

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.^{1,2}

Rhode Island's annual unemployment rate increased from 3.5% in 2019 to 9.3% in 2020 (during the COVID-19 pandemic) and is higher than the U.S. unemployment rate of 8.1%. During the recession in 2010, Rhode Island's unemployment rate was 11.3%.^{3,4,5}

In 2019, 3% of children in Rhode Island and 4% of children in the U.S. had at least one unemployed parent.⁶ Children with unemployed parents are at increased risk for homelessness, child abuse or neglect, and failure to finish high school or college.⁷

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.⁸ In Rhode Island, 91% of Latinx single-parent families and 56% of Latinx two-parent families earn less than the income required to meet their basic needs, compared to 63% of white single-parent families and 20% of white two-parent families.⁹ The COVID-19 pandemic created challenges for Rhode Island's essential workers, many of whom are Black and Latinx, earn low wages, and did not have the luxury of working from home during the pandemic.

Children Living in Families Where No Parent Has Full-Time, Year-Round Employment		
	2014	2019
RI	32%	23%
US	30%	26%
National Rank*	14th	
New England Rank**	1st	

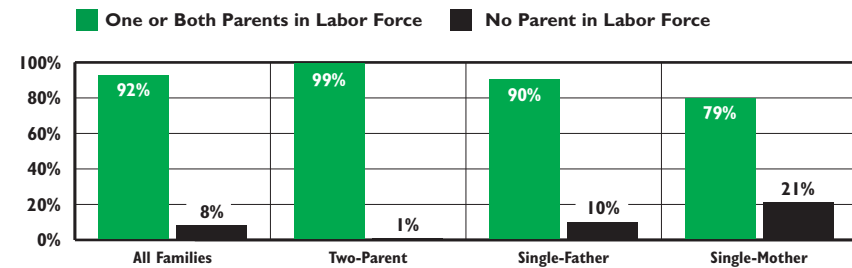
*1st is best; 50th is worst

**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, 2015-2019



Source: U.S. Census Bureau, American Community Survey, 2015-2019. Table B23008.

- ◆ The majority of children living in Rhode Island between 2015 and 2019 had one or both parents in the labor force. Children living with a single parent were more than 14 times more likely than children living in a two-parent family to have no employed parent. Of children in two-parent families, 72% had both parents in the labor force.¹⁰
- ◆ Between 2015 and 2019, there were 15,238 Rhode Island children living in families with no parent in the labor force. Children living in families with a single parent represented 90% (13,661) of families with no employed parents.¹¹
- ◆ Between 2015 and 2019, 16% (3,393) of Rhode Island families with incomes below the federal poverty threshold had at least one adult with full-time, year-round employment, and 40% (8,720) of Rhode Island families living in poverty had at least one adult working part-time.¹²
- ◆ According to the *2020 Rhode Island Standard of Need*, 74% of Rhode Island single-parent families with two children and 27% of two-parent families with two children earn less than the income required to meet their basic needs without work supports, such as SNAP/food stamps, the Earned Income Tax Credit (EITC), child care subsidies, and health insurance.¹³
- ◆ Between 2015 and 2019, 73% of children under age six and 77% of children ages six to 17 in Rhode Island had all parents in the labor force. In comparison, nationally, 66% of children under age six and 71% of children ages six to 17 had all parents in the labor force.¹⁴



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, a child with a disability, or learning disabilities that can impede their ability to secure or sustain employment.¹⁵
- ◆ 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.¹⁶ 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.¹⁷ In 2013, Rhode Island passed legislation that created the Temporary Caregivers Insurance (TCI) Program, which provides up to four 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.¹⁸ Rhode Island is one of nine states, in addition to Washington, DC, that have enacted paid family leave programs.¹⁹
- ◆ Limited education also can be a barrier to sustained employment. Between 2015 and 2019 in Rhode Island, adults without a high school diploma were almost three times as likely to be unemployed as those with a bachelor's degree.²⁰
- ◆ Having access to work supports, such as tax credits, SNAP/food stamps, child care, 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.²¹

References

¹ Federal Interagency Forum on Child and Family Statistics. (2019). *America's children: Key national indicators of well-being, 2019*. Washington, DC: U.S. Government Printing Office.

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

³ *Employment status of the civilian noninstitutional population by sex, race, Hispanic or Latino ethnicity, and detailed age, 2019 annual averages*. (n.d.). U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics. Retrieved January 14, 2021, from www.bls.gov

⁴ *Employment status of the civilian noninstitutional population by sex, race, Hispanic or Latino ethnicity, and detailed age, 2020 annual averages - Rhode Island and United States*. (n.d.). U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics. Retrieved xxxx, from www.bls.gov

⁵ *Employment status of the civilian noninstitutional population by sex, race, Hispanic or Latino ethnicity, and detailed age, 2010 annual averages - Rhode Island*. (n.d.). U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics. Retrieved January 19, 2021, from www.bls.gov

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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.²²
- ◆ In 2018 in Rhode Island, a single mother earning the state median income for a single-parent family (\$27,380) would have to spend 40% of her income to pay for child care for an infant in center-based care.²³
- ◆ In Rhode Island, child care assistance is available to families with incomes at or below 180% of the federal poverty level (\$39,528 for a family of three in 2021) who work at least 20 hours per week. Families can continue to receive a subsidy until their income reaches 225% of the federal poverty level (\$49,410 for a family of three).^{24,25}



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.^{26,27}
- ◆ Benefits of the EITC extend well beyond the time families receive the credit. EITC 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.²⁸
- ◆ 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.²⁹ In 2019, approximately 80,000 Rhode Island working families and individuals received a total of \$183 million in federal EITC tax credits.³⁰
- ◆ The Child Tax Credit (CTC) helps working families offset the cost of raising children. The CTC lifted 4.3 million people out of poverty in 2018, including 2.3 million children. The *American Rescue Plan Act* includes critical expansions of the Child Tax Credit that will lift another 4.1 million children out of poverty, cutting child poverty by more than 40%.^{31,32}