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# POLICY MATTERS OHIO

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CLEVELAND OFFICE: 3631 PERKINS AVENUE, SUITE 4C-EAST • CLEVELAND, OHIO 44114 • 216/361-9801  
COLUMBUS: 1372 GRANDVIEW AVENUE, SUITE 242 • COLUMBUS, OHIO 43212 • 614/486-4601  
[HTTP://WWW.POLICYMATTERSOHIO.ORG/](http://www.policymattersohio.org/)

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**FOR IMMEDIATE RELEASE**

**Contact: Wendy Patton 614-486-4602**

**Read the report: [http://www.policymattersohio.org/making\\_ends\\_meet\\_2006.htm](http://www.policymattersohio.org/making_ends_meet_2006.htm).**

## **A decent, modest standard of living in Ohio costs far more than the poverty line**

The ability of families to meet basic needs is an important measure of economic well-being. In Ohio, more than one fifth of the nearly two million people living in working families with up to three young children cannot cover basic needs with their earned income, a share of the population that has not decreased since 2001.

“Poverty thresholds represent an absolute measure of severe economic deprivation without reference to varying prices faced by families,” says economist Sylvia Allegretto. “Family budgets represent a relative measure of the costs incurred by families to secure a safe and decent-yet modest standard of living. The cost of providing for basic needs may be more than twice as high as official poverty levels for families with children, depending on where they live.”

In 2005, Allegretto, of the Economic Policy Institute, calculated the annual cost of securing a safe and decent standard of living for families of varying sizes in different communities throughout the country. Budgets based on 2004 data were constructed for 6 family types: one or two parents with one, two, or three young children. She found that in Ohio, 22.3 percent of families with one or two working parents and up to three children did not make enough money to meet the family budget threshold. Other findings include:

- In Ohio, basic family budgets ranged from \$23,952 for a single parent with one small child in child care in a rural area to \$61,644 for a family of five (two parents with three children) in Cleveland (it is important to keep in mind that these figures represent costs, not income).
- On the average, basic family budgets run between two and three times the official poverty line in non-rural areas of the state. In rural areas, basic family budgets were close to twice the poverty line.
- The high cost of safe child care is a significant component of the cost of a basic needs budget, ranging from an average of \$404 per month in rural areas for one child to \$1656 in urban areas for three small children. The cost of child care comprises more than 30 percent of basic family needs in some cases.

The study took into account the actual costs of housing, food, transportation, medical care, child care, household necessities (clothes, school supplies, telephone, etc.) and taxes required to provide a safe and decent yet-modest standard of living.

For spreadsheets of all six basic family budgets and a link to the EPI family budget calculator, see [http://www.policymattersohio.org/making\\_ends\\_meet\\_2006.htm](http://www.policymattersohio.org/making_ends_meet_2006.htm).

