Utah has smallest income gap between rich and poor

By Matt Kelley
The Associated Press

WASHINGTON — Utah had the smallest earnings gap between rich and poor in the nation during the late 1990s, according to a new study by two think tanks.

Next door in Arizona, it was the opposite story: The second-largest gap between rich and poor and the largest gulf between rich and middle class, according to the study by the Economic Policy Institute and the Center on Budget and Policy Priorities.

The states' neighbors to the east had a similar split, with Colorado having the fourth-smallest income gap and New Mexico having the third-largest, said the report issued Tuesday in Washington.

"The urbanized areas of all these states are doing pretty well, but there's a large rural area of the states that's not doing well at all," said Richard Wobbekind, director of the University of Colorado's Business Research Division. "There's more of a split between urban and rural in Arizona and New Mexico. It's one of the issues that plagues the West."

The study's authors developed the rankings using Census Bureau data on pre-tax family incomes, adjusted for inflation, from 1996, 1997 and 1998. The gap between rich and poor was based on the difference between the average income of the poorest 20 percent of a state's families and the richest 20 percent of a state's families.

The figures did not take into account stock market profits or income from any one job that was more than $100,000 per year.

The top 20 percent of Utah families earned an average of $125,930 in the late 1990s, the study said, while the bottom fifth of families averaged $18,170. The rich earnings average was 6.9 times the average poor family's wages, for the smallest gap in the country.

"We are the ultimate middle class state in Utah," said R. Thane Robson, director of the University of Utah's Bureau of Economic and Business Research.

Economist Jared Bernstein, one of the study's authors, said part of the explanation is Utah's low unemployment rate of 3.8 percent in 1998. Other factors are Utah's well-educated population, higher proportion of two-income families and younger workforce, Robson said.

In Arizona, meanwhile, the rich earned an average of $141,190, while the poor earned an average of $10,800, the study said. The average salary for rich families was 13.1 times the average earnings for the poor and 3.7 times larger than the average income of $38,620 for the middle 20 percent of families, the study said.

"My strong impression is that part of what's driving this has to do with who's coming into the state," Bernstein said. "At the top end, you have affluent retirees moving into some of the cities and the outskirts of big cities. At the bottom end, there's an influx of low-wage immigrants and other low-wage workers providing services to affluent retirees."

New Mexico has similar problems, Bernstein said, and also has a relatively high unemployment rate — 6 percent in 1998.

"New Mexico seems to be a pocket of relatively weak (labor) demand relative to other parts of the country," lessening any pressure to raise wages, he said.

New Mexico's rich earned an average of $111,300, 12.8 times the $8,720 in average earnings for the poor, the study found.

Colorado had the highest overall wages of the four states. Colorado's rich earned an average of $148,810, 8.1 times the average of $18,450 earned by poor families.

Reno citizens group wants to ban building new billboards

RENO, Nev. — A citizens group is organizing an effort to ban new billboards that are blocking views of the Sierra Nevada with advertisements for everything from God to liposuction.

"One of the reasons people move here is scenic beauty," said Jim Pilzner, a former Reno city councilman who has joined the anti-billboard effort.

Billboard companies are asking the Reno City Council to expand areas where they can erect new billboards.

A new series of signs with religious themes received attention recently but Pilzner said he's most upset by a rash of big-bellied advertisements for liposuction surgery.

"I don't think liposuction billboards contribute to scenic beauty. If we're serious about making Reno a destination resort area, we ought to start trying to class it up," he said.

A spokesman for the outdoor-advertising industry said billboard companies merely are trying to regain ground they have lost since the Reno ordinance last was updated 11 years ago.

Since then, companies have lost 70 billboards that didn't conform to the ordinance, said Greg Ferraro, senior vice president of R&R Partners. That's because the ordinance requires landowners to remove nonconforming signs before they can develop their property.

When the council updated the ordinance 11 years ago, it did not intend to reduce the number of billboards in the city, Ferraro said.

Sign companies hired Ferraro last week after billboard company executives and anti-billboard citizens clashed in a council subcommittee that has been meeting for more than a month to review the ordinance.

Last week, two representatives of Donrey Outdoor Advertising made a pitch to the Washoe County Airport Authority Trustees to erect eight to 12 billboards at Reno/Tahoe International Airport and two to three billboards at Reno-Stead Airport.

The Reno airport now has only one billboard, at the corner of Plumb Lane and Terminal Way, and none at Stead.

Reno now allows new billboards only in areas zoned for industrial use. The industry is pushing the city to also allow new signs in most of the city's commercial zones.

"They are a strong, strong lobby. We've got our work cut out for us," said Doug Smith, one of 10 founding members of the anti-billboard group.

"The removal of billboards, we feel, would foster economic development and tourism, attract new businesses, improve scenery, improve motorists safety and protect property values."

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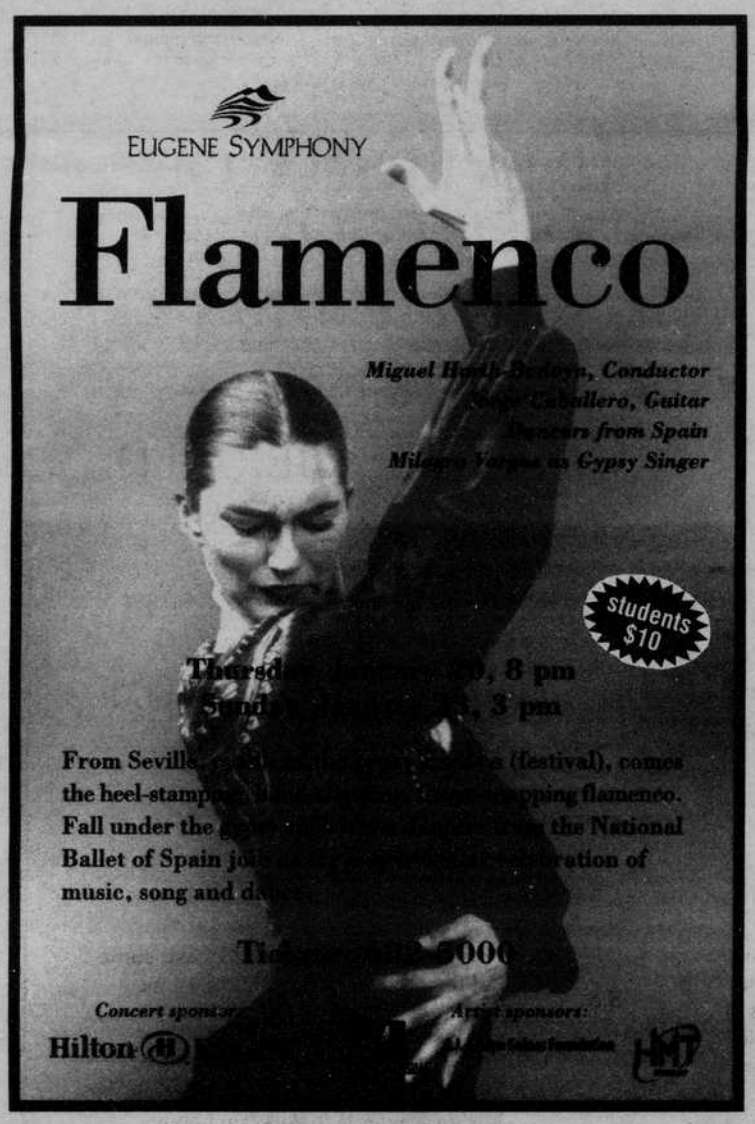

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