

Michigan League for Public Policy

2019 BUDGET PRIORITIES

Increase School Clothing Allowance for Children in Deep Poverty

— LEAGUE RECOMMENDATION —

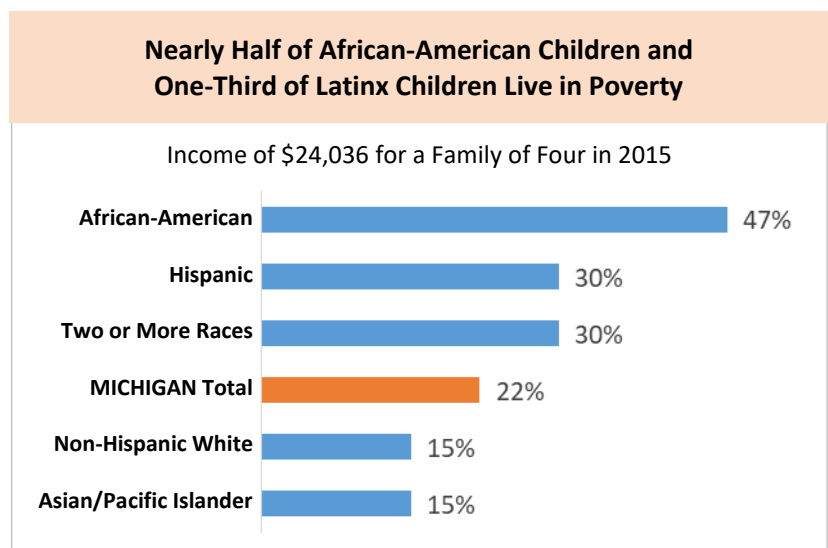
Increase the annual clothing allowance for children in families receiving income assistance through the Family Independence Program (FIP) to \$200, as recommended by the governor for the current budget year.

BACKGROUND: In 2017, Gov. Rick Snyder proposed expanding eligibility for the clothing allowance to all children in families receiving FIP and also recommended increasing the annual payment to \$200 per child. The Michigan Legislature approved only the eligibility expansion. For 2018, the governor again called for an increase in the payment from \$140 to \$200 per child at a cost of \$2.7 million in federal Temporary Assistance for Needy Families (TANF) funds, a recommendation the Legislature again rejected.

- **FIP cases and expenditures are down dramatically.** FIP expenditures have dropped dramatically in part because of policy changes, including more stringent lifetime limits. Between 2010 and 2017, the average FIP caseload fell by 75% from 82,480 to 20,380; spending fell from \$34.4 million monthly to only \$7.5 million.
- **The purchasing power of the FIP grant has dropped.** The maximum monthly FIP grant is \$492 for a family of three—up only 7% in nearly a quarter-century when in 1993 the maximum was set at \$459 per month. Without increases, the purchasing power of FIP families with children has dropped.
- **Children are most affected.** Nearly 8 of every 10 people receiving FIP assistance are children, and many are under the age of 6.

WHY IT MATTERS:

- **The clothing allowance increases the purchasing power of families to provide for the basic needs of their children.** Children receiving public assistance are living in deep poverty. FIP payments represent only 31% of the federal poverty level, leaving little for families to meet basic needs for shelter and clothing.
- **Children of color are two to three times more likely to live in poverty and represent more than half (55%) of those receiving FIP benefits.** Differences in economic security and opportunity are at the core of racial and ethnic disparities in outcomes for families and children. These disparities are the outgrowth of years of systemic barriers that families of color must overcome, including housing discrimination, differences in educational quality and opportunity, and racial discrimination in the workplace. Inequities persist today in part because of state budget decisions that do not recognize the extra resources required to overcome these barriers.



- **Childhood poverty has lasting effects for children.** Despite economic improvements that have lowered unemployment, childhood poverty—particularly for very young children—remains high. Children who live in areas of concentrated poverty are more likely to be in poor health and be exposed to environmental hazards, lack access to healthy foods, miss out on high-quality child care and early education experiences, and struggle in school and ultimately in the workplace.

