This week Pulse takes two snapshots of the economy.

The first is that according to the Census, annual family household income fell in 2020 for the first time since 2014.

Not all that surprising given the Pandemic but it followed steady increases which kept families spending power ahead of low inflation rates. Speaking of inflation, there was a modest reduction to the inflation rate, which now shows three months of steady inflation of around just over 5%.

The 5% is much higher than we have experienced for years. Combined with the decrease in household income, the continued higher inflation does not help.

Stay tuned.

CENSUS FIGURES SHOW AMERICANS’ INCOMES FELL IN 2020

Americans last year saw their first significant decline in household income in nearly a decade, government data showed, with economic pain from the Covid-19 pandemic prompting government aid that helped keep millions from falling into poverty.

An annual assessment of the nation’s financial well-being, released Tuesday by the Census Bureau, offered insight into how households fared during the pandemic’s first year. It arrives as Washington debates how much more to spend to bolster the economy during the worst public-health crisis in a century.

Median household income was about $67,500 in 2020, down 2.9% from the prior year, when it hit an inflation-adjusted historical high. It came as the U.S. last year saw millions lose their jobs and national unemployment soar from a 50-year low to a high of 14.8%.

The last time median household income fell significantly was 2011, in the aftermath of the 2007-09 recession.