

EWR Low Income Workgroup

May 6, 2021

Agenda

9:00 – 9:10	Welcome, Introductions Brad Banks, MPSC
9:10 – 10:10	2021 ALICE Report Nancy Lindman, United Way of Michigan
10:10 – 10:15	break
10:15 – 11:00	Workgroup Health and Safety Topic Group Project Jessica Halstead, Habitat for Humanity of Michigan
11:00 – 11:30	MEAP-Weatherization-Solar Project Tonya Sweanor Jonathan Waltz Superior Watershed Partnership
11:30	Close and Adjourn



ALICE IN MICHIGAN: A FINANCIAL HARDSHIP STUDY

LIVE UNITED



2021 MICHIGAN REPORT



Michigan Association of
United Ways



EWR Low Income Workgroup

Agenda – May 6, 2021

- Highlights from the 2021 ALICE Report for Michigan
 - Tour online ALICE report
 - Discussion
-

Thanks

Michigan Research Advisory Committee

Brian Pittelko, M.P.A. - W.E. Upjohn Institute for Employment Research

David Clifford, Ph.D. - Eastern Michigan University

Kurt Metzger, M.A. - Data Driven Detroit

Luke Shaefer, Ph.D. - University of Michigan

Matias (Matt) McCauley – Networks Northwest

Molly Trueblood – W.E. Upjohn Institute for Employment Research

Neil Carlson, Ph.D. - Calvin University

Rene Perez Rosenbaum, Ph.D. Michigan State University

Sponsor



Who is ALICE?

- **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed
- Above FPL, below Household Survival Budget
- Low-wage jobs – cashiers, health care workers, security guards, laborers, office administration
- No savings:
 - For emergencies
 - For investing in the future – education, homeownership, retirement

Key Terms

Household Survival Budget: The bare-minimum costs of basic necessities (housing, child care, food, transportation, health care, and a smartphone plan).

ALICE Threshold: The average income needed to afford the Household Survival Budget. Households below the ALICE Threshold include both ALICE and poverty-level households.

ALICE: Households with income above the Federal Poverty Level but below the basic cost of living.

Poverty: Households earning below the Federal Poverty Level

Total Households: The number of households as reported by the American Community Survey.

What's New?

Methodology

- More local variation
- Better reflection of household composition
- More variations by household size
- New ALICE measures:
 - Senior Survival Budget
 - ALICE Essentials Index

Website

- Same graphs and maps - and more!

Impact of COVID19



Overview

Over time, three trends are increasing:

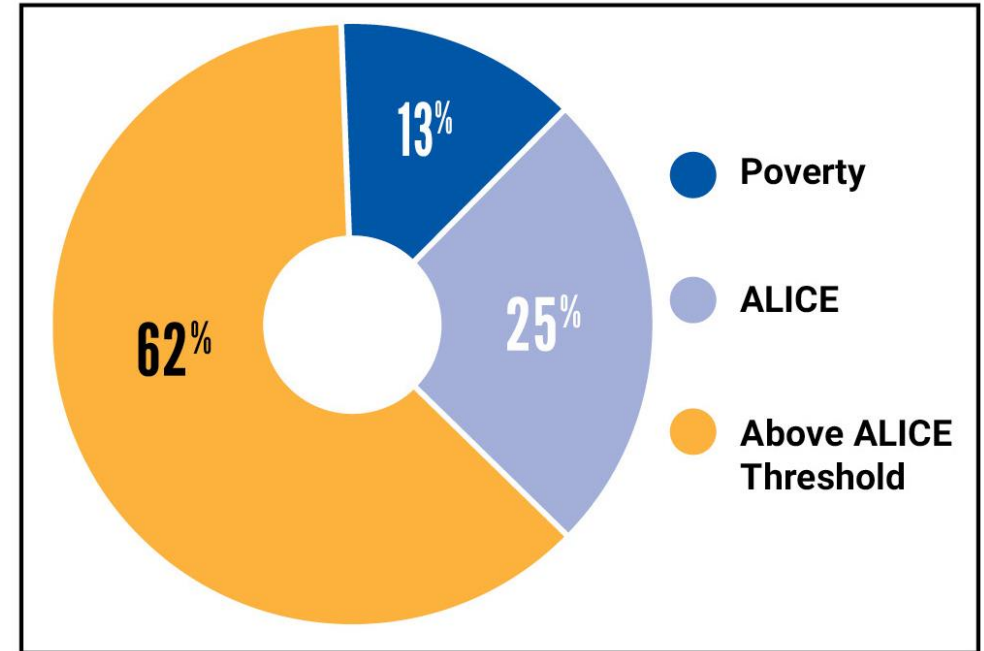
- **Cost of living** for ALICE households
ALICE Essentials Index 3.4% vs. CPI 1.8%
- **Worker vulnerability** - while wages stagnate
- **Number of ALICE households**

Poverty in 2007 & 2019: 13%

ALICE in 2007: 19%

ALICE in 2019: 25%

Households by Income, Michigan, 2019

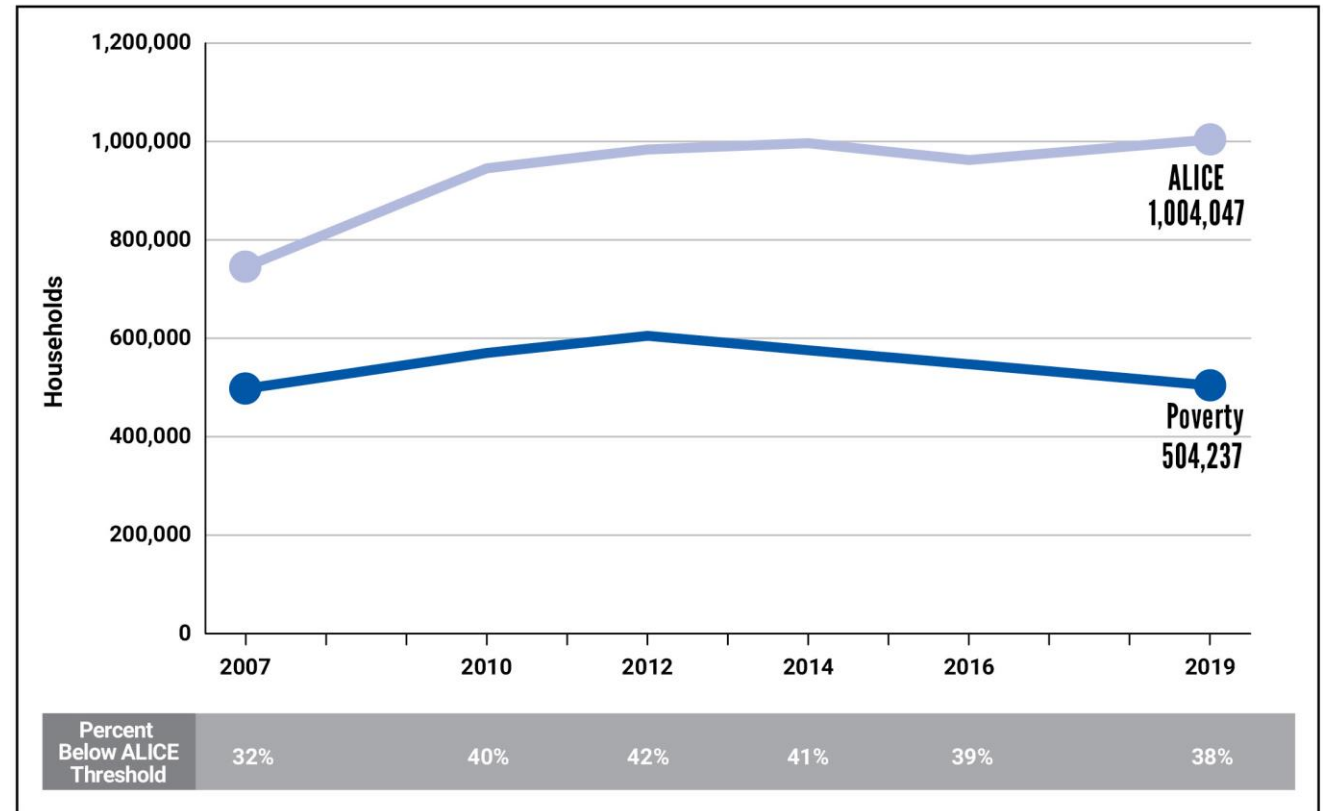


Sources: ALICE Threshold, 2019; American Community Survey, 2019

ALICE in Michigan

- **ALICE and Poverty-Level Households**
 - Poverty 13% (504,237)
 - ALICE increase from 745,446 in 2007 to 1,004,047 in 2019 (35% increase)
 - 10% of households on the cusp of ALICE Threshold in 2019
- Large number of households struggling before the pandemic helps explain why impact is so severe

Households by Income, Michigan, 2007-2019

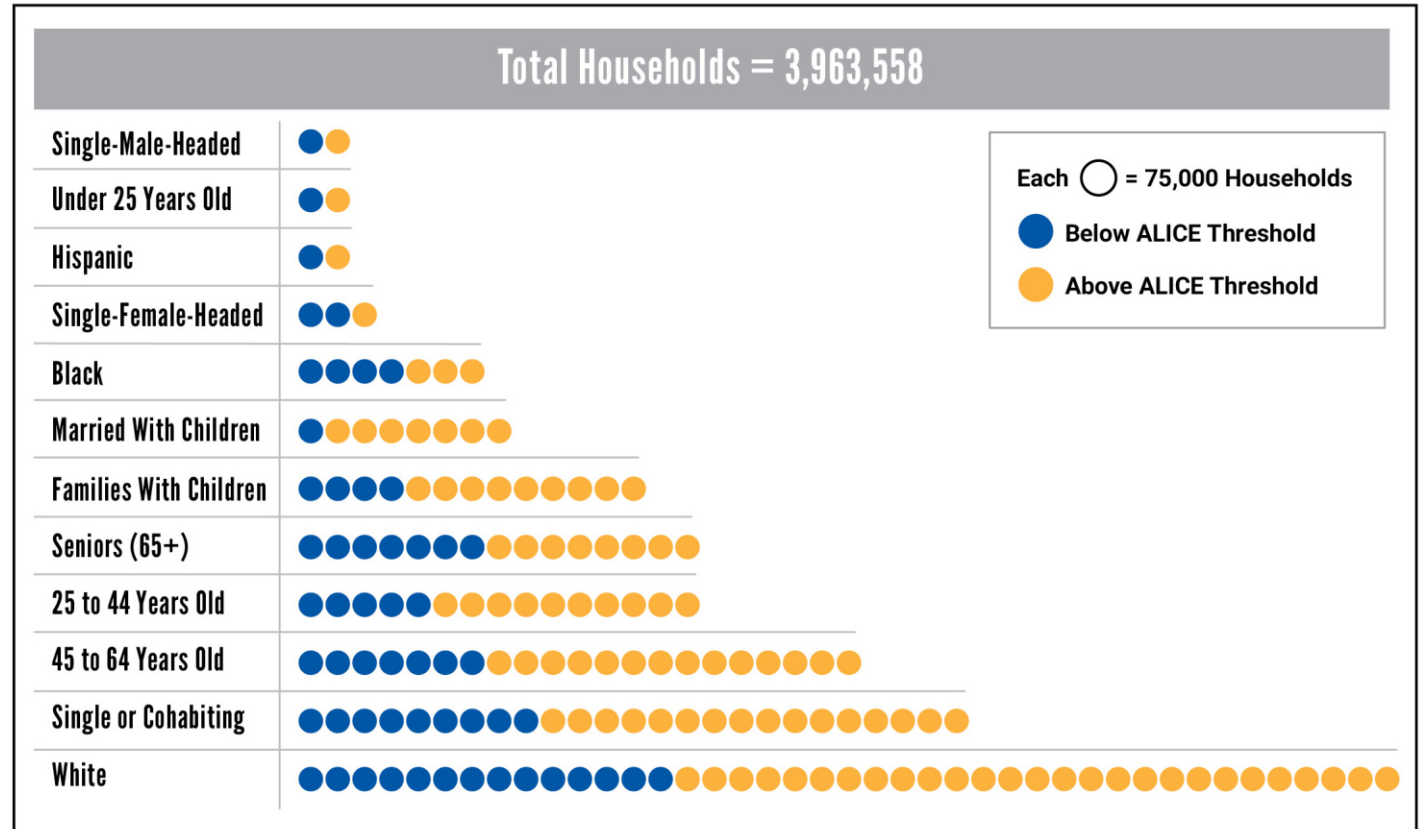


Sources: ALICE Threshold, 2007-2019; American Community Survey, 2007-2019

ALICE Demographics

- Household Demographics
- Relative total size and number of households below the ALICE Threshold

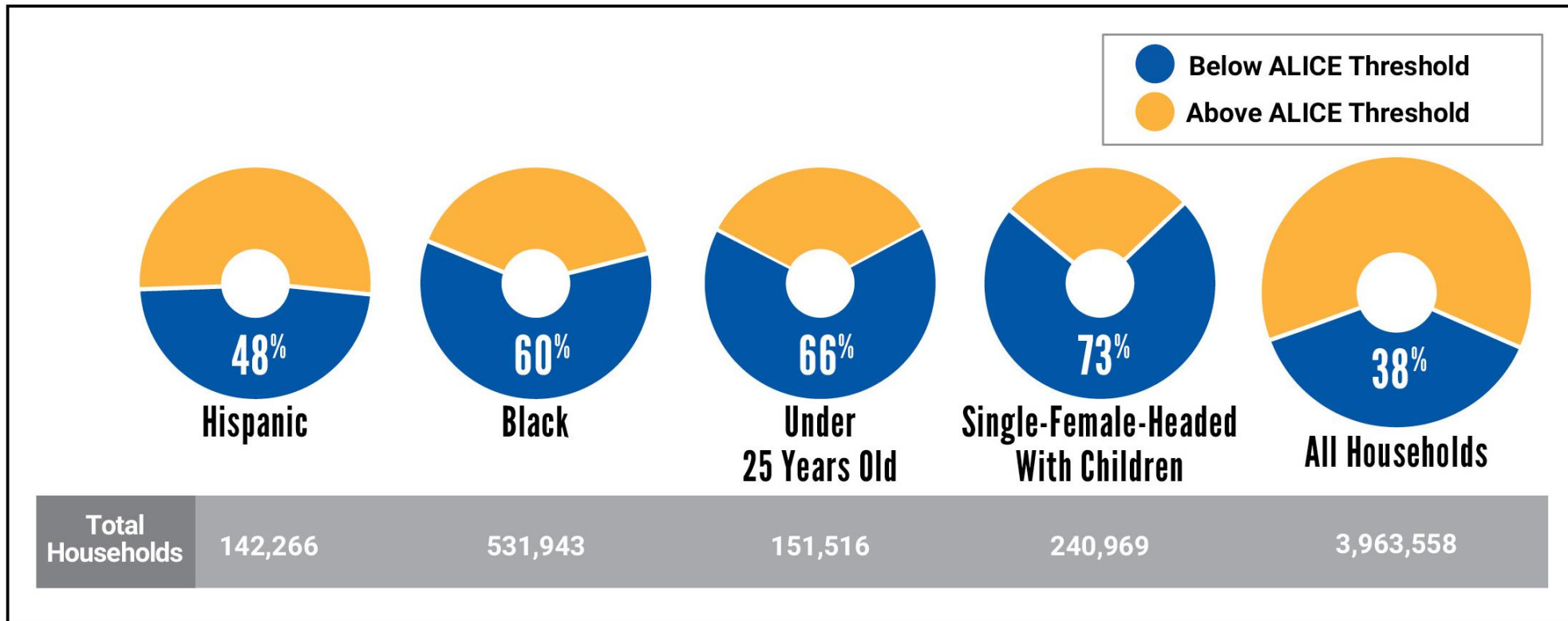
Household Types by Income, Largest Groups, Michigan, 2019



Sources: ALICE Threshold, 2019; American Community Survey, 2019

Some Groups More Likely to be ALICE

Select Household Groups by Income, Michigan, 2019

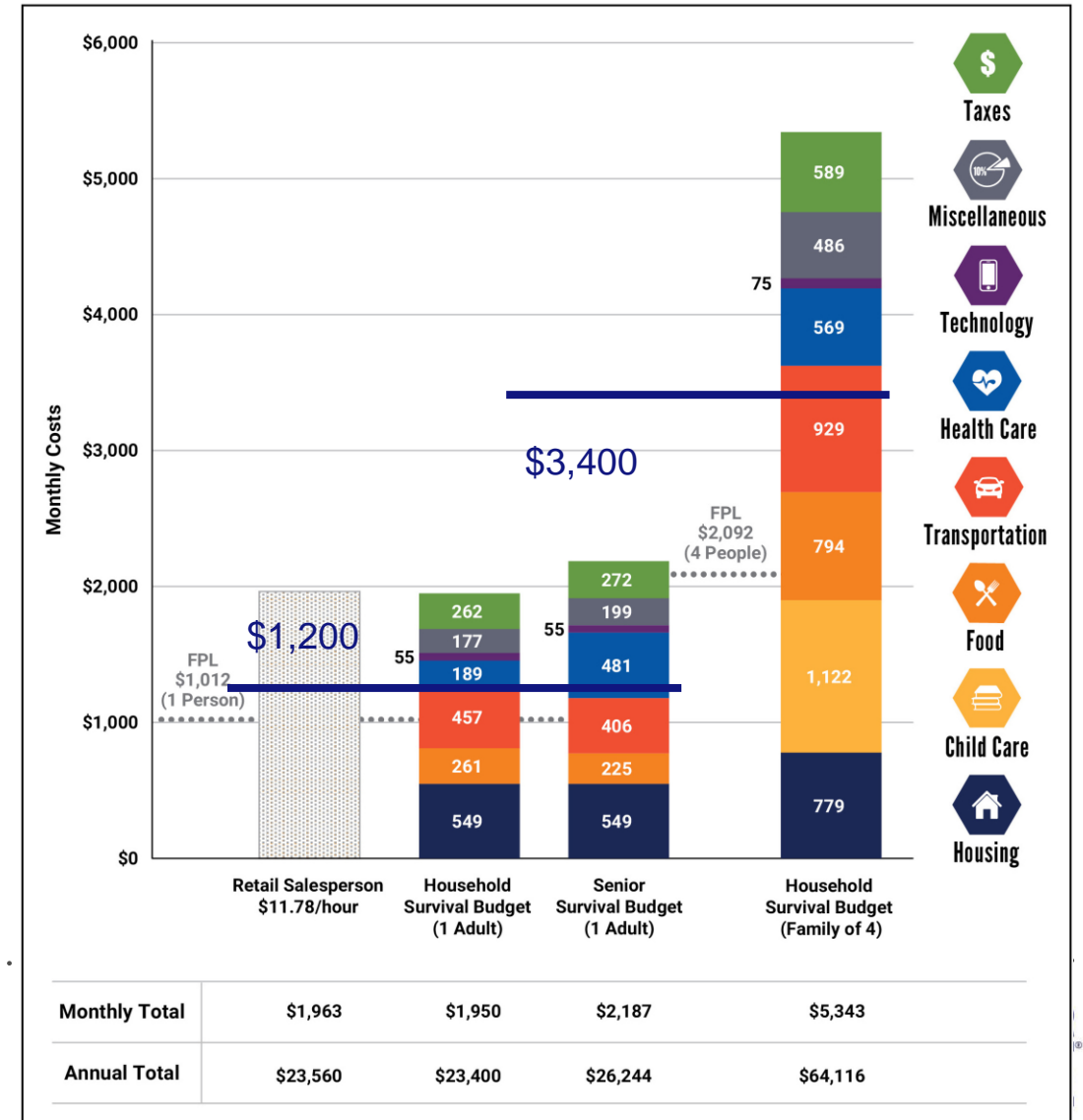


Sources: ALICE Threshold, 2019; American Community Survey, 2019

The Bare Minimum Budget

- ALICE cost of living far above the Federal Poverty Level (FPL)
- ALICE cost of living outpaces wages
 - Retail Salespersons, most common occupation in 2019, paid \$11.78/hour
- Federal CARES Act stimulus check

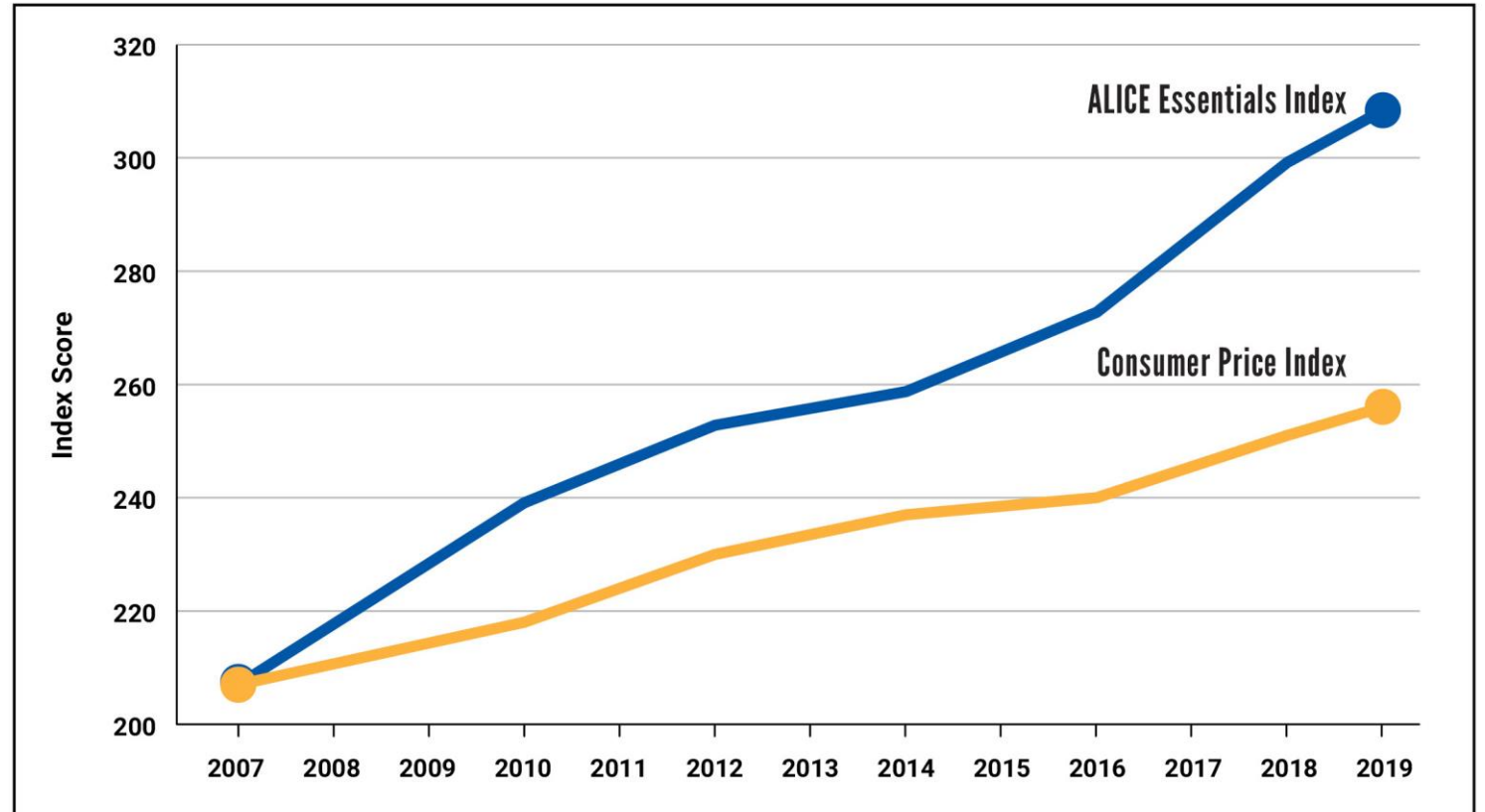
Budget Comparison, Michigan, 2019



The ALICE Essentials Index

Inflation Indices, United States, 2007-2019

- The ALICE Essentials Index
 - Basic household items ALICE families buy
 - 3.4% annual increase
 - Similar rate of increase in rural and urban areas
- BLS Consumer Price Index (CPI)
 - All goods and services all families purchase
 - 1.8% annual increase

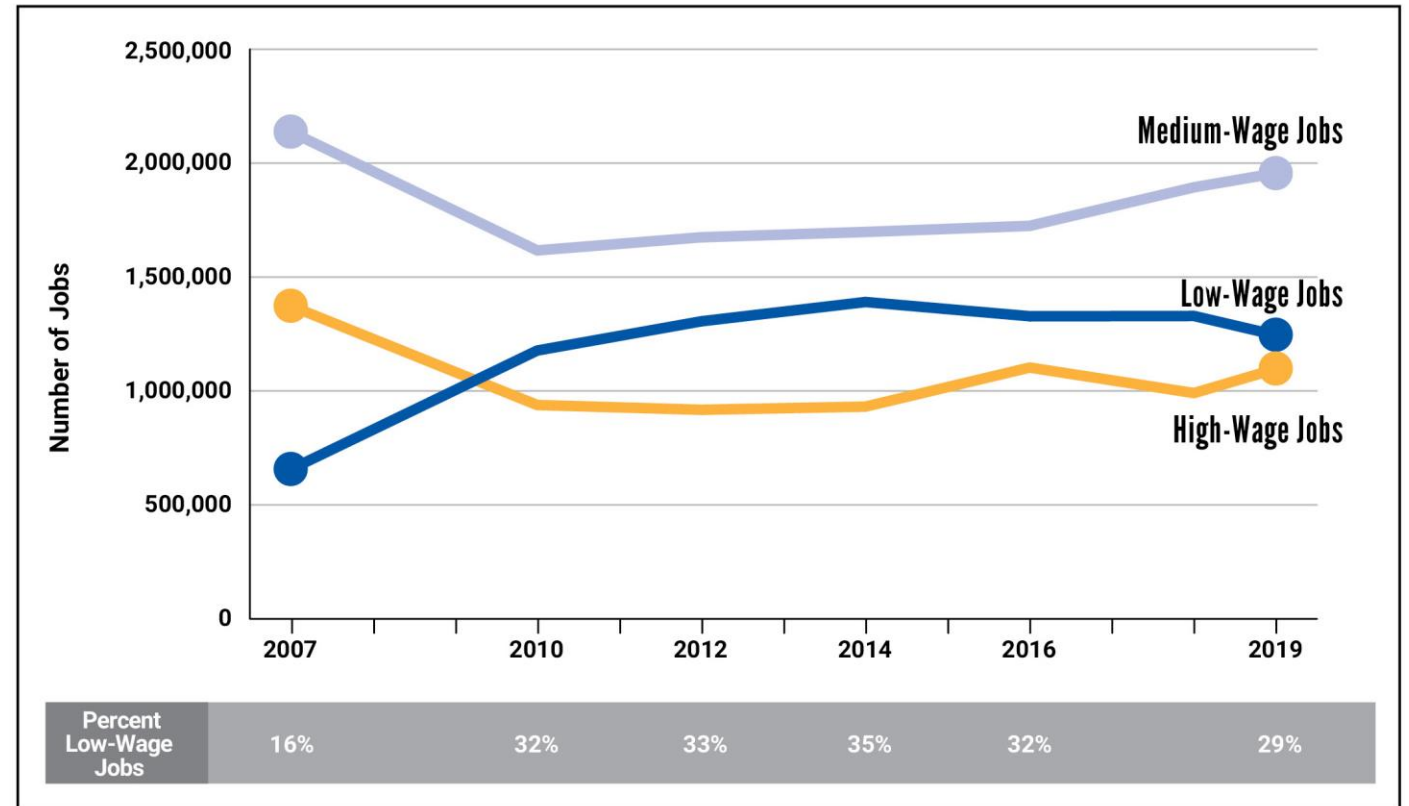


Sources: ALICE Essentials Index, 2007-2019; Bureau of Labor Statistics—Consumer Price Index, 2007-2019. For more information, visit [UnitedForALICE.org/Essentials-Index](https://www.unitedforalice.org/essentials-index).

Wages Versus Household Survival Budget (HHSB)

- **Dark blue** = Job cannot support family HHSB with two earners
- **Light blue** = Job supports family HHSB with two earners
- **Gold** = Job supports family HHSB with one earner

Number of Jobs by Wage Level, Michigan, 2007-2019

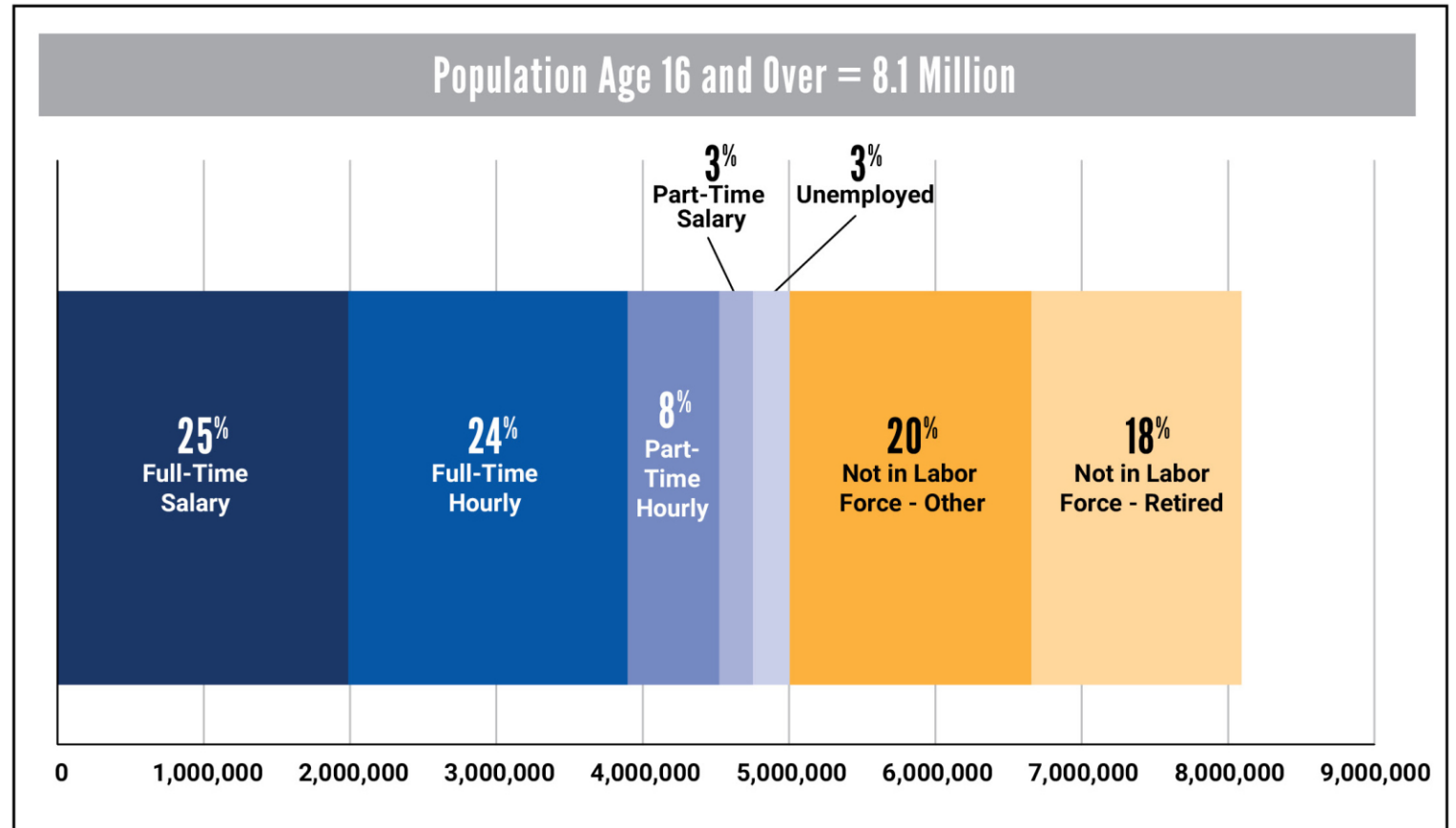


Sources: ALICE Household Survival Budget, 2007-2019; Bureau of Labor Statistics, 2007-2019—Occupational Employment Statistics

The Changing Landscape of Work

Labor Status, Population Age 16 and Over, Michigan, 2019

- More than half of jobs were hourly paid in 2019
- Only 25% of working-age adults had the security of a full-time job with a salary
- 38% were out of the labor force



Sources: American Community Survey, 2019; Federal Reserve Bank of St. Louis, 2019

ALICE Keeps the Economy Running

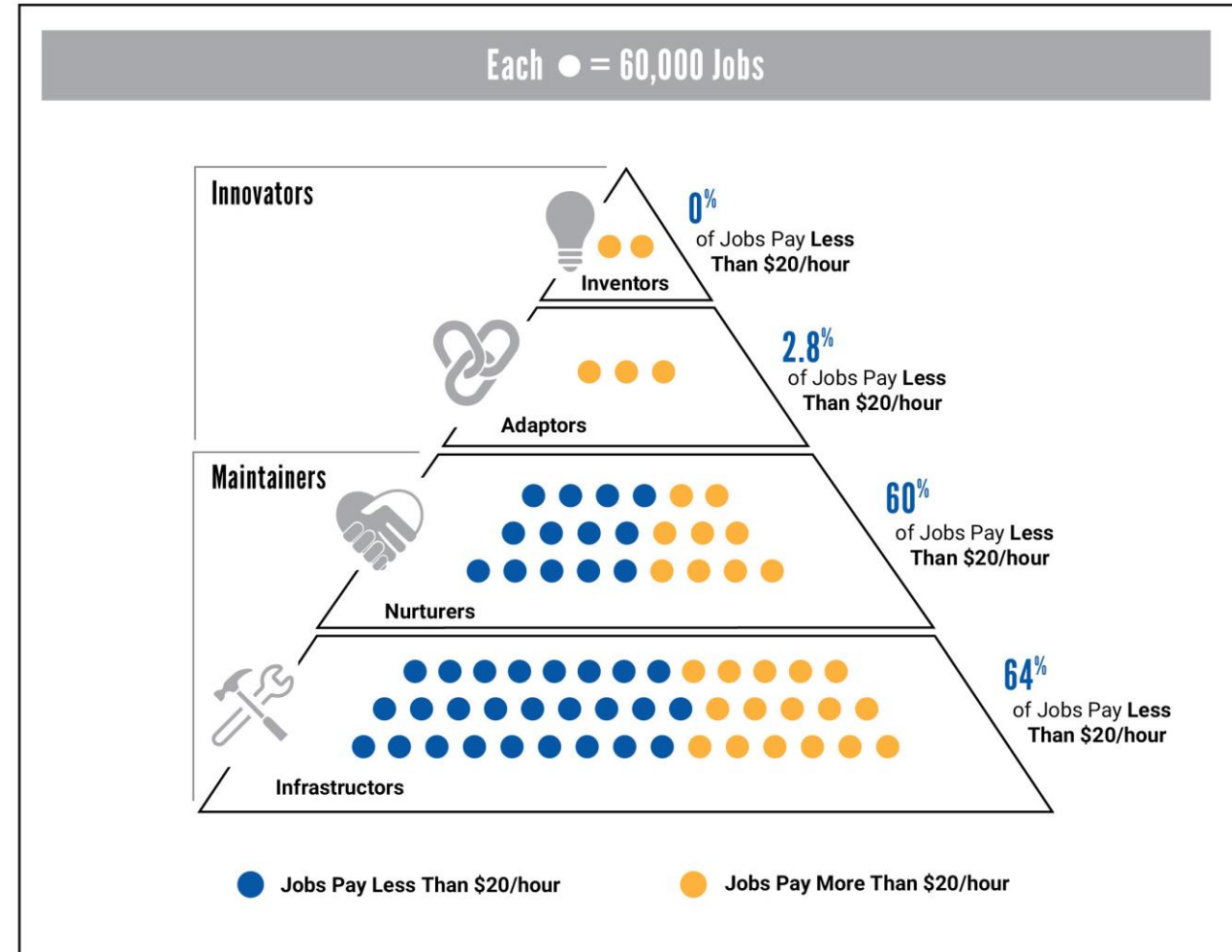
Maintainers

- Build and repair infrastructure
- Educate and care for workforce

COVID-19 Impact

- Many Nurturer jobs critical now; workers vulnerable to illness
- Many Infrastructor jobs on hold, will take time to ramp back up

Occupations by Wage and Type, Michigan, 2019



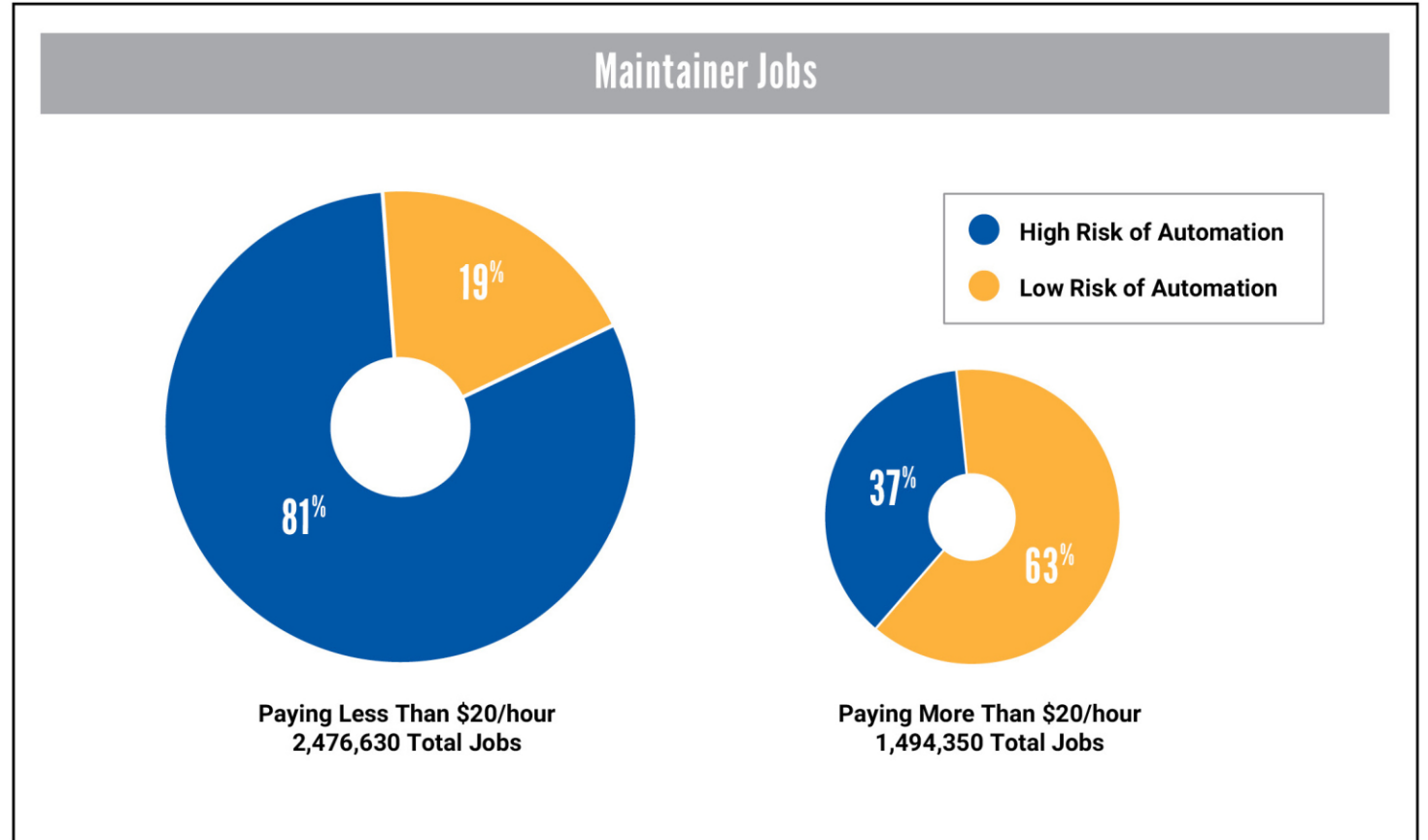
Source: Bureau of Labor Statistics, 2019—Occupational Employment Statistics

#EssentialALICE

Labor Landscape Trends

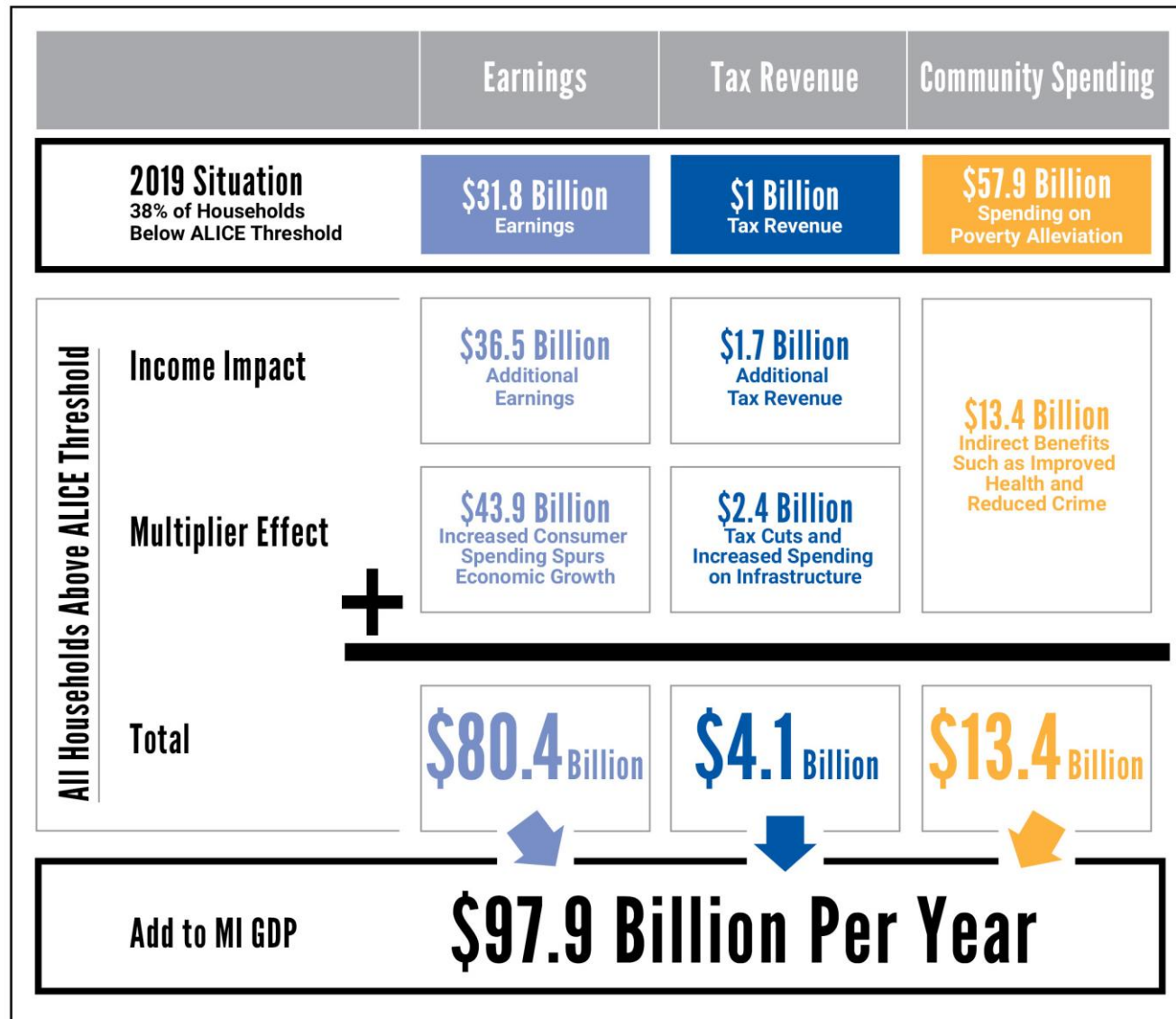
- Risk of automation
- Growth of gig economy
- Low-wage jobs growing
- Working students

Occupations by Type and Risk of Automation, Michigan, 2019



Sources: Bureau of Labor Statistics, 2019—Occupational Employment Statistics; Frey & Osborne, 2013

The Benefits of Moving Towards Equity



Sources: ALICE Threshold, 2018; American Community Survey, 2018; Internal Revenue Service—1040, 2018; Internal Revenue Service—EITC, 2018; Internal Revenue Service—FICA, 2019; National Association of State Budget Officers, 2019; Office of Management and Budget, 2019; Tax Foundation, 2018 and 2019; U.S. Department of Agriculture—SNAP, 2019; Urban Institute, 2018

Break: 5 minutes

10:10 – 10:15

HEALTHY HOUSING

Importance of health and safety
focus on home repairs

Health and Safety Workgroup Updates

Legislator Meetings

Educational Materials

Overview

01

**Walk-a-way
issues and
deferrals**

02

Pilot Programs

03

**Health and
Safety
Programs**



WALK-AWAY ISSUES

Causes for deferrals, program limitations

Weatherization Program Restrictions

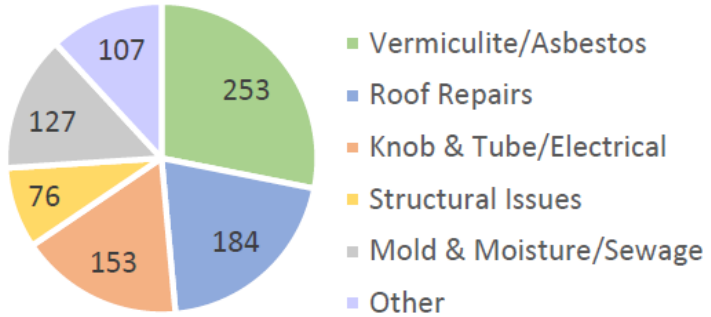
Statistics

- About **1638** homes are weatherized per year by weatherization programs
- **2.9 Million** Michigan households are income qualified for weatherization

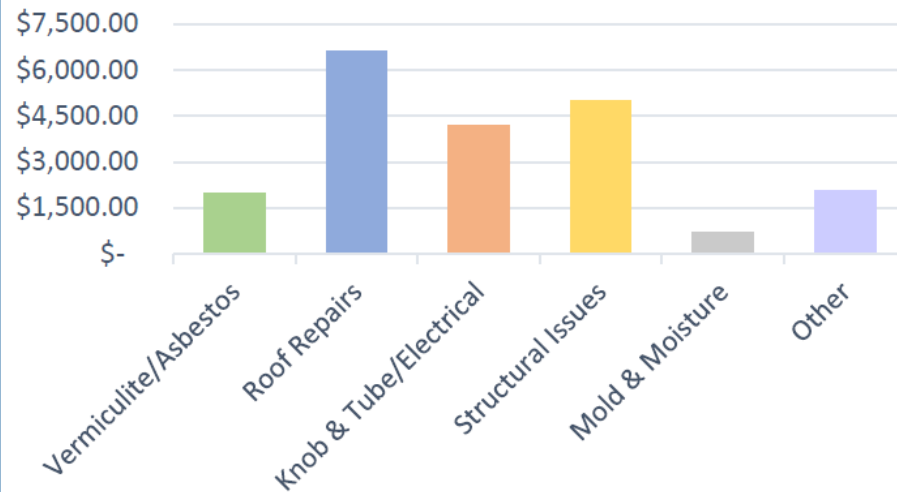


Deferral statistics

Cause of Deferral



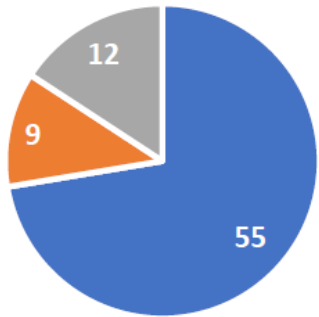
Average Cost to Rectify Deferral



Weatherization Programs

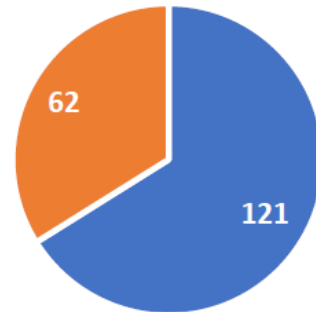
Designed to reduce energy costs by increasing the energy efficiency of homes.

Structural Issue



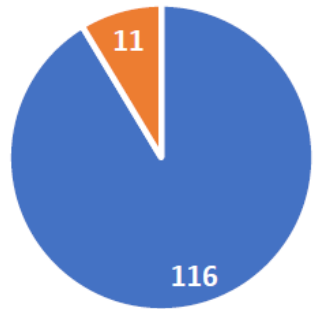
- \$2,500 - Inaccessible Crawl Space
- \$6,000 - Home Repair / Minor Structural Repair
- \$15,000 - Foundation Repair Issue

Roof Repair



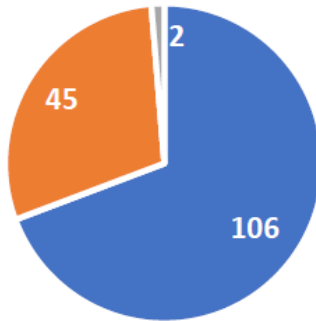
- <\$7,000 - Roof Leaks, Repairs
- \$7,000-\$20,000 - Roof Replacement

Mold / Moisture Issues



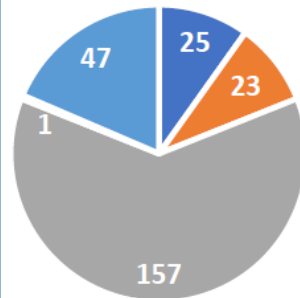
- <\$1,250 - Mold / Moisture Repair
- \$1,250-\$5,000 - Mold / Moisture Repair

Knob & Tube / Electrical



- <\$4,200 - Knob and Tube
- \$4,200-\$7,000 - Knob and Tube
- \$20,000 - Electrical

Vermiculite / Asbestos



- \$500 - Testing
- \$600 - Asbestos Tape
- \$1,000 - \$3,000 - Other
- \$5,500 - Asbestos Siding

Weatherization Programs

These charts break down the deferral categories and cost



PILOT PROGRAMS

Allowing some funding towards Health and Safety repairs to eliminate deferrals

Health and Safety Pilots

DTE ENERGY

Provides funding to address issues that prevent the delivery of energy efficient products and services (walkaways) for both single-family and multi-family buildings

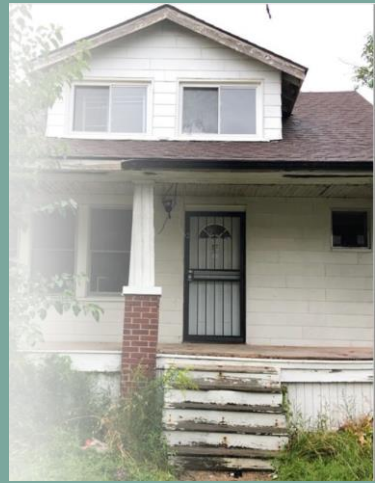
Consumers Energy

Provided a couple pilot programs centered around health and safety in housing:

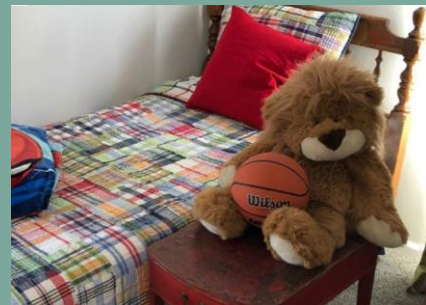
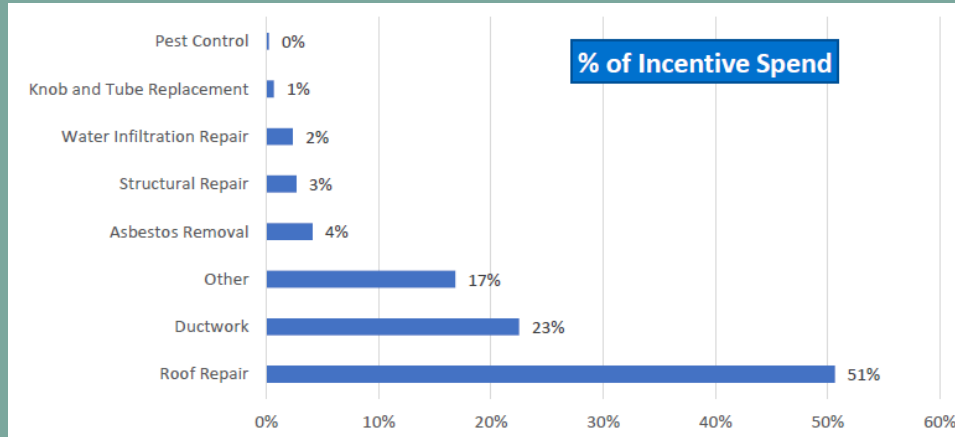
Healthy Housing Pilot in a holistic approach to repairs.

Roof Repair Program

Participating Organizations	20
Completed Projects	312
Projects Requiring DTE Approval	81 (26%)
Net MWh Savings	144 (avg: 0.5)
Net MCF Savings	7,767 (avg: 26)
Total H&S \$s Spent	\$ 1,364,027 Avg: \$4,623
Total EEA \$s Spent	\$ 562,472 Avg: \$1,906
\$s Approved (2020 Pipeline)	\$ 0
Incentive \$s Remaining	\$ 0



H&S Measures	Measure Count
Ductwork	87
Roof Repair	71
Asbestos Removal	18
Structural Repair	12
Water Infiltration Repair	8
Knob and Tube Replacement	8
Pest Control	3
Other	215
Total	422



DTE Health and Safety Pilot

The statistics for the 2020 Pilot

2020 Performance:

- Pilot Award October 1st
- 37 projects completed.
- \$385,072.12 paid in Incentives.



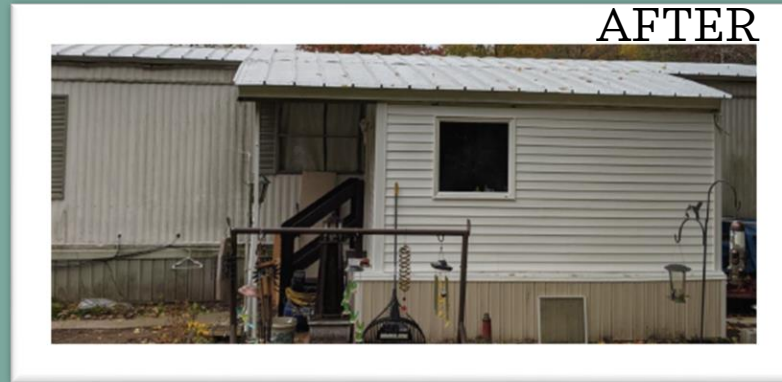
Consumers Energy Pilots

Roof Repairs

The Agency Roof Replacement Rebates are provided to Nonprofit or Public organizations so that they may assist Homeowners or Agency owned housing with roof replacement or roof repair assistance.

Case Study: Ms. M

- Owns a manufactured home with
 - roof leaks, a 30+ year old furnace
 - plumbing issues.
- TrueNorth's Healthy Housing team was able to facilitate the repairs needed for this home.
- Ms. M received a new roof and furnace. Her goal of an energy efficient home is now a reality.



Consumers Energy Pilots

Healthy Housing Pilot - TrueNorth

- This partnership seeks to address the fact that income qualified populations have higher energy burden, greater health disparities, and poorer housing stock available to them.

TrueNorth Mr. S Case Study

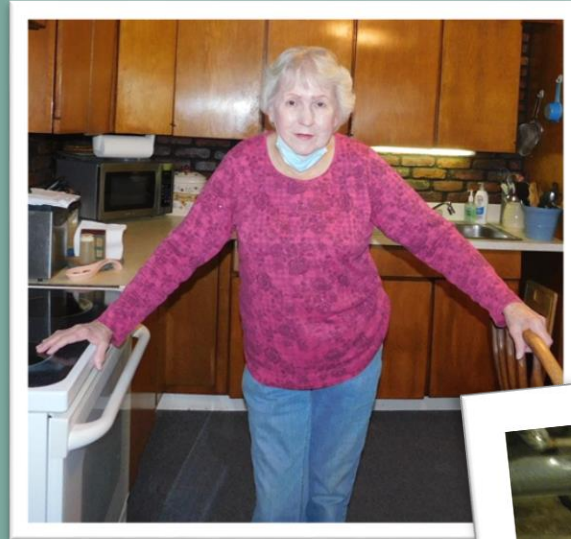
- The repairs for this home included
 - new furnace
 - New water heater
 - Toilet repair
 - new exterior door,
 - Repaired window pane
 - new stair railing.



Saginaw Shiawasee Habitat Case Study: Peggy

Updates on her home include:

- Roof
- soffit/facia
- Gutters
- Doors
- Furnace
- insulation



Consumers Energy Pilots

Habitat for Humanity

- Aims to identify combination gas/electric Consumer Energy customers with energy inefficiencies and needed repairs on their homes.
- Leverages funding from Habitat Priority Home Repair program for health and safety and EWR programs for HVAC / Energy efficiency

Saginaw Shiawassee Case Study: Nancy

This family received a new roof and a cold climate heat pump system.



Saginaw Shiawassee Habitat case Study #3

- Repairs on this home include
 - Roof replacement
 - Boiler replacement
 - Water heater replacement



Great Jackson Habitat Vince and Denise

Vince heard about Habitat's repair program from an article he read in the local newspaper. He applied, saying that the repairs his home needed were compounding, and he didn't know how he was going to be able to keep up with it.

- **Completed repairs included:** roof replacement & insulation, lower-level windows replaced, furnace & water heater replacement, CO₂ and smoke detectors installed





HEALTH AND SAFETY PROGRAMS

Allowing some funding towards Health and Safety repairs to eliminate deferrals

Habitat for Humanity of Michigan

Priority Home Repair Program



WHOLE HOUSE
METHODOLOGY
APPROACH



HOME AND HOMEOWNER
EVALUATION



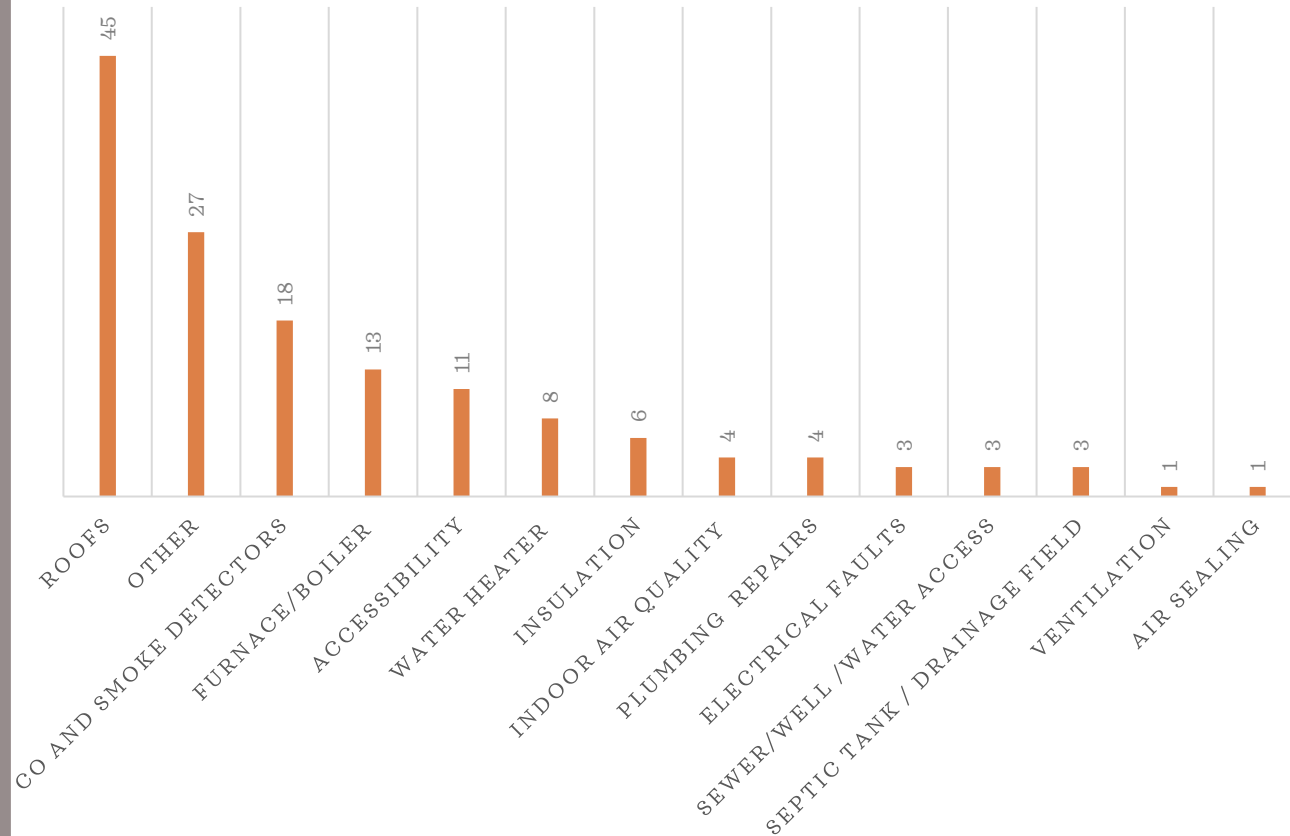
SAFETY AND HEALTH
PRIORITIZATION

Habitat for Humanity – PHR Program

The statistics for the 2020 Grant year.

15 Habitat for Humanity affiliates across the state of Michigan served **76** homeowners.

2020 REPAIRS ADDRESSED

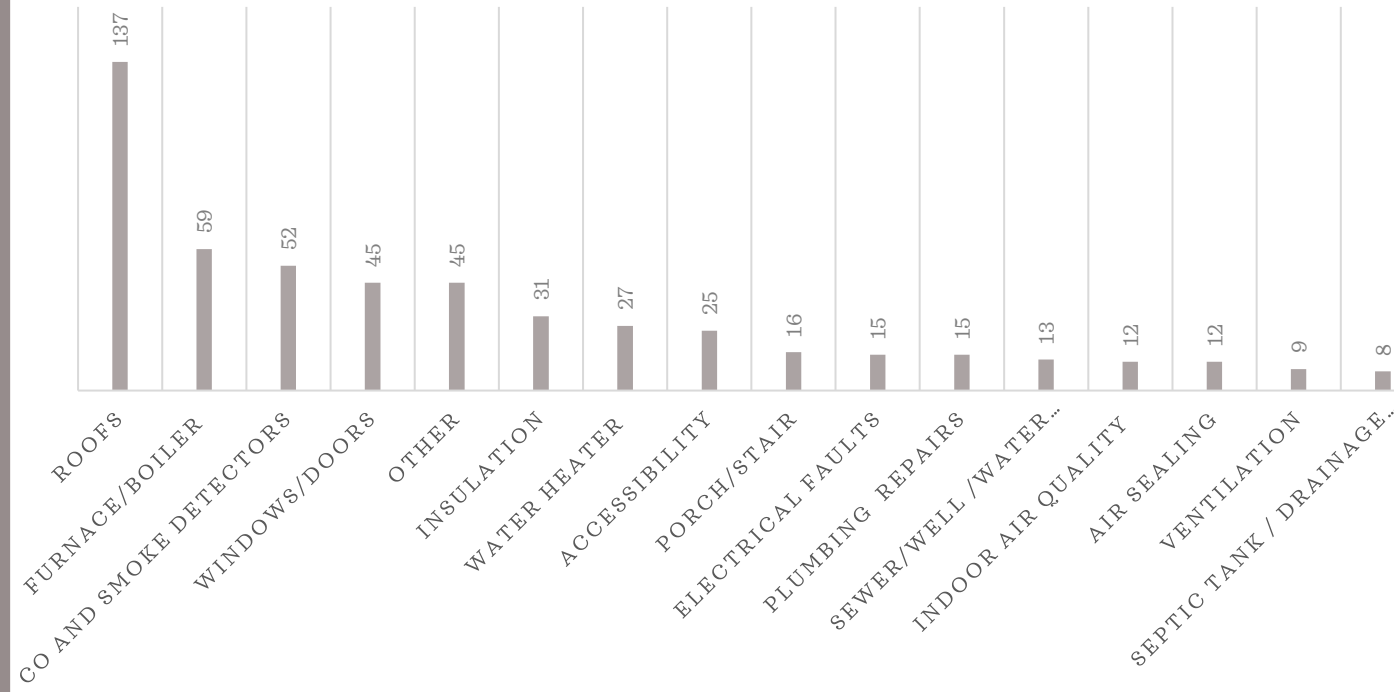


Habitat for Humanity – PHR Program

The statistics from 2016-2020.

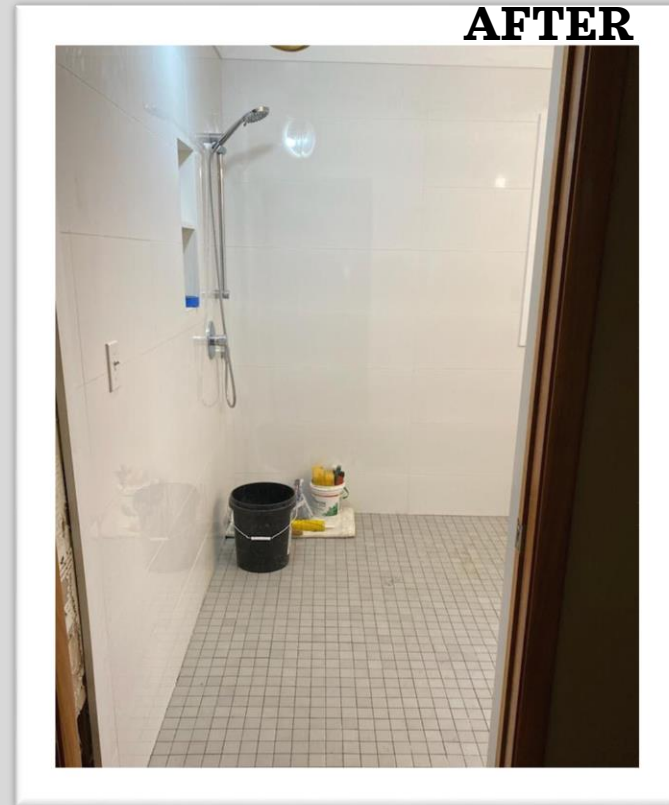
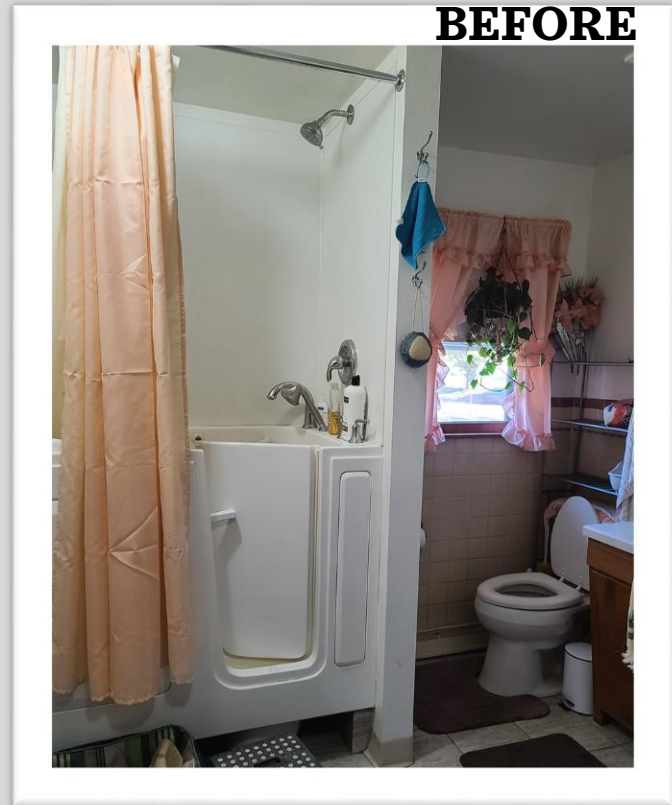
Habitat for Humanity affiliates across the state of Michigan served **262** homeowners.

2016-2020 REPAIRS ADDRESSED



Testimonial Habitat for Humanity of Michigan

Remodeled bathroom for accessibility needs inside the home.




The electrical updates that Habitat Detroit performed on Mr. D's home gives him the freedom to move around upstairs without worrying about falling or running into walls when he gets up in the middle of the night. Though Marion is energetic and active, the risk of falling was a serious safety concern for this 71-year-old.

“Habitat for Humanity is a ministry of help that is a light in a very dark world. By serving, you are under the blessing of the Lord.” ~ Mr. D

Testimonial – Habitat for Humanity of MI

MR. D case study –
electrical repairs



CASE STUDIES FROM OTHER STATES

Successful health and housing studies

Scope of Work	Number of Studies	Avg. Cost Per Unit
Limited	6	\$21,712
Comprehensive	6	\$124,655

Number of Units	Number of Studies
60 or Fewer	5
61-100	5
100 or More	2

Location	Number of Studies
Urban	7
Suburban	3
Rural	2

EEFA and GHHI Case Studies.

Median Original Year Built:
1958

Case Study: Commons at Imperial - Atlanta, GA

Pre-Intervention

- High-rise building constructed in 1911
- 90 Units
- Property comprehensively rehabbed 2014, serves previously homeless individuals
- Energy retrofitting planned with Southface Energy Institute



Weatherization Interventions

- Energy efficient windows
- R-20 spray foam insulation
- Continuous R-30 roof insulation
- High efficiency HVAC system
- Programmable thermostats and utility monitoring
- Energy Recovery Ventilator (ERV)
- Energy Star appliances and electric water heating
- High efficiency LED and CFL lighting

Healthy Homes Interventions

- Paint stabilization to reduce lead hazards
- Low VOC paints and sealants
- Pest management services
- Mold remediation
- Installation of fire sprinkler systems and alarm system
- Installation of carbon monoxide detectors
- Water Sense Certified low-flow toilets and shower heads installed
- Drought resistant landscaping

Case Study: Commons at Imperial - Atlanta, GA

Donna Werkheiser

Pre-Intervention Situation:

- History of homelessness and economic insecurity related to health conditions
- Chronic conditions include asthma, bronchitis, and emphysema

Intervention Services:

- One of the first tenants to move into the renovated building in 2014
- Case manager on-site assisted Werkheiser to apply for disability benefits and healthcare coverage

Outcomes:

- Health Costs 12 months pre-intervention: \$30,000
| 12 months post-intervention: \$676

Othinel Jenkins

Pre-Intervention Situation:

- Sarcoidosis (chronic disease causing shortness of breath and inflammation)
- Aspergilloma (chronic infection that impacts pulmonary function)
- Lost job in inventory management and housing due to health conditions

Intervention Services:

- Moved into the Imperial in April 2014
- Case manager assisted him to apply for disability coverage and Medicaid
- Medication management to reduce frequency of breathing treatments

Outcomes:

- No breathing treatments in past 16 months | enrolled in vocational school

Weatherization/Efficiency Interventions

- Geothermal heating and cooling system
- ENERGY Star windows and appliances
- Dual flush toilets
- Pitched roofs
- Environmentally-friendly siding
- Improved landscaping
- High quality ventilation system



Healthy Homes Interventions

- Low VOC paints and sealants
- Pest management services
- Mold remediation
- Radon remediation
- Sealing to reduce moisture intrusion and air leakage
- Smoke free policy adoption (2013)

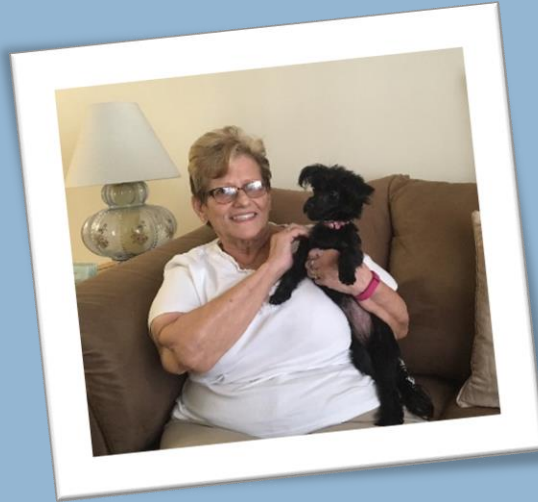
Case Study: Viking Terrace Worthington, Minnesota

Pre-Intervention

- Multi-family development constructed in 1974
- 60 Units
- Damaged exterior siding
- Outdated furnaces, electrical system, appliances
- Leaking roofs, damaged foundations
- Pest infestations, mold and radon
- Property comprehensively rehabbed 2006-2007

Pre-Intervention

- Multi-family building constructed in 2008
- 52 Units
- Efficient HVAC, windows and ENERGY Star appliances
- High levels of dust observed in some units
- Additional efficiency upgrades and health interventions completed in 2013



Weatherization Interventions

- HVAC system tune-up and cleaning
- High quality air filter installation
- Installation of efficient thermostats

Healthy Homes Intervention

- Ionic air purifiers and oxidizers used to remove particulate matter



Case Study: Mill Pond Apts. (Coffman Family) O'Fallon, Missouri

Outcomes

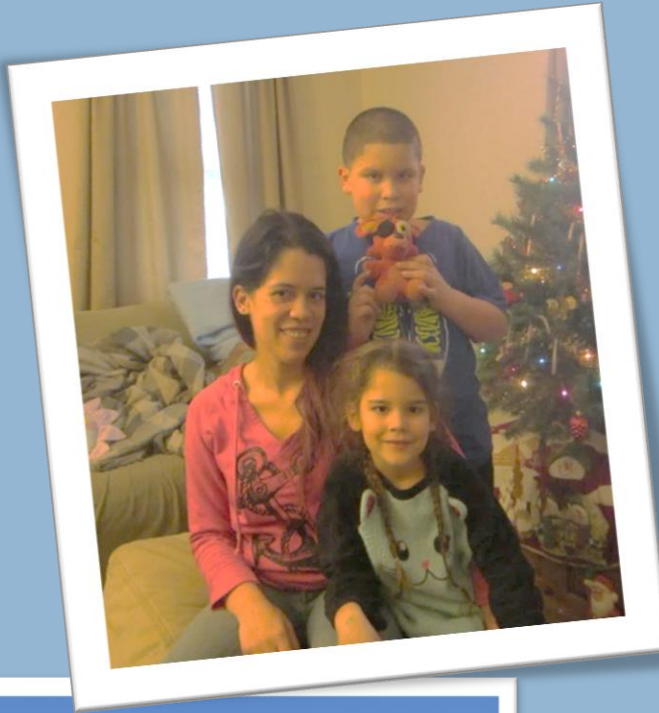
- Improved air quality
- Reduced O&M costs
- Improved thermal comfort

Cost of Intervention:

- \$74,200 (\$700 per unit)

Pre-Intervention

- Multi-family building constructed in 1906
- 98 Units
- Inefficient conditions at Lincoln Mills (air leakage from doors and dryer vent)
- History of injury and child with elevated lead levels at previous place of residence



Case Study: Lincoln Mills Manville, Rhode Island - Martinez Family

Weatherization Interventions

- Single unit weatherization
- Insulation door kits
- Dryer vent kits
- Window seals
- Efficient light bulbs

Healthy Homes Intervention

- Smoke Alarms installed

Case Study: Cottages and Gardens at Chesapeake in Elkton, Maryland

Marian Creswell:

- Prior to the rehab:
 - Experienced a draft from her bedroom windows
 - Moisture from pipe leakage damaged ceilings
 - Noisy wall AC/heating unit generated poor quality air
- After the rehab:
 - She enjoys a quieter AC/heating system with improved air quality
 - Less stressed because appliances and HVAC stay in good, working condition

"I am never moving out because the combination of income-adjusted rent, lower utility bills, and comfortable living is ideal for a 72-year old"



Case Study: 1351 Greene Ave. - Brooklyn, New York

Energy Efficiency Interventions

- Energy efficient Windows
- Upgraded Lighting
- Efficient boiler and furnace
- Improved building insulation
- Replaced ventilation system
- Roof and masonry repairs

Healthy Homes Interventions

- Mold Remediation
- Electrical and plumbing repairs
- Asbestos abatement
- Pest management
- Sealing to reduce moisture intrusion and air leakage
- Fire safety measures



Case Study: 1351 Greene Ave. - Brooklyn, New York

Teresa Yanes and Derian De La Torre:

Lived in this apartment since 1992

Temporarily relocated during renovation

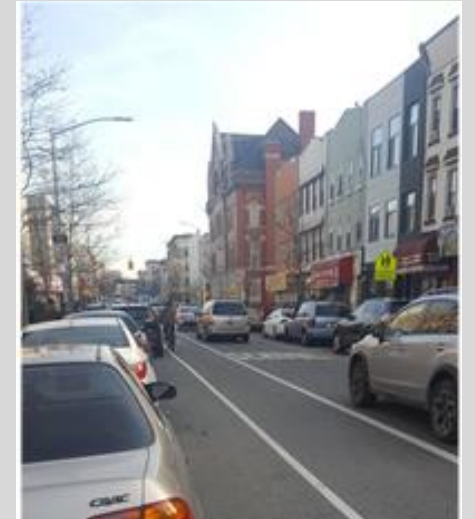
Outcomes

- Increased protection from extreme temperatures
- Derian, a college student, enjoys increased productivity with better, efficient lighting
- Reduced stress levels
- Increased disposable income



Property-wide outcomes

- Reduction in mold and mildew
- Noticeable reduction in pests
- Improved air quality
- No raise in rents
- Lower utility bills



Average Monthly Pre-Rehab Utility Costs

\$250

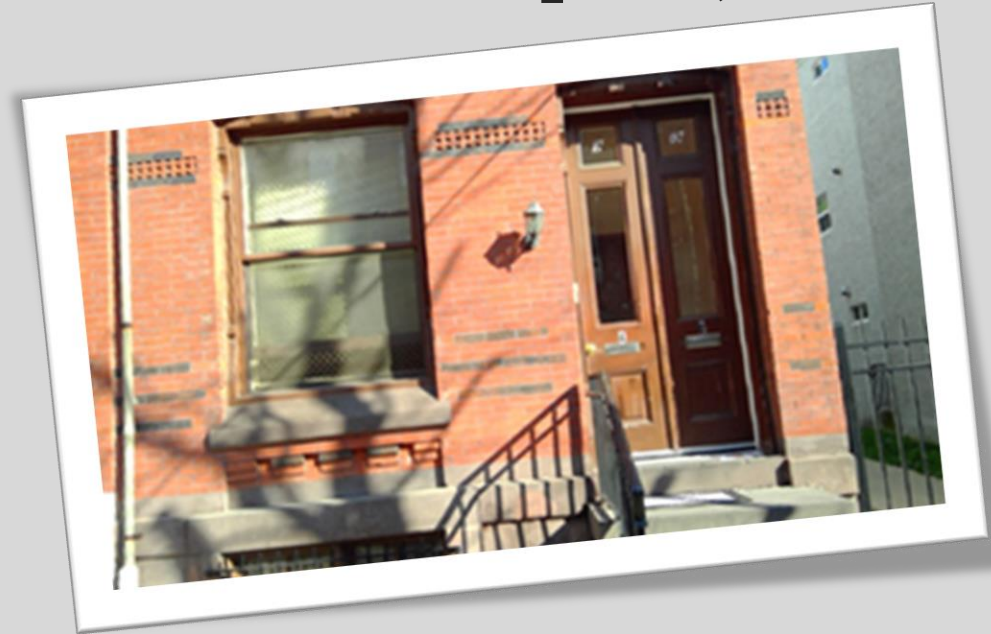
Average monthly Post-Rehab Utility Costs

\$78

Case Study: Temple I Apartments - Philadelphia, PA

Energy Interventions:

- Low E Energy Star windows and doors
- New plumbing features
- Individual high-efficiency split systems for heat/AC
- Closed-cell spray foam and additional insulation
- Energy Star light fixtures
- 85% of construction waste diverted from landfills to recycling facilities

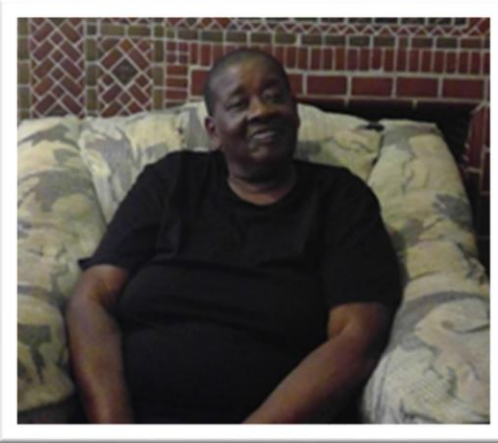


Total Construction Cost	\$9.5 million
Construction cost per unit	\$158,333
Total Soft Cost	\$8.5 million
Total Development Cost	\$18 million

Healthy Housing Interventions:

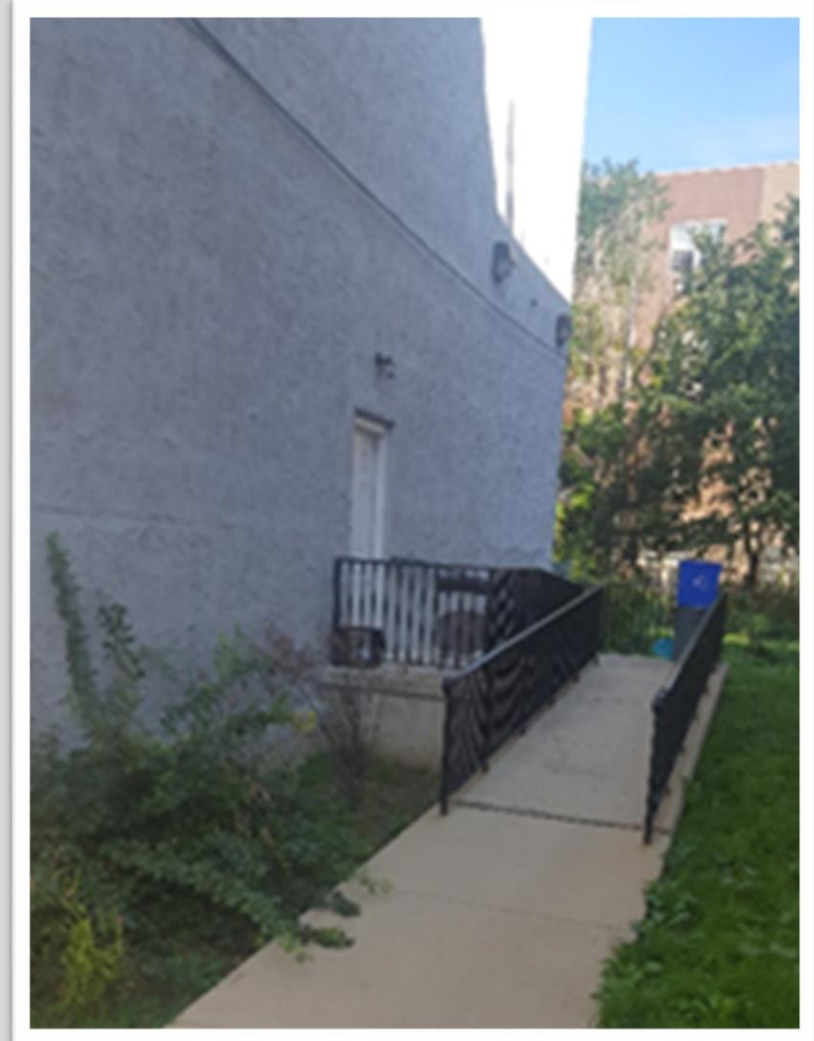
- Mold and radon remediation
- Integrated pest management
- No-VOC and non-toxic finishes
- Hydrochlorofluorocarbon (HCFC)-free mechanical systems
- Sealing to reduce air leakage and moisture

Case Study: Temple I Apartments - Philadelphia, PA



Property Outcomes

- Improved air quality
- Elimination of mold
- Lower utility bills
- Neighborhood crime reduction



**Average Monthly
Pre-Rehab Utility
costs**

\$400

**Average
Monthly Post-
Rehab Utility Costs**

\$80

**Total
Medical Costs 3-Year
Pre-Rehab**

\$2,175

**Total
Medical Costs 3-Year
Post Rehab**

\$1,713.97



THANK YOU!

Thank You for Participating!

Brad Banks – banksb1@michigan.gov

