

# 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.<sup>1,2</sup> 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.<sup>3,4,5</sup>

Black and Hispanic children nationally and in Rhode Island are more likely to grow up poor than White children.<sup>6,7</sup> 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.<sup>8</sup>

In 2008, the federal poverty threshold was \$17,346 for a family of three with

two children and \$21,837 for a family of four with two children.<sup>9</sup> 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 the changes in family expenditure patterns since its development in the 1960s, particularly the rising costs of housing, transportation, child care, and medical care. It also does not consider geographic variations in the cost of living.<sup>10,11</sup>

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 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).<sup>12</sup>

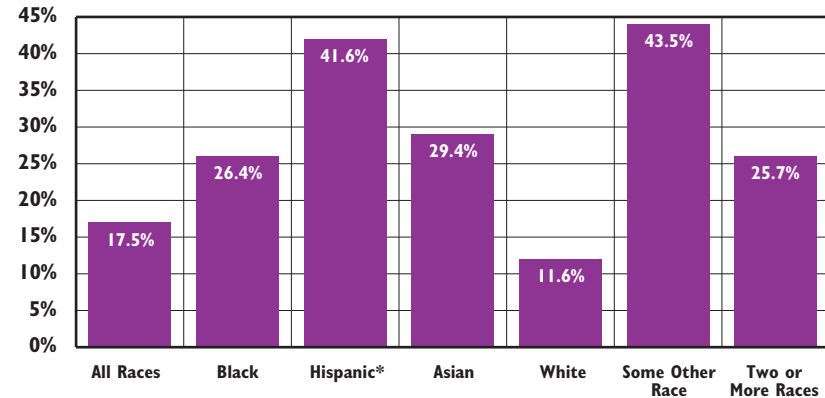
Children in Poverty				
	2004	2005	2006	2007
RI	21.0%	19.5%	15.1%	17.5%
US	18.4%	18.5%	18.3%	18.0%
National Rank*	31st			
New England Rank**	6th			

\*1st is best; 50th is worst

\*\*1st is best; 6th is worst

Source: U.S. Bureau of the Census, American Community Survey, 2004-2007. Table R1704.

Children in Poverty, by Race and Ethnicity, Rhode Island, 2007



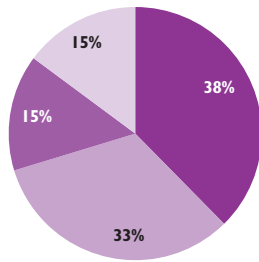
Source: U.S. Bureau of the Census, American Community Survey, 2007. Tables B17001, B17020A, B17020B, B17020D, B17020F, B17020G and B17020I.\*Hispanic children may be included in any race category.

- ◆ According to the 2007 American Community Survey, 17.5% (40,468) of Rhode Island's 231,579 children under age 18 lived below the federal poverty threshold. This is a statistically significant decrease from 2004 when 21.0% (50,390) of Rhode Island children were living below the federal poverty threshold.<sup>13</sup>
- ◆ In 2007, more than two in five Hispanic children (42%), and more than one in four Asian (29%) and Black (26%) children in Rhode Island lived in poverty, compared to 12% of White children.<sup>14</sup>
- ◆ In 2007, of all children living in poverty in Rhode Island, almost half (49%) were White, 12% were Black, 6% were Asian, 27% were "some other race" and 6% were "two or more races." Using the Census definition, Hispanic children also may be included in any race category. In 2007, 43% of Rhode Island's poor children were Hispanic.<sup>15</sup>

## Rhode Island's Poor Children, 2007

### By Age

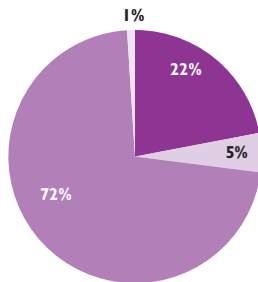
38%	Ages 5 and younger
33%	Ages 6 to 11
15%	Ages 12 to 14
15%	Ages 15 to 17



n = 40,468

### By Family Structure\*\*

22%	Married Couple Family
5%	Unmarried Male Householder
72%	Unmarried Female Householder
1%	Not in Related-Family Households

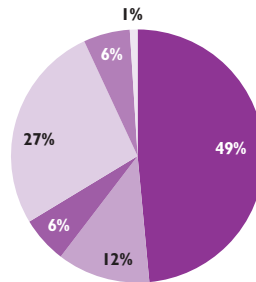


n = 40,468

\*\*Only includes related children living in households

### By Race\*

49%	White
12%	Black
6%	Asian
27%	Some Other Race
6%	Two or More Races
1%	Unknown



n = 40,468

\*Hispanic children also may be included in any race category. In 2007, 17,295 (43%) of Rhode Island's 40,468 poor children were Hispanic.

Source: U.S. Bureau of the Census, American Community Survey, 2007. Tables B17001, B17006, B17020A, B17020B, 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 2008, the extreme poverty level was \$8,673 for a family of three with two children and \$10,917 for a family of four with two children.<sup>16</sup>

◆ Of the 40,468 children living below the poverty threshold in Rhode Island in 2007, 44% lived in extreme poverty. In total, an estimated 7.6% (17,697) of all children in Rhode Island lived in extreme poverty. This is an increase from the previous year when 6.5% of Rhode Island children lived in extreme poverty.<sup>17</sup>

◆ Recent projections suggest that if the U.S. unemployment rate reaches 9%, 1.5 to 2.0 million more children will be in extreme poverty.<sup>18</sup> Children in extreme poverty may be even worse off now than in the mid-1990s because their families are now less likely to access food stamps, Medicaid, and other programs for which they are eligible.<sup>19</sup>

## Young Children under Age Six in Poverty in Rhode Island

◆ Children under age six are at higher risk of living in poverty than any other age group, because their parents tend to be younger, have less work experience, and earn less than parents of older children.<sup>20</sup>

◆ 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.<sup>21</sup>

◆ In 2007, 21% (15,339) of Rhode Island children under age six lived below the poverty threshold, the same as the national rate of 21%.<sup>22</sup> In 2007, 44% of Rhode Island children under age six who were living in poverty lived in extreme poverty.<sup>23</sup>

◆ As of December 1, 2008 there were 4,169 children under age three and 2,742 children ages three to five in families receiving cash assistance (FIP/RI Works). About half (49%) of all children under age 18 who received cash assistance were under age six.<sup>24</sup>

◆ In 2008, 55% of all indicated allegations of neglect (which is often linked with family poverty) in Rhode Island were for children under the age of six.<sup>25</sup>

# Children in Poverty



## Financial Asset Building

- ◆ For working poor families, having assets such as checking accounts, stocks and bonds and access to information about the cost of goods and services can be as important as income in building economic security.<sup>26,27</sup>
- ◆ Assets can help families manage financial crises or risks from life events, such as divorce, unemployment, retirement, illness, accidents, and death.<sup>28</sup> Families without sufficient wealth can accumulate debt or go without necessities during difficult financial times.<sup>29</sup>
- ◆ Low-income families that lack knowledge about or access to traditional banks may instead rely on alternative institutions, such as check-cashing stores, payday lenders, rent-to-own stores and early-refund tax preparers. These alternative institutions often charge high fees and interest rates, so families using them have less money to save.<sup>30</sup>
- ◆ 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 encourage low-income families to use traditional banking institutions and increase their savings.<sup>31</sup>
- ◆ State policies that protect families from predatory mortgage lending and payday lending allow families to keep more of their earnings, save and invest and can ultimately promote a more stable workforce and stronger communities.<sup>32</sup> Policies that encourage mainstream businesses to serve lower-income communities can help reduce costs to low-income families who often pay higher costs for the same goods and services than families in higher-income communities.<sup>33</sup>
- ◆ Many public income-support 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.<sup>34</sup>



## Building Blocks of Economic Security

### Income Supports

- ◆ Nationally, income supports lifted 27 million Americans above the poverty line in 2003, cutting poverty nearly in half and helping low-income working families meet their basic needs. Income supports can be in the form of cash payments, such as the Family Independence Program (FIP)/Rhode Island Works Program (RI Works); tax credits including the Earned Income Tax Credit and the Child Tax Credit; and “near-cash” benefits, such as food stamps, child care subsidies, and rental subsidies that are not provided in cash but that are used to pay regular monthly bills.<sup>35</sup>

### Access to Health Care

- ◆ Compared to their middle-income counterparts, low-income families are much less likely to have access to health insurance through their employer.<sup>36</sup> Many working families that are offered health insurance through their employers cannot afford to pay the employee share.<sup>37</sup> Access to health insurance improves the likelihood that children and their parents will have a regular source of health care.<sup>38</sup>

### Affordable Quality Child Care

- ◆ High quality, affordable child care helps parents maintain employment and supports children’s cognitive and emotional development.<sup>39</sup> Child care costs represent a significant portion of low-income families’ budgets. On average, families living below the poverty threshold spent 25% of their monthly income on child care, compared to 7% for families above the threshold.<sup>40</sup>

### Educational Attainment

- ◆ Low-income workers are nearly three times less likely to have finished high school than workers who earn more.<sup>41</sup> On average, individuals with higher education have more job opportunities, higher wages and greater job security than those with lower levels of education.<sup>42,43</sup>

### Affordable Housing

- ◆ Having stable housing is critical for getting and keeping a job.<sup>44</sup> In 2008, the average rent for a two-bedroom apartment in Rhode Island was \$1,232.<sup>45</sup> In Rhode Island, a family of three with an income at the federal poverty level would need to spend 84% of its income on rent to pay this amount, well above the recommended percentage of 30%.<sup>46</sup>

Table 9.

**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	NA	0	NA	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	NA	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	NA	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%
<b>Core Cities</b>	<b>5,857</b>	<b>19.5%</b>	<b>11,183</b>	<b>37.3%</b>	<b>15,483</b>	<b>17.1%</b>	<b>30,744</b>	<b>33.9%</b>
<b>Remainder of State</b>	<b>1,373</b>	<b>3.0%</b>	<b>3,365</b>	<b>7.3%</b>	<b>4,290</b>	<b>2.8%</b>	<b>10,418</b>	<b>6.8%</b>
<b>Rhode Island</b>	<b>7,230</b>	<b>9.5%</b>	<b>14,548</b>	<b>19.2%</b>	<b>19,773</b>	<b>8.1%</b>	<b>41,162</b>	<b>16.9%</b>

**Source of Data for Table/Methodology**

Data are from the U.S. Bureau of the Census, Census 2000, Summary File 3, 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**

<sup>1</sup> Federal Interagency Forum on Child and Family Statistics. (2007). *America's children: Key national indicators of well-being*. Washington, DC: U.S. Government Printing Office.

<sup>2,3,19</sup> Moore, K. A. & Redd, Z. (2002). *Children in poverty: Trends, consequences, and policy options*. Washington: DC: Child Trends.

<sup>4,39</sup> Johnson, J. O. (2005). *Who's minding the kids? Child care arrangements: Winter 2002*. Washington, DC: U.S. Census Bureau.

<sup>5</sup> Dye, J. L. & Johnson, T. (2007). *A child's day: 2003 (Selected indicators of child well-being)*. Washington, DC: U.S. Census Bureau.

<sup>6,20,38</sup> Fass, S. & Cauthen, N. K. (2008). *Who are America's poor children? The official story*. New York, NY: National Center for Children and Poverty, Mailman School of Public Health, Columbia University.

<sup>7</sup> National Center for Children in Poverty. (2008). *Rhode Island: Demographics of poor children*. Retrieved December 29, 2008 from [www.nccp.org/profiles/RI\\_profile\\_7.html](http://www.nccp.org/profiles/RI_profile_7.html)

<sup>8</sup> Douglas-Hall, A. & Chau, M. (2008). *Basic facts about low-income children: Birth to age 18*. New York, NY: National Center for Children and Poverty, Mailman School of Public Health, Columbia University.

<sup>9,16</sup> U.S. Bureau of the Census. (n.d.). *Poverty thresholds for 2008 by size of family and number of related children under 18 years*. Retrieved January 28, 2009 from [www.census.gov](http://www.census.gov)

<sup>10</sup> Cauthen, N. K. & Fass, S. (2008). *10 important questions about child poverty & family economic hardship*. New York, NY: National Center for Children in Poverty, Mailman School of Public Health, Columbia University.

<sup>11</sup> *Improving the measurement of poverty*. (2008). Washington, DC: The Brookings Institution.

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