

Children in Poverty

DEFINITION

Children in poverty is the percentage of children under age 18 who are living in households with incomes below the poverty threshold, as defined by the U.S. Census Bureau. Poverty is determined based on income received during the year prior to the Census.

SIGNIFICANCE

Poverty is related to every KIDS COUNT indicator. Children in poverty, especially those who experience poverty in early childhood and for extended periods of time, are more likely to have health and behavioral problems, experience difficulty in school, become teen parents, and earn less or be unemployed as adults.^{1,2} Children in low-income communities are more likely to attend schools that lack resources and rigor; are less likely to be enrolled in a preschool; and have fewer opportunities to participate in extracurricular activities.^{3,4,5}

Black and Hispanic children nationally and in Rhode Island are more likely to grow up poor than White children. Children under age six, who have single parents, whose parents have low educational levels, or whose parents work part-time or are unemployed are all at increased risk of being poor.^{6,7}

In 2009, the federal poverty threshold was \$17,285 for a family of three with two children and \$21,756 for a family of

four with two children.⁸ The federal poverty threshold underestimates the number of families who struggle to meet basic needs. The method of calculating the poverty level has not been adjusted to address changes in family expenditure patterns since its development in the 1960s, particularly the rising costs of housing, child care, medical care, and transportation. It also does not consider geographic variations in the cost of living from state to state or for urban versus rural areas.^{9,10,11,12}

According to the *2008 Rhode Island Standard of Need* developed by the Poverty Institute, a single parent with two children who has an income of \$30,800 a year (175% of the 2008 federal poverty level) and subsidized child care and health care (RIte Care) would still be \$48 short of paying for basic needs each month. A family of four with two children and an income of \$37,100 a year (175% of the FPL) would have an even larger gap (\$103 per month).¹³

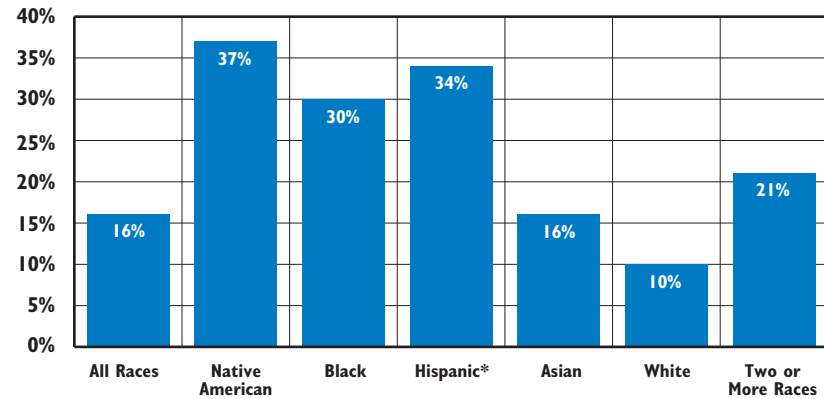
Children in Poverty				
	2005	2006	2007	2008
RI	19.5%	15.1%	17.5%	15.5%
US	18.5%	18.3%	18.0%	18.2%
National Rank*				22nd
New England Rank**				5th

*1st is best; 50th is worst

**1st is best; 6th is worst

Source: U.S. Census Bureau, American Community Survey, 2005-2008. Table R1704.

Children in Poverty, by Race and Ethnicity, Rhode Island, 2006-2008



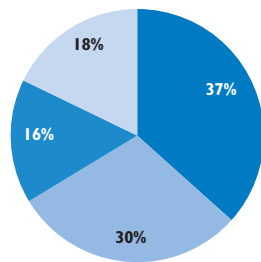
Source: U.S. Census Bureau, American Community Survey, 2006-2008. Tables B17001, B17020A, B17020B, B17020C, B17020D, B17020G and B17020I. *Hispanic children may be included in any race category.

- ◆ Between 2006 and 2008, 16.1% (36,970) of Rhode Island's 228,980 children under age 18 with known poverty status lived in households with incomes below the federal poverty threshold.¹⁴
- ◆ In Rhode Island as well as in the United States as a whole, children who are racial and ethnic minorities are more likely to live in families with incomes below the federal poverty threshold. Between 2006 and 2008, about one in three Native American (37%), Hispanic (34%), and Black (30%) children in Rhode Island lived in poverty, compared to 16% of Asian children and 10% of White children.¹⁵
- ◆ While Native American, Black, and Asian children in Rhode Island are more likely to experience poverty than White children, children from these groups represent less than 20% of all children living in poverty in Rhode Island. Between 2006 and 2008, of all children living in poverty in Rhode Island, almost half (48%) were White, 15% were Black, 3% were Asian, 1% were Native American, 27% were "some other race" and 6% were two or more races.
- ◆ Between 2006 and 2008, 43% of Rhode Island's poor children were Hispanic. Hispanic children may be included in any race category. The Census Bureau asks about race separately from ethnicity, and the majority of families who identify as "some other race" also identify as Hispanic.¹⁶

Rhode Island's Poor Children, 2006-2008

By Age

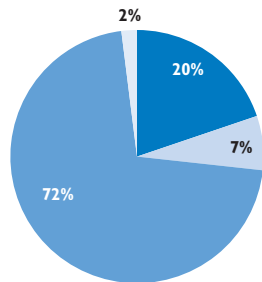
- 37% ■ Ages 5 and Younger
- 30% ■ Ages 6 to 11
- 16% ■ Ages 12 to 14
- 18% ■ Ages 15 to 17



n = 36,970

By Family Structure

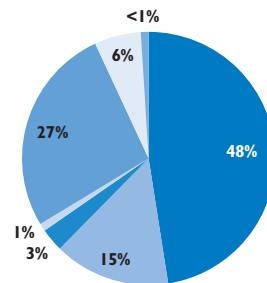
- 20% ■ Married Couple Family
- 7% ■ Unmarried Male Householder
- 72% ■ Unmarried Female Householder
- 2% ■ Not in Related-Family Households



n = 36,970

By Race*

- 48% ■ White
- 15% ■ Black
- 3% ■ Asian
- 1% ■ Native American
- 27% ■ Some Other Race
- 6% ■ Two or More Races
- <1% ■ Unknown



n = 36,970

**Hispanic children may be included in any race category. Between 2006 and 2008, 15,874 (43%) of Rhode Island's 36,970 poor children were Hispanic.*

Source: U.S. Census Bureau, American Community Survey, 2006-2008. Tables B17001, B17006, B17020A, B17020B, B17020C, B17020D, B17020F, B17020G & B17020I. Population includes children for whom poverty status was determined. Percentages may not sum to 100% due to rounding.

Children Living in Extreme Poverty

◆ Families with incomes below 50% of the federal poverty threshold are considered to be in extreme poverty. In 2009, the extreme poverty level was \$8,643 for a family of three with two children and \$10,878 for a family of four with two children.¹⁷ Of the 36,970 children living below the poverty threshold in Rhode Island from 2006 to 2008, almost half (45%) lived in extreme poverty. In total, an estimated 7.2% (16,552) of all children in Rhode Island lived in extreme poverty.¹⁸

◆ In 2008, economists predicted that the U.S. unemployment rate would reach 9% and 1.5 to 2.4 million more children would be in extreme poverty. The unemployment rate has since reached 10%.^{19,20} Children in extreme poverty may be even worse off now than in the mid-1990s because their families are less likely to be able to access TANF cash assistance due to stricter eligibility rules, work requirements, and time limits.²¹

Young Children Under Age Six in Poverty in Rhode Island

◆ Children under age six are at higher risk of living in poverty and experiencing negative outcomes than any other age group, because their parents tend to be younger, have less work experience, and earn less than parents of older children.^{22,23}

◆ Increased exposure to risk factors associated with poverty interferes with young children's emotional and intellectual development. Risk factors associated with poverty include: inadequate nutrition, environmental toxins, maternal depression, trauma and abuse, lower quality child care and parental substance abuse.²⁴

◆ Between 2006 and 2008, 19% (13,686) of Rhode Island children under age six lived below the poverty threshold, similar to the national rate of 21%, and almost half (45%) of Rhode Island children under age six who were living in poverty lived in extreme poverty.²⁵

◆ As of December 1, 2009 there were 3,662 children under age three and 2,224 children ages three to five in families receiving cash assistance (RI Works). Children under age 6 made up 54% of all children receiving cash assistance in Rhode Island.²⁶

◆ In 2009, 47% of all child victims of child abuse and neglect (which is often linked with family poverty) in Rhode Island were children under the age of six.²⁷

Children in Poverty



Financial Asset Building

- ◆ For working poor families, having assets such as checking and savings accounts provides families the ability to conduct basic financial transactions, manage financial emergencies related to unemployment and illness, and invest in education and training.^{28,29}
- ◆ Many low-income families lack knowledge about or access to traditional banks and instead rely on cash transactions or alternative financial services, such as check-cashing stores, payday lenders, rent-to-own stores and refund anticipation loans. These families pay high fees for financial transactions and high interest rates on loans, are more vulnerable to loss or theft, and often struggle to build credit histories and achieve economic security.^{30,31}
- ◆ In Rhode Island, 6% of households do not have a checking or savings account. Among the poorest households, those with incomes less than \$15,000, almost one in three households (31%) have no bank account, a rate that is higher than the U.S. as a whole (27%) and higher than any other state in New England.³²
- ◆ Improving financial literacy (i.e., the understanding of money, banking, credit and how best to build assets) and encouraging banks to provide affordable services can support low-income families in using traditional banking institutions and increase their savings.³³
- ◆ State and federal policies that protect families from predatory mortgage lending and payday lending and expand cost-effective and safe financial services would allow families to keep more of their earnings, save and invest more and could ultimately promote a more stable workforce and stronger communities.^{34,35,36}
- ◆ Many public assistance programs have eligibility provisions that limit the amount of assets and/or the value of vehicles a family can own. Such policies discourage families from accumulating the assets they need to improve their economic security. Rhode Island currently has a \$1,000 asset limit to qualify for RI Works and is one of only eight states with such a restrictive asset limit.³⁷



Building Blocks of Economic Security

Income Supports

- ◆ Nationally, income supports lifted 31 million Americans above the poverty line in 2005, cutting poverty nearly in half and helping low-income working families meet their basic needs. Income supports can be cash payments, such as the Rhode Island Works Program; tax credits including the Earned Income Tax Credit and the Child Tax Credit; and “near-cash” benefits, such as SNAP (food stamps), child care and housing assistance that are not provided in cash but which are used to pay regular monthly bills.³⁸

Access to Health Care

- ◆ Families with incomes below the poverty level are much less likely to receive health insurance through an employer than their higher-income counterparts. Some low-income workers are ineligible because they work part-time or are recent hires, while others cannot afford to pay the employee share of the insurance premium.³⁹ Children with health insurance (public or private) are more likely than children without insurance to have a regular and accessible source of health care.⁴⁰

Affordable Quality Child Care

- ◆ High-quality, affordable child care helps parents maintain employment and supports children’s development.⁴¹ Child care costs represent a significant portion of low-income families’ budgets. On average, families living below the poverty threshold spent 25% of their income on child care, compared to 7% for families above the threshold.⁴²

Educational Attainment

- ◆ Eighty-three percent of children whose parents lack a high school diploma and over half of children whose parents have only a high school diploma live in low-income families.⁴³ Greater access to adult basic education and English as a second language courses is necessary to ensure that all parents have the skills necessary to participate in the workforce. Higher education is one of the most effective ways that parents can raise their families’ incomes. Increasing access to financial aid and child care subsidies for parents pursuing higher education can make higher education more accessible to low-income parents.⁴⁴

Affordable Housing

- ◆ Having stable housing is critical for getting and keeping a job.⁴⁵ In 2009, the average rent for a two-bedroom apartment in Rhode Island was \$1,170.⁴⁶ In Rhode Island, a family of three with an income at the federal poverty level would need to spend 77% of its income on rent to pay this amount, well above the recommended percentage of 30%.⁴⁷

Table 11. Children Living Below the Federal Poverty Threshold, Rhode Island, 2000

CITY/TOWN	CHILDREN UNDER AGE SIX LIVING IN EXTREME POVERTY		CHILDREN UNDER AGE SIX LIVING BELOW POVERTY		CHILDREN UNDER AGE 18 LIVING IN EXTREME POVERTY		CHILDREN UNDER AGE 18 LIVING BELOW POVERTY	
	#	%	#	%	#	%	#	%
Barrington	0	0%	23	1.9%	41	1%	127	2.7%
Bristol	66	4.8%	157	11.4%	184	4.2%	436	10.0%
Burrillville	54	5.3%	80	7.9%	139	3.5%	236	6.0%
Central Falls	357	20.6%	740	42.7%	1,146	21.2%	2,210	40.9%
Charlestown	2	<1%	18	3.7%	10	1%	78	4.7%
Coventry	32	1.4%	149	6.4%	146	1.8%	481	5.9%
Cranston	161	3.2%	437	8.6%	605	3.7%	1,496	9.1%
Cumberland	41	1.6%	89	3.6%	65	1%	237	3.1%
East Greenwich	39	4.2%	57	6.1%	76	2.1%	147	4.1%
East Providence	214	6.9%	452	14.5%	557	5.4%	1,126	10.8%
Exeter	50	11.8%	69	16.3%	93	6.2%	112	7.5%
Foster	0	0%	0	0%	0	0%	32	2.9%
Glocester	17	2.6%	37	5.7%	112	4.2%	178	6.7%
Hopkinton	0	0%	55	8.9%	8	<1%	115	5.9%
Jamestown	0	0%	0	0%	17	1.4%	17	1.4%
Johnston	69	3.6%	183	9.5%	191	3.3%	527	9.0%
Lincoln	39	2.9%	76	5.6%	142	2.8%	329	6.5%
Little Compton	8	3.5%	8	3.5%	8	1.0%	8	1.0%
Middletown	16	1.1%	70	5.0%	128	3.0%	264	6.2%
Narragansett	25	3.3%	50	6.5%	59	2.2%	235	8.6%
New Shoreham	1	1.6%	3	4.8%	12	6.4%	19	10.2%
Newport	413	22.6%	628	34.3%	773	14.9%	1,267	24.4%
North Kingstown	153	7.1%	239	11.1%	375	5.5%	663	9.7%
North Providence	85	4.8%	212	12.0%	271	4.7%	579	10.1%
North Smithfield	45	6.3%	45	6.3%	58	2.5%	72	3.0%
Pawtucket	824	14.1%	1,711	29.2%	2,195	12.2%	4,542	25.3%
Portsmouth	34	2.7%	63	5.0%	49	1.2%	118	2.8%
Providence	3,252	22.5%	6,137	42.5%	8,846	19.9%	18,045	40.5%
Richmond	17	2.4%	17	2.4%	60	3.0%	82	4.2%
Scituate	8	1.1%	30	4.2%	18	1%	113	4.3%
Smithfield	11	1.0%	11	1.0%	47	1.2%	153	3.9%
South Kingstown	5	<1%	82	4.6%	120	2.0%	324	5.3%
Tiverton	14	1.6%	48	5.4%	48	1.4%	92	2.8%
Warren	41	5.2%	60	7.6%	136	5.6%	205	8.4%
Warwick	126	2.2%	386	6.8%	410	2.2%	1,243	6.7%
West Greenwich	0	0%	18	3.7%	0	0%	40	2.7%
West Warwick	239	10.6%	606	26.8%	462	7.0%	1,186	18.1%
Westerly	0	0%	141	8.0%	105	2.0%	534	10.0%
Woonsocket	772	19.9%	1,361	35.0%	2,061	18.8%	3,494	31.8%
Core Cities	5,857	19.5%	11,183	37.3%	15,483	17.1%	30,744	33.9%
Remainder of State	1,373	3.0%	3,365	7.3%	4,290	2.8%	10,418	6.8%
Rhode Island	7,230	9.5%	14,548	19.2%	19,773	8.1%	41,162	16.9%

Source of Data for Table/Methodology

Data are from the U.S. Census Bureau, Census 2000, Summary File 3, Tables P87 and PCT.50. The data include the poverty rate for all children for whom poverty was determined, including "related" children and "unrelated children" living in the household.

Core cities are Central Falls, Newport, Pawtucket, Providence, West Warwick, and Woonsocket.

References

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