United States

Income Inequality Grew in the U.S. Over the Past Two Decades

Richest Families vs. Poorest Families

- The richest 20 percent of families have average incomes 7.3 times as large as the poorest 20 percent of families.

- This ratio was 6.0 in the late 1980s.

- The very richest families — top 5% — have average incomes 12.2 times as large as the poorest 20 percent of families.

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 2.2 in the late 1980s.

A Closer Look: Short- and Long-term Trends

Late 1990s to mid-2000s

- The average income of the poorest fifth of families decreased by $459, from $18,575 to $18,116.

- The average income of the middle fifth of families increased by $649, from $49,785 to $50,434.

- The average income of the richest fifth of families increased by $11,044, from $121,087 to $132,131.

- The average income of the richest 5% of families increased by $29,042, from $191,658 to $220,700.

Late 1980s to mid-2000s

- The average income of the poorest fifth of families increased by $1,814, from $16,303 to $18,116.

- The average income of the middle fifth of families increased by $5,784, from $44,650 to $50,434.

- The average income of the richest fifth of families increased by $35,027, from $97,104 to $132,131.

- The average income of the richest 5% of families increased by $82,607, from $138,191 to $220,700.

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