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September 30, 2016

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## **The High Cost of Being Poor in Ohio**

### ***Anti-Poverty Programs Help Alleviate Costs, But More Must Be Done to Reduce Burdens***

COLUMBUS, Ohio -- Despite recent U.S. Census Bureau data showing reductions in the poverty rate and increases in household median income, more than a million Ohioans still face double jeopardy in today's economy. Not only do they live below the poverty line, they also face high costs in areas such as rent, food, child care and predatory lending.

That's the finding of *The High Cost of Being Poor in Ohio*, a new report released today by Advocates for Ohio's Future and the Coalition on Human Needs. Among the report's highlights:

- 54 percent of Ohio households with annual incomes below \$20,000 spend more than half of their income on rent alone.
- Child care accounts for another exorbitant expense. The average cost in Ohio for an infant in a child care center is nearly \$9,000 a year; for an infant and a four-year-old, it's more than \$16,300. A family at the poverty line with an infant and toddler in child care would have to spend 67 percent of its income on child care, if paying the state average cost. Without a subsidy, low-income families have no choice but to make cheaper and often less reliable arrangements.
- Anti-poverty programs help many. Programs such as low-income refundable tax credits, SNAP, free or reduced-price school lunch and child care subsidies have helped lift tens of millions of Americans out of poverty.
- However, many anti-poverty programs don't reach many who are eligible and other programs would do more good if their benefits were higher or if more people were eligible.

"It is good news that the poverty rate is down, median household income is up, and more Americans are finally benefitting from an improved economy, coupled with federal programs that increase income or reduce expenses," said Deborah Weinstein, Executive Director of the Coalition on Human Needs. "But the more troubling news is that the poor and near-poor live in a precarious situation. The simple fact is, it is expensive to be poor in Ohio."

*The High Cost of Being Poor in Ohio* found many ways in which it is expensive to be poor: Rents consuming huge proportions of income, higher food prices because of lack of access to markets, late

fees for unpaid rent and evictions, poor housing conditions leading to health issues, which in turn lead to missed days of school or work; lack of paid sick days, paid leave, and unpredictable work schedules; and predatory lending practices such as pay day lending.

And yet: for every expense the poor encounter, policy solutions could exist to alleviate the plight of struggling Americans. “Despite last year’s gains in income and poverty, the median household income of Ohioans ranked 35<sup>th</sup> in the nation,” said Kalitha Williams, Policy Liaison for Policy Matters Ohio. “Ohio families need policy solutions, like a refundable state earned income tax credit, a proven pro-work, anti-poverty program that helps secure the financially vulnerable.”

In an economy where working families continue to stand in foodbank lines, increasing benefits ensures all Ohioans have access to quality, nutritious food. “America has the resources to eliminate hunger for all of its citizens, regardless of age or family configuration,” said Lisa Hamler-Fugitt, Executive Director for the Ohio Association of Foodbanks. “The cost of not doing so — in terms of damage to health, education, early childhood development, and productivity — is too high.”

“We have already proven policies that are effective in alleviating the poverty for some Ohioans, like the Ohio Housing Trust Fund. The problem is the demand for affordable housing, food, and health care far outstrips these kinds of supports,” said Cathy Johnston, Advocacy Director for the Coalition on Homelessness and Housing in Ohio. “Fortunately, we know that helping people escape poverty can benefit the economy while preventing more costly expenditures in emergency rooms, the child welfare system, schools, courts and other public systems.”

Unfortunately, a job doesn’t mean a living, and when Ohioans turn to payday lenders to make ends meet, they often find themselves trapped in a cycle of debt. “These predatory loans are not based on the borrower’s ability to pay and many borrowers pay much more in fees than principal,” said Mike Smalz, Senior Attorney for the Ohio Poverty Law Center. “The Consumer Financial Protection Bureau has a real opportunity to protect consumers by closing legal loopholes that have allowed predatory lending to continue.”

“Hundreds of thousands of Ohioans no longer live below the poverty line because Ohio’s public support programs are working. These programs are sound investments in Ohio and Ohioans. Like any sound investment, the more we put in, the more we get out. And we must put more in,” said Bill Sundermeyer, State Director of Advocates for Ohio’s Future.

The report includes recommendations for reducing poverty even further for the 1.7 million adults and children who live at or below the poverty line in Ohio. These recommendations include increasing federal funding for housing and child care subsidies; expanding the Earned Income Tax Credit and Child Tax Credit; increasing SNAP benefits and improving Child Nutrition programs while reauthorizing them; expanding health care coverage to low-income Americans by drawing down federal Medicaid dollars in the 19 states that have not done so; a strong rule finalized from the Consumer Financial Protection Bureau to stop predatory lending; and helping workers get more paid hours through paid sick leave and more predictable hours.

*The High Cost of Being Poor in Ohio* is available at <http://advocatesforohio.org/perch/resources/The-High-Cost-of-Being-Poor-in-Ohio-CHN-AOF.pdf>

*The Coalition on Human Needs (CHN) is an alliance of national organizations working together to promote public policies which address the needs of low-income and other vulnerable populations. The Coalition's members include service providers and faith groups, civil rights, religious, labor and professional organizations and those concerned with the well-being of children, women, the elderly and people with disabilities. For more information, please visit [www.chn.org](http://www.chn.org).*

*Advocates for Ohio's Future is a nonpartisan, statewide coalition of over 480 local and statewide organizations that promote health and human service budget and policy solutions so all Ohioans live better lives.*