

Poverty among Michigan children greater in 2015 than during “Great Recession”

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A child in Michigan is more likely to be in poverty now—the state had an official child poverty rate of 22.2 percent rate in 2015—than at the end of the first full year of the recession in 2008. The rate was high enough at that point, just over 19 percent, with about one in five children officially living in poverty. That rate has now increased to more than one in five children. Recent auto layoffs in the state threaten to bring the percentage of children in poverty to new highs.

The 2017 Kids Count report released last week by the Michigan League for Public Policy reports these shocking official numbers. But it also notes that the official federal poverty threshold takes as its benchmark an income of just \$24,339 for a family of four. This is grossly inadequate for even basic necessities. The current official poverty level is just 30 percent of the national median household income. In 1960 a family was considered living in poverty if its annual income was below 50 percent of the nation’s median.

More than 480,000 Michigan children were living in poverty in 2015, up 26,000 in 2008. The total population of the state dropped from 10 million in 2008 to 9.9 million people in 2014, a nearly 1 percent drop. But there was an even greater drop, 7 percent, in children in the state between 2008 and 2014, down to 2.2 million residents aged 0-17. All told, there were more than 160,000 fewer children living in the state in 2014 than half a decade earlier.

The number of children living in families in severe economic distress is actually more widespread than the official poverty numbers reveal. Almost a million Michigan children, or 44 percent, lived in families below twice the poverty level, an income of less than \$4,006 a month. The parents in these families struggle paycheck to paycheck, just one emergency away from falling into abject poverty.

Of these one million, about a quarter million children are even worse off, living in families at the lower end of the income scale. Denoted as in “extreme poverty,” these families have incomes below one-half the official poverty rate, less than \$1,000 a month.

This extreme poverty increased by 11 percent from 2008 to 2015, even as the percentage of children receiving cash assistance dropped by a whopping 64 percent, a result of increased enforcement of the Clinton-era work penalties

imposed by Michigan governors, both Democratic and Republican.

The increase in those in extreme poverty was accompanied by a rise in the rate of children confirmed as victims of abuse or neglect by more than 30 percent. Nearly 17 per 1,000 children were counted as abused or neglected. Over 80 percent of victims in the child welfare system were there because of neglect, due to a failure to provide adequate food, clothing, shelter or medical care, or when the child’s health or welfare is at risk.

As the World Socialist Web Site has noted before, the Kids Count data for child abuse and neglect correlates closely to child poverty.

In 2015, there were nearly 248,000 counts of Michigan children living in families investigated for abuse or neglect, while the count was just over 176,000 in 2009. The highest rate of confirmed abuse was in rural Lake County, a staggering 64 per 1,000 children, twice that of other high-reporting mostly rural counties. Lake County is now the poorest county in Michigan, with a median household income of about \$26,000 among its 11,000-plus residents. The majority of Lake County residents, about 85 percent, are white.

The report also presents profiles of specific areas of the state. In the Detroit area, the number of children in families below the poverty level dropped from 98,438 in 2008 to 96,268 in 2014. However, since the city’s population fell by 14 percent over those same years, the poverty *rate* increased substantially.

In 2008 in Detroit a child had a one-in-two likelihood of living in poverty. By 2014 it was almost three in five. The number of children school-aged children, 6-12, living in Detroit dropped by 40 percent.

Eighty-five percent of children in Detroit lived in high-poverty neighborhoods, compared to 17 percent statewide. Sixty percent are signed up for food stamps, 70 percent get reduced price lunches and 98 percent of Detroit children rely on Medicaid for health coverage. The rate of hospitalizations for asthma among children in Detroit, 46 percent compared to 15 percent statewide, reflects the pervasive poverty and unhealthy living conditions in the city.

According to the MLHS report: “Poverty also touches every corner of the state. In 2015, nearly 28 percent of children living

in rural counties were in poverty compared to almost 24 percent in midsize and 22 percent in urban counties. The child poverty rate is higher in rural parts of the state; however, it increased at a higher rate from 2008 to 2015 in urban counties.”

The report’s statewide child well-being figures include the following:

- Child poverty rates are much higher among minority groups: Almost half—47 percent—of Michigan’s African-American children and 30 percent of Hispanic children live in poverty.

- Sixty-seven percent of children aged 0-5 years have both parents in the workforce. Working a full-time, minimum wage job leaves a parent with a family of three \$1,657 below poverty level each year.

- On average, childcare expenses represent 38 percent of minimum wage earnings.

- Less than 2 percent of children ages 0-12 receive childcare subsidies. The state eligibility level for childcare assistance, a federal block-granted program, is among the lowest in the nation.

Children eligible for benefits under federal entitlement programs comprise close to half the children in the state. Children in families under 130 percent of poverty level with little assets are eligible for SNAP (food stamps) and make up 30 percent of children aged 0-5 years. The rate of school-age children eligible for free or reduced price school lunches in the state is over 46 percent. Fifty percent of the very youngest children received basic food under the federal WIC (Women’s, Infants and Children) program.

At the same time, while births to teens declined 30 percent, the overall rate of mothers receiving inadequate pre-natal care is 31 percent.

The report notes an increase in the percentage of students not proficient in third-grade English Language Arts, from 50 to 54 percent over the previous year. This crucial skill is a basic requirement for reading-based learning in future school years.

The rates of accidents and homicides declined between 2008 and 2014. Accident rates for youth have been reduced by nearly 23 percent and youth homicide rates have improved by almost 26 percent. Black homicide deaths among those 15-19 are still high, 38.6 per 100,000.

A startling finding reported this year is the increase in teen suicides. Youth suicides in the state increased by 38 percent between 2008 and 2014. Suicide rates among both white and African-American youth increased, by nearly 40 percent for whites and 12 percent for African-Americans. The rate of white teens taking their lives is now 11 per 100,000, almost twice that

of black and Hispanic youth.

Democratic President Barack Obama was in office for all of the eight years covered by this year’s Kids Count report. His program of multitrillion-dollar bailouts for the banks and financial institutions paved the way for more demands from the rich.

Since the financial crash of 2008, 95 percent of income gains nationally have gone to the richest 1 percent of the population, while most of the population has not recovered from the “Great Recession,” which officially ended in 2009. The labor-force participation rate has hovered around 63 percent for years, far below its 67-plus high in the 1990s.

Trump wants a \$54 billion decrease in “discretionary” spending on social programs to cover a \$54 billion increase in military spending. Money for low-income housing, education, the environment and other vital areas of social life are to be slashed. Colossal social damage will result as the US Congress takes aim at entitlement programs that now are part of social supports that keep the most distressed families afloat. These include Food Stamps, WIC, Medicare and Medicaid and many federal education subsidies for low-income students in K-12 schools.

This assault is hitting a state already suffering from intense social displacement. In 2009, as a condition of the auto bailout, Obama cut the wages of Big Three new-hires in half, and, as so-called higher-paid legacy workers are forced out, large numbers of low-paid workers now labor in the plants. At the same time, unemployment looms for many. GM cut about 2,000 jobs when it ended the third shift at its Lordstown, Ohio, and Lansing, Michigan plants in January. GM cut nearly 1,300 jobs from its Detroit-Hamtramck assembly plant in March.

These job cuts coincide with unprecedented social disruption in the state’s larger cities. The ongoing water disaster in Flint—and housing crises and water shutoffs in the state’s largest city, Detroit—have stretched into years of acute social disaster for urban residents. In April a new round of water shutoffs to poor residents in Detroit and Flint began, the latest result of the bankruptcy of Detroit engineered by big business and the Democratic and Republican parties in 2013-2014.



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