

Average Pre-Tax Income for All Households, by Household Income Category, 1979-2007

Year	Lowest Quintile	Second Quintile	Middle Quintile	Fourth Quintile	Highest Quintile	All Quintiles	Top 10%	Top 5%	Top 1%
Average Income (2007 Dollars)									
<i>Pretax Income</i>									
1979	16,600	36,100	54,100	73,200	140,300	63,400	182,800	248,800	550,000
1980	16,000	34,700	52,300	71,000	135,700	61,300	176,700	236,900	518,500
1981	15,600	34,300	51,700	71,400	134,700	61,100	174,500	232,700	514,900
1982	15,100	33,400	50,600	70,500	134,700	60,900	176,100	238,000	537,100
1983	14,600	32,200	49,800	70,100	139,200	61,300	184,400	250,600	588,000
1984	15,100	34,100	51,900	73,000	148,900	64,000	199,700	274,700	647,300
1985	15,200	34,200	52,700	73,700	152,900	65,600	206,400	285,900	695,100
1986	15,200	35,100	54,000	76,400	172,500	70,400	238,600	344,300	904,800
1987	14,900	33,800	53,600	76,600	162,500	68,000	220,000	305,200	731,400
1988	15,200	34,400	54,400	77,400	174,800	71,000	241,600	346,600	921,100
1989	15,800	35,000	55,000	78,300	173,900	71,600	239,000	338,200	857,200
1990	16,200	35,900	54,800	77,400	168,800	70,800	230,500	324,500	822,600
1991	16,200	35,400	53,900	76,600	162,900	69,000	220,100	304,700	741,500
1992	15,900	35,200	54,300	77,300	170,100	70,800	233,000	330,300	840,900
1993	16,200	35,400	54,500	77,900	170,200	71,100	231,400	323,800	807,900
1994	16,200	35,700	55,000	79,300	173,600	72,000	237,600	334,300	833,000
1995	17,000	37,400	56,500	80,500	181,800	74,700	249,800	358,700	918,100
1996	16,700	37,200	57,200	81,900	190,900	77,200	267,000	384,400	1,012,600
1997	17,100	38,000	58,100	83,400	202,300	80,300	287,500	423,700	1,161,200
1998	17,900	39,700	59,600	86,600	214,700	84,200	308,500	461,900	1,304,300
1999	18,500	40,800	60,800	88,900	227,500	87,800	328,400	492,300	1,419,600
2000	17,600	40,100	60,500	89,700	236,500	89,200	344,400	522,400	1,551,300
2001	17,400	40,300	61,300	88,300	213,900	84,200	303,100	444,300	1,227,800
2002	16,900	39,100	59,900	86,400	203,300	80,600	283,700	406,900	1,087,600
2003	16,700	38,700	59,600	87,100	210,100	81,800	295,900	430,400	1,160,700
2004	16,800	39,600	61,600	89,700	227,800	86,300	327,000	485,800	1,380,000
2005	17,100	40,100	62,100	90,700	246,700	90,500	362,000	555,500	1,660,400
2006	17,700	40,500	62,300	92,000	256,000	93,300	377,700	582,400	1,790,800
2007	18,400	42,500	64,500	94,100	264,700	96,000	394,500	611,200	1,873,000

Source: Congressional Budget Office.

Notes: Average tax rates are calculated by dividing taxes by comprehensive household income.

Comprehensive household income equals pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes and the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes) and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance).

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. (A household consists of the people who share a housing unit, regardless of their relationships.) Quintiles, or fifths, contain equal numbers of people. Households with negative income (business or investment losses larger than other income) are excluded from the lowest income category but are included in totals.

Individual income taxes are attributed directly to households paying those taxes. Social insurance, or payroll, taxes are attributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are attributed to households according to their share of capital income. Federal excise taxes are attributed to them according to their consumption of the taxed good or service.