

# MFIP

## Reforming Welfare and Rewarding Work:

Final Report on the  
Minnesota Family  
Investment Program

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### **Volume 1: Effects on Adults**

Cynthia Miller  
Virginia Knox  
Lisa A. Gennetian  
Martey Dodoo  
Jo Anna Hunter  
Cindy Redcross

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**Table 1.1**

**Major Differences in Rules for Financial Assistance, Administration of Benefits, and Employment and Training Programs Under the AFDC System and MFIP**

Program Dimension	AFDC System <sup>a</sup>	MFIP
<b><u>Eligibility</u></b>		
Income requirements	AFDC and Food Stamps both had gross and net income requirements that households must have met in order to be eligible for benefits.	Net income requirement only.
Asset limits	AFDC asset limit of \$1,000, with \$1,500 exemption for one vehicle. Food Stamp asset limit of \$2,000, with exemption for one vehicle with a value of up to \$4,500.	Asset limit of \$2,000, with exemption for vehicles with a combined equity value of up to \$4,500.
Who was included in the assistance unit	Stepparents, relatives, and others living with the applicant family were not considered part of the household by AFDC, but their income may have been counted in determining Food Stamp eligibility and benefit levels.	Some individuals, such as stepparents and parents of minor parents, could decide whether to be included in the MFIP household. If they decided not to be, they were not eligible to receive Food Stamps separately. Other relatives were not included in determining eligibility or benefit levels, but may have received Food Stamps separately.
Work history requirements and work limits for two-parent families	To have been eligible for AFDC, one parent must either have been incapacitated or reported a recent work history, and worked less than 100 hours per month. Minnesota's Family General Assistance (FGA) program did not have these requirements.	No such requirements.
<b><u>Financial assistance</u></b>		
Grant calculation when a recipient has earned income	<p>AFDC grant calculation excluded \$120 and one-third of any remaining monthly earnings during the first 4 months of work; \$120 during the next 8 months; \$90 per month thereafter.</p> <p>Food Stamp grant calculation excluded 70 percent of net income. Net income included the AFDC grant but excluded 20 percent of gross earnings, a \$131 standard deduction, and up to \$207 of excess shelter expenses.<sup>b</sup></p>	<p>If there was no earned income, the maximum grant equaled the combined value of AFDC and Food Stamps. If there was earned income, benefits equaled the maximum grant increased by 20 percent, minus net income (Net income excluded 38 percent of gross earnings.) However, benefits could not exceed the maximum grant level.</p>

(continued)

**Table 1.1 (continued)**

Program Dimension	AFDC System <sup>a</sup>	MFIP
Child care assistance for working parents	Child care reimbursed up to \$175 (\$200 for children under age 2) as part of AFDC grant, with additional costs reimbursed separately up to county maximum rate.	Child care paid directly to child care provider, up to county maximum rate.
Transitional child care and Medicaid	AFDC transitional benefits were available for the first 12 months after a registrant left welfare for work. Sliding-fee child care was available subsequently.	Same as AFDC.
Penalty for noncompliance with required activities	Noncompliant parent was removed from grant.	Grant was reduced by 10 percent.
<b><u>Administration of benefits<sup>c</sup></u></b>		
Number of public assistance programs	Three separate programs: AFDC, Food Stamps, and FGA.	One program consolidated and replaced AFDC, Food Stamps, and FGA.
Rules for use of Food Stamp benefits	Federal Food Stamp rules applied.	Food Stamps incorporated into MFIP cash grant without Food Stamp restrictions on purchases, unless Food Stamps requested by the recipient.
<b><u>Employment and training programs<sup>d</sup></u></b>		
Mandatory activities		
Single-parent families	Mandatory orientation to STRIDE (Minnesota's JOBS program) for AFDC applicants in a STRIDE target group, except those with children under age 3.	Mandatory participation in MFIP employment and training services for single parents with no children under age 1, who had received welfare for more than 2 years.
Two-parent families	Mandatory orientation and participation in job search and the Community Work Experience Program by primary wage-earner. Second parent could volunteer for STRIDE.	Mandatory participation in MFIP employment and training services by one parent if family had received welfare for more than 6 months.

(continued)

**Table 1.1 (continued)**

Program Dimension	AFDC System <sup>a</sup>	MFIP
Parents under age 20	Mandatory participation in an education activity for those who had not completed high school or earned a General Educational Development (GED) certificate.	Same as AFDC.
Target groups for voluntary activities	Those in the following target groups could volunteer for STRIDE: single parents who had received aid for 36 of the past 60 months; were custodial parents under age 24 without a high school diploma or the equivalent, or had limited work experience; <sup>e</sup> or were within 2 years of becoming ineligible for aid because the youngest child was age 16 or older.	After July 1995, MFIP sample members who had been receiving welfare for less than 24 months were allowed to volunteer for MFIP services. The number who could volunteer was capped at 10 percent of the MFIP caseload for each case management agency.
Support services	Child care, transportation, and work-related expenses were covered for STRIDE participants. Child care was not available for social services required to remove barriers to employment.	Child care, transportation, and work-related expenses were covered for MFIP employment and training participants. Child care was available for social services required to remove barriers to employment, such as attendance at chemical dependency counseling.

SOURCES: AFDC and MFIP planning documents and eligibility manuals.

NOTES: <sup>a</sup>The term "AFDC system" is used throughout this report to represent the range of programs MFIP was designed to replace, including not only AFDC but also Food Stamps; the Family General Assistance (FGA) program; and Minnesota's JOBS program, STRIDE. The rules shown above are primarily related to AFDC, except where otherwise noted.

<sup>b</sup>These calculation standards were in effect in 1994.

<sup>c</sup>For both AFDC and MFIP group members, Electronic Benefits Transfer was implemented for cash and Food Stamps during the evaluation period (in late 1994 in Hennepin, late 1997 in Anoka and Dakota, and mid-1998 in rural counties).

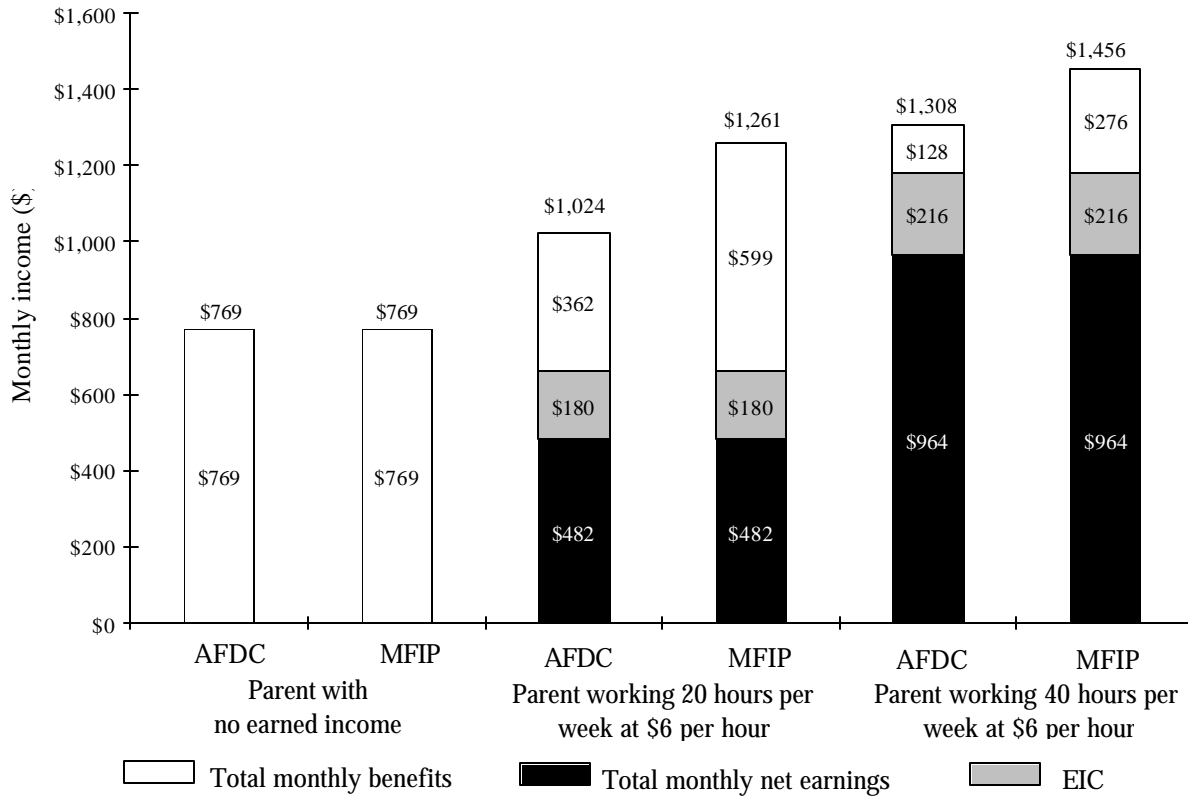
<sup>d</sup>Employment and training rules described for the "AFDC system" are the rules for AFDC recipients. They do not apply to those receiving only FGA or Food Stamps.

<sup>e</sup>Limited work experience is defined as fewer than 6 months of full-time employment within the past 12 months.



**Figure 1.1**

**How MFIP Makes Work Pay: Examples of Monthly Income for a Single Parent with Two Children Under MFIP and AFDC**



SOURCES: U.S. House of Representatives, Committee on Ways and Means, 1994; 1994 MFIP eligibility manual.

NOTES: Calculations are based on AFDC, Food Stamp, MFIP, income tax, and Earned Income Credit (EIC) rules for April through June 1994. Monthly net earnings are based on the sum of the parent's monthly earnings, minus any applicable income taxes. Monthly benefits are based on the sum of the monthly MFIP or AFDC grant plus any Food Stamp benefits. AFDC grant calculations are based on AFDC rules for the fifth to twelfth months of employment.

MFIP combines AFDC and Food Stamp benefits into one cash grant. A recipient with no other income receives the maximum grant, which is the maximum combined value of AFDC and Food Stamps. An employed recipient receives the lower of (1) the maximum grant increased by 20 percent, minus net income, or (2) the maximum grant. Net income excludes 38 percent of gross earnings.

The AFDC grant calculation disregards \$120 of gross earnings. After the twelfth month of employment, AFDC recipients are eligible for only a \$90 earnings disregard.

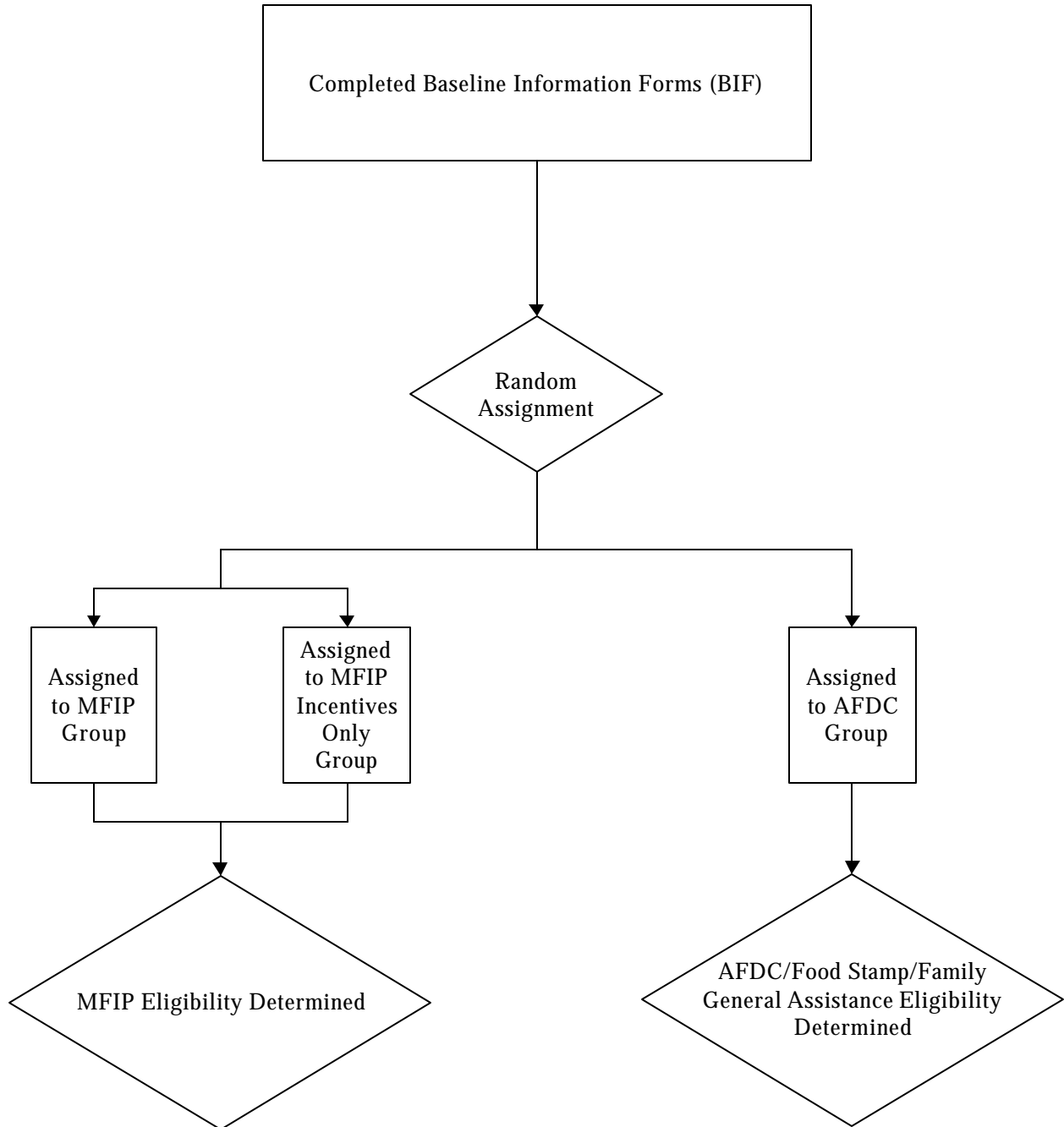
Grant calculations assume no unreimbursed child care costs and no child support collections. AFDC and Food Stamp benefit amounts are based on \$500 per month rent.





**Figure 1.2**

**Overview of the Intake and Random Assignment Process for the MFIP Evaluation**



NOTE: In Hennepin County only, a fourth research group was assigned which received AFDC benefits but no STRIDE services. This group is discussed in Appendix A.





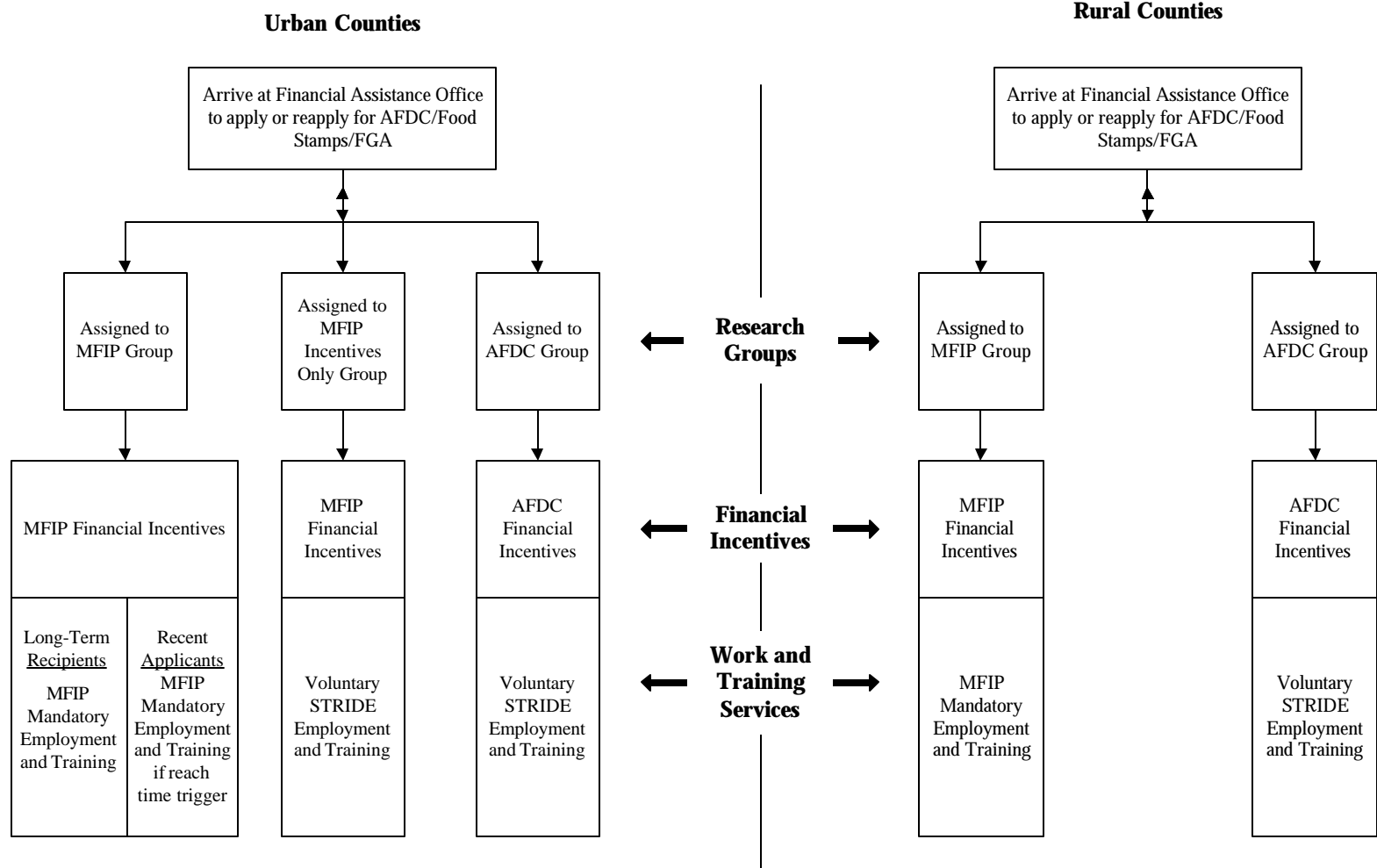






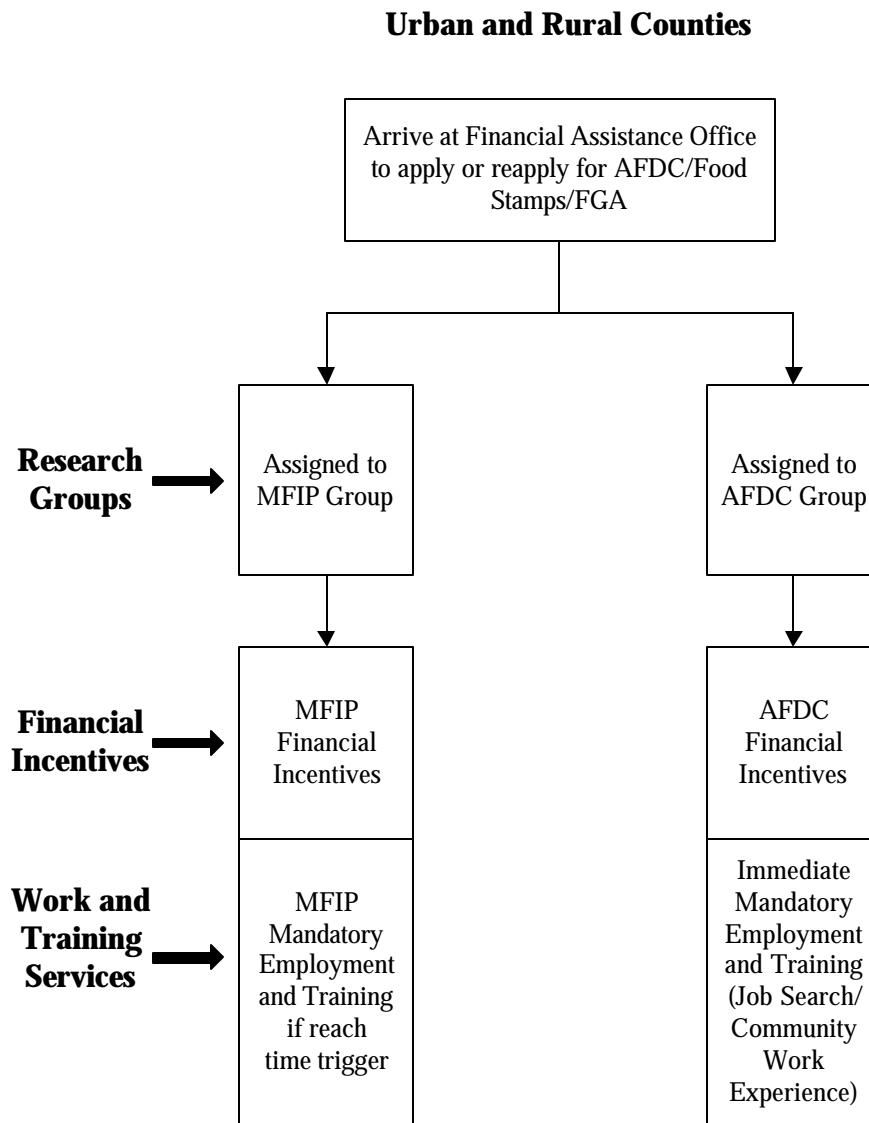
**Figure 1.3**

**MFIP Random Assignment Design for Single-Parent Families**



**Figure 1.4**

**MFIP Random Assignment Design for Two-Parent Families**





**Table 1.2**

**MFIP Research Questions and the Research Group Comparisons That Address Them**

	MFIP vs. AFDC	MFIP Incentives Only vs. AFDC	MFIP vs. MFIP Incentives Only
	What are the effects of the full MFIP program?	What are the effects of MFIP's financial incentives alone?	What are the effects of adding MFIP's mandatory services and reinforced incentive message?
<b><u>Single-parent families</u></b>			
Urban counties			
Long-term recipients	✓	✓	✓
Recent applicants	✓	✓	✓
Rural counties			
Long-term recipients	✓		
Recent applicants	✓		
<b><u>Two-parent families</u></b>			
Urban and rural counties			
Recipients	✓		
Applicants	✓		





welfare for the first time on the day of random assignment<sup>31</sup> — were informed that the mandates would apply to them if they remained on welfare for 24 months after random assignment to MFIP. Short-term recipients, who had received welfare before random assignment but for a period of less than 24 months, were informed that they would be referred to mandatory activities when they reached the two-year time trigger. Because neither new applicants nor short-term recipients were immediately subject to MFIP’s mandates but both were potentially subject to the mandates during the three-year follow-up period used for many outcomes in this report, for simplicity these two groups are combined into one subgroup called “recent applicants” in the report. (Box 1.1 summarizes the key elements of MFIP for single-parent families.)

Compounding the difference in how long-term recipients and recent applicants experienced the MFIP treatment is a substantial difference in the rates at which the two groups typically leave welfare, even in the absence of MFIP. In general, recent applicants are likely to find jobs and to leave welfare more quickly than are long-term recipients. Thus, as anticipated by MFIP’s planners, by the time recent applicants reached their two-year time trigger for mandatory services, a significant proportion of them were likely to have already left welfare, having never been “touched” by the mandated activities (aside from the possible effects of being told that services would be mandatory for them in the future). Together, the program’s strategy of exempting recent applicants from mandated services for two years and the welfare dynamics that inspired that strategy mean that the typical long-term recipient and the typical recent applicant received profoundly different MFIP treatments. For this reason, the results for long-term recipients and recent applicants are examined separately throughout the report.<sup>32</sup>

<b>Box 1.1</b>	
<b>Key Elements of MFIP for Single-Parent Families</b>	
<b>Recent Applicants</b>	<b>Long-Term Recipients</b>
<ul style="list-style-type: none"> <li>• Financial incentives (and other changes in eligibility rules)</li> <li>• Referral to mandatory services with reinforced incentives message if remaining on welfare and reaching the two-year time trigger</li> </ul>	<ul style="list-style-type: none"> <li>• Financial incentives (and other changes in eligibility rules)</li> <li>• Immediate referral to mandatory services</li> </ul>

<sup>31</sup>Technically, a “new applicant” is defined as a person who is applying for welfare for the first time in the past three years.

<sup>32</sup>The report refers to the subgroups by their status at the time of random assignment. Therefore, parents who entered the demonstration when they applied for welfare are always referred to as “applicants,” even though most became recipients of welfare when their eligibility had been verified.





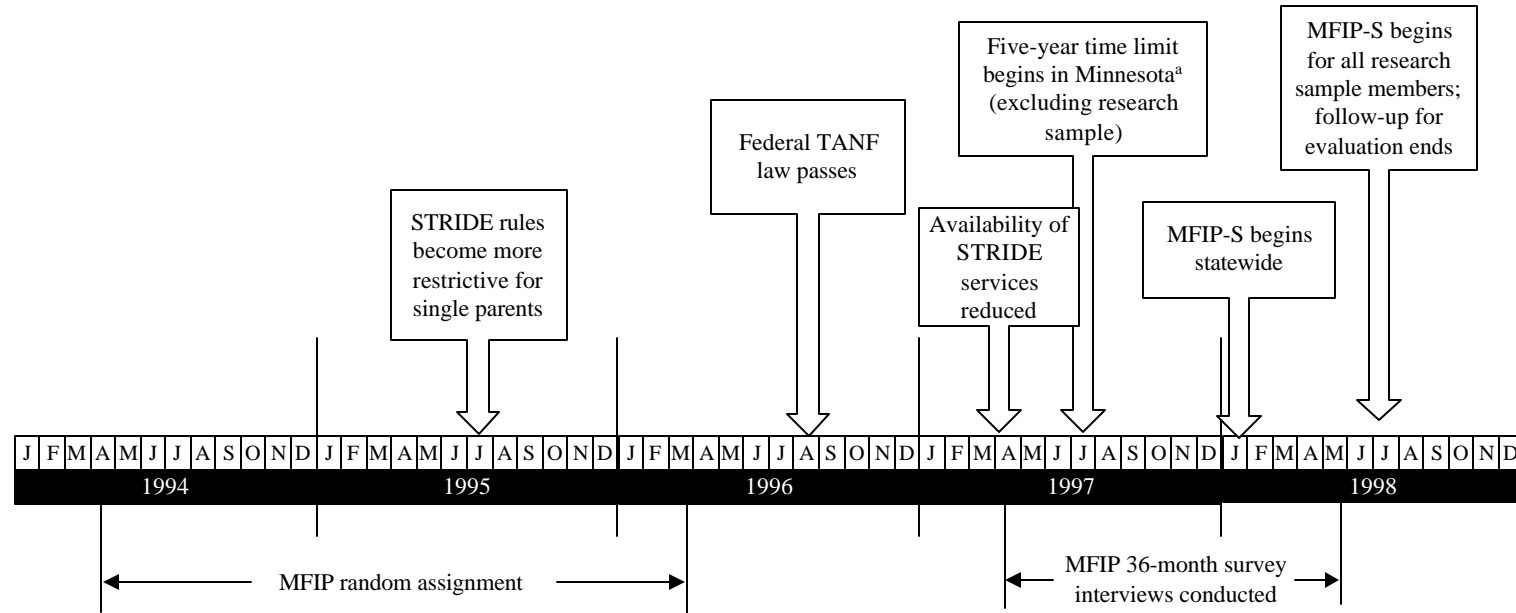






Figure 1.5

Time Line of Welfare Reform and MFIP Evaluation Milestones



NOTE: <sup>a</sup>In addition, the 100-hour rule was eliminated statewide, including for research sample members in the AFDC group.

- In July 1997, a five-year time limit on receipt of cash assistance began for all welfare recipients in the state who were not part of the MFIP field trials.<sup>44</sup>
- In July 1997, the 100-hour rule was eliminated for all two-parent families, *including* those in the AFDC group of the field trials.
- From January to March 1998, all welfare recipients in the state who were not part of the MFIP field trials were converted from the AFDC system to the new MFIP-S system.
- In June and July 1998, members of all research groups in the MFIP field trial sample were converted to the MFIP-S program, and data collection for the MFIP evaluation ended.

The field trial members were converted to MFIP-S later than the rest of the state caseload because Minnesota DHS was committed to keeping the basic differences in treatment between the program and control groups intact until the evaluation follow-up was completed in mid-1998. Nevertheless, throughout this period of phasing in new rules, DHS officials were aware that publicity about these changes could confuse members of the field trials regarding which rules applied to them (particularly since even the field trial counties were phasing in the new rules for all recipients who were not part of the research sample).<sup>45</sup> To mitigate this problem as much as possible, DHS sent out notices informing individuals in each research group that they were temporarily exempted from the 60-month time limit and other changes under MFIP-S.

MFIP program staff were keenly aware that change was afoot, and they reported an increasing awareness of time limits and work requirements among members of the field trials, particularly for the final six months of follow-up for the evaluation, when counties converted the non-field trial members of their caseloads to MFIP-S. However, they also reported in interviews that most recipients adopted a “wait and see” attitude toward responding to the impending changes.

Both the work requirements and the 60-month time limit that were part of the new rules under MFIP-S could have confused sample members about which welfare rules applied to them. The primary concern was that these changes might differentially affect the MFIP and AFDC groups. If, for example, the vast majority of the MFIP group believed that there was a time limit but AFDC group members did not, and if this difference in understanding of welfare rules changed their employment behavior, then the evaluation might mistakenly attribute changes in their behavior to the MFIP treatment rather than to differences in the groups’ understanding of time limits.

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<sup>44</sup>Also in July 1997, earned income disregards were expanded for all welfare recipients in the state who were not part of the MFIP field trials.

<sup>45</sup>Thus, from mid-1997 to mid-1998, these counties maintained three systems: the new MFIP-S system, the old AFDC system for research sample members in the AFDC group, and the original MFIP system for research sample members in the MFIP group.

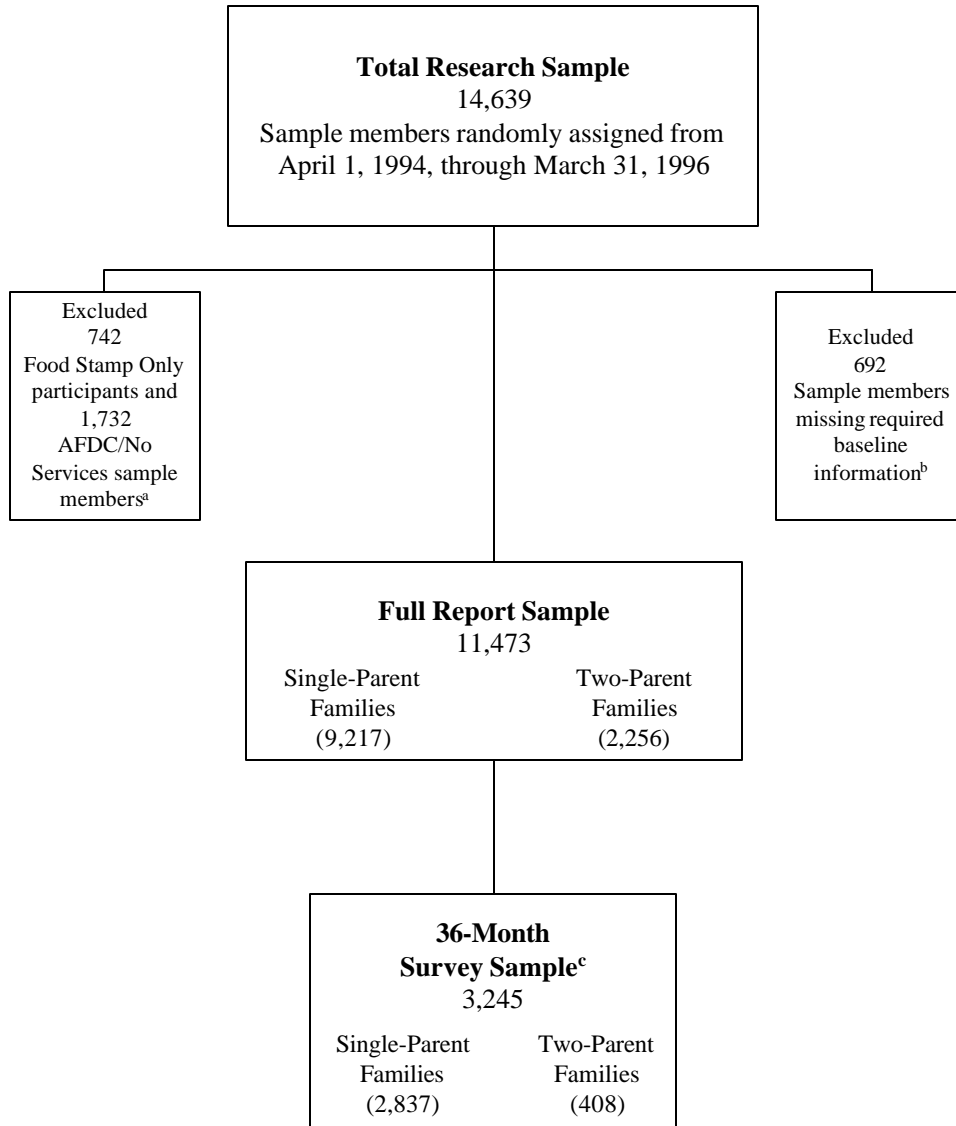






**Figure 2.1**

**Derivation of the Full Report Sample and of the Survey Sample in the MFIP Evaluation**



NOTES: <sup>a</sup> The Food Stamp Only group and the AFDC/No Services group are excluded from the full report sample. However, separate analysis are conducted for them in Appendices A and C.

<sup>b</sup>Required baseline information included accurate Social Security numbers, information needed to determine whether the person met the MFIP criteria for participation in mandatory services, and gender.

<sup>c</sup>The full 36-month survey sample is actually 3,720 when the Food Stamps Only and AFDC/No Services groups are included. The sample of 3,720 respondents was drawn from a pool of 4,586 sample members randomly assigned from April 1, 1994, to October 31, 1994, for a response rate of 81 percent.

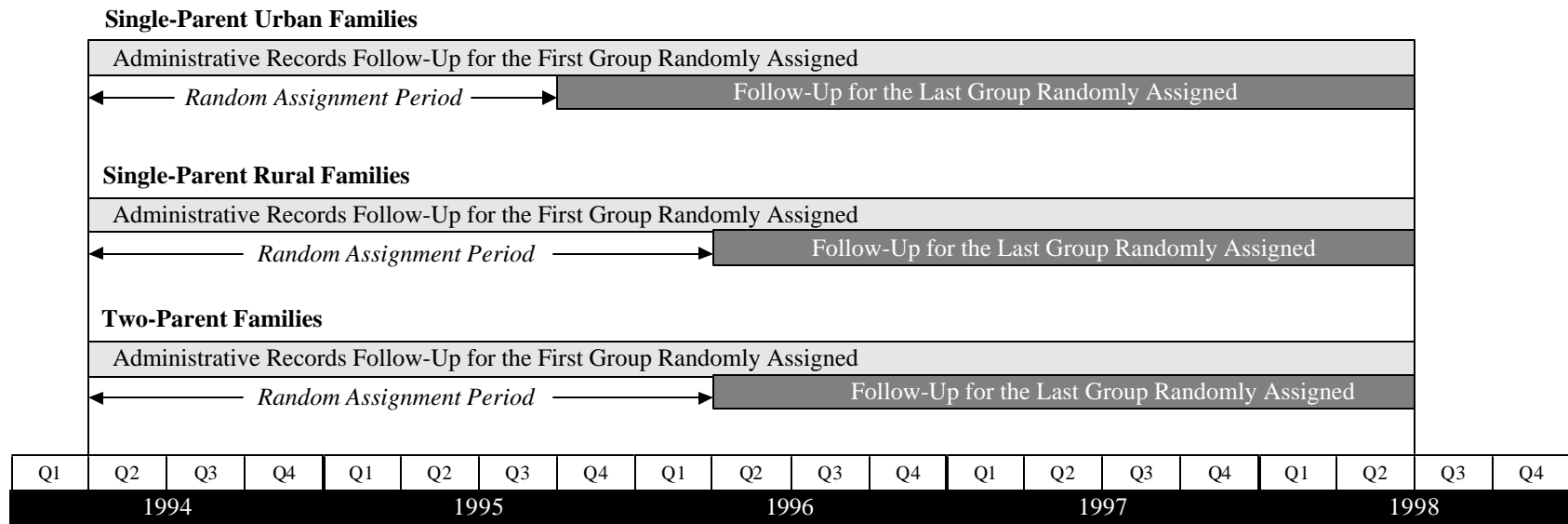






**Figure 2.2**

**Random Assignment Periods and Administrative Records Follow-Up for the MFIP Evaluation**





**Table 2.2**

**Selected Characteristics of Single-Parent Families in the Sample,  
by Welfare Status at Random Assignment**

Characteristic	Long-Term Recipients	Recent Applicants
<b><u>Demographic characteristics</u></b>		
Geographic area (%)		
Hennepin County (Minneapolis)	65.8	56.6
Anoka/Dakota Counties	15.7	27.1
Rural counties	18.5	16.3
Gender of respondent (%)		
Female	97.8	87.8
Male	2.2	12.2
Average age (years)	30.4	29.0
Race/ethnicity (%)		
White, non-Hispanic	52.8	65.1
Black, non-Hispanic	34.8	24.3
Hispanic	1.7	2.6
Native American/Alaskan Native	7.8	5.2
Asian/Pacific Islander	2.9	2.8
<b><u>Family status</u></b>		
Marital status (%)		
Never married	64.0	52.4
Married, living with spouse	0.5	0.3
Married, living apart	9.5	22.5
Separated	2.0	3.3
Divorced	22.8	20.5
Widowed	1.2	1.0
Age of youngest child in years (%)		
Under 3, or client pregnant at the time of random assignment	35.4	54.5
3-5	29.2	16.3
6-18	35.5	29.3
Number of children (%)		
1	35.7	59.1
2	32.7	23.3
3 or more	30.1	14.3
<b><u>Labor force status</u></b>		
Worked full time for 6 months or more for one employer (%)	53.5	69.1
Any earnings in past 12 months (%)	32.1	74.8
Currently employed (%)	13.9	22.7
Average hourly wage <sup>a</sup> (\$)	5.94	6.59
Average hours worked per week <sup>b</sup> (%)		
1-19	43.4	33.6
20-29	29.9	26.4
30 or more	26.7	40.0
Never worked (%)	10.1	3.5

**Table 2.2 (continued)**

Characteristic	Long-Term Recipients	Recent Applicants
<b><u>Education status</u></b>		
Highest credential earned (%)		
GED certificate <sup>c</sup>	16.9	13.0
High school diploma	39.7	47.2
Technical/2-year college degree	9.6	12.3
4-year college degree or higher	1.3	4.0
None of the above	32.6	23.5
Highest grade completed in school (average)	11	12
<b><u>Prior welfare receipt</u></b>		
Total prior AFDC receipt <sup>d</sup> (%)		
None	1.3	57.8
Less than 4 months	0.9	3.6
4 months or more but less than 1 year	1.8	9.6
1 year or more but less than 2 years	2.5	11.6
2 years or more but less than 5 years	40.2	10.2
5 years or more but less than 10 years	31.6	4.4
10 years or more	21.8	2.8
<b><u>MFIP employment and training mandates<sup>e</sup></u></b>		
Met MFIP criteria for participation in mandatory employment and training services <sup>f</sup> (%)	100	7.5
Parent under age 20, no high school diploma/GED	5.1	6.9
Recipient of AFDC 24 of past 36 months	96.5	0.9
<b><u>STRIDE eligibility<sup>g</sup></u></b>		
In STRIDE target group <sup>f</sup> (%)	84.4	32.0
Parent under age 24 (18-23), no high school diploma/GED	10.1	12.3
Parent under age 24 (18-23), limited work experience	15.2	20.8
Recipient of AFDC 36 of past 60 months	73.0	4.5
Youngest child age 16 or over	1.1	1.3
<b><u>Housing status</u></b>		
Current housing status (%)		
Public housing	5.7	2.2
Subsidized housing	33.9	7.7
Emergency or temporary housing	2.7	3.7
None of the above	57.7	86.5
Number of moves in the past 2 years (%)		
None	32.7	25.6
1 or 2	48.7	53.8
3 or more	18.7	20.6

(continued)

**Table 2.2 (continued)**

Characteristic	Long-Term Recipients	Recent Applicants
<b><u>Current and recent education and training activities</u></b>		
Currently enrolled in education or training <sup>f</sup> (%)		
Any type	23.3	17.3
GED preparation	4.6	2.1
English as a Second Language	0.4	0.4
Adult basic education	1.1	0.6
Vocational education/skills training	5.6	3.7
Post-secondary education	8.9	6.6
Job search/job club	1.9	2.1
Work experience	0.9	0.4
High school	1.3	2.5
If enrolled, program is part of a STRIDE plan	31.2	7.7
Enrolled in any type of education or training during the previous 12 months (%)	28.5	22.7
Sample size (total = 9,217)	3,208	6,009

SOURCE: MDRC calculations using data from Background Information Forms.

NOTES: The sample includes AFDC and MFIP group members who were randomly assigned from April 1, 1994, to March 31, 1996, excluding the small percentage who were receiving or applying only for Food Stamps, were assigned to the AFDC/No Services group, or were missing required baseline information. Members of the AFDC group were potentially eligible for any programs that MFIP was designed to replace: AFDC; Minnesota's JOBS program, STRIDE; Family General Assistance (FGA); or Food Stamps.

One percent of single-parent sample members did not complete a Background Information Form.

<sup>a</sup>Calculated for those employed at the time of random assignment who reported an hourly wage. Twenty percent of those employed were excluded because they did not report an hourly wage.

<sup>b</sup>Calculated for those employed at the time of random assignment.

<sup>c</sup>The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

<sup>d</sup>This refers to the total number of months an individual or her spouse has spent on AFDC at one or more periods of time as an adult. It does not include AFDC receipt under a parent's name.

<sup>e</sup>Only those assigned to the MFIP group were subject to these mandates.

<sup>f</sup>Totals may not equal all categories summed because some sample members may be in more than one category.

<sup>g</sup>Only those assigned to the AFDC group were subject to these rules.

one-fifth are Hispanic. The ethnic composition of the sample is similar to that of the Minnesota AFDC caseload, with a slightly larger proportion of black families.<sup>12</sup>

The majority of single parents had never been married or were divorced, although a proportion of single parents were married but living apart from their spouse and not legally separated. Interestingly, a much larger proportion (22.5 percent) of recent applicants than of long-term recipients (9.5 percent) fell into this category — an indication that recent marital breakup is a factor in applying for welfare.

Among long-term recipients, 64.6 percent had preschool-age children; as might be expected, the proportion was higher among recent applicants — 70.8 percent. Moreover, the proportions with children under 3 years old (or pregnant at the time of random assignment) were 35.4 percent of long-term recipients and 54.5 percent of recent applicants. These percentages suggest that there could have been a high demand for child care services among those entering employment and training services or employment. In fact, as shown in Table 2.5, more than half of long-term recipients cited an inability to arrange for child care as the reason they could not work. The MFIP caseload had a much higher proportion of preschool-age children than the U.S. average AFDC caseload; less than half the national caseload in 1994 had preschool-age children.

The MFIP sample had relatively high levels of education compared with the national welfare caseload. More than two-thirds of long-term recipients and three-fourths of recent applicants earned at least a high school diploma or a GED certificate before entering the study. Not surprisingly, on average, recent applicants completed more years of schooling (grade 12) than did long-term recipients (grade 11).

As expected, long-term recipients were more disadvantaged than recent applicants in terms of their employment history and welfare history. The earnings and welfare histories of long-term recipients suggest that they may have been less likely than the other sample members to find immediate employment. Less than one-third of long-term recipients reported some earnings in the year prior to random assignment, whereas three-fourths of recent applicants reported earnings. The average hourly wage among long-term recipients who were employed at random assignment was about 65 cents less than the hourly wage among recent applicants. In addition, 10.1 percent of single parents who were long-term recipients had never held a job, compared with 3.5 percent of recent applicants. Recent applicants had a more stable work history as well. Only about half (53.5 percent) of long-term recipients had ever worked full time for six months for the same employer, compared with 69.1 percent of recent applicants. These work histories indicate that recent applicants could have been able to find jobs much more quickly than long-term recipients.

Additionally, more than half (53.4 percent) of long-term recipients had received cash assistance on their own or spouse's AFDC/FGA case for five years or more, compared with only 7.2 percent of recent applicants.<sup>13</sup> It is interesting that the length of stay on AFDC for such a high proportion of long-

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<sup>12</sup>National and state caseload averages are from the *1996 Green Book* for the years 1994-1995 (U.S. House of Representatives, Committee on Ways and Means, 1996).

<sup>13</sup>A family who had been on welfare for a lengthy stay is still classified as a recent applicant if that spell had occurred at least three years before random assignment.





**Table 2.3 (continued)**

Attitude or Opinion	Long-Term Recipients	Recent Applicant
If client could get \$800 a month, plus Medicaid and free child care, percentage who would prefer:		
Getting all the money by working 40 hours a week	52.8	56.0
Getting half the money by working 20 hours a week	47.3	44.0
If client could keep most of the welfare check and also keep any money earned from a \$6-an-hour job, number of hours she would want to work: (%)		
None	3.6	3.8
Less than 30	26.2	31.5
30 or more	70.2	64.7
<b><u>Client job search</u></b>		
How much have you been able to look for a job in the past three months? (%)		
Not at all	48.3	37.5
Some/a little	31.4	26.9
A moderate amount	13.0	21.3
A great deal	7.3	14.3
In the past 4 weeks, about how many employers, if any, did you contact (by telephone, mail, or in person) in order to apply for a job or ask about job openings? (%)		
None	74.7	67.6
Any	25.3	32.4
<b><u>Client-reported attitudes toward welfare</u></b>		
Percentage who agreed or agreed a lot with the following statements:		
I feel that people look down on me for being on welfare	65.2	56.8
I am ashamed to admit to people that I am on welfare	57.5	54.6
Right now, being on welfare provides for my family better than I could by working	61.1	56.2
I think it is better for my family that I stay on welfare than work at a job	18.8	16.1
<b><u>Client-reported social support network</u></b>		
Percentage who agreed or agreed a lot with the following statements:		
Among my family, friends, and neighbors, I am one of the only people who is on welfare	34.6	50.1
When I have trouble or need help, I have someone to talk to	76.0	81.8

(continued)

**Table 2.3 (continued)**

Attitude or Opinion	Long-Term Recipients	Recent Applicant
<b><u>Client-reported sense of efficacy</u></b>		
Percentage who agreed or agreed a lot with the following statements:		
I have little control over the things that happen to me	21.2	16.8
I often feel angry that people like me never have a chance to succeed	48.5	31.5
Sometimes I feel that I'm being pushed around in life	44.5	40.7
There is little I can do to change many of the important things in my life	32.6	25.5
All of the above	7.9	5.0
None of the above	27.8	38.6
Sample size (total = 9,217)	3,208	6,009

SOURCE: MDRC calculations using data from the Private Opinion Survey.

NOTES: The sample includes AFDC and MFIP group members who were randomly assigned from April 1, 1994, to March 31, 1996, excluding the small percentage who were receiving or applying only for Food Stamps, were assigned to the AFDC/No Services group, or were missing required baseline information. Members of the AFDC group were potentially eligible for any programs that MFIP was designed to replace: AFDC; Minnesota's JOBS program, STRIDE; Family General Assistance (FGA); or Food Stamps.

Twenty-six percent of single-parent sample members did not fill out a Private Opinion Survey.

In most categories, individuals could agree or agree a lot with more than one statement. Multiple responses were not possible in the following item groupings: client-reported preferred activities, client-reported employment-related activities, and client-reported acceptable wages.

<sup>a</sup>Part time is defined as a minimum of 10 hours per week. Full time is defined as 40 hours per week.

<sup>b</sup>Percentages were calculated for those with a consistent preference.





**Table 2.4**  
**Selected Characteristics of Two-Parent Families in the Sample,**  
**by Welfare Status at Random Assignment**

Characteristic	Recipients	Applicants
<b><u>Demographic characteristics</u></b>		
Geographic area (%)		
Hennepin County (Minneapolis)	52.4	37.2
Anoka/Dakota Counties	20.3	24.2
Rural counties	27.3	38.6
Gender of respondent (%)		
Female	90.7	78.0
Male	9.3	22.0
Average age (years)		
	31.2	30.6
Race/ethnicity (%)		
White, non-Hispanic	59.5	79.7
Black, non-Hispanic	16.2	7.2
Hispanic	2.7	4.3
Native American/Alaskan Native	5.6	2.2
Asian/Pacific Islander	16.0	6.6
<b><u>Family status</u></b>		
Marital status (%)		
Married, living with spouse	68.7	78.8
Cohabiting		
Never married	24.2	17.4
Married, living apart	1.8	0.7
Separated, currently cohabiting	0.2	0.1
Divorced, currently cohabiting	5.2	3.0
Widowed	0.1	0.0
Age of youngest child in years (%)		
Under 3, or client pregnant at the time of random assignment	55.2	61.1
3-5	22.3	12.8
6-18	22.5	26.1
Number of children (%)		
1	20.8	39.4
2	31.1	28.1
3 or more	46.3	30.7
<b><u>Labor force status</u></b>		
Worked full time for 6 months or more for one employer (%)		
	52.4	73.5
Any earnings in past 12 months (%)		
	59.2	21.2
Currently employed (%)		
	15.1	30.6
Average hourly wage <sup>a</sup> (\$)		
	6.41	7.38
Average hours worked per week <sup>b</sup> (%)		
1-19	36.7	36.4
20-29	24.3	15.5
30 or more	38.9	48.2
Never worked (%)		
	16.6	3.6

(continued)

**Table 2.4 (continued)**

Characteristic	Recipients	Applicants
<b><u>Education status</u></b>		
Highest credential earned (%)		
GED certificate <sup>c</sup>	12.6	10.4
High school diploma	38.9	51.1
Technical/2-year college degree	9.2	12.7
4-year college degree or higher	2.1	7.0
None of the above	37.2	18.9
Highest grade completed in school (average)	11	12
<b><u>Prior welfare receipt</u></b>		
Total prior AFDC receipt <sup>d</sup> (%)		
None	3.7	74.4
Less than 4 months	4.5	2.6
4 months or more but less than 1 year	13.0	8.7
1 year or more but less than 2 years	13.4	4.3
2 years or more but less than 5 years	30.5	6.4
5 years or more but less than 10 years	23.0	2.4
10 years or more	12.1	1.2
<b><u>MFIP employment and training mandates<sup>e</sup></u></b>		
Met MFIP criteria for participation in mandatory employment and training services <sup>f</sup> (%)	71.5	5.2
Parent under age 20, no high school diploma/GED	2.9	4.8
Recipient of AFDC 24 of past 36 months	69.7	0.4
<b><u>STRIDE eligibility<sup>g</sup></u></b>		
In STRIDE target group <sup>f</sup> (%)	57.4	22.2
Parent under age 24 (18-23), no high school diploma/GED	8.2	7.9
Parent under age 24 (18-23), limited work experience	14.7	17.2
Recipient of AFDC 36 of past 60 months	42.5	0.0
Youngest child age 16 or over	1.3	1.5
<b><u>Housing status</u></b>		
Current housing status (%)		
Public housing	7.6	2.1
Subsidized housing	17.8	3.4
Emergency or temporary housing	3.7	3.4
None of the above	70.8	91.1
Number of moves in the past 2 years (%)		
None	34.8	34.2
1 or 2	45.6	50.1
3 or more	19.6	15.8

(continued)

**Table 2.4 (continued)**

Characteristic	Recipients	Applicants
<b><u>Current and recent education and training activities</u></b>		
Currently enrolled in education or training <sup>f</sup> (%)		
Any type	20.3	12.3
GED preparation	2.6	0.7
English as a Second Language	5.7	1.6
Adult basic education	1.2	0.6
Vocational education/skills training	4.5	2.2
Post-secondary education	3.4	4.0
Job search/job club	3.0	2.1
Work experience	0.5	0.4
High school	0.7	1.5
If enrolled, program is part of a STRIDE plan	15.5	0.0
Enrolled in any type of education or training during the previous 12 months (%)	28.4	16.0
Sample size (total = 2,256)	1,523	733

SOURCE: MDRC calculations using data from Background Information Forms.

NOTES: The sample includes AFDC and MFIP group members who were randomly assigned from April 1, 1994, to March 31, 1996, excluding the small percentage who were receiving or applying only for Food Stamps, were assigned to the AFDC/No Services group, or were missing required baseline information. Members of the AFDC group were potentially eligible for any programs that MFIP was designed to replace: AFDC; Minnesota's JOBS program, STRIDE; Family General Assistance (FGA); or Food Stamps.

One percent of two-parent sample members did not complete a Background Information Form.

<sup>a</sup>Calculated for those employed at the time of random assignment who reported an hourly wage. Twenty percent of those employed were excluded because they did not report an hourly wage.

<sup>b</sup>Calculated for those employed at the time of random assignment.

<sup>c</sup>The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

<sup>d</sup>This refers to the total number of months an individual or her spouse has spent on AFDC at one or more periods of time as an adult. It does not include AFDC receipt under a parent's name.

<sup>e</sup>Only those assigned to the MFIP group were subject to these mandates.

<sup>f</sup>Totals may not equal all categories summed because some sample members may be in more than one category.

<sup>g</sup>Only those assigned to the AFDC group were subject to these rules.





**Table 2.5 (continued)**

Attitude or Opinion	Recipients	Applicants
If client could get \$800 a month, plus Medicaid and free child care, percentage who would prefer:		
Getting all the money by working 40 hours a week	52.2	60.0
Getting half the money by working 20 hours a week	47.8	40.0
If client could keep most of the welfare check and also keep any money earned from a \$6-an-hour job, number of hours she would want to work: (%)		
None	4.4	5.1
Less than 30	31.1	29.0
30 or more	64.4	66.0
<b><u>Client job search</u></b>		
How much have you been able to look for a job in the past three months? (%)		
Not at all	43.4	40.3
Some/a little	30.7	26.8
A moderate amount	16.6	17.4
A great deal	9.3	15.5
In the past 4 weeks, about how many employers, if any, did you contact (by telephone, mail, or in person) in order to apply for a job or ask about job openings? (%)		
None	75.8	70.3
Any	24.2	29.7
<b><u>Client-reported attitudes toward welfare</u></b>		
Percentage who agreed or agreed a lot with the following statements:		
I feel that people look down on me for being on welfare	66.0	56.8
I am ashamed to admit to people that I am on welfare	58.7	56.2
Right now, being on welfare provides for my family better than I could by working	54.4	50.6
I think it is better for my family that I stay on welfare than work at a job	21.4	11.9
<b><u>Client-reported social support network</u></b>		
Percentage who agreed or agreed a lot with the following statements:		
Among my family, friends, and neighbors, I am one of the only people who is on welfare	37.6	52.8
When I have trouble or need help, I have someone to talk to	79.5	86.6

(continued)

**Table 2.5 (continued)**

Attitude or Opinion	Recipients	Applicants
<b><u>Client-reported sense of efficacy</u></b>		
Percentage who agreed or agreed a lot with the following statements:		
I have little control over the things that happen to me	23.7	23.4
I often feel angry that people like me never have a chance to succeed	44.5	32.7
Sometimes I feel that I'm being pushed around in life	45.7	41.4
There is little I can do to change many of the important things in my life	31.4	28.8
All of the above	8.1	7.1
None of the above	28.9	37.0
Sample size (total = 2,256)	1,523	733

SOURCE: MDRC calculations using data from the Private Opinion Survey.

NOTES: The sample includes AFDC and MFIP group members who were randomly assigned from April 1, 1994, to March 31, 1996, excluding the small percentage who were receiving or applying only for Food Stamps, were assigned to the AFDC/No Services group, or were missing required baseline information. Members of the AFDC group were potentially eligible for any programs that MFIP was designed to replace: AFDC; Minnesota's JOBS program, STRIDE; Family General Assistance (FGA); or Food Stamps.

Thirty-one percent of two-parent sample members for this report did not fill out a Private Opinion Survey.

In most categories, individuals could agree or agree a lot with more than one statement. Multiple responses were not possible in the following item groupings: client-reported preferred activities, client-reported employment-related activities, and client-reported acceptable wages.

<sup>a</sup>Part time is defined as a minimum of 10 hours per week. Full time is defined as 40 hours per week.

<sup>b</sup>Percentages were calculated for those with a consistent preference.













**Table 3.1**

**Summary of MFIP's Impacts on Participation in Employment and Training Activities for Single Parents**

Outcome (%)	Urban Counties			Rural Counties			All Counties <sup>a</sup>		
	MFIP	AFDC	Impact (Difference)	MFIP	AFDC	Impact (Difference)	MFIP	AFDC	Impact (Difference)
<b><u>Long-term recipients</u></b>									
Ever participated in any employment or training activity	80.3	60.6	19.7 ***	74.9	58.5	16.4 **	79.6	60.2	19.4 ***
Short-term employment-related activities	64.6	34.7	29.9 ***	59.7	40.4	19.3 ***	64.2	35.3	28.9 ***
Education or training activities	48.8	47.8	1.0	46.1	45.0	1.2	48.6	47.1	1.5
Sample size (total = 976)	372	352		116	136		488	488	
<b><u>Recent applicants</u></b>									
Ever participated in any employment or training activity	61.5	60.1	1.5	59.4	55.0	4.3	60.7	59.9	0.8
Short-term employment-related activities	34.7	28.6	6.1 **	37.1	30.7	6.4	35.0	29.0	6.0 **
Education or training activities	44.2	47.7	-3.5	47.4	47.6	-0.2	44.1	48.4	-4.3
Sample size (total = 1,278)	514	492		151	121		665	613	

SOURCE: MDRC calculations using data from the 36-month client survey.

NOTES: The sample includes members randomly assigned from April 1, 1994, to October 31, 1994, excluding the small percentage who were receiving or applying only for Food Stamps at random assignment.

A two-tailed t-test is applied to regression-adjusted impact estimates. Statistical significance levels are indicated as \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

Sample size may slightly vary for each outcome variable.

Rounding may cause slight discrepancies in sums and differences.

<sup>a</sup>A higher fraction of the caseload in the rural counties than the urban counties was randomly assigned into the evaluation, meaning that the rural counties are over-represented in the full evaluation sample. To account for this when estimating impacts for urban and rural counties combined, the long-term recipients in rural counties were weighted down by a factor of .56, and the recent applicants in rural counties were weighted down by a factor of .66.





**Table 3.2**

**MFIP's Impacts on Participation in Employment and Training Activities and Educational Attainment for Single-Parent Long-Term Recipients in Urban Counties**

Outcome (%)	Average Outcome Levels			MFIP vs. AFDC	MFIP Incentives Only vs. AFDC	MFIP vs. MFIP Incentives Only
	MFIP	MFIP Incentives Only	AFDC	Impacts of Full MFIP Program	Impacts of Financial Incentives Alone	Impacts of Adding Mandatory Services and Reinforced Incentive Messages
<b><u>Employment and training activities</u></b>						
Ever enrolled in MFIP or STRIDE employment and training program	79.3	34.7	43.0	36.3 ***	-8.3 **	44.6 ***
Ever participated in any employment or training activity	80.9	61.1	60.5	20.4 ***	0.6	19.8 ***
Short-term employment-related activities	65.8	36.0	34.6	31.2 ***	1.5	29.8 ***
Career workshop	41.0	23.1	21.5	19.5 ***	1.6	17.9 ***
Group job search	50.2	21.3	20.0	30.2 ***	1.3	28.9 ***
Individual job search	42.0	9.9	11.5	30.5 ***	-1.6	32.1 ***
Any education and training activity	48.8	46.5	47.9	1.0	-1.4	2.3
Basic education	18.9	19.8	22.4	-3.6	-2.6	-0.9
Post-secondary education	23.5	21.7	22.3	1.2	-0.7	1.9
Vocational training	15.8	13.8	13.7	2.1	0.0	2.0
On-the-job training/work experience	5.4	6.8	3.4	2.0	3.4 **	-1.3
<b><u>Obtained degree or diploma since random assignment</u></b>						
High school diploma or GED	7.8	6.3	7.9	-0.1	-1.6	1.5
Trade license	9.0	6.7	6.6	2.4	0.1	2.3
College or university degree	4.7	6.1	5.0	-0.4	1.1	-1.4
Associate's degree	2.3	5.1	2.3	0.0	2.8 **	-2.8 **
Bachelor's degree	2.2	0.7	1.7	0.5	-1.0	1.5
Sample size (total = 1,090)	372	366	352			

SOURCE: MDRC calculations using data from the 36-month client survey.

NOTES: The sample includes members randomly assigned from April 1, 1994, to October 31, 1994, excluding the small percentage who were receiving or applying only for Food Stamps at random assignment.

A two-tailed t-test is applied to regression-adjusted impact estimates. Statistical significance levels are indicated as \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

Sample size may slightly vary for each outcome variable.

Rounding may cause slight discrepancies in sums and differences.













































































































































































































































































































































































































































































