



# RESULTS AMERICA

## Median Household Income

*Virginia has the Highest Income, New York has the Lowest*



### HIGHLIGHTS

Virginia, Utah, and Minnesota have the highest effective median household incomes.

New York, Hawaii, and Mississippi have the lowest median incomes adjusted for cost of living.

Economic prosperity and cost of living are the largest factors in ranking.

Results America is dedicated to being a place to share best practices and common measures between states. One of the most popular best practice measures of an innovative and prosperous state economy is the median household income. This measure gives the average level of prosperity in a state when controlled for extreme wealth and extreme poverty. However, large proportions of wealth or destitution can often skew this measure.

### Top 10 Median Income States

State	Effective Median Income
1. Virginia	\$67,185
2. Utah	\$64,041
3. Minnesota	\$60,643
4. Washington	\$60,611
5. Maryland	\$59,913
6. Wyoming	\$59,475
7. Nebraska	\$58,320
8. Iowa	\$58,027
9. Colorado	\$57,543
10. Texas	\$56,564

All data for this measure comes from the 2012 analysis of household income from the U.S. Census Bureau. Household is defined as a group of individuals sharing a home and includes, but is not limited to a family. Cost of living measures come from the Council for Community and Economic Research. The median income of the states was adjusted to take into account the cost of living in these states. As a result, the incomes listed are not the actual median incomes, but the income relative to the average

living expenses.

Virginia, Utah, and Minnesota hold the top positions for the highest adjusted household income. While other states, such as Maryland and New Jersey have higher median incomes as well as higher percentages of wealthy residence; costs in the areas of food, housing, transportation, and health eliminate much of this advantage. However, Virginia still ranks high in the number of wealthy individuals as well as in nominal median income. Many of the states in the top 10 (including Virginia and Minnesota) also hold top 10 positions for the lowest levels of poverty. (We will discuss poverty more in future papers.

Bottom 10 Median Income States	
State	Effective Median Income
41. West Virginia	\$44,808
42. Rhode Island	\$44,602
43. California	\$44,512
44. Maine	\$44,447
45. North Carolina	\$43,330
46. Arkansas	\$42,596
47. Louisiana	\$41,142
48. Mississippi	\$41,124
49. Hawaii	\$35,859
50. New York	\$34,956

“The states that populate the lowest ranks in this paper are either the poorest states, or the most expensive.”

New York, Hawaii, and Mississippi are the bottom states for adjusted median household income. High cost of living explains New York and Hawaii’s positions, having fallen into the Cost of Living Index bottom 10 for several years. Mississippi holds the #47 position largely due to low income within the state, despite having the cheapest cost of living of any state in the union.

Median Income in this research is heavily influenced by cost of living. This calculation is made by analyzing prices of goods in the fields of groceries, housing, healthcare, utilities and

transportation. A state such as Hawaii, where much of the groceries and other household supplies have to be imported, is going to have additional costs associated with basic living expenses. States with high land values or high property taxes are going to have higher costs associated with housing. A state with higher prices on gasoline and other transportation costs would also see an increase in cost of living.

The states that populate the lowest ranks in this paper are either the poorest states, or the most expensive. In either case, the average citizen can often be negatively affected by the consequences of the state’s economic policies. It is no coincidence that those states with the highest adjusted median incomes have some of the highest levels of income equality. And those with the greatest inequality have the lowest adjusted household incomes. More on income inequality in later white papers.

References & Data Sources

*U.S. Census Bureau*  
*Phoenix Marketing International*  
*C2ER Cost of Living Index*

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