



For Immediate Release

Household Income Trends: May 2015

Median Household Rises \$371, Up 0.7 Percent in May

Summary of Key Findings

According to new data derived from the monthly Current Population Survey (CPS), median annual household income in May 2015 was \$55,192, about \$371 or 0.7 percent higher than the April 2015 median of \$54,821. The Sentier Household Income Index for May 2015 was 96.6 (January 2000 = 100).

These findings come from a report issued today by Sentier Research, titled “Household Income Trends: May 2015,” which presents monthly trends in household income from January 2000 to May 2015.

The income increase in May contributed to the solid improvement since the low point in our household income series that occurred in August 2011. Median annual household income in May 2015 (\$55,192) was 3.2 percent higher than in May 2014 (\$53,476), and 6.9 percent higher than in August 2011 (\$51,639). The period since August 2011 has been marked by an uneven, but generally upward trend in the level of real median annual household income. Many of the month-to-month changes in median income during this period have not been statistically significant. However, the cumulative effect of the various month-to-month changes since August 2011 resulted in the income improvement noted above. (See Figure 1)

According to Gordon Green of Sentier Research, “The increase in median annual household income in May added to the general upward trend in income since the low-point reached in August 2011. “We are now at a point where we have recovered almost all of the losses in median income that followed the end of the recession in June 2009. The median, however, remains lower than in December 2007, the beginning of the recession (\$56,457).”

Highlights

- The May reading on the labor market from the U.S. Bureau of Labor Statistics showed little improvement compared to April:
 - The official unemployment rate in May 2015 was 5.5 percent, not significantly different than the rate for April 2015 (5.4 percent).
 - The median duration of unemployment was 11.6 weeks in May 2015, about the same as April 2015 (11.7 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 10.8 percent in May 2015, the same as April 2015.
- Real median annual household income in May 2015 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 May 2015 median income of \$55,192 was only 0.4 percent lower than the median of \$55,424 in June 2009, the end of the recent recession and beginning of the “economic recovery.”
 - The May 2015 median was still 2.2 percent lower than the median of \$56,457 in December 2007, the beginning month of the recession that occurred more than seven years ago.
 - The May 2015 median was 3.4 percent lower than the median of \$57,128 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 for May 2015 stood at 96.6 compared to 98.8 in December 2007, when the “great recession” began, and 97.0 in June 2009, when the “economic recovery” subsequently began.
 - The Sentier HII in August 2011 was 90.4 compared to 96.6 in May 2015.

Income amounts in this report are before-tax money income and have been adjusted for inflation; income amounts are expressed in May 2015 dollars and have been seasonally adjusted, unless otherwise noted.

Estimates of median annual household income and the Sentier Household Income Index (HII) provide the only measures of change in household income during 2014 and 2015. The U.S. Census Bureau issued its official estimates of income and poverty for calendar year 2013 in a report released on September 16, 2014.

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 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.

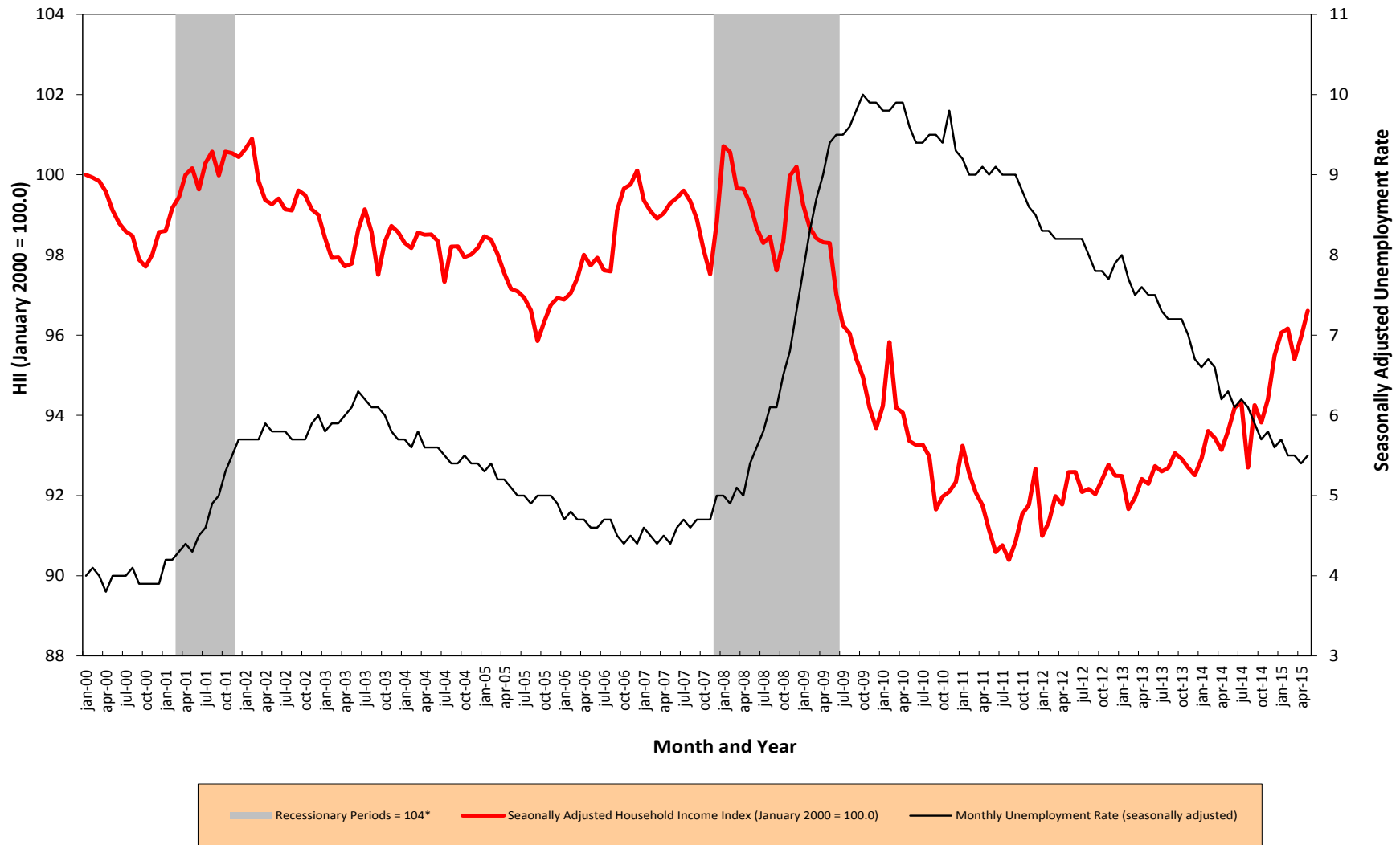
Household income is defined as the sum of the incomes of all household members. Income refers to all sources of money income including earnings from work, Social Security, interest, dividends, cash welfare, retirement pensions, unemployment compensation, veterans' benefits, etc. Income **excludes** capital gains and losses, and lump-sum, 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: May 2015* (12 pages as .pdf), issued in July 2015, can be obtained from the Sentier Research, LLC website at 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, or by telephone on (703) 764-0249.

Figure 1.

Median Household Income Index (HII) and Unemployment Rate by Month: January 2000 to May 2015



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.