

R.I. ranks sixth in assistance to low-income families

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The Urban Institute, a Washington, D.C.-based research group, released a study this month that ranked Rhode Island sixth in the country in providing government-financed assistance for low-income working families as of 2005.

The study looked at a package of federal and state “work support” programs that authors Sheila Zedlowski and Seth Zimmerman said can provide critical help for low-income parents trying to move into the work force.

The programs were Medicaid and the State Children’s Health Insurance Program (SCHIP), food stamps, childcare subsidies and federal and state earned-income tax credits.

(The study compared statistics for only 44 states, Zedlowski said, because Medicaid data for six states and the District of Columbia was unavailable.)

The Urban Institute calculated spending in Rhode Island per person in low-income families at \$4,739. Maine was the top state in the survey, at \$6,401 per capita, while Utah came in last at \$1,712. The national average was \$3,264

In a phone interview, Zedlowski said her study defined low-income families as those whose incomes were less than \$39,612 for a family of four, which is twice the federal poverty level.

Senior economist Ellen Frank of the Poverty Institute at Rhode Island College said the state revamped its welfare system in 1997 with the intent of encouraging low-income people to go into the work force. As a result, she said, spending on cash assistance went down, while spending on programs such as childcare went up.

“It was based on providing support for working families.... At the time, it was one of the more generous and progressive policies in the country,” she said.

Frank said she’s proud to live in a state that values working families at the lower end of the income scale, but she is concerned about the impact of the current state budget deficit on future spending.

In the budget passed this year, for example, two provisions are expected to reduce the number of children eligible for subsidized childcare by about 2,000.

Legislators lowered the upper age limit from 16 to 13 and lowered the income threshold from \$46,463 to \$37,170 for a family of four.

In a “Standard of Needs” report released last year, the Poverty Institute estimated it cost about \$50,000 a year to raise a family of four in Rhode Island. “The amount a family needs to earn to meet these expenses depends largely on whether the family is eligible to receive work supports including tax credits and subsidies for childcare and health care,” said Kate Brewster, executive director of the Institute, in a press release.

Zedlewski said some of the programs in her study, such as childcare and the earned-income tax credit (EITC) are only available for working families.

Others, such as food stamps and health care through Medicaid and SCHIP, are available to people who meet the income guidelines regardless of employment status. But Zedlewski said she still considers these “work support” programs because of their importance in helping low-income people enter and then remain in the work force.

In examining the period from 2002 through 2005, Zedlewski said the national trend is that government spending on direct work supports (childcare and EITC) has declined or remained flat. Spending on health-care programs and food stamps, which are not directly tied to employment, increased.

Zedlewski said the economy was relatively weak in terms of job creation between 2002 and 2005, reducing the number of people eligible for subsidized childcare and earned-income tax credits. Health-care costs, in the meantime, continued to rise.