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# POLICY MATTERS OHIO

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LINK:

<http://www.policymattersohio.org/CFEDScorecardCompanion2009.htm>

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## Ohio Receives “C” for Financial Stability

*Struggles with high debt burden and low earnings, but ahead in health care*

The 2009-2010 *Assets & Opportunity Scorecard*, released today by Policy Matters Ohio and the Corporation for Enterprise Development (CFED), raises concerns about the financial security of Ohio families. The United States as a whole does a poor job of relieving poverty, reducing debt, and ensuring health insurance and retirement. The state earned an overall grade “C”, in the middle among states, for its policies and outcomes to support financial security.

CFED’s *Assets & Opportunity Scorecard*—online at [scorecard.cfed.org](http://scorecard.cfed.org)—is a comprehensive assessment of family financial security that considers earnings, debt, health insurance, child care, savings, asset-building, and acquisition of education and training. The Scorecard ranks the 50 states and the District of Columbia on 92 outcome and policy measures related to wealth, poverty, and financial security of families and gives grades on a curve with the fifty states divided evenly so that ten earn each grade of A through F.

**Good Grades:** Ohio’s best scores were for the benefits provided by employers and for the strong moves that lawmakers have made to try to regulate payday lending (albeit, unsuccessfully, thus far):

- Ohio earned an A for access to health insurance because of the relatively high percentage of employees insured by their job (66%, rank 14) and the comparatively smaller share of the premium employees pay (23% employee share, rank 11), among other factors.
- Ohio ranked 7<sup>th</sup> in the nation for the percent of workers participating in an employment-based retirement plan in 2007.
- Ohio also earned praise for having the strongest legislation in place to eradicate predatory loan practices of payday lenders. However, payday lenders have found ways to circumvent the newly-passed law that caps interest rates at 28 percent.

“Ohio’s legacy of union and manufacturing jobs means that we still do a better job than most states of providing health and retirement benefits through the job,” said Amanda Woodrum, report author and researcher at Policy Matters.

**Needs Improvement:** Ohio’s lowest rankings related to high debt, low savings, lost jobs, high unemployment, and low educational attainment. Among those findings:

- Ohio ranks 46<sup>th</sup> among states for its high bankruptcy rate and 49<sup>th</sup> for its high foreclosure rate, despite the fact that non-whites, women, and low-income Ohioans are less likely to own homes than in most other states (ranking 43<sup>rd</sup>, 44<sup>th</sup>, and 50<sup>th</sup> consecutively).
- More than 15 percent of families in Ohio have zero or negative net worth (rank 40).
- Almost 30 percent of households are unbanked, with no checking, savings, or money market accounts.
- Ohio ranks 42<sup>nd</sup> for our high unemployment rate, and 44<sup>th</sup> for its employment growth of negative one percent from 2007 to 2008.
- Of those Ohioans who are employed, more than 21 percent are in low-wage jobs that pay less than the federal poverty level of \$20,615 for a family of four.
- Relatively few adult Ohioans have a two-year (55.3%) or four-year (26.8%) college degree, ranking 39<sup>th</sup> and 36<sup>th</sup> respectively. Other studies show that among young people, our educational outcomes are better.

“We need to do a better job of educating Ohioans, generating high-quality jobs, supporting saving, and protecting what Ohioans have earned,” Woodrum said.

Policy Matters Ohio suggests targeted policy changes that could improve Ohio’s rankings and improve well-being in the future. Among those recommendations:

- Adopt a refundable earned income tax credit, make it available to families who have children and earn less than \$45,000.
- Make Ohio’s dependent care tax credit refundable
- Provide universal, high-quality early childhood care and education. Until that is in place, immediately restore access to quality child-care for low-income families at 200 percent of the federal poverty level.
- Force short-term lenders to comply with the payday lending law passed by the legislature and affirmed by the voters, but currently being circumvented.
- Broaden eligibility for unemployment benefits to cover part-time workers, and extend unemployment benefits for 26 weeks to those who participate in approved training programs.

Human service advocates agree with the policy suggestions in the report. “Adopting an EITC, making the dependent care credit refundable and expanding access to child care would go a very long way toward starting Ohio children off on the right foot,” said Ericka Thoms, Policy Associate of Voices for Ohio’s Children.