



Ohio Association of Community Action Agencies

140 East Town Street, Suite 1150, Columbus, Ohio 43215
Phone: (614) 224-8500 • Fax: (614) 224-2587 • www.oacaa.org

Janice W. Warner
President

David E. Brightbill
1st Vice President

Melissa Pearce
2nd Vice President

Ruthann House
Treasurer

Julia Wise
Secretary

Philip E. Cole
Executive Director

2019 State of Poverty in Ohio Report Release

Philip E. Cole, Executive Director
Ohio Association of Community Action Agencies
June 14, 2019

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 joining us today.

Community Action Agencies work to alleviate poverty and empower low-income families in their communities. For over 55 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 nearly 600,000 low-income individuals in a typical year.

Today we are releasing the 2019 State of Poverty in Ohio Report. We began creating this Report over twenty-five years ago as a joint project with our agency in Cleveland, we moved on to doing it ourselves, then very wisely began partnering with other, focused research organizations. This year we have begun a partnership with Strategic Research Group. They are a great research organization that works with organizations around Ohio and we very pleased they partnered with us.

Through research and careful analysis, we have brought to light obstacles that low-income families face every day. The purpose and value of this report has remained the same: to allow communities, our member agencies, elected officials, government entities and others to gain a deeper understanding of poverty so that together we can make positive strides to alleviate its causes and affects so all Ohioans can thrive.

I am going to discuss a few things briefly, some in the report, some not. Then I will turn it over to Kathleen Carr, President and Partner for the Strategic Research Group who will discuss what they found.

As a network, we believe Ohioans want to be self-sufficient—meaning they can meet their basic needs without any official government public assistance or other outside assistance. What we hope to show in our report is that by reducing obstacles, we can make a positive impact on the journey of people in poverty out of that poverty and into the middle class. To do that we must know and understand why these factors create challenges so we can get to the root of the issues. Knowledge is the first step to change, and this report is a continuing evaluation of that process.

As our research progressed this year, we found strong correlations between access to transportation, affordable housing, and income opportunities, and we chose to discuss those three factors as they relate to poverty. Ohio counties with more affordable housing



options have fewer opportunities for living-wage employment and transportation. And, counties with more access to transportation and jobs have fewer affordable housing options. These factors have left families to make difficult and life-changing choices.

We believe Ohioans should not have to pass through an obstacle course to reach their fullest economic potential. But, too often, they face numerous challenges. Once they overcome one, there is another, followed by another, and they usually do not have the resources to overcome them all. Help overcoming those obstacles is the purpose of official government public assistance.

I want to talk about “public assistance,” and I want to talk about it for what it really is, in its many forms. There is often a tendency in this society to punish the poor for receiving public assistance, but we don’t hold anyone else to the same level of accountability.

I hope a primary take away for you today is not just the results of the State of Poverty Report, but a greater understanding of the concept of “public assistance.” We give public assistance to all members of this society; it is not just Food Stamps, Medicaid or publicly funded child care. It is called different things for other economic classes--tax cuts, abatements, employee benefits and many other things but they are all “public assistance” because they are public funds given to certain groups.

Instead of being only a collection of programs for the less well-off, public assistance is actually a collection of programs and benefits where funds are distributed to all of us. Public assistance is a concept that applies universally. It is how public funds are doled out to all members of this society, regardless if we really need them. Government policy almost always involves the movement of tax dollars from one group to another. And, the only ones who consistently have to justify their need are the poor.

To keep this all in context, we must remember that government has certain expenditures it will always make—employee wages and benefits, funds to education, roads and bridges, water sanitation, parks and a collection of others. As long as we have a healthy society, there will be costs of government.

Again, I choose to discuss the concept of public assistance today because I want the public to understand that the poor are not the only ones who receive public assistance. We just don’t want to say that everyone else gets it. And, it is almost always only the assistance that benefits our poorest citizens that is regularly scrutinized.

I am going to list some examples, and I am not saying any of these is right or wrong, I am only pointing out that they are just different forms of the same beast—the shifting of tax dollars from one group to another in order to solve certain problems or for other public purposes.

When new corporations plan to come into a community, they are often given public assistance through tax abatements and breaks in exchange for the promise of new jobs. In most cases, this assistance amounts to millions of dollars. Many times, the number of jobs they promise are not created, but they get to keep the public assistance they were given. They are rarely held accountable for their promises. But, we allow that public assistance to continue to be used. And we do it over and over in community after community.



In this budget, the members of the General Assembly are now discussing the size of the small business tax deduction. Should it be \$100,000 or \$250,000? It has been said this deduction creates jobs. Where is the evidence? As they consider this tax break, they should not forget we have that constant cost of government to be paid. It is appropriate to say here, that in our Report, we show that the bottom fifth of wage earners paid 12.3% of their income to Ohio taxes, while the top one percent of wage earners paid 6.5% of their income to taxes. In the last fifteen years, we have seen a shift in tax burden from those who can pay it to those who cannot. Who is paying for this small business tax cut?

Then there is the federal mortgage interest deduction that many of us in this room receives. That was created decades ago to encourage people to buy homes or to make them more affordable depending on which history you read. Does it do either?

What about those cities that use tax dollars to pay all retirement benefits of their employees? That is absolutely public welfare. I am sure that some of those public officials who accept that for themselves are among those who challenge SNAP benefits for the poor or other “official government public assistance.”

Rarely are any of these examples ever questioned, but we question quite vigorously the benefits we offer to those who actually need support from the public. This General Assembly is now discussing work requirements for the poor who receive \$1.37 a meal for food stamps. Think about this: Ohio is considering a multi-million dollar bailout of a mismanaged energy company, while the General Assembly also considers if the poor should have to work for food stamps.

Members of this society are the ones who can decide if these benefits are right or wrong, but they need to realize it is not just the poor who receive public assistance and we should stop speaking as if they are getting some unique benefit. We all get government benefits.

When we look at issues like those we discuss in the Report today and people consider if we should solve these problems or not, we need to decide if it is right to create these tax breaks for companies that make promises most won't keep, if it is right to supplement mortgages, and if it is right to bail out failed energy companies, and to do these things instead of funding adequate public transportation and encouraging companies to pay their employees a fair wage and to truly fund quality education or pay for other things that benefit all of us. We decide these things as a society, and we reveal our values with our decisions.

Having said that, we are blessed in this State to have leaders who understand issues that affect the poor and want to do something about those issues. What we need is a coordinated effort to confront these issues of poverty. These are long-term problems that require long-term plans.

Let me look at a couple of the issues we are discussing in the Report.

The first issue is defining poverty and determining how we measure it. The Federal Poverty Level for Ohio is 14%. It has declined by 2% over the last seven years, which is good. But, the FPL does not measure poverty, it really measures a level of destitution. It measures the poorest of those in poverty. If a person or family lives at the federal poverty level, it is not likely that they are paying rent and utilities, buying food at Kroger or driving a reliable, insured automobile. It is more likely they are living in their automobile. We list other ways to measure poverty, but we first must decide what



poverty is. I prefer to say it is the state at which one is not self-sufficient, not able to exist at any reasonable level without either government or private help.

When we discuss poverty, we have to remember all the factors that are at play when we talk about being self-sufficient and all the factors that keep one from being self-sufficient. It is a complicated discussion, though often we like to make it very simple by isolating certain factors. I want to congratulate Franklin County for beginning to lay the groundwork for a long-term plan to affect poverty. They are setting a great example.

Of the factors we chose to discuss in this year's Report, perhaps the most startling is the income disparity. One of the things our partners at Strategic Research Group report is that the bottom tenth percentile of wage earners actually makes less per hour than they did forty years ago. People at the bottom of the wage scale often have to work multiple part-time jobs to make a livable wage, but they still face barriers to poverty because often they don't have affordable housing, good transportation, access to health care and their children are not in good schools (making multi-generational poverty more likely).

As you know, income disparity has been subject to discussion for several years. The question is, what do you do about it? To really cut down on income disparity, the State must deal with the other poverty issues such as lack of transportation and affordable housing at the points where there are good jobs. I say this because a good argument can be made that income disparity is the result of the other issues, not a separate issue in and of itself. The Governor and the House of Representatives took a first step by increasing money for public transportation, and that is needed. (And there are several other steps proposed in the biennial budget, too.) But, making up for years of neglect in transportation will take years of planning and expenditures. It needs more than the haphazard attempts that often create public policy.

Several months ago, I attended and offered testimony at a hearing by ODOT where they discussed their plans for transportation through 2040. They talked about driverless cars and bike trails. I pointed out that it took me half an hour to drive the one mile from my office to the hearing and reminded them of the continual growth of Columbus. And, their response was to tell me about driverless cars and bike trails. That is not an answer, especially in Ohio's rural areas. We need real public transportation, not just bike trails. We encourage the General Assembly to work on real public transportation.

As for affordable housing, it is not something we can just leave to developers. That has not worked. The average wage earner in Ohio makes about two dollars less than the minimum needed to afford the rent for a two-bedroom apartment. We need real public policy, creating a real plan for this. Affordable housing has to be available in areas where there are jobs, or will soon be jobs. Affordable housing should exist in healthy communities.

To really tackle poverty, what we are talking about is the integration of jobs, services, and healthy communities. This should be the goal for public policy, especially concerning poverty issues. It requires us all to work together, to remember that we are all Ohioans regardless of our income levels and that we all deserve equal opportunities. This is what is best for all of us.

It is now my pleasure to turn to Kathleen Carr, the President and Partner of Strategic Research Group, who also served as Project Director for the Report, who will explain the research.