



FOR IMMEDIATE RELEASE

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## New Report Shows How Essential Workers Often Struggle to Make Ends Meet and How Government Supports Helped Rhode Islanders During COVID-19

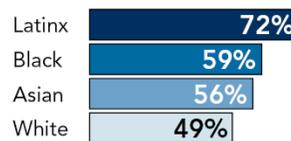
*Black and Latinx Rhode Islanders make up a disproportionate share of those struggling*

**Providence, RI**—Today, the Economic Progress Institute released its biennial Rhode Island Standard of Need (RISN) report which shows what it costs to live in Rhode Island. The RISN calculates a no-frills budget that includes the cost of housing, food, transportation, health care, child care, and other basic necessities. It also highlights how federal and state work supports help Rhode Islanders meet the costs of basic needs. This year’s report also looks at racial and ethnic disparities in the ability of Rhode Islanders to meet basic needs and how additional government support has helped essential and other workers and their families during the COVID-19 pandemic. The findings of this report show that Black and Latinx Rhode Islanders are less likely to be able to meet expenses.

Many Rhode Island households do not earn enough to meet basic needs.

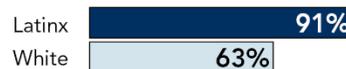
*Latinx and Black Households less likely to meet expenses*

### SINGLE ADULT



52% of Rhode Island single adults earn less than the required \$30,600\*

### SINGLE-PARENT FAMILY



74% of Rhode Island single-parent households earn less than the required \$66,057\*

### TWO-PARENT FAMILY



27% of Rhode Island two-parent households earn less than the required \$73,646\*

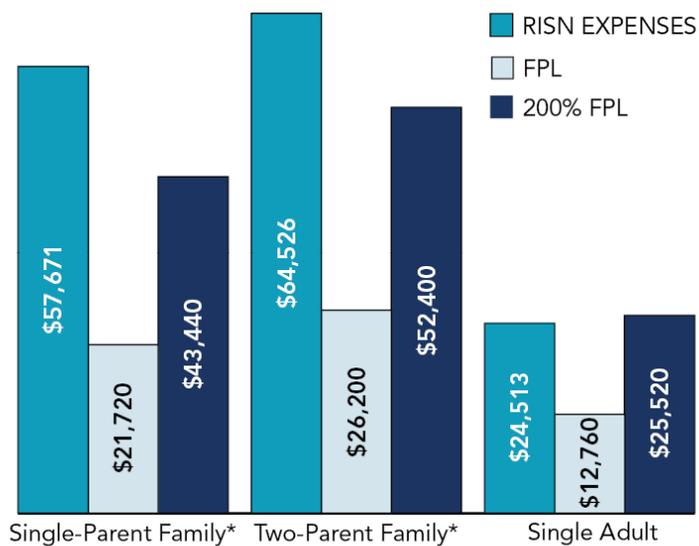
\* Pre-tax earnings

“We know it is expensive to live in Rhode Island and many individuals do not have the necessary income to meet their basic needs” said Rachel Flum, executive director of the Economic Progress Institute. “This year we wanted to show the realities that COVID has brought to light – that many of the workers who are essential to our economy aren’t paid enough to meet their own basic needs. We also wanted to highlight that while many workers struggle to keep up with their bills, Black and Latinx workers are faring far worse than White workers. Targeted interventions are needed to turn this trend around.”

Policies that address the economic insecurity of low-income and middle-income families and individuals will help to decrease these disparities. Case examples in the RISN show how child care assistance, health insurance subsidies, and SNAP benefits can help a parent earning a bit above poverty make ends meet, while there is a gap for a family with earnings closer to two and a half times the poverty level due, in large measure, to ineligibility for these programs. The lack of affordable housing also contributes to challenges in balancing families' budgets.

The Federal Poverty Level (FPL) is often used as the measure of economic security. But the FPL, designed in the 1960s was based on the cost of food, then the largest household expense. Now, housing and child care costs take up a larger share of family's budgets. The FPL also does not consider how work support programs help families meet certain expenses. The RISN takes all these variables into account to give a more accurate picture of economic security.

The Federal Poverty Level is an outdated measure of economic security.



\* Assumes two children: a toddler and a school-aged child and that all parents are working.

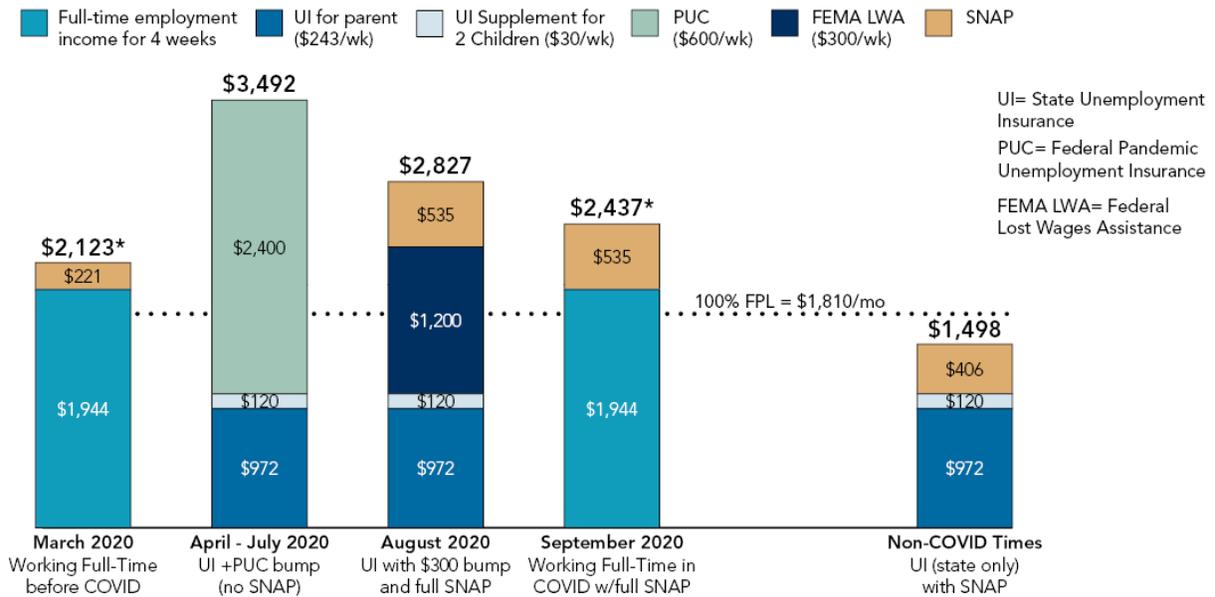
Many workers identified as 'essential' during the pandemic are lower-wage workers, among whom Latinx and Black workers are overrepresented. These include child care and direct care workers, cleaning staff in hospitals and other public places, delivery drivers, stock clerks, and cashiers at grocery stores. The RISN includes an example of a family of 4 for which the RISN basic expenses total \$64,526 with one parent earning minimum wage (\$11.50 per hour) working at a supermarket and the other earning \$14.40 per hour as a direct care worker. The annual net income of \$48,690 leaves them \$11,597 in the hole. Child Care Assistance and SNAP are not available because the family's income is too high. These essential workers are vital to keeping our communities fed, healthy, and safe not only during the pandemic but in 'non-COVID' times as well. They should be compensated in accordance with their necessity and value.

Finally, the RISN offers a picture of how the federal CARES Act and additional government support eased financial stress for low- and moderate-income families, many of whose wage-earners were laid off or lost their jobs during the pandemic. The additional unemployment benefits and SNAP benefits in 2020 aided not only unemployed families but the Rhode Island

economy as well. More money in their pockets meant more local spending, to the benefit of local businesses.

### THE CARES ACT AND ADDITIONAL GOVERNMENT SUPPORT HELPED WORKERS DURING THE COVID-19 PANDEMIC

Paula, a child care worker with two children, earning \$1,944/month before becoming unemployed



\*\* Includes deduction of \$42/month for childcare

The pandemic has highlighted the disparities in wages, wealth, and health that Black and Latinx Rhode Islanders have experienced for far too long in our society as a result of historic and current racism. Increasing the minimum wage, expanding eligibility for child care and health care assistance, increasing SNAP benefits, and investing in affordable housing are among the race-forward policies that would help decrease disparities and promote economic security for Rhode Islanders.

The full report and infographic can be found at [www.economicprogressri.org/RISN](http://www.economicprogressri.org/RISN).

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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](http://www.economicprogressri.org).