

Median Family Income

DEFINITION

Median family income is the dollar amount which divides the Rhode Island families' income distribution into two equal groups – half with incomes above the median and half with incomes below the median.

SIGNIFICANCE

Median household income provides one measure of the ability of Rhode Island's families to meet the costs of food, clothing, housing, health care, transportation, child care, and higher education. In 2006, the median household income for all Rhode Island households was \$51,814. Rhode Island had the 17th highest median household income nationally and 4th highest in New England.¹

The median income for families with their own children under age 18 in Rhode Island in 2006 differed significantly by family type. The median family income for two-parent families (\$81,545) was almost twice as much as for male-headed single-parent households (\$45,384) and more than three times the median income of female-headed single-parent households (\$26,023).²

Despite continued increases in worker productivity in the U.S since 2000, the real median income of U.S. families fell every year between 2000 and 2004.³ Rhode Island was the only

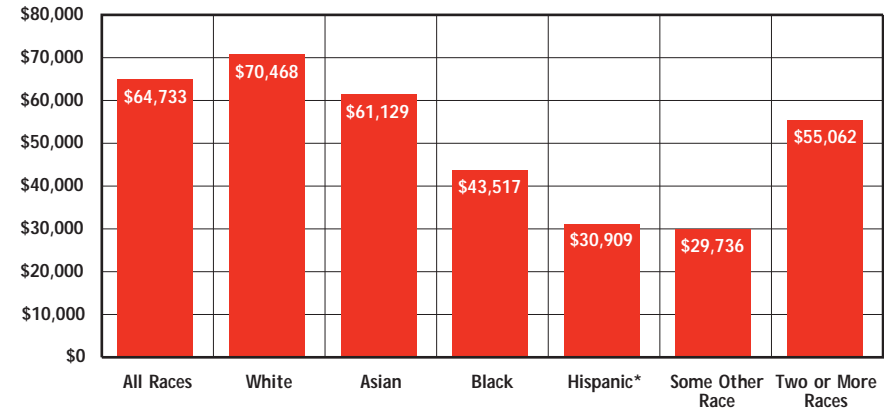
New England state to experience a decline in the real median wage between 2000 and 2006.⁴

The richest families in the nation experienced the greatest income growth over the past few decades, while low and middle income families saw much lower rates of growth. Between 1979 and 2005, the real after-tax income of the top 1% of the United States population grew by 228% or \$745,000 compared to a 6% or \$900 growth in the average after-tax income of the bottom fifth of the population.⁵ In Rhode Island, the average income of the richest 20% of the population increased 89% during the last two decades of the twentieth century while the bottom 20% increased only 32%.⁶

This rising income inequality is being driven in part by the expansion and concentration of investment income among the highest income families, who have also seen the greatest wage growth over these years. Working and middle class families have seen modest wage growth. This income stagnation among low and middle income families is the result of increased unemployment, diminished employment opportunities, increased globalization, an employment shift towards lower paying service-sector jobs and away from manufacturing, weakening labor market institutions, and a decrease in the real value of the minimum wage.^{7,8}



Median Family Income by Race and Ethnicity, Rhode Island, 2006



Source: U.S. Bureau of the Census, American Community Survey, 2006. Tables B19113, B19113A, B19113B, B19113D, B19113F, B19113G & B19113I. * Hispanics may be in any race category.

◆ **The median income for White and Asian families in Rhode Island is much higher than that of Hispanic and Black families.**⁹

◆ **Intergenerational income mobility is influenced by race and ethnicity. National research shows that White children are more likely to move up the economic ladder, surpassing parents' income levels, while Black children are more likely to fall into lower income brackets than their parents.**¹⁰ Social and home lending policies from the first half of the 20th century, including the post-WWII G.I. Bill, created the basis for much of the racial inequities in the U.S. today. Like other policies, the G.I. Bill was implemented in such a way that White G.I.s were offered home-ownership assistance but Black and Hispanic G.I.s were not.¹¹

◆ **According to the Poverty Institute's 2006 Rhode Island Standard of Need, a single-parent family with two young children needs an annual income of \$47,196 (without subsidies) to pay basic living expenses, including housing, food, clothing, health insurance, child care and transportation.**¹²

◆ **Income supports including RItE Care, child care subsidies, Food Stamps and the Earned Income Tax Credit are critical in helping low and moderate-income working families make ends meet.**¹³

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Table 7.

Adjusted Median Household Income, Rhode Island — 1989* and 1999

CITY/TOWN	ADJUSTED 1989 MEDIAN HOUSEHOLD INCOME*	1999 MEDIAN HOUSEHOLD INCOME	1999 MEDIAN FAMILY INCOME FOR FAMILIES WITH CHILDREN UNDER AGE 18
Barrington	\$69,222	\$74,591	\$88,794
Bristol	\$44,573	\$43,689	\$53,328
Burrilville	\$48,476	\$52,587	\$55,085
Central Falls	\$24,289	\$22,628	\$22,008
Charleston	\$47,020	\$51,491	\$55,080
Coventry	\$48,572	\$51,987	\$61,355
Cranston	\$45,047	\$44,108	\$56,904
Cumberland	\$53,077	\$54,656	\$68,291
East Greenwich	\$66,401	\$70,062	\$108,555
East Providence	\$40,453	\$39,108	\$48,875
Exeter	\$49,810	\$64,452	\$73,239
Foster	\$53,223	\$59,673	\$63,385
Glocester	\$52,186	\$57,537	\$60,938
Hopkinton	\$47,929	\$52,181	\$59,069
Jamestown	\$54,166	\$63,073	\$79,574
Johnston	\$42,526	\$43,514	\$56,641
Lincoln	\$48,379	\$47,815	\$64,470
Little Compton	\$53,735	\$55,368	\$56,679
Middletown	\$45,960	\$51,075	\$55,301
Narragansett	\$46,374	\$50,363	\$68,250
New Shoreham	\$41,059	\$44,779	\$54,844
Newport	\$39,836	\$40,669	\$43,125
North Kingstown	\$52,733	\$60,027	\$66,785
North Providence	\$42,168	\$39,721	\$50,493
North Smithfield	\$54,076	\$58,602	\$71,066
Pawtucket	\$34,627	\$31,775	\$33,562
Portsmouth	\$55,414	\$58,835	\$67,375
Providence	\$28,894	\$26,867	\$24,546
Richmond	\$53,458	\$59,840	\$63,472
Scituate	\$58,931	\$60,788	\$69,135
Smithfield	\$55,478	\$55,621	\$67,050
South Kingstown	\$47,595	\$56,325	\$68,265
Tiverton	\$47,189	\$49,977	\$63,820
Warren	\$41,275	\$41,285	\$53,542
Warwick	\$46,688	\$46,483	\$57,038
West Greenwich	\$53,817	\$65,725	\$70,150
West Warwick	\$41,260	\$39,505	\$41,830
Westerly	\$45,459	\$44,613	\$51,974
Woonsocket	\$33,090	\$30,819	\$34,465
Core Cities	NA	NA	NA
Remainder of State	NA	NA	NA
Rhode Island	\$41,985	\$42,090	\$50,557

*Adjusted to 1999 dollars

Source of Data for Table/Methodology

U.S. Census Bureau, Census 2000.

Median household income data include households with both related and unrelated individuals. Median family income data include only households with children under age 18 who meet the U.S. Census Bureau's definition of a family. The U.S. Census Bureau defines a family as a household that includes a householder and one or more people living in the same household who are related to the household by birth, marriage or adoption. The 1989 median household income data are adjusted to 1999 constant dollars by multiplying 1989 dollar values by 1.304650 as recommended by the U.S. Census Bureau.

Core cities are Central Falls, Newport, Pawtucket, Providence, West Warwick and Woonsocket.

References

- ¹ U.S. Bureau of the Census, American Community Survey, 2006. Table B1901.
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- ⁴ *State of working Rhode Island 2007*. (2007). Providence, RI: The Poverty Institute at Rhode Island College.
- ⁵ Sherman, A. (December 14, 2007). *Income Inequality Hits Record Levels*. Washington, DC: Center on Budget and Policy Priorities.
- ⁶ Center on Budget and Policy Priorities, Economic Policy Institute. (2006). *Income inequality has increased in Rhode Island over the past two decades*. Retrieved January 27, 2006 from www.epinet.org/studies/pulling06/states/1-26-06sfp-fact-ri.pdf
- ⁷ Bernstein, J., McNichol, E. & Lyons, K. (January 2006). *Pulling apart: A state-by-state analysis of income trends*. Washington, DC: Center on Budget and Policy Priorities & Economic Policy Institute.
- ⁹ U.S. Bureau of the Census, American Community Survey, 2006. Tables B19113, B19113A, B19113B, B19113D, B19113F, B19113G & B19113I.
- ¹⁰ Isaacs, J. (2007). *Economic Mobility of Black and White Families: Executive Summary*. Washington, DC: Center on Children & Families, The Brookings Institution and The Pew Charitable Trusts.
- ¹¹ *Race Matters user's guide*. (n.d.). Baltimore, MD: The Annie E. Casey Foundation.
- ^{12,13} *The 2006 Rhode Island standard of need*. (2007). Providence, RI: The Poverty Institute at the Rhode Island College School of Social Work.