



Income Inequality is Improving, According to MoneyRates.com Study

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Report shows that low-earners are better off in states with the greatest income inequality

Foster City, CA – April 3, 2019 – Personal finance resource MoneyRates.com released today a study examining [income inequality by state](#). The research shows that, nationally, income inequality has improved in about two-thirds of the states in the nation.

The study measured income inequality by calculating the ratio in each state of earnings at the 75th percentile to earnings at the 25th percentile.

Maryland proved to have the widest disparity between high- and low-earners, with incomes at the 75th percentile (i.e., higher than 75 percent of the state's population) earning \$2.69 for every dollar earned by a worker at the 25th percentile.

At the opposite end of the spectrum, South Dakota had the most equal income levels, with earnings at the 75th percentile representing \$1.96 for every dollar earned by a worker at the 25th percentile.

Here are the top ten states for income equality:

| Best Equality Rank | State | 75th Percentile Income | 25th Percentile Income | Inequality Ratio (75th/25th) |
|--------------------|--------------|------------------------|------------------------|------------------------------|
| 1 | South Dakota | \$48,550 | \$24,790 | 1.96 |
| 2 | North Dakota | \$60,040 | \$29,440 | 2.04 |
| 3 | Vermont | \$59,520 | \$29,080 | 2.05 |
| 4 | Maine | \$55,640 | \$26,350 | 2.11 |
| 5 | Nebraska | \$56,420 | \$26,100 | 2.16 |
| 6 | Iowa | \$55,810 | \$25,730 | 2.17 |
| 7 | Montana | \$53,250 | \$24,460 | 2.18 |
| 8 | Wyoming | \$60,770 | \$27,710 | 2.19 |
| 9 | Arkansas | \$49,140 | \$22,360 | 2.20 |
| 10 | Hawaii | \$64,050 | \$29,030 | 2.21 |

"No matter where you look, you'll find some degree of income inequality," says Richard Barrington, Senior Financial Analyst for MoneyRates.com. "Even in South Dakota, where income levels are the closest to being equal, high-earners make about twice what low-earners make."

However, one finding of the study is that income inequality may not necessarily be such a bad thing. In states with the widest income disparities, earnings at a variety of levels – the 25th percentile, median and 75th percentile – were all higher than corresponding levels in states with more equal incomes.

Barrington sees this dilemma as a question of what really represents social justice. "Is it better for incomes to be more equal, or would people generally be better off if most people were making more money?"

On the other hand though, if recent trends persist, states with higher income disparities may not be able to sustain their earnings advantage. In the five years since MoneyRates first examined the data, states with more equal incomes have experienced faster growth rates for low-, median- and high-earners alike – more so than states with wider income disparities. In other words, the economic rewards for equality are catching up with those for inequality.

The MoneyRates.com study is based on newly released data from the Bureau of Labor Statistics. See the full article here: <https://www.moneyrates.com/research-center/income-inequality.htm>

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Since 1998, [MoneyRates.com](#) has served as a personal finance resource designed to help readers make the most of their money. In addition to a variety of financial calculators, MoneyRates.com researches and tracks CD, savings, and money market rates offered from over 400 financial institutions across the country to offer expert advice on banking, investing and retirement planning. MoneyRates' spokesperson, [Richard Barrington](#), is available for commentary on banking and personal finance topics.

Website: www.MoneyRates.com

Twitter: [@MoneyRates](#)

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Media Contact

Jacqueline Leppla

(775) 321-3608

jleppla@quinstreet.com

OR:

Liberty Communications for QuinStreet

Rick Judge, (415) 429-5652

QuinStreet@libertycomms.com