

Ohio's Poorest Children: Extremely Poor and Living with Their Grandparents



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Ohio's Poorest Children

There are currently 130,000 children in Ohio who rely on the Ohio Works First cash assistance program. These children live in families who meet all of the rules for the “reformed” welfare system.

Half of these children are living with their grandparents or other relatives. They face a daily struggle of choices between necessities of food, shelter, clothing, transportation and other basic needs.

Ohio must increase the cash assistance benefits under the OWF program to an adequate level.



Current Assistance Levels

Ohio's cash assistance program for families with children is known as Ohio Works First (OWF). It is funded by the federal Temporary Assistance for Needy Families (TANF) block grant.



A typical family of two on the Ohio Works First cash assistance program receives only \$336 a month in cash and a maximum of \$298 in Food Stamps. When combined, that is still \$533 a month below the federal poverty level. This means that the families of these children must make difficult choices between the necessities of food, clothing, shelter, transportation, and other basic needs.

Maximum Public Assistance Benefits Compared to Poverty Level

Family Size	OWF Monthly Payment Standard	Food Stamp Monthly Coupon Allotment	Maximum amount of Monthly OWF + Food Stamps	100% Federal Poverty Level (Monthly)	OWF + FS Minus FPL	OWF+FS as a % of Poverty
1	\$245	\$162	\$407	\$867	-\$460	47%
2	\$336	\$298	\$634	\$1167	-\$533	54%
3	\$410	\$426	\$836	\$1467	-\$631	57%
4	\$507	\$542	\$1049	\$1767	-\$718	59%
5	\$593	\$643	\$1236	\$2067	-\$831	60%
6	\$660	\$772	\$1432	\$2367	-\$935	61%

Living With Grandparents – The New Typical OWF Family

The most common OWF households consist of one or two children living with a relative caretaker, usually a grandparent.

Of the roughly 80,000 households receiving OWF in June 2008, more than one-half (51%) were “child-only” cases, meaning that only the children in these households receive public assistance, not the adults. “Child-only” assistance groups have been steadily increasing over the past several years.



Families by Program, Statewide - Adult/Child Composition - June 2008

Eligible Families as values		INCAPACITATED PARENT (OWF-I)	ABSENT PARENT (OWF-R)	UNEMPLOYED PARENT (OWF-U)	Combined OWF	%
OHIO	ADULT ONLY	31	1,868	49	1,948	2%
	ADULT AND CHILD	1,498	32,445	3,277	37,220	46%
	CHILD ONLY	749	40,232	256	41,237	51%
	COULD NOT BE DETERMINED	0	8	0	8	0%
Adult/Child Composition		2,278	74,553	3,582	80,413	100%

The average OWF household size is now two, given the larger increase in child only cases.

More than 58% of OWF children are less than 13 years old. About 33% are under the age of six. Of the total caseload in June 2008, 74% were children.

How do we know these families are poor?

The state spends roughly \$100 million dollars on determining financial eligibility. Ohio has one of the most sophisticated means testing systems in the country. Families are screened through a centralized computer system. Computer matches are run against other financial data base systems as well, including reports of new hires from employers. Social Security, Internal Revenue Service, Unemployment and Workers Compensation benefits and banking records are all cross matched with public assistance data.

Recipients are required to present a Social Security number for all household members. They must also furnish written proof of identity, age, citizenship, residence, income, pregnancy, disability, or termination of employment. Eligibility is re-determined every six months. They are required to report any change in status within 10 days. If they are physically able, adult recipients are expected to meet a thirty hour per week work requirement.

The Ohio Department of Job and Family Services closely monitors the performance of the counties in their compliance with federal and state rules regarding the OWF program. (The only exception is the law requiring counties to offer all OWF recipients and applicants the opportunity to register to vote. There is no monitoring of compliance with this law.)

Ohio has spent much time and money verifying that the 130,000 children that remain on OWF cash assistance with their families are indeed poor and need the assistance.

What does it cost to provide basic human needs?

We have attempted to identify the costs for basic necessities and have looked at some of the other forms of assistance available to families receiving welfare. Specifically, we have analyzed housing, utilities, food, and transportation. Health care has not been included since most of these families are covered by Medicaid. However, there are clearly many other expenses that these families cannot avoid.

Monthly Cost of Basic Needs for Family of Two	
Rent	\$627
Utilities	\$233
*Food	\$258
*Transportation	\$275
Total	\$1,393

*Transportation and food costs are based on the 2006 Consumer Expenditure Survey, therefore, do not reflect today's gasoline and food crisis.

What other assistance do these families receive?

As previously mentioned, most OWF families could also receive Medicaid and Food Stamps. County Job and Family Services offices offer a wide variety of emergency and employment support assistance through the Prevention, Retention and Contingency (PRC) program, based on each county's individualized plan.

However, only 14% of OWF children receive subsidized child care and only 7% of OWF families receive subsidized housing assistance.

Families with pregnant women and children under the age of five may receive help through the Women, Infants and Children (WIC) program. The average benefit is only \$36 per month.

The Home Energy Assistance Program (HEAP) offers financial aid for heating costs. The average regular HEAP benefit for 2007-2008 is \$244 per heating season. The Percentage of Income Payment Plan (PIPP) offers low income consumers of regulated utilities an extended payment plan to reduce the high cost of energy during the heating season. There is no subsidy in the program and low-income families participating are approximately \$1.6 billion in debt to gas and electric companies.

There are a number of local services such as food pantries, soup kitchens and homeless shelters intended to provide help in "emergency" situations. Unfortunately, many OWF and working poor families have been forced to rely on them on a regular, recurring basis.

Recommendation

Meeting basic needs should be the first priority for the use of TANF funds, not the last. Ohio can afford to raise OWF cash benefits by \$100 per month. While this would not close the gap with their needs entirely, it would make a huge difference in the daily struggle these families face. The needs of the children in OWF families are great. How can we simply choose to ignore them further? We must increase benefits by at least \$100 per month.

That was then...	This is now...	Change
1990 Ohio median family annual income \$34,351	2000 Ohio median family annual income \$50,037	+\$15,686 +46% source: U.S. Census
Ohio Minimum wage (annual) 1998 \$10,712	Ohio Minimum wage (annual) 2008 \$14,560	+ \$3,848 +36% source: ODOC
Federal poverty level 1998 (annual) (family of 2) \$10,850	Federal poverty level 2008 (annual) (family of 2) \$14,000	+ \$3150 +29% source: HHS
Maximum cash assistance benefits 1998 (annual) (family of 2) \$3,552	Maximum cash assistance benefits 2008 (annual) (family of 2) \$4,032	+ \$480 +15% source: ODJFS

Ohio Works First Survey

May 2008

The Athens County Department of Job & Family Services sent a one question survey to all current Ohio Works First households in February 2008. These quotes represent a sample of the responses to the following question:

What financial or medical hardships are you facing?

“Every month I live with the fear of being evicted...and if that were to happen, I have nowhere to go. I currently get OWF \$410, but my rent is \$425 not including utilities, or diapers, wipes, toilet paper, shampoo, soap, laundry detergent or gas for my van. Because of all the rising costs, I’m digging a financial hole every month I can’t get out of. This causes a lot of depression, despair and worry. I’m so busy with the worry of money, I can’t even enjoy my children as much as I would like to. Please, please help us, this can’t go on. Somebody be our voice...”

“I feel kind of a let-down and basically worthless to my son. If I had a car and extra money to feed him our hopes would begin to open up doors.”

“The income I receive is four hundred and ten dollars a month. My rent is four hundred dollars a month. By the time I pay my rent, I have to borrow money from my mother and friend to pay the utilities and don’t know where the money is coming from to pay it back...”

“...always running out of food before the month is half-way over.”

“...There are days we don’t get to eat a solid meal, just soup and bread if we are lucky because I have other children that are over age and stop by to eat with us...”

“...I am a single father taking care of my 4-year old daughter...I have realized that due to the high bottle gas prices (which is a necessity to have in my home for cooking, heating, and having hot water for showers) and now the rising prices for automotive gasoline, complications have developed in my ability to provide my daughter with new clothing and new shoes when she needs them. This situation is also hurting my daughter due to our home and our vehicle (our only form of transportation), needing desperate repairs done to them. I could sit here and write a novel to you regarding all of the financial, physical, and mental hardships that I face on a day to day basis.”

“Trying to find a house to rent that I can afford...and money for gas...I just started working but its still hard to make ends meets. I’m on HUD waiting list going on two years now and still nothing is happening so far.”

“For the past few months my family has been unable to fully pay our monthly rent for our home. My fiancé’s job hours go up and down by the week. We have had to put ourselves further in debt by borrowing money just to have a place to live...It doesn’t help being denied for disability, over and over again. We began to lose hope, living paycheck to paycheck has really been a struggle. It just feels at times, people like us are looked at like lazy, poor individuals, which is obviously not the case at all. We just wanna be able to support our children and ourselves without worrying, what is to happen ‘next month.’”

“...Raising 3 grandkids is a very hard task. I had to quit my job to keep kids. I could not pay for babysitter and could not get help...”

“It is very hard to get all that you can to feed your children when you don’t have the money or Food Stamps to buy them with. With the cost of gas now a days you get to pick either buy a gallon of milk or get a gallon of gas. And, if you don’t have gas to go get your child milk then you are just out of luck...”

“...I always run short on money for toilet paper, shampoo, conditioner, tampons, dish and laundry soap. And like everyone else who gets help from the state, I live disconnect notice from disconnect notice...I challenge any and all of our government officials to try to live off \$336 per month. And let’s not forget we have to put gas in our cars at almost \$4 a gallon.”

“...Our Food Stamps don’t go a long way. Food prices have gone up, bills have all gone up and our income remains the same...I don’t like living month to month...Thank you for asking our opinions.”

“...The Food Stamps we get are not enough to feed us for the month. We can’t buy anything healthy, it must be what’s on sale or what we can afford. Plus, I’ve got to throw in \$100-\$150 in money to the food cost every month. I also don’t have transportation. Instead of giving someone \$20 for a 17 mile ride to the store I am giving them \$40 for wear and tear and fuel.”

“...by the time you pay your utilities you have nothing left so you are struggling every month just to survive. I can see why people are depressed and turning to violence because they feel that they have no other choice...”

“I have financial hardships with trying to buy quality fresh nutritious food for my family of 4. Doctors, school, even family members tell me that my four year old eats too much pasta and other carbs (contributing to his weight gain) as opposed to fruits and vegetables! Duh! Fresh, quality fruits and veggies are too expensive to buy once a week! My Food Stamps do not cover my family’s needs!”

“...Financially, we can’t afford anything but pay rent and utility bills. We can’t afford gas (prices are too high) if children need something special for school or for a sporting activity, it’s a struggle to get it, if they get it. It’s a struggle to keep up with buying personal hygiene items in a month’s time...Medically, we can’t afford to pay for medication that our insurance will not cover even if we need it, pre-authorizations are denied! So we do without a medicine because we don’t have the money to pay for it!”

Summary Observations:

Most respondents noted the rising costs of food and gasoline are adding to their increased debt while they try to continue to make it to work or doctors appointments on limited income. Others talked about the problems with the Medicaid card not covering all medications or that pre-authorization create a hardship. Others discussed the mental anguish of being poor and the stress it causes on their daily lives.

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