



## **Michigan Community Action's Statement on Administration's Proposed Changes to the Official Poverty Measure**

**Media Contact:** Mike Shalley, Director of Member Services, 517.679.6403,  
mshalley@micommunityaction.org

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Michigan Community Action is deeply troubled by the Administration's proposal (Directive No. 14) to change the way the official poverty threshold is adjusted, potentially shifting to an inflation measure that would annually define fewer people as poor. Such a change would ensure more people will struggle over time to access programs and services needed to stabilize their families. While seeking comments on a range of inflation measures, the Administration's consideration of the Chained CPI (Consumer Price Index) to modify the poverty line each year is of significant concern.

Despite Michigan's economic recovery, thousands in our state are still living in poverty and even more, 1.8 million, are just one missed paycheck away from hardship. As the Asset Limited Income Constrained Employed (ALICE) Report for Michigan confirms, 43% of households struggle to afford necessities including housing, utilities, food, child care, technology/internet, health care and transportation. <https://www.uwmich.org/alice>

Whether our neighbors are experiencing a temporary set-back or have been priced out of affordable housing – too many do not achieve a modest quality of life. This proposal would, just by changing the measure of poverty, push families off life-saving programs and make it more difficult to qualify for help in hard times. While starting small, the disparity between today's poverty thresholds and those ten years from now under the Chained CPI is real and would lead to hundreds of thousands being ineligible for services in the not-so distant future.

"Michigan Community Action understands that the Official Poverty Measure is an artificially low threshold to begin with," states Kate Birnbryer White, executive director. "A family of four making \$26,000/year is not considered poor under the current definition. In Michigan, a family of four needs \$61,000 to cover their most basic needs. Our leaders should be seeking solutions to assist more families as they work toward economic security, not using shifts in inflationary definitions to redefine people out of poverty."

Working families, seniors, children, and those living with disabilities would be impacted by this proposed change. The Administration has put a request out for comment and Michigan Community Action will join many others in responding. Michigan Community Action would welcome a dialogue with the federal Office of Management and Budget on adjusting poverty thresholds so that we can move towards solutions that help families succeed. The Supplemental Poverty Measure is a start, but Chained CPI adjustments sends us in the wrong direction. For more information on how to comment on Directive No. 14 see <https://www.govinfo.gov/content/pkg/FR-2019-05-07/pdf/2019-09106.pdf>

*In Michigan there are 28 local Community Action Agencies (CAAs). CAAs connect individuals and families to approaches that help them succeed, promote community-wide solutions to seemingly stubborn challenges, and share expertise with national, state, and local leaders looking for evidence on what works to promote greater economic opportunity for children and families.*

*Community Action Agencies are locally run but receive a range of public and private resources for their work. This includes funding from the federal Community Services Block Grant (CSBG) which provides the Community Action Agency designation. For every \$1 of CSBG funds, the Network annually leverages \$7.70 from state, local, and private sources.*

*More information can be found at [www.micommunityaction.org](http://www.micommunityaction.org).*

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