

November 1999

**Identifying Who Might Be
Subject to the 60-Month
Time Limit**

Indications From Minnesota's AFDC Population

Working Paper, Series Two

This report identifies characteristics of AFDC recipients in Minnesota who might have been subject to the 60-month time limit on assistance, as imposed by the federal welfare reform in 1996. It is the second in a series of working papers regarding welfare and welfare reform.

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Introduction

In 1996 the federal government repealed Aid to Families With Dependent Children (AFDC), which was a welfare entitlement program, and replaced it with Temporary Assistance to Needy Families (TANF), which focuses on work and imposes time limits for assistance.

TANF differs from AFDC in several ways. It focuses on helping welfare recipients find their way off of welfare through employment, even imposing work requirements. It replaces the reimbursement of a set percentage of state costs with a block grant of a fixed amount. And, among the more controversial changes, it implements a 60-month (five-year) time limit for cash assistance. Generally, any adult caretaker cannot receive more than a total of 60 months of assistance, regardless of whether the individual meets the program's work requirement or whether the individual received assistance in consecutive months. There are some exceptions. Child-only cases are not subject to the 60-month time limit. Time spent receiving TANF assistance as a minor child also does not generally count towards an individual's 60-month lifetime limit on assistance. Also, states may use federal TANF funds for cases which exceed the 60-month limit due to hardship or domestic violence. This exception is limited to 20 percent of the monthly average caseload.

This paper identifies the characteristics of AFDC caretakers in Minnesota who might have been subject to the time limit. By looking at caretakers determined eligible to enter the AFDC system between 1987 to 1989, it is possible to identify caretakers who were more likely to fall subject to a 60-month limit. Of course, there is no guarantee that the characteristics of these 1987 to 1989 entrants will be the same as more recent entrants. For example, the new welfare program's emphasis on work, the time limits, and other provisions may shorten the length of stay for some caretakers relative to others. Also, the very low unemployment rates in the present economy may result in certain caretakers leaving AFDC much more quickly than in the past. However, it remains possible that certain characteristics of caretakers will be associated with a greater likelihood of exceeding a 60-month time limit. Thus, the following information may alert policymakers to potential policy issues under the Minnesota Family Investment Program (MFIP), Minnesota's welfare reform program under the federal TANF law.

This research found:

- For those entering AFDC from November 1987 to November 1989, at least 27.1 percent of single-caretaker cases and 10.3 percent of two-caretaker cases received benefits for a longer period of time than the new time limits would allow.
- As time passed, the number of entrants who exceeded a 60-month time limit increased in proportion to the remaining AFDC caretakers.
- Caretakers who returned for assistance three or more times were more likely to exceed a 60-month time limit.

- A large share of caretakers who received AFDC for more than 60 months resided in Hennepin or Ramsey Counties.
- Most AFDC caretakers who exceeded a 60-month time limit were 24 and younger (at entry).
- For two-caretaker cases, having three or more children (at entry) increased the probability of receiving AFDC for more than 60 months.
- A large share of caretakers with dependents under two years old (at entry) stayed beyond a 60-month time limit.
- Caretakers with a high school diploma made up a large percentage of the population, regardless of the time spent on AFDC. However, the share of high school graduates with less than a high school diploma increased among caretakers exceeding a time limit.
- For single- and two-caretaker cases, whites are the largest group who exceeded the time limit, but Asian Americans are also a large group for two-caretaker families.

Data and Analysis

The data used for the analysis comes from the Minnesota Department of Human Services. The data set includes every entrant, defined as an individual who applied and was later determined eligible for AFDC. With this data, all caretakers entering the system between November 1987 and November 1989 were selected and followed until June 1996. By selecting these entrants, comparisons could be made between those who might exceed a 60-month time limit from those who had not as of 1996. Appendix A provides more details on the data set.

The analysis consists of a series of cross-tabulations. The cross-tabulations examine the simple tendency for a certain characteristic to be more likely associated with exceeding the time limit. The cross-tabulations are not a regression analysis. In other words, they cannot separate out the effect of a single characteristic from all others.¹ Cross-tabulations calculate the proportion of younger caretakers staying beyond the time limit irrespective of the age of their children. The advantage is that the cross-tabulations give an exact representation of the final percentage that stayed beyond the 60-month time limit. However, it is important to remember that the proportion of younger caretakers staying over 60 months may partly be related to younger caretakers having younger children.

Even though some groups are more likely to exceed a 60-month time limit, they often constitute a small proportion of all caretakers that exceed a time limit. To give some perspective on the size of the group, additional cross-tabulations list the proportion of each group in relation to others exceeding the time limit. For example, younger parents may be more likely to stay for more than 60 months, but the proportion of younger caretakers that do stay in comparison to the entire entering group of caretakers that stays beyond 60 months may be relatively small. Each cross-tabulation is a snapshot of how many caretakers who entered AFDC seven to nine years ago would have exceeded a 60-month time limit on assistance if one had been in effect then.

¹ For example, the increased probability of staying beyond the time limit for younger caretakers could be estimated independent of the effect of having younger dependents.

Background

Most caretakers who entered AFDC from 1987 to 1989 stayed on AFDC for less than 60 months (76.4 percent). About 27.1 percent of single-caretaker cases and 10.6 percent of two-caretaker cases remained on AFDC beyond 60 months. Of all caretakers that exceeded the time limit, single caretakers compose 90.6 percent.

Under current provisions of the law, the state can exempt 20 percent of the caseload from the time limit. However, it is not necessarily true that Table 1 implies that 26.4 percent of the welfare recipients in our data set would have lost their benefits. Part of the problem is that the time limits may alter the behavior of the recipients (in fact, this is the hoped-for result under TANF) and time spent on welfare may decrease, thereby decreasing the number exceeding the time limit. Second, the 26.4 percent is cumulative; it is not the same as the percentage exceeding a time limit in any single month. It essentially follows a group of entrants through time and identifies the characteristics of those likely to exceed the time limit.² It does not identify those that exceed the time limit in any single month. [We projected, based on cases active in the spring of 1998 and their past use of assistance, that a similar proportion of the active caseload would be affected by the time limits by seven years after the clock started.]

Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total
15,311 (72.9%)	5,679 (27.1%)	20,990	4,965 (89.4%)	589 (10.6%)	5,554	20,276 (76.4%)	6,268 (23.6%)	26,544

² In order to determine the percentage of caretakers exceeding the time limit in a current month, a different kind of analysis would be done on current caretakers to identify those that reached five years of AFDC reciprocity. That is a useful policy question and could be examined, but it is not the focus of this paper. (Drawing from research by O'Neill and O'Neill (1997), who took the later approach, many of the characteristics of those exceeding the time limit are similar to this research.)

Factors Influencing Total Time on AFDC

The Number of Episodes on AFDC

As time passed and caretakers left AFDC, an increasing proportion of those remaining stayed for more than 60 months. Figures 1 and 2 show that this same result was observed regardless of whether the case was a single-caretaker case or a two-caretaker case. This is not entirely surprising, but there are other possible outcomes. For example, a large share of caretakers could have left the system within a few months and returned several years later. Under such a case, the proportion of long-term recipients would not have increased over time.

Figure 1
Proportion of Single-Caretaker Cases on AFDC for More Than 60 Months
Entrants from November 1988 to November 1990

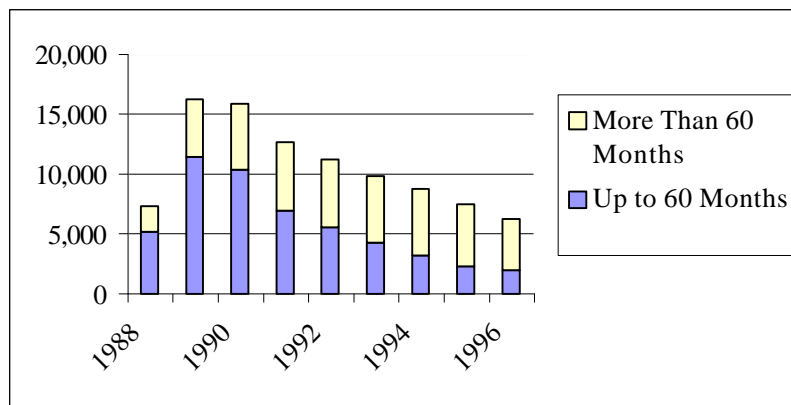


Figure 2
Proportion of Two-Caretaker Cases on AFDC for More Than 60 Months
Entrants from November 1988 to November 1990

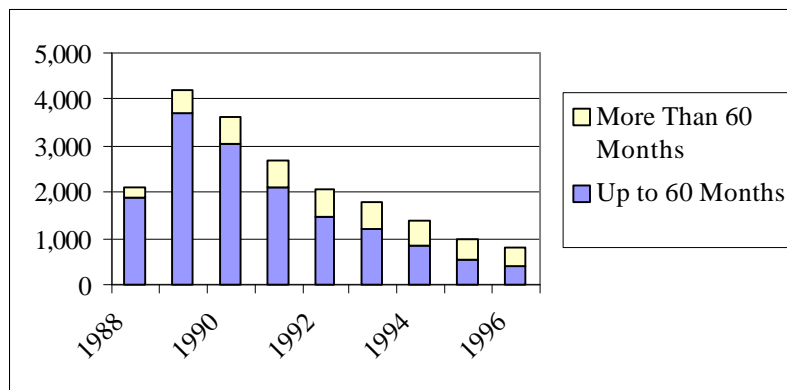


Table 3 shows percentages arrayed by the duration of stay. Reading across shows the percentage distribution of caretakers with a given number of episodes by the 60-month time limit category. For example, 18.3 percent of single caretakers with one episode exceeded the 60-month time limit (second column from the left), whereas 16.4 percent of all caretakers with one episode exceeded the limit (second column from the right).

Most caretakers stayed on AFDC for less than 60 months during the period covered by the data. For cases where the caretaker received AFDC for three or more separate episodes, 68.5 percent of all caretakers stayed for a total time that was less than 60 months. Single caretakers were slightly more likely to stay for more than 60 months than two-caretaker cases—27.1 percent compared to 10.6 percent.

As the number of episodes increased, the proportion of caretakers exceeding the time limit also increased. For those with only one episode, 16.4 percent of all caretakers stayed on AFDC for more than 60 months. Among those that returned to AFDC for three or more episodes, 31.5 percent stayed on the program for a cumulative total of more than 60 months. This effect is most prominent among single-caretaker cases.

These statistics reveal some churning in the pattern of reciprocity with caretakers entering and leaving the AFDC program, however, the proportion staying for more than 60 months still increased over time. These findings are consistent with other research in which the total time spent on AFDC is associated with an increase in the number of episodes and with a shorter time period spent away from AFDC between episodes.

Number of Episodes	Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total
One	81.7%	18.3%	100.0%	90.3%	9.7%	100.0%	83.6%	16.4%	100.0%
Two	68.9	31.1	100.0	90.2	9.8	100.0	73.1	26.9	100.0
Three or More	63.7	36.3	100.0	87.3	12.7	100.0	68.5	31.5	100.0
All Cases	72.9%	27.1%	100.0%	89.4%	10.6%	100.0%	76.4%	23.6%	100.0%

Regional Differences

The data show clear regional differences in the proportion of individuals reaching a 60-month time limit. Possible reasons include regional variations in the number and type of job opportunities for AFDC recipients. Job opportunities may increase a caretaker's chance of leaving welfare.³ Past House Research studies using a cluster analysis⁴ find that some regions carried a higher proportions of caretakers that stay on AFDC for longer periods. In order to examine whether these differences existed for those reaching the 60-month time limit, we conducted a regional analysis using regions designated by the Minnesota Department of Economic Security (DES).⁵ Figure 3 maps the regions across the state and Appendix B lists the region by county.

Figure 3
Map of Minnesota Regions

File Contains Data for PostScript Printers Only

* Although Grand Forks is in North Dakota and Superior and La Crosse are in Wisconsin, they are included in the Standard Metropolitan Statistical Areas (SMSA) for the neighboring Minnesota counties. The regions are based on SMSAs.

³ Fitzgerald (1995)

⁴ See also the forthcoming House Research publication on the demographic characteristics of the AFDC/MFIP population.

⁵ The DES designated regions are used to provide regional labor market information.

Table 5 reports some regional variation in length of stay on AFDC. The highest probability of exceeding a 60-month time limit was within Hennepin and Ramsey Counties (32.7 percent for all cases). The region with the lowest probability was Moorhead and Grand Forks. With respect to family type, sub-state regions show some variation, but what remains consistent throughout is that single caretakers were more likely to remain for more than 60 months than two-caretaker cases.

Even with the regional variation, Table 5 shows that the majority of entering caretakers stayed less than 60 months. The percentage of caretakers that stayed less than 60 months range from 67.3 percent to 86.7 percent. This does not preclude the possibility of certain neighborhoods with a majority of caretakers exceeding the time limit. However, for these regional categories, most caretakers stayed for less than 60 months.

Region	Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total
Hennepin and Ramsey Counties	65.4%	34.6%	100.0%	77.6%	22.4%	100.0%	67.3%	32.7%	100.0%
Surrounding Suburbs of Minneapolis-St. Paul	72.0	28.0	100.0	90.4	9.6	100.0	74.7	25.3	100.0
Duluth-Superior	70.9	29.1	100.0	91.2	8.8	100.0	75.8	24.2	100.0
Moorhead and Grand Forks	82.5	17.5	100.0	94.3	5.7	100.0	86.7	13.3	100.0
La Crosse, Rochester, and St. Cloud	78.9	21.1	100.0	88.3	11.7	100.0	80.8	19.2	100.0
Nonmetro Minnesota									
Central	81.3	18.7	100.0	96.8	3.2	100.0	85.9	14.1	100.0
Northeast	74.2	25.8	100.0	93.4	6.6	100.0	79.9	20.1	100.0
Northwest	78.0	22.0	100.0	94.0	6.0	100.0	82.1	17.9	100.0
Southeast	82.1	17.9	100.0	93.6	6.4	100.0	84.4	15.6	100.0
Southwest	82.3	17.7	100.0	96.4	3.6	100.0	85.5	14.5	100.0
Total	72.9%	27.1%	100.0%	89.4%	10.6%	100.0%	76.4%	23.6%	100.0%

Caretaker and Family Characteristics

Many demographic characteristics of a caretaker and family may make a difference in the amount of time a caretaker spends on welfare.⁶ Caretakers who are younger, caretakers with more children, and caretakers with younger children tend to stay on welfare for longer periods of time.

This section examines how those differences might apply under a 60-month time limit on receipt of public assistance.

The analysis of the caretaker and family characteristics bears current relevance to many policy issues: (1) Under MFIP, caretakers under 20 years old who are complying with an educational plan are exempt from the 60-month time limit. Tables 6 and 7 separate all caretakers who are under 20 from the rest of the entering AFDC caretakers. (2) The number of children makes a difference not only in terms of the size of the grant, but also in costs associated with working (e.g., day care expenses and health care costs). To provide information on the impact of the size of the family, Tables 8 and 9 are constructed for one, two, and three or more children. (3) Tables 10 and 11 look at the age of the caretaker's youngest child. These tables include a two and under category, which among other reasons, helps focus on higher income guidelines for Medical Assistance. Also included is a two- to five-year-old category which includes preschool children.⁷ The following analysis is not a formal analysis on the impact of specific policies, instead it is information that may be useful in considering the facts relevant to a policy issue.

⁶ See forthcoming House Research publication on the demographic characteristics of the AFDC/MFIP population. Also, see Pavetti (1998), O'Neill and O'Neill (1997), Sandefur and Cook (1997), Hoynes (1996), Blank and Ruggles (1996), Fitzgerald (1995), Petersen (1995), Blank and Ruggles (1994), Harris (1993), and O'Neill, Bassi, and Wolff (1987).

⁷ This category has particular implications under the new MFIP program, because an MFIP caregiver with preschool children may have more expensive child care assistance. And under MFIP, child care assistance is provided to a caregiver who is meeting the program's work participation requirements as if it were an entitlement. However, once the caretaker leaves MFIP, the caretaker may eventually lose the child care assistance. Under current law, caretakers who exit by increased earnings receive a year of transitional child care thereby delaying the potential loss of child care assistance. For the potential impacts of losing child care assistance, see the House Research report, "Basic Needs Budgets for Custodial and Noncustodial Parents," October 1999.

Table 6 shows that the majority of entering AFDC caretakers who stayed for more than 60 months were 24 and younger (64.2 percent).⁸ In contrast, even though caretakers 25 years and older made up 55.9 percent of the entire group of entering caretakers, they constituted a smaller 35.8 percent of caretakers staying for more than 60 months.

Table 6									
Percentage of AFDC Caretakers by Age of Caretaker and Length of Stay									
Entrants Between November 1987 and November 1989									
Amounts are percentages of the totals for age of caretakers									
Age of Caretaker	Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
	Up to 60 Months	More than 60 Months	All	Up to 60 Months	More than 60 Months	All	Up to 60 Months	More than 60 Months	All
Less Than 20 Years Old	19.7%	31.0%	22.9%	14.6%	24.5%	15.7%	18.5%	30.4%	15.7%
20 to 24 Years Old	29.5	33.5	30.6	27.3	36.8	28.3	29.0	33.8	28.3
25 to 35 Years Old	29.0	24.4	27.7	30.3	26.2	29.8	29.4	24.6	29.8
Over 35 Years Old	21.8	11.1	18.8	27.8	12.5	26.1	23.2	11.2	26.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

⁸ Age of the parent is at the beginning of their first recorded episode.

Regardless of age, the majority of caretakers (85.3% of all caretakers) stayed on AFDC for less than 60 months. The data are displayed in Table 7. However, younger caretakers were more likely to stay on AFDC for more than 60 months in comparison to older caretakers. Approximately 35.1 percent of caretakers under 20 years of age stayed on AFDC for more than 60 months. In contrast, only 13.7 percent of caretakers over 35 years of age stayed on for more than 60 months.

Table 7									
Percentage of AFDC Caretakers by Length of Stay and Age of Caretaker									
Entrants Between November 1987 and November 1989									
Amounts are percentages of the totals for duration									
Age of Caretaker	Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
	Up to 60 Months	More than 60 Months	All	Up to 60 Months	More than 60 Months	All	Up to 60 Months	More than 60 Months	All
Less Than 20 Years Old	61.8%	38.2%	100.0%	82.4%	17.6%	100.0%	64.9%	35.1%	100.0%
20 to 24 Years Old	69.2	30.8	100.0	85.3	14.7	100.0	72.3	27.7	100.0
25 to 35 Years Old	75.2	24.8	100.0	90.1	9.9	100.0	78.5	21.5	100.0
Over 35 Years Old	83.3	16.7	100.0	94.6	5.4	100.0	86.3	13.7	100.0
Total	71.8%	28.2%	100.0%	88.7%	11.3%	100.0%	75.3%	24.7%	100.0%

Tables 8 and 9 show that the relationship between time spent on AFDC and number of children depends upon the family type. For single caretakers, as shown in Table 8, the majority of cases had one child regardless of the time spent on AFDC (between 50.1 percent and 53.0 percent). However, for two-caretaker cases who exceeded a 60-month time limit, the majority of cases had three or more children (52.5 percent).

Table 8									
Percentage of AFDC Caretakers by Number of Children and Length of Stay									
Entrants Between November 1987 and November 1989									
Amounts are percentages of the totals for number of children									
Number of Children When First Starting AFDC	Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
	Up to 60 Months	More than 60 Months	All	Up to 60 Months	More than 60 Months	All	Up to 60 Months	More than 60 Months	All
One	53.0%	50.1%	52.2%	31.7%	17.8%	30.2%	47.8%	47.1%	47.6%
Two	29.8	31.1	30.1	33.0	29.7	32.7	30.6	30.9	30.7
Three or More	17.2	18.8	17.7	35.3	52.5	37.1	21.7	22.0	21.7
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

For both family types, caretakers with three or more children were more likely to stay beyond 60 months.⁹ Table 9 shows length of stay by number of children. The percentage of single-caretaker cases with only one child staying for more than 60 months was 26.0 percent. In contrast, the percent was 28.8 percent with three or more children. For two-caretaker cases the difference was 6.3 percent for one child versus 15.0 percent for three or more children.

The results suggest that caretakers with more children were more likely to exceed a 60-month time limit. This does not imply that such caretakers, without question, would lose their benefits. In fact, most caretakers in every age group did not exceed a time limit.

⁹ The number of children equals the total recorded in the last episode before June 1996.

Table 9 Percentage of AFDC Caretakers by Length of Stay and Number of Children Entrants Between November 1987 and November 1989 Amounts are percentages of the totals for duration									
Number of Children When First Starting AFDC	Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total
One	74.0%	26.0%	100.0%	93.7%	6.3%	100.0%	76.6%	23.4%	100.0%
Two	72.1	27.9	100.0	90.4	9.6	100.0	76.2	23.8	100.0
Three or More	71.2	28.8	100.0	85.0	15.0	100.	76.1	23.9	100.0
All Cases	72.9%	27.1%	100.0%	89.4%	10.6%	100.0%	76.4%	23.6%	100.0%

Approximately half of all caretakers on AFDC staying for more than 60 months began their first episode with children under two years old.¹⁰ In contrast, less than a quarter of all caretakers began with children who are five years or older. The data are shown in Table 10.

Age of Youngest Child at Beginning of First Episode	Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
	Up to 60 Months	More than 60 Months	All	Up to 60 Months	More than 60 Months	All	Up to 60 Months	More than 60 Months	All
Less Than Two Years Old	31.3%	48.6%	35.2%	37.4%	61.9%	39.8%	32.9%	50.1%	36.2%
Two to Four Years Old	25.7	27.8	26.2	29.6	24.1	29.0	26.7	27.4	26.8
Five Years Old or Over	43.0	23.6	38.7	33.0	14.0	31.2	40.5	22.5	37.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹⁰ Age of children is at the time of the caretaker's first episode. Children born in later episodes are not considered in this analysis.

Caretakers with younger children are more likely stay on AFDC for more than 60 months in comparison to caretakers with older children. Table 11 shows that approximately 27.0 percent of all caretakers with children under two years of age stayed on AFDC for more than 60 months in comparison to 11.9 percent for caretakers with children over five years old. Regardless of the age of the children, the majority of caretakers were on AFDC for less than 60 months.

Table 11									
Percentage of AFDC Caretakers by Length of Stay and Age of Children									
Entrants Between November 1987 and November 1989									
Amounts are percentages of the totals for duration									
Age of Youngest Child at Beginning of First Episode	Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total
Less Than Two Years Old	62.7%	28.3%	100.0%	85.3%	14.7%	100.0%	73.0%	27.0%	100.0%
Two to Four Years Old	76.1	23.9	100.0	92.2	7.8	100.0	80.1	19.9	100.0
Five Years Old or Over	94.8	15.1	100.0	95.8	4.2	100.0	88.1	11.9	100.0
All Cases	77.5%	22.5%	100.0%	90.6%	9.4%	100.0%	80.5%	19.5%	100.0%

Educational Attainment

Some suggest that caretakers with higher levels of education possess the skills necessary to find a job that pays enough to leave AFDC. Researchers have found that getting a high school diploma is associated with shorter lengths of stay and a higher probability of leaving AFDC.¹¹ However, the results on educational attainment are mixed: some studies do not find statistically significant effects from education.

This study finds a high proportion of caretakers possessed at least a high school diploma. Moreover, a high school diploma is associated with lower percentages of caretakers reaching the 60-month time limit. However, somewhat contradictory to expectations, this study also finds that caretakers with some post-secondary education may not be more likely to leave AFDC before the 60-month time limit. The results are not conclusive: there are potential problems in the way the data is recorded.

¹¹ See footnote 6.

Regardless of the education level, the majority of AFDC caretakers were on for less than 60 months. As shown in Table 13, approximately 23.9 percent of all caretakers with only a high school diploma stayed on AFDC for more than 60 months. This is lower than the percentage of caretakers with less than a high school diploma. Caretakers with some post-secondary education are slightly less likely to stay for more than 60 months (27.9 percent) in comparison to caretakers who had not graduated high school (28.4 percent).

Table 13									
Percentage of AFDC Caretakers by Length of Stay and Education									
Entrants Between November 1987 and November 1989									
Amounts are percentages of the totals for duration									
	Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total
Less Than a High School Diploma	68.5%	31.5%	100.0%	83.7%	16.3%	100.0%	71.6%	28.4%	100.0%
High School Graduate	72.6	27.4	100.0	90.1	9.9	100.0	76.1	23.9	100.0
At Least Some Post-Secondary Education	68.3	31.7	100.0	86.9	13.1	100.0	72.1	27.9	100.0
Total	72.9%	27.1%	100.0%	89.4%	10.6%	100.0%	76.4%	23.6%	100.0%

For the most part, the research conducted here is consistent with other studies. What may be somewhat contradictory to other studies is the finding that caretakers with some post-secondary education do not have a lower likelihood of staying beyond the time limit. However, there may be some problems with the way education is recorded. For example, in some cases a caretaker may receive education while on AFDC and that education may lengthen time spent on AFDC.

Race

Past research has found that race, for whatever the reason, tends to correlate with time spent on and away from AFDC.¹² Consistent with that literature, this study finds noticeable differences by race.

Whites and Asian Americans made up the largest proportion of caretakers that stay for more than 60 months. The largest group is whites. This may be expected since whites make up 70.1 percent of all caretakers. The high percentage of whites was also true for both single- and two-caretaker cases, and thus by their sheer numbers, may remain as the majority that stay beyond 60 months. However, among two-caretaker cases staying beyond the time limit, Asian Americans make up a similarly large percentage. For this category, whites make up 43.6 percent and Asian Americans make up 43.1 percent. The unusually high percentage of Asian Americans who exceeded the time limit only pertains to this category; single caretakers and caretakers who stayed for up to 60 months constitute noticeably smaller percentages (between 2.6 percent and 8.0 percent). The data are shown in Table 14.

Table 14									
Percentage of AFDC Caretakers by Race and Length of Stay									
Entrants Between November 1987 and November 1989									
Amounts are percentages of the totals for race									
Race	Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
	Up to 60 Months	More than 60 Months	All	Up to 60 Months	More than 60 Months	All	Up to 60 Months	More than 60 Months	All
Asian American	2.6%	6.0%	3.5%	8.0%	43.1%	11.8%	3.9%	9.5%	5.2%
Black	12.9	19.6	14.7	4.3	5.8	4.5	10.8	18.3	12.6
Hispanic	6.3	3.4	5.5	16.0	3.7	14.7	8.7	3.4	7.4
American Indian	4.7	6.3	5.1	2.7	3.7	2.8	4.2	6.0	4.6
White	73.5	64.8	71.1	69.0	43.6	66.3	72.4	62.8	70.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹² See footnote 3.

Even though whites make up the majority of cases exceeding the time limit, they are among the least likely to stay for more than 60 months. The percentage of whites staying for more than 60 months equaled 24.7 percent for single caretakers and 7.1 percent for two caretakers. Asian Americans, Blacks, and American Indians all had higher percentages of caretakers on AFDC for more than 60 months (see Table 15). The only caretakers with less likelihood of staying for more than 60 months were Hispanics. The higher percentage of whites staying for more than 60 months may be related to the large number of whites receiving AFDC in comparison to other racial groups.

Table 15
Percentage of AFDC Caretakers by Length of Stay and Race
 Entrants Between November 1987 and November 1989
 Amounts are percentages of the totals for duration

Race	Single-Caretaker Cases			Two-Caretaker Cases			All Cases		
	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total	Up to 60 Months	More than 60 Months	Total
Asian American	53.9%	46.1%	100.0%	60.4%	39.6%	100.0%	56.9%	43.1%	100.0%
Black	63.8	36.2	100.0	86.0	14.0	100.0	65.5	34.5	100.0
Hispanic	83.2	16.8	100.0	97.3	2.7	100.0	89.0	11.0	100.0
American Indian	66.9	33.1	100.0	85.5	14.5	100.0	69.2	30.8	100.0
White	75.3	24.7	100.0	92.9	7.1	100.0	78.7	21.3	100.0
All Cases	72.9%	27.1%	100.0%	89.4%	10.6%	100.0%	76.4%	23.6%	100.0%

Conclusion

The results of the analysis suggest that a 60-month time limit may disproportionately impact some caretakers more than others. By applying the time limit to a group of AFDC caretakers in Minnesota, this paper examined who might have exceeded the time limit if there had been one under the old AFDC program. By looking at a group of caretakers entering the system from November 1987 to November 1989, caretakers with the following characteristics may be more likely to stay beyond the 60-month limit than others:

- from Hennepin and Ramsey Counties
- under 25 years of age
- with larger families
- with younger children
- with a less than high school diploma, and
- from several races

The analysis cannot claim to exactly represent what will happen once caretakers actually reach the 60-month time limit as just enacted by MFIP. Program elements such as child care assistance and job searching in the macroeconomy with a very low unemployment rate may result in characteristics different from those found within this study. However, this document may help focus attention on potential caretakers that may likely exceed the time limit.

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Appendix A - Preparation of the Data Set

The data is from the Minnesota Department of Human Services and includes demographic information on every applicant determined eligible for AFDC in Minnesota. Eligibility for AFDC is given on a month-by-month basis from November 1986 to June 1996. All other caretaker information, such as the educational attainment, are updated to the most recent month of recording.¹³ The data also includes other members within the same case making it possible for analysis related to the family structure.

In order to simplify the data set, each household or AFDC case was collapsed into one observation. Within each observation, information on the caretaker(s) and the dependent(s) are included. As another simplification, each household record only includes month-by-month eligibility information on the caretaker. In households with two caretakers, household heads were identified and records were kept on their month-by-month eligibility.

In 1994, the Minnesota Department of Human Services changed the way it recorded AFDC eligibility. The new format made it impossible to separate children-only cases from children who aged out of the system. Examples of children-only cases are those who are in foster care, or whose caretakers are on some other form of governmental assistance. Because the 60-month time limit applies to caretakers, the data is limited to AFDC cases with at least one caretaker. Also, all adult-only cases were discarded thereby focusing on households with dependents.

In addition to the previous preparations, the following changes were made to analyze the 60-month time limit. To track individuals who may exceed the time limit, we selected two years worth of AFDC entrants with at least five years of follow-up data. Also, the data suffered from a “left censoring” problem which means it is impossible to identify whether caretakers received AFDC before the first recording—November 1986. To lessen the problem, it was decided to select the beginning of the two-year time slot one year after the first recording of the data and drop any individual with an episode in that first year. By dropping these individuals, it is safer to assume the first recorded episode is truly the first episode.¹⁴ The remaining data includes all entrants from November 1987 to November 1989. The last recorded month of eligibility for these caretakers is June of 1996.

This data allows identification of a minimum number of individuals that received AFDC for at least 60 months. Because some may leave and return at a later date, we likely underestimated the number subject to the time limit.

¹³ For example, an individual eligible for AFDC from July 1989 to April 1992 would be recorded eligible during these months along with information on their birth date, sex, age, race, and educational attainment. Educational attainment would be updated until the last month of eligibility.

¹⁴ Individuals on a second or later episode must have been ineligible for at least one year. In previous examinations we determined that as time passes the number of individuals returning for another episode diminishes.

Appendix B - County by County Listing of Regions

Minneapolis-St. Paul

Central Minneapolis-St. Paul

Hennepin
Ramsey

Surrounding Suburbs of

Minneapolis-St. Paul

Anoka
Carver
Dakota
Scott
Washington

La Crosse, Rochester, and St. Cloud

Benton (St. Cloud)
Houston (La Crosse)
Olmsted (Rochester)
Stearns (St. Cloud)

Moorhead and Grand Forks

Clay (Fargo-Moorhead)
Polk (Grand Forks)

Duluth

St. Louis

Nonmetro Minnesota

Central

Chisago
Isanti
Kanabec
Kandiyohi
McLeod
Meeker
Mille Lacs
Pine
Sherburne
Wright

Northeast

Aitkin
Carlton
Cook
Itasca
Koochiching
Lake

Northwest

Becker
Beltrami
Cass
Clearwater
Crow Wing
Douglas
Grant
Hubbard
Kittson
Lake of the Woods
Mahnomon
Marshall
Morrison
Norman
Ottertail
Pennington
Pope
Red Lake
Roseau
Stevens
Todd
Traverse
Wadena
Wilkin

Southeast

Dodge
Fillmore
Freeborn
Goodhue
Mower
Rice
Steele
Wabasha
Winona

Southwest

Big Stone
Blue Earth
Brown
Chippewa
Cottonwood
Faribault
Jackson
Lac qui Parle
Le Sueur
Lincoln
Lyon
Martin
Murray
Nicollet
Nobles
Pipestone
Redwood
Renville
Rock
Sibley
Swift
Waseca
Watonwan
Yellow Medicine