

# Census shows uptick in income and earnings in 2017

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**MarketWatch Blog** by Alicia H. Munnell



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*But for most families the fundamentals haven't improved for decades*

If you hang out in the Northeast and talk to financial types and academics who worry about pensions and retirement income, it is easy to get lulled into the notion that the mass affluent – the upper middle of the income distribution – have incomes of about \$250,000. That's why I welcome every year the Census Bureau's publication *Income and Poverty in the United States*. The 2017 data in the most recent release show once again how little income most American families have and how little these amounts have grown over time.

Table 1 presents the thresholds for being in different parts of the income distribution. For example, a household with income of \$61,372 is at the 50th percentile mark – right in the middle of the income distribution. A household with an income of \$179,077 is at the 90th percentile point, or in the top tenth of the income distribution. Even more amazing, a household with an income of \$237,034 is at the 95th percentile, or in the top 5 percent.

Table 1. *Household Income at Selected Percentiles, 2017*

Percentile	Dollar limit
10th	\$14,219
20th	24,638
50 <sup>th</sup> (median)	61,372
80th	126,855
90th	179,077
95th	237,034

Source: U.S. Census Bureau (2017), Table A-2.

The thresholds must be interpreted with caution because households include old and young, urban and rural, coastal and midland, and small and large. Yet, the data clearly show that those households with incomes of \$250,000 are in the top five percent of households.

In addition to most families having relatively little money, median household income in constant 2017 dollars has changed very little since 1978 and is only slightly above its peak in 1999 (see Table 2).

Table 2. *Median Household Income in 2017 Dollars, 1978, 1999, 2016, and 2017*

Year	Median household income
2017	\$61,372
2016	\$60,309
1999 (previous peak)	\$60,062
1978	\$52,089

Source: U.S. Census Bureau (2017), Table A-1.

The reason that household income has not gone up very much is that earnings have been stagnant. While real earnings for all male workers in 2017 were above what they were in 1978, for full-time, year-round workers they were lower (see Table 3).

Table 3. *Median Earnings of Male Workers in 2017 Dollars, 1978, 1999, 2014, and 2017*

Year	All workers	Full-time, year-round
2017	\$44,408	\$52,146
2016	\$43,128	\$52,751
1999	\$44,393	\$53,709
1978	\$41,954	\$54,392

Source: U.S. Census Bureau (2017), Table A-4.

For those of us interested in retirement security, these numbers create an enormous challenge. How can people put aside enough during their working lives to finance retirements that will last on average 20 years?