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## Latest Poverty Figures Underscore Need for Increased State EITC

*Improving RI's EITC Would Help Working Families and State Economy*

Providence, RI (September 17, 2015) - With so many Rhode Islanders continuing to struggle to make ends meet, the need to further increase the state's Earned Income Tax Credit is greater than ever. One in seven people in the state have serious problems paying for food, housing, and other basic needs, according to new data released today from the Census Bureau. A family of four is considered to be living in poverty if its yearly income is less than \$24,000.

Rhode Island's communities of color were much more likely to struggle to meet their basic needs—more than one in five African Americans, nearly one in three Latinos, and more than one in eight Asians live in poverty.

The Ocean State ranked last among the six New England states when it comes to the share of its population living in poverty last year, and 24<sup>th</sup> in the country. The Rhode Island poverty rate was virtually unchanged from 2013 to 2014, with 145,596 Rhode Islanders living in poverty.

"It is disturbing that so many Rhode Islanders continue to live in poverty," said Kate Brewster, executive director of the Economic Progress Institute. "While there is certainly no silver bullet to address this crisis, one action lawmakers should take to help struggling working families is to continue to increase the state's Earned Income Tax Credit. This would put more money in the hands of people working at low-wage jobs by letting them keep more of what they earn and would help lift their families above the poverty line."

Rhode Island lawmakers increased the state's Earned Income Tax Credit last year to 12.5 percent of the federal credit from 10 percent. This is expected to put an additional \$6 million back in the pockets of over 80,000 working families who live in every city and town in the state. Neighboring states already do more to help low-wage workers through the EITC. Connecticut offers a 27.5 percent state credit and Massachusetts recently increased its state credit to 23 percent. A recent study, documented in the book [It's Not Like I'm Poor](#), demonstrates that families receiving the tax credit spend it wisely: they pay current bills, including rent, utilities and groceries; they pay off debt; and they invest in their future, for example, by moving to a better neighborhood. Along with helping families get ahead, these purchases and payments boost the local economy.

The Census Bureau released extensive information on the economic and health insurance status of Americans. The Economic Progress Institute website provides additional analysis of the new data for Rhode Island.

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**About The Economic Progress Institute**

*The Economic Progress Institute - formerly The Poverty Institute - is a nonpartisan research and policy organization dedicated to improving the economic well-being of low- and modest-income Rhode Islanders.*

*For more information visit [www.economicprogressri.org](http://www.economicprogressri.org).*