STANDARD OF LIVING IN AMERICA TODAY

Standard of Living is one of the three areas measured by the American Human Development Index, along with health and education. Standard of living is measured using median personal earnings, the wages and salaries of all workers 16 and over.

While policymakers and the media closely track Gross Domestic Product (GDP) and judge America’s progress by it, the American Human Development Index tracks median personal earnings, a better gauge of ordinary Americans’ standard of living. The graph below chronicles two stories of American economic history over the past 35 years. One is the story of extraordinary economic growth as told by GDP; the other is a story of economic stagnation as told by earnings, which have barely budged since 1974 (both in constant dollars).

STRIKING FINDINGS IN STANDARD OF LIVING FROM THE MEASURE OF AMERICA 2010-2011:

The Measure of America 2010-2011 explores the median personal earnings of various groups—by state, congressional district, metro area, racial/ethnic groups, and for men and women—and reveals alarming gaps that threaten the long-term well-being of our nation:

- American women today have higher overall levels of educational attainment than men. Yet men earn an average of $11,000 more.

- In no U.S. states do African Americans, Latinos, or Native Americans earn more than Asian Americans or whites.

- By the end of the 2007-9 recession, unemployment among the bottom tenth of U.S. households, those with incomes below $12,500, was 31 percent, a rate higher than unemployment in the worst year of the Great Depression; for households with incomes of $150,000 and over, unemployment was just over 3 percent, generally considered as full employment.
• The wealthiest congressional district in the United States is **New York’s District 14** on Manhattan’s East Side, with median personal earnings of $60,000; the poorest is New York’s District 16, a few subway stops away in South Bronx, with median personal earnings of $18,000.

• In the last 25 years, the richest American households doubled their wealth [from $9.2 million to $18.5 million in 2007] while two in five households lost ground [from $5,600 to $2,200].

**Median Earnings by Congressional District**

POLICY LEVERS FOR CHANGE

Many experts concur that the following priority actions can help all Americans to build the income and assets necessary to weather inevitable economic downturns, to invest in their own economic security, and to raise their standard of living.

• **CHILD POVERTY:** Protect young children from extreme poverty, which can cause harm throughout the life course.

• **SCHOOL OUTCOMES:** Increase educational attainment, particularly on-time high school graduation.

• **ASSETS:** Create incentives for asset building among low-income people equivalent to those for the wealthy.

• **CAREING LABOR:** Help families care for babies, elderly family members, and the ill and disabled through policies that enable them to balance work and family responsibilities.

• **FINANCIAL LITERACY AND REGULATION:** Help families cope with increasingly complex financial instruments.

• **RETIREMENT:** Reform retirement systems to enable greater security and to reduce elderly poverty.