

THE 2008 RHODE ISLAND STANDARD OF NEED

December 2008

EXECUTIVE SUMMARY

EVERY TWO YEARS, The Poverty Institute publishes *The Rhode Island Standard of Need* (RISN) to provide a realistic standard for measuring the economic well-being of families and single adults. The RISN uses the costs of housing, food, transportation, health care, child care and other basic necessities to calculate a no-frills budget for families with two young children and for single adults. The RISN also demonstrates how Food Stamps, tax credits and subsidies for child care and health care (RIte Care) help close the gap between income and basic need expenses.

The 2008 RISN shows what it costs to live in the Ocean State:

- It costs a single parent \$47,352 to raise two children. The parent needs earnings of over \$52,800 (300% of the federal poverty level) to meet this budget.
- It costs a two-parent household \$52,188 to raise two children. The family needs earnings of over \$58,300 (275% of the federal poverty level) to meet this budget.
- It costs a single adult \$20,280 to meet basic needs with earnings of over \$20,800 (200% of the federal poverty level) needed to meet this budget.

The 2008 RISN shows how work supports help narrow the gap between earnings and expenses:

- A single parent with two children who earns \$30,800 (twice the minimum wage of \$7.40/hour) and receives subsidized health care and child care has a gap between income and expenses of \$48/month. With income just over this amount, the parent becomes ineligible for RIte Care and the gap increases to at least \$109/month. If the parent earns an additional \$146/month, the family is ineligible for child care assistance and the gap between earnings and expenses increases to \$1,114/month.
- A two-parent family earning \$37,100 and receiving subsidized health care and child care has a gap between income and expenses of \$103/month. With income just over that amount, the parents become ineligible for RIte Care and the gap increases to at least \$229/month. If the family earns an additional \$88/month, the family becomes ineligible for child care assistance and the gap increases to \$1,179/month.
- A single adult earning minimum wage of \$15,392 has income which is too high to qualify for the Earned Income Tax credit or Food Stamps, the two work supports available for adults without children. The gap between income and expenses is just under \$600/month.
- Adults who are unable to work because of age or disability and rely on SSI benefits for their support have a gap between income and expenses of over \$600/month. While health care is provided at no cost, Food Stamps cover only one-half of the cost of food.