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Reasons for Application to Minnesota Family Cash Assistance Programs Follow-up

Background

This report presents findings from a May 2006 survey about reasons for Minnesota Family Cash Assistance Programs application. The survey is the fifth in a series of studies conducted in eight Minnesota counties and is part of a broader effort to document a possible relation between funding levels in the Child Care Assistance Program (CCAP) and applications for cash assistance. This report compares the May 2006 information to the information collected in May and November of each year beginning in 2004 about reasons for applying for family cash assistance.

The first survey was conducted in May 2004 and focused on reasons for application to the Minnesota Family Investment Program (MFIP), the first and largest of Minnesota's two family cash assistance programs. The November 2004 Reasons for Application survey was the first in the series to reflect participation in the Diversionary Work Program (DWP), a four-month work focused program for families, which was implemented in July 2004. Since then, eligible families who apply for cash assistance have been referred to DWP and diverted from MFIP unless they are ineligible for DWP.¹ Throughout this report, the program for which they were actually approved was used to classify applicants.

Study Design

All applicants for cash assistance are asked to complete a five-question survey in addition to the Combined Application Cash Assistance, Food Support and Health Care or during their face-to-face intake interview. Financial workers answered questions the client might have and participants with limited English proficiency had an interpreter present, if desired.

The financial worker (or other designated person) added the case number to the survey form either before or after the interview. The county then gathered the surveys and sent them to DHS for data entry. The case number was matched with MAXIS eligibility records in the DHS data warehouse to determine if an MFIP or DWP case was actually approved for the applicant and to collect demographic information about the applicant.

¹ Families are not eligible for DWP if one or more caregivers received MFIP within the last 12 months. In addition, some families considered unlikely to benefit from DWP due to illness, injury or incapacity may be referred directly to MFIP.

Evaluation Notes

Counties were originally selected for the study based on geography, child care budget size, the presence of a waiting list for the Basic Sliding Fee child care assistance program², and willingness to participate. A proposal was sent out in December 2003 to all counties in the state asking for volunteers to participate in an ongoing "Reasons for MFIP Application" survey for MFIP/DWP. Of those counties expressing willingness to participate, three large counties and four medium-sized counties were selected. The three large counties selected (Dakota, Hennepin and Stearns) had child care budgets exceeding \$1 million each and two of the three had child care waiting lists (Dakota and Hennepin). The four medium-sized counties, two with waiting lists (Hubbard and Steele) and two without waiting lists (Nobles and Polk) at the time of the selection, were selected based on comparable child care budgets and geographic distribution. St. Louis County, another large county, was added to the study in November 2005.

In all, 1,066 family cash assistance applicants completed the May 2006 survey. Unfortunately, almost 200 questionnaires were missing case numbers so they could not be matched with eligibility records resulting in 874 usable surveys. Eligibility records were checked for the months of May and June for the completed questionnaires and 483 were approved for either MFIP or DWP. Failure of the client to complete verification forms and income above the eligibility guidelines were the most frequent reasons for denial. This report examines the 483 surveyed cases that were eligible for MFIP or DWP.

Findings

Reasons for application grouped by age of youngest child for MFIP and DWP participants

Table 1 reports the percent of applicants by age of their youngest child giving each of the reasons below as a reason for application. Losing a job (33 percent) was the most cited reason for application, mentioned by almost one-in-three of all family assistance applicants approved for MFIP or DWP. Needing health insurance was the second most cited reason for applying for MFIP (29 percent).

Child care-related reasons for application ranked third among all MFIP applicants but were the second-ranked reason for those MFIP applicants with their youngest child under age 13 or under age 6. The second ranked reason for MFIP applicants who were pregnant with no older children was homelessness or unstable housing.

² The status of county child care waiting lists was checked in September 2003 when this study was being designed.

Table 1. Reasons for MFIP application, grouped by age of youngest child, May 2006

Reasons for application (participants could choose more than one, paper survey)	All applicants who were approved for MFIP		Applicants with child under age 13		Applicants with child under age 6		Applicants who were pregnant with no older children	
	325		266		198		41	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Lost job	32.0%	1	34.2%	1	35.9%	1	9.8%	7
Need health insurance	28.9%	2	28.2%	3	28.3%	3	17.1%	3
Child care costs or need	25.5%	3	28.9%	2	32.3%	2	14.6%	4
Had baby / became pregnant	21.8%	4	19.2%	5	25.3%	4	80.5%	1
Child care costs	19.4%	5	21.8%	4	23.2%	5	12.2%	5
Transportation problems	13.8%	6	12.8%	7	14.1%	7	9.8%	7
Need child care during work hours	13.5%	7	16.2%	6	18.7%	6	7.3%	10
Loss of support from spouse / partner	12.0%	8	12.0%	8	14.1%	7	9.8%	7
Became homeless / unstable housing	12.0%	8	11.7%	9	10.6%	9	19.5%	2
Lost other income*	9.5%	10	9.8%	10	8.6%	10	12.2%	5
Medical crisis or illness	8.9%	11	6.8%	11	3.0%	16	4.9%	11
Divorced / separated	7.1%	12	6.8%	11	7.1%	12	2.4%	13
Lost support from parents / friends	6.8%	13	6.8%	11	8.1%	11	4.9%	11
Lost child support	6.2%	14	6.0%	14	7.1%	12	0.0%	15
Moved from another country	4.9%	15	5.6%	15	4.5%	15	0.0%	15
Family safety / domestic violence	4.6%	16	5.3%	16	5.1%	14	2.4%	13
Relative caretaker	2.2%	17	2.3%	17	1.5%	17	0.0%	15

*Income sources such as unemployment insurance, workers compensation or Social Security

The most cited reason for application among family cash assistance applicants approved for DWP (see Table 2) was also losing a job (34 percent) which had been the most cited reason during November 2004 and 2005 (48 percent and 40 percent, respectively), but was mentioned by a much smaller proportion of clients in May 2005 (32 percent). Needing health insurance (29 percent) was the second ranked reason. The third ranked reason was child care costs or need (28 percent). Child care costs or need was the top ranked reason for application among DWP applicants with their youngest child under age 13 or under age 6.

Table 2. Reasons for DWP application, grouped by age of youngest child, May 2006

Reasons for application (participants could choose more than one, paper survey)	All applicants who were approved for DWP		Applicants with child under age 13		Applicants with child under age 6		Applicants who were pregnant with no older children	
	158		120		91		20	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Lost job	33.5%	1	35.0%	2	39.6%	2	20.0%	3
Child care costs or need	32.9%	2	36.7%	1	44.0%	1	10.0%	6
Need health insurance	27.8%	3	25.8%	3	26.4%	5	25.0%	2
Child care costs	21.5%	4	21.7%	5	27.5%	3	10.0%	6
Need child care during work hours	19.6%	5	24.2%	4	27.5%	3	5.0%	10
Had baby / became pregnant	18.4%	6	10.0%	8	13.2%	7	90.0%	1
Moved from another country	16.5%	7	17.5%	6	19.8%	6	5.0%	10
Transportation problems	14.6%	8	13.3%	7	12.1%	8	5.0%	10
Became homeless / unstable housing	10.8%	8	10.0%	8	8.8%	10	15.0%	4
Loss of support from spouse / partner	9.5%	10	10.0%	8	12.1%	8	15.0%	4
Divorced / separated	8.9%	11	10.0%	8	7.7%	11	10.0%	9
Lost other income	7.6%	12	6.7%	12	5.5%	12	10.0%	6
Medical crisis or illness	5.1%	13	5.8%	13	2.2%	14	0.0%	14
Lost child support	4.4%	14	5.8%	13	5.5%	12	0.0%	14
Family safety / domestic violence	3.2%	15	3.3%	15	3.3%	14	5.0%	10
Lost support from parents / friends	1.9%	16	1.7%	16	1.1%	16	0.0%	14
Relative caretaker	0.0%	17	0.0%	17	0.0%	17	0.0%	14

Comparison with previous Reason for Application surveys

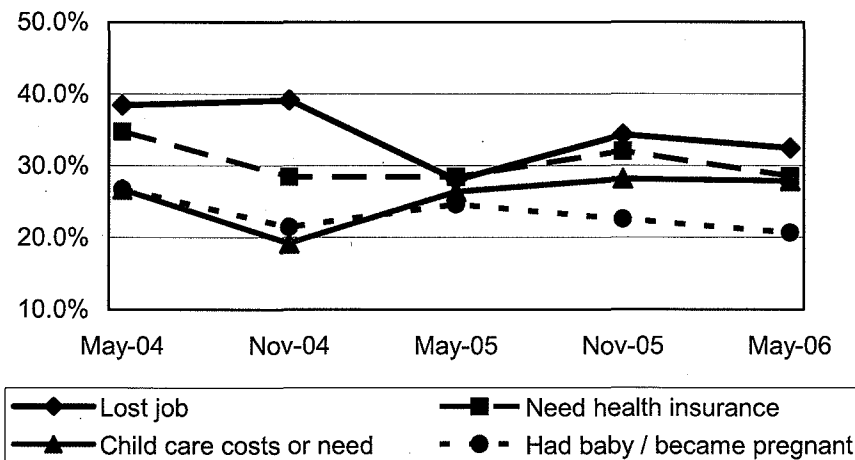
For comparison purposes, Table 3 illustrates the reasons cited by both MFIP and DWP applicants for May 2006 and previous family assistance survey applicants. Lost job has been the top ranked reason for application for four of the five survey periods. Likewise, needing health insurance and child care cost or need were the second and third ranked reasons, respectively, for four of the five survey periods. The percentage of applicants citing lost job (33 percent) has increased since its low of 28 percent in May 2005.

Table 3. Reasons for MFIP/DWP application, comparison of May 2006 to previous surveys

Reasons for application (participants could choose more than one, paper survey)	Applicants who were approved for MFIP/DWP in May 2006		Applicants who were approved for MFIP/DWP in November 2005		Applicants who were approved for MFIP/DWP in May 2005		Applicants who were approved for MFIP/DWP in November 2004		Applicants who were approved for MFIP in May 2004	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Lost job	156	32.5%	156	34.4%	156	28.0%	156	39.2%	156	38.5%
Need health insurance	137	28.6%	137	32.1%	137	28.5%	137	28.5%	137	34.8%
Child care costs or need	137	28.0%	137	28.2%	137	26.4%	137	19.3%	137	26.8%
Had baby / became pregnant	104	20.7%	104	22.6%	104	24.7%	104	21.5%	104	26.8%
Child care costs	104	20.1%	104	21.1%	104	19.4%	104	15.2%	104	20.4%
Need child care during work hours	81	15.5%	81	17.6%	81	16.4%	81	9.1%	81	16.1%
Transportation problems	61	14.1%	61	12.1%	61	11.3%	61	7.1%	61	11.9%
Became homeless / unstable housing	51	11.6%	51	12.0%	51	10.1%	51	8.9%	51	15.0%
Loss of support from spouse / partner	41	11.2%	41	9.1%	41	8.8%	41	14.1%	41	11.1%
Lost other income	31	8.9%	31	8.3%	31	11.7%	31	7.8%	31	12.3%
Moved from another country	21	8.7%	21	9.6%	21	9.5%	21	9.1%	21	11.9%
Divorced / separated	16	7.7%	16	7.0%	16	7.8%	16	6.8%	16	5.4%
Medical crisis or illness	16	7.7%	16	5.6%	16	7.3%	16	7.1%	16	4.9%
Lost child support	11	5.6%	11	5.0%	11	4.8%	11	4.6%	11	4.1%
Lost support from parents / friends	11	5.2%	11	6.0%	11	4.3%	11	5.1%	11	6.8%
Family safety / domestic violence	6	4.1%	6	4.7%	6	5.4%	6	4.9%	6	4.5%
Relative caretaker	6	1.4%	6	1.5%	6	1.0%	6	3.8%	6	0.0%

Figure 1 shows the changes in percent of applicants citing each of the top four reasons for application over the five survey periods. The proportion of applicants mentioning each of the top four reasons, except child care costs or need, has declined from May 2004 to May 2006. The percentage mentioning child care related reasons has been consistent except for a dip in November 2004, when lost job was at its highest level.

Figure 1. Top four reasons for MFIP/DWP application, comparison of May 2006 to previous surveys



Prior use of Child Care and Family Cash Assistance Programs for MFIP and DWP participants

Table 4 reports prior use of Child Care Assistance and economic assistance among MFIP applicants by county and statewide. Consistent with previous reports, almost one-in-five of surveyed MFIP applicants (19 percent) reported that they had received child care assistance during the six months prior to the survey. Administrative data indicate that over two-thirds (68 percent) of the MFIP applicants were repeat applicants who had been on MFIP during the previous year. Caution should be used when interpreting the results for any county with fewer than 10 surveyed applicants.

Surveyed applicants were also asked if they had been on a waiting list for the Basic Sliding Fee child care program during the same period. Participants in Dakota, Hennepin and St. Louis counties (4 percent, 5 percent and 6 percent, respectively) indicated they had been on a waiting list.

Table 4. Prior use of Child Care Assistance and MFIP/DWP among MFIP applicants

Prior use of MFIP and Child Care Assistance for MFIP Applicants	Dakota	Hennepin	Hubbard	Nobles	Polk	St. Louis	Stearns	Steele	Total
Surveyed applicants approved for MFIP	48	217	7	6	1	18	25	3	325
Received child care assistance during past six months (self report on survey)	18.8%	20.3%	28.6%	16.7%	100.0%	5.6%	8.0%	33.3%	18.8%
On Basic Sliding Fee waiting list during past six months (self report on survey)	4.2%	5.1%	0.0%	0.0%	0.0%	5.6%	0.0%	0.0%	4.3%
On MFIP or DWP in previous year (MAXIS data)	72.9%	68.7%	100.0%	50.0%	100.0%	44.4%	64.0%	66.7%	68.0%

Table 5 reports the prior use of Child Care Assistance for DWP applicants. Nine percent received child care assistance in the six months prior to the survey. Dakota and Hennepin counties had persons on the Basic Sliding Fee Waiting List during the past six months.

Table 5. Prior use of Child Care Assistance among DWP applicants

Prior use of Child Care Assistance for DWP Applicants	Dakota	Hennepin	Hubbard	Nobles	Polk	St. Louis	Stearns	Steele	Total
Surveyed applicants approved for DWP	30	102	2	4	1	8	9	2	158
Received child care assistance during past six months (self report on survey)	6.7%	8.8%	0.0%	0.0%	0.0%	12.5%	11.1%	50.0%	8.9%
On Basic Sliding Fee waiting list during past six months (self report on survey)	3.3%	9.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.0%

Demographics of surveyed applicants

Table 6 shows demographics of surveyed applicants, grouped by county, as well as comparison demographics for all Minnesota family assistance applicants approved during May 2006.

- The age distributions of surveyed applicants and their children were similar to the corresponding distributions for all May 2006 applicants statewide. Over three-fourths of the cases had children under 13, while over half had children under the age of 6 years.
- Surveyed applicants in Hennepin County (69 percent) were more likely to never have been married than the statewide May 2006 applicant pool (60 percent). Some of this difference is related to the overrepresentation of African American Applicants in

Hennepin County who are more likely to be never married than members of other racial/ethnic groups.³

- Over half of the survey applicants in Hennepin County were African American (51 percent) compared to 38 percent for the total survey population and 20 percent of all applicants statewide. White applicants were underrepresented in Hennepin County (21 percent) compared to the statewide pool (47 percent).

Table 6. Demographics of approved applicants

County	Dakota	Hennepin	Hubbard	Nobles	Polk	St. Louis	Stearns	Steele	All surveyed	All May 2006 applicants statewide*
Surveyed applicants approved for MFIP/DWP	78	319	9	10	2	26	34	5	483	2,564
Cases with a child under the age of 6	74.4%	56.7%	22.2%	70.0%	100.0%	46.2%	70.6%	60.0%	59.8%	58.5%
Cases with a child under the age of 13	80.8%	79.0%	66.7%	100.0%	100.0%	73.1%	85.3%	100.0%	79.9%	77.5%
Case applicant is pregnant with no older children	10.3%	12.2%	22.2%	10.0%		19.2%	14.7%	20.0%	12.6%	8.8%
Case applicant has HS diploma or GED	73.1%	61.8%	77.8%	40.0%	100.0%	73.1%	64.7%	40.0%	64.2%	62.9%
Marital status of case applicant:										
Divorced	12.8%	7.2%	22.2%			19.2%	17.6%		9.5%	9.6%
Married	14.1%	9.1%	33.3%	20.0%		15.4%	2.9%	40.0%	10.8%	14.9%
Never Married	56.4%	69.3%	33.3%	80.0%	50.0%	42.3%	52.9%	20.0%	63.6%	59.5%
Separated	16.7%	13.2%	11.1%		50.0%	23.1%	23.5%	40.0%	15.1%	15.0%
Widowed		1.3%					2.9%		1.0%	1.1%
Age of case applicant:										
17 and younger		1.9%					5.9%		1.7%	2.8%
18 or 19	5.1%	9.1%	11.1%	10.0%	50.0%	7.7%	2.9%		8.1%	7.2%
20 through 29	53.8%	42.9%	22.2%	50.0%		38.5%	55.9%	40.0%	44.9%	45.5%
30 through 39	28.2%	30.1%	33.3%	30.0%		46.2%	17.6%	40.0%	29.8%	25.0%
40 through 49	7.7%	11.0%	22.2%		50.0%	3.8%	14.7%	20.0%	10.6%	13.1%
50 and older	5.1%	5.0%	11.1%	10.0%		3.8%	2.9%		5.0%	6.4%
Race/ethnicity of case applicant:										
Hmong		1.3%							0.8%	1.1%
African American	23.1%	51.4%		10.0%			5.9%		38.3%	20.4%
Other black immigrant	1.3%	5.6%		10.0%			2.9%	20.0%	4.6%	3.0%
Somali	5.1%	9.7%					17.6%	20.0%	8.7%	6.1%
American Indian	2.6%	4.1%	11.1%	10.0%		7.7%			3.9%	9.3%
Other Asian	2.6%	1.6%				3.8%	2.9%		1.9%	1.6%
White	51.3%	21.3%	77.8%	10.0%	50.0%	88.5%	61.8%	40.0%	33.7%	47.4%
Hispanic	12.8%	4.1%		50.0%	50.0%		8.8%	20.0%	6.8%	9.6%

*Based on administrative data

MFIP and DWP applicant demographics

Table 7 separates the demographics for MFIP and DWP surveyed applicants, and provides comparison demographics for all MFIP and DWP applicants approved statewide during May 2006.

³ See the report, *Characteristics of December 2005 Minnesota Family Assistance Programs: Cases and Eligible Adults* on the DHS web site <http://edocs.dhs.state.mn.us/lfserver/Legacy/DHS-4219F-ENG>.

Table 7. Demographics of approved MFIP and DWP applicants

County	MFIP	DWP	All MFIP-DWP approved surveys	All May 2006 MFIP applicants statewide*	All May 2006 DWP applicants statewide*	All May 2006 applicants statewide*
Surveyed applicants approved for MFIP	325	158	483	1,535	1,029	2,564
Cases with a child under the age of 6	60.9%	57.6%	59.8%	62.2%	52.9%	58.5%
Cases with a child under the age of 13	81.8%	75.9%	79.9%	78.6%	75.9%	77.5%
Case applicant is pregnant with no older children	12.6%	12.7%	12.6%	7.1%	11.4%	8.8%
Case applicant has HS diploma or GED	61.2%	70.3%	64.2%	60.1%	67.0%	62.9%
Marital status of case applicant:						
Divorced	10.2%	8.2%	9.5%	9.7%	9.3%	9.6%
Married	8.6%	15.2%	10.8%	13.5%	16.9%	14.9%
Never Married	65.5%	59.5%	63.6%	62.1%	55.6%	59.5%
Separated	15.7%	13.9%	15.1%	13.6%	17.2%	15.0%
Widowed		3.2%	1.0%	1.1%	1.0%	1.1%
Age of case applicant:						
17 and younger	2.5%		1.7%	4.8%		2.8%
18 or 19	7.7%	8.9%	8.1%	9.3%	4.2%	7.2%
20 through 29	44.9%	44.9%	44.9%	42.7%	49.7%	45.5%
30 through 39	30.2%	29.1%	29.8%	23.1%	27.8%	25.0%
40 through 49	9.5%	12.7%	10.6%	12.2%	14.4%	13.1%
50 and older	5.2%	4.4%	5.0%	8.0%	4.0%	6.4%
Race/ethnicity of case applicant:						
Hmong	0.6%	1.3%	0.8%	1.1%	1.1%	1.1%
African American	39.7%	35.4%	38.3%	20.7%	20.1%	20.4%
Other black immigrant	3.4%	7.0%	4.6%	2.3%	4.0%	3.0%
Somali	8.3%	9.5%	8.7%	4.9%	8.0%	6.1%
American Indian	3.4%	5.1%	3.9%	12.4%	4.7%	9.3%
Other Asian	2.2%	1.3%	1.9%	1.4%	1.9%	1.6%
White	34.2%	32.9%	33.7%	44.7%	51.5%	47.4%
Hispanic	6.8%	7.0%	6.8%	11.3%	7.1%	9.6%

*Based on administrative data

As shown in Table 7:

- Surveyed MFIP applicants (82 percent) were more likely to be in a case where the youngest child was under age 13 compared to DWP applicants (76 percent).
- The percent of surveyed applicants with a high school education was lower for MFIP applicants (61 percent) compared to DWP applicants (70 percent). The same relation held for the statewide applicant pool (60 percent for MFIP compared to 67 percent for DWP).
- The majority of applicants for both MFIP and DWP indicated they had never been married. However, surveyed MFIP applicants (66 percent) and all statewide MFIP applicants (62 percent) were more likely to have never been married than DWP applicants (60 percent and 56 percent, respectively).
- The racial/ethnic profiles for surveyed MFIP and DWP applicants were very similar. MFIP applicants in the statewide pool were less likely to be white and more likely to be American Indian or Hispanic than DWP applicants.

Reasons for application by race/ethnicity

Table 8 shows the six reasons for application that were significantly different for whites compared to participants of color. Loss of a job was mentioned significantly more often by white applicants than applicants of color, especially Somali, African American, and American

Indian participants. White applicants were less likely to mention they had a need for child care during working hours than non-white applicants. Transportation problems were more common among African American and non-Somali black immigrants than white applicants. Applicants who were members of immigrant groups were more likely than other applicants to report moving from another state or country as a reason for application. Loss of support from parents/friends was mentioned most often by Hispanic respondents as a reason for application. Whites were more likely to apply as relative caretakers than non-white applicants.

Table 8. Reasons for application based on race/ethnicity of applicant

Reasons for Application by Race/Ethnicity	American Indian	African American	Non-Somali Black Immigrant	Somali	Non-Hmong Asian	Hmong	Hispanic	White	Total***
Count	19	185	22	42	9	4	33	163	483
Lost job**	32%	28%	41%	21%	0%	50%	42%	40%	33%
Need child care during working hours*	32%	19%	18%	10%	33%	0%	15%	10%	16%
Transportation problems**	11%	21%	27%	10%	0%	0%	12%	8%	14%
Moved from other state / country*	5%	9%	23%	12%	11%	25%	15%	5%	9%
Lost support from parents / friends*	0%	7%	5%	0%	11%	0%	18%	2%	5%
Relative caretaker*	0%	1%	0%	0%	11%	0%	0%	3%	1%

* p<.05, ** p<.01. Significance tests were done based on comparison of white to non-whites.

*** Race unknown or mixed for six applicants

Future Reports

Future reports will contain trend data from previous surveys to determine if child care-related issues are trending up or down as a reason for applying for economic assistance. The format for the November 2006 questionnaire was modified to enable data entry using a scannable form. Use of the scannable form will speed data entry and subsequent analysis. The modifications are not expected to affect comparability to previous periods.

Evaluation notes is an occasional publication of the Program Assessment and Integrity Division, Minnesota Department of Human Services. This report was prepared by Vania Meyer, Senior Research Analysis Specialist. For further information on any of the items in this report, please contact her at 651-431-3978 or vania.meyer@state.mn.us.