

Do No Harm

Reducing public assistance would hurt working Ohio families

By Wendy Patton and Sam Whipple

Lawmakers' focus on reducing public assistance and boosting requirements for those who need it would hurt low-wage workers struggling to support themselves and their families.

The budget bill for 2014 created five separate initiatives aimed at requiring or helping those needing public assistance to get jobs and reduce the use of the safety net.¹ In the opening days of the new legislative session, Senate President Faber introduced Senate Bill 8, which takes aim at this goal. The state's track record in this area is mixed. Ohio narrowed eligibility for federal food aid and cut the number receiving cash assistance in half, but poverty has not declined. Legislators fought against accepting billions of federal dollars to help low-wage workers get health coverage through Medicaid.

The reality is many working people depend on public services because they can't make ends meet on low wages. Some programs, like childcare assistance, are actually work supports because they help workers stay employed when wages don't cover expenses. In most counties in Ohio, family income of more than twice the federal poverty level is needed for self-sufficiency, for working families that have infants and young children (Table 1).

| Table 1 | | | |
|--|---------------|----------------------|--|
| Poverty level, income maximum for Medicaid and income needed for self-sufficiency in Franklin County, 2013 | | | |
| Number in family | Poverty level | Ceiling for Medicaid | Annual wage at which self-sufficiency is reached (Franklin County) |
| 1 | \$11,670 | \$16,105 | \$19,872 (170% of poverty level – individual) |
| 2 | \$15,730 | \$21,707 | \$39,612 (252% of poverty level – parent and infant) |
| 3 | \$19,790 | \$27,310 | \$50,880 (257% of poverty level – parent, infant, preschooler) |
| 4 | \$23,850 | \$32,913 | \$57,888 (243% of poverty level – 2 adults, 2 kids) |

Source: Policy Matters Ohio based on data from United States Health & Human services (2015 poverty levels) and Ohio Association of Community Action Agencies' The Self Sufficiency Standard for Ohio for 2013 at http://www.selfsufficiencystandard.org/docs/OH13SSS_web.pdf

Table 2 shows the 12 largest job categories in the state. Only one provides a median wage that allows a family of three to be self-sufficient if they have young children. The rest pay so little at the

¹ Wendy Patton, "Public Assistance Initiatives in the 2014 budget bill," Policy Matters Ohio, July 22, 2014 at <http://www.policymattersohio.org/mbr-pub-assist-jul-22-14>

median that a parent with two children would be eligible for – and need – work supports and other assistance. In the low-wage economy, services like childcare, Medicaid and food assistance are essential for working families, because wages alone do not support the basic cost of living.

Table 2

Only 1 of Ohio’s 12 largest job categories pays enough at median for a parent with two young children to be self-sufficient

| Occupation | Employment | Median Hourly Wage | Median Annual Wage |
|--|-------------------|---------------------------|---------------------------|
| Combined Food Prep. & Serving | 162,750 | \$8.85 | \$18,407 |
| Retail Salespersons | 156,010 | \$9.90 | \$20,600 |
| Registered Nurses | 124,400 | \$29.64 | \$61,644 |
| Cashiers | 115,130 | \$9.19 | \$19,108 |
| Office Clerks (General) | 99,250 | \$13.61 | \$28,292 |
| Laborers, Freight Stock, Material Movers | 98,510 | \$11.12 | \$23,129 |
| Waiters and Waitresses | 85,230 | \$8.86 | \$18,437 |
| Janitors & Cleaners (not Maids) | 82,340 | \$10.43 | \$21,695 |
| Stock Clerks & Order Fillers | 77,870 | \$11.16 | \$23,210 |
| Customer Service Reps. | 77,630 | \$15.26 | \$31,745 |
| Nursing Assistants | 69,390 | \$11.55 | \$24,023 |
| Home Health Aides | 68,900 | \$9.71 | \$20,208 |

Source: Policy Matters Ohio, based on data from the Ohio Department of Job and Family Services “Occupational Employment and Wages” data tool, obtained 1/24/2015.
 Note: A family of three reaches self-sufficiency in some counties in Ohio at 200 percent of the federal poverty level (\$39,580). However, in metropolitan areas, the basic family budget for a safe, decent yet modest life can be much higher. (Economic Policy Institute Basic Family Budget Calculator at <http://www.epi.org/resources/budget/>)

In both 2014 and 2015, Ohio narrowed food aid for needy adults, although the federal government offered a waiver that would have let the state help more men and women. Ohio Works First, the program for the poorest of families - living at half the poverty level, or \$9,895 a year for a family of three - now serves half as many people as it did in January 2011, although most did not find jobs.² In Ohio, policymakers have been too quick to slash the safety net that helps families survive in this economy.

It would be laudable if the General Assembly helped families get good jobs with living wages that allow them to be self-sufficient. It would also be an accomplishment if the General Assembly improved work supports and other assistance for families in need. It would be a mistake to reduce that assistance or erect barriers to aid through financial, work or other requirements shown to restrict access and participation.

² Tara Britton, OWF: Ohio Works First (animated video), Center for Community Solutions, October 8, 2014 at <http://www.communitysolutions.com/animated-videos>

Appendix: Wages at poverty; Maximum income allowed for Medicaid eligibility for adults; self-sufficiency wages and Ohio minimum wage

| Poverty level wages | | | | | | |
|--|---|-------------|----------------|----------------|--|---------|
| Number of family members | Annual wage | Hourly wage | Hours per week | Monthly income | Annual wage as % of federal poverty line | |
| 1 | \$11,770 | \$8.10 | 28 | \$980.83 | 100% | |
| 2 | \$15,930 | \$8.10 | 38 | \$1,327.50 | 100% | |
| 3 | \$20,090 | \$9.66 | 40 | \$1,674.17 | 100% | |
| 4 | \$24,250 | \$11.66 | 40 | \$2,020.83 | 100% | |
| Wages at which an adult is eligible for Medicaid | | | | | | |
| Number of family members | Annual wage (138% of poverty) | Hourly wage | Hours per week | Monthly income | Annual wage as percent of poverty | |
| 1 | \$16,243 | \$8.10 | 39 | \$1,354 | 138.00% | |
| 2 | \$21,983 | \$10.57 | 40 | \$1,832 | 138.00% | |
| 3 | \$27,724 | \$13.33 | 40 | \$2,310 | 138.00% | |
| 4 | \$33,465 | \$16.09 | 40 | \$2,789 | 138.00% | |
| Wages at which families with young children are self-sufficient | | | | | | |
| Number of family members | Annual wage at self-sufficiency (Franklin County, 2013) | Hourly wage | Hours per week | Monthly income | Annual wage as percent of poverty | |
| Individual | 1 | \$19,871 | \$9.55 | 40 | \$1,656 | 168.83% |
| Adult and preschooler | 2 | \$39,614 | \$19.05 | 40 | \$3,301 | 248.68% |
| Adult, infant, school-aged child | 3 | \$50,885 | \$24.46 | 40 | \$4,240 | 253.29% |
| 2 adults, preschooler, school-aged | 4 | \$57,887 | \$27.83 | 40 | \$4,824 | 238.71% |
| Minimum wage | | | | | | |
| Number of family members | Annual wage at minimum wage | Hourly wage | Hours per week | Monthly income | Annual wage as percent of poverty | |
| 1 | \$16,848 | \$8.10 | 40 | \$1,404 | 143.14% | |
| 2 | \$16,848 | \$8.10 | 40 | \$1,404 | 105.76% | |
| 3 | \$16,848 | \$8.10 | 40 | \$1,404 | 83.86% | |
| 4 | \$16,848 | \$8.10 | 40 | \$1,404 | 69.48% | |