

INCOME INEQUALITY REMAINS HIGH IN MISSISSIPPI

Inequality has remained high in Mississippi over the past two decades. This can be observed by ranking all Mississippi families according to their income level, dividing them into five groups (or fifths) of equal size, and calculating the average income of each fifth of families. This analysis shows by the late 1990s:

- The richest 20 percent of families had average incomes 9.4 times as large as the poorest 20 percent of families.
- The richest 20 percent of families had average incomes 2.8 times as large as the middle 20 percent of families.

The Long-Term Trend

Since the late 1970s, income inequality has remained about the same in Mississippi. Unlike in the vast majority of states, the average income of the bottom fifth of families and the top fifth of families increased at about the same rate over the last two decades.

- The average income of the poorest fifth of families increased by \$2,470 between the late 1970s and the late 1990s, from \$9,240 to \$11,710.
- The average income of the middle fifth of families increased by \$6,750 between the late 1970s and the late 1990s, from \$32,880 to \$39,640.
- The average income of the richest fifth of families increased by \$28,440 between the late 1970s and the late 1990s, from \$82,170 to \$110,610.

The Recent Trend

Over the past decade, income inequality has decreased in Mississippi.

In the late 1980s, the richest 20 percent of families had average incomes 10.9 times as large as the poorest 20 percent of families. By the late 1990s, that ratio had fallen to 9.4.

- The average income of the poorest fifth of families increased by \$3,470 between the late 1980s and the late 1990s, from \$8,250 to \$11,710.
- The average income of the middle fifth of families increased by \$7,810 between the late 1980s and the late 1990s, from \$31,830 to \$39,640.
- The average income of the richest fifth of families increased by \$20,330 between the late 1980s and the late 1990s, from \$90,280 to \$110,610.

Mississippi

Income Inequality Among Families In Mississippi Remains High

Income Gaps, Late 1990s

	Rank (1 is most unequal)
Richest fifth vs. poorest fifth	17
Richest fifth vs. middle fifth	17

Income Gaps, Late 1990s

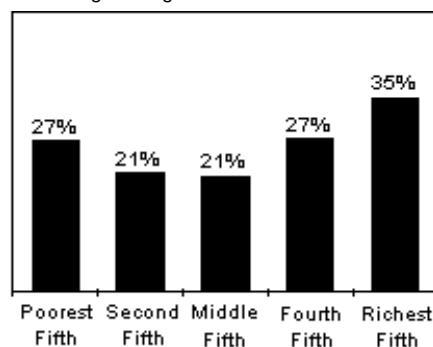
	Ratio
Richest fifth vs. poorest fifth	9.4
Richest fifth vs. middle fifth	2.8

Inflation-Adjusted Change in Incomes Late 1970s to Late 1990s

	Dollar Change	% Change
Poorest Fifth . . .	2,470 *	26.8%
Middle Fifth	6,750 *	20.5% +
Richest Fifth	28,440 *	34.6%

Income Changes for Mississippi Families Late 1970s to Late 1990s, by Fifth of Families

Percentage change

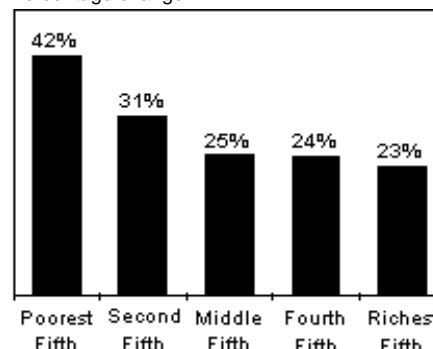


Inflation-Adjusted Change in Incomes Late 1980s to Late 1990s

	Dollar Change	% Change
Poorest Fifth . . .	3,470 *	42.0% +
Middle Fifth	7,810 *	24.5%
Richest Fifth	20,330 *	22.5%

Income Changes for Mississippi Families Late 1980s to Late 1990s, by Fifth of Families

Percentage change



* Change is statistically significant at the 95% confidence level.

+ Difference between this change and the percent change in the income of the top fifth is statistically significant at the 95% confidence level.

Source: Economic Policy Institute/Center on Budget and Policy Priorities, *Pulling Apart: A State-by-State Analysis of Income Trends*, April 2002.