



Ohio Association of Community Action Agencies

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2017 State of Poverty in Ohio Report Release

Philip Cole, Executive Director
Ohio Association of Community Action Agencies
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Good afternoon everyone. I am Phil Cole, Executive Director of the Ohio Association of Community Action Agencies and it is my pleasure to welcome you, and I thank you for coming.

Community Action Agencies work to alleviate poverty and empower low-income families in their communities. For over 50 years, CAAs have provided the tools to help people move from poverty to self-sufficiency. The members of the Ohio Association of Community Action Agencies employ over 6,500 Ohioans and serve more than 700,000 low-income individuals in a typical year.

Today we are releasing the “*State of Poverty in Ohio 2017*.” This is the 25th State of Poverty in Ohio Report. We began this twenty-five years ago as a joint project with our agency in Cleveland, moved on to doing it ourselves, then very wisely began partnering with Community Research Partners, which is now Thoughtwell. Thoughtwell is a great research organization that works with organizations around Ohio and we very pleased they partner with us.

When we began this Report, we were the only game in town, the only real report on poverty in Ohio. Since then other organizations have looked at certain aspects of poverty, some have tried to do a big picture look, but we are still the only organization that does both. We include the numbers and details people find very informative and each year we try to look at various issues of poverty, too.

I am going to talk with you for a few minutes about the broad categories of the report and some related issues. Then I will turn it over to Lynnette Cook, the Executive Director of Thoughtwell who will discuss more details of the report with you and how they did the research.

According to the federal government’s definition of poverty, the percent of Ohioans in poverty has been on the decline since 2010. The gap between the Ohio and U.S. poverty rates has also decreased, and the two rates are now fairly close. That is good news, of course.

As most of you know, we have maintained for years that this definition is not a good measure and needs to be revised. The Federal Poverty Level is nothing other than a random line in the graph of incomes in the U.S. Currently, in Ohio 14% are below that line. But, the real measure of poverty would be a line drawn much higher on that income graph.



Why do we say this? The Federal Poverty Rate does not accurately include real costs of living and thereby creates a number that is essentially meaningless. There are other ways to more accurately measure poverty than the federal guidelines. Some are discussed in this Report, and others have been in previous reports.

We believe the more accurate measure of poverty is the Self-Sufficiency Standard. That standard is the amount of income a household needs to adequately meet its basic needs without public or private support. It is the level at which a person or family is self-sufficient.

Why do we as a country not use a real measure of poverty? I think you know the answer. It is because that would mean over 30% of our population cannot pay for the food they need, or the transportation they need, or the health care they need or other necessities to survive unless they have help from the government or private organizations. Almost one-third of our people struggle to pay for the things needed to live a quality life.

OACAA does not believe, as some others do, that a person is out of poverty because, for example, they get adequate food stamps or government subsidized childcare. We believe a person is no longer in poverty if they are able to sustain themselves and their families without either public or private assistance. Again, to be out of poverty, a family needs to be self-sufficient. That is why we use the Self-Sufficiency Standard as a better measure.

If we intend to reduce real poverty, we need to focus on the things that matter. Included in this list could be: 1. Transportation—people need to be able to get to jobs and job training; 2. Education—people need to have access to quality primary and secondary education, and higher education needs to be affordable; 3. Health Care—Expanded Medicaid has worked out well for Ohio as the federal numbers say and our middle class seems to be growing. We have people working who could not before they had health care through Medicaid; and 4. Childcare—It needs to be affordable. There are more, and I will get back to this in a moment.

As is our practice in our Report, we chose to highlight some but not all of these issues. Let's talk about health care first. Governor Kasich was and is committed to Medicaid expansion. That is a Godsend to the people of this State. People have been able to get work because they had health care. Satisfying the need for health care made work possible. Health care came first. Unfortunately, there has been an effort in Ohio to make work a prerequisite for health care under Medicaid expansion. This is exactly the wrong thing to do. Health care is an informal prerequisite for work for many of our citizens. It should stay that way so that people can work and Medicaid can be effective.

Then there is the opioid crisis in Ohio. This is a health issue. Opioids are everywhere in every income group, but they hit our poorer people harder. If you look at the maps that show this crisis by county, you will see how disproportionately it affects poor areas. Six Ohioans die from opioids every day. That number is much larger when we include other drugs.

The Ohio General Assembly and Congress need to begin a serious commitment to stop this because it is not a problem that will simply go away. It is working its way through all parts of society. As we show in the Report, half of all children in Ohio's foster care system have parents who struggle with addiction.



We see the problem in our Head Start programs. Grandparents are often the primary caregiver because the parents have addiction difficulties. We talked about this in our last Report. These are three and four-year-old children struggle with behavior problems. Many of those behavior problems will travel with those children into the public school classrooms. That will require the costs of education to increase. Government will either meet those costs or the quality of education will go down. We cannot afford a decline in the quality of education so we have to afford to care for our challenged children. It is better to do it now.

Take a look at childcare. A single parent living at the Federal Poverty Level who wants center-based childcare for two children can expect to pay 83% of their income for childcare. Married parents at the FPL would spend 73%. If one includes food, housing, and transportation, a married couple would spend 133% of their income just on these four necessities. That does not include the price of a newspaper, a cup of coffee, or an internet connection at home. It does not include a meal at McDonald's or a movie or other enjoyments of life. With children, the cost to survive at the federal poverty level is unaffordable.

Higher education has become unaffordable in Ohio (and many other states). You will see in this Report that tuition has steadily increased in Ohio over the last two decades. And, remember that during the Strickland Administration, tuition was frozen. For three or four years, it did not go up at all. Still, tuition has increased by over 27% while state support has declined by over 14%, and Ohio schools offer less than half of the need-based aid they offered in 2008.

And while this has gone on, the college bureaucracies have exploded. There is now one administrator for every fourteen students. This does not count faculty. This is a 16% increase over ten years. State support is down, need-based aid is down, tuition is up as is the size of the college administrations. The General Assembly should pay for these bureaucracies, not the students.

Last year we raised the issue of hunger on campus. We do not talk about it in this Report, but the number of colleges that have food pantries for their students has increased. For many students, there is a question of do we pay tuition or do we eat. For us as a State, that question is an embarrassment. Perhaps we should be more embarrassed that some of our colleges have opened their pantries to staff.

I want to talk about one more issue and I ask that you allow me to quote something I said last year when we issued our Report. You can tell me if anything in these two paragraphs has changed.

Another thing that has occurred over this time is the rise of payday lenders, an entire industry that makes its money off of people being poor. This is a state issue. We thought this industry was reined in back in 2008, but they found ways around the reforms and the situation is worse.

Watch the Ohio General Assembly and H.B. 123. This is good legislation that should allow these lenders to stay in business as the funders of legitimate loans but will require them to play the game fairly. We need to quit stacking the deck at the federal and state levels against those who have the least among us. Small loans are needed, but loans that create dependency on an industry are not. Let's clean this up with H.B. 123.

One year later, H.B. 123 is still being discussed. It is still good legislation. It should be passed.

There are other good pieces of legislation being considered, things that will actually help people.

OACAA exists to support its members and to strengthen a unified Community Action presence in Ohio



As a State, we often get caught up in efforts to punish the poor. I mean things like Medicaid work requirements, reducing aide for college, and similar things. We need to cease adding to the struggles of our people in poverty. There is no work requirement for the mortgage interest deduction. Let's treat people equally.

What the State needs to do to help people get out of poverty are the same, they don't change except that when we ignore them, they do multiply. And they increase because we neglect to solve today's problems.

The people in this room know the basics that are needed—good job with pay and benefits, reliable transportation, lifelong learning, available quality health care, and affordable housing. When we fail to provide access to these things, we accumulate the results of our inaction—drug issues, parents who cannot provide for their families, homelessness, indebtedness, and many others. Because we have not dealt with our problems, we have to deal with the consequences. Every year we fail to do that, they build and it gets harder.

Government must do its job for all of us, providing social guarantees—education, health care, roads, job training, safe products, affordable housing, clean air and all the others. Let's work on those things.

Before I yield the podium to Lynnette Cook, I want to thank all the people at Thoughtwell for their hard work. And, I want to thank my staff, both Josh Summer and Kathryn Clausen, for all the hours they have put into the Report and this press conference.

With that, it is my pleasure to present Lynnette Cook, Executive Director of Thoughtwell who will talk with you about the report and the economics of poverty in Ohio.

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