

40 percent of Michigan households can't cover expenses

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(Photo: Bloomberg)

A new study released finds that 40 percent of Michigan households with at least one worker don't make enough money to meet basic survival needs.

The report, commissioned by the Michigan Association of United Ways and released today focuses on people whose earnings are above the poverty line but still unable to cover expenses such as housing, transportation and health and child care.

Their households, according to the study, are 13 percent short of filling the gap between how much money wage earners take home and what they need to cover those expenses.

The United Way in 2009 coined the acronym ALICE, which stands for Asset Limited, Income Constrained and Employed. The project, which focuses on people within that group, started in New Jersey and has spread to Michigan and several other states.

The report found that about 930,000 Michigan households fall within the ALICE criteria, and the number grows to 1.5 million when those below the poverty line are added.

"ALICE exists in populations all over the state," said Scott Dzurka, president and chief executive of the Lansing-based association, which represents about 60 United Way chapters statewide that coordinate, promote and provide social and economic services.

"There are many perceptions out there about where poverty exists," he added. "It's not just an urban issue, it's a rural issue."

Michigan is among the first states beyond New Jersey to perform its own version of the study, so no regional or national comparisons can be made. But New Jersey's statewide report in 2011 found that 30 percent of its households couldn't cover basic expenses.

Dzurka said there's "no silver bullet" for those working yet struggling to make ends meet but he views the report as "a starting point" for conversations with local governments, nonprofits and businesses. Efforts could include boosting the quantity and quality of affordable housing and medium- and high-skilled jobs.

"Here's a group of people who are tinkering on the edge who could potentially fall back into more (poverty) and become more costly," Dzurka said. "I think everybody has an interest here."

Research on the studies is led by Rutgers University-Newark's School of Public Affairs and Administration. Dzurka said the association also worked with the Michigan League for Public Policy, an advocacy group for the poor that also publishes reports examining families' financial hardships and the economic gaps they face.

Michigan League officials say the United Way study breaks new ground by estimating the share of families who don't make ends meet.

"This is further proof that Michigan needs to do much more to support working families," Gilda Jacobs, the group's president and CEO, said in an email. "That means working families would get better tax credits and more help with child care, and we need to raise the minimum wage even more than we have."

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