

Financial Security

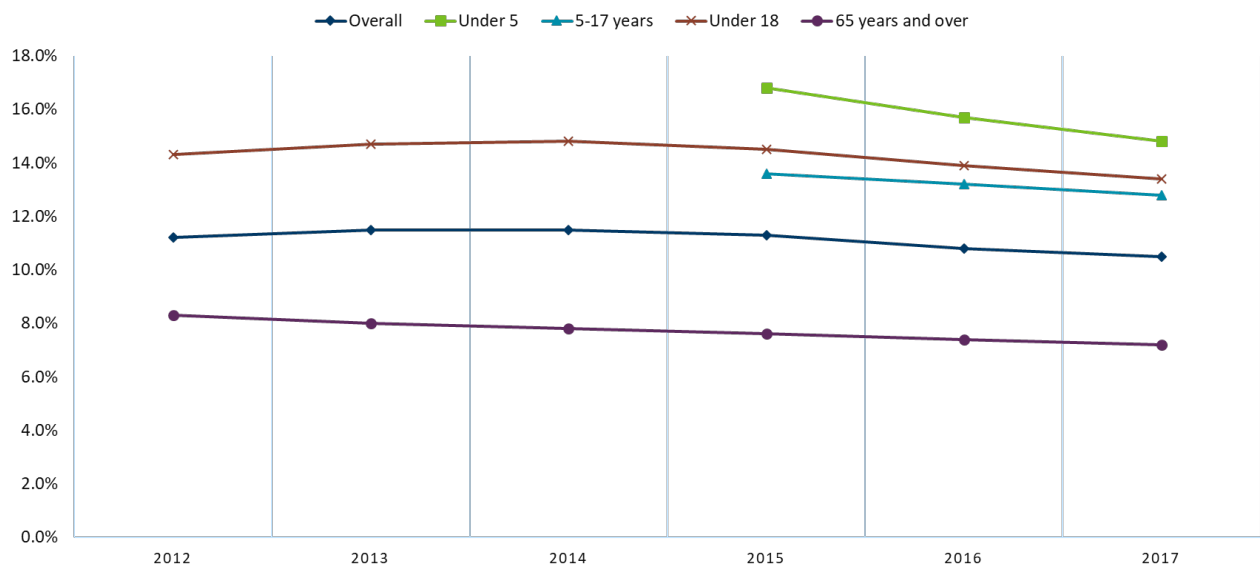
THE ABSENCE OF ECONOMIC HARDSHIP

Why It's Important

Poverty is more than a lack of income. Poverty manifests as hunger and malnutrition, restricted access to education and basic services, isolation and exclusion, and not being invited to the table for decision-making.¹ People across the state experience poverty, it is not strictly an urban or rural issue. In 2017, 560,996 people living in Minnesota, including 169,040 children under 18, had family incomes below the official poverty threshold (\$24,600 for a family of four).² People living in poverty in Minnesota are more likely to experience poor health, be food insecure, have chronic stress, live in unsafe neighborhoods, and experience unstable housing.¹ Those in “near poverty” (up to twice the poverty line) are often one crisis away from falling into poverty.

“[For women, children, and families] a living wage is the biggest unmet need. Working parents and single parents cannot meet the needs of their families, even when they work one or often more jobs, because wages are so low.” – Needs Assessment Discovery Survey Respondent

Figure 1. Proportion of People Living in Minnesota below the Poverty Level in the Past 12 months by Age



Source: American Community Survey (ACS)

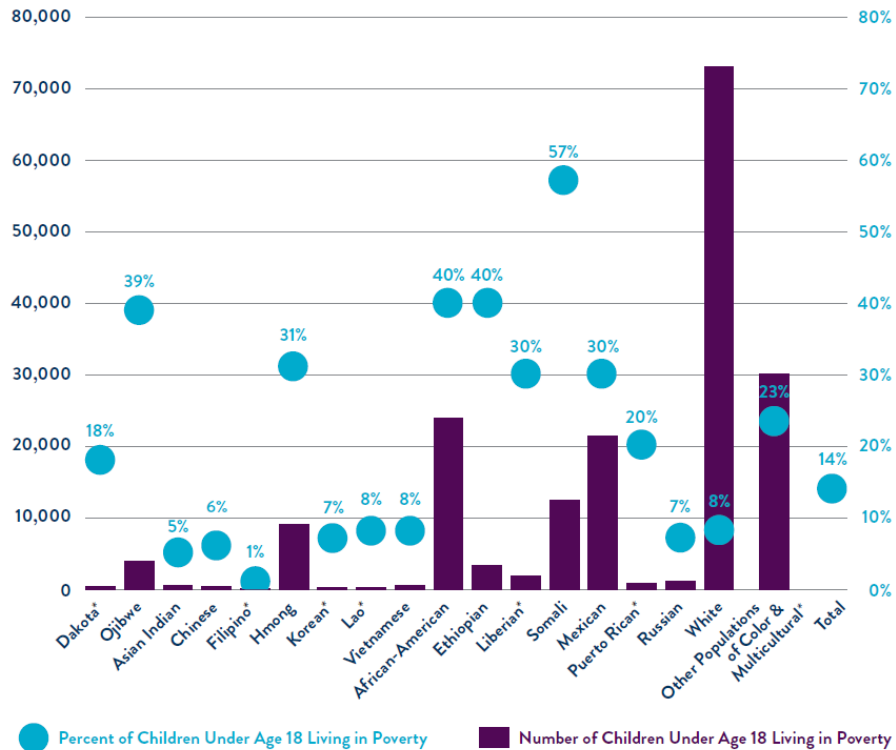
In 2017, 10.5 percent of Minnesotans were living below the poverty level, but almost 15 percent of children under 5 years old were living in poverty.⁴ Kids in certain cultural groups are much more likely to experience poverty in than others (see Figure 2). Kids who grow up in poverty are more likely to experience hunger, homelessness, and poor physical and behavioral health.⁵ In their report on the economic status of Minnesotans, the State Demographic Center states that, “Compared to peers in higher-income homes, [children in poverty] are far more likely to struggle in school, and less likely to graduate high school, putting them at risk for continued economic insecurity as adults. Children in

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poverty are also more likely to live in neighborhoods with fewer amenities and higher levels of crime and violence. Minimizing the experience, duration, and impacts of poverty in the lives of Minnesota’s children will pay dividends for our state in terms of a stronger, better prepared future workforce.”⁵

1 in 7 kids living in Minnesota lives in poverty

Figure 2. Number and Percent of Children under 18 Living in Poverty, Minnesota



Source: Minnesota State Demographic Center, 2018 Report

Focus on Health Equity

On average, Minnesota fares well in terms of financial security. However when we look at income by race and gender, the disparities are striking. Both historical and present day racism and sexism create differential access to opportunity and contribute to widely disparate economic outcomes.⁵

Poverty and Race

While less than 1 in 10 non-Hispanic whites in Minnesota lives in poverty, between 3 and 4 in 10 American Indian and black residents are below the federal poverty line. In 2017 the median household income for non-Hispanic whites was \$69,069, \$46,232 for Hispanic or Latino, \$36,017 for American Indian and Alaska Native and \$32,743 for Black or African American.⁴ The median income for non-Hispanic whites in Minnesota is **more than double** that of African American/blacks.

Nearly half of black children in Minnesota are living in poverty.⁴

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Families living in or near poverty have very limited income to meet basic needs, especially in larger households. More than half of all Ojibwe, African American, and Somali households have income below \$35,000.⁵

Equal Pay

Today, women in Minnesota earn just **81 cents for every dollar** that men do.⁶ College-educated millennial women will lose more than a million dollars in personal earning potential to the wage gap if they work full-time, year-round, every year between the ages of 25 and 60. The wage gap is worse for women who take time off to care for children or serve as caregivers to others, and even worse for women of color. Black women working full time year round make (on average in the U.S.) 65 cents for every dollar their white male counterparts do, American Indian women make 60 cents, and Latinas make only 53 cents on the dollar.⁷

Figure 3. Difference in Pay by Gender in Minnesota



Source: Minnesota Women and Wage Gap

If the wage gap were eliminated, a working woman in Minnesota would have enough money to pay for:

- 10+ additional months of child care
- One year of tuition and fees at a 4-year public university
- Nearly the full cost of tuition and fees at a 2-year community college
- About 72 weeks (a year and a half) more food for her and her family
- 7+ additional months of mortgage and utility payments
- 11+ additional months of rent.⁶

Wage inequality for women means lower pay, less family income, and more children and families living in poverty.

Additional Considerations

Discovery Survey Results

In the summer of 2018, Minnesota's Title V Maternal and Child Health Needs Assessment distributed a Discovery Survey asking people living in Minnesota, "What are the biggest unmet needs of women, children, and families in your community?" More than 2,700 people responded. Discovery Survey responses related to financial security included mentions of earning a livable income, equal pay,

employment, financial assistance, receiving financial management education, and job training. Financial security was mentioned 546 times in the Discovery Survey.

Important Note on Equity and Intersectionality

The Minnesota Department of Health's Title V Needs Assessment team acknowledges that structural (social, economic, political and environmental) inequities can result in poor health outcomes across generations. They have a greater influence on health outcomes than individual choices or a person's ability to access health care, and not all communities are impacted in the same way.

All people living in Minnesota benefit when we reduce health disparities.

We also acknowledge that the topic addressed in this data story does not exist in isolation— which is important to remember as we do needs assessments and as we start thinking about how we approach solutions. In addition to the needs themselves being intersectional, there are also intersecting processes and systems through which power and inequity are produced, reproduced, and actively resisted.

Citations

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