

# THE 2020 RHODE ISLAND STANDARD OF NEED

What it costs to live in Rhode Island and how work supports help families meet basic needs



The Economic Progress Institute

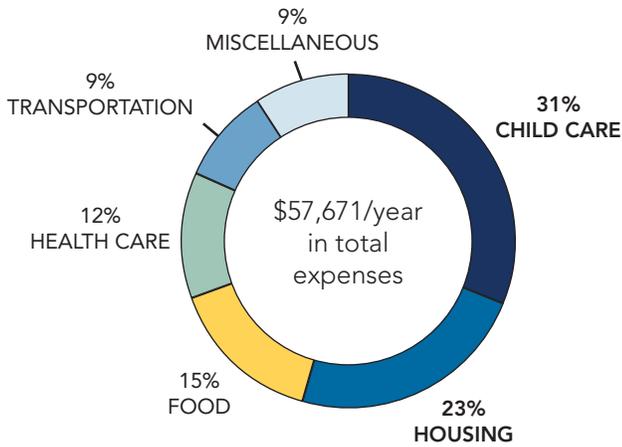
Many Rhode Islanders work at jobs that pay wages that are too low to meet basic living costs including housing, food, health care, and child care. Work support programs can help narrow the gap between earnings and expenses. Since Black and Latinx Rhode Islanders are overrepresented as a share of Rhode Island's low-wage workers, enhancing such programs as well as paying all workers a living wage, would serve to decrease disparities. This year's RISN is expanded to include examples of how workers fared during the COVID pandemic. This infographic provides information from seven of the nine findings.

For the full 2020 RISN visit: [www.economicprogressri.org/RISN](http://www.economicprogressri.org/RISN).

## 1 FAMILY EXPENSES

Raising a family in Rhode Island is expensive.

Child care & housing consume over half the budget for a single-parent with a toddler & school-age child



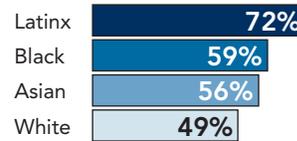
Does not add up to 100 percent due to rounding

## 2 HOUSEHOLD EARNINGS

Many Rhode Island households do not earn enough to meet basic needs.

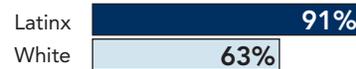
Latinx and Black Households less likely to meet expenses

### SINGLE ADULT



52% of Rhode Island single adults earn less than the required **\$30,600\***

### SINGLE-PARENT FAMILY



74% of Rhode Island single-parent households earn less than the required **\$66,057\***

### TWO-PARENT FAMILY

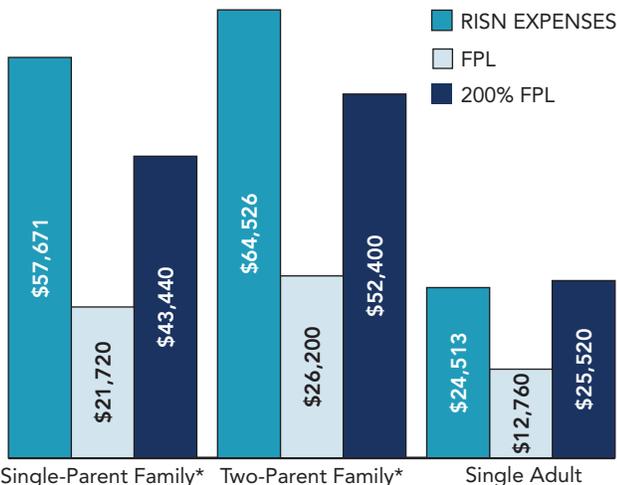


27% of Rhode Island two-parent households earn less than the required **\$73,646\***

\* Pre-tax earnings

## 3 MEASURING ECONOMIC SECURITY

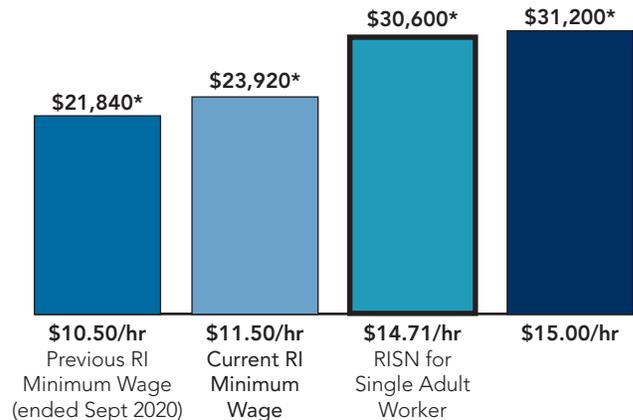
The Federal Poverty Level is an outdated measure of economic security.



\* Assumes two children: a toddler and a school-aged child and that all parents are working.

## 4 A LIVING WAGE

Increasing the minimum wage would improve the economic well-being of low-wage workers, especially women and Black and Latinx Rhode Islanders who are disproportionately minimum wage workers.



\* Annual incomes assume full-time year-round employment, at 40 hours a week.

## 5 LARGE GAP FOR CASH ASSISTANCE RECIPIENTS

Rhode Islanders receiving Rhode Island Works (RI Works), who are disproportionately Black and Latinx, or Supplemental Security Income (SSI) have significant gaps between income and basic living expenses.



### RI Works

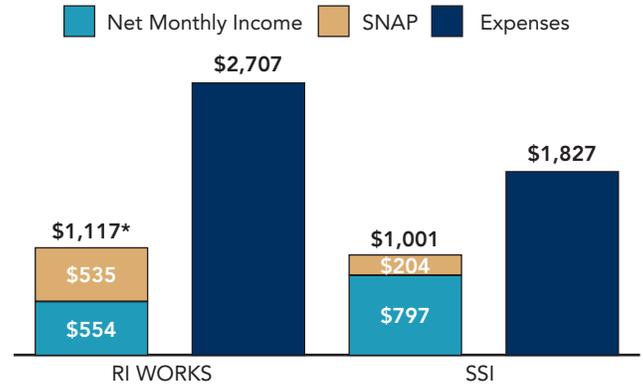
The maximum monthly benefit amount (\$554 for a family of three) has not increased in almost thirty years.



### SSI

The maximum monthly benefit in 2020 for a single adult is \$822.92 (\$783 from the federal benefit and \$39.92 from a state supplement).

Cash Assistance Is Not Enough to Offset Expenses.



\* Includes \$45/month for WIC

## 6 RHODE ISLAND'S ESSENTIAL WORKERS OFTEN STRUGGLE TO MAKE ENDS MEET

COVID-19 has created challenges for Rhode Island's essential workers, among whom Latinx and Black workers are overrepresented.

Many people on the frontlines of the COVID-19 crisis are doing work identified as essential, including many who earn low wages such as CNAs, home health aides, janitors in health care facilities, and grocery store clerks. Stacey, a direct care worker earns \$14.40 per hour helping some of Rhode Island's older residents remain in their homes, while her husband Pete stocks shelves at a grocery store earning the minimum wage of \$11.50 per hour.

Many Essential Workers Live on Inadequate Salaries.

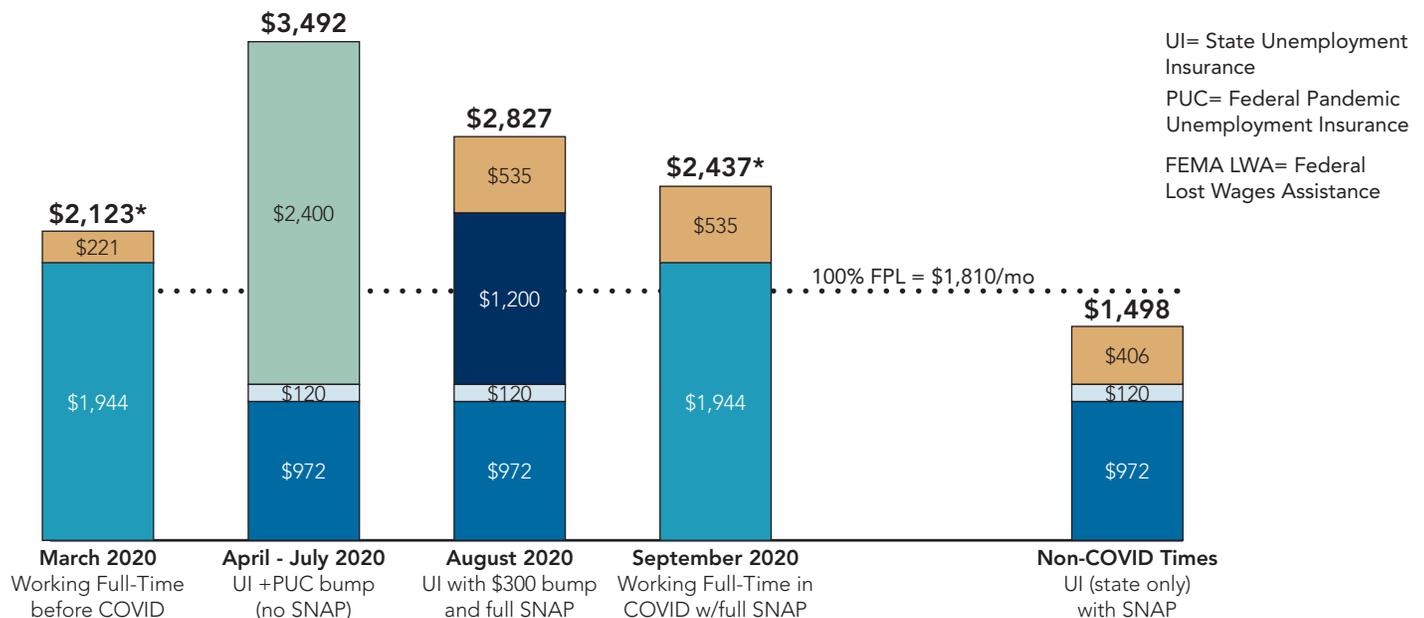
Stacey and Pete, parents with two children and combined earnings of \$52,400

Total Yearly Expenses	\$60,287
Net Annual Income	\$48,690
<b>Annual Difference Between Income and Expenses</b>	<b>- \$11,597</b>
<b>Average Monthly Difference Between Income and Expenses*</b>	<b>- \$966</b>

\* Does not reflect monthly take-home pay. Tax credits are generally received after the close of a tax year, with annual tax filings. The numbers here provide an overall annual perspective.

## 7 THE CARES ACT AND ADDITIONAL GOVERNMENT SUPPORT HELPED WORKERS DURING THE COVID-19 PANDEMIC

Paula, a child care worker with two children, earning \$1,944/month before becoming unemployed



\*\* Includes deduction of \$42/month for childcare