California

Income Inequality Grew in California Over the Past Two Decades

California’s Richest Families vs. Poorest Families
- The richest 20 percent of families have average incomes **7.9** times as large as the poorest 20 percent of families.
- This ratio was **6.5** in the late 1980s.
- This growth in income inequality is the **18th** largest in the nation.
- The very richest families — top 5% — have average incomes **13.3** times as large as the poorest 20 percent of families.

The gap between California’s richest and poorest families is **8th** largest in the nation.

California’s Richest Families vs. Families in the Middle
- The richest 20 percent of families have average incomes **2.9** times as large as the middle 20 percent of families.
- This ratio was **2.3** in the late 1980s.
- This growth in income inequality is the **5th** largest in the nation.

The gap between California’s richest families and families in the middle is **3rd** largest in the nation.

A Closer Look: Short- and Long-term Trends

Late 1990s to mid-2000s
- The average income of the poorest fifth of families did not change significantly.
- The average income of the middle fifth of families increased by **$1,889**, from **$49,092** to **$50,981**.
- The average income of the richest fifth of families increased by **$16,772**, from **$128,587** to **$145,358**.
- The average income of the richest 5% of families increased by **$41,988**, from **$201,397** to **$243,386**.

Late 1980s to mid-2000s
- The average income of the poorest fifth of families increased by **$1,926**, from **$16,386** to **$18,312**.
- The average income of the middle fifth of families increased by **$4,401**, from **$46,580** to **$50,981**.
- The average income of the richest fifth of families increased by **$39,103**, from **$106,255** to **$145,358**.
- The average income of the richest 5% of families increased by **$89,456**, from **$153,929** to **$243,386**.

CALIFORNIA: Richest Families Had Greatest Income Gains Over Last Decade

Based on the latest available data (2004-2006)
Source: Center on Budget and Policy Priorities and Economic Policy Institute
Available at: [http://www.cbpp.org/4-9-08sfp.htm](http://www.cbpp.org/4-9-08sfp.htm)