



**Department of  
Development**

**Policy Research and Strategic Planning Office**  
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# **Ohio Poverty Report**

**April 2011**



# **THE OHIO POVERTY REPORT**

## **APRIL 2011**

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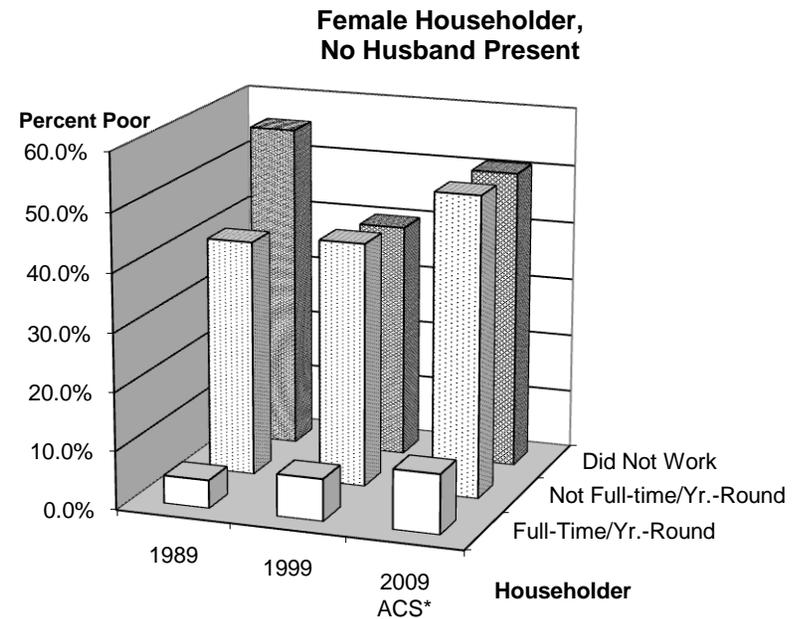
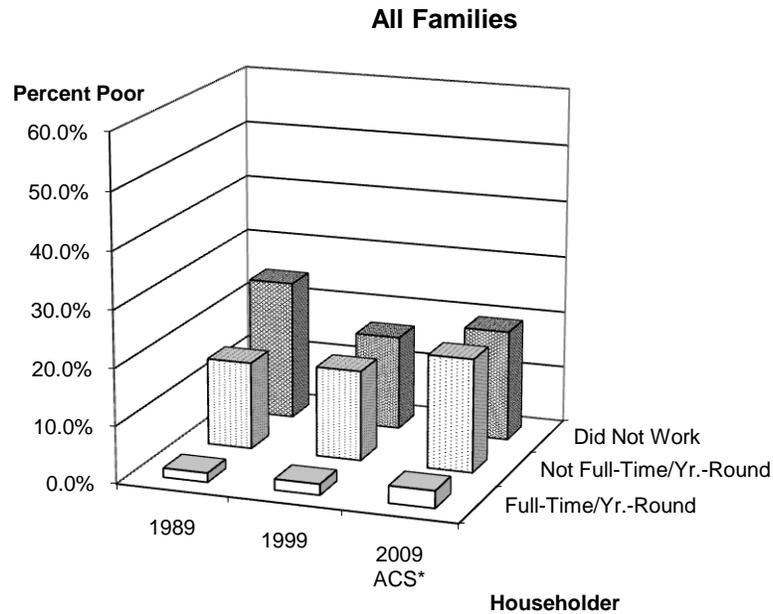
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## **THE CIRCUMSTANCES OF POVERTY: VARIATIONS AND TRENDS**

## Poverty Status by Employment Status



	1989	1999	2009 ACS*
Full-Time/Yr.-Round	1.6%	1.9%	3.0%
Not Full-Time/Yr.-Round	15.3%	15.8%	19.9%
Did Not Work	24.5%	16.5%	19.4%

	1989	1999	2009 ACS*
Full-Time/Yr.-Round	4.8%	7.2%	10.2%
Not Full-time/Yr.-Round	40.4%	41.8%	51.5%
Did Not Work	55.6%	40.1%	51.0%

Source: U.S. Census Bureau.

Note: \* - 2009 American Community Survey data actually cover January 2008 through November 2009.

## EMPLOYMENT STATUS

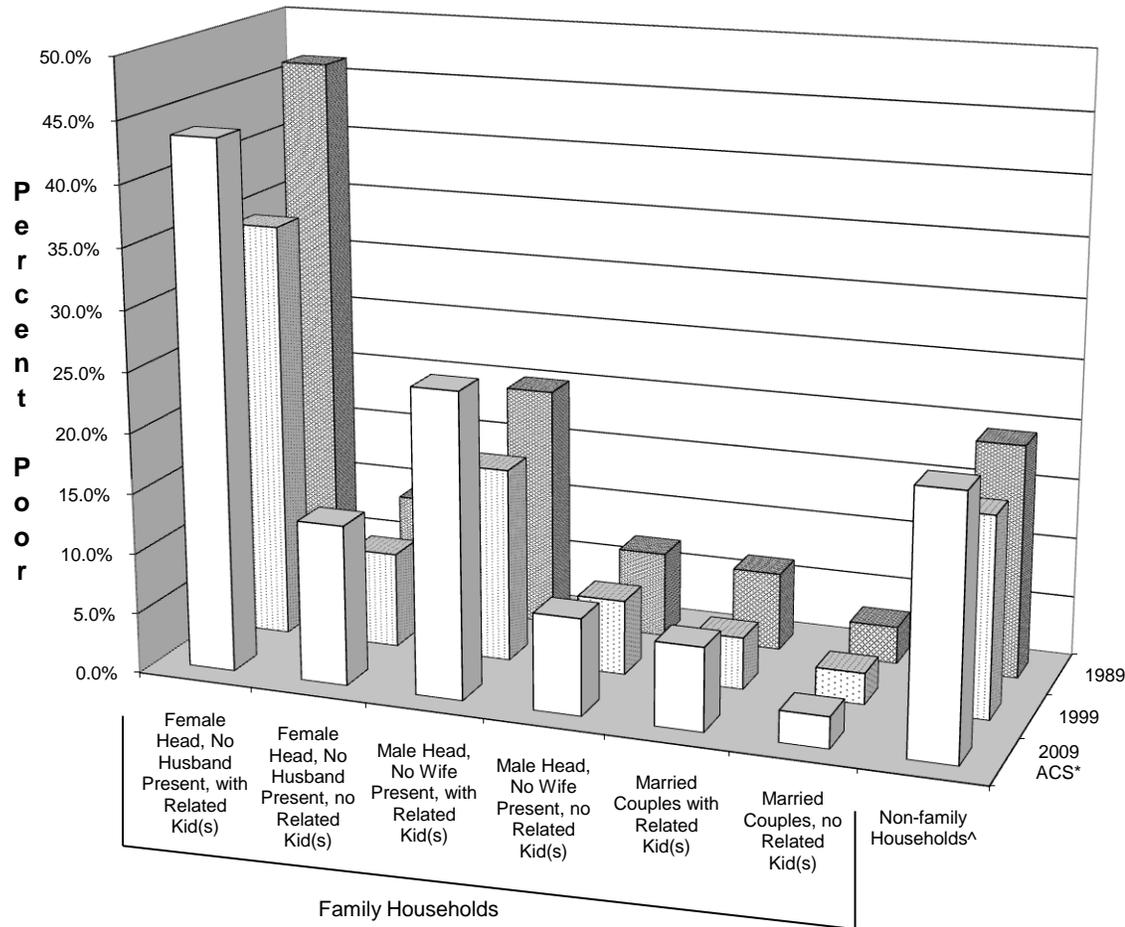
There are two points to be made about employment status and the risk of poverty. First, there is nothing like a full-time, year-round job for minimizing the risk of poverty. The family of a householder with such a job generally has had no more than one chance in 30 of being poor starting with the 1990 Census. (Householders may be male or female. Even among married couples, the Census Bureau's tabular data make no distinction by sex.) By contrast, 15 to 20 percent of the families of householders that worked less than full-time, year-round, were poor. Poverty rates among families of householders that did not work at all were even higher, ranging from 16 to 25 percent. (Undoubtedly some of the householders that did not work at all were retired and received pensions. Given the lower-than-average poverty rates for persons age 65 and over, the poverty rates for families of householders that did not work at all and received no pension income were even higher than shown.)

A full-time, year-round job goes a long way towards alleviating poverty among higher risk families. Those headed by a man with no wife present have had poverty rates between 2 and 5 percent dating from the 1990 Census, while those headed by a woman with no husband present have ranged between 4 and 11 percent. Poverty rates ranged from 21 to 32 percent for all families when the male-householder-with-no-wife-present did not work full-time, year-round, and from 40 to 56 percent for female-householder-with-no-husband-present families in the same set of circumstances.

This leads to the second point: being married to someone with a full-time, year-round job also reduces the risk of poverty for a family far below average. Even if only one spouse works full-time, year-round, and the other does not work at all, the risk still has been less than 6 percent going back to the 1990 Census. If one works full-time, year-round, and the other works less than full-time, year-round, there has been less than one chance in 50 that the family will be poor. If both husband and wife work full-time, year-round, the risk nearly vanishes. Poverty rates rise above 10 percent when one spouse worked less than full-time, year-round, and the other spouse did not work at all. Poverty rates for couples where neither one worked never rose above 14 percent during this time period. (One possible explanation for the comparatively low poverty rate for this last circumstance is that a number of the couples may be retired.)

See Table A5

## Poverty Status by Household Type and Presence of Related Child(ren)



	Female Head, No Husband Present, with Related Kid(s)	Female Head, No Husband Present, no Related Kid(s)	Male Head, No Wife Present, with Related Kid(s)	Male Head, No Wife Present, no Related Kid(s)	Married Couples with Related Kid(s)	Married Couples, no Related Kid(s)	Non-family Households^
2009 ACS*	43.6%	13.3%	25.2%	8.0%	6.9%	2.6%	21.4%
1999	34.6%	7.9%	16.1%	6.2%	4.3%	2.6%	16.6%
1989	46.4%	9.6%	20.1%	7.1%	6.5%	3.1%	19.4%

Source: U.S. Census Bureau. Notes: \* - 2009 ACS covers January 2008 through November 2009; ^ - Actually the poverty status of the householder.

## HOUSEHOLD TYPE AND THE PRESENCE OF RELATED CHILDREN

The risk of poverty varies by the type of household in which people live and if children are present. The chart above shows that regardless of family type – married couple, male- or female-headed – families with at least one child have a greater risk of poverty than families with no children. It also shows that female-headed families have the greatest risk of poverty, while married couples have the lowest risk. Factors contributing to the higher poverty rates of female-headed households include the lower labor force participation rates of women with children – especially preschool children – and the generally lower incomes women earn.

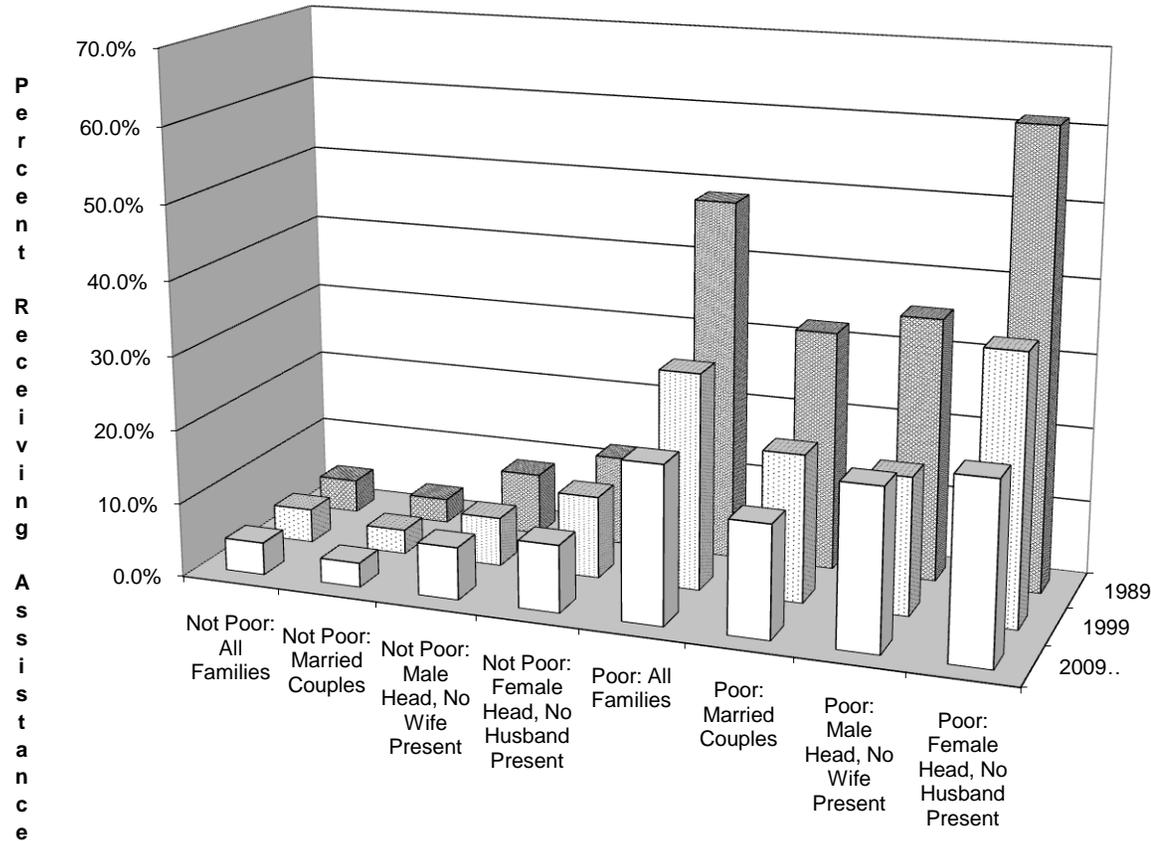
While households with children experience greater rates of poverty, it is difficult to argue that children cause poverty because other factors may come to bear. First, older children may be employed and contributing to the family's income. Second, data show that women, the principal caretakers of children, are more likely to earn an income if all of their children are in school (U.S. Bureau of the Census, 2002a: table P45; 2010c: table B23003). This increases the family's income. Third, older people (to a point in late middle age) generally have higher incomes than younger people do – and the latter may just be starting families. Nevertheless – all other things being equal or unchanged – adding a child increases the family size and income threshold for poverty, with the possible consequence that the family income may no longer be adequate to keep the family out of poverty.

The poverty rates for non-family households usually fall between those of male-headed families with children and female-headed households with no children, and show a similar pattern of a slight decline from 1989 to 1999 followed by a return to a higher level in 2009.<sup>8</sup>

The chart above also shows the variation in poverty rates over time. Poverty rates were higher in 1989 and 2009 and lower in 1999.

See Table A6

### Families Receiving Cash Public Assistance by Poverty Status and Type



	Not Poor: All Families	Not Poor: Married Couples	Not Poor: Male Head, No Wife Present	Not Poor: Female Head, No Husband Present	Poor: All Families	Poor: Married Couples	Poor: Male Head, No Wife Present	Poor: Female Head, No Husband Present
2009 ACS*	4.4%	3.3%	7.1%	9.1%	21.3%	15.2%	21.6%	24.1%
1999	4.6%	3.3%	6.6%	11.1%	29.2%	19.9%	18.5%	36.0%
1989	4.5%	3.3%	8.4%	12.1%	48.6%	32.3%	35.4%	61.4%

Source: U.S. Census Bureau.

Note: \* - 2009 ACS covers January 2008 through November 2009.

## CASH PUBLIC ASSISTANCE

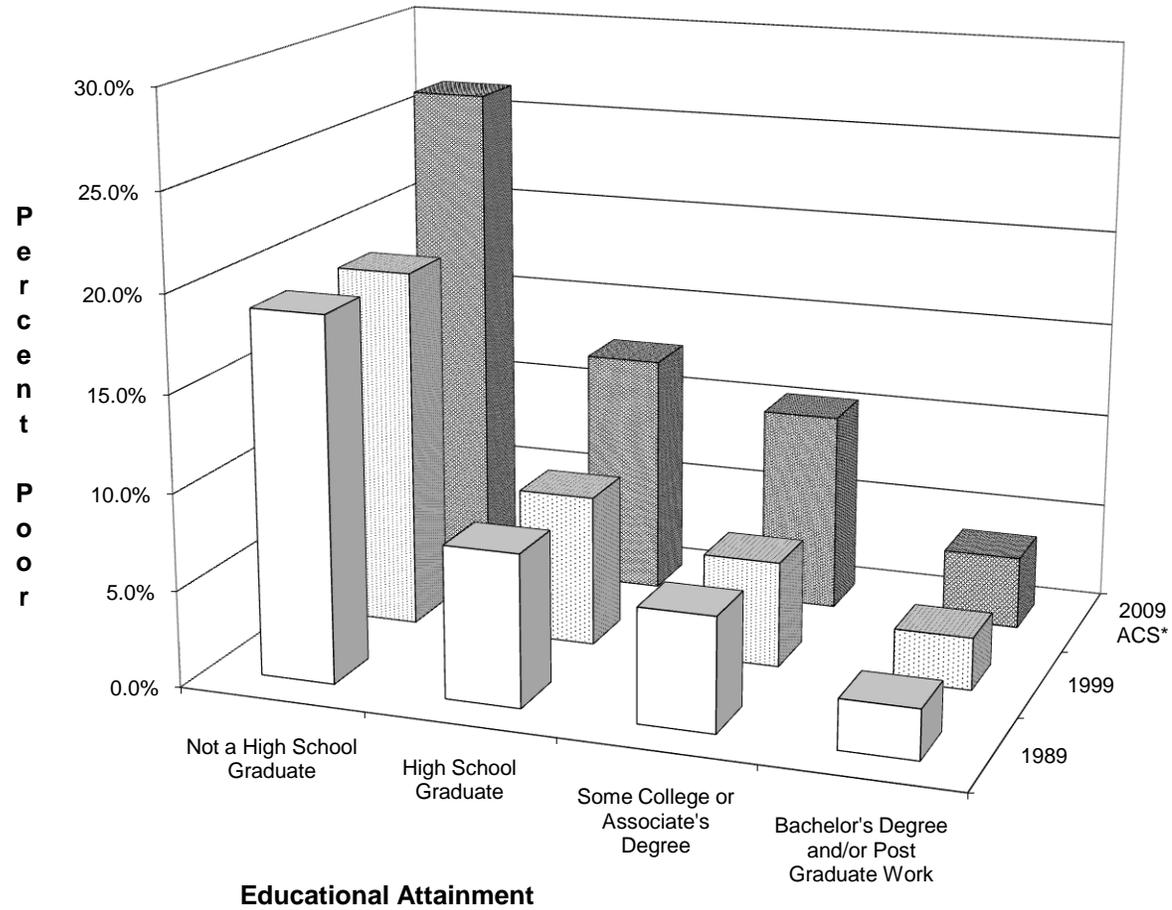
Poor families are much more likely to receive cash public assistance than are families above the poverty level.<sup>9</sup> The chart above shows that fewer than 5 percent of the families at or above the poverty level received cash public assistance in the year preceding the data collection. On the other hand, the percentage of poor families receiving cash public assistance has been much higher, although it has dropped from 48.6 percent in 1989 to 21.3 percent in 2009. (This may be due to the welfare reform of the 1990s.)

These percentages also vary by family type. Among those not in poverty, less than 4 percent of married couples received cash public assistance, while families headed by women with no husband present fell from 12.1 to 9.1 percent. Families headed by men with no wife present fell in between. Among poor families, families headed by women with no husband present had the highest reciprocity rates – 24.1 percent in 2009 (down from 61.4 percent in 1989), while the rates for families headed by men with no wife present and married couples were similar during the same year – from 32 to 35 percent in 1989 and about 19 percent in 1999 – until 2009, when the percentage male-headed families increased.

While poor families are much more likely to receive public assistance than are families above the poverty level, cash public assistance boosts or keeps only a fraction of families out of poverty. An estimated 256,986 families received public assistance in 1989, but it boosted only 21,305 of them out of poverty (U.S. Bureau of the Census, 1993b). These numbers decline in later years. Figures for 1999 were an estimated 196,887 receiving cash public assistance and 19,814 boosted out of poverty by it, and figures for 2009 were, respectively, estimates of 104,434 and 6,246 (U.S. Bureau of the Census, 2003b, 2010b). (The same data sources estimated family poverty numbers and rates at 277,706 and 9.6 percent in 1989, 234,667 and 7.8 percent in 1999, and 324,884 and 11.0 percent in 2009.)

See Table A7

### Poverty Rate by Educational Attainment Among Persons Age 25 Years and Older



	Not a High School Graduate	High School Graduate	Some College or Associate's Degree	Bachelor's Degree and/or Post Graduate Work
□ 1989	18.9%	7.9%	5.9%	2.6%
▣ 1999	18.8%	7.8%	5.5%	2.7%
■ 2009 ACS*	26.4%	12.6%	10.4%	3.8%

Source: U.S. Census Bureau.

Note: \* - 2009 ACS covers January 2008 through November 2009.

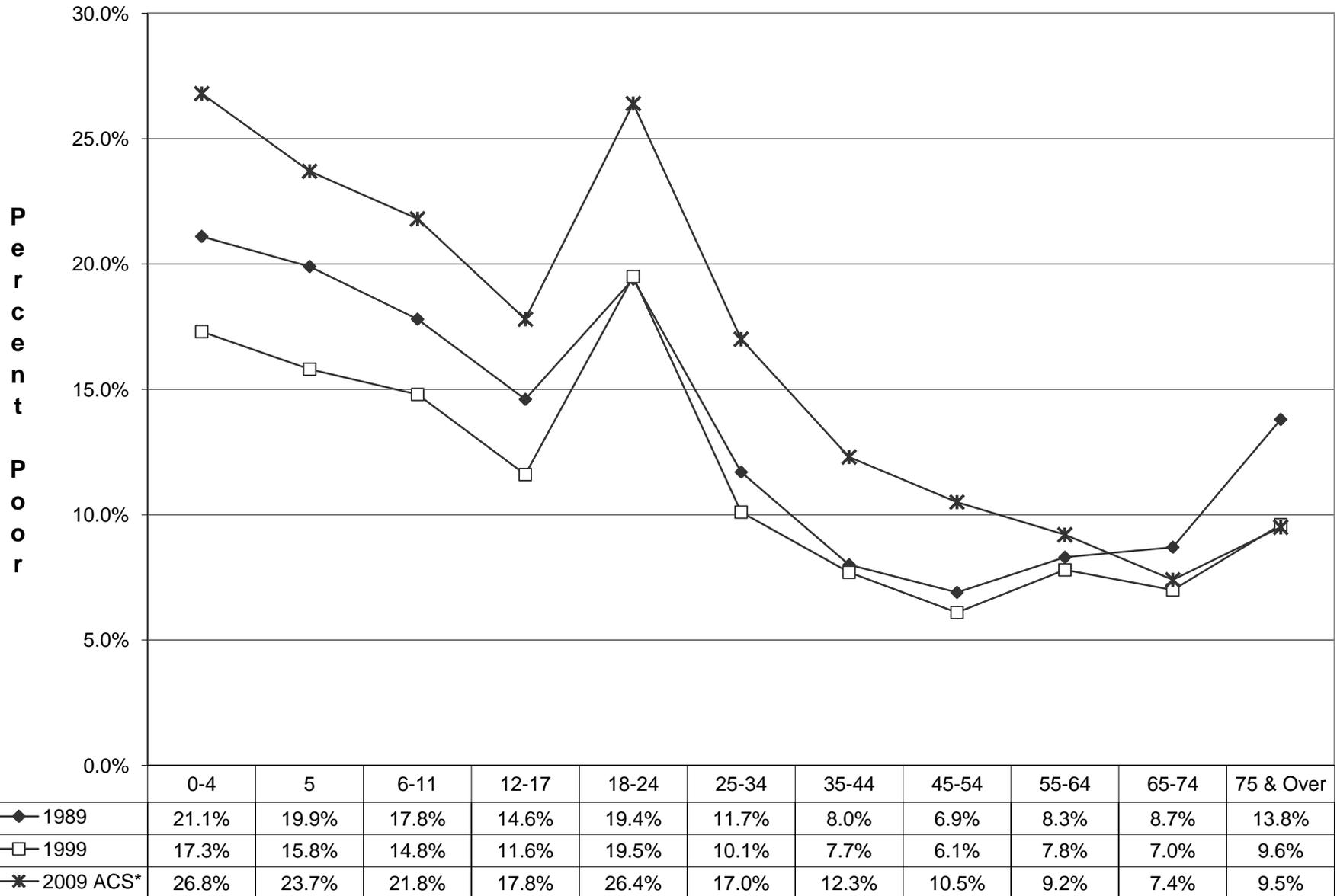
## EDUCATIONAL ATTAINMENT

The skills and knowledge acquired with greater educational attainment tend to be less common and in greater demand. Consequently, employment is steadier and earnings generally are higher. In this sense, greater educational attainment indicates the ability to earn more money over the years. Therefore, it is not surprising that the risk of poverty is lower for more educated people. The chart above shows that poverty rates are highest among those without a high school education and lowest among those with a bachelor's degree or more. The greatest reduction in the risk of poverty happens when people get their high school degrees. Some college or an associate's degree reduces the risk further, but not as far as a bachelor's degree or post-graduate work.

However, even among the most highly-educated, poverty rates fluctuate over time. American Community Survey data show the highest poverty rates across all educational levels in 2009, while poverty rates were lower for each level in 1989 and 1999.

See Table A8

### Poverty Rates by Age Groups



Source: U.S. Census Bureau.

Note: \* - 2009 ACS covers January 2008 through November 2009.

## AGE GROUPS

The risk of poverty varies by age group, and the differences charted above may be best understood as part of life-cycle changes. As mentioned earlier, the addition of a child may tip a family into poverty – either by itself or because the family’s income is reduced. Sooner or later, though, children enroll in school and become more capable of caring for themselves. These changes eventually enable adults to orient their activities more towards earning an income, and it is common for 16- and 17-year-olds to earn money with part-time jobs. Consequently, as the chart above illustrates, the poverty rates for children decline as they grow older.

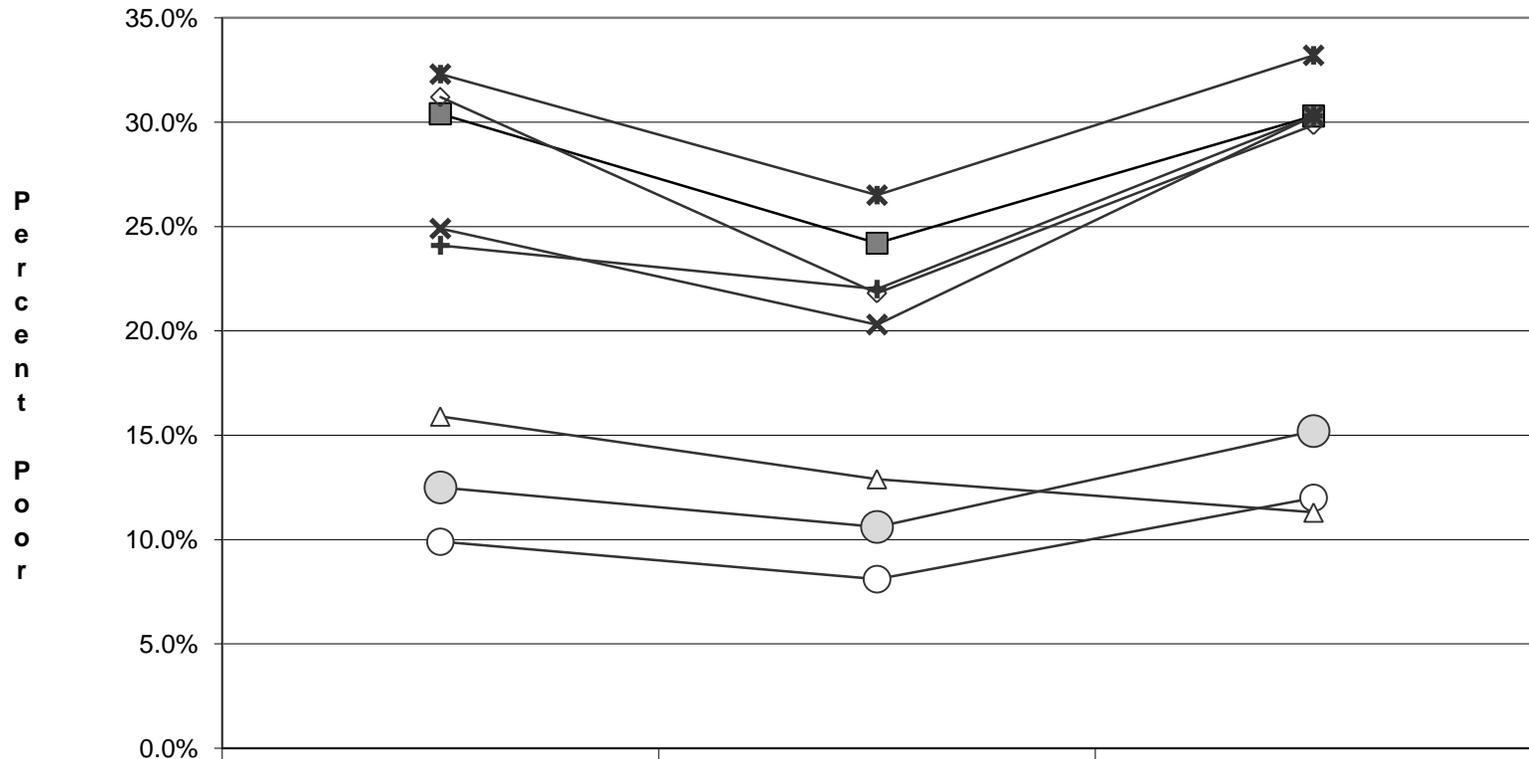
The risk of poverty increases for 18-to-24-year-olds for several reasons. Young adults often are on their own for the first time. They may have low-paying jobs, be enrolled in college and living off-campus, and/or are unmarried. (As detailed in an earlier report, off-campus college students and unrelated individuals have higher poverty rates.) In addition, some may just be starting childbearing.

Poverty rates drop substantially with progressively older age groups. This may reflect the converse of reasons suggested above. There may be older, fewer or no children at home, which simultaneously lowers the poverty thresholds for families and enables adults (and older children) to earn more money. People also earn more with work experience, seniority or career advancement, and older adults are more likely to be married. This trend holds until late middle-age (55-64) or early old-age (65-74), when people are less likely to work and increasingly likely to have lost a spouse – and any associated income.

Nevertheless, the most surprising change evident above may be the reduced poverty rates of the elderly, especially those age 75 and older. For most age groups, the poverty rate fell from 1989 to 1999 and rose from 1999 to 2009. However, the poverty rates for people 55-plus appear to remain close to 1999 levels. What makes this remarkable is that the number of people age 75-plus for whom poverty status was determined rose from 501,000 to about 702,000 in about 20 years.

See Table A9

### Poverty Rates by Race and Hispanic Status



	1989	1999	2009 ACS*
○ Total	12.5%	10.6%	15.2%
○ White^, not Hispanic	9.9%	8.1%	12.0%
■ All Minorities Combined	30.4%	24.2%	30.3%
✱ Black^	32.3%	26.5%	33.2%
✚ American Indian/Alaskan Native^	24.1%	22.0%	30.3%
△ Asian/Pacific Islander^	15.9%	12.9%	11.3%
◇ Other, 2+ Races^	31.2%	21.8%	29.9%
✱ Hispanics~	24.9%	20.3%	30.3%

Source: U.S. Census Bureau.

Notes: ^ - Races are not completely comparable across time; ~ - Hispanics may be of any race; \* - 2009 ACS covers January 2008 through November 2009.

## RACE AND HISPANIC STATUS

The risk of poverty varies by race and Hispanic status.<sup>10</sup> The chart above shows that non-Hispanic whites – the “majority” segment in society – have had the lowest poverty rates, ranging from 8.1 to 12.0 percent. This contrasts with the overall poverty rate for minorities, which fell from 30.4 percent in 1989 to 24.2 percent in 1999, but has since risen to 30.3 percent. The overall minority poverty rate in Ohio largely reflects the experience of blacks, and blacks have had the highest poverty rates in this time period, ranging between 33.2 and 26.5 percent. These rates contrast with the experience of Asians and Pacific Islanders, whose poverty rates, the lowest of any minority group, fell from 15.9 to 11.3 percent – now essentially the same as non-Hispanic whites. The poverty rates for American Indians, Alaskan natives, and persons of other races – including those of two or more races – typically fluctuated in the 20-to-30 percent range. Hispanics, who may be of any race, also were in the same range.

The most recent data show that non-Hispanic whites comprised about 1,109,000 – 64.9 percent – of the nearly 1,710,000 poor people in Ohio. Of the remaining 601,000 (35.1 percent), blacks are the next largest segment – 432,000 (25.3 percent), followed by Hispanics – 94,900 (5.5 percent), persons of two or more races – 56,900 (3.3 percent), persons of some other race – 24,100 (1.4 percent), Asian and Pacific Islanders – 20,000 (1.2 percent), and American Indians and Alaskan Natives – 5,900 (.3 percent).

See Table A10