

# WORKING FOR A LIVING IN MICHIGAN:

State Workforce Policies and Low-Income  
Workers

May 2003

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**A tool for assessing  
current and future  
state efforts to  
assist working  
poor families  
achieve  
economic self-  
sufficiency**



Michigan League for Human Services

# Acknowledgements

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Low-Income Workers

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# Preface

This report has been prepared by the Michigan League for Human Services as part of the Annie E. Casey Foundation's Workforce Measures Project, a pilot project designed to assess the feasibility of monitoring the extent to which working poor working families are in poverty and the degree to which a state's workforce development and economic security policies directly address the earnings and employment security needs of these families. In addition to Michigan, four other states are participating in this project and producing comparable reports—Arkansas, Florida, Texas, and Wisconsin.

This assessment is focused on policy content rather than funding. Adequate program funding is an important part of a well-designed effort to promote the growth of economic self-sufficiency. However, expansion of employment and wage growth opportunities for low-income working families is just as dependent on well-designed policies.

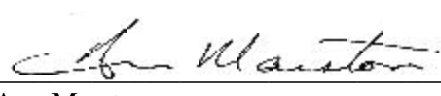
This report presents data about working families in poverty, as well as workforce development and economic security policies, and outcomes, in an indicator format. The report is organized into four chapters:

1. Working Families in Economic Distress	2. Education and Skills Training for Working Adults
3. Employment Opportunities for Entry Level and Low Wage Workers	4. Conditions of Employment at Existing Jobs (e.g., availability of health insurance, workers compensation)

Chapter one defines the challenge facing state policymakers with data on the economic status of working poor families in the state. Chapters two through four explore related policy areas with data presented in three categories: 1) status (conditions) indicators; 2) an inventory of relevant state policies; and 3) performance/outcome measures.

With new leadership at the state level, and discussion of potential reorganization in departments with responsibility for workforce issues, there is a unique opportunity to contribute to the development of sound policies with respect to low-wage workers. It is hoped that this report will stimulate discussion and serve as a tool for assessing current and future state efforts to assist working poor families in their efforts to achieve economic self-sufficiency and security.

  
Lynn Jondahl  
Board Chair

  
Ann Marston  
President/CEO

# Introduction

In Michigan, as in other states, a substantial number of working families live below the federal poverty level. One or both parents work, but earned family income is insufficient to meet basic needs for housing, food, clothing, transportation, health care, and child care. For most, life is a constant struggle against water and electricity cut-offs, eviction from a home because rent is unpaid, and threats to health and well-being. Major financial crises often grow out of events that are only small setbacks for most, such as losing a couple of days of work because of a child's illness or the cost of eye glasses or dental work not covered by insurance. Lost earnings and unanticipated expenses force these families to make difficult choices about which bills to pay and which essential purchases to make. Stress related illnesses, lead poisoning, domestic and criminal violence, inadequate access to health care and other threats to health and well-being are ever-present.

Tens of thousands more families struggle along on earnings that put them above the federal poverty line but fall far short of providing even a modest standard of living. Even though these families are not technically in poverty, work does not properly sustain them and every day is beset with the stress of economic insecurity. Some dependence on food stamps, subsidized health care, subsidized child care, and occasional assistance from family and friends or private emergency service providers is common. Since very few of these families have savings or assets they can sell to carry them through economic challenges such as a layoff, an extended reduction in work hours, or an expensive family emergency, vulnerability to falling below the poverty line is high.

The children in these families are doubly victimized. Not only is every day filled with material poverty and risks to health and well being, but their futures are being compromised or

destroyed. Their schools too often cannot afford the full complement of educational experiences that are required to prepare children for future economic success. Many lack the very basic material supports required to take advantage of the limited educational opportunities they have. And, their parents are often unable to contribute time and guidance to the educational process because of evening work hours or the distractions of one crisis after another.

The world of work often does not reward these working poor families. Typically the jobs on which these families rely for income pay low wages, do not provide health insurance and other benefits, do not offer opportunities to learn new skills, and subject workers to frequent cutbacks in hours or layoffs. Often those jobs are seasonal or part-time.

Paths to better jobs are often blocked for these families. Some of the barriers are logistical, such as no public transportation to available good jobs. Some are financial, such as not having money to pay for additional education or training or not having money for child care during evening class hours. Some are embedded in the nature of the economy, which often does not create jobs at particular skill levels in areas where unemployed workers with those skills live. More often than not, these barriers are too formidable for these families to overcome through their own efforts.

A substantial body of Michigan policy directs resources to these families in the form of help with education and training, income supports and work supports. Without access to those resources, many thousands more families would no doubt be in poverty or sliding in that direction. Unfortunately, Michigan does not provide sufficient policy support to low-income families to help all who are engaged in work escape the hardships of poverty and begin moving toward economic self-sufficiency. Too many working

poor families remain trapped in or near poverty year after year, dependent on public and private charity and ever vulnerable to suffering even greater hardships. Too many cycle in and out of the welfare system rather than escaping it for good. The futures of too many children are devastatingly compromised.

Michigan can and should strengthen its public policy commitment to these families. Better income support policies will lift many more families above the poverty level, reducing stress and suffering and improving chances of educational success for the children. Improved policies regarding education, training, work supports, and economic development will help thousands more families start or continue on the journey toward economic self-sufficiency. Not only will the lives of many thousands of working poor families be better as a result, Michigan taxpayers will benefit from a long term decline in the number of families that are not economically self-sufficient.

## A Policy Assessment Framework

Increasingly, the policies that count the most for working poor and near-poor families are state policies rather than federal policies. A decade ago the federal government carried much of the responsibility for aiding low-income working families and controlled much of the effort to aid those families. That has changed. Reform of the nation's welfare system in 1996, passage of the Workforce Investment Act in 1998 and other federal legislation have given states much greater responsibility for the well-being of low-income working families. Through the use of block grants, regulatory waivers, and other mechanisms considerable policy authority over federally funded programs that serve low-income working families has been shifted to the states.

In addition, states fully control state funded programs and exercise considerable power to set wage and benefit standards (e.g., state minimum wage and eligibility requirements for

unemployment insurance) and to provide work supports (e.g., subsidized transportation and child care). Thus, states exercise substantial policy control over an array of programs and funds, both federal and state, that can be used to assist low-income workers with employment challenges.

In this new policy environment, state policies in several key policy areas are much more central to helping economically vulnerable working families secure better lives and long-term economic self-sufficiency. The key policy areas addressed in this report are:

- ▶ Education and training
  - Workforce development system
  - Public assistance
  - Post-secondary education
  - Adult education
- ▶ Employment Opportunity
  - Economic development programs
  - Job search and employment services
- ▶ Conditions of employment
  - Work supports
  - Income supports

(See Appendix A for explanations of these policy areas).

### *Assessment Standards*

The assessment of Michigan's policy support for poor working families presented in this report reflects two related fundamental principles:

- ▶ Families engaged in work and with earnings below the poverty level should not suffer the debilitating effects of living in poverty.
- ▶ Reasonable work effort should lift a family's earnings above the poverty level and move them toward achieving economic self-sufficiency over the long run.

These principles give rise to a useful framework for evaluating state policies. In general, a state should have policies in place in all key policy areas to support low-income working families. Furthermore, those policies should insure that:

- ▶ All working poor families with earnings below the poverty level can access income and basic needs subsidies that lift them above poverty.
- ▶ All working poor families can access adequate and appropriate resources to help them overcome barriers to increasing earnings and making progress toward economic self-sufficiency.

In this approach, judging the adequacy of individual policies is not the primary objective. Rather, the primary objective is assessing whether the overall framework of policies in place in Michigan constitutes an adequate and effective effort to help Michigan's most economically vulnerable working families meet their basic needs, increase their earnings and eventually

achieve economic self-sufficiency. Each policy chapter contributes to this assessment by focusing attention on a set of related policies.

The heart of each policy chapter is a set of policy indicators set forth in the form of benchmark statements and an assessment of whether Michigan policy meets or exceeds that benchmark.

These are working assessments only, used for the purpose of facilitating a discussion of Michigan policies<sup>1</sup>. The benchmarks do not constitute policy recommendations nor do the individual benchmark compar-

isons constitute findings. A particular benchmark comparison only assists in assessing the adequacy and effectiveness of the policy set as a whole.

The policy indicators in each policy chapter are presented in the context of a set of labor force indicators and a set of performance indicators. The labor force indicators provide a look at macro-level conditions that state policies should address. The performance indicators are more closely related to the policies covered in the chapter and thus provide something of a

measurement of the effectiveness of the policies. As this report is the first in a series of similar reports, both sets of indicators can be viewed not only as descriptive of current conditions, but also as baseline data for future assessments.

## Michigan's Policy Support for Working Poor Families

Michigan's policy support for low-income families reflects a public commitment to assisting families living in poverty, including working families. Numerous good policies are in place across the spectrum of key policy areas identified above, and thousands of working families benefit from those policies. Yet, it cannot be said that Michigan has developed a policy framework that uniformly or consistently targets low-income working families for appropriate forms of assistance. Michigan policy does not insure that reasonable work effort lifts a family out of poverty. Nor does it insure that a low-income working family has a good chance of achieving economic self-sufficiency through employment.

Even with an array of assistance programs in place, many thousands of working families live in poverty and are unlikely to leave poverty through work effort. Thousands more are precariously stranded just above the poverty level, unable to make the investments in education, training and transportation that would secure higher incomes and more economic security. Now, with the U.S. economy deep into a long period of anemic economic growth, Michigan's policies are failing to adequately protect low-income

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families from the hardships of unemployment, reduced hours, stagnant wages and cutbacks in employer paid health insurance and other benefits.

Michigan policy falls short in meeting the employment and income growth needs of low-income working families because of the following weaknesses in targeting resources to those families:

- ▶ Education and training policies do not provide adequate employment paths out of poverty for working poor families, nor do they provide adequate support for near-poor working families trying to achieve economic self-sufficiency<sup>2</sup>.
  - An inadequate effort to focus resources on education and training for low-skill workers to match the effort under economic development policies to attract high-skill jobs to the state;
  - Insufficient performance monitoring policies with regard to program outcomes for entry-level and low-wage workers.
- ▶ Economic development policies do a poor job of creating career path jobs and providing training targeted to low-wage workers
  - Emphasis on creating high-skill jobs for which low-wage workers are unqualified;
  - No hiring, training or promotion targets for entry-level and low-wage workers specified in contracts under most economic development programs;
  - No performance monitoring policies with regard to economic development program outcomes for economically disadvantaged workers, except where required for use of federal funds.
- ▶ Conditions of employment policies are inadequate to protect low-income working families from the hardships of poverty while they work to lift themselves out of poverty.
  - No state Earned Income Tax Credit;
  - State minimum wage is inadequate;

- State unemployment insurance system covers too few workers;
- State Medicaid program does not cover all working poor families that are without employer provided health insurance;
- Insufficient performance monitoring policies with regard to program outcomes for entry-level and low-wage workers.

These weaknesses are costly to Michigan.

Not only do they undermine public efforts to reduce the incidence of poverty and alleviate the worst consequences of poverty, they undermine the growth of Michigan's economy by limiting the potential supply of skilled workers and add long-term costs to the state budget for ongoing public assistance for poor families and remedial work with the children who grow up trapped in poverty. By strengthening the policy framework for assisting working families, Michigan will serve not only the best interests of Michigan's working poor families but also the best interests of all Michigan families.

**M**ichigan can fully embrace the principle that reasonable work effort will lift a family out of poverty and put it on the road to economic self-sufficiency.

## Policy Recommendations

Building on its efforts to provide employment assistance to families dependent on public assistance and work supports to families transitioning from public assistance to employment, and on its successes in economic development, Michigan can take the next step in supporting low-income working families. Michigan can fully

embrace the principle that reasonable work effort will lift a family out of poverty and put it on the road to economic self-sufficiency.

This is a step that Michigan can and should take. Most of the policy elements necessary for this are already in place. By strengthening policies that do not adequately support low-income families and filling in gaps in the policy framework, Michigan can take a leadership role among states in making reasonable work effort pay for all families.

The following policy recommendations will move Michigan toward fully implementing the principle that state policy should ensure that work pays:

### ***Education and Training***

- ▶ Establish stronger statewide guidelines for determining when a local resource shortage has developed and for implementing service priorities to ensure adequate services to low-wage workers at Michigan Works! Agencies;
- ▶ Include wage growth and benefits growth criteria for placements by Michigan Works! Agencies to encourage targeting education and training funds to low-skilled workers;
- ▶ Expand education and training opportunities at Michigan Works! Agencies and target substantial portions of education and training funds to low-wage workers;
- ▶ Improve collection and reporting of follow-up wage and benefit data on low-wage workers placed through community colleges and Michigan Works! Agencies.

### ***Economic Development***

- ▶ Include targets for hiring unemployed low-skill workers to fill entry-level positions in Michigan economic development programs that provide subsidies and tax incentives to businesses and include targets for training incumbent low-skill workers in Michigan economic development programs that provide funding for training incumbent workers;
- ▶ Implement a system for collecting before and after wage and benefits data for workers who are hired into or promoted into jobs created

through Michigan Economic Development Corporation (MEDC) assistance to businesses.

### ***Conditions of Employment***

- ▶ Improve access to affordable, accessible and quality child care, particularly during second and third-shift hours;
- ▶ Improve access to health care for parents in low-income families;
- ▶ Regularly adjust the minimum wage, preferably by indexing it to the cost of living;
- ▶ Improve the fairness of the state's tax system and target tax relief to the working poor;
- ▶ Implement a refundable state Earned Income Tax Credit;
- ▶ Make the unemployment insurance system more responsive to the needs of part-time, temporary and low-wage workers;
- ▶ Expand access to health care, subsidized child care and other work supports for adults in adult education and employment training programs.

# Working for a Living in Michigan:

## State Workforce Policies and Low-Income Workers

### Chapter I. Working Families in Economic Distress

- *Twenty-five percent of Michigan's working families live below 200 percent of the federal poverty level.*
- *One in four Michigan working families in poverty have at least one resident parent who does not have a high school diploma or General Education Diploma (GED).*
- *One third of working families with below poverty incomes have at least one parent without health insurance.*

The world of work provides most of Michigan's families with a level of income at least high enough to provide for economic self-sufficiency and to allow for the accumulation of such assets as a car, a modest home, and a bit of savings. For a substantial portion of these families income from work provides not only for self-sufficiency but also for a considerable degree of affluence—great material comfort and substantial levels of accumulated wealth. Yet, labor force participation does not provide all families with enough to meet basic needs and work toward economic independence.

This chapter provides a look at the extent to which labor force participation and Michigan public policy provide all families with adequate resources to live free of the hardships of poverty and work successfully toward becoming economically self-sufficient. Indicators reflect family income levels, education levels, housing costs, and health insurance coverage. Generally, a family is considered to be poor if its income falls below the federal poverty level. This definition is used here. In 2001 the poverty level income for a

family of three was \$14,630 and for a family of four, \$17,650.

## Assessment

Employment in Michigan fails tens of thousands of Michigan's families. More than 72,000 Michigan families with at least one employed parent live in poverty, 6.1 percent of all working families<sup>3</sup>. Forty-six percent of all families in poverty are working families. This is a conservative estimate of the number of working poor families in economic distress. A number of assistance programs, including Food Stamps (now called Food Assistance in Michigan), Medicaid, and the Free and

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Reduced Price Lunch Program, provide assistance to families with incomes above the federal poverty level, up to 150 percent or 200 percent of poverty. In Michigan 286,000 families (almost 25% of all working families) live below 200 percent of poverty.

Michigan's rankings among states on these indicators of poverty among working families are lower than our economic standing would predict and are much higher than we should accept.

Michigan's economy had been very strong. Michigan was ninth in the nation in terms of Gross State Product in 2000 and twelfth in terms of Per

Capita Personal Income. Yet, our ranking for the percent of working families in poverty was 18<sup>th</sup> and the states ranking for the percent of families below 200 percent of poverty was 15<sup>th</sup>.

Michigan does not compare well on several other indicators. Seventy-nine per cent of working families in poverty pay more than one-third of their income for housing (Michigan ranks 41<sup>st</sup>), compared to a median of 72 percent for all states. Michigan has greater income inequality than the median for states. This is the counter-side of having a large percentage of families in poverty relative to the strength of the economy. High incomes are very high, while low incomes are very low.

Michigan does compare very favorably with other states on the percent of working families in poverty with at least one parent without a high school diploma or GED. Michigan ranks 8<sup>th</sup> at 25 percent compared to the median for all states of 36 percent. But the weight of these indicators taken together suggests that the potential in Michigan's strong economy for reducing poverty among working families is not being realized. And a possible reason is that Michigan policy does not adequately support all working families.

## Indicator Tables

Includes indicators for which data are available. See Appendix B for complete list. Data years are generally 1999 to 2002. See Appendix C for specific information about indicators.

### Working Families in Economic Distress

<i>Indicator</i>	<u>Michigan</u>			<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>Rank<sup>a</sup></i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Number and percent of...							
Families below 100% of poverty engaged in work.....	72,288	46.1	NA	61.0	47.5	23.9	47.2
Working families below 100% of poverty.....	72,288	6.1	16	13.4	6.8	2.4	7.5
Number and percent of working families...							
With at least one minority parent that are below 100% poverty.....	29,403	11.5	16	25.6	12.9	3.3	13.1
With income less than 200% of poverty.....	285,644	24.0	15	39.9	27.8	14.7	27.8
Below 100% of poverty that spend more than 1/3 of income on housing.....	54,489	79.1	39	89.4	72.1	50.0	72.5
Below 100% of poverty with at least one resident parent who does not have a high school diploma or equivalent.....	17,746	24.5	8	62.6	35.6	12.7	43.6
Below 100% of poverty with at least one resident parent who has some post-secondary education (education beyond high school).....	29,088	40.2	NA	61.1	37.5	22.4	32.4
Ratio of total family income received by the...							
Top quintile of working families to the total family income received by the bottom quintile of working families.....	NA	(ratio) 7.9	26	13.5	7.6	5.8	8.5
Middle quintile of working families to the total family income received by the bottom quintile of working families.....	NA	(ratio) 2.9	35	3.2	2.8	2.4	2.9
Percent of working families below 100% of poverty with at least one parent who is self-employed <sup>b</sup> .....	5,793	7.5	NA	37.3	--	2.2	--
Number and percent of working families...							
Below 100% of poverty with at least one parent between the ages of 25 and 54.....	63,141	87.3	32	95.9	85.4	73.3	85.4
Below 100% of poverty with at least one parent without health insurance <sup>b</sup> .....	25,694	33.2	NA	66.6	NA	16.5	46.7

<sup>a</sup>Rank is in relation to all states and the District of Columbia, with a rank of 1 being best. <sup>b</sup>Based on a three year average, 1999-2001. -- (data not available.) NA (not applicable.)

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## Chapter 2. Education and Skills Training

- *Almost 400,000 Michigan adults in their prime working years do not have a high school degree or GED.*
- *Only one third of Michigan adults ages 18 to 24 are enrolled in a post-secondary institution.*
- *Michigan does not adequately monitor and assess the progress and completion rates of community college remediation students.*
- *Michigan does not provide financial support to students for post-secondary short-term, non-degree career classes.*
- *Michigan does not require local Workforce Investment Boards to do basic skills assessment for all customers who do not have a high school diploma or GED.*
- *Only 42 percent of Michigan high school freshmen enroll in college.*
- *Only 10.5 percent of Michigan post-secondary students enrolled in Perkins Act funded vocational programs earn a degree or certificate.*
- *Only five percent of all Michigan adults without a high school degree/GED are enrolled in adult education programs.*

Investing in education and training targeted to educationally disadvantaged adults is one of the more powerful ways a state can help low-income families move toward economic self-sufficiency. In market economies, businesses are productivity sensitive and productivity is tied to the education and skills of workers. Thus, the labor market provides substantial returns to investments in education and skills. More highly educated and skilled workers receive higher wages and better benefits. They generally enjoy more job security and more opportunities for wage advancement. Workers lacking a strong education and strong work related skills are at a disadvantage in competing for jobs that pay high wages and provide benefits (good jobs). The most educationally disadvantaged workers, those lacking a high school diploma or

GED and having no technical training, are at a severe and usually insurmountable disadvantage in the competition for good jobs.

In addition to assisting low-income families, investments in education and training targeted to educationally disadvantaged workers help all families by increasing the attractiveness of the state as a location for businesses that require highly skilled workers—businesses that provide good jobs. Attracting more of those businesses translates into more good job opportunities for all workers.

The indicators in this chapter provide a sketch of how well state policy addresses the education and skills needs of Michigan’s working poor families. Status indicators reflect the distribution of education achievement among

adults in Michigan, providing an indication of level of need. Policy indicators provide a comparison of Michigan policies in post-secondary education, adult education, and workforce development against a checklist of preferred policies. Post-secondary education indicators look at the extent to which the community college system offers low-income workers opportunities to enroll in and complete career development programs that lead to high-skilled and high-wage jobs. The workforce development and adult education indicators measure the extent to which policies in the workforce development system support adults in accessing and obtaining adult basic education and career skills training and education.

Performance indicators provide a measure of how well Michigan policies succeed at enrolling low-income workers in education and career development programs, graduating them from those programs, and placing them in good jobs. The performance indicators for post-secondary efforts focus on completion rates for those enrolled in college programs and the extent to which students served by the Perkins vocational program achieve positive results at school and in the labor market.

## Assessment

### A. Education and Skills Status of Adults in Michigan

Michigan faces a substantial workforce education and skill levels challenge. On most of these indicators, Michigan's percentages are close to the median for all states, substantially worse than the best performing states. This is a weakness in Michigan policy that not only contributes directly to trapping tens of thousands of families in poverty, but also weakens Michigan in the competition among states and with other countries for investments that create good jobs. It is a weakness that undermines the economic security of all Michigan families.

More than two and a half million working age adults (44% of adults ages 18 to 64) in Michigan lack the educational attainment levels that employers in high wage businesses are

increasingly looking for and that are increasingly required in order to obtain those jobs:

- Thirty-one percent of working age adults have only a high school diploma or GED, a level of education that is rapidly losing its power in the labor market;
- Twelve percent of working age adults (more than 700,000) have not completed high school or obtained a GED;
- In 1992 an estimated 44 percent of all Michigan adults functioned at literacy level one or two in the national Adult Literacy Survey, levels considered too low to function adequately in today's society.

The large number of adults without high school credentials is particularly troubling. These adults are very unlikely to ever achieve real economic self-sufficiency for themselves and their families without obtaining substantial additional education and training.

At higher levels of education, 60 percent of Michigan adults ages 25 to 54 (prime working years) have at least some post-secondary education. However, only 35 percent have an associates degree or higher. This compares to a median of 23 percent for all states. Thirty five percent have an associate degree or higher, equal to the median for all states. The highest percent for this level of education across the states is 50 percent. If more Michigan families are to achieve economic self-sufficiency, the educational levels of substantial numbers of the 40 percent of workers with no post-secondary education must be increased.

The rate of enrollment in post-secondary education is encouraging, but still short of what is needed to bring large numbers of educationally disadvantaged workers into the economic mainstream and meet the skill requirements of high-wage companies that are deciding whether to expand their operations here and high-wage companies considering Michigan as a location for

**M**ichigan faces a substantial workforce education and skill levels challenge.

investment. Of adults ages 25 to 54, 292,000 (7%) are enrolled in post-secondary institutions. This is a substantial number relative to the 1,294,000 adults in that age range who have only a high school diploma or GED and seems to suggest that education levels in Michigan will rise at an acceptable rate. However, only 34 percent of the 841,000 adults in the age range 18 to 24 are enrolled in post-secondary institutions. A considerable portion of the 557,000 not enrolled will join the ranks of adults 25 and over without education beyond high school. Thus, enrollment in post-secondary education in Michigan, while higher than the median for all states falls short of the level of enrollment that would substantially increase the percentage of working age adults in Michigan who have at least some post-secondary education in a reasonable number of years.

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## **B. State Policies That Support Career Skills Development for Low-Income Adults**

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Michigan policy does not rise to the challenge of bringing the educational and skill levels of all Michigan workers to the levels

expected by employers. Michigan has outstanding educational resources, but state policy does not adequately provide access to these resources for low-income families. The major area of weakness is workforce and adult education policies where very few Michigan policies compare favorably to benchmarks.

### **—Post-Secondary Education Policies—**

Michigan’s post-secondary education policies show strength in some areas and fall short in others. On the positive side, Michigan is among the states in which community college tuition is

less than 25 percent of average family income (20% in Michigan). It is also among the 20 states that provide “full time equivalent” resources to community colleges for non-credit career classes, although the level of Full Time Equivalent (FTE) funding is below the level for academic classes. On the negative side, Michigan does not meet several policy benchmarks for serving low-income students. State financial aid resources fail to match federal Pell Grant resources, and state financial aid resources are unavailable to students in short-term non-degree career classes. Also, Michigan allocates only 40 percent of federal Perkins Act funds to post-secondary education, rather than dividing the resources equally between youth and adults.

Another area of weakness is performance monitoring with regard to low-income students. As required by the Perkins Act, Michigan collects academic performance and placement data for economically disadvantaged students, but a number of problems undermine the usefulness of the data. One problem is that only occupational students who receive a certificate or degree are counted. Another is some inconsistency among community colleges in defining the base of occupational students to include in a placement survey. A third problem is a fairly high level of non-response in the placement surveys. Fourth, the placement data do not include a measure of placement by wage level, which is a useful indicator of how well community colleges are preparing low-income students for the job market.

Another shortcoming in the available performance monitoring data is that the state does not collect progress and completion rates data for community college students who take remedial coursework. This is a significant shortcoming, since it is not possible to assess how well the community colleges are serving a population of students who are likely to be low-income and face significant barriers to completing all coursework required for a certificate or degree.

### **—Workforce and Adult Education Policies—**

Michigan has not implemented most of the workforce and adult education policies deemed

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important in supporting career skills development for low-income adults. Out of the sixteen policy indicators selected for this study, Michigan has implemented fewer than five.

Michigan does not require local Workforce Investment Boards (WIBs) to go beyond the federal Workforce Investment Act (WIA) legislation in targeting low-income workers for training resources. State policy requires local WIBs to designate the manner in which low-income and other designated populations are served, but offers virtually no guidance in implementing this requirement. Further, it offers no guidance to local WIBs in defining when a limited funds situation develops and does not specifically state that service priorities apply to the use of training funds.

Michigan has a stronger policy base for adult education. Spending on adult education and literacy per adult place it first among states<sup>4</sup>. This is good, but only five percent of Michigan's adults without a high school education are enrolled in adult education programs. State resources for adult learning that can be used for workplace literacy are available through the Partnership for Adult Learning (PAL) program<sup>5</sup>.

Adult Basic Education (ABE) and General Education Diploma (GED) instruction are offered at all prisons and half of the correctional system camps, and GED completion is required (with some exceptions) for parole or discharge from parole. However, post-secondary educational opportunities for prison inmates are very limited. Across the prison system thirteen occupational fields are offered, but each prison offers only a few from this short list. Moreover, college classes are not offered at all, the only access being correspondence courses paid for by the inmates themselves.

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## C. Performance of State Education and Training Efforts

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Weaknesses in education and skills training policies are reflected in the performance indicators in this section. Overall, the enrollment, graduation and placement outcomes fall well below levels

that are needed to provide paths to economic self-sufficiency for most of Michigan's low-income families.

### —*Post-Secondary Education Performance*—

Drawing insights from this performance indicator section is somewhat limited by missing data and by lack of comparability across states for some indicators. Data for two of the general community college performance indicators and for two Perkins Act indicators could not be obtained. Data for three additional Perkins Act indicators are not comparable across states, making it difficult to assess vocational training in Michigan.

On indicators of general performance for which comparable data from other states is available, Michigan's performance is disappointing, given Michigan's strong economy, and inadequate if Michigan intends to compete successfully for high tech companies. With 42 percent of high school freshmen enrolling in college (median of 40%), Michigan barely ranks in the top 20 states and is well behind five states in which more than 50 percent of high school freshmen enroll in college. Only 49 percent of first year community college students return the second year in Michigan (below the median of 52%), while six states have return rates of 60 percent or more. Michigan does better on the percent of adults ages 25 to 49 engaged in post-secondary education with 4.2 percent (median of 4.0%) engaged. Michigan is in the top third of states on this indicator.

The only indicator of community college vocational education performance for which data were both available and comparable across states is the ratio of awarded career certificates to awarded Associate Degrees. On this indicator, Michigan's ratio of .19 (median not available) is well below the top ratio of 4.72. Only 10.5 percent of students served with Perkins Act funds earn a credential, less than half a percent of economically disadvantaged Perkins students achieve placement, and only about seven percent of adults without post-secondary education are served using Perkins Act funds. Taken together, these numbers suggest that educationally and

economically disadvantaged workers may not be well served by Michigan's community college system.

**—Workforce and Adult Education Performance—**

Data shortcomings severely limit the discussion in this indicator section. For eight performance indicators Michigan data could not be obtained. Of the nine indicators for which data were obtainable, seven lack comparability across states.

Of the two comparable indicators, the percent of Temporary Assistance of Needy Families (TANF) participants enrolled in education or

training stands out. At 1.1 percent Michigan is virtually ignoring the workforce development potential of this population, leaving them without the education and training resources required to achieve real economic security and self-sufficiency. In the U.S. as a whole, 5.7 percent of TANF participants are in educational or training activities, a disappointing figure in itself compared to a high state percent of almost 50 percent, but well above the embarrassingly low Michigan rate. Michigan's adult employment retention rate of 61 percent is less than desirable and attainable. Strengthened education and training policies can contribute to increasing this rate and reducing the number of persons who cycle through the system multiple times.

## Indicator Tables

Includes indicators for which data are available. See Appendix B for complete list. Data years are generally 1999 to 2002. See Appendix C for specific information about indicators.

### A. Education and Skills Status of Adults in Michigan

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Number and percent of adults...						
Ages 18 to 64 without a high school diploma or GED.....	723,444	12.1	22.5	13.5	8.4	16.5
With only a high school diploma or GED.....	--	31.4	41.2	31.4	20.8	29.2
Percent of adults in literacy levels 1 and 2 (1992).....	--	44.0	--	--	--	50.0
Number and percent of adults ages...						
25 to 54 without a high school diploma or GED....	398,535	9.4	20.7	11.1	5.9	14.2
25 to 54 with only a high school diploma or GED..	1,294,205	30.4	41.4	29.1	19.1	28.1
25 to 54 with some post-secondary education, but no degree.....	1,068,309	25.1	30.6	22.5	16.5	22.0
25 to 54 with an associated degree or higher.....	1,494,912	35.1	49.1	35.0	21.7	35.7
18 to 24 enrolled in post-secondary institutions.....	284,532	33.8	38.6	30.3	20.9	31.4
25 to 54 enrolled in post-secondary institutions.....	292,382	6.9	8.2	5.9	3.9	6.2

-- Data not available

## B. State Policies That Support Career Skills Development for Low-Income Adults

<i>Indicator</i>	<b>Post-Secondary Policies</b>	<i>Michigan Meets Benchmark</i>
State need-based financial aid equal to 100 percent of Pell grant resources .....		No (48%)
Community college tuition expenses are less than 25 percent of average family income .....		Yes (20%)
State...		
Funding available to students for post-secondary short-term non-degree career classes .....		No
Full-time equivalent resources provided to community colleges to support non-credit career classes .....		Yes
Able to monitor and assess progress/completion of community college remediation students .....		No
Community colleges receive state incentives for positive performance in remedial education .....		No
State allocates 50 percent or more of federal career technical resources to post-secondary education .....		No (40%)
Local post-secondary career/technical program applications reviewed by local workforce board prior to submission to state .....		Yes
State measures career/technical program performance by...		
Placement in high-wage jobs .....		No
Placement of low-income students .....		Conditional Yes
Completion of low-income students .....		Yes

## Workforce and Adult Education Policies

**Indicator**

**Michigan Meets Benchmark**

State...

Mandates federal and state programs, beyond those required by WIA,  
to be formal partners in one stop system .....No

Uses alternative funding formula to allocate funds to local areas with  
excess poverty .....No

Over fifty percent of WIA funds dedicated to training ..... No (local WIBs have wide  
discretion over use of funds)

State...

Has policy for determining when local WIA training funds are limited  
and requires local WIBs to establish training priorities .....No

Has established training provider eligibility/performance criteria beyond  
WIA requirements and include performance data in consumer reports .....No

Requires local workforce investment boards to do basic skills assessment for  
all without high school degree or GED and refer for adult education ..... No (local WIBs have discretion)

Requires local workforce investment boards to provide funds for  
supportive services ..... No (local WIBs have discretion)

Post-secondary education/training alone satisfies TANF work requirement .....No

Post-secondary education/training alone satisfies TANF work requirement  
for more than 12 months .....No

TANF time clock stopped when engaged in post-secondary education and  
training ..... Qualified No (Michigan uses  
state funds when the federal  
time limit is reached)

TANF/MOE funds used for education/training for working poor not  
receiving cash assistance ..... No (local WIBs may use  
Work First TANF/MOE funds  
for non-cash recipients,  
but typically don't)

State...

Provided match for TANF IDA/ILA training accounts ..... Yes

Resources allocated for adult education and literacy place the state in  
the top one-third of states nationally ..... Yes (\$155.40 per adult, the  
the highest amount for  
all states and DC)

Provides own dedicated resources for workplace literacy ..... Yes

Mandates adult education for prison inmates with deficient basic skills ..... Yes

Offers certified occupational skills training for prison inmates ..... Yes (minimal)

## C. Performance of State Education and Training Efforts

### Post-Secondary Performance

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Percent of...						
High school freshman enrolling in college.....	--	42	59	--	24	--
First year community college students returning second year.....	--	49	67	--	40	--
Adults 25-49 enrolled part-time in post-secondary education.....	--	4.2	6	--	1.5	--
Ratio of career certificates to associates degrees awarded in community colleges.....	--	0.19	4.72	--	0.04	--
Percent of post-secondary Perkins students attaining a credential.....	--	10.5	--	--	--	--
Economically disadvantaged post-secondary Perkins students achieving placement as a percent of all Perkins post-secondary students served.....	--	0.2	--	--	--	--
Perkins post-secondary students served as a percent of adults 18-64 without post-secondary.....	--	6.9	--	--	--	--

-- Data not available

## Workforce and Adult Education Program Performance

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Percent of...						
WIA program exiters receiving training services.....	--	79.4	--	--	--	--
WIA adults receiving training and obtaining employment and a credential.....	--	52.9	--	--	--	--
WIA exiters receiving training services as a percent of adults 18-64 without HS/GED.....	--	0.4	--	--	--	-
WIA adult employment retention rate.....	--	75.4	--	--	--	--
Percent of TANF participants enrolled in education/ training.....	--	1.1	--	--	--	5.7
TANF adult employment retention rate.....	--	61	--	--	--	--
Percent of...						
Adult education students improving beginning literacy skills.....	--	12.4	--	--	--	--
Adults without a high school diploma or GED enrolled in adult education.....	--	5	--	--	--	--
Adult education students advancing to additional education or training.....	--	13.9	--	--	--	--

-- Data not available

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## Chapter 3. Employment Opportunity

- *Sixty-nine percent of Michigan adults are in the labor force, about equal to the median for all states.*
- *Eighteen percent of jobs in Michigan are in occupations that pay below the poverty level.*
- *Michigan business assistance programs do not include job creation and wage goals for serving entry-level and low-income workers.*
- *Michigan does not provide state funding for subsidized transitional job programs to help hard-to-employ, low-income workers move into the labor force.*
- *Michigan does not monitor how well business assistance programs serve the employment and training needs of low-income workers.*

A key and variable factor for Michigan's low-income working families is the availability of opportunities for first time employment and for wage mobility. Investments in education and training can do much to lower barriers to employment for workers in low-income families, but in a context of limited availability of appropriate employment opportunities, those investments will have limited impact on income growth in low-income families. This chapter focuses on labor force participation characteristics that are indicative of economic opportunity for low-income workers, and on state policies and programs that can increase those opportunities.

To a large degree, market forces determine the availability of entry-level jobs and opportunities for advancement. However, a variety of state policies can be used to increase opportunities for job seekers and workers with limited skills, experience, and education. Policies governing economic development efforts and state contracts with vendors can give priority to creating

jobs and training opportunities for workers in low-income families; state funds can be used to create transitional jobs for workers with low skills and education and little work experience; and state policies can enhance access to state employment services and work and income supports. Such policies must be part of Michigan's effort to assist low-income families achieve economic security through labor force participation.

The labor force and employment indicators provide a picture of the employment environment in which workers with employment barriers attempt to find jobs and increase

**A** variety of state policies can be used to increase opportunities for job seekers and workers with limited skills, experience, and education.

incomes through work. In particular, they give us information on the extent to which workers do not have a job but would like one, or have a job through which it is difficult to support a family. The policy indicators examine whether Michigan has policies that give explicit attention to creating better jobs for the working poor. The performance indicators examine whether state job creation and advancement efforts serve economically disadvantaged workers and do so in ways that help them achieve economic self-sufficiency.

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## Assessment

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### A. Labor Force and Employment

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Michigan's labor force does not fully absorb current and potential workers, suggesting that employment opportunities for low-income families

are limited to some degree. Michigan's rate on each of the labor force participation indicators is close to the median for states, but weakness is evident in the measures of unemployment and underemployment. Michigan is a percentage point higher than the median for workers not fully employed and slightly higher than the median on all three subcategories of this measure. Michigan's unemployment rate is higher than the U.S. average.

Michigan's strongest showing is on percentage of unemployed persons out of work for more than 26 weeks, with a rate well below the median and far below the highest rate. The large number of seasonal agricultural workers in Michigan and the

pattern of mass layoffs in the auto industry may partly explain this pattern of shorter-term periods

**Michigan's labor force does not fully absorb current and potential workers, suggesting that employment opportunities for low-income families are limited to some degree.**

of unemployment combined with higher overall unemployment.

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### B. State Policies Influencing Employment Opportunity

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The Michigan Economic Development Corporation (MEDC), a state funded corporation, administers state economic development programs. MEDC offers an array of business supports and incentives to attract new investment and retain existing businesses. Among these are tax abatements, employee training subsidies, infrastructure investments, and site location services. However, Michigan's job creation and retention policies generally do not serve the employment needs of entry-level and low-wage workers.

While intended to create and retain jobs, Michigan's economic development programs are designed to be very responsive to the expectations of businesses and to place minimal hiring constraints on the companies that receive state assistance. For example:

- ▶ The Job Creation Tax Credit requires that a business create at least seventy-five new jobs that pay 150 percent or more of the federal minimum wage, but includes no requirement to target entry level workers, low-wage workers, or workers living in low-income areas for those jobs;
- ▶ The Economic Development Job Training program helps companies train employees to increase competitiveness, but it does not target those training funds to low-wage workers;

**Michigan's job creation and retention policies generally do not serve the employment needs of entry-level and low-wage workers.**

- ▶ Other programs target investment to particular low-income communities, but Michigan does not require the assisted companies to hire from those communities;
- ▶ Only assistance funded by the Community Development Block Grant, a federal program, requires that companies hire low- and moderate-income workers (up to 80% of the median county income).

## C. Performance of State Employment Opportunity Efforts

Data with which to assess the performance of state policies in this policy area are unavailable. This lack of data reflects the absence of even a minor emphasis in economic development policies on creating employment and career advancement opportunities specifically for low-wage workers.

### Indicator Tables

Includes indicators for which data are available. See Appendix B for complete list. Data years are generally 1999 to 2002. See Appendix C for specific information about indicators.

#### A. Labor Force Participation

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Labor force participation rate for...						
Total.....	5,201	68.9	75.1	68.5	57.1	67.2
Women.....	2,386	61.5	70.3	62.1	51.3	60.2
Men.....	2,815	76.7	82.0	75.5	63.5	74.7
Nonwhites.....	789	66.5	78.6	66.9	57.9	66.0
Percent of people ages 18 to 64 who are...						
Not fully employed.....	422,036	8.5	11.1	7.5	4.9	7.8
—Unemployed.....	244,521	5.0	6.2	4.4	2.6	4.5
—Marginally attached to the labor force.....	42,283	0.9	1.2	0.7	0.4	0.8
—Employed part-time for economic reasons.....	132,916	2.7	4.6	2.4	1.5	2.6
Number and percent of...						
Unemployed workers out of work for more than 26 weeks.....	12,000	6.5	25.0	11.0	2.8	11.4
All workers 18 and over who hold more than one job, 2001.....	266,190	5.9	11.9	5.9	4.3	5.7
Jobs in occupations that pay below the poverty level.....	715,330	17.7	39.3	24.2	7.5	22.3

## B. State Policies Influencing Employment Opportunity

<i>Indicator</i>	<i>Michigan Meets Benchmark</i>
State...	
Customized and incumbent worker training includes target to serve entry-level and low-income workers .....	No
Tax credits available for training entry-level and low-income workers .....	Qualified No (a tax credit is available to employers for training persons ages 16-19 in high school or in a GED test preparation program)
Primary business assistance programs include job creation goals with wage standards and targets for serving entry-level and low-income workers .....	Qualified No (Job Creation Tax Credit sets a wage standard)
Primary business assistance programs for distressed areas include job creation goals with wage standards and targets for serving entry-level and low-income workers .....	No
Has a formal business retention program .....	Yes
Supports sectoral development initiatives .....	Yes (technology-based businesses)
Public works projects utilize targeted hiring agreements .....	No
Resources used to support subsidized transitional jobs programs .....	No
Employment service and one stop systems fully integrated .....	Conditional Yes (for some programs, only information and referral services are required on site)

## C. Performance of State Employment Opportunity Efforts

Data for these indicators are not currently available. See Appendix A for a list of performance indicators.

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## Chapter 4. Conditions of Employment

- *Twenty percent of Michigan workers eighteen and older are in low-wage jobs.*
- *Forty-three percent of unemployed workers do not receive unemployment insurance benefits.*
- *Michigan does not have a statewide living wage law, nor does it have a state Earned Income Tax Credit.*
- *Michigan's workers' compensation law fulfills only nine of nineteen recommendations in the Report of the National Commission of State Workmen's Compensation Laws.*
- *Seventy-six percent of eligible Michigan workers without private health insurance utilize state Medicaid coverage.*

All jobs are not good jobs. A number of industries pay low wages and do not offer health insurance and other benefits. Some hire large numbers of workers on a part-time or seasonal basis. A significant number of jobs are low-wage/no benefit, day-to-day jobs with temporary placement agencies. Even in a strong economy with strong demand for workers at all levels of education and experience, large numbers of workers have little choice but to work in these jobs. The families of those workers are very likely to live in poverty or very near the poverty line.

States have access to a variety of income support and protection policies that help workers in these jobs stay in the labor force and support their families. Many are in use around the country. Among the many options are: a state minimum wage higher than the federal minimum wage and coverage for all workers; a state Earned Income Tax Credit to supplement the earnings of low-income families; unemployment insurance coverage for part-time workers and workers with

low earnings; Medicaid health insurance coverage for workers earning up to 200 percent of poverty; subsidized employer provided health insurance; subsidized child care. These and other programs and policies can substantially increase the returns from employment for working families whose earnings alone would leave them in poverty.

A comprehensive system of income supports and employment protections is especially important to families making the transition from welfare to work. Earnings are typically low because first jobs following a period of reliance on public assistance are usually part-time and/or low-wage. Attachment to the labor force is often weak either because the welfare-to-work job is a person's first employment experience or because the person has cycled between welfare and work over the years. Income supports and employment protections not only help these welfare-to-work workers support their families, they help these workers form positive and enduring attachments to work.

The indicators in this chapter provide a sketch of how well Michigan policy addresses shortcomings in employment conditions in the

state. The conditions of employment indicators reflect the extent to which workers in the state have jobs that pay adequate wages and provide benefits. Policy indicators compare Michigan policy in regard to conditions of employment to benchmark policies. The performance indicators report outcomes associated with improvements in conditions of employment.

The worker support and protection indicators examine whether a state has policies that help compensate for low paying work and the absence of benefits. It also addresses whether Michigan provides protection to low-wage, part-time, contingent workers, and those at risk of becoming such

workers (i.e., ex-offenders), with regard to unemployment insurance, workers' compensation, and general rights of employment.

The work support and protection indicators examine whether state efforts to assist low-wage workers in obtaining health care and tax benefits are being fully accessed and used by the intended beneficiaries.

**This framework of conditions of employment policies leaves tens of thousands of Michigan's low-income families trapped in or near poverty and provides little security to tens of thousands of moderate-income families.**

## Assessment

### A. Conditions of Employment

Michigan compares well with other states on conditions of employment indicators, scoring in the better performing half of states on all six indicators. Michigan looks especially strong in percent of workers in low-wage jobs, percent of workers without health insurance, and percent of workers without employer provided benefits—in the top 10 states on each of these indicators. Even though Michigan ranks high on most of these indicators, the numbers of workers adversely affected are quite large. Even though ranked 8<sup>th</sup> on percent of workers without health insurance, the number of such workers exceeds half a million.

### B. State Policies Influencing Conditions of Employment

Michigan's policy support for low-wage workers in this area of state policy is extremely inadequate. On the twenty-one policy indicators reported in this chapter, Michigan meets the benchmark standard on only three. This framework of conditions of employment policies leaves tens of thousands of Michigan's low-income families trapped in or near poverty and provides little security to the tens of thousands of moderate-income families that are vulnerable to slipping into poverty during this time of stagnant economic growth.

While Michigan is ranked among the top states in personal income, it has a minimum wage no higher than the federal minimum wage. Michigan also has no Earned Income Tax Credit (EITC), even though the federal EITC has been shown to be very effective and several other states have enacted their own EITCs.

Income eligibility standards for Medicaid and child care are set too low to provide assistance to all working families that are above the federal

**The absence of data relevant to services provided to low-income workers and families is a problem across most of the policy areas covered by this report.**

poverty line but lack sufficient resources to pay for these services. Unemployment insurance is not available to large numbers of low-wage unemployed workers because they either do not work full-time or their total earnings during the eligibility base period are too low.

### C. Performance of State Efforts to Improve Conditions of Employment

It is not possible to fairly evaluate the performance of state efforts to improve conditions of employment because data are available for only two of the five performance indicators. However, the lack of data is, in itself, a policy weakness. The absence of data relevant to services provided to low-income workers and families is a problem across most of the policy areas covered by this report.

## Indicator Tables

Includes indicators for which data are available. See Appendix B for complete list. Data years are generally 1999 to 2002. See Appendix C for specific information about indicators.

### A. Conditions of Employment

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Percent of workers age 18 and over...						
In low-wage jobs, 2001.....	845,283	20	40	25	16	24
Who hold contingent jobs, 2001.....	71,704	1	2	1	0	1
Percent of workers age...						
18 - 64 without health insurance, 2001.....	582,179	11	29	15	8	16
18 and over without an employer-provided pension, 1999-2001.....	2,601,530	50	64	54	48	55
Percent of...						
Workers over 18 not covered by workers' compensation insurance.....	--	9	--	--	--	9
Unemployed not receiving unemployment insurance benefits.....	--	43	--	--	--	57

-- Data not available

## B. State Policies Influencing Conditions of Employment

<i>Indicator</i>	<i>Michigan Meets Benchmark</i>
State...	
Has minimum wage law and the defined wage exceeds federal level.....	Qualified No (Michigan minimum wage of \$5.15 per hour equals the federal minimum wage)
Established living wage law .....	No (some local government units have enacted living wage laws)
Enacted Earned Income Tax Credit .....	No
Tax burden under 10% for working families with earnings at the poverty threshold .....	No (13%)
Provides wage replacement for parental leave .....	No
Provides medicaid to working adults earning up to 200% of poverty .....	No
Subsidy available to employers who provide health care for workers .....	No
Sets income eligibility for child care at 85% of state median income .....	No (income cutoff is based on a percent of the official poverty guideline; in 2001 income cutoff was 53% of state median household income)
Requires child care co-payment for families earning less than poverty .....	Qualified Yes (minimum co-payment is 5% of the variable rate paid by the state, except for Family Independence Program recipients)
Sets maximum child care reimbursement rate at 75% or greater of market rate .....	No (reimbursement rate has not been updated since 1994)
Eligibility requirements for unemployment insurance are supportive of low-income workers .....	No
Protects temporary workers from being excluded from unemployment insurance coverage .....	No
Unemployment insurance benefits available to workers leaving employment for domestic reasons .....	No
Unemployment insurance maximum weekly benefits exceed poverty level (as of Jan 2002) .....	Yes
Provides temporary disability insurance .....	No
Workers' compensation law fulfills all nineteen recommendations of the report of the National Commission of Workmen's Compensation Laws .....	No (Michigan fulfills 9 recommendations)
Workers' compensation minimum benefits exceed 80% of minimum wage income .....	Yes

## B. State Policies Influencing Conditions of Employment

(continued)

<i>Indicator</i>	<i>Michigan Meets Benchmark</i>
State...	
Has broad wage and hour law coverage and does not exempt low-wage occupations .....	Qualified Yes (some employees of amusement, recreational, and agricultural businesses are not covered by overtime provisions; wait staff, certain youth in training, apprentices, earners, and others may be paid a reduced minimum wage)
Requires greater coverage for family medical leave than federal law .....	No
Has laws and regulations to protect employment rights of day laborers .....	No
Law protects ex-offenders from employment discrimination .....	No

## C. Performance of State Efforts to Improve Conditions of Employment

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Percent of...						
Eligible workers without private health insurance utilizing state Medicaid.....	--	76	--	--	--	--
Those eligible for child care assistance on waiting list.....	0	0	--	--	--	--
	(Michigan has no waiting list)					

-- Data not available

# Summary

This assessment of Michigan public policy rests on the principle that a reasonable work effort should lift a family out of poverty and hold the promise of carrying a family to economic self-sufficiency. For most Michigan families, work does bring economic self-sufficiency. Michigan's strong economy provides for millions of good jobs, jobs that are reasonably secure, pay well and provide health insurance and other benefits. But for hundreds of thousands of Michigan families, work is not a reliable road to economic security and self-sufficiency. The jobs they depend on typically pay wages too low for a family to afford to invest in education and training

or build savings for a rainy day. They seldom provide health insurance, and seldom offer opportunities to develop new work skills and advance to better paying jobs. For these working families, public policy must serve to supplement incomes and provide paths to better employment.

Chapter I of this report focuses on the extent to which work fails to provide all of Michigan's working families with adequate incomes and opportunities for achieving economic security and self-sufficiency. It provides evidence that the challenge facing Michigan public policy is substantial.

Chapters II through IV focus on state policies that target resources to low-income working families or could be used to do so. The indicators in these chapters provide a detailed look at policy strengths

and weaknesses in several key policy areas. They document that Michigan does support low-income working families with a wide range of policy support, but not enough to meet the standard of performance adopted in this assessment.

Michigan has not developed a policy framework that uniformly or consistently targets appropriate forms of assistance in adequate amounts to low-income working families.

Three significant policy shortcomings were identified:

1. Education and training policies do not provide adequate employment paths out of poverty for working poor families, nor do they provide adequate support for near-poor working families trying to achieve economic self-sufficiency.
2. Economic development policies do a poor job of creating career path jobs and providing training targeted to low-wage workers.
3. Conditions of employment policies are inadequate to protect low-income working families from the hardships of poverty while they work to lift themselves out of poverty.

A number of policy recommendations were presented in the introduction to address these weaknesses:

### ***Education and Training Policies***

- ▶ Establish statewide guidelines for determining when a local resource shortage has developed and for implementing service priorities to ensure adequate services to low-wage workers at Michigan Works! Agencies;
- ▶ Include wage growth and benefits growth criteria for placements by Michigan Works! Agencies to encourage targeting education and training funds to low-skilled workers;

**Michigan has not developed a policy framework that targets appropriate forms of assistance in adequate amounts to low-income working families.**

- ▶ Expand education and training opportunities at Michigan Works! Agencies and target substantial portions of education and training funds to low-wage workers;
- ▶ Improve collection and reporting of follow-up wage and benefit data on workers placed through community colleges and Michigan Works! Agencies.

### ***Economic Development***

- ▶ Include targets for hiring unemployed low-skill workers to fill entry-level positions in Michigan economic development programs that provide subsidies and tax incentives to businesses and include targets for training incumbent low-skill workers in Michigan economic development programs that provide funding for training incumbent workers;
- ▶ Implement a system for collecting before and after wage and benefits data for workers who are hired into or promoted into jobs created through MEDC assistance to businesses.

### ***Conditions of Employment***

- ▶ Improve access to affordable, accessible and quality child care, particularly during second and third-shift hours;
- ▶ Improve access to health care for parents in low-income families;
- ▶ Regularly adjust the minimum wage, preferably by indexing it to the cost of living;
- ▶ Improve the fairness of the state's tax system and target tax relief to the working poor;
- ▶ Implement a refundable state Earned Income Tax Credit;
- ▶ Make the unemployment insurance system more responsive to the needs of part-time, temporary and low-wage workers;
- ▶ Expand access to health care, subsidized child care and other work supports for adults in adult education and employment training programs.

Michigan can and should embrace the principle that reasonable work effort will lift a family out of poverty and put it on the road to economic self-sufficiency. Michigan has significant resources with which to address the

needs of its low-income workers. However, without a policy framework that targets these resources, and defines as well as measures outcomes, the state's efforts will continue to fall short of maximizing the employment and earnings potential of all Michigan workers.

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## Endnotes

<sup>1</sup> The policy benchmarks used in this report are facilitative benchmarks and should not be read as policy recommendations. Most of the benchmarks have been culled from policy studies and from policy recommendations published by organizations that monitor particular policy areas. In a very few instances, a policy in force in one or a few states that attempts to do more than the policies of other states has been adopted as a benchmark.

<sup>2</sup> Economic self-sufficiency means income sufficient for a family to provide for its basic needs ( food clothing, household items, telephone, shelter, transportation, health insurance, child care, taxes) at fair market costs and without any form of public assistance or subsidy. The Michigan League for Human Services estimates that a self-sufficiency wage for a family of three in 2001 is \$34,362.

<sup>3</sup> Throughout this document poverty refers to family income below the federal poverty level.

<sup>4</sup> As this report went to press, the governor's office had proposed a reduction in funding for adult education of about 75 percent as part of a package of spending cuts to deal with a large budget deficit. The legislature was considering shifting funding from education programs in the correctional system to adult education to restore some of that funding.

<sup>5</sup>This program is in jeopardy because of the tight state budget and proposed cuts to adult education funding.

# Appendices

## Appendix A

### Key Policy Areas

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#### Workforce Development

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The primary programmatic component of workforce development is the federal Workforce Investment Act (WIA). WIA funds three areas of workforce development: adults, dislocated workers, and youth. States administer these funds. In addition, and more importantly, WIA creates state level systems of workforce development in which state and local Workforce Development Boards (WIBs) plan and implement workforce development policies and control the use of WIA funds and, depending on state policies, other employment and workforce development funds. Part of the federal mandate is that states are required to bring together a range of employment related services and resources in “One-stop” centers. In general, WIA sets goals, defines the broad outlines of a state-level administrative structure, and sets requirements for collecting and reporting performance data. Otherwise, the legislation places few limits on how states manage the workforce development system and use WIA funds. State administrations are expected to flesh out the regulations and procedures by which the WIA employment goals will be achieved.

#### Public Assistance

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The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 changed the welfare system of the United States considerably, as it ended the Aid to Families with Dependent Children (AFDC) entitlement

program and instead created the fixed block grant, Temporary Assistance for Needy Families (TANF). Federal law requires TANF funds to be used in ways designed to meet the following four purposes:

- 1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- 2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- 3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies;
- 4) encourage the formation and maintenance of two-parent families.

In addition to these requirements, states also must maintain the level of their own spending on cash assistance-related programs equal to at least 80 percent of what the states were spending in FY 1994 in order to receive TANF funds. This last requirement is referred to as the Maintenance of Effort Requirement (MOE). Federal cash assistance for TANF is also limited to no more than 60 months in a lifetime, representing the temporary nature of this assistance. There are also many work requirements and other objectives regarding statewide work participation rates with the goal of enabling states to effectively and efficiently move clients off the cash assistance caseload before the 60 month federal time limit is reached. States do, however, have discretion as to determining eligibility for various TANF-funded benefits and services, which reflects the intent of Congress to of make this block grant program an opportunity for states to flexibly design and

experiment with their own welfare programs. In Michigan, a great deal of the TANF block grant funds the Family Independence Program (FIP)—the state’s redesigned cash assistance program—as well as administration of FIP, day care, and other work preparation and services used by FIP clients. TANF funding was authorized through the end of FY 2002, and therefore reauthorization of this block grant is to be considered by Congress in 2003.

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## Post-Secondary Education

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The Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins Act) was reauthorized twice since its inception in 1984 as the Carl D. Perkins Vocational Education Act. The purpose of this act is to use enhancements to vocational education programs in order to improve vocational education in institutions of secondary and post-secondary learning, such that the work force will acquire the academic and vocational skills needed to successfully compete in today’s world market. The U.S. Department of Education administers this act through the Office of Vocational and Adult Education, which awards the bulk of the funding to state education agencies in the form of what is referred to as State Basic Grants, and a lesser amount in the form of Tech Prep Grants. A formula based on the state’s populations in specific age groups and per capita income is utilized by the Office of Vocational and Adult Education to determine the amount of these grants. The state in turn allots these funds to school districts and community colleges using a separate federal formula based on how many students are in secondary and post-secondary education. One of the key requirements for the allotment of these funds is that states provide monies for “special populations” who experience barriers to educational achievement. This population includes individuals with limited English proficiency, individuals with disabilities, individuals who are economically disadvantaged, individuals preparing for nontraditional careers, displaced homemakers, single parents, single pregnant women, and others. In Michigan in FY 2002, Perkins Act funds for post-secondary

education were allotted to 28 public community colleges, three public four-year universities, and one tribal college.

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## Adult Education

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Adult Education provides an opportunity for adult students to achieve education levels equivalent to those of high school graduates. To receive adult education services a person must be more than 16 years old and have education competencies below the level of high-school graduates. Individual programs may have additional eligibility requirements.

Adult Education in Michigan consists of these five components:

- **High School Completion:** Instruction designed to fulfill the requirements for a high school diploma;
- **GED Test Preparation:** Instruction in language arts, math, social studies, science, and writing, to enable successful completion of a GED test;
- **Adult Literacy:** Instruction in reading, English, language arts, math and civics for adults without a high-school diploma. The most basic literacy courses teach adults to read;
- **English as a Second Language:** Instruction in reading, speaking, writing, and understanding the English language;
- **Labor Employment Related/Employer Workforce Readiness:** Instruction in job- or employment-related mathematics, reading, and communication skills. Instruction may be “applied,” which means that the academic material is directly related to specific job requirements.

Adult Education programs are located throughout Michigan. A network of local literacy councils trains volunteers to mentor adults who need help with their literacy skills. Approximately 50 percent of Michigan’s local public school systems operate an Adult Education program. Additionally, some intermediate school districts, community colleges, and nonprofit organizations offer Adult Education services.

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## Economic Development

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Michigan funds a wide array of services and tax incentives to spur investment and job creation in the state. The Michigan Economic Development Corporation, a partnership between the state and local communities, is the single point of contact for businesses inquiring about the availability of incentives and site location services. It has final decision-making authority for nearly all of Michigan's incentives.

Economic development services and incentives include:

- ▶ Site development, permit assistance, and infrastructure services
- ▶ Financing assistance through the Core Communities Fund and other programs
- ▶ Job Creation Tax Credit, a credit against Michigan's Single Business Tax
- ▶ Tax free Renaissance Zones
- ▶ SmartZones to stimulate the growth of technology-based businesses
- ▶ Michigan Certified Business Park Program, which certifies that a business park conforms to certain standards
- ▶ Tax abatements
- ▶ Brownfield redevelopment flexibility
- ▶ Employee recruitment and training

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## Work and Income Supports

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To help working poor families attain some economic security, states have created several forms of assistance that they are targeted to working families with the purpose of supporting and enhancing their efforts to increase earnings through work. Typically, work and income supports include child care, health insurance, public or subsidized housing, transportation assistance, cash assistance, unemployment insurance, and a state Earned Income Tax Credit.

Michigan provides some assistance to certain working poor families in each of these work and income support categories, with the exception of a state EITC.

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## Job Search and Employment Services

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States provide many forms of assistance to entry-level and unemployed workers. Examples of these services are maintaining lists of job openings, offering skill assessments and employment referrals, and job search counseling. Michigan offers a full range of job search and employment services through Michigan Works! Agencies, a statewide system of One-stop employment centers organized under provisions of the Workforce Investment Act.

# Appendix B

## Complete Indicator Tables

### Chapter I: Working Families in Economic Distress

<i>Indicator</i>	<u>Michigan</u>			<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>Rank<sup>a</sup></i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Number and percent of...							
1. Families below 100% of poverty engaged in work.....	72,288	46.1	NA	61.0	47.5	23.9	47.2
2. Working families below 100% poverty.....	72,288	6.1	16	13.4	6.8	2.4	7.5
3. Working families with at least one minority parent that are below 100% poverty.....	29,403	11.5	16	25.6	12.9	3.3	13.1
4. Working families with income less than 200% of poverty.....	285,644	24.0	15	39.9	27.8	14.7	27.8
5. Working families below 100% of poverty that spend more than 1/3 of income on housing.....	54,489	79.1	39	89.4	72.1	50.0	72.5
6. Working families below 100% of poverty with at least one resident parent who does not have a high school diploma or equivalent.....	17,746	24.5	8	62.6	35.6	12.7	43.6
7. Working families below 100% of poverty with at least one resident parent who has some post-secondary education (education beyond high school).....	29,088	40.2	NA	61.1	37.5	22.4	32.4
Ratio of total family income received by the...							
8. Top quintile of working families to the total family income received by the bottom quintile of working families.....	NA	(ratio) 7.9	26	13.5	7.6	5.8	8.5
9. Middle quintile of working families to the total family income received by the bottom quintile of working families.....	NA	(ratio) 2.9	35	3.2	2.8	2.4	2.9
10. Percent of working families below 100% poverty with at least one parent who is self-employed <sup>b</sup> .....	5,793	7.5	NA	37.3	--	2.2	--
Number and percent of working families...							
11. In poverty with at least one parent between the ages of 25 and 54.....	63,141	87.3	32	95.9	85.4	73.3	85.4
12. Below 100% of poverty with at least one parent without health insurance <sup>b</sup> .....	25,694	33.2	NA	66.6	NA	16.5	46.7

<sup>a</sup>Rank is in relation to all states and the District of Columbia, with a rank of 1 being best. <sup>b</sup>Based on a three year average, 1999-2001. -- (data not available.) NA (not applicable.)

## Chapter II: Education and Skills Training

### A. Education and Skills Status of Adults in Michigan

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Number and percent of adults...						
A1. Ages 18 to 64 without a high school diploma or GED.....	723,444	12.1	22.5	13.5	8.4	16.5
A2. With only a high school diploma or GED.....	--	31.4	41.2	31.4	20.8	29.2
A3. In literacy levels 1 and 2 (1992).....	--	44.0	--	--	--	50.0
Number and percent of adults ages...						
A4. 25 to 54 without a high school diploma or GED.....	398,535	9.4	20.7	11.1	5.9	14.2
A5. 25 to 54 with only a high school diploma or GED....	1,294,205	30.4	41.4	29.1	19.1	28.1
A6. 25 to 54 with some post-secondary education, but no degree.....	1,068,309	25.1	30.6	22.5	16.5	22.0
A7. 25 to 54 with an associate degree or higher.....	1,494,912	35.1	49.1	35.0	21.7	35.7
A8. 18 to 24 enrolled in post-secondary institutions.....	284,532	33.8	38.6	30.3	20.9	31.4
A9. 25 to 54 enrolled in post-secondary institutions.....	292,382	6.9	8.2	5.9	3.9	6.2
Percent of...						
A10. Students enrolled in community colleges requiring remediation.....	--	--	--	--	--	--

## B. State Policies That Support Career Skills Development for Low-Income Adults

### B-1. Post-Secondary Policies

<i>Indicator</i>	<i>Michigan Meets Benchmark</i>
B1-1. State need-based financial aid equal to 100 percent of Pell grant resources .....	No (48%)
B1-2. Community college tuition expenses are less than 25 percent of average family income .....	Yes (20%)
B1-3. State funding available to students for post-secondary short-term non-degree career classes .....	No
B1-4. State full-time equivalent resources provided to community colleges to support non-credit career classes .....	Yes
B1-5. State able to monitor and assess progress/completion of community college remediation students .....	No
B1-6. Community colleges receive state incentives for positive performance in remedial education .....	No
B1-7. State allocates fifty percent or more of federal career technical resources to postsecondary education .....	No (40%)
B1-8. Local post-secondary career/technical program applications reviewed by local workforce board prior to submission to state .....	Yes
B1-9. State measures career technical program performance by placement in high-wage jobs .....	No
B1-10. State measures career/technical program performance by placement of low-income students .....	Conditional Yes
B1-11. State measures career/technical program performance by completion of low-income students .....	Yes

## B-2. Workforce and Adult Education Policies

<i>Indicator</i>	<i>Michigan Meets Benchmark</i>
B2-1. State mandates federal and state programs, beyond those required by WIA, to be formal partners in one stop system .....	No
B2-2. State uses alternative funding formula to allocate funds to local areas with excess poverty .....	No
B2-3. Over fifty percent of WIA funds dedicated to training .....	No (local WIBs have wide discretion over use of funds)
B2-4. State has policy for determining when local WIA training funds are limited and requires local WIBs to establish training priorities .....	No
B2-5. State has established training provider eligibility/performance criteria beyond wia requirements and include performance data in consumer reports .....	No
B2-6. State requires local Workforce Investment Boards to do basic skills assessment for all without high school degree or GED and refer for adult education .....	No (local WIBs have discretion)
B2-7. State requires local Workforce Investment Boards to provide funds for supportive services .....	No (local WIBs have discretion)
B2-8. Post-secondary education/training alone satisfies TANF work requirement .....	No
B2-9. Post-secondary education/training alone satisfies TANF work requirement for more than 12 months .....	No
B2-10. TANF time clock stopped when engaged in post-secondary education and training .....	Qualified No (Michigan uses state funds when the federal time limit is reached)
B2-11. TANF/MOE funds used for education/training for working poor not receiving cash assistance .....	No (local WIBs may use Work First TANF/MOE funds for non-cash recipients, but typically don't)
B2-12. State provided match for TANF IDA/ILA training accounts .....	Yes
B2-13. State resources allocated for adult education and literacy place the state in the top one-third of states nationally .....	Yes (\$155.40 per adult, the highest amount for all states and DC)
B2-14. State provides own dedicated resources for workplace literacy .....	Yes
B2-15. State mandates adult education for prison inmates with deficient basis skills .....	Yes
B2-16. State offers certified occupational skills training for prison inmates .....	Yes (minimal)

## C. Performance of State Education and Training Efforts

### C-1. Post-Secondary Performance

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Percent of...						
C1-1. High school freshman enrolling in college four years later.....	--	42	59	--	24	--
C1-2. First year community college students returning second year.....	--	49	67	--	40	--
C1-3. Adults 25-49 enrolled part-time in post-secondary education.....	--	4.2	6	--	1.5	--
C1-4. Community college students obtaining a certificate/degree or transfer to a four year college.....	--	--	--	--	--	--
C1-5. Community college students obtaining high-wage jobs.....	--	--	--	--	--	--
C1-6. Community college students in remediation/developmental education moving ahead.....	--	--	--	--	--	--
Ratio of...						
C1-7. Career certificates to associates degrees awarded in community colleges.....	--	0.19	4.72	--	0.04	--
Percent of...						
C1-8. Post-secondary Perkins students attaining a credential.....	--	10.5	--	--	--	--
C1-9. Economically disadvantaged post-secondary Perkins students achieving placement as a percent of all Perkins post-secondary students served.....	--	0.2	--	--	--	--
C1-10. Perkins post-secondary students served as a percent of adults 18-64 without post-secondary.....	--	6.9	--	--	--	--
Percent of...						
C1-11. Placed Perkins post-secondary students earning above poverty.....	--	--	--	--	--	--
C1-12. Placed Perkins post-secondary students earning above 200 percent of poverty.....	--	--	--	--	--	--

-- Data not available

## C-2. Workforce and Adult Education Program Performance

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Percent of...						
C2-1. WIA program Exiters receiving training services.....	--	79.4	--	--	--	--
C2-2. WIA dollars spent on training.....	--	--	--	--	--	--
C2-3. WIA adults receiving training and obtaining employment and a credential.....	--	52.9	--	--	--	--
C2-4. WIA exiters receiving training services as a percent of adults 18-64 without high school/GED.....	--	0.4	--	--	--	--
WIA adult employment...						
C2-5. Retention rate.....	--	75.4	--	--	--	--
Percent of...						
C2-6. Employed WIA adult exiters earning above poverty.....	--	--	--	--	--	--
C2-7. Employed WIA adult exiters earning above 200 percent of poverty.....	--	--	--	--	--	--
C2-8. TANF participants enrolled in education/training.....	--	1.1	--	--	--	5.7
TANF adult employment...						
C2-9. Retention rate.....	--	61	--	--	--	--
Percent of...						
C2-10. TANF leavers earning above poverty.....	--	--	--	--	--	--
C2-11. TANF leavers earning above 200 percent of poverty.....	--	--	--	--	--	--
C2-12. Adult education students improving beginning literacy skills.....	--	12.4	--	--	--	--
C2-13. Adults without a high school diploma or GED enrolled in adult education.....	--	5	--	--	--	--
C2-14. Adult education students advancing to additional education and training.....	--	13.9	--	--	--	--
C2-15. Participants gaining employment and earning above poverty.....	--	--	--	--	--	--
C2-16. Participants gaining employment and earning above 200 percent of poverty.....	--	--	--	--	--	--
C2-17. Eligible prison inmates receiving adult education.....	--	--	--	--	--	--

-- Data not available

## Chapter III: Employment Opportunity

### A. Labor Force Participation

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Labor force participation rate...						
A1. Total.....	5,201	68.9	75.1	68.5	57.1	67.2
A1-1. Women.....	2,386	61.5	70.3	62.1	51.3	60.2
A1-2. Men.....	2,815	76.7	82.0	75.5	63.5	74.7
A1-3. Nonwhites.....	789	66.5	78.6	66.9	57.9	66.0
Number and percent of people ages 18 to 64 who are...						
A2. Not fully employed.....	422,036	8.5	11.1	7.5	4.9	7.8
A2-1. Unemployed.....	244,521	5.0	6.2	4.4	2.6	4.5
A2-2. Marginally attached to the labor force.....	42,283	0.9	1.2	0.7	0.4	0.8
A2-3. Employed part-time for economic reasons.....	132,916	2.7	4.6	2.4	1.5	2.6
Number and percent of...						
A3. Unemployed workers out of work for more than 26 weeks.....	12,000	6.5	25.0	11.0	2.8	11.4
A4. All workers 18 and over who hold more than one job, 2001.....	266,190	5.9	11.9	5.9	4.3	5.7
A5. Jobs in occupations that pay below poverty level.....	715,330	17.7	39.3	24.2	7.5	22.3

## B. State Policies Influencing Employment Opportunity

<i>Indicator</i>	<i>Michigan Meets Benchmark</i>
State...	
B1. Customized and incumbent worker training includes target to serve entry-level and low-income workers .....	No
B2. Tax credits available for training entry-level and low-income workers .....	Qualified No (a tax credit is available to employers for training persons ages 16-19 in high school or in a GED test preparation program)
B3. Primary business assistance programs include job creation goals with wage standards and targets for serving entry-level and low-income workers .....	Qualified No (Job Creation Tax Credit sets a wage standard)
B4. Primary business assistance programs for distressed areas include job creation goals with wage standards and targets for serving entry-level and low-income workers .....	--
B5. Has a formal business retention program .....	Yes
B6. Supports sectoral development initiatives .....	Yes (technology-based businesses)
B7. Public works projects utilize targeted hiring agreements .....	No
B8. Funds used to support subsidized transitional jobs programs .....	No
B9. Employment service and one stops systems fully integrated .....	Conditional Yes (for some programs, only information and referral services are required on site)

-- Data not available

## C. Performance of State Employment Opportunity Efforts

Data for these indicators are not currently available. They are listed for informational purposes only.

<i>Indicator</i>
C1. Percent of low-income workers benefiting from state business assistance efforts
C2. Percent of benefiting low-income workers earning above poverty after assistance
C3. Percent of businesses that participate in state business assistance efforts targeting low-income workers
C4. Percent of low-income workers employed by companies participating in state business assistance efforts targeting low-income workers
C5. Percent of unemployed workers receiving intensive or training services from the one stop centers

## Chapter IV: Conditions of Employment

### A. Conditions of Employment

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Percent of workers age...						
A1. 18 and over in low-wage jobs, 2001	845,283	20	40	25	16	24
A2. 18 and over who hold contingent jobs, 2001	71,704	1	2	1	0	1
A3. 18 - 64 without health insurance, 2001	582,179	11	29	15	8	16
A4. 18 and over without an employer-provided pension, 1999-2001	2,601,530	50	64	54	48	55
Percent of...						
A5. Workers over 18 not covered by workers' compensation insurance	--	9	--	--	--	9
A6. Unemployed not receiving unemployment insurance benefits	--	43	--	--	--	57

-- Data not available

## B. State Policies Influencing Conditions of Employment

<i>Indicator</i>	<i>Michigan Meets Benchmark</i>
State...	
B1. Has minimum wage law and the defined wage exceeds federal level .....	Qualified No (Michigan minimum wage of \$5.15 per hour equals the federal minimum wage)
B2. Established living wage law .....	No (some local government units have enacted living wage laws)
B3. Enacted earned income tax credit .....	No
B4. Tax burden under ten percent for working families with earnings at the poverty threshold .....	No (13%)
B5. Provides wage replacement for parental leave .....	No
B6. Provides medicaid to working adults earning up to 200% of poverty .....	No
B7. Subsidy available to employers who provide health care for workers .....	No
B8. Sets income eligibility for child care for a family of three at 85% of state median income .....	No (income cutoff is based on a percent of the official poverty guideline; in 2001 income cutoff was 53% of state median household income)
B9. Requires child care co-payment for families earning less than poverty .....	Qualified Yes (minimum co-payment is 5% of the variable rate paid by the state, except for Family Independence Program recipients)
B10. Sets maximum child care reimbursement rate at 75% or greater of market rate .....	No (reimbursement rate has not been updated since 1994)
B11. Eligibility requirements for unemployment insurance are supportive of low-income workers .....	No
B12. Protects temporary workers from being excluded from unemployment insurance coverage .....	No
Unemployment insurance...	
B13. Benefits available to workers leaving employment for domestic reasons .....	No
B14. Maximum weekly benefits exceed poverty level (as of January 2002) .....	Yes
State...	
B15. Provides temporary disability insurance .....	No
B16. Workers' compensation law fulfills all nineteen recommendations of the the report of the National Commission of State Workmen's Compensation Laws .....	No (Michigan fulfills 9 recommendations)

## B. State Policies Influencing Conditions of Employment

(continued)

<i>Indicator</i>	<i>Michigan Meets Benchmark</i>
State...	
B17. Workers' compensation minimum benefits exceed 80% of minimum wage income .....	Yes
B18. Has broad wage and hour law coverage and does not exempt low-wage occupations .....	Qualified Yes (some employees of amusement, recreational, and agricultural businesses are not covered by overtime provisions; wait staff, certain youth in training, apprentices, earners, and others may be a reduced minimum wage)
B19. Requires greater coverage for family medical leave than federal law.....	No
B20. Has laws and regulations to protect employment rights of day laborers .....	No
B21. Law protects ex-offenders from employment discrimination .....	No

## C. Performance of State Efforts to Improve Conditions of Employment

<i>Indicator</i>	<u>Michigan</u>		<u>All States and DC</u>			
	<i>Number</i>	<i>Percent</i>	<i>High</i>	<i>Median</i>	<i>Low</i>	<i>U.S.</i>
Percent of...						
C1. Eligible families utilizing state and/or federal EITC	--	--	--	--	--	--
C2. Eligible workers without private health insurance utilizing state Medicaid	--	76	--	--	--	--
C3. Small business using state health care assistance	--	--	--	--	--	--
C4. Those eligible for child care assistance on waiting list	0	0 (Michigan has no waiting list)	--	--	--	--
C5. Unemployed receiving benefits that exceed poverty	--	--	--	--	--	--

-- Data not available

# Appendix C

## Indicator Definitions and Sources

This appendix provides documentation for indicators in this report. The first section identifies the sources for the indicator data. The second defines key terms used in the indicator definitions. Section three contains definitions for all the indicators and a source reference.

### Data Sources

#### *Census Sources*

Many of the status indicators, including all of the indicators in Chapter 1 and most of the status indicators (A sections) in the other chapters, are derived from the American Community Survey (ACS) and the Current Population Survey (CPS). The Population Reference Bureau used those sources to calculate indicator values in for this report.

The ACS provides a detailed socioeconomic and demographic profile of the U.S. population. It is replacing the “long form” of the Decennial Census. The advantage of the ACS is annual data collection, compared to collection once every ten years through the Decennial Census. For the years 2000-2003, the ACS form is being used nationwide in a Census Supplementary Survey with an annual sample of 700,000 households. The Supplementary Surveys are intended to demonstrate the operational feasibility of collecting “long form” information in a separate process from the Decennial Census.

The CPS is a monthly survey of about 50,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics. The Basic Monthly Survey collects data on employment, unemployment, earnings, hours of work, and other indicators. Supplemental questions to

produce estimates on a variety of topics including school enrollment, income, previous work experience, health, employee benefits, and work schedules are often added to the regular CPS questionnaire. This report uses three components of the CPS: the Basic Monthly Survey; the Annual Demographic Survey, which goes into some detail regarding income and work experience; and the Contingent Work Supplement, which is done every two years and asks questions regarding the temporary or permanent nature of employment.

#### *Published Studies*

For a number of indicators, data were obtained from studies published by national organizations that collect state level data related to specific policy areas.

#### *Federal and State Agencies*

Data for other indicators came from federal agency reports, official state publications and/or from conversations with state officials at relevant agencies.

#### *Indicator Terms*

**Family** – Primary married-couple or single parent family with at least one child under age 18;

**Working family** – A working family is defined as a primary married couple or single parent family where all family members age 15 and over have a combined work effort of 39 or more weeks in the last 12 months or all

family members age 15 and over have a combined work effort of 26 or more weeks in the last 12 months and one currently unemployed parent looked for work in the previous 4 weeks. This definition is consistent with the federal government practice of defining family income as based on all family members age 15 and over;

**Family in poverty** – A family with an income below the threshold for poverty as defined by the U.S. Census Bureau;

**Minority** – A person who does classify himself or herself as white, non-Hispanic;

**Labor force** – Persons with a job or without a job and actively seeking one;

**Marginally attached to the labor market** – Persons who are not in the labor force, have looked for work in the past 12 months, want a job, and are available for work;

**Employed part-time for economic reasons** – Persons currently working part-time and would prefer, but cannot find, a full-time job;

**Low-wage** – A wage below the full-time, full-year wage required to keep a family of four

out of poverty. In 2000, a family of four required \$17,603 to stay out of poverty (at least \$8.47/hr. on a full-time, full-year basis); in 2001, \$18,104 was required (at least \$8.71/hr.). For the Percent of Workers in Low Wage Jobs measure, the national low wage figure is adjusted by the state's cost of living index, as published in Annual Federal Budget and the States by the Taubman Center for State and Local Government, Kennedy School of Government, Harvard University;

**Workers in contingent jobs** – Workers with jobs of limited duration or otherwise not considered to be permanent. Such jobs include temporary work provided by the employer or arranged through a temporary staffing agency; independent contracting; a job with an employee leasing firm; on-call work; and day labor;

**Civilian noninstitutional population** – Persons 16 years of age and older who are not inmates of institutions (for example, penal and mental facilities and homes for the aged) and who are not on active duty in the Armed Forces.

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## Chapter 1. Working Families in Economic Distress

1. **Percent of Families Below 100 Percent of Poverty Engaged in Work** – The extent to which families in poverty have members who work, as defined above.  
*Data source: Census 2000 Supplementary Survey.*
2. **Percent of Working Families That Are Below 100 Percent Poverty** – The extent to which working families' income is below the poverty threshold.  
*Data source: Census 2000 Supplementary Survey.*
3. **Percent of Working Families With at Least One Minority Parent That Are Below 100 Percent of Poverty** – The extent to which families with at least one minority working

parent are in poverty. A minority parent is defined as a parent who does not classify himself or herself as white, non-Hispanic.  
*Data source: Census 2000 Supplementary Survey.*

4. **Percent of Working Families With Income Less Than 200 Percent of Poverty** – The extent to which working families have annual income less than double the poverty level. Double the poverty threshold is used as a proxy for economic “self-sufficiency” or “family living standard”, the income a family requires to take care of basic needs, including housing, food, clothing, health care, transportation, and child care.  
*Data source: Census 2000 Supplementary Survey.*

5. ***Percent of Working Families Below 100 Percent of Poverty Spending Over one-third of Income on Housing*** – The extent to which working poor families spend over a third of their income for shelter.  
*Data source: Census 2000 Supplementary Survey.*
6. ***Percent of Working Families Below 100 Percent of Poverty With at Least One Parent Without HS Degree or GED*** – The extent to which working poor families have at least one parent without a high school degree or equivalent.  
*Data source: Census 2000 Supplementary Survey.*
7. ***Percent of Working Families Below 100 Percent of Poverty With at Least One Parent With Some Post-Secondary Education*** – The extent to which working poor families have at least one parent with some post-secondary education.  
*Data source: Census 2000 Supplementary Survey.*
8. ***Ratio of Total Family Income Received by the Top Quintile of Working Families to the Total Family Income Received by the Bottom Quintile of Working Families*** – The relative size of the gap between the incomes of the one-fifth of families that are the highest income generators and the one-fifth of families that are the lowest.  
*Data source: Census 2000 Supplementary Survey.*
9. ***Ratio of Total Family Income Received by the Middle Quintile of Working Families to the Total Family Income Received by the Bottom Quintile of Working Families*** – The relative size of the gap between the incomes of the one-fifth of families that represent the middle quintile of income generators and the one-fifth of families that are the lowest.  
*Data source: Census 2000 Supplementary Survey.*
10. ***Percent of Working Families Below 100 Percent of Poverty With at Least One Parent Who is Self-Employed*** – The percent of working poor families with at least one parent who is self-employed (unincorporated) compared to percent of working families that are not poor and with at least one parent who is self-employed (unincorporated). The indicator shows the relative difference between working poor families and other working families with regard to the role of self-employment as a means for generating income.  
*Data source: Census 2000 Supplementary Survey.*
11. ***Percent of Working Families Below 100 Percent of Poverty With at Least One Parent Between the Ages 25-54 Years Old*** – The proportion of working poor families that have an adult in the age range of 25-54 years old, the traditional age range for work.  
*Data source: Census 2000 Supplementary Survey.*
12. ***Percent of Working Families Below 100 Percent of Poverty With at Least One Parent Without Health Insurance*** – The extent to which at least one parent in working poor families does not have health insurance, whether provided through an employer or the government. If one spouse has health insurance and reported having group insurance, the spouse is automatically considered to have health insurance.  
**Note:** Due to the small size of the CPS sample, the confidence interval for this measure is quite large (22 percentage points or more) in every state. (The confidence interval is the range within which the true measure lies, with 95% certainty.) (As a consequence, the decision was made not to rank the states. The estimates provided are the mid points of the confidence intervals. For point of reference, for the U.S. as a whole, 47% of working poor families have at least one parent without health insurance. The confidence interval is 43% to 51%.) Indicator value is a three year average.  
*Data source: Annual Demographic Survey of the CPS.*

## Chapter 2. Education and Skills Training

### A. Education and Skills Status of Adults Within Michigan

A1.

**Percent of Adults 18-64 Without a High School Diploma/GED** – The extent to which residents between the ages of 18 and 64 years old do not have a high school degree or GED.

*Data source: Census 2000 Supplementary Survey.*

A2.

**Percent of Adults 18-64 With Only High School Diploma/GED** – The extent to which residents between the ages of 18 and 64 years old have only a high school degree or GED.

*Data source: Census 2000 Supplementary Survey.*

A3.

**Percent of Adults 16 and Older at Literacy Levels 1 and 2** – The extent to which adults 16 and older have poor literacy skills, defined as Literacy Level 2 or below in the National Adult Literacy Survey (NALS).

**Note:** See <http://www.nifl.gov/readers/reder.htm>. A National Assessment of Adult Literacy (NAAS) will be carried out in 2002; if new state level estimates are developed, they would not be available until 2004.

*Data source: National Institute for Literacy estimates based on data from the 1992 NALS and the 1990 Decennial Census.*

A4.

**Percent of Adults 25-54 Without High School Diploma/GED** – The extent to which residents between the ages of 25 and 54 years old do not have a high school degree or GED.

*Data source: Census 2000 Supplementary Survey.*

A5.

**Percent of Adults 25-54 With Only High School Diploma/GED** – The extent to which residents between the ages of 25 and 54 years old have only a high school degree or GED.

*Data source: Census 2000 Supplementary Survey.*

A6.

**Percent of Adults 25-54 With Some Post-Secondary Education, No Degree** – The extent to which residents between the ages of 25 and 54 years old have some post-secondary education, but no degree.

*Data source: Census 2000 Supplementary Survey.*

A7.

**Percent of Adults 25-54 With an Associate Degree or Higher** – The extent to which residents between the ages of 25 and 54 years old have an associate degree or higher degree such as a bachelor, master or doctoral degree.

*Data source: Census 2000 Supplementary Survey.*

A8.

**Percent of Young Adults 18-24 Enrolled in Post-Secondary Institutions** – The extent to which residents between the ages of 18 and 24 years old are enrolled in college.

*Data source: Census 2000 Supplementary Survey.*

A9.

**Percent of Adults 25-54 Enrolled in Post-Secondary Institutions** – The extent to which residents between the ages of 25 and 54 years old are enrolled in college.

*Data source: Census 2000 Supplementary Survey.*

A10.

**Percent of Students Enrolled in Community Colleges Requiring Remediation** – The extent to which community college entrants do not have sufficient basic skills to effectively undertake college level work.

**Note:** Data in this publication does not cover all states. *Data source: State Policies on Community College Remedial Education: Findings From a National Survey, Education Commission of the States, Community College Policy Center, September 2002, p. 7.*

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## **B. State Policies That Support Career Skills Development for Low-Income Adults:**

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### **B1. POLICIES FOR POST-SECONDARY EDUCATION**

B1-1.

***State Need-Based Financial Aid Equal to 100 Percent of Pell Grant Resources*** – Whether a state provides its own resources to support low-income individuals participating in post-secondary programs at a level commensurate with federal Pell grant aid received by low-income families in the state.

*Data source: Losing Ground: A National Status Report on the Affordability of American Higher Education, National Center for Public Policy and Higher Education, 2002.*

B1-2.

***Community College Tuition Expenses Are Less Than 25 Percent of Average Family Income*** – The extent to which the tuition expenses for attending community college minus financial aid exceeds more the 25 percent of the median family income in the state.

*Data source: Measuring Up 2002: The State-by-State Report Card for Higher Education, National Center for Public Policy and Higher Education, 2002.*

B1-3.

***State Funding Available to Students for Post-Secondary Short-Term, Non-Degree Career Classes*** – Whether a state has taken steps to provide funding for adults seeking short-term career training in non-degree classes for which traditional scholarship and support dollars (e.g., Pell grants) are not generally applicable.

*Data source: Held Back: How Student Aid Programs Fail Working Adults, FutureWorks, 2002, pg. 53. See: <http://www.thefwcompany.com/projects/post-secondary.htm>*

B1-4.

***State Full-Time Equivalent Resources Provided to Community Colleges to Support Non-Credit Career Classes*** – Whether community colleges receive state funding for students taking non-credit career classes, which means that financial support for the classes is based on full-time

equivalent students and not solely dependent on tuition, fees or other outside resources.

*Data source: State Funding for Community Colleges: A 50-State Survey, Education Commission of the States, Community College Policy Center, 2000, Table 18 (based on a July 2000 survey).*

B1-5.

***State Able to Monitor and Assess Progress/Completion of Community College Remediation Students*** – Whether state community colleges or systems track the progress of students who take remedial or developmental education classes.

*Data source: State Policies on Community College Remedial Education: Findings From a National Survey, Education Commission of the States, Community College Policy Center, September 2002.*

B1-6.

***Community Colleges Receive State Incentives for Positive Performance in Remedial Education*** – Whether states encourage colleges to improve the performance of their remedial or developmental education efforts by offering financial incentives.

*Data source: State Policies on Community College Remedial Education: Findings From a National Survey, Education Commission of the States, Community College Policy Center, September 2002.*

B1-7.

***State Allocates Fifty Percent or More of Federal Career/Technical Resources to Post-Secondary Education*** – The choice a state makes in allocating its federal career/technical program resources (i.e., Carl D. Perkins Vocational and Technical Education Act) between secondary and post-secondary education.

*Data source: U.S. Department of Education, Office of Vocational and Adult Education. Data for fiscal year 2002.*

B1-8.

***Local Post-Secondary Career/Technical Program Applications Reviewed by Local Workforce Board Prior to Submission to State***

– Whether a state has required that all local applications to the state for career/technical resources first be reviewed and approved by the appropriate workforce development organization or board in the area.

Data source: *Conversation with a Michigan Works! Agencies official.*

B1-9.

**State Measures Career/Technical Program Performance by Placement in High-Wage Jobs**

– Whether states assess the performance of community colleges relative to their ability to place students in high-wage jobs.

Data source: Limited information was obtained from State Funding for Community Colleges: A 50-State Survey, Education Commission of the States, Community College Policy Center, 2000, Table 24 (based on a July 2000 survey).

B1-10.

**State Measures Career/Technical Program Performance by Placement of Low-Income Students**

– Whether states assess the performance of community colleges relative to their ability to place low-income students and graduates in high-wage jobs.

Data source: Limited information on this indicator was obtained from State Funding for Community Colleges: A 50-State Survey, Education Commission of the States, Community College Policy Center, 2000, Table 24 (based on a July 2000 survey).

B1-11.

**State Measures Career/Technical Program Performance by Completion of Low-Income Students**

– Whether states assess the performance of community colleges based on the percentage of low-income students that successfully complete a program of study.

Data source: Limited information on this indicator was obtained from State Funding for Community Colleges: A 50-State Survey, Education Commission of the States, Community College Policy Center, 2000, Table 24 (based on a July 2000 survey).

**B2. WORKFORCE AND ADULT EDUCATION POLICIES**

**WIA:**

B2-1.

**State Mandates Federal and State Programs, Beyond Those Required by WIA, to Be Formal Partners in One Stop System**

– Whether states

have integrated key elements of their workforce development system in an effort to optimize resources and improve the delivery of services. At a minimum, formal partners should include the TANF, Food Stamp Employment and Training program, and the Carl D. Perkins post-secondary program.

Data source: Workforce Investment Act Implementation (9/01) - Matrix, National Governors' Association (NGA), September 2001. See: [http://www.nga.org/center/divisions1,1188,C\\_ISSUE\\_BRIEF%5ED\\_3748,00.html](http://www.nga.org/center/divisions1,1188,C_ISSUE_BRIEF%5ED_3748,00.html).

B2-2.

**State Uses Alternative Funding Formula to Allocate Funds to Local Areas with Excess Poverty**

– Whether a state utilizes the provision in the WIA legislation that allows for 30 percent of the WIA funds that go to local areas for adult and youth services to be distributed through an alternate funding formula that recognizes the additional need of areas with excess poverty.

Data source: Workforce Investment Act Implementation (9/01) - Matrix, National Governors' Association (NGA), September 2001. See: [http://www.nga.org/center/divisions1,1188,C\\_ISSUE\\_BRIEF%5ED\\_3748,00.html](http://www.nga.org/center/divisions1,1188,C_ISSUE_BRIEF%5ED_3748,00.html).

B2-3.

**Over Fifty Percent of WIA Funds Dedicated to Training**

– Whether states require local areas to spend at least 50 percent of their adult WIA funds to support training activities.

Data source: Strategic Five-Year State Workforce Investment Plan For Title I of the Workforce Investment Act of 1998 And The Wagner-Peyser Act, State of Michigan, for the period of July 1, 2000-June 30, 2005.

B2-4.

**State Has Policy for Determining When Local WIA Training Funds Are Limited and Requires Local WIBs to Establish Training Priorities**

– Whether a state sets uniform policy for determining when local WIB adult employment and training funds are limited, and requires local WIBs to establish policies that set priorities for allocating intensive and training services for populations most in need of services.

Data source: Strategic Five-Year State Workforce Investment Plan For Title I of the Workforce Investment Act of 1998 And The Wagner-Peyser Act,

*State of Michigan, for the period of July 1, 2000-June 30, 2005 and Workforce Investment Act Implementation (9/01) - Matrix, National Governors' Association (NGA), September 2001. See: [http://www.nga.org/center/divisions/1,1188,C\\_ISSUE\\_BRIEF%5ED\\_3748,00.html](http://www.nga.org/center/divisions/1,1188,C_ISSUE_BRIEF%5ED_3748,00.html).*

B2-5.

***State Established Training Provider Eligibility/Performance Criteria Beyond WIA Requirements and Include Performance Data in Consumer Reports***

– Whether a state provides consumers with extensive data and information on training outcomes to better facilitate their choice of a training provider.

*Data source: Conversation with Michigan Works! Agency official.*

B2-6.

***State Requires Local WIBs to do Basic Skills Assessment for All Without High School Degree or GED and Referral to Adult Education***

– The level of cooperation between the state WIA/One Stop system and the state's adult education program, with a particular focus on the extent to which the WIA/One Stop system is trying to serve individuals with low basic literacy skills.

*Data source: Conversation with Michigan Works! Agency official.*

B2-7.

***State Requires Local WIBs Provide Funds for Supportive Services***

– Whether a state has used its authority to mandate local WIBs provide monies to participants for supportive services such as childcare and transportation when they are necessary for participants to complete intensive or training services.

*Data source: Conversation with a Michigan Works! Agency official.*

**TANF:**

B2-8.

***Post-Secondary Education/Training Alone Satisfies TANF Work Requirement***

– Whether a state allows TANF recipients to engage exclusively in education or training prior to placement into employment.

*Data source: [Forty States Likely to Cut Access to Post-secondary Training and Education Under House Welfare Bill](#), Center for Law and Social Policy, 2002. See: [http://www.clasp.org/Pubs/DMS/Documents/1024591231.74/Postsec\\_table\\_I\\_061902.pdf](http://www.clasp.org/Pubs/DMS/Documents/1024591231.74/Postsec_table_I_061902.pdf)*

B2-9.

***Post-Secondary Education/Training Alone Satisfies TANF Work Requirement for more than 12 Months*** – Whether a state allows TANF recipients to engage exclusively in education or training prior to placement into employment for longer than the federal threshold of 12 months.

*Data source: [Forty States Likely to Cut Access to Postsecondary Training and Education Under House Welfare Bill](#), Center for Law and Social Policy, 2002. See: [http://www.clasp.org/Pubs/DMS/Documents/1024591231.74/Postsec\\_table\\_I\\_061902.pdf](http://www.clasp.org/Pubs/DMS/Documents/1024591231.74/Postsec_table_I_061902.pdf)*

B2-10.

***TANF Time Clock Stopped When Engaged in Post-secondary Education and Training***

– Whether a state precludes time spent in education and training from counting against a TANF recipients' maximum benefit award period.

*Data source: Information on this measure is available from the Center of Law and Social Policy's State Policy Documentation Project. See: <http://www.spdp.org/tanf/timelimits/TLexempt2.PDF>.*

B2-11.

***TANF/MOE Funds Used for Education/Training for Working Poor Not Receiving Cash Assistance***

– Whether states are using their TANF surplus or state TANF match funds to provide education and training to the working poor in an effort to prevent their need for cash assistance in the future.

*Data source: Conversation with a Michigan Family Independence Agency official and with a Michigan Works! Agency official.*

B2-12.

***State Provided Match for TANF IDA/ILA Training Accounts***

– Whether states are providing financial resources to TANF participants to match their savings invested in individual development or learning accounts.

*Data source: Conversation with a Michigan Family Independence Agency.*

## ADULT EDUCATION AND LITERACY:

B2-13.

***State Resources Allocated for Adult Education and Literacy Places the State in the Top One-Third of States Nationally*** – The level of state funding allocated for adult education and literacy as measured by state funds reported to the U.S. Department of Education divided by the number of adults in the state without a high school or general equivalency degree.

*Data source: Analysis of U.S. Department of Education state level data and Census data on the number of adults over age 18 without a high school diploma or GED by Brandon Roberts + Associates.*

B2-14.

***State Provides Own Dedicated Resources for Workplace Literacy*** – Whether state resources other than those received from the federal government are available to support adult education and literacy efforts targeted to employees at a workplace. Such resources can include grant funds or tax incentives/credits.

*Data source: Conversation with Michigan Works! Agency official.*

B2-15.

***State Mandates Adult Education for Prison Inmates with Deficient Basic Skills*** – Whether a state requires that state prison inmates who are deficient in basic skills (and perhaps without a high school degree or GED) should receive adult educational services while incarcerated.

*Data source: Education web page, Michigan Department of Corrections website. See: [http://www.michigan.gov/corrections/0,1607,7-119-9741\\_9747---,00.html](http://www.michigan.gov/corrections/0,1607,7-119-9741_9747---,00.html).*

B2-16.

***States Offer Certified Occupational Skills Training for Prison Inmates*** – Whether a state has instituted vocational or occupation skills training program for state prison inmates that awards educational credits that can be applied to post-secondary certificates and degrees.

*Data source: Education web page, Michigan Department of Corrections website. See: [http://www.michigan.gov/corrections/0,1607,7-119-9741\\_9747---,00.html](http://www.michigan.gov/corrections/0,1607,7-119-9741_9747---,00.html); and conversation with inmate education advocate.*

## C. Performance of State Education and Training Efforts

### C1. POST-SECONDARY PERFORMANCE

C1-1.

***Percent of High School Freshman Enrolling in College Four Year Later*** – The percentage of high school freshman who four years later enter into a degree granting institution in any state.

*Data source: [Measuring Up 2002: The State-by-State Report Card for Higher Education](#), National Center for Public Policy and Higher Education, 2002.*

C1-2.

***Percent of First year Community College Students Returning Second Year*** – The percentage of first year community college students who persist in their education by returning for the second year.

*Data source: [Measuring Up 2002: The State-by-State Report Card for Higher Education](#), National Center for Public Policy and Higher Education, 2002.*

C1-3.

***Percent of Adults Enrolled Part-time in Post-Secondary Education*** – The number of working aged adults (25-49) enrolled at least part-time in some type of post-secondary education.

*Data source: [Measuring Up 2002: The State-by-State Report Card for Higher Education](#), National Center for Public Policy and Higher Education, 2002.*

C1-4.

***Percent of Community College Students Obtaining a Certificate/Degree or Transfer to a Four Year College*** – The percentage of community college students that persist in their studies to obtain a credential or gain access to a four year college within four years of entering community college.

*Data source: Not available.*

C1-5.

***Percent of Community College Students Obtaining High-Wage Jobs*** – The percentage of community college students who complete or leave school who gain employment in a job that pays wages and benefits that are considered

within the state as exceeding low-wage employment.

*Data source: Not available.*

C1-6.

**Percent of Community College Students in Remediation/Developmental Education Moving Ahead** – The number of students initially enrolled in developmental or remedial education that obtain a one year certificate or associates degree in four years or transfer to a four year college.

*Data source: Not available.*

C1-7.

**Ratio of Career Certificates to Associates Degrees Awarded in Community Colleges** – The extent to which state community colleges are producing graduates in occupationally specific training (certificates) versus general education and liberal arts (associate degrees).

*Data source: National Profile of Community Colleges: Trends and Statistics. American Association of Community Colleges, Washington, DC, 2000, Table 3.5. Data are for 1996-97.*

C1-8.

**Percent of Perkins Post-Secondary Students Attaining a Credential** – The extent to which participants in Perkins funded vocational programs complete their programs through the achievement of a degree or certified credentials. All states are required to report on this measure to the U.S. Department of Education.

*Data source: State of Michigan Carl D. Perkins Consolidated Annual Report, Program Year 2000-2001, Michigan Department of Career Development.*

C1-9.

**Percent of Economically Disadvantaged Post-Secondary Perkins Students Achieving Placement as a Percent of All Perkins Post-Secondary Students Served** – The percent of economically disadvantaged Perkins post-secondary students who achieve placement relative to the total number of all Perkins students served through the post-secondary system.

*Data source: State of Michigan Carl D. Perkins Consolidated Annual Report, Program Year 2000-2001, Michigan Department of Career Development.*

C1-10.

**Percent of Perkins Post-Secondary Students Served as a Percent of Adults 18-64 Without Post-Secondary** – The number of post-secondary participants enrolled in Perkins supported vocational programs relative to the number of adults 18-64 who may need such training. At present, this indicator is not published.

*Data source: Computations by Brandon Roberts + Associates using enrollment data from State of Michigan Carl D. Perkins Consolidated Annual Report, Program Year 2000-2001, Michigan Department of Career Development, and data on number of working poor without post-secondary education computed from Census data by the Population Reference Bureau.*

C1-11.

**Percent of Placed Perkins Post-Secondary Students Earning Above Poverty** – The percentage of employed Perkins completers that earn above poverty one year after placement.

*Data source: Not available.*

C1-12.

**Percent of Placed Perkins Post-Secondary Students Earning Above 200 Percent of Poverty** – The percentage of employed Perkins completers that earn above 200 percent of poverty or an established economic self-sufficiency standard for the state one year after placement.

*Data source: Not available.*

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## **C2. WORKFORCE AND ADULT EDUCATION PROGRAM PERFORMANCE**

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**WIA:**

C2-1.

**Percent of WIA Exiters Receiving Training Services** – The number of adults who have received training services relative to all WIA participants that have completed or ended their WIA services.

*Data source: Michigan's Workforce Investment Act Annual Report, July 2000-June 2001, Michigan Department of Career Development.*

C2-2.

**Percent of WIA Dollars Spent on Adult Training** – The percentage of total WIA dollars received by a state that is used to support adult participants in skills training.

*Data source: Michigan's Workforce Investment Act Annual Report, July 2000-June 2001, Michigan Department of Career Development.*

C2-3.

**Percent of WIA Adults Receiving Training and Obtaining Employment and a Credential** – The percent of adults who engaged in training and then were employed in the first quarter after exit and received a training credential by the end of the third quarter after exit.

*Data source: Michigan's Workforce Investment Act Annual Report, July 2000-June 2001, Michigan Department of Career Development.*

C2-4.

**Percent of WIA Exiters Receiving Training as a Percent of Adults Without High School/GED** – The percent of adults engaged in WIA supported training relative to the number of working poor adults age 18-64 who may need such training due to the absence of a high school completion.

*Data source: Computed by Brandon Roberts + Associates using data from Michigan's Workforce Investment Act Annual Report, July 2000-June 2001, Michigan Department of Career Development, and number of working poor calculated from Census 2000 data by the Population Reference Bureau.*

C2-5.

**WIA Adult Employment Retention Rate** – The extent to which adult WIA participants who have entered work have retained employment six months after initial placement.

*Data source: Michigan's Workforce Investment Act Annual Report, July 2000-June 2001, Michigan Department of Career Development.*

C2-6.

**Percent of Employed WIA Adult Exiters Earning Above Poverty** – The percentage of employed adult WIA participants that earn above poverty one year after placement.

*Data source: Not available.*

C2-7.

**Percent of Employed WIA Adult Exiters Earning Above 200 Percent of Poverty** – The percentage of employed adult WIA participants that earn above 200% of poverty or an established economic self-sufficiency standard for the state one year after placement.

*Data source: Not available.*

**TANF:**

C2-8.

**Percent of TANF Participants Enrolled in Education/Training** – The extent to which TANF recipients are being placed in education and training activities.

*Data source: Temporary Assistance for Needy Families: Fourth Annual Report to Congress, U.S. Department of Health and Human Services, April 2002, Table 3:4.c. See: <http://www.acf.dhhs.gov/programs/opre/ar2001/chapter03.pdf>.*

C2-9.

**TANF Adult Employment Retention Rate** – The extent to which TANF recipients who have entered work have retained employment three (3) consecutive quarters after initial placement.

*Data source: High Performance Bonus, FY 2000 and FY 1999 State Performance Rates by Work Related Measures, Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, web site table. See: <http://www.acf.hhs.gov/programs/opre/tanfindex.htm>.*

C2-10.

**TANF Leavers Earning Above 100 Percent of Poverty** – The percentage of employed TANF recipients that earn above poverty one year after placement.

*Data source: Not available.*

C2-11.

**TANF Leavers Earning Above 200 Percent of Poverty** – The percentage of employed TANF recipients that earn above 200 percent of poverty or an established economic self-sufficiency standard for the state one year after placement.

*Data source: Not available.*

**ADULT BASIC EDUCATION AND LITERACY:**

C2-12.

**Percent of Adult Education Students Improving Beginning Literacy Skills** – The demonstrated improvement in literacy skills in reading, writing, numeracy, problem solving and speaking the English language. All states are required to report on this measure to the U.S. Department of Education.

*Data source: Michigan data reported to the U.S. Department of Education. See: Michigan Adult Education Reporting System (MAERS), Department of Career Development, National Reporting System Tables, [http://www.michigan.gov/mdcd/0,1607,7-122-1680\\_2798\\_2804---,00.html](http://www.michigan.gov/mdcd/0,1607,7-122-1680_2798_2804---,00.html). Data for program year 2000-2001..*

C2-13.

**Percent of Adults Without a High School Diploma or GED Enrolled in Adult Education** – The number of adults engaged in Adult Basic Education programs relative to the number of adults who may need such training due to the absence of a high school completion.

*Data source: Computed by Brandon Roberts + Associates using 2000-2001 data from the Michigan Adult Education Reporting System (MAERS), Adult Education, Michigan Department of Career Development, National Reporting System Tables, [http://www.michigan.gov/mdcd/0,1607,7-122-1680\\_2798\\_2804---,00.html](http://www.michigan.gov/mdcd/0,1607,7-122-1680_2798_2804---,00.html). Data for program year 2000-2001, and data on adults without a high school diploma or GED from the 2000 Census.*

C2-14.

**Percent of Adult Education Students Advancing to Additional Education or Training** – The extent to which participants in adult education successfully move forward to obtain additional education and training that may be necessary to succeed in the labor market.

*Data source: Computed by Brandon Roberts + Associates from Michigan data reported to the U.S. Department of Education. See: Michigan Adult Education Reporting System (MAERS), Department of Career Development, National Reporting System Tables, [http://www.michigan.gov/mdcd/0,1607,7-122-1680\\_2798\\_2804---,00.html](http://www.michigan.gov/mdcd/0,1607,7-122-1680_2798_2804---,00.html). Data for program year 2000-2001.*

C2-15.

**Percent of Participants Gaining Employment and Earning Above Poverty** – The percentage of employed adult basic skills graduates that earn above poverty one year after placement.

*Data source: Not available.*

C2-16.

**Percent of Participants Gaining Employment and Earning Above 200 Percent of Poverty** – The percentage of employed adult basic skills graduates that earn above 200 percent of poverty or an established economic self-sufficiency standard for the state one year after placement.

*Data source: Not available.*

C2-17.

**Percent Eligible Prison Inmates Receiving Adult Education** – The percentage of eligible inmates receiving adult education.

*Data source: Not available.*

## Chapter 3. Employment Opportunity

### A. Economic Conditions in Michigan

A1.

**Labor Force Participation Rate** – Percent of civilian noninstitutional population in the labor force.

*Data source: Geographic Profile of Employment and Unemployment, 2000, Bureau of Labor Statistics. See: <http://www.bls.gov/opub/gp/pdf/gp00full.pdf>.*

A1-1. **Labor Force Participation Rate for Women** – Percent of civilian noninstitutional female population in the labor force.

*Data source: Geographic Profile of Employment and Unemployment, 2000, Bureau of Labor Statistics. See: <http://www.bls.gov/opub/gp/pdf/gp00full.pdf>.*

A1-2. **Labor Force Participation Rate for Men** – Percent of civilian noninstitutional male population in the labor force.

*Data source: Geographic Profile of Employment and Unemployment, 2000, Bureau of Labor Statistics. See: <http://www.bls.gov/opub/gp/pdf/gp00full.pdf>.*

A1-3. **Labor Force Participation Rate for Non-Whites** – Percent of civilian noninstitutional minority population in the labor force.

*Data source: Geographic Profile of Employment and Unemployment, 2000, Bureau of Labor Statistics. See: <http://www.bls.gov/opub/gp/pdf/gp00full.pdf>.*

A2.

**Percent of People 18-64 Not Fully Employed** – Persons age 18 to 64 who are either (1) unemployed, (2) marginally attached to the labor market, or (3) employed part-time for economic reasons, as a percent of all persons age 18 to 64 who are in the labor force or who are marginally attached to the labor market.

*Data source: Basic Monthly Survey of the CPS.*

A2-1. **Percent of People 18-64 Who Are Unemployed** – Persons age 18 to 64 who do not have a job and are actively seeking one as a percent of all persons age 18 to 64 who are either in the labor force or who are marginally attached to the labor market.

**Note:** this is not the standard definition of unemployment rate, as the denominator includes workers marginally attached to the labor market.

*Data source: Basic Monthly Survey of the CPS.*

A2-2. **Percent of People 18-64 Who Are Marginally Attached to the Labor Market** – Persons age 18 to 64 who are marginally attached to the labor market as a percent of all persons age 18 to 64 who are either in the labor force or who are marginally attached to the labor market.

*Data source: Basic Monthly Survey of the CPS.*

A2-3. **Percent of People 18-64 Employed Part-Time Due to Economic Reasons** – Persons age 18 to 64 who are working part-time for economic reasons as a percent of all persons age 18 to 64 who are either in the labor force or who are marginally attached to the labor market.

*Data source: Basic Monthly Survey of the CPS.*

A3.

**Percent of Unemployed Workers Out of Work for More Than 26 Weeks** – The proportion of the unemployed whose duration of unemployment is greater than 26 weeks.

*Data source: Geographic Profile of Employment and Unemployment, 2000, Bureau of Labor Statistics. See: <http://www.bls.gov/opub/gp/pdf/gp00full.pdf>.*

A4.

**Percent of Workers 18 and Over Who Hold More Than One Job** – Percentage of all workers over 18 who hold more than one job.

*Data source: Basic Monthly Survey of the CPS.*

A5.

**Percent of Jobs In Occupations That Pay Below the Poverty Level** – The extent to which wage and salary jobs are in “low wage” occupations. (For 2000, a low wage occupation is one that paid less than \$17,603 annually, equivalent to less than \$8.47/hr. on a full-time, full-year basis. See definition of low wage.)

*Data source: Calculated by Brandon Roberts + Associates using data from the Occupational Employment Statistics (OES) program, Bureau of Labor Statistics. The OES produces employment and median wage estimates for over 700 occupations from annual surveys of approximately 400,000 establishments. See: <http://www.bls.gov/oes/home.htm>.*

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## B. State Policies Influencing Employment Availability

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B1.

**State Customized and Incumbent Worker Training Includes Target to Serve Entry-Level and Low-Income Workers** – Whether state programs to assist business to train new or exiting workers includes provisions to direct such assistance to entry-level or low-income workers in order to upgrade their skills and wages.

*Data source: Conversations with officials at the Michigan Economic Development Corporation.*

B2.

**State Tax Credits Available for Training Entry-Level and Low-Income Workers** – Whether a state provides targeted tax credits to businesses that direct upgrade training and education to entry-level or low-wage workers.

*Data source: Conversations with officials at the Michigan Economic Development Corporation.*

B3.

**State Primary Business Assistance Programs Include Job Creation Goals With Wage Standards and Targets for Serving Entry-Level and Low-Income Workers** – Whether a state’s primary business assistance programs (i.e., for infrastructure, equipment, expansion, technology, trade, training, etc.) require wage

standards for all created jobs and have specific targets for directing a portion of such jobs to new workers and workers currently in low-wage jobs. For 2001, a low-wage job is one with hourly pay less than or equal to \$8.41, adjusted for the state’s relative cost of living.

*Data source: Program descriptions published on the Michigan Economic Development Corporation (MEDC) web site and conversations with MEDC staff.*

B4.

**State Primary Business Assistance Programs for Distressed Areas Include Job Creation Goals with Wage Standards and Targets for Serving Entry-Level and Low-Income Workers** – Whether a state’s primary business assistance programs targeted to distressed areas (i.e., for infrastructure, equipment, expansion, technology, trade, training, etc.) require wage standards for all created jobs and have specific targets for directing a portion of such jobs to entry-level and low-wage workers. The wage standard is defined in the prior indicator.

*Data source: Program descriptions published on the Michigan Economic Development Corporation (MEDC) web site and conversations with MEDC staff.*

B5.

**State Has a Formal Business Retention Program** – Whether a state has business assistance programs focused on averting a loss of jobs in existing firms.

*Data source: Program descriptions published on the Michigan Economic Development Corporation (MEDC) web site and conversations with MEDC staff.*

B6.

**State Supports Sectoral Development Initiatives** – Whether state resources are made available to support sectoral development projects that are directed at improving the quality of existing low-wage jobs or improving the access of low-wage workers to higher wage jobs.

*Data source: Program descriptions published on the Michigan Economic Development Corporation (MEDC) web site and conversations with MEDC staff.*

B7. **State Public Works Projects Utilize Targeted Hiring Agreements** – Whether a state has taken any effort to link the expenditure of funds on public works projects (e.g, transportation, government buildings, tax-payer financed facilities, etc.) to requirements that call for targeted individuals to receive hiring preferences during construction or operation of the facility.

*Data source: Conversations with state officials in the Michigan Department of Management and Budget and the Michigan Department of Transportation.*

B8. **State Funds Used to Support Subsidized Transitional Employment Programs** – Whether a state provides resources for transitional jobs programs that offer subsidized and supported work to hard-to-employ, low-income individuals who need assistance in moving into the formal labor market.

*Data source: Conversations with Michigan Works! Agency officials.*

B9. **State Employment Service and One Stops Systems Fully Integrated** – This indicators addresses the extent to which a state has developed a One Stop program that brings key employment assistance resources together into a fully integrated system that has a common set of facilities and management as well as shared staff responsibilities.

*Data source: Strategic Five-Year State Workforce Investment Plan For Title I of the Workforce Investment Act of 1998 And The Wagner-Peyser Act, State of Michigan, for the period of July 1, 2000-June 30, 2005.*

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## C. Performance of State Employment Efforts

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C1. **Percent of Low-Income Workers Benefiting From State Business Assistance Efforts** – This indicator compares the number of low-income workers benefiting from state business assistance efforts to the overall number of low-

income workers in the state to reveal the extent to which such efforts address the possible need within the state.

*Data source: Not available.*

C2. **Percent of Benefiting Low-Income Workers Earning Above Poverty After Assistance** – This indicator examines whether low-income workers served by business assistance programs are helped to the extent that their earnings one year after assistance are above 200 percent of poverty.

*Data source: Not available.*

C3. **Percent of Businesses that Participate in State Business Assistance Efforts Targeting Low-Income Workers** – How many businesses relative to the total number of eligible businesses within the state use business assistance resources targeted to help low-income or entry-level workers.

*Data source: Not available.*

C4. **Percent of Low-Income Workers Employed by Companies Participating in State Business Assistance Efforts Targeting Low-Income Workers** – This indicator shows the percent of low-income workers in the state benefiting from state business assistance efforts that are designed to help low-income or entry-level workers.

*Data source: Not available.*

C5. **Percent of Unemployed Workers Receiving Intensive or Training Services From the One Stop Centers** – This indicator examines the extent to which unemployed workers are receiving One Stop services (i.e., intensive and training) that go beyond helping them look for another job.

*Data source: Not available.*

## Chapter 4. Conditions of Employment

### A. Conditions of Employment in Michigan

A1.

**Percent of Workers 18 and Over in Low-Wage Jobs** – The extent to which wage and salary workers earn low wages. (For 2001, a low wage is below \$8.71/hr., adjusted for the state cost of living index as published in Annual Federal Budget and the States by the Taubman Center for State and Local Government, Kennedy School of Government, Harvard University. This indicator is comparable to Indicator 5 in Chapter 3, Section A, except that this indicator includes cost of living adjustments and does not include self-employed workers.

*Data source: Basic Monthly Survey of the CPS.*

A2.

**Percent of Workers 18 and Over Who Hold Contingent Jobs** – The extent to which workers 18 and over hold contingent jobs.

*Data source: Contingent Worker Supplement of the CPS.*

A3.

**Percent of Workers Age 18-64 Without Health Insurance** – The extent to which workers 18 to 64 do not have health insurance, whether provided through an employer or the government. (It is assumed that workers over 64 are eligible for government-provided health insurance.)

*Data source: Annual Demographic Survey of the CPS*

A4.

**Percent of Workers 18 and Over Without Employer Provided Pensions** – The extent to which workers over 18 do not have an employer-provided pension.

*Data source: Annual Demographic Survey of the CPS.*

A5.

**Percent of Workers 18 and Over Not Covered by Workers Compensation Insurance** – The

extent to which workers are not covered by workers' compensation insurance.

*Data source: Computed by Brandon Roberts + Associates using data on workers compensation insurance coverage from Workers' Compensation: Benefits, Coverage, and Costs, 2000 New Estimates, National Academy of Social Insurance, see <http://www.nasi.org/> and data on all wage and salary workers from the U.S. Bureau of Economic Analysis web site, <http://www.bea.doc.gov/bea/regional/spi/>.*

A6.

**Percent of Unemployed Not Receiving Unemployment Insurance Benefits** – The extent to which unemployed workers do not receive unemployment insurance.

*Data source: Derived from data published by the Office of Workforce Security, Employment and Training Administration, U.S. Department of Labor for Quarter 2, 2002. See <http://workforcesecurity.doleta.gov/unemploy/content/data.asp>.*

### B. State Policies Influencing Conditions of Employment

#### INCOME:

B1.

**State Has Minimum Wage Law and the Defined Wage Exceeds Federal Level**–

Whether a state has enacted its own minimum wage law and the state wage standard exceeds the federal minimum wage.

*Data source: Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor. See: <http://www.dol.gov/esa/programs/whd/state/state.htm>.*

B2.

**State Established Living Wage Law** – Whether a state has approved any measure that provides minimum wage and benefit levels for state contractors and/or specific public employees. Information on this topic is not available at this time from a published source.

*Data source: Conversations with Michigan advocates for Living Wage laws.*

B3.

**State Enacted Earned Income Tax Credit** – Whether a state has enacted its own earned income tax credit for low- and moderate-income workers.

*Data source: Conversations with Michigan advocates for a state earned income tax credit.*

B4.

**State Tax Burden Under Ten Percent for Working Families Earning Poverty Threshold** – Whether the combined state and local tax burden (including sales, excise, property, and income taxes) on working poor families is less than 10 percent of income. The measure uses the average state and local total tax rate for families in the bottom quintile of earnings.

*Data source: Who Pays: A Distributional Analysis of the Tax Systems in All 50 States, 2nd edition, The Institute on Taxation and Economic Policy, January 2003. See <http://www.itepnet.org/whopays.htm>.*

B5.

**State Provides Wage Replacement for Parental Leave** – Whether a state allows working parents who meet income requirements to receive a wage replacement subsidy in lieu of child care assistance for caring for infants.

*Data source: National Partnership for Women and Families. See: <http://www.nationalpartnership.org/content.cfm?L1=202&DBT=Documents&NewsItemID=472>.*

## HEALTH CARE:

B6.

**State Provides Medicaid to Working Adults Earning Up to 200 Percent of Poverty** – Whether a state allows working adults eligibility to receive state financed health care for adults.

*Data source: Congress Has a \$28 Billion Opportunity to Expand Coverage For Low-Income Working Families With Children, Center on Budget and Policy Priorities, July 2001, Table 3. See: <http://www.cbpp.org/7?19?01health.htm>.*

B7.

**State Subsidy Available to Employers Who Provide Health Care for Workers** – Whether a state has provided resources to encourage small businesses to provide health insurance for employees.

*Data source: Sharon Silow-Carroll, Stephanie E. Anthony and Jack A. Meyer, State and Local Initiatives to Enhance Health Coverage for the Working Poor, Economic and Social Research Institute, November 2000, pg. 5. See: <http://www.cmwf.org/publist/publist2.asp?CategoryID=4>*

B8.

**State Sets Income Eligibility for Child Care for a Family of Three at 85 Percent of State Median Income** – Whether a state sets an income eligibility standard for child care that meets the maximum allowed by federal law; state may also exceed this standard when using its own funds.

*Data source: Michigan Family Independence Agency.*

B9.

**State Requires Child Care Co-Payment for Families Earning Less Than Poverty** – Whether a state requires a family of three with one child in care to make a co-payment toward the cost of child care when their earnings are less than the poverty threshold.

*Data source: Fragile Foundations: State Child Care Assistance Policies, Children's Defense Fund, 2002, pg. 85.*

B10.

**State Sets Maximum Child Care Reimbursement Rate at 75 Percent or Greater of Market Rate** – Whether a state sets a maximum reimbursement rate for child care assistance that is at least equal to or greater than 75 percent of the market rate for child care.

*Data source: Fragile Foundations: State Child Care Assistance Policies, Children's Defense Fund, 2002, pg. 95*

## UNEMPLOYMENT INSURANCE:

B11.

**State Eligibility Requirements for Unemployment Insurance Are Supportive of Low-Income Workers** – This indicator identifies whether or not a state's eligibility requirements for unemployment insurance allow low-income workers to participate. The three criteria are: alternate base period available to meet earnings requirements; eligibility of a half-time worker at minimum wage; and eligibility of laid-off workers seeking part-time work, with a previous part-time job, and meeting earnings requirements.

*Data source: Michigan League for Human Services Assessment of Michigan Unemployment Insurance Eligibility Rules and Failing the Unemployed: A State by State Examination of Unemployment Insurance Systems, a joint publication of the Economic Policy Institute, the Center on Budget and Policy Priorities, and the National Employment Law Project, March 2002. See <http://www.epinet.org/briefingpapers/bp122.html>.*

B12.

**State Protects Temporary Workers From Being Excluded From Unemployment Insurance Coverage** – Whether states have refused to adopt or repeal legislation that requires temporary workers to accept a new temp assignment or else be deemed ineligible for benefits because they are considered to have “voluntarily quit” their jobs.

*Data source: Temp Work and Unemployment Insurance—Helping Employees at Temporary Staffing and Employee Leasing Agencies, National Employment Law Project, August 2001. See: <http://www.nelp.org/pub63.pdf>.*

B13.

**State Unemployment Insurance Benefits Available to Workers Leaving Employment for Domestic Reasons** – Whether a state has laws that cover workers who leave employment as a result of domestic violence or because of other domestic reasons such as caring for a sick relative.

*Data source: Unemployment Insurance For Survivors of Domestic Violence: Expanding Unemployment Insurance for Women, Low-Wage & Part-Time Workers, National Employment Law*

*Project, May 2002. See: <http://www.nelp.org/pub135.pdf>.*

B14.

**Unemployment Insurance Maximum Benefits Exceed Poverty Level** – Whether a state provides unemployment insurance benefits that exceed the poverty level when the maximum weekly benefit amount is sufficient to prevent a one-parent, two-child family from living in poverty (\$274.40/week).

*Data source: Failing the Unemployed: A State by State Examination of Unemployment Insurance Systems, a joint publication of the Economic Policy Institute, the Center on Budget and Policy Priorities, and the National Employment Law Project, March 2002, Table 4. See <http://www.epinet.org/briefingpapers/bp122.html>.*

B15.

**State Provides Temporary Disability Insurance** – Whether a state exercises its authority to use UI funds to support workers who have no earnings as a result of a non-work connected sickness or injury and do not meet the UI program's “able” to work requirement.

*Data source: Employment and Training Administration, U.S. Department of Labor. See: <http://ows.doleta.gov/unemploy/pdf/temporary.pdf>.*

## WORKERS' COMPENSATION:

B16.

**State Workers' Compensation Law Fulfills Recommendations of Report of the National Commission of State Workmen's Compensation Laws** – This indicator identifies whether or not a state has fulfilled the 19 essential recommendations of the National Commission on Workmen's Compensation Laws.

*Data source: U.S. Department of Labor. For recommendations, see [http://www.workerscompresources.com/National\\_Commission\\_Report/National\\_Commission/1-2002/Jan2002\\_nat\\_com.htm](http://www.workerscompresources.com/National_Commission_Report/National_Commission/1-2002/Jan2002_nat_com.htm).*

B17.

**Workers' Compensation Minimum Benefits Exceed 80 Percent of Minimum Wage Income** – Whether a state provides workers' compensation benefits that at least exceed 80

percent of the wages earned working full-time at federal minimum wage (\$165 weekly).

*Data source: Employment Standards Administrations, U.S. Department of Labor, See: <http://www.dol.gov/esa/regs/statutes/owcp/stwclaw/stwclaw.htm>.*

## WORK PROTECTIONS:

B18.

***State Has Broad Wage and Hour Law Coverage and Does Not Exempt Low-Wage Occupations*** – This indicator identifies whether a state has laws or regulations that broadens the wage and hour law coverage for all workers beyond the provisions of the federal law and does not provide exemptions for certain low-wage occupations.

*Data source: Michigan League for Human Services examination of Michigan's wage and hour regulations.*

B19.

***State Requires Greater Coverage for Family Medical Leave than Federal Law*** – Whether a state authorizes family medical leave for workers employed in business with less than 50 employees, which is the threshold established by the federal Family and Medical Leave Act.

*Data source: National Partnership for Women and Families. See: <http://www.nationalpartnership.org/content.cfm?LI=202&DBT=Documents&NewsItemID=259>.*

B20.

***State Has Laws and Regulations to Protect Employment Rights of Day Laborers*** – Whether a state has explicit laws that protect day laborers from employers who disregard state health and safety rules, charge excessive costs for meals, transportation and supplies, and ignore basic work protection laws.

*Data source: National Employment Law Project staff. See [www.nelp.org](http://www.nelp.org).*

B21.

***State Law Protects Ex-Offenders from Employment Discrimination*** – Whether a state has explicit laws that make it illegal for a private employer to discriminate against an ex-offender

unless the duties of the job is related to a person's conviction record.

*Data source: National Employment Law Project staff. See [www.nelp.org](http://www.nelp.org).*

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## C. Performance of State Efforts to Address Conditions of Employment

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C1.

***Percent of Eligible Families Utilizing State and/or Federal EITC*** – The percent of eligible families that filed for the Earned Income Tax Credit.

*Data source: Not available. (The U.S. Internal Revenue Service produces the number of filings per state annually, but does not calculate the number of families eligible for filing. To see the IRS data for state, go to: <http://www.irs.gov/taxstats/display/0,,i1%3D40%26genericId%3D16889,00.html>.)*

C2.

***Percent of Eligible Workers Without Private Health Insurance Utilizing State Medicaid*** – The percent of workers eligible for Medicaid who are not covered by other health insurance that have availed themselves of a state's Medicaid program.

*Data source: The Urban Institute, publication forthcoming.*

C3.

***Percent of Small Businesses Using State Health Care Assistance*** – The percent of small businesses (under 500 employees) that utilize state health care assistance, if such assistance is available.

*Data source: Not applicable.*

C4.

***Percent of Those Eligible for Child Care Assistance on Waiting List*** – How many families eligible for child care have yet to receive the assistance.

*Data source: Fragile Foundations: State Child Care Assistance Policies, Children's Defense Fund, 2002, pg. 64.*

C5.

***Percent of Unemployed Receiving Benefits That Exceed Poverty*** – The percent of those receiving unemployment insurance whose payments exceed the poverty level when the maximum weekly benefit amount is sufficient to prevent a one-parent, two-child family from living in poverty (\$274.40/week).

*Data source: Not available.*

# About the League

The Michigan League for Human Services is a statewide citizens organization dedicated to education, research and advocacy for the benefit of low income and other vulnerable citizens in the state of Michigan. The League is comprised of over 1,800 organizational and individual members and has served the human services community in Michigan since 1912. The League's mission is to ensure that the basic health and human service needs of the state's low-income and other vulnerable residents are met through an effective and efficient public and private delivery system.

The League offers Michigan's citizens an opportunity to be connected to the state's vital human services network and the chance to affect the outcome of public policy decisions that ultimately impact the lives of all of the residents of Michigan.

The work of the League is concentrated in three core areas: educating the public through information gathering and dissemination; advocacy for our constituents; and services to our members. The League also undertakes special projects to achieve specific goals and outcomes that are encompassed by one or more of the core areas. The League is supported through foundation grants, local United Ways, membership and contributions.

# Notes