

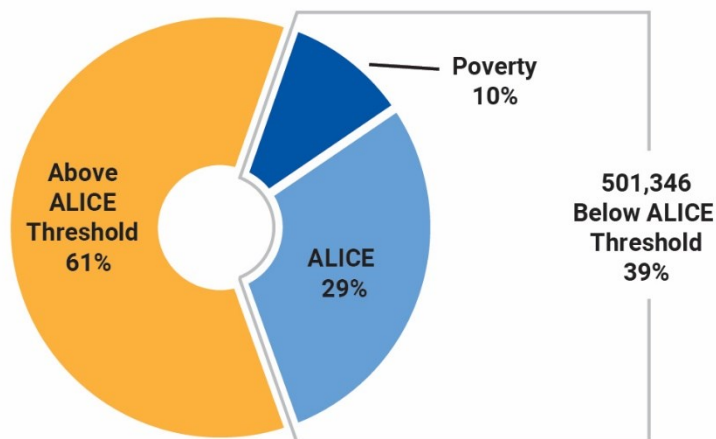
CHILDREN IN FINANCIAL HARDSHIP: MINNESOTA

The number of children living in financially insecure households in Minnesota continues to be systematically undercounted. According to the outdated Federal Poverty Level (FPL), 10% of children in Minnesota (128,880) lived in poverty in 2022. Yet [United For ALICE](#) data shows that another 29% (372,466) — nearly three times as many — were also growing up in financial hardship. These children live in households that are **ALICE®**: **A**sset Limited, **I**ncome **C**onstrained, **E**mployed, earning above the FPL but not enough to afford the basics in their communities.

With poverty-level and ALICE households combined, a substantial **39% of the 1.3 million children in Minnesota lived in a household with income below the [ALICE Threshold of Financial Survival](#) in 2022**, the fifth-lowest rate in the nation. These households don't earn enough to afford housing, child care, food, transportation, health care, technology, and taxes — the basics needed to live and work in the current economy.

Children by Household Income, Minnesota, 2022

Total Number of Children in Minnesota = 1,274,974



Note: This research uses the U.S. Census Bureau's American Community Survey [Public Use Microdata Sample](#) (PUMS) and focuses on children, whose ALICE status is determined by their household's income compared to local cost of living. ALICE analysis includes households regardless of work status, as employment is fluid and most households have members who are working, have worked, are out on disability, or are looking for work. This analysis does not include children who are unhoused or living in group quarters. In this Brief, percentages are rounded to whole numbers for ease of reading, which may result in percentages totaling 99% or 101%. All numbers are presented in the [ALICE Children Data Dashboard](#).

Sources: ALICE Threshold, 2022; U.S. Census Bureau, American Community Survey, PUMS, 2022



KEY FINDINGS 2022

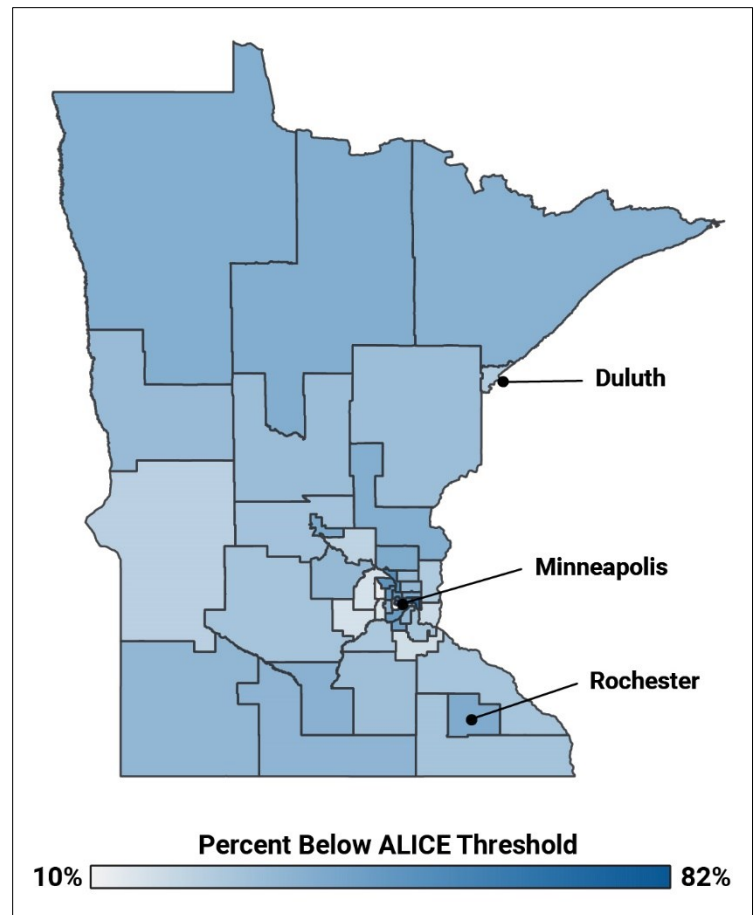
- More than one-third (39%) of children in Minnesota lived in households experiencing financial hardship. While 10% were below the FPL, an additional 29% were ALICE.
- There were disparities by race/ethnicity due to systemic barriers to financial stability. For example, 81% of American Indian/Alaska Native children and 80% of Black children in Minnesota lived in households with income below the ALICE Threshold, compared to 27% of White children.
- Having working adults in the household did not guarantee financial stability: 26% of Minnesota children in households with two adults in the labor force were still below the ALICE Threshold.
- Children below the ALICE Threshold often lacked access to crucial resources. More than 358,000 children below the Threshold in Minnesota did not participate in SNAP, and nearly 101,200 had no high-speed internet access at home.

The conflicting economic and social forces of the COVID-19 pandemic — inflation, wage growth, and the expansion and expiration of [pandemic public assistance](#) (especially relevant for households with children) — have impacted children and their families in various ways. As shown in our 2024 [ALICE in Minnesota: A Study of Financial Hardship Report](#), the situation for households below the ALICE Threshold improved in some respects and worsened in others, over the course of the pandemic and during its aftermath.

Amid these substantial shifts, the share of children living in financially insecure households increased slightly at the state level, from 37% (478,966) in 2019 to 39% (501,346) in 2022.

There are children below the ALICE Threshold in [communities across the state](#) ([Public Use Microdata Areas](#), or PUMAs) yet the rate of hardship varied greatly by geography. In Minnesota, the PUMAs with the highest and lowest percentage of children below the Threshold were both in Hennepin County, ranging from 82% in Central Minneapolis to 10% in Southwest Minneapolis. Excluding Hennepin County, rates ranged from 82% in East St. Paul (in Ramsey County) to 18% in Carver County. [Visit the ALICE Children Data Dashboard to see additional data \(for 2019 and 2022\)](#) and an interactive version of the state map.

Percentage of Children Below ALICE Threshold by PUMA, Minnesota, 2022



Sources: ALICE Threshold, 2022; U.S. Census Bureau, American Community Survey, PUMS, 2022

TERMS AND DEFINITIONS

- **ALICE: Asset Limited, Income Constrained, Employed** — households that earn above the Federal Poverty Level (FPL) but cannot afford the basic cost of living in their county. Despite struggling to make ends meet, ALICE families often do not qualify for public assistance.
- **ALICE Household Survival Budget:** The minimum cost of household necessities (housing, child care, food, transportation, health care, and technology), plus taxes, adjusted for different counties and household types. While the FPL for a family of four in Minnesota in 2022 was \$27,750, the average bare-minimum cost of living for that family was \$77,304.
- **ALICE Threshold:** Derived from the Household Survival Budget, the minimum average income that a household needs to afford basic costs. Children **below the ALICE Threshold** include those in poverty-level and ALICE households combined.

WHO ARE CHILDREN BELOW THE ALICE THRESHOLD?

A child's start in life impacts their long-term health, wellness, education, and career. Family financial stability is one of the strongest [predictors of current and future well-being](#). Financial instability not only contributes to daily experiences of [stress, trauma, and hardship](#) in the present, but it impedes a child's opportunity for [future success](#), including higher education, a higher income, and long-term asset building.

Children below the ALICE Threshold in Minnesota are those under age 18 living in households with income below the basic cost of living for their community. Children in Minnesota's financially insecure households are from all locations and demographic groups; are of all ages; are born in the U.S. or abroad; are of all abilities; are of all races/ethnicities; and live with parents or guardians who are married or single, working or not working, and English-speaking or non-English-speaking.

Demographics

The largest numbers of children below the ALICE Threshold were found in the state's largest demographic groups. Yet the rate of hardship ranged substantially across groups. **In Minnesota in 2022:**

Age: There were 83,183 infants/toddlers (age 0–2 years), 65,369 preschoolers (3–4 years), and 352,794 school-age children (5–17 years) living in households below the ALICE Threshold. The rates of financial

hardship were higher for infants/toddlers (44%) and preschool-age children (47%) than for school-age children (37%).

Race/ethnicity: By number, children below the ALICE Threshold were predominantly White (225,979), Black (89,770), and Hispanic (74,324). Yet due to [persistent discrimination and systemic barriers to financial stability](#), the share of children below the Threshold was higher for some groups: 81% of American Indian/Alaska Native children, 80% of Black children, 65% of Hispanic children, 50% of Asian children, 49% of children of Two or More Races, and 27% of White children were growing up in financial hardship.

Disability status: Children with a disability were more likely to live in households below the ALICE Threshold (54%) than those without a disability (39%). The percentage of children below the Threshold was also higher when anyone in the household had a disability (54%) or when a parent or guardian had a disability (55%).

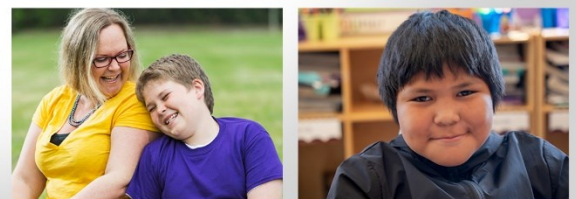
Nativity and language: Of the 37,394 children in Minnesota who were born outside the U.S. (3% of children in the state), a substantial 76% were below the ALICE Threshold, compared to 38% of those born in the U.S. Rates were even higher for the 40,829 children living in a family with limited English-speaking ability (also 3% of children in the state), with 86% below the Threshold.

ALICE CHILDREN DATA DASHBOARD

The ALICE Children Data Dashboard includes interactive data on children living in hardship by:

- State, regional, and local geographies
- Demographic categories including children's age, race/ethnicity, disability, and nativity
- Household characteristics
- Children's access to key resources
- Data year (toggle between 2019 and 2022 for all variables)

UnitedForALICE.org/Focus-Children



Children by Household Financial Status and Key Demographics, Minnesota, 2022

	TOTAL	BELOW ALICE THRESHOLD	POVERTY	ALICE	ABOVE ALICE THRESHOLD
ALL CHILDREN	1,274,974	501,346	10%	29%	61%
AGE					
Infant (0–2 Years)	187,842	83,183	11%	33%	56%
Preschool-Age (3–4 Years)	139,325	65,369	12%	35%	53%
School-Age (5–17 Years)	947,807	352,794	10%	27%	63%
RACE/ETHNICITY					
American Indian/Alaska Native	11,110	9,033	34%	48%	19%
Asian	73,049	36,179	12%	38%	50%
Black	111,693	89,770	31%	49%	20%
Hispanic	114,011	74,324	21%	44%	35%
Two or More Races	125,194	60,781	16%	32%	51%
White	825,605	225,979	4%	23%	73%
NATIVITY AND LANGUAGE					
Born in U.S.	1,237,580	473,045	10%	29%	62%
Born Outside U.S.	37,394	28,301	25%	51%	24%
English-Speaking Family	1,234,145	466,060	9%	29%	62%
Limited English-Speaking	40,829	35,286	43%	43%	14%
DISABILITY STATUS					
Child With a Disability	48,340	26,043	21%	33%	46%
Any Household Member With a Disability	218,508	118,378	18%	36%	46%

Note: The groups shown in this figure overlap across categories (Age, Race/Ethnicity, Nativity and Language, and Disability Status). All racial categories except Two or More Races are for one race alone. The Hispanic group may include children of any race. View more on the [ALICE Children Data Dashboard](#).

Sources: ALICE Threshold, 2022; U.S. Census Bureau, American Community Survey, PUMS, 2022

Household Characteristics

Most children in Minnesota lived with at least one of their parents (biological or adoptive). Children may live with married or unmarried parents, single parents, grandparents, or guardians. Household composition — especially the number of working adults — has a substantial impact on children’s financial stability.

In Minnesota in 2022:

Living arrangements: The largest number of children below the ALICE Threshold were in married-couple households (268,886), followed by single-female-headed households (130,943). But the percentage of children below the Threshold varied by adults’ marital status and partnership type: 28% of children in all married-parent households (28% for different-sex and 71% for same-sex couples), 60% of children in single-male-headed households, 61% of children in unmarried-couple households, and 79% of children in single-female-headed households were growing up in hardship.

- **Children living with grandparents:** 7% of all Minnesota children (87,801) lived in a home with a grandparent, which included both multi-generational households and households where grandparents

were raising grandchildren on their own. More than half (53%) of children in these households were below the ALICE Threshold.

Household work status: Most children (97%) lived in a household with at least one worker. As the number of workers in the family increased, the share of children below the ALICE Threshold decreased. In Minnesota, 71% of children living with one adult who was working were below the Threshold; with two adults, one of them working, 62% were below the Threshold; and with two adults who were both working, 24% were below the Threshold. Among all families with two or more adults, two of whom were working, more than a quarter (26%) of children were still below the Threshold in 2022, demonstrating that having working adults in the household does not guarantee financial stability.

While parents and guardians work in every sector, children below the ALICE Threshold are concentrated in families where adults work in occupations with low median hourly wages. These include some of the most common occupations in the state: For example, 45% of Minnesota children with an adult working as a cashier, earning a median wage of \$13.93 per hour, were below the Threshold in 2022.

Children by Household Financial Status and Household Characteristics, Minnesota, 2022

	TOTAL	BELOW ALICE THRESHOLD	POVERTY	ALICE	ABOVE ALICE THRESHOLD
ALL CHILDREN	1,274,974	501,346	10%	29%	61%
LIVING ARRANGEMENTS					
Grandparent Living With Grandchild	87,801	46,476	12%	41%	47%
Married-Couple Household	943,815	268,886	4%	24%	72%
Single-Female-Headed Household	164,878	130,943	30%	49%	21%
Single-Male-Headed Household	58,497	35,319	25%	36%	40%
HOUSEHOLD WORK STATUS					
One Adult, One Worker	105,105	75,045	24%	47%	29%
Two Adults, One Worker	237,012	145,870	16%	45%	38%
Two Adults, Two Workers	614,038	145,359	2%	21%	76%

Note: The groups shown in this figure overlap across categories (Living Arrangements and Household Work Status). “Grandparent Living With Grandchild” includes any arrangement where grandparents live with their grandchild, including where parents or other adults are present. For the Household Work Status category, the number of workers is defined as “workers in the family over the last 12 months” from when the survey was conducted. View more on the [ALICE Children Data Dashboard](#).

Sources: ALICE Threshold, 2022; U.S. Census Bureau, American Community Survey, PUMS, 2022

INTERCONNECTED BARRIERS TO WELL-BEING

Children below the ALICE Threshold are more likely to lack stable housing, quality child care and early education, private health insurance, high-speed home internet access, and reliable food access. When basic necessities are at risk, families have to make impossible decisions — like choosing to pay for food or quality child care, for medicine or utility bills. Decisions made in one area of the budget can have both [short- and long-term consequences](#) that ripple across all other areas.

In Minnesota in 2022:

Housing: Children in families without stable housing face greater risks for [poor physical health, increased family stress, social isolation, and lower academic performance](#). Among children below the ALICE Threshold in Minnesota, 40% were in families that rented and 60% were in families that owned their home. Below the Threshold, families of Black children had the lowest homeownership rate (28%), while families of White and Asian children had the highest (both 76%). Above the Threshold, the homeownership rate for families of Black children was higher (69%), but still substantially lower than for families of Asian (94%) and White children (96%). Overall, 49% of children in renter households and 17% of children in homeowner households were in families that were cost burdened, paying 30% or more of household income on housing.



Education: Of all preschool-age children in Minnesota, 47% were enrolled in preschool, the same as the national average. Preschool-age children below the ALICE Threshold were less likely than their peers above the Threshold to be enrolled in preschool (44% vs. 51%). However, for teens age 15–17, enrollment rates were similar for those below and above the Threshold (both over 97%).

Health insurance: Access to health insurance is critical to both [wellness and financial stability](#) for families below the ALICE Threshold, and [especially for children](#). While most children in Minnesota had health insurance (97%, slightly higher than the national rate of 95%), 5% of children below the ALICE Threshold (22,772) did not have coverage. Children in families with income below the Threshold were also more likely to have public health insurance (51%), while those above the Threshold were far more likely to have private health insurance (90%).



Home internet: The availability of internet access and devices for education has become increasingly essential for young people, yet the [digital divide](#) by income and race/ethnicity persists. Most children in Minnesota (99%) had home internet access. However, children below the ALICE Threshold were less likely than those above the Threshold to have home high-speed internet, which is essential for work and online learning (80% vs. 90%). High-speed internet rates increased for all children in Minnesota through the pandemic, up from 83% in 2019 to 86% in 2022. Yet nearly 101,200 children below the Threshold in Minnesota still did not have high-speed internet at home in 2022.

High-speed internet rates were lower for some groups below the Threshold: 71% each for American Indian/Alaska Native children and Black children, 76% for Hispanic children, 82% for White children, and 86% for Asian children. By location, high-speed internet rates for children below the Threshold also varied from 99% or more across Plymouth, Maple Grove (West), Medicine Lakes; Eden Prairie and Minnetonka; and Minneapolis (East) — all in Hennepin County — to 54% across Clay, Otter Tail, and Wilkin Counties.

Food access: Households with children living below the ALICE Threshold were more likely to have difficulty putting food on the table. According to the [U.S. Census Household Pulse Survey](#), in 2022, 18% of Minnesota families below the Threshold with children reported that sometimes or often “children were not eating enough because we just couldn’t afford enough food,” nine times higher than the rate for those above the Threshold (2%).

Public assistance: For a [variety of reasons](#), public assistance does not reach all children in households that are struggling. While most children in poverty are eligible for assistance, ALICE children live in households that often earn too much to qualify. For example, the income eligibility threshold in Minnesota for the Supplemental Nutrition Assistance Program (SNAP) is 165% of the FPL. Even though all children in poverty should be

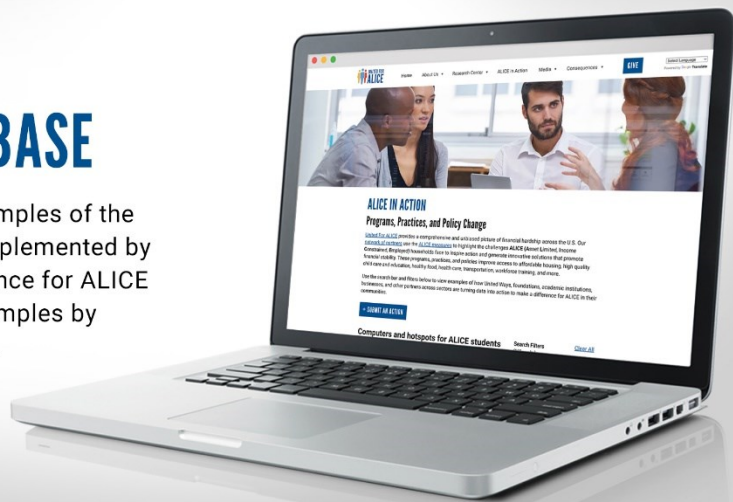
covered by SNAP, in Minnesota the program was utilized by only 53% of children in poverty (67,961) and a mere 20% of children in ALICE households (75,354) in 2022. Of all children below the ALICE Threshold in Minnesota, only 29% participated. This left a gap of just over 358,000 children whose families were struggling to make ends meet but not participating in SNAP.

Intersectionality: For some children, multiple intersecting forms of discrimination and limited access to resources makes household financial instability more likely. For example, 80% of Black children in Minnesota were below the ALICE Threshold in 2022. For Black children with a disability, the rate went up to 89%; and if they also lived in a renter household, nearly all were below the Threshold.

ALICE IN ACTION DATABASE

The ALICE in Action Database includes examples of the programs, practices, and policy changes implemented by United for ALICE partners to make a difference for ALICE households in their communities. Filter examples by location, topic, target population, and more.

UnitedForALICE.org/ALICE-in-Action



Children by Household Financial Status and Key Indicators, All States, 2022

State (Rank)	Total	Household Income Status			Rent Burden	Preschool	Internet	SNAP
	Number of Children	% Poverty	% ALICE	% Below ALICE Threshold	% Below ALICE Threshold Paying 30% or More on Rent	% Preschool-Age Enrolled in School	% Below ALICE Threshold with High-Speed Internet Access	% Below ALICE Threshold Participating in SNAP
United States	72,094,339	16%	34%	50%	52%	47%	77%	39%
Alabama (42)	1,104,575	22%	32%	54%	48%	46%	72%	43%
Alaska (24)	173,285	14%	32%	46%	39%	41%	63%	32%
Arizona (37)	1,586,070	16%	37%	53%	52%	33%	77%	36%
Arkansas (40)	693,000	22%	32%	54%	44%	45%	70%	32%
California (48)	8,476,896	15%	42%	57%	58%	46%	80%	33%
Colorado (25)	1,207,812	10%	36%	46%	55%	52%	83%	29%
Connecticut (17)	728,030	12%	32%	44%	56%	64%	83%	36%
Delaware (11)	207,625	10%	31%	42%	39%	45%	82%	41%
D.C. (15)	123,619	16%	27%	43%	50%	78%	66%	64%
Florida (45)	4,285,475	17%	38%	55%	60%	49%	80%	38%
Georgia (46)	2,501,214	16%	39%	55%	50%	49%	76%	40%
Hawaii (31)	295,615	12%	37%	49%	56%	41%	82%	41%
Idaho (32)	464,228	13%	38%	51%	39%	42%	79%	23%
Illinois (16)	2,710,614	16%	27%	43%	50%	54%	76%	47%
Indiana (21)	1,562,606	15%	31%	46%	45%	42%	76%	32%
Iowa (6)	713,854	12%	28%	40%	45%	47%	77%	36%
Kansas (7)	684,065	13%	27%	41%	45%	47%	78%	24%
Kentucky (33)	1,001,572	21%	30%	51%	43%	37%	77%	42%
Louisiana (47)	1,055,445	24%	32%	56%	56%	54%	69%	49%
Maine (19)	242,867	10%	34%	44%	40%	38%	83%	34%
Maryland (27)	1,345,996	11%	35%	47%	55%	49%	79%	36%
Massachusetts (20)	1,331,435	11%	33%	45%	57%	58%	82%	45%
Michigan (28)	2,098,256	18%	29%	47%	52%	47%	78%	46%
Minnesota (5)	1,274,974	10%	29%	39%	49%	47%	80%	29%
Mississippi (50)	674,630	26%	32%	58%	49%	50%	66%	42%
Missouri (29)	1,358,979	16%	32%	48%	44%	43%	74%	36%
Montana (26)	233,024	13%	34%	46%	31%	31%	73%	23%
Nebraska (8)	472,831	12%	29%	41%	43%	45%	80%	30%
Nevada (49)	688,662	16%	41%	57%	57%	35%	75%	38%
New Hampshire (2)	248,473	6%	28%	34%	46%	55%	83%	27%
New Jersey (10)	1,986,050	13%	28%	42%	59%	67%	78%	37%
New Mexico (51)	453,284	23%	35%	58%	54%	39%	71%	55%
New York (41)	3,960,023	19%	35%	54%	55%	61%	74%	44%
North Carolina (39)	2,288,886	17%	36%	53%	47%	38%	77%	43%
North Dakota (1)	178,227	12%	21%	33%	24%	29%	71%	21%
Ohio (23)	2,550,190	18%	28%	46%	46%	43%	81%	44%
Oklahoma (44)	950,109	20%	35%	54%	45%	42%	72%	44%
Oregon (34)	830,894	13%	39%	52%	50%	46%	81%	43%
Pennsylvania (22)	2,605,028	16%	31%	46%	49%	45%	78%	45%
Rhode Island (13)	202,490	12%	31%	42%	49%	52%	80%	39%
South Carolina (38)	1,114,070	19%	34%	53%	48%	44%	76%	37%
South Dakota (4)	217,071	13%	26%	39%	30%	36%	77%	39%
Tennessee (35)	1,531,592	18%	35%	53%	46%	42%	76%	35%
Texas (36)	7,423,833	19%	34%	53%	55%	44%	73%	41%
Utah (14)	925,053	8%	34%	42%	45%	44%	84%	18%
Vermont (12)	113,366	11%	30%	42%	53%	70%	83%	30%
Virginia (30)	1,860,499	13%	36%	49%	49%	45%	76%	31%
Washington (18)	1,641,265	12%	32%	44%	52%	44%	80%	38%
West Virginia (43)	350,478	24%	30%	54%	43%	31%	78%	53%
Wisconsin (9)	1,236,815	13%	28%	41%	43%	41%	78%	42%
Wyoming (3)	129,389	13%	25%	38%	41%	45%	74%	29%

LEARN MORE AND TAKE ACTION

The challenges Minnesota's ALICE families face are interconnected, and effective solutions must be, too. Working toward these solutions will require innovation and vision, both to recognize local factors and systematically address as many areas of financial struggle as possible.

Learn more with:

- The [ALICE Children Data Dashboard](#), to dig deeper into related topics, demographics, and sub-state geographies
- [Resources related to children and financial hardship](#), including the references linked in this Research Brief, as well as additional resources that offer important context and even deeper analysis
- [Household-level data on ALICE in Minnesota](#), including interactive maps, ALICE Household Survival Budgets, County Reports, demographics, and more
- The [ALICE Legislative District Tool](#), to see data by district, including state upper and lower chambers and congressional districts
- The [ALICE Wage Tool](#), to explore wage levels by geography and occupation
- The [ALICE Economic Viability Dashboard](#), which includes data on housing, work, and community supports for households below the ALICE Threshold
- The [ALICE Budget and Income Status Tool](#), where users can enter household details (income, household composition, and location) to see customized household costs and ALICE income status

Explore Promising Practices:

- See examples of programs, policies, and policy changes implemented by ALICE partners to support ALICE households in our interactive [ALICE in Action](#) database
- Visit the [Action Planner](#), which includes strategies related to housing, work, and community resources paired with key data on households below the ALICE Threshold

Connect with stakeholders:

- [Contact your local United Way](#) for support and volunteer opportunities
- See members of the [National ALICE Advisory Committee on Children](#)

United For ALICE is a driver of innovative research and action around financial hardship. The ALICE data and analysis are shared with United Ways, corporations, foundations, government, and nonprofits, to inform policy and promote positive change.

United For ALICE partners with [United Ways of Minnesota](#) to bring this research to Minnesota, and this work is made possible thanks to the generous support of sponsors including United Ways of Minnesota, Northwest Minnesota Foundation, and Thrivent.

The **ALICE in Focus Series** utilizes ALICE measures – the Household Survival Budget and the ALICE Threshold – to analyze the U.S. Census Bureau's American Community Survey (ACS) Public Use Microdata Sample (PUMS). Each "Focus" in the series highlights a different demographic group. For more details about the methodology for the ALICE in Focus Series, go to [UnitedForALICE.org/Methodology](#).

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