

# 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. The numbers include only families with their “own children” under age 18, defined as never-married children who are related to the family head by birth, marriage, or adoption.

## SIGNIFICANCE

Median family income is a measure of the ability of families to meet the costs of food, clothing, housing, health care, transportation, child care, and higher education. In 2014, the median family income for Rhode Island families with their own children was \$61,605.<sup>1</sup> Rhode Island had the 16th highest median family income nationally and the 4th highest in New England.<sup>2</sup>

Between 2010 and 2014, Rhode Island's median income for families with their own children differed significantly by family type. The median family income for married two-parent families (\$97,517) was more than two and a half times that of male-headed single-parent families (\$37,610) and more than three and a half times that of female-headed single-parent families (\$26,071).<sup>3</sup>

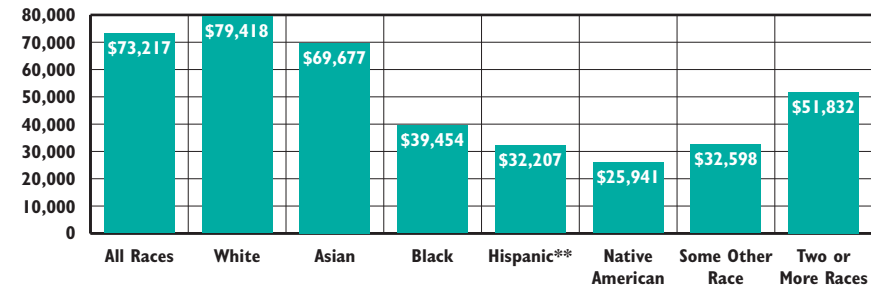
Rhode Island had one of the nation's highest unemployment rates in 2014

(7.7%), but by July 2015 the state's unemployment rate had decreased to 5.8%, closer to the U.S. rate of 5.3%.<sup>4</sup> Despite declines in unemployment, Rhode Island continues to have large gaps in unemployment rates by race and ethnicity. In 2015, the unemployment rate for White workers was 5.2%, while it was 9.1% for Black workers and 12.2% for Hispanic workers.<sup>5</sup>

While the national unemployment rate declined to 5% in 2015, the underemployment rate and percentage of low-wage jobs remains high.<sup>6</sup> More than 23 million people in the U.S. work in low-wage jobs where they are paid \$10.50 or less. Conditions at low-wage jobs, such as fluctuating work hours, lack of paid time off, and strict attendance policies can harm children's development by making it difficult for parents to find and keep affordable high-quality child care and education for their children.<sup>7</sup>

In Rhode Island, the average income of the wealthiest 20% of families increased by 99% (or \$94,170) during the past thirty years, while the average income of the poorest 20% of families increased by 12% (or \$2,480). The wealthiest 20% of families in Rhode Island have average incomes that are 7.5 times larger than the average incomes of the poorest 20% of families. Rhode Island is among the top ten states with the fastest growing income inequality.<sup>8</sup>

Median Family Income by Race and Ethnicity, Rhode Island, 2010-2014\*



Source: U.S. Census Bureau, American Community Survey, 2010-2014. Tables B19113, B19113A, B19113B, B19113C, B19113D, B19113E, B19113G, and 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 for Black, Hispanic, and Native American families.<sup>9</sup>
- ◆ Educational attainment is strongly associated with economic well-being. Rhode Islanders who have achieved a Bachelor's degree or higher have nearly double the wages of residents who have only completed high school. More than one in three Hispanic and more than one in four Black adults in Rhode Island, lack a high school diploma, compared to one in ten White adults.<sup>10</sup>
- ◆ According to the *2014 Rhode Island Standard of Need*, it costs a single-parent family with two young children \$51,492 a year to pay basic living expenses, including housing, food, health care, child care, transportation, and other miscellaneous items. This family would need an annual income of \$59,083 to meet this budget without government subsidies.<sup>11</sup>
- ◆ Income support programs (including RIte Care health insurance, child care subsidies, SNAP/food stamp benefits, and the Earned Income Tax Credit) are critical for helping low-and moderate-income working families in Rhode Island make ends meet.<sup>12</sup>

Table 6. Median Family Income, Rhode Island, 2010-2014

CITY/TOWN	1999 MEDIAN FAMILY INCOME FOR FAMILIES WITH CHILDREN UNDER AGE 18 (ADJUSTED TO 2014 DOLLARS*)	2010-2014 MEDIAN FAMILY INCOME FOR FAMILIES WITH CHILDREN UNDER AGE 18	
		ESTIMATES WITH HIGH MARGINS OF ERROR**	ESTIMATES WITH LOWER, ACCEPTABLE MARGINS OF ERROR
Barrington	\$126,206		\$143,469
Bristol	\$75,797		\$91,767
Burrillville	\$78,294	\$72,688	
Central Falls	\$31,281		\$27,601
Charlestown	\$78,287		\$74,233
Coventry	\$87,206		\$94,078
Cranston	\$80,879		\$80,987
Cumberland	\$97,064		\$99,255
East Greenwich	\$154,293		\$166,944
East Providence	\$69,468		\$54,314
Exeter	\$104,097		\$109,099
Foster	\$90,091	\$86,375	
Glocester	\$86,613		\$92,270
Hopkinton	\$83,957		\$90,921
Jamestown	\$113,101	\$158,950	
Johnston	\$80,506		\$82,188
Lincoln	\$91,633		\$88,085
Little Compton	\$80,560	\$114,167	
Middletown	\$78,601		\$85,244
Narragansett	\$97,006		\$105,313
New Shoreham	\$77,952	\$108,295	
Newport	\$61,295	\$53,750	
North Kingstown	\$94,924		\$107,697
North Providence	\$71,767		\$67,534
North Smithfield	\$101,008		\$107,026
Pawtucket	\$47,703		\$40,304
Portsmouth	\$95,762		\$115,201
Providence	\$34,888		\$32,558
Richmond	\$90,215		\$122,540
Scituate	\$98,264		\$98,269
Smithfield	\$95,300		\$96,339
South Kingstown	\$97,027		\$105,365
Tiverton	\$90,709		\$86,984
Warren	\$76,101		\$60,694
Warwick	\$81,070		\$77,375
West Greenwich	\$99,706		\$103,074
West Warwick	\$59,454		\$50,688
Westerly	\$73,872	\$67,885	
Woonsocket	\$48,986		\$32,711
Four Core Cities	NA		NA
Remainder of State	NA		NA
Rhode Island	\$71,858		\$67,119

### Source of Data for Table/Methodology

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 householder by birth, marriage, or adoption.

\*The 1999 median family income data are adjusted to 2014 constant dollars by multiplying 1999 dollar values by 1.42133224 as recommended by the U.S. Census Bureau.

The 2010-2014 data come from a Population Reference Bureau analysis of 2010-2014 American Community Survey data. The American Community Survey is a sample survey, and therefore the median family income is an estimate. The reliability of estimates vary by community. In general, estimates for small communities are not as reliable as estimates for larger communities.

\*\*The Margin of Error around the estimate is greater than or equal to 25 percent of the estimate.

The Margin of Error is a measure of the reliability of the estimate and is provided by the U.S. Census Bureau. The Margin of Error means that there is a 90 percent chance that the true value is no less than the estimate minus the Margin of Error and no more than the estimate plus the Margin of Error. See the Methodology Section for Margins of Errors for all communities.

Core cities are Central Falls, Pawtucket, Providence, and Woonsocket.

NA: Median family income cannot be calculated for combinations of cities and towns (i.e., Four Core Cities and Remainder of State).

### References

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