Median Household Income at $61,483 for April 2018

Summary of Key Findings

New data from the monthly Current Population Survey (CPS) indicate that median annual household income was $61,483 in April 2018.

Median household income in April of this year was higher than for any other month since January 2000, yet only 2.0 percent above the January 2000 estimate of $60,257 after adjusting for price changes.

Median household income for April 2018 was 1.3 percent higher than April 2017, when the median stood at $60,717.

Median household income in April 2018 was 3.2 percent higher than the median of $59,549 for December 2007, the official start of the “great recession” and 12.9 percent above the post-recession low point of $54,459 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: April 2018,” which presents monthly trends in household income from January 2000 to April 2018.

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 0.2 percent between March 2018 and April 2018, but decreased by 0.1 percent between February 2018 and March 2018.

According to Gordon Green of Sentier Research, “Real median household income has continued to display an upward trend over the past 12 months (up 1.3 percent), and especially since the low point reached in June 2011 (up 12.9 percent). We continue to monitor the course of inflation, as this has a significant effect on the trend in real median annual household income. The CPI for all items continues to bounce around, and the future movement of oil and gas prices is likely to have a significant effect on the overall rate of inflation as well as real median household income. We are at a point now where real median household income is 2.0 percent higher than January 2000, the beginning of this statistical series. Not an impressive performance by any means over a period spanning almost two decades, but the trend line has been positive for nearly seven years.”

**Additional Highlights**

- The April reading on the labor market from the U.S. Bureau of Labor Statistics shows, for the most part, a mixed picture compared to March:
  - The official unemployment rate in April 2018 was 3.9 percent, slightly lower than the March 2018 rate (4.1 percent).
  - The median duration of unemployment was 9.8 weeks in April 2018, significantly higher than March 2018 (9.1 weeks).
  - 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 7.8 percent in April 2018, slightly lower than the March 2018 reading (8.0 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 102.0 in April 2018, 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 April 2018 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 more than 50,000 households and approximately 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, 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: April 2018 (9 pages as .pdf), issued in May 2018, can be obtained from the Sentier Research, LLC website at www.sentierrezearch.com and are available to the public free of charge.

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@sentierrezearch.com, or by telephone on (703) 764-0249.
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.