

# 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 2016, the median family income for Rhode Island families with their own children was \$71,926.<sup>1</sup> Rhode Island had the 13th highest median family income nationally and the 4th highest in New England.<sup>2</sup>

Between 2012 and 2016, 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 (\$100,192) was almost two and a half times that of male-headed single-parent families (\$40,427) and more than three and a half times that of female-headed single-parent families (\$26,809).<sup>3</sup>

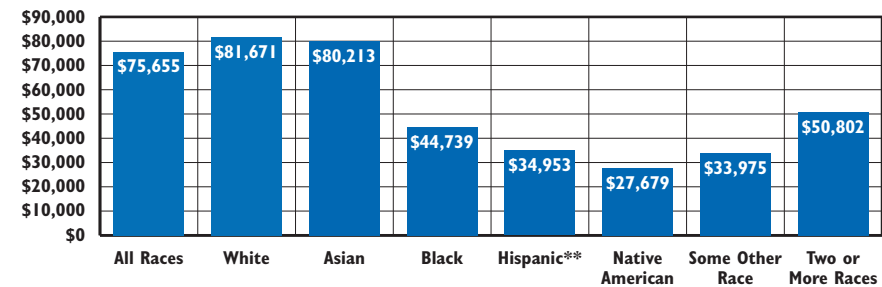
Rhode Island had the nation's highest unemployment rate in 2010 (11.3%), but by 2017 the state's unemployment

rate had decreased to 4.2%, the same as the national unemployment rate, and only slightly higher than the New England rate (3.9%). Despite declines in unemployment, Rhode Island continues to have gaps in unemployment rates by race and ethnicity. In 2017, the unemployment rate for White workers was 4.1%, while it was 7.0% for Black workers and 7.1% for Hispanic workers.<sup>4,5</sup>

While Rhode Island's unemployment rate has declined, many workers remain unable to find full-time employment and struggle to make ends meet with inadequate and unpredictable income.<sup>6</sup> 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.<sup>7</sup>

In Rhode Island over the past few decades, income inequality has grown. Since 1979, there has been a 112% income increase for the top 1% of households, compared to a 30% income increase for all other households. The top 5% of households have average incomes (\$320,433) that are 14 times as high as the bottom 20% (\$22,102) of households. Rhode Island is among the top twenty states with the fastest growing income inequality.<sup>8</sup>

**Median Family Income by Race and Ethnicity, Rhode Island, 2012-2016\***



Source: U.S. Census Bureau, American Community Survey, 2012-2016. 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.<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 compared to residents who have only completed high school. More than one in three Hispanic and more than one in five Black adults in Rhode Island lack a high school diploma, compared to one in ten White adults.<sup>10</sup>**
- ◆ **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.<sup>11</sup>**
- ◆ **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.<sup>12</sup>**

Table 6. Median Family Income, Rhode Island, 2012-2016

CITY/TOWN	1999 MEDIAN FAMILY INCOME FOR FAMILIES WITH CHILDREN UNDER AGE 18 (ADJUSTED TO 2016 DOLLARS*)	2012-2016 MEDIAN FAMILY INCOME FOR FAMILIES WITH CHILDREN UNDER AGE 18	
		ESTIMATES WITH HIGH MARGINS OF ERROR**	ESTIMATES WITH LOWER, ACCEPTABLE MARGINS OF ERROR
Barrington	\$128,000		\$152,442
Bristol	\$76,874		\$82,569
Burrillville	\$79,407	\$75,181	
Central Falls	\$31,725		\$28,585
Charlestown	\$79,400		\$86,458
Coventry	\$88,446		\$94,982
Cranston	\$82,029		\$80,321
Cumberland	\$98,444		\$98,588
East Greenwich	\$156,486		\$165,658
East Providence	\$70,455		\$60,149
Exeter	\$105,577		\$102,708
Foster	\$91,372	\$99,038	
Glocester	\$87,844		\$109,744
Hopkinton	\$85,150		\$88,785
Jamestown	\$114,709	\$139,076	
Johnston	\$81,650		\$87,167
Lincoln	\$92,936	\$74,375	
Little Compton	\$81,705	\$130,875	
Middletown	\$79,718		\$74,250
Narragansett	\$98,385		\$129,375
New Shoreham	\$79,060	\$64,821	
Newport	\$62,166	\$51,547	
North Kingstown	\$96,273		\$106,111
North Providence	\$72,788		\$79,014
North Smithfield	\$102,444		\$104,727
Pawtucket	\$48,381		\$42,667
Portsmouth	\$97,124		\$112,050
Providence	\$35,384		\$34,524
Richmond	\$91,497		\$118,309
Scituate	\$99,661		\$91,500
Smithfield	\$96,655		\$102,250
South Kingstown	\$98,407		\$109,519
Tiverton	\$91,999		\$81,484
Warren	\$77,183		\$58,199
Warwick	\$82,222		\$82,753
West Greenwich	\$101,124		\$103,864
West Warwick	\$60,300		\$54,512
Westerly	\$74,922		\$64,577
Woonsocket	\$49,683		\$32,386
Four Core Cities	NA		NA
Remainder of State	NA		NA
Rhode Island	\$72,880		\$69,335

### 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 2016 constant dollars by multiplying 1999 dollar values by 1.4415372 as recommended by the U.S. Census Bureau.

The 2012-2016 data come from a Population Reference Bureau analysis of 2012-2016 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

- U.S. Census Bureau, American Community Survey 1-Year Estimates, 2016. Table B19125.
- U.S. Census Bureau, American Community Survey 1-Year Estimates, 2016. Table R1902.
- U.S. Census Bureau, American Community Survey 5-Year Estimates, 2012-2016. Table B19126.
- <sup>6,10</sup> *State of working Rhode Island 2017: Paving the way to good jobs.* (2017). Providence, RI: The Economic Progress Institute.
- <sup>5</sup> *Employment status of the civilian noninstitutional population by sex, race, Hispanic or Latino ethnicity, and detailed age, 2017 annual averages – Rhode Island and United States.* (2017). U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics.
- <sup>7</sup> 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.
- <sup>8</sup> Center on Budget and Policy Priorities & Economic Policy Institute. (2016) *Income inequality in Rhode Island: A snapshot.* Retrieved January 9, 2018, from www.cbpp.org
- <sup>9</sup> U.S. Census Bureau, American Community Survey 5-Year Estimates, 2012-2016. Tables B19113, B19113A, B19113B, B19113C, B19113D, B19113E, B19113F, B19113G, & B19113I.
- <sup>11,12</sup> *The 2016 Rhode Island Standard of Need.* (2016). Providence, RI: The Economic Progress Institute.