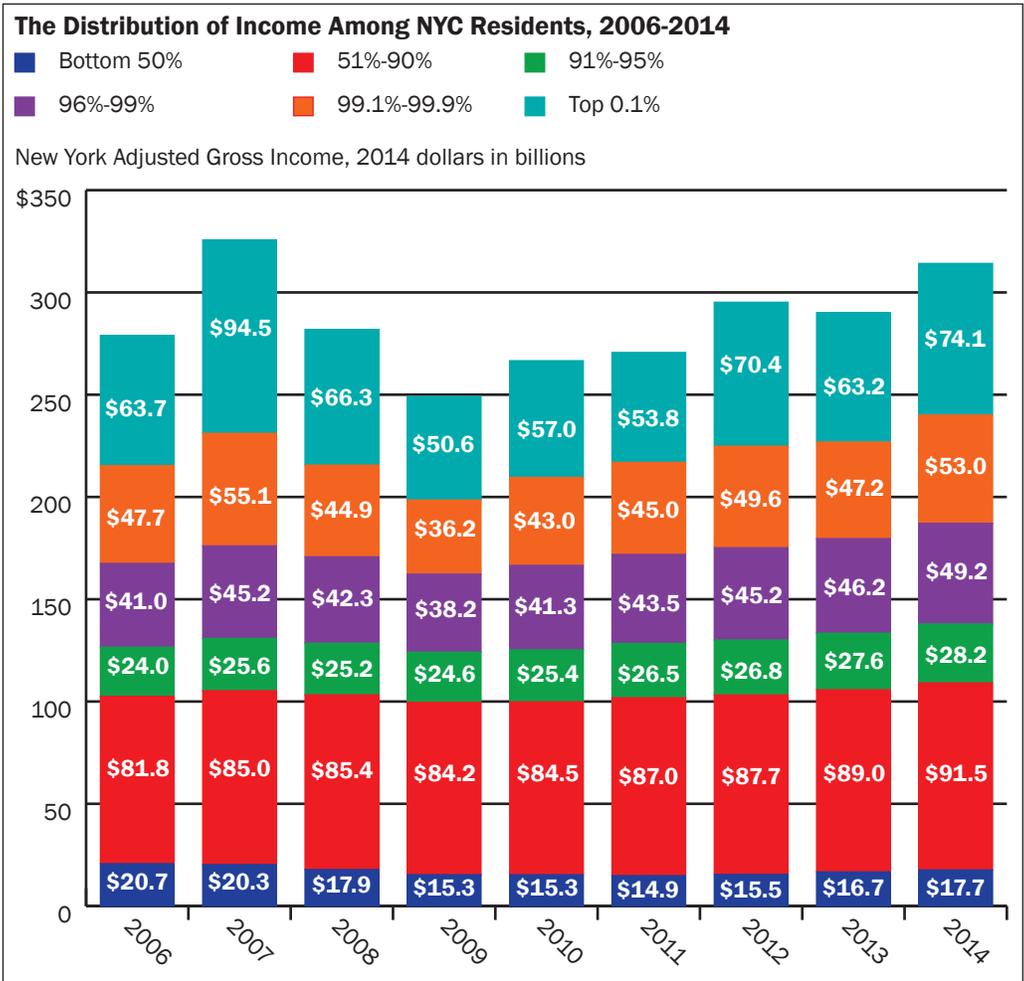


How Has the Distribution of Income in New York City Changed Since 2006?

Using an annual sample of 770,000 personal income tax returns, IBO explored the distribution of income among New York City residents during the years 2006 through 2014. Income is defined as pretax New York adjusted gross income as reported on filers' tax returns. To ensure comparability across years, all incomes have been adjusted for inflation to reflect 2014 prices.

- Total income reported by the top 50 percent of full-year New York City resident tax-filers in 2014 was \$38.3 billion (14.8 percent) greater than total income of the top 50 percent of filers in 2006. Median income for those among the top half of filers grew modestly from \$64,596 to \$64,730. Conversely, for the bottom half of filers, total and median income fell over the same period, with total income declining by \$3.1 billion, or 14.8 percent, and the median income for the roughly 1.8 million filers dropping from \$14,153 in 2006 to \$12,360 in 2014.



- There also were substantial differences in income gains among the top half of filers. Incomes for filers falling in the 51st to the 90th percentile increased by \$9.7 billion between 2006 and 2014—a jump of 11.8 percent.
- Most of the income gains accrued to the filers at the very high end of the distribution. Total income reported by the top 10 percent of filers in 2014 increased by \$28.6 billion compared with the total income reported by the top 10 percent of filers in 2006. More than a third of the increase—\$10.3 billion—was the difference in the total incomes received by those in the top 0.1 percent of the filers in 2014 versus the top 0.1 percent of the filers in 2006.
- The share of total income received by filers in the top 1 percent of the distribution was 40.5 percent in 2014, a slight increase compared with 2006 when the share of the top 1 percent of filers was 39.9 percent. The share of total income reported by the top 1 percent of filers has varied between a high of 45.9 percent in 2007 and a low of 34.8 percent in 2009. At the other end of the income distribution, the share of total income received by filers in the bottom half in 2014 is 5.6 percent, a decline of 1.8 percentage points from 2006, when filers in the bottom half received 7.4 percent of total income.
- The top 0.1 percent—comprised of roughly 3,700 filers with incomes of at least \$5.2 million in 2014—garnered nearly 24 percent of total income in 2014. Their share of total income has varied between a high of 29.0 percent (in 2007) to a low of 19.8 percent (in 2011).

SOURCE: IBO analysis of Personal Income Tax Sample Files (2006-2014) from the New York State Department of Taxation and Finance

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