnings of White Males by Education for Selected Age Cohorts: High School vs. College Graduates*," issued in October 2016, can be obtained from the Sentier Research, LLC website at [www.sentierresearch.com](http://www.sentierresearch.com) and are available to the public free of charge.

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