

Rural and Urban Economic Growth in Minnesota

Minnesota's economy underwent many changes in the 1990s. Two important indicators of economic growth are per capita incomes and poverty. This short subject summarizes county level changes in these economic measures.

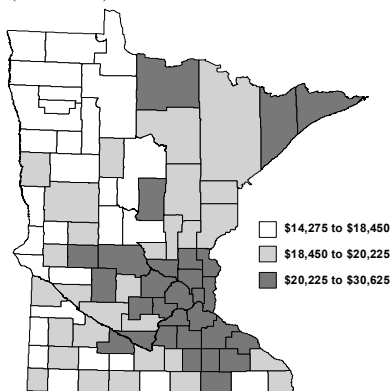
Growth in per capita income

Minnesota per capita real income increased from \$20,551 in 1990 to \$24,660 in 2000, a 20.0 percent increase. The five counties with the highest per capita incomes in 2000 were: Hennepin (\$30,603), Carver (\$30,281), Washington (\$29,922), Dakota (\$28,710), and Scott (\$28,083).

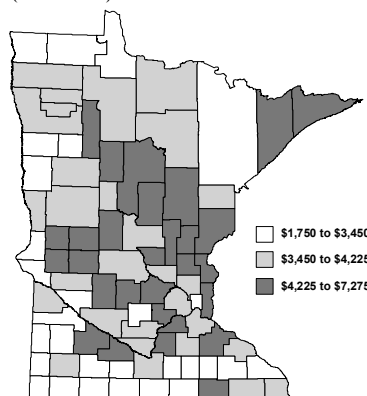
On average, per capita incomes in nonmetropolitan counties grew by a larger percentage than in metropolitan counties (nonmetro 25.9 percent, Twin Cities 19.4 percent, other metro 23.1 percent). The five counties with the highest percentage change in real per capita income are: Pope (up 49.7 percent to \$20,231), Aitken (up 43.1 percent to \$18,973), Cass (up 42.3 percent to \$18,272), Hubbard (up 41.5 percent to \$19,257), and Clearwater (up 39.7 percent to \$16,683).

In pure dollar amounts, the opposite is true. Metropolitan counties increased by the largest amount (Twin Cities by \$4,444, other metropolitan counties by \$4,039, and nonmetropolitan counties by \$3,879). The five counties with the highest increase in real per capita incomes were: Carver (up \$7,264 to \$30,281), Pope (up \$6,713 to \$20,231), Scott (up \$6,173 to \$28,083), Cook (up \$5,913 to \$23,147), and Aitken (up \$5,718 to \$18,973).

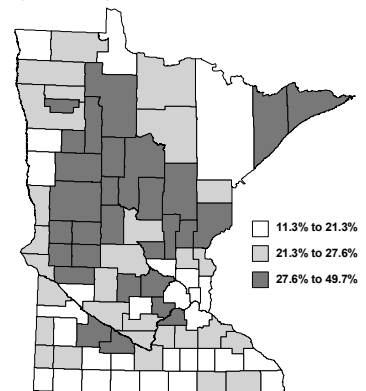
Per Capita Real Income in Year 2000
(2001 dollars)



Change in Per Capita Real Income
(1990 to 2000)



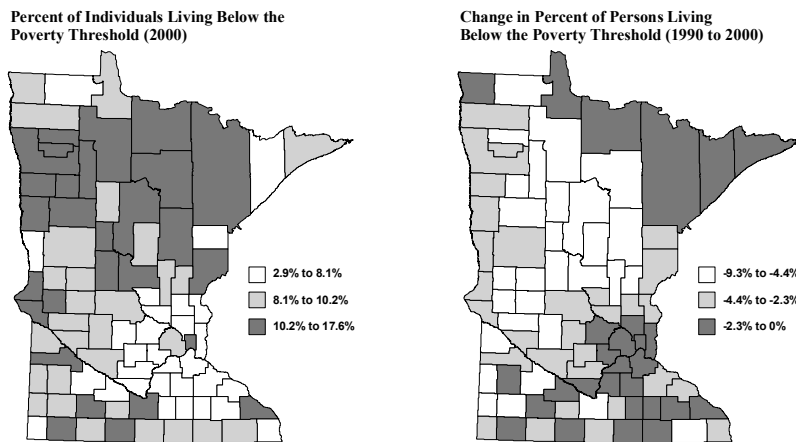
Percent Change in Per Capita Real Income
(1990 to 2000)



Changes in the rate of poverty

In 2000, the percentage of individuals living below the poverty threshold was 7.9 percent. This is a 2.3 percentage point reduction from 1990. The counties with the five highest rates of poverty were: Beltrami (6.8 percent), Mahnomen (16.5 percent), Clearwater (14.8 percent), Wadena (13.7 percent), and Cass (13.4 percent).

Nonmetropolitan counties experienced larger percentage point reductions in poverty than metropolitan counties (nonmetropolitan, 3.9 percentage points; Twin Cities, 1.4 percentage points; other metropolitan counties, 2.3 percentage points). The counties with the five largest reductions in the percentage of persons living in poverty were: Mahnomen (9.0 percentage points), Cass (7.8 percentage points), Wadena (7.5 percentage points), Hubbard (7.4 percentage points), and Clearwater (7.3 percentage points).



Data comes from the 1990 and 2000 censuses. Incomes were updated to 2001 dollars using the consumer price index for all urban consumers in the United States for the years 1999 and 1989. The census lists incomes from the previous year. The Twin Cities is the seven-county definition of the metropolitan area.

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The Research Department of the Minnesota House of Representatives is a nonpartisan office providing legislative, legal, and information services to the entire House.