



## Increase Family Security in Ohio

Ohio can be the best state to raise a family. Together, we can build a state where all children and families live with stability, security, and basic human dignity.

But today, hundreds of thousands of families struggle to afford food, rent, utilities and child care. Four of the 10 most common jobs in Ohio don't pay enough to feed a family of three without food assistance. Corporate price gouging is helping drive inflation and making it harder for parents to buy groceries, fill up their cars and heat their homes.

Since 2005, Ohio has shifted money away from working-class families and toward the wealthy and well-connected through tax cuts and special interest giveaways. As a result, the wealthiest 1% of Ohio households are taking home, on average, over \$50,000 every year in tax breaks. Meanwhile, Ohio households making less than \$65,000 are paying more on average in state and local taxes today compared to what they did in 2005. These tax breaks have drained around \$8 billion a year from Ohio's budget that could be improving the quality of life of kids and families across our state. This is why we are calling on state lawmakers to rewrite the tax code in Ohio to boost opportunity for children and working-class families through a thriving families tax credit.

### An Ohio Thriving Families Tax Credit

A state thriving families tax credit would help with the cost of raising children, alleviate working parents of stress, and make Ohio strong in the future by setting our children up for success. This policy would:

- **Help an estimated 986,000 families pay for the basics:** Tax refunds go directly to families with children to help them afford basic necessities, like rent, food, and child care. An interactive map outlining the impact in each county is [available here](#). Families in every county would benefit.
- **Provide an average tax refund of \$1,063 each year to families who have been left out:** Most of the money from the Ohio thriving families tax credit would go directly to Ohio families who make less than \$65,000; these are the households who pay more in taxes each year on average due to changes to the tax code since 2005.
- **Provide more opportunity to families of color and families in Appalachia:** An estimated 77% (285,000 children) of Black children and 53% (1.37 million children) of white

children would benefit. An estimated 300,000 families in the 32 Appalachian counties would be eligible for the credit.

According to modeling done by the Institute for Tax and Economic Policy, an estimated 1.8 million children under 18 could benefit from a state thriving families tax credit.

Ohio Thriving Families Tax Credit	
Maximum annual tax credit amount per child	\$700
Average tax refund per eligible household	\$1,063
Number of children benefitting*	1,822,262
Number of households benefitting	985,969
Eligibility by income	Less than \$85,000 *
Eligibility by age	All children under age 18

Source: Policy Matters Ohio, based on Institute on Taxation and Economic Policy, October 2022.

\*Tax filers who make \$65,000 or less with a dependent child (or children) are eligible for the maximum annual tax credit amount per child. Tax filers who make over \$65,000 will receive less than the full amount until the credit phases out at \$85,000.

## Challenge

An estimated 463,841 children lived in poverty in 2021. Growing up in constant insecurity and stress harms children’s ability to learn and grow and limits their long-term opportunities. Compared to their more affluent peers, children who grow up in poverty are more likely to do worse in school, have worse health outcomes and get involved with the criminal legal system as adults.

## Opportunity

These outcomes don’t have to be the norm for kids from families who are paid low wages. When families have financial stability and resources to pay for the basics, children get better grades in school, are healthier, and are paid more during their lifetime. As Gov. Mike DeWine recently said, “Supporting Ohio’s families now will help children thrive as adults.”

The expanded federal child tax credit showed how a simple solution — direct payments to families with children — could be transformative. Over 1.2 million families in Ohio had more money to pay the rent, put gas in the car, and food on the table. Nationally, an estimated 3.7 million children were kept out of poverty. Child poverty fell to a record low of 5.2% in 2021, in large part due to the expanded child tax credit.

But now, families in Ohio are facing greater hardship because the expanded child tax credit has expired. This is why Ohio lawmakers must act now. Ohio’s children are Ohio’s future.

## Support Child Well-Being: Budget Recommendation

Parents and caregivers work hard, day in and day out, to give children the best possible start in life. State lawmakers can rewrite the tax code to boost economic security of children and families across the state by putting more money back in the pockets of families and increasing the economic security of thousands of families across the state. A thriving families tax credit will help Ohio's children and families succeed

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