## What Counts Toward Household Personal Income?

## Adjusted Money Income



Dividends
Social Security

Financial
Employer's contribution to pension Imputed interest on pensions, life insurance Rental value of living in a home you own

To measure the distribution of personal income, BEA begins with people's incomes from all sources and adjusts for households of differing sizes.

## Other Transfers (net)

Employer's contributions to government social insurance
Refundable tax credits
Supplemental Nutrition Assistance Program benefits

## How Are Incomes Adjusted for Household Size?

Household Personal Income
$\sqrt{\text { Household }}$ size

For example, a four-person household with $\$ 100,000$ in annual personal income:
$\sqrt{4}=2$

$\sqrt{4}$
\$50,000
Adjusted Household Income

Where Do Adjusted Incomes Fall in the Quintiles?

| Bottom $20 \%$ | $20 \%-40 \%$ | $40 \%-60 \%$ | $60 \%-80 \%$ | $80 \%-100 \%$ |
| :---: | :---: | :---: | :---: | :---: |
| $<\$ 43,572$ | $\$ 43,572$ <br> to <br> $\$ 60,135$ | $\$ 60,136$ <br> to <br> $\$ 81,448$ | $\$ 81,449$ <br> to <br> $\$ 120,667$ | $\$ 120,668+$ |

2020 nominal dollars

