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Upper, middle, and lower income brackets defined: How much income counts for each category

Story by Daniel Liberto 2026-11-8

Key Takeaways

- Households earning under $58,310 are considered lower income, while those above $174,920 qualify as upper income.
- Only about 22% of U.S. households qualify as upper income, while roughly 44% fall into the middle-income category.
- It takes about $261,250 in annual household income to reach the top 10% of earners, and a whopping $705,000 to crack the top 1%.

Wondering if you're among the highest or lowest earners in America? The latest Census Bureau figures reveal how much it takes to qualify as lower, middle, or upper income in today's economy.

Lower, Middle, and Upper Income: Today's Benchmarks

Income tiers are usually set relative to the national median household income, the midpoint at which half of households earn more and half earn less. In 2025, that figure hit a record $87,460, up 2.6% from 2024 after adjusting for inflation, according to the Census Bureau.

Here's how that median translates into three income brackets**Lower Income: Less Than $58,310 per Year**

A lower-income household is typically defined as earning less than two-thirds of the national median. With the median at $87,460, that puts the cutoff at $58,310 per year.

By that measure, about 34% of U.S. households were in the lower-income category in 2025, according to our analysis of Census survey data.

How comfortably a household gets by on this income depends on its expenses and circumstances. A single person earning $45,000 who owns a home outright may fare far better than a single parent earning the same amount while raising three children in an expensive city.

Middle Income: $58,310 to $174,920 per Year

Middle-income households are broadly defined as earning between two-thirds and double the median household income. Based on the 2025 median, that works out to $58,310 and $174,920 per year.

This range accounts for about 44% of households, a similar share to the previous year.

Households within this broad income range can have vastly different financial experiences. A single person earning $100,000 may live comfortably, while a family of five on the same income may feel squeezed.

Upper Income: More Than $174,920 per Year

To be considered upper income, a household generally has to earn more than twice the median. Roughly 22% of households fell into this group in 2025, the same share as in 2024.

Earnings within this bracket vary enormously. A household earning $180,000 may face very different financial circumstances than one bringing in $700,000 or more.

The upper tier can be broken down further:

- Top 10% of households: about $261,250 per year and above
- Top 5%: about $354,000 per year and above
- Top 1%: about $705,000 per year and above

The income threshold for the top 1% rose about 7% in 2025, compared with roughly 4.4% for the median household. Both figures are before adjusting for inflation.

Note

Where Does Your Household Income Fall?

Here's a snapshot of where U.S. households fall across income brackets, based on the latest Census data.

Income Tier	Approx. Household Income (Annual)	Share of Households
Lower Income	Less than $58,310	34.2%
Middle Income	$58,310 to $174,920	44.3%
Upper Income	More than $174,920	21.6%
Top 10%	$261,250+	10%

Top 5%	$354,000+	5%
Top 1%	$705,000+	1%

Important

Income is only part of the picture. Your net worth (assets minus liabilities) reflects how much you keep, not just how much you earn.

Why Your Income Bracket Doesn't Tell the Whole Story

These national benchmarks are useful, but they don't capture every household's financial circumstances. Here's what else matters.

- **Household size**: A $100,000 income may comfortably support one person but feel tight for a family of four.
- **Location**: The same income stretches much further in a low-cost area than in an expensive city like San Francisco or New York.
- **Expenses and debt**: Housing, childcare, healthcare, and debt payments can leave households with very different amounts to save or spend.
- **How income is measured**: Census figures are before taxes and exclude noncash benefits such as employer-provided health insurance. Other researchers, including Pew Research Center, adjust income for household size or local living costs when defining income tiers.

Knowing where your household falls on the income ladder provides a useful benchmark, but it doesn't necessarily reflect your financial well-being. What matters just as much is how far that income goes.

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22% = upper inc
44% = middle
66%
34% = lower income