

2021 ACS Updates

ABOUT THE ACS

The American Community Survey (ACS) is an annual survey conducted by the U.S. Census Bureau. The ACS provides detailed data on a wide range of topics related to population and housing across the country and is one of the most important data sources for tracking economic equity in Detroit.

WHY ARE THE 2021 DATA IMPORTANT?

The ACS data are typically released yearly, but due to issues related to the COVID-19 pandemic, the 2021 ACS is the first edition of the survey to use data collected during the pandemic since 2019. These newly released data provide a detailed look at how several of the issues key to tracking economic equity changed during the pandemic.

KEY DATA POINTS

This brief outlines three key data points from the 2021 ACS that provide important insight into Detroit's progress towards achieving economic equity over the past two years. A more comprehensive review of the data will be provided when DFC updates its full Economic Equity Dashboard in Spring 2023. This brief covers updates on the following data points:

- Income
- Housing cost-burden
- Employment

In an economically equitable Detroit:

All Detroiters are meeting their unique needs, prospering, and fully and fairly participating in all aspects of economic life within a thriving city and region.

Median Household Income



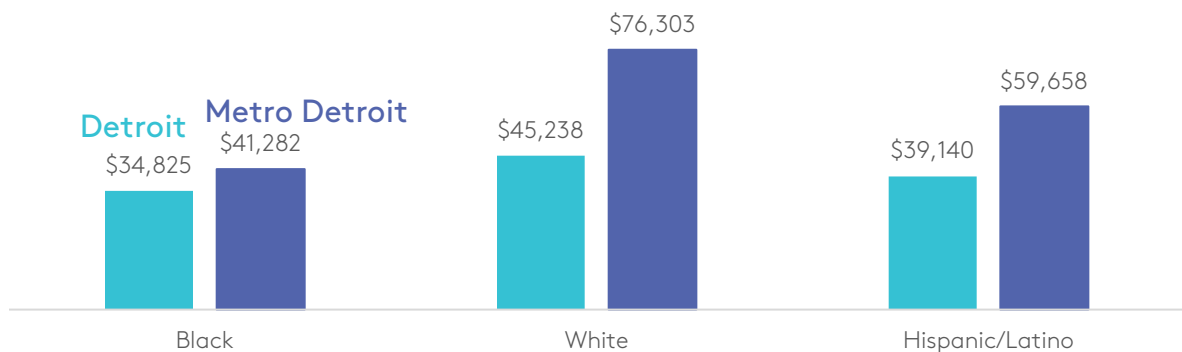
Median household income provides one of the clearest indicators of overall economic equity and provides insight into the ability of different groups to meet their unique needs and prosper. The median household income for Detroit was \$36,140 in 2021. For Black households, the median household income was \$34,825, for white households it was \$45,238, and for Hispanic/Latino households it was \$39,140.

From 2019 to 2021 there was no statistically different¹ change in the income of Detroit residents, when adjusted for inflation. There was also no significant change in the income of Black, white and Hispanic/Latino residents. If not adjusted for inflation, median income for the city as a whole and for Black residents increased, while it remained statistically the same for white and Hispanic/Latino residents.

Across the Metro Detroit region, the median household income in 2021 was \$67,153, or almost double the household income in Detroit. Similar to income trends in Detroit, if not adjusted for inflation, the current dollar income increased in Metro Detroit for Black and white residents, while remaining statistically the same for Hispanic/Latino residents. However, there is little difference when accounting for inflation. Because there was little overall change in household incomes, the inequities that existed before the COVID-19 pandemic continue to persist both by race and by geography.

Household income in Detroit remains low and inequities persist by race and geography

Median household income by race/ethnicity in Metro Detroit, 2021



¹The ACS reports data with associated margins of error (a range between which there is 90% confidence that the true value lies). Although some estimates may appear different, sometimes that difference can be explained by margins of error and the estimates are not considered to be statistically different from each other.

Renter Housing Cost-Burden



The ability to obtain rental housing at an affordable price point is also an important indicator of economic equity, housing affordability, and financial hardship. Households are considered cost-burdened if they spend more than 30% of their pre-tax income on their total housing costs, including money paid for rent and basic utilities such as heat, water, and electricity. A household that spends more than 50% of their income on housing is considered severely cost-burdened.

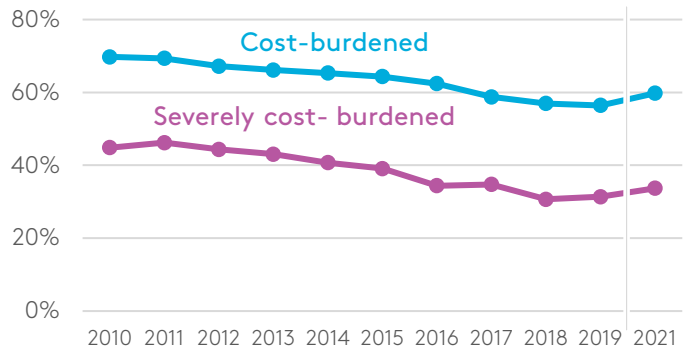
In Detroit, housing cost-burden for renters increased over the past several years. In 2021, 60% of renters were cost-burdened and 34% were severely cost-burdened. Given that incomes remained steady, the increase in cost-burden was driven largely by a 9-percentage point decrease in the share of rental housing units that rent for less than \$1,000 per month.

Housing cost-burden in Detroit remains predominately an issue of income, primarily affecting households earning less than \$50,000.

Note: To calculate housing cost-burden by race it is necessary to use the American Community Survey Microdata, which will be released October 2022.

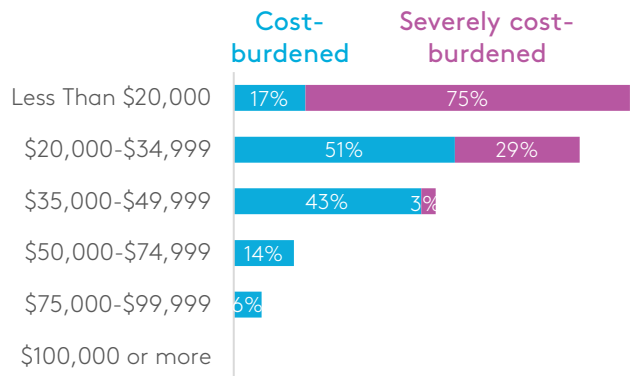
After a decade of steady decline, housing cost-burden increased in 2021

Housing cost-burden in Detroit, 2010 to 2021



Housing cost-burden remains primarily driven by income

Housing cost-burden by income in Detroit, 2021



Source: U.S. Census Bureau. (2021). 2019 and 2021 American Community Survey 1-year



To learn more about median household income in Detroit, see the [Neighborhoods and Housing](#) section of DFC's Economic Equity Dashboard.

Employment Status



To truly build a more economically equitable city and region it is important to examine what happens when people engage with the economy and participate in the labor force. While there are more timely estimates of overall employment and unemployment, the ACS disaggregates the data by race and allows for a more detailed look at how the pandemic impacted the employment of various demographic groups.

Since the onset of the COVID-19 pandemic, the labor market has been one of the areas of economic equity that experienced the most dramatic change. During the early parts of the pandemic, unemployment in Detroit spiked up to nearly 40% and has since dropped back down to nearly pre-pandemic levels.¹ In Detroit, Black residents were hit especially hard by the pandemic. In 2021, the share of Black residents ages 16 to 64 years that were no longer in the labor force (not employed and not actively looking for work) increased dramatically to 36% and the share of Black residents who were unemployed rose to 13%, near double the rate for white residents.²

When calculated for residents who are engaged in the workforce (employed or actively looking for work), this translates to a jump in the unemployment rate for Black workers from 12% to 20%. For white workers, the 2021 unemployment rate was 11%--almost half of that of Black counterparts. For white and Hispanic/Latino residents of Detroit, the changes reported in the ACS were not statistically different from the 2019 estimates.

Unemployment increased for Black residents while staying statistically unchanged for white residents.

Employment status for 16 to 64 year olds in Detroit, 2019 and 2021



Source: U.S. Census Bureau. (2021). 2019 and 2021 American Community Survey 1-year

¹ Local Area Unemployment Statistics, 2020-2022

² The traditional unemployment metric looks at the share of workers who are unemployed compared to the total share of the labor force who are employed or looking for work. DFC also compares everyone's employment status against the entire working-age population (not just those in the workforce) to get a fuller idea of engagement and outcomes for the labor market.

To learn more about median household income in Detroit, see the [Access to Quality Employment](#) section of DFC's Economic Equity Dashboard.