

Penta Policy Insiders

Michigan Insights Review Series

Cost of Living

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Executive summary

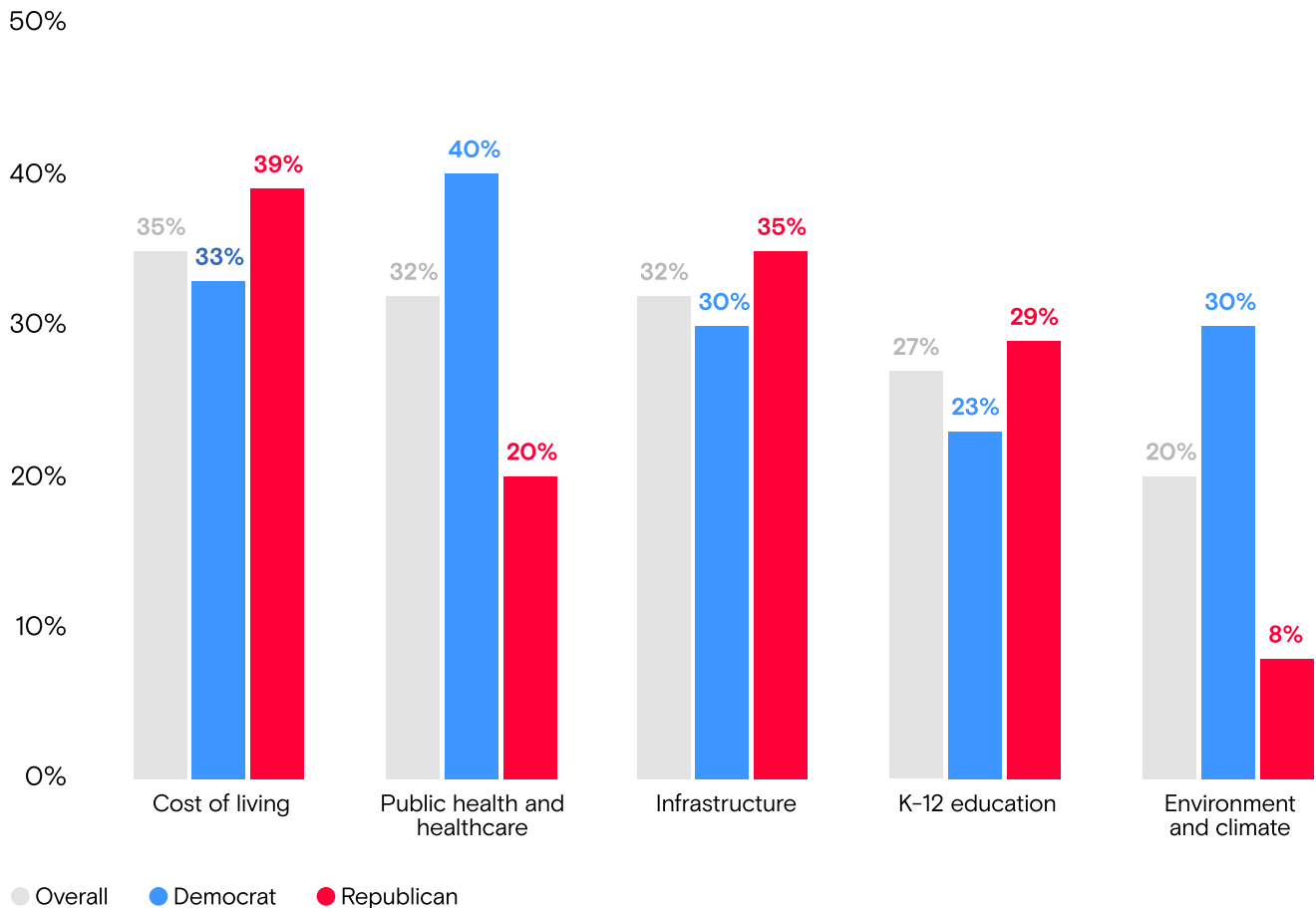
We are pleased to share our findings from this year's Michigan Insights Review. From January to May 2023, we interviewed 237 policymakers in the state to learn about their top policy priorities, as well as the most pressing challenges for policy leaders across the political spectrum.

Michigan policymakers we spoke to detail a variety of priorities for their communities, including improving K-12 education, healthcare, infrastructure, and more. At the top of policymakers' minds is the rising cost of living, with 35 percent of leaders citing it as a top issue. This focus on cost of living comes at a time when nearly 40 percent of Michiganders say they struggle to afford basic needs.¹ When it comes to rising living expenses, policy leaders also convey concerns about housing prices and rising income inequality.

This report is the second in a series that examines Michigan policymakers' top policy priorities for 2022. This review examines cost of living in the state.

Top policy priorities in Michigan

Multiple selections permitted



Michigan deep dive

Rising cost of living

Cost of living is a top concern for Michigan policymakers, with over 35 percent citing it as a primary challenge. Policy leaders on both sides in Michigan believe reducing living costs are important, with 38 percent of Republicans and 32 percent of Democrats saying it is a priority. Democrats in the state specifically emphasize the impact of income inequality as a factor that exacerbates the soaring cost of living.

When it comes to cost of living, many policy leaders cite increasing housing costs to be a primary challenge. In fact, when asked what the most pressing issues are when it comes to housing, 70 percent of policymakers say it's the cost of renting, and 60 percent say it's the cost of home ownership.

A spotlight on income inequality

Many policymakers believe that income inequality in the state exacerbates the impact rising housing prices has on communities. Some policy staff also convey that the private sector has a role to play in improving rising housing costs and strengthening underinvested communities.



You've got to look at income inequality, poverty. Kids that don't graduate or fare better, that don't have good jobs. They'll have a good foundation for their education, but they don't have opportunities for the higher-paying jobs that we see because as we look at inflation and the cost of living, just maintaining a home is challenging at this point. Paying for utilities, insurance, cars, all of that stuff. It requires a job that clearly makes more than 10 or 15 dollars an hour.

Councilman, Michigan State Municipality, D

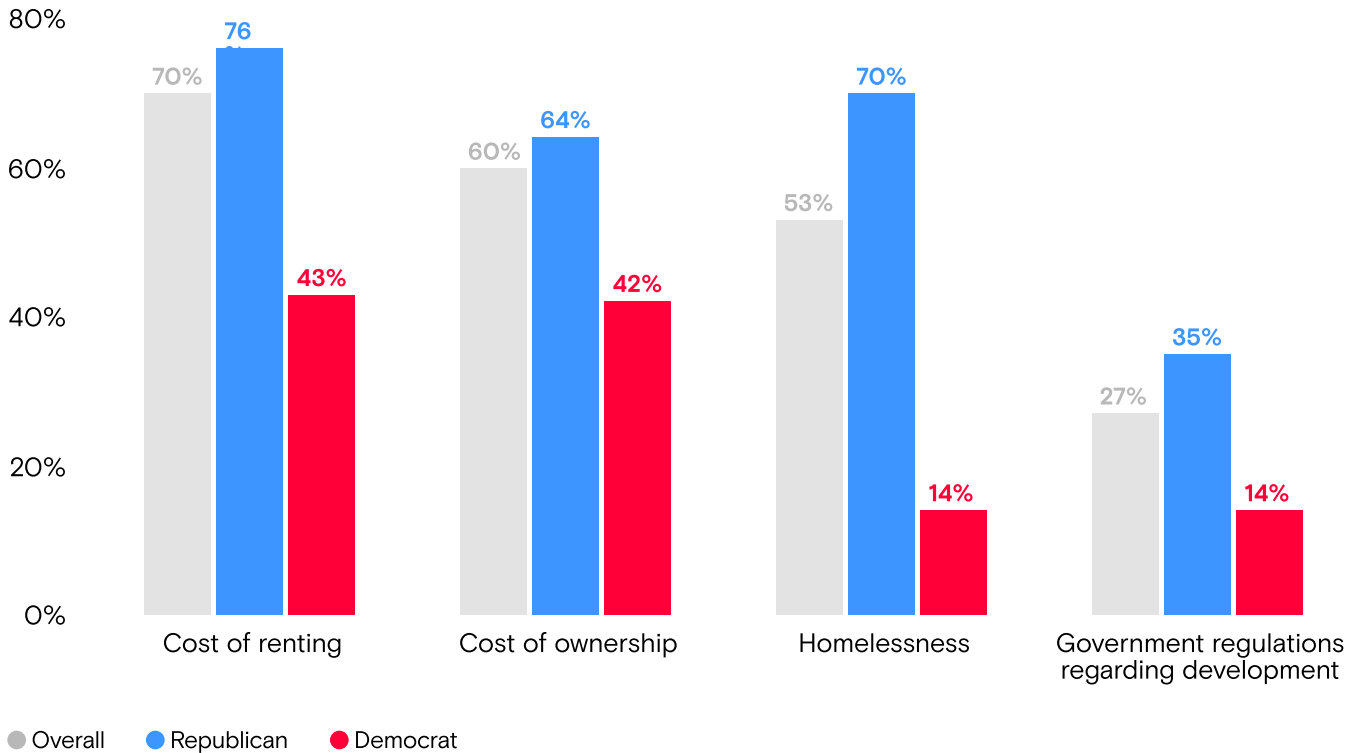


I think some of the [private sector] are doing it by donating, getting this land and gifting it back out, having it developed into parks is a great way to go. It's a great start. But what do you do for the cost of living or maybe the ability to repair neighborhoods and communities that have been neglected?

Section Chief, Michigan Executive Branch, I

Access to affordable housing is key

Policymakers agree that housing costs are too high, and say that access to attainable housing is a top-of-mind objective.



Source: Policymaker priorities regarding housing



How have prices become so high? Whenever the demand goes up, prices go up. It's just like basic economics, greed, and capitalism.

Director, Michigan Executive Branch, D



Housing is a big issue. So, attainable housing, I'd say [is a top priority]. We struggle with housing in Michigan too.

District Director, Michigan State Legislature, R



Across Michigan, I think the big thing this year we're seeing across the nation, especially here in Michigan, is the affordable housing crisis. And the piece that we specifically are focusing on in conjunction with that is affordable, accessible housing because, obviously, there's even less of that.

Policy Analyst, Private, I

The path forward

Some private sector leaders we spoke to say it is necessary to not only create more affordable housing, but also to create universally accessible home designs to accommodate families of different sizes and an aging population. Additionally, some policy leaders posit that capitalizing on Michigan's comparatively affordable housing costs could be valuable for individuals with the ability to work remotely.



One of the things it has going for it is that housing is comparatively affordable in Michigan to many other places in the country. So I think that there is a possibility to capitalize on that as the American workforce becomes more and more okay with working remotely and that becomes more acceptable. And I think that there are also several obstacles to that process. The first one being quality of life in the regions in which we're experiencing... where can you live in Michigan without a car? And right now, I don't know that that list is very long. It's an automotive state, so our walkability is hampered.

Councilman, Michigan State Municipality, D



[It's] not just affordable, accessible housing [that's a priority], but also market-rate, single-family apartments with multiple bedrooms for families. So our big focus this year is increasing not only the stock of housing across the state in those areas but doing some advocacy around universal design to try to get more developers on board with generally developing more accessible units because we have an aging population.

Policy Analyst, Private, I

Conclusion

Policymakers in Michigan agree that addressing state's rising cost of living costs is a top priority. To tackle this challenge, policy leaders point to the lack of affordable housing as a pressing issue for Michiganders. Democrat policymakers we spoke to also assert that income inequality is making it more difficult for members of their communities to afford housing.

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Penta Policy Insiders provides direct feedback from policymakers to government relations professionals, improving advocates' ability to understand, validate, and improve the efficiency and effectiveness of their engagement.

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Citations

1. <https://www.uwmich.org/alice-report>

Qualitative n: 32 | Quantitative n: 205

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