

Poverty in Paradise: Invisible Leelanau 2021

“On the shores of two Great Lakes, two Michigans are pulling away from one another. For one, graceful summer homes rise on waterfronts, equipped with boats, tubes and toys. For the other, life is lived in trailers on back roads, or small houses tucked into the woods. There is a growing gulf between an employee working a lower-wage job and someone who actually earns enough to support themselves or a household.” (Bridge Magazine)

The other life described above is ‘invisible’ to many. What is poverty and who is ‘poor’ in our Leelanau paradise? Data on poverty can be confusing; there are myriad indicators, perspectives, and sources to navigate.

1. The Federal poverty level(s)

The United States Census Bureau uses a set of income thresholds that vary by family size and composition to determine who is in poverty. **Seven per cent (7.1%; 1,541) of the Leelanau County population is living below the Federal Poverty Line.** (7)% of Leelanau County children under the age of 18; 14.4% of young adults (ages 18-24); and 18.6% of single parent families in the county are living in poverty. (*Michigan League for Public Policy, 2020*) The federal poverty line was first established in 1969, with some annual adjustments. **The current federal threshold for a family of four is \$25,750.** We find a more recent metric is more realistic to understand who can not ‘make ends meet’ – the ALICE metrics, developed by the United Way, determine a ‘bare minimum’ Household Survival Budget, disaggregated for varying household compositions, and by state, county and township levels.

2. ALICE households are: Asset Limited, and Income Constrained, yet are Employed

ALICE households earn above the federal poverty level, but not enough to afford the cost of living. **37% of the households in Leelanau County have been identified as ALICE.** Over the last decade in Leelanau County, since the ‘Great Recession’, the number of **households in poverty has dropped from 902 to 535**, yet the number of **ALICE households has increased** from 2,391 to 3,348.

(*United Way ALICE Report, 2019*) **Thus 43% of our Leelanau County households** can not afford any unexpected expenses (such as car repairs, health deductibles, etc.) or increases in basic expenses (such as fuel, food, etc.). **At the Township level, Kasson and Leelanau have the highest numbers of ALICE households, at 52% and 50% respectively, and Glen Arbor and Leland have the lowest number, at 23% and 34% respectively.**

The ALICE Household Survival Budget is composed of basic household expense categories, which further deepen our understanding of who is struggling, as elaborated below.

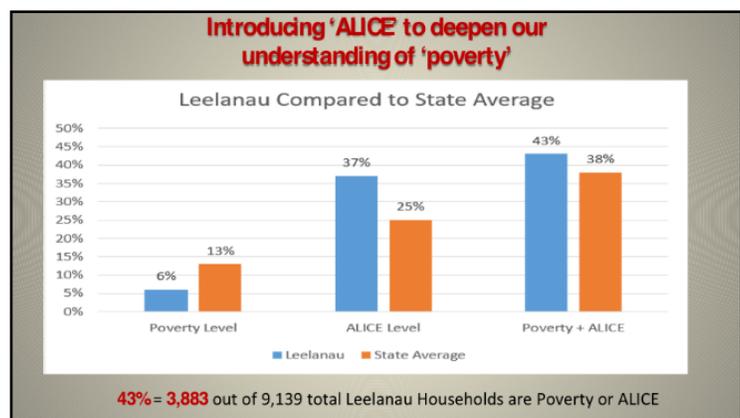
3. Housing -- affordability & instability

Although no 2021 data is available, in 2016 the percentage of students experiencing homelessness (instability with consistent housing) were as follows: Glen Lake 6%, Leland 4%, Northport 13%, and Suttons Bay 16%. (*Michigan News, 4/2018*). Although the exact numbers of Leelanau homeless are not available, Leelanau County’s ALICE households and those families living in poverty (43% of the County’s households) are certainly living in homeless, near-homeless, and unstable, and/or risky, sub-standard housing arrangements.

Affordable housing A Wall Street report labeled Leelanau County “Michigan’s most expensive housing market.” (*Detroit Free Press, 4/2018*) The county’s household median income and housing values are increasingly mismatched; the average home price is beyond the affordability of the average household. **Leelanau County’s ratio of average home price to median income is 4.6, which is more the recommended ratio of 2.6 and is the highest in Northwest Michigan.** Although many experts agree that families should not spend more than 45% of income on housing and transportation, the median-income Leelanau households spends 61% of their income on housing and transportation, leaving only 39% of income for food, health care, education, childcare, etc. Lower-income Leelanau families spend as much as 75% of their resources on housing and transportation. (*Networks Northwest Housing Overview to Leelanau County Planning Commission, 2019*)

5. Childcare expenses

Access to high-quality early childhood quality care is crucial to the development of our next generation, and to the viability of our workforce and local economy. In line with the ALICE metrics and thresholds, quality childcare/preschool is unavailable to the large number of families caught in the middle between not qualifying for federal/state



Poverty in Paradise: Invisible Leelanau 2021

assistance programs, and being able to afford the cost of care themselves. (*Michigan 2020 State Fact Sheet, Great Start to Quality*, 2020). Infant childcare is more expensive than the net cost of college at some public universities. (*Bridge Magazine*, 2018) The average cost of full-time childcare per month per child for Leelanau families is 38.8% of the full-time minimum wage. The average monthly cost for childcare in Leelanau is \$588 per toddler and \$609 for infants. (*Early Childhood Investment Corporation*, 2020).¹

6. Food - assistance and insecurity

345 Leelanau students have been identified to participate in the Leelanau Christian Neighbors' 'Blessings-in-a Backpack Program' in order to avoid going hungry on weekends [Glen Lake 71, Leland 70, Montessori 6, Northport 74, St. Mary 18, Suttons Bay 106]. (Verification by M. Stanton, LCN, 12/2020) Food insecurity refers to the US Department of Agriculture measurement of a lack of access to enough food for a healthy life for all members of a given household. 9.5% (340) of our county's children (0 - 17) have been identified as 'Food Insecure.' (*Kids' Count*, 2020)

Other Income Constraint factors

4. Child support

13.9% (536) Leelanau County children ages 0 – 19 have a parent with unpaid court-ordered child support; of those, one-third receive less than 70% of their court-ordered child support and 6% (32) children are living in homes where none of the Child support is received. (*Michigan League for Public Policy*, 2020 & *MI Department of Health & Human Services*, 2020)

7. Senior' finances

Seniors are a significant portion of our Leelanau County households in need; often on fixed incomes, the especially struggle in our context of increasing utility, fuel, food and other monthly costs. The 2nd largest population demographic living in poverty is females age 75 and older. (7.77 % females 75+; 3.51 % of females 65 – 74; 3.21 males 65 – 74, and 2.69% males over 75. (Data USA: Leelanau County Mich.) 41% of Seniors 65 and older are ALICE households; overall 46% of Leelanau Seniors are either under the Federal Poverty Level or ALICE.



Beth Verhey & Ty Wessell
 January, 2022

Sources: DHHS Green Book (2020); The Annie E. Casey Foundation KIDS' Count Report (2020); Networks Northwest Housing Reports (2018); Housing North (2020); Leelanau County Senior Services Update; United Way of NW Michigan ALICE Report (2019); Bridge Magazine, Leelanau Ticker, M-Live, Data USA, Early Childhood Investment Corporation, September 2020, Urban Institute, How Far Do SNAP Benefits Fall Short of Covering the Cost of a Meal? February 2018 report plus data update for 2021 federal SNAP benefit increase, Michigan Poverty Task Force: Department of Labor and Economic Opportunity, State of Michigan. "2021 Poverty Task Force Report." 17 February 2021. personal interviews. Much of this data was reported in Verhey, Beth, & Wessell, Ty, Poverty in Paradise: Addressing the Challenges and Supporting Current Programs in A Collection of Public Policy Essays, Leelanau Township, D. Whitely, Editor, May 2021.