



## Michigan by the Numbers: Hard Times Continue

### EXECUTIVE SUMMARY

Despite Michigan's unemployment rate declining for two consecutive months, families in the state continue to struggle. The state's inflation-adjusted median household income continues to drop, the overall poverty rate continues to rise, more households are spending an increasing percentage of their income on housing, and fewer people are covered by employer-based health insurance.

During these hard times, people of color are experiencing the fallout from the state's economic troubles at a higher rate. While Michigan's inflation-adjusted median household income fell 10 percent between 2001 and 2008, African American households saw their median incomes decline 16 percent and Hispanic/Latino households 14 percent, between 2001 and 2008. The same is true of the state's poverty rate. In 2008, Michigan's poverty rate was 14.4 percent, the 17th highest in the nation. The poverty rate for African Americans was 30.3 percent and the rate for individuals of Hispanic or Latino origin was 26 percent, whereas the rate for whites was just below 11 percent.

Children in Michigan also continue to suffer, as their parents' income either stagnates, falls, or is totally eliminated. While the state's child poverty rate remained virtually unchanged between 2007 and 2008, at 19 percent, it is still significantly above the national rate of 17.8 percent. The same is true of children of color. While almost one in every five children in Michigan live in poverty, two out of every five African American children, and nearly one in every three Hispanic or Latino children live in poverty. In contrast, nearly one out of every eight white children lives in poverty. In addition, while the 2008 poverty rate for all children under age 5 in Michigan showed a slight

decline over 2007, the poverty rate for young children still remains higher than that of all children, at 22.4 percent. However, nearly 45 percent of young African American children and 38 percent of young Hispanic or Latino children live in poverty.

At the same time that families struggle with falling incomes and poverty, more families across income levels are spending more on housing, with over half of renters and just over one-third of homeowners with a mortgage spending at least 30 percent of their income in housing costs. In addition, Michigan ranked 6th in the nation in the number of foreclosures in November 2009, despite a change in Michigan's foreclosure law that requires mortgage lenders to work with borrowers before engaging in foreclosure proceedings.

With regard to health care coverage, while the percentage of people with health insurance in Michigan is well above that of the national average, the percentage of Michigan residents without employer-based health insurance continues to rise.

All of these factors combined are leading to an increase in bankruptcies in Michigan and more families turning to public support. However, while there has been a 204 percent increase in food assistance caseloads between the third quarter of 2000 and the third quarter of 2009, there has only been a 6.6 percent increase in the cash assistance caseload over the same time period.

Although the impact of the federal American Recovery and Reinvestment Act has kept thousands of families out of poverty, or from slipping deeper into poverty, data clearly show that many Michigan children and families, especially minorities, are suffering.