

910336

**WELFARE MIGRATION STUDY:  
A REPORT TO THE 1991 LEGISLATURE**

Department of Human Services

St. Paul, Minnesota

February 1991

*Pursuant to 1990 Laws, Ch 568,  
Art 4, Section 83*

## TABLE OF CONTENTS

Executive Summary	i
<b>Part One: Research on Welfare Migration</b>	
I. The Welfare Migration Argument	1
A. Welfare Migration Research	1
B. Other Factors Contributing to Low-Income Migration	2
C. Welfare Recipient and Non-Recipient Migration Similarities	5
II. Studies of Welfare Migration by State Agencies	6
A. Michigan Study of Welfare Migration	8
B. Wisconsin Welfare Magnet Study Committee	9
C. Minnesota Study of Welfare Migration: Legislative Auditor's Report	16
D. Data from Minnesota Counties	19
E. General Assistance/Work Readiness and Transient Recipients	23
F. Conclusions on the Welfare Magnet Issue	24
Sources Cited	25
<b>Part Two: State of the Law Regarding Welfare Migration</b>	
I. Federal Statutes, Regulations, and Constitutional Law Applicable to States' and Localities' Attempts to Restrict In-Migration of Welfare Recipients	27
A. Federal Statutes and Regulations	27
B. Constitutional Law	29
II. Constitutionality of Policy Options Which May Discourage In-Migration	32
A. Probably Unconstitutional Options	33
B. Potentially Permissible Options	35

## EXECUTIVE SUMMARY

This report was prepared to fulfill the requirements of Laws of Minnesota 1990, Chapter 568, Article 4, Section 83. This section requires a new study on the migration of welfare recipients to and from Minnesota and a report on the study. Because of the limitations of time and funding, new data gathering has not been done, and the study is more limited in scope than the requirements of Section 83. The Conference committee which set the funding for the study understood that the study would be mainly a survey of existing literature on the subject of welfare migration.

The report consists of two major parts: (1) a study of existing research on the subject of welfare migration including a brief report on the existing data regarding migration of welfare recipients to Minnesota; and (2) a summary of the current state of federal statutes, regulations, and case law regarding restrictions of benefits for migrants, prepared by the Attorney General's Office. This part of the report also contains an assessment of various options which have been suggested for limiting welfare benefits for recent migrants to Minnesota.

### PART I: RESEARCH ON WELFARE MIGRATION

Studies using aggregate data and statistical methods have concluded that high welfare payment levels and the migration of low-income families are correlated, but economic factors such as low unemployment rates or high wages in the destination are also strongly correlated with high welfare payment levels. This makes it difficult to discern, based on aggregate data alone, which factors actually precipitated the decision to migrate.

Survey research reveals that responses given by low-income migrants on reasons for moving are similar to responses given by migrants in general. Factors such as job opportunities, low unemployment rates, relatively high wage levels, the presence of family and friends, low crime and drug rates, good schools, affordable housing, and a clean environment were cited by low-income migrants as factors in their choice of destination.

Studies conducted in the states of Minnesota, Wisconsin, and Michigan have attempted to estimate the proportion of AFDC applicants most likely to be attracted from other states by higher AFDC grant levels. These studies found the proportion of migrant AFDC applicants who may have been influenced by AFDC grant levels to be between 3 and 6 percent of all applicants. The impact of migration on AFDC caseloads, however, was found to be very small. Wisconsin estimated the caseload impact of one year's migration by this group of applicants to be an increase of one-half of one percent. The Minnesota Legislative Auditor found that out-migration of welfare recipients was approximately equal to in-migration, resulting in no significant change in

state caseloads. The collective findings of the three studies suggest that welfare grant levels have little effect on migration.

Welfare transiency is distinct from the issue of welfare migration. Numbers of transients have historically stopped in Minnesota to obtain General Assistance grants. There is little research or data available concerning this phenomenon. The report details the actions Minnesota has taken to discourage this practice.

## **PART TWO: STATE OF THE LAW REGARDING WELFARE MIGRATION**

Federal law and regulations prohibit durational residency requirements in AFDC and Medical Assistance. Programs with no federal funding, such as General Assistance (GA), Work Readiness, and General Assistance Medical Care are subject to the limitations of constitutional law.

Durational residency requirements enacted to deter migration into a state to obtain welfare benefits have been found unconstitutional by the U.S. Supreme Court. Measures which differentiate based on length of residence, and which are found to deny "the necessities of life" to newcomers must be justified by a compelling governmental interest. The usual reasons advanced for durational residency requirements (maintaining fiscal integrity of programs, preserving benefits for residents, providing an incentive to work) have been found not to constitute a compelling governmental interest.

## **PART ONE: RESEARCH ON WELFARE MIGRATION**

### **I. THE WELFARE MIGRATION ARGUMENT**

Welfare benefits and eligibility requirements are not standardized from state to state which leads to variations in payment levels. The consequence of the lack of standardization is that welfare pays better or is easier to get in some states than in others. It is often assumed that this variation in welfare benefits can act as a magnet, stimulating the migration of low income people from states with low welfare levels to states with higher levels. The welfare migration argument is not new, but has been debated as long as charity and welfare organizations have existed. The welfare migration argument has surfaced periodically in many states, including Minnesota.

Funding for welfare comes from both state and federal funds; the amount of money contributed by the federal government is based on the amount provided by the state. Those states that offer the greatest variety of benefit packages and the highest levels of payments receive the most federal funds for welfare. Federal spending is contingent upon state spending and the states have differing amounts they are willing to expend on welfare benefits.

Minnesota has traditionally regarded social programs to be very important, and the level of spending on social programs has reflected this attitude. The importance of social services is evidenced by the fact that Minnesota has higher welfare payment levels and offers a greater variety of types of assistance than many other states.

The relatively high welfare payments in Minnesota are perceived by many to act as a magnet, encouraging low-income families and individuals to migrate to the state who may not have come otherwise. This issue has been studied in Minnesota by the Office of the Legislative Auditor (1988), and also in two other states with relatively high grant standards, Michigan (1982) and Wisconsin (1987). Results of these three reports as well as research done by social scientists are discussed in this paper.

#### **A. WELFARE MIGRATION RESEARCH**

Many researchers have attempted to test the validity of the welfare migration argument. They generally used aggregate data and statistical methods to conduct their studies and arrive at their conclusions. The questions asked by researchers were whether or not public policies have an impact on migration decisions, and which segments of the population would be affected by different policies. Public expenditures on welfare is one of the policies they investigated.

The researchers performed statistical tests using Census data to determine whether or not there was a correlation between high welfare payment standards and high incidences of migration of low-income people. They found a correlation between the two variables, giving some validity to the welfare migration hypothesis (Cebula 1978; Cebula and Koch 1989; Jones-Hendrickson 1978; Kohn 1979; Kumar 1977; Ostrosky and Jensen 1979). However, factors such as low unemployment levels and high wages are also strongly correlated with high welfare payment levels, which makes it difficult to discern which factors actually precipitated the decision to migrate with the use of aggregate data alone.

Although high benefits appeared to be associated with migration, most of the studies concluded the evidence was not conclusive (Althaus and Schacter 1983; DeJong and Donnelly 1973; Friedli 1986; Kelber 1979; Long 1974; Southwick 1981). DeJong and Donnelly (1973) totally rejected the welfare magnet hypothesis, and instead emphasized other economic and social reasons for moving. They claimed that the potential for higher wages or a better job that would yield a more satisfactory family income could be a pull factor, especially for non-white migrants who frequently work at low-paying jobs. Long (1974) concurred with their conclusion saying that it is not possible to find out what motivates people to migrate using macro-level data. The use of aggregate data allows one to draw correlations, but not to determine actual motivation for moving. Further study using individual level survey data is necessary to determine what factors are involved in the decision to migrate, and to what degree welfare payment levels actually influence that decision (Long 1974).

## **B. OTHER FACTORS CONTRIBUTING TO LOW-INCOME MIGRATION**

Studies that look for characteristics which may be attractive to low-income migrants parallel general studies of migration, because they assume that a variety of factors contribute to the decision to migrate rather than that the decision is based on the single variable of welfare payment levels. Researchers who used survey data have found that low-income people considered the same factors as the population as a whole in their migration decisions.

Economic considerations were important to low-income migrants. These considerations could include such factors as wage levels and unemployment rates as well as welfare payment levels. Low-income migrants stated that other variables that influenced the choice of destination had to do with environmental factors such as housing conditions, crime rates, and quality of schools. The presence of family and friends in the destination was also found to be an important factor, leading to the development of migration streams.

## 1. Push and Pull Factors

Researchers often categorize migration motivations as "push" and "pull" factors. Push factors are those negative aspects associated with the point of origin that encourage a person to leave that place. Pull factors are positive aspects of a place that attract a person to move to a particular destination. Surveys are used to discover the push and pull factors that lead to migration. It has been found that push and pull factors do not always parallel each other in that a person's reasons for leaving one place may differ from the reasons that person is attracted to a certain destination. It is generally agreed that pull factors are the stronger of the two forces.

### a. Economic Considerations

"Reasons for moving" surveys are the primary tool used to determine push and pull factors. In studies of the general population, "job opportunities" was one of the most frequently cited reasons for the move. In two separate national surveys of the general population, economic reasons for moving (including job opportunities, higher wages, and cost-of-living considerations) were cited by 75 percent of all respondents as the primary reason for the move (DeJong and Donnelly 1973; Lansing and Mueller 1967).

Surveys of low-income migrants have consistently revealed that economic factors were just as important in their decision to migrate. The general economy of an area is a strong contributing factor in migration decisions. One indicator of the strength of the economy is the unemployment rate. High rates of unemployment at the point of origin may act as a push factor for those actively seeking employment, and low unemployment rates at the destination may act as a pull factor.

High unemployment rates also discourage in-migration (Althaus and Schacter 1983; Southwick 1981). Southwick (1981) found that areas with higher average earnings seemed to draw welfare recipients, while areas with high unemployment rates seemed to discourage migration among welfare recipients. This observation led Southwick to conclude that most benefit receivers would ultimately prefer to work, and that work-related incentives are of great concern to welfare recipients. Both Black and White migration is lower into states with high unemployment rates. Looking at statistics for the general population of the United States, Friedli (1986) found that there is a net movement out of high unemployment states, and a net movement into low unemployment states.

Low unemployment is only one facet of a healthy economy, and thus only one of the attractions to an area with a healthy economy. Higher welfare benefits are usually found in places that offer more jobs and better wages making it difficult to determine

whether low-income migrants were attracted by the jobs or the welfare payment levels (DeJong and Donnelly 1973; Kelber 1979; Long 1974). It has been concluded that welfare migrants for the most part would rather be working (Southwick 1981), and so although high welfare payments may help attract low income migrants, it is difficult to know which factor, the welfare payments or the economy in general, was more important in the decision to migrate.

#### b. Living Conditions and Environmental Factors

In studies of the general population, the quality of the environment, both in the sense of the natural environment and the built and social environment, was found to be important to migrants. Access to amenities such as a clean environment, parks and recreational facilities, and natural features such as lakes, rivers, or wooded areas is important in the decision to migrate. These conditions are frequently found in places that offer higher welfare benefits.

Many of the areas low-income people are migrating to have better general living conditions than the areas they are coming from, so it is possible that they are attracted by lower crime rates, better schools, and more affordable housing (DeJong and Donnelly 1973; Kelber 1979).

#### c. Family and Friends

Another important factor in migration is the presence of family and friends at the destination, especially for long distance migration. The presence of family and friends at the destination can facilitate a move because of increased flows of information about the new place. They are valuable sources of information about the quality of life and economic opportunities at the destination (DaVanzo 1981; DeJong and Fawcett 1981).

Family and friends are the most important source of information for low-income migrants who may not have been able to afford to visit the place before moving there, and therefore depend on the observations and opinions of people they know and trust as major source of information. In 1967 a survey among migrants was conducted, and it was discovered that lower income groups rely more heavily on word-of-mouth reports from families and friends as their source of information than do any other socio-economic group (Glantz 1973). Although the information a move is based upon may be incomplete or inaccurate, the availability of information is still one of the most important non-economic factors affecting migration.

Family and friends can act not only as a source of information prior to a move, but as a source of support when a migrant first arrives to a new place. Family and friends



can provide interim housing support when the migrant first arrives, reducing the initial costs of the move. Information about jobs and housing is also available through family and friends. Another important aspect of having family and friends at the destination is that they can provide primary social relationships, both making the destination a more attractive choice for the migrant and also helping the migrant to adjust more quickly to the new location thus reducing the possibility of return migration (DeJong and Donnelly 1973; Glantz 1973).

#### d. Migration Streams and Return Migration

Migration streams can develop from one area to another and the stronger the migration stream, the more likely it is that the migrant will have family and friends in the area, which makes the area more attractive. The chain migration process reinforces information gleaned from family and friends and makes that information more reliable (Glantz 1973).

Once a migration chain has developed, the place it leads to becomes an even more likely destination for migrants from the source area. If the initial migrant group is low-income, it is likely that more low-income migrants will follow. If the destination is a state with high welfare benefits and the migrants come from a state with low welfare benefits, it could appear as if the migrants came for the benefits although that is not necessarily true.

Some of the migration to an area can be attributed to return migration. Data often only shows single moves and does not indicate if a move is the first one or part of a series of two or more moves. Some of the migration represented in the data is actually a return move to the place of origin. For every stream, there is a counter-stream of return movers who decide to come back.

### C. WELFARE RECIPIENT AND NON-RECIPIENT MIGRATION SIMILARITIES

Migration streams are not usually limited to one specific socio-economic group, but tend to be common paths for all categories of migrants from one area to another. In some cases the number of welfare recipients coming from one area to another may appear to be large, but the numbers may actually just reflect migration trends of all socioeconomic groups from that area (Southwick 1981). In order to determine whether the number is disproportionately large, all migrants must be accounted for.

Friedli (1986) conducted a study to determine if migration patterns were similar for welfare recipients and non-recipients. To conduct his study, he divided the question

into several components. First he identified characteristics of those most likely to migrate in the general population. Next, he compared the general population as a whole to the welfare population to see if the two groups had similar or different demographic characteristics. Finally, Friedli compared migrants in the welfare population to migrants in the non-welfare population to see what similarities or differences exist between the two groups.

Friedli first identified general characteristics of all migrants. The characteristics of migrants he looked at were age, sex, employment status, education, and income. In the general population, the likelihood of migration is higher for younger people than for older ones, males are more migratory than females, unemployed people are more likely to migrate than employed ones, those with more education are more likely to migrate than those with less, and those with higher incomes are more likely to migrate than those with lower incomes.

Friedli found differences between the total welfare recipient and non-recipient population. The recipient population in general is more likely to be older, less educated, female, and unemployed than the non-recipient population. Within both population groups, however, those who migrated shared some characteristics. Migrants were the younger and more educated segments of both populations. Like the general public, among welfare recipients the migrants had a higher income than the non-migrants.

He found slight differences among the two migrant populations as well. Recipient migrants are actually less likely to be unemployed than non-recipient migrants, although the difference is not statistically significant. Migrants were more likely to be female in the recipient population, although that was once again not statistically significant.

Friedli's findings suggest that migration may be used by public assistance recipients as a way to improve their chances of getting off welfare. The group most likely to migrate is generally younger, has fewer children, and is likely to be actively seeking employment. Thus migration could be viewed as a positive step taken by a person who is trying to better their situation.

## II. STUDIES OF WELFARE MIGRATION BY STATE AGENCIES

Aggregate data limits conclusions to finding correlations between measurable factors and does not allow one to come to concrete conclusions about individual motivations. Patterns can be discerned with aggregate data, but the only way to truly identify the motivation for moving is by asking welfare migrants why they left their former homes and what attracted them to their destinations (Long 1974).

"Reasons for moving" surveys have been used by researchers to identify common push and pull factors that lead to migration. The states of Michigan and Wisconsin have surveyed the welfare population specifically to determine whether or not welfare acted as a pull factor for low income migrants in the decision to move to the state. Responses from both surveys revealed that other reasons were far more compelling in the decision to move to Michigan or Wisconsin, and that higher welfare benefits, if a pull factor at all, were low on the list of reasons for the move.

Because access to applicants and application data is limited and the information is private, the most extensive survey studies have been undertaken by official state agencies under the direction of the legislature rather than by private researchers. Michigan (1982) and Wisconsin (1987) have undertaken studies of this type. The Minnesota Legislative Auditor has also conducted a study (1989). In addition, several counties in the state of Minnesota have also been conducting their own surveys.

Like Minnesota, the states of Michigan and Wisconsin have higher AFDC grant standards than surrounding states (Figure 1). They also offer a greater variety of types of public Assistance including General Assistance and AFDC-Unemployed Parent. Both states have suspected that their welfare policies have been attracting migrants to the state specifically for the purpose of collecting higher benefits, and so conducted studies to determine the extent to which it occurs.

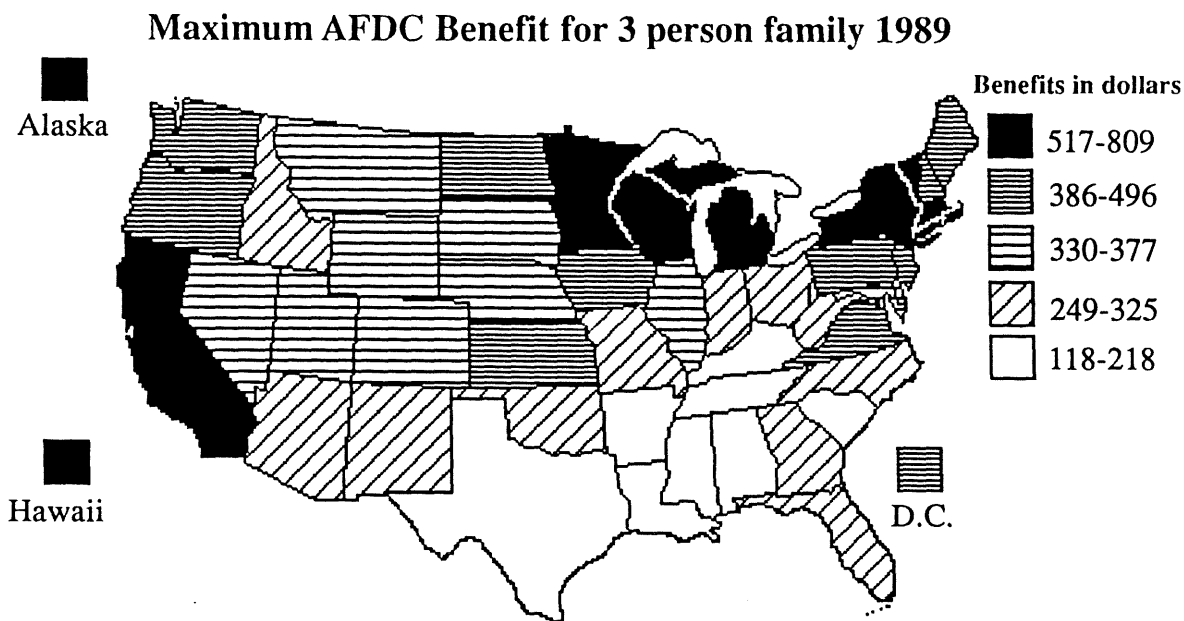


Figure 1. Maximum Monthly Benefits for a Family of Three, 1989.

## **A. MICHIGAN STUDY OF WELFARE MIGRATION**

The state of Michigan conducted its study on welfare migration in response to the explosive growth of its AFDC and GA caseloads in the period between 1979 and 1981. The AFDC caseload went from 201,142 in March of 1979 to 232,960 in January of 1981, while the GA caseload swelled from 39,985 to 105,500 during that same time period. Many people speculated that the increased caseload was due to migration of low income people to Michigan for the higher welfare benefits, especially in counties that bordered Ohio and Indiana.

### **1. Survey Design**

During the month of August of 1981, a one page survey was administered to all General Assistance and Aid to Families with Dependent Children applicants at the time of application. The survey asked how long the applicant had been at the current address, and if the applicant had moved to Michigan in the past year. If the answer to the second question was yes, the applicant was then asked how long ago he or she had moved to Michigan, if he or she had ever previously lived in Michigan for at least one year, whether or not he or she had been on welfare in the previous state of residence, and reasons for leaving the previous state and for coming to Michigan.

### **2. Michigan Standard for Determining Welfare Migration**

The assumption that people migrate for welfare implies a direct cause and effect relationship which, in turn, implies several conditions. Three conditions were determined to be necessary for a person to be likely to have migrated for welfare benefits. Migrants who met all three criteria were classified as the group most likely to have been motivated by higher benefits, or the "High Probability Group."

The first condition was that the migrant came from a state with lower benefits than Michigan. If the benefits were comparable or higher, then welfare levels would not have acted as an incentive.

The second condition was that the applicant had applied for welfare within the first three months of living in the state. It was assumed that if an applicant came primarily for the welfare benefits, that he or she would apply for welfare promptly.

The final condition was that the applicant had no prior commitment to the state and had never lived in Michigan for one year or more.

By applying these three conditions to the applicants, they were able to define the "High Probability Group" most likely to have moved to Michigan for the high welfare benefits: those who came from a state with lower benefits, applied within three months of arrival, and had never lived in Michigan for more than one year. Applicants who met all three conditions were categorized as the group most likely to have migrated for the benefits. It must be noted that welfare as a motivating factor for applicants in the high probability group is only assumed, since the data did not explicitly indicate welfare as a motivation (Smucker 1982).

During the month of the survey, out-of-state applicants accounted for 16.3 percent of all applicants; the remaining 83.7 percent had lived in Michigan for at least one year prior to applying for aid. Using the three criteria, a high probability group of those who had most likely migrated for the benefits was identified. That group comprised 21.5 percent of all out-of-state applicants, which was 3.4 percent of the total applicants for that month (Smucker 1982). Because motivation is not clearly established by the three criteria, this number is an estimate of the upper limit of the proportion most likely to have migrated for the benefits.

## **B. WISCONSIN WELFARE MAGNET STUDY COMMITTEE**

The Welfare Magnet Study Committee in Wisconsin also surveyed applicants for public assistance. Their process was more extensive than the one used in Michigan, involving an initial questionnaire administered at the time of application, followed by a more extensive telephone survey of migrant applicants, and finishing up with a focus group discussion.

### **1. Survey Design**

An initial questionnaire was administered at the time of application, focusing on applicants' reasons for applying for assistance and their anticipated grant levels. The questionnaire was designed to be brief and self-administered in order to minimize staff time necessary for completion. The survey began in June 1986 and continued for eight weeks.

The initial questionnaire was used to determine which applicants were migrants. Once the migrant group was identified, they were given the follow-up telephone survey asking questions concerning migration motivation. The Committee thought it better to separate questions about welfare and migration so that questions asked in the first section would not influence responses in the second section. The motivation questions were also longer and more involved, and so the Committee thought that if the longer

questions were slated to be asked at the time of application, that the response rate would be low. They were concerned that case workers would be too busy to be able to get through the entire survey, and so would be likely to skip it.

The final element of the study was a focus group discussion. A small group of AFDC migrants was gathered to discuss what elements motivated them to leave their places of origin and come to Michigan.

## 2. Welfare Magnet Index

Responses from the initial survey and the follow-up telephone survey were tabulated and analyzed. An index of welfare magnetism was created using seven of the telephone survey questions on push and pull factors which contributed to the migration decision. "Push" factors are negative factors at the point of origin which encourage people to decide to leave that place, or push them away. "Pull" factors are positive aspects of a place that draw people to that place, or pull them there.

There were two types of question formats used in the telephone survey. The first set of questions were open ended which did not restrict the respondent to agreeing or disagreeing with pre-determined responses. The other questions were in the form of statements. Respondents were asked to indicate whether the reasons for moving given in the statements were very important, important, not very important, or not a factor in the decision to migrate to Wisconsin.

The welfare magnet index included two open-ended questions designed to extrapolate push and pull factors which led to the decision to migrate to Wisconsin. None of the respondents mentioned welfare as a specific push factor, and only one migrant out of the 683 interviewed mentioned welfare as a pull factor.

The other five questions included in the index were in the form of statements. The statements were: Welfare difficult to obtain in prior places of residence; Welfare wouldn't pay enough in prior place of residence; Welfare easier to get in Wisconsin; and Welfare would pay more in Wisconsin. A final question which the respondents were asked to answer with the same responses was "were amounts paid for welfare important in your decision to move to Wisconsin?"

The first two statements were "push" questions and the second two statements were "pull" questions. The final statement was to find out how important welfare benefits appeared to be in the overall decision making process.

Responses to these seven questions were tabulated for each respondent. Respondents were then assigned to one of five categories, with category one being those for whom

welfare was an important motivating factor and category five being those for whom welfare was not a factor. One percent fell into category one, and 6.1 percent fell into category two, the two highest categories, which the Committee designated as the migrants who were most likely to have come for the benefits. Those in the remaining three categories, 15.1 percent in category three, 24.5 percent in four, and 53.3 percent in category five, were determined to be those who were less likely to have migrated for the welfare. Forty-nine out of a total of 683 respondents (7.2 percent) fell in the "most likely" category.

The Committee chose to make the distinction between the "most likely" and "least likely" categories where it did because migrants in the top two categories were far more likely to have come from states with lower AFDC benefits and to have applied for assistance within a few weeks of migrating to the state. They were also likely to have moved to Milwaukee County from Illinois.

The Committee used the statistics they collected to predict an annual rate of welfare migration. They found the numbers to be so small, even on a yearly basis, that they concluded that it was only a minor issue at the state level. They computed that the state had an average of 3400 applicants for AFDC each month, and that of those, 30 percent, or 1020 applicants, had migrated to the state within the past five years. Three percent of all applicants are likely to migrate because of the welfare program, for a total of 102 applicants (this number represents 10 percent of all migrant applicants, which is actually a higher number than estimated using the welfare magnet index). On average, half of all applicants are approved, so 51 in the high probability group will be awarded AFDC benefits each month. Allowing that some of those cases will become independent within a year's time, about 450 cases will be welfare-motivated migrants at the end of the year, a number representing only one-half of one percent of the total AFDC caseload.

### **3. Other Motivations in the Wisconsin and Michigan Studies**

The Wisconsin telephone survey included questions on motivations for leaving the prior place of residence and for choosing the destination in order to determine what the push and pull factors were. Two types of questions were asked: one series in which reasons for moving were given and the respondent was asked to indicate whether or not it was a factor in her decision; and the other type of questions were open-ended in which the respondent stated in her own words the reasons for migration.

The Michigan study also asked for reasons for leaving the prior state and for coming to Michigan, but the question was asked in a multiple choice format and the respondent had to choose the most important reason only. The response options were related to

job opportunities, crime rates, welfare payment levels, family and friends, school, marital difficulties, or other.

a. Family and Friends

For both studies, the presence of family and friends at the destination was one of the most frequently cited responses for pull questions. In the Michigan survey, 50.7 percent of all respondents cited friends and family as the major reason for coming to Michigan, and 64.6 percent cited this reason in the Wisconsin survey. There was a difference in both cases between those who had prior residence in the state and those who had never before lived there, with the prior residents citing it more often.

The Wisconsin study found isolation from family and friends to be an important push factor for leaving a place, with 69.2 percent of return migrants reporting it as an important factor in the decision to return to Wisconsin. Respondents indicated that family was a stronger factor than friends, although they were both important.

This finding is not surprising given earlier studies on migration. Glantz (1973) found that the presence of family and friends at the destination is especially important for low-income migrants who may need more initial assistance in setting up a household. Low-income migrants usually cannot afford to visit the prospective destination prior to moving, and so depend even more heavily on the opinions and experiences of others that they trust for sources of information about the new place.

The Wisconsin study questioned migrants from both high and low benefit states, and found that nearly equal percentages indicated the importance of family and friends. This finding is important because it shows that migrants from low benefit states, and therefore more likely to be migrating for higher welfare benefits, have about the same likelihood as those from high benefit states to have other legitimate reasons for moving to the state. There is therefore no reason to expect that those moving from lower benefit states would be any different with respect to the importance of family and friends in motivating migration (Voss et. al. 1987).

b. Job Related Motivations

In both the Wisconsin and Michigan study, the second most common type of response for moving was job-related. Michigan reported that 26.8 percent of all out-of-state applicants came to look for work, with a higher percentage (38.1) for those who had never lived in Michigan before. In Wisconsin, migrants who had never lived in the state before indicated job-related motivations more than previous residents. Fifty percent indicated that they expected a greater choice of jobs and 45 percent indicated



that they expected to receive better wages. Among previous residents, 33.2 percent indicated job-related motivations and 30.3 percent indicated wage-related motivation.

The fact that such a high percentage of welfare migrants indicated jobs or better wages as a motivation is an important finding in that it counters the common perception that welfare recipients would rather not work (Voss 1987).

#### c. Quality of Life Variables

Freedom from crime and drug activity was cited as a prime reason for moving. Of all AFDC migrants, 42.1 percent reported that "less crime" was "very important" or "important" in their decision to migrate to Wisconsin. Young mothers in particular indicated a desire to remove their children from the influence of gangs, and were attracted by the lower crime and drug rates in Wisconsin.

"Better schools" was cited by 45.7 percent of all migrant applicants as a reason for moving. Because the educational system is better in most Wisconsin communities than in the low-income neighborhoods of Chicago or Gary, many AFDC mothers migrate to take advantage of these better schools.

The environment (better housing conditions, less pollution, better access to parks, etc.) was also cited as an important reason for migration. Of all respondents, 60.8 percent said that "a better place to raise children" was important; 53.3 reported that "better housing" was an important factor in their decision to migrate to Wisconsin; 50.4 percent indicated that "cheaper housing" was important; and 48.4 percent said that "a lower cost of living" was an important factor in the decision to migrate.

#### d. Other Factors

Other factors for migration related to personal situations. Divorce or the need to escape from a bad domestic situation was cited by 28.1 percent of all respondents in the Wisconsin survey. The percentage in the Michigan survey was similar, with 25.8 percent of all out-of-state applicants listing divorce or isolation from family as the most important factor for leaving the previous place of residence.

### 4. Focus Group Discussion

The final part of the data gathering process in the Wisconsin study was a Focus Group discussion with a group of welfare recipient migrants who discussed their motivations for leaving their former homes and coming to Wisconsin.

Out of 899 telephone interview respondents, 26 met the high probability group standards. Seventeen of those 26 lived in Milwaukee County, the only group in close enough proximity to each other to be brought together feasibly. Not all of the target group were still at their previous phone numbers and so not all could be reached. Of those contacted, five agreed to participate in the focus group discussion. One of the participants came from Memphis, one from Ohio, and three from Chicago.

The focus group discussion revealed that all five participants were strongly encouraged to move to Milwaukee by family and friends who knew of their situations at home, and thought they would be better off in Wisconsin. They all had ties to Milwaukee in the form of family members or friends, who offered them a temporary or permanent place to stay.

Most of the women had been to Milwaukee before. One of them visited relatives in Milwaukee often as a child, another had been convinced to move there by a friend and was able to make several trips prior to the move to look for a place to live. Only one of the participants had never been to Milwaukee before, and she strongly emphasized the role of her friend in convincing her to come.

The women from Chicago had all lived in the housing projects where they worried about crime, drugs, and bad influences on their children, sometimes even fearing for their lives. Although the woman from Memphis did not live in a housing project, she had some of the same concerns as the other mothers, saying that children were shot quite often, and that she had attended too many funerals lately. She worried about her son, and so came to Milwaukee to live with her mother.

Another concern of the women was the lack of job and educational opportunities in their places of origin. One recently lost her job, and was unable to find another. Another woman had been trying to find work, and had attempted to enroll in a carpentry school for women, but was put on a long waiting list. She needed to be either working or enrolled in a training program, and a friend in Milwaukee suggested that she might have better luck in Milwaukee. The friend even offered to share her apartment with the young woman and her children.

Housing was also a problem for these women. They no longer wanted to live in the projects, because of lack of space as well as dangerous living conditions. One of the women had managed to leave the projects and move herself and her six children into an apartment, but rent rose every year until she was finally unable to pay any more. It was at that point that she decided to move to Milwaukee.

One interesting fact that emerged from the discussion was that all three women from Chicago said that they preferred the system of lower cash grants and higher food stamp

benefits employed in Illinois. They found it easier to budget their money that way. This finding supports a suggestion made by Peterson and Rom (1989) that average AFDC payments ought to be combined with federally funded food stamp benefits when comparing welfare levels between states because food stamps would be part of the consideration of a potential migrant.

## 5. Local Problems

One of the key conclusions of both the Michigan and Wisconsin reports was that although the numbers were not significant at the state level, AFDC migrants tend to settle disproportionately in certain counties and communities. In both Michigan and Wisconsin, it was found that most out-of-state migrants who collected welfare tended to settle in the border counties.

The states that contributed the largest numbers of migrant applicants to both Michigan and Wisconsin fall into two main categories: the sunbelt high-growth states, for which many of the migrants are actually return migrants; and near-by and bordering states. California, Florida, Texas, and Arizona are the main sunbelt states for both Wisconsin and Michigan. Ohio, Indiana, and Illinois are the border suppliers for Michigan, and Illinois, Minnesota, Iowa, Michigan, and Indiana are the border suppliers of migrants to Wisconsin. Not all border counties receive high numbers of migrants collecting AFDC. In Wisconsin, the counties along the Illinois border have a substantially larger percentage of AFDC migrants than the counties along the Minnesota or Michigan border.

The majority of high probability cases come from the second group of migrants, those from bordering states. Problems arise from the fact that most of the migrants who are in the high probability group come from depressed areas of large cities, most notably from Gary and Chicago, and settle in smaller urban or suburban communities. Although the migrants who may have come for welfare benefits are small in number, they are only a subset of the total number of migrants on welfare coming from large urban areas. No matter what motivated these migrants to choose Wisconsin and Michigan as their destinations, they have been found to have a dramatic impact on the communities in which they settle. "This is particularly so if the newcomers represent shifts in the character of the local caseload, in the race and ethnic composition of established neighborhoods, and in the populations served by specialized community services" (Voss et al., 129).

Problems often encountered by communities receiving high numbers of migrants include stressed school systems, housing shortages, and increased crime rates (Newsweek 1989). School problems occur because many of the newcomers are from Chicago or Gary and are moving to primarily middle class communities. The new students are far behind the

general student body and need a lot of remedial attention just to catch up, putting a strain on school resources.

Gang influence is high in the areas people are moving from, and they bring it along with them. Crime rates, especially gang-related crimes, have increased in many of communities with large numbers of big-city migrants.

One of the conclusions reached by the Wisconsin Welfare Magnet Committee was that "the state may well wish to consider assistance to specific counties on further understanding the dimensions of these effects and on designing appropriate responses to them" (Voss, 129).

### **C. MINNESOTA STUDY OF WELFARE MIGRATION: LEGISLATIVE AUDITOR'S REPORT**

Minnesota has the seventh highest AFDC benefits in the country, and like in Wisconsin and Michigan, there has been a common perception that the high welfare benefits motivate low income families from other states to move to Minnesota. In addition to the higher AFDC benefit levels, Minnesota offers public assistance programs not available in some surrounding states, such as AFDC-Unemployed Parent (AFDC-UP) and General Assistance (GA), which are thought to attract out-of-state migrants as well.

In 1987, the Office of the Legislative Auditor conducted a state-wide survey to ascertain the extent of welfare migration to Minnesota. Since participating in the Legislative Auditor's survey, several counties have continued to collect statistics on migration among welfare recipients. Results from Hennepin, Ramsey, and Beltrami Counties are included in this report.

#### **1. Survey Design**

In January of 1987, the Minnesota Office of the Legislative Auditor published a report evaluating the AFDC program which included a chapter on migration. They were trying to answer three questions: what proportion of new AFDC households come from other states; what effect do such migrants have on Minnesota's AFDC program; and what proportion of new AFDC households may be attracted by Minnesota's AFDC grants? They initiated a statewide survey of all applicants to answer these questions.

The Office of the Legislative Auditor conducted a survey of all new applicants for Public Assistance from July 1 through December 15, 1986. The survey asked if the applicant had lived in the county for less than six months, and how long ago the move had occurred, where the applicant lived immediately prior to moving to the county,

whether or not the applicant received AFDC benefits in the month prior to the move, how long it had been since the applicant worked at a paying job, and for out-of-state migrants, whether or not they had ever lived in Minnesota before.

## **2. Measure of Welfare Migration**

The Legislative Auditor applied the same criteria used in the Michigan study to identify those migrants most likely to have come for the welfare benefits. The three criteria were that the applicant applied within three months of moving to Minnesota, came from a state that paid lower benefits, and had not previously lived in Minnesota for at least a year.

The study found that in the period between August and November of 1986, that 6.4 percent of all applicants fell into the high probability category, and that the majority of those in that category were from Illinois.

The Legislative Auditor was also interested in the draw of the AFDC-UP program for unemployed people from states that did not have AFDC-UP benefits. Ten of the 97 families moving from North and South Dakota qualified for AFDC-UP, and only five out of those ten met the high probability criteria. The numbers of AFDC-UP recipients were low for Illinois and Indiana as well, with only nine out of 161 households entering the program. The Legislative Auditor concluded that the AFDC-UP does not attract families to Minnesota.

## **3. General Trends in Welfare Migration to Minnesota**

The Legislative Auditor's study indicated that although there is little evidence to suggest that welfare migration is a statewide problem, it is a problem in certain areas. Approximately 19 percent of approved new AFDC cases had moved to Minnesota within the previous six months, and these newcomers tended to settle in certain areas of the state. The Twin Cities metro area and the regions immediately bordering North and South Dakota received a greater share of out-of-state low-income migrants than other counties. The problem thus affects only certain communities.

Migrants can have an effect on the local community beyond just straining the local welfare resources; community services such as the provision of low-income housing, health services, or remedial schooling are often strained as well. Social problems can occur if the migrants represent a shift in the ethnic and racial makeup of the local community (Voss, et. al. 1986).

a. Regions of Origin

The bordering states were the major suppliers of migrant applicants to Minnesota. Illinois contributed the largest number of migrants to Minnesota, most of whom settled in Hennepin County.

Four western and southern states also supplied a large number of migrants. The Legislative Auditor's report concluded that this was most likely reflecting a trend of return migration.

b. Out-migration

One important thing to consider when looking at migration data is not only the movement of people into an area, but also the movement out. The Office of the State Demographer investigated migration trends of low income migrants from 1975 to 1980, and reported that Minnesota had a small net movement of poor people out to other states. They based this conclusion on a comparison of numbers of people whose incomes were below the poverty level in those two years.

For the years studied, there was a small net gain of 4,489 people below the poverty level. The Demographer ascertained that the increase was due to factors other than inter-state migration. They attributed the rise in people below the poverty level to the immigration of poor from other countries, primarily Southeast Asia. Minnesota attracted 9,054 foreign immigrants below the poverty level during the period from 1975 to 1980. When immigrants from other countries are subtracted from the gain of people below the poverty level, there is actually a net loss, which the State Demographer's Office attributed to an inter-state out-migration of Minnesota's poor population.

The Legislative Auditor attempted to include a study of out-migration in their report. They persuaded several counties in bordering states to cooperate in the data gathering process. The survey was administered to their welfare applicants to get an estimate of how many of AFDC families were moving from Minnesota to the other border states.

When looking at statistics on Minnesota's welfare recipients leaving and applying for welfare in other states, the Legislative Auditor's Office found that the number of AFDC households leaving Minnesota is comparable to the number entering the state. They concluded that on a statewide basis, movement in and out of the state does not result in a significant net loss or gain for Minnesota's AFDC caseload.

The Legislative Auditor and the State Demographer came to conclusions similar to those of an earlier study conducted by the Center for Social Welfare Policy and Law which examined national migration trends between 1975 and 1983. They found that

migration patterns of families with incomes below the poverty level are similar to those of the population as a whole. Minnesota lost population between 1975 and 1983, mostly to the South and West. Low income people followed the same migration paths as the population as a whole, with approximately one-sixth of all out migrants to those regions being below the poverty level.

#### D. DATA FROM MINNESOTA COUNTIES

Since participating in the original survey conducted by the Office of the Legislative Auditor, several counties have continued to collect statistics on the migration of applicants to the county. The reasons for collecting these statistics varies between counties and design of their surveys reflects these differences. The studies conducted at the county level were generally more interested in the number of migrants and where they came from than their reasons for coming. Consequently, the counties did not classify them according to their likelihood of having migrated for the benefits.

##### 1. Hennepin County

Hennepin County has been collecting statistics on applicants to the General Assistance Program since January of 1988, and on applicants to the AFDC program since January of 1990. The purpose of their survey is threefold. Hennepin County changed from monthly to weekly GA checks and also switched from cash assistance to vouchers for the first month on General Assistance, and they wanted to see if these changes have had an effect on migration. They also wanted to have information on hand when questioned by the media and others about the extent of welfare migration. The third use of the survey was as part of a fraud investigation pilot study.

Applicants were surveyed on how long they had lived in Hennepin County and where they lived immediately prior to moving. If they came from another state, applicants were also asked if they had ever previously lived in Minnesota.

##### 2. Ramsey County

Ramsey County began collecting migration information more recently, beginning in January 1990. They have been asking AFDC applicants what state or Minnesota county they came from. The purpose of this question is simply to get a count of how many applicants are migrants and where they are coming from.

They have also been compiling extensive information about applicants for the Work Readiness program, collecting the information at the time of the intake interview. One

of the questions asked is whether or not the applicant moved to Minnesota from another state, or to Ramsey County from Hennepin County within the previous 90 days. The purpose of the migration question in this case is first to find out how many migrants there are applying for Work Readiness and from where those migrants are coming. The question about Hennepin County is asked to find out if the change from a monthly check to weekly checks in the Hennepin County has encouraged migration of the General Assistance population to Ramsey County.

### 3. Beltrami County

Beltrami County began to collect information from AFDC applicants in April of 1988. At the time of the intake interview, caseworkers ask applicants if they have moved recently to Beltrami County, and what county in Minnesota or what other state they lived in prior to the move. They also ask what motivated them to choose Beltrami County as their destination. The purpose of their survey is to determine the extent of migration and why migrants are coming to Beltrami County.

### 4. General Trends in Migration

When comparing places of origin for migrants for the three counties, the results were all similar to those of the Legislative Auditor's report for the state as a whole. There were slight differences that can be explained by the gravity theory of migration. The gravity theory explains the effects of size and distance on migration. The gravitational pull of a place is dependent on its size, and the strength of that pull decreases with distance. The theory explains why more people move short distances than long ones, and why larger places are likely to attract migrants from a greater distance away than will smaller places.

For the state as a whole, the Legislative Auditor found that the largest number of in-migrants came from either bordering states or from high growth sun-belt states to the south and west of Minnesota. Migrants settled primarily in counties along the North and South Dakota borders and in the Twin Cities metro counties.

Ramsey County obtained similar results. Twenty-nine percent of their AFDC migrants in a three month period came from high growth states to the south and west of Minnesota, 20 percent came from Indiana and Illinois, and another 21 percent came from Michigan, Wisconsin, and Iowa (figure 2).

General Assistance applicants in Hennepin County were also asked about their residency. Illinois was the number one state of origin with more than twice as many

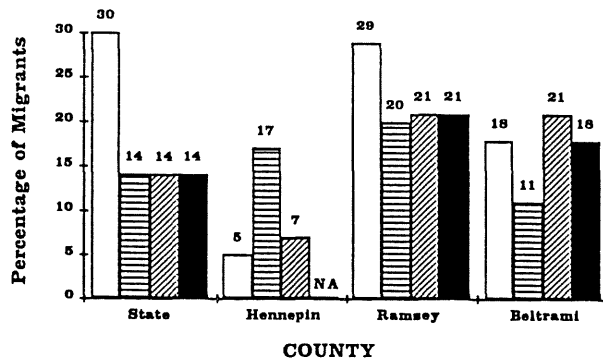


migrants as there were from California, the next highest state. Iowa, Indiana, Missouri, and Wisconsin were also in the top six origin states for migrants.

The fact that both Hennepin and Ramsey Counties had percentages higher than the state average coming from Illinois and Indiana can be explained by the gravity model. The Twin Cities is the largest urban area in the state and so has more of a gravitational pull than other counties in the state. The movement from the sun-belt states was primarily return migration.

Beltrami County is in the north-central part of the state. Bemidji, the county seat, is a little more than 100 miles from the North Dakota border. During the period from August 1988 to August 1989, migrants accounted for 30 percent of AFDC applicants. Eighteen percent of the AFDC migrant applicants came from North and South Dakota. This percentage is substantially higher than in the metro counties because of Beltrami County's proximity to the Dakotas. Another 18 percent of the migrant applicants came from the high growth western and southern states, and 21 percent came from Wisconsin, Michigan, and Iowa. Only 11 percent of the migrant applicants came from Illinois and Indiana, which is a much lower percentage than the number from those areas who migrated to the Twin Cities.

### Percentage of Migrants Coming From Selected Regions



- Southwest (California, Arizona, Texas, Colorado) a
- Other Midwest (Indiana, Illinois)
- Border East (Iowa, Wisconsin, Michigan) b
- Border West (North Dakota, South Dakota)

a Southwest includes only California for Hennepin County  
 b Border east includes Iowa and Wisconsin only for Hennepin County and the State

Figure 2. Percentage of Migrants Coming from Selected Regions.

The low percentage of migrants from Illinois and Indiana, like the higher number from the Dakotas, can be explained by the gravity model. The distance between the eastern states and Beltrami County is much greater than the distance between them and the Twin Cities, and the pull of Bemidji is not great enough to counteract the distance, so there are fewer migrants from Chicago and Gary to that part of the state. The larger number of migrants from the Dakotas is related to the fact that people tend to move shorter distances. Because Beltrami County is close to the North Dakota border, it can be expected that a higher percentage of migrants from North Dakota will go to Beltrami than to counties in other parts of the state.

## **5. Other Motivations: Results from Beltrami County**

Since April of 1988, Beltrami County caseworkers have asked applicants where they came from and why they moved to Beltrami County. In compiling the information, they did not categorize migrants on their likelihood to have come for the benefits. Their survey was designed to investigate the overall extent of migration, both from other states and from other counties in Minnesota, and what is attracting these migrants to Beltrami County rather than focusing on a possible magnet effect of welfare.

The number of migrants documented is not completely accurate. It is expected to be lower than the actual numbers for two reasons: because the survey was not administered consistently; and because the survey was not a mandatory part of the application process. Consequently, not all applicants were given the survey and not all of those surveyed chose to complete it. Although the numbers are not completely accurate, the information about where people are coming from and why is valuable.

Beltrami County caseworkers asked migrants applying for public assistance why they moved to the county. The question was completely open-ended rather than multiple choice. The most common reasons given had to do with family and friends, employment opportunities, and school.

The responses differed slightly between those moving from another county in Minnesota and those moving from another state. Nineteen percent of the migrants from elsewhere in Minnesota came to Beltrami County to attend school, in contrast to 14 percent of out-of state migrants. Minnesota residents were also slightly more likely to have come in search of a job, with 15 percent attracted by job opportunities compared to 13 percent of out-of-state residents.

Out-of-state migrants were more than twice as likely as in-state migrants to have come to Beltrami County to be closer to family and friends, or because they had lived there previously. The open-ended format of the responses made it difficult to separate those

two responses because the respondents often stated both previous residence and presence of family or friends in their answers. Thirty-seven percent of all applicants from other states stated that they moved to the county because they had previously lived there or had family or friends in the county, in contrast to only 15 percent of the Minnesotans responding with that type of answer. In both cases, the presence of family was given as a reason far more often than the presence of friends.

One respondent from North Dakota said that she was unable to get assistance from North Dakota, and she had been evicted and had to move anyway. This was the only response in which welfare was indicated to be a draw to the state, and it was the eligibility requirements rather than the higher payment that attracted her.

#### **E. GENERAL ASSISTANCE/WORK READINESS AND TRANSIENT RECIPIENTS**

Another form of assistance not addressed in the Legislative Auditor's study is General Assistance, including the Work Readiness program. This type of assistance is given to people who are determined to be in need, but do not qualify for other programs. Recipients are primarily single and male.

Unlike AFDC, General Assistance/Work Readiness is entirely state and locally funded, and is not offered by all states or even all counties within a state. Many of the states west of Minnesota do not have a GA/WR program. Although \$203 a month is not much to live on, it is more than is offered in many other states.

A major problem perceived with General Assistance/Work Readiness is transient recipients. These people have no permanent home, and some admit visiting Minnesota mainly to collect GA/WR benefits. The extent of this type of migration has not been established, but in the communities that have larger numbers of transients, it is believed to be a problem.

Hennepin County has applied two measures to attempt to discourage transient use of General Assistance/Work Readiness. The first measure was to issue weekly checks of \$50.75 rather than one monthly check of \$203 to applicants without a verified address. The second measure was to issue vouchers for housing and food to applicants who cannot verify local residence. A voucher for a bus ticket can be issued instead if the applicant prefers. Once a verifiable address is established by the recipient, the grant is issued in the normal manner of a weekly or monthly check.

The number receiving General Assistance/Work Readiness in Hennepin County dropped by ten percent between April 1988 and April 1989, a change attributed to the change in policy. In addition, the average length of time people remained on General Assistance/Work Readiness also decreased from 145 days to 119 days.

Clay County has had an increasing problem with transients. Moorhead is located on the Burlington Northern Railroad near the Dilworth rail yards. More than fifty freight trains come through the area daily. After the change in GA/WR policies took effect in Hennepin County, Moorhead became a stopover place for transients.

The number of transients in Clay County was extremely high during the summer of 1990, but the dramatic increase was partly attributed to travellers coming to attend the Rainbow Gathering. The Rainbow Family is a loose network of people who believe in peace, the environment, and anarchy. They have an annual Gathering in different locations around the country, and the Gathering was held in Minnesota in 1990. Clay County, however, has seen an increase in the number of transients even apart from the input of the Rainbow people. Consequently, they too instituted weekly issuance of GA as of August 1990. It is too early to tell if this has had much impact because the numbers of transients declines in the fall and winter anyway, due to the severity of the weather.

#### F. CONCLUSIONS ON THE WELFARE MAGNET ISSUE

Minnesota is an appealing place to live to people of all socio-economic groups, and this appeal encourages migration to the state. Among these migrants, some are welfare recipients. Although Minnesota's relatively high welfare benefits may have been a factor in the decision to migrate for some of those recipients, research seems to indicate that other factors are more important in the decision to migrate. The other factors are the same things that are attracting migrants of all types to Minnesota: economic considerations such as job opportunities, low unemployment rates, and relatively high wage levels; the presence of family and friends; and quality of living factors such as low crime and drug rates, good schools, affordable housing, and a clean environment.

Studies done in Michigan, Wisconsin, and Minnesota have attempted to measure the caseload impact of AFDC applicants most likely to be attracted from other states by higher AFDC grant levels. These studies found that the proportion of applicants who may have been influenced by the grant levels to be between 3 percent and 6 percent. These findings, however, should be regarded as estimates of the upper limits of the percentage of applicants whose migration may have been influenced by AFDC grant levels. Wisconsin calculated that the caseload impact of one year's migration by this group of applicants was about one-half of one percent. Only the Minnesota study attempted to assess the net impact of in-migration and out-migration. The net effect was estimated to be near zero. Migrants' responses to questions about reasons for moving indicate that welfare grant levels are a major consideration in only a very few cases.

Thus, although certain Minnesota counties are experiencing in-migration of low-income people from other states, it seems reasonable to infer that Minnesota's welfare grant levels do not significantly influence this migration.

The issue of transiency is distinct from migration. The GA/WR program has long been believed to attract transients to Hennepin County who stayed just long enough to pick up a \$200 check. This perceived problem was addressed by a change in State law which permitted Hennepin County to issue weekly grants and/or vouchers for food and shelter to GA/WR applicants unable to verify local residence. It appears that this change in Hennepin County's payment policies caused some transients to go to other counties for General Assistance. As of October 1990, the option to issue weekly GA/WR grants and/or vouchers for food and shelter became available to all counties. This option is expected to permit counties to control and limit use of General Assistance/Work Readiness by transients who are not residents of Minnesota.

## SOURCES CITED

- Althaus, Paul G. and Joseph Schacter. 1983. "Interstate Migration and the New Federalism." Social Science Quarterly 64, 1 (March): 35-45.
- Cebula, Richard. 1978. "Migration and Welfare Benefit Levels: A Reply." Kyklos 31 (4): 694.
- Cebula, Richard and James Koch. 1989. "Welfare Policies and Migration of the Poor in the United States: An Empirical Note." Public Choice 61, 2 (May): 171-176.
- DaVanzo, Julie. 1981. "Microeconomic Approaches to Studying Migration Decisions." In Migration Decision Making: Multidisciplinary Approaches to Microlevel Studies in Developed and Developing Countries, edited by Gordon F. DeJong and Robert W. Gardner. New York: Pergamon Press.
- DeJong, Gordon F. and William L. Donnelly. 1973. "Public Welfare and Migration." Social Science Quarterly 54 (September): 329-344.
- DeJong, Gordon F. and James T. Fawcett. 1981. "Multidisciplinary Frameworks and Models of Migration Decision Making." In Migration Decision Making: Multidisciplinary Approaches to Microlevel Studies in Developed and Developing Countries, edited by Gordon F. DeJong and Robert W. Gardner. New York: Pergamon Press.
- Friedli, Eric A. 1986. "Migration of the Poor." Population Research and Policy Review 5 (1): 47-61.
- Glantz, Frederic B. 1973. "Migration and Economic Opportunity: the Case for the Poor." New England Economic Review 5, 1 (March-April): 47-61.

- Jones-Hendrickson, S. B., and Richard Cebula. 1978. "A Note on Nonwhite Migration: Welfare Levels and the Political Process: A Comment." Public Choice 33 (4): 131-34.
- Kelber, Jane E. 1979. Social Welfare Policy in the United States as a Force on Migration and Population Distribution. Master's thesis, University of Minnesota.
- Kohn, Robert. 1979. "Migration and Welfare Benefit Levels: A Comment." Kyklos 31, (4): 694.
- Kumar, Rishi. 1977. "More on Nonwhite Migration, Welfare Levels, and the Political Process." Public Choice 32 (Winter): 151-54.
- Lansing, John B. and Eva Mueller. 1967. The Geographic Mobility of Labor. Ann Arbor: University of Michigan Institute for Social Research.
- Long, Larry H. 1974. "Poverty Status and Receipt of Welfare among Migrants and Nonmigrants in Large Cities." American Sociological Review 39 (February): 46-56.
- Ostrosky, Anthony and Richard Jensen. 1979. "A Note on Welfare Outlays and Nonwhite Migration: An Analysis for SMSA's, 1965-1970." Review of Business and Economic Research 14, 2 (Winter): 122-31.
- Peterson, Paul E. and Mark Rom. 1989. "American Federalism, Welfare Policy, and Residential Choices." American Political Science Review 83 (September): 711-728.
- Population Notes. May 1987. Minnesota State Demographer. St. Paul: Minnesota State Planning Agency.
- Southwick, Lawrence Jr. 1981. "Public Welfare Program and Recipient Migration." Growth and Change (October): 22-32.
- Smucker, Steve. 1982. "Final Report on Immigration to Michigan by GA and ADC Applicants." State of Michigan, Policy Analysis Division, Office of Planning, Budget and Evaluation, Department of Social Services.
- State of Minnesota, Office of the Legislative Auditor, Program Evaluation Division. 1987. "Migration." Report on Aid to Families with Dependent Children.
- "Welfare Migrants: Getting a Cold Shoulder in Wisconsin." Newsweek (August 14, 1989): 23.
- Voss, Paul et. al. 1986. "The Migration Impact of Wisconsin's AFDC Benefit Levels." Madison: The Wisconsin Expenditure Commission.

## PART TWO: STATE OF THE LAW REGARDING WELFARE MIGRATION

### I. FEDERAL STATUTES, REGULATIONS, AND CONSTITUTIONAL LAW APPLICABLE TO STATES' AND LOCALITIES' ATTEMPTS TO RESTRICT IN-MIGRATION OF WELFARE RECIPIENTS

#### A. FEDERAL STATUTES AND REGULATIONS

##### 1. Aid to Families with Dependent Children (AFDC)

The federal statutes governing AFDC prohibit the Secretary of Health and Human Services from approving any state plan

which imposes as a condition of eligibility for aid to families with dependent children, a residence requirement which denies aid with respect to any child residing in the State (1) who has resided in the State for one year immediately preceding the application for such aid, or (2) who was born within one year immediately preceding the application, if the parent or other relative with whom the child is living has resided in the State for one year immediately preceding the birth.

42 U.S.C. § 602(b). The United States Supreme Court considered this statute in Shapiro v. Thompson, 394 U.S. 618, 89 S. Ct. 1322 (1969) and held that the provision does not allow states to have one year durational residency requirements (it was enacted to prevent even longer waiting periods) and further, that Congress cannot authorize states to violate the equal protection clause of the Fourteenth Amendment of the United States Constitution. 394 U.S. at 639-641, 89 S. Ct. at 1333-35.

Hence, the AFDC regulations promulgated by the Department of Health and Human Services provide that:

A state plan under title . . . IV-A . . . of the Social Security Act may not impose any residence requirement which excludes any individual who is a resident of the State except as provided in paragraph (b) of this section.<sup>1</sup>

---

<sup>1</sup>The exception in subsection (b) does not apply to the AFDC program. 45 C.F.R. § 233.40(b).

For purposes of this section:

(1) A resident of a State is one: (i) Who is living in the State voluntarily with the intention of making his or her home there and not for a temporary purpose. A child is a resident of the State in which he or she is living other than on a temporary basis. Residence may not depend upon the reason for which the individual entered the State, except insofar as it may bear upon whether the individual is there voluntarily or for a temporary purpose; or (ii) Who, is living in the State, is not receiving assistance from another State, and entered the State with a job commitment or seeking employment in the State (whether or not currently employed). Under this definition, the child is a resident of the State in which the caretaker is a resident.

(2) Residence is retained until abandoned. Temporary absence from the State, with subsequent returns to the State, or intent to return when the purposes of the absence have been accomplished, does not interrupt continuity of residence.

42 C.F.R. § 233.40(a).

Thus, federal AFDC laws allow states to limit eligibility to state residents, but do not allow states to impose additional residence requirements.

## 2. Medical Assistance (Medicaid, MA)

The federal medical assistance statutes prohibit the Secretary of Health and Human Services from approving

any plan which imposes, as a condition of eligibility from medical assistance under the plan -

...

(2) any residence requirement which excludes any individual who resides in the State regardless of whether or not the residence is maintained permanently or at a fixed address . . . .

42 U.S.C. § 1396a(b).

A copy of the implementing regulation, 42 C.F.R. § 435.403, is reproduced in the Appendix. It states in part:



The agency must provide Medicaid to eligible residents of the State, including residents who are absent from the State.

...

The agency may not deny Medicaid eligibility because an individual has not resided in the State for a specified period.

42 C.F.R. § 435.403(a), (j).

### 3. General Assistance, General Assistance Medical Care

General Assistance (GA) and General Assistance Medical Care (GAMC) are state programs for which there are no governing federal statutes or regulations. The programs must, however, comply with the United States Constitution. The following section of this report sets forth the relevant federal constitutional law.

## B. CONSTITUTIONAL LAW

Durational residency requirements enacted to deter people from migrating into a state to obtain welfare benefits have been struck down by the United States Supreme Court.

The leading case is Shapiro v. Thompson, 394 U.S. 618, S. Ct. 1322 (1969), in which the Supreme Court invalidated laws in Connecticut, Pennsylvania, and the District of Columbia that mandated a one year period of residence before a person could be eligible to receive public assistance. Because the laws treated state residents differently depending on whether or not they had lived in the state or district for a year, the Court was asked to decide whether the laws unconstitutionally violated the plaintiffs' right to equal protection under the law. The Court described the plaintiffs as persons who were "denied welfare aid upon which may depend the ability of the families to obtain the very means to subsist - food, shelter, and other necessities of life." 394 U.S. 627, 89 S. Ct. 1327. The Court found that the one year residency requirements penalized the plaintiffs' exercise of their constitutionally protected "right to travel," and therefore "strictly scrutinized" the justifications offered in support of the laws. In other words, the Court would only uphold the requirements if they served a compelling governmental interest.

The primary justification offered for the waiting-period requirement was that it helped to preserve the fiscal integrity of public assistance programs. The argument was that people who need welfare assistance during their first year of residing in a state are likely to continue to burden state welfare programs and, therefore, deterring these people from entering the jurisdiction by denying them welfare benefits during the first

year would preserve state programs for long-time residents and avoid a substantial influx of indigent newcomers. The Court held that this purpose of inhibiting in-migration of needy persons is constitutionally impermissible because it penalizes their exercise of the constitutional right to travel.

Other justifications offered for the durational residence requirements were:

- 1) to deter indigents who want to move to a state solely to obtain higher welfare benefits;
- 2) to limit welfare benefits to those who contribute to the state through payment of taxes;
- 3) to better administer the welfare programs by facilitating predictability of the welfare budget and providing an objective test of residence;
- 4) to provide an incentive to promptly join the work force; and
- 5) to safeguard against fraudulent claims for benefits.

The Court examined each of these justifications and rejected them as either logically flawed or achievable by less drastic means. The Court held that the one-year residency requirements were unconstitutional because they did not promote compelling state interests.

Five years after Shapiro, the Supreme Court held unconstitutional Arizona's one-year residency requirement for nonemergency medical care for indigent persons. Memorial Hospital v. Maricopa County, 415 U.S. 250, 94 S. Ct. 1076 (1974). The Court stated that the durational residency requirement "must be justified by a compelling state interest" or it would be held unconstitutional. 415 U.S. 255, 94 S. Ct. 1080. In approaching its analysis, the Court declared that nonemergency medical care is as much a "necessity of life" as the welfare benefits at issue in Shapiro. 415 U.S. Ct. 260-261, 94 S. Ct. 1081-83. Justifications similar to those reviewed in Shapiro were offered: protection of the fiscal integrity of Arizona's free medical care program; deterrence of an influx of indigents seeking free medical care; preservation of resources for long time residents who had contributed to the community; establishment of an objective test of intent to settle in the state; prevention of fraud; and, enhancement of budget predictability. The Court rejected each rationale, reiterating that an intent to inhibit immigration of needy persons into a state is constitutionally impermissible.

The "strict scrutiny" test used by the Supreme Court in determining the constitutionality of the durational residence requirements in Shapiro and Memorial Hospital has been used by courts in finding unconstitutional durational residency requirements in a variety

of settings.<sup>2</sup> In Plyler v. Doe, 457 U.S. 202, 102 S. Ct. 2382 (1982), the Court stated that a legislative classification treating persons differently will be strictly scrutinized if it "impinge[s] on the exercise of a fundamental right." 457 U.S. 217-18, 102 S. Ct. 2394-95. Unless the state demonstrates that the "classification has been precisely tailored to serve a compelling governmental interest," 457 U.S. 218, 102 S. Ct. 2395, the classification will be found to violate the equal protection clause of the Fourteenth Amendment. The Plyler Court held unconstitutional the Texas statute that denied state funding to school districts for children who were illegal aliens and authorized school districts to deny these children enrollment. In Attorney General of New York v. Soto-Lopez, 476 U.S. 898, 106 S. Ct. 2317 (1986), the Supreme Court declared that, if a state distinction "between older and newer residents burdens the right to migrate," the state must "come forward with a compelling justification." 476 U.S. 904, 106 S. Ct. 2321. Soto-Lopez involved the portion of New York's civil service preference system that required veterans to have been New York residents when they entered military service. The court held this requirement to be unconstitutional.

However, the courts have upheld some state or municipal laws that impose some length of time before a resident is eligible to receive a benefit or service.<sup>3</sup> Courts have upheld durational residence requirements in cases dealing with granting of divorces, granting licenses to practice professions, and the ability to seek elective office. Sosna v. Iowa, 419 U.S. 393, 95 S. Ct. 553, (1975); Salibra v. Supreme Court of Ohio, 730 F.2d 1059 (6th Cir. 1984), cert. denied, 469 U.S. 917, 105 S. Ct. 295 (1984); (Hankins v. Hawaii, 639 F. Supp. 1552 (D. Hawaii 1986). In general, when durational residential requirements have been upheld, the courts have perceived the benefits at stake to be less important than the constitutional, "fundamental," or other important rights involved

---

<sup>2</sup>Hooper v. Bernalillo County Assessor, 472 U.S. 612, 105 S. Ct. 2862 (1985) (tax exemption for certain resident Vietnam veterans impermissibly favored older residents over newer ones); Dunn v. Blumstein, 405 U.S. 330, 92 S. Ct. 995, (1972) (voting rights may not be conditioned on residence duration); See also Eddleman v. Center Township of Marion County, 723 F.Supp. 85(S.D. Indiana 1989); Sanchez v. Pingree, 494 F.Supp. 68 (S.D.Fla. 1980); Strong v. Collatos, 593 F.2d 420 (1st Cir. 1979); Demiragh v. DeVos, 476 F.2d 403 (2d Cir. 1973); King v. New Rochelle Municipal Housing Authority, 442 F.2d 646 (2d Cir. 1971) cert. denied, 404 U.S. 863, 92 S. Ct. 113 (1971); Cole v. Housing Authority of City of Newport, 435 F.2d 807 (1st Cir. 1970).

<sup>3</sup>See also Lee v. Commissioner of Revenue, 395 Mass. 527, 481 N.E.2d. 183 (1985) (real estate tax abatements for 10-year home residents over the age of 70 are constitutionally valid); Robinson v. YMCA, 123 Mich. App. 442, 333 N.W.2d 306 (1983) (13-week requalification period for unemployment benefits for person who quits to accept out-of-state employment is valid); In re Estate of Greenberg, 390 So.2d 40(Fla. 1980) (statute denying personal representative statutes to nonresident persons unrelated to decedent does not violate constitution); State v. Norton, 335 A.2d 607 (Me. 1975) (state law authorizing local authorities to issue shellfishing licenses based on residence is valid and necessary to conserve resources); In re U.S. ex rel. Missouri State High School Activities Ass'n, 682 F.2d 147 (8th Cir. 1982) (high school athletic transfer rule denying eligibility for one year held valid); Adams v. Superior Court of San Diego County, 524 P.2d 375 (1974) (one year residence requirement for petit jury duty held constitutional).

in Shapiro, Dunn v. Blumstein, Memorial Hospital, Plyler, and Soto-Lopez. Durational residency requirements have been upheld when courts have found that they promote a legitimate, articulable state purpose which justifies the unequal treatment they impose, do not penalize exercise of any fundamental or constitutional right such as due process, freedom of speech, or the right to travel, and do not discriminate against a "suspect" or historically disadvantaged class.

It is important to distinguish a durational residence requirement from the requirement that one be a state resident. As shown above for AFDC and MA, states may require welfare recipients to be state residents. What is at issue in durational residency cases is the distinction between residents who simply have resided in the state for a short period of time and those who have lived in the state longer.

The exact constitutional source of the right to travel is not clear. Nevertheless, the Supreme Court has consistently characterized this right as fundamental.

[I]n light of the unquestioned historic acceptance of the principle of free interstate migration, and of the important role that principle has played in transforming many States into a single Nation, we have not felt impelled to locate this right definitive in any particular constitution provision.

New York v. Soto-Lopez, 476 U.S. at 901, 106 S. Ct. at 2320. See, e.g., Comment, The Right to Travel: In Search of a Constitutional Source, 55 Neb.L.Rev. 117 (1975).

The "strict scrutiny" test of Shapiro and its progeny is whether a state classification penalizes exercise of a constitutional right and, if it does, can the state show that the classification is necessary to accomplish a compelling state interest. Denial of financial assistance or necessary medical care to newly-arrived indigents is, in the Supreme Court's view, denial of the "necessities of life" and therefore is a penalty on the right to travel. The state must offer a compelling governmental interest to justify any distinction in welfare program treatment between newly arrived state residents and others that amounts to a penalty for migrating into the state. If it fails to meet this test, the difference in treatment will be held unconstitutional.

## II. CONSTITUTIONALITY OF POLICY OPTIONS WHICH MAY DISCOURAGE IMMIGRATION

To analyze the constitutionality of measures that might have the effect of deterring individuals from coming to Minnesota solely for welfare benefits, the following questions should be asked.

- 1) Does the requirement treat equally needy persons differently based on the length of time they have been in the state?
- 2) If so, does it deny "necessities of life" to newcomers, thereby penalizing the right to travel?
- 3) If so, what compelling state interest is served by the requirement (keeping in mind the justifications rejected by the Supreme Court in Shapiro and Memorial Hospital)?

Even if the proposal survives this analysis, it may be struck down if the court finds that its sole purpose is the constitutionally impermissible one of deterring needy persons from moving to Minnesota. If the requirement does not deny a "necessity of life" but still treats newly arrived welfare applicants differently from the way long-term state residents are treated, it will likely be subjected to the equal protection test of whether it has a "rational basis." In other words, the difference in treatment must be "rationally related to a legitimate governmental purpose." *City of Cleburne, Texas v. Cleburne Living Center*, 473 U.S. 442, 451, 105 S. Ct. 3249, 3258 (1985).

What follows is a list of options that have been raised over the years and a brief, general analysis of the constitutionality of each option. It should be remembered in considering the analysis that one cannot predict the outcome of a court case with surety and that much depends on the particulars of the case.

The options are presented in two groups, "Probably Unconstitutional Options" and "Potentially Permissible Options," but are not listed in any order of priority within the groups. Whether a "potentially permissible" option will actually pass legal muster will depend in large part on the governmental interest(s) offered to justify it.

Inclusion of an option in this report should not be construed as endorsement by the Department of Human Services.

#### **A. PROBABLY UNCONSTITUTIONAL OPTIONS**

**Option I.** A waiting period of less than one year (e.g. 30, 60, 90 days) before new residents are eligible.

Such a requirement would likely be struck down under *Shapiro*. It would treat equally needy state residents differently, denying newly arrived state residents benefits that are

considered to be "necessities" and thus penalizing exercise by needy persons of their right to migrate to Minnesota. The requirement would only be upheld if it served a compelling governmental interest. In *Shapiro* and *Memorial Hospital* the Supreme Court rejected as insufficient several logical justifications for such a waiting period.

**Option 2.** For some period of time, provide benefits in an amount equal to the amount of benefits the newcomer would have been eligible for in the jurisdiction from which he or she came.

It has been argued that this approach would not penalize the right to travel, and therefore would be upheld. This proposition has not been tested in court. It would likely result in treating equally needy persons differently by providing different amounts of benefits based on the state or locality of origin, or even no benefits at all to these coming from states without general assistance programs. Therefore, it could be challenged under the equal protection clause and, even if the court agreed not to strictly scrutinize this approach, the court at least would apply the test of whether the approach is rationally related to a legitimate state interest. Because deterring in-migration of indigents is an unconstitutional purpose (see *Shapiro*, discussed above), a legitimate state purpose would have to be articulated.

**Option 3.** Impose a waiting period for General Assistance and Work Readiness benefits for, e.g., 30 days, but meet emergency subsistence needs through emergency GA during that time period.

If applied only to persons newly arrived from other jurisdictions, this scheme would also treat needy state residents differently, triggering equal protection analysis. It might be argued that the court should not require the approach to be substantially related to a compelling state interest (the strict scrutiny test) because the "necessities of life" would be met through emergency GA. Even if the court agreed not to use the strict scrutiny test, the approach would still have to be rationally related to a legitimate state interest. Furthermore, it is doubtful whether a court would agree to apply the rational basis test; the Arizona statute in *Memorial Hospital* did not deny indigent newcomers emergency medical care, and was nonetheless found to deny a "necessity of life."

**Option 4.** Establish a community workfare program and require each new arrival to "earn" his or her benefits. Payment would be made only for hours worked.

Because this option, too, treats newcomers differently from long-term state residents, it is subject to equal protection analysis. It is conceivable that a court would find that requiring only new arrivals to work in return for benefits penalizes exercise of a

constitutional right, and that justifications such as those advanced in Shapiro and Memorial Hospital are not sufficiently compelling to hold the option constitutional. It should be recognized that this approach entails the onus of true workfare and, also, would likely result in significant administrative costs.

## **B. POTENTIALLY PERMISSIBLE OPTIONS**

**Option 5.** Take any measure that makes the welfare programs less attractive to persons in other states, so long as the measure affects current residents and newcomers equally.

Because all similarly situated applicants would be treated the same, regardless of the amount of time they lived in Minnesota, Shapiro would not apply to the approach. Examples of such measures may be: (1) issuing weekly, instead of monthly, grants to all General Assistance and Work Readiness applicants; (2) issuing benefits in the form of vouchers or vendor payments to all eligible persons; or (3) paying benefits beginning on the first day of the month following application for benefits.

**Option 6.** Pay benefits in the form of voucher or vendor payments to newcomers for a period of time.

This option treats equally needy persons differently, based only on the length of time they have been present within the state, and therefore is subject to equal protection analysis. However, it does not deny "necessities of life," it simply pays them in a different form. Whether a court would consider that this different form of payment "penalizes" the right to travel, and therefore would require a compelling state interest to justify it, has not been decided by the courts. A court would at least require this approach to be rationally related to a legitimate governmental interest. Therefore, use of this option should include articulation of the government interest served and the way in which the option serves that interest.

**Option 7.** Same as Option 3 above, but pay benefits retroactive to the date of application if the person remains eligible after 30 days.

While this proposal also treats new arrivals differently than other state residents, after 30 days the new arrivals will have received the same amount of benefits as long-term state residents would have received. (Emergency subsistence needs would be met during the 30-day period through emergency GA.) Whether the waiting period before receiving the retroactive payment would be seen as a penalty for exercising the right to

travel probably would depend on the importance of the state interest served by the approach. In other words, a court probably is more likely to accept a relatively short waiting period before benefits are paid if a strong governmental interest is advanced. This option would not apply to GA eligible persons who are exempt from work requirements.

**Option 8.** Require those ineligible for GA but eligible for Work Readiness benefits to meet certain obligations (such as orientation, assessment, or completion of an employability development plan) before benefits are paid. After compliance, pay benefits retroactive to the date of application, and make emergency GA available for emergency needs arising before compliance is required. Compliance with the required component would be seen as proving intent to remain and reside in the state.

If this option were applied only to persons newly arrived in Minnesota, it, too, would raise the equal protection issue. Further, if some counties were unable to offer the required component(s) (e.g., orientation, assessment) as quickly as others, applicants would be treated differently depending on the county they were in. The comments to Option 7, above, also apply to this option.

**Option 9.** Same as Option 8, but establish a fixed day or days on which counties must provide each of the required work readiness component(s).

This option would remove the variation in treatment between counties. The remaining comments to option 7 apply to this option. This approach may be administratively burdensome to some counties.

**Option 10.** Establish a community workfare or work experience program and require new arrivals to comply with components similar to those in the work readiness program, meet emergency needs with emergency GA, and provide benefits retroactive to the date of application upon compliance.

If participation in the community workfare program were required only of newcomers to the state, this option would also be subject to equal protection scrutiny. It could be argued that the approach does not penalize exercise of the right to travel, because full benefits are eventually provided, and that therefore a compelling state interest should not be required to make the approach valid. On the other hand, some might argue that participation in community workfare or work experience is itself a penalty for moving into the state and therefore the state must offer a compelling state interest to



justify the option. Even if a court would decide that required workfare participation does not amount to a penalty, the court would analyze the scheme to determine whether it is rationally related to a legitimate state interest. Arguably, at least one state interest served would be that compliance is objective proof of intent to remain in the state. It is possible that a court would uphold this option. It should be noted, however, that this option includes additional administrative costs.