

BEYOND THE HEADLINES

At a Glance: Jobs, Workers & the Economy

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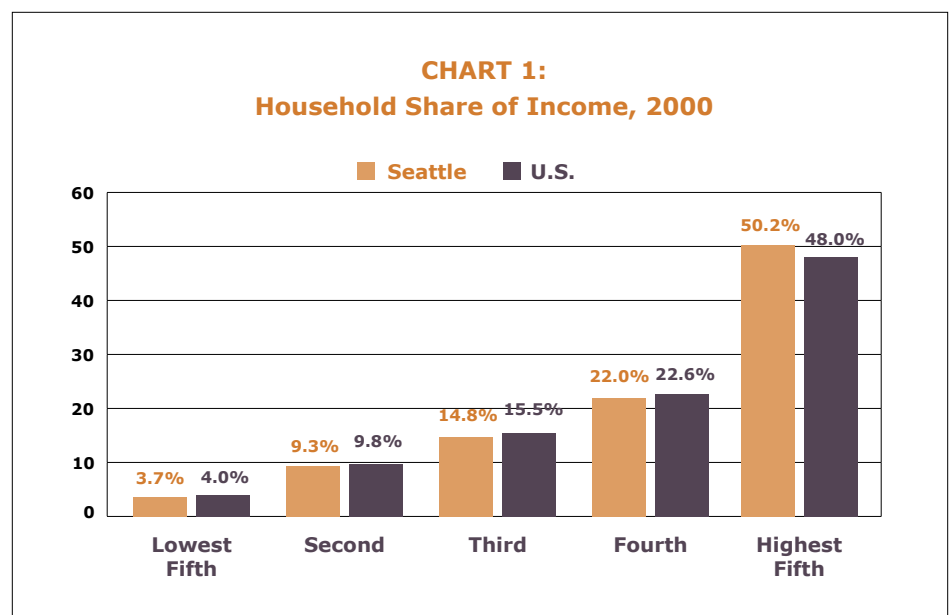
FOCUS: UNITED STATES & SEATTLE

A Look at Seattle's Shifting Income Inequality Picture

After many decades of stability, income inequality has significantly increased across the United States since the 1970s. Most of the increase in the inequality gap is due to the increasing share of income held by the nation's wealthiest households. On the heels of the Great Recession in 2007, income inequality peaked with the wealthiest 10 percent of households holding a 49.7 percent share of income.¹ While the economy has largely recovered from the economic downturn, income inequality is still an issue that remains monitored closely by policymakers, scholars, and other interested parties.

In an effort to better understand the income inequality trends in Seattle and the U.S., Seattle Jobs Initiative has analyzed the 2012 the American Community Survey's estimates from 2000 to 2012. **Chart 1** displays the household share of income categorized by quintiles for the City of Seattle and the United States in 2000. The share of income for Seattle households is less than the U.S. at all quintiles except for the highest fifth. Seattle's highest fifth held a 50.2 percent share of all income in 2000 compared to 48 percent for the U.S.

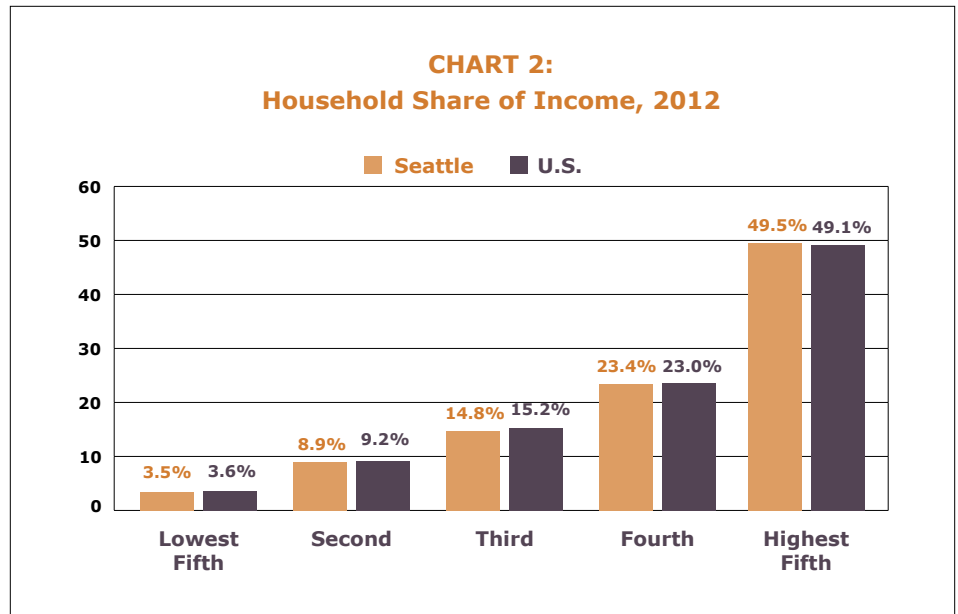
Chart 2 displays the household share of income in 2012. While Seattle's highest fifth still holds a larger share than the U.S.' highest fifth, it has declined 0.7 percent since 2000. Conversely, the income share of the highest fifth of U.S. households has increased 1.1 percent over the same time period. At the same time that household income share for the highest fifth of Seattle's population has decreased, the lowest and



SOURCE: U.S. Census Bureau, American Community Survey 2000 1-Year Estimates

second fifths of households have also experienced decreases in income share. This also holds true for the U.S. population.

As the economy moves toward a state of economic recovery, income inequality will continue to be a concern for many. For the City of Seattle, the share of income for highest fifth of households has decreased, but lower income households are also experiencing decreases in income share. For



SOURCE: U.S. Census Bureau, American Community Survey 2012 1-Year Estimates

both the nation and Seattle, increases in income share have occurred for the middle and upper-middle classes. Policy makers should be watchful of these statistics now and into the foreseeable future to ensure that Seattle’s – and our nation’s – low-income residents are not forced into economic hardships. Enacting minimum-wage increases and other policies for these populations will help keep the gap from widening. Further, investing in skills attainment for those earning low wages is critical to helping them advance to higher-wage careers.

1. U.S. Congress Joint Economic Committee, "Income Inequality and the Great Recession," September, 2010, http://www.jec.senate.gov/public/?a=Files.Serve&File_id=91975589-257c-403b-8093-8f3b584a088c

BEYOND THE HEADLINES: Policy & Labor Market Updates for Those Working to Help Low-Income and Low-Skill Individuals Advance through Education, Training & Living-Wage Jobs

About Seattle Jobs Initiative

Seattle Jobs Initiative creates opportunities for students, workers and business to succeed by helping education and job training programs meet the demands of a new economy. We find and apply solutions for people to gain the skills they need for good jobs that create prosperity for all in today’s marketplace.

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