

INCOME INEQUALITY HAS INCREASED IN THE UNITED STATES OVER THE PAST TWO DECADES

The United States was built on the ideal that hard work should pay off, that individuals who contribute to the nation's economic growth should reap the benefits of that growth. Over the past two decades, however, the benefits of economic growth have been skewed in favor of the wealthiest members of society. The incomes of the richest families climbed substantially, while the incomes of the middle- and lower-income families saw only modest increases.

- In the early 2000s, the *richest* 20 percent of families had average incomes **7.3** times as large as the *poorest* 20 percent of families. This is up from a ratio of **5.5** in the early 1980s.
- In the early 2000s, the *richest* five percent of families had average incomes **12.0** times as large as the *poorest* 20 percent of families. This is up from a ratio of **7.7** in the early 1980s.
- In the early 2000s, the *richest* 20 percent of families had average incomes **2.6** times as large as the *middle* 20 percent of families. This is up from a ratio of **2.1** in the early 1980s.
- In the early 2000s, the *richest* five percent of families had average incomes **4.3** times as large as the *middle* 20 percent of families. This is up from a ratio of **3.0** in the early 1980s.

Between the early 1980s and the early 2000s, in dollar terms

- The average income of the *poorest* fifth of families increased by **\$2,664**, from \$14,114 to \$16,778. This is roughly an increase of \$125/yr.
- The average income of the *middle* fifth of families increased by **\$10,218**, from \$36,657 to \$46,875. This is roughly an increase of \$485/yr.
- The average income of the *richest* fifth of families increased by **\$45,101**, from \$77,051 to \$122,152. This is roughly an increase of \$2,150/yr.
- The average income of the *richest* five percent of families increased by **\$92,512**, from \$109,195 to \$201,707. This is roughly an increase of \$4,410/yr.

The chart shows these dollar changes in percentage terms.

