Massachusetts

Income Inequality Grew in Massachusetts Over the Past Two Decades

Massachusetts’s Richest Families vs. Poorest Families
- The richest 20 percent of families have average incomes 8.2 times as large as the poorest 20 percent of families.
- This ratio was 5.8 in the late 1980s.
- This growth in income inequality is the 3rd largest in the nation.
- The very richest families — top 5% — have average incomes 15.1 times as large as the poorest 20 percent of families.

Massachusetts’s Richest Families vs. Families in the Middle
- The richest 20 percent of families have average incomes 2.6 times as large as the middle 20 percent of families.
- This ratio was 2.1 in the late 1980s.
- This growth in income inequality is the 14th 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 $7,097, from $58,686 to $65,783.
- The average income of the richest fifth of families increased by $28,369, from $140,622 to $168,991.
- The average income of the richest 5% of families increased by $87,638, from $222,802 to $310,440.

Late 1980s 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 $9,186, from $56,597 to $65,783.
- The average income of the richest fifth of families increased by $51,962, from $117,029 to $168,991.
- The average income of the richest 5% of families increased by $146,658, from $163,783 to $310,440.

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