



**Press release**

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## **HIGH COST OF LIVING MAKES WORK SUPPORTS CRUCIAL FOR RHODE ISLAND FAMILIES**

*Tax credits, child care assistance and other services help many close  
the gap between earnings and expenses*

PROVIDENCE - A single parent working family in Rhode Island has expenses of nearly \$50,000 a year and a two-parent family requires nearly \$55,000 to make ends meet. Yet, many families are unable to do so without tax credits, child care assistance and other work supports, according to a new report by the Economic Progress Institute.

More than 85 percent of single parent families, and more than one-quarter (28 percent) of two-parent families with two or more children, do not earn enough without work supports to meet the Rhode Island Standard of Need (RISN), the Institute's calculation of what it takes to afford housing, food, health care and other basic needs in the Ocean State. The same is true for more than 40 percent of individuals.

"This report provides clear evidence that programs like Rlte Care health insurance and child care assistance are economic lifelines for low and modest-income working families. Without them, many families would have a significant gap between income and expenses," said Kate Brewster, executive director of The Economic Progress Institute.

To raise a toddler and school-aged child in Rhode Island, a single parent family faces yearly expenses of \$49,272, and a two-parent family must come up with \$54,024 a year, according to the Rhode Island Standard of Need. A single adult with no children spends \$19,944 to meet his or her basic needs. Those thresholds are more than double the federal poverty level, which does not account for regional differences in the cost of living.

The RISN also shows that families and people with disabilities who rely on cash assistance fall far short of having enough income to cover basic expenses and a worker earning the minimum wage struggles to make ends meet.

“The debate about how we get our economy on firmer footing must take into account the real needs of hard-working Rhode Islanders. Access to child care assistance should be expanded so that families who climb the job ladder don’t experience a financial setback because they lose this important work support. We should use the new opportunities to provide health insurance coverage to more Rhode Islanders by building on the successful RItE Care program which provides affordable coverage to thousands of working families.” Brewster said.

Based on the report, the Institute also recommends that the state take steps to:

- Increase the number of families transitioning from “welfare to work” by eliminating the restrictions on education and training for the lowest-skilled parents and the 24 month benefit time limit in the RI Works program;
- Ensure that families who cannot meet basic needs do not get ensnared in a debt trap by capping the interest rate for pay day loans at 36 percent;
- Increase the skills of the workforce by increasing state investments for skills training, literacy, English language proficiency, and GED attainment;
- Increase the availability of affordable housing by creating a permanent funding stream;
- Boost the income of wage earners by increasing the refundable portion of the state’s Earned Income Tax Credit; and
- Make it easier for families to access work supports, including SNAP, RItE Care, and Child Care Assistance, by streamlining the application processes.

#### **About The Economic Progress Institute**

The Economic Progress Institute - formerly The Poverty 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).