



HUMPHREY SCHOOL
OF PUBLIC AFFAIRS
UNIVERSITY OF MINNESOTA

Contact Information:

Bill Grant, Executive Director at MinnCAP: billgrant@minncap.org

Annie Shapiro, Advocacy Director at MinnCAP: annieshapiro@minncap.org

Dr. Angie Fertig, Economist at Humphrey School of Public Affairs, University of Minnesota: arfertig@umn.edu

Minnesota Poverty Report Released

Minnesota Poverty Report findings illustrate the need for immediate policy changes

APRIL 07, 2022 – The Minnesota Community Action Partnership (MinnCAP), in partnership with the Humphrey School of Public Affairs at the University of Minnesota, released a report on poverty in Minnesota. This report sheds light on Minnesota's poverty disparities. For many Minnesotans, particularly African-American and Native American households, federal benefits programs and income are not enough to cover the costs of meeting their basic needs.

The key findings of the report are that 8.6% of Minnesotans were in poverty in 2019, according to the supplemental poverty measure, but this state rate masks a lot of variation across the state. Over 20% of African-Americans and nearly 30% of Native Americans in Minnesota were in poverty. Six of the 23 regions examined had poverty rates higher than 10% and over 10% of Minnesotans age 65+ were in poverty. ***“The supplemental poverty measure is considered a superior method of estimating economic deprivation compared to the official poverty measure produced by the Census Bureau because it accounts for more public assistance benefits (like SNAP and the earned income tax credit) and adjusts for geographic differences in housing costs,”*** said the author of the report, Dr. Angie Fertig, an economist from the Humphrey School of Public Affairs at the University of Minnesota.

MinnCAP, who commissioned the report to inform their work, represents the 24 Community Action Agencies (CAAs) whose mission is to remove obstacles and solve problems that block the achievement of self-sufficiency. In order to reduce poverty across the state, CAAs work to better focus available local, state, private and federal resources to assist individuals and families with low incomes to acquire useful skills and knowledge, gain access to new opportunities and achieve economic self-sufficiency. Federal and state benefits programs should help offset many of the costs incurred by people with low incomes in terms of food, rent, medical bills, and other necessities. But as this new report makes clear, these basic living costs are too high to be offset by available programs.

“Minnesota Community Action Partnership’s recommended policy initiatives will help build community resilience, address the causes of poverty, and enhance financial stability. This Poverty Report elevates the lack of resources and programs across the state. Where federal assistance programs fall short, the state needs resources and investments to lift Minnesotans out of poverty.” - Bill Grant, Executive Director of Minnesota Community Action Partnership

As highlighted throughout the report, federal benefits programs¹ can help people with low incomes meet their basic needs and mitigate the effects of poverty. However, for many Minnesotans, especially BIPOC (Black, Indigenous, and people of color) households, the costs of these basic needs are too high to be offset by federal assistance programs. To ensure that more people are able to escape poverty, MinnCAP proposes three statewide policy initiatives to be implemented immediately.

The report calls on lawmakers and policy makers to:

- Increase the eligibility threshold for the Supplemental Nutrition Assistance Program to 200% of the Federal Poverty Level to assure that more food-insecure families are served.
- Invest immediately to address the affordable housing crisis throughout Minnesota by taking advantage of the historic budget surplus.
- Create a new Poverty Commission, through Gov. Walz’s executive authority, to end poverty in Minnesota by the end of this decade, with a focus on BIPOC income disparities highlighted in this report.

¹ Federal benefits programs include the Supplemental Nutrition Assistance Program (SNAP), Women, Infant & Children (WIC), Medicaid, Medicare, Temporary Assistance for Needy Families (known as MFIP in Minnesota), Section 8 and Housing Choice Vouchers, and more.

Those working to end poverty in Minnesota will recall a similar Commission to End Poverty in Minnesota by 2020. That Commission issued a suite of recommendations in 2009, but little follow-up action resulted. It seems fitting, now in 2022 and with poverty still relevant as highlighted in the Poverty Report, that we try again, with new resolve, to achieve the goal common to all just societies. Senator John Marty, co-chair of the Legislative Commission to End Poverty in Minnesota by 2020 said:

“This report highlights the continuing crisis of poverty, with far too many families struggling to pay for food, housing and other necessities,” Senator John Marty said. “As the Co-Chair of the Legislative Commission to End Poverty in Minnesota by 2020, it is tragic to see the lack of action to implement the recommendations. In appointing the new commission recommended in this report, the Governor must insist on bold action that will actually achieve the goal of ending poverty for all Minnesotans.”

With recent news of Minnesota’s \$9.2 billion budget surplus, now is the time to take the findings from this Poverty Report and put them into action. We need to invest in efforts to increase housing affordability and the programs that lift Minnesota families out of poverty.

We implore Minnesota lawmakers and policymakers to take action now to invest in our citizens struggling every day to live in dignity and respect.

For more information, visit The Poverty Report on our website: www.minncap.org or reach out to Bill Grant, Executive Director: billgrant@minncap.org

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Minnesota Community Action Partnership is made up of 24 Community Action Agencies and 11 Tribal Nations. We serve all 87 counties across the state, providing poverty solutions through various programs and services including: homeless prevention and housing assistance, utility bill assistance, healthcare enrollment, food and nutrition services, Head Start early childhood programming, financial asset building, regional transit, and more. Dr. Angie Fertig is an economist and faculty member at the Humphrey School of Public Affairs at the University of Minnesota.
