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Study finds low wages will challenge budget initiatives on public assistance

The Mid-Biennium Review created five initiatives to help public assistance recipients get jobs and reduce reliance on public assistance, detailed in a new report by Policy Matters Ohio. “The context of these initiatives is a low-wage economy that leaves many working families in poverty, a worrisome increase in deep poverty and a set of public assistance programs that have already been reduced or narrowed,” said Wendy Patton, Senior Project Director and report author. “Outcomes may help struggling families, or hurt,” Patton said.

The report, *Public Assistance Initiatives in 2014 Ohio Budget Bill: Will they help Ohio families?* finds that a single parent with an infant and a preschooler who works in almost any one of Ohio’s 12 largest occupational groups - like cashier, food service worker, or home health aide - may live in or close to poverty. The cost of self-sufficiency for a family like this is twice the poverty level or higher in most Ohio counties. Public assistance helps close the gap between earnings and need for hundreds of thousands of Ohio families.

Public assistance programs also help to address the rising level of deep poverty, in which families live at half the poverty level or less. Ohio saw the third largest jump in such poverty among the states between 2000 and 2012.

The report finds that in key programs of public assistance other than health care, caseloads have been reduced and eligibility narrowed. Enrollment in Ohio Works First – cash assistance – has declined by 71.3 percent for adults and by 40.2 percent for children since January 2011, in spite of the increase in deep poverty. In 2013, Ohio refused a waiver of federal rules for 72 of 88 counties. The waiver would have allowed more adults to receive food aid. In the fiscal year 2012-13 state budget, the income eligibility level for childcare assistance was lowered from 150 percent of poverty to 125 percent, one of the lowest eligibility levels in the nation.

“The initiatives on public assistance could help families in the low-wage economy, but such outcomes may be elusive,” said Patton. “We have too few good jobs and we have been too quick to slash the safety net that helps families survive in this economy.”

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Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.