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***2022 Kids Count Data Profiles* show improvement in child well-being, underscore need to make COVID-era improvements permanent**

Over past decade, state has made progress on child poverty, teen births, child abuse and neglect

LANSING—Fresh off of a historic state budget and as the election season heats up, Michigan policymakers and child advocates have new data to evaluate past policy and investment decisions and identify ongoing areas of need for Michigan kids and families. Released today, the Michigan League for Public Policy's *2022 Kids Count in Michigan Data Profiles* analyze data and identify state and county trends in four categories: economic security, education, health and safety, family and community.

The data profile for Michigan shows that the state has seen improvement in 10 of 14 key areas in the last decade, namely declines in rates of child poverty, births to teens and children placed in out-of-home care because of abuse or neglect. But other key areas, like prenatal care and preschool enrollment, see concerning declines or lack of movement. Looking at local data and county trends, there are wide differences between counties on some indicators, and much more room for improvement as all children and families do not have their needs met.

The League also compiles Kids Count Data Profiles for Detroit and Flint, and for the first time this year, Grand Rapids, thanks to the support of the Frey Foundation. These city profiles help identify the impact of local policy improvements and investments as well as the specific needs of metropolitan areas with some of the highest child populations in the state.

"Despite these challenging times, Michigan has seen new and significant investments in children in the last year, including the 2023 state budget passed earlier this month," said Kelsey Perdue, Kids Count in Michigan Director for the Michigan League for Public Policy. "These data profiles show where we have been and where we should be going on policies to support kids and parents. We have certainly made some important progress, but there are still clear areas for improvement. We must make some COVID-era policy changes permanent, find revenue to sustain our efforts after federal relief dollars run out, and work to equitably meet the needs of all families."

The rate of child poverty decreased nearly 28% statewide between 2010 and 2020, and child poverty rates declined in 82 counties over the same decade. But while more residents can make

ends meet compared to a decade ago, 1.5 million Michigan households still can't afford necessities.

A number of COVID-era policy changes lifted children out of poverty and assisted young adults. Federal Child Tax Credit (CTC) payment amounts were increased and extended to children in families with low or no earnings, and advance monthly payments were provided to increase income stability. These changes lifted 114,000 Michigan children out of poverty and benefited another 1,968,000 kids in the state. Federal and Michigan Earned Income Tax Credits (EITC) were expanded to 571,000 working adults without children, including young adults ages 18-24 with low incomes.

The League continues to advocate for Congress to make these improvements to the federal CTC and EITC permanent. And the League and more than 100 other business, advocacy, faith, and nonprofit organizations continue to advocate for increasing the state EITC, including the Michigan Chamber of Commerce, Small Business Association of Michigan, Michigan Restaurant and Lodging Association, Think Babies Michigan, Essential Needs Task Force, Michigan Retailers Association, and chambers of commerce and United Ways from around the state. The proposal has bipartisan support between the governor and Michigan Legislature, who collectively set aside \$7 billion from the state budget to negotiate potential tax changes, including increasing the state EITC.

Increasing Michigan's EITC from its current rate of 6% of the federal credit to 30% of the federal credit means a difference of \$150 to \$749 in credit to working people. This same change would contribute around \$553 million to local economies and small businesses, as the EITC is often spent on necessities like child care, car repairs, new appliances, groceries and more. Increasing the state EITC is a two-generation policy that helps kids by helping their parents, and it has been proven to have myriad positive benefits on kids.

"Some of this year's Kids Count policy recommendations may be more aspirational or longer-term, but others are tangible and either continuations of positive improvements or policies being debated as we speak," said Monique Stanton, President and CEO of the Michigan League for Public Policy. "From the need for Congress to make the improvements to the federal CTC permanent to the governor and state Legislature working together to increase the state EITC, these tax credits are proven, bipartisan tools to combat child poverty and help working parents and need to be enacted now."

On the education front, the percentage of students graduating high school on time in Michigan is up from a decade ago at 81% in 2021 (from 76% in 2010). However, on-time graduation rates were as low as 40% for youth in foster care. Preschool enrollment is virtually flat, but the state continues to make historic investments in child care, preschool and early education. While 40,000 more children had internet at home in 2020 than in 2019, more than 30% of children still don't have home internet access in some counties. Internet access continues to be a concern for kids—but also has been a key area of investment for federal and state policymakers.

Housing stability is also key to child well-being, but too many families are burdened by high cost housing. Over a quarter of Michigan households pay over 30% of their income on housing costs and homeless students are twice as likely to be chronically absent from school. The state has funded the Housing and Community Development Fund for the first time since 2012 this year for affordable and "missing middle" home builds and ownership, but policymakers must identify a dedicated revenue stream to sustain investments in safe, affordable housing in opportunity-rich communities for families with low incomes.

2022 POLICY RECOMMENDATIONS:

- Make COVID-era CTC and EITC expansions permanent. Increase Michigan's Earned Income Tax Credit from its current 6% to 30% of the federal credit.
- Permanently raise Michigan's income eligibility threshold for state child care subsidies to a minimum of 185% and increase payments to child care providers to reflect the actual cost of care, increasing quality, availability and access for families.
- Eliminate low eligibility thresholds, child compliance and other barriers that prevent families from accessing critical safety net programs.
- Adopt a weighted school funding formula to fund schools based on community and student need.
- Ensure adequate support for programs that assist foster youth exiting the system with education, housing and work.

These 2022 data profiles are a companion piece to the League's *2021 Kids Count in Michigan Data Book*, now released biannually. Together, Kids Count's 2021 state *Data Book* and the 2022 state, county and select city data profiles offer a comprehensive look at child well-being, state and local progress on kids and families' needs, and related policy wins and ongoing challenges.

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The Michigan League for Public Policy, www.mlpp.org, is a nonprofit policy institute focused on opportunity for all. Its mission is to advance economic security, racial equity, health and well-being for all people in Michigan through policy change. It is the only state-level organization that addresses poverty in a comprehensive way.

The Kids Count in Michigan project, [www.https://mlpp.org/kids-count/](https://mlpp.org/kids-count/), is part of a broad national effort to improve conditions for children and their families. Funding for the project is provided by the Annie E. Casey Foundation, The Max M. and Marjorie S. Fisher Foundation, The Skillman Foundation, Blue Cross Blue Shield of Michigan Foundation, Ford Motor Company Fund, Steelcase Foundation, Ruth Mott Foundation, Frey Foundation, Michigan Education Association, American Federation of Teachers Michigan, and United Way for Southeastern Michigan. More state and local data are available at the Kids Count Data Center, www.datacenter.kidscount.org.

The project is especially grateful to the Frey Foundation in 2022, as they funded the development of a new Grand Rapids Data Profile.