

Rhode Island's Shrinking Safety Net

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HOW DO WE DEFINE WHO IS POOR?

Poverty Rates 2007



	Rhode Island 2006 Data	Rhode Island 2007 Data	Rhode Island 2007 National Ranking (Number 1 being the worst)
Total Poverty	11.1%	12%	28
Child Poverty	15.1%	17.5%	21
Family Poverty	7.8%	8.3%	not available
Median Income (in 2007 dollars)	\$53,284	\$53,568	18

Poverty Rates 2007



	Rhode Island 2007 Poverty Rate	US 2007 Poverty Rate
All Adults over 65	9.3%	9.5%
Black/African American Only	21.6%	24.7%
Hispanic/Latino Only	30.5%	20.7%

2008 RI Standard of Need ...



Single parent, Toddler and school-aged child	
Food	\$594
Housing	\$1020
Transportation	\$386
Child care	\$1,314
Health insurance	\$200
Miscellaneous	\$351
Sales tax	\$25
TOTAL	\$3,890

2008 RI Standard of Need ...



Federal poverty level for a family of three
is \$1,467 per month (\$17,600 per year)

RI Standard of Need shows this family
needs \$3,890 (2.5X the FPL)

Low wages and growing inequality

- § Only state in New England to see median wage decline between 2000-2006
- § Income inequality growth 2ND worst in country over past two decades
- § Unemployment up significantly (7.7% in July)
- § Close to twenty percent of jobs pay poverty level wages
- § Most manufacturing jobs lost in U.S.

Skyrocketing Costs

- n RI has 9th least affordable rents in country
- n One in nine are food insecure
- n Home heating oil up 61%, gas 38%, electricity 15% over last year
- n Child care for infant costs more than public college tuition
- n One in five expected to be uninsured by 2010 if trends continue

Shrinking safety net

Work support programs that help low-income Rhode Islanders meet basic needs have been eroded over the past several years including ...

- n Cash assistance
- n RIte Care Health Insurance
- n Child Care/Early Education
- n Housing Assistance

Shrinking safety net:

CASH ASSISTANCE

Time-limit implemented for children receiving cash assistance

3,600 children (1,752 households) will lose cash assistance October 1st

Almost half of families have child under age six

Shrinking safety net:

CASH ASSISTANCE

**The Family Independence Program was repealed
and the RI Works Program was created**

- Shorter time limits
- Emphasis on work first activities
- Stricter sanction periods
- Legal Permanent Residents

Shrinking safety net:

RITE CARE/RITE SHARE

Premiums raised, charged to more families

Families will pay more (between \$85 and \$114/month)

A family of three earning \$23,400 a year will now pay \$45 a month

150 already lose coverage every month for non-payment

Shrinking safety net:

RITE CARE/RITE SHARE

Immigrants, parents lose coverage ...

Non citizen children dropped from RItE Care, half of whom were legal permanent residents

Income eligibility for parents roll backed, an estimated 1,000 low-wage working parents will lose coverage

Shrinking safety net:

Child Care/Early Education

In 2008, more than 250 Head Start slots eliminated

In 2007 income eligibility rolled back for child care assistance from 225% to 180% FPL

- n 1,600 children lost child care subsidies
- n For some families cost went from \$180/month to more than \$1250/month
- n MA and CT provide assistance to families earning up to 343 percent and 338 percent of the FPL respectively

Shrinking safety net:

Housing Programs

Funding for Neighborhood Opportunities Program
cut in half (from \$5 million to \$2.5 million)

\$26 million in funds from RI Housing Mortgage and
Finance Corporation used to plug budget hole,
impacting programs serving low-income

Challenges going forward

Medicaid Global Waiver proposal could cause sweeping changes in health care for low-income, seniors and people with disabilities

FY08 overspending of \$33 million; FY09 savings potentially not realized; FY10 project deficits

WINTER!!