



STATE OUTCOME & POLICY REPORT MINNESOTA

PROSPERITY NOW SCORECARD

Minnesota ranks 10th on the prosperity of its residents compared to the 50 states and the District of Columbia. This rank is based on states' performance on economic measures for all residents but also accounts for racial disparities. Relative to other states, Minnesota has the best performance for residents overall. However, the extreme gap between White residents and residents of color drops the state's rank and has negative implications for the people and prosperity of Minnesota. For example, the homeownership rate of White households is 77% compared to 24% for Black households and 46% for Latino households.

The Prosperity Now Scorecard features 28 policies that attempt to improve financial security outcomes. The Scorecard assesses whether your state has or has not adopted each of these policies. Minnesota has adopted 14 policies.

SCORECARD
RANK **10**

RACIAL DISPARITY
RANK **45**

OUTCOME RANK **1**

OUTCOME HIGHLIGHTS

20.6%

of Minnesota households live in liquid asset poverty

66.2%

of Minnesota households kept emergency savings in the past year

21.3%

of Minnesota households experienced income volatility in the past year

46.2%

of renters in Minnesota are cost burdened

POLICY HIGHLIGHTS



Does state provide funding for IDAs?



Does state protect against payday lending?



Has state enacted an EITC that is refundable and at least 15% of the federal credit?



Does state regulate paid tax preparers?

About the Prosperity Now Scorecard

The *Prosperity Now Scorecard* is a comprehensive resource featuring data on family financial health, racial economic inequality, and policy recommendations to help put all U.S. households on a path to prosperity. The Scorecard equips advocates, policymakers and practitioners with national, state, county and city data to jump-start a conversation about solutions and policies that put households on stronger financial footing across five issue areas: Financial Assets & Income, Businesses & Jobs, Homeownership & Housing, Health Care and Education.

OUTCOME MEASURES

The *Scorecard* ranks states on 46 outcome measures from best to worst: #1 is the most desirable, #51 is the least desirable. The Outcome Rank is calculated by averaging the rank all of the state's measures and demonstrates how outcomes for all residents compare to residents of other states and DC. The Outcome Rank accounts for 60% of a state's Scorecard Rank.

Financial Assets & Income

OUTCOME MEASURE	STATE DATA	US DATA	STATE RANK
Income Poverty Rate	9.5%	12.7%	5
Liquid Asset Poverty Rate	20.6%	36.9%	1
Asset Poverty Rate	16.6%	24.1%	-
Net Worth	\$184,992	\$92,110	-
Households with Zero Net Worth	11.6%	15.7%	-
Saved for Emergencies	66.2%	57.8%	10
Unbanked Households	1.5%	6.5%	2
Underbanked Households	12.5%	18.7%	3
Income Inequality	4.31 : 1	4.93 : 1	9
Income Volatility	21.3%	20.1%	31
Households with Savings Accounts	84.0%	71.4%	3
Consumers with Prime Credit	63.9%	53.0%	1
Access to Revolving Credit	80.0%	74.0%	5
Borrowers Over 75% Credit Card Limit	19.2%	25.4%	1
Severely Delinquent Borrowers	9.1%	14.8%	2
Consumers with Collections	11.5%	21.2%	2
Bankruptcy Rate	1.7	2.3	22
Fell Behind on Bills	10.0%	13.2%	4
Low Financial Well-Being	20.0%	18.0%	38

Businesses & Jobs

OUTCOME MEASURE	STATE DATA	US DATA	STATE RANK
Microenterprise Ownership Rate	16.0%	18.2%	43
Unemployment Rate	3.2%	3.7%	14
Business Ownership by Gender	1.4x as high for men	1.3x as high for men	37
Business Ownership by Race	16.4%	17.6%	-
Business Value by Race	\$517,246	\$440,190	-
Business Value by Gender	3x as high for men	3x as high for men	25
Underemployment Rate	5.9%	7.3%	9
Employers Offering Health Insurance	46.1%	46.8%	30
Low-Wage Jobs	13.1%	18.7%	13
Average Annual Pay	\$59,494	\$57,266	9

Homeownership & Housing

OUTCOME MEASURE	STATE DATA	US DATA	STATE RANK
Homeownership Rate	71.5%	63.9%	3
Affordability of Homes	3.35 : 1	3.71 : 1	22
Housing Cost Burden - Renters	46.2%	49.7%	17
Housing Cost Burden - Homeowners	21.5%	27.7%	6
Foreclosure Rate	0.38%	0.90%	5
Delinquent Mortgage Loans	0.58%	1.05%	7
High-Cost Mortgage Loans	3.5%	7.6%	9

Health Care

OUTCOME MEASURE	STATE DATA	US DATA	STATE RANK
Uninsured Rate	5.1%	10.4%	6
Uninsured Low-Income Children	5.2%	7.1%	19
Employee Share of Premium	32.0%	27.8%	45
Employer Provided Insurance Coverage	69.1%	59.5%	3
Forgoing Doctor Visit Due to Cost	10.0%	13.0%	10
Poor or Fair Health Status	13.5%	18.4%	2

Education

OUTCOME MEASURE	STATE DATA	US DATA	STATE RANK
Early Childhood Education Enrollment	50.6%	48.2%	12
Four-Year College Degree	36.7%	32.6%	11
High School Graduation Rate	82.2%	84.1%	35
Disconnected Youth	6.5%	11.3%	2
Reading Proficiency - 8th Grade	34.2%	33.6%	19
Math Proficiency - 8th Grade	44.2%	33.8%	2
Borrowers with Student Loan Debt	26.2%	21.9%	50
Median Student Loan Debt	\$18,401	\$18,366	30
Severely Delinquent Student Loan Debt	11.0%	15.2%	3

— Indicates that no data is available, or data is suppressed due to a margin of error that is greater than 50% of the estimate.

For a complete description of *Scorecard* measures and sources, including how the ranks were assigned, go to scorecard.prosperitynow.org.

OUTCOMES BY RACE & ETHNICITY

Racial economic inequality limits a household's ability to prosper, and it's important to explore the impact that race and ethnicity have on outcomes. The Racial Disparity rank is calculated by averaging the gaps in outcomes for White residents and residents of color for 26 measures. This average disparity is then ranked against the other states and DC. A rank of 51 means that the disparity is the largest compared to all states and DC. A lower rank indicates that the disparity is narrower, but even then, racial economic inequality remains problematic for the state and its residents' economic resilience. The Racial Disparity rank accounts for 40% of a state's Scorecard rank.

Financial Assets & Income

OUTCOME MEASURE	OVERALL	WHITE, NH*	PEOPLE OF COLOR	BLACK	AMERICAN INDIAN	ASIAN	NHPI**	LATINO
Income Poverty Rate	9.5%	7.8%	20.9%	28.1%	28.7%	11.4%	-	18.8%
Liquid Asset Poverty Rate	20.6%	16.6%	46.1%	73.4%	-	16.6%	-	53.6%
Asset Poverty Rate	16.6%	14.5%	-	-	-	-	-	-
Net Worth	\$184,992	\$201,600	-	-	-	-	-	-
Households with Zero Net Worth	11.6%	9.6%	24.6%	55.8%	-	-	-	9.6%
Saved for Emergencies	66.2%	68.4%	50.8%	-	-	-	-	-
Unbanked Households	1.5%	0.8%	6.3%	-	-	-	-	-
Underbanked Households	12.5%	9.6%	32.7%	-	-	-	-	-
Income Volatility	21.3%	22.2%	15.8%	-	-	-	-	-
Households with Savings Accounts	84.0%	86.0%	70.4%	-	-	-	-	-
Fell Behind on Bills	10.0%	9.6%	12.8%	-	-	-	-	-

Businesses & Jobs

Unemployment Rate	3.2%	2.9%	5.3%	7.3%	-	3.0%	-	3.0%
Business Ownership by Race	16.4%	17.4%	12.0%	16.2%	29.5%	11.6%	2.4%	7.8%
Business Value by Race	\$517,246	\$634,225	\$174,431	\$87,380	\$187,383	\$271,263	\$198,116	\$218,849

Homeownership & Housing

Homeownership Rate	71.5%	76.7%	41.1%	23.7%	47.5%	57.6%	24.4%	45.8%
Affordability of Homes	3.35 : 1	3.20 : 1	-	6.40 : 1	6.70 : 1	2.90 : 1	4.90 : 1	4.70 : 1
Housing Cost Burden - Renters	46.2%	45.8%	50.0%	55.8%	42.4%	31.9%	-	50.5%

Health Care

Uninsured Rate	5.1%	3.8%	12.5%	6.6%	19.4%	4.8%	-	17.7%
Forgoing Doctor Visit Due to Cost	10.0%	8.4%	-	18.6%	14.1%	13.9%	-	23.0%
Poor or Fair Health Status	13.5%	12.5%	-	16.2%	28.5%	11.7%	-	21.5%

Education

Four-Year College Degree	36.7%	38.3%	27.0%	22.3%	11.0%	45.7%	-	18.3%
Disconnected Youth	6.5%	5.1%	10.3%	10.9%	20.5%	7.1%	-	10.3%
Reading Proficiency - 8th Grade	34.2%	40.9%	-	10.9%	12.0%	36.5%	-	18.3%
Math Proficiency - 8th Grade	44.2%	53.1%	-	13.7%	16.2%	46.3%	-	20.9%

* White, Non-Hispanic ** Native Hawaiian or Other Pacific Islander

Limitations of Scorecard Data by Race & Ethnicity: *Scorecard's* sources are primarily national surveys, and for each population by racial or ethnic group, we use the data for people identifying only as that racial or ethnic group and have a minimum threshold for the number of observations available to produce an estimate. The result is a significant amount of missing data for populations of color, particularly in less populated states. In addition, we use aggregate definitions of populations (e.g., "Asian," "Latino") which group people with ancestry from a variety of countries and varying backgrounds, masking diversity and economic disparity within groups.

POLICY MEASURES

The *Scorecard* includes 28 policies organized into 18 groups. States are assessed based on whether they have adopted each policy; a ✓ indicates the state has adopted the policy; a ✗ indicates the state has not. Policy adoption is assessed on policies enacted during calendar year 2019.

Financial Assets & Income

5 OF 13 POLICIES ADOPTED

Debt Collection Protections	✗	Does state adequately protect consumers' assets from debt collection?
	✗	Does state adequately protect consumers from abusive debt-buying practices?
Individual Development Accounts	✓	Does state provide funding for IDAs?
Predatory Small-Dollar Lending Protections	✗	Does state protect against payday lending?
	✗	Does state protect against car-title lending?
	✗	Does state protect against high-cost installment loans?
Retirement Security	✗	Has state enacted an Automatic-Enrollment Individual Retirement Account program?
Savings Penalties in Public Benefit Programs	✗	Has state eliminated TANF asset test?
	✓	Has state eliminated SNAP asset test?
	✓	Has state eliminated LIHEAP asset test?
State EITCs	✓	Has state enacted an EITC that is refundable and at least 15% of the federal credit?
Tax Fairness	✓	Does state have a progressive effective tax rate ?
Tax Prep Regulations	✗	Does state regulate paid tax preparers?

Businesses & Jobs

3 OF 4 POLICIES ADOPTED

Minimum Wage	✓	Will state's minimum wage be at least \$15 by 2025 or is it indexed for inflation?
	✓	Are agricultural, domestic and tipped workers covered by state's minimum wage?
Paid Leave	✗	Does state require employers to offer paid medical, family or sick leave?
	✓	Does state expand FMLA to cover more workers?

Homeownership & Housing

3 OF 7 POLICIES ADOPTED

First-Time Homebuyer Assistance	✓	Does state provide downpayment assistance through grants, second mortgages or resources financed with premium bonds?
	✗	Does state offer direct lending programs to first-time homebuyers?
	✓	Does state fund homeownership counseling?
Property Tax Relief	✓	Does the state provide property tax relief via a well-targeted circuit breaker?
Protection from Discrimination for Low-Income Renters	✗	Does state protect Section 8 voucher-holders from discrimination in the housing market?
Resident Ownership, Titling and Zoning of Manufactured Homes	✗	Does state encourage resident ownership of manufactured home communities via an effective pre-sale notice, tax incentive or both?
	✗	Does state's titling or zoning laws treat manufactured homes the same as site-built homes?

Health Care

1 OF 1 POLICIES ADOPTED

Medicaid Expansion	✓	Has state expanded Medicaid to at least 138% or more of federal poverty level?
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Education

2 OF 3 POLICIES ADOPTED

Children's Savings Accounts	✗	Does state offer a universal, automatic CSA program with an incentive?
In-State Tuition for Undocumented Students	✓	Does state extend in-state tuition to undocumented students?
Targeted Financial Aid for Postsecondary Education	✓	Is state financial aid targeted to high-need students?

MINNESOTA

DEMOGRAPHICS



POPULATION
5,611,179



HOUSEHOLDS
2,455,637

HOUSEHOLD INCOME QUINTILES

Lowest Quintile	\$0 to \$30,709
2nd Quintile	\$30,710 to \$55,795
3rd Quintile	\$55,796 to \$86,520
4th Quintile	\$86,521 to \$132,288
Highest Quintile	Over \$132,288

MEDIAN HOUSEHOLD INCOME **\$70,315**

White	\$73,608
Black	\$36,849
Asian	\$80,943
Latino	\$50,240
Native	\$35,148
NHPI	\$48,254
Two or More	\$55,171
Other	\$48,404

RACE AND ETHNICITY (% OF POPULATION)

White	79.4%
Black	6.5%
Asian	4.8%
Latino	5.5%
Native	1.0%
NHPI	n/a
Two or More	2.7%
Other	0.1%

AGE (% OF THE POPULATION)

Under 18	23.2%
18 to 24	8.9%
25 to 44	26.3%
45 to 64	25.8%
65 and Over	15.8%

PEOPLE WITH A DISABILITY **11.0%**

PROSPERITY NOW COMMUNITY

Prosperity Now is committed to continuing our support of and partnerships with our movement of committed advocates and practitioners seeking to create a clear path to financial stability, wealth and prosperity. The Prosperity Now Community expands our reach, creates strong connections between those in our community and mobilizes advocates to create lasting social change.

The Prosperity Now Community facilitates learning, creates connections and inspires action to create and improve programs and policies that foster opportunity, especially for those who have not had it before. Our unwavering commitment to creating prosperity includes efforts on a wide range of issues, such as consumer protections, equity in the tax code, increasing affordable housing and removing barriers to saving and building wealth.

To Join the Community, visit prosperitynow.org/get-involved

COMMUNITY CHAMPIONS IN MINNESOTA

Build Wealth Minnesota — Minneapolis, MN

Minneapolis Urban League — Minneapolis, MN

Minnesota Asset Building Coalition — St. Paul, MN

ABOUT PROSPERITY NOW



Prosperity Now (formerly CFED) believes that everyone deserves a chance to prosper. Since 1979, we have helped make it possible for millions of people, especially people of color and those of limited incomes, to achieve financial security, stability and, ultimately, prosperity. We offer a unique combination of scalable practical solutions, in-depth research and proven policy solutions, all aimed at building wealth for those who need it most.