

Pulling Apart Synopsis for Rhode Island

(1) The study compared income growth by quintile for all fifty states from the period 1980-82 and 2001-03. In Rhode Island both the dollar gain in income and the percent growth in income of the top two quintiles far outstripped gains in the middle and bottom of the income scale. These are inflation-adjusted figures, measured in 2002 dollars.

	Income Change, 1980/82 – 2001/03	Percent Change
Bottom 20%	\$4,388	31.8%
Second 20%	\$9,133	34.8%
Middle 20%	\$11,343	30.5%
Fourth 20%	\$26,782	59.1%
Top 20%	\$79, 147	88.5%

(2) The study ranked states according to the growth in inequality, measured as the change in the ratio of average income of the top fifth to the average income of the bottom fifth over the period. A rank of 1 signifies greatest growth in inequality and 50 the least growth in inequality. Rhode Island ranked 15th.

Ratio of Top Fifth to Bottom Fifth in 1980/82	Ratio of Top Fifth to Bottom Fifth in 2001/03	Change in Ratio 1980/82-2001/03	Rhode Island Rank
4.7	6.8	2.1	15 th

(3) The study also compared incomes of the top fifth to that of the middle fifth (the “middle class”) Here Rhode Island ranked as 12th fastest growth in inequality – evidence for the so-called “disappearing middle class.”

Ratio of Top Fifth to Middle Fifth in 1980/82	Ratio of Top Fifth to Middle Fifth in 2001/03	Change in Ratio 1980/82-2001/03	Rhode Island Rank
1.9	2.4	0.5	12 th

(The study did the same set of comparisons and rankings for the period 1990/92 and 2001/03. Rhode Island experienced no significant change in inequality over this period.)

(4) The study also ranked inequality in two other ways: (1) the ratio of 2001/03 average income of top 5 percent to average income of the bottom fifth (data for the top five percent wasn't available for Rhode Island for the period before 2001/03) and (2) the ratio of 2001/03 income of the top fifth to the income of the bottom fifth. Again, 1 is most unequal and 50 is least unequal. Rhode Island ranks in the middle.

	Ratio	Rhode Island Rank
2001/03 Income of Top Fifth to Bottom Fifth	6.8	26 th
2001/03 Income of Top 5% to Bottom Fifth	10.6	28 th

(5) Upshot: Income distribution is highly unequal in the US and is growing more so. When one looks only at current income distribution (2001/03 period), Rhode Island's inequality puts it in the middle of the 50 states. However, Rhode Island is among the top third/quarter of states in terms of the growth in inequality. Incomes at the top (top fifth or top five percent) have grown considerably faster than have incomes of low and middle income Rhode Islanders. The top one-fifth families realized a gain in average income of \$79,147 over the twenty-year period studied. This is 18 times as much as the bottom fifth received and 9 times what the middle class received.