Minnesota

Income Inequality Grew in Minnesota Over the Past Two Decades

Minnesota’s Richest Families vs. Poorest Families

- The *richest* 20 percent of families have average incomes **6.0** times as large as the *poorest* 20 percent of families.
- This ratio was **5.2** in the late 1980s.
- The very richest families — top 5% — have average incomes **10.1** times as large as the poorest 20 percent of families.

The gap between Minnesota’s richest and poorest families is **41st** largest in the nation.

Minnesota’s Richest Families vs. Families in the Middle

- The *richest* 20 percent of families have average incomes **2.3** times as large as the *middle* 20 percent of families.
- This ratio was **2.0** in the late 1980s.
- This growth in income inequality is the **27th** largest in the nation.

The gap between Minnesota’s richest families and families in the middle is **36th** largest in the nation.

Gains for Rich Families Outpaced Gains for Middle Families

Between the late 1980s and the mid-2000s:

- The average income of the *poorest* fifth of families increased by **$5,641**, from **$17,703** to **$23,343**. This is an increase of **$332** per year.

- The average income of the *middle* fifth of families increased by **$13,074**, from **$46,603** to **$59,677**. This is an increase of **$769** per year.

- The average income of the *richest* fifth of families increased by **$47,092**, from **$92,896** to **$139,989**. This is an increase of **$2,770** per year.

Based on the latest available data (2004-2006)

Source: Center on Budget and Policy Priorities and Economic Policy Institute

*Pulling Apart: A State By State Analysis of Income Trends*

Available at: http://www.cbpp.org/4-9-08sfp.htm