

New report details huge rise in poverty in Detroit suburbs

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Data from the US Census Bureau shows that along with a general rise in poverty in the state of Michigan, there has been a sharp increase in poverty in suburban areas.

A study from the nonprofit research institute Data Driven Detroit compared poverty rates in 1999-2000 with those in 2011-2012 using Census Bureau Data and other statistics. The report found sharply higher child and household poverty rates in the suburban communities surrounding Detroit. It demonstrates that poverty in southeastern Michigan is no longer concentrated in the city of Detroit, but has spread to the suburbs and now, in fact, surpasses that of Detroit. When those who are “near poor,” with incomes up to 185 percent of the absurdly low official poverty level, are taken into account, the total number in poverty in southeast Michigan rises to over one million.

Poverty has increased by 66 percent in Michigan since 2001, according to the US Census Bureau’s American Community Survey released in September—the largest increase of any state in the US. Detroit, the poorest big city in the United States, has a child poverty rate of 57.3 percent and a household poverty rate of 41 percent. However, some of the largest percentage increases in poverty have taken place outside the city.

This comes under conditions where officials in both the city of Detroit and the state of Michigan are carrying out huge cuts in essential public services. In Detroit, scores of schools have been closed while the city is slashing essential services like fire protection, cutting pay for city workers and eliminating thousands of jobs. The state of Michigan recently passed legislation reducing the maximum term of benefit for unemployment insurance from 26 to 20 weeks and has cut 20,000 families off cash welfare assistance. Last

year, Michigan Governor Rick Snyder introduced asset tests for federal food benefits and cut the Earned Income Tax credit.

Between 2010 and 2011, nine of 21 communities in Michigan with populations of 65,000 or more saw increases in their poverty rates and 8 of those saw increases in child poverty. Statewide, the poverty rate increased from 16.8 percent to 17.5 percent.

Between 2008 and 2011, several suburban Detroit communities have seen significant increases in child poverty rates. Waterford, Sterling Heights and Shelby Township saw their rates go up by 15, 14 and 14 percent respectively, representing the largest increase in the three counties that make up the Detroit metropolitan area—Oakland, Wayne and Macomb.

According to Forgotten Harvest’s “Poverty in Southeast Michigan” report, between 2000 and 2010 the poor population of the Detroit suburbs increased 96.4 percent and their share of the area’s total rose from 45 to 59.7 percent. Macomb County led the region with an increase of 140 percent, followed by Oakland County with 86.5 percent and those areas of Wayne County outside the city of Detroit with 82.3 percent.

During the period from 2000 to 2011, food stamp eligibility in the three counties increased sharply. Macomb County’s caseloads increased by 347.5 percent while Oakland’s grew by 268 percent and Wayne’s grew by 111.8 percent.

The city of Lansing, Michigan’s capital, has been hard hit as well. Median household income fell 11 percent last year and now stands at \$31,975. That represents a 22 percent decrease since 2008. The number of Lansing residents living in poverty rose to 29.7 percent, an almost 10 percent increase over 2008. There was also a sharp rise—to 39 percent—in the percentage of children living in poverty, compared to

24.5 percent in 2008.

Another indication of social distress is the number of children eligible for free or reduced-price school lunches. Every Detroit suburban district saw an increase and in some cases the number eligible increased exponentially. For example, in the Lakeview district in the Macomb County community of Saint Clair Shores the percentage of those eligible for free school lunches increased from 6.7 percent in 1999 to 66.4 percent in 2011. The Lincoln Park School District saw an increase from 35.4 percent to 78 percent, while the percentage eligible in the Madison District Public Schools in Madison Heights grew from 34.2 percent to 77 percent. Warren Consolidated Public Schools saw an increase from 14.8 percent to 53.9 percent.

The trend in southeast Michigan is part of a broader nationwide trend that has seen suburban poverty rise faster than in urban centers. Fifty-five percent of the poor in major metropolitan areas lived in the suburbs in 2011. Nationwide, a total of 2.6 million more poor resided in the suburbs than the cities and the poverty rate in the largest 100 US metropolitan areas increased from 14.4 percent to 15.1 percent between 2010 and 2011. The largest increases were in McAllen, Texas; Modesto and Bakersfield, California; Albuquerque, New Mexico; and Toledo, Ohio.

In another area critical to social well being, Michigan has suffered a greater decline in employer-based health insurance than any other state. Census data show that only 61.5 percent of the state's population received employer-sponsored health care in 2011, a drop from 76.9 percent in 2001. Southeast Michigan was the area of the state with the largest percentage of uninsured residents. There was a slight decrease overall in the number of uninsured in 2011, primarily due to more people qualifying for Medicaid, the federal medical program for the poor. Michigan's uninsured rate of 11.8 percent is still higher than 2008, when it stood at 11 percent.



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