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# Evaluating Shared Prosperity in Southeast Michigan, 2018–2022

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UNIVERSITY OF MICHIGAN

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- Promotes the efficient use of tax dollars for infrastructure investment and governmental effectiveness;

- Develops regional solutions that go beyond the boundaries of individual local governments; and

- Advocates on behalf of Southeast Michigan in Lansing and Washington

# Evaluating Shared Prosperity in Southeast Michigan, 2018-2022

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## Abstract

This report analyzes the extent to which economic prosperity is widely shared in Southeast Michigan (Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne counties) over the years 2018 to 2022. The analysis used individual household records to identify and measure the middle class, accounting for differences in household size and in local costs of living.

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# Executive Summary

This report analyzes how well the residents of Southeast Michigan (Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne counties) endured and recovered from the COVID-19 pandemic and recession. It focuses on how the economic gains and losses between 2018 and 2022 were distributed geographically and across different socio-economic groups within the region. The study uses individual household records to identify the middle class, accounting for differences in household size and in local costs of living to produce a standardized measure of household income.

Some key results from the study include:

- Using our preferred measure, average adjusted real income grew by 2.8 percent in Southeast Michigan from 2018 to 2022. Regional growth was slower than the 4.1 percent growth in the United States as a whole, reflecting the COVID-19 recession's more severe impact on our region.

- Average adjusted real income growth varied widely geographically across the region from 2018 to 2022. Among the 33 PUMA areas in Southeast Michigan, 14 had faster growth than the United States, 5 had positive growth that was slower than the national rate, and 14 saw declines. The fastest growth was in Southwest Detroit (27.8 percent), and the largest decline was in North Central Detroit (-17.8 percent).

- Residents of lower-income households saw average adjusted real income gains of 5.2 percent from 2018 to 2022 in Southeast Michigan, relative to 3.1–3.2 percent for residents of local middle-income households and 2.8 percent for residents of higher-income households. Nationally, residents of lower-income households had real income growth of 2.2 percent and residents of higher-income households saw growth of 3.9 percent.

- Despite these gains for lower-income residents, significant "holes" remain in the region's prosperity. White residents of Southeast Michigan were four times more likely than Black residents to live in higher-income households and more than twice as likely as Hispanic residents. Conversely, Black residents were more than twice as likely as White residents to live in lower-income households and Hispanic residents were 1.7 times more likely.

- Nonetheless, the region made progress in narrowing these disparities, with the shares of Black and Hispanic residents living in lower-income households declining by 3.1 and 0.8 percentage points, respectively, from 2018 to 2022.

- The share of children living in lower-income households is substantially higher than the share in the general population, but there was progress from 2018 to 2022. The share of children in Southeast Michigan living in lower-income households declined from 39.8 percent to 38.5 percent, and there were larger declines in the shares of Black and Hispanic children living in lower-income households.

- Disabled individuals experienced rapid employment gains from 2018 to 2022. Residents with a disability accounted for 22.5 percent of the growth of full-time jobs in Southeast Michigan during that period. Despite those gains, as of 2022, people aged 16 and older with a disability were almost twice as likely to live in lower-income households as people without a disability.

- Education still matters. Over three-quarters of the residents in Southeast Michigan aged 25 and older who did not graduate from high school lived in lower or lower-middle income households, as did three-fifths of residents with no college education. In contrast, over three-quarters of those with a bachelor's degree and more than four-fifths with a graduate degree lived in upper-middle or higher-income households. A plurality of local residents with an associate's degree lived in upper-middle income households.

# Introduction: Identifying the Middle Class

This research project is a follow up to the University of Michigan Research Seminar in Quantitative Economics' original study of Shared Prosperity in Southeast Michigan (University of Michigan RSQE, 2020), which we completed in August 2020.[1] The purpose of the previous study was to quantify the extent to which Southeast Michigan's economy had generated widely shared prosperity from 2012 through 2018. We found that the growth in real income during that period was substantial both in Southeast Michigan and across the United States. That increase in prosperity was more widespread than is sometimes realized. Despite that progress, we also identified significant holes in the region's and the nation's prosperity as of 2018. The purpose of this updated study is to evaluate the relative prosperity of Southeast Michigan in 2022, following the COVID-19 pandemic and recession. We have also expanded our analysis to include several new socio-economic categories and disability status, which we did not consider in our previous study.

The primary focus of this report is to characterize the distribution of overall economic prosperity rather than the experience of the typical household.[2] Therefore, we chose to classify people as members of economically lower-, lower-middle-, upper-middle- and higher-income households in order to examine how the share of the population in each of those groups has evolved over time across different geographical areas and demographic categories.[3] Focusing on that classification required us to select a definition for the middle class from among the many proposed in the research on this topic. Although other definitions of the middle class would lead to slightly different numerical results, we believe that our methodology produces a widely applicable, replicable, and useful measure of shared prosperity.

Our study classifies an individual's affluence based upon their household's income rather than their individual income. As described in our previous report, we adjust household income for differences in the local cost of living and for household size. To adjust for local differences in the cost of living, we used the regional price parity indices published by the Bureau of Economic Analysis (2023). The finest geographical unit for which the BEA's regional price parity index is published is the Metropolitan Statistical Area (MSA)—for some states, a non-metropolitan area price parity index for the balance of the state region is also available.[4]

Accounting for household size and composition is essential because there is a wide variance in household income by size of household. Further, the distribution of household size varies with age and other demographic characteristics. Table 1 shows the distribution of U.S. households by household size (number of members) and the corresponding median household income in 2018 and 2022. Single-person and two-person households account for 28.6 percent and 34.3 percent, respectively, of all households in the United States. The vast majority of those two-person households are married couples without any children, which account for 29.2 percent of all households. An additional 7.2 percent of all households are unmarried multi-

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[1] Our previous report is available here.

[2] We focus on the population living in households in this analysis. We therefore exclude individuals living in group quarters such as college dormitories, nursing facilities, and correctional facilities from all calculations in the analysis.

[3] In contrast, the World Bank measures "shared prosperity" as the change in the average income of the lowest-income 40 percent of the population compared to the change in income of the highest-income 60 percent (World Bank 2013, Yang and Ana Lugo 2018). We felt that the World Bank's definition was better suited to the developing world than to the United States economy, which is more predominantly middle class.

[4] In our original 2020 study, we adjusted these price series by differences in the rental cost of housing across PUMAs. We decided not to make that adjustment in this year's update because differences in housing costs within a metropolitan area are likely to reflect in part differences in the amenity values of particular neighborhoods in addition to variation in the regional cost of living.

person households without children. Just over 25 percent of all households include at least one parent and own children, and only 10.6 percent of all households in the United States include own children under the age of six years. Four-person households account for only one out of every eight households in the United States (12.3 percent).

Smaller households tend to have significantly lower incomes than larger households. The median household income for a single-person household in 2022 was only $38,463, while the median income for a two-person household was more than twice as large at $82,498. The median income for a four-person household was $113,246, almost three times as large as for a single-person household. Failing to account for household size will therefore produce a tendency to over-classify single-person households as lower-income and over-classify large households as middle- or higher-income. Since the share of single and two-person households has grown over time, this classification bias will tend mechanically to increase the share of lower-income households.

Table 1
## Distribution of Households in the United States by Size and Type in 2022 with Inflation-adjusted Median Income, 2018 and 2022

| | Share of Households | Median Household Income, 2022 $ | | Real Growth |
| --- | --- | --- | --- | --- |
| | 2022 | 2018 | 2022 | 2018–2022 |
| All Households | -- | 70,432 | 74,755 | 6.1% |
| 1-person | 28.6% | 36,009 | 38,463 | 6.8% |
| 2-person | 34.3% | 78,656 | 82,498 | 4.9% |
| Married Couple with No Children | 29.2% | 98,118 | 102,821 | 4.8% |
| 3-person | 15.3% | 91,837 | 97,933 | 6.6% |
| 4-person | 12.3% | 106,645 | 113,246 | 6.2% |
| 5-person | 5.8% | 98,499 | 107,036 | 8.7% |
| 6-person | 2.3% | 97,075 | 105,535 | 8.7% |
| 7-person or More | 1.5% | 102,517 | 114,329 | 11.5% |
| Families with Own Children under 18 | 26.0% | 84,339 | 91,057 | 8.0% |
| Families with Own Children under 6 | 10.6% | -- | -- | -- |
| Families with Own Children 6 to 17 | 15.4% | -- | -- | -- |
| Multi-person Non-family Households | 7.2% | -- | -- | -- |

Source: American Community Survey, 2018 and 2022, Tables B11003, B11016, B19019, B19125, and B19126. Income data for 2018 has been converted to 2022 dollars using the U.S. Personal Consumption Expenditures Price Index.

In order to control for household size, we convert all household income values into three-person equivalent household incomes as suggested by Kochhar and Cohn (2011), who in turn build on a research tradition dating back at least to Barten (1964). The specific calculation is to divide household income by the square root of the number of household members and then multiply that value by the square root of three. Using this approach, a single-person household with an income of $35,000 would have an adjusted income of $60,622; in other words, using this adjustment, we would consider a single-person household with an income of $35,000 and a three-person household with an income of $60,622 to be equally prosperous. A four-person household would require an income of $70,000 to be considered equally as prosperous as either of those two households.

We classify all households with income between two-thirds and twice the median income for a three-person household as middle income.[5] We divide middle-income households into lower-middle income (defined as being between two-thirds and the median three-person household equivalent income) and upper-middle income (defined as being between the median and twice the median adjusted household income). The

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[5] Defining middle income as the range of two-thirds to twice the median income was suggested by Kochhar (2018).

median three-person household equivalent income was calculated by converting every household's income in the United States into a three-person equivalent, adjusting those values for differences in the cost of living and then calculating the median value using the person weights.

The actual median income for a three-person household is $97,933, as reported in Table 1. The calculated median three-person equivalent income adjusted for cost-of-living differences in 2022 is $86,287, as shown in Table 2. The adjusted value we are using is lower than the actual median because the distribution of households is skewed toward one- and two-person households that tend to have lower income than three-person households even when converted to three-person equivalents.[6]

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[6] In the 2020 report we used the ACS reported median three-person household income in our calculation of the middle-income group. We modified this step at the suggestion of David Johnson of the National Academies of Science, Engineering, and Medicine. He does not bear responsibility for any of the contents of this report. This change should tend to increase the share of the population living in middle- and higher-income households and reduce the share living in lower income households compared to our previous study.

# Measuring Income and its Distribution

Table 2 shows the thresholds for different household sizes to be considered middle class for both the United States and the three Metropolitan Statistical Areas (MSAs) in Southeast Michigan in 2018 and 2022. The regional thresholds for Southeast Michigan are calculated by scaling the national thresholds, described above, by the BEA's regional price parities. We expanded the analysis in our previous report by further categorizing the middle class into lower-middle and upper-middle income groups given that economic outcomes within the middle class often vary significantly.

From 2018 to 2022, nominal income thresholds increased by 17.5 percent nationally, mostly because of elevated inflation, which measured 13.7 percent over the four years. Thus, the minimum real income threshold grew only modestly. In Southeast Michigan, nominal income thresholds rose by less than nationally, ranging from 14.9 percent in Monroe, to 15.7 percent in Ann Arbor, and 16.3 percent in Detroit-Warren-Dearborn. Ann Arbor continues to have the highest threshold for the middle-income category, but its threshold remains below the national level. The discrepancy between the national and regional thresholds reflects the lower cost of living in Southeast Michigan.

In the United States, the lower threshold for the middle-income group ranges from $33,212 for a single individual to $81,352 for a household of six people. Households with adjusted incomes below those levels are considered to be lower-income in our analysis. The upper threshold for the national middle-income group ranges from $99,636 for a single individual to $244,057 for a six-person household, above which a household would be considered higher-income. The variation in income thresholds by household size for the regions of Southeast Michigan is similar and reflects differences in the cost of living.

Table 2
## Income Thresholds by Region in 2018 and 2022 (Nominal Dollars)

| Household Size | 2018 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Lower-Middle Income Range | | Upper-Middle Income Range | | Lower-Middle Income Range | | Upper-Middle Income Range | |
| United States | | | | | | | | |
| 1-person | 28,254 | 42,381 | 42,381 | 84,762 | 33,212 | 49,818 | 49,818 | 99,636 |
| 2-person | 39,957 | 59,936 | 59,936 | 119,871 | 46,969 | 70,453 | 70,453 | 140,907 |
| 3-person | 48,937 | 73,406 | 73,406 | 146,812 | 57,525 | 86,287 | 86,287 | 172,575 |
| 4-person | 56,508 | 84,762 | 84,762 | 169,524 | 66,424 | 99,636 | 99,636 | 199,272 |
| 5-person | 63,178 | 94,767 | 94,767 | 189,533 | 74,264 | 111,396 | 111,396 | 222,793 |
| 6-person | 69,208 | 103,812 | 103,812 | 207,623 | 81,352 | 122,029 | 122,029 | 244,057 |
| Ann Arbor, MI | | | | | | | | |
| 1-person | 28,036 | 42,053 | 42,053 | 84,107 | 32,434 | 48,650 | 48,650 | 97,301 |
| 2-person | 39,648 | 59,472 | 59,472 | 118,945 | 45,868 | 68,802 | 68,802 | 137,604 |
| 3-person | 48,559 | 72,839 | 72,839 | 145,677 | 56,177 | 84,265 | 84,265 | 168,530 |
| 4-person | 56,071 | 84,107 | 84,107 | 168,213 | 64,867 | 97,301 | 97,301 | 194,601 |
| 5-person | 62,689 | 94,034 | 94,034 | 188,068 | 72,524 | 108,785 | 108,785 | 217,571 |
| 6-person | 68,673 | 103,009 | 103,009 | 206,019 | 79,446 | 119,168 | 119,168 | 238,337 |
| Detroit-Warren-Dearborn, MI | | | | | | | | |
| 1-person | 27,461 | 41,191 | 41,191 | 82,382 | 31,928 | 47,892 | 47,892 | 95,784 |
| 2-person | 38,835 | 58,253 | 58,253 | 116,505 | 45,153 | 67,730 | 67,730 | 135,459 |
| 3-person | 47,563 | 71,345 | 71,345 | 142,689 | 55,301 | 82,951 | 82,951 | 165,903 |
| 4-person | 54,921 | 82,382 | 82,382 | 164,764 | 63,856 | 95,784 | 95,784 | 191,568 |
| 5-person | 61,404 | 92,106 | 92,106 | 184,211 | 71,393 | 107,090 | 107,090 | 214,180 |
| 6-person | 67,264 | 100,897 | 100,897 | 201,793 | 78,207 | 117,311 | 117,311 | 234,622 |
| Monroe, MI | | | | | | | | |
| 1-person | 26,921 | 40,381 | 40,381 | 80,763 | 30,924 | 46,386 | 46,386 | 92,772 |
| 2-person | 38,072 | 57,108 | 57,108 | 114,216 | 43,733 | 65,600 | 65,600 | 131,200 |
| 3-person | 46,628 | 69,943 | 69,943 | 139,885 | 53,562 | 80,343 | 80,343 | 160,686 |
| 4-person | 53,842 | 80,763 | 80,763 | 161,526 | 61,848 | 92,772 | 92,772 | 185,544 |
| 5-person | 60,197 | 90,296 | 90,296 | 180,591 | 69,148 | 103,722 | 103,722 | 207,445 |
| 6-person | 65,943 | 98,914 | 98,914 | 197,828 | 75,748 | 113,622 | 113,622 | 227,244 |

Note: Household incomes are adjusted for household size and cost of living. The lower-middle income range is 2/3 of the national median to the national median. The upper-middle income range is the national median to two times the national median.
Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

Table 3 illustrates our procedure for adjusting household incomes using observations for Monroe County, MI, in the Public Use Microdata Sample (PUMS) for 2022. Once again, we adjust household incomes by cost of living and household size so that we can compare them consistently across regions.

As an example, the third household in Table 3 has three members and a total household income of $152,700. Since the price level in Monroe County is 6.9 percent lower than the national level, this household has a higher adjusted income, of $163,998. No additional adjustment for household size is necessary because this household already consists of three people.

One of the important reasons for our adjustment is to mitigate the influence of household size on household income. For example, without adjusting for household size, the one-person household in Table 3 would be categorized as lower-middle income. After accounting for household size, however, they are actually a higher-income household. Standardizing household incomes as three-person equivalents, therefore, allows us to compare differently sized households with a consistent income measure that more accurately captures their relative standards of living.

Table 3

**Illustration of the Household Income Adjustment Process for Example Households, Monroe County, Michigan, 2022**

| Household Size | Household Income (2022 $) | Cost-of-Living Index | Cost-of-Living Adjusted Income | 3-person HH Factor | 3-person HH Equivalent U.S. Income |
|---|---|---|---|---|---|
| 1 | 69,600 | 93.1 | 74,749 | 1.7321 | 129,470 |
| 2 | 91,700 | 93.1 | 98,485 | 1.2247 | 120,619 |
| 3 | 152,700 | 93.1 | 163,998 | 1.0000 | 163,998 |
| 4 | 214,000 | 93.1 | 229,833 | 0.8660 | 199,041 |
| 5 | 23,850 | 93.1 | 25,615 | 0.7746 | 19,841 |
| 6 | 65,600 | 93.1 | 70,454 | 0.7071 | 49,818 |

Notes: The local cost of living in Monroe County was taken from the Bureau of Economic Analysis Regional Price Parity Index for the Monroe, MI MSA. Three-person household equivalent incomes are calculated by multiplying cost-of-living-adjusted incomes by the square root of three and dividing by the square root of household size.

Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

# The Geographic Distribution of Prosperity in Southeast Michigan

In our original report on shared prosperity in Southeast Michigan (University of Michigan RSQE, 2020), we noted that "the period between 2012 and 2018 was a time of steadily increasing prosperity in both the United States and the Detroit region." Average three-person equivalent household incomes adjusted for inflation grew by 16.8 percent in Southeast Michigan compared to 14.8 percent nationally during that time, or approximately 2.6 percent per year regionally and 2.3 percent per year nationally. That performance stood in stark contrast to the previous six years (2006–2012) encompassing the Great Recession, which saw real household incomes fall in the Detroit MSA while managing weak growth nationally. With respect to overall household income growth across all individuals, we reasoned that "the 2012 to 2018 period is a good example of what a prosperous period in the nation and in Southeast Michigan might look like in the 21st Century."

Unfortunately, the growth of real household income slowed dramatically over the next four years in both Southeast Michigan and the nation. The 2018–2022 period was unprecedented in modern history due to the COVID-19 pandemic, the resulting recession, and the ensuing economic recovery. Although emergency federal assistance, stimulus, and other programs helped to support nominal income during the pandemic, elevated inflation in 2021 and 2022 ate away much of the gains during the recovery. Furthermore, much of that assistance was not reported as income by respondents in the America Community Survey, and many of those programs ended by 2022. As a result, the real growth of average three-person equivalent household income from 2018–2022 was modest, registering 4.1 percent in the United States and only 2.8 percent in Southeast Michigan. That comes to average annual growth rates of 1.0 percent for the nation and 0.7 percent for Southeast Michigan, significantly lower than the growth from 2012 to 2018. One obvious point of concern is that Southeast Michigan flipped from having faster growth than the nation in 2012–2018 to having slower growth in 2018–2022. Moreover, household income and its growth varied considerably across Southeast Michigan. Some regions exhibited much faster growth than the nation from 2018–2022, while others suffered declines.

Table 4 displays average three-person equivalent household income and its inflation-adjusted growth between 2018 and 2022 for the population living in Southeast Michigan broken out by county and PUMA region.[7] Figure 1 shows the same information for the PUMA regions in map form.

The household income numbers in the table and maps will tend to be higher than most published data because of our procedure for income equivalization. That procedure allows us to generate a standardized measure of the affluence of different communities and how that affluence has changed between 2018 and 2022.[8]

In 2018, the average adjusted household income in Southeast Michigan was 1.9 percent higher than the national average. By 2022, it was only 0.7 percent higher in Southeast Michigan due to slowdowns in many

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[7] In tables that indicate Southeast Michigan, we are referring to the region made up of Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne counties. All geographic boundaries used in the calculation are as of the survey data year. However, the PUMA boundaries in Southeast Michigan were largely unaffected by the changes to national PUMA boundaries released in 2022.

[8] Note that the data do not have a panel structure. The data come from cross-sectional samples of households living in each PUMA region in a specific year. Therefore, changes in the composition of households randomly sampled in an area from year to year will sometimes generate large changes in the area's measured household incomes.

areas. Between 2012 and 2018, the growth of average adjusted household income exceeded national growth in 20 of the 33 PUMAs in Southeast Michigan. From 2018 to 2022, only 14 PUMAs saw faster growth than the nation. Even worse, adjusted incomes in another 14 Southeast Michigan PUMAs (or 42 percent) declined during that time, compared to only two PUMAs between 2012 and 2018. For comparison, adjusted household income fell in 525 of the 2,462 total PUMAs in the United States (or 21 percent) between 2018 to 2022.

The question of why income growth in Southeast Michigan lagged the nation from 2018–2022, but not 2012–2018, is both interesting and puzzling. While there is no single cause for the discrepancy, there are several partial explanations. First, it is important to note that elevated inflation coming out of the pandemic reduced the overall rate of real household income growth across the nation. Second, the economic effects of the pandemic-related shutdowns and supply-constraints were more pronounced in Michigan, in part due to the importance of manufacturing, which tends to make the state's economy more cyclical than the national economy. Third, higher-wage workers and government workers have tended to see more modest income gains than lower-wage workers since the onset of the pandemic. Some areas in Southeast Michigan with greater numbers of state government workers, such as much of Washtenaw County, experienced declining adjusted household incomes between 2018 and 2022.

Still, the maps in Figure 1 illustrate that income growth across Southeast Michigan was highly varied from 2018 to 2022. The two richest PUMAs in Southeast Michigan in 2022, the Birmingham and Bloomfield area of Oakland County and Northeast Oakland County, both saw adjusted household income growth above the regional average. The same can be said for the two poorest PUMA regions, Northeast Detroit and Southwest Detroit. Indeed, there is no clear trend between average adjusted household income and the growth rate experienced between 2018 and 2022. Perhaps the starkest example can be seen in the city of Detroit. Southwest Detroit had the fastest rate of income growth (27.8 percent) in Southeast Michigan, while North-Central Detroit had the greatest decline (-17.8 percent) despite the two PUMA regions both ranking in the lower decile for adjusted household income nationally in both 2018 and 2022.

Table 4

## Average 3-Person Equivalent Household Incomes and Rankings in 2022 and Real Income Growth from 2018, Adjusted for Cost of Living, in Southeast Michigan Counties, PUMA Regions & City of Detroit

| PUMA | Name | Mean 3-person Equiv. HH Income in 2022 ($) | Real Growth 2018–22 | Mean Income Rank in 2022 |
|---|---|---|---|---|
| -- | United States | 116,109 | 4.1% | -- |
| -- | Southeast Michigan | 116,871 | 2.8% | -- |
| -- | Livingston County | 146,785 | 9.6% | -- |
| -- | Macomb County | 105,868 | 0.8% | -- |
| -- | Monroe County | 115,633 | 6.8% | -- |
| -- | Oakland County | 151,171 | 2.4% | -- |
| -- | St. Clair County | 92,199 | -7.9% | -- |
| -- | Washtenaw County | 133,810 | -2.0% | -- |
| -- | Wayne County | 93,190 | 5.6% | -- |
| -- | Wayne County excl. Detroit | 110,852 | 4.6% | -- |
| -- | City of Detroit | 58,770 | 1.9% | -- |
| 2602701 | Washtenaw (West, Northeast & Southeast) | 156,720 | -8.8% | 296 |
| 2602702 | Washtenaw (East Central)--Ann Arbor City Area | 136,175 | -0.8% | 521 |
| 2602703 | Washtenaw (East Central, Outside Ann Arbor City) | 111,772 | 5.4% | 1108 |
| 2602800 | Livingston | 146,785 | 9.6% | 386 |
| 2602901 | Oakland (West) | 143,843 | -2.6% | 419 |
| 2602902 | Oakland (Northeast) | 167,004 | 6.1% | 213 |
| 2602903 | Oakland (East Central)--Troy & Rochester Area | 166,747 | -3.0% | 215 |
| 2602904 | Oakland (Central) | 98,021 | -1.0% | 1646 |
| 2602905 | Oakland (Southwest) | 161,093 | -0.7% | 265 |
| 2602906 | Oakland (Central)--Birmingham & Bloomfield Area | 222,341 | 4.0% | 43 |
| 2602907 | Oakland (South Central)--Farmington & Southfield Area | 125,518 | 2.6% | 739 |
| 2602908 | Oakland (Southeast) | 131,084 | 11.8% | 611 |
| 2603001 | Macomb (North) | 124,386 | 7.0% | 761 |
| 2603002 | Macomb (Central) | 130,608 | -2.5% | 622 |
| 2603003 | Macomb (Southwest)--Sterling Heights City | 103,536 | 10.7% | 1398 |
| 2603004 | Macomb (Southeast)--Mount Clemens & Fraser Area | 103,700 | 5.3% | 1394 |
| 2603005 | Macomb (Southeast)--St. Clair Shores, Roseville & Eastpointe | 86,540 | -10.2% | 2061 |
| 2603006 | Macomb (Southwest)--Warren & Center Line Cities | 82,984 | -3.2% | 2172 |
| 2603100 | St. Clair | 92,199 | -7.9% | 1876 |
| 2603201 | Wayne (Northwest) | 163,880 | 15.9% | 239 |
| 2603202 | Wayne (North Central)--Livonia City & Redford Township | 120,039 | 8.5% | 867 |
| 2603203 | Wayne (Central)--Dearborn & Dearborn Heights Cities | 85,909 | 3.3% | 2087 |
| 2603204 | Wayne (Central)--Westland, Garden City, Inkster & Wayne | 88,992 | 11.9% | 1988 |
| 2603205 | Wayne (Southwest) | 90,565 | 0.4% | 1924 |
| 2603206 | Wayne (Southeast)--Downriver Area (South) | 111,805 | 0.5% | 1107 |
| 2603207 | Wayne (Southeast)--Downriver Area (North) | 80,469 | -8.8% | 2216 |
| 2603208 | Detroit City (Northwest) | 59,768 | 9.2% | 2440 |
| 2603209 | Detroit City (North Central) | 55,935 | -17.8% | 2448 |
| 2603210 | Detroit City (Northeast) | 54,003 | 8.3% | 2453 |
| 2603211 | Detroit City (South Central & Southeast) | 69,185 | -3.8% | 2372 |
| 2603212 | Detroit City (Southwest) | 54,424 | 27.8% | 2452 |
| 2603213 | Wayne (Northeast)--I-94 Corridor | 121,091 | -7.2% | 837 |
| 2603300 | Monroe | 115,633 | 6.8% | 988 |

Note: the rank of 1 corresponds to the highest-income PUMA in the nation, and the rank of 2,462 corresponds to the lowest-income PUMA in the nation. Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

As can be seen in Figure 1, the overall levels of average adjusted household income in 2022 also continue to vary widely across the PUMAs of Southeast Michigan, just as they did in 2018. Despite the wide divergence in growth rates, the overall geographic distribution of income held roughly steady between 2018 and 2022. In fact, Southeast Michigan had 18 PUMAs that ranked in the top half of the national distribution of average adjusted household income in 2022, the same number as in 2018.

Figure 1
## The Geographic Distribution of Prosperity in Southeast Michigan in 2022
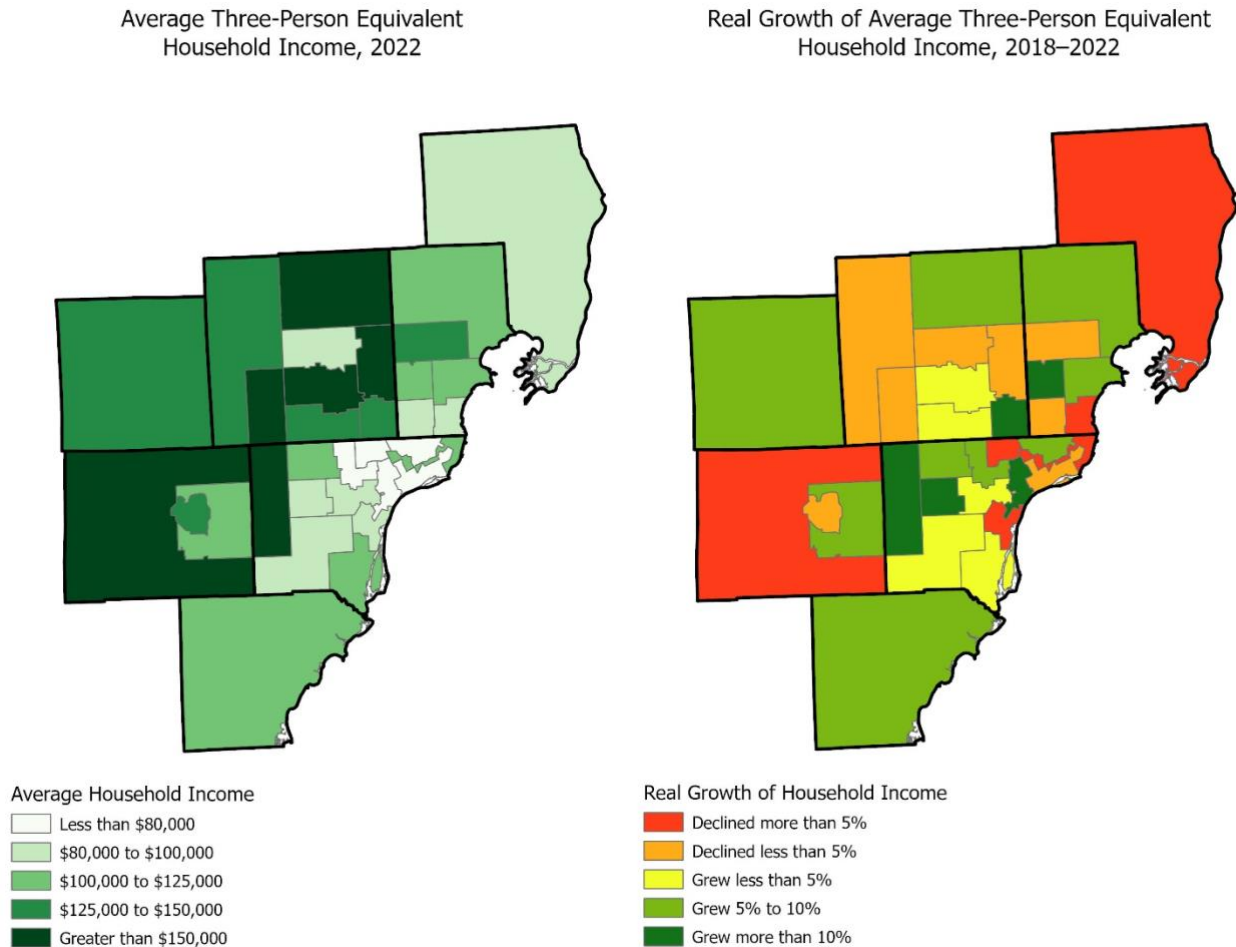


Oakland and Livingston counties had the highest adjusted household incomes in 2022, while average incomes in Wayne and St. Clair counties were the lowest. Average adjusted household incomes in the city of Detroit were much lower than the average in Southeast Michigan.

Livingston and Monroe counties experienced the fastest rate of real income growth between 2018 and 2022, while St. Clair and Washtenaw counties were the only two counties to see average adjusted real incomes fall. Wayne County's average adjusted household income grew more quickly than in the city of Detroit and in the balance of the county. Although that result is counterintuitive, it arises because the population in Detroit declined from 2018 to 2022. Average incomes in Detroit are lower than in the rest of Wayne County, so that

population decline mechanically raises the county's income level in 2022, thereby also boosting real income growth.

The good news is that Southeast Michigan continues to have some of the most prosperous communities in the nation, which are spread across Oakland, Washtenaw, Livingston, and Western Wayne counties. Unfortunately, Southeast Michigan also contains some of the least prosperous areas in the nation. The five PUMAs located in the city of Detroit, along with the North Downriver area of Wayne County, all rank in the bottom ten percent of PUMAs nationally in terms of adjusted household income. Furthermore, the Southeast Michigan PUMA with the lowest income rank (Northeast Detroit) had an average adjusted household income in 2022 that was less than one-quarter of the average adjusted income of the highest-ranking PUMA in Southeast Michigan (Birmingham/Bloomfield). These statistics show that economic inequality between the geographic areas of Southeast Michigan has persisted since 2018.

# The Sociodemographic Distribution of Prosperity in Southeast Michigan and the United States

Table 5 shows that real household income, adjusted for local cost of living differences, grew by 4.1 percent in the United States and 2.8 percent in Southeast Michigan between 2018 and 2022. Incomes rose by slightly more than 3 percent in both the United States and Southeast Michigan among middle-income households. With respect to the income extremes, however, there were differences between the nation and Southeast Michigan. People living in higher-income households enjoyed larger average real income gains in the United States than in Southeast Michigan, whereas people living in lower-income households saw their real incomes grow more than twice as quickly in Southeast Michigan than nationally (5.2 percent compared to 2.2 percent).

In 2022, roughly 30 percent of people lived in lower-income households both in Southeast Michigan and in the United States. At higher rungs on the income ladder, however, Southeast Michigan tends to do better than the nation overall. Only 16.8 percent of the people living in Southeast Michigan lived in lower-middle income households, compared to 18.3 percent in the United States. Instead, a higher share of Southeast Michigan's residents lived in upper-middle-income households (34.5 percent compared to 34.0 percent) and higher-income households (18.3 percent compared to 17.3 percent).

We note that the overall growth rates of adjusted real income in Southeast Michigan and the United States are not bounded by the growth rates of the individual income groups. This initially puzzling pattern arises because of compositional changes across households. For instance, in the United States, the share of lower-income households fell from 2018 to 2022, while the shares of all other income groups rose. This change in composition raised real income growth in addition to the growth enjoyed within each income group.[9] Conversely, aggregate real adjusted income growth in Southeast Michigan was slower from 2018 to 2022 than growth for three of the individual income groups and was equal to growth for the higher-income group.

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[9] To see this intuition more clearly, consider an economy with two income groups, lower-income and higher-income. Suppose that the lower-income group had an average adjusted income of $50,000 both in 2018 and in 2022, while the higher-income group had an average adjusted income of $100,000 in both years. Suppose additionally that the lower-income group's share of the population fell from 50 percent to 25 percent from 2018 to 2022. Then the overall average adjusted income would have risen from $75,000 in 2018 to $87,500 in 2022, producing real growth of 16.7 percent despite no growth within either of the two individual subgroups.

Table 5

## Share of Population and Real Income Growth by Income Category, Southeast Michigan and the United States

| | 2018 | | 2022 | | 2018–2022 |
|---|---|---|---|---|---|
| | Mean 3-person Equiv. HH Income in 2022 ($) | Share of population | Mean 3-person Equiv. HH Income in 2022 ($) | Share of population | Real Income Growth |
| **Southeast Michigan** | | | | | |
| All | 113,643 | -- | 116,871 | -- | 2.8% |
| Lower Income | 29,396 | 30.7% | 30,929 | 30.3% | 5.2% |
| Lower-Middle Income | 69,316 | 16.6% | 71,494 | 16.8% | 3.1% |
| Upper-Middle Income | 119,123 | 34.0% | 122,942 | 34.5% | 3.2% |
| Higher Income | 281,551 | 18.7% | 289,322 | 18.3% | 2.8% |
| **United States** | | | | | |
| All | 111,573 | -- | 116,109 | -- | 4.1% |
| Lower Income | 31,492 | 31.2% | 32,182 | 30.4% | 2.2% |
| Lower-Middle Income | 69,328 | 18.0% | 71,642 | 18.3% | 3.3% |
| Upper-Middle Income | 118,378 | 33.6% | 122,017 | 34.0% | 3.1% |
| Higher Income | 288,394 | 17.1% | 299,521 | 17.3% | 3.9% |

Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

Table 6 shows information on income growth and the income distribution across several socioeconomic characteristics. Real income growth between 2018 and 2022 for children aged 17 or younger was stronger in the United States than in Southeast Michigan (5.9 percent compared to 2.8 percent). On the other hand, the senior citizen population, those aged 65 or older, had faster income growth in Southeast Michigan (3.4 percent compared to 2.0 percent).

Children and young adults (those aged 18 to 24) were much more likely to reside in lower-income households and much less likely to reside in higher-income households than were older individuals. In Southeast Michigan, 38.2 percent of children and 35.2 percent of young adults lived in lower-income households, while 14.1 percent of children and 15.4 percent of young adults lived in higher-income households. The share of children and young adults living in lower-income households was about the same in Southeast Michigan and the nation, but the share of the population living in lower-middle income households was lower in Southeast Michigan. Consequently, the share of children and young adults living in upper-middle-income and higher-income households was higher in Southeast Michigan than in the United States.

Adults aged 25 to 64 were the most prosperous group in both Southeast Michigan and the nation. Almost 60 percent of this group lived in upper-middle-income and upper-income households. About one-third of the senior population lived in lower-income households both nationally and in Southeast Michigan, although the share in Southeast Michigan was lower than in the U.S. (32.1 percent compared to 34.8 percent). Southeast Michigan had a much higher share of seniors living in middle-income households than the nation overall (53.1 percent compared to 50.3 percent). This may reflect the relative prevalence of defined benefit pensions in Southeast Michigan, which helps to sustain the area's residents at a middle-class income even after retirement.

People living in renter households saw their real incomes grow by 3.2 percent in Southeast Michigan and by 5.6 percent in the United States. These results are consistent with the fact that lower-income jobs have seen the largest real wage increases in the post-pandemic period (e.g., Autor, Dube, McGrew 2023) and that renters tend to live in lower-income households (54.2 percent in Southeast Michigan and 50.2 percent in the United States). The share of Southeast Michigan's residents living in rented homes declined from 28.5 percent in 2018 to 25.2 percent in 2022; the national share of renters also declined in that time, but it remained significantly higher (31.5 percent in 2022) than in Southeast Michigan.

Table 6

## Real Income Growth 2018–2022 and the Share of Population by Income Category in 2022, Southeast Michigan and the United States, By Selected Demographic Characteristics

| | Real Income Growth 2018–22 | | Population Shares by Household Income | | | | | | | |
| | | | Lower | | Lower-Middle | | Upper-Middle | | Higher | |
| | SE MI | U.S. | SE MI | U.S. | SE MI | U.S. | SE MI | U.S. | SE MI | U.S. |
|---|---|---|---|---|---|---|---|---|---|---|
| All | 2.8% | 4.1% | 30.3% | 30.4% | 16.8% | 18.3% | 34.5% | 34.0% | 18.3% | 17.3% |
| Age: | | | | | | | | | | |
| Under 18 | 2.8% | 5.9% | 38.2% | 37.9% | 17.1% | 19.1% | 30.6% | 29.9% | 14.1% | 13.1% |
| Age 18 to 24 | 4.8% | 4.1% | 35.2% | 35.9% | 16.2% | 20.7% | 33.2% | 32.4% | 15.4% | 11.1% |
| Age 25 to 64 | 2.6% | 4.1% | 25.7% | 24.8% | 15.2% | 17.3% | 37.4% | 37.1% | 21.7% | 20.8% |
| Age 65 or higher | 3.4% | 2.0% | 32.1% | 34.8% | 21.4% | 19.6% | 31.7% | 30.7% | 14.8% | 14.9% |
| Housing Tenure: | | | | | | | | | | |
| Renter (Inc. No Cash Rent) | 3.2% | 5.6% | 54.2% | 50.2% | 18.4% | 19.6% | 21.2% | 23.3% | 6.2% | 6.9% |
| Owner with Mortgage | -1.8% | 1.9% | 16.4% | 16.5% | 15.8% | 17.0% | 42.8% | 42.1% | 24.9% | 24.5% |
| Owner with No Mortgage | 7.6% | 3.2% | 32.7% | 30.7% | 17.1% | 19.3% | 32.3% | 32.7% | 18.0% | 17.3% |
| Race/Ethnicity: | | | | | | | | | | |
| Hispanic | 1.8% | 9.6% | 40.7% | 42.7% | 18.4% | 21.5% | 30.6% | 27.7% | 10.3% | 8.2% |
| Non-Hispanic Black | 4.4% | 5.8% | 50.5% | 44.9% | 18.3% | 19.0% | 25.6% | 27.5% | 5.6% | 8.6% |
| Non-Hispanic White | 3.1% | 2.8% | 23.4% | 23.8% | 16.3% | 17.5% | 37.9% | 37.6% | 22.4% | 21.2% |
| Non-Hispanic Asian | 1.4% | 8.2% | 23.9% | 24.9% | 14.2% | 14.9% | 32.3% | 33.5% | 29.6% | 26.7% |
| Other Races/Ethnicities | 1.9% | 9.7% | 34.0% | 32.6% | 18.4% | 18.4% | 33.6% | 32.7% | 14.1% | 16.4% |
| Education (Residents Aged 25 and Older): | | | | | | | | | | |
| No HS Degree | 0.8% | 5.2% | 59.0% | 53.9% | 17.3% | 20.2% | 20.0% | 21.3% | 3.9% | 4.6% |
| HS Grad/GED | -0.2% | 0.8% | 39.3% | 37.3% | 21.4% | 22.1% | 31.7% | 32.0% | 7.7% | 8.6% |
| Some College | 1.2% | 0.8% | 30.2% | 29.4% | 20.7% | 20.7% | 36.1% | 36.8% | 13.0% | 13.2% |
| Associate's Degree | -1.1% | 0.0% | 24.7% | 24.1% | 18.4% | 19.6% | 41.0% | 40.9% | 15.9% | 15.4% |
| Bachelor's Degree | 4.8% | 1.4% | 12.3% | 14.2% | 12.3% | 13.9% | 42.0% | 41.2% | 33.5% | 30.8% |
| Graduate Degree | -3.1% | -0.4% | 8.8% | 9.9% | 8.7% | 9.9% | 40.1% | 38.1% | 42.4% | 42.1% |
| Disability Status (Residents Aged 16 and Older): | | | | | | | | | | |
| No Disability | 2.8% | 3.7% | 24.9% | 25.5% | 16.4% | 18.0% | 37.2% | 36.6% | 21.4% | 19.9% |
| At Least One Disability | 1.5% | 4.0% | 46.5% | 44.4% | 18.2% | 19.1% | 26.0% | 26.7% | 9.4% | 9.8% |
| Employment Status (Residents Aged 16 and Older): | | | | | | | | | | |
| Works Full-Time | 1.8% | 3.2% | 12.7% | 14.1% | 14.9% | 17.4% | 44.4% | 43.2% | 28.0% | 25.3% |
| Works Part-Time | 1.7% | 1.3% | 34.2% | 34.8% | 17.4% | 19.0% | 32.2% | 31.7% | 16.2% | 14.5% |

Notes: real income is calculated using 3-person household income in 2022 dollars adjusted for cost of living and then averaged using person weights with given characteristics. Individuals work full-time if they worked at least 1,750 hours last year; they work part-time if total hours are less than 1,750. Data on the number of weeks worked are available only in intervals in 2018 and have been imputed using bin averages. Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

People who live in households that own their homes but have a mortgage tend to be relatively affluent.[10] About two-thirds of people making mortgage payments lived in upper-middle or higher-income households (67.7 percent in Southeast Michigan and 66.6 percent in the United States). Perhaps surprisingly, more than three out of ten people living in households that owned their homes without a mortgage lived in lower-income households. Many of these people are senior citizens living on Social Security and, perhaps, a relatively small pension income. About one-half of the homeowners without a mortgage in both Southeast Michigan and the U.S. lived in upper-middle-income or higher-income households, an enviable situation.

Real income for the four minority population groups we considered grew much more quickly between 2018 and 2022 in the United States than in Southeast Michigan.[11] On the other hand, real incomes for Non-Hispanic White residents grew slightly more quickly in Southeast Michigan than in the rest of the country (3.1 percent compared to 2.8 percent). We will be interested to observe how these trends evolve in future years as the COVID-19 pandemic recedes further into the past.

In 2022, the Non-Hispanic White population fared a bit better in Southeast Michigan than in the country overall in terms of household incomes. In Southeast Michigan, 39.7 percent lived in lower-income and lower-middle-income households and 60.3 percent lived in upper-middle and higher-income households. In the United States, the corresponding shares were 41.3 percent and 58.7 percent.

The Hispanic population was much more likely to live in lower-income households, and much less likely to live in upper-middle-income or higher-income households than the Non-Hispanic White population. In Southeast Michigan, 40.7 percent of the Hispanic population lived in lower-income households, while 40.9 percent lived in upper-middle-income or higher-income households. The distribution in Southeast Michigan was more favorable than in the country overall. Nationally, 42.7 percent of Hispanics lived in lower-income households and 35.9 percent lived in upper-middle-income or higher-income households.

The Non-Hispanic Black population had a less affluent distribution of income than the other racial and ethnic groups we considered, especially in Southeast Michigan. Just over one-half (50.5 percent) of the Non-Hispanic Black population in Southeast Michigan lived in lower-income households in 2022, while only 5.6 percent lived in higher-income households. In the United States, the corresponding shares were 44.9 percent and 8.6 percent.

The income disparity between the Hispanic and Non-Hispanic White populations was smaller in Southeast Michigan than in the country, but the large income disparity between the Non-Hispanic Black population and the Non-Hispanic White population was much wider in Southeast Michigan than in the United States.

The income distribution of the Non-Hispanic Asian population had more of a barbell shape in 2022. Slightly more of the Non-Hispanic Asian population lived in lower-income households than the Non-Hispanic White population both in Southeast Michigan and in the nation. On the other hand, a substantially higher share of Non-Hispanic Asians lived in higher-income households compared to the Non-Hispanic White population.

The education block in Table 6 displays the distribution of income by educational attainment. The average real income for people aged 25 or older without a high school degree increased by 0.8 percent in Southeast Michigan and by 5.2 percent in the U.S. between 2018 and 2022. Well over half (59.0 percent) of this group in Southeast Michigan lived in lower-income households in 2022, and an additional 17.3 percent lived in lower-middle income households. Therefore, more than three-quarters of people aged 25 and older without

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[10] Roughly two-thirds of residents who live in owned homes have a mortgage.

[11] We considered five categories for race and ethnicity: Hispanic, Non-Hispanic Black, Non-Hispanic White, Non-Hispanic Asian, and Other Races/Ethnicities. The Non-Hispanic Asian category includes Pacific Islanders. The Other Races/Ethnicities category includes Native Americans and individuals who identify as multiracial.

a high school degree in Southeast Michigan lived in lower- and lower-middle-income households. Local residents with only a high school degree fared better, with a lower-income share that was nearly 20 percentage points lower than those who did not complete high school. That difference is reflected in larger shares of residents living in middle- and higher-income households.

Three-quarters of local residents aged 25 or older with a bachelor's degree lived in upper-middle- or higher-income households (75.5 percent), and 82.5 percent of Southeast Michigan residents with a graduate degree lived in upper-middle- or higher-income households. These shares were higher in Southeast Michigan than in the nation.

Slightly less than half of the population in Southeast Michigan aged 25 or older with some college education lived in upper-middle- or higher-income households in 2022 (49.1 percent), as did 56.9 percent of residents with an associate's degree. Clearly, adults with a bachelor's degree or more education have the best chance of residing in households with above-average incomes.

Unfortunately, having a disability tends to push people into lower-income status. In Southeast Michigan, 46.5 percent of people aged 16 and older with at least one disability lived in lower-income households in 2022, and an additional 18.2 percent lived in lower-middle-income households. We take a deeper look at the impact of disability status on relative prosperity later in this report.

Working full-time, year-round greatly reduces the likelihood of living in a lower-income household. We classify workers as full-time if they worked at least 1,750 hours in the previous year, or 35 hours per week for 50 weeks. In Southeast Michigan, only 12.7 percent (about one out of eight people) of people who worked at a full-time job for the entire year lived in lower-income households. The only socio-economic category we considered with a lower share of people living in lower-income households are people aged 25 and older with a graduate degree. On the other hand, over one-third of the people working at either part-time or part-year jobs live in lower-income households.

Table 7 highlights a substantial divergence in income growth from 2018 to 2022 among racial and ethnic groups in Southeast Michigan and the nation. On one hand, the lower-income households in our region outperformed their national peers across all of the racial and ethnic groups we considered, suggesting a relative improvement in the living standards of the poorest segment of the region's population. On the other hand, income growth among higher-income households in Southeast Michigan underperformed relative to the nation for Hispanic, Non-Hispanic Black, and Non-Hispanic Asian residents. In Southeast Michigan, higher-income residents of those racial and ethnic groups experienced declining real household incomes on average from 2018–2022.

Table 7

### Real Income Growth by Race/Ethnicity and Household Income, 2018–2022, Southeast Michigan and the United States

| | Household Income | | | |
| | Lower | Lower-Middle | Upper-Middle | Higher |
| --- | --- | --- | --- | --- |
| **Southeast Michigan** | | | | |
| Hispanic | 9.8% | 2.9% | 7.3% | -5.3% |
| Non-Hispanic Black | 2.5% | 3.1% | 2.4% | -3.8% |
| Non-Hispanic White | 4.3% | 3.7% | 3.2% | 4.0% |
| Non-Hispanic Asian | 15.8% | -1.5% | 6.4% | -2.8% |
| Other Races/Ethnicities | 11.8% | -0.5% | 0.3% | 5.0% |
| | | | | |
| **United States** | | | | |
| Hispanic | 3.9% | 3.4% | 3.4% | 4.5% |
| Non-Hispanic Black | 1.5% | 3.4% | 3.4% | 2.5% |
| Non-Hispanic White | 1.3% | 3.3% | 3.0% | 3.9% |
| Non-Hispanic Asian | 2.8% | 2.8% | 3.7% | 5.8% |
| Other Races/Ethnicities | 3.5% | 3.6% | 3.2% | 5.0% |

Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

Income growth was not equally shared among races and ethnicities in Southeast Michigan, especially in the lower- and higher-income categories. In the lower-income category, Non-Hispanic Black residents experienced household income gains, on average, that were much smaller than for other racial and ethnic groups. In the higher-income category, despite an overall increase of 2.8 percent across all races and ethnicities, growth concentrated in the Non-Hispanic White and the Other Races/Ethnicities groups, which consists largely of mixed-race/ethnicity households.

Local real income growth in the lower-middle income category generally lagged the nation, except for Non-Hispanic White residents. Non-Hispanic Asians and members of Other Races/Ethnicities in the lower-middle income category saw real incomes decline from 2018–2022. In the upper-middle income category, Hispanic, Non-Hispanic Asian, and Non-Hispanic White households saw larger income growth locally than nationally.

Table 8 shows that in Southeast Michigan, adults with a bachelor's degree enjoyed the fastest real income growth from 2018 to 2022 across most household income categories. Income growth among those with a bachelor's degree in Southeast Michigan exceeded the U.S. average across all income groups, while graduate degree holders in Southeast Michigan saw subdued growth compared to the national trends across the entire income distribution, a reversal of the pattern from 2012–2018. [12]

Table 8

**Real Income Growth by Educational Attainment and Household Income for Adults Aged 25 and Older, 2018–2022, Southeast Michigan and the United States**

| | Household Income | | | |
| --- | --- | --- | --- | --- |
| | Lower | Lower-Middle | Upper-Middle | Higher |
| **Southeast Michigan** | | | | |
| No High School Degree | 2.1% | 1.8% | 4.1% | -6.7% |
| High School Grad/GED | 2.0% | 3.0% | 4.9% | -1.7% |
| Some College | 3.2% | 2.9% | 3.6% | 4.8% |
| Associate's Degree | 3.1% | 2.5% | 0.5% | 2.5% |
| Bachelor's Degree | 5.8% | 4.6% | 4.0% | 6.0% |
| Graduate Degree | 0.6% | 2.8% | 1.2% | 1.0% |
| **United States** | | | | |
| No High School Degree | 0.5% | 3.5% | 3.4% | 2.6% |
| High School Grad/GED | 0.3% | 3.2% | 2.9% | 3.8% |
| Some College | 0.6% | 3.3% | 2.9% | 3.8% |
| Associate's Degree | 0.5% | 3.3% | 2.7% | 3.8% |
| Bachelor's Degree | 2.1% | 3.3% | 2.7% | 3.8% |
| Graduate Degree | 1.3% | 3.6% | 2.6% | 2.7% |

Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

Local adults without a bachelor's degree in lower- and middle-income households tended to see moderate income growth from 2018 to 2022. Income growth among local residents without a bachelor's degree living in higher-income households displayed more variation across educational groups, but small sample sizes may have affected these results. Notably, for all educational groups except those with a graduate degree, residents of lower-income households in Southeast Michigan enjoyed faster average growth than in the nation.

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[12] Table 7 of our previous report showed that graduate degree holders in Southeast Michigan overall enjoyed real income growth of 14.1 percent from 2012–2018, 5.3 percent higher than the national average.

Table 9 shows that children and young adults living in lower-income households in Southeast Michigan saw substantially faster real income growth than their older and more affluent peers. Income growth was slower than the national average for people living in higher-income households in Southeast Michigan regardless of their age. Income growth among people living in middle-income households closely aligned with the national trend, except for the 18-to-24-year-old age group.

Table 9

**Real Income Growth by Age and Household Income, 2018–2022, Southeast Michigan and the United States**

|  | Household Income | | | |
|  | Lower | Lower-Middle | Upper-Middle | Higher |
| --- | --- | --- | --- | --- |
| **Southeast Michigan** | | | | |
| Under 18 | 6.7% | 3.1% | 2.7% | 2.5% |
| 18 to 24 | 16.8% | 3.9% | 0.9% | -0.5% |
| 25 to 64 | 3.5% | 3.1% | 3.3% | 3.2% |
| 65 or Higher | 1.2% | 3.1% | 5.2% | 1.8% |
| **United States** | | | | |
| Under 18 | 3.9% | 3.3% | 3.2% | 4.1% |
| 18 to 24 | 4.3% | 3.5% | 3.0% | 2.8% |
| 25 to 64 | 1.9% | 3.3% | 3.0% | 4.0% |
| 65 or Higher | -1.4% | 3.5% | 3.2% | 2.8% |

Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

A key insight from Table 10 is that sustaining and bolstering the prosperity of the disabled population can be a meaningful avenue to narrow the prosperity gap between Southeast Michigan and the rest of the nation. The rise of remote work amid the pandemic opened new job opportunities for individuals with disabilities, which likely contributed to more pronounced income growth for those with some working capacity.[13]

Table 10

**Real Income Growth by Disability Status and Household Income, 2018–2022, Southeast Michigan and the United States**

|  | Household Income | | | |
|---|---|---|---|---|
|  | Lower | Lower-Middle | Upper-Middle | Higher |
| Southeast Michigan |  |  |  |  |
| No Disability | 5.0% | 2.9% | 3.0% | 3.8% |
| At Least One Disability | 2.7% | 4.4% | 4.7% | -8.1% |
| United States |  |  |  |  |
| No Disability | 2.1% | 3.4% | 3.0% | 4.0% |
| At Least One Disability | -0.3% | 3.5% | 3.2% | 2.0% |

Note: The data on disabilities represents self-identified cognitive difficulty, ambulatory difficulty, independent living difficulty, vision difficulty and hearing difficulty. Due to data availability, we only consider individuals aged 16 and older.
Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

Table 10 adds evidence to this intuition, but it suggests that holes remain. Both nationally and in Southeast Michigan, disabled individuals with adjusted household incomes in the middle-income category experienced faster income growth than people without disabilities. This trend was particularly noticeable in Southeast Michigan. Still, disabled residents in the lower- and higher-income categories in both Southeast Michigan and the nation sustained much slower income growth than individuals without disabilities. Disabled individuals in higher-income households suffered real income declines of 8.1 percent on average in Southeast Michigan, although the small sample size for this category may have distorted these results. We do not detect the same disparity in the real income growth of local and national high-income residents without a disability. This data suggests that addressing the shortfall in disabled residents' income growth has the potential to bolster economic prosperity in Southeast Michigan.

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[13] See Ne'eman and Maestas (2023) and Marks and Rubinton (2024) for more evidence.

Table 11 shows the real income growth from 2018 to 2022 for the four income groups split by housing tenure for Southeast Michigan and the United States. The two-middle-income groups tend to have similar income growth in Southeast Michigan and the United States regardless of housing tenure. The income growth for both the lower- and higher-income groups, however, tends to show more variability by both housing tenure and geographic location. Lower-income homeowners without a mortgage had the highest real income growth of any of these subgroups (8.6 percent) in Southeast Michigan, while the same group had the smallest income growth of any of the housing tenure/household income groups in the U.S. (0.6 percent). On the other end of the distribution, the relatively small number of higher-income renters in Southeast Michigan experienced a decline in real income (-2.7 percent), while nationwide, this group had the largest increase in real income (5.3 percent) between 2018 and 2022.

Table 11

**Real Income Growth by Housing Tenure and Household Income, 2018–2022, Southeast Michigan and the United States**

|  | Household Income | | | |
|---|---|---|---|---|
|  | Lower | Lower-Middle | Upper-Middle | Higher |
| **Southeast Michigan** | | | | |
| Renter (Inc. No Cash Rent) | 3.0% | 2.7% | 5.8% | -2.7% |
| Owner with Mortgage | 0.3% | 3.8% | 2.6% | 3.3% |
| Owner with No Mortgage | 8.6% | 2.5% | 2.2% | 1.2% |
| **United States** | | | | |
| Renter (Inc. No Cash Rent) | 2.1% | 3.3% | 3.3% | 5.3% |
| Owner with Mortgage | 1.4% | 3.2% | 3.0% | 3.9% |
| Owner with No Mortgage | 0.6% | 3.5% | 3.0% | 2.2% |

Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

# Comparing Southeast Michigan to Other Geographies

Table 12 compares the distribution of households across income groups in Southeast Michigan to the distribution in other areas. The table considers the entire United States, the Metropolitan areas in the Midwest outside of Southeast Michigan, and the Non-Midwestern Metropolitan areas of the United States.[14]

The first pattern that emerges is that, when considering all races and ethnicities, Southeast Michigan's distribution of households across income groups tracks the nation's closely. That pattern held true in 2018 and in 2022. The region's Non-Hispanic White population also tracks the national Non-Hispanic White population in terms of its distribution across household income groups. The distribution of Southeast Michigan's Non-Hispanic White population was roughly steady across household income groups from 2018 to 2022, mirroring the national trend.

The picture is more nuanced, however, when we examine how Southeast Michigan's income distribution within the region compares to the nation's for different racial and ethnic groups. Our region's Non-Hispanic Black population was more likely to reside in lower-income households than the national Non-Hispanic Black population. For instance, 50.5 percent of Non-Hispanic Black residents of Southeast Michigan lived in lower-income households in 2022, substantially more than the 44.9 percent of the Non-Hispanic Black who do so nationally. The rest of the Metropolitan Midwest also performed worse than the United States in providing prosperity for its Non-Hispanic Black residents. One bright spot is that the trend for Southeast Michigan's Non-Hispanic Black residents was positive from 2018 to 2022. The share of Non-Hispanic Black residents living in lower-income households fell from 53.6 percent in 2018 to 50.5 percent in 2022, with the shares in lower-middle and upper-middle income households rising. That progress was faster in Southeast Michigan than across the nation, where the share of Non-Hispanic Black residents living in lower-income households fell from 46.3 percent to 44.9 percent.

In contrast, the other racial and ethnic groups tend to have a more favorable distribution across household income groups in Southeast Michigan than nationally. For instance, in 2022, Southeast Michigan's Hispanic residents were less likely to reside in lower-income households than nationally (40.7 percent vs. 42.7 percent), while they were more likely to reside in higher-income households (10.3 percent vs. 8.2 percent). Similar patterns held for Southeast Michigan's Non-Hispanic Asian residents and members of Other Races and Ethnicities. A cautionary note regarding this otherwise upbeat news is that Southeast Michigan's Hispanic and Non-Hispanic Asian residents, as well as residents of Other Races and Ethnicities, generally saw less improvement in income group categorization from 2018 to 2022 than those groups did nationally. While the distribution of income is generally similar in Southeast Michigan and the rest of the Metropolitan Midwest, our region's Non-Hispanic Asian residents are slightly less likely to reside in lower-income households and more likely to reside in higher-income households.

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[14] Table 16 in the Appendix lists each of the metropolitan areas in the Midwest outside of Southeast Michigan for 2022. The names of some areas changed from 2018 to 2022, and the Huntington-Ashland area of West Virginia, Kentucky, and Ohio was added as a new metropolitan area.

Table 12

## Regional Population Shares by Race/Ethnicity and Household Income, 2018 and 2022, All Ages

| | 2018 | | | | | 2022 | | | | |
| | | Household Income | | | | | Household Income | | | |
| | Population | Lower | Lower-Middle | Upper-Middle | Higher | Population | Lower | Lower-Middle | Upper-Middle | Higher |
|---|---|---|---|---|---|---|---|---|---|---|
| **Southeast Michigan** | | | | | | | | | | |
| All Races/Ethnicities | 4,691,268 | 30.7% | 16.6% | 34.0% | 18.7% | 4,716,658 | 30.3% | 16.8% | 34.5% | 18.3% |
| Hispanic | 210,175 | 41.5% | 19.4% | 27.5% | 11.6% | 238,595 | 40.7% | 18.4% | 30.6% | 10.3% |
| Non-Hispanic Black | 988,431 | 53.6% | 17.3% | 23.3% | 5.7% | 949,117 | 50.5% | 18.3% | 25.6% | 5.6% |
| Non-Hispanic White | 3,134,448 | 23.2% | 16.5% | 37.5% | 22.8% | 3,043,500 | 23.4% | 16.3% | 37.9% | 22.4% |
| Non-Hispanic Asian | 231,008 | 22.2% | 11.8% | 38.6% | 27.4% | 240,551 | 23.9% | 14.2% | 32.3% | 29.6% |
| Other Races/Ethnicities | 127,206 | 35.0% | 16.1% | 34.1% | 14.8% | 244,895 | 34.0% | 18.4% | 33.6% | 14.1% |
| **United States** | | | | | | | | | | |
| All Races/Ethnicities | 319,076,096 | 31.2% | 18.0% | 33.6% | 17.2% | 325,134,752 | 30.4% | 18.3% | 34.0% | 17.3% |
| Hispanic | 58,659,588 | 46.4% | 20.8% | 25.7% | 7.1% | 62,417,224 | 42.7% | 21.5% | 27.7% | 8.2% |
| Non-Hispanic Black | 38,632,588 | 46.3% | 19.0% | 26.7% | 8.0% | 37,947,132 | 44.9% | 19.0% | 27.5% | 8.6% |
| Non-Hispanic White | 192,468,640 | 23.8% | 17.3% | 37.5% | 21.5% | 187,617,104 | 23.8% | 17.5% | 37.6% | 21.2% |
| Non-Hispanic Asian | 18,282,370 | 26.1% | 14.8% | 34.4% | 24.7% | 19,394,554 | 24.9% | 14.9% | 33.5% | 26.7% |
| Other Races/Ethnicities | 11,032,896 | 36.1% | 18.2% | 30.9% | 14.8% | 17,758,758 | 32.6% | 18.4% | 32.7% | 16.4% |
| **Rest of Metropolitan Midwest** | | | | | | | | | | |
| All Races/Ethnicities | 29,764,504 | 29.4% | 17.6% | 35.3% | 17.7% | 29,940,386 | 28.6% | 18.5% | 35.6% | 17.4% |
| Hispanic | 3,266,937 | 45.2% | 22.1% | 26.3% | 6.4% | 3,502,878 | 40.0% | 22.7% | 29.6% | 7.7% |
| Non-Hispanic Black | 3,908,810 | 52.4% | 18.3% | 23.1% | 6.3% | 3,806,267 | 50.5% | 18.5% | 24.7% | 6.3% |
| Non-Hispanic White | 20,543,126 | 22.3% | 16.9% | 39.4% | 21.4% | 19,925,044 | 22.1% | 17.9% | 39.3% | 20.7% |
| Non-Hispanic Asian | 1,234,648 | 27.6% | 14.2% | 33.9% | 24.3% | 1,327,075 | 26.6% | 14.6% | 32.1% | 26.7% |
| Other Races/Ethnicities | 810,984 | 39.2% | 18.1% | 28.8% | 13.9% | 1,379,123 | 33.3% | 19.0% | 32.2% | 15.5% |
| **Non-Midwest Metropolitan United States** | | | | | | | | | | |
| All Races/Ethnicities | 248,133,120 | 30.7% | 17.8% | 33.5% | 18.1% | 254,512,080 | 30.0% | 18.0% | 33.9% | 18.2% |
| Hispanic | 51,906,536 | 46.2% | 20.7% | 25.8% | 7.3% | 55,221,684 | 42.7% | 21.3% | 27.7% | 8.3% |
| Non-Hispanic Black | 31,762,976 | 44.6% | 19.2% | 27.8% | 8.5% | 31,673,608 | 43.4% | 19.1% | 28.3% | 9.2% |
| Non-Hispanic White | 139,412,192 | 22.2% | 16.7% | 37.7% | 23.5% | 136,133,744 | 22.3% | 16.8% | 37.7% | 23.2% |
| Non-Hispanic Asian | 16,647,964 | 25.9% | 14.8% | 34.4% | 24.9% | 17,689,702 | 24.7% | 14.8% | 33.6% | 26.8% |
| Other Races/Ethnicities | 8,403,450 | 32.9% | 17.9% | 32.4% | 16.8% | 13,793,342 | 30.4% | 18.0% | 33.8% | 17.9% |

Note: the "Rest of Metropolitan Midwest" refers to the metropolitan regions in the East North Central Census Division aside from Southeast Michigan. Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

Table 13 displays the same information as in Table 12, but for children aged 17 and younger rather than for all ages. Unfortunately, 38.5 percent of children in Southeast Michigan lived in lower-income households in 2022, a significantly higher share than for the total population (30.3 percent) shown in Table 12. The share of children living in lower-income households was higher than the share in the general population across all of the racial and ethnic groups we considered. Over half of Non-Hispanic Black (62.7 percent) and Hispanic (51.6 percent) children in Southeast Michigan lived in lower-income households in 2022. The gaps between children and the overall population were proportionally smallest for Non-Hispanic Asian residents and residents of Other Races and Ethnicities, although gaps still existed for those groups.

Although these numbers are certainly discouraging, we note that the share of all children in Southeast Michigan living in lower-income households declined from 39.8 percent in 2018 to 38.5 percent in 2022. There were especially large declines for Hispanic children, for whom the share declined from 55 percent in 2018 to 51.6 percent in 2022, and Non-Hispanic Black children, for whom the share declined from 70.1 percent to 62.7 percent.[15] Additionally, smaller shares of our region's Hispanic and Non-Hispanic Asian children lived in lower-income households than nationally, although the opposite pattern held for Non-Hispanic White and Non-Hispanic Black children. The share of Non-Hispanic White children in Southeast Michigan living in lower-income households rose from 26.9 percent in 2018 to 28.2 percent in 2022, and it edged up slightly, from 25.4 percent to 25.7 percent, for Non-Hispanic Asian children.

Children are much less likely than adults to have significant incomes, so the presence of children in a household will tend to lower its adjusted income. Households with children may also have fewer wage-earners or lower total incomes if one or more adults choose not to work, or work fewer hours, in order to provide childcare. These factors help to explain the higher shares of children in the lower-income category.

Southeast Michigan performs similarly to the United States overall in the share of its children living in lower-income households, but it fares less well compared to the rest of the Metropolitan Midwest. One reason this unfavorable comparison arises is because the share of Non-Hispanic White children living in lower-income households in Southeast Michigan (28.2 percent in 2022) was notably higher than in the rest of the Metropolitan Midwest (23.6 percent). Southeast Michigan's Hispanic children were also somewhat more likely to reside in lower-income households than in the rest of the Metropolitan Midwest in 2022.

On the other hand, Southeast Michigan's share of Non-Hispanic Black children living in lower-income households improved more than in the rest of the Metropolitan Midwest from 2018 to 2022, falling from 70.1 percent to 62.7 percent in Southeast Michigan compared to 68.0 percent to 64.6 percent in the rest of the Metropolitan Midwest. In 2018, Non-Hispanic Black children in Southeast Michigan were worse off than elsewhere in the Metropolitan Midwest, but they were better off in 2022.

Overall, we interpret the data in Table 13 as showing that Southeast Michigan has made heartening progress in improving the economic circumstances of its children, despite the considerable disparities in household income groups that still exist between children and the general population. Those gaps remain especially pronounced for Southeast Michigan's Non-Hispanic Black and Hispanic children.

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[15] We note that, because the 2022 ACS was conducted throughout calendar year 2022, and asked respondents about their income over the prior twelve months, it captured incomes in portions of 2021 and 2022. The American Rescue Plan Act of 2021 expanded the Child Tax Credit in 2021, which boosted the take-home incomes of Americans households with children. How the tax credits are reflected in the ACS income data we use as the basis of our calculations is uncertain and depends on respondents' interpretations of the questionnaire. Our own interpretation is that the tax credits should not have been included as income in response to the survey questions, despite their effects on the real resources available to households with children.

Table 13

## Regional Population Shares by Race/Ethnicity and Household Income, 2018 and 2022, Children Aged 17 and Under

| | 2018 | | | | | 2022 | | | | |
| | | Household Income | | | | | Household Income | | | |
| | Population | Lower | Lower-Middle | Upper-Middle | Higher | Population | Lower | Lower-Middle | Upper-Middle | Higher |
|---|---|---|---|---|---|---|---|---|---|---|
| **Southeast Michigan** | | | | | | | | | | |
| All Races/Ethnicities | 1,032,287 | 39.8% | 15.9% | 29.8% | 14.5% | 1,010,187 | 38.5% | 17.1% | 30.6% | 13.8% |
| Hispanic | 70,471 | 55.0% | 18.4% | 18.6% | 8.0% | 73,580 | 51.6% | 16.6% | 25.7% | 6.2% |
| Non-Hispanic Black | 250,958 | 70.1% | 13.5% | 14.3% | 2.1% | 234,284 | 62.7% | 16.5% | 17.8% | 3.0% |
| Non-Hispanic White | 608,842 | 26.9% | 17.2% | 36.3% | 19.6% | 563,248 | 28.2% | 16.9% | 36.3% | 18.6% |
| Non-Hispanic Asian | 49,874 | 25.4% | 11.2% | 39.6% | 23.8% | 50,458 | 25.7% | 18.1% | 32.1% | 24.1% |
| Other Races/Ethnicities | 52,142 | 37.7% | 14.1% | 34.7% | 13.5% | 88,617 | 36.4% | 19.8% | 31.4% | 12.4% |
| **United States** | | | | | | | | | | |
| All Races/Ethnicities | 73,061,432 | 39.9% | 18.3% | 29.2% | 12.5% | 72,094,360 | 38.1% | 19.1% | 29.8% | 13.0% |
| Hispanic | 18,568,774 | 57.2% | 18.9% | 19.3% | 4.7% | 18,686,304 | 52.3% | 20.4% | 21.3% | 5.9% |
| Non-Hispanic Black | 9,722,753 | 60.6% | 16.9% | 18.3% | 4.2% | 9,193,666 | 58.5% | 17.6% | 19.3% | 4.7% |
| Non-Hispanic White | 36,719,812 | 26.8% | 18.8% | 36.9% | 17.5% | 34,218,056 | 26.4% | 19.2% | 36.9% | 17.6% |
| Non-Hispanic Asian | 3,530,108 | 29.1% | 15.0% | 33.2% | 22.8% | 3,685,439 | 28.2% | 15.5% | 31.7% | 24.6% |
| Other Races/Ethnicities | 4,519,984 | 39.8% | 17.9% | 28.2% | 14.2% | 6,310,893 | 36.1% | 18.7% | 30.2% | 15.0% |
| **Rest of Metropolitan Midwest** | | | | | | | | | | |
| All Races/Ethnicities | 6,858,041 | 37.4% | 18.0% | 31.1% | 13.5% | 6,683,330 | 35.4% | 19.2% | 31.7% | 13.7% |
| Hispanic | 1,111,656 | 56.0% | 20.7% | 19.3% | 3.9% | 1,107,659 | 49.4% | 22.0% | 22.5% | 6.1% |
| Non-Hispanic Black | 1,033,218 | 68.0% | 15.7% | 13.7% | 2.7% | 988,472 | 64.6% | 16.3% | 16.0% | 3.1% |
| Non-Hispanic White | 4,065,270 | 24.4% | 18.1% | 39.3% | 18.3% | 3,755,715 | 23.6% | 19.5% | 39.0% | 17.9% |
| Non-Hispanic Asian | 254,117 | 29.0% | 16.2% | 32.9% | 22.0% | 283,740 | 30.9% | 16.1% | 29.0% | 24.1% |
| Other Races/Ethnicities | 393,780 | 43.7% | 17.7% | 25.3% | 13.3% | 547,744 | 37.6% | 18.3% | 29.7% | 14.4% |
| **Non-Midwest Metropolitan United States** | | | | | | | | | | |
| All Races/Ethnicities | 56,893,628 | 39.6% | 18.0% | 29.1% | 13.4% | 56,469,980 | 37.9% | 18.6% | 29.6% | 13.9% |
| Hispanic | 16,207,948 | 57.1% | 18.7% | 19.4% | 4.9% | 16,334,462 | 52.5% | 20.1% | 21.3% | 6.1% |
| Non-Hispanic Black | 7,958,706 | 58.8% | 17.2% | 19.5% | 4.6% | 7,612,005 | 56.9% | 17.9% | 20.1% | 5.1% |
| Non-Hispanic White | 26,086,344 | 24.6% | 18.2% | 37.5% | 19.8% | 24,257,542 | 24.3% | 18.3% | 37.5% | 19.9% |
| Non-Hispanic Asian | 3,196,276 | 28.9% | 14.8% | 33.3% | 23.0% | 3,333,600 | 27.9% | 15.3% | 31.9% | 24.9% |
| Other Races/Ethnicities | 3,444,354 | 36.2% | 17.5% | 30.0% | 16.4% | 4,932,372 | 33.5% | 18.4% | 31.4% | 16.7% |

Note: the "Rest of Metropolitan Midwest" refers to the metropolitan regions in the East North Central Census Division aside from Southeast Michigan. Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

# A Detailed Look at the Influence of Disability on Income

Tables 14 and 15 show the numbers and shares of people aged 16 and older in Southeast Michigan and the United States in 2018 and 2022 by disability, employment status, and household income group. The vast majority of people with a disability did not work either in 2018 or in 2022, but the non-working share fell from 72.2 percent to 67.9 percent in Southeast Michigan and from 71.1 percent to 67.0 percent in the nation. Part of this trend was likely due to the rising availability of remote work, as discussed in Marks and Rubinton (2024) and in our discussion of Table 10 above. While the shares of disabled people working both full- and part-time increased, the increase in the share of disabled people working in full-time jobs increased sharply, from 14.2 percent to 18.1 percent in Southeast Michigan and from 15.1 percent to 18.9 percent nationally. In raw numbers, those increases mean that the number of people with a disability who were working full-time increased from 86,000 to 109,000 in Southeast Michigan and from 5.64 million to 7.63 million in the U.S. between 2018 and 2022. Over that period, the number of full-time workers increased by 103,000 in Southeast Michigan and by 7.21 million in the United States. People with disabilities accounted for 22.5 percent of the growth of full-time jobs in Southeast Michigan and 27.6 percent of the growth in the United States.

Expanding job opportunities, especially full-time jobs, for people with disabilities may be one of the greatest labor market improvements that occurred between 2018 and 2022. Jobs, especially full-time jobs, not only provide dignity, but they also help to raise the incomes of disabled people. In Southeast Michigan in 2022, 61.8 percent of disabled people working full-time lived in upper-middle- or higher-income households, while 53.9 percent of disabled people who did not work lived in lower-income households. While the presence of non-working disabled adults in a household will tend to lower adjusted household incomes, the effect may be compounded in the data if other adults are choosing not to work (or working less) in order to provide care.

Obviously, not everyone who is disabled is physically able to work full- or even part-time. Even so, reducing the share of disabled people who are not working will not only expand the labor force, but can provide an important economic boost to tens of thousands of people in Southeast Michigan and millions of people across the nation.

Table 14

## Population and Shares of Labor Market Engagement by Disability Status, Population Aged 16 and Older in Households, Southeast Michigan and United States, 2018 and 2022

| | Southeast Michigan | | United States | |
|---|---|---|---|---|
| | 2018 | 2022 | 2018 | 2022 |
| Population 16 and Older | 3,780,797 | 3,828,453 | 254,224,489 | 261,524,272 |
| | | | | |
| Number with No Disability | 3,173,994 | 3,225,994 | 216,976,704 | 221,204,268 |
| Number by Employment Status: | | | | |
|   Full-time | 1,543,006 | 1,622,633 | 110,428,248 | 115,643,328 |
|   Part-time | 752,537 | 696,626 | 48,578,584 | 46,077,320 |
|   Did Not Work | 878,451 | 906,735 | 57,969,876 | 59,483,620 |
| | | | | |
| Number with At Least One Disability | 606,803 | 602,459 | 37,247,772 | 40,320,004 |
| Number by Employment Status: | | | | |
|   Full-time | 85,967 | 109,054 | 5,636,176 | 7,627,041 |
|   Part-time | 82,889 | 84,618 | 5,111,708 | 5,675,849 |
|   Did Not Work | 437,947 | 408,787 | 26,499,888 | 27,017,114 |
| | | | | |
| Share with No Disability | 84.0% | 84.3% | 85.3% | 84.6% |
| Share by Employment Status: | | | | |
|   Full-time | 48.6% | 50.3% | 50.9% | 52.3% |
|   Part-time | 23.7% | 21.6% | 22.4% | 20.8% |
|   Did Not Work | 27.7% | 28.1% | 26.7% | 26.9% |
| | | | | |
| Share with At Least One Disability | 16.0% | 15.7% | 14.7% | 15.4% |
| Share by Employment Status: | | | | |
|   Full-time | 14.2% | 18.1% | 15.1% | 18.9% |
|   Part-time | 13.7% | 14.0% | 13.7% | 14.1% |
|   Did Not Work | 72.2% | 67.9% | 71.1% | 67.0% |

Note: Individuals work full-time if they worked at least 1,750 hours last year; they work part-time if total hours are less than 1,750. Data on the number of weeks worked are available only in intervals in 2018 and have been imputed using bin averages. Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

Table 15

## Labor Market Engagement by Disability Status and Household Income Category, Population Aged 16 and Older, Southeast Michigan and the United States, 2018 and 2022

| | Southeast Michigan | | United States | |
|---|---|---|---|---|
| | 2018 | 2022 | 2018 | 2022 |
| Population 16 and Older | 3,780,797 | 3,828,453 | 254,224,489 | 261,524,272 |
| | | | | |
| Lower Income | 1,072,961 | 1,084,490 | 73,221,960 | 74,203,905 |
| No Disability | 789,675 | 804,407 | 56,312,320 | 56,285,744 |
| At Least One Disability | 283,286 | 280,083 | 16,909,640 | 17,918,161 |
| Full-time | 11,941 | 21,482 | 1,001,822 | 1,425,935 |
| Part-time | 33,791 | 38,288 | 2,113,120 | 2,463,748 |
| Did Not Work | 237,554 | 220,313 | 13,794,698 | 14,028,477 |
| | | | | |
| Lower-Middle Income | 630,654 | 639,788 | 45,630,774 | 47,467,715 |
| No Disability | 515,992 | 530,397 | 38,564,128 | 39,771,404 |
| At Least One Disability | 114,661 | 109,391 | 7,066,646 | 7,696,311 |
| Full-time | 16,710 | 20,162 | 1,102,080 | 1,561,625 |
| Part-time | 18,072 | 15,517 | 1,000,108 | 1,129,731 |
| Did Not Work | 79,879 | 73,712 | 4,964,458 | 5,004,955 |
| | | | | |
| Upper-Middle Income | 1,328,353 | 1,356,683 | 88,545,243 | 91,772,511 |
| No Disability | 1,173,858 | 1,200,081 | 78,798,224 | 81,028,392 |
| At Least One Disability | 154,495 | 156,602 | 9,747,019 | 10,744,119 |
| Full-time | 39,155 | 45,255 | 2,378,499 | 3,175,321 |
| Part-time | 22,420 | 24,335 | 1,456,219 | 1,542,419 |
| Did Not Work | 92,921 | 87,012 | 5,912,302 | 6,026,379 |
| | | | | |
| Higher Income | 748,829 | 747,492 | 46,826,511 | 48,080,142 |
| No Disability | 694,469 | 691,109 | 43,302,044 | 44,118,728 |
| At Least One Disability | 54,360 | 56,383 | 3,524,467 | 3,961,414 |
| Full-time | 18,161 | 22,155 | 1,153,775 | 1,464,161 |
| Part-time | 8,606 | 6,478 | 542,261 | 539,951 |
| Did Not Work | 27,593 | 27,750 | 1,828,431 | 1,957,303 |

Source: RSQE calculations using Integrated Public Use Microdata Series files (Ruggles et al., 2024) based on U.S. Census Bureau (2019, 2023).

# Conclusion

We believe this report paints a generally encouraging picture of trends in the distribution of prosperity across Southeast Michigan, although gaps certainly remain. Across the United States, residents' adjusted real household incomes grew by 4.1 percent from 2018 to 2022, while they rose 2.8 percent locally. Although Southeast Michigan's average rate of income growth trailed the nation's, our region suffered a steeper downturn during the COVID-19 pandemic than the national economy. It is encouraging to see that local households saw real income growth despite the sharp downturn associated with the pandemic.

Furthermore, the distribution of income gains was more egalitarian in Southeast Michigan than it was nationally. Residents of lower-income households saw average adjusted real income gains of 5.2 percent from 2018 to 2022 in Southeast Michigan, relative to 3.1–3.2 percent for residents of local middle-income households and 2.8 percent for residents of higher-income households. Nationally, the pattern was reversed, with residents of lower-income households seeing real income growth of 2.2 percent and residents of higher-income households seeing growth of 3.9 percent.

Despite the generally encouraging trends over the past four years, gaps remain in Southeast Michigan's economic prosperity. Geographically, we calculate that residents of the city of Detroit had adjusted household incomes that were only half of the average across Southeast Michigan in 2022. Large disparities also existed across racial and ethnic groups. Southeast Michigan's Hispanic and Non-Hispanic Black residents were significantly more likely to live in lower-income households and significantly less likely to live in higher-income households than the region's Non-Hispanic White residents. Hispanic residents faced smaller economic disparities locally than nationally in 2022, but Non-Hispanic Black residents faced larger disparities in Southeast Michigan than nationally.

Finally, individuals with a disability were also significantly more likely to live in lower-income households and less likely to live in higher-income households than non-disabled individuals, but the growth of remote work from 2018 to 2022 appears to have opened new job opportunities for disabled individuals.

We consider the trend toward more broadly shared prosperity in Southeast Michigan from 2018 to 2022 to be a hopeful sign for the years ahead, even as we acknowledge that substantial work remains to be done to achieve the economic aspirations of Southeast Michigan's leaders and residents.

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# Appendix

Table 16
## List of Regions in the "Rest of Metropolitan Midwest," 2022

| Metropolitan Area | State | Metropolitan Area | State |
|---|---|---|---|
| Akron | OH | Kokomo | IN |
| Appleton | WI | La Crosse-Onalaska | WI-MN |
| Bloomington | IL | Lafayette-West Lafayette | IN |
| Bloomington | IN | Lima | OH |
| Canton-Massillon | OH | Louisville/Jefferson County | KY-IN |
| Carbondale-Marion | IL | Madison | WI |
| Champaign-Urbana | IL | Mansfield | OH |
| Chicago-Naperville-Elgin | IL-IN-WI | Michigan City-La Porte | IN |
| Cincinnati | OH-KY-IN | Milwaukee-Waukesha | WI |
| Cleveland-Elyria | OH | Minneapolis-St. Paul-Bloomington | MN-WI |
| Columbus | IN | Muncie | IN |
| Columbus | OH | Oshkosh-Neenah | WI |
| Danville | IL | Peoria | IL |
| Davenport-Moline-Rock Island | IA-IL | Racine | WI |
| Dayton-Kettering | OH | Rockford | IL |
| Decatur | IL | Sheboygan | WI |
| Eau Claire | WI | South Bend-Mishawaka | IN-MI |
| Elkhart-Goshen | IN | Springfield | IL |
| Evansville | IN-KY | Springfield | OH |
| Fond du Lac | WI | St. Louis | MO-IL |
| Fort Wayne | IN | Terre Haute | IN |
| Green Bay | WI | Toledo | OH |
| Huntington-Ashland | WV-KY-OH | Wausau-Weston | WI |
| Indianapolis-Carmel-Anderson | IN | Wheeling | WV-OH |
| Janesville-Beloit | WI | Youngstown-Warren-Boardman | OH-PA |
| Kankakee | IL | | |

Note: This table lists all of the metropolitan regions in the East North Central Census Division aside from Southeast Michigan in 2022.