



The Poverty Institute

at the Rhode Island College School of Social Work

INFORMATION UNDER EMBARGO UNTIL 12:01 a.m. on 12/17/08

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**Study shows price tag for living in the Ocean State;
finds more working families hurt by shrinking safety net**

It costs close to three times the poverty level to raise a family; work supports narrow but no longer close gap between earnings and expenses for basic needs

PROVIDENCE, RI (December 15, 2008) ---- Cuts to state subsidized child care and health care programs narrow but no longer close the gap between earnings and expenses for low-wage families, according to the 2008 Rhode Island Standard of Need (RISN), released by The Poverty Institute.

The RISN is published every two years by The Poverty Institute to provide a realistic standard for measuring the economic well-being of Rhode Islanders. The study calculates what it costs to meet basic expenses for a single parent and two-parent family, as well as single adults. It also documents the impact that taxes, tax credits, and work supports have on household budgets.

One of the key findings from the report shows that a parent raising two young children who earns \$32,560 per year (185 percent of the federal poverty level) has a monthly gap between earnings and expenses of over \$1,100. As a result of state budget cuts over the past two years, this parent saw her child care costs skyrocket from \$217 to \$1,314 per month. The parent also became ineligible for the RItE Care health insurance program, and the cost for keeping her children enrolled in this program increased.

“The shrinking safety net has caused the basic needs budgets for low- and modest-income families to go from black to red. Today, work supports narrow but no longer close the gap between earnings and expenses. Ensuring that families have access to affordable child care and health care is critical, especially in these harsh economic times,” said Kate Brewster, executive director of The Poverty Institute.

Using conservative cost assumptions, the Rhode Island Standard of Need calculates a no-frills budget for housing, transportation, child care, health care and other basic needs.

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This year's report shows that:

- It costs \$47,352 for a **single parent with two children** to meet basic needs. The parent needs earnings of over \$52,800 (three times the federal poverty level) to meet this budget without government subsidies.
- It costs \$52,188 for a **two-parent household with two children** to meet basic needs. The family needs earnings of over \$58,300 (2.75 times the federal poverty level) to meet this budget without government subsidies.
- It costs \$20,280 for a **single adult** to meet basic needs with earnings of over \$20,800 (twice the federal poverty level) required to meet this budget.

The Poverty Institute will be holding a media conference call Tuesday, December 16th at 10:00 am to discuss key findings from the report and offer a Q&A session for the media. If you would like to participate in this call, please email jleigh@ric.edu to reserve a slot.

Media Conference Call in information:

Toll-free phone number: (888) 617-3400

Passcode: 179697

These materials will remain under embargo until 12:01 a.m. on Wednesday, 12/17/08

The full report, press release and executive summary will be available at

www.povertyinstitute.org.

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About The Poverty Institute

The Poverty Institute is a non-partisan organization that develops and promotes policies to improve the economic security of low and modest-income Rhode Islanders and to ensure that tax and budget policies are equitable and adequate to fund vital public services. The Institute is housed at the Rhode Island College School of Social Work. Financial support comes from foundations, corporations, and individuals who care about social change and economic justice. For more information visit www.povertyinstitute.org.