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JOB-BASED HEALTH CARE COVERAGE DECLINING IN MINNESOTA *Recession likely to expand the ranks of the uninsured*

St. Paul, MN – Roughly one in 12 Minnesotans lacked health coverage in 2007-08, according to Census Bureau data released today, and employer-provided health insurance continued to decline nationwide. The percentage of Minnesotans with employer-provided coverage was 71 percent in 2007-08, down from 77 percent in 2000-01. These findings, which will almost certainly worsen in 2009 because of the recession, highlight the need to enact comprehensive health care reform.

"Minnesota has experienced a long-term decline in job-based health care coverage, but the public sector has been there to pick up most of that slack. As a result, overall health insurance coverage in Minnesota has remained pretty stable," said Christina Wessel, deputy director of the Minnesota Budget Project. "However, with huge state budget deficits leading to significant cuts in Minnesota's public health care programs, many struggling Minnesotans will find that the safety net is disappearing. We need action at the state and federal level to ensure that Minnesotans have access to affordable and quality health care."

Overall stability in health insurance coverage masks concerns

Nationally, 15.4 percent of Americans, or about 46 million people, lacked health insurance in 2008. In Minnesota, 8.5 percent, or about 440,000 people, were without health insurance coverage in 2007-08. "These new Census numbers may not reveal the true depth of the problem facing the nation," cautioned Wessel. "The Census Bureau's Current Population Survey asks individuals whether they had health care coverage *at any point* in 2008. What the results do not show are those who may have lost health insurance at some point in 2008 as the recession deepened."

There are also important racial disparities in the numbers. Both the Hispanic and Black populations in the United States face significantly higher uninsured rates, with about 31 percent of Hispanics and 19 percent of Blacks going without health insurance in 2008. By contrast, only 11 percent of non-Hispanic whites were uninsured.

There are also disconcerting differences in health coverage by age. Nationally, less than two percent of individuals over age 65 were uninsured in 2008. However, 10 percent of children under age 18 went without coverage for the entire year. "It's good that our nation is doing such a successful job of providing care for people in the later years, now we need to make sure we are doing the same job of caring for them in those critical early years," said Wessel.

Rising poverty and falling median wages signal more bad news to come

Additional information released today by the Census Bureau showed that national real median household income declined after three years of increases. The nation's official poverty rate also increased from 12.5 to 13.2 percent between 2007 and 2008, the first statistically significant increase since 2004 and the highest poverty rate since 1997. Initial data also reveals that Minnesota has also experienced a significant rise in poverty and decline in median income since 2001, the start of the last recession. (The Census Bureau will be releasing additional state-level data on September 22.)

"We never really recovered from the 2001 recession before we found ourselves falling into an even deeper recession. The consequences for Minnesota's families – and our state budget – have been dramatic," said Wessel. "The answer, however, isn't to continue to slash services that help those that are losing health insurance or falling into poverty. What we need is real health care reform and more investments in people at the state and federal level."

Additional Information:

The report released today from the U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2008*, is available at www.census.gov.

The Minnesota Budget Project, an initiative of the Minnesota Council of Nonprofits, provides independent research, analysis and advocacy on budget and tax issues emphasizing their impact on low- and moderate-income Minnesotans. The Minnesota Council of Nonprofits (MCN) is the statewide association of 1,950 nonprofit organizations. Through its Web site, resource publications, workshops and events, cost-saving programs and advocacy, MCN continually works to inform, promote, connect and strengthen individual nonprofits and the nonprofit sector. (www.mncn.org)