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KIDS COUNT looks at children of the recession Michigan families struggle with unemployment, foreclosures

High unemployment is shattering the economic security of children in Michigan with one in every eight children living in a household struggling with job loss and one in every 20 kids affected by foreclosure, according to the Annie E. Casey Foundation's annual *KIDS COUNT Data Book* released today.

The report ranks Michigan 30th among the states (with No. 1 being the best) for overall child well-being, the same as last year. The ranking slipped from two years ago when Michigan was 27. Between 2000 and 2009 an additional 75,000 children in the state fell below poverty level (roughly \$22,000 for a two-parent family of four in 2009) as the state child poverty rate escalated by 64 percent—one of the largest increases in the nation. Michigan's child poverty rate stands at 23 percent, up from 14 percent at the start of the decade.

The *Data Book* looks at 10 key areas of child well-being across states. Parental unemployment and foreclosure data were also included in this year's report, which focuses on the recession.

"While there are bright spots in the report, it does show with startling clarity how deeply the recession has affected families across Michigan," said Jane Zehnder-Merrell, director of the Kids Count in Michigan project at the Michigan League for Human Services. "Unemployment and foreclosures are adult issues but ones that dramatically affect kids, too. These economic stressors place children at much higher risk of worsening health and education outcomes."

Michigan's best ranking is No. 13 for teen births, with 33 births for every 1,000 teens ages 15-19. That compares with a national average of 41 births per 1,000 teens. It also ranked No. 15 for child death rate and No. 19 for teen death rate with big improvements in those areas since 2000.

Michigan's worst ranking was No. 47 for secure parental employment. More than one-third (36%) of all Michigan children under age 18 were living in a household where no parent had full-time, year-round employment in 2009. That compares with 31 percent of children nationally.

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The report also found that 12 percent or 281,000 children in Michigan had at least one unemployed parent in 2010 compared with 11 percent nationally. And 5 percent of Michigan kids were affected by foreclosures since 2007, compared with 4 percent nationally.

Another troubling ranking is No. 40 for infant mortality. Nearly 8 of every 1,000 Michigan babies do not live to their first birthdays, compared with just under 7 of every 1,000 nationally. Michigan also ranked poorly (No. 37) for the percent of low birthweight babies – with 8.6 percent of infants born too small, under 5.5 pounds, compared with 8.2 percent nationally. In Michigan roughly 10,400 babies were affected—putting them at higher risk of developmental delay, chronic disease and even death.

“This report is a clarion call to policymakers for a two-generation strategy. We must invest in preschool and early childhood but we can’t leave out adult education, higher education and job training,” said Gilda Z. Jacobs, president & CEO of the Michigan League for Human Services. “Our kids need a great start in life, but they also must have parents with the skills and the education to get good jobs.”

Unfortunately, adult education has been cut more than 60 percent over the past decade, and colleges and universities will see a 15 percent cut in state funding in the next budget year after years of cuts. Community colleges will see a 4 percent decrease.

Among the strategies recommended in the *KIDS COUNT Data Book* to ease the impact of the recession on children and their families are to strengthen and modernize the unemployment insurance system, prevent foreclosure and strengthen existing programs that supplement low wages, such as the state Earned Income Tax Credit (EITC).

Michigan has moved in the wrong direction on several of these strategies. The Michigan Legislature cut basic unemployment from 26 weeks to 20 weeks, the first state in the country to do that, and it failed to pass legislation to modernize its unemployment system, passing up \$139 million in federal funds to strengthen the unemployment system.

Expiring unemployment benefits will put many more homeowners at risk. In 2009, Michigan lawmakers created a 90-day mortgage mediation program that was recently extended only until next January and should be further extended. The state should also make it a priority to spend its allocated federal Troubled Asset Relief Program Hardest Hit funds for foreclosure prevention; it has \$498 million available to assist homeowners at risk of losing their homes.

Furthermore, Michigan lawmakers voted to cut the state EITC, which supplements low earnings for working parents, from 20 percent of the federal credit to 6 percent. This issue should be revisited when revenues are available.

The report is available at www.kidscount.org.

Kids Count in Michigan is a collaboration of the Michigan League for Human Services, a nonprofit, nonpartisan statewide advocacy group for low-income families, and Michigan’s Children, a nonprofit voice for children and families in Michigan. It is part of a national effort to measure the well-being of children at state and local levels. The state project is supported by the Annie E. Casey Foundation of Baltimore, The Skillman Foundation of Detroit, the Blue Cross Blue Shield of Michigan Foundation, and the Michigan Association of United Ways.

The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. More Michigan data can be found at <http://datacenter.Kidscount.org>.