**The Average Income in the United States[^1^]**

The average income in the United States has remained relatively stable in recent years. However, this stability has been affected by various factors including changes in the political and economic environments, changes in the job market, and differences in education levels, among other things. In the following report, we will delve into the specifics on this subject, based on the most recently published data by the US Census Bureau1.

**Median Household Income**

The median household income provides a measure of the economic status of the average household in the country. According to the US Census Bureau, the median household income in the United States was $70,784 in 20211. This figure is statistically similar to that of 2020, which stood at $71,1861.

Notably, these estimates are made using money income for individuals aged 15 years and above, excluding items like capital gains and stimulus payments1. This exclusion means that the estimate fundamentally represents income derived from work, pension, and regular payments, while discounting irregular large payments that may significantly skew the average.

**Individual Income**

Focusing on individual income, the data does not provide a specific median income. However, the report indicates that the median earnings amongst workers who work full-time throughout the year dropped by 4.1%1. This decline is in contrast to the overall worker's median that rose by 4.6%1.

This variation suggests that there is disparity in income growth amongst different categories of workers. Analyzing this further, those working full-time might be experiencing stagnant wage growth or even wage reduction, while those who work part-time or irregularly might be seeing increased incomes.

**Changes in the Number of Workers**

In addition to information about income, the US Census Bureau also provides data on the changing number of workers. Specifically, there was an increase of approximately 11.1 million full-time, year-round workers from 2020 to 20211. This increase can be related to the economic recovery from the COVID-19 pandemic, which in 2020, saw many people lose their jobs or transition to remote or part-time work.

**Income Inequality**

Another important dimension of the income discussion is income inequality. In 2021, the Gini index - a measure of income inequality where 0 is perfect equality and 1 is perfect inequality, increased by 1.2%1. This statistic means that although median income has remained relatively stable, the distribution of income across households could be becoming more unequal.

**Adjusting for Inflation**

To ensure the real value of income comparisons across years, it is essential to adjust for inflation. This adjustment is done using the Consumer Price Index for all Urban Consumers Retroactive Series (R-CPI-U-RS). According to this Index, there was a 4.7% increase in consumer prices from 2020 to 20211, suggesting that the median income in 2021 might seem higher nominally but is less in terms of purchasing power compared to 2020.

**Conclusion**

In conclusion, income in the United States has remained relatively stable, even during the tumultuous economic times brought about by the Covid-19 pandemic. However, the picture is more complex when looking at individual incomes, especially when considering factors such as full-time and year-round employment.

Despite the stability of household income, income inequality as measured by the Gini index has increased, suggesting that not all groups equally enjoy the benefits of economic growth or recovery. Furthermore, although 2021 saw an increase in income nominally, this rise was outpaced by inflation as indicated by the CPI, meaning the actual purchasing power might have slightly diminished.

This analysis provides an important snapshot of the economic wellbeing of the average American household and individual. However, as with all averages, it does not capture the whole picture and can sometimes hide significant disparities. Therefore, while it is a useful measure, it needs to be supplemented with other socioeconomic data for a more comprehensive understanding of economic wellbeing in the United States.

1: [U.S Census Bureau](https://www.census.gov/library/publications/2022/demo/p60-276.html)