

Why the median?

Average or mean-based measures of income, such as GDP per capita, will always be higher than the median — the value at the midpoint — of that distribution, which is inevitably [skewed to the right](#). So medians convey far better the material well-being of the typical individual in a country and have other advantages including [simplicity and durability](#). The simplicity helps explain why the [stagnation of the median wage](#) is so often cited in the US press in the context of [middle-class decline](#) as the benefits of growth go to the top. Real median household income has been about [\\$53,000 a year](#) or \$48 a day per person for a family of three. That puts median income per person in the US at only just about one-third of average income measured as GNI per capita.

A better example for the development community: the median reflects how much the person at the 50th percentile of the income distribution earns (or spends), giving us a better picture of the well-being of a “typical” individual in a given country. Take Nigeria and Tanzania: in 2010, Nigeria’s GDP per capita (at PPP) was \$5,123; Tanzania’s stood at only \$2,111. This suggests that Nigerians were more than twice as well off as Tanzanians. Yet, if we compare consumption medians, a different picture emerges: a Nigerian at the middle of the income distribution lived on \$1.80 a day, while his or her Tanzanian counterpart had 20 cents *more* to spend, at \$2 a day.

That difference is illustrated in the graph below, with countries plotted left to right according to their GDP and vertically according to their median income or consumption. The highlighted pairs, such as Nigeria and Tanzania, have very different GDPs per capita while sharing similar levels of typical well-being as measured by median income or consumption.

[source](#)