

# Capital District Data

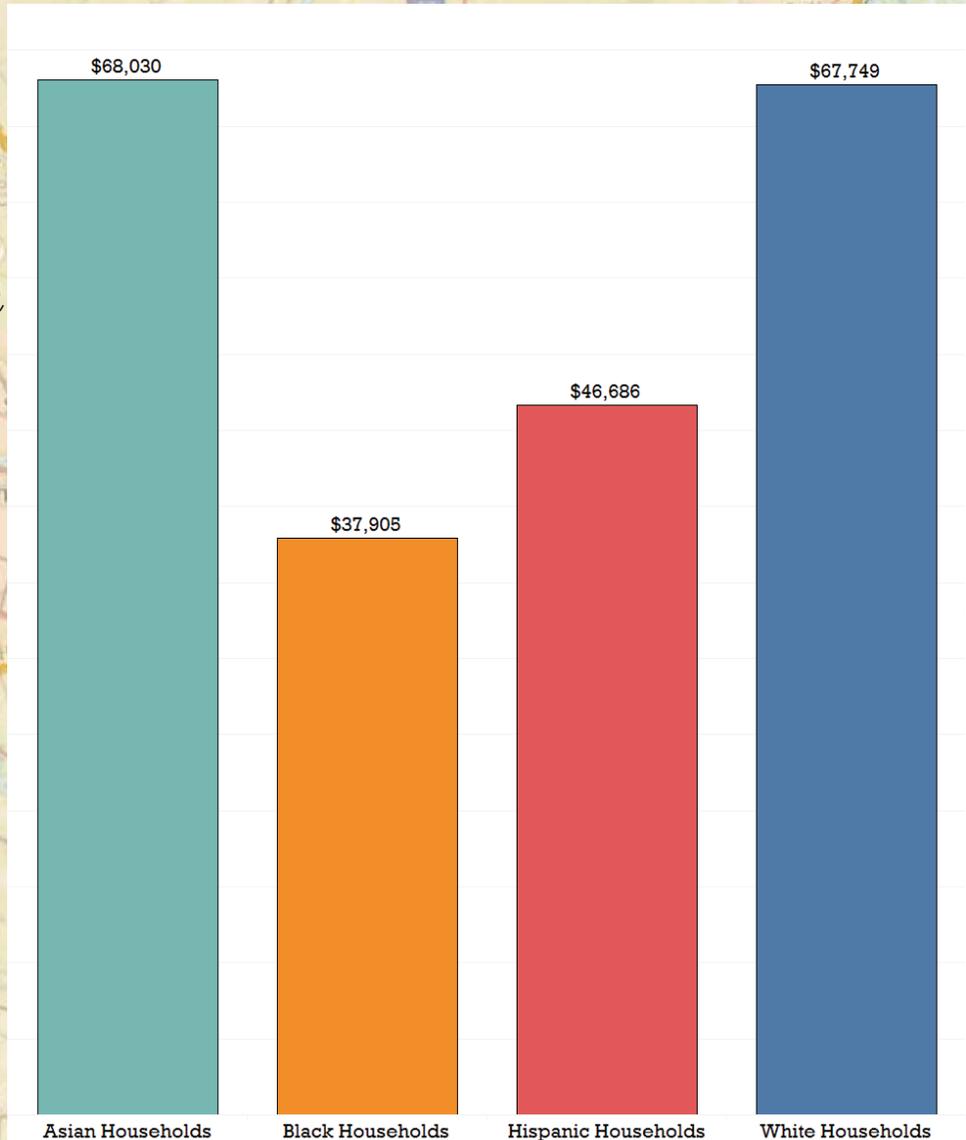
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To New Beginnings: A letter from the editor

## Disparities in household incomes

*As the economy continues to improve, the gap in median household incomes between racial/ethnic groups lingers.*



# A LETTER FROM THE EDITOR

## To New Beginnings

For more than 40 years, *Capital District Data* provided hands-on access to regional data and information unavailable in a single place. In that time it provided insights into four decennial censuses; decades of population estimates and projections, school/municipal finances, and building activity. While our commitment to data services has not changed, we have determined that we can serve you better with a new approach to how we provide access to data.

Sharing data, analysis, and insight on a bi-monthly basis in a print publication has both its advantages and drawbacks. We cannot quantify the value of putting this publication into your hands. There is something about the feel of paper that connects with people. And at the same time, we cannot determine what you are most interested in without conducting a regular reader survey. All of this takes time away from adding value to the data and information that you rely on.

When we released our first edition of *Capital District Data*, we covered topics that would go on to be bedrocks for the publication including building permit issuances, and population projections. This first issue would lay the foundation for more than 200 issues over four decades. It also provides us the foundation for our evolution.

This will be the last hard copy issue of *Capital District Data*. However, it is not the end of this work. Instead, we have been working behind the scenes to bring you a new product that reflects current demands and technology. In place of a static publication, we are excited to launch a new online service. This new, nimble, online platform will allow for regular updates on available datasets, with the ability to reach an expanded audience. Rather than wait our newsletter to land in your postal mail, we are going to analyze and report insights about data as it becomes available! We will do this in two ways: an immediate high-level analysis of data when it is release and a deeper dive in the following weeks.

## Disparities in household incomes

In this issue of *Capital District Data*, disparities in household incomes by race and ethnicity are deep, and have long lingered over the region. Since 1990, median household incomes across the Region have struggled to maintain pace with inflation. Except for Saratoga County, the region either saw flat or declines to their median household income.

While incomes are largely flat or in decline across the region, when they are examined by race & ethnicity deep disparities emerge. Region-wide, White Households alone saw household incomes maintain or grow against inflation. Incomes for Asian Households, while the highest in the Region, have declined against inflation since 1990. Most striking were the low median incomes for Black and Hispanic households, both of which lag far behind incomes for White and Asian households. In particular, Black Households have struggled. Since 1990, the median household income for Black Households across the region has declined from around \$39,600 to \$37,900 after adjusting for inflation. The median household income for a Black Households today is nearly \$30,000 lower than that of a White Household.

Higher levels of educational attainment may help explain some of the income inequality. Rates of college degrees are much higher among Asian and White individuals. About 62% and 37% of Asian and White individuals have a Bachelor's degree, compared to 27% and 18% of Hispanic and Black individuals. We know that college degrees significantly raise the earnings potential for an individual, so the lower median household incomes for Black and Hispanic households is likely influenced by the lower rates of college degrees.

We are excited for this next chapter in our continued effort to bring you the latest data. We hope that you will continue to remain a faithful reader in our new format, including adding your voice and comments. We look forward to meeting you online at [www.cdrpc.org](http://www.cdrpc.org).

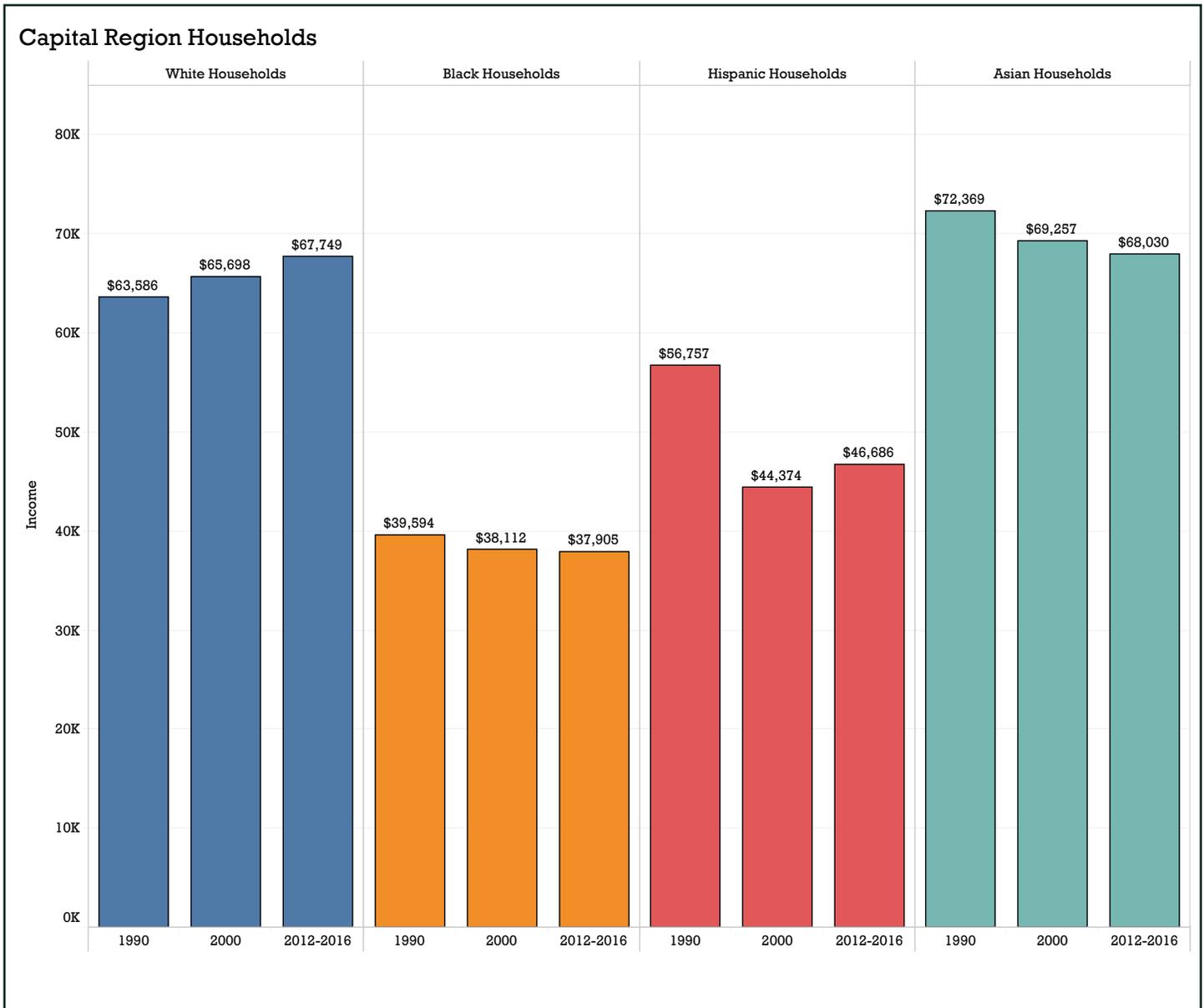
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# Disparities in household incomes

*By Dan Harp*



*Household incomes by race/ethnicity show very different trends. Since 1990, White Households have experienced a very modest increase in their median income - barely gaining on inflation. They have, however, fared much better than Black or Hispanic Households. Both have a substantially lower median household income, and have lost ground to inflation. Asian Households, meanwhile, have the highest median household income, but have generally declined since 1990.*

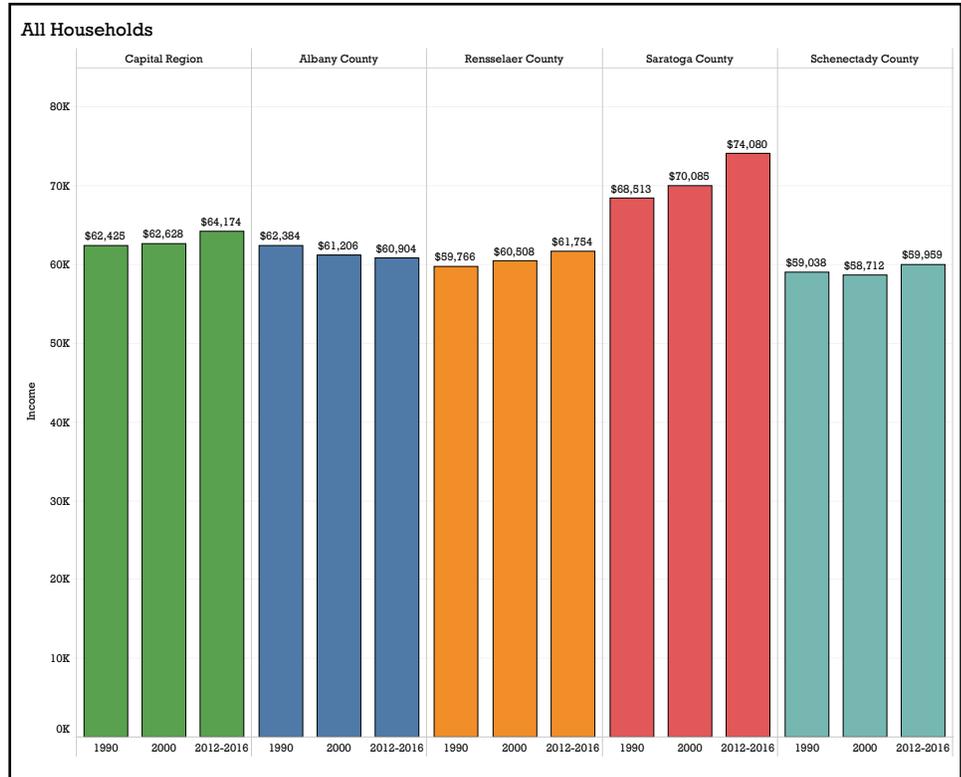
# Income

inequality along geographic, and ethnic/racial lines lingers in much of the region. Long predating the Great Recession, household incomes for many Americans have struggled to maintain their ground against inflation. Few have seen their income increase faster than inflation. What growth has occurred has not been shared equally across geographic, racial, or ethnic lines.

## Median Household Income

Consider this: since 1990, the Region's average median household income has barely exceeded inflation, meaning many residents have lost ground or not experienced a real pay increase. The average median household income in 1990 for the region was \$33,380; adjusted for inflation this would equate to approximately \$62,400 in 2016. By 2000, the adjusted average median income was \$62,600; an increase of only \$200 in 10 years. The 2012-2016 ACS estimates an average median income of \$64,174, a larger increase that we saw from 1990 to 2000, but still modest.

The four Capital District counties tell a similar story and demonstrate some of the internal differences that exist here. In 1990, Saratoga County had an adjusted median household income of just over \$68,500. Between 1990 and the 2012-2016 ACS, the median household income increased by 8% to \$74,000. An increase of 8% over a 20+ year period can hardly be considered rapid growth, but it was the county with the highest growth during the period. Rensselaer County saw the median household income increase by just over 3% over the same period, while Schenectady held steady at less than 2% growth. Albany County meanwhile, saw the median household income decline by 2%. In short, many (if not most) of the households in the region have seen their purchasing power stagnant as incomes struggle to maintain pace with inflation.

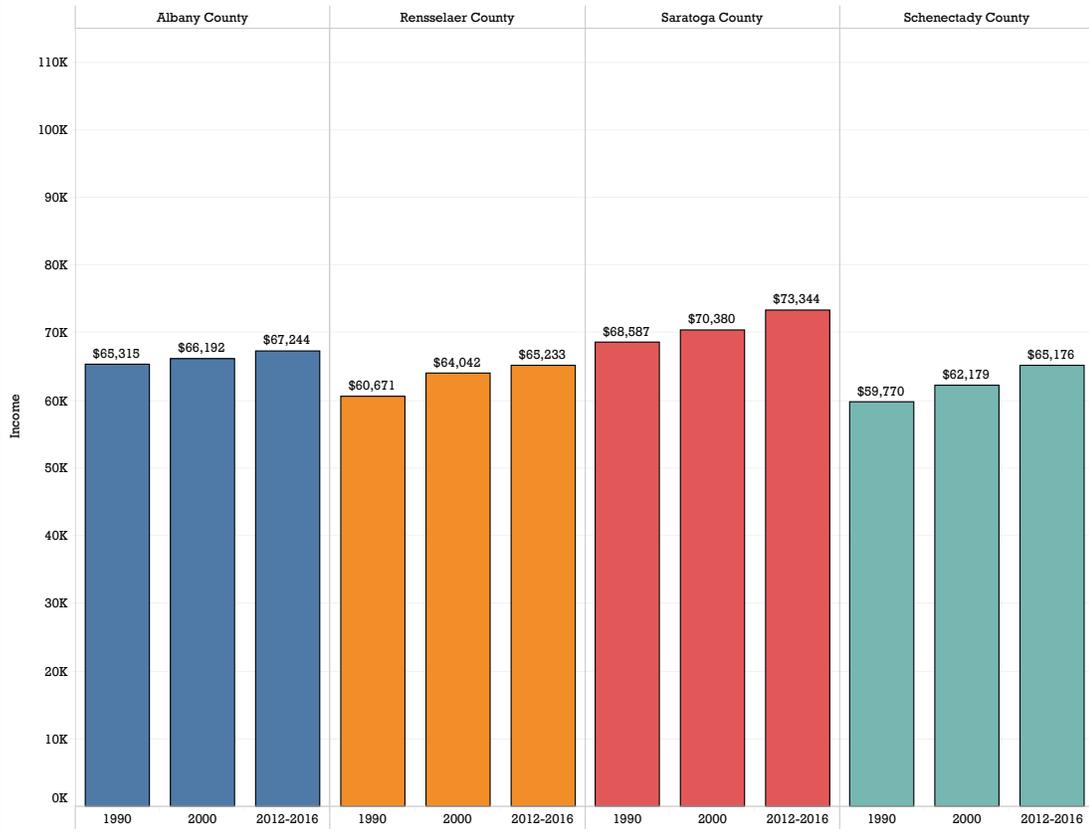


*Outside of Saratoga County, median household incomes have been mostly flat since 1990. Even the growth in Saratoga County is modest, only 8% over almost three decades. Most residents of the Capital Region have not seen a meaningful increase in their median household income- many have even seen declines.*

## Income Disparities by Geography

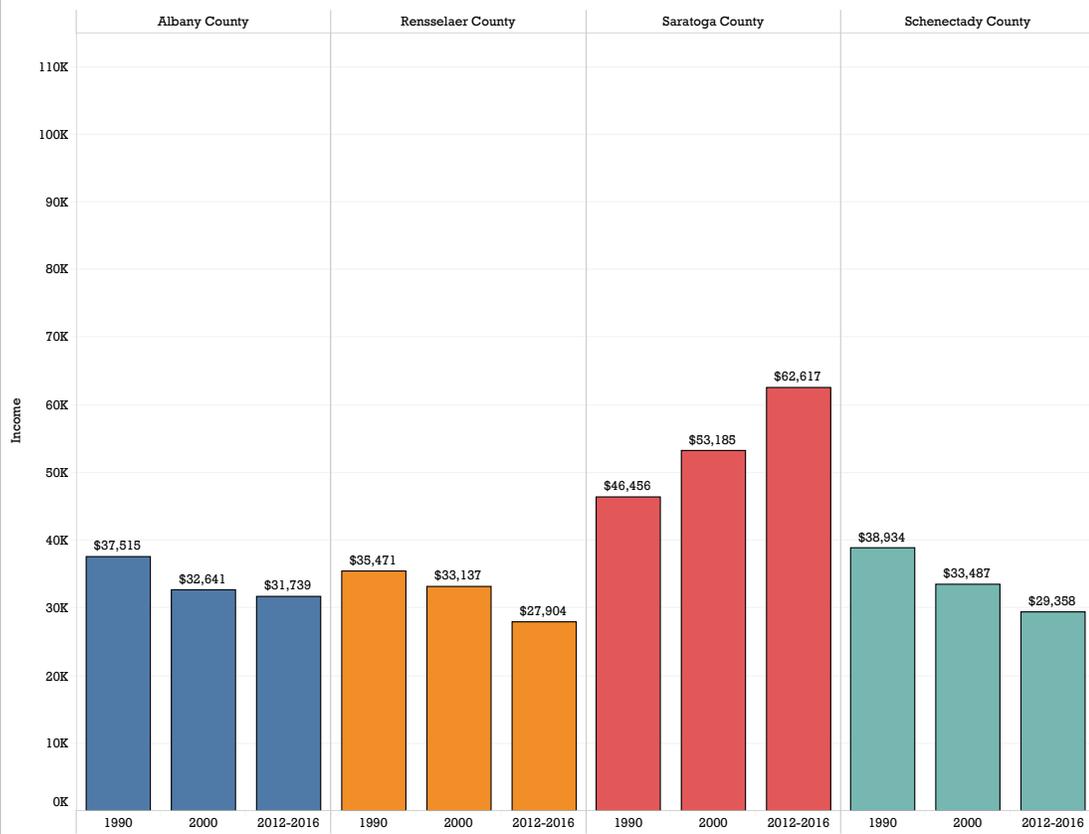
In 1990, median household incomes across the four counties were more uniform than they are today. The county with the lowest median household income was Schenectady while Saratoga had the highest. Schenectady's median household income was 86.2% that of Saratoga's. The remaining counties in the Capital District compared more favorably, including Albany (91.1%) and Rensselaer (87.2%). Since 1990, the gap between Saratoga County and the other three counties has grown considerably. By 2000, Albany's median income had declined to 87.3%, Rensselaer to 86.3%, and Schenectady to 83.8% of Saratoga's median household income. The gaps have continued to grow for Albany and Schenectady counties. The 2012-2016 ACS indicates that Schenectady County's median household

### White Households



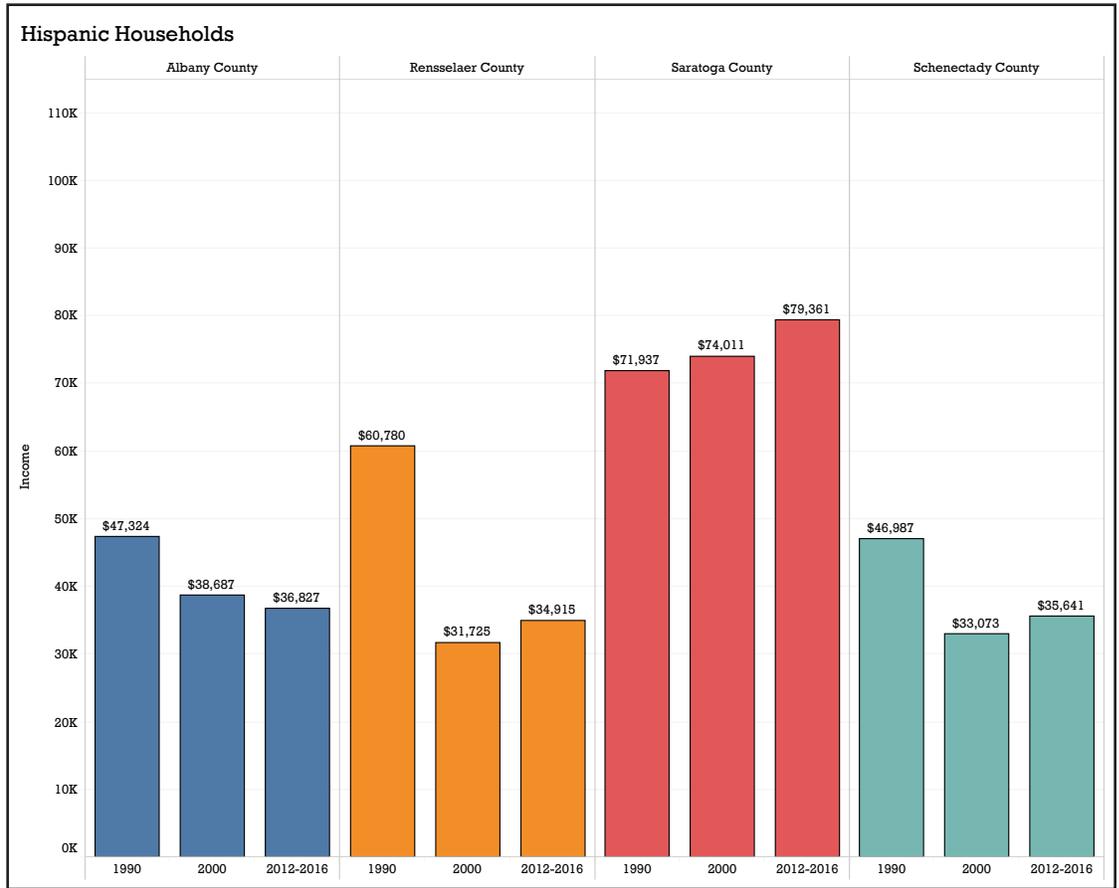
*Across the four counties, the median household income for White Households gained modestly since 1990. Saratoga County leads the region, with a median household income of over \$73,000- but the largest gains were in Rensselaer and Schenectady counties. Albany County, meanwhile, saw very little change from 1990- less than \$2,000 in 26 years.*

### Black Households

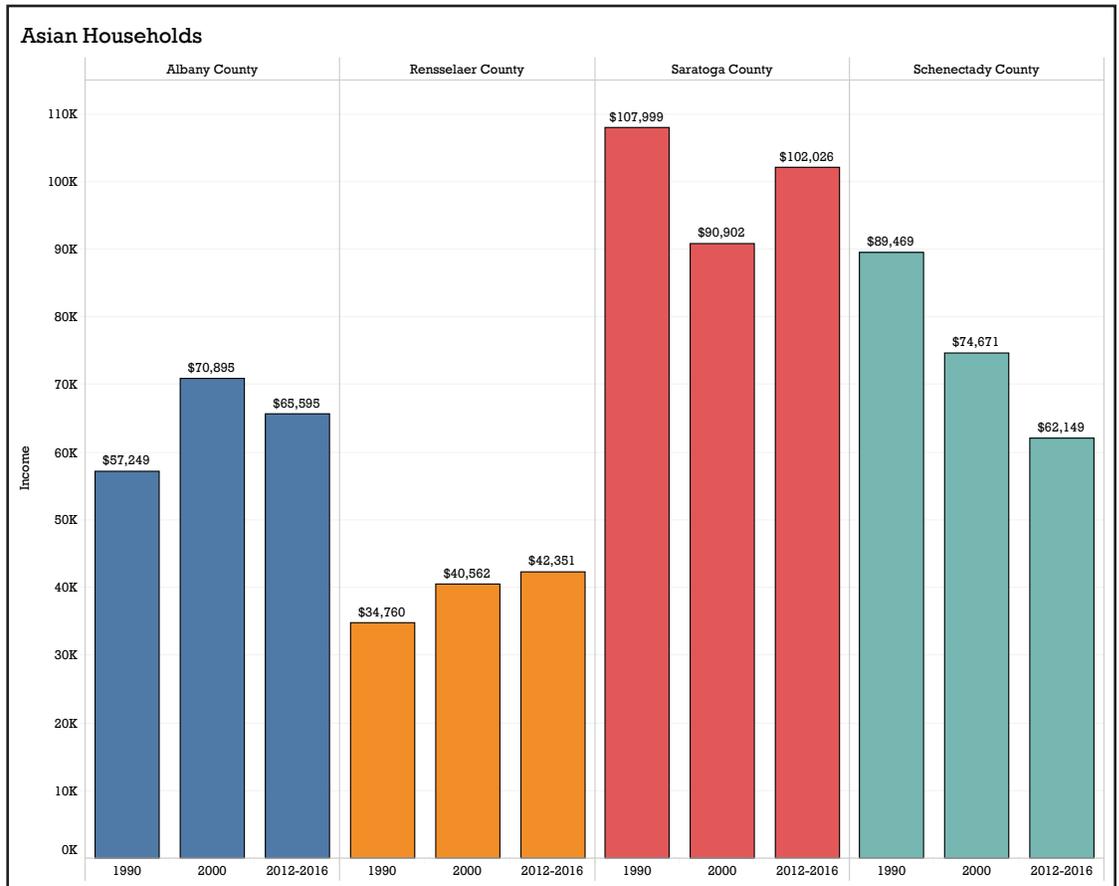


*Black Households have not seen their median incomes gain ground. Across the board, incomes were far below those of White, and Asian, households. Aside from Saratoga County, where incomes were significantly higher, the median household income for Black Households has lost ground to inflation. Today, the median income for a Black Household in Rensselaer County is just under \$28,000.*

*Hispanic Households across the region have had mixed results. In general, Hispanic Households have a higher median household income than Black Households, but also generally trail well behind White and Asian households. In Albany, Rensselaer, and Schenectady counties, Hispanic Households have all lost ground since 1990. In Saratoga County, they earn a higher median household income than White Households and have steadily gained ground to inflation.*



*Asian Households have also had mixed results across the Region, but generally have very high median household incomes. In Saratoga County, Asian Household's median income exceeds \$100,000. Meanwhile, in Rensselaer County the median household income is just over \$42,000. In Schenectady County, median household incomes have lost significant ground since 1990, falling from \$89,000 to \$62,000.*



income is only 80.9% of Saratoga's. The gap was almost as wide for Albany (82.2%) and Rensselaer (83.4%). Of the three counties, Albany has seen the gap grow by almost 9 points since 1990, while Rensselaer has fared the best with just over 3 points.

## **Income Disparities by Race and Ethnicity**

The disparities in household incomes are not confined to just geography. Household incomes by race & ethnicity show deep disparity.

In 1990, the highest average median household income in the region belonged to Asian households. After adjusting for inflation, Asian households had an average median household income of over \$72,300. White Households came in second at almost \$63,600. Hispanic Households were next with an average median household income of \$56,800. Finally, Black Households had an average median household income of just \$39,600.

The gap between these four groups did not improve by 2000. Asian Households continued to have the highest average median household income, but it had declined to \$69,300. Meanwhile, White Households' average median household income had crept up slightly to around \$65,700. Hispanic households experienced a sharp contraction in 2000 as the average median household income fell almost 22% to \$44,400. We cannot be certain as to the causes of this change. Black households, meanwhile, saw the average median household income decline slightly to \$38,100.

The 2012-2016 ACS shows that the gap in average median household income at the top has closed to within hundreds of dollars. Asian Households retain the highest average median household income with \$68,000, while White Households have continued to increase to almost \$67,800. Hispanic Households, meanwhile, experienced a slight improvement over 2000 as their average median household income was \$46,700. Black Households continued to show signs of declines with an average median household income of \$37,900.

The charts on pages 5 and 6 provide further insights into these disparities. Median incomes for White Households

are nearly uniform across all four counties and have seen slight gains. Meanwhile, incomes for Asian, Hispanic, and Black households either varied greatly from county to county, or in the case of Black Households were almost uniformly low. Median incomes for Asian Households saw the greatest variance, earning \$102,000 in Saratoga County but only \$42,000 in Rensselaer County.

## **The Role of Education**

What may explain such a stark division between household incomes? There are countless variables that can contribute towards a higher median household income, but one of the easiest to compare is that of educational attainment. Generally, higher levels of education correspond to higher incomes.

Region-wide, there is a significant difference in the percentages of the population achieving a Bachelor's degree or higher. From the 2012-2016 ACS, 37% of all white, non-Hispanics over the age of 24 have at least a Bachelor's degree. Asians are even more likely to have a college degree with almost 62% achieving a Bachelor's or higher. This correlates with the fact that, Region-wide, White and Asian households have the highest median household income. Conversely, Hispanic and Black populations have only a 27% and 18% rate of a Bachelor's Degree respectively.

## **Conclusion**

Geography, race/ethnicity, and education are driving factors in the income disparity seen in the Region. Hispanic and Black households routinely have significantly lower median household incomes. Median incomes for Asian Households vary wildly, earning \$60,000 more in Saratoga County than their peers across the Hudson River. At the same time, White Households have seen slight increases in median incomes across all four counties.

Look for follow up articles on this issue at [CDRPC.org](http://CDRPC.org) in the upcoming months.



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