



News Release

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## The Rich Get Ahead, The Poor Get Left Behind Even in Minnesota

Income inequality has widened significantly in Minnesota, according to a new analysis of Census Bureau data. The richest 20% of families have reaped the greatest benefits from our economy over the past 20 years while the poorest 20% have seen no real income growth. Over time, the income gap has grown considerably. In the late 1970's, the wealthiest 20% of Minnesota families had average incomes 6.1 times larger than the bottom 20%; their incomes were 8.8 times as large by the end of the 1990's.<sup>1</sup>

As the 2000 legislative session begins, policy-makers must address the reality that Minnesota's strong economy is not reducing poverty. The number of Minnesota children in poverty remains high. In the 1998-1999 school year, 26.3% of public school children were eligible for free- or reduced-price meals, up from 23.7% in 1992-1993. In 14 Minnesota counties, more than 40% of children were eligible.<sup>2</sup>

"Our strong economy and a tight labor market make this an opportune time to make sure our lower-income citizens aren't left behind," said Nan Madden, Director of the Minnesota Budget Project. "Policy-makers can address growing income inequality by pursuing policies that narrow the gap, raise the standard of living of those at the bottom of the wage scale, and minimize the impact of sudden losses of income on families."

In the 2000 legislative session, advocates for family self-sufficiency will be asking the Minnesota legislature to support a wide variety of strategies including:

- Guaranteeing that all Minnesotans benefit from tax policies or rebates.
- Ensuring that all workers have opportunities for training and retraining through workforce development policies, including access to education and training for welfare recipients and the working poor.
- Ensuring a support system is in place for welfare recipients who are cooperating with welfare reform but have been unable to make sufficient wages to support their families.
- Supporting the work efforts of low- and moderate-income Minnesotans through resources for child care, transportation, and affordable housing.

"At this time of unprecedented economic growth in Minnesota, it is essential for state policy-makers to make the investments needed to ensure equal opportunities and quality of life for all Minnesotans," said Madden. "If we do not invest in the skills and support the work efforts of lower-income Minnesotans, our state cannot make the most of our human capital. We cannot afford to let this opportunity pass us by."

For more detailed information on the above statistics, please see the attached fact sheet.

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<sup>1</sup> The data in this release comes from *Pulling Apart: A State-by-State Analysis of Income Trends*, the Center on Budget and Policy Priorities and the Economic Policy Institute. The report analyzes Census Bureau data on family incomes from the late 70's, late 80's, and late 90's.

<sup>2</sup> Minnesota Planning, *1999 Children's Report Card*. Eligible children live in families with incomes below 130% of the poverty line.