

PRESS RELEASE

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Since recession began, Rhode Island's increase in poverty is largest in New England

Rhode Island's poverty rate jumps to 12.9 percent from 10 percent, new Census Bureau data show; policymakers urged to protect families still struggling in wake of recession

PROVIDENCE, RI (September 16, 2010) – Today, the U.S. Census Bureau released preliminary state-level data showing that the poverty rate rose substantially in Rhode Island, to 12.9 percent during 2008-2009, up from 10 percent during 2006-2007. Over 28,000 new Rhode Islanders joined the ranks of the poor in the Ocean State in one of the worst economic downturns in recent history, bringing the total number of Rhode Islanders living in poverty to 133,000.

These rates are based on two-year averages, the methodology recommended by the U.S. Census Bureau because of the small sample size surveyed.

Nationally, the number of people in poverty in 2009 is the largest on record in the 51 years since data has been collected, with 43.6 million Americans falling below the federal poverty level. The nation's official poverty rate in 2009 was 14.3 percent, up from 13.2 percent in 2008.

In 2009, the official income at which a person was considered to be living in poverty was \$10,952; a family of four was considered to be living in poverty if their annual income was below \$21,947.

In Rhode Island, the increase in poverty is not surprising given that unemployment rates have risen dramatically and been among the highest in the country throughout the recession. Advocates for low- and modest-income families are concerned that as states like Rhode Island face continued budget shortfalls and the loss of federal stimulus funds in the coming year, there will be increased pressure on policymakers to cut vital income and work support programs at the worst possible time.

“In the coming year, policymakers must do all that they can to help struggling Rhode Islanders who continue to weather the economic storm. This means keeping our unemployment insurance benefits and RIte Care health insurance coverage intact.

(more...)

Modest expansions to investments in child care assistance and the state refundable Earned Income Tax Credit would also provide an important boost to families waiting for wages to rebound,” said Kate Brewster, executive director of The Poverty Institute.

Despite the grim news, the situation could have been worse had it not been for expansions made through the 2009 American Recovery and Reinvestment Act (ARRA) to programs like unemployment insurance, SNAP (formerly Food Stamps), and the Earned Income Tax Credit.

“By increasing unemployment and food stamp benefits, and forcing states to hold the line on health care costs, the Recovery Act played a key role in softening the blow to tens of thousands of Rhode Islanders hit hardest by the recession,” said Brewster. “Congress needs to act to extend this assistance, along with job creation programs like the TANF Emergency Contingency Fund, to families who are struggling to find jobs and stay afloat in this extremely challenging economy.”

The Census Bureau will release a more authoritative state-by-state estimate of poverty on September 28th that is taken from a much larger, and thus more reliable, sample of Americans. The Poverty Institute will be analyzing those numbers and releasing additional media materials at that time.

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About The Poverty Institute

The Poverty Institute is social policy think tank that develops and promotes policies to improve the economic security of low- and modest-income Rhode Islanders, and works to ensure that tax and budget policies are equitable and adequate to fund vital public services. For more information visit www.povertyinstitute.org.