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What is the minimum annual income necessary to be included in the top 1 percent?

Recently, several news stories reported the fact that in 2012, the aggregate annual income of the top 1 percent of earners in the U.S. reached its highest level since 1927. Data from the Internal Revenue Service (IRS) reveals that the top 1 percent earned 19.3 percent of all income reported on individual federal income tax returns (single and joint returns).

What is the minimum annual income necessary to be included in the top 1 percent?

a) $1.3 million  
b) $754,899  
c) $410,987  
d) $388,799

Answer: d) In 2011, the top 1 percent included all individual federal tax returns reporting at least $388,799 in Adjusted Gross Income (AGI). The top 10 percent included those reporting $120,077 or more in AGI.

What about those earning in $1 million or more? According to the IRS, those earning in excess of $1 million are in the top 0.2 percent of all earners.


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