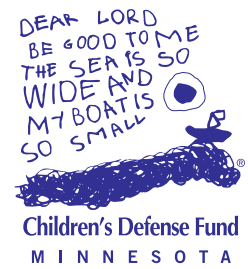


10 Things to Know about Child Poverty in Minnesota



1. Child Poverty is Rising in Minnesota and the Nation

- In 2000, 114,000 children (9%) lived in poverty¹ in Minnesota; by 2010, that number rose to 192,000 (15.2%), a 62% increase.
- 81,400 children in 2010 lived in deep poverty², which research finds particularly stressful for children's development.

Nationally, the increase in children living in poverty over the past decade is similarly grim. Nearly one million more U.S. children lived in poverty in 2010 raising the total to 16.4 million.

Examining these trends and how poverty affects families highlights the need for policies that alleviate poverty and its effects. To monitor how children are faring in Minnesota, CDF-MN's KIDS COUNT annual data book tracks state data that examines how Minnesota's children and their families are doing by county and state and provides policymakers and citizens information to work toward better outcomes.

2. Most Children in Poverty Have Working Parents

About three-fourths of Minnesota families living in poverty had all available parents in the workforce in 2009. But for many of these hard working parents, work doesn't pay enough to provide basic needs. Two working parents would each need to earn \$14.03 per hour to afford most basic needs for a family of four in Minnesota. With 39% of Minnesota jobs paying less than this, many parents' paychecks just aren't enough.

CDF-MN created a new web-based tool that analyzes how wages and public work support programs (such as Food Support and Medical Assistance) and tax credits impact working families. This tool shows that a family of five with two parents working full-time at the federal



minimum wage (\$7.25 per hour) is still more than \$1,600 short of meeting even a bare bones basic needs budget each month. But when these families enroll in all the work support programs and claim the tax credits for which they're eligible, the tool shows they can at least meet basic needs. Investing in public work support programs not only provides working families the boost they need to meet basic expenses, but also ensures a better, brighter, and less costly, future for us all. When children have a warm home and full stomachs, research shows they do better in school, have better health outcomes and greater opportunities for successful futures.

3. Living in Poverty Harms Children's Health and Well-Being

Poverty is often associated with living conditions highly stressful to a child's development. Substandard housing, unsafe neighborhoods, poor nutrition and parents struggling with mental health issues, can all create toxic levels of stress. This in turn can negatively affect their developing brains, greatly increasing their risks for poor health and educational outcomes and uncertain personal and job success.

CDF-MN's research demonstrates the positive effect even small increases in family income can have on a child's well-being. Income supports, such as family tax credits and child care assistance, as well as effective services for parents all play a part in alleviating these stresses. Fewer stresses translate to better outcomes for children. CDF-MN's Bridge to Benefits program actively helps many families access public work support programs. CDF-MN's advocacy efforts help to ensure work support programs remain in the state budget and accessible to those eligible.

4. Young Children Are Most Likely to Suffer from Poverty

Children under age five live in poverty at a higher rate than any other age group. These are years of critical brain development. In 2010, 17% of Minnesota's young children were poor. CDF-MN's maternal depression report found that while one in 10 new Minnesota mothers experiences severe depression, poor mothers experience depression at two to five times that rate. Poor infants and toddlers are especially vulnerable to the long-term negative consequences from their mothers' depression.

Many early intervention services effectively get and keep children on track developmentally, but few children can access them. Only 1% of infants and toddlers currently participate in Early Head Start. Less than 3% receive early intervention services and less than half the children under six whose families are receiving MFIP are enrolled in child care. Increasing investments in these early care services are a wise investment because they reduce long-term expenditures for remedial services.

5. Child Poverty Harms Us All

Child poverty exacts a high toll on society due to diminished productivity and increased crime and health costs. This is becoming increasingly relevant to all of us. The number of young people entering the work force will begin decreasing in the current decade, yet they will have to support more non-working citizens (children and retirees) than ever before. To be economically and socially robust, Minnesota needs its young people to become healthy and productive adults.

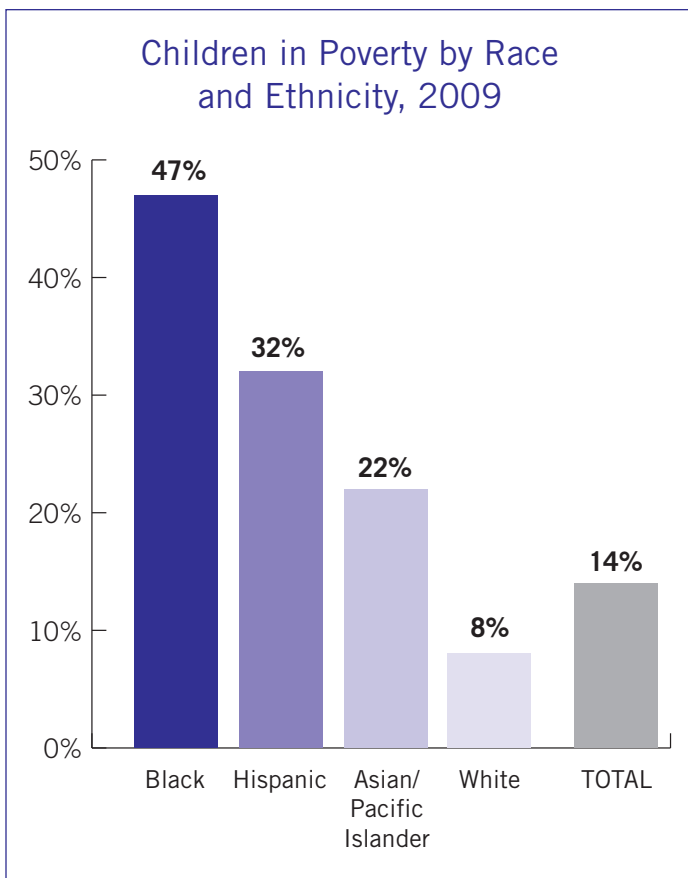


Reducing the number of children who experience adversity in childhood will strengthen Minnesota's future. For example, according to Wilder Research, Minnesota could save \$23,000 for each mother and child averted from experiencing the harmful effects of maternal depression. In addition, programs like Head Start and CDF-MN's *Freedom Schools Program*[®], a summer enrichment program, can reduce the educational achievement gap for low-income children and ensure more productive futures for them.

6. Child Poverty Is a Problem in Every Minnesota County

Child poverty is a rural, urban and increasingly suburban problem. While the highest numbers of children in poverty live in the metro counties of Hennepin (40,000) and Ramsey (29,000), almost half live outside the seven-county Twin Cities metro area. Seven of the eight counties with the highest child poverty rates are rural: Mahnomon (35%), Beltrami (30%), Pine (26%), Clearwater (26%), Cass (24%), Aitkin (24%) and Wadena (23%).

Suburban counties have witnessed significant increases in the rates of children living in poverty. In Brooklyn Park, one in three children now lives in poverty. Increases in the number of children living in poverty correspond with increases in demands for services such as food shelves. Dakota County, for example, has



witnessed a 325% increase in the number of food shelf visits from 2008 to 2010, followed by Anoka County with a 145% increase.

With more children falling into poverty, public work support programs such as Medical Assistance, MinnesotaCare, Food Support, Energy Assistance, WIC, Child Care Assistance and tax credits become more important than ever in providing struggling families with some economic stability. These programs were created because there was a recognition on the part of both the state and federal government that low-wages were not enough to meet basic needs and these programs do have the ability to make work pay for low-income families by filling the gap between wages and expenses. Unfortunately, lack of funding for important programs like childcare assistance and energy assistance, combined with complicated application processes prevent too many Minnesotans from enrolling. Through its Bridge to Benefits project and public policy efforts around wages, childcare, and tax credits, CDF-MN works to ensure that eligible Minnesotans have access to work support programs and promotes effective policies that improve economic stability.

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

While poverty is growing across the state, the disparities among children of color have become even more pronounced.

- In 2009, Black children were six times more likely to be poor than White children.
- Minnesota has the highest rate of Asian children living in poverty (22%) in the country.
- One-third of Hispanic children and 40% of American Indian children in the state are poor.
- Minnesota will need all children to receive opportunities early in life in order for them to be able to contribute later on in life.

8. The Official Poverty Measure Falls Short

In 2011, the official federal poverty threshold for a family of four was \$22,350. However, research consistently shows that families of four need an income of \$58,000 to meet their basic needs—an amount more than twice the federal poverty level. Our current federal poverty measure is based solely on a 1963 food consumption survey, when food expenses accounted for one-third of a family's budget.³ Today, nearly fifty years later, food accounts for one-sixth to one-seventh of a family's annual living expenses. In addition to being too low and outdated, the federal poverty threshold fails to account for many other factors that affect a family's economic well-being. The current measure does not account for work-related and other out-of-pocket expenses such as childcare, transportation, taxes, health care, housing or utilities—critical expenses that have a tremendous impact on a family's cost of living. Further, the federal poverty measure is unable to assess whether families have assets that can help them weather tough economic times and build security for the future. Lastly, the federal poverty threshold provides a limited view of poverty and does not address whether a family has access to human and social capital—non-material resources integral to a family's ability to improve their economic well-being.

9. Why Child Poverty Affects All Our Futures

Minnesota faces a future with a workforce that may be ill-equipped to create a vibrant economy to support a growing population of seniors and a technology-driven society. Today, more of Minnesota's children face homelessness, hunger and health issues that impair their ability to learn.

- 3,900 children are homeless each night in Minnesota with an estimated 14,000 children experiencing homelessness over the course of a year.
- Overall, one-half of those served at food shelves are children.
- In summer, when schools are closed, 200,000 children are at-risk for hunger.
- In Minnesota, 63% of fourth grade public school students scored below proficient reading level in 2009. This critical measure reflects the imperative that children must 'learn to read' by the fourth grade and 'read to learn' thereafter'.

10. We Can Solve Child Poverty—Smart Solutions and Why it Matters

Investments in children, beginning in their first days and continuing throughout their lives can translate into the creation of a successful, healthy and productive adult. Research shows children's brains can't develop properly when exposed to the toxic stresses brought on by living in poverty. However, smart, cost-efficient measures can have a marked improvement on a child's future success. Examples:

- Quality early education brings a 14% return on investment;
- Full stomachs and nutritional meals create better educational outcomes;
- Small increases in a family's income improve a child's behavioral, emotional and educational outcomes.

By ensuring children receive fundamental building blocks—food, health care, quality child care, education, safe homes—we alleviate the effects of poverty and we all benefit.

In its report to the legislature, the bi-partisan Legislative Commission to End Poverty in Minnesota by 2020 stated, "Failing to address poverty has diminished the economic viability of the state, with negative consequences for all Minnesotans. To allow poverty to continue is to rob our state of the talent, skills and contributions our economy and communities need."

We know the solutions to eliminating poverty—work that pays a living wage (or work support programs that can fill the gap between low wages and basic needs) and assets that cushion us in emergencies. We also know the solutions to alleviating the effects of poverty—equal educational opportunities, access to services and early interventions.

CDF-MN, through its efforts in advocacy, outreach, research and youth development, will continue to press for policies that provide children a successful start in life. In doing so, we all can look forward to a brighter and healthier future for our state.

Federal Poverty Guidelines (FPG):

- 1 For a family of four, \$22,350 or less is considered below poverty.
- 2 Extreme poverty is considered 50% or less than the FPG
- 3 A new Census Bureau poverty measure introduced in November 2011, called the Supplemental Poverty Measure, takes into account work support benefits (food stamps, subsidized school lunches, housing aid) but subtract necessities like medical expenses, taxes, child care and transportation. The traditional FPG measure will continue to be used to determine eligibility for government benefits.

Source Notes: American Community Survey, Annie E. Casey Foundation, Hunger Solutions Minnesota, JOBS NOW Coalition, Wilder Research. In addition, CDF-MN's reports: Minnesota's Invisible Children: Children in Families Receiving MFIP; Minnesota KIDS COUNT 2011: Economic Security and Child Well-Being; and Zero To Three Research To Policy Project: Maternal Depression and Early Childhood Summary.