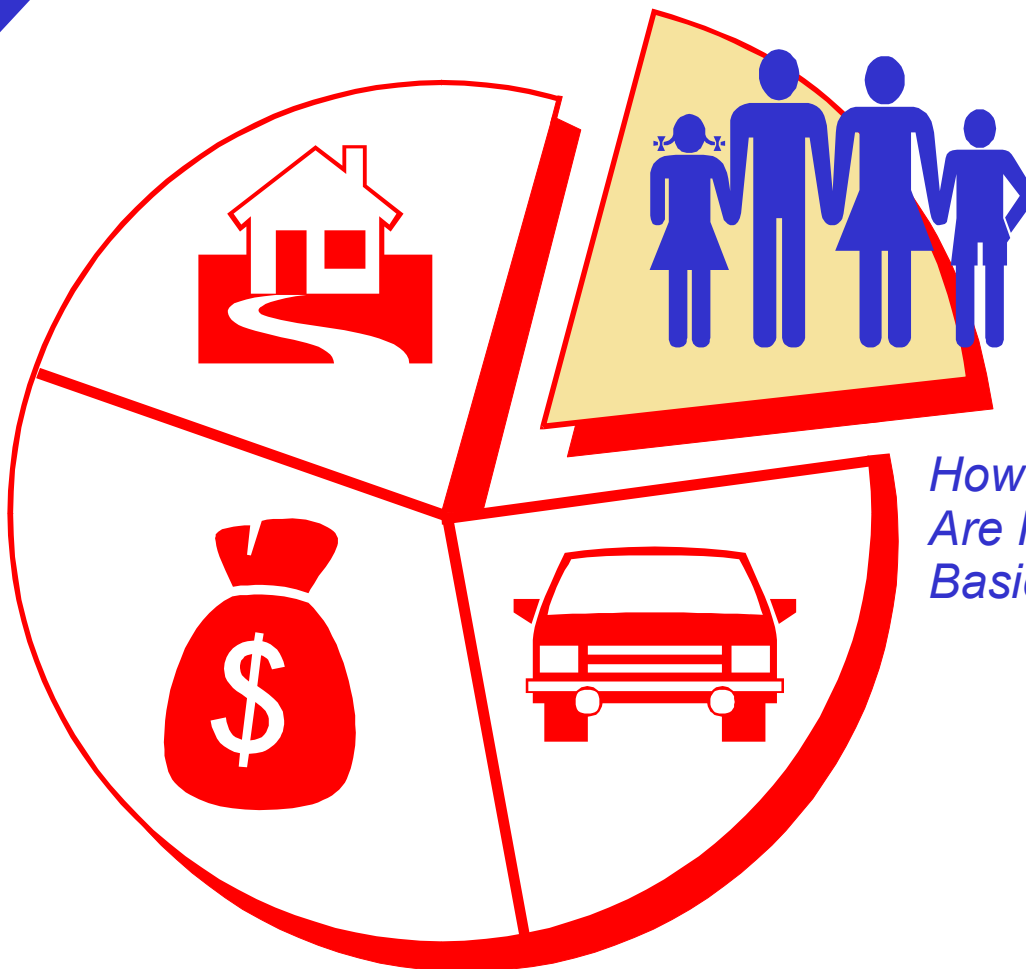


SERVING JACKSON, LENAWEE & HILLSDALE COUNTIES SINCE 1965



COMMUNITY ACTION AGENCY

promoting self-sufficiency



*How Families
Are Meeting
Basic Needs*

Poverty Report

The **Real** Story on Poverty in
Jackson, Lenawee & Hillsdale Counties

POVERTY REPORT

*The **Real** Story of Poverty in Jackson, Lenawee & Hillsdale Counties*

Prepared by:

Community Action Agency
Serving Jackson, Lenawee & Hillsdale Counties
in Michigan

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Revised March 2004

What Does it Mean to be Poor in America?

This question can be answered by statistics that provide a demographic profile of who is poor, or it can be answered through a description of the impact poverty has on a person's life — how they solve the fundamental issues of finding work, shelter, food, child care, health care and transportation. It can also be answered by comparing the circumstances of the poor and the not poor, to see the similarities and differences in their lives. Finally, it can be answered through the perceptions and views of our community, as being poor is also an issue of perception as well as circumstance.

In the following material, all these aspects will be examined in turn, as we look to find a comprehensive answer to this question. As we examine each facet, we will add, as much as possible, the specific demographics, impact, circumstances and perceptions of the three county region of Jackson, Lenawee and Hillsdale Counties, using Census data, economic data, and surveys of persons living in these counties. We believe this will add to our understanding of what it means to be poor in our community in America.

What is Poverty?

Somewhat surprising, there isn't a single official answer to this question. When looking to define poverty statistically, there are two official federal government versions: the poverty threshold and the poverty guideline.

Census poverty threshold

The poverty *threshold* is prepared by the U.S. Census Bureau. These figures are used in the statistical analysis and annual estimate of how many people are in poverty. These Census poverty figures calculate poverty based on income. The official Census poverty threshold calculations are divided into aged and non-aged household units. Figure 1 is a map of Census 2000 Poverty, by percentage, for Michigan by county. Figures 2 - 4 are maps of Census 2000 poverty threshold percentages for the three counties, by township.

Figure 1 Percent of Persons Below Poverty by County

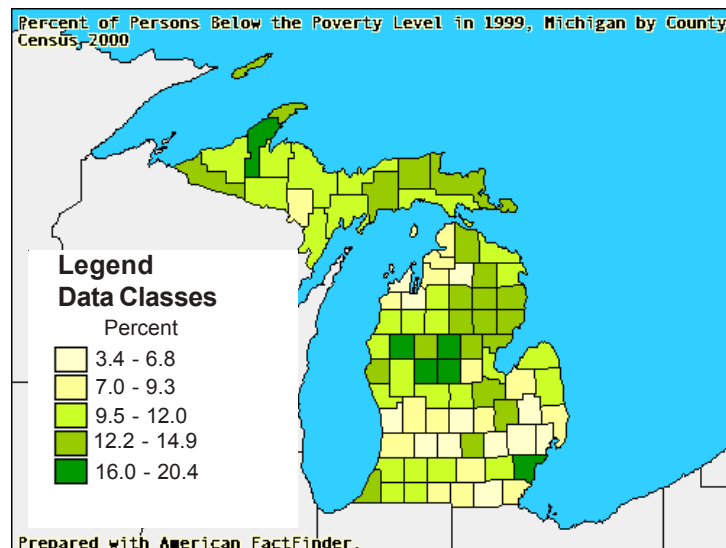


Figure 2 Percent of Jackson County Families in Poverty

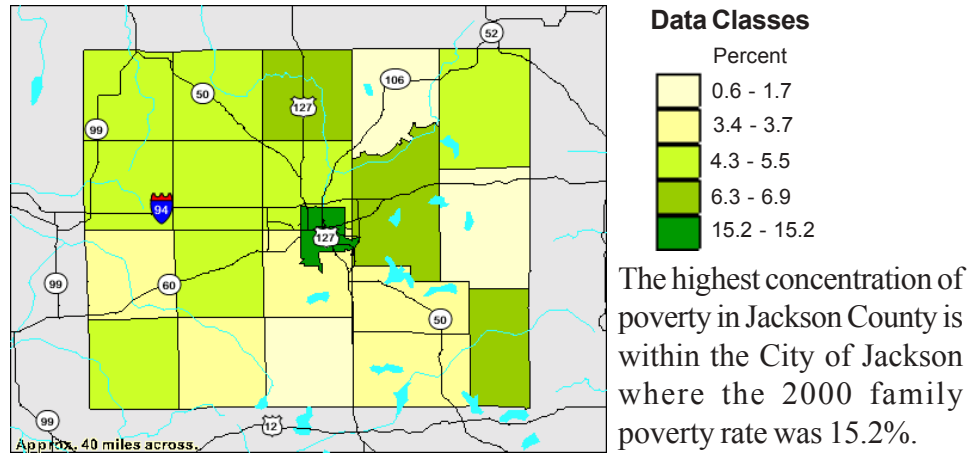


Figure 3 Percent of Lenawee County Families in Poverty

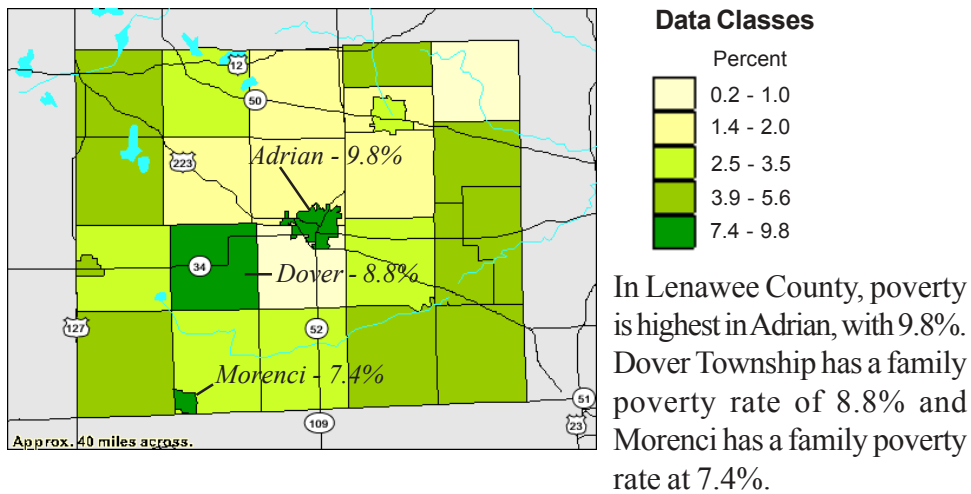
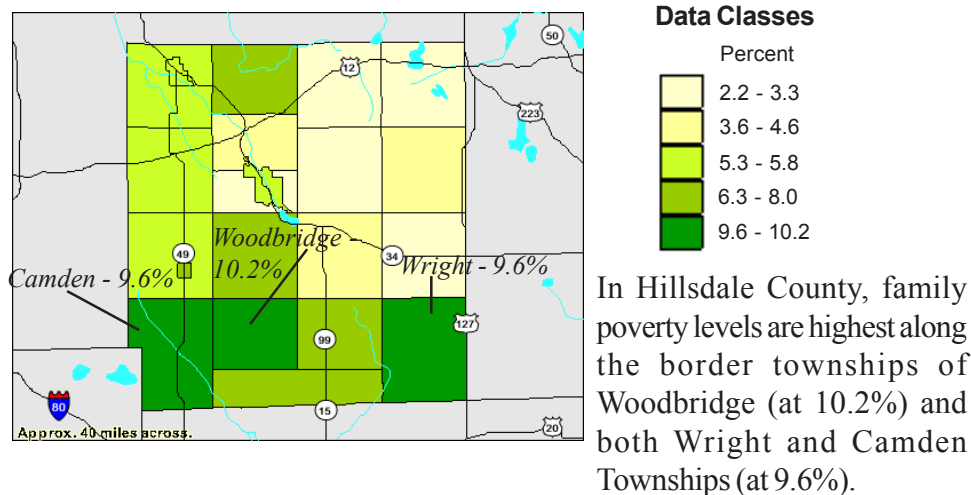


Figure 4 Percent of Hillsdale County Families in Poverty



Health & Human Services Poverty Guidelines

The poverty *guideline* is the other official version of poverty that is commonly available. These figures are calculated each year by the U.S. Department of Health & Human Services (HHS), and published annually in the Federal Register. The guideline is a simplification of the Census poverty thresholds. The HHS poverty guidelines are regularly used to determine financial eligibility for government programs such as Head Start or Food Stamps. HHS poverty guidelines differentiate by size of household and have higher income levels for Alaska and Hawaii. (The Census poverty threshold doesn't make this geographic distinction.) The 2004 HHS Poverty Guidelines are found in Table 1.

Table 1 Health & Human Services 2004 Poverty Guidelines

<u>Size of Family Unit</u>	<u>48 States</u>	<u>Alaska</u>	<u>Hawaii</u>
1	\$ 9,310	\$11,630	\$10,700
2	\$12,490	\$15,610	\$14,360
3	\$15,670	\$19,590	\$18,020
4	\$18,850	\$23,570	\$21,680
5	\$22,030	\$27,550	\$25,340
6	\$25,210	\$31,530	\$29,000
For each additional person add	\$ 3,180	\$ 3,980	\$ 3,660

Source: Federal Register, Vol 69, No 30, February 13, 2004, pp 7336-7338

Finally, although not specifically called a poverty guideline, eligibility for government funded housing programs is based on *area median income* figures, also calculated by the U.S. Census. Households are classified as *low income* if household income for the family size is at or below 80% of median income, and *very low income* if household income for the family size is at or below 50% of median income. The 2003 Housing & Urban Development (HUD) area median income for Lenawee County is \$77,700; Jackson County is \$57,100 and Hillsdale County is \$51,800. Table 2 sets out the 2003 HUD Low and Very Low Family Median Income (FMI) limits by county and family size.

Table 2 HUD 2004 Low & Very Low Family Median Income Limits

Family Size	Jackson		Lenawee		Hillsdale	
	80% FMI	50% FMI	80% FMI	50% FMI	80% FMI	50% FMI
1 person	\$32,500	\$20,300	\$40,250	\$27,200	\$29,350	\$18,350
2 person	\$37,100	\$23,200	\$46,000	\$31,100	\$33,550	\$20,950
3 person	\$41,750	\$26,100	\$51,750	\$34,950	\$37,750	\$23,600
4 person	\$46,400	\$29,000	\$57,500	\$38,850	\$41,900	\$26,200
5 person	\$50,100	\$31,300	\$62,100	\$41,950	\$45,250	\$28,300
6 person	\$53,800	\$33,650	\$66,700	\$45,050	\$48,650	\$30,400
7 person	\$57,550	\$35,950	\$71,300	\$48,150	\$52,000	\$32,500
8 person	\$61,250	\$38,300	\$75,900	\$51,300	\$55,350	\$34,600

Source: Housing and Urban Development, fiscal year 2004

Basic Needs Calculations

Another method used to define poverty is to answer the question, “What does it cost to cover the basic, no frills, needs of a household?” A family is considered poor if the household income is below this basic needs budget. Calculations on what can be included in a basic needs budget come from a variety of national and state sources. For example, the Michigan League for Human Services includes in its basic needs calculation Housing, Utilities, Transportation, Food, Health care, Child care, Clothing/household supplies and Taxes as necessary budget items. The formula for calculating the cost of each item is described below.

Housing. The fair market rent for apartments are set each year by the U.S. Department of Housing and Urban Development (HUD), based on prior year data on market rate rents in the local area. These are called “fair market rents” and are set by the number of bedrooms in the apartment. In 2004, the fair market rent for a two bedroom apartment in Jackson was \$547, in Lenawee it was \$815 and in Hillsdale it was \$446.

Food. The U.S. Department of Agriculture (USDA) calculates a low cost food plan, adjusting it each year for the cost of living increases from the Consumer Price Index (CPI). In January 2004, the low cost food plan cost for a family of one adult and two children, under age 5, was \$4,427.76 annually or \$368.98 a month.

Utilities. According to the Department of Labor, Bureau of Labor Statistics’ Survey of Consumer Expenditures, utility costs are one of the most volatile expenditures in consumers’ budgets. Using the 2001 Survey (the most recent published), of those with household income in the lowest 20% nationally, adjusted to March 2004 consumer prices through the CPI, consumers spent an average of \$2,622 annually on utility costs. This averages \$218.49 per month.

Transportation. The transportation costs are based on the cost of owning and operating a car. Costs per mile are from the IRS cost per mile rate of 37.5 cents for 2004. This includes the cost of gas, insurance, registration and licensing, vehicle maintenance and depreciation. The number of miles used is a two part calculation based on the National Personal Transportation survey (done in 1995) which sets the average miles driven by a person for either a rural or urban area, and determined that 51.8% of driving trips are non-social (work, school, church and errands) and 34.7% of trips are solely work related. Therefore, in a two adult household, trips for the first person are based on 51.8% of the area’s average miles, and trips for the second person only use the 34.7% of trips that are work related.

Health Care. Health care expenses in the Consumer Expenditure Survey 2001 for the lowest 20% income households, and adjusted by the CPI, is \$132.15 monthly. This figure includes the cost of health insurance premiums (if available), prescriptions and nonprescription drugs, medical services and medical supplies not covered by health insurance.

Clothing/Household supplies. The calculation of an average annual cost of \$1,977.84 (\$164.82 monthly) for a three person household with income in the bottom 20% of households comes from combining expenditures for housekeeping supplies, personal care products and apparel, in the Consumer Expenditure Survey, 2001 adjusted by household size and the current CPI.

Child Care. According to Michigan Family Independence Agency statistics for 2001, the state average for full time child care was \$428.50 monthly. (This averages the cost of care for infants, toddlers, pre-school and school age children.) By county, the monthly averages, adjusted by the CPI to 2004 costs, are: Jackson \$413.35; Lenawee \$413.92; and Hillsdale \$344.79. The average cost for one full-time preschool slot, by county, is: Jackson \$416; Lenawee \$429 and Hillsdale \$371.¹

Taxes. Taxes include federal personal income, federal Social Security and Medicare payroll, state income taxes and local income taxes. Sales and property taxes are not included here. In calculating the taxes, all income is assumed to be from wages, families are renters, families with two adults are both wage earners, the standard deduction is used, rather than itemized deductions, and families are receiving the maximum dependent care tax credit. Taxes are calculated on a pretax income needed to meet the basic needs budget after taxes. Tax calculations are based on 1999 tax rates.

Table 3 Building a Basic Needs Monthly Budget by County

Need Item	Jackson	Lenawee	Hillsdale
Housing (2 bedroom)	\$547.00	\$815.00	\$446.00
Food	\$368.98	\$368.98	\$368.98
Utilities	\$218.49	\$218.49	\$218.49
Transportation	\$267.09	\$267.09	\$365.84
Health Care	\$132.15	\$132.15	\$132.15
Clothing/Household Supplies	\$164.82	\$164.82	\$164.82
Child Care (for 2 children)	\$832.00	\$858.00	\$740.00
Taxes	\$224.00	\$182.00	\$182.00
Monthly Total	\$2,755.00	\$3,007.00	\$2,618.00
Annual Cost	\$33,054.00	\$36,078.00	\$31,419.00

Comparing the official HHS poverty guideline budget with the pre-tax Basic Needs budget, it can be seen that the amount of income needed to bring a family out of poverty is closer to 200% than 100% of the HHS poverty guideline.

Table 4 Federal Poverty Guideline 2003 Compared to Basic Needs Budget

	HHS Poverty Guideline at 100% for family size	Basic Needs Budget for family size (Jackson County)	Basic Needs Budget as Percentage of Poverty Guideline
Single Parent / 1 child	\$12,490	\$26,702	214%
Single Parent/ 2 children	\$15,670	\$33,054	211%
2 Parent/ 1 child	\$15,670	\$32,658	208%
2 Parent/ 2 children	\$18,850	\$40,394	214%

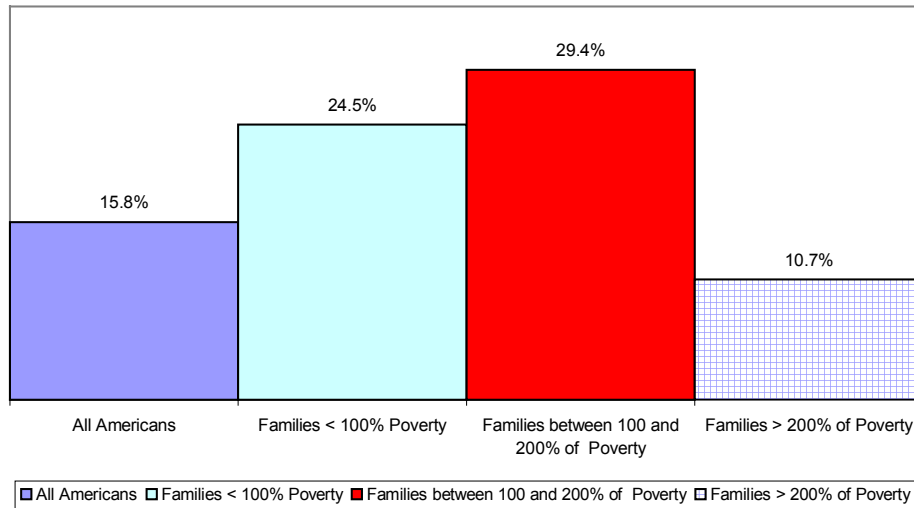
¹ Child Care Network, Summary of Child Care Demographics from County Surveys, July 2002 – April 2003.

Hardship in Meeting Needs Below 200% of Poverty

Data from surveyed households show that those living below 200% of poverty have a significantly greater difficulty in meeting essential expenses when compared to either those below 100% or over 200% of poverty. This is consistent with the household expense data setting the realistic basic needs budget at roughly 200% of poverty.

Critical hardships in meeting basic needs are found in three areas: food sufficiency, adequate housing and health care coverage. Looking at national data that surveys households in thirteen states, including Michigan, there is evidence that households below 200% of poverty suffer more critical hardships than do either those below 100% or poverty or those above 200% of poverty. In this survey —the National Survey of American Families (NSAF)—families are asked, among many other questions, whether in the last 12 months anyone in the household: 1) missed meals because there was not enough money for food; 2) moved in with other people because they could not afford mortgage, rent or utility bills, or 3) did not get or postponed getting needed care or surgery when needed. In analyzing the responses to these questions, those households with income between 100% and 200% of poverty were most likely to suffer one or more of these critical hardships.

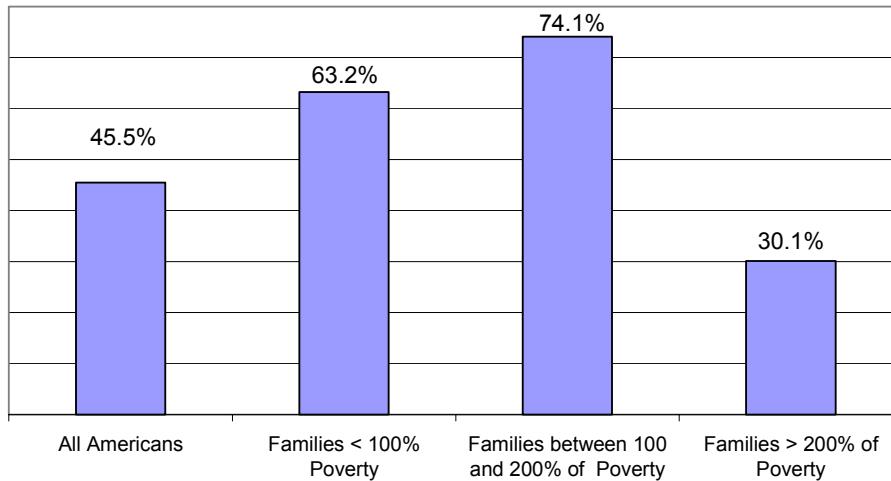
Figure 5 **One or More Critical Hardships**



Source: Economic Policy Institute analysis of 1997 NSAF data. **Hardships in America, 2001: Boushey, Heather, et al.**

When examining a set of less critical hardships, but still serious deprivations for families, the NSAF data again shows that families living below 200% of poverty level are more likely to have one or more significant hardships than those living above 200% or those living below 100% of poverty. “Significant hardship” in the survey data examined was defined as: Worried about having enough food; Emergency room is main source of health care; Have no health insurance coverage; Unable to make housing or utility payments; Telephone disconnected; Child cares for self; child not in after-school activities; Inadequate adult-to child ratio at child care facility used.

Figure 6 Serious Hardships Experienced, by Income Level



Source: Economic Policy Institute analysis of 1997 NSAF data. **Hardships in America, 2001: Boushey, Heather, et al.**

What do these numbers mean in Michigan and in the Tri-county region?

The U.S. Census poverty rate in Michigan is lower than the national rate, and the percentage of population in poverty in Jackson, Lenawee and Hillsdale counties is lower than the statewide average. In Jackson and Lenawee the percentage of persons below 200% of poverty (roughly the basic needs budget) is also below the statewide rate, but Hillsdale has a higher rate of persons at 200% of poverty than the statewide percentage. This is an indicator that Hillsdale families are proportionally in lower income households.

Table 5 Poverty Data by Rate, Persons and County

	United States ²	Michigan ³	Counties ⁴		
			Jackson	Lenawee	Hillsdale
Total Population	281,475,000	9,990,817	158,422	98,890	46,527
Number at 100% of Poverty	32,907,000	940,319	13,417	6,340	3,709
Percentage at 100% of Poverty	11.7%	9.4%	9.0%	6.7%	8.2%
Number at 200% of Poverty	84,974,000	2,432,524	36,635	20,471	11,966
Percentage at 200% of Poverty	30.2%	24.3%	23.1%	20.7%	26.6%

² US Census Bureau, Current Population Survey, September 2002

³ 2001 Michigan Poverty Profile, Family Independence Agency, October 2002

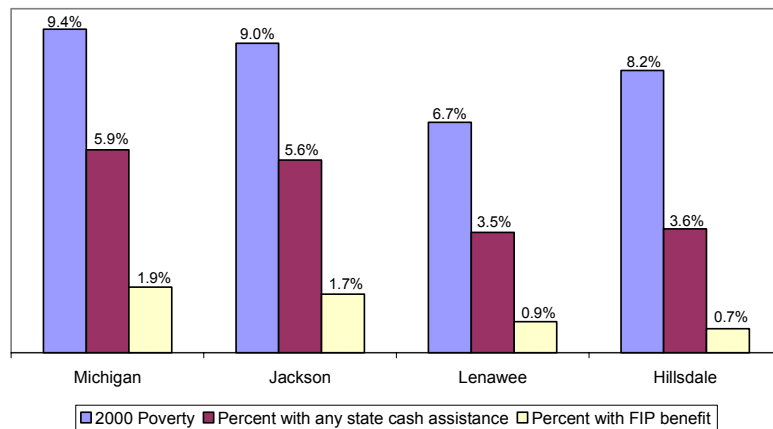
⁴ US Census Bureau, Census 2000, Table DP-3 and Summary File 3

Public Benefits Cash Grants and Poverty

According to September 2002 Michigan Family Independence Agency statistics, 20,752 persons received public assistance income in the tri-county region during the year ending in September 2002. The percentage of people receiving public assistance income in 2002 by county was: Jackson 7.5 %; Lenawee 5.8% and Hillsdale 6.7%.

Not all people living below 100% of poverty receive public assistance (of any kind) or cash assistance (FIP) from FIA. Comparing 2000 data for percent in poverty and percent receiving public assistance or FIP payments, only a little over half of those in poverty received any public benefit.

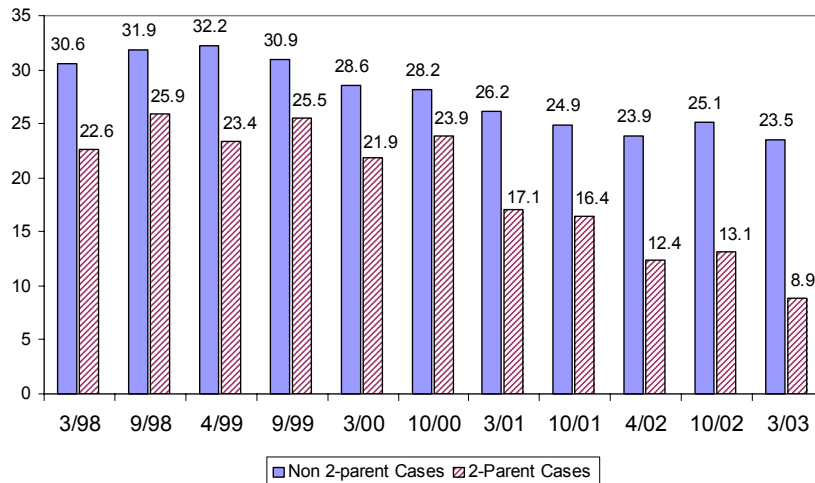
Figure 7 Comparison of Poverty Rate to Receipt of Public Benefits, by County



Source: U.S. Census Bureau, Census 2000 and FIA Program Statistics, Fiscal year 2000, Table 4

Although Michigan has not established time limits for receiving public assistance, most households receive public assistance for a relatively short period of time. The average number of months a FIA case remains open has been dropping since 1999, despite the slowing Michigan economy.

Figure 8 Average Number of Months on FIA Assistance



Source: FIA Welfare Reform Data Monitoring, April 2003

In Michigan, the public welfare benefits of TANF and Food Stamps are handled by the Family Independence Agency. Eligible households with minor children receive a Family Independence Payment (FIP) grant based on other household income and the family size. The maximum 2004 FIP grant plus Food Stamps, for Jackson and Hillsdale are the same, while Lenawee is slightly higher. The maximum monthly cash payments by family size by county are compared to the HHS poverty guidelines for 2004.

Table 6 Tri-County FIA Grants as Percentage of HHS Poverty Guideline

Family Size	100% of HHS Poverty Guideline Monthly amount	Jackson & Hillsdale FIP/FS grant (monthly maximum)	Jackson & Hillsdale grant as Percentage of Poverty Guideline	Lenawee FIP/FS grant (monthly maximum)	Lenawee grant as percentage of Poverty Guideline
1	\$756	\$399	52.8%	\$429	56.8%
2	\$1,041	\$612	58.8%	\$642	61.7%
3	\$1,306	\$810	62.0%	\$840	64.3%
4	\$1,571	\$1,013	64.5%	\$1,043	66.4%
5	\$1,836	\$1,197	65.2%	\$1,227	66.8%
6	\$2,101	\$1,440	68.5%	\$1,470	70.0%
7	\$2,366	\$1,586	67.0%	\$1,616	68.3%

Source: FIA Eligibility Manuals, March 2004

Economic Well-Being as Measure of Poverty

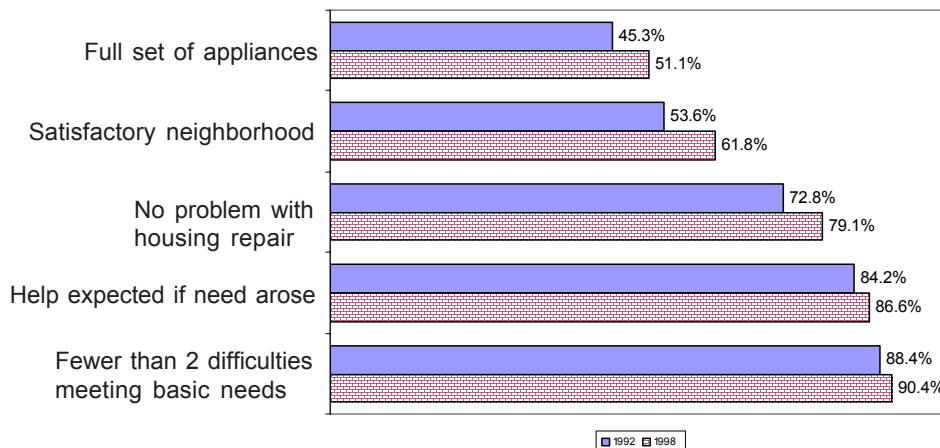
In addition to measuring poverty strictly by income, the U.S. Census has developed a measure of “well-being” that consists of five factors. These consider: 1) whether a household possesses selected appliances and goods, 2) the housing conditions and the household’s evaluation of housing comfort, 3) neighborhood and community conditions, 4) the household’s ability to meet basic needs – paying bills, having food, etc., and 5) whether help would be available if it were needed.

The U.S. Census has been tracking these measures of well-being over time, most recently in 1998, with the results released in March 2003.

U.S. Census Findings on Well-Being:

- *Changes in Well-Being Indicators.* Survey respondents show improvement in all five indicators when comparing 1992 to the most recent 1998 data.

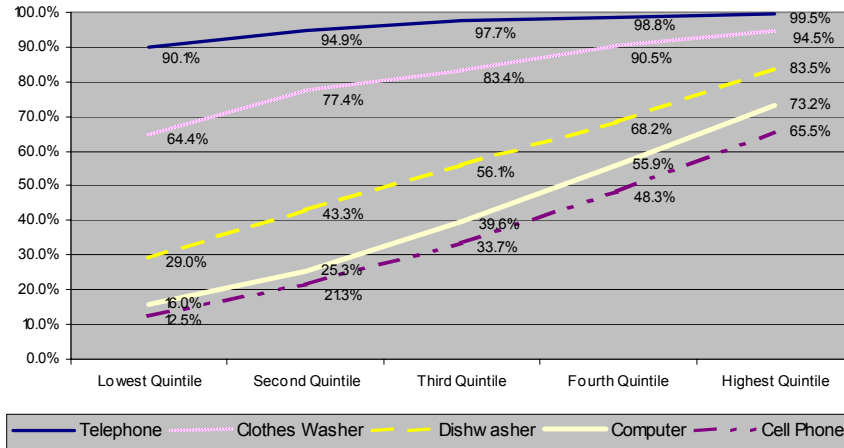
Figure 9 General Indicators of Well-Being for All Households



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

- *Consumer Goods Ownership.* By 1998, possession of appliances and electronic goods varied considerably. Telephones are nearly universal, with 96% of all households having at least one, while less than half of all households have computers or cell phones. Ownership of the selected consumer goods varies by income for all goods except telephones.

Figure 10 Percent of Consumer Goods Ownership, by Income

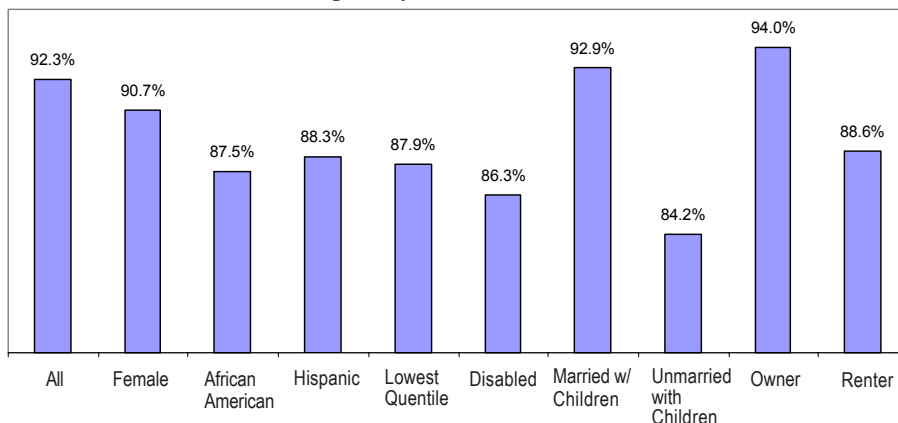


Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

In 1998, the lowest income quintile ranged from \$0-\$16,115; the 2nd quintile included households with up to \$30,408 in income; the 3rd up to \$48,337, the 4th up to \$75,000 and the 5th included all households with annual incomes above \$75,000.

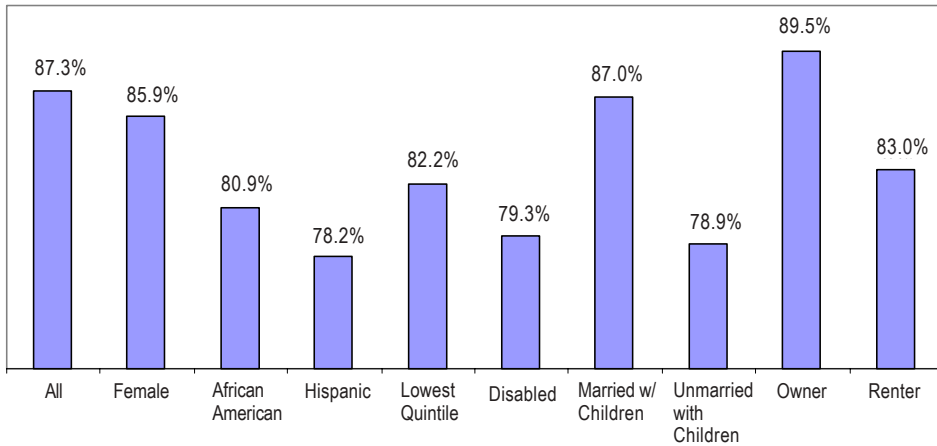
- *Housing Conditions.* In 1998 most households were satisfied with their housing and its comfort. Satisfaction did vary by household composition, however. Hispanic households, disabled households and unmarried households with children were less likely to live in pest free housing. Disabled households were most likely to have a leaky roof or ceiling. Unmarried households with children have the most problems with housing overall.

Figure 11 Home in Good Repair, by Household Characteristics



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

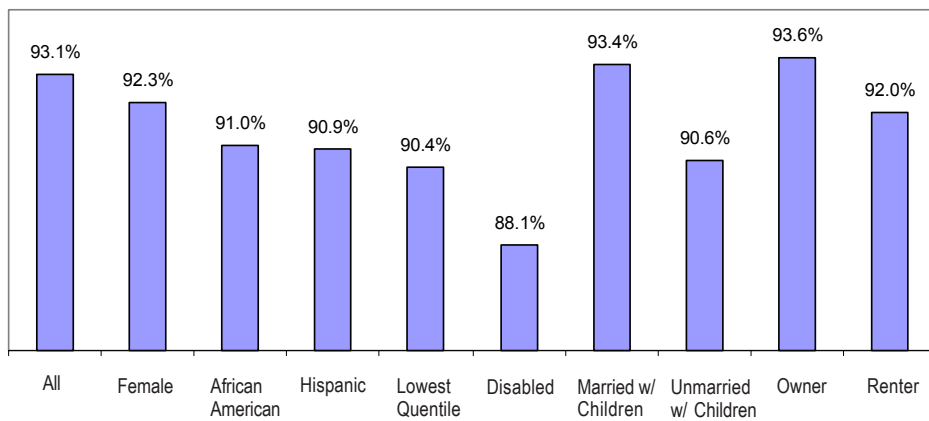
Figure 12 No Insects or Pests, by Household Characteristics



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

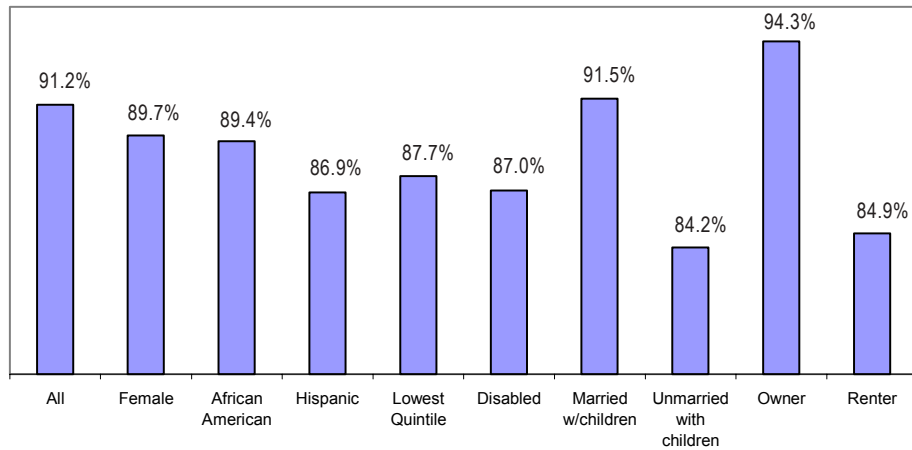
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Figure 13 Roof Does Not Leak, by Household Characteristics



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

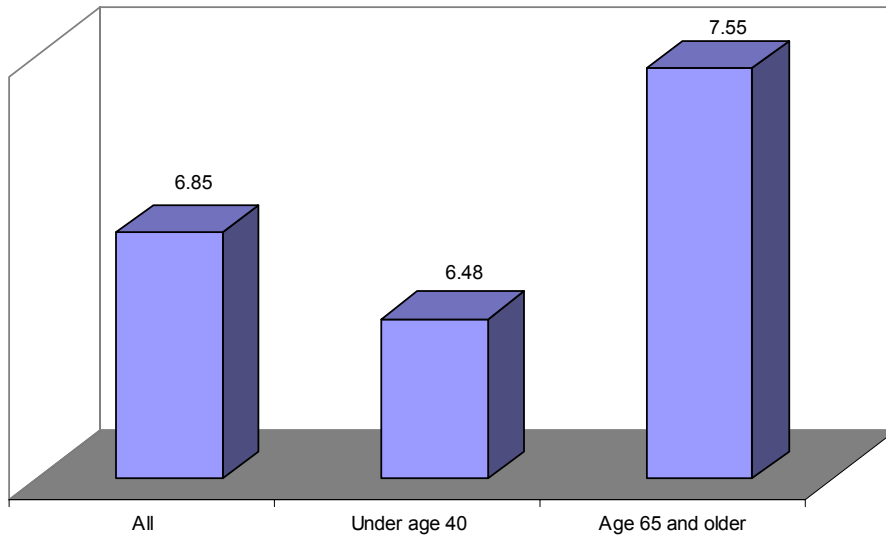
Figure 14 House Warm in Winter, by Household Characteristics



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

Jackson County residents were surveyed in 2002, on their satisfaction with the quality of housing in Jackson. Overall, Jackson residents scored the quality of affordable housing as a 6.85 on a scale of 1 to 10. Age influenced respondents' satisfaction.

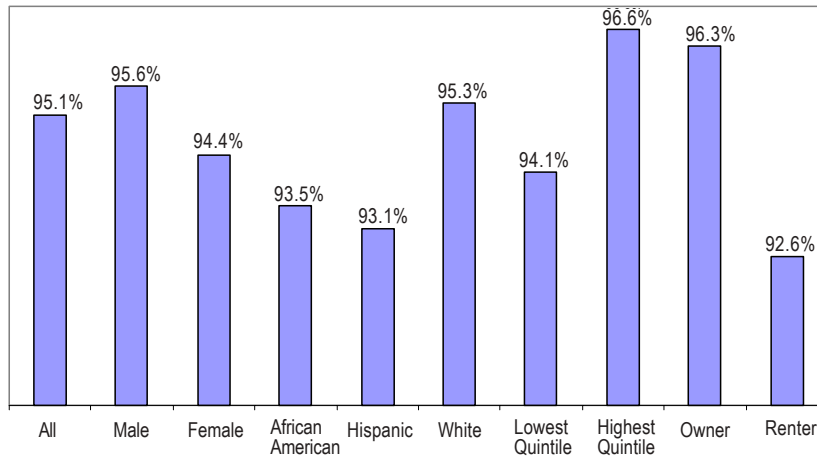
Figure 15 Jackson County Satisfaction with Quality of Housing



Source: Jackson County Report Card, 2003

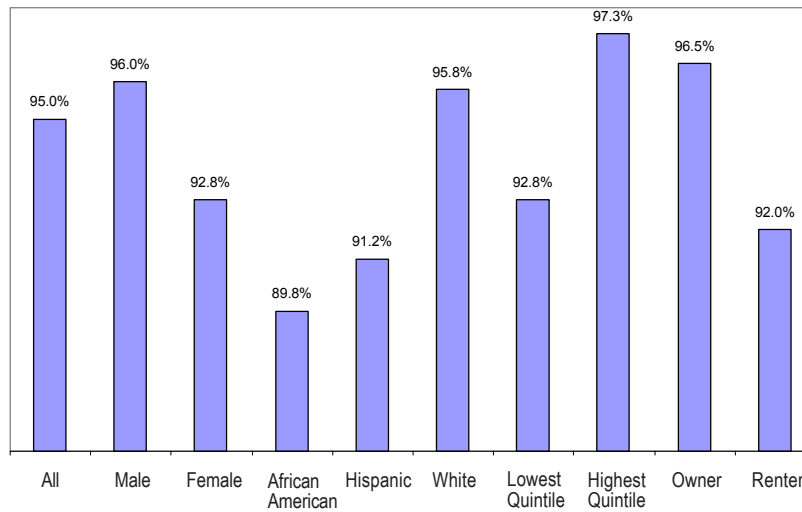
- Neighborhood Condition and Community Services.* The Census survey asks residents about their fear of crime, trash or litter in neighborhood, satisfaction with police and health services, relations with neighbors and overall satisfaction with the neighborhood. Overall, 95% of households were somewhat or very satisfied with the neighborhood in which they lived; 89% were satisfied with the hospital, health clinics and doctors available; 95% reported good relations with their neighbors.

Figure 16 Good Relations with Neighbors, by Household Characteristics



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

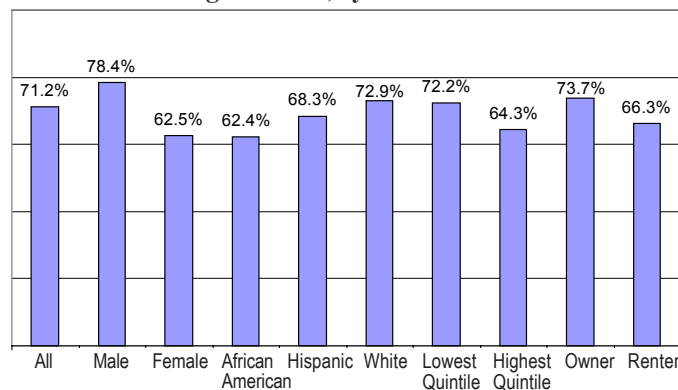
Figure 17 Satisfied with Neighborhood, by Household Characteristics



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

When looking at the Safe to Walk in Neighborhood within one mile of home by selected characteristics, the survey shows that women perceive their neighborhoods less safe than men; renters less safe than homeowners and those living below poverty consider neighborhoods less safe than do those with income above poverty.

Figure 18 Safe to Walk within Neighborhood, by Household Characteristics

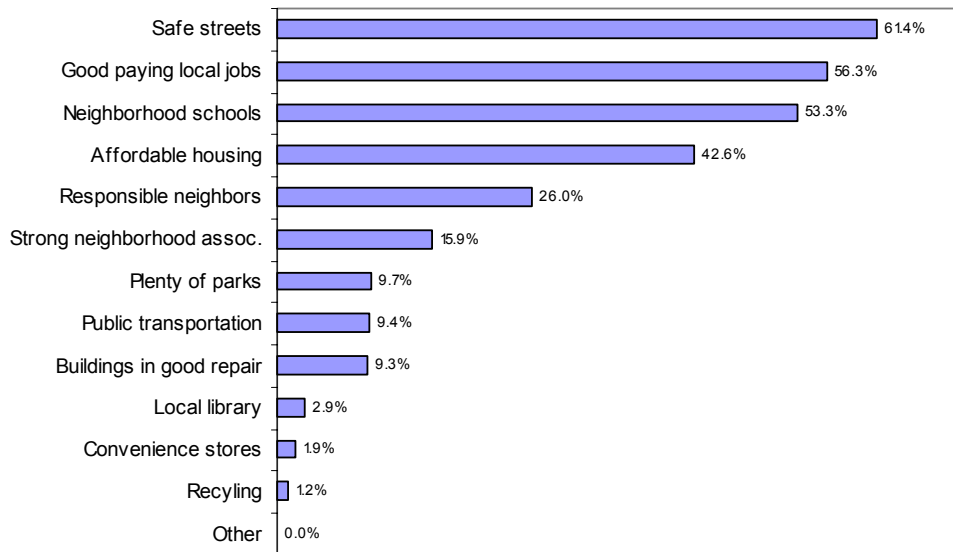


Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

Jackson County residents were also surveyed about their overall satisfaction with the safety of their neighborhood. Overall, on a scale of 1 to 10, Jackson residents rated satisfaction with neighborhood safety at 8.25 in 2002. (Jackson Report Card 2003)

- *CAA Client Views on Neighborhood Conditions.* In 2003, CAA clients were surveyed on their opinions on what aspects are most important to having a good community. Most important to CAA clients are safe streets.

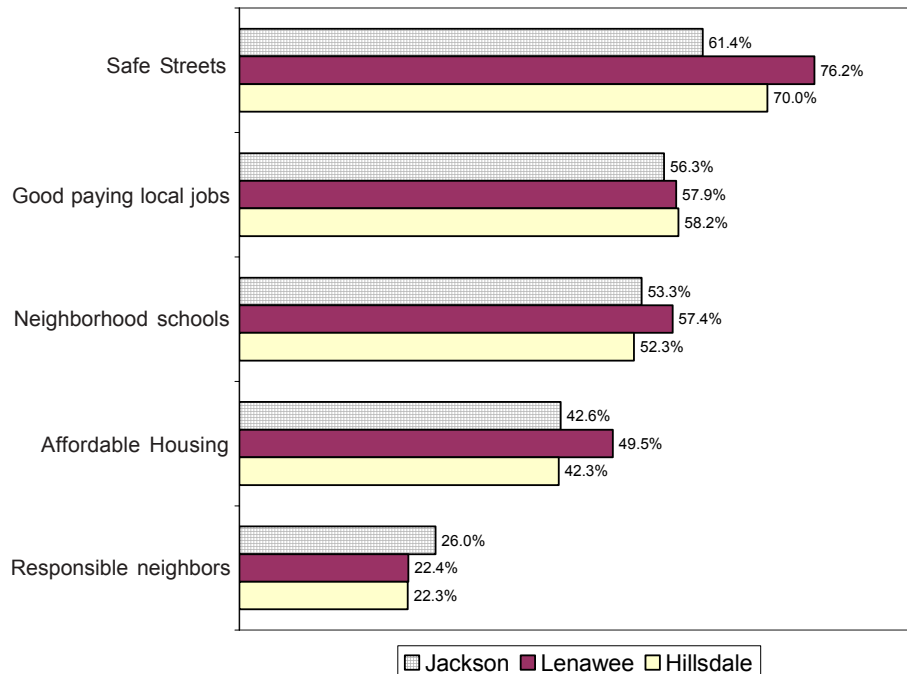
Figure 19 All CAA Client Responses on Important Community Aspects



Source: CAA Community Needs Assessment, June 2003

The top five priorities do not vary in ranking by county.

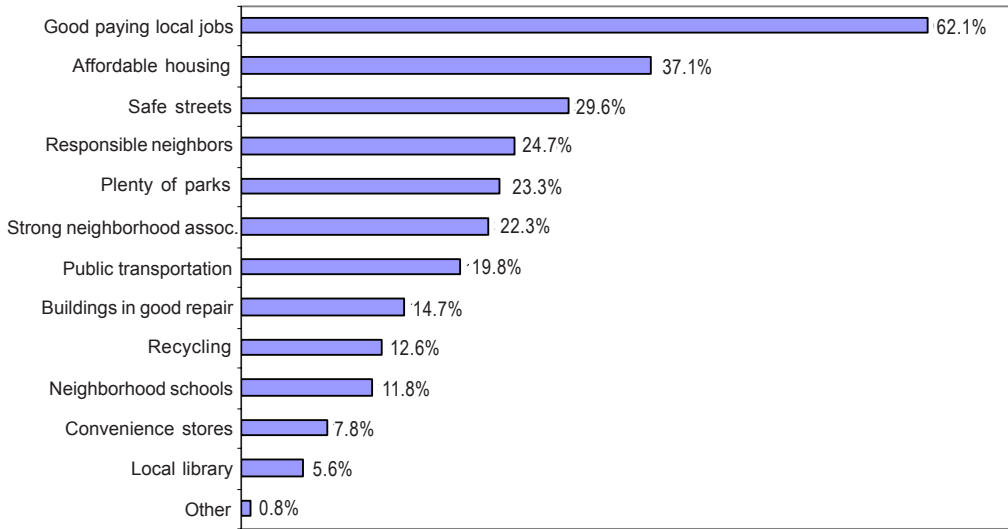
Figure 20 Five Priorities for Good Community, by County



Source: CAA Community Needs Assessment, June 2003

CAA clients were also asked to report which of these community aspects they considered missing from their local neighborhood.

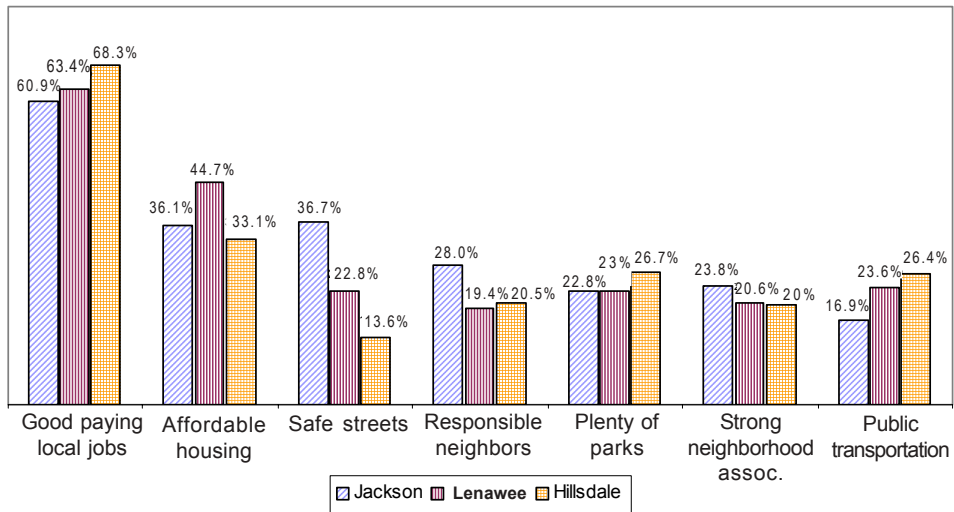
Figure 21 All CAA Client Responses on Aspects Missing from Neighborhood



Source: CAA Community Needs Assessment, June 2003

Responses by CAA clients on what is missing from their neighborhood vary considerably by county.

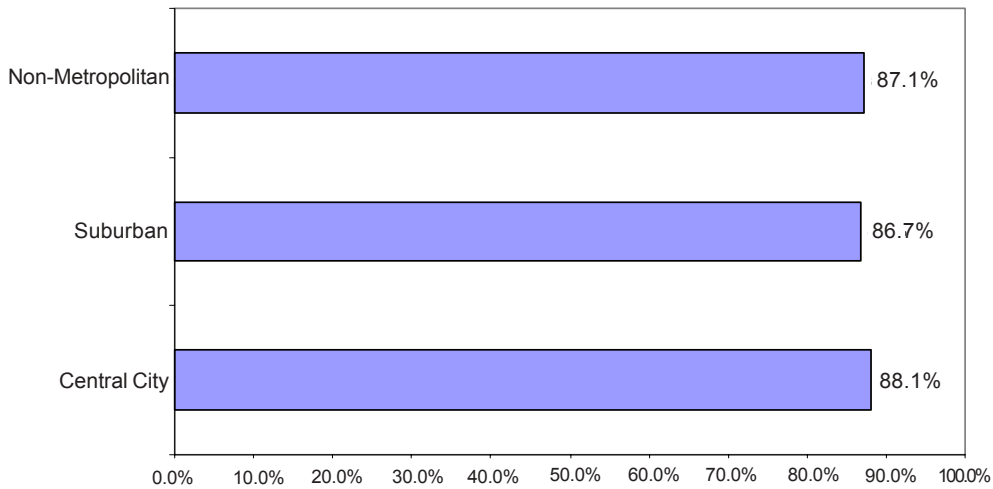
Figure 22 Aspects Considered Missing from Neighborhood, by County



Source: CAA Community Needs Assessment, June 2003

- *Satisfaction with Schools.* Households with children under 18 were asked about satisfaction with public schools. There were no significant differences between city, suburb and non-metropolitan (rural) residents in the Census Well-Being Survey.

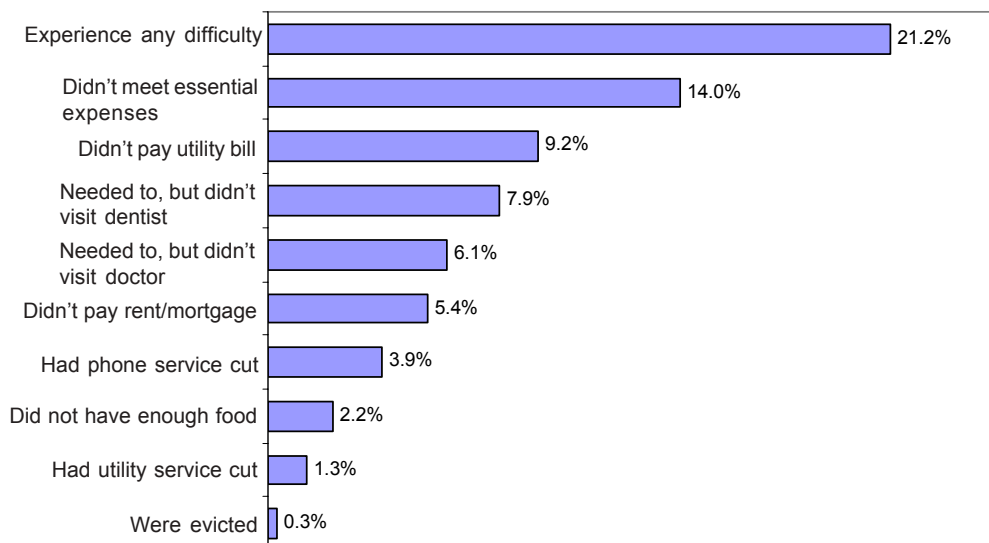
Figure 23 Satisfaction with Schools, by Geographic Location



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

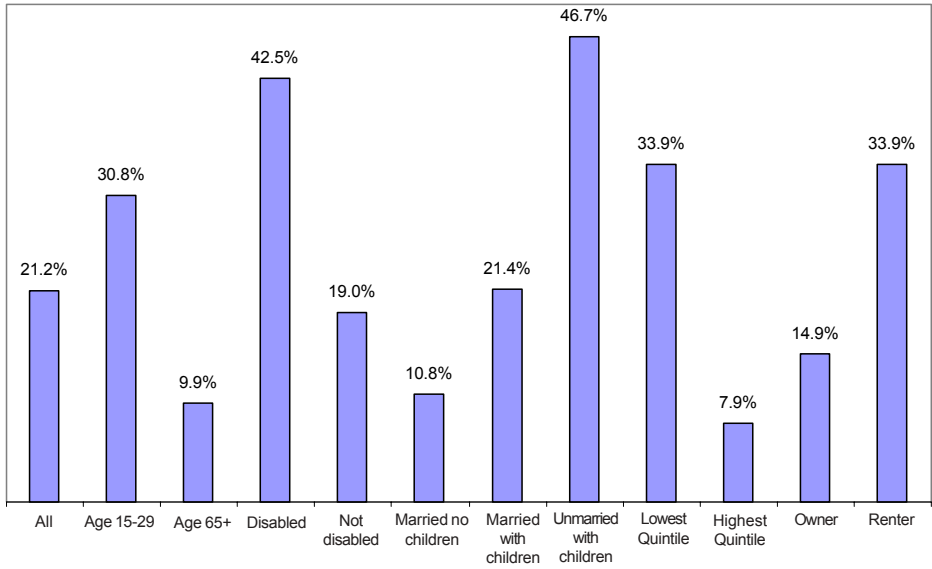
- *Meeting Basic Needs.* Households are surveyed on whether there was a time in the last 12 months that they did not meet an “essential expense.” Overall, 21.2% responded that they did have a problem meeting an expense. The specific difficulty most frequently stated was not paying a utility bill (9.2%).

Figure 24 Difficulty Meeting an Essential Expense



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

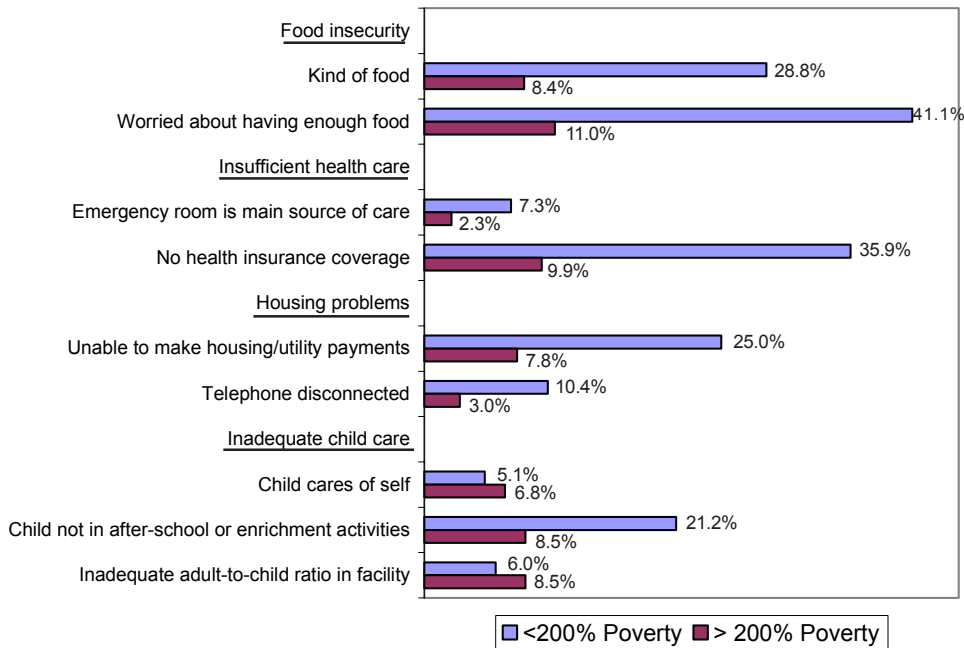
Figure 25 Difficulties in Meeting Basic Need Expenses by Selected Characteristics



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

Consistent with the household expense data setting the basic needs budget at roughly 200% of poverty (rather than at 100% of poverty), those living below 200% of poverty have significantly greater difficulty in meeting essential expenses.

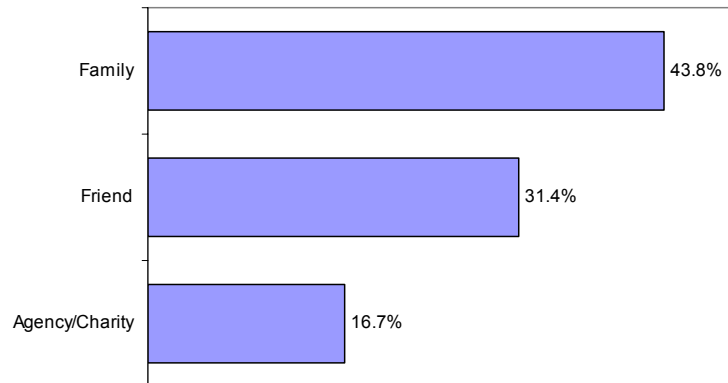
Figure 26 Difficulties in Meeting Essential Expenses



Source: U.S. Census, Survey of Income and Program Participation, 1998 and National Survey of American Families (NSAF) 1997

- *Getting Help When in Need.* When households run into trouble, the majority (86.5%) expect to find help, and most help is expected from family members and friends.

Figure 27 Expected Source of Help When in Need



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

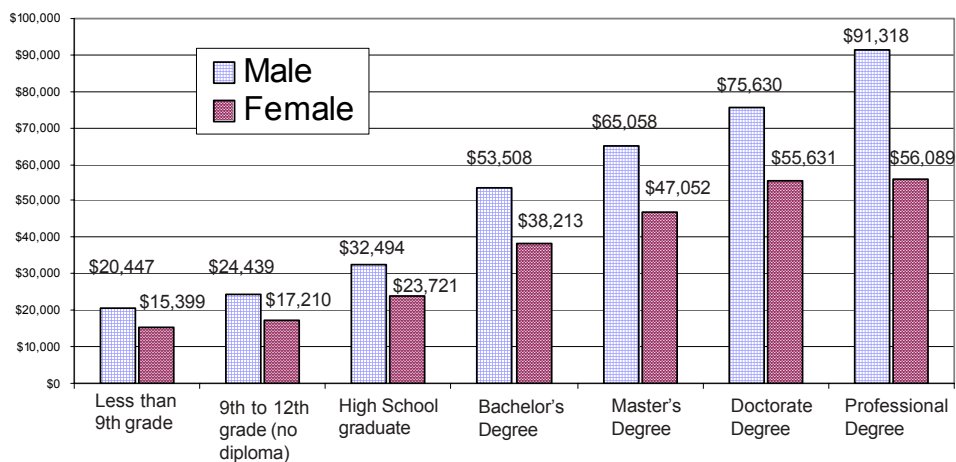
Of those having difficulties and needing help, only 19% of all persons actually received help from some source. The percentage of those receiving help increased to 32.6% for households with income below poverty.

What Impacts Poverty?

Peoples' educational level, gender, race, age and marital status all impact the likelihood of living in poverty.

Education & Gender. More education leads to higher income, for both men and women, although men consistently earn more than women in each educational category. When comparing the 2000 median income of full-time, year-round workers age 25 and older, higher education attainment increases income.

Figure 28 Median Income 2000, by Education



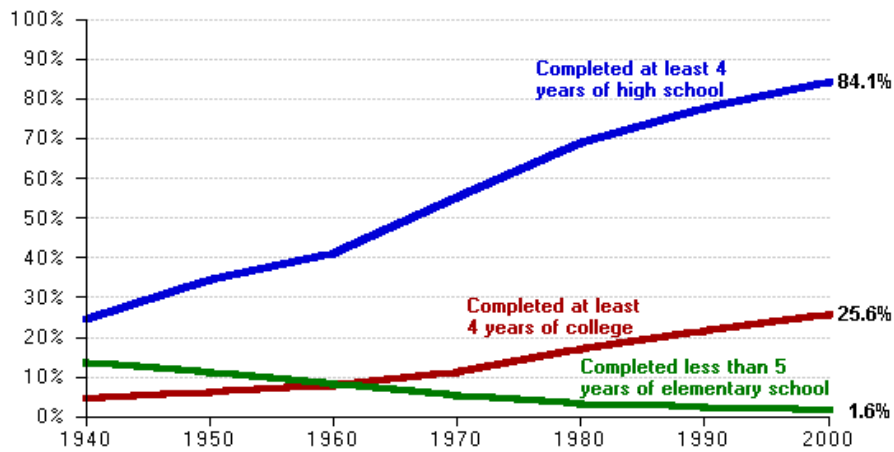
Source: US Census Bureau. Historical Income Tables - People

Education levels have increased over time.

Figure 29 Education Level Over Time

Years of school completed

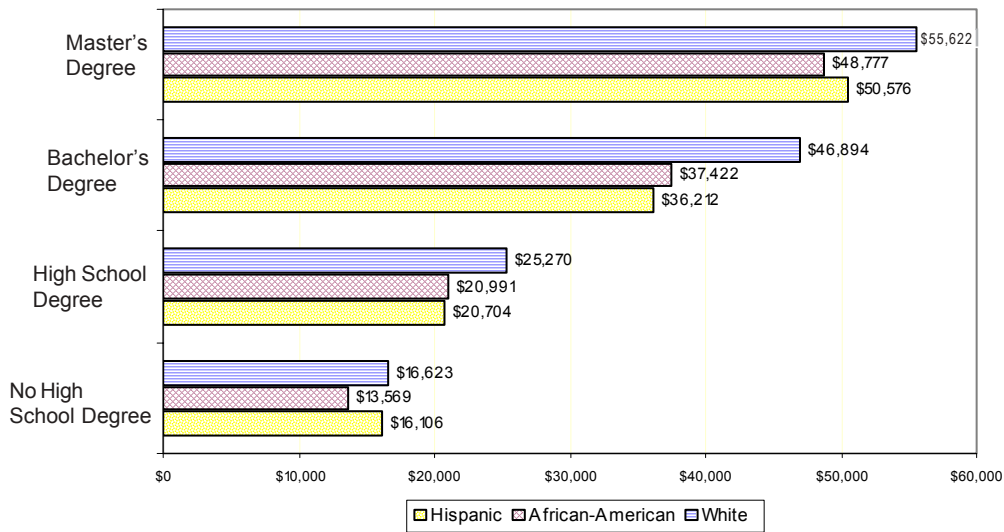
Percentage of people over 25 by years of school completed, 1940-2000



Source: "Digest of Education Statistics 2001," February 2002, National Center for Education Statistics

Race/Ethnicity. When comparing educational levels by race/ethnicity, a higher educational level also consistently correlates to higher income.

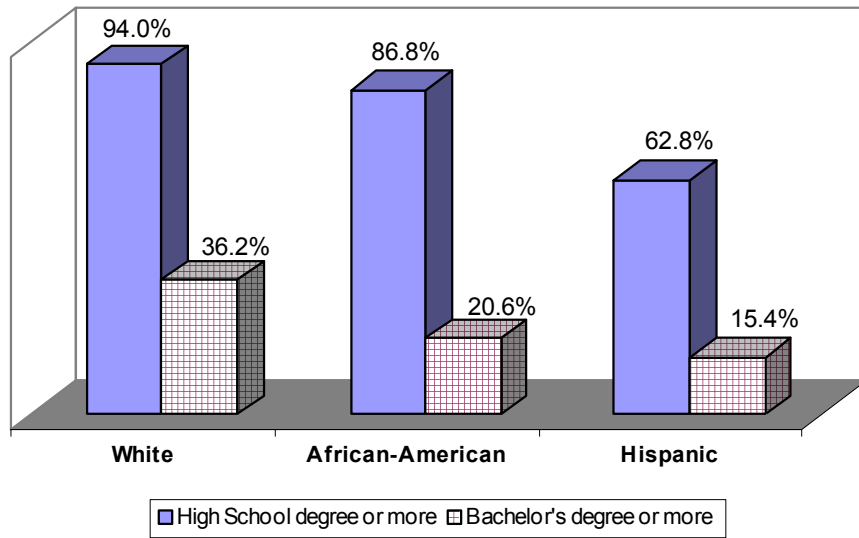
Figure 30 Income by Education & Race



Source: U.S. Census Bureau, 2000 Census

And there are differences by race on who attains higher education.

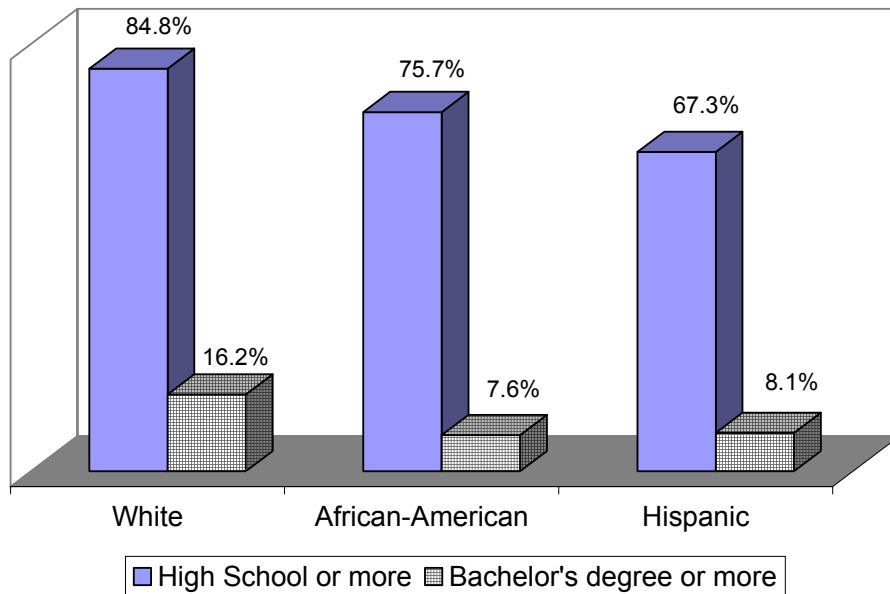
Figure 31 Education Attainment by Race, United States 2000



Source: U.S. Census Bureau, 2000 Census

The differences in educational attainment are also apparent in the Jackson, Lenawee and Hillsdale region.

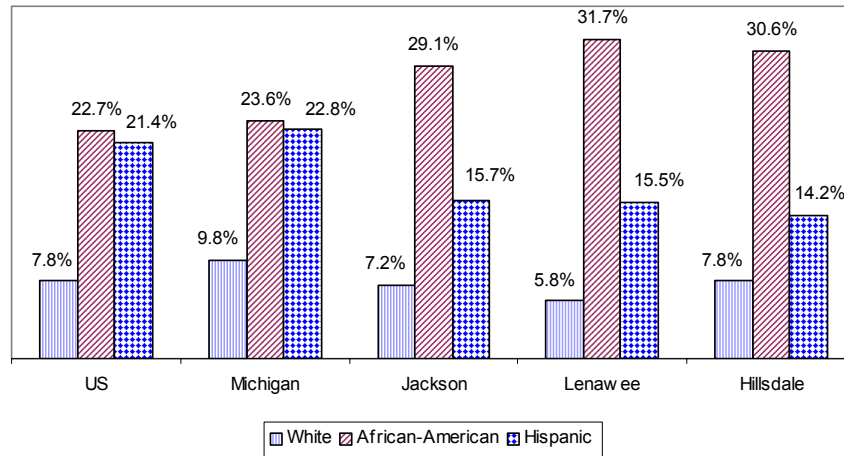
Figure 32 Educational Attainment for Combined Tri-County Region, 2000



Source: U.S. Census Bureau, Census 2000

These differences by race and education, increase the likelihood of minorities being in poverty.

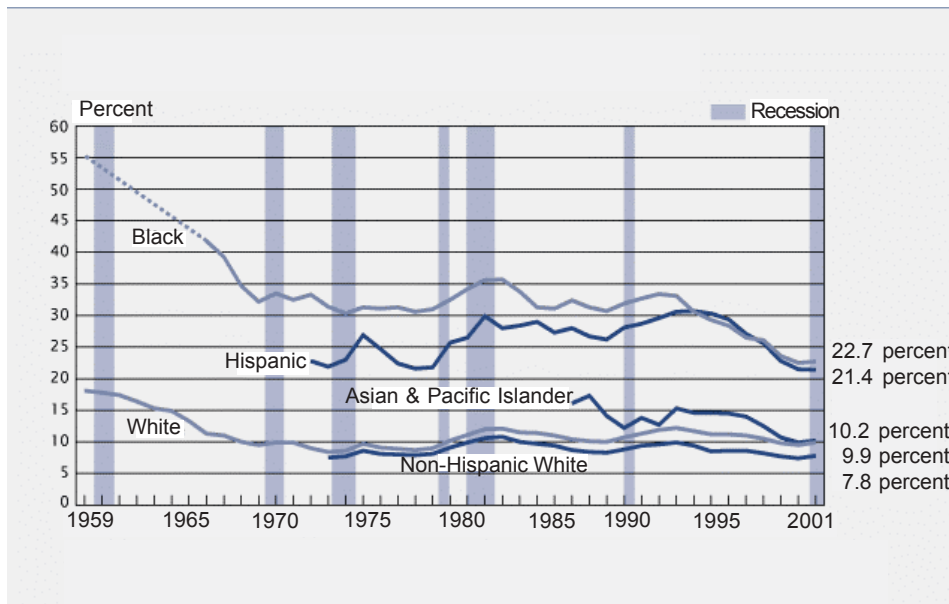
Figure 33 Rate of Poverty, by Race



Source: U.S. Census Bureau, Census 2000

While these differences in the poverty rate by race have existed for decades, the percentage of poverty for minorities has dropped more rapidly over time than the poverty rates for whites.

Figure 34 Poverty Rates by Race & Hispanic Origin: 1959 to 2001



Note: The data points represent the midpoints of the respective years. The latest recession began in March 2001.

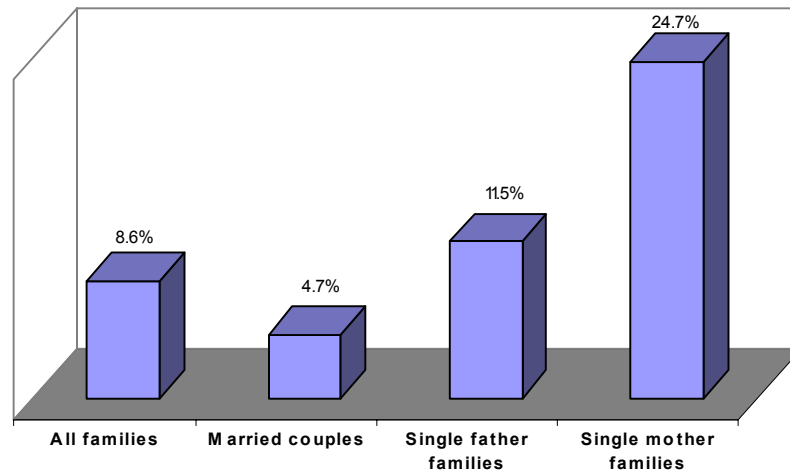
Data for Blacks are not available from 1960 to 1965. Data for the other race and Hispanic origin groups are shown from the first year available.

Hispanics may be of any race.

Source: U.S. Census Bureau, Current Population Survey, 1960-2002 Annual Demographic Supplements.

Marital Status. Single parent families are more likely to be poor than two parent families, and single parent mothers have more than twice the poverty rate of single parent fathers.

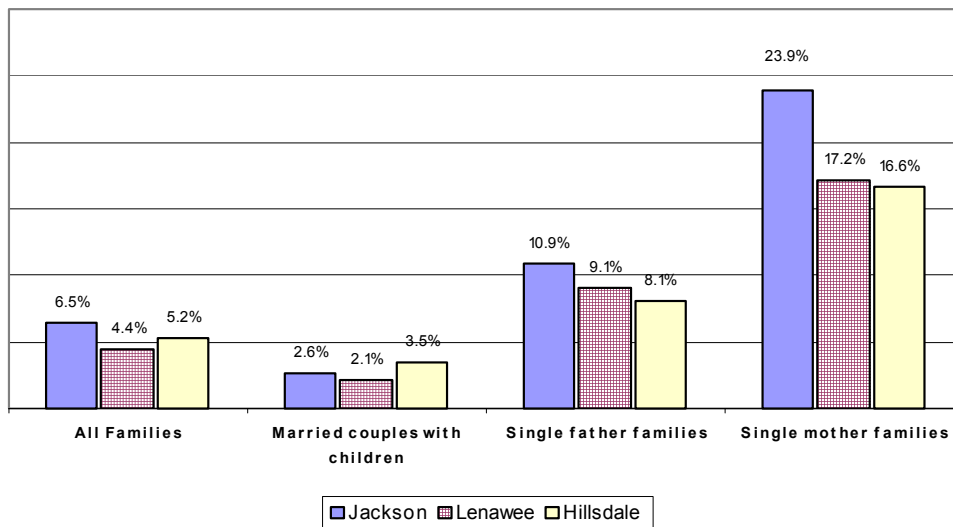
Figure 35 Percent Living Below Poverty, by Type of Family



Source: U.S. Census Bureau, Census 2000

The local poverty rates by marital status are consistent with the national statistics, particularly in Jackson County. In all counties, the proportion of single vs. married households in poverty is consistent with national rates.

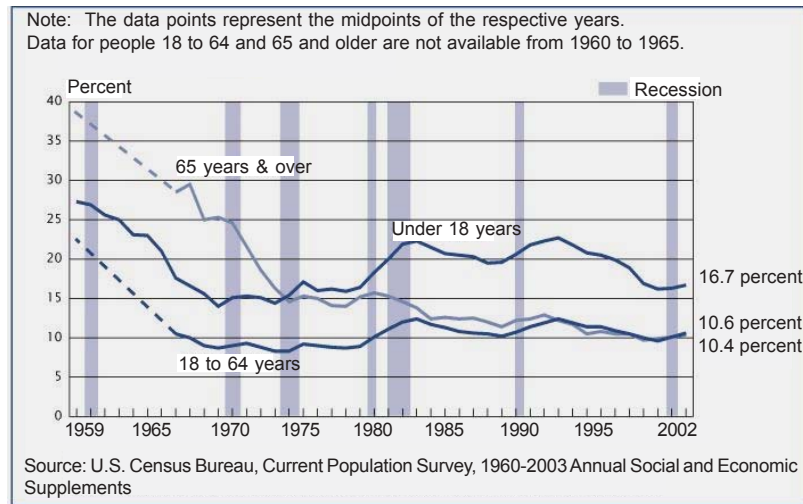
Figure 36 Percent Living Below Poverty, by Type of Family, by County



Source: U.S. Census Bureau, Census 2000

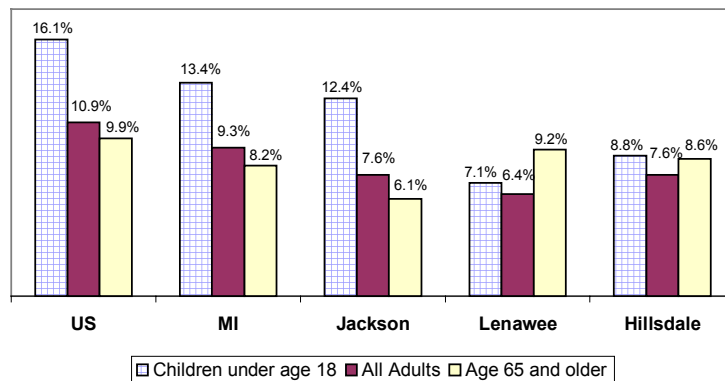
Age. Over time, the poverty rate has fallen most dramatically for seniors and children, but children continue to have the highest rates of poverty.

Figure 37 Poverty Rate Changes, by Age



Overall, children are much more likely to be living in poverty than older persons, although this national trend is not followed in Lenawee or Hillsdale Counties.

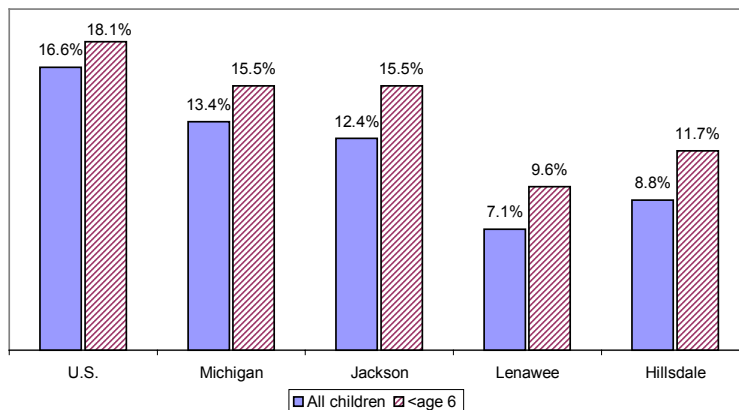
Figure 38 Poverty Rate, by Age



Source: U.S. Census Bureau, Census 2000

Children. Nationally, younger children (under age 6) are even more likely than all children to live in poverty. This is also true locally.

Figure 39 Rate of Poverty for Children



Source: U.S. Census Bureau, 2000 Census

- In 2001, seven percent of all U.S. children lived in extreme poverty (less than 50% of the poverty level). This is up from 6% in 2000.
- According to 2000 figures, across the United States, there are 4.1 million children living in poverty who are in a family with one or more family members working full-time. This is 37% of all poor children. Children in families where one or more family members worked at all are 77% of all poor children –i.e. only 23% of children in poverty live in a family where no one is working.
- Of poor children in *working families*, 61% are in two parent married families, 33% are in single mother families. (Source: U.S. Census Bureau, March Current Population Survey, 2002).

Recent Changes in Poverty

2002 data is the most recent poverty information available from the Census Bureau. According to this 2002 data:

- The national poverty rate in 2002 was 12.1%, up from 11.7% in 2001. This translates into 34.6 million people in poverty, 1.7 million more than 2001. In the past two years (2001-2002) an additional 3 million people were living in poverty.
- The poverty rate for children remained at 16.7% between 2001 and 2002, higher than for any other age group. In 2002, 16.7% of the population equals 12.1 million children in poverty.
- The poverty rate for people age 18-64 rose again in 2002, to 10.6% from 10.1%, an increase of 11 million people.
- The poverty rate for people living in the suburbs rose from 8.2% in 2001 to 8.9% in 2002, while the poverty rate in central cities and non-metropolitan (rural) areas did not change between 2001 and 2002.

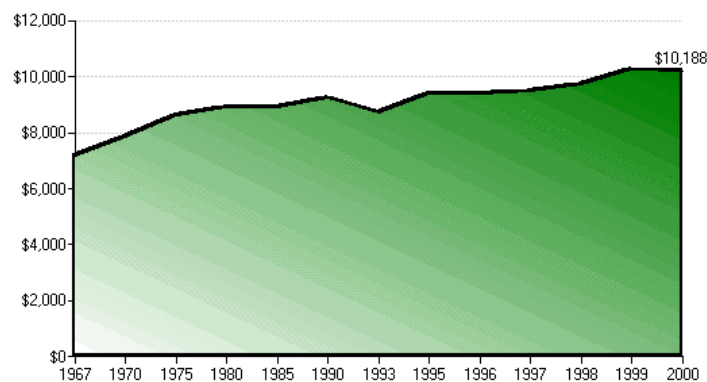
Poverty & Income

Nationally the income for the lowest income quintile of families has improved over time.

Figure 40 Average Family Income of Poorest in Constant Dollars Over Time

Average income of the poorest Americans has risen somewhat

Mean family income of the poorest 20 percent of Americans in constant 2000 dollars, select years, 1967-2000



Source: "Money Income in the United States: 2000," September 2001, U.S. Census Bureau

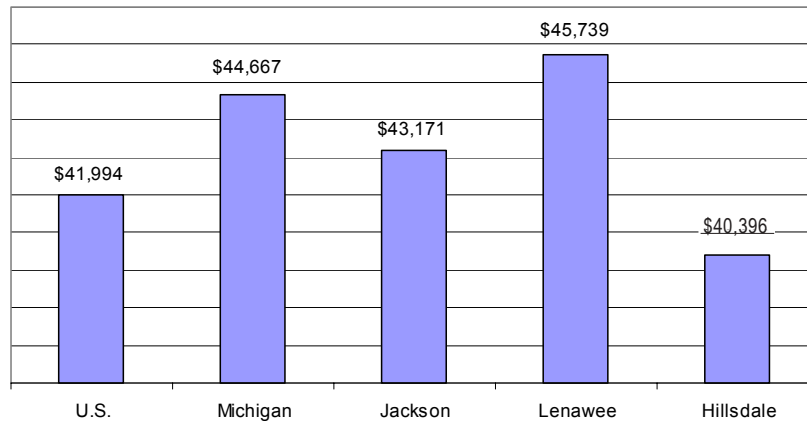
Source: "Money Income in the United States: 2000", September 2001, U.S. Census Bureau

The increased income, however, is still not high enough for a family to reach economic self-sufficiency. In 2004, using the official HHS poverty guidelines, a family of four needs to earn at least an hourly wage of \$9.42, working 40 hours a week, 50 weeks a year, to move above the poverty level. As shown above, this current poverty guideline is roughly half the level of income needed to meet a household's basic needs. Using the Basic Needs Budget of \$33,054 for a family of three, for example, the hourly wage needed to support the Basic Needs budget would be \$16.53 at full-time, full year work. In a four person household, with two parents, one would need to work full time and the other half time, both at \$13.46 per hour, to cover the basic needs budget.

What are local wages, compared to these poverty level wages?

Median income fell 2.0% in the midwest in 2002, the only region in the United States to have a statistical decrease. Income fell 5.2% in Michigan in 2002, as measured by the Census Bureau. The 2002 median (half below, half above) household income in Michigan is \$44,239. This remains higher than the U.S. median income of \$42,409.

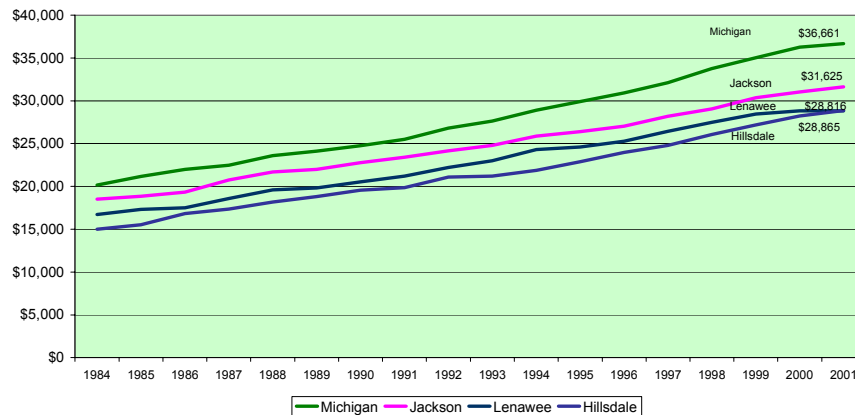
Figure 41 Median Income Compared from 2000 Census



Source: U.S. Census Bureau, 2000 Census

Although Lenawee has the highest median household income in this region, it does not have the highest average wages. In the three county region, Jackson consistently has the highest average wage. Average wages in all three counties are below the state average wage, by at least 13%.

Figure 42 Michigan Average Wages Per Job Compared



Source: U. S. Department of Commerce, Bureau of Economic Analysis, Regional Accounts Data

The average wage of \$31,625 (\$15.81 per hour) for a full time job in Jackson County will support a single parent family at 168% of the 2004 HHS poverty guideline for a family of four, and 96% of the Basic Needs budget for a family of three.

What jobs will be available in coming years in this region?

The predicted job growth in the three county region comes from a continuing shift from jobs in manufacturing to service industry jobs. From 2000 to 2010, jobs are expected to increase by 10.5% or 15,350 jobs. The occupational categories with the top three projected growth rates are: 1) technical and related support, 2) service and 3) professional specialty jobs. Between 2000 and 2010, the top ten occupations expected to generate the most new positions are: retail salespersons (650); Food preparation (580); Other Production workers (575); First line supervisors in retail (535); Waiters (425); Cashiers (415); Child care workers (360); Office clerks (340); Truck drivers (325); and Landscape Workers (310).

Source: Michigan Office of Labor Market Information, Occupational Employment Forecasts 2000-2010 for the Jackson area.

The average hourly wage for these occupations, using 2002 wage data for the Jackson MSA, are as follows:

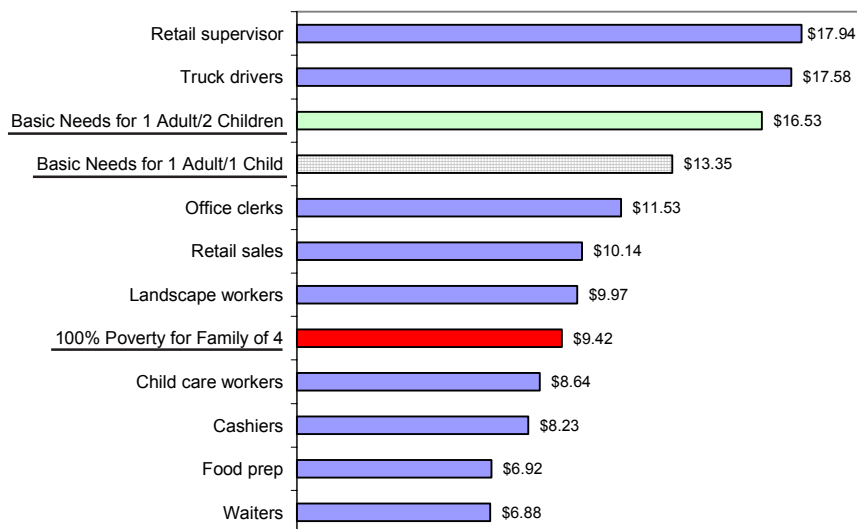
Table 7 Three County Region High Growth Occupations through 2010

<u>Occupation</u>	<u>Hourly Wage</u>	<u>Occupation</u>	<u>Hourly Wage</u>
Retail sales	\$10.14	Cashiers	\$ 8.23
Food Prep	\$ 6.92	Child Care Worker	\$ 8.64
Other Production	N.A.	Office Clerk	\$11.53
Retail Supervisors	\$17.94	Truck Driver	\$17.58
Waiters	\$ 6.88	Landscape Worker	\$ 9.97

Source: MDCD, ESA, OLM, 2004

When comparing the hourly wages to both the poverty guideline for a family of four and the Basic Needs budget for a family of three and a family of four, most of the jobs coming to the tri-county area through 2010 do not meet a family’s basic needs.

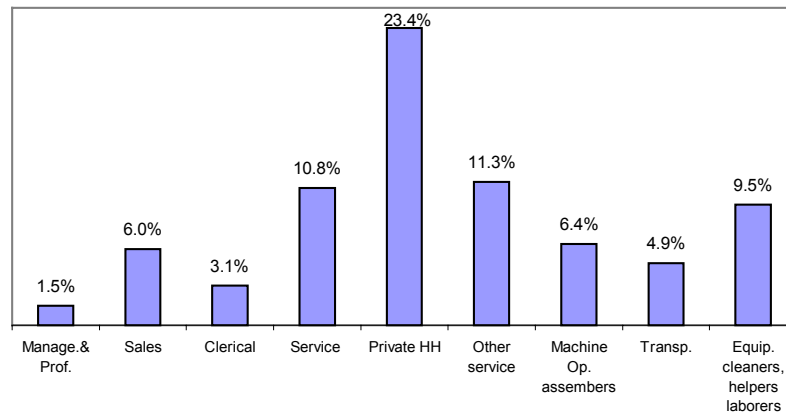
Figure 43 Comparison of Hourly Wages to Basic Needs & Poverty Guidelines



Source: MDCD, ESA, OLM, 2003

A number of the local high growth jobs are occupations that nationally have relatively high poverty rates. Data is collected on workers in the labor force for at least 27 weeks during the year.

Figure 44 Rate of Poverty by, Occupational Categories

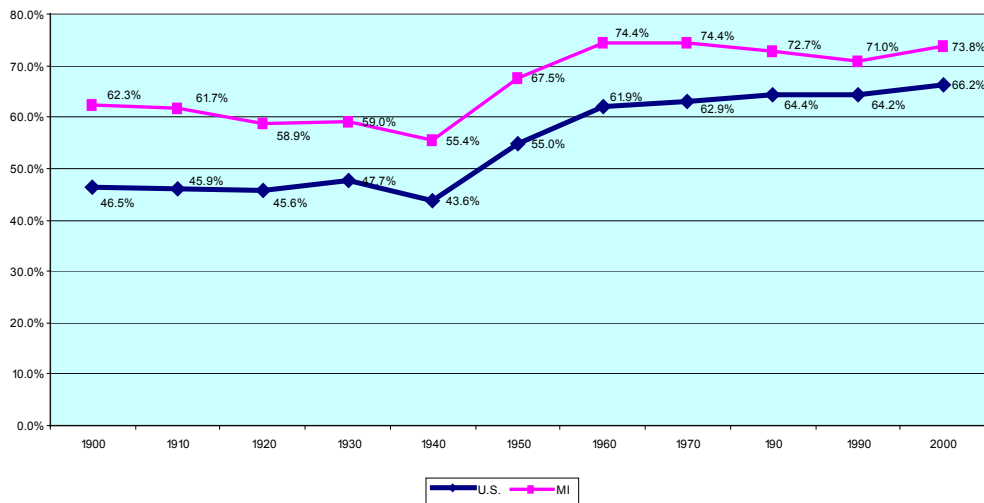


Source: U.S. Census Bureau, March 2000 Supplement to the Current Population Survey

*P*overty & Housing

Across the country, as well as statewide, the majority of households are homeowners. This trend towards higher homeownership has shown a steady increase since 1900, with dramatic jumps in the 1940's and 1950's.

Figure 45 Homeownership in US and Michigan Over Time

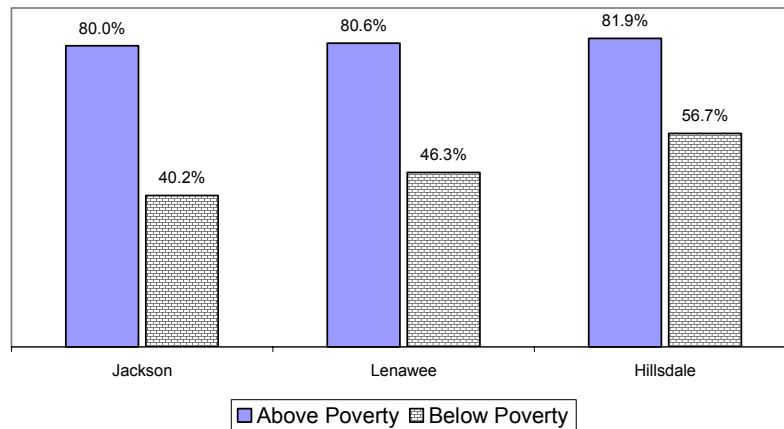


Source: U.S. Census, Historical Housing Tables

Despite this trend in the general population, most poor persons in Michigan rent rather than own their homes. According to 2000 Census figures, in the three county region, of the 8,982 households living in poverty, 44.5% are homeowners and 55.5% are renters. The rate of homeownership for those above the poverty threshold is much higher, 80.5%, with a corresponding rental rate of 19.5%.

There is a variation in the percentage of homeownership by county.

Figure 46 County Homeownership Rates, by Poverty Status

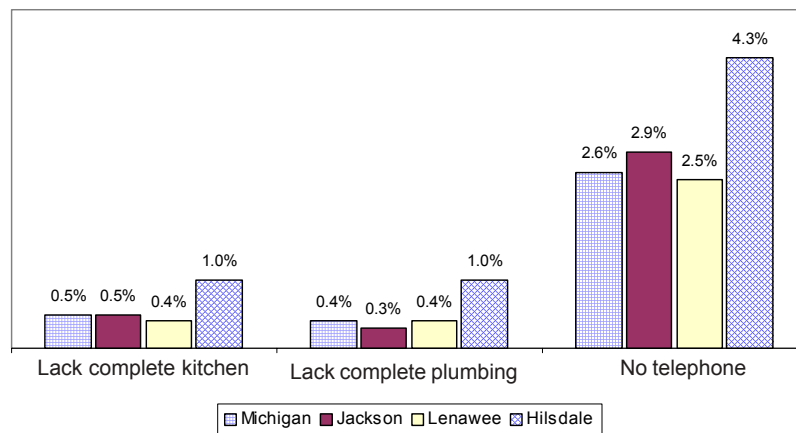


Source: U.S. Census Bureau, 2000 Census

Housing Characteristics by County

There are 62,905 housing units in Jackson County, 39,769 housing units in Lenawee and 20,180 housing units in Hillsdale, according to 2000 Census data. There is a median of 6.3 rooms in owner occupied homes in Lenawee and Hillsdale counties, and slightly smaller housing units (median of 6.1 rooms) in Jackson. In all three counties, the median size of rental housing is 4.3 rooms. The room count excludes halls, foyers, bathrooms and strip or Pullman kitchens. In all three counties there are more two-bedroom rental units than other sized units.

Figure 47 Basic Housing Characteristics Compared by County



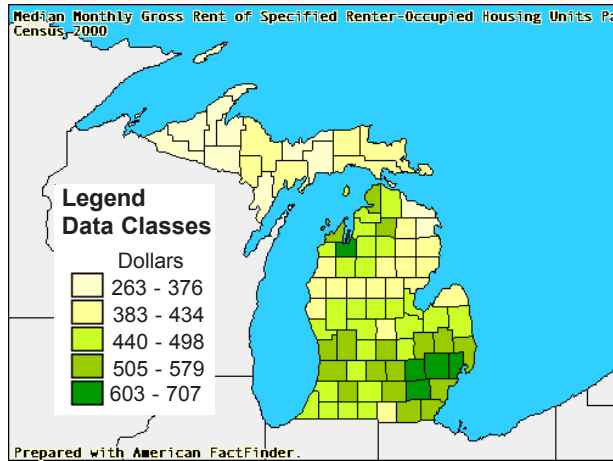
Source: U.S. Census Bureau, 2000 Census

Housing Costs

The median monthly rent, according to the 2000 Census data is \$546 statewide; \$505 in Jackson; \$517 in Lenawee; and \$434 in Hillsdale. This compares to the 2003 federal HUD determined “fair market rent” for a two bedroom rental of \$543 in Jackson, \$785 in Lenawee and \$446 in Hillsdale.

The median rents in this region are relatively low compared statewide.

Figure 48 Median Rents Statewide



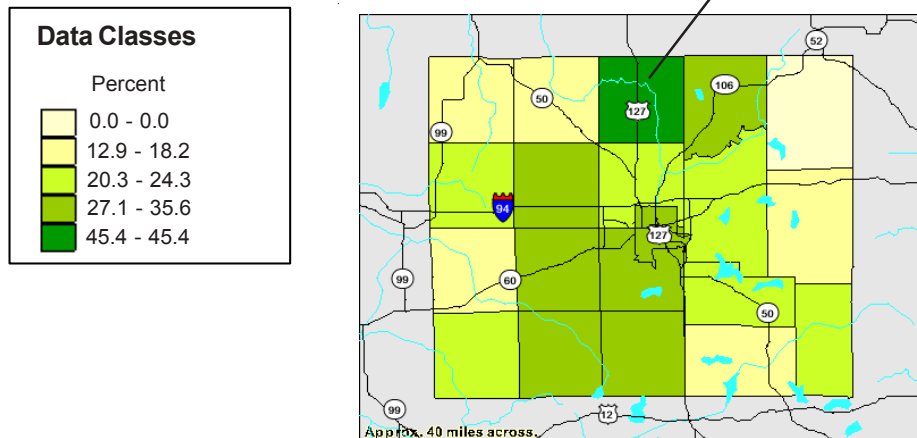
Source: U.S. Census Bureau, 2000 Census

Despite relatively low rents, housing costs in the region are a significant percentage of household income. By county, 28.2% of renters in Jackson are paying 35% or more of their income towards rent and 16.1% are paying more than 50% of household income for rent. In Lenawee, 21.7% of households are paying 35% of income towards rent and 11.3% are paying 50% or more. In Hillsdale County, 18.0% are paying 35% or more of household income towards rent and 8.9% are paying 50% or more. Generally, households paying more than 35% of income for shelter lack affordable housing. Those paying more than 50% of household income for housing costs are considered to have “critical housing needs.”

Geographically, those paying 35% of household income for rent are concentrated in specific areas within the counties.

Figure 49 Jackson County Rents at 35% or More of Income

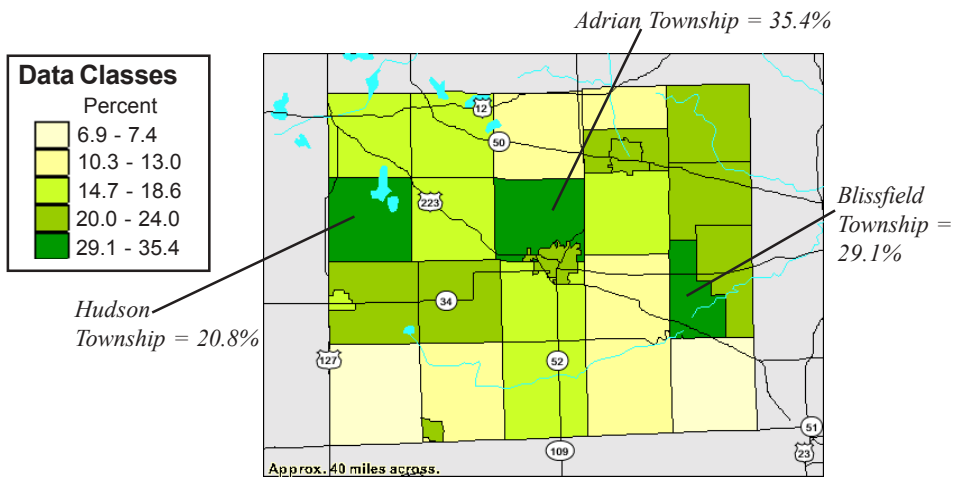
Rives Township = 45.4%



Source: U.S. Census Bureau, 2000 Census

In Jackson County, 45.4% of households in Rives Township are paying at least 35% of their income towards rent.

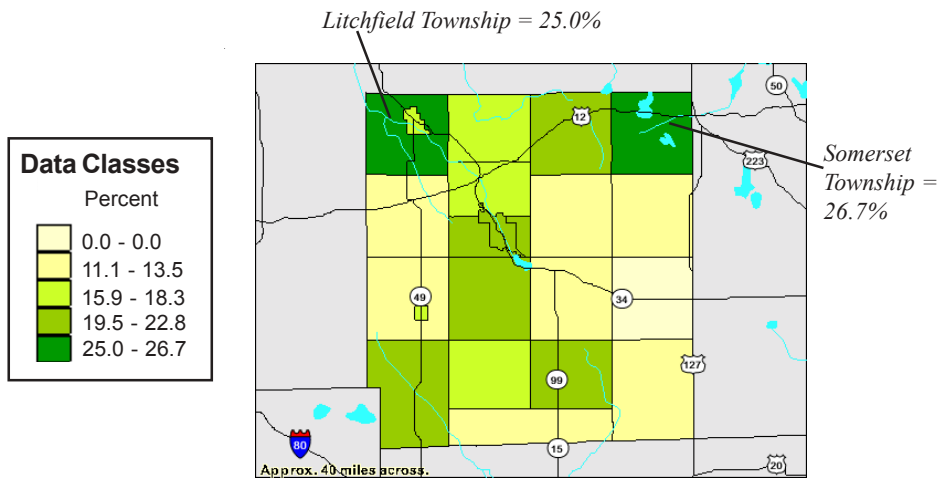
Figure 50 Lenawee County Rents at 35% or More of Income



Source: U.S. Census Bureau, 2000 Census

In Lenawee County, 35.4% of those living in Adrian Township are paying at least 35% of income toward housing. The next two highest areas are Blissfield Township at 29.1% and Hudson Township at 20.8%

Figure 51 Hillsdale County Rents at 35% or More of Income

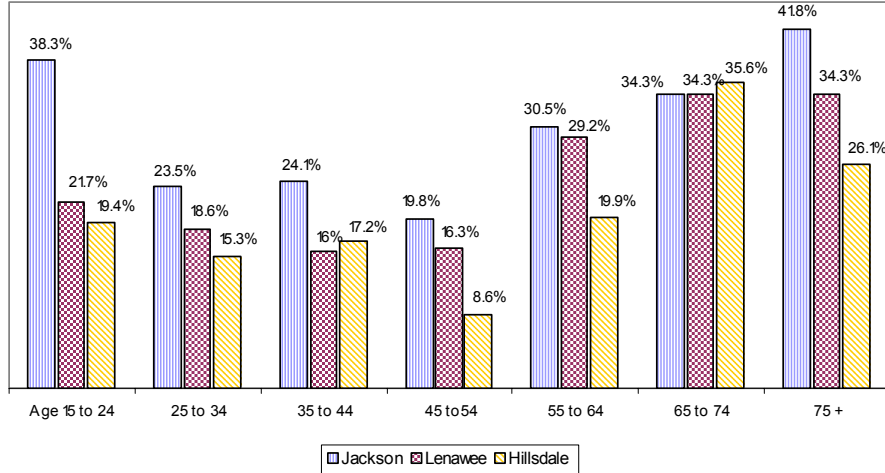


Source: U.S. Census Bureau, 2000 Census

In Hillsdale, the highest percentage of households paying at least 35% of income towards housing are in Somerset Township (26.7%) and Litchfield Township (25.0%).

In Jackson, a greater percentage of the youngest and oldest households are paying 35% or more of income towards rent, while in Lenawee and Hillsdale, renter retiree households are carrying this housing cost burden. This array may correlate to single vs. double income families.

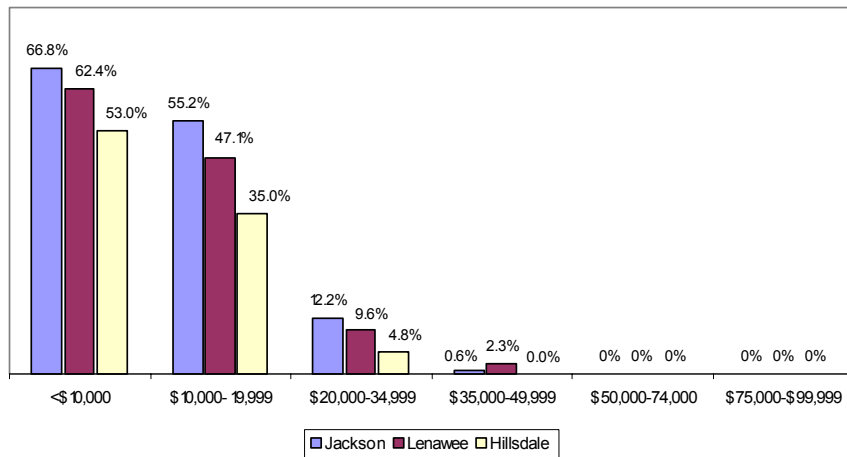
Figure 52 County Rents at 35% or More of Income, Compared by Age



Source: U.S. Census Bureau, 2000 Census

Not surprising, those spending 35% or more of household income are concentrated in lower-income households.

Figure 53 Percentage of Rent at 35% or More of Income, Compared by Household Income Levels

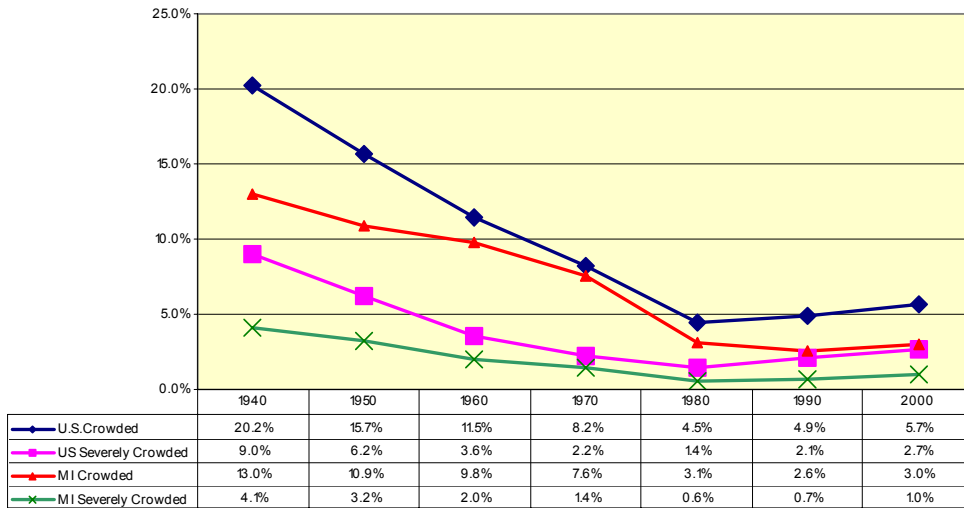


Source: U.S. Census Bureau, 2000 Census

Housing Crowding

The cost of housing also impacts the level of housing crowding. By U.S. Census definitions, housing is crowded if the occupancy rate is higher than one person per room, and housing is considered severely crowded if the ratio is higher than 1.5 per room. Housing crowding in Michigan has consistently been below the national percentages, but crowding has increased at all levels between 1990 and 2000.

Figure 54 Housing Overcrowding Rates Compared Over Time



Source: U.S. Census , Historical Housing Tables

Poverty & Child Care

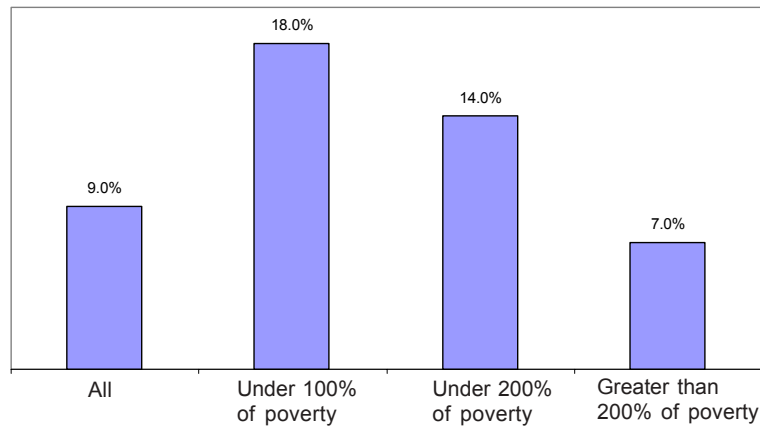
The following findings come from a February 1999 survey of Michigan parents by Public Sector Consultants, Inc.

- A majority (54%) of children under 5 are cared for solely by their parents. 46% receive child care and/or early childhood education (ECE) from someone other than a parent. (46% of children under age 5 translates to 310,751 children in Michigan, according to the U.S. Census 2001 population estimates.)
- Of children under age 2, 60% received care from parents only. Of children ages 3-4, 64% received care from a child care center i.e., the closer to school age, the more likely to receive day care from a non-parent.
- Of children receiving day care/ ECE:
 - 32% receive care in own home, but from someone other than parent.
 - 47% received care in another home, from non-parent.
 - 47% received care in a child care center, including Head Start, pre-school, nursery school, etc. (Note: children have multiple care arrangements, so the percent of care exceeds 100%).
- Of children receiving care in their own home:
 - 23% receive care from a sibling.
 - 51% receive care from a grandparent or other relative.
 - 53% receive care from a nonrelative (Again, children have multiple care arrangements, so the percent exceeds 100%).

- Of children in care:
 - On average, they are receiving care for 40 hours per week.
 - 25% receive care for more than 50 hours per week.
 - 66% receive care for more than 30 hours per week.
- 27% of children had care arrangements changed in the past six months.
- 25% needed care arrangements at times outside of Monday – Friday between 5:30 a.m. and 7:00 p.m.
- Of parents with more than one child in day care, nearly 40% had different arrangements for different children.
- 57% of White families reported that parents provide child care, while 41% of African-American parents reported this care arrangement.
- 70% of parents with a high school diploma or less reported that the parents provided day care, while only 44% of those with at least some college reported this care arrangement.

The percentage of earnings spent on child care by income level, according to the 1999 Urban Institute’s National Survey of America’s Families, is shown in Figure 55.

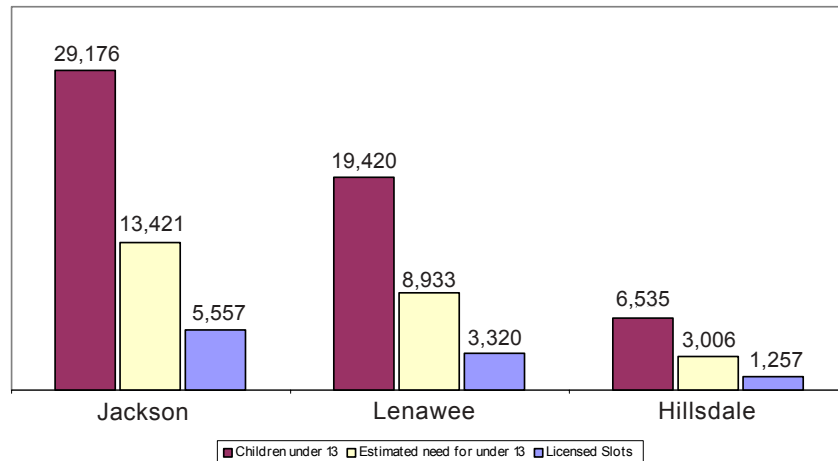
Figure 55 **Percent of Earned Income Spent on Child Care**



Source: The Urban Institute, National Survey of America’s Families, 1999

Estimates of need in the three counties, based on 46% of children under 13 receiving care by other than parents and compared to available licensed child care slots.

Figure 56 **Licensed Care Compared to Need for Child Care**



Source: Summary of Child Care Demographics, Child Care Network, July 2002- April 2003

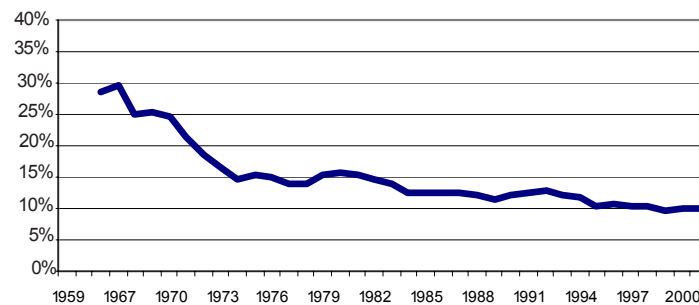
Poverty & Retirement

Looking at poverty and retirement requires an examination of both those already retired, where the news is relatively good, and those nearing retirement age, where the news isn't good.

The Good News.

The number and percentage of seniors living in poverty has dropped dramatically over the past 50 years. This is a direct result of the welfare safety net programs (SSA, SSI, Medicaid, and Medicare) and those age 65 and older having the highest rate of eligibility for traditional pensions from employment. Because of the availability of these income supports, poverty rates for those age 65 and older have dropped over time.

Figure 57 Poverty Rate for Ages 65 & Older



Source: U.S. Census Bureau, 2000 Census and Historical Tables

According to 1998 data, 44.5% of all retired Americans had a traditional pension, while 54.4% of those who worked for pay had a traditional pension. Male retirees were twice as likely as female retirees to have pension income. The share of all households with a defined benefit (traditional) pension fell from 52.6% in 1983 to 35.3% in 1998. While the mean wealth in defined benefit pensions dropped 39% between 1983 and 1998 for those age 47 – 64, it rose 36% for age 65+ household in the same period.⁵

The Bad News

Although today's workers are likely to live longer, and therefore be retired longer than previous generations, as an age group they are less prepared financially for retirement. This is true of all but the highest income groups, but is especially critical for low income workers.

- In 1998, 18.5% of households headed by a person approaching retirement (ages 47-64) are expected to have incomes below poverty when retired. This rate is up from 17.2% in 1989.
- The share of households unable to replace at least half of their pre-retirement income rose from 29.9% in 1989 to 42.5% in 1998. In African-American and Hispanic households, the rate increased to 52.7%.
- Only households with wealth at \$1.0 million or more had an increase in retirement wealth in 1989. All other wealth categories saw retirement wealth fall between 1983 and 1989.

When surveyed, the amount saved towards retirement, if known at all, was insufficient to replace pre-retirement income.

⁵ Wolff, Edward. *Retirement Insecurity*, Economic Policy Institute, 2002

Table 8

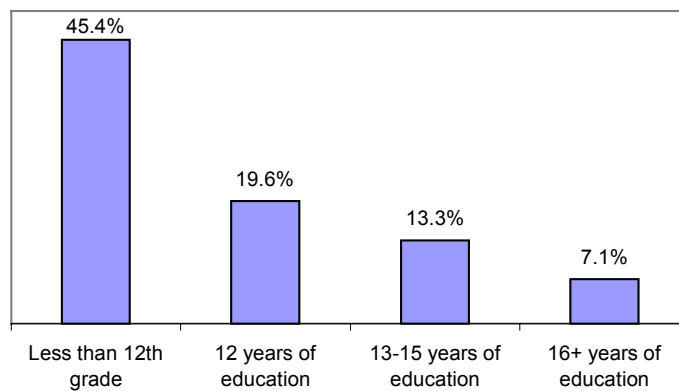
Total Amounts Accumulated for Retirement, by Age Group

Amount Saved	ALL	Age 20 – 39	Age 40 – 59
Nothing	15%	22%	13%
\$1 – 9,999	12%	21%	9%
\$10,000 – 24,999	11%	15%	8%
\$25,000 – 49,999	9%	9%	9%
\$50,000 – 74,999	8%	7%	7%
\$75,000 – 99,999	5%	3%	7%
\$100,000 – 149,000	6%	3%	6%
\$150,000 – 249,999	6%	2%	8%
\$250,000 +	6%	2%	9%
Don't know	23%	16%	24%

Source: Retirement Confidence Survey, 2002.

When looking at expected retirement income by the education level of the approaching retiree, the higher the education level, the more likely the household will have retirement income above the poverty level.

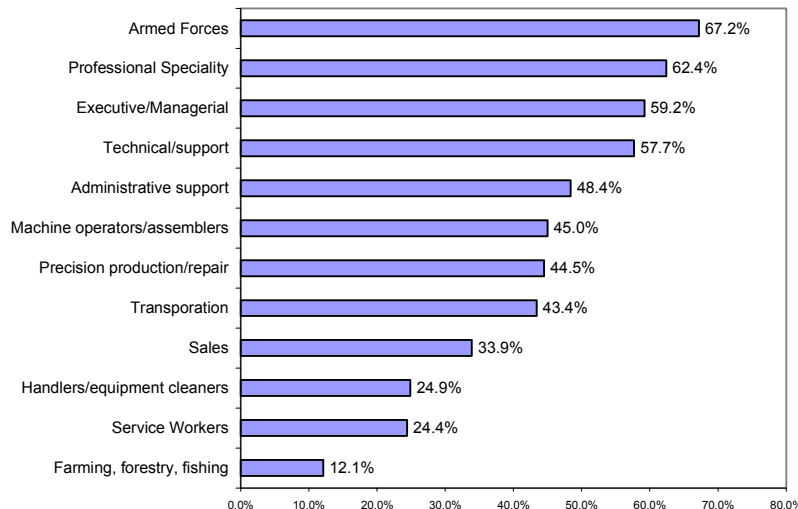
Figure 58
Projected Percent
having Retirement
Income Below Poverty,
by Education Levels



Source: Wolff, Edward, Retirement Insecurity, Economic Policy Institute, 2002. Data from 1989-1998 Survey of Consumer Finances.

According to 2002 U.S. Bureau of Labor Statistics, the likelihood of receiving a pension plan varies dramatically by job type. Service jobs fare worse than manufacturing jobs. Technical and managerial jobs are more likely to have pensions than manufacturing/assembly jobs. Farming and fishing jobs are the worst while Armed Forces jobs are best, overall.

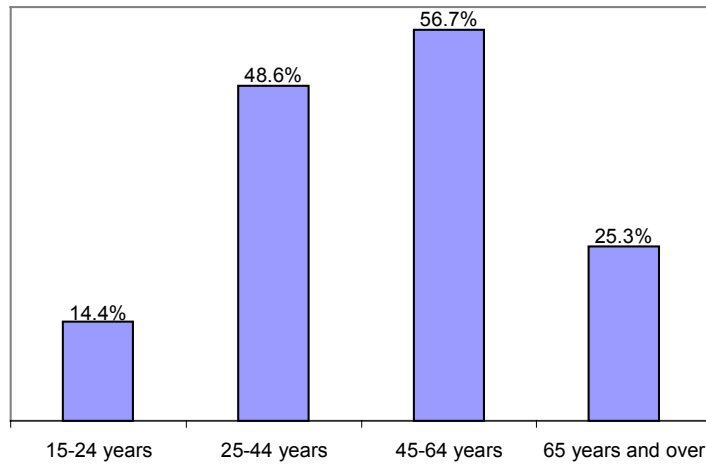
Figure 59
Percent of
Employees
Eligible for
Pension Plan
Benefit



Source: U.S. Bureau of Labor Statistics, 2002

Eligibility for a pension plan varies by worker age.

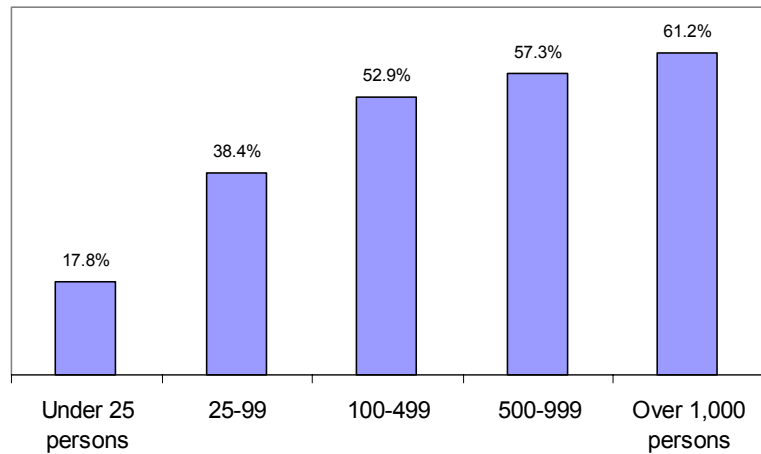
Figure 60 Percent of Employees Eligible for Pension Plan Benefit, by Age



Source: U.S. Bureau of Labor Statistics, 2002

And it varies by employer size. The larger the employer, the more likely an employee will be covered by a pension plan.

Figure 61 Percent of Employees Covered by Pension Plan, by Employer Size



Source: U.S. Bureau of Labor Statistics, 2002

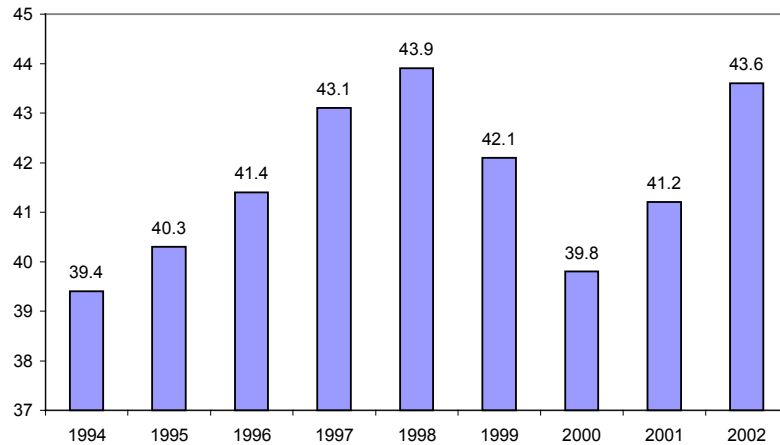
Coverage depends not only on the pension availability (through the employer), but also on the worker participating in the available plan. According to 2001 data:

- In 2001, the availability rate for all workers age 16 and older was 55.3%, down from 60% in 1998.
- The percentage of all workers actually participating in a pension plan (work sponsored or not) was 43%, down from 44.4% in 1998.

Poverty & Health Care

The number of Americans without health insurance rose to 43.6 million in 2002, up from 41.2 million in 2001.

Figure 62 Number of Uninsured Persons in U.S. by Year, in Millions

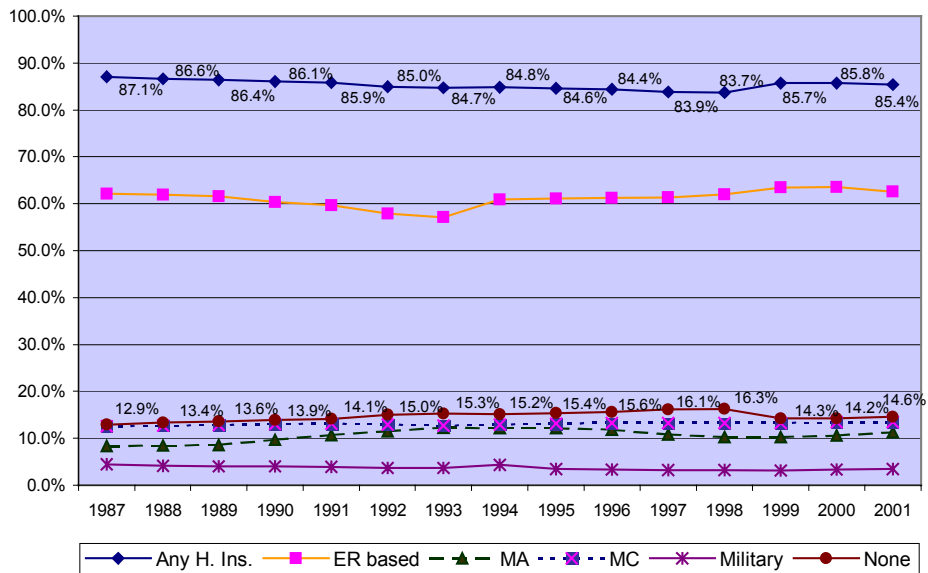


Source: U.S. Census, March Current Population Survey of Non-elderly 1995-2003 Supplements

Health Insurance Trends

Health insurance coverage trends since 1987 (when health insurance statistics were first available), show that Medicaid coverage has increased over time, while health insurance coverage in total has dropped since 1987.

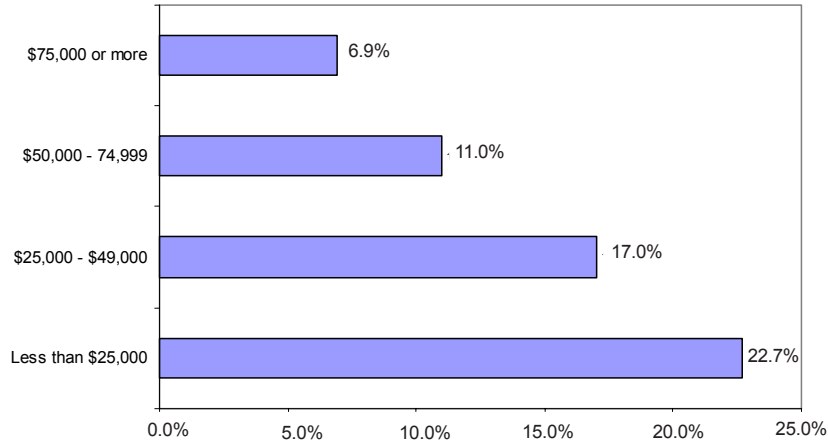
Figure 63 Health Insurance Trends



Source: U.S. Census, Current Population Survey, 1988-2002 Annual Demographic Supplements

In 2001, over half of the newly uninsured lived in households with income of \$75,000 or greater, a relatively new impact of our sputtering national economy. While the growth in uninsured households is found in higher income brackets, the greatest numbers of uninsured continue to be lower income households.

Figure 64. Percent of Households with No Health Care Coverage, by Income

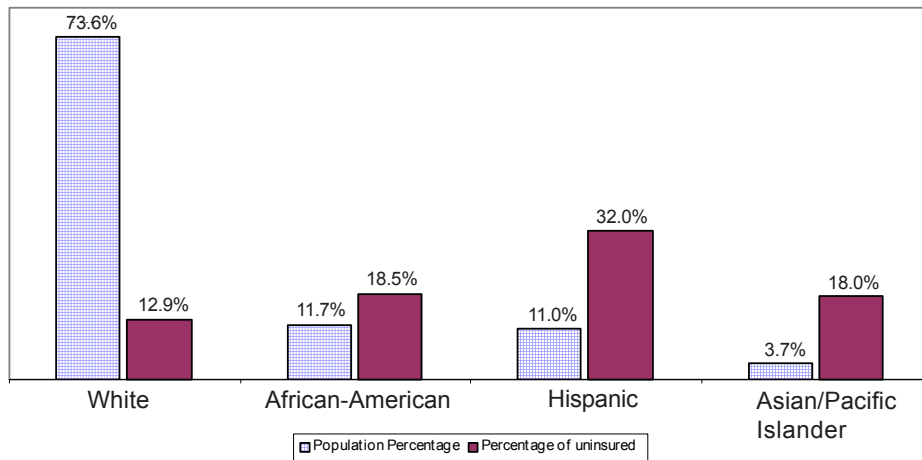


Source: U.S. Census Bureau, Health Insurance Coverage, 2000, September, 2001

Who is uninsured?

Minorities are more likely to lack health insurance and at a disproportionate rate.

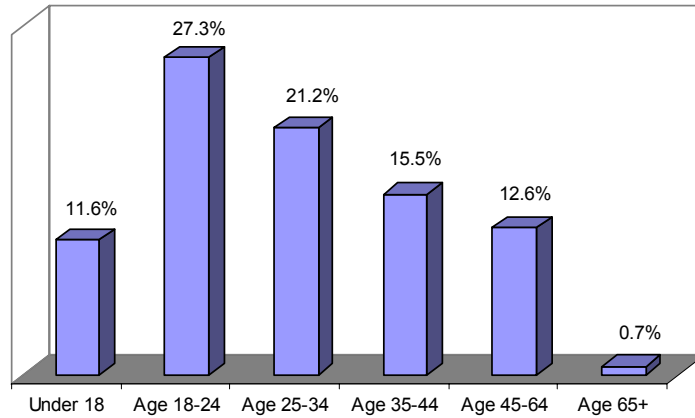
Figure 65. Percentage of Uninsured Population in US, by Race 2000



Source: U.S. Census Bureau, Health Insurance Coverage, 2000, September, 2001

Uninsured rates vary by age. Young adults have the highest uninsured rates in the United States, according to 2000 Census statistics.

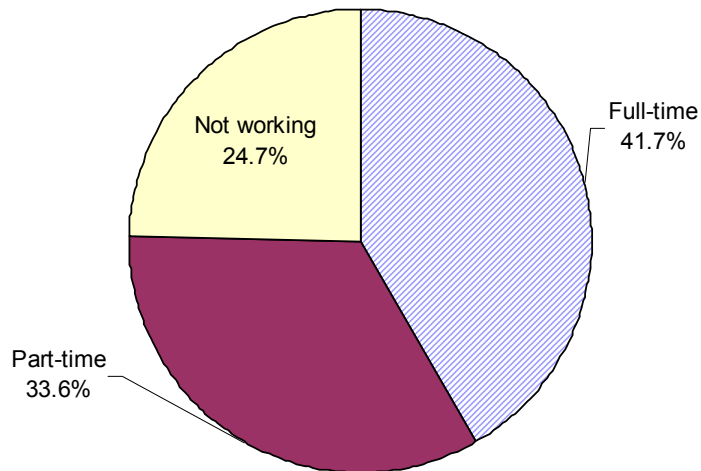
Figure 66 Percent Uninsured, by Age



Source: U.S. Census Bureau, Health Insurance Coverage 2000, Sept. 2001

Although most health insurance in the United States is employment based (61.3% as of 2002), the availability of this coverage varies. The majority of uninsured adults are employed.

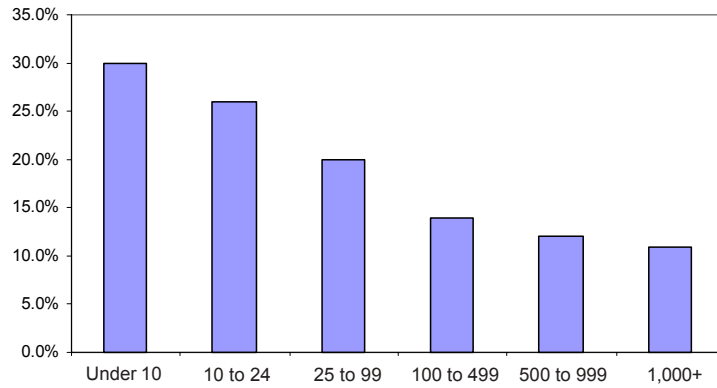
Figure 67 Employment Status of Uninsured Adults



Source: GAO analysis of the March 2000 Supplement, Current Population Survey of non-elderly adults.

These uninsured workers are most likely to be working in an industry or company where health coverage is not offered. More than 30% of workers in construction, mining, forestry and fisheries were uninsured according to the 2000 Census. By contrast, 10% or less of workers in finance, insurance, real estate or public employment were uninsured. Company size also impacts the likelihood of health insurance coverage for employees. Employees of small companies are more likely to be uninsured.

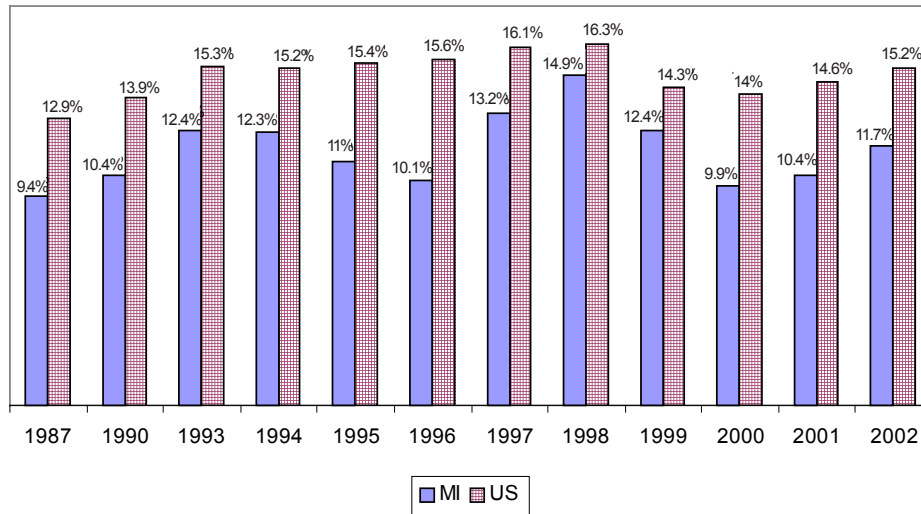
Figure 68 Percent of Uninsured, by Employer Size



Source: GAO analysis of the March 2000 Supplement, Current Population Survey of non-elderly adults.

Fewer Michigan residents are uninsured than the nation as a whole, although the gap is narrowing as the uninsured population in Michigan grew in 2001 and 2002.

Figure 69 Comparison on Uninsured Rates



Source: US Census Bureau, Historical Health Insurance Tables, Table HI-4

Who is most likely to have a lapse in health insurance coverage, and for how long?

Health insurance coverage is associated with life circumstances, such as employment, retirement or eligibility for public assistance. Using data from the Survey of Income and Program Participation (SIPP) from 1996 to 1999 the Census Bureau researched who is most likely to have a lapse in health insurance. Their findings are:

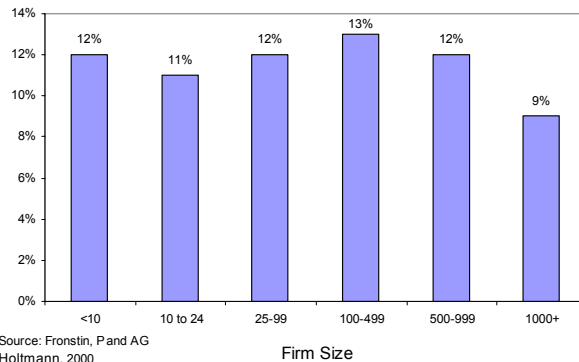
- Young adults (between 18-24) were the most likely to have a lapse in insurance for at least one month, 62.5% were not continuously insured for the 36 months studied.
- Those who were poor were less likely to have continuous health insurance coverage: 73.8% of those above 100% of poverty had continuous coverage, while 36.5% of those with income below 100% of poverty had continuous coverage.
- Women are less likely than men to have a lapse in coverage—31% of women compared to 33.3% of men. This is attributed to more women than men being eligible for Medicaid coverage.
- By race and ethnicity, the percentage of people who had at least one month lapse over the 36 months was: 25.9% for Whites (not Hispanic); 46.7% for African Americans; and 56.3% for Hispanics.
- 24.49% of those with at least one year of college had at least one month lapse in coverage; 27.6% of those completing high school and 34.8% of those with less than a high school diploma had at least one month lapse in health care coverage.

Of those who had a break in their health insurance coverage, the median length of time without coverage was 5.6 months overall. The median time for the break in insurance coverage varies by education level, with the median lapse of 8.8 months for those without a high school diploma but 4.9 months for those with at least one year of college.

What is the impact of being uninsured?

The Kaiser Family Foundation studied this question in 2002 and reached the conclusion that the consequences of being uninsured are that the individual (and family) are sicker and poorer. First, being uninsured results in poorer health. Compared to the insured, uninsured persons had a higher relative risk of a major health decline (a relative risk of 1.41 if they were intermittently uninsured and a relative risk of 1.6 if they were continuously uninsured). Further, citing research issued in 2000, the report concluded that poor health negatively affects a worker's earnings, and this negative impact varies by employer size.

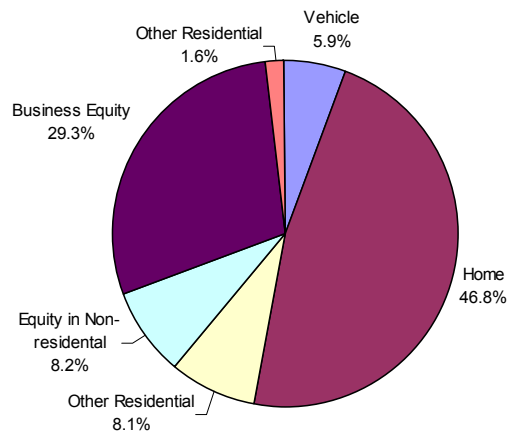
Figure 70
Percentage Increase in Annual Earnings Associated with Good Health, by Employer Size



Poverty & Savings

Most American families hold their family wealth in the home. A home, on average, is 46.8% of a household's assets. On average, 66.2% of all families own a home. However, in families with income under \$25,000, less than half own a home.

Figure 71 Assets as Percent of Total Household Wealth



Source: Federal Reserve Bulletin, January 2003, Recent Changes in the U.S. Family Finances

Table 9 Percent of Families holding Select Non-Financial Assets by Household Characteristics

	Vehicle	Home	Other Res.	Equity in Non-resid.	Business Equity	Other
All families	84.8%	66.2%	12.8%	8.6%	11.5%	8.5%
Income <\$10,000	51.3%	34.5%	-	-	3.8%	2.6%
\$10,000-24,999	78.0%	51.7%	5.8%	5.0%	5.0%	5.6%
\$25,000 – 49,999	89.6%	68.2%	11.4%	7.6%	10.3%	9.4%
\$50,000 – 99,999	93.6%	85.0%	19.0%	12.0%	15.0%	10.2%
\$100,000 or more	88.7%	93.3%	37.3%	22.6%	34.7%	17.1%

Source: U.S. Census Bureau, Statistical Abstract of the United States: 2002, Income, Expenditures and Wealth, No. 676, using 1998 data.

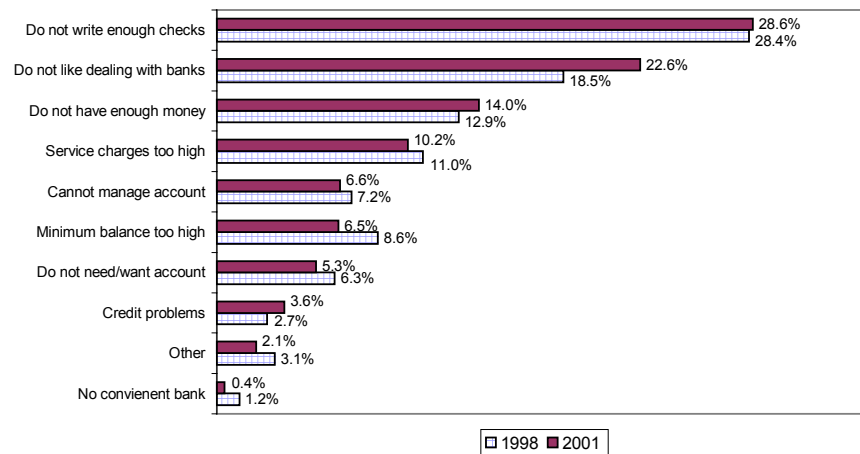
Who has banking accounts?

According to Federal Reserve 2001 data, 12.7% of families do not have a checking account. This percent dropped from 13.2% in 1998.

- Of those without a checking account in 2001, 50.4% had a bank account in the past.
- 59.3% were in the lowest 20% of income levels.
- 55.8% were in households headed by a person younger than 45.
- 57.4% were non-white or Hispanic.

When surveyed, the following reasons given for not having a checking account.

Figure 72 Reasons for No Checking Account

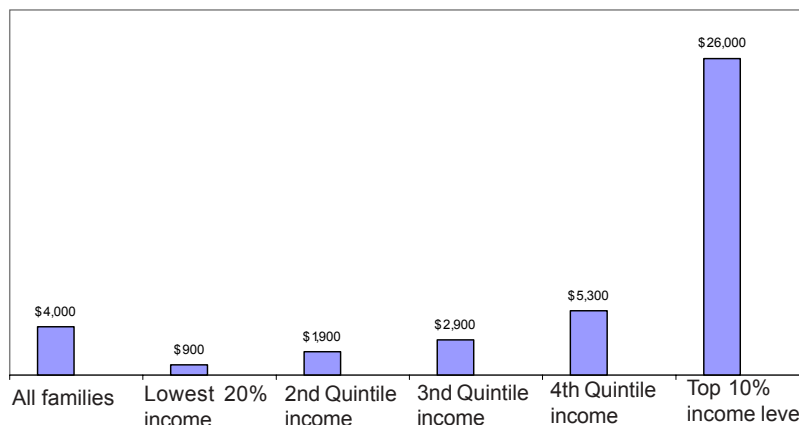


Source: Federal Reserve Bulletin, January 2003, Recent Changes in the U.S. Family Finances

Responses varied between those who never had a checking account, and the smaller group of those who once had an account but do not currently have one. Of those who had a checking account in the past, the response “do not like banks” dropped to 18.2% and the responses “service charges too high” and “credit problems” rose to 12.8% and 6.3% respectively.

The amount saved varies by household income, although significant checking/savings account balances are held by only the top 10% of income households.

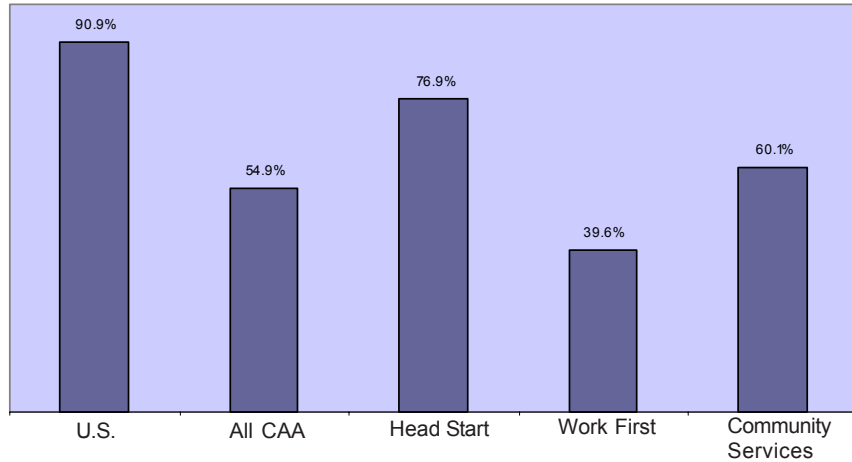
Figure 73 Median Value of Checking/Savings Accounts in 2001, Compared by Income



Source: Federal Reserve Bulletin, January 2003, Recent Changes in the U.S. Family Finances

In 2001, the income ranges for quintiles were: Lowest below \$17,959; second quintile up to \$33,312; third up to \$53,000 and fourth up to \$83,500.

Figure 74 Bank Accounts Open, Compared to CAA Clients

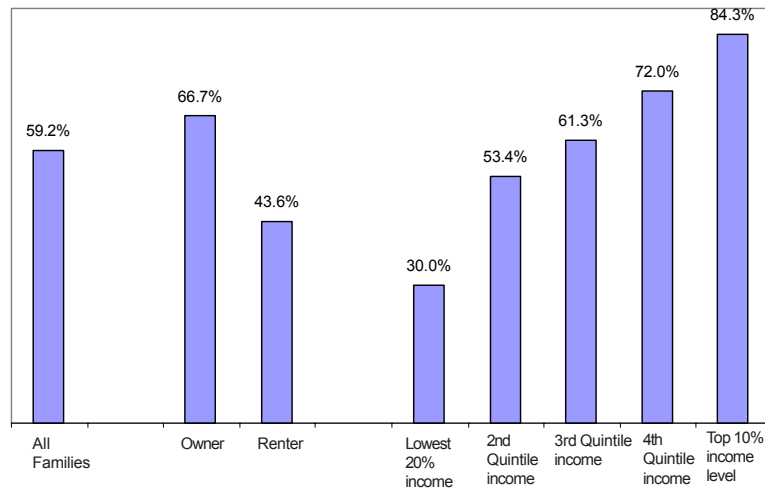


Source: Federal Reserve Bulletin, January 2003, Recent Changes in the U.S. Family Finances & CAA, Community Needs Assessment, June 2003

Who Saves?

Owners are more likely to save than renters, and the greater the income, the more likely a household is to have savings accounts.

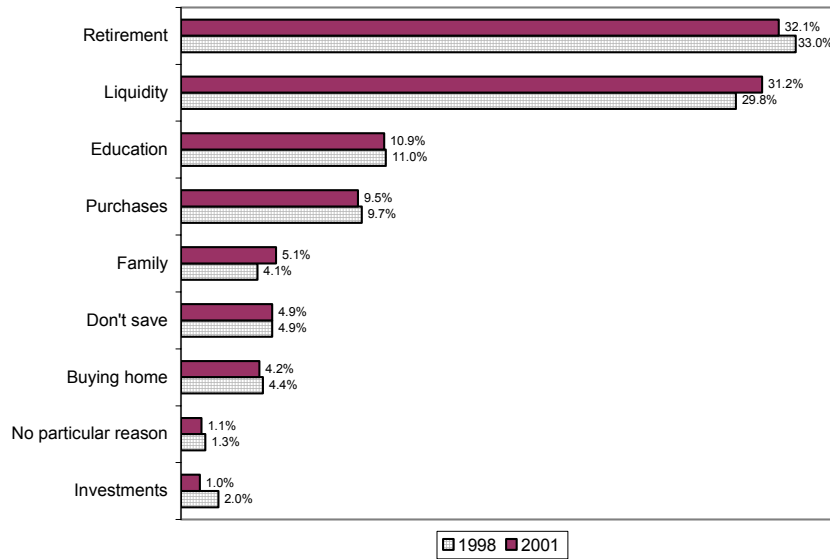
Figure 75 Percent of Households with Savings Accounts, Compared by Characteristics



Source: Federal Reserve Bulletin, January 2003, Recent Changes in the U.S. Family Finances

When surveyed nationally, families reported the following purposes for their saving efforts.

Figure 76 Purpose of Family Saving

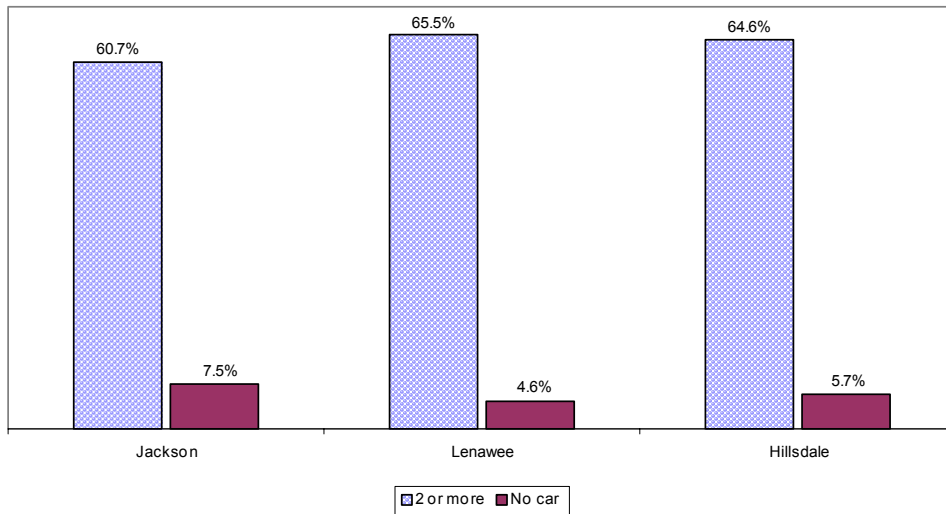


Source: Federal Reserve Bulletin, January 2003, Recent Changes in the U.S. Family Finances

Poverty & Transportation

The majority of households in the three counties have two or more vehicles available, while a small percentage of residents in the three counties had no vehicle.

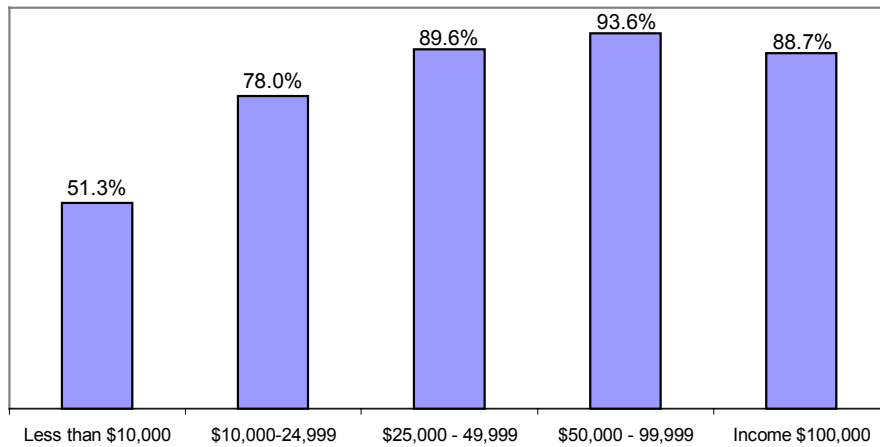
Figure 77 Transportation Available by County



Source: U.S. Census Bureau, 2000 Census

Those without a vehicle are much more likely to be low income.

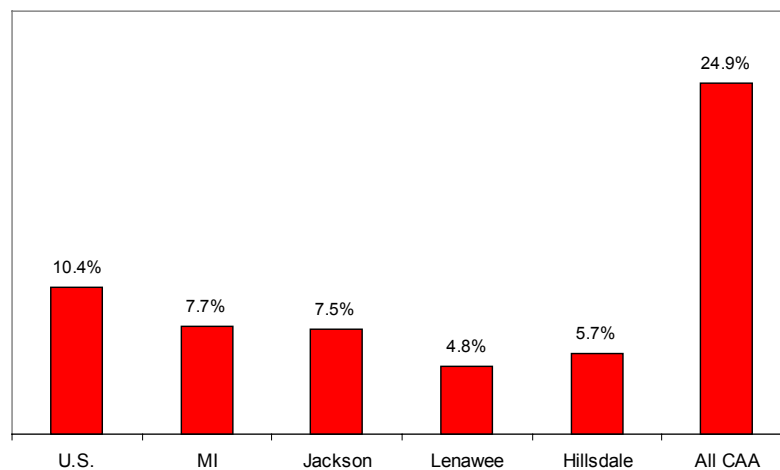
Figure 78 Percentage of Families Owning Vehicles



Source: U.S. Census Bureau, Statistical Abstract of the United States: 2002, Income, Expenditures and Wealth, No. 676, using 1998 data.

When comparing the percentage of households without any vehicle in the tri-county area to the state and nation, the tri-county resident is more likely to have at least one vehicle. The low-income households served by CAA in the three counties, however, are more than three times as likely not to have a vehicle than the general population.

Figure 79 Households Without Any Vehicle



Source: U.S. Census Bureau, 2000 Census and CAA 2003 Community Needs Assessment

Poverty & Neighborhoods

How we feel about our lives is dependent to a large degree on where we live. Peoples' satisfaction with their lives ties to their opinions on safety, neighbors, appearance of the neighborhood and neighborhood amenities. There are clear differences by income, in residents' opinion of their neighborhood, according to the U.S. Census Bureau Extended Measures of Well-Being- Living Conditions in the United States: 1998.

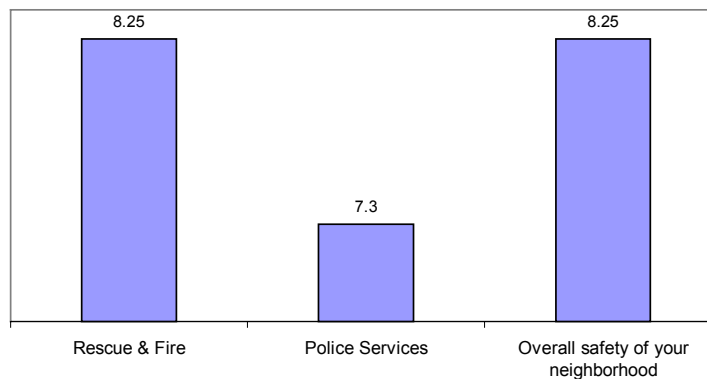
Table 10 Residents' Opinion of their Neighborhood by Income

Question	ALL	Midwest	Below Poverty	Above Poverty
Don't stay at home for safety	87.1%	88.9%	76.7%	88.6%
Don't carry anything to protect self	92.5	93.8	90.1	92.8
Don't take someone when going out	88.5	90.0	80.2	89.6
Not afraid to walk	71.2	73.4	64.3	72.2
No trash/litter in area	92.0	92.0	88.3	92.6
No street repair problems	83.6	84.5	79.5	84.2
No abandoned buildings	91.8	92.9	86.1	92.6
No traffic noise problems	78.6	77.8	73.4	79.3
Satisfactory neighborhood	95.0	95.8	91.1	95.6
Not considered bad enough to want to move	94.2	94.9	89.7	94.8
Satisfactory public services	94.7	95.9	92.3	95.1
Not considered poor enough services to want to move	98.2	98.4	96.9	98.4

Source: U.S. Census Bureau, Extended Measures of Well-Being, Living Conditions, 1998.

Compared to the national survey on overall feeling of safety in one's neighborhood, which indicates 87% consider their neighborhood safe, respondents to the 2002 Jackson County Report Card survey, rated their overall opinion on "the safety in your neighborhood" at 8.25. Responses were averaged on a scale of 1 to 10, with 10 being the highest possible score. While the national survey had a 94.7% "satisfactory public services score"; in the Jackson County survey, respondents rated rescue and fire services at 8.25 and police services at 7.3 on a 1 to 10 scale.

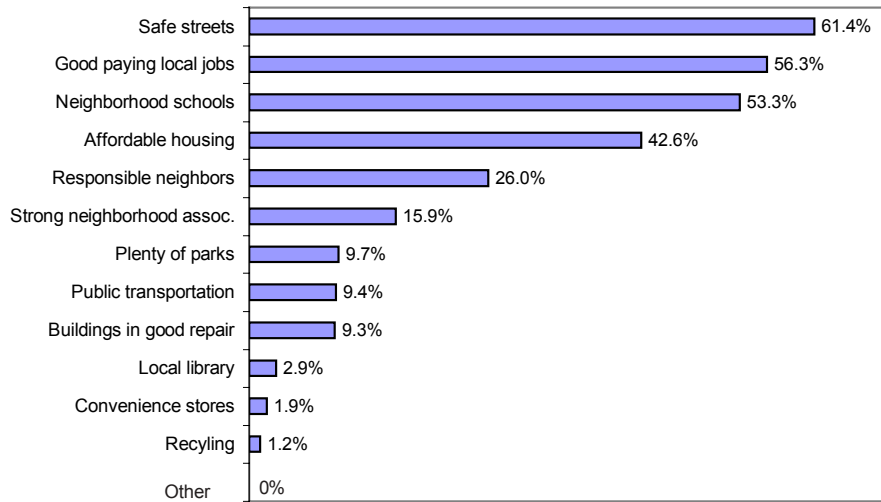
Figure 80 Jackson County Residents View on Public Services and Overall Safety in Neighborhood



Source: 2002 Jackson Community Report Card

Safe Streets are the most important neighborhood characteristic for CAA clients in the three county area, when surveyed in 2003.

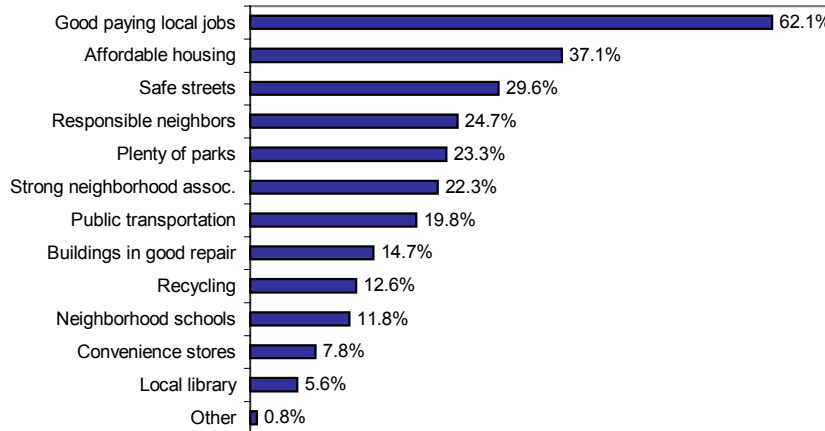
Figure 81 CAA Client Views on Important Neighborhood Characteristics



Source: CAA Community Needs Assessment 2003

However, when surveyed, the same clients believed that the following characteristics are missing from their own neighborhood.

Figure 82 CAA Client Views on Missing Characteristics in Neighborhood



Source: CAA Community Needs Assessment, 2003

While 29.6% of CAA clients considered safe streets missing, 28.8% of *all* households in the national Well-Being Survey, and 35.7% of those living below poverty, considered safe streets missing from their neighborhood.

In the national Well-Being Survey, 8.2% of all households considered there to be an abandoned building problem in their neighborhood, and 13.9% of those households living below poverty considered this to be a neighborhood problem. In the CAA survey, 14.7% consider their neighborhood to be missing “buildings in good repair.”

Poverty & Substance Abuse

It is estimated that in 2001, 16.6 million Americans age 12 and older were dependent on or abused either alcohol or illicit drugs. This is 7.3% of the population and it is an increase from 6.5% of the population in 2000. Of illicit drug users, 76% are marijuana users.

- Men are more likely than women to be substance abusers or substance dependent (10.0% vs. 4.9%). Younger persons (age 18-25) are much more likely (18.4%) to be dependent/abusers than those over age 26 (5.4%).
- Lower education levels correlate to higher abuse levels. Those not completing high school have the highest rate (at 8.2%), while college graduates have the lowest rate (6.1%).
- As of 2001, it is estimated that 15.4% of unemployed adults age 18 or older were substance abusers or dependent: 77% of all substance abusers/dependents are employed, either full or part-time.
- Native Americans have the highest rate for substance dependence or abuse, at 13.9%. Hispanics are next highest at 8.7, then Whites (7.5%), African Americans (6.2%) and Asians (3.7%).

Source: National Households Survey on Drug Abuse, 2001: HHS, SAMHSA

Drug abuse (both dependence and use) was studied in the Women's Employment Study (WES), a study of TANF recipients Washtenaw County. Consistent with the National Households Survey, researchers found that illicit drug dependence (at 3.3%) affects only a small percentage of the women surveyed, with an additional 9.4% reported using (without meeting the criteria for dependent) an illicit drug at least once in the past 12 months.

Although African Americans are 12.3% of the population (2000) and proportionally abuse drugs at a lower rate than Whites or Hispanics, they are 35% of those arrested for drug possession, 55% of those convicted for drug possession and 74% of those imprisoned for drug possession.⁶ Consequently, the following federal anti-drug policies in benefit programs have a disproportionate impact on African American families.

Impact on Poverty

- The 1995 amendments to the Social Security Act removed drug addiction and alcoholism as a category of disability for SSA or SSI eligibility.
- The 1996 Welfare Reform Act included a lifetime ban on welfare assistance to anyone convicted of a drug felony. (Michigan has not adopted this lifetime ban).
- The 1998 amendments to the Higher Education Act deny or delay federal financial aid to anyone convicted of a drug offense.
- In *HUD v. Rucker*, 2002, the U.S. Supreme Court ruled that public housing authorities can evict an entire family if a household member or guest used drugs.

⁶ Punishment and Prejudice in Racial Disparities in the Criminal Justice System, Human Rights Watch Report, Vol 12. No. 2 (May 2000).

Poverty & Mental Health

The Women's Employment Study (WES) study found that psychiatric disorders are much more prevalent than either drug or alcohol abuse among those surveyed.

When comparing the WES respondents to national surveys of women, WES respondents were more likely to meet the diagnostic screening criteria for a major depressive episode and/or Generalized Anxiety Disorder. However, the levels of reported drug abuse or alcohol abuse are not statistically different than the general survey results for women.

Table 11 Percent of Women Reporting Barriers to Employment

Barrier to Employment	Women's Employment Study	National Surveys
Major depressive episode	25.4%	12.9%
Generalized Anxiety Disorder	7.3%	4.3%
Drug Abuse	3.3%	1.9%
Alcohol Abuse	2.7%	3.7%

Source: Women's Employment Study panel survey 1997, reported in *The Forum*, Vol 4, No. 2, August 2001

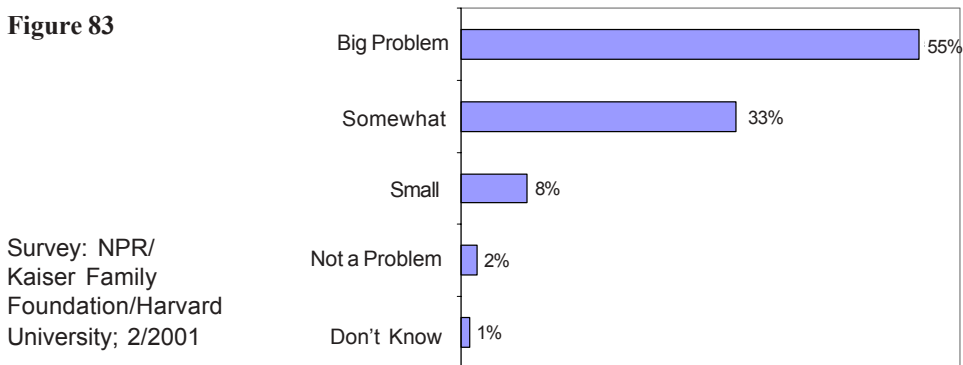
These findings of greater mental health problems in low-income women are confirmed by other national research. According to studies using the survey data in the National Household Survey of Drug Abuse (NHSDA) from 1994-1996, single mothers have significantly higher rates of mental health disorders, low-income single mothers have significantly higher rates of psychiatric disorders than single mothers with higher income, and single mothers receiving welfare have a statistically higher rate of psychiatric disorders than single mothers who do not receive welfare. This data indicates that 17% of all single mothers, 22% of women receiving welfare and 20% of non-working single women experienced a psychiatric disorder within the previous year. Statistically, having a psychiatric disorder is associated with a 25% lower likelihood of working.⁷

Opinions About Poverty

A community's perception of poverty is a starting point in understanding poverty. What are perceptions on the causes and solutions to poverty? Are the perceptions accurate on the scope of poverty? A number of national opinion polls and surveys offer answers to these questions.

Question: *How big a problem is poverty in our society today? Is it a big problem, somewhat of a problem, a small problem or not a problem at all?*

Figure 83



⁷ Data contained in *Mental Health Problems Among Single Mothers: Implications for Work and Welfare Reform*: R Jayakody and D. Stauffer.

Question: *How would you describe being poor in the United States?*

Table 12

Response	Percentage by All	Percentage by Low-income Persons
Homeless	24%	27%
Not meeting basic needs	24%	22%
Hunger/not eating properly	20%	20%
No money/not enough money	19%	24%
Don't/Can't make a living wage	9%	5%
Can't make ends meet	7%	5%
Struggling	6%	10%
Lack of education	3%	1%
No opportunities	3%	4%
No health care	2%	1%
Lazy/lack motivation	2%	3%
Depressing/discouraged	2%	3%
On welfare assistance	2%	1%
Unable to support family	1%	2%

Source: Catholic Campaign for Human Development. Poverty Pulse, Wave III, January 2003.

Question: *About how many people would you say are currently living in poverty in the United States?*

(Response of those who estimated correctly is highlighted)

Table 13

<i>Number of people estimated in poverty</i>	<i>Percent picked</i>
10,000 or fewer	6%
11,000 – 50,000	8%
51,000 – 100,000	8%
101,000 – 250,000	6%
251,000 – 500,000	8%
501,000 – 1,000,000	16%
1,001,000 – 2,500,000	6%
2,501,000 – 5,000,000	8%
5,001,000 – 10,000,000	10%
11,000,000 – 20,000,000	10%
21,000,000 – 50,000,000	8%
Over 50,000,000	4%

Source: Catholic Campaign for Human Development. Poverty Pulse, Wave III, January 2003.

Question: *How much annual income do you think a family of four needs to cover their basic needs?*

Table 14

Annual Income in 2002	Percentage responding
Over \$75,000	4%
\$61,000 – 75,000	3%
\$51,000 – 60,000	5%
\$46,000 – 50,000	9%
\$41,000 – 45,000	3%
\$36,000 – 40,000	14%
\$31,000 – 35,000	9%
\$26,000 – 30,000	14%
\$21,000 – 25,000	11%
\$16,000 – 20,000	6%
\$15,000 or less	4%

Source: Catholic Campaign for Human Development. Poverty Pulse, Wave III, January 2003

Question: *Which age group would you say is most likely to be living in poverty in the United States?*

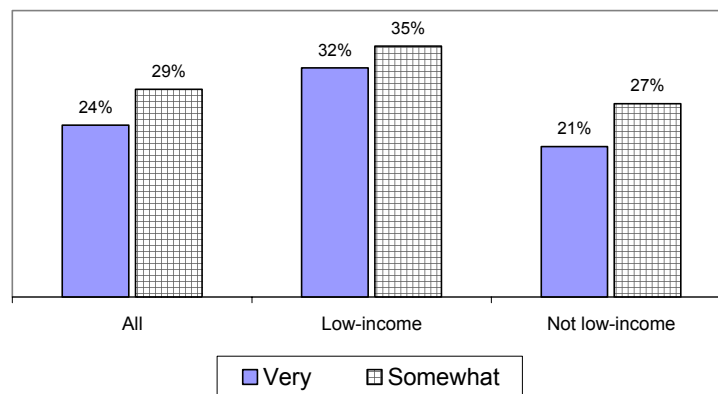
Table 15

Age Group	Percent choosing
Children under 18	25%
Adults 18-39	28%
Adults 40- 64	18%
Adults 65 and older	22%

Source: Catholic Campaign for Human Development. Poverty Pulse, Wave III, January 2003

Question: *How concerned are you that you might be poor at some point in your life?*

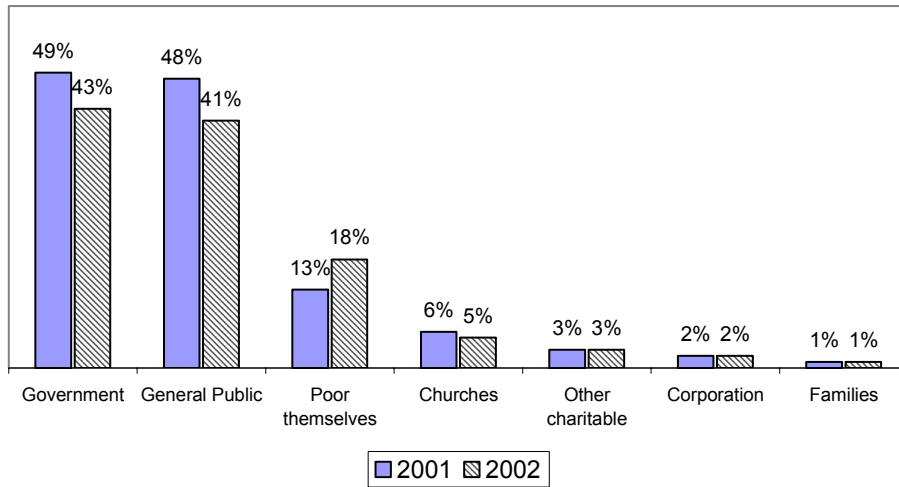
Figure 84



Source: Catholic Campaign for Human Development. Poverty Pulse, Wave III, January 2003.

Question: *Who is responsible for addressing the needs of poor people?*

Figure 85



Source: Catholic Campaign for Human Development. Poverty Pulse, Wave III, January 2003.

Perceptions on Causes of Poverty

People are almost evenly divided in their views on whether poverty is caused by “people are not doing enough to help themselves out of poverty” or that “circumstances beyond their control cause them to be poor.” Differences in perception show up between racial and economic groups, with 57% of African-Americans considering poverty to be caused by circumstances while a minority (44%) of Whites hold this view.

Question: *In your opinion, which is the bigger cause of poverty today, that people are not doing enough to help themselves out of poverty, or that circumstances beyond their control cause them to be poor?*

Table 16

Group	Not Enough Effort	Due to Circumstances
All	48%	45%
Poor	39%	57%

Source: NPR/Kaiser Family Foundation/Harvard University: National Survey on Poverty in America, 2001

Income levels also impact respondents views on whether it is harder or easier to work one’s way out of poverty today.

Question: *Compared to 10 years ago, do you think it is easier today or harder today for a person to start out poor, work hard and get out of poverty?*

Table 17

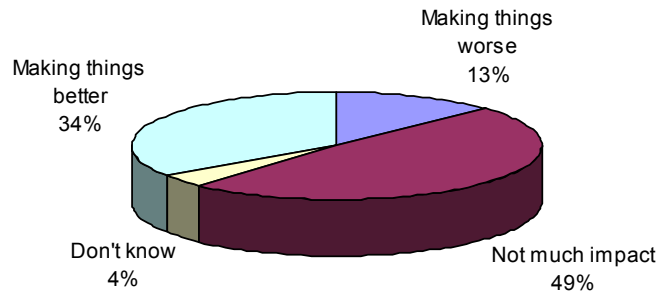
Income Level of Respondent	Easier	Harder
All	44%	48%
Under 100% of poverty	34%	62%
100%-200% of poverty	34%	59%
200%+ of poverty	48%	44%

Source: NPR/Kaiser Family Foundation/Harvard University: National Survey on Poverty in America, 2001

Almost half of Americans say that government programs aimed at the poor are not making an impact.

Question: *Do you think government programs that try to improve the condition of poor people in this country are generally making things better, are making things worse or aren't having much of an impact one way or another?*

Figure 86

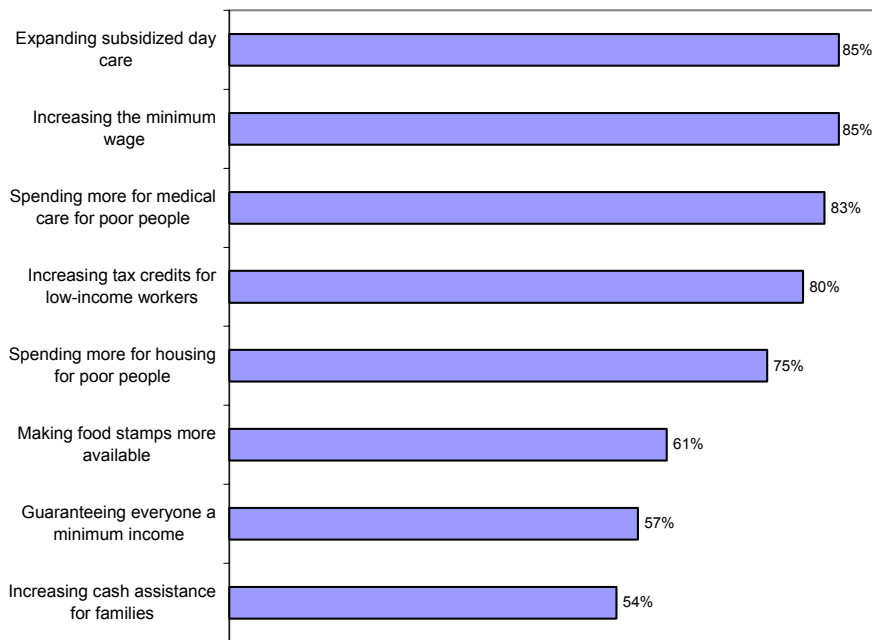


Source: ICR / NPR / Kaiser / Harvard 2/01

Americans say they support a number of proposals to help poor people directly, such as expanding day care and increasing the minimum wage.

Question: *Below is a list of things the government could do to directly help the poor in America. Please tell me if you support or oppose each.*

Figure 87 Percent saying "Support"



Source: ICR / NPR / Kaiser / Harvard 2/01