



DEMOGRAPHIC STUDY 2025

Jennifer Esperanza, Ph.D.
Sr. Director Organizational Culture & Strategy
Author

Michele Driver
Business Operations Specialist
Editor/Designer





Table of Contents

| | |
|--|----|
| Introduction | 1 |
| Executive Summary | 2 |
| Purpose/Methodology | 3 |
| Population | 4 |
| Race/Ethnicity | 7 |
| Age | 10 |
| Income/Poverty | 13 |
| Underbanked and Unbanked | 15 |
| Housing | 17 |
| Childcare | 19 |
| Employment | 21 |
| Healthcare | 23 |
| Practical Pathways to Financial Empowerment | 24 |
| Conclusion | 25 |
| Appendix A - References | 26 |



Introduction



A community thrives when everyone—residents and organizations alike—works in unison. Today's consumers are looking for stability in an unpredictable world, facing challenges ranging from housing and job insecurity to the rising costs of essentials such as healthcare, transportation, housing, and food. Addressing these widespread uncertainties demands a collaborative effort from the entire community, including credit unions.

In many ways, credit unions serve as their community's financial “first responders” by providing assistance or being ready to resolve problems at a moment's notice. And like many first responders, we must stay alert of the pain points experienced by those we serve. It begins with listening to each individual's financial story and helping them find solutions that can direct them toward their goals.

Supporting our communities also means collaborating with local non-profits, religious organizations, schools, and local businesses to share resources and maximize impact. Actively monitoring indicators such as housing costs, unemployment rates, and other indicators of social and economic

stability, in our communities, will help us respond more effectively and ensure our efforts meet real and evolving needs.

This report aims to equip Michigan credit unions with the knowledge necessary to enhance our communities. As financial “first responders”, the effectiveness of our work is dependent upon understanding state and local issues. This report provides data-driven insights into regional complexities and trends, including income disparities, access to financial education, demographic shifts across the state, and more. The information in this report can empower credit unions to address specific needs more effectively and cultivate financially resilient and prosperous communities.



Credit unions serve as **their community's financial “first responders”** by providing assistance or being ready to resolve problems at a moment's notice.

Executive Summary

Designed for Michigan credit unions, this report offers crucial insights into the barriers to financial well-being across their communities. By leveraging current data, it highlights key trends affecting financial health in the state. When shared widely with relevant stakeholders, these findings can empower credit unions to develop more targeted strategies for membership growth, product engagement, and community impact.



Coopera's key findings include:

- **Population:** As the 10th most populous state in the U.S., Michigan has seen modest growth, but with surprising gains in smaller counties such as Lake and Montmorency.
- **Foreign-born Population:** Michiganders make up about 7.3% of the population, with Mexico (11.8%), India (10.7%) and Iraq (7.3%) among the top three countries of origin.
- **Age Distribution:** The state has a notably aging population (26.2% of residents aged 60+). This highlights a large segment nearing or currently in retirement and the need for services around financial security and education on elder financial abuse/ fraud.
- **Income/Poverty:** Between 2018 and 2023, Michigan's poverty rate consistently exceeded the national average. Whereas, Michigan's median household income remained below the U.S. median and has declined further, especially as employment has largely grown only in low-wage, service-based jobs.
- **Housing:** Latino homeownership in the state is among the lowest nationwide— pointing towards a need for improved pathways for homeownership among these groups.
- **Childcare:** Fifty-five percent of children live in areas with limited access to childcare, costing the state \$2.9 billion annually in costs related to employee turnover, absences and lost taxes.
- **Unemployment:** Michigan has the third-highest unemployment rate in the nation— including the District of Columbia—with 5.3% of its labor force unemployed.

Purpose

The Michigan Credit Union Foundation commissioned this report to help credit unions across the state deepen their understanding of the communities they serve and better meet their needs.

The report seeks to:

- **Highlight demographic trends** that reveal social and financial disparities—insights that can inform the creation of culturally responsive products and services.
- **Raise awareness** about the challenges facing Michigan’s most vulnerable populations.
- **Offer actionable strategies** to enhance outreach, especially to underbanked and underserved communities.



Methodology

Coopera used the most recent available data—primarily from 2018 to 2025—to explore demographic trends and identify underlying social and economic gaps across Michigan. The U.S. Census Bureau was the primary source for data.

Any data falling outside this seven-year range is clearly noted. Additional qualitative insights were incorporated from peer-reviewed research, reputable journalistic outlets, and publications from non-partisan think tanks and research institutions.

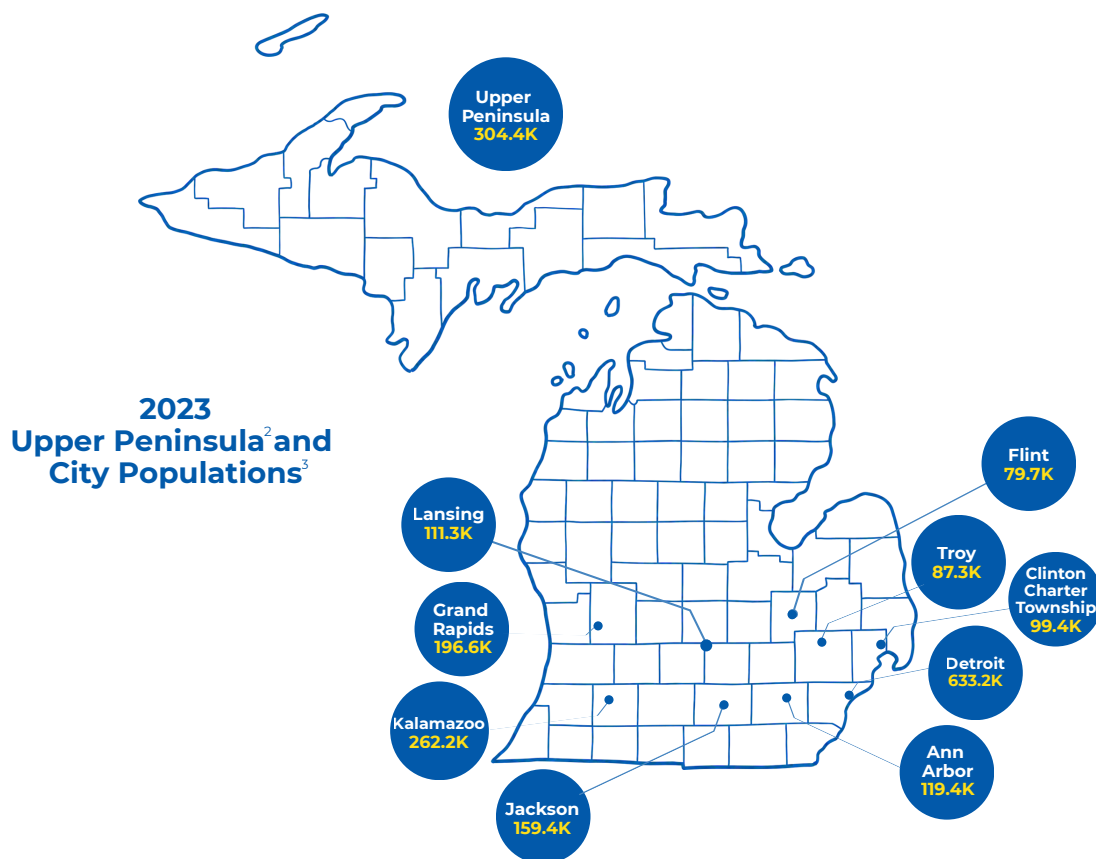
This report categorizes the findings by statewide patterns, as well as by select cities and counties identified by the Michigan Credit Union Foundation.

Population

Michigan's population in 2024 is estimated at 10.1 million, ranking it as the 10th most populous state in the U.S.¹ While overall growth has been modest—just 0.67% since 2022—some areas of the state are experiencing notable momentum (see County Growth Rates chart on page 5).²

Wayne County remains at the forefront with 1.8 million residents, followed by Oakland (1.3 million), Macomb (886,175), and Kent (673,002). But it's Michigan's smaller counties that are showing surprising gains. Lake County leads with a remarkable 7.5% population increase since 2020, closely trailed by Montmorency (7.2%). Keweenaw, Crawford, and Antrim counties are also experiencing strong growth, each with increases above 4.5%.²

Detroit remains Michigan's largest city, home to 633,221 residents. Grand Rapids (196,587), Ann Arbor (119,380), Lansing (111,269), and Flint (79,654) round out the state's major urban centers.³ Meanwhile, the Upper Peninsula collectively accounts for 304,362 residents.²



Population Highlights

2024¹



U.S.
340.1M



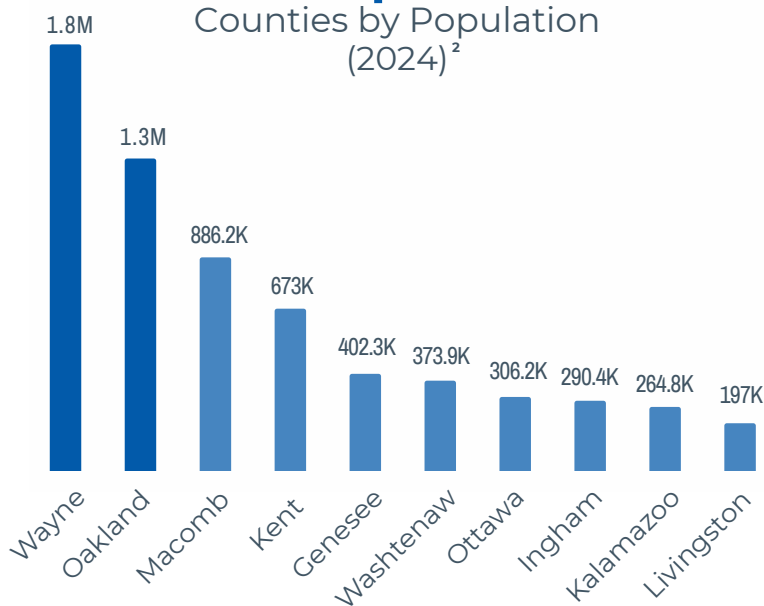
Michigan
10.1M



U.S. Population
Ranked 10th

Top 10

Counties by Population
(2024)²



Michigan

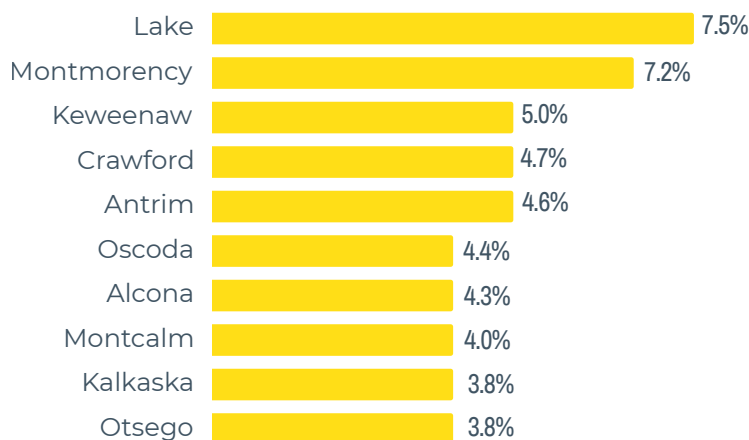


0.67%

Michigan has
experienced
a slight increase in
population between
2020-2024²

Top 10

County Growth Rates
(2020-2024)²

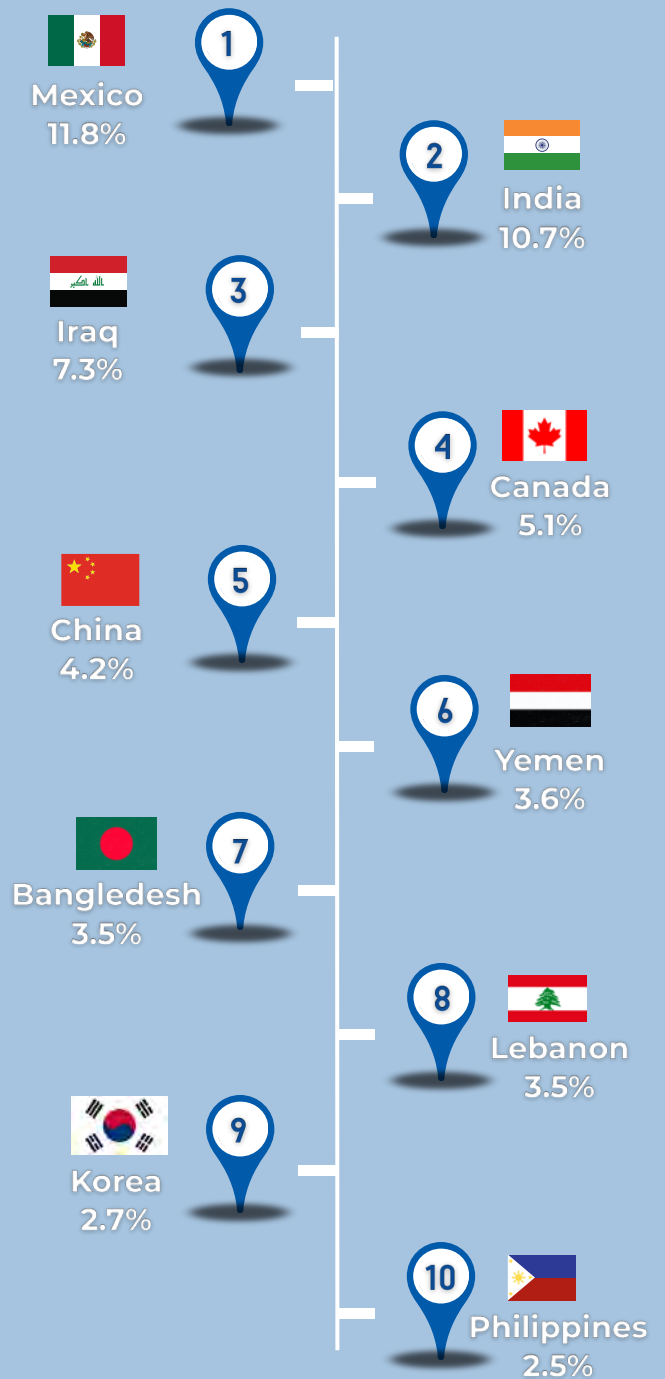


Foreign-Born Population

As of 2023, approximately 7.3% of Michigan's population is comprised of foreign-born persons.⁴ Immigrants from Mexico represent the largest share of this group at 11.8%, followed by those from India (10.7%) and Iraq (7.3%). Coincidentally, Mexico and India receive the most remittances from the U.S.⁵

To better support this demographic—43.4% of whom are not U.S. citizens—credit unions should provide staff with ongoing training on acceptable forms of identification for opening accounts and accessing services, in addition to the cultural perspectives that shape how immigrant communities view and manage money.⁴ Such training can help avoid one-size-fits-all approaches and prevent generalizations about the financial needs of these groups, who arrive in the U.S. with varying levels of economic resources, job prospects, and financial obligations. Credit unions can make more informed decisions to attract new members in culturally resonant ways by staying informed of these nuances.

Michigan's Foreign-Born Population: Top 10 Countries of Origin⁵

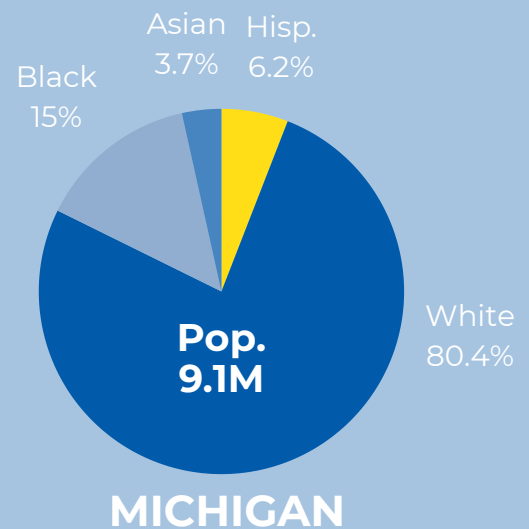


Race/ Ethnicity

For credit union leaders across Michigan, understanding the shifting racial and ethnic landscape is crucial for strategic planning, product development, and community engagement. These charts provide a snapshot of diversity across the state and in key population centers, revealing opportunities and challenges for serving a dynamic membership.

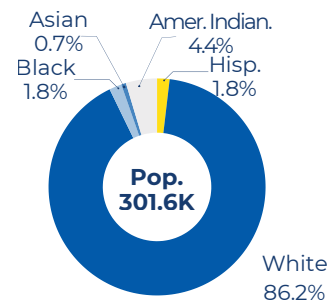
Michigan's 9.1 million residents are predominantly White (80.4%), with smaller Black (15%), Hispanic (6.2%), and Asian (3.7%) populations.⁶ This statewide composition serves as a backdrop for understanding the more concentrated diversity found in specific regions. Credit unions operating statewide or considering expansion should consider inclusive strategies that reflect the cultural makeup of these areas.

While Michigan is predominantly White, the charts reveal significant demographic variances in the counties of its major cities and townships. These urban centers are often where credit unions find their most diverse membership bases and growth opportunities.



Here are insights from the nine selected areas to support credit union outreach and engagement efforts:

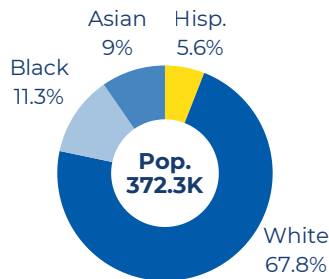
Upper Peninsula (All 15 Counties)⁶



The Upper Peninsula (UP) stands apart with a significantly high proportion of White (86.2%) and American Indian (4.4%) residents, compared to the state overall, reflecting the region's deep tribal roots. Black and Hispanic populations are much smaller. Credit unions in the UP may benefit from tailoring outreach and financial education to these groups, with tribal partnerships offering meaningful opportunities for impact.

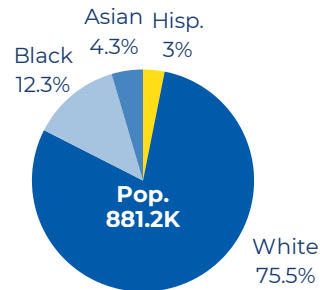
2023 county data was used to provide more current insights and reflect a broader field of membership. The most recent city-level Census data is from 2020.

Ann Arbor (Washtenaw County)⁶



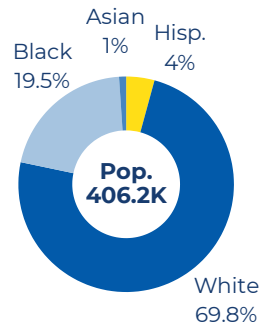
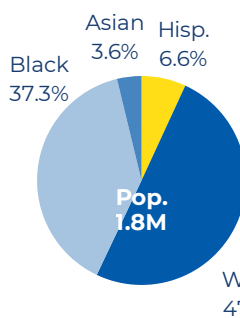
Ann Arbor has a notably higher Asian (9%) and Black (11.3%) population reflecting its role as a university town and tech/research hub that attracts a diverse global talent pool. Credit unions should consider specialized services, such as remittance, for international students, faculty, and professionals. In addition, staff competency in understanding the cultural diversity within Asian communities is key.

Clinton Charter Twp. (Macomb County)⁶



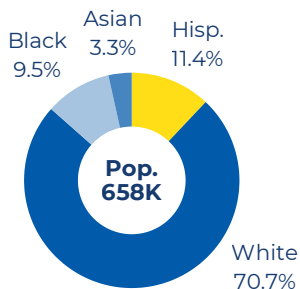
Credit unions in this area would serve a population that aligns more closely with the broader statewide average, though still with a significant Black community.

Detroit (Wayne County)⁶ Flint (Genesee County)⁶



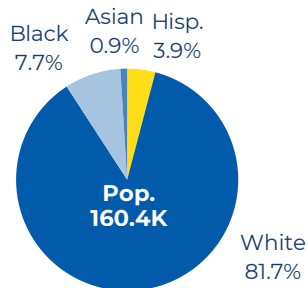
For credit unions serving Detroit and Flint, success and meaningful community impact depend on understanding and addressing the financial needs of its large Black population and other diverse groups. In light of both cities' economic challenges, building trust is essential to serving these communities effectively. Focus on access to basic checking/savings accounts, small businesses, and tackling longstanding economic disparities like home-ownership.

Grand Rapids (Kent County)⁶



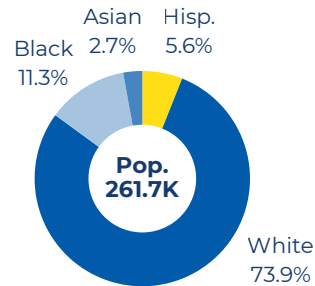
Grand Rapids is more diverse than the state overall. The growing Hispanic community presents a key opportunity for credit unions to engage through bilingual services and culturally tailored financial products.

Jackson (Jackson County)⁶



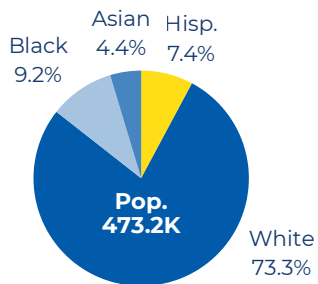
Jackson is predominantly White (81.7%), with smaller Black (7.7%), Hispanic (3.9%), and Asian (0.9%) populations that contribute to its evolving identity. This profile has slightly less overall diversity than the larger urban centers.

Kalamazoo (Kalamazoo County)⁶



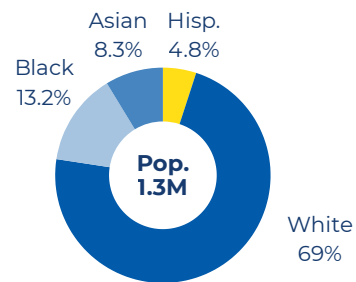
As another university town, Kalamazoo's demographics, while less diverse than Ann Arbor, still present opportunities for engaging a broader mix of members.

Lansing (All Three Counties)⁶



As the state capital, Lansing reflects the diversity shaped by its governmental and educational institutions, with a strong Black (9.2%), Asian (4.4%), and notable Hispanic (7.4%) population.

Southfield/Troy (Oakland County)⁶



This expansive region (1.3M residents), boasts a vibrant and diverse population, a testament to its strong economy and appeal to a wide array of professional groups. Credit unions here can find success by tailoring services to meet the unique needs of Asian and Black professionals and families.

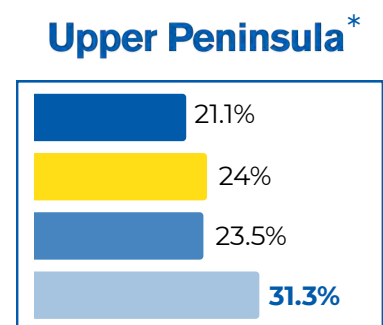
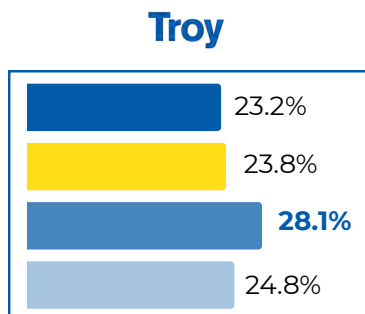
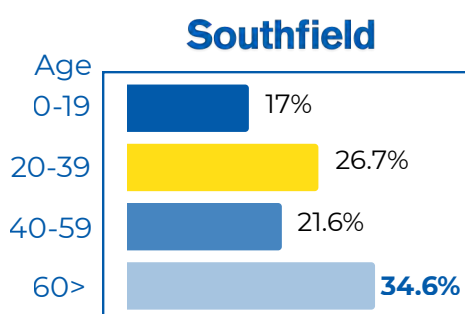
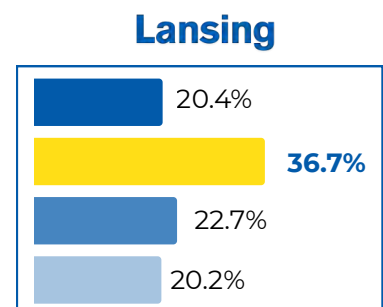
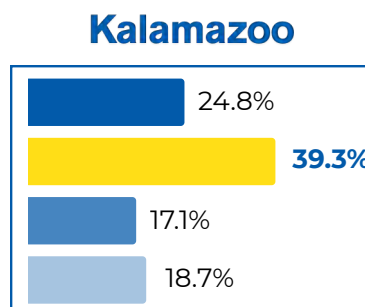
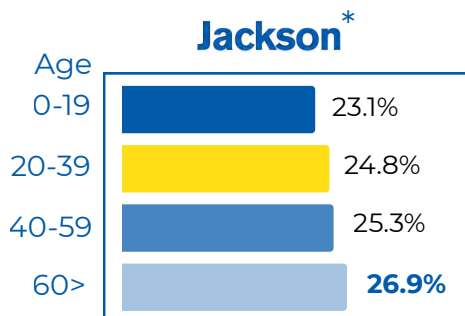
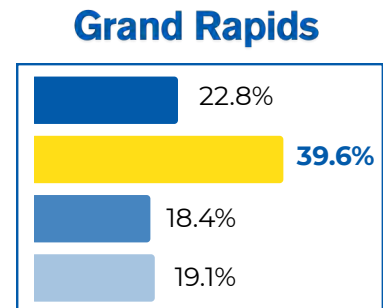
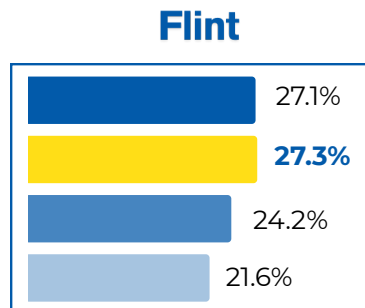
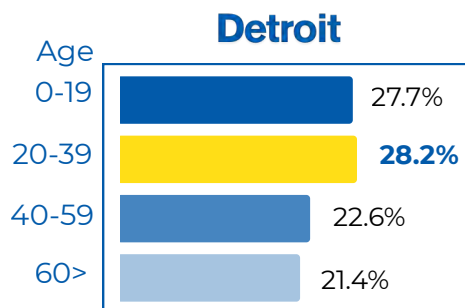
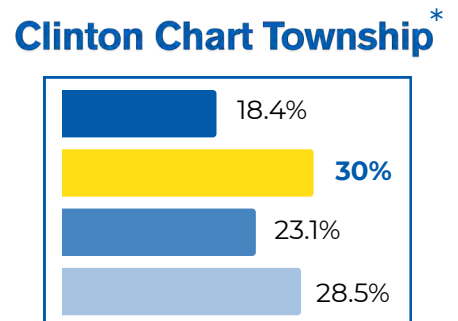
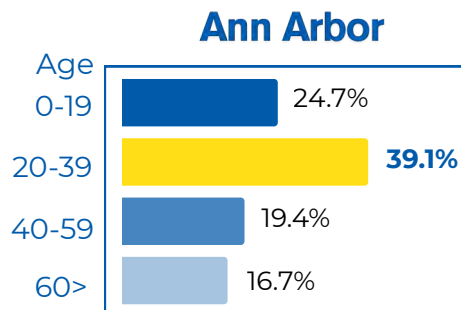
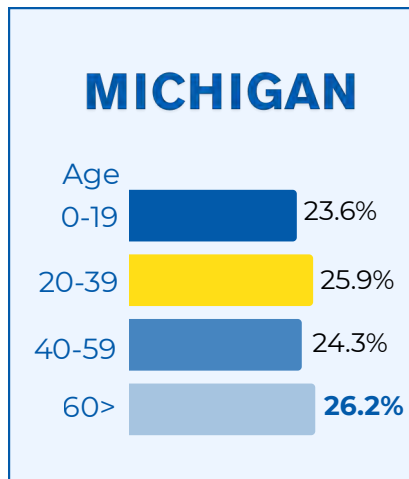
Age

Michigan credit unions must proactively respond to addressing the state's evolving age demographics to secure long-term viability. An aging population demands specialized financial products and services, including retirement planning and wealth management. In contrast, tech-savvy Millennials and Gen Z are reshaping the consumer landscape: demanding robust digital solutions and personalized, convenient online experiences. Ignoring these shifts risk alienating younger generations who prioritize speed and technology, while neglecting the growing financial needs of older members who seek personalized guidance and specialized services.



According to the [Michigan Statewide Population Projections Through 2050](#) report, the state is witnessing a demographic transformation from a young, high-fertility population to one that is older and experiencing lower fertility. This presents significant challenges for sustained population growth, as declining birth rates and rising death rates are projected to drive slow growth and eventual population decline, even when factoring for positive migration trends among working-age and family-aged individuals. As the Baby Boomer generation (born 1946-1964) enters higher-mortality years, Michigan faces a sustained and steepening natural decrease. This is a notable reversal from Michigan's historical reliance on births and in-migration to drive growth.⁷

Age Distribution⁸



*These figures are based on county data.



Gaining Insights:

The Story the Data Tells

Michigan has a notably aging population, with 26.2% of residents aged 60 and over—highlighting a large segment nearing or in retirement.⁸ Southfield, in particular, stands out with 34.6% of its population in this age range, significantly higher than the state average.⁸ This older demographic would benefit from targeted outreach focused on financial security, stability, and long-term planning.

In contrast, cities like Ann Arbor and Lansing have younger demographic, with 39.1% and 36.7% of their populations, respectively, falling within the 20–39 age range—compared to the statewide average of 25.9%.⁸ This is likely influenced by the presence of large universities in both cities, creating an opportunity to engage students and young professionals through relevant, tech-savvy financial products and services.

Making an Impact:

What Credit Unions Can Do

- **Develop and Promote Retirement and Wealth Planning Services:**

Given the pronounced 60+ demographic, credit unions can focus on offering comprehensive financial planning, investment advice, and robust products for retirees (e.g., trusts, estate planning, housing for multi-generational living).

- **Customize Products and Outreach for Young Professionals and Students:**

In college towns like Ann Arbor and Lansing, credit unions can develop products and services that appeal not only to undergrads, but also to young professionals. For the latter, student loan repayment planning, first-time homebuyer programs, credit-builder loans, and technology-driven banking solutions—such as mobile apps and online budgeting tools—are valuable options.

- **Implement Engagement Strategies to Local Demographics:**

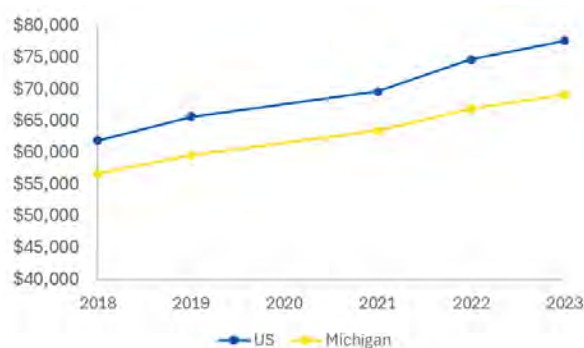
Recognizing the diverse age distributions across Michigan cities, credit unions should avoid a one-size-fits-all approach. In older communities like Southfield, offer workshops on elder fraud protection or Medicare guidance, while in younger cities like Grand Rapids, focus on student loan management or first-time homebuying savings for its 20-39 age demographic.

Income and Poverty

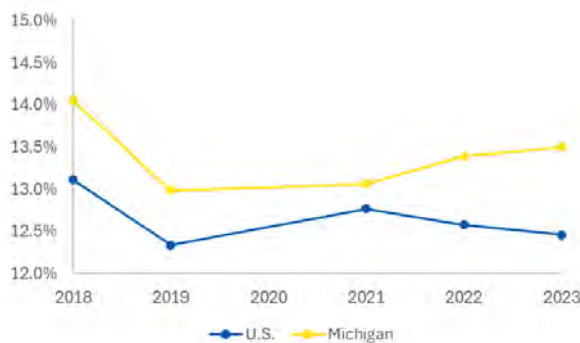
According to 2023 data from the American Community Survey, Michigan's poverty rate was at 13.5%, slightly above the national rate at 12.5%.⁹ However, this is not a new trend, as Michigan's poverty levels have exceeded the national rate for the past five years. These statistics suggest a sustained need for Michigan's credit union industry to continue its focus on financial inclusion, innovating around more affordable products and expanding access to services like low-cost checking accounts, small-dollar loans, and targeted programs that support residents experiencing poverty.

As will be discussed in the Employment section of this report (page 21), there is the additional reality of households classified as ALICE—Asset Limited, Income Constrained, Employed. Based on [2024 ALICE data](#), 27% of households in Michigan fell into the ALICE category, but are not technically considered to be living in poverty.¹⁰ It is important to consider the invisible struggles of this demographic—often surviving from paycheck to paycheck with limited resources for savings, investments, and building long-term wealth for future security.

2018-2023*⁹
Household Median Income



2018-2023*⁹
Population Below Poverty



*Data is unavailable for 2020.



Gaining Insights: The Story the Data Tells

Between 2018 and 2023, Michigan's poverty rate consistently exceeded the national average, despite a brief overall decline in 2019.⁹ During this same period, Michigan's median household income remained below the U.S. median and has declined further since 2022.⁹ These trends suggest that many Michigan households are facing greater financial strain than their national counterparts, underscoring the need for targeted economic support and accessible financial services.

Making an Impact: What Credit Unions Can Do

- **Non-traditional Credit:** Offer small-dollar loans with flexible underwriting criteria, recognizing alternative data points beyond traditional credit scores to assess a member's ability to repay.
- **Buy Now/Pay Later Options:** Join other credit unions that are offering “buy now/pay later” alternatives, providing flexible payment options with reasonable fees for big-ticket purchases such as appliances, trips, or loans for other personal expenditures.
- **Matched Savings Programs:** Consider implementing matched savings programs which incentivizes members to build emergency funds or save for specific assets like a down payment on a home or a vehicle, thereby fostering long-term financial stability.

Underbanked & Unbanked

It is crucial for credit unions to monitor the state's underbanked and unbanked household rates, as the financial health of these populations, directly influences the overall economic growth and stability of the communities they serve. According to the [FDIC's 2023 report](#), 5.6 million U.S. households—roughly 10 million adults and 4.7 million children—lacked a checking or savings account, leaving them to depend on costly alternative financial services.¹¹

The key distinction between unbanked and underbanked individuals is whether they have a checking or savings account at a federally insured financial institution, such as a bank or credit union. Both groups, however, primarily use cash, check-cashing services, prepaid cards, and payday loans to meet their basic financial needs—exposing them to additional fees, high interest rates, and predatory lending practices.

A 2020 [report by the Community Economic Development Association of Michigan](#) found that unbanked rates are disproportionately high among certain demographic groups compared to the state's overall rate. Key factors such as race, income, education, and homeownership significantly influence whether a household has access to banking services. For instance, Black households are nine times more likely to be unbanked than White households, highlighting a substantial racial disparity.¹²

In addition to race, one's education, income and homeownership status also play a significant role in the barriers households encounter when trying to access banking services. For example:¹²

- Households earning < \$30,000 annually are nearly twice as likely to be unbanked.
- Households with incomes < \$15,000 are 5 times more likely to lack banking access.
- Households without a high school diploma are 3 times more likely to be unbanked.
- Renters are 2.5 times more likely to be unbanked.

**2023
Michigan
Households¹¹**


Ranked 24th
U.S. Unbanked


3.2%
Unbanked


11.8%
Underbanked


85%
Fully banked

Gaining Insights: The Story the Data Tells

A 2023 FDIC survey found that 3.2% of Michigan households are unbanked, a notable improvement from 5.4% in 2021.¹¹ While this decline reflects progress, disparities continue to persist.

National data highlights a significant racial gap: Black households are nine times more likely to be unbanked than White households. Beyond race, unbanked rates also rise sharply among consumers with low incomes, lack a high school diploma, and those who do not own a home.¹²

When examining why individuals remain unbanked, the survey points to two leading reasons:¹¹

- They don't have enough money to meet minimum balance requirements, and
- They don't trust banks.

Making an Impact: What Credit Unions Can Do

- **Explain Security and Data Privacy Measures:** Proactively address concerns about trust by clearly communicating the security measures credit unions have in place to protect members' funds and personal information.



- **Reduce or Eliminate Minimum Balance Requirements:** Make basic checking and savings accounts more accessible by removing or significantly lowering minimum balance requirements.
- **Provide Educational Opportunities Tailored to Communities:** Partner with trusted organizations that serve underbanked demographic groups in your area to provide free financial literacy and wealth-building courses. Immigrants, migrant laborers, Black/African-American, single mothers, and formerly incarcerated individuals are just a few examples of demographics that need a trusted source to explain how credit unions are reliable financial service providers who can assist them in meeting their goals.

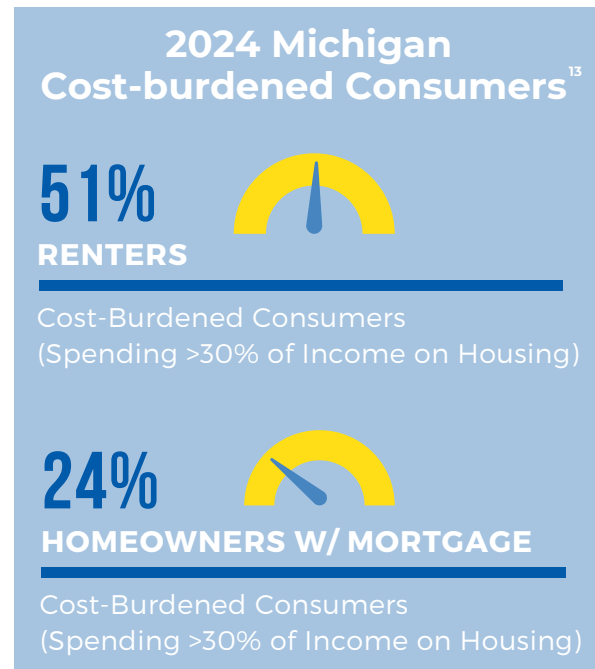
Housing

Housing is a key social determinant of health. Whether renting or owning, consistent access to a secure dwelling can relieve consumers' worries about meeting other essential needs such as food, healthcare, and education. However, when a significant portion of one's income is consumed by housing, the "cost burdened" consumer often must make difficult trade-offs that can negatively impact their physical and emotional well-being.

While home ownership remains an indicator of financial inclusion, upward mobility and intergenerational wealth, this benchmark is becoming farther out of reach for many consumers. This is especially true for middle- and working-class households in Michigan. The downsizing and outsourcing of manufacturing and auto jobs in the 1980s, the 2008 financial crash, and a continual lack of affordable housing have made the path to home-ownership especially grueling over the last few decades.

The persistent gap in Black homeownership is a critical issue that credit unions should actively address. High unbanked rates within Black communities not only compromise their financial health, but also directly impacts their ability to achieve homeownership.¹⁴

A recent LendingTree study identified Grand Rapids and Detroit, Michigan, as



the top two U.S. metropolitan areas with the widest mortgage denial gaps for Black applicants. In Grand Rapids, the denial rate for Black applicants was 9.75 percentage points higher than the denial rate for all races; in Detroit, the gap was 8.5 percentage points higher. Raleigh, North Carolina, followed closely behind.¹⁴

This data underscores a pressing need for financial institutions, especially credit unions, to develop targeted strategies that support consumers' access to affordable housing. Without such efforts, the ripple effects can undermine a communities vitality, leading to challenges like worker shortages, increased homelessness, and perpetuating cycles of poverty. Ensuring accessible and affordable housing, whether through renting or homeownership, is a key driver for healthier individuals, stronger families, and thriving local economies.



Gaining Insights: The Story the Data Tells

Black, non-Latino and Latino families, are disproportionately more likely to be renters, especially among those with extremely low incomes.

Homeownership rates further illustrate the gap: Black households lag their White, non-Latino counterparts by 34 percentage points. Grand Rapids and Detroit rank first and second, respectively, among the 50 largest U.S. metro areas with the widest mortgage denial rates, highlighting pervasive barriers to homeownership in Michigan.¹⁴

Meanwhile, the state's housing market is undergoing a shift. While single-family homes still accounted for 70% of building permits in 2022, permits for multi-family housing have increased 4.4 times since 2012. This growth indicates a growing demand for alternative multi-family structures, despite a recent dip in single-family permits from 2021 to 2022.¹⁵

Making an Impact: What Credit Unions Can Do

- **Flexible Options:** Credit unions can support affordable housing by offering flexible mortgage products with low or no down payment options, and by accepting alternative credit documentation for those without traditional credit scores.
- **Homebuyer Education and Assistance:** Sponsor and/or create ways to help first-time homebuyers. For example, the [Michigan Home Loan Program](#) offers down payment assistance for first-time homebuyers or repeat homebuyers in targeted areas. Learn how your credit union can be a participating lender for this, or other similar programs.¹⁶
- **Partnerships:** Join forces with community development organizations and housing trusts to fund and create affordable rental and homeownership opportunities. Many are certified Community Development Financial Institutions (CDFIs), leveraging federal and private funding to invest directly in low-income communities.

Childcare

Michigan is grappling with a deepening childcare crisis that impacts families, educators, and the broader economy. According to the 2023 Michigan Chamber of Commerce report, the state's shortage of childcare providers, exacerbated by low wages and high turnover among early childhood professionals, costs Michigan an estimated \$2.9 billion annually in employee turnover, absences, and lost taxes. Limited financial assistance leaves many parents struggling to afford quality care, leading to difficult decisions such as reducing work hours or opting for lower-quality alternatives. Despite investing over \$1 billion annually in early childhood education, challenges in affordability, access, and workforce retention persist.¹⁷

According to Bridge Michigan, 44% of Michigan residents live in what are known as “childcare deserts”, areas where there are either no licensed childcare providers or significantly more children than available childcare slots (often defined as more than three children for every one licensed spot).¹⁸

Credit unions, with their community-focused ethos, are uniquely positioned to address some of these challenges. A proactive stance includes identifying and promoting tailored financial solutions such as savings programs and financial products designed to help families manage the rising costs of childcare.

Michigan credit unions can also play a pivotal role in supporting those employed in the childcare workforce. By providing financial services and support to licensed providers, including business planning assistance and access to capital, credit unions can help stabilize and grow the number of childcare programs. Additionally, partnerships between credit unions and local organizations can foster community-driven solutions to the childcare crisis.



Michigan's Access to Care 2023¹⁹

55%

of children in Michigan live in areas with limited access to child care

25%

of providers offer care during non-traditional hours

14%

of providers offer reduced hours due to staff shortages, family needs, etc.

Gaining Insights: The Story the Data Tells

Michigan's childcare crisis is marked by limited access to affordable, high-quality care. This shortage affects not only children's early development but also the economic stability of working families.

The financial burden is especially stark. According to the [Annie E. Casey Foundation's Kids Count](#) data, the average annual cost for center-based childcare for a toddler in Michigan is \$11,309. For a married couple earning the state's median income, this represents more than 10% of their yearly earnings. The impact is even more severe for single mothers, who may spend nearly 40% of their income on care, leaving little room for other essentials.²⁰

Without accessible, affordable childcare, many Michigan families face difficult trade-offs that can hinder workforce participation, limit career advancement, and deepen cycles of poverty.



Making an Impact: What Credit Unions Can Do

- **Create Targeted Savings Tools and Financial Solutions:** Help to ease the burden of childcare expenses for families.
- **Invest in the Financial and Business Needs of Childcare Providers:** Support childcare providers to strengthen and expand childcare availability.
- **Engage in Policy Advocacy:** Promote increased funding and systemic support for the childcare sector.

Employment

By monitoring employment indicators, which offer valuable insights into household financial stability, credit unions can better identify the appropriate solutions to their members' needs. Employment and unemployment trends offer valuable insights into household financial stability. For example, rising unemployment often correlates to financial hardships such as increased loan defaults, difficulty keeping minimum account balances, or higher than normal credit card usage to meet basic living costs.

As of June 2025, Michigan had the third-highest unemployment rate in the nation—including the District of Columbia—with 5.3% of its labor force unemployed, according to the [U.S. Department of Labor Statistics](#). Among employed civilians, educational services, health care and social assistance, as well as manufacturing sectors were the largest in 2023, collectively accounting for over 41% of employed civilians.²¹

Even among the employed, many still face significant financial hardship, despite not meeting the federal definition of poverty. The United Way refers to these individuals as ALICE: Asset Limited, Income Constrained, Employed. They are working but struggling to afford basic household necessities and cannot make ends meet due to the rising cost of living.

Based on a [2024 Michigan ALICE report](#), 27% of households were categorized as ALICE. In particular, workers in the service occupations such as teacher aides, orderlies/psychiatric aides, and fast food workers, struggled to earn a median hourly wage sufficient to meet basic household expenses.²²

Michigan's high unemployment and large ALICE population point to a challenging economic landscape for its residents—both working and non-working. As a result, many credit union members are likely to experience heightened financial stress. To respond, credit unions can offer a range of support services to help their members navigate these challenges.



2023 Michigan Civilian Employment by Industry (% Age 16+)²³

| | |
|-------|--------------------------------------|
| 23% | Educational services, healthcare,... |
| 18.2% | Manufacturing |
| 10.9% | Retail trade |
| 10.5% | Professional, scientific,... |
| 8.7% | Arts, entertainment,... |
| 6% | Construction |
| 5.7% | Finance, insurance,... |
| 4.7% | Transportation, warehousing,... |
| 4.5% | Other services |
| 3.6% | Public administration |
| 1.9% | Wholesale trade |
| 1.2% | Information |
| 1.2% | Agriculture, forestry, fishing,... |

Gaining Insights: The Story the Data Tells



Michigan's elevated unemployment rate—ranking 48th nationwide, including Washington, D.C.—is likely due to the decline of traditional manufacturing jobs, as a result of automation, globalization, and a broader shift toward a service-based economy.²¹

As this transition continues, many service-workers, such as cashiers, healthcare aides, and janitorial staff, continue to experience financial insecurity. These entry-level jobs are often low-paying, lack healthcare

coverage or retirement plans, and typically fall short of a living wage. The ALICE data highlights a clear need for specialized support for those earning less than \$20 per hour.²²

Looking ahead, the Michigan Economic Outlook for 2025–2027 projects that 95% of job growth will come from private education and health services, leisure and hospitality, and government sectors, further emphasizing the need to align workforce support with the evolving job market.²⁴

Making an Impact: What Credit Unions Can Do

- **Support for Essential Workers:**

ALICE data highlights a clear need for community-based financial support. Credit unions can respond by offering targeted "Essential Worker" or "First Responder" accounts that include discounted fees, reduced loan rates, or exclusive financial education resources to truly benefit those who often struggle to make ends meet despite their vital contributions.²⁵

- **Relief for Unemployed and Underemployed:**

To support the unemployed and underemployed credit unions can offer flexible solutions like loan modifications, payment deferments, or interest-only payments to help members avoid default.

- **Alternative to Predatory Lending:**

Provide options for small-dollar loans or emergency lines of credit with fair, flexible terms to bridge income gaps, rather than pushing members towards predatory lenders, many of whom charge exorbitant interest rates.

Healthcare

The World Health Organization (WHO) defines health as a state of complete physical, mental, and social well-being, not just the absence of disease. Economists widely agree that a healthy community is a prosperous community. However, in countries like the U.S., medical debt remains a significant barrier to individual and communal prosperity. The ever-increasing costs of health insurance, basic care, medications, and surgeries are pushing many Americans into debt. There are signs of hope, however, in mitigating this.

In July 2025, Governor Gretchen Whitmer announced the forgiveness of over \$144 million in medical debt for nearly 210,000 Michiganders. The State of Michigan partnered with the nonprofit Undue Medical Debt to erase these debts, helping residents keep more of their money. This initiative is highly effective: every dollar donated to Undue Medical Debt typically relieves \$100 of medical debt. The debt originated from anonymous local hospitals committed to community benefit and accessible healthcare.²⁶

Michiganders burdened by medical debt are at greater risk of loan default, housing instability, and financial distress. They may also resort to high-interest credit cards to cover medical costs, leading to deeper financial trouble. While credit unions may not



be able to fix the healthcare system, they can still play a vital role. This challenge presents a meaningful opportunity for credit unions to:

- guide members in managing their medical expenses
- offer low-interest medical loans and/or debt consolidation options
- partner with local organizations to educate members about debt relief initiatives
- promote transparent billing practices and advocate for policy reforms around medical billing
- foster a culture of preventive health
- support members in negotiating payment plans with providers and collection agencies
- provide financial products or hardship assistance, where possible, tailored to those facing health-related financial strain

With the right tools and guidance, members can avoid compounding debt and regain financial stability. Credit unions can become a trusted resource, empowering their members to ask informed questions, understand their patient rights, and navigate medical debt with confidence.

Practical Pathways to Financial Empowerment



Turning Setbacks into Comebacks

Advia Credit Union actively works to serve underbanked communities by offering flexible solutions that go beyond conventional practices. Recognizing that many consumers may have been deemed "unbankable" by traditional banks, Advia offers an Assurance Checking account: a second-chance option designed for those with a poor checking history. Assurance Checking bypasses the strict stipulations of standard banks, providing a pathway to financial stability for members who may have had past financial difficulties but no history of fraud convictions.

To make essential purchases more accessible, the credit union utilizes a thorough underwriting system. For example, for auto loans, Advia's "Auto Advantage Program," powered by fintech partner Open Lending, provides a second review for auto loan applications that may have been initially denied. This process allows them to approve loans for members who fall outside of their standard underwriting guidelines.

Advia also practices a flexible approach to income verification, accepting various sources of income from individuals with gig economy jobs or those who are small-scale entrepreneurs and verifiable through sufficient tax returns.

These accommodating approaches, combined with a commitment to offering free GAP coverage to members with low total incomes, allow Advia to provide tangible financial solutions that directly address the realities of a vulnerable and often overlooked population in Michigan.

Conclusion

Credit unions are uniquely positioned to enhance the lives of Michiganders, and this report is designed to spark collaborative efforts among credit unions, their members, and the broader community.

A good starting point begins with:



1. Tailored Financial Solutions to Address Localized Community Challenges:

Identify an issue or two, in this report, that significantly impacts your area (e.g., closure of a major employer, newly arrived refugees, lack of affordable childcare). Focus on a tailored product or service that can help ease some of the burdens related to that issue (e.g., refinancing mortgages, halal loans for devout Muslims, credit card consolidation).

2. Targeted Financial Literacy Programs to Address Demographic-Specific Needs:

Enhance the foundational aspects of financial literacy (i.e., budgeting, first-time homeownership or consumer fraud) by offering sessions for specific demographics and their commonly experienced financial pain points. For example, a workshop for first-time Hispanic home buyers, the basics of building credit for young adults aged 18-21, or budgeting for full-time caregivers are just a few ideas of topics to cover.

3. Building Community Trust Through Local Partnerships and Engagement:

Collaborate with trusted local organizations to address common challenges, by offering resources such as utilizing your branch offices for workshops (e.g. tax preparation), regularly donating to annual cultural festivals/celebrations, and inviting your staff to volunteer at specific community events will help to build trust.

4. Expanding Accessibility Through Digital Services and Remote Member Support:

Evaluate your credit union's accessibility for those who are unable, or not inclined to visit your branches for routine financial transactions. Access their account and online transactions via mobile devices (laptop, cellphone) is important, but also investigate the need for a contact center.

Appendix A-References

- 1 U.S. Census Bureau, Population Division. Estimates of the Total Resident Population and Resident Population Age 18 Years and Older for the United States, Regions, States, District of Columbia, and Puerto Rico: July 1, 2024 (SCPRC-EST2024-18+POP). U.S. Department of Commerce, Dec. 2024.
- 2 U.S. Census Bureau, Population Division. Annual Estimates of the Resident Population for Counties in Michigan: April 1, 2020 to July 1, 2024 (CO-EST2024-POP-26). U.S. Department of Commerce, Mar. 2025.
- 3 U.S. Census Bureau, U.S. Department of Commerce. "Age and Sex." American Community Survey, ACS 1-Year Estimates Subject Tables, Table S0101, <https://data.census.gov/table/ACSST1Y2023.S0101?q=s0101+detroit+michigan&g=010XX00US>. Accessed on 8 July 2025.
- 4 U.S. Census Bureau, U.S. Department of Commerce. "Selected Social Characteristics in the United States." American Community Survey, ACS 1-Year Estimates Data Profiles, Table DP02, 2023, https://data.census.gov/table/ACSDP1Y2023.DP02?q=United+States&t=Native+and+Foreign-Born&g=010XX00US_040XX00US39. Accessed on 8 July, 2025.
- 5 U.S. Census Bureau, U.S. Department of Commerce. "Place of Birth for the Foreign-Born Population in the United States." American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B05006, <https://data.census.gov/table/ACSDT1Y2023.B05006?q=b05006&g=010XX00US>. Accessed on 10 July 2025.
- 6 U.S. Census Bureau. "HISPANIC OR LATINO, AND NOT HISPANIC OR LATINO BY RACE." Decennial Census, DEC Demographic and Housing Characteristics, Table P9, <https://data.census.gov/table/DECENNIALDHC2020.P9?q=p9&g=010XX00US>. Accessed on 16 July 2025.
- 7 Leach, Alan, and Jaclyn Butler. Michigan Statewide Population Projections through 2050. Michigan Center for Data and Analytics, Apr. 2024. State of Michigan, Department of Technology, Management & Budget. PDF.
- 8 U.S. Census Bureau, U.S. Department of Commerce. "Age and Sex." American Community Survey, ACS 1-Year Estimates Subject Tables, Table S0101, <https://data.census.gov/table/ACSST1Y2023.S0101?q=s0101&g=010XX00US>. Accessed on 8 July 2025.
- 9 U.S. Census Bureau, U.S. Department of Commerce. "Poverty Status in the Past 12 Months by Sex by Age." American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B17001, <https://data.census.gov/table/ACSDT1Y2023.B17001?q=B17001:+Poverty+Status+in+the+Past+12+Months+by+Sex+by+Age>. Accessed on 4 Aug 2025.
- 10 United For ALICE. (2025). "The State of ALICE in Michigan: 2025 Update on Financial Hardship." <https://www.UnitedForALICE.org/Michigan>
- 11 Federal Deposit Insurance Corporation. (2024, November 12). 2023 National Survey of Unbanked and Underbanked Households. Retrieved July 8, 2025, from <https://www.fdic.gov/household-survey/>

(References cont.)

- 12 March-Meenagh, Madeleine, and Brian Rakovitis. "Michigan Should Take Action to Get More Households Banked." Community Economic Development Association of Michigan (CEDAM), 10 Dec. 2020, <https://cedamichigan.org/2020/12/michigan-should-take-action-to-get-more-households-banked/>.
- 13 Belhaj, M., Brantley, K., Allen, D., & Mehdipanah, R. (2024). Michigan Statewide Housing Needs Assessment. University of Michigan's Housing Solutions for Health Equity & Michigan State Housing Development Authority.
- 14 Linton, A. (2025, July 7). Black homebuyers 1.7 times more likely to be denied for mortgages than all homebuyers [Article edited by J.Cattanach]. LendingTree. <https://www.lendingtree.com/home/mortgage/lendingtree-study-black-homebuyers-more-likely-to-be-denied-mortgages-than-other-homebuyers/>
- 15 University of Michigan School of Public Health. (2024, May 16). Housing crisis in Michigan: Report explores who owns, rents, has no home; examines racial gaps. <https://sph.umich.edu/news/2024posts/housing-crisis-in-michigan-report-explores-who-owns-rents-has-no-home-examines-racial-gaps.html>
- 16 Michigan State Housing Development Authority. (n.d.). MI Home Loan. Pathway to Housing. Retrieved August 5, 2025, from <https://www.michigan.gov/mshda/pathway-to-housing/mi-home-loan>
- 17 Michigan Chamber of Commerce. (2023, September 8). Michigan economy losing nearly \$3 million annually due to childcare issues. Advocacy News. <https://www.michamber.com/news/michigan-losing-out-on-2-88-billion-due-to-childcare/>
- 18 French, R. (2025, April 21). Studies raise warnings about Michigan child care access, cost. Bridge Michigan. <https://bridgemi.com/talent-education/studies-raise-warnings-about-michigan-child-care-access-cost/>
- 19 Public Policy Associates. (2024, June). Michigan's child care market rates (R. Burroughs, B. Athreya, S. Farooqui, C. Reichel, N. Winans, & V. Worthington, Authors). Public Policy Associates.
- 20 Annie E. Casey Foundation. (2023, June 14). 2023 KIDS COUNT Data Book: State trends in child well-being. Annie E. Casey Foundation. Retrieved from <https://assets.aecf.org/m/databook/aecf-2023kidscountdatabook-embargoed.pdf>
- 21 U.S. Bureau of Labor Statistics. (2025, July 18). Unemployment rates for states (seasonally adjusted). Local Area Unemployment Statistics. <https://www.bls.gov/web/laus/laumstrk.htm>
- 22 United For ALICE. (2025). "The State of ALICE in Michigan: 2025 Update on Financial Hardship." <https://www.UnitedForALICE.org/Michigan>
- 23 U.S. Census Bureau, U.S. Department of Commerce. "Selected Economic Characteristics." American Community Survey, ACS 1-Year Estimates Data Profiles, Table DP03, <https://data.census.gov/table/ACSDP1Y2023.DP03?q=dp03&g=010XX00US>. Accessed on 18 July 2025.

(References cont.)

- 24 Burton, J. T., Ehrlich, G. M., & McWilliams, M. R. (2025, May). The Michigan Economic Outlook for 2025–2027: Executive summary. Research Seminar in Quantitative Economics, Department of Economics, University of Michigan. https://lsa.umich.edu/content/dam/econ-assets/Econdocs/RSQE%20PDFs/RSQE_MI_Economic_Forecast_May2025.pdf
- 25 Service Credit Union. (2025, July 31). First responder mortgage. Service Credit Union. Retrieved August 6, 2025, from [Belhaj, M., Brantley, K., Allen, D., & Mehdipanah, R. \(2024\). Michigan Statewide Housing Needs Assessment. University of Michigan's Housing Solutions for Health Equity & Michigan State Housing Development Authority.](#)
- 26 Whitmer, G. (2025, July 17). Governor Whitmer announces first round of medical debt forgiveness, erasing over \$144 million for nearly 210,000 Michiganders across the state [Press release]. State of Michigan. <https://www.michigan.gov/whitmer/news/press-releases/2025/07/17/whitmer-announces-first-round-of-medical-debt-forgiveness-erasing-144-million-for-michiganders>



Coopera is a full-service consumer analytics and consulting firm. Our dedicated personnel work closely with clients across the U.S. to assess their needs and create growth strategies designed to increase multicultural membership, revenue growth and loan volume. Our solutions also support other organizations in need of cultural change and a deeper understanding of underrepresented market segments poised for growth and opportunity.

We believe diverse teams and data-driven strategies lead to best results. Coopera champions financial inclusion for all by leveraging analytics, enabling organizational change, and providing strategic insights.