

EXCERPTS FROM ALICE REPORT RE DETROIT

In Detroit, 38 percent of households have income below the FPL and another 29 percent are ALICE households.

Located in Wayne County, Detroit is Michigan's major urban center – the Motor City, home of the Motown sound, sports teams and museums, and the engine of the last century's auto industry economy. When Detroit was prosperous, its revenue and jobs provided support throughout Michigan. Conversely, the city's years-long decline and ultimate bankruptcy filing on July 18, 2013 bore serious consequences for the rest of the state.

Although Detroit remains at the epicenter of the research and development that continues to help drive the auto industry as it recovers from its own bankruptcy, there are numerous problems facing the city that impact both the metro area and the state as a whole (Fassia, 2011; Jacobs, 2013).

As Detroit lost jobs, the unemployment rate rose, peaking in July 2009 at 28 percent when the statewide rate was 14 percent. Since then, Detroit's unemployment rate has declined to 18 percent but remains the highest of all large cities in the country, according

to the U.S. Bureau of Labor Statistics (BLS). Michigan's statewide unemployment rate has declined to 9 percent (BLS, 2012).

In the face of high unemployment, declining schools, and increasing crime, starting in the 1950s, many Detroit residents left the city and moved to the suburbs of Wayne County. That shift in population to the suburbs and beyond to southeast Michigan is striking, and well documented by Data Driven Detroit (Metzger, 2012).

With that shift, poverty moved to the suburbs at a high rate. By the end of 2010, according to Data Driven Detroit (D3), the overall poverty population of southeast Michigan increased by 48 percent. With that growth, the poverty population of the suburbs surrounding Detroit increased by 96.4 percent, and their share of the area's total poverty rose from 45 percent to 59.7 percent. Poverty increased throughout the region: Macomb County led all others with an increase of 140 percent, followed by Oakland County with an increase of 86.5 percent and Wayne County beyond Detroit with 82.3 percent (D3, 2012).

The total number of households in Wayne County decreased by 6 percent from 2007 to 2012, as did all household income types except those in poverty. The number of households in poverty increased by 22 percent over the same time period. Wayne County has the highest poverty rate in Michigan and the highest number of households below the ALICE Threshold; nearly half of the population, 49 percent, has income below the ALICE Threshold. The Detroit economy and economic migration has also impacted the surrounding counties. The percent of households with income below the ALICE Threshold is highlighted for sections of Detroit and surrounding areas, as defined by the U.S. Census' Public Use Microdata Areas (PUMA) in Figure 8

Detroit's unemployment rate has consistently been twice that of the state average since 2001. It began rising after 2000 and reached a high of 24.9 percent in 2009. Additionally,

the city's unemployment rate during the last decade has run well over twice that of the six-county Detroit metropolitan area. This was further compounded by the fact that Detroit had the highest percentage of working-age people not participating in the labor force of any major city in the country. Almost half (49.1%) of Detroiters between 16 and 64 years of age reported not working during 2010–2011, and only 27 percent reported working full-time during that same period (Data Driven Detroit, 2013).

The drop in Detroit's employment-to-population ratio between 2000 and 2011 was steep for all racial groups. The ratio decrease among Blacks was the most startling, 18.8 percent during that time, with only 42 percent of the Black adult population being employed in 2011. This was the only racial group in the state to have less than half of its population working (Ruark, 2012). Though extreme in Detroit, this pattern occurred across the country.

The situation is far more dire in the large metropolitan area of Detroit. Detroit public schools report scores and graduation rates among the worst in the nation. The school population has decreased with the overall population exodus to the suburbs; leading that exodus were families with school-age children, many of them ALICE families trying to make the best choices for their children. As a result, the number of Detroit public schools declined from 267 to 131 from 1999 to 2011, and with them the per-pupil school funding also declined. Families that stayed in Detroit opted out of public schools and enrolled their children in charter schools. From 1999 to 2011, the number of charter schools increased from 26 to 74 (D3, 2013). For the families that remain in the metro area, their children's education and future income opportunities are threatened by poor school performance.

The percentage of students in Detroit who performed at or above the National Assessment of Educational Progress (NAEP) Proficient level was 9 percent in 2013, up from 7 percent in 2009. Detroit scores about 20 points lower on NAEP tests than the average for large urban public school districts. In spring 2012, 1.6 percent of Detroit 11th graders – just 80 students – scored a college-ready 21 or higher on the ACT standardized test. Further, Detroit students' high school graduation rates and ACT scores have barely budged over the last five years, suggesting that the city's students will continue to struggle to obtain a post-secondary degree (D3, 2013; U.S. Department of Education, 2013).

RACE/ETHNICITY

While ALICE households consist of all races and ethnicities, economic disparities in race and ethnicity continue to be marked in Michigan. The employment and wage differences between Whites and Blacks are especially pronounced. The decline in the median wage for Michigan workers over the last 30 years, after adjusting for inflation, has been greater for Black workers than for White workers, with the White median wage declining by only 1 percent while the Black median wage declined by 24 percent from 1982 to 2012. Differences in education levels and concentration of Black Michiganders in areas of high unemployment, such as Detroit, may explain some of these differences (Ruark, 2013), which are clear barriers to moving above the ALICE Threshold.