

MEED: WHO IS IT SERVING?
An Analysis of Data From
A Survey Conducted by the
Minnesota State Planning Agency



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SUMMARY

In November 1984 the State Planning Agency distributed a detailed survey to participants in twelve public assistance and employment and training programs. Of 1650 mailed to MEED eligible applicants and participants, 494 (31%) were filled out and returned, forming the basis for a substantial view of the unemployed population demanding MEED's services.

The sample data show that MEED applicants have been experiencing periods of economic distress caused by unstable employment situations over the last one to five years. There was no "typical" reason for this instability; for some it appeared to be a persistent problem, for others it was a new phenomenon caused by the depressed economy of their area. Many were younger workers who faced the typical problems of relatively new entrants into the labor force; some were spouses trying to re-enter the labor force to provide a second income to support a family.

Most had, on paper, the minimum education and work experience normally needed to secure a job. Over half had at least some vocational or college training. A significant number, but fewer, had more extensive education or training.

Over half did not view their qualifications or training as a reason for their economic problems. The largest number saw the lack of jobs or the lack of the right jobs as obstacles to employment. A strong majority had worked in 1983 or 1984, but primarily at short-term jobs. Occupational profiles show that many participants in MEED and other assistance programs have been employed in important seasonal industries, such as food processing, construction and tourism. Others have had temporary public jobs. Employment programs such as MEED either become a part of the job-to-job cycle (providing income, often in lieu of public assistance), or pull people out of the cycle into permanent jobs.

Variation amongst MEED participants is great. No "typical" MEED applicant exists. The survey results, however, support the priority status of those applicants who are GA-eligible or AFDC-eligible.

The legislature's elevation of AFDC recipients to a priority status is appropriate. AFDC unemployed parents rated the lowest of ten program groups surveyed on five different measures of educational attainment--lower than General Assistance recipients. Despite this, they were less likely than any other group to see their qualifications and training as the main barrier to employment. While many AFDC-UP recipients displayed cynicism, they and the AFDC single-parent group showed a stronger interest in immediate training than any other groups.

Major Findings:

- * Education: Eighty percent (80%) of MEED applicants surveyed had completed high school or a GED, about the same percentage as the Minnesota labor force (81%). A smaller percentage had college experience (25%) or completed college (10%) compared to the labor force (40%, 19%). Overall, they are considerably better educated than the AFDC and GA populations, but less educated than the Unemployment Insurance population.
- * Households: About one-third of MEED applicants were married. Thirty percent (30%) were individuals or families living with relatives or friends. Less than 10% appeared to be children 21 or under living with their parents. 10 percent were single-parent families living independently, and 27% individuals living alone.
- * Income: Based on 1983 income, typical GA-eligible and no-income applicants lived in poverty, the non-priority group slightly above. In 1984 two-thirds of all MEED respondents had income from a job, self-employment, or a spouse's job. One-fourth received help from family or friends, sold possessions, or drew on savings.
- * Public Assistance: Forty-one percent (41%) were on either GA or AFDC in 1984. One-half were on cash assistance at some time in the last 5 years. Most were recent, short-term recipients (two years or less). More AFDC recipients had long-term dependence.
- * Work History: Most respondents worked sporadically over the last one or two years, but had stable employment at some time in the past. Forty-three percent (43%) had held a job for 4 years or longer. Almost half worked in 1984, but only 14% worked at a full-time regular job lasting six months or longer. The majority of last jobs paid less than \$5.00 an hour.
- * Barriers to Employment: Overall, and especially outstate, the lack of jobs was most often cited as the main barrier; deficiencies in training or qualifications ranked second. However, metro area respondents and AFDC mothers were more likely to view their qualifications as the main barrier.
- * Priority Group System: GA-eligible applicants demonstrated the greatest need for income and the greatest need for employment assistance. Differences between the priority no-income group and the non-priority group were not as clear. The latter category contained two contrasting sub-groups: one with income from AFDC, the other with income from working spouses.
- * GA and GA-eligibles: GA recipients are less employable and more disadvantaged than the GA-eligibles in MEED.

SURVEY DESIGN

The Minnesota Jobs and Income Survey was conducted by the Minnesota State Planning Agency during November and December of 1984. Ten thousand (10,000) survey booklets were mailed to persons in twelve income support and employment programs. Over 3,100 of the surveys were returned. The survey was designed to gather comparative information on program participants that would be difficult to compile through other means. The focus was on their outlook towards work and employment opportunities; their work history and acquired skills; sources of income and support; personal aspirations; and barriers to those aspirations.

This report will focus on the sample of the Minnesota Emergency Employment Development Program (MEED) population. Comparisons will be made to the AFDC, GA, JTPA, Unemployment Insurance, and Job Service samples. The MEED sample of 1,650 was divided into thirds to represent each of the MEED eligibility groups: the two priority groups, General Assistance (GA)-eligibles and households-with-no-income, and a third group, the non-priority applicants. The three distinct samples allow us to compare the composition of the groups and gain insight into the effectiveness of MEED targeting.

The survey sample mailed out was selected proportionately to represent both eligible applicants and actual MEED enrollees. Eligible applicants outnumbered enrollees two to one.⁽¹⁾ Including both groups allows us to look at the total population that MEED is intended to serve.

The net total sample size for MEED is 494, representing a 30% response rate. The sample sizes and response rates for each of the groups are: GA-eligibles 127 (26% response rate), households-with-no-income 161, (31%), non-priority applicants 206 (38%). Possible statistical error is about $\pm 5-9\%$ for each group and $\pm 2-4\%$ for the MEED sample as a whole (95% confidence level), depending on the particular question.⁽²⁾ It should be kept in mind that the response group may be somewhat different than the group of non-respondents. In general, it is likely that the response group is more highly motivated, better educated, and has better communication skills than those who did not respond. Hence, the sample statistics do not necessarily represent the entire MEED applicant population. Nevertheless, the sample is a good representation of a major portion of the MEED population. Assuming that the characteristics of non-respondents are similar for all groups, comparative data should be particularly valuable.

In order to be eligible for a MEED job, a Minnesotan must be unemployed and not receiving unemployment insurance or workers' compensation. A GA-eligible applicant must meet strict income and asset limits used by the General Assistance program. A household-with-no-income applicant must not have anyone in the household working or receiving public assistance or other income. Other non-priority applicants must simply be unemployed and may have other household members working or other sources of income.

For the purposes of this report, the three eligibility groups will be referred to as "GA-eligibles" (GA-E), "no-income group" (N-I), and "non-priority applicants" (N-P). The total MEED sample will be referred to as "MEED applicants," but the reader should remember that all were found eligible for MEED, and many have participated in the program. Some had found other employment by the time they responded to the survey.

All percentages based on survey data that refer to the MEED sample as a whole have been derived by weighting the percentages of each of the eligibility groups to match their percentage of the total MEED eligible applicant population as of December, 1984. (3)

Sample sizes and response rates for other program groups are:

	<u>Sample Size</u>	<u>Net Response Rate</u>
GA (70% employables, 30% exempt)	218	27%
AFDC-Single Parents	156	30%
AFDC-Unemployed Parents	178	33%
JTPA II-A (applicants and participants)	232	32%
Unemployment Insurance	280	35%
Job Service Only (not AFDC, GA, Food Stamps, MEED or JTPA)	260	33%

DEMOGRAPHICS

The MEED population in late 1984 was distributed 59% outstate and 41% in the metro area. The survey had a disproportionately higher number of respondents from outstate (68%). All three eligibility groups are over represented outstate.

When broken down further, the survey sample comes quite close to representing each SDA's actual proportion of the total MEED population. Metro suburban (SDA's 9 and 12) response rates were somewhat low, (4) as was that of Minneapolis for the two priority groups. (See technical notes for comparative regional response rates and sample sizes.)

MEED administrative statistics provide complete data on applicants' sex and race. The sample mailed was proportioned to represent each of these characteristics. Therefore, all differences between the population and the actual sample distribution are due to differences in response rates among demographic subgroups.

Racial Composition of MEED Applicants
(percentages)

	Population (5)				Final Survey Sample			
	GA-E	N.I.	N-P	Total	GA-E	N.I.	N-P	Total
White	73%	83%	86%	79%	80%	90%	90%	85%
Black	11	6	4	8	6	5	2	5
American Indian	12	9	8	10	10	4	5	7
Hispanic	2	1	1	2	2	1	2	1
Southeast Asian	2	0	1	2	2	0	2	2

MEED serves a large minority population, comprising about 22% of its total applicant population. The sample underrepresents minorities by about one-third. This correlates to the lower response rates from the metro area. Blacks are the most seriously underrepresented group in the sample.

MEED Applicants by Sex
(percentages)

	<u>Population (5)</u>		<u>Survey Sample</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
BY ELIGIBILITY GROUP				
GA-eligible	68%	32%	58%	43%
No-income	58	42	57	43
Non-priority	56	44	44	56
BY REGION				
Metro	65	35	49	50
Northeast	59	41	58	42
<u>Bal.of State</u>	<u>56</u>	<u>44</u>	<u>55</u>	<u>44</u>
TOTAL	63%	37%	54%	46%
MN. LABOR FORCE	55%	45%		

The MEED population has a higher percentage of males than the labor force as a whole, with particularly high concentrations in the GA-eligible and metro groups. The survey sample under-represents males, especially in the GA-eligible, non-priority applicant, and metro groups.

Age Distribution of MEED Applicants Compared to
Minnesota Unemployed and Labor Force (6)
(sample percentages)

Age Ranges	<u>MEED Sample</u>				Minn. <u>Unemp.</u>	Minn. <u>L.F.</u>
	<u>GA-E</u>	<u>N.I.</u>	<u>N-P</u>	<u>Total</u>		
16-24	43%	32%	19%	34%	33%	20%
25-34	28	37	43	34	30	31
35-44	12	21	22	17	17	22
45+	18	10	15	16	20	27

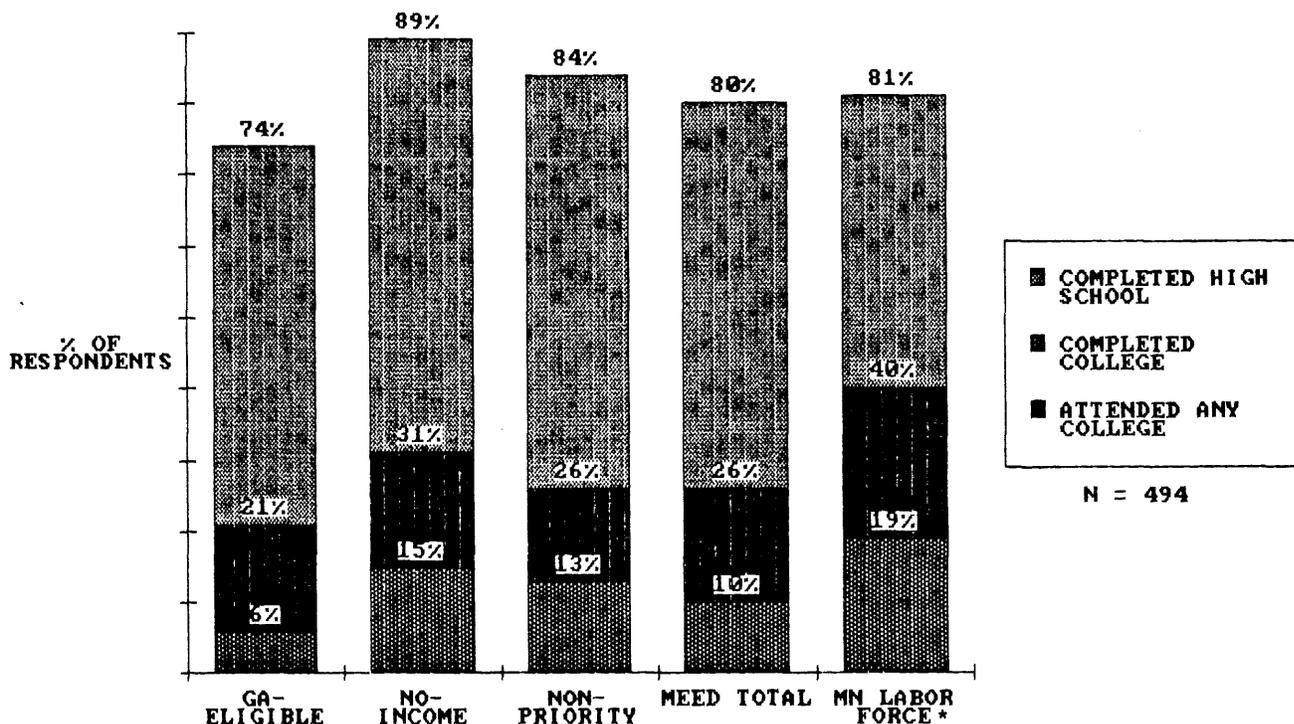
The survey data provides the first available picture on the age distribution of MEED applicants. As the table shows, MEED applicants appear to compare closely in age with the unemployed population as a whole. The unemployed are younger than the labor force as a whole. On the other hand, based on survey data, MEED appears to serve a somewhat older group than JTPA (which is required to serve 40% youth).

The GA-eligible group has relatively larger proportions of younger and older participants, much like the GA population. The non-priority group has more participants concentrated in the middle years, correlating to the greater number of families with children in this group.

EDUCATION

High School and College

EDUCATION OF MEED APPLICANTS COMPARED TO MINNESOTA LABOR FORCE (7)



*U.S. Census, 1980

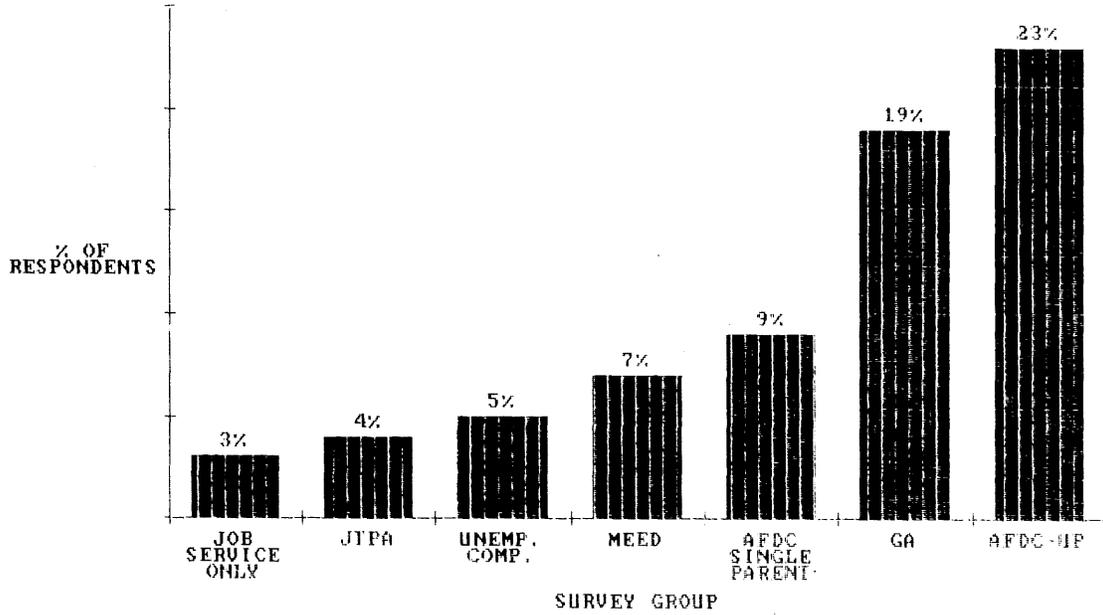
As the chart shows, the MEED applicants sampled have completed high school at a rate similar to the Minnesota labor force as a whole but have less college experience. High school completion is often required to obtain a job, whereas college experience or completion tends to improve the quality of jobs obtained. MEED applicants appear to have the same basic educational credentials needed to get an entry level job as the rest of the labor force, but a smaller percentage have the current potential to move into higher-paying managerial and technical fields.

The GA-eligibles are the least educated group, underscoring the assumption that they face special barriers to employment.

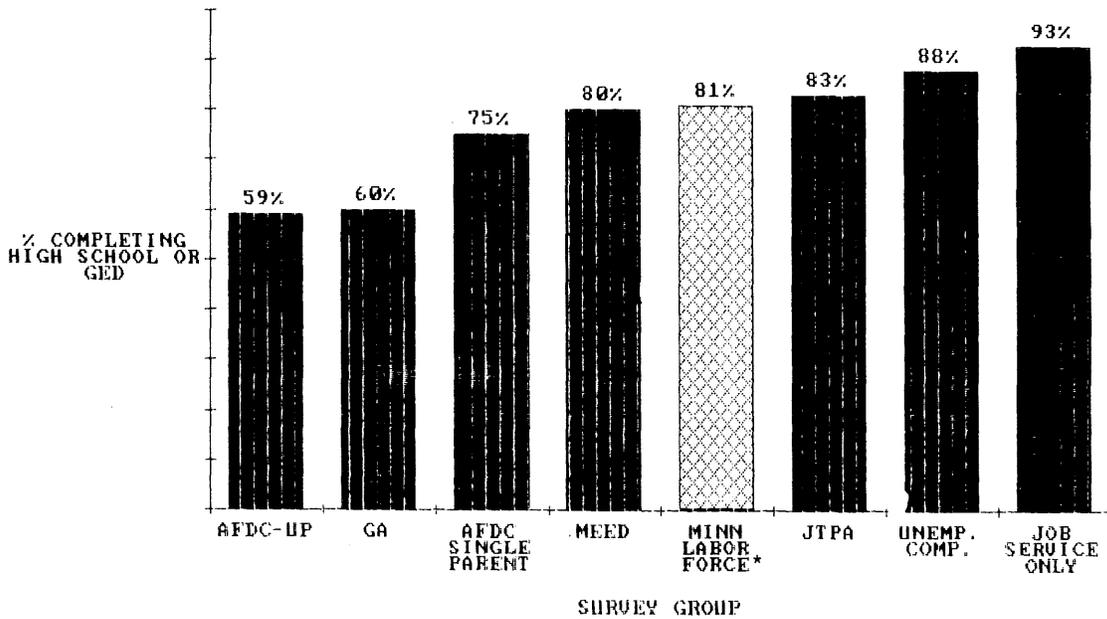
In all three of the MEED groups, metro respondents showed higher educational attainment than those outstate--in average years of education and in percentage with a high school diploma. Rates of college attendance varied by region also, depending on the eligibility group. Highest was the metro non-priority



RESPONDENTS WITH NINE OR LESS YEARS OF EDUCATION



HIGH SCHOOL COMPLETION



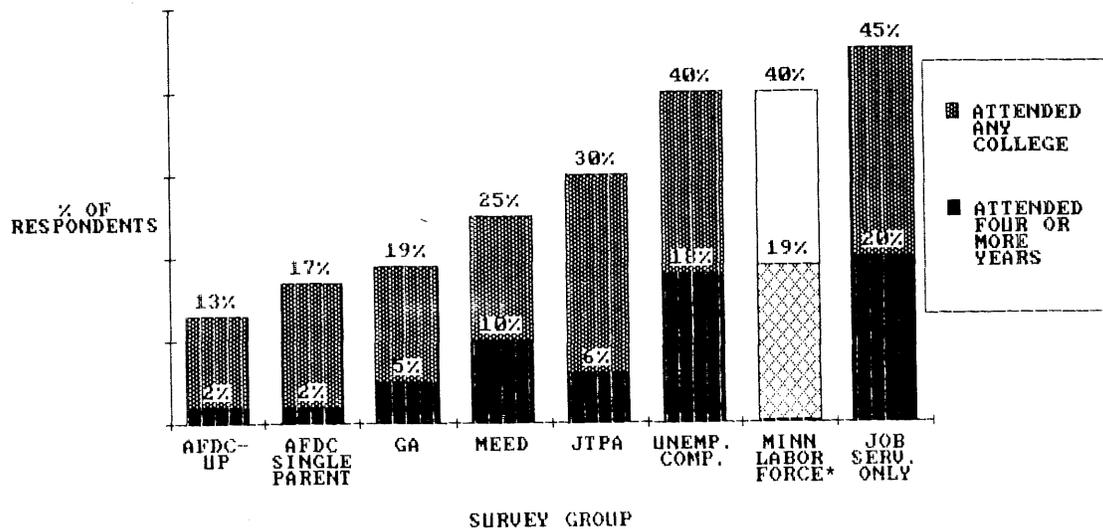
Percentages based on a total sample of 1818 program participants. MEED and JTPA samples include eligible applicants. Minnesota Jobs and Income Survey, November 1984, State Planning Agency.

*U.S. Census, 1980

applicants, 40% of whom had attended some college, and 26% of whom had four or more years (college experience higher than that of the labor force as a whole). The least educated groups were the northeast and balance-of-state GA-eligibles, 70% of which had high school diplomas.

The sample statistics on education must be looked at with some caution, however. Because respondents to a mail survey may be better educated than non-respondents, the numbers may not be representative of the entire MEED population.

COLLEGE ATTENDANCE



*U.S. Census, 1980

Vocational Education

About 43% of survey respondents indicated that they had some vocational education. This varied little among the MEED eligibility groups. Somewhat more GA-eligible respondents from the metro 7 counties indicated having any vocational education compared to those from the rest of the state. The average MEED respondent had about 6 months of training.

The non-priority group had significantly more respondents indicating two or more years of vocational training. Twelve percent (12%) had 2 years or more--about the same level as the JTPA, Job Service and UI samples. Overall, MEED applicants more frequently had vocational training and more often had higher levels of training than did persons in the AFDC and GA survey samples.

HOUSEHOLDS

The table below is compiled from responses to questions on marital status, number of related people in the household, number of children in the household, and the type of living arrangement the respondent had.

Composition of MEED Households (8)
(sample percentages)

	<u>GA-eligibles</u>	<u>No- Income</u>	<u>Non- Priority</u>	<u>All MEED</u>
Single individuals				
living alone	36%	27%	11%	27%
Childless couples				
living alone	2	8	14	7
Single-parent families				
living alone	9	8	11	10
Two parent families				
living alone	15	19	47	25
Families or individuals				
living in the homes of				
friends or relatives*	<u>36</u>	<u>37</u>	<u>15</u>	<u>30</u>
TOTAL**	98%	99%	99%	99%

* Could be individuals, couples, or families - analysis of responses does not allow for distinctions.

**Does not equal 100% due to non-responses on some questions.

The large number of people living with relatives or friends is an indication that many MEED respondents are depending upon others for help while they struggle with unemployment. This group tends to be more diverse than might be expected. Over half are 25 or older, 20% are divorced or separated, and 6% indicated that they were married. It appears that about a third of those living with friends or relatives are adult children living with their parents. Estimating based on certain characteristics, (9) it appears that 11% of GA-eligible households, 11% of the no-income group, and 2% of the non-priority applicants (9% weighted total) sampled are adult children living with their parents.

The high percentage of single individuals in the GA-eligible group is consistent with the characteristics of the GA population. The concentration of two parent-families in the non-priority group reflects the fact that almost two-thirds of the married respondents' spouses in this group were employed, most likely making them ineligible for either of the priority groups.

Due to the limitations on categorizing those who live in the homes of relatives or friends, conclusions from this table are made with some reservations.

Marital Status

The sample indicates that MEED is serving fewer married people than the nation's unemployed population as a whole and more divorced and separated persons.⁽¹⁰⁾ Only about one-third of the respondents are married, the majority of these being non-priority applicants. This compares to the 42% of the nation's total unemployed who are married. MEED respondents who indicated they were divorced, separated or widowed totaled 23%--higher than the national average of 16%. Never-married MEED respondents totaled 43%, the same as the nation's unemployed.

The marital status profile of the survey's JTPA sample is very close to that of MEED. In contrast, the sample of the Unemployment Insurance population found a much higher proportion of married persons. Social research closely links marriage to economic stability. Hence, it appears that MEED is serving a less stable sector of the population.

Children

About half of MEED respondent households have children, based on a weighted estimate. However, in as many as a third of these cases the children may be younger siblings or children of another family with whom the respondent is living. About 40% of the households in the two priority groups had children, compared to 68% of the non-priority households. Regional differences were negligible. In all three eligibility groups the average family with children had about two children.

Related Persons in Household

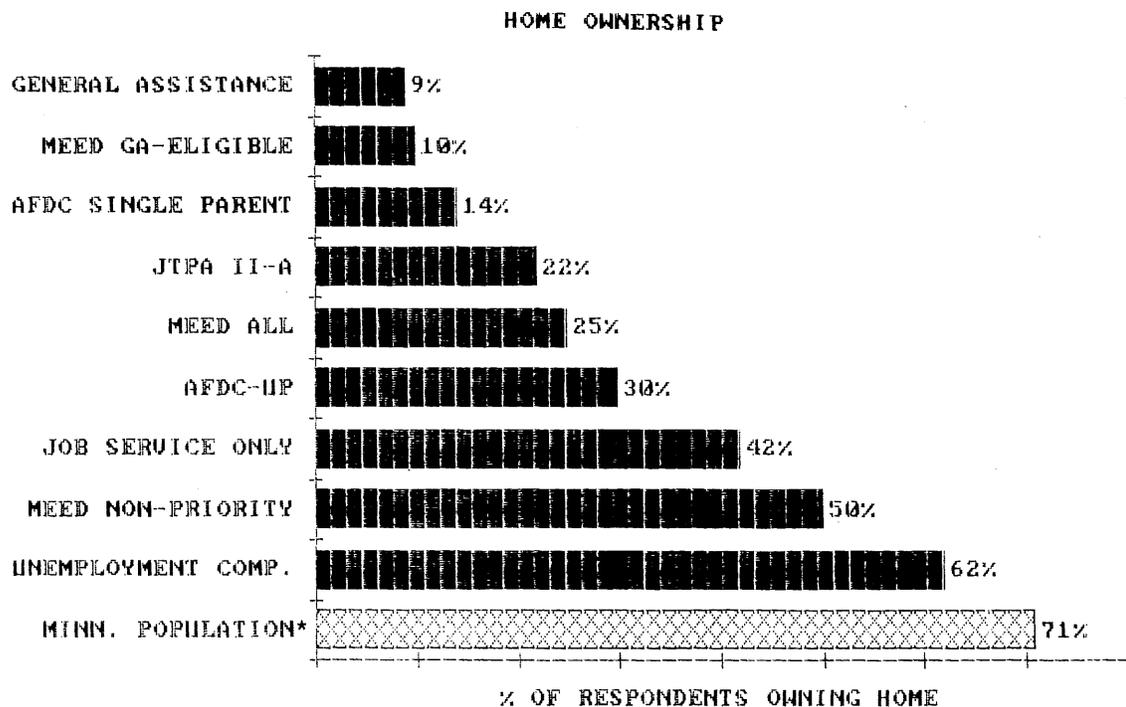
The number of related persons in the household offers a good proxy for the number of persons who may benefit from the respondent's earnings. The GA-eligible group had an average household size of 2.5, the no-income group 2.7, and non-priority applicants 3.3. The latter two groups had larger households in the outstate areas.

Homeownership

The highest concentration of MEED respondents was renters. A total of 38% lived in rented quarters. The highest percentage was among GA-eligible applicants, at 43%.

One-quarter of the MEED respondents lived in a home that they own. This ranged from a high of 50% for the non-priority applicants, to a low of 10% for GA-eligibles. These numbers offer one of the few available measures of the assets of MEED applicants. MEED's 25% home ownership rate is well below the 62% rate of the unemployment insurance sample, and the 71% rate of the Minnesota population. (11)

The low incidence of home-ownership amongst the the two priority MEED groups, together with their 35% incidence of living with friends or relatives, is an indication that their overall resources are probably quite limited.



Percentages based on a total sample of 1818 program participants. MEED and JTPA samples include eligible applicants. Minnesota Jobs and Income Survey, November 1984, State Planning Agency.

*U.S. Census, 1980, % of Minnesota housing units that are owner-occupied (not strictly comparable to survey data).

INCOME

The Jobs and Income Survey offers information on both the amount and the sources of the MEED sample households' incomes. The median total household income ranges reported for 1983 were: \$5,000-7,499 for the GA eligible and no-income groups, and \$10,000-12,499 for the non-priority applicants. Sixty-two percent (62%) of the total sample reported incomes below \$10,000. About half of the GA-eligible respondents reported incomes below \$5,000. The median income for Minnesota families was \$24,027 in 1982. Only 14% of the total sample reported incomes of \$20,000 or greater for 1983.

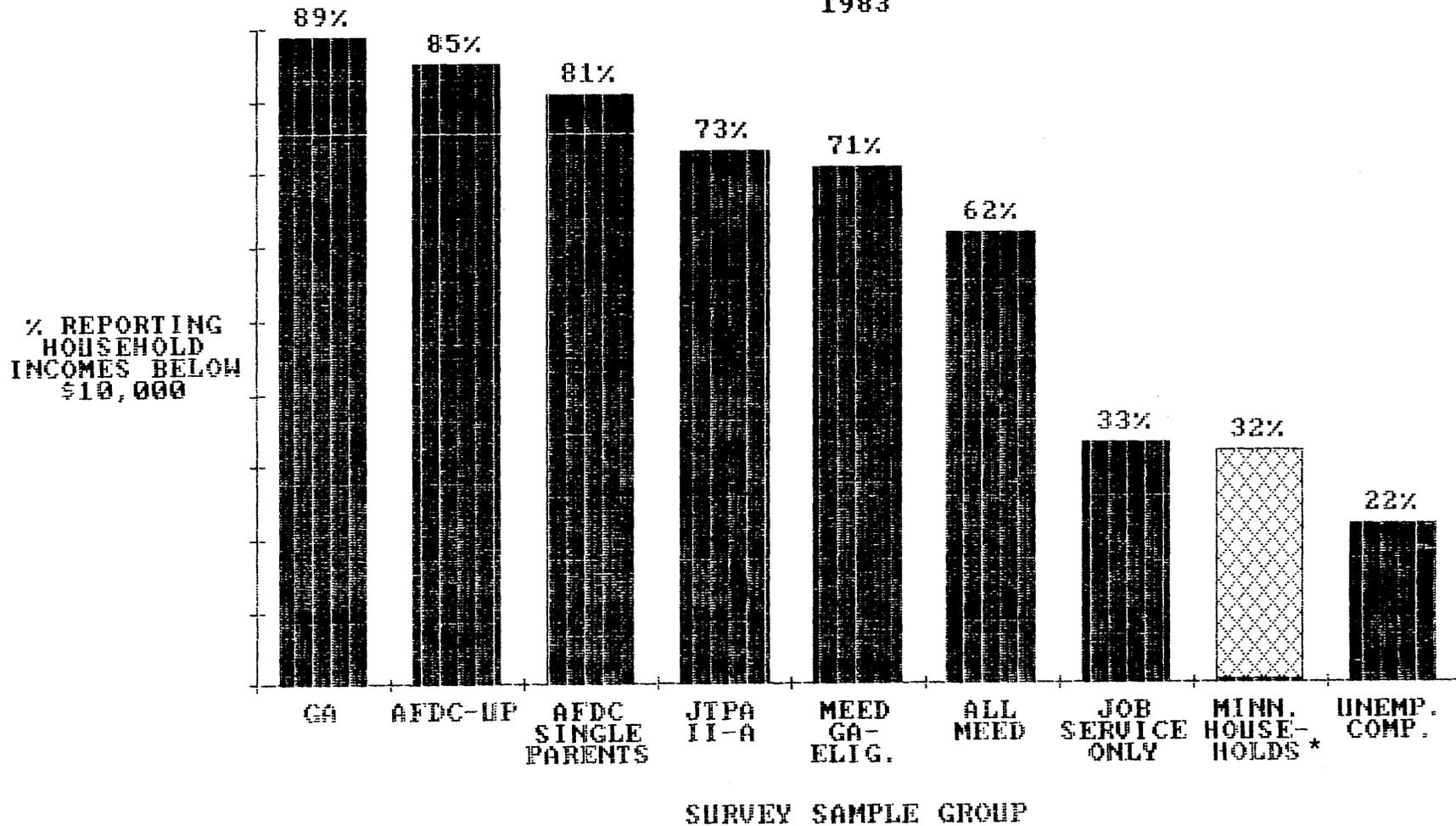
Using the household sizes cited earlier, it can be concluded that the typical household in the two priority groups lived at or below the poverty line, and that the non-priority applicants were generally above the poverty level. Since the reporting period was 1983, these figures tend to indicate that the onset of economic difficulties for most MEED applicants began well before their 1984 participation in the program.

During 1984, MEED households used many means to support themselves. A third of the total sample reported no earned income from any source in 1984--neither a job, a spouse's job, or self-employment. Twice as many GA-eligible applicants (40%) as non-priority applicants (21%) reported no earned income. The following are the major "means of support" reported in the survey sample (many reported multiple sources):

- * A job or self-employment represented the most frequent source in no-income (67%) and non-priority applicant (62%) groups, as well as for MEED overall (62%).
- * A spouse's job was a source of income for about 24% of the sample, or about 70% of those who were married.
- * Public assistance was the second most frequent source of support (46% of the total sample). It was the most frequent source of support for GA-eligibles (61%, compared to 59% reporting job or self-employment income). Thirty-five (35%) of the no-income group and 28% of non-priority applicants reported using public assistance in 1984.
- * Family or friends provided support to 35% of the respondents. This ranged from a low of 29% for non-priority applicants to 40% for the no-income group.
- * Sale of possessions was reported to be a means of support by about one-quarter of the respondents in all groups.



**INCOME LEVELS
1983**



Percentages based on a total sample of 1818 program participants. MEED and JTPA samples include eligible applicants. Minnesota Jobs and Income Survey, November 1984, State Planning Agency.

*Minnesota Department of Revenue, 1983

- * Savings were also used by one-quarter of the respondents. Fewer GA-eligible applicants reported drawing on savings. They may have already exhausted any such resources. In comparison, twice as many no-income applicants (37%) drew on savings.
- * Unemployment compensation was used in 1984 by 15% of respondents, equally among all eligibility groups. This indicates that most respondents had either exhausted their benefits before 1984 or had never qualified.

In conclusion, while a third of the MEED applicants responding reported no earned income during 1984, the group as a whole had a broader array of sources of support than did GA and AFDC recipients sampled. The welfare recipients less frequently drew support from family or friends, savings, sale of possessions, pensions, or spouse's jobs.

PAST AND PRESENT PUBLIC ASSISTANCE USE

The survey offers two measures of the respondents' use of public assistance. One measures general use of cash public assistance over the last 10 years. The second details specific use of various programs, both currently and over the last five years.

Cash Assistance Over the Last Ten Years

More than half of the MEED respondents indicated that they had used cash public assistance at some time during the last 10 years. As might be expected, usage was highest (65%) among the GA-eligibles. It was about 50% for the other two groups. However, 51% of GA-eligibles received assistance for only one to two years, and only 14% for three to ten years. The largest percentage of medium and long term users (3-10 years) was among the non-priority applicants (25%). This group had a higher concentration of AFDC recipients than the other two groups, many of whom were longer term recipients.

Balance-of-state and metro regions showed similar historical use of cash assistance. The northeast was only slightly higher in use for one to two years, but twice as high (22%) as the other regions in those indicating use for three to seven years.

Program Use Over Last Five Years

GA:

- * A third of all MEED respondents reported using GA sometime in the last five years. However, 73% of those used it in only one year.
- * GA use over the last five years was highest among GA eligibles, 50% of whom used it at some time.
- * Twenty-eight percent (28%) of all MEED respondents reported being on GA sometime in 1984. Only 44% of GA-eligibles reported being on GA during the year, though others could have been receiving employment allowances. This and other measures indicate that MEED has been serving a much broader GA-eligible population than those using GA cash assistance. The data seems to drive home the fact that a jobs program has much broader appeal than a cash welfare program.

AFDC:

- * Current recipients were found in all eligibility groups.
- * Eighteen percent (18%) of the MEED sample was on AFDC currently or earlier in 1984. Twenty-three percent (23%) of the respondents were on sometime in the last five years.
- * 1984 AFDC usage (21%) and AFDC usage over the last five years (29%) was highest amongst non-priority applicants. Persons who were AFDC recipients in the non-priority applicant group also tended to be on AFDC longer.

Food Stamps:

- * Food stamps is the assistance program most heavily used by MEED applicants. One-quarter stated they were currently using the program, and 46% reported using it sometime during the last five years.
- * GA-eligibles made the heaviest use of Food Stamps--30% reported using them currently, and 50% at some time in the last five years. Forty percent (40%) of the other eligibility groups used food stamps at some time during the period.

- * Duration of usage varied, but tended to be longer than with other assistance programs. Those using Food Stamps 4-5 years were still less in all groups than those using them for one to three years.

Energy Assistance (EAP):

- * Energy Assistance was being used currently by 14% of MEED applicants, with little variation among groups.
- * Thirty-five percent (35%) reported using energy assistance sometime during the last five years. Non-priority applicants had the highest usage, at 42%, and GA-eligibles the lowest at 31% (due in part to less homeownership among GA-eligibles).

Conclusions

As with food stamps, EAP was most frequently used for 2 to 3 of the last five years. In contrast, cash assistance was most frequently used for 1 to 2 years. For all four of the programs discussed here, the numbers currently using the programs represented about half of those who had used the program at some time in the last five years. These facts, together with the work history data, demonstrate that many persons are working but poor, and cycle on and off jobs, and on and off assistance programs. They are on food stamps and energy assistance more frequently because of the higher income and asset guidelines, which allow assistance to more persons working at low-paying or sporadic employment.

Weighting the sample results to reflect the MEED applicant population, it can be estimated that 49% of the MEED applicants were on either GA or AFDC at some time during the last 5 years. Conversely, 51% were not. Forty-one percent (41%) of the MEED applicants were on either GA or AFDC at some time in 1984, based on an estimate from the sample data. Fifty-nine percent (59%) or less were not. (The actual number on cash assistance was probably higher than in the sample, since welfare recipients were somewhat less likely to respond to the survey.) Using this and the work history data (next section), it can be tentatively concluded that MEED has been successfully meeting the legislature's policy goals of targetting multiple populations: welfare recipients, unemployed non-welfare users, and dislocated workers. However, since the sample includes many MEED applicants who may have never actually enrolled in a MEED job, further program review should look at the public assistance history of that group actually enrolled in MEED.

WORK HISTORY

The Jobs and Income Survey offers five key determinants of the extent and continuity of MEED applicants' work history. Two of the measures, how many years a respondent has worked at least part of the year and the duration of the longest job ever held, provide information on the respondents' lifetime work history. Three additional measures provide a picture of the respondents' most recent experiences with employment and unemployment: when the last job ended, when the last full-time job lasting six months or longer ended, and the duration of the last job. Together, responses on these five measures offer an overview of the work histories of MEED applicants.

Lifetime Work

The measure for the years of a respondent's life of which at least part was spent working (chart 1) tends to be a reflection of age. Most respondents indicated that they had worked in each year of their adult lives, and many, a portion of their teenage years. Therefore, the disadvantage that GA-eligible group seems to be at in work experience is at least partially a reflection of the fact that they are younger than the other two groups (see "Demographics" section)--43% are under the age of 25, compared to 32% of the no-income group and 19% of the non-priority sample. The problems faced by young workers in finding steady employment are not peculiar to MEED applicants.

The duration of applicants' longest jobs should, for the population being studied, provide a good measure of their stability and of the quality of those jobs. A job held for more than several years must be a minimally adequate job, though not necessarily a good job, depending on the local labor market. While population figures on job duration are not available, the Job Service Only sample (persons using Job Service who were not on UI, GA, AFDC, or Food Stamps, and not in JTPA or MEED; N=280) results proved a good reference point in measuring employment stability. Twenty percent (20%) of that sample reported holding a single job for 10 years or longer, and 55% for 4 years or longer.⁽¹²⁾ The Unemployment Insurance sample showed even greater stability, partially because of age (see chart 1A for comparison of sample groups).

Twelve percent (12%) of the MEED sample indicated that they had held a single job for 10 or more years. Almost half (43%) had held a job for 4 years or longer. The fact that 39% of the GA-eligible respondents reported holding a single job for at least 4 years indicates that economic dislocation, rather than employability factors, have probably driven them into the MEED program.

CHART 1
 NUMBER OF YEARS OF LIFE IN WHICH NEED
 APPLICANTS HAVE WORKED

■ GA-ELIGIBLES
 □ NO-INCOME
 ▨ NON-PRIORITY

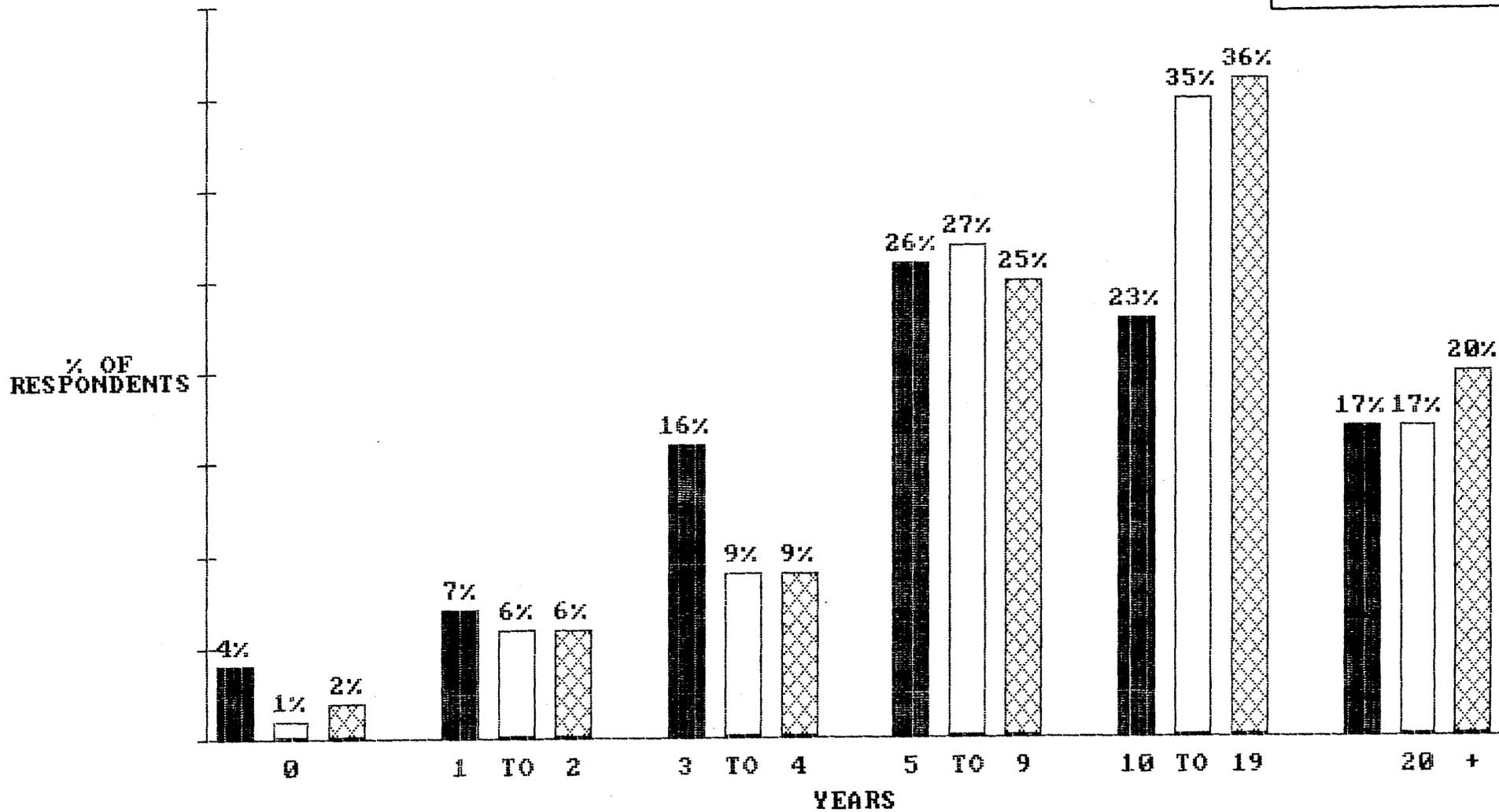
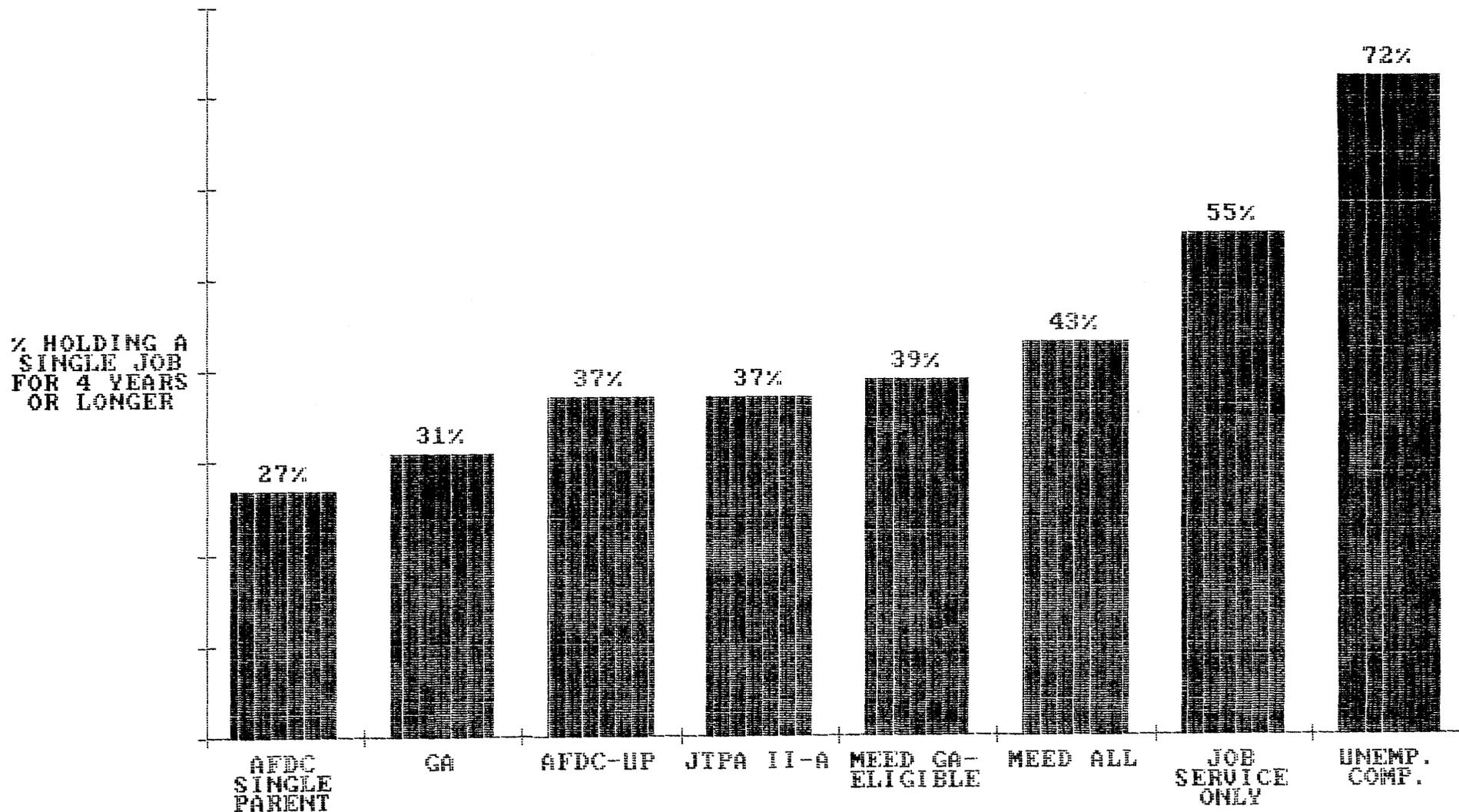




CHART 1A
DURATION OF LONGEST JOB EVER HELD



Percentages based on a total sample of 1818 program participants. MEED and JTPA samples include eligible applicants. Minnesota Jobs and Income Survey, November 1984, State Planning Agency.

The GA-eligible applicant group appears to be split between those with little or no solid work experience and those suffering the effects of prolonged dislocation. As chart 2 shows, the GA-eligible group had somewhat more respondents whose longest jobs lasted only one year or less (24%, plus 4% reporting no job history), and fewer whose longest job lasted 4 to 9 years. Age was again a factor, as 63% of the GA-eligible respondents who had never held a job for longer than 3 years were age 25 or under. Overall, over half of all MEED respondents who had not held a job for longer than 3 years were age 25 or under.

The role that age plays in these two measures complicates their interpretation. Younger workers normally show more mobility between jobs, due to their efforts to improve their status. It is, therefore, debatable whether the seemingly short duration of respondents' longest jobs has great meaning. It also raises the question of whether an investment the size of a MEED subsidy is an appropriate way to combat problems that are inherent with relatively new entrants to the labor force.

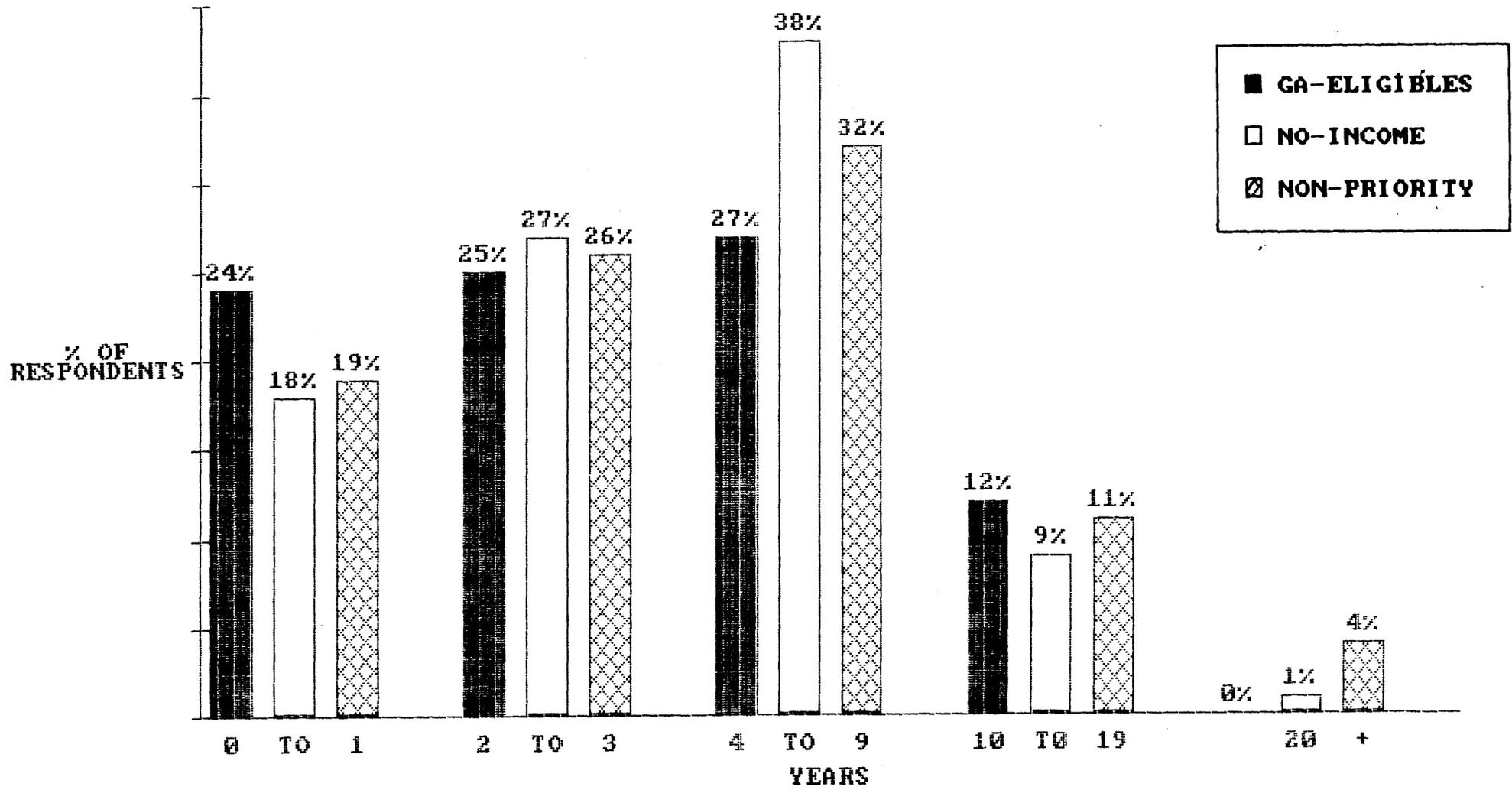
Given the difficulty of interpreting the two lifetime work measures, other indicators must be examined for greater clarity: recent work patterns and the quality of jobs.

Recent Work Patterns

Charts 3, 4, and 5 provide a picture of the most recent experience of MEED applicants with employment and unemployment. Although chart 3 shows that about half (46%) of MEED applicants' last jobs ended in 1984, chart 4 shows that only 14% indicated that their last full-time job lasting six months or longer ended in 1984. This difference points to the short-term nature of many of the jobs MEED applicants have taken over the last few years. This finding is supported by the fact that 61% of the respondents indicated that their last job lasted one year or less (chart 5). Over one-half of the respondents also indicated that this job ended due to lay-off, business failure, or the temporary nature of the job.

GA-eligible respondents were more likely to have recent work experience. On the other hand, the GA-eligibles had more respondents indicating that their last job lasted one year or less (65%), and fewer who had become re-employed since applying for MEED.

CHART 2
 DURATION OF LONGEST JOB EVER HELD BY MEED
 APPLICANTS



RECENT WORK EXPERIENCE

CHART 3
YEAR THAT LAST JOB ENDED FOR MEED APPLICANTS

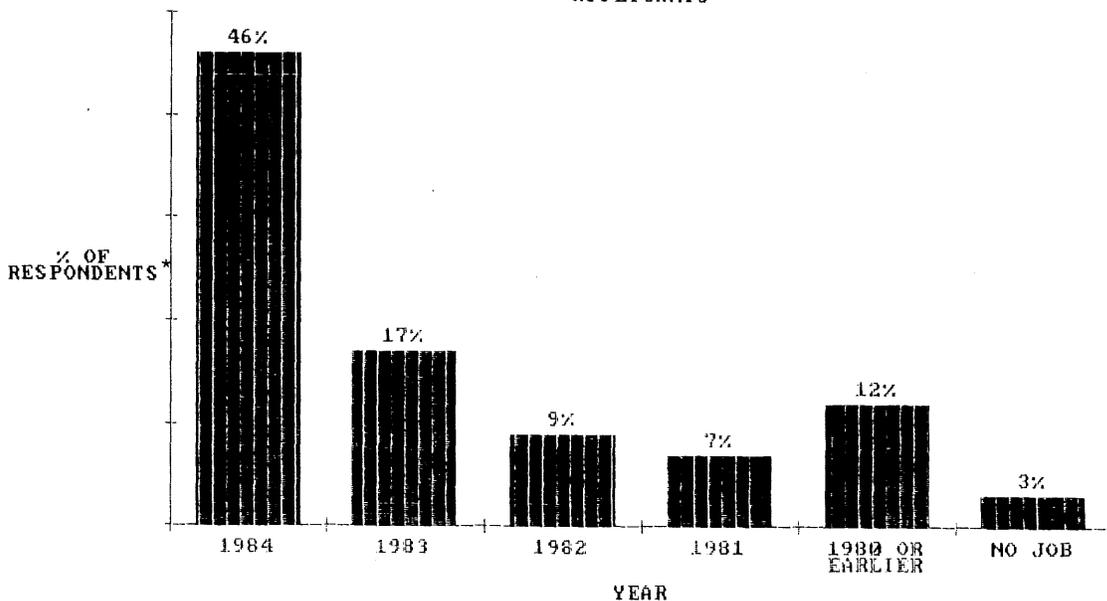
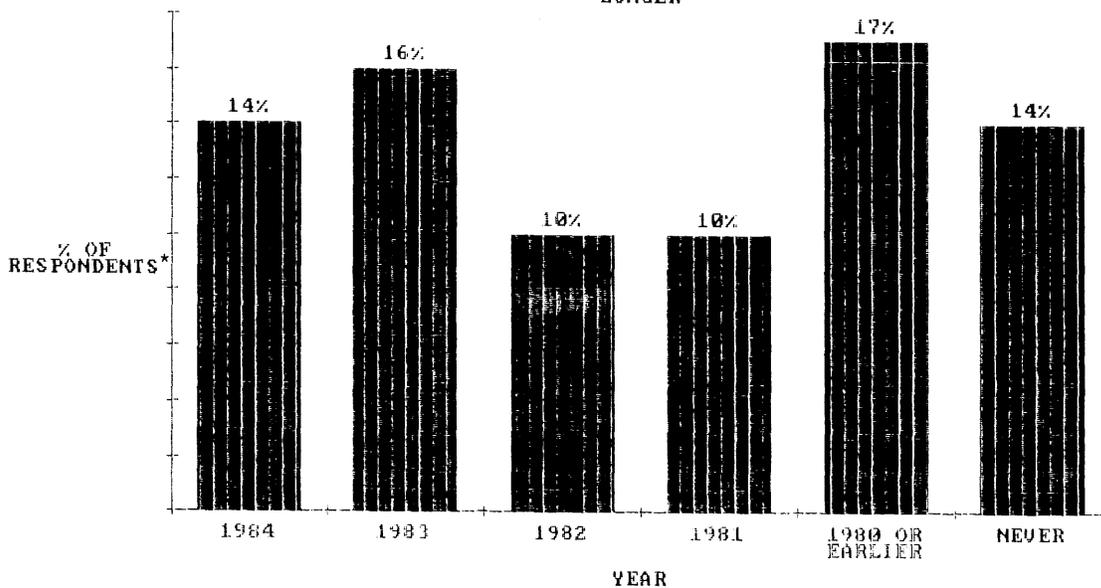
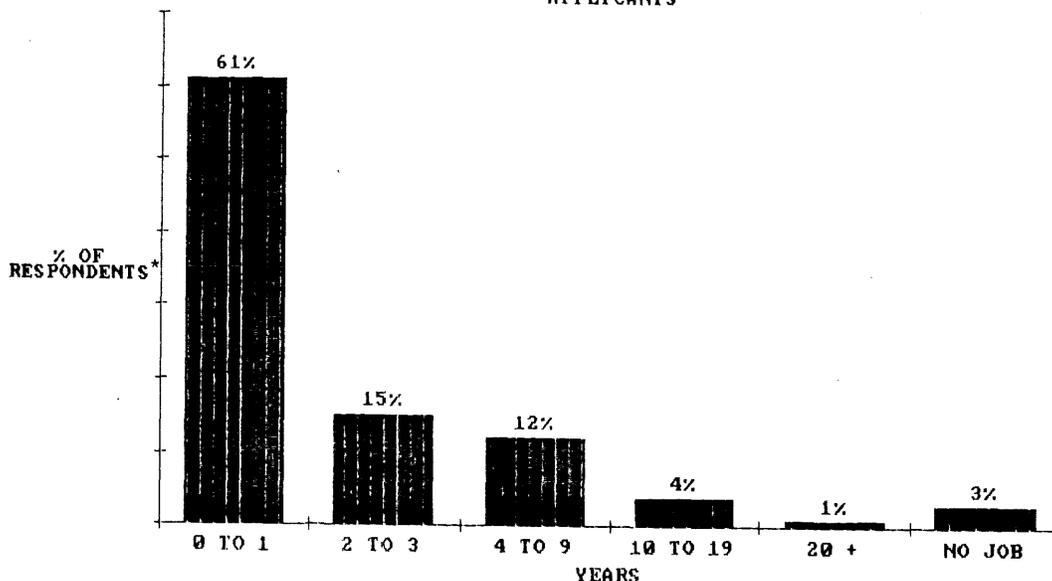


CHART 4
YEAR IN WHICH MEED APPLICANTS' LAST HELD A FULL-TIME JOB LASTING SIX MONTHS OR LONGER



*All percentages are weighted percentages of the total MEED sample (N=494).

CHART 5
DURATION OF LAST JOB HELD BY MEED
APPLICANTS



The non-priority group has a great number of applicants (25%), primarily women, who indicate that they have not held a full-time job lasting six months or longer in the last four years. Two types of persons are in this sub-group: (1) AFDC recipients (at least a quarter of the group, many long-term); and (2) persons with working spouses (40% had spouses working full time). Over half of the non-priority respondents (53%) had spouses who worked in 1984 (over three times the percentages in the other MEED groups). Their efforts to gain a MEED job underscore the need of most families to have two incomes.

The metro, northeast and balance-of-state regions of the state all show similar patterns of many respondents whose last job ended in 1984, but few whose last regular full-time job ended in 1984. However, in the northeast more persons had not worked recently at a full-time job or any job. Only 18% had worked at a full-time job for 6 months or longer in the last 2 years. Many applicants in the northeast who were GA-eligible had never held a full-time job for more than 6 months.

Quality of Last Job

Three types of information from the survey can tell us about the quality of the respondents' last jobs: the type of occupation, the wage, and whether or not Unemployment Insurance (UI) was collected at termination.

- * Twelve percent (12%) of last jobs were professional, technical, or managerial, compared to 25% of the state's labor force. Sixteen percent (16%) of the non-priority applicants had jobs in this category, and 9% of the GA-eligible applicants.
- * The highest concentration of MEED applicants came from clerical (15%) and service (20%) occupations. These percentages do not differ greatly from the labor force figures of 17% and 15%, respectively.
- * About 20% of MEED applicants collected unemployment insurance at the termination of their last job. This varied little between groups. In 1984 a Minnesotan had to work at least 15 weeks and earn at least \$94 each week to be eligible for benefits. Most MEED applicants had jobs that did not meet this standard.
- * One-third of respondents indicated that their last job paid less than \$4.00 an hour, and 58% less than \$5.00 an hour. Thirty percent (30%) made between \$5.00 and \$7.99, and only 13% over \$8.00. The GA-eligibles had the lowest pay; 62% of them made less than \$5.00 an hour.
- * Approximate median wages were as follows: GA-eligibles, \$4.25 an hour; no-income, \$4.50; and non-priority, \$5.00. In comparison, statewide average hourly earnings at the time of the survey were \$9.74 an hour for production workers in manufacturing industries and \$7.45 for those in trade industries. (13)
- * Only 10% made more than \$10.00 an hour at their last job, many of whom were from the northeast.

Overall, the last jobs of MEED applicants appear to have been short and low-paying, although there is variation. In the northeast, for instance, there appears to be a sharp division between those coming from high-paying jobs and those from near minimum-wage jobs, with few respondents in between.

EMPLOYMENT GOALS AND BARRIERS

Employment and Training Goals

When asked what they would most like to be doing now, almost three-quarters of MEED respondents said they wanted to be working full-time. Another 6% indicated part-time work. Yet over one-third of respondents felt that their chances of finding a job were "not good" or that they had "no chance." Only 16% felt their chances were "good" or "very good."

The non-priority applicant group had more respondents looking for part-time work, reflecting the fact that over half had spouses who were working. The GA-eligible group had more persons desiring training, consistent with their lower level of education.

Overall, the MEED applicant sample group was significantly less interested in school or training than were AFDC, GA, or JTPA sample respondents. Only 15% indicated that training was the main thing they wanted to be doing now, compared to 25% or more of JTPA applicants and AFDC single and unemployed parents. However, over 50% of MEED applicants indicated that they were interested in training at some time. The majority of respondents in all groups preferred on-the-job training.

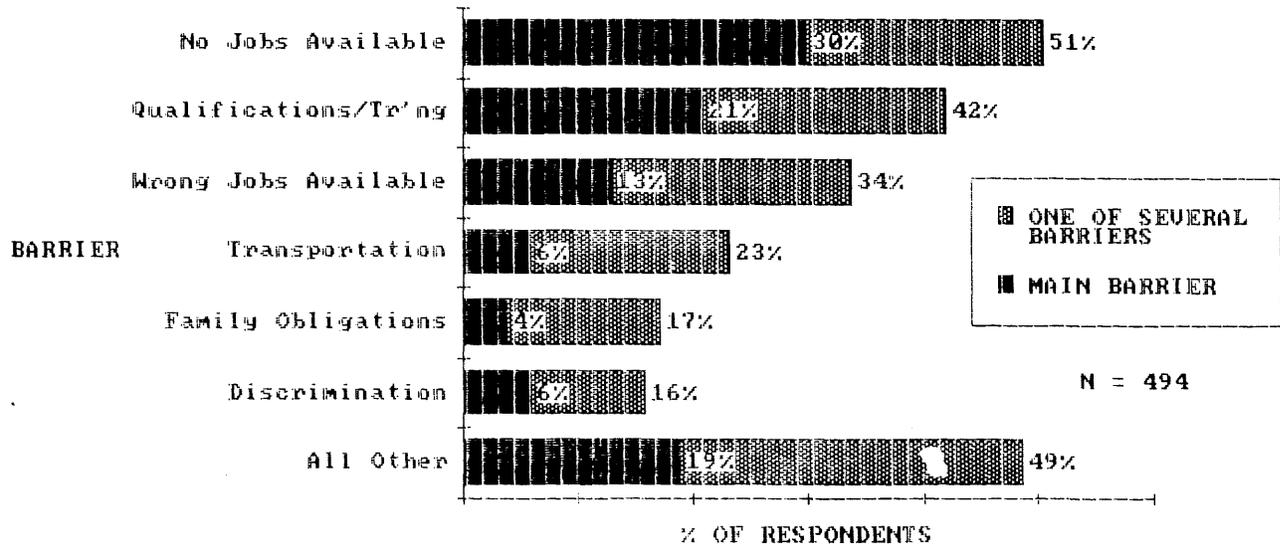
Across the board, for all groups surveyed, cost is overwhelmingly seen as the main barrier to training. About half of the MEED respondents saw it as the main barrier. Since MEED can provide, in many cases, both income and training, it can help overcome this key barrier. A lack of availability of training was seen as a barrier by about 20% of MEED respondents, but as the main barrier by only 10%.

Barriers to Work

MEED applicants were asked to identify, from a list of 13 choices, "what are the biggest roadblocks to getting a job, or finding a better job?" Then they were asked to circle the "one main roadblock." The chart below shows the major categories of response.

Of eight major program populations surveyed, only AFDC single-parents did not view "no jobs available" as the principal barrier to employment. AFDC mothers most frequently cited "my qualifications and training" as the main barrier (see chart). They, in a number of ways, expressed the most intense desire of any group to obtain more school or training in order to get better quality jobs.

MEED APPLICANTS' PERCEIVED BARRIERS TO
GETTING A JOB OR FINDING A BETTER JOB

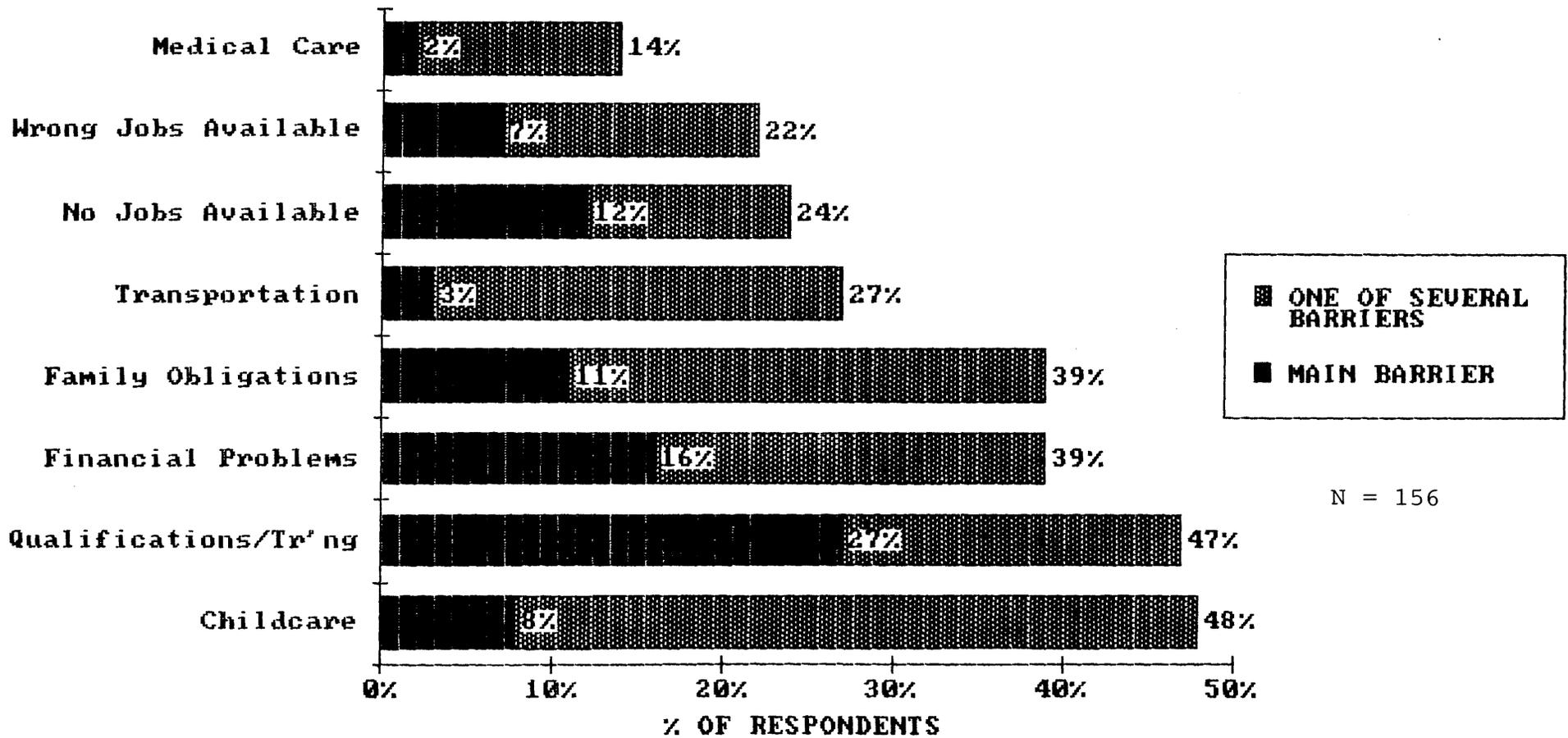


While either the lack of jobs or the "wrong kinds of jobs available" were cited as the main barrier by almost half the MEED respondents, this leaves over half who saw a variety of personal and situational factors as the main barrier. The need to overcome these barriers underscores the critical role of support services provided by employment programs. For example, discrimination is still frequently perceived as a barrier, especially among minority and older workers. Transportation was cited as a barrier by 32% of GA-eligible applicants and as the main barrier by 9% (only 50% of the group owned or had use of a car).

Most important of the situational or personal barriers was the perception of a lack of qualifications or training. Not surprisingly, "no jobs" was cited as the main barrier more frequently by those living outstate, particularly in the northeast. But in the metro area, "qualifications and training" was the dominant barrier. Ironically, MEED applicants in the metro area had higher levels of education and work experience than those outstate. The same correlation was found in the survey's AFDC sample, where the more qualified were also more likely to consider qualifications as a barrier. It may be that the better qualified have higher aspirations, and/or an enhanced perception of what employers demand in today's labor market.



BARRIERS TO GETTING A JOB OR FINDING A BETTER JOB REPORTED BY AFDC SINGLE-PARENTS



Minnesota Jobs and Income Survey, November-December 1984, Minnesota State Planning Agency. Sample included all AFDC parents, regardless of age of children or work status, except those who were incapacitated.

MEED offers an appropriate response to many of the barriers identified in the Jobs and Income Survey. First, MEED offers jobs in areas where jobs are in short supply; ideally, jobs that would not otherwise exist. Secondly, many MEED placements have the potential of offering the skills and training that many participants are looking for. This aspect will take on greater importance as AFDC recipients become a priority MEED group in 1985-86. Thirdly, MEED offers work experience, an important need written in by many survey respondents. Finally, using discretionary dollars and working with other programs, such as sliding-fee daycare, MEED has the potential to tackle other barriers.

POLICY ISSUES

I. Assessing the MEED Priority System

In order to meet the needs of the most vulnerable sector of the unemployed population, and to reduce General Assistance caseloads, the 1983 legislature established the two priority groups for MEED. The broad non-priority, but eligible group, was established to allow for equity and to ensure that households in need would not be kept out of the program by arbitrary income or asset guidelines. The survey data allows review of the viability of the priority system. Two criteria will be used: the need for income and the need for employment assistance. In terms of these criteria, do the GA-eligible applicants demonstrate the greatest need, and the non-priority applicants the least?

Need for Income

- * Median 1983 household income was the same for the GA-eligibles and the no-income group, but much higher for the non-priority applicants.
- * The non-priority applicants depended less on family and friends, reflecting greater economic self-reliance.
- * 1984 cash public assistance use was highest among GA-eligibles (57%), and much lower in the other two groups (25%).
- * In general, the GA-eligibles depended the most on public assistance over the last ten years, and the non-priority applicants the least.
- * In contrast, reported long-term public assistance use over the last ten years was highest among the non-priority applicants, and lowest among the GA-eligibles.
- * Use of food shelves was higher amongst the GA-eligible group, but surplus commodity use was roughly equal across all groups.
- * GA-eligibles used emergency shelters more often than the other two groups (9% for GA-eligibles, compared to 3% for no-income and less than 1% for non-priority applicants).

- * Fifty percent (50%) of the non-priority applicant respondents owned homes, compared to 28% of no-income respondents, and 10% of the GA-eligibles (due in part to the fact that 43% of GA-eligibles were under age 24).
- * Only 50% of GA eligibles respondents owned or had use of a car, as compared to over 80% of the other two groups.

By the above measures, the GA-eligible applicants do appear to have fewer resources than the other two groups. The no-income group and non-priority applicants were much the same, except on home ownership. The greater percentage of home ownership and higher 1983 income for the non-priority applicants may indicate that this group has fewer persons experiencing persistent income problems. More persons in the no-income group used public assistance, but the duration was longer with the non-priority applicants. Many of the long-term users were AFDC recipients, who receive priority status under the 1985 amendments to MEED. In general, the income and resource measures of the survey support the validity of the two designated priority groups.

Need for Employment Assistance

Various indicators may be used to determine if a person faces significant barriers to finding a job. Survey data allows evaluation of the priority system based on two of these indicators: educational background and work experience.

- * GA-eligibles are the least educated of the three groups.
- * The level of vocational education is essentially the same among the groups.
- * GA-eligible group has significantly more respondents indicating work in four or less years of their lives than the other two groups (27%, compared to 16% and 17%).
- * GA-eligibles had the shortest average duration for their longest jobs.
- * The non-priority applicant group had more people out of work for three or more years, but fewer new labor force entrants.
- * GA-eligibles have more recent work experience, but at shorter jobs. They appear to have more problems becoming re-employed.

- * The typical most recent job for a GA-eligible was lower paying than that of the other two groups.

Based on employment measures, the GA-eligible population is again the the most in need of assistance. The other two groups are not very distinct, except that the non-priority group seems to have more people who have been out of the labor market for an extended period.

In conclusion, the survey data confirms that GA-eligibles, overall, are most in need of additional household income, and most in need of assistance in finding a job. The treatment of this group as the top priority, therefore, seems justified. The distinction between the no-income and non-priority groups is not as clear.

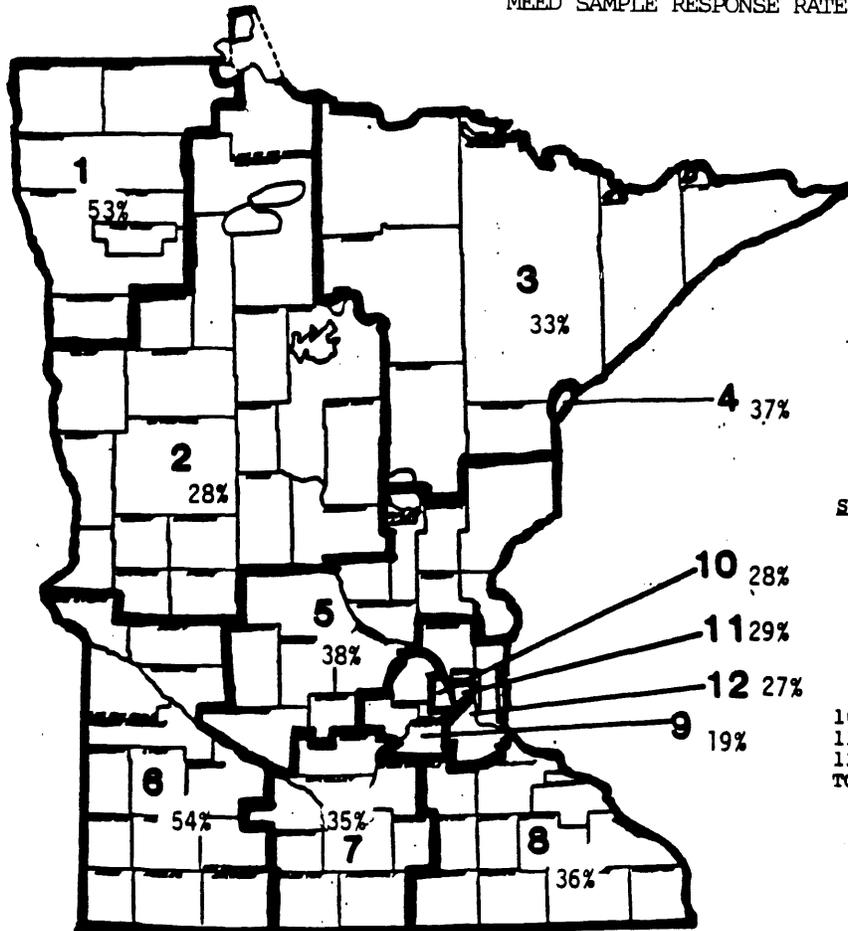
II. Relative Status of the GA and MEED GA-Eligible Populations

Have the MEED GA-eligible applicants been significantly more employable than the broader GA population? Survey data on the full GA population provide for a comparison:

- * GA recipients have less education than MEED GA applicants; fewer respondents had high school diplomas and fewer had college experience.
- * GA recipients have less vocational education, particularly long-term.
- * More GA recipients had no work experience.
- * GA recipients typically had not held onto a job for as long as MEED GA applicants.
- * GA recipients, judging from survey data, have been out of the work force longer.
- * Fewer GA recipients cited employment as a means of support in 1984.
- * Fewer GA recipients relied on family and friends, sale of possessions, and savings as means of support, perhaps due to having exhausted such resources.
- * Fewer MEED GA applicants have used public assistance, and they report less long-term use.
- * A greater percentage of GA recipients had used food shelves in the last year.

These survey data comparisons verify that the GA recipient population as a whole is more disadvantaged and less employable group. In part, this reflects the fact that up to 30% of the GA sample was made up of persons exempt from work requirements, usually due to mental or physical problems. However, the data confirms that many persons who applied for MEED and happened to be found GA-eligible were downwardly mobile persons who had more financial resources than the existing GA population. Perhaps as these persons became accustomed to receiving an employment allowance or utilizing a government program, and as their economic situation worsened, any resistance to relying on government help was gradually worn down. This could explain part of the surging GA caseloads in late 1984 and early 1985.

MEED SAMPLE RESPONSE RATES BY SDA



RESPONSE RATES FOR TOTAL MEED SAMPLE BY SDA

SDA	Net Distrib- uted	Returned	Net Response Rate
1	43	23	53%
2	245	69	28%
3	224	73	33%
4	65	24	37%
5	117	45	38%
6	50	27	54%
7	63	22	35%
8	165	59	36%
9	121	23	19%
10	218	60	28%
11	72	21	29%
12	151	41	27%
TOTAL	1,538	487	32%

COMMENTS:

The net number distributed does not include those surveys that never reached the addressee because of an incorrect or dated address. This totaled 7% of the gross sample distributed, or 115 surveys. The areas with the highest rate of bad addresses were Minneapolis and St. Paul, which had 15% and 13%, respectively. Surveys returned include only those used in the sample, not those excluded due to problems in validity.

Net response rates for the three groups: GA-eligible, 26%; no-income, 31%; other applicants, 38%. There was a fair amount of variance among the SDA's on response rates for each group, but differences between SDA's followed the general pattern of the differences in the totals. Most extreme highs were in SDA's with very small sample sizes.

TECHNICAL NOTES

1/

Proportions of Eligible/Not Enrolled and Enrolled Applicants in Gross MEED Sample Distributed

	<u>Eligible/ Not Enrolled</u>	<u>Enrolled</u>	<u>Enrolled as % of Distributed</u>
GA-Eligible	410	142	25.7%
No-Income	357	198	35.7%
Non-Priority	<u>336</u>	<u>209</u>	<u>38.3%</u>
TOTAL	1,103	549	33.2%

The distribution represented in the above table was based on the proportions in the actual MEED population between August and November of 1984.

The sample was selected from persons who became or were recertified eligible over the 90 days preceding the mailing of the survey, or approximately August through November of 1984. Certain people who received and returned surveys may have no longer been eligible applicants at the time they filled out the survey. Others may have changed from eligible/not enrolled to enrolled over that time period. Others may have left the program by finding jobs on their own.

Some persons in the sample may not have been voluntary MEED applicants, but may have been required to apply by their county welfare or WIN office.

2/ The maximum range of statistical error on each question for each sample group varies depending on the size of the sample and on the proportion of the responses. For example, responses split in a 50/50 proportion have the highest potential rate of sampling error. The table below gives the error rates for the MEED samples in this report (95% confidence level).

Statistical Error Rates for MEED Sample at Various Proportions

<u>Proportion</u>	<u>GA-E</u>	<u>N-I</u>	<u>N-P</u>	<u>All MEED</u>
95/5	±3.8	±3.4	±3.0	±1.9
85/15	6.2	5.5	4.9	3.1
75/25	7.5	6.7	5.9	3.8
65/35	8.3	7.4	6.5	4.2
50/50	8.7	7.7	6.8	4.4

3/ The MEED applicant population was divided by eligibility group into the following proportions as of Dec. 1984: GA-eligibles, .514; no-income, .200; non-priority, .286. Weighted totals may be somewhat understated due to the fact that the GA-eligibles represented the largest portion of the MEED population, but the smallest survey sample.

- 4/ Suburban responses may be low due to the possibility that some residents of suburban Hennepin or Ramsey counties indicated Minneapolis or St. Paul as their place of residence when actually they live outside of the city limits.
- 5/ Percentages for sex and race population data are estimated from gross sample proportions provided by each SDA for the period of August to November of 1984.
- 6/ Age percentages for labor force and unemployed from Minnesota Labor Market Information Summary for 1985, Research and Statistical Services Office, MDES, April 1984.
- 7/ "Attended some college" means respondent indicated one to three years of college; "college completed" means four or more years. Labor force figures U.S. Census, 1980.
- 8/ All those who indicated that they lived in the home of a friend or relative were not otherwise categorized because the presence of others in the household made it impossible to accurately determine the structure of either the respondent's family or the entire household. In the case of single individuals, "living alone" means that the respondent indicated that he/she is single and living in a home that she/he owns or in a rental unit. There may be roommates or relatives present.
- 9/ Respondents categorized as adult children living with their parents were: age 21 or younger, living with a relative, and never married. This is a somewhat conservative grouping, as some adult children living with their parents may be older, or have a different marital status.
- 10/ Percentages for the marital status of U.S. unemployed from Employment and Earnings, U.S. Department of Labor, Bureau of Labor Statistics, Vol. 32, No. 2, Feb. 1985.
- 11/ Minnesota rate of home ownership from U.S. Census, 1980. Census percentage is for "owner occupied housing units," and, therefore, is not strictly comparable since it does not consider those living with friends or relatives as a separate category.
- 12/ Both durational measures, length of longest job and length of last job, were rounded to the nearest year. Answers were given with fractions of years expressed in months. In these cases, 5 months was rounded down to the nearest year, and 6 months rounded up to the nearest year. For example, any job that is recorded as having lasted one year actually may have lasted anywhere between six months and one year and 5 months.
- 13/ Statewide wage averages from "Current Minnesota Labor Market Conditions," Minnesota Department of Economic Security, December 1984.
- 14/ Two separate questions were asked: "What are the biggest roadblocks to getting a job, or finding a better job?" and "What is the one main roadblock?" Multiple responses were allowed for the first question. The intention of the second question was not to allow multiple responses, but a few were recorded.