

OREGON

Inequality has increased in Oregon over the past two decades. This can be observed by ranking all Oregon families according to their income level, dividing them into five groups (or fifths) of equal size, and calculating the average income of each fifth of families. This analysis shows by the late 1990s:

- The richest 20 percent of families had average incomes 11.2 times as large as the poorest 20 percent of families.
- The richest 20 percent of families had average incomes 3.2 times as large as the middle 20 percent of families.

The Long-Term Trend

Since the late 1970s, income inequality has increased in Oregon. The long-term economic growth of the past two decades was not shared evenly among the poor, the rich, and the middle class. Instead, the top fifth of families fared substantially better than other income groups.

In the late 1970s, the richest 20 percent of families had average incomes 6.4 times as large as the poorest 20 percent of families. By the late 1990s, that ratio had grown to 11.2. This increase in inequality was greater than in all but 3 states. The gap between the rich and the middle class also increased. This increase was greater than in all but 1 state.

- The average income of the poorest fifth of families decreased by \$1,930 between the late 1970s and the late 1990s, from \$14,840 to \$12,900.
- The average income of the middle fifth of families increased by \$190 between the late 1970s and the late 1990s, from \$44,790 to \$44,980.¹
- The average income of the richest fifth of families increased by \$49,520 between the late 1970s and the late 1990s, from \$94,780 to \$144,300.

The Recent Trend

Over the past decade, income inequality has increased in Oregon.

In the late 1980s, the richest 20 percent of families had average incomes 7.0 times as large as the poorest 20 percent of families. By the late 1990s, that ratio had increased to 11.2. This increase in inequality was greater than in all but 1 state. The gap between the rich and middle class also increased. This increase was greater than in all but 1 state.

- The average income of the poorest fifth of families decreased by \$2,070 between the late 1980s and the late 1990s, from \$14,970 to \$12,900.
- The average income of the middle fifth of families increased by \$280 between the late 1980s and the late 1990s, from \$44,710 to \$44,980.¹
- The average income of the richest fifth of families increased by \$39,800 between the late 1980s and the late 1990s, from \$104,500 to \$144,300.

¹The direction of this change was not statistically significant at the 95 percent level of confidence.

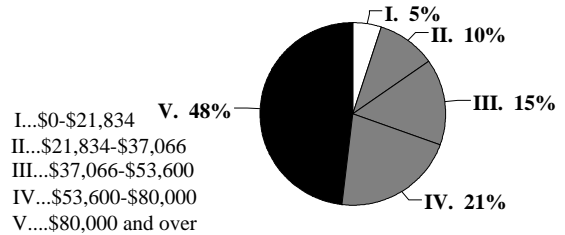
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Income Inequality Among Families In Oregon Has Increased Since the 1970s

Income Gaps, Late 1990s

	Rank (1 is most unequal)
Richest fifth vs. poorest fifth	8
Richest fifth vs. middle fifth	4

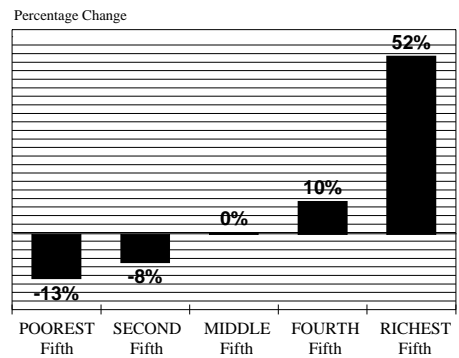
Share of Income Held by Each Income Fifth, Late 1990s



Inflation-Adjusted Change in Incomes Late 1970s to Late 1990s

	Dollar Change	% Change
Poorest Fifth . . .	-\$1,930*	-13%
Middle Fifth	\$190	0%
Richest Fifth	\$49,520*	52%

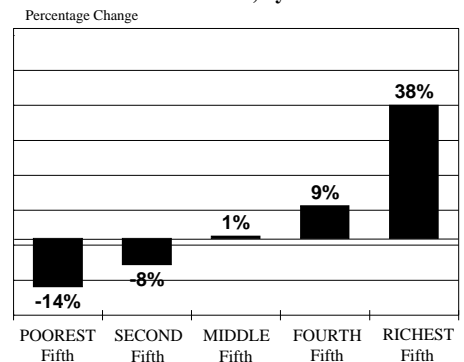
Income Change for Oregon Families Late 1970s to Late 1990s, by Fifth of Families



Inflation-Adjusted Change in Incomes Late 1980s to Late 1990s

	Dollar Change	% Change
Poorest Fifth . . .	-\$2,070*	-14%
Middle Fifth	\$280	1%
Richest Fifth	\$39,800*	38%

Income Change for Oregon Families Late 1980s to Late 1990s, by Fifth of Families



* Change is statistically significant at the 95 percent level of confidence. No statistical significance test was conducted for percentage changes.