



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

**For Immediate Release**

## **Household Income Trends: March 2017**

### **Median Household Income at \$58,673 in March**

#### **Summary of Key Findings**

According to new data derived from the monthly Current Population Survey (CPS), median annual household income in March 2017 was \$58,673, not significantly different from the February 2017 median of \$58,545. Median household income at the beginning of the great recession in December 2007 was \$58,058, so the current median is 1.1 percent above that level. The Sentier Household Income Index (HII) for March 2017 was 99.9 (January 2000 = 100). The level of real median annual household income in January 2000 was \$58,748, which marks the beginning of this statistical series.

These findings come from a report issued today by Sentier Research, titled “Household Income Trends: March 2017,” which presents monthly trends in household income from January 2000 to March 2017.

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 August 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. However, with the exception of some minor ups and downs, median annual household income has essentially been flat over the past year. (See Figure 1 at the back of this report.)

Median annual household income in March 2017 (\$58,673) was not significantly different than March 2016 (\$58,490), but was 10.3 percent higher than in August 2011 (\$53,176). This general upward trend since August 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 decreased by 0.3 percent between February 2017 and March 2017, compared to an increase of 0.1 percent between January 2017 and February 2017.

According to Gordon Green of Sentier Research, “The lack of change in median annual household income for March 2017 keeps us in a situation where income was essentially flat over the past year. Although the March 2017 median (\$58,673) was \$183 higher than March 2016 (\$58,490), this difference is not statistically significant. 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 decreased by 0.3 percent between February 2017 and March 2017, compared to an increase of 0.1 percent between January 2017 and February 2017. We are now at a point now where real median household income is 1.1 percent higher than at the beginning of the great recession in December 2007, and closing in on the level of \$58,748 for January 2000, the beginning of this statistical series.”

## Highlights

- The March reading on the labor market from the U.S. Bureau of Labor Statistics shows, for the most part, an improvement compared to February:
  - The official unemployment rate in March 2017 was 4.5 percent, down from the February 2017 rate (4.7 percent).
  - However, the median duration of unemployment was 10.3 weeks in March 2017, slightly higher than February 2017 (10.0 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 8.9 percent in March 2017, lower than the February 2017 reading (9.2 percent).
- Real median annual household income in March 2017 can be put into broader perspective by comparisons with previous levels of household income since the last recession began and dating back to the start of the last decade:
  - The March 2017 median income of \$58,673 is 2.9 percent higher than the median of \$56,995 in June 2009, the end of the recent recession and beginning of the “economic recovery.”
  - The March 2017 median is 1.1 percent higher than the median of \$58,058 in December 2007, the beginning month of the recession that occurred more than nine years ago.
  - And the March 2017 median income is drawing closer to the median of \$58,748 in January 2000, the beginning of this statistical series.

- 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 99.9 in March 2017, higher than December 2007 (98.8) when the “great recession” began, and even higher than June 2009 (97.0), when the “economic recovery” subsequently began.
  - The Sentier HII was 90.5 in August 2011, the low point in our household income series, compared to 99.9 in March 2017.

Income amounts in this report are before-tax money income and have been adjusted for inflation; income amounts are expressed in March 2017 dollars and have been seasonally adjusted, unless otherwise noted.

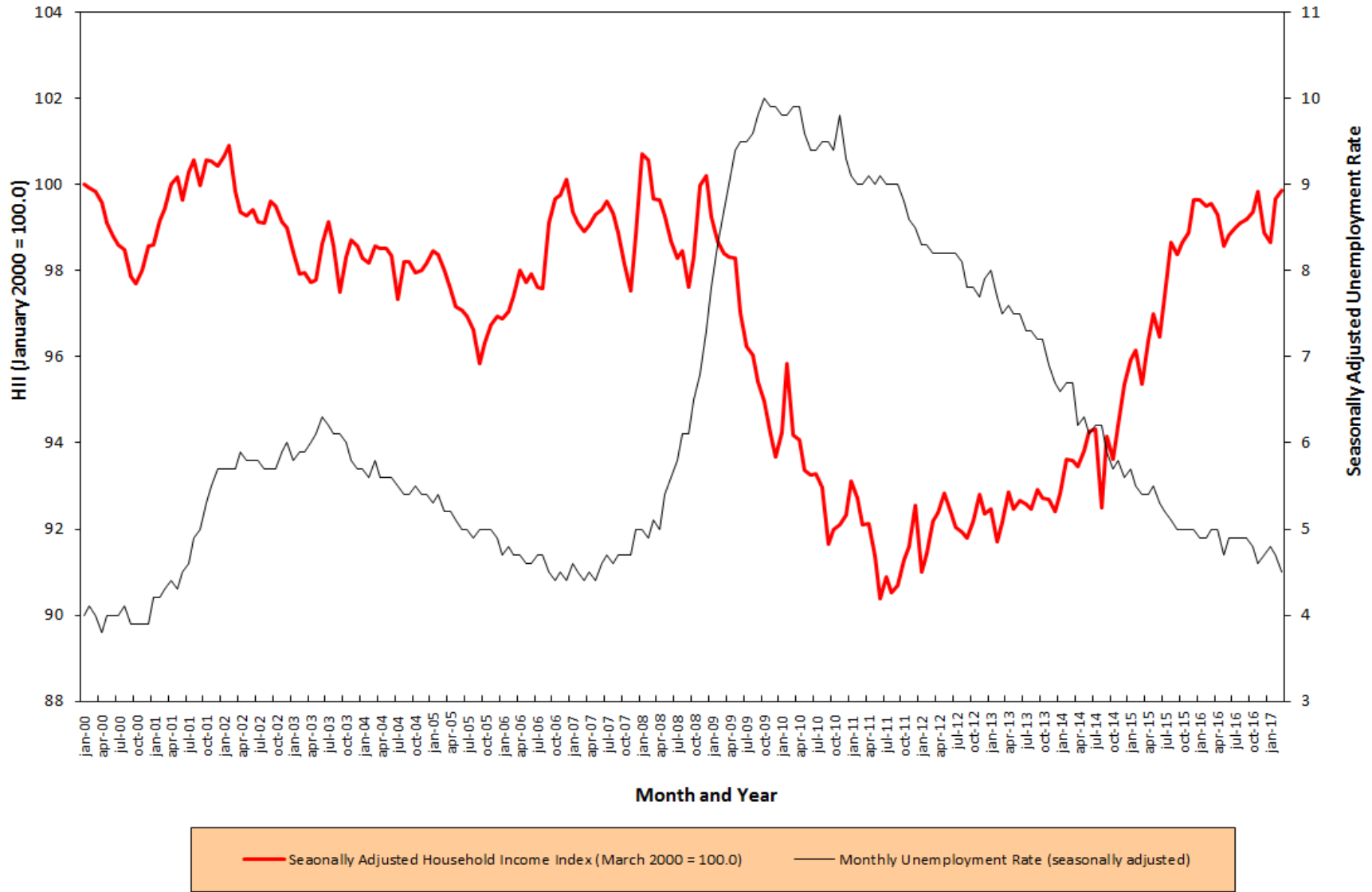
The estimates in this report are based on the Current Population Survey (CPS), the monthly household survey that provides official estimates of the unemployment rate. The CPS samples more than 50,000 households and approximately 135,000 household members each month. As is the case with all surveys, the 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: March 2017* (10 pages as .pdf), issued in April 2017, 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. It is permissible for media organizations to link directly to the report or to our website in their articles.

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](mailto: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 March 2017**



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.