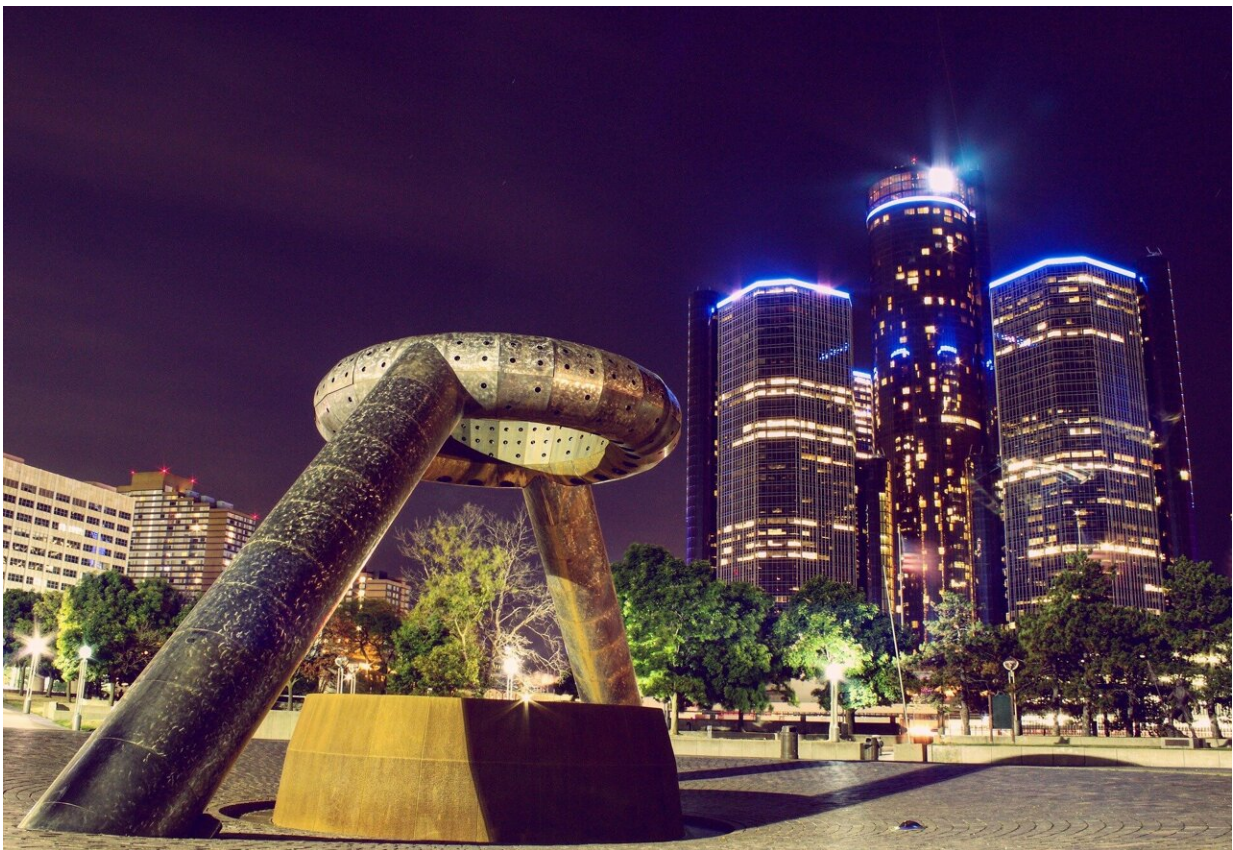


# Majority of Detroiters report stable, improved financial situation compared to a year ago

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Two years into the pandemic, 72% of Detroit residents say their

financial situation has stabilized or improved compared to a year ago, and there's evidence that stimulus checks and the expanded Child Tax Credit played a role in reducing Detroiters' experiences of economic hardship.

However, people with [household incomes](#) of less than \$30,000 were more likely to say they're in a worse financial situation than a year ago (35%), compared to people with incomes between \$30,000 and \$60,000 (18%), and people making more than \$60,000 (9%), according to the most recent survey from the University of Michigan's Detroit Metro Area Communities Study.

"The survey data show people with lower incomes, people who are unemployed, renters and parents were more likely to report being in a worse [financial situation](#) at the end of 2021 than a year earlier. The economic impact of COVID-19 may have reinforced advantages and disadvantages in Detroit," said Lydia Wileden, DMACS research associate who co-authored the new report.

The report's findings come from a survey of a representative sample of 1,900 Detroit residents fielded in November and December 2021.

Detroiters who received the economic stimulus payments were less likely to report that they faced major economic challenges within the last year. At the end of 2021, 13% of stimulus check recipients said they were facing major economic challenges, compared to 30% of people who did not receive the checks.

Similarly, parents who received the Child Tax Credit, which distributed monthly payments of \$250–\$300 per child from July to December 2021, were significantly more likely to report improved financial circumstances compared to other eligible parents, with 23% of CTC recipients saying they are in a better financial position now than a year

ago, compared to 12% of parents who were eligible but did not receive the tax credit.

"There is evidence that the expansion of the COVID-19 safety net helped ease residents' economic challenges. Continuing this approach of providing cash assistance could help families maintain the [financial stability](#) they achieved in the second year of the pandemic," said Elisabeth Gerber, one of the faculty leads for DMACS and professor of public policy at U-M.

The survey also found housing cost burden is a significant factor in Detroiters' financial well-being. Housing costs are considered affordable if they account for no more than 30% of a household's income. However, based on the survey responses, an estimated 39,000 Detroit households—33,000 renter households and 6,000 homeowner households—are spending more than half of their income on housing, which is considered a severe housing cost burden.

One-third of Detroit residents said they had missed at least one housing payment in the past year, which increases their risk of eviction or foreclosure. Five percent of Detroiters said they had been evicted in the past year, meaning an estimated 13,000 households may have been displaced from their homes in 2021; half of the reported evictions occurred in the last four months of 2021 after the federal eviction moratorium lapsed.

Additionally, 17% of Detroiters reported experiencing one or more utility or service shut-offs in the last year, with the most common form being the disconnection of phone or internet service.

**More information:** Report (PDF): [The Economic Well-being of Detroit Residents Two Years into the COVID-19 Pandemic](#)

Provided by University of Michigan

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