



PR12-05-061
Contact: Matthew Sweeney, (212) 669-3747

May 21, 2012
Page(s): 2

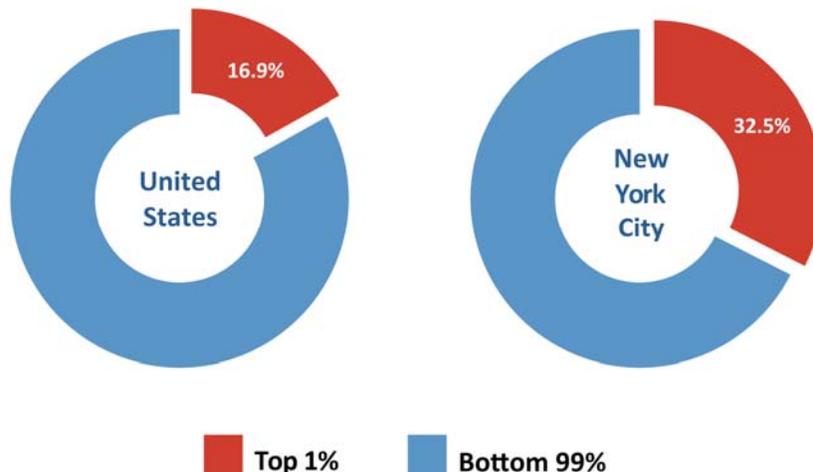
LIU REPORT: NYC’S INCOME GAP TWICE THE NATIONAL AVERAGE

Top 1% Takes One-Third of NYC’s Income

NEW YORK, NY – City Comptroller John C. Liu today released a report that details the income disparity in New York City. The study found that the top 1% of income tax filers receive one-third of all City personal income, a share that is almost twice the national average.

“Such a wide income gap has financial consequences for the City,” Comptroller Liu said. “Income inequality can weaken or destabilize the local tax base, reinforce patterns of racial and economic segregation, and undermine the vibrant social, cultural, and economic mix that is the foundation of New York City’s identity. It also threatens the very fragile economic recovery we are now experiencing.”

The report found that New York City tax filers in the top 1% accounted for 32.5% of the City’s entire reported income in 2009, based on the most recent micro-data available from the New York State Department of Taxation and Finance. By comparison, the top 1% across the U.S. accounted for 16.9% of income.



The income gap is further highlighted by the concentration of income among the very wealthiest. The most affluent 15,000 New York City households (the top 0.5% of filers) took in 26.7% of the City’s income. The top 2,000 households (the top 0.05% of filers) accounted for 18.9% of all income reported in the City.

Unequal gains in good years

The top 1% of earners ended the past decade with an average income of \$2.2 million, the same level at which they started in 2000. This reflects the volatile nature of investment income earned by the ultra-wealthy. However, the gains made by these top filers in the boom years (2003-2007) illustrate the speed with which income disparity grew in New York City.

During the good years, New Yorkers in the 99% of income earners made gradual gains that raised their average annual income from \$41,000 to \$50,000. In those same years, the income of the top 1% skyrocketed, more than doubling from \$1.5 million to \$3.9 million. From 2002 to 2007, 66% of the income growth citywide went to the top 1% of tax filers.



“We must not repeat the pattern of the last decade when a few gathered enormous wealth, while the vast majority of New York families were left behind or saw very modest gains,” Comptroller Liu said.

Background

“Income Inequality in New York City” was produced from research by the Comptroller’s economic advisory team led by Dr. Frank Braconi, Chief Economist in the NYC Comptroller’s Office.

Download the full report here:

http://www.comptroller.nyc.gov/bureaus/cac/pdf/NYC_IncomeInequality_v17.pdf