

# Household Income

## DESCRIPTION

Household income is defined by the census as money received by household members prior to taxes, social security and Medicare contributions. It does not include benefits households receive such as food stamps, Earned Income Tax Credit or subsidized housing.<sup>1</sup> Median household income for a community is the midpoint dollar amount where half of the households have income below that amount and half have income higher. Median household income is frequently used as an indicator of a population's wealth.<sup>2</sup>

## HOW WE ARE DOING

Ramsey County has the lowest household income in the seven-county metro area (\$57,717), followed by Hennepin, Anoka, Dakota, Washington, Carver, and Scott with the top median income (\$90,196).<sup>3</sup> The suburbs in metro counties have some of the highest median incomes in Minnesota.<sup>4</sup> In Ramsey County, North Oaks has the highest median household income (\$151,397) and Lauderdale has the lowest (\$44,345). There have been striking changes in household income over the past several years in some Ramsey County cities; Gem Lake experiencing rapid income growth (+37%) and Lauderdale experiencing losses (-8%).<sup>4</sup>

## DISPARITIES

The distribution of income in Ramsey County has changed over the past 16 years following national trends of a shrinking middle class and growing disparity between the highest and lowest incomes.<sup>4</sup> In 2000, most households in Ramsey County had an income between \$35,000- \$100,000, with very few households in the lowest and highest income brackets.<sup>4</sup> In 2016, this distribution plateaued revealing greater income inequality. Income inequality in Ramsey County is felt particularly strongly within communities of color. While the trend of white people making more than people of color is true both locally and nationally, the difference in household earnings is steeper in Ramsey County than in the rest of the U.S. This is especially true of Asian residents, who in the U.S. make almost \$15,000 more than whites, but in Ramsey County make almost \$17,000 less.<sup>4</sup> The gender pay gap is also very present in the county. Based on levels of educational attainment, female income is on average, about \$9,500 less than males annually.

## RISK FACTORS

There is a consistent trend that individuals with higher education have higher incomes. An individual with a graduate degree is likely to make \$44,396 over a person without a high school degree and \$16,025 more than a person with a bachelor's degree.<sup>4</sup>

## WHAT RAMSEY COUNTY GOVERNMENT IS DOING

Saint Paul - Ramsey County Public Health provides data monitoring and reporting for this topic in order to better understand the overall health and current conditions in the community. The information may help inform community partners, policy makers or county program leadership.

## Information to note

- Ramsey County has the lowest household income in the seven-county metro area. The distribution of income has changed over the past 15 years with growing disparities between the highest and lowest incomes.
- Ramsey County women's income is about \$9,500 less than men each year. The difference in household earnings between whites and residents of color is larger in Ramsey County than in the rest of the U.S.
- Gem Lake (38%) and Falcon Heights (23%) have experienced the greatest income growth in the past five years. Lauderdale (-15%), Mounds View (-4%) and Shoreview (-2%) have experience declines in household income in the past five years.

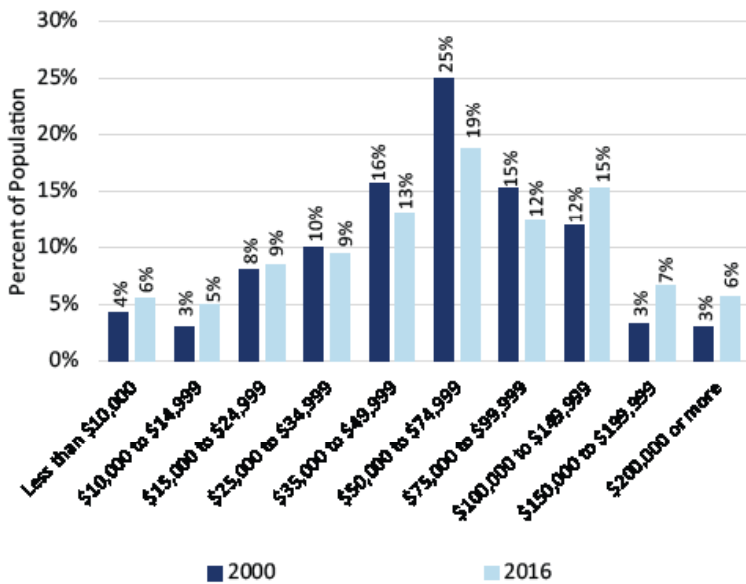
<sup>1</sup> United States Census Bureau. About: Income website. <https://www.census.gov/topics/income-poverty/income/about.html>. Accessed September 18, 2017.

<sup>2</sup> Minnesota Department of Health. White Paper on Income and Health. (March 2014). <http://www.health.state.mn.us/divs/opa/2014incomeandhealth.pdf>. Accessed September 18, 2017.

<sup>3</sup> American Community Survey. <https://factfinder.census.gov/> Accessed September 18, 2017.

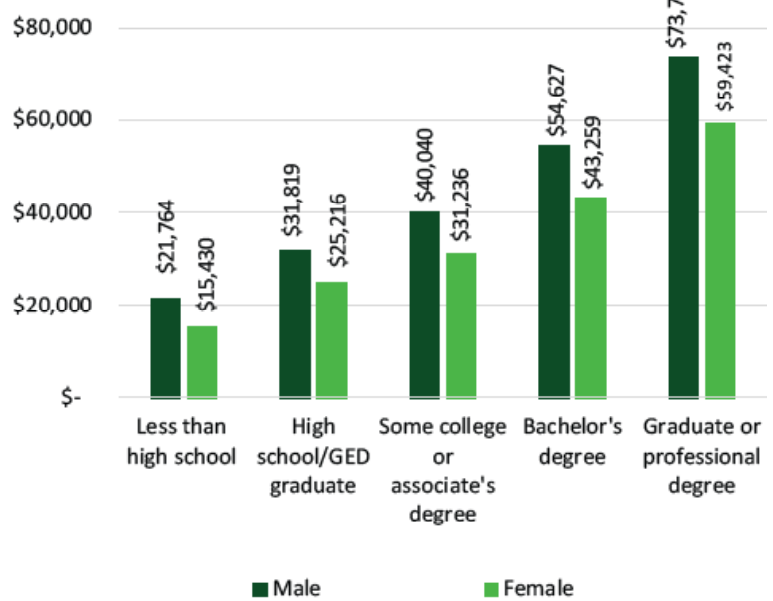
<sup>4</sup> Legg, Tom and Nguyen, Ngoc (Jenny). Widening Inequality in Minnesota: A County-by-County Analysis. (May 2015). <http://growthandjustice.org/publication/WideningInequalityMN.pdf>. Accessed September 18, 2017.

Change in Distribution of Annual Household Income, Ramsey County, 2000-2016



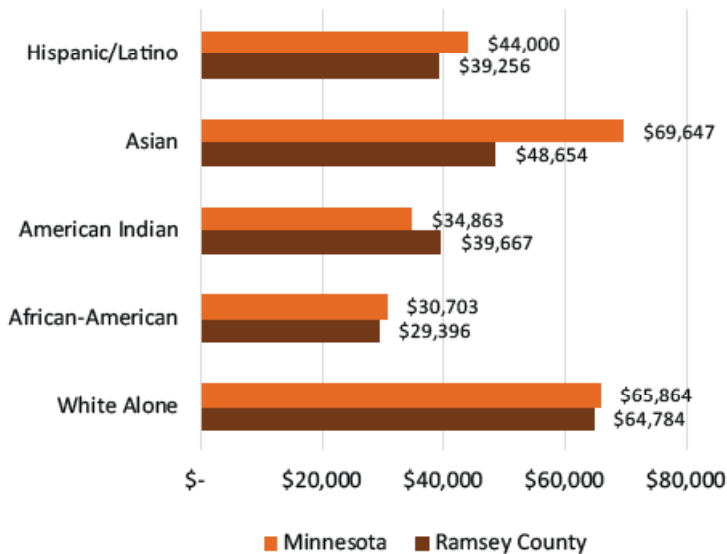
Source: American Community Survey. U.S. Census Bureau.<sup>5</sup>

Median Income by Educational Attainment and Gender, Ramsey County, 2016



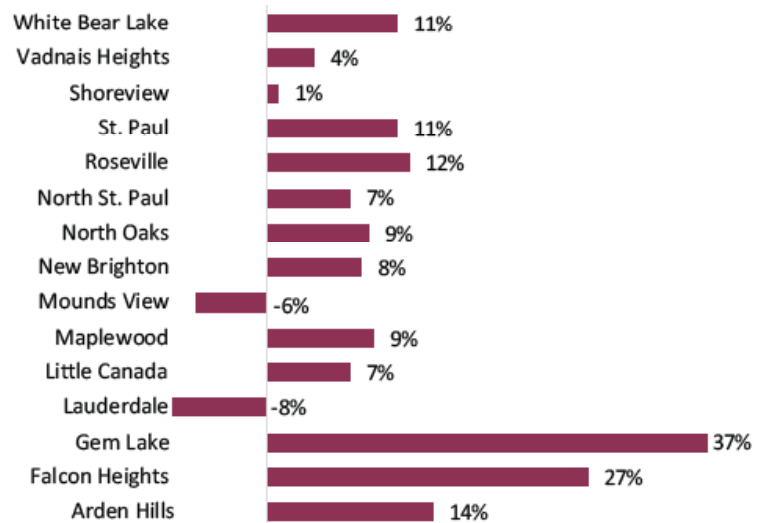
Source: American Community Survey 5-year Estimates. U.S. Census Bureau.<sup>6</sup>

Median Household Income, Ramsey County, 2016



Source: American Community Survey 5-year Estimates. U.S. Census Bureau.<sup>6</sup>

Percent Change in Median Household Income, Ramsey County Cities, 2010 and 2016



Source: American Community Survey 5-year Estimates. U.S. Census Bureau.<sup>6</sup>

<sup>5</sup> 2000-2016 American Community Survey 1-Year. Estimates. U.S. Census Bureau Web site. <https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>. Accessed January 29, 2018.

<sup>6</sup> 2012-2016 American Community Survey 5-Year Estimates. U.S. Census Bureau Web site. <https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>. Accessed January 10, 2017.