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EXECUTIVE DIRECTOR

Paul Mattessich

MEMO

TO: Community Action Partnership of Suburban Hennepin (CAPSH)

FROM: Wilder Research

RE: 2016 community needs assessment demographic overview

DATE: September 12, 2016

This memo describes preliminary findings of the 2016 community needs assessment demographic overview. The purpose of the demographic overview is to provide CAPSH decision-makers with pertinent characteristics of low-income residents in Hennepin County, and more specifically, in suburban Hennepin County and Minneapolis. Suburban Hennepin County includes every jurisdiction in Hennepin County with the exclusion of the City of Minneapolis.

### Data sources

The majority of these findings are based on secondary data obtained from the American Community Survey (2014 1-year estimates and 2010-2014 5-year estimates) and the U.S. Census (2000 and 2010). Additionally, we accessed Minnesota Department of Public Safety, Bureau of Criminal Apprehension data (via Minnesota Compass) for 2014 crime rate data and the Minnesota Employment and Economic Development, Job Vacancy Survey for 2015 job vacancy data.<sup>1</sup>

Some other areas of interest include child care, chemical dependency, domestic violence, homelessness, food availability, mental health, and migration between urban and suburban areas of Hennepin County. While we do not have measures of these topic areas from the census, American Community Survey, or other sources for these topics, we included them as

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<sup>1</sup> Minnesota Department of Employment and Economic Development (DEED). (2015). Job Vacancy Survey: Data Tool. Retrieved from <https://mn.gov/deed/data/data-tools/job-vacancy/>

areas of interest in an investigation of other literature (e.g., 2015 Minnesota Statewide Homeless Study, 2015 Minnesota Early Childhood Risk and Reach Report) which will be summarized later in the study.

Based on input from CAPSH, Wilder Research included nine sections of demographic information about low-income residents to present:

- Overall poverty trends
- Poverty rates by Minneapolis community and neighborhood
- Poverty rates for demographic subgroups
  - Age
  - Gender
  - Race/ethnicity
  - Nativity
  - Language
  - Family structure
- Housing
- Education, employment and wages, veteran status, disability status, and transportation to work
- Health
- Income, SNAP, and public assistance
- Computer and internet access

## **Overall poverty trends**

Overall, 13 percent of Hennepin County residents were living in poverty in 2014. The percentage was higher in Minneapolis (23%) than in suburban Hennepin County (8%). The percentage of residents at 100 percent or less of the poverty level increased in all three areas from 2000 through 2014. Poverty rates have also increased for the population at 200 percent or less of the poverty level from 2000 through 2014 in each area, with the greatest percentage increase of 9 percentage points in suburban Hennepin County.

## Poverty rates by Minneapolis community and neighborhood<sup>1</sup>

Minneapolis communities with the highest poverty rates in 2014 include University (49%), Phillips (48%), and Near North (39%). Minneapolis neighborhoods with the highest poverty rates include University of Minnesota (76%), Sumner-Glenwood (66%), and Ventura Village (61%). Maps of Minneapolis communities and neighborhoods and an explanation of how boundaries were created are in the Appendix. Research has shown that poverty rates can be inflated when they include college students living in off-campus housing. This may be the case with the University community and neighborhood in Minneapolis.<sup>2</sup>

## Poverty rates for demographic subgroups

### Age

**In Hennepin County overall, 17 percent of people under age 18 (minors) are in poverty. The poverty rate among minors is nearly twice that high when focusing on Minneapolis (32%). Eleven percent of minors in suburban Hennepin County are in poverty. Poverty rates are higher among the population under age 18 than they are for adults (18-64) and older adults (65+).**<sup>3</sup>

Additionally, a trend analysis shows that poverty rates among minors have fluctuated more over time compared to poverty rates among adults and older adults. This finding suggests that minors are more likely than adults or older adults to move in and out of poverty over time.

**The poverty rate among adults (age 18-64) in Hennepin County is 13 percent.** The poverty rate is higher in Minneapolis (23%) and lower in suburban Hennepin County (8%). Poverty rates for adult females are higher than poverty rates for adult males by four percentage points in Minneapolis and one percentage point in suburban Hennepin County.

**Older adults make up less than 15 percent of the population in poverty in all geographic areas.** The largest percentage of older adults in poverty is in suburban Hennepin County (5% in

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<sup>2</sup> U.S. Census Bureau. (2013). When off-campus college students are excluded, poverty rates fall in many college towns. Retrieved from <http://blogs.census.gov/2013/07/29/when-off-campus-college-students-are-excluded-poverty-rates-fall-in-many-college-towns/>

<sup>3</sup> The poverty rate among young adults (age 18-24) in Hennepin County is 29 percent (46% in Minneapolis and 13% in suburban Hennepin County). This age group has the highest poverty rate compared to other age groups.

Minneapolis, 11% in suburban Hennepin County, and 7% in Hennepin County overall). Poverty rates for older adults in Hennepin County overall, Minneapolis, and suburban Hennepin County are lower than the poverty rates of the total population in each area. From 2000 through 2014, poverty rates among older adults have risen slightly, but not as drastically as for minors and adults.

### **Gender**

**Poverty rates are similar for men and women.** Poverty rates have increased for both groups between 2000 and 2014 in Minneapolis, suburban Hennepin County, and Hennepin County overall.

### **Race/ethnicity**

In 2014, the majority of residents in each geographic area was white: 71 percent in Hennepin County overall, 61 percent in Minneapolis, and 76 percent in suburban Hennepin County. The three largest racial and ethnic minority populations in Minneapolis, suburban Hennepin County, and Hennepin County overall are black (18%, 9%, and 12%, respectively), non-white Hispanic (10%, 5%, and 7%, respectively), and Asian (6%, 7%, and 7%, respectively).

**In suburban Hennepin County and Hennepin County overall, non-Hispanic white residents make up the largest percentage of those in poverty. In Minneapolis, black residents make up the largest percentage of those in poverty.** The highest poverty rates in Hennepin County are among black and American Indian residents. The rate of poverty among black residents in Hennepin County is five times that of non-Hispanic white residents.

### **Nativity**

Of residents in poverty in Hennepin County, 80 percent were born in the U.S. The poverty rate for the foreign-born population is higher than the rate for the population born in the U.S. (19% versus 12% in Hennepin County overall, 34% versus 21% in Minneapolis, and 11% versus 8% in suburban Hennepin County).

### **Language**

Nearly one-third of residents in poverty in Minneapolis (35%) and Hennepin County overall (30%) speak a language other than English at home. In suburban Hennepin County, less than one-quarter of residents in poverty speak a language other than English (24%). In Hennepin

County, poverty rates are higher for populations that speak a language other than English than for populations that speak English only.

### **Family structure**

In Hennepin County, most households in poverty are households that include non-related individuals.<sup>4</sup> Poverty rates, however, are highest among single female headed family households with children (52% in Minneapolis, 26% in suburban Hennepin County, 35% in Hennepin County overall).<sup>5</sup>

## **Housing**

In Hennepin County overall, about one-third (32%) of all households, not just those in poverty, are paying 30 percent or more of their income for housing. The percentage of all households paying 30 percent or more of their income for housing is higher in Minneapolis (37%) than in suburban Hennepin County (29%). For households with an income of \$35,000 or less in Hennepin County overall, **79 percent are paying 30 percent or more of their income for housing** (80% in Minneapolis and 78% in suburban Hennepin County). HousingLink found that for homeowners with a mortgage in Hennepin County, 33 percent are cost-burdened or severely cost-burdened (pay more than 50% of their income for housing) and the same is true for 50 percent of renters. The percentage of cost-burdened households is much higher in areas of concentrated poverty.<sup>6</sup>

In Hennepin County, 78 percent of families in poverty are renters. The rate is higher in Minneapolis (88%) than suburban Hennepin County (66%). Of all Minneapolis communities, the percentage of cost-burdened households is highest in University (58%), Near North (55%), and Phillips (54%).

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<sup>4</sup> Non-related households contain a group of unrelated people or one person living alone.

<sup>5</sup> A family household consists of a householder and one more other people living in the same household who are related to the householder by birth, marriage, or adoption and may also contain people not related to the householder.

<sup>6</sup> HousingLink. (2015). 2014 Analysis of Impediments to Fair Housing Choice: Twin Cities Region. Retrieved from <https://www.housinglink.org/docs/default-source/MainLibrary/2014-fhic-ai.pdf>

**Of all housing units in Hennepin County, 6 percent are vacant. The homeowner vacancy rate is 2 percent, and the rental vacancy rate is 4 percent.** According to 5-year ACS data, 12 percent of rental units have rental costs of less than \$600, 44 percent have rental costs of \$600-\$999, and 44 percent have rental costs of \$1,000 or more.

According to the Minnesota Housing Partnership (MHP), a safe, modest two-bedroom apartment in Hennepin County costs \$996 per month. The median renter household in Hennepin County has an income of \$35,185 and thus could affordably spend \$880 per month on rent (based on ACS data from 2009-2013). Given that half of the county's renters earn less than \$35,185, more than half of renters need housing that is less expensive than the average cost.<sup>7</sup>

## **Education, employment and wages, disability status, veteran status, and transportation to work**

### **Education**

**Over one-fifth (22%) of Hennepin County residents in poverty have less than a high school diploma or GED. About one-quarter of residents in poverty in Minneapolis (26%) and less than one-fifth in suburban Hennepin County (16%) have less than a high school diploma or GED.** In Hennepin County, the poverty rate for residents with less than a high school diploma or GED is nearly eight times higher than residents with a bachelor's degree or higher.

### **Employment and wages**

**Seventy-nine percent of residents in poverty and in the labor force in Hennepin County are employed.** Eight percent of those in poverty in Hennepin County were employed full time and year round (6% in Minneapolis and 10% in suburban Hennepin County). A larger percentage of residents in poverty are employed for part of the year or part time (50% in Minneapolis, 40% in suburban Hennepin County, and 46% in Hennepin County overall).

According to the Minnesota Department of Employment and Economic Development data for the Twin-cities 7-county metro area, there were 56,071 vacant jobs in late 2015, 35 percent of

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<sup>7</sup> Minnesota Housing Partnership. (2015). A place to call home in Hennepin County. Retrieved from [http://www.mhponline.org/images/stories/docs/research/countyprofiles/2015\\_rev/Hennepin\\_Rev.pdf](http://www.mhponline.org/images/stories/docs/research/countyprofiles/2015_rev/Hennepin_Rev.pdf)

which were part time and 11 percent of which were seasonal or temporary.<sup>8</sup> The median wage offer for all vacant jobs, including all occupations, was \$14.31. Half of vacant jobs (50%) required one or more years of experience, 37 percent required some level of post-secondary education, and 27 percent required a specialized certificate or license.

For vacant full-time jobs, the median wage offer was \$16.20. This corresponds to annual earnings of \$33,696 (assuming 40 hours per week and 52 weeks of work). An individual with this level of earnings would have to spend more than 30% of their income to afford the average rent for a safe, modest two-bedroom apartment in Hennepin County (\$996 per month according to MHP). For vacant part-time jobs, the median wage offer was \$11.61. At this wage, an individual would have to work 66 hours per week to make \$39,840 and afford the average rent for a safe, modest two-bedroom apartment in Hennepin County (\$996 per month according to MHP).

### **Disability status and veteran status**

**In Hennepin County overall, the poverty rate for persons with disabilities (23%) is nearly two times the poverty rate for persons without disabilities (12%). The poverty rate for non-veterans (12%) is two times the poverty rate for the veteran population (6%).**

### **Transportation to work**

**The greatest percentage of residents in poverty in all geographic areas who are employed drive to work, and do not carpool (44% in Minneapolis, 58% in suburban Hennepin County, 50% in Hennepin County overall). A higher percentage of Minneapolis residents take public transportation, walk, taxicab, motorcycle, bicycle or other means to get to work than residents of suburban Hennepin County.**

## **Health**

**Of the population in poverty in Hennepin County, 13 percent do not have health insurance, twice the rate without health insurance among the total population in Hennepin County. The**

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<sup>8</sup> Minnesota Department of Employment and Economic Development. (2015). Job Vacancy Survey. Retrieved from <https://apps.deed.state.mn.us/lmi/jvs/Results.aspx>

percentage of uninsured are similar in Minneapolis and suburban Hennepin County. Note, for this indicator poverty is measured as under 138 percent of the poverty level.

## **Income, SNAP, and public assistance**

### **Income**

In 2014, the median household income for all households in Hennepin County was \$64,433 compared to a median household income of \$16,468 for households receiving food stamps.

### **SNAP and public assistance**

Of all households in poverty in Hennepin County, nearly half (47%) receive Supplemental Nutrition Assistance Program (SNAP) benefits. Over half (56%) of households in poverty in Minneapolis receive SNAP benefits and one-third (33%) in suburban Hennepin County receive SNAP benefits. Of all households in Hennepin County, not just those in poverty, 5 percent receive public assistance (8% in Minneapolis and 3% in suburban Hennepin County).

## **Computer and internet access<sup>9</sup>**

Of all households in Hennepin County, not just those in poverty, 90 percent own or use computers, 86 percent have access to the internet, and 81 percent have some type of internet subscription. Households with lower incomes are less likely to have an internet subscription. For households in Hennepin County with an income of \$10,000 or less, 51 percent have internet subscriptions and for households with an income of \$75,000 or more, 95 percent have an internet subscription.

## **Summary and next steps**

From our analysis of secondary data regarding residents in poverty in Minneapolis, suburban Hennepin County, and Hennepin County overall, we are able to provide some insight into the

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<sup>9</sup> We are unable to disaggregate data to know what percent of people access the internet via mobile phone.

characteristics of residents in poverty in each of these geographic areas (and in comparison to the overall population, when applicable). The next step is to confirm these findings as meaningful for the 2016 CAPSH needs assessment, and then triangulate these data with the findings from other research tasks (e.g., client survey, field scan) during analysis and reporting. Please see the accompanying Excel spreadsheets for the raw data that contributed to this memo as well as other data that we identified as part of our review of secondary data.

# Appendix

## City of Minneapolis Communities and Neighborhoods

