

***STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS***

New England Gas Company)	Docket No. 3696
)	
)	

DIRECT TESTIMONY AND EXHIBITS OF
JOHN HOWAT

SUBMITTED ON BEHALF OF THE
THE GEORGE WILEY CENTER

October 12, 2005

1 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

2 A. My name is John Howat. My business address is 77 Summer Street, 10th Floor,
3 Boston Massachusetts.

4 **Q. FOR WHOM ARE YOU TESTIFYING IN THIS PROCEEDING?**

5 A. I am testifying on behalf of the George Wiley Center (“Wiley Center”).

6 **Q. WHAT ARE THE PURPOSES OF YOUR TESTIMONY?**

7 A. The purposes of my testimony are to (1) comment on the impacts on low-income
8 ratepayers from the proposed increase in standard offer service rates of New
9 England Gas Company, and (2) recommend means of mitigating those impacts.

10 **Q. PLEASE DESCRIBE YOUR QUALIFICATIONS.**

11 A. I am Senior Energy Policy Analyst at National Consumer Law Center in Boston,
12 Massachusetts. I have been professionally involved with energy program and
13 policy issues since 1981. At the National Consumer Law Center over the past six
14 years, I have managed a range of regulatory, legislative and advocacy projects
15 across the country in support of low-income consumers’ access to affordable
16 utility and energy related services. I have been involved with the design and
17 implementation of low-income energy affordability and efficiency programs and
18 outreach efforts, rate design, issues related to metering and billing, development
19 of load profiles, energy burden analysis and related demographic analysis, and
20 low-income regulatory consumer protection. In addition to current work with the
21 George Wiley Center, I work or have worked on behalf of community-based
22 organizations or their associations in Massachusetts, Arkansas, Arizona,
23 Louisiana, Mississippi, New Jersey, Pennsylvania, Texas and Washington State. I

1 also work or have worked on low-income energy matters on behalf of the
2 National AARP and state AARP chapters in Louisiana and Kansas. I work or
3 have worked under contract with the U.S. Department of Health and Human
4 Services, Oak Ridge National Laboratories, the Attorney General in Nevada and
5 the National Energy Assistance Directors' Association. I have presented
6 testimony before utility regulatory agencies in Massachusetts, New Jersey, Rhode
7 Island, Vermont, and Louisiana. For the past five years, I have sat on the Board
8 of Directors of the National Low Income Energy Consortium, and am a regular
9 presenter at conferences of National Community Action Foundation, National
10 Low Income Energy Consortium, National Energy Assistance Directors
11 Association, National Association of Regulatory Utility Commissions and
12 National Association of State Utility Consumer Advocates.
13 I served as Research Director of The Massachusetts Joint Legislative Committee
14 on Energy, responsible for the development of new energy efficiency programs
15 and low-income energy assistance budgetary matters. I served as Economist with
16 the Electric Power Division of the Massachusetts Department of
17 Telecommunications and Energy, responsible for analysis of electric industry
18 restructuring proposals; and as Director of the Association of Massachusetts Local
19 Energy Officials. I have a Master's Degree from Tufts University's Graduate
20 Department of Urban and Environmental Policy and Bachelor of Arts Degree
21 from The Evergreen State College.

22 **Q. BRIEFLY DESCRIBE THE COMPANY'S PROPOSAL.**

1 A. New England Gas Company (“the Company”) has proposed to increase its Cost of
2 Gas Recovery (“CGR”) factor to residential and small commercial/industrial
3 customers to \$11.3705 per dekatherm. The Company indicates that the proposed
4 increase would raise typical residential heating customers’ bills by \$345
5 annually.¹

6 **Q. DESCRIBE THE IMPACT OF THE COMPANY’S PROPOSED**
7 **INCREASE ON LOW INCOME CUSTOMERS.**

8 A. Increasing heating bills at this time will exacerbate what is already a
9 severe crisis in home energy affordability faced by low income² households.
10 Absent interventions such as a meaningful payment assistance and arrearage
11 management, unaffordable utility bills result in increased customer arrearages and
12 service disconnections. Loss of essential household utility service can have
13 catastrophic effects on health and safety and the ability to participate effectively
14 in society. Illness, homelessness, poor academic performance, and even death can
15 result from loss of basic utility service. For those low-income households that are
16 able to retain utility service, unaffordable utility bills too often result in the
17 sacrifice of other necessary goods and services. Many low-income families pay
18 about three times the fraction of their incomes on home energy as to median
19 income families. Thus, it is not surprising that results of a recent national study
20 conducted by the National Energy Assistance Directors Association found that a
21 high proportion of LIHEAP recipients take drastic actions to pay their energy

¹ Czekanski Supplemental Testimony at 4, PCC-1, page 1.

² For purposes of this testimony, the term “low-income household” refers to a household that is income-eligible to receive benefits through the federal Low Income Home Energy Assistance Program (“LIHEAP”).

1 bills, including reduction of expenditures for other household necessities or use of
2 their kitchen stove for heat. In addition, the study of LIHEAP recipients found
3 that 38 percent went without medical or dental care and 30 percent went without
4 filling a prescription or reduced a prescribed dosage of medicine in attempting to
5 pay their energy bills.³

6 **Q. HAS FUNDING FOR LOW INCOME ENERGY PAYMENT ASSISTANCE**
7 **INCREASED TO OFFSET RECENT PRICE INCREASES?**

8 A. No. In fact, the President has proposed to decrease funding for the primary source
9 of energy payment assistance, LIHEAP. Rhode Island received an initial
10 LIHEAP allocation of \$12.8 million in FY 2005. President Bush's budget would
11 provide \$12.2 million for FY 2006. The House of Representatives' budget would
12 provide an allocation of \$13.6 million for FY 2006. A final budget for FY 2006
13 has yet to be adopted by Congress and signed by the President.

14 **Q. HAVE THE INCOMES OF LOW-INCOME AND POOR RHODE**
15 **ISLANDERS INCREASED BY 23.8 %, OR BY ANY PER CENT, IN THE**
16 **LAST YEAR?**

17 A. No. To the contrary, last year the number of children living in poverty in Rhode
18 Island increased, from 16.7 % in 2003 to 20.7 % in 2004, a rate much higher than
19 the national average of 18.1 %. Attached as Exhibit A are the 2004 figures
20 published by the United States Census Bureau showing this increase; Exhibit B
21 shows comparable figures for 2003. This recent increase in children living in
22 poverty comes after a decade in which the percentage of children living in poverty

³ National Energy Assistance Directors' Association, "National Energy Assistance Survey Report," April 2004, pp. ES-1, ES-2. www.neada.org/comm/surveys/NEADA_Survey_2004.pdf.

1 increased from 14 % in 1990 to 17 % in 2000. See, "Children in Poverty," 2005
2 Rhode Island KIDS COUNT Factbook, attached as Exhibit C. Rhode Island has
3 the largest percentage of Latino children living in poverty (47%), compared to the
4 national average (28 %). Id. It also has the highest percentage of African
5 American children living in poverty in New England (38 %). Id.
6 Overall, 12.8 % of Rhode Islanders were living in poverty in 2004 according to
7 the United States Census. See, Exhibit D. This is nearly a 2 % increase over the
8 2003 figures, which showed 11.3 % of Rhode Islanders living in poverty. See,
9 Exhibit E.
10 I have attached a recent editorial by the Providence Journal on this subject.
11 Exhibit F. As the editorial points out, although the economy has grown, median
12 incomes have not. "Productivity is up, but the gains have been plowed largely
13 into profits, rather than wages," according to the Providence Journal editorial
14 board. Id. In Rhode Island, median incomes in Rhode Island fell slightly
15 between 2003 and 2004. See, Exhibit G (United States Census figures showing
16 2003 median Rhode Island incomes of \$48,854); Exhibit H (United States Census
17 figures showing 2004 median Rhode Island incomes of \$48,722). This is on top
18 of significant decreases in the median household income in Rhode Island between
19 2001-2002 and 2002-2003. See, "Median Household Income," 2005 Rhode Island
20 KIDS COUNT Factbook, attached as Exhibit I. The share of Rhode Island jobs
21 paying poverty-level wages grew during the 1990's. Id. In 1999, 24% of Rhode
22 Island jobs paid below the wage necessary to put a family of four above the
23 poverty threshold with full-time, year-round work. Id.

1 The total cost of housing is a particular problem for low-income and poor Rhode
2 Islanders. Nearly half (41 %) of all Rhode Island renters in 2003 spent more than
3 30 % of their income on housing, including heat. See, Exhibit J, “Cost of Rent”
4 figures in 2005 Rhode Island KIDS COUNT Factbook. In 2004, 3367 residential
5 customers who used electric or gas to heat their homes entered the moratorium
6 period with their utility shut off due to non-payment. *Id.*

7 **Q. HOW DO THE LOW INCOMES OF RHODE ISLANDERS AFFECT**
8 **THEIR ABILITY TO PAY INCREASED RATES FOR GAS SERVICE?**

9 A. Low-income and poor Rhode Islanders are frequently unable to make payment on
10 their gas bills, even at current rates. A 23.8 % increase will be beyond the means
11 of virtually every low-income and poor Rhode Islander. To date in 2005, New
12 England Gas has terminated 1997 protected (low-income) customers. *See,*
13 attached report filed in PUC Docket #1725, marked *Exhibit K*. As of July 31,
14 2005, 1080 protected accounts terminated after the end of the moratorium in April
15 had not been restored. *Id.* People entering payment plans according to the
16 requirements imposed by New England Gas are unable to keep pace. At the end
17 of March, 2005, 90 % of the payment plans entered had been broken (14,515 out
18 of 16,166). As of the end of August, 7772 payment plans had been broken out of
19 12,269 entered, or 63 %. The payment terms the company is requiring are too
20 demanding for people to continue to pay. This is costly both for the company and
21 the customers.

1 **Q. HOW DO RHODE ISLAND RESIDENTIAL ENERGY EXPENDITURES,**
2 **POVERTY RATES AND UTILITY LOW INCOME PROGRAM**
3 **EXPENDITURES COMPARE WITH THOSE OF OTHER NEW**
4 **ENGLAND STATES?**

5 A. As illustrated in Exhibit L., Rhode Islanders home energy expenditures are within
6 the range of the other five New England states. However, only the State of Maine
7 has a higher population rate below 125% of the Federal Poverty Level than Rhode
8 Island. In addition, New England states in 2004 on average supplemented federal
9 LIHEAP and Weatherization Assistance low-income energy program
10 expenditures with nearly \$68 per low-income person. Rhode Island supplemental
11 expenditures were only about \$37 per low-income person, far lower than any
12 other state in the region. Thus, additional funding for low-income bill payment
13 assistance would help to mitigate this disparity.

14 **Q. WHAT ARE YOUR RECOMMENDATIONS REGARDING**
15 **MITIGATION OF LOW INCOME IMPACTS OF THE PROPOSED RATE**
16 **INCREASE?**

17 A. First, there is a need for low income natural gas bill payment assistance that goes
18 beyond that which is currently offered through the Company's partial LIHEAP
19 match. The Company's proposed rate increase, if approved, should be
20 accompanied by approval of a targeted discount program that is designed to
21 provide LIHEAP participants with the benefits to lower household natural gas
22 burdens to same level paid by median income households. In addition, the

1 Company's low income customers should have access to an effective arrearage
2 management program.

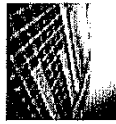
3 Funding for payment assistance and arrearage management programs should
4 come from both federal and nonfederal sources. The Wiley Center recommends
5 that the Commission adopt a non-bypassable volumetric charge on all Company
6 sales to end-use customers.

7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 A. Yes.

U.S. Census Bureau

American FactFinder



United States and States

R1702. Percent of Related Children Under 18 Years Below Poverty Level in the Past 12 Months: 2004



Universe: Related children under 18 years

Data Set: 2004 American Community Survey

NOTE. Data are limited to the household population and exclude the population living in institutions, college dormitories, and other group quarters. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see Survey Methodology.

Rank	State	Percent	Lower Bound	Upper Bound
1	District of Columbia	33.7	29.2	38.2
2	Mississippi	30.8	28.7	32.9
3	Louisiana	29.5	27.3	31.7
4	New Mexico	27.0	24.2	29.8
5	Arkansas	25.3	22.6	28.0
6	Kentucky	24.6	22.1	27.1
7	West Virginia	24.0	20.7	27.3
8	Alabama	23.2	21.6	24.8
9	Texas	22.6	21.6	23.6
10	South Carolina	22.5	20.2	24.8
11	North Carolina	21.5	19.3	23.7
12	Georgia	20.9	19.6	22.2
13	Rhode Island	20.7	18.1	23.3
14	Tennessee	20.6	18.3	22.9
15	Oklahoma	20.5	18.0	23.0
16	New York	20.3	19.4	21.2
17	Arizona	19.6	17.7	21.5
18	Idaho	19.1	16.6	21.6
19	Montana	18.7	16.9	20.5
20	California	18.5	17.7	19.3
20	Nevada	18.5	15.0	22.0
22	Oregon	18.3	16.3	20.3
	United States	18.1	17.8	18.4
23	Ohio	18.0	16.4	19.6
24	Florida	17.2	16.1	18.3
24	Michigan	17.2	15.8	18.6
26	Washington	16.9	15.5	18.3
27	Maine	16.7	14.1	19.3
28	Illinois	16.5	15.3	17.7
28	Pennsylvania	16.5	15.4	17.6
30	Missouri	15.8	13.7	17.9
31	North Dakota	14.8	11.3	18.3
32	South Dakota	14.5	11.8	17.2
33	Indiana	14.4	12.5	16.3
34	Colorado	14.2	11.6	16.8
35	Delaware	13.6	11.3	15.9
35	Hawaii	13.6	10.2	17.0
35	Wisconsin	13.6	12.4	14.8
35	Wyoming	13.6	12.1	15.1
39	Utah	13.1	11.1	15.1
40	Nebraska	12.7	11.4	14.0
41	Virginia	12.6	11.1	14.1
42	Massachusetts	12.2	11.0	13.4
43	Iowa	12.1	10.7	13.5
44	New Jersey	11.7	10.5	12.9

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Rank 	State 	Percent	Lower Bound	Upper Bound
45	Kansas	11.6	10.1	13.1
46	Maryland	11.0	9.7	12.3
47	Vermont	10.9	9.0	12.8
48	Alaska	10.4	7.5	13.3
49	Minnesota	10.2	8.4	12.0
50	Connecticut	10.1	8.5	11.7
51	New Hampshire	9.4	7.4	11.4

Source: U.S. Census Bureau, 2004 American Community Survey

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a confidence interval. The interval shown here is a 90 percent confidence interval. The stated range can be interpreted roughly as providing a 90 percent probability that the interval defined by the lower and upper bounds contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Explanation of Symbols:

1. An '-' entry in the lower and upper bound columns indicates that too few sample observations were available to compute a standard error and thus the lower and upper bounds. A statistical test is not appropriate.
2. An '***' entry in the lower and upper bound columns indicates that no sample observations were available to compute a standard error and thus the lower and upper bounds. A statistical test is not appropriate.
3. An '-' entry in the estimate column indicates that no sample observations were available to compute an estimate.
4. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
5. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
6. An '****' entry in the lower and upper bound columns indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
7. An '*****' entry in the lower and upper bound columns indicates that the estimate is controlled. A statistical test is not appropriate.
8. An 'N' entry in the estimate, lower bound, and upper bound columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

U.S. Census Bureau**American FactFinder****United States and States**

Percent of Related Children Under 18 Years Below Poverty Level in the Past 12 Months: 2003



Universe: Related children under 18 years

Data Set: 2003 American Community Survey Summary Tables

NOTE: Data are limited to the household population and exclude the population living in institutions, college dormitories, and other group quarters. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see Survey Methodology.

Rank	State	Percent	Lower Bound	Upper Bound
	United States	17.3	17.1	17.6
1	District of Columbia	35.2	31.3	39.1
2	Louisiana	29.7	27.6	31.7
3	Mississippi	28.3	26.5	30.1
4	West Virginia	25.3	22.9	27.8
5	New Mexico	25.1	22.1	28.2
6	Kentucky	23.7	21.4	26.0
7	Arkansas	23.6	21.4	25.8
8	Alabama	23.3	21.7	24.9
9	Texas	22.5	21.5	23.5
10	Oklahoma	22.2	19.8	24.5
11	Arizona	20.8	18.8	22.8
12	Tennessee	19.5	17.9	21.0
13	New York	19.1	18.1	20.1
14	California	18.6	18.0	19.3
14	Florida	18.6	17.6	19.6
16	South Carolina	18.5	16.9	20.0
17	Georgia	18.4	16.7	20.1
18	North Carolina	18.3	17.2	19.5
19	Ohio	17.6	16.6	18.6
20	Montana	17.5	14.6	20.3
21	Idaho	17.0	14.4	19.7
21	Oregon	17.0	14.4	19.5
23	Rhode Island	16.2	14.0	18.5
24	Pennsylvania	15.4	14.3	16.4
25	Illinois	15.3	14.2	16.5
25	Missouri	15.3	14.0	16.7
27	Michigan	15.2	14.1	16.2
28	Hawaii	14.9	13.2	16.7
28	Nevada	14.9	12.5	17.3
30	Wisconsin	13.9	12.0	15.9
31	Kansas	13.7	11.4	16.0
32	North Dakota	13.4	11.6	15.2
33	South Dakota	13.3	11.4	15.2
33	Washington	13.3	11.5	15.1
35	Indiana	13.2	11.9	14.5
36	Colorado	12.9	10.7	15.1
37	Alaska	12.8	10.8	14.9
37	Maine	12.8	11.0	14.7
39	Nebraska	12.0	10.3	13.7
39	Wyoming	12.0	10.1	13.9
41	Delaware	11.9	9.5	14.3
42	Massachusetts	11.8	10.7	13.0
43	Iowa	11.7	10.2	13.2
44	New Jersey	11.5	10.2	12.7

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Rank 	State 	Percent	Lower Bound	Upper Bound
44	Utah	11.5	9.9	13.1
46	Virginia	11.3	9.6	12.9
47	Vermont	11.1	9.0	13.2
48	Connecticut	10.8	9.2	12.4
49	Maryland	9.8	8.4	11.3
50	Minnesota	9.0	8.1	10.0
51	New Hampshire	7.8	6.1	9.5

Source: U.S. Census Bureau, 2003 American Community Survey

The table above shows the margin of error, represented by the lower and upper bounds of the 90-percent confidence interval. The confidence interval represents the degree of uncertainty for an estimate and can be interpreted roughly as providing 90 percent certainty that the true number falls between the upper and lower bounds. The smaller the confidence interval the more precise the estimate.

Explanation of Symbols:

An "N" entry in the estimate, lower bound, and upper bound columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

Children in Poverty

DEFINITION

Children in poverty is the percentage of related and unrelated children under age 18 living in a household below the federal poverty threshold, as defined by the U.S. Office of Management and Budget. Poverty is determined based on income received during the year prior to the Census.

SIGNIFICANCE

Poverty is related to every KIDS COUNT indicator. Children in poverty, especially those in poverty for extended periods of time, are more likely to have health and behavioral problems, experience difficulty in school, become teen parents, earn less as adults and be unemployed more frequently.¹² Children in low-income communities are more likely to attend schools that lack resources and rigor; have limited access to high quality child care programs; and have fewer opportunities to participate in extracurricular activities after school and on the weekends, such as sports and recreation programs, clubs, and lessons such as music and computers.¹⁴

Children of color and children of immigrants are more likely to grow up poor.⁵ Single parenthood, low educational attainment, part-time or no employment and low wages of parents place children at risk of being poor.⁶

The 2004 federal poverty threshold for a family of three with two children is \$15,219 while the poverty threshold for a family of four with two children is \$19,157.⁷ Historically, the poverty threshold fails to provide a complete scope of how the cost of basic goods such as food and housing, taxes, work related expenses, medical expenses and child care affect people's economic well-being. The poverty threshold also fails to account for increased expenses that occur as family size increases. According to the 2003 Rhode Island Standard of Need developed by the Poverty Institute, a family of three needs to make \$23,000 a year with the use of child care subsidies and Rite Care to make ends meet. Likewise, a family of four with two children needs to make \$28,080 a year with the use of child care subsidies and Rite Care to meet their basic needs.⁸

Children in Poverty

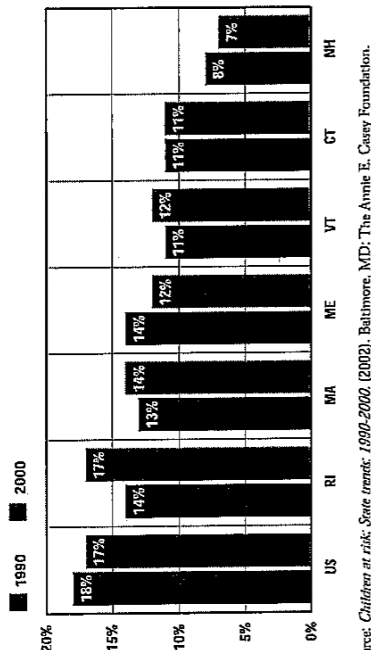
	1990	2000
RI	14%	17%
US	18%	17%
National Rank*		30th
New England Rank**		6th

*1st is best; 50th is worst

**1st is best; 6th is worst

Source: *Children at Risk: State Trends, 1990-2000* (2002).
Baltimore, MD: The Annie E. Casey Foundation.

Children Living Below the Federal Poverty Threshold, New England and the U.S., 1990 and 2000



Source: *Children at Risk: State Trends, 1990-2000* (2002). Baltimore, MD: The Annie E. Casey Foundation.

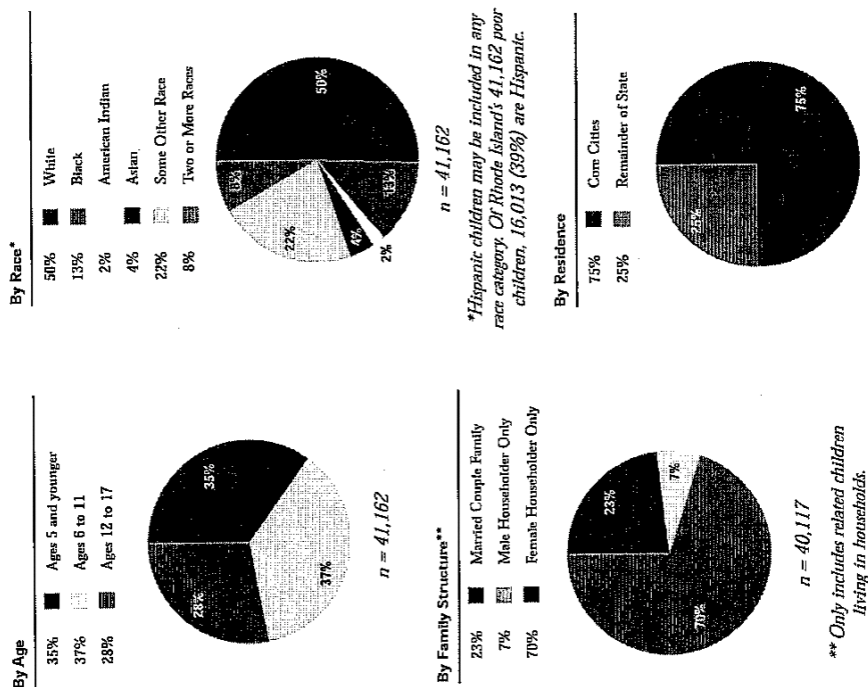
◆ Between 1990 and 2000 the percentage of children in poverty decreased nationally and in two New England states, Maine and New Hampshire. Rhode Island, Massachusetts, and Vermont all experienced increases in the percentage of children living below the poverty threshold, while Connecticut remained constant. The percentage of children below the poverty threshold in Rhode Island increased from 14% in 1990 to 17% in 2000.⁹

◆ Rhode Island has the largest percentage of Latino children living below the federal poverty threshold (47%), compared to the national rate (28%).¹⁰ Rhode Island has the highest percentage of African American children living below the federal poverty threshold (38%) in New England.¹¹

◆ Family structure continues to be strongly related to whether or not children grow up in poor households. Children in single-parent families are five times more likely than children in two-parent families to be living below the poverty threshold.¹² According to the 2000 Census, compared to the rest of New England, Rhode Island has the highest percentage of families with children headed by a single parent (32%).¹³

Children in Poverty

Rhode Island's Poor Children, 2000



Source: U.S. Bureau of the Census, Census 2000, Summary File 3. Core cities are Central Falls, Newport, Pawtucket, Providence, West Warwick and Woonsocket.

Children Living in Extreme Poverty

- ◆ Families with income below 50% of the federal threshold are considered to be living in extreme poverty.¹⁴ The extreme poverty threshold in 2004 was family income below \$7,610 for a family of three with two children and \$9,579 for a family of four with two children.¹⁵
- ◆ In 2000, of the 41,162 children living below the poverty threshold in Rhode Island, nearly half (48%) lived in extreme poverty. In total, 8% (19,773) of all children in Rhode Island lived in extreme poverty.¹⁶
- ◆ Children who live in deep, long-term poverty experience poor health outcomes, such as child asthma and malnutrition, as a result of their family's income status.¹⁷

Young Children Under Age 6 in Poverty in Rhode Island

- ◆ Research shows that increased exposure to risk factors associated with poverty obstruct children's emotional and intellectual development. Risk factors associated with poverty include: inadequate nutrition, environmental toxins, maternal depression, trauma and abuse, lower quality child care and parental substance abuse.¹⁸
- ◆ In 2000, 19% (14,548) of Rhode Island children under 6 were living below the poverty threshold, compared to 18% nationally.¹⁹ Of these children, 7,230 (10%) were extremely poor.²⁰
- ◆ In Newport (22.6%), Providence (23.5%), Central Falls (20.6%) and Woonsocket (19.9%), one in five children under age 6 lived in extreme poverty.²¹
- ◆ As of December 1, 2004 there were 5,468 children under age 3 and 4,470 children ages 3 to 5 in families receiving cash assistance from the Family Independence Program. Of all children under 18 in the Family Independence Program, 47% are age 6 or under.²²

Children in Poverty

Building Blocks of Economic Security

Income Supports

◆ Income supports include: the FIP Earned Income Disregard, Food Stamps, the Earned Income Tax Credit, child care subsidies, health care subsidies and Energy Assistance programs. Income supports help to ensure that low-income working families have adequate resources to meet their basic needs.²³

Access to Health Care

◆ Many workers in low-wage jobs are often not offered affordable employer-sponsored health insurance. Access to health insurance improves the likelihood of having a regular and affordable source of health care.²⁴

Affordable Quality Child Care

◆ The quality and stability of the child care setting is critical to a parent's ability to work and to the child's development.²⁵ Child care costs represent a significant part of the budget of low-income families and are associated with a mother's refusal or termination of employment.²⁶

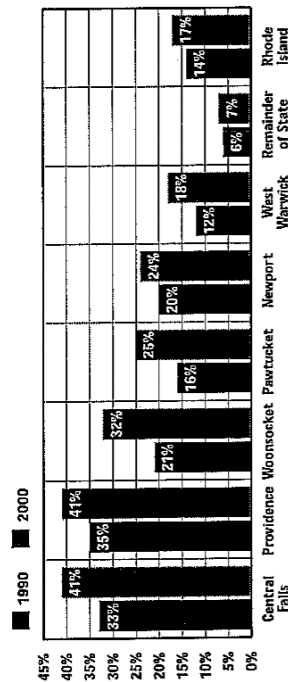
Affordable Housing

◆ Stable housing is a critical requirement for job retention and performance.²⁷ In 2003, the average rent for a two bedroom apartment in Rhode Island was \$1,032 more than double the amount that is considered affordable for a poor family of three.²⁸ The high cost of utilities can make finding and keeping affordable housing more difficult.

Educational Attainment

◆ Low-income workers are nearly three times more likely not to have finished high school.²⁹ Individuals with higher education generally have more job opportunities, higher wages and greater job security than those with lower levels of education.³⁰

Child Poverty Rates, 1990 and 2000, Core Cities, Remainder of State and Rhode Island



Source: U.S. Census Bureau, Census 1990 and 2000, Summary File 3.

◆ Rhode Island's child poverty rate increased from 14% to 17% over the decade of the 1990s. The child poverty rate increased in each of the core cities between 1990 and 2000.³¹

◆ Rhode Island KIDS COUNT defines core cities as those communities in which 15% or more of the children live in families with income below the federal poverty threshold. Three-quarters (75%) of Rhode Island's poor children live in one of the six core cities.³²

◆ Because of increases in child poverty between 1990 and 2000, West Warwick is now a core city, with 18% of children living in poverty.³³ Providence now has the third highest child poverty rate (41%) in the U.S. among cities with a population of 100,000 or more.³⁴

Children in Poverty

Table 8. Children Living Below the Federal Poverty Threshold, Rhode Island, 2000

CITY/TOWN	CHILDREN UNDER 6 LIVING IN EXTREME POVERTY		CHILDREN UNDER 6 LIVING BELOW POVERTY		CHILDREN UNDER 18 LIVING IN EXTREME POVERTY		CHILDREN UNDER 18 LIVING BELOW POVERTY	
	N	%	N	%	N	%	N	%
Barrington	0	0	23	1.9%	41	1%	127	2.7%
Bristol	66	4.8%	157	11.4%	184	4.2%	436	10.0%
Burrillville	54	5.3%	80	7.9%	139	3.9%	236	6.0%
Central Falls	357	20.6%	740	42.7%	1,146	21.2%	2,210	40.9%
Charlestown	2	<1%	18	3.7%	10	1%	78	4.7%
Covington	32	1.4%	149	6.4%	146	1.8%	491	5.9%
Cranston	161	3.2%	437	8.6%	605	3.7%	1,496	9.1%
Cumberland	41	1.6%	89	3.6%	65	1%	237	3.1%
East Greenwich	39	4.2%	57	6.1%	76	2.1%	147	4.1%
East Providence	214	6.9%	452	14.5%	557	5.4%	1,126	10.8%
Exeter	50	11.8%	69	16.3%	93	6.2%	112	7.5%
Foster	0	0	0	NA	0	NA	32	2.9%
Grochester	17	2.6%	37	5.7%	112	4.2%	178	6.7%
Hopkinton	0	0	55	8.9%	8	<1%	115	5.9%
Jamestown	0	0	0	NA	17	1.4%	17	1.4%
Johnston	69	3.6%	183	9.5%	191	3.3%	527	9.0%
Lincoln	39	2.9%	76	5.6%	142	2.8%	329	6.5%
Little Compton	8	3.5%	8	3.5%	8	1.0%	8	1.0%
Middletown	16	1.1%	70	5.0%	128	3.0%	284	6.2%
Narragansett	25	3.3%	50	6.5%	59	2.2%	235	8.6%
New Shoreham	1	1.6%	3	4.8%	12	6.4%	19	10.2%
Newport	413	22.6%	628	34.3%	773	14.9%	1,267	24.4%
North Kingstown	153	7.1%	239	11.1%	375	5.5%	663	9.7%
North Providence	85	4.8%	212	12.0%	271	4.7%	579	10.1%
North Smithfield	45	6.3%	45	6.3%	58	2.5%	72	3.0%
Pawtucket	824	14.1%	1,711	29.2%	2,195	12.2%	4,542	25.3%
Portsmouth	34	2.7%	63	5.0%	49	1.2%	118	2.8%
Providence	3,252	22.5%	6,137	42.5%	8,846	19.9%	18,045	40.5%
Richmond	17	2.4%	17	2.4%	60	3.0%	82	4.2%
Scituate	8	1.1%	30	4.2%	18	1%	113	4.3%
Smithfield	11	1.0%	11	1.0%	47	1.2%	153	3.9%
South Kingstown	5	<1%	82	4.6%	120	2.0%	324	5.3%
Swanton	14	1.6%	48	5.4%	48	1.4%	92	2.8%
Warren	41	5.2%	60	7.6%	136	5.6%	205	8.4%
Warwick	126	2.2%	386	6.8%	410	2.2%	1,243	6.7%
West Greenwich	0	0	18	3.7%	0	NA	40	2.7%
West Warwick	239	10.8%	606	26.8%	462	7.0%	1,186	18.1%
Westerly	0	0	141	8.0%	105	2.0%	534	10.0%
Woonsocket	772	19.9%	1,361	35.0%	2,081	18.8%	3,494	31.8%
Care Cities	5,657	19.5%	11,183	37.3%	15,483	17.1%	30,744	33.9%
Remainder of State	1,373	3.0%	3,365	7.3%	4,290	2.8%	10,418	6.8%
Rhode Island	7,230	9.5%	14,548	19.2%	19,773	8.1%	41,162	16.9%

Source of Data for Table/Methodology

Data are from the U.S. Bureau of the Census, Census 2000, Summary File 3, P87 and PCT150. The data include the poverty rate for all children for whom poverty was determined, including related children and unrelated children living in the household. In the past this table has reflected the poverty rate for only related children under 18 from Census 2000, Summary File 3, PCT152.

Children under 18 living in extreme poverty are those living in households with income below 50% of the federal poverty threshold.

References for Indicator

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⁵ Children's Defense Fund. *Child poverty: Characteristics of poor children in America - 2002*. Retrieved February 2003 from www.childrensdefense.org.

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(continued on page 145)

U.S. Census Bureau

American FactFinder



United States and States

R1701. Percent of People Below Poverty Level in the Past 12 Months (For Whom Poverty Status is Determined): 2004

Universe: Population for whom poverty status is determined

Data Set: 2004 American Community Survey

NOTE: Data are limited to the household population and exclude the population living in institutions, college dormitories, and other group quarters. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see Survey Methodology.

Rank	State	Percent	Lower Bound	Upper Bound
1	Mississippi	21.6	20.5	22.7
2	Louisiana	19.4	18.4	20.4
3	New Mexico	19.3	17.7	20.9
4	District of Columbia	18.9	17.2	20.6
5	Arkansas	17.9	16.6	19.2
5	West Virginia	17.9	16.6	19.2
7	Kentucky	17.4	16.1	18.7
8	Texas	16.6	16.1	17.1
9	Alabama	16.1	15.3	16.9
10	South Carolina	15.7	14.4	17.0
11	Oklahoma	15.3	14.0	16.6
12	North Carolina	15.2	14.0	16.4
13	Georgia	14.8	14.1	15.5
14	Idaho	14.5	13.2	15.8
14	Tennessee	14.5	13.4	15.6
16	Arizona	14.2	13.1	15.3
16	Montana	14.2	13.3	15.1
16	New York	14.2	13.7	14.7
19	Oregon	14.1	13.1	15.1
20	California	13.3	12.9	13.7
	United States	13.1	12.9	13.3
21	Washington	13.1	12.1	14.1
22	Rhode Island	12.8	11.8	13.8
23	Nevada	12.6	11.1	14.1
24	Ohio	12.5	11.7	13.3
25	Maine	12.3	11.2	13.4
25	Michigan	12.3	11.6	13.0
27	Florida	12.2	11.7	12.7
28	North Dakota	12.1	10.4	13.8
29	Illinois	11.9	11.2	12.6
30	Missouri	11.8	10.6	13.0
31	Pennsylvania	11.7	11.2	12.2
32	Colorado	11.1	9.8	12.4
33	Nebraska	11.0	10.3	11.7
33	South Dakota	11.0	9.5	12.5
35	Utah	10.9	9.6	12.2
36	Indiana	10.8	9.7	11.9
37	Wisconsin	10.7	9.8	11.6
38	Hawaii	10.6	8.3	12.9
39	Kansas	10.5	9.9	11.1
40	Wyoming	10.3	9.6	11.0
41	Delaware	9.9	9.0	10.8
41	Iowa	9.9	9.3	10.5
43	Virginia	9.5	8.6	10.4
44	Massachusetts	9.2	8.7	9.7

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Rank	State	Percent	Lower Bound	Upper Bound
45	Vermont	9.0	8.1	9.9
46	Maryland	8.8	8.1	9.5
47	New Jersey	8.5	7.9	9.1
48	Minnesota	8.3	7.5	9.1
49	Alaska	8.2	7.4	9.0
50	Connecticut	7.6	6.9	8.3
50	New Hampshire	7.6	6.8	8.4

Source: U.S. Census Bureau, 2004 American Community Survey

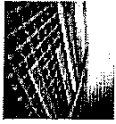
Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a confidence interval. The interval shown here is a 90 percent confidence interval. The stated range can be interpreted roughly as providing a 90 percent probability that the interval defined by the lower and upper bounds contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Explanation of Symbols:

1. An '!' entry in the lower and upper bound columns indicates that too few sample observations were available to compute a standard error and thus the lower and upper bounds. A statistical test is not appropriate.
2. An '***' entry in the lower and upper bound columns indicates that no sample observations were available to compute a standard error and thus the lower and upper bounds. A statistical test is not appropriate.
3. An '-' entry in the estimate column indicates that no sample observations were available to compute an estimate.
4. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
5. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
6. An '****' entry in the lower and upper bound columns indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
7. An '*****' entry in the lower and upper bound columns indicates that the estimate is controlled. A statistical test is not appropriate.
8. An 'N' entry in the estimate, lower bound, and upper bound columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

U.S. Census Bureau

American FactFinder



United States and States

Percent of People Below Poverty Level in the Past 12 Months (For Whom Poverty Status is Determined): 2003



Universe: Population for whom poverty status is determined

Data Set: 2003 American Community Survey Summary Tables

NOTE: Data are limited to the household population and exclude the population living in institutions, college dormitories, and other group quarters. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see Survey Methodology.

Rank	State	Percent	Lower Bound	Upper Bound
	United States	12.7	12.6	12.9
1	Louisiana	20.3	19.3	21.3
2	District of Columbia	19.9	18.4	21.5
2	Mississippi	19.9	18.9	21.0
4	New Mexico	18.6	17.1	20.1
5	West Virginia	18.5	17.3	19.7
6	Kentucky	17.4	16.0	18.9
7	Alabama	17.1	16.4	17.8
8	Texas	16.3	15.7	17.0
9	Oklahoma	16.1	14.9	17.3
10	Arkansas	16.0	15.1	16.8
11	Arizona	15.4	14.7	16.1
12	Montana	14.2	12.9	15.4
13	South Carolina	14.1	13.1	15.1
14	North Carolina	14.0	13.3	14.7
15	Oregon	13.9	13.0	14.7
16	Idaho	13.8	12.4	15.2
16	Tennessee	13.8	13.0	14.5
18	New York	13.5	13.0	14.0
19	California	13.4	13.0	13.7
19	Georgia	13.4	12.7	14.0
21	Florida	13.1	12.7	13.6
22	Ohio	12.1	11.6	12.6
23	Missouri	11.7	11.1	12.4
23	North Dakota	11.7	10.5	12.9
25	Nevada	11.5	10.4	12.6
26	Michigan	11.4	10.8	12.0
27	Illinois	11.3	10.7	12.0
27	Rhode Island	11.3	10.3	12.4
29	South Dakota	11.1	9.7	12.4
30	Washington	11.0	9.9	12.1
31	Hawaii	10.9	9.6	12.1
31	Pennsylvania	10.9	10.4	11.4
33	Kansas	10.8	9.7	11.8
33	Nebraska	10.8	9.9	11.7
35	Indiana	10.6	9.8	11.4
35	Utah	10.6	9.6	11.6
37	Maine	10.5	9.6	11.4
37	Wisconsin	10.5	9.3	11.6
39	Iowa	10.1	9.2	11.0
40	Colorado	9.8	8.6	10.9
41	Alaska	9.7	8.7	10.6
41	Vermont	9.7	8.7	10.7
41	Wyoming	9.7	8.7	10.7
44	Massachusetts	9.4	8.8	10.0

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Rank 	State 	Percent	Lower Bound	Upper Bound
45	Virginia	9.0	8.1	9.9
46	Delaware	8.7	7.6	9.9
47	New Jersey	8.4	7.8	8.9
48	Maryland	8.2	7.4	9.0
49	Connecticut	8.1	7.2	9.0
50	Minnesota	7.8	7.3	8.3
51	New Hampshire	7.7	6.8	8.6

Source: U.S. Census Bureau, 2003 American Community Survey

The table above shows the margin of error, represented by the lower and upper bounds of the 90-percent confidence interval. The confidence interval represents the degree of uncertainty for an estimate and can be interpreted roughly as providing 90 percent certainty that the true number falls between the upper and lower bounds. The smaller the confidence interval the more precise the estimate.

Explanation of Symbols:

An "N" entry in the estimate, lower bound, and upper bound columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

Plight of the impoverished; [All Edition]

The Providence Journal. Providence, R.I.: Sep 26, 2005. pg. A.15

Abstract (Document Summary)

Of course, poverty figures have critics on all sides. Conservatives complain that they leave important forms of wealth, such as employee and public benefits, unmeasured. Liberals, for their part, argue that the poverty line is unrealistically low, and ignores the true cost of living. However valid the criticisms, though, it is nevertheless disturbing to see the numbers increasing.

Of special concern is the number of children in poverty -- about a third of the overall total. In Rhode Island, their plight has taken on new urgency. In 2003, 16.7 percent of Rhode Island's youngsters were living in poverty. But last year the rate leaped to 21 percent, bounding past the national child-poverty rate of 18.4 percent.

Full Text (372 words)

Copyright Providence Journal/Evening Bulletin Sep 26, 2005

The most desperate of the Gulf hurricane victims have tended to be the poor. Images of the lost and stranded have pointed beyond the natural disaster itself to the largely hidden struggle that is the lot of so many low-income Americans.

Last month, the Census Bureau released 2004 data showing 1.1 million more Americans in poverty compared to the year before. That brought the total of impoverished Americans to 37 million -- the fourth straight year in which the numbers had increased. (What would be the impact of immigration on those numbers?)

Of course, poverty figures have critics on all sides. Conservatives complain that they leave important forms of wealth, such as employee and public benefits, unmeasured. Liberals, for their part, argue that the poverty line is unrealistically low, and ignores the true cost of living. However valid the criticisms, though, it is nevertheless disturbing to see the numbers increasing.

Of special concern is the number of children in poverty -- about a third of the overall total. In Rhode Island, their plight has taken on new urgency. In 2003, 16.7 percent of Rhode Island's youngsters were living in poverty. But last year the rate leaped to 21 percent, bounding past the national child-poverty rate of 18.4 percent.

Rhode Island does a fairly good job of providing health care for these youngsters, especially in comparison with other states. But these numbers mean that the state is looking at significant investments, especially in education, if it hopes to keep its economy on a sound footing.

With the images of hurricane-stricken areas fresh in our minds, now is a good time to consider ways of helping a broad spectrum of working families. After all, although the economy grew in 2004, median household income remained flat, at about \$44,000. Productivity is up, but the gains have been plowed largely into profits, rather than wages.

One example: Instead of continuing its push for tax breaks benefiting the well-off (repeal of the estate tax, for instance), Congress might consider lifting the minimum wage, which remains at \$5.15 an hour.

Putting Katrina and Rita's displaced workers back on the job is crucial to weathering the disasters. But recognizing that so many had already been struggling is equally crucial.

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Section: *Editorial*

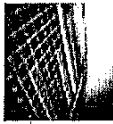
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U.S. Census Bureau

American FactFinder



United States and States

Median Household Income (In 2003 inflation-adjusted Dollars): 2003



Universe: Households

Data Set: 2003 American Community Survey Summary Tables

NOTE: Data are limited to the household population and exclude the population living in institutions, college dormitories, and other group quarters. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see Survey Methodology.

Rank	State	Median	Lower Bound	Upper Bound
	United States	43,564	43,336	43,792
1	New Jersey	58,588	57,273	59,903
2	Maryland	57,218	55,443	58,993
3	Connecticut	56,803	55,280	58,326
4	New Hampshire	53,910	52,370	55,450
5	Massachusetts	53,610	52,525	54,695
6	Alaska	52,499	50,381	54,617
7	Virginia	50,805	49,995	51,615
8	Hawaii	50,787	48,905	52,669
9	Delaware	50,583	49,245	51,921
10	Colorado	50,538	48,050	53,026
11	California	50,220	49,793	50,647
12	Minnesota	50,100	48,945	51,255
13	Rhode Island	48,854	47,158	50,550
14	Illinois	47,977	46,859	49,095
15	Utah	46,873	45,531	48,215
16	Washington	46,868	45,434	48,302
17	New York	46,195	45,583	46,807
18	Nevada	45,395	43,901	46,889
19	Michigan	44,407	43,481	45,333
20	Wisconsin	44,084	42,112	46,056
21	Vermont	43,697	42,582	44,812
22	Wyoming	43,332	41,267	45,397
23	Georgia	42,742	41,919	43,565
24	District of Columbia	42,118	40,279	43,957
25	Indiana	42,067	41,274	42,860
26	Pennsylvania	41,478	40,884	42,072
27	Nebraska	41,406	40,431	42,381
28	Ohio	41,350	40,731	41,969
29	Kansas	41,075	39,711	42,439
30	Arizona	40,762	40,017	41,507
31	Missouri	40,725	39,724	41,726
32	Texas	40,674	40,061	41,287
33	Iowa	40,526	39,029	42,023
34	Oregon	40,319	38,856	41,782
35	Florida	39,871	39,206	40,536
36	Maine	39,838	38,624	41,052
37	Idaho	39,492	37,811	41,173
38	South Carolina	38,467	37,066	39,868
39	South Dakota	38,415	37,159	39,671
40	Tennessee	38,247	37,142	39,352
41	North Carolina	38,234	37,179	39,289
42	North Dakota	37,554	36,500	38,608
43	Montana	35,399	33,872	36,926
44	Alabama	35,158	34,331	35,985
45	Oklahoma	35,129	34,147	36,111

Ex.
JH-G

Rank 	State 	Median	Lower Bound	Upper Bound
46	New Mexico	34,805	33,059	36,551
47	Kentucky	34,368	32,767	35,969
48	Arkansas	34,246	33,490	35,002
49	Louisiana	34,141	32,805	35,477
50	Mississippi	32,466	31,142	33,790
51	West Virginia	31,008	29,832	32,184

Source: U.S. Census Bureau, 2003 American Community Survey

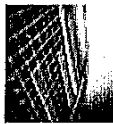
The table above shows the margin of error, represented by the lower and upper bounds of the 90-percent confidence interval. The confidence interval represents the degree of uncertainty for an estimate and can be interpreted roughly as providing 90 percent certainty that the true number falls between the upper and lower bounds. The smaller the confidence interval the more precise the estimate.

Explanation of Symbols:

An "N" entry in the estimate, lower bound, and upper bound columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

U.S. Census Bureau

American FactFinder



United States and States

R2001. Median Household Income (In 2004 inflation-adjusted Dollars): 2004

Universe: Households

Data Set: 2004 American Community Survey

NOTE: Data are limited to the household population and exclude the population living in institutions, college dormitories, and other group quarters. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see Survey Methodology.

Rank	State	Median	Lower Bound	Upper Bound
1	New Jersey	61,359	60,319	62,399
2	Connecticut	60,528	59,402	61,654
3	Maryland	57,424	55,674	59,174
4	Alaska	57,027	54,372	59,682
5	Massachusetts	55,658	54,813	56,503
6	New Hampshire	55,580	54,414	56,746
7	Hawaii	53,554	50,159	56,949
8	Virginia	51,689	50,315	53,063
9	California	51,185	50,732	51,638
10	Minnesota	50,860	50,125	51,595
11	Delaware	50,315	48,925	51,705
12	Illinois	48,953	47,844	50,062
13	Rhode Island	48,722	47,249	50,195
14	Colorado	48,198	45,432	50,964
15	Washington	47,659	45,574	49,744
16	New York	47,349	46,601	48,097
17	Utah	47,074	45,627	48,521
18	District of Columbia	46,574	45,371	47,777
19	Vermont	46,543	45,259	47,827
20	Wisconsin	45,315	43,512	47,118
21	Michigan	44,905	44,240	45,570
	United States	44,684	44,470	44,898
22	Nevada	44,646	42,935	46,357
23	Wyoming	44,275	42,581	45,969
24	Georgia	43,037	42,353	43,721
25	Pennsylvania	42,941	42,335	43,547
26	Ohio	42,240	41,139	43,341
27	Indiana	42,195	41,405	42,985
28	Maine	42,163	41,056	43,270
29	Arizona	41,995	41,248	42,742
30	Oregon	41,794	40,761	42,827
31	Texas	41,759	41,268	42,250
32	Nebraska	41,657	41,016	42,298
33	Kansas	41,638	40,873	42,403
34	Missouri	41,473	40,465	42,481
35	Iowa	41,350	40,398	42,302
36	Florida	41,236	40,674	41,798
37	Idaho	39,934	37,915	41,953
38	South Carolina	39,837	38,176	41,498
39	North Dakota	39,447	38,235	40,659
40	North Carolina	39,428	37,655	41,201
41	Tennessee	38,794	37,626	39,962
42	South Dakota	38,472	37,068	39,876
43	Alabama	36,709	35,542	37,876
44	New Mexico	36,043	33,903	38,183
45	Oklahoma	35,357	34,665	36,049

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Rank	State	Median	Lower Bound	Upper Bound
46	Kentucky	35,269	34,213	36,325
47	Montana	35,239	33,613	36,865
48	Louisiana	35,110	34,243	35,977
49	Arkansas	32,983	32,213	33,753
50	Mississippi	31,642	30,668	32,616
51	West Virginia	31,504	29,846	33,162

Source: U.S. Census Bureau, 2004 American Community Survey

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a confidence interval. The interval shown here is a 90 percent confidence interval. The stated range can be interpreted roughly as providing a 90 percent probability that the interval defined by the lower and upper bounds contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Explanation of Symbols:

1. An '...' entry in the lower and upper bound columns indicates that too few sample observations were available to compute a standard error and thus the lower and upper bounds. A statistical test is not appropriate.
2. An '***' entry in the lower and upper bound columns indicates that no sample observations were available to compute a standard error and thus the lower and upper bounds. A statistical test is not appropriate.
3. An '-' entry in the estimate column indicates that no sample observations were available to compute an estimate.
4. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
5. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
6. An '*****' entry in the lower and upper bound columns indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
7. An '*****' entry in the lower and upper bound columns indicates that the estimate is controlled. A statistical test is not appropriate.
8. An 'N' entry in the estimate, lower bound, and upper bound columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

Median Household Income

DEFINITION

Median household income is the dollar amount which divides all Rhode Island households' income distributions into two equal groups – half with income above the median and half with income below the median.

SIGNIFICANCE

Median household income provides one measure of the ability of Rhode Island's families to meet the costs of food, clothing, housing, health care, transportation, child care, and higher education. According to Census 2000, the median household income of all Rhode Island families with children under age 18 was \$50,557.¹

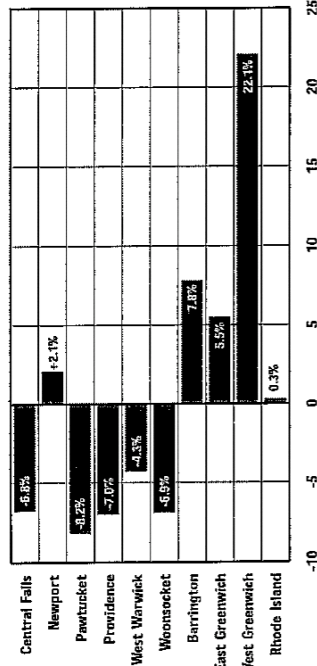
In Rhode Island in 2002, the median household income for all households, including those without children, was \$53,789. The median household income for households with children was \$57,717.² Rhode Island saw a significant decrease of 3.1% in median household income between the periods of 2001–2002 and 2002–2003. Rhode Island was one of 10 states nationally and one of three states in the Northeast to experience this decrease in median income.³ In 2002, the Rhode Island median household income decreased for Black and Asian households, but increased for White and American

Indian households. In 2002 Hispanic households with children had a median income of \$26,107, whereas the median income for non-Hispanic households with children was \$63,465.⁴ According to the Census, income inequality was greater in 2003 than it was in 1995, although individual annual changes have not been statistically significant.⁵

Communities with above average income inequality have higher mortality rates than communities with comparable incomes but lower inequality.⁶ Increased income disparities lead to geographic segregation as wealthier families move to the suburbs. This can result in unequal school funding from property taxes.⁷

Through the 1980s and 1990s, income inequality between the top and bottom of the income distribution continued to grow in Rhode Island.⁸ In 2002, 18% of Rhode Island households with children had incomes less than \$25,000 and 10% had incomes between \$25,000 and \$35,000.⁹ By contrast, 22% of families with children had household incomes of \$100,000 or more.¹⁰

Change in Median Household Income, 1989 – 1999, Core Cities, Three Highest Income Communities, and Rhode Island



Source: U. S. Bureau of the Census, Census 2000. Percentage change is based on median household income for 1989 and 1999 adjusted to 1999 dollars.

- ◆ After adjusting for inflation, Rhode Island's highest income communities experienced increases in median household income between 1989 and 1999 while the lowest income communities had real declines in income.¹¹
- ◆ The share of Rhode Island jobs paying poverty-level wages grew over the 1990s. In 1999, 24% of jobs in Rhode Island paid below the wage necessary to put a family of four above the poverty threshold with full-time, year round work.¹²
- ◆ According to the Poverty Institute's 2003 Rhode Island Standard of Need, a two-parent family with two children in which both parents are working needs an income of \$48,096 to pay basic living expenses, including housing, food, clothing, health insurance, child care and transportation.¹³
- ◆ Income supports including Rite Care, child care subsidies, Food Stamps and the Earned Income Tax Credit are critical in helping low-income and moderate-income working families make ends meet.

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Median Household Income

Table 6.

Adjusted Median Household Income, Rhode Island — 1989* and 1999

CITY/TOWN	ADJUSTED 1988 MEDIAN HOUSEHOLD INCOME*	1999 MEDIAN HOUSEHOLD INCOME	1989 MEDIAN FAMILY INCOME FOR FAMILIES WITH CHILDREN UNDER AGE 18	Source of Data for Table/Methodology
Barrington	\$69,222	\$74,591	\$88,794	U.S. Census Bureau, Census 2000
Bristol	\$44,573	\$43,689	\$53,328	Median household income data includes households with both related and unrelated individuals. Median family income data includes only households with children under age 18 who meet the Census Bureau's definition of a family. The Census Bureau defines a family as a household that includes a householder and one or more people living in the same household who are related to the householder by birth, marriage or adoption. The 1989 adjusted median household income data is adjusted to 1999 constant dollars by multiplying 1989 dollar values by 1.304650 as recommended by the U.S. Census Bureau.
Burrillville	\$46,476	\$52,587	\$55,085	Census tracts are Central Falls, Newport, Pawtucket, Providence, West Warwick and Woonsocket.
Central Falls	\$24,289	\$22,628	\$22,008	References for Indicator
Charleston	\$47,020	\$51,491	\$55,080	¹⁰ U.S. Bureau of the Census, Census 2000, Summary file 3.
Coxsack	\$48,572	\$51,987	\$61,355	¹¹ Income, poverty, and health insurance coverage in the United States: 2003. (August 2004). Washington DC: The U.S. Bureau of the Census, Current Population Reports.
Cranston	\$45,047	\$44,108	\$56,904	¹² U.S. Bureau of the Census, Current Population Survey, 2002 to 2004, three year average.
Cumberland	\$53,077	\$54,656	\$68,291	¹³ Michel, L., Bernstein, J., & Allegretto, S. (2004). <i>The state of working America 2004/2005</i> . Washington, DC: Economic Policy Institute.
East Greenwich	\$66,401	\$70,062	\$108,555	¹⁴ Bernstein, J., McMichael, E.C., Michael, L., & Zahradnik, R. (2002). <i>Falling apart: A state-by-state analysis of income trends</i> . Washington, DC: Center on Budget and Policy Priorities and the Economic Policy Institute.
East Providence	\$40,453	\$39,108	\$48,875	¹⁵ Rhode Island at a Glance (n.o.). Retrieved January 5, 2005 from http://www.epinet.org .
Exeter	\$49,810	\$64,452	\$73,239	¹⁶ <i>One Rhode Island: An investment in our state's future</i> (Legislative Agenda). (2004). Providence, RI: Rhode Island College School of Social Work, The Poverty Institute.
Foster	\$53,223	\$59,673	\$63,385	
Glocester	\$52,186	\$57,537	\$60,938	
Hopkinton	\$47,929	\$52,181	\$59,069	
Jamestown	\$54,166	\$63,073	\$79,574	
Johnston	\$42,526	\$43,514	\$56,641	
Lincoln	\$48,379	\$47,815	\$54,470	
Little Compton	\$53,735	\$55,368	\$56,679	
Middletown	\$45,960	\$51,075	\$55,301	
Narragansett	\$46,374	\$50,363	\$68,250	
New Shoreham	\$41,059	\$44,779	\$54,844	
Newport	\$39,836	\$40,669	\$43,125	
North Kingstown	\$52,733	\$60,027	\$66,785	
North Providence	\$42,168	\$38,721	\$50,493	
North Smithfield	\$54,076	\$58,602	\$71,066	
Pawtucket	\$34,627	\$31,775	\$33,562	
Pawtucket	\$55,414	\$58,835	\$67,375	
Providence	\$28,894	\$26,867	\$24,546	
Richmond	\$53,458	\$59,840	\$63,472	
Scituate	\$58,931	\$60,788	\$69,135	
Smithfield	\$55,478	\$55,621	\$67,050	
South Kingstown	\$47,595	\$56,325	\$68,265	
Tiverton	\$47,189	\$49,977	\$63,820	
Warren	\$41,275	\$41,285	\$53,542	
Warwick	\$46,688	\$46,483	\$57,038	
West Greenwich	\$53,817	\$65,725	\$70,150	
West Warwick	\$41,260	\$39,505	\$41,830	
Westerly	\$45,459	\$44,613	\$51,974	
Woonsocket	\$33,050	\$30,819	\$34,465	
Core Cities	NA	NA	NA	
Remainder of State	NA	NA	NA	
Rhode Island	\$41,985	\$42,090	\$50,557	

*Adjusted to 1999 dollars

Cost of Rent

DEFINITION

Cost of rent is the percentage of income needed by a very low-income family to cover the average cost of rent, including heat. A very low-income family is defined as family with income less than 50% of the median. A cost burden exists when more than 30% of a family's monthly income is spent on housing.

SIGNIFICANCE

Inadequate, costly or crowded housing has a negative impact on children's health, safety, education and emotional well-being. Nationally, the percentage of families with a cost burden, crowding, and/or physically inadequate housing rose from 15% in 1978 to 28% in 2001. The percentage with severe cost burdens, paying more than 50% of their income for housing, rose from 6% to 11%.¹

Severe financial strain can hinder effective parenting, heighten conflict and contribute to the break-up of families.² Severe cost burdens disproportionately fall on minority and single-parent households, with nearly one in three spending more than 50% of their income on housing.³

Families with cost burdens are likely to go without other basic necessities such as food, medicine and clothing in

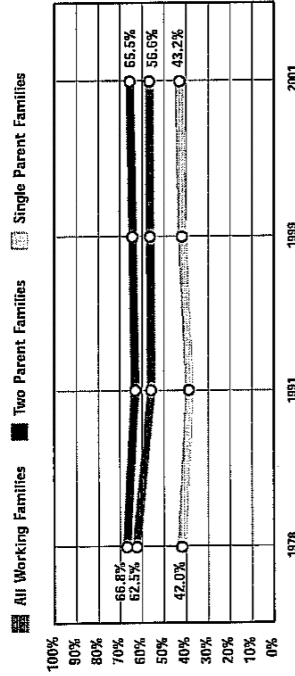
order to pay their rent (or mortgage) and utilities.⁴ In 2003, 41% percent of Rhode Island renters and 28% of homeowners spent 30% or more of their household income on housing.⁵

Nationally and in Rhode Island, the cost of housing has outpaced the income growth of many working families.^{6,7} The increasing housing costs not only negatively impacts Rhode Island's families, but the state's business communities as well. Housing represents a significant share of a household's expenditures, limiting disposable income and putting upward pressure on wages.^{8,9,10}

The current housing stock, combined with the limited construction of affordable housing has made it difficult for low-income and moderate-income families to compete in the housing market, resulting in rising rents for often substandard housing.^{11,12}

Research shows that there are strong links between substandard housing and educational disadvantages.^{13,14} In 2003 in Rhode Island, 2,312 units had severe physical defects, which may include roach and rodent infestation, lead exposure, faulty wiring or plumbing problems. An additional 14,059 units had moderate physical problems and/or lacked central heat.¹⁵

Homeownership Rates for Working Families, United States, 1978-2001



Source: *Working families with children: A closer look at homeownership trends* (2004). Washington, DC: Center for Housing Policy.

◆ Overall in the United States, all working families with children experienced a 9% decline in homeownership rates between 1978 and 2001. Two parent working families experienced a 2% decline, while single parent families experienced an increase of 3%.¹⁶

◆ In Rhode Island, a very low-income household (earning \$30,350, 50% of the Area Median Income of \$60,700) can afford monthly rent of no more than \$759, while the average rent for a two bedroom apartment was \$1,032 in 2003.^{17,18}

◆ To be able to afford the average rent in 2003 in Rhode Island, a worker would have to earn \$19.85 per hour for forty hours per week. This is nearly three times the state's minimum wage of \$6.75 per hour.¹⁹

◆ High energy costs put affordable housing even further out of reach for low-income families. Rhode Island state law prohibits utility shut offs for protected customers — such as the elderly, seriously ill or low-income — during the moratorium period (November 1 through April 15). In 2004, 3,367 residential customers who used electric or gas to heat their homes entered the moratorium period with their utility shut off due to nonpayment. This number does not include those that heat with oil and consequently underestimates the number of individuals who went into the heating season without adequate resources to heat their homes.²⁰

Cost of Rent

Table 7. Cost of Rental Housing for Low-Income Families, Rhode Island, 2003

CITY/TOWN	2003 AVERAGE RENT 2-BEDROOM	2003 POVERTY LEVEL FAMILY OF THREE	% INCOME NEEDED FOR RENT, POVERTY LEVEL FAMILY OF THREE	2003 VERY LOW INCOME FAMILY	% INCOME NEEDED FOR RENT, VERY LOW INCOME FAMILY
Barrington	\$1,198	\$15,260	94%	\$30,300	47%
Bristol	\$1,206	\$15,260	95%	\$30,300	48%
Burrillville	\$678*	\$15,260	53%	\$30,300	32%
Central Falls	\$796	\$15,260	63%	\$30,300	37%
Charlestown	\$917*	\$15,260	72%	\$30,300	36%
Coventry	\$919	\$15,260	72%	\$30,300	36%
Cranston	\$1,002	\$15,260	79%	\$30,300	40%
Cumberland	\$987	\$15,260	78%	\$30,300	39%
East Greenwich	\$1,210	\$15,260	95%	\$30,300	48%
East Providence	\$980	\$15,260	77%	\$30,300	39%
Exeter	\$917*	\$15,260	72%	\$30,300	36%
Foster	\$678*	\$15,260	53%	\$30,300	27%
Glocester	\$678*	\$15,260	53%	\$30,300	27%
Hopkinton	\$797*	\$15,260	63%	\$30,950	31%
Johnston	\$918*	\$15,260	72%	\$30,300	36%
Lincoln	\$895	\$15,260	70%	\$30,300	35%
Little Compton	\$918*	\$15,260	72%	\$30,300	38%
Middletown	\$1,276	\$15,260	100%	\$30,300	36%
Narragansett	\$917*	\$15,260	72%	\$30,300	36%
New Shoreham	\$917*	\$15,260	72%	\$30,400	36%
Newport	\$1,209	\$15,260	95%	\$30,300	48%
North Kingstown	\$1,133	\$15,260	89%	\$30,300	45%
North Providence	\$964	\$15,260	76%	\$30,300	38%
North Smithfield	\$1,021	\$15,260	80%	\$30,300	40%
Pawtucket	\$924	\$15,260	73%	\$30,300	37%
Portsmouth	\$1,255	\$15,260	89%	\$30,300	50%
Providence	\$1,012	\$15,260	80%	\$30,300	40%
Richmond	\$917*	\$15,260	72%	\$30,300	36%
Scituate	\$678*	\$15,260	53%	\$30,300	27%
Smithfield	\$955	\$15,260	75%	\$30,300	38%
South Kingstown	\$1,082	\$15,260	85%	\$30,300	43%
Tiverton	\$1,032	\$15,260	81%	\$30,300	41%
Warren	\$950	\$15,260	75%	\$30,300	38%
Warwick	\$990	\$15,260	78%	\$30,300	38%
West Greenwich	NA	\$15,260	NA	\$30,300	NA
West Warwick	\$902	\$15,260	71%	\$30,300	36%
Westerly	\$797*	\$15,260	63%	\$30,950	31%
Woonsocket	\$932	\$15,260	73%	\$30,300	37%
Cort Clinton	\$963	\$15,260	76%	\$30,300	38%
Remainder of State	\$1,619	\$15,260	127%	\$30,300	64%
Rhode Island	\$1,032	\$15,260	81%	\$30,300	41%

Source of Data for Table/Methodology

Rhode Island Housing and Mortgage Finance Corporation, January-December 2003 Rent Survey and the Department of Housing and Urban Development. Average rents are based on a survey of rents in Rhode Island between January and December 2003. All 2003 rents have been adjusted using current HUD utility allowances to include heat, cooking fuel, electricity and hot water. The 2004 Rent Survey from Rhode Island Housing and Mortgage Finance Corporation was not available this year.

A very low-income family is defined by the U.S. Department of Housing and Urban Development as a family with income 50% of the median family income and is calculated separately for Hopkinton, Milderown, New Shoreham, Newport, Portsmouth and Westerly.

* Rhode Island Housing 2003 Rent Survey data are not available for these communities. Average rent used for these communities is the HUD 2003 Fair Market Rent as reported in *Out of Reach 2003* (2003). Washington, DC: National Low-Income Housing Coalition.

References for Indicator

- ¹ *America's children: Key national indicators of well-being, 2004*. (2004). Washington, DC: Federal Interagency Forum on Child and Family Statistics.
- ² *Shore, R. (October 2000). Our basic dream: Keeping faith with America's working families and their children*. New York, NY: Foundation for Child Development.
- ³ *The state of the nation's housing 2001*. (2001). Cambridge MA: Joint Center for Housing Research, Harvard University.
- ⁴ U.S. Bureau of the Census. American Community Survey, 2003.
- ⁵ *Working families with children: A closer look at homeownership trends*. (2003). Washington, DC: Center for Housing Policy.
- ⁶ *The economic impact of the housing crisis on businesses in Rhode Island*. (2004). Providence, RI: First Bank of Rhode Island and Southern Massachusetts and Rhode Island Public Expenditure Council.

(continued on page 145)

UTILITY NAME: New England Gas Company
 REPORT DATE: September 14, 2005
 PERIOD ENDED: August 31, 2005

2004	Apr-04*	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Total
Total Physical Terminations	1,026	1,646	1,728	1,326	1,234	1,613	1,457	120	123	176	213	457	11,119
Protected Terminations	171	538	483	320	203	291	231	0	0	0	0	0	2,237
Non-Protected Terminations	855	1,108	1,245	1,006	1,031	1,322	1,226	120	123	176	213	457	8,882
Average Balance of Those Terminated	\$3,222.00	\$1,662.43	\$1,448.00	\$1,142.73	\$1,148.68	\$1,055.59	\$1,042.60	\$1,125.88	\$1,126.41	\$1,234.10	\$1,522.70	\$1,694.48	
Terminations in Excess of \$1,000	968	1,468	1,639	748	482	573	549	45	46	65	47	111	6,741
Termination Notices Sent	27,548	44,176	40,849	36,728	28,964	28,920	21,256	5,171	7,029	10,414	6,869	11,936	269,860
Payment Plans Negotiated	2,480	2,676	2,103	1,667	1,212	1,196	683	402	502	827	870	1,548	16,166
Payment Plans Broken	729	1,748	2,232	1,864	1,495	1,327	1,077	983	955	816	508	781	14,515
Actual A/R Write Offs	\$ 4,706,880	\$ 1,164,494	\$ 1,342,492	\$ 1,662,896	\$ 1,126,779	\$ 1,162,956	\$ 822,172	\$ 475,913	\$ 280,727	\$ 715,296	\$ 350,098	\$ 304,731	
Recovery of A/R	\$ 144,481	\$ 114,928	\$ 184,467	\$ 199,530	\$ 195,603	\$ 261,875	\$ 411,170	\$ 409,402	\$ 219,934	\$ 335,272	\$ 184,142	\$ 290,669	
Net Write Offs	\$ 4,562,398	\$ 1,049,566	\$ 1,158,025	\$ 1,463,366	\$ 931,176	\$ 901,081	\$ 411,002	\$ 66,511	\$ 60,793	\$ 380,024	\$ 165,956	\$ 14,062	

*April 2004 Data is for April 15-30 only

As of April 15, 2005 114 protected accounts terminated on or after April 16, 2004 were not restored
 As of April 15, 2005 930 non-protected accounts terminated on or after April 16, 2004 were not restored
 As of April 15, 2005 100 non-healing accounts terminated on or after April 16, 2004 were not restored

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UTILITY NAME: New England Gas Company
REPORT DATE: September 14, 2005
PERIOD ENDED: August 31, 2005

2005	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Total
Total Physical Terminations	1,274	2,189	2,325	2,013	2,590								10,391
Protected Terminations	126	531	529	345	466								1,997
Non-Protected Terminations	1,148	1,658	1,796	1,668	2,124	0	0	0	0	0	0	0	8,394
Average Balance of Those Terminated	\$1,538.40	\$1,650.05	\$1,059.00	\$911.26	\$1,061.71								
Terminations in Excess of \$1,000	964	1,650	1,847	868	1,021								6,350
Termination Notices Sent	55,170	37,523	38,594	35,174	26,059								192,520
Payment Plans Negotiated	3,279	2,863	2,621	1,854	1,652								12,269
Payment Plans Broken	875	1,307	2,062	1,804	1,724								7,772

protected accounts terminated on or after April 16, 2005 have not been restored
non-protected accounts terminated on or after April 16, 2005 have not been restored

Actual A/R Write Offs	\$ 990,022	\$ 687,963	\$ 988,693	\$ 967,431	\$ 582,165								
Recovery of A/R	\$ 339,840	\$ 200,812	\$ 198,881	\$ 198,125	\$ 205,650								
Net Write Offs	\$ 650,182	\$ 487,151	\$ 789,812	\$ 769,006	\$ 376,515								

Exhibit L. Selected New England Household Energy, Poverty and Non-Federal Energy Program Expenditure Statistics

State	# Elec Customers *	2001 HH Energy Expenditures (x \$1M) *	Expenditure per Customer	2003 L.I. Population **	% L.I. Population **	FY 2004 Non-Federal L.I. Resources ***	Non-Federal Resources per L.I. Person
CT	1,406,211	\$2,672	\$1,900	380,029	11.1%	\$18,447,937	\$48.54
MA	2,502,052	\$4,966	\$1,985	890,979	14.1%	\$68,338,959	\$76.70
ME	657,946	\$1,112	\$1,691	223,710	17.5%	\$11,213,865	\$50.13
NH	563,383	\$927	\$1,646	102,704	8.1%	\$14,752,453	\$143.64
RI	421,100	\$771	\$1,830	150,659	14.3%	\$5,586,703	\$37.08
VT	274,314	\$536	\$1,953	80,807	13.2%	\$5,492,914	\$67.98
New England	5,825,006	\$10,984	\$1,886	1,828,888		\$123,832,831	\$67.71

* U.S. Energy Information Administration

** Population <= 125% Federal Poverty Level, 2005 Current Population Survey, U.S. Census Bureau, U.S. Bureau of Labor Statistics

*** State and utility fuel fund program expenditures; LIHEAP Clearinghouse, "State-By-State Supplements to Energy Assistance and Energy Efficiency"