

Changes in the Economic Well Being of  
Families in Substate Areas of Massachusetts:  
Implications for the Future Targetting of Economic  
Development and Workforce Development Programs

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## Introduction

To assist the Boston Workforce Development Initiative in its efforts to help build a more comprehensive, effective, and better coordinated workforce development system in Massachusetts, the Workforce Solutions Group has been undertaking a series of research activities to improve our knowledge of changes over time in the economic well-being of Massachusetts families and workers and their ability to achieve various forms of economic self-sufficiency. In a previous research paper in this series, we analyzed the findings of the 1980, 1990, and 2000 Censuses to estimate the levels and growth rates of the median real (inflation adjusted) incomes of all Massachusetts families and a wide array of demographic and socioeconomic subgroups of families.<sup>1</sup> The sources of growth in the median incomes of married couple families also were analyzed, including the critical role of additional earnings of wives in allowing improvements in the real incomes of married couple families in the state over the past few decades.

This paper is designed to expand upon our findings in the earlier paper by examining changes in the levels and growth rates of real median family incomes in a wide array of substate areas over the 1990s and in some cases the 1980s. We will examine changes in the median real incomes of all families and selected subgroups of families in metropolitan areas, counties, central cities, the 20 most affluent cities and towns, and the 20 least affluent cities and towns across the Commonwealth.

Several previous research studies have found highly divergent employment, earnings, and income developments across geographic areas of the state. Over the 1980-1999 period, growth rates in aggregate employment, average annual wages per private sector job, and per capita personal incomes have varied markedly across regions and counties of the state.<sup>2</sup> The Western region of the state (Berkshire, Franklin, Hampden, Hampshire Counties) has fared most poorly

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<sup>1</sup> See: Andrew Sum, Ishwar Khatiwada, Mykhaylo Trubs'kyi with Sheila Palma, Family Income Developments in Massachusetts During the 1990s: Mediocre Growth for the Average Family Amidst Sharply Rising Income Inequality Prepared for the Workforce Solutions Group, Boston, January 2004.

<sup>2</sup> See: (i) Andrew Sum, Anwiti Bahuguna, et.al., The Road Ahead: Emerging Threats to Workers, Families, and the Massachusetts Economy, Massachusetts Institute for A New Commonwealth and the Teresa and H. John Heinz III Foundation, Boston, 1998; (ii) Andrew Sum, Paul Harrington, Neeta Fogg, et.al, The State of the American Dream in Massachusetts, 2002, The Massachusetts Institute for A New Commonwealth, Boston, 2002.

on each of these measures. The widening differentials in job and real wage growth across regions and counties has led to increasing inequality in per capita personal incomes. Recent work on household and family income developments in the Boston metropolitan area during the 1990s by David Terkla of the University of Massachusetts-Boston revealed growing disparities between the most affluent and least affluent cities and towns in the Boston PMSA.<sup>3</sup> Terkla concluded that:

“...it is important for state policymakers to give more attention to this growing disparity among communities in the Greater Boston area. Efforts should be made to reduce the rapidly expanding differentials in incomes that have been developed through the 1990s.”<sup>4</sup>

Our paper will begin by reviewing trends in the levels and rates of growth of median real family incomes across metropolitan areas of the state over the decade of the 1990s. This will be followed by a review of family income developments in each of the state’s 14 counties during the 1980s and the 1990s, with more detailed breakouts of the findings for key subgroups of families (married couple families, married couple families with children, single parent families). The growth of median real incomes of families residing in the central cities of Massachusetts will be reviewed and assessed. The central city analysis will be followed by a comparison of the levels and growth rates of median family incomes during the 1990s in the 20 most affluent and least affluent cities and towns in Massachusetts with a population over 20,000 in the year 2000. The final section will provide a discussion of the implications of these findings for the design and targetting of future workforce development programs in the Commonwealth of Massachusetts.

### **Growth in Median Family Incomes Across Metropolitan Areas, 1989-1999**

Despite strong job growth from 1992 through 2000 and record low unemployment rates at the end of the decade, the entire decade of the 1990s in the Commonwealth was characterized by very modest growth in the median real incomes of the state’s families. Between 1989 and 1999, median real income (in constant 1999 dollars) increased from slightly over \$59,600 to nearly \$61,700, a gain of \$2,055 or 3.4%. This growth rate in median family income was several

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<sup>3</sup> David Terkla, “Growing Disparities Among Greater Boston Communities During the 1990s,” Massachusetts Benchmarks, Fall 2003, pp. 20-26.

<sup>4</sup> Ibid., p. 26.

percentage points below the growth rate of median family income in the U .S. (5.7%) during the same decade and far below the state's nearly 26% growth rate in real family incomes during the decade of the 1980s.<sup>5</sup> The low rate of growth in median family income during the 1990s was not sufficient to reduce the incidence of family poverty or low income problems in the Commonwealth and, as will be noted in a following paper, prevented a relatively high share of the state's families, especially in large central cities and lower income counties, from achieving economic self-sufficiency as defined by the Women's Educational and Industrial Union. A major share of the gains in income and real earnings accrued to families in the top decile of the income distribution in the Commonwealth. Rising earnings and income inequality was the norm in Massachusetts during the past decade.

At the time of the 1990 Census, median family incomes in Massachusetts varied fairly widely across metropolitan areas, ranging from lows of \$45,600 in the New Bedford metropolitan area and \$51,000 in the Springfield metro area to a high of just under \$66,200 in the Boston metro area.<sup>6</sup> (Table 1). The Boston PMSA in 1990 was home to nearly one-half of all the residents of the state.

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<sup>5</sup> For further details on family income growth in the 1990s,

See: Andrew Sum, Ishwar Khatiwada, Mykhaylo Trubs'kyy, Family Income Developments in Massachusetts...

<sup>6</sup> These metropolitan areas were either Primary Metropolitan Statistical Areas (PMSA's) or Metropolitan Statistical Areas (MSAs). The former areas are part of a Consolidated Metropolitan Statistical Area (CMSA's) while the latter are stand alone metropolitan areas.

Table 1:  
Trends in Median Real Family Incomes in Metropolitan Areas of Massachusetts, 1989 – 1999<sup>1</sup>  
(in 1999 Dollars)

	(A)	(B)	(C)	(D)
Metropolitan Area	1989	1999	Absolute Change	Percent Change
Boston	\$66,191	\$68,341	\$2,150	3.2
Brockton	\$58,908	\$60,890	\$1,982	3.4
Fitchburg-Leominster	\$54,486	\$51,953	-\$2,533	-4.6
Lawrence-Haverhill	\$62,519	\$63,601	\$1,082	1.7
Lowell	\$64,523	\$66,849	\$2,326	3.6
New Bedford	\$45,584	\$46,927	\$1,344	2.9
Springfield	\$51,088	\$50,930	-\$158	-.3
Worcester	\$57,271	\$58,373	\$1,102	1.9
State, All	\$59,609	\$61,664	\$2,055	3.4

Source: U.S. Census Bureau web site, [www.census.gov](http://www.census.gov).

Note: <sup>(1)</sup> The CPI-U index for the U.S. was used to convert 1989 incomes into their 1999 dollar equivalents.

During the 1990s decade, families in the central and western regions of the state fared least well in boosting their real incomes. Over the decade, median real family income was estimated to have declined by nearly 5 percent in the Fitchburg-Leominster metropolitan area, remained stagnant in the Springfield metro area, and increased by less than two percent in the Worcester metropolitan area. Median real family incomes increased by 3 to 4 percent in most of the remaining metropolitan areas. In 1979, median family incomes ranged from a low of \$46,900 in New Bedford to a high of \$68,340 in the Boston metropolitan area. The relative size of the family income gaps between the lowest income areas and the Boston metropolitan area were quite substantial in 1999. The median income of families in New Bedford was about one-third lower than that of families in the Boston metro area while families in the Springfield metro area had a median income one-fourth less than that of their counterparts in the Boston metro area. Lower median family incomes are typically accompanied by higher poverty rates and a higher incidence of low-income families.<sup>7</sup> Given the higher cost of rental housing and child care in

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<sup>7</sup> The definition of “low income” is a family with a combined money income less than two times the poverty line for a family of their given size and age composition.

major segments of the Boston metro area, however, a relatively high share of families in cities in the Boston metro area will fail to achieve economic self-sufficiency, especially single parent families and younger married couple families with pre-school aged children.

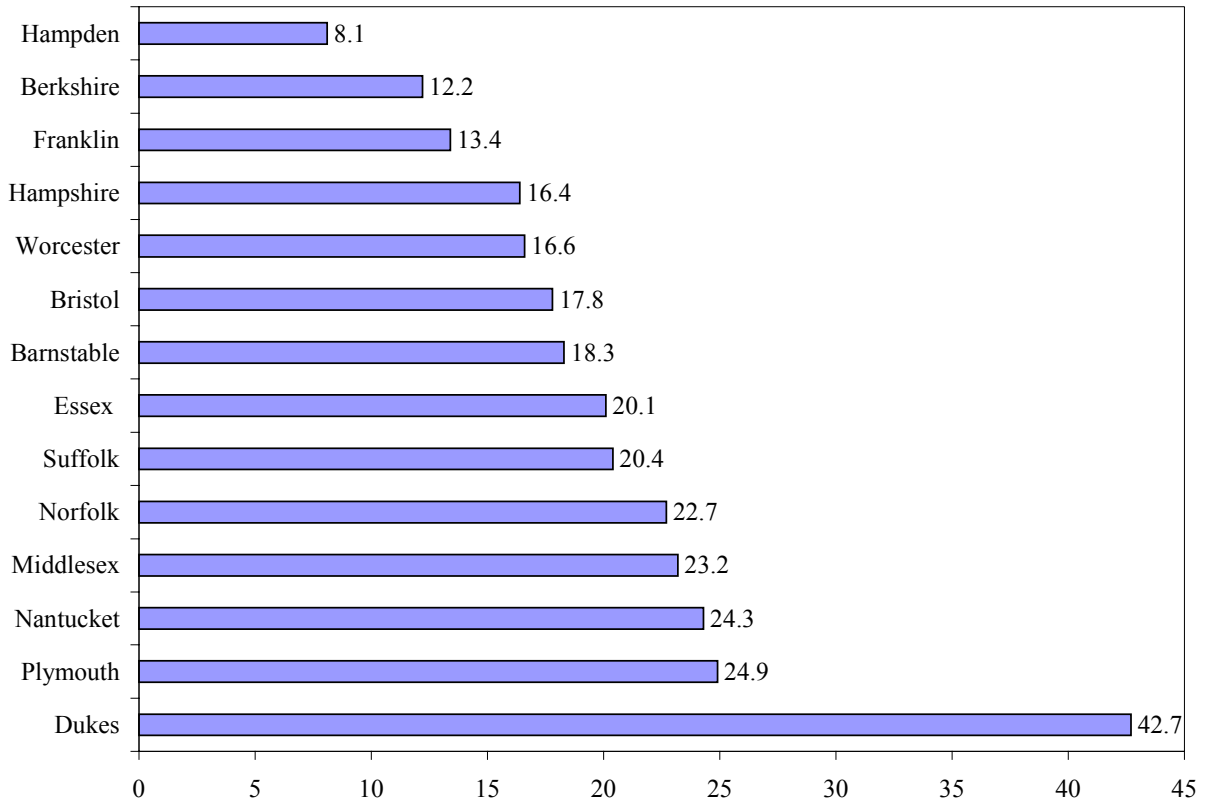
### **Trends in Family Incomes Across Counties of the Commonwealth, 1979 – 1989 and 1989 – 99**

The findings from the long form questionnaires used in conducting the decennial censuses also allow us to identify trends in family incomes across the state’s 14 counties, including the two small island counties (Dukes and Nantucket). During the decade of the 1980s, median family incomes increased strongly in nearly all of the state’s 14 counties (Table 2). In every county, except Hampden, median family incomes grew by 12 percent or more, and in half of these counties real incomes increased by more than 20 percent (Chart 1). At the end of the decade, median family incomes ranged across these 14 counties from a low of \$46,800 in Suffolk County to a high of nearly \$73,800 in Norfolk County. A gap of 37 percentage points separated the median family incomes of these two counties.

Table 2:  
Changes in the Median Real Incomes of Families in Massachusetts by County, 1979 to 1989  
(in 1999 Dollars)

County	1979	1989	Absolute Change	Percent Change
Barnstable	43,307	51,212	7,905	18.3
Berkshire	45,638	51,227	5,589	12.2
Bristol	43,354	51,059	7,705	17.8
Dukes	38,948	55,581	16,633	42.7
Essex	51,219	61,526	10,308	20.1
Franklin	43,347	49,144	5,797	13.4
Hampden	46,338	50,078	3,740	8.1
Hampshire	47,837	55,673	7,836	16.4
Middlesex	56,844	70,015	13,171	23.2
Nantucket	53,179	66,115	12,936	24.3
Norfolk	60,143	73,781	13,638	22.7
Plymouth	50,407	62,975	12,568	24.9
Suffolk	38,882	46,823	7,940	20.4
Worcester	48,460	56,506	8,045	16.6

Chart 1:  
Percent Change in the Median Real Incomes of Families in Massachusetts Counties, 1979-1989

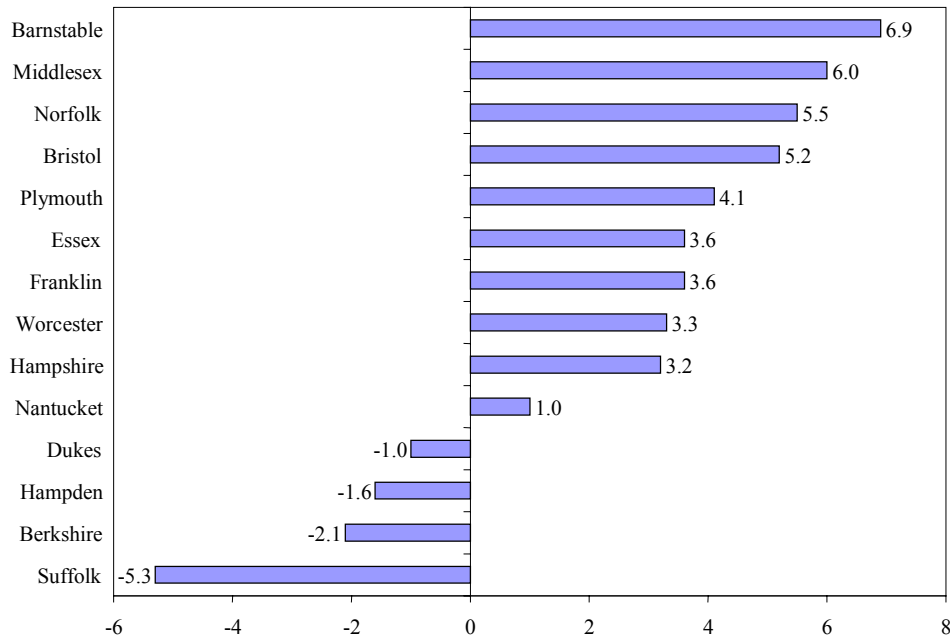


During the decade of the 1990s, family income growth was far less favorable in all of the state's 14 counties. In four of the counties (Berkshire, Dukes, Hampden, Suffolk), median real incomes of families were estimated to have declined by anywhere from 1 to 5 percent, and no county achieved a growth rate as high as 7 percent. The state's two most affluent counties (Middlesex and Norfolk) experienced above average family income growth rates over the decade, thereby widening the income gaps between the most and least affluent counties in the state. By 1999, Berkshire, Hampden, and Suffolk Counties had median incomes that were 36, 37, and 43 percent, respectively, below those of Norfolk County, the highest income county, and 31 to 38 percent below those of Middlesex County, the second highest income county. Family poverty, low income, and economic self-sufficiency problems became more geographically concentrated in the 1990s.

Table 3:  
Changes in the Median Real Incomes of Families by Massachusetts County, 1989-1999  
(in 1999 Dollars)

County	(A)	(B)	(C)	(D)
	1989	1999	Absolute Change	Percent Change
Barnstable	\$51,212	\$54,728	+3,516	6.9
Berkshire	51,227	50,162	-1,065	-2.1
Bristol	51,059	53,733	+2,674	5.2
Dukes	55,581	55,018	-563	-1.0
Essex	61,526	63,746	+2,220	3.6
Franklin	49,144	50,915	+1,771	3.6
Hampden	50,078	49,257	-821	-1.6
Hampshire	55,673	57,480	1,807	3.2
Middlesex	70,015	74,194	4,179	6.0
Nantucket	66,115	66,786	671	1.0
Norfolk	73,781	77,847	4,066	5.5
Plymouth	62,975	65,554	+2,579	4.1
Suffolk	46,823	44,361	-2,462	-5.3
Worcester	56,506	58,394	1,888	3.3

Chart 2:  
Percent Change in the Median Real Incomes of Families in Massachusetts Counties, 1989-1999



In addition to estimating the growth rates of the median incomes of all families in each county, we also estimated income growth rates for the following four subgroups of families: all married couple families, married couple families with at least one own child under 18 years of age, all female headed families, and female headed families (no male spouse present) with one or more own children under 18 present in the home. The growth rates of the median real incomes of such families between 1989 and 1999 by county are displayed in Table 4. Married couple families tended to fare better than all families in boosting their real incomes over the past decade. In all counties, except Berkshire and Suffolk, some gains in family income (between 4 and 10 percent) took place among married couple families. The additional earnings from the employment of wives played a key role in improving the real incomes of these married couple families over the past decade. The situation for married couple families with children in the home was far more mixed. In four counties, incomes of such families either declined or were stagnant. In contrast, in half of the counties, double digit income gains took place, including Middlesex and Norfolk.

Table 4:  
Percent Changes in the Median Real Incomes of Selected Subgroups of  
Families in Massachusetts Counties, 1989-99

County	(A) Married Couple Families	(B) Married Couple Families With One or More Children Under 18	(C) Female Headed Families, No Male Spouse Present	(D) Single Mother Families, Children Under 18
Barnstable	8.0	3.7	6.1	24.3
Berkshire	-.6	-22.0	.0	17.8
Bristol	9.9	8.4	1.1	14.8
Dukes	5.0	-23.8	-2.2	.0
Essex	6.5	11.6	5.7	35.8
Franklin	7.2	10.7	6.6	15.3
Hampden	3.7	-4.0	.2	24.8
Hampshire	4.3	5.8	-4.9	16.6
Middlesex	7.9	13.6	-4.6	13.5
Nantucket	8.9	20.0	-29.7	145.2
Norfolk	6.9	12.1	-1.0	18.5
Plymouth	5.4	8.4	.5	8.7
Suffolk	.5	.4	-3.7	25.0
Worcester	6.7	12.0	-01	18.2

Female-headed families in the aggregate in most counties did not fare that well in boosting their real incomes over the past decade. In 10 of the 14 counties, the median real incomes of these female-headed families either declined or remained unchanged. In 3 other counties (Barnstable, Essex, and Franklin), they increased by five to six percent. In sharp contrast, however, single mother families with one or more own children under 18 in the home achieved the highest growth rates in their median real incomes. With the exception of families in Dukes County, the median real incomes of single parent families increased by 9 to 36 percent with five counties experiencing increases of 20 percent or more. A combination of strong labor demand for women, better educational attainment, and the impacts of welfare reform helped boost the annual earnings of these women.

Despite these considerably stronger growth rates in their real incomes, the median incomes of these single mother families remained quite low at the end of the decade. In 1999, the median incomes of these single mother families ranged from a low of \$13,573 in Hampden County to a high of \$29,143 in Norfolk County (Table 5). In 9 of these 14 counties, the median incomes of single mother families were under \$20,000, and in 7 of these 14 counties median incomes were below \$18,000. Poverty rates among these single mother families in most of the state's counties were very high in 1999, with 8 of the 14 counties experiencing family poverty rates greater than 30 percent, and 6 of the 14 counties having poverty rates of 35 percent or more. The incidence of low income problems among these single mother families was markedly higher, and the vast majority of these single mother families (over 75%) were unable to achieve incomes high enough to raise them above the family self-sufficiency standards of the WEIU.

Table 5:  
Median Incomes and Poverty Rates of Single Mother Families With  
One or More Children Under 18 by County of Massachusetts, 1999

County	(A) Median Income	(B) Poverty Rate (in %)
Barnstable	\$19,663	28.2
Berkshire	16,941	35.3
Bristol	15,616	38.0
Dukes	28,760	24.0
Essex	16,610	33.6
Franklin	15,824	35.5
Hampden	13,573	46.7
Hampshire	20,640	24.6
Middlesex	24,876	25.5
Nantucket	16,894	7.3
Norfolk	29,143	17.6
Plymouth	22,126	29.5
Suffolk	16,073	42.6
Worcester	18,294	34.9

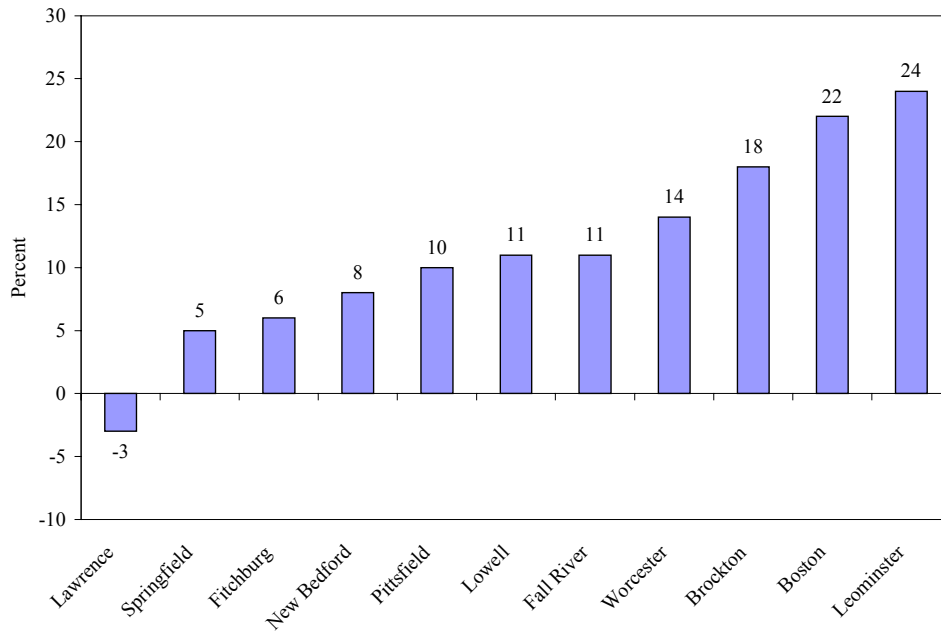
### **Trends in the Median Incomes of Families in the State's Central Cities**

Another set of geographic areas that have been the focus of research by poverty and labor market analysts is the central cities of metropolitan areas.<sup>8</sup> During the 1980s, the median real incomes of families in 10 of 11 central cities in the state increased (Chart 3).<sup>9</sup> The sole exception to this trend was the city of Lawrence where the median income of that city's families declined by 3 percent over the decade (Chart 3). In the remaining ten central cities, median family incomes increased from 5% in Springfield and 6% in Fitchburg to highs of 18 to 24 percent in Brockton, Boston, and Leominster. The economic prosperity of the 1980s was much more broadly based among persons, families and communities than it was in the decade of the 1990s.

<sup>8</sup> In 1990, Pittsfield was a metropolitan area, but it was not classified as a metro area by the U.S. Census Bureau in 2000.

<sup>9</sup> The Fitchburg/Leominster MSA has two central cities.

Chart 3:  
Growth Rates of Median Real Family Incomes in the State's Central Cities, 1979-1989  
 (in %)

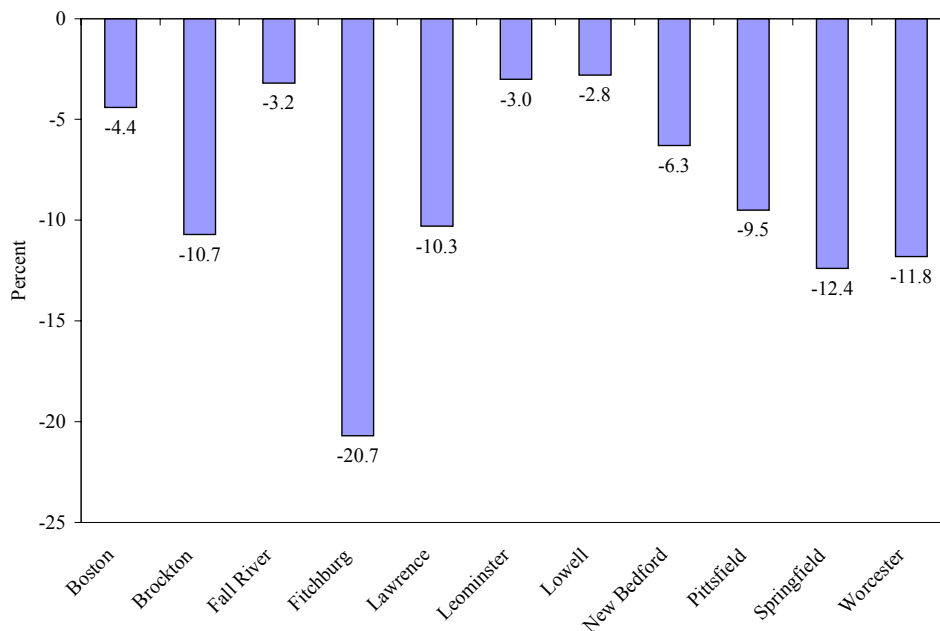


During the 1990s, a major reversal took place in the economic fortunes of families in the state's central cities. In every one of these eleven central cities, median real family incomes declined over the decade, with the relative size of these declines ranging from -3 % in Fall River, Leominster, and Lowell to -10% to -20% in five other cities. The demographic and economic forces producing these declines in real family incomes are quite complex and still not fully understood. They include shifts in the demographic composition of families (a decline in the share of married couple families), a rise in the number of new immigrant families, a loss of well-paid manufacturing jobs, and the shift toward lower paid jobs in the retail and service industries for less educated workers.

Table 6:  
Changes in the Median Real Incomes of Families in Massachusetts Central Cities, 1989-1999  
 (in Constant 1999 Dollars)

	(A)	(B)	(C)	(D)
City	1989	1999	Absolute Change	Percent Change
Boston	\$46,187	\$44,151	-2,036	-4.4
Brockton	51,786	46,235	-5,551	-10.7
Fall River	38,925	37,671	-1,254	-3.1
Fitchburg	54,622	43,291	-11,221	-20.7
Lawrence	35,467	31,809	-3,658	-10.3
Leominster	56,331	54,660	-1,671	-3.0
Lowell	47,210	45,901	-1,309	-2.8
New Bedford	38,120	35,708	-2,412	-6.3
Pittsfield	51,062	46,228	-4,834	-9.5
Springfield	41,414	36,285	-5,129	-12.4
Worcester	48,718	42,988	-5,700	-11.8

Chart :  
Percent Change in the Median Real Incomes of Families in  
Massachusetts Central Cities, 1989-1999



Percentage changes in the median real incomes of four subgroups of families in the state's central cities during the decade of the 1990s are displayed in Table 7. Married couple

families in these cities tended to fare modestly better than all families, but overall they still lost ground during the decade. In 8 of these 11 cities, median real incomes of married couple families either declined or were stagnant. In the three other cities (Boston, Leominster, and Fall River), the gains in median real incomes were in the 1 to 6 percent range. On average, married couple families with one or more children present in the home fared about the same as all married couples. In 7 of these 11 cities, married couple families with children either experienced declines in their median real incomes or had the same income as in 1989.

Among all female-headed families, income trends were quite mixed. In six of these eleven cities, median real incomes of these families were either unchanged or they declined. In two cities, Lowell and Lawrence, fairly substantial increases in median incomes took place, especially in the city of Lawrence where a 41% gain was posted. Similar to our findings for counties, gains in the median real incomes of single mother families were quite widespread and substantial. In 10 of these 11 central cities, double digit gains in median real incomes took place over the decade, with percentage increases of 20 percent or more taking place in eight of these cities, and gains of 30 percent or more occurring in four cities (Lawrence, Lowell, Pittsfield, and Worcester).

Table 7:  
Percent Changes in the Median Real Incomes of Selected Subgroups of  
Families in Central Cities of Massachusetts, 1989 – 99  
(in Constant 1999 Dollars)

	(A)	(B)	(C)	(D)
City	Married Couple Families	Married Couple Families with 1 or More Children Under 18	Female Headed Families, No Male Spouse Present	Single Mother Families, With 1 or More Children Under 18
Boston	1.9	1.3	-6.3	20.5
Brockton	-6.7	-6.8	.7	27.9
Fall River	6.2	7.2	4.3	20.1
Fitchburg	-14.3	-11.3	-7.0	3.0
Lawrence	-10.6	-8.1	41.1	61.3
Leominster	1.4	8.9	-5.8	-9.5
Lowell	-0.2	5.6	9.4	47.2
New Bedford	-0.3	.6	-4.5	17.0
Pittsfield	-5.6	-3.8	2.4	42.5
Springfield	-1.2	-2.0	3.4	26.8
Worcester	-4.3	-3.1	-4.6	30.4

Despite the substantial percentage increases in the median real incomes of single mother families in most of the state’s central cities during the 1990s, their median incomes in 1999 remained quite low. Their median incomes ranged from lows of \$13,500 in New Bedford and \$14,300 in Fall River to highs of \$20,000 to \$21,000 in Boston and Leominster (Table 8). Poverty rates among such families remained quite severe at the end of the 1990s, with 8 of these 11 cities characterized by poverty rates of 43 percent or more and six cities with poverty rates of 48 percent or higher among single mother families. A substantial majority of such families would have been classified as “low income” in 1999, and the overwhelming majority (close to 90%) would not have been able to achieve economic self-sufficiency as based on the WEIU family self-sufficiency standards.

Table 8:  
1999 Median Incomes and Poverty Rates of Single Mother  
Families with Children Under 18 in Central Cities of Massachusetts

	(A)	(B)
City	Median Income	Poverty Rate (in %)
Boston	\$20,093	43.0
Brockton	19,327	38.3
Fall River	14,310	48.7
Fitchburg	17,538	48.3
Lawrence	16,758	48.2
Leominster	21,214	30.2
Lowell	18,826	46.6
New Bedford	13,453	54.2
Pittsfield	17,756	45.6
Springfield	15,364	53.2
Worcester	16,473	49.0

### **Family Income Growth in the State’s 20 Most Affluent and Least Affluent Cities and Towns**

As noted earlier, widening income gaps between affluent and low income cities and towns took place in the Boston metropolitan area during the decade of the 1990s. We conducted a similar analysis of family income growth rates across all cities and towns in the state with a 2000 resident population of at least 20,000.<sup>10</sup> The growth rates in median real family incomes in the state’s 20 most affluent cities and towns meeting our minimum population requirements are presented in Table 9. Nineteen of these twenty cities posted some gains in their median real incomes, five of them increased their median family incomes by 14% or more, and the median change in income was slightly over 10%.

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<sup>10</sup> Among the ten cities and towns with the highest median family incomes in the Boston metropolitan area in 2000, eight had a resident population below 20,000

Table 9:  
Changes in the Median Real Family Incomes Between 1989 and 1999  
in Massachusetts' 20 Most Affluent Cities and Towns with Populations of 20,000 or More

	(A)	(B)	(C)
City/Town	Median Family Income, 1989	Median Family Income, 1999	Percent Change
Wellesley	\$120,960	\$134,769	11.4
Lexington	102,661	111,899	9.0
Winchester	100,620	110,226	9.5
Andover	95,065	104,820	10.3
Acton	94,806	108,189	14.1
Newton	94,144	105,289	11.8
Needham	93,397	107,570	15.2
Marblehead	87,363	99,892	14.3
Westford	84,707	104,029	22.8
Canton	83,933	82,904	-1.2
Milton	83,252	94,359	13.3
Brookline	83,030	92,993	12.0
North Andover	82,585	91,105	10.3
Belmont	82,018	95,057	15.9
Reading	81,850	89,076	8.8
Burlington	81,047	82,072	1.3
Chelmsford	79,764	82,676	3.7
Walpole	76,834	84,858	10.4
Easton	76,300	82,190	7.7
Tewksbury	76,295	76,443	0.2

The 1989 and 1999 median incomes of families in the state's 20 least affluent cities and towns with a population of 20,000 or more are displayed in Table 10. Eight of these 20 cities also were central cities. In contrast to income developments in the state's 20 most affluent cities and towns, families in these less affluent cities faced declining real incomes in the past decade. In 18 of these 20 cities, median real incomes of families declined over the 1990s with 5 of these 20 cities experiencing reductions of 10% or more. The median change in real family incomes among these 20 cities was -5%. Clearly, as was the case in the Boston metropolitan area, the absolute and relative size of the gaps in family incomes between the state's most affluent and least affluent cities and towns rose during the past decade. The state's richest communities got richer while the poorer communities typically got poorer in an absolute as well as relative sense.

These findings have a number of important implications for future efforts in the Commonwealth to combat problems of poverty, low incomes and the inability of families to obtain economic self-sufficiency. Such economic problems are becoming more concentrated in specific cities and counties across the Commonwealth and will require more careful geographic targeting of future workforce development and economic development monies to address these growing income inequities.

Table 10:  
Changes in Median Real Family Incomes Between 1989 and 1999 in  
Massachusetts' 20 Least Affluent Cities and Towns With Population Greater than 20,000  
(in 1999 Dollars)

	(A)	(B)	(C)
City/Town	Median Family Income, 1989	Median Family Income, 1999	Percent Change
Taunton	\$51,772	\$52,433	1.3
Somerville	51,770	51,243	-1.0
Pittsfield	51,062	46,228	-9.5
Everett	50,245	49,876	-0.7
Revere	49,997	45,865	-8.3
Worcester	48,718	42,988	-11.8
Lynn	48,139	45,295	-5.9
Chicopee	47,777	44,136	-7.6
Gardner	47,602	47,164	-0.9
Lowell	47,210	45,901	-2.5
Boston	46,187	44,151	-4.4
Fitchburg	44,817	43,291	-3.4
Yarmouth	44,716	48,148	7.7
Springfield	41,414	36,285	-12.4
Holyoke	39,455	36,130	-8.4
Chelsea	39,015	32,130	-17.6
Fall River	38,925	37,671	-3.2
New Bedford	38,120	35,708	-6.3
Lawrence	35,467	31,809	-10.3

## Summary and Conclusions

Knowledge of changes in the real incomes of families and the real annual earnings of workers is indispensable for planning workforce development programs at the state and local level. These income developments will influence the number of families and adults in poverty,

with low incomes, and with incomes below self-sufficiency standards. Knowledge of variations in these income developments across substate areas (metropolitan areas, counties, cities, WIA service delivery areas) is important to guide the targetting of resources to address these income inadequacy problems.

During the 1990s, the growth rate of median family incomes in the Commonwealth was a very modest 3.4%, well below the near 26% rate of growth that took place in the 1980s. The limited growth in the average family's income combined with rising family income inequality were not able to reduce either the overall family poverty rate of the state (6.7%) or the share of families that were low income (17.1%). Nearly one-half of all female headed families in the state were low income in 1999.

Yet, growth rates of median family incomes in the state varied across metropolitan areas, counties, and central cities and between the most affluent and least affluent cities and towns. The net effect of these changes was to widen income disparities across metropolitan areas, counties, and cities/towns. Family income gaps between the New Bedford, Springfield, and Fitchburg/Leominster metropolitan areas versus the Boston metropolitan area widened over the decade due to differences in job creation and real wage and salary growth rates. The absolute and relative size of the family income gaps between the state's most affluent counties (Middlesex and Norfolk) and the least affluent counties (Franklin, Hampden, Suffolk) also widened considerably over the decade. Families in all but one of the state's central cities experienced income declines during the past decade although the size of these changes in median incomes varied considerably by family type. Single mother families in these cities improved their real incomes the most over the decade; however, in 1999, their median incomes still remained quite low and 40 to 50 percent of them typically had incomes below the poverty line. Statewide, 56% of all single mother families had incomes less than two times the poverty line, thereby classifying them as low income. When these mothers lacked a high school diploma, nearly 64 of every 100 of them were low income.

Families in the state's 20 most affluent cities and towns obtained increases in their real incomes over the decade with the median increase being 10% while families in the state's 20 least affluent cities and towns typically experienced declines in their median real incomes with

the median change being –5%. As a consequence of these highly divergent trends in the growth rates of median family incomes in the most and least affluent cities, widening geographic disparities in family incomes took place in the 1990s. The benefits of increased prosperity were unevenly shared, and Massachusetts became far less of a “Common Wealth” in the past decade. Both personal and geographic income disparities widened over the decade.<sup>11</sup>

These growing geographic disparities in family incomes are associated with rising geographic disparities in the incidence of family poverty problems, low income problems, and economic self-sufficiency. A future research paper will document the degree of geographic disparities in poverty rates, low income problems, and economic self-sufficiency across counties, local WIA service delivery areas, and selected cities and towns across the state. Knowledge of the magnitude and sources of these growing geographic disparities is critical for planning future economic development and workforce development strategies to combat these problems. More effective targeting of available resources also will be needed to guarantee that more funds are available to serve adults in those areas where the incidence of low income problems is highest and the attainment of economic self-sufficiency is well below average.

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<sup>11</sup> For a review of rising inequality in family incomes and worker earnings in Massachusetts over the decade of the 1980s and 1990s, See: (i) Randy Albelda and Donna Haig Friedman, “Left Behind: The Persistence of Poverty Through the 1990s,” Massachusetts Benchmarks, No. 4, Fall 2001; (ii) Andrew Sum, Paul Harrington, Neeta Fogg, et.al., The State of the American Dream in Massachusetts, 2002.....