



*The Economic Status of Women in the Great Lakes Bay Region*  
Supplemental Poverty Commentary

YWCA Advocacy Committee, 2014

## The Economic Status of Women in the Great Lakes Bay Region: Poverty Comparison

The original economic status report completed by the committee for the publication *The Economic Status of Women in the Great Lakes Bay Region* includes a section on poverty to compliment the Employment & Earnings indicator. The committee recognized the impact gender inequality and race inequality had on the economic stability of women in the region. According to the report, women continue to make 20-25% less than their male counterparts indicating the gender pay gap is a persistent problem not just in the region, but statewide and nationally. In addition, the median earnings of females by race show significant racial disparities. In the GLBR, females who identify themselves as two or more races, other race or African American experience the lowest median earnings among females and their median earning is half of the median earnings in the nation. (The Economic Status of Women in the Great Lakes Bay Region, Page 17-18.)

These factors contribute to the theory or concept of the “feminization of poverty.” This concept is the idea that a female’s risk of poverty has increasingly exceeded that of males. Our report revealed that females in the GLBR are more likely to live in poverty than males and are experiencing poverty at a higher rate than the state and the nation. In addition, the rate of poverty is much higher for female-headed households when compared to married couples, male-headed households or those living alone.

This report will compare some of the variables used in the original report to current statistics according to the US Census 2008-2012 American Community Survey, 5-year estimates. This report also includes additional information relevant to poverty in the region.

- I. **Federal Poverty Guidelines: 2012 vs. 2014**
- II. **Official vs. Supplemental Measurements**
- III. **Poverty and Gender**
  - a. **Poverty and household type**
  - b. **Poverty comparisons from report**
- IV. **Poverty in the Great Lakes Bay Region**
- V. **Poverty in Michigan: A Unique Initiative**
- VI. **Poverty and Age**
- VII. **Poverty and Education**
- VIII. **Poverty and Race**

## Federal Poverty Guidelines

As the original report stated, an important aspect of poverty is setting the Federal Poverty Guidelines. Poverty thresholds are used for calculating all poverty population statistics. The poverty guidelines are a simplified version of the federal poverty thresholds used for administrative purposes such as determining eligibility for various human service programs. It has become acceptable for many social service agencies to qualify clients for services based on 125% to 200% of the Federal Poverty Guidelines. The table below illustrates the guidelines published in our report in 2012 and current guidelines increases.<sup>1</sup>

Fig. 1  
Federal Poverty Guidelines: 2012 and 2014 Comparison

Family Size	2012 Poverty Guidelines		2014 Poverty Guidelines	
	100%	200%	100%	200%
1	\$10,350	\$21,780	\$11,670	\$23,340
2	14,710	29,420	15,730	31,460
3	18,530	37,060	19,790	39,580
4	22,350	44,700	23,850	47,700

## Official Poverty Measures vs. Supplemental Poverty Measures

The original report addresses an interesting article posted by the Stanford Social Innovation Review, *Beyond the Poverty Line*, addressing new poverty measurements put forth by the National Academy of Science (NAS).<sup>2</sup> The article refers to efforts by the Obama Administration to institute a new Supplemental Poverty Measure (SPM) in the future. Unfortunately the FY 2011 federal budget did not include the funding for the Supplemental Poverty Measure (SPM) Initiative. Without this funding the agency is not able to implement this new measurement tool.

The US Census provides frequent updates on the research and status of the Supplemental Poverty Measure on their website. Although it is no longer an initiative that will be instituted at this time, many agencies use the measurement for statistical purposes as stated by Kathleen Short, US Census Bureau, in her research paper dated December 2012 Short stated “The ITWG stated that the official poverty measure, as defined in Office of Management and Budget (OMB) Statistical Policy Directive No. 14, would not be replaced by the SPM. They noted that the official measure is sometimes identified in legislation regarding program eligibility and funding distribution, while the SPM will not be used in this way. The SPM is designed to provide information on aggregate levels of economic need at a national level or within large subpopulations or areas

<sup>1</sup> Families USA: The Voice for Healthcare Consumers. February 2014. *Federal Poverty Guidelines*. Retrieved on June 6, 2014 from <http://familiesusa.org/product/federal-poverty-guidelines>

<sup>2</sup> Rourke L. O'Brien & David S. Pedulla. (Fall 2010) *Beyond the Poverty Line*. Stanford Social Innovation review. [http://www.ssireview.org/articles/entry/beyond\\_the\\_poverty\\_line](http://www.ssireview.org/articles/entry/beyond_the_poverty_line).

and, as such, the SPM will be an additional macroeconomic statistic providing further understanding of economic conditions and trends.”<sup>3</sup> Short provides some excellent information in her report. Page four includes a table identifying the measurement unit, resource measure, and poverty thresholds for three separate poverty measures: Official, Supplemental and Relative. Short concludes in the report the supplemental measures resulted in higher poverty rates than the official measures and the relative measures were the highest.

An interesting interactive map online demonstrates the difference between the official and supplemental poverty measure but it is directly related to the senior population.<sup>4</sup> It includes a map of the USA by states, a breakdown of seniors age 65 and older with income below 100% of poverty, and another map of those below 200% of poverty. The poverty rate of the specific state is identified based on official and supplemental measurements. When considering those below 100%, California appears to see the greatest change from the official to the supplemental but Louisiana has the highest number of seniors in poverty compared to all states. Overall, the average rate of poverty in the USA is 9% based on official measures and 15% using the supplemental measurement. When considering those below 200%, the average rate for the USA jumps to 34% using the official measure and 47% using the supplemental measure. Although this map is measuring poverty among seniors only, I found it to provide a great example of the extent to which poverty rates would be changed by instituting the supplemental measurement.

### Poverty and Gender

The concentration of poverty among women is often referred to as the “feminization of poverty.” There are many suggested factors contributing to this concept including a change in the traditional household type and our volatile economy. The USA has experienced a significant shift in household type over the last 50 years as divorce rates increase and more women are becoming single parents. As stated in a report by the YWCA Dallas in 2007, “The increase in non-marriage among women, especially those who were young, not only limited the income potential of the family, but also complicated the legal aspects of child support. The advent and acceptability of divorce, and an increase in lifespan among women further promoted a gendered poverty, while social programs and income transfers intended to lift individuals out of poverty were less effective in achieving this goal for women than for men.”<sup>5</sup>

Our changing household types are one contributing factor and the rise in female-headed households over the last few decades is a good example. When females are heading their household on their own we cannot deny the obstacles they may face; gender pay inequity, high cost of childcare, rising healthcare cost, and segregation of occupation. Consider the graph on the next page. This graph illustrates the concentration of poverty in female-headed households in the USA, Michigan and the Great Lakes Bay Region suggesting a nation-wide occurrence according to the American Community Survey 2008-2012 estimates.

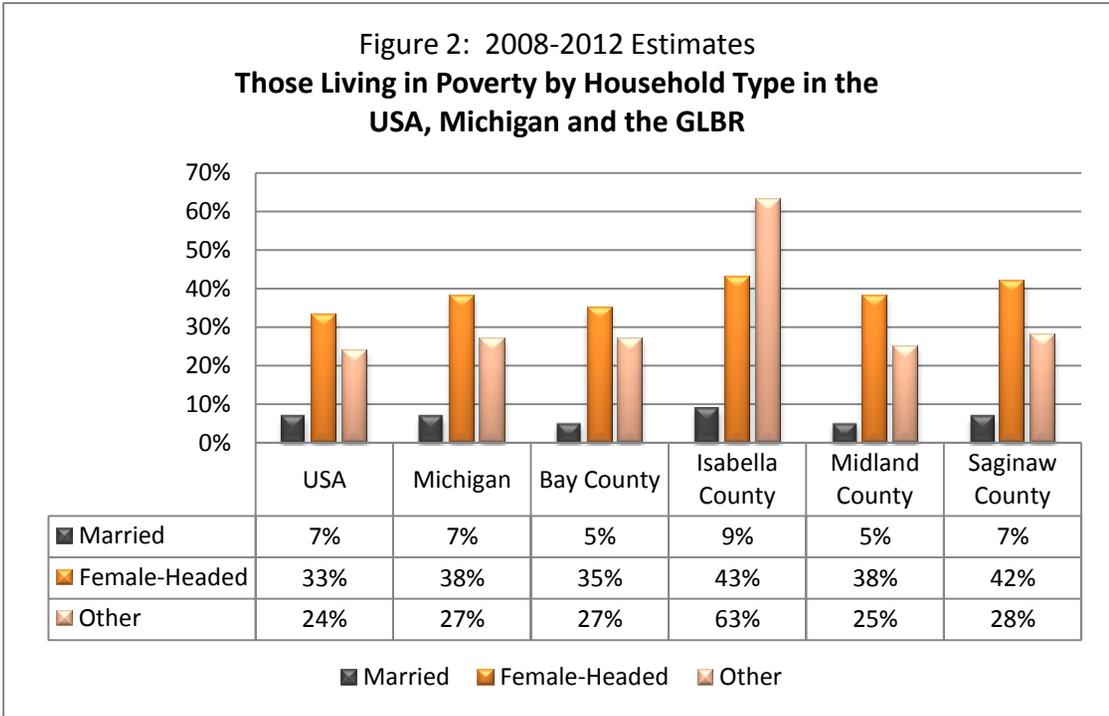
<sup>3</sup> Short, Kathleen S. (Dec 2012) *The Supplemental Poverty Measure: Examining the Incidence and Depth of Poverty in the U.S. Taking Account of Taxes and Transfers in 2011*. Retrieved on June 6, 2014 from <http://www.census.gov/hhes/povmeas/methodology/supplemental/research/aea2013.kshort.pdf>

<sup>4</sup> The Henry J. Kaiser Family Foundation. May 2013. Comparing Poverty Rates under the Official Census Poverty Measure and the Supplemental Poverty Measure. Retrieved on June 5, 2014 from <http://kff.org/interactive/seniors-in-poverty/>

<sup>5</sup> Thibos, M., Lavin-Louck, D., s and Martin, M. 2007. The Feminization of Poverty. Retrieved on June 20, 2014 at <http://www.ywcadallas.org/PDF/womens-health/FeminizationofPoverty.pdf>

Of household types living in poverty:

- i. There is a concentration of poverty among female-headed households in the USA, state of Michigan and in the Great Lakes Bay Region.
- ii. Married couples are the household least likely to live in poverty at 5%-9%.
- iii. Isabella County represents what may be skewed results related to the student population of a major university. More information on this topic is provided under *Poverty and the Great Lakes Bay Region*.
- iv. Isabella and Saginaw County represent the highest percentage of female-headed households living in poverty in the GLBR.
- v. Female headed households living in poverty are slightly lower in Bay County when compared to the state of Michigan and other counties in the GLBR but slightly higher when compared to the USA.



Source: US Census, American Community Survey 2008-2012 5-year estimates.

Changes in the economy are another contributing factor. Gender pay inequity and occupational segregation both play a part in the feminization of poverty. The original report (Page 20) included a graph illustrating a concentration of women employed in education, healthcare and social services. There is great concern with the separation of men and women into specific occupations and/or industries. The concern is referred to as the phenomenon of Segregation of Occupations which is often identified as one of the principle causes for gender pay inequity. Our statistics on median earnings by gender suggests that jobs predominantly done by women pay less on average than jobs predominantly done by men. Women have made tremendous strides during the last few decades by moving into jobs and occupations previously done almost exclusively by men, yet during the last decade there has been very little further progress in the gender integration of work. This persistent occupational segregation is a significant contributor to the lack of progress in closing the wage gap. A recent focus on gender integration across industries could be the key to eliminating occupational segregation and the gender pay gap that exists today.

The Center for American Progress hosts an interesting website addressing the many issues facing women today. They identify themselves as a non-partisan educational institution and focus on multiple issues such as poverty, gun control, immigration, health, tax reform and women's rights. Late last year, Anna Chu and Charles Posner published *The State of Women in America: A 50-State Analysis of How Women are Faring Across the Nation*.<sup>6</sup> According to Chu and Posner, "Despite the advancements made by women over the past few decades, it is still difficult for women to get ahead and not just get by. There remain challenges on economic security, leadership, and health issues that make it harder for women to have a fair shot at success."<sup>7</sup> Chu & Posner created an interactive map that allows the visitor to look at each states ranking from 1 (the best) to 50 (the worse) in the area of economics, leadership and health.<sup>8</sup> According to the map, the southern Gulf States (Texas, Oklahoma, Arkansas, Louisiana and Mississippi) are faring the worse with rankings from 41-50. Louisiana is ranked the worse state for women overall with a score of 50. The states faring well include the East and West coast states such as California, Washington, Maryland, New York and New Jersey with a score of 1-10. Maryland is ranked the best state for women overall with a score of 1.

Michigan fell in the middle of the ranking receiving a "C" grade and an overall score of 24. Chu & Posner created individual fact sheets for each state including Michigan which provides additional information about ranking in the three categories. Michigan ranked the worst in Leadership with a grade of "C-," and statistics stating "Only 12.5 percent of Michigan's congressional seats are held by women. Michigan ranks 19th worst in the nation on female elected officials in Congress. Almost 62 percent of the managerial jobs in Michigan are held by men."<sup>9</sup>

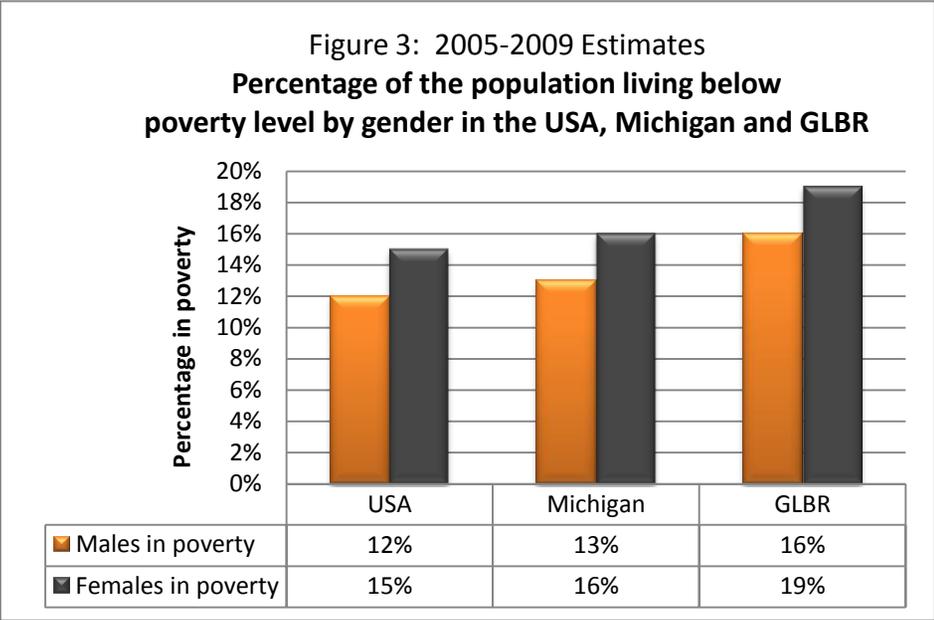
<sup>6</sup> Chu A., & Posner C., September 2013. *The State of Women in America: A 50-State Analysis of How Women are Faring Across the Nation*. [www.AmericanProgress.org](http://www.AmericanProgress.org). Retrieved on June 20, 2014 from <http://americanprogress.org/issues/women/report/2013/09/25/74836/the-state-of-women-in-america/>

<sup>7</sup> Ibid, 6

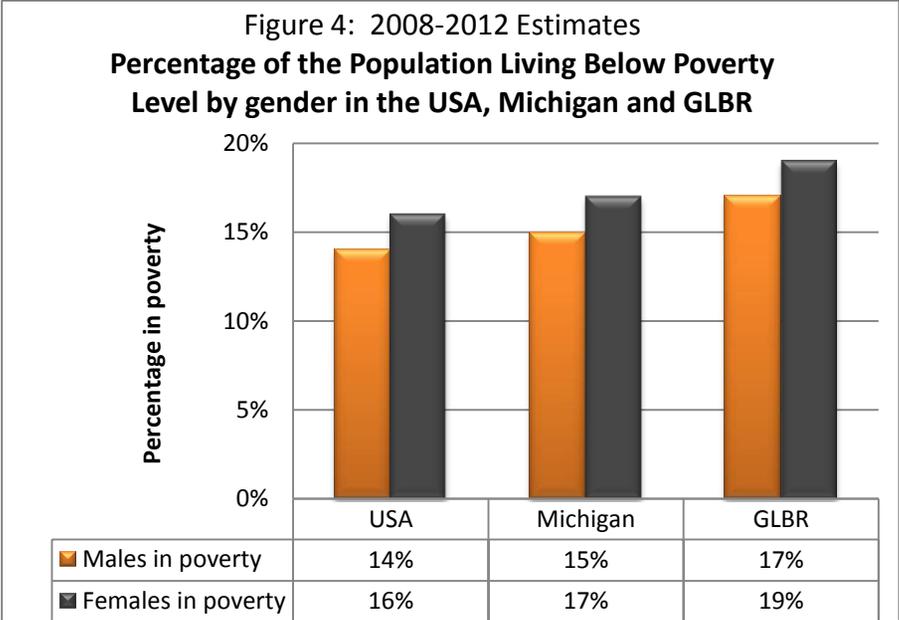
<sup>8</sup> Chu A., & Posner C., September 2013. *Mapping the State of Women in America*. Retrieved on June 20, 2014 from <http://americanprogress.org/issues/women/news/2013/09/25/75188/mapping-the-state-of-women-in-america/>

<sup>9</sup> Chu A., & Posner C., September 2013. *The State of Women in Michigan*. Retrieved on June 20, 2014 from [http://cdn.americanprogress.org/wp-content/uploads/2013/09/StateOfWomen\\_Michigan.pdf](http://cdn.americanprogress.org/wp-content/uploads/2013/09/StateOfWomen_Michigan.pdf)

Comparison of 2005-2009 vs. 2009-2012 Census estimates for poverty by gender



Source: US Census American Community Survey 2005-2009 estimates



Source: US Census American Community Survey 2008-2012 5-Year Estimates

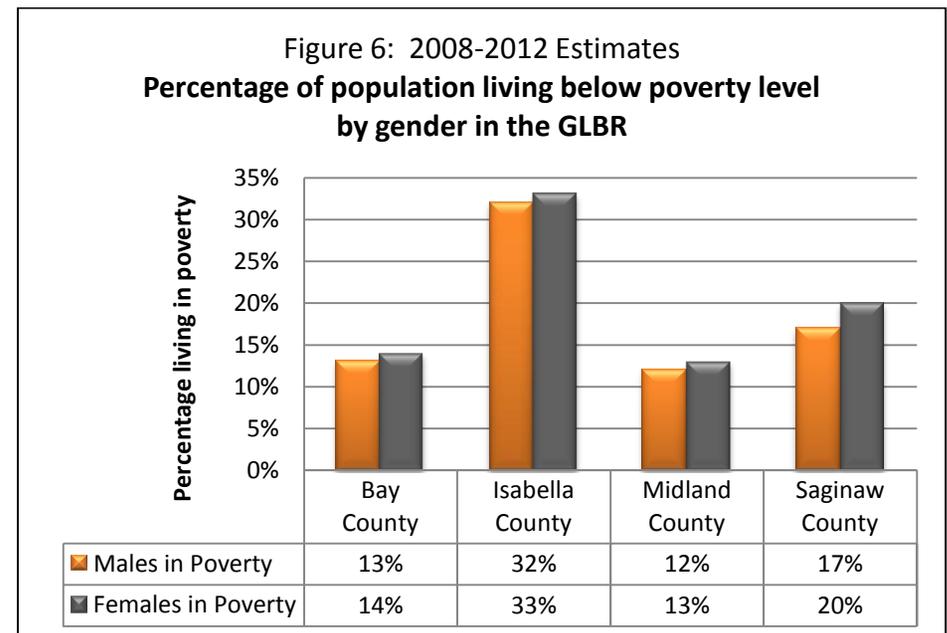
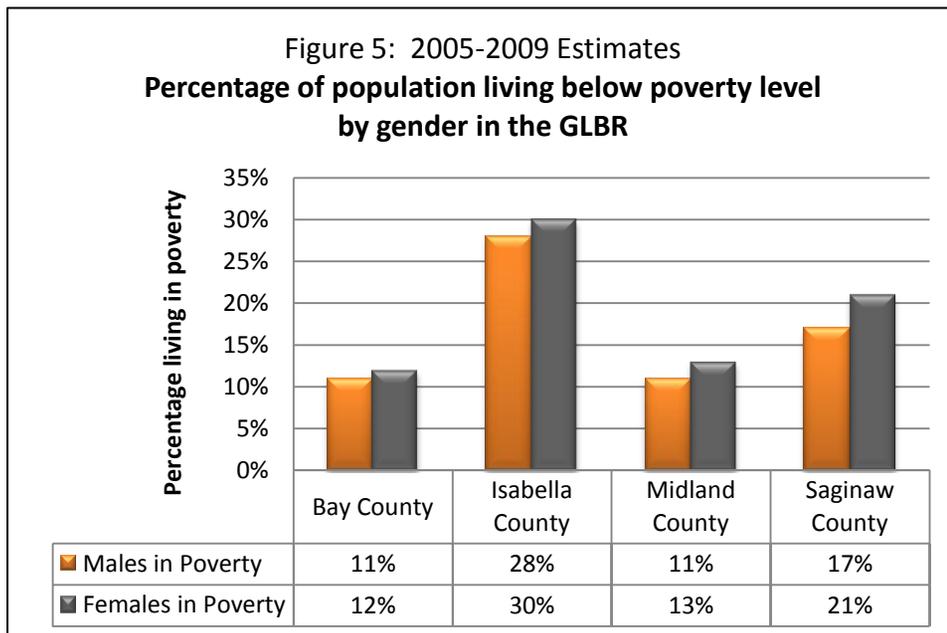
Based on the graphs above, (Figure 3 and 4) poverty remains a persistent problem at a national, state and county level.

- i. Poverty rates in the USA are up 2% for males and 1% for females when compared with previous estimates.
- ii. In Michigan the rates are up 2% for males and 1% for females.
- iii. The Great Lakes Bay Region (GLBR) has also experienced an increase in poverty by 1% for males.
- iv. Currently, females in the Great Lakes still have the highest poverty rate at 19% compared to the nation and the state at 16% and 17% respectively.

### Poverty in the Great Lakes Bay Region

The original report did breakdown the poverty rate by gender among the four counties in the Great Lakes Bay Region. This illustrated the vast differences between the counties and can be reviewed below in Figure 5. It should be noted that Isabella is unique as there is a sovereign Indian reservation and a major university within the county lines which will affect the statistics. A recent publication by Bishaw, a statistician from the US Census Bureau, suggests counties with large student populations may significantly skew statistics. “The 31.4 percent poverty rate for Isabella County drops to 18 percent after subtracting the student population in the county. That’s the largest change in percentage in the state after discounting student population, and for counties with a population of 20,000-65,000, it’s the fifth largest change in the United States.”<sup>10</sup> Figure 5 represents the original population living below poverty level by county and gender and Figure 6 represents current statistics.

- i. Bay County has experienced a 2% increase in poverty rates for both males and females.
- ii. Isabella County has experienced the greatest change with a 4% increase in males and 3% increase in females living in poverty.
- iii. In Midland County, females living in poverty remain the same while males have increased by 1%.
- iv. In Saginaw County, males living in poverty remain the same at 17% and females in poverty have decreased from 21% to 20%.



Source: US Census American Community Survey 2008-2012 estimates

<sup>10</sup> Bishaw, A. 2013. *Examining the Effect of Off-Campus College Students on Poverty Rates* Retrieved on June 20, 2014 from <http://www.census.gov/hhes/www/poverty/publications/bishaw.pdf>

## Poverty in Michigan: A Unique Initiative

Michigan has experienced increase poverty rates especially in relation to children. In addition, Governor Snyder has not made friends with many of his policies aimed at cutting public assistance programs and earned income tax credit for working families. But, in 2013 Governor Snyder announced a statewide social entrepreneurship competition specific to Michigan. The competition aimed to “bring together the best innovative minds to design sustainable solutions to address unemployment.”<sup>11</sup> The website offers information about how to register and submit your ideas for consideration. A great article by Rich Tafel for Forbes online provides a great description of the venture. Tafel states “This effort—affectionately called the Michigan Model—showed that it’s possible to harness capitalism to address chronic social problems, thereby laying the groundwork for a model that transforms business and charity.”<sup>12</sup> Tafel partnered with Elizabeth Garlow to write a short but inspiring article for the Stanford Social Innovation review titled *The Power of a Simple and Inclusive Definition*.<sup>13</sup> Tafel suggests Michigan is innovative not just for creating this challenging but becoming the first state to introduce this model. Tafel states “Michigan faces difficult social challenges with its two largest cities. Flint and Detroit are ranked as the first and second most dangerous cities in the United States, respectively—a result of myriad of social issues. This is the kind of place where the social entrepreneur movement needs to scale.”<sup>14</sup>

## Poverty and Age

Those under 18 years of age have long been most affected by poverty. According to the American Psychological Association, “ psychological research has demonstrated that living in poverty has a wide range of negative effects on the physical and mental health and wellbeing of children. Poverty impacts children within their home, in school, and in their neighborhoods and communities.”<sup>15</sup> The APA identifies some of these negative effects as:

- Poorer children and teens are also at greater risk for several negative outcomes such as poor academic achievement, school dropout, abuse and neglect, behavioral and socio-emotional problems, physical health problems, and developmental delays.
- Chronic stress associated with living in poverty has been shown to adversely affect children’s concentration and memory which may impact their ability to learn.
- The National Center for Education Statistics reports that in 2008, the dropout rate of students living in low-income families was about four and one-half times greater than the rate of children from higher-income families (8.7 percent versus 2.0 percent).

<sup>11</sup>Michigan Social Entrepreneurship Challenge. <http://www.michigancorps.org/The-Challenge.aspx> Retrieved on June 19, 2014.

<sup>12</sup> Tafel, Rich. March 2014. Forbes.com. ‘Shark Tank’ For Social Good: Michigan’s Innovative Plan To End Poverty . Retrieved on June 6, 2014 from <http://www.forbes.com/sites/realspin/2014/03/26/shark-tank-for-social-good-michigans-innovative-plan-to-end-poverty/>

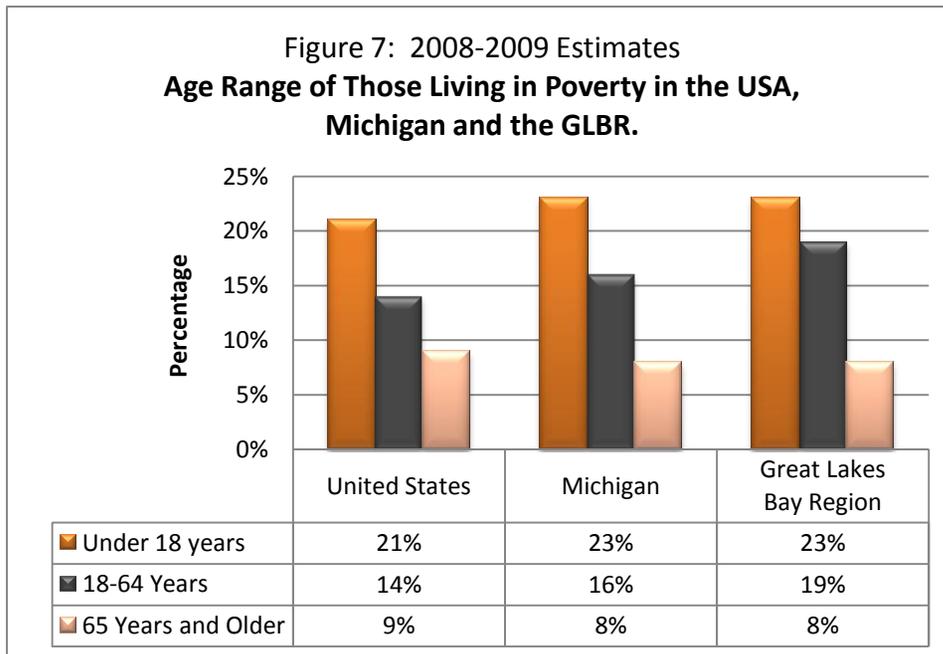
<sup>13</sup> Garlow, E. and Tafel, R. 2013 The Power of a Simple and Inclusive Definition. Stanford Social review. Retrieved on June 6, 2014 from [http://www.ssireview.org/blog/entry/the\\_power\\_of\\_a\\_simple\\_and\\_inclusive\\_definition](http://www.ssireview.org/blog/entry/the_power_of_a_simple_and_inclusive_definition)

<sup>14</sup> Ibid, 12

<sup>15</sup> American Psychological Association. Retrieved on June 20, 2014 from <https://www.apa.org/pi/families/poverty.aspx#>

- The academic achievement gap for poorer youth is particularly pronounced for low-income African American and Hispanic children compared with their more affluent White peers.
- Inadequate education contributes to the cycle of poverty by making it more difficult for low-income children to lift themselves and future generations out of poverty.
- Children living in poverty are at greater risk of behavioral and emotional problems.
- Some behavioral problems may include impulsiveness, difficulty getting along with peers, aggression, attention-deficit/hyperactivity disorder (ADHD) and conduct disorder.
- Some emotional problems may include feelings of anxiety, depression, and low self-esteem.

Based on the US Census, the Great lakes Bay Region is no exception with the majority of those living in poverty under the age of 18 years. The graph below illustrates the concentration of poverty in this age bracket.



Source: U.S. Census. American Community Survey, 2008-2012 5-year estimates.

- i. Based on this table, it is clear the age range experiencing the highest rate of poverty is under 18 years of age. This is across the USA, Michigan and the Great Lakes Bay Region.
- ii. There is a significant difference between the poverty rates for those 65 and older (lowest poverty rate) vs. the under 18 category. (highest poverty rate.)
- iii. Note: Isabella County identified the age 18-64 as the highest poverty rate representing 33% vs. the range in the other three counties of 12-19% suggesting skewed results related to the student population.

## Poverty and Education

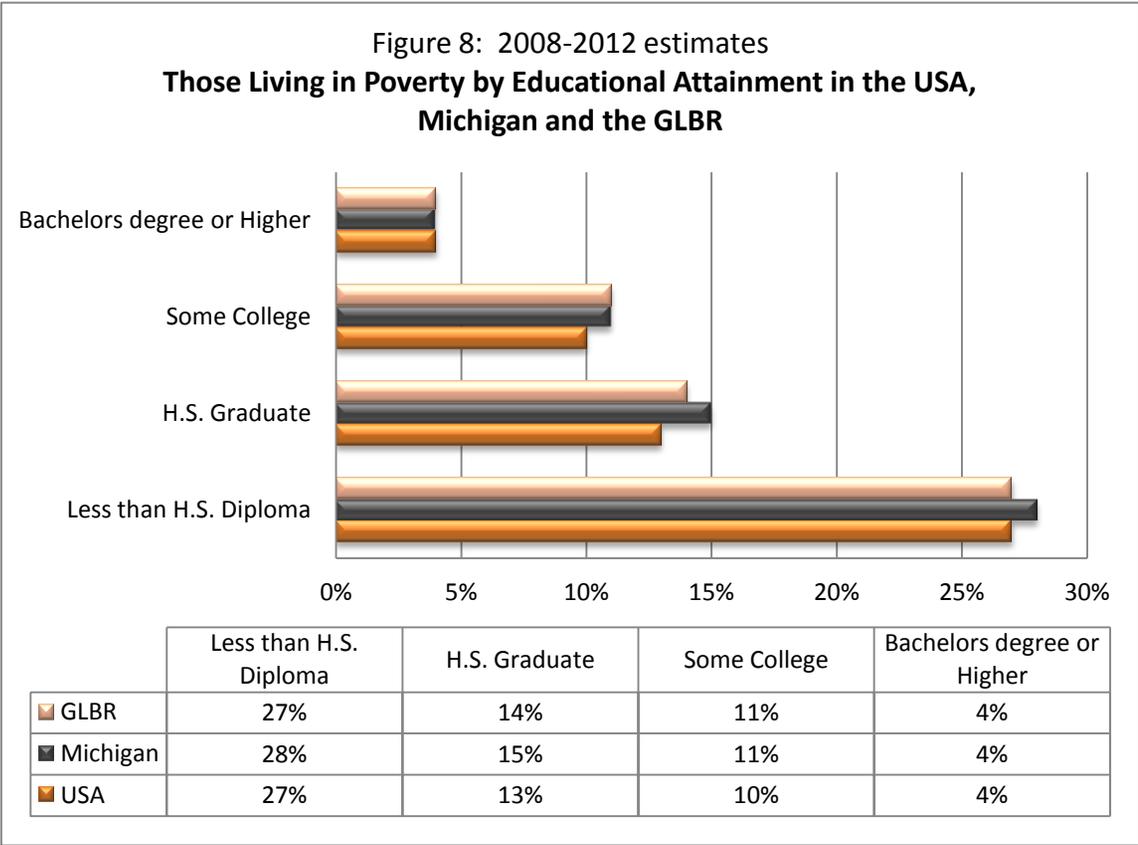
As expected, there is a direct correlation between poverty and educational attainment. One of the greatest concerns noted by poverty experts is the phenomenon of “generational poverty.” The poverty rate, especially for children has continually risen over the last several years creating this pathway modeled by parents and followed by their children. In most cases, families in poverty are unemployed or working a low wage job due to lack of education or job skills. Merely offering access to education for children will not solve the problem, in most cases, children in poverty are ill-equipped to learn. There are many more obstacles to overcome. Poor families are susceptible to homelessness, hunger, violence, substance abuse, domestic violence and other things that may interrupt their ability to learn and succeed in school. Falling behind in school often leads to dropping out of high school and even if they finish high school-college is just a dream for rich people. Here are a few statistics:

- i. Children living in poverty have a higher number of absenteeism or leave school all together because they are more likely to have to work or care for family members.
- ii. Dropout rates of 16 to 24-years-old students who come from low income families are seven times more likely to drop out than those from families with higher income.
- iii. 40% of children living in poverty aren’t prepared for primary schooling.
- iv. Children that live below the poverty line are 1.3 times more likely to have developmental delays or learning disabilities than those who don’t live in poverty.
- v. By the end of the 4th grade, African-American, Hispanic and low-income students are already 2 years behind grade level. By the time they reach the 12th grade they are 4 years behind.

An interesting video on Frontline, *Poor Kids*, documents the lives of children in poverty from their view.<sup>16</sup> A ten year old name Kaylee talks about hunger, homelessness and despair as she describes a typical day. At one point in the video, Kaylee begs her mom to go to school but her mom tells her they are moving to a new hotel which is farther away and she has no way of getting her there anyway. At the end of the video Kaylee states “I am going to get an education and I am going to get a good job.” But at the beginning of the video Kaylee states “This is all we know, you don’t get to make choices on how you live.” For most of the children in the video, they believe they do not have choices.

As Figure 8 illustrates below, the level of educational attainment is directly correlated to those living in poverty. There also seems to be a consistent trend across the USA, state and the GLBR in regards to this correlation.

<sup>16</sup> Frontline: *Poor Kids*, November 20, 2012. Retrieved on June 20, 2014 at <http://video.pbs.org/video/2306814133/?starttime=3221000>

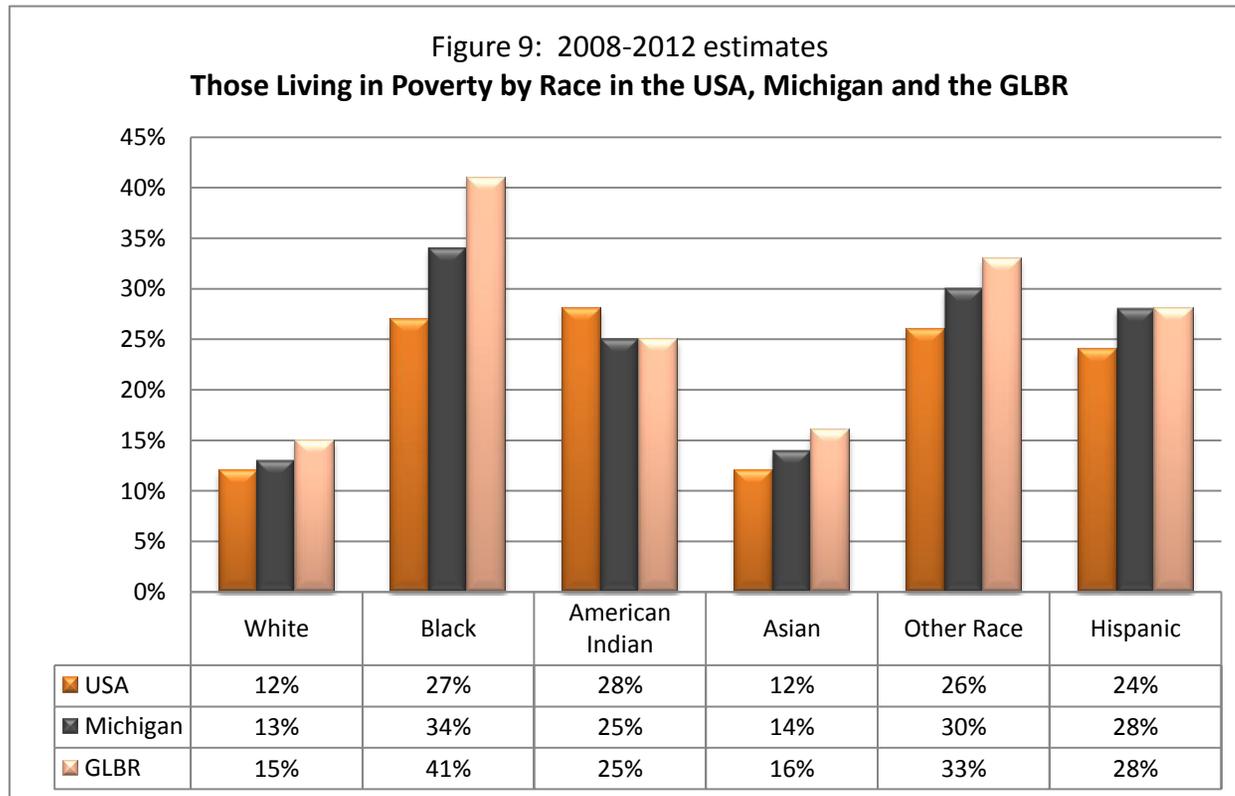


Source: US Census American Community Survey 2008-2012 5-year estimates

Regardless, since the establishment of the Kalamazoo Promise, recent efforts to provide access to college for low income students have expanded into the Great Lakes Bay Region. Currently, the Bay Area Community Foundation launched the Bay Commitment program which provided scholarships to first generation college student. All four local community foundations offer scholarship opportunities and the Bay Area Community Foundation supports a college resource center.

### Poverty and Race

When the committee researched the original report we made a specific effort to incorporate statistics that would identify racial disparities and the results were astounding. For instance, median earnings for women of color were half of the earnings of white women in the Great Lakes Bay Region. As you can see from the graph below, poverty is more prevalent for people of color. In the Great Lakes Bay Region, black and other race are experiencing the highest poverty rates at 41% and 33% respectively. According to this graph, people of color are 2-3X more likely to live in poverty than white people across the USA, State and the GLBR.



Source: US Census American Community Survey, 2008-2012 estimates.  
Note: Some races were removed due to insignificant sample size. (<10)

The National Poverty Center release a policy brief in 2009 titled *The Color of Poverty: Why Racial and Ethnic Disparities Persist*.<sup>17</sup> This brief poses the question: Considering the progress in civil rights and anti-discrimination policies, why is poverty still so colored? The authors believe racial disparities in poverty result from cumulative disadvantage over the life course, as the effects of hardship in one domain spill over into other domains. The brief explores factors such as culture & attitudes, education, health and public policy as a contributor. The conclusion of the article suggests the issue of poverty is multi-faceted. It will require examining multiple causes and policy solutions to poverty as opposed to a single factor or policy.

### Conclusion

Poverty remains a persistent problem. Some of the key findings in this report support the phenomenon of the “feminization of poverty,” as well as the racial disparities that exist. Children seem to be the most affected by poverty which results in the current generational poverty that plague the country. We also know that poverty affects women at different rates among the 50 states but inequalities persist in all states in regards to wages, leadership and other factors. People may not understand that legislation and policies can influence and possibly improve some of the struggles and challenges many Americans believe is simply the hardships of life. We can improve work-life balance, we can close the gap on pay inequity and we can reduce poverty if constituents speak to their congress people and relay their challenges to promote policy change. Of course, many political parties that criticize governmental intrusion would not agree. Many on the right believe we must all be responsible for ourselves and they are condemned for a heartless, capitalist approach. In contrast, those on the left believe policies and legislation support corporations and big business while leaving the middle and lower class in the dust. They in turn are criticized for promoting learned helplessness and supporting non-traditional American lifestyles. Finding a balance is difficult but also the solution to the problem.

---

<sup>17</sup> Chih Lin, A., & Harris, D., January 2009. National Poverty Center. *The Color of Poverty: Why Racial & Ethnic Disparities Persist*. Retrieved on June 23, 2014 at [http://www.npc.umich.edu/publications/policy\\_briefs/brief16/PolicyBrief16.pdf](http://www.npc.umich.edu/publications/policy_briefs/brief16/PolicyBrief16.pdf)