

# New U.S. Department of the Treasury Analysis: Purchasing Power for American Households Now Surpasses Pre-Pandemic Levels

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WASHINGTON – Today the U.S. Department of the Treasury published an analysis on how President Biden’s economic agenda has raised the purchasing power of American households. As Americans continue to feel the pain of higher prices, President Biden’s economic agenda focuses on giving middle class families more breathing room and easing costs. And, thanks to rising real wages (wages adjusted for inflation) and rising employment, the typical American can afford more goods and services than before the pandemic. The analysis by Assistant Secretary for Economic Policy (P.D.O.) Eric Van Nostrand, Laura Feiveson, Deputy Assistant Secretary for Microeconomics, and Tara Sinclair, Deputy Assistant Secretary for Macroeconomics, explores the interplay of wages, employment, and prices to unpack this dynamic.

Key conclusions from the analysis:

- Real wages have risen since the pandemic across the income distribution. In particular, middle-income and lower-income households have seen their real earnings rise especially fast. And in the past 12 months, real wages overall have grown faster than they did in the pre-pandemic expansion.
- Household purchasing power has increased as a result. In 2023, the median American worker can afford the same goods and services as they did in 2019, plus an additional \$1,000 to spend or save—because median earnings rose faster than prices.
- The U.S. economy now has over 2 million more jobs than pre-pandemic forecasters expected. Therefore, more and more workers are benefitting from increased purchasing power, thanks to the strong and resilient labor market.
- This pattern of rising purchasing power is particularly American: other advanced economies have generally seen lower, and in some cases negative, real wage growth.

[Full text of the analysis is available here](#)

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