



ECONOMIC SECURITY

“Food insecurity is a public health problem with serious consequences for children, including greater likelihood of depression, anxiety, poor academic performance, birth defects, and behavior problems.”

The Society for Research in Child Development (SRCD)



At the end of the decade many more children in Michigan lived in economically insecure families as unemployment persisted in the double digits. Between 2000 and 2010 the unemployment rate more than tripled in the state. No county was untouched by the downturn: two of the wealthiest counties—Ottawa and Oakland—saw their unemployment rates quadruple. Unemployment rates ranged from 8 percent in Washtenaw County to 23 percent in Baraga County.

For many job seekers, the shortage of jobs has meant persistent unemployment. By 2010 half of the unemployed were long-term; that is, they had been unemployed for at least half the year or 26 weeks. Many other workers have accepted part-time jobs or employment well below their skill level to maintain some household income. Such dire economic situations in many families has an impact on children—not only as a result of the stress on parents trying to make ends meet on significantly less income but also the instability created by the threat to meeting the family’s basic needs for food and shelter.

Both unemployment and poverty have been linked to food insecurity, defined as not enough food for an active healthy

life, which threatens healthy child development. Children in economically insecure households are more likely to experience hunger than their counterparts in economically secure circumstances. Negative effects from food insecurity have been documented across the life span: nutritional deficiencies in pregnant women and babies born at low birthweight (less than five and one-half pounds); compromised brain development and immune functioning in young children; behavioral problems among school children; and the risk of suicide among adolescents.⁴ The scope of the problem was revealed in 2009 survey data that showed that almost one of every five American children was food insecure.⁵

Two key indicators—the child poverty rate and the percentage of students qualifying for free or reduced priced meals in the School Lunch Program—are reviewed on the county profiles: Both reflect increasing numbers of families struggling to meet basic needs.

⁴ Barbara H. Fiese, Craig Gundersen, Brenda Koester, and LaTasha Washington. University of Illinois at Urbana–Champaign. *Household Food Insecurity: Serious Concerns for Child Development*. Social Policy Report, Volume 25, Number 3, 2011.

⁵ Ibid.



CHILD POVERTY

In 2009 roughly 59,300 more children in Michigan lived in families with income below the poverty level (\$17,600 for a single-parent family of three, and \$22,100 for a two-parent family of four) than in 2005. This expansion in the number of children in the state affected by poverty exceeds the entire child population of Ingham County.

Over those five years the child poverty rate in Michigan jumped 21 percent—from 18 to 22 percent, according to the SAIPE estimates.⁶ By 2009 over half a million (513,550) children in the state lived in families with income below the poverty level. Almost all 83 Michigan counties experienced increases in child poverty with the large affluent counties of Oakland and Ottawa sustaining some of the most dramatic worsening—reflecting the substantial changes in employment opportunities. (Annual poverty rates in Michigan counties can be compared only back to 2005 due to methodological changes.)

⁶ Small Area Income and Poverty Estimates are the only ongoing source of annual child poverty rates that can be compared across all counties.

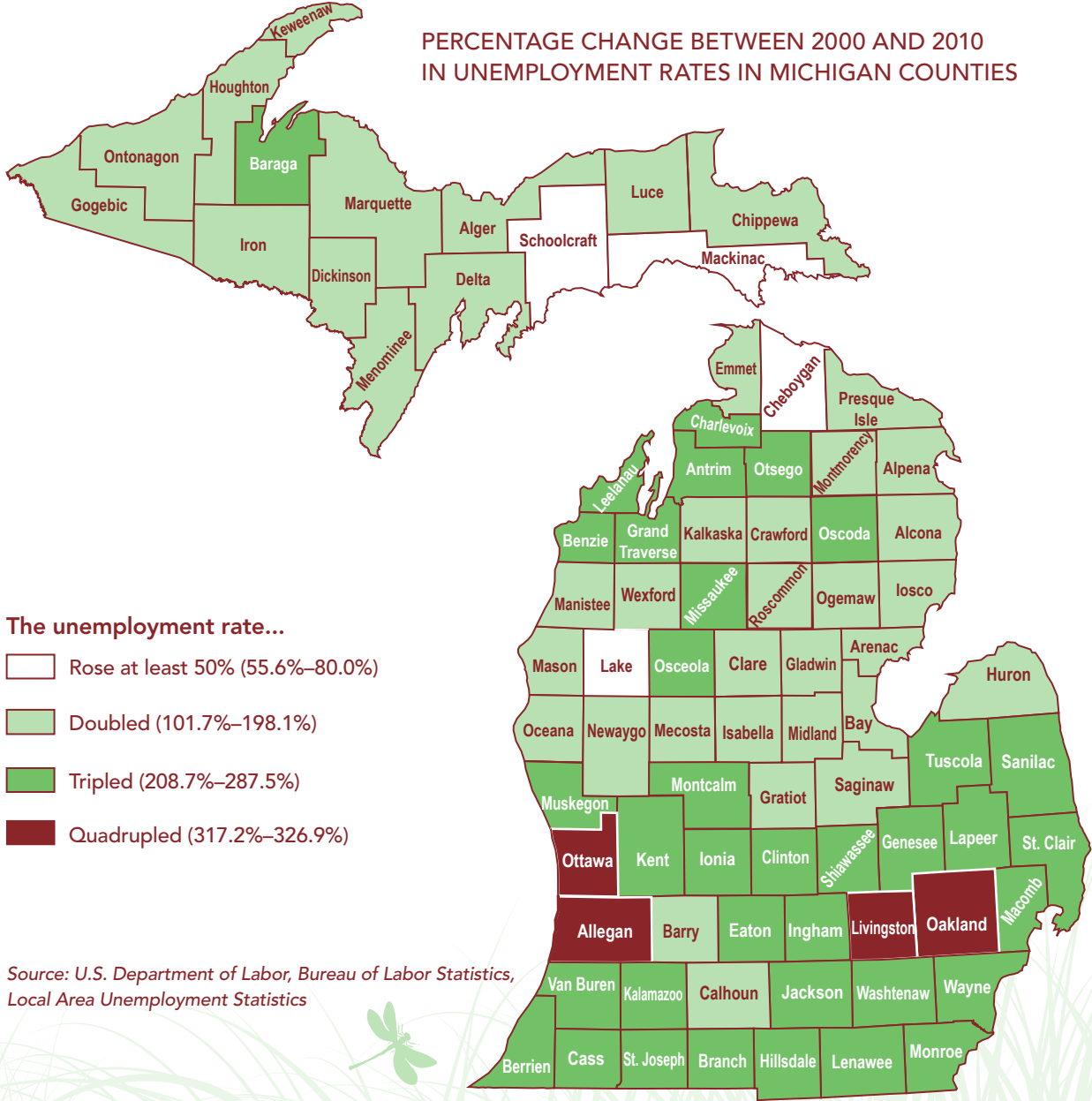
Income Insecurity Levels

	Single Parent/ Two Children under age 18		Two Parents/ Two Children under age 18	
	Annual Income	Monthly Income	Annual Income	Monthly Income
Extreme Poverty (50% FPL)*	\$8,784	\$732	\$11,057	\$921
Federal Poverty Level (100%)	\$17,568	\$1,464	\$22,113	\$1,843
130% FPL	\$22,838	\$1,903	\$28,747	\$2,396
185% FPL	\$32,501	\$2,708	\$40,909	\$3,409
200% FPL	\$35,136	\$2,928	\$44,226	\$3,686
Full-time minimum wage income (\$7.40 per hour)	\$15,392	\$1,283	\$15,392	\$1,283
How far below poverty is full-time minimum wage income?	\$2,176	\$181	\$6,721	\$560

Note 1: These amounts are based on gross income, not net (take-home) earnings.
 Note 2: Poverty rates are adjusted annually for inflation.
 * FPL—Federal Poverty Level for 2010

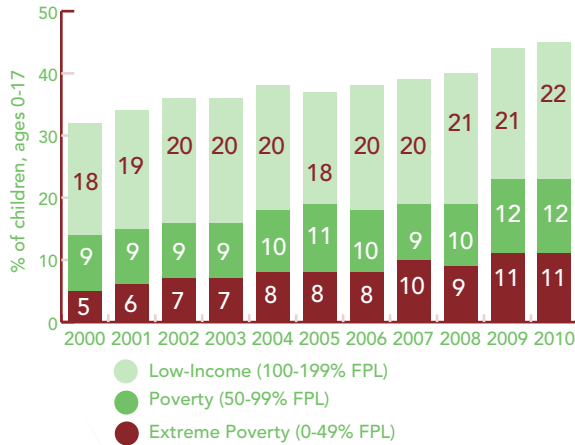
The rise in Michigan’s child poverty rate from the beginning of the decade through 2009 (available only at the state level from the American Community Survey) is even more stark—an escalation of 64 percent. Of even greater concern, more children in the state have slipped deeper into poverty: the percentage of children living in extreme poverty, that is, in families subsisting on income below half the poverty level, more than doubled over the decade—from 5 percent to 11 percent. (County data are not available to review various levels of poverty over this period.) Given that the income amount defined as the poverty level threshold is not enough to cover even the average cost of basic needs, families living on less than half of that income are likely to be living in desperate circumstances. These families with less than roughly \$10,000 gross annual income would be unable to afford even the average cost of shelter in most Michigan counties.

PERCENTAGE CHANGE BETWEEN 2000 AND 2010
IN UNEMPLOYMENT RATES IN MICHIGAN COUNTIES



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Percentage of children in Michigan living in extreme poverty (income less than \$8,500–\$11,000) doubled between 2000 and 2009.

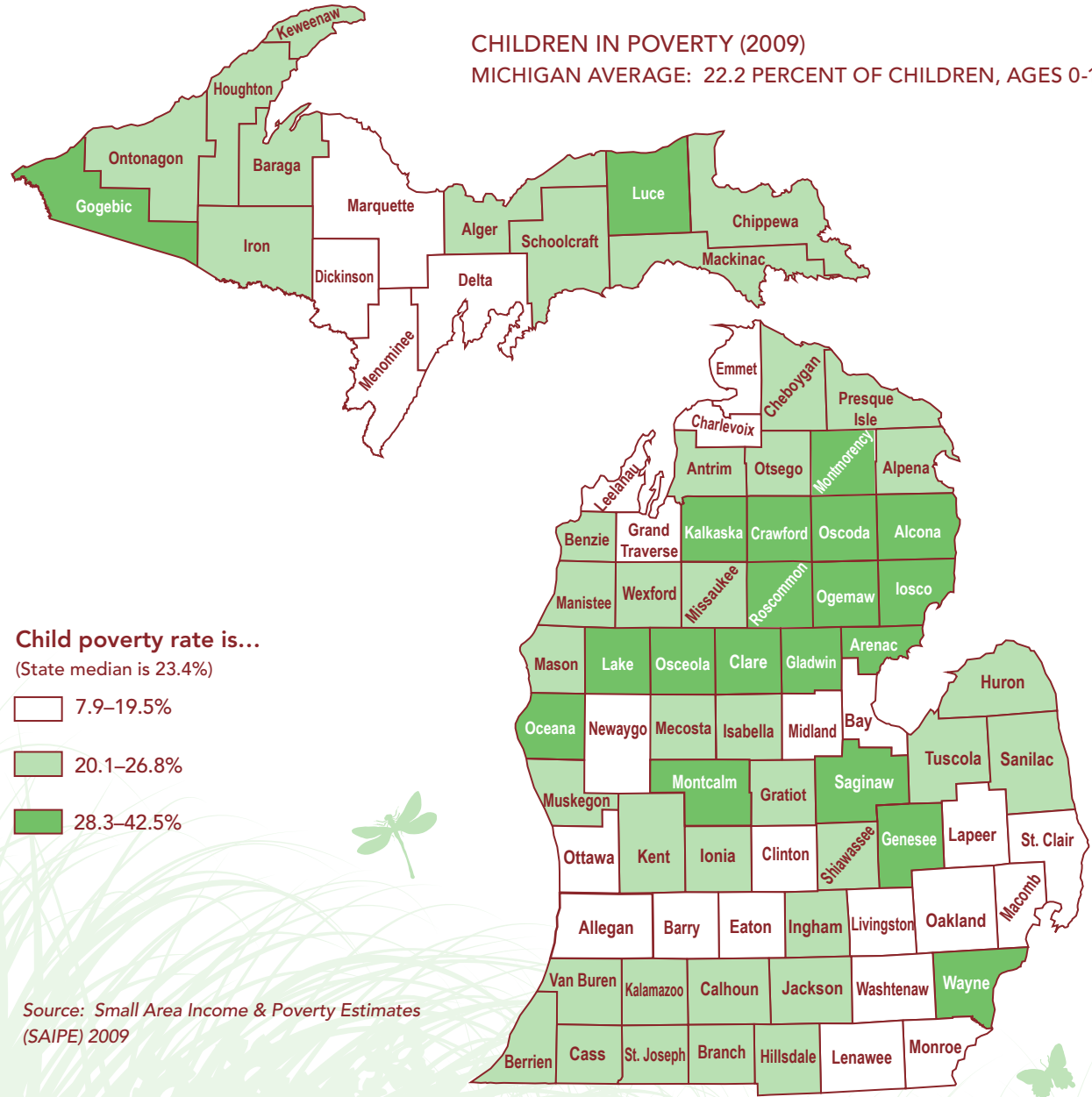


Source: American Community Survey, (Kids Count Data Center)

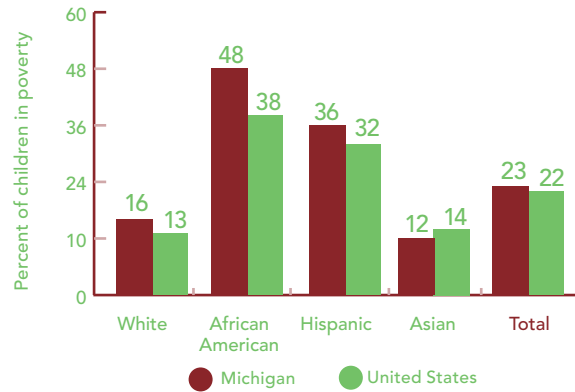
Poverty rates vary dramatically by geography, age and race/ethnicity. The child poverty rate in Lake County was more than fivefold that of Livingston County (43% vs 8%). In 2009 only Livingston County had fewer than 10 percent of its children living in families with income below the poverty level. By 2010 more than one of every four of Michigan's young children under age 5 (28%) lived in families with income below the poverty level, compared with the national average of 25 percent.

Racial/ethnic differences were even more glaring. With almost one of every two African American children living in families with income below the poverty level, they are worse off than their national counterparts—48 percent vs. 38 percent in the nation. They also suffer from a poverty rate triple that of the state's white non-Hispanic children (16%). Alarmingly, more than one of every three Hispanic children in Michigan suffered from poverty. In fact,

CHILDREN IN POVERTY (2009)
MICHIGAN AVERAGE: 22.2 PERCENT OF CHILDREN, AGES 0-17



Child poverty was higher in Michigan than the U.S. for all groups except Asians in 2010.



Source: American Community Survey, 2010 (Kids Count Data Center)

child poverty rates were higher in Michigan than the national averages for all groups except Asian children.

Young children under the age of 5 in Michigan are also more likely to live in families with income below the poverty level (28%) than their school-aged counterparts (22%) and their national peers (25%). Poverty among young children is of particular concern because research shows that the impact is more profound and long lasting when experienced at this critical period of development.

The federal poverty level as conceived in the 1960s is a dated measure in many respects. Although it has been adjusted for inflation over the years, many now-standard expenses such as child care were not considered. Nowadays children in families marginally above the poverty threshold are also considered economically insecure. Poverty analysts have determined that the average costs of basic needs—including any allocation for retirement or such unexpected emergencies as a medical problem or a car repair—require

an income that exceeds double the poverty level. Thus families with income between 100 percent and 200 percent of the poverty level also struggle to meet expenses.

By 2010 a substantial share of the children in Michigan—another fifth (22%)—were growing up in families with income between 100 and 200 percent of the federal poverty level—\$35,100 for a single-parent family of three, and \$44,200 for a two-parent family of four. In recognition of the inadequate poverty measure, eligibility for many programs, particularly nutrition support programs such as free or reduced prices in the School Lunch Program, is set above the poverty level. As a result, eligibility varies widely across multiple programs that assist low-income families.



FREE REDUCED PRICE SCHOOL LUNCH PROGRAM

Almost one of every two public school K-12 students was eligible for free or reduced priced school lunches in 2010. Students are eligible if their family income falls below 185 percent of the federal poverty level—\$32,500 for a single-parent family of three and \$40,900 for a two-parent family of four. Students in families with income below 130 percent of the poverty level are eligible for a school lunch without a charge, while those in families with income above 130 percent of the federal poverty level and below 185 percent of the poverty level pay a reduced price.

Over the years the larger share of students have qualified for a free lunch, and between 2008 and 2010, that percentage grew by six percentage points—from 35 percent to 41 percent of students. By 2010 almost three-quarters of a million (731,000) Michigan K-12 students qualified for a free or reduced price school lunch.

The share of Michigan K-12 students qualifying for a free lunch increased between 2008 and 2010.



Source: Center for Educational Performance Information



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The percentage of Michigan K–12 public school students eligible for a free lunch or one at reduced price rose by 28 percent between 2006 and 2010—from 36 percent to 47 percent, almost half of all students. All 83 counties experienced rising percentages of eligible students. The share of eligible students ranged from 21 percent in Livingston County to an astonishing 93 percent in Lake County.

IMPACT OF ECONOMIC INSECURITY

Poverty reflects not only material hardship but also the emotional stress of coping with continuing financial instability. These factors heighten the risk of disease and untimely deaths. Children in low-income families also often suffer from multiple disadvantages such as living in inadequate housing in unsafe neighborhoods, in locations compromised by environmental hazards; attending low-quality schools; and enjoying little access to parks and other recreational opportunities.

The impact of disadvantage intensifies as children grow. Children who are born into disadvantaged circumstances often receive limited material and psychosocial advantages during early childhood and preschool and thus arrive at kindergarten unprepared for academic success. These are the students more likely to struggle in school, drop out before graduation, become teen parents, and have few skills to negotiate their roles in adulthood as workers, citizens, parents and community members.

Some programs such as the Supplemental Nutritional Assistance Program (SNAP) in Michigan called the FAP (Food Assistance Program) that soften the impact of economic insecurity on children and families have reached record levels of participation. Almost one of every three children in the state was eligible for FAP benefits in 2010: 760,000 children. Of concern is that the benefit was designed as a short-term measure to cover two-thirds of food expenses for an economy meal plan. For many cash-strapped families the average per person benefit of \$125 per month represents the entire food budget. Furthermore Michigan's new cash asset limit of \$5,000 for FAP will present another barrier for families.

Participation in other programs such as cash assistance grew only modestly over the decade, despite the extended recession in Michigan. The erosion in some safety net programs has resulted from the imposition of more stringent eligibility requirements and freezing of benefit levels. The value of the cash benefit for a family of three now represents one-third of poverty level income. These policies threaten the well-being of the state's youngest residents. Yet policymakers at both the state and federal levels have targeted these programs for even more cuts.

