

Median Household Income

DEFINITION

Median household income is the median annual income for all Rhode Island households. The median income is the dollar amount which divides the income distribution into two equal groups – half with income above the median and half with income 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. According to Census 2000, one-half of all Rhode Island families with children under age 18 earned less than \$50,557 and one-half earned more. The 1999 median income for all households in Rhode Island – including those without children – was \$42,090.¹

After reaching an all time high in 2000, the U.S. median household income has decreased for the second consecutive year. In 2002 the U.S. median household income fell from \$42,909, or 1.1%, to \$42,409.² The drop in the U.S. median income was concentrated among minorities. Median household income declined for all racial groups, except those identifying themselves as White or Asian only.^{3,4} In

2002, the Rhode Island median household income decreased for all races.⁵

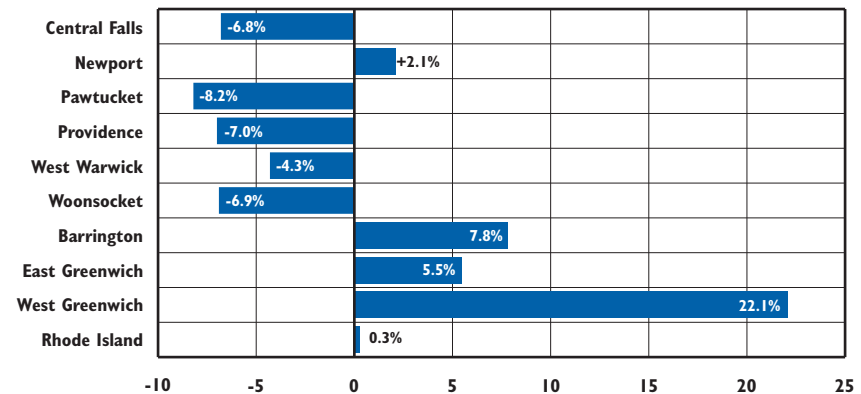
According to the Census Bureau there was no significant change in income inequality in both the U.S. and Rhode Island between 2001 and 2002.⁶ However, between the 1980s and the 1990s Rhode Island was among the ten states where income inequality between the top and bottom of the income distribution grew most.⁷

Communities with above-average income inequality have higher mortality rates than communities with comparable incomes but lower inequality.⁸ Increased income disparities lead to geographic segregation as wealthier families move to the suburbs. This can result in unequal school funding from property taxes.^{9,10}

Due to the tight labor market and the increase in the minimum wage, very low-paid workers experienced slight wage increases in the late 1990s.¹¹ In 2001, the wage for a low-wage worker in Rhode Island (those in the bottom fifth of the wage scale) was \$8.61.¹² Between 2001 and 2002 in the United States, the median earnings of men who worked full-time and year-round was \$39,429, while the median earnings of women with comparable work experience was \$30,203. Women still earn less than men at seventy-seven cents to the dollar.¹³



Change in Median Household Income, 1989 – 1999, Core Cities, Three Highest Income Communities, and Rhode Island



Source: U. S. Bureau of the Census, Census 2000. Percentage change is based on median household income for 1989 and 1999 adjusted to 1999 dollars.

- ◆ After adjusting for inflation, Rhode Island's highest income communities experienced significant increases in median household income between 1989 and 1999 while the lowest income communities had real declines in income.¹⁴
- ◆ Of the six core cities, only Newport experienced an increase in real income over the decade of the 1990s. The median income in the six core cities in 1999 ranged from a low of \$22,008 in Central Falls to a high of \$43,125 in Newport.¹⁵
- ◆ According to the Poverty Institute's 2003 Rhode Island Standard of Need, a two-parent family with two young children in which both parents are working needs an income of \$48,096 to pay for basic living expenses, including housing, food, clothing, health insurance, child care and transportation.¹⁶
- ◆ Income supports including RIte Care, child care subsidies, Food Stamps and the Earned Income Tax Credit are critical to the well-being of low-income and moderate-income working families.

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Table 6.

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
Burrillville	\$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 includes households with both related and unrelated individuals. Median family income data includes only households with children under age 18 who meet the Census Bureau's definition of a family. The 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 adjusted median household income data is 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 for Indicator

^{1,14,15} U.S. Bureau of the Census, Census 2000.

^{2,3,6,13} *Income in the United States: 2002*. (September 2003). Washington DC: U.S. Bureau of the Census, Current Population Reports.

⁴ *Poverty Increases and Median Income Declines for Second Consecutive Year: Ranks of the Poor Increase by 3 Million Since 2000*. (September 2003). Washington DC: Center of Budget and Policy Priorities. Note: Under mandate from the Office of Management and Budget, The Current Population Survey changed the questions in 2003 to collect information on race, allowing individuals to report one or more races. This makes comparison for race groups in a single manner between 2001 and 2002 obsolete.

⁵ U.S. Bureau of the Census, Current Population Survey, 2001 to 2003.

^{7,8,9,10} Bernstein, J., McNichol, E.C., Mishel, L. et.al. (April 2002). *Pulling Apart: A State-By State Analysis of Income Trends*. Washington, DC: Center on Budget and Policy Priorities and the Economic Policy Institute.

^{11,12} Mishel, L. and Bernstein, J. (2002). *The State of Working America 2002-2003*. Washington DC: Economic Policy Institute.

¹⁶ *One Rhode Island: An Investment in Our State's Future*. (2004). Providence, RI: The Poverty Institute, Rhode Island College School of Social Work.