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Child Poverty Increases in Michigan

“This is No Time to Cut Safety Net Programs,” Michigan League for Human Services Says

[Lansing, MI] – Today, the Census Bureau released income data that showed a significant increase in the state’s child poverty rate between 2003 and 2004 and dramatically different trends in the state’s two largest counties. In addition, the state’s largest city, Detroit, had the highest overall poverty rate in the country among metro areas with one-third of its residents living below the poverty line.

“Increasing child poverty puts more children at risk of being left behind. The state legislature and Congress must not make matters worse by cutting programs for poor and low-income families in next year’s budget. Vital programs like Food Stamps and Medicaid help our most vulnerable citizens and children during their formative years,” said Ann Marston, President and CEO at the League.

In Michigan, child poverty rose significantly between 2003 and 2004—from 15 to roughly 18 percent of children. Detroit with roughly 48 percent of children in poverty was second only to Atlanta.

The official 2004 poverty threshold is \$19,311 for a family of four. If one parent works full-time at minimum wage, they will take home less than half that amount. Studies show it takes at least twice the official poverty level just to make ends meet.

In its overall poverty rate Michigan did not experience significant change between 2003 and 2004, but it is one of twelve states where poverty increased more than two full percentage points since 2000, double the national average.

The state’s two largest counties both experienced changes in poverty between 2003 and 2004. While poverty dropped from 8 to 5 percent in Oakland County, it jumped from 17 to 20 percent in neighboring Wayne County.

Since 2000 the poverty rate in Wayne County has climbed by almost seven percentage points while economic conditions improved slightly in Oakland County.

“These trends point to the need for an adequate safety net that will ensure that vulnerable residents in our largest city and county can meet their basic needs during economic downturns and weak recoveries,” said Marston. “Without state and regional policy changes these disparities will continue to grow.”

(more)

The Michigan legislature has proposed deep cuts to a range of programs such as child care and cash assistance that would exacerbate conditions under which many Michigan families are living. For example, the Michigan House has recommended that the maximum cash grant for a mother and two children be reduced by 10 percent—from \$459 per month to \$409. Cash assistance would be limited to 48 months in the parent’s lifetime, and premiums, co-pays, and deductibles instituted for some families.

At the same time Congress has directed its committees to cut spending by \$35 billion over the next five years while creating fast track protection for passing \$70 billion in tax cuts mainly for households with multi-million dollar incomes. Food Stamps (called the Food Assistance Program in Michigan) and Medicaid—two programs that are lifelines for hard-working, low-wage families in Michigan—are targeted for cuts.

More than 25 million people in the nation, including over one million in Michigan, depend on Food Stamps each month to help feed their children: 80 percent of Food Stamp households are families with children. In the nation Medicaid provides health insurance to 38 million children and their parents, and to one and one-half million in Michigan.

“Current state legislative budget proposals requiring co-payments and premiums from poor and low-income families will threaten access to health care,” said Marston. “These families are already struggling to meet their basic needs for shelter, food, transportation, and clothing. If the Michigan legislature’s proposals are adopted, these families will have even fewer resources.”

“Our state and national lawmakers must make food and health care for struggling families and children living in poverty their highest priority. Children without adequate nutrition and preventive health care in their growing years will be left behind as learners and future earners,” said Marston.

The Michigan League for Human Services is a state-level policy organization dedicated to ensuring that the needs of Michigan’s low-income residents are met.

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