Children are more likely to thrive, succeed in school, and reach their potential when their families are economically secure and when they receive consistent, nurturing care and learning experiences from their parents and other caregivers. To be successful at work and in raising children to reach their potential, working parents need high-quality child care and the ability to take paid leave when needed to attend to parenting responsibilities. In Rhode Island, 72% of all children under age six and 77% of all children ages six to 17 have all parents in the workforce, higher than the U.S. rate of 65% and 71%. There are differences by race and ethnicity, with 78% of Black children, 76% of Non-Hispanic White children, 74% of multi-racial children, and 63% of Hispanic children under age six having all parents in the workforce.

In Rhode Island, more than two out of five children under age six (42%) live in families that are low-income, earning less than 200% of the federal poverty level (FPL) ($41,560 for a family of three in 2018). The majority of parents in these families are working – 77% of children in low-income families have parents that work (42% have at least one parent that works full-time, year-round and 35% have at least one parent that works part-time or part-year).

Families with incomes below 200% FPL do not have enough income to meet their basic needs. Even with at least one parent working full-time, full-year, many children in Rhode Island and the U.S. live in families without sufficient resources to meet their basic needs. Parents with low wage jobs often face great instability and stress because they have little paid time off to attend to parenting responsibilities and great difficulty accessing high-quality early care and education programs. Two-thirds of low wage workers in the U.S. are women, and 80% have a high school diploma or higher. Mothers in the low-wage workforce are disproportionately women of color.

Many working parents need 10 hours per day of child care so they can work a typical 8.5 hour day plus commuting time. Families who work year round may need up to 2,600 hours of child care per year for young children, more than double the 1,080 hours that public schools operate. Working families also need time off to establish caring and consistent relationships with infants, establish breastfeeding, get to routine health care appointments, and to care for children when they experience routine or serious illnesses.
Families with Children Struggle to Achieve Economic Security

- Unless a family has adequate income to cover the cost of quality child care and to be able to take time off when needed, achieving economic security is difficult for families. In the U.S. and Rhode Island, families with children under age 18 are more likely to live in poverty than those without children in the household. In Rhode Island, 17% of families with children under age 18 live in poverty compared to 10% of all families.\(^{14}\)

- For individuals in the U.S and in Rhode Island, the younger you are, the more likely you are to live in poverty. In Rhode Island, 23% of children under age five, 18% of children ages five to 17, 13% of people ages 18 to 64, and 9% of people over age 64 live in poverty.\(^{15}\)

Child Care Affordability

- Families rely on child care to enable them to work and to provide the early childhood, after school, and summer learning experiences their children need to succeed in school. Yet the high cost of quality child care is out of reach for many low- and moderate-income working families. State child care subsidy programs help low-income, working families access child care.\(^{16}\)

- In Rhode Island, the average cost of full-time care for an infant is more than the average cost for tuition and fees at public colleges. The average annual cost of child care for two children, an infant and a four-year-old, is higher than the average annualized mortgage and is more than twice the state’s median rent. Using the federal affordability guideline that families should spend no more than 7% of their income on child care, a Rhode Island family would need to earn at least $145,314 to afford the average yearly cost for one four-year-old at a licensed child care center ($10,172). Only about 15% of families in Rhode Island have incomes at or above this level.\(^{17,18,19,20}\)

Rhode Island Families by Income Level and Child Care Affordability, 2012 - 2016

The federal Child Care and Development Block Grant (CCDBG), provides funding to states to establish and operate programs to help low-income families access child care. Child care subsidies increase the likelihood that low-income parents are able to work, are employed full-time, and maintain employment over longer periods of time. Parental employment is associated with improved social and emotional well-being of children.  

Rhode Island’s Child Care Assistance Program (CCAP) serves low-income, working families with income at or below 180% FPL ($37,404 for a family of three in 2018). Families may continue to receive a child care subsidy until their income reaches 225% FPL ($46,755 for a family of three in 2018). Families receiving cash assistance through Rhode Island Works are also eligible for CCAP to support education and employment activities. Foster families can receive subsidies through CCAP to cover the cost of child care for foster children. In 2017 in Rhode Island, 87% of all children receiving child care subsidies were for low-income, working families not receiving cash assistance, 9% were for families participating in Rhode Island Works (receiving cash assistance), and 5% were for children involved with the child welfare system. 

Eligible families receive CCAP certificates/vouchers that they can use to enroll their child in any child care program that will accept certificates. In 2017, of the 10,021 children using child care subsidies, 77% were enrolled in licensed child care centers, 22% were in licensed family child care homes, and 1% were cared for by a license-exempt relative, friend, or neighbor. The Rhode Island Department of Human Services (DHS) pays child care subsidies directly to programs, with families that earn incomes above 100% FPL responsible for paying a portion of the cost through co-payments ranging from 2% to 14% of family income. 

When parents do better economically, their children do better too. Parental employment not only improves family economic circumstances, but also has been shown to improve a child’s social and emotional well-being. Unfortunately, current state and federal investments fall short of meeting the need. Many families with incomes too low to afford child care on their own are not eligible to receive a state subsidy. 

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**Type of Child Care Used by Family’s Race and Ethnicity, Rhode Island, 2017**

<table>
<thead>
<tr>
<th>Type of Child Care</th>
<th>Race/Ethnicity</th>
<th>2017 Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Child Care Home</td>
<td>White</td>
<td>2,258 (12%)</td>
</tr>
<tr>
<td>Early Learning Center or School-Age Center</td>
<td>Black</td>
<td>1,085 (87%)</td>
</tr>
<tr>
<td></td>
<td>Non-Hispanic</td>
<td>1,325 (87%)</td>
</tr>
<tr>
<td></td>
<td>Hispanic</td>
<td>1,676 (41%)</td>
</tr>
</tbody>
</table>

Source: Rhode Island Department of Human Services, Child Care Assistance Program, December 2017 enrollment. Note: Data reflects families with recorded race and/or ethnicity, 66% had un-reported race and 70% had un-reported ethnicity. Race and ethnicity are reported separately. Non-Hispanic and Hispanic families may be of any race.

**Families Using Child Care Subsidies by Eligibility/Income Level, Rhode Island, 2017**

- 11% (687) DCYF Foster Family
- 9% (575) RI Works Family
- 24% (1,561) Working Family < 100% FPL
- 21% (1,335) Working Family 100 – 150% FPL
- 20% (1,325) Working Family 150 – 200% FPL
- 16% (1,009) Working Family 200 - 225% FPL

n = 6,492

Source: Rhode Island Department of Human Services, Child Care Assistance Program, December 2017 enrollment. Percentages may not total 100% due to rounding.
Decades of research have shown that high-quality early care and education programs help children gain skills and knowledge prior to school entry and produce positive outcomes that last well into the school years including improved classroom and interpersonal behavior, reduced need for special education services, and improved high school graduation rates. However, it is difficult for many working parents to find and afford high-quality child care programs. Programs across the U.S. and in Rhode Island vary markedly in quality and can range from rich learning experiences to mediocre, custodial care.

High-quality early care and education is characterized by consistent, warm, nurturing, and language-rich interactions between teachers and children. High-quality programs offer a variety of educational activities, use age-appropriate curricula, engage families, and implement strong health and safety-practices. High-quality caregiving and educational activities are associated with small classes and groups of children, fewer children per adult, and staff with college degrees and early childhood credentials.

**BrightStars: Rhode Island’s Quality Rating and Improvement System**

Like the majority of states in the U.S., Rhode Island has a Quality Rating and Improvement System (QRIS) to measure and improve the quality of early learning and child care programs. Known as BrightStars, the Rhode Island QRIS uses research based standards to measure the quality of licensed child care and early learning programs serving children from birth through age 12, creating a composite index rating that is used to inform quality improvement activities. Preschool programs operated by public schools also participate in BrightStars. All programs serving children participating in CCAP and all State Pre-K programs are required to have a BrightStars rating. Studies have shown that, over time, state QRIS can improve the quality of child care and early learning programs available.

**Percent of Children in High-Quality Programs (4 or 5 Stars), Rhode Island, 2017**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>All Licensed Slots</th>
<th>Child Care Assistance Program</th>
<th>Head Start</th>
<th>Early Head Start</th>
<th>State Pre-K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infants &amp; Toddlers (Under Age 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preschoolers (Ages 3-5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School-Age Children (Ages 6-12)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Rhode Island KIDS COUNT calculations using data from Early Care and Education Data System (ECEDS), January 2018, Rhode Island Department of Human Services, December 2017, Rhode Island Head Start programs, October 2017, and Rhode Island Department of Education, December 2017. Note: family child care slots were evenly divided across age groups, estimated at 33% infants and toddlers, 33% preschoolers, and 33% school-age children.
Child Care Quality Improvement

- Child care and early learning programs need consistent and sufficient funding in order to achieve and maintain quality. Many families cannot afford to pay for the full-cost of quality child care on their own, and public funding streams are generally insufficient to pay the cost of quality.36

- In Rhode Island in 2017, funding for both Head Start ($59) and State Pre-K ($55) per child/per day exceeds the funding available through CCAP ($32 for a preschooler), and child care programs are often open 60% more hours per day. All of the publicly funded early care and education programs receive far less than the funding per child/per day for K-12 public education ($100).37

- CCDBG regulations specify that states must pay rates that enable low-income families to have equal access to quality child care. States must conduct market rate surveys to assess the cost of child care and are encouraged to pay rates at or above the 75th percentile of the market rate survey to ensure equal access to quality child care options for low-income families. Prior to the passage of the state’s FY19 budget which established tiered quality rates for children under age six, Rhode Island’s rates for CCAP were significantly below the 2015 equal access benchmark.38,39

- States are encouraged to take the cost of quality into account when setting rates paid for child care. In 2018, Rhode Island joined 41 other states by establishing a tiered quality rates system which pays higher rates for child care that meets higher quality standards. Tiered quality rates provide access to higher-quality programs and promote program quality improvement.40

- State and regional infrastructure is important to help programs identify quality improvement goals and implement practices that support children's health, safety, development, and learning. Quality improvement activities can include training and professional development, access to higher education, grants to make improvements to facilities, and on-site coaching and mentoring for both program directors and teaching staff.41

Wages for Child Care & Early Learning Professionals

- The early care and education workforce is almost exclusively female, and individuals have a wide variety of education levels, ranging from working towards a high school diploma to a bachelor’s degree or higher. Across the U.S., the early care and education workforce has low wages and faces great economic insecurity regardless of educational attainment and quality of teaching. Increased public funding for child care subsidies could help to improve wages. Several states have implemented a wage supplement or stipend program in order to attract and retain qualified and effective educators to work with young children.42
**Child Care Tax Strategies**

There are several tax strategies that help moderate- and high-income families afford to pay for child care. Low-income families generally do not benefit because they have less tax liability, unless credits are refundable.\(^{35}\)

- The federal Child and Dependent Care Tax Credit (CDCTC) allows families to claim a tax credit for child care expenses when filing taxes — up to $3,000 for one child and up to $6,000 for two or more children. Rhode Island provides a non-refundable state tax credit calculated at 25% of the federal CDCTC. Advocates are working to make the federal CDCTC refundable, to change the sliding scale for the credit to help more low and moderate income families, and to increase the child care expense limits to reflect the rising costs of child care.\(^{44,45}\)

- Dependent Care Assistance Plans (DCAP) are managed by employers and allow working parents to set aside up to $5,000 per year, exempt from income tax, to pay for child care expenses. DCAP funds are only available as accrued through payroll deductions, so families have to pay for child care out of pocket and then request reimbursement from their employer. Also, any funds leftover in an employee’s DCAP account at the end of the year are forfeited.\(^{46}\)

- In addition to the family-focused tax strategies, several states offer employer-focused tax credits to incentivize businesses to help workers with child care expenses. However, these tax credits have been underutilized and therefore not effective at stimulating investments that help many families.\(^{47}\)

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**Paid Family Leave**

- Both children and parents do better when parents can take time off from work when a new child joins the family through birth, foster care, or adoption. Newborns require an intense amount of individualized care and children need time with their parents to form a secure attachment. Time off to care for a new child is associated with improved breastfeeding and immunizations as well as reduced maternal depression, infant mortality, and child maltreatment. Studies show that outcomes improve when parents can stay home with children for at least 12 weeks, and some research indicates that the best outcomes are achieved when parents can take six to 12 months off from work to care for an infant.\(^{48,49,50}\)

- The U.S. is an outlier among nations in not having a federally mandated paid family leave policy. There are at least 178 nations that guarantee paid leave for new mothers and 54 that do so for fathers. In most economically-developed countries, families receive at least six months of paid leave to care for a new baby.\(^{51}\)

- Rhode Island’s 1987 Parental and Family Medical Leave Act preceded the federal Family and Medical Leave Act and requires that employers with 50 or more workers offer 13 weeks of job-protected, unpaid leave to care for a new child or a seriously ill family member. The federal Family and Medical Leave Act, enacted in 1993, requires 12 weeks of unpaid leave.\(^{52,53}\)

- In 2013, Rhode Island became the third state in the U.S. to establish a paid family leave program. Connected to the state’s Temporary Disability Insurance (TDI) program, the Temporary Caregivers Insurance (TCI) program provides up to four weeks of paid time off to care for a new child or seriously ill family member. Both the TDI and the TCI program are financed entirely through employee contributions.\(^{54}\)

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**Approved Temporary Caregiver Insurance (TCI) program approvals, Rhode Island, 2014-2017**

<table>
<thead>
<tr>
<th>Year</th>
<th>New Child</th>
<th>Seriously Ill Child</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,847</td>
<td>227</td>
</tr>
<tr>
<td>2015</td>
<td>3,803</td>
<td>200</td>
</tr>
<tr>
<td>2016</td>
<td>4,684</td>
<td>187</td>
</tr>
<tr>
<td>2017</td>
<td>4,968</td>
<td>191</td>
</tr>
</tbody>
</table>

Source: RI Department of Labor and Training, TCI program approvals, 2014-2017. Note: Seriously ill children reflects claims made by parents and includes both children under age 18 and adult children.
The Temporary Disability Insurance program is an important program for families. It helps pregnant women who experience disabling conditions associated with pregnancy to take paid time off to promote a healthy outcome for both the mother and the baby. Recovery from childbirth is also a disabling condition covered by TDI with typical coverage of six weeks for a vaginal birth and eight weeks for a cesarean birth. In 2017 in Rhode Island, there were 3,326 approved TDI claims for disabling pregnancy complications and/or to recover from childbirth. Women who give birth can take both TDI and TCI. Parents who do not give birth (e.g. adoptive and foster parents, fathers, and partners) are not eligible to take TDI but are able to take TCI.

In 2017 in Rhode Island, there were 4,968 approved TCI claims for bonding with a new child, 98% were for a newborn child and 2% were for a foster child (48), a newly adopted child (25), or other child (38). Thirty-nine percent of claims to bond with a new child were filed by men and 61% were filed by women. In addition, there were 191 approved claims by a parent to care for a seriously ill child of any age.

Rhode Island’s TDI and TCI programs provide only a partial wage replacement, approximately 60% of regular pay, to workers when they are on medical or family leave. Data show that low-wage workers are less likely to take paid leave than higher-wage workers, even when it is available. When wage replacement is not adequate, low-wage workers may not be able to afford to take paid family leave because they would not have enough income to cover household expenses. Data from 2017 in Rhode Island indicate that higher-wage workers claim benefits more frequently than low-wage workers, with 42% of individuals contributing to TDI/TCI making less than $20,000, but only 19% with approved claims in this wage category.

All children need preventive pediatric health care, including immunizations, developmental screenings, anticipatory guidance, and dental care. The current recommended schedule for routine, preventive pediatric health care has 12 visits before age three and then annual visits through age 18, for a total of 28 visits. In addition, almost all children experience routine illnesses each year (e.g. croup, strep throat, flu, etc.) and about 15% have chronic health care issues requiring frequent monitoring and ongoing care. Pregnant women also have significant preventive health care needs. Current recommendations call for 15 prenatal visits for uncomplicated pregnancies. When complications arise, additional prenatal appointments are often necessary.

Without access to paid time off to care for children, employed parents may forgo preventive health care, miss immunizations, or experience wage and job loss when taking time off to care for their children. One study found that 24% of U.S. workers without paid sick time had sent a sick child to school or child care, compared to 14% who had paid sick time.

In 2017, the Rhode Island General Assembly passed legislation that requires employers with 18 or more workers to provide paid sick time that can be used by employees to care for themselves or to care for family members. Specifically, paid sick time can be used to care for sick children and to bring children to preventive health care appointments. Starting in July 2018, employees can earn up to three paid sick days for full-time workers. The minimum number of days will increase to four days in 2019 and five days in 2020. Employers that have fewer than 18 workers must allow employees the same time off, but are not required to pay workers for this time. Paid or unpaid time off must also be provided to workers to address domestic violence issues.

Rhode Island is now one of nine states to enact earned sick leave laws.
**Recommendations**

**Expand Access to High-Quality Child Care**

- Continue to expand and implement tiered quality rates for CCAP to support and incentivize quality improvement. Ensure that rates for high-quality child care programs are at or above the federal benchmark (75th percentile of a recent market rate survey) to ensure equal access to quality child care.
- Provide intensive and individualized supports to all child care programs (early learning centers, family child care homes, and after-school/summer programs) to promote quality improvement, including access to on-site consultation and coaching, scholarships to help educators complete post-secondary education, and grants to improve facilities and purchase equipment, books, and educational materials.
- Implement wage supplements to attract and retain qualified and effective early childhood educators in programs serving the youngest children.
- Expand child care subsidies to serve more low- and moderate-income families, up to 300% FPL.

**Expand Access to Paid Family Leave and Earned Sick Leave**

- Expand the Temporary Caregivers Insurance Program to cover up to 12 weeks of paid time off to care for a new child or seriously ill family member.
- Improve wage replacement rates for low-wage workers so their families can remain financially stable and their children can experience the improved outcomes associated with time at home with parents.
- Ensure employees, particularly those who have low-wage jobs, are notified about the availability of both paid family leave and earned sick leave, including the ability to take sick leave to care for children experiencing routine illnesses and to bring children to preventive health care appointments.

**References**

5. Population Research Bureau analysis of U.S. Census Bureau, American Community Survey, 2012-2016. For a full listing of references, please view the online version of the Issue Brief.

**Acknowledgements**

James Butler, Karen Beece, Caitlin Molina, Alisha Pina, Maria Cimini, Courtney Hawkins, RI Department of Human Services; Donna Murray, Ray Pepin, Fern Casimiro, Matt Weldon, Scott Jensen, RI Department of Labor and Training; Cara Harrison, Jaclyn Poirillo, Art Nevins, RI Governor’s Office; Rachel Flum, Economic Progress Institute; Lisa Hildebrand, RI Association for the Education of Young Children; Cindy Larson, LISC; Sue Washburn, Center for Early Learning Professionals; Leslie Gell, Read to Learn Providence; Gayle Goldin, Family Values @ Work; Karen Schulman, Helen Blank, National Women’s Law Center; Alicia VanOrman, Jean D’Amico, Population Research Bureau; Heather Koball, National Center for Children in Poverty.

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THE ANNIE E. CASEY FOUNDATION

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