The State of Working New York

The Illusion of Prosperity: New York in the New Economy

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CHAPTER 1

Income

On average, the bottom eighty percent of New York's families lost income over the last decade, even as the average income of the top twenty percent of families has risen by almost 30 percent since the late 1980s. At the same time, the poorest families experienced a 15 percent drop in income and the number of New Yorkers in poverty, particularly children, climbed. Increases in income inequality are not new to New York — the previous decade saw a significant widening between the rich and the poor. In contrast to the 1980s, though, incomes of those in the middle in New York have fallen in the 1990s, opening up the largest gap between the well-off and the middle class in the country.

Income is the broadest measure of New Yorkers' access to resources and includes several components.[1] While wages are the most important determinant of family income, other income sources — transfer payments, proprietors' income, and dividends, interest and rent — can either mitigate or exaggerate trends in wage earnings. Family income also reflects changes in the number of family members working and the total number of hours they worked. As wages have declined, families have compensated by increasing their total number of hours worked. Nationally, between 1989 and 1996, the number of paid hours worked by the typical household grew by 247 hours, to 3,851 in 1996.[2] New Yorkers likely have followed this trend, but despite increased work effort, the majority of New York family incomes are smaller today than they were in the 1980s.

Family income has declined at all levels except the highest

New York's median income for four-person families has declined in the 1990s after growing significantly in the 1980s. Between 1979 and 1989, the state's median income grew 17.3 percent, twice the national increase. *(Table 1.1)* From 1989-97, however, median family income declined in New York by 1.8 percent, while it grew by 1.1 percent nationally. In the 1980s, New York had outpaced all but two of the large northeastern and mid-western states (the group listed in Table 1.1 and referred to here as the NEON states) in terms of median income. But in the 1990s, six NEON states have seen their median incomes grow several times as fast as the national rate of 1.1 percent, and four NEON states surpassed New York's median family income level.

While New York's median income has declined since 1989, New York's average, or per capita, income has climbed 10 percent. *(Chart 1.1)* This rise in per capita income is largely due to the disproportionate income gains made by those with the highest incomes.

TABLE 1.1

Median Four-Person Family Income, U.S. and NEON States
(1997 dollars)

				Total Percent Change		Annual Percent Change	
	1979	1989	1997	1979-89	1989-97	1979-89	1989-97
U.S.	$48,573	$52,762	$53,350	8.6%	1.1%	0.83%	0.14%
New York	$48,535	$56,944	$55,911	17.3%	-1.8%	1.61%	-0.23%
Massachusetts	$54,760	$67,508	$65,012	23.3%	-3.7%	2.11%	-0.47%
New Jersey	$56,726	$69,372	$67,335	22.3%	-2.9%	2.03%	-0.37%
Pennsylvania	$51,371	$52,657	$55,386	2.5%	5.2%	0.25%	0.63%
Ohio	$48,624	$53,483	$55,926	10.0%	4.6%	0.96%	0.55%
Michigan	$52,712	$55,232	$57,521	4.8%	4.1%	0.47%	0.51%
Indiana	$48,810	$49,268	$53,581	0.9%	8.8%	0.09%	1.05%
Illinois	$52,374	$54,953	$57,811	4.9%	5.2%	0.48%	0.64%
Wisconsin	$50,761	$52,307	$57,270	3.0%	9.5%	0.30%	1.14%

SOURCE: Bureau of the Census, deflators applied by FPI.

This section will compare the income of families with children in the 1990s (1995/97) to family income in the 1980s (1987/89) and 1970s (1977/79).[3] To examine these changes, families are ranked according to income, then divided into five groups, or quintiles, each containing twenty percent of all families. The trends identified here rely on conservative adjustments for inflation, so real income declines may actually be greater than these figures indicate *(see Appendix)*.

In New York State in the 1990s, the average income of families with children in the bottom quintile was $7,116. *(Table 1.2)* This is nearly $1,300 less than in the 1980s, a decline of 15 percent. In contrast, the average income of families in the top quintile in the 1990s grew by 29 percent, or by $32,500, to $144,570.[4] The gains alone of this quintile were more than four times as great as the average income of the bottom quintile. In fact, only those with the highest incomes saw their incomes rise during the 1990s boom. The average income in every other quintile has fallen since the late 1980s. Average income of families in the middle quintile in the mid-1990s was $39,600, eight percent less than it was in the late 1980s.

New York has the widest income gaps in the nation

Because incomes have been falling for most New Yorkers, income inequality has increased dramatically since the 1980s. In fact, New York has the widest income gaps in the nation, and inequality has increased faster in New York since the late 1980s than in all but two states.[5] In the mid-1990s, the average income of the top fifth of New York State's families was twenty times greater than the average income of the bottom fifth. *(Table 1.3)* This income inequality ratio between the top and the bottom has climbed from 8 in the late 1970s, and 13 in the late 1980s. The gap between New York State's top and middle quintiles also grew. Families in the top quintile have incomes that are 3.7 times larger than families in the middle fifth, a ratio that is up by 40 percent from the late 1980s.

The richest one-fifth of New York's families had 53 percent of total income in the state in the mid-1990s, up from 41 percent in the late 1970s. *(Table 1.4)* A similar trend is evident nationally although the concentration at the top has been much more pronounced in New York. This substantial increase in income share among the richest families has come at the expense of the bottom 80 percent, with the share of the middle 60 percent of families dropping from 54 percent in the late 1970s to 45 percent in the 1990s.

Income declines and inequality are even greater in New York City

As in the rest of the state, in New York City the average income

TABLE 1.2

Average Income by Quintile, Families With Children, 1995/97 and Change from Late 1970s and Late 1980s
(1997 dollars)

New York State	Average Family Income 1995/97	Change 1970s to 1980s		Change 1980s to 1990s	
Bottom Quintile	$7,116	-$2,722	-24%	-$1,294	-15%
Second	$22,393	$269	1%	-$3,490	-13%
Middle	$39,604	$3,025	8%	-$3,395	-8%
Fourth	$61,658	$8,094	15%	-$1,183	-2%
Top	$144,570	$21,455	24%	$32,547	29%

New York City	Average Family Income 1995/97	Change 1970s to 1990s		Change 1980s to 1990s	
Bottom Quintile	$4,643	-$2,767	-33%	-$1,098	-19%
Second	$13,469	-$219	-1%	-$3,037	-18%
Middle	$26,187	$3,964	14%	-$6,103	-19%
Fourth	$45,493	$7,410	17%	-$5,522	-11%
Top	$115,395	$16,830	21%	$19,804	21%

United States	Average Family Income 1995/97	Change 1970s to 1990s		Change 1980s to 1990s	
Bottom Quintile	$9,543	-$2,454	-20%	-$178	-2%
Second	$25,416	-$2,020	-7%	-$673	-3%
Middle	$41,709	$318	1%	-$109	0%
Fourth	$61,443	$3,688	7%	$1,832	3%
Top	$126,227	$12,114	13%	$23,278	23%

Note: Data are combined for three-year periods: 1977/79, 1987/89, and 1995/97.
SOURCE: CPS data analyzed by the Center on Budget and Policy Priorities.

for the bottom 80 percent of families fell, while families with the highest incomes gained significantly. But in the City, average incomes declined more rapidly, and New York City's poorest families are poorer than their counterparts statewide. *(Table 1.2)*

As a result, income inequality is more extreme in New York City than in the state. In the City, average income in the top quintile is 25 times greater than average income in the bottom quintile. *(Table 1.3)* The gap between the top and middle income group is also greater in the City than in the state, but in the City the gap is growing much more quickly.

According to a report prepared for the New York City Council, the City's middle class has been shrinking.[6] At the end of the expansion of the 1980s, 35.2 percent of New York City residents enjoyed a middle class income. But by 1997, the share of residents in the middle class had dropped to 29.6 percent. And while the upper income share increased slightly from 13.8 percent in 1989 to 14.3 percent in 1997, the lower class share rose from 41.1 percent to 46.1 percent in 1997. However, for Blacks and Hispanics, whose presence in the middle and upper income groups rose substantially during the 1980s, the 1990s have reversed much of that progress. In 1989, 37.0 percent of Black families were in the middle and upper income groups; by 1997, that share had fallen to 31.6 percent. For Hispanic families, 32.0 percent were middle or upper income in 1989, but by 1997, their share dropped to 25.1 percent. For Whites, the shrinkage from 43.0 percent to 33.9 percent in the share in the middle class from 1989-97 was roughly evenly split with half going to an increase in those in the upper class and an increase in those in the lower income group.

TABLE 1.3

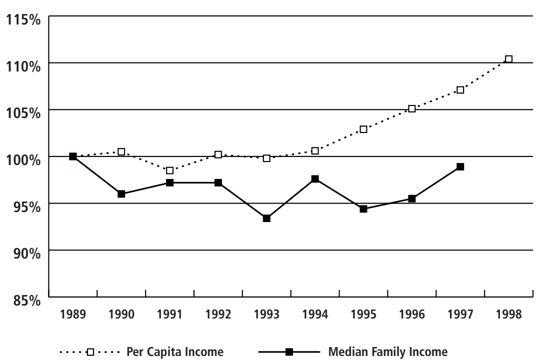
Income Inequality Ratios
Comparing Average Family Incomes of Top, Middle and Bottom Quintiles
(1997 dollars)

	1977/79	1987/89	1995/97
New York State			
Top-to-Bottom Ratio	8.1	13.3	20.3
Top-to-Middle Ratio	2.3	2.6	3.7
New York City			
Top-to-Bottom Ratio	9.3	16.7	24.9
Top-to-Middle Ratio	2.8	3.0	4.4
United States			
Top-to-Bottom Ratio	7.5	10.6	13.2
Top-to-Middle Ratio	2.2	2.5	3.0

Note: Data are combined for three-year periods: 1977-1979, 1987/89, and 1995/97. Data are for families with children
SOURCE: CPS data analyzed by the Center on Budget and Policy Priorities.

CHART 1.1

Change in Per Capita and Median Four-person Family Income Relative to 1989 Level, New York, 1989-98
(1997 dollars)



SOURCE: Bureau of the Census, BEA.

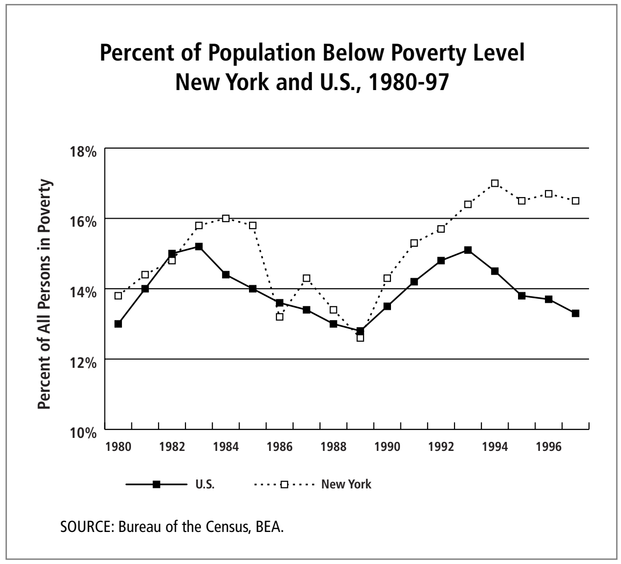
TABLE 1.4

Income Shares by Quintile, Families with Children

1977/79		1995/97	
New York State			
Bottom 20 percent	5.0%	Bottom 20 percent	2.6%
Middle 60 percent	54.2%	Middle 60 percent	44.9%
Top 20 percent	40.8%	Top 20 percent	52.5%
Total	*100.0%*	*Total*	*100.0%*
New York City			
Bottom 20 percent	4.9%	Bottom 20 percent	2.3%
Middle 60 percent	50.5%	Middle 60 percent	41.6%
Top 20 percent	44.6%	Top 20 percent	56.1%
Total	*100.0%*	*Total*	*100.0%*
United States			
Bottom 20 percent	5.3%	Bottom 20 percent	3.6%
Middle 60 percent	54.9%	Middle 60 percent	48.6%
Top 20 percent	39.8%	Top 20 percent	47.7%
Total	*100.0%*	*Total*	*100.0%*

Note: Data are combined for three year periods: 1977/79 and 1995/97.
SOURCE: CPS data analyzed by the Center on Budget and Policy Priorities.

CHART 1.2



Poverty remains high

Despite the past several years of national economic growth, poverty remains stubbornly high in New York State. The state's poverty rate generally tracked the nation's through the 1980s, but started to rise through the early 1990s recession after reaching a low point in 1989. However, while the U.S. poverty rate has moved downward since 1993, New York's poverty rate has stayed high.[7] *(Chart 1.2)*

Almost 3 million New Yorkers, or one in six, lived in poverty in 1997, the latest year for which data are available. This number has grown by about 750,000 since 1989, an increase of one-third. The state's 16.5 percent poverty rate is higher than all but 12 states, most of which are in the South or Southwest. Poverty is more concentrated among New York's children, 25 percent of whom grow up in poverty. Children account for 4 out of every 10 poor New Yorkers.

With a disproportionate share of the state's poor population, New York City's poverty rate stood at 25.8 percent over the 1995-97 period. Moreover, 40 percent of New York City's children were poor. (Recent data on poverty are not available for New York's other large cities.)

The ranks of the working poor rise dramatically in the 1990s

There may be several factors behind the high level of poverty in New York State but lack of work effort is not high on the list. In fact, a growing number of families in the state have one or more household members working full-time or nearly full-time, yet are not able to pull in enough income from working to lift their family above the poverty threshold.

In the mid-1990s, New York had 482,000 poor families with children headed by an able-bodied parent. *(Table 1.5)* More than half of these families, or 252,000, had at least one family member working outside the home. These quarter-million parents, who were working but poor, were in paid employment for an average of 9 months (39 weeks) a year. Nearly 100,000 working poor families had a full-time, year-round working parent. Another 115,000 working poor parents were working part-time or part-year for economic reasons, that is, because that was the only work available or because of other factors, such as lack of child care.[8] Nearly half of the poor individual adults and families without children, or 194,000, worked in the mid-1990s.[9]

Nearly 1.2 million New Yorkers — 946,000 in families with children and 243,000 in households without children — live in a working poor household. Thus, two out of five poor New Yorkers live in a household where at least one adult works for wages. *(Table 1.5)*

Low wages or lack of full-time work keep thousands of other working households from rising very far above the poverty level. Nearly 200,000 New York families with children have someone in the paid workforce yet have incomes between 100 percent and 150 percent of poverty. Of these "near poor" families, 58 percent have a full-time, year-round worker. Of near poor individuals or families without children, 155,000 have a worker, 41 percent of which work full-time.

Who are the working poor? Over two-thirds of the household heads of working poor families with children were in their prime working years, ages 25-44. *(Table 1.6)* There are as many married couple working poor families in New York State as there are female-headed families. In New York City, married couples comprise a higher proportion the working poor than they do at the state level. Statewide, nearly two-thirds of working poor family heads of household have at least a high school education and, for both the state and New York City, almost one-third had some college education or a college degree.

Nationally the deterioration in employment opportunities for many workers and the erosion in real wages over the past two decades have swelled the ranks of the working poor. These conditions have been even more pronounced in New York. From the late 1970s to the mid-1990s the number of working poor families in the U.S rose by 73 percent. In New York, however, the increase has been even greater, at 84 percent, while New York City has seen a 109 percent rise. While national growth in the working poor slowed in the 1990s, for both the state and the City the deterioration has been concentrated in the last decade. *(Chart 1.3)*

Several trends explain declining incomes

Why is New York, and especially New York City, experiencing such growing income inequality? Part of the answer lies in declining wages due to a number of factors. The growth of finance and advanced corporate services has helped push up incomes in the top quintile. But many of the new jobs created in recent years have been concentrated in low-wage services. Simultaneously, job losses have been in industry sectors that pay higher wages, particularly in manufacturing. The declining strength of labor unions, which reduces workers' bargaining power and labor standards, and corporate moves toward greater flexibility are also factors contributing to the failure of wages to rise. In New York City, immigrants account for a growing share of the labor force and business owners. Changing employer relationships involving new immigrants play a role in the low wage labor market.

Families in the lowest income quintile of the population are now more dependent on the wages paid in the labor market than they have been for the last thirty years. The steep erosion in the value of public assistance and the withdrawal of income supports for low-income families make it extremely difficult for poor working families to rise above poverty. Income declines may be partially explained by certain demographic factors, while other demographic factors tend to boost income. Low-income families are more likely to be female-headed, suggesting that incomes in the bottom quintile reflect the wage gap that exists between men and women. Additionally, these families tend to have fewer workers per family than upper income families.[10] On the other hand, the rise in educational attainment, which has been pronounced in New York, would tend to boost income.

TABLE 1.5

Working Poor Families and Individuals,1995/97

	New York State	New York City
Poor Families with Children		
Number in which adults not ill, disabled, or retired	482,000	296,000
Number w/ a worker	252,000	134,000
Percent w/ a worker	52.3%	45.3%
Number of people in working poor families	946,000	534,000
Number of children in working poor families	531,000	280,000
Average number of weeks worked	39	38
Number w/ a full-time year-round worker	93,000	52,000
Percent w/ a full-time year-round worker	19.3%	17.4%
Number of working poor parents who worked part-time or part-year for economic reasons	115,000	58,000
Poor Families and Individuals without Children		
Number in which adults not ill, disabled, or retired	408,000	226,000
Number w/ a worker	194,000	91,000
Percent w/ a worker	47.5%	40.3%
Number of people in these households	243,000	116,000
Average number of weeks worked	34	35
Number w/ a full-time year-round worker	37,000	21,000
Percent w/ a full-time year-round worker	9.1%	9.4%
Near Poor Families with Children, income between 100%and 150% of poverty		
Number w/ a worker	197,000	105,000
Number w/ a full-time year-round worker	130,000	69,000
Percent w/ a full-time year-round worker	58.1%	58.1%
Near Poor Families and Individuals without Children income between 100% and 150% of poverty		
Number w/ a worker	155,000	79,000
Number w/ a full-time year-round worker	69,000	37,000
Percent w/ a full-time year-round worker	41.0%	41.9%

Note: Data are combined for the three years from 1995/1997.
SOURCE: CPS data analyzed by Center on Budget and Policy Priorities.

Wealth and capital gains are concentrated at the top

The value of assets a family owns, whether in the form of their home, college or retirement savings, or other financial assets, is an important contributor to economic security. Ownership of assets helps a family realize its dreams for the future, provide a cushion against emergencies, and can serve to generate income to supplement wage earnings. Household net worth, which represents the value of assets minus debts, is the basic measure of wealth. In the 1980s and 1990s, wealth has become even more concentrated then income, particularly among the wealthiest 5 percent of households. The top one percent of U.S. households controls 38.5 percent of all wealth compared to 14.4 percent of household income. Many American families live from paycheck to paycheck, with little opportunity of adding to their savings, as indicated by the fact that 50 percent of households had net wealth totaling less than $10,000 in 1995.[11]

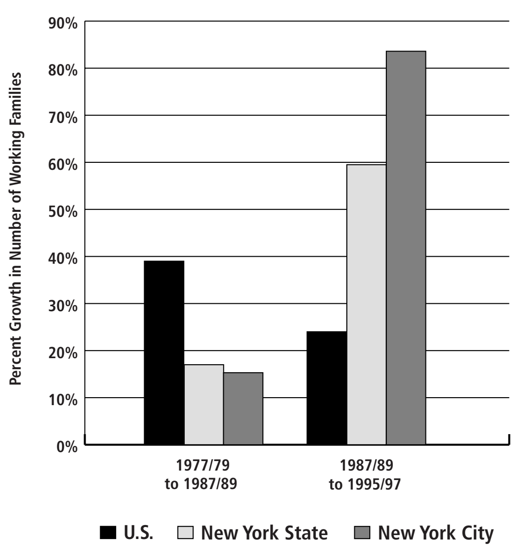
There is a general lack of data on wealth distribution at the state level. But one can do more than surmise that since New York State has the most polarized distribution of income among the states that it must also have a high concentration of wealth holding. Trends in capital gains realizations reflect gains from financial asset holdings and are indicative of wealth. According to data from the Federal Reserve Board, between 1989 and 1997, stocks and mutual funds appreciated in value at an annual rate of 10.6 percent while net tangible assets, the largest component of which is residential housing, declined in value by 1.9 percent annually.[12]

Capital gains realizations are not counted as part of personal income by the federal government's income accounts. Capital gains realizations have soared in the 1990s as a result of the prolonged bull market. In New York, capital gains realizations rose from $9.1 billion in 1990 to an estimated $35.9 billion in 1997, an increase of 293 percent. *(Table 1.7)* This was far greater than the 181 percent increase at the national level.

While it is true, as often repeated in the media, that a growing share of American households owns stocks, by 1995 almost 60 percent of households did not own stock either directly or through mutual funds.[13] The Economic Policy Institute has projected that 85.8 percent of the benefit of the stock market's rise from 1989-97 went to the richest 10 percent of households. Internal

CHART 1.3

Growth in Number of Working Poor Families U.S., New York State and New York City



Note: Data are for families with children.

SOURCE: CPS data analyzed by Center on Budget and Policy Priorities.

TABLE 1.6

Characteristics of Working Poor Families with Children, 1995/97

	U.S.	New York State	New York City
Family Type			
Married Couples	44.2%	46.5%	55.6%
Female-Headed	48.6%	46.4%	40.6%
Male-Headed	7.2%	7.1%	3.8%
Race and Ethnicity			
White	45.4%	38.2%	14.3%
Black	23.1%	25.6%	30.3%
Hispanic	27.1%	29.5%	44.9%
Other	4.4%	6.7%	10.6%
Education of Family Head			
Less than High School	37.5%	34.8%	42.1%
High School or GED	37.4%	33.5%	27.8%
Some College	20.3%	22.3%	16.8%
College or More	4.8%	9.4%	13.3%
Age of Family Head			
Under 25	14.8%	13.2%	6.7%
25-34	39.6%	34.7%	34.3%
35-44	32.8%	34.0%	37.0%
45 or older	12.7%	18.0%	22.1%

Note: Data are for working poor families with children in which parents worked a combined total of more than 13 weeks per year.
Data are combined for the three years from 1995/1997

SOURCE: CPS data analyzed by Center on Budget and Policy Priorities.

Revenue Service data for 1997 indicate an even greater concentration in New York. Households with adjusted gross incomes of $100,000 and over, who constitute only 7.1 percent of all New York taxpayers, received 85.1 percent of the capital gains realizations.[14]

A relatively small part of the population is receiving a substantial share of overall taxable income gains which include capital gains. In New York, capital gains realizations accounted for an average of 27 percent of the growth in adjusted gross income, or AGI, from 1990, a much larger share of growth in AGI than nationally, where capital gains realizations accounted for 14 percent of the growth in AGI.

Homeownership remains low while household finances falter

New York State has a relatively low proportion of homeownership, largely due to the fact that there are a large number of renters in New York City. In the downstate suburbs and in upstate cities and suburbs, however, homeownership is the same bedrock of family and community life as in the rest of the nation.

Nationally, since 1994 rising employment and low mortgage rates have boosted home ownership rates. In 1998, 66.3 percent of U.S. households owned their own homes, up from 64.0 percent in 1994. Home ownership also rose in the 8 other NEON states. On the other hand, New York's relative economic stagnation has meant that the state has missed out on the recent home ownership surge. New York's home ownership rates, which had risen in the 1980s, have been flat throughout the 1990s.

As real incomes decline, more and more families fall behind in their mortgage payments. For the U.S., from 1979-84, the rate of residential mortgage foreclosures stayed in the 0.30 to 0.75 percent range. Since 1984 the range has risen to 0.80 to 1.10 percent, one-and-a-half times the national rate. *(Chart 1.4)* Since 1992, New York has ranked in the top 5 states for highest residential mortgage foreclosures although other northeastern states, particularly New Jersey, also have experienced high numbers of foreclosures.

The pattern of personal bankruptcies parallels the relative performance of the downstate and upstate economies in the 1990s. For the first part of the decade, 1990-94, personal bankruptcies soared downstate, increasing by 74 percent, far higher than the 8.5 percent increase in the 11 upstate metro areas or the 8.7 percent national increase. But in the last four years, personal bankruptcies in the upstate metro areas climbed by 107 percent, over a third faster than the national increase of 79 percent while in the downstate metropolitan area, personal bankruptcies rose 56 percent.

New York's tax burden continues to be greatest for the poor

State and local tax policy, always a topic for heated debate, has seen major changes over the last five years. The series of multi-year, multi-billion dollar tax cuts approved in Albany disproportionately favored those with the greatest incomes.

The most recent comprehensive analysis of New York's tax structure, compiled by the Washington-based Institute on Taxation and Economic Policy, found that it was regressive; that is, middle- and low-income New Yorkers paid a higher share of their income in state and local taxes than did the better-off. *(Chart 1.5)* The state's

TABLE 1.7

Capital Gains Realizations, New York, 1990-97
(millions, 1997 dollars)

	Net Capital Gains	Change in Capital Gains*	Adjusted Gross Income (AGI)	Capital Gains Share of AGI	Capital Gains Share of AGI Growth*
1990	$9,132		$283,443	3.22%	
1991	$8,735	-4.3%	$276,058	3.16%	5.4%
1992	$9,457	8.3%	$294,861	3.21%	3.8%
1993	$13,365	41.3%	$297,112	4.50%	173.6%
1994	$12,032	-10.0%	$301,267	3.99%	-32.1%
1995	$14,086	17.1%	$321,094	4.39%	10.4%
1996	$22,441	59.3%	$347,897	6.45%	31.2%
1997 est.	$35,906	60.0%	$383,200	9.37%	38.1%
New York, 1990-97		**293%**			**26.8%**
U.S., 1990-97		**181%**			**14.3%**

*From prior year, except for last two rows, which are for 1990-97.

SOURCES: New York State Division of the Budget, Internal Revenue Service.

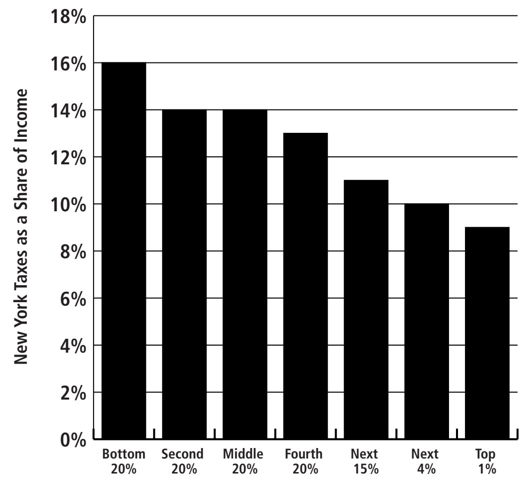
personal income tax is progressive in its impact, but that is more than offset by the regressive nature of property and sales and excise taxes.

The largest single tax cut since 1994 was the package of 1995 changes to the personal income tax. These changes reduced state income tax payments by New York residents by $4 billion in 1998. Tax rates were reduced, except for the lowest tax bracket; tax brackets were widened; and the standard deduction was raised. In addition, changes were made to the state's earned income tax credit to accelerate its phase-in, but also to reduce it by the amount of the household credit used by the taxpayer. On balance, nearly two-thirds of the 1995 income tax cuts went to the best-off 20 percent in 1998. The top one percent, whose yearly incomes average $1.3 million, received 24 percent of the tax cuts, an average tax cut of over $11,000. At the other extreme, the poorest 20 percent of New Yorkers, whose incomes average $7,400 a year and who bear the highest state and local tax burden, received an average of $8 in tax reduction. *(Table 1.8)*

As the current Governor likes to say, New York has been leading the states in tax cutting in the 1990s. It is questionable, however, whether the state will be able to fund needed services and make essential investments in its people and infrastructure should the financial markets, which have provided a fiscal cushion over the last three years, falter. The New York tax cuts enacted since 1994[15] will reduce state revenues by over $13 billion per year when they are fully phased in over the next three years. These cuts will thus eliminate at least 25 percent of revenues that otherwise would have been available in fiscal year 2002-03.

CHART 1.5

Share of Income Paid in State and Local Taxes by Income Class, New York, 1995

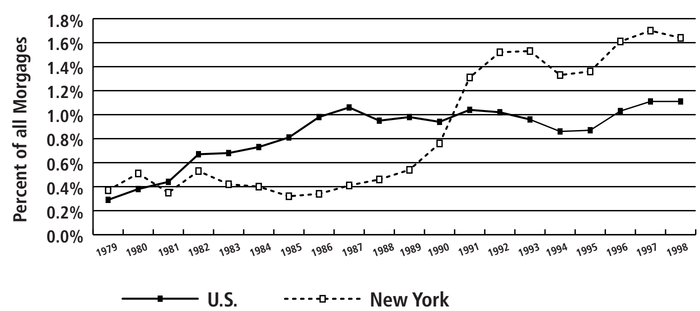


Note: Data are for nonelderly married couples in 1995, after federal offset.

SOURCE: Institute on Taxation and Economic Policy.

CHART 1.4

Residential Morgage Foreclosures, New York and U.S., 1979-98



SOURCE: Mortgage Bankers Association of America.

TABLE 1.8

1995 New York Income Tax Cut , Effect by Income Group in 1998

Income Class	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	Top 1%
Income Range	less than $12,000	$12,000 - $22,000	$22,000 - $37,000	$37,000 - $63,000	$63,000 - $130,000	$130,000 - $494,000	$494,000 or more
Average Income in Class	$7,400	$16,800	$28,900	$48,500	$85,700	$189,100	$1,278,500
Average Tax Cut	-$8	-$68	-$236	-$461	-$796	-$1,482	-$11,028
Share of Total Tax Cut	0%	3%	11%	21%	27%	14%	24%

SOURCE: Institute on Taxation and Economic Policy.