

# Rural Migration News

## Blog 303

OCTOBER 2022

### Income and Poverty in 2021

Median household income was \$70,800 in 2021, meaning that half of US households had higher and half had lower incomes. Median incomes varied from a low of \$63,400 in the south to \$79,400 in the west.

The US had 131.2 million households in 2021, including 107 million or 82 percent married couple households. There were 85 million households headed by non-Hispanic whites, 19 million households headed by Hispanics, 18 million headed by Blacks, and seven million headed by Asians. There were 111 million households headed by US-born persons and 20 million households headed by foreign-born persons; 55 percent of these foreign-born household heads were naturalized US citizens.

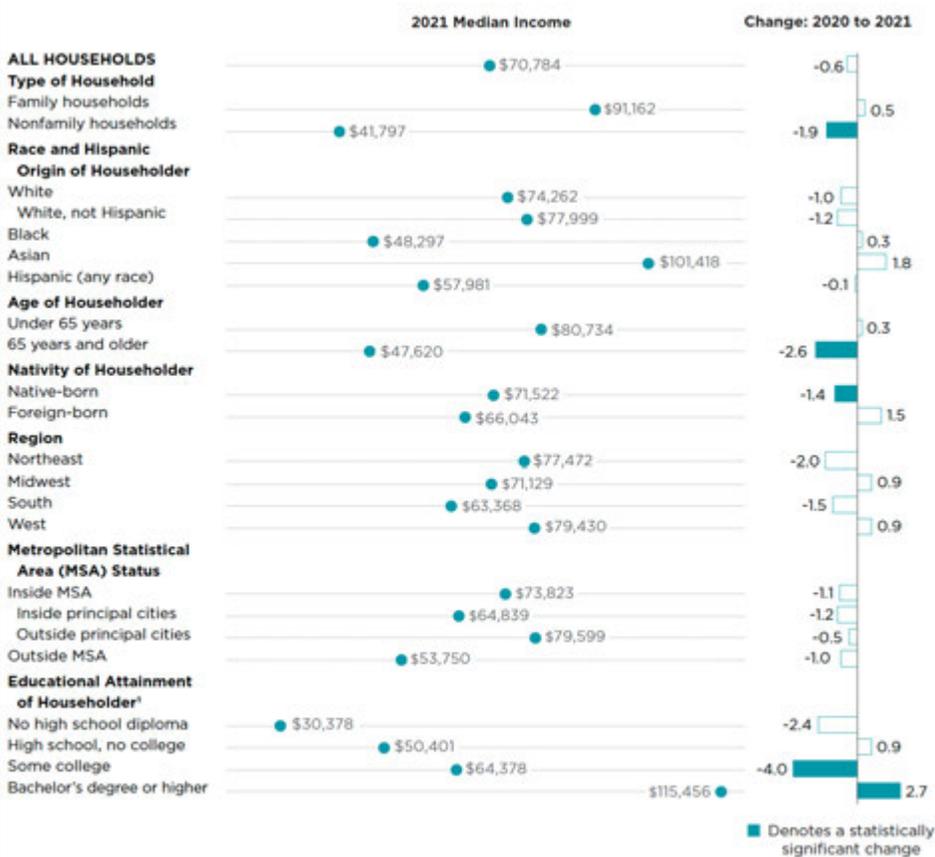
The data are collected in the Current Population Survey Annual Social and Economic Supplements in March for the preceding year, so these data were collected in March 2022.

The median income of households headed by Asians was 1.3 times the median income of non-Hispanic whites. Black-headed households had median incomes that were 0.6 as much as non-Hispanic whites and Hispanic-headed households 0.7 as much. The median income of households headed by US-born persons was \$71,500 or 1.1 times the \$66,000 of households headed by foreign-born persons. Median incomes varied by the education of the household head, from \$30,400 for those with no high school diploma to \$115,500 for college graduates.

The census measures income inequality using the Gini index, which varies from zero for perfect equality to one for total inequality, as when one person gets all of the income. The US Gini is 0.49, and

#### Households Headed by U.S.-Born Persons had Incomes 1.1 Times Those of Households Headed by Foreign-Born Persons

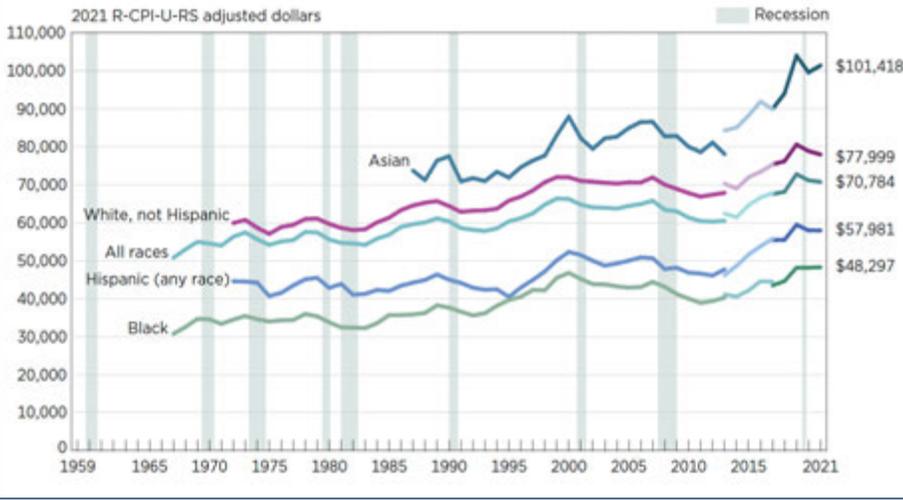
Figure 1. Median Household Income and Percent Change by Selected Characteristics (Households as of March of the following year)



<sup>1</sup>Householders aged 25 and older. In 2021, the median household income for this group was \$72,046. Note: Statistically significant indicates the change is statistically different from zero at the 90 percent confidence level. Margins of error and other related estimates and notes are available in Table A-1. Information on confidentiality protection, sampling error, nonsampling error, and definitions is available at <<https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar22.pdf>>. Source: U.S. Census Bureau, Current Population Survey, 2021 and 2022 Annual Social and Economic Supplements (CPS ASEC).

## Households Headed by Asians had the Highest Incomes, While Those Headed by Blacks Had the Lowest

Figure 2.  
Real Median Household Income by Race and Hispanic Origin: 1967 to 2021  
(Households as of March of the following year)



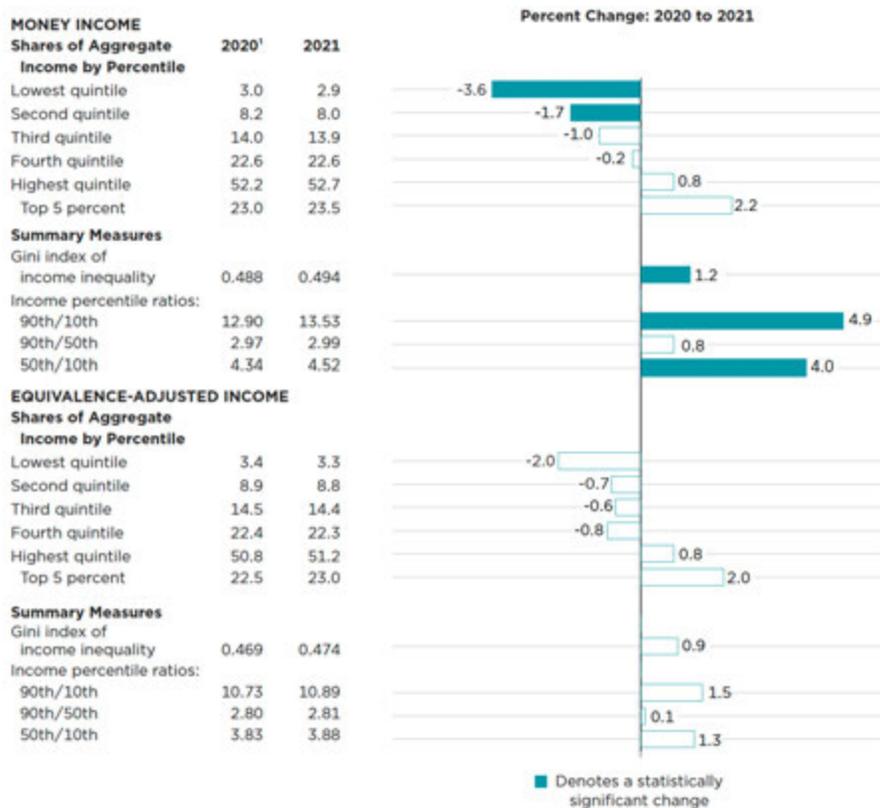
rose slightly between 2020 and 2021. If households are ranked by their incomes from low to high, the income at the 90th percentile was almost 14 times higher than the income at the 10th percentile.

Households can also be ranked by their share of US income. The lowest-income quintile (the 20 percent of households with the lowest incomes), received about three percent of US income in 2021, while the highest quintile received 53 percent.

The median earnings of the 168 million US workers with earnings were \$45,500, and for the 117 million who worked full-time and year-round \$56,500. Men earned more than women.

## Income Inequality Rose Slightly Between 2020 and 2021

Figure 3.  
Income Distribution Measures and Percent Change Using Money Income and Equivalence-Adjusted Income



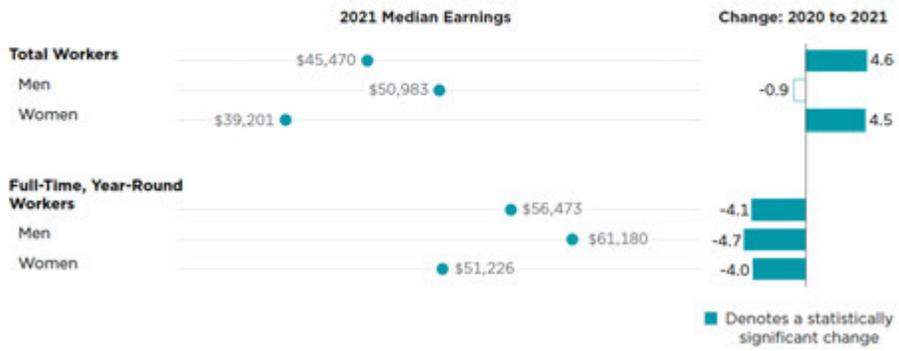
## Poverty

Some 38 million people, about 11.6 percent of US residents, lived in households with incomes below the poverty line of \$27,740 for a household of four. If taxes and government benefits are included, the poverty rate dropped from 12 percent to less than eight percent of all US residents and five percent for children.

Why have child poverty rates fallen so much since welfare reforms in 1996? Some 28 percent of US children lived in households with below poverty level incomes in 1993; by 2021, the rate dropped to 11 percent. Single mothers were able to find and hold jobs, states raised their minimum wages, and there was also a major expansion of non-cash aid, including child health care programs.

## Median Earnings Averaged \$45,500 in 2021

Figure 4.  
**Median Earnings and Percent Change by Work Status and Sex**  
(People 15 years and older with earnings as of March of the following year)



## References

Census. 2022. Income, Poverty and Health Insurance Coverage in the United States: 2021.  
<https://www.census.gov/newsroom/press-releases/2022/income-poverty-health-insurance-coverage.html>

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