

# 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 improves family functioning by reducing the stress brought on by unemployment and underemployment of parents. Children with working parents are more engaged academically and less likely to repeat a grade or be suspended or expelled from school than children with non-working parents.<sup>1,2</sup>

Rhode Island's annual unemployment rate decreased from 9.3% in 2020 to 5.5% in 2021. In 2022, Rhode Island's unemployment rate decreased further to the pre-COVID rate of 3.5%, slightly lower than the U.S. unemployment rate of 3.6%.<sup>3,4,5</sup>

In 2021, 6% of children in Rhode Island and in the U.S. had at least one unemployed parent.<sup>6</sup> Children with unemployed parents are at increased risk for homelessness, child neglect or abuse, and failure to finish high school or college.<sup>7</sup>

Even when families have adults with secure parental employment, low wages cause many families to remain in poverty. People of Color are overrepresented among low-income working families. In 2016 in the U.S., families headed by People of Color represented 41% of all working families, while accounting for 60% of low-income working families.<sup>8</sup> In Rhode Island, 88% of Latino single-parent families and 51% of Latino two-parent families earn less than the income required to meet their basic needs, compared to 59% of white single-parent families and 19% of white two-parent families. The COVID-19 pandemic created challenges for Rhode Island's essential workers, many of whom are Black and Latino, earn low wages, and did not have the luxury of working from home during the pandemic.<sup>9</sup>

Children Living in Families Where No Parent Has Full-Time, Year-Round Employment		
	2016	2021
RI	31%	32%
US	28%	29%
National Rank*		40th
New England Rank**		6th

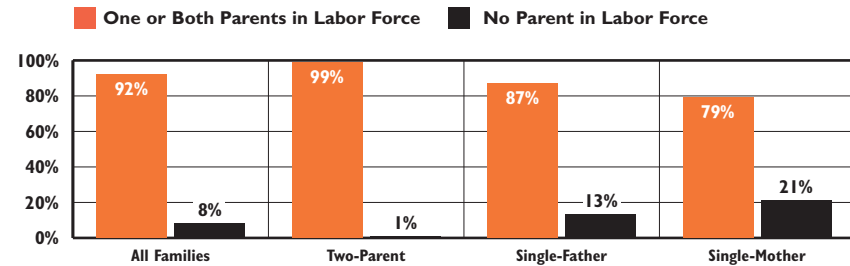
\*1st is best; 50th is worst

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

Source: The Annie E. Casey Foundation, KIDS COUNT Data Center, datacenter.kidscount.org



## Employment Status of Parents by Family Type, Rhode Island, 2017-2021



Source: U.S. Census Bureau, American Community Survey, 2017-2021. Table B23008.

- ◆ The majority of children living in Rhode Island between 2017 and 2021 had one or both parents in the labor force. Children living with a single parent were more than 19 times more likely than children living in a two-parent family to have no employed parent. Of children in two-parent families, 74% had both parents in the labor force.<sup>10</sup>
- ◆ Between 2017 and 2021, there were 16,234 Rhode Island children living in families with no parent in the labor force. Children living in families with a single parent represented 92% (14,960) of families with no employed parents.<sup>11</sup>
- ◆ Between 2017 and 2021, 16% (3,059) of Rhode Island families with incomes below the federal poverty threshold had at least one adult with full-time, year-round employment, and 39% (7,588) of Rhode Island families living in poverty had at least one adult working part-time.<sup>12</sup>
- ◆ According to the *2022 Rhode Island Standard of Need*, 70% of Rhode Island single-parent families with two children and 25% of two-parent families with two children earn less than the income required to meet their basic needs without work supports, such as SNAP, the Earned Income Tax Credit (EITC), child care subsidies, and health insurance.<sup>13</sup>
- ◆ Between 2017 and 2021, 74% of children under age six and 78% of children ages six to 17 in Rhode Island had all parents in the labor force. In comparison, nationally, 67% of children under age six and 72% of children ages six to 17 had all parents in the labor force.<sup>14</sup>



## Barriers to Secure Employment for Low-Income Families

- ◆ Families leaving cash assistance can face many barriers to employment. Research shows that families who leave due to time limits or sanctions often have barriers such as mental and physical impairments, running away from domestic violence, or low levels of education and limited work experience that can impede their ability to secure or sustain employment.<sup>15</sup>
- ◆ Low-income workers are less likely to have benefits, such as paid time off and flexible work schedules, that would allow them to address the needs of sick children.<sup>16</sup> Fifty-six percent of the U.S. workforce qualifies for the federal *Family and Medical Leave Act* (FMLA), but many who are eligible cannot afford to take it.<sup>17</sup> In 2013, Rhode Island passed legislation that created the Temporary Caregivers Insurance (TCI) Program, which now provides up to six weeks of benefits for workers who need to care for a seriously ill family member or to bond with a newborn, foster, or adopted child.<sup>18</sup> Rhode Island is one of nine states, in addition to Washington, DC, that have enacted paid family leave programs.<sup>19</sup>
- ◆ Limited education also can be a barrier to sustained employment. Between 2017 and 2021 in Rhode Island, adults without a high school diploma were more than three times as likely to be unemployed as those with a bachelor's degree.<sup>20</sup>
- ◆ Having access to work supports, such as tax credits, SNAP, child care subsidies, and health insurance, can facilitate steady employment over time. Researchers have found links between these programs and positive employment outcomes for parents, such as work stability and earnings.<sup>21</sup>

### References

<sup>1</sup> Federal Interagency Forum on Child and Family Statistics. (2021). *America's children: Key national indicators of well-being, 2021*. Washington, DC: U.S. Government Printing Office.

<sup>2</sup> Isaacs, J. (2013). *Unemployment from a child's perspective*. Washington, DC: Urban Institute and First Focus.

<sup>3</sup> *Employment status of the civilian noninstitutional population by sex, race, Hispanic or Latino ethnicity, and detailed age, 2020 annual averages*. (n.d.). U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics.

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## Secure Employment and Child Care

- ◆ Research shows a link between affordable, quality child care availability and sustained maternal employment. Studies find that mothers report that the lack of reliable and affordable child care arrangements affected their ability to remain employed.<sup>22</sup>
- ◆ In 2020 in Rhode Island, a single mother earning the state median income for a single-parent family (\$30,482) would have had to spend 45% of her income to pay for child care for an infant in center-based care.<sup>23</sup>
- ◆ In Rhode Island, child care assistance is available to families with incomes at or below 200% of the federal poverty level (\$49,720 for a family of three in 2023) who work at least 20 hours per week. Families can continue to receive a subsidy until their income reaches 300% of the federal poverty level (\$74,750 for a family of three).<sup>24,25</sup>



## Earned Income Tax Credit (EITC) and Child Tax Credit (CTC)

- ◆ State and federal 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 serve as an incentive to keep families working. The federal EITC is one of the nation's most effective poverty prevention programs for working families. It lifted 5.6 million people, including about 3 million children, out of poverty in 2018.<sup>26,27</sup>
- ◆ Benefits of the EITC and the Child Tax Credit extend well beyond the time families receive the credit. Recipients are more likely to work and earn higher wages, and their children do better in school, are more likely to attend college, and earn more as adults.<sup>28</sup>
- ◆ State EITCs can supplement the federal EITC to further support working families. In 2016, the Rhode Island General Assembly increased the state's EITC from 12.5% to 15% of the federal EITC.<sup>29</sup> In 2022, approximately 92,000 Rhode Island working families and individuals received a total of \$170 million in federal EITC tax credits.<sup>30</sup>
- ◆ The CTC helps families offset the cost of raising children. In 2021, the CTC lifted 5.3 million people, including 2.9 million children out of poverty.<sup>31</sup> *The American Rescue Plan Act* temporarily expanded the CTC, keeping 3.7 million children out of poverty and reducing child poverty by 30% with the largest impact on Black and Latino children.<sup>32</sup>