

Income Inequality in DC Highest in the Country

By Minahil Naveed

The District has a higher level of income inequality than any state in the country, with households in the top 20 percent of income having [29 times more income than the bottom 20 percent](#). The bottom fifth of DC households had just two percent of total DC income in 2016, while the top fifth had a staggering 56 percent.

The District's "Gini coefficient," a measure of inequality, reflects these disparities. A coefficient of 0 indicates perfect equality, with all income proportionally distributed amongst the population, while a coefficient of 1 indicates perfect inequality, where one household has all the income. At [0.542](#) in 2016 — based on Census Bureau data—DC has the highest Gini coefficient when compared with the 50 states, and on par with Puerto Rico. The District of Columbia's Office of Revenue Analysis, which uses tax return and other data to derive DC's Gini coefficient, [often reports a much higher number](#), suggesting wage distribution is less even than the ACS suggests. By contrast, neighboring Maryland and Virginia have lower income inequality than the nation as a whole, with Gini index of 0.450 and 0.471, respectively.

	Census Gini Coefficient (ACS) 2015 (Estimate)	Census Gini Coefficient (ACS) 2016 (Estimate)	Change (Estimate)
United States	0.482	0.482	+0.001
District of Columbia	0.535	0.542	+0.007
Maryland	0.452	0.450	-0.003
Virginia	0.468	0.471	+0.002

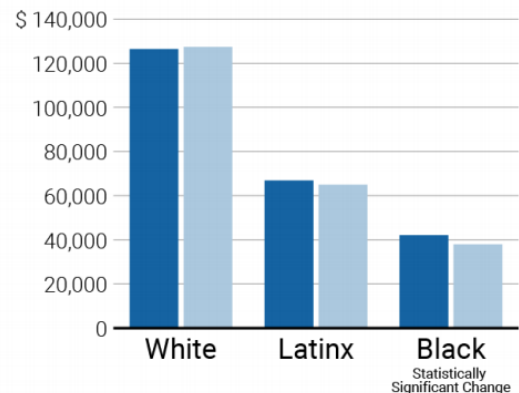
Source: [American Community Survey Briefs](#)

DC also [has one of the highest poverty rates in the country](#), when compared with states, behind only Mississippi, Louisiana, and New Mexico. At [18.6 percent](#), it is significantly higher than the national average of 12.7 percent. Today, at a time when poverty rates are declining nationally and are returning to pre-recession levels, nearly one in five District residents live in poverty. This is particularly true for Black DC residents, who are the [only racial group to experience an increase in poverty](#) rates since before the recession.

Median Income of Black DC Residents Fell 2015 to 2016

Black median income is now less than 1/3 of white median income.

■ 2015 ■ 2016



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Source: [DC Fiscal Policy Institute](#)

In fact, both poverty and income inequality in the District differ greatly along racial lines. While the poverty rate for white District residents is 7.9 percent, it is 27.9 percent—[nearly four times higher](#)—for Black residents, and 17.8 percent—more than twice as high—for the Latinx community. Moreover, Black families [earn less than a third](#) of their white counterparts, average [81 times less wealth](#) than white families, and are significantly more likely to be in poverty.

This means that race is at the heart of DC’s economic inequality problem. As the District continues to prosper, these disparities are a stark reminder of the work that still needs to be done to rectify the impacts of historical barriers to economic opportunity that Black residents have, and continue to, face.