

For decades, wealth at the top has climbed while the majority of Michiganders have seen little economic growth, and the inequality becomes even more stark when race and gender are factored in. Income inequality has real consequences for families, for communities and for the state's economic future. Michigan must address income inequality and take action on policies that improve economic security for all.

Income inequality persists in Michigan: The top 1% of Michiganders take home 21.6 times more than the bottom 99%

In 2022, the average Michigan household in the top 1% took home \$1,500,999. This equates to 21.6 times the average income of the bottom 99%. Internal Revenue Service (IRS) data shows this income inequality is steadily getting worse over time. In 2013, the top 1% in Michigan took home 15.2% of all income, and in 2022 this number grew to 17.9%.¹ This small percentage change represents billions of dollars being transferred to the wealthiest Michiganders.

The wages of the top 10% have rapidly outpaced the median worker

Inflation-adjusted percent wage increase, 1978-2025



Source: Economic Policy Institute

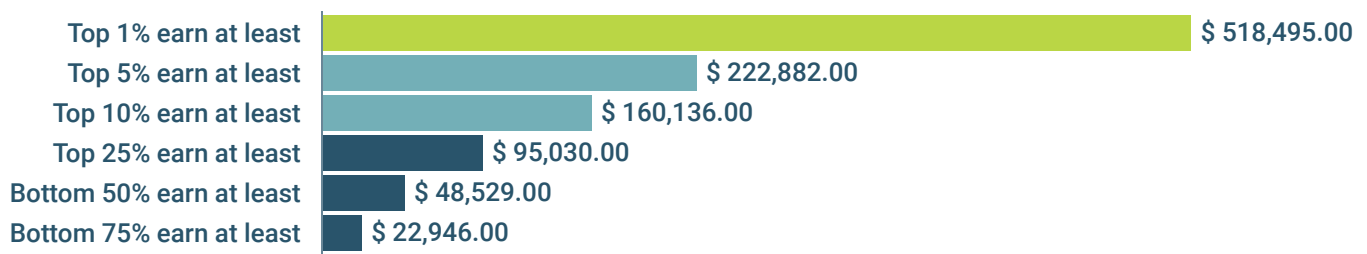
The income inequality picture becomes even more striking when looking at real hourly wages. Since 1978, the median Michigan worker's inflation-adjusted hourly wages has only increased by 3.87%, or just \$0.94. Compare this to the top 10% of earners who have had their inflation-adjusted wages increase by 32.95%, or \$13.79 per hour.²

Income inequality hurts everyone

While inequality grows, poverty has remained fairly flat in Michigan over the past few years and the cost of many basics has outpaced inflation. It is estimated 41% of Michiganders are working but still not making enough to comfortably make ends meet.³ Meanwhile, decades of poor public policy decisions have put Michiganders further behind, and with an uncertain economic outlook, further trouble could be ahead.

How much do you need to make to be in the top 1%?

Most Michiganders are closer to having no money than joining the top 1% or even top 10%



Source: IRS, Adjusted Gross Income Data by State

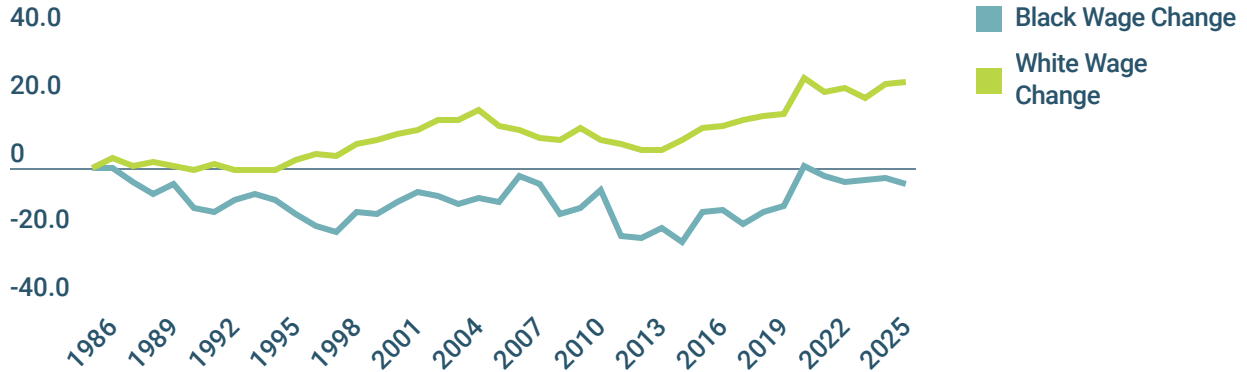
The economic issue of income inequality compounds over time. Low-wage workers are more likely to utilize government benefits,⁴ put off medical appointments (leading to greater costs later on),⁵ and are less likely to have savings, which means an aging population unable to secure a comfortable retirement, if they are able to retire at all.⁶ **It is time we take action to reduce income inequality now and pay all working Michiganders a fair living wage.**

Wage gaps persist along race and gender lines

In 2024, women working full time in Michigan made just \$0.79 for every \$1 made by their male counterparts. This gap grows wider when factoring in race, as Black female full-time workers took home just \$0.67 for every \$1 earned by the median white male. While the gender pay gap has shrunk over time, Michigan still has the 7th widest full-time pay gap in the country.⁷

The Black-white median wage gap has increased since the 1980s

Percentage change in inflation-adjusted hourly wages since 1985



Source: Economic Policy Institute

When looking at hourly wages in Michigan, the median Black worker makes \$6.17 less per hour than the average white worker. The uncomfortable reality is that this has not improved over time. In fact, when adjusted for inflation, the median Black worker in Michigan earned 5% less per hour in 2025 than they did in 1985.⁸

We can close the gap: Policy Recommendations



Living Wage for All: No one should work a full-time job and still struggle to afford basic necessities. While Michigan's minimum wage is set to increase to \$15 in 2027, it is simply not enough. Setting the minimum wage to one that allows every person to afford the basics and have at least a little bit left over and eliminating the tipped wage will help reduce the growing income gap.



Salary History Ban: Wage gaps at the intersection of race and gender are the result of numerous factors. For example, an employer using salary history to determine salary during the hiring process perpetuates and exacerbates wage gaps. Senate Bill 145, which passed out of the Michigan Senate in April, would ban employers from requesting a job applicant's salary history. If passed, Michigan would join the 18 other states that have total salary history bans.



Eliminate Preemption: Michigan has a series of laws that preempt local governments from implementing separate labor standards from the state and weakens trade unions' ability to bargain. Public Act 98 of 2011 prohibits the state from awarding public contracts to groups that encourage or utilize project labor agreements (PLAs). PLAs are collective bargaining agreements between trade unions and contractors that govern the terms of employment. Public Act 105 of 2015 prohibits local governments from imposing separate work standards from the state. This means local governments can't have a separate higher minimum wage or prevailing wage despite having a higher cost of living. Both of these policies keep wages down and contribute to the overall income gap.



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