Distribution of Personal Income • Prototype Statistics

What Counts Toward Household Personal Income?

Adjusted Money Income

- Wages and salary
- Dividends
- Social Security

Financial

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

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 \[ \sqrt{\text{Household size}} \] adjusted by \[ \frac{\$100,000}{\sqrt{4}} = \frac{\$100,000}{2} = \$50,000 \]

Where Do Adjusted Incomes Fall in the Quintiles?

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Bottom 20%</th>
<th>20%-40%</th>
<th>40%-60%</th>
<th>60%-80%</th>
<th>80%-100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Range</td>
<td>&lt; $43,572</td>
<td>$43,572 to $60,135</td>
<td>$60,136 to $81,448</td>
<td>$81,449 to $120,667</td>
<td>$120,668+</td>
</tr>
</tbody>
</table>

2020 nominal dollars

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