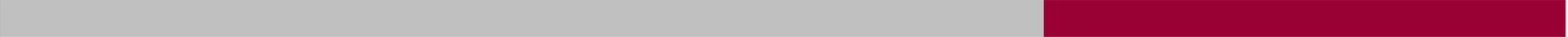


From Poverty to Prosperity

Investing in low-wage workers



**Presented to the
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Measuring poverty...



Federal Poverty Level (FPL) created in 1960s based on cost of food, thought to consume 1/3 of income

Does not account for:

- Regional differences
- Increased costs of basic needs
- Value of tax credits and government subsidies
- Shifting expenditure patterns, for example need for child care due to more working moms

2007 Poverty Levels



Individual = \$10,210

Family of 2 = \$13,690

Family of 3 = \$17,170

Family of 4 = \$20,650

2007 Poverty Rates



	Newport county	RI	U.S.
All people	8.5%	12.0%	13%
Children	10.1%	17.5%	18%
Unemployment (Aug 2008)	7.1%	8.5%	6.1%

2008 RI Standard of Need....



Single parent, Toddler and school-aged child (monthly expenses)	
Food	\$594
Housing	\$1020
Transportation	\$386
Child care	\$1,314
Health insurance	\$200
Miscellaneous	\$351
Sales tax	\$25
Total monthly	\$3,890

Work supports help families earning median wage

Single parent with two kids earning \$15.24/hour

	With subsidies	Without subsidies
Housing	\$1,020	\$1,020
Food	\$594	\$594
Transportation	\$386	\$386
Child Care	\$211	\$1,314
Health Insurance	\$158	\$199
Miscellaneous	\$254	\$376
Monthly expenses	\$2623	\$3889
Income	\$2640	\$2640
Difference	\$17	-\$1,249

RI is not a generous welfare state

- Lowest eligibility for child care assistance
- 2nd lowest cash assistance benefits
- 2nd lowest eligibility for children's health insurance
- 3rd lowest eligibility for parent health insurance coverage

Spending on work supports



- Since 1997 cash assistance caseloads down more than 50%; spending down 77%
- State spending on cash and child care totaled \$26m last fiscal year – a 49% decline from 2007
- Represents 0.7% of the state's general fund

Low wages and growing inequality



- Only state in New England to see median wage decline between 2000-2006
- Income inequality growth 2ND worst in country over past two decades
- Unemployment at fifteen year high
- Twenty percent of jobs pay poverty wages
- Largest share of manufacturing jobs lost in U.S.

Investing in worker skills



Skills2Compete analysis:

“Middle skill jobs” - require more than high school but less than four-year college - largest part of economy at 48% of jobs

Health care, construction, accounting, community and social services

Investing in worker skills



Rhode Island workforce:

- 142,000 adults lack high school diploma
- 35,000 lack English proficiency

In 2007, state and federal investments in adult basic education were \$10 million, able to serve 10,000 adults in FY2008

Investing in worker skills



- **Governor’s Workforce Investment Board strategic plan:** Focus on reducing skills gap in key industries including health care, hospitality and tourism and marine technologies
- **Newport Skills Alliance:** Creating a skills “hub” on Aquidneck Island
- **CCRI 21st Century Workforce Commission:** strengthen capacity to train local workforce

Investing in worker skills



RI Workforce Alliance

Coalition of business, labor, education, advocacy and public policy organizations dedicated to providing community-based capacity for research, policy analysis, and advocacy on workforce development issues.

Outcomes:

- Increased investments in adult education
- Food Stamp Employment and Training Legislation