

Ohio's Poorest Children: Living with Their Grandparents



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Ohio's Poorest Children

With the implementation of Welfare Reform, cash assistance caseloads have dropped dramatically as thousands of welfare recipients took jobs. While many of those former recipients remain in poverty, they have successfully left the welfare rolls and have improved financially as a result. But what about those who remain? Cash assistance caseloads have remained at relatively the same level for the last five years.

There are currently 130,000 children left on the reformed welfare system. To put this number into perspective:

- if they were all in one place they would constitute the 7th largest city in Ohio, and would be bigger than 67 of Ohio's 88 counties; and
- if they held hands and formed a line it would stretch from Columbus to the Ohio River in Portsmouth, nearly 100 miles away.

The most dramatic change has been the increase in "child only" cases. These are situations in which children are not living with their parents but rather with relative caretakers, usually grandparents. This is now the most common family situation for children receiving cash benefits.

Ohio must increase the cash assistance benefits to an adequate level. These 130,000 children live in families who comply with all of the strict rules of Welfare Reform, yet the benefits they receive are too low to meet basic human needs.

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 \$284 in Food Stamps. When combined, that is still \$521 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	\$155	\$400	\$851	-\$451	47%
2	\$336	\$284	\$620	\$1141	-\$521	54%
3	\$410	\$408	\$818	\$1431	-\$613	57%
4	\$507	\$518	\$1025	\$1721	-\$696	60%
5	\$593	\$615	\$1208	\$2011	-\$803	60%
6	\$660	\$738	\$1398	\$2301	-\$903	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 December 2006, over one-half (52.5%) 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 - December 2006

Eligible Families as values		INCAPACITATED PARENT (OWF-I)	ABSENT PARENT (OWF-R)	UNEMPLOYED PARENT (OWF-U)	COMBINED OWF	%
ALL COUNTIES	ADULT ONLY	35	1,844	36	1,915	2.4%
	ADULT AND CHILD	1,445	31,424	2,993	35,862	45.1%
	CHILD ONLY	799	40,839	164	41,802	52.5%
	COULD NOT BE DETERMINED	2	11	0	13	0.0%
Ohio	Adult/Child Composition	2,281	74,118	3,193	79,592	100.0%

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

Over 75.5% of OWF children are less than 13 years old. About 42% are under the age of six. Of the total caseload in December 2006, 76% were children.

How do we know these families are poor?

The state spends millions of dollars on determining 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	\$613
Utilities	\$227
Food	\$248
Transportation	\$250
Total	\$1,338

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.

Fewer than 7 percent 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 \$34 per month.

The Home Energy Assistance Program (HEAP) offers financial aid for heating costs. The average benefit is \$296 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 over \$530 million in debt to utility companies in electrical services alone.

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.

What about jobs?

As the name implies, the Ohio Works First program is focused on helping able-bodied adults in these families obtain employment. Since 1992, cash assistance caseloads have dramatically dropped as thousands of welfare recipients took jobs. Most jobs provide low wages with few benefits. The Ohio Department of Job and Family Services Occupational Trends publication indicates that the most numerous job openings are in the low wage service industries. They offer a way off of welfare but not out of poverty.

Occupations in Ohio with the Most Annual Job Openings, 2004-2014		
Occupation	Annual Openings	Average Wage 2006*
Retail Salespersons	8,201	\$11.11
Cashiers	6,864	\$8.00
Waiters and Waitresses	5,799	\$7.03
Comb. Food Preparation & Serving Workers, inc. Fast Food	5,208	\$7.25
Laborers and Freight, Stock, and Material Movers, Hand	5,010	\$11.41
Registered Nurses	4,630	\$26.09
Janitors/Cleaners, except Maids & Housekeeping	3,008	\$11.00
Customer Service Representatives	2,643	\$14.49
Office Clerks, General	2,641	\$11.25
Stock Clerks and Order Fillers	2,368	\$10.55
Sales Rep., Wholesale & Mfg, ex. Tech. & Scientific Products	2,282	\$28.82
Team Assemblers	2,241	\$14.09
Nursing Aides, Orderlies and Attendants	1,994	\$10.79
Home Health Aides	1,973	\$9.42
Truck Drivers, Heavy and Tractor-Trailer	1,960	\$17.87
Food Preparation Workers	1,938	\$8.45
Postsecondary Teachers	1,922	\$59,794**
General and Operations Managers	1,894	\$45.63
Cooks, Fast Food	1,714	\$7.36
Secondary School Teachers, except Special & Vocational Ed.	1,696	\$48,874**
Accountants and Auditors	1,654	\$27.20
Child Care Workers	1,641	\$8.70
Maintenance and Repair Workers, General	1,610	\$16.25
Elementary School Teachers, except Special Education	1,581	\$48,077**
Secretaries, except Legal, Medical & Executive	1,554	\$13.52
Landscaping and Groundskeeping Workers	1,536	\$10.70
Bookkeeping, Accounting and Auditing Clerks	1,525	\$14.47
Receptionists and Information Clerks	1,453	\$10.56
Executive Secretaries & Administrative Assistants	1,404	\$18.13
Tellers	1,374	\$10.84

*May 2005 wages aged to April 2006.

**Annual earnings, typically for a 9½ month school year for teachers.

Can we afford to increase benefits?

YES. Ohio has under spent its federal allocation of Temporary Assistance for Needy Families (TANF) block grant funds by a cumulative amount of over \$834 billion. Of this amount, \$431 million is totally un-obligated, which must be spent on cash assistance. Although approximately \$403 million is currently obligated, much of this money will also become “un-obligated” as counties continue to under spend and their allocation periods lapse.

Every year, the Ohio Department of Job and Family Services projects that it will drastically reduce this unspent balance. Yet, it still remains. In the meantime, the living condition for Ohio’s poorest children continues to deteriorate.



Recommendation

Meeting basic needs should be the first priority for the use of TANF funds, not the last. Ohio can easily 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. It would cost roughly \$96 million per year, but would be easily sustainable with Ohio's outstanding balance of TANF funds. This can be accomplished without any increase in state funding. The needs of the children in OWF families are great and we have the money to make a difference. 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) 1997 \$10,712	Ohio Minimum wage (annual) 2007 \$14,248	+ \$3,536 +33% source: ODOC
Federal poverty level 1997 (annual) (family of 2) \$10,610	Federal poverty level 2007 (annual) (family of 2) \$13,690	+ \$3,080 +29% source: HHS
Maximum cash assistance benefits 1997 (annual) (family of 2) \$3,348	Maximum cash assistance benefits 2007 (annual) (family of 2) \$4,032	+ \$684 +20% source: ODJFS

Ohio Works First Survey December 2004

The Athens County Department of Job & Family Services sent a one question survey to all current Ohio Works First households in December 2004. These quotes represent a sample of the responses to the following question:

If your monthly benefit were increased by \$100, how would you spend the additional money?

“One hundred dollars to some people isn’t a lot, but to those who don’t have it – it feels like a million.”

“An additional hundred dollars would be very helpful in our household for rent (\$400 plus bills), not to mention our new baby girl is costing us a lot of money and sometimes we don’t have enough money and have to donate plasma all month just to get the extra money to live . . . The money would really, really help if not needed for the house or baby then for our automobile; it needs some repairs and gas . . . Please help in getting an additional \$100.”

“I am a sixty-eight year old grandmother with custody of two teenage grandsons since 1999 . . . during these four years our income increase has only been my social security. Since welcoming the two boys, I have had to drop my home insurance and auto insurance due to lack of funds. When the house needs repair (and it certainly does) or when an appliance breaks down – it goes unfixed unless it is something we can fix ourselves. I am cooking on a stove with only two burners working for example. I think if I had another \$100 per month, I would put it towards a few school expenses so they could participate in such events as field trips, school pictures, clubs or maybe one sport each. This situation is a large embarrassment to them and no child should be subject to this.”

“I will use that \$100 increase for basic needs for my kids. The food stamps I receive is not enough to cover the cost of my groceries . . . also for rent, kids’ school clothing, shoes and school supplies.”

“It would help with utilities, food, clothing, car repairs, gas . . .”

“I would pay bills. . .”

“I would have more money for utility bills. My kids could dress better at school so they won’t get picked on for shabby clothes.”

“Another \$100 a month would help pay a few more bills off each month. Now I must decide do I pay this bill or let it slide to next month.”

“The money would greatly help my family financially. It could help me buy clothes, diapers, or anything else my two children need . . . I have to depend on other people to buy their things. The extra money could ensure my bills are paid. We NEED the extra money.”

“ . . . more food and clothes for my family . . . ”

“I would spend it on food and gas and clothing.”

“The needs of my family such as clothes, shoes, school supplies and basic household items . . . ”

“To pay my car insurance that I cannot pay right now so I have friends paying it for me . . . my daughter goes to after school tutoring . . . I can’t even afford gas money to pick her up.”

“We would spend it by paying our bills and getting stuff for our children . . . ”

“I would pay bills that I can’t afford to pay right now. Outgoing bills outweigh the income coming in . . . ”

“I would spend it on more laundry soap, bleach, bread, and milk . . . ”

“I would be able to buy my children clothing and be able to have more bathroom and kitchen supplies . . . ”

“If our benefits were increased by \$100 it would be a lot easier to get my bills paid on time and be able to afford everything we need throughout the month such as diapers, wipes, toilet paper, etc. Usually our bills surpass our income by about \$150 each month, so I have to figure out what can be skipped one month.”

“[One hundred dollars would] assist with utility costs, food, medicine, clothing . . . it is extremely difficult to decide between buying food or medicines when you have no medical coverage.”

“I would no longer have to get money from my grandmother for gas, diapers, bills, etc. I would use this money for gas . . . it would be a great feeling to be able to buy diapers all month by myself.”

Summary Observations:

Most of the respondents indicated they would use the extra \$100 simply to help meet their families’ basic needs. The top three categories in which people stated they would spend the money were food, clothing, and bill payment.

Throughout the survey results, respondents indicated a strong desire to be able to provide not only basic needs for their children, but also to pay for school and athletic fees as well so their children may participate in extracurricular activities.

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