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Introduction

This report summarizes the current state of the Rhode Island economy, particularly as it impacts Rhode Island’s working families. It focuses closely on the existing workforce, noting the challenges those workers face at getting ahead in an economy that has shifted dramatically. These shifts have been both gradual – such as the decades long erosion of Rhode Island’s manufacturing base, and more sudden, as the pace of change driving the global economy accelerates, leaving those without the skills or education necessary to fully engage in that economy by the wayside.

It is clear, both to policy makers and the workforce, that in the face of a rapidly evolving economy, we need our education and workforce systems to evolve to keep pace, to meet the dual needs of workers, and employers. A 2016 Pew Research Center report “found that 87% of workers believe it will be essential for them to get training and develop new job skills throughout their work life in order to keep up with changes in the workplace”.

By investing in today’s workforce—especially those who face barriers to economic success such as lack of literacy, low educational attainment or lack of strong English language skills—helping them to “skill up” to meet the challenges of a rapidly changing economy, we create a win-win-win situation. Rhode Island workers win as they have access to the education and training they need to move into higher-paying jobs. Rhode Island employers win as the pool of skilled workers from which they can draw grows to meet their needs. And we all win as the Rhode Island economy benefits from the growth of productivity that results when workers have the education and skills needed to thrive.

We explore the role that both education and training play in helping workers thrive, recognizing that many workers who currently lack a Bachelor’s degree would benefit significantly by attaining education or training beyond their current educational level. A mix of strategies and approaches is necessary, including making college more affordable and improving completion rates, increasing opportunities for credentials and certificates that lead to increased compensation, and expanding apprenticeships.

It is estimated that by 2020, seventy-one percent of jobs in Rhode Island will require postsecondary education or training, including thirty-two percent that require an Associate’s degree or vocational certificate (“middle-skill jobs”), and thirty-nine percent that require a Bachelor’s degree or higher (“high skill jobs”). Twenty-nine percent of jobs will require a high school diploma or less.

Since there will remain many jobs that require a lower level of skill, policies that raise the floor for those workers – so that full-time work offers both dignity of work and a livable wage – need to be pursued.

Throughout the report, we also highlight significant disparities by race and ethnicity that demand attention and resources to ensure that all Rhode Islanders have the skills to succeed in the 21st century economy.
Section 1: Economic Overview

Employment recovery

In May 2017, Rhode Island’s total non-farm employment level surpassed the previous peak of 495,700 jobs in December 2006. This employment peak preceded the official beginning of the Great Recession by a full year. By midyear, 2009, Rhode Island had lost 39,800 jobs, which it took nearly eight full years to recover. The total non-farm employment for Rhode Island in October was 495,800, slightly down for the second month in a row, but still above the pre-recession peak of 495,700 jobs.

Unemployment

Rhode Island’s 4.2 percent unemployment rate in September 2017 was the same as the national unemployment rate, slightly higher than the overall New England rate (3.9 percent), falling between the rates of neighboring Connecticut (4.6 percent) and Massachusetts (3.9 percent).
The state’s unemployment rate has declined the most of all New England states, down 7 percentage points since the peak of the Great Recession in 2010 (Figure 3), and Rhode Island has gone from having the highest unemployment rate among all states in 2014 to having the 21st highest unemployment rate by September 2017.
We see striking disparities in unemployment rates based on race and ethnicity (Figure 4). These disparities persist both in good times and bad, with Black and Latino unemployment rates consistently double or more the White unemployment rate. The impact that these disparities have on Rhode Island as a state are magnified in our cities, where our communities of color are concentrated.

**Rhode Island’s unemployment rate shows stark disparities based on race and ethnicity, in good times and bad**

![Unemployment Rate Chart]

In Table 1 we see 2016 unemployment rates in seven Rhode Island cities, including those with large populations of people of color, collectively accounting for more than half (52 percent) of the 29,400 unemployed workers in Rhode Island, with unemployment rates ranging from 4.5 percent in Warwick to 7.3 percent in Providence. These seven cities are home to 79 percent of Rhode Island’s Black community, and 86 percent of Rhode Island’s Latino community.²

<table>
<thead>
<tr>
<th>CITY</th>
<th>SIZE OF LABOR FORCE</th>
<th>NUMBER UNEMPLOYED</th>
<th>UNEMPLOYMENT RATE</th>
<th>BLACK POPULATION</th>
<th>LATINO POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhode Island</td>
<td>552,200</td>
<td>29,400</td>
<td>5.3%</td>
<td>67,500</td>
<td>157,400</td>
</tr>
<tr>
<td>Providence</td>
<td>86,200</td>
<td>5,600</td>
<td>6.5%</td>
<td>23,900</td>
<td>80,400</td>
</tr>
<tr>
<td>Warwick</td>
<td>45,800</td>
<td>2,100</td>
<td>4.5%</td>
<td>1,600</td>
<td>4,300</td>
</tr>
<tr>
<td>Cranston</td>
<td>41,100</td>
<td>2,200</td>
<td>5.2%</td>
<td>3,900</td>
<td>13,700</td>
</tr>
<tr>
<td>Pawtucket</td>
<td>36,200</td>
<td>2,200</td>
<td>6.0%</td>
<td>10,700</td>
<td>15,500</td>
</tr>
<tr>
<td>East Providence</td>
<td>24,200</td>
<td>1,400</td>
<td>5.7%</td>
<td>4,600</td>
<td>2,000</td>
</tr>
<tr>
<td>Woonsocket</td>
<td>19,100</td>
<td>1,400</td>
<td>7.3%</td>
<td>4,900</td>
<td>5,900</td>
</tr>
<tr>
<td>Central Falls</td>
<td>8,500</td>
<td>600</td>
<td>6.7%</td>
<td>3,900</td>
<td>13,000</td>
</tr>
<tr>
<td>Share of State Total</td>
<td>47%</td>
<td>52%</td>
<td>-</td>
<td>79%</td>
<td>86%</td>
</tr>
</tbody>
</table>

Table 1

We also know that within many of these cities, there are also divides, both by race and ethnicity and by geography, with some areas faring much worse than others. For example, during the 5 year period from 2011-2015, the unemployment rate for the east side of Providence was less than half the rate for the rest of the city (7.8 percent vs 17.0 percent), which was home to 58 percent of the Black community, and 72 percent of Providence’s Latino community.
Unemployment rate by education level

As seen in Figure 5, unemployment rates vary dramatically by educational attainment, with rates for those lacking a high school education averaging nearly double (1.8 times) the rate for those with a high school diploma, and 2.5 times higher than those with some college (including Associate’s degree). Those with a high school diploma have unemployment rates averaging 1.4 times the rate for those with some college.

While these disparities in unemployment levels are most clearly evident during bad economic times, the ratios between categories of educational attainment are fairly consistent over time.

Unemployment data in Figure 5 also indicate that Rhode Islanders with lower levels of educational attainment began to recover from the Great Recession later than those with higher levels of educational attainment.

Disparities in educational attainment drive wide differences in unemployment rates that are persistent in good times and bad

Figure 5
Workers working part-time, including for economic reasons

Prior to the recession, ten percent of Rhode Islanders working part-time were doing so for economic reasons—they wanted to work full-time, but were unable to secure full-time employment.

At the peak of the recession, twenty-five percent—one in four part-time workers—were working part-time for economic reasons. By 2016, that number had come down, but remains nearly 50 percent higher than the pre-recession level. For workers struggling to support their families, working part-time instead of full-time leaves them with both inadequate and unpredictable income. For example, nationally, retail workers working part-time earn just 68 cents for every dollar earned by their full-time counterparts.

During the recession and the early years of the recovery, many employers turned to widespread use of part-time employment as an alternative to laying off workers. Rhode Island’s Workshare policy that allows employers to partially supplement part-time pay with unemployment insurance helped people to keep their jobs during a historically tough economic period.

**Figure 6**
Part-time for economic reasons by educational attainment

Lower levels of educational attainment leave workers more vulnerable to having to work part-time for economic reasons, when they would rather be working full-time. At its highest point, in 2010 during the early period of economic recovery following the Great Recession, 37.6 percent of Rhode Island’s part-time workers with just a high school diploma were working part-time for economic reasons, compared with just a little over half of that (20.0 percent) for workers with some college including Associate’s degree. By 2016, more than one in five part-time workers with a high school diploma were still doing so for economic reasons, compared with one in eight part-time workers (12.7 percent) for those with at least some college education.

![Graph showing the share of part-time workers who were working “part-time for economic reasons” by educational attainment.](image)

---

**Figure 7**

Labor force participation rates and educational attainment

Labor force participation rates reinforce the importance of educational attainment (Figure 8). Those with higher levels of educational attainment have substantially higher levels of labor force participation. Those with a high school diploma consistently have labor force participation rates that are about fifty percent higher than for those lacking a high school diploma, while those with some college have participation rates that are fourteen percent higher than for those with a high school diploma.

Rhode Islanders without a high school diploma saw the largest labor force decline during the official recession (down three percentage points between 2007-2009), followed by those with a high school diploma (down 1.9 percentage points).

Seven years later, labor force participation rates remain down across all levels of educational attainment.

Figure 8

Employment-to-population ratio (EPOP)

While the unemployment rate is the most common measure of slack in the economy, another key measure is the “employment-to-population measure” (EPOP), the single best indicator of the extent to which the economy is operating at full capacity by engaging all available workers. The unemployment rate loses track of workers who are no longer actively looking for work, removing such workers from both the numerator (number of workers unemployed) and the denominator (the Rhode Island labor force), the EPOP keeps those people in the denominator. The employment population ratios for both Rhode Island’s prime working age (25-54) and young workers (aged 16-24) remain below pre-recession levels, and both dipped slightly in 2016 (though by amounts that were not statistically significant (Figure 9). This strongly suggests that despite a dramatically lower unemployment rate, there remains untapped potential in the Rhode Island economy in the form of many people who need jobs.

When the unemployment rate is quite low, as is the current case, but the EPOP remains lower than recent peaks, there is likely a pool of workers who could be enticed back into the economy by a more robust job market (i.e., more jobs), and by the higher wages that result from an economy operating at full capacity.

In Rhode Island, both young adult and prime working-age adult employment/population ratios remain down from pre-recession levels; more older workers are working longer

![Graph showing employment-population ratios for different age groups in Rhode Island from 2002 to 2016.](image)

*Figure 9* Source: Economic Progress Institute and Economic Policy Institute analysis of US Census Bureau, Current Population Survey data.
Demographic shifts

Rhode Island’s labor force has become increasingly diverse in recent years, and will continue to diversify looking to the future (Figure 10). Between 2015-2016 and 2040, the non White share of Rhode Island’s labor force is projected to grow by more than half (56 percent), from 24 percent to 38 percent, with growth in the Latino share accounting for three quarters (76 percent) of that growth.

<table>
<thead>
<tr>
<th>Year</th>
<th>Other</th>
<th>Asian</th>
<th>Black</th>
<th>Latino</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-2016</td>
<td>2%</td>
<td>6%</td>
<td>14%</td>
<td>76%</td>
<td>62%</td>
</tr>
<tr>
<td>2040</td>
<td>3%</td>
<td>7%</td>
<td>24%</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Figure 10: Rhode Island’s labor force will grow increasingly diverse by 2040

Source: Economic Progress Institute analysis of American Community Survey data from IPUMS-USA, University of Minnesota, www.ipums.org, and projection calculations based on population projections from PolicyLink and USC Program for Regional and Environmental equity.
This labor force shift reflects the substantial growth of Rhode Island’s Latino population at a time when the overall population has experienced relatively modest population growth in recent years (Figure 11). While Rhode Island’s overall population has grown by 8,100 (less than 1 percent) between 2000 and 2016, Rhode Island’s Latino population has increased by 66,600 (73 percent), more than offsetting the 58,400 decline of Rhode Island’s non-Hispanic population over that time period.

Another significant demographic shift in recent years has been the steady aging of the Rhode Island labor force (Figure 12). In the two decades between 1996 and 2016, older workers – those 55 years of age and older – have nearly doubled their share of the Rhode Island labor force, from 14.0 percent in 1996 to 25.5 percent in 2016, with most of that share coming from prime working age adults (age 25-54 years), a cohort that went from 70.4 percent of the 1996 labor force to 61.3 percent of the 2016 labor force.
Age of Rhode Island’s labor force has shifted over the past 20 years as aging Baby-Boomers work longer

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1996</th>
<th>2006</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-24 yrs</td>
<td>15.6%</td>
<td>15.5%</td>
<td>13.2%</td>
</tr>
<tr>
<td>25-54 yrs</td>
<td>70.4%</td>
<td>67.5%</td>
<td>61.3%</td>
</tr>
<tr>
<td>55 yrs and older</td>
<td>14.0%</td>
<td>17.0%</td>
<td>25.5%</td>
</tr>
</tbody>
</table>

Figure 12

Wages

While both median and very low wages (i.e., wages at the 10th percentile) increased in 2016, both have been essentially stagnant for many years, in inflation adjusted terms. In Figure 13, we see that the 2016 median wage ($17.95) remains lower than the median in 2002 ($18.71). The increase in wages at the 10th percentile evident since 2014 reflects the impact of increases in Rhode Island’s minimum wage—up from $8.00/hr in 2014 to $9.60/hr in 2016—as well as improved labor market conditions overall.⁹

Rhode Island’s median and low wages essentially stagnant

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Wage</th>
<th>Very Low Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$18.71</td>
<td>$9.59</td>
</tr>
<tr>
<td>2016</td>
<td>$17.95</td>
<td>$9.91</td>
</tr>
</tbody>
</table>

Figure 13
As we see in Figure 14, there remains a vast gulf between median white wages and median wages for Rhode Islanders who are Black or Latino. In 2016, the median White wage of $19.82 is 1.4 x greater than the median wages for both Black ($14.11) and Latino ($13.99) workers. Notably, both White and Black Rhode Islanders had lower median wages in 2016 than they had in 2002, while the Latino median wage has increased from $12.37 in 2002 to $13.99 in 2016.
Wages inadequate to lift families out of poverty

When wages don’t grow over time, it is hard for working families to get ahead. In 2016, one in five workers (20.1 percent) in Rhode Island earned less than the amount needed for a family of four to live above the official federal poverty level. This compares with nearly one in four nationally, and nearly one in six on average throughout New England (Figure 15). Neighboring states Connecticut and Massachusetts had rates of 17.5 percent and 16.3 percent (the lowest in the country) respectively. While the share of workers earning sub-poverty wages in Rhode Island has fallen since its post-recession peak of 26.9 percent, it remained higher in 2016 than it had been in 2002, reflecting years of overall wage erosion and stagnation.

We know from our biannual Rhode Island Standard of Need (RISN) that a poverty level wage falls far short of being able to meet a family’s actual needs in Rhode Island today. According to RISN, a two-parent family of four with two children (one toddler and one school age) would need $58,054, an amount nearly 2.5 times greater than the 2016 federal poverty threshold of $24,563. The 2016 RISN showed that the number of families falling short of being able to meet family needs varies by family type. Nearly three-quarters (72 percent) of single parent families with two or more children earn less than the amount needed to meet basic needs.

![Graph](image-url)

**Figure 15**

Source: Economic Progress Institute and Economic Policy Institute analysis of US Census Bureau, Current Population Survey data. Sub-poverty wages are wages below $11.81, the 2016 wage required to support a family of 4 at the federal poverty level.
Section 2: Paving the way to good jobs through education, training & credentials

In Section 1 above, we have examined Rhode Island’s current economy, looking also at trends over time that contribute to understanding where we are today. We’ve highlighted persistent disparities based on factors such as educational attainment, and race and ethnicity.

In this section, we explore the evolving needs of the Rhode Island economy, noting the importance of aligning the education and skills of Rhode Islanders with the increasingly complex demands of Rhode Island employers and the global economy in which both workers and employers must compete.
Rhode Island’s changing occupational mix

Since the beginning of the Great Recession in 2007, Rhode Island’s mix of jobs has shifted in important ways, with substantial decline in employment in manufacturing (-10,300), construction (-4,000), government (-3,900), and retail trade (-3,300), and counterbalancing growth in leisure and hospitality (+6,400), education and health services (+7,900), and professional and business services (+9,700).

Some of these sectors have seen changes over the past year that have moderated the overall nine-year trend in Figure 16. From October 2016 to October 2017, two traditional blue-collar sectors, construction and manufacturing, recovered some of the jobs lost during the recession years, with construction employment growing 12 percent, adding 2,200 jobs, and manufacturing adding 1,100 jobs, growing by 3 percent. Even with modest recent gains in construction and manufacturing, the overall trend in Rhode Island over the past decade fits a pattern of blue-collar job decline and offsetting service sector employment growth.
As the distribution of available jobs changes, the education/skill mix required to fill those jobs also shifts. The Georgetown Center for Education and the Workforce estimates that nationally, by the year 2020, 65 percent of jobs will require a postsecondary education of some sort. In Rhode Island, they estimate that 71 percent of jobs will require a postsecondary education by 2020, ranking Rhode Island among the top five states requiring higher education.

**Figure 17**

Table 2 below shows how those jobs will be distributed across occupation groups and by educational attainment level. While more than a third of those jobs—39 percent—will be “high skill” jobs, requiring a bachelor’s degree or higher, about a third (32 percent) will be middle skill jobs, requiring some college, an Associate’s degree, or a vocational certificate, and 30 percent will be low skilled jobs.

The 2013 Georgetown study compares the 2010 educational attainment of employed workers with the projected 2020 need. Of all the states, Rhode Island has the largest gap to fill (as measured in percentage points), needing to close the gap between 60 percent postsecondary in 2010 and the 2020 estimate of 71 percent, an eleven point gap. Expressed as a percentage of current postsecondary attainment, Rhode Island faces the third highest gap, at 18 percent of current postsecondary education. By 2016, Rhode Island had made progress towards closing this gap, with 63.5 percent of the state’s labor force having some postsecondary education.13

<table>
<thead>
<tr>
<th>OCCUPATIONAL GROUP</th>
<th>LOW</th>
<th>MIDDLE</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LESS THAN HIGH SCHOOL</td>
<td>HIGH SCHOOL DIPLOMA</td>
<td>SOME COLLEGE/NO DIPLOMA</td>
</tr>
<tr>
<td>Managerial &amp; Professional Office</td>
<td>2,110</td>
<td>6,640</td>
<td>11,740</td>
</tr>
<tr>
<td>STEM</td>
<td>560</td>
<td>1,030</td>
<td>3,420</td>
</tr>
<tr>
<td>Social Sciences</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Community Services &amp; Arts</td>
<td>780</td>
<td>1,910</td>
<td>4,480</td>
</tr>
<tr>
<td>Education, Training, &amp; Library</td>
<td>-</td>
<td>1,130</td>
<td>2,000</td>
</tr>
<tr>
<td>Healthcare Professional &amp; Technical</td>
<td>410</td>
<td>2,480</td>
<td>2,710</td>
</tr>
<tr>
<td>Healthcare Support</td>
<td>1,940</td>
<td>5,920</td>
<td>8,140</td>
</tr>
<tr>
<td>Food &amp; Personal Services</td>
<td>20,900</td>
<td>24,930</td>
<td>21,630</td>
</tr>
<tr>
<td>Sales &amp; Office Support</td>
<td>7,570</td>
<td>37,460</td>
<td>41,920</td>
</tr>
<tr>
<td>Blue-collar</td>
<td>10,980</td>
<td>38,040</td>
<td>16,530</td>
</tr>
<tr>
<td>Total</td>
<td>45,250</td>
<td>119,540</td>
<td>112,570</td>
</tr>
<tr>
<td>Skill Level Total (# and % of all jobs)</td>
<td>164,790 / 30%</td>
<td>171,890 / 31%</td>
<td>212,810 / 39%</td>
</tr>
</tbody>
</table>

Table 2

Source: Georgetown Center on Education and the Workforce, Recovery: Job Growth and Education Requirements Through 2020 - State Report
In Table 3 we see the 20 occupations with the greatest projected growth between 2014 and 2024, according to the Rhode Island Department of Labor and Training.

<table>
<thead>
<tr>
<th>OCCUPATION</th>
<th>TYPICAL EDUCATION NEEDED FOR ENTRY*</th>
<th>SKILL LEVEL (REQUIRED FOR ENTRY)**</th>
<th>2024 JOBS</th>
<th>TOTAL JOB OPENINGS***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Food Preparation &amp; Serving Workers, including Fast Food</td>
<td>No formal educational credentials</td>
<td>Low</td>
<td>12,288</td>
<td>4,982</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>Bachelor’s</td>
<td>High</td>
<td>14,249</td>
<td>4,487</td>
</tr>
<tr>
<td>Customer Service Representatives</td>
<td>High school diploma or equivalent</td>
<td>Low</td>
<td>10,093</td>
<td>3,288</td>
</tr>
<tr>
<td>Nursing Assistants</td>
<td>Postsecondary non-degree</td>
<td>Middle</td>
<td>10,564</td>
<td>3,256</td>
</tr>
<tr>
<td>Accountants &amp; Auditors</td>
<td>Bachelor’s</td>
<td>High</td>
<td>5,057</td>
<td>1,795</td>
</tr>
<tr>
<td>Cooks, Restaurant</td>
<td>No formal educational credentials</td>
<td>Low</td>
<td>4,699</td>
<td>1,754</td>
</tr>
<tr>
<td>Bartenders</td>
<td>No formal educational credentials</td>
<td>Low</td>
<td>3,802</td>
<td>1,702</td>
</tr>
<tr>
<td>Home Health Aides</td>
<td>High school diploma or equivalent</td>
<td>Low</td>
<td>4,599</td>
<td>1,601</td>
</tr>
<tr>
<td>First-Line Supervisors of Food Preparation &amp; Serving Workers</td>
<td>High school diploma or equivalent</td>
<td>Low</td>
<td>3,642</td>
<td>1,365</td>
</tr>
<tr>
<td>Management Analysts</td>
<td>Bachelor’s</td>
<td>High</td>
<td>5,005</td>
<td>1,338</td>
</tr>
<tr>
<td>Personal Care Aides</td>
<td>High school diploma or equivalent</td>
<td>Low</td>
<td>5,437</td>
<td>1,203</td>
</tr>
<tr>
<td>Construction Laborers</td>
<td>No formal educational credentials</td>
<td>Low</td>
<td>3,555</td>
<td>1,069</td>
</tr>
<tr>
<td>Financial Managers</td>
<td>Bachelor’s</td>
<td>High</td>
<td>3,346</td>
<td>1,046</td>
</tr>
<tr>
<td>Welders, Cutters, Solderers, &amp; Brazers</td>
<td>High school diploma or equivalent</td>
<td>Low</td>
<td>1,900</td>
<td>928</td>
</tr>
<tr>
<td>Carpenters</td>
<td>High school diploma or equivalent</td>
<td>Low</td>
<td>4,425</td>
<td>899</td>
</tr>
<tr>
<td>Electricians</td>
<td>High school diploma or equivalent</td>
<td>Low</td>
<td>2,732</td>
<td>847</td>
</tr>
<tr>
<td>Software Developers, Systems Software</td>
<td>Bachelor’s</td>
<td>High</td>
<td>2,324</td>
<td>726</td>
</tr>
<tr>
<td>Personal Financial Advisors</td>
<td>Bachelor’s</td>
<td>High</td>
<td>1,657</td>
<td>675</td>
</tr>
<tr>
<td>Machinists</td>
<td>High school diploma or equivalent</td>
<td>Low</td>
<td>1,580</td>
<td>653</td>
</tr>
<tr>
<td>Software Developers, Applications</td>
<td>Bachelor’s</td>
<td>High</td>
<td>2,022</td>
<td>652</td>
</tr>
</tbody>
</table>

Table 3

Source: Rhode Island Department of Labor and Training, 2024 Occupational Outlook for Rhode Island
* Typical education needed for entry based on Bureau of Labor and Statistics occupational projections
**Skill level determined by education: “high skill” includes PhD or Professional; “middle skill” includes Associate’s
***Total Job Openings includes openings due to both growth and turnover
The growth of employment in health care occupations is noteworthy for the mix of skill levels that will be required in this occupational category (in bold on Table 3): about 4,500 openings for registered nurses (a high skill occupation), more than 3,300 job openings for nursing assistants (a middle skill occupation), 1,600 job openings for home health aides and 1,200 for personal care aides (both low skill occupations).

State strategies that develop pathways for skill attainment in this occupational sector, are not only important to help workers who start in the health care field in entry level positions obtain better paying jobs (Table 4), but are critical to ensuring that Rhode Island has sufficient health care staff to meet the needs of its residents.

### Good jobs without a BA

What is a ‘good job’? Although there is not a universally accepted definition of what constitutes a ‘good job’, most people (and most researchers) agree that one necessary component of a good job is adequate compensation. A recent Georgetown University study defines the pay for a good job as $35,000 for workers under age 45, and $45,000 for workers 45 years of age or older (corresponding, respectively, to hourly wages of $16.83 and $21.63 for full-time, year-round work). These age-based definitions recognize the fact that as workers get older, the experience they have accumulated is rewarded with higher pay (and that both job quality and compensation are relative terms, subject to comparison between workers with similar education and skills).

Federal Reserve Bank of Boston policy analyst Anmol Chaddha notes that although pay level is a critical element of a good job, “workers themselves [think about] a broader set of features [such as] their access to affordable and quality benefits—things like healthcare, retirement savings plans, or other benefits like sick leave and family medical leave.”

And while it is increasingly true that attaining a Bachelor’s degree is a good way to ensure that one can secure a good job, it remains true that a large number of good jobs in today’s economy are held by people who do not have Bachelor’s degrees. While good jobs in traditional blue-collar industries have declined in recent decades, there has been a largely offsetting growth in employment in skilled services good jobs.

### Table 4

<table>
<thead>
<tr>
<th>HEALTHCARE OCCUPATION</th>
<th>2016 AVERAGE WAGE</th>
<th>REQUIRED EDUCATION/TRAINING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Care Aides</td>
<td>$11.20</td>
<td>HS diploma or less</td>
</tr>
<tr>
<td>Home Health Aides</td>
<td>$12.78</td>
<td>HS diploma or less</td>
</tr>
<tr>
<td>Nursing Assistants</td>
<td>$13.97</td>
<td>HS Diploma + required training program</td>
</tr>
<tr>
<td>Medical Assistants</td>
<td>$16.33</td>
<td>HS diploma and postsecondary certificate preferred</td>
</tr>
<tr>
<td>Licensed Practical Nurses</td>
<td>$26.68</td>
<td>HS Diploma + diploma or certificate from approved school of professional nursing</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>$36.78</td>
<td>HS diploma, bachelor’s degree (preferred) or Associates degree</td>
</tr>
<tr>
<td>Nurse Practitioners</td>
<td>$49.96</td>
<td>Master’s Degree</td>
</tr>
</tbody>
</table>

According to the Georgetown study, *Good Jobs that Pay without a BA*, nearly half (48 percent) of Rhode Island’s good jobs are held by workers without a BA (Figure 18). For those with a BA, nearly three-quarters (72 percent) of all jobs held by those with a BA qualify as good jobs.

More than half (55 percent) of the jobs held by those with an Associate’s degree qualify as good jobs, compared with 43 percent of those with some college, 39 percent for those with a high school diploma, and 25 percent – one in four jobs – for those with less than a high school diploma. Of the 62 percent of Rhode Island workers who lack a BA, four in ten (41 percent) have good jobs, according to the Georgetown study.

As a share of total good jobs, the 48 percent of good jobs held by those without a Bachelor’s degree are primarily distributed between those with a high school diploma (18 percent), some college (17 percent), and an Associate’s degree (11 percent). Only four percent of Rhode Island’s good jobs are held by workers with less than a high school diploma.

Comparing median earnings, those with Associate’s degrees earn 17 percent more than those with high school diploma or less, and 17 percent less than those with a Bachelor’s degree or higher.

The ongoing importance of good jobs not requiring a Bachelor’s degree can be explained in part by the growth of relatively skilled service sector jobs. Between 1991 and 2015, Rhode Island lost 28,000 non-BA good jobs in blue-collar occupations including manufacturing, while seeing growth of 15,000 jobs in skilled service sector jobs such as health care and education services. The balance between non-BA good jobs is currently evenly split between blue-collar
occupations (48 percent) and skilled service sector jobs (52 percent).

**Good jobs for all workers**

Recognizing that not all workers will choose to pursue higher education, and that low- and middle-skill jobs will continue to comprise a substantial share of Rhode Island’s labor market for the foreseeable future, there are several steps that could be taken to improve the well-being of the workforce. Some of these – such as earned paid sick leave, and paid family leave – have already been adopted in Rhode Island. The importance of income stability – whether workers are getting adequate (and predictable) hours over time, whether the job itself is stable, and whether income is consistent, allowing for stable financial planning – is also important in determining whether workers have good jobs.16

Strengthening existing measures, such as increasing unemployment insurance compensation, raising the minimum wage to more closely reflect what it costs to make ends meet in Rhode Island, and expanding the number of Rhode Island workers eligible for overtime pay by increasing the salary level at which workers become exempt from overtime protections, will ensure Rhode Islanders who work for a living are able to fully contribute to a thriving economy.

For workers in lower-paying jobs, public supports such as Medicaid, the Supplemental Nutrition Assistance Program, child care assistance, the earned income tax credit (both federal and state) and the federal child tax credit, continue to play a critical role helping working families make ends meet.

**Closing the gap between forecasted need and current educational attainment**

There is a clear consensus that increasing educational attainment leads to improved outcomes for individuals and their families, and contributes to a state’s ability to build a foundation for economic prosperity.17 In setting a target for the level of education and training for which a state should aim, some focus on ensuring there is alignment between the skills held by the working age population and the needs of employers, while others choose targets linked to an identified projected need. Consistent with the Georgetown study discussed above, which claims that by 2020, 71 percent of Rhode Island jobs will require postsecondary education or training, Governor Raimondo announced in September 2016 a target of 70 percent postsecondary attainment by 2025.18

To achieve the goal of “70 percent by 2025” Rhode Island will need to focus on three strands: improved attainment of higher education by current high school graduates, increased retention of students at Rhode Island public colleges (Community College of Rhode Island, University of Rhode Island, and Rhode Island College) and increasing the number of adults currently out of school who return to higher education.
The state’s strategic plan for postsecondary education has established performance metrics for measuring progress towards the 70 percent attainment goal, including the following:

- Attainment (both overall, and for specific populations including Rhode Islanders who are Black and Hispanic)
- Completion measures (overall system completions, and broken down for undergraduate certificate, Associate’s degree, Bachelor’s degree, and graduate/professional degree)
- Graduation rates at each of the three state colleges
- Enrollments (overall, and for specific populations including Rhode Islanders who are members of minority and low-income communities, as well as adult enrollees age 25 and older).

The Rhode Island Office of Postsecondary Commissioner (“OPSC) notes that “the Ocean State will only be able to reach its attainment goals if institutions expand their overall program capacity and offer stronger supports for traditionally underserved students, including students of color and adult learners.” The strategic plan also explicitly recognizes the importance of making postsecondary education affordable, especially for lower-income Rhode Islanders, which OPSC tracks by measuring overall affordability, student debt, and student aid.

The strategic plan measures progress towards meeting the state’s economic needs, focusing on high demand, high wage jobs, and emphasizing metrics for employment of graduates, and earnings of recent graduates.

The OPSC strategic plan addresses the fact that Rhode Island cannot meet its target by only increasing graduation from the Ocean State’s three state colleges. The need to focus on the substantial share of the adult population who have a high school diploma but lack a postsecondary credential is clear, as seen in Figure 19.

**Figure 19**

Educational attainment: every step up the educational ladder is a step towards economic stability

As discussed above, educational attainment is critical to the well-being of Rhode Island workers, and the Ocean State economy. Increasing the education level of the Rhode Island workforce requires us to first understand the current level of educational attainment of Rhode Islanders.

Figure 20 shows that among the 720,600 Rhode Islanders age 25 and older, 6 percent have less than a 9th grade education, 8 percent have between a 9th and 12th grade education but lack a diploma, 27 percent are high school graduates (or have achieved equivalency), 19 percent have some college, but no diploma, 9 percent have an associate’s degree, 19 percent have a Bachelor’s degree, and 13 percent have a graduate or professional degree.21
Those overall levels of educational attainment mask significant disparities by race and ethnicity, evident in Figure 21.

The greatest disparities are evident when comparing Rhode Islanders who are non-Hispanic Whites with those who are Latino. While 10 percent of non-Hispanic Whites lack a high school diploma, about a third (35 percent) of Latinos lack a high school diploma. The gap between Latino and White educational attainment is comparable at the higher end of the educational attainment continuum, with 35 percent of Rhode Islanders who are Non-Hispanic Whites having a Bachelor’s degree or higher, compared with 13 percent of Rhode Islanders who are Latino.

The gap between Rhode Islanders who are Black and those who are White is not quite as stark, but still substantial. The percent of black Rhode Islanders who lack a high school diploma or equivalent (21 percent) is twice the rate of Whites, while attainment of a Bachelor’s degree or higher is almost half that of Whites. While the rates of high school education attainment are fairly equal across the populations, it should be noted that having a diploma/equivalency is not a guarantee of basic math and reading skills.
Why it matters: education pays

Attaining higher levels of education is critical for helping Rhode Island workers move up the ladder of economic success. While median wages for those with a bachelor’s degree significantly exceed those for workers with lower levels of educational attainment, we see that each level of educational attainment translates to higher median wages for Rhode Island workers (Figure 22).

In the fifteen years between 2002 and 2016, those with a high school diploma had median wages 34 percent higher than those without a high school diploma or equivalent. Compared to those lacking a high school diploma, those with even some college, but no bachelor’s degree had median wages 42 percent higher.22

The fact that median wages have declined for workers with a bachelor’s degree (-10 percent), with some college (-11 percent), and with a high school diploma (-8 percent), despite growth in educational attainment over this period, suggests that further measures, such as raising the minimum wage and increasing the enforcement of labor standards, may be necessary to increase pay for Rhode Island workers.23 The fact that median wages have increased for very low wage earners (those at the 10th percentile) and for workers without a high school diploma since 2014, reflecting the impact of minimum wage increases over that period, shows the positive impact that smart state policies can have on workers’ wages.
In **Figure 23**, we see that each level of educational attainment boosts wages throughout the income distribution. A worker with a high school diploma earns $0.95 an hour more than a worker without a high school diploma at the 20th percentile, $3.12 more at the median, and $7.86 more at the 90th percentile. Attaining some college, including an associate’s degree, also yields gains at each level, earning $1.03 more than someone lacking a high school education at the 20th percentile, $3.94 more at the median, and $11.42 more at the 90th percentile.

[Graph showing wage differences by educational attainment at different percentiles.]

**Language matters**

The lack of adequate English language skills is a significant impediment to academic achievement and economic success. Zuzana Jerabek writes that “English language skills are among the most important prerequisites to being able to reach one’s full career potential in America.”

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Statewide, 4.8 percent of the working age adult population (18-64 years) speak English either “not well” or “not at all”. That number is higher in four cities: 5.5 percent in Woonsocket, 8.8 percent in Pawtucket, 13.7 percent in Providence, and 33.1 percent in Central Falls (Figure 24).

Among working age adult Rhode Islanders speaking English either “not well” or “not at all”, nearly three-quarters—74 percent—are Spanish language speakers (Figure 25).
As the number of foreign born residents in Rhode Island has gradually increased, their share of residents who speak English “less than very well” has remained about the same. In 2016, four in every five individuals speaking English less than very well were foreign born (Figure 26), as was the case ten years earlier, in 2006.

As in neighboring Connecticut and Massachusetts, there has been an increase in both the number and percent of Spanish language speakers in Rhode Island who speak English either “not well” or “not at all”.

We see in Figure 27 that a substantial share of the growth of Rhode Island’s Latino population between 2010 and 2016 has been due to the growth in the number of Latinos who were born in the Ocean State. As noted in a recent report by the Annie E Casey Foundation (AECF), the growing population of Latino children increases the importance of ensuring that Rhode Island’s Latino children get on a path to opportunity, a path that is currently compromised for a large number of Latino children in our state.25

According to the AECF study, Rhode Island’s Latino children fare worse than Latino children in any other state, in terms of their lack of access to opportunity and economic stability. For both Latino children and their parents, access to quality, affordable education is the key to a more prosperous future, and a stronger Rhode Island.
Occupational training: apprenticeships and certificate programs

For some, the path to greater economic stability is achieved by increasing educational attainment, moving up the educational ladder to attain a high school diploma, an Associate’s degree, or a Bachelor’s degree. For others, occupational training, such as that offered through apprenticeship programs, provides a springboard to a better future.

National Skills Coalition (NSC) highlights the role that “work-based learning” can play in helping to meet the needs of employers seeking larger middle skill workforces. Work-based learning comes in many forms, but NSC’s model prioritizes employment-based, paid hands-on learning, combined with classroom education that results in a recognized credential, focusing on out-of-school youth and disadvantaged adults.  

“Workers in paid work-based learning programs obtain skills and credentials while earning a wage. This is especially important for disadvantaged individuals with immediate financial needs.”

Thirty-five states, including Rhode Island, have policies in place to encourage work-based learning. These include (bolded policies are those in place in Rhode Island):

- expansion initiatives (such as funding to increase number of apprenticeships)
- employer work-place learning subsidies (either grants or tax credits)
- pre-apprenticeships and youth apprenticeships
- other secondary student work-based learning policies
- subsidized postsecondary instruction of apprentices

Work-based learning via apprenticeship programs advance three complementary objectives: meeting the needs of employers; improving the skills of workers; and improving US economic growth, at a time when productivity growth has been lackluster.

Rhode Island has made great strides in recent years in developing a strong apprenticeship program, in partnership with the US Department of Labor’s “American Apprenticeship Initiative”. There are five “core components” of the registered apprenticeship initiatives supported by Apprenticeship RI:

- employer designed and driven;
- structured on-the-job learning;
- job-related education;
- wage progression;
- valued credentials.

Apprenticeship RI is expanding registered apprenticeships into many industries beyond traditional construction. These include healthcare, IT, marine trades, and manufacturing among others. Residents interested in pursuing apprenticeship programs, as an alternative to formal postsecondary education, must be at least 16 years of age, and “must satisfy the [apprenticeship] sponsor that they have the skills, ability, aptitude, and education to master the occupation and complete the related required program.”
Another area in which Rhode Island’s public postsecondary education system has made significant strides over recent years is in the area of postsecondary certificates as a “gateway to gainful employment and college degrees.” These certificates come from a wide range of sources, including employers, and both private and public education entities. Rhode Island has seen significant growth in certificate awards in recent years. Evident in Figure 28, we see that Rhode Island’s public postsecondary institutions have increased the number of less-than one-year certificates since 2001/02, with most of that growth apparent since 2009/10.

Despite noteworthy growth in public certificates, Rhode Island falls among the states with the smallest share of certificates awarded by public institutions. In 2004/15, about a quarter – 24.1 percent—of certificates for programs of less than one year were awarded at public institutions.

**State investments in higher education**

As noted in a recent Center on Budget and Policy Priorities paper documenting state trends in education funding, “money matters for educational excellence.”

Figure 29 makes evident the challenging task the state faces in operationalizing these key priorities. Rhode Island, like many other states, has seen significant disinvestment in higher education spending in recent years, most notably during the years when the Great Recession decimated state finances. Even with increases in higher education spending since 2013, Rhode Island invested $60 million less in FY2016 than in FY2002.
The Governor’s signature education initiative in her FY2018 budget proposal was a program to provide two years of free tuition and mandatory fees for students enrolled in the state’s colleges. The General Assembly provided funding to cover only those students enrolled at CCRI, setting aside $2.8 million for FY2018. It is estimated this cost will grow to $5.9 million in FY2019, when it’s fully phased in. While this represents an important step in helping grow the ranks of Rhode Islanders attending college, it barely dents the funding gap identified in Figure 29.
State investments in adult education

The Adult Education system, administered by the RI Department of Elementary and Secondary Education (RIDE) is the primary agency responsible for programs and investments to address the needs of the thousands of RI adults who lack the foundational skills to advance in the workforce and to meet employer needs. Twenty-five agencies throughout the state serve around 6,000 learners each year, providing high school equivalency, English language services, transition to college and job preparation services. In each of the past five years, there has been a waiting list of around 1,300 individuals, primarily comprised of adults seeking English language services.

![Chart: Annual spending on adult education ($M) since 2006 to 2016.](image)

**Figure 30**


In 2016, funds for adult education totaled around $8.9 million including federal funds from Title II of the Workforce Investment Act ($2.2M), and the Temporary Assistance to Needy Families block grant ($1.0M); Rhode Island general revenue investment ($2.5M) and funds from the Job Development Fund ($3.5M). This funding pays for RIDE staff and services for adult learners.

The highest investments in adult education were in the years 2008 – 2010 when the Job Development Fund contributed $4.5 million to invest in basic skills training. In 2011, that contribution was reduced by $1 million and has remained constant at $3.5 million. Title II funds were recently reduced due to a change in the federal funding formula.

Funding for adult education has dropped by $2.5 million from a peak of $11.4 million ($12.8 million in inflation-adjusted dollars) in 2008 to $8.9 million in 2016 (Figure 30).
In 2017, the Governor’s Workforce Board awarded fourteen “Real Pathways RI” grants, totaling $1.5 million to partnerships serving populations with barriers to employment (homeless, long-term unemployed, formerly incarcerated) or regions of the state with above average concentration of poverty or unemployment. A lead agency is responsible for ensuring collaboration among employer and community partners to provide basic skills and workforce development services to the target population. This new investment holds promise for reaching lower-skilled adults in innovative ways to increase their earnings ability and meet the needs of employers. For example, the “RI Core Skills Partnership” is developing a new initiative to provide basic skills services (literacy and/or English language services) that can be contextualized to the needs of the employer and employee and provided at the work-site. In the fall of 2017, the Board allocated an additional $428,000 to a number of the partnerships to serve people on the waiting list for English language and other foundational skills services.
As Rhode Island’s economy has changed in recent years, working women and men in the Ocean State have often struggled to navigate increasingly choppy economic waters. There was a time when a substantial share of the population could earn family-supporting wages with a high school education, especially in manufacturing sectors. The erosion of those jobs, and the union representation that often went hand-in-hand with them, has elevated the necessity of attaining additional education to avoid being left adrift in today’s economy, earning wages that are not adequate to support a family, or even oneself.

In the face of this rapidly evolving economy, we need our education and workforce systems to evolve to keep pace, to meet the dual needs of workers and employers. Ensuring that all Rhode Islanders have access to the education and training needed to thrive in the economy of today and tomorrow requires us to consciously remove barriers to success, including financial barriers, barriers based on race and ethnicity, and barriers resulting from a lack of English language skills.

Having committed to having 70 percent of working age Rhode Islanders attain postsecondary education or training by 2025, Rhode Island has started down an ambitious path, combining a mix of strategies and approaches to make college more affordable, improve completion rates, and increase opportunities for credentials, certificates and apprenticeships.

There will continue to be a substantial share of jobs in Rhode Island that are “good jobs” that can be found with education that is more than a high school degree, but less than a Bachelor’s degree. And even if we are successful in significantly “skilling up” the Rhode Island workforce, there will also continue to be many jobs requiring lower levels of skill. Raising the floor for all workers, through stronger enforcement of labor standards, an increased minimum wage, and policies that place a high priority on the well-being of Rhode Island families, will help make the Ocean State a desirable place to live and work for workers at all levels of education and training.


Throughout this report, we identify the official period of the Great Recession, from December 2007 to June 2009, but recognize that from the perspective of the labor market (and therefore Rhode Island families), the negative aspects of the recession endured well beyond the official end of the recession. While Rhode Island’s unemployment rate peaked at 11.3 percent for three months coinciding with the official end of the Great Recession, that peak fell within a 37 month period where unemployment in Rhode Island was 10.9 percent or higher.


Data limitations prevent us from breaking “some college” into its constituent parts, which include those who attended college (either 2-year or four year) but didn’t complete a degree, those who graduated with an Associate’s degree, and those who completed a certificate program.


Jared Bernstein explains that an economy at full capacity is one with the labor force at the highest level of employment and the unemployment rate at the lowest level (the "natural rate") that maintains stable inflation. See “CBO: There’s more slack in the economy than you thought”, February 14, 2017, On The Economy: Jared Bernstein Blog. http://jaredbernsteinblog.com/cbo-theres-more-slack-in-the-labor-market-than-you-thought/.

In inflation-adjusted, 2016 dollars, using the Consumer Price Index Research Series (CPI-U-RS) index, Rhode Island's minimum wage increased from $8.17/hour in 2014 to $9.60/hour in 2016.


This measure is based on a Current Population Survey data extract, largely comparable to the data used by the Center on Education and the Workforce in their 2013 study, though their methodology looks at the educational attainment of employed workers, while this measure looks at the educational attainment of the entire labor force (which would include people in the labor force not currently working).


OPSC, Ibid.

The strategic plan uses $15/hour as the threshold for “high wage” jobs in Rhode Island, an amount that falls far short of the wage needed to meet a family’s basic needs in Rhode Island.

Because of the much larger sample size, we can get a more detailed breakdown of the educational attainment of Rhode Islanders when looking at all races and ethnicities than when we look at specific racial or ethnic categories, as we do in Figure 21.

Data limitations prevent us from disaggregating the “some college” category to show those with either an Associate’s degree or a postsecondary certificate.

The Economic Policy Institute has identified several policies—such as raising the minimum wage, increasing enforcement of labor standards, and strengthening collective bargaining rights--specifically aimed at “Raising America’s Pay”. The Economic Policy Institute, The Agenda to Raise America’s Pay. http://www.epi.org/pay-agenda/.


Wilson, Ibid, p. 2.


The CEW Gateway report includes in their discussion of certificates “awards from business, vocational, trade, and technical schools, and technical and non-degree awards from two- and four-year colleges.”


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