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Testimony in Support of the Proposed Ohio Child Tax Credit

Ohio House Ways and Means Committee
Presented by Will Petrik, Director of Policy & Advocacy
RISE Together Innovation Institute
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Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the House Ways and Means Committee, thank you for the opportunity to provide testimony today. My name is Will Petrik, and I serve as the Director of Policy & Advocacy at RISE Together Innovation Institute.

At RISE Together, we believe that every child deserves the resources and opportunities they need to thrive. No family should have to choose between paying rent, putting food on the table, or affording childcare. Yet today, too many families in Ohio are struggling to make ends meet.

The Problem: Too many families are struggling with rising costs and low-wage jobs

The cost of housing, food, healthcare, and childcare has risen significantly, and it's a major issue for families. 94% of parents said "getting inflation and [the] cost of living under control" was an important concern, according to a recent poll from Groundwork Ohio.¹

Imagine a single parent in Columbus with two kids working a full-time job as a home health aide making \$12.25 an hour. Despite their dedication, their hourly wage has not kept pace with the rising cost to live.

The average fair market rent for a 2-bedroom apartment in Franklin County has increased from \$886/month in 2017 to \$1,302/month in 2024.² Meanwhile, seven of the ten most common jobs in the Columbus metro area don't pay enough for a renter to afford a 2-bedroom apartment.³ These jobs, including fast food, retail, home health aides, and cashiers, employ roughly 180,000 residents in the Columbus metro area alone.

This is why a staggering 39% of households are struggling just to cover the basics in Franklin County.⁴ Parents are working hard, but stagnant wages and rising costs are making it increasingly difficult to afford necessities for their children.

¹ "The State of Early Childhood in Ohio: 2024 Poll Results and Implications," based on poll findings from Public Opinion Strategies, slide from Groundwork Ohio webinar, January 2025, <https://bit.ly/3XiuZP>

² Will Petrik and Rob Moore, "Poverty and Economic Insecurity in Franklin County," RISE Together Innovation Institute and Scioto Analysis December 2024, <https://bit.ly/41dxSya>

³ Ibid, <https://bit.ly/4kgOeP5>

⁴ Ibid, <https://bit.ly/3F6ktQP>

The financial stress on families has long-term consequences. Research shows that childhood poverty harms a child's health, education, and their future earnings and opportunities. Childhood poverty weakens the economy by reducing productivity and increasing costs for healthcare, social services, child welfare, and incarceration.

We know that proven solutions exist to provide families with relief, support communities, and give children more opportunities for a better future.

The Solution: Change the tax code to support working families

We support Governor DeWine's proposal to create a refundable Child Tax Credit (CTC), providing up to \$1,000 per child under age seven for families with incomes under \$94,000 (for people who are married filing taxes jointly) and \$69,000 (for single tax filers)

This proposal would provide much-needed relief to families, helping them afford essentials like diapers, groceries, and childcare. In Franklin County alone, the Institute for Taxation and Economic Policy (ITEP) estimates 64,500 children and their families would benefit, bringing an estimated \$36 million directly into the local economy. ITEP estimates an average annual tax cut of \$940 for 38,500 households with children in Franklin County.⁵

Research shows that refundable tax credits improve children's health and education, increase family financial stability, and reduce child poverty. At the height of the pandemic, federal lawmakers expanded the federal Child Tax Credit, which expanded peace of mind for millions of families. It provided 1.2 million families in Ohio an average payment of \$442 per month for six months.⁶

The impact was immediate:

- Families had **more money to pay the rent, put gas in the car, and food on the table.**
- Fewer families in Ohio **reported that they didn't have enough to eat.**⁷
- 70% of parents said the payments **helped them better manage rising prices.**⁸
- Nationally, **child poverty fell to a record low** of 5.2% in 2021.⁹

Researchers at Columbia University have done significant work on the benefits and costs of federal Child Tax Credits. In their latest research, they estimate a total social benefits of \$15 for every \$1 of costs of the program.¹⁰

⁵ Franklin County Child Tax Credit analysis provided by the Institute on Taxation and Economic Policy (ITEP), email from Kamolika Das, Local Policy Director, February 25, 2025.

⁶ Will Petrik, "What's at stake for families as monthly child tax credit payment ends," Policy Matters Ohio, January 2022, <https://bit.ly/4hYlQ2U>

⁷ Will Petrik, "Expanded child tax credit immediately improved life for Ohio children and families," Policy Matters Ohio, September 2021, <https://bit.ly/4i63AnW>

⁸ Leah Hamilton, Stephen Roll, Mathieu Despard et. al, "The impacts of the 2021 expanded child tax credit on family employment, nutrition, and financial well-being," Brookings Economy and Development Program, Brookings Institution, April 2022, <https://bit.ly/41vaZYf>

⁹ John Creamer, Emily A Shrider, Kalee Burns, and Frances Chen, "Poverty in the United States: 2021, US Census Bureau, September 2022, <https://bit.ly/4hVapZu>

¹⁰ Irwin Garfinkel, Elizabeth Ananat, Sophie M. Collyer, Robert Paul Hartley, Buyi Wang, and Christopher Wimer, "Update of the Benefits and Costs of a Child Allowance—April 2024," New York: Center on Poverty and Social Policy, Columbia University, accessed on February 24, 2025, <https://bit.ly/436tlQF>

The Economic Benefits: Strengthening Families and Boosting Local Economies

Research shows that when working families receive one-time tax refunds, they tend to spend that money locally, boosting the economy. A refundable Child Tax Credit would have the same effect—putting money back into communities, supporting economic growth, and improving family well-being.

Voters want a Child Tax Credit to provide tax relief to working families with children

A recent Groundwork Ohio poll found that 87% of likely voters support a Child Tax Credit to provide tax relief for working families, including 80% of Republicans, 95% of Democrats, and 89% of Independents.¹¹ This is a bipartisan, widely supported solution that would provide tangible relief for families across the state.

Please prioritize tax relief for working families in the state budget

In conclusion, we urge you to support the Child Tax Credit and ensure it is included in the budget. With your support, we can prioritize tax relief for families in the budget. A refundable Child Tax Credit is a step toward making sure more kids have resources they need to thrive. By passing this policy, you have the opportunity to make a historic investment in Ohio's children, working families, and the future of our state.

Thank you for your time and commitment to Ohio families. I am happy to answer any questions.

¹¹ "The State of Early Childhood in Ohio: 2024 Poll Results and Implications," based on poll findings from Public Opinion Strategies, slide from Groundwork Ohio webinar, January 2025, <https://bit.ly/41xg8IG>

