ARE WE ALL ADVANCING?

Examining Income Gains and Gaps Over Time and Across States

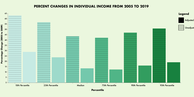
UNDERSTANDING ECONOMIC PROGRESS

Median income in the U.S. has grown over the past 14 years, suggesting progress for individuals across income levels equally? To find out, we'll analyze trends across income percentiles, revealing whether economic growth is shared or if disparities persist.

THE UNEQUAL RISE IN INCOME

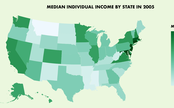
Median incomes rose modestly, but the top percentiles saw significantly greater gains. In contrast, income growth at the 10th and 25th percentiles remains stagnant. This disparity raises questions about the inclusivity of economic progress, leading us to consider inflation-adjusted gains.

THE IMPACT OF INFLATION ON INCOME GAINS



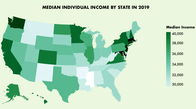
Adjusted for inflation, income growth paints a starker picture. While higher percentiles show gains, median and lower percentiles struggle to keep up, barely holding their purchasing power. This reveals a widening divide, urging us to look at trends across states to see if this pattern holds regionally.

STATE-BY-STATE INCOME COMPARISONS



2005 State Income Levels

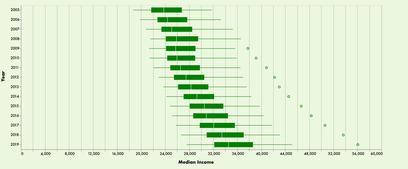
Higher-income states like New Jersey and Massachusetts already led in 2005, leaving others behind. Has this gap narrowed?



2019 State Income Levels

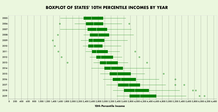
By 2019, the income gap between states had widened further. Prosperous states accelerated, leaving lower-income states further behind, highlighting deepening regional inequalities.

INCOME DISPARITIES OVER TIME



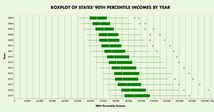
Comparing states' median incomes, we see that wealthier states steadily outpace others. Lower-income states struggle to keep up, showing how income inequality between states has intensified over time. The next analysis shifts focus to lower-income earners within states.

LOWER-INCOME TRENDS ACROSS STATES



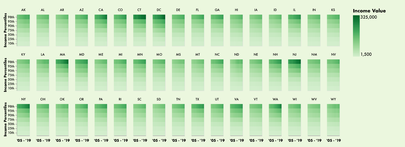
In 2005, lower-income levels varied widely across states. Over 14 years, the gap has grown, especially for those at the 10th percentile, raising concerns about economic mobility and persistent barriers for lower-income earners. Next, we examine high-income trends to see if disparities are consistent at all levels.

HIGH INCOME DISPARITIES OVER TIME



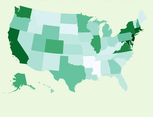
In 2005, top earners in wealthier states had a clear advantage, and by 2019, these disparities have only intensified. The patterns of inequality between states prompt a deeper look at inequalities within each state, asking if individuals in higher-income states fare better.

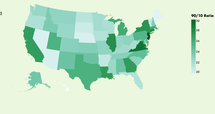
REGIONAL INTERNAL INEQUALITY

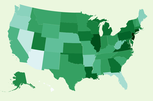


Examining the changes within states, we see significant internal inequality growth in areas like Connecticut and D.C., with lower-income regions showing stagnant or minimal growth. This trend contrasts with states like Kentucky, where incomes are more evenly distributed.

INTERNAL INCOME DISTRIBUTION METRICS

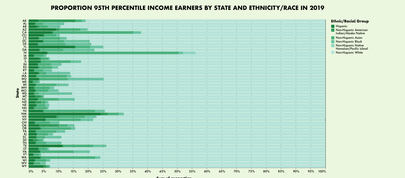






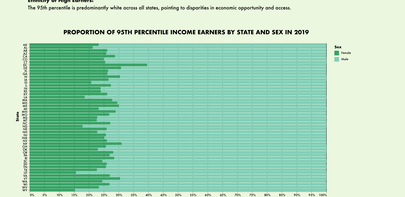
Metrics like the 90/10 ratio and interquartile range reveal wide income spreads in many states. High-income earners outpace others by a large margin, underscoring income inequality within states. This raises questions about who benefits most from these economic divides.

HIGH INCOME DISPARITIES OVER TIME



Ethnicity of High Earners:

The 95th percentile is predominantly white across all states, pointing to disparities in economic opportunity and access.



Gender Disparities:

Men are overrepresented among top earners, highlighting persistent gender inequality in income.

FINAL THOUGHTS

These findings reveal that addressing income inequality requires tackling both regional and demographic disparities. Creating a more equitable society means understanding and addressing the underlying causes that shape income distribution across the U.S.