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Prosperity Now Scorecard highlights strengths and weaknesses in Rhode Island’s ability to help families prosper

Rhode Islanders of color continue to face persistent disparities

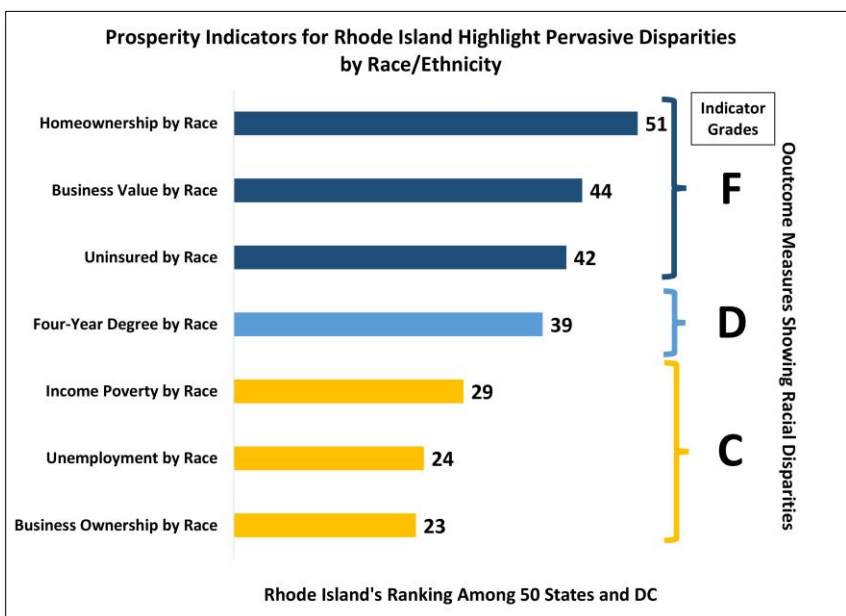
Low-income people who work hard and play by the rules should be able to build a better life for themselves and their families. A new report by Prosperity Now (formerly CFED) shows that while Rhode Island has made some progress to help low-income families build a more prosperous future, more remains to be done.

The [2018 Prosperity Now Scorecard](#) found that unemployment in Rhode Island is at its lowest rate in more than a decade, and average annual pay for workers increased slightly in the last year. Despite these gains, however, income inequality remains a significant problem for the state; the richest 20% of households now earn 5.3 times more than the poorest 20%, a disparity larger than that of most other states.

This year’s *Scorecard* assesses all 50 states and the District of Columbia on 62 outcome measures spanning five issue areas: Financial Assets & Income, Businesses & Jobs, Homeownership & Housing, Health Care and Education. Rhode Island’s 26th-place outcome ranking improved from last year’s 34th-place ranking.

As in past *Scorecards*, Rhode Island fares best (compared to other outcome categories, as well as to other states) in health care, ranking 10th overall. The Ocean State’s lowest ranking category is homeownership and housing, in which we rank 49th.

Rhode Island fares poorly across several indicators by race, with failing grades on four of seven indicators for which Rhode Island has data by race in the *Scorecard*. Households of color in the Ocean State are more than twice as likely as their White neighbors to live below the federal poverty line. Limited incomes are at least partly to blame for limited wealth-building opportunities, as evidenced by



the fact that whereas 65.4% of White households own their homes, the same is true for only 28.3% of households of color in Rhode Island.

“Our research shows that there are troubling signs beneath the economic surface,” said Andrea Levere, president of Prosperity Now. “Income inequality continues to worsen. Affordable housing is harder to find. Most disturbingly, racial disparities persist. And none of these problems are improved when our federal government chooses to invest in the wealthiest Americans and corporations in the form of tax cuts. Given the federal government’s recent actions to change the tax code, it is imperative that lawmakers in Rhode Island invest in the state’s most financially vulnerable residents. Such investments begin with strong policies.”

The *Scorecard* indicates several policy changes Rhode Island should make to help Ocean State families find a path to prosperity. These include:

- 1) Investing in education prior to kindergarten
- 2) Increasing the minimum wage to at least \$15/hour by 2023
- 3) Expanding the Rhode Island Earned Income Tax Credit (currently at 15 percent of the federal EITC compared with 23 percent in both Connecticut and Massachusetts)
- 4) Protecting against payday lending (Rhode Island remains the only state in New England that doesn’t protect against predatory payday lending practices)
- 5) Making the overall tax system fairer by ensuring that the combined state and local taxes on bottom 20 percent of families are lower than for the top 1 percent of families
- 6) Increasing weekly unemployment benefits to at least 50 percent of the state’s average weekly wage
- 7) Protecting Section 8 housing voucher-holders from discrimination in the housing market

“This report shows what we already know: many Rhode Islanders are still struggling to make ends meet and provide for their families” said executive director of the Economic Progress Institute Rachel Flum. “As other reports this year have shown, Rhode Islanders of color continue to face greater challenges than their White neighbors and our state must focus on how to overcome those disparities. Increasing the minimum wage, expanding EITC, addressing affordable housing, and investing in early education are just some of the tools we should use to make sure all Rhode Islanders can prosper.”

To view the Rhode Island *Scorecard* visit: <http://scorecard.prosperitynow.org/reports#report-state-profile/ri>

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About The Economic Progress Institute

The Economic Progress Institute is a nonpartisan research and policy organization dedicated to improving the economic well-being of low- and modest-income Rhode Islanders. For more information visit www.economicprogressri.org.