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Income inequality in the Bay Area is among nation's highest

Families on top make more than 10 times the salaries of those on the bottom

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By **MARISA KENDALL** | mkendall@bayareanewsgroup.com | Bay Area News Group
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METROPOLITAN AREAS			
Metro area	Household Income (2016\$)		Ratio
	20th percentile	95th percentile	
Highest Inequality			
Bridgeport, CT	34,258	485,657	14.2
New York, NY-NJ-PA	25,391	304,292	12.0
San Francisco, CA	36,273	397,594	11.0
Los Angeles, CA	25,190	271,041	10.8
New Orleans, LA	18,644	197,190	10.6
San Jose, CA	40,807	428,729	10.5
Miami, FL	21,198	221,668	10.5
Houston, TX	25,190	257,237	10.2
Fresno, CA	18,524	187,121	10.1
Boston, MA-NH	30,328	302,276	10.0

The San Francisco and San Jose metro areas have two of the highest levels of income inequality in the country, according to a recent study — a dubious distinction that helps explain why it's so hard for many to afford housing here.

In the San Francisco area, which includes San Francisco, San Mateo, Alameda, Contra Costa and Marin Counties, families on the high end of the income spectrum earn 11 times more than families on the low end — making it the third most unequal region in the U.S., according to a Brookings Institution [analysis](#) of data from 2016, released earlier this month.

The San Jose area, which includes all of Santa Clara County, ranked sixth, with the region's highest earners

making 10.5 times more than its lowest earners. In the San Jose area, the gap between the haves and have-nots widened between 2014 and 2016 — with the salaries of high earners increasing by more than \$60,000, while the salaries of low earners crept up by less than \$2,000.

[Axios](#) reported on the data early Wednesday.

“The tech economy is heaping substantial rewards on people who were already earning high salaries,” said Alan Berube, the Brookings Institution senior fellow who wrote the study.

In Santa Clara County, households in the 95th percentile earned \$428,729 in 2016, while those in the 20th earned \$40,807, according to the study. Earnings for those in the top income bracket jumped up from \$368,043 in 2014 — an increase of \$60,686. But those on the lower end saw their salaries increase by just \$1,726 during that time.

Silicon Valley as a whole is wealthier than the rest of the state. The poverty rate was 8.6 percent in the region in 2016, compared to 14.4 percent in California and 14.1 percent in the U.S., according to the 2018 Silicon Valley Index released by Joint Venture Silicon Valley. Even so, nearly a third of Silicon Valley households don't earn enough to meet their basic needs without assistance, and more than 10 percent of the population lacks regular access to nutritionally adequate food, according to the report.

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The gaping gully between the area's rich and poor shows that wealth generated from the booming high-tech industry isn't trickling down to the rest of the population, Berube said. The discrepancy feeds into the region's housing woes, partially

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affordable housing," Berube said. "So as a city grows more unequal, its housing market grows more unequal too. It definitely makes it more difficult for people who are stuck on that low end to afford housing or to remain in that city."



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explaining why home prices have shot up in recent years and landed out of reach for many local residents.

"When we've looked at these data in the past, there's definitely a strong relationship between the income inequality in a city and the lack of

Household income inequality, by metro area

1. Bridgeport, CT — Households in the 95th percentile (\$485,657) make 14.2 times as much as those in the 20th percentile (\$34,258)
2. New York, NY — Households in the 95th percentile (\$304,292) make 12 times as much as those in the 20th percentile (\$25,391)
3. San Francisco, CA — Households in the 95th percentile (\$397,594) make 11 times as much as those in the 20th percentile (\$36,273)
4. Los Angeles, CA — Households in the 95th percentile (\$271,041) make 10.8 times as much as those in the 20th percentile (\$25,190)
5. New Orleans, LA — Households in the 95th percentile (\$197,190) make 10.6 times as much as those in the 20th percentile (\$18,644)
6. San Jose, CA — Households in the 95th percentile (\$428,729) make 10.5 times as much as those in the 20th percentile (\$40,807)

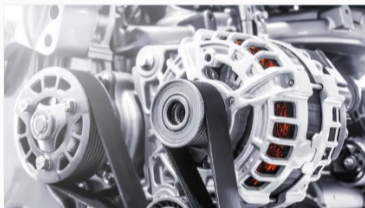
Source: Brookings Institution analysis of data from 2016

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Marisa Kendall Marisa Kendall covers housing for the Bay Area News Group, focusing on the impact local companies have on housing availability in the region. She's also written about technology startups and venture capital for BANG, and covered courts for The Recorder in San Francisco. She started her career as a crime reporter for The News-Press in Southwest Florida.

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