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THREE YEARS AFTER RECESSION ENDS, POVERTY CONTINUES TO RISE *Crucial Votes in Washington Could Worsen the Trend*

Three years after the official end of the recession, poverty in the U.S. remains unacceptably high, incomes have stagnated, and millions are without health insurance, according to new figures released today by the U.S. Census Bureau. While Minnesota does better than the national average in these measures, still thousands of Minnesota families are unable to make ends meet.

In light of this data, the Minnesota Council of Nonprofits renews its call to Minnesota's congressional delegation to ensure continued access to federal nutrition and health care programs.

Poverty on the Rise in U.S.

Nationally, the poverty rate rose to 12.7 percent in 2004. Among all age groups, poverty was most prevalent among children: 17.8 percent of American children live in poverty. Black and Hispanic Americans are also significantly more likely to be poor. Although Minnesota has one of the lowest rates of poverty in the nation, nonetheless 1 in 14 Minnesotans lives below the poverty line.

Incomes Fail to Rise

The U.S. median household income in 2004 was \$44,389. This is the second consecutive year that median incomes did not grow in the U.S. after adjusting for inflation. Household median income in Minnesota was \$55,184 — one of the highest in the nation.

No Progress Made in Health Coverage

Nationally, 15.7 percent of Americans lacked health insurance in 2004. There was no change in the rate of uninsurance since 2003, although the Census Bureau found that fewer people had employer-provided health insurance and more were covered by government health insurance programs, including Medicaid and the State Children's Health Insurance Program (SCHIP).

The Census Bureau found that Minnesota had the lowest rate of uninsured at 8.5 percent. However, data from the Minnesota Department of Health (MDH) finds that Minnesota is losing ground in health insurance coverage. MDH finds that that 77,000 more Minnesotans were uninsured in 2004 than in 2001. Their analysis also found that families living in poverty were

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the most likely to be uninsured — 1 in 5 poor families had no health insurance in 2004. Black, American Indian, and Hispanic/Latino Minnesotans were also more likely to be uninsured.

Lack of health insurance makes it more difficult for families to achieve self-sufficiency. Research shows that families without health insurance often put off getting care for health problems. When symptoms can no longer be ignored, uninsured families often end up in hospital emergency rooms. Not only is emergency room care more expensive, but delaying care often makes health care problems much worse and harder to treat.

Crucial Votes in Washington on Deck in September

As Congress reconvenes in September, they will start work on bills that could make matters worse for struggling families and significantly widen the gap between rich and poor.

Despite the rising number of Minnesotans who lack health insurance, Congress is planning reductions in Medicaid, a joint federal-state health care program that covers 1 in 9 Minnesotans. And while 1 in 20 Minnesotans receive federal Food Stamp benefits to meet their daily nutritional needs, Congress is considering cuts to this program as well. "Deep cuts to Medicaid will result in more Minnesotans losing access to health care, and deep cuts to Food Stamps will result in more Minnesotans going hungry," said Steve Francisco, Federal Budget Campaign Coordinator at the Minnesota Council of Nonprofits.

Remarkably, at the same time that the Senate is considering dramatic reductions in successful anti-poverty programs, they are also expected to face a vote to repeal or significantly reduce the estate tax. Estate tax repeal would cost \$1 trillion over 10 years and irresponsibly expand the national debt. Estate tax repeal would also have a devastating effect on charitable giving — an estimated loss of \$197 million in charitable giving per year in Minnesota alone.

The new Census data show that now is not the time for Congress to turn its back on struggling Minnesotans. Our Congressional delegation must play a crucial role in protecting Minnesotans who are working hard to make ends meet.

The report from the U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2004*, is available at <http://www.census.gov/>

The Minnesota Budget Project, an initiative of the Minnesota Council of Nonprofits, provides research, analysis, and advocacy on budget and tax issues that impact low- and moderate-income Minnesotans. The Minnesota Council of Nonprofits (MCN) is the statewide association of 1,500 nonprofit organizations. Through its web site, resource publications, workshops and events, cost-saving programs, and advocacy, MCN works continually to inform, promote, connect, and strengthen individual nonprofits and the nonprofit sector. (www.mncn.org)