Based on new estimates derived from the monthly Current Population Survey (CPS), real median annual household income has fallen by 3.1 percent since the “economic recovery” began in June 2009. Adding this post-recession decline to the 1.8-percent drop that occurred during the recession leaves median annual household income now 4.8 percent below the December 2007 level. However, real median annual household income has begun to recover slowly during the past three years, June 2011 to June 2014.

After adjusting for changes in consumer prices, median annual household income declined during the officially-defined recession from $56,604 in December 2007 to $55,589 in June 2009, a decrease of 1.8 percent. During the first two years of the economic recovery, as the unemployment rate and the duration of unemployment remained high, median annual household income continued its decline to $51,913 in June 2011, a decrease of 6.6 percent. During the last three years of the economic recovery, between June 2011 and June 2014, real median annual household income increased from $51,913 to $53,891, an increase of 3.8 percent (seasonally adjusted estimates).

Compared to January 2000, the beginning point for our monthly statistical series, real median annual household income is now lower by 5.9 percent. The median was $57,288 in January 2000 and $53,891 in June 2014. (All income amounts in this report are before-tax money income and are presented in terms of June 2014 dollars).

According to Gordon Green of Sentier Research: “After the steep drop in real median annual household income during the first two years of the economic recovery some measurable recovery in median household income has taken shape over the period since June 2011. Real median household income is up by 3.8 percent overall since June 2011, but gains have not been shared equally by all groups. In terms of percentage increases in median household income over the past three years: families have fared better than nonfamilies, the employed have obviously fared
better than the unemployed, households with three or more earners have fared better than households with one or no earners, Whites and Blacks have fared better than Hispanics, medium-sized households have fared better than small or large households, households with few children have fared better than households with several children, the self-employed have fared better than private or government wage or salary workers, and households in the Midwest region have fared better than households in the other three regions.”

**Highlights for Income Changes Post Recession for Selected Household Subgroups**

- **Type of Household:**

  June 2009 to June 2014: Median income for family households declined by 2.2 percent, from $69,187 to $67,643. The percentage decline for married-couple households (1.0 percent) was statistically significant, but the measured declines for those with a female householder with children present (5.5 percent) and other family households (2.1 percent) were not statistically significant. Median income for nonfamily households declined by 8.1 percent, from $34,505 to $31,724. Within this group, the percentage decline for men living alone (7.1 percent) was larger than for women living alone (4.6 percent). There was no statistically significant change in the median income for other nonfamily households.

  June 2011 to June 2014: Median income for family households increased by 5.3 percent, from $64,214 to $67,643. The percentage increase was statistically significant for married-couple households (4.6 percent) and other family households (7.3 percent), but not for those having a female householder with children present. Median income for nonfamily households in June 2014 was $31,724, not significantly different from June 2011 ($31,927). Within this group, there was a decline in median income for women living alone (3.1 percent), but not for men living alone. Median income of other nonfamily households increased by 7.3 percent, from $62,246 to $66,806.

- **Age of Householder:**

  June 2009 to June 2014: Householders under the age of 25 years old had a median income in June 2014 of $35,331, not significantly different than June 2009 ($35,387). Among householders between 25 and 54 years of age, median income declined within the range of 3.1 to 5.2 percent. For households with a householder between 55 and 64 years old, median income declined by 6.4 percent, from $64,124 to $60,046. Households with householders 65 years old and over were the only groups examined in this study that had a statistically significant increase in median income between June 2009 and June 2014. For households with a householder between 65 and 74 years old, median income increased by 6.2 percent, from $41,718 to $44,307. Among households with a householder 75 years old and over, median income increased by 5.4 percent, from $27,139 to $28,601.
The large percentage increase in median income for these two older age groups may reflect the movement of higher-income members from the Baby Boom generation into these age groups over the five-year period from June 2009 to June 2014.

**June 2011 to June 2014:** Householders under 25 years old had a very large increase in their median income of 10.1 percent, from $32,083 to $35,331. The next older age group with householders 25 to 34 years old had an increase in their median income of 6.1 percent, from $51,678 to $54,835. There was no statistically significant change in median income for householders 35 to 44 years old, which is a relatively high income group. Householders 45 to 54 years old, the highest income group, had an increase in their median income of 2.9 percent, from $66,076 to $68,012. Householders with householders 55 to 64 years old had an increase in their median income of 2.8 percent, from $58,437 to $60,046. Median income did not increase significantly for householders 65 to 74 years old, but did increase by 3.4 percent for households with householders 75 years old and over, from $27,671 to $28,601.

- **Employment Status of Householder:**

  **June 2009 to June 2014:** The median income of unemployed householders declined by 23.5 percent, from $42,659 to $32,641. This decline reflects, in part, the continued high number of long-term unemployed. In contrast, the median income for households with a working householder declined by only 4.8 percent, from $72,642 to $69,178. Within this category, median income declined by less for those in which the householder was working full-time (4.6 percent) than part-time (8.9 percent). Among those in which the householder was not in the labor force, median income in June 2014 was $30,818, not significantly different than June 2009 ($31,154).

  **June 2011 to June 2014:** The measured five-percent decrease in median income for unemployed householders from June 2011 to June 2014, from $34,341 to $32,641, was not statistically significant. The median income of households with a working householder increased by 2.0 percent, from $67,844 to $69,178. The measured increases for those with a householder working full-time (1.0 percent) and part-time (3.0 percent) were not statistically significant. Among households in which the householder was not in the labor force, the measured increase in their median income of 1.8 percent, from $30,273 to $30,818, was also not statistically significant.

- **Number of Earners:**

  **June 2009 to June 2014:** The median income of households with no earners declined by 2.3 percent, from $23,354 to $22,813. The percentage decline in median income for households with one earner was also 2.3 percent, from $50,420 to $49,237. Households with two earners experienced a decline in their median income of 4.2 percent, from $91,789 to $87,898. Households with three or more earners had a decline in their median income of 1.5 percent, from $116,879 to $115,177.
June 2011 to June 2014: The median income of households with no earners increased by 2.7 percent, from $22,208 to $22,813. The percentage increase in median income for households with one earner was 4.4 percent, from $47,169 to $49,237. Households with two earners had a median income in June 2014 of $87,898, not significantly different than their June 2011 median ($87,180). Households with three or more earners experienced an increase in their median income of 7.8 percent, from $106,865 to $115,177.

- Race and Hispanic Origin of Householder:

  June 2009 to June 2014: The median income for households with a Black householder (not Hispanic) declined by 7.7 percent, from $38,384 to $35,416. Median income for households with a White householder (not Hispanic) declined by 2.6 percent, from $61,365 to $59,754. The apparent decline in median income of 1.0 percent for households with a householder of other race combinations (not Hispanic), from $61,920 to $61,289, was not statistically significant. This category, which includes Asians, is a relatively high-income group. Households with an Hispanic householder experienced a decline in their median income of 5.6 percent, from $43,807 to $41,358.

  June 2011 to June 2014: Median income for households with a White householder (not Hispanic) increased by 2.9 percent, from $58,044 to $59,754. The median income for households with a Black householder (not Hispanic) increased by 3.5 percent, from $34,211 to $35,416. Median income for households with a householder of other race combinations (not Hispanic) increased by 5.0 percent, from $58,385 to $61,289. As noted above, this category, which includes Asians, is a relatively high-income group. The apparent decline in median income of 1.6 percent for households with an Hispanic householder, from $42,013 to $41,358, was not statistically significant.

- Number of Household Members:

  June 2009 to June 2014: Median income for one-person households declined by 5.2 percent, from $28,788 to $27,305. The median income for two-person households in June 2014 was $60,675, not significantly different than June 2009 ($61,153). In contrast, median income for three-person households declined by 4.6 percent, from $72,986 to $69,624. The median income for four-person households in June 2014 was $80,927, not significantly different than June 2009 ($80,767). Finally, the median income for households with five persons or more declined by 7.7 percent, from $77,359 to $71,419.

  June 2011 to June 2014: The median income for one-person households in June 2014 was $27,305, not significantly different than June 2011 ($26,979). The median income for two-person households increased by 6.0 percent, from $57,259 to $60,675. Median income for three-person households increased by 5.6 percent, from $65,943 to $69,624. The median income for four-person households increased by 5.8 percent, from $76,486 to $80,927. Finally, median income for households with five persons or more in June 2014 was $71,419, not significantly different than June 2011 ($71,639).
**Number of Related Children Under 18 Years Old:**

June 2009 to June 2014: Median income of households with no children declined by 1.8 percent, from $50,332 to $49,410. Median income for households with one child in June 2014 was $66,096, not significantly different than June 2009 ($67,756). For households with two children the decline in median income was 3.9 percent, from $71,213 to $68,456. Median income for households with three children or more declined by 10.4 percent, from $63,255 to $56,655.

June 2011 to June 2014: The median income for households with no children increased by 4.0 percent, from $47,501 to $49,410. Median income for households with one child increased by 5.5 percent, from $62,672 to $66,096. In contrast, median income for households with two children in June 2014 was $68,456, not significantly different than June 2009 ($66,671). Similarly, median income for households with three children or more in June 2014 was $56,655, not significantly different than June 2011 ($57,004).

**Educational Attainment of Householder:**

June 2009 to June 2014: For households in which the householder was not a high school graduate, median income declined by 7.4 percent, from $26,806 to $24,830. Among households whose householder is a high school graduate (including equivalency), median income declined by 8.2 percent, from $44,208 to $40,600. For households in which the householder had some college but no degree, median income declined by 8.1 percent, from $52,695 to $48,420. Among households whose householder had an Associate degree, median income declined by 9.8 percent, from $62,964 to $56,817. Finally, for households whose householder had a Bachelor’s degree or more, median income declined by 5.5 percent, from $92,427 to $87,333.

The percentage declines in median income for each educational category were significantly larger than the decline in median income for all households (2.8 percent). This occurred because between June 2009 and June 2014 there was a pronounced increase in the proportion of households with higher levels of education, which exerted upward influence on the overall median household income.

June 2011 to June 2014: For households in which the householder was not a high school graduate, median income in June 2014 was $24,830, not significantly different than June 2011 ($25,158). Among households whose householder is a high school graduate (including equivalency), median income in June 2014 was $40,600, not significantly different than June 2011 ($39,981). For households in which the householder had some college but no degree, median income in June 2014 was $48,420, not significantly different than June 2011 ($48,232). Among households whose householder had an Associate degree, median income in June 2014 was $56,817, not significantly different than June 2011 ($56,358). Finally, for households whose householder had a Bachelor’s degree or more, median income in June 2014 was $87,333, not significantly different than June 2011 ($86,315).
• **Employment Sector of Householder:**

  **June 2009 to June 2014:** For households in which the householder was a private-sector wage or salary worker, median income declined by 4.3 percent, from $69,634 to $66,618. Among households in which the householder was a government-sector wage or salary worker, median income declined by 4.1 percent, from $84,169 to $80,753. For households in which the householder was self-employed (includes incorporated), median income declined by 4.3 percent, from $76,654 to $73,340.

  **June 2011 to June 2014:** For households in which the householder was a private-sector wage or salary worker, median income increased by 2.1 percent, from $65,255 to $66,618. Among households in which the householder was a government-sector wage or salary worker, median income in June 2014 was $80,753, not significantly different than June 2011 ($79,349). For households in which the householder was self-employed (includes incorporated), median income increased by 6.8 percent, from $68,671 to $73,340.

• **Region:**

  **June 2009 to June 2014:** Among households living in the Northeast region, median income declined by 4.1 percent, from $60,382 to $57,928. For households living in the Midwest region, the measured increase in median income of 3.6 percent, from $53,267 to $55,210, was not statistically significant. Among households living in the South region, median income declined by 6.1 percent, from $52,060 to $48,892. For households living in the West region, median income declined by 4.4 percent, from $60,753 to $58,067.

  **June 2011 to June 2014:** In the Midwest region, there was a particularly large increase in median income of 9.0 percent, from $50,644 to $55,210. In the West region, median income increased by 3.6 percent, from $56,035 to $58,067. In the Northeast region, the median income in June 2014 was $57,928, not significantly different than June 2011 ($57,330). In the South region, the median income in June 2014 was $48,892, not significantly different than June 2011 ($48,465).

The report also contains Sentier Research’s bellwether index number called the Household Income Index (HII), which tracks monthly changes in real median annual household income over time. Using January 2000 as the starting point, with the HII set equal to 100.0, the value of the index in each subsequent month shows household income measured as a percentage of the January 2000 base value.

**Highlights of Changes in the Household Income Index (HII):**

- During the recession, from December 2007 to June 2009, the HII declined from 98.8 to 97.0. Following the recession the HII continued to decline, from 97.0 to its current level of 94.1. The HII trended downward during the first two years of the economic recovery, then rose during the subsequent three-year period: June 2009 (97.0), June 2010 (93.3),
June 2011 (90.6), June 2012 (92.7), June 2013 (92.8), and June 2014 (94.1). (See Figure 1.)

- Declines in the HII during both the recession and the economic recovery have been highly correlated with sustained high levels of unemployment, increases in the duration of unemployment, and the large number of persons who have experienced “employment hardship” (currently unemployed persons, marginally attached persons which include discouraged workers, and those currently working part-time for economic reasons).

- As discussed in the report, based on the income and labor force statistics presented, the last three years of the economic recovery have shown some improvement over the first two years of the recovery.

To this point, the estimates of median annual household income and the Household Income Index (HII) in this report provide the only measure of change in household income during 2013 and 2014. The U.S. Census Bureau will issue its report on income, poverty, and health insurance coverage for calendar year 2013 on September 16, 2014.

The estimates in the report are based on the Current Population Survey (CPS), the monthly household survey that provides official estimates of the unemployment rate. The CPS samples approximately 50,000 households and 135,000 household 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 payments. Income amounts in this report are before-tax money income and have been adjusted for inflation; income amounts are expressed in June 2014 constant dollars. The income estimates have been seasonally adjusted for the monthly time series data, but not for the comparisons between June 2009 and June 2014 by detailed characteristics of households because the same months are being compared five years apart.

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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 labor force data: the U.S. Bureau of Labor Statistics.