

2009



POVERTY IN KALAMAZOO COUNTY – 2009 UPDATE

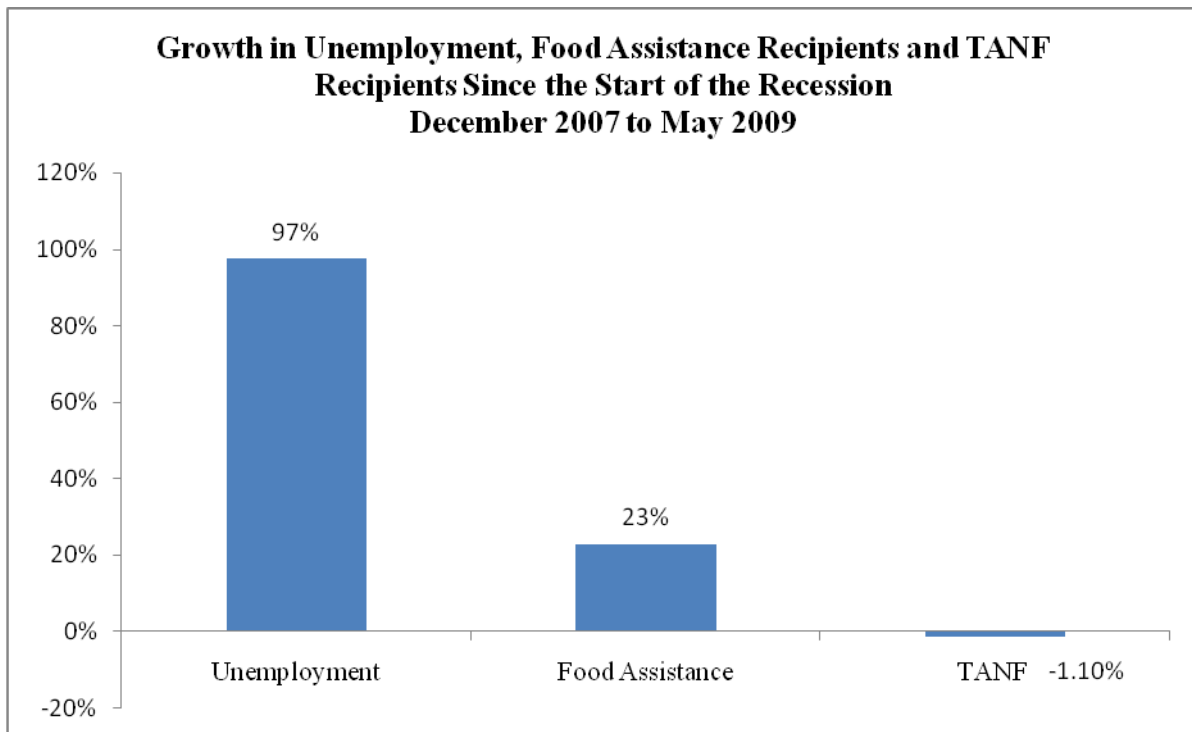
Prepared By Kalamazoo County Community Action Agency

Impact of the Recession on Kalamazoo County

From the start of the recession in December 2007 through May 2009, Kalamazoo County has experienced a 97 percent increase in unemployment, going from 5.2 percent in December 2007 to 10.3 percent in May 2009.¹ An estimated 1,533 Kalamazoo County unemployment recipients are expected to exhaust their claims by January 8, 2010.²

Another indicator of the impact of the recession on Kalamazoo County is the increase in people receiving food assistance through the Department of Human Services Supplemental Nutrition Assistance Program. From December 2007 through May 2009 there has been a 23 percent increase in people receiving food assistance, from 30,847 to 37,936 individuals.³

While the number of unemployed has increased, the number of financial assistance payments recipients through the Michigan Department of Human Services has decreased slightly, from 4,962 in December 2007 to 4,907 in May 2009.



¹ Bureau of Labor Statistics, Local Area Unemployment Statistics, Kalamazoo County, Michigan.

² State of Michigan Department of Human Services Memorandum regarding Exhausted Unemployment Compensation Benefits dated May 14, 2009, attachment *UIA Recipients by County: Claim Exhaustion Rollup*.

³ State of Michigan Department of Human Services. *Assistance Payments Statistics*. December 2007.

Table 23. Prepared by Bureau of Accounting and State of Michigan Department of Human Services. *Green Book Report of Key Program Statistics*. May 2009. Table 24. Prepared by Department of Human Services.

Poverty Rates Continue to Increase

According to the 2007 American Community Survey, an estimated 39,079 Kalamazoo County residents (16.4 percent) live below poverty.⁴ In 1999, 12 percent of the population in Kalamazoo County, or 27,483 people, lived below the poverty level.⁵ The City of Kalamazoo has also experienced an increase in poverty rates. An estimated 22,025 Kalamazoo City residents (35.5 percent) live below poverty.⁶ In 1999, 24.3 percent of the population in the City of Kalamazoo, or 16,641 people, lived below the poverty level.⁷

Population Living Below the Poverty Level Kalamazoo County and City of Kalamazoo 1999 and 2007 Comparison					
Geographic Area	Number of people below poverty, 1999	Percent below poverty, 1999	Number of people below poverty, 2007	Percent below poverty, 2007	Percent change 1999 to 2007
Kalamazoo County	27,483	12%	39,079	16.4%	42.2%
City of Kalamazoo	16,641	24.3%	22,025	35.5%	32.4%

Sources: U.S. Census Bureau. Census 2000, Summary File 3; U.S. Census Bureau. 2007 American Community Survey, *Selected Economic Characteristics: 2007, Kalamazoo County and Kalamazoo City, Michigan*.

The percentage of people living below the poverty level rose for each age group from 1999 to 2007 in Kalamazoo County, the City of Kalamazoo, and the State of Michigan. The following table provides a comparison of the percentage of people by age group living below poverty in 1999 and 2007 in each geographic location.

Income Below Poverty Level by Age Range Kalamazoo County, City of Kalamazoo and Michigan 1999 and 2007 Comparison						
Age Group	Kalamazoo County		City of Kalamazoo		Michigan	
	% of age group below poverty, 1999	% of age group below poverty, 2007	% of age group below poverty, 1999	% of age group below poverty, 2007	% of age group below poverty, 1999	% of age group below poverty, 2007
Under 18	12.2%	16.4%	26.7%	39.3%	13.3%	18.4%
18-64 years	12.7%	18.1%	25.6%	37.7%	9.6%	13.1%
65+	6.3%	7.3%	11.2%	12.9%	5.6%	8.0%

Source: U.S. Census Bureau. Census 2000, Summary File 3; 2007 American Community Survey, *Poverty Status in the Past 12 Months: 2007, Kalamazoo County, Kalamazoo City, Michigan*

⁴ U.S. Census Bureau, 2007 American Community Survey. Kalamazoo County, Michigan. *Selected Economic Characteristics, 2007*.

⁵ U.S. Census Bureau, Census 2000, Summary File 3.

⁶ U.S. Census Bureau, 2007 American Community Survey. Kalamazoo City, Michigan. *Selected Economic Characteristics, 2007*.

⁷ U.S. Census Bureau, Census 2000, Summary File 3

The child poverty rate in the City of Kalamazoo for 2007 was 39.3 percent, representing approximately 4,669 children under 18.⁸ The largest growth in poverty since 1999 has occurred in the City of Kalamazoo among people 18 - 64 years, with a 47.3 percent increase, followed by the poverty rate for children under 18 years in the City of Kalamazoo with a 47.2 percent increase.

People Below Poverty by Age Range Kalamazoo County, City of Kalamazoo and Michigan Percent Change From 1999 to 2007			
Age Group	Kalamazoo County	City of Kalamazoo	Michigan
	Percent Change from 1999 to 2007	Percent Change from 1999 to 2006	Percent Change from 1999 to 2006
Under 18	34%	47.2%	38.3%
18-64 years	42.5%	47.3%	36.4%
65+	15.8%	15.2%	42.8%

Source: US Census. 2007 American Community Survey, *Selected Economic Characteristics: 2007, Kalamazoo County, Kalamazoo City, Michigan*

An additional 35,552 Kalamazoo County residents (14.9 percent) live between 100 percent and 200 percent of the poverty threshold, putting them at risk of falling into poverty.⁹

Income Measures

Health & Human Services Poverty Guidelines

The federal government uses the following guidelines for determining whose income is below poverty. The U. S. Department of Health & Human Services annually calculates the guidelines.

2009 Poverty Guidelines for the 48 Contiguous States and the District of Columbia	
Persons in Family	Poverty Guideline
1	\$10,830
2	14,570
3	18,310
4	22,050
5	25,790
6	29,530
7	33,270
8	37,010
For families with more than 8 persons, add \$3,740 for each additional person.	
Source: Federal Register, January 23, 2009.	

⁸ U.S. Census Bureau, 2007 American Community Survey. Kalamazoo City, Michigan. *Selected Economic Characteristics: 2007*.

⁹ U.S. Census Bureau, 2007 American Community Survey. Kalamazoo County, Michigan. *Ratio of Income to Poverty Level in the Past 12 Months*, Table B17002.

Another income measure is Area Median Income (AMI), which is used to determine eligibility for government-funded housing. If the household income is at or below 80 percent of the area median income, households are classified as low-income. If the household income is at or below 50 percent of the area median income, households are classified as very low-income. The 2009 Housing & Urban Development (HUD) area median family income estimate for the Kalamazoo-Portage MSA was \$62,897. The following table shows the 2009 HUD Low and Very Low Area Median Income limits by family size.

HUD 2009 Low & Very Low Area Median Income Limits Kalamazoo – Portage MSA		
Family Size	80% AMI	50% AMI
1	\$35,200	\$22,000
2	\$40,250	\$25,150
3	\$45,250	\$28,300
4	\$50,300	\$31,450
5	\$54,300	\$33,950
6	\$58,350	\$36,500
7	\$62,350	\$39,000
8	\$66,400	\$41,500
Source: Michigan State Housing Development Authority, Income and Rent Limit Report, 5/1/09		

Public Benefits and Poverty

According to May 2009 Michigan Department of Human Services statistics, 38,556 unduplicated Kalamazoo County persons received public assistance through FIP (Family Independence Program), State Emergency Relief (SER), State Disability Assistance (SDA), Energy Assistance, or Food Assistance.¹⁰ This is a 20 percent increase from May 2008.¹¹

FIP grants assist eligible families with children and pregnant women with rent, heat, utilities, clothing, food, and personal care items. Food Assistance is intended to supplement the cost of food for families.

The family average cash assistance in May 2009 in Kalamazoo County was \$389.¹² The value per person for Food Assistance in May 2009 in Kalamazoo County was \$130.58 a month.¹³ The average FIP and Food Assistance monthly cash payment for a family of 4 in Kalamazoo County was \$911.32, just 41 percent of the monthly poverty guideline for a family of four.

¹⁰ State of Michigan Department of Human Services. *Green Book Report of Key Program Statistics*. May 2009. Table 2. Prepared by Department of Human Services.

¹¹ State of Michigan Department of Human Services. *Assistance Payment Statistics*. May 2008, Table 1. Prepared by Bureau of Accounting.

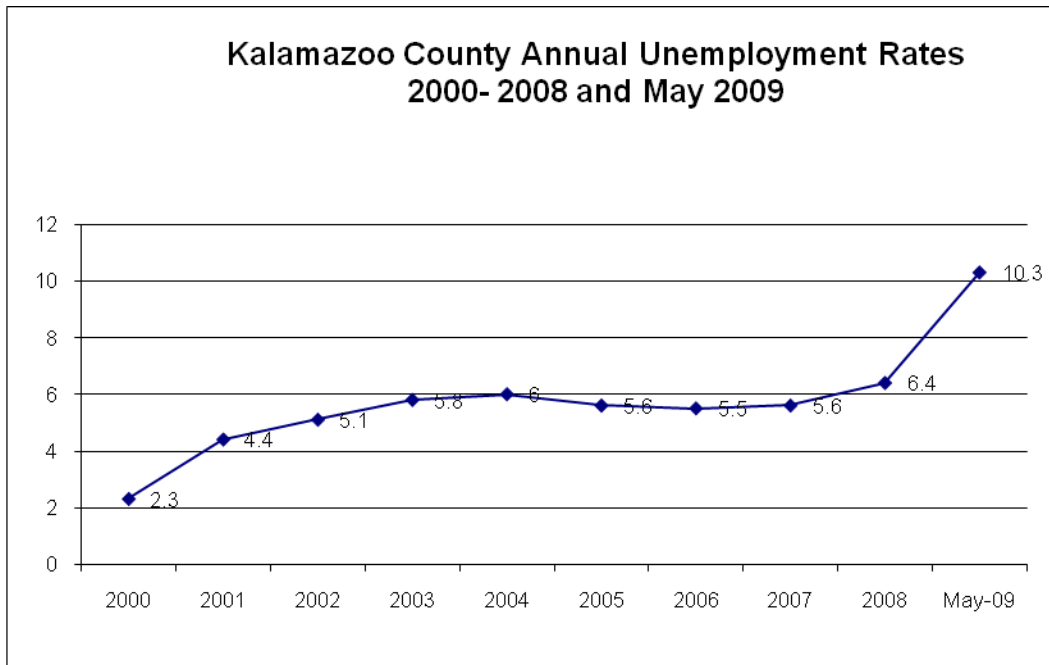
¹² State of Michigan Department of Human Services. *Green Book Report of Key Program Statistics*. May 2009. Table 4. Prepared by Department of Human Services.

¹³ *Ibid.* Table 24.

Local Area Occupational Outlook

Information from the W.E. Upjohn Institute for Employment Research states that “the current recession hit west Michigan harder in 2008 than previously reported.”¹⁴ The Kalamazoo-Portage MSA lost 2,100 jobs in 2008.¹⁵ From the first quarter in 2008 through the first quarter in 2009, the Kalamazoo-Portage MSA lost 5,800 jobs.¹⁶ Government experienced a 0.3 percent growth in the first quarter of 2009, with all other major sectors experiencing negative growth.¹⁷

According to statistics from the U.S. Department of Labor, unemployment has increased in Kalamazoo County from 3 percent (3,944 people unemployed) in 2000 to 6.4 percent (8,545 people unemployed) in 2008. During the first five months of 2009, unemployment has increased; in May it was 10.3 percent (13,242 people unemployed). The following table shows the unemployment trend for Kalamazoo County.¹⁸



Source: U.S. Department of Labor, Bureau of Labor Statistics

Note: Rates were not seasonally adjusted.

¹⁴ Erickcek, George, et.al. *Business Outlook for West Michigan*, June 2009. p1.

¹⁵ Ibid.

¹⁶ Erickcek, George. *Economic Outlook for Southwest Michigan: What lies ahead for this region in terms of job growth*. July 13, 2009 presentation.

¹⁷ Erickcek, George, et.al. *Business Outlook for West Michigan*, June 2009. p16.

¹⁸ U.S. Department of Labor, Bureau of Labor Statistics, *Local Area Unemployment Statistics for Kalamazoo County by month, 1999-May 2009*.

Housing

The fair market rent for a two-bedroom apartment in Kalamazoo County in 2008 was \$657 a month.¹⁹ According to the 2007 American Community Survey, the median monthly housing cost for owners with a mortgage was \$1,329. For owners without a mortgage the median monthly housing cost was \$409. For renters the median monthly housing costs was \$638.²⁰ The following table shows the percentage of Kalamazoo County and City of Kalamazoo residents with a housing cost burden (spending 30 percent or more of household income on housing).

Occupants with a Housing Cost Burden in 2007		
Comparison of Kalamazoo County and City of Kalamazoo Residents		
Housing Status	Kalamazoo County	City of Kalamazoo
Owners with mortgage	33%	41%
Owners without mortgage	18%	12%
Renters	56%	64%
U.S. Census Bureau. 2007 American Community Survey, <i>Kalamazoo County, Michigan: Population and Housing Narrative Profile: 2007</i> and U.S. Census Bureau, 2007 American Community Survey, <i>Kalamazoo City, Michigan: Population and Housing Narrative Profile:2007</i> .		

The estimated median income for renter households in Kalamazoo County in 2008 was \$27,673. The percent of a renter’s median income needed to afford a two-bedroom fair market rent dwelling was 95. The percent of renters unable to afford a two-bedroom fair market rent was 47 percent. The monthly rent affordable at minimum wage was \$372. The monthly 2008 Supplemental Security Income (SSI) in Kalamazoo County was \$637. The monthly rent affordable for a person whose SSI is his/her only source of income was \$191. The number of jobs at minimum wage needed to afford the fair market rent for a two-bedroom dwelling is 1.8. The percent change from 2000 base rent to 2008 Fair Market Rent is 22 percent for zero- to four-bedroom dwellings.²¹

Data from the LISC Affordable Housing Partnership Point In Time Count shows an increase in homeless households from 2008 to 2009.²² The report notes that “some of the increase is due to the fact that additional locations participated in the count this year.”²³ There were a total of 549 households counted on January 28, 2009, comprised of 583 adults and 402 children. Nearly half (48 percent) of the households were in transitional housing; the rest were sheltered or on the street.²⁴

¹⁹ National Low Income Housing Coalition. *Out of Reach*.

²⁰ U.S. Census Bureau, 2007 American Community Survey. *Kalamazoo County, Michigan: Population and Housing Narrative Profile:2007*

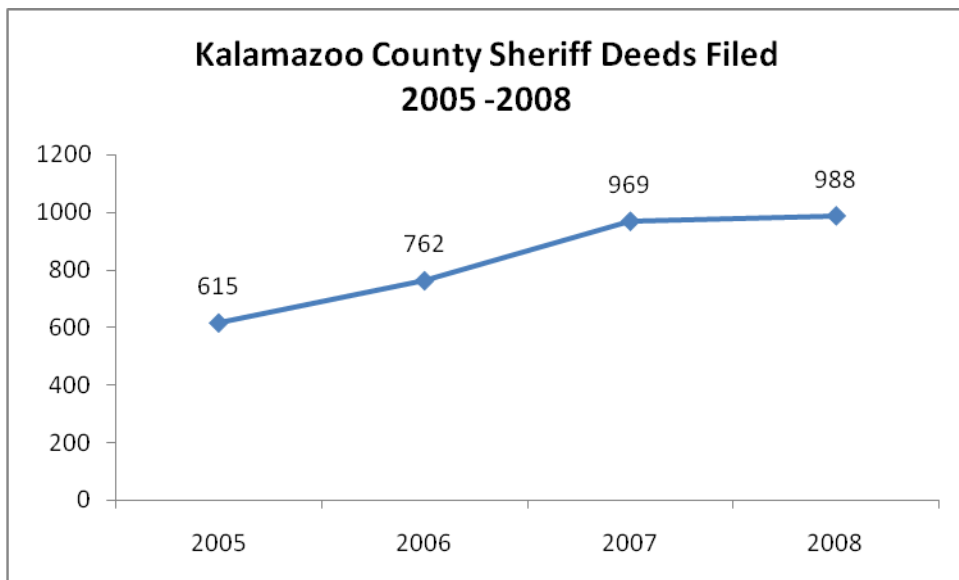
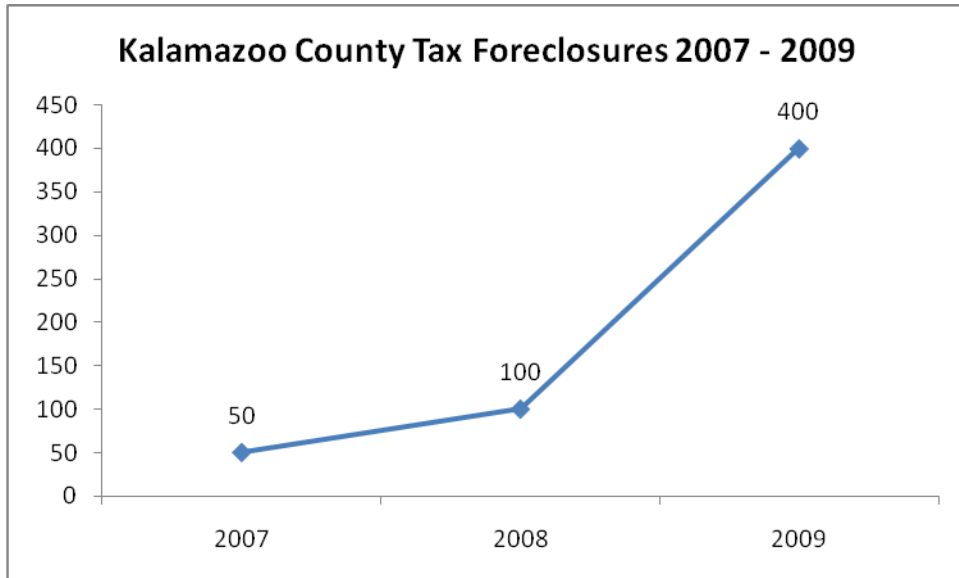
²¹ National Low Income Housing Coalition, *Out of Reach*.

²² LISC Affordable Housing Partnership, *Point In Time Count Results*, January 28, 2009 count.

²³ IBID.

²⁴ IBID.

Housing foreclosures continue to rise in Kalamazoo County. Tax foreclosures increased over 700 percent from 2007 to 2009.²⁵ From 2005 to 2008 the number of sheriff deeds filed increased from 615 to 998, a 60 percent increase.²⁶ The following tables show the change in tax and lender foreclosures.



²⁵ Kalamazoo County Treasurer's Office

²⁶ Ibid.

Food

In May 2009 a total of 19,646 households received Food Assistance through the Kalamazoo County Department of Human Services. The total number of people served was 37,936, with a value of \$130.58 per person.²⁷ The following table shows the change in food assistance by households, people and value per person from May 2005 – May 2009.

Food Assistance Program Services in Kalamazoo County					
April 2003 – April 2007					
	2005	2006	2007	2008	2009
Households	11,981	13,413	14,687	16,159	19,646
People	25,361	27,969	29,965	32,041	37,936
Value per person	\$92.27	\$97.68	\$99.37	\$101.56	\$130.58*
Source: State of Michigan Department of Human Services. Assistance Payments Statistics, May 2005, May 2006, May 2007, May 2008, Table 23. May 2009, Table 24					

*Note: The Federal Government increased the Supplemental Nutrition Assistance Program by \$20 billion through the American Recovery and Reinvestment Act to boost benefits over the next five years by a maximum of 13 percent²⁸.

Economic Self-Sufficiency

While household costs vary by size of household and geographic location, an average basic needs budget can be calculated. There are a variety of national and state basic family budget calculators including those used by the Economic Policy Institute and the Michigan League for Human Services. Most of the calculators include housing, utilities, transportation, food, health care, childcare, clothing/household necessities, and taxes as basic budget items. The following table is derived from July 2008 data available for the Kalamazoo – Portage MSA by family size.

²⁷ State of Michigan Department of Human Services. *Assistance Payments Statistics*. May 2009. Table 24. Prepared by Department of Human Services.

²⁸ USDA, Supplemental Nutrition Assistance Program (SNAP) – ARRA Recovery Plan, p. 1. Available on www.recovery.gov

Basic Family Needs Budget Kalamazoo – Portage MSA						
Item	One parent/ One child	One parent/ two children	One parent/ three children	Two parents/one child	Two parents/two children	Two parents/ three children
Housing	\$657	\$657	\$873	\$657	\$657	\$873
Food	\$317	\$465	\$616	\$514	\$643	\$776
Child Care	\$553	\$805	\$1,056	\$553	\$805	\$1,056
Transportation	\$298	\$298	\$298	\$404	\$404	\$404
Health Care	\$196	\$271	\$314	\$271	\$344	\$385
Other Necessities	\$234	\$270	\$358	\$281	\$313	\$396
Taxes	\$166	\$21	\$299	\$233	\$199	\$255
Monthly Total	\$2,422	\$2,787	\$3,814	\$2,913	\$3,364	\$4,144
Annual Total	\$29,070	\$33,440	\$45,774	\$34,952	\$40,369	\$49,734
Source: Economic Policy Institute Basic Family Budget Calculator, July 2008						

The basic family needs budget for a family of 4 in the Kalamazoo-Portage MSA is slightly over \$40,000. The HHS poverty guideline for a family of 4 in 2009 is \$22,050. The estimated amount of money needed to meet basic needs in the Kalamazoo area is 183% of the 2009 poverty guidelines for a family of four. The following table shows the basic needs budget as a percentage of the poverty guideline.

Basic Needs Budget as Percentage of Poverty Guideline			
	2009 HHS Poverty Guideline at 100% for family size	Basic Needs Budget for family size (Kalamazoo County)²⁹	Basic Needs Budget as Percentage of Poverty Guideline
Single Parent/1 child	\$14,570	\$29,070	199.5%
Single Parent/2 children	\$18,310	\$33,440	183%
Single Parent/3 children	\$22,050	\$45,774	208%
2 Parent/1 child	\$18,310	\$34,952	191%
2 Parent/2 children	\$22,050	\$40,369	183%
2 Parent/3 children	\$25,790	\$49,734	193%

The Basic Needs Budget does not include any money for basic entertainment (e.g. birthday gifts, recreation), asset development, or savings for emergencies.

²⁹ Economic Policy Institute, Basic Family Budget Calculator, <http://www.epinet.org>