



## MYTH vs REALITY:

### The families who rely on Minnesota's welfare to work programs

Information from the Legal Services Advocacy Project and the Affirmative Options Coalition

February 2009.

**THE MYTH:** People go on welfare because they don't want to work

**REALITY:** The numbers of families on cash assistance in Minnesota (and the United States) started declining more than three years before welfare policies changed. Welfare caseloads started dropping in 1995, 1996 and 1997 during a labor shortage when employers were hiring at high rates -- before national and statewide welfare reform was launched. "The relationship between general economic growth and caseload decline is fairly clear and widely documented."<sup>(6)</sup>

**THE MYTH:** Why work when you can get a fat welfare check?

**REALITY:** The cash grant in Minnesota has not increased since 1986. A family of 3 receives \$532 a month -- well below the cost of rent for a two-bedroom apartment.

**THE MYTH:** MFIP helps people get out of poverty. Many families are still in poverty when they become employed.

**REALITY:** MFIP is not an anti-poverty program. A parent in a family of three working 37 hours a week at minimum wage loses all cash assistance -- although her or his earnings are still well below the poverty line of \$17,600 a year.

**THE MYTH:** Welfare is all about people of color, immigrants and Native Americans

**REALITY:** The largest racial group on cash assistance is white. 80% of the parents on cash assistance in St. Louis County are white.<sup>(5)</sup> In St. Louis County, there are 180 African Americans and 112 Native Americans are currently receiving public assistance.<sup>(5)</sup>

**The Myth:** Welfare policy is all about adults.

**REALITY:** Most of the people on cash assistance are children. In December, 2005 for instance -- more than twice as many children (70,000) than adults (29,000) were on cash assistance.<sup>(1)</sup>

**THE MYTH:** Families spend their whole lives on welfare.

**REALITY:** Most families rely on MFIP for a brief period of time. Half the families are off welfare and/or working within one year. 70% are off and/or working within three years.<sup>(2)</sup> Of the 178,000 families who have turned to MFIP in the last ten years and have been subject to time limits, only about 10,000 have actually reached the time limits.

**THE MYTH:** We needed time limits because people were able but unwilling to work and leave welfare.

**REALITY:** The parents that do reach time limits have significant and multiple impairments or disabilities

- "MFIP recipients with multiple serious work barriers are less likely to find jobs, more likely to lose cash assistance because of noncompliance, and more likely to exhaust their 60 months of eligibility for federal cash assistance. . . These families are likely to be living in deep poverty."<sup>(3)</sup>
- 44% of the parents who left MFIP because of time limits were discovered in follow up screenings to warrant referral for diagnosis and treatment of mental illness.<sup>(4)</sup>

**THE MYTH:** MFIP participants have not worked in years or have never been employed.

**REALITY:** An Overwhelming majority of parents turning to cash assistance have a recent work history in MN

- 80% were working sometime in the two years before applying for assistance
- 50% were working in the same quarter in which they applied for assistance

1 Characteristics of December 2005 Minnesota Family Assistance Programs, MN Department of Human Services, Sept. 2006

2 Seven Years of welfare reform in Minnesota: Weighing the Results, Lynda McDonnell, 2003.

3 *Ibid.*

4 *The Welfare Time Limit in Minnesota*, Minnesota Department of Human Services, July 2003.

5 Data from St. Louis County Health and Human Services -- Nov 09

6 AFDC/TANF Caseload Decline 1993-1996, Minnesota Department of Human Services, Evaluation Notes January 2002.

7 Characteristics of December 2005 Minnesota Family Assistance Programs, MN Department of Human Services, Sept. 2006.