

Secure Parental Employment

DEFINITION

Secure parental employment is the percentage of children living with at least one parent who has full-time, year-round employment.

SIGNIFICANCE

Secure parental employment increases family income and reduces poverty. Children with parents who have steady employment are more likely to have access to health care. Secure parental employment is also likely to improve family functioning by reducing the stress brought on by unemployment and underemployment of parents.¹ Among poor families, children with working parents are less likely to repeat a grade or be suspended or expelled from school than children with non-working parents.²

The U.S. seasonally-adjusted unemployment rate increased dramatically during 2009, starting the year at 7.7% in January and ending the year at 10.0% in December.³ In Rhode Island, the 2009 unemployment rate was even higher, starting in January at 10.3% and ending the year at 12.9% in December.⁴ As a result of the current recession, one in seven U.S. children has an unemployed parent. These children are at increased risk for homelessness, child abuse or neglect, and failure to complete high school or college. They are also more likely to live

in poverty as adults.⁵

Between 2006 and 2008, 68% of children under age six and 74% of children ages six to 17 in Rhode Island had all parents in the labor force.⁶ In comparison, nationally 62% of children under age six and 71% of children ages six to 17 had all parents in their family in the labor force.⁷

Even when families include adults with secure parental employment, low wages cause many families to remain in poverty. Nationally, one in four working families with children is low income (9.6 million working families with a total of 21 million children).⁸ Welfare reform focused on transitioning welfare recipients to work, yet when these individuals enter the workforce they earn low wages. Research shows that many low-income workers never move out of low-wage jobs, even as they gain experience and seniority.⁹

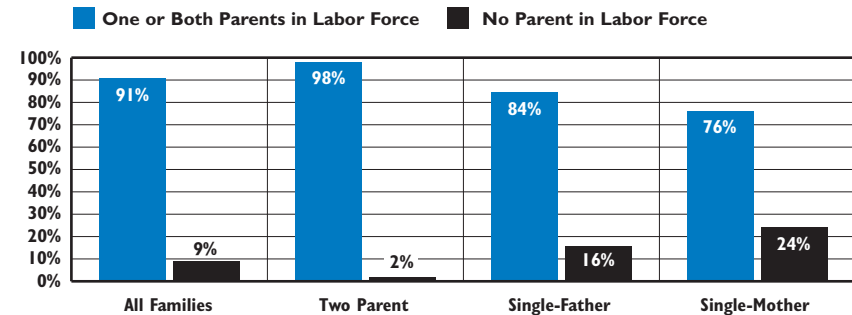
Children Living in Families Where At Least One Parent Has Full-Time, Year-Round Employment	
	2008
RI	70%
US	73%
National Rank*	41st
New England Rank**	6th

*1st is best; 50th is worst

**1st is best; 6th is worst

Source: The Annie E. Casey Foundation. (2009). KIDS COUNT Data Center. Analysis of data from the U.S. Census Bureau, and American Community Survey, 2008.

Employment Status of Parents by Family Type, Rhode Island, 2006-2008



Source: U.S. Census Bureau, American Community Survey, 2006-2008. Table B23008.

- ◆ The majority of children living in Rhode Island between 2006 and 2008 had one or both parents in the labor force. Children living with a single parent were 11 times more likely than children living in a two-parent family to have no parents in the labor force. Of children in two-parent families, 69% had both parents in the labor force.¹⁰
- ◆ Between 2006 and 2008, there were 20,582 Rhode Island children in families with no parent in the labor force. Children in families with a single parent represented 85% of families with no employed parents.¹¹
- ◆ Between 2006 and 2008, there were 2,768 Rhode Island families with incomes below the federal poverty threshold in which at least one adult had full-time, year-round employment.¹² Between 1998 and 2008, the percentage of Rhode Island children living in low-income families (below 200% of the federal poverty threshold) with no employed parents fell from 34% to 25%.¹³
- ◆ According to the Poverty Institute's *2008 Rhode Island Standard of Need*, a single parent with two children who works full-time year-round at a minimum wage job and who receives all public benefits for which the family is eligible (SNAP/food stamp benefits, the Earned Income Tax Credit (EITC), child care subsidies and health insurance), will still be \$373 short of affording basic expenses each month.¹⁴

Barriers to Secure Employment for Low-Income Families

- ◆ There are many barriers to employment for those leaving welfare for work. Research shows that people who return to welfare after working are much more likely to be in poor health, to have low levels of education, and to have young children than those who remain employed.¹⁵
- ◆ Poor health or a disability may make it difficult for parents to secure or sustain employment. One national study found that 13% of low-income working mothers had some type of disability and that 6% had a severe disability. The same study found that 16% of low-income working mothers had a child with a disability and that 9% had a child with a severe disability. The rates for higher income mothers were significantly lower.¹⁶
- ◆ Low-income workers are less likely to have benefits, such as paid time off and flexible work schedules, which would allow them to address the needs of sick children. In the U.S., more than half of working parents with below-poverty incomes lack paid leave.¹⁷ Even when they work full-time, year-round, women earn less than male workers and are less likely to have paid time off.¹⁸
- ◆ Limited education can also be a barrier to sustained employment. In Rhode Island, 34% of low-income working families include a parent without a high school diploma or GED. Rhode Island ranks 44th (1st is best) in the U.S. on this measure.¹⁹
- ◆ Having access to work supports, such as health insurance, food stamp benefits/SNAP, and child care subsidies can facilitate steady employment over time. People who leave welfare and use these kinds of transitional support services are much less likely to return to welfare.²⁰

References

¹ Federal Interagency Forum on Child and Family Statistics. (2009). *America's children: Key national indicators of well-being, 2009*. Washington, DC: U.S. Government Printing Office.

² Wertheimer, R., Moore, K. A. & Burkhauser, M. (2008). *The well-being of children in working poor and other families: 1997 and 2004*. (Child Trends Research Brief Publication #2008-33). Washington, DC: Child Trends.

³ Rhode Island Department of Labor and Training. Labor Market Information Division. *Local area unemployment statistics: United States labor force statistics, seasonally adjusted 1978-present*. Retrieved January 19, 2010 from www.dlt.ri.gov/lmi/pdf/usadj.pdf

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Secure Employment and Child Care

- ◆ Research shows a link between adequate child care availability and sustained maternal labor force participation.²¹ Low-income working mothers who do not have regular child care arrangements for their preschool-age children have lower job retention than mothers with regular care arrangements.²²
- ◆ Low-income parents are less likely to use paid child care than higher-income parents. When they do pay for child care, they spend a higher proportion of their income than higher-income parents.²³
- ◆ In Rhode Island, child care assistance is guaranteed to all income-eligible working families. During the 2007 legislative session, eligibility for child care was rolled back from 225% to 180% of the federal poverty level (\$32,958 for a family of three in 2009).²⁴

Rhode Island Earned Income Tax Credit (EITC)

- ◆ Earned Income Tax Credits (EITCs) provide tax reductions and wage supplements for low- and moderate-income working families. EITCs reduce child poverty, decrease taxes and increase work incentives for families struggling to make ends meet. The federal EITC is the nation's most effective antipoverty program for working families, lifting 6.5 million people – roughly half of whom are children – out of poverty each year.²⁵ In 2009, the federal *American Recovery and Reinvestment Act* (ARRA) expanded the federal EITC, providing an additional estimated \$3.4 billion in benefits to working families.²⁶
- ◆ State EITCs can supplement the federal EITC to further support working families. Currently, Rhode Island offers a partially-refundable state EITC equal to 25% of the federal EITC, with 15% of this being refundable (i.e., 3.75% of the federal EITC).²⁷
- ◆ Of the 24 states offering state EITCs, 20 offer credits that are fully refundable, meaning taxpayers receive back the entire tax credit even if it exceeds their income tax liability. Rhode Island is one of two states with a partially refundable credit.²⁸ Fully refundable credits provide more financial benefit to working poor families with children than partially refundable credits.²⁹