

The recession of 2008-09 wiped out more than a decade's worth of earnings gains in Minnesota and has left nearly one in six U.S. residents in poverty.

The numbers, released Tuesday by the Census Bureau and collected during 2010, showed both the stark impact of the worst downturn since the 1930s and the sluggish pace of the weak recovery that has followed it. In Minnesota, the census information showed household income dipped 3 percent to \$54,785 – the lowest level in 15 years. The number of Minnesotans living below the poverty line hit 10.8 percent, up from 9.6 percent in 2007-08. About 544,000 Minnesotans now live in poverty, a sharp increase since 2000.

One in four Minnesotans, more than 1 million people, were considered "near poor," with incomes below 200 percent of the poverty line. The federal poverty threshold is \$11,344 for a single person, or \$22,113 for a family of four.

Still, the Minnesota picture was much better than the national one. Nationwide, the poverty rate rose to 15.1 percent, the highest in nearly two decades, and household incomes fell across all categories. The figures come as little surprise to charities such as the Friends in Need Food Shelf in St. Paul Park. "We used to get three to four [new families] a month," said executive director Michelle Rageth. "Now we get 10 to 12 families every week. Just a lot of middle-class families that we never had before."

Another closely watched indicator – the share of Minnesotans and Americans without health insurance – showed little change, once measurement error is accounted for.

The report illustrates the hangover effect of the last recession "as well as state budget cuts for programs that help keep people out of poverty," said Christina Wessel, deputy director of the Minnesota Budget Project at the Minnesota Council of Nonprofits.

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State demographer Tom Gillaspy cautioned against placing too much importance on the household income numbers because a different census report next week will offer a larger sample size and perhaps greater accuracy.

"Still," he added, "the trend is of higher poverty over the last decade and lower incomes for more than a decade, and those are concerning trends."

Families struggle

The figures are derived from the Census Bureau's annual survey of poverty, income and health insurance in the United States.

"The recent economic recession and changing economic conditions have had a deep impact on the day to day life of Americans," Robert Groves, director of the Census Bureau, said in a conference call with reporters.

The human toll of a weak economy was evident Tuesday at the St. Paul Park food shelf, where one teary-eyed mother, carrying her infant in a car seat, said her family made \$150,000 last year.

"And now ..." her voice trailed off.

"Don't you worry," Rageth replied with a hug. "That's what we're here for."

Stephanie, a single mother from Cottage Grove who asked that her last name not be used, also returned to the food shelf Tuesday. She paid her first visit last fall, when a reduction in her work hours at a South Washington County school and the cost of school supplies for her two boys exhausted her savings. Now, a flood in the basement of her rented townhouse has left her spending money to replace ruined furniture and mattresses.

"It was hard" to rely on charity again, said the 36-year-old, who organizes food drives at her school. "I was thinking about it all day. But I'm not going to be able to make it."

Plunging income

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Plunging income

Tuesday's report also showed that the economic squeeze is touching more than the poor.

Minnesotans' median household income has skidded 16 percent since 1999-2000, after inflation is taken into account.

During that time, Minnesota's income rank dropped from No. 3 nationally to No. 13. Only Michigan had a bigger drop measured in dollars. Georgia had a similar percentage drop.

The Census Bureau said 46.2 million Americans now live in poverty, the most in 52 years of census estimates.

Census officials said the same lingering increase in poverty followed recessions that ended in 2002, 1992, 1983 and 1981.

Median household income nationally for 2009-10 was \$50,022, down 9.4 percent from \$53,208 a decade earlier.

The number of Americans without health insurance rose by nearly 1 million, from 49 million in 2009 to 49.9 million in 2010.

However, the percentage without coverage, 16.3 percent, was not statistically different from the 2009 rate.

The share of uninsured Minnesotans rose from 8.8 percent to 9.8 percent, but that also was within the margin of error, so it is not clear whether there was an increase, said Stefan Gildemeister, interim director of health economics at the Minnesota Department of Health. "We would like to see that number drop with economic recovery, and we certainly hope it will soon," he said. "The good news is that it seems to be stable."

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