New Jersey

Income Inequality Grew in New Jersey Over the Past Two Decades

New Jersey's Richest Families vs. Poorest Families
- The richest 20 percent of families have average incomes 7.5 times as large as the poorest 20 percent of families.
- This ratio was 5.7 in the late 1980s.
- This growth in income inequality is the 9th largest in the nation.
- The very richest families — top 5% — have average incomes 14.1 times as large as the poorest 20 percent of families.

New Jersey'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 2.0 in the late 1980s.
- This growth in income inequality is the 7th 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 $5,854, from $61,454 to $67,308.
- The average income of the richest fifth of families increased by $21,827, from $153,184 to $175,011.
- The average income of the richest 5% of families increased by $70,169, from $257,459 to $327,628.

Late 1980s to mid-2000s
- The average income of the poorest fifth of families increased by $2,194, from $21,066 to $23,260.
- The average income of the middle fifth of families increased by $8,351, from $58,957 to $67,308.
- The average income of the richest fifth of families increased by $54,156, from $120,854 to $175,011.
- The average income of the richest 5% of families increased by $155,949, from $171,680 to $327,628.

NEW JERSEY: Richest Families Had Greatest Income Gains Over Last Decade

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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