

# Children in Families Receiving Cash Assistance

## DEFINITION

*Children in families receiving cash assistance* is the percentage of children under age 18 who were living in families receiving cash assistance through the Rhode Island Works Program (RI Works), the program that replaced the Family Independence Program (FIP). These data measure the number of children and families enrolled in RI Works on December 1, 2008. Children and families who participated in the program at other points in the year but who were not enrolled on December 1, 2008 are not included.

## SIGNIFICANCE

The Rhode Island Works Program (RI Works) replaced the Family Independence Program (FIP), effective July 1, 2008. The goal of RI Works is to help families successfully transition to work by providing cash assistance and work supports, including employment services, food stamp benefits, health insurance and subsidized child care.<sup>1</sup> Children and families qualify for cash assistance based on their income, resources and the number of people in their families.<sup>2</sup>

RI Works cash assistance recipients must participate in an employment plan focused on supporting rapid entrance or re-entrance into the workforce, unless they meet specific

criteria for a work exemption.

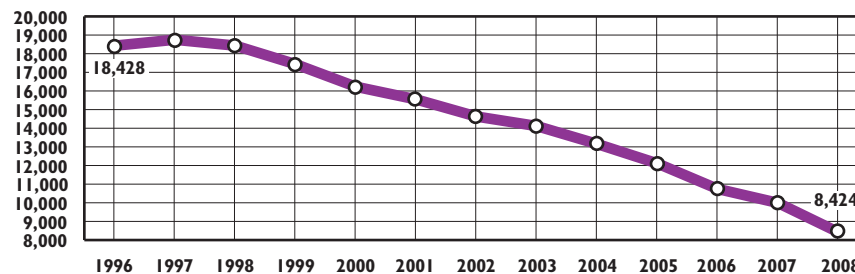
Employment plans may include job search and placement, job skills development, work experience, literacy and GED programs, vocational education, English-language programs or post-secondary education.<sup>3</sup>

RI Works provides a safety net for children whose parents are unable to work due to a disability and functions as an unemployment system for parents who do not have sufficient earnings or work experience to qualify for regular unemployment benefits. RI Works also provides time-limited supplementary cash assistance to very low-income working families.<sup>4</sup> In December 2008, the average wage of parents enrolled in RI Works and working was \$9.12 per hour.<sup>5</sup>

RI Works also connects families to the Office of Child Support Services (OCSS), which assists families in establishing paternity (when applicable), establishing child support orders and collecting money from non-custodial parents. In Rhode Island, the first \$50 of child support paid on time each month on behalf of a child enrolled in RI Works goes to the custodial parent caring for the child.<sup>6</sup>

If a family has no earned income, the maximum monthly RI Works benefit for a family of three is \$554 per month.<sup>7</sup> Rhode Island's monthly benefit has not increased in 18 years.<sup>8</sup>

Cash Assistance\* Caseload, Rhode Island, 1996 – 2008



Source: Rhode Island Department of Human Services, InRhodes Database, December 1, 1996 – 2008. Cases can be child-only or whole families and multiple people can be included in one case. \*The Rhode Island cash assistance program was called Aid to Families with Dependent Children (AFDC) until May 1, 1997, then called the Family Independence Program (FIP) until July 1, 2008, when it became the Rhode Island Works Program (RI Works).

- ◆ Between 1996 and 2008, the Rhode Island cash assistance caseload decreased by 54% from 18,428 to 8,424. In just the past year, from 2007 to 2008, the caseload decreased by 16% or 1,569 cases.<sup>9,10,11</sup>
- ◆ A large part of the recent decline was the result of new policies that eliminated children's entitlement to cash assistance when parents reach their time limit. In 2008, there were 1,301 fewer child-only cases than in 2007. In fact, 83% of the overall decline in the caseload from 2007 and 2008 can be attributed to reductions in child-only cases.<sup>12,13</sup>
- ◆ In December 2008, there were 6,307 adults and 13,973 children under age 18 enrolled in RI Works. Almost seven out of ten (69%) of all RI Works beneficiaries were children, and almost half (49%) of the children enrolled in RI Works were under the age of six. In Rhode Island, 83% of the families enrolled in RI Works have one or two children.<sup>14</sup>
- ◆ In December 2008, there were 625 teen heads of household enrolled in RI Works, representing 7% of the total caseload.<sup>15</sup> Teen parents without a high school diploma receive mandatory parenting skills training and are supported in completing their high school education while enrolled in RI Works. Teen parents are required to live in an adult-supervised setting if such an arrangement is available and appropriate.<sup>16</sup>

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## RI Works Policies

### Work Requirements

◆ Single-parent families must participate in a work activity for a minimum of 20 hours per week if they have a child under age six and a minimum of 30 hours per week if their youngest child is age six or older. Single parents can combine 10 hours of job skills training or education that is directly related to employment or a GED program with 20 hours of work to reach the 30-hour work requirement.<sup>17</sup>

### Time Limits

◆ The lifetime limit for RI Works is 48 months, rather than 60 months as it was under FIP. Families also are now limited to no more than 24 consecutive months of cash assistance in a 60-month period. All cash assistance issued in Rhode Island or any other state since May 1997 counts toward a family's 48-month lifetime limit. The Rhode Island Department of Human Services also has the discretion to offer hardship exemptions to the time limits for families in certain situations (such as domestic violence and homelessness).<sup>18</sup>

### Child-Only Cases

◆ Child-only cases are those that receive assistance for only the children in the family because the child's parent is ineligible. Child-only cases include children living with a non-parent relative or a parent who is disabled and receives Supplemental Security Income (SSI). Children living with parents who have reached their time limits are no longer entitled to cash assistance as child-only cases as they were under FIP.<sup>19</sup>

### Citizenship/Residency

◆ Recipients of cash assistance must be United States citizens, legal residents who have been in the U.S. for at least five years, or be exempt from the five-year ban on receipt of cash assistance due to refugee, veteran, or other allowed status.<sup>20</sup>

### Sanctions

◆ If a parent misses a required appointment, refuses or quits a job or in some other way fails to comply with an employment plan and is not able to establish "good cause" (e.g., lack of child care, illness, a family crisis, or other allowed circumstance), the family's cash benefit is reduced for three months. After three months of reduced benefits due to non-compliance (consecutive or not), the family's case is closed and the entire family loses the RI Works benefit.<sup>21</sup>

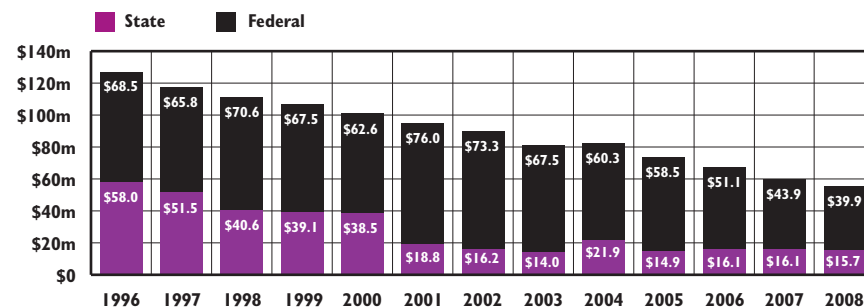
## RI Works by Case Type, 2008

Total RI Works Caseload	8,424
Child-only cases	2,750
Cases with adults required to engage in a work activity	3,857
Cases with adults exempt from a work activity*	1,817

Source: Rhode Island Department of Human Services, InRhodes Database, 2008.

\*Exemptions from work activities include: caring for a disabled spouse or child (141), in third trimester of pregnancy (352), and youngest child under age one (1,324). Under RI Works regulations, recipients who have disabilities or who are age 60 or older are no longer exempt from work activities.

## Rhode Island Cash Assistance Expenditures, State Fiscal Years 1996-2008



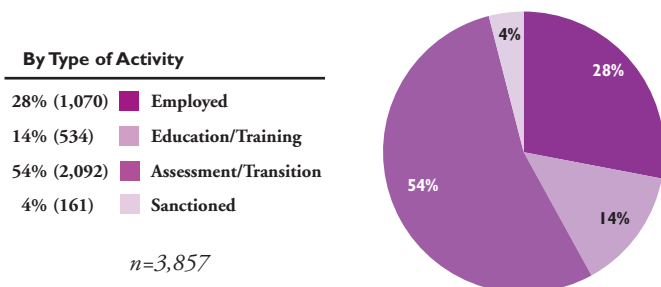
Source: Rhode Island Department of Human Services, *Family Independence Program 2007 Annual Report* (FY 1996-2001); House Fiscal Advisory Staff. (2004-2008). *Budget as enacted: Fiscal Years 2005-2009*. Providence, RI: Rhode Island House of Representatives, (FY 2002-2007). November 2008 Caseload Estimating Conference (FY 2008).

◆ Between State Fiscal Year (SFY) 1996 and SFY 2008, state general revenue spending for cash assistance decreased 69% from \$58.0 million to \$15.7 million.<sup>22,23</sup>

◆ In SFY 2008, cash assistance represented less than 1% of Rhode Island's total federal and state budget expenditures of \$6.92 billion.<sup>24</sup>

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## Activities of Families Enrolled in RI Works, December 2008



Source: Rhode Island Department of Human Services, InRhodes Database, December 2008.

- ◆ As of December 2008, 28% of families that were required to engage in work-related activities were employed, down from 38% of families in December 2007.<sup>25,26</sup> During this same period, from December 2007 through December 2008, the unemployment rate in Rhode Island increased from 6.0% to 9.4%.<sup>27</sup>
- ◆ As of December 2008, 14% of families were participating in approved adult education or job training programs, including programs for adults with low literacy levels or limited English-language skills, and vocational training.<sup>28</sup>
- ◆ The largest group of families (54%) were in assessment or transition.<sup>29</sup> Assessment/transition can include preparing an employment plan, receiving educational or vocational assessments, developing resume writing and interviewing skills, conducting job searches or waiting to begin an education program or job. These services are delivered in partnership with the Rhode Island Department of Labor and Training, primarily through their netWORKri one-stop career center locations.<sup>30</sup>
- ◆ Fewer than one in 20 families (4%) required to engage in a work-related activity were sanctioned, meaning they lost benefits due to non-compliance with their employment plan. More than one-third (37%) of all RI Works cases that closed in 2008 were closed because the parents' employment income exceeded the eligibility limit.<sup>31</sup>

## RI Works and Working Families

- ◆ The high rate of unemployment in Rhode Island coupled with stricter eligibility and shorter time limits for cash assistance may leave many families without employment or a cash assistance safety net, resulting in a rise in deep poverty, hardship and homelessness.<sup>32</sup>
- ◆ Many states, including Rhode Island, provide supplementary cash assistance to families after a parent is employed until the families reach their time limits. This type of assistance encourages parents to work by helping them make ends meet when they are earning low wages.<sup>33</sup>
- ◆ In Rhode Island, a single parent with two children who works full time and earns the minimum wage would be eligible for \$78 per month in supplementary cash assistance. Combined with the Earned Income Tax Credit (EITC), this supplementary payment would bring the family's income to just above the federal poverty level.<sup>34</sup>

## Rhode Island's Most Vulnerable Families

- ◆ Research from a longitudinal study of FIP showed that cash assistance recipients who remained enrolled in the program for at least three years faced many barriers to employment including health problems, housing problems, seasonal, temporary or part-time jobs, jobs that paid too little, difficulty finding jobs, and problems related to child care and transportation.<sup>35</sup>
- ◆ Adults receiving cash assistance are more likely to have disabilities than other adults. RI Works recipients with disabilities may face multiple barriers to work and need specialized education, training, and mental health services in order to succeed.<sup>36</sup>
- ◆ Many families receiving cash assistance include children with disabilities. Parents caring for disabled children may need help finding appropriate child care or need flexible workplace environments so they can meet their children's medical and educational needs and respond appropriately in emergencies.<sup>37</sup>
- ◆ Under RI Works, parents with disabilities are no longer exempt from work requirements as they were under FIP. Parents who report having a disability but who are not receiving SSI may be referred to the Office of Rehabilitation Services for further assessment and help applying for SSI.<sup>38</sup>

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## Education and Training Supporting Employment

◆ Twenty percent of Rhode Island's adult working age population (ages 16-64) lacks a high school diploma, has limited English-language skills or faces both of these obstacles to success in the labor market.<sup>39</sup>

◆ Parents enrolled in RI Works face even greater barriers to success in the labor market. Almost one-half of the parents (48%) enrolled in RI Works report not finishing high school. Among a recently-tested group of parents receiving cash assistance, more than one-third (36%) tested at or below the 6th grade reading level.<sup>40,41</sup>

◆ The skill levels of average high school dropouts qualify them for only 10% of the jobs created between 2000 and 2010, while people possessing the skills of typical high school graduates qualify for 22% of these jobs.<sup>42</sup> In 2006, the unemployment rate for Rhode Islanders without high school diplomas was almost twice as high as it was for those with high school degrees.<sup>43</sup>

◆ Providing adult basic education and occupational training programs will strengthen Rhode Island's workforce.<sup>44</sup> The U.S. Department of Human Services has highlighted efforts to provide adults with limited educational and linguistic skills with integrated educational services and career pathways programs as a promising practice for transitioning parents receiving cash assistance to work.<sup>45</sup>

### Source of Data for Table/Methodology

Rhode Island Department of Human Services, InRhodes Database, December 2008. The denominator is the total number of children under age 18 from U.S. Census Bureau, Census 2000. Summary File 1, Table P12.

Core Cities are Central Falls, Newport, Pawtucket, Providence, West Warwick and Woonsocket.

### References

<sup>1,3,4,6,7,16,17,18,19,20,21,30,38</sup> Rhode Island Department of Human Services. (2008). *Rhode Island Department of Human Services Code of Rules: Rhode Island Works Program*. Retrieved December 12, 2008 from [www.ridhscod.org/1400.htm](http://www.ridhscod.org/1400.htm)

<sup>2,8,32,33,34</sup> *Comparison of work supports in Rhode Island and other New England states*. (2008). Providence, RI: The Poverty Institute at the Rhode Island College School of Social Work.

<sup>5,10,12,14,15,25,28,29,31,40</sup> Rhode Island Department of Human Services, InRhodes Database, December 2008.

<sup>9</sup> Rhode Island Department of Human Services, InRhodes Database, December 1996.

<sup>11,13,26</sup> Rhode Island Department of Human Services, InRhodes Database, December 2007.

<sup>22</sup> Rhode Island Department of Human Services. (2007). *Family Independence Program: Ten years in review: 2007 Annual Report*. Cranston, RI: Rhode Island Department of Human Services.

<sup>23</sup> The Poverty Institute at the Rhode Island College School of Social Work analysis of data presented at the November 2008 Caseload Estimating Conference.

<sup>24</sup> Katz, L. & Flum, R. (2009). *Trends in state spending on work support programs & the impact on low-income Rhode Islanders*. Retrieved March 1, 2009 from [www.povertyinstitute.org](http://www.povertyinstitute.org)

Table 10. Children in Families Receiving Cash Assistance (RI Works), Rhode Island, December 1, 2008

CITY/TOWN	# OF CHILDREN UNDER 18	NUMBER RECEIVING CASH ASSISTANCE		% OF CHILDREN RECEIVING CASH ASSISTANCE
		FAMILIES	CHILDREN	
Barrington	4,745	17	22	<1%
Bristol	4,399	46	65	1%
Burrillville	4,043	54	81	2%
Central Falls	5,531	413	758	14%
Charlestown	1,712	17	26	2%
Coventry	8,389	108	156	2%
Cranston	17,098	462	720	4%
Cumberland	7,690	89	135	2%
East Greenwich	3,564	23	33	1%
East Providence	10,546	216	319	3%
Exeter	1,589	13	18	1%
Foster	1,105	17	30	3%
Glocester	2,664	21	27	1%
Hopkinton	2,011	24	39	2%
Jamestown	1,238	6	11	1%
Johnston	5,906	154	229	4%
Lincoln	5,157	72	111	2%
Little Compton	780	7	11	1%
Middletown	4,328	60	82	2%
Narragansett	2,833	36	53	2%
New Shoreham	185	1	3	2%
Newport	5,199	199	334	6%
North Kingstown	6,848	90	160	2%
North Providence	5,936	149	219	4%
North Smithfield	2,379	24	35	1%
Pawtucket	18,151	883	1,413	8%
Portsmouth	4,329	25	37	1%
Providence	45,277	3,490	6,101	13%
Richmond	2,014	12	30	1%
Scituate	2,635	19	28	1%
Smithfield	4,019	27	85	2%
South Kingstown	6,284	51	39	1%
Tiverton	3,367	57	69	2%
Warren	2,454	43	57	2%
Warwick	18,780	306	454	2%
West Greenwich	1,444	7	10	1%
West Warwick	6,632	253	386	6%
Westerly	5,406	75	123	2%
Woonsocket	11,155	858	1,464	13%
<b>Core Cities</b>	<b>91,945</b>	<b>6,096</b>	<b>10,456</b>	<b>11%</b>
<b>Remainder of State</b>	<b>155,877</b>	<b>2,328</b>	<b>3,517</b>	<b>2%</b>
<b>Rhode Island</b>	<b>247,822</b>	<b>8,424</b>	<b>13,973</b>	<b>6%</b>

(continued on page 154)