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Struggling MI Youth In Need Of Job, Debt and Education Programs

New Report from Michigan League for Human Services and Demos Details
Challenges to Economic Stability and Future of Michigan's Middle Class;
Recommends Solutions

Read the Report: "Building Michigan's Future Middle Class" <http://bit.ly/lwfQ1s>
Attend Today's Policy Panel: "Building Michigan's Future Middle Class:
Addressing the Economic Challenges Facing Young Adults" <http://bit.ly/l22x6H>

LANSING— Michigan's newly adopted state budget for the next fiscal year contains deep cuts to education, social services for low-income families, and payments to local government, all of which hurt the future of Michigan's middle class, according to a new report by the Michigan League for Human Services and the national policy center Dēmos.

In the newly released "Building Michigan's Future Middle Class: Addressing the Economic Challenges Facing Young Adults," leading MLHS and Demos researchers detail worrying trends in the state. Unemployment rates in Michigan have been higher than the rest of the country for the past decade, and in 2010, the unemployment rate for 25- to 34-year-olds was close to 50 percent higher than the national average. Rising costs make it difficult for students to stay in school and graduate, earnings have declined for workers, especially those with lower levels of formal education, and young adults are increasingly saddled with debt. Young Michiganders are coming of age in an economy ravaged not only by the Great Recession, but also by 30 years of declining opportunity and security, reducing their chances of entering or staying in the middle class.

The report discusses how the earnings of Michigan's young workers, which were above the national average in 1969, are now well below it, even as the median earnings for young workers nationwide declined. Michigan workers in their early to mid-20s, for example, experienced a 55 percent decline in earnings over the last four decades.

Unlike the Michigan Legislature's budget plan, "Building Michigan's Future Middle Class" proposes fiscal solutions that address current issues of deficits, job loss and low tax revenue, while considering long-term, sustainable reforms to revitalize the state economy.

These proposals include:

- Creating a national public jobs program
- Supporting workers' unionization efforts
- Indexing the minimum wage to inflation
- Increasing education and financial aid funding
- Investing in job training programs
- Strengthening the powers of the Federal Consumer Financial Protection Bureau
- Providing paid family and medical leave
- Maintaining the strong state Earned Income Tax Credit
- Providing universal child care

"Michigan's middle class is at the edge of a steep cliff. Today's young adults face steeper financial challenges than their parents did, placing their futures and the future of Michigan's already struggling middle class in peril," said Tamara Draut, Vice President of Policy and Programs at Dēmos. "But it's not just the economy—our public policies have failed to cushion the blow. A previous generation had stronger unions and access to an affordable college education, what are we doing for this generation? Education, cash assistance programs, child income taxes, these are basic social programs that are poised to be decimated."

Karen Holcomb-Merrill, policy director at the Michigan League for Human Services and report co-author said, "The right policies can restore opportunity for Michigan's young adults and rebuild entryways to the middle class. We need a bold state and federal policy agenda. Recent budget proposals to reduce the state's Earned Income Tax Credit, lessen funding for higher education, and increase child care costs will only further weaken young adults' ability to obtain the skills they need to become economically secure and meet their basic expenses. At a time when Michigan is seeing some of its first job growth in over a decade, the state Legislature and governor threaten to unravel the state's social fabric and abandon the Michigan's future workers."

The paper, "Building Michigan's Future Middle Class: Addressing the Economic Challenges Facing Young Adults," will be released at a policy forum today from 1-3:30 p.m. at the Lansing Radisson. Speakers are Tamara Draut, Charles Ballard, Lou Glazer and Sam Singh.

For further information or to arrange interviews see the contacts above.

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