

Cost of Housing

DEFINITION

Cost of housing is the percentage of income needed by a very low-income family to cover the average cost of rent.¹ The U.S. Department of Housing and Urban Development (HUD) defines a very low-income family as a family with an income less than 50% of the Area Median Income. A cost burden exists when more than 30% of a family's monthly income is spent on housing.

SIGNIFICANCE

Poor quality, unaffordable, or crowded housing has a negative impact on children's physical health, development, school performance, and emotional well-being and on a family's ability to meet a child's basic needs. In contrast, when children live in high-quality housing that is safe, affordable, and located in well-resourced, low-poverty neighborhoods, they do better in school and their parents report improved mental health.^{2,3}

In 2024, a worker had to earn \$44.54 an hour or \$92,671 per year to be able to afford the average rent in Rhode Island (\$2,316 per month for a two-bedroom apartment) without a cost burden. This hourly wage was over three times the minimum wage of \$14.00 per hour in 2024.^{4,5} In 2024, Rhode Island required the 11th highest hourly wage of any state to afford the rent for a two-bedroom home, and the median renter in Rhode Island could

affordably rent in only one Rhode Island city or town – Burrillville.^{6,7}

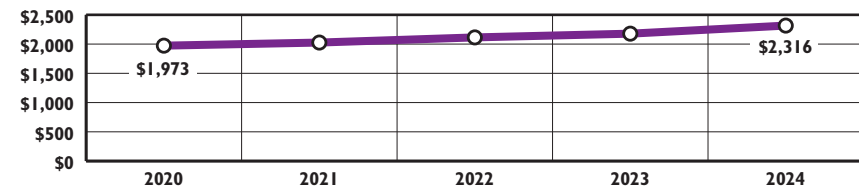
Federally-funded Section 8 Housing Choice rental vouchers can help low-income individuals and families afford the cost of rent; however, there are not enough vouchers to meet the need and long waiting periods are common.⁸ In 2021, the General Assembly enacted legislation that prohibits discrimination in housing based on lawful source of income, including housing vouchers.⁹

According to HousingWorks RI, a household earning the state's median household income of \$81,370 would not be able to affordably buy in any of Rhode Island's cities or towns.¹⁰

Rhode Island law establishes a goal that at least 10% of every community's housing stock qualify as Low- and Moderate-Income Housing (LMIH).¹¹ Currently, only four of Rhode Island's 39 cities and towns (Central Falls, Newport, Providence, and Woonsocket) meet that goal. Rhode Island continues to heavily rely on federal funding to meet its housing needs. From FY 2022 to FY 2024, Rhode Island used \$332.2M in federal State Fiscal Recovery Funds to support the state's housing efforts, but with these funds ending, the state will need to rely more heavily on funds from housing bonds, the state's pilot low-income tax credit program, and other state sources to continue to meet the need.¹²



Average Rent, Two-Bedroom Apartment, Rhode Island, 2020-2024



Source: Rhode Island Housing, Rhode Island Rent Survey, 2020-2024. Rents are adjusted to 2024 dollars and include adjustments for the cost of gas, fuel, water, and electricity. Adjustments for utilities for each year vary according to U.S. Census American Community Survey's (ACS) annual one-year estimates. Due to a change in methodology, data cannot be compared to Factbooks prior to 2019.

◆ In 2024, the average cost of rent for a two-bedroom apartment in Rhode Island was \$2,316. Even when adjusting for 2024 dollars, rents have increased 17% from 2020 to 2024.¹³

◆ Nationally, households with children are twice as likely as other households to be threatened with eviction, and Black renters are about five times more likely to be evicted than white renters. Studies show that experiencing an eviction increases a child's likelihood of lead poisoning, food insecurity, emotional trauma, and academic decline.^{14,15}

◆ States can reduce evictions by investing in eviction diversion programs, providing a right to counsel for those facing eviction, automatically sealing eviction records, enacting just cause eviction legislation, and passing source of income discrimination laws.¹⁶



Legislative and Budget Initiatives Addressing Affordable Housing

◆ Rhode Island's FY 2025 budget included approval for a \$120 million bond to be included on the ballot for the November 2024 election. The bond was the largest housing bond in the state's history. Rhode Island voters overwhelmingly approved of the bond, which will provide funding for affordable housing, homeownership programs, community revitalization, site acquisition, housing-related infrastructure, and municipal planning.^{17,18}

◆ In 2024, the Rhode Island General Assembly approved a package of bills designed to address the state's housing crisis, including legislation related to zoning, permitting, planning, the sale of abandoned property, and accessory dwelling units.¹⁹

Table 6.

Cost of Housing for Very Low-Income Families, Rhode Island, 2024

CITY/TOWN	FAMILY INCOME		HOMEOWNERSHIP COSTS		RENTAL COSTS		
	2024 POVERTY LEVEL FAMILY OF THREE	2024 VERY LOW-INCOME FAMILY	TYPICAL MONTHLY HOUSING PAYMENT	% INCOME NEEDED FOR HOUSING PAYMENT, VERY LOW-INCOME FAMILY	AVERAGE RENT 2-BEDROOM APARTMENT	% INCOME NEEDED FOR RENT POVERTY LEVEL FAMILY OF THREE	% INCOME NEEDED FOR RENT VERY LOW-INCOME FAMILY
Barrington*	\$25,820	\$50,600	\$6,217	147%	\$1,693	79%	40%
Bristol	\$25,820	\$50,600	\$5,174	123%	\$2,002	93%	47%
Burrillville*	\$25,820	\$50,600	\$3,386	80%	\$1,693	79%	40%
Central Falls	\$25,820	\$50,600	\$3,011	71%	\$1,688	78%	40%
Charlestown*	\$25,820	\$50,600	\$4,225	100%	\$1,693	79%	40%
Coventry	\$25,820	\$50,600	\$3,329	79%	\$2,088	97%	50%
Cranston	\$25,820	\$50,600	\$3,579	85%	\$2,270	106%	54%
Cumberland	\$25,820	\$50,600	\$3,712	88%	\$2,615	122%	62%
East Greenwich	\$25,820	\$50,600	\$6,204	147%	\$2,002	93%	47%
East Providence	\$25,820	\$50,600	\$3,310	78%	\$2,370	110%	56%
Exeter*	\$25,820	\$50,600	\$4,042	96%	\$1,693	79%	40%
Foster*	\$25,820	\$50,600	\$4,320	102%	\$1,693	79%	40%
Glocester*	\$25,820	\$50,600	\$3,405	81%	\$1,693	79%	40%
Hopkinton*	\$25,820	\$53,050	\$4,002	91%	\$1,610	75%	36%
Jamestown*	\$25,820	\$50,600	\$7,790	185%	\$1,693	79%	40%
Johnston	\$25,820	\$50,600	\$3,409	81%	\$2,456	114%	58%
Lincoln	\$25,820	\$50,600	\$4,246	101%	\$1,911	89%	45%
Little Compton*	\$25,820	\$50,600	\$7,061	167%	\$1,693	79%	40%
Middletown	\$25,820	\$59,550	\$5,954	120%	\$2,430	113%	49%
Narragansett	\$25,820	\$50,600	\$6,059	144%	\$3,196	149%	76%
New Shoreham	\$25,820	\$53,050	\$12,339	279%	\$2,049	95%	46%
Newport*	\$25,820	\$59,550	\$7,112	143%	\$2,270	105%	46%
North Kingstown	\$25,820	\$50,600	\$4,589	109%	\$2,520	117%	60%
North Providence	\$25,820	\$50,600	\$3,327	79%	\$2,250	105%	53%
North Smithfield	\$25,820	\$50,600	\$3,820	91%	\$2,514	117%	60%
Pawtucket	\$25,820	\$50,600	\$3,094	73%	\$1,952	91%	46%
Portsmouth	\$25,820	\$59,550	\$5,685	115%	\$2,245	104%	45%
Providence**	\$25,820	\$50,600	\$3,217	76%	\$2,264	105%	54%
Richmond*	\$25,820	\$50,600	\$3,797	90%	\$1,693	79%	40%
Scituate*	\$25,820	\$50,600	\$3,755	89%	\$1,693	79%	40%
Smithfield	\$25,820	\$50,600	\$3,871	92%	\$2,053	95%	49%
South Kingstown*	\$25,820	\$50,600	\$4,517	107%	\$1,693	79%	40%
Tiverton	\$25,820	\$50,600	\$3,871	92%	\$2,101	98%	50%
Warren	\$25,820	\$50,600	\$3,946	94%	\$2,692	125%	64%
Warwick	\$25,820	\$50,600	\$3,187	76%	\$2,357	110%	56%
West Greenwich*	\$25,820	\$50,600	\$5,071	120%	\$1,693	79%	40%
West Warwick	\$25,820	\$50,600	\$3,095	73%	\$2,357	110%	56%
Westerly	\$25,820	\$53,050	\$3,994	90%	\$1,508	70%	34%
Woonsocket	\$25,820	\$50,600	\$2,978	71%	\$1,567	73%	37%
Four Core Cities	\$25,820	\$50,600	\$3,075	73%	\$1,868	87%	44%
Remainder of State	\$25,820	\$51,577	\$4,726	110%	\$2,285	106%	53%
Rhode Island	\$25,820	\$50,650	\$3,592	85%	\$2,316	108%	55%

Source of Data for Table/Methodology

Family Income: 2024 poverty level for a family of three as reported in: *Federal Register*, 89(11), January 17, 2024, pages 2961-2963.

A very low-income family as defined by the U.S. Department of Housing and Urban Development (HUD) is a three-person family with income 50% of the Area Median Income and is defined separately for each of the three metropolitan areas comprising Rhode Island and for the state as a whole. Core city and remainder of state are calculated by Rhode Island KIDS COUNT using unweighted community data. Reported by Rhode Island Housing, (2024). *FY2024 Rhode Island income limits for low- and moderate-income households*. Retrieved February 6, 2025, from <https://www.rihousing.com/wp-content/uploads/FY-24-HUD-Income-Limits.pdf>

Homeownership costs: Data on typical monthly housing payments are from HousingWorks RI's *2024 Housing Fact Book*. They are based on the median selling price of a single-family home using year-end 2023 data and calculated based on a 30-year mortgage at a 6.81% interest rate with a 3.5% downpayment. The typical monthly housing payment for the state comes from HousingWorks RI, but core city and remainder of state are calculated by Rhode Island KIDS COUNT using unweighted community data.

Rental Costs: Rhode Island Housing, Rhode Island Rent Survey, 2024. Estimates include rent and utility costs. Starting with the *2019 Factbook*, the average rent is calculated using the CoStar database for two-bedroom units. Average utility costs are from the U.S. Census American Community Survey's (ACS) annual one-year sample, which includes gas, fuel, water, and electricity for two-bedroom units. For 2021, 2019 ACS data were used for utility costs due to COVID-related data collection issues for the 2020 ACS. All values are adjusted for 2024 dollars. Statewide average based on all units in state. Core city and remainder of state are calculated by Rhode Island Housing. Data cannot be compared to Factbooks prior to 2019.

(continued with References on page 173)

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 - ⁵⁷ U.S. Census Bureau, American Community Survey, 2019-2023. Tables B17020A, B17020B.
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- Source of Data for Table/Methodology for Cost of Housing**
- *Rhode Island Housing 2024 Rhode Island Rent Survey data are not available. Average rent used for these communities is the HUD FY 2024 Fair Market Rent for the metropolitan area as reported by the U.S. Department of Housing and Urban Development. The average rents calculated for the four core cities and the remainder of state do not include communities for which data from the 2024 Rhode Island Rent Survey was not available.
- **Typical monthly housing payment for Providence includes the East Side and therefore cannot be compared to data reported for Providence in Factbooks between 2013 and 2021.
- Core cities are Central Falls, Pawtucket, Providence, and Woonsocket.
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- References for Cost of Housing**
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- Source of Data for Table/Methodology for Children Experiencing Homelessness**
- Data on reading, math, and science achievement and high school graduation rates of students experiencing homelessness are reported in other indicators.
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- References for Children Experiencing Homelessness**
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