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# THE SELF-SUFFICIENCY STANDARD FOR OHIO 2015

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## PREFACE

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This brief presents and analyzes *The Self-Sufficiency Standard for Ohio 2015*. This measure calculates how much income a family must earn to meet basic needs, with the amount varying by family composition and county. The Standard is a tool that can be used in a variety of ways—by clients of workforce and training programs seeking paths to self-sufficiency, by program managers to evaluate program effectiveness, and by policymakers and legislators seeking to create programs and pathways that lead to self-sufficiency for working families.

*The Self-Sufficiency Standard for Ohio 2015* is the fourth calculation of this data. The Standard for Ohio has been previously published in 2008, 2011, and 2013. As with all Self-Sufficiency Standard reports, this one was authored by Dr. Diana M. Pearce and produced by the Center for Women’s Welfare at the University of Washington. This brief, a detailed methodology report, plus tables providing county-specific information for over 400 family types, is available online at [www.selfsufficiencystandard.org/ohio](http://www.selfsufficiencystandard.org/ohio) and [www.oacaa.org](http://www.oacaa.org).

Over the past 20 years the Standard has been calculated in 37 states as well as the District of Columbia and New York City. Its use has transformed the way policies and programs for low-income workers are structured and has contributed to a greater understanding of what it takes to have adequate income to meet one’s basic needs in the United States. For further information about any of the other states with the Standard, including the latest reports, the Standard data itself, and related publications such as demographic reports (which analyze how many and which households are above and below the Standard), please see [www.selfsufficiencystandard.org](http://www.selfsufficiencystandard.org). Questions can be directed to Lisa Manzer with the Center at (206) 685-5264/[lmanzer@uw.edu](mailto:lmanzer@uw.edu), or the report author and Center Director, Dr. Diana Pearce, at (206) 616-2850/[pearce@uw.edu](mailto:pearce@uw.edu).

Dr. Diana Pearce developed the Self-Sufficiency Standard while she was the Director of the Women and Poverty Project at Wider Opportunities for Women (WOW). The Ford Foundation provided funding for the Standard’s original development. *The Self-Sufficiency Standard for Ohio 2015* has been prepared through the cooperative efforts of Lisa Manzer, Lisa Mikesell, and Karen Segar at the University of Washington, Center for Women’s Welfare, and Josh Summer at the Ohio Association of Community Action Agencies. This report is supported in whole or in part through a grant from the Ohio Development Services Agency (ODSA). However, the information contained in the report does not necessarily reflect the view or policies of ODSA.

A number of other people have also contributed to the development of the Standard, its calculation, and the writing of state reports over the past 19 years. Jennifer Brooks, Maureen Golga, and Kate Farrar, former Directors of Self-Sufficiency Programs and Policies at WOW, were key to the early development of initiatives that promoted the concept of self-sufficiency and the use of the Standard, and were instrumental in facilitating and nurturing state coalitions. Additional past contributors to the Standard have included Laura Henze Russell, Janice Hamilton Outtz, Roberta Spalter-Roth, Antonia Juhasz, Alice Gates, Alesha Durfee, Melanie Lavelle, Nina Dunning, Maureen Newby, and Seook Jeong. The conclusions and opinions contained within this document do not necessarily reflect the opinions of those listed above. Any mistakes are the author’s responsibility.

# INTRODUCTION

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This brief documents the increasing costs of living in Ohio in the last decade. Even as Ohio's economy emerges from the Great Recession, many of the longer-term trends continue, such as widening income inequality. What this brief highlights is that the costs of the basics keep rising—even during the Great Recession—while wages have not. Indeed, in many places in Ohio, the gap between income and expenses has continued to widen, as the costs of food, housing, transportation, health care, and other essentials have risen so that many find that even with full time jobs, families are unable to stretch their wages to make ends meet.

The Self-Sufficiency Standard illuminates the economic “crunch” experienced by so many families today.<sup>1</sup> Moreover, by tracking and calculating the true cost of living facing American families, the Standard allows for comparisons of area geographic differences as well as documentation of historical trends.

*The Self-Sufficiency Standard for Ohio 2015* defines the amount of income necessary to meet the basic needs of Ohio families, differentiated by family type and where they live. The Standard calculates the costs of six basic needs plus taxes and tax credits. It assumes the full cost of each need, without help from *public* subsidies (e.g., public housing, Medicaid, or child care assistance) or *private/informal* assistance (e.g., unpaid babysitting by a relative or friend, food from food banks, or shared housing).

## A Real-World Approach to Measuring Need

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The Self-Sufficiency Standard is a unique measure of income adequacy that uses a modern, comprehensive, and detailed approach to determine what it takes for today's families to make ends meet. The key elements of the Standard include:

**A FOCUS ON MODERN FAMILIES WITH WORKING ADULTS.** Because paid employment is the norm for supporting families today in the United States,<sup>2</sup> the Standard assumes all adults work to support their families, and thus includes the costs of work-related expenses such as child care (when needed), taxes, and transportation.

**GEOGRAPHIC VARIATION IN COSTS.** The Standard uses geographically specific costs that are calculated at the county level as data availability allows.

**VARIATION BY FAMILY COMPOSITION.** Because the costs of some basic needs vary substantially by the age of children, the Standard varies by both the number and age of children. While food and health care costs are slightly lower for younger children, child care costs are generally much higher—particularly for children not yet in school—and therefore become a substantial budget item for workers with young children.

**INDIVIDUAL AND INDEPENDENT PRICING OF EACH COST.** Rather than assume that any one item is a fixed percentage of family budgets, the Standard calculates the real costs of meeting each of the major budget items families encounter independently. The costs—which include housing, child care, food, health care, transportation, miscellaneous items, and taxes—are set at a minimally adequate level, which is determined whenever possible by using what government sources have determined are minimally adequate for those receiving assistance, e.g., child care subsidy benefit levels.

**TAXES AND TAX CREDITS ARE INCLUDED AS BUDGET ITEMS.** Instead of calculating needs “pretax,” taxes and tax credits are included in the budget itself. Taxes include state and local sales tax, payroll (including Social Security and Medicare) taxes, federal and state income taxes, plus applicable state and federal tax credits.

**PERMITS MODELING OF THE IMPACT OF SUBSIDIES AND TAXES/TAX CREDITS.** Because the Standard specifies the real cost of each major necessity, it is possible to model the impact of specific subsidies (such as the Supplemental Nutrition Assistance Program, child care assistance, or Medicaid) on reducing (or increasing) costs. Likewise, the adequacy of a given wage for a given family, with and without subsidies, can be evaluated using the family's Standard as the benchmark.

Altogether, the above elements of the Standard make it a more detailed, modern, accurate, and comprehensive measure of economic well-being than the Federal Poverty measure (also known as the Federal Poverty Level, or FPL), or the federal Supplemental Poverty Measure (SPM).

## HOW IS THE SELF-SUFFICIENCY STANDARD CALCULATED?

The Self-Sufficiency Standard is the amount needed to meet each basic need at a minimally adequate level, without public or private assistance. The Standard is calculated for over 400 family types for all Ohio counties. The data components and assumptions included in the calculations are briefly described below. For more details and the specific data sources for Ohio, see the Methodology Report available at [www.selfsufficiencystandard.org/ohio](http://www.selfsufficiencystandard.org/ohio).



**HOUSING.** Housing costs are based on the U.S. Department of Housing and Urban Development Fair Market Rents (FMRs). FMRs include utilities, except telephone and cable, and reflect the cost of housing that meets basic standards of decency. FMRs are set at the 40th percentile, meaning that 40% of the decent rental housing in a given area is less expensive than the FMR and 60% is more expensive. FMRs within a multi-county metropolitan area are adjusted using median gross rents from the U.S. Census Bureau's American Community Survey.



**CHILD CARE.** Child care includes the expense of full-time care for infants and preschoolers and before and after school care for school-age children. The cost of child care is calculated from market-rate costs (defined as the 75th percentile) taken from a state-commissioned survey by facility type, age, and geographic location. Does not include extracurricular activities or babysitting when not at work.



**FOOD.** Food assumes the cost of nutritious food prepared at home based on the U.S. Department of Agriculture Low-Cost Food Plan. The Low-Cost Food Plan was designed to meet minimum nutritional standards using realistic assumptions about food preparation time and consumption patterns. The food costs do not allow for any take-out or restaurant meals. Food costs are varied by county using Feeding America's *Map the Meal Gap* data based on Nielsen scans of grocery receipts.



**TRANSPORTATION.** Public transportation is assumed if 7% or more of workers use public transportation to get to and from work. No counties meet this level in Ohio. Private transportation costs assume the expense of owning and operating a car. Per-mile costs are calculated from the American Automobile Association. Commuting distance is computed from the National Household Travel Survey. Auto insurance premiums are the average statewide premium cost from the National Association of Insurance Commissioners, indexed by county using premiums from top market share automobile insurance companies. Fixed costs of car ownership are calculated using Consumer Expenditure Survey amounts for families with incomes between the 20th and 40th percentile. Travel is limited to commuting to work and day care plus one shopping trip per week.



**HEALTH CARE.** Health care costs assume the expenses of employer-sponsored health insurance. Health care premiums are the statewide average paid by workers, for single adults and for families, from the Medical Expenditure Panel Survey. A county index is calculated from rates for the lowest cost 'silver' plan from the U.S. Centers for Medicare & Medicaid Services. Out-of-pocket costs are from the Medical Expenditure Panel Survey Insurance Component.



**MISCELLANEOUS.** Miscellaneous expenses are calculated by taking 10% of all other costs. This expense category consists of all other essentials including clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal hygiene items, and telephone service.



**TAXES AND TAX CREDITS.** Taxes include federal income tax, payroll taxes, and state and local sales taxes where applicable. Tax credits calculated in the Standard include: the Ohio and federal Child and Dependent Care Tax Credit (CTC); the Ohio and federal Earned Income Tax Credit (EITC); the federal Child Tax Credit (CTC).



**EMERGENCY SAVINGS.** Emergency savings is the amount needed to cover living expenses when there is job loss net of the amount expected to be received in unemployment benefits. The amount calculated takes into account the average tenure on a job and the average length of a job loss of Ohio workers. In two-adult households, the second adult is assumed to be employed so that the savings only need to cover half of the family's basic living expenses over the job loss period.

# WHAT IT TAKES TO MAKE ENDS MEET IN OHIO

How much income families need to be economically self-sufficient depends both on family composition—how many adults and how many children and the children’s ages—and where they live. **Table 1** illustrates how substantially the Standard varies by family type by showing the Standard for four different family configurations in Erie County.

- A single adult needs to earn \$8.89 per hour working full time to be able to meet his or her basic needs, which is more than the Ohio minimum wage (\$8.10 per hour).
- Adding a child nearly doubles this amount; one parent caring for one preschool-aged child needs to earn \$17.13 per hour to be self-sufficient.
- Adding a second child further increases the wage: one parent with two children—a preschooler and school-age child—needs \$21.65 per hour to meet her family’s basic needs. This is the equivalent of over two and a half full-time minimum wage jobs in Ohio.<sup>3</sup>

- When there are two adults, the additional adult adds some costs, but splits the economic burden; nevertheless, two parents with one preschooler and one school-age child *each* need to earn a minimum of \$12.34 per hour, working full time, to meet their family’s basic needs.

Beyond meeting basic needs the next step towards economic security is saving for emergencies, as all families are at risk of job loss. These estimates calculated the minimum savings needed, net of unemployment insurance, to cover the cost of living expenses when unemployed. The single adult needs to earn an additional \$35 per month to meet the emergency savings goal of having enough savings to meet basic living costs, allowing for the receipt of unemployment insurance. An adult with one preschooler needs to earn an additional \$112 per month to meet the emergency savings goal.

**TABLE 1. The Self-Sufficiency Standard for Select Family Types\***  
Erie County: OH 2015

	1 ADULT	1 ADULT 1 PRESCHOOLER	1 ADULT 1 PRESCHOOLER 1 SCHOOL-AGE	2 ADULTS 1 PRESCHOOLER 1 SCHOOL-AGE
<b>MONTHLY COSTS</b>				
Housing	\$580	\$716	\$716	\$716
Child Care	\$0	\$781	\$1,219	\$1,219
Food	\$216	\$328	\$495	\$680
Transportation	\$247	\$254	\$254	\$482
Health Care	\$166	\$370	\$395	\$455
Miscellaneous	\$121	\$245	\$308	\$355
Taxes	\$234	\$504	\$689	\$705
Earned Income Tax Credit (-)	\$0	(\$39)	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$60)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$167)	(\$167)
<b>SELF-SUFFICIENCY WAGE</b>				
Hourly**	\$8.89	\$17.13	\$21.65	\$12.34 per adult
Monthly	\$1,564	\$3,015	\$3,810	\$4,345
Annual	\$18,772	\$36,185	\$45,715	\$52,143
Emergency Savings	\$35	\$112	\$101	\$59

\* The Standard is calculated by adding expenses and taxes and subtracting tax credits. The “Taxes” row includes payroll and sales tax plus income taxes.

\*\* The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month). The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents’ wages combined.

Note: Totals may not add exactly due to rounding.

The Self-Sufficiency Standard varies not only by family composition, but also by geographic location. The map in **Table 2** displays the geographic variation in the cost of meeting basic needs across Ohio for one family type, that of one adult and one preschooler. The 2015 annual Self-Sufficiency Standard for a single adult with one preschooler in Ohio varies substantially, ranging from \$27,461 to \$44,818 depending on the county.

- The most expensive areas in Ohio include and surround the major cities of Cleveland, Columbus, and Cincinnati, with the addition of one suburb of Pittsburg, PA (Jefferson County). With an annual Self-Sufficiency Standard of \$44,818 per year for this family type, Warren County has the highest cost of living in Ohio.

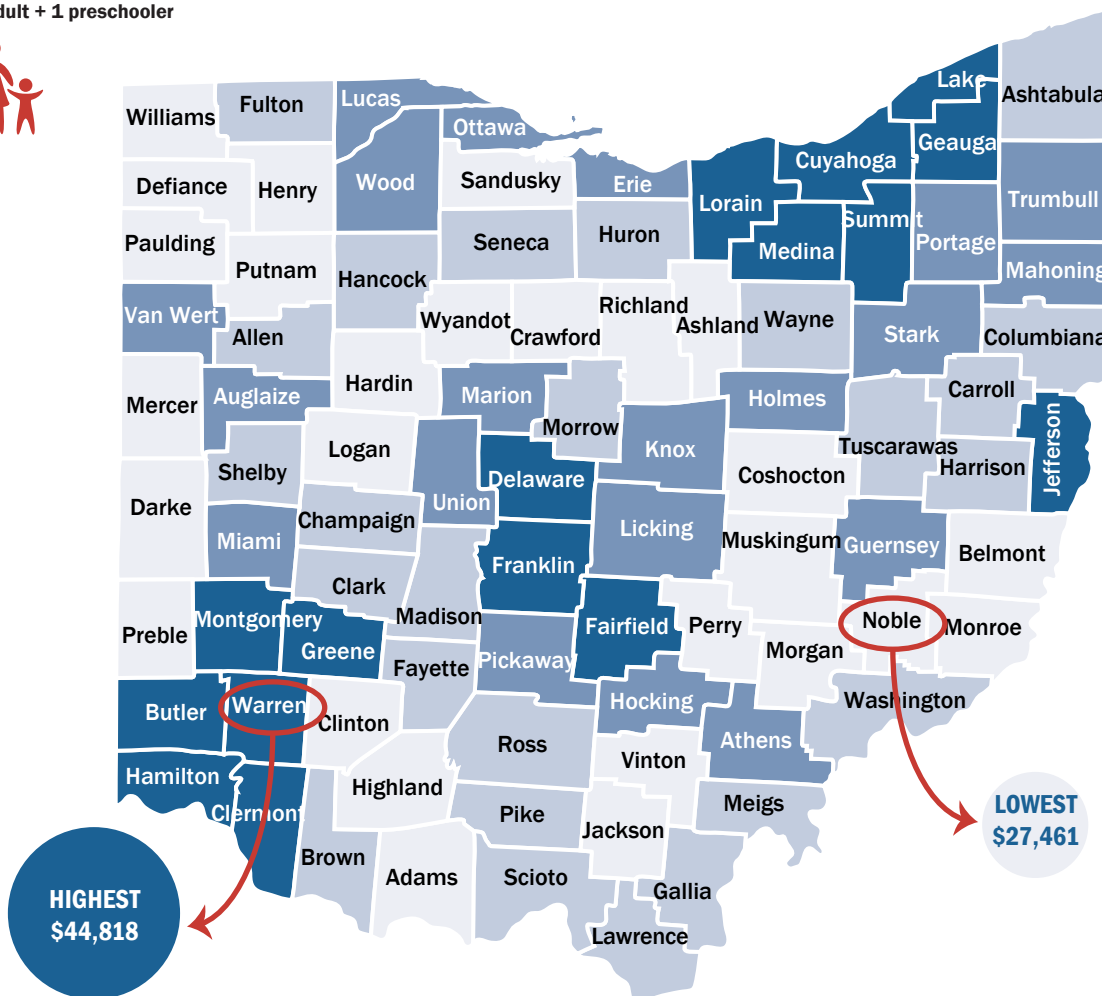
- The second highest cost group requires between \$32,033 and \$38,313 annually to meet basic needs and includes mainly counties with smaller cities or adjoining major urban areas.
- The third most expensive group of Ohio counties for one adult and one preschooler has an annual Self-Sufficiency Standard between \$29,004 and \$31,998. The least expensive group of counties in Ohio for an adult and preschooler have an annual Self-Sufficiency Standard between \$27,461 and \$28,982. The counties in both of these groups are spread throughout Ohio in the less populous counties in the state.

**FIGURE A. Map of Counties by Level of Annual Self-Sufficiency Wage One Adult and One Preschool-Age Child: OH 2015**

**ANNUAL SELF-SUFFICIENCY WAGE**

\$27,461 - \$28,982	\$29,004 - \$31,998	\$32,033 - \$38,313	\$38,661 - \$44,818
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1 adult + 1 preschooler





# HOW DO FAMILY BUDGETS CHANGE AS FAMILIES GROW?

As a family grows and changes composition, the amounts they spend on basic expenses (such as food and shelter) change, and new ones are added, most notably child care. **Figure B** demonstrates how these changes occur, as the family composition changes, for a family in Franklin County. Each bar chart shows the percentage of the total budget needed for each expense and how they differ as the family changes composition.

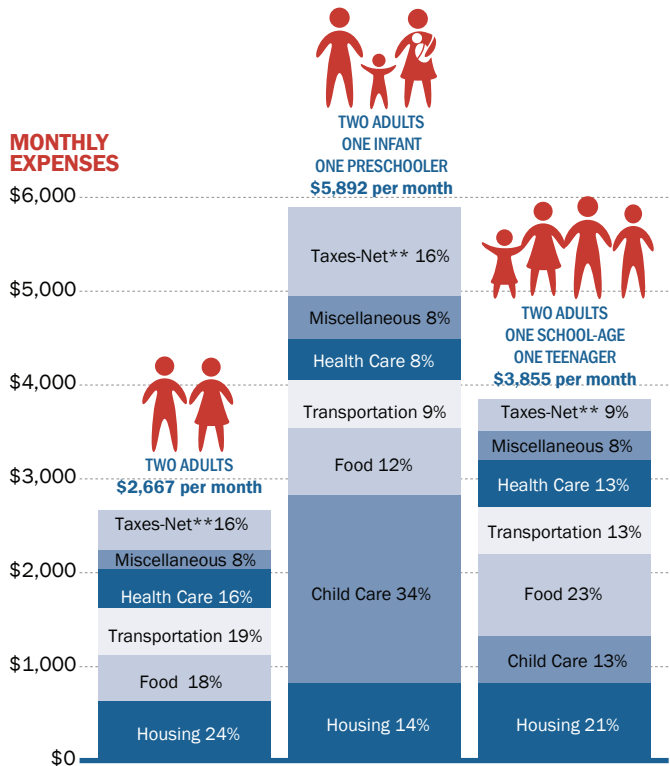
When there are just two adults, they need to earn a total of \$2,667 per month to make ends meet, plus a small monthly amount of savings for emergencies. For families with two adults and no children in Franklin County, about a quarter of the Self-Sufficiency Standard goes towards housing. The budget categories of food, transportation, and health care each account for 16%-19% of the total household budget. Taxes account for 16% of household expenses, and there are no tax credits.

When a family expands to include two young children (one infant and one preschooler), the total budget more than doubles to \$5,892 per month, and at the same time, with the addition of child care, the proportions spent on each basic need change. Indeed, child care alone accounts for over a third of the family's budget; when one adds housing, together these two items account for 48% of expenses. This is quite common: for families with two children (when at least one is under school-age), across the country usually about half their Self-Sufficiency Standard budget goes for housing and child care expenses alone. Food costs are 12% of total income. This is much lower than the 33% assumed by the methodology of the Federal Poverty Level, and closer to the national average expenditure on food, which is 13%.<sup>4</sup>

Health care accounts for 8% of the family budget, including both the employees' share of the health care premium (\$301 per month) and out-of-pocket costs (\$103 per month).<sup>5</sup> If neither adult had employer sponsored health insurance, and they got a Silver health care plan through the federal health care marketplace the net premium cost would be about \$477 per month after accounting for a federal tax credit of \$200 per month.<sup>6</sup>

Net taxes for the family reflect a tax burden that is only 16%, due to the offsetting effects of tax credits. Note that tax credits are treated as if they were received monthly in the Standard, although most credits are not received until the following year when taxes are filed. If it were assumed that tax credits are not received monthly, but instead annually in a lump sum, then the total amount needed would increase, and the monthly tax burden would be 21% of total expenses for this family.

**FIGURE B. Percentage of Standard Needed to Meet Basic Needs for Three Family Types\* Franklin County: OH 2015**



\* While the column heights are different to represent the different totals, the percentages for each cost add to 100% for each column.  
 \*\* The two-adult family is not eligible for any tax credits and therefore the taxes-net is the same as gross taxes owed. The actual percentage of income needed for taxes without the inclusion of tax credits is 21% for two adults with one infant and one preschooler and 16% for two adults with one school-age child and one teenager. However, with tax credits included, as in the Standard, both families receive money back, and the amount owed in taxes is reduced.

The third bar in **Figure B** shows a second shift in the budget as the children get older, and are now a school-age child and a teenager. The total cost of basic needs drops to \$3,855 per month as they no longer need as much child care; child care for the school-age child only now accounts for 13% of this basic needs budget, a much smaller proportion than the 34% that was necessary when both children were younger. Without the larger proportion for child care, the proportions for the other budget items all increase. In addition, the increased proportion of the budget for food, at 23%, reflects the increased food costs for the teenager.

Net taxes are shown as 9% of the family's budget. If it were assumed, as noted above, that tax credits are received annually in a lump sum, then the monthly tax burden without tax credits would be 16% of the total costs for two adults with one school-age child and one teenager.

# HOW HAS THE COST OF LIVING CHANGED OVER TIME AND ACROSS OHIO?

This is the fourth time the Self-Sufficiency Standard has been calculated for Ohio. This section examines how the 2015 Self-Sufficiency Standard and cost components compare to the results in 2008, 2011, and 2013 for one adult and one preschooler.

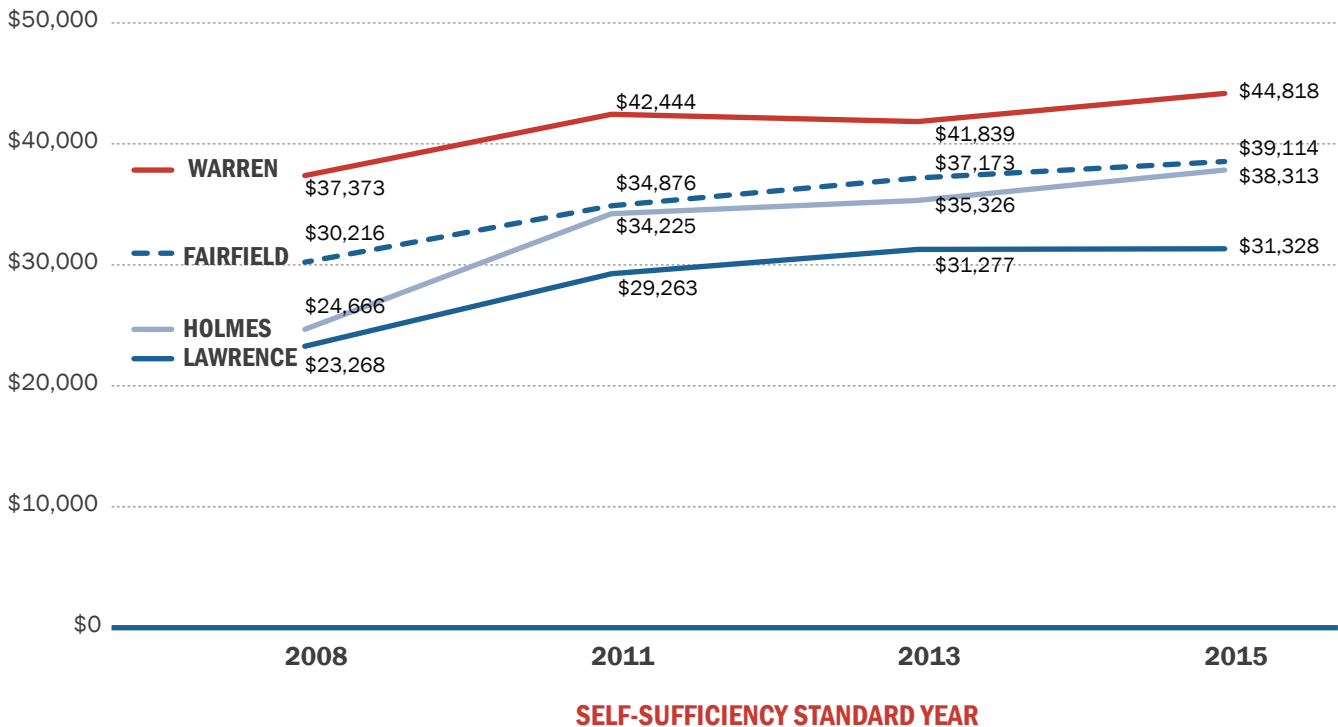
The Self-Sufficiency Standard has increased in Ohio counties over the last 7 years for this two-person family by 23% or 3.3% per year on average. Fairfield County is near the middle for Ohio: in 2008, this family in Fairfield needed \$30,216 per year to meet their basic needs, but by 2015 that amount had increased to \$39,114, over \$1,200 per year. However, there is considerable variation by county, ranging from a change of only 3% to 55%. In Holmes County, although starting at the lower level of \$24,666, costs increased at a greater rate, over \$1,900 a year (7.9% per year on average). The two largest increases in the Standard since 2008 occurred in Holmes and Van Wert counties, where costs increased by 55% and 54% respectively.

The changes over time are not steady, as can be seen in **Figure C**. The Standard for Ohio has been calculated four times over the past 7 years. Tracing the changes in the Standard for this family in four counties illustrates some of these differences: all counties increased, but as illustrated in **Figure C** the variation in rates of change increased the differences (or spread) between higher cost and lower cost counties in 2015.

In Ohio the overall average cost of living at this basic needs level declined slightly between 2013 and 2015 (less than one percent), with some variation by county. Changes to Ohio state taxes, particularly the new Ohio EITC and the increased personal and dependent exemptions, are one of the biggest contributors to this slight decline. Indeed, if taxes are excluded, all other costs increased an average of 1.3% for this family type.

**FIGURE C.** How the Self-Sufficiency Standard Has Changed Over Time, OH 2008-2015  
One Adult and One Preschooler: Fairfield, Holmes, Lawrence, & Warren Counties

## ANNUAL INCOME





# CLOSING THE WAGE GAP: WORK SUPPORTS REDUCE COSTS

Many families struggle to meet their families' basic needs on earnings alone. Work supports (subsidies or assistance) can help working families achieve economic stability, so that they do not need to choose from among their basic needs, such as scrimping on nutrition or living in overcrowded housing. With stability, parents can not only obtain jobs, but also retain employment, a necessary condition for improving wages. Below we model how work supports can reduce a family's expenses until they are able to earn Self-Sufficiency Wages, thus closing the gap between actual wages and what it really takes to make ends meet.

Work supports include programs such as Ohio's child care assistance program, Ohio's *Healthy Start* and *Healthy Families* Medicaid programs, Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp Program), the Women, Infants, and Children (WIC) Program, and Section 8 vouchers and public housing. Although not a work support per se, child support is also modeled as it assists families in meeting basic needs.

Our starting point in **Table 2** is the Self-Sufficiency Standard, which is calculated without any assistance, public or private, and then we add work supports. Column #1 shows the Self-Sufficiency Standard costs for one adult, one preschooler, and one school-age child living in Montgomery County, without any work supports or child support. Various combinations of child support work supports are shown in the subsequent columns. In columns #2-#6, the work supports and child support modeled are listed in the column headings and monthly costs reduced by these work supports are indicated with bold font and shading in the table.

## THE SELF-SUFFICIENCY STANDARD (COLUMN #1).

Without any supports to reduce costs, to meet the cost of basic needs, this Montgomery County family needs \$4,216 per month. This family has monthly child care expenses of \$1,407 and monthly housing costs of \$711. The adult in this family must earn a Self-Sufficiency Wage of \$23.95 per hour working full time, to meet the family's basic needs without the help of public or private assistance.

**CHILD SUPPORT (COLUMN #2).** Child support payments from absent, non-custodial parents can be a valuable addition to family budgets. The average amount received by families participating in the child support enforcement program in Ohio is \$239 per month (see column #2).<sup>7</sup> Adding child support reduces the wage needed by this parent to meet basic needs to \$3,887 per month, or \$22.09 per hour.

**CHILD CARE (COLUMN #3).** Because child care is a major expense for families with young children, child care assistance often provides the greatest financial relief of any

single work support, and at the same time adds stability for parents, children, and employers. In Ohio, families must have incomes below 125% of the 2015 federal poverty level for initial eligibility and 200% of the FPL for ongoing eligibility for Ohio's child care assistance program.<sup>8</sup> The impact of child care assistance reduces the monthly wage needed by roughly a third, to \$2,795 (\$15.88 per hour).

**CHILD CARE, FOOD, & MEDICAID (COLUMN #4).** For adults transitioning from cash assistance to employment, child care assistance, food assistance, and Medicaid make up the typical package of benefits.

- Under the assumption that transitional Medicaid covers all of the family's health care expenses, health care costs are reduced from \$405 per month to zero in column #4.
- SNAP and WIC reduces food costs from \$526 to \$360 per month.<sup>9</sup>
- Ohio's child care assistance program reduces the family's child care copayment to \$176 per month.

Altogether, these work supports reduce the wage required to meet basic needs to \$2,064 per month, less than half of the full Self-Sufficiency Standard. With the help of these crucial work supports, this Montgomery County family making the transition from public assistance would be able to meet basic needs at a starting wage of \$11.73 per hour.

**CHILD CARE, FOOD, & CHIP (COLUMN #5).** After 12 months, the adult would no longer be eligible for transitional Medicaid, but the children would be eligible under Ohio's *Healthy Start* program, as long as family income does not go over 206% of the FPL. Column #5 shows the effects of the adult transitioning to an employer-sponsored health plan while keeping the children covered under CHIP. Assuming the adult pays for her portion of health insurance through her employer, the health care costs for the family go up to \$169 to cover the adult. The minimum monthly wage needed under these circumstances is \$2,452 (\$13.93 hourly).

**CHILD CARE, FOOD, MEDICAID, & HOUSING (COLUMN #6).** Through a housing voucher or other assistance, housing costs are reduced to 30% of income, dropping housing costs from \$711 to \$507 per month.<sup>10</sup> With less income required to meet other needs, the family is eligible for increased food assistance and child care assistance. With this full benefit package that includes housing, a parent with one preschooler and one school-age child living in Montgomery County can meet basic needs with an income of just \$1,708 per month.

Note however that very few families receive all of these benefits, particularly housing. Unfortunately, these supports are not available or accessible to all who need them due

to eligibility criteria, lack of sufficient funding, waiting lists, administrative barriers, or the perceived stigma of receiving assistance. Yet, when families do receive them, work supports, tax credits, and child support play a critical role in helping families move towards economic self-sufficiency.

**REFUNDABLE TAX CREDITS.** All taxes and tax credits are shown in the Standard as monthly because the Standard costs are shown as a monthly budget. However, because families do not actually receive the refundable tax credits monthly, but instead receive them at the end of the year (as

tax refunds), the annual amounts of the refundable tax credits are shown in the shaded rows at the bottom of the table for columns #2-#6. (This annual total assumes that the adult works full time at these wages throughout the year.) The amounts vary significantly, depending upon income. When costs are only reduced by child support as in column #2, the family's income is high enough that they only qualify for about \$50 in refundable tax credits. In column #6, in which the full work support package is modeled, resulting in lower wages needed to meet needs, the parent is eligible for over \$7,000 in annual refundable tax credits.

**TABLE 2. Impact of Child Support and Work Supports on Monthly Costs and Self-Sufficiency Wage**  
*One Adult, One Preschooler, and One School-Age Child: Montgomery County, OH 2015*

Each column demonstrates how specific work supports can lower the cost of specific basic needs, and therefore lessen the income necessary to meet all of a family's basic needs. Costs that have been reduced by these supports are indicated with bold font in the table.

	#1	#2	#3	#4	#5	#6
	Self-Sufficiency Standard	Child Support	Child Care	Child Care, SNAP/ WIC* & Transitional Medicaid	Child Care, SNAP/ WIC & CHIP	Housing, Child Care, SNAP/ WIC, & CHIP
<b>MONTHLY EXPENSES:</b>						
Housing	\$711	\$711	\$711	\$711	\$711	<b>\$507</b>
Child Care	\$1,407	\$1,407	<b>\$249</b>	<b>\$176</b>	<b>\$220</b>	<b>\$123</b>
Food	\$526	\$526	\$526	<b>\$360</b>	<b>\$490</b>	<b>\$306</b>
Transportation	\$257	\$257	\$257	\$257	\$257	\$257
Health Care	\$405	\$405	\$405	<b>\$0</b>	<b>\$169</b>	<b>\$0</b>
Miscellaneous	\$331	\$331	\$331	\$331	\$331	\$331
Taxes	\$845	\$752	\$418	\$259	\$341	\$184
<b>TOTAL MONTHLY EXPENSES (Net of Work Supports)</b>	<b>\$4,482</b>	<b>\$4,389</b>	<b>\$2,897</b>	<b>\$2,093</b>	<b>\$2,520</b>	<b>\$1,708</b>
<b>ADDITIONAL MONTHLY RESOURCES:</b>						
Total Tax Credits (-)**	(\$267)	(\$263)	(\$102)	(\$29)	(\$68)	\$0
Child Support	\$0	<b>(\$239)</b>	\$0	\$0	\$0	\$0
<b>TOTAL ADDITIONAL MONTHLY RESOURCES</b>	<b>(\$267)</b>	<b>(\$502)</b>	<b>(\$102)</b>	<b>(\$29)</b>	<b>(\$68)</b>	<b>\$0</b>
<b>SELF SUFFICIENCY WAGE (TOTAL MONTHLY EXPENSES MINUS TOTAL ADDITIONAL MONTHLY RESOURCES)</b>						
Hourly	\$23.95	\$22.09	\$15.88	\$11.73	\$13.93	\$9.70
Monthly	\$4,216	\$3,887	\$2,795	\$2,064	\$2,452	\$1,708
Annual	\$50,590	\$46,649	\$33,541	\$24,770	\$29,421	\$20,490
<b>ANNUAL REFUNDABLE TAX CREDITS**:</b>						
Total Federal EITC	<b>\$0</b>	<b>\$0</b>	<b>\$2,298</b>	<b>\$4,145</b>	<b>\$3,166</b>	<b>\$5,047</b>
Total Federal CTC	<b>\$0</b>	<b>\$48</b>	<b>\$1,518</b>	<b>\$2,000</b>	<b>\$1,896</b>	<b>\$2,000</b>

\* WIC is the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) in Ohio. Assumes average monthly value of WIC benefit \$36 (FY 2014). SNAP is the Supplemental Nutrition Assistance Program, formerly known as the Food Stamp Program.

\*\* The Standard shows refundable and nonrefundable tax credits as if they are received monthly. However, in order to be as realistic as possible, tax credits that are available as a refund on annual taxes are shown at the bottom of this table. EITC is shown only as an annual tax credit. The nonrefundable portion of the Child Tax Credit (which is a credit against federal taxes) is included as available to offset monthly costs, and the refundable portion is shown in the bottom of the table. The Child Care Tax Credit is nonrefundable, and therefore is only part of the monthly budget and does not appear in the bottom shaded rows of the table.

## CONCLUSION

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As Ohio continues to recover from the Great Recession, long-term economic prosperity will require action at the state and community level to put Ohio families on the path to self-sufficiency. *The Self-Sufficiency Standard for Ohio 2015* defines the income needed to realistically support a family without public or private assistance in Ohio. For all Ohio workers, the Self-Sufficiency Standard shows that earnings at the official Federal Poverty Level are nevertheless below, often far below what is needed to meet families' basic needs according to the Standard. A strong economy means good jobs that pay Self-Sufficiency Standard wages and a workforce with the skills necessary to fill those jobs.

Although the Self-Sufficiency Standard determines an adequate wage level without public benefits, it does not imply that public work supports are inappropriate or unnecessary for Ohio families. For workers with wages below the Self-Sufficiency Standard, public subsidies for such necessities as child care, health care, and housing are critical to meeting basic needs, retaining jobs, and advancing in the workforce. By utilizing the Self-Sufficiency Standard, Ohio has the opportunity to lay the foundation to achieve a strong workforce and thriving communities.

The Self-Sufficiency Standard is currently being used to better understand issues of income adequacy, to analyze policy, and to help individuals striving to be self-sufficient. Community organizations, academic researchers, policy institutes, legal advocates, training providers, Community Action Agencies, and state and local officials, among others, are using the Self-Sufficiency Standard.

### FOR MORE INFORMATION ABOUT THE STANDARD

In addition to Ohio, the Standard has been calculated for Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New York, New York City, North Carolina, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Virginia, Washington State, West Virginia, Wisconsin, Wyoming, and the Washington, DC metropolitan area.

For further information about the Standard, how it is calculated or used, or the findings reported here, as well as information about other states or localities, contact Dr. Diana Pearce at [pearce@uw.edu](mailto:pearce@uw.edu) or (206) 616-2850, or the Center for Women's Welfare staff at (206) 685-5264, or visit [www.selfsufficiencystandard.org](http://www.selfsufficiencystandard.org).

For more information on *The Self-Sufficiency Standard for Ohio 2015*, this publication or the Standard wage tables for Ohio counties, or to find out more about the Ohio Association of Community Action Agencies, visit [www.oacaa.org](http://www.oacaa.org).

## ENDNOTES

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1. Jared Bernstein, *Crunch: Why Do I Feel so Squeezed (and other Unsolved Economic Mysteries)*, (San Francisco, CA: Berrett-Koehler Publishers, Inc., 2008).
2. According to the U.S. Bureau of Labor Statistics, both parents were employed in 60% of two-parent families with children in 2014. Likewise, 69% of single mothers and 82% of single fathers were employed in 2014. Although about 75% of employed women with children under 18 years of age worked full time in 2014, working part time is clearly the desirable option under many circumstances such as when the children are very young or in need of special care, or when affordable/appropriate child care is not available. For many low-income mothers it is equally clear that economic necessity, as well as the TANF requirements that limit benefits and stipulate that recipients participate in job searches, preclude this option. U.S. Department of Labor, Bureau of Labor Statistics, "Employment Characteristics of Families in 2014," Economic News Releases, Employment and Unemployment, <http://www.bls.gov/news.release/pdf/famee.pdf> (accessed December 2, 2015).
3. The Ohio minimum wage in 2015 is \$8.10 per hour U.S. Department of Labor, Wage and Hour Division. "Minimum Wage Laws in the States - January 1, 2015" <http://www.dol.gov/esa/minwage/america.htm> (accessed July 2, 2015).
4. In 2014 the average consumer expenditure on food was \$6,759 per year or 12.6% of total expenditures. U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Expenditures in 2014," <http://www.bls.gov/news.release/cesan.nr0.htm> (accessed December 1, 2015).
5. Health care premiums are the statewide average paid by workers for single adults and for families, from the national Medical Expenditure Panel Survey (MEPS), which is 22.8% of the premium for family coverage and 18.5% of the premium for individual coverage in Ohio. U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends, "Tables II.C.3 and II.D.3: Percent of total premiums contributed by employees enrolled in single (family) coverage at private-sector establishments that offer health insurance by firm size and State: Ohio 2014," Medical Expenditure Panel Survey-Insurance Component, [mepsweb/data\\_stats/quick\\_tables\\_results.jsp?component=2&subcomponent=2&year=2014&tableSeries=2&tableSubSeries=&searchText=&searchMethod=1&Action=Search](http://meps.ahrq.gov/mepsweb/data_stats/quick_tables_results.jsp?component=2&subcomponent=2&year=2014&tableSeries=2&tableSubSeries=&searchText=&searchMethod=1&Action=Search) (accessed July 2, 2015).
6. The lowest cost silver plan for a family with two adults (age 30) living in ZIP code 43085 and earning \$69,493 annually with one year old and 4 year old is \$477 per month after estimated tax credits. Healthcare.gov, New Customers, "Estimate Your Savings," <https://www.healthcare.gov/see-plans/43085/?state=OH> (accessed October 23, 2015).
7. U.S. Department of Health and Human Services, Administration for Children & Families, Office of Child Support Enforcement, "FY 2014 Annual Statistical Report to Congress," Tables 4, 14, 15 and 75, <http://www.acf.hhs.gov/programs/css/resource/fy-2014-preliminary-report> (accessed June 4, 2015). Data inflated using the Bureau of Labor Statistics Consumer Price Index. U.S. Department of Labor, Bureau of Labor Statistics, "Midwest Region All Items, 1982-84=100 - CUURA101SA0," Consumer Price Index, <http://data.bls.gov/cgi-bin/surveymost?cu> (accessed July 9, 2015).
8. Ohio Department of Job and Family Services, "Child Care Manual Procedure Letter #77." [http://emanuals.odjfs.state.oh.us/emanuals/GetDocument.do?doc=Document%28storage%3DREPOSITORY%2CdocID%3D%23Ref\\_CCMP77%29&locSource=input&docLoc=%24REP\\_ROOT%24%23Ref\\_CCMP77&username=guest&password=guest&publicationName=emanuals](http://emanuals.odjfs.state.oh.us/emanuals/GetDocument.do?doc=Document%28storage%3DREPOSITORY%2CdocID%3D%23Ref_CCMP77%29&locSource=input&docLoc=%24REP_ROOT%24%23Ref_CCMP77&username=guest&password=guest&publicationName=emanuals) (accessed July 9, 2015).
9. U.S. Department of Agriculture, Food and Nutrition Service, Supplemental Nutrition Assistance Program, "Eligibility," [http://www.fns.usda.gov/snap/applicant\\_recipients/eligibility.htm](http://www.fns.usda.gov/snap/applicant_recipients/eligibility.htm) (accessed June 8, 2014). U.S. Department of Agriculture, Food and Nutrition Service, "WIC Income Eligibility Guidelines 2014-2015," <http://www.fns.usda.gov/wic/wic-income-eligibility-guidelines> (accessed May 30, 2014).
10. U.S. Department of Housing and Urban Development, "Housing Choice Vouchers Fact Sheet," Topic Areas, Housing Choice Voucher Program Section 8, [http://portal.hud.gov/portal/page/portal/HUD/topics/housing\\_choice\\_voucher\\_program\\_section\\_8](http://portal.hud.gov/portal/page/portal/HUD/topics/housing_choice_voucher_program_section_8) (accessed June 10, 2014).

## ABOUT THE AUTHOR

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Diana M. Pearce, PhD is on the faculty at the School of Social Work, University of Washington in Seattle, Washington, and is Director of the Center for Women's Welfare. Recognized for coining the phrase "the feminization of poverty," Dr. Pearce founded and directed the Women and Poverty Project at Wider Opportunities for Women (WOW). She has written and spoken widely on women's poverty and economic inequality, including testimony before Congress and the President's Working Group on Welfare Reform. While at WOW, Dr. Pearce conceived and developed the methodology for the Self-Sufficiency Standard and first published results in 1996 for Iowa and California. Her areas of expertise include low-wage and part-time employment, unemployment insurance, homelessness, and welfare reform as they impact women. Dr. Pearce has helped found and lead several coalitions, including the Women, Work, and Welfare Coalition and the Women and Job Training Coalition. She received her PhD degree in Sociology and Social Work from the University of Michigan.



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## OHIO ASSOCIATION OF COMMUNITY ACTION AGENCIES

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The Ohio Association of Community Action Agencies (OACAA) exists to support its members and to strengthen a unified Community Action presence in Ohio. Forty-eight agencies across Ohio's 88 counties strive to alleviate poverty and help low-income families and individuals reach self-sufficiency. For more than 50 years, Community Action Agencies have administered locally controlled programs to meet the unique needs of each community. With over 6,000 combined employees across the state, the independent 501(c)3 nonprofit organizations have administered over \$500 million in resources annually with a holistic approach for poverty solutions. Programs often include emergency services, early childhood and adult education, financial literacy, job training, housing initiatives, and much more.

For further information on Ohio Association of Community Action Agencies, go to [www.oacaa.org](http://www.oacaa.org) or contact:

50 W Broad St, Suite 1616  
Columbus, OH 43215  
Telephone: (614) 224-8500



## THE CENTER FOR WOMEN'S WELFARE

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The Center for Women's Welfare at the University of Washington School of Social Work is devoted to furthering the goal of economic justice for women and their families. The main work of the Center focuses on the development of the Self-Sufficiency Standard and related measures, calculations, and analysis. Under the direction of Dr. Diana Pearce, the Center partners with a range of government, non-profit, women's, children's, and community-based groups to:

- research and evaluate public policy related to income adequacy;
- create tools, including online calculators, to assess and establish income adequacy and benefit eligibility; and
- develop programs and policies that strengthen public investment in low-income women, children, and families.

For more information about the Center's programs, or work related to the Self-Sufficiency Standard, call (206) 685-5264. This report and more can be viewed at [www.selfsufficiencystandard.org](http://www.selfsufficiencystandard.org)

