



February, 2012

Building Michigan's Future Workforce

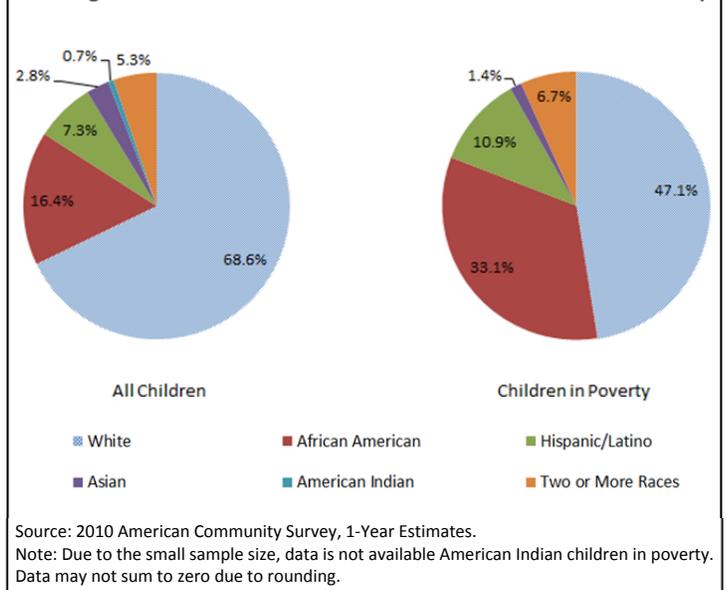
Michigan's economy is turning around. Unemployment is slowly declining and state revenues are up, both of which are signs of economic growth. To maintain and continue that growth, *everyone* in Michigan must be given an equal chance to succeed and obtain employment that will sustain a family and help their community thrive. This opportunity begins at birth. Unfortunately, when children are born into poverty or do not have access to high quality education or the opportunity to even finish high school, the challenges on the road to economic and life success, while they can be overcome, are greater than the challenges any child should have to face on the road to adulthood.

Child Poverty's Challenges Continue Into Adulthood

According to the 2010 American Community Survey, there are approximately 2.3 million children living in Michigan, of which over two-thirds were White children. However approximately 540,000 children lived in poverty that same year meaning that just under one in four of all children in the state lived in families with total incomes of less than \$22,113 for a family of four. Thus, nearly one-fourth of all children in Michigan lack access to opportunities that contribute to success as adults such as high quality education, opportunities for high school completion, and college or career readiness.

High poverty rates are even more prevalent for children of color, who are rapidly making up a larger and larger share of children in the state.¹ While children of color represent just over one-third of all children in the state, they account for over half of the approximately 540,000 children living in poverty in Michigan in 2010. This disparity is only expected to get worse as children of color represented the overwhelming majority of the number of children who lost cash assistance benefits through the 2011 Family Independence Program policy changes. This will push even more children of color into deep poverty. In addition to being at risk for the same outcomes as all children in poverty, children of color who

Children of Color Comprise Nearly One-Third of All Children in Michigan But Account for Over Half of All Children in Poverty



¹ For more on this trend, see Michigan's Children's fact sheet, *Michigan's Changing Demographics and the Future* available at <http://michiganschildren.org/Download-document/577-Michigan-s-Changing-Demographics-and-the-Future.html>

are raised in poverty face more systemic barriers resulting in a higher likelihood to be in poverty as adults, compared to their White counterparts.²

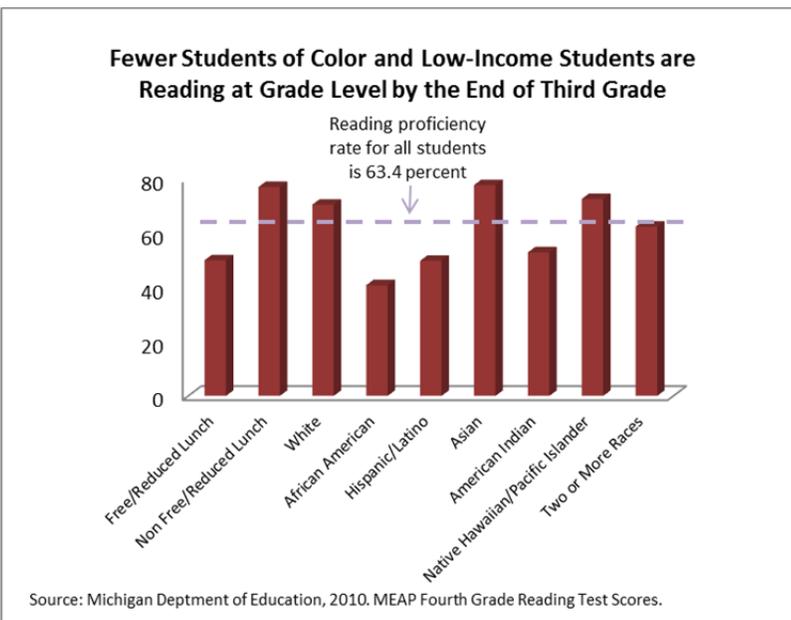
This is not to say however, that children of color are the only children in low-income families and that this is strictly an urban issue. Many rural areas in Northeastern Michigan that have very few people of color have more than thirty percent of their children living in poverty.³ What this does mean, however, is that regardless of the demographics of the community, the well-being of all children in our state is vital to the future of our state’s economy.

Educational Achievement Gaps Have Links to Race and Income

Another vital piece to growing the state’s economy is having an educated workforce that is ready to take the jobs of the future. However, if children lack access to high quality education from cradle to career and families don’t have the tools they need to support their children, Michigan’s economy may slow down again should today’s children become

tomorrow’s adults struggling to find gainful employment.

Access to a high quality education is one of the keys to obtaining employment as an adult. If children do not have the supports in their community needed to be successful in elementary school, the chances of graduating from high school decline substantially.⁴ One of the biggest predictors is whether a student is reading proficiently by the end of third grade.



Statewide, nearly 64 percent of students, regardless of race and income, were reading at grade level by the end of third grade in 2010. However, when examined by race and income, a different picture emerges. Exactly half of Michigan students receiving free/reduced lunch were reading at grade

level by the end of the third grade. This is in stark contrast to the more than three-fourths of higher income students who were grade level proficient.

Furthermore, just under half of Hispanic/Latino students are reading at grade level by the end of third grade. For African American students, this is just 40 percent. This rate is lower than that of low-income students and has a direct correlation to disparities in high school dropout rates.

² Ratcliffe, C. & McKernan, S. *Childhood poverty persistence: Facts and consequences*. June, 2010. The Urban Institute. Washington: DC.

³ Michigan League for Human Services. (2011). *Ties that bind: Poverty and Michigan’s economic recovery*. Available at <http://www.milhs.org/wp-content/uploads/2010/07/2011PovertyReport.pdf>

⁴ Annie E. Casey Foundation. 2010. *Early warning! Why reading by the end of the third grade matters*. Available at http://www.aecf.org/~media/Pubs/Initiatives/KIDS%20COUNT/123/2010KCSpecReport/AEC_report_color_highres.pdf

Just as disparities exist in third grade reading proficiency, the same disparities show in high school graduation rates. Overall, just more than one out of every ten Michigan youths who would have graduated in 2010 left high school without a diploma. Unfortunately, the rate for African American and Hispanic/Latino students is approximately one out of every five students not graduating, or double the overall rate and more than double that of their White counterparts.

Fortunately, many low-income students and students of color are still in school, but are not on schedule to graduate on time. Approximately 12 percent of all students benefit from having more time to complete high school, students who may have otherwise dropped out. This is particularly true of students of color and low-income students with more than 20 percent of African American students and 15 percent of Hispanic/Latino students completing school in five or six years, instead of the traditional four year time frame.

	On Track Graduation Rate	Dropout Rate	Off Track Continuing Rate
All Students	76.0%	11.1%	12.1%
Economically Disadvantaged	66.6%	12.8%	19.8%
White	82.0%	7.9%	9.1%
African American	58.0%	20.2%	21.2%
Hispanic/Latino	63.5%	19.9%	15.6%
Asian	87.7%	6.3%	5.7%
American Indian	65.9%	14.7%	17.3%
Native Hawaiian/Pacific Islander	75.9%	14.5%	9.0%
Two or More Races	66.5%	11.9%	19.9%

Source: State of Michigan, Center for Educational Performance and Information. Four-year Cohort Graduation and Dropout Reports, 2010.

What Can Be Done

Despite the challenges that may face many low-income children and children of color across the state, there are proven strategies that can be put in place that will provide children who may be vulnerable to educational failure a greater chance to succeed and move into the family and community sustaining careers of the future. One part of this strategy includes multiple pathways to high school graduation such as fifth and sixth year options which would include partnerships with community colleges and workforce development agencies across the state. And while the state already allows for financing high school students up to age 20, more school districts need to take advantage of this option.

As the chart above indicates, when given more time in high school, more students, particularly low-income students and students of color have a higher likelihood of earning a diploma instead of dropping out. Thus, not only will more students graduate overall, but more youth of color will complete school ready to enter post-secondary institutions, be it for job training, a certificate program, or an associates or bachelor degree, and thus become contributing members of the state’s economy. This is of particular importance as children of color are making up an ever growing share of the state’s population, and accordingly, the state’s future workforce. Thus, all children should be given every resource possible to ensure they are prepared to enter into careers of the future.

Children born in 2012 represent the workforce that will carry Michigan to the end of the 21st century and their well-being is critical to the state’s continued economic recovery, a recovery that starts with a high quality education for all of Michigan’s children, regardless of family income, ethnicity, or geography. Parents and teachers have vital roles to play in ensuring that children are physically, emotionally, and educationally prepared to become successful adults. Policymakers can support communities by increasing access to high quality education and related options that support children from cradle to career; and by giving families, teachers and communities the tools they need to support *all* children. This way, all children will be well-positioned for economic and life success and help Michigan move forward.

Race Matters for Michigan Children is generously funded by the W. K. Kellogg Foundation. For more information on racial/ethnic disparities and other issues affecting children of color in Michigan, please visit Michigan’s Children’s website at www.michiganschildren.org.