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The 1970 Household

What an Average Wage Could Buy — and Why It Cannot Now

EXECUTIVE SUMMARY

In 1970, the average man in the United States, the United Kingdom, and Australia could support a non-working wife, two-to-three children, buy an average home, a car, and a holiday. The same household in 2026 requires either a top 20 per cent dual income or a top 10 per cent single income to match. In two generations, the income needed to start a household has moved a full step up the earnings ladder — from the average to near the top.

The collapse of the single-income household is conventionally explained as wage stagnation, housing speculation, monetary mismanagement, female workforce entry, immigration, or globalisation. Each of these accounts captures a fragment. None captures the structure.

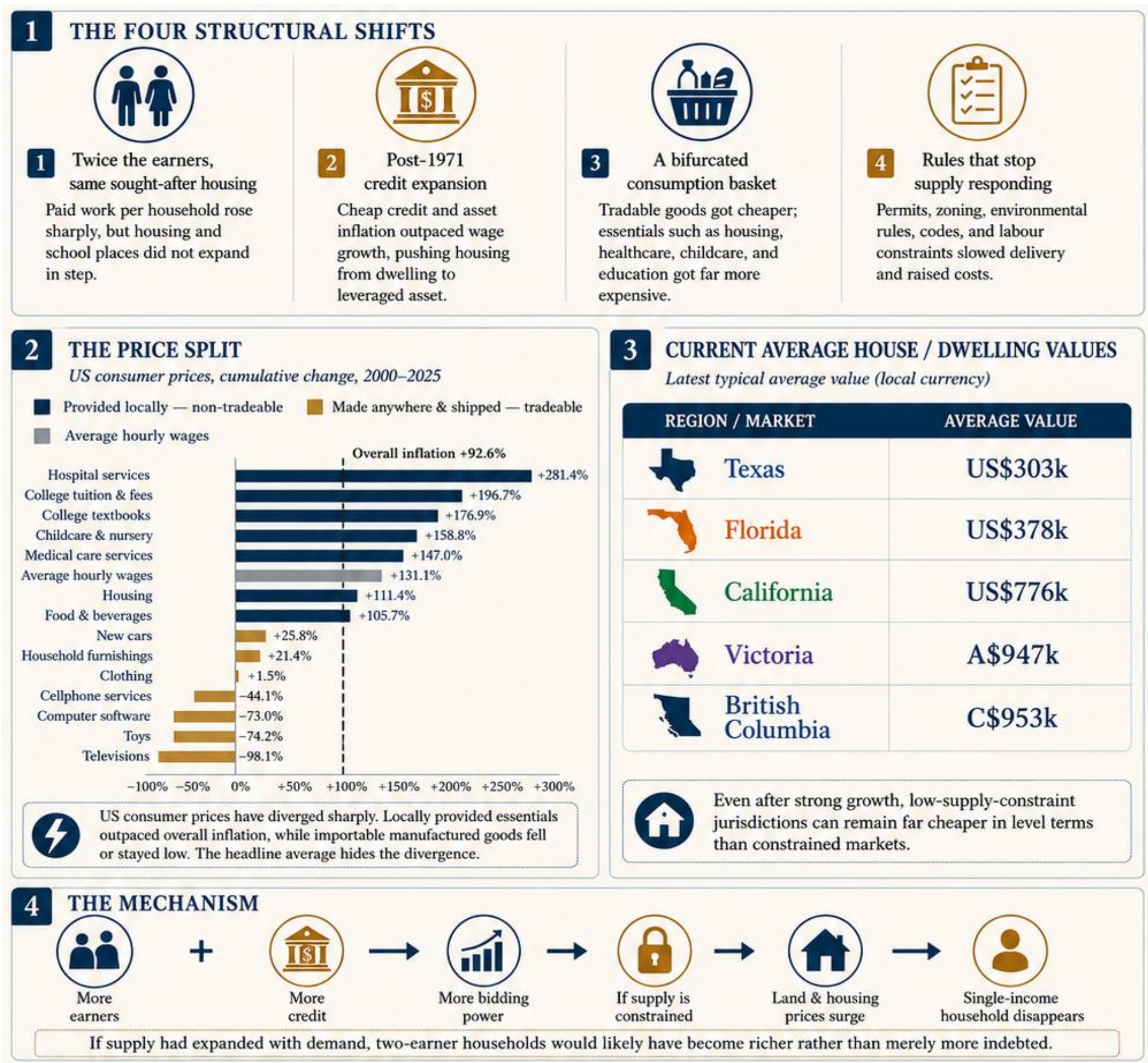
This brief argues that the 1970-to-2026 dissolution of the single-income standard is what four large changes look like when they arrive together — changes mainstream analysis has misread, because each profession only ever studies its own piece:

1) the number of people in paid work roughly doubled, while the supply of sought-after housing and school places they compete for did not;
2) after 1971, money and credit expanded and asset price inflation exceeded wage growth;

3) imported goods became cheaper, while the things a household needs — housing, healthcare, education, childcare — got more expensive; and

4) environmental rules, permits, building codes and rigid labour laws made building and hiring slower and more costly.

Each change is real and well documented on its own. None of them explains the collapse by itself. The damage was done by the combination. The single-income household standard was not destroyed by any one of these forces. It was destroyed by their combined operation across two generations, and no profession was ever responsible for looking at the combination.



1. The Standard, and What Replaced It

The framing this brief opens with is one most adults have heard from a parent or grandparent.

In 1970, an average man could work forty hours a week and afford an average house, an average car, a wife who did not work, and two or three children.

In 2026, that same life belongs to a narrow professional class. The folk version is correct in direction. It understates how big the change was, and almost everyone — left and right — gets the cause wrong.

In the United States in 1970, the median home cost about two times median household income. By 2024 it was more than six times in most cities, and above eight times on the coasts. In Australia, the trajectory has been steeper still: from approximately 3.5 times in 1970 to between 8 and 9 times nationally, with Sydney and Melbourne now sitting between 12 and 14 times. The United Kingdom shows a similar pattern. Shifts this large have historically arrived with war, plague or revolution.

Buying power has moved with it. In 2026 a single earner needs to be in the top 10 per cent of male wages to buy what an average wage bought in 1970. Two earners need to be in the top 20 per cent.

An average 1970's lifestyle has become the purview of the elite.

2. Why the Conventional Explanations Fail

Six explanations dominate public debate. Each captures something. None is sufficient.

Wage stagnation

Median real wages in the United States have grown slowly since the early 1970s, particularly for men without a college degree. This is real. It is also insufficient. The cost of setting up a household has risen three- to fourfold against income, while real wages have stagnated or declined. Flat wages are part of the story, not the cause.

Housing speculation

The shift of housing from a place to live to an investment bought with borrowed money is real, and is part of the answer. But it does not explain why healthcare, university and childcare rose alongside housing; none of those is an investment market. The pattern is broader than housing.

Monetary mismanagement

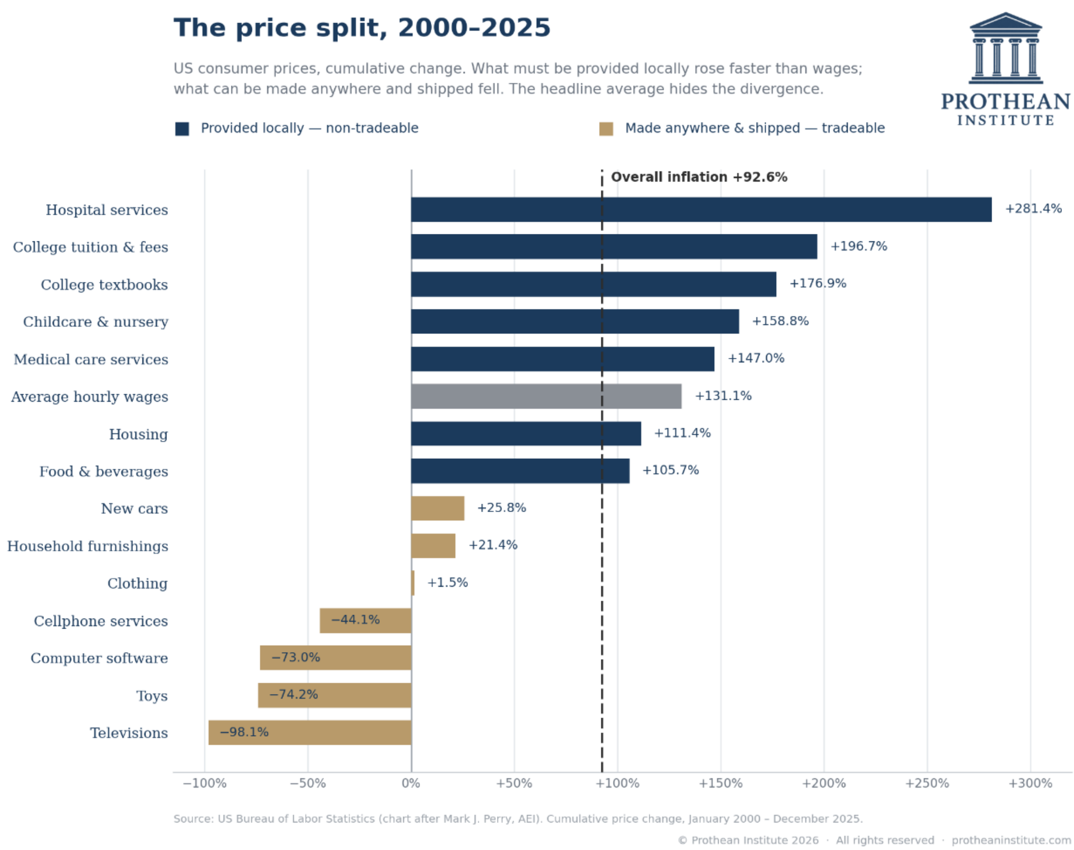
The 1971 abandonment of the gold standard and the subsequent expansion of the monetary base are blamed by critics outside the mainstream for the whole problem. The effect of monetary expansion on asset prices is real and substantial. But it does not explain why the price rises landed on the things a household needs to get started, rather than on everything equally.

Female workforce entry

This is the politically untouchable explanation, and the one without which the numbers never add up. Female labour-force participation among working-age women (25–54) in the developed Anglosphere rose from roughly half in 1970 to approximately 78 per cent in the United States and above 80 per cent in the United Kingdom and Australia by 2024. Paid work per household rose from about one full-time job to between 1.6 and 1.8. That is close to a doubling of the hours worked by each household. Mainstream economics book this purely as a gain in wellbeing. Its effect on the price of the assets households bid for — and on wellbeing itself — goes undiscussed.

Globalisation

Globalisation explains falling prices for the things we import — clothing, electronics, appliances — extremely well. It is the proximate cause of the consumer-goods price collapse the period also produced. But it says nothing about the things that cannot be imported, and almost everything a new household needs is in that group: a home, a school, healthcare, childcare, a dwelling. Globalisation is half the story by design.



Immigration

Population growth through immigration adds more buyers competing for the same limited stock of housing and school places, and in the Australian and Canadian cases has run well above the rate at which housing has been delivered. Immigration is also credited with the mirror effect on the income side: intake concentrated in particular occupations expands the labour supplied to them, and workers willing to accept lower wages hold the local wage floor down. The same household then faces higher prices with weaker earnings to bid with. The United States, the

United Kingdom, and Australia ran very different intake rates at different times and still ended up with the same collapse in household formation, and immigration does not explain healthcare, higher education, or childcare inflation at all.

3. The Four Structural Shifts

The loss of the 1970 household is what four changes look like once they have compounded across two generations. Each is well established in its own field. What has never been set out is how they work on each other, because no profession owns that question.

3a. Twice the earners, the same houses and school places

Women entering paid work between 1970 and 2010 roughly doubled the earning power competing for a fixed stock of sought-after things. Housing in good locations, places at good schools, access to good employers: there is only so much of each, and the supply does not double when household earning power does. What happens to prices when the number of bidders doubles and the supply stays still is not complicated, and housing economists have documented it, but the politics of the subject have kept the connection from being made plainly.

The mechanism has nothing to do with gender. The same effect is produced by expansion of competing labour supply — through immigration or extension of the working life. This is not in itself an argument against feminism. It is arithmetic. The resistance to saying it out loud is politics, not analysis.

On its own, this would have pushed up the price of the most sought-after housing and little else. What follows is what made it severe.

3b. Post-1971 fiat currency expansion

The 1971 collapse of Bretton Woods removed the gold-convertibility constraint on the United States dollar and, by extension, on the global monetary system. The subsequent expansion of the monetary base, combined with progressive deregulation of credit markets and reduction in interest rates through the 1980s and 1990s, produced sustained asset price inflation that outpaced wage growth. The gap between rising output per worker and flat pay opens from this point. The capital share of national income rises. The wage share falls. Asset holders capture an increasing share of growth; wage earners capture a declining share.

Housing stops being a dwelling and becomes an investment bought with borrowed money. The household competing for housing is no longer competing only against other households — it is competing against how much the banks will lend against the house. The more credit extended, the higher the price the asset can command. Wages cannot keep pace, because the price is set by the credit available, not by pay.

3c. The bifurcated consumption basket

The third change is the easiest to see and the least politically loaded. Between 1970 and 2024, prices in the developed economies split sharply in two. Things that can be made anywhere and shipped — televisions, clothing, food, appliances, electronics — fell 60 to 95 per cent in real terms. Things that must be provided locally, are heavily regulated and are in short supply — housing, healthcare, university, childcare — rose 200 to 800 per cent. The headline inflation figure averages the two together and reports something moderate. The split disappears inside the average.

Almost everything a new household needs sits on the expensive side of that split. A young couple in 2026 forming a household requires housing, healthcare, schooling, and childcare. Their consumer-electronics costs are negligible, and their clothing and food costs are a fraction of what the equivalent basket cost their grandparents in real terms. This is why household finances feel worse than the inflation figures suggest: the headline averages everything, while a young household spends its money almost entirely on the part that rose much faster than inflation.

3d. Rules that stop supply responding

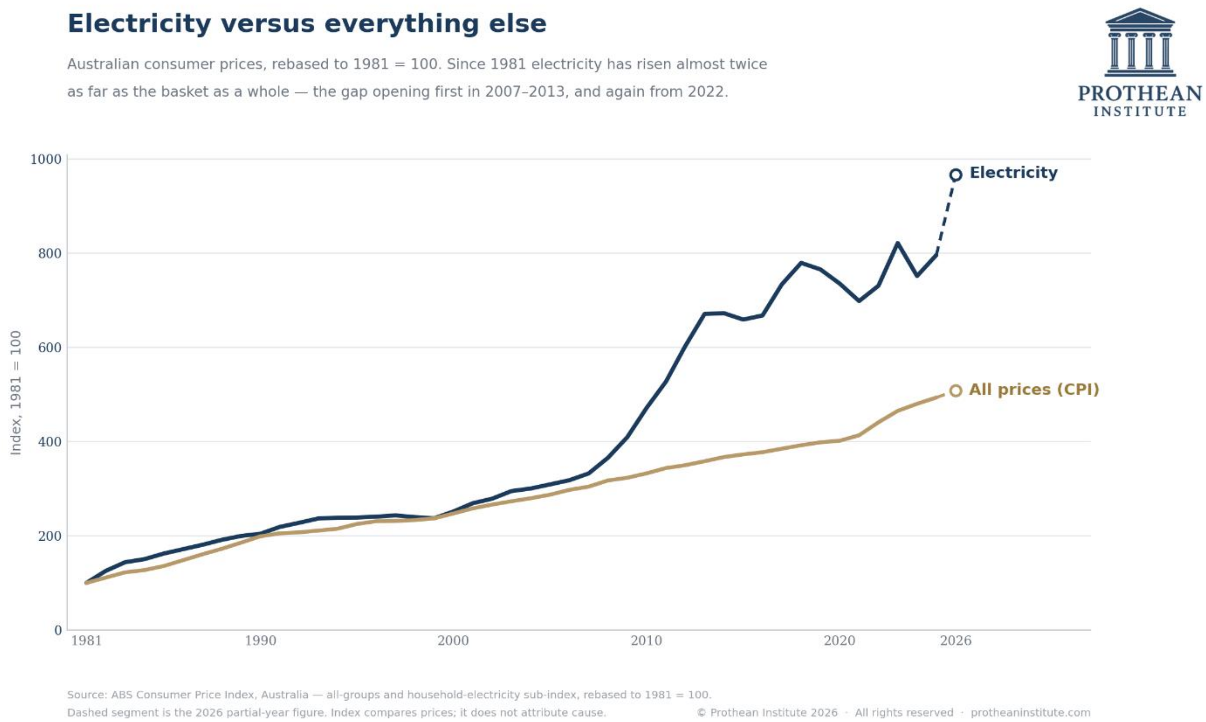
The fourth change is the build-up of rules governing how the things a household needs get built and delivered. Across the same period, the delivery of housing, infrastructure, and services across the developed Anglosphere was made conditional on environmental assessments, discretionary permits, prescriptive building codes, and labour rules fixing who may build and at what cost. Each requirement was introduced for a defensible reason. Each adds cost, adds delay, and prevents projects that would otherwise have proceeded. Together they have left a supply system that no longer responds when prices rise. The increase sits in land, not in buildings: roughly 80 per cent of the rise in house prices across the advanced economies since 1950 is attributable to land prices rather than to construction costs. Whatever a 2026 house has that a 1970 house did not, it is not what makes it expensive.

Planning, permitting, various standards and building codes have also made entry-level housing, vehicles and employment roles illegal. Take the 1970's house – it would not be illegal to construct or occupy due to failure to comply with energy ratings, fire ratings, off street parking and various other state and local requirements. While they may protect established households, they simply lower rungs off the ladder for new ones.

This is what turns extra demand into higher prices. Double the purchasing power bidding for houses while the rules hold the number of houses fixed, and higher prices are the only possible result.

The rules are therefore both a cause in their own right and the thing that makes the other three worse: they remove the release valve. They are also the hardest change to see in the data, because they show up as an absence — the homes, the places and the capacity never built appear in no statistic.

Energy prices and indirect taxes rose sharply over the same period, and everything that depends on them rose with them, for layered reasons. In Australia the largest drivers of retail electricity prices were environmental policy and regulatory interference in the market.



Source: Australian Bureau of Statistics, Consumer Price Index, Australia. All series rebased to 1981 = 100.

4. The Interaction

Any one of these on its own could have been absorbed.

Women entering paid work, in a country that built enough houses, would have produced richer households rather than unaffordable houses.

Cheap credit and rising asset prices, without the extra earners bidding, would have lifted some prices without crippling household formation.

Tighter building rules, without the extra earners and the extra credit, would have raised costs at the edges without shutting the door on young households.

Cheaper imported goods, in an economy where prices had not split in two, would have lifted living standards without leaving housing and childcare behind.

The four together produced the collapse we can see. Twice the earning power bidding for assets that credit was already inflating, while the rules held the supply of those assets fixed or reduced it, and while imported goods fell in price and household essentials rose.

Each shift amplified the others.
The single-income household was killed by the system.

Once it is set out, the compounding is obvious. Twice the earning power, bidding in a market that easy credit was already inflating, in a period when the goods that could fall in price did and the goods a household needs could not, produces exactly the price path the data records. The causes here are more than sufficient. The puzzle is not why the collapse happened. The puzzle is why this has not been the standard account for thirty years.

5. Why don’t young people just work harder? They are all spoilt.

The Prothean standard is to judge outcomes by how people actually behave when acting in their own interest under the conditions they face — and to trace the resulting problems back to the conditions that make that behaviour rational.

Applied here, the implications are clear.

Younger generations responding to 2026 conditions cohabit longer, rent rather than buy, have fewer children, form fewer households and partnerships, and spend more on travel and entertainment.

These are not moral failures. They are rational responses to an environment where the cost of setting up a household has tripled against income, and where the work needed to cover it has more than doubled and to many is now out of reach.

The behaviour is rational. The environment is the variable.

The same applies in reverse to the older generation. The 1970 cohort that purchased the basket comfortably did so under conditions that no longer obtain. They were not more virtuous, harder-working, or more disciplined than their grandchildren. They were buying in a price environment that has since shifted a full step up the earnings distribution. Both generations are responding rationally to the conditions they face. The cultural narrative on either side — that millennials are entitled and undisciplined is simply incorrect.

The structural shift is the variable. Everything else is downstream.

The same standard explains why the rules that throttle supply survive every electoral cycle. In each of these countries the median voter owns a home, and that home is the household's principal asset. Restricting supply near it raises its value; permitting supply near it does not. Objecting to development is therefore not an error on the part of those voters — it is their balance sheet voting, exactly as the Prothean standard predicts. The supply constraint is not a regulatory mistake awaiting correction. It is the stable equilibrium of a home-owning majority acting rationally, which is why it survives governments of every colour and why explaining the economics more clearly has never shifted it.

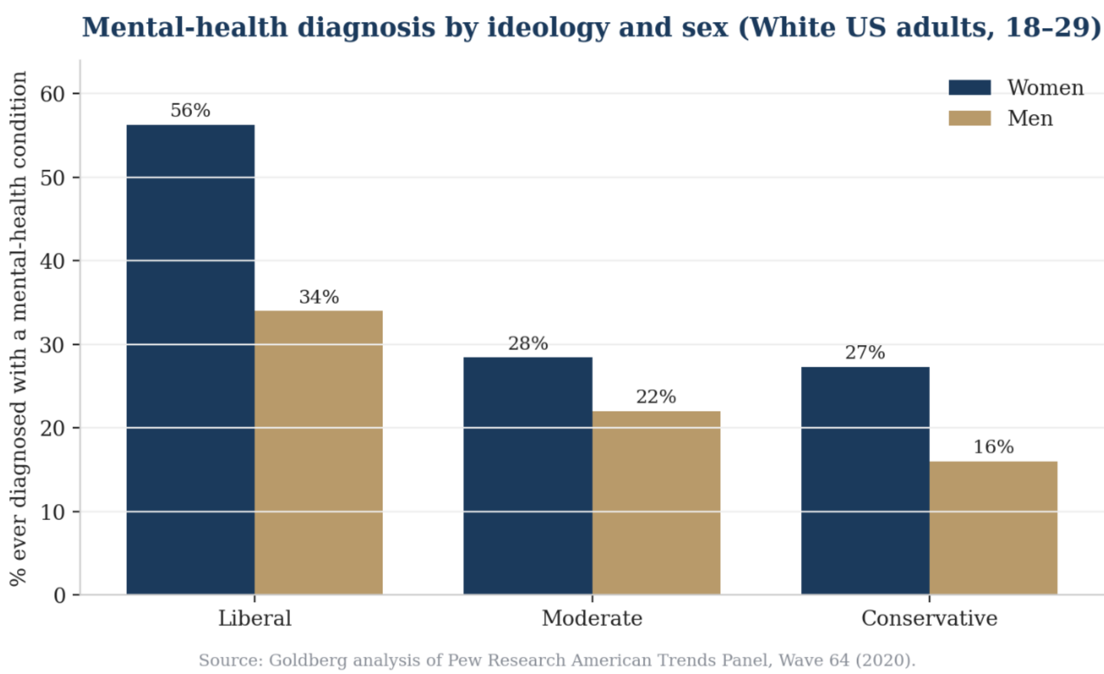
> *The Madisonian standard is unambiguous here. The structure failed first. Behaviour adapted. To explain the behaviour without naming the structure is to blame the victims.*

6. The Honest Implications

The brief is not arguing that women should not work. It is observing that nobody, at the time, considered what doubling the number of earners would do to the price of houses and school places.

The financial gains for women from paid work are large and well documented — and they are not the whole story. Over the same period, depression and anxiety among young women rose sharply, and rose most among the most liberated, not the most constrained.

The driver is not paid work itself, but a culture that made professional achievement the only sanctioned source of female worth and recoded family formation as a lesser choice — closing the pathway women's primary drives are built to express. The gain was counted. The cost was not. An honest accounting holds both.[1]



The cost imposed on household formation by that doubling is also real, and must be counted. Treating either side as the whole story is politically convenient and inaccurate.

[1] The mechanism, and the evidence, are set out in James Ilos, *The Cage We Built*, Prothean Institute Whitepaper, 2026.

The credit and asset-price argument also cuts across party lines. Monetary expansion drove asset prices up, and wealth concentrated as a growing share of economic growth went to capital rather than to wages.

The regulation argument is the one most likely to be heard on the left as an attack on regulation itself. What has almost never been attempted is an assessment of their cumulative cost. Each measure was assessed on its own merits; none was assessed against the stock of measures already in force.

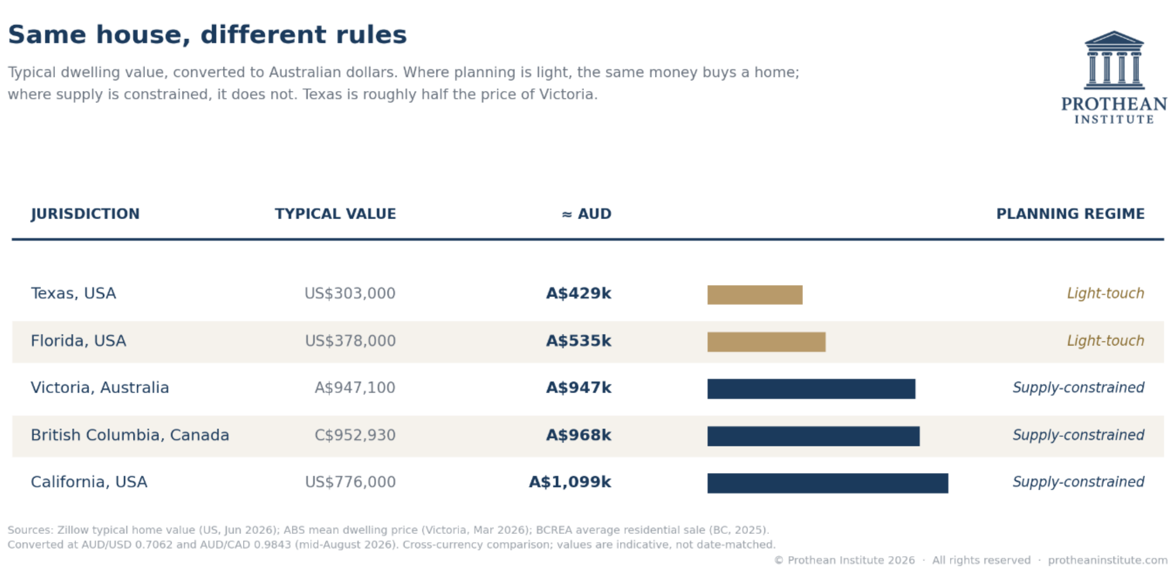
Regulation also produced the price split, with supply-side constraint responsible for much of the inflation in the sectors that ran ahead. Zoning, permits and building codes in housing, accreditation and credentialism in higher education, regulatory capture and expanding administrative costs in healthcare. None of these are politically untouchable. All of them are politically inert because the affected industries are organised and the affected households are not.

7. The Path Forward

This brief is diagnostic, not prescriptive. The full policy specification on fertility and household formation is the subject of Paper 6 of the Civilisational Architecture series "*The Invisible Path*".

The places where policy could act, however, are identifiable.

The labour-supply change is not reversible, and women should remain free to work, but immigration rates can be stopped or reversed until labour and housing markets adjust. The supply of housing and other sought-after goods can also be expanded. Housing supply is the lever that neutralises the extra bidding power: if supply can grow with buying power, two-earner households end up richer rather than priced out. The Australian, British and Californian housing problems are not abstract, as housing costs there show — they are markets where the rules have stopped supply responding to demand and Florida and Texas demonstrate what low regulation and few supply constraints can achieve.



The asset-financialisation vector is harder. The monetary system holds up global finance, and reforming it is a generational project. In the medium term, discipline on deficits and on money supply would take some of the pressure off housing. The single-earner household tax position, in particular, has been progressively eroded across the developed Anglosphere through the conversion of household-based to individual-based taxation, and is a discrete reform target. The Invisible Path documents several incentives in this space.

The non-market-constraint vector is the most directly actionable of the four, because it is the only one held in place by instruments that can be amended within months of a government having the political will to do so. Environmental assessments, permit discretion, prescriptive codes and rigid labour rules are all policy choices. The intervention is to remove many of them, allow prices to find their own level, and allow people to buy the standard of housing they choose, rather than outlawing anything below a set standard. The aim is not total deregulation. It is restoring the ability of supply to respond.

The price split is where the largest short-term gains are available. Each of the expensive sectors is expensive for the same two-sided reason: demand is inflated by credit or subsidy while supply is held fixed by rules. In housing it is mortgage credit bidding against constrained land release. In higher education it is government-backed student lending, which capitalises into tuition rather than into places. In healthcare it is third-party payment, which severs the price from the person paying it, bidding against licensed and rationed supply. In childcare it is subsidised fees against staffing and premises rules that cap the number of places. It is one mechanism running four times. Each is therefore amenable to reform on both sides — the credit or subsidy line, and the supply constraint. None of these reforms is difficult in principle. All of them are politically obstructed because the affected industries are organised and the affected households are not. The political task is to organise those households around the diagnosis.

The 1970 standard cannot be restored by exhortation, by cultural reform, or by financial transfer. It can only be approached by changing the supply of sought-after goods, the structure of asset markets, and the rules driving costs in the fastest-inflating sectors.

8. Conclusion

The 1970 household was a balance produced by a particular arrangement: how many people worked, how asset markets behaved, what the rules allowed to be built, and how the prices of different things sat relative to one another. Every part of that arrangement has changed, each for reasons that were defensible on their own, and together they have dissolved the standard.

The dissolution is not the fault of younger generations failing to work hard, of women entering the workforce, of central banks abandoning the gold standard, of regulators pursuing individually defensible objectives in isolation, or of foreign manufacturers underselling domestic producers. It is what all of them together produce after two generations, with no one accounting for their combined effect. Accounting for that combined effect is the precondition for any policy response. Refusing to do so — because each piece belongs to one political tribe or another — is the comfortable substitute for analysis that has filled public debate for thirty years.

The Prothean position is that the world must be analysed as it is, not as either tribe wishes it were. The 1970 household standard was real. Its dissolution is real. The mechanism can be specified. The policy response, where one exists, is structural. None of this depends on which side of politics the reader occupies. It is available to anyone willing to hold the whole analysis at once.

ABOUT THE PROTHEAN INSTITUTE

The Prothean Institute is an independent research body applying behavioural science, evolutionary biology, and civilisational theory to politics, medicine, and institutional design. Publications are issued under the institutional voice and authored under the pen name James Ilos.

The Institute's analytical method evaluates policy and social outcomes against the behaviour of self-interested actors operating in their actual structural environment, not against idealised behaviour or aspirational frameworks. The standard is whether a given proposal works in the world as it is — not as we might wish it to be.

This brief sits within the broader Prothean Civilisational Architecture series. Lost Coherence (March 2026) develops the framework. The Threshold and The Invisible Path develop the developmental and policy dimensions in detail. The 1970 Household specifies the economic dimension.

The archive exists for those paying close enough attention to find it.