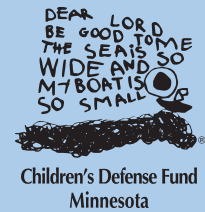


10 Quick Facts about Child Poverty in Minnesota

November 2007



1) Child Poverty is Rising In Minnesota

Both the number and share of children living below the official federal poverty threshold in Minnesota have increased significantly in the past six years. In 2000, an estimated 114,000 children (under age 18) lived in poverty (9.0%). By 2006, the number swelled to 152,000 children (12.2%). Those children living in “extreme poverty,” or less than half the poverty threshold, have nearly doubled over the same time, approaching almost 70,000 children (6%). There are 86,000 Minnesota families living in poverty, who do not earn enough money to meet their children’s basic needs.

2) Most Children in Poverty Have Working Parents

About three-fourths of Minnesota families living in poverty have one or both parents who work. However, low-wage work often does not provide income sufficient to raise a family out of poverty. A Minnesota parent working full-time, year-round at a job paying the state minimum wage earns less than \$13,000 (gross) annually. The JOBS NOW Coalition found that, in a Minnesota family of four with both parents working full-time, year-round, each worker must earn an average wage of \$12.24 per hour to meet basic needs. Yet more than 1 million of our state’s jobs paid less than this family-supporting wage in 2006. Nationally, rising income inequality has left many workers with lower real earnings than decades ago, and the value of the minimum wage has deteriorated over time compared to the costs necessary to raise a family.

3) Living in Poverty Damages Children’s Health and Well-being

The research is overwhelming that living in poverty can damage children’s healthy development, educational progress, and prospects for the future. Children who experience poverty are less likely to be healthy, both physically and mentally, less likely to gain the education they need to become productive in the workforce, more likely to become teen parents and more likely to become arrested and incarcerated. However, more than ten years of research shows that even small increases in family

income can powerfully alter developmental trajectories, leading to better child development outcomes.

4) The Youngest Children Are Most Likely to Suffer From Poverty

About 50,300 Minnesota children under age 5 live in poverty, or nearly 15%. Our state’s youngest children are the most likely group to live in poverty, meaning their most critical years for development are often characterized by family stress, insufficient food, uncertain access to health care, and unstable housing and child care arrangements. Research reveals that experiencing poverty in early childhood as well as experiencing persistent poverty is the most harmful to children. However, the early years also afford the most opportunity to set children on a path for a healthy, productive, and successful adulthood.

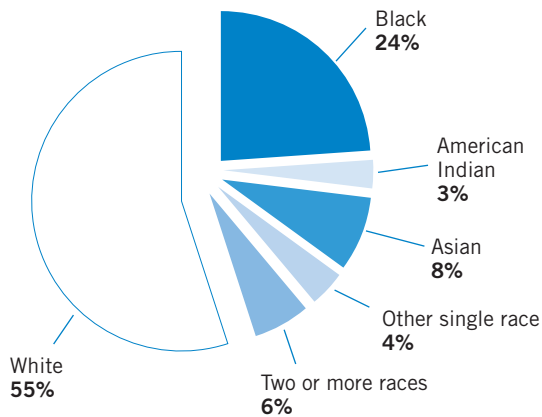
5) Child Poverty Harms Us All

In a report presented to the U.S. House Ways and Means Committee in January 2007, a national team of researchers outlined how costs to the U.S. associated with childhood poverty total \$500 billion per year, or nearly 4% of GDP. Child poverty exacts a high economic toll due to diminished productivity and economic output, and increased crime and health costs. Beyond these quantifiable costs, it also undercuts our shared American values — namely that every child should have an equal opportunity to develop to his or her full potential.

6) Child Poverty is a Problem in Every Minnesota County

Child poverty is a rural, urban and even suburban problem. While the highest numbers of children in poverty live in the metro counties of Hennepin (34,000) and Ramsey (18,000), about half of the children in poverty live outside of the seven-county Twin Cities metro area. The eight counties with the highest child poverty rates are rural: Mahanomen (23%), Beltrami (22%), Cass (19%), Clearwater (18%), Aitkin (18%), Wadena (17%), Koochiching (16%) and Becker (16%).

All Minnesota Children in Poverty, by Race, 2006



Source: 2006 American Community Survey.
Note: Hispanic/Latino children may be of any racial group.

7) Minnesota's Children of Color Are Far More Likely to Be Poor

While the 82,500 white children who live in poverty represent the largest racial group of Minnesota children in poverty, only 8% of all the white children in our state are poor. The child poverty rates for other racial and ethnic groups are far higher and demonstrate the wide gulf in economic circumstances between Minnesota's white children and its children of color. Minnesota has a wider disparity between its rates of white and black children in poverty than many other states.

In our state,

- 45% of black children (or 36,500 kids)
- 32% of American Indian children (or 4,900)
- 20% of Asian children (or 11,600)
- 24% of children of another single race (or 6,800)
- 20% of children of two or more races (or 9,700), and
- 26% of Hispanic or Latino children, who may be of any race, (or 18,300) **are growing up in poverty.**

8) The Official Poverty Line Falls Short

In 2006 (the most recent year of poverty data), the official federal poverty threshold for a family with two parents and two children was about \$20,500. However, it is widely acknowledged that American families today need roughly double the federal poverty threshold to cover the costs of basic needs. In addition to being far too low,

the current poverty measure fails to tell us many other features about families' economic well-being. The poverty measure does not tell us how many families receive key public work supports such as the Earned Income Tax Credit, Food Support, Child Care Assistance or public health care programs designed to assist families. It does not consider out-of-pockets expenses such as child care, health care, or housing or utilities, which have a tremendous impact on family budgets. Further, it does not say anything about which families have assets that can help them weather tough economic times and build security for the future.

9) Public Programs Designed to Help Families Fall Short

Several public "work support" programs and key tax credits exist to assist low-income families meet their other basic needs. However, in Minnesota, insufficient funding, complicated program rules, burdensome forms and requirements, and limited outreach serve to keep eligible families from understanding and enrolling in programs. CDF has developed a screening tool at www.bridgetobenefits.org that helps Minnesotans learn which programs they qualify for and how to enroll.

10) We Can Solve Child Poverty

In 1999, Prime Minister Tony Blair vowed to end child poverty in the United Kingdom by 2020. To do so, the UK invested in programs to promote "work for those who can, security for those who cannot" and increased investments in children to expand opportunity and intergenerational mobility. Remarkably, the U.K. has already reduced the number of children in poverty from 3.4 million children in 1999 to 1.6 million children in 2006 (using a measure similar to the U.S. poverty threshold). The United States has also effectively battled poverty at key points in its history; for example, the poverty rate for all Americans was cut in half between 1959 and 1973. Bottom line: the United States can reduce and indeed eliminate child poverty today if it chooses to. We must do so. Our children are counting on us. The future of our country depends on it.

Source Notes: All state-level poverty data is from the American Community Survey and is from 2006 unless otherwise noted. County-level data is from the Small Area Income and Poverty Estimates from 2004.

For additional sources, please contact CDF. This research was funded by the Annie E. Casey Foundation. We thank them for their support but acknowledge that the findings and conclusions are CDF's alone, and do not necessarily reflect the opinions of the Foundation.