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Task force gauges the costs of being poor in Providence

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When you don't have a bank account, cashing a paycheck can take a piece of your salary. If you don't have a car, you have to shop at the corner store, which is usually pricier than supermarkets. If you can't afford to buy furniture or appliances, you might just have to lease them.

And if you fall behind and need a short-term loan, you could end up paying the local pawnbroker interest rates of up to 470 percent.

They call it the cost of being poor, and it's one of the problems that a task force established by Mayor David N. Cicilline last January is trying to address.

The group includes community leaders, policy experts, community leaders experienced with issues related to poverty, and members of the business community.

"I wanted to bring together people who have worked on the issue of poverty and look at what initiatives we should begin with," Cicilline said.

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JANNEAH LOVE, left, waits for her mother to get a money order at Tropical Income Tax. Her cousin Alexandra Love is with her. Alica Reyes, in the background, is the store manager's daughter. Many low-income families don't have bank accounts.

Poverty

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Elizabeth Burke Bryant, executive director of **Rhode Island Kids Count**, which is providing much of the data for the project, said this is "an exciting effort ... to develop some practical steps that could be taken to improve the economic conditions of Providence residents in a way that will add to the future productivity and success of the city."

Poverty is a serious and growing problem in Providence. In the executive order that created this task force, Cicilline noted that from 1969 to 1999, the percentage of Providence residents in the national middle-income bracket had fallen from 60.5 percent to 48.6 percent. The share in the high-income bracket slipped from 14.8 percent to 12.1 percent.

The share in the low-income bracket, meanwhile, grew from 24.8 percent to 39.3 percent.

And as of 2000, Providence had the third-highest child poverty rate in the country for cities with more than 100,000 residents, 41 percent, lower only than Hartford and Brownsville, Texas, and tied with New Orleans.

"For Providence's revitalization to continue, the city must retain and reclaim middle-class residents, and increase the ability of low income working families to improve their economic



PBN PHOTO BY STEPHANIE EWENS

LIMITED CHOICES: When you don't have a car or a bank account, the only place you may be able to shop is the corner bodega, and your 'bank' may be a check-cashing place.

status and successfully enter the middle class," the mayor's order says.

This isn't the first time the city has addressed the poverty problem, but Cicilline said this task force is looking at a much more comprehensive set of issues than previous efforts.

"We've focused [in the past] on raising incomes, which is very important, job skills, education and earned income task credits. What we haven't focused on is the

high cost of being poor," Cicilline said. "Predatory lending, higher rates of credit, there're a whole host of costs. So we're focused on how do we raise people's ability to raise earnings, but also how we deal with practices in the city that make it more costly for those living in poor neighborhoods."

So far the task force, which Cicilline chairs, has met four times. The group plans to compile a final report in the ear-

ly fall with recommendations for the city to implement.

"The goal is to increase the ability of low-income individuals to improve their earning power and economic status and to increase the middle class in Providence," Bryant said. "We plan to use a number of strategies to accomplish those goals."

Some of the strategies they are talking about include increasing affordable banking services in the city, preventing the cycle of poverty through programs to decrease teen pregnancy and get teens connected to the work force, examining the job training and education needs of the city's residents, and finding ways to help residents access existing programs such as government-sponsored or subsidized health care and child care.

"I expect they will complete their work with a set of recommendations that we can then implement," Cicilline said. "Some strategies will be longer term, but some we can do immediately to reduce the high cost of being poor and to help people get out of poverty."

And he added that he doesn't expect many of the initiatives to put any additional financial burden on the city.

"Some of the implementation will not cost money. Some of it is about accessing programs and initiatives, some is to advocate for changes and some can be done through ordinances," he said. "I'll await final recommendations, but all of it will not require new resources." ■