You Can’t Feed a Family With G.D.P.

The most important thing to know about the state of the United States economy was revealed in a report Tuesday morning that Wall Street barely noticed.

Every year, the Census Bureau delivers a sweeping set of numbers that give the richest annual picture of how much Americans are making, how many are living in poverty, and how many have access to health insurance. The numbers are backward-looking, covering conditions from a year ago. But the new numbers,released Tuesday, in many ways tell us more about how well the economy is serving — or failing — the mass of Americans than data that create hyperventilation in the financial markets.

The census numbers on what American families made last year are as mediocre as they are predictable. We now know that if your household brought in $51,939 in income last year, you were right at the 50th percentile, with half of households doing better and half doing worse. In inflation-adjusted terms, that is up a mere 0.3 percent from 2012. If you’re counting, that’s an extra $180 in annual real income for a middle-income American family. Don’t spend your extra $3.46 a week all in one place.

Going back a little further, the numbers are even gloomier. The 2013 median income remained a whopping 8 percent — about $4,500 per year — below where it was in 2007. The 2008 recession depressed wages for middle-income Americans, and they haven’t recovered in any meaningful way. And 2007 household incomes were actually below the 1999 peak.

There are a few sunnier points in the report. The poverty rate fell to 14.5 percent, from 15 percent. And as the White House

Council of Economic Advisers points out, incomes rose a good bit more in 2013 for the median family — that is households where people who are related live together — than they did for the more widely cited measure of households, which includes singles and roommates.

But the new evidence that pay is stagnant for middle-income families strikes us as the most important thing contained in this report. That's partly because it is supported by so much other evidence, some of which we have written about recently.

This simple fact may be the most important thing to understand about today's economy: Around 1999, growth in the United States economy stopped translating to growth in middle-class incomes. In the last 15 years, median income has been more or less flat while there was far sharper growth in, for example, per capita gross domestic product.

There are various potential reasons. Evolving technology favors those with the most advanced skills and allows companies to replace formerly middle-class workers with machines. Declining union power gives workers less power at the bargaining table over wages. Cultural norms have shifted such that top executives and financiers are paid much more compared with regular workers than they used to be.

But there really is no mystery as to why public opinion has been persistently down on the quality of the economy for years. You can't eat G.D.P. You can't live in a rising stock market. You can't give your kids a better life because your company's C.E.O. was able to give himself a big raise.

The rubber-meets-road measure of whether the economy is working for the mass of Americans is median real income and related measures of how much money is making its way into their pockets and what they can buy with that money.

And the newest census numbers show that the nation experienced virtually no progress on that frontier in 2013, and remains far behind where we were seven years ago. Americans feel disappointed by the economy; the new data show that they have good reason.

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