

INCOME INEQUALITY HAS REMAINED ABOUT THE SAME IN SOUTH CAROLINA SINCE THE 1970s

Inequality has remained about the same in South Carolina over the past two decades. This can be observed by ranking all South Carolina 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 8.1 times as large as the poorest 20 percent of families.
- The richest 20 percent of families had average incomes 2.5 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 South Carolina. 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 \$3,930 between the late 1970s and the late 1990s, from \$10,900 to \$14,840.
- The average income of the middle fifth of families increased by \$10,890 between the late 1970s and the late 1990s, from \$36,070 to \$46,960.
- The average income of the richest fifth of families increased by \$33,530 between the late 1970s and the late 1990s, from \$86,100 to \$119,630.

The Recent Trend

Over the past decade, income inequality has decreased in South Carolina.

In the late 1980s, the richest 20 percent of families had average incomes 9.3 times as large as the poorest 20 percent of families. By the late 1990s, that ratio had fallen to 8.1.

- The average income of the poorest fifth of families increased by \$3,150 between the late 1980s and the late 1990s, from \$11,680 to \$14,840.
- The average income of the middle fifth of families increased by \$6,000 between the late 1980s and the late 1990s, from \$40,960 to \$46,960.
- The average income of the richest fifth of families increased by \$10,440 between the late 1980s and the late 1990s, from \$109,190 to \$119,630.

South Carolina

Income Inequality Among Families In South Carolina Has Remained About the Same Since the 1970s

Income Gaps, Late 1990s

	Rank (1 is most unequal)
Richest fifth vs. poorest fifth	42
Richest fifth vs. middle fifth	41

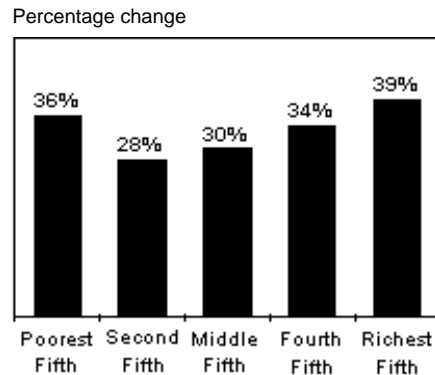
Income Gaps, Late 1990s

	Ratio
Richest fifth vs. poorest fifth	8.1
Richest fifth vs. middle fifth	2.5

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

	Dollar Change	% Change
Poorest Fifth . . .	3,930 *	36.1%
Middle Fifth	10,890 *	30.2%
Richest Fifth	33,530 *	38.9%

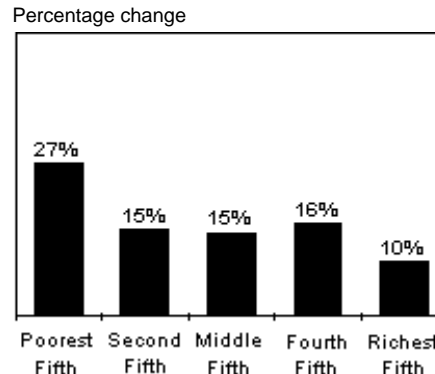
Income Changes for South Carolina Families Late 1970s to Late 1990s, by Fifth of Families



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

	Dollar Change	% Change
Poorest Fifth . . .	3,150 *	27.0% +
Middle Fifth	6,000 *	14.7%
Richest Fifth	10,440 *	9.6%

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



* 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.