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The State of the American Middle Class

Who is in it and key trends from 1970 to 2023

BY *Rakesh Kochhar*

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How we did this

This report examines key changes in the economic status of the American middle class from 1970 to 2023 and its demographic attributes in 2022. The historical analysis is based on U.S. Census Bureau data from the Annual Social and Economic Supplements (ASEC) of the Current Population Survey (CPS). The demographic analysis is based on data from the American Community Survey (ACS). The data is sourced from IPUMS CPS and IPUMS USA, respectively.

The CPS, a survey of about 60,000 households, is the U.S. government's official source for monthly estimates of unemployment. The CPS ASEC, conducted in March each year, is the official source of U.S. government estimates of income and poverty. Our analysis of CPS data starts with the 1971 CPS ASEC, which records the incomes of households in 1970. It is also the first year for which data on race and ethnicity is available. The latest available CPS ASEC file is for 2023, which reports on household incomes in 2022.

The public-use version of the ACS is a 1% sample of the U.S. population, or more than 3 million people. This allows for a detailed study of the demographic characteristics of the middle class, including its status in U.S. metropolitan areas. But ACS data is available only from 2005 onward and is less suitable for long-term historical analyses. The latest available ACS data is for 2022.

Terminology

Middle-income households are defined as those with an income that is two-thirds to double that of the U.S. median household income, after incomes have been adjusted for household size. **Lower-income households** have incomes less than two-thirds of the median, and **upper-income households** have incomes that are more than double the median. When using American Community Survey (ACS) data, incomes are also adjusted for cost of living in the areas in which households are located.

Estimates of **household income** are scaled to reflect a household size of three and expressed in 2023 dollars. In the Current Population Survey (CPS), household income refers to the calendar year prior to the survey year. Thus, the income data in the report refers to the 1970-2022 period, and the share of Americans in each income tier from the CPS refers to the 1971-2023 period.

The **demographic attributes** of Americans living in lower-, middle- or upper-income tiers are derived from ACS data. Except as noted, estimates pertain to the U.S. household population, excluding people living in group quarters.

The terms **middle class** and **middle income** are used interchangeably in this report.

White, Black, Asian, American Indian or Alaska Native, and **Native Hawaiian or Pacific Islander** include people who identified with a single major racial group and who are not Hispanic. **Multiracial** includes people who identified with more than one major racial group and are not Hispanic. **Hispanics** are of any race.

U.S. born refers to individuals who are U.S. citizens at birth, including people born in the 50 U.S. states, the District of Columbia, Puerto Rico or other U.S. territories, as well as those born elsewhere to at least one parent who is a U.S. citizen. The terms **foreign born** and **immigrant** are used interchangeably in this report. They refer to people who are not U.S. citizens at birth.

Occupations describe the broad kinds of work people do on their job. For example, health care occupations include doctors, nurses, pharmacists and others who are directly engaged in the provision of health care. **Industries** describe the broad type of products companies produce. Each industry encompasses a variety of occupations. For example, the health care and social assistance industry provides services that are produced by a combination of doctors, managers, technology and administrative staff, food preparation workers, and workers in other occupations.

The State of the American Middle Class

Who is in it and key trends from 1970 to 2023

The share of Americans who are in the middle class is smaller than it used to be. In 1971, 61% of Americans lived in middle-class households. By 2023, the share had fallen to 51%, according to a new Pew Research Center analysis of government data.

As a result, **Americans are more apart than before financially.** From 1971 to 2023, the share of Americans who live in lower-income households increased from 27% to 30%, *and* the share in upper-income households increased from 11% to 19%.

Notably, **the increase in the share who are upper income was greater than the increase in the share who are lower income.** In that sense, these changes are also a sign of economic progress overall.
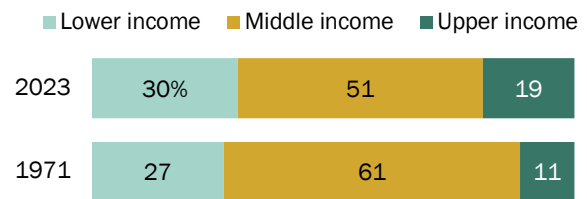
But the middle class has fallen behind on two key counts. The growth in income for the middle class since 1970 has not kept pace with the growth in income for the upper-income tier. And the share of total U.S. household income held by the middle class has plunged.

Share of Americans in the middle class has fallen since 1971

% of U.S. population in each income tier

■ Lower income ■ Middle income ■ Upper income

	Lower income	Middle income	Upper income
2023	30%	51	19
1971	27	61	11

Note: People are assigned to income tiers based on their household incomes in the calendar year prior to the survey year, after incomes have been adjusted for the number of people living in each household. Shares may not total 100% due to rounding.
Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS), 1971 and 2023.

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Moreover, **many groups still lag in their presence in the middle- and upper-income tiers.** For instance, American Indians or Alaska Natives, Black and Hispanic Americans, and people who are not married are more likely than average to be in the lower-income tier. **Several metro areas in the U.S. Southwest also have high shares of residents who are in the lower-income tier,** after adjusting for differences in cost of living across areas.

Our report focuses on the current state of the American middle class. First, we examine changes in the financial well-being of the middle class and other income tiers since 1970. This is based on data from the Annual Social and Economic Supplements (ASEC) of the Current Population Survey (CPS), conducted from 1971 to 2023.

Then, we report on the attributes of people who were more or less likely to be middle class in 2022. Our focus is on their race and ethnicity, age, gender, marital and veteran status, place of birth, ancestry, education, occupation, industry, and metropolitan area of residence. These estimates are derived from American Community Survey (ACS) data and differ slightly from the CPS-based estimates. In part, that is because incomes can be adjusted for the local area cost of living only with the ACS data. (Refer to the methodology for details on these two data sources.)

This analysis and an accompanying report on the Asian American middle class are part of a series on the status of America's racial and ethnic groups in the U.S. middle class and other income tiers. Forthcoming analyses will focus on White, Black, Hispanic, American Indian or Alaska Native, Native Hawaiian or Pacific Islander and multiracial Americans, including subgroups within these populations. These reports are, in part, updates of previous work by the Center. But they offer much greater detail on the demographic attributes of the American middle class.

Following are some key facts about the state of the American middle class:

Who is middle income or middle class?

In our analysis, "middle-income" Americans are those living in households with an annual income that is two-thirds to double the national median household income. The income it takes to be middle income varies by household size, with smaller households requiring less to support the same lifestyle as larger households. It also varies by the local cost of living, with households in a more expensive area, such as Honolulu, needing a higher income than those in a less expensive area, such as Wichita, Kansas.

We don't always know the area in which a household is located. In our two data sources – the Current Population Survey, Annual Social and Economic Supplement (CPS ASEC) and the American Community Survey (ACS) – only the latter provides that information, specifically the metropolitan area of a household. Thus, we aren't able to adjust for the local cost of living when using the CPS to track changes in the status of the middle class over time. But we do adjust for the metropolitan area cost of living when using the ACS to determine the demographic attributes of the middle class in 2022.

In the **2023 CPS ASEC data**, which reports income for 2022, middle-income households with three people have incomes ranging from about $61,000 to $183,000 annually. "Lower-income" households have incomes less than $61,000, and "upper-income" households have incomes greater than $183,000.

In the **2022 ACS data**, middle-income households with three people have incomes ranging from about $62,000 to $187,000 annually, with incomes also adjusted for the local area cost of living. (Incomes are expressed in 2023 dollars.)

The boundaries of the income tiers also vary across years as the national median income changes.

The terms "middle income" and "middle class" are used interchangeably in this report for the sake of exposition. But being middle class can refer to more than just income, be it education level, type of profession, economic security, home ownership or social and political values. Class also could simply be a matter of self-identification.

1 Households in all income tiers had much higher incomes in 2022 than in 1970, after adjusting for inflation. But the gains for middle- and lower-income households were less than the gains for upper-income households.
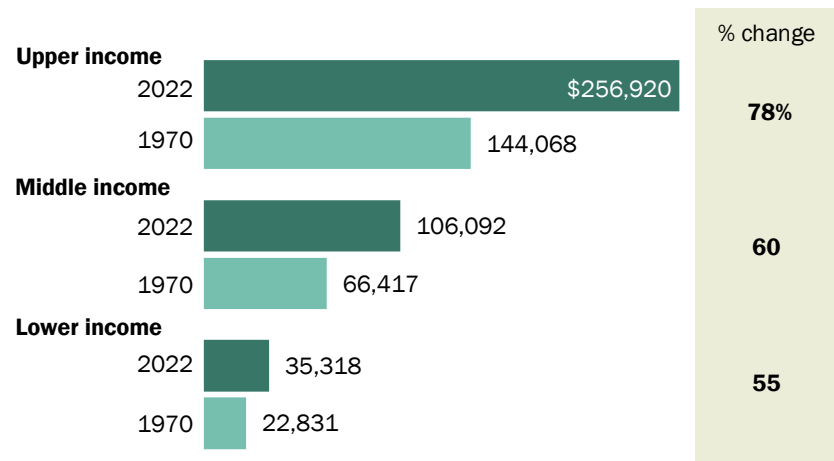
The median income of middle-class households increased from about $66,400 in 1970 to $106,100 in 2022, or 60%. Over this period, the median income of upper-income households increased 78%, from about $144,100 to $256,900. (Incomes are scaled to a three-person household and expressed in 2023 dollars.)

The median income of lower-income households grew more slowly than that of other households, increasing from about $22,800 in 1970 to $35,300 in 2022, or 55%.

Consequently, there is now a larger gap between the incomes of upper-income households and other households. In 2022, the median income of upper-income households was 7.3 times that of lower-income households, up from 6.3 in 1970. It was 2.4 times the median income of middle-income households in 2022, up from 2.2 in 1970.

Incomes of upper-income U.S. households increased the most of any income tier from 1970 to 2022

Median household income, by income tier, in 2023 dollars and scaled to reflect a three-person household

	% change
Upper income	
2022 — $256,920	**78%**
1970 — 144,068	
Middle income	
2022 — 106,092	**60**
1970 — 66,417	
Lower income	
2022 — 35,318	**55**
1970 — 22,831	

Note: Households are assigned to income tiers based on their incomes in the calendar year prior to the survey year, after incomes have been adjusted for the number of people living in each household.
Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS), 1971 and 2023.

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2 The share of total U.S. household income held by the middle class has fallen almost without fail in each decade since 1970. In that year, middle-income households accounted for 62% of the aggregate income of all U.S. households, about the same as the share of people who lived in middle-class households.
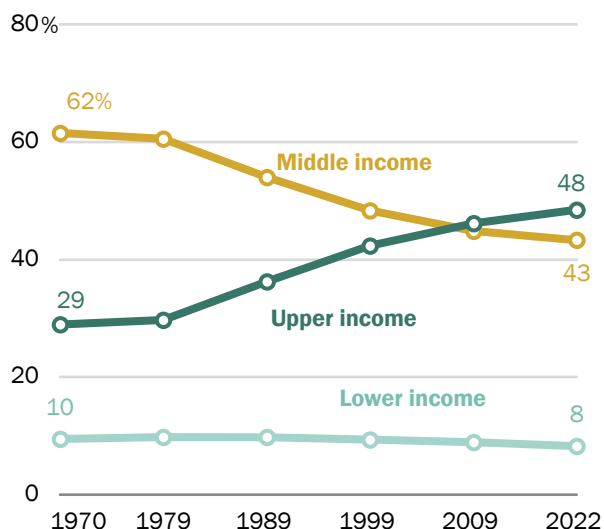
By 2022, the middle-class share in overall household income had fallen to 43%, less than the share of the population in middle-class households (51%). Not only do a smaller share of people live in the middle class today, the incomes of middle-class households have also not risen as quickly as the incomes of upper-income households.

Over the same period, the share of total U.S. household income held by upper-income households increased from 29% in 1970 to 48% in 2022. In part, this is because of the increase in the share of people who are in the upper-income tier.

The share of overall income held by lower-income households edged down from 10% in 1970 to 8% in 2022. This happened even though the share of people living in lower-income households *increased* over this period.

Share of total U.S. household income held by the middle class has plunged since 1970

% of total U.S. household income held by lower-, middle- and upper-income households

Note: Households are assigned to income tiers based on their incomes in the calendar year prior to the survey year, after incomes have been adjusted for the number of people living in each household. Their unadjusted incomes are then summed to compute the share of total U.S. household income held by each income tier. Shares may not total 100% due to rounding.
Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplements (IPUMS), 1971, 1980, 1990, 2000, 2010 and 2023.

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3 The share of people in the U.S. middle class varied from 46% to 55% across racial and ethnic groups in 2022. Black and Hispanic Americans, Native Hawaiians or Pacific Islanders, and American Indians or Alaska Natives were more likely than others to be in lower-income households.
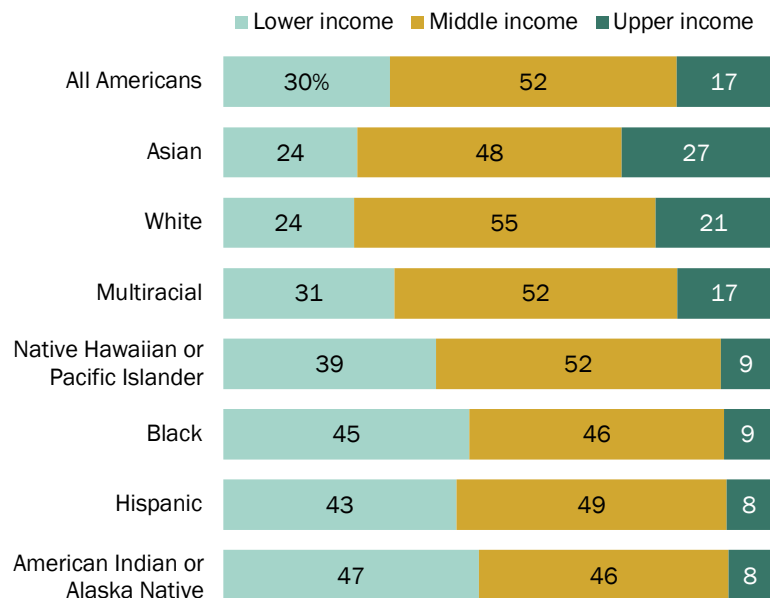
In 2022, 39% to 47% of Americans in these four groups lived in lower-income households. In contrast, only 24% of White and Asian Americans and 31% of multiracial Americans were in the lower-income tier.

At the other end of the economic spectrum, 27% of Asian and 21% of White Americans lived in upper-income households in 2022, compared with about 10% or less of Black and Hispanic Americans, Native Hawaiians or Pacific Islanders, and American Indians or Alaska Natives.

Not surprisingly, lower-income status is correlated with the likelihood of living in poverty. [According to the Census Bureau](#), the poverty rate among Black (17.1%) and Hispanic (16.9%) Americans and American Indians or Alaska Natives (25%) was greater than the rate among White and Asian Americans (8.6% for each). (The Census Bureau did not report the poverty rate for Native Hawaiians or Pacific Islanders.)

Black, Hispanic, Native Hawaiian/Pacific Islander and American Indian/Alaska Native people are more likely than others to live in lower-income U.S. households

% of U.S. population in each income tier, by race and ethnicity, 2022

■ Lower income   ■ Middle income   ■ Upper income

	Lower income	Middle income	Upper income
All Americans	30%	52	17
Asian	24	48	27
White	24	55	21
Multiracial	31	52	17
Native Hawaiian or Pacific Islander	39	52	9
Black	45	46	9
Hispanic	43	49	8
American Indian or Alaska Native	47	46	8

Note: People are assigned to income tiers based on their household incomes, after incomes have been adjusted for the number of people living in each household and the local area cost of living. Shares may not total 100% due to rounding. White, Black, Asian, American Indian or Alaska Native, and Native Hawaiian or Pacific Islander are people who identified with a single major racial group and who are not Hispanic. Multiracial includes people who identified with more than one major racial group and are not Hispanic. Hispanics are of any race. Groups are sorted by the share in the upper-income tier.
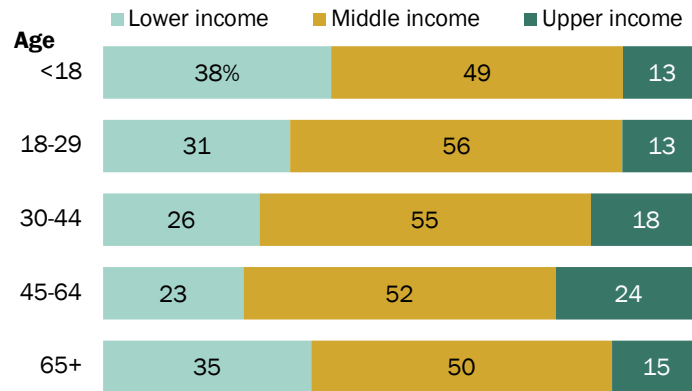Source: Pew Research Center analysis of the American Community Survey (IPUMS), 2022.

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4 **Children and adults 65 and older were more likely to live in lower-income households in 2022. Adults in the peak of their working years – ages 30 to 64 – were more likely to be upper income.** In 2022, 38% of children (including teens) and 35% of adults 65 and older were lower income, compared with 26% of adults ages 30 to 44 and 23% of adults 45 to 64.

The share of people living in upper-income households ranged from 13% among children and young adults (up to age 29) to 24% among those 45 to 64. In each age group, about half or a little more were middle class in 2022.

Nearly 4 in 10 U.S. children lived in lower-income households in 2022, about half in the middle class

% of U.S. population in each income tier, by age, 2022

Age	Lower income	Middle income	Upper income
<18	38%	49	13
18-29	31	56	13
30-44	26	55	18
45-64	23	52	24
65+	35	50	15

Note: People are assigned to income tiers based on their household incomes, after incomes have been adjusted for the number of people living in each household and the local area cost of living. Shares may not total 100% due to rounding.
Source: Pew Research Center analysis of the American Community Survey (IPUMS), 2022.
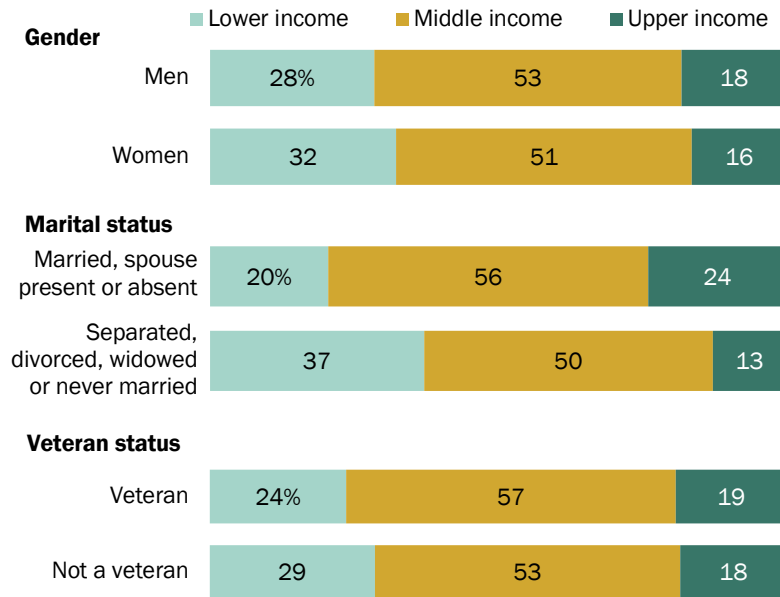
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5 **Men were slightly more likely than women to live in middle-income households in 2022,** 53% vs. 51%. Their share in upper-income households (18%) was also somewhat greater than the share of women (16%) in upper-income households.

Marriage appears to boost the economic status of Americans. Among those who were married in 2022, eight-in-ten lived either in middle-income households (56%) or upper-income households (24%). In contrast, only about six-in-ten of those who were separated, divorced, widowed or never married were either middle class or upper income, while 37% lived in lower-income households.

Veterans were more likely than nonveterans to be middle income in 2022, 57% vs. 53%. Conversely, a higher share of nonveterans (29%) than veterans (24%) lived in lower-income households.

Men, veterans and married Americans were more likely than their counterparts to live in middle- or upper-income households in 2022

% of U.S. population in each income tier, by gender, marital status and veteran status, 2022

Note: People are assigned to income tiers based on their household incomes, after incomes have been adjusted for the number of people living in each household and the local area cost of living. Shares may not total 100% due to rounding. Marital status is estimated for people ages 15 and older, and veteran status is for people 17 and older.
Source: Pew Research Center analysis of the American Community Survey (IPUMS), 2022.

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6 **Immigrants – about 14% of the U.S. population in 2022 – were less likely than the U.S. born to be in the middle class and more likely to live in lower-income households.** In 2022, more than a third of immigrants (36%) lived in lower-income households, compared with 29% of the U.S. born. Immigrants also trailed the U.S. born in the shares who were in the middle class, 48% vs. 53%.

There are large gaps in the economic status of American residents by their region of birth. Among people born in Asia, Europe or Oceania, 25% lived in upper-income households in 2022. People from these regions represented 7% of the U.S. population.

By comparison, only 14% of people born in Africa or South America and 6% of those born in Central America and the Caribbean were in the upper-income tier in 2022. Together they accounted for 8% of the U.S. population.

Immigrants were more likely than the U.S. born to be lower income in 2022; people born in Asia, Europe or Oceania were most likely to be upper income

% of U.S. population in each income tier, by nativity and region of birth, 2022

Legend: Lower income | Middle income | Upper income

Nativity

	Lower income	Middle income	Upper income
U.S. born	29%	53	18
Foreign born	36	48	16

Region of birth, including for U.S. born

	Lower income	Middle income	Upper income
Asia	27	48	25
Europe	26	49	25
Oceania	29	46	25
North America, U.S. territories	29	53	18
Africa	37	49	14
South America	36	50	14
Central America & Caribbean	46	48	6

Note: People are assigned to income tiers based on their household incomes, after incomes have been adjusted for the number of people living in each household and the local area cost of living. Shares may not total 100% due to rounding.
Source: Pew Research Center analysis of the American Community Survey (IPUMS), 2022.

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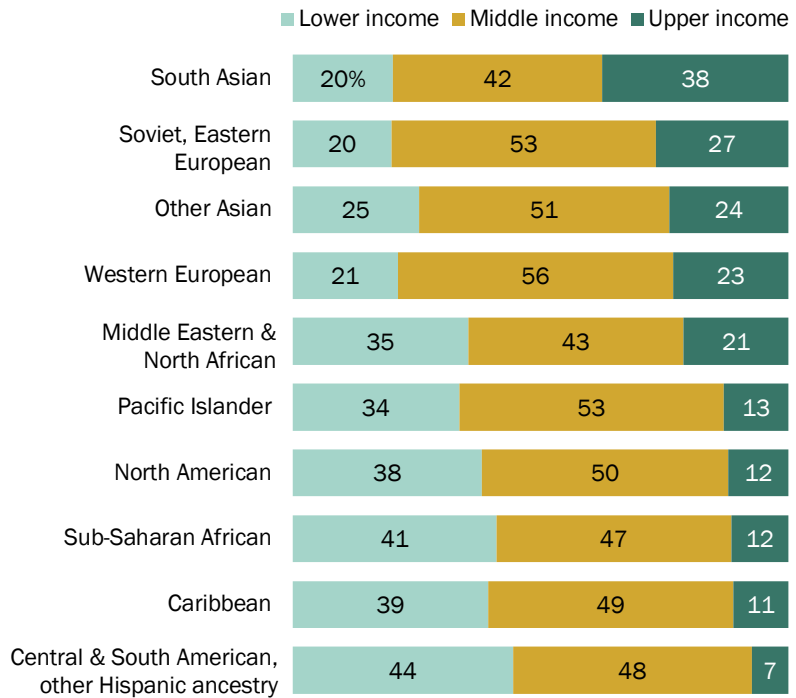**7** **The likelihood of being in the middle class or the upper-income tier varies considerably with the ancestry of Americans.** In 2022, Americans reporting South Asian ancestry were about as likely to be upper income (38%) as they were to be middle income (42%). Only 20% of Americans of South Asian origin lived in lower-income households. South Asians accounted for about 2% of the U.S. population of known origin groups in 2022.

At least with respect to the share who were lower income, this was about matched by those with Soviet, Eastern European, other Asian or Western European origins. These groups represented the majority (54%) of the population of Americans whose ancestry was known in 2022.

Americans of South Asian origin are the most likely to be upper income; Hispanic origins are the least likely

% of U.S. population in each income tier, by ancestry, 2022

Legend: ■ Lower income ■ Middle income ■ Upper income

Ancestry	Lower income	Middle income	Upper income
South Asian	20%	42	38
Soviet, Eastern European	20	53	27
Other Asian	25	51	24
Western European	21	56	23
Middle Eastern & North African	35	43	21
Pacific Islander	34	53	13
North American	38	50	12
Sub-Saharan African	41	47	12
Caribbean	39	49	11
Central & South American, other Hispanic ancestry	44	48	7

Note: People are assigned to income tiers based on their household incomes, after incomes have been adjusted for the number of people living in each household and the local area cost of living. Shares may not total 100% due to rounding. Ancestry or origin shown is that which is reported first by respondents in the source data. Estimates include both the U.S. born and the foreign born. About 25% of respondents in the source data were of unknown ancestry. Caribbean includes non-Hispanic Central and South America. Soviet and Eastern European includes all Europeans not elsewhere classified.
Source: Pew Research Center analysis of the American Community Survey (IPUMS), 2022.

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On the other hand, **only 7% of Americans with Central and South American or other Hispanic ancestry were in the upper-income tier, and 44% were lower income.** The economic statuses of Americans with Caribbean, sub-Saharan African or North American ancestry were not very different from this.

8 **Education matters for moving into the middle class and beyond, and so do jobs.** Among Americans ages 25 and older in 2022, 52% of those with a bachelor's degree or higher level of education lived in middle-class households and another 35% lived in upper-income households.
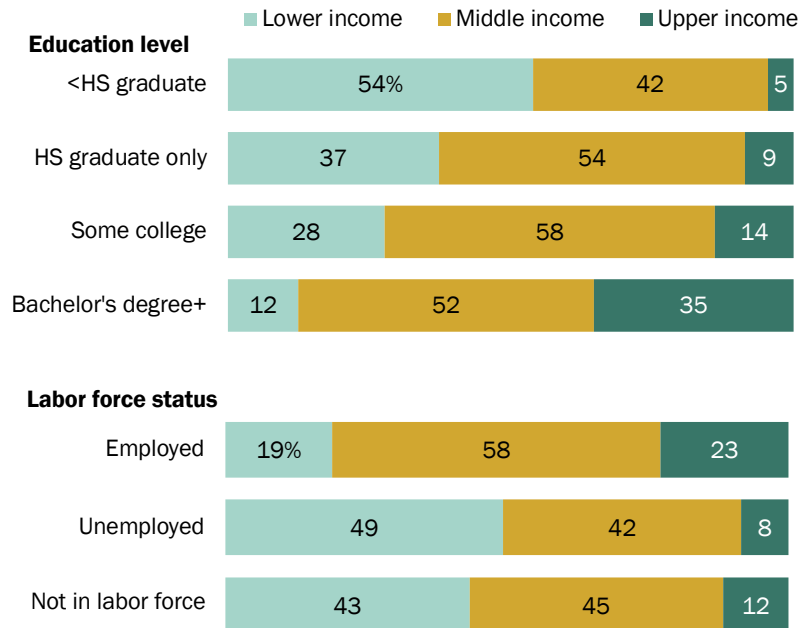
In sharp contrast, 42% of Americans who did not graduate from high school were in the middle class, and only 5% were in the upper-income tier. Further, only 12% of college graduates were lower income, compared with 54% of those who did not complete high school.

Not surprisingly, **having a job is strongly linked to movement from the lower-income tier to the middle- and upper-income tiers.** Among employed American workers ages 16 and older, 58% were in the middle-income tier in 2022 and 23% were in the upper-income tier. Only 19% of employed workers were lower income, compared with 49% of unemployed Americans.

The share of Americans in the middle- or upper-income tier rises sharply with education and employment

% of Americans in each income tier, by education and labor force status, 2022

Legend: ■ Lower income ■ Middle income ■ Upper income

Education level

	Lower income	Middle income	Upper income
<HS graduate	54%	42	5
HS graduate only	37	54	9
Some college	28	58	14
Bachelor's degree+	12	52	35

Labor force status

	Lower income	Middle income	Upper income
Employed	19%	58	23
Unemployed	49	42	8
Not in labor force	43	45	12

Note: People are assigned to income tiers based on their household incomes, after incomes have been adjusted for the number of people living in each household and the local area cost of living. Shares may not total 100% due to rounding. Education level is estimated for people ages 25 and older, and labor force status is for people 16 and older.
Source: Pew Research Center analysis of the American Community Survey (IPUMS), 2022.
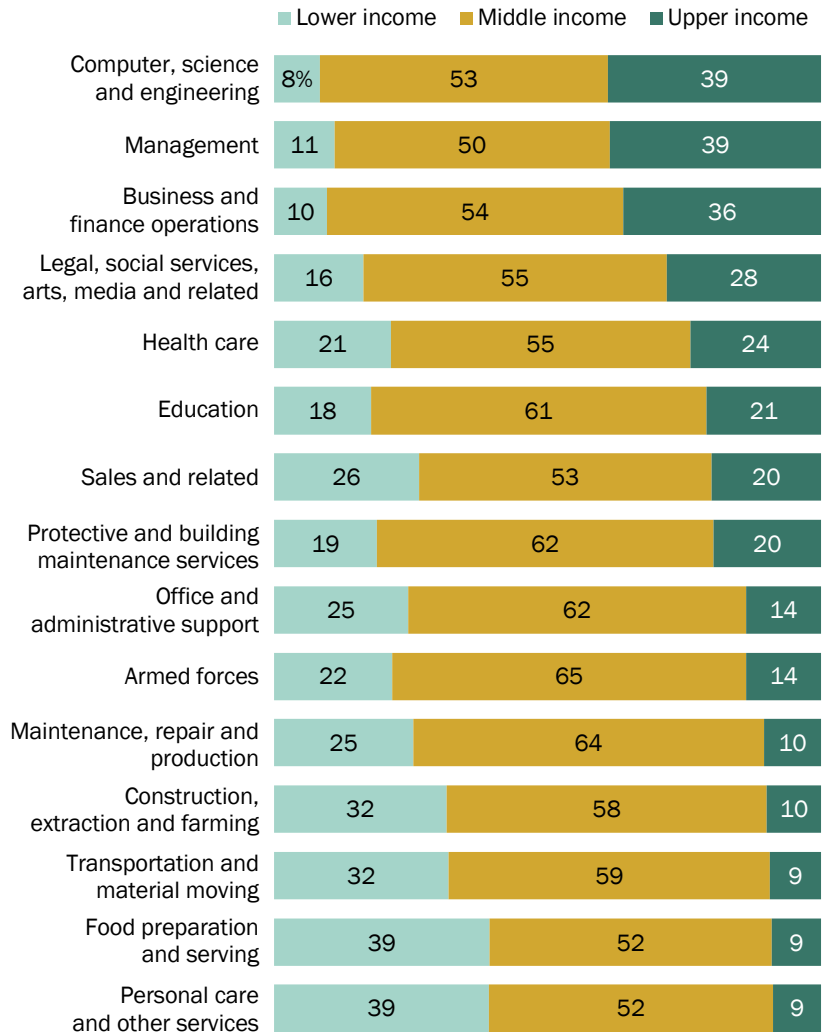
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9 In some occupations, about nine-in-ten U.S. workers are either in the middle class or in the upper-income tier, but in some other occupations almost four-in-ten workers are lower income. More than a third (36% to 39%) of workers in computer, science and engineering, management, and business and finance occupations lived in upper-income households in 2022. About half or more were in the middle class.

But many workers – about one-third or more – in construction, transportation, food preparation and serving, and personal care and other services were in the lower-income tier in 2022.

About six-in-ten workers or more in education; protective and building maintenance services; office and administrative support; the armed forces; and maintenance, repair and production were in the middle class.

More than a third of U.S. workers in technology, management, and business and finance occupations were in the upper-income tier in 2022

% of U.S. workers in each income tier, by occupation, 2022

■ Lower income ■ Middle income ■ Upper income

Occupation	Lower	Middle	Upper
Computer, science and engineering	8%	53	39
Management	11	50	39
Business and finance operations	10	54	36
Legal, social services, arts, media and related	16	55	28
Health care	21	55	24
Education	18	61	21
Sales and related	26	53	20
Protective and building maintenance services	19	62	20
Office and administrative support	25	62	14
Armed forces	22	65	14
Maintenance, repair and production	25	64	10
Construction, extraction and farming	32	58	10
Transportation and material moving	32	59	9
Food preparation and serving	39	52	9
Personal care and other services	39	52	9

Note: People are assigned to income tiers based on their household incomes, after incomes have been adjusted for the number of people living in each household and the local area cost of living. Shares may not total 100% due to rounding. Estimates are for people ages 16 and older who had worked in the previous five years.
Source: Pew Research Center analysis of the American Community Survey (IPUMS), 2022.
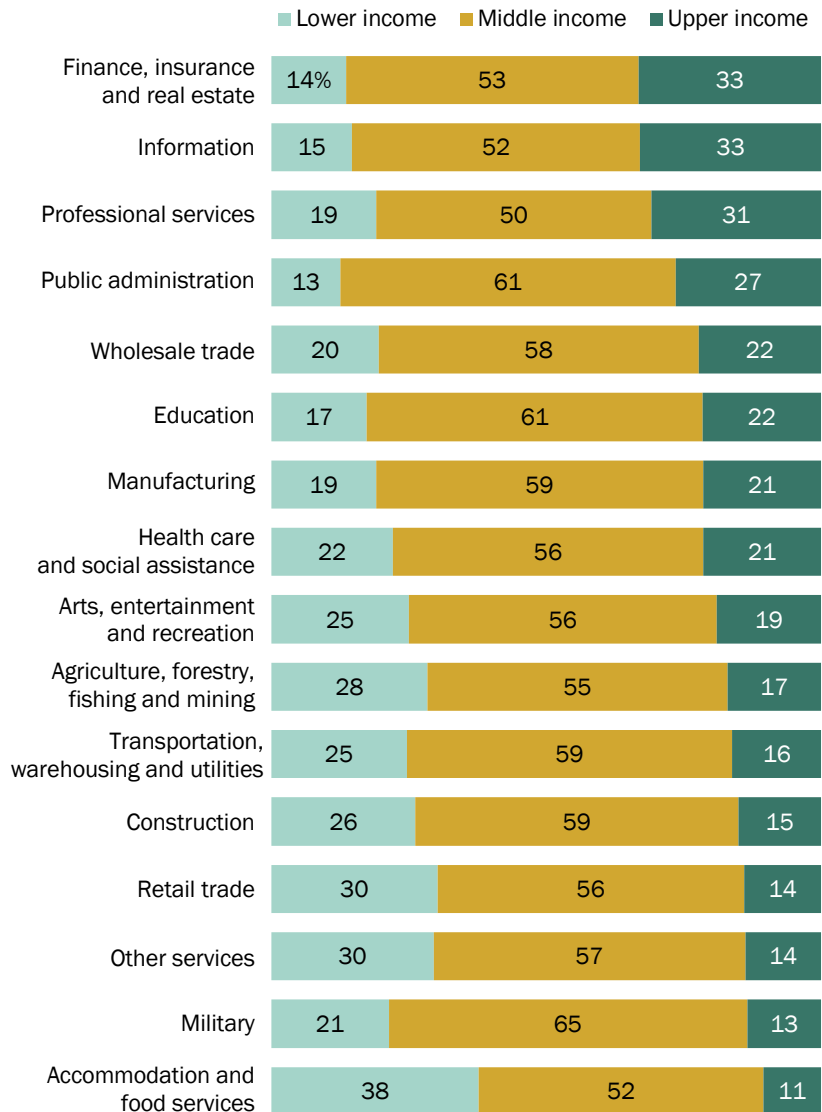
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10 Depending on the industrial sector, anywhere from half to two-thirds of U.S. workers were in the middle class, and the share who are upper income or lower income varied greatly.

About a third of workers in the finance, insurance and real estate, information, and professional services sectors were in the upper-income tier in 2022. Nearly nine-in-ten workers (87%) in public administration – largely filling legislative functions and providing federal, state or local government services – were either in the middle class or the upper-income tier.

But nearly four-in-ten workers (38%) in accommodation and food services were lower income in 2022, along with three-in-ten workers in the retail trade and other services sectors.

About a third of U.S. workers in the information, financial and professional services sectors were in the upper-income tier in 2022

% of U.S. workers in each income tier, by industry, 2022

Legend: Lower income, Middle income, Upper income

Industry	Lower income	Middle income	Upper income
Finance, insurance and real estate	14%	53	33
Information	15	52	33
Professional services	19	50	31
Public administration	13	61	27
Wholesale trade	20	58	22
Education	17	61	22
Manufacturing	19	59	21
Health care and social assistance	22	56	21
Arts, entertainment and recreation	25	56	19
Agriculture, forestry, fishing and mining	28	55	17
Transportation, warehousing and utilities	25	59	16
Construction	26	59	15
Retail trade	30	56	14
Other services	30	57	14
Military	21	65	13
Accommodation and food services	38	52	11

Note: People are assigned to income tiers based on their household incomes, after incomes have been adjusted for the number of people living in each household and the local area cost of living. Shares may not total 100% due to rounding. Estimates are for people ages 16 and older who had worked in the previous five years.
Source: Pew Research Center analysis of the American Community Survey (IPUMS), 2022.

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11 **The share of Americans who are in the middle class or in the upper- or lower-income tier differs across U.S. metropolitan areas.** But a pattern emerges when it comes to which metro areas have the highest shares of people living in lower-, middle- or upper-income households. (We first adjust household incomes for differences in the cost of living across areas.)

The 10 metropolitan areas with the greatest shares of middle-income residents are small to midsize in population and are located mostly in the northern half of the U.S. About six-in-ten residents in these metro areas were in the middle class.
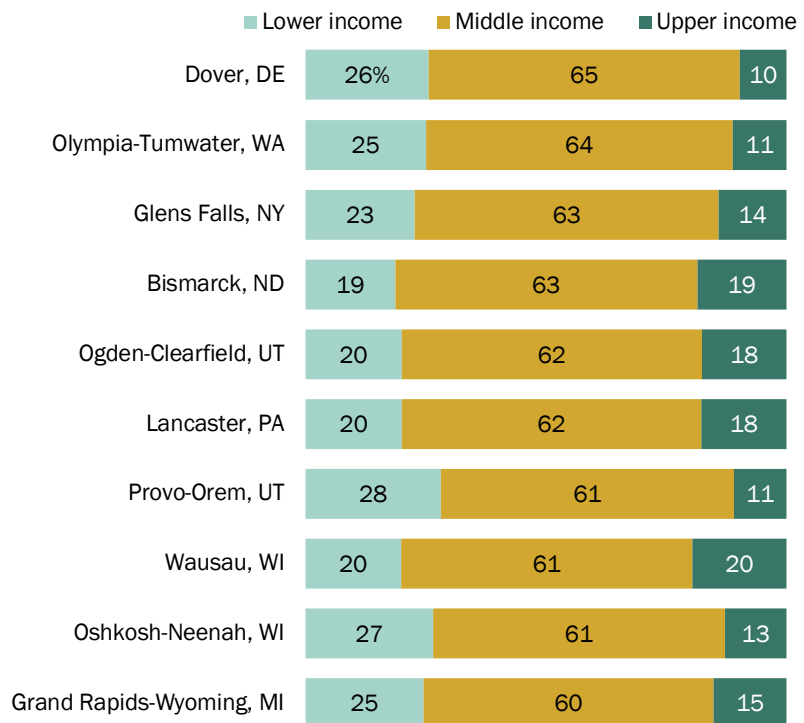
Several of these areas are in the [so-called Rust Belt](#), namely, Wausau and Oshkosh-Neenah, both in Wisconsin; Grand Rapids-Wyoming, Michigan; and Lancaster, Pennsylvania. Two others – Dover and Olympia-Tumwater – include state capitals (Delaware and Washington, respectively).

In four of these areas – Bismarck, North Dakota, Ogden-Clearfield, Utah, Lancaster and Wausau – the

The 10 U.S. metropolitan areas with the largest shares of residents in the middle class in 2022

% of residents in a metropolitan area in each income tier, 2022

Legend: ■ Lower income ■ Middle income ■ Upper income

Metro area	Lower income	Middle income	Upper income
Dover, DE	26%	65	10
Olympia-Tumwater, WA	25	64	11
Glens Falls, NY	23	63	14
Bismarck, ND	19	63	19
Ogden-Clearfield, UT	20	62	18
Lancaster, PA	20	62	18
Provo-Orem, UT	28	61	11
Wausau, WI	20	61	20
Oshkosh-Neenah, WI	27	61	13
Grand Rapids-Wyoming, MI	25	60	15

Note: People are assigned to income tiers based on their household incomes, after incomes have been adjusted for the number of people living in each household and the local area cost of living. Shares may not total 100% due to rounding. The ranking of metropolitan areas is based on 222 areas for which a sample of at least 500 households was available.
Source: Pew Research Center analysis of the American Community Survey (IPUMS), 2022.

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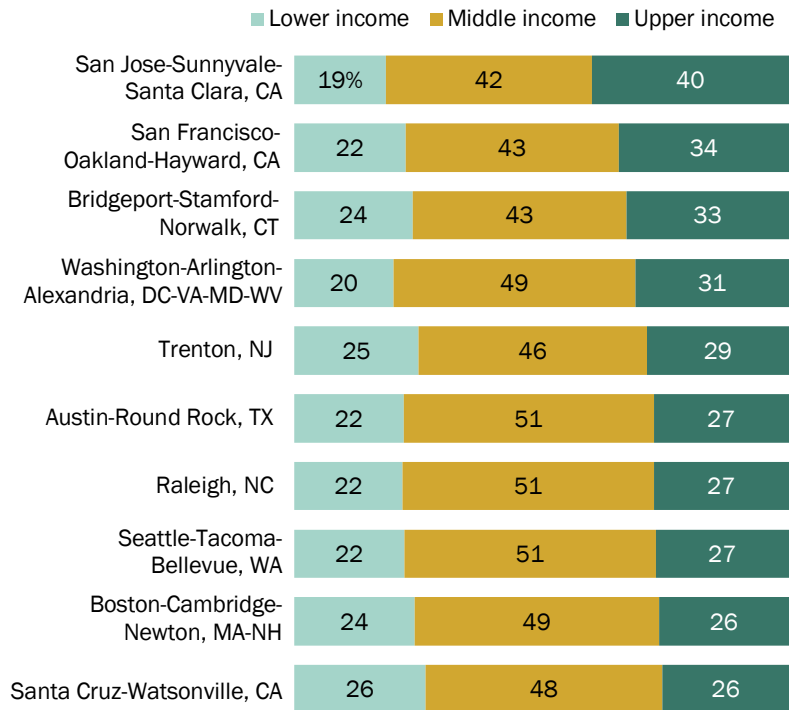share of residents in the upper-income tier ranged from 18% to 20%, about on par with the share nationally.

The 10 U.S. metropolitan areas with the highest shares of residents in the upper-income tier are mostly large, coastal communities. Topping the list is San Jose-Sunnyvale-Santa Clara, California, a technology-driven economy, in which 40% of the population lived in upper-income households in 2022. Other tech-focused areas on this list include San Francisco-Oakland-Hayward; Seattle-Tacoma-Bellevue; and Raleigh, North Carolina.

Bridgeport-Stamford-Norwalk, Connecticut, is a financial hub. Several areas, including Washington, D.C.-Arlington-Alexandria and Boston-Cambridge-Newton, are home to major universities, leading research facilities and the government sector.

The 10 U.S. metropolitan areas with the largest shares of residents in the upper-income tier in 2022

% of residents in a metropolitan area in each income tier, 2022

Legend: ■ Lower income ■ Middle income ■ Upper income

Metropolitan area	Lower income	Middle income	Upper income
San Jose-Sunnyvale-Santa Clara, CA	19%	42	40
San Francisco-Oakland-Hayward, CA	22	43	34
Bridgeport-Stamford-Norwalk, CT	24	43	33
Washington-Arlington-Alexandria, DC-VA-MD-WV	20	49	31
Trenton, NJ	25	46	29
Austin-Round Rock, TX	22	51	27
Raleigh, NC	22	51	27
Seattle-Tacoma-Bellevue, WA	22	51	27
Boston-Cambridge-Newton, MA-NH	24	49	26
Santa Cruz-Watsonville, CA	26	48	26

Note: People are assigned to income tiers based on their household incomes, after incomes have been adjusted for the number of people living in each household and the local area cost of living. Shares may not total 100% due to rounding. The ranking of metropolitan areas is based on 222 areas for which a sample of at least 500 households was available.
Source: Pew Research Center analysis of the American Community Survey (IPUMS), 2022.

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Notably, many of these metro areas also have sizable lower-income populations. For instance, about a quarter of the populations in Bridgeport-Stamford-Norwalk; Trenton, New Jersey; Boston-Cambridge-Newton; and Santa Cruz-Watsonville, California, were in the lower-income tier in 2022.
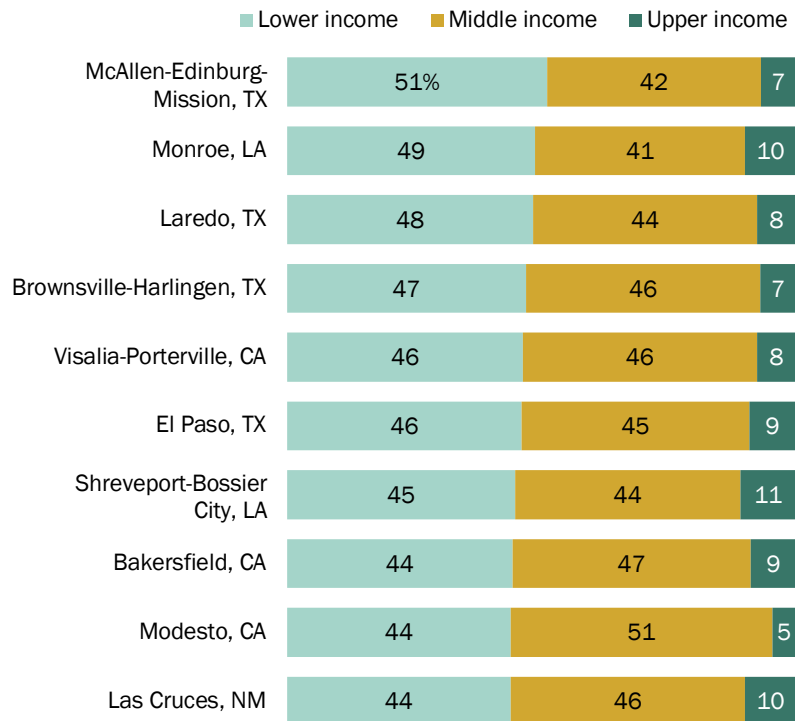
Most of the 10 U.S. metropolitan areas with the highest shares of residents in the lower-income tier are in the Southwest, either on the southern border of Texas or in California's Central Valley. The shares of people living in lower-income residents were largely similar across these areas, ranging from about 45% to 50%.

About 40% to 50% of residents in these metro areas were in the middle class, and only about one-in-ten or fewer lived in upper-income households.

Compared with the nation overall, the lower-income metro areas in Texas and California have disproportionately large Hispanic populations. The two metro areas in Louisiana – Monroe and Shreveport-Bossier City – have disproportionately large Black populations.

The 10 U.S. metropolitan areas with the largest shares of residents in the lower-income tier in 2022

% of residents in a metropolitan area in each income tier, 2022

■ Lower income ■ Middle income ■ Upper income

Metro area	Lower income	Middle income	Upper income
McAllen-Edinburg-Mission, TX	51%	42	7
Monroe, LA	49	41	10
Laredo, TX	48	44	8
Brownsville-Harlingen, TX	47	46	7
Visalia-Porterville, CA	46	46	8
El Paso, TX	46	45	9
Shreveport-Bossier City, LA	45	44	11
Bakersfield, CA	44	47	9
Modesto, CA	44	51	5
Las Cruces, NM	44	46	10

Note: People are assigned to income tiers based on their household incomes, after incomes have been adjusted for the number of people living in each household and the local area cost of living. Shares may not total 100% due to rounding. The ranking of metropolitan areas is based on 222 areas for which a sample of at least 500 households was available.
Source: Pew Research Center analysis of the American Community Survey (IPUMS), 2022.

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Methodology

The data for the historical analysis in this report is derived from the Annual Social and Economic Supplements (ASEC) of the Current Population Survey (CPS), which are conducted in March of every year. The specific files used in this report are from March 1971 to March 2023 and contain data on the annual income of households from 1970 to 2022. Conducted jointly by the U.S. Census Bureau and the Bureau of Labor Statistics, the CPS is a monthly survey of about 60,000 households and is the source of the nation's official statistics on unemployment. The ASEC survey in March typically features a larger sample size (about 75,000 in recent years) and is the source of the annual income and poverty estimates reported by the Census Bureau.

The historical analysis for Asian Americans is limited to CPS data for 2010 and 2023. That is because Asian Americans alone were not identified in the CPS until 2003. Prior to that year, and starting only in 1988, the CPS reported data for Asians and Native Hawaiians and Pacific Islanders (NHPI) combined. But the sample size for the NHPI population is only about 300 households in 2010 and 2023. For that reason, we do not report historical trends for the NHPI population. We also do not report historical trends for American Indian and Alaska Native (AIAN) or multiracial populations. These two populations are not uniquely identified in the CPS.

Methodological and other revisions to the CPS may have an impact on estimated trends. For example, the 2015 ASEC introduced a redesigned set of income questions, and definitions of key socioeconomic categories, such as race and educational attainment, have changed over time.

The demographic analysis is principally based on the data from the 2022 American Community Survey (ACS). The public-use version of the ACS is a 1% sample of the U.S. population, or more than 3 million people. It is designed to collect the detailed information previously collected in the long form of the decennial census. But the ACS data are available only from 2005 onwards and are less suitable for long-run historical analyses.

The ACS is conducted in every month of the year, with data collected from about one-twelfth of the total sample in each month. The monthly responses are combined to form an annual portrait of the nation and of smaller geographic units. Because of its large sample size, the ACS is a better source than the CPS for analyses of subnational or subgroup demographic and income data. Nonetheless, we do not report the distribution of NHPI workers across income tiers by occupation and industry because of small sample sizes.

In some instances, the demographic analysis uses data from the 5-year ACS for the period 2018-2022. This file contains data from the five ACS surveys conducted over this period and represents

a 5% sample of the U.S. population, or more than 15 million people. We exclude the data for 2020 because the COVID-19 pandemic had a significant impact on data collection in that year. The resulting file with four years of data – about 12 million people – was used to study smaller demographic groups, such as Korean Americans or Pakistani Americans. But we are still limited in the extent to which we can analyze the distribution of the AIAN and NHPI populations across income tiers in U.S. metropolitan areas.

The CPS and ACS microdata used are the Integrated Public Use Microdata Series (IPUMS) provided by the University of Minnesota. The IPUMS assigns uniform codes, to the extent possible, to data collected in the CPS and ACS over the years. More information about the IPUMS, including variable definition and sampling error, is available at IPUMS CPS and IPUMS USA.

Income

Household income is the sum of incomes earned by all members of the household ages 15 and older. Income is defined as money income received (exclusive of certain money receipts, such as capital gains) before payments for such things as personal income taxes, Social Security, union dues and Medicare deductions. Noncash transfers such as SNAP benefits (food stamps), health benefits, subsidized housing and energy assistance are not included. More detail on the measurement and collection of income in government data can be found in the documentation of the CPS or in the documentation of the ACS.

The CPS collects data on income received by the household in the *calendar year preceding the date of the survey*. The ACS is a rolling monthly survey, and the household income data refer to income received during the *12 months preceding the survey month*. In other words, a household surveyed in January 2022 is expected to report income received from January 2021 to December 2021, a household surveyed in February 2022 is expected to report income received from February 2021 to January 2022, and so on. Households surveyed in December 2022 report income received from December 2021 to November 2022. Thus, in the 2022 ACS, the income data refer to the period from January 2021 to November 2022, a span of 23 months.

Because the income data collected in the ACS does not refer to a calendar year, the Census Bureau provides an adjustment factor that converts reported incomes to the levels they would have been had they been earned during a calendar year. Although this adjustment factor has its limits, we apply it to the income data in the 2022 ACS to convert reported incomes to their projected levels in the 2022 calendar year. In the 5-year ACS files, the reported incomes have already been standardized by the Census Bureau to dollars as valued in the final year of data included in the file.

The data on income are adjusted for inflation and reported in 2023 dollars in this report. We use the price index series published in the Census Bureau's 2022 income report. From 2000 to 2022, this series is the same as the Chained Consumer Price Index for all Urban Consumers (C-CPI-U) published by the Bureau of Labor Statistics (BLS). From 1978 to 1999, this series is the BLS's Consumer Price Index for all Urban Consumers Retroactive Series (R-CPI-U-RS). For years prior to 1978, the Census Bureau uses an experimental price index series from the BLS known as the CPI-U-X1. We apply the C-CPI-U from the BLS to extend the Census Bureau's price index series from 2022 to 2023.

The choice of a price index does not affect the allocation of households into lower-, middle- or upper-income categories at a point in time. That is because the same price index applies to the incomes of all households and does not affect their income-based rank. However, the choice of a price index does affect measures of absolute progress over time. For example, from 2000 to 2023, the price level rose either 78% (R-CPI-U-RS) or 67% (C-CPI-U). This means that someone who earned $10,000 per year in 2000 would need to earn either $17,800 (using the R-CPI-U-RS) or $16,700 (using the C-CPI-U) in 2023 to be just as well off as in 2000.

Households in census data

The Census Bureau defines a household as the entire group of persons who live in a single dwelling unit. A household may consist of several persons living together or one person living alone. It includes the household head and all of their relatives living in the dwelling unit and also any lodgers, live-in housekeepers, nannies and other residents not related to the head of the household.

Adjusting income for household size

Household income data reported in this study are adjusted for the number of people in a household. That is done because a four-person household with an income of, say, $50,000 faces a tighter budget constraint than a two-person household with the same income. In addition to comparisons across households at a given point in time, this adjustment is useful for measuring changes in the income of households over time. That is because average household size in the U.S. decreased from 3.1 persons in 1970 to 2.5 persons in 2023, a drop of about 20%. Ignoring this demographic change would mean ignoring a commensurate loosening of the household budget constraint.

At its simplest, adjusting for household size could mean converting household income into per capita income. Thus, a two-person household with an income of $50,000 would have a per capita

income of $25,000, double the per capita income of a four-person household with the same total income.

A more sophisticated framework for household size adjustment recognizes that there are economies of scale in consumer expenditures. For example, a two-bedroom apartment may not cost twice as much to rent as a one-bedroom apartment. Two household members could carpool to work for the same cost as a single household member, and so on. For that reason, many researchers make adjustments for household size using the method of "equivalence scales."

A common equivalence-scale adjustment is defined as follows:

$$\text{Adjusted household income} = \text{Household income} / (\text{Household size})^N$$

By this method, household income is divided by household size exponentiated by "N," where N is a number between 0 and 1.

Note that if N=0, the denominator equals 1. In that case, no adjustment is made for household size. If N=1, the denominator equals household size, and that is the same as converting household income into per capita income. The usual approach is to let N be some number between 0 and 1. Following other researchers, this study uses N=0.5. In practical terms, this means that household income is divided by the square root of household size – 1.41 for a two-person household, 1.73 for a three-person household, 2.00 for a four-person household and so on.

One issue with adjusting for household size is that while demographic data on household composition pertain to the survey date, income data typically pertain to the preceding calendar year or the preceding 12-month period. Because household composition can change over time, for example, through marriage, divorce or death, the household size that is measured at the survey date may not be the same as that at the time the income was earned and spent.

Once household incomes have been converted to a "uniform" household size, they can be scaled to reflect any household size. The income data reported in this study are computed for three-person households, the closest whole number to the average size of a U.S. household since 1970. That is done as follows:

$$\text{Three-person household income} = \text{Adjusted household income} * [(3)^{0.5}]$$

Adjusting for household size does have an effect on trends in income since 1970. However, it is important to note that once the adjustment has been made, it is immaterial whether one scales

incomes to one-, two-, three- or four-person households. Regardless of the choice of household size, the same results would emerge with respect to the trends in the well-being of lower-, middle- and upper-income groups.

Adjusting income for the cost of living in metropolitan and other areas

In our analysis of the ACS data, "middle-income" Americans live in households with incomes that are two-thirds to double the national median, after incomes have been adjusted for household size and the cost of living in their area. Their area of residence may be in a known metropolitan area, an unidentified metro area or outside of a metro area.

A metropolitan area consists of at least one urbanized area with a population of 50,000 or more people, plus neighboring areas that are socially and economically integrated with the core. Metropolitan areas may cross state boundaries, such as the Washington-Arlington-Alexandria, DC-VA-MD-WV area.

Our analysis of the state of the middle class for all Americans encompasses 222 of 381 metropolitan areas in the United States, as defined by the Office of Management and Budget in its 2013 classification of metro areas. The 222 metropolitan areas included are the maximum number of areas that could be identified in the ACS (IPUMS) data that also had a sample of at least 500 households. Together, these areas accounted for 72% of the nation's population in 2022. Overall, the 2022 ACS identifies 248 metro areas.

The cost-of-living adjustment for all areas is based on price indexes published by the U.S. Bureau of Economic Analysis. These indexes, known as Regional Price Parities (RPP), compare the prices of goods and services in an area with the national average prices for the same goods and services. The latest available estimates are for 2022.

RPPs are available for three types of areas. The RPPs for metropolitan areas were used to adjust the incomes of households in metro areas identified in the ACS data. RPPs for the metropolitan portions of a state were used to adjust the incomes of households known to live in a metro area in that state but for whom the identity of the metro area was not known. Finally, RPPs for all nonmetro areas in a state were used to adjust the incomes of households located in nonmetro areas in that state.

Race, ethnicity, nativity, educational attainment and marital status

In our analyses, *White, Black* and *Asian Americans, American Indians or Alaska Natives,* and *Native Hawaiians or Pacific Islanders* are people who identified with a single major racial group

and who are not Hispanic. *Asian* includes people who identified with more than one Asian race or origin, e.g., Japanese and Filipino. *Native Hawaiians or Pacific Islanders* include people identifying with more than one Micronesian race. *Multiracial* includes people who identified with more than one major racial group, e.g., White and Black, Black and Korean, or Chinese and Hawaiian, and are not Hispanic. Hispanics are of any race.

U.S. born refers to individuals who are U.S. citizens at birth, including people born in the 50 U.S. states, the District of Columbia, Puerto Rico or other U.S. territories, as well as those born elsewhere to at least one parent who is a U.S. citizen. The terms *foreign born* and *immigrant* are used interchangeably in this report. They refer to people who are not U.S. citizens at birth.

High school graduate refers to those who have a high school diploma or its equivalent, such as a General Education Development (GED) certificate, and those who had completed 12th grade, but their diploma status was unclear (those who had finished 12th grade but not received a diploma are excluded). Adults with *some college* include those with an associate degree and those who attended college but did not obtain a degree. In the estimates for 1971, adults with a bachelor's degree or higher level of education are those who completed at least four years of college.

Unmarried includes never married, divorced, separated and widowed. *Married* includes those whose spouse may be absent.

Region of birth and ancestry

Region of birth is defined using traditional geographic boundaries as identified in the IPUMS USA variable BPL. *North America and U.S. territories* includes the U.S., American Samoa, Guam, Puerto Rico and the U.S. Virgin Islands, Canada, and Atlantic Islands. *Central America and the Caribbean* includes Mexico, the rest of Central America and Caribbean islands. *South America* is all countries in South America, and *Europe* is all countries in Europe, including Russia. *Asia* is geographic Asia, including the Middle East, and *Africa* refers to all countries on that continent. *Oceania* encompasses Australia, New Zealand and various Pacific Islands.

Ancestry refers to a person's self-reported ancestry or ethnic origin and is based on the IPUMS USA variable ANCESTR1. Respondents may provide more than one ancestry. We use the first-reported ancestry in our analysis. *North American* refers to U.S. or Canadian origins and American Indian and Alaska Native tribes. *Central and South American and other Hispanic ancestry* refers not only to places of origin, such as Mexico, Puerto Rico and Peru, but also to ethnic origins, such as Mexican American, Spaniard and Hispanic. *Caribbean* includes the West Indies and non-Hispanic Central and South America.

South Asian includes origin groups from Afghanistan, India and neighboring countries, except Burma. *Other Asian* encompasses groups from Burma to the countries on the Pacific rim of Asia. *Middle Eastern & North African* origin groups are from countries ranging from Morocco to Iran. *Sub-Saharan African* groups are from Africa, excluding countries in North Africa. *Pacific Islanders* trace their origin to Australia, New Zealand and Pacific Islands, including Hawaii. *Western European* and *Soviet or Eastern European* ancestries are defined along familiar geographic classifications of these regions, except that the latter category also includes Europeans not elsewhere classified in the source data.

Statistical significance

Comparisons between most estimates are tested for statistical significance using the replicate weights in the source data. These tests for statistical significance are conducted using 95% confidence intervals. However, replicate weights are not available in the CPS for years prior to 2005. Thus, when comparisons are made between CPS estimates from 1971 and 2023, or in other instances where replicate weights are not available, the standard errors are determined using the "pweight" option in Stata, and tests of significance are conducted using 99% confidence intervals.