

The Providence Journal

Many find it harder to make ends meet

December 17, 2008
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PROVIDENCE — State budget cuts to subsidized child- and health-care programs have left more families and individuals struggling to pay rent, put food on the table and pay for child care and health care, according to the 2008 Rhode Island Standard of Need, released by the Poverty Institute.

For instance, a parent raising two children on \$32,560 a year “has a monthly gap between earnings and expenses of over \$1,100,” according to the study.

Those cuts have also caused the parent’s monthly child-care costs to soar from \$217 to \$1,314, and canceled that parent’s eligibility for the RIte Care health insurance program, according to the study.

“The shrinking safety net has caused the basic needs budgets for low- and modest-income families to go from black to red,” said Kate Brewster, Poverty Institute executive director. “Today, work supports narrow, but no longer close, the gap between earnings and expenses.”

The effects of those cuts, combined with the recession, are already evident, Brewster said.

“We just heard from the [Rhode Island] Community Food Bank that there’s a surge of families showing up at food pantries,” said Brewster. “We’re hearing stories of people removing their children from licensed child-care settings into unregulated care, and older siblings watching younger siblings. And then this winter we’re concerned that people will forgo heat, trying to save on energy and using unsafe heating practices.”

Brewster added, “Our hope is that what is left of the work support programs is maintained in the coming legislative session. I think this study provides evidence that the budget cuts of the last two years have had a profound impact on families’ ability to make ends meet, and these families can’t withstand any further pressure.”

The Poverty Institute, a nonpartisan organization based at the Rhode Island College of Social Work, publishes the study every two years to provide “a realistic standard for measuring the economic well-being of Rhode Islanders.”

Brewster said the study uses “very conservative cost assumptions — mostly based on government sources” — to calculate a no-frills budget for single-parent families, two-parent

families, and single adults. That budget includes housing, transportation, child care, health care, and other basic needs.

The study also underlines how food stamps, tax credits and child care and health-care subsidies “help close the gap” between income and basic needs expenses.

The 2008 report shows that it costs a single parent \$47,352 to raise two children, requiring gross earnings of at least \$52,800 (three times the federal poverty level), to meet that budget without government subsidies.

It costs a two-parent household with two children \$52,188 to meet basic needs, requiring gross earnings of more than \$58,300; a single adult needs gross earnings of more than \$20,800 — twice the federal poverty level — to meet basic needs.

It shows that older or disabled adults who rely on federal Supplemental Security Income (SSI) benefits for support have a gap between income and expenses of more than \$600 a month.

And a two-parent family earning \$37,100 and receiving subsidized health care and child care has a gap between income and expenses of \$103 a month. If their income increases slightly, they become ineligible for RIte Care and the gap increases to at least \$229 a month. Earnings of an additional \$88 per month makes the family ineligible for child-care assistance: the gap increases to \$1,179 per month.

Housing costs do not include first and last month’s rent, often required when a family moves. Food costs exclude money for meals eaten outside the home. Also excluded are the costs of child enrichment activities such as school trips, team sports, music or art lessons.

The full report is available at www.povertyinstitute.org.

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