

# 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, are more likely to have physical and behavioral health problems, experience difficulty in school, become teen parents, and earn less or be unemployed as adults.<sup>1,2,3</sup> Children in poverty are less likely to be enrolled in preschool, more likely to attend schools that lack resources and rigor, and have fewer opportunities to participate in extracurricular activities.<sup>4,5,6</sup>

Nationally and in Rhode Island, minority children 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 at increased risk of living in poverty.<sup>7,8</sup>

In 2016, the federal poverty threshold was \$19,337 for a family of three with two children and \$24,339 for a family of four with two children.<sup>9</sup> The official

poverty measure does not reflect the effects of key government policies and programs that support families living in poverty, does not take into account the increased cost of transportation, child care, housing, and medical care, and does not consider geographic variations in the cost of living. To address these limitations, in 2011, the U.S. Census Bureau began releasing a Supplemental Poverty Measure. This measure does not replace the official measure, but provides policy makers with a new way to evaluate the effects of anti-poverty policies.<sup>10</sup>

According to the *2016 Rhode Island Standard of Need*, a single-parent family with two children would need to earn \$52,932 a year to meet its basic needs, more than twice the federal poverty level for a family of three. Work supports such as subsidized child care, health coverage (RIte Care), food assistance, and tax credits, can help families with incomes below the federal poverty threshold meet their basic needs.<sup>11</sup>

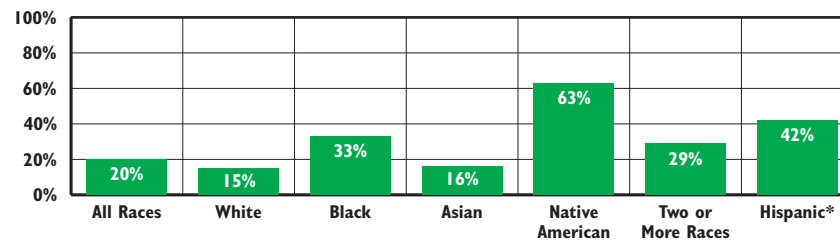
Children in Poverty				
	2012	2013	2014	2015
RI	19.5%	21.5%	19.8%	19.4%
US	22.6%	22.2%	21.7%	20.7%
<b>National Rank*</b>				<b>24th</b>
<b>New England Rank**</b>				<b>6th</b>

\*1st is best; 50th is worst

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

Source: U.S. Census Bureau, American Community Survey, 2012-2015. Table R1704.

**Children in Poverty, by Race and Ethnicity, Rhode Island, 2011-2015**



Source: U.S. Census Bureau, American Community Survey, 2011-2015. Tables S1701, B17020A, B17020B, B17020C, B17020D, B17020G and B17020I. \*Hispanic children may be included in any race category.

◆ Between 2011 and 2015, 20% (43,282) of Rhode Island's 212,038 children under age 18 lived in households with incomes below the federal poverty threshold.<sup>12</sup>

◆ In Rhode Island as well as in the United States as a whole, Hispanic, Black, and Native American children are more likely than White and Asian children to live in families with incomes below the federal poverty threshold. Between 2011 and 2015, 63% of Native American, 42% of Hispanic, and 33% of Black children in Rhode Island lived in poverty, compared to 16% of Asian children and 15% of White children.

◆ Between 2011 and 2015, of all children living in poverty in Rhode Island, over half (54%) were White, 15% were Black, 3% were Asian, 2% were Native American, 18% were Some other race, and 8% were Two or more races.<sup>13,14</sup>

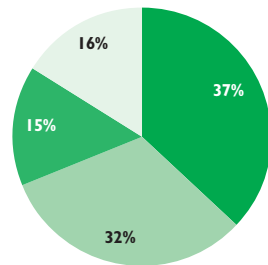
◆ Between 2011 and 2015, 46% of Rhode Island's poor children were Hispanic. Hispanic children may be included in any race category. The Census Bureau asks about race separately from ethnicity, and the majority of families who identify as Some other race also identify as Hispanic.<sup>15</sup>

◆ In 2015, nearly one in five (19.4%) children in Rhode Island (a total of 40,566 children) lived in poverty.<sup>16</sup>

## Rhode Island's Poor Children, 2011-2015

### By Age

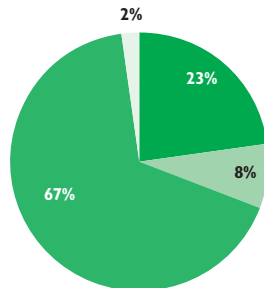
- 37% Ages 5 and Younger
- 32% Ages 6 to 11
- 15% Ages 12 to 14
- 16% Ages 15 to 17



n=43,282

### By Family Structure

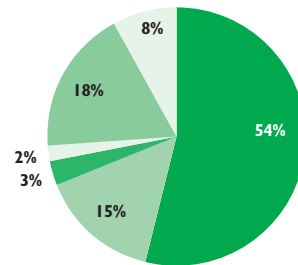
- 23% Married Couple Family
- 8% Unmarried Male Householder
- 67% Unmarried Female Householder
- 2% Not in Related-Family Household



n=43,282

### By Race\*

- 54% White
- 15% Black
- 3% Asian
- 2% Native American
- 18% Some Other Race
- 8% Two or More Races



n=43,282

\*Hispanic children may be included in any race category. Between 2011 and 2015, 20,071 (46%) of Rhode Island's 43,282 poor children were Hispanic.

Source: U.S. Census Bureau, American Community Survey, 2011-2015. Tables S1701, 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.

## Child Poverty Concentrated in Four Core Cities, Rhode Island, 2011-2015

CITY/TOWN	NUMBER IN POVERTY	PERCENTAGE IN POVERTY	NUMBER IN EXTREME POVERTY	PERCENTAGE IN EXTREME POVERTY
Central Falls	2,324	41.9%	929	16.8%
Pawtucket	5,299	32.7%	2,493	15.4%
Providence	15,609	39.0%	7,303	18.2%
Woonsocket	3,649	40.8%	1,775	19.8%
<b>Rhode Island</b>	<b>43,282</b>	<b>20.4%</b>	<b>19,432</b>	<b>9.2%</b>

Source: Population Reference Bureau analysis of 2011-2015 American Community Survey data.

◆ Between 2011 and 2015, almost two-thirds (62%) of Rhode Island's children living in poverty lived in just four cities. These cities, termed core cities, include Central Falls, Pawtucket, Providence, and Woonsocket, all communities in which more than one in four children live below poverty (38% between 2011-2015). The four core cities also have substantial numbers of children living in extreme poverty, defined as families with incomes below 50% of the federal poverty level, or \$9,669 for a family of three with two children and \$12,170 for a family of four with two children in 2016.<sup>17,18</sup>

## Young Children Under Age Six in Poverty, Four Core Cities and Rhode Island, 2011-2015

CITY/TOWN	NUMBER <AGE 6 IN POVERTY	PERCENTAGE <AGE 6 IN POVERTY
Central Falls	1,079	47.0%
Pawtucket	2,068	35.5%
Providence	5,308	40.3%
Woonsocket	1,553	47.6%
<b>Rhode Island</b>	<b>16,045</b>	<b>24.3%</b>

Source: Population Reference Bureau analysis of 2011-2015 American Community Survey data.

◆ Between 2011 and 2015, 24.3% (16,045) of Rhode Island children under age six lived in poverty.<sup>19</sup> Children under age six are at higher risk of living in poverty than any other age group.<sup>20</sup> Exposure to risk factors associated with poverty, including inadequate nutrition, environmental toxins, crowded and unstable housing, maternal depression, trauma and abuse, lower quality child care, and parental substance abuse interferes with young children's emotional, physical, and intellectual development.<sup>21,22</sup>

# Children in Poverty

## Financial Asset Building

- ◆ Having assets such as bank or credit union accounts provides families with a safe place to store their money and allows families to conduct basic financial transactions, manage financial emergencies related to unemployment or illness, and plan for their future.<sup>23,24</sup>
- ◆ 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, and often struggle to build credit histories and achieve economic security.<sup>25,26</sup>
- ◆ In Rhode Island in 2013, 6.2% of households did not have a checking or savings account, compared to 7.7% for the U.S. as a whole. Nationally, households with incomes less than \$15,000 and households where Spanish is the only language spoken are less likely to have a checking or savings account. These households are more likely to use alternative financial services, such as money orders, cash checking services, or payday lenders.<sup>27</sup>
- ◆ Raising awareness about the importance of saving and consumer protections, providing financial education and counseling, preventing predatory lending, and connecting families to safe and affordable financial products can support families in using traditional banking institutions and increase their savings.<sup>28</sup>
- ◆ State and federal policies that protect families from predatory mortgage lending and payday lending and expand access to convenient, 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.<sup>29,30,31</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 nine 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>

## 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), Social Security, SNAP, and housing subsidies. These programs kept millions of children out of poverty.<sup>35</sup>

### Health Coverage and Access to Care

- ◆ Low-income people are the most likely to be uninsured; some because of job loss, some are ineligible for coverage through their employers because they work part-time, and other cannot afford the cost.<sup>36</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>37</sup>

### Affordable Quality Child Care

- ◆ In Rhode Island in 2015, the average cost of center-based child care for one infant was \$12,091. Child care subsidies can help poor families afford high-quality child care, which can help parents maintain employment and support children's development.<sup>38,39</sup>

### Educational Attainment

- ◆ Fifty-two percent of Rhode Island children whose parents lack a high school diploma and 32% of those parents have only a high school diploma live in poverty.<sup>40</sup> By 2020, 71% of all jobs in Rhode Island will require postsecondary training beyond high school.<sup>41</sup>

### Affordable Housing

- ◆ In 2016, the average rent for a two-bedroom apartment in Rhode Island was \$1,288.<sup>42</sup> 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%.<sup>43,44</sup> Nationally, only one in four low-income eligible families receive rental assistance to help them afford the high cost of housing.<sup>45</sup>

### Child Support

- ◆ As of December 1, 2016, there were 73,797 children in Rhode Island's Office of Child Support Services system.<sup>46</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 find work faster and stay employed longer than those who do not.<sup>47</sup> Among poor custodial parents that received full child support in 2015 in the U.S., these payments represented 67% of their mean personal income.<sup>48</sup>

Table 10. Children Living Below the Federal Poverty Threshold, Rhode Island, 2000 and 2011-2015

CITY/TOWN	CHILDREN UNDER AGE 18 LIVING BELOW POVERTY 2011-2015					
	CHILDREN UNDER AGE 18 LIVING BELOW POVERTY, 2000		ESTIMATES WITH HIGH MARGINS OF ERROR*		ESTIMATES WITH LOWER, ACCEPTABLE MARGINS OF ERROR	
	N	%	N	%	N	%
Barrington	127	2.7%			58	1.4%
Bristol	436	10.0%			252	7.3%
Burrillville	236	6.0%	374	11.7%		
Central Falls	2,210	40.9%	2,324	41.9%		
Charlestown	78	4.7%	398	26.6%		
Coventry	481	5.9%			715	10.8%
Cranston	1,496	9.1%			2,785	17.7%
Cumberland	237	3.1%			690	9.5%
East Greenwich	147	4.1%			191	5.8%
East Providence	1,126	10.8%			1,665	17.5%
Exeter	112	7.5%	102	8.5%		
Foster	32	2.9%	45	5.7%		
Glocester	178	6.7%			115	6.3%
Hopkinton	115	5.9%	99	7.4%		
Jamestown	17	1.4%	127	13.4%		
Johnston	527	9.0%			557	10.8%
Lincoln	329	6.5%			621	12.8%
Little Compton	8	1.0%	59	10.6%		
Middletown	264	6.2%			407	11.0%
Narragansett	235	8.6%			106	5.1%
New Shoreham	19	10.2%	11	9.2%		
Newport	1,267	24.4%	862	24.1%		
North Kingstown	663	9.7%			852	14.1%
North Providence	579	10.1%			620	11.7%
North Smithfield	72	3.0%			75	3.6%
Pawtucket	4,542	25.3%			5,299	32.7%
Portsmouth	118	2.8%			134	3.7%
Providence	18,045	40.5%			15,609	39.0%
Richmond	82	4.2%			62	3.5%
Scituate	113	4.3%	184	9.5%		
Smithfield	153	3.9%			35	1.0%
South Kingstown	324	5.3%			418	8.8%
Tiverton	92	2.8%			250	8.8%
Warren	205	8.4%	297	16.0%		
Warwick	1,243	6.7%			1,271	8.5%
West Greenwich	40	2.7%	-	-	-	-
West Warwick	1,186	18.1%	1,237	22.5%		
Westerly	534	10.0%	727	16.6%		
Woonsocket	3,494	31.8%	3,649	40.8%		
Four Core Cities	28,291	35.9%			26,881	38.0%
Remainder of State	12,871	7.8%			16,401	11.6%
Rhode Island	41,162	16.9%			43,282	20.4%

### Source of Data for Table/Methodology

Data are from the U.S. Census Bureau, Census 2000, Summary File 3, P87 and PCT.50 and Population Reference Bureau analysis of 2011-2015 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 Errors for all communities.)

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

### References

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