



Press Release

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Report: Ohio policymakers can harness collective resources to take on COVID-19 crisis

As Ohioans face down the COVID-19 pandemic, a new report from Policy Matters points the way for policymakers to marshal the state's collective resources to keep everyone safe today and rebuild for the future.

To keep Ohioans safe, Governor DeWine closed huge portions of the economy, including restaurants, movie theaters, factories and other workplaces. Hundreds of thousands of Ohioans are laid off and state and local governments are losing revenue from income and sales taxes. Earlier this week, the Ohio Office of Budget and Management reported the state's total general revenue fund tax receipts came in \$159.4 million (10.5%) below estimates last month. If Ohio's tax collections in the general revenue funds drop at the same rate they did in the wake of the 2008 recession, adjusted for inflation, the state could have \$3.9 billion less than projected by the end of budget year 2021, according to calculations of report author Wendy Patton, Policy Matters Senior Project Director. Governor DeWine has asked agencies to plan for cuts of 20%. Austerity measures will drive Ohio into a deeper recession, said Patton.

"Like all states, Ohio needs a strong partner in the federal government, which can generate the resources large enough to meet the moment," Patton said. "State policymakers also have options. Instead of cutting funding for schools, parks or transit, they can reverse some of the special interest tax breaks that cost Ohio \$9 billion a year. In the aftermath of the Great Recession of 2008, state policymakers chose to cut taxes for the wealthiest and slashed support for communities and public services. This time, we can have a recovery that, unlike the last one, decreases inequality and poverty as jobs return."

In coming months, Ohioans are likely to need more support from federal, state and local governments, not less. Even with the \$2 trillion federal CARES Act stimulus, as many as 955,000 Ohioans could be unemployed by July and the unemployment rate could hit 16.4%, according to Economic Policy Institute estimates. Ohio's rural communities have been hit hard by economic fallout from the pandemic. Ashtabula County, where unemployment claims have risen more than 2,000% in recent weeks, is the worst prepared in the state to cope with a crisis according to the CDC's social vulnerability rating index.

Meanwhile, even though social distancing has helped flatten the curve, cases are mounting in Ohio. Early data shows that a disproportionate share of Black Ohioans are getting sick with COVID-19. Although Ohio's reporting on race is not comprehensive, the data so far indicates Black people make up 18% of COVID-19 cases compared to 14% of Ohio's total population. Longstanding structural barriers to employment opportunities, deeply entrenched segregation, and health care disparities put communities of color at higher risk.

"The coronavirus doesn't discriminate, but policy choices have put some communities in worse positions than others," Patton said. "Today, policymakers can choose to make sure everyone can thrive by rebuilding the services communities need instead of cutting taxes for the wealthy and corporations."