

## **INCOME INEQUALITY HAS REMAINED ABOUT THE SAME IN SOUTH DAKOTA SINCE THE 1970s**

Inequality has remained about the same in South Dakota over the past two decades. This can be observed by ranking all South Dakota 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 7.2 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 Dakota. 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 \$4,770 between the late 1970s and the late 1990s, from \$12,080 to \$16,840.
- The average income of the middle fifth of families increased by \$11,610 between the late 1970s and the late 1990s, from \$36,490 to \$48,090.
- The average income of the richest fifth of families increased by \$32,870 between the late 1970s and the late 1990s, from \$87,840 to \$120,700.

### **The Recent Trend**

Over the past decade, income inequality has remained about the same in South Dakota.

- The average income of the poorest fifth of families increased by \$3,920 between the late 1980s and the late 1990s, from \$12,920 to \$16,840.
- The average income of the middle fifth of families increased by \$8,560 between the late 1980s and the late 1990s, from \$39,530 to \$48,090.
- The average income of the richest fifth of families increased by \$26,430 between the late 1980s and the late 1990s, from \$94,280 to \$120,700.

# South Dakota

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

### Income Gaps, Late 1990s

	Rank (1 is most unequal)
Richest fifth vs. poorest fifth	48
Richest fifth vs. middle fifth	45

### Income Gaps, Late 1990s

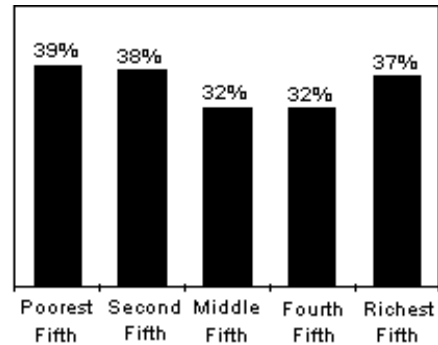
	Ratio
Richest fifth vs. poorest fifth	7.2
Richest fifth vs. middle fifth	2.5

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

	Dollar Change	% Change
Poorest Fifth . . .	4,770 *	39.5%
Middle Fifth . . . .	11,610 *	31.8%
Richest Fifth . . . .	32,870 *	37.4%

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

Percentage change

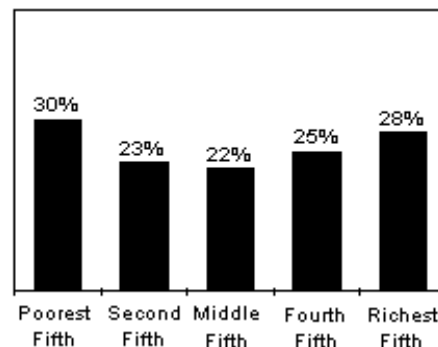


### Inflation-Adjusted Change in Incomes Late 1980s to Late 1990s

	Dollar Change	% Change
Poorest Fifth . . .	3,920 *	30.4%
Middle Fifth . . . .	8,560 *	21.6%
Richest Fifth . . . .	26,430 *	28.0%

### Income Changes for South Dakota 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.