North Carolina

Income Inequality Grew in North Carolina Over the Past Two Decades

North Carolina’s Richest Families vs. Poorest Families

- The richest 20 percent of families have average incomes 7.2 times as large as the poorest 20 percent of families.
- This ratio was 5.9 in the late 1980s.
- This growth in income inequality is the 21st largest in the nation.
- The very richest families — top 5% — have average incomes 12.0 times as large as the poorest 20 percent of families.

North Carolina’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 16th largest in the nation.

Gains for Rich Families Outpaced Gains for Poor Families

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

- The average income of the poorest fifth of families increased by $1,474, from $14,961 to $16,436. This is an increase of $87 per year.
- The average income of the middle fifth of families increased by $3,979, from $41,453 to $45,432. This is an increase of $234 per year.
- The average income of the richest fifth of families increased by $30,154, from $88,104 to $118,259. This is an increase of $1,774 per year.
- The average income of the richest 5% of families increased by $72,229, from $125,102 to $197,331. This is an increase of $4,249 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