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**December 17, 2014**

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## **Working Families Struggle to Make Ends Meet**

### *Work supports in Rhode Island lower than other New England states*

Providence, RI - With the cost of living high and wages low, tax credits and other work supports help working families pay for basic living expenses, according to the Rhode Island Standard of Need, a report released by the Economic Progress Institute.

The Institute also released a fact sheet showing that the Ocean State has among the least generous work supports in the region, despite the oft-heard myth that the state offers more help to its residents than other states.

“Rhode Islanders who work full-time should be able to support their families. In our service-based economy many people are employed at jobs that do not pay a family-sustaining wage. Therefore it is critical that we have supports in place to help families pay the rent, put healthy food on the table, and know their children are safely cared for while parents are at work,” said Kate Brewster, executive director of the Institute. “And once and for all, it is time to put to rest the myth that Rhode Island is the most generous “welfare state.” The support we provide for working and under-employed families is among the lowest in New England.”

The Rhode Island Standard of Need calculates a no-frills budget that includes the costs of housing, food, transportation, health care, child care and a handful of other necessities.

In Rhode Island, a two-parent family with two children needs \$64,234 in pre-tax earnings yearly to meet their basic living expenses. This assumes the family has two breadwinners and needs full-time child care for a toddler and after-school care for a school-aged child. A single adult needs income of \$24,666 to meet basic expenses.

The report demonstrates how critical work supports like tax credits, nutrition assistance and subsidized health care and child care are to closing the gap between earnings and expenses.

It also highlights how a recent change to the state's Child Care Assistance Program has helped working parents who are trying to get ahead. The change allows parents enrolled in the program to work more hours, accept modest raises, or take a higher-paying job without losing their assistance. The parents' co-payment rises as their income goes up.

The RISN finds minimum wage earners fall short in meeting their monthly expenses but unlike past years, many now have free health insurance thanks to the state's decision to expand Medicaid to childless adults under the Affordable Care Act. More than one in three single adults (36%) does not earn the \$24,666 in pre-tax income to meet their basic needs.

The Institute offers several recommendations to improve the economic well-being of Rhode Islanders:

- Increase Rhode Island's refundable Earned Income Tax Credit to 20 percent from 10 percent.
- Expand access to child care assistance by raising the income limit.
- Invest more state funds in workforce training and education so no worker needs to wait for basic skills and English language services and unprepared workers have more opportunities to get the skills and credentials they need to get good jobs.

"Work supports like subsidized health care and child care are not only important for workers struggling to make ends meet, but they are good for our struggling economy," said Brewster. "Businesses will have more customers when workers are able to keep more of their paycheck through the Earned Income Tax Credit, and employees perform better when they are healthy and know their children are in safe and consistent care."

*The Rhode Island Standard of Need* and *Rhode Island Work and Income Supports Among the Lowest in the Region* are available on the Institute's website at [www.economicprogressri.org](http://www.economicprogressri.org).

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*The Economic Progress Institute, a non-partisan research and policy organization that works to ensure the economic security of low- and modest-income Rhode Islanders.*