



MARK LEVINE
NEW YORK CITY COMPTROLLER



SPOTLIGHT

Recent Trends in Personal Income & Wage Inequality

September 2, 2026

1Centre Street, New York, NY 10007
(212) 669-3916
www.comptroller.nyc.gov



Contents

Introduction.....	4
Key Findings	5
Income Inequality in the United States and in New York City	6
Post-Pandemic Trends in Income Inequality.....	9
The Composition of Income Growth	13
Wage & Salary Inequality	14
Conclusion	19

Introduction

For most residents and outside observers, New York City has seemed to be an expensive place to live for about as long as anyone can remember. More recently, rapidly rising costs and wages that don't always appear to keep pace have heightened discussion of the “affordability” of living in New York City for many residents. At the same time, there has been [some recognition](#) that New Yorkers are not necessarily all in this together, with disparate growth rates of earnings and wealth across the income spectrum insulating some local residents more than others. Recent concern has focused on the “K-shaped” economy, suggesting an upward slope of real income growing for those who are already in the higher part of the income distribution while a downward slope characterizes the lower portion of the distribution.

This Spotlight examines how real income and wages have grown in recent years across the income distribution in New York City, as well as how concentrated incomes are in New York relative to the rest of the nation. The analysis uses both administrative tax data and separate government job and wage data by occupation to address these questions.

As might be expected, the results suggest a not entirely uniform picture. Overall income is highly concentrated in New York City relative to the U.S. And in post-pandemic years this concentration has become even more pronounced, with average growth in real income (i.e., after adjusting for inflation) only occurring for the highest cuts of the NYC income distribution. Across most of the income distribution in the city, income growth has barely kept pace with inflation.

However, most of the increase in income concentration, in recent years, appears to have been driven by business and investment income, reflecting wealth inequality, and also by bonus incentive pay. Base wages and salaries do not appear to be the culprit—as looking at them alone suggests, paradoxically, that workers in lower-wage occupation have generally seen faster income growth than workers in higher-wage fields.

Key Findings

This Spotlight finds that New York City’s already-high level of income inequality (before taxes and transfer programs) increased substantially between 2019 and 2024, with income gains increasingly concentrated among the city’s highest-income residents.

1. **New York City is considerably more unequal than the nation overall.** In 2024, the top 1 percent of NYC tax units received 37 percent of all income in the city, compared with 22 percent nationally. The top 0.1 percent received 22 percent of all NYC income, approximately double what is seen nationally.
2. **Income growth was heavily concentrated at the top.** Between 2019 and 2024, nearly two-thirds of New York City’s real income growth accrued to the top 1 percent, compared with 39 percent nationally. The top 0.1 percent alone accounted for more than half of the city’s income growth.
3. **For most New Yorkers, income growth did not keep pace with inflation.** Between 2019 and 2024, real median income fell 3.2 percent, while average real income for the bottom 90 percent was essentially unchanged. Only the top two income deciles saw meaningful real income gains.
4. **New York’s income distribution diverges from the nation’s in both directions.** The average income of the bottom 90 percent of New York City tax units was 9 percent below that of the bottom 90 percent nationally in 2024. Lower- and middle-income New Yorkers also face a substantial cost-of-living disadvantage.
5. **Non-wage income is the primary driver of faster income growth at the top.** Capital gains, dividends, interest, business income, rents, and other non-wage sources make up a much larger share of income at the top and grew rapidly between 2019 and 2024. Among the top 1 percent, non-wage income increased from 64 percent of total income in 2019 to 69 percent in 2024.
6. **Wage growth trends were nuanced, with lower-paying jobs generally seeing faster wage growth than higher-paying jobs.** From 2019 to 2025, pay grew more quickly in many lower-wage fields than in higher-wage ones, modestly narrowing the wage gap between them.

New York City’s ability to create wealth helps drive our economy and fund critical programs that support New Yorkers. The challenge is ensuring jobs and prosperity is shared much more broadly—by lowering the cost of living, increasing workers’ earnings and economic

mobility, rebuilding pathways to middle-income jobs, and enabling far more New Yorkers to build and own assets that grow in value as the economy grows.

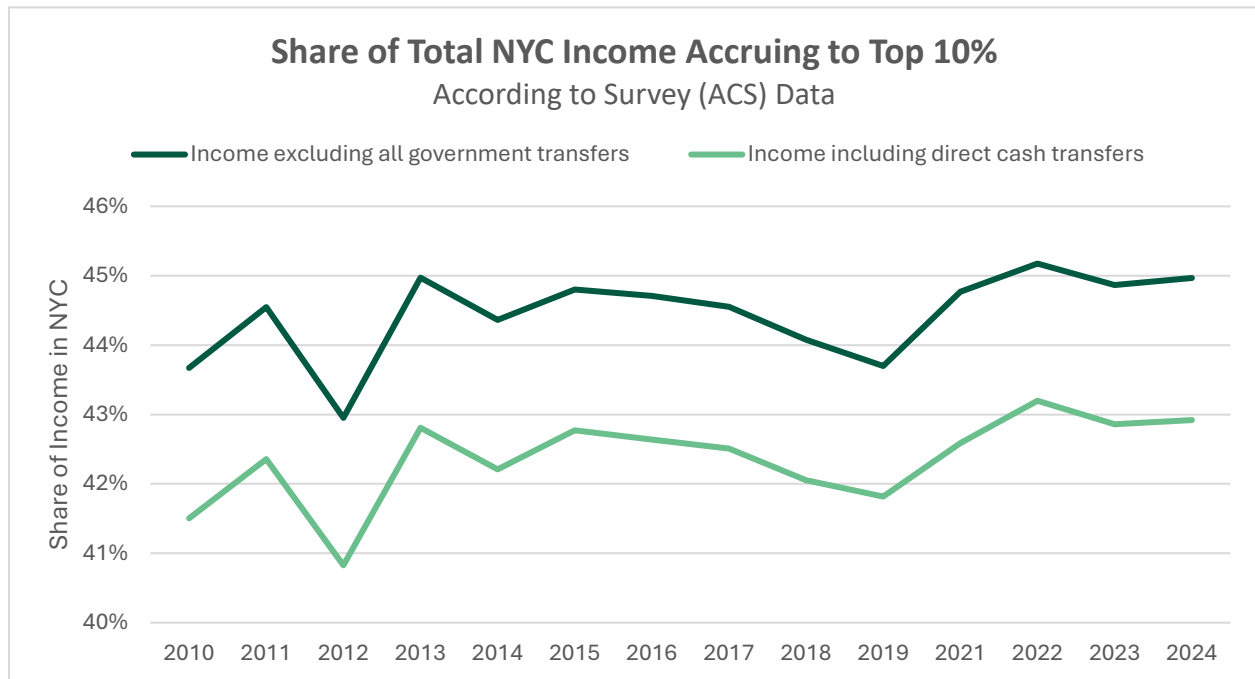
Income Inequality in the United States and in New York City

A long-term rising trend of income inequality in the United States has been documented in multiple studies, beginning at least as early as the 1980s and continuing to the present.¹ Perhaps best-known among these was an analysis by Thomas Piketty and Emmanuel Saez (P&S) that focused on income concentration and used federal tax data to show the evolution of the share of U.S. income accruing to the top slices of the income distribution. Their analysis traced a century-long U-shape, with high concentration prior to World War II of roughly 45% income share for the top 10-percent of households, falling below 35% with the New Deal and remaining there through the 1960s and 1970s before beginning a steady ascent beginning around 1980 — to 50% in 2019 and nearly 52% in 2024. Even more dramatic is the path of the top 1-percent of households, whose income shares also fell from above 15% pre-war to below 10% in the 1970s, but steadily rose to 22% in 2024.²

In part because of the limitations of tax data, P&S focus on income before taxes and government transfers—which excludes social security benefits, unemployment and disability insurance benefits, and other cash and in-kind government subsidies—e.g., Federal SSI and TANF cash assistance, SNAP food credit, and Section 8 housing vouchers. P&S also add an assumption-based income imputation to account for the mostly low-income population that does not file a tax return in each year.³ Because of this, their analysis is most valuable in its exposition of income size and share growth for the highest-income portions of the income distribution.

Before reproducing such an analysis for NYC, we first look at survey data from the Census Bureau’s American Community Survey (ACS), which is helpful in providing a longer historical framing and for looking at income with and without government transfers. As seen in Chart 1, the ACS data suggest increasing income concentration for the highest 10-percent of city residents over the past 15 years, both with and without consideration of certain cash transfers⁴.

Chart 1



Source: American Community Survey (U.S. Census Bureau) as downloaded from IPUMS USA, University of Minnesota, www.ipums.org; Office of the NYC Comptroller. Note: Each observation is a 20+ adult, with married couples' incomes pooled and divided in half for each partner. Transfers do not include in-kind benefits or refundable tax subsidies (see endnote 4). 2020 data excluded because of reliability issues.

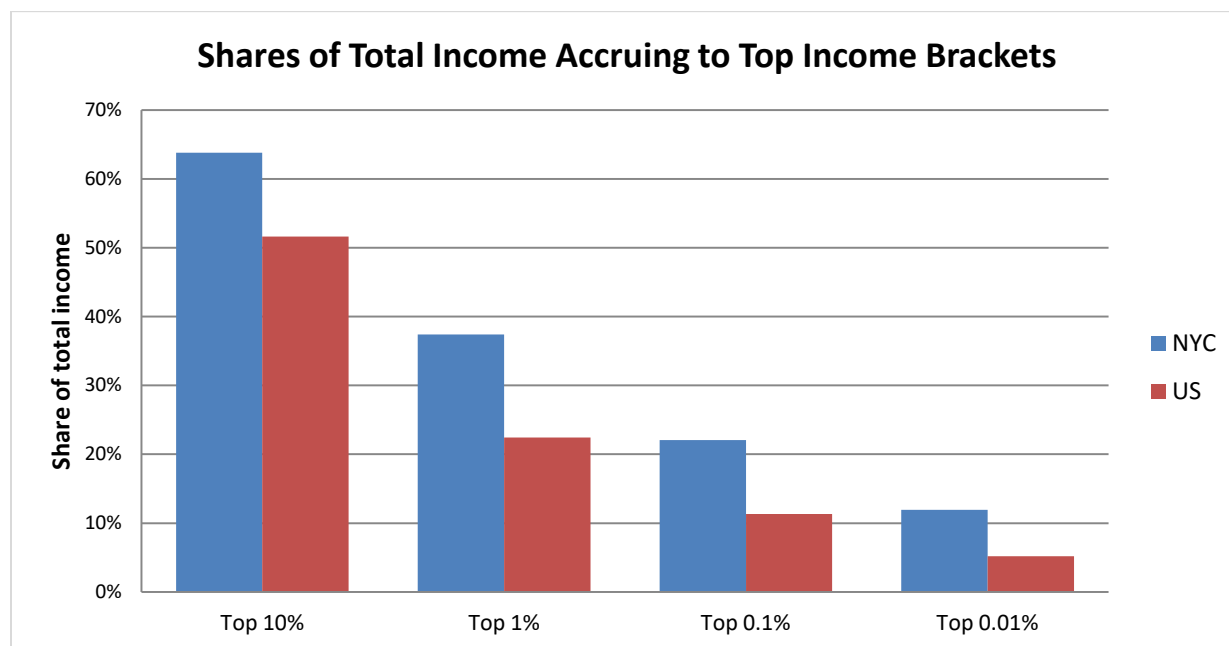
However, this survey data set likely understates the extent of income at the top by a significant amount, as the income measure does not include capital gains realizations and the highest incomes are “top-coded” for confidentiality reasons—which means that reported income by type (e.g., wages, investment income) above a fixed maximum are reported as that maximum. These limitations inevitably bias the high-income shares downward and are likely the principal reason why these income shares based on survey data in NYC are below the national shares found using tax data by P&S, even for the measure that excludes all cash subsidies. And, as a further shortcoming of using survey data, the top-coding and the limited sample size make inference on the concentration of income among the top 1-percent or higher cuts nearly impossible.

To better examine changes at the top of NYC’s income distribution, this Spotlight uses 2024 Personal Income Tax returns data for the full population of full-year NYC resident filers, made available to the Office of the NYC Comptroller from the NY State Department of Taxation and Finance.⁵ Following P&S’s methodology, income is measured pre-tax and did not include any government transfers—including social security, unemployment, and disability benefits. Included are wages and salaries, pensions and retirement distributions, interest (including tax-exempt municipal bond interest), dividends, capital gains, sole-proprietor business income, partnership and other pass-through income, rents, royalties,

and trust distributions. To account for the non-filing portion of the population, synthetic tax unit households were added based on the American Community Survey, weighted to match NYC population totals from the latest Intercensal and Vintage 2025 Census Bureau estimates. Also following P&S, simplifying assumptions were made to simulate comparable income measures for non-filers.⁶

Income in New York City is far more concentrated than in the nation as a whole. The tax record-based data for NYC show that the city's top 10-percent (roughly 500 thousand tax units) received an average income of \$687,000 in 2024 for a 63% share of total 2024 income among NYC full-year residents. This is well above the 45% share seen for this group in the survey data, and also markedly higher than the U.S. average income of \$471,000 and income share of 52%, as measured by tax data by P&S. Chart 2 compares 2024 income shares for the highest income groups in New York City to the U.S. shares as measured by P&S. As can be seen, NYC income disparities widen and consistently exceed the national ones when looking at smaller slices at the top of the income distribution. The city's top 1-percent comprised about 50,000 tax units with incomes averaging \$4.0 million and received 37% of all income, versus 22% for the top 1-percent nationally. The roughly 5,000 tax units in the city's top 0.1-percent had average incomes of nearly \$24 million and accounted for 22% of all market income in the city—double the 11% share received by the top 0.1-percent nationally, and about equal to the share received by the entire top 1-percent in the national distribution.

Chart 2



Sources: NYC data – Office of the New York City Comptroller analysis using NY State Department of Tax and Finance Article 22 Personal Income Tax Study File, with constructed non-filer tax units based on the American Community Survey; US—Thomas Piketty and Emmanuel Saez, updated data based on 2024 IRS Statistics of Income, June 2026. Notes: Shares computed as group income over total income of all units, including units with negative income. NYC income share for top 0.001-percent of units was 5.5%; US top 0.001-percent not published.

The lower 90-percent of the city’s tax units, including the estimated incomes for those who did not file a tax return, averaged \$44,500, 9% below the \$49,000 average for the bottom 90-percent nationally. **New York’s income distribution thus diverges from the nation’s in both directions: its top incomes are markedly higher, while incomes across the broad remainder of the distribution are somewhat lower.** This last result is even more striking when considered against the higher-than-average prices faced by New York City residents. The Bureau of Economic Analysis estimates [regional prices](#) faced by NYC-area residents are on average 12.6% above the national level. This means that the purchasing power of the average income of the bottom 90-percent of NYC families is 19% below the national average of the bottom 90-percent (before factoring in government tax, transfers, and subsidies and assuming that the average price level differences in goods and services applies equally to spending across the income distribution).

Post-Pandemic Trends in Income Inequality

Between 2019—the last year before the pandemic—and 2024, average income per tax unit in New York City rose 30.9% in nominal terms, well ahead of a 20.1% rise in consumer prices in the New York area over the same period. But that healthy average growth was not broadly shared: it was driven almost entirely by gains at the top of the distribution. Median

income rose just 16.3% in nominal terms, a decline of 3.2% in real terms. For the bottom 90-percent of tax units as a group, average income rose 19.2% in nominal terms, a real decline of just under 1%.

Real income growth over the period rises steadily, and steeply, with each successively narrower slice of the top of the distribution. Average income for the top 10-percent rose 35.0% in nominal terms, a 12.4% gain after inflation. Real growth reached 16.2% for the top 1-percent, 24.9% for the top 0.1-percent, 38.8% for the top 0.01-percent, and 57.9% for the roughly 50 tax units in the top 0.001-percent, whose income averaged nearly \$600 million per unit in 2024.

It should be noted that there was significant year-to-year income volatility among high-income New Yorkers in the years between 2019 and 2014—most sharp in 2021 and 2022, as was shown in an earlier [analysis](#) of tax data by this Office. And while the underlying comparison between the two years studied reflect well the average growth through the period, it should not be construed to imply steady income growth through each intervening year.

Table 1. NYC Average Income by Fractiles and its Growth, 2019–2024

	Average income 2019	Average income 2024	Nominal growth 2019–24	Real growth 2019–24
Bottom 90%	\$37,367	\$44,525	19.2%	-0.8%
Top 10%	\$508,542	\$686,618	35.0%	12.4%
Top 1%	\$2,883,758	\$4,027,603	39.7%	16.2%
Top 0.1%	\$15,818,811	\$23,746,985	50.1%	24.9%
Top 0.01%	\$76,929,765	\$128,333,450	66.8%	38.8%
Top 0.001%	\$315,408,951	\$598,490,198	89.8%	57.9%
All tax units	\$81,741	\$106,984	30.9%	8.9%
Median (all units)	\$31,229	\$36,325	16.30%	-3.20%

Source: Office of the New York City Comptroller analysis using NY State Department of Tax and Finance Article 22 Personal Income Tax Study File (NY State Department of Taxation and Finance) with constructed non-filer tax units based on the American Community Survey. Notes: Pre-tax, pre-transfer income per tax unit, including realized capital gains; nominal growth deflated by the NYC-area CPI change for all items of +20.1% (BLS).

A similar pattern appears when looking at the full income distribution. Real average income declined between 2019 and 2024 for every income decile group below the eighth, with the largest proportional decline at the bottom of the distribution. Real average income was essentially flat in the seventh and eighth deciles, and only the ninth decile (up 3.7%) and

the top decile (up 12.4%) posted meaningful real gains. **Put simply, only tax units in roughly the top fifth of the city’s income distribution had higher real incomes in 2024 than similarly ranked units did in 2019.**

As has been noted in [prior analysis](#) of 2019 to 2024 tax data by the Office of the NYC Comptroller, a shift in NYC’s tax unit family-size composition has occurred in the years following the pandemic. The number of joint filers in NYC fell by about 70,000 (-7%) and head-of-household fell by about 15,000 (-2%) while single filers grew by almost 90,000 (+4%). Presumably, these shifts are occurring in part because of economic factors and shouldn’t be ignored. But they also could lead to somewhat misleading measured declines in average tax unit income over the period, as single filers on average have lower income than joint filers. To estimate the impact of these family composition shifts on the measurement of average income, 2024 family units were reweighted so that their filing status distribution matched that of 2019. **When doing so, average real income growth, 2019 to 2024, for the bottom 90-percent of income distribution was +0.4%, versus -0.8% without the reweighting, meaning that a 1.2 percentage point real income decline was the result of the filing status change alone.**

The pandemic period increased income concentration nationwide, but the shift was considerably larger in New York City, as can be seen in Table 2. The share of the city’s income received by the top 1-percent rose 2.3 percentage points between 2019 and 2024, from 35.1% to 37.4%, compared with a 1.3 percentage point increase nationally. Further up the distribution the gap is starker: the city’s top 0.01-percent share rose 2.6 percentage points, more than four times the 0.6 percentage point national increase.

Table 2. Top Income Shares, NYC and US, 2019 and 2024

	NYC			U.S.		
	2019	2024	change	2019	2024	change
Top 10% share	61.8%	63.8%	+2.0%	50.0%	51.6%	+1.6%
Top 1% share	35.1%	37.4%	+2.3%	21.1%	22.4%	+1.3%
Top 0.1% share	19.2%	22.1%	+2.9%	10.1%	11.3%	+1.2%
Top 0.01% share	9.3%	11.9%	+2.6%	4.6%	5.2%	+0.6%

Sources: NYC data – Office of the New York City Comptroller analysis using NY State Department of Tax and Finance Article 22 Personal Income Tax Study File, with constructed non-filer tax units based on the American Community Survey; US —Thomas Piketty and Emmanuel Saez, [updated data](#) based on 2024 IRS Statistics of Income, June 2026. Notes: Shares computed as group income over total income of all units, including units with negative income.

A complementary way to summarize the period is to ask who captured the growth. From 2019 to 2024, real average income per tax unit grew 8.9% in New York City, slightly faster

than the 8.1% national pace, as shown in Table 3. **But in the city, the top 1-percent captured 64% of that growth — meaning that of the total increase in real income across all tax units, nearly two-thirds accrued to the highest-income 1 percent— compared with 39% nationally.** Outside the top 1-percent, the contrast between the city and the nation is striking, with real average income for the bottom 99-percent growing 2.4% in New York City versus 6.3% nationally, and the city’s bottom-90 percent experiencing a small real decline against a gain of 4.6% in the nation.

Table 3. Income Growth and Shares of Growth, NYC and U.S., 2019 to 2024

	NYC	U.S.
<i>Real growth of average income, 2019-2024</i>		
All tax units	8.9%	8.1%
Bottom 90%	-0.8%	4.6%
Bottom 99%	2.4%	6.3%
Top 10%	12.4%	11.6%
Top 1%	16.2%	14.7%
<i>Fraction of growth accruing to group, 2019-2024</i>		
Top 10%	85.6%	71.6%
Top 1%	63.7%	38.6%
Top 0.1%	53.1%	27.2%
Top 0.01%	40.7%	12.4%
Top 0.001%	24.8%	NA

Sources: NYC data – Office of the New York City Comptroller analysis using NY State Department of Tax and Finance Article 22 Personal Income Tax Study File, with constructed non-filer tax units based on the American Community Survey; US —Thomas Piketty and Emmanuel Saez, [updated data](#) based on 2024 IRS Statistics of Income, June 2026. Notes: Shares computed as group income over total income of all units, including units with negative income.⁷

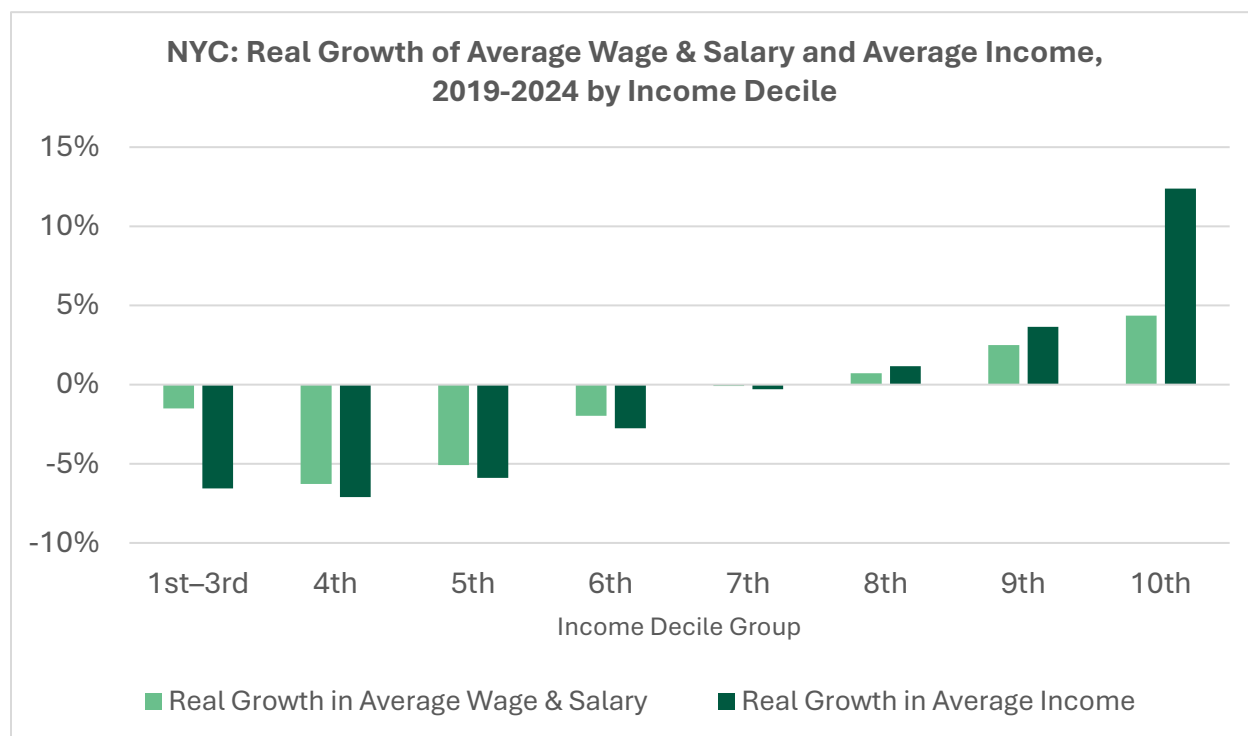
The Composition of Income Growth

The biggest factor causing much higher income growth rates at the highest end of the income distribution is the rapid growth of non-wage income components. As was also noted in a [prior analysis](#), income for the highest income groups is heavily weighted towards capital-related sources including realized capital gains, dividends, interest, business income from sole proprietorships, partnerships and S-corporations, and rental income. For the top 10-percent group, non-wage income sources were 46% of their total income in 2019 and grew by 23% in real terms to become more than 50% of total income in 2024. For the top 1-percent, non-wage sources were 64% in 2019 and had real growth of 25% to become 69% of their 2024 income. Non-wage sources were only 15% of 2019 income for the bottom 90-percent, with 9% real growth to a 16% share of their 2024 income. As much of non-wage income emanates from returns on capital, these differences reflect the high degree of wealth inequality in NYC, even though not directly measured here.

Realized capital gains can be volatile—they swing with asset prices and with the timing of sales—a rise in top income shares in any pair of years can partly reflect temporary realization behavior rather than a durable change in the distribution. It is therefore possible that the measured income growth comparisons between any two years could be strongly affected by this volatility. However, when measured excluding capital gains, the increase in concentration in New York City from 2019 to 2024 is just as large, and the contrast with the nation is sharper still. Excluding gains, the city’s top 1-percent share rose 2.6 percentage points (from 29.7 to 32.3%) versus 0.9 points nationally,⁸ and the top 0.1-percent share rose 2.9 points versus 0.9 points nationally.

When looking just at wage and salary income, there is still growing inequality but the disparity of change is not as stark. Chart 3 shows, within each decile for total income, how average real wage and salary grew for those with wage income. While the top decile does experience the highest growth rate, at 4% it is well below the 12% growth in total income for the group.

Chart 3



Source: Office of the New York City Comptroller analysis using NY State Department of Tax and Finance Article 22 Personal Income Tax Study File (NY State Department of Taxation and Finance) with constructed non-filer tax units based on the American Community Survey. Notes: Pre-tax, pre-transfer income per tax unit, including realized capital gains; real growth deflated by the NYC-area CPI change of +20.1% (BLS).

But even when looking solely at wages and salary, it is also important to note that a significant portion of salary paid to those in the highest 10-percent comes in the form of incentive pay—i.e., bonuses—which are themselves often related to financial market and corporate performance for a significant number of high-income workers in the city. While it would be useful to separate changes in base pay from bonuses, tax return data is unable to do so.

Wage & Salary Inequality

To get a good sense of what is driving recent trends in base pay, we use a separate data source to focus here on dispersion of base wages and salaries across and within occupations. While the degree of overall income polarization is clearly high and rising, recent trends in wages—both locally and nationally—show some indications of modest movement in the opposite direction.

Employment and wage data by occupation are reported annually for the nation as a whole and the NYC metropolitan area—though not the 5 boroughs alone—based on the Bureau of Labor Statistics’ OEWS (Occupational Employment and Wage Statistics) program. These

data cover roughly 800 detailed occupations, showing number of employees, median and mean wage paid in each one. Unlike the tax data and the QCEW (Quarterly Survey of Employment & Wages), OEWS wages do not include most variable pay, in particular Wall Street and corporate bonuses. One shortcoming of this data set is that it is available only by broad metro area and not for the 5 boroughs specifically. But since it is based on place of employment, rather than place of residence, and since many people commute both into and out of NYC, it likely provides a reasonable estimate of local occupational trends. These statistics also refer to wage rates, not hours; thus, for example, if two dental assistants—one working 40 hours a week and the other working 15 hours a week—were paid the same wage, they would appear identical in this data set, even though one would be earning a good deal more over the course of a year.

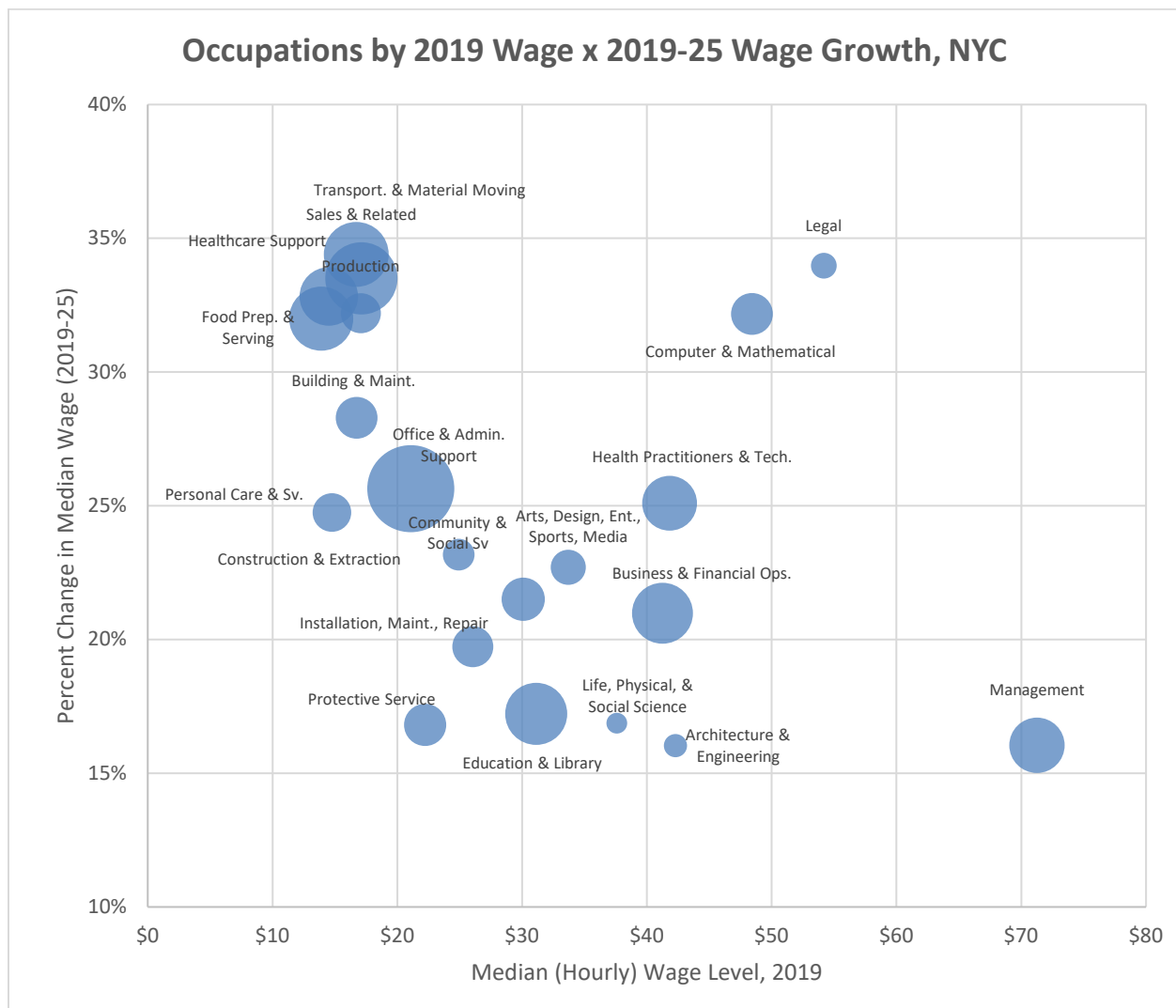
These data are used as a rough gauge of how much wages have grown in high-wage vs middle-wage vs low-wage occupations. These statistics also provide both average wages and median wages, within each occupation and for the overall workforce. Because rapid growth in income at the high end of the pay scale will tend to drive up mean income but not median income—i.e. the income of a “typical” worker—comparing growth in these two metrics can be used as a rough proxy for inequality within occupations: if the mean is growing faster than the median, that implies a growing concentration of income at the high end. Thus, it is possible to estimate the degree to which wage inequality has been increasing/decreasing both across occupations and within occupations.

In looking at the overall workforce, it appears that wage inequality has increased slightly, as mean wages grew by 29%, while median wages grew by 26%. A similar pattern held at the national level over this period, with the mean and median increasing by 30% and 28% respectively. Both nationwide and in the NYC metro area, growth in the median wage barely exceeded inflation.

Nevertheless, when comparing across broad occupational groups, there appear trends toward more wage convergence, i.e. less inequality. Chart 4 below shows all 22 broad occupation groups for the New York City metro area; the horizontal position reflects the occupation’s median wage in 2019, its vertical position reflects how much that median wage subsequently grew from 2019 to 2025, and the size of the bubble. With the notable exception of Legal and Computer occupations, lower-wage occupations tended to see stronger median wage growth than higher-wage occupations. The nationwide pattern is similar, except that Computer & Legal occupations were not as much outliers.

Median wages grew most quickly in Transportation & Material Moving, Food Preparation & Serving, Health Care Support, and Sales occupations—all of which pay relatively low wages. In contrast, wage growth was below average in the relatively high-paying Management, Business & Financial, and Architecture & Engineering occupations.

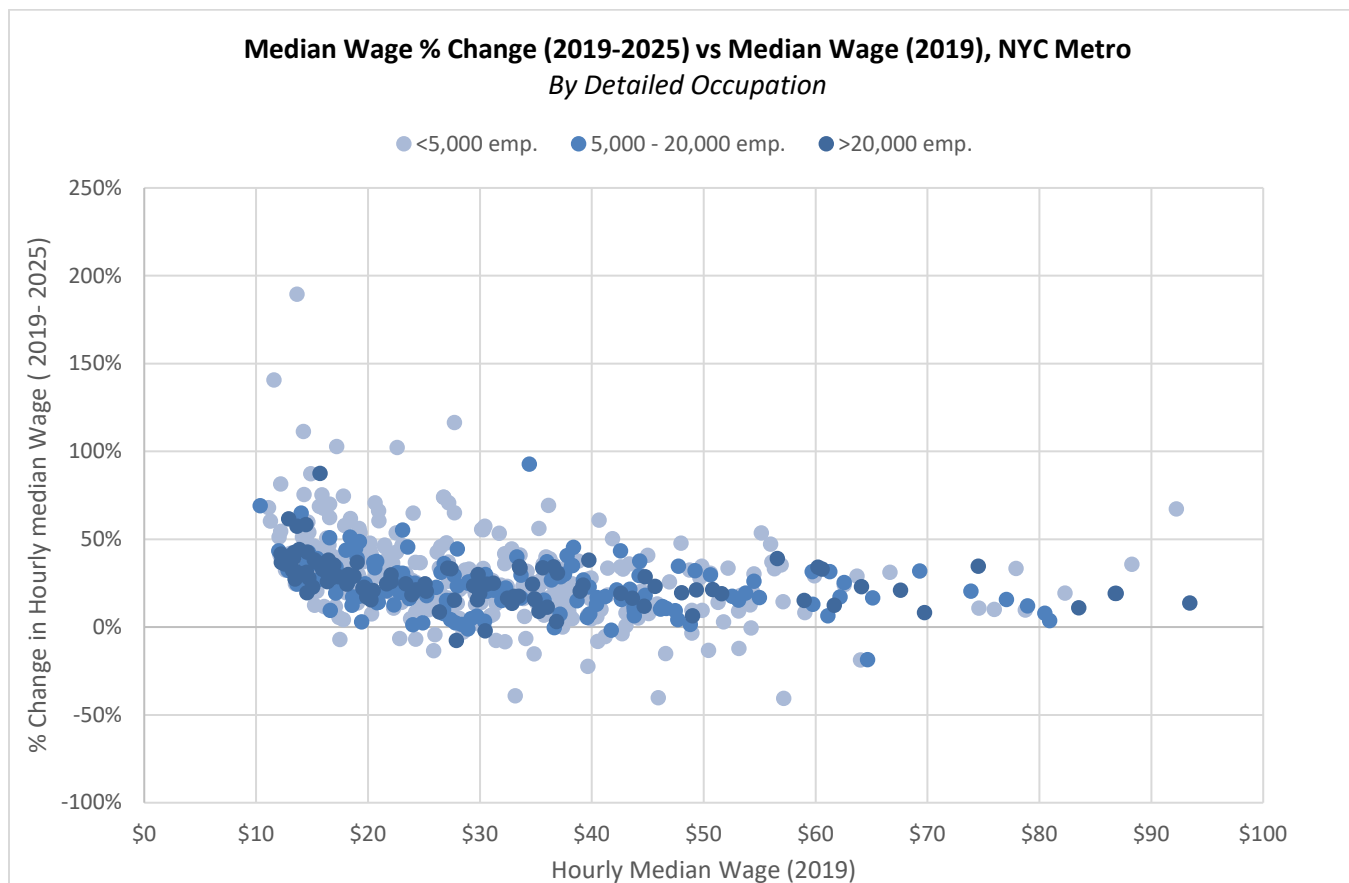
Chart 4



Sources: OEWS, Office of the NYC Comptroller

Drilling down to more detailed level of 625 specific occupations, a similar pattern is evident, as shown in Chart 5 below. In this scatterplot, larger occupations (with 20,000+ employees) are designated by dark-blue dots, while small occupations (with under 5,000 workers) are displayed with light-blue dots. Again, it is clear, with some exceptions, that lower-paying occupations have seen faster wage growth than higher-paying ones, and the correlation of -0.49, weighted by number of employees in each occupation in 2019, is quite significant.

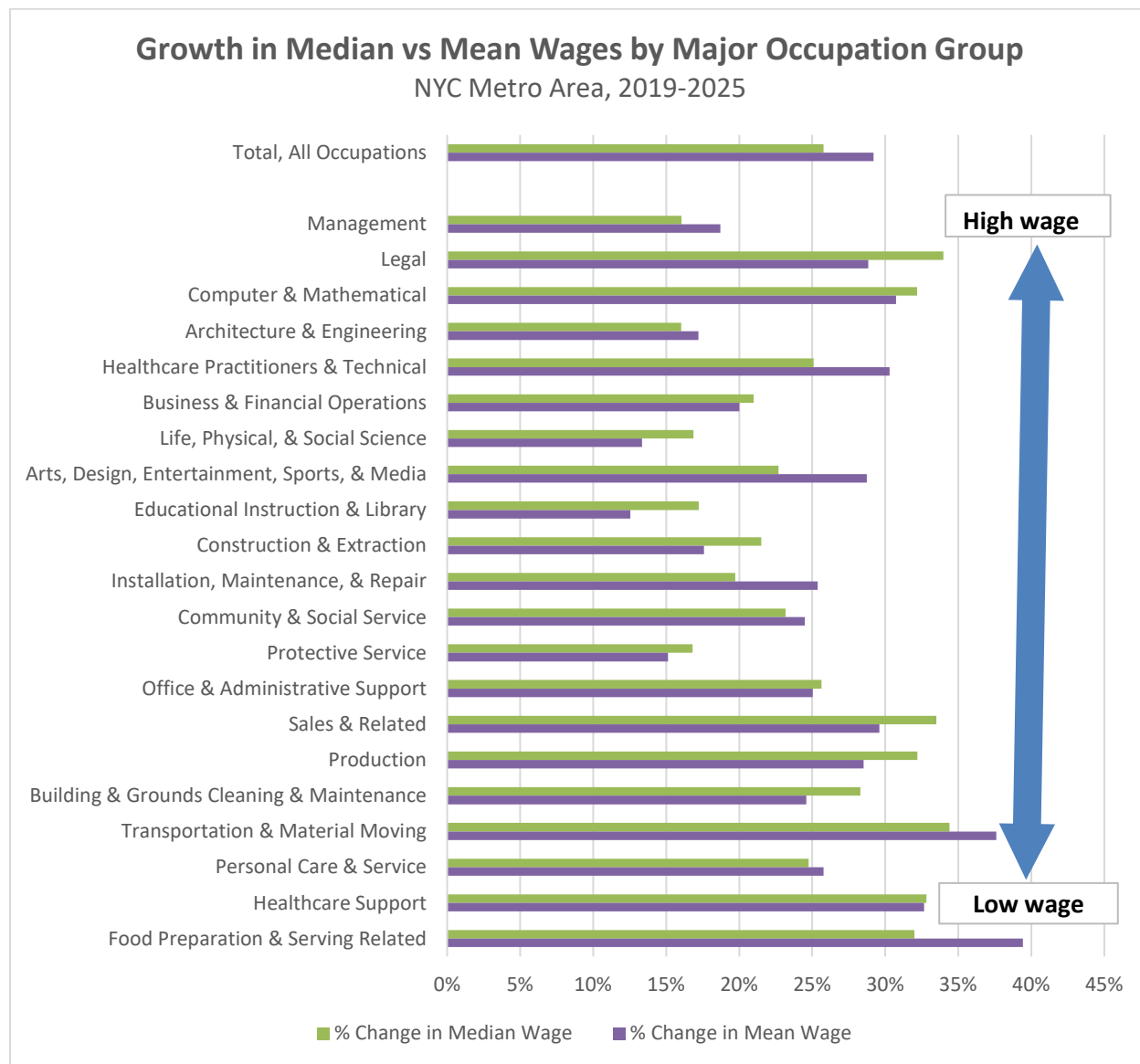
Chart 5



Sources: OEWS, Office of the NYC Comptroller

At the same time, when examining wage growth within broad occupational groups, trends toward and away from inequality are more mixed. As shown in Chart 6 below, some broad occupation groups saw mean wages growing faster than median wages, while others saw the reverse. Moreover, whether the mean grew faster or slower than the median seems unrelated to how high-paying the occupation overall was. For instance, both food preparation (the lowest paying) and management (the highest paying) experienced growing income concentration over this period, while both the high-paying legal and computer fields and the lower-paying sales & production groups saw diminishing concentration.

Chart 6



Sources: OEWS, Office of the NYC Comptroller

This decline in wage disparity across occupations was likely driven, at least in part, by increases in the minimum wage.⁹ Although the steepest increases in NYC came before 2019, the rest of the metro area saw increases of more than 35% between 2019-2025.

If wage dispersion across occupations has narrowed and changes in wage dispersion within occupations has been mixed, how has overall wage dispersion increased slightly? It is because almost all of the net increase in employment has accrued to two broad occupation groups—one high-wage and one low-wage—as illustrated in Table 4 below, Meanwhile most occupations with mid-range pay levels have seen declining employment.

		NYC Metro Area Employment*		
		2019	2025	Net Change
-	<i>Mean Hourly Wage in 2019</i>			
All Occupations	\$32.11	9,655,330	9,492,000	(163,330)
Management (Highest-Paying)	\$79.73	548,400	713,690	165,290
All Other Occupations	\$30.31	8,494,270	7,934,580	(559,690)
Health-Care Support (Lowest Paying)	\$14.51	612,660	843,730	231,070

* Three counties (Orange, Dutchess, Pike), composing less than 3% of metro-area employment, were re-classified out of the NYC Metro Area between 2019 & 2025. Thus, net changes are understated and should be used only for comparison.

Sources: OEWS, Office of the NYC Comptroller

Still, these results generally reinforce that recurring base wage and salary is not a main driver of growing income inequality in NYC, even though there has persistently been a wide divergence between and within occupations.

Conclusion

The picture that emerges from this Spotlight is one of an income distribution that was already unusually concentrated before the pandemic and has become more so since. In 2024, the top 1-percent of New York City tax units received 37% of all income in the city, and the top 0.1-percent alone received 22%, double the corresponding national shares. Between 2019 and 2024, the New York City's income shares at the top of the distribution rose faster than the nation's, and nearly two-thirds of the real income growth over the period accrued to the top 1-percent, compared with under 40% nationally. The result also holds when volatile capital gains are excluded.

Below the highest income groups, income growth was less than the citywide average suggests. Real median income fell over the period, and real average income for the bottom 90-percent of tax units was essentially flat. Part of the measured decline reflects a post-pandemic shift toward single filers and away from joint returns, but even after adjusting for that shift, the bottom 90-percent's average income saw almost no gain in real terms. Perhaps more surprising, the average income of the city's bottom 90-percent is below that of its national counterpart even before accounting for the substantially higher cost of living in the New York area; adjusted for local prices (but not for transfer programs), the

purchasing power of income for the lower 90-percent of New Yorkers is close to one-fifth below that of the bottom 90-percent nationally.

The evidence also points to what is—and is not—driving these trends. The divergence at the top is predominantly a story of non-wage income: capital gains, dividends, interest, business income, and rents, which make up most of the income for the top 1-percent and grew faster than wages did. Wage and salary income, viewed on its own, shows a much milder widening, and occupational wage data that exclude bonuses show base pay growing faster in lower-wage occupations than in higher-wage ones, and within many occupational groups wages are converging rather than growing more unequal. The labor market, in other words, has been modestly compressing pay differentials even as the overall income distribution has pulled apart. Rising concentration in New York City reflects the returns to wealth, changes in who lives here, and the mix of jobs in the city—rather than a deterioration in the relative pay of its lower-wage workers.

Acknowledgments

This report was prepared by Jonathan Siegel, Chief Economist, and Jason Bram, Director of Economic Research, with assistance from Aida Farmand, Senior Tax Policy Analyst, and Aliyah Sahqani, Economic Research Analyst. Archer Hutchinson, Creative Director led the design, with assistance from Danbin Weng, Multimedia Designer, and Martina Carrington, Web Developer.

Endnotes

¹ See, for example: Thomas Piketty and Emmanuel Saez, “Income Inequality in the United States, 1913–1998,” *Quarterly Journal of Economics*, 2003; Emmanuel Saez and Gabriel Zucman, “The Rise of Income and Wealth Inequality in America: Evidence from Distributional Macroeconomic Accounts,” *Journal of Economic Perspectives*, Fall 2020, <https://www.aeaweb.org/articles?id=10.1257/jep.34.4.3>; Congressional Research Service, “The U.S. Income Distribution: Trends and Issues,” August 19, 2026, <https://www.congress.gov/crs-product/R44705>; Economic Policy Institute, “The new gilded age: Income inequality in the U.S. by state, metropolitan area, and county,” July 19, 2018, <https://files.epi.org/pdf/147963.pdf>.

² The data for the original Piketty/Saez analysis have been continuously updated as new years of data are made available. The authors’ updated data through 2024 is downloadable here: <https://eml.berkeley.edu/~saez/TabFig2024.xlsx>.

³ Some have criticized this income definition and their non-filer imputations for not accurately measuring total family resources. See <https://www.brookings.edu/articles/measuring-income-inequality-a-primer-on-the-debate/> for a discussion. For this reason, the Piketty and Saez method is sharply limited in its inference on the welfare of lower-income families and how it has changed over time. But it remains a useful metric on the underlying evolution of income before government interventions are factored in.

⁴ ACS income with transfers includes most direct cash programs including Social Security, Unemployment Insurance, SSI, TANF, and workers’ compensation. It does not include in-kind subsidies such as SNAP,

Section 8 housing vouchers, and Medicaid. It also does not include tax-based cash subsidies such as the Federal, NY State, and NYC Earned Income Credits and the Federal Child Tax Credit.

⁵ The analysis is based on the second (or “final”) extract made available by NYS Department of Taxation and Finance. Subsequent (and more complete) extracts are not available to our Office.

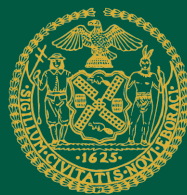
⁶ Non-filing simulated tax units were created from the ACS using family relationship, age, marital status, and student status. Weights were adjusted so that the population counts from the combined filer and non-filer units matched latest Census revised estimates for each tax year. Each constructed non-filing tax unit from the ACS was given the 30th percentile income of filing tax units within their estimated filing status (i.e., single, joint, head-of-household). This differs from the imputation used by P&S which used 20% of mean income across all filers. Averaging across years, the levels of overall average non-filer income produced by each method are very similar. However, the change to percentile rather than mean was meant to eliminate the impact of disparate income growth at the highest-end of the tax-filing income distribution on the non-filer income imputation. Also, separating units by single/joint/head of household status accounts for the different estimated filing status distribution of non-filers, as compared to filers.

⁷ While negative income is included in the denominator for income and income growth shares, these units’ income is not included in the bottom 90% or 99% groups, as these are often business owners and investors that are temporarily experiencing accounting losses. A decline in the absolute value of negative income between 2019 and 2024 accounts for 18% of the overall growth in real income, which is why the fraction of real growth accruing to the top 10% is less than 100%, despite negative real growth for the bottom 90%.

⁸ From PS, who also publish tabulations of income and income growth excluding capital gains.

⁹ Nationwide, wage growth exhibits similar patterns although to a lesser degree—faster wage growth in low-paying than high-paying occupations and less variance within occupations.





NEW YORK CITY COMPTROLLER
MARK LEVINE

1 Centre Street, New York, NY 10007

www.comptroller.nyc.gov

(212) 669-3916