

# 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 in the year prior to the survey.

## SIGNIFICANCE

Poverty is related to every KIDS COUNT indicator. Children in poverty, especially those who experience poverty in early childhood and for extended periods, are more likely to have physical and behavioral health challenges, experience hunger, experience difficulty in school, become teen parents, and earn less or be unemployed as adults.<sup>1,2</sup> Children in poverty are less likely to be enrolled in preschool, more likely to attend schools that lack resources, and have fewer opportunities to participate in extracurricular activities.<sup>3,4,5</sup>

Nationally and in Rhode Island, Black, Hispanic, and Native American children are more likely than Asian and white children to live in families with incomes below the federal poverty threshold. Children under age five, who have single parents, whose parents have low educational levels, or whose parents work part-time or are unemployed are at increased risk of living in poverty.<sup>6,7,8</sup>

In 2021, the federal poverty threshold was \$21,831 for a family of

three with two children and \$27,479 for a family of four with two children.<sup>9</sup> The official poverty measure does not reflect the effects of key government programs, take into account the increased cost of transportation, child care, housing, and medical care, or consider geographic variations in the cost of living. To address these limitations, the U.S. Census Bureau publishes a Supplemental Poverty Measure. This measure provides policy makers with another way to evaluate the effects of anti-poverty policies.<sup>10</sup>

According to the *2020 Rhode Island Standard of Need*, it costs a single-parent family with two young children \$57,671 a year to pay basic living expenses, more than two and a half times the federal poverty level for a family of three. This family would need an annual pre-tax income of \$66,057 to meet this budget. Work supports can help families with incomes below the federal poverty level meet their basic needs.<sup>11</sup>

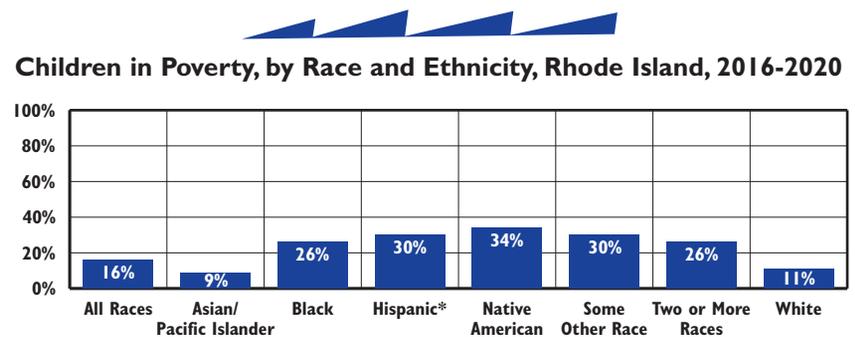
Children in Poverty				
	2017	2018	2019	2020 <sup>+</sup>
<b>RI</b>	16.6%	18.0%	14.0%	11.5%
<b>US</b>	18.4%	18.0%	16.8%	15.7%
<b>National Rank*</b>				<b>12th</b>
<b>New England Rank**</b>				<b>4th</b>

\*1st is best; 50th is worst

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

Source: U.S. Census Bureau, American Community Survey, 2017-2020, Tables S1701, XK201701.

<sup>+</sup>2020 data is based on experimental ACS data. Use caution when comparing data to previous years.



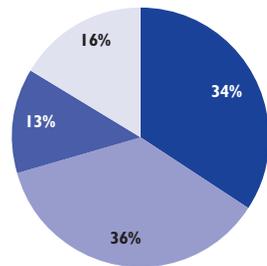
Source: U.S. Census Bureau, American Community Survey, 2016-2020. Tables B17020, B17020A, B17020B, B17020C, B17020D, B17020E, B17020F, B17020G and B17020I. \*Hispanic children may be included in any race category.

- ◆ Between 2016 and 2020, 16% (31,629) of Rhode Island's 202,159 children under age 18 with known poverty status lived in households with incomes below the federal poverty threshold.<sup>12</sup>
- ◆ Between 2016 and 2020, 34% of Native American, 30% of Hispanic, and 26% of Black children in Rhode Island lived in poverty, followed by 11% of white children and 9% of Asian/Pacific Islander children. Both nationally and in Rhode Island, there are significant disparities across Asian ethnic groups, with significantly higher poverty rates for many Southeast Asian and South Asian groups.<sup>13,14</sup>
- ◆ The U.S. Census Bureau only released experimental data for 2020 due to a low response rate during the COVID-19 pandemic. They estimate that 11.5% of Rhode Island children (22,765) lived in poverty in 2020, but recommend caution when using this estimate.<sup>15</sup>
- ◆ Due to the COVID-19 pandemic, Rhode Island's unemployment rate surged higher in the spring and summer of 2020 than its peak in the Great Recession.<sup>16</sup> Job losses in 2020 disproportionately occurred in low-wage occupations, and occupations employing Black and Hispanic workers and female workers. Federal COVID-relief measures, such as enhanced unemployment benefits and economic impact payments, reduced poverty rates and lessened material hardship.<sup>17,18</sup>
- ◆ The federal *American Rescue Plan Act*, enacted in March 2021, included a one-year expansion of the Child Tax Credit, including distributing a portion of the credit in monthly payments from July through December 2021. These payments kept 3.7 million children out of poverty and reduced child poverty by 30% with the largest impact on Black and Latino children.<sup>19,20</sup>

## Rhode Island's Children Living in Poverty, 2016-2020

By Age

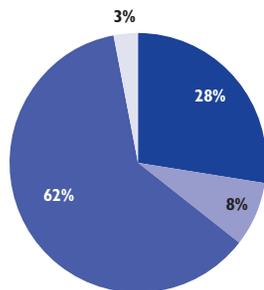
- 34% ■ Ages 5 and Younger
- 36% ■ Ages 6 to 11
- 13% ■ Ages 12 to 14
- 16% ■ Ages 15 to 17



n=31,629

By Family Structure

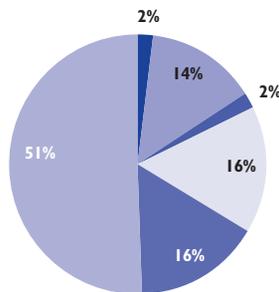
- 28% ■ Married Couple Family
- 8% ■ Unmarried Male Householder
- 62% ■ Unmarried Female Householder
- 3% ■ Not in Related-Family Households



n=31,629

By Race\*

- 2% ■ Asian/Pacific Islander
- 14% ■ Black
- 2% ■ Native American
- 16% ■ Some Other Race
- 16% ■ Two or More Races
- 51% ■ White



n=31,629

*\*Hispanic children may be included in any race category. Between 2016 and 2020, 50% (15,743) of Rhode Island's 31,629 children living in poverty were Hispanic. The Census Bureau asks about race separately from ethnicity, and the majority of families who identify as Some other race also identify as Hispanic.*

Source: U.S. Census Bureau, American Community Survey, 2016-2020. Tables B17001, B17006, B17020, B17020A, B17020B, B17020C, B17020D, B17020E, B17020F, B17020G, & B17020I. Population includes children for whom poverty status was determined. Cohn, D. (2017). *Seeking better data on Hispanics, Census Bureau may change how it asks about race*. Retrieved March 9, 2022, from www.pewresearch.org. Percentages may not sum to 100% due to rounding.

## Child Poverty Concentrated in Four Core Cities, Rhode Island, 2016-2020

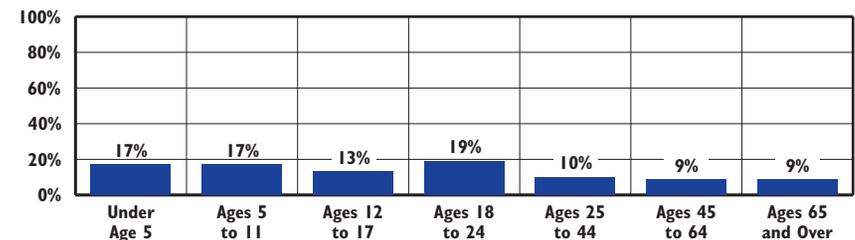
CITY/TOWN	NUMBER IN POVERTY	PERCENTAGE IN POVERTY	NUMBER IN EXTREME POVERTY	PERCENTAGE IN EXTREME POVERTY
Central Falls	2,213	39.4%	871	15.5%
Pawtucket	2,981	20.1%	884	6.0%
Providence	11,873	31.8%	5,179	13.9%
Woonsocket	3,120	34.8%	1,351	15.1%
<i>Rhode Island</i>	<i>31,629</i>	<i>15.6%</i>	<i>13,967</i>	<i>6.9%</i>

Source: Population Reference Bureau analysis of 2016-2020 American Community Survey data.

◆ Between 2016 and 2020 almost two-thirds (64%) of Rhode Island's children living in poverty lived in just four cities—Central Falls, Pawtucket, Providence, and Woonsocket. These cities, termed core cities, had a combined child poverty rate of 30.2% between 2016-2020. The four core cities also have substantial numbers of children living in extreme poverty.<sup>21</sup>

◆ In Rhode Island between 2015 and 2019, Black and Hispanic children were about fifteen times more likely to live in high-poverty neighborhoods than non-Hispanic white children.<sup>22</sup> Living in high-poverty neighborhoods (those with poverty rates of 30% or more) provides fewer opportunities for children and their families.<sup>23</sup>

## Poverty, by Age, Rhode Island, 2016-2020



Source: U.S. Census Bureau, American Community Survey, 2016-2020, Table B17001.

◆ Between 2016 and 2020 in Rhode Island, 19% of young adults ages 18 to 24 lived in poverty. In Rhode Island, young adults are at a higher risk of living in poverty than any other age group.<sup>24</sup> In the U.S., 3.4 million children live with parents ages 18 to 24, and 37% of them, mostly babies, toddlers, and preschoolers, live in poverty.<sup>25</sup>

# Children in Poverty



## Financial Asset Building

- ◆ Many low-income families have limited or no access to traditional banks and instead must rely on cash transactions or alternative financial services, such as check-cashing stores, payday lenders, and rent-to-own stores. These families pay high fees for financial transactions and high interest rates on loans, and often struggle to build credit histories and achieve economic security.<sup>26,27</sup>
- ◆ In Rhode Island in 2019, 4.4% of households did not have a checking or savings account, lower than the U.S. rate of 5.4%. Nationally, households with lower income, disabled working-age adults, or adults with less than a high school education, as well as Black and Hispanic households, are less likely to have a checking or savings account.<sup>28</sup>
- ◆ Expanding access to convenient, cost-effective, and safe financial services and products, increasing consumer protections, and providing financial education and counseling can support families in using traditional banking institutions and increase their savings.<sup>29</sup>
- ◆ States can protect consumers from high-cost payday lending by prohibiting these loans outright or enacting measures that make the loans more affordable, such as an annual rate cap or limiting the amount of monthly payments as a percentage of a borrower's monthly income. Rhode Island is the only New England state that does not currently protect against payday lending.<sup>30,31</sup>
- ◆ 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 saving and building the assets they need to improve their economic security.<sup>32</sup>
- ◆ Rhode Island currently has a \$1,000 asset limit to qualify for and retain RI Works cash assistance and is one of only eight states with such a restrictive asset limit. Under Rhode Island law, the value of one vehicle for each adult household member (not to exceed two vehicles per household) does not count toward the family's asset limit.<sup>33,34</sup>
- ◆ Discrimination and historical racism have resulted in large and persistent disparities in wealth between different racial and ethnic groups. Nationally, in 2019, the median family wealth for white families was almost eight times greater than the median wealth of Black families and five times greater than the median wealth of Hispanic families.<sup>35</sup>



## Building Blocks of Economic Security

### Income Supports

- ◆ The Supplemental Poverty Measure shows the positive impact of government programs, such as the Earned Income Tax Credit (EITC), Child Tax Credit, Social Security, SNAP, and housing subsidies. These programs kept millions of children out of poverty.<sup>36</sup>

### Health Coverage and Access to Care

- ◆ People with low incomes are the most likely to be uninsured; some cannot afford the cost, some do not have access to coverage through their employers, and others because of job loss.<sup>37</sup> Children with health insurance (public or private) are more likely to have a regular and accessible source of health care than uninsured children.<sup>38</sup>

### Affordable Quality Child Care

- ◆ In Rhode Island in 2021, the average annual cost of center-based child care for one infant was \$13,780.<sup>39</sup> Child care subsidies can help families living in poverty afford the cost of high-quality child care, which can help parents maintain employment and support children's development.<sup>40</sup>

### Educational Attainment

- ◆ Between 2020 and 2030, jobs requiring a postsecondary degree or certificate are projected to grow faster than jobs requiring a high school diploma or less.<sup>41</sup> Fifty-three percent of Rhode Islanders had a postsecondary degree or certificate in 2019.<sup>42</sup>

### Affordable Housing

- ◆ In 2021, the average rent for a two-bedroom apartment in Rhode Island was \$1,771.<sup>43</sup> In Rhode Island, a family of three with an income at the federal poverty level would need to spend 97% of its income on rent to pay this amount, well above the recommended 30%.<sup>44,45</sup> Nationally, only one in four eligible low-income families receive rental assistance to help them afford the high cost of housing.<sup>46</sup>

### Child Support

- ◆ As of December 1, 2021, there were 67,119 children in Rhode Island's Office of Child Support Services system.<sup>47</sup> Child support helps reduce poverty. Custodial parents who receive steady child support payments are less likely to rely on public assistance and more likely to be employed than those who do not.<sup>48</sup> Child support payments represented 57% of the mean personal income of custodial mothers living in poverty who received full child support in 2017 in the U.S.<sup>49</sup>

Table 10.

## Children Living Below the Federal Poverty Threshold, Rhode Island, 2016-2020

CITY/TOWN	ESTIMATES WITH HIGH MARGINS OF ERROR*		ESTIMATES WITH LOWER, ACCEPTABLE MARGINS OF ERROR	
	N	%	N	%
Barrington			208	4.5%
Bristol			115	3.8%
Burrillville			237	7.2%
Central Falls	2,213	39.4%		
Charlestown	126	11.2%		
Coventry			872	13.4%
Cranston			1,354	8.2%
Cumberland			435	6.1%
East Greenwich			163	4.9%
East Providence			749	9.3%
Exeter	49	4.2%		
Foster			28	2.6%
Glocester			101	4.6%
Hopkinton	159	10.0%		
Jamestown	-	-	-	-
Johnston	438	8.8%		
Lincoln			436	8.7%
Little Compton	-	-	-	-
Middletown	248	8.3%		
Narragansett			41	2.0%
New Shoreham	17	11.7%		
Newport	890	25.0%		
North Kingstown			737	14.1%
North Providence			666	11.0%
North Smithfield	263	10.1%		
Pawtucket			2,981	20.1%
Portsmouth	258	7.7%		
Providence			11,873	31.8%
Richmond	-	-	-	-
Scituate			78	4.4%
Smithfield			10	0.3%
South Kingstown			250	5.5%
Tiverton			131	5.3%
Warren	85	6.2%		
Warwick			991	7.0%
West Greenwich	2	0.2%		
West Warwick	913	17.9%		
Westerly			392	12.0%
Woonsocket	3,120	34.8%		
Four Core Cities			20,187	30.2%
Remainder of State			11,442	8.4%
Rhode Island			31,629	15.6%

### Source of Data for Table/Methodology

Data are from a Population Reference Bureau analysis of 2016-2020 American Community Survey data. The data include the poverty rate for all children for whom poverty was determined, including “related” children and “unrelated children” living in the household.

The American Community Survey is a sample survey, and therefore the number and percentage of children living in poverty provided are estimates, not actual counts. The reliability of these estimates varies by community. In general, estimates for small communities and communities with relatively low poverty rates are not as reliable as estimates for larger communities and communities with higher poverty rates.

\*The Margin of Error around the percentage is greater than or equal to five percentage points.

The Margin of Error is a measure of the reliability of the estimate and is provided by the U.S. Census Bureau. The Margin of Error means that there is a 90 percent chance that the true value is no less than the estimate minus the Margin of Error and no more than the estimate plus the Margin of Error. (See the Methodology Section for Margins of Error for all communities.)

-There were either no sample observations or too few sample observations to compute an estimate.

Core cities are Central Falls, Pawtucket, Providence, and Woonsocket.

### References

- <sup>1,8</sup> National Academies of Sciences, Engineering, and Medicine. (2019). *A roadmap to reducing child poverty*. Washington, DC: The National Academies Press.
- <sup>2</sup> Ratcliffe, C. (2015). *Child poverty and adult success*. Washington, DC: Urban Institute.
- <sup>3</sup> National Center for Education Statistics. (2021). *Number of children under 6 years old and not yet enrolled in kindergarten, percentage in center-based programs, average weekly hours in nonparental care, and percentage in various types of primary care arrangements, by selected child and family characteristics: 2019*. Retrieved March 3, 2022, from <https://nces.ed.gov>

(continued on page 177)