

## TAX AND BUDGET PLANS WILL HURT OHIO CHILDREN

The new federal tax overhaul will increase the deficit and build political pressure to slash programs that help children. Thousands of children in Congressional District 7 get food, health care and stable housing through federal programs targeted for deep cuts in President Trump’s 2018 budget and the Congressional budget resolutions. The new federal tax plan gives deep tax cuts to the wealthy and corporations. It is wrong to pay for these tax cuts by taking away health care, food assistance, and housing aid that millions of families need.



The new federal tax bill gives big benefits to the richest people and corporations, but will hurt millions of children if Congress pays for it by slashing programs like the Supplemental Nutritional Assistance Program (SNAP), which provides food aid to people living in or near to poverty. SNAP supports jobs and commerce in poor neighborhoods, generating almost \$1.80 for every \$1.00 in aid as the federal funds circulate throughout the local economy.<sup>1</sup> In some places, particularly poor rural and central city areas, this keeps grocery stores open.

Table 1	
District 7 households with children that receive SNAP, 2015	
With at least one child under 18	17,224
Share of SNAP households with children	49.7%

Source: Policy Matters Ohio, based on American Community Survey's published tables for calendar year 2015 (<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.)

<sup>1</sup> United States Department of Agriculture, Economic Research Service, Economic Linkages Supplemental Nutrition Assistance Program (SNAP) Linkages with the General Economy, 10/2010 at <https://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-snap/economic-linkages/>

President Trump’s budget for 2018 and the Congressional budget resolutions would slash Medicaid, Medicare and other health assistance by up to \$1.8 trillion,<sup>2</sup> which would alone pay for the increase in the deficit caused by the federal tax plan. This threatens many Ohioans, but especially children. Medicaid is Ohio’s single largest insurer, providing health coverage for 3 million people, 26 percent of the population. Families with children make up 57 percent of Medicaid enrollees. People who are elderly, blind or disabled make up another 12 percent.<sup>3</sup>

Table 2	
District 7 children insured by Medicaid, 2015	
Number of children served	56,797
Share of Medicaid recipients who are children	42.5%

Sources: Policy Matters Ohio, based on based on American Community Survey’s published tables for calendar year 2015 (<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.)

Housing assistance provides critical stability to poor families. Unstable, sub-par housing contributes to Ohio’s high infant mortality rate.<sup>4</sup> The Urban Institute estimates just one in four American families who need housing aid get it.<sup>5</sup> Yet under current budget rules, the Department of Housing and Urban Development will lose hundreds of millions of dollars. The President’s proposed budget would cut it by billions.<sup>6</sup>

Table 3	
District 7 households with children that receive federal housing assistance, 2016	
HUD households with children	3,240
Share of HUD households that have children	36.5%

Source: Policy Matters Ohio, based on administrative data for 2016 obtained from HUD by the Center on Budget and Policy Priorities and used by agreement with HUD.

Federal tax and budget plans are particularly bad for Ohio and Ohioans. Wages in Ohio are lower than the national average because there are so many low-wage jobs here. In nine of the state’s 12 largest occupational categories the median wage is \$34,000 or less, which leaves many families with children eligible for, and needing, federal assistance.<sup>7</sup>

The federal tax plan, and federal budget cuts likely to follow, threaten far too many Ohio children. We ask U.S. Rep. Gibbs to protect Ohio’s children by preserving essential federal programs that protect the health and well-being of hundreds of thousands of children across Ohio.

<sup>2</sup> Robert Greenstein, “Commentary: Congressional Budget Plan a Major Step Toward Costly, Ill-Advised Tax Cuts,” Center on Budget and Policy Priorities, October 26, 2017 at <https://www.cbpp.org/federal-tax/commentary-congressional-budget-plan-a-major-step-toward-costly-ill-advised-tax-cuts>

<sup>3</sup> Health Policy Institute of Ohio, Ohio Medicaid Basics 2017 at <http://www.healthpolicyohio.org/ohio-medicaid-basics-2017/>

<sup>4</sup> Health Policy Institute of Ohio, “A new approach to reduce infant mortality and achieve equity,” 12/1/2017 at [https://www.lsc.ohio.gov/documents/reference/current/sdoim\\_finalcombined.pdf](https://www.lsc.ohio.gov/documents/reference/current/sdoim_finalcombined.pdf)

<sup>5</sup> One in Four: America’s housing assistance lottery, The Urban Institute, 5/28/2014 at <https://www.urban.org/urban-wire/one-four-americas-housing-assistance-lottery>

<sup>6</sup> Federal Funds Information for the States newsletter, “Continuing resolution for 2018 - Major Discretionary and Mandatory Program Funding”

<sup>7</sup> Ohio Labor Market Information, Occupational Wage Estimates for June, 2017 at <http://ohiolmi.com/asp/oeswage/SOCWage.asp?Source=Wag>