

Social Equity Indicator: Household Income Spread

Why: Variances in the distribution of incomes within a population are evaluated to determine inequities or other disparities between socio-economic groups. Research has shown strong links between income inequality and social cohesion. With higher levels of inequality, rates of civic engagement and crime rates are lower. Other research has also shown a high correlation between income inequality and population health – the higher the inequality the lower the overall level of health.

What: Household Income Spread is calculated as the difference between the reported median and mean household incomes. The mean is the average of all household incomes in the indicated geography. Median income is the amount which divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount. If there is a concentration of population with incomes at either end of the income distribution, the Household Income Spread value will be higher and the index score lower.

Where: 2005-2006: U.S. Census Bureau American Community Survey. 2000: Decennial Survey. Calculated as the difference between reported Median and Mean Household incomes. For 2000 data, mean was calculated from reported total universe of households and aggregate household income. <http://www.census.gov/>

Household Income Spread								
Geography	2000		2005		2006		2007	
	\$	Index Score	\$	Index Score	\$	Index Score	\$	Index Score
Muskegon County	\$8,741	4.9	\$10,763	4.7	\$8,291	5.0	\$10,785	4.3
Kent County	\$11,532	4.1	\$13,871	3.3	\$14,056	3.2	\$15,115	2.9
Ottawa County	\$9,812	4.6	\$9,404	4.7	\$12,708	3.7	\$13,282	3.5
West MI Average	\$10,028	4.5	\$11,346	4.1	\$11,685	4.0	\$13,061	3.6
Bay County	\$10,049	4.5	\$11,939	3.9	\$10,194	4.5	\$11,144	4.2
Genesee County	\$11,115	4.2	\$13,227	3.5	\$11,807	4.0	\$11,567	4.1
Saginaw County	\$11,313	4.1	\$12,802	3.6	\$11,353	4.1	\$13,353	3.5
East MI Average	\$10,826	4.3	\$12,656	3.7	\$11,118	4.2	\$12,021	3.9
Michigan	\$12,733	3.7	\$13,969	3.2	\$14,066	3.2	\$14,972	2.9
U.S.	\$14,650	3.0	\$16,314	2.5	\$17,076	2.3	\$18,453	1.1

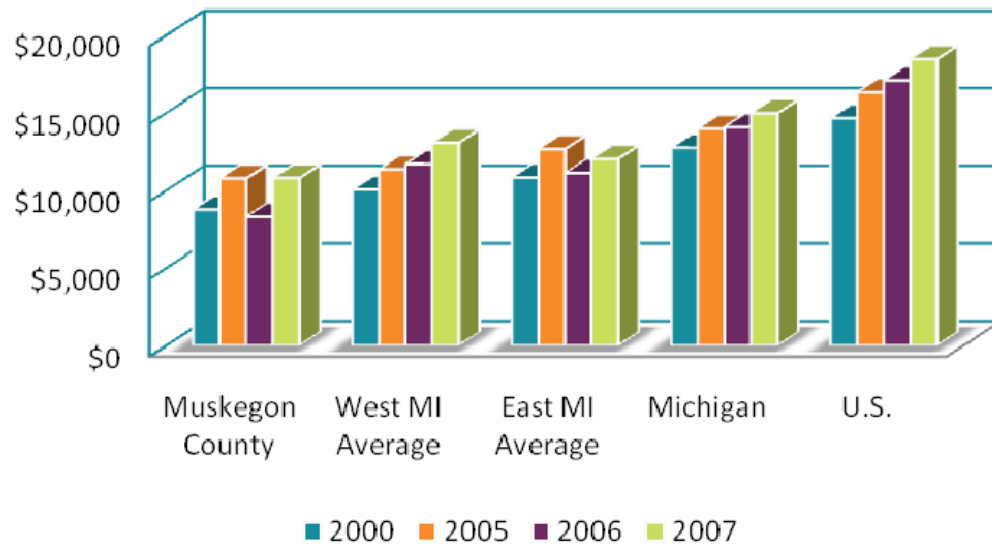
Index Scores

Rubric: There is no consensus or standard on appropriate or sustainable Household Income Spreads. The rubric levels are based on the difference between the reported 2005 U.S. mean and median household incomes.

Scale: The lower limit for the Sustainable level was set at about 10 percent below the 2005 U.S. Household Income Spread of \$16,314. The levels below and above the Sustainable lower limit are set at intervals of about 20 percent.

Rubric: Household Income Spread		
Level	Index	HH Income Spread
Thriving	5	\$8,482
Advancing	4	\$11,745
Sustainable	3	\$14,682
Needs Improvement	2	\$17,945
Failing	1	\$21,535

Household Income Spread



- *Muskegon County had the lowest household income spread and the highest index score among all geographies in 2007.*
- *The index score for the U.S. Household Income Spread showed the sharpest decline (2.3 to 1.1) between 2006 and 2007; while next sharpest decline was shown for Muskegon County (5.0 to 4.3.)*
- *Only Genesee County showed a slight improvement in the index score for Household Income Spread between 2006 and 2007.*