

# Median Family Income

## DEFINITION

*Median family income* is the dollar amount which divides Rhode Island families' income distribution into two equal groups – half with incomes above the median and half with incomes below the median. These data include families with their “own children” defined as never-married children under age 18 who are related to the family head by birth, marriage, or adoption.

## SIGNIFICANCE

Median family 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 2007, the median family income for Rhode Island families with their own children was \$67,629. Rhode Island had the 9th highest median family income nationally and the 4th highest in New England.<sup>1</sup>

In 2007, Rhode Island's median income for families with their own children differed significantly by family type. The median family income for two-parent families (\$84,949) was almost twice as much as for male-headed single-parent families (\$43,049) and almost four times as much as for female-headed single-parent families (\$21,772).<sup>2</sup>

Despite significant increases in worker productivity in the U.S. since 2000, the real incomes of most families

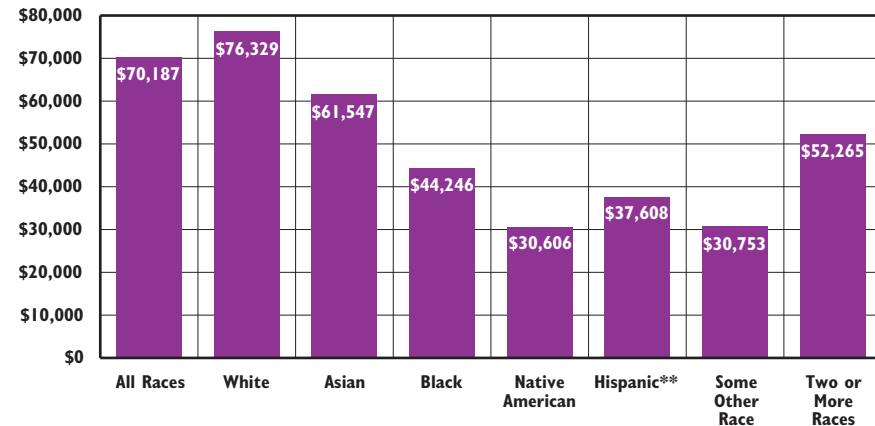
have remained stagnant or fallen during this period.<sup>3</sup> Rhode Island was the only New England state to experience a decline in the real median wage between 2000 and 2006.<sup>4</sup>

Over the past thirty years, the wealthiest families in the nation have experienced substantial increases in income, while low and middle-income families have experienced only small increases.<sup>5</sup> Several factors have contributed to this rising income inequality, including the expansion and concentration of investment income among the highest-income families, long periods of high unemployment, a shift toward lower-paying service-sector jobs and away from manufacturing, increased globalization, and the declining real value of the minimum wage.<sup>6</sup>

In Rhode Island, the average annual income of the wealthiest 20% of families increased 44% or an additional \$43,438 during the past twenty years, while the average income of the bottom 20% remained essentially unchanged. The wealthiest 20% of families in Rhode Island have average incomes that are 7.5 times as large as the average incomes of the poorest 20% of families. The gap between the incomes of Rhode Island's richest and poorest families is growing.<sup>7</sup> In fact, Connecticut is the only state in the nation where income inequality is growing at a faster rate than in Rhode Island.<sup>8</sup>



**Median Family Income by Race and Ethnicity, Rhode Island, 2007\***



Source: U.S. Bureau of the Census, American Community Survey, 2007. Tables B19113, B19113A, B19113B, B19113C, B19113D, B19113E, B19113G & B19113I. \*Median Family Income by race and ethnicity includes all families because data for families with “own children” are not available by race and ethnicity. \*\* Hispanics may be in any race category.

- ◆ The median income for White families in Rhode Island is higher than that of Asian families and much higher than that of Black, Native American, and Hispanic families.<sup>9</sup>
- ◆ Intergenerational income mobility is influenced by race and ethnicity. National research shows that White children are more likely to move up the economic ladder, while Black children are more likely to fall into lower income brackets than their parents.<sup>10</sup> 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 at the time, the G.I. Bill was implemented in such a way that White veterans were offered home-ownership assistance but Black and Hispanic veterans were not.<sup>11</sup>
- ◆ According to the Poverty Institute's *2008 Rhode Island Standard of Need*, it costs a single-parent family with two young children \$47,352 a year to pay basic living expenses, including housing, food, clothing, health care, child care and transportation. They would need an annual income of \$52,800 to meet this budget without government subsidies.<sup>12</sup>
- ◆ Income support programs (including RIte Care health insurance, child care subsidies, food stamp benefits/SNAP and the Earned Income Tax Credit) are critical for helping low and moderate-income working families make ends meet.<sup>13</sup>

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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

- <sup>1</sup> U.S. Bureau of the Census, American Community Survey, 2007. Table B19125.
- <sup>2</sup> U.S. Bureau of the Census, American Community Survey, 2007. Table B19126.
- <sup>3</sup> Mishel, L., Bernstein, J. & Shierholz, H. (2008). *The state of working America 2008/2009*. Washington, DC: Economic Policy Institute.
- <sup>4</sup> *State of working Rhode Island 2007*. (2007). Providence, RI: The Poverty Institute at Rhode Island College.
- <sup>5</sup> Huang, C. & Stone, C. (2008). *Average income in 2006 up \$60,000 for top 1 percent of households, just \$430 for bottom 90 percent*. Washington, DC: Center on Budget and Policy Priorities.
- <sup>6</sup> Bernstein, J., McNichol, E. & Nicholas, A. (2008). *Pulling apart: A state-by-state analysis of income trends*. Washington, DC: Center on Budget and Policy Priorities & Economic Policy Institute.
- <sup>7</sup> Center on Budget and Policy Priorities and Economic Policy Institute. (2008). *Income inequality grew in Rhode Island over the past two decades*. Retrieved December 9, 2008 from [www.cbpp.org/states/4-9-08sfp-fact-ri.pdf](http://www.cbpp.org/states/4-9-08sfp-fact-ri.pdf)
- <sup>9</sup> U.S. Bureau of the Census, American Community Survey, 2007. Tables B19113, B19113A, B19113B, B19113C, B19113D, B19113E, B19113G & B19113I.
- <sup>10</sup> Isaacs, J. (2007). *Economic mobility of Black and White families: Executive summary*. Washington, DC: Economic Mobility Project.
- <sup>11</sup> *Race matters user's guide*. (n.d.). Baltimore, MD: The Annie E. Casey Foundation.
- <sup>12,13</sup> *The 2008 Rhode Island standard of need*. (2008). Providence, RI: The Poverty Institute at Rhode Island College.