



FOR IMMEDIATE RELEASE
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Ohio's Young Adults Face Narrowing Path To Middle Class

Policy Matters and Dēmos Report Documents Challenges to Financial Stability; Recommends Solutions

Findings to be discussed at 4/26/10 Event: Noon at Cuyahoga Community College

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View full report at: <http://www.policymattersohio.org/BuildingOhio2010.htm>

Cleveland, Ohio -- Ohio's young adults will continue to face a tough economy – one ravaged not only by recession but also by 30 years of declining opportunity and security for all but the most highly educated and affluent, according to a new report by Policy Matters Ohio and the national policy center Dēmos.

The report, "Building Ohio's Future Middle Class: Addressing the Challenges Facing Young Adults," demonstrates that opportunity for young Ohioans has expanded in some important areas, such as college enrollment and women's income. At the same time, the overall trends are worrisome: skyrocketing costs make it difficult for students to stay in school and graduate, employment has become less stable, earnings have declined for workers without a four-year college degree, and young adults are increasingly saddled with debt.

"Today's young adults face steeper financial challenges than their parents did," said Nancy K. Cauthen, the report's lead author and Director of the Economic Opportunity Program at Dēmos, "But it's not just the economy – our public policies have failed to cushion the blow. A previous generation had the G.I. bill and access to an affordable college education – what are we doing for this generation?"

The report discusses the erosion of Ohio's manufacturing sector, which once produced well-paying unionized jobs with health and retirement benefits. Over the last 40 years, earnings for men ages 25 to 29 with no education beyond high school fell by a third.

Other key findings from the report, "Building Ohio's Future Middle Class," include:

Postsecondary Education

- Just over half (55 percent) of Ohio students at four-year institutions graduate within six years, and only a quarter of two-year students graduate within three years. Many students who leave college without a degree have student loan debt.
- Young adults from high-income families in Ohio are three times more likely to enroll in college than low-income young people, and there is a 14 percentage point gap between enrollment rates for young whites and young blacks. Disparities in graduation rates by income and race are even higher.

Employment and Earnings

- Earnings of full-time workers under age 35 in Ohio are substantially lower today than a generation ago, except in the case of women with a college degree.
- Among workers under age 35, the unionization rate in Ohio declined from 21 to 10 percent over the last 25 years.

Debt and Assets

- Two thirds of Ohio college graduates carry student loan debt. Of those, their average debt, just from public sources, is \$23,854.
- Although housing prices are more affordable in Ohio than in some other regions, adults ages 25 to 34 spent a third of their incomes (34 percent) on rent in 2007.

Raising a Family

- The average annual price of full-time center-based child care for two preschool-age children (an infant and a four-year-old) in Ohio is \$16,724.
- Nearly half (46 percent) of children under age 6 in Ohio are growing up in a low-income family, with income of \$44,000 or less.

Amy Hanauer, Executive Director of Policy Matters and report co-author said, "The right policies can restore opportunity for Ohio's young adults and rebuild entryways to the middle class. We need a bold state and federal policy agenda, including creating good jobs through the public sector, better regulating exploitative lending of all kinds, and making higher education affordable. The health care bill, which allows young people to stay on their parents' plans longer and helps low-income adults afford care is an excellent first step toward this improved social contract."

Policy recommendations offered in the report include enacting President Obama's American Graduation Initiative; creating career ladders to enhance job mobility; enforcing the payday lending bill passed by the Ohio legislature; establishing a strong independent federal agency to protect consumers from toxic financial products; and ensuring adequate state revenue through a progressive, well-funded tax system.

For more information about the report or release event, visit www.demos.org or www.policymattersohio.org. To schedule an interview, see contact information.

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