Inequality Trends — 2021–2025

Biden Administration

Metrics and Measured Outcomes

Metric	Observed Change	Score	Interpretation
Real median household income	~volatile: strong labor market, eroded by historic inflation, then recovering	+0	Unemployment fell to some of its lowest levels in over 50 years, but inflation peaking near 9.1% in mid-2022 eroded real wage gains for roughly two years before real incomes began recovering.
Income share of bottom 50%	▲▲ historic gain, then sharply reversed	-1	The 2021 expanded Child Tax Credit cut child poverty nearly in half to a record-low 5.2%; its expiration at year-end 2021 then produced the largest single-year increase in child poverty on record, to 12.4% in 2022.
Wealth share of top 10%	▲ continued rising, especially via equities	+1	Following a 2022 bear market driven by interest-rate increases, a strong equity rally through 2023-2024, concentrated in large technology companies, again benefited financial-asset holders disproportionately.
Homeownership by age cohort	▼ affordability collapse for new buyers	+1	Mortgage rates rose to their highest levels in over two decades as the Federal Reserve raised interest rates, sharply reducing affordability for new and first-time buyers while existing owners with locked-in low rates were insulated.
Labor share of national income	▲ tight labor market favored lower earners	-1	Sustained low unemployment gave workers unusual bargaining leverage; wage growth was fastest for the lowest-paid workers, echoing the late-1990s pattern of broadly shared gains during full employment.
Intergenerational mobility indicators	~neutral within term	+0	No major structural shift is observable within a single term; these indicators respond to cumulative, multi-decade conditions.

Raw metric total: +0 **External adjustment:** +0 **Net score:** +0

Policy Levers and Their Effects on Inequality

This term's clearest inequality-relevant episode is also its most reversible: the American Rescue Plan's expanded Child Tax Credit (2021) made the credit fully refundable and paid it monthly, extending its full value to low-income families excluded under the prior design. The result was the largest single-year decline in child poverty on record, to a historic low of 5.2%. When Congress allowed the expansion to lapse at the end of 2021, child poverty more than doubled to 12.4% in 2022, the largest single-year increase on record — researchers at Columbia University found that continuing the expansion would have kept the rate near 8.1% instead.

Two later laws built more durable structural change: the Inflation Reduction Act (2022) gave Medicare authority to negotiate prescription drug prices for the first time, capped insulin costs for Medicare beneficiaries at $35 per month, and extended enhanced ACA marketplace subsidies. Against this, the Federal Reserve's rate increases to combat inflation pushed mortgage rates to two-decade highs, sharply curtailing homeownership access for new buyers even as a tight labor market delivered genuine wage gains concentrated among the lowest earners. No external adjustment is applied: the term's central story is a series of large, well-documented moves in both directions — a historic but temporary poverty reduction, a historic reversal, durable healthcare-cost relief, and a historic squeeze on new-buyer housing affordability — that the six metrics already net out close to neutral.

Placement on the Wealthy ↔ Common Man Scale

With a net score of **+0**, this period is classified as described below.

Classification: Baseline (Neutral)