

2019

IMPACT REPORT



POVERTY SOLUTIONS
UNIVERSITY OF MICHIGAN

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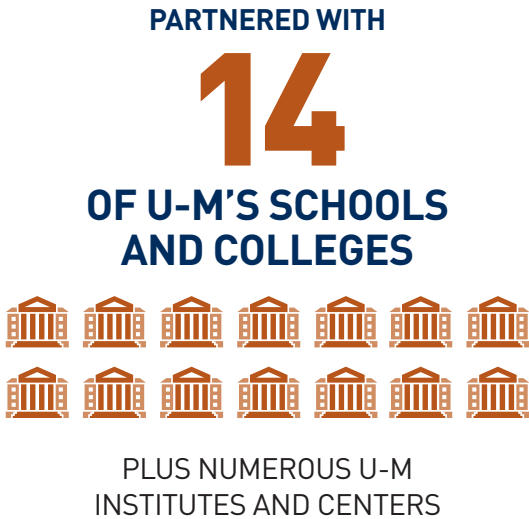
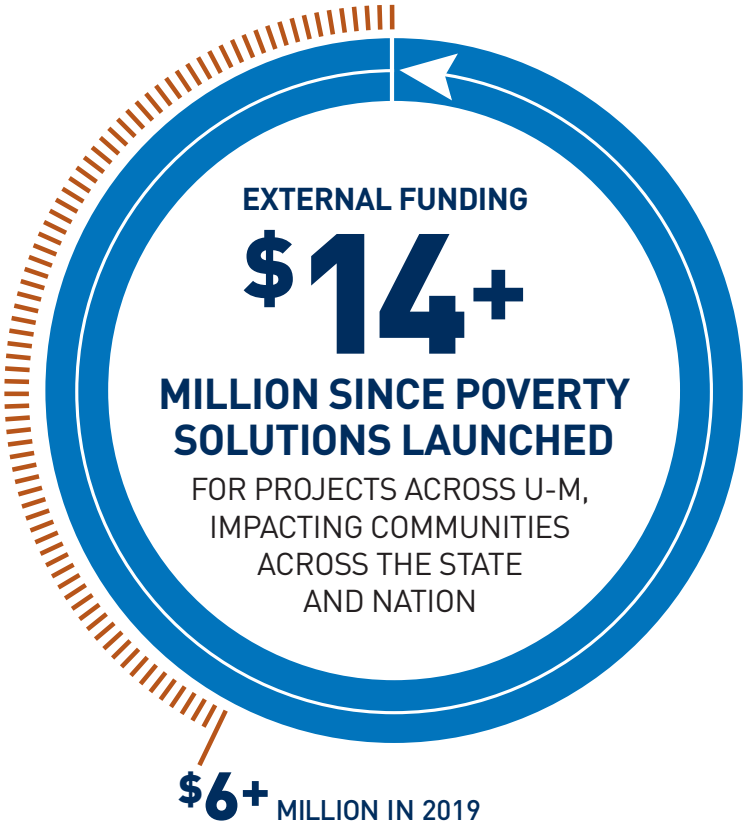
WELCOME TO THE 2019
POVERTY SOLUTIONS
IMPACT REPORT.

Over the past year, our focus on partnerships and public engagement has proven to be a powerful model that has informed and contributed to positive change. We've undertaken dozens of new projects, established new partnerships and deepened existing ones, and found more ways to connect our work to policy and practice. We invite you to learn about the people, places, and projects making progress on poverty here in this third annual impact report.



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When we launched Poverty Solutions in 2016, three guiding principles inspired the vision for the initiative. The principles, deeply rooted in the mission of the University of Michigan, were that we serve the public, that no challenge is too big or too complex, and that great universities aim to solve great problems.

In three short years, Poverty Solutions has demonstrated success in each of these foundational principles — and the impact we have made continues to grow.

U-M faculty, students, staff, and partners have worked to build knowledge and create innovations and strategies that are improving the lives of vulnerable people and communities in concrete and actionable ways. The initiative has supported more than 40 projects in 14 of our schools and colleges and established or enhanced dozens of external partnerships with leaders in Detroit, the State of Michigan, and beyond.

The result is impact that is broad, collaborative, and influential.

Poverty Solutions' efforts have helped to shape auto insurance reform in our state and informed federal officials on budgets and tax policy. Luke Shaefer and the initiative team have continued projects that are already making a difference in individual lives as well.

This is particularly evident in Detroit through our Partnership on Economic Mobility.

The partnership this past year doubled its number of projects with city and community partners. These more than two dozen action-oriented projects are making headway on issues such as affordable housing and increasing internet access and technological skills among residents. Through generous funding from the Ballmer Group, Poverty Solutions met with dozens of neighborhood groups citywide to analyze resident priorities and integrate them into our work. The team reviewed more than 500 sources, including neighborhood plans, public meeting recordings, and news articles, to uncover how Detroit residents see barriers and solutions to economic mobility (see page 12).

Poverty Solutions is working with students from all three U-M campuses, both through academic programs and opportunities to connect with real-time, real-world projects.

For example, Ryan Ruggiero, a public policy graduate student and Poverty Solutions intern, spent her summer gathering information on home repair loan and grant programs for Detroit residents (see page 23). As a result of that work, Poverty Solutions distributed a Detroit Home Repair Resource Guide that is helping community organizations and homeowners find resources for safe and stable housing.

This past summer, nearly 100 young adults participated in the Summer Youth Employment Program, with 49 of them working across U-M's academic and health system campuses (see page 16). This program is based on research that demonstrates that meaningful employment helps to prepare young people for college and careers.

These and the many other highlights of our work in this report are precisely what a leading American research university should be doing for the public we serve. At U-M, we are proud that Poverty Solutions is fostering broad engagement in our public mission, as we continue to work alongside leaders, experts, and policymakers in communities in Michigan and beyond.

Sincerely,
Mark S. Schlissel
 President, University of Michigan



The mission of Poverty Solutions is to **partner with communities and policymakers to find new ways to prevent and alleviate poverty**. In confronting the challenges of poverty, we know scholars don't have all the answers. Yet we have an important role to play. We can use data, evidence, and analysis to identify critical issues and evidence-based solutions to inform action. We are helping our partners bend the arc of change in the world.

This year we lived more deeply into our mission than any year before. In Detroit, we supported research by U-M faculty that is changing how the city handles tax foreclosure and housing instability. We collaborated with the Michigan Department of Health and Human Services on new policies that will simplify a complex system of accessing aid and offer families more time to pursue their goals.

We convened dozens of events, bringing a diverse slate of speakers to campus that included the CEO of Walmart USA and the president of Community Change, the nation's oldest national organization supporting community organizing. Inventors, nurses, elected officials, pastors—they enriched and deepened our understanding of poverty and made many connections with students and faculty. We've supported 44 projects across U-M's three campuses, most pairing faculty with community partners. In Detroit, we continue to support work in partnership with dozens of community and neighborhood groups, and kickstarted 27 new projects to promote economic mobility.

As we've grown with our partners, we've come to view poverty as the result of interlinked systems — housing, education, criminal justice, labor markets — that fail to function as they should for people with low incomes, inhibiting their ability to live healthy and productive lives. We recognize that many of these systems failures are the result of long-term racial and socioeconomic inequalities. Such a systems approach can be overwhelming, but it also allows for many entry points to intervene, examples of which are seen in the pages that follow.

These examples show the power of uniting a top research institution with policymakers and practitioners; how together we can find new ways to bend the arc of change to empower families.

This arc of change can only bend if we inform each other along the way. At Poverty Solutions, we seek to be responsive to community voices. Listening to those most affected by poverty issues and sharing information broadly is a practice we embed in our work. It's all too easy not to do it. We forget, we get comfortable, we get too busy. But we're continually surprised about what we learn when we do. An example of this is what we learned about the cycle of poverty and auto insurance in Detroit.

We approach our work entrepreneurially, seeking opportunities for positive change with strong partners, and setting the agenda collaboratively with those partners. We also leverage the diversity of expertise and strengths of the University of Michigan to analyze data and conduct research to identify existing policy gaps. We listen, share findings, propose interventions, and evaluate and monitor—listening again as new models take shape. In the end, the goal is concrete change based on data, evidence, and analysis.

After three years, I'm immensely proud of the track record of success that Poverty Solutions has built and the ways our work is positively impacting the lives of people in meaningful ways. I'm deeply appreciative of our many community partners, and I look forward to building on our collective work in the future. We're just getting started.

In partnership,
H. Luke Shaefer
 Director, Poverty Solutions



— PART 1 —

COLLECTIVE ACTION FOR IMPACT

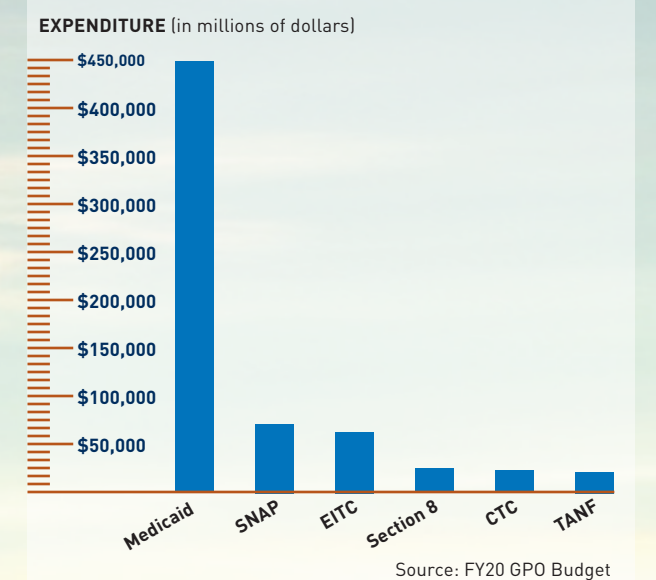
WORKING TOGETHER
TO IMPROVE OUTCOMES
FOR ALL

FEDERAL

FIGHTING CHILD POVERTY WITH A UNIVERSAL CHILD ALLOWANCE

Supported by research from Luke Shaefer and colleagues, a universal child allowance policy proposal called the American Family Act gained traction with both progressive and libertarian scholars and lawmakers.

A common policy in other countries, the proposal would give families with children \$250 to \$300 per month, in the form of a refundable tax credit. Shaefer and colleagues estimate this would reduce the number of children living in poverty by more than one-third.



HOW MUCH DO WE REALLY SPEND ON FIGHTING POVERTY?

The government social safety net in the U.S. is complex, with more than 100 programs spread across many agencies and levels of government. One study concluded that government spending on anti-poverty measures in the U.S. totaled almost \$1 trillion, with federal expenditures of \$668 billion. A Poverty Solutions study found that this number might be significantly lower, especially accounting for the fact that the federal government spends nearly three times as much on healthcare provision for low-income Americans as it does on means-tested cash transfers. This assessment was shared with federal policymakers to navigate the complexities of spending on anti-poverty measures.

FEDERAL

POVERTY SOLUTIONS STAFFER TESTIFIES IN D.C. ABOUT AUTO INSURANCE AND CYCLE OF POVERTY

Poverty Solutions senior data and policy advisor Joshua Rivera testified before a congressional panel examining the marketplace for automobile loans and insurance and the ability of regulators to assure fair and nondiscriminatory access for all Americans in the market.

Rivera testified on May 1 at the House Financial Services Committee’s Oversight and Investigations Subcommittee hearing titled “Examining Discrimination in the Automobile Loan and Insurance Industries.” His testimony shared experiences he and the Poverty Solutions’ Detroit Partnership for Economic Mobility team uncovered in Detroit. Learn more on page 19.



“Representing and fighting for front-line communities that are suffering from structures and policies that keep them in poverty is difficult when we don’t have evidence-based research to document what we are experiencing.

“That’s why I am grateful for Poverty Solutions’ timely, data-driven, and accessible research that made clear the link between economic mobility and the disproportionate impact of extreme, highest-in-the-nation car insurance prices in Detroit. Josh Rivera’s testimony this May informed policy proposals that will help Michiganders get a fair deal on their auto insurance rates.”

— Rashida Tlaib, U.S. Representative for Michigan’s 13th congressional district

“Great work on the study on the affordability of auto insurance in Michigan. I’ve been studying the issue for the last few years and have called for many of the same reforms you’re suggesting in the paper. I especially appreciate your discussion of why the rates are so high in Detroit — the impact of low rates of private insurance usage in the city had not occurred to me before, but it makes perfect sense.”

— Michael Van Beek,
Director of Research, Mackinac Center



REGIONAL

MOVING ECONOMIC MOBILITY IN THE MIDWEST

Increasing mobility from poverty in the U.S. requires action-based partnerships across the nonprofit and for-profit sectors, government, and universities. We’ve begun to see the promise this model holds, and this past year we launched the Midwest Mobility from Poverty Network to expand this model across the region.

Led by Poverty Solutions, along with a steering committee of leading Midwest research institutions, the network explores how to use rapid response data and analysis in partnership with communities and governments to enhance economic mobility and reduce poverty.

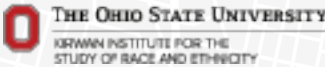
In May, Poverty Solutions hosted more than 100 stakeholders from across the Midwest working to advance and expand strategies to connect university-based poverty research to the public. From there, the steering committee will develop guiding documents focused on translating research and engaging in real-world change by sharing expertise on:

- Data to inform policymaking
- Partnership
- Engagement in the policymaking process
- Communication and dissemination

The Midwest Mobility from Poverty Network is part of a nearly \$2 million effort supported by the Bill & Melinda Gates Foundation to expand and connect established university centers to build on successful models of action-based research and engagement.



STEERING COMMITTEE:



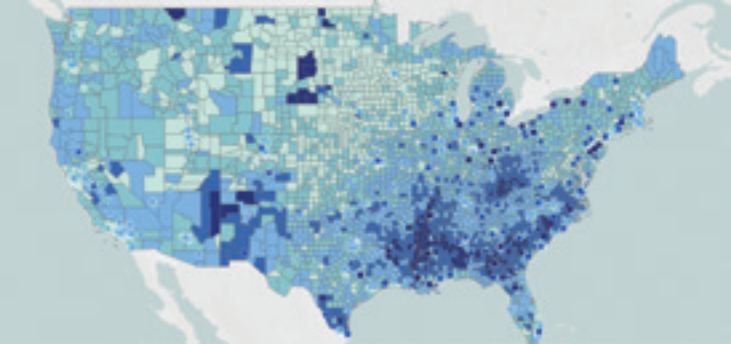
REGIONAL

UNDERSTANDING COMMUNITIES OF DEEP DISADVANTAGE

In the fall of 2018, Poverty Solutions began the “Understanding Communities of Deep Disadvantage” project in partnership with Kathryn Edin and Tim Nelson at Princeton University to better understand America’s deeply disadvantaged communities.

This project includes a multidimensional Index of Deep Disadvantage that highlights the disproportionate number of rural communities struggling on a number of indicators related to income, health, and social mobility. The vast majority of the top 100 most disadvantaged communities are rural. Academic work on poverty traditionally centers around cities, and this finding pushed Poverty Solutions to think about the ways the lack of research further disadvantages rural areas.

To supplement the data with on-the-ground perspectives, graduate students spent this past summer embedded in two communities the index identified as deeply disadvantaged: Marion County, South Carolina, and Clay County, Kentucky.



A map with findings from the Index of Deep Disadvantage, which examines vulnerability in income, health, and social mobility.

Their observations offered new insights on what it means to experience poverty in a deeply disadvantaged community and what’s considered a “poverty issue.” For example, many low-income South Carolina residents focused on getting the right documents so they could access much-needed disaster relief after two major floods. In Kentucky, families struggled to find activities for their kids so they didn’t start abusing opioids.

The project also has revealed how far community organizations have to stretch a dollar to serve their clients, as they’re dramatically underfunded compared to their urban counterparts.

The graduate students grew professionally from the project, too. One doctoral student was so struck by her experience that she shifted the focus of her studies to delve deeper into issues she saw in the field.

Over the next year, this project will embed students at four more sites to glean insights from a diverse set of places. The research team will then develop a set of policy-focused reports for the Robert Wood Johnson Foundation to tell the stories of these communities, highlighting both challenges to building thriving communities and areas of strength and opportunity.



“Across the projects, we’ve been really focused on balancing community voices and needs with intended policy outcomes. I think that’s a really special perspective on policy research, and I’m grateful for it.”

— Jasmine Simington
U-M PhD Student

FOCUS ON COMMUNITY VOICES
Jasmine Simington, originally from Winston-Salem, North Carolina, is pursuing a joint doctorate degree in public policy and sociology at U-M after completing her undergraduate degree at Yale. She started working as a graduate student research assistant with Poverty Solutions’ Detroit Partnership on Economic Mobility in the winter of 2018, and from that work, secured a National Science Foundation grant to study how foreclosures shape access to affordable housing in Detroit.

Last summer, Simington shifted research tactics when she moved to Marion County, South Carolina, to interview community members about the economic challenges they face. She said the on-the-ground perspective provided valuable context to data from the Index of Deep Disadvantage.

STATE OF MICHIGAN

IMPROVING SOCIAL SERVICES AT THE STATE LEVEL

This year, Poverty Solutions began working closely with the Michigan Department of Health and Human Services (MDHHS) to simplify the process of applying for benefits so low-income families can pursue their goals.

STATE PARTNERSHIP HELPS MAKE IT EASIER FOR LOW-INCOME MICHIGANDERS TO ACCESS ASSISTANCE
Since July, Amanda Nothaft, senior data and evaluation manager at Poverty Solutions, has provided data analysis for MDHHS that the department would not otherwise have the capacity to complete.

Nothaft’s work was instrumental in a change to MDHHS policy effective Dec. 1 to raise the asset limit so people with \$15,000 or less in assets can receive benefits from a variety of public assistance programs, and applicants no longer automatically have to provide documentation of their assets.



“Things usually don’t happen that quickly, but there was a will to do it,” Nothaft said of the adoption of her policy recommendations. “Breaking down that barrier [of requiring documentation of assets] is pretty substantial.”

POVERTY SOLUTIONS FACULTY DIRECTOR NAMED SPECIAL COUNSELOR TO THE DIRECTOR OF MDHHS
In November, Poverty Solutions Faculty Director H. Luke Shaefer was named special counselor to the director of MDHHS on anti-poverty and economic mobility initiatives. This builds on Poverty Solutions’ work with the state on anti-poverty initiatives, including holding focus groups in Marquette and other places across Michigan to learn about residents’ experiences with the benefits system.

In his position as director of Poverty Solutions, Shaefer will work with the department’s human services policy leadership teams on a set of anti-poverty and economic mobility initiatives to enhance public benefit programs and identify pathways for sustainable employment for those with major barriers to work.

“Community work happens in the community, from the community. That is really how you get things done: you talk to each other and work together and you find out that common goal. Then you work together to achieve it. We value the engagement of Poverty Solutions not only for their access to data and expertise but for their ability to listen intently to the residents to help us identify the core issues and determine solutions to our unique challenges around poverty in our community.”

— Gail Anthony, CEO
Community Foundation for Marquette County



“We are thrilled to have the opportunity to draw on Professor Shaefer’s experience and expertise in our efforts to enhance the ways we serve families, promote work, and dignify and streamline our policies and processes.”

— Robert Gordon, Director
Michigan Department of Health and Human Services

DETROIT

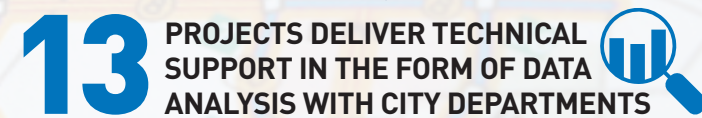
PARTNERSHIP ON ECONOMIC MOBILITY

The Detroit Partnership on Economic Mobility between Poverty Solutions and the City of Detroit is a signature initiative of Poverty Solutions, with the goal of identifying and implementing programs and policies that reduce poverty and promote economic mobility in Detroit. This work focuses on partnerships with city departments, community groups, and nonprofits to collaboratively construct action-oriented research projects that can help inform, enhance, and evaluate collective efforts to improve the well-being of Detroit residents. It focuses not only on understanding the obstacles Detroiters face in their daily lives, but on using research and analysis to craft potential solutions. This work in Detroit can inform solutions that have a positive impact for all Michiganders.

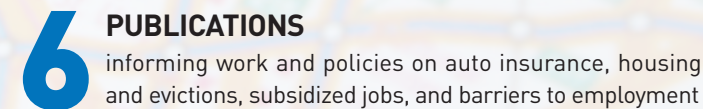
ASSESSING PROGRESS

Detroit's poverty rate has decreased in recent years, down to 33.4% in 2018 from 35.7% in 2016. Though this movement is encouraging, Detroit still has the highest poverty rate of any big city in the country, and thousands of Detroit residents with low-income continue struggling to make ends meet. There is much more work to be done.

In addition, while an important metric, we look at more than just the official poverty rate to understand poverty and well-being among Detroiters. Community input, policy impact, and survey data from the Detroit Metro Areas Community Study that collects residents' perceptions all serve to inform our understanding of the work ahead. We assess our progress through a racial equity lens and investigate how our work directly impacts Detroit residents who have been especially affected by the policies and practices that perpetuate the cycle of poverty. From increasing the number of poverty property tax exemptions to improving access to home repair dollars to lowering the cost of auto insurance, Poverty Solutions works to ensure that research translates into policy change that makes a concrete difference in the lives of Detroiters with low incomes.



with city departments including Workforce Development, Housing and Revitalization, Innovation and Technology, Mobility Innovation, Health, and Neighborhoods



DETROIT

DETROIT ECONOMIC MOBILITY POLICY FELLOWS USE U-M SUPPORT TO TACKLE CITY'S MOST-PRESSING ISSUES

From navigating the best ways to address homeless encampments to assessing home repair needs and reducing disparities in internet access, economic mobility policy fellows are taking on some of the City of Detroit's most-pressing issues.

This innovative fellowship program embeds fellows in city departments to focus on strategic economic mobility initiatives that city staff may not otherwise have the capacity to address. The fellows have the benefit of research support and access to experts at U-M to guide their work.

"We want a direct line of communication between the fellows and the rest of our staff so when they have research questions or data needs, they can look to us right away," said Patrick Cooney, assistant director of Poverty Solutions' Detroit Partnership on Economic Mobility, which facilitates the fellowship program.

So far, the partnership has resulted in four two-year fellowships: Karen Otzen is the affordable housing fellow, Joshua Edmonds is the digital inclusion fellow,

Laura Urteaga-Fuentes is the homelessness fellow, and Chardae Caine was recently named the youth workforce development fellow.

"The Poverty Solutions Economic Mobility Fellows program enables city departments to take on strategic projects that are critical to the economic mobility of Detroit residents," said Beth Niblock, Chief Information Officer for the City of Detroit. "Through the support of Poverty Solutions and the Knight Foundation, we were able to bring on Josh Edmonds, our first-ever director of digital inclusion, who is working to connect thousands of Detroiters to the digital world and the economic opportunities that come with it."



"I think we all will benefit from having programs like this that help to introduce young leaders into the field in a way where they can get immediate exposure to strategy and program development."

— Julie Schneider, Deputy Director, City of Detroit's Housing and Revitalization Department

DETROIT CONNECTING WITH COMMUNITY

This year, Poverty Solutions expanded its community engagement work by partnering with nonprofit organizations in Detroit to provide program design, evaluation, and data analysis support in several areas, including early childhood education and racial equity. For the Detroit Partnership on Economic Mobility team, working with mission-driven groups complements the multi-year collaboration with the City of Detroit, as no one sector can drive economic opportunity alone.



“Poverty Solutions helped turn a body of raw data into a dynamic tool that will help drive our work and that of our partners,” said Michael Rafferty (left), president and CEO of New Detroit. “Ultimately, the products that come from our continued engagement will help expand perspective, amplify calls to action, and then have the ability to measure progress toward racial justice and equity.”

The Detroit team attends neighborhood forums to present their latest research and gather the community perspectives necessary to ensure their work is accessible to and informed by longtime residents. The Detroit Metro Area Communities Study (DMACS) conducted surveys to understand community perceptions of economic opportunity, housing, entrepreneurship, and impacts of the city’s youth employment program, Grow Detroit’s Young Talent.

The Detroit team kicked off the initial phase of **Investing in Us: Resident Priorities for Economic Mobility** with a qualitative study in partnership with organizations including the Coalition on Temporary Shelter, Global Detroit, Georgia Street Community Collective, and the Detroit Food Policy Council. The team has deliberately centered the perspectives of people of color when outlining a shared vision for increasing economic mobility in Detroit, and in the later phases of the project, those insights from residents will be combined with national and quantitative data. With Investing in Us, Poverty Solutions aims to connect the various strands of work going on in the city into a coherent vision that forms a people-focused strategy to move more Detroiters out of poverty and into opportunity.



“Poverty Solutions’ work is unparalleled. I have had the distinct pleasure to work with them on several projects. The depth, care, and pure technical skill is without match regardless of which team member you are working with. In addition, the way they approach the efforts they undertake always puts people first.”

— Cindy Eggleton
Co-founder and CEO, Brilliant Detroit



CAMPUS ENGAGED STUDENT LEARNING ON POVERTY SOLUTIONS

This year, Poverty Solutions deepened its commitment to equip the next generation of students with the skills they need to prevent and alleviate poverty by increasing the number of students introduced to core content and experiential learning opportunities on poverty. Poverty Solutions has added more experiences for both graduate and undergraduate students to get involved with projects with impact on real-time policy challenges. And the initiative added new faculty expertise to its ranks.



NEW ASSOCIATE DIRECTOR FOCUSES ON EDUCATIONAL PROGRAMS

Kristin Seefeldt (left), an associate professor of social work and public policy, joined Poverty Solutions as the associate faculty director of educational programs this year. The new position expands Poverty Solutions’ efforts to engage more faculty and students in meaningful research opportunities.

“There are a lot of PhD students who don’t want to produce research that only other academics consume. They want to be involved in something that’s meaningful and can effect change....I think there are some real opportunities to find the right balance for those students,” Seefeldt said.

66
STUDENTS FROM 8 U-M
SCHOOLS AND COLLEGES
ENROLLED IN THE
POVERTY SOLUTIONS
CERTIFICATE
PROGRAM

THROUGH THE COMMUNITY ACTION
AND SOCIAL CHANGE MINOR AT THE
SCHOOL OF SOCIAL WORK

44
ENROLLED IN
REAL-WORLD
PERSPECTIVES ON
POVERTY
SOLUTIONS

63
STUDENT RESEARCH
ASSISTANTS

10
SCHOOLS & COLLEGES

70+
PROJECTS



Working directly with Poverty Solutions staff and faculty, the students helped provide rapid response data and analysis to partners at U-M and beyond.

These students included first-generation college students through Poverty Solutions’ new partnership with Sociology Opportunities for Undergraduate Leaders (SOUL).

CAMPUS

CONVENINGS ON CAMPUS & BEYOND

This year, Poverty Solutions and partners across campus and the community hosted more than 25 events and talks, including the Real-World Perspectives on Poverty Solutions Speaker Series, which featured experts in policy and practice from across the nation.

REAL-WORLD PERSPECTIVES ON POVERTY SOLUTIONS SPEAKER SERIES

The series was conducted in partnership with the William Davidson Institute, the School of Nursing, Michigan Law, CEW+, the National Center for Institutional Diversity, the Gerald R. Ford of Public Policy, and the College of Engineering.



BRIDGETTE BRAWNER
University of Pennsylvania



FAITH FOWLER
Cass Community Social Services



DEAN KAMEN
Inventor



STEPHANIE LAND
Author



GREG LANDSMAN
Cincinnati City Council Member



EFOSA OJOMO
Clayton Christensen Institute



DORIAN WARREN
Center for Community Change Action

HIGHLIGHTS

WORKFORCE: SOLVING FOR JOBS, MOBILITY, AND EQUITY IN AN ERA OF RAPID CHANGE

Explored workforce development with community partners and business leaders.



GREG FORAN
President and CEO, Walmart U.S.

“We’re not perfect, not by a long shot. I point to examples of what can happen when we take a hard look at what we can — and should — do for our associates.”

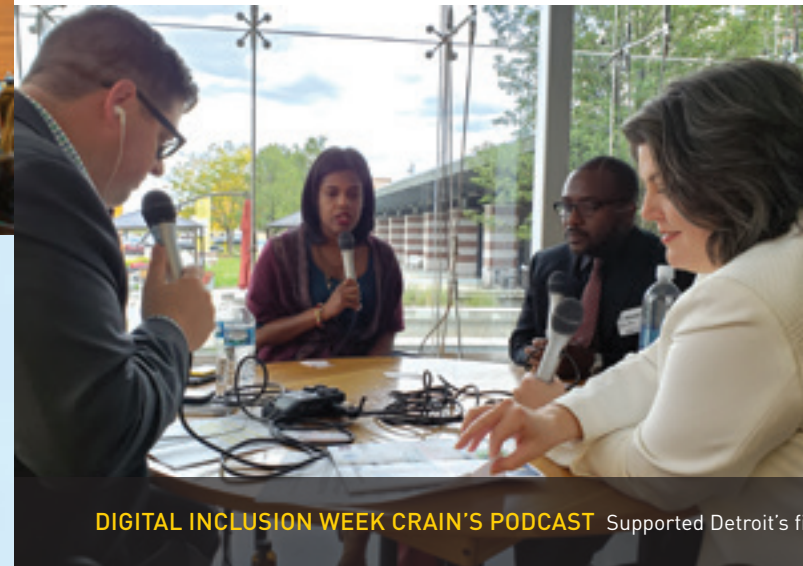
— Greg Foran
President and CEO, Walmart U.S.



OREN CASS LECTURE
“The Once and Future Worker”



AUTO INSURANCE TOWN HALL
Shared research and heard from Detroiters



DIGITAL INCLUSION WEEK CRAIN'S PODCAST Supported Detroit's first summit on digital inclusion



ACCOLADES
Recognized as Community UCHC Academic Partner of the Year



EXPERT OPINIONS
Work featured in more than 235 media articles



INTERSECTIONS FOR ENGAGED LEARNING
Created more interdisciplinary connections — an event with the Ginsberg Center, Provost's Office, Graham Sustainability Institute, Detroit Urban Research Center, and MICH



MAKING SENSE OF MAKING IT IN AMERICA
Engaged 175 students in the activity

CAMPUS

EXPANDING THE SUMMER YOUTH EMPLOYMENT PROGRAM

The Summer Youth Employment Program (SYEP) is more than just a summer job; it connects local youth to opportunities that promote career exploration, professional development, and mentorship. This past summer, youth participants added to U-M's ranks in areas like health and social research, culinary arts, information technology, athletics, and more. At U-M, participants dedicate every Friday of their summer

employment experience to enrichment sessions designed to equip them with skills to navigate future educational and work environments. "Success coaches" facilitate these workshops and provide one-on-one support to youth participants and supervisors.

Through a strong partnership between U-M, Michigan Works! Southeast, and the Washtenaw County Office of Community and Economic Development, along with generous support from the Ralph C. Wilson Jr. Foundation, the SYEP is providing meaningful employment experiences that help prepare young people for high-demand jobs in our community.



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WERE EMPLOYED ACROSS U-M'S ACADEMIC AND HEALTH SYSTEM CAMPUSES

"They taught us how to effectively communicate and problem solve and to have care for ourselves in the work environment. These skills that we have learned in this program we will carry over until the day we die."

— Chase Wilder, 2019 Summer Youth Employment Program participant

— PART 2—

INFORMING THE ARC OF SYSTEMS CHANGE

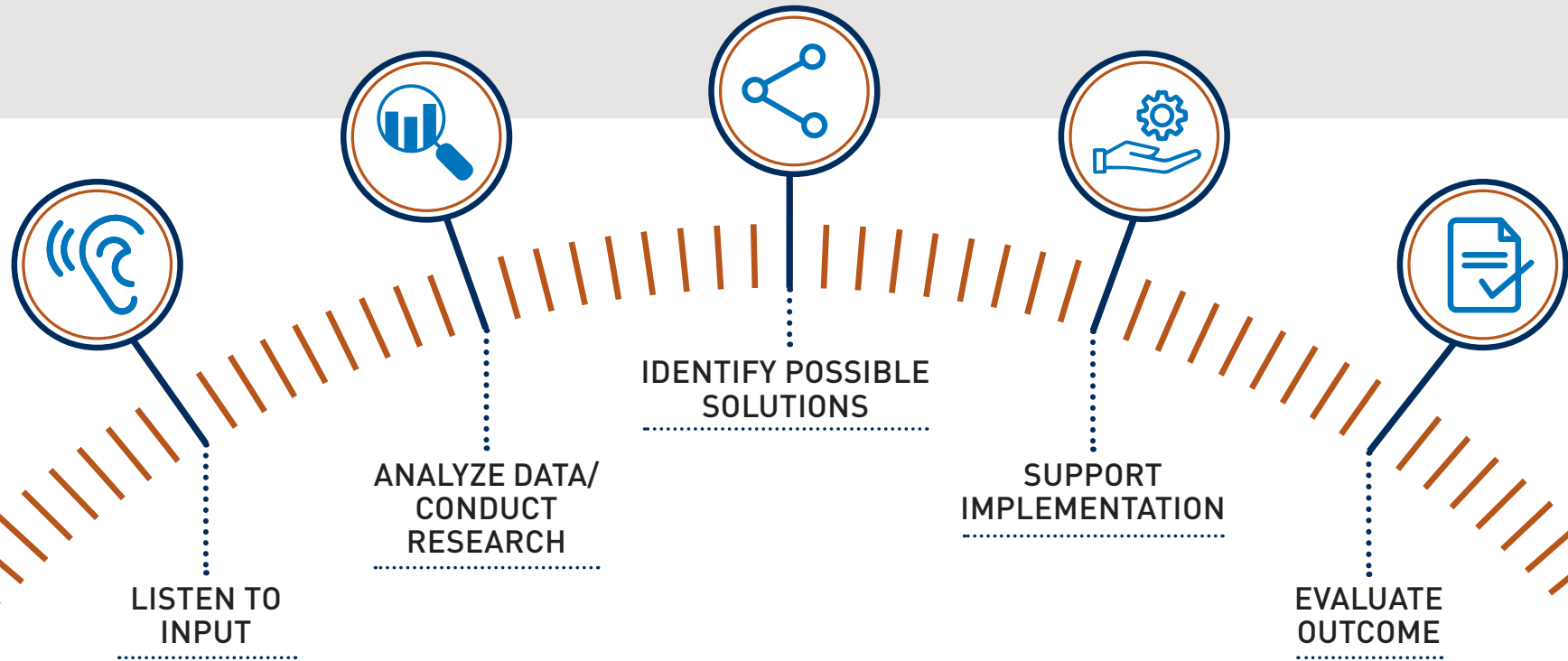


WORKING WITH PARTNERS TO INFORM POLICY CHANGE



THE ARC OF SYSTEMS CHANGE

The following stories demonstrate how Poverty Solutions has worked with partners to inform policy change in the areas of affordable housing, auto insurance, and homelessness. The **Arc of Systems Change** starts with **listening to input from people directly affected by an issue** to set our research agenda. Then we **analyze data and research** to help identify policy gaps. Next, we **identify possible solutions** and propose evidence-based interventions. Finally, we **support the implementation** of new policies and practices and **evaluate the outcome**.



ANALYZE

To demonstrate how the cost of auto insurance impacts economic mobility, Patrick Cooney, Joshua Rivera, and Elizabeth Phillips from Poverty Solutions decided to find out how much Michiganders spend on auto insurance as a percentage of their total income. Using data from The Zebra, an auto insurance rate comparison company, they found that in **97% of Michigan ZIP codes, the average cost of auto insurance exceeds 2% of the median income, which the U.S. Treasury Department deems “unaffordable.”**

“I pay it. I don’t want to, and if I didn’t have to, I’d probably have room [financially] to do other things.”

— **Domonique Caldwell, Detroit,**
Household spends about \$800 a month to insure two vehicles



DRIVING MICHIGAN’S AUTO INSURANCE REFORM

In May, Michigan lawmakers reformed the state’s auto insurance policies. The legislation included many of the recommendations that came out of Poverty Solutions’ research, such as eliminating automatic unlimited personal protection coverage, imposing fee limits on medical care related to personal injury accidents, and restricting the use of non-driving factors like credit score and ZIP code to set auto insurance rates.



LISTEN

The cost of auto insurance was not on the radar of Poverty Solutions staff when they began evaluating a job training program in Detroit in 2018. But it kept coming up as a barrier preventing people from owning a vehicle or driving it legally — thus limiting their job options.

“Auto insurance came up over and over again as a major barrier to getting to jobs, schools, health appointments — all the things people need to live healthy and productive lives,” said Luke Shaefer, Poverty Solutions director. “While I had never thought of it as such, it is a poverty issue in Michigan.”



IDENTIFY

Poverty Solutions published a policy brief in March that shared those findings and identified evidenced-based options to reduce the cost of auto insurance in Michigan. Gov. Gretchen Whitmer cited the research in a mandate in early May for the state’s Department of Insurance and Financial Services to review

Detroiters face the most expensive auto insurance costs in the country — \$5,414 for their average annual premium — which disproportionately affects people of color. “While there was a heavy concentration of unaffordability in the City of Detroit, it was creeping over time to the suburbs. More people had a stake in whether or not reform happened,” said Rivera, a senior data and policy adviser for Poverty Solutions’ Detroit Partnership on Economic Mobility.

how auto insurance rates are set and strengthen consumer protections.

Around the same time, U.S. Congresswoman Rashida Tlaib, D-Detroit, invited Rivera to testify on Michigan's auto insurance policies before the U.S. House Financial Services subcommittee, and Poverty Solutions staff shared their findings at auto insurance town hall meetings in Detroit.



IMPLEMENT

After weeks of debate over proposed bills — and years of calls for reform — lawmakers passed the auto insurance reform measures at the end of May with bipartisan support. The changes are set to take effect in July 2020.

Shaefer said it's uncommon to see research so quickly translate to a change in state law.

"I think it had the impact it did because it was the right type of research product, at the right time," he said. "It looked at the issue from a different angle than other work had, and I like to think it provided some concrete, nonpartisan policy recommendations — recommendations that straddle party lines."



EVALUATE

Still, critics question whether the new law will equate to a meaningful reduction in costs for consumers. Poverty Solutions will continue to monitor the issue, assess the impact of the reform, and consider other ways to make auto insurance more affordable in Michigan.

"One bill isn't the end of work on a policy area," Rivera said. "It's the beginning of a conversation on how to do better."



"Auto insurance rates must be fair and reasonable. We must take a hard look at how auto insurers are setting rates to ensure these practices are lawful and to determine how we can achieve complete and lasting reform for Michiganders."

— Gov. Gretchen Whitmer

According to a study conducted by the University of Michigan, Michigan drivers pay nearly twice as much as drivers in other states for auto insurance, with the average premiums reaching \$2,600. Moreover, that number pales in comparison to the amounts paid by Detroit residents, who pay \$5,414 in insurance premiums each year.

— Governor's news release citing Poverty Solutions' research

TIMELINE

MARCH 2019

Report published; cited in 30+ news articles.

MAY 1, 2019

Cited by the governor in her first action on the issue.

Part of numerous forums; findings discussed on local radio.

END OF MAY 2019

State Legislature passes and governor signs auto insurance reform package with many of the elements of Poverty Solutions' proposed goals for reform.

Work now begins to see if the law leads to meaningful rate reductions in Michigan and especially Detroit.

Photo courtesy of the governor's office



AT HOME IN DETROIT

Research supported by Poverty Solutions is informing policy developments to help more Detroiters maintain safe, affordable housing. While each project supports an individual strategy, these efforts and others by community organizations, advocates, and practitioners can add up to shift the affordable housing system toward positive change. These efforts are necessary to counteract the legacy of historic segregation and exclusion.



LISTEN: Property tax relief for low-income homeowners

With support from Poverty Solutions, Doctoral Candidate Alexa Eisenberg and Assistant Professor Roshanak Mehdipanah, both of the School of Public Health, partnered with the United Community Housing Coalition in Detroit to interview homeowners facing tax foreclosure about their experiences applying for Detroit's Homeowners Property Tax Assistance Program.

By listening to and learning from the experiences of homeowners, the researchers found many people who are eligible for the poverty tax exemption did not know about it. For those who were aware of the program, the complexity of the application process often prevented them from successfully receiving the tax break. The study outlined several ways to increase access to the poverty tax exemption.

The City of Detroit made changes to streamline the application process in November 2018 and increased efforts to make people aware of the poverty tax exemption. In 2019, Detroit granted 7,601 property tax exemptions to qualifying homeowners through HPTAP, according to the *Detroit News*, which is up from about 6,500 exemptions in 2018 and 5,500 exemptions in 2017.



ANALYZE: Maintaining affordable housing

In 2017, Poverty Solutions supported Professors Margaret Dewar and Lan Deng, of U-M's Taubman College of Architecture and Urban Planning, to work with the City of Detroit and a number of community development and housing advocacy organizations to analyze the stock of properties in Detroit developed through Low Income Housing Tax Credits.



IDENTIFY: Eviction and foreclosure prevention

A report led by UM-Dearborn Assistant Professor Joshua Akers examined the long-term outcomes for homes bought through the Wayne County Tax Foreclosure Auction by property speculators. His research revealed a cycle of foreclosures and evictions that has destabilized neighborhoods. Based on those findings, Poverty Solutions staff Patrick Cooney and Amanda Nothaft highlighted several interventions from the paper to stop that cycle, including a retroactive poverty tax exemption for low-income homeowners and guaranteed legal counsel for low-income tenants in eviction court.

A retroactive poverty tax exemption also was recommended in Eisenberg and Mehdipanah's research on foreclosure prevention.



IMPLEMENT: Resources for home repairs

Detroit's Affordable Housing Policy Fellow Karen Otzen, who is supported by a partnership between the city and Poverty Solutions, led an evaluation of the city's three main home repair programs. She found a number of potential areas for reform, including the creation of a single-stream application for all home repair programs in the city, and she's now leading the development of that application.



“This is really important research that details how property speculation through the tax foreclosure auction contributes to housing instability.”

— Arthur Jemison, Group Executive, Housing, Planning and Development, City of Detroit

In addition, Poverty Solutions Graduate Intern Ryan Ruggiero spent the summer compiling a Detroit Home Repair Resource Guide (see page 23). Demand for the guide has been extraordinary, which confirms our initial finding that home repair is a critical need in the city and demonstrates there’s much more we can do in this area.



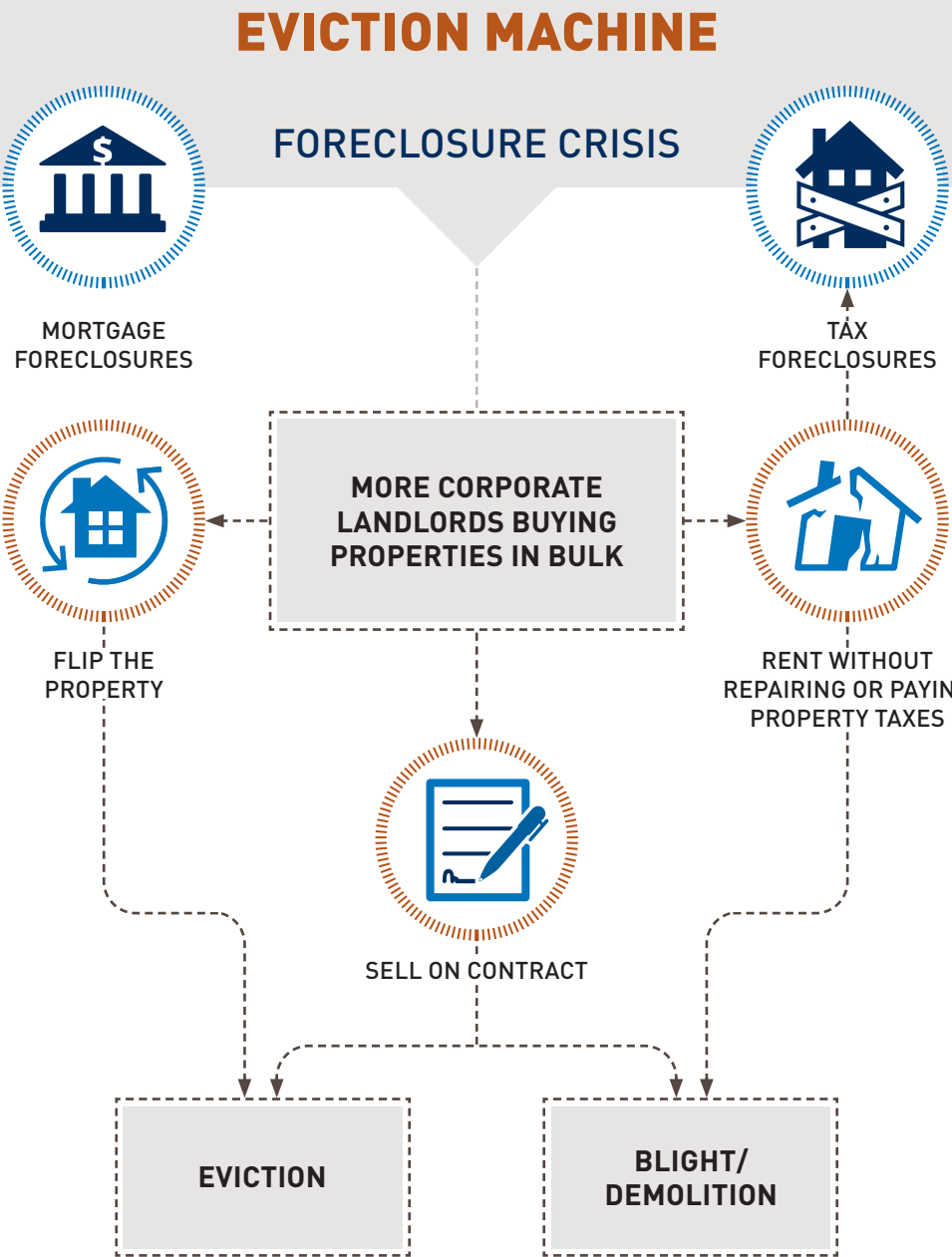
EVALUATE: Outcomes for Right of First Refusal

Beginning in 2017, the City of Detroit, United Community Housing Coalition, and Quicken Loans partnered to divert qualifying occupied homes from the Wayne County Tax Foreclosure Auction so residents could buy back the property for a portion of the taxes owed.

Poverty Solutions supported U-M faculty in evaluating outcomes for the first year of the program, and they found the program was effective at preventing residents from being forced out of their houses. However, the research revealed a need for emergency home repairs in order to keep homeowners in the houses long-term.

In part as a result of these findings, in the second year of the program — now dubbed Make it Home — the Quicken Loans Community Fund offered \$300,000 in grant and loan funds to a sample of Make it Home participants. In 2018, the program grew to over 500 participants.

Poverty Solutions is supporting Eisenberg in evaluating the impact these loan funds have on residents’ perceived housing stability. If effective, the program could be a model for providing a low-cost pathway to homeownership for low-income Detroit households.



Ryan Ruggiero



Jorge Cazares

U-M STUDENTS COMPILE DETROIT HOME REPAIR GUIDE

Poverty Solutions intern Ryan Ruggiero, a second-year master’s of public policy student from New Jersey, spent her summer contacting about 60 community organizations, banks, and other agencies to compile information on 25 different home repair loan and grant programs available to Detroit residents.

Jorge Cazares, an undergraduate student in the School of Information who is originally from Chicago, helped contact the organizations running home repair programs and also mapped the different sources of funding and agencies that make up Detroit’s home repair ecosystem.

As a result of their work, Poverty Solutions distributed a Detroit Home Repair Resource Guide to about 100 individuals, community groups, and nonprofit agencies in Detroit. Ruggiero also completed an analysis of gaps in home repair resources and homeowners’ repair needs by interviewing 20 stakeholders and analyzing American Housing Survey data. Her work complemented an evaluation of Detroit’s three main home repair programs completed by the city’s Affordable Housing Policy Fellow, Karen Otzen, whose position is also supported by Poverty Solutions.

“It was great being able to interview community-based organizations to get their input on the home repair ecosystem, and at the same time be able to tell them we were compiling a home repair resource guide we would be able to share with them,” Ruggiero said. “It was a really good exchange.”

“Connecting residents to services is always a critical challenge facing our team. The Home Repair Guide is the type of action-based research we need more of — research that focuses not only on diagnosing the problem, but on connecting residents with potential solutions. I hope that we can continue to work with Poverty Solutions to update the guide annually so that we can continue to connect residents to the resources they need.”

— Donald Rencher, Director,

Detroit Housing and Revitalization Department





Jennifer Erb-Downward



GOOD DATA LEADS TO BETTER SERVICES FOR MICHIGAN'S HOMELESS CHILDREN

Every day, school staff see children without a stable place to live struggling to keep up in class. However, there was little research to back their observations, and the official count of children who are homeless in Michigan — especially in Detroit — underestimated the scope of the problem.

That's where Jennifer Erb-Downward saw an opportunity to make a difference.

"If we're not identifying people, we're never going to have the services available because there won't be a real sense of the need in the state," said Erb-Downward, senior research associate at Poverty Solutions who studies homelessness.



LISTEN

Erb-Downward meets regularly with homelessness working groups and school staff in Detroit and from across the state tasked with offering homeless students the support they need to do well in school.

Based on those conversations, she looked for opportunities to connect service providers in different sectors around common goals related to addressing homelessness.

"Hard data points can be really helpful to people from an organizing standpoint," she said.

"Having a standardized referral system and data will show how many households we've referred, and specifically how many have gotten resources and how many haven't. Just showing the unmet need I think will help us to advocate for more resources within the public schools."

— Catherine Distelrath, coordinator of Detroit's shelter entry system at Southwest Solutions



ANALYZE

In November 2018, Erb-Downward and Poverty Solutions Research Assistant Payton Watt published a policy brief on the link between homelessness, economic stability, and chronic absenteeism, which is one of the key indicators Michigan tracks under the federal Every Student Succeeds Act. Their research found that 40% of students experiencing homelessness were chronically absent from school, compared to 16% of all students statewide. Students who are chronically absent are less likely to meet grade-level proficiency standards and more likely to drop out of school.

"You can make the argument that if somebody wants to see chronic absenteeism reduced, then they really need to be thinking about the impact of economic instability and the impact of housing instability on attendance," Erb-Downward said.



IDENTIFY

Media coverage of Erb-Downward's research raised awareness of the impact of child homelessness in Michigan, even prompting Bob's Furniture in Livonia to donate a total of \$15,000 worth of furniture to families moving out of a homeless shelter in Detroit, to the McKinney-Vento program serving homeless students in Detroit, and to a home repair nonprofit serving southeast Michigan.

The 2019 Building a Grad Nation report, which is part of a campaign to raise the national high school graduation rate to 90% by 2020, included a spotlight on Poverty Solutions' research and recommendations for improving the attendance of students who are chronically absent and homeless.



Bob's Furniture in Livonia donated \$15,000 worth of furniture to help homeless families.



IMPLEMENT

In September, as a result of recommendations from the Detroit homelessness working groups, the first point of entry to the homeless shelter system began making automatic referrals to Wayne Metropolitan Community Action Agency, which notifies local schools when one of their students enters a homeless shelter. Within a month, about 60 families had been referred to their school's homelessness services coordinator via the new system, according to Southwest Solutions, which runs the shelter entry system.

Other recent signs of progress include educational data management system MiDataHub making sure a student's history of homelessness is among the first things school staff see when a new student transfers to their district, and the Kids Count Data Center, which tracks statistics

related to child well-being nationwide, adding child homelessness to its annual data releases.



EVALUATE

Having an accurate count is the beginning, and now we must ensure children are getting the resources they deserve. Erb-Downward sees this as the first step toward increasing referrals to resources via eviction courts, hospitals, and when people apply for public benefits.

"I think any point in time where you would be identifying someone who's experiencing housing instability and has kids, you would want to make sure they're connected to those resources and make sure they have access to their educational rights," Erb-Downward said.

— CONCLUSION—

NEXT STEPS

"This year Poverty Solutions lived more deeply into its mission than even before. Next year we will push the boundaries even further in exploring what a university poverty initiative can do when it partners with communities and policymakers to bring about real, positive change in the world."

— H. Luke Shaefer
Director, Poverty Solutions



NEXT STEPS

We have come a long way this year, working with our partners and having the support of so many generous individuals, organizations, and foundations. But we have a lot of work still to do and a lot more to learn about what works in confronting poverty.

In the next year and beyond, our hope is that we can continue to deepen our partnerships in Detroit, across the Midwest, and around the nation in order to inform the arc of systems change in ways that contribute to economic mobility. We will also continue to:

- **Deepen our connection with the State of Michigan** and its efforts to make progress on anti-poverty and economic mobility initiatives, including assistance with facilitation, evidence, data and analysis, and policy considerations.
- **Support faculty research and partnerships** across U-M's three campuses and make connections that fuel progress on poverty alleviation and prevention in our region.
- **Release findings** from the first three sites of the Understanding Communities of Deep Disadvantage project—including an interactive map and stories from the field—and embed in three new communities.
- **Engage U-M graduate and undergraduate students** through our high-profile speaker series course and roll out a new doctoral GSRA funding mechanism to support action-based doctoral research projects related to our work.
- **Grow our community commitments** in Detroit, working with community leaders and neighborhood residents to produce relevant research and programming to advance economic well-being.
- **Expand and build on our model** of action-based research and engagement through the Midwest Mobility from Poverty Network by supporting efforts to connect data and analysis to policy and practice across the region. We'll continue to create new opportunities to broaden the narrative around poverty by building connections between researchers and storytellers, including hosting a Midwest Academic-Journalism Conference in spring 2020.



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FACULTY GRANT AWARDS

*“It Depends”: How Discretion in the Financial System
Contributes to Exclusion and Marginalization*
Terri Friedline
School of Social Work

*Positive Organizational Work Experiences as an Antidote
to Poverty and Exploitation*
Mari Kira and Bridgette Carr
LSA Department of Psychology and Michigan Law

*Impacts of Skilling and Employment Opportunities on
Female Rural-to-Urban Migrant Workers and Their
Families: A Randomized Controlled Trial*
Achyuta Adhvaryu and Anant Nyshadham
Michigan Ross

*Exploration of Jobs for Michigan Graduates: Trauma as
a Barrier to Economic and Labor Market Opportunity*
Jessica Camp and Tracy Hall
UM-Dearborn College of Education, Health, & Human
Services

*The Performance of Michigan’s Unemployment Insurance
System: Using Individual Claims and Adjudication Data to
Test and Strengthen the UI Safety Net*
Steve Gray
Michigan Law

*Work Related Transdiagnostic Cognitive Behavioral
Therapy for Unemployed Homeless Persons with
Anxiety and Depression*
Joseph Himle
School of Social Work

*How Universities Can Increase Access for Low-Income and
Minority Students: A Comparison of Three Outreach Models*
Silvia Robles
Gerald R. Ford School of Public Policy

Microsimulation Analysis of Policy Changes in Michigan
Trina Shanks
School of Social Work

Center for Employment Opportunities Pilot Study
Alex Murphy and Reuben Miller
LSA Department of Sociology and University of Chicago

Building Youth Capacity through Design
Nick Tobier
Stamps School of Art & Design

Detroit’s Changing Financial Services Landscape
Terri Friedline
School of Social Work

*Speculative Purchasing, Land Contracts, Evictions,
and Health Outcomes in Detroit*
Josh Akers
UM-Dearborn College of Arts, Sciences, & Letters

Detroit Community Reducing Energy Waste
Marie O’Neill, Tony Reams, and Zachary Rowe
School of Public Health, SES, and Friends of Parkside



PROJECTS WITH THE DETROIT URBAN
RESOURCE CENTER AT THE SCHOOL OF
PUBLIC HEALTH

*Providing Opportunity, Not Punishment: Implementing
a Pilot Functional Sentencing Program in Detroit’s 36th
District Court*
**Francine Banner, Lara Rusch, Jessica Camp, and Jayesh
Patel, JD**
UM-Dearborn College of Arts, Sciences, & Letters and
Street Democracy

*Michigan Evictions: Assessing Data Sources and
Exploring Determinants*
**Robert Goodspeed, Margaret Dewar, and Elizabeth
Benton**
Taubman College of Architecture and Urban Planning
and the Michigan Advocacy Program

*Engaging Low-Income and Minority Communities in
Prioritizing Community Health Benefits*
Susan Dorr Goold and Zachary Rowe
Michigan Medicine and Friends of Parkside

*Identifying the Recipe for Success: Can a New Cooking
Class Program in a Community Health Center Increase
Participation in Existing Center Programs and Build Core
Skills to Decrease Food Insecurity Among Low-Income
Patients?*
Julia Wolfson and Richard Bryce
School of Public Health and the Community Health and
Social Services Center (CHASS)

○○○
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