ECONOMIC CONDITIONS AT GRADUATION

Class of 1980 vs Class of 2025

Household Income · Inflation · Home Prices · Consumer Debt

This report compares the economic landscape facing two graduating cohorts separated by 45 years. The Class of 1980 entered a world of runaway inflation and high nominal wage growth, while the Class of 2025 graduates into a market defined by historically high home prices, record consumer debt, and modest but real income gains. The data below spans average household income, CPI inflation, median home prices, and non-mortgage consumer debt.

METRIC	CLASS OF 1980 (decade 1970–1980)	CLASS OF 2025 (decade 2015–2025)
Avg. Household Income — Decade Start	~$10,040	$79,266
Avg. Household Income — Decade End	$21,065	~$116,400
Total Income Growth (nominal)	+110%	~+47%
Average Annual Income Growth	~7.7%	~3.9%
Total CPI Inflation Over Decade	+112.4%	~+32%
Average Annual Inflation Rate	7.9%	~2.7%
Peak Annual Inflation Rate	13.5% (1980)	7.7% (2022)
Median New Home — Decade Start	$23,475	$294,150
Median New Home — Decade End	$64,750	$415,400
Total Home Price Growth	+175.8%	+41.2%
Average Annual Home Price Growth	~10.8%	~3.7%
Home Price / Annual Income Ratio	~3.1×	~3.6×
Prevailing Mortgage Rate at Graduation	~13–16%	~6.5–7%

*Sources: U.S. Census Bureau; BLS CPI-U / C-CPI-U; FRED MSPUS (Census/HUD new home median sales price); Federal Reserve G.19 Consumer Credit. *2023–2025 income and 2025 inflation are estimates. Home prices reflect new home sales only.*

Class of 1980 — The Inflationary Decade

Decade Preceding Graduation: 1970–1980

Graduates entered an economy scarred by two oil shocks, wage-price spirals, and the highest peacetime inflation in U.S. history. While nominal incomes rose sharply, inflation consumed almost all of those gains in real terms. The Federal Reserve was about to hike rates above 20% to finally break the cycle — triggering a severe 1981–82 recession.

Average Household Income — 1970 to 1980

1970 STARTING POINT	1980 ENDPOINT	TOTAL DECADE GROWTH	AVG. ANNUAL GROWTH
~$10,040 Estimated (Census extrapolation)	**$21,065** U.S. Census Bureau	**+110%** Nominal dollars	**~7.7%** Nominal YoY

YEAR AVG. HH INCOME YOY CHANGE NOTE			
1970	*~$10,040*	—	*Estimated*
1971	*~$10,540*	*~+5.0%*	*Estimated*
1972	*~$11,280*	*~+7.0%*	*Estimated*
1973	*~$12,190*	*~+8.1%*	*Estimated*
1974	$13,094	~+7.4%	Census Bureau
1975	$13,779	+5.2%	Census Bureau
1976	$14,921	+8.3%	Census Bureau
1977	$16,101	+7.9%	Census Bureau
1978	$17,730	+10.1%	Census Bureau
1979	$19,554	+10.3%	Census Bureau
1980	**$21,065**	**+7.7%**	**Census Bureau**

**Pre-1974 values estimated based on Census P-60 historical series and CPI-linked interpolation. Source: U.S. Census Bureau (CPS ASEC) via Multpl.*

CPI Inflation — 1970 to 1980

PEAK YEAR RATE	TOTAL DECADE INFLATION	AVG. ANNUAL RATE	REAL INCOME GROWTH
13.5%	**+112.4%**	**7.9%**	**≈ 0%**
1980 — worst of the decade	CPI-U nearly doubled	1971–1980 average	Income barely outpaced prices

YEAR CPI-U YOY INFLATION CONTEXT			
1970	38.8	5.7%	Vietnam-era spending, loose money policy
1971	40.5	4.4%	Nixon wage & price controls imposed
1972	41.8	**3.2%**	Controls appear to work — briefly
1973	44.4	6.2%	OPEC oil embargo begins; controls lifted
1974	49.3	11.0%	First oil shock peak; deep recession
1975	53.8	9.1%	Stagflation: high inflation + high unemployment
1976	56.9	**5.8%**	Brief moderation; Carter elected
1977	60.6	**6.5%**	Energy prices creep back up
1978	65.2	**7.6%**	Second oil shock begins
1979	72.6	**11.3%**	Iran revolution; oil prices surge again
1980	**82.4**	**13.5%**	**Decade peak; Volcker begins rate hikes**

Source: BLS CPI-U (1982–84 = 100). CPI-U nearly doubled over the decade — meaning the Class of 1980 needed $2.12 in 1980 dollars to buy what cost $1 in 1970.

Class of 1980 — Home Prices

Median New Home Sales Price: 1970–1980 (FRED MSPUS)

Median New Home Price — 1970 to 1980

1970 MEDIAN PRICE	1980 MEDIAN PRICE	TOTAL DECADE GROWTH	AVG. ANNUAL GROWTH
$23,475	**$64,750**	**+175.8%**	**~10.8%**
FRED MSPUS annual avg	FRED MSPUS annual avg	Outpaced inflation by ~63 ppts	vs 7.9% inflation

YEAR	MEDIAN PRICE	YOY CHANGE	CONTEXT
1970	$23,475	—	Base year
1971	$25,225	+7.5%	Steady post-war growth
1972	$27,525	**+9.1%**	Strong demand from Baby Boom formation
1973	$32,600	+18.4%	Oil shock spurs construction cost inflation
1974	$36,050	+10.6%	High rates slow sales but not prices
1975	$39,275	+8.9%	Recession softens gains briefly
1976	$44,225	+12.6%	Demand rebounds strongly
1977	$48,900	+10.6%	Carter-era boom; favorable rates
1978	$55,850	+14.2%	Second-highest annual gain of decade
1979	$62,750	+12.4%	Prices near peak as rates spike
1980	**$64,750**	**+3.2%**	**Rate shock (18%+) stalls market**

Source: U.S. Census Bureau & HUD via FRED (Series: MSPUS) — annual averages of quarterly data. Covers new single-family homes only. Existing home prices were modestly lower but followed the same trend.

30

Homes grew 175% in nominal terms but only ~30% in real (inflation-adjust
paper, home prices surged — but so did everything else. The critical challe
home affordability per se, but crushing mortgage rates: the 30-year fixed r
$64,750 home at 16% carried a monthly payment of roughly $870 — agai
~$21,000/year ($1,750/mo), consuming nearly 50% of gross monthly inco

Class of 2025 — The Affordability Squeeze

Decade Preceding Graduation: 2015–2025

Graduates enter a market where home prices sit near all-time highs, student loan debt totals $1.83 trillion, and mortgage rates have more than doubled from their pandemic-era lows. The decade included a COVID shock (2020), a historic 2021–22 inflation surge, and a Federal Reserve tightening cycle that pushed rates to their highest in 23 years.

Average Household Income — 2015 to 2025

2015 STARTING POINT	2025 ENDPOINT (EST.)	TOTAL DECADE GROWTH	AVG. ANNUAL GROWTH
$79,266	**~$116,400**	**~+47%**	**~3.9%**
Census Bureau	Estimated (see note)	Nominal dollars	Nominal YoY

YEAR AVG. HH INCOME YOY CHANGE NOTE			
2015	$79,266	—	Census Bureau
2016	$83,143	+4.9%	Census Bureau
2017	$86,250	+3.7%	Census Bureau
2018	$90,063	+4.4%	Census Bureau
2019	$98,070	+8.9%	Census Bureau — strong labor market
2020	$97,495	-0.6%	Census Bureau — COVID shock
2021	$102,292	+4.9%	Census Bureau — recovery + stimulus
2022	$106,400	+4.0%	Census Bureau — last confirmed figure
2023	*~$109,700*	*~+3.1%*	*ESTIMATED*
2024	*~$113,000*	*~+3.0%*	*ESTIMATED (median: $83,730)*
2025	**~$116,400**	**~+3.0%**	**ESTIMATED**

**2023–2025 estimated based on Census Bureau trends. Census publishes the previous year's data in September, so 2025 official figures will be released in Sept. 2026. The mean/median ratio of ~1.35 was applied to the 2024 median of $83,730. Source: U.S. Census Bureau (CPS ASEC).*

CPI Inflation — 2015 to 2025

PEAK YEAR RATE	TOTAL DECADE INFLATION	AVG. ANNUAL RATE	REAL INCOME GROWTH
7.7%	**~+32%**	**~2.7%**	**~+11%**
2022 — 40-year high	C-CPI-U basis	2016–2025 average	Income outpaced prices

YEAR	C-CPI-U	YOY INFLATION	CONTEXT
2015	135.4	-0.1%	Energy price collapse; near-deflation
2016	136.6	+0.9%	Stable, very low inflation environment
2017	139.0	+1.8%	Below Fed's 2% target
2018	141.8	+2.0%	On-target; rate hikes resume
2019	143.9	+1.5%	Trade war uncertainty, slight softening
2020	145.4	+1.0%	COVID deflation early; full year modest
2021	151.9	+4.5%	Supply shock + stimulus; inflation emerges
2022	163.6	**+7.7%**	PEAK: worst inflation since 1981
2023	170.0	+3.9%	Fed tightening begins to bite
2024	174.4	+2.6%	Continued deceleration toward 2% target
2025	**~178.5**	**~+2.4%**	**Estimated — approaching target**

*Source: BLS Chained CPI-U (C-CPI-U), as used in Census Bureau income reports. *2025 estimated. The 2021–2022 inflation surge was the steepest since the 1970s oil shocks.*

Class of 2025 — Home Prices

Median New Home Sales Price: 2015–2025 (FRED MSPUS)

Median New Home Price — 2015 to 2025

2015 MEDIAN PRICE	2025 MEDIAN PRICE	TOTAL DECADE GROWTH	AVG. ANNUAL GROWTH
$294,150	**$415,400**	**+41.2%**	**~3.7%**
FRED MSPUS annual avg	FRED MSPUS annual avg	Concentrated 2020–2022	vs 2.7% inflation

YEAR MEDIAN PRICE YOY CHANGE CONTEXT			
2015	$294,150	—	Base year; market recovering from GFC
2016	$305,125	+3.7%	Steady growth; low rates support demand
2017	$322,425	+5.7%	Strong demand; supply remains constrained
2018	$325,275	+0.9%	Rate hike cycle begins; market cools
2019	$320,250	-1.5%	Slight price dip; affordability concerns
2020	$328,150	+2.5%	COVID lockdowns; market briefly pauses
2021	$383,000	+16.7%	Historic surge: low rates + remote work demand
2022	$432,950	+13.1%	Near-peak prices despite rising rates
2023	$426,525	-1.5%	Rate shock (7–8%) begins to deflate new home prices
2024	$418,975	-1.8%	Correction continues; existing home market frozen
2025	**$415,400**	**-0.9%**	**Prices stabilizing but remain near all-time highs**

Source: U.S. Census Bureau & HUD via FRED (Series: MSPUS) — annual averages of quarterly data. New single-family homes only. Note: Existing home prices (NAR) show similar trends but reached a median of ~$400,000 in 2024, broadly consistent with MSPUS.

25

While inflation was far lower than in 1980, the affordability problem for 202
started at 12.5x their 1980 level. At $415,000 and a 7% mortgage, a montl
approximately $2,215 — against an estimated median household income (
consuming roughly 32% of gross monthly income. While this is below the 1
graduates also face student debt, higher insurance costs, and a down pay

The Long View — 1980 to 2025

Total Growth Across 45 Years in Home Prices, Income & Consumer Debt

Total Growth: 1980 to 2025

HOME PRICES	AVG. HH INCOME	NON-MORTGAGE DEBT/HH
+541%	**+452%**	**+791%**
$64,750 (1980) → $415,400 (2025)	$21,065 (1980) → ~$116,400 (2025 est.)	~$4,355/HH (1980) → ~$38,808/HH (2025)

Home prices rose 89 ppts faster than income since 1980. Non-mortgage debt per household grew nearly 18x in nominal terms.

Decade Head-to-Head Comparison

METRIC	CLASS OF 1980 1970–1980	CLASS OF 2025 2015–2025	EDGE
Income growth (nominal, decade)	+110%	~+47%	1980
Income growth (REAL, after inflation)	~0%	~+11%	2025
Total CPI inflation over decade	+112.4%	~+32%	2025
Average annual inflation rate	7.9%	~2.7%	2025
Home price growth (decade)	+175.8%	+41.2%	2025
Home price / annual income ratio	~3.1x	~3.6x	1980
Mortgage rate at graduation	13–16%	6.5–7%	2025
Monthly pmt. as % of income	~45–50%	~30–35%	2025

**1980 home price growth was higher in % terms, but starting prices were vastly lower. The structural affordability challenge favors neither class cleanly — high rates defined 1980, high prices define 2025.*

Non-Mortgage Household Debt: 1980 vs. 2025 (Federal Reserve G.19)

CATEGORY	1980 (per HH)	2025 (per HH)	NOMINAL GROWTH	REAL GROWTH*
Total Consumer Credit (G.19)	~$4,355	~$38,808	+791%	+109%
Revolving (Credit Cards)	~$681	~$10,079	+1,380%	+264%
Non-Revolving (Auto, Student, Other)	~$3,674	~$28,729	+682%	+80%

**Real growth adjusted using CPI-U: 82.4 (1980) to ~312 (2025), factor = 3.79x. Per-household calculated using 80.8M households (1980 Census) and 131.4M households (2025 est.). G.19 excludes all mortgage and real estate-secured debt. Non-revolving includes auto, student, and personal loans. Note: Student loans were a minor category in 1980 and are now ~29% of non-revolving debt ($1.83T). Source: Federal Reserve G.19 Consumer Credit Release (December data, seasonally adjusted).*

In 1980, a median new home cost approximately 3.1x average annual hou
approximately 3.6x — seemingly similar, but context matters: 1980 gradua
(crushing monthly costs), while 2025 graduates face the lowest supply of
and must accumulate an $83,000+ down payment before they begin. Mea
debt per household has grown 8x in nominal terms since 1980, loading gra
card obligations before they can even begin to save.

Data Sources: U.S. Census Bureau (CPS ASEC income series); BLS CPI-U and C-CPI-U; Federal Reserve Bank of St. Louis FRED (MSPUS — Median Sales Price of Houses Sold); Federal Reserve G.19 Consumer Credit statistical release; Experian Consumer Credit Review 2025; Multpl.com (Census Bureau data). | Report compiled July 2026.