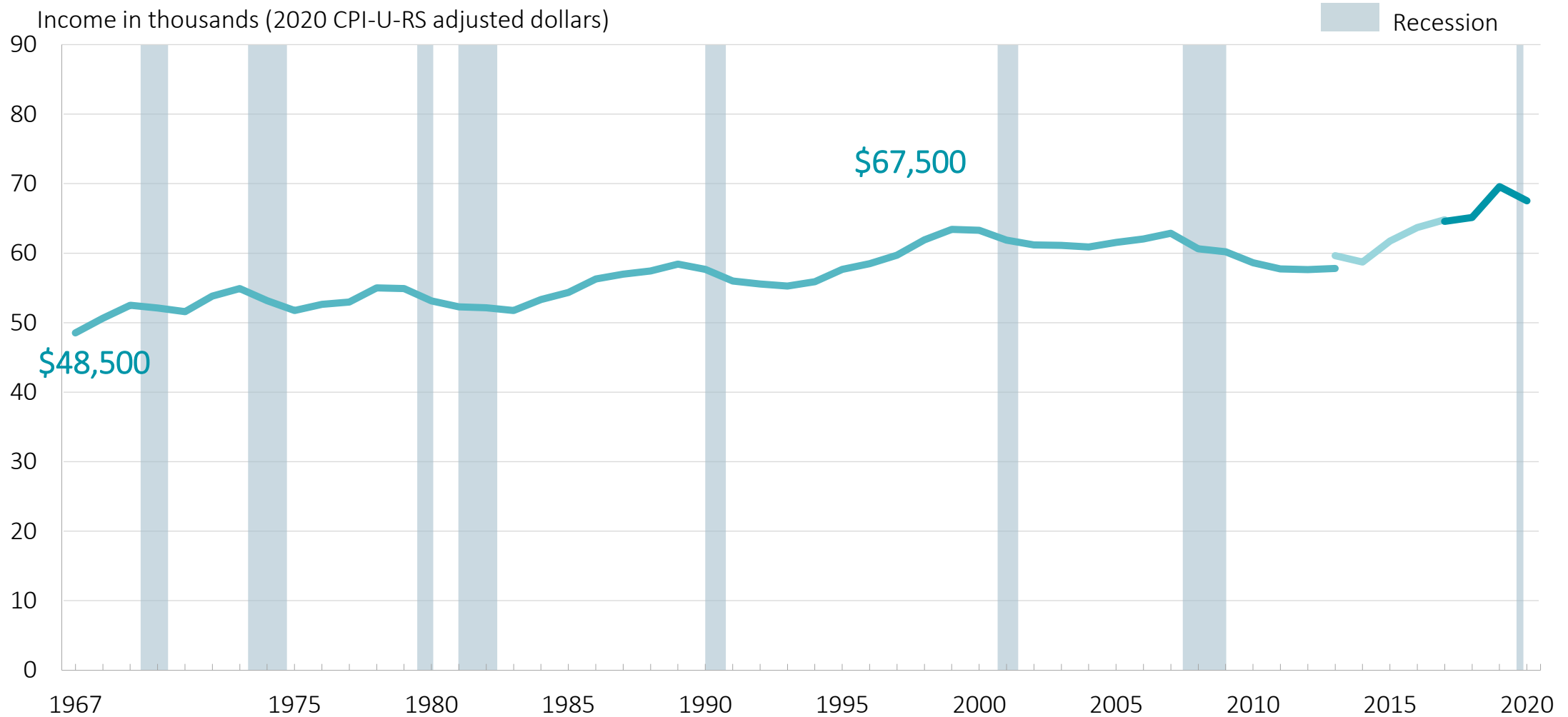


# Impact of Inflation Index Choices on Income and Earnings Estimates and Operational Challenges

Expert Meeting on Adjusting Historical Income and Earnings Estimates  
for Inflation: Selecting the Optimal Inflation Index

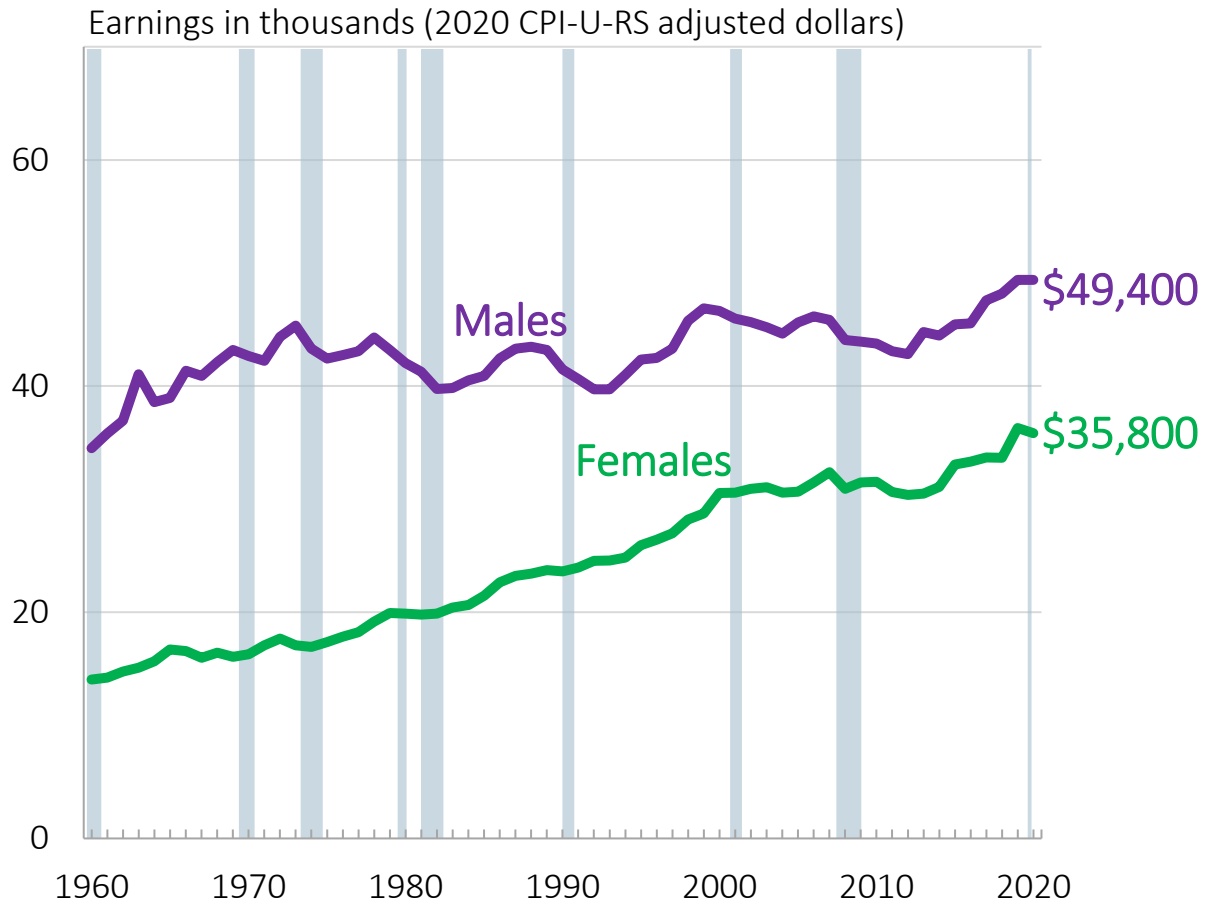
March 22, 2022

# Real Median Household Income: 1967 to 2020

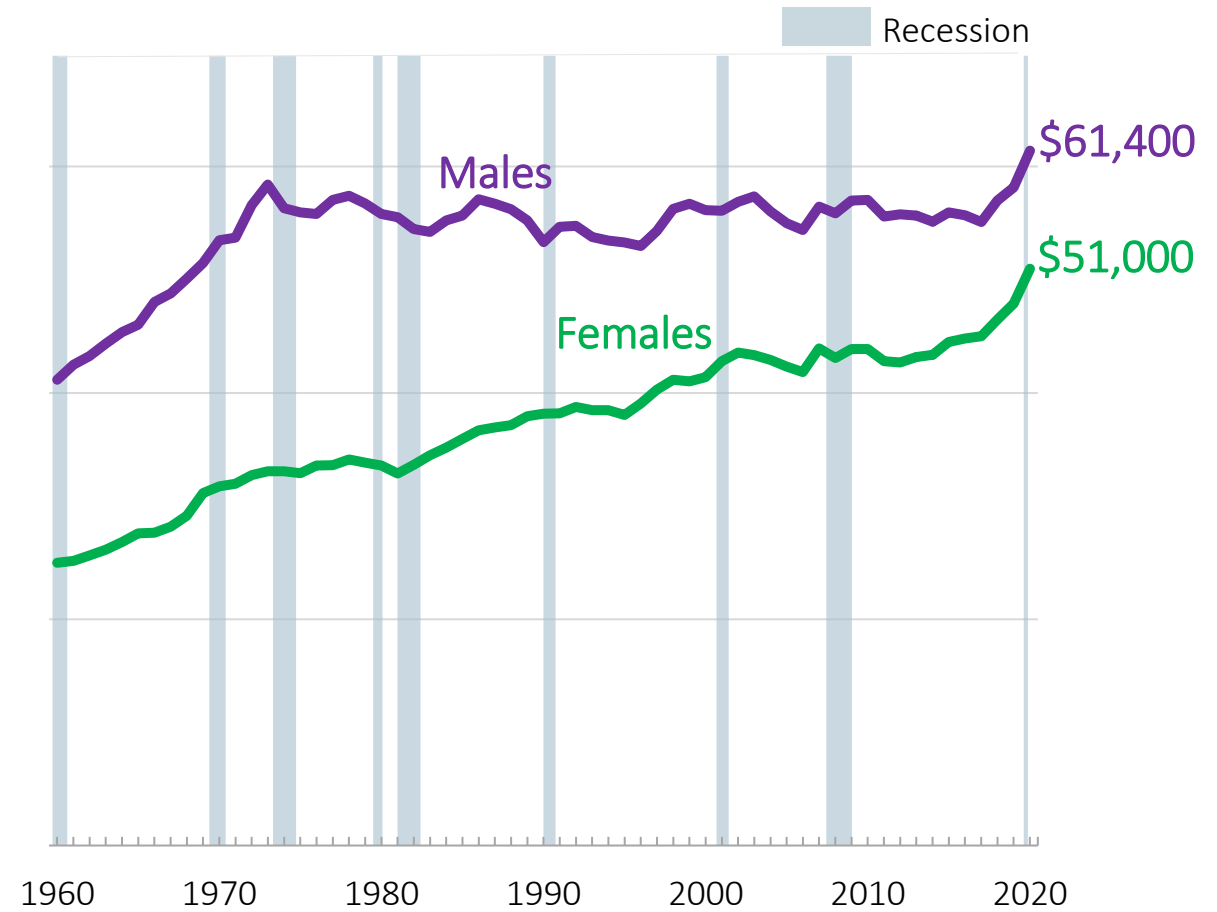


# Real Median Earnings: 1960 to 2020

*Total workers*



*Full-time, year-round workers*



# Previous Changes to the Inflation Adjustment

Year	Change	Process
1954?	First CPS report to show inflation-adjusted income – used CPI-U	“This adjustment is a very rough one and the results cannot be regarded as more than approximations.” Technical working papers in 1963 and 1967.
1991	Hybrid Index: CPI-U-X1 for pre-1982 CPI-U for 1983+	Published estimates comparing this to the CPI-U in 1989 and 1990 income and poverty reports.
2001	CPI-U-RS Extrapolated pre-1978 using ratio of CPI-U-RS to the CPI-U-X1	Appendices in 1999 and 2000 income reports comparing estimates and requesting comments.
2022	<b>Proposal:</b> <b>C-CPI-U</b> <b>Using PCEPI for pre-2000 estimates</b>	Interagency Technical Working Group on Consumer Inflation Appendices in 2020 and 2021 income and poverty reports requesting comments.