

Median Household Income Drops - Demographics

The median household income fell in 2020 for the first time since 2014, according to the most recent Census Bureau data released in September. Widespread stimulus payments as well as enhanced unemployment benefits were not enough to match prior year incomes in 2019. As of the end of 2020, the median household income was \$67,521, a drop of 3% from 2019. Even though it doesn't appear to be much of a consequential drop, inflation pressures are becoming more of a concern. Census Bureau data is adjusted for inflation, albeit at only 1.25%, which is the U.S. Bureau of Labor Statistics' calculation.

Analysts suspect that the inflation rate may actually be much higher, perhaps approaching the 50-year average of 4.1%. Because of this, some economists believe that median incomes are not keeping up with inflation and stripping many households of their purchasing power.

Source: U.S. Bureau of Labor Statistics

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