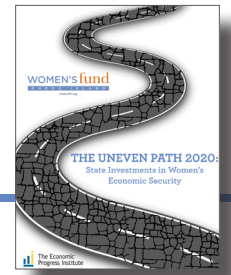


THE UNEVEN PATH 2020:

State Investments in Women's Economic Security



EXECUTIVE SUMMARY

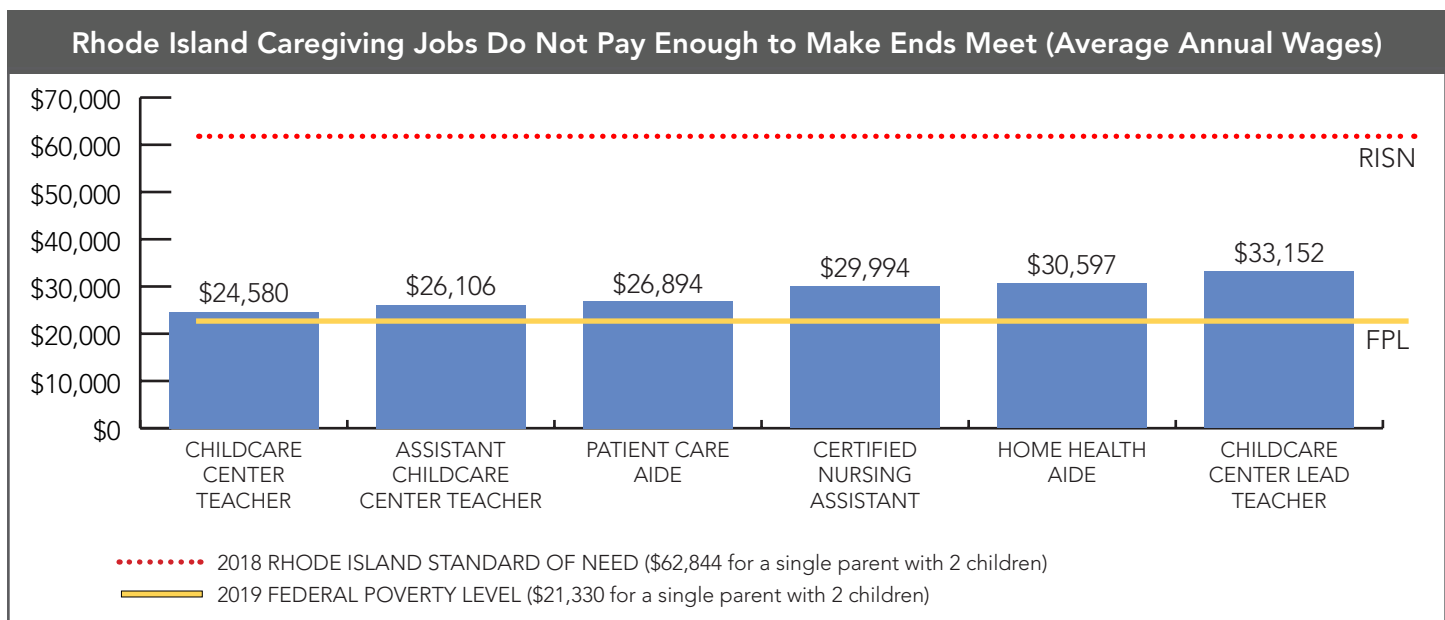
Economic insecurity is at the root cause of many problems women and girls face in Rhode Island. Work support programs such as subsidized child care, when well-funded, provide vital support for families not earning adequate income. In the 2020 Uneven Path, we review the status of these programs and provide information about two professions in which women comprise the majority of the workforce: child care, and caregiving (certified nursing assistants, home health workers, and others). This report demonstrates that from 2009 to present there has been some progress in strengthening programs that women and children rely on, but much more remains to be done.



Source: U.S. Census Bureau, ACS 5-Year data. 2012-2016.

The Caregiving and Childcare Workforce

Women make up the vast majority of the workforce in the caregiving and childcare industries, yet for the most part, jobs in these sectors do not pay family-sustaining wages. As the chart below shows, for a family of 3, earnings are not much above the Federal Poverty Level (FPL) (\$21,330) and are less than half of the Rhode Island Standard of Need (RISN) (\$62,844), a biennial analysis by the Economic Progress Institute showing what it actually costs for a parent to raise a toddler and school age child. A single adult working in these sectors has earnings above poverty (\$12,490) but may not earn enough to meet basic needs, according to the RISN (\$27,044).

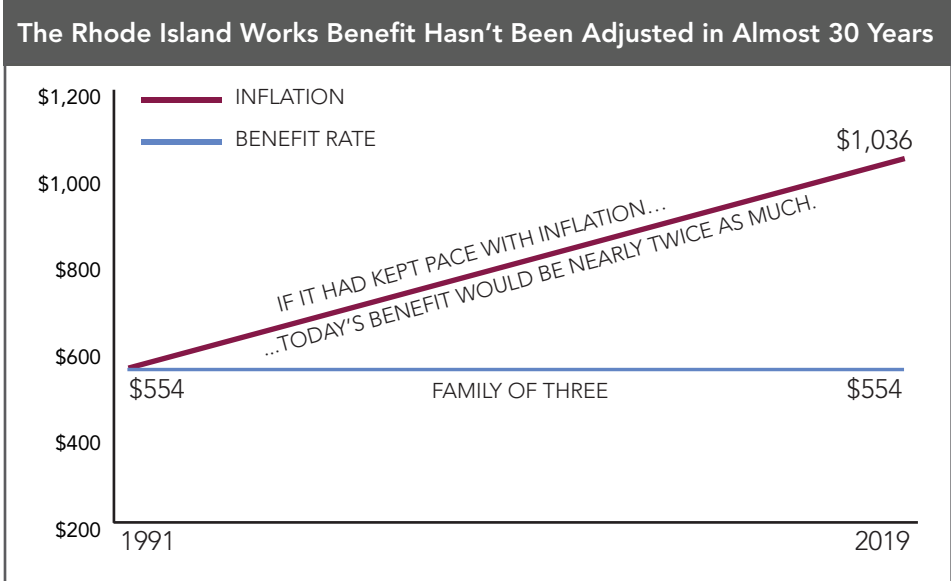


Sources: Bureau of Labor Statistics, May 2018 State Occupational Employment and Wage Estimates, Rhode Island. Rhode Island PDG B-5 Workforce Needs Assessment Final Report. 2019.

Rhode Island Works (Cash Assistance)

The RI Works program is the safety net program for children and their families, providing cash assistance and work readiness services for parents. A mom with two children receives \$554/month (\$6,648/year), barely one-third (31.2%) of the poverty level (\$21,330). Living in such deep poverty exposes children to excessive levels of hardship and stress, which research shows can negatively affect their health and undermine their development, limiting future economic and social mobility.

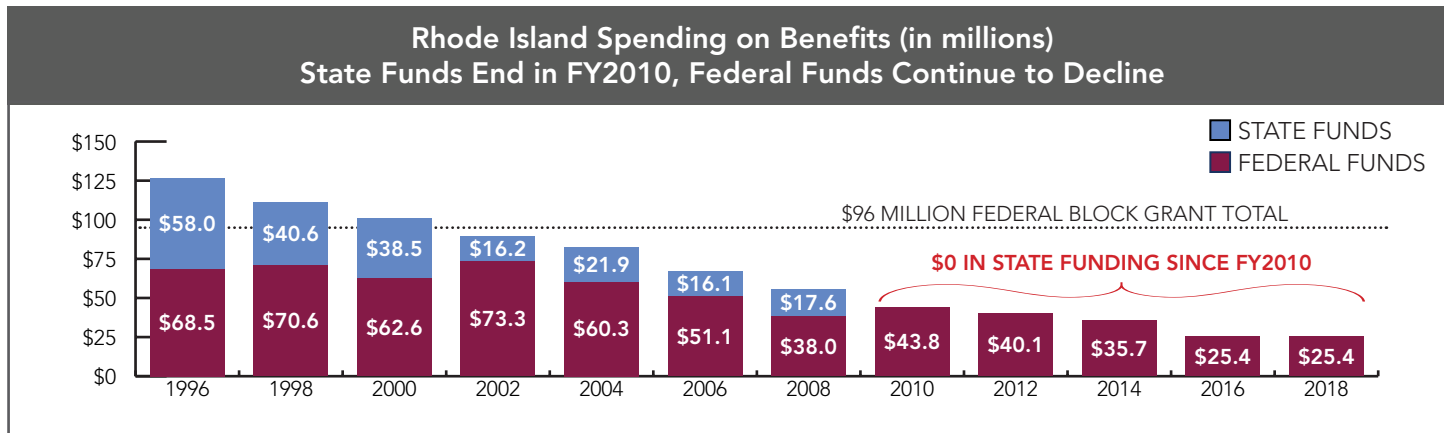
This benefit amount has not been adjusted in close to 30 years. Had it kept pace with inflation, it would have surpassed \$1,000 by 2019. The impact of racism in crafting welfare policy, which continues to this day, can be traced back to the program’s origins. In enacting programs to protect widows and their children in the Social Security Act of 1935, Congress created what became a two-tier system. Social Security survivor benefits, primarily available to White women because professions held by Black men were excluded from the Act, are adjusted for inflation every year



Source: CPI Inflation Calculator, Bureau of Labor and Statistics.

by federal law. In contrast, the second-tier program, Aid to Dependent Children (the original welfare program), did not mandate a benefit increase and adjustments were left to states’ discretion.

Funding for the program has also decreased significantly. Only 25% of the available federal block grant funds are spent on RI Works families for benefits and work readiness services. As shown below, the state has not contributed any of its own funds since 2010. Research documents that the stereotype of a welfare recipient as an irresponsible African American mother with a large family drove national welfare reform in 1996 that replaced open-ended federal funding with a block grant to the states, time limits on benefits, and other restrictions. This stereotype undergirds states’ refusal to invest sufficient resources to support children and their families that rely on the program.

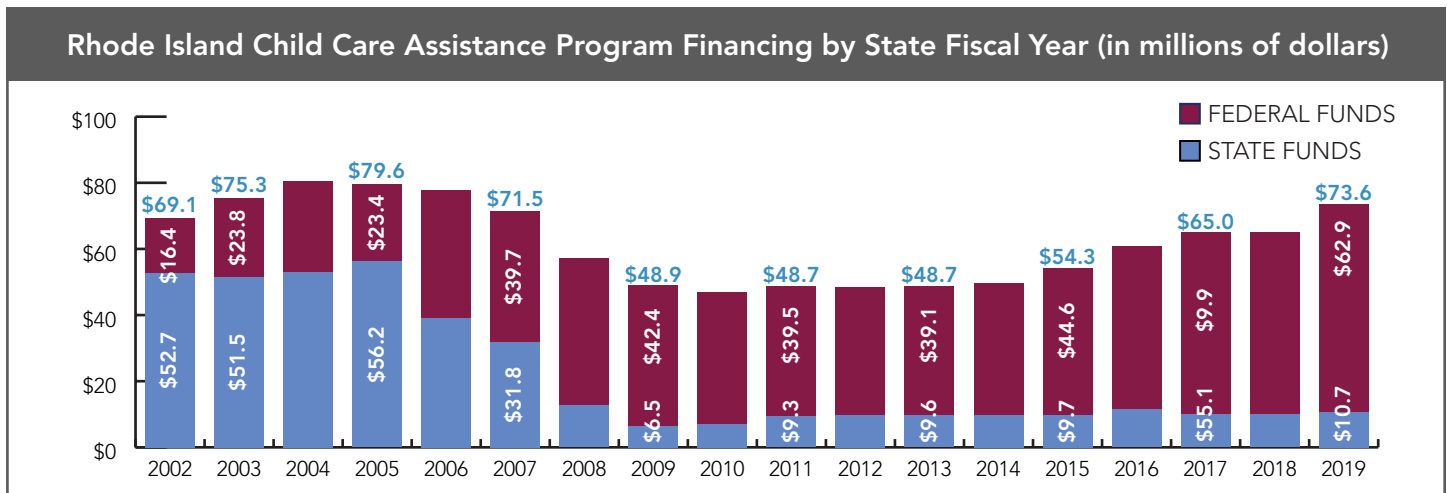


Source: Data compiled by Rhode Island KIDS COUNT.

Child Care Assistance

The average cost of child care for an infant in a childcare center in Rhode Island is \$13,093/year and the average cost for a toddler is \$10,903/year, putting quality care out of reach for many working families. In addition, salaries for child care providers, children’s first teachers, are insufficient to maintain a stable workforce.

State spending does not reflect the significant need to support the child care industry or make care affordable for families. As shown in the chart below, state spending began to drop in 2005, as the state implemented changes that negatively impacted both families and providers. These changes included reducing the age of a child’s eligibility from 15 to 13, freezing rates paid to providers, and rolling back eligibility from 225% FPL to 180% FPL (from \$47,993 to \$38,394 for a family of three), lower than the eligibility limit had ever been.



Data compiled by Rhode Island KIDS COUNT.
 Source: Rhode Island House Fiscal Office. SFY2002-2018 are final expenditures, SFY2019 is budget as enacted.

There have been some improvements in the program since 2013, including implementing an ‘exit income’ so that parents enrolled in the Child Care Assistance Program (CCAP) can remain eligible for assistance until their income reaches 225% FPL (\$47,993 for a family of 3) and increasing rates paid to providers caring for infants and toddlers. However, the ‘entry income’ limit has not changed and is the lowest in New England. State tax dollars have been reduced to the minimum amount necessary to draw down federal child care block grant funds, constraining positive policy changes.

POLICY RECOMMENDATIONS

The findings from this report highlight the need for Rhode Island to increase funding and enact policies to improve economic security for women and address gender and racial disparities. These include:


- **Increase** payments for child care providers, home health aides and other direct care workers
- **Increase** the benefit amount for families receiving RI Works cash assistance
- **Increase** investment in the Child Care Assistance Program (CCAP)
- **Include** doula services as a Medicaid funded service
- **Improve** paid leave wage policies
- **Increase** the minimum wage and enact fair pay protections



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