

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 2015, the median family income for Rhode Island families with their own children was \$70,108.¹ Rhode Island had the 13th highest median family income nationally and the 4th highest in New England.²

Between 2011 and 2015, 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 (\$97,785) was almost two and a half times that of male-headed single-parent families (\$39,513) and more than three and a half times that of female-headed single-parent families (\$25,901).³

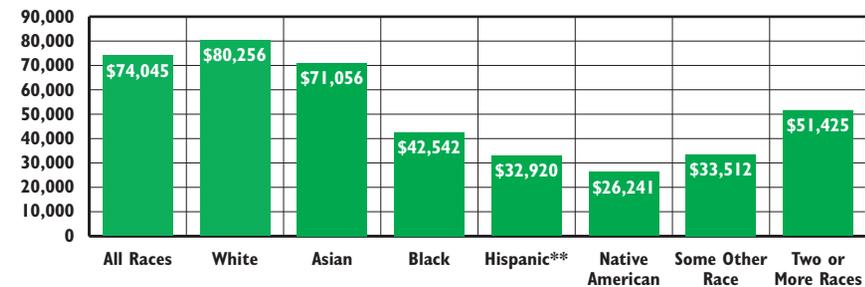
Rhode Island had one of the nation's highest unemployment rates in 2014

(7.7%), but by 2016 the state's unemployment rate had decreased to 5.4%, closer to the U.S. rate of 4.9%. Despite declines in unemployment, Rhode Island continues to have gaps in unemployment rates by race and ethnicity. In 2016, the unemployment rate for White workers was 5.1%, while it was 6.9% for Black workers and 8.7% for Hispanic workers.^{4,5}

While the national unemployment rate declined to 5% in 2015, the underemployment rate and percentage of low-wage jobs remains high.⁶ More than 23 million people in the U.S. work in low-wage jobs where they are paid \$10.50 per hour 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.⁷

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.⁸

Median Family Income by Race and Ethnicity, Rhode Island, 2011-2015*



Source: U.S. Census Bureau, American Community Survey, 2011-2015. 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 that of Black, Hispanic, and Native American families.⁹**
- ◆ **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 compared to 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.¹⁰**
- ◆ **According to the 2016 Rhode Island Standard of Need, it costs a single-parent family with two young children \$52,932 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 \$63,238 to meet this budget without government subsidies.¹¹**
- ◆ **An adequate minimum wage and 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.¹²**

Table 6. Median Family Income, Rhode Island, 2011-2015

CITY/TOWN	1999 MEDIAN FAMILY INCOME FOR FAMILIES WITH CHILDREN UNDER AGE 18 (ADJUSTED TO 2015 DOLLARS*)	2011-2015 MEDIAN FAMILY INCOME FOR FAMILIES WITH CHILDREN UNDER AGE 18	
		ESTIMATES WITH HIGH MARGINS OF ERROR**	ESTIMATES WITH LOWER, ACCEPTABLE MARGINS OF ERROR
Barrington	\$126,351		\$146,440
Bristol	\$75,884		\$88,547
Burrillville	\$78,384		\$76,667
Central Falls	\$31,317		\$26,973
Charlestown	\$78,377		\$81,083
Coventry	\$87,306		\$98,491
Cranston	\$80,973		\$81,456
Cumberland	\$97,176		\$91,723
East Greenwich	\$154,470		\$160,139
East Providence	\$69,548		\$54,630
Exeter	\$104,217		\$103,644
Foster	\$90,195	\$113,750	
Glocester	\$86,713		\$90,962
Hopkinton	\$84,053		\$85,135
Jamestown	\$113,231	\$97,488	
Johnston	\$80,598		\$81,014
Lincoln	\$91,739	\$88,446	
Little Compton	\$80,652	\$127,337	
Middletown	\$78,691		\$80,161
Narragansett	\$97,117		\$123,625
New Shoreham	\$78,041	\$73,409	
Newport	\$61,365	\$48,260	
North Kingstown	\$95,033		\$101,128
North Providence	\$71,850		\$70,437
North Smithfield	\$101,125		\$102,688
Pawtucket	\$47,758		\$41,281
Portsmouth	\$95,872		\$109,911
Providence	\$34,928		\$34,164
Richmond	\$90,319		\$114,792
Scituate	\$98,377		\$97,396
Smithfield	\$95,410		\$93,750
South Kingstown	\$97,139		\$104,276
Tiverton	\$90,814		\$84,375
Warren	\$76,188		\$61,406
Warwick	\$81,163		\$82,378
West Greenwich	\$99,821		\$105,417
West Warwick	\$59,523		\$50,690
Westerly	\$73,957		\$63,398
Woonsocket	\$49,043		\$31,923
Four Core Cities	NA		NA
Remainder of State	NA		NA
Rhode Island	\$71,941		\$67,606

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 2015 constant dollars by multiplying 1999 dollar values by 1.4229669 as recommended by the U.S. Census Bureau.

The 2011-2015 data come from a Population Reference Bureau analysis of 2011-2015 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

- ¹ U.S. Census Bureau, American Community Survey 1-Year Estimates, 2015. Table B19125.
- ² U.S. Census Bureau, American Community Survey 1-Year Estimates, 2015. Table R1902.
- ³ U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2011-2015. Table B19126.
- ^{4,10} *State of working Rhode Island 2015: Workers of color.* (2015). Providence, RI: The Economic Progress Institute.
- ⁵ *Employment status of the civilian noninstitutional population by sex, race, Hispanic or Latino ethnicity, and detailed age, 2016 annual averages – Rhode Island and United States.* (2016). U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics.
- ⁶ Wiedrich, K., Sims, L., Jr., Weisman, H., Rice, S., & Brooks, J. (2016). *The steep climb to economic opportunity for vulnerable families.* Washington, DC: Corporation for Enterprise Development.
- ⁷ Vogtman, J. & Schulman, K. (2016). *Set up to fail: When low-wage work jeopardizes parents' and children's success.* Washington, DC: The National Women's Law Center.
- ⁸ McNichol, E., Hall, D., Cooper, D., & Palacios, V. (2012). *Pulling apart: A state-by-state analysis of income trends.* Washington, DC: Center on Budget and Policy Priorities & Economic Policy Institute.
- ⁹ U.S. Census Bureau, American Community Survey 5-Year Estimates, 2011-2015. Tables B19113, B19113A, B19113B, B19113C, B19113D, B19113E, B19113F, B19113G, & B19113I.
- ^{11,12} *The 2016 Rhode Island Standard of Need.* (2016). Providence, RI: The Economic Progress Institute.