



Minnesota Family Investment Program Longitudinal Study:

**Three Years After
Baseline**

Ninth report in a series

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All reports from the MFIP Longitudinal Study series are available on the
DHS Web site (www.dhs.state.mn.us).

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Executive Summary

The Minnesota Family Investment Program (MFIP) replaced Aid to Families with Dependent Children (AFDC) as Minnesota's family public assistance program in 1998. This followed the enactment of the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) that was signed into law in August 1996. The new program changed the emphasis of assistance from entitlement to work, added a five-year lifetime limit, and supplemented earnings while families were still eligible for MFIP. MFIP's goals are increasing employment and earnings, decreasing welfare dependency, and reducing poverty.

The Minnesota Department of Human Services (DHS) initiated a longitudinal study to follow MFIP participants' progress after the program was implemented statewide. The study sampled 843 ongoing assistance participants (the *Recipient* group) and 985 new participants (the *Applicant* group) in May through October 1998. Study participants were interviewed about the economic and social situations of their families at the beginning of the study and at least once every year thereafter. By year three, the response rates were 72 percent and 69 percent, respectively. The study is tracking *Recipients* for five years; follow-up on *Applicants* ends with this survey although administrative data will be analyzed for both samples.

Previous reports have described MFIP participants in the study at baseline and six months, one year, and two years later. Special reports examined leavers' health care coverage and utilization, long-term participants, and teen mothers. This report focuses on job retention and advancement and the life situation of participants three years after baseline. Future reports will look at survey and administrative data four and five years after baseline.

Economic Conditions in Year 2001

During the last decade, welfare caseloads have dropped sharply.¹ Nationally the decrease was from a peak of 5.0 million families in 1994 to 2.1 million in 2001. During the same period, family poverty rates fell from 11.6 to 9.2 percent nationally. Twenty-five percent of families with resources below the poverty level received public assistance in 2001, down from 50 percent in 1994. Average monthly case counts in Minnesota fell from 64,400 in 1994 to 40,700 in 2001, a decline of 37 percent. The 2000 to 2001 family poverty rate in Minnesota was 5.3 percent.

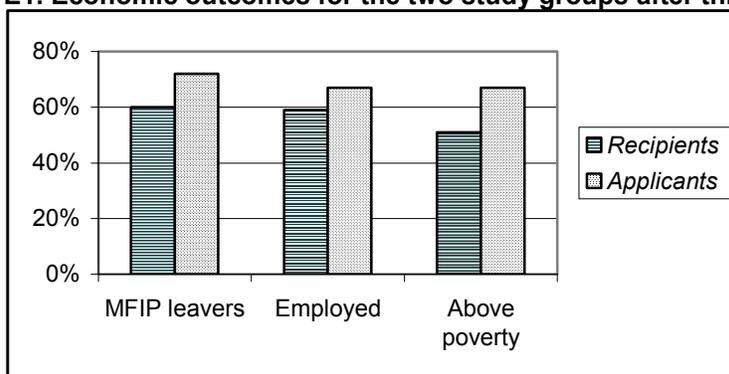
During the 1998 to 2000 period, annual unemployment rates were at historic lows, as low as 2.6 percent in Minnesota in 1998 and 4.0 percent in the United States in 2000. By 2001, however, these rates had climbed to 3.7 percent and 4.7 percent, respectively.² Largely as a result of increasing unemployment, Minnesota's MFIP caseloads also increased after 2001, reversing a nine-year downward trend.³

The Stories of the Two Study Groups

Welfare workers, administrators, and researchers often talk about three segments in the caseload: those who get off assistance rapidly with little direction, those who get off in time with some guidance and help, and those whose problems are so serious that a lesser goal than complete self-sufficiency and more intensive help may be required. Many *Applicants* were new participants who got off quickly. Both the *Recipient* and *Applicant* groups included a large number of leavers and employed participants who were progressing toward economic independence and stability. But there were also people and families with many serious personal and external challenges, including the five-year time limit that started to take effect in 2001.

At the start of the study, *Applicants* as a group were doing worse than *Recipients* as a group on the major indicators related to MFIP goals – employment, earnings, and poverty status. Most had encountered a recent change in circumstances that led to a need for public assistance. The top three reasons were pregnancy, loss of a job, and loss of support from a spouse or partner. Over time, both groups have shown improvement, with the progress of *Applicants* surpassing that of *Recipients*. (See figure E1.) Some *Applicants* quickly moved off welfare after their crisis passed. Some *Recipients*, whose cases opened before baseline and who were not yet able to exit, were more likely to have a permanent need for assistance.

Figure E1. Economic outcomes for the two study groups after three years



Welfare use and poverty went down during the first two years of the study. In the third year, however, the picture was mixed. From year two to year three:

- The percentages of MFIP leavers continued upward, to 60 percent of *Recipients* and 72 percent of *Applicants*.
- Family earnings and income were up for *Applicants*, but down for *Recipients*.
- Employment rates were steady at 59 percent for *Recipients* and 67 percent for *Applicants*.
- Poverty rates increased to 49 percent for *Recipients* and remained steady for *Applicants* at 33 percent.
- Median work hours and hourly wages continued to increase, reaching 40 hours per week and over nine dollars per hour for those who were working in the 36th month.

The *Applicant* group had a lower percentage of people with a history of various life problems – such as disability, chemical dependency, or incarceration – than did the *Recipient* group.

Applicants also scored higher than *Recipients* on the Self-support Index DHS developed as an MFIP accountability measure. A person who is rated a success on this index has either exited MFIP or is working at least 30 hours per week. The three-year Self-support Index for *Recipients* was 67 percent, very similar to the first reported three-year index for the entire MFIP caseload: 69 percent for all MFIP-eligible persons in the fourth quarter of 1999.⁴ In contrast, 77 percent of *Applicants* were either off MFIP or working at least 30 hours in the month three years after entering MFIP.

While *Applicants* as a group had better outcomes, *Applicants* who were in their teens at baseline have not fared as well, with fewer leavers and workers, lower income, and higher poverty than older first-time *Applicants*.

Job Retention and Advancement and Economic Status at Year Three

Table E1 describes the status of the two samples in several key areas. The most positive result – off MFIP and working – was the outcome for 40 percent of *Recipients* and 52 percent of *Applicants* at the three-year mark. During the third year of the study, just under one-fifth in each group had worked full-time for at least one year; a similar number had been unemployed for a year or more. Median hourly wages were more than \$4 above the minimum wage of \$5.15 for workers in both groups. Around three-quarters of leavers had a job. Nearly half of those on MFIP were working, boosting family income. Job satisfaction was high for most aspects of the job including the work itself, co-workers, supervision, and stability.

Table E1. Employment and income outcomes in month 36

Economic status in month 36	<i>Recipients</i>	<i>Applicants</i>
Count of surveyed	604	678
MFIP leavers	60%	72%
Employment rate	59%	67%
Employed and off MFIP	40%	52%
Employed full-time* one year or more	18%	17%
Unemployed one year or more	19%	13%
Workers' median hours per week	40	40
Workers' median hourly wage	\$9.25	\$9.35
Employment rate of leavers	71%	75%
Employment rate of MFIP participants	44%	48%
Participant earnings (mean)	\$1,002	\$1,403
Family income (mean)	\$1,557	\$1,780
Earnings in family income	64%	79%
MFIP cash in family income	10%	6%
Poverty rate	49%	33%

*40 hours / week or more.

The monthly earnings and total income averages for all *Recipient* families were \$1,002 and \$1,557, respectively. Sixty-four percent of all income came from earnings and 10 percent from MFIP cash. *Applicant* families had more earnings and total income, with a bigger share of earnings and a smaller share of MFIP cash contributing to total income. More *Recipient* families were in poverty, one-half versus one-third of *Applicant* families. Both figures were far above the state poverty rate of 5 percent for families with children.

Over 70 percent of participants who were employed during the review month were still employed in the same job when interviewed one to six months later. A majority of these workers reported increased job skills, steady work hours, raises, full-time work, and more job duties. About 20 percent of them had moved to a better job while working for this employer. The main problems employees reported about jobs were the lack of chances to move up and a concern with pay.

Many participants reported receiving a wide range of employment-related assistance from job counselors. Help with job search, the most frequent, was mentioned by 55 percent of *Recipients* and 57 percent of *Applicants*. The most helpful things job counselors did were assisting the participants with obtaining transportation, setting up child care, and aiding job search.

Life Situation at Year Three

Applicant families had a second parent in the household twice as often as *Recipient* families did (30 percent compared to 15 percent), as Table E2 shows. Most of these second parents were employed. About one-third of each group received child support from a noncustodial parent. Thirty-eight percent of *Recipient* families and 48 percent of *Applicant* families received some financial help from second parents, either in or out of the household. One-quarter of *Recipients* and 19 percent of *Applicants* had not yet finished their high school education.

Table E2. Family history, composition, challenges, housing, and job supports

Life situation*	<i>Recipients</i>	<i>Applicants</i>
Two-parent households	15%	30%
Child support received	30%	28%
No second-parent financial support	62%	52%
High school diploma or GED	75%	81%
Chemical dependency history	16%	11%
Disability**	18%	10%
Incarceration history	16%	13%
Childhood foster care/group home	18%	14%
Childhood welfare family***	32%	27%
Housing costs > 30% of income	40%	36%
Public or subsidized housing	40%	25%
Homeless as adult	30%	17%
Reliable vehicle and driver's license	32%	43%
Family uninsured for health care	9%	10%
Child care assistance	23%	23%

* Items with no time reference are point-in-time data for month 36.

** Self-reported, not necessarily disability payment recipient.

*** Baseline survey data.

Many families faced issues such as physical and mental health problems, chemical dependency, child maltreatment, family violence, incarceration, and special needs children currently or historically. Troubles stretched back into childhood for some, as witnessed by the foster care and AFDC they received as children. Participants from both groups reported these issues, *Recipients* at a higher rate.

Housing costs were a major part of the family budget for both groups, with about 40 percent paying more than 30 percent of their income even though their average housing costs were modest for the housing market. Public or subsidized housing was more common for *Recipients* – whose average time in poverty as an adult was longer – than for *Applicants* (40 versus 25 percent). More *Recipients* had been homeless as adults, nearly one-third.

Only a minority of either group had dependable transportation in the form of a reliable car and a driver's license. As mentioned above, the job counselors' most helpful and second most frequent type of action was transportation related, according to study participants.

In about 80 percent of families, all members had health care coverage, while one-tenth of the families in each group had no health insurance for any family member. For all persons in the study families, the uninsured rates of 10 percent for *Recipients* and 13 percent for *Applicants* were at least double the 5 percent point-in-time uninsurance rate for all Minnesotans in 2001. Many people complained that dentists in their area did not accept Medical Assistance (MA) coverage or that if they did the quality of care was poor.

About one-quarter of families in each group received child care assistance so they could go to work, job training, or education. Many used no-cost child care.

Looking Back and Ahead

Themes highlighted in the two-year report were maintained into the third year of the study:

- Solid economic progress, on the average, for both groups with largest gains having come in the first year of the study.
- Many families still living in poverty.
- Problems with health care coverage, housing, transportation, and child care that made employment difficult for some.
- Lack of support from many second parents.
- Greater proportion of successful outcomes for the following groups: high school graduates, two-parent families, and whites.

Policy issues discussed in the two-year report remain pertinent.⁵

The next Longitudinal Study report, with data from four years after baseline, will deal with the effects of the declining economic conditions of 2002 and the reality of the time limit on study participants.

Minnesota Family Investment Program Longitudinal Study: Three Years After Baseline

Minnesota implemented the welfare reforms of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in the first part of 1998 and then launched a five-year longitudinal study to follow the progress of two groups of participants: new applicants and ongoing recipients. This report describes the progress of these families toward economic self-sufficiency⁶ and focuses on employment status, history, retention, and advancement in year three of the study. It also describes personal and family challenges and other important issues affecting employment and family well-being, including housing, transportation, health care, and child care.

This is the ninth study in the series. The baseline study described participants' situations at the start of the study and the beginning of the Minnesota Family Investment Program (MFIP), the program Minnesota developed to implement the federal Temporary Assistance to Needy Families (TANF) program and to replace Aid to Families with Dependent Children (AFDC). Follow-up studies at six months, one year, and two years detailed status and changes in many areas including family composition, public assistance use, employment, income, housing, transportation, health care, and child care. Special studies examined leavers' health care coverage and utilization, long-term welfare users, and teen mothers. Data at four years after baseline have been collected. Currently participants are being called for the last survey of the study, the five-year follow-up.

Minnesota took an unusual approach among states by focusing on poverty reduction as one of its major program goals. The other two goals are increasing employment and earnings and reducing welfare dependency. During planning for MFIP, Minnesota policymakers asked two major questions: what would the effects of the new program be for participants and how could their progress be followed after they left assistance?

To answer the first question, Manpower Demonstration Research Corporation (MDRC) and the Minnesota Department of Human Services (DHS) executed an experimental design study (the MFIP pilot) in eight counties during the four years preceding statewide implementation.⁷ Findings of this study showed that urban, single-parent families on MFIP were better off than those on AFDC (still the statewide program during the pilot period) on a number of measures, including income, employment, marriage rates, and mothers' ratings of children's behavior and school achievement. MDRC continues to collect data and report on these families.

Statewide MFIP changed the emphasis of assistance from entitlement under AFDC to a time-limited program with an emphasis on work, as required by the act, while also supplementing earnings until the family income⁸ reached approximately 120 percent of the Federal Poverty Guideline (FPG).⁹ Design differences from the pilot included the time limit that was federally mandated as well as earlier work requirements and a lower income level for exit.

In part to answer the second question about what happens to leavers, the MFIP Longitudinal Study was initiated at the start of MFIP statewide. This study looks at families that were enrolled in MFIP in 1998 over time and shows the wide range of outcomes experienced by families receiving assistance at the beginning of the study. The repeated surveys of the same participants supplement extensive analyses of administrative data that DHS conducts to inform policy and decision makers as well as the public. Reports from DHS Children and Families Services, which administers MFIP, are posted at <http://www.dhs.state.mn.us/ecs/Reports/default.htm>.

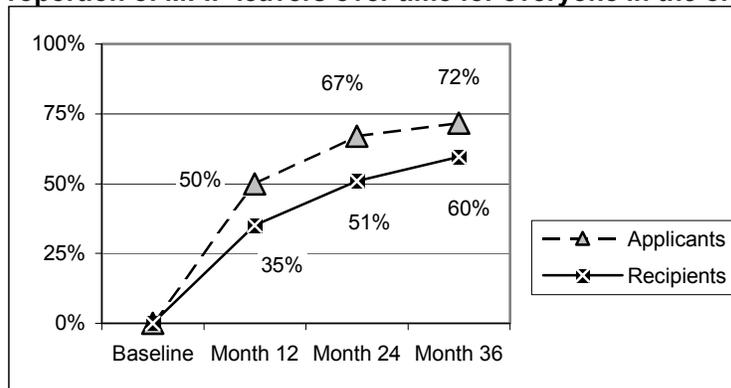
Trends over Time

The MFIP Longitudinal Study sampled 843 ongoing assistance participants (the *Recipient* group) and 985 new participants (the *Applicant* group) in May through October 1998. Only cases with one caregiver in which that adult was eligible for an MFIP payment were sampled (approximately 70 percent of cases). Response rates were still high three years later, with 72 percent of *Recipients* and 69 percent of *Applicants* talking via telephone with interviewers from DHS.¹⁰ Representativeness of those surveyed is examined in Appendix A where they are compared with sample members not surveyed. This section of the report gives trend data on economic and family measures. At the time of the interviews, middle to late 2001, the economy was in recession after a period of high employment and prosperity.

Welfare Leavers

Half of *Applicants* and one-third of *Recipients* had left MFIP within the first year of the study, and the proportion of leavers continued to rise over the next two years. As of month 36, 60 percent of *Recipients* and 72 percent of *Applicants* originally sampled¹¹ were no longer receiving MFIP cash or food. Note that the study participant is tracked when determining if an MFIP exit has occurred. Participants' children continued to receive MFIP grants on child-only cases after the case applicant who was a study participant became ineligible for MFIP in 3 percent of *Recipient* cases and 0.5 percent of *Applicant* cases.

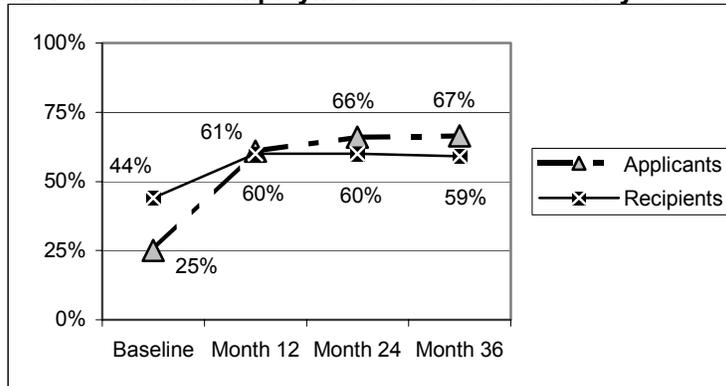
Figure 1. Proportion of MFIP leavers over time for everyone in the original samples



Employment

At the beginning of the study, ongoing MFIP participants were more likely to be working sometime during the month (44 percent of *Recipients*) than those who had just applied for welfare (25 percent of *Applicants*).¹² These new *Applicants* most often applied as a result of pregnancy or job loss or loss of support from a spouse or partner.¹³ There was a jump in employment for both groups over the first year to the same level (60 percent and 61 percent), but employment has basically stayed at that level for *Recipients* while increasing modestly (to 67 percent) for *Applicants* over the last two years.

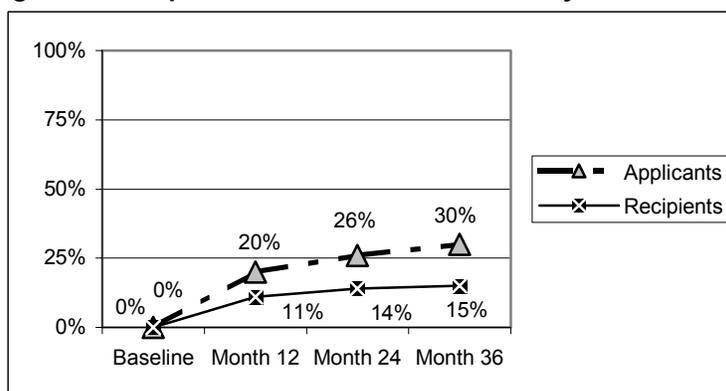
Figure 2. Point-in-time employment status for all surveyed at each time



Family Composition

At baseline, study participants were all personally eligible for MFIP in one-parent families or cases with one relative caregiver. There were no two-parent families or child-only cases in the study at baseline. Over time, second parents have joined some of these households. At the three-year point, 15 percent of surveyed *Recipients* and 30 percent of surveyed *Applicants* reported that the second parent of one or more of their children lived with them. Figure 3 shows the increase over the study. In month 36, an additional 7 percent of *Recipients* and 6 percent of *Applicants* lived with a partner who was not the parent of their children. These situations were considered shared households.

Figure 3. Two-parent households for all surveyed at each time



Family Income

Family income is defined as the total of the following:

- Earnings of parents in the household.
- MFIP (cash and food portion).
- Assistance from other programs (stand-alone Food Support, Emergency Assistance, General Assistance, Minnesota Supplemental Assistance, and TANF in another state).
- Child support (both county disbursements and payments received directly from the noncustodial parent).
- Other unearned income (Supplemental Security Income (SSI) disability payments, Social Security, Unemployment Insurance, Workers Compensation, insurance settlements, inheritance, etc.).

Besides finding out whether family income is increasing over time, it is important to look at the components, especially what proportions of family income comes from earnings and from public assistance and how the sources change over time.

The monthly family earning averages reported in Figure 4 are means for all surveyed participants in each group, including the unemployed. The earnings for a group go up as more participants are employed, as employed second parents enter the household, and as wages and work hours go up. The *Applicant* group's average family earnings started lower because only 25 percent were working at baseline. Their monthly earnings have risen more steeply, to \$1,403, as employment and second parents in the household, most of whom were employed, have gone up. Their average earnings continued to increase every year. *Recipient* family average earnings leveled out at about \$1,000 in both months 24 and 36 of the study.

Figure 4. Average monthly family earnings for all surveyed at each time (2001 dollars)

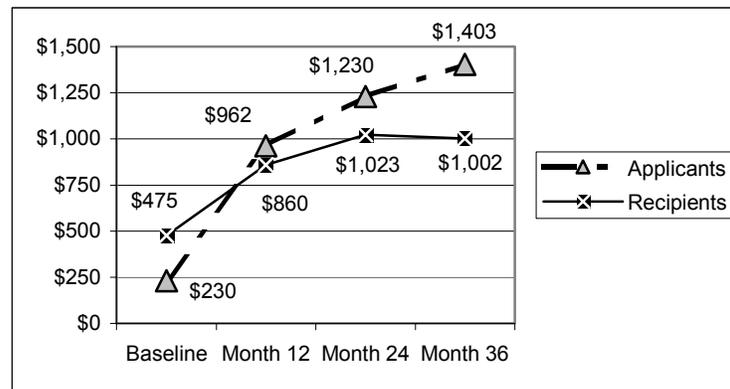
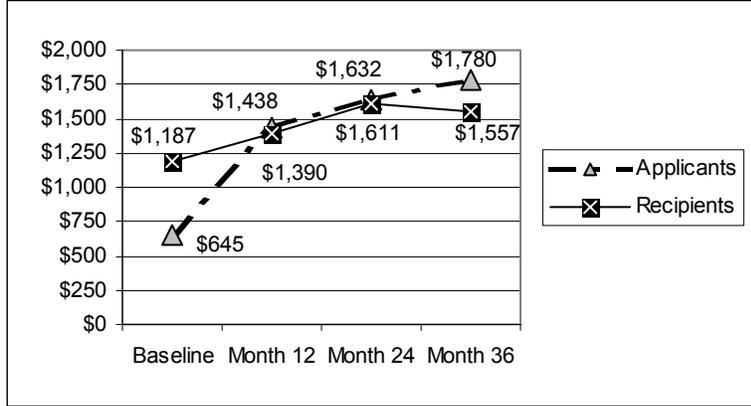


Figure 5 gives the total family income from all sources. As expected, *Applicant* families had less money at baseline, on the average, than *Recipient* families. Average family income for the two groups increased to similar amounts at the one-year and two-year follow-ups, around \$1,400 at year one and \$1,600 at year two. By year three, however, *Applicant* family income continued to increase – to \$1,780 – while *Recipient* family

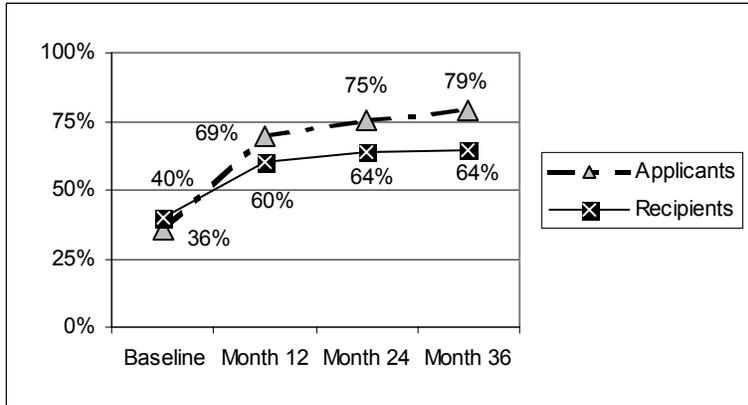
income declined, on the average, to \$1,557. By comparison, the median monthly family income in Minnesota in the year 2000 ranged from \$5,717 in the Twin Cities metro area to \$3,733 in non-metro areas.¹⁴

Figure 5. Average monthly total family income for all surveyed at each time (2001 dollars)



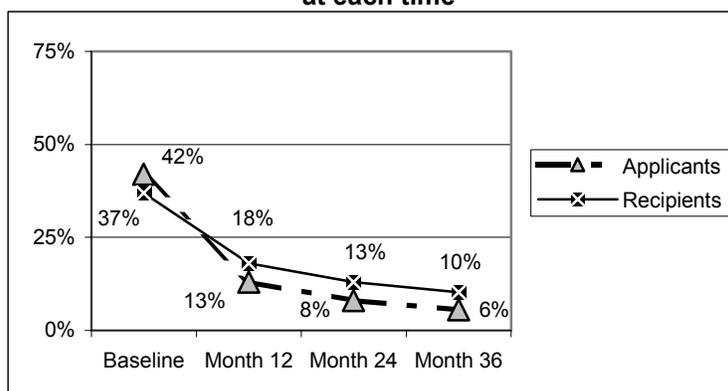
Income from earnings was less than half of family income at baseline, but over time earnings represented a larger share. Earnings increased from 40 percent to 64 percent of income for *Recipient* families and from 36 percent to 79 percent for *Applicant* families over the three years.

Figure 6. Average percentage of family income from earnings for all surveyed at each time



Over the same period, the share of family income that was MFIP cash has dropped to 6 percent for *Applicants* and 10 percent for *Recipients*, again with the biggest change coming in the first year of the study, as Figure 7 shows. Of course, one reason for the drop is that over time, an increasing proportion of the families have stopped receiving any MFIP cash.

Figure 7. Percentage of total family income from MFIP cash for all surveyed at each time



Poverty

In 2001, the Federal Poverty Guideline (FPG) for the most typical *Recipient* family of one parent and two children was \$14,630 per year (\$1,219 per month). In the most frequently observed *Applicant* family, a single parent with one child, the 2001 FPG was \$11,610 per year (\$968 per month). The poverty threshold used for determining official poverty rates, and the similar FPG, have recognized shortcomings as measures of poverty.¹⁵ Appendix B details the relationship between family size and FPG for 2001, the year that included month 36 of the study. As noted above, the MFIP exit level was set at approximately 120 percent of the FPG then. This report gives two summary measures based on the FPG: percentage of families with income less than the FPG and percentage of FPG represented by the average (mean) family income.

One-twelfth of the annual FPG was compared with the monthly family income to get a family poverty level. Using the monthly poverty level as a stand-in for the annual poverty level may be an underestimate of poverty because it assumes consistent income across 12 months, including consistent employment and child support, which is not always the case.¹⁶

The month 36 estimates of poverty rate were 49 percent for *Recipient* families and 33 percent for *Applicant* families. In the United States, 9.2 percent of all families had income less than the poverty level in the year 2001.¹⁷ In Minnesota, the family poverty rate was 5.3 percent for 2000 to 2001.¹⁸ The official 2001 poverty rates for persons living in the type of families most common in the study – female-headed families with minor children – were 35.1 percent for the U.S. and 26.0 for Minnesota.¹⁹

The average percentage of FPG represented by family income has increased over time for families in the *Applicant* group from 66 percent at baseline to 151 percent in month 36. Meanwhile, the percentage of FPG increased for the *Recipients* in the first two years, from 99 percent to 130 percent, but decreased to 122 percent by month 36. Figure 8 illustrates these changes. In month 36, half of *Recipients* had family income below 102 percent of FPG and half of *Applicants* had family income below 138 percent of FPG, the median values.

Figure 8. Average percentage of Federal Poverty Guideline for all surveyed at each time

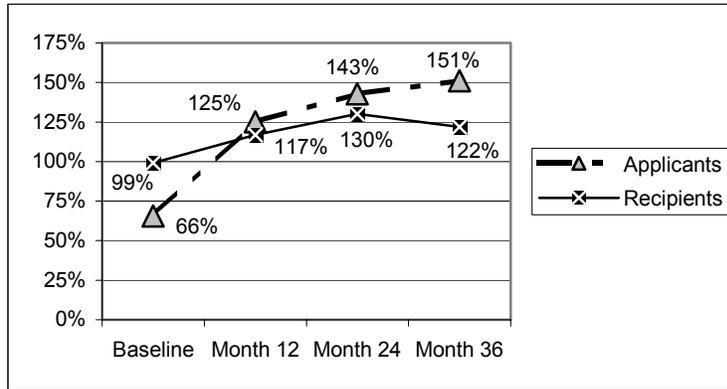
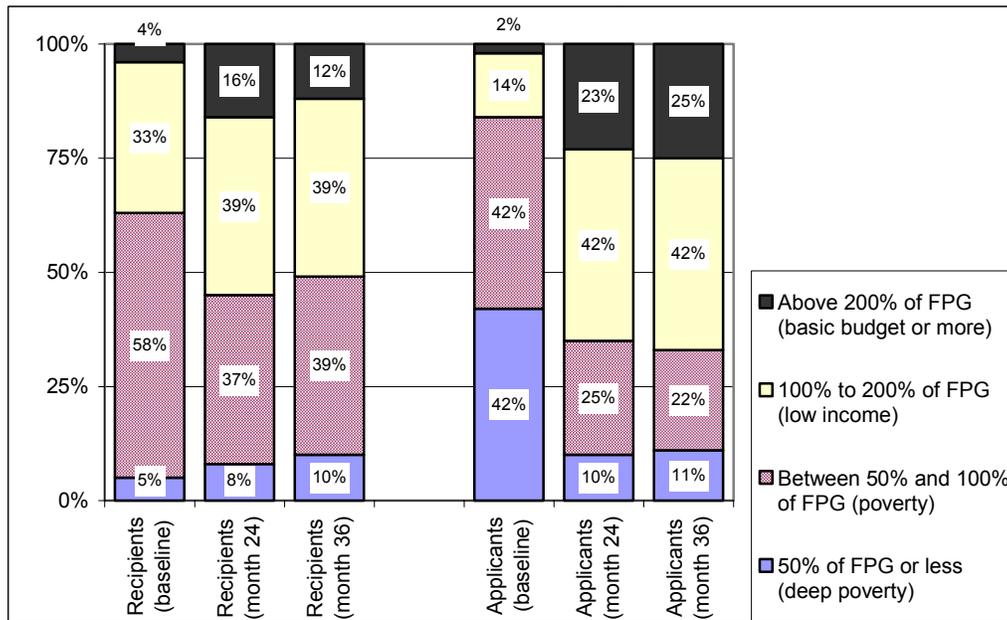


Figure 9 forms subgroups based on family income as a percentage of FPG to indicate relative poverty. The categories are *poverty* (below 100 percent of FPG, with levels 50 percent or below often labeled *deep poverty*), *low income* (between 100 percent and 200 percent), and 200 percent or above as at least a *basic budget* (enough for necessities but no extras like savings or vacations). It compares these FPG distributions for *Recipients* and *Applicants* at baseline, year two, and year three.

Figure 9. Change of economic status of Recipients and Applicants for all surveyed at each time over three years

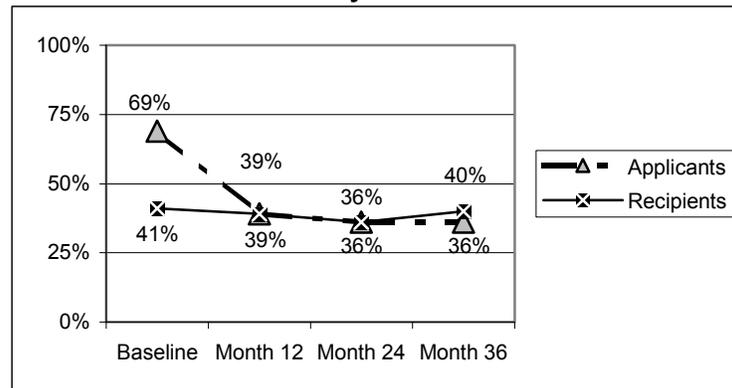


For *Recipients*, the percentage below the FPG decreased from 63 percent at baseline to 45 percent at month 24 but rose to 49 percent in month 36. The percentage in deep poverty doubled from baseline to 10 percent in month 36. During the same time, the percentage above 200 percent of FPG increased to 16 percent, then dropped to 12 percent. The *Applicants'* situation at baseline (84 percent under FPG, half of those in deep poverty) improved greatly by year two. The distribution was very similar one year later when 33

percent were in poverty, one-third of those in deep poverty. Twenty-five percent had incomes above 200 percent of FPG.

Housing poverty has been defined as spending more than 30 percent of family income on housing. Figure 10 shows the percentage of families exceeding this amount for housing costs (including rents, mortgages, lot rents, and utilities) over time. Between 36 and 41 percent of *Recipients* exceeded this amount throughout the three-year period. Almost 70 percent of *Applicants* exceeded this level at baseline, dropping to around 40 percent by year one.

Figure 10. Percentage of families with housing costs above 30 percent of family income for all surveyed at each time



Employment

Employment is the primary path to economic self-sufficiency for study participants. Increased employment is one of the three major goals of MFIP. As in previous reports, this section describes hours worked and wages, jobs and job satisfaction, job counseling and planning, barriers to employment, and unemployment. However, this survey also had additional questions on job retention and advancement and a 12-month job history that will be a focus of this section.

Employment History

Table 1 gives employment history statistics for the year leading up to month 36. Three-fifths of *Recipients* and two-thirds of *Applicants* were working during month 36. Fewer than one-fifth of all *Recipients* and *Applicants* were unemployed for the entire preceding year. About half of *Recipients* and *Applicants* were employed during some but not all of the previous 12 months. Over one-third of *Recipients* and *Applicants* worked at least part time in all 12 months, with nearly 20 percent working 40 or more hours per week all year.

Participants who were off MFIP were more likely to be employed during the review month and during the past year than participants who were on MFIP. Over 70 percent of *Recipients* and *Applicants* who were off MFIP were employed during month 36, as were

almost half of *Recipients* and *Applicants* who were on MFIP (44 percent and 48 percent, respectively). Half of both *Recipients* and *Applicants* who were off MFIP worked at least part time in all 12 months, with about one-fourth of them working 40 hours per week or more for the whole year.

Table 1. Employment history in the third year of the study

Employment history for last year	<i>Recipients</i>			<i>Applicants</i>		
	On MFIP	Off MFIP	All	On MFIP	Off MFIP	All
Count of surveyed	264	338	602*	209	469	678
Working in review month	44%	71%	59%	48%	75%	67%
Unemployed last 12 months	23%	15%	19%	17%	11%	13%
Worked in 1-5 months during last year	38%	13%	24%	41%	14%	22%
Worked in 6-11 months during last year	23%	22%	22%	29%	26%	27%
Worked in all 12 months	16%	50%	35%	12%	50%	38%
Some months less than 30 hours per week	8%	9%	9%	9%	16%	14%
30 hours per week or more but not full time all months	3%	11%	7%	1%	10%	7%
40 hours per week or more every month	5%	29%	18%	3%	24%	17%

Note: Sometimes percentages of a whole add up to 101% or 99% because of rounding.

*Two participants did not remember which months they worked.

Employment rates were steady between month 24 and month 36, as Table 2 shows. The employment rate for *Recipients* increased from 44 percent to 60 percent over the first year and has not increased since then. The increase continued into the second year for *Applicants*, from 25 percent at baseline to 66 percent at month 24, and the month 36 rate was similar at 67 percent. Other measures of work effort did continue to increase. The median hours worked per week by wage earners increased to 40 hours for both *Recipients* and *Applicants*. Over one-half of employed participants in each group worked at least 40 hours per week and 60 percent or more worked at least 35 hours per week in month 36.

Table 2. Wages earned and hours worked by employed participants at four times

Work, hours, and wages		Count of surveyed	Employment Rate	Median work hours	35 or more hours	40 or more hours	Median hourly wage
<i>Recipients</i>	Baseline	715	44%	32	49%	35%	\$7.00
	Month 12	662	60%	36	58%	47%	\$8.00
	Month 24	634	60%	38	57%	48%	\$8.75
	Month 36	604	59%	40	64%	53%	\$9.25
<i>Applicants</i>	Baseline	836	25%	25	30%	23%	\$6.50
	Month 12	766	61%	35	55%	47%	\$8.00
	Month 24	738	66%	36	54%	46%	\$8.64
	Month 36	678	67%	40	60%	52%	\$9.35

Another sign of progress was the increase in median wages over time, from \$7.00 per hour at baseline to \$9.25 for *Recipients* and from \$6.50 to \$9.35 for *Applicants*. These increases represented inflation-adjusted wage advancements of 24 percent for *Recipients* and 35 percent for *Applicants* as a group. While few employed participants were paid less than \$6 per hour (4 percent of each group) at a time when the minimum wage had been \$5.15 for four years, similar proportions earned more than \$16 per hour (4 percent of *Recipients* and 5 percent of *Applicants*). The first two years of the study – and of

MFIP – coincided with a period of record low unemployment. There was an economic regression during the third year of the study.

As mentioned previously, MFIP leavers were more likely than those on MFIP to be employed during the review month. They also worked more hours per week and earned a higher median wage. Table 3 shows differences in employment statistics dependent on welfare status. Seventy-three percent of employed *Recipients* who were off MFIP worked 35 hours per week or more compared to 46% of those who were on MFIP. *Recipients* who were off MFIP earned a median wage two dollars more than those who were on MFIP. The patterns for *Applicants* were similar.

Table 3. Wages earned and hours worked by employed participants in month 36 by welfare status

Work, hours, and wages	<i>Recipients</i>			<i>Applicants</i>		
	On MFIP	Off MFIP	All employed	On MFIP	Off MFIP	All employed
Count of surveyed	266	338	604	209	469	678
Count of employed	117	240	357	101	350	451
Employment rate	44%	71%	59%	48%	75%	67%
Median work hours	30	40	40	30	40	40
35 or more hours	46%	73%	64%	41%	67%	60%
40 or more hours	37%	61%	53%	29%	59%	52%
Median hourly wage	\$8.00	\$10.00	\$9.25	\$8.50	\$9.58	\$9.35

Jobs and Job Satisfaction

Table 4 shows that satisfaction was high for all groups for most aspects of their jobs: the work itself, coworkers, supervision, and stability, with fewer than 1-in-5 participants anticipating a layoff. Results are reported by welfare status and the number of months with employment during the last year, a measure of workforce attachment. For most items, the responses were similar regardless of number of months with employment. The main problems were advancement and pay. Over half said chances of moving up were not good, and one-third said the pay was not good. Those who were on MFIP were less likely than leavers to say their pay was good (58% versus 74% for *Recipients*).

Recipients and *Applicants* who earned less than the median hourly wage for their group were less likely to say that their pay was good (38 and 39 percent, respectively) than those who earned at or above the median hourly wage for their group (62 and 61 percent, respectively).

Table 4. Job satisfaction by number of months with employment during the previous year

Job satisfaction <i>Percentage responding "true"</i>	<i>Recipients</i>					
	Any employment	On MFIP	Off MFIP	1-5 months	6-11 months	All 12 months
Count of surveyed	490	204	286	144	135	210
I had the chance to do things I was good at.	92%	89%	94%	90%	87%	97%
People I worked with were friendly.	92%	90%	93%	88%	93%	93%
Overall, I liked my job.	90%	87%	93%	86%	91%	93%
I got the help I needed to get my job done.	90%	89%	91%	88%	90%	91%
Hours were good.	84%	80%	88%	83%	81%	88%
The pay was good.	67%	58%	74%	60%	67%	73%
Chances of moving up were good.	46%	47%	47%	46%	42%	50%
The work was boring.	20%	20%	21%	23%	24%	16%
I was worried that I would get laid off soon.	19%	24%	16%	24%	21%	16%
Job satisfaction <i>Percentage responding "true"</i>	<i>Applicants</i>					
	Any employment	On MFIP	Off MFIP	1-5 months	6-11 months	All 12 months
Count of surveyed	592	173	419	152	181	258
I had the chance to do things I was good at.	91%	88%	92%	89%	87%	95%
People I worked with were friendly.	93%	91%	94%	91%	91%	95%
Overall, I liked my job.	90%	90%	90%	86%	90%	93%
I got the help I needed to get my job done.	91%	90%	92%	88%	90%	94%
Hours were good.	85%	80%	88%	80%	84%	90%
The pay was good.	70%	60%	74%	59%	68%	78%
Chances of moving up were good.	43%	39%	45%	35%	46%	47%
The work was boring.	20%	16%	22%	22%	22%	18%
I was worried that I would get laid off soon.	16%	16%	16%	21%	17%	12%

Table 5 tells how frequently various types of employer-provided job training occurred for wage earners (excluding the self-employed). On-the-job training was the most frequently mentioned training method. More than 80 percent of each group reported being shown what they needed to do on the job by either a supervisor or co-worker. Some co-workers gave participants – especially those who were on MFIP and *Recipients* with only a few work months – extra help to get ahead. One-third of employees had employer-provided help with job-support skills, things like how to get along with co-workers, how to find child care, and what to do when you cannot get to work. About the same number of employees had been given advice on how to advance in the company.

One-fifth of participants were sent to special classes or training and 1-in-9 participants learned their job in conjunction with an apprenticeship program. *Recipients* and *Applicants* who had worked at least part time in all 12 months were more likely to report they had been sent to special classes or training than those who worked in fewer months. *Applicants* who had worked in all twelve months were more likely to have learned their job as part of an apprenticeship program compared to those who had worked in fewer months. Training on academic skills was rare. Only 11 percent of *Recipients* and *Applicants* reported their employer or supervisor knew they had been on MFIP.

Table 5. Job training and supervision by number of months with employment during the previous year

Job training and supervision in most recent job	Recipients					
	Any employment	On MFIP	Off MFIP	1-5 months	6-11 months	All 12 months
Count of surveyed	463	194	269	136	128	199
Supervisor or co-worker showed me what I needed to do my job.	86%	86%	86%	88%	90%	82%
Employer or supervisor gave me feedback.	83%	83%	83%	82%	84%	84%
Co-worker helped me figure out how to do a good job, make more money, or get a better job in the company.	57%	74%	45%	73%	55%	48%
Employer gave help or information on job support skills.	33%	34%	32%	31%	30%	36%
Employer or supervisor told me what I need to do to make more money or get a better job in the company.	29%	25%	32%	27%	28%	32%
My work needed improvement so it would be as good as everyone else's.	27%	24%	29%	24%	29%	28%
Employer sent me to special classes or training not at workplace.	21%	14%	25%	10%	20%	28%
Employer or supervisor knew I was on MFIP.	11%	15%	8%	15%	10%	8%
Learned job as part of apprenticeship program.	11%	10%	11%	8%	9%	14%
Employer gave me training on reading and writing skills.	9%	10%	8%	9%	7%	10%
Employer gave me training on math skills.	5%	5%	5%	4%	4%	6%
Job training and supervision in most recent job	Applicants					
	Any employment	On MFIP	Off MFIP	1-5 months	6-11 months	All 12 months
Count of surveyed	564	165	399	147	173	244
Supervisor or co-worker showed me what I needed to do my job.	88%	91%	87%	91%	85%	88%
Employer or supervisor gave me feedback.	80%	79%	81%	79%	79%	83%
Co-worker helped me figure out how to do a good job, make more money, or get a better job in the company.	40%	64%	30%	44%	42%	36%
Employer gave help or information on job support skills.	28%	20%	31%	21%	28%	31%
Employer or supervisor told me what I need to do to make more money or get a better job in the company.	32%	33%	32%	29%	32%	34%
My work needed improvement so it would be as good as everyone else's.	26%	24%	27%	22%	25%	29%
Employer sent me to special classes or training not at workplace.	20%	13%	23%	13%	16%	28%
Employer or supervisor knew I was on MFIP.	11%	12%	11%	13%	11%	10%
Learned job as part of apprenticeship program.	11%	5%	13%	6%	9%	15%
Employer gave me training on reading and writing skills.	6%	5%	6%	5%	5%	7%
Employer gave me training on math skills.	3%	4%	3%	4%	3%	3%

Table 6 describes the actual work participants did. Most *Recipients* and *Applicants* sounded committed to their jobs. Over 90 percent said they got to work on time and worked their hardest *a lot of the time* (versus *some* or *little* or *none*). Few said it was hard for them to get to work, but most of those who did were among those employed the fewest months.

Table 6. Job activities by number of months with employment during the previous year

Job activities in most recent job <i>Percentage responding "A lot of the time"</i>	Recipients					
	Any employment	On MFIP	Off MFIP	1-5 months	6-11 months	All 12 months
Count of surveyed	490	203	286	144	135	210
I (work / worked) my hardest	94%	94%	94%	95%	94%	92%
I (get / got) to work on time	88%	85%	90%	85%	86%	92%
I (have / had) customer / client contact	74%	72%	76%	65%	75%	80%
I (read / read) in my job	60%	52%	66%	51%	53%	71%
I (write / wrote) in my job	53%	42%	60%	38%	50%	64%
I (use / used) math in my job	40%	35%	43%	37%	41%	41%
My work (is / was) mentally hard	26%	18%	32%	15%	26%	34%
My work (is / was) physically hard	21%	20%	22%	18%	22%	23%
It (is / was) hard for me to get to work	5%	6%	4%	10%	1%	3%
Job activities in most recent job <i>Percentage responding "A lot of the time"</i>	Applicants					
	Any employment	On MFIP	Off MFIP	1-5 months	6-11 months	All 12 months
Count of surveyed	591	173	418	152	181	258
I (work / worked) my hardest	92%	92%	92%	91%	91%	93%
I (get / got) to work on time	92%	89%	93%	91%	91%	93%
I (have / had) customer / client contact	73%	75%	72%	74%	70%	75%
I (read / read) in my job	56%	50%	59%	47%	55%	62%
I (write / wrote) in my job	54%	46%	57%	43%	52%	61%
I (use / used) math in my job	44%	45%	43%	39%	43%	47%
My work (is / was) mentally hard	26%	19%	29%	16%	27%	31%
My work (is / was) physically hard	19%	16%	21%	16%	23%	19%
It (is / was) hard for me to get to work	2%	5%	1%	4%	3%	0.4%

Note: Present tense was used for currently employed, past tense for unemployed.

About three-fourths of each group said they had customer or client contact. Over half of each group said they read or wrote in their job. Reading and writing on the job were more likely the more months worked. Two-in-5 people said they used math on the job. Only 38 percent of *Recipients* and 36 percent of *Applicants* said their work was hard, either mentally or physically, a lot of the time. About one-quarter of *Recipients* and *Applicants* said their work was mentally hard. Overall, both *Recipients* and *Applicants* were more likely to say their work was mentally hard *a lot of the time* than physically hard. Sixty-five percent reported they liked to find new things to do at work when not busy.

Relations with bosses, supervisors, and co-workers were also discussed. A sizeable majority of *Recipients* reported that they got along well with their boss (85 percent) and that their boss gave them directions and then left them alone (66 percent). Some reported they worked closely with their boss (22 percent) a lot of the time. Most reported that their co-workers seemed to like them a lot of the time (86 percent), but a few said that their co-workers had disagreements with them very often (6 percent). Results for *Applicants* were virtually identical.

Table 7 shows the majority of workers who had been at their current job at least from month 36 through the interview date (one to six months later) reported increased job

skills, steady work hours, raises, full-time work, and more job duties. The rate of full-time work for those still employed at the time of the interview (71 percent for *Recipients* and 68 percent for *Applicants*) was considerably higher than reported in month 36 information included in Table 3 for all employed study participants. Some of the full-time workers reported in Table 7 may have increased work hours since month 36; some may have had jobs defined as full time at less than 40 hours per week. Also the group continuing in the same job had more full-time workers than there were among those who had left the month 36 job. The percentage of full-time workers increased as the number of months with employment during the last year increased. There were also more people receiving raises and improved job duties as the number of months with employment in the last 12 months increased.

Table 7. Advancement in current job for those still employed in month 36 job by months with employment during the previous year

Status of job held from month 36 to time of interview		Recipients					
		Employed in same job	On MFIP	Off MFIP	1-5 months	6-11 months	All 12 months
Count of surveyed	Percent of column	256	66	190	19	66	171
More skilled worker than when started job		93%	91%	93%	95%	92%	92%
Working about same number of hours each week		90%	88%	91%	84%	91%	90%
Got raise since began working for this employer		72%	67%	74%	47%	71%	75%
Working full time		71%	55%	77%	53%	65%	76%
Have more job duties than when started with employer		65%	61%	66%	53%	58%	69%
Job benefits have improved since starting job		38%	41%	37%	53%	27%	41%
Working more hours than when started job		33%	44%	29%	37%	39%	30%
Got better job since starting for this employer		21%	15%	24%	11%	15%	25%
Worried about losing job		13%	15%	12%	21%	9%	13%
Status of job held from month 36 to time of interview		Applicants					
		Employed in same job	On MFIP	Off MFIP	1-5 months	6-11 months	All 12 months
Count of surveyed	Percent of column	331	53	278	34	88	209
More skilled worker than when started job		85%	79%	86%	74%	75%	91%
Working about same number of hours each week		83%	79%	84%	71%	78%	88%
Got raise since began working for this employer		68%	45%	73%	41%	55%	78%
Working full time		68%	47%	72%	50%	65%	72%
Have more job duties than when started with employer		66%	49%	69%	50%	59%	72%
Job benefits have improved since starting job		34%	11%	39%	24%	31%	38%
Working more hours than when started job		34%	34%	34%	35%	36%	33%
Got better job since starting for this employer		23%	15%	24%	15%	22%	25%
Worried about losing job		8%	2%	9%	6%	8%	9%

About one-third of each group had better benefits and more hours than when they started their current jobs. About 1-in-5 participants in each group had moved to a better job with the same employer. Thirteen percent of *Recipients* and 8 percent of *Applicants* were worried about losing their job, especially *Recipients* with the shortest job tenure.

Employment Assistance

Job counselors provide a wide range of job-related assistance, as documented in Table 8. Seventy-four percent of *Recipients* and 61 percent of *Applicants* reported a working relationship with a job counselor at some point while on MFIP. The percentage reporting such help was higher for current MFIP participants (nearly 90 percent) than for leavers; some leavers exit the program before connecting with a job counselor and some had been off MFIP for a long time and might not remember their job counselor.

Those reporting a working relationship with a job counselor were asked to indicate all the types of help they received and to select the most important. More than half of those who had ever worked with a job counselor mentioned help with job search, the most frequent employment-related assistance (55 percent of *Recipients* and 57 percent of *Applicants* with a job counselor). Other common job-related activities included help with how to write a resume and interview for a job.

Many participants received help with potential barriers to employment such as transportation and child care. Fifty-two percent of *Recipients* and 42 percent of *Applicants* working with a job counselor said they received help with transportation. Over a third said they received help with child care.

Participants are required to cooperate with their job counselors or they can have their public assistance reduced (by 10 percent to 30 percent in 2001). Sanctions may also be applied for not complying with other MFIP requirements such as financial orientation attendance or supplying information to the child support system. If a participant has received a sanction for not complying with work requirements, the job counselor must alert the financial worker that the client has complied to remove the sanction and restore the monthly grant. At least one-fourth of participants reported they received help with fixing a sanction from their job counselor.

About 1-in-5 people said they received help getting into training or college. Finally, about 1-in-7 participants working with a job counselor indicated they received no help from that job counselor.

The most helpful things job counselors did were assisting the participants in getting transportation (22 percent of all *Recipients* with a job counselor and 26 percent of all *Applicants* with a job counselor), setting up child-care, and job search.

Participants also told what type of job or career they would like to have and whether they had attained it. Twelve percent of each group said they had already reached their goal. These percentages were higher for the group that had worked in each of the last 12 months (23 percent of *Recipients* and 19 percent of *Applicants* with the most recent employment). About three-quarters of each group (71 percent of all *Recipients* and 73 percent of all *Applicants*) planned to work toward a goal in the future. The rest had no goal. Of those who had a goal to work toward, a majority (64 percent of *Recipients* and 74 percent of *Applicants*) said they did not have the training needed to reach the goal.

Table 8. Items job counselor helped with or provided for participants on MFIP

Help received from job counselors	<i>Recipients</i>						<i>Applicants</i>					
	Helped with:			Most helpful thing			Helped with:			Most helpful		
	On MFIP	Off MFIP	All	On MFIP	Off MFIP	All	On MFIP	Off MFIP	All	On MFIP	Off MFIP	All
Job counselor Welfare status												
Count of surveyed participants with job counselor	238	209	447	208	176	384	184	228	412	161	183	344
Percent of all surveyed with given welfare status	89%	62%	74%	78%	52%	64%	88%	49%	61%	77%	39%	51%
Percent of surveyed with job counselor												
Job-related activities												
Job search	57%	54%	55%	11%	12%	11%	59%	56%	57%	13%	23%	18%
Write a resume	39%	43%	41%	7%	11%	9%	33%	33%	33%	5%	8%	7%
Interview for a job	38%	43%	40%	1%	5%	3%	30%	35%	33%	4%	4%	4%
How to get along with co-worker & other "soft skills"	22%	20%	21%	1%	1%	1%	17%	16%	16%	0%	0%	0%
Finding another job	21%	14%	18%	2%	2%	2%	23%	12%	17%	3%	4%	3%
Problems at work	14%	10%	13%	0%	0%	0%	11%	7%	10%	1%	0%	0%
Reading or writing skills	13%	8%	11%	0%	0%	0%	7%	5%	6%	0%	1%	1%
Assistance with potential barriers												
Transportation	61%	38%	52%	22%	14%	18%	56%	30%	42%	26%	14%	20%
Child care	43%	34%	39%	15%	12%	13%	46%	27%	35%	16%	10%	13%
Fixing a sanction	35%	20%	28%	3%	2%	3%	37%	14%	25%	4%	2%	3%
Housing	13%	4%	9%	2%	1%	2%	9%	5%	7%	1%	0%	1%
Other crises	8%	7%	7%	4%	3%	4%	7%	4%	5%	3%	2%	2%
Other	18%	14%	14%	15%	9%	12%	15%	14%	12%	14%	14%	14%
Education-related activities												
Getting into training or college	24%	18%	21%	3%	5%	4%	24%	17%	20%	3%	4%	4%
Paying for training or college	11%	14%	13%	0%	3%	2%	13%	11%	12%	6%	7%	6%
Problems at school	9%	9%	9%	0%	0%	0%	8%	2%	4%	0%	0%	0%
None	13%	15%	14%	1%	3%	2%	13%	20%	17%	1%	8%	5%

Barriers to Employment

As in previous surveys in the Longitudinal Study, participants were asked to indicate barriers that were *a big problem* that made it hard for them to get or keep a job (compared to *somewhat of a problem* or *not a problem*) from a list of potential issues. Unemployed *Recipients* have consistently identified more barriers than working *Recipients*. Their most problematic potential barriers overall were transportation to work, adult physical or mental health, health insurance cost, local job availability, and local wages. Health insurance cost and health insurance availability were the most frequent issues for all employed *Recipients*. A similar pattern held for *Applicants*, except unemployed *Applicants* also identified child care cost as a big issue.

Recipients named an average of two potential job barriers as big problems, and *Applicants* between one and two. Generally, the ranking of serious issues has remained similar across time. However, problems with job availability, local wages, and health insurance availability increased sharply over year two, especially for unemployed participants. At the same time, concern with transportation moderated.

Table 9 lists the barriers and percentage of *big problem* responses by welfare status and employment status for each group. Among *Recipients* there were few differences associated with welfare status in the percentages who indicated a barrier was a big problem. There were considerably more differences associated with whether participants were working or not working. Unemployed *Recipients* were more likely to indicate that local wages, transportation to work, local job availability, having a place to live, child care issues, work readiness issues, and special needs children were big problems compared to working *Recipients*.

The pattern of differences among *Applicants* was similar for employment status. Unemployed *Applicants* were more likely to indicate various barriers were a big problem than employed *Applicants*. There were more differences associated with welfare status among *Applicants* than *Recipients*. *Applicants* who were on MFIP were more likely to indicate local wages, transportation to work, having a place to live, child care availability, reliability, and quality, and work readiness issues were big problems than *Applicants* who were off MFIP.

Table 9. Big barriers to employment by welfare status

Barriers for Recipients	On MFIP	Off MFIP	Unemployed	Employed	All Recipients
Count of surveyed	266	338	247	357	604
Local employment problems					
Local wages	23%	17%	24%	17%	20%
Health insurance availability	21%	26%	21%	26%	24%
Health insurance cost	27%	33%	26%	34%	31%
Transportation to work	22%	13%	31%	8%	17%
Local job availability	19%	14%	24%	11%	16%
Having a place to live	8%	6%	11%	4%	7%
Child care problems					
Child care availability	13%	8%	18%	4%	10%
Child care cost	13%	11%	19%	7%	12%
Child care reliability	6%	4%	9%	2%	5%
Child care quality	9%	5%	12%	3%	7%
Work readiness problems					
Work experience	12%	6%	19%	1%	9%
Job skills	11%	5%	16%	2%	8%
Education or training	12%	9%	19%	4%	11%
Ability to speak English	5%	3%	8%	1%	4%
Health problems					
Adult physical or mental health	15%	14%	28%	5%	14%
Special needs children	6%	4%	9%	3%	5%
Barriers for Applicants	On MFIP	Off MFIP	Unemployed	Employed	All Applicants
Count of surveyed	209	469	227	451	678
Local employment problems					
Local wages	22%	14%	24%	13%	17%
Health insurance availability	24%	22%	24%	22%	22%
Health insurance cost	23%	27%	26%	26%	26%
Transportation to work	14%	6%	16%	4%	8%
Local job availability	18%	12%	24%	9%	14%
Having a place to live	8%	2%	7%	2%	4%
Child care problems					
Child care availability	14%	7%	19%	5%	9%
Child care cost	13%	15%	24%	10%	14%
Child care reliability	10%	4%	10%	4%	6%
Child care quality	9%	4%	10%	4%	6%
Work readiness problems					
Work experience	6%	1%	7%	0%	3%
Job skills	5%	2%	8%	0%	3%
Education or training	11%	5%	14%	3%	6%
Ability to speak English	3%	1%	4%	1%	2%
Health problems					
Adult physical or mental health	8%	8%	18%	3%	8%
Special needs children	3%	3%	5%	2%	3%

Outcome Groups Based on Employment and Welfare Use

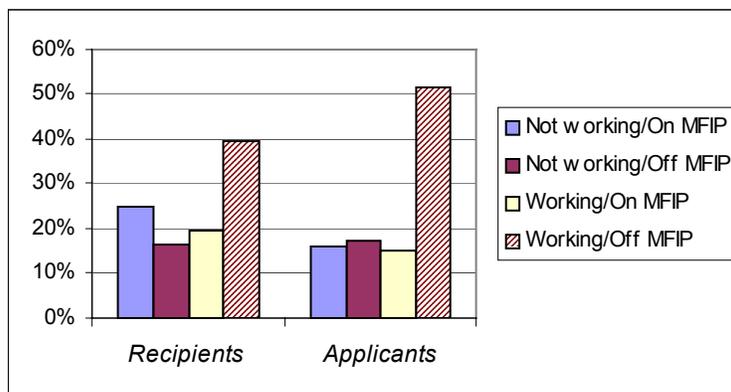
Four outcome groups based on employment status (participant worked or not) and welfare status (participant was eligible for MFIP or not) during month 36 were used to organize data from the survey and administrative records in many of the following sections of this report. Table 10 gives the counts and percentages for these four outcome groups (on MFIP and not working, and so on), as well as the marginal percentages by employment status and by welfare status. Three years after the start of the study, 56 percent of *Recipients* and 69 percent of *Applicants* surveyed were no longer receiving MFIP,²⁰ and 59 percent of *Recipients* and 67 percent of *Applicants* surveyed were working.

Table 10. Surveyed participants' month 36 employment, MFIP exits, and outcome groups

Outcome groups		Not working	Working	Total	Not working	Working	Total
<i>Recipients</i>	On MFIP	149	117	266	25%	19%	44%
	Off MFIP	98	240	338	16%	40%	56%
	Total	247	357	604	41%	59%	100%
<i>Applicants</i>	On MFIP	108	101	209	16%	15%	31%
	Off MFIP	119	350	469	18%	52%	69%
	Total	227	451	678	33%	67%	100%

Figure 11 describes the employment/welfare outcome groups (not working and on MFIP, etc.) and their relative sizes. The most successful group – both working and off MFIP – is also the largest for both samples, including 40 percent of *Recipients* and 52 percent of *Applicants*. The second largest group of *Recipients* were those neither working nor off MFIP. For *Applicants*, the three remaining employment/welfare groups were about the same size.

Figure 11. Employment/welfare outcome groups at month 36



Economic Self-sufficiency

The trend in average family earnings, defined as total earnings of one or both parents in the household, continued upward for the *Applicants* but leveled out for the *Recipients* at month 36, as Figure 4 on page 4 showed. However, total family income – which adds public assistance, child support, and other unearned income to earnings – was actually trending downward for *Recipients* while continuing upward for *Applicants*, as Figure 5 on page 5 showed. Table 11 provides details on the income components. The first page of the table compares the four outcome groups at the three-year point of the study, while the second page divides *Recipients* and *Applicants* two ways: on versus off MFIP and not working versus working.

Surveyed *Recipients* who were employed leavers averaged \$2,065 in total family income in month 36, and those on MFIP and unemployed, \$946. Participant earnings were the mainstay of the income of the former group and public assistance for the latter group. Second parent earnings and child support were reported for some families in both of these outcome groups. The group of leavers who were not working had the largest average income amounts from second parents and also the largest amount from other unearned income, primarily SSI. In some of the latter cases, income was supplemented by grants from active child-only MFIP cases, the reason some participants off MFIP had part of their family income from MFIP. Patterns for the *Applicants* were similar, but the levels were higher overall and for all outcome groups than the levels for *Recipients* except for unemployed MFIP participants.

Applicants were twice as likely as *Recipients* to be living with a spouse or the second parent of their child or children (30 percent versus 15 percent). Within each group, unemployed leavers were most likely to be in a two-parent household. Most of these second parents were working.

Nearly one-third of participants in each group received child support during month 36. The highest average amounts of child support were received by those working and off MFIP. More than half in each group said they received the refundable Earned Income Tax Credit²¹ for income earned during the previous year.

All the employed outcome groups averaged income above the poverty guideline (nearly twice the FPG for employed *Applicant* leavers). Income of unemployed MFIP participants, however, averaged only about 70 percent of the FPG. Half the *Recipients* and one-third of the *Applicants* had income for month 36 that was less than one-twelfth the annual FPG.

Average housing costs are included in this table for comparison to income. Families with higher income spent more for housing, but the averages were modest in the current housing market. Forty percent of *Recipients* and 36 percent of *Applicants* were spending more than 30 percent of their income on housing. For *Applicants*, the percentage of income paid for housing was much higher for the unemployed, over half on the average, than for the employed, around 30 percent. There was less variation across outcome

Table 11. Economic measures for outcome, welfare, and working groups three years after baseline

Recipients		Not working/ On MFIP	Not working/ Off MFIP	Working/ On MFIP	Working/ Off MFIP	All Surveyed
Count of surveyed		149	98	117	240	604
Percent of <i>Recipients</i> surveyed at 3 years		25%	16%	19%	40%	100%
Family income	Total income in review month	\$946	\$1,266	\$1,537	\$2,065	\$1,557
	Earnings of participants	\$0	\$0	\$934	\$1,514	\$783
	Earnings of 2nd parents	\$82	\$573	\$52	\$241	\$219
	Public assistance	\$771	\$183	\$495	\$36	\$330
	MFIP cash	\$428	\$54	\$228	\$3	\$160
	MFIP food	\$272	\$30	\$217	\$1	\$115
	Other programs	\$71	\$99	\$50	\$32	\$56
	Child support received	\$90	\$112	\$54	\$143	\$108
	Other unearned income	\$4	\$397	\$2	\$130	\$117
	Percent living with second parent or spouse		9%	33%	8%	16%
Percent living with employed second parent or spouse		6%	23%	4%	13%	11%
Child support payment received by custodial parent		30%	32%	21%	33%	30%
Earned Income Credit received in 2000		44%	30%	71%	67%	56%
Average percent of Federal Poverty Guideline (FPG)		68%	92%	118%	170%	122%
Poverty rate (% below FPG)		92%	64%	42%	18%	49%
Housing costs		\$289	\$377	\$345	\$534	\$412
Percent paying > 30% of income for housing		46%	42%	27%	43%	40%
Applicants		Not working/ On MFIP	Not working/ Off MFIP	Working/ On MFIP	Working/ Off MFIP	All Surveyed
Count of surveyed		108	119	101	350	678
Percent of <i>Applicants</i> surveyed at 3 years		16%	18%	15%	52%	100%
Family income	Total income in review month	\$839	\$1,479	\$1,622	\$2,218	\$1,780
	Earnings of participants	\$0	\$0	\$959	\$1,452	\$893
	Earnings of 2nd parents	\$124	\$1,061	\$79	\$566	\$510
	Public assistance	\$653	\$53	\$503	\$18	\$197
	MFIP cash	\$365	\$4	\$262	\$2	\$99
	MFIP food	\$217	\$3	\$200	\$1	\$65
	Other programs	\$70	\$46	\$41	\$15	\$33
	Child support received	\$47	\$85	\$71	\$105	\$87
	Other unearned income	\$15	\$280	\$10	\$77	\$93
	Percent living with second parent or spouse		14%	50%	17%	33%
Percent living with employed second parent or spouse		7%	46%	6%	28%	25%
Child support payment received by custodial parent		19%	24%	25%	33%	28%
Earned Income Credit received in 2000		42%	39%	64%	59%	53%
Average percent of Federal Poverty Guideline (FPG)		72%	116%	139%	190%	151%
Poverty rate (% below FPG)		87%	51%	27%	11%	33%
Housing costs		\$295	\$406	\$346	\$501	\$428
Percent paying > 30% of income for housing		50%	47%	28%	30%	36%

Note: Housing percentages include families with both income and housing costs (561 *Recipients* and 628 *Applicants*).

Otherwise, all averages were computed across all cases with non-missing data.

Participants off MFIP receiving MFIP cash or food had a child-only MFIP case.

Other public programs included standalone Food Support, Emergency Assistance, General Assistance, Minnesota Supplemental Assistance, and TANF from another state.

Table 11. Economic measures for outcome, welfare, and working groups three years after baseline (continued)

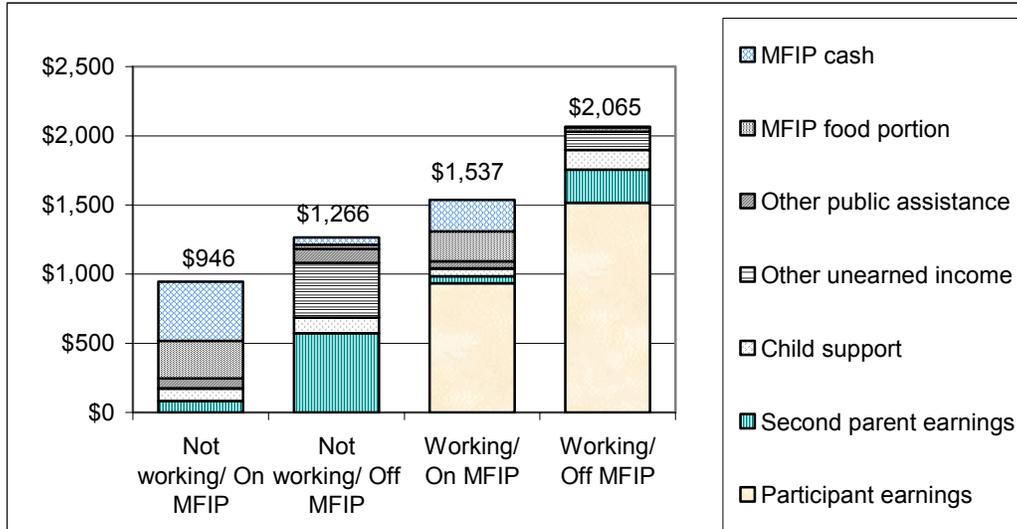
Recipients		Welfare status		Employment status		All Surveyed
		On MFIP	Off MFIP	Not working	Working	
Count of surveyed		266	338	247	357	604
Percent of <i>Recipients</i> surveyed at 3 years		44%	56%	41%	59%	100%
Family income	Total income in review month	\$1,206	\$1,833	\$1,073	\$1,892	\$1,557
	Earnings of participants	\$411	\$1,075	\$0	\$1,324	\$783
	Earnings of 2nd parents	\$68	\$338	\$277	\$179	\$219
	Public assistance	\$650	\$79	\$538	\$187	\$330
	MFIP cash	\$340	\$18	\$279	\$77	\$160
	MFIP food	\$248	\$10	\$176	\$72	\$115
	Other programs	\$62	\$51	\$82	\$38	\$56
	Child support received	\$74	\$134	\$99	\$114	\$108
	Other unearned income	\$3	\$207	\$160	\$88	\$117
	Percent living with second parent or spouse		9%	21%	19%	13%
Percent living with employed second parent or spouse		5%	16%	13%	10%	11%
Child support payment received by custodial parent		26%	33%	31%	29%	30%
Earned Income Credit received in 2000		56%	56%	38%	68%	56%
Average percent of Federal Poverty Guideline (FPG)		90%	147%	78%	153%	122%
Poverty rate (% below FPG)		70%	32%	81%	26%	49%
Housing costs		\$313	\$490	\$323	\$473	\$412
Percent paying > 30% of income for housing		37%	43%	44%	38%	40%
Applicants		Welfare status		Employment status		All Surveyed
		On MFIP	Off MFIP	Not working	Working	
Count of surveyed		209	469	227	451	678
Percent of <i>Applicants</i> surveyed at 3 years		31%	69%	33%	67%	100%
Family income	Total income in review month	\$1,218	\$2,031	\$1,175	\$2,084	\$1,780
	Earnings of participants	\$463	\$1,084	\$0	\$1,342	\$893
	Earnings of 2nd parents	\$102	\$692	\$615	\$457	\$510
	Public assistance	\$580	\$27	\$338	\$126	\$197
	MFIP cash	\$316	\$2	\$176	\$60	\$99
	MFIP food	\$209	\$1	\$105	\$45	\$65
	Other programs	\$56	\$23	\$58	\$21	\$33
	Child support received	\$59	\$100	\$67	\$97	\$87
	Other unearned income	\$13	\$129	\$154	\$62	\$93
	Percent living with second parent or spouse		15%	37%	33%	29%
Percent living with employed second parent or spouse		7%	33%	28%	23%	25%
Child support payment received by custodial parent		22%	31%	22%	31%	28%
Earned Income Credit received in 2000		53%	54%	41%	60%	53%
Average percent of Federal Poverty Guideline (FPG)		104%	171%	95%	179%	151%
Poverty rate (% below FPG)		58%	22%	68%	15%	33%
Housing costs		\$320	\$477	\$353	\$466	\$428
Percent paying > 30% of income for housing		39%	34%	48%	30%	36%

groups for *Recipients* than for *Applicants*. For both samples, the employed group on MFIP was the group with the fewest participants paying more than 30 percent of their income for housing. This may have been because of their relatively low housing costs (many lived in public or subsidized housing – see Table 13) and relatively high income.

The second part of Table 11 (whose last column is the same as the last column of the first page of the table) breaks down the income and poverty totals for all surveyed two ways: by welfare use at month 36 (ignoring employment status) and by employment status at month 36 (ignoring welfare status). This permits a look at outcomes for each separately. Note that welfare use and not working were significantly correlated ($r = 0.26$).

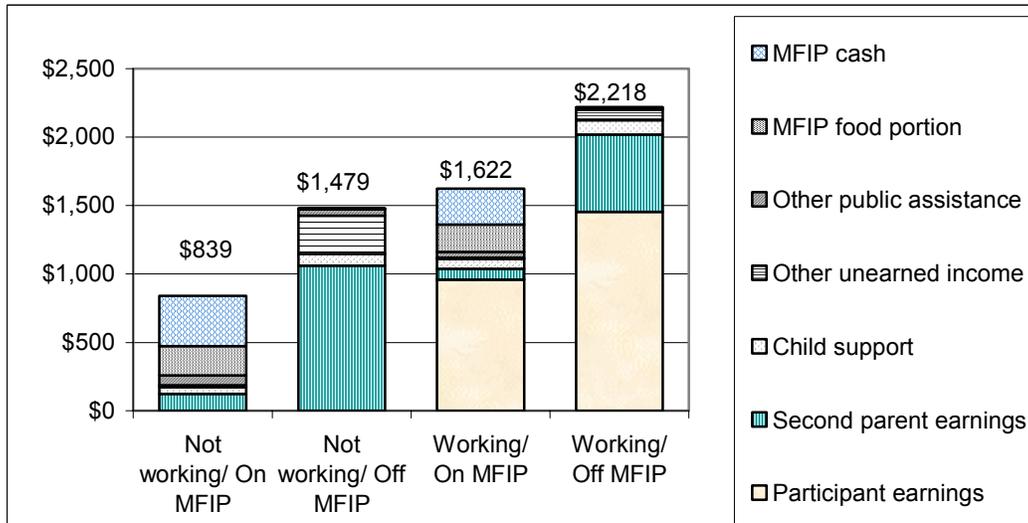
Figure 12 illustrates the magnitude and relative importance of various income sources for the four outcome groups in the *Recipient* sample and Figure 13 for the *Applicant* sample.

Figure 12. Family income and sources for *Recipient* outcome groups in month 36



Earnings, including those of the study participant and second parents, were a major source of family income for all groups except for unemployed MFIP participants. Public programs accounted for an important part of family finances for all groups except employed leavers. Other unearned income – including SSI – was important for some unemployed leaver families.

Figure 13. Family income and sources for *Applicant* outcome groups in month 36



Personal and Family Challenges

Many families served by MFIP have one or more problem situations that may be barriers to self-sufficiency. Table 12 summarizes data on physical and mental health issues, child welfare, family violence, and special needs children from Longitudinal Study surveys and from administrative databases, including those that have recently become available to this study. The incidence of most of these problems varies significantly across the employment/welfare use outcome groups. The definitions of each problem situation are presented in the report sections following Table 12.

Table 12. Challenges for Longitudinal Study participants and their families

Challenges		Not working/ On MFIP	Not working/ Off MFIP	Working/ On MFIP	Working/ Off MFIP	All Surveyed
<i>Recipients</i>	Count	149	98	117	240	604
	Health condition prevented or interfered with work***	38%	55%	29%	18%	31%
	Applied for SSI***	14%	37%	3%	2%	11%
	SSI approved***	2%	29%	0%	1%	6%
	Depression score above cut-off***	39%	39%	29%	22%	30%
	Mental health services***	54%	60%	45%	38%	47%
	Chemical dependency history	17%	16%	17%	14%	16%
	Child maltreatment assessment***	26%	12%	15%	8%	15%
	Child maltreatment determination**	15%	11%	9%	5%	9%
	Family violence (MFIP exemption)	3%	2%	2%	2%	2%
	Special needs child	24%	31%	31%	24%	26%
	Count of indicators (maximum=6)***					
	0	23%	26%	27%	39%	31%
	1	30%	16%	32%	36%	31%
	2	26%	29%	27%	14%	22%
	3 to 6	22%	30%	15%	11%	17%
<i>Applicants</i>	Count	108	119	101	350	678
	Health condition prevented or interfered with work***	28%	35%	20%	14%	21%
	Applied for SSI***	7%	18%	2%	2%	6%
	SSI approved***	0%	13%	0%	2%	3%
	Depression score above cut-off	25%	28%	21%	17%	21%
	Mental health services***	51%	48%	49%	39%	44%
	Chemical dependency history	11%	16%	7%	11%	11%
	Child maltreatment assessment	9%	7%	11%	4%	7%
	Child maltreatment determination	5%	3%	4%	2%	3%
	Family violence (MFIP exemption)	4%	2%	2%	1%	2%
	Special needs child	19%	18%	19%	14%	16%
	Count of indicators (maximum=6)***					
	0	32%	32%	31%	46%	39%
	1	33%	30%	46%	33%	34%
	2	20%	26%	18%	18%	20%
	3 to 6	14%	12%	6%	3%	7%

Tests of differences across percentages in row for the four subgroups: * Probability (chi square) = .05 or less, ** p = .01, ***p = .001. Two tests for the Applicant sample had p levels of .06: depression score and child maltreatment assessment.

Count of Problem Indicators

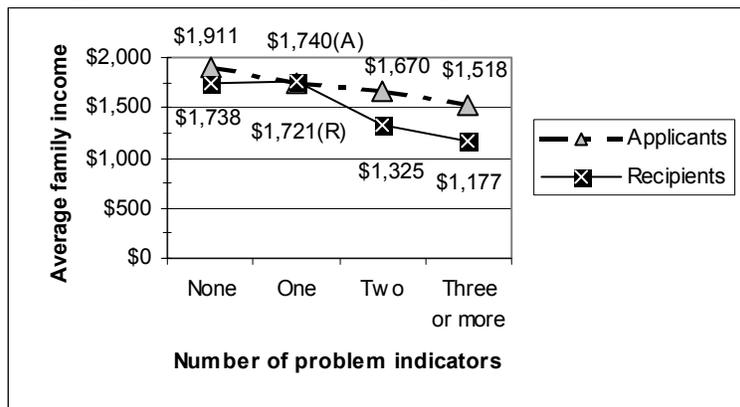
As a very rough indicator of the number of potentially serious problems each family encountered, the number of the following six categories identified during the study was counted for each participant.

- Physical or mental disability or condition preventing or interfering with work.
- Mental health services or depression score above the screener cut-off.
- Chemical dependency history.
- Child maltreatment determination.
- Family violence exemption.
- Special needs child.

There were significant differences across outcome groups within each sample in the mean number of problem indicator categories. Working leavers had significantly fewer indicators of problems, on the average, than participants in the other three outcome groups. Working leavers were more likely to have *no* problem indicators and least likely to have multiple indicators.

Average family income declined as the number of problems increased. This could confirm an expectation that earning a living becomes more difficult, as family problems increase. Or there could be a common cause for both lower income and family problems. Figure 15 shows the highly significant decrease for *Recipients*, from a mean of \$1,738 for families with no indicators to \$1,177 for those with three or more indicators. While the differences across *Applicant* problem groups narrowly missed statistical significance, the trend was also decreasing. *Applicants* with more than one problem indicator did have higher average incomes than *Recipients* in those categories, perhaps because seriousness of problems was not factored into the indicator. Age may also be a factor as *Recipients* were older than *Applicants* on average and unresolved or untreated issues may become bigger problems with time.

Figure 15. Relationship of family income to problems



Note: probability (F) < 0.001 for *Recipients* and p (F) = 0.09 for *Applicants*.

Disabilities

When asked on the survey whether they had an ongoing physical or mental disability that prevented or interfered with work in month 36, 31 percent of *Recipients* and 21 percent of *Applicants* answered in the affirmative. The highest rates of these types of disabilities were among those unemployed the entire month, especially those both not working and off MFIP. Among unemployed leavers – the group including SSI participants – 55 percent of those who were *Recipients* and 35 percent of those who were *Applicants* had such a serious disability affecting work. The most frequently reported physical problems involved the back and joints. The most life-threatening physical problems involved heart or lung functioning, cancer, and brain tumors. Mental health disabilities reported were mostly depression or bipolar disorder, with anxiety the next most frequently reported.

Six percent of ongoing *Recipients* and 3 percent of *Applicants* had been approved for SSI. These percentages were approximately half of those who had applied.

Twenty-nine percent of *Recipients* and 20 percent of *Applicants* said they had a physical or mental condition that *interfered* with work, regardless of whether it prevented work. The problems reported most frequently as making work difficult were also back and joint problems and depression, with a number of other conditions similar to those preventing work. Nine people reported temporary problems associated with pregnancy.

Depression

Eight percent of *Recipients* and 4 percent of *Applicants* reported on the survey that they had depression or a bipolar disorder serious enough to prevent or interfere with work. To estimate how many people might have been diagnosed if examined, a five-item clinical screening instrument for current depression²² was administered as part of the survey. Thirty percent of *Recipients* and 21 percent of *Applicants* scored above the cut-off, indicating the possibility of current general depression. These are figures for screening, and the actual incidence of depression may be different. The one-year prevalence of depressive disorders among all American adults is about 9.5 percent.²³

There were significant differences across the four outcome groups, with those not working more likely to have a score above the cutoff on the depression screener than those working. Whether depression might be the cause or result of not working cannot be stated. The 39 percent of *Recipients* on MFIP but not working who scored above the cutoff was very close to findings in a recent study²⁴ of MFIP participants who had to leave MFIP at the end of their 60 months of eligibility. Forty-four percent of this *timed-off* group scored above the depression scale cutoff and 36 percent said they had been diagnosed with depression at some point in their lives.

Mental Health

Adult mental health treatment or use of medications typically prescribed for mental health diagnoses through public health care programs during 1998 through 2001 were

found in administrative records for 47 percent of *Recipients* and 44 percent of *Applicants* who responded to the survey. These numbers are similar to what has been found for the three-year mental health treatment history of all eligible adults on MFIP in December 2002 (47 percent of the adults in the caseload). The working leavers were less likely to have had mental health services than those on MFIP; nearly 40 percent of working leavers in each sample were so identified.

Chemical Dependency

Sixteen percent of *Recipients* and 11 percent of *Applicants* had a known history of treatment for chemical dependency. Participants who had received chemical dependency treatment were identified by asking directly about chemical dependency treatment and health problems during the entire duration of the study. The survey data were supplemented by administrative data and case notes, each of the three sources being incomplete. There were no significant differences across the four outcome groups. It is not clear whether treatment made any difference in outcomes because the success of the treatment was not known. Actual treatment percentages may be higher than reported due to the sensitivity of this issue.

Child Welfare

According to administrative data, 15 percent of *Recipients* were involved in an assessment of maltreatment during 2000 through 2001, and 9 percent had been determined to have maltreated their children. The percentages were significantly higher for the outcome group not working and on MFIP (26 percent assessed and 15 percent determined) than for employed leavers (8 percent assessed and 5 percent determined). For comparison, in Minnesota in the year 2000, 0.51 percent of the total adult population had maltreatment assessments and 0.23 percent were determined to be offenders. In the MFIP December 2002 caseload, 8 percent of eligible adults had been assessed and 3 percent were determined offenders in the child welfare system. For surveyed *Applicants*, 7 percent of study participants had been assessed and 3 percent determined to have maltreated their children. There were no significant differences across outcome groups.

Family Violence

The indicator for family violence in this study was having had months exempted from being counted toward the MFIP time limit by reason of complying with a family violence safety plan through the end of 2001. Two percent of each sample were identified as affected by family violence in this way through administrative data. The survey did not ask about family violence. There were no significant differences across the outcome groups. This measure is an underestimate for several reasons. Victims often do not acknowledge or report abuse, the exemption requires further action beyond reporting the violence, and leaver families would not report such a situation to MFIP.

Special Needs Children

Twenty-six percent of *Recipients* and 16 percent of *Applicants* surveyed said they had one or more children with special needs under age 18 in the household. There were no significant differences across outcome groups. Asthma was the special need reported one-third of the time and attention deficit disorder one-quarter of the time. Severity of the child's condition was not reported.

Housing

Current Housing

About one-third of families in each group were sharing their household with people from outside the family, as reported in Table 13. Family is defined as the study participant along with her or his own children or relative care children, as well as the participant's spouse or a second parent of a child in common, living in the same household. Shared households included relatives (participant's own parents, siblings, or extended family), partners who were not second parents, and unrelated friends and others.

The most common housing types for *Recipients* were public or subsidized housing (40 percent) and unsubsidized rentals (39 percent). The same types were the most common for *Applicants*, but many more lived in unsubsidized rentals (45 percent) than in public or subsidized housing (25 percent). The difference is probably related to the length of time it takes for public housing or a housing voucher to become available and the fact that *Applicants* had been on MFIP for a maximum of three years while many *Recipients* had been on welfare much longer.

Current MFIP participants were more likely than leavers to be living in public or subsidized housing and less likely than leavers to own their own home. In fact, over 50 percent of the *Recipients* still on MFIP lived in subsidized or public housing. Those working and on MFIP lived in subsidized housing as frequently as those not working and on MFIP.

People with no housing costs were often staying with their parents or other relatives or friends. Others were in a shelter or caretaking an apartment building.

Forty percent of *Recipients* and 36 percent of *Applicants* spent more than 30 percent of family income on housing, an index often used to gauge housing poverty. Housing costs included mortgage, rent, taxes, insurance, lot fee, and utilities (heat, light, sewer, water, and trash, but not phone). Expenses were highest for employed leavers and lowest for unemployed MFIP participants, ranging between just under \$300 to over \$500 in both sample groups.

Table 13. Housing by outcome groups in month 36

Housing		Not Working/ On MFIP	Not Working/ Off MFIP	Working/ On MFIP	Working/ Off MFIP	Total Sample
Recipients	Count of surveyed	149	98	117	240	604
Shared household		26%	35%	30%	33%	31%
Moved during last 12 months		36%	43%	33%	31%	35%
Type of housing						
	Subsidized or public housing	55%	34%	56%	25%	40%
	Unsubsidized rental	34%	31%	34%	48%	39%
	Own or purchasing home	3%	12%	5%	17%	10%
	Own or purchasing mobile home	2%	7%	2%	5%	4%
	No-cost housing	4%	8%	2%	1%	3%
	Other	3%	8%	2%	5%	4%
Housing costs						
	Subsidized or public housing	\$199	\$300	\$257	\$414	\$283
	Unsubsidized rental	\$441	\$442	\$482	\$571	\$512
	Own or purchasing home	\$754	\$774	\$528	\$745	\$733
	Own or purchasing mobile home	\$290	\$398	\$315	\$521	\$441
	No-cost housing	\$0	\$0	\$0	\$0	\$0
	Other	\$231	\$257	\$255	\$125	\$195
All Recipients surveyed		\$289	\$377	\$345	\$534	\$412
Percent paying > 30% of income for housing		46%	42%	27%	43%	40%
Applicants	Count of surveyed	108	119	101	350	678
Shared household		29%	32%	27%	31%	30%
Moved during last 12 months		57%	47%	51%	35%	43%
Type of housing						
	Subsidized or public housing	37%	19%	46%	18%	25%
	Unsubsidized rental	44%	39%	41%	49%	45%
	Own or purchasing home	5%	14%	4%	19%	13%
	Own or purchasing mobile home	3%	7%	4%	7%	6%
	No-cost housing	7%	12%	6%	5%	7%
	Other	5%	8%	0%	3%	4%
Housing costs						
	Subsidized or public housing	\$189	\$176	\$227	\$376	\$266
	Unsubsidized rental	\$432	\$518	\$476	\$546	\$515
	Own or purchasing home	\$466	\$864	\$588	\$701	\$714
	Own or purchasing mobile home	\$396	\$594	\$643	\$508	\$532
	No-cost housing	\$0	\$0	\$0	\$4	\$2
	Other	\$97	\$11	---	\$154	\$86
All Applicants surveyed		\$295	\$406	\$346	\$501	\$428
Percent paying > 30% of income for housing		50%	47%	28%	30%	36%

Thirty-five percent of *Recipients* surveyed and 43 percent of *Applicants* surveyed had moved within the last 12 months. Twelve percent of each group had moved more than once in the last 12 months, some as many as six times. Table 14 gives the main reasons participants said they had moved the last time. Many of the reasons reflected either an improvement or decline in housing quality or satisfaction. The category *lease ended* included mostly cases where the landlord asked the participant to leave for reasons such as the housing being sold or condemned, renovations to be done, or the landlord wanting to move in. The category *other* included small numbers of people moving for reasons

such as unsanitary conditions, to get closer to child care or a school, wanting to live out of the city or in the city, and transitioning into or out of places like treatment centers, jail, transitional housing, or a foster home.

Table 14. Main reasons for moving during year three

Reasons to move	<i>Recipients</i>	<i>Applicants</i>
Count of all who moved in year three	210	291
Bigger / better home	19%	14%
Moved into own place	17%	18%
Moved in with family	7%	6%
Cheaper housing	7%	9%
Employment-related	6%	10%
Lease ended	6%	6%
Moved in with spouse/ partner	5%	7%
Eviction	5%	3%
Moved away from spouse / partner	4%	2%
Moved closer to family	4%	6%
Bought home	3%	1%
Public / subsidized housing	2%	2%
Crime / safety issues	2%	3%
Other	14%	12%
Hard to find a place	57%	47%
Easy fo find a place	43%	53%

Housing History

The three-year survey was the first in the longitudinal study to ask about participants' housing over their entire lives. The focus was on nonstandard housing (not a rented or owned housing unit) when participants were children, as adults (or since their first child was born), and for the previous three years. Table 15 lists types of nonstandard housing and percentages of all surveyed participants who lived in each type during each time period.

Table 15. History of nonstandard housing situations during lifespan

Housing history	Recipients (N=604)			Applicants (N=678)		
	Housing as a child	Housing as an adult	Housing in last 3 years	Housing as a child	Housing as an adult	Housing in last 3 years
Foster home	15%	0.7%	0.2%	11%	0.9%	0.1%
Orphanage	0.3%	0%	0%	0.7%	0%	0%
Group home	8%	1%	0.3%	8%	0.3%	0.1%
Homeless shelter	3%	16%	7%	3%	7%	5%
Battered women's shelter	2%	17%	4%	1%	7%	4%
On the streets	3%	7%	2%	3%	6%	3%
Transitional housing	0.5%	6%	3%	1%	4%	3%
Physical health care facility	0.2%	0.3%	0.2%	0%	0.3%	0.3%
Drug or alcohol treatment facility	3%	7%	4%	3%	5%	3%
Detention center, jail, or correctional facility	6%	12%	6%	7%	9%	5%
Halfway house	1%	3%	1%	0.4%	3%	2%
Mental health care facility	2%	2%	1%	2%	2%	1%
Any of the above	24%	39%	18%	21%	26%	18%

As children, a significant number of participants were in either foster care or a group home (15 percent and 8 percent of *Recipients*, with some in both) and many had spent time in the corrections system (6 percent) or had received treatment for chemical dependency (3 percent). As adults, a number had spent time in shelters (for the homeless or battered women) or drug or alcohol treatment facilities. The patterns for *Applicants* were similar, although the levels were lower. The last line of Table 15 tells the percentage for the unduplicated count of persons in each group who had lived in nonstandard housing during each of the three periods reported. Nearly one-quarter had as children, as well as 39 percent of *Recipients* and 26 percent of *Applicants* as adults.

Table 16 highlights the five most frequent types of nonstandard housing and compares the outcome groups on how frequently participants reported these housing situations.

Table 16. Nonstandard housing history by month 36 outcome group

Special housing situations by outcome groups	Not working/ On MFIP	Not working/ Off MFIP	Working/ On MFIP	Working/ Off MFIP	All surveyed
Recipients Count	149	98	117	240	604
Foster care or group home as child	17%	16%	21%	19%	18%
A shelter or streets as adult*	37%	34%	29%	24%	30%
Jail, detention, corrections ever	16%	16%	15%	16%	16%
Drug or alcohol treatment center ever	11%	12%	9%	7%	9%
Mental health treatment center ever	3%	5%	3%	5%	4%
Applicants Count	108	119	101	350	678
Foster care or group home as child**	23%	17%	14%	11%	14%
A shelter or streets as adult	21%	18%	14%	17%	17%
Jail, detention, corrections ever*	20%	18%	14%	9%	13%
Drug or alcohol treatment center ever	8%	12%	3%	6%	7%
Mental health treatment center ever	2%	4%	4%	4%	4%

* Probability (chi square) = .05 or less, ** p = .01 or less.

Eighteen percent of *Recipients* and 14 percent of *Applicants* were in foster care or a group home when they were children and before they had their first child. There was no significant difference across the employment/welfare outcome groups for *Recipients* for childhood placement. *Applicants* in the group not working and on MFIP, however, were the most likely to have been placed in one of these settings as a child. Thirty percent of *Recipients* had lived in a shelter or on the streets as an adult, employed leavers having been in this situation the least. Among *Applicants*, employed leavers were least likely to have been in a correctional facility during their lifetime (9 percent), compared with 20 percent of *Applicants* who were unemployed MFIP participants in month 36. There were no differences in having had temporary stays in mental health or chemical dependency treatment centers across outcome groups for either sample.

Transportation

Getting to the workplace is a daily necessity for job retention as well as necessary for finding a job in the first place. Two-thirds of *Recipients* and three-quarters of *Applicants* were either working or involved in training activities or looking for work in month 36

(Table 17). Among these *Recipients* with an immediate employment-related transportation need, 65 percent owned or shared a vehicle, but only 43 percent had access to a *reliable* vehicle. Seventy-one percent had a valid driver's license. Seventeen percent used public transit, and others got rides, walked, or biked to work, training, or job search or worked at home.

Table 17. Transportation options by work and work-related activities status in month 36

Transportation	Recipients			Applicants		
	Work/activity	None	All	Work/activity	None	All
Work, training, education, and/or job search	412	191	603	510	168	678
Percent of surveyed	68%	32%	100%	75%	25%	100%
Percent of column						
Working vehicle	65%	21%	51%	81%	19%	66%
Reliable vehicle	43%	12%	34%	56%	12%	45%
Driver's license	71%	24%	56%	84%	21%	69%
Reliable vehicle and license	42%	11%	32%	54%	10%	43%
Took public transit to work or activity	17%	---	---	9%	---	---

Note: Missing data for one *Recipient*.

Transportation needs were much greater for people who did not work and were not currently preparing to work. Only 24 percent had a driver's license. Only 11 percent had both a reliable vehicle and a license. Transportation problems of the unemployed could be either a cause or result of not being employed. Patterns were similar for *Applicants*, with higher driving percentages in the work and work activities group and about half the percentage relying on public transit as among the *Recipients*.

Overall, 32 percent of *Recipients* and 43 percent of *Applicants* had ready transportation, in the form of access to a reliable vehicle and a license to drive. This advantage was more common outside the 11-county Twin Cities area: 50 percent in greater Minnesota versus 28 percent for *Recipients* and 58 percent versus 40 percent for *Applicants*.

Health Care

Eighty-one percent of *Recipient* families and 77 percent of *Applicant* families had all family members insured. About 10 percent of families did not have any health care coverage²⁵ and a similar proportion had medical insurance for some family members but not others. Table 18 reports the percentages. Employer insurance was a benefit used by 29 percent of employed *Recipients* and 30 percent of employed *Applicants*, most of them off MFIP.

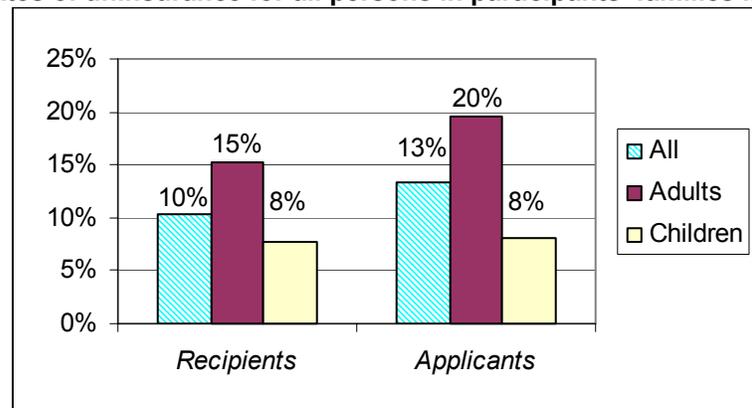
In 2001, the point-in-time rate of uninsurance for all Minnesotans was 5.4 percent.²⁶ By comparison in month 36, 10 percent of all persons in *Recipient* families and 13 percent of all persons in *Applicant* families were uninsured. The rates of uninsurance were higher for adults than children in these families, as Figure 15 shows. Within each group, the rates of uninsurance were higher for families of employed participants than those of unemployed participants. These comparison figures were 14 percent versus 6 percent for

Recipients and 15 percent versus 10 percent for *Applicants*. Most families on MFIP were covered by Medical Assistance (MA).

Table 18. Health care coverage in month 36 by outcome group

Health care coverage in month 36		Not working/ On MFIP	Not working/ Off MFIP	Working/ On MFIP	Working/ Off MFIP	All surveyed
Recipients	Count	149	98	117	240	604
All family members insured		96%	71%	90%	70%	81%
Some insured, some uninsured		2%	18%	6%	15%	11%
None insured		2%	10%	4%	15%	9%
Employer insurance		0%	0%	4%	40%	17%
Applicants	Count	108	119	101	350	678
All family members insured		98%	70%	95%	68%	77%
Some insured, some uninsured		2%	20%	1%	17%	13%
None insured		0%	10%	4%	15%	10%
Employer insurance		0%	0%	5%	37%	20%

Figure 15. Rates of uninsurance for all persons in participants' families in month 36



Some families went without needed medical care (12 percent of *Recipients* and 11 percent of *Applicants*) or dental care (15 percent of *Recipients* and 18 percent of *Applicants*), sometime during the year 2000. These were most often employed leavers; the reason in a majority of cases was being uninsured. Some had to pay on an outstanding bill before their doctor would see them again. A sizeable group had unpaid medical bills (37 percent of all *Recipients* and 46 percent of all *Applicants*) averaging nearly \$2,000 (\$1,848 for *Recipients* and \$1,790 for *Applicants* with outstanding medical bills).

Participants also mentioned that finding dental care with an MA card was very difficult. Forty-two *Recipients* and 30 *Applicants* said they could not get dental care with an MA card because dentists either will not serve them (MA reimbursement rates being lower than from private insurance) or they already had as many MA patients as they were willing to take. A number of people complained about the poor care they received from dentists who were willing to take MA cards (e.g., pulling teeth rather than treating them and fillings that fell out).

Child Care

Potential child care need was defined as having a child under age 13 in the household and either current employment or involvement in the work-related activities of training, education, or job search. Fifty-seven percent of *Recipients* and 66 percent of *Applicants* had this potential need. Table 19 describes how the child care need was met and the cost of this child care in month 36. The first part of the table gives data from the survey. Counties supplied data about the child care assistance program.

Figure 16. Child care costs for *Recipients* in month 36

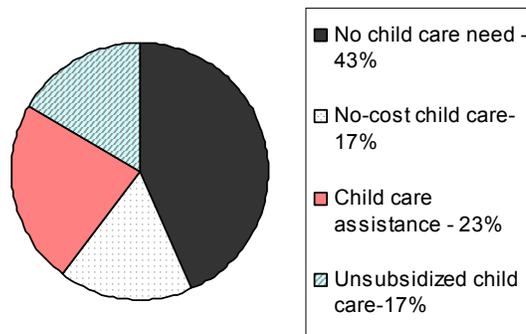


Figure 16 illustrates the child care need and expenses for *Recipients* in month 36. Forty-three percent did not have a potential child care need, as defined above. Seventeen percent of all *Recipients* used no-cost child care which often was provided by friends or relatives, but also by schools, the other parent (sometimes working different hours to save on child care costs),

older siblings, the child going to work with the participant, or the child staying home alone. Twenty-two percent of each sample received child care assistance from the state of Minnesota (an additional 1 percent of participants received child care assistance from other states they had moved to). The remaining 17 percent paid market rates for child care. Corresponding percentages for *Applicants* were 34 percent with no potential child care need, 15 percent using no-cost child care, 23 percent getting child care assistance, and 27 percent paying unsubsidized child care costs. The average amount paid for child care in month 36 by those who paid anything for it was \$135 for *Recipients* and \$191 for *Applicants*.

Of those paying for unsubsidized child care, some did not apply for child care assistance (e.g., 17 percent of *Recipients* paid all their child care costs and this included 10 percent who paid all costs and had not applied for child care assistance plus 7 percent who paid all and had applied). Of those who had applied for and not received child care assistance, most were not eligible; some had an application pending or were on a waiting list.

While 57 percent of all *Recipients* had a potential child care need, more than half of these (31 percent of all) worked or went to training or other job activities during nights or weekends.

Counties filled out child care assistance forms for most of the study participants they served (e.g., forms were received for 20 percent of *Recipients*, while 22 percent got child care assistance in month 36). Nearly half of the cases for which counties supplied data received child care assistance through their MFIP participation. The smallest number were in the Transitional Year program for the year following MFIP exit, and the rest had qualified for the Basic Sliding Fee program.

Table 19. Child care needs, costs, and assistance in month 36

Child care		Recipients	Applicants
Count of surveyed		604	678
Potential child care need	Count	343	449
	Percent of all participants	57%	66%
Used no-cost child care		17%	15%
Child care assistance in MN		22%	22%
Child care assistance in other state		1%	1%
Others applied but not received		7%	16%
Others not applying		10%	11%
Child care costs, if any	Count	162	230
	Percent of all	27%	34%
	Mean	\$135	\$191
	Median	\$85	\$137
	Range	\$5-\$1,440	\$5-\$900
Evening or weekend work or activity hours		31%	40%
Child care assistance program*			
	Count	119	122
	Percent of all participants	20%	18%
Percent of participants in program:			
	MFIP	48%	48%
	Transitional Year	21%	14%
	Basic Sliding Fee	31%	38%
Types of providers**			
	Licensed child care center	27%	31%
	Licensed family home	32%	29%
	Legal non-licensed	35%	33%
	License-exempt child care center	3%	6%
	Other	4%	1%
Child care assistance subsidies (MN)			
	Mean	\$780	\$689
	Median	\$684	\$482
	Range	\$6-\$2,600	\$29-\$5,700
Child care assistance copayments (MN)			
	Mean	\$44	\$57
	Median	\$36	\$36
	Range	\$0-\$286	\$0-\$537
Authorized hours			
	Mean	160	164
	Median	176	178
	Range	16-240	20-242

* Data from here to end of table supplied by individual counties that provided child care assistance.

** Some families used multiple providers of more than one type. These are percentages of all providers.

The three major types of child care, each including close to one-third of the providers these families used, were licensed child care centers, licensed family child care homes, and legal non-licensed care (often relatives or friends of the participant). There were also some care centers for at-risk and special needs children. Subsidies paid for child care (medians of \$684 per month for *Recipients* and \$482 for *Applicants*) were far higher than

the copays (median of \$36 for both samples). Three-quarters of *Recipients* in the child care assistance program paid a copay. One-third of *Applicants* in the program paid a copay. The mean number of hours authorized was around 160 hours for both groups, but authorized hours were not always all used.

Employment History and Outcomes for Demographic Groups

The final section of the report compares demographic groups within each sample on recent employment history and four outcome measures. The demographic groups are age at the start of the study and 36-month status on educational level; ethnicity and citizenship; family structure including presence of a second parent in the household, number of minor children in the home, and the age of the youngest child; and region of residence (Hennepin County including Minneapolis, Ramsey County including St. Paul, the nine Twin Cities suburban counties,²⁷ and the other 76 Minnesota counties). Table 20 gives the demographic breakdowns for both *Recipients* and *Applicants* and the distribution within each demographic group for months with employment during year three, employment status, welfare status, and mean family income and poverty level in month 36.

Few of the ongoing *Recipients* were teens when the study started, their initial application at that point being more often years rather than months in the past. Their age at baseline was not related to any of the outcome measures. However, one-third of the new *Applicants* were teens in their initial month on assistance at the start of the study. For this group, their age at baseline was identical to their age at first application, and it was related to every outcome measure. The youngest *Applicants*, in their teens when they first applied, were less likely to have worked in all 12 preceding months, less likely to be employed in month 36, and less likely to have left MFIP, while having significant lower family income and a higher poverty level than the older age groups – nearly twice as high as those who had been age 30 or older when they first applied for welfare. Some of the differences in outcomes can be attributed to the lower levels of education among teen *Applicants*. Only 66 percent of them had a high school education or more compared to 85 percent for older *Applicants*.

Completion of high school, either with a diploma or a GED, was highly related to every outcome for both groups: more work, more MFIP leavers, more family income, and less poverty. Causation is not necessarily from education to outcomes; some common individual characteristics may make both high school completion and better outcomes more likely. Five percent of *Recipients* and 15 percent of *Applicants* surveyed for this report finished high school, either by diploma or GED, after the baseline month in 1998. The effect of timing of high school completion on self-sufficiency cannot be separated from the effect of age since most of those finishing high school during the study were teens. Whether high school was finished before or after first welfare application cannot be determined for the *Recipient* sample.

The groups based on a combination of immigrant status, race/ethnicity, and citizenship were immigrant noncitizens, non-white citizens, and white citizens. White citizens formed the largest group in both samples, 51 percent of *Recipients* and 69 percent of *Applicants* surveyed. These groups were significantly related to all the outcome measures for both samples. Among *Recipients*, the immigrant noncitizens had the worst profile, with the most unemployed for an entire year, the fewest working in month 36, lowest family income, and highest poverty. White citizens did best on all measures, and non-white citizens were intermediate except that they were lowest on percentage of MFIP leavers. Among *Applicants*, immigrant noncitizens' performance was close to that of white citizens and exceeded that of non-white citizens on most measures, except on poverty rate which was higher than that of whites and the same as that of non-whites. This might be due to larger family size which results in a higher FPG to be compared with income in determining poverty status.

A second parent in the home was twice as likely for *Applicants* (30 percent) than for *Recipients* (15 percent), but not strongly related to whether the study participant was working or how consistently. Families with a second parent were more likely to have left MFIP, had family income about twice that of families headed by one parent, and had a lower poverty rate.

Recipient families were more likely to have three or more minor children in the household than were *Applicant* families. The strongest relation to outcomes was that larger families had higher average incomes. One component of income is the MFIP grant that increases with family size.

Recipient families had more school age children. *Applicants* with no children under age 6 were more likely to have worked every month in the last year and had higher income and a lower poverty rate than those with preschoolers. MFIP exit rates were somewhat higher for families with no preschoolers in both samples.

There were higher proportions of urban residents among *Recipients* than *Applicants*, and the exit rates for Hennepin and Ramsey counties were lower in both samples than for the metro suburban and non-metro counties. This may be related to the characteristics of Hennepin and Ramsey counties' MFIP participants. While the caseload percentages of age groups, genders, educational levels, and marital group in the two urban counties were similar to those for the state overall in 2001, both counties had a far larger proportion of non-white MFIP-eligible adults (80 percent in Hennepin county and 72 percent in Ramsey county versus 31 percent in the rest of the state for cases with one eligible adult).²⁸

Table 20. Employment, welfare use, family income, and poverty of demographic groups in month 36

Outcomes of demographic groups after third year of study	Recipients (N=604)								
	Percent of all surveyed	Employment in year 3				Working month 36	Leaver month 36	Family income	Below FPG
		Unemployed	1-5 Months	6-11 Months	All 12 Months				
Percent or mean of all surveyed	100%	19%	24%	22%	35%	59%	56%	\$1,537	50%
Age at baseline		ns				ns	ns	ns	ns
Teens	11%	19%	25%	28%	27%	57%	48%	\$1,380	57%
Twenties	45%	16%	26%	22%	35%	58%	55%	\$1,603	46%
Thirty or over	44%	21%	22%	21%	36%	61%	59%	\$1,507	53%
Education		***				***	***	***	***
HS / GED	75%	15%	23%	23%	40%	63%	61%	\$1,664	44%
Less than HS	25%	31%	28%	22%	20%	48%	41%	\$1,162	70%
Immigration and race		***				**	***	**	***
Immigrant noncitizens	6%	40%	14%	17%	29%	37%	51%	\$1,185	71%
Non-white citizens	43%	17%	32%	23%	28%	55%	42%	\$1,417	57%
White citizens	51%	18%	19%	22%	42%	65%	68%	\$1,677	42%
Second parent in home		ns (p<.10)				ns (p<.10)	***	***	***
Yes	15%	25%	25%	27%	24%	51%	75%	\$2,602	34%
No	85%	18%	24%	22%	37%	61%	52%	\$1,343	53%
Number of minor children		*				ns	*	***	*
None in home	6%	30%	8%	24%	38%	62%	See note.	\$1,080	43%
One	30%	18%	18%	23%	41%	65%	62%	\$1,363	43%
Two	30%	19%	28%	19%	34%	57%	51%	\$1,495	50%
Three or more	34%	17%	28%	25%	30%	56%	48%	\$1,809	58%
Age of youngest child		ns				*	*	ns	ns
Under 6	55%	21%	26%	23%	31%	55%	49%	\$1,590	52%
6 or over	45%	15%	24%	22%	39%	64%	59%	\$1,538	49%
Region of residence		ns				ns	***	ns	ns
Greater Minnesota	35%	18%	20%	23%	39%	65%	65%	\$1,554	49%
Metro suburban	14%	21%	23%	22%	35%	54%	60%	\$1,435	53%
Hennepin County	27%	19%	26%	22%	33%	57%	43%	\$1,636	47%
Ramsey County	18%	19%	30%	17%	34%	56%	45%	\$1,505	52%
Moved out of state	6%	16%	19%	43%	22%	57%	See note.	\$1,321	62%

* Chi-square or F significant at p=.05 level. ** Significant at p=.01 level. *** Significant at p=.001 level. ns=not significant.

Notes: Sometimes percentages of a whole add up to 101% or 99% because of rounding. All demographic variables were as of month 36 of the study except age which was as of the start of the study. Two participants had missing data for employment history. Cases with no minor children and those that have moved out of state are MFIP ineligible and automatically closed, so they were dropped from the comparison of leavers to others. Note that the leaver percentages are for those surveyed only and are several percentage points lower than leaver percentages for the entire samples.

Table 20 (continued)

Outcomes of demographic groups after third year of study	Applicants (N=678)								
	Percent of all surveyed	Employment in year 3				Working month 36	Leaver month 36	Family income	Below FPG
		Unemployed	1-5 Months	6-11 Months	All 12 Months				
Percent or mean of all surveyed	100%	13%	22%	27%	38%	67%	69%	\$1,770	33%
Age at baseline		***				*	***	**	***
Teens	34%	13%	32%	28%	28%	60%	59%	\$1,595	40%
Twenties	39%	12%	21%	28%	40%	68%	67%	\$1,746	35%
Thirty or over	27%	14%	14%	24%	49%	72%	85%	\$2,019	22%
Education		***				***	**	***	***
HS / GED	81%	10%	20%	28%	41%	70%	72%	\$1,858	29%
Less than HS	19%	22%	31%	22%	25%	53%	58%	\$1,403	49%
Immigration and race		***				*	***	***	***
Immigrant noncitizens	5%	14%	16%	16%	54%	65%	65%	\$1,700	43%
Non-white citizens	25%	15%	33%	26%	27%	59%	55%	\$1,459	44%
White citizens	69%	12%	19%	28%	41%	70%	75%	\$1,889	29%
Second parent in home		*				ns	***	***	***
Yes	30%	12%	25%	32%	31%	64%	84%	\$2,700	16%
No	70%	13%	21%	24%	42%	68%	63%	\$1,364	41%
Number of minor children		ns				ns	ns	***	ns
None in home	7%	18%	12%	31%	39%	71%	See note.	\$1,319	25%
One	49%	12%	23%	24%	41%	66%	66%	\$1,588	35%
Two	32%	11%	24%	30%	35%	67%	67%	\$2,041	31%
Three or more	12%	15%	24%	27%	33%	64%	71%	\$2,071	40%
Age of youngest child		**				ns	***	*	**
Under 6	79%	12%	26%	27%	35%	65%	64%	\$1,749	36%
6 or over	21%	13%	12%	26%	49%	69%	80%	\$2,017	27%
Region of residence		*				ns (p<.10)	***	ns	ns
Greater Minnesota	45%	10%	21%	29%	40%	72%	70%	\$1,791	31%
Metro suburban	18%	11%	21%	26%	42%	66%	77%	\$1,937	29%
Hennepin County	17%	19%	25%	18%	37%	59%	53%	\$1,697	36%
Ramsey County	11%	10%	32%	25%	34%	60%	56%	\$1,717	38%
Moved out of state	9%	21%	18%	34%	26%	62%	See note.	\$1,526	41%

Appendix A. Cases Not Surveyed

Response rates to the year three survey for the total samples originally selected in 1998 were 72 percent for *Recipients* and 69 percent for *Applicants*. Table A1 breaks down those not surveyed by reason. Fourteen percent of the original 843 *Recipients* and 16 percent of the 985 *Applicants* had been dropped from the study by the time of the three-year follow-up, primarily because of the number of surveys not completed or refusals to participate. The response rates for attempted surveys was above 80 percent for each group. The main reason assigned surveys were not completed was that participants could not be contacted even though their location was known. This usually constituted an implicit refusal, as people did not answer their mail or phone. Most of the interviews were conducted between July 2001 and April 2002.

Table A1. Survey response rates and reasons not surveyed

Cases surveyed and reasons not surveyed	<i>Recipients</i>		<i>Applicants</i>	
	Count	Percent	Count	Percent
Total original sample	843	100%	985	100%
Cases dropped prior to month 36	122	14%	156	16%
Cases to survey at Month 36	721	86%	829	84%
Surveyed (response rate)	604	72%	678	69%
Unable to contact	62	7%	69	7%
Unable to locate	21	2%	22	2%
Refused survey	17	2%	22	2%
Other	17	2%	38	4%
Percent of attempted surveys completed	604 / 721	84%	678 / 829	82%

Table A2 on the next page shows that non-respondents to the 36-month survey were more likely than those surveyed to be leavers. One factor in this difference was the greater probability that non-respondents had left Minnesota. Available three-year data indicated that the non-surveyed were more likely to have left Minnesota than those surveyed. According to Tables 20 and A3, 6 percent of surveyed *Recipients* had left Minnesota compared with 22 percent of those not surveyed for whom information was found; the figures were 9 percent and 22 percent for *Applicants*. People living in another state were MFIP leavers even if they were receiving TANF in another state.

Men were less likely than women to have stayed in the study. *Applicant* non-responders were less likely to be white, less likely to have finished their high school education, and more likely to have started the study living in Hennepin or Ramsey county than those surveyed. There were no significant differences between respondents and non-respondents on age or marital status. Average wages for the employed in the quarter including month 36 were not significantly different between Minnesota workers in the surveyed and not surveyed groups, according to state Unemployment Insurance records.

Table A2. Survey response rates for participant subgroups

Demographic characteristics of surveyed and non-surveyed		Recipients (N=843)		Applicants (N=985)	
		Surveyed	Non-surveyed	Surveyed	Non-surveyed
MFIP status in month 36	On MFIP	44%	31%	31%	23%
	Off MFIP	56%	69%	69%	77%
		**		**	
Race / ethnicity	American Indian	9%	12%	6%	11%
	Asian	4%	6%	3%	4%
	Black	31%	29%	17%	25%
	Hispanic	5%	7%	4%	10%
	White	52%	46%	70%	50%
		ns		***	
Gender	Female	97%	93%	93%	87%
	Male	3%	7%	7%	13%
		**		**	
Education	HS / GED	64%	64%	64%	56%
	Less than HS	36%	36%	36%	44%
		ns		*	
Baseline region of residence	Greater Minnesota	38%	40%	49%	46%
	Metro suburban	12%	12%	19%	14%
	Hennepin County	31%	29%	20%	24%
	Ramsey County	19%	19%	12%	16%
		ns		*	
Age	Teens	11%	10%	34%	40%
	Twenties	45%	44%	39%	34%
	Thirty or over	44%	46%	27%	26%
		ns		ns	
Citizenship in baseline month	U.S. Citizen	92%	91%	94%	91%
	Non-citizen	8%	9%	6%	9%
		ns		ns	
Marital status	Never married	66%	66%	65%	71%
	Married, living apart	18%	19%	21%	17%
	Married, living with spouse	1%	1%	1%	1%
	Legally separated	0%	0%	1%	1%
	Divorced	13%	13%	10%	8%
	Widowed	1%	1%	1%	2%
		ns		ns	
Wages of Minnesota workers	Quarterly mean	\$3,633	\$3,281	\$3,750	\$3,453
		ns		ns	

Interviewers were asked to record key information about participants not surveyed that they may have discovered through administrative data, contact with MFIP workers or participants' associates, and conversations with the participant. Table A3 on the next page lists the topics on which information was requested. Because obtaining the information occurred in conjunction with tracking participants, the information was certainly incomplete and some of the circumstances may have been under-reported.

Table A3. Information for cases not surveyed

Participant information for non-surveyed cases	<i>Recipients</i>	<i>Applicants</i>
Count of non-surveyed forms	100	113
No children in home or any children in placement	40%	27%
Homeless or battered women's shelter	28%	24%
Living out-of-state	22%	22%
Mental illness or other disabilities	15%	12%
Sanctions	15%	3%
Incarceration - self	12%	9%
CD treatment	11%	7%
Incarceration - other	10%	5%
Quit job	6%	0%
Fraud	4%	0%
Moved	4%	0%
Poor English	3%	2%
Evicted	3%	2%
Student	3%	2%
Fired from job	2%	0%
Abusive relationship	1%	0%

There were children out of the home for 40 percent of non-responding *Recipients* and 27 percent of non-responding *Applicants* for whom interviewers had data. About a quarter of these *Recipients* and *Applicants* were identified as living in a homeless shelter or a battered women's shelter at some point in time. Twenty-two percent of each group were living out-of-state. Disabilities, sanctions, jail, and chemical dependency were the next most frequently known situations.

Appendix B. 2001 FPG and Maximum MFIP grants by Family Size²⁹

Family size	Federal Poverty Guideline (FPG)		Maximum MFIP monthly grant
	Annual income	Monthly income	
1	\$8,590	\$716	\$366
2	\$11,610	\$968	\$651
3	\$14,630	\$1,219	\$831
4	\$17,650	\$1,471	\$981
5	\$20,670	\$1,723	\$1,113
6	\$23,690	\$1,974	\$1,265
7	\$26,710	\$2,226	\$1,381
8	\$29,730	\$2,478	\$1,522
9	\$32,750	\$2,729	\$1,661
10	\$35,770	\$2,981	\$1,794

Endnotes

¹ National caseload statistics are from *Indicators of Welfare Dependence: Annual Report to Congress 2003*. Washington, D.C.: U.S. Department of Health and Human Services, 2003. Poverty rates are from the U.S. Census Bureau's March Current Population Surveys at www.census.gov. Minnesota caseload statistics are from Minnesota Department of Human Services. *Family Self-sufficiency and Health Care Program Statistics*. St. Paul, MN: August 2003. (http://www.dhs.state.mn.us/FMO/ReportsForecasts/FamilySelfSufficiency_HealthCare.pdf)

² State and national unemployment statistics were taken from the Minnesota Department of Employment and Economic Development website <http://data.mnwf.org/lmi/laus/detail.asp?geog=2701000000&adjust=0>

³ Personal communication from DHS staff in Reports and Forecasts Division. Their most recent forecast can be found at <http://www.dhs.state.mn.us/FMO/ReportsForecasts>.

⁴ Minnesota Department of Human Services. *Minnesota Family Investment Program Management Indicators Report (County Performance Measures) October through December 2002*. St. Paul, MN: April 2003. <http://edocs.dhs.state.mn.us/lfserver/Legacy/DM-0081D-ENG>

⁵ Minnesota Department of Human Services. *Minnesota Family Investment Program Longitudinal Study: Two Years After Baseline*. St. Paul, MN: August 2002. <http://edocs2.dhs.state.mn.us/lfserver/Legacy/DM-0062-ENG>

⁶ In legislation revamping the MFIP program that went into law effective July 1, 2003, the term “economic stability” has replaced “self-sufficiency.” The latter term is retained in this report, as it was current during the period the report covers.

⁷ *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program. Volume 1: Effects on Adults*. C. Miller, V. Knox, L. Gennetian, M. Doodoo, J.A. Hunter, and C. Redcross. *Volume 2: Effects on Children*. L. Gennetian and C. Miller. New York: MDRC, 2000. The results were stronger for long-term recipients than recent applicants and for single-parent than two-parent families. Statewide MFIP had lower support levels (exit for working participants at 120 percent of FPG versus 140 percent) and more immediate work requirements when it was implemented in 1998 than did the pilot.

⁸ Family income includes earnings of one or two parents in the household, public assistance (such as MFIP cash, MFIP food, and stand-alone Food Support), child support, and other unearned income such as disability payments and unemployment insurance.

⁹ Appendix B gives the Federal Poverty Guidelines for the year 2001 by family size. These federally determined dollar amounts, closely related to the poverty threshold used to figure official poverty rates, are used to set MFIP grant amounts. In 2001, MFIP exit occurred when a family's budgeted income (total income less deductions such as the disregarded portion of earnings) reached 120 percent of FPG.

¹⁰ Previous response rates were 85 percent, 83 percent, 79 percent, and 75 percent for *Recipients* when the total sample was surveyed at baseline, 6 months, one year, and two years. The response rates for the *Applicant* sample were 85 percent, 82 percent, 78 percent, and 75 percent for these surveys. A \$25 gift certificate was given to study participants for each interview completed.

¹¹ These percentages are based on administrative data for the 843 *Recipients* and 985 *Applicants* originally sampled.

¹² To be counted as employed, the study participant had to report working at least one hour during the month.

¹³ Minnesota Department of Human Services. *Minnesota Family Investment Program Longitudinal Study: Baseline Report*. St. Paul, MN: August 1999. (<http://edocs2.dhs.state.mn.us/lfserver/Legacy/DM-0089-ENG>)

¹⁴ *Legislative Fact Book* by Minnesota House Research, St. Paul, MN, January 2001.

¹⁵ The FPG is very close to the poverty threshold that was originally set at three times the USDA low-cost family food budget in the 1960s and has been adjusted for inflation every year. The poverty threshold has not been changed to reflect the fact that the average family now spends only one-fifth of its income on food, as the relative costs of items such as housing and health care have increased greatly since then. Nor does it include non-cash resources and tax effects that have been an avenue of expanded government support for low-income families in recent years. The U.S. Census Bureau reports a number of experimental measures, and other organizations have developed alternative measures. For example, in Minnesota, the JOBS NOW Coalition developed “basic budgets” contingent on family composition through research on the local economy. According to their report (*The Cost of Living in Minnesota: The Job Gap Family Budgets*, St Paul, MN, 2001), a Minnesota family with one working parent and two children would have needed \$34,032 in the year 2000 to meet basic needs such as food, shelter, health care, child care, transportation, and clothing (excluding such items as savings, eating out, and vacations). The Minnesota House Research Department published a report (*Basic Needs Budgets for Custodial and Noncustodial Parents*, St. Paul, MN, 1999) which pegged the amounts needed for a no-frills standard of living for a single working parent with two young children requiring child care and not on MFIP at \$36,161 in the Twin Cities metropolitan area and \$21,426 outside the metropolitan area in 1999. For comparison, the median 2000 family income was \$68,600 in the Twin Cities metro area, \$44,800 in the non-metro area of Minnesota, and intermediate amounts in other metro areas (*Legislative Fact Book* by Minnesota House Research, St. Paul, MN, January 2001).

¹⁶ For example, two families with the same annual family income, both having some months of unemployment during the year, would have looked very different on percentage of monthly FPG – both from each other and from their own poverty level for the entire year – if one family had its highest monthly income of the year and the other its lowest monthly income of the year in month 36 of the study. In month 36, both would also look different from a family with identical annual income evenly spread out during the year.

¹⁷ U.S. Census Bureau, *Current Population Survey*, March 2001 (www.census.gov/hhes/poverty/poverty01/table1.pdf).

¹⁸ U.S. Census Bureau, *Current Population Survey*, March 2001 (http://ferret.bls.census.gov/macro/032002/pov/new25_006.htm). A two-year average is given for states because of their smaller population size.

¹⁹ U.S. Census Bureau, *Current Population Survey*, March 2001 (http://ferret.bls.census.gov/macro/032002/pov/new25_007.htm).

²⁰ These exit percentages were slightly smaller than for the complete samples, as reported on page 2. Also, surveyed study participants in 17 *Recipient* cases and 3 *Applicant* cases had left MFIP when they became ineligible due to SSI receipt, but other family members still received MFIP in month 36.

²¹ Minnesota also offers a Working Family Credit that families receiving the federal credit would have qualified for, but the question did not differentiate between these. The amount received was not asked. The Longitudinal Study Two-year Report (<http://edocs2.dhs.state.mn.us/lfserver/Legacy/DM-0062-ENG>) estimated the amount of EITC and WFC and its effect in raising family income above the poverty line.

²² Bersick, D.M., Murphy, J.M., Goldman, P.A., Ware, J.E., Barsky, A.J., & Weinstein, M.C. *Performance of a five-item mental health screening test*. Medical Care, February 1991, Vol. 29, No. 2. The five-item screening instrument is a subset of the Mental Health Inventory. The items ask, “How much of the time

during the last month have you felt...?” A high score on the six-point scale is given for the response *all of the time* for the negative items (nervous, down in the dumps, downhearted and blue) and for the response *none of the time* for the positive items (calm and peaceful, happy). The authors recommend that people with a score of 17 or above out of 30 possible points be referred for further screening.

²³ National Institute of Mental Health. *The Numbers Count: Mental Disorders in America*. Publication No. 01-4584. Washington, D.C.: January 2001; Revised May 2003. www.nimh.nih.gov/publicat/numbers.pdf

²⁴ Minnesota Department of Human Services. *The Welfare Time Limit in Minnesota: A survey of families who lost MFIP eligibility as a result of the five-year time limit*. St. Paul, MN: July 2003. (<http://edocs.dhs.state.mn.us/lfsrver/Legacy/DM-0176-ENG>)

²⁵ Some of the participants who were on MFIP in month 36 said they did not have health care coverage that month although MFIP and Medical Assistance were linked at the time. This table gives self-reports from the survey, not administrative data, and reflects the participants’ perception of their insurance status.

²⁶ Minnesota Department of Health. *Minnesota’s Uninsured: Findings From the 2001 Health Access Survey*. St. Paul, MN: April 2002. (<http://www.health.state.mn.us/divs/hpsc/hep/miscpubs/hhsrvrpt.pdf>)

²⁷ The Minneapolis-St. Paul Standard Metropolitan Statistical Area included, in addition to Hennepin and Ramsey counties, Anoka, Carver, Chisago, Dakota, Isanti, Scott, Sherburne, Washington, and Wright counties.

²⁸ Minnesota Department of Human Services. *Characteristics of December 2002 Minnesota Family Investment Program Cases and Eligible Adults*. St. Paul, MN: April 2003. <http://edocs2.dhs.state.mn.us/lfsrver/Legacy/DM-0156-ENG>

²⁹ Sources are DHS Bulletin #01-69-01 for the FPG and DHS Bulletin #01-07-06 for the MFIP grant amounts, both available on the DHS website at <http://www.dhs.state.mn.us/FMO/LegalMgt/Bulletins/default.htm>

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