

Falling Behind in Michigan:

The Economic Challenges Confronting a New Generation

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Dēmos

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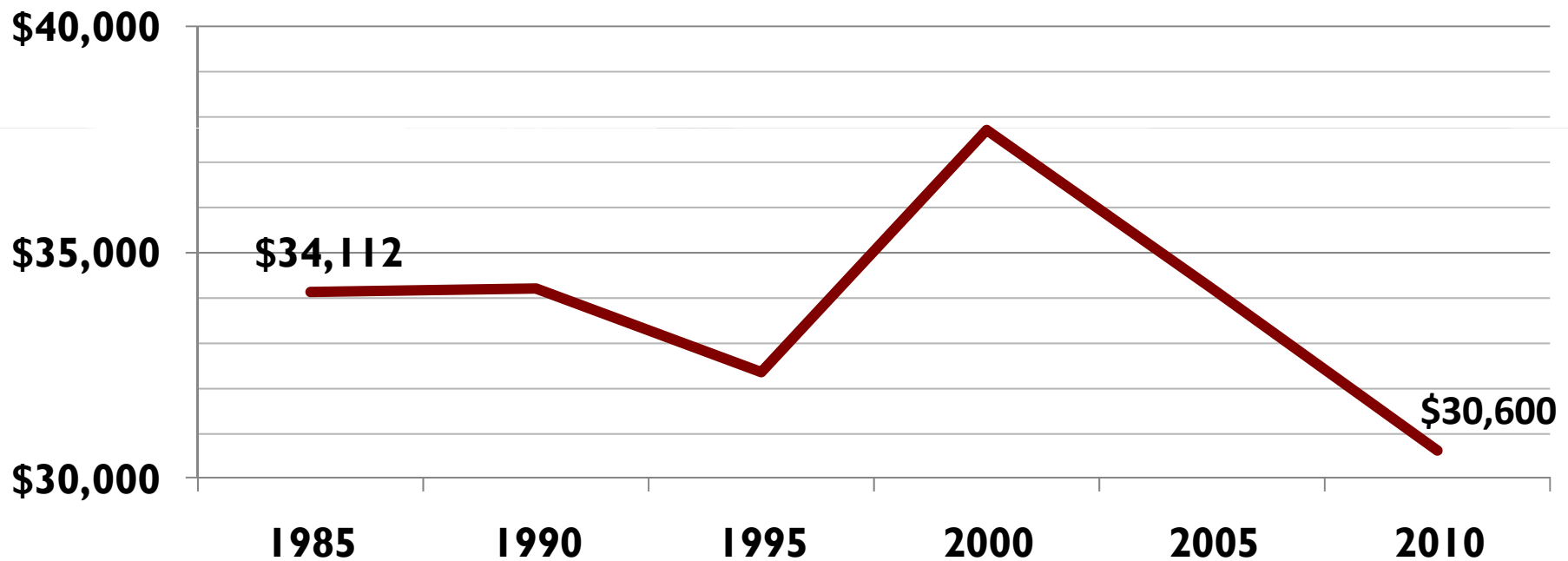
Dēmos: Who We Are

Dēmos is a non-partisan public policy research and advocacy organization. We work with advocates and policymakers around the country in pursuit of four overarching goals:

- A more equitable economy with widely shared prosperity and opportunity.
- A vibrant and inclusive democracy with high levels of voting and civic engagement.
- An empowered public sector that works for the common good.
- Responsible U.S. engagement in an interdependent world.

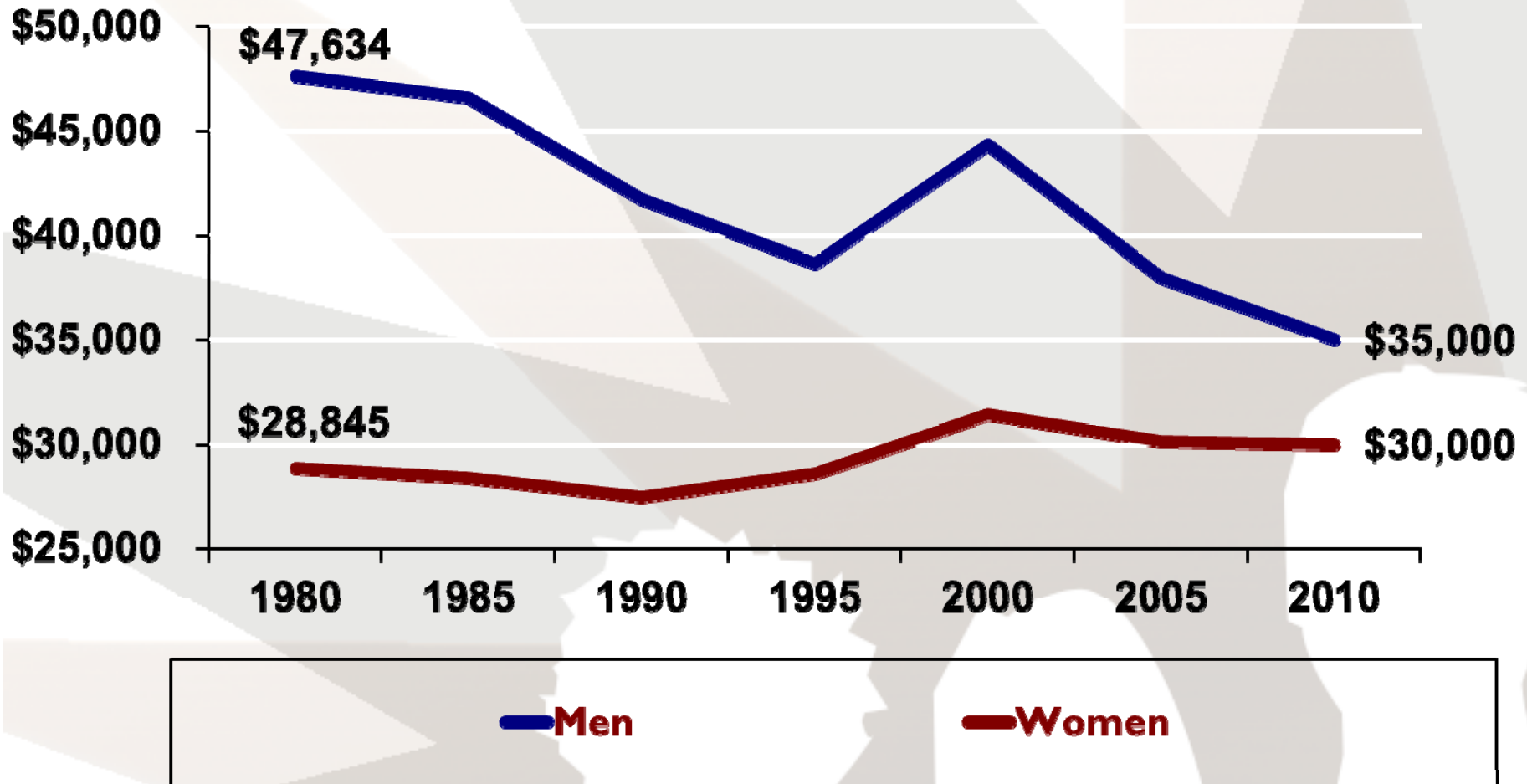
Paychecks Plummet

**Median Earnings of Michigan's Young Workers
(25-34 yrs old), 1980-2010 (2010 dollars)**



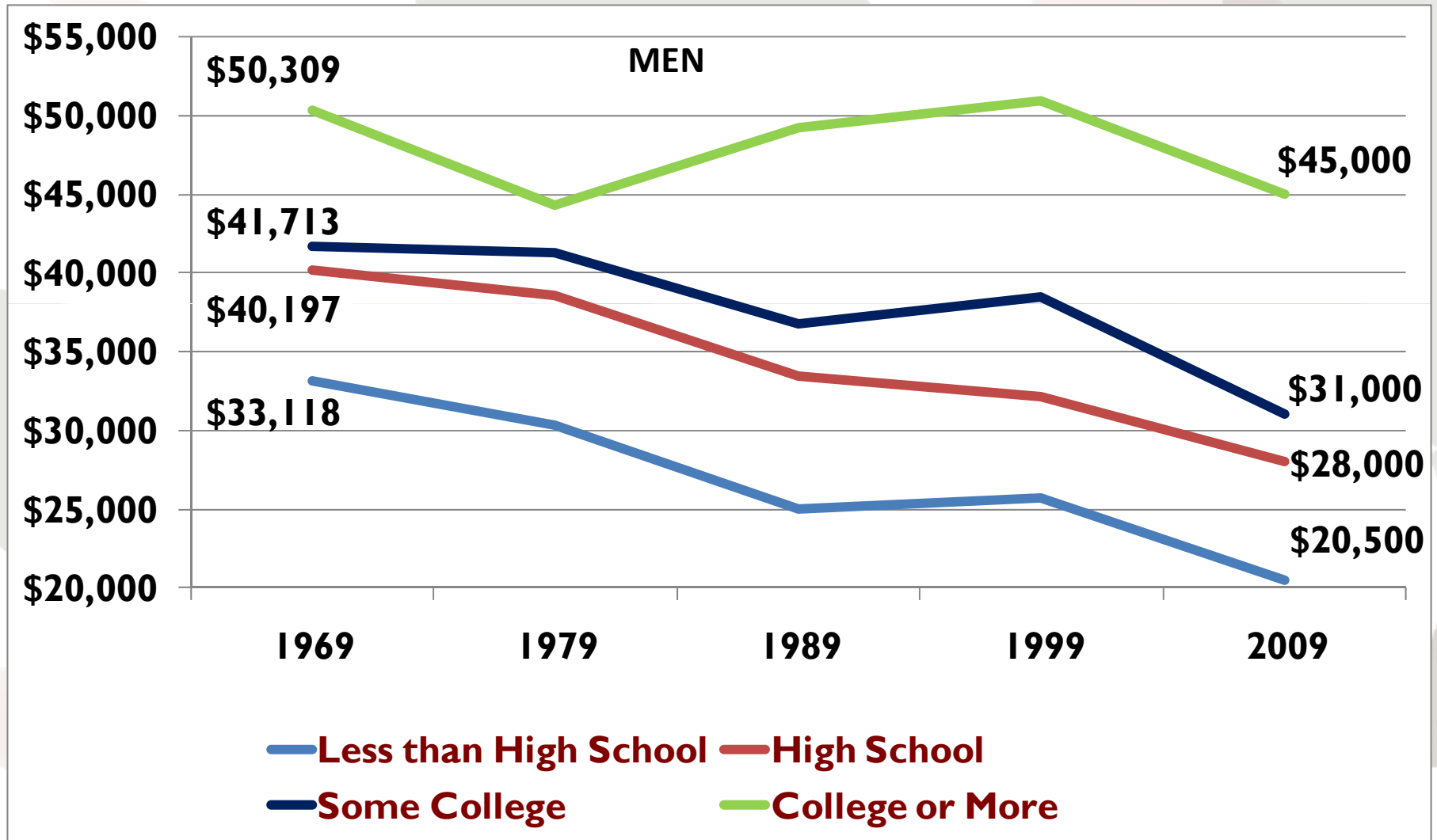
Source: US Department of Commerce, Bureau of the Census, Current Population Survey, March Supplement, 1980-2010.

Median Earnings of Michigan's Young Workers (25-34 yrs old) by Gender, 1980-2010 (2010 dollars)



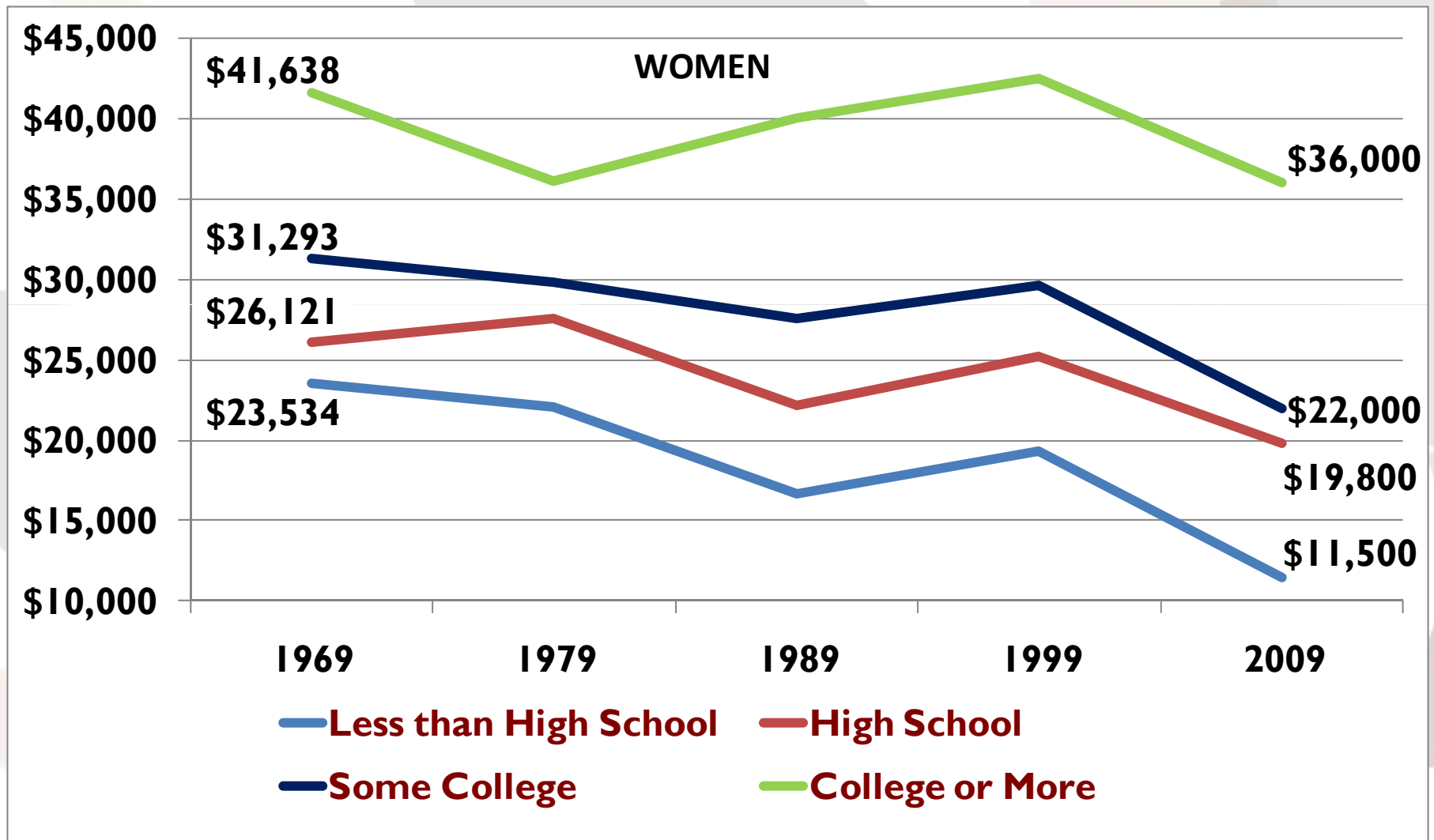
Source: US Department of Commerce, Bureau of the Census, Current Population Survey, March Supplement, 1980-2010.

Median Earnings of Michigan's Young Working Men (25-29 yrs old) by Education, 1969-2009 (2009 dollars)



Source: US Department of Commerce, Bureau of the Census, Current Population Survey, March Supplement, 1980-2010.

Median Earnings of Michigan's Young Working Women (25-29 yrs old) by Education, 1969-2009 (2009 dollars)



Source: US Department of Commerce, Bureau of the Census, Current Population Survey, March Supplement, 1980-2010.

Declining Job Quality and Security

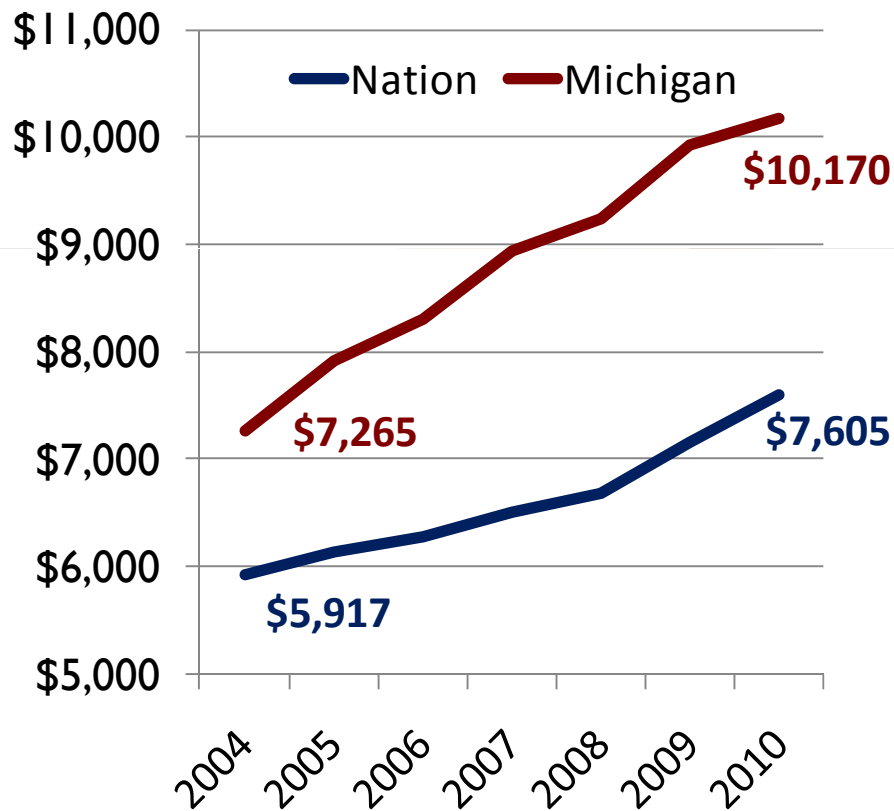


- **Less than two-thirds** of Michigan's young workers (59%) have retirement plans at work.
- Unionization rates among Michigan's young workers have **declined 50 percent** between 1983 and 2007
- In March 2011, **11.4% of Michigan's young workers are unemployed**, while 9.7% of 35+ are unemployed (unadjusted)

Source: Economic Policy Institute's analysis of Current Population Survey data; US Department of Commerce, Bureau of the Census, Current Population Survey, March Supplement, 1980-2010.

The Costs of College

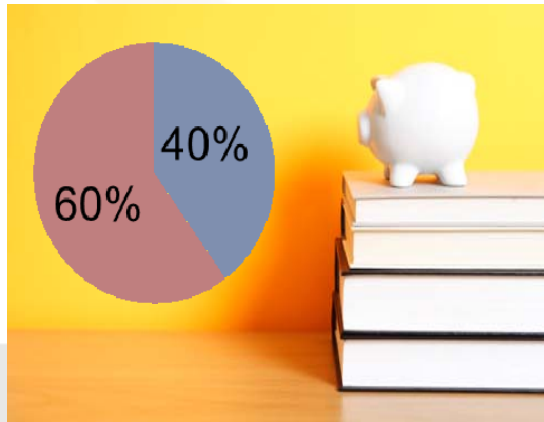
**Tuition and Fees, Public 4-yr
Michigan Colleges (2010 dollars)**



- Real tuition and fees at Michigan public four-year universities **increased by 134%** from 1990-2010
- Michigan's full-time community college students will pay \$2,681 in tuition and fees—only 20% of the total student budget

Source: The College Board. 2010. Trends in College Pricing, 2010. Tables 6c & 4a; State Higher Education Executive Officers. 2010. State Higher Education Finance, 2010.

The Shifting of Costs

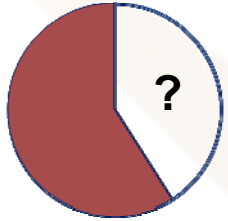


- Public costs
- Student costs

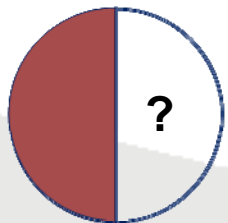
- In 2010, Michigan families with students bore **60% of the tuition costs of public higher education** (ranked 45th among states)
- 2010 state appropriations per student in Michigan have **fallen over 30% since 1995** (46th) and **nearly 20% since 2005** (48th) to \$4,822
- **Nearly two-thirds (59%)** of 2008 four-year college graduates in Michigan had student debt.
 - Their average student debt: **\$23,489**

Source: State Higher Education Executive Officers. 2010. State Higher Education Finance, 2010.

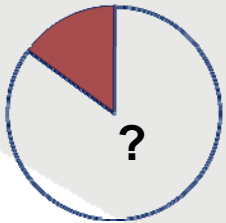
The Challenge of Completion



- Only **3 out of 5** Michigan students (59%) who begin college as full-time students at a four-year college complete a bachelor's degree within six years



- Young adults from high-income families in Michigan are **twice as likely to enroll** in postsecondary education as those from low-income families (<\$25,000)

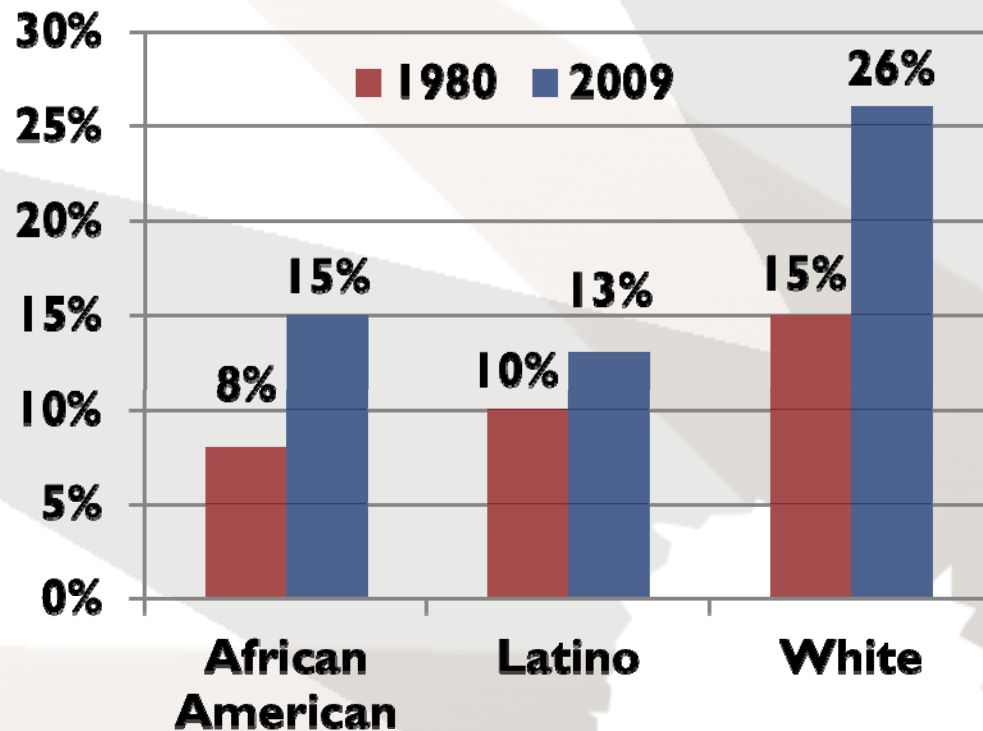


- Among Michigan students at community colleges **only 15% complete a credential** (BA, AA, certificate) within six years

- Among Michigan's community college students, only 17% of Whites, 12% of Latinos, and 6% of African Americans graduate in three years

Source: National center for Higher Education Management Systems Information Center; Advancing the Dream. 2005; Complete College America.

The Need for Higher Education

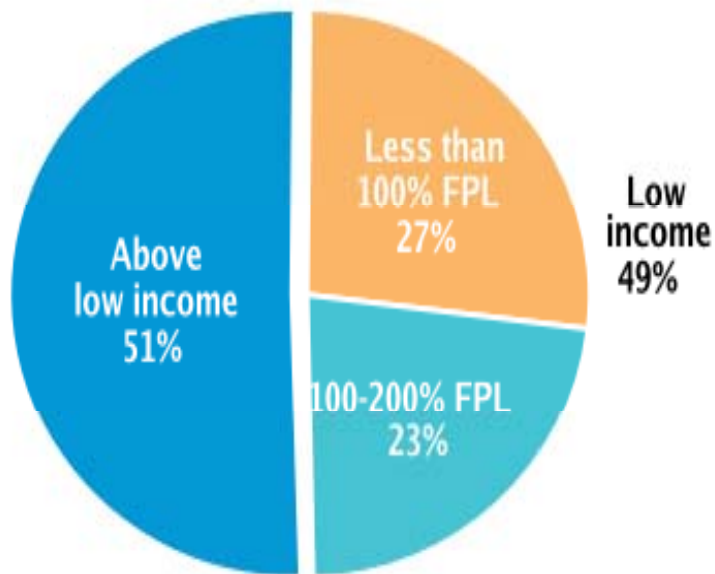


- **Two-thirds of all jobs** in Michigan will require some postsecondary training by 2018
- In 2009, only 26% of Whites, 15% of African Americans, and 13% of Latinos had a 4-year degree or higher in Michigan

Source: US Census Bureau, Factfinder and American Community Survey.

High Poverty, Little Support

Young children by income, 2009



Among young low-income children, 13% live in extreme poverty (less than 50% FPL).

© National Center for Children in Poverty (nccp.org)
Michigan Early Childhood Profiles

- In 2009, **half of Michigan children** lived in low-income families
 - This in spite of two incomes: **Both parents work in three out of five** Michigan families with children under the age of six
- In the Midwest, **annual child care for two children is \$16,565**
 - This equals 75% of 4-person family income at 100% Poverty Line; 38% of income for 200% Poverty Line

Source: National Association of Child Care Resource and Referral Agencies. "Most Recent Child Care Data by State."

Investing in Families and Workers

- Michigan does not offer Paid Parental Leave—only CA, NJ, and WA share this distinction
- In 2010, Michigan had one of the lowest eligibility cutoffs for child care subsidies—a family of three **only eligible if below 130% of poverty line (\$23,880)**
 - Michigan parents also ineligible for child care assistance while searching for a job
- Patchwork childcare cause high turnover: replacement costs alone cost Michigan employers **\$3,700 for a minimum wage earner!**—12.5 weeks—and costs care-workers jobs, income, and stability

Source: National Association of Child Care Resource and Referral Agencies. 2010. Parents and the High Price of Child Care 2010; Michigan.gov “Workforce Programs”

Potential Michigan Policy Fixes

- **Good Jobs, Good Jobs, Good Jobs:**
 - Create a Michigan public jobs program
 - Preserve the “No Worker Left Behind” Program
 - Increase Unionization of Michigan’s workers
 - Apprenticeships and Adult Training and Education
 - Raise Minimum Wage
- **Lower Financial Barriers to College:**
 - Increase need-based financial aid
 - Invest in public colleges, as well as college access and completion support programs
- **Invest in Parents and Workers:**
 - Paid family leave and paid sick days
 - Greatly expand child care