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For immediate release: June 21, 2016

## **Income Inequality Remains Near Record Levels**

The income gap between the rich and the poor remains near its highest level ever, according to [a new report by the Wisconsin Budget Project and COWS at UW Madison](#). The wide chasm between the very highest earners and everyone else poses hardships for Wisconsin's families, communities, and businesses.

In 2013, 15.9 percent – nearly 1 out of every 6 dollars of income in Wisconsin – wound up in the pockets of the top 1 percent of earners. That group has an average income of \$888,000. The share of income going to the top 1 percent in Wisconsin has more than doubled since the 1970s.

“Wisconsin families and businesses can’t thrive when income growth and purchasing power are so uneven,” said Tamarine Cornelius of the Wisconsin Budget Project. “If we want our economy to be on a solid footing, we need to make sure everyone benefits from gains in productivity.”

Key findings of the report include:

- Between 1979 and 2013, the average income of the top 1 percent in Wisconsin grew by almost 120 percent, while the average income of the remaining 99 percent grew by only 4 percent.
- The top 1 percent in Wisconsin had an average income of \$888,000 in 2013, 19 times the average income of the remaining 99 percent.
- The gap is even wider at the national level, with the top 1 percent making 25.3 times as much as the average income of the 99 percent.
- The top .01 percent in Wisconsin – the top 1 out of 10,000 – took home 3.3 percent of total income in Wisconsin and had an average income of \$18.9 million.

In the aftermath of the recession, income inequality in Wisconsin continues to grow. Between 2009 and 2013, the top 1 percent in Wisconsin claimed 31 percent of total income growth. The average incomes of the top 1 percent grew by 12 percent during this period, compared to just 4.7 percent growth in the average income for the remaining 99 percent.

“Building more broadly shared prosperity is possible,” said Laura Dresser of COWS. “But it requires devoting more attention to a policy environment that can promote equity

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and opportunity.” The report outlines a number of strategies for mitigating the effects of growing income inequality:

- Raising the minimum wage and giving a boost to the lowest-paid workers.
- Building the skills and education of Wisconsin’s workforce by investing in technical colleges and improving the connections between training and employment.
- Ensuring that workers have access to affordable health care.
- Supporting working families. Paid family leave and sick time will help more Wisconsin residents succeed in the workforce, as will a strong child care system and improvements to tax credits for working families.
- Making state taxes more equal across income groups. People with high incomes should pay at least as much taxes relative to income as people with lower incomes do.
- Easing driving suspensions that create barriers to work for people who are unable to pay state or local fines.

The full Wisconsin report is available here: [Pulling Apart 2016: Focus on Wisconsin’s 1 Percent](#). This analysis is based on figures in [Income inequality in the U.S. by state, metropolitan area, and county](#), written by the Economic Policy Institute.

[COWS](#) is a research and policy center based at the University of Wisconsin-Madison dedicated to improving economic performance and living standards in the state. The [Wisconsin Budget Project](#), which is an initiative of the [Wisconsin Council on Children and Families](#), is a nonpartisan research group focusing on tax and budget policy.

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