



Lopsided income growth in Pennsylvania

On average, income in Pennsylvania grew 40.0% between 1979 and 2007.

Income growth, 1979–2007:

40.0%

Good thing for everybody, right? Not quite. The top 1% snared a disproportionate share of that growth—42.8%. So their massive income growth far eclipsed income growth of the bottom 99%, whose raise was meager when you divide it over three decades.

Change in income, 1979–2007:

Top 1%: 184.9%
Bottom 99%: 25.2%
Top 1%'s share of all growth: 42.8%

And unfortunately the Great Recession was no great leveler: The top 1% is recovering, but the bottom 99%'s income has actually gone down in the so-called recovery.

Change in income, 2009–2012:

Top 1%: 28.6%
Bottom 99%: -1.1%

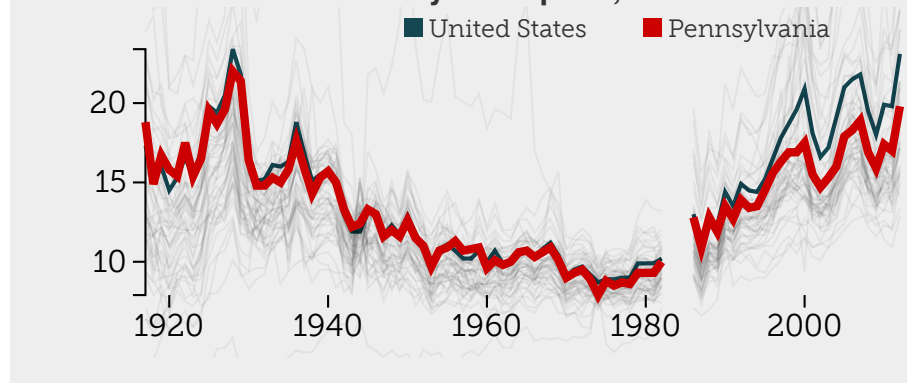
Thus, the lopsided income growth from 1979 to 2007 extended through 2012.

Change in income, 1979–2012:

Top 1%: 167.7%
Bottom 99%: 10.9%
Top 1%'s share of all growth: 61.1%

Due to this extended period of lopsided income growth, the share of all income held by the top 1% in recent years has approached or surpassed historical highs.

Share of all income held by the top 1%, 1917–2012



The upshot of these trends? A lopsided Pennsylvania economy, where top 1% average income is 24 times greater than the average income of the bottom 99%.

Average income in 2012:

Top 1%: \$1,069,318
Bottom 99%: \$43,847
24 times greater

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These tables are adapted from Estelle Sommeiller and Mark Price, *The Increasingly Unequal States of America: Income Inequality by State, 1917 to 2012*, an Economic Analysis and Research Network (EARN) report published January 26, 2015; go.epi.org/unequalstates.

Table 1. Income growth from 2009 to 2012, overall and for the top 1% and bottom 99%, state vs. region and U.S.

	Real income growth			Share of total growth (or loss) captured by top 1%
	Overall	Top 1%	Bottom 99%	
Pennsylvania	3.7%	28.6%	-1.1%	124.4%
Northeast	6.2%	28.3%	0.2%	97.3%
United States	6.3%	36.8%	-0.4%	105.5%

Note: In some state tables, † denotes that only the incomes of the top 1% grew over this period, ‡ denotes that only the incomes of the top 1% fell over this period, and † denotes that the average income of the bottom 99% could not be estimated in 2012 in Wyoming.

Table 2. Ratio of top 1% income to bottom 99% income, state vs. region and U.S., 2012

	Average income of the top 1%	Average income of the bottom 99%	Top-to-bottom ratio	Rank of top-to-bottom ratio [out of 50, 1=highest]
Pennsylvania	\$1,069,318	\$43,847	24.4	17
Northeast	\$1,656,523	\$48,199	34.4	
United States	\$1,303,198	\$43,713	29.8	

Note: The District of Columbia is not ranked among the 50 states but in its state table is given the rank it would attain if it were ranked among the 50 states.

Table 3. Income threshold of top 1%, top .01%, and average income of top .01%, state vs. region and U.S., 2012

	Income threshold of top 1%	Income threshold of top .01%	Average income of the .01%	Rank of average income of top .01% [out of 50, 1=highest]
Pennsylvania	\$354,868	\$7,772,417	\$24,847,479	23
Northeast	\$534,873	\$13,303,039	\$47,883,490	
United States	\$385,195	\$9,912,787	\$34,739,488	

Note: The District of Columbia is not ranked among the 50 states but in its state table is given the rank it would attain if it were ranked among the 50 states.

Table 4. Income growth from 1979 to 2007, overall and for the top 1% and bottom 99%, state vs. region and U.S.

	Real income growth			Share of total growth (or loss) captured by top 1%
	Overall	Top 1%	Bottom 99%	
Pennsylvania	40.0%	184.9%	25.2%	42.8%
Northeast	59.0%	301.2%	31.0%	52.9%
United States	36.9%	200.5%	18.9%	53.9%

Note: In some state tables, F indicates that only the incomes of the top 1% grew over this period.

Table 5. Top 1% share of all income, state vs. region and U.S., 1928, 1979, 2007

	1928	1979	2007	Change in share (percentage points)	
				1928–1979	1979–2007
				Pennsylvania	22.0
Northeast	26.3	10.3	26.1	-16.0	15.8
United States	23.4	9.9	21.8	-13.4	11.8

Data sources: Data are for tax units. The tables use state-level tax data from *Regional Income Inequality in the United States*, Estelle Sommeiller's 2006 Ph.D. dissertation for the University of Delaware, extended to 2012 using data from the Internal Revenue Service's SOI Tax Stats and Thomas Piketty and Emmanuel Saez's 2012 updates to their 2003 *Quarterly Journal of Economics* article, "Income Inequality in the United States, 1913–1998."