



Is New York Still a Middle Class Town?

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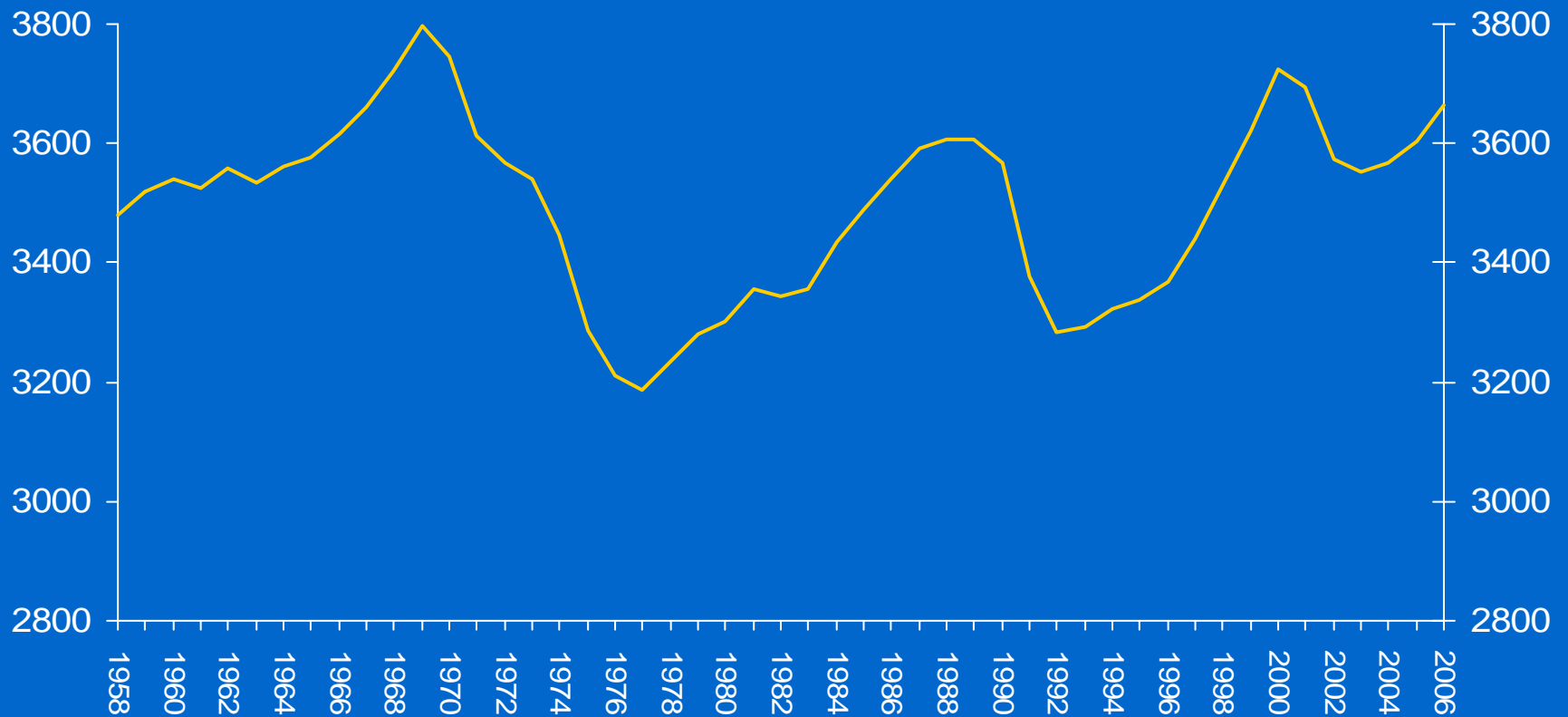
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The Paradox: Growing Inequality Amidst Overall Prosperity

- A growing economy
 - Despite employment fluctuating around 3.5 million, real earnings have grown, driving up real estate prices, creating a housing construction boom, improving city's fiscal position
- But income distribution is increasingly unequal
 - More people live in households at the bottom (below \$30K) and top (above \$250K), fewer in the households in between



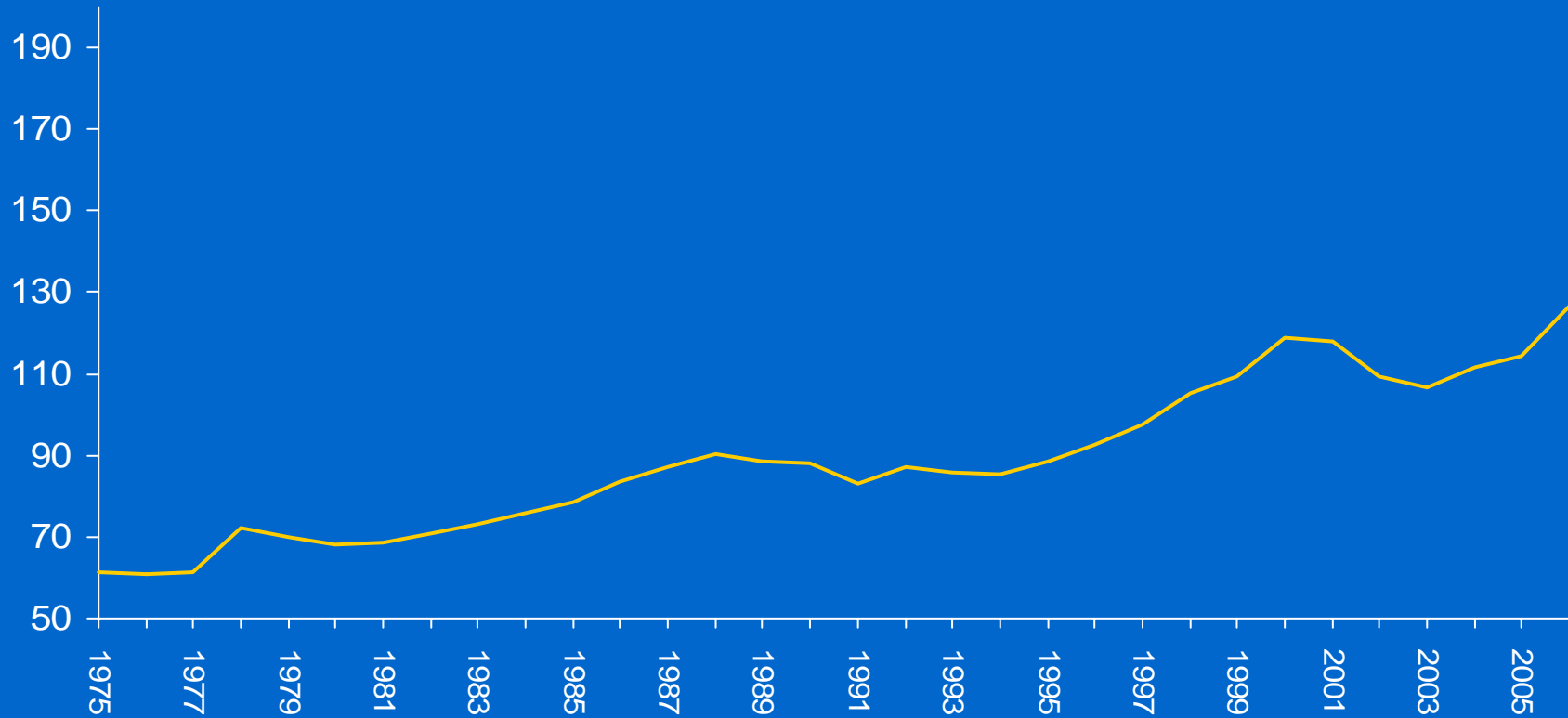
Total Payroll Employment in New York City 1958 - 2006



Source: New York State Department of Labor, Current Employment Statistics Survey, Annual Averages

Total Real Wages for Workers in New York City 1975 - 2006

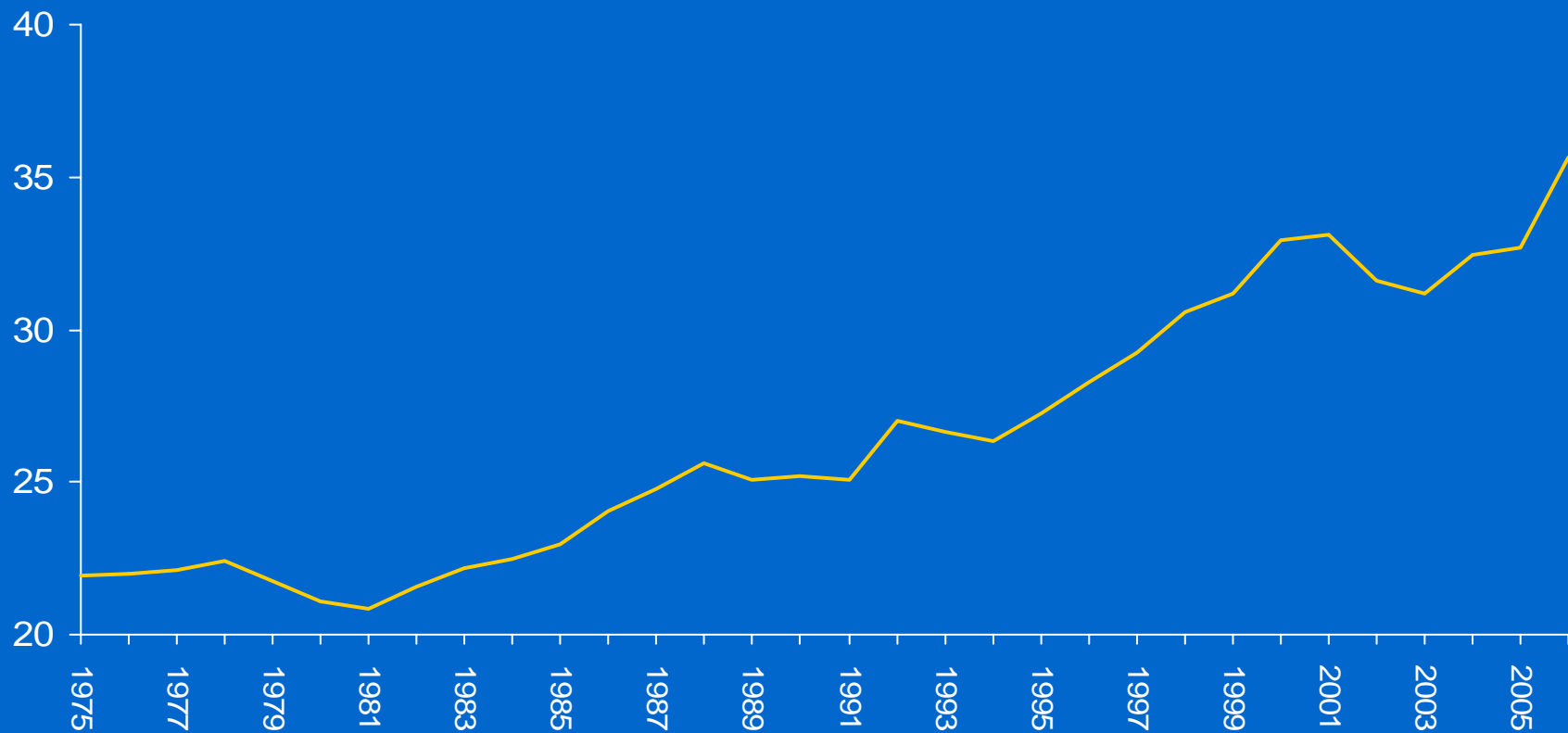
In Trillions of Constant Dollars 1982-1984 = 100/2006 = 215.0



Source: NYS DOL ES202/QCEW Series SIC 1975-2000, NAICS 2001-2006

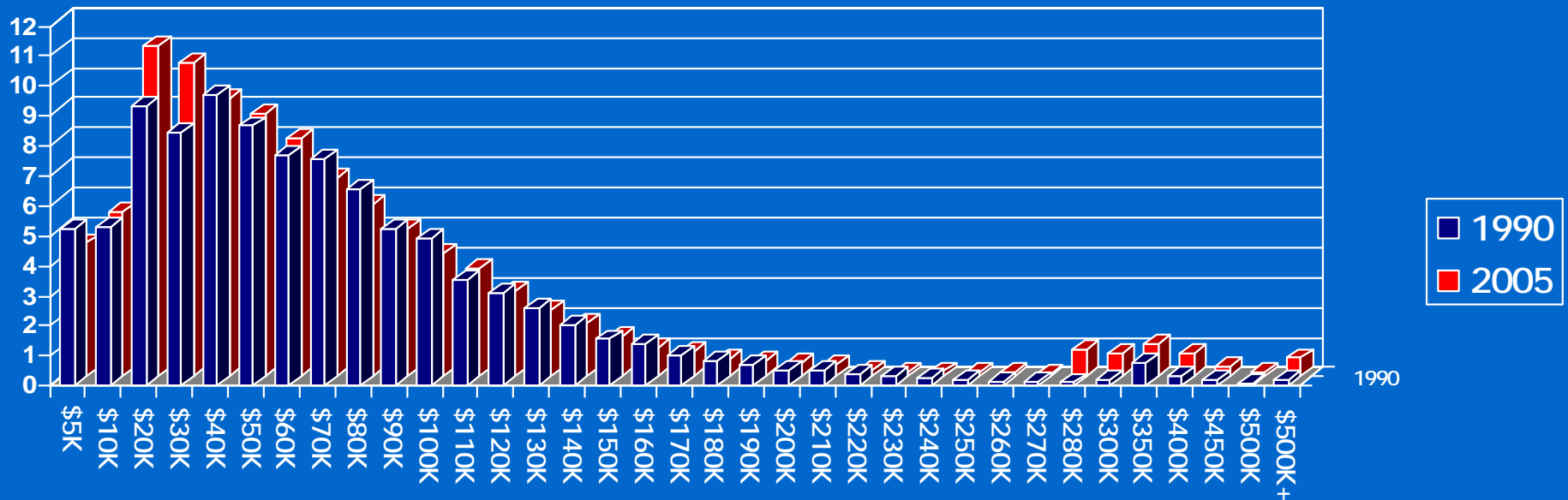
Average Real Annual Wage in New York City 1975 - 2006

In Thousands of Constant Dollars 1982-1984 = 100/September 2005 = 215.8



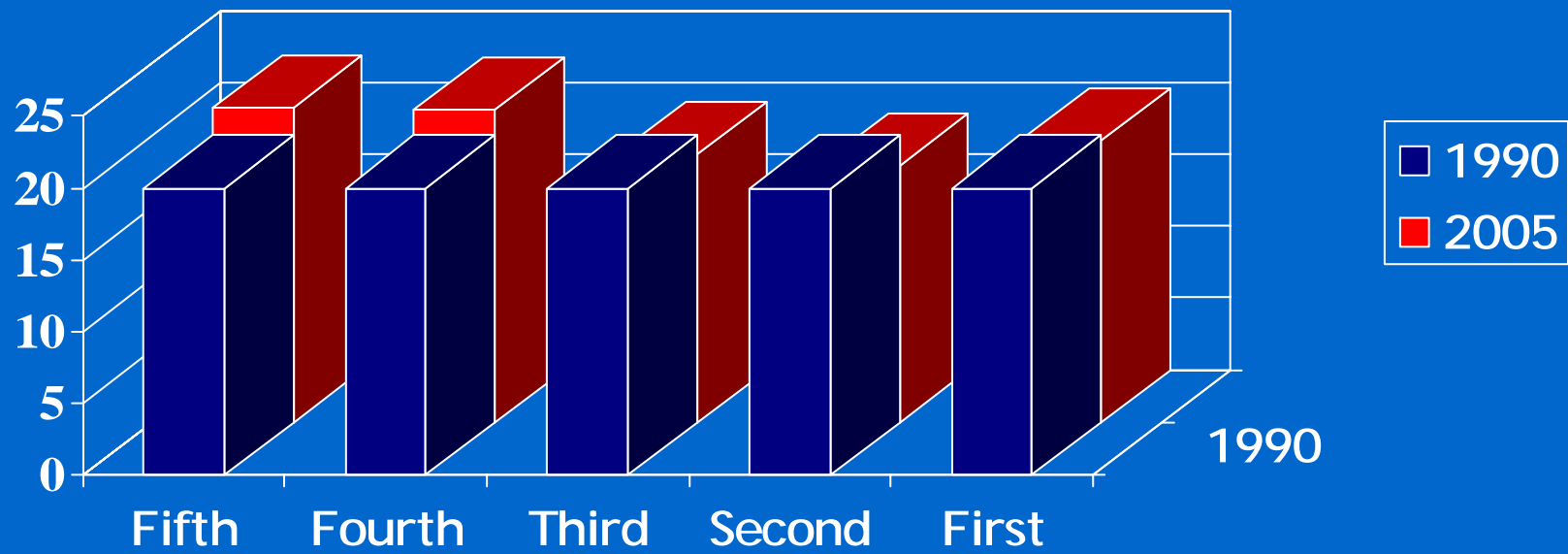
Changing Income Distribution 1990 - 2005

(Percent of People by Household Income, Constant \$2005)



Source: 1990 Public Use Microdata Sample, 2005 ACS

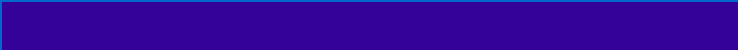
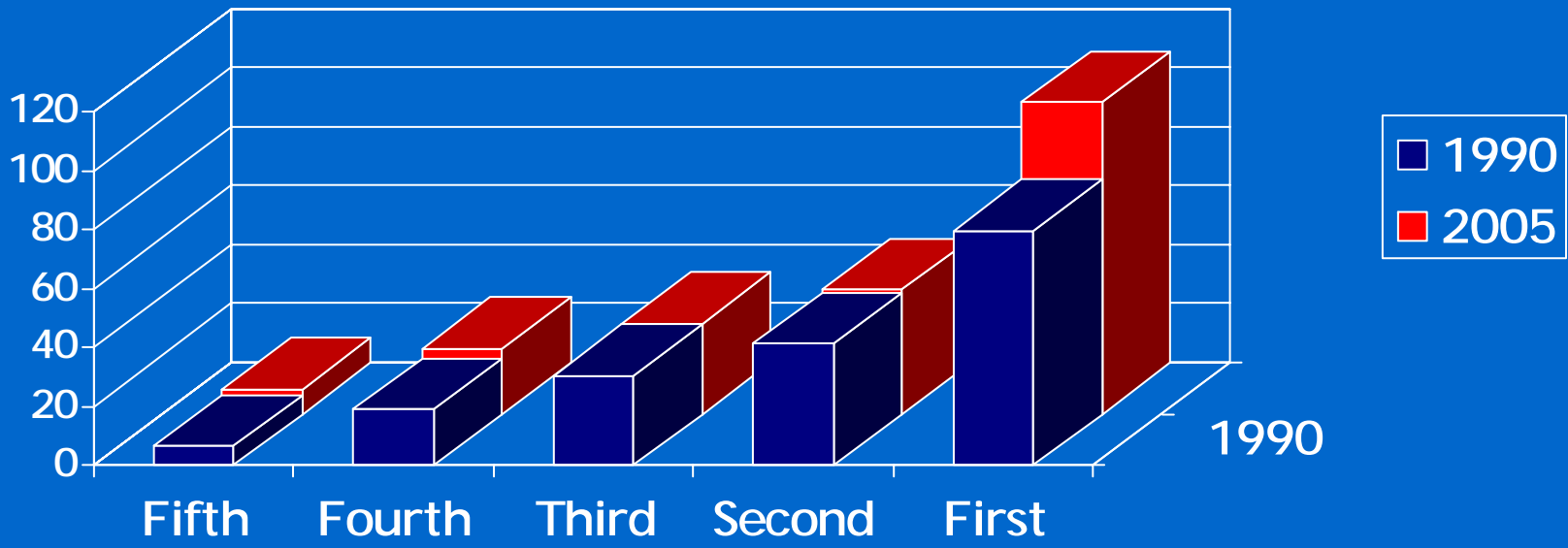
Population by 1990 Income Quintiles



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Total Earnings by 1990 Income Quintiles

(Trillions of \$2005)

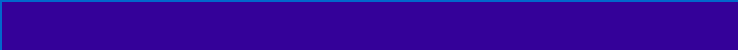
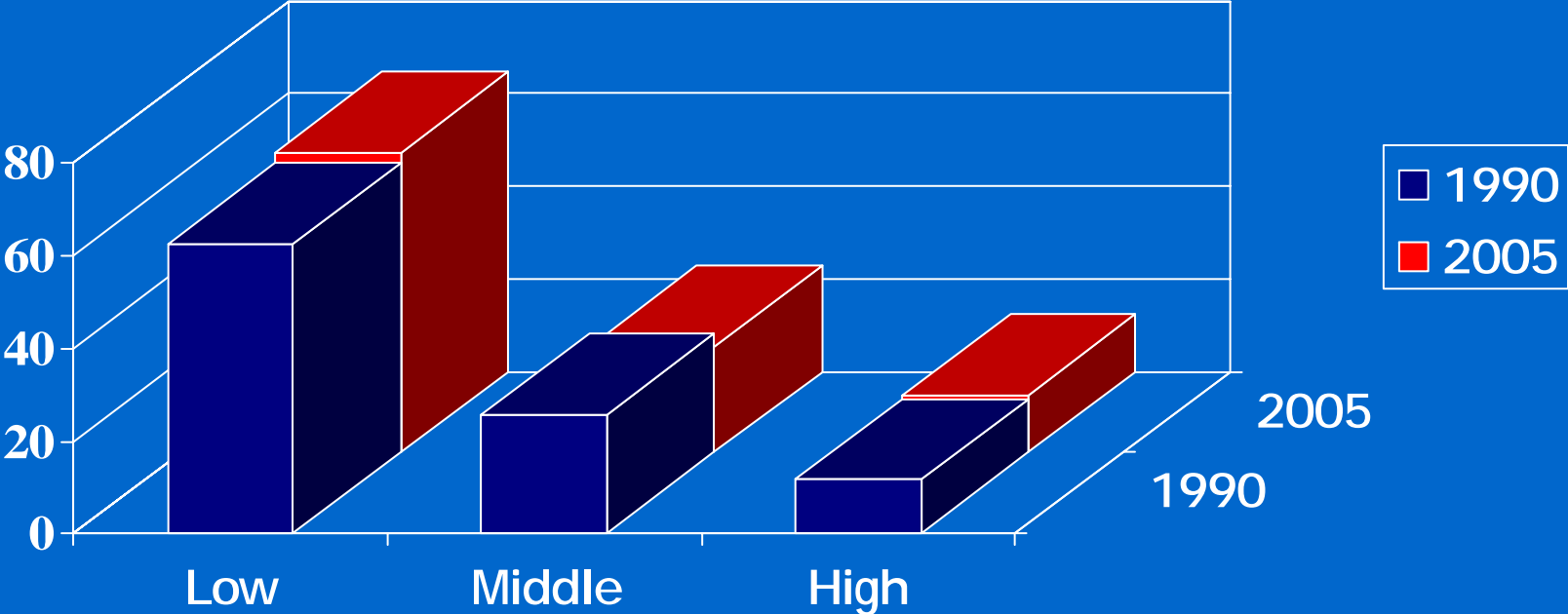


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The DMI Brackets 1990-2005

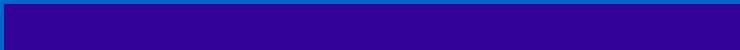
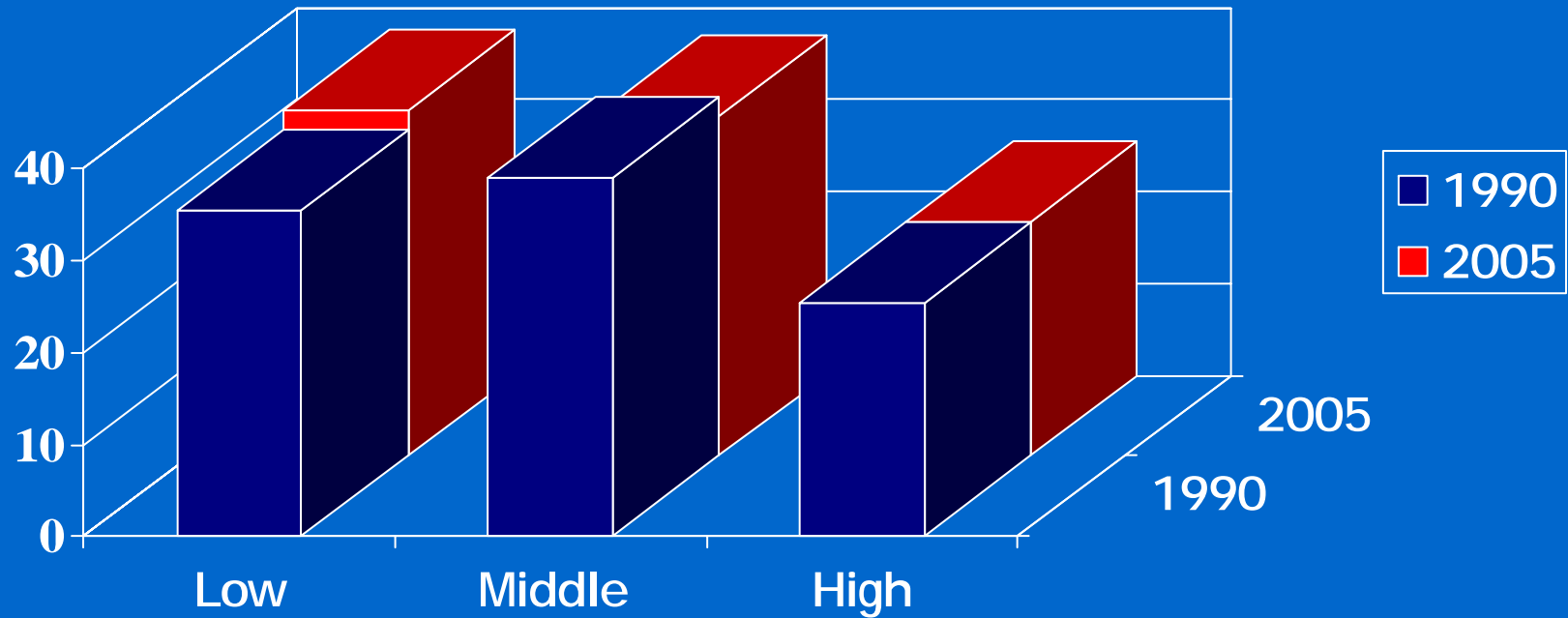
(Singles = \$45-90K, Families = \$75-135K)





Poverty Brackets 1990-2005

(Low = < 2 X Poverty, Middle = 2 to 5 X Poverty, High = > 5 X Poverty)



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Any Way You Look At It...

- The number of people in the bottom and top parts of the income distribution are growing relative to those in the middle
- The top part is growing relative to the others not only in numbers, but in total income
- *Average* incomes are thus rising mainly because the top is pulling them up

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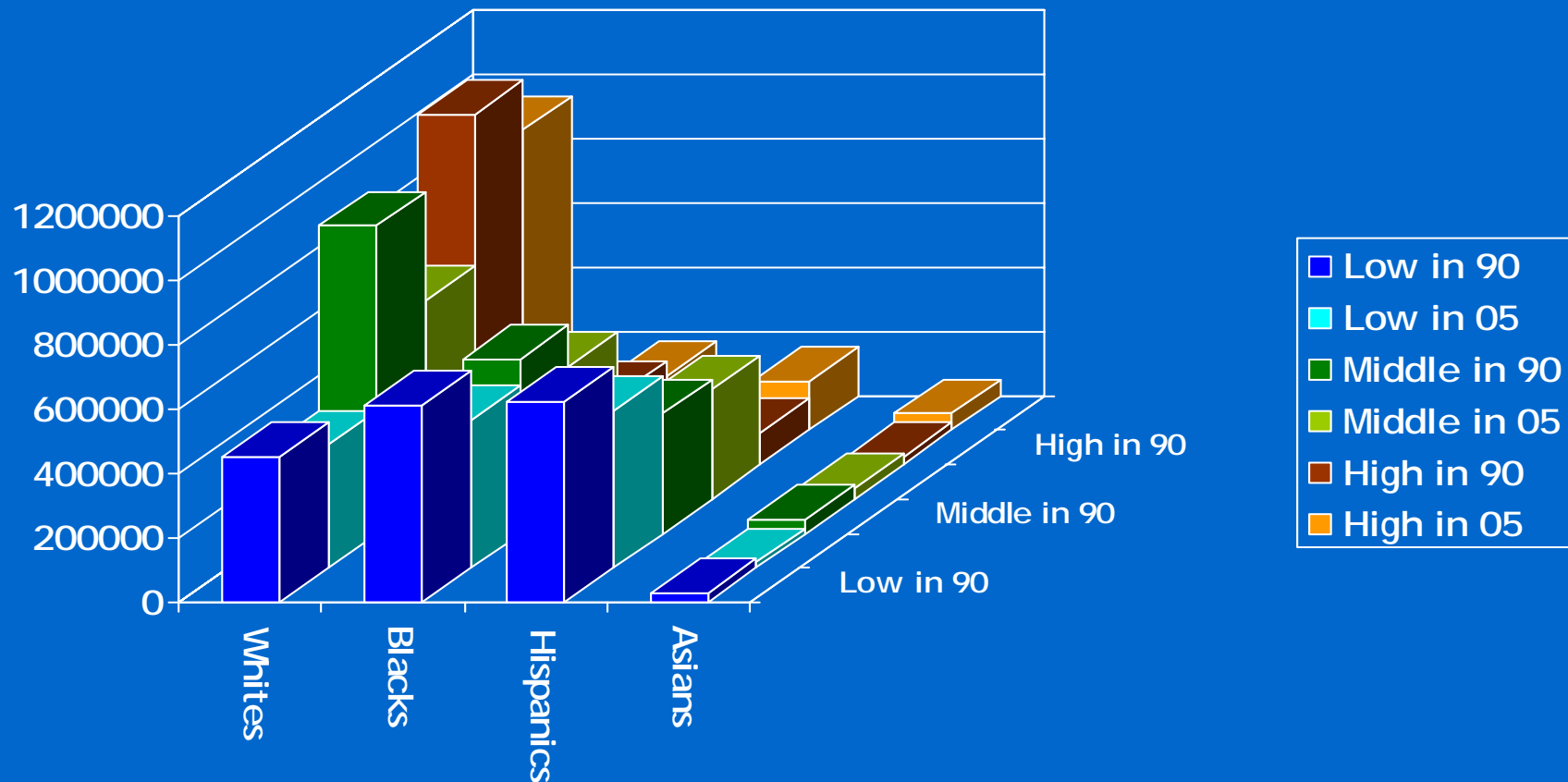
Why Aren't People Feeling 'Relative Deprivation'?

- Who occupies the brackets changes over time
- The shrinking number of native white households is shifting markedly upwards
- To a far less extent, this is also true of native black and Hispanic households
- The growing number of immigrant white, black, and Asian households is fairly evenly distributed across brackets
- But Immigrant Hispanic households are clustered at the bottom



Household Income by Race (Native HH Head)

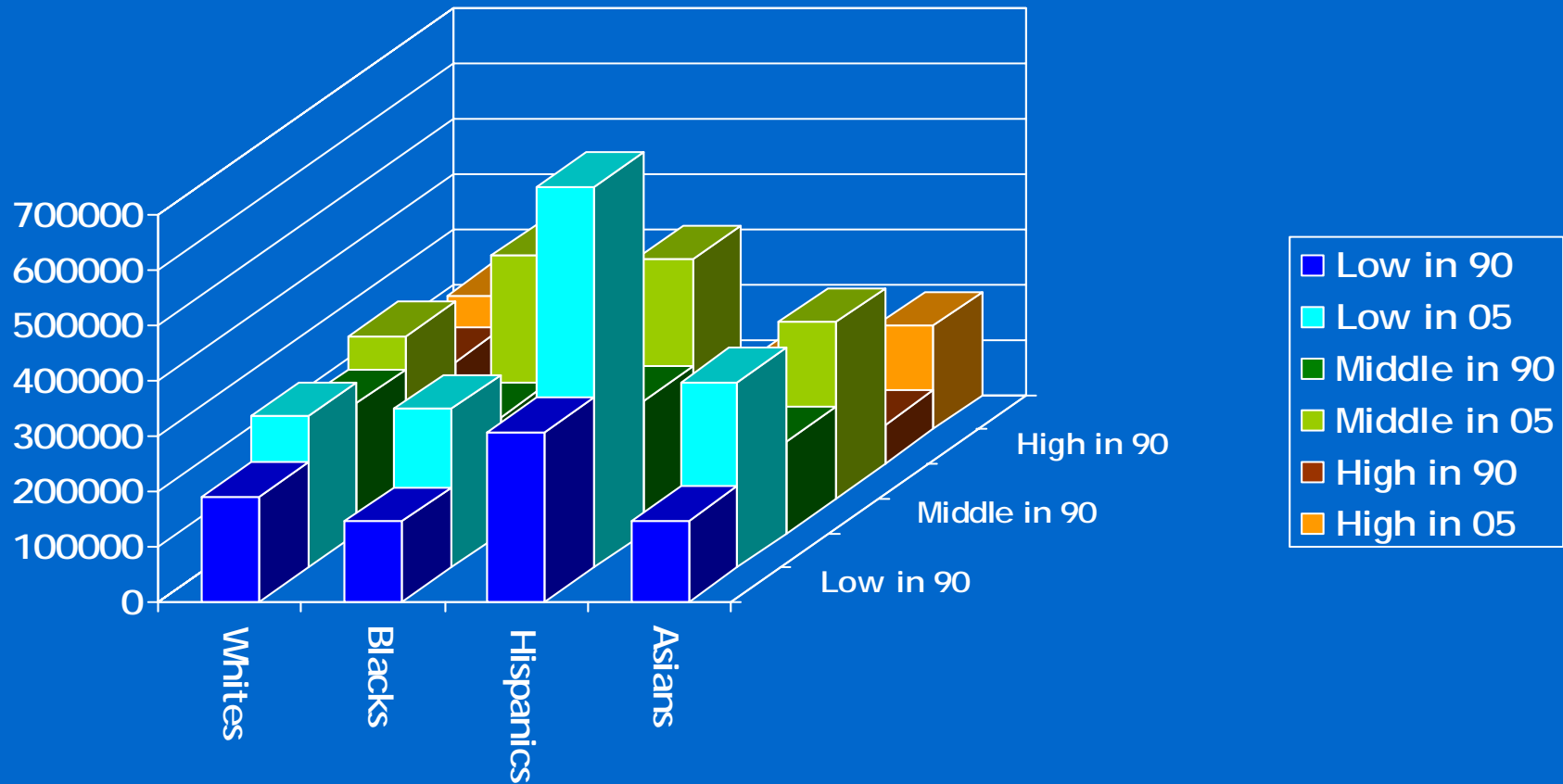
(People in Households - Low = Under 2 X Poverty, high = Over 5 X Poverty)



Source: 1990 Public Use Microdata Sample, 2005 ACS

Household Income by Race (Foreign HH Head)

(People in Households - Low = Under 2 X Poverty, High = Over 5 X Poverty)



Source: 1990 Public Use Microdata Sample, 2005 ACS

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Bottom Lines

- Growing income inequality does not prevent many households from being upwardly mobile
- Native households are diminishing part of overall population, especially at the low end
- White, black, and Asian immigrant households are growing all across income distribution
- But Hispanic immigrant households remain clustered at the bottom