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# Income Inequality in the U.S. Is Rising Most Rapidly Among Asians

Asians displace blacks as the most economically divided group in the U.S.

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## Terminology

"Income" in this report refers to what is afforded a person by the combined resources of his or her household, whether the person had personal earnings or not. Thus, people's incomes are represented by their household's income adjusted for household size. All members of a household have the same income. Incomes are expressed in 2016 dollars.

Income is the sum of earnings from work, capital income such as interest and dividends, rental income, retirement income, and transfer income (such as government assistance), before payments for income taxes and social security contributions. The terms "income" and "earnings" are used interchangeably in this report.

The 90/10 ratio, a widely used measure of income inequality, is the ratio of the income at the 90th percentile of the income distribution to the income at the 10th percentile.

The Gini coefficient, another commonly used measure of income inequality, is derived from the share of aggregate income held by each individual. In a perfectly equal world, everyone has the same income, or the same share of aggregate income, and the Gini coefficient equals zero. In a perfectly unequal world, one individual holds all of the aggregate income and the Gini coefficient is equal to one.

Income distributions, incomes at various percentiles, and measures of inequality are computed separately for each racial and ethnic group.

Whites, blacks and Asians include only the single-race, non-Hispanic component of those groups. Hispanics are of any race. Asians include Pacific Islanders. Other racial/ethnic groups are included in all totals but are not shown separately.

"Foreign born" refers to people born outside of the United States, Puerto Rico or other U.S. territories to parents of whom neither was a U.S. citizen, regardless of legal status. The terms "foreign born" and "immigrant" are used interchangeably in this report.

Differences between numbers or percentages are computed before the underlying estimates are rounded.

## **Table of Contents**

About Pew Research Center	1
Terminology	2
Overview	4
From 1970 to 2016, income growth skews to the top, more so among Asians	16
Income gaps across racial and ethnic groups persist and, in some cases, are wider than in 1970	25
Acknowledgments	33
Methodology	34
Appendix A: Income distributions of whites, blacks, Hispanics and Asians in the U.S., 1970 and	
2016	40
Appendix B: Additional tables	46

## Income Inequality in the U.S. Is Rising Most Rapidly Among Asians

Asians displace blacks as the most economically divided group in the U.S.

Income inequality, a measure of the economic gap between the rich and poor, has <u>risen</u> <u>steadily</u> in the United States since the 1970s. More recently, the issue burst into public consciousness with the <u>Occupy Wall Street</u> movement in 2011 and subsequent <u>calls</u> for a \$15 minimum wage. An important part of the story of rising income inequality is that experiences within America's racial and ethnic communities vary strikingly from one group to the other.

Today, income inequality in the U.S. is greatest among Asians. From 1970 to 2016, the gap in the standard of living between Asians near the top and the bottom of the income ladder nearly doubled, and the distribution of income among Asians transformed from being one of the most equal to being the most unequal among America's major racial and ethnic groups.

In this process, Asians displaced blacks as the most economically divided racial or ethnic group in the U.S., according to a new Pew Research Center analysis of government data. While Asians overall rank as the highest earning racial and ethnic group in the U.S., it is not a status shared by all Asians: From 1970 to 2016, the gains in income for lowerincome Asians trailed well behind the gains for their counterparts in other groups.

## From lowest to highest: Income inequality in U.S. increased most among Asians from 1970 to 2016

Ratio of income at the 90th percentile to income at the 10th percentile



Note: Whites, blacks and Asians include only non-Hispanics and are single-race only in 2016. Hispanics are of any race. Asians include Pacific Islanders. Income is adjusted for household size. See Methodology for details.

Source: Pew Research Center analysis of 1970 decennial census and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

An increase in income inequality matters because of the potential for social and economic consequences. People at the lower rungs of the income ladder may experience diminished <u>economic opportunity and mobility</u> and have less <u>political influence</u>. Researchers have also linked growing inequality to greater geographic <u>segregation</u> by income. In addition, there is evidence that rising inequality may harm overall <u>economic growth</u> by <u>reducing consumption levels</u>, causing <u>excessive borrowing</u> by lower- to middle-income families, or limiting investment in <u>education</u>.

The income gap between Americans at the top and the bottom of the income distribution widened 27% from 1970 to 2016. Among all Americans, those near the top of the income ladder had 8.7 times as much income as those near the bottom in 2016, \$109,578 compared with \$12,523. In 1970, Americans near the top had 6.9 times as much income as those near the bottom, \$63,512 compared with \$9,212. (All income estimates are adjusted for household size and expressed in 2016 dollars.)

This measure of inequality, known as the 90/10 ratio, takes the ratio of the income needed to place among the top 10% of earners in the U.S. (the 90th percentile) to the income at the threshold of the bottom 10% of earners (the 10th percentile).<sup>1</sup> It is a simple measure of the gap in income between the top and the bottom of the income ladder and is commonly used by <u>researchers</u> and <u>government agencies</u>. (See <u>text box</u> for more on measuring inequality.)

The 90/10 ratio varies widely by race and ethnicity. In 2016, Asians at the 90th percentile of their income distribution had 10.7 times the income of Asians at the 10th percentile. The 90/10 ratio among Asians was notably greater than the ratio among blacks (9.8), whites (7.8) and Hispanics (7.8).

This pattern of inequality across groups represents a significant shift from the past. In 1970, the 90/10 ratio among Asians was 6.1, about as low as among whites (6.3). But the top-to-bottom gap in income among Asians increased 77% from 1970 to 2016, a far greater increase than among whites (24%), Hispanics (15%) or blacks (7%).<sup>2</sup> This marked difference in the growth in inequality reflects the fact that Asians near the top experienced more growth in income from 1970 to 2016 than any other group while Asians near the bottom experienced the least growth.

<sup>&</sup>lt;sup>1</sup> The U.S. adult household population, with some omissions, is ordered by income, lowest to highest, and divided into 100 equal-sized groups, or percentiles, based on household income adjusted for household size (see <u>Methodology</u>). The 1st percentile refers to the 1% of the population with the lowest incomes and the 99th percentile refers to the 1% of the population with the highest incomes. Other measures of income inequality, such as the <u>Gini coefficient or the Atkinson index</u>, also show that it has <u>increased</u> since the 1970s, although the precise change depends on the measure used, the choice of the income concept (for example, pretax or after-tax income), and other technical considerations. The U.S. Census Bureau is one source of a variety of <u>measures of income inequality</u> for the U.S.

<sup>&</sup>lt;sup>2</sup> The change in income inequality among blacks may be sensitive to the rate of incarceration among them (see text box).

### **Measuring inequality**

This report estimates income inequality within racial and ethnic groups via two widely used measures – the 90/10 ratio and the Gini coefficient. The 90/10 ratio is the ratio of the income at the 90th percentile of the income distribution to the income at the 10th percentile. Thus, it provides a simple measure of the distance between the top and the bottom of the income distribution.

The <u>Gini coefficient</u>, perhaps the most <u>commonly used measure</u> of income inequality, looks at the share of aggregate income held by each individual. In a perfectly equal world, everyone has the same income, or the same share of aggregate income. Under that circumstance, the Gini coefficient equals zero. In a perfectly unequal world, one individual holds all aggregate income and the Gini coefficient is equal to one.

Looking around the world, the Gini coefficient <u>ranges</u> from around 0.25 in some countries in eastern and northern Europe to 0.60 in countries in southern Africa. In the U.S., <u>Census Bureau estimates</u>, based on household income, show the Gini coefficient increasing from 0.394 in 1970 to 0.481 in 2016. Small changes in the Gini coefficient may represent meaningful differences in inequality. The standard error of the Gini coefficient for the U.S. in 2016 was 0.0021, for example. Like other measures of inequality, the Gini coefficient has its <u>advantages and disadvantages</u>.

There are <u>several other measures of inequality</u>. In addition to the 90/10 ratio, researchers often estimate the 90/50 ratio, comparing the income at the 90th percentile with the income at the 50th percentile (the median), or the 50/10 ratio. Other measures focus on the share of aggregate income held by the <u>top 1% or the top 1%</u>, or the share held by the top 10% relative to share held by the bottom 40% (the <u>Palma ratio</u>). The <u>Theil</u> <u>index and the Atkinson index</u> are common alternatives to the Gini coefficient. Many of these measures, or close variants, are <u>reported</u> on by the U.S. Census Bureau. All measures show an increase in income inequality in the U.S. from 1970 to 2016. It should be noted that measures of shares of aggregate income are likely to be biased with public-use versions of household survey data, such as the American Community Survey, in which income data are top-coded – that is, restricted to a maximum value which may be less than actual income – an issue that also affects the Gini coefficient.

Inequalities in economic outcomes may also be measured through the lenses of consumption or wealth. Estimates of <u>consumption inequality</u> generally show lesser inequality than estimates of income inequality. Estimates of <u>wealth inequality</u> reveal a greater concentration at the top than estimates of income inequality, however. More recently, researchers have focused on the inequality in <u>economic opportunity</u>, such as in access to schooling or jobs. The Asian experience with inequality is partly driven by immigration.<sup>3</sup> Immigrants accounted for 81% of the growth in the Asian adult population from 1970 to 2016, and the foreignborn share among Asians increased from 45% to 78% in this period.<sup>4</sup> The surge in Asian immigration followed the <u>Immigration and Nationality Act</u> in 1965, which favored <u>family</u> <u>reunification</u>, and the end to the war in Vietnam in 1975, which brought in a <u>wave of refugees</u>. One result was that the <u>share of new Asian immigrants working in high-skill</u> <u>occupations</u> decreased from 1970 to 1990, and the share working in low-skill occupations increased.<sup>5</sup>

More recently, the <u>Immigration Act of 1990</u> sought to increase the inflow of skilled immigrants. Coinciding with a boom in the technology sector, a new wave of Asian immigrants, many from India, followed under the auspices of the <u>H-1B visa</u> <u>program</u>. Thus, since 1990, there has been an increase in the share of Asian immigrants employed in high-skill occupations.

Education levels and incomes <u>vary widely among Asians</u> living in the U.S. In 2015, the share with at least a bachelor's degree, among adults ages 25 and older, ranged from 72% among Indians to 9% among Bhutanese, median household income varied from \$100,000 among Indians to \$36,000 among Burmese, and poverty rates ranged as high as 35% among the Burmese and 33% among the Bhutanese.<sup>6</sup> This diversity in their origins and experiences is reflected in the relatively high level of income inequality among Asians.

# Most Asian adults in the U.S. are foreign born

% of U.S. adults who are foreign born



Note: "Foreign born" means born outside the U.S., Puerto Rico or other U.S. territories to parents of whom neither was a U.S. citizen, regardless of legal status. Whites, blacks and Asians include only non-Hispanics and are single-race only in 2016. Hispanics are of any race. Asians include Pacific Islanders. See Methodology for details. Source: Pew Research Center analysis of 1970 decennial census and 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

<sup>&</sup>lt;sup>3</sup> Immigrants may influence the income distribution either directly through their own labor market outcomes or indirectly through their impact on the wages of U.S.-born workers. The indirect effect on wages and inequality is <u>believed to be small</u>.

<sup>&</sup>lt;sup>4</sup> These estimates are based on the adult, civilian household population, less households for whom half or more of their income is imputed by the Census Bureau (see <u>Methodology</u> and tables in <u>Appendix B</u> for details).

<sup>&</sup>lt;sup>5</sup> These shares are computed for immigrants from China, India, Korea, the Philippines and Vietnam, who account for about 80% of all Asian immigrants in the U.S.

<sup>&</sup>lt;sup>6</sup> These estimates of household income are not directly comparable with other income figures in the report because they are not adjusted for household size and are reported in 2015 dollars. See tables in <u>Appendix B</u> for details.

These are among the key findings from a new Pew Research Center analysis of American Community Survey (ACS) data from the U.S. Census Bureau in conjunction with decennial census data. The period of analysis is 1970 to 2016, from the decade marking the rise in inequality in modern times to the latest available data. The sample for the analysis is the U.S. adult, civilian household population, with some omissions.<sup>7</sup>

The focus of this report is on income inequality within the major racial and ethnic communities in the U.S., and on the gaps in income across people in these groups at the bottom, middle and upper points of the income distribution. Income inequality is measured using the 90/10 income ratio and the Gini coefficient (see <u>text box</u>). The term "income" in this report refers to what is afforded a person by the combined resources of his or her household, whether the person had personal earnings or not. Thus, people's incomes are represented by their household's income adjusted for household size.<sup>8</sup> All members of a household have the same income, or standard of living.<sup>9</sup>

<sup>&</sup>lt;sup>7</sup> See <u>Methodology</u> for the definition of a household. Households are excluded from the sample if half or more of their household income is allocated, i.e., imputed by the Census Bureau.

<sup>&</sup>lt;sup>8</sup> Each member of a household is assigned the same size-adjusted income. For example, three people living in a household with an annual income of \$60,000 are each assigned a personal income of \$34,641, which is household income divided by the square root of three. A simple per capita calculation would have assigned an income of \$20,000 to each person in the household. The method used in this report allows for the likelihood that people realize savings (economies of scale) by living together. See <u>Methodology</u> for details.

<sup>&</sup>lt;sup>9</sup> Analyses of inequality vary in their choice of universe and metrics. The U.S. Census Bureau reports on the <u>inequality in household income</u> <u>across households</u>, including in its estimates of inequality by the <u>race or ethnicity</u> of the household head, and on differences in mean and median household incomes across groups. Also, other research focuses on the <u>wages of workers</u> or incomes reported by <u>tax filers</u>.

### The standard of living of lower-income Asians stagnated from 1970 to 2016

As evidenced by the rise in inequality from 1970 to 2016, higher-income adults in the U.S. experienced more of an increase in income than lower-income adults within all racial and ethnic groups, and this disparity was most pronounced among Asians.

The income of higher-income Asians – those at the 90th percentile – nearly doubled from 1970 to 2016, rising 96%. Asians at the median-income level (50th percentile) experienced a 54% increase in income. But the income of Asians at the 10th percentile increased only 11% over this period.

Thus, inequality among Asians increased overall as those at the top of the income ladder pulled away from those at the middle and bottom, and Asians at the middle also pulled away from those near the bottom. Moreover, the gains for lower-income Asians lagged behind the gains for lower-income blacks (67%), whites (45%) and Hispanics (37%).

Whites, blacks and Hispanics at the 90th percentile also experienced relatively large gains in income (80%, 79% and 58% respectively). These improvements in the standard of living were greater than the gains at the median: 52% for whites, 66% for blacks and 36% for Hispanics. Lower-income whites, blacks and Hispanics, while losing ground to those at the top, mostly kept pace with those at the middle of their income distributions.

The trends in income growth also show that blacks made some progress in closing the gap with whites. Blacks at the median and at the 10th percentile experienced more of an increase in income than similarly situated whites, and blacks at the 90th percentile kept pace with whites.<sup>10</sup> Hispanics experienced

### Incomes increased most for higher-income Asians, least for lower-income Asians

% change in income at selected percentiles, by race and ethnicity, 1970 to 2016





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smaller increases in income than whites at all percentiles, however. Thus, lower-, middle- and upper-income Hispanics all lost ground to their white counterparts from 1970 to 2016.

<sup>&</sup>lt;sup>10</sup> Trends in the incomes of blacks at the 10th percentile are potentially sensitive to the increase in incarceration among blacks (see text box).

As it has with Asians, immigration has been an important part of the Hispanic experience in recent decades. In 2016, 47% of adult Hispanics were foreign born, up from 34% in 1970. The inflow of immigrants accounted for 50% of the total increase in the Hispanic adult population from 1970 to 2016 and was tilted to the lower ends of the income distribution.<sup>11</sup> In 2015, 47% of foreign-born Hispanics 25 and older <u>had not graduated from high school</u>, compared with 13% of Americans overall of this age. The influx of lower-skill, lower-income immigrants likely exerted a drag on the measured growth in income for Hispanics.

## The majority of Asians have a higher standard of living than other groups, but some lag behind

Differences in income within racial and ethnic groups are not the only sources of inequality in the U.S., of course. The gaps in the standard of living *across* whites, blacks, Hispanics and Asians are also sizable and longstanding. These gaps are usually measured through differences in the mean or median incomes of groups.<sup>12</sup> However, the sizes of the gaps are different at different tiers of the income ladder.

In 2016, Asians at the middle of their income distribution earned more than white, black or Hispanic adults at the middle of their income distributions. The median annual income for Asian adults was \$51,288, compared with \$47,958 for whites, \$31,082 for blacks and \$30,400 for Hispanics (incomes are adjusted for household size and expressed in 2016 dollars).

# Asians have the highest earnings, except among lower-income adults

Incomes at selected percentiles, by race and ethnicity, 2016



Note: Whites, blacks and Asians include only single-race non-Hispanics. Hispanics are of any race. Asians include Pacific Islanders. Income is adjusted for household size and expressed in 2016 dollars. See Methodology for details.

Source: Pew Research Center analysis of 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"  $% \mathcal{A}^{(1)}$ 

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Asians also held the edge in standard of living over other groups at the top of the income distribution. The income of Asians at the 90th percentile was 13% higher than the income of

<sup>&</sup>lt;sup>11</sup> These estimates are based on the adult, civilian household population, less households for whom half or more of their income is imputed by the Census Bureau (see <u>Methodology</u> and tables in <u>Appendix B</u> for details).

<sup>&</sup>lt;sup>12</sup> The median (the 50th percentile) divides a population into two equal groups, one-half with incomes greater than the median and the other half with incomes less than the median.

whites at the 90th percentile in 2016, \$133,529 versus \$117,986. Upper-income blacks (\$80,502) and Hispanics (\$76,847) had a similar standard of living in 2016, and both were outdistanced by Asians and whites by a wide margin.

In contrast, lower-income Asians lagged behind lower-income whites. Asians at the 10th percentile of their income distribution lived on \$12,478 in 2016, 17% less than the income of whites at the 10th percentile (\$15,094). Lower-income blacks and Hispanics trailed by even more, with incomes of \$8,201 and \$9,900, respectively.

# Income inequality and income gaps: Two windows into the well-being of racial and ethnic groups

The state of income inequality within racial and ethnic groups and the gaps in incomes across them provide complementary, yet distinct, insights into the well-being of these groups of Americans.<sup>13</sup> The fact that inequality increased within each racial and ethnic group shows that no community was immune to the factors said to have raised U.S. inequality since 1970. <u>These factors include</u> technological change, globalization, the decline of unions and the eroding value of the minimum wage.

At the same time, the drivers of income inequality appear to have had a disproportionate impact on some racial and ethnic groups, as evidenced by the differences in the level of inequality and the degree to which it increased for each group. That could be because of differences in the characteristics of workers, such as <u>educational attainment</u> (greater among Asians and whites) and the <u>share foreign born</u> (greater among Asians and Hispanics). Also, larger societal forces may have affected some groups more than others, such as the disparately high rate of <u>incarceration</u> among black men (see <u>text box</u>).

The aforementioned differences in worker characteristics <u>also contribute to the gaps in incomes</u> across racial and ethnic groups. In addition, the <u>historical legacy</u> and <u>current impact</u> of discrimination are considered to be important factors in these gaps. Some scholars <u>hold the view</u> that discrimination not only distorts the hiring practices of employers but also contributes to gaps in skills across groups, disadvantaging racial minorities prior to their entry into the labor market.

It is worth noting that overall income inequality in the U.S. would persist even if the gaps in income across racial and ethnic groups were eliminated. For example, suppose that blacks, Hispanics and Asians had the same income distribution as whites. In that case, everyone at any given rung of the income ladder – lower, middle or upper – would have the same income

<sup>&</sup>lt;sup>13</sup> Researchers have also analyzed income inequality within other groups, such as by gender or education level.

regardless of race or ethnicity. However, the 90/10 ratio for the U.S. would fall only from 8.7, its actual level, to 7.8, the level that currently prevails among whites.<sup>14</sup>

Conversely, easing income inequality within racial and ethnic groups may have little impact on the gaps across groups. Suppose that incomes at the lower rungs of the ladder are raised 10% and incomes at the top are reduced 10%. This would reduce inequality overall and within each group, but the gaps in income across groups would be unchanged.

### Inequality in the U.S. is higher than in other advanced economies

The level of inequality in the U.S., and the fact that it is comparable with the <u>levels that existed in the 1920s by at least</u> <u>one measure</u>, is of <u>concern</u> to many. Then-Federal Reserve Chair <u>Janet Yellen remarked</u> in 2014, "The extent of and continuing increase in inequality in the United States greatly concern me." But <u>others</u> are more sanguine, arguing that the trends in U.S. inequality do not constrain opportunities for those at the bottom of the income distribution.

In the midst of this debate, it is worth noting that income inequality in the U.S. is higher than among other advanced economies and has also <u>increased more rapidly</u> in recent decades. Cross-national comparisons of income inequality are often based on the Gini coefficient, a widely used measure of inequality (see <u>text box</u>). The Gini coefficient in the U.S. stood at 0.435 in 2016 (based on gross income and on a scale of 0 to 1), according to the <u>Organization for Economic Cooperation and Development (OECD)</u>.<sup>15</sup> This was the highest of any of the <u>G-7</u> <u>countries</u>, which ranged from 0.330 in France to 0.388 in the UK.

## Inequality in the U.S. is highest among G-7 countries

*Gini coefficient of income inequality, latest year available* 



Note: Estimates are based on gross income, before taxes. Data for Japan are for 2012. Data for other countries are for either 2015 or 2016. Source: Organization for Economic Cooperation and Development. "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

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Indeed, OECD estimates show that the Gini coefficient for the U.S. is closer to the Gini for India (0.495) than to most of the G-7 countries. The level of inequality in the U.S. is also higher than the

<sup>&</sup>lt;sup>14</sup> In alternative scenarios, inequality in the U.S. could increase if the income distribution for all groups converges to that currently prevalent among blacks or Asians. A more formal statistical decomposition of the variance in U.S. incomes into across and within racial and ethnic group components found that less than 5% of the overall variance could be attributed to differences across groups.

<sup>&</sup>lt;sup>15</sup> The OECD is a group of 36 countries, including many of the world's advanced economies.

level of <u>inequality in other OCED countries</u>, with the exceptions of Chile, Mexico and Turkey.<sup>16</sup> <u>Globally</u>, inequality is highest in countries in southern Africa (Gini coefficients of about 0.6) and lowest in eastern Europe and parts of northern Europe (Gini coefficients of about 0.25), according to <u>World Bank estimates</u>.

<sup>&</sup>lt;sup>16</sup> The comparison of the Gini coefficient across all OECD countries is based on household disposable incomes. For the U.S., the Gini coefficient based on disposable income was 0.39 in 2016. This measure ranged from 0.25 in Iceland to 0.46 in Mexico (both estimates for 2014) among OECD countries.

### Incarceration and economic inequality

Researchers interested in the economic progress of black Americans in the post-Civil Rights era have <u>expressed concern</u> that an <u>increase in incarceration</u> in recent decades may affect the estimated trends. According to them, incarceration amounts to <u>selective removal</u> of individuals with limited earnings potential from the labor market. This could inflate statistical measures of the economic status of a group, such as its mean income, if the potential earnings of the incarcerated population are not accounted for in the analysis.

This issue is of particular concern to researchers focused on the economic status of black men relative to that of white men. As noted in one <u>study</u>, the share of black men ages 25 to 54 who are institutionalized increased from 3% in 1970 to 6% in 1990. Meanwhile, the share of white men ages 25 to 54 who are institutionalized held steady at 1%.

The <u>institutionalized population</u> consists of people residing in correctional institutions, mental institutions, homes for the elderly and other similar institutions. Currently, public-use versions of decennial census data and American Community Survey data do not separately identify the incarcerated population. But, according to <u>Census Bureau estimates</u>, nearly 60% of residents of institutional facilities were in correctional institutions in 2010. This share was about 20% in 1980.

To determine the impact of incarceration, researchers generally include the institutionalized population in their analysis, assigning people in institutions a wage based on a statistical imputation of their potential labor market earnings. In effect, this amounts to the construction of a hypothetical counterfactual economy in which there is no incarceration, or no difference in incarceration rates by race and ethnicity.

The main inference is that there has been little to no reduction in the black-white male earnings gap in recent decades if one accounts for the higher rate of incarceration among black men. Incarceration is also found to have had a negative impact on other labor market outcomes, such as employment, for black men. (See "Is the Convergence in the Racial Wage Gap Illusory?", "The Prison Boom and the Lack of Black Progress after Smith and Welch," "The Socioeconomic Status of Black Males: The Increasing Importance of Incarceration," and "Incarceration & Social Inequality.")

Although incarceration is an issue in analyses of the economic well-being of black *men*, its role in analyses of the economic well-being of the broader population is less certain. In part, that is because institutionalization rates for the broader population are smaller. In the household sample used in this report, 1.2% of the U.S. adults were institutionalized in 2016, compared with 1.6% in 1970 (see <u>Appendix B</u>). By race and ethnicity the share in 2016 was highest among blacks (3.7%), followed by Hispanics (1.5%), whites (0.8%) and Asians (0.3%).

(continued)

From the point of view of the analysis in this report, the question is whether including the institutionalized population would have a meaningful and differential impact on the estimated earnings of a group at the 10th percentile and the 90th percentiles, the two components of the 90/10 ratio. As shown in the report, the 10th percentile incomes in 2016 were as follows: whites – \$15,094; Asians – \$12,478; Hispanics – \$9,900; and blacks – \$8,201. Would institutionalized adults, likely to have relatively low earnings if returned to the labor market, exert a downward pull on these amounts that exceeds the downward pull on the 90th percentile income?

The answer to this question cannot be known with certainty because the incarcerated population is not separately identified in public-use versions of Census microdata after 1980 and the potential labor market earnings of that population, even if identifiable, must be simulated. If earnings at the 10th percentile were reduced for blacks, say, then the estimated level of inequality among blacks – the 90/10 ratio – would increase (assuming minimal change at the 90th percentile). In other words, it is possible that the reported estimate of the 90/10 ratio for blacks – 9.8 in 2016 – may be less than the ratio that would be obtained if the institutionalized population were taken into account.

There is a countervailing force, however. In this report, the income of a person is not his or her personal labor market earnings but what is afforded to the person by the combined resources of his or her household. That is likely to limit the possibility of a significant downward pull on incomes at the 10th percentile from the inclusion of the institutionalized population.

## From 1970 to 2016, income growth skews to the top, more so among Asians

Among Americans overall, those at the 90th percentile of the income distribution earned \$109,578 in 2016. That compared with \$43,049 at the median (the 50th percentile) and \$12,523 at the 10th percentile. The income at the 90th percentile in 2016 was 73% higher than in 1970, compared with an increase of 44% in the median income and an increase of 36% in the income at the 10th percentile. (Incomes are adjusted for household size and expressed in 2016 dollars.)

The pattern observed nationally is also present among whites, blacks, Hispanics and Asians, but to

# Nationally, incomes near the top are rising at twice the rate of incomes near the bottom



Note: Income is adjusted for household size and inflation. See Methodology for details. Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

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varying degrees. Whites at the 90th percentile of their income distribution earned \$117,986 in 2016. Meanwhile, the median income for whites was \$47,958 and their income at the 10th percentile was \$15,094. From 1970 to 2016, the 90th percentile income for whites increased 80%, notably greater than the increase of 52% at the median and an increase of 45% at the 10th percentile.

Changes in income at the various points of the income distribution were somewhat more balanced among blacks. For blacks, the income at the 90th percentile was \$80,502 in 2016, compared with \$31,082 at the median and \$8,201 at the 10th percentile. Compared with 1970, these income levels represented an increase of 79% at the 90th percentile, 66% at the median, and 67% at the 10th percentile.

## Income growth was greatest near top for whites and blacks, but middle- and lower-income whites lagged behind more than middle- and lower-income blacks did

Incomes at selected percentiles (in 2016 dollars)

% change in income from 1970 to 2016, by percentile





Note: Whites and blacks include only non-Hispanics and are single-race only starting in 2000. Income is adjusted for household size and inflation. See Methodology for details. Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

### Hispanic incomes increased less than for most other groups; Asians at the top saw their income increase the most of any group, the least near the bottom

Incomes at selected percentiles (in 2016 dollars)

% change in income from 1970 to 2016, by percentile



**HISPANICS** 



Note: Hispanics are of any race. Asians include Pacific Islanders, are non-Hispanic, and single-race only starting in 2000. Income is adjusted for household size and inflation. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

Income growth for Hispanics lagged behind the growth for other racial and ethnic groups at most points of the income distribution. In 2016, Hispanics at the 90th percentile earned \$76,847, some 58% more than in 1970. The income of Hispanics at the median stood at \$30,400 in 2016, up 36% from 1970. Meanwhile, Hispanics at the 10th percentile earned \$9,900 in 2016, 37% higher than in 1970. These gains in income were less than the gains for other groups at the three points of the income distribution, except for Asians at the 10th percentile.

The Asian experience is distinguished by sharp differences in the growth in incomes across the distribution. In 2016, incomes for Asians ranged from \$12,478 at the 10th percentile to \$133,529 at the 90th percentile, with a median of \$51,288. The income at the 90th percentile of the Asian income distribution in 2016 was roughly double the income at that percentile in 1970, rising 96% over the period. That stood in sharp contrast with the growth at the median (54%) and at the 10th percentile (only 11%).

### Income growth slowed for all from 2000 to 2016, but income inequality continued to rise

A hallmark of income growth in the U.S. this century is the marked slowdown that ensued with the economic recession in 2001 and the Great Recession of 2007-09. This slowdown affected people in all racial and ethnic groups and at all rungs of the income ladder.

Nationally, the income at the 90th percentile increased 65% from 1970 to 2000, but it increased only 4% from 2000 to 2016. Likewise, the median income in the U.S. increased 47% from 1970 to 2000, compared with a decrease of 2% from 2000 to 2016. At the 10th percentile, an increase of 53% from 1970 to 2000 was followed by a decrease of 11% this century.

The two periods are of different durations, of course. But the decrease in total growth at any percentile is well in excess of what the difference in years might explain. For

# Income growth slowed this century for all income tiers

% change in income at selected percentiles, 2000 to 2016 and 1970 to 2000



Note: Income is adjusted for household size and inflation. See Methodology for details.

Source: Pew Research Center analysis of 1970 and 2000 decennial censuses and 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

example, the average annual rate of growth at the 90th percentile was 1.7% from 1970 to 2000 and fell to 0.3% from 2000 to 2016. $^{17}$ 

The trend observed nationally repeated within each racial and ethnic group. Among Asians, for instance, the income at the 90th percentile increased 16% from 2000 to 2016, compared with 69% from 1970 to 2000; the median income increased 7% this century, compared with 44% from 1970 to 2000; and the income at the 10th percentile decreased 3% from 2000 to 2016, compared with an increase of 14% in the earlier period.

The slowdown in income growth this century did not alter the general trajectory toward a rise in income inequality, however. Those at the top of the economic ladder fared better than those at the bottom through the economic slowdowns this century. The one exception was among blacks, with those at the 10th percentile experiencing slightly higher growth in income from 2000 to 2016 than those at the 90th percentile, 4% compared with 1%.



The slowdown in income growth this century affected all racial and ethnic groups

% change in income at selected percentiles, by race and ethnicity, 2000 to 2016 and 1970 to 2000

Note: Whites, blacks and Asians include only non-Hispanics and are single-race only starting in 2000. Hispanics are of any race. Asians include Pacific Islanders. Income is adjusted for household size and inflation. See Methodology for details. Source: Pew Research Center analysis of 1970 and 2000 decennial censuses and 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

<sup>&</sup>lt;sup>17</sup> From 1970 to 2000, the average annual rates of growth in income were as follows: 10th percentile, 1.4%; median, 1.3%; 90th percentile, 1.7%. From 2000 to 2016, the average annual rates of growth in income were as follows: 10th percentile, -0.8%; median, -0.1%; 90th percentile, 0.3%.

# Following a rapid increase from 1970 to 2016, income inequality is highest among Asians

Asians are the highest-earning racial and ethnic group in the U.S., on average.<sup>18</sup> However, their overall prosperity conceals a wide and rapidly growing economic divide between higher- and lower-income Asians. As noted, Asians at the 90th percentile had an income of \$133,529 in 2016, compared with \$12,478 for those at the 10th percentile. Thus, in 2016, the ratio of these two incomes – the 90/10 ratio – stood at 10.7 for Asians.

The level of income inequality among Asians was greater than among other racial and ethnic communities in 2016. Income inequality among blacks was the second highest – with a 90/10 ratio of 9.8 – followed by whites and Hispanics, each with a 90/10 ratio of 7.8. Nationally, the 90/10 ratio in 2016 is estimated to be  $8.7.^{19}$ 

The pattern of inequality revealed by the 90/10 ratio is mirrored in the Gini coefficient. The Gini coefficient takes a value from 0 to 1, by construction. A value of 0 indicates a state of perfect equality, with everyone holding an equal share of aggregate income. A value of 1 implies that all income created in the economy is in the hands of one person, a state of absolute inequality. In essence, the estimated value of the Gini

# Income inequality is highest among Asians

Ratio of income at the 90th percentile to income at the 10th percentile (90/10 ratio), by race and ethnicity, 2016



0.425 0.428 0.442 0.446 0.451

Note: Whites, blacks and Asians include only single-race non-Hispanics. Hispanics are of any race. Asians include Pacific Islanders. Income is adjusted for household size. See Methodology for details.

Source: Pew Research Center analysis of 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

### PEW RESEARCH CENTER

The Gini coefficient, by race and ethnicity, 2016

<sup>&</sup>lt;sup>18</sup> A section below considers the gaps in income across groups in more detail.

<sup>&</sup>lt;sup>19</sup> The margins of error for the 90/10 ratios in 2016, at the 90% confidence level and computed using replicate weights, are as follows: whites – 0.028; blacks – 0.198; Hispanics – 0.094; Asians – 0.275.

coefficient measures the deviation from perfect equality. (See the <u>text box</u> on measuring inequality.)

Looking within racial and ethnic groups in 2016, the Gini coefficient for the distribution of income among Asians was 0.451, followed by blacks (0.446), whites (0.428) and Hispanics (0.425).<sup>20</sup> Thus, as also revealed by the 90/10 ratios, Asians and blacks are more economically divided than whites and Hispanics and, in this respect, there is a meaningful degree of separation between these two pairs of racial and ethnic groups.<sup>21</sup>

Asians have not always experienced the highest level of income inequality, however. In 1970, the 90/10 ratio among Asians was 6.1, similar to the ratio of 6.3 for whites and lower than among Hispanics and blacks. But inequality among Asians increased every decade since 1970, propelling the 90/10 ratio for them to 10.7 in 2016, an increase of 77%.

Blacks experienced the highest level of income inequality in 1970, and through most of the period examined. In 1970, the 90/10 ratio for blacks stood at 9.1, well above the ratios for the other groups. But after peaking around 10 in 1990, the 90/10 ratio for blacks edged down to 9.8 in 2016. Over the period from 1970 to 2016, income inequality among blacks increased only 7% by this measure. That was the smallest increase in inequality among the major racial and ethnic groups.

The increase in inequality among whites and Hispanics was greater than among blacks. For whites, the 90/10 ratio increased from 6.3 in 1970 to 7.8 in 2016, a 24% increase. The 90/10 ratio for Hispanics increased from 6.7 in 1970 to 7.8 in 2016 (15%). Despite the increase, whites and Hispanics had the lowest levels of income inequality in 2016.

Changes in the Gini coefficient show the same pattern of change in income inequality.<sup>22</sup> Among Asians, the Gini coefficient increased from 0.353 in 1970, the lowest at the time, to 0.451 in 2016, the highest of all groups. A key difference is that the increase in the Gini coefficient for Asians is less than the increase in the 90/10 ratio, 28% compared with 77%.

<sup>&</sup>lt;sup>20</sup> The margins of error for the Gini coefficients in 2016, at the 90% confidence level and computed using replicate weights, are as follows: whites=0.001, blacks=0.003, Hispanics=0.002, Asians=0.003. It should be noted that the estimated level of the Gini coefficient may be <u>understated</u> due to the top coding of income data in the public use versions of the decennial census and the American Community Survey.
<sup>21</sup> A recent study uses data from U.S. income tax returns matched to census data to examine the state of income inequality within racial and ethnic groups. The study covers the period from 2000 to 2014, focusing on tax filers ages 25 to 65 with adjusted gross incomes greater than or equal to zero. According to this study, the Gini coefficient in 2014 was highest among Asians, followed by whites, Hispanics and blacks (among the four major racial and ethnic groups).

<sup>&</sup>lt;sup>22</sup> Changes to income codes or to the components of income that are measured may have an impact on estimates of changes in the Gini coefficient over time. The key issue for this analysis is whether there is a differential impact by race and ethnicity.

Nonetheless, the increase in the Gini coefficient for Asians was notably greater than the increase for other racial and ethnic groups. The Gini coefficient for whites increased 19%, from 0.361 in 1970 to 0.428 in 2016, followed by an increase of 14% for Hispanics, from 0.373 to 0.425, and an increase of 10% for blacks, from 0.406 to 0.446. These percentage changes are similar to the changes in the 90/10 ratios for these groups.

# Immigration looms large in defining the Asian experience

Asians are America's <u>fastest growing</u> major racial and ethnic population. The Asian adult civilian household population in the U.S. increased fourteenfold from 1970 to 2016, compared with an eightfold increase in the Hispanic population, the second-fastest growing group. The overall adult civilian household population roughly doubled from 1970 to 2016.<sup>23</sup>

The increase in the Asian population is fueled by immigration. From 1970 to 2016, immigrants accounted for 81% of the increase in the Asian adult population, and the immigrant share in the Asian population increased to 78% in 2016, from 45% in 1970.<sup>24</sup> The change in the economic profile of the Asian population in recent decades reflects the immigrant experience to a large degree.

# Income inequality is rising most rapidly among Asians

Ratio of income at the 90th percentile to income at the 10th percentile (90/10 ratio), by race and ethnicity, 1970 to 2016









Note: Whites, blacks and Asians include only non-Hispanics and are single-race only starting in 2000. Hispanics are of any race. Asians include Pacific Islanders. Income is adjusted for household size. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

<sup>&</sup>lt;sup>23</sup> The population estimates in this section refer to the adult, civilian household population, including those in households with a substantial share of allocated income (see <u>Methodology</u>). The <u>trends in the overall population</u>, all ages and including group quarters, are similar.
<sup>24</sup> These estimates are based on the adult, civilian household population, less households for whom half or more of their income is imputed by the Census Bureau (see <u>Methodology</u> and tables in <u>Appendix B</u> for details).

### 24 PEW RESEARCH CENTER

Overall, Asian immigrants have <u>higher levels of education</u> than native-born Americans. In 2015, 29% of immigrants from South and East Asia,<sup>25</sup> ages 25 and older, held a bachelor's degree, compared with 19% of native-born Americans this age. Another 23% of these immigrants had an advanced college degree, about double the rate among native-born Americans (11%).

As a result, many Asian immigrants are settling in at the top of the income distribution and likely stretching its boundaries into higher reaches. As of 2016, the foreign-born population among the top 10% of earners in the Asian income distribution had increased to 26 times what it was in 1970, compared with a nineteenfold increase in the overall Asian foreign-born population in the U.S.<sup>26</sup>

At the same time, the Asian immigrant population includes many with lower levels of education and income. From 1970 to 2016, the foreign-born population among the bottom 10% of earners in the Asian income distribution increased seventeenfold. This change is not as sharp as the change at the top of the income distribution but is of notable magnitude nonetheless.

In 2015, some 15% of immigrants from South and East Asia <u>lacked a high school diploma</u>, compared with 9% of native-born Americans. Meanwhile, <u>poverty rates</u> were as high as 35% among Burmese, 33% among Bhutanese, and 28% among Hmong and Malaysians, compared with 15.1% in the U.S. overall.<sup>27</sup> The wide diversity in the education and income profiles of Asian origin groups is reflected in the relatively wide gap in their income distribution.

The growth in income inequality among Asians also reflects shifting trends in immigration to a degree. In recent decades, Asian immigration was first driven by the <u>Immigration and Nationality</u> Act in 1965 and the end to the war in Vietnam in 1975. These events brought in a <u>wave of refugees</u> and other immigrants under the <u>family reunification</u> program. As a result, the share of <u>new Asian</u> <u>immigrants working in low-skill occupations</u> increased from 1970 to 1990. A second wave of Asian immigration followed the passage of the <u>Immigration Act of 1990</u>. This act, in concert with a boom in the technology sector, led to a new wave of higher-skilled Asian immigrants under the <u>H-1B visa</u> <u>program</u>.

<sup>&</sup>lt;sup>25</sup> More than nine-in-ten Asians <u>traced their origins</u> to countries from this region in 2015.

<sup>&</sup>lt;sup>26</sup> These estimates are based on the adult, civilian household population, less households for whom half or more of their income is imputed by the Census Bureau (see <u>Methodology</u>). <u>Appendix B</u> shows the share of immigrants in the Asian population by income percentile.
<sup>27</sup> Poverty status is determined from American Community Survey data for individuals in housing units and non-institutional group quarters.

Due to the way in which IPUMS assigns poverty values, these estimates will differ from those provided by the U.S. Census Bureau.

# Income gaps across racial and ethnic groups persist and, in some cases, are wider than in 1970

America's major racial and ethnic groups are divided into two distinct income brackets. Whites and Asians are in the bracket at the top and blacks and Hispanics, with incomes largely comparable with each other, are in the bracket below. The gaps between the two brackets are sizable and the shifts since 1970, with few exceptions, have been modest.

### Whites and Asians out-earn blacks and Hispanics at all rungs of the income ladder

In 2016, Asians earned more than other groups at the middle and near the top of the income distribution. Asians at the 90th percentile of their distribution had an income of \$133,529, considerably higher than the incomes of 90th percentile whites (\$117,986), blacks (\$80,502) and Hispanics (\$76,847). (Incomes are adjusted for household size and expressed in 2016 dollars.)

The same ranking by income exists at the median (50th percentile). The median income of Asians in 2016 - \$51,288 - was higher than the median income of whites (\$47,958) and considerably greater than that of blacks (\$31,082) and Hispanics (\$30,400).

Asians did not hold the same edge over all other groups at the lower rungs, however. Asians at the 10th percentile of their income distribution had an income of \$12,478 in 2016, trailing whites, who had an income of \$15,094 at the 10th percentile. Hispanics (\$9,900) earned more than blacks (\$8,201) at the lower end of the income distribution.

Hispanics and blacks switched positions near the top of the income ladder from 1970 to 2016. In 1970, the 90th percentile income of Hispanics (\$48,719) was greater than the 90th percentile income of blacks (\$44,960). In 2016, blacks at the 90th percentile (\$80,502) earned more than Hispanics at the 90th percentile (\$76,847).

At the median, Hispanics earned more than blacks in 1970, \$22,396 compared with \$18,719. But this gap eroded over time, and by 2016 the median incomes of Hispanics (\$30,400) and blacks (\$31,082) were similar. The influx of Hispanic immigrants in recent decades, many with less education, likely played a role in shaping these trends (see below).<sup>28</sup>

<sup>&</sup>lt;sup>28</sup> Also, see the <u>text box</u> on incarceration and economic inequality for the potential impact of incarceration on the estimated incomes of blacks.

# Whites and Asians out-earn blacks and Hispanics at all rungs of the income ladder

Incomes in 2016 dollars, by race and ethnicity



Note: Whites, blacks and Asians include only non-Hispanics and are single-race only starting in 2000. Hispanics are of any race. Asians include Pacific Islanders. Income is adjusted for household size and inflation. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

### 27 PEW RESEARCH CENTER

Another notable change from 1970 is in the relative standing of lower-income Asians. In 1970, the 10th percentile income for Asians (\$11,270) was similar to the 10th percentile incomes for whites (\$10,440). But the income of Asians at this percentile increased just 11% from 1970 to 2016. As a result, whites had the highest income at the 10th percentile in 2016, and lower-income blacks and Hispanics narrowed the gap with lower-income Asians in recent decades.

# Blacks inch closer to whites in earnings, Hispanics fall behind more, and Asians see mixed results

From 1970 to 2016, higher-income Asians moved further out in front of higher-income whites, but lower-income Asians did not keep pace. At the 90th percentile, Asians earned 4% more than whites in 1970, and this gap stretched to 13% in 2016. At the 10th percentile, Asians earned 8% more than whites in 1970, but in 2016, they earned 17% *less*, a considerable turnaround.

The gaps in income between whites and blacks are large, but they narrowed slightly from 1970 to 2016. In 1970, blacks at the 90th percentile of their distribution earned 68% as much as whites at the 90th percentile of their distribution. Nearly five decades later, this gap was unchanged in 2016. However, at the median, blacks earned 65% as much as whites in 2016, up from 59% in 1970. Similarly, lower-income blacks narrowed the gap from 47% in 1970 to 54% in 2016.

While the gap between blacks and whites closed a bit from 1970 to 2016, Hispanics fell even further behind, whether at the 10th percentile, the median or the 90th percentile. Near the top, Hispanics earned 65% as much as whites in 2016 compared with 74% in 1970. Near the bottom, the income of Hispanics slipped from 69% of the income of whites in 1970 to 66% in 2016.



### Incomes of blacks edge closer to incomes of whites, Hispanics fall behind more; Asians see mixed results

Income of \_\_\_\_\_ as % of incomes of whites, selected percentiles



Note: Whites, blacks and Asians include only non-Hispanics and are single-race only starting in 2000. Hispanics are of any race. Asians include Pacific Islanders. Income is adjusted for household size. See Methodology for details.

Source: Pew Research Center analysis of 1970 and 2000 decennial censuses and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

### Gaps in income across the entirety of the income distribution

A closer look at the gap between whites and other groups across the income distribution reveals the diversity of experiences from 1970 to 2016. The majority of Asians, especially those at the lower rungs of the income ladder, ceded ground to whites from 1970 to 2000, but all experienced a rebound to some extent this century. Hispanics, regardless of where they were in the income distribution, fell behind from 1970 to 2000, but lower-income Hispanics recovered some ground from 2000 to 2016. Among blacks, some of the gains from 1970 to 2000 were erased since 2000.

In 1970, Asians, as long as they were situated above the 5th percentile of their income distribution, had incomes equal to or greater than the incomes of whites. Asians at the 5th percentile earned 96% as much as whites at the 5th percentile in 1970, but Asians at other points of their income distribution earned about as much as or more than whites (income ratios equal to or greater than the parity level of 100).

However, from 1970 to 2000, incomes in the bottom half of the Asian income distribution did not grow at the same rate as incomes in the bottom half of the white income distribution. In 2000, Asians at the 5th percentile earned only 63% as much as whites at the 5th percentile, compared with 96% as much in 1970. At the 25th percentile, the income of Asians as a proportion of the income of whites fell to 92% in 2000, from 104% in 1970. Indeed, the incomes of about half the Asian adult population – those with incomes less than the median (the 50th percentile) – were less than the incomes of whites in 2000. Asians with incomes above the median still out-earned whites in 2000, but often by smaller margins than in 1970.

Since 2000, Asians gained on whites all across the distribution, reversing the trend from 1970 to 2000. In 2016, Asians at the 5th percentile earned 73% as much as whites, up from 63% in 2000. Also, Asians at the 95th percentile earned 109% as much as whites, compared with 98% in 2000. About one-in-four Asians, those at the 25th percentile of income and below, earned less than whites at similar points in the income distribution in 2016, however.

As noted, the ebb and flow in the economic status of Asians, compared with whites, is perhaps related to the ebb and flow in the <u>skill characteristics of Asian immigrants</u>. Asians who came to the U.S. as part of the wave spurred by the <u>Immigration and Nationality Act</u> in 1965 and the end of the war in Vietnam in 1975 were relatively low-skilled, but a second wave driven by the technology boom in the 1990s and the <u>H1-B visa program</u> brought relatively high-skilled workers.



# Black, Hispanic and Asian incomes, relative to whites, changed differently across the income distribution

Income of \_\_\_\_\_ as % of incomes of whites, by percentile



Source: Pew Research Center analysis of 1970 and 2000 decennial censuses and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

Most blacks, with the exception of those at the 95th percentile, saw gains relative to whites from 1970 to 2016. But there were two distinct episodes in this period, with gains from 1970 to 2000 followed by setbacks from 2000 to 2016. For example, the median income of blacks increased from 59% as much as the median income of whites in 1970 to 69% as much in 2000. But the median for blacks decreased to 65% of the median for whites in 2016. A similar regression describes the experience of most blacks with incomes above the 25th percentile of the income distribution from 1970 to 2016.

The reversal for blacks this century may reflect the impact of the Great Recession of 2007-09. Although no group was immune to the effects of the recession, the unemployment rate for blacks <u>spiked</u> to a high of 16.8% in March 2010, meaning one-in-six blacks in the workforce did not have a job. Also, the employment of blacks <u>dipped below its potential</u> (what it might have been absent a recession) more so than among whites during the Great Recession.

It is worth noting that the economic downturns this century came on the heels of a record-long expansion in the 1990s that yielded noticeable benefits for blacks. The unemployment rate for blacks dropped to a then-historic low of 7% in April 2000, narrowing the gap in unemployment with respect to whites. Meanwhile, the median household income for blacks, as <u>reported by the</u> <u>Census Bureau</u>, increased by 24% from 1990 to 2000, compared with a gain of 12% for whites.

For Hispanics, incomes sagged in comparison with whites at all points of the distribution from 1970 to 2000. The slippage was almost uniformly high across the distribution, near 10 percentage points whether at the 5th percentile, the median or the 95th percentile. There was little change from 2000 to 2016, with the notable exception of gains for lower-income Hispanics. While they continue to earn much less than their white counterparts, Hispanics at the lowest percentiles of the income distribution experienced an improvement in their relative position from 2000 to 2016.

### Immigration helped shape the Hispanic experience from 1970 to 2016

The regression in the economic status of Hispanics relative to whites may be driven by the characteristics of immigrants in recent decades. Immigration accounted for 50% of the total increase in the Hispanic adult population from 1970 to 2016, and the share of the Hispanic population that is foreign born increased from 34% to 47% during the period.<sup>29</sup>

The Hispanic immigrant population tilts to the lower end of the income and skill distribution, however. In 2015, 47% of foreign-born Hispanics 25 and older had <u>not graduated from high</u>

<sup>&</sup>lt;sup>29</sup> These estimates are based on the adult, civilian household population, less households for whom half or more of their income is imputed by the Census Bureau (see <u>Methodology</u> and tables in <u>Appendix B</u> for details).

### 32 PEW RESEARCH CENTER

<u>school</u>, compared with 13% of Americans overall. Also, only 11% of Hispanic immigrants had attained at least a bachelor's degree, compared with 31% of Americans overall.

The result is that Hispanic immigrants streamed into the lower rungs of the income ladder at a faster rate than into the higher rungs. From 1970 to 2016, the foreign-born population among the bottom 10% of earners in the Hispanic income distribution increased tenfold, compared with a fivefold increase in the foreign-born population among the top 10% of earners.<sup>30</sup>

Another characteristic of the Hispanic foreign-born population is the sharp rise in the number of unauthorized immigrants in recent decades. From 1990 to 2015, the Hispanic foreign-born population (all ages) <u>increased from</u> 7.8 million to 19.4 million, by 11.6 million. Meanwhile, from 1990 to 2014, the number of unauthorized immigrants in the U.S. who arrived from Latin America <u>increased from</u> an estimated 3.0 million to 8.6 million, by 5.6 million.<sup>31</sup> Thus, unauthorized migration accounts for almost half of the increase in the Hispanic foreign-born population since 1990.

The increase in the unauthorized immigrant population from Latin America leveled off in 2007, however. In 2007, there were 9.8 million unauthorized immigrants from Latin America in the U.S., compared with 8.6 million in 2014, the latest available estimate. The decrease in new arrivals meant that unauthorized immigrants increasingly are likely to have been in the U.S. for 10 years or more – 66% in 2014, compared with 41% in 2005.<sup>32</sup>

The rapid rise and more recent leveling off of the unauthorized immigrant population may explain some of the change in the economic status of Hispanics relative to whites. Because the earnings of unauthorized immigrants are much <u>lower than average</u>, their initial influx likely dampened the earnings potential of Hispanics, which explains at least some of the widening of the income gap with whites since 1970. More recently, unauthorized immigrants are a declining share of the Hispanic population, and those who remain are longer tenured in the U.S., likely with higher potential earnings. That could help explain some of the improvement in the economic status of lower-income Hispanics relative to whites since 2000.

<sup>&</sup>lt;sup>30</sup> These estimates are based on the adult, civilian household population, less households for whom half or more of their income is imputed by the Census Bureau (see <u>Methodology</u>). <u>Appendix B</u> shows the share of immigrants in the Asian population by income percentile.

<sup>&</sup>lt;sup>31</sup> Most immigrants from Latin America self-identify as Hispanic: In 2015, about nine-in-ten did so, according to an unpublished Pew Research Center estimate from the American Community Survey.

<sup>&</sup>lt;sup>32</sup> This estimate refers to unauthorized immigrants from all regions, not just from Latin America. About 80% of unauthorized immigrants in the U.S. came from Latin America in 2014.

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## Methodology

## **Data sources**

The data in this report are derived from the decennial census and the American Community Survey (ACS), both conducted by the U.S. Census Bureau. The decennial census (long form) is the source for the data for 1970 (1% Metro forms 1 and 2 sample), 1980 (5% state sample), 1990 (5% state sample) and 2000 (5% sample). The ACS (1-year sample) is the source for the 2010 and 2016 data.

The combined forms 1 and 2 samples of the 1970 decennial census have about 4 million observations. The 1980, 1990 and 2000 decennial census samples each have more than 11 million observations. The 2010 and 2016 1-year ACS files each have about 3 million observations.

The specific versions of the data used in this report are the Integrated Public Use Microdata Series (<u>IPUMS</u>) provided by the University of Minnesota.<sup>33</sup> The IPUMS assigns uniform codes, to the extent possible, to data collected over the years. More information about the IPUMS, including variable definitions and sampling error, is available at <u>https://usa.ipums.org/</u>.

Changes in data collection methods, revisions to survey questions and other factors may affect the comparability of demographic and income data over time. For example, changes to <u>income codes</u> or to the components of income that are measured (see below) may have an impact on <u>estimates of changes in the Gini coefficient</u> over time. The key issue for this analysis is whether there is a differential impact by race and ethnicity.

## Timing of data collection

Decennial censuses are conducted in April of the census year and ask about income received in the preceding calendar year. For example, the 2000 decennial census asks about income received during 1999.

Unlike the decennial census, the ACS is conducted year-round. Respondents are asked to report their income received in the 12 months before the survey date. For example, a respondent completing the ACS questionnaire on Jan. 15, 2010, is expected to report income received from Jan. 15, 2009, to Jan. 15, 2010, while a respondent completing the questionnaire on Dec. 15, 2010, would report income received from Dec. 15, 2009, to Dec. 15, 2010. Thus, in principle, the 2010 ACS includes income data from a total of 24 months, from January 2009 to December 2010.

<sup>&</sup>lt;sup>33</sup> Steven Ruggles, Katie Genadek, Ronald Goeken, Josiah Grover, and Matthew Sobek. "Integrated Public Use Microdata Series: Version 7.0" [dataset]. Minneapolis: University of Minnesota, 2017. https://doi.org/10.18128/D010.V7.0.

Income data for 1969 (1970 census), 1979 (1980 census), 1989 (1990 census) and 1999 (2000 census) refer to years close to the peak of business cycles (as <u>dated by the National Bureau of</u> <u>Economic Research</u>). Income data from the 2010 ACS represent a period (January 2009 to December 2010) that overlaps with the Great Recession (December 2007 to June 2009). Thus, data from the 2010 ACS reflect the effects of the recession on household incomes. The income data from the 2016 ACS (spanning January 2015 to December 2016) were collected several years into an economic expansion.

## **Race and ethnicity**

Where mentioned, whites, blacks and Asians include non-Hispanics only; Asians include Pacific Islanders; and Hispanics are of any race. In 1970, 1980 and 1990, respondents had the option of reporting a single race only. In a <u>revision in 2000</u>, respondents were given the option of selecting one or more race categories to indicate their racial identifications. In this analysis, data for whites, blacks and Asians in 2000, 2010 and 2016 include single-race, non-Hispanics only.

In 2000, some 2.4% of the U.S. population chose to identify with two or more races. The share inched up to 2.9% in 2010. Another notable change in 2000 was the introduction of the "some other race" category. Those who identify multiple races in 2000, 2010 and 2016 and other racial and ethnic groups are included in all totals but are not shown separately.

Other revisions to the <u>race</u> and <u>Hispanic origin</u> questions may also affect the comparability of data over time. A key issue regarding Hispanic origin is that the identification in 1970 is not based on the question asked in the 1970 decennial census (Form 1). This is because of the <u>cautions reported</u> <u>by the Census Bureau</u> regarding the comparability of the 1970 Hispanic origin question with later years (see page B-13 of the linked report). In this analysis, Hispanic origin for 1970 is as <u>imputed</u> <u>by IPUMS</u>.

People are assigned to a racial or ethnic group based on their personal identification, not the identification of the head of the household. In 2016, about 98% of whites, 95% of blacks, 90% of Hispanics and 90% Asians lived with a household head of the same race or ethnicity.

## Households in census data

The analysis in this report is based on a sample of the adult, civilian household population. The Census Bureau defines a household as the entire group of persons who live in a single dwelling unit. A household may consist of several persons living together or one person living alone. It includes the household head and all of his or her relatives living in the dwelling unit and also any
lodgers, live-in housekeepers, nannies and other residents not related to the head of the household.

# Income

<u>Household income</u> is defined as the sum of total personal income for all members of the household of a certain age. In 1970, all household members ages 14 and older are included. In all other samples, all household members ages 15 and older are included. Household income may be zero or negative. The share of adults living in households with zero or negative income is about 1% across the years analyzed.

Personal income, or "<u>money income</u>," as per the Census Bureau, is the income received on a regular basis (exclusive of certain money receipts such as capital gains and lump-sum payments) before payments for personal income taxes, Social Security and Medicare taxes, union dues, etc. It includes income received from wages, salary, commissions, bonuses, and tips; self-employment income from own nonfarm or farm businesses, including proprietorships and partnerships; interest, dividends, net rental income, royalty income, or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); any cash public assistance or welfare payments from the state or local welfare office; retirement, survivor, or disability benefits; and any other sources of income received regularly such as Veterans' (VA) payments, unemployment and/or worker's compensation, child support, and alimony.

The Census Bureau's current definition of income is broader than in the past. Data for all years include income received from wages or salary before taxes and deductions, net earnings from own businesses or farms, income from Social Security or Railroad Retirement, other forms of public assistance or welfare, and other sources of income regularly received. Investment income (including dividend payments and net rental income) was added starting with the 1980 sample. Retirement income other than Social Security was added starting in the 1990 sample. Supplemental Security Income (SSI) was added starting in the 2000 sample.

In this report, all dollar amounts are reported in 2016 dollars, unless otherwise noted. Nominal figures are adjusted using the CPI-U-RS adjustments in the table provided on page 22 of the Census Bureau report, <u>Income and Poverty in the United States: 2016</u>.

# Accounting for income allocation

Item nonresponse – the share of respondents who either do not provide or provide an invalid answer for an item – is <u>relatively low</u> for most items on the decennial census and American Community Survey. This is not true for the various components of income used in calculating household income, however.

To account for nonresponse on the income components, the Census Bureau uses statistical procedures to <u>allocate</u> missing values by looking at the values reported by similar respondents. These additional respondents may be the original respondent's nearest neighbor or others with similar but relatively rare characteristics. Income allocation is not necessarily exact, and some studies have found that the inclusion of allocated values of income <u>may lead to biased results</u> in certain situations. For that reason, researchers often <u>omit individuals</u> from the sample if their earnings are allocated.

In this study, households are excluded from the sample if half or more of their household income is allocated. Allocation flags are provided for each household member's individual components of income. For each member, the total amount of allocated income, identified via allocation flags, and total personal income are calculated. Then these two amounts are summed across all earners in the household. The share of allocated income for the household is then calculated as:

Share of household income allocated =  $\frac{\text{Total amount of allocated income for all members}}{\text{Household income}}$ 

A table in <u>Appendix B</u> shows the shares of respondents in the civilian household sample living in households that had half or more of their income allocated by the Census Bureau. In 2016, these shares were as follows: whites -17.4%, blacks -31.2%, Hispanics -26.5%, and Asians -19.4%. The shares with allocated incomes are similarly high from 1980 to 2010. The allocation rates for 1970, only 0.1% or less, appear surprisingly low compared with other years.

The impact of removing households if half or more of their income is allocated is generally modest. Compared with a sample of the overall adult, civilian household population, a sample without households with half or more of their income allocated has the following effects:

• There is no change of import to the estimates for 1970, unsurprising in view of the very small share of households with allocated income.

- From 1980 to 2016, removing households with half or more of their income allocated raises income levels from about 1 to 10% among all adults in the sample, depending on the year and income percentile. The impact is greater in 1980, 1990 and 2000; greater at lower-income percentiles; and more notable among blacks. For example, in 2000, the 10th percentile income for blacks is raised 9% and the 90th percentile income is raised 4%.
- Removing households with half or more of their income allocated tends to raise the estimated income growth from 1970 to 2016. The increase is in the range of 1% to 5%, varying across percentiles and racial and ethnic groups. One exception to this rule is that income growth for lower-income blacks and Hispanics is about 1% to 2% lower if households with allocated income are removed from the sample.
- The removal of households with half or more of their income allocated reduces or leaves unchanged the estimates of income inequality among whites in all years, by either the 90/10 ratio or the Gini coefficient. For blacks, Hispanics and Asians, the results are mixed, with income inequality estimated to be higher in some years and lower in other years. The differences are within 5% in most years. Blacks are estimated to experience a higher level of inequality than other groups from 1970 to 2010 and Asians the highest level in 2016 in either sample.
- Estimated changes in inequality are similar under both samples. In the sample without households with half or more of their income allocated, the 90/10 ratio increases as follows from 1970 to 2016: whites 24%; blacks 7%; Hispanics 15%; and Asians 77%. In the sample including all households, the 90/10 ratio increases as follows from 1970 to 2016: whites 26%; blacks 3%; Hispanics 11%; and Asians 72%. Inequality increases the most among Asians and the least among blacks in both samples.
- Regarding the gaps in income across racial and ethnic groups, the removal of households with half or more of their income allocated has modest but mixed results. The income gap is about as likely to go up as to go down, by no more than 3 percentage points. The income gaps trend similarly over time in the two samples.

# Adjustments to income for household size

In this report, "income" refers to what is afforded a person by the combined resources of his or her household, whether the person had personal earnings or not. Thus, people's incomes are represented by their household's income adjusted for household size. All members of a household have the same income.

Incomes are adjusted for household size because a four-person household with an income of, say, \$50,000 faces a tighter budget constraint than a two-person household with the same income. In addition to comparisons across households at a given point in time, this adjustment is useful for measuring changes in income over time. That is because <u>average household size</u> fell in the U.S. from 3.1 persons in 1970 to 2.5 persons in 2016. Ignoring this demographic change would mean ignoring a commensurate loosening of the household budget constraint.

At its simplest, adjusting for household size means converting household income into per capita income. Thus, a two-person household with an income of \$50,000 would have a per capita income of \$25,000, double the per capita income of a four-person household with the same total income.

A more sophisticated adjustment for household size recognizes that there are economies of scale in consumer expenditures. For example, a two-bedroom apartment may not cost twice as much to rent as a one-bedroom apartment. A household of two, compared with a household of one, would likely not need a second refrigerator or internet subscription, and so on. For that reason, most researchers make adjustments for household size using the method of "<u>equivalence scales</u>."

A <u>commonly used</u> equivalence-scale adjustment is follows:

 $Adujsted \ household \ income = \frac{Household \ income}{\sqrt{Persons \ in \ household}}$ 

This is also the approach used in this report: Household income is divided by the square root of the number of people (of any age) in the household. In practical terms, this means that household income is divided by 1.41 for a two-person household, 1.73 for a three-person household, 2.00 for a four-person household and so on.<sup>34</sup> The size-adjusted household income is then assigned to each adult member of the household.

<sup>&</sup>lt;sup>34</sup> One issue with adjusting for household size is that while demographic data on household composition pertain to the survey date, income data typically pertain to the preceding year. Because <u>household composition can change over time</u>, for example, through marriage, divorce or death, the household size that is measured at the survey date may not be the same as that at the time the income was earned and spent.

# Appendix A: Income distributions of whites, blacks, Hispanics and Asians in the U.S., 1970 and 2016

The charts in this appendix show the distributions of white, black, Hispanic and Asian adults in the U.S. by their incomes in 1970 and 2016. The first set of charts shows the income distribution for a given racial and ethnic group, say Hispanics, in the two years. The second and third sets of charts compare the income distributions of blacks, Hispanics and Asians with the income distribution of whites for 2016 and 1970, respectively.

Adults in each racial and ethnic group are further divided into 81 groups with incomes ranging from \$0-2,499, \$2,500-4,999, \$5,000-7,499, and so on up to the highest income category of \$200,000 or greater. Each chart shows the share of adults of a given race or ethnicity with incomes in the stated range.

"Income" refers to what is afforded a person by the combined resources of his or her household, whether the person had personal earnings or not. Thus, people's incomes are represented by their household's income adjusted for household size. All members of a household have the same income, which is expressed in 2016 dollars for both years.

The distributions are based on the adult, civilian household population, less adults living in households for which half or more of its income is imputed (allocated) by the U.S. Census Bureau. (See <u>Methodology</u> for details).

Overall, the income distributions show that the share of adults at lower income levels decreased among all racial and ethnic groups and the shares at middle and higher income levels increased. For example, the share of blacks with incomes in the range of \$10,000 to \$12,499 decreased from 8% in 1970 to 5% in 2016 and the share of blacks with incomes in the range of \$50,000 to \$52,499 increased from 1% in 1970 to 2% in 2016. The shares of adults within single income intervals of about \$125,000 or more are quite low. For example, 0.4% of whites had incomes of \$125,000 to \$127,499 in 2016. There is a "spike" in the shares at the highest category (\$200,000 or more) because the distribution is top coded at that income level.

The charts comparing blacks and Hispanics with whites clearly show that there is a greater concentration of blacks and Hispanics at lower income levels and a greater concentration of whites at middle and higher income levels in both years. In 2016, Asians are somewhat more likely than whites to be middle or upper income and somewhat less likely to be lower income (with the exception of incomes up to about \$17,499 in 2016). There was little difference in the income distributions of Asians and whites in 1970.



## Share of whites with a given level of income, 1970 and 2016

Note: Whites include only non-Hispanics and are single-race only in 2016. Income is adjusted for household size and expressed in 2016 dollars. See Methodology for details.

Source: Pew Research Center analysis of 1970 decennial census and 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

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## Share of blacks with a given level of income, 1970 and 2016

Note: Blacks include only non-Hispanics and are single-race only in 2016. Income is adjusted for household size and expressed in 2016 dollars. See Methodology for details.

Source: Pew Research Center analysis of 1970 decennial census and 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"





Note: Hispanics are of any race. Income is adjusted for household size and expressed in 2016 dollars. See Methodology for details.

Source: Pew Research Center analysis of 1970 decennial census and 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

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## Share of Asians with a given level of income, 1970 and 2016

Note: Asians include only non-Hispanics and are single-race only in 2016. Asians include Pacific Islanders. Income is adjusted for household size and expressed in 2016 dollars. See Methodology for details.

Source: Pew Research Center analysis of 1970 decennial census and 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"



# Shares of whites and blacks with a given level of income, 2016

Note: Whites and blacks include only single-race non-Hispanics. Income is adjusted for household size and expressed in 2016 dollars. See Methodology for details.

Source: Pew Research Center analysis of 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

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# Shares of whites and Hispanics with a given level of income, 2016

Note: Whites include only single-race non-Hispanics. Hispanics are of any race. Income is adjusted for household size and expressed in 2016 dollars. See Methodology for details.

Source: Pew Research Center analysis of 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

## Shares of whites and Asians with a given level of income, 2016



Note: Whites and Asians include only single-race non-Hispanics. Asians include Pacific Islanders. Income is adjusted for household size and expressed in 2016 dollars. See Methodology for details. Source: Pew Research Center analysis of 2016 American Community Survey (IPUMS).

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## Shares of whites and blacks with a given level of income, 1970

Note: Whites and blacks include only non-Hispanics. Income is adjusted for household size and expressed in 2016 dollars. See Methodology for details.

Source: Pew Research Center analysis of 1970 decennial census (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"



## Shares of whites and Hispanics with a given level of income, 1970

Note: Whites include only non-Hispanics. Hispanics are of any race. Income is adjusted for household size and expressed in 2016 dollars. See Methodology for details.

Source: Pew Research Center analysis of 1970 decennial census (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

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## Shares of whites and Asians with a given level of income, 1970

Note: Whites and Asians include only non-Hispanics. Asians include Pacific Islanders. Income is adjusted for household size and expressed in 2016 dollars. See Methodology for details.

Source: Pew Research Center analysis of 1970 decennial census (IPUMS).

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# **Appendix B: Additional tables**

# 90/10 income ratios, by race and ethnicity

Ratio of income at the 90th percentile to income at the 10th percentile, 1970 to 2016

	1970	1980	1990	2000	2010	2016
All	6.9	6.1	6.9	7.4	8.5	8.7
White	6.3	5.6	6.2	6.6	7.6	7.8
Black	9.1	8.6	10.2	10.1	10.2	9.8
Hispanic	6.7	6.9	7.5	7.4	7.7	7.8
Asian	6.1	6.4	7.4	9.0	9.6	10.7

Note: Whites, blacks and Asians include only non-Hispanics and are single-race only starting in 2000. Hispanics are of any race. Asians include Pacific Islanders. "All" includes all adults, including those who do not identify with one of the four racial and ethnic groups listed. Income is adjusted for household size. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

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## Gini coefficients, by race and ethnicity

The Gini coefficient of income inequality, 1970 to 2016

All	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2016</b>
	0.372	0.349	0.386	0.423	0.432	0.442
White	0.361	0.337	0.374	0.411	0.418	0.428
Black	0.406	0.396	0.415	0.438	0.442	0.446
Hispanic	0.373	0.367	0.395	0.419	0.420	0.425
Asian	0.353	0.344	0.387	0.430	0.435	0.451

Note: Whites, blacks and Asians include only non-Hispanics and are single-race only starting in 2000. Hispanics are of any race. Asians include Pacific Islanders. "All" includes all adults, including those who do not identify with one of the four racial and ethnic groups listed. Income is adjusted for household size. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

## Incomes at selected percentiles, by race and ethnicity

Incomes in 2016 dollars

			All			
	1970	1980	1990	2000	2010	2016
90th percentile	\$63,512	\$74,634	\$88,774	\$104,866	\$100,437	\$109,578
Median	29,886	36,014	39,897	43,894	40,018	43,049
10th percentile	9,212	12,193	12,955	14,127	11,763	12,523

			White			
	1970	1980	1990	2000	2010	2016
90th percentile	65,714	77,122	92,688	112,125	108,185	117,986
Median	31,524	37,898	42,346	47,704	44,591	47,958
10th percentile	10,440	13,753	14,957	16,880	14,202	15,094

			Black			
	1970	1980	1990	2000	2010	2016
90th percentile	44,960	56,584	67,383	79,507	74,903	80,502
Median	18,719	24,085	28,043	32,875	28,248	31,082
10th percentile	4,921	6,615	6,610	7,849	7,376	8,201

			Hispanic			
	1970	1980	1990	2000	2010	2016
90th percentile	48,719	57,178	66,020	72,077	69,835	76,847
Median	22,396	26,725	28,684	30,080	27,549	30,400
10th percentile	7,237	8,300	8,852	9,785	9,044	9,900

			Asian			
	1970	1980	1990	2000	2010	2016
90th percentile	68,192	79,274	94,421	115,187	117,786	133,529
Median	33,366	39,340	43,715	48,112	47,080	51,288
10th percentile	11,270	12,423	12,699	12,830	12,206	12,478

Note: Whites, blacks and Asians include only non-Hispanics and are single-race only starting in 2000. Hispanics are of any race. Asians include Pacific Islanders. "All" includes all adults, including those who do not identify with one of the four racial and ethnic groups listed. Income is adjusted for household size and inflation. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

# Income relative to whites at selected percentiles

Income of \_\_\_\_\_ as % of income of whites, by percentile, 1970 to 2016

90th percentile						
	1970	1980	1990	2000	2010	2016
Black	68%	73%	73%	71%	69%	68%
Hispanic	74	74	71	64	65	65
Asian	104	103	102	103	109	113

Median						
	1970	1980	1990	2000	2010	2016
Black	59%	64%	66%	69%	63%	65%
Hispanic	71	71	68	63	62	63
Asian	106	104	103	101	106	107

### 10th percentile

	1970	1980	1990	2000	2010	2016
Black	47%	48%	44%	46%	52%	54%
Hispanic	69	60	59	58	64	66
Asian	108	90	85	76	86	83

Note: Whites, blacks and Asians include only non-Hispanics and are single-race only starting in 2000. Hispanics are of any race. Asians include Pacific Islanders. Income is adjusted for household size. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

# Incomes at percentiles 5 to 95: All

Incomes in 2016 dollars

Percentile	1970	1980	1990	2000	2010	2016
5	\$5,732	\$8,202	\$8,577	\$8,961	\$7,650	\$8,050
10	9,212	12,193	12,955	14,127	11,763	12,523
15	12,448	15,477	16,797	18,310	15,425	16,402
20	15,343	18,719	20,378	22,272	18,836	20,161
25	18,014	21,824	23,747	25,948	22,194	24,050
30	20,558	24,795	26,985	29,552	25,580	27,678
35	23,065	27,713	30,158	33,155	29,031	31,304
40	25,246	30,544	33,393	36,620	32,674	35,220
45	27,578	33,178	36,674	40,363	36,231	39,135
50 - median	29,886	36,014	39,897	43,894	40,018	43,049
55	32,425	39,054	43,472	47,908	44,387	47,531
60	35,028	42,140	47,207	52,112	48,649	52,156
65	37,923	45,594	51,433	57,082	53,398	57,358
70	41,145	49,331	56,087	62,340	58,850	63,396
75	44,871	53,595	61,454	68,855	65,471	70,439
80	49,358	58,784	67,877	76,569	73,523	79,124
85	55,074	65,311	76,402	87,501	83,959	91,078
90	63,512	74,634	88,774	104,866	100,437	109,578
95	79,833	92,096	112,873	145,595	134,648	150,942

Note: Income is adjusted for household size and inflation. See Methodology for details. Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

# Incomes at percentiles 5 to 95: Whites

Incomes in 2016 dollars

Percentile	1970	1980	1990	2000	2010	2016
5	\$6,658	\$9,521	\$10,283	\$11,314	\$9,321	\$9,720
10	10,440	13,753	14,957	16,880	14,202	15,094
15	13,920	17,390	19,029	21,556	18,361	19,753
20	16,990	20,708	22,667	25,634	22,194	23,936
25	19,856	23,820	26,174	29,443	25,894	27,924
30	22,268	26,734	29,336	33,155	29,503	31,798
35	24,607	29,592	32,624	36,687	33,290	35,577
40	26,909	32,360	35,706	40,363	36,879	39,748
45	29,094	35,087	39,052	43,831	40,684	43,618
50 - median	31,524	37,898	42,346	47,704	44,591	47,958
55	33,967	40,921	46,025	51,680	48,733	52,326
60	36,765	44,010	49,783	56,087	53,265	57,137
65	39,660	47,414	54,069	61,049	58,143	62,616
70	42,783	51,240	58,719	66,499	63,917	68,807
75	46,608	55,543	64,342	73,125	70,619	75,875
80	51,138	60,892	71,009	81,546	78,787	85,386
85	57,201	67,556	79,533	93,214	90,236	98,185
90	65,714	77,122	92,688	112,125	108,185	117,986
95	82,699	94,547	118,517	158,097	147,355	165,608

Note: Whites include only non-Hispanics and are single-race only starting in 2000. Income is adjusted for household size and inflation. See Methodology for details. Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

# Incomes at percentiles 5 to 95: Blacks

Incomes in 2016 dollars

Percentile	1970	1980	1990	2000	2010	2016
5	\$2,661	\$3,717	\$3,370	\$3,460	\$3,920	\$4,314
10	4,921	6,615	6,610	7,849	7,376	8,201
15	6,658	8,620	9,080	10,702	9,654	10,673
20	8,357	10,587	11,404	13,761	11,927	13,146
25	9,861	12,586	14,022	16,762	14,292	15,751
30	11,598	14,809	16,669	19,975	16,657	18,591
35	13,237	16,982	19,368	23,065	19,419	21,560
40	15,009	19,219	22,269	26,174	22,194	24,654
45	16,881	21,609	25,114	29,458	25,143	27,893
50 – median	18,719	24,085	28,043	32,875	28,248	31,082
55	20,699	26,725	31,302	36,295	31,712	34,742
60	23,087	29,546	34,541	40,199	35,349	38,424
65	25,291	32,638	38,221	44,035	39,233	42,693
70	28,128	35,892	42,110	48,819	44,165	47,295
75	30,976	39,587	46,739	54,058	49,048	52,423
80	34,685	43,885	51,994	60,157	55,484	59,370
85	39,001	49,373	58,532	68,246	63,529	67,924
90	44,960	56,584	67,383	79,507	74,903	80,502
95	54,490	68,419	82,133	101,015	95,332	103,886

Note: Blacks include only non-Hispanics and are single-race only starting in 2000. Income is adjusted for household size and inflation. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

# Incomes at percentiles 5 to 95: Hispanics

Incomes in 2016 dollars

Percentile	1970	1980	1990	2000	2010	2016
5	\$4,299	\$4,996	\$5,459	\$6,116	\$6,042	\$6,750
10	7,237	8,300	8,852	9,785	9,044	9,900
15	9,553	10,795	11,442	12,487	11,280	12,523
20	11,533	13,126	14,013	15,086	13,464	14,893
25	13,239	15,432	16,292	17,478	15,721	17,254
30	15,198	17,770	18,696	19,975	17,890	19,778
35	16,900	19,887	21,058	22,373	20,085	22,321
40	18,673	22,052	23,411	24,867	22,424	24,982
45	20,554	24,460	26,011	27,389	24,916	27,727
50 – median	22,396	26,725	28,684	30,080	27,549	30,400
55	24,462	29,158	31,398	32,897	30,516	33,697
60	26,591	31,651	34,372	36,038	33,524	37,000
65	29,000	34,437	37,540	39,519	37,077	40,754
70	31,422	37,375	41,144	43,321	41,003	45,283
75	34,430	40,911	45,490	48,028	45,665	50,314
80	37,923	44,851	50,496	53,718	51,638	56,355
85	42,205	50,031	56,845	61,159	58,942	64,608
90	48,719	57,178	66,020	72,077	69,835	76,847
95	59,773	69,918	82,215	93,570	90,236	100,490

Note: Hispanics are of any race. Income is adjusted for household size and inflation. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

# Incomes at percentiles 5 to 95: Asians

Incomes in 2016 dollars

Percentile	1970	1980	1990	2000	2010	2016
5	\$6,382	\$7,111	\$7,456	\$7,136	\$7,324	\$7,115
10	11,270	12,423	12,699	12,830	12,206	12,478
15	14,619	16,365	17,100	17,659	16,426	17,281
20	17,659	20,049	21,228	22,471	21,055	22,077
25	20,558	23,576	25,221	26,966	25,190	27,001
30	23,304	26,950	29,084	31,132	29,295	32,000
35	25,765	30,251	32,717	35,397	33,524	36,729
40	28,601	33,301	36,370	39,450	38,190	41,457
45	30,920	36,270	40,009	43,535	42,413	46,352
50 – median	33,366	39,340	43,715	48,112	47,080	51,288
55	35,935	42,540	47,591	52,616	51,788	56,924
60	38,792	45,830	51,773	57,661	57,148	62,616
65	41,688	49,373	56,184	62,892	63,252	69,732
70	45,239	53,229	61,208	69,194	69,910	77,386
75	49,358	57,740	66,814	76,398	77,906	86,674
80	53,818	63,087	73,510	85,215	87,324	98,112
85	59,813	69,759	82,187	96,943	99,871	111,864
90	68,192	79,274	94,421	115,187	117,786	133,529
95	84,070	94,454	119,185	154,529	155,683	181,134

Note: Asians include Pacific Islanders, are non-Hispanic, and single-race only starting in 2000. Income is adjusted for household size and inflation. See Methodology for details. Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

# Change in income at percentiles 5 to 95, by race and ethnicity, 1970 to 2016

Incomes in 2016 dollars

		White	%		Black	%		Hispanic	%		Asian	%
Percentile	1970	2016	change	1970	2016	change	1970	2016	change	1970	2016	change
5	\$6,658	\$9,720	46%	\$2,661	\$4,314	62%	\$4,299	\$6,750	57%	\$6,382	\$7,115	11%
10	10,440	15,094	45	4,921	8,201	67	7,237	9,900	37	11,270	12,478	11
15	13,920	19,753	42	6,658	10,673	60	9,553	12,523	31	14,619	17,281	18
20	16,990	23,936	41	8,357	13,146	57	11,533	14,893	29	17,659	22,077	25
25	19,856	27,924	41	9,861	15,751	60	13,239	17,254	30	20,558	27,001	31
30	22,268	31,798	43	11,598	18,591	60	15,198	19,778	30	23,304	32,000	37
35	24,607	35,577	45	13,237	21,560	63	16,900	22,321	32	25,765	36,729	43
40	26,909	39,748	48	15,009	24,654	64	18,673	24,982	34	28,601	41,457	45
45	29,094	43,618	50	16,881	27,893	65	20,554	27,727	35	30,920	46,352	50
50-median	31,524	47,958	52	18,719	31,082	66	22,396	30,400	36	33,366	51,288	54
55	33,967	52,326	54	20,699	34,742	68	24,462	33,697	38	35,935	56,924	58
60	36,765	57,137	55	23,087	38,424	66	26,591	37,000	39	38,792	62,616	61
65	39,660	62,616	58	25,291	42,693	69	29,000	40,754	41	41,688	69,732	67
70	42,783	68,807	61	28,128	47,295	68	31,422	45,283	44	45,239	77,386	71
75	46,608	75,875	63	30,976	52,423	69	34,430	50,314	46	49,358	86,674	76
80	51,138	85,386	67	34,685	59,370	71	37,923	56,355	49	53,818	98,112	82
85	57,201	98,185	72	39,001	67,924	74	42,205	64,608	53	59,813	111,864	87
90	65,714	117,986	80	44,960	80,502	79	48,719	76,847	58	68,192	133,529	96
95	82,699	165,608	100	54,490	103,886	91	59,773	100,490	68	84,070	181,134	115

Note: Whites, blacks and Asians include only non-Hispanics and are single-race only in 2016. Hispanics are of any race. Asians include Pacific Islanders. Income is adjusted for household size and inflation. See Methodology for details.

Source: Pew Research Center analysis of 1970 decennial census and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

## Income allocation rates, by race and ethnicity

Unweighted share of respondents with half or more of their total household income allocated by the Census Bureau, 1970 to 2016

	1970	1980	1990	2000	2010	2016
All	0.1%	16.3%	16.5%	25.8%	17.8%	20.2%
White	0.1	14.7	14.9	24.2	15.8	17.4
Black	0.0	26.3	26.9	36.2	27.5	31.2
Hispanic	0.0	22.0	21.1	28.8	22.8	26.5
Asian	0.1	14.6	15.3	21.0	16.2	19.4

Note: Whites, blacks and Asians include only non-Hispanics and are single-race only starting in 2000. Hispanics are of any race. Asians include Pacific Islanders. "All" includes all adults, including those who do not identify with one of the four racial and ethnic groups listed. To account for nonresponse to questions on components of income, the Census Bureau uses statistical procedures to <u>allocate</u> missing values by looking at the values reported by similar respondents. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

#### PEW RESEARCH CENTER

## Institutionalization rates, by race and ethnicity

% of adults living in institutional group quarters

	1970	1980	1990	2000	2010	2016
All	1.6%	0.8%	0.9%	0.6%	1.4%	1.2%
White	1.5	0.8	0.8	0.5	0.9	0.8
Black	2.2	1.6	1.8	1.5	4.2	3.7
Hispanic	0.9	0.6	0.8	0.4	1.6	1.5
Asian	0.8	0.2	0.2	0.1	0.3	0.3

Note: The <u>institutionalized population</u> consists of people residing in correctional institutions, mental institutions, homes for the elderly, and other similar institutions. Adults living in non-institutional group quarters or in households with half or more of its income allocated are excluded from the overall adult population. Whites, blacks and Asians include only non-Hispanics and are single-race only starting in 2000. Hispanics are of any race. Asians include Pacific Islanders. "All" includes all adults, including those who do not identify with one of the four racial and ethnic groups listed. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

# Share foreign born, by percentile group: All

% of U.S. adults in each income percentile group who are foreign born

Percentile	1970	1980	1990	2000	2010	2016
All	7%	7%	9%	13%	15%	16%
0-5	8	10	13	21	20	21
5-10	8	9	12	21	23	24
10-15	8	10	12	20	22	23
15-20	8	9	12	18	20	21
20-25	7	9	11	17	20	20
25-30	7	8	10	16	19	19
30-35	6	8	10	14	17	18
35-40	6	7	9	14	16	16
40-45	6	7	9	13	15	15
45-50	6	7	8	12	15	15
50-55	6	7	8	11	13	14
55-60	6	7	8	11	13	13
60-65	6	6	8	10	12	12
65-70	7	6	8	10	12	12
70-75	7	6	8	10	12	12
75-80	7	6	8	10	11	12
80-85	7	6	8	10	11	12
85-90	7	6	7	10	11	13
90-95	7	6	8	10	13	14
95-100	7	7	8	11	13	15

Note: "Foreign born" means persons born outside of the United States, Puerto Rico or other U.S. territories to parents of whom neither was a U.S. citizen, regardless of legal status. Overall figures for the share of all adults who are foreign born will differ from official figures because adults living in households with half or more of their income allocated are excluded. Income is adjusted for household size and inflation. See Methodology for details. Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

## Share foreign born, by percentile group: Whites

% of U.S. adults in each income percentile group who are foreign born

Percentile	1970	1980	1990	2000	2010	2016
All	6%	5%	4%	4%	4%	5%
0-5	7	6	5	7	6	7
5-10	8	7	5	5	6	6
10-15	7	6	4	4	5	5
15-20	6	6	4	4	5	5
20-25	6	5	4	4	5	4
25-30	5	5	4	4	4	4
30-35	5	4	3	4	4	4
35-40	5	4	3	4	4	4
40-45	5	4	3	4	4	4
45-50	5	4	3	4	4	4
50-55	5	4	3	4	4	3
55-60	5	4	4	4	4	4
60-65	5	4	3	4	4	4
65-70	6	4	4	4	4	4
70-75	6	4	4	4	4	4
75-80	6	4	4	4	4	4
80-85	6	4	4	4	4	4
85-90	6	4	4	5	4	5
90-95	6	5	5	5	5	6
95-100	6	5	5	6	7	7

Note: "Foreign born" means persons born outside of the United States, Puerto Rico or other U.S. territories to parents of whom neither was a U.S. citizen, regardless of legal status. Whites include only non-Hispanics and are single-race only starting in 2000. Overall figures for the share of whites who are foreign born will differ from official figures because adults living in households with half or more of their income allocated are excluded. Percentiles are calculated independently for each racial and ethnic group. Income is adjusted for household size and inflation. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

## Share foreign born, by percentile group: Blacks

% of U.S. adults in each income percentile group who are foreign born

Percentile	1970	1980	1990	2000	2010	2016
All	1%	3%	5%	8%	11%	12%
0-5	1	4	4	7	7	9
5-10	1	2	2	5	7	9
10-15	0	2	2	5	7	8
15-20	1	2	3	6	8	9
20-25	1	3	4	7	9	12
25-30	1	3	5	7	9	11
30-35	1	3	5	8	10	12
35-40	1	3	5	8	11	14
40-45	1	3	5	8	11	13
45-50	1	4	6	8	11	14
50-55	1	4	6	9	12	13
55-60	1	4	6	9	12	12
60-65	2	4	6	9	12	12
65-70	2	4	7	9	12	12
70-75	2	4	7	9	12	13
75-80	2	4	6	9	12	12
80-85	2	4	7	9	12	13
85-90	2	4	7	9	11	13
90-95	2	4	7	9	13	13
95-100	3	4	8	9	12	14

Note: "Foreign born" means persons born outside of the United States, Puerto Rico or other U.S. territories to parents of whom neither was a U.S. citizen, regardless of legal status. Blacks include only non-Hispanics and are single-race only starting in 2000. Overall figures for the share of blacks who are foreign born will differ from official figures because adults living in households with half or more of their income allocated are excluded. Percentiles are calculated independently for each racial and ethnic group. Income is adjusted for household size and inflation. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

## Share foreign born, by percentile group: Hispanics

% of U.S. adults in each income percentile group who are foreign born

Percentile	1970	1980	1990	2000	2010	2016
All	34%	38%	47%	54%	51%	47%
0-5	32	38	45	56	53	49
5-10	32	37	49	60	60	58
10-15	28	39	52	62	62	60
15-20	32	43	53	63	62	60
20-25	32	42	55	64	62	57
25-30	31	42	55	63	61	57
30-35	32	43	54	63	61	57
35-40	30	42	54	62	60	53
40-45	33	40	53	60	58	52
45-50	32	40	51	60	57	53
50-55	33	40	51	56	55	49
55-60	34	39	48	55	54	47
60-65	34	38	46	53	51	46
65-70	36	37	45	50	49	43
70-75	38	37	43	48	46	41
75-80	38	35	39	45	43	37
80-85	39	34	38	42	38	35
85-90	39	33	37	39	35	32
90-95	40	31	34	36	31	29
95-100	38	35	37	39	31	31

Note: "Foreign born" means persons born outside of the United States, Puerto Rico or other U.S. territories to parents of whom neither was a U.S. citizen, regardless of legal status. Hispanics are of any race. Overall figures for the share of Hispanics who are foreign born will differ from official figures because adults living in households with half or more of their income allocated are excluded. Percentiles are calculated independently for each racial and ethnic group. Income is adjusted for household size and inflation. See Methodology for details.

Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

## Share foreign born, by percentile group: Asians

% of U.S. adults in each income percentile group who are foreign born

Percentile	1970	1980	1990	2000	2010	2016
All	45%	67%	77%	82%	79%	78%
0-5	54	84	89	86	79	82
5-10	58	74	87	89	86	85
10-15	58	76	87	88	83	84
15-20	60	75	85	88	83	82
20-25	61	76	84	86	82	81
25-30	54	74	83	86	82	80
30-35	61	73	82	85	81	81
35-40	44	71	81	83	80	78
40-45	43	71	79	84	81	77
45-50	49	70	78	83	80	78
50-55	37	67	75	82	79	78
55-60	39	67	74	81	77	76
60-65	45	65	73	81	78	77
65-70	37	63	73	80	77	75
70-75	35	61	70	78	76	75
75-80	35	58	71	78	77	75
80-85	33	57	67	78	74	75
85-90	34	51	65	76	77	76
90-95	29	54	64	77	75	74
95-100	35	57	71	78	75	74

Note: "Foreign born" means persons born outside of the United States, Puerto Rico or other U.S. territories to parents of whom neither was a U.S. citizen, regardless of legal status. Asians include Pacific Islanders, are non-Hispanic, and single-race only starting in 2000. Overall figures for the share of Asians who are foreign born will differ from official figures because adults living in households with half or more of their income allocated are excluded. Percentiles are calculated independently for each racial and ethnic group. Income is adjusted for household size and inflation. See Methodology for details. Source: Pew Research Center analysis of 1970, 1980, 1990 and 2000 decennial censuses and 2010 and 2016 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

## Selected characteristics of Asians in the U.S.

19 largest Asian-origin groups in the U.S. (based on self-described race or ethnicity), 2013 to 2015

	Population	Foreign born	College graduate	Median household income	Living in poverty
All Asians	20,416,808	59%	51%	\$73,060	12.1%
Chinese	4,948,000	63	53	70,000	14.4
Indian	3,982,000	69	72	100,000	7.5
Filipino	3,899,000	52	46	80,000	7.5
Vietnamese	1,980,000	64	29	60,000	14.3
Korean	1,822,000	62	54	60,000	12.8
Japanese	1,411,000	27	49	74,000	8.4
Pakistani	519,000	67	53	66,000	15.8
Cambodian	330,000	58	18	55,000	19.1
Hmong	299,000	39	17	48,000	28.3
Thai	295,000	76	43	54,500	16.7
Laotian	271,000	58	16	54,000	14.9
Bangladeshi	188,000	74	48	49,800	24.2
Burmese	168,000	85	25	36,000	35.0
Nepalese	140,000	88	41	43,500	23.9
Indonesian	113,000	76	48	57,400	14.3
Sri Lankan	60,000	78	57	74,000	8.7
Malaysian	30,000	83	60	***	27.7
Bhutanese	24,000	92	9	***	33.3
Mongolian	21,000	76	59	***	26.1

"\*\*\*" indicates insufficient number of observations to provide a reliable estimate. Note: Chinese includes Taiwanese. Chinese, Indian, Filipino, Vietnamese, Korean and Japanese are based on mixed-race and mixed-group populations, regardless of Hispanic origin. Due to data limitations, figures for other groups are based on single-race and singlegroup populations, regardless of Hispanic origin. (Population figures for all groups are based on mixed-race and mixed-group populations.) There is some overlap between groups due to individuals identifying with multiple Asian groups. "College graduate" refers to adults 25 and older with a bachelor's degree or higher. Median household income is in 2015 dollars. Poverty status is determined for individuals in housing units and non-institutional group quarters. It is unavailable for children younger than 15 who are not related to the householder, people living in institutional group quarters and people living in college dormitories or military barracks. Due to the way in which IPUMS assigns poverty values, these data will differ from those provided by the U.S. Census Bureau. For more information, see Pew Research Center's <u>fact sheets</u> for each national origin group. Source: Population estimates from U.S. Census Bureau, 2015 American Community Survey 1-year estimates (American FactFinder). All other figures from Pew Research Center analysis of 2013-15 American Community Survey (IPUMS).

"Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"

## Selected characteristics of Hispanics in the U.S.

14 largest U.S. Hispanic groups by origin (based on self-described race or ethnicity), 2015

	Population	Foreign born	College graduate	Median household income	Living in poverty
All Hispanics	56,477,000	34%	15%	\$44,800	22.0%
Mexicans	35,758,000	32	11	44,200	22.9
Puerto Ricans	5,371,000	2	19	40,500	23.5
Salvadorans	2,174,000	59	10	47,600	20.1
Cubans	2,116,000	56	27	44,400	17.0
Dominicans	1,866,000	54	17	36,800	26.8
Guatemalans	1,384,000	61	9	40,200	25.9
Colombians	1,091,000	61	34	54,500	13.1
Hondurans	853,000	63	11	36,800	27.0
Spaniards	799,000	15	36	60,000	11.4
Ecuadorians	707,000	59	21	51,000	15.4
Peruvians	651,000	63	33	56,000	10.4
Nicaraguans	422,000	58	19	51,000	13.6
Venezuelans	321,000	71	53	56,800	17.0
Argentinians	274,000	57	39	60,640	11.3

Note: Share of college graduates refers to adults 25 and older with a bachelor's degree or higher. Median household income is reported in 2015 dollars. Poverty status is determined for individuals in housing units and noninstitutional group quarters. It is unavailable for children younger than 15 who are not related to the householder, people living in institutional group quarters and people living in college dormitories or military barracks. Due to the way in which IPUMS assigns poverty values, these data will differ from those provided by the U.S. Census Bureau. For more information about the U.S. Hispanic population, see Pew Research Center's factsheets.

Source: Pew Research Center tabulations of 2015 American Community Survey (1% IPUMS). "Income Inequality in the U.S. Is Rising Most Rapidly Among Asians"