

State's pay gap among largest

□ Average incomes of rich rose 29 percent between 90s, 2000s.

By Barry Massey

THE ASSOCIATED PRESS

SANTA FE — The gap between high- and low-income families is wider in New Mexico than in most of the nation and has increased more in the state than in most places, according to a new study.

The average incomes of the wealthiest one-fifth of New Mexico's families rose 29 percent between the late 1990s and the mid-2000s while the incomes of the poorest one-fifth remained relatively unchanged. Their incomes increased 1.7 percent during that time, but the study said that wasn't statistically significant.

The middle one-fifth of families had a 7 percent increase in average income, according to the study released Wednesday by the Washington, D.C.-based Center on Budget and Policy Priorities and the Economic Policy Institute.

There also has been a widening nationally of the income gap between rich and poor families. The study said a variety of economic factors and government policies played a role, including globalization, losses of higher-paying manufacturing jobs, tax changes benefiting the upper income and stagnant wage growth for many American workers.

With the economy slowing, low- and middle-income families will be hurt the most in New Mexico, according to Gerry Bradley, an economist and research director for New Mexico Voices for Children, a social advocacy group based in Albuquerque.

"Policies that the state put in place in 2007 — raising the minimum wage, creating the state Working Families Tax Credit and increasing unemployment benefits — were good policies and will help some, but it's like a garden hose compared to the tidal wave impact of the economy," Bradley said in a statement.

The state minimum wage went to \$6.50 an hour in January, up from \$5.15, and it will increase to \$7.50 in January 2009.

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Income Gap

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New Mexico's upper-income families had an average income of \$118,608 in 2004-2006. That's eight times larger than the average income of the poorest families, \$14,798.

The wealthiest had incomes 2.8 times greater than the \$41,797 average income of the middle fifth of

New Mexico's families.

Only five states had a larger income gap as measured by that ratio of top-to-bottom and top-to-middle incomes.

The disparity in incomes in New Mexico also grew more than in all but a few states, according to the study.

In 1998-2000, high-

income families had average incomes that were 6.3 times larger than the lowest-income families, and that top-to-bottom income ratio increased by 1.7 to reach eight in 2004-06. Only two states — Mississippi and Alabama — had larger changes in the income disparity between the top and bottom fifth of families.

New Mexico economic status

New Mexico ranks sixth among the states - but it's not for a good measure. A national study shows that income inequality grew significantly between the richest and poorest, and even the richest and middle-income families, from the late 1990s to the mid-2000s. The study, "Pulling Apart," by the Center on Budget and Policy Priorities and the Economic Policy Institute, was released on Monday. The richest New Mexicans have average incomes eight times as large as the poorest. Since the late 1990s, the average income of the richest New Mexico families increased from \$91,571 to \$118,608, while incomes for the poorest families stagnated.

"Unfortunately, as the economy slows we can expect that low- and moderate-income families will be hit hard" said Gerry Bradley, research director for New Mexico Voices for Children, a statewide child advocacy organization.

The full report, press release, and state fact sheets are available under embargo at: www.cbpp.org.