

THE COMMISSION FOR COMMUNITY
ACTION AND ECONOMIC OPPORTUNITY

Alleviating Poverty in Michigan:

Report and Recommendations to
Governor Granholm and
the Michigan Legislature

NOVEMBER 2009

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Executive Summary

The Michigan Commission on Community Action and Economic Opportunity was established by Public Act 123 of 2003 to “*reduce the causes, conditions, and effects of poverty and promote social and economic opportunities that foster self-sufficiency for low income persons*” in Michigan. Commission members serve in a voluntary capacity, dedicating considerable time and energy to this effort. Each member shares a strong commitment to increasing economic opportunity and ending poverty, and brings unique expertise in strategies to promote community action and help those living in poverty.

The Commission seeks to foster innovative anti-poverty approaches, and to catalyze a shared poverty agenda. In 2007-8 the Commission held a series of statewide Poverty Forums to hear directly from people living in poverty about their experiences, observations and suggestions. These Poverty Forums were intended to give voice to low income individuals concerning the obstacles and opportunities they face in their daily lives. By hearing directly from so many throughout the state, the Commission aimed to craft recommendations that respond directly to the real needs and challenges faced daily by people living in poverty.

As the Commission traveled throughout the state to listen to these stories, a number of common themes and shared experiences emerged in the testimony. These common threads include:

Frustration: Negative, blaming or overwhelmed systems and/or caseworkers often lead to clients feeling judged and shamed. The inability to provide personalized customer service only compounds the challenges faced by people who are seeking help. Further, employees who are overextended by regulatory requirements, high caseloads and inappropriate performance measures simply cannot provide quality help.

Disconnection: Disparate anti-poverty efforts among state agencies and other organizations lack a shared vision and coordinated approach. This leaves significant gaps in needed services and prevents the most efficient use of limited resources.

Over-regulation: Eligibility and other requirements - particularly more restrictive regulations - are confusing, difficult to meet, contradictory, and/or poorly explained. Rather than responding to individual and community needs, service delivery increasingly responds to complicated and restrictive regulations.

Access: People frequently lack transportation to services, as well as crucial information about what help is available and how to reach it.

Program shape and delivery: Services offered should reflect what is actually needed, allowing for innovative responses directly related to desired outcomes.

Alienation: People living in poverty are experts on this experience, and - rather than being alienated by the system - they need to be consistently and wholly involved in the process of fixing problems. Further, change will be most successful when created and

supported multilaterally, including input from employees, community members, the private sector, etc.

The Commission was deeply affected by what they heard at the Poverty Forums, and the stories told there have fundamentally impacted their every subsequent decision. Upon careful review of their own charge and the range of issues raised during testimony, the Commission concluded that substantial expansion of economic opportunity and community engagement in Michigan must be driven by:

- Consistently and earnestly engaging all levels of society to build and promote public will;
- Connecting and catalyzing all governmental efforts to reduce poverty;
- Profoundly improving customer service;
- Efficiently coordinating across and among systems, institutions and agencies; and
- Enacting and enforcing policies that reallocate resources to stabilize families and permanently move them out of poverty.

The Michigan Commission for Community Action and Economic Opportunity is committed to providing leadership that catalyzes advocacy, engagement and change efforts to help low income families. To this end, the Commission developed the following set of recommendations to alleviate poverty.

The Commission is aware that certain of these recommendations can be accomplished only if funding allows. Further, in Michigan's dynamic economic environment, many things will change – or have already changed - since the drafting of this report, including programmatic de-funding, regulatory changes, etc. Given all of these realities, the Commission views these recommendations as guidelines for prioritizing and focusing attention, advocacy and action.

Summary of Recommendations to Alleviate Poverty in Michigan

IMPROVE FEDERAL POLICIES AND NATIONAL SUPPORT SYSTEMS

1. Focus on Client Outcomes.

A. **Streamline compliance, monitoring and eligibility requirements.**

Link compliance activities to desired outcomes, increase flexibility and coordinate eligibility and asset rules.

B. **Help people work and learn.**

Focus on longer-term skills development and increased educational attainment, improve program flexibility and services to better accommodate involvement in education.

2. Expand the Safety Net.

A. **Provide universal health care.**

In light of limited funding, prioritize resources and advocacy to ensure effective physical and mental health services are available for everyone - especially traditionally underserved populations, including prisoners.

B. **Increase cash benefits.**

Reform safety net program requirements and expand assistance to cover the basic needs of families in crisis and support their transitions to work or school.

C. **Protect and support vulnerable children.**

Increase federal supports for child protective services and foster care programs, and involve more children in Head Start and Early Head Start.

IMPROVE STATEWIDE POLICIES AND SYSTEMS

3. Deliver Great Customer Service.

A. **Launch a comprehensive customer-service campaign.**

Make immediate customer satisfaction improvements in state agencies delivering services to low income people in crisis, ensuring a high level of commitment from leaders with specific accountability measures and direct input from recipients.

B. **Listen and respond to people who need help.**

Deploy a network of customer advocates to help clients navigate through the services and requirements of each agency. Regularly solicit customer feedback.

4. Mobilize State Agencies and Statewide Assets around a Shared Anti-Poverty Agenda.

A. Knock down funding and strategy silos.

Convene state agency directors to commit to shared goals, create interagency work groups to ensure coordination and collaboration across agencies and with a broad network of anti-poverty organizations.

B. Align workforce development efforts with human service investments.

Explicitly link DHS and DELEG priorities and policies through collaborative planning and implementation.

C. Link education to career pathways and supportive services.

Connect education and training programs like No Worker Left Behind to job opportunities and every available wrap-around support. Ensure all school districts offer or connect families with comprehensive supportive services.

5. Reform the Impacts of the Justice System.

A. Reduce the number of people in correctional facilities.

Revise sentencing guidelines and lower the incarceration rate. Support and expand prisoner rehabilitative programs and the Michigan Prisoner Re-entry Initiative (MPRI). Provide rehabilitative services during incarceration.

B. Expand drug and mental health courts.

Leverage investments to support and document the impacts of these courts.

C. Secure housing for those returning to the community after incarceration.

Develop a list of housing that is available to and feasible for ex-offenders.

MEET BASIC NEEDS

6. Promote Safe and Healthy Families.

A. Give children a better chance.

Connect parents to pre- and post-natal education and family services, and expand proven early education and health programs. Link every child to healthcare providers.

B. Help people access healthy food.

Ensure more families receive food stamps. Increase fresh food among food stamp retailers, develop local groceries in neighborhoods lacking fresh food, and ensure bridge card use at farmers' markets.

7. Ensure Housing and Energy Security.

A. Secure housing for the homeless.

Promote and support the Campaign to End Homelessness and the “Housing First” model. Provide dedicated case management staff to participants.

B. Stop the foreclosure crisis.

Deploy certified housing counselors, particularly in distressed neighborhoods. Document this process and outcomes to inform statewide programs.

C. Improve energy efficiency and help low-income families pay their energy bills.

Expand the Low Income/Energy Efficiency Fund, establish a minimum of Federal LIHEAP funds to be spent on weatherization for low/ moderate income homeowners.

8. Jump Start Economic Well-Being.

A. Improve basic skills immediately.

Make improving basic skills a priority among all supports to low income families. Expand programs to link graduates to ongoing education and work opportunities.

B. Create opportunities for people with barriers to work.

Prioritize funding to expand the reach of No Worker Left Behind. Create transitional jobs and on-the-job training opportunities, particularly for those lacking basic skills. Invest in jobs and internships for youth in high poverty areas.

C. Demand the supports needed for people to stay in work or school.

Extend the Child Care and Development Block Grant (CCDBG) to families involved in education and training. Expand public transportation infrastructure.

ELIMINATE BARRIERS TO SELF-SUFFICIENCY

9. Reform Educational Institutions to Make Learning Relevant, Accessible, and Asset-Based.

A. Support successful completion of education.

Reward schools that meet tough performance outcomes. Ensure every student can succeed in postsecondary opportunities such as college, vocational or job training.

B. Incentivize employer investment.

Support partnerships that offer accelerated, employer-driven career pathways, transitional and job training programs. Include ex-offenders in these programs.

C. Encourage asset-building.

Support and promote asset-building strategies. Eliminate or increase asset limits for public benefits. Ensure availability of quality financial services and literacy training.

10. Catalyze Neighborhood and Community Assets.

A. Support the Michigan Housing and Community Development Fund.

Identify a dedicated funding source to ensure affordable rental housing, expansion of homeownership opportunities, foreclosure prevention, homeless assistance, downtown development and other activities.

B. Help neighborhoods respond to foreclosures.

Develop a statewide partnership to access and implement federal funds to protect or renovate recently foreclosed properties.

C. Promote sustainable energy practices.

Use “green” standards and conservation methods in new construction. Retrofit existing construction to maximize energy conservation. Require utilities to provide energy efficiency programs and achieve minimum energy efficiency savings each year.

D. Engage, advocate and problem-solve in neighborhoods.

Conduct neighborhood programs and events to empower and resolve local issues with locally-driven solutions. Develop diverse networks of mentors. Ensure support services are available and responsive to language or cultural needs. Provide access to appropriate training and advice on cultural diversity.

Michigan's Commission on Community Action and Economic Opportunity

The Commission on Community Action and Economic Opportunity was established by Public Act 123 of 2003 to “reduce the causes, conditions, and effects of poverty and promote social and economic opportunities that foster self-sufficiency for low income persons” in Michigan. The Commission, which began convening in October 2005, represents diverse organizations and locations throughout Michigan. Commission members serve in a voluntary capacity, dedicating a considerable amount of time and energy to this effort, usually in addition to demanding full-time leadership positions in their respective organizations. Each member shares a strong commitment to increasing economic opportunity and ending poverty, and brings unique expertise in strategies to promote community action and help those living in poverty.

As a leadership network for anti-poverty efforts in the state, the Commission works to catalyze advocacy, engagement and positive change. In so doing, the Commission seeks out ways to foster innovative anti-poverty approaches, and to mobilize decision-makers around a shared poverty agenda. Public Act 123 of 2003 outlines the Commission's charge, which involves engaging low income people in the development of and response to policies and programs to reduce poverty; reviewing and analyzing current efforts to reduce poverty; documenting and reporting on findings; and providing recommendations to improve efforts to reduce poverty (please see Appendix A for an overview of the Commission's Role and Work).

Poverty Forums and the Poverty Summit: Engaging and Listening in Action

In light of its expansive charge, in 2007-8 the Commission focused on key efforts to effectively engage people experiencing poverty and respond to their needs. To this end, in late 2007 and early 2008, the Commission held a series of statewide Poverty Forums to hear directly from people living in poverty about their experiences, observations and suggestions. These Poverty Forums were intended to give voice to low income individuals concerning the obstacles and opportunities they face in their daily lives. By gathering this testimony and hearing directly from so many throughout the state, the Commission hoped to more effectively craft recommendations that speak directly to the real needs and challenges poor people face every day. Further, the Commission anticipated that these Poverty Forums would serve to inform the objectives and agenda for the Michigan Poverty Summit held in late 2008.

Following their efforts throughout the state to convene these Poverty Forums, the Commission worked with the Michigan Department of Human Services (DHS) and the Michigan Community Action Agency Association (MCAAA) to plan the 2008 statewide Poverty Summit. Summit planning was launched in response to missives from

Governor Granholm and DHS Director Ahmed. The Summit, entitled “Voices for Action”, aimed to raise awareness of poverty and promote action to eliminate its causes. As part of their central charge, the Commission initiated and provided input on Summit planning. During the early planning phase, tremendous interest in the Summit was expressed by the new DHS Director, who provided staff support and resources. The Summit thus became a joint project of DHS and the Commission. The Commission appointed the Commission Advisory Group (see Appendix B for roster) and participated in the Summit Steering Committee.

“I felt ashamed. I had to swallow my pride. I never thought I would have to ask for help.”

The Summit Steering Committee, comprised of staff from DHS, MCAAA, and the Commission, was formed to develop a project plan and to convene the relevant subcommittees needed to implement the Summit. The Commission Advisory Group, whose aim was to assist in planning Summit content and recommendations for action, was comprised of leaders with expertise in poverty-related issues from universities, foundations, nonprofits, the private sector, state government, and individuals with personal experience with poverty.

Planning efforts for the Summit culminated on November 13, 2008 with over 5000 attendees at Cobo Hall in Detroit. The Summit featured opening remarks from Governor Granholm and included Commission Chair Sonia Harb, Martin Luther King III, Donna Beegle of Communication Across Barriers, and Kevin Turman of MOSES. Themed breakout sessions highlighted key poverty issue areas and best practices, including participation from twelve state agency leaders representing nine departments. The day concluded with regional sessions intended to launch the Voices for Action Network. Regional participants were asked to provide input and help develop a local action plan to encourage innovation, create more flexibility and ongoing engagement, and identify specific outcomes.

The Commission at Work

POVERTY FORUM TESTIMONY: A RECAP OF WHAT WAS HEARD

The Commission worked with the Michigan League for Human Services and the Michigan Community Action Agency Association, with support from DHS, to hold the series of public Poverty Forums in late 2007 and early 2008. One hundred thirty people from diverse backgrounds, ethnicities and regions provided testimony at six forums in Flint, Kalamazoo, Waterford, Big Rapids, Detroit and Sault Ste. Marie. In each region, a collaborative consisting of the local Community Action Agency and other social service agencies assisted in promoting the forums and identifying individuals to provide testimony. Specifically, clients of state and local human service programs were invited to testify.

The Commission endeavored to create an atmosphere of support and respect at each Poverty Forum, encouraging people to speak freely of both their daily struggles and successes. Specifically, the Commission asked participants to discuss their experiences accessing systems of support, and to highlight both particular challenges and programs that have served them well. People were asked to testify about supports and services they find to be helpful, and what issues and obstacles they face in attempting to attain self-sufficiency. Further, employees of public and private human service organizations also provided testimony on their experiences and observations when time allowed.

HOLES IN THE SAFETY NET

The Poverty Forum testimony starkly exposed the untenable stress and fear caused by the constant “crisis mode” of living in poverty. People reported that frequently an unexpected illness, accident, or job loss serves to break what tenuous hold they have on basic needs, slinging them into calamity. Once there, the safety net meant to help restore stability is shamefully insufficient and ill-coordinated. Michigan families in

“I used to make twenty dollars an hour. Now, I don’t carry a GM card - I carry my bridge card.”

crisis need an effective, comprehensive safety net to help meet basic needs and immediately stabilize lives.

Safe and affordable housing was highlighted at the Poverty Forums as

a fundamental need. This problem reverberates into the community, as people who have a place to live often find themselves transitionally (or permanently) accommodating homeless friends or family members. Further, the recent housing market crisis has created a sharp increase in home foreclosures. These unplanned burdens add considerable financial and emotional strain. Safe, stable, long-term housing is required to achieve family security.

Most everyone who testified at the Poverty Forums reported experiencing some kind of mental or physical health problem. People reported that these problems are compounded when they cannot access, maintain, or pay for needed services. Testimony described the burden of travel to services, payments for prescriptions and other needs, and the desperate lack of health coverage. Quite often, a health issue which could have been avoided with initial care becomes an acute problem causing further financial strain and breakdown. There is an urgent need to help people deal with the immediate impacts of illness, and prevent further economic hardship.

NO PATH TO SELF-SUFFICIENCY

While an effective social safety net is crucial to help stabilize people in crisis, more long-term solutions are needed to remove barriers to self-sufficiency. Poverty Forum testimony also highlighted the lack of a well-coordinated, adequately funded network of resources and services ready to help people permanently move out of poverty.

An overwhelming majority of people at the Poverty Forums indicated that they were consistently unemployed or underemployed. They listed many reasons for struggling to maintain a job, including low skills, the lack of transportation or child care, and –as previously noted – health crises.

Poverty Forum testimony consistently showed that people have a real interest in education, and recognize their need to develop this asset in order to become self-sufficient. However, they feel that the barriers they face to obtaining a good education are insurmountable, and the Poverty Forums highlighted the real sense of hopelessness this has caused. Participants’ personal experiences reflected many, if not all, of the following obstacles to obtaining an education: transportation, family responsibilities, TANF and other program eligibility requirements, cost, and low skill levels.

“Do we need lawyers or personal advocates to help navigate the system?”

ALIENATION AND FRUSTRATION WITH A BROKEN SYSTEM

One of the most consistent themes heard at the Poverty Forums described acutely frustrating and alienating exchanges with the very systems that are supposed to be helping, particularly the Department of Human Services (DHS). Participants described feeling shamed and judged during exchanges with their caseworkers and other staff members, and bluntly illustrated that, far too often, program compliance trumps responsive outcomes. Departmental focus on interpreting and enforcing regulations

*“Jobs, Education and Training?!”
There are no jobs, we are not allowed to take college classes, and there is no training available that has a job at the end.”*

appears to define agency culture, leading to inadequate customer service and disenfranchised clients. In addition to the upsetting personal treatment they reported receiving, people expressed outrage and frustration at badly coordinated services, confusing and illogical parameters, and the lack of

information and flexibility available to help them navigate this intimidating environment. These interpersonal experiences add considerably to the stress and turmoil of those who come seeking help.

The Commission’s Response

The Commission was deeply affected by what they heard at the Poverty Forums, and the stories told there have fundamentally impacted their every subsequent decision. Upon careful review of their own charge and the range of issues raised during testimony, the Commission outlined their Vision for change and some assumptions about approaches and issues that must be addressed in order to help people in poverty.

The Commission's Vision states that *poverty in Michigan will be reduced by catalyzing broad community action to improve economic opportunity for everyone*. Substantial expansion of economic opportunity and community engagement must be driven by:

- Consistently and earnestly engaging all levels of society to build and promote public will;
- Connecting and catalyzing all governmental efforts to reduce poverty;
- Profoundly improving customer service;
- Efficiently coordinating across and among systems, institutions and agencies; and
- Enacting and enforcing policies that reallocate resources to stabilize families and permanently move them out of poverty.
- Recognizing common themes and shared experiences heard at the Poverty Forums, the Commission notes that the following issues must be prioritized and addressed in order to alleviate poverty:

Frustration: Negative, blaming or overwhelmed systems and/or caseworkers often lead to clients feeling judged and shamed. The inability to provide personalized customer service only compounds the challenges faced by people who are seeking help. Further, employees who are overextended by regulatory requirements, high caseloads and inappropriate performance measures simply cannot provide quality help.

Disconnection: Disparate anti-poverty efforts among state agencies and other organizations lack a shared vision and coordinated approach. This leaves significant gaps in needed services and prevents the most efficient use of limited resources.

Over-regulation: Eligibility and other requirements - particularly the more restrictive regulations - are confusing, difficult to meet, contradictory, and/or poorly explained. Rather than responding to individual and community needs, service delivery increasingly responds to complicated and restrictive regulations.

Access: People frequently lack transportation to services, as well as crucial information about what help is available and how to reach it.

Program shape and delivery: Services offered should reflect what is actually needed, allowing for innovative responses directly related to desired outcomes.

Alienation: People living in poverty are experts on this experience, and need to be consistently and wholly involved in the process of fixing problems- rather than being alienated by the system - in order to drive appropriate change. Further, change will be most successful when created and supported multilaterally, including input from employees, community members, the private sector, etc.

Safety Net Expansion Also Boosts Economy

The Commission believes there is opportunity to both promote broad economic goals and resolve immediate individual crises, as *providing financial support for basic needs also helps to immediately stimulate the economy and create jobs.*

Beyond meeting urgent basic needs, investment in safety net programs to help families in crisis also increases their spending power, supports work attachment, and creates new jobs. The Center on Budget and Policy Priorities (CBPP) argues that in a weak economy, investments in safety net programs support broad economic growth by generating more demand for goods and services. Driving this demand is key to preventing job loss, returning people to work, and creating additional jobs.¹

Low income families typically have a number of immediate unmet needs, such as food and household goods. Programs which support basic needs provide low income families with spending power that is put to immediate use, rather than saved, and thus provides a rapid economic injection. “The quickest, most efficient way to bolster demand is to put money in the hands of people who will spend it quickly – namely, people who need it to cover basic expenses such as housing, food, and transportation.”²

Experts across the aisle agree with this argument, including former advisor to Senator McCain and Moody chief economist Mark Zandi and former Congressional Budget Office (CBO) Director Peter Orszag. In fact, Zandi found that food stamp and unemployment insurance expansion provides the biggest “bang for the buck”, returning at least \$1.64 for each \$1.00 invested.³

Further, investment in programs to meet basic needs also supports employment. For example, energy assistance programs not only help families pay heating costs, they can also create demand for weatherization installation, service and supplier jobs. Food stamp programs similarly expand private sector jobs in transportation, farming, and food processing. Lastly, a supportive safety net helps prevent job loss, as workers are far more able to maintain steady employment when their basic needs are met.

Report on Poverty in Michigan

The Picture of Poverty in Michigan: Experience in the National Economic Context

AHEAD OF THE CURVE

It's not breaking news that times are very difficult in Michigan. Indeed, while other states have more recently awakened to a harsh new economic reality, Michigan has been well ahead of the recession curve.

Job loss, home foreclosures and crushing financial struggles are now daily stories across the U.S., but the momentum in Michigan has been building for years. Low income families are struggling more, and the economic crisis leaves them with less hope for improvement and fewer sources of help. Their needs are great, and growing every day.

In fact, 14% of Michigan residents were living in poverty in 2007,⁴ a figure that has grown steadily since 2000. This climbing number is hardly surprising given Michigan's rapid decline in jobs over the last decade. In 2008 alone, the state lost well over 200,000 jobs, leaving more than one in every ten workers unemployed by early 2009.⁵ Equally alarming is data showing that the percentage of children living in very poor families has steadily increased to 17%.⁶ These statistics represent a staggering number of Michiganders: all told, approximately 1,347,721 in poverty.⁷

This is not the whole story. In fact, these figures hardly begin to paint a clear picture of just how many people are struggling and to what extent they are in crisis. Many economists and researchers argue that the current "poverty level" - at just \$22,207 for a family of four⁸ - is badly outdated and far too low to provide a true assessment of what families actually need in order to survive. In 2007, the Michigan League for Human Services measured common household costs in the state and found that many workers who earn wages above the official poverty line still cannot meet their most basic needs.⁹

These families who earn too much to officially qualify as "poor" are often ineligible for services and help that they nonetheless badly need. Generally referring to those who earn under \$44,000 per year (or roughly twice the official poverty level), the term "low-income" is commonly used to describe families who struggle to meet their basic expenses, including health care, transportation, rent and utilities, food and other necessities.¹⁰ Four in five low income families are working, but still unable to fill the gap between expenses and earnings.¹¹ Judging by this measurement, there are roughly 1.8 million families in Michigan who do not have enough to meet their needs.¹² Many of these working-poor families teeter on the brink of falling deeply into poverty from any fluctuation in their work, expenses or health.

GROWING NEED, SHRINKING HELP

Given current state and national trends, it seems highly likely that the national economic situation will only intensify financial struggles in Michigan. Not surprisingly, those in poverty tend to experience the effects of economic downturns first and most acutely. The price of consumer goods and basic necessities often increases, while available employment opportunities decrease. Social service agencies and charity organizations also experience the economic crunch, and are unable to keep up with growing needs. The poor are thus disproportionately squeezed by the shrinking economy.

While Michigan's crisis is not new, the severity grows as more people are unable to meet their basic needs every day. Exacerbating the problem is the decreasing availability of services and supports to help people during such crises. This overall decrease in available help has left families far less able to stabilize themselves in an emergency, and much less likely to attain any longer term self-sufficiency.

A recent New York Times article highlights the paradox of this growing need compared to the shrinking help, showing that Michigan cut its welfare rolls by 13% in 2008 - despite leading the nation in unemployment.¹³ As the primary cash assistance program for poor families, this decrease in recipients – despite every other indication of rising need – is both puzzling and indicative of wide holes in the safety net.

In this context, policymakers are faced with juggling the immediate need of stabilizing those in crisis and preventing further free-fall into financial desperation, while still promoting long-term economic expansion.

The Picture of Poverty in Michigan: Are We Meeting Basic Needs?

HOUSING

Safe, secure and affordable housing is unquestionably a fundamental need. Both Poverty Forum testimony and recent data illustrate that maintaining this basic need is becoming increasingly difficult, particularly for people living in poverty. Without a stable place to live, it becomes far more challenging to achieve any level of self-sufficiency or family support. It is difficult to imagine a path out of poverty which does not prioritize meeting this critical need.

The most current data in Michigan, provided by the Michigan Statewide Homeless Management Information System (MSHMIS) in 2007, counted nearly 50,000 homeless individuals in the state. However, MSHMIS estimates that the actual number is far greater, reaching nearly 80,000.¹⁴

It is noteworthy that most people experiencing homelessness in Michigan do not match commonly held assumptions. In fact, more than half of Michigan's homeless

population is comprised of families, and over one-third of these are working. The most common reason for homelessness cited by families was a lack of available affordable housing, followed by employment problems and illness or disabilities. Among individuals and those chronically experiencing homelessness, mental illness and substance abuse issues are the most commonly cited causes.¹⁵

Unfortunately, though perhaps not surprisingly, homelessness is on the rise. The National Alliance to End Homelessness found that from 2005 to 2007, Michigan's homeless population increased by nearly eight percent.¹⁶ This increase is particularly disheartening given the traction that widespread implementation of Ten Year Plans to End Homelessness appeared to be making. However, many experts believe that the recent rise in homelessness would have been far greater had it not been for these comprehensive, coordinated efforts already in place. While the 2008 MSHMIS data report has yet to be published, all indications are that the rate of homelessness continues to rise.

Services available to help people through housing crises are not yet closing this gap. According to a December 2007 report by the U.S. Conference of Mayors, cities report that they frequently do not meet the need for shelter services, with 52% indicating that they are forced to turn people away some or all of the time.¹⁷ Beyond emergency shelters and other immediate help, longer term solutions appear to reach only a small share of the population in need. Between January 2006 and April 2007, 50,000 single and family households in Michigan exited emergency housing services. Upon exit, about 40% had viable housing available, which - while a 12% increase from 2006 - still indicates that well over half of those leaving shelters do not have another option available.¹⁸

Moreover, there are indications that homelessness is more rapidly increasing in particularly hard hit areas of the state. MSHMIS indicated that more than 24,500 - or nearly half of their statewide count of homeless people - were located in the Detroit area.¹⁹ Communities struggling disproportionately are often even less equipped to manage these problems. For example, in Detroit housing supports have been unable to keep up with the rapid growth in homelessness, leading to shortages of shelter beds and transitional housing. In 2005, a staggering 11,000 individuals were turned away from shelters or transitional housing.²⁰ Presumably this number of unserved continues to grow alongside the growth in the overall homeless population.

Problems with housing have spread as the economy in Michigan has worsened, leaving more families in danger of losing their homes and becoming homeless. In 2008, there were 145,365 housing foreclosures in Michigan, up from 80,919 in 2006.²¹ From 2007 to 2008, Michigan's foreclosure rate jumped 22%, granting it the sixth highest rate in the nation.²² As of December 2008, one in every 333 homes in the state was in foreclosure, compared to one in every 416 homes nationwide.²³

Even for those that do have housing, there are still unequal burdens experienced according to income. Poor people typically spend a disproportionately higher amount

of their income on basic needs, especially housing (usually rent). This higher expenditure leaves them less money for other important needs. In fact, a substantial majority – approximately 70% – of Michigan residents earning less than \$20,000 spent over a third of their income on housing, whereas only 36% of people earning \$20,000 - \$35,000 required the same proportion of earnings.²⁴ Utility costs also represent a substantial burden. Many, especially seniors, lose their homes or are forced to move when they are unable to afford utility costs.

Supports available to help those in need fall woefully short. For instance, demand far exceeds the supply of Housing Choice vouchers, which are provided to subsidize a portion of low income families' rent. The Michigan State Housing Development Authority (MSHDA) website indicates that about 24,000 of these Housing Choice vouchers are available to help low income people pay their rent, noting "the waiting list for this program is very long and is closed when full."²⁵

In several counties across the state, including Genesee, Wayne and Macomb, the Housing Choice voucher waiting lists are so full that they are closed for the next 3-5 years. In just one of the many Lansing agencies administering these vouchers, over 2,000 people were on the waiting list for a voucher.²⁶ Further, there is no funding provided for case management services, which are crucial to helping voucher users sustain their housing.

HEALTHCARE

Judging from the statewide Poverty Forum testimony, it seems that health issues affect nearly every family and greatly decrease their chances of financial stability. In fact, health problems were very frequently cited as a pivotal event that tips struggling families into crisis and financial desperation. Faced with poor health, many individuals have difficulty with daily activities, including working and caring for their children.

Individuals in poverty are more likely to report suffering ill health and less likely to have access to treatment. In 2007, 22.4% of those in poverty indicated that they were in fair or poor health, compared to just 9.6% of non-poor.²⁷ This general experience with worse health translates to more specific, and often chronic, health problems. The CDC reports that 10.9% of poor people have asthma, compared to 6.9% of non-poor.²⁸ And while 9.9% of non-poor are diabetic, 14.2% of the poor suffer from this disease.²⁹ Such debilitating illnesses compound the daily struggles of low income people, especially when left untreated.

The combination of low income and lack of healthcare coverage forces many to forego medical services which could resolve health issues before they become long-term barriers to self-sufficiency. In 2007, nearly 12% of the Michigan population did not have any form of health insurance.³⁰ Not surprisingly, people in poverty are much more likely to be among those without health insurance. In fact, 41% of Michigan adults living in poverty were without health insurance in 2007, which is nearly 380,000 people.³¹ This lack of coverage forces many to the emergency room instead of receiving

early or preventive care. In 2006, 19.8% of all hospitalizations in Michigan were preventable.³² Such hospitalizations translate into extremely high costs for both healthcare providers and consumers.

As the economy has changed, so has the source of healthcare coverage. Most people with private insurance — over 90% - receive these benefits through their employer.³³ However, fewer employers are providing health insurance and unemployment is growing. Researchers estimate that for every one percentage point increase in the unemployment rate, an additional 1.1 million people become uninsured.³⁴ Between 2000 and 2006, employer-based health insurance coverage in Michigan fell from 75% to 70%.³⁵ This decrease mirrors an overall increase in the uptake of public health benefits. In 2007, 12.6% of Michigan individuals were enrolled in Medicaid, compared to 10.0% in 2000.³⁶ It is noteworthy that a full 64% of Medicaid recipients were working while receiving benefits³⁷, indicating that working does not guarantee the ability to afford health insurance.

Michigan's Medicaid program provides poor families and individuals with healthcare insurance for health services, including vision, dental and mental health.³⁸ Medicare, a federal health insurance program for people over 65, provided health care coverage to over 1.5 million people in 2008.³⁹ Despite the social safety net available through Medicaid and Medicare, many more individuals in need are ineligible due to such reasons as not having children or a physical limitation, or not qualifying for cash assistance.⁴⁰ All immigrants, regardless of their legal status, are also unable to access these state-funded healthcare benefits.

MICHild, Michigan's State Children's Health Insurance Program (SCHIP), provides children of families with incomes below 200% of the poverty level with medical insurance.⁴¹ The SCHIP program is a block grant from the federal government, providing states with a set amount of funding. In 2008, MICHild had 67,763 children enrolled in the program, up from 43,375 children in 2007.⁴² However, in 2007 nearly 150,965 children were uninsured.⁴³ The current funding for SCHIP does not cover all eligible children, nor does it allow for outreach efforts to ensure poor families are connected with the program.⁴⁴

Poverty Forum testimony highlighted mental health problems as a frequent barrier to employment, and research suggests these issues also disproportionately affect the poor. Effective mental health services must be flexible and innovative in the best of circumstances, and this is especially so regarding the complex needs and circumstances of poor people. Inadequate capacity and infrastructure, combined with outdated treatment, have left a substantial number of people in need of help. Between 2005 and 2007, 7.4% of individuals in the Midwest living below the poverty line suffered from mental health problems, compared to 1.8% of those with income more than 200% above the poverty line.⁴⁵ Mental health issues can greatly hamper daily functioning and independence. According to the National Institute on Mental Health, mental disorders

are the leading cause of disability in the US for ages 15-44.⁴⁶ In 2002, an estimated 5.4% of the Michigan population had a severe mental illness.⁴⁷

FOOD AND NUTRITION

Having enough to eat is a primary need. Indeed, for those without enough food to feed their families and themselves, the physical and emotional toll reverberates into every other area of life. Clearly, ensuring the availability of nutritious food for everyone is crucial for both immediate needs and to enable longer-term progress towards employment and self-sufficiency.

Many of Michigan's poor are unable to afford enough food. Between 2005 and 2007, an average of 11.8% of Michigan households did not have a secure source of food. Further, an additional 4.5% had very low food security – meaning that 179,000 people frequently have to cut back their food intake or skip meals.⁴⁸

The 2007 U.S. Conference of Mayors Survey on Hunger and Homelessness found that the major causes of hunger in survey cities are poverty, unemployment and high housing costs. The hunger crisis has been exacerbated by the recent spike in foreclosures, the increased cost of living in general, and the increased cost of food.⁴⁹

Indeed, even if families are able to retain their jobs and housing, the rising food costs mean extra, unavoidable financial burdens. In fact, from 2007 to 2008, the federal "Thrifty Food Plan", rose by 10.5%.⁵⁰ The Thrifty Food Plan - a meal budget based on a low cost, healthy diet - determines the benefits allotted to Food Stamp recipients.⁵¹

Poor families not only have more trouble affording nutritious food, they are also less likely to find it in their neighborhoods. Many live in areas, called "food deserts", where it is particularly difficult to access healthy food. In a 2007 analysis of the Detroit metropolitan area, researchers found that nearly 550,000 Detroiters live in areas where a fast food restaurant or convenience store is half the distance of the nearest mainstream grocer.⁵² This is not uncommon in low income and urban communities. A recent report found that there are over twice as many supermarkets per capita in middle- and upper-income neighborhoods.⁵³ In fact, only 8% of food stamp retailers in Detroit are mainstream grocery stores. The remaining 92% are fringe retailers – such as gas stations and convenience stores – with far less fresh, nutritious food.⁵⁴ This imbalance makes healthy options far more scarce, and leads to poor health outcomes.

There are well-known and far-reaching programs to help people access more food at less cost, such as food stamps and school lunch programs. For example, each school day during the 2006-2007 year, the National School Lunch program provided free and/or reduced cost lunches to an average of nearly 900,000 students.⁵⁵ In 2007, over 1.2 million individuals per month received food stamps in the Supplemental Nutritional Assistance Program (SNAP). Often considered one of the most effective social assistance programs, SNAP was able to serve 75% of those who were eligible.⁵⁶ Further, in 2007 Michigan's Special Supplemental Nutrition Program for Women, Infants and Children (WIC) -

which provides prenatal care, nutritious food vouchers and nutrition education to low income, pregnant women, infants and children - served an average of 232,206 per month, most of whom were children.⁵⁷ While these programs provide crucial services to a significant number, many remain in need.

In fact, like other safety net programs, services to help feed hungry families are experiencing skyrocketing demand. A recent New York Times article cites the experience of Feeding America, an organization which tracks national hunger issues and distributes over two billion pounds of food annually. In 2008, Feeding America's survey of food pantries and food banks across the country saw a whopping 30% increase in national demand. The recession appears to have brought a new wave of people to these programs, "a rapidly expanding group of child-care workers, nurse's aides, real estate agents and secretaries who are facing a financial crisis for the first time."⁵⁸

The Picture of Poverty in Michigan: What's Contributing?

RACE AND POVERTY

As in many states, poverty in Michigan is starkly and disproportionately distributed along ethnic and racial boundaries. African Americans and Latinos are far more likely to be poor than whites, and tend to have very different experiences while in poverty. In 2007, 31.3% of African Americans and 24.7% of Latinos were in poverty, compared to 10.2% of whites.⁵⁹ These disparities are even wider for children in Michigan, where 11% of white children are poor, compared to 40% and 32% of African American and Latino children, respectively.⁶⁰ Thus, non-white families struggle more to meet basic needs and access decent education and health care. The resulting poor health and employment outcomes make chronic poverty all the more likely. A 2006 study by the National Poverty Center found that African American and Latino children spend an average of 50% of their childhoods in neighborhoods with high rates of poverty, versus just 10% for white children.⁶¹

People of color are not only more likely to be poor, but also to have very different experiences in poverty. For example, African American women face a much higher infant mortality rate than white women. In 2006, the African American infant mortality rate was 14.8%, compared to the 5.4% rate for whites.⁶² Further, African Americans are six times as likely as whites to become incarcerated.⁶³ This disproportionate imprisonment rate contributes to unequal economic opportunities, making it more difficult to find a job, participate in civic activities and support a family.

Moreover, families of color are likely to have very different experiences when seeking assistance through supportive services. For example, in a 2008 study of Michigan's child welfare system, African American families were more likely to have their children removed from their family, less likely to receive supports to divert child protective services involvement, and more likely to be viewed as incapable of caring for their

families.⁶⁴ These disparate experiences with supportive services alienates people of color and discourages them from accessing and utilizing services that could greatly improve their economic situation and help their families.

Finally, an individual's citizenship status in the U.S. has a significant impact on their likelihood of experiencing poverty and the help available to them. According to the U.S. Census, 20.6% of non-citizens in the U.S. live in poverty, compared to 13.8% of citizens.⁶⁵ Further, foreign-born status makes it much more difficult to find a good job, access services, or receive assistance. For example, immigrants are ineligible for basic safety net services such as welfare or Medicaid, even if they regularly pay taxes. These restrictions eliminate many resources of help and avenues to better opportunities.

RURAL AND URBAN POVERTY

Despite common perceptions, poverty is not an "urban problem". At 16% and 15% respectively, there is almost no difference between metropolitan and non-metropolitan poverty rates.⁶⁶ In fact, non-urban children are slightly more likely to be poor, as 29% of rural and suburban Michigan children live in poverty, versus 27% in urban areas.⁶⁷

Rural and urban poor families also share many challenges, such as difficulty finding affordable housing, and the subsequent need to pay a high percentage of income on housing.⁶⁸ Both groups share a fairly low likelihood of completing high school, though poor people in urban areas are slightly more likely to have attained their degree. The rates are alarming in both cases: in 2002, 44.5% of rural poor and 40.0% urban poor were without a high school diploma.⁶⁹

Despite many similarities, there are some notable differences between the experiences of rural and urban poverty in Michigan. While the homeless rates may be comparable in both areas, the rural homeless are more likely to be families and women, whereas urban homeless are more likely to be single men.⁷⁰ Poor people in rural areas face unique challenges, including little public transportation and less access to quality medical care.⁷¹ Due to the lack of public transportation and greater distances between destinations, rising gas prices disproportionately affect rural regions. Assuming the average rural commuter travels 30 miles to work, the rural poor could have spent as much as 8.6% of their income on gas when prices were at their highest this year.⁷²

These issues also make it more difficult to access supportive services in rural Michigan. The lack of readily available services and the limited size of programs forces many rural poor to seek help in other places. For example, the lack of shelter beds in rural regions leads many to seek refuge in cars, tents and sheds, while many urban homeless are able to seek help from shelters, family and friends.⁷³

EDUCATION, WORK AND POVERTY

Steady employment is a pillar of self-sufficiency. It's little wonder that in a state with such high numbers of job losses, so many are struggling. Michigan's 11.6% unemployment rate continued to lead the nation at the outset of 2009, following a year when 173,000 jobs were lost. This trend is expected to continue.

The statewide Poverty Forum testimony indicated that people who are out of work do not want nor expect to indefinitely rely upon public assistance. In fact, many who testified had work, or a long history of steady employment, and still were unable to support themselves and their families. For some, this was a very recent experience due to business closings and widespread lay-offs. For others, the lack of education, child care, or transportation has made finding and maintaining work impossible.

Merely attaining a job is not necessarily the final answer for the financial problems people are experiencing. In fact, there is a rapidly declining availability of decent-paying jobs – particularly those suitable for people without much education. Michigan has historically relied on the automotive industry for good-paying jobs to support its economy, but this sector has been in steep decline. In fact, since 2004, over 74,000 manufacturing jobs were lost in the state.⁷⁴ In the jobs that remain, four out of the top six are in retail and service industries, and do not pay enough for workers to support their families.⁷⁵

The lack of education, particularly low basic skills, is a significant obstacle for Michigan's workers and the state's economic vitality. In fact, a recent report to the Michigan Council of Labor and Economic Growth from its Adult Learning Work Group found that 1.7 million adults, or one in three workers, lacks the basic skills needed to maintain a decent job and contribute to the economy. In 2007, over 820,000 individuals aged 25 and older lacked a high school diploma.⁷⁶ Without this basic degree, individuals are far less able to find decent jobs and support themselves. In fact, educational attainment is an important indicator of poverty: 23.9% without a high school diploma were living in poverty in 2007, compared to just 3.4% of people with a Bachelor's degree.⁷⁷ This is a problem not just for the workers who badly need training and education in order to qualify for decent jobs, but also for employers who need skilled workers. Businesses seeking locations for expansion or start-up are less likely to choose an area that lacks a sufficiently prepared workforce.

As with all individuals, low income people who are able to find employment require certain supports in order to maintain steady work. Poverty Forum participants frequently mentioned the lack of child care or transportation as a primary reason that they were unable to find or keep a job. In fact, low income people constitute over a third of those who rely on public transportation. Indeed, the lack of these necessities was cited as a major obstacle not only in maintaining a job, but also in accessing and meeting eligibility for various systems of support. Given that the average 2006 cost of full time child care in Michigan was nearly \$8000⁷⁸, it is easy to surmise that people

already struggling to pay for food or housing cannot afford child care in order to attend work or school.

While making ends meet while in school is a significant challenge, tuition prices alone often make education financially impossible. In fact, during the 2006-2007 school year, public two year tuition prices rose by 10%.⁷⁹ These increasing costs ultimately serve to perpetuate a cycle of poverty, as parents are less able to afford higher education for themselves or their children. In a 2008 report, the Michigan League for Human Services found that 26% of students living in families earning less than \$35,000 per year postponed enrollment in higher education altogether.⁸⁰

Recommendations to Alleviate Poverty in Michigan

The Commission's recommendations to reduce poverty and expand economic opportunity in Michigan are shaped by analysis of Poverty Forum testimony, Commission Advisory Group input, and Commission members' own expertise and deliberations. These recommendations were chosen for inclusion based on their urgency, potential for impact, feasibility, and fit with the Commission's Vision.

The recommendations endeavor to shift policy decisions towards an emphasis on improving client outcomes, rather than meeting complex regulatory requirements. Further, the recommendations focus on alleviating "silos" of care in order to provide more effective, less expensive services. Recognizing that poverty issues reflect a range of highly complex problems requiring comprehensive solutions, the recommendations represent local, state and federal approaches. They are all considered urgent priorities, and the order presented here does not reflect any further prioritization.

The Commission is aware that certain of these recommendations can be accomplished only if funding allows. Further, in Michigan's dynamic economic environment, many things will change – or have already changed - since the drafting of this report, including programmatic de-funding, regulatory changes, etc. Given all of these realities, the Commission views these recommendations as guidelines for prioritizing and focusing attention, advocacy and action.

IMPROVE FEDERAL POLICIES AND NATIONAL SUPPORT SYSTEMS

The American Recovery and Reinvestment Act (ARRA) presents a unique and immediate chance to expand economic opportunity and community action in a shrinking economy. While the ARRA provides an injection of resources to stimulate economic recovery, difficult financial decisions lay on the horizon. These recommendations are intended to set priorities and capitalize on opportunities to improve poverty reduction efforts in this environment.

1. Focus on Client Outcomes.

A. Streamline compliance, monitoring and eligibility requirements.

- Link compliance activities to desired outcomes to ensure all required activities actually serve to progress recipients towards self-sufficiency.
- Increase flexibility for use of TANF funds.
- Coordinate eligibility rules and asset tests for SSI, food stamps, TANF, child care, Medicaid, etc.

B. Help people work and learn.

- Shift the focus of federal support programs from immediate job placement to longer-term skills development and educational attainment for good jobs.
- Revamp TANF requirements to allow and support involvement in education and training (including basic skills development) activities, as well as barrier removal efforts.
- Increase program flexibility and services to better accommodate the complex needs and schedules of families, and to provide more time for counseling and other supports.

2. Expand the Safety Net.

A. Provide universal health care.

- Given the very limited funding available for these services, focus existing resources (and advocate for additional funds) to ensure effective services are available to treat and prevent illness, including mental health counseling and treatment needs.
- Advocate for and focus existing resources to expand intervention and long-term services for mental health crises and substance abuse to traditionally underserved populations, especially prisoners.

B. Increase cash benefits.

- Reform requirements and expand assistance provided by EITC, food stamps, TANF, and unemployment insurance to cover the basic needs of families in crisis.
- Don't financially penalize families for going to work or school. Provide transitional benefits for people leaving support programs, especially TANF.

C. Protect and support vulnerable children.

- Increase federal supports for child protective services and foster care programs, ensuring services are provided to help clients transitioning out of these systems.
- Expand Head Start and Early Head Start programs to bring more eligible children into these systems as early as possible.

IMPROVE STATEWIDE POLICIES AND SYSTEMS

Excessive regulation and complex requirements limit the impact of programs created to help alleviate poverty. Frontline workers who must interpret and comply with these regulations are constrained in their ability to help clients. People in crisis are frustrated and alienated by the complications of the systems meant to help them. The following recommendations outline ways polices and behaviors at the state level can and should address many of these types of issues directly impacting low income people.

3. Deliver Great Customer Service.

A. Launch a comprehensive customer-service campaign.

- Make immediate customer satisfaction improvements in state agencies that deliver services directly to low income, disconnected and unemployed people in crisis.
- Ensure agency leaders commit to the campaign with high visibility and urgency.
- Require specific outcomes improvements and accountability measures.
- Train all caseworkers and supervisors in customer service and sensitivity skills. The input of service recipients should directly inform the training process.

B. Listen and respond to people who need help.

- Deploy a network of customer advocates to help clients navigate through the services and requirements of each agency and program.
- Regularly solicit feedback from clients and workers regarding their experiences and suggestions for improvements.

4. Mobilize State Agencies and Statewide Assets around a Shared Anti-Poverty Agenda.

A. Knock down funding and strategy silos.

- Convene state agency directors to develop and commit to shared goals.
- Create interagency work groups to ensure coordination and collaboration.
- Develop and disseminate consistent messaging and expectations to staff regarding coordinated goals.
- Ensure connections with a broad network of anti-poverty actors, including foundations and community-based organizations, etc.

B. Align workforce development efforts with human service investments.

- Explicitly link DHS and DELEG priorities and policies through collaborative planning and implementation.
- Involve DHS on local Workforce Investment Boards.

C. Link education to career pathways and supportive services.

- Explicitly focus education and training programs, such as No Worker Left Behind, on occupational skill-building in specific career pathways in growth industries. Assess labor market data and employer needs for occupational skills to target.
- Connect participants in educational and/or workforce programs, such as No Worker Left Behind, with every available local, state or community-based wrap-around support service to ensure their achievement of a credential or degree.
- Ensure all school districts offer or connect families with comprehensive support services.

5. Reform the Impacts of the Justice System.

A. Reduce the number of people in correctional facilities.

- Revise sentencing guidelines and lower the incarceration rate.
- Support and expand prisoner rehabilitative programs and the Michigan Prisoner Re-entry Initiative (MPRI).
- Design and implement a local prisoner re-entry initiative. Incorporate the successful aspects of the MPRI to assist individuals in obtaining necessary services and jobs.
- Provide rehabilitative services to people during incarceration, including education, counseling, and career readiness.

B. Expand drug and mental health courts.

- Leverage investments to support and document the impacts of these courts.

C. Secure housing for those returning to the community after incarceration.

- Develop a list of housing that is available to and feasible for ex-offenders.

MEET BASIC NEEDS

A responsive “safety net” should ensure that individuals find help when they cannot meet their families’ basic needs. Such services must be nimble enough to respond quickly and aptly to a variety of situations. This requires flexible systems with responsive eligibility and service requirements. While families undeniably need access to healthy food, healthcare and affordable housing, they also require the basic skills needed to work or attend school in order to meet their families’ needs. The following recommendations outline priorities to meet basic needs.

6. Promote Safe and Healthy Families.

A. Give children a better chance.

- Connect parents to pre- and post-natal education and family strengthening services.
- Link every child to a primary care physician and dentist.
- Support and expand early education and health programs with proven outcomes, such as Head Start, the Great Start Readiness Program, MI Child, Healthy Kids, etc.
- Advocate for healthy lifestyle choices, such as nutritious diets and sufficient exercise.

B. Help people access healthy food.

- Expand the food stamp program, increasing the amount available and expanding eligibility to ensure more families receive this benefit.
- Increase fresh food supplies among food stamp retailers and ensure bridge card use at farmers’ markets.
- Support and develop local groceries in neighborhoods lacking fresh food.
- Expand the Commodity Supplemental Food Program and increase the administrative funds for operating the program.

7. Ensure Housing and Energy Security.

A. Secure housing for the homeless.

- Promote and support the Campaign to End Homelessness and the “Housing First” model.
- Provide support services via dedicated case management staff.

B. Stop the foreclosure crisis.

- Deploy certified housing counselors, particularly in the most distressed neighborhoods.

- Document this process and program outcomes, and use the data to advocate for and inform statewide programs.

C. Improve energy efficiency and help low-income families pay their energy bills.

- Expand the Low Income/Energy Efficiency Fund, with at least 50% of the funds spent on weatherization/energy efficiency improvements for low-income families.
- Revise PA 335 of 2004 to establish a minimum 10% of the Federal LIHEAP funds that must be spent on weatherization for low/ moderate income homeowners each year.

8. Jump Start Economic Well-Being.

A. Improve basic skills immediately.

- Make assessing for and providing services to improve basic skills a priority among all supports to low income families.
- Expand basic skills and GED programs in order to prepare participants to take full advantage of – and succeed in - continuing educational opportunities (such as No Worker Left Behind).
- Help JET/TANF participants improve their skills while still qualifying for supports and benefits.
- Offer financial literacy education to all recipients of public services and include this in public education curricula.

B. Create opportunities for people with barriers to work.

- Prioritize all possible funding, and seek every opportunity to advocate for additional funds, to expand the reach of No Worker Left Behind.
- Create transitional jobs and on-the-job training opportunities in the public and private sectors, particularly for those lacking basic skills.
- Invest in creating summer jobs and internships for youth in areas with the highest rates of unemployment and poverty.

C. Demand the supports needed for people to stay in work or school.

- Increase the Child Care and Development Block Grant (CCDBG) and extend coverage to working families and those involved in education and training.
- Invest in expanding public transportation infrastructure in urban areas. Specifically allocate 10-20% of the labor to dislocated or hard-to-employ individuals, and 1-10% of the funds to training for these jobs.

ELIMINATE BARRIERS TO SELF-SUFFICIENCY

An environment that fosters self-sufficiency will ensure that individuals can envision a stable future, know what is required of them, and understand how to meet these requirements for success. As a pillar of self-sufficiency, education must be more widely accessible and achievable. Resources and assets inherent in all local communities, businesses, neighborhoods and individuals must all be mobilized towards the shared goal of eliminating barriers to self-sufficiency.

9. Reform Educational Institutions to Make Learning Relevant, Accessible, and Asset-Based.

A. Support successful completion of education.

- Reward high-quality schools that meet tough performance outcomes.
- Make successful transitions the norm by ensuring that every k-12 student has the support, opportunity and skills to succeed in postsecondary opportunities such as college, vocational education, or job training.
- Ensure that quality adult learning is available to all who need to improve skills, learn new technologies, or change careers. Increase participation and prioritize funding for current education and training programs.
- Develop a systemic approach to disseminating information needed by traditional and adult learners, such as a statewide network of education/career advocates to help people access needed information about career pathways, educational options, available support services, etc. Develop outreach to people who are disconnected or otherwise unlikely to be engaged in education.
- Provide training and support services for entrepreneurs investing in small businesses or microenterprises.

B. Incentivize employer investment.

- Support the development or replication of accelerated, employer-driven career pathways, transitional and job training programs. Expand these programs to include ex-offenders.
- Develop partnerships among employers, educational institutions and community based organizations to build career pathways and provide support services to help remove barriers.

C. Encourage asset-building.

- Support and promote asset-building strategies, including: Individual Development Accounts (IDAs), Children's Savings Accounts (CSAs) and portable retirement accounts.
- Eliminate or significantly increase asset limits for public benefits.
- Ensure the local availability of quality financial services, products and literacy training for under-banked and low income people.

10. Catalyze Neighborhood and Community Assets.

A. Support the Michigan Housing and Community Development Fund.

- Identify a dedicated funding source to ensure affordable rental housing, expansion of homeownership opportunities, foreclosure prevention, homeless assistance, downtown development and other activities.

B. Help neighborhoods respond to foreclosures.

- Develop a statewide partnership to access and implement use of the federal Neighborhood Stabilization Fund to protect or renovate recently foreclosed properties.

C. Promote sustainable energy practices.

- Use environmentally sound (“green”) standards and conservation methods in all new construction, especially residential housing.
- Retrofit existing construction and housing to maximize energy conservation.
- Require utilities companies to provide energy efficiency programs and achieve minimum energy efficiency savings each year.

D. Engage, advocate and problem-solve in neighborhoods.

- Conduct neighborhood programs and events to educate, empower and embolden individuals to meet their capacity and resolve local issues.
- Explore locally-driven solutions, such as community-focused policing and community crime prevention.
- Develop diverse networks of reliable, positive mentors to connect young people with supportive role models.
- Ensure that support services and programs are widely available and responsive to language or cultural needs. Provide leaders and community members access to appropriate training and advice on cultural diversity.

Commission Action Plan: Leadership, Engagement and Accountability

The Commission for Community Action and Economic Opportunity will continue to catalyze advocacy, engagement and change efforts to help low income families in Michigan. The following outlines the role the Commission will seek to play in the coming years to ensure broad community action and improved economic opportunity:

Leadership

- Catalyze advocacy, engagement and change efforts.
- Connect and coordinate the efforts of relevant agencies, organizations, advocates and individuals, especially to help foster innovation and streamline supports.
- Advocate with the legislature and other decision-makers.
- Bridge federal, state and local approaches.

Engagement

- Listen to the experiences of people living in poverty and their efforts to access systems of support.
 - Annual statewide Poverty Forums
 - Engagement and input through the Voices for Action Network
- Ensure broad engagement of diverse stakeholders so changes happen on all levels - individual, neighborhood, systems/policies, and cultural.

Documentation and Analysis

- Document what is heard and how this reflects on the effectiveness of systems of support.
- Compare what people need to what they can actually access, and make recommendations to close this gap.

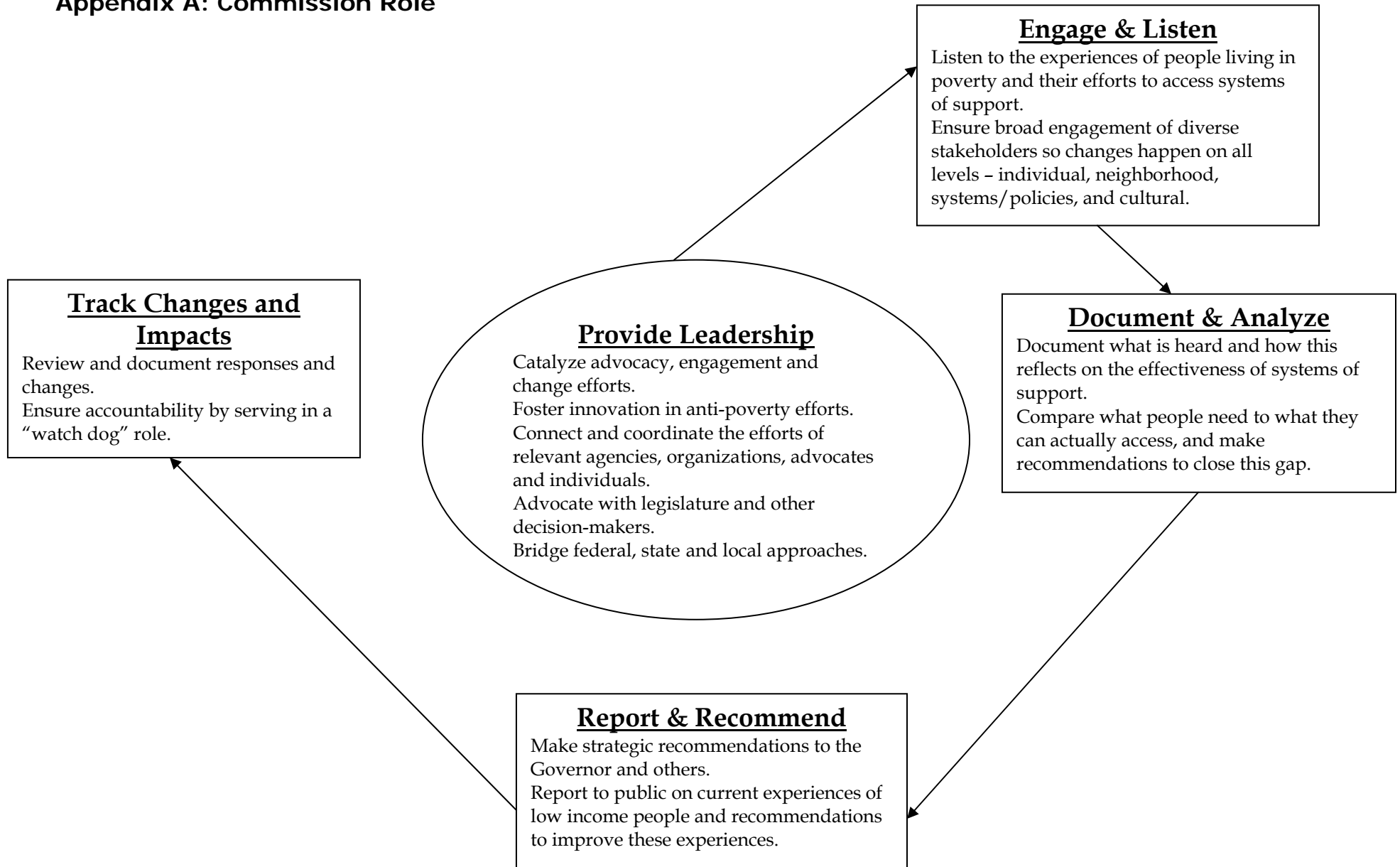
Reports and Recommendations

- Make strategic recommendations to the Governor and others.
- Report to the public on the current experiences of low income people and provide feedback to improve these experiences.

Track Changes and Impacts

- Review and document responses and changes.
- Ensure accountability by serving in a “watch dog” role.

Appendix A: Commission Role



Appendix B: Commission Advisory Group Membership Roster

Tonya	Allen	Vice-President of Programs	Skillman Foundation
Paula	Allen-Meares	Dean	University of Michigan, School of Social Work
Richard	Bearup	Executive Director	Children's Trust Fund
Rebecca	Blank	Robert V. Kerr Fellow	University of Michigan, National Poverty Center
Nadia	Brigham	Program Associate	W.K. Kellogg Foundation
Rayvin	Butler	Client/consumer	
Lisa	Chapman	Michigan Program Director	Corporation for Supportive Housing
An-Me	Chung	Program Officer	Charles S. Mott Foundation
Jerilyn	Church	Executive Director	American Indian Health & Family Services of SE Michigan
Brenda	Clack	Representative	Michigan House of Representatives
Jim	Crisp	Executive Director	Michigan Community Action Agency Association
Norm	DeLisle	Director	Michigan Disability Rights Coalition
Hiram	Fitzgerald	Associate Provost	Michigan State University
Tony	Floyd	Life Coach	JET Program, Genesee County Community Action Resource Department
Rebecca	Fritz	Client/consumer	
Martha	Gonzalez-Cortes	CEO	Hispanic Center of West Michigan
Bill	Hardiman	Senator	Michigan Senate
Wendy L.	Jackson	Program Officer	The Kresge Foundation
Don	Jones	Director of Resource Development	Oakland Livingston Human Service Agency
Corrine	King	Client/consumer	
Ronald	Koehler	Assistant Superintendent	Kent Intermediate Schools
Jack	Kresnak	President & CEO	Michigan's Children
Jeannine	LaPrad	President & CEO	Corporation for a Skill Workforce

Cheryl	Liske	O.P. Gamaliel of MI, Director	Michigan Voice
Richard	Lower	Executive Director	Michigan Head Start Association
Angela	Moery	Client/consumer	
Keith	Molin	Director	Michigan State Housing Development Authority
Jerry	Norcia	President	MichCon
Sharon	Parks	President & CEO	Michigan League for Human Services
Jeff	Patton	CEO	Kalamazoo County Community Mental Health
Debra	Porchia-Usher	Vice President, Basic Needs Business Unit	United Way for Southeastern Michigan
Brenda	Price	Program Director	John S. and James L. Knight Foundation
Judy	Samuelson	CEO	Early Childhood Investment Corp.
Chad	Schmucker	Circuit Judge	Jackson County Courthouse
David	Sebastian	Trustee	Sebastian Foundation
Diana	Sieger	President	Grand Rapids Community Foundation
Robert	Szymoniak	Superintendent	Onaway Area Community Schools
Joseph	Villalpando	Client/consumer	
Lawrence	Voight	Chairman of the Board	Catholic Charities of Michigan
Sebastian	Wade	Vice President of Regional Affairs	Detroit Chamber of Commerce
Jamie	Walker	US Public Service Executive Director	Accenture Corp.

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