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one medical issue, pink slip or other crisis away from plunging into severe poverty, according to a new report from the Corporation for Enterprise Development.

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Financial security remains elusive for almost half of Ohio households, which often are one medical issue, pink slip or other crisis away from plunging into severe poverty, according to a new report from the Corporation for Enterprise Development.

Many working-class families face the very real threat of tumbling into destitution because they lack sufficient savings to withstand a significant loss of income.

And economic insecurity is reportedly getting worse for Ohioans.

The state has implemented some good policies to encourage residents to build up and protect their assets, the corporation said. But some of those policies could be upended in the near future.

The state lags the rest of the nation in some important economic measures, which contribute to many families living perilously close to financial catastrophe.

“If something were to happen, like unemployment or a medical emergency, it doesn't take very long for families to really be on the edge,” said Kasey Wiedrich, senior research manager with the Corporation for Enterprise Development and co-author of the report.

Ranks 36th in U.S.

The Corporation for Enterprise Development last week released its 2014 Assets & Opportunity Scorecard, which evaluates and grades states based on 66 financial,

employment, housing, education and health care measures. The group is a nonprofit

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Ohio were delinquent, compared to 3.6 percent nationwide.

People in Ohio are less likely than their U.S. peers to create new businesses, and the state's homeownership rates are significant lower than the national average, the report said.

“Where you do really poorly is the disparity in home ownership, so who owns the homes in Ohio,” Wiedrich said. “People of color are far less likely to own homes, and so are low-income people.”

But one of the report's most grim revelations is that about 45 percent of Ohio households lack sufficient savings to survive for three months at the federal poverty level if they experience a loss of income, the report said.

These households are considered “liquid asset poor,” meaning residents may own a home or car, but have no cash, savings or retirement accounts that can be liquidated in case of crisis. The share of Ohio households in this group has increased 1.5 percentage points from last year's report, and it's up from less than 40 percent in 2006.

Most Ohio households below the official income poverty line of \$23,550 for a family of four are liquid asset poor, the report said. But almost one in four households with annual incomes between \$50,881 and \$80,952 also have less than three months of savings to sustain at the poverty level, which would be \$5,887 for a family of four.

### Financial emergency

Families that lack sufficient savings that experience a financial emergency may have to go deep into debt to pay the bills. That's if they can get loans. About 56 percent of Ohio's consumers have subprime credit.

Some families may seek public assistance. Some may be forced to sell their homes,

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were unemployed at some point during that year was 15.7 percent, according to the U.S. Bureau of Labor Statistics.

The Economic Policy Institute projects that 12 percent of U.S. workers will be unemployed at some point this year.

Connie McFarren, 35, of Kettering, worked as a paralegal for 12 years, but was laid off several years ago.

McFarren received unemployment benefits for a while. In May 2011, she opened a small business, Cake, Hope & Love, a specialty cake and cupcake shop located at 1490 N. Fairfield Road in Beavercreek.

McFarren said her family is barely scraping by even though her husband also works, and the cake shop has a solid customer base.

"We're barely making it," she said. "I was the head of household, and so we lost two-thirds of our income when I was laid off, and that was a huge adjustment."

McFarren said her family exhausted their savings long ago, and she is in the process of deciding whether or not to find another job. But she said she cannot accept just any position, because she has three young children and it would be extremely difficult to pay for after-school daycare.

### Changes needed

Despite significant challenges involving financial insecurity, Ohio ranked 17th in the nation based on its policies aimed at decreasing poverty and creating more opportunities for low- and moderate-income families. The report evaluated 67 policy measures, and Ohio had high scores in some key areas.

But the state can do more to help promote economic stability, advocates said.

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Ohio has better rules than other states regarding eligibility for state benefits and better protections against abusive billing and debt collection practices, advocates said.

But efforts are underway to weaken Ohio's Debt Adjusters Act, which sets limits on how much debt-settlement firms can charge residents in fees for consultation and services, Williams said.

“We need to make sure we maintain the fee caps in the statute,” she said. “Without fee caps, the industry has been known to charge 20 to 40 percent of the debt.”

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