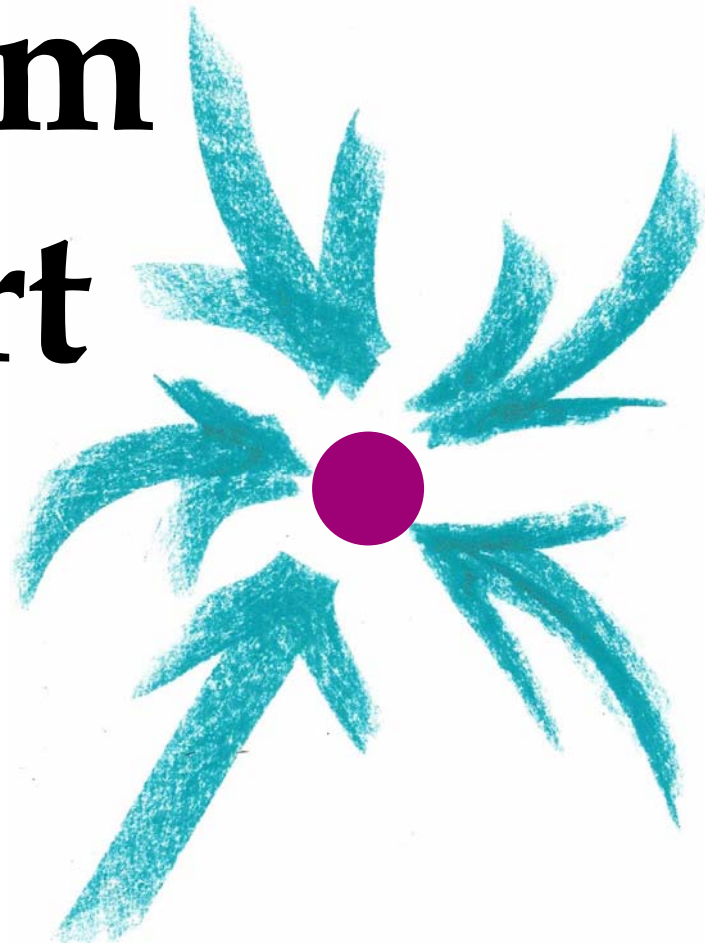


Interim Report



From the

**Legislative Commission to
End Poverty in Minnesota by 2020**

Published June 2008



From the Executive Director

Welcome, and thank you for your interest in the commission. We've included lots of information in this interim report to help you understand our goals and track our progress. We hope you find it both enjoyable and educational.

For those of you not already familiar with the commission... a bit of history. In 2006, Sen. John Hottinger (DFL) and Rep. Jim Abeler (R) crafted legislation to create a bipartisan commission that would not only examine poverty in Minnesota, but end it. Specifically, the legislation set the audacious goal of developing recommendations that, if implemented, would end poverty in Minnesota by the year 2020. The bill forming the commission was greeted with overwhelming bipartisan support.

Legislators and advocates alike realize that the Commission represents a rare opportunity to shine a bright light on a complex problem. Poverty impacts every state district; it makes Minnesota less competitive for business; and it costs the state billions in expenditures. Certainly ending poverty is in everyone's interests.

We're making good progress, thanks to Minnesotans statewide

This report represents "half time" in the commission's life, and we're making real progress. We've engaged and excited citizens, and taken a serious look at the causes and consequences of poverty. But much remains to be done. In the coming months the commission must coalesce around a set of solutions for ending poverty. This will not be easy given the wide range of ideologies, but our work is made easier by the many Minnesotans who have expressed their support and put their faith in us.

On behalf of the entire commission, I would like to acknowledge and thank the numerous individuals and organizations that have assisted and supported our work. The commission has limited funding, and without the services of volunteers we would not have been able to make the progress that we have. The spirit of volunteerism is one of the many reasons I'm proud to live in Minnesota.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory Gray", written over a vertical line.

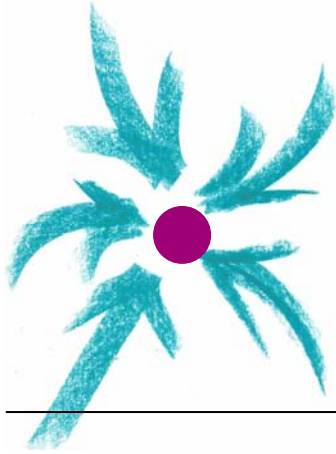
Gregory Gray
Executive Director
Legislative Commission to End Poverty
in Minnesota by 2020



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Interim Report

Introduction

This interim report offers the first comprehensive account of the commission's work since its creation in June 2007. For readers not yet familiar with the commission, the report also provides a brief history of its origin and guiding principles.

The commission's primary focus has been on endeavoring to define the shape of poverty in Minnesota. Commission members have traveled the state, speaking one-on-one with Minnesotans living in poverty, hearing their concerns as well as those of the many agencies and individuals serving them.

These conversations continue to inspire commission members in their work, which will culminate in their final recommendations to the legislature in December 2008.

"Our schools, our sense of safety, our communities and our economy's productivity are all better off when poverty does not divert our resources and rob us of our best potential."

— Lutheran
Coalition for Public
Policy in Minnesota

Report Highlights

- The commission's beginnings in the faith community, the principles that guide its work, and the legislators and other individuals who serve as members, executives, and staff (Page 5).
- The commission's strategy for meeting its objectives and ensuring that its final recommendations to the legislature reflect its founding principles (Page 7).
- Facts and stories behind poverty in Minnesota, including profiles of the working poor and a look at women's special vulnerability to poverty. What census data tells us about poverty in Minnesota (Pages 9-14)
- Next steps the commission will take as it works toward its final recommendations to the legislature in December 2008. General guidelines on what to expect in the final report (Page 15).



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Origin and Guiding Principles

On March 31, 2004, a quiet revolution took place when over 30 faith organizations came together to discuss the issue of poverty. The meeting, titled “The Focus on Poverty – A Common Foundation: Shared Principles for Work on Overcoming Poverty,” began a process that culminated in a grassroots effort to rally Minnesota’s legislative leaders in service to the poor.

Inspired by the efforts of the faith community, Sen. John Hottinger and Rep. Jim Abeler began to craft legislation that would ultimately result in the creation of the commission in late 2006. In that legislation, they included several of the principles that guide the commission’s work.*

Three ideas are especially critical to the commission’s work: that eradicating poverty is a *shared responsibility*; that to succeed, solutions must be *bipartisan* in nature; and that ways must be found to *end* poverty, not just manage it.

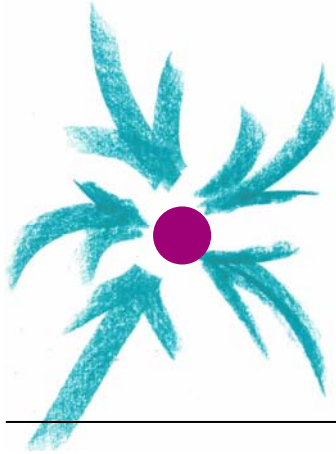
“All people need to work together to overcome poverty, and this work transcends both any particular political theory or party and any particular economic theory or structure. Overcoming poverty requires the use of private and public resources.”

— From the Guiding Principles

Commitment to Founding Principles

- The commission has reached out to wide range of organizations and individuals representing all faiths and political persuasions.
- The commission’s membership is bipartisan, with equal representation from Democrats and Republicans.
- The commission is committed to moving beyond superficial, Band-Aid measures and finding solutions to core issues.

*Please see Appendix A for the full text of the principles. More details on the faith groups’ meeting and the events that followed are available in *Ending Poverty: A 20/20 Guide for Individuals and Populations*, by Nancy Maeker and Bishop Peter Rogness, St. Paul Area Synod, ELCA.



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Commission Structure

The commission consists of nine members of the Senate and nine members of the House of Representatives, with five members of the majority and four members of the minority from each body. In addition, two nonvoting members were appointed by the governor to sit and deliberate with the commission.

The **executive committee** consists of the two co-chairs, Sen. John Marty and Rep. Carlos Mariani, and two senior Republican members, Sen. Claire Robling and Rep. Morrie Lanning, who are responsible for strategic planning,

overall mission and vision, and approval of all major communications released by the Commission, including the interim and final reports.

Commission staff includes an executive director and a research and data analyst. The director acts as the public contact for the commission and the analyst conducts research that supports the Commission's work. Staff works closely with the commission on all matters, including strategic planning and communication.

Commission Membership

Voting Members

Sen. John Marty (DFL), co-chair

Rep. Carlos Mariani (DFL), co-chair

Sen. Claire Robling (R)

Rep. Morrie Lanning (R)

Sen. Scott Dibble (DFL)

Rep. Jim Abeler (R)

Sen. Steve Dille (R)

Rep. Bruce Anderson (R)

Sen. Michael Jungbauer (R)

Rep. Frank Moe (DFL)

Sen. Paul Koering (R)

Rep. Bud Nornes (R)

Sen. Tony Lourey (DFL)

Rep. Mary Ellen Otremba (DFL)

Sen. Mary Olson (DFL)

Rep. Nora Slawik (DFL)

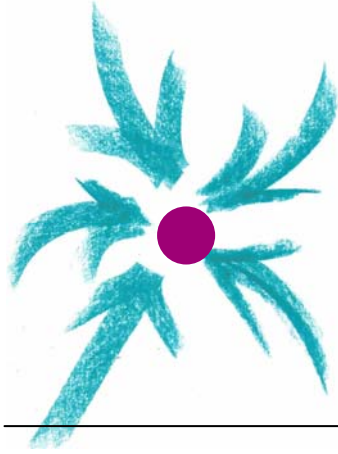
Sen. Sandra Pappas (DFL)

Rep. Neva Walker (DFL)

Non-Voting Members (Governor's Appointees)

Ms. Donna Bauer

Mr. Michael Hawton



Interim Report

The Commission's Strategy

With its goal of making recommendations on ending poverty in Minnesota by 2020, the commission needed a systematic plan for meeting its objectives. Early on, the executive committee developed a three-part strategy the commission could follow to complete its work.

In the first phase, a major objective was to go beyond the usual legislative hearings—to see firsthand the effects of poverty in Minnesota. So commission members set out to tour the state, from Duluth to Winona and all points in between.* They visited churches, soup kitchens, homeless shelters, and food shelves, having thoughtful conversations with the poor and those who help them every day.

In the coming months, the commission has a busy schedule planned as it moves toward its final recommendations in December 2008. For details, see “Next Steps,” Page 15.

“Central to reducing and ameliorating poverty is how that condition is defined. Just what does it mean to “be poor”? Some would argue that they know poverty when they see it. Others would claim that people who are poor can tell you who they are. But this is not sufficient for effective public policy. Some specifics are necessary for clarity of program and purpose.”

— America's Community Action Network

Toward the final Report in December 2008

Phase 1, Setting the Vision – June 2007 to Feb. 2008.

Determine the shape of poverty in Minnesota by holding hearings and traveling statewide on “listening tours.” Study census data and other resources to expand upon findings from the tours.

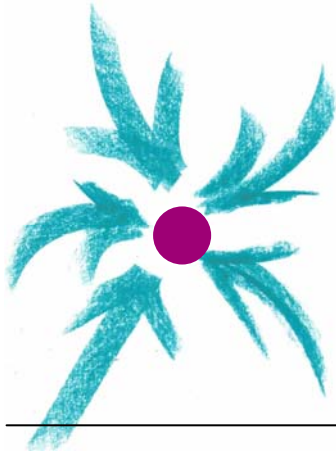
Phase 2, Exploring the Solutions – Feb. 2008 to Aug. 2008.

Establish working groups to analyze findings and strategize on possible solutions to end poverty. Have the groups report back to the commission with their recommendations.

Phase 3, Creating a Plan of Action – Aug. 2008 to Dec. 2008.

Analyze and refine recommendations from working groups so that the commission as a whole can determine which are appropriate to include in the final report. Write and release the report.

*For a map showing where commission members visited, please see Appendix D.



Interim Report

Report on Phase 1, Setting the Vision

On August 2, 2007, Sen. John Hottinger, co-author of the bill that created the commission, addressed the commission at its first major meeting, one day after the tragic I-35W bridge collapse. But the meeting wasn't about physical infrastructure; it was about the "infrastructure of poverty" in Minnesota.

Hottinger urged the commission to get away from the comfort and shelter of their offices and speak with those "who won't come here." In the following months, commission members set out on "listening tours" throughout the state to meet with those living in poverty. "We now have some human faces to put to these issues as we grapple with them," said Rep. Bud Nornes.

The commission also heard testimony from government agencies, services helping the poor such as Catholic Charities, and people living in poverty. Commission staff conducted supporting research using census data and other resources.

"The poor are the people most of us don't really see...Open your eyes. Look for the poverty in your world, so you can see it around you."

— Sen. John Hottinger (DFL), speaking to the commission on August 2, 2007

Findings from Phase 1

The findings in this report fall into two basic categories, which together reflect some of the facts and faces behind the poverty.

- **The working poor and women in poverty.** These stories illustrate how easy it is for any one of us to fall into poverty (Pages 10-11).
- **Insights drawn from census data and other research,** including information on what other states are doing to fight poverty (Page12).

This report can tell only a portion of the story behind the commission's findings. The commission's website, www.lcep.leg.mn, offers access to webcasts and audio recordings of commission meetings; transcripts of testimony gathered at meetings and during the tours; and links to local and national resources on poverty.

The Working Poor

Many living in poverty are what sociologists refer to as the “extreme poor.” They live on the streets and in shelters, and depend on soup kitchens for their meals. In many respects they are the ones who most need help.

But the commission knows that to succeed — and stay true to its guiding principles—it must take a broader, more holistic view of poverty in

Minnesota, one that includes the working poor, as well as those at risk for falling into poverty.

Those in poverty are often living and working among us, and we may not think of them as poor. They’re the people who stock the shelves at our local discount store, teach our children, and defend our country.

Three profiles of the working poor

In Rochester, an African immigrant with two master’s degrees and years of managerial experience in his home country tries to support his family on \$7.50 per hour as a retail stock clerk and occasional work as a substitute teacher. He has many friends who are either unemployed or underemployed.

In Todd County, a kindergarten and elementary school teacher with 18 years of experience is involved in a serious car accident with her husband. His injuries are severe, and finding a job he can physically do is difficult. Their healthcare costs are high, with over \$12,000 in premiums and medical expenses in one year alone.

In St. Cloud, a 23-year-old veteran, whose marriage dissolved after his back-to-back tours in Iraq, struggles to raise his two-year-old son, who has health problems, on \$9 per hour. That wage makes him ineligible for government medical assistance, while the \$400-a-month premium at his workplace is too high.

Research shows that most people living in poverty are working. Some have more than one job. Others are working and going to school at the same time. Many are trying to raise children on inadequate salaries. Like everyone, they just want a better future.

Women in Poverty

At its meeting on December 5, 2007, Mitch Pearlstein, Ph.D., founder and president of the Center of the American Experiment and author of “The Iron Connection between the Disintegration of Marriage, Education Failure, and Poverty,” addressed the commission.

Although Pearlstein’s main focus was on women and single-parent households in the inner cities, most women throughout the state are vulnerable to poverty at some point in their lifetimes. “At every level of poverty, more women are represented than men, and within each racial

category, the percentages are even higher,” says Amy Brenengen, Director, Office on the Economic Status of Women.

The story below is about a promising life compromised by unplanned events—physical assault by a stranger, marital abandonment, and the struggle to raise a child single-handedly on a low-wage job. It is also about education and what role the government should play—an issue the commission will undoubtedly need to address when it makes its recommendations.

Obstacles on the road to self-sufficiency...

“I never thought I’d be here, appealing to a commission to end poverty, but you see, this isn’t the life I’d planned.” — 43-year-old single mother, worker and student, Austin, MN

At 18, an honors student and part-time journalist, her life held great promise. But just two weeks before she was to enter university for a journalism degree, she was physically assaulted by a stranger. Traumatized, she cancelled her plans for college and began a long, drawn-out struggle with the criminal justice system. Years later, 40 and pregnant for the first time, she was abandoned by her husband. The following year, after exhausting all other options, she applied for and received assistance through Temporary Assistance for Needy Families (TANF).

With TANF, she was able to resume her education, for which she was very grateful. When she spoke to the commission, she was about to receive an associate’s degree, and was planning to pursue a bachelor’s degree in criminal justice—a field she was passionate about and felt would lead to a better-paying job. But with the two-year maximum allowed for education under TANF, she had a choice to make: either continue school without public assistance, and try to make ends meet on the \$8.75 an hour she was making in her work-study job, or go back to work full time and put her dreams of a higher-paying job on hold.

Her plea to the commission: Reconsider the “work first” philosophy that results in many TANF recipients remaining in poverty. Give them a chance to get the education they need to make a real, lasting difference in their lives.

Insights Drawn from Census Data and Other Research

“Dad, can I have an apple?” I had to tell him no, they cost too much. Fresh fruit and vegetables simply don’t fit into this tight budget.”

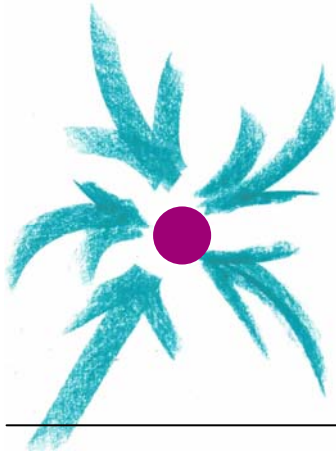
The quote above isn’t from a poor family. It’s from Sen. Tony Lourey, a commission member, while taking part in the Minnesota Partners to End Hunger Coalition’s Food Stamp Challenge, a statewide event that challenged families to make do on \$3 a day for five days.

While Minnesota is far from the poorest state of the nation, many Minnesotans are suffering and would be all too familiar with the “apple” scenario above. Below are selected research findings on poverty in Minnesota and other states.

“When hardworking people — the people who drive our economy — cannot afford even basic necessities, it is time to say this is not acceptable. Minnesota has the resources and creativity to tackle this problem. This commission gives us the opportunity to make it so ALL Minnesotans have a life of dignity.”

— Sen. John Marty
(DFL), Co-chair of the
commission

- **A Snapshot on Poverty in Minnesota** provides an overview of poverty in the state based on 2006 census data. While the overall poverty rate in the state is low (9.8%), certain groups, such as Black Americans, are disproportionately poor. Research also shows that poverty is distributed throughout the state, not just in the urban core (Page 10).
- **Significant Findings** (Appendix B) highlights poverty issues by key categories such as housing, transportation, and health care, explaining where the needs and shortfalls are in these areas. State-related programs such as the Minnesota Family Investment Program (MFIP) are discussed.
- **Antipoverty Initiatives in Other States** (Appendix C) shows that there is a growing anti-poverty movement in the U.S. Thirteen other states have implemented, or will soon implement, anti-poverty programs. However, many of these programs are narrower in scope than the program that the commission envisions.



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A Snapshot of Poverty in Minnesota

According to the 2006 Community Survey, approximately 464,200 people in Minnesota, or 9.8 percent, live at or below 100 percent of the federal poverty guidelines, which are figures the government uses to determine poverty levels. Another 719,500, or 14.3 percent, live between 100 percent and 200 percent of the guidelines.

Table I shows recent (2007) poverty guidelines according to the size of a family unit. The commission's research shows, and most experts believe, that these figures are much too low. For example, a family of four should be making at least 200 percent of the guidelines, or \$41,300 (2 x \$20,650). Given current economic realities, even that may not be realistic.

Table I: 2007 Federal Poverty Guidelines

Size of family unit	100 Percent FPG
1	\$10,210
2	\$13,690
3	\$17,170
4	\$20,650
5	\$24,130
6	\$27,610
7	\$31,090
8	\$34,570

Key facts about poverty in Minnesota drawn from the 2006 survey:

- Minnesota's poverty rate is low relative to other states, as Minnesota has the eighth lowest poverty rate in the country. The national poverty rate was 13.3 percent in 2006.
- The poverty rate has increased since 1999, when, according to the decennial census, Minnesota's poverty rate was 7.9 percent.
- Many poor Minnesotans are working. Over 48 percent of those aged 18 to 64 who had income below the poverty guidelines were working.
- Poverty is present in all parts of Minnesota. Of those living below the poverty line in Minnesota, 27 percent live in the Twin Cities urban core, 25 percent live in the suburbs, 5 percent live in the exurbs, 6 percent live in the Rochester and Duluth areas, and 37 percent live in greater Minnesota.

- Race and ethnicity are major determinants in Minnesota of whether one is poor. Those who are Black American are the most likely to be poor. Of this group, 32.7 percent live at 100 percent of the guidelines and 56.5 live at 200 percent of the guidelines (see Table II). As discussed above, even living at 200 percent of the guidelines is considered inadequate by many experts.

Table II: Poverty by Race and Ethnicity

Ethnicity	100 Percent	200 Percent
Asian and Pacific Islander	17.3	31.9
Black American	32.7	56.5
American Indian	29.7	53.4
White American	7.4	20.8
Hispanic, of any race	20.6	58.3

Note: Figures exclude persons residing in group quarters.

Source: 2006 American Community Survey.

- Women are more likely to be living in poverty than men, particularly as young adults and again after retirement. In addition, female-headed households with children are the most likely of family households to be living in poverty. A female-headed household with at least one child is eight times more likely to have an income below the federal poverty guidelines than a married-couple household with a child.
- Poverty declines as education increases. While 22 percent of adults in Minnesota without a high school diploma are living in poverty, only 9 percent of adults with a high school diploma have incomes below the Federal Poverty Guidelines. Fewer than 4 percent of adults with a bachelor's degree are living in poverty.

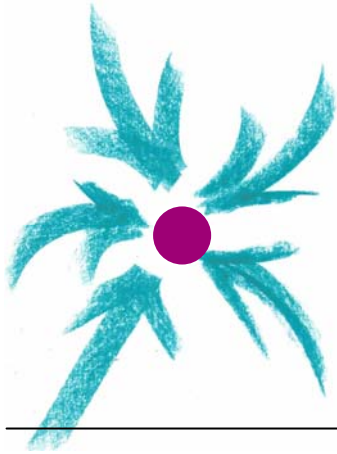
- Much of poverty in America episodic (occurs once or occasionally, rather than being steady over time). According to a nationwide panel study covering the years 1996 to 1999, one in three Americans were poor for at least two months over the four-year period. Only 2 percent were poor every month of the four-year period. More than half of poverty spells, or 51 percent, lasted 4 months or less, and 80 percent of poverty spells last less than 1 year.

Table III: Residents of Poor Households in Minnesota – Common Characteristics

Characteristic of Resident	Percent of Minnesota's Poor	Poverty Rate
Disabled	23%	25%
No high school diploma	25%	26%
Never married mom	12%	40%
College student	15%	26%
Unemployed	10%	31%
Divorced or separated mom	8%	17%
Non-citizen	8%	23%
Older widow	10%	16%

Note: Figures exclude persons residing in group quarters.

Source: 2006 American Community Survey



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Next Steps

The state of Minnesota took an important first step by creating the commission in 2006, and much has been accomplished since then. The commission is now half way through the second phase of its work, and in a few short months will enter the third, critical stage, culminating in its final recommendations to the legislature.

As they move into the third phase of their work, commission members have an aggressive calendar in front of them.

“Tackling poverty is not easy.... Solutions are elusive, in part because the right mix of programs and policies needs to be calibrated in a constantly changing environment. A critical first step, therefore, is establishing the political will to make poverty a priority mission.”

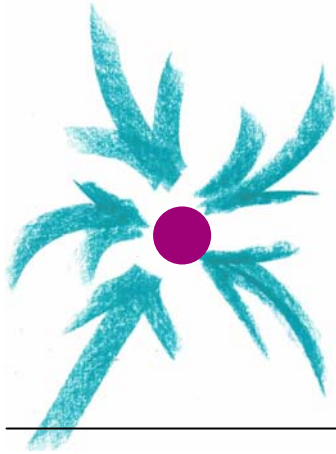
— Jodie Levin-Epstein and Webb Lyons, from “Targeting Poverty: Aim at a Bull’s Eye”

Creating a Plan of Action

- On June 3, 2008, commission members held a full-day retreat at which they analyzed findings, formed working groups, and began planning strategies for the months ahead.
- Throughout the summer, working groups will study a variety of poverty-related issues, and work to build consensus on strategies and solutions.
- In late August or early September, working groups will report their recommendations to the commission. Any recommendations requiring further study or revision will be identified and resolved.
- In October, the commission will review the final recommendations and decide which should be included in the final report.
- Once a decision has been made on which recommendations to include, the final report will be written and made available to the legislature and the general public. It will be released no later than December 31, 2008.

A spirit of bipartisan collaboration

When they first started meeting back in August 2007, commission members were struck by how working together toward a common cause—the eradication of poverty in Minnesota—helped to break down the walls that sometimes divided them. During the months ahead, as they continue to work together and share ideas, they look forward to a continuation of that collaborative, bipartisan spirit.



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Appendices

Appendix A: The Commission's Founding Principles

The commission's founding principles, outlined below, were written into law in a bill co-authored by Sen. John Hottinger and Rep. Jim Abeler in 2006. For more on this bill and its legislative history, please visit the commission's website at www.lcep.leg.mn.

The Commission's Guiding Principles

- (a) There should be a consistent and persistent approach that includes participation of people of faith, nonprofit agencies, government and businesses.
- (b) All people should be provided those things that protect human dignity and make for a healthy life, including adequate food and shelter, meaningful work, safe communities, health care and education
- (c) All people are intended to live well together as a whole community, seeking the common good, avoiding wide disparities between those who have too little to live on and those who have a disproportionate share of the nation's goods.
- (d) All people need to work together to overcome poverty, and this work transcends both any particular political theory or party and any particular economic theory or structure. Overcoming poverty requires the use of private and public resources.
- (e) Alliances are needed between the faith community, nonprofit agencies, government, business and others with a commitment to overcoming poverty.
- (f) Overcoming poverty involves both acts of direct services to alleviate the outcomes of poverty and advocacy to change those structures that result in people living in poverty.
- (g) Government is neither solely responsible for alleviating poverty nor removed from that responsibility. Government is the vehicle by which people order their lives based on their shared vision. Society is well served when people bring their values into the public arena. This convergence around issues of poverty and the common good leads people of varying traditions to call on government to make a critical commitment to overcoming poverty.

Established by the Legislature in 2006. – Minnesota Laws 2006 Chapter 282, article 2, section 27.

Appendix B: Significant Findings

Below are findings from the first phase of the commission's work. These were derived from presentations given before the commission at the capitol; observations and experiences of commission members on the statewide listening tour; and additional research by commission staff.

Housing

- Many areas of the state lack affordable housing, particularly for large families. The 2008 fair market rent for a two-bedroom apartment in the Twin Cities is \$848 per month. In order for this apartment to be considered affordable, a single earner would have to earn \$16.24 per hour.

- Families must wait on long waiting lists for Section 8 assistance. Waiting lists are so long that many are closed and no longer accepting applications. All Metro Area HRAs and twelve Greater Minnesota HRAs have closed their waiting lists as of February 2008.

- Rent and mortgage assistance to help people before they lose their home is limited. Policy changes in the implementation of Emergency Assistance for families have reduced the amount available, and those funds are not distributed under uniform policies. Of Minnesota counties, 13 do not have a state Family Homeless Prevention grant. These are flexible grant dollars that can be used to prevent foreclosure and eviction.

- Homeless shelters are chronically full. Many shelters are forced to turn people away or place limits on who they serve and how long they will serve them.

- Minnesotans with criminal histories or poor

credit have difficulty securing housing and qualifying for housing assistance. Of homeless adults surveyed in 2006 by the Wilder Foundation, 47 percent were ex-offenders and 17 percent cited credit issues as one reason they were homeless.

- Predatory lending and riskier lending

practices have led to a spike in mortgage foreclosures. Many Minnesotans are losing their homes and having difficulty recovering. The state saw a 73 percent increase in mortgage foreclosures between 2005 and 2006, and an estimated additional 84 percent increase between 2006 and 2007.

- Heat has become increasingly expensive, and current energy assistance funding does not reach everyone who needs it. During the 2007-2008 heating season, Community Action Partnership of Suburban

Hennepin (CAPSH) saw a 10 percent increase in applications from the previous year, and the average crisis benefit, directed to a household without heat or with a shut-off notice, was 45% higher because of higher levels of delinquency.

- Greater Minnesota faces a shortage of emergency shelters. For example, a single battered woman's shelter serves eight counties in Central Minnesota: Stearns, Benton, Sherburne, Wright, Isanti, Chisago, Pine, and Kanebec Counties.

"On December 18th we got an immediate eviction from the county due to the building being unfit to live in. I was approved for Section 8. This has turned into a nightmare. There's very little in Winona for rent for families. The only places that were listed do not accept Section 8. There is nowhere for us to go or to turn. There's no place for us to make a home."

— Testimony from a custodial grandmother in Winona

Transportation

- High gas prices are burdensome, particularly in rural areas where one has to drive long distances to get to work, child care, the doctor, or the grocery store. The average price of a gallon of regular gasoline as of May 30, 2008 in Minnesota was \$3.87, almost 23 percent higher than one year ago.
- Public transit options are very limited, particularly in rural areas and regional centers. In addition, taking transit is often time-consuming and unsafe, as many have to walk long distances to get to stops.
- Low-cost or free car programs have limited scope, and current laws create liability and licensing barriers for charitable organizations and individuals to donate their used cars.

“There are a lot of people out there who are trying to get off welfare, but they often can’t get to work because they don’t have adequate transportation. If we want to help people work to get off welfare or stay out of poverty, we need to help them meet their transportation needs.”

— Morrie Lanning (R)
Moorhead

Family and Children

- Many laws and regulations hurt married couples and discourage people from getting married and forming stable family units. For example, homeless shelters are more apt to take a woman with children than a married-couple family.
- Young parents, including teenagers, who must care for children while working part-time, low-wage jobs, face two problems.

They miss educational opportunities that could raise their income, and are less likely to advance in their low-wage jobs because of their limited availability.

- Child care assistance does not reach all who need and are eligible for it. As of January 2008, 39 of 87 counties had waiting lists for basic sliding-fee child care assistance.
- Culturally-appropriate child-care and early childhood education programs for immigrant families are needed.
- Many Adult Basic Education (ABE) classes for adults have waiting lists, particularly in the area of English Language Learning (ELL). In a given year, Minnesota’s ABE programs serve approximately 12 percent of the eligible ABE target population.
- Many regions of the state have waiting lists for Head Start. Of the 35 Head Start and Early Head Start programs listed on the school calendar, 31 reported waiting lists at the end of February 2008. Total statewide Head Start waiting lists average 2,400 income-eligible children each month.

“...ending poverty, simply and sadly, is not fathomable given the near-evaporation of marriage in large swaths of Minnesota and the nation.”

— Mitchell B. Pearlstein

- Lack of Head Start funding forces programs to cut costs in other ways. For example, BI-CAP (Bi-Country Community Action Program) Head Start does not provide transportation to participants.

- Quality childcare is often expensive or unavailable. The annual average cost of full-time care for an infant in a center is \$12,300, approximately 22 percent of the median family income in Minnesota in 2006.
- A child born to a teen mother is much more likely to live in poverty than children born to older mothers. While Minnesota has a low birth rate among teens overall, teenage birth rates are four times higher among American Indian women than among white women. Teenage birth rates among Black-American and Latino women are more than two times higher than teenage birth rates among white women.

Health Care

- Many Minnesotans do not have health insurance, including 68,000 children. In addition, many residents who have coverage have difficulty accessing health care because of costly co-pays and deductibles.
- Dental care is inaccessible for many Minnesotans. Many dentists will not accept public insurance programs, which results in many people delaying care until a tooth needs to be pulled or other emergency arises.

Access to good, affordable dental care for low-income people may prevent or minimize emergency room visits, prevent infection and tooth decay, and help nurture the esteem that may lead to employment and self sufficiency."

— Testimony from a Homeless Veteran, Polk County

Employment and Income

- Many people receiving Social Security payments are reluctant to transition into

"How do we increase wages here in Minnesota and have good paying jobs? How do we attract businesses to Minnesota? We can educate people all we want, but if there aren't businesses moving to Minnesota to provide good paying jobs with benefits, it isn't going to make a difference."

— Sen. Paul Koering (R) Fort Ripley

work. They're afraid that if they have a health setback or lose their job, they will lose their benefits and other supports such as healthcare, food stamps, and housing assistance.

- Food shelves are seeing increased demand for services. Between 2000 and 2007, food-shelf usage increased by 60 percent. Fifty-five percent of families that utilize food shelves are working families.
- Some of the benefit limits on entitlement programs like Minnesota Family Investment Program (MFIP) effectively punish people for getting a bonus at work, saving their tax refund, or receiving a significant sum for back child support. Any one of these events could result in a reduction or total loss of benefits.
- Employers are reluctant to hire people who are disabled, have a criminal record, or have transportation problems. There are also issues of racism in hiring practices.

- The current minimum wage is barely sufficient to lift a single, full-time worker out of poverty. When the federal minimum wage rises to \$6.55 per hour in July 2008, a full-time worker will make \$13,676 per year. A living wage standard, or a wage that covers the cost of basic needs for a single parent with one child, would be at least \$16.78 per hour in Minnesota. Over half of Minnesota's jobs pay less than \$16.78 per hour.
- Many employers would like to pay higher wages, but benefit costs like healthcare premiums reduce the amount they can pay their employees. The cost of health care services in the United States has increased an average of 46 percent since 2000.
- The current job market is tight and often seasonal, particularly in greater Minnesota. The current state unemployment rate is 4.6 percent, though regional employment rates are as high as 8.9 percent. In addition, many people face a skills mismatch or are underemployed.
- Many families are working hard to meet monthly expenses and are not able to think about building assets, which can cushion families in times of economic crises.
- Financial management classes and programs are few, and many people have difficulty accessing them, yet many low income people urgently need such help.
- The transition between receiving assistance and working is difficult and abrupt for many. In addition, obstacles exist in the

"Poverty affects my students in many ways. I had a student who, we later found out, lived without heat in their house for months. Another student lived in a home without sewer and running water, and he came to school dirty and in torn clothing. I have students who come to school clean and dressed nicely, but who do not have food in their houses."

— Teacher from
Browerville

current MFIP, where an increase in earned income results in a loss of benefits that is greater than the new income level. This creates disincentives to earning greater income.

- Asset limits on the current MFIP discourage people from saving. Though a homestead and certain cars are exempt, current statute limits assets to \$2,000 for applicants, including any retirement savings.
- SSI and SSDI alone do not provide adequate income for many with disabilities. SSI payments in 2008 are \$637 per month, or \$7,644 annually, and SSDI payments for non-blind recipients are \$940 per month, or \$11,280 annually.

Education

- Numerous studies have shown that low-income students face disadvantages in the E-12 education system. For example, 27 percent of low-income students in the 11th grade had completed no high school mathematics courses in 2004, compared with 13 percent of all Minnesota 11th graders. As a result, higher dropout rates and lower graduation rates among Minnesota's poor youth perpetuate a cycle of poverty.
- High school graduation rates in Minnesota are 59 percent for Black American students, 50 percent for Latino students, and 57 percent for American Indian students, while graduation rates for white students are 92 percent. The high school graduation rate for low-income students is 75 percent.
- Low-income students have trouble navigating the college application process,

especially when their parents did not go to college. Only 40 percent of low-income students and 51 percent of students at urban high schools enroll in college after graduation.

- The cost of post-secondary education is prohibitive for many Minnesotans. Minnesota's public schools are more costly than in other states, but the state offers relatively few grants. In addition, increases in state grants have not kept up with increases in state tuition costs. Between

1996 and 2006, average annual resident undergraduate tuition and fees rose by 107.6 percent at the University of Minnesota, and 100.6 percent at MNSCU (Minnesota State Colleges & Universities) schools, while state grants have only risen by 40.8 percent.

- MFIP participants face restrictions on pursuit of education, particularly post-secondary education. Current policy allows participants to pursue higher education for up to two years while on MFIP.

Appendix C: Anti-Poverty Initiatives in Other States

Minnesota is not the only jurisdiction that is moving to reduce or eliminate poverty. Thirteen other states have established similar anti-poverty initiatives.

Alabama – Established a 14-member task force “made up of a bipartisan group of legislators, along with representatives of state anti-poverty nonprofits. Starting in October 2007, the group held three meetings that brought together more than 100 people and 34 organizations.” Alabama has a bill pending that would establish a permanent commission on reducing poverty.

Colorado – Established a new, bipartisan, bicameral legislative forum to bring together “legislators interested in addressing poverty through public-policy and private-sector solutions that promote self-sufficiency, family well-being, community development, and the common good”. In 2007 the Governor’s office pushed for over \$213 million for programs targeting low-income residents.

Connecticut – In 2004 Connecticut established the Child Poverty and Prevention Council, which set the goal of cutting child poverty in half. The Council’s first report included 67 recommendations on how their goal could be accomplished. The 67 recommendations were whittled down to 13 priorities, including support for the Earned Income Tax Credit and widening eligibility for child care subsidies.

Delaware – An executive order issued by Delaware’s governor in 2007 established a target of cutting child poverty in half by 2017. A 25-member “Child Poverty Task Force” plans to spend the year 2008 “collecting information

from experts, hearing from communities, and determining its recommendations.”

Illinois – “A pending bill, introduced in early 2008, would set a target to cut extreme poverty, defined as living below 50 percent of the poverty line, in half by 2015.” The bill would establish a “Commission on Poverty Elimination” that would be responsible for

developing a comprehensive plan that was “consistent with international human rights standards.”

Iowa – The “Successful Families Caucus” is Iowa’s effort to develop bipartisan solutions for the state’s poorest families and communities. The caucus has identified several legislative priorities for 2008, including providing health coverage for all children in the state; improving community-level partnerships to improve information sharing; and increasing the state’s Earned Income Tax Credit (EITC) from 7 to 10 percent of the federal level.

Louisiana – There is a bill pending which would establish a “Child Poverty Prevention Fund.” Grants would be dispersed by a yet to be created “Child Poverty Prevention Council,” which would reside within the state’s current Department of Social Services. The Council would have responsibility for making direct grants to Louisiana’s parishes. The goal would be to cut child poverty in half by 2018.

Maine – “In 2007, a bill to establish the Main Council on Poverty and Economic Security was introduced by the president of the Senate. A

“State governments are bringing political attention to poverty and opportunity in many ways, including poverty-reduction targets that set a specific goal and timeline; commissions that conclude with recommendations for action; legislative caucuses that seek to foster both legislators expertise and bipartisan solutions; and government-sponsored summits”

— From “Seizing the Moment: State Governments and the New Commitment to Reduce Poverty in America.”*

measure passed unanimously in committee in March 2008. The council is intended to advise the governor on ending poverty and providing economic security to disadvantaged citizens in the state. The council is expected to make recommendations to the Governor every two years.”

Michigan – On November 13, 2008, Michigan will hold its first state sponsored poverty summit. In advance of the summit Michigan’s Commission on Community Action and Economic Opportunity is holding six forums across the state.

Oregon – A law enacted in 1989 requires the Oregon Progress Board to report on 91 benchmarks measuring economic, social and environmental progress. For example, one benchmark calls for a reduction in Oregon’s poverty rate from 12.1 to 10 percent by 2010.

Rhode Island - A Joint Resolution in 2007 created a bicameral, bipartisan legislative commission. The Commission’s goal will be to

identify and create the programs necessary to build income and assets for families, promote financial education, literacy and counseling, and protect families from predatory and abusive financial services. The Commission must prepare a report by June 2008.

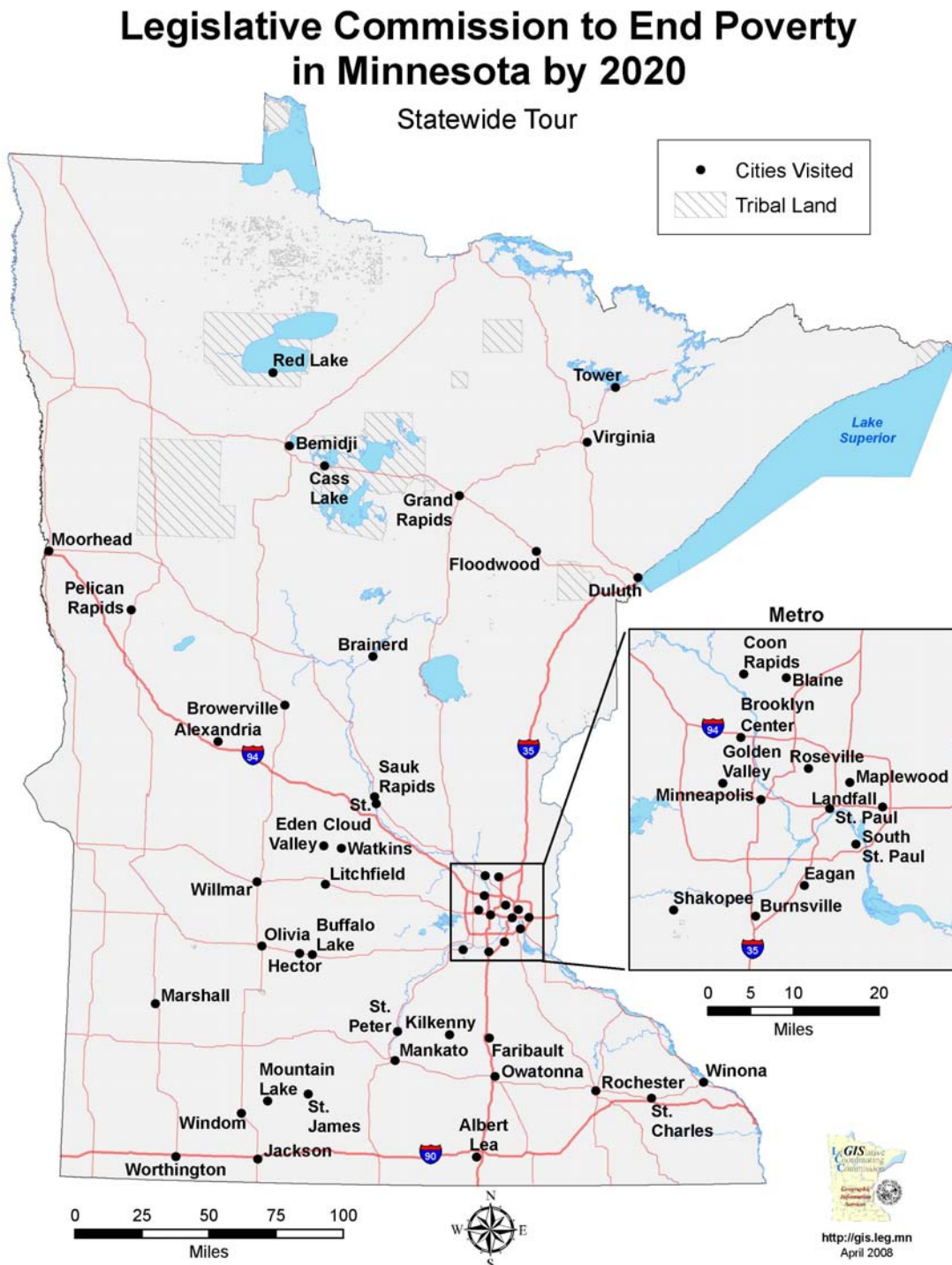
Vermont - On June 5, 2007 the Vermont legislature passed a bill establishing the Child Poverty Council. The legislation is similar but not identical to Connecticut’s child poverty legislation. Specifically, the bill requires the identification of strategies for achieving at least a 50% reduction in child poverty by 2017.

Washington - Washington’s Department of Community, Trade and Economic Development (CTED) established a Poverty Advisory Committee. This Committee will include leaders from state agencies and advocacy groups. The Advisory Committee’s recommendations will be categorized into three groups: Basic needs, Challenging Poverty and System Improvements

*This paper was used in compiling the poverty program descriptions above. Please see the Bibliography for additional information.

Appendix D: Map of the Commission's Visiting Tours

"It [poverty] comes in different shapes and sizes. Every community has a different way of looking at it." — Rep. Bud Nornes



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