



2021 BUDGET PRIORITY: ADDRESS THE RACIAL, ETHNIC AND SOCIAL JUSTICE IMPACT OF STATE BUDGET AND TAX DECISIONS

LEAGUE RECOMMENDATION:

To ensure that state resources are used to increase equity, state departments should collect and publish data that is disaggregated by race, ethnicity and income, and lawmakers and state departments should incorporate that data in an analysis of the impact of tax and budget options on children and families of color.

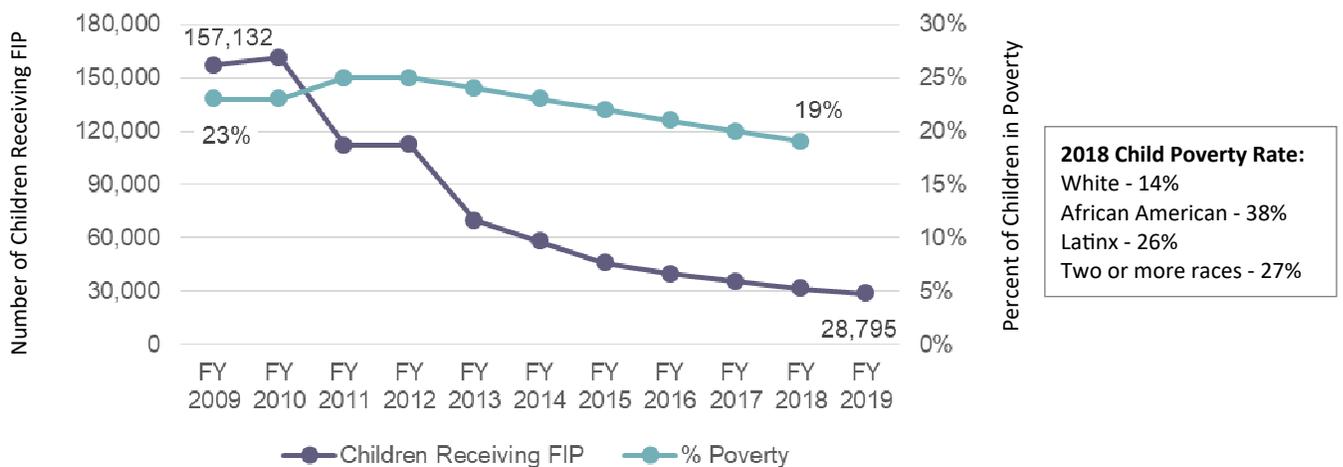
BACKGROUND:

Through its Kids Count project, the League documents outcomes for children and their families, including inequities based on race, ethnicity and place. For every negative outcome there is a backstory—a history of systemic barriers that have excluded families and children of color from many of the traditional pathways to good health and economic opportunity.

State budgets are not “colorblind,” even if their disproportionate impact is unintended. How lawmakers divide up the state budget has the potential to enrich or hinder children’s development and learning, create or limit economic opportunities, and protect or threaten public health and safety.

Budget and tax decisions that ignore the history of public policies and practices that limited the employment and housing options of Michiganders based on race, ethnicity and zip code will not address equity. Among those are housing discrimination, the impact of redlining on home ownership, segregation in public schools, differences in educational quality and opportunity, racial discrimination in the workplace, and inequities in the ability to accumulate wealth and assets.

Number of Children Receiving Income Assistance Falls Sharply While Child Poverty Remains High



Source: Kids Count Data Center and Michigan Department of Health and Human Services

For example, providing the same amount of state support for every student in Michigan’s public schools can create a surface “equality,” but fails to address true equity by not recognizing the added costs of teaching children who live in high-poverty neighborhoods—largely the result of housing and employment discrimination. Further, despite the reality that children of color are two to three times more likely to live in poverty, state funding for programs to meet children’s basic needs has dropped sharply, along with the number of children able to receive assistance.

To achieve equity and broad-based economic growth, Michigan lawmakers need to use data documenting outcomes based on race, ethnicity and income to assess revenue needs and options, and to allocate state resources in ways that create equity.

WHY DOES IT MATTER?

Policies that perpetuate inequities based on race, ethnicity and place will have a lasting impact on generations to come.

The earliest years of life affect children’s long-term development and success, yet little attention has been paid to the impact of national and state policies that have shaped the neighborhoods and opportunities of children of color. Children of color in Michigan are more likely to live in poverty, be born too early, die in the first year of life, have poor nutrition and untreated health conditions, attend struggling schools, and live in homes where they are exposed to damaging environmental toxins.

Michigan’s economy will not prosper unless all Michigan residents have an opportunity to succeed. Michigan’s growing diversity is its strength and can help fuel economic growth now and into the future if every child and every resident is able to meet his or her potential. Investments in the workforce and in talent must be driven by the goal of equity if Michigan’s economy is to thrive.