



# The Poverty Institute

at the Rhode Island College School of Social Work

## **PRESS RELEASE**

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## **More than one in nine Rhode Islanders continue to live in poverty**

### ***State's unemployment benefits provide critical safety net for laid off workers***

**PROVIDENCE, RI (September 29, 2009)** – Close to 120,000 Rhode Islanders continued to live in poverty in 2008, according to data released today from the U.S. Census Bureau.

In 2008, 11.7 percent of Rhode Islanders lived in poverty, according to data from the American Community Survey. This remains statistically unchanged from 2007. Rhode Island ranked 31<sup>st</sup> worst nationally and 2<sup>nd</sup> worst in New England, behind only Maine. In 2008, the official income at which a person was considered to be living in poverty was \$10,997.

The Poverty Institute claims that the poverty rate may have increased last year had it not been for the state's strong unemployment insurance benefits. Rhode Island's average weekly benefit is among the best in the country. "For those laid off workers who are actually eligible for unemployment insurance, the benefits have helped protect them from plummeting into poverty in this harsh economy," said Rachel Flum, Policy Analyst at The Poverty Institute.

Today's data also reveals that poverty is increasing in the southern part of the state. Washington County experienced a significant uptick in its rate, with 8.2 percent of residents living in poverty in 2008 compared to 5.3 percent in 2007. Kent County and Newport County poverty rates remained statistically unchanged at 7.2 percent and 9.5 percent respectively. Providence County, on the other hand, saw its rate drop to 14

percent, down from 16 percent last year. Providence County includes the capital city as well as outlying municipalities such as Smithfield, Burrillville, and Pawtucket.

According to The Poverty Institute, as unemployment continues to soar in 2009, federal recovery funds are helping to mitigate the impact on struggling families. “Thanks to the unprecedented efforts in Washington, federal recovery funds have put money back into the pockets of those hardest hit by the recession in the form of increased food stamps, unemployment insurance, and tax credits,” said Flum, noting that more than \$650 million is being distributed directly to Rhode Islanders in the form of benefit increases and tax credits. Flum claims the extension of unemployment benefits making its way through Congress will be an important protection against poverty for over 4,000 Rhode Islanders scheduled to lose their unemployment benefits by the end of the year.

*NOTE: Today's Census Bureau data released today is derived from the American Community Survey, which is different from the Current Population Survey from which poverty and health insurance data was reported in early September. The ACS survey has a much larger pool of respondents at 3 million a year, compared to the CPS which surveys only 100,000 American. Therefore, the ACS data is considered more reliable, especially for a small state like Rhode Island.*

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### **About The Poverty Institute**

The Poverty Institute is a non-partisan organization 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.