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Poverty statistics don't tell full story

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By Thomas J. Morgan

PROVIDENCE — According to the U.S. Census Bureau, the rate of poverty in Rhode Island hasn't changed much in the past year, but one organization that focuses on poverty said yesterday that there is a serious problem looming that is shrouded by the statistics.

The Census Bureau, in figures released yesterday, said that 12 percent of Rhode Islanders lived in poverty in 2007 — a total of 122,128 residents. The poverty level for that year, the latest for which figures are available, was defined as an income of no more than \$10,590 for an individual and \$21,027 for a family of four.

“We are concerned that this is going to go up” when statistics for this year are released next August, said Rachel Flum, policy associate at The Poverty Institute, at the Rhode Island College School of Social Work.

Flum said that two recent developments, the housing crisis brought about by mortgage defaults and the spike in energy costs, will severely alter the figures for 2008, and said that people are currently living in greater hardship than the 2007 figures indicate.

“We anticipate that the 2008 poverty rate is going to increase with the housing and oil factors and rising unemployment, and the cost of everything is really going to take a toll,” she said.

Flum said that the 2007 figures were based on a 12-month business cycle and reflect an economy that was still expanding.

“In 2008, we have only the beginning of a recession,” she said. “We know the numbers will be worse. Unemployment has gone up 2 percent in Rhode Island, and gasoline and oil prices have gone up significantly. The price of gasoline nationally has gone up 37.9 [percent], according to the Bureau of Labor Statistics from July of '07 to July of '08.”

Flum said that the price of home heating oil has risen 61 percent, and the cost of electricity has gone up by 14.8 percent.

“The poverty level is not a good measure to gauge how we live,” she said. “We really are concerned that this doesn't give a very good view of the real cost of living in Rhode Island.”

The Poverty Institute said that the method used to determine the federal poverty level dates to the 1960s, when it was based on the cost of food. Food costs at that time

amounted to a third of a family's income, the institute said, but the ratio of spending has shifted, because housing and child-care costs have risen to the point where they can "far exceed" the cost of food.

The average monthly rent for a two-bedroom apartment in Rhode Island is \$1,020, the institute said, which would eat up 60 percent of a family's income at the poverty level. The institute said that family would have to earn up to three times the poverty level to get by without public assistance.

The institute compiled figures showing that Rhode Island ranks alongside Maine in the percentage of residents living at the poverty level. The two states rank number 28 when compared with other states and Washington, D.C., (number one being the worst).

In related news, Rhode Island Kids Count yesterday cited federal figures showing that 6.9 percent of Rhode Island children were without health insurance in 2005-2007.

The organization said that Rhode Island ranks 11th in the country in terms of health coverage for children.

Its figures also showed that in 2006, 15.1 percent of Rhode Island children lived below the poverty level, and 17.5 percent last year. The latter figure ranks the state as number 21, with number one being the worst.

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