

## EXECUTIVE SUMMARY

Although Rhode Island’s overall economy continues to slowly but steadily recover from the Great Recession, workers of color — particularly Rhode Island’s Latino community — continue to bear the brunt of a vulnerable economy. Some of these economic hardships reflect the lingering effects of the Great Recession – a recession that has left the state with over ten thousand fewer jobs today than at the onset of the recession, relative to the state’s current population. Other effects reflect long-standing systemic barriers facing the Ocean State’s minority populations that have impeded their educational attainment, and have consistently resulted in higher levels of unemployment and lower wages.

This report, “The State of Working Rhode Island: Workers of Color”, highlights the many challenges facing Rhode Island workers, showing the many areas where workers of color fare less well than others. The accompanying Policy Recommendations document shows that there are policy solutions within our grasp that can shift economic trends that have been holding Rhode Island families back.

Because minority workers in Rhode Island have levels of educational attainment that lag levels of white Rhode Islanders, their prospects for future prosperity are also reduced. One of four Black Rhode Islanders of working age, and one in three Latinos lack a high school credential.

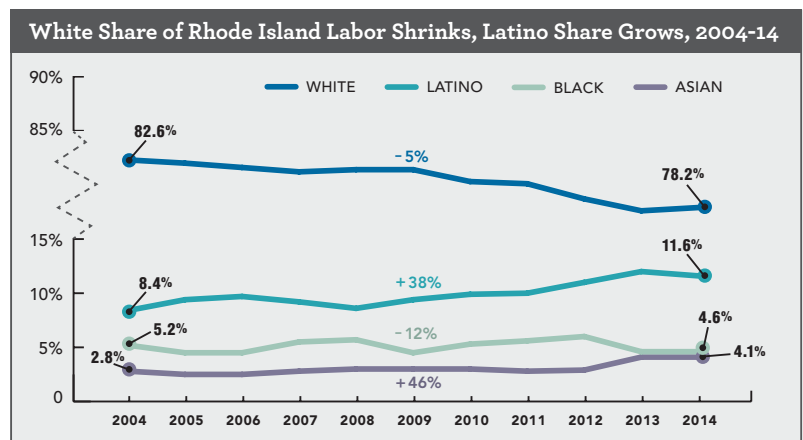
### Labor Force

Rhode Island is becoming increasingly diverse – both in terms of its population and workforce. By 2040 workers of color will comprise 38% of the workforce – up from 21% at the start of the decade. Rhode Island is still less diverse than the overall nation (but slightly more diverse than overall for New England).

### Economic Context

Throughout the Great Recession, Rhode Island’s economy remained weak, both in absolute terms and relative to other states.

During 2014, Rhode Island’s unemployment rate was tied for the highest in the nation, at 7.7 percent.<sup>1</sup> While slow to recover from the recession, Rhode Island’s very slow population growth through the recession and recovery leaves Rhode Island with an “employment hole” that is less deep than it



Source: Economic Policy Institute and Economic Progress Institute analysis of Current Population Survey data

<sup>1</sup> Rhode Island, Nevada, and Mississippi had annual unemployment rates of 7.7 percent in 2014. Source: Economic Policy Institute and Economic Progress Institute analysis of CPS data.

otherwise would have been. The state’s “jobs deficit”—the combination of jobs needed to recover jobs lost during the recession, and those needed to keep up with population growth—falls in the bottom quarter of all states (ie, just ten states have a jobs deficit that is smaller as a share of jobs needed to return to pre-recession labor market levels).

## Uneven Impact

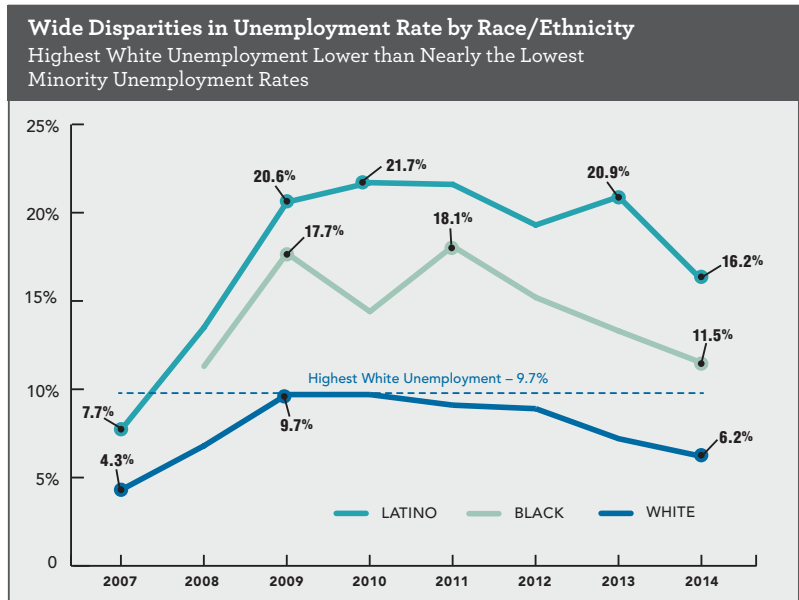
During the Great Recession, the gap between White unemployment rates and the rates for Black and Latino workers was stark, with Latino unemployment rates approximately double the rates for White workers and Black unemployment rates also nearly double White rates. Moreover, only the very highest White unemployment rate (9.7 percent, in 2009) surpassed the lowest rates for Latino workers during the recession and recovery. There is a similar gap between Black and Latino unemployment rates and rates for White workers during “normal” economic times also.

Given that Rhode Island’s overall unemployment rate was tied for the highest in the nation in 2014, it is not surprising that the Ocean State’s Latino unemployment rate was also the highest in the nation at 16.2 percent. This was more than double the national Latino unemployment rate of 7.4 percent.

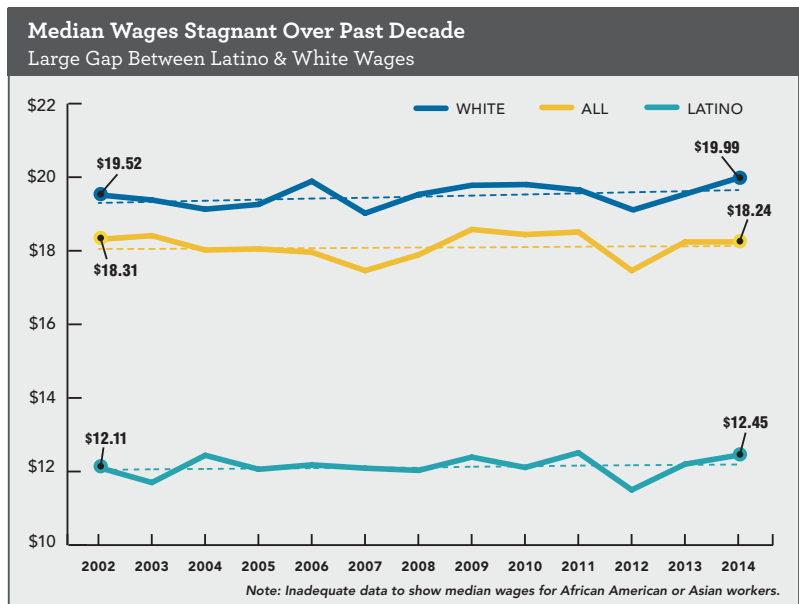
It is also noteworthy that our neighboring states, Connecticut and Massachusetts, also had Latino unemployment rates amongst the nation’s highest.

## Wages and Income

Median wages in Rhode Island have been stagnant for more than a decade, with White median wages hovering consistently between nineteen and twenty dollars an hour, overall median wages at about eighteen dollars an hour, and Latino median wages at about twelve dollars an hour. The most noteworthy aspect of these wage trends is the lack of progress across all race/ethnic groups, and the persistently wide gap between White and Latino wages.<sup>2</sup>



Source: Economic Policy Institute and Economic Progress Institute analysis of Current Population Survey data



Source: Economic Policy Institute and Economic Progress Institute analysis of Current Population Survey data

<sup>2</sup>Data limitations prevent us from extending comparison of annual wages to other racial groups.

By pooling several years data we can see that within Rhode Island's Asian community, there is a noticeable split in median wages, with South Asian and "other" Asian workers enjoying the highest median wages in the state, while median wages for Southeast Asians fall at the lower end of the wage spectrum, at \$30,621 falling well below the overall Asian median wage of \$36,105.

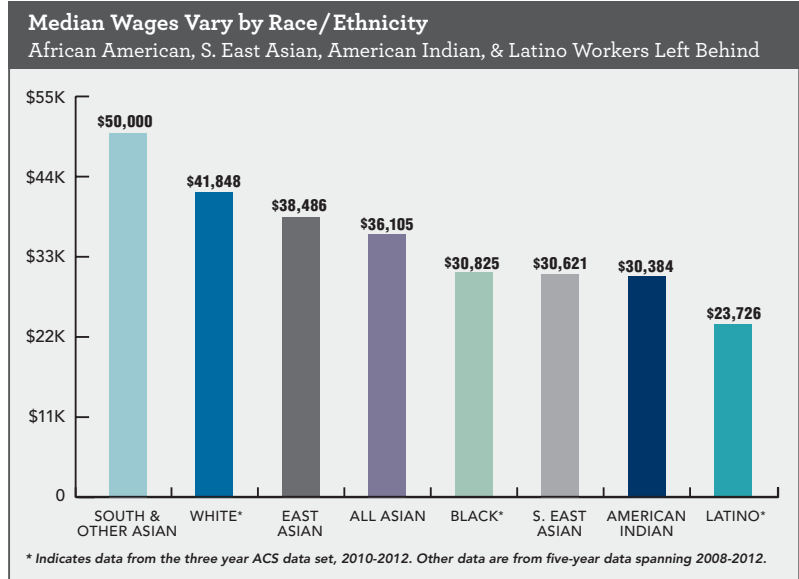
These disparities in wages are reflected in median household income data, also. Recently released US Census Bureau data show the overall Asian and White (non-Hispanic) median incomes, at \$62,203 and \$61,406, significantly outpacing median household incomes for Black (\$35,772), Latino (\$30,797), and American Indian and Alaska Native (\$20,485) households.

## Education

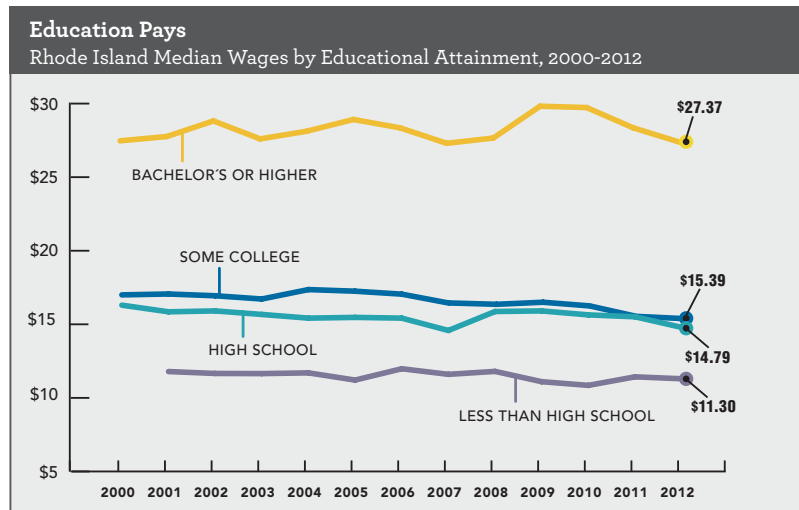
It is widely known that "education pays" – that those with higher levels of education tend to earn higher median wages and higher household incomes. This is equally true in Rhode Island though the fact that ALL levels of educational attainment have seen essentially stagnant median wages is troubling.

The significant gap in median wages for Rhode Islanders with and without a high school diploma or equivalent argues for efforts to ensure students successfully complete high school and adults who lack credentials have the opportunity to obtain their GED.

The fact that there is very little difference in wages between those with "some college" (but no diploma) and those who have completed high school has important policy considerations, particularly for minority students, who have lower rates of both college attendance and completion. Successful efforts to ensure all students have access to post-secondary education, regardless of race or ethnicity must be paired with efforts to ensure they have the supports needed to complete their degrees.



Source: Economic Progress Institute analysis of American Community Survey data from IPUM-USA, University of Minnesota, www.ipums.org



Source: Economic Policy Institute and Economic Progress Institute analysis of Current Population Survey data

**Share of Population Lacking High School Diploma: US & Southern New England States**

RACE/ETHNICITY	US	RI	MA	CT
Black	17%	25%	18%	17%
Asian	14%	22%	16%	12%
Latino	37%	38%	33%	31%
White	9%	11%	7%	7%

Note: Percentages in blue indicate highest rate among New England states.

Source: American Community Survey, 2009-2013, 5-year estimates

## Employment Sectors – Where Rhode Islanders Work

As Rhode Island's economy continues to evolve from one where manufacturing provided a solid foundation to one based more on services, navigating a path that allows all working Rhode Islanders to enjoy employment security and support their families becomes more challenging. Variations in employment patterns by race and ethnicity matter a great deal, since some sectors pay much higher wages than others. Those concentrated in sectors with higher median annual wages are better positioned to prosper than are those where wages are lower. Latino and Black workers are both heavily concentrated in three sectors that pay median wages significantly below the overall median wage—health care and social assistance, arts and entertainment, and retail trade.

## Conclusion

The fact that the Great Recession was hard on Rhode Island is widely understood, as is the fact that some racial and ethnic groups generally do worse than others within the economy. This is true nationally, regionally, and certainly within Rhode Island. This report has outlined several specific examples of these economic disparities. While Rhode Island's Latino workers generally face the largest gaps in educational attainment, wages and income, other groups — including the Ocean State's Black workforce and the state's Southeast Asian population — also fare poorly compared with the state's overall rates. The accompanying policy document outlines some ideas to lift up Rhode Island's workforce so that nobody is being left behind, and particularly not because of their race or ethnicity.

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*For the full State of Working Rhode Island: Workers of Color report see:*  
[www.economicprogressri.org/WorkersOfColor](http://www.economicprogressri.org/WorkersOfColor)



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