

# Parental Employment

## DEFINITION

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

## SIGNIFICANCE

Secure parental employment can have positive impacts on child well-being that go beyond reducing poverty and increasing median household income. Children with parents who have steady employment are more likely to have access to health care and stable, regular child care.<sup>1</sup> Secure parental employment is also likely to improve family functioning by reducing the stress brought on by unemployment and underemployment of parents.<sup>2</sup>

In Rhode Island in 2000, there were approximately 52,043 Rhode Island children with no parent working full time, year round.<sup>3</sup> This is slightly less than one quarter of Rhode Island children.<sup>4</sup>

In 2003 the Rhode Island unemployment rate was 5.2%; lower than the national annual average of 6.0%.<sup>5</sup> Unemployment rates vary significantly across cities and towns in the state from a high of 8.7% in Central Falls and 8.6% in New Shoreham to a low of 2.6% in Richmond and 2.9% in Barrington.<sup>6</sup>

Parental employment is not the only determinant of whether or not children will be poor.<sup>7</sup> When families work in low-wage jobs, many remain below the poverty level and many more are low-income. The likelihood of having one parent with full-time year-round employment and remaining poor has increased in recent years from 21% of poor children in 1993, to 32% of poor children in 2001.<sup>8</sup> Between 1990 and 2000 in Rhode Island, the number of children living in low-income working families (full-time work and income below 200% of the federal poverty line) increased 18%, from 28,000 children to 33,000 children. This is 15% of all Rhode Island children, lower than the national average of 19%.<sup>9</sup>

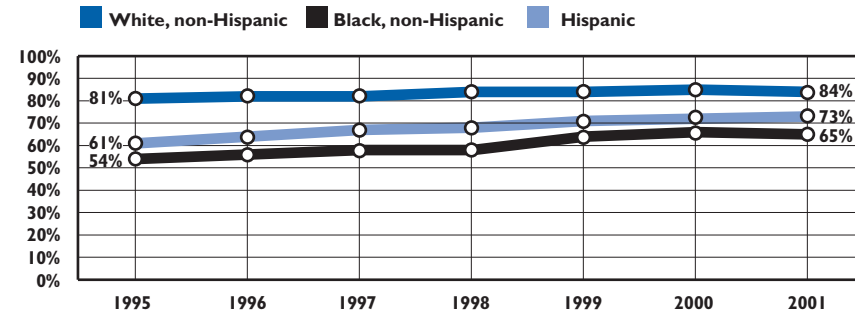
Parental Employment		
	1990	2000
RI	75%	79%
US	70%	76%
National Rank*		17th
New England Rank**		3rd

\*1st is best; 50th is worst

\*\*1st is best; 6th is worst

Source: *KIDS COUNT Data Book: State Profiles of Child Well-Being 2003*. (2003). Baltimore, MD: The Annie E. Casey Foundation. Percentages include only those who are employed full-time, year-round.

Parental Employment, by Race and Ethnicity, United States, 1995 to 2001



Note: Parental employment is the percentage of children living with at least one parent working full-time, year-round.

- ◆ Parental employment increased for White, Black, and Hispanic children in the U.S. between 1995 and 2001. Black, non-Hispanic children and Hispanic children have seen the largest increase.
- ◆ Black, non-Hispanic and Hispanic children in the U.S. continue to be less likely than White, non-Hispanic children to live with at least one parent with full-time, year-round employment.
- ◆ Much of the increase in parental employment during the 1990s was due to the increase in the percentage of children living with single mothers who are employed full time year round, which increased from 38% in 1995 to 48% in 2001.

Source: *America's Children: Key National Indicators of Well-Being*. (2003). Washington, DC: Federal Interagency Forum on Child and Family Statistics.



## Housing and Secure Employment

- ◆ High housing costs, low-wage work, and less secure jobs increase homelessness. Among families seeking emergency shelter in Rhode Island in 2003, more than a quarter (27%) cited housing costs as the reason why shelter was needed.<sup>10</sup>
- ◆ Research indicates that affordable housing helps to promote secure parental employment. Having a permanent address increases a parent's ability to gain and maintain employment and provides parents with stability that affects parental success in the workplace.<sup>11</sup>
- ◆ Families without stable housing typically have to move often, making job retention difficult and increasing the frequency of student mobility which can affect student performance and behavior.<sup>12,13</sup>
- ◆ Housing assistance programs, such as Section 8 housing vouchers and public housing projects, help low-income families to overcome barriers to employment, increase job retention and advancement, and enhance child academic success. In fact, employment and earnings increase more for residents of subsidized housing than for poor working families not receiving housing assistance.<sup>14</sup>
- ◆ Long waiting periods for subsidized housing are common due to high demand and limited resources.<sup>15</sup> Nationally in 1999, there were only 4.9 million affordable rental units available to 7.7 million low-income renter households. This shortage of 2.8 million units has only increased as low-rent units disappear from the market because of abandonment, demolition, or expensive condominium conversions.<sup>16</sup>

### References

<sup>1,2,7,8</sup> *America's Children: Key National Indicators of Well-Being*. (2003). Washington DC: Federal Interagency Forum on Child and Family Statistics.

<sup>3,4</sup> *KIDS COUNT Data Book: State Profiles of Child Well-Being 2003*. (2003). Baltimore, MD: The Annie E. Casey Foundation. Calculations done by Rhode Island KIDS COUNT, using Census 2000 population totals for children under 18 years of age.

<sup>5</sup> Rhode Island Department of Labor and Training. Labor Market Information Division. Local Area Unemployment Statistics: New England Labor Force Statistics, Not Seasonally Adjusted 1978-Present. Retrieved February 2004 at [www.dlt.state.ri.us](http://www.dlt.state.ri.us).

<sup>6</sup> Rhode Island Department of Labor and Training, Labor Market Information Division, Local Area Unemployment Statistics: Rhode Island City/Town 2003 Labor Force Statistics. Retrieved February 2004 at [www.dlt.state.ri.us](http://www.dlt.state.ri.us).



## Rhode Island Earned Income Tax Credit

- ◆ Rhode Island is one of seventeen states that have established state Earned Income Tax Credit (EITC) programs that help to bring low-wage workers out of poverty. Refundable EITC programs exist in 13 states and maximize economic benefits to the lowest-income families.<sup>17</sup>
- ◆ In 2003, Rhode Island passed legislation enacting a small refundable EITC that enables 42,000 Rhode Islanders with very low income to be eligible for a credit of up to \$50.<sup>18</sup>
- ◆ Increasing the state EITC refundable amount to 5% of the federal EITC refund would provide a maximum benefit of \$210 to very low-income Rhode Islanders.<sup>19</sup> All other states, including the District of Columbia, offering refundable EITC's have implemented rates of at least 5%, and as high as 50%, of the federal EITC.<sup>20</sup>
- ◆ When a state EITC is refundable, the family receives a refund check if the size of its EITC exceeds its tax bill. In 2002, single parent families of three in Rhode Island had no state income tax liability until they reached an annual income of \$26,000, while two parent families of four had no state income tax liability until they reached \$28,200.<sup>21</sup>

### References

<sup>9</sup> *Children At Risk: State Trends 1990 – 2000*. (2002). Baltimore, MD: The Annie E. Casey Foundation.

<sup>10</sup> Rhode Island Emergency Shelter Information Project, July 1, 2001 – June 30, 2002 (2003). Providence, RI: Rhode Island Emergency Food and Shelter Board.

<sup>11</sup> *Hitting the Low-income Glass Ceiling*. (Summer 2003). New York, NY: National Center for Children in Poverty, Columbia University, Mailman School of Public Health.

<sup>12,14</sup> Rozell, Maura, et al. (2000). *Welfare to What? Part II: Laying the Groundwork for the 2002 Congressional TANF Reauthorization Debate*. Los Angeles, CA: Los Angeles Coalition to End Hunger and Homelessness and Washington, DC: National Coalition for the Homeless. On behalf of The National Welfare Monitoring and Advocacy Partnership.

<sup>13</sup> *Kids Mobility Project Report*. (January 2002). Minneapolis, MN: Family Housing Fund.

<sup>15</sup> Federal Housing Assistance Factsheet. Washington, DC: The National Coalition for the Homeless. Retrieved January 2004 at [www.nationalhomeless.org](http://www.nationalhomeless.org).

<sup>16</sup> *People Need Affordable Housing*. (July 2003). Washington, DC: The National Coalition for the Homeless. Retrieved January 2004 at [www.nationalhomeless.org](http://www.nationalhomeless.org).

<sup>17,20</sup> Johnson, N., Joseph Llobrera, & Bob Zahradnik. (March 2003). *A Hand Up: How State Earned Income Tax Credits Help Working Families Escape Poverty in 2003*. Washington DC: Center on Budget and Policy Priorities.

<sup>18,19</sup> *One Rhode Island Platform*. (2004). Providence, RI: The Poverty Institute at Rhode Island College School of Social Work.

<sup>21</sup> Johnson, N. et. al. (April 2003). *State Income Tax Burdens on Low-Income Families in 2002*. Washington, DC: Center on Budget and Policy Priorities.