



Minnesota Family Investment Program Longitudinal Study:

Five Years
from Baseline
and Beyond

Eleventh report in a series

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All reports from the MFIP Longitudinal Study series are available on the
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Executive Summary

At inception, the goals of the Minnesota Family Investment Program (MFIP) were to decrease welfare use, to increase the self-sufficiency of participants by increasing employment and earnings, and to reduce poverty. At the end of the five-year study, a portion of study participants had successfully made the transition out of poverty and became self-supporting while many others were still struggling below the poverty line. This final report of the MFIP Longitudinal Study starts with economic and welfare use measures and goes beyond to describe the variety of participant experiences.

Beginning in the 1980s, Minnesota politicians and policymakers developed a new model of economic assistance to help poor families get to work and to support them as they made that transition.¹ MFIP was piloted in eight counties from 1994 to 1998. Meanwhile, Congress passed a bill in 1996 that ended Aid to Families with Dependent Children (AFDC) and replaced it with a new type of family assistance that required work or moving toward work and set a time limit on cash assistance. The new program, Temporary Assistance for Needy Families (TANF), replaced the decades-old AFDC program in states by July 1997. The two pushes for change came together in 1998 when MFIP, largely funded by Minnesota's TANF block grant, was implemented statewide.

To learn what would happen to families served by this new program, the Minnesota Department of Human Services (DHS) designed the MFIP Longitudinal Study to follow nearly 2,000 MFIP families with one caregiver – usually a parent, sometimes a relative – at baseline. The study combined survey data on topics ranging from why families come onto MFIP to what happens to them years after they have left, with administrative data to tell these stories.

Two samples of MFIP participants were selected: new *Applicants* to MFIP who were in their first month of family cash assistance for at least five years when selected and ongoing *Recipients* who had received MFIP for at least the previous month, but on average had received 44 months of assistance prior to being sampled. This distinction was made to compare the experiences of those with a history of cash assistance, many through AFDC, with primarily new participants. The baseline month was between May and October 1998, with approximately one-sixth of each sample randomly selected each month. The groups were to be surveyed at baseline, six months, and annually after baseline.² Only the *Recipient* sample was surveyed for the last two years.³ The final survey, five years from the baseline month, focused on a review month between May and October 2003. Five hundred sixty-two *Recipients* participated in the final survey, a response rate of 67 percent.

¹ Hage, D. (2004). *Reforming Welfare by Rewarding Work*. Minneapolis, MN: University of Minnesota Press.

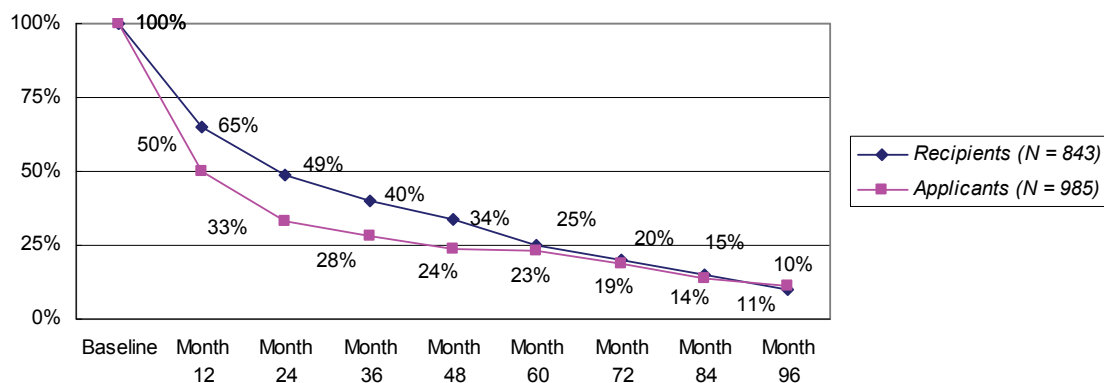
² There were also special surveys during the project on health care access for welfare leavers; families approaching the time limit; and teen mothers.

³ Due to funding constraints only the *Recipient* sample was followed for the last two years of the study.

Welfare Use Declined

Figure ES1 tracks MFIP use over time for the total original study samples. Five years from baseline, approximately three-quarters of each sample had left MFIP. At that time, 7 percent of the *Recipient* sample and fewer than 1 percent of the *Applicant* sample were off MFIP because they had reached the 60-month MFIP time limit without qualifying for an extension. Three years later, in 2006, about 90 percent of each sample were off MFIP, including 16 percent of *Recipients* and 4 percent of *Applicants* who left MFIP after reaching the time limit. The cases of 5 percent of *Recipients* and 3 percent of *Applicants* were extended at eight years from baseline.

Figure ES1. MFIP use over time for total original samples



Economic Indicators Showed Progress

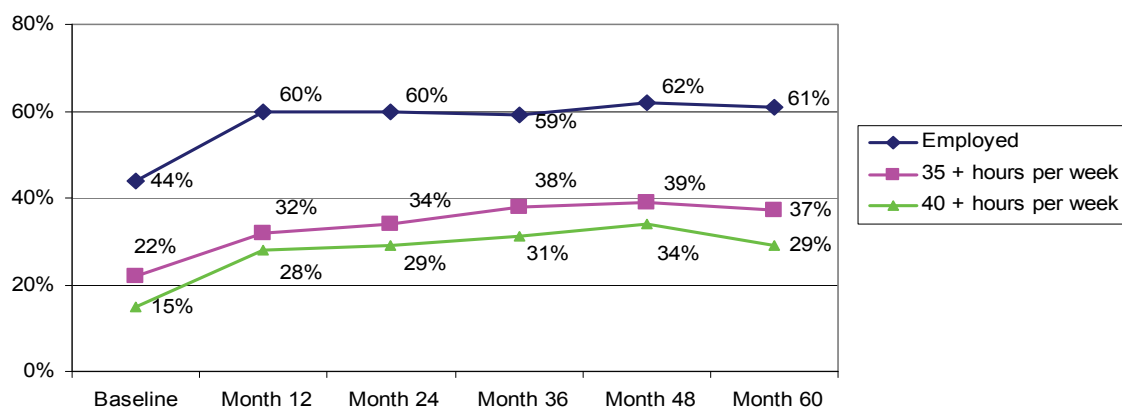
As a group, study participants experienced improvement in income and employment status; many moved out of poverty and became low-income workers. Average monthly income, however, remained well below what is considered a basic family budget⁴, few reached the state median income, and many were still below the poverty level. Figure ES2 on the next page shows surveyed *Recipients*' rate of full-time employment (defined as either 35 or 40 hours per week) and the overall employment rate over the course of the study.

- The employment rate of surveyed *Recipients* has been steady near 60 percent since 12 months from baseline, after increasing from 44 percent to 60 percent in the first year of the study.⁵ The average monthly earnings of employed *Recipients* were \$1,434 five years from baseline.
- Five years from baseline, 29 percent of *Recipients* worked 40 hours per week or more, down from a high of 34 percent in month 48. Thirty-seven percent of surveyed *Recipients* worked 35 or more hours per week, considered full time by the U.S. Department of Labor.

⁴ More on the JOBS NOW Coalition's basic budget is available in the trends section of the report.

⁵ During the conversion year from AFDC which did not require work, to MFIP, employment increased from 17 percent of cases in December 1997 to 33 percent in December 1998 for the total family assistance caseload including two-parent and child-only cases, according to DHS administrative data.

Figure ES2. Point-in-time employment status for surveyed *Recipients*



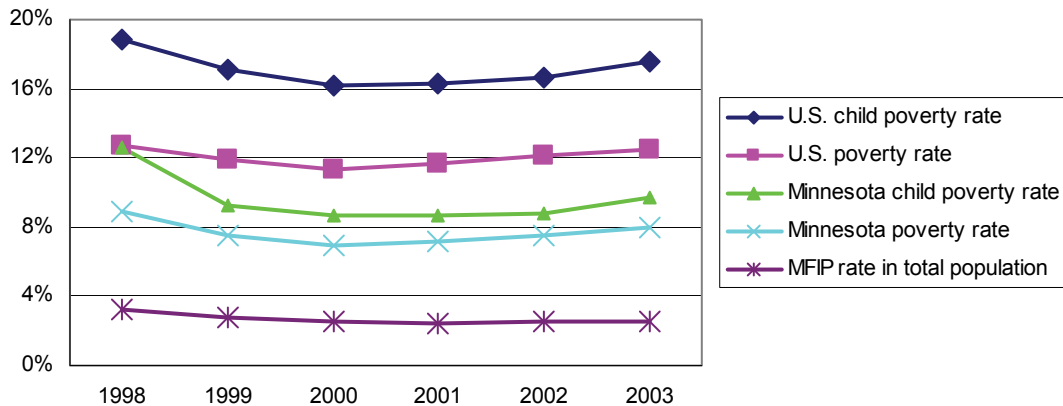
- The average number of hours employed *Recipients* worked per week increased from 32 hours at baseline to 37 hours at the last survey. Their average hourly wage increased from \$6.44 at baseline (\$7.27 in 2003 inflation-adjusted dollars) to \$10.14 at the 2003 survey. During this entire period, the federal minimum wage was \$5.15.
- Ninety-three percent of employed *Recipients* reported they liked their jobs, the same percentage said they had the chance to do things they were good at, and 65 percent reported the pay was good.
- Of employed *Recipients* who held the same job for at least the time between the review month and their interview (three-quarters of employed *Recipients*), 72 percent said they had received a raise, 35 percent said their benefits had improved, and one-quarter reported working more hours compared to when they started the job.
- Over the course of the study many participants got jobs and left MFIP, and the average monthly income of employed leavers as a group increased \$348 above inflation over four years (between the surveys one year and five years after baseline), due to increases in both hours worked and hourly wages.
- Two-parent households were more likely to be off MFIP and less likely to have income below the poverty line than those with one parent. Fifteen percent of *Recipients* were living with an employed second parent by the 60-month survey; the median monthly earnings of these second parents were \$2,042.

Poverty Decreased

During the study years, 1998 to 2003, the poverty rate in Minnesota ranged between 7 and 9 percent.⁶ The percentage of Minnesota children in poverty ranged between 9 and 13 percent. Both rates were highest in 1998, reached lows in 2000, and have climbed steadily since, as shown in Figure ES3. Minnesota's overall and child poverty rates were lower than the national rates during that time. The proportion of people on MFIP in Minnesota has decreased slightly over the course of the study, also shown in Figure ES3.

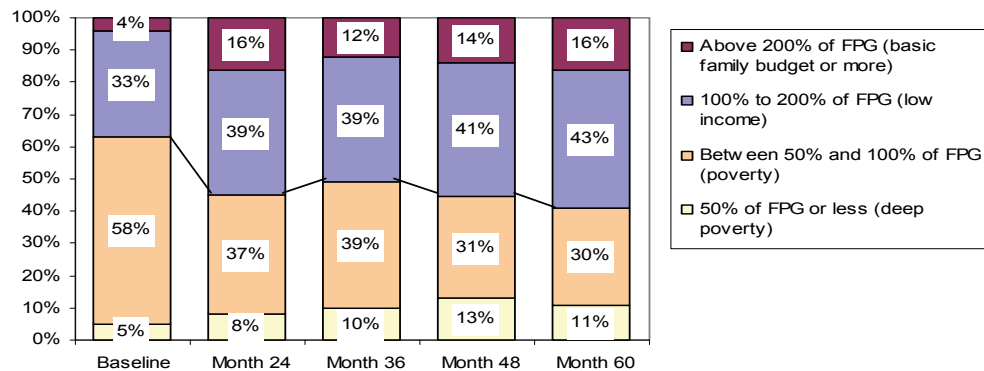
⁶ US Census Bureau, Small Area Income and Poverty Estimates (SAIPE). (<http://www.census.gov/hhes/www/saipe/>).

Figure ES3. U.S. and Minnesota poverty rates by year



The percentage of surveyed *Recipients* with income below the Federal Poverty Guideline (FPG) decreased by 22 percentage points over the course of the study, as shown in Figure ES4. All income sources, including earnings, public assistance, child support and other unearned income, were included. The percentage of *Recipients* in deep poverty (with reported family income half of FPG or less), however, increased from 5 percent at baseline to 11 percent at the last survey.⁷

Figure ES4. Change of economic status for surveyed *Recipients*



- At \$1,782, monthly income of surveyed *Recipients* five years from baseline averaged 135 percent of FPG, with a median of 113 percent.
- Sixteen percent of *Recipient* families had incomes at or above 200 percent of the FPG, compared to 4 percent at baseline.
- Five years into the study, 41 percent of those who were *Recipients* at baseline remained below the poverty line.

The Story Beyond Welfare Use and Earnings

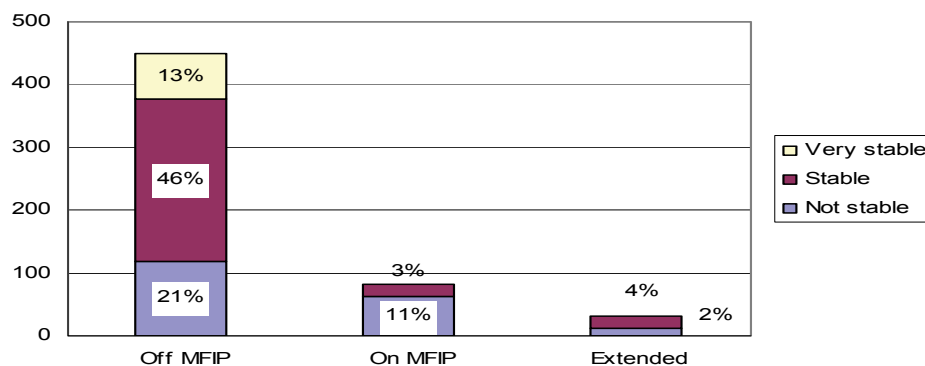
Many study participants and their families, regardless of employment or welfare status, experienced barriers to self-support. Some of the challenges *Recipients* faced included serious mental health diagnoses (34 percent), chemical dependency diagnoses (17

⁷ See footnote 27 on page 12 for information on how income was counted for the study.

percent), and a history of incarceration as an adult (25 percent).⁸ Over half of the surveyed *Recipients* became parents as teens, including 29 percent as minors (under age 18). Children of caregivers who participated in the study had more school absences and higher rates of special education than the overall Minnesota student population.⁹ Sixty-nine percent of those surveyed reported they had worked on problems with their children over the course of the study, including 32 percent who worked with a school social worker and 9 percent with a truancy officer.

At the end of the five-year survey of the *Recipient* group, interviewers categorized participants and rated the stability of their situation, using economic items such as the amount and reliability of income and difficulties such as mental illness, chemical dependency, and incarceration. Information about the stability groups is descriptive inasmuch as the groupings were formed using the 2003 data. Figure ES5 gives the distribution of surveyed *Recipients* according to their welfare status and stability rating. A majority of *Recipients* stabilized their family's situation.

Figure ES5. Counts and percentages of *Recipients* by welfare use and stability rating (N = 562)



Thirteen percent of the surveyed group were off MFIP and determined to be very stable. Other findings showed:

- The average monthly family income for this group was \$3,933. Their incomes averaged 280 percent of the FPG and 99 percent were above the poverty line.
- This very stable group of *Recipients* differed from the rest of those surveyed (87 percent) in many ways. They were more likely to have a second parent in the home, more likely to be white citizens, and more likely to live in suburban counties or Greater Minnesota than the overall group.
- Those who were very stable had lower rates of serious mental health diagnoses, alcohol or drug dependence diagnoses, and incarceration than the overall group.
- Surprisingly, this group had similar rates to the rest of those surveyed on several other major risk factors. They were not more likely to have been married or to

⁸ Serious mental health diagnoses include affective psychoses (classes of depression), anxiety state, post-traumatic stress disorder (PTSD), personality disorder, and psychosis. Diagnoses were those recorded in claims data from public health insurance programs.

⁹ Data on alcohol or drug dependence diagnoses, and children's education are also from administrative data. The remaining data in the Executive Summary are from the Longitudinal Study surveys.

have graduated from high school when their first child was born than the study group. Also, teen parents were as common in the very stable group as in the total group.

- When compared to stable leavers, the very stable group was less likely to have been diagnosed with a serious mental health condition, but the two groups had similar rates of incarceration and alcohol or drug dependence diagnoses.

Those off MFIP had varied experiences. Fifty-nine percent of those surveyed were leavers with stable lives (including the very stable 13 percent) and 21 percent were leavers considered unstable. The following points describe the leavers.

- Of leavers with stable lives (330 *Recipients*), 74 percent were employed at the last survey. In contrast, unstable leavers (119 *Recipients*) had an employment rate of 44 percent.
- Sixty-six percent of the unstable leavers had their first child as teens (including one-third who were minors), compared to 51 percent of stable leavers (including 23 percent who were minors).
- Nearly one-quarter of stable leavers had a second parent in the home compared to 13 percent of those categorized unstable. The presence of a second parent significantly increased family income. The interviewers noted, however, that some second parents did not contribute financial or social support to the family.
- Thirty-six percent of unstable leavers had received a serious mental health diagnosis, but so had 32 percent of those who were considered stable.
- Thirty-four percent of unstable leavers had received an alcohol or drug dependence diagnosis whereas 4 percent of stable leavers had.
- Thirty-seven percent of unstable leavers had spent time in jail, in comparison to 16 percent of stable leavers.

Recipients who remained on MFIP at the last interview but had not reached the 60-month time limit (14 percent) had cycled on and off the cash portion of the program. Had they received MFIP cash without interruption, they would have already reached the time limit. The following points describe those who remained on the program.

- Fifty-eight percent had incomes below the poverty guideline.
- Thirty-seven percent had received a serious mental health diagnosis.
- One-third had been in jail.
- One-quarter had taken special education classes in school.
- Over three-quarters of those who remained on MFIP at the last survey received low stability ratings.

At the last survey, 6 percent of surveyed *Recipients* were receiving extensions of their MFIP benefits. Not surprisingly, significant barriers were frequently seen in this group.

- Half had a serious mental health diagnosis.
- Thirty-eight percent had received a diagnosis of alcohol or drug dependence.
- Eighty-three percent reported second parents had been in jail or prison.

Finally, a small follow-up survey of 32 *Recipients* in 2007 selected to be representative of the 2003 stability categories showed that, with few exceptions, those doing relatively well in 2003 continued to do so while those struggling in 2003 continued to struggle.

- Excluding the 11 who were extended, only four of 23 respondents moved from stable to unstable or the reverse between 2003 and 2007.
- All of those with stable ratings at the five-year survey were employed during the follow-up, and their wages averaged \$15 per hour.
- Regardless of stability rating, many respondents who reported chronic health conditions also reported they were not currently treating the conditions, including mental illness.

Going Forward

The findings of this report suggest strategies to address the needs of employed MFIP leavers, those who remain unable to support themselves and their families, and teens.

Solid next steps for working leavers

Many of the MFIP study *Recipients* have made progress on the program goals of increasing participation in the labor force and decreasing welfare dependency. MFIP has helped to move many families out of poverty. Their poverty situations ranged from a temporary set-back to a lifetime of dependence on the system. Collaboration among state agencies including Human Services (DHS), Employment and Economic Development (DEED), Education (MDE), and Health (MDH), and other community partners can help families build on their progress.

- While many *Recipients* in the study became employed, many then had difficulty advancing to higher paying jobs. Education, skill-building, and learning workplace norms could help *Recipients* advance, especially at a time when many sectors of the economy will soon be experiencing high rates of turnover due to the large numbers of anticipated retirements. Providing education grants to low-income workers, contingent on earning good grades and making progress toward a certificate or degree, would help to increase the number of skilled workers in the region and help those workers provide stable income for their families.
- Many Minnesotans are able to rely on employer benefits such as short-term disability, parental leave, or paid leave time, as well as Unemployment Insurance to get them through difficult financial times or family events. Current and former MFIP participants are less likely to have access to these types of benefits through their employers and instead rely on the public safety net. These structural deficiencies in the economy should be addressed, potentially through public/private partnerships. Expanding mainstream programs, such as Unemployment Insurance, could keep low-income workers from returning to MFIP during economic downturns.
- Study *Recipients* reported struggling with credit card debt and a few had lost their homes due to foreclosure. Education around predatory lending practices—for example by mortgage lenders, pay-day lenders, credit card companies, and tax preparers—can help working families avoid financial ruin. Mentors to assist with financial management and savings match programs to aid wealth building can help families accumulate resources so they are better able to weather financial

setbacks without returning to MFIP. For many, this represents a shift from a short-term view of what is needed today to longer-term planfulness.

- Working families need health care coverage that includes preventive care. Healthy parents can remain in the work force and healthy children can reduce absenteeism for their employed parents and get a better start on their own lives.
- Affordable and reliable child care is also necessary to keep parents in the work force. Ten percent of surveyed *Recipients* cited the cost of child care as a barrier to employment. Many rely on friends and family care arrangements.
- Working families need to be made aware of the Earned Income Tax Credit (EITC), the Minnesota Working Family Credit, and the Renters Credit and be assisted in filing for these benefits. Sixty-nine percent of surveyed *Recipients* employed in the review month reported receiving the EITC in the previous year.

Comprehensive integrated services for families with multiple barriers to self-support

Moving from poverty to self-support will take more time for a large group of *Recipients*, especially for those who grew up in poverty or who have mental or chemical health conditions. Many of these families face severe and multiple barriers to becoming self-supporting. DHS already has several initiatives in place intended to identify the needs of these families earlier and serve those needs seamlessly across systems. The Integrated Services Project, begun in 2004, funds eight projects around the state: the goal is to develop models for long-term MFIP participants that coordinate services for the family to improve both economic and social outcomes.¹⁰ In 2008, the statewide MFIP program added the Family Stabilization Services track that removes work requirements for the most challenged MFIP participants, permitting them to focus on these challenges; the purpose is to help families achieve the greatest degree of economic self-sufficiency and family well-being possible through a case management model.¹¹ Job counselors use the Employability Measure to assess status in 11 areas that can be strengths or barriers for working; the pilot was completed in 2006 and DHS is now revising the measure before implementing its use statewide.¹²

Fully addressing the barriers MFIP families face requires innovation and collaboration among DHS, other state agencies, community partners, and the families themselves.

- MFIP has focused on the adult caregivers in a family. Integrated interventions focused on the family system, including children, could be more successful in ending or preventing generational poverty.
- Responses to the surveys show a startling number of fathers of MFIP children who have been in jail or prison as adults. On the other hand, families with fathers who are present and contributing financially generally have shown better

¹⁰ Minnesota Integrated Services Project: Participant Characteristics and Program Implementation. Urban Institute (http://www.dhs.state.mn.us/main/groups/children/documents/pub/dhs16_139267.pdf).

This evaluation is funded by the McKnight Foundation and DHS.

¹¹ Implementing DWP/MFIP Family Stabilization Services (FSS). Minnesota Department of Human Services. (http://www.dhs.state.mn.us/main/groups/publications/documents/pub/dhs16_139712.pdf).

¹² Employability Measure Pilot Study Final Report. Minnesota Department of Human Services. (<http://edocs.dhs.state.mn.us/lfsrver/Legacy/DHS-4966-ENG>).

outcomes. More is needed to support fathers, to keep them out of the corrections system, in the labor market, and involved in their families in positive ways.

- Results of the study show striking differences in outcomes by race. White, non-Hispanic citizens had higher earnings and family incomes and were less likely to be below the FPG than both immigrant noncitizens and nonwhite citizens. Administrative data show that African Americans¹³ and American Indians have been the least successful in making the transition from poverty to self-support. The gap between African Americans and American Indians and all other racial/ethnic groups on the measure of program success for MFIP is large and growing.¹⁴ DHS has a priority to address this disparity and is working with counties through the Taking Action on Disparities project supported by the Bremer Foundation. DHS and county human service agencies cannot eliminate this disparity alone; the community at large has a responsibility.

Support and education for teens

More than half of the *Recipients* became parents as teens. Postponing or preventing teen pregnancy could improve prospects for teens and reduce future MFIP caseloads. While the number of teen births in Minnesota had been decreasing for more than a decade, the trend may be reversing as the rate increased from 26.1 births per thousand to 27.9 between 2005 and 2006.¹⁵ Birth rates for African American teens (66.4 births per thousand) and American Indian teens (99.5 births per thousand) in Minnesota are higher than the national rates (60.9 and 52.7, respectively).¹⁶ This compares to much lower rates for white teens (17.2 in Minnesota and 26.0 nationwide). A 2003 report by the Minnesota Organization on Adolescent Pregnancy, Prevention and Parenting (MOAPPP) suggests, teens who are motivated and hopeful for their futures have a reason to delay parenthood¹⁷ and that teens who are already parents need services and support designed for them.

For all teens:

- Teens need to be educated on the realities of parenthood and the work world.
- Teens need to be educated on the hardships of welfare use.
- Involving teens from low-income families in activities such as sports, arts, music, academic enrichment, and service projects which could help them develop talents and focus on the future. Subsidies or scholarships can help low-income families afford these activities.

¹³ Here, the term African American is used to define citizens who are black and had no record in DHS administrative data of immigrating to the U.S. In the report, U.S. Census categories are used to group *Recipients* by race and ethnicity. Other reports cited in this report may define race and ethnicity differently.

¹⁴ MFIP Performance Measures by Racial/Ethnic or Immigrant Group and County. Minnesota Department of Human Services. (<http://edocs.dhs.state.mn.us/lfserver/Legacy/DHS-4214E-ENG>).

¹⁵ 2008 Minnesota Teen Pregnancies and Births. Minnesota Organization on Adolescent Pregnancy Prevention & Parenting. (<http://www.moappp.org/MOAPPPDataReport.3.08.pdf>).

¹⁶ Disparities in Teen Birth by Race and Ethnicity. Minnesota Organization on Adolescent Pregnancy, Prevention & Parenting. (<http://www.moappp.org/Documents/adolescentinfo/DisparitiesInTeenBirth.pdf>).

¹⁷ A Work in Progress v.2: Building a Minnesota State Plan for Teen Pregnancy, Prevention, and Parenting. Minnesota Organization on Adolescent Pregnancy, Prevention & Parenting and National Teen Pregnancy Prevention Research Center. (2003). (<http://www.mnstateplan.org/StatePlan.pdf>)

For teen parents:

- Teen parents can be encouraged to postpone a subsequent birth until their economic and family situation stabilizes.
- MFIP minor parents should get mandated services from a social worker or public health nurse. The MFIP Longitudinal report on teen mothers found over 60 percent could not remember or were not aware of rules regarding their living arrangements.¹⁸
- The MFIP policy requiring MFIP minor parents to be in school should be followed. The report also found nearly half of those required to be in high school or working toward a GED did not remember these rules.
- The report on teen mothers recommended improving services for teens by concentrating resources and expertise to serve teen parents and also supporting teens' planning for their futures by assisting them in navigating the education system and planning their career paths.

In Summary

Strategies focused on these three specific groups—working leavers, families with multiple barriers, and teens—and involving community partners (including the private sector) could contribute to progress of families moving out of poverty and dependency to become self-supporting, and keep some parents from needing cash assistance.

¹⁸ Minnesota Family Investment Program Longitudinal Study: Special Report on Teen Mothers. Minnesota Department of Human Services. (<http://edocs.dhs.state.mn.us/lfsrserver/Legacy/DHS-4450H-ENG>)

Minnesota Family Investment Program Longitudinal Study: Five Years from Baseline and Beyond

A new welfare program, the Minnesota Family Investment Program (MFIP), was introduced in Minnesota in 1997. This program set a time limit of 60 months on benefits and required participants to work or to look for work. The Department of Human Services wanted to know what would happen to families that participated in MFIP, during and after their time on the program. Most would leave it, at the latest, after 60 months of cash assistance that, while not necessarily completed within five calendar years, would often end before their children were grown. Although patterns of a participant's welfare receipt and work history while still on MFIP could be traced using administrative data, there was no way to know what happened to families after they left MFIP. The MFIP Longitudinal Study was developed to follow participants over five years using both survey and administrative data.

The MFIP Longitudinal Study has found striking differences among MFIP participants. Some come to the program for short-term help getting back on their feet following an event such as the birth of a child, loss of a job, or loss of support from the second parent. Others come to the program with significant barriers to self-support. The stories of Krista and Sabrina illustrate these differences. More on their situations and others are found in the last section of the report.

Krista is expecting her second child with fiancé Ron in a few months. The couple is purchasing a three-bedroom home in a Minneapolis suburb.

Krista completed a two-year degree in human resources during her time on MFIP and has been working for her employer for four years. She currently earns \$17 per hour. Ron is also employed and works as a restaurant manager.

Krista used just 19 months of MFIP after her first child was born. Child Care Assistance allowed her to attend school and work part time while her child was small.

Sabrina was 17 years old when she had her first child and she dropped out of school shortly after. She is now the mother of four.

Her children are currently with Child Protection Services following a report of neglect by a school social worker a few months ago.

Sabrina has used her 60 months of MFIP and is currently unemployed. She lost her job after failing a random drug test last month.

Sabrina says she's motivated to get her life on track so she can get her kids back, but her progress has been slow.

This final report in the MFIP Longitudinal Study series presents trends over the five years of the study, economic and health data, welfare use and employment of study participants, data on the children of participants, an analysis of participants' success and barriers, and a small follow-up survey four years after the study's last survey.

History

In the United States, poor fatherless families were entitled to a small monthly cash grant starting in 1933. The purpose of Aid to Dependent Children (ADC) was to support widows with children and cash assistance historically continued as long as the family remained poor and fatherless and included children under age 18. The cash program expanded over the decades and the name of the program changed to Aid to Families with Dependent Children (AFDC) in the 1960s.

The federal Food Stamp program was developed in 1964 to provide grants that could be used only for food. In Minnesota, this program is now known as Food Support.

By the 1980s, a large minority of the adults in welfare families were black women who had never been married and had always been poor. Meanwhile, large numbers of middle class mothers had gone to work. Political support developed for changing the program and ending the entitlement.

In the 1980s, Minnesotans from across the political spectrum worked together to develop a new model to help poor families get to work, and to support them as they made that transition. The program, called the Minnesota Family Investment Program (MFIP), was piloted in eight counties in the mid-1990s.

Meanwhile, in 1996 the U.S. Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) that ended the entitlement, required work or moving toward work, and set a time limit on cash assistance for poor families. The bill allowed some exceptions for the disabled, the aged, victims of domestic abuse, people on some Indian reservations, and for relatives, usually grandmothers and aunts, caring for children in poverty. The new program, Temporary Assistance for Needy Families (TANF), replaced the decades-old AFDC program in states by July 1997.

The two pushes for change came together in 1998 when statewide MFIP was implemented. There were changes from the piloted program because of TANF requirements like time limits and work requirements. MFIP differed from other states' TANF programs in policies such as a higher than average initial income limit and a higher exit level.¹⁹

¹⁹ In 1999 the amount of money applicants (with a household size of three) could earn and still qualify for TANF averaged \$704 across 49 states and D.C. (Wisconsin determines initial eligibility differently and was not included in the calculation.) The amount was \$955 in Minnesota, and ranged from \$205 in Alabama to \$1,641 in Hawaii. Ten states had higher limits than Minnesota. Source: Urban Institute Welfare Rules Database, (<http://anfdata2.urban.org/wrd/maps.cfm>). In 1998, families exited MFIP when income hit 120 percent of the Federal Poverty Guideline versus 140 percent in the pilot. Minnesota is the only state to combine cash and food assistance into one program.

Study Design and Data Collection

The Minnesota Department of Human Services (DHS), along with other state agencies, developed the MFIP Longitudinal Study to follow two statewide samples of one-caregiver MFIP families: new *Applicants* who were in their first month of the program and had not received family assistance for at least the previous five years when they were chosen, and ongoing *Recipients* who had received MFIP for at least one month prior to being sampled. This distinction was made to compare the experiences of those who had previously received cash assistance, most through AFDC, with new participants who had not. Approximately 1,000 cases were drawn at random for each subgroup. Cases with caregivers receiving Supplemental Security Income (SSI), those with citizen children whose parents were undocumented, and those with two caregivers were eliminated from the sample. *Applicants* who had received cash assistance in another state in the five years prior to their MFIP application were also excluded from the sample. Nine hundred eighty-five *Applicants* and 843 *Recipients* who fit the sample definition were selected and followed over the course of the study.

Sample selection took place over a six-month period from May to October 1998, with approximately one-sixth of each sample chosen each month. Study participants were surveyed at baseline, six months from baseline, and annually after baseline over a period of five years. They reported on their situation during the month they were selected for the study (the review month). Only the *Recipient* sample was surveyed for the last two reports. Participants with certain characteristics were asked to complete additional surveys for special reports on leavers' health care, teen mothers, and those approaching the 60-month time limit. The surveys gathered data on participant characteristics, experiences, and opinions. Survey information was used along with administrative data from the DHS data warehouse for public assistance (MAXIS), public health insurance programs (MMIS), and child support (PRISM) to track participant experiences throughout the study.

Employees of the Program Assessment and Integrity Division (PAID) conducted interviews with study participants. For the first interview, they tried to meet with the participant at home; follow-up surveys were usually conducted over the telephone. Participants were offered a gift card in exchange for their participation in each survey.

For the final survey, 60 months from the baseline month, *Recipients* reported on a review month between May and October 2003.²⁰ Five hundred sixty-two of the *Recipients* sampled for the study responded to the last survey, yielding a response rate of 67 percent. Those who responded did not differ from non-responders on welfare use at the end of the study, race and ethnicity, or baseline measures of high school or GED completion, age, or marital status. Male and noncitizen *Recipients* were significantly less likely to respond to the final survey than females and citizens, respectively. Those who responded had significantly higher Unemployment Insurance wages than those who did not.

²⁰ The MFIP Longitudinal Study spanned a period of 60 months for each participant. Note the distinction between the final review month, 60 months from baseline, and the 60-month time limit.

Previous Findings

Findings from the baseline interview show that at the time their first child was born, 68 percent of *Applicants* were unmarried, 48 percent were teens and 44 percent had not completed high school—traits that are considered risk factors for long-term poverty. Thirty-two percent were all three. For *Recipients*, at the time their first child was born, 81 percent were unmarried, 57 percent were teens, 57 percent were not high school graduates; 41 percent were all three. The majority of new *Applicants* applied for assistance during pregnancy or soon after a birth, loss of job, or loss of support from the other parent. *Recipients*, at baseline, had received an average of 44 months of assistance since 1990.

Six months later, 24 percent of *Recipients* were off MFIP and 67 percent of those leavers reported increased income as their reason for exiting the program. Monthly incomes of these employed *Recipient* leavers averaged 159 percent of the Federal Poverty Guideline (FPG). The number of employed *Applicants* nearly doubled from 25 percent at baseline to 47 percent at six months and 27 percent of *Applicants* were no longer receiving MFIP by then. Sixty-two percent of these *Applicant* leavers cited increased income as their reason for leaving.

One year from baseline, roughly 60 percent each of *Applicants* and of *Recipients* were employed; however *Recipients* were less likely than *Applicants* to be earning enough to leave MFIP, with exit rates of 35 percent and 50 percent, respectively. Those that did better differed from those still struggling in important ways: they were more likely to have a high school diploma or General Educational Development (GED) Equivalency Certificate, they spent fewer months on welfare during the 1990s, had stronger work histories, were more likely to have a second parent and fewer minor children in the home, and they were less likely to report employment barriers or a history of chemical dependency.

Two years after baseline, a greater percentage of workers had employer health coverage, yet more than one-quarter of the families of employed leavers had uninsured members. Many children of caregivers in the study had no financial support or contact with their non-custodial parent. Additionally, many caregivers reported their children were doing well while many others reported problem behaviors of school-age and adolescent children. Similar to findings at one year from baseline, high school graduates, two-parent families, and white caregivers had better outcomes, on the average.

Three years from baseline, in 2001, the economy experienced a downturn. Many of the early gains that study participants made stalled. While participants continued to leave MFIP, employment rates remained steady and incomes continued to rise for *Applicants*, but decreased for *Recipients*. The poverty rate remained steady for *Applicants* but increased for *Recipients*. Because of budget constraints, the three-year report was the last to include the *Applicant* sample, although they were still followed in administrative data.

Four years from baseline, many families continued to face severe challenges and hardships, including inadequate transportation, incarceration, chemical dependency,

depression, and other forms of mental illness. A number of caregivers had been charged with child maltreatment. Some were caring for children with special needs. Poverty remained a concern with a deep poverty rate (income less than 50 percent of the Federal Poverty Guideline) of 32 percent for those not working and off MFIP.

In the special report on health care coverage, welfare leavers in Minnesota were five times more likely to be uninsured than the statewide average. The children of MFIP leavers, however, were more likely to be insured than other low-income children because many continued to receive coverage through public health insurance programs. Also, participants used emergency room care less than expected.

Four areas of concern emerged from the study on teen mothers. First, many had grown up in households that received cash assistance. Second, the fathers of their children experienced high rates of substance abuse, crime, and unemployment. Third, many teen mothers were not receiving services mandated by state statute, such as case management, transportation to education or employment, and education on parenting skills. Fourth, many needed help and support in planning for their futures.

In the report on participants approaching the time limit, it was learned that most long-term MFIP participants faced major life problems and that sanctions were common for this group. Two-thirds experienced circumstances that potentially made them eligible for an MFIP extension, but many did not understand the rules of the program or how to get an extension.

SECTION I: FIVE YEAR OVERVIEW

For the final survey, 60 months from the baseline month, *Recipients* reported on their review month between May and October 2003. During this time, the Minnesota economy experienced a peak in the number of unemployed workers at approximately 140,000, and the number of job vacancies was around 45,000.²¹ The last of the interviews were completed in spring 2004.

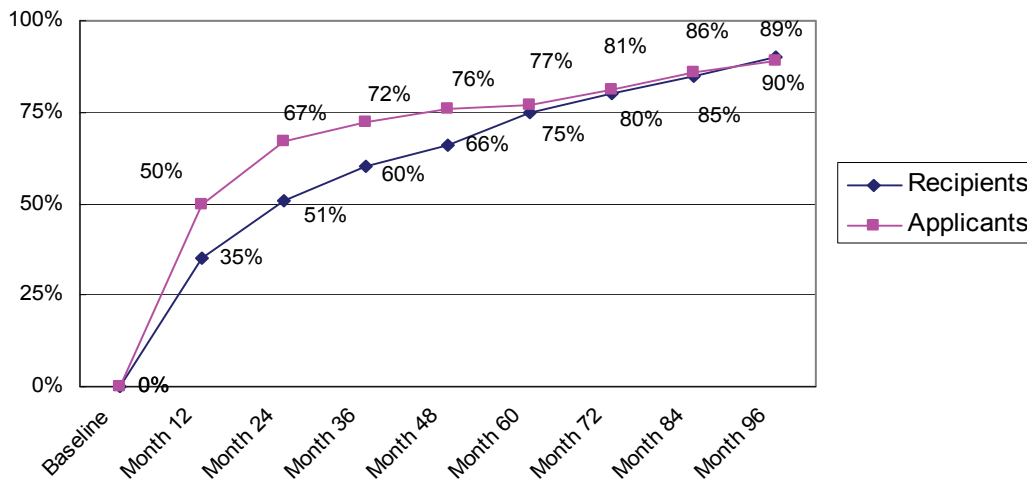
In this section, trends over time for the surveyed cohorts, a longitudinal analysis of repeated measures, and economic data on demographic subgroups at five years from baseline will be presented.

Trends over Time

MFIP Leavers

Figure 1 uses administrative data to quantify MFIP exits over time. MFIP leavers are defined as participants who have not been personally eligible for MFIP for at least two consecutive months. At the beginning of the study, *Applicants* in the sample were leaving MFIP at higher rates than the *Recipients*. Twelve months after baseline, 50 percent of *Applicants* had left MFIP compared to 35 percent of *Recipients*. The gap in the exit rate began to narrow by 36 months after baseline. At the last survey, 77 percent of *Applicants* and 75 percent of *Recipients* were MFIP leavers. Three years after the study concluded, 2006, the rates of exit for the two samples were virtually the same, at 90 percent for the *Recipients* and 89 percent for the *Applicants*.

Figure 1. MFIP leavers over time for total original samples



New MFIP *Applicants* were expected to leave the program at faster rates than the ongoing *Recipients*. On average, the *Applicant* sample included participants with fewer barriers and often they were experiencing a temporary hardship, most often a pregnancy

²¹ Minnesota Department of Employment and Economic Development, Labor Market Information (<http://www.deed.state.mn.us/lmi/Home.htm>).

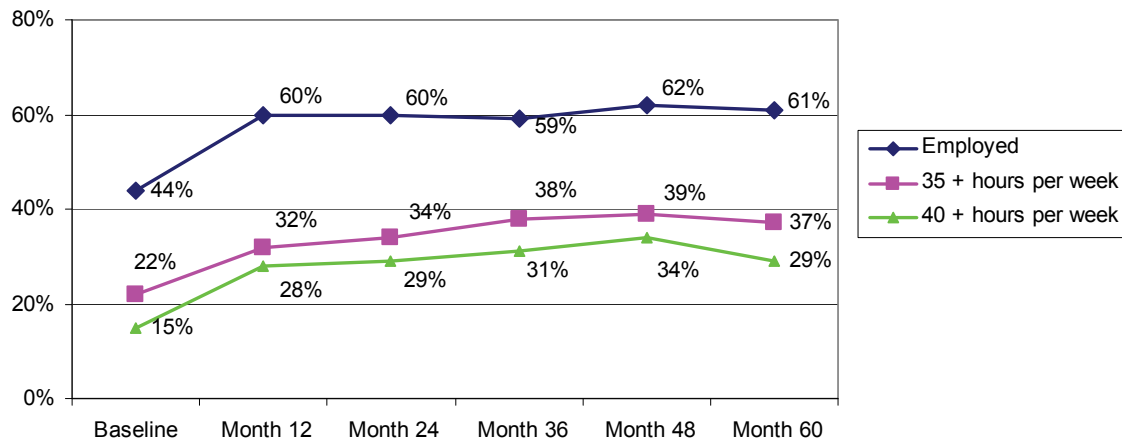
or new baby, the loss of a job, or the loss of support from a spouse or partner. In contrast, the *Recipient* group included participants who had spent long periods of time on AFDC and had more barriers to becoming self-supporting. Over time, *Applicants* with fewer barriers would exit the program, leaving the group on MFIP more similar to the *Recipient* sample.

Some participants may have lost eligibility due to factors other than increased income, such as no longer having a minor child living in the household, leaving the state, reaching the 60-month time limit, or qualifying for SSI. In the last two situations, MFIP may have continued for other family members.

Employment Status

Figure 2 shows point-in-time employment status for surveyed *Recipients*. Employment status for this group increased significantly during the first year of the study in both full and part-time employment, and remained fairly consistent over the last four years. Both employed status and full-time employment peaked at 48 months, at 62 percent and 34 percent, respectively. Welfare reform occurred at a time when the economy was experiencing labor shortages in many low-wage sectors, and this likely contributed to the rapid change in labor force participation during the first year of the study. Changing attitudes and expectations around work in the welfare system could also have influenced participants' choice to seek employment during the start of MFIP.

Figure 2. Point-in-time employment status for surveyed *Recipients*



The employment rate of surveyed *Recipients* was 61 percent in month 60 of the study. Forty-four percent of those on MFIP and 66 percent of those off were employed. The median hours worked for employed *Recipients* was 37 per week, and their median wage was \$10.14 per hour, as shown in Table 1. This represents an increase of \$2.87 per hour (inflation-adjusted) five years from baseline. The median wage of *Recipients* has risen continuously since baseline. While the hours worked per week in the final survey was five hours higher than at baseline, it was actually three hours lower than in the previous

survey period. *Recipients* who were working and off MFIP tended to have higher wages and work more hours than those who were working and continuing to receive MFIP.

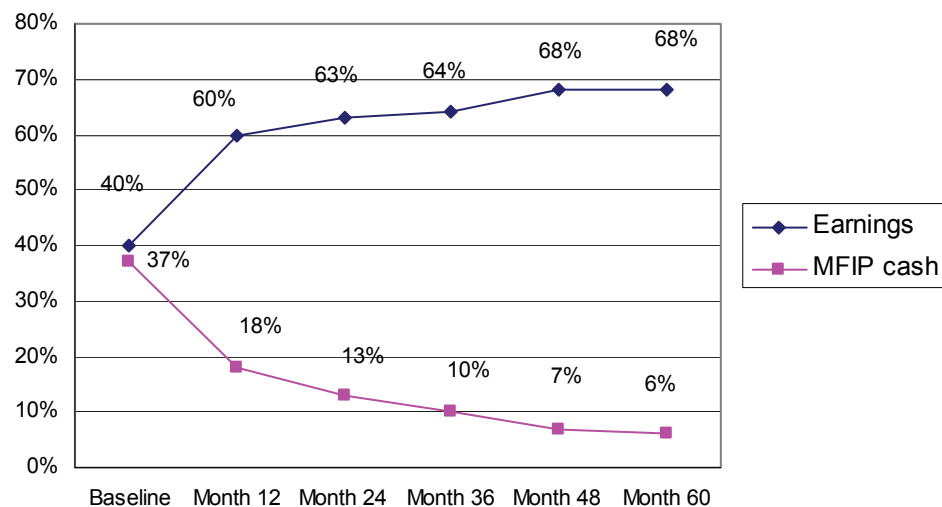
Table 1. Trends in hours worked and wages earned by employed *Recipients* (2003 dollars)

Work hours and wages	Count of employed	Median work hours	35 or more hours	40 or more hours	Median hourly wage	Employment rate
Baseline	316	32	49%	35%	\$7.27	44% of 715
Month 12	367	36	58%	47%	\$8.32	60% of 662
Month 24	381	38	57%	48%	\$9.09	60% of 634
Month 36	357	40	64%	53%	\$9.62	59% of 604
Month 48	341	40	62%	51%	\$9.79	62% of 548
Month 60	343	37	60%	48%	\$10.14	61% of 562

Family Income

Two goals of MFIP are to increase participation in the labor force and decrease dependence on cash assistance. Figure 3 reports wages constituted 68 percent of family income at the final survey, unchanged from one year earlier. Previously, this measure had been increasing annually. Participant earnings averaged \$875 in the final survey month, and earnings from a second parent averaged \$341. The percentage of income from MFIP cash fell one percentage point to 6 percent. The remainder of family income came from unearned sources such as SSI, child support, and other public programs.

Figure 3. Family income from earnings and MFIP cash for surveyed *Recipients*

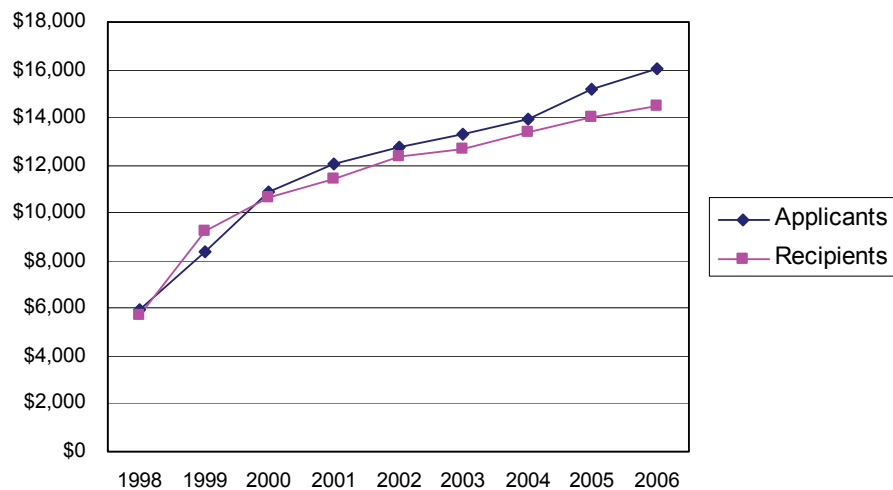


Average calendar year earnings, as reported to the Unemployment Insurance (UI) system at the Minnesota Department of Employment and Economic Development (DEED), of sampled *Applicants* and *Recipients* from 1998 through 2006 are displayed in Figure 4. DEED data came from employers that pay the UI tax.²² Participants without reported

²² Federal government, religious, and seasonal workers are excluded from the Unemployment Insurance system. Also, those who are self-employed and employers in other states do not report to Minnesota.

wages in the calendar year are not included in the average, and all wages are inflation adjusted to 2003, the year of the last reviews. The percent of *Applicants* with UI earnings in a calendar year was highest in the baseline year, 1998, at 77 percent and then decreased over time to 59 percent by 2006. For *Recipients*, the percent with UI earnings was 73 percent in 1998, reached a high of 75 percent in 2000 and dropped to 61 percent by 2006. Average real earnings during this period increased at similar rates for both employed *Applicants* and *Recipients*, reaching highs of \$16,032 and \$14,495, respectively.

Figure 4. Inflation-adjusted calendar-year Unemployment Insurance reported wages 1998 to 2006 for employed *Applicants* and *Recipients* (2003 dollars)



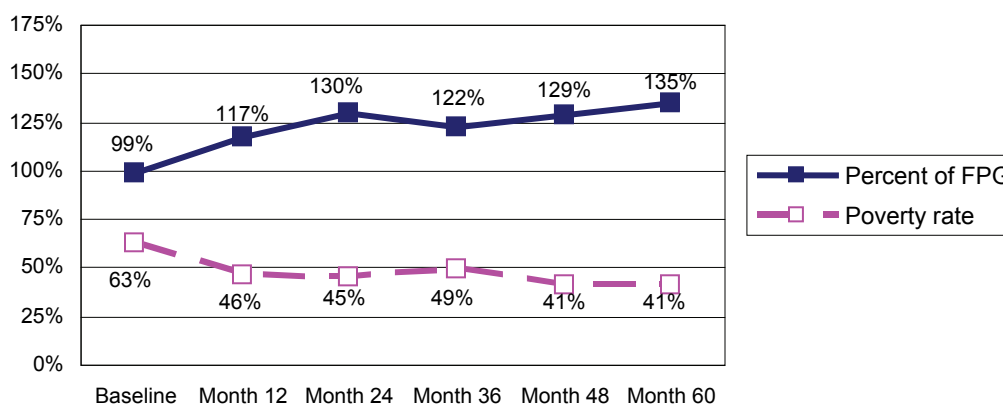
Poverty

A third goal at MFIP's inception was to decrease poverty. Nationally, 28 percent of female-headed households were living in poverty in 2003.²³ This figure was up slightly from 27 percent in 2002. The lower line in Figure 5 traces the poverty rate of respondents in each year of the study. At baseline, 63 percent of *Recipient* households had monthly incomes below the Federal Poverty Guideline (FPG) when MFIP was included.²⁴ The poverty rate dropped 17 percentage points in the first year to 46 percent and then remained within 5 percentage points for the remainder of the study. Five years into the study, 41 percent of *Recipients* remained below this poverty line. The average household was living on 99 percent of the FPG at baseline. The upper line in Figure 5 illustrates the average percentage of the FPG over the course of the study for surveyed *Recipients*. This measure gained steadily for the first two years and then leveled off, reaching a high in month 60 of 135 percent FPG.

²³ Income, Poverty and Health Insurance Coverage in the United States: 2003 (<http://www.census.gov/prod/2004pubs/p60-226.pdf>).

²⁴ The Federal Poverty Guideline (FPG) was originally set at three times an estimated thrifty food budget for family based on its size in 1959 and increases annually with inflation. The FPG for a family of three in 2003 was \$15,260 in the contiguous 48 states. A full table of the 2003 FPG is available in appendix B. (<http://aspe.hhs.gov/poverty/>).

Figure 5. Average percentages of Federal Poverty Guideline and poverty rates for surveyed *Recipients*



Economic Status

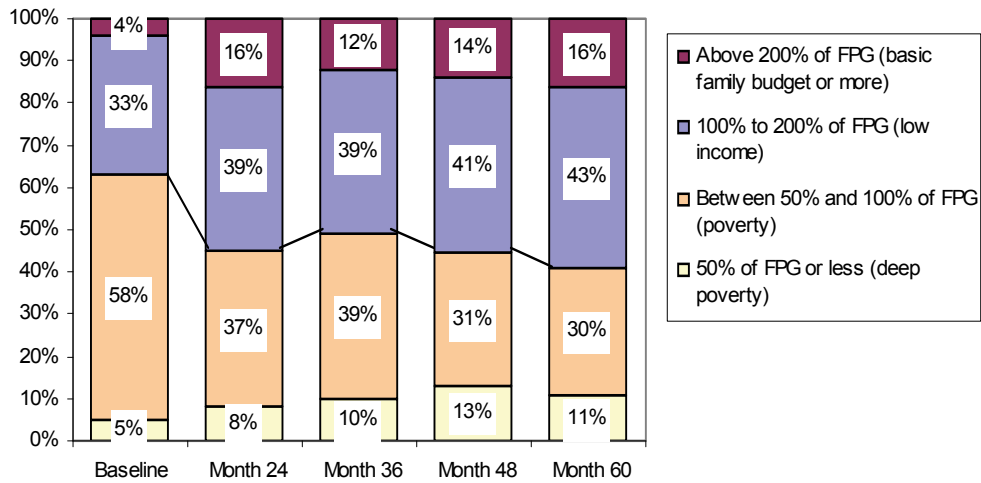
According to 2003 estimates, a family consisting of one adult and two children living in Greater Minnesota would need to earn \$16 per hour (\$33,500 annually) to meet basic needs without the help of any public program.²⁵ The basic needs calculation includes food, housing, health care, transportation, child care, clothing, and taxes. The budget does not include savings, entertainment, or debt payments. In the seven-county metro area, this figure rises to \$19.45 per hour, or more than \$40,000 annually—nearly three times the 2003 FPG.

As shown in Figure 6, only 16 percent of surveyed *Recipients* had incomes above 200 percent FPG for a family of their size five years from baseline. This is the same percentage in this category as year two. Eleven percent were in deep poverty (50 percent of FPG or less) also similar to previous survey periods after baseline. Fifty-nine percent of *Recipients* had incomes over 100 percent FPG in the final month compared to 37 percent at baseline.²⁶ Of *Recipients* with incomes between 100 and 200 percent FPG, 19 percent were still receiving MFIP.

²⁵ The JOBS NOW Coalition publishes annual reports titled, *The Cost of Living in Minnesota: The Job Gap Family Budgets*, which show a basic budget for families in different regions of the state based on local economies and family composition. Previously, their estimates of a basic budget were approximately twice the FPG. Estimates in 2003 were nearly three times the FPG for the Twin Cities metro area.

²⁶ The MFIP income limit for a family of three was 115 percent of the FPG in 2003. Also, the report totals income the participant actually received during the review month, whereas MFIP uses retrospective budgeting (documented for the month two months prior) to determine eligibility. More information on retrospective budgeting can be found online at (<http://www.dhs.state.mn.us>). This budgeting method accounts for why there were families with actual income above 200 percent of FPG in the baseline month.

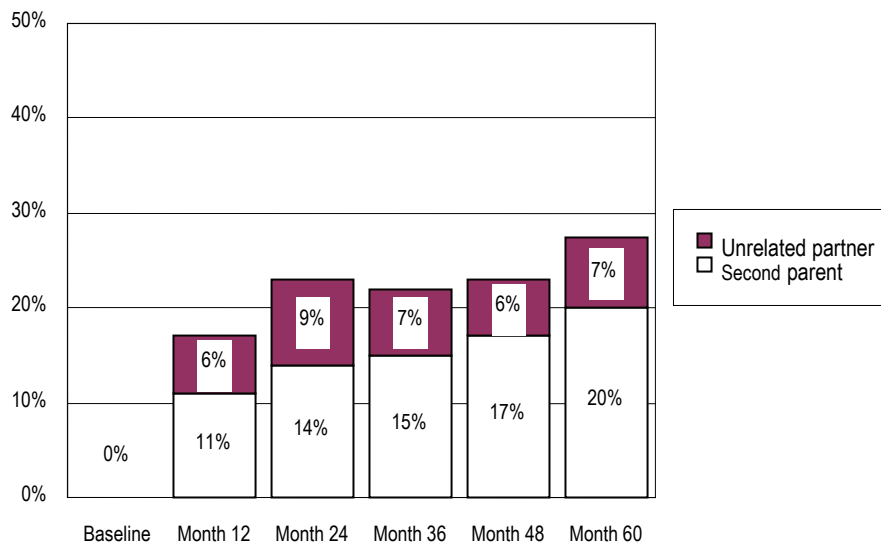
Figure 6. Change of economic status for surveyed *Recipients*



Family Composition

Having a second adult in the household can be a stabilizing factor for a family. The original samples of *Applicants* and *Recipients* purposefully contained only single parents. Figure 7 reports the growth in the percentage of families with second parents in the household over the five years of the study. By the final month, one-in-five *Recipient* households reported a second parent. An additional 7 percent included a partner unrelated to the participant's children.

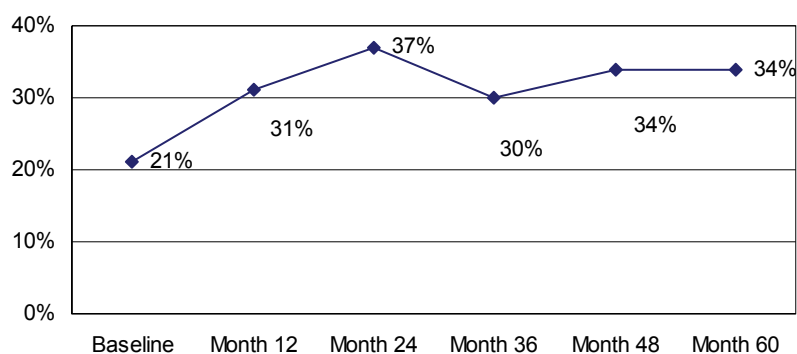
Figure 7. Two-caregiver households for surveyed *Recipients*



Child Support

One way MFIP attempts to reduce dependency on cash assistance is by increasing the amount of child support paid to these families.²⁷ To improve the process of collecting child support from non-custodial parents, MFIP requires that participants cooperate with the Minnesota Department of Human Services, Child Support Enforcement Division. The percentage of families whose non-custodial parent(s) was making payments rose steadily during the first two years of MFIP, as shown in Figure 8. It should be noted that these were strong years for the U.S. economy and improved child support collection methods do not entirely explain the 16 percentage point increase. The percentage of *Recipients* receiving child support fell 7 percentage points in 2001, but it rebounded to 34 percent in 2002 and remained steady in 2003.

Figure 8. Percent of families receiving child support



Housing

Housing costs are a major expense for most households. Thirty-eight percent of the *Recipients* who participated in the final survey received a housing subsidy. During the course of the study, the percentage of *Recipients* receiving subsidized housing was consistent, ranging from 38 to 40 percent. New Section 8 housing vouchers were difficult to obtain during these years. Housing poverty is defined as a household that is spending greater than 30 percent of the household income on housing. At survey month 60, 45 percent of *Recipients* were living in housing poverty, ranging between 36 and 45 percent during the study. In 2003, Minnesota ranked 21st nationally for median monthly housing costs of renter-occupied units at \$657, up \$22 from 2001.²⁸ Sixty-two percent of survey respondents reported their housing situation was better at the end of the study than when the study began in 1998, and 8 percent reported that their housing situation was worse.

Health Care Coverage

At baseline, all participants had health insurance through Medical Assistance (MA), Minnesota's Medicaid program. From 1998 through 2001, families who received MFIP automatically qualified for public health coverage through MA. In 2002 the law was

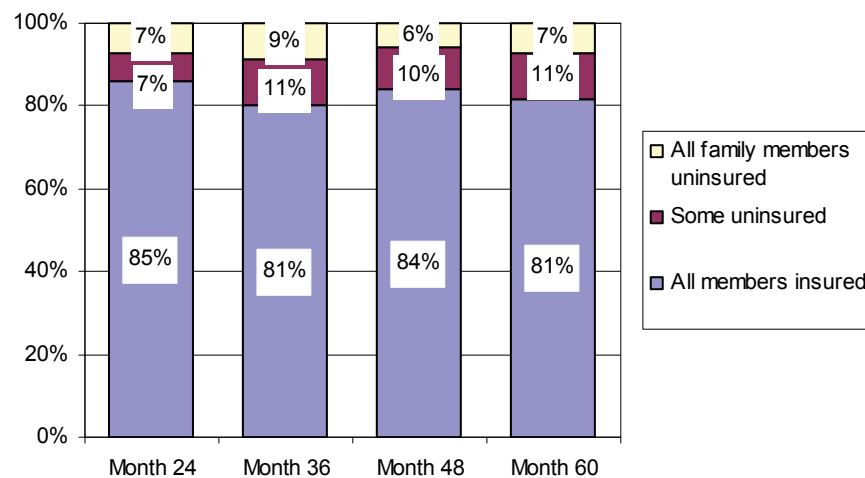
²⁷ Child support income decreases the amount of the MFIP grant dollar for dollar.

²⁸ U.S. Census Bureau, American Community Survey, Ranking Tables 2003. (<http://www.census.gov/acs/www/Products/Ranking/2003/R16T040.htm>).

changed so that eligibility for MA was determined separately from MFIP. Maintaining health insurance coverage when MFIP ended proved difficult for many families. The rate of uninsurance rose as more *Recipients* exited the program. From 2000 to 2003, the rate of families with uninsured members fluctuated between 14 and 20 percent, as shown in Figure 9. Over 80 percent of families had health coverage for all members during this period and the percent of families that were totally uninsured ranged from 6 to 9 percent.

Seventy-three percent of the *Recipients* sampled at baseline maintained eligibility for a publicly funded health insurance program for some period of time during the three years following the study. Those working and off MFIP were least likely to do so.

Figure 9. Rate of family health insurance coverage: 2000-2003



Repeated Measures Analysis across Five Years

Three hundred ninety-nine *Recipients* participated in the baseline survey and all five yearly follow-up surveys. Their data show the progress of the same individuals over the course of the MFIP Longitudinal Study. This analysis focuses on the three original goals of the MFIP program:

- Increase employment
- Decrease welfare use
- Reduce poverty.

Forty-one percent of the repeated measures sample reported working in at least five of the six annual review months. An additional 29 percent reported working in three or four of the yearly reviews. Only 10 percent did not report any work; half of these received SSI or Retirement Survivors Disability Insurance (RSDI). Table 2 displays five-year outcome and demographic measures by the number of the six survey months *Recipients* reported working and working full time. For example, 71 percent of those with complete data who worked one to two periods were off MFIP after 60 months compared to 85 percent of *Recipients* who worked five to six periods.

Table 2 also includes demographic information by the number of survey months reported working. Respondents were sorted by citizenship, race, and ethnicity into three groups: noncitizens of all races and ethnicities; white, non-Hispanic citizens and other citizens. *Recipients* who worked in more survey months were more likely to be white citizens, more likely to be a high school graduate or have a GED, less likely to have received SSI or RSDI, and were less likely to have a child under 6 years of age at home than those who worked fewer survey months.

While 90 percent had worked in at least one period, only 64 percent ever reported full-time work. Consistent full-time workers earned more per hour, had higher family incomes, and higher participant earnings. Conversely, they were less reliant on public assistance, and were less likely to have family income below the FPG.²⁹

Consistent full-time workers were more likely to have a high school diploma or GED. They were less likely to receive SSI or RSDI, and to have a child under 6 years of age.

²⁹ Throughout the report, public assistance includes MFIP, Food Support, General Assistance (GA), Emergency Assistance (EA), Emergency General Assistance (EGA), Group Residential Housing (GRH), and Minnesota Supplemental Aid (MSA).

Table 2. Five-year outcomes and demographics by number of annual survey months Recipients with complete data reported working and working full time

Recipients by number of survey months reported working and working full time	Survey months reported working					Survey months reported working full time				
	None	1-2	3-4	5-6	5-6	None	1-2	3-4	5-6	Total
Count of Recipients with complete data	39	80	115	165	39	145	134	81	39	399
Percent	10%	20%	29%	41%	10%	36%	34%	20%	10%	100%
Off MFIP	82%	71%	75%	85%	79%	77%	74%	83%	97%	79%
Working at last survey	0%	25%	54%	95%	60%	35%	63%	80%	97%	60%
Median work hours of employed participants	na	0	15	38	25	0	25	40	40	25
Median hourly wage (if any)	na	\$8.50	\$10.50	\$10.83	\$10.55	\$9.00	\$9.50	\$10.80	\$12.50	\$10.55
Family income	\$1,159	\$1,328	\$1,705	\$2,376	\$1,853	\$1,364	\$1,719	\$2,247	\$3,319	\$1,853
Total income in review month	\$0	\$256	\$774	\$1,545	\$914	\$339	\$834	\$1,404	\$2,306	\$914
Earnings of participant	\$330	\$429	\$266	\$126	\$247	\$339	\$267	\$149	\$37	\$247
Public assistance	89%	97%	124%	186%	141%	107%	125%	175%	250%	141%
Average percent of Federal Poverty Guideline (FPG)	56%	55%	50%	19%	39%	51%	43%	23%	8%	39%
Poverty rate (% below FPG)	74%	66%	79%	89%	80%	74%	78%	86%	97%	80%
HS/GED education	51%	25%	9%	1%	13%	28%	5%	4%	0%	13%
Received SSI/RSDI	61%	62%	51%	30%	45%	46%	58%	34%	25%	45%
Youngest child under 6	28%	20%	17%	18%	19%	19%	18%	20%	26%	19%
Second parent in home	10%	11%	5%	4%	6%	7%	5%	7%	5%	6%
Immigration and citizenship	31%	45%	44%	30%	37%	39%	41%	28%	36%	37%
Immigrant noncitizens	59%	44%	50%	67%	57%	54%	54%	64%	59%	57%
Nonwhite citizens										
White citizens										

Notes: All income data were from the survey except public assistance payment amounts. All averages were computed across all cases with nonmissing data except median hourly wage.

Move frequency can be a key indicator of life and income instability. Table 3 shows five-year outcome and demographic measures by the number of annual surveys on which these *Recipients* reported multiple moves within the last year, or current subsidized housing, or presence of a second parent in the household. Those who moved at least twice during any year had a lower likelihood of being off MFIP and working in the review month, lower average work hours and hourly wages, lower average earnings, higher amounts of public assistance, and a greater likelihood of family income below the FPG, than those who moved once or not at all.

Members of the repeated measures sample with multiple moves in any year were less likely to possess a high school education. Importantly, frequent movers were more likely to have a child under age six and to be a nonwhite citizen. There was no relation between receipt of SSI or RSDI, or the presence of a second parent and multiple moves in a year.

Recipients living in unsubsidized housing were more likely to be off MFIP in month 60, work more hours, and report higher review month income. They received less public assistance and were at a higher average percentage of FPG than participants living in subsidized housing. Members of the repeated measures sample who lived in subsidized housing at least five of the six periods were more likely to have received SSI or RSDI and were more likely to be nonwhite citizens, but less likely to have a second parent in the home. This is not to suggest that subsidized housing leads to negative outcomes. Waiting lists for housing subsidies are long so these programs more often serve families in long-term poverty.

Seventy-two percent of the *Recipients* who responded to all six annual surveys did not report a second parent in the home over the five-year study period. Only 3 percent reported a second parent in at least five or all six periods.

Table 3. Five-year outcomes and demographics of Recipients with complete data reporting at least two moves in a year, subsidized housing, and presence of second parent

Recipients by number of survey months reported action	Moved at least twice		Reported subsidized housing				Reported second parent		Total
	None	1-6	None	1-2	3-4	5-6	None	1-6	
Count of Recipients with complete data	267	132	137	91	56	115	288	111	399
Percent	67%	33%	34%	23%	14%	29%	72%	28%	100%
Off MFIP	84%	70%	88%	77%	75%	72%	77%	86%	79%
Working at last survey	64%	52%	62%	60%	64%	54%	62%	54%	60%
Median work hours of employed participants	28	8	30	26	25	12	25	20	25
Median hourly wage (if any)	\$10.80	\$9.50	\$10.92	\$10.00	\$9.55	\$11.00	\$10.50	\$10.61	\$10.55
Family income									
Total income in review month	\$1,938	\$1,681	\$2,193	\$2,065	\$1,623	\$1,394	\$1,510	\$2,743	\$1,853
Earnings of participant	\$1,032	\$673	\$1,057	\$978	\$853	\$721	\$903	\$940	\$914
Public assistance	\$215	\$312	\$160	\$277	\$244	\$327	\$262	\$207	\$247
Average percent of Federal Poverty Guideline (FPG)	147%	129%	159%	158%	136%	109%	126%	180%	141%
Poverty rate (percent below FPG)	34%	48%	36%	33%	41%	45%	41%	32%	39%
HS/GED education	82%	76%	83%	76%	84%	78%	78%	86%	80%
Received SSI/RSDI in survey month 60	13%	11%	9%	9%	13%	21%	15%	6%	13%
Youngest child under 6	35%	66%	41%	55%	42%	46%	37%	65%	45%
Second parent in home	19%	20%	31%	25%	9%	6%	0%	69%	19%
Immigration and citizenship									
Immigrant noncitizens	9%	2%	7%	4%	2%	10%	7%	5%	6%
Nonwhite citizens	32%	48%	28%	36%	36%	49%	42%	24%	37%
White citizens	60%	51%	65%	59%	63%	42%	51%	70%	57%

Notes: All income data were from the survey except public assistance payment amounts. All averages were computed across all cases with nonmissing data except median hourly wage.

Comparison of Demographic Groups at Sixty Months from Baseline

Finally, to describe the situation of all the *Recipients* who responded to the 60-month survey, Table 4 gives various employment and welfare outcomes by demographic groups. Respondents are grouped by age at baseline, and month 60 education, race and citizenship status, presence of a second parent in the home, the number of minor children, age of the youngest child, and region of residence. The dollar amounts are means, with the exception of participant hourly wage which is the median.

A participant's age at baseline was associated with whether they had left the program by the end of the study. Eighty percent of participants who were in their thirties or older at baseline were no longer receiving MFIP by the final survey. One reason for this large percentage of leavers was that one-quarter of the participants in this age group no longer had children in the household and, therefore, they were not MFIP eligible.

Recipients who had finished high school or completed a GED were more successful on the outcome measures reported in the table than those with less education. Having a diploma or GED was related to higher wages and family incomes. At baseline, 69 percent had at least finished high school or completed a GED. By the last survey, that figure had increased to 77 percent. For teens, 47 percent had at least a diploma or GED at baseline and 67 percent by the last survey. Those with less education were less likely to be employed or to have left MFIP and were more likely to have incomes below the FPG.

Recipients' citizenship status, race, and ethnicity were closely associated with their welfare status. Eighty-one percent of white, non-Hispanic citizens had left MFIP by the 60-month review, compared to 78 percent of noncitizens, and 65 percent of other citizens. White, non-Hispanic citizens also had higher earnings and family incomes.³⁰

Households with a second parent had average incomes twice those of families with one parent. However, there was little difference in the hourly wage and monthly earnings of the *Recipients* in the two groups.

The number of children in the home was related to the poverty rate and a *Recipient's* likelihood of leaving MFIP. *Recipients* with one minor child were least likely to have incomes below the FPG and most likely to have left MFIP. Those without children in the home, and those who had three or more children at home, were most likely to have incomes below the FPG. Average family income was highest for *Recipients* with three or more children. These families were more likely to remain on assistance because they have a higher exit threshold and their grant would be partially determined by their household's size.

³⁰ More information on racial and ethnic disparities in welfare outcomes in Minnesota can be found in the Racial/Ethnic and Immigrant Studies (REIS) Series, (<http://www.dhs.state.mn.us>).

Table 4. Employment and welfare status for demographic groups in study month 60 (N = 562)

Outcomes of demographic groups after fifth year of study	Percent of all surveyed	Working month 60	Leaver month 60	Family income	Below FPG	Participant hourly wage	Participant earnings
Percent or mean of all surveyed	100%	61%	74%	\$1,782	41%	\$10.64	\$875
Age at baseline		ns	**	**	ns	ns	ns
Teens	11%	59%	61%	\$1,802	44%	\$9.72	\$772
Twenties	46%	62%	72%	\$1,950	38%	\$11.09	\$936
Thirties or over	43%	60%	80%	\$1,594	43%	\$10.37	\$837
Education		***	***	***	**	***	***
High School/GED	77%	65%	78%	\$1,883	37%	\$10.99	\$980
Less than High School	23%	49%	61%	\$1,438	53%	\$9.08	\$516
Immigration and citizenship		ns	***	**	**	ns	*
Immigrant noncitizens	6%	53%	78%	\$1,709	34%	\$9.77	\$718
Nonwhite citizens	42%	56%	65%	\$1,562	49%	\$10.55	\$773
White citizens	52%	66%	81%	\$1,967	35%	\$10.76	\$975
Second Parent in the home		ns	*	***	***	ns	ns
Yes	20%	55%	82%	\$3,058	26%	\$10.91	\$877
No	80%	63%	72%	\$1,472	45%	\$10.58	\$875
Number of minor children		ns	*	***	**	ns	ns
None in the home	13%	52%	see note	\$1,122	49%	\$9.78	\$660
One	25%	67%	77%	\$1,746	31%	\$10.87	\$1,005
Two	28%	64%	74%	\$1,773	37%	\$10.44	\$858
Three or more	33%	57%	63%	\$2,082	48%	\$10.90	\$880
Age of youngest child		***	*	ns	*	ns	***
Under 6	43%	54%	66%	\$1,880	45%	\$10.48	\$768
6 or over	44%	70%	75%	\$1,888	34%	\$10.94	\$1,046
Region of residence		ns	***	ns	ns	***	ns
Greater Minnesota	33%	65%	82%	\$1,819	39%	\$9.49	\$849
Metro suburban	15%	58%	78%	\$2,023	37%	\$12.91	\$1,080
Hennepin County	24%	59%	67%	\$1,703	42%	\$10.81	\$833
Ramsey County	20%	60%	58%	\$1,665	42%	\$10.77	\$775
Moved out of state	8%	60%	see note	\$1,702	47%	\$10.83	\$960

Note: Chi-square or F significant at probability * = .05, ** = .01, *** = .001, ns = not significant.³¹ Cases that had moved out of state and those with no minor children (75) were dropped from the comparisons because they are ineligible for MFIP. Participant hourly wage is the median hourly wage of employed survey respondents.

³¹ “Significant” in this report refers to results statistically significant at least at the .05 level. That is, the probability of obtaining the result by chance (typically a difference in means or percentages across two or more groups, tested by a t-test, analysis of variance, or chi-square test) is .05 or less. Tables in the Economic and Demographic Subgroups, Health Outcomes, and School-age Children and Education portions of this report were tested for significant differences between variables. Other tables are descriptive or differences were so great that significance levels were not calculated.

The age of the youngest child in a *Recipient's* household was significantly related to many outcomes. Caring for children who are not yet school-age is time intense and can limit a caregiver's ability to obtain and retain employment. *Recipients* with a child under age 6 were less likely to have left MFIP or be employed. Those who were employed earned less than *Recipients* whose children were older, and they were more likely to have incomes below the FPG.

The region the participant was living in at the final survey month was related to their likelihood of leaving MFIP (higher in Greater Minnesota and suburban counties), but there was no statistical difference in average monthly incomes or earnings.

SECTION II: OUTCOME GROUPS BASED ON EMPLOYMENT AND WELFARE USE

This section analyzes economic and health outcomes for surveyed Recipients by welfare and employment status as of the final review month, 60 months from the baseline month. Also included in this section are data on health, school, and teen outcomes for the children of Recipients as well as a compilation of participant reflections looking back over the five years of the study.

Economic Measures

For the analysis of economic and health outcomes, *Recipients* are categorized into four groups: not working and on MFIP, not working and off MFIP, working and on MFIP, and working and off MFIP. Table 5 displays the counts and percentages of respondents. In the review month, nearly three-quarters of respondents were off MFIP and 61 percent were employed.

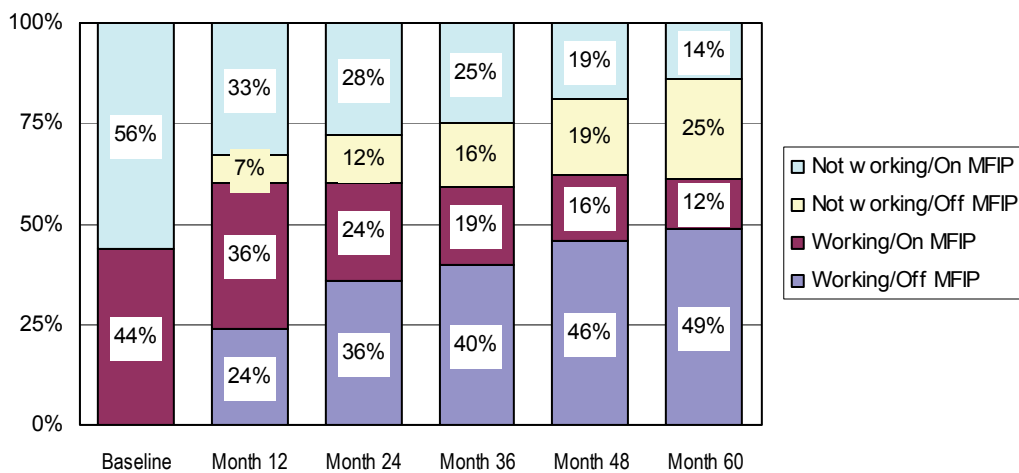
Table 5. Counts of employment and welfare outcome groups 60 months from baseline

Outcome groups		Not working	Working	Total	Not working	Working	Total
Recipients	On MFIP	80	65	145	14%	12%	26%
	Off MFIP	139	278	417	25%	49%	74%
	Total	219	343	562	39%	61%	100%

Note: Off MFIP is defined as the participant being personally ineligible for MFIP for at least two months

Figure 10 shows the distribution of the four outcome groups over time. Those both working and off MFIP became the largest group in month 24 and continued to increase. The group not working and off MFIP has also continued to increase, while both the employed and unemployed groups on MFIP have declined over time.

Figure 10. Employment/welfare outcome groups over time



Food-only cases and caregivers receiving SSI are of particular interest. Minnesota combines family cash and food benefits into one program. Thirty *Recipients* who were on MFIP were not receiving the cash portion of the program. In other states, these

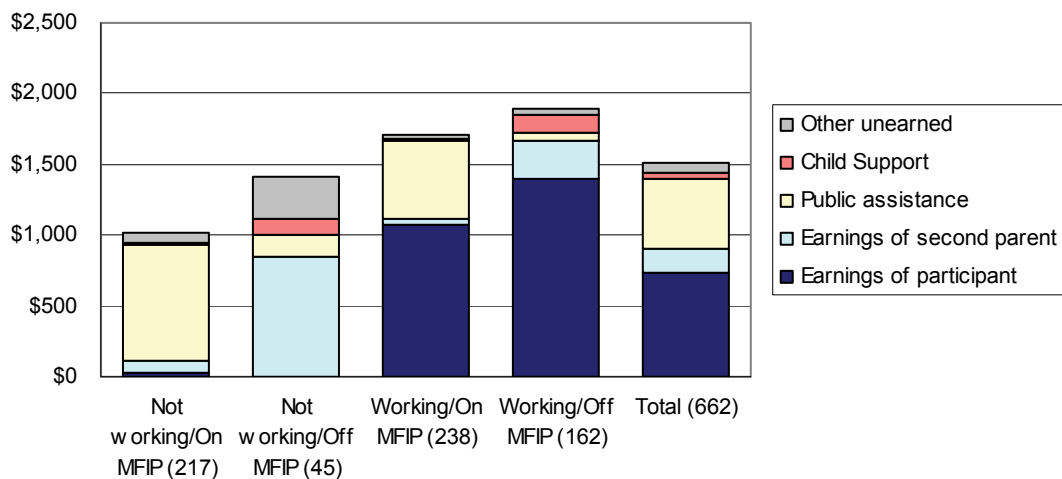
participants would be off assistance. Of this group, 21 were employed and their monthly income averaged \$1,493. This group had used 43 counted months of MFIP, on average.

Forty-eight *Recipients* who responded to the final survey were receiving SSI. All were off MFIP and not working. About half of these *Recipients* continued to receive MFIP benefits for their children. Monthly incomes of these families averaged \$1,168 and they had an average of 37 counted MFIP months. Forty-four percent had income below the FPG.

Family Income

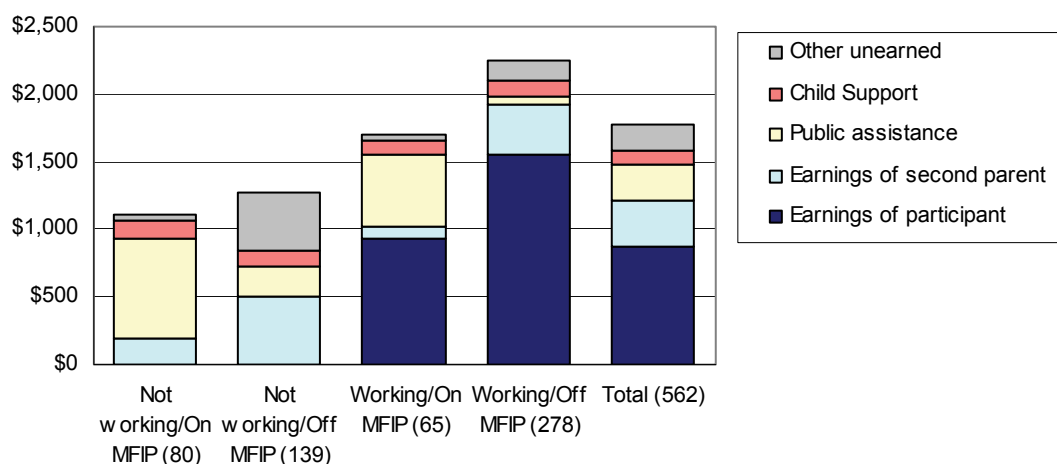
In 2003 the median annual household income in Minnesota was \$54,480, or \$4,500 per month.³² Family income for the surveyed *Recipients* was comprised of five sources: *Recipient* earnings, second-parent earnings, public assistance programs, child support, and other unearned income. Other unearned income sources include SSI, UI and, Workers Compensation. Figures 11 and 12 depict the 2003 inflation-adjusted amounts and sources of income at month 12 and the last survey by outcome group. While Figure 10 shows considerable movement of *Recipients* from not working and on MFIP to working and off MFIP over the course of the study, Figures 11 and 12 show that within the outcome groups, *Recipients* experienced modest increases in average family incomes and the proportion of income from the various sources remained reasonably steady between survey months 12 and 60. Monthly incomes in survey month 60 for the group with the highest income, those working and off MFIP, averaged half of the median for Minnesota in 2003.

Figure 11. Family income in survey month 12 for *Recipient* outcome groups (2003 dollars)



³² DeNavas-Walt, C., Proctor, B., Mills, R. (2004). Income, Poverty, and Health Insurance Coverage in the United States: 2003. U.S. Census Bureau. (<http://www.census.gov/prod/2004pubs/p60-226.pdf>).

Figure 12. Family income in survey month 60 for *Recipient* outcome groups (2003 dollars)



Economic Status

Table 6 presents economic data for the four outcome groups and also for the marginal groups—on or off welfare, employed or not—and all *Recipients* surveyed. At survey month 60, one-quarter of *Recipients* surveyed remained on MFIP. The poverty rate was highest, 86 percent, among those who were not working and were receiving MFIP. *Recipients* who were working and off MFIP reported the highest monthly incomes, an average of 176 percent of FPG.

Employed *Recipients* off MFIP earned an average of \$621 per month more than their employed counterparts who remained on MFIP. For *Recipients* who remained on MFIP and were working, wages from employment accounted for the majority of their monthly income, on the average.

Recipients not working and off MFIP in the review month can be separated into two main groups: those receiving SSI and those with an employed spouse or second parent in the home. The earnings of second parents in this group averaged \$496 per month. This group had the highest average income from other public programs, \$121 per month, and other unearned income, \$433, which includes SSI.

Fifty-six percent of surveyed *Recipients* took advantage of the federal Earned Income Tax Credit (EITC) during the previous tax year. Of those *Recipients* who were employed in the review month, 69 percent received income through the EITC in 2002.

The receipt of child support can be an important stabilizing factor for families trying to move out of poverty. Child support was received by over one-third of families surveyed at 60 months. The mean child support amount received by these families during the review month was \$347. Half of *Recipients* receiving child support received \$300 or more. Average child support amounts, such as \$117 across all 562 respondents, reported in Table 6 include households that did not receive a payment.

Table 6. Economic measures for employment and welfare outcome groups in survey month 60

Recipients by four outcome groups		Not working/ On MFIP	Not working/ Off MFIP	Working/ On MFIP	Working/ Off MFIP	All Surveyed
Count of surveyed		80	139	65	278	562
Percent of surveyed		14%	25%	12%	49%	100%
Family income	Total income in review month	\$1,113	\$1,277	\$1,698	\$2,247	\$1,782
	Earnings of participant	\$0	\$0	\$931	\$1,552	\$875
	Earnings of second parent	\$189	\$496	\$87	\$367	\$341
	Public assistance	\$749	\$234	\$529	\$61	\$256
	MFIP cash	\$388	\$67	\$236	\$5	\$102
	MFIP food	\$295	\$46	\$240	\$4	\$83
	Other programs	\$65	\$121	\$53	\$52	\$71
	Child support received	\$126	\$113	\$103	\$120	\$117
	Other unearned income	\$50	\$433	\$48	\$147	\$192
Percent living with second parent or spouse		16%	27%	9%	19%	20%
Percent living with employed second parent or spouse		10%	21%	5%	16%	15%
Child support payment received by custodial parent		36%	32%	28%	36%	34%
Earned Income Tax Credit received in 2002		40%	33%	71%	69%	56%
Average percent of Federal Poverty Guideline (FPG)		75%	94%	123%	176%	135%
Poverty rate (percent below FPG)		86%	60%	35%	19%	41%
Housing costs		\$310	\$402	\$428	\$554	\$467
Subsidized housing		53%	40%	47%	32%	38%
Shared housing		23%	37%	28%	34%	32%
Percent paying more than 30% of income for housing		43%	53%	40%	43%	45%
Recipients by welfare and employment status		Welfare status		Employment status		All Surveyed
		On MFIP	Off MFIP	Not working	Working	
Count of surveyed		145	417	219	343	562
Percent of surveyed		26%	74%	39%	61%	100%
Family income	Total income in review month	\$1,376	\$1,924	\$1,217	\$2,143	\$1,782
	Earnings of participant	\$418	\$1,035	\$0	\$1,434	\$875
	Earnings of second parent	\$143	\$410	\$384	\$314	\$341
	Public assistance	\$650	\$119	\$422	\$150	\$256
	MFIP cash	\$320	\$26	\$185	\$49	\$102
	MFIP food	\$271	\$18	\$137	\$49	\$83
	Other programs	\$60	\$75	\$101	\$52	\$71
	Child support received	\$115	\$118	\$118	\$117	\$117
	Other unearned income	\$49	\$242	\$293	\$128	\$192
Percent living with second parent or spouse		13%	22%	23%	17%	20%
Percent living with employed second parent or spouse		8%	18%	17%	14%	15%
Child support payment received by custodial parent		32%	34%	33%	34%	34%
Earned Income Tax Credit received in 2002		54%	57%	36%	69%	56%
Average percent of Federal Poverty Guideline (FPG)		96%	148%	87%	166%	135%
Poverty rate (percent below FPG)		63%	33%	70%	22%	41%
Housing costs		\$363	\$503	\$369	\$530	\$467
Subsidized housing		50%	34%	44%	35%	38%
Shared housing		25%	35%	32%	33%	32%
Percent paying more than 30% of income for housing		42%	46%	49%	42%	45%

Notes: All income data were from the survey except public assistance amounts and child support disbursements (added to direct child support payments for the table amounts). Housing percentages include the 518 families with both income and housing costs. Otherwise, all averages were computed across all cases with nonmissing data. Leavers receiving MFIP cash or food were caregivers for a child-only MFIP case. Other public programs include stand-alone Food Support, Emergency Assistance, General Assistance, Minnesota Supplemental Aid, and TANF from another state.

Housing

Monthly housing costs averaged \$467 for surveyed *Recipients*. Forty-five percent of families surveyed were spending more than 30 percent of their income on housing.

Those working and on MFIP experienced the lowest rates of housing poverty at 40 percent. Thirty-eight percent of surveyed *Recipients* were receiving subsidized housing and one-third were living in shared housing. Those not working and on MFIP had the highest rate of subsidized housing (53 percent), the lowest rate of shared housing (23 percent), and the lowest housing cost compared to the other outcome groups.

Employment

The rate of employment among surveyed *Recipients* was stable from the 12-month survey to the 60-month survey, as noted in the trend section above. Sixty-one percent of all surveyed *Recipients* reported employment, down just one percentage point from the previous survey period. As shown in Table 7, 51 percent of *Recipients* who were working and off MFIP were employed full time, compared with 32 percent of working *Recipients* who were on MFIP.³³ Nearly half (48 percent) of all surveyed *Recipients* who were employed were working 40 or more hours per week.

Table 7. Wages earned and hours worked by employed *Recipients*

Work, hours, and wages	On MFIP	Off MFIP	All surveyed
Count of employed	57/129	286/433	343/562
Employment rate (percent of welfare group)	44%	66%	61%
Employed group:			
Median work hours	30	40	37
35 or more hours	40%	64%	60%
40 or more hours	32%	51%	48%
Median hourly wage	\$8.00	\$10.55	\$10.14
Employed at least 40 hours/week and \$10/hour	11%	34%	30%

Data were also collected on the types of jobs held by *Recipients*. Seventeen percent of employed *Recipients* were working in the health care field in positions such as certified nursing assistants, personal care attendants, medical assistants, or home health aides. Fifteen percent were employed in food service at restaurants, bars, caterers, nursing facilities, schools, and hotels. Twelve percent were employed doing office work, 7 percent were working in assembly, and another 7 percent were managers, most commonly for convenience stores and restaurants. Smaller percentages of *Recipients* were employed in social services (5 percent), housekeeping (5 percent), education (4 percent), as a cashier (4 percent), in child care (3 percent), customer service (3 percent) and retail or sales (3 percent). Others worked in casinos, warehouses, as hair stylists or laborers or were self-employed. Half of the employed participants had been with their current employer for one year or more and one-quarter had been with their employer for three or more years.

Table 8 displays reasons *Recipients* reported they were not working, or working less than full time. The most common reason given for not working full time was that the

³³ The MFIP exit limit for a family of three was 115 percent of the FPG in 2003. The FPG calculations in the study include income that is excluded from the MFIP budget. Also, the survey data totals income the participant actually received during the review month whereas MFIP uses income from two months previous to determine eligibility and grant amount. More information on this retrospective budgeting can be found online at (<http://www.dhs.state.mn.us>).

employer did not offer full-time positions. Very few participants said they were working less than full time by choice. Health limitations and job availability were the two most common reasons that participants reported they were not employed.

Table 8. Reasons for working less than 40 hours per week or not working in survey month 60

Reason for working less than 40 hours per week or not working	Employed and working less than 40 hours/week			Not working		
	On MFIP	Off MFIP	All	On MFIP	Off MFIP	All
Count of working less than 40 hours or unemployed	50	133	183	80	139	219
Percent of surveyed	35%	37%	36%	56%	38%	43%
Employer's choice						
Employer only offers part-time work	28%	20%	22%	--	--	--
I was hired as a part-time employee	26%	16%	19%	--	--	--
Employer defines hours I work as full time work	0%	20%	14%	--	--	--
Other - Employer's choice	16%	11%	12%	--	--	--
My choice						
Wanted to care for child/children	4%	5%	5%	6%	12%	10%
School or training	4%	2%	3%	5%	1%	3%
Pregnancy	0%	0%	0%	4%	1%	2%
Other - My choice	4%	6%	5%	4%	4%	4%
Circumstances beyond my control						
Health/medical limitations of participants	--	5%	3%	25%	52%	42%
Looking for work / could not find work	--	--	--	26%	9%	16%
Transportation	--	--	--	1%	1%	1%
Child care	2%	4%	3%	--	--	--
Health/medical limitations of a family member	--	1%	1%	9%	6%	7%
Laid off / fired	--	--	--	4%	8%	6%
Child related issues	--	--	--	1%	--	--
Housing problems	--	--	--	1%	1%	1%
Lacked skills / lacked English	--	--	--	--	--	--
Began working in review month and did not work entire month	6%	2%	3%	--	--	--
Quit job	--	--	--	--	--	--
Other	4%	4%	4%	6%	1%	3%

Employed *Recipients* reported positive experiences in the workforce, as shown in Table 9. Over 90 percent liked their job, said they had the opportunity to do things they were good at, got help that they needed, and had friendly co-workers. Sixty-five percent reported that the pay was good, but only 37 percent thought they had a good chance of advancement with their current employer. Twenty percent said their job was boring and 20 percent worried about being laid off. Those off MFIP reported good hours and pay more often than those who remained on MFIP. Those off MFIP were less likely than those on to worry about being laid off.

Table 9. Job satisfaction for those employed in survey month 60

Job satisfaction	Any employment	On MFIP	Off MFIP
Count of surveyed	342	65	277
Overall, I liked my job	93%	95%	92%
I had the chance to do things I was good at	93%	89%	94%
Got help I needed to get my job done	92%	92%	92%
People I worked with were friendly	91%	91%	91%
Hours were good	88%	72%	92%
The pay was good	65%	42%	71%
Chances of moving up were good	37%	31%	39%
Work was boring	20%	17%	21%
I was worried that I would get laid off soon	20%	29%	17%

The 254 *Recipients* (three-quarters) employed in the review month who remained in the same job at the time of their interview, usually two months later, were asked additional questions pertaining to their job stability and advancement. Table 10 reports one-quarter of *Recipients* were working more hours than when they had started their job. Raises were received by 72 percent of *Recipients* and benefits had improved for 35 percent during that time.

Table 10. Advancement in current job

Status of job held from month 60 to time of interview	Employed in same job	On MFIP	Off MFIP
Count of surveyed	254	30	224
Work about same number of hours each week	87%	83%	87%
Gotten raise since began working for this employer	72%	37%	77%
Working full time	61%	37%	64%
Job benefits have improved since starting job	35%	20%	37%
Working more hours than when started job	25%	33%	24%
Worried about losing job	13%	17%	13%

Many *Recipients* perceived significant barriers to obtaining and retaining employment. Surveyed *Recipients* were asked whether the items in Table 11 were big problems for them in the review month. These barriers can be categorized as issues regarding local employment, child care, work readiness problems, and children.

Local employment problems—especially health insurance cost—were most often reported as big problems, followed by problems with child care. *Recipients* who were not working and on MFIP reported the highest number of big barriers to employment. For those not working, job availability and child care problems were bigger issues compared with those employed. Comparatively low numbers of *Recipients* reported their training, work experience, and job skills were big barriers in obtaining and retaining employment.

Table 11. Big barriers to employment in survey month 60 by employment status, welfare status and outcome group

Big barriers	All <i>Recipients*</i>	Not Working	Working	On MFIP	Off MFIP	Not working/ On MFIP	Not working/ Off MFIP	Working/ On MFIP	Working/ Off MFIP
Count of surveyed	504	162	342	142	362	77	85	65	277
Local employment problems									
Health insurance cost	27%	27%	28%	30%	26%	31%	22%	29%	27%
Health insurance availability	19%	17%	20%	21%	19%	23%	12%	18%	21%
Local job availability	18%	35%	10%	30%	13%	40%	31%	17%	8%
Local wages	16%	24%	12%	24%	13%	29%	20%	18%	10%
Transportation to work	13%	25%	6%	21%	9%	27%	24%	14%	5%
Having a place to live	3%	4%	2%	7%	1%	5%	4%	9%	1%
Child care problems									
Child care cost	10%	23%	4%	17%	8%	25%	21%	8%	4%
Child care availability	8%	18%	3%	15%	5%	21%	15%	8%	1%
Child care quality	7%	15%	3%	14%	4%	18%	12%	9%	1%
Child care reliability	6%	12%	4%	13%	4%	13%	12%	12%	1%
Work readiness problems									
Education or training	5%	14%	1%	8%	4%	13%	14%	3%	1%
Work experience	5%	14%	0%	8%	3%	14%	13%	0%	0%
Job skills	5%	13%	1%	6%	4%	12%	14%	0%	1%
Ability to speak English	1%	1%	1%	0%	1%	0%	2%	0%	1%
Special needs children									
	4%	9%	2%	8%	2%	12%	6%	3%	1%
Number of big barriers (mean)	1.3	1.9	1.0	2.2	1.0	2.7	1.4	1.5	0.8

*Note: SSI and RSDI recipients were excluded from this section of the survey.

Child Care

Securing quality child care that is reliable and affordable is difficult for many families. In 2003 the Child Care Assistance Program (CCAP) subsidized the cost of child care for low income families, both on and off assistance, through three programs: MFIP Child Care for families that received cash assistance, Transition Year Child Care for families who had left MFIP within the past 12 months, and Basic Sliding Fee Child Care for other families with low income.

CCAP funds are available to participants who are working, in training or education activities, searching for a job, and who have children under age 13, or children ages 13 and 14 with special needs. Two hundred seventy-nine surveyed *Recipients* met these criteria. The use of CCAP funds varied across the four outcomes groups, as reported in Table 12.

Half of the *Recipients* surveyed had the potential need for child care, yet only 16 percent received assistance from Minnesota's CCAP. Most families who reported that they had not applied for CCAP were using child care that did not cost money such as a friend or family member. For those who did pay for child care, monthly payments ranged from \$5 to \$720. *Recipients* who worked evening or weekend hours were close to half of each employed group. They used CCAP at similar rates as those working only traditional hours.

Table 12. Child care needs, costs, and assistance in survey month 60

Child Care	Not Working/ On MFIP	Not working / Off MFIP	Working / On MFIP	Working / Off MFIP	Total
Survey data	80	139	65	278	562
Potential child care need	22	5	55	197	279
Percent of all participants	28%	4%	85%	71%	50%
Receiving CCAP					
Minnesota	15%	0%	31%	20%	16%
Other state	0%	0%	0%	2%	1%
No CCAP					
Applied for CCAP	9%	4%	43%	32%	23%
Did not apply	4%	0%	11%	16%	10%
Family child care costs if > 0					
Count	4	1	20	98	123
Mean	\$60	\$100	\$118	\$166	\$154
Median	\$20	\$100	\$50	\$100	\$100
Range	\$20-150	\$100	\$5-\$400	\$5-\$720	\$5-\$720
Evening or weekend work hours	4%	1%	48%	40%	26%
Percent receiving CCAP	1%	0%	18%	13%	9%

Note: percentages based on all surveyed Recipients

Health Care Coverage

About one-fifth of the families had some uninsured members, shown in Table 13. Maintaining health insurance coverage proved more difficult for families leaving MFIP. Families of *Recipients* who were off MFIP and working were most likely to have uninsured members and were also most likely to have employer insurance. The insurance rate was highest among those who were not working and on MFIP; they were likely to receive coverage through a public health insurance program. Thirty-eight percent of working *Recipients* who were off MFIP maintained health insurance through their employer at least for themselves.

Ten percent of surveyed *Recipients* reported they did not receive needed medical care during calendar year 2002; nearly one-fifth reported they did not receive needed dental care. *Recipients* on MFIP and not working were most likely to have been able to get the health care services they needed.

Table 13. Family health care coverage and care in survey month 60

Health care coverage and care	Not working/ On MFIP	Not working/ Off MFIP	Working/ On MFIP	Working/ Off MFIP	All surveyed
Count of surveyed	80	139	65	278	562
All family members insured	93%	79%	92%	76%	81%
Some insured, some uninsured	5%	13%	6%	14%	11%
None insured	3%	8%	2%	10%	7%
Employer insurance	0%	2%	3%	38%	20%
Did not get needed care					
Medical care	4%	10%	15%	10%	10%
Dental care	15%	17%	20%	21%	19%

Health

DHS administers Minnesota's public health care coverage, primarily Medicaid (called Medical Assistance [MA] in Minnesota) and MinnesotaCare (Minnesota's State Children's Health Insurance Program). All Longitudinal Study participants were eligible for MA for at least part of the study period because MFIP eligibility made one categorically eligible for MA before 2002. Families that become ineligible for MA due to increases in earnings are assessed for MinnesotaCare eligibility. Seventy-three percent of *Recipients* who participated in the final survey had coverage through a public health care program during all or part of the three calendar years following the study, 2004 through 2006. Public health insurance rates ranged from 95 percent for each group on MFIP (working or not), to 83 percent for off and not working, and 65 percent for off and working.

Common Health Conditions

Table 14 reports the incidence of the most common diagnoses sampled *Recipients* received for chronic physical conditions during the six calendar years encompassing the Longitudinal Study and the following three calendar years, from 1998 to 2006: back problems (over half of these persons), asthma, hypertension, and diabetes.³⁴ Forty-three percent were pregnant at some time during this period. The most common mental health conditions were depression, posttraumatic stress disorder (PTSD), and anxiety state.³⁵ In fact, depression and depressive state accounted for 7 percent of all individual disease and injury diagnoses. Forty percent of the *Recipients* had a diagnosis for a serious mental health condition, including psychosis and personality disorder in addition to depression, PTSD, and anxiety state. Table 14 also shows the percentages of participants with tobacco, drug, or alcohol related diagnoses. These data are incomplete because not all participants were covered by public programs for the entire time, some being insured through employers, and some being uninsured for part of the time, especially in the post-study period.

The estimate of diabetes among all Minnesotans is a rate of 6 percent.³⁶ The latest national estimate was 7 percent in 2005.³⁷ Eleven percent of *Recipients* sampled at baseline had a claim submitted to a public health care program with a diabetes diagnosis sometime during the nine years. National estimates of the U.S. population are that 7 percent of all American adults experience asthma symptoms.³⁸ Claims for asthma were submitted on behalf of 22 percent of *Recipients* during this time period.

³⁴ Diagnoses data are from claims billing information in MMIS via the DHS data warehouse.

³⁵ In administrative data, depression includes all types of affective psychosis: major depressive disorder, manic disorder, bipolar affective disorder and manic-depressive psychosis. Depression NOS data were not included.

³⁶ Minnesota Department of Health (MDH) (<http://www.health.state.mn.us/diabetes/FactSheet2006final.pdf>).

³⁷ Center for Disease Control (CDC) (http://apps.nccd.cdc.gov/ddtstrs/template/ndfs_2005.pdf).

³⁸ National Health Interview Survey (http://www.cdc.gov/nchs/data/series/sr_10/sr10_232.pdf).

Table 14. Sampled *Recipients* with diagnoses by time period

<i>Recipient</i> diagnoses in public health care claims	<i>Recipients</i> (N=843)		
	During study	Post-study	Either period
Physical health			
Back problems	43%	28%	53%
Asthma	17%	12%	22%
Hypertension	12%	13%	17%
Diabetes	8%	8%	11%
Pregnancy	40%	30%	43%
Mental health			
Serious mental health diagnosis	32%	25%	40%
Depression	22%	17%	28%
Anxiety state	18%	14%	26%
PTSD	5%	5%	7%
Chemical health			
Tobacco use	39%	25%	47%
Drug use or dependence	14%	12%	19%
Alcohol dependence	12%	8%	16%

Forty percent of *Recipients* sampled at baseline had a serious mental health diagnosis (for one of the five conditions listed above) covered by public health care coverage during the nine years. Over one-quarter received diagnoses of depression or anxiety state. Forty-four percent of *Recipients* reported they had been diagnosed with depression at any time in the past and 21 percent reported they were under a doctor's care for depression at the last survey. Major depressive disorders affect 7 percent of Americans annually.³⁹ National estimates report the annual rate of anxiety disorder as 18 percent.⁴⁰

Rates of chemical related diagnoses among Longitudinal Study participants were also above estimates in the general population. In this sample, 19 percent had a diagnosis of drug dependence, and 16 percent had been diagnosed with alcohol dependence. Five percent of surveyed *Recipients* admitted to drug or alcohol abuse during the past year, and 17 percent reported having been in chemical dependency treatment in the past. The estimated rate of drug abuse in the general population is 1 percent, and the rate of alcohol abuse is 3 percent.⁴¹ In addition, nearly half of *Recipients* in the sample had used tobacco.

Relationship of Health and Employment

Health conditions can impact a person's ability to obtain and retain employment. Table 15 shows the percentages of respondents who had been diagnosed with various conditions over the course of the study by their employment status reported on the month 60 survey. The group not working had more people diagnosed with each of these physical, mental, and chemical health problems than those who were employed at the end

³⁹ National Comorbidity Survey (NCS-R) (<http://mentalhealth.samhsa.gov/publications/allpubs/sma06-4195/chp15table1.asp>).

⁴⁰ Op. cit.

⁴¹ Op. cit.

of the study. The group not working also had more months with eligibility for public health care programs than the employed during those years, a trend that continued into the three following years when they averaged 27 versus 17 months of medical eligibility.

Table 15. Incidence and severity of surveyed *Recipients* diagnoses from 1998 to 2003 by employment status in survey month 60

<i>Recipient</i> medical data by employment in survey month 60	Diagnoses during the study			Mean number of claims submitted per month of eligibility for persons with diagnosis during study		Ratio working to not working	Significance
	Not Working	Working	Total	Not Working	Working		
Count of participants	219	343	562				
Physical Health							
Back	54%	42%	47%	0.25	0.10	2.5	**
Asthma	24%	16%	19%	0.14	0.14	1.0	
Hypertension	15%	11%	12%	0.24	0.21	1.1	
Diabetes	11%	9%	10%	0.68	0.34	2.0	
Mental Health							
Serious mental health diagnosis	45%	27%	34%	0.61	0.16	3.8	***
Depression	37%	16%	24%	0.48	0.15	3.2	**
Anxiety state	25%	15%	19%	0.09	0.07	1.3	
Personality disorder	9%	4%	6%	0.01	0.00	0.00	
PTSD	9%	2%	5%	0.38	0.19	2.0	
Psychosis	3%	1%	2%	0.00	0.00	0.00	
Chemical Health							
Tobacco	49%	41%	44%	0.10	0.07	1.4	**
Drugs	20%	8%	13%	0.30	0.08	3.8	*
Alcohol	16%	7%	11%	0.11	0.12	0.9	
Public health care coverage							
During study (1998 to 2003)							
Percent with eligibility	100%	100%	100%				
Mean number of eligible months per 72	60	49	53				
Post-study (2004 to 2006)							
Percent with eligibility	88%	70%	77%				
Mean number of months per 36, if any	27	17	21				

Note: Mean number of claims submitted per month of eligibility was calculated for each individual and then averaged for the not working and working groups. Tests of differences in mean number of claims per month: * p = .05. ** p = .01, *** p = .001

The number of claims was used as a proxy for the severity of the condition. The center columns report the average number of times the diagnosis appeared on public health insurance claims per month of eligibility for persons with the diagnosis.⁴² This number was higher for the *Recipients* who were not working in every diagnosis, except for alcohol dependence and asthma. These differences were significant for back problems, serious mental health diagnoses, depression, drug addiction and tobacco use. For example, *Recipients* who were not working in the final review month of the study and were diagnosed with a serious mental health disorder had, on average, more than three times as many claims during the months they were eligible for a public health care program in 1998 through 2003 than *Recipients* with the same diagnosis who were employed in the final review month.

⁴² Employed *Recipients* had fewer months of eligibility for public health insurance programs and could potentially have had fewer claims submitted for that reason.

Children

MFIP rules include the regulations of the federal TANF program that were designed to move welfare recipients into the workforce through time limits on benefits and benefit sanctions for adult participants who do not comply with program rules. Even though MFIP serves many more children than adults, the services and data collection focus on adults and there is little information that MFIP collects on the experience of children in MFIP families. At the end of the five years of the study, in December 2003, 84,859 children were eligible for MFIP compared with 39,993 adult caregivers.⁴³ The MFIP caseload size has been decreasing over time and by December 2006, 64,662 children and 25,557 adult caregivers received assistance through MFIP.⁴⁴ This portion of the report uses administrative data on health and education and survey data on teens and adult children to explore child outcomes. The analyses of health and education focus on the children of MFIP caregivers in the study who participated in both the second longitudinal survey, six months from baseline, and the final survey. Identifiers for the children were collected during the second survey and used for matching with other systems.⁴⁵

Health

Administrative data on the health of all minor children from this study group whose caregiver responded to the final survey are reported in Table 16. The ages of the children in the table refer to the child's age at the six-month survey. Diagnoses were taken from claims submitted to public health programs from the beginning of the study in 1998 through 2006. Younger children are likely to have been covered by a public health plan during more of the study period compared to high school students who may have aged out of public health coverage. Many young adults do not have a basis of eligibility for Medical Assistance after they turn 21 and many do not maintain a health care case of their own once they leave home. The information reported in the table does not control for the amount of time the child was covered.

Excluded from the table are preventive care, symptoms, colds, and injuries. The most common diagnoses of physical conditions were otitis media, asthma, and diabetes. Otitis media, infection of the middle ear, was the most commonly diagnosed physical condition with nearly half of children in the study receiving the diagnosis during the study period. Nationally, an estimated 75 percent of children receive the diagnosis before age three.⁴⁶ One-quarter of children had a diagnosis of asthma over the study period and 3 percent

⁴³ Characteristics of December 2003 Minnesota Family Investment Program: Cases and Eligible Adults, August, 2004. (<http://edocs.dhs.state.mn.us/lfserver/Legacy/DHS-4219E-ENG>).

⁴⁴ Characteristics of December 2006 Minnesota Family Investment Program: Cases and Eligible Adults, August 2007. (<http://edocs.dhs.state.mn.us/lfserver/Legacy/DHS-4219H-ENG>).

⁴⁵ Health data from MMIS via DHS data warehouse and education data from Minnesota Department of Education via University of Minnesota MinnLink

⁴⁶ American Speech-Language-Hearing Association. (<http://www.asha.org/public/hearing/disorders/causes.htm>).

were diagnosed with diabetes. National estimates show about 9 percent of children under age 18 have asthma and 0.2 percent of children under age 20 have diabetes.⁴⁷

Table 16. Health diagnoses from 1998-2006 by child age group at 6-month survey

Child medical data by age group	Babies 0-2 yrs	Preschool 3-5 yrs	Elementary 6-10 yrs	Middle 11-14 yrs	High school 15-18 yrs	Total
	240	216	339	191	108	1094
Physical Health						
Otitis media	85%	53%	36%	23%	17%	46%
Asthma	31%	26%	23%	25%	16%	25%
Diabetes	3%	3%	2%	3%	3%	3%
Mental Health						
Adjustment reaction	14%	18%	23%	22%	10%	18%
Hyperkinetic	20%	18%	21%	13%	4%	17%
Emotional disturbance of childhood	11%	13%	15%	15%	1%	12%
Anxiety	4%	6%	11%	9%	7%	8%
Depression	4%	5%	11%	9%	8%	8%
PTSD	1%	4%	5%	4%	5%	4%
Personality disorder	3%	2%	2%	3%	6%	3%
Psychosis	2%	1%	1%	1%	2%	1%
Childhood psychosis	2%	1%	1%	1%	2%	1%
Chemical Health						
Tobacco	0%	0%	7%	22%	23%	8%
Drugs	3%	2%	9%	15%	19%	8%
Alcohol	1%	1%	4%	8%	7%	3%

Nationally, an estimated 20 percent of children and adolescents have a diagnosable mental health disorder.⁴⁸ In this study, 34 percent had any of the mental health conditions listed in Table 16. The most common mental health diagnosis for children in the Longitudinal Study was adjustment reaction which includes conditions such as brief or prolonged depressive reaction, separation anxiety disorder, and prolonged PTSD.⁴⁹ The hyperkinetic diagnosis includes attention deficit hyperactivity disorder (ADHD) and affected 17 percent of the children. Children who were younger when the study began were diagnosed with hyperkinetic disorders at higher rates than older children. Emotional disturbance of childhood includes diagnoses such as shyness disorder, overanxious disorder, and sibling jealousy. Elementary and middle school-age children had the highest rates, each with 15 percent. Eight percent of children had a diagnosis of depression and 8 percent were diagnosed with anxiety. Personality disorders were diagnosed in 3 percent of the children and psychosis in 1 percent.

Diagnoses based on the use of drugs, alcohol, and tobacco were most common among children who were older when the study began. Drug and tobacco diagnoses were far more common than alcohol.

⁴⁷ American Lung Association. (<http://www.lungusa.org/site/pp.asp?c=dvLUK9O0E&b=22782>). National Diabetes Education Program. (http://ndep.nih.gov/diabetes/youth/youth_FS.htm#Statistics).

⁴⁸ SAMSHA child and adolescent mental health (<http://mentalhealth.samhsa.gov/publications/allpubs/CA-0004/default.asp>).

⁴⁹ Ericson, B., Baierschmidt, C., Turner, K., Fisher, L., Wankier, R., Miller, S., Hodges., (1997). Medicode. Salt Lake City, UT: Medicode Publications.

Ninety-nine daughters of the 562 surveyed *Recipients* were age 13 or older at the 6-month survey. Fifty-nine percent had a claim submitted to a public health insurance program due to pregnancy between 1998 and 2006.⁵⁰ Forty-six percent had become caregivers on their own MFIP case. These women could have been in their mid-twenties by the end of the period.

School-age Children and Education

The Minnesota Department of Education (MDE) collects data on students enrolled in Kindergarten through 12th grade public schools. Data are collected on a student's attendance, eligibility for special education, and the number of schools they attend during an academic year. Attendance is reported as a ratio: the number of days attended divided by the number of days school is in session, converted to a percentage. To be eligible for special education a child must have an assessment by a team of professionals, plus a parent of the child, which concludes that the child has a disability and needs an Individualized Education Program (IEP).⁵¹ The number of times a child changes schools during an academic year (the number of schools attended minus one) was averaged across the children in each age group. Changing schools during an academic year can impede a child's learning.⁵² Some, but not all, school changes indicate changes in residence of the child.

The academic years 2000-2001, 2001-2002, and 2002-2003 were grouped to represent the time period during the study. Next, all children who hit the target ages 7, 11, and 15 during those academic years were included and the data from the academic year in which they hit the target age were used for the analysis. The three ages were chosen to represent elementary, middle, and high school. The analysis was conducted by child age rather than academic year to increase the number of children for the analysis and because grade level does not necessarily conform to child age. Table 17 reports these academic measures by educational status of the caregiver when she gave birth to her first child, the number of counted MFIP months, the caregiver's age at baseline, the household's region of residence during the final survey, and the race of the child.

Results of the analysis show little variation in attendance, special education, or school change rates across the demographic groups; fewer than 5 percent of the statistical tests were significant. However, compared to statewide averages, the children in the Longitudinal Study attended less and had higher rates of special education. Statewide attendance during the study years averaged 96 percent for 1st and 5th graders while seven and 11 year olds in the study attended an average of 88 and 89 percent of the

⁵⁰The income limits of Medical Assistance and MinnesotaCare for pregnant women are set at 275 percent of FPG. A pregnant woman is considered a household of two and therefore women with moderate incomes can qualify for public health insurance during pregnancy.

⁵¹ Minnesota Department of Education:

(<http://education.state.mn.us/mdeprod/groups/Finance/documents/Report/001601.pdf>) and

Learning Disabilities Association of America

(http://www.ldanatl.org/aboutld/parents/special_ed/eligibility.asp).

⁵² Myers, Samuel. (1997). Analysis of the 1996 Minnesota Basic Standards Test Data. Roy Wilkins Center for Human Relations and Social Justice, Hubert H. Humphrey Institute of Public Affairs University of Minnesota.

**Table 17. Attendance, special education, and school change of seven, 11, and 15 year-olds during the study (2000-2003)
by demographic group**

School data	Seven year olds				Eleven year olds				Fifteen year olds				
	Count	Attendance	Special Ed	School Change	Count	Attendance	Special Ed	School Change	Count	Attendance	Special Ed	School Change	
Statewide average during study													
Mean of children in sample	150	95.7%	19.3%	0.46	184	95.9%	21.2%	0.52	123	92.6%	26.0%	1.03	
Caregiver's education at first birth													
	High school or GED	63	86.9%	20.6%	0.33	72	92.0%	25.0%	0.43	83	79.6%	25.0%	0.90
No	87	89.2%	18.4%	0.55	112	86.8%	18.8%	0.57	40	81.6%	26.5%	1.10	
MFIP counted months						*		*					
	0-24	40	85.6%	20.0%	0.38	54	94.8%	24.1%	0.46	32	80.9%	15.6%	0.81
	25-48	55	92.2%	20.0%	0.45	69	85.5%	18.8%	0.33	42	78.1%	31.0%	1.24
	49 or more	55	86.2%	18.2%	0.53	61	87.2%	21.3%	0.77	49	83.4%	28.6%	1.00
Caregiver's age at baseline													
	Teens	16	80.3%	6.3%	0.50	0	0.0%	0.0%	0.00	0	0.0%	0.0%	0.00
	Twenties	99	88.3%	22.2%	0.43	90	87.0%	22.2%	0.54	18	80.2%	44.4%	0.61
	Thirties	35	91.5%	17.1%	0.51	94	90.5%	20.2%	0.49	105	81.1%	22.9%	1.10
Region at 60-month review													
	Hennepin	27	85.8%	14.8%	0.70	57	89.2%	22.8%	0.68	45	84.5%	33.3%	1.00
	Ramsey	43	90.1%	27.9%	0.72	39	90.1%	17.9%	0.79	22	79.2%	31.8%	1.18
	Metro suburbs	31	86.7%	22.6%	0.19	26	91.0%	23.1%	0.35	14	75.8%	35.7%	1.07
Greater Minnesota	45	92.4%	13.3%	0.27	53	90.9%	18.9%	0.25	38	82.4%	10.5%	0.89	
Race of child								*					
	Asian	8	83.5%	37.5%	0.25	7	95.0%	0.0%	1.00	5	93.8%	40.0%	1.00
	Black	48	90.0%	22.9%	0.65	82	85.4%	18.3%	0.70	61	81.1%	31.1%	1.00
	Hispanic	11	92.0%	27.3%	0.64	8	92.8%	25.0%	0.50	5	71.7%	0.0%	2.00
	American Indian	8	82.3%	12.5%	0.50	18	89.7%	22.2%	0.56	10	79.3%	20.0%	0.80
	White	75	87.7%	14.7%	0.33	69	91.5%	26.1%	0.25	42	80.8%	21.4%	1.02

Notes: statewide attendance average is of 1st grade, 5th grade and 10th grade during 2000-2003. Children who moved out of state are not included in the regional analysis.
* F significant at p = .05 or less

time, respectively. Fifteen year olds attended school 81 percent of the time compared to 93 percent statewide. Estimates show between 9 and 14 percent of students in the general population receive special education services and this number has been rising slowly in recent years.⁵³ The rate of students in the study who received special education ranged from 19 to 26 percent for the three age groups during the study years, well above the estimates in the general student population.

School change rates were closely related to the race of 11 year olds during the study. White children had a school change rate of 0.25 whereas Black children had a rate of 0.70. Other children of color also had much higher rates than white children, however the counts of children in the other groups are very small.

Recipients with school-age children, ages 6 to 18, were asked how their oldest school-age child was doing in school at the last survey month. Sixty percent reported their child was doing well or very well. Twenty-six percent reported average performance and 13 percent reported below average or poor performance.

A majority, 80 percent, of *Recipients* with children still in the home reported that their working was not a problem for their oldest school-age child. Working was reported to be a problem for the oldest school-age child by 15 percent of *Recipients*. The types of problems reported included the child's behavior or anxiety. Other problems were related to schedules, such as not being home in the evenings to spend time together and help with homework. Over time, most *Recipients* reported the situation had improved.

Adolescents and Adult Children

The 334 *Recipients* with children ages 10 to 17 in 2003 were asked about the past year. Thirty percent reported a child who had been suspended or expelled from school and 17 percent reported a child who had been truant.⁵⁴ Thirteen percent of *Recipients* reported their adolescent had been in trouble with the police. Six percent reported problems with drugs or alcohol and 2 percent reported their child had done something illegal to get money. Three percent had children who had dropped out of school prior to graduation and 3 percent had children in this age range who had been pregnant or had gotten someone pregnant.

⁵³Office of Special Education and Rehabilitative Services. U.S. Department of Education (<http://www.ed.gov/about/reports/annual/osep/2003/25th-vol-1.pdf>). 25th annual report to congress on the implementation of the individuals with disabilities education act. (http://blogs.chron.com/schoolzone/2007/04/testing_special_education_1.html).

⁵⁴ National data estimate 10.5 percent of students ages 12-18 have skipped 5-9 days of school and 5.1 have skipped 10 or more days. Source: National Center for Education Statistics, available online (http://nces.ed.gov/surveys/ssocs/tables/scs_2003_tab_21.asp).

States must report an aggregate count of students with seven or more unexcused absences in a school year to comply with No Child Left Behind.

(http://education.state.mn.us/MDE/Learning_Support/Safe_and_Healthy_Learners/Disciplinary_Incident_Reporting_System/DIRS_Help/Checklist/index.html).

Asked about the rewards of raising children in this age group, *Recipients* reported children earning good grades, making the honor roll, and having talent in athletics and music. Caregivers also reported they were proud that their children were helping others and going to college.

By the study's end, 168 of the 562 *Recipients* had children 18 or older, a total of 341 adult children. They said 45 percent of the adult children had high school diplomas, an additional 18 percent had a GED, and 33 percent had some education beyond high school. Three percent had completed bachelor's degrees. Fifty-six percent were working, 34 percent full time.

Generational Poverty

Determining the rate of generational poverty among study *Recipients* is difficult due to incomplete data. Administrative data can only be traced back to 1992 when the MAXIS system was introduced and only tracks cases in Minnesota. Many *Recipients* grew up in other states and moved to Minnesota as adults. Some people do not know or remember family history of welfare receipt. Also, many of the children of *Recipients* in this study are not yet of childbearing age and so may become MFIP caregivers in the future. A lower-bound estimate of three-generation poverty was calculated using available data. Participants were asked on the baseline survey whether they knew their family had received AFDC when they were children. Twenty-two percent reported positively. Four percent of all *Recipients* recalled being on assistance as a child and already had children who had become MFIP caregivers on their own cases by 2006. More study is needed on generational poverty.

Participant Reflections

As part of the last survey, interviewers asked respondents to reflect on the progress they made towards becoming self-supporting during the five years of the study. Questions focused on career goals, housing situations, overall health, help and support from family and community, education, improving job skills, and social services.

Seventy-two percent of respondents reported their overall situation was better than it had been five years previous. They described more income, better housing and schools for their children, and more positive relationships with spouses or partners. Many who were employed and off MFIP in the review month reported increased self-confidence.

I have my own place now in a nice neighborhood. We're much better off financially now that I'm working and have a job with benefits. Supporting my family on my own has helped me build confidence.

I'm less stressed and less worried about my kids getting into trouble now that we've moved to a better neighborhood. My depression is under control and I'm happily married.

Financial hardship, health problems, homelessness, and unemployment were reported by the 12 percent of respondents who said their situation was worse than at the start of the study.

I no longer have my kids with me and my depression has gotten a lot worse. I also have a lot of debt.

The remaining 16 percent reported that their situation was the same as it had been when the study began.

Still unemployed, still depending on others to help me financially, still no education.

Goal Directedness

At the beginning of the study, interviewers asked participants about their career goals and at the final interview, participants were asked if they worked toward that goal during the last five years.⁵⁵ Forty percent of these respondents reported they had worked toward their original goal, 45 percent had not, and the remaining 15 percent did not have a stated goal at the beginning of the study.

As shown in Table 18, of the 198 persons who reported working towards their goal, 73 percent were employed at the last survey and 76 percent were no longer receiving MFIP. Of the 225 persons who had not worked towards their goal, 64 percent were employed and 70 percent had left MFIP. For the group that did not report a goal at the beginning of the study, 65 percent were working and 65 percent were off MFIP. Average calendar

⁵⁵ Those receiving RSDI or SSI were not asked the questions in this section, leaving 501 respondents.

year 2003 wages reported to the Unemployment Insurance system of those employed were highest for *Recipients* who had a goal at the start of the study and worked toward it.

Table 18. Recipient outcome measures by goal directedness

	Worked toward goal	Did not work toward goal	Did not have goal	Total
Count	198	225	78	501
Percent of total	40%	45%	15%	100%
Off MFIP	76%	70%	65%	72%
Employed	73%	64%	65%	68%
Average calendar year 2003 wages*	\$11,649	\$8,739	\$7,448	\$9,688
Average calendar year 2006 wages*	\$14,437	\$9,728	\$10,273	\$11,674

Note: *F significant at p = .05 or less

Changing goals was the most common reason given for why respondents did not work toward their original goal. Others cited health conditions, the birth of additional children, and lack of time and resources as reasons they did not pursue their goal.

Work Towards Self-Support

Recipients responded to questions about specific work they had done over the past five years to move their families toward self-support. The questions focused on education, job readiness, and family life. Table 19 reports the items respondents worked on by their outcome group at survey month 60 and by the professionals who helped them.

Table 19. Work done over five years by outcome group at survey month 60

	Not working/On MFIP	Not working/Off MFIP	Working/On MFIP	Working/Off MFIP	Total
Count	80	139	65	278	562
Percent	14%	25%	12%	49%	100%
Items					
Balancing work and home	83%	52%	91%	89%	79%
Problems with children	66%	67%	75%	70%	69%
Improving job skills	60%	36%	59%	62%	55%
Furthering education	60%	45%	54%	50%	51%
Parenting skills	58%	44%	43%	44%	46%
Depression	50%	48%	32%	29%	37%
Relationship problems	34%	29%	25%	32%	31%
Professionals					
Counselor or social worker for participant	48%	43%	39%	27%	35%
School social worker	36%	36%	31%	28%	32%
Counselor or social worker for other family member	39%	35%	28%	30%	32%
Probation officer	19%	16%	29%	13%	16%
Chemical dependency help for participant	10%	18%	15%	8%	12%
Truancy officer	6%	7%	17%	9%	9%
Chemical dependency help for other family member	6%	7%	11%	8%	8%

Seventy-nine percent of respondents reported they worked on figuring out how to work and raise children at the same time. This response was most common among those working during the review month. Working on problems with their children was the second most common response, with 69 percent of respondents reporting this.

Increasing the educational attainment of participants and improving their job skills can help families become self-supporting. MFIP Employment Services are designed to

further this effort. Half of respondents reported they had worked on getting more education over the course of the study and 55 percent said they had worked on improving their job skills.

Differences among the outcome groups in the type of work towards self-support respondents had done are evident. Those not employed during the review month reported working with social workers and counselors at higher rates than those employed. Many *Recipients* not in the labor market were working to improve the situations of their families. The group not working and off MFIP reported a far lower rate of working to improve job skills than the other three groups. Those not employed and on MFIP reported working on parenting skills at the highest rate. Employed respondents who remained on MFIP reported working with probation and truancy officers at the highest rate of any outcome group.

Other Measures of Progress

Housing situations and health problems can derail a *Recipient's* progress. Sixty-two percent of *Recipients* reported that their housing situation had improved over the past five years and 8 percent reported that their housing situation had worsened. Sixty-eight percent reported their overall health in the past five years was good or excellent and 35 percent reported they experienced a health crisis over the course of the study.

Having the support of others is a factor linked to success and 56 percent reported they received support from others, including family, partners, friends, co-workers, communities of faith, social service agencies, and county workers.

Five-Year Summary

The survey asked, "How have you and your family moved toward being able to provide everything your family needs without MFIP?" Participants who were the most successful in maintaining stable lives articulated a clear path towards self-support which usually included education or training and moves up the career ladder. Participants who experienced more instability had difficulty recounting the steps they had taken.

Many participants, both on and off MFIP, were able to describe specific steps they had taken to become self-supporting. The following are paraphrases of how they typically answered this question.

I've been working as much as I can and trying to be disciplined with the money coming in. I started working as a server at a restaurant while attending community college. After I graduated I got a job as a legal secretary with a good salary and benefits. Now I earn more money in two weeks than I received from the county for a whole month.

I've worked continually over the past five years. I've always tried to work full time, but when full-time jobs weren't available I'd work two part-time jobs. I learned

not to quit a job before I have the next one lined up. I've been building my resume by taking on more responsible jobs and building my reputation with a good attendance record. I've also increased my self-confidence by meeting challenges at work.

Participants who were struggling had difficulty explaining the steps they had taken towards self-support over the past five years. Sometimes interviewers recorded, "participant could not answer"; other respondents gave inappropriate answers such as reporting future plans rather than describing steps already taken.

I've been looking for jobs with temp agencies. They haven't had anything for me. I go to the food shelf. Transportation is a problem for me.

I haven't done a whole lot, I'm still on MFIP. I worked a couple of jobs, but nothing worked out. I've learned to have a little patience.

I haven't been employed since 2001. I worked seasonal jobs before that. I was diagnosed with depression and applied for SSI. They denied my application and I haven't appealed it yet.

The threat of the 60-month time limit may not motivate those who lack the ability to plan for the future until the limit is imminent. Participants who were not able to look back and describe steps they have taken in five years to become self-supporting, were not likely to have been able to plan ahead and use their 60 months of assistance productively.

SECTION III: BEYOND EMPLOYMENT AND WELFARE USE

Throughout the study, groupings based on employment and welfare status have been used to summarize outcomes for participants. In the final survey, reviewers sought to further elaborate on the experiences of MFIP participants in relation to both their potential to become self-supporting and the stability of participants' lives. Whether participants left MFIP or found employment were not the only indicators of success in maintaining a secure life situation for themselves and their children. This section summarizes the experiences of Recipients by ten categories of stability and reports on a small follow-up survey conducted in 2007. The names and details in the stories in this section have been altered to protect the privacy of study participants.

Stability Groups

Participants were first grouped according to their welfare status when interviewed about review month 60 (generally two months later): on MFIP (14 percent of respondents), off MFIP (80 percent), or on MFIP extension (6 percent). Interviewers then made a judgment to place participants into one of four categories that described levels of self-support and stability: those whose lives were stable, somewhat stable, unstable and very unstable at the time of the interview. The categories of extended *Recipients* were condensed into those with long-term and short-term extensions as the extended group was quite small. This created ten categories of *Recipients*.

The stable category includes *Recipients* who were able to support their families without help from MFIP, or with minimal help who expected to be off MFIP soon. These families were able to cover their basic needs, had housing of their own, and reported no current major life difficulties. The very unstable category was used for families who did not have income to meet their needs and were facing other serious difficulties. Many of these families were in crisis. The somewhat stable and unstable categories contain *Recipients* who may or may not have had income to cover their expenses and had varying barriers to stability and self-support.

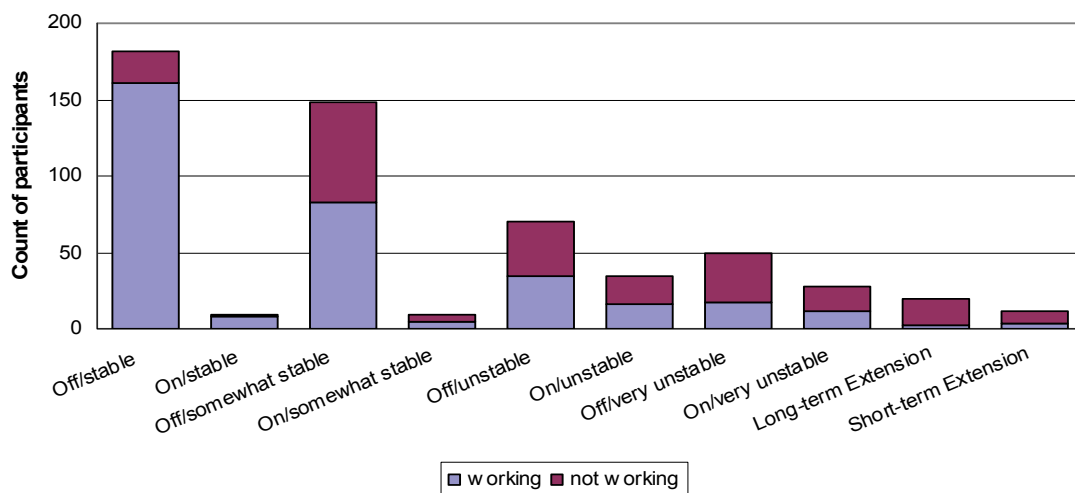
Income and expenses were not the only indicators considered when sorting *Recipients* into the ten categories. Interviewers evaluated a *Recipient's* stability and ability to be self-supporting by looking for stressful life events such as homelessness, chemical dependency, family violence, reliance on other public assistance programs, depression, and other mental illnesses. Interviewers also assessed social support available to the *Recipient* from family, friends, county workers, or others in the community. In addition, interviewers noted the number and ages of children in the household along with special needs or behavior problems. The *Recipient's* education level and employment history as well as the presence of a second parent in the household were all factors that were considered in the category selection.

Because participants face such a wide array and varying combinations of stressful life events, there were not set criteria, just general guidelines for who should be placed in which category. For example, a history of chemical dependency did not disqualify a participant from obtaining a 'stable' rating. The only rule was for SSI caregivers who were not receiving MFIP themselves, but whose children remained on MFIP. These families were excluded from the stable category because of their continued reliance on MFIP.

The interviewer would first make a determination using available information in all the surveys completed with the participant and administrative data as to which category best fit the *Recipient's* life situation. Next, a team of second party reviewers, with years of experience working with public assistance recipients, reviewed the cases to evaluate the interviewer's category selection to ensure a level of consistency across all interviewers and categories. The second party reviewers were a subset of interviewers.

Figure 13 depicts the number of *Recipients* in each category and the portion of each group that was employed in the review month. The group off MFIP and stable was the largest of the ten groups. The portion of employed *Recipients* by stability rating is fairly consistent between those on and off MFIP (see Table 20).

Figure 13. Stability rating at final interview and employment status



The tables in this section report the stability and welfare status of the participant at the time of their final interview. The income and demographic measures report information from the review month. Some *Recipients* experienced changes in circumstances between their review month and the month the interview was conducted. *Recipient* stories are included in this section to further illustrate the experiences of MFIP participants.

Tables 20 for stability groups and 21 for welfare status groups in the interview month report demographic and income data for the *Recipients* at the final review. These tables are descriptive inasmuch as the groupings were formed using the 2003 data. The measures report point-in-time statistics from the review month with the exceptions of the UI wages that show average 2003 calendar year earnings across all participants in the category and diagnosis data from administrative records which cover the time period of the study: 1998-2003.

Table 20. Demographic and income characteristics of the ten stability categories

MFIP Longitudinal Study Recipients Sample Surveyed regarding Month 60 (N=562)	Off MFIP				Extended MFIP		On MFIP			Total
	Stable	Somewhat stable	Unstable	Very unstable	Long-term	Short-term	Stable	Somewhat stable	Unstable	Very unstable
Count of Recipients	182	148	70	49	20	12	9	9	35	28
Percent of Recipients	32%	26%	12%	9%	4%	2%	2%	2%	6%	5%
100%										
HOUSEHOLD										
Family size: mean	3.2	3.2	3.3	2.9	3.7	4.3	3.6	4.0	3.3	3.5
Spouse/second parent in household	30%	18%	17%	6%	10%	17%	11%	11%	9%	21%
INCOME										
Total family income	\$2,633	\$1,638	\$1,306	\$707	\$1,007	\$1,305	\$1,921	\$1,230	\$1,325	\$1,553
Earned income of participant	\$1,581	\$710	\$584	\$291	\$86	\$205	\$1,172	\$504	\$420	\$364
Poverty rate	10%	37%	63%	78%	90%	75%	22%	89%	63%	54%
Mean percentage of Federal Poverty Guideline (FPG)	201%	124%	101%	61%	71%	81%	137%	81%	101%	105%
Any participant earnings in survey month 60	88%	56%	49%	35%	10%	33%	89%	56%	46%	43%
Percent with Unemployment Insurance wages in 2003	80%	66%	64%	49%	50%	83%	89%	89%	77%	71%
Unemployment Insurance reported wages: 2003 mean	\$15,302	\$7,797	\$6,540	\$1,830	\$1,199	\$2,063	\$9,389	\$5,000	\$4,131	\$3,448
PUBLIC PROGRAMS										
SSI for participant	0%	23%	14%	6%	0%	8%	0%	0%	0%	0%
MFIP counted months through end of 2003	24	33	39	41	60	60	34	40	43	45
HOUSING										
Subsidized rental or public housing	29%	42%	41%	29%	75%	67%	33%	56%	54%	29%
Housing poverty (Housing costs > 30% from all families)	38%	44%	47%	41%	40%	33%	11%	33%	31%	54%
DEMOGRAPHICS										
High school diploma or GED or more	87%	78%	69%	76%	65%	67%	78%	89%	77%	50%
Special education history	13%	21%	30%	18%	30%	25%	22%	0%	23%	36%
Age group at baseline review month										
Teens	12%	7%	6%	14%	0%	0%	22%	33%	17%	39%
Twenties	49%	46%	37%	35%	65%	67%	56%	56%	60%	25%
Thirties	39%	47%	57%	51%	35%	33%	22%	11%	23%	36%
Race										
Asian/Pacific Islander	3%	6%	3%	2%	0%	0%	0%	11%	3%	0%
Black	20%	26%	34%	45%	55%	42%	33%	44%	40%	43%
Hispanic	4%	5%	4%	6%	5%	8%	11%	0%	9%	4%
American Indian	8%	6%	9%	16%	15%	8%	0%	11%	11%	11%
White	65%	57%	50%	31%	25%	42%	56%	33%	37%	43%
CHALLENGES										
Serious mental health diagnosis of participant	21%	45%	43%	27%	60%	33%	11%	22%	37%	50%
Alcohol or drug use diagnosis of participant	4%	12%	31%	39%	35%	42%	0%	22%	17%	36%
Participant ever in jail	15%	22%	39%	39%	35%	42%	0%	22%	34%	43%
Any second parent ever in jail	57%	55%	60%	67%	80%	75%	56%	56%	66%	75%

Table 21. Demographic and income characteristics by welfare status

MFIP Longitudinal Study Recipients Sample Survey regarding Month 60 (N=562):	Off MFIP	Extended	On MFIP	Total
Count of Recipients	449	32	81	562
Percent of Recipients	80%	6%	14%	100%
HOUSEHOLD				
Family size (participant, 2nd parent, own or relative care children): mean	3.2	3.9	3.4	3.3
Spouse/second parent in household	21%	13%	14%	20%
Region of residence at interview				
Out-of-state	10%	0%	1%	8%
Hennepin County	24%	22%	26%	24%
Ramsey County	16%	47%	28%	20%
Twin Cities suburban counties	15%	13%	16%	15%
Greater Minnesota	35%	19%	28%	33%
INCOME				
Total family income	\$1,888	\$1,119	\$1,459	\$1,782
Earned income of participant	\$997	\$130	\$494	\$875
Earned income from 2nd parent	\$398	\$88	\$129	\$341
MFIP cash and food	\$79	\$765	\$543	\$185
Other public programs (FS, EA, GA, MSA, TANF other state)	\$73	\$76	\$61	\$71
Child support	\$119	\$42	\$139	\$117
Unearned income	\$223	\$17	\$93	\$192
Poverty rate	35%	84%	58%	41%
Mean percentage of Federal Poverty Guideline (FPG)	145%	74%	104%	135%
Any participant earnings in survey month 60	66%	19%	51%	61%
Percent with Unemployment Insurance wages in 2003	69%	63%	78%	70%
Unemployment Insurance reported wages: 2003 mean	\$9,992	\$1,523	\$4,576	\$8,729
PUBLIC PROGRAMS				
Food Support	24%	34%	11%	23%
SSI for participant	10%	3%	0%	9%
MFIP counted months through end of 2003	31	60	43	33
HOUSING				
Subsidized rental or public housing	35%	72%	43%	38%
Housing poverty (Housing costs > 30 percent of family income)	42%	38%	37%	41%
DEMOGRAPHICS				
High school diploma or GED or more	80%	66%	69%	77%
Some college or post-secondary certificate	52%	44%	48%	51%
Bachelor's degree	5%	0%	1%	4%
Special education history	19%	28%	25%	20%
Age group at baseline review month				
Teens	9%	0%	27%	11%
Twenties	45%	66%	47%	46%
Thirties	46%	34%	26%	42%
Race				
Asian/Pacific Islander	4%	0%	2%	4%
Black	27%	50%	41%	30%
Hispanic	4%	6%	6%	5%
American Indian	8%	13%	10%	9%
White	56%	31%	41%	52%
CHALLENGES				
Serious mental health diagnosis of participant	33%	50%	37%	34%
Alcohol or drug use diagnosis of participant	15%	38%	22%	17%
Participant ever in jail	24%	38%	32%	26%
Any second parent ever in jail	58%	78%	67%	60%

Note: Unemployment Insurance wages and diagnosis data are from administrative data.

Recipient Leavers

At the final interview, 80 percent of participants had left the program. The families off MFIP exhibit the most variation among the levels of stability. Besides leaver stability groups, data on this group will be analyzed further to examine those who left MFIP before reaching the time limit and those who were denied an extension.

As reported in Table 21, leavers were more likely than those on MFIP or extended to have a second parent in the household and the largest percentage of leavers lived in Greater Minnesota at the time of last review. Compared with the other two groups, leavers had the highest average earnings with \$997 per month and the lowest rate of poverty at 35 percent. Total income averaged 145 percent of the FPG. This group also had lower rates of mental health conditions, alcohol or drug dependence diagnoses, and incarceration than those in the other two groups. But, even members of the most stable group faced challenges.

Off MFIP and stable

The largest group of *Recipients* were off MFIP and rated stable. They most closely met the goals of MFIP. Whether their accomplishments are the result of MFIP cannot be determined and it is likely that some *Recipients* would have become self-supporting without MFIP. Personal motivation and the support of family and friends were often mentioned in interviews with these *Recipients* as factors that contributed to their success.

Financially, *Recipients* in this category achieved the most success and had used the fewest counted months of MFIP. Eighty-eight percent of *Recipients* in this category were employed and 2003 wages averaged \$15,302 across the group. Total family incomes averaged 201 percent of the FPG and just 10 percent remained below the poverty guideline.

Eighty-seven percent of *Recipients* in this category had completed high school and 65 percent were white. Nearly one-third had a spouse or second parent in the household.

They also experienced lower rates of challenges than other *Recipients*, although 21 percent had been diagnosed with a serious mental illness and 4 percent received an alcohol or drug dependence diagnosis during the study period. Fifteen percent of *Recipients* said they had been in jail or prison and 57 percent reported a second parent had been incarcerated.

This category contained a distinct subgroup, 13 percent of the surveyed *Recipients*, who were considered very stable. Their monthly incomes averaged \$3,933, near the median income in Minnesota. More had a second parent in the home, more were white, and they were also more likely to be residing in a suburban county or in Greater Minnesota.

The very stable group was less likely than the stable group to have received a serious mental health, depression, or anxiety diagnosis during the study. Surprisingly, this very stable group had similar rates of other risk factors to the stable group. They were not

more likely to have been married or to have graduated from high school when their first child was born. Also, teen parents were as common in the very stable group as the stable group.

Krista has one daughter who is 7 years old and is expecting a second child with her fiancé, Ron, in a few months. They are purchasing a three-bedroom home that they have lived in for one year. Their mortgage payment is \$1,100 per month. The couple was grateful for the first-time home buyer assistance they were able to qualify for, and have been able to keep up with their monthly payments.

She has worked for the same small employer for four years, working her way up from office assistant to supervisor. Her hourly wage is \$17 and she grosses \$2,700 each month. Krista finished high school and has a two-year degree in human resources that she completed during her time on MFIP. Ron is also employed full time as a restaurant manager. The couple reports that although they have two incomes it is still difficult to save money, "it seems the house always needs something."

In addition to her earnings, Krista receives child support each month from her daughter's father. This totals \$150 per month and is a big help now that she is responsible for a mortgage.

Until she became pregnant and was able to qualify for MA, Krista and her daughter were without health insurance. Her employer offers a health plan, but it is very expensive and does not provide good coverage. Once the baby is born and she and Ron are married, she hopes the entire family can be on his health plan.

Krista used 19 months of MFIP when her daughter was born. She said the help from MFIP and the Child Care Assistance Program allowed her to afford reliable care for her daughter while she was going to school and working part time. She has not had to reapply for MFIP since she left the program in 1999, but did request funds in 2001 to help with car repairs so she could get to work.

Off MFIP and somewhat stable

This category of participants represents those *Recipients* who were able to maintain their situation, but were still struggling to make ends meet. They often continued to rely on other support services and programs such as Food Support, Medical Assistance, the Child Care Assistance Program, and housing subsidies. Eighteen percent of these households contained a second parent and these *Recipients* had used an average of 33 MFIP months.

Thirty-seven percent of *Recipients* in this category remained below the poverty guideline, yet their incomes averaged 124 percent of the FPG. Fifty-six percent of *Recipients* in this category were working and 23 percent were receiving SSI. Forty-two percent received a housing subsidy and 44 percent were in housing poverty.

Seventy-eight percent had earned a high school diploma or GED and 21 percent had received special education services. Forty-five percent had received a serious mental

health diagnosis and 12 percent received an alcohol or drug dependence diagnosis during the study.

Asia left her home country with her husband, Mohamed, and their three small children, ages 6, 4 and 18 months at the time, on foot during a civil war. They stayed for three years in a refugee camp before coming to the U.S. In their home country, Asia and Mohamed owned a small bakery. They settled in Minnesota because they had family here. Mohamed finished high school in their home country and Asia completed primary school.

They received cash assistance through AFDC for a few years while they were learning English and adjusting to life in Minnesota. Mohamed received public health services when they arrived. He had become ill in the refugee camp and required treatment. Eventually, Mohamed worked full time for a meat processing plant and Asia stayed home with their children. The family was receiving MA at this time because his employer did not offer health insurance, but was not receiving cash or food benefits. Mohamed became ill again in 1997 and Asia went to work as a personal care attendant (PCA). Mohamed passed away a year later.

Asia is now receiving SSI and no longer works. She injured her back working as a PCA and describes other physical symptoms that may be related to depression. The family is living in public housing and her children continue to receive MFIP. Her monthly income is about \$950 plus food benefits, and her rent is \$275. Asia does not drive and the family relies on public transportation.

When the family arrived in Minnesota they were glad for the opportunity to have their children enrolled in public school. The children, now teenagers, have done well in school and often interpret for their mother. Asia hopes they will go on to college with scholarships. Her children have been a big help to her since her husband passed away.

Off MFIP and unstable

Participants in this category were likely income-eligible for MFIP but did not meet other eligibility criteria, such as having an eligible child in the home. They had some income, but it was not enough to cover the family's expenses. Spouses or second parents were present in 17 percent of households.

Average household income for these *Recipients* was just over 100 percent of FPG and 63 percent of families remained below the poverty guideline. Half of the *Recipients* in this group were working and monthly family income averaged \$1,306 with less than half coming from wages. The remainder was received from other public programs, child support, and other unearned sources.

Fifty-seven percent were in their thirties when the study began. Sixty-nine percent had finished high school or had completed a GED. One-third had received special education services while in school and half were white.

Forty-three percent of *Recipients* in this category had been diagnosed with a serious mental health condition and 31 percent had an alcohol or drug dependence diagnosis

during the study. Thirty-nine percent reported they had been in jail and 60 percent reported a second parent had been in jail.

Danice is now 40 and lives in southern Minnesota. She cycled on and off AFDC in the early 1990s when her children were born. She gave birth to three children, her oldest son is living with his father and the younger two children, ages 9 and 12, remain with her. Danice used her 60 months of MFIP and does not remember being told about the opportunity for extensions. She admits she didn't even open all of the letters the county sent her because she has difficulty reading.

The father of Danice's two younger children has been in and out of the household during the time of the study. He and Danice have had a difficult relationship. He has not had employment over the last five years. She reported they often fought when he was home and he spent time in jail following a fight in 2000. She now has an order for protection against him and the last she knew, he had moved to another state.

Danice suffers from bipolar disorder, diagnosed in 2002. She has a difficult time keeping doctor's appointments and completing paperwork for her public health insurance. She has been prescribed medication for her condition, but she admits she does not always take the medication as prescribed. The county has recently assigned her a social worker. She hopes to file an application for SSI.

Danice is living with a roommate and working about 30 hours per week as a dishwasher at a local restaurant. She is earning minimum wage and does not qualify for benefits. Her monthly earnings total \$600. She is barely able to cover her monthly rent with the income from her part-time job and must rely on Food Support, food shelves and other community resources to make ends meet.

Off and very unstable

Most of those who were rated very unstable likely lost eligibility for MFIP because they reached the 60-month time limit and did not qualify for an extension, or because they no longer had eligible children in their household. Their children had either been removed from the household, were living with the other parent, or had aged off the program. Half the *Recipients* in this category were in their thirties when the study began, so many of their children had become adults. Many of those in their thirties had spent longer periods of time on AFDC, not making the transition to self-support.

Only 6 percent reported a second parent in the household, the lowest of all ten categories. Three-quarters had earned a high school diploma or GED. Eighteen percent reported they had received special education services while in school. One-third of the participants in this category were white, 45 percent were African American, and 16 percent were American Indian.

Seventy-eight percent were living below the poverty guideline and household incomes averaged just 61 percent of FPG. Thirty-five percent were employed and monthly wages averaged \$291. Income from all sources for these families averaged \$707 per month.

Thirty-nine percent of the *Recipients* in this category had received an alcohol or drug dependence diagnosis during the study, one of the highest rates for any category. Twenty-seven percent had received a serious mental health diagnosis. Thirty-nine percent reported they had been in jail or prison and 67 percent of families had second parents who had been in jail or prison, according to study participants.

Sabrina moved to Minnesota from Illinois in the mid-1990s with her three children. A fourth was born after she arrived. She now lives in Hennepin County and her children range in age from 10 to 16. Sabrina was 17 years old when her first child was born and she dropped out of school shortly after. Last year Sabrina passed her GED exam. Sabrina's MFIP benefits ended in early 2003 when she reached the 60-month limit and was not eligible to receive an extension.

Sabrina spent time in jail during the study after attacking her sister during an argument. The family was sanctioned many times when Sabrina quit jobs voluntarily. She held multiple jobs during the study, but none for more than a few months at a time. She worked in retail stores and restaurants mostly and never made enough money to reach the MFIP exit point.

When MFIP ended, Sabrina went to work at a warehouse and was earning \$10 an hour. She lost the job three months later when she failed a random drug test. Sabrina has received treatment multiple times for chemical dependency but has not been able to stay drug free.

Sabrina's four children were removed from her care by child protection, following a report of neglect by a school social worker two months ago. Not having her children with her has been difficult and she reports this has motivated her to "get back on her feet and do the right things." However, her progress has been slow.

After losing her job, Sabrina was unable to pay her rent and relied heavily on the neighborhood food shelf. She filed an application for Emergency Assistance, but the county denied her request because she could not afford her housing ongoing with no income. She took the money she had and rented a motel room for a few nights because she didn't want to go to a shelter.

Last week Sabrina moved in with her boyfriend of five months. They met while working together at the warehouse. He is still employed at the warehouse and lives with a roommate in a two bedroom apartment. This arrangement is only temporary for Sabrina because she and the roommate don't get along. She is hoping to stay there until she can find work and housing again. It is unlikely that she will be able to get her kids back until she does so.

Leavers who used less than 60 months

In the interview month, 449 *Recipients* were no longer receiving MFIP. The 347 surveyed *Recipients* who had left MFIP before reaching the 60-month time limit and did not receive SSI or RSDI income for themselves were asked their reasons for leaving the program; multiple responses were accepted.

Table 22 reports these *Recipients'* reasons for leaving MFIP by their stability rating. The majority, 66 percent, reported they left MFIP because they were working and earning enough money to support their families. The second most common response, with 15 percent, was that the county had closed the case and the participant did not reapply. Most of these cases were closed due to failure of *Recipients* to attend required interviews, comply with employment services, or submit required paperwork; many of these *Recipients* reported other means of supporting their families. Other common reasons for exit included having a spouse or partner who was working, wanting to save months of eligibility, leaving Minnesota, receiving income from other sources, and no longer having eligible children in the home.

Table 22. Recipient leavers' reasons for exit

	Stable	Somewhat stable	Unstable	Very unstable	Total
Total	172	101	43	31	347
Percent	50%	29%	12%	9%	100%
Participant earnings	78%	62%	58%	23%	66%
County closed	11%	17%	23%	23%	15%
Partner working	15%	16%	9%	3%	13%
Save months	13%	13%	16%	7%	13%
Other reason	9%	6%	7%	19%	9%
Moved out of state	4%	9%	9%	23%	8%
Other income	9%	6%	7%	0%	7%
No eligible child	2%	3%	7%	26%	5%

Notes: Excludes SSI/RSDI recipients and participants who timed out of MFIP. Multiple reasons were accepted.

Of the 74 participants in this table who received ratings of unstable or very unstable, 54 percent were working and 66 percent had incomes below the FPG. This group tended to be older, with half having been in their thirties when the study began. Nearly one-quarter had received a drug or alcohol dependence diagnosis during the study and 31 percent had a serious mental health diagnosis during the study. Three-quarters were eligible for a publicly funded health care program for some period of time after the study ended.

Leavers who used 60 months or more

Of the 39 participants who were off MFIP at the time of their interview and had reached the 60-month time limit, 20 had applied for an MFIP extension and were denied. Another five participants received extensions that had ended by the time of their interview. The most common request for extension was under the employed category. When asked why they did not receive the extension, many participants either did not know or did not remember. Others acknowledged that they were not eligible to receive the extension. Thirteen participants disagreed with the county's decision not to extend their MFIP benefits, yet only one participant filed an appeal.

Nineteen of the 25 participants who were denied or lost MFIP extensions were categorized as being unstable or very unstable. Eight participants thought they would qualify for an employed extension, seven requested an extension due to illness or incapacity, three requested as hard-to-employ and one made her request due to family violence. Five participants requested extensions that did not fit recognized extension categories. For example, one participant thought she should continue to receive benefits

because she had a newborn, another could not find employment, and another argued that two of her children, born while she was on MFIP, had not received a full 60 months of the program.

Of the 25 participants whose extension requests were denied or ended, ten had possible grounds for an extension in case notes or survey responses. Seven *Recipients* received extensions at a later date but were not extended in the review month. Extension categories were not identified for five families that were classified as very unstable.

The other 14 participants did not request an extension when they reached the 60-month time limit. The reasons they gave for not applying for the extension included the participant did not think they would be eligible for an extension or did not want to continue receiving MFIP. One participant reported she was working and no longer required assistance from the program. To qualify for an MFIP extension, the participant must not have been in sanction during the 60th month. Ten of the 39 *Recipients* were sanctioned in their final month of MFIP eligibility.

Recipients on MFIP

Only 81 *Recipients* remained on MFIP at the time of their final interview. Most (63) received ratings of unstable or very unstable. The remaining 18 were split evenly between stable and somewhat stable ratings. Those with stable ratings were expected to leave MFIP soon with the ability to be self-supporting. *Recipients* who remained on MFIP at the 60-month interview had cycled on and off the cash portion of the program. Had they received MFIP cash consistently, they would have reached the 60-month time limit by the time of their interview.

As a group, *Recipients* who remained on MFIP had used an average of 43 months of eligibility. Their incomes averaged 104 percent of the FPG and they received the highest average monthly child support amount, \$139. Sixty-nine percent had completed a high school diploma or GED and half had gone on to post-secondary education.

On MFIP and stable

Eight of the nine stable families on MFIP had earnings in calendar year 2003 and earnings averaged \$9,389 for the group, nearly twice the annual earnings of any other group on MFIP at the end of the study. Two of these households had incomes below the poverty guideline and the average income was 137 percent of FPG.

One-third received a housing subsidy or lived in public housing. Seven had completed a high school diploma or GED.

None of the *Recipients* in this category received an alcohol or drug dependence diagnosis during the study and none reported ever having been in jail. Over half reported a second parent had been in jail.

Jody first applied for AFDC as a teen parent in 1996. Her case was converted to MFIP in 1998 and she has currently used 34 months of the program. In 2003, she has two children, a son who is 8 years old and a daughter who is 6. She is currently receiving only the food portion of MFIP which was \$99 this month. She says she plans to be off the food portion soon. She and her children are also receiving Medical Assistance.

Jody has had a steady work history throughout her time on the program and has also completed high school and received a certificate in medical assisting. Jody has been working 40 hours per week at a local hospital for the past eight months. She is not eligible for benefits through her employer since she has not been working there for a year. Even if she were eligible to receive benefits, she says she would not take the health insurance as she says it is too expensive to cover her whole family. Jody is currently earning \$8.90 per hour which gives her a monthly gross income of \$1,424.

Jody reports that her mom and friends have helped her to manage work and school while raising her children, and without that support she doesn't know what she would do. She says her boyfriend is also very supportive.

Jody has never lived with the father of her children and has not received any child support. She currently lives in Hennepin County and shares an apartment with her boyfriend and her children. Jody moved in with her boyfriend about four months ago. She says that this has really helped her with her housing costs. Their rent is not subsidized, and Jody pays \$340 for rent and about \$40 for utilities. Her boyfriend pays for the other half of rent and utilities. She has moved a couple of times in the last year, but says that she likes the place she's in now and intends to stay there. Jody received Emergency Assistance once during the five-year study which helped her to avoid an electricity shutoff.

She has a vehicle which she reports is somewhat reliable. She uses the vehicle to bring her children to school and to child care and to get herself to and from work. Jody receives help in paying for her child care through the Child Care Assistance Program.

Jody did not report any major health issues for herself or her children, and no other serious life circumstances or barriers. Jody says that her life is better now than when she entered the study five years ago. When the study began, Jody had set a goal of becoming a medical assistant. She has since received her medical assistant certificate. Jody believes that she is very close to being self-supporting.

On MFIP and somewhat stable

Recipients on MFIP whose lives were somewhat stable had incomes that averaged 81 percent of FPG and eight of the nine in this category were living in poverty. Their earnings averaged \$504 per month and income from MFIP made up the remainder of monthly income with an average of \$600.

The educational attainment of this group was higher than expected. Eight of the somewhat stable *Recipients* who remained on MFIP had a diploma or GED and none reported a history of special education. One-third of *Recipients* in this category were

teens at baseline. Over half received a housing subsidy or lived in public housing and one-third experienced housing poverty in survey month 60.

Two *Recipients* in this group had received a serious mental health diagnosis during the study and two reported they had been in jail. Over half the families in this category had second parents who had been in jail or prison, according to study participants. Administrative records showed alcohol or drug dependence diagnoses for two of the nine *Recipients* in this category during the study period.

Rochelle is a divorced mother of two children, ages 8 and 9. Her oldest was born shortly after her 21st birthday. She is currently living with her parents and pays them \$175 per month for rent. They moved in with her parents last summer following an eviction. Rochelle was behind three months in her rent payments. Rochelle feels very fortunate to have such supportive parents who allowed her and the children to move in.

Rochelle is currently working part time at a local high school in food service. She has only been there a few months and is not eligible for benefits. She earns \$9 an hour and her monthly wages total \$720 per month. Rochelle reported that her youngest child suffers from asthma and she often gets calls at work to come and pick him up from school. In the few months that she has had this job, it has happened six times. So far, her employer has tried to be understanding; however, the last time she had to leave work her boss told her that co-workers have complained about having to pick up the slack when she leaves during the lunch rush.

Rochelle has cycled on and off assistance since she filed her initial application for AFDC not long after she and her husband separated. Although she has worked throughout most of the study, she has never made enough money get her family off MFIP. There have been months when she opted out of cash and months when she earned too much to be eligible for the cash portion. She has currently used 40 months of MFIP.

Rochelle was sanctioned multiple times during the study for not complying with Employment Services and Child Support Enforcement. She was receiving child support payments for a few months, but her ex-husband lost his job. She thinks he's working for cash now so that he doesn't have to pay support.

Her goal at the beginning of the study was to find a career in the medical field. Rochelle completed her GED during the study and has taken a few college credits towards a certificate in medical assisting. She dropped out of the program when she started her part-time job at the school because she didn't like spending so much time away from her kids.

On MFIP and unstable

The largest number of *Recipients* who remained on MFIP were categorized as unstable. Their average monthly income was higher than the somewhat stable group by nearly \$100 because of the additional earnings of second parents and higher average child

support amounts. While 63 percent were living below poverty, the average income was 101 percent of the FPG. Forty-six percent had income from employment. Some were rated unstable because of various challenges their families were dealing with beyond economic status.

Sixty percent were in their twenties when the study began. Seventy-seven percent had finished high school or received a GED. A spouse or second parent was present in 9 percent of households. Fifty-four percent of *Recipients* in this category received a housing subsidy or were living in public housing and one-third were in housing poverty.

In this category, 37 percent had a serious mental health diagnosis and 17 percent had a diagnosis of alcohol or drug dependence. Thirty-four percent of *Recipients* in this group had been incarcerated and 66 percent of families had second parents who were reported to have been in jail or prison.

Tanya applied for General Assistance as a single adult in 1992 at age 21 after her mother kicked her out of the house. She had her first child at age 25 and her second about a year and a half after that. She lives alone with her two children ages 8 and 6 in a small apartment where she has lived during the entire course of the study. She receives subsidized housing and pays just \$39 per month for rent and about \$50 for utilities. She has never lived with the father of either of her children. Her younger child's father had been paying child support in 2001 and 2002, but has not paid anything since then.

Tanya worked on and off over the course of the study, mostly as a cashier, but she did not stay at any one job for a long period of time. She was on and off MFIP during the times she was working. The last job she worked was for a temporary agency in March of 2003. Her son began receiving SSI of \$552 for Attention Deficit Disorder (ADD) in 2003. Tanya is still receiving MFIP cash of \$437 and about \$200 in food, but she is nearing her 60th month.

Tanya has had several problems that seem to keep her from becoming self-supporting. Although she graduated from high school, she doesn't feel she has enough training to get a good job. She also has had trouble with chemical dependency and was receiving treatment at one point, but was asked to leave the program. She spent some time in jail due to a driving under the influence (DUI) charge. Tanya has been diagnosed with depression and has gotten some help for this condition in the past, but is not currently under a doctor's care. Her older child who has been diagnosed with ADD, is very difficult to handle. She has had trouble over the years finding child care for him and she gets many calls from the school for his behavior which makes it very difficult for her to work. Her son has been working with the school social worker, but his behavior continues to be an ongoing problem. Tanya received many sanctions over the years due to non-cooperation with Employment Services and also had difficulty managing money. Tanya talks about getting a job before her MFIP months run out to be able to make it financially without MFIP. She may be eligible for an extension due to her son's ADD, but she would need to apply for the extension and

complete the necessary paperwork.

On MFIP and very unstable

Half of the very unstable *Recipients* who remained on MFIP were living in poverty and the average income of these households was 105 percent of the FPG. Mean wages of the entire group were \$364 per month with 43 percent employed. They were more likely than any other group on MFIP to have a spouse or second parent in the home.

Only half of very unstable *Recipients* who remained on MFIP had received a high school diploma or GED and 36 percent had a history of special education; the lowest and highest rates, respectively of all ten categories. Over half of the *Recipients* in this group were living in housing poverty and only 29 percent were receiving subsidized housing.

Very unstable *Recipients* had the highest rates of serious mental illness and alcohol or drug dependence diagnoses of *Recipients* on MFIP and three-quarters reported that the father of their children had been in jail or prison; 43 percent reported they had been themselves.

Rhianna was 15 years old when she had her first child. She is now 24 and the mother of 4 children, ages 8, 7, 5 and 2. She moved to Minnesota from Indiana in 1997 and spent her first few months here in a shelter in Hennepin County because she could not find affordable housing. The family did eventually receive a Section 8 voucher but it was revoked after the landlord learned that Rhianna was allowing a friend and her children to stay with them in the 3 bedroom apartment. Rhianna and her children again became homeless and received services from various community agencies to get them into permanent housing. They now pay \$300 for rent each month.

Rhianna has never been married, but the father of her youngest lived with the family for a year after the child was born. He now pays Rhianna \$200 each month in child support. She has never received support from the other two fathers.

Rhianna dropped out of high school while pregnant with her second child and has only finished school through the tenth grade. She attempted GED classes but quit because she thought the material was too difficult. Her job counselor has scheduled an assessment to test for learning disabilities. Rhianna and her children remain on MFIP and have used 45 months.

Rhianna has been seeing a psychiatrist for depression and anxiety. She says her symptoms are so bad at times that she can hardly get out of bed and she doesn't like to leave the house. Her psychiatrist has been adjusting her types and doses of medication which has made her feel even worse at times. Rhianna doesn't receive much help from her family. She talks to her mother often, but she lives in another state and she hasn't seen her in more than a year. Her oldest daughter has been helping by making dinner for her siblings and getting them ready for school in the mornings.

Rhianna has a poor work history. She has only worked 6 months in the

last five years and her longest job lasted 3 months. She was fired after a co-worker accused her of stealing from their employer. She reports having difficulty finding a child care provider and getting through the application process for child care assistance. She also says that there aren't jobs available in her area and she struggles with transportation. She does not own a car and must rely on the city bus.

Extended Recipients

Extensions of MFIP benefits beyond 60 counted months are available to participants who have a documented hardship. The extension categories include employed, hard-to-employ, ill/incapacitated, and family violence. The employed category is available to participants who are working a specified number of hours and are complying with all other program requirements. The hard-to-employ category covers participants who have a learning disability, a mental illness, or IQ less than 80 which prevents them from working in unsubsidized employment. Participants who have a documented disability and are following the treatment recommendations of their health care provider may qualify for an ill/incapacitated extension. This category is also available for households that contain an ill or incapacitated member who requires care for 30 days or more.

Extended participants are often considered hard to serve because of the multiple barriers they often face. They had the highest rates of serious mental health conditions and alcohol or drug dependence diagnoses as well as the highest rates of jail time. These barriers and challenges can make participating in a work-focused program difficult. Forty-seven percent of extended *Recipients* were residing in Ramsey County at the last survey, far above their proportion in the surveyed group which was 20 percent.

At the time of the final interview, 32 of the 562 respondents were receiving extensions. Twenty extensions were long-term, meaning expected to last as long as the *Recipient* met other eligibility criteria. Twelve extensions were short-term and participants were expected to lose eligibility in the future. Short-term extensions are most often allowed for temporary illness such as recovering from surgery. Employed extensions are also considered short-term because they will last only as long as the participant works the required number of hours and earns less than the amount that will end eligibility.

Long-term extensions

Twenty participants in the final survey were receiving long-term extensions. Two of these families had a second parent. Sixty-five percent had finished a high school diploma or GED and one-third had received special education services. Three-quarters were people of color, far above their proportion in this surveyed group which was 48 percent.

This category had the lowest average annual wages of *Recipients* in 2003 among all ten groups with \$1,199 and the MFIP grant made up the majority of household income in the review month. Ten percent of these *Recipients* were employed. Ninety percent were living below poverty and incomes averaged 71 percent of the FPG.

Sixty percent of *Recipients* in this category had been diagnosed with a serious mental illness and 35 percent had an alcohol or drug dependence diagnosis. Survey data show 80 percent of families had second parents who had been in jail or prison and 35 percent of *Recipients* in this category admitted they had been, too.

Danielle's family has a long history of public assistance. She reports that her mother received assistance when she was a child and Danielle has two daughters, ages 21 and 19, who had children as teens and are now MFIP caregivers themselves. Danielle's MFIP benefits were extended due to her serious mental illness. Danielle reported in the survey that she thought she was extended because of her back problems.

The father of Danielle's oldest child was living with her when the child was born. He was working for a construction company and supporting the family. They were not receiving cash assistance during this time but were on Food Support and Medical Assistance. He was an undocumented immigrant and was deported later that year and Danielle has been on cash assistance ever since.

Danielle has two children still at home, ages 14 and 12, and they have been in out-of-home placement twice since the study began. One of her children receives SSI for Attention Deficit Hyperactivity Disorder (ADHD) and Oppositional Defiant Disorder (ODD). Danielle has a history of chemical dependence and was convicted of a drug felony for which she spent time in jail a few years back. Danielle has not worked for the entire length of the study and has never received child support.

The family's housing situation has been difficult. They spent time in a shelter after being evicted from their apartment last year. Currently, Danielle and her children are staying with relatives and not paying any rent. Danielle complained that the housing was very crowded, but she had no place else to go. She is having trouble finding a landlord who will rent to her because of the unlawful detainer on her record.

Short-term extensions

The category of *Recipients* receiving short-term extensions had the largest average family size of 4.3 and 17 percent had a spouse or second parent in the household. Sixty-seven percent had completed high school or received a GED and one-quarter received special education services.

The average earned income of this group was \$205 per month and one-third were working. The largest source of income was from the MFIP grant. Three-quarters were living in poverty and family incomes averaged 81 percent of the FPG. The average annual 2003 wages earned by *Recipients* in this category was \$2,063. Half of the *Recipients* receiving short-term extensions had been extended based on their employment.

Forty-two percent of *Recipients* in this category had an alcohol or drug dependence diagnosis and 33 percent received a serious mental health diagnosis. Forty-two percent of these *Recipients* reported they had spent time in jail and 75 percent reported a second parent had been in jail.

Angel applied for assistance in 1996 when she was pregnant with her first child at age 18. She first received AFDC and then began receiving MFIP once welfare reform began in 1998. She had been receiving benefits on her mother's AFDC case as a dependent child prior to filing her own application. As of the 60-month interview, Angel's children were 7, 5 and 2.

At the time of the 60-month interview, Angel was sharing housing with her boyfriend who is not the father of any of her three children. Angel's living situation has not been stable. She does not receive subsidized housing and must pay market rent. Her portion of rent and utilities was \$500.

Over the course of the study Angel has shared housing with her mother, another relative and a boyfriend. She has also moved between rural and metro counties. She had been in sanction and homeless with her children in 2001. During the five years of the study, Angel moved quite often and during the last year of the study, she moved three times. She had also worked on and off during the study, but never lasted very long at any one job.

Angel has finished high school and reports getting her certified nursing assistant (CNA) certificate. Since beginning MFIP, Angel reports she has worked on getting more education, figuring out how to balance work and raising children, parenting skills, and job skills. She says she is much more mature and professional now and wants to support her family without the help of public assistance.

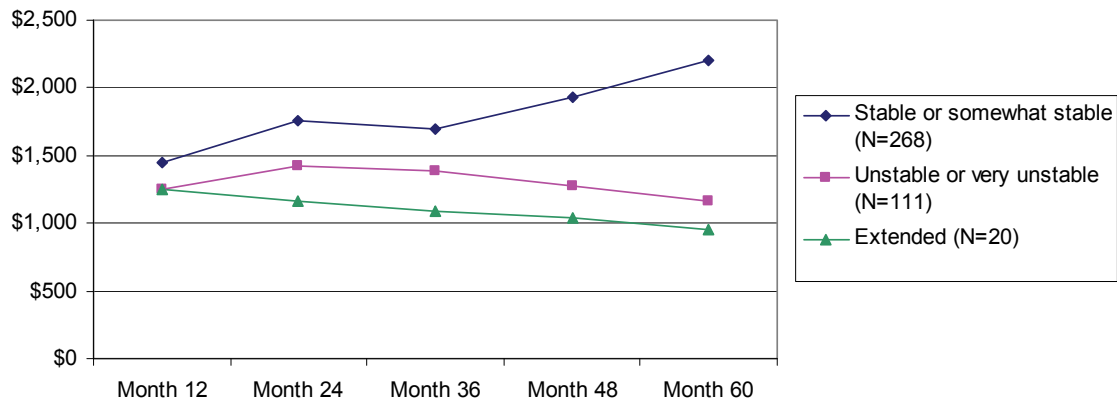
At her last interview for our study in 2003, Angel had used her 60 months of MFIP, and her MFIP benefits were being extended for working 30 or more hours per week as a CNA, a job she had only been at for a little over a month. Prior to getting this job, Angel had not been working for many months, and her last employment was as a CNA in a nursing home in 2002. Her primary reason for not working was that she was unable to find child care. She will continue to receive her MFIP extension as long as she can work and cooperate with employment services. But her work history is very minimal, and when she has worked, it was only for short periods of time.

At the interview, Angel was earning a little over \$600 per month and receiving \$300 per month child support for one of her children. Her MFIP grant had been \$33 cash and \$377 in Food Support. She was also receiving Medical Assistance for her family as well as child care assistance.

A Longitudinal Look at the Stability Groups

The Repeated Measures Analysis in Section I introduced a sample of 399 *Recipients* who responded to all the annual surveys. Their average monthly family income over time by stability category is shown in Figure 14.

Figure 14. Family income over time by 60-month stability category



The *Recipients* who were extended at the final survey experienced their highest average monthly income at the 12-month review and their incomes steadily declined throughout the study to less than \$1,000 by the study's end. Average incomes of those with unstable or very unstable ratings followed a similar pattern, peaking at month 24 and then dropping. The *Recipients* with stable or somewhat stable ratings had average monthly incomes that were a bit higher than the other two groups at month 12 and their average income has increased by 52 percent since then to about twice that of the other two groups.

Follow-up: Nine Years from Baseline

More than three years had passed since interviewers last spoke to survey participants. To gain perspective on the current situations of survey participants, a telephone survey was conducted with a small number of *Recipients* chosen from each of the ten stability categories. The purpose was to learn about both changes in the *Recipients'* status over the three years and themes across *Recipients'* life situations.

The follow-up survey group included representative *Recipients* from each of the ten categories described on page 46. Participants off MFIP and rated stable and those extended at five years from baseline were purposefully over-sampled. The off and stable category was the largest group in the previous survey period and extended participants, while a smaller group, often face unique challenges. The region, ethnicity, and citizenship status of *Recipients* were also considered to proportionally represent the group of participants who responded at five years. A total of 60 participants were chosen for the follow-up survey. Interviewers had difficulty contacting *Recipients* who were on MFIP and unstable and those who were off MFIP and very unstable at the last interview. A 53 percent response rate was attained for this small sample nine years from baseline.

Interviews were conducted in July and August of 2007. The survey instrument contained questions about life events similar to previous surveys in the study. However, for this survey, interviewers used questions that were more open ended to elicit the richness of participant experiences. When the interviews were completed, interviewers rated the respondents based on stability using the same categories as they had after the 60-month survey. Interviewers attempted to apply the same criteria as they had at the five year survey, however, this was a somewhat different task because the survey instrument used for the follow-up study allowed respondents to divulge more information than the one used for the previous study period. Consensus of the four-member interview team placed a participant in a category.

Patterns

Table 23 sorts participants either on or off MFIP at the 60-month survey by stability ratings at five years and at the nine year follow-up. While only 32 participants responded to the survey, patterns in their experiences are evident. Excluding the 11 *Recipients* extended at the last interview, 11 of the other 21 respondents received exactly the same rating. Only four went from stable to unstable, or the reverse.

Table 23. Comparison of 60-month survey and nine-year stability

	60-month stability rating		
	Stable	Unstable	Total
Attempted to survey	22	20	42
Surveyed	14	7	21
Percent responded	64%	35%	50%
Nine year follow-up			
Stable	12	2	14
Unstable	2	5	7

Note: Excludes extended MFIP cases.

Extended at 60th month of study

Eleven *Recipients* extended at the 60-month survey responded to the nine-year follow-up and six of these remained on extension. Three of the six were able to meet their family's needs through MFIP and were maintaining stability. The other three were unable to meet their monthly expenses and were struggling with difficult life issues.

Five extended *Recipients* had left MFIP. One received a stable rating and another received a somewhat stable rating. These two were well supported by family and community. Two were unstable and one was very unstable. These families are of particular concern because now that they have left MFIP they are less likely to be directed toward and to access necessary services.

Comparisons

Table 24 displays demographic and economic data for the 32 respondents by their stability rating at the 60-month interview. The three participants rated unstable and four very unstable were combined and labeled "not stable" for the analysis. They had similar life issues but those with the higher rating had income to cover their basic needs.

Not surprisingly, considering how consistent the stability ratings were between 2003 and 2007, the 2007 employment rates of the groups decrease as the 2003 stability rating decreases. All ten of the stable respondents in 2003 were employed in 2007 and their wages averaged \$15.02 per hour. They had been with their respective employers an average of five and a half years, and their 2006 calendar year earnings reported to the Unemployment Insurance system far exceeded the average of any other group. As noted above, two of the four somewhat stable participants received lower ratings of stability at the follow-up, partially related to changes in their income situation, which lowered the average of this group. Respondents reported various unearned income sources such as child support, SSI, and General Assistance (GA). Two respondents reported no regular source of income.

Table 24. Summary statistics nine years after baseline by 60 month stability group

	Stable	Somewhat stable	Not stable	Extended
Count	10	4	7	11
Percent	31%	13%	22%	34%
Income and Employment				
Employed status	100%	50%	29%	27%
Average hourly wage	\$15.02	\$11.00	\$12.00	\$8.13
Min	\$8.20	\$7.20	\$7.50	\$7.40
Max	\$22.00	\$14.80	\$16.50	\$8.50
Average years with employer	5.5	2.0	0.7	0.4
Calendar year 2003 earnings	\$19,554	\$2,567	\$2,921	\$1,187
Calendar year 2006 earnings	\$25,609	\$7,974	\$4,755	\$3,059
2003-2006 difference in 2006 dollars	\$4,185	\$5,161	\$1,555	\$1,759
SSI recipient in household	0%	25%	14%	27%
Highest level of education completed				
Less than HS	20%	0%	71%	27%
HS or GED	10%	25%	14%	55%
Some college	60%	75%	14%	18%
Bachelor's degree	10%	0%	0%	0%
Health				
All in household insured	60%	75%	100%	100%
Reported health conditions	80%	100%	86%	82%
Average number of reported conditions	2.4	2.3	4.3	4.4
Percent receiving treatment for condition	60%	25%	71%	55%
Family				
Average number of children born to participant	3.3	1.8	3.4	3.9
Spouse or second parent present	10%	0%	0%	18%

Notes: Average hourly wage includes only participants with employment.

Employees of school districts were recorded as employed even though they were not earning wages in the interview month due to summer break.

Earnings averages include zero for participants who did not have reported wages during the calendar year.

The educational attainment differed between the stable groups and the not stable grouping. Eighty percent of the stable group and 100 percent of the somewhat stable group had completed high school, with most having some education beyond, compared with the not stable group of whom only 28 percent finished high school or a GED. Educational attainment of the extended group was higher than the not stable group, but lower than the other groups; 73 percent had completed high school, including 18 percent that had education beyond high school.

Similarly, on the health measures the stable groups differed from the not stable and extended groups, both with lower rates of health insurance coverage for all members of their families (60 percent of stable and 75 percent of somewhat stable respondents compared to 100 percent). The latter groups were likely to qualify for public health insurance programs while many of those who were working no longer qualified for public programs. Many of their employers offered plans that were prohibitively expensive and not comprehensive or no plan at all.

There was also a difference in the average number of health conditions reported on the survey. The stable and somewhat stable groups reported 2.4 and 2.3 health conditions on average while both the not stable and extended groups reported an average of nearly twice as many (4.3 and 4.4 health conditions, respectively). Common conditions *Recipients* reported included high blood pressure, depression, and back problems. Many

respondents who reported health conditions were not receiving any treatment at the time of the interviews.

Usually, having fewer children to care for makes it easier for people to retain employment and work their way off MFIP. The stable group with 100 percent employment and an average hourly wage of \$15.02, however, had an average of 3.3 children. All the groups averaged more than three children except the somewhat stable group which averaged fewer than two children. Most respondents were supporting their families without the help of a resident spouse or second parent.

Themes

The information gathered in the follow-up interviews illustrates the diversity of MFIP participants. Many of the themes interviewers observed in these interviews were evident at the 60-month survey. These interviews revealed rich information about both the things that were going well and the struggles their families were facing. Respondents also offered comments about the impact of MFIP on their lives. In addition to summarizing themes from the interviews, this section paraphrases participant responses that further elaborate on their experiences.

Interviewers had the sense that those with less than stable ratings had been in or near a crisis state for long periods of time. It was unlikely that these respondents would have received a somewhat or stable rating at any time between this interview and the month 60 interview. The survey responses of this group suggested they had accepted their situation and they either did not know how or did not feel a need to change their circumstances. This group also lacked the necessary support to make changes in their lives. For most respondents in this group, there was little indication that they would be able to move their families forward. There were a few in the unstable category who had started to take steps forward, but they still had a significant amount of work to do before becoming stable or self-supporting.

Our whole year has been terrible. We were evicted from our apartment and my kids witnessed some heated arguments between me and my spouse. We're probably going to split up. I know this has been really stressful for the kids and they're acting out in school. I know I need to fix the problems in our family, but I don't even know where to start.

In addition to financial hardship, common issues for these respondents included chemical dependency, mental illness, physical health conditions, isolation, poor work history, domestic violence and serious behavioral problems of their children. Of *Recipients* who reported many years of chemical dependence, some had many attempts at treatment while others had never sought treatment. The mental health conditions experienced by this group included depression, anxiety state, PTSD, and borderline personality disorder. Many respondents had dual diagnoses of chemical dependence and mental illness and a few with these conditions were not receiving treatment at the time of the interview. Some were receiving SSI and others had been granted MFIP extensions.

The more stable group was split between those who originally had few barriers and were very successful and those who had managed to overcome many barriers to become successful. Some of those barriers the respondents faced included addiction, depression, and family violence. Both groups reported personal motivation and strong support networks of family and community. Most were employed, had been with the same employer for several years, and were earning enough to cover their expenses. Many of the more stable respondents had been in school or were currently enrolled in higher education. They spoke about their plans and goals for the future as well as the stress of being single parents and juggling work, school, and family.

I had to learn the difference between wants and needs. I got in over my head at first, because I'd been deprived for so long when I was on the system. I ended up with a lot of credit card debt. It was an expensive lesson, but I've managed to pay it off. I've learned to be much more responsible with money.

Health concerns were a theme across all respondents. Uninsured respondents reported frustration with the health care system. Some were forced to make difficult choices about forgoing treatment because they did not have insurance. Others who were insured were not treating the health conditions they reported, including serious mental health conditions. Addiction was another health issue reported by respondents. A few were in recovery and reported making positive changes in their lives, while others who reported sobriety in 2003 had returned to using at the follow-up.

I'm working with my doctor to adjust my meds for depression and I'm in my longest period of sobriety ever. I've even managed to hold a job. I have some friends who are also in recovery and we support each other through the rough times. I don't see myself going back to using again, ever.

I work full time and still I can't afford the plan through my employer, plus the coverage isn't good. My previous doctor won't renew my prescriptions without an office visit and I can't afford that either. It's so frustrating I just want to scream sometimes!

Maintaining housing was a struggle for respondents at all stability levels. A couple of families had experienced home foreclosures and other home buyers reported difficulty keeping up with mortgage payments and the cost of home repairs. Some renters also reported trouble making the rent and a few reported recent shelter stays. Those receiving subsidized housing reported fewer problems keeping up with rent payments, yet some recognized a disincentive to increase their incomes because of the increase this would cause in their rent amount.

We've had a difficult few years. We gave up our Section 8 to buy a house and ended up in foreclosure within the first 18 months. Now we're paying market rent for an apartment and my husband was laid off when the company he was working for closed. Every month it's a struggle to pay the bills.

Respondents spoke of their children with pride. Many were earning good grades in school and others who had received special education in past years were now mainstreamed. Some were involved in sports and other student organizations. Also, most respondents reported that their children had adults in their lives who were positive role models.

It's tough to be a single mom with sons, especially now that they're at the age when they need male role models. My brothers have really stepped in to help. They take the boys camping and fishing and they come over to hang out and watch football. I can really see a difference in the boys' behavior when my brothers are around.

Some parents were struggling to raise children with disabilities and behavioral issues. Some children were suspended from school and many continued to have Individualized Education Programs (IEP). Other respondents no longer had custody of their minor children. Most of these children were living with other family members.

My oldest isn't doing so well in school, he has ODD and he knows how to push people's buttons. I get a lot of calls from the school. The disease is difficult to treat. He won't take his medication because he complains it gives him headaches and his therapist has stopped seeing him, because he wouldn't communicate and the sessions weren't productive. My mom helps me deal with his behavior but it's really a struggle.

When asked about how the program had impacted their lives, respondents either spoke about the program rules or the cash grant; feelings about MFIP were mixed. In general, those who were more stable spoke about the programmatic components of MFIP while those who were struggling focused on the stability the cash grant provided. Some felt that MFIP was a punitive program and did not allow for enough flexibility.

I believe that the five-year limit is a good thing, but MFIP is more of a crutch. I did better leaving and struggling on my own.

I'd like to see MFIP do more to help families make positive changes in their lives. There's an opportunity for teaching, especially things like planning, how to manage money, and save for the future.

MFIP was helpful, but that was all I knew. It felt like a punishment. Not all people can get up and off assistance immediately.

I have mixed feelings about MFIP. After I started working, I felt like I was cut off the program right away. The transition was scary for me, but now I know I'm better for it. It would be nice if benefits could continue for awhile longer while people get on their feet.

Others thought that the MFIP grant had been a big help when they were new mothers. Many preferred the educational opportunities available with AFDC but thought that the time limit was a positive change. One participant credited her rewarding career to her job counselor who encouraged her to apply for this job when she otherwise would not have had the confidence to do so. Extended participants, who largely are not subject to employment service aspects of the program, reported they depended on their MFIP grant.

Our financial situation is difficult even with MFIP. I don't know how we'd get by without it.

Most respondents who had left MFIP spoke proudly of their independence.

We're still struggling, but I'm proud that we're no longer dependent on MFIP.

Glossary

Administrative Data	Information gathered and stored in large databases to be used in operating government programs. The Longitudinal Study uses information on programs and participants from databases at the Department of Human Services (MAXIS for public assistance, PRISM for child support, MMIS for public health insurance and diagnoses); the Department of Employment and Economic Development, and the counties.
Aid to Families with Dependent Children (AFDC)	The federal welfare program prior to July 1997 when TANF began.
Applicant	MFIP Longitudinal Study participant selected for the study sample in his/her first month on MFIP. <i>Applicants</i> had not received AFDC or MFIP during the preceding five years.
Baseline	The initial phase of the MFIP Longitudinal Study, May to October 1998.
Baseline Month	The month the participant was selected for the study sample, and the month about which information was first obtained by interviewing the participant and extracting data from administrative databases.
Basic Budget	The JOBS NOW Coalition's basic budget that includes the cost of meeting basic needs for food, housing, health care, clothing, transportation, and child care. The budget does not include money for debt payments, skills training, restaurant meals, entertainment, vacations, emergencies, retirement, or children's education. This "no-frills" budget corresponds to about 200 percent of the Federal Poverty Guideline for a given family size. (See footnote 26 on page 12.)
Basic Sliding Fee Program	CCAP subsidized child care program for low- to moderate-income families in which families pay a copayment on a sliding scale according to their income.
Caregiver	The MFIP program designation for a parent or relative responsible for children receiving family assistance.

Cash Assistance	For the purposes of this report, cash assistance refers to the family cash programs of AFDC or MFIP. (See also Welfare.)
Chi Square	Statistical test of significance applied to categorical data.
Child Care Assistance Program (CCAP)	Program that subsidizes the cost of child care for low-income families in Minnesota through three programs: MFIP Child Care for families receiving cash assistance, Transition Year Child Care for families up to a year after leaving MFIP, and Basic Sliding Fee Child Care for other low-income families.
Child Care Center	A licensed child care facility, not a family child care home.
Child Care Copayment	The portion of child care costs paid by a family. Families with incomes below 75 percent of the federal poverty line pay no copayment. Families with incomes between 75 percent and 100 percent of the federal poverty line pay \$5 per month.
Child Maltreatment Determination	Decision by a case worker that maltreatment has occurred.
Child Protection	Services mandated by law (Minn. Statute 626.556 , the Reporting of Maltreatment of Minors Act) to help protect children from physical abuse, neglect, sexual abuse, and to help families get the services they need to change their behaviors.
Child Support	Court-ordered payments made by the noncustodial parent of a child. Payments made on behalf of public assistance participants are passed through to the custodial parent and the amount is deducted from the cash grant.
Certified Nursing Assistant	CNA, responsible for direct patient care under the supervision and guidance of a licensed nurse. Duties include components of nutrition, observation, documentation, transportation of patients and supplies, and general housekeeping.
Counted Month	Month of MFIP cash assistance counted toward the 60-month lifetime limit.
DHS Data Warehouse	DHS relational database which houses data from DHS administrative systems, including current and historical data.

Department of Employment and Economic Development (DEED)	The state agency that oversees programs promoting business recruitment, expansion, and retention; workforce development; international trade; and community development. It was created in July 2003 with the merger of the former Minnesota Department of Trade and Economic Development (DTED) and the Minnesota Department of Economic Security (DES).
Demographics	Descriptive characteristics of a population, such as age, gender, ethnicity, educational achievement, marital status, citizenship, and area of residence.
Department of Human Services (DHS)	The state agency that oversees programs such as MFIP, Food Support, Child Support Enforcement, Child Care Assistance Program, child welfare, Medical Assistance, and MinnesotaCare.
Earned Income Tax Credit (EITC)	A federal tax credit (amount subtracted from taxes due) that benefits low- and moderate-income workers. Amount that exceeds taxes due is paid to the tax filer.
Emergency Assistance (EA)	An assistance program available to a pregnant woman or family assistance unit with children under age 21 that faces circumstances that cause or threaten to cause destitution. The family unit does not necessarily have to meet MFIP eligibility requirements. Payments are made directly to a landlord or other vendor.
Employability Measure (EM)	Measure of status in 11 areas of life functioning—child behavior, dependent care, education, financial, health, housing, legal, safe living environment, social support, transportation, and workplace skills—that have been shown to be related to getting and keeping a job. (See footnote 12 on page viii.)
Employment Services (ES)	The welfare-to-work component of MFIP. Includes services that identify and address employment barriers, training and education needs, strengthen job and job-seeking skills, and other services when appropriate.
Employment Services Activities	Activities designed to help MFIP participants find and keep jobs, administered by DEED and local Employment Services providers. Examples of activities include job search, assessment, unsubsidized employment, and referral to social services.

Employment Services Exemption	Temporary or permanent lifting of Employment Services requirements. Prior to the start of Universal Participation in 2004, exemptions could be granted for working 35 hours per week or more (20 hours for the second parent), taking care of a child under age 1 (there is a 12-month lifetime limit on this exemption), being ill or incapacitated, taking care of an ill or incapacitated family member, following a family violence safety plan (12-month limit), experiencing a personal or family crisis, or being over age 60. Those with an Employment Services Exemption still had their months of cash assistance counted toward the 60-month limit under the federal TANF program, unless they had a TANF time exemption. Currently, the only exemption from Employment Services is caring for a child under 12 weeks of age and this exemption is only available one time.
Exiter	MFIP Longitudinal Study participant who has gone off the MFIP program and has remained off for two months or more at the time of a follow-up survey month. A suspension of the MFIP payment in a month is not counted as a month off for this purpose (also called Leaver.)
Extension	Continued MFIP eligibility beyond the 60-month lifetime limit if a hardship that is a permitted extension has been documented, or there is employment of 30 or more hours per week. Cases in sanction for not being in compliance with Employment Services or child support in month 60 can never be extended.
Family Stabilization Services (FSS)	Starting February 1, 2008, state funded MFIP/DWP service track that provides programs, activities, and services to assist participants and their family members to get and keep employment, improve family stability, increase economic stability, and reduce barriers to employment without a work participation requirement.
Federal Poverty Guideline	Guidelines issued by the Department of Health and Human Services giving income level and family size and used to determine financial eligibility for various programs. The guidelines are issued for the 48 contiguous states and D.C., for Alaska, and for Hawaii.
Financial Orientation	An orientation to the MFIP program conducted by the county and required of all MFIP participants.

Follow-up	Longitudinal Study phase after the initial baseline phase in which the progress of each participant is tracked in this study using a survey, as well as administrative data. Follow-up surveys were completed at six, 12, 24, 36, 48, and 60 months after the baseline month. There were also smaller surveys of a subset of study participants on health insurance for leavers, teen mothers, and participants nearing the 60-month lifetime limit at 18, 30, and 42 months from baseline, respectively. An additional small survey was completed in summer 2007, approximately nine years after baseline.
Food-only Cases	MFIP includes a cash grant and a portion that can only be spent on food. As families work their way toward leaving assistance, their cash grant is decreased first, so some families only receive a food portion. Families can opt out of the cash portion, receiving only the food portion, and those months do not count toward their lifetime limit.
General Assistance (GA)	Program that provides monthly cash grants for vulnerable single adults and childless couples whose income and resources are less than program limits. Recipients may be eligible for help with medical costs through the General Assistance Medical Care (GAMC) program or the Medical Assistance (MA) program.
General Assistance Medical Care (GAMC)	A state-funded program providing medical care to certain people who are ineligible for MA. Some household members of MFIP caregivers in this study may be ineligible for MA, but eligible for this program.
General Educational Development (GED) Equivalency Certificate	Alternative to a high school diploma for students who dropped out of school.
Greater Minnesota	The 76 counties outside the 11-county Minneapolis-St. Paul Standard Metropolitan Statistical Area. (See metro suburban counties.)
Household	All persons who occupy a particular housing unit as their usual residence. Includes partners, roommates, and boarders, as well as family members.
Housing poverty	Spending more than 30 percent of income on housing.

Individualized Education Program (IEP)	Programs developed for primary and secondary school children with a disability who are found to meet the federal and state requirements for special education as mandated by the Individuals with Disabilities Education Act (IDEA).
Initial Assessment	The intake meeting(s) between an MFIP participant and an Employment Services provider, at which time the provider determines how ready the participant is for employment, and what, if any, supports the participant will need to find a job, and develops an Employment Plan.
Integrated Services Project (ISP)	The ISP was initiated in 2005 to address the needs of long-term cash participants in MFIP, especially those who might be in danger of reaching their time limit on cash assistance benefits. The eight sites aim to improve both economic and family- related outcomes by coordinating access to multiple service systems, and by focusing on the needs of both adults and children in the household. (See footnote 10 on page viii.)
Interview Month	The month the interview took place, usually two months after the review month. (See also Review Month.)
Job Search	A period of time during which MFIP participants seek employment for a specified number of hours per week.
Leaver	An MFIP Longitudinal Study participant who has gone off the MFIP program and has remained off for two months or more at the time of a follow-up survey month. A suspension of the MFIP payment in a month is not counted as a month off. (Also called Exiter.)
Legal Non-licensed Caregiver	A child care provider exempt from licensing under Minn. Statutes, section 245A.03. This status allows a relative, such as a grandparent, who meets certain qualifications, to receive payment from the Child Care Assistance Program.
Longitudinal Study	A type of study in which data on a sample from a population are collected at more than one point in time to track changes in the study population. The present study is the type of longitudinal study called a panel study, in which the same sample of individuals is tracked over time.
Medical Assistance (MA)	Minnesota's version of the federal Medicaid program, providing health care coverage for low-income people.

MAXIS	DHS automated administrative data system designed to collect information to determine eligibility for public assistance, and other data from those applying for and receiving public assistance in Minnesota.
Mean	Average obtained by summing a set of values and dividing by the number of values.
Median	Average equal to the middle value (or the point midway between two middle values) in an ordered set of values.
Metro Suburban Counties	The nine Minnesota counties (excluding Hennepin and Ramsey) included in the Minneapolis-St. Paul Standard Metropolitan Statistical Area: Anoka, Carver, Chisago, Dakota, Isanti, Scott, Sherburne, Washington, and Wright.
Minnesota Family Investment Program (MFIP)	Minnesota's Temporary Assistance for Needy Families program.
MFIP Family	Includes all eligible adults and children on an MFIP case, plus any children or parents on SSI, undocumented noncitizens, or convicted of fraud. Also relative caregivers, when natural or adoptive parents are absent, not personally eligible for MFIP.
MFIP Child Care Assistance Program	CCAP subsidized child care program offered to MFIP caregivers who are working, in school or training, or in job search activities. Families pay a minimal or no copayment.
MinnesotaCare	Sliding fee, state-subsidized health care program for low-to moderate-income Minnesotans.
Minor	Person under the age of 18.
Medicaid Management Information System	The claims processing and information retrieval system used by the Medical Assistance program and other public health insurance programs.
Non-custodial Parent	Parent who does not have primary care, custody, or control of their child.
Program Assessment and Integrity Division (PAID)	DHS division that provides data and analysis for economic support programs within DHS, and conducted the MFIP Longitudinal Study.

Parent	In MFIP, a natural, adoptive, or step parent of a child in a family eligible for MFIP.
Partner	Person identified by the study participant in the survey as a partner. Not a spouse and not the parent of any children in the MFIP family, so not part of the MFIP family unit.
Personal Care Attendant (PCA)	Person who provides services to those who need help with day-to-day activities to allow them to be more independent in their own home.
PRISM	Automated child support case and financial management system.
Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)	Federal act that includes TANF which changed the nation's welfare system from an entitlement into one that required work and limited time on assistance. MFIP is Minnesota's implementation of TANF.
Public Assistance	In this report, public assistance includes MFIP, Food Support, General Assistance (GA), Emergency Assistance (EA), Emergency General Assistance (EGA), Group Residential Housing (GRH), and Minnesota Supplemental Aid (MSA).
Public Housing	Housing owned by a government and rented at a rate determined by the income of the renter.
Recipient	MFIP Longitudinal Study participant in the sample that had been receiving public assistance for at least one month before the baseline month.
Relative Caregiver	A caregiver in an MFIP household who is not the natural or adoptive parent of the MFIP-eligible children in the household (often a grandparent).
Review Month	Each year, study participants were interviewed about the month they were sampled, a month between May and October.
Retirement, Survivors, Disability Insurance (RSDI)	An entitlement program for retirees, workers who have become disabled, or surviving dependents of retired, disabled or deceased workers who were employed in enough quarters to qualify for benefits under Title II of the Social Security Act.

Sanction	Reduction in public assistance for not complying with MFIP requirements such as financial orientation attendance, work requirements, or supplying information to the child support system.
Secondary Assessment	An Employment Services activity in which an employment counselor conducts a more detailed evaluation of the situation of MFIP participants who have not been able to obtain employment.
Section 8 Voucher	A federally-funded housing subsidy program offering rental assistance to qualifying applicants that is administered by local housing authorities.
Self-support	For the purpose of this report, self-support is the ability of the caregiver to provide for the family's basic needs without support from MFIP or other forms of public assistance.
Serious Mental Health Diagnosis	Diagnosis in MMIS claims billing data for psychosis, affective psychoses (depression), personality disorder, posttraumatic stress disorder, or anxiety state. This measure may underestimate the actual number of adults with these diagnoses because it only includes cases that received publicly paid health care that is recorded in administrative records.
Special Needs Child	Child with a physical, mental, or emotional condition requiring additional care.
Supplemental Security Income (SSI)	Federal income support payments to disabled persons who do not qualify for RSDI.
Subsidized	Partial or full payment for a support such as housing or child care by a government agency.
Temporary Assistance for Needy Families (TANF)	Federal family assistance program that replaced AFDC with block grants to the states and requirements for time limits and work participation.
TANF Lifetime Limit	Under TANF, caregivers are allowed a total of 60 months of family cash assistance in any state during their lifetime, excluding time-limit exempt months. In Minnesota, this lifetime limit "clock" began ticking in July 1997. Some states chose to start counting months sooner, as early as September 1996. (See also Time Limit Exemption.)

Time Limit Exemption	For certain MFIP participants, months on assistance not counted toward the 60-month time limit. These include minor parents in an approved living arrangement who are following a social services plan, 18- or 19-year-old parents required to complete high school or a GED who are attending school, participants living on Indian reservations with a high “not employed” rate, those following a family violence safety plan, caregivers over age 60, and those receiving only the MFIP food portion.
Transition Year Child Care Assistance	CCAP subsidized child care program available to families during the first year after they become ineligible for MFIP if due to increased earnings or child support. Otherwise, family can apply for Basic Sliding Fee program.
Undocumented Noncitizen	Non-U.S. citizens who are in this country without the proper authorization. They do not have a valid visa or other necessary documentation to be in the U.S. legally and cannot receive economic assistance.
Unemployment Insurance (UI)	Program that provides temporary benefits to qualified persons who are out of work due to circumstances considered beyond their control.
Welfare	For the purpose of this report, welfare refers to the family cash assistance programs AFDC and MFIP. (See also Cash Assistance.)
Women, Infants, and Children (WIC)	Federal supplemental food assistance program for pregnant and nursing women and their young children.
Workforce One	DEED automated system to collect participant demographic information, and to track participant activities during enrollment in the MFIP Employment Services program.

Appendix

A. Cases not surveyed

Sixty-seven percent of the *Recipient* sample responded to the final survey, 60 months from the baseline month. The *Applicant* sample was not surveyed for this report. Table A1 reports the survey response rate overall and for each reason *Recipients* did not complete the final survey. *Recipients* were dropped from the sample after missing two consecutive surveys or after refusing to participate. Five years from baseline, 18 percent of the original sample had been dropped. Of the 691 *Recipients* contacted, 81 percent responded.

A1. Survey response rates and reasons not surveyed

Cases surveyed and reasons not surveyed	Count	Percent of all cases
Total original sample	843	100%
Cases dropped prior to month 60	152	18%
Cases to survey at month 60	691	82%
Surveyed (response rate)	562	67%
Unable to contact	65	8%
Unable to locate	24	3%
Refused survey	16	2%
Other	24	3%

Table A2 compares *Recipients* who completed the final survey to those who did not. The two groups did not differ on welfare use at the end of the study, race and ethnicity, nor on baseline measures of high school or GED completion, age, or marital status. Male and noncitizen *Recipients* were significantly less likely to respond to the survey than females and citizens respectively. The group who responded had significantly higher wages than those who did not.

A2. Comparison of surveyed and nonsurveyed *Recipients*

Welfare status at end of study, 2003 quarterly wages and baseline demographic characteristics of <i>Recipients</i> surveyed and not surveyed		Surveyed	Not surveyed
MFIP status in month 60	On MFIP	26%	24%
	Off MFIP	74%	76%
Race/ethnicity	American Indian	9%	11%
	Asian	4%	7%
	Black	30%	30%
	Hispanic	5%	6%
	White	53%	46%
Gender*	Female	97%	94%
	Male	3%	6%
Education	HS/GED	65%	62%
	Less than HS	35%	38%
Region of residence	Greater Minnesota	37%	41%
	Metro Suburban	13%	10%
	Hennepin County	30%	31%
	Ramsey County	20%	18%
Age	Teens	11%	10%
	Twenties	46%	42%
	Thirty or over	42%	47%
Citizenship*	U.S. Citizen	95%	87%
	Non-citizen	5%	14%
Marital Status	Never married	67%	63%
	Married, living apart	17%	21%
	Married, living with spouse	1%	1%
	Legally separated	0%	0%
	Divorced	13%	12%
	Widowed	1%	2%
Wages of Minnesota workers*	2003 mean	\$8,729	\$6,973

Note: * Indicates F significant at p = .05 or less

B. 2003 FPG and Maximum MFIP Grants by Family Size⁵⁶

Family Size	Federal Poverty Guideline (FPG)		Maximum MFIP monthly grant
	Annual Income	Monthly Income	
1	\$8,980	\$748	\$371
2	\$12,120	\$1,010	\$661
3	\$15,260	\$1,272	\$852
4	\$18,400	\$1,533	\$1,006
5	\$21,540	\$1,795	\$1,146
6	\$24,680	\$2,057	\$1,309
7	\$27,820	\$2,318	\$1,428
8	\$30,960	\$2,580	\$1,572
9	\$34,100	\$2,842	\$1,715
10	\$37,240	\$3,103	\$1,853

⁵⁶Sources: (<http://aspe.hhs.gov/poverty/03poverty.htm>) and Combined manual 10/03 MFIP Assistance Standards

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