What Counts Toward Household Personal Income?

Adjusted Money Income



Wages and salary Dividends Social Security

Examples

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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.



Health



Employer's contributions to health insurance Medicare Medicaid



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

√ Household size

For example, a **four-person household** with **\$100,000** in annual personal income:

 $\sqrt{4} = 2$

\$100,000 = \sqrt{4}

\$50,000Adjusted

Household Income

Where Do Ad	justed Incomes	Fall in the (Juintiles?
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Bottom 20%	20%-40%	40%-60%	60%-80%	80%-100%
< \$43,572	\$43,572 to \$60,135	\$60,136 to \$81,448	\$81,449 to \$120,667	\$120,668+

2020 nominal dollars

