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## The Changing Composition of Minnesota's Social Safety Net<sup>1</sup>

This research brief uses data from the Annual Social and Economic Supplement to the Current Population Study (CPS) to describe trends in the demographic and economic characteristics of social safety net recipients in Minnesota.<sup>2</sup> The analysis shows that from 1990 to 2015, recipients of federal welfare, food assistance, and disability programs became increasingly diverse. In addition, although educational attainment increased among program recipients, trends in employment were similar and many participants remained in deep poverty. These trends suggest the need for new approaches that align with changing client needs.

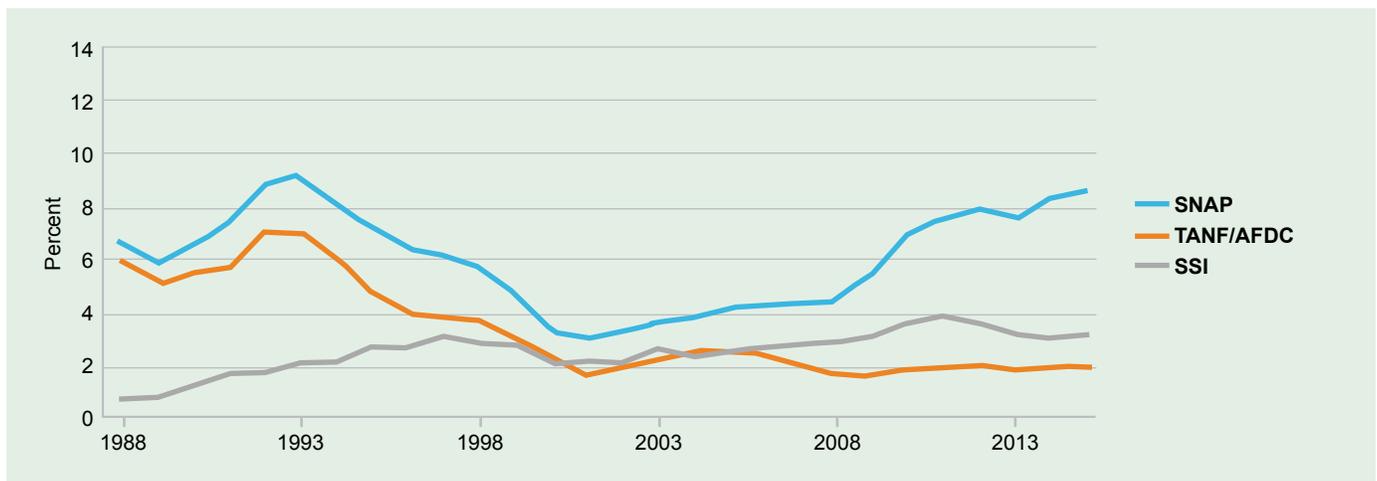
### PARTICIPATION IN INCOME SUPPORTS

Figure 1 shows trends in the percentage of Minnesotans participating in the Minnesota Family Investment Program (formerly Aid to Families with Dependent Children, or AFDC) and Temporary Assistance for Needy Families Program (MFIP/TANF), the Supplemental Nutrition Assistance Program (SNAP), and the Supplemental Security Income Program (SSI). These three programs provide cash assistance to individuals with low income or few resources. MFIP/TANF provides financial and employment assistance to low-income families with

children and pregnant women; SNAP (formerly the Food Stamp Program) provides food assistance to low-income households; and SSI provides cash assistance for low-income individuals who are aged, blind, or disabled.

Figure 1 shows that while participation in each program remained below 10 percent from 1988 to 2015, trends in participation differed across programs. The percentage of Minnesotans on SSI increased slightly, while MFIP/TANF use declined. SNAP use was cyclical, mirroring the health of Minnesota's overall economy, which is a common pattern throughout the country for that program.

**Figure 1. Federal income support program participation in Minnesota, 1988–2015**



Relative to the United States as a whole, a smaller percentage of Minnesotans receive assistance from two of these programs. In 2015, 11 percent of Americans received SNAP, 5 percent received SSI, and 2 percent received MFIP/TANF; during the same year, 8 percent of Minnesotans received SNAP, 3 percent received SSI, and 2 percent received MFIP/TANF.

## DEMOGRAPHIC SHIFTS

Demographic shifts in Minnesota are rapidly creating a more racially and ethnically diverse state. From 1990 to 2015, the overall percentage of Minnesotans of color nearly tripled, from 5 percent to 15 percent (see Figure 2). Similarly, the percentage of individuals of color participating in the programs increased over the 25-year period. By 2015, about half of MFIP/TANF recipients, 40 percent of SNAP recipients, and 30 percent of SSI users were nonwhite.

In addition, a growing percentage of program participants are foreign born. In 1995, about 10 percent of individuals on MFIP/TANF were foreign-born U.S. citizens or noncitizens. This figure more than doubled by 2015, with similar increases in SNAP and somewhat smaller increases in SSI.

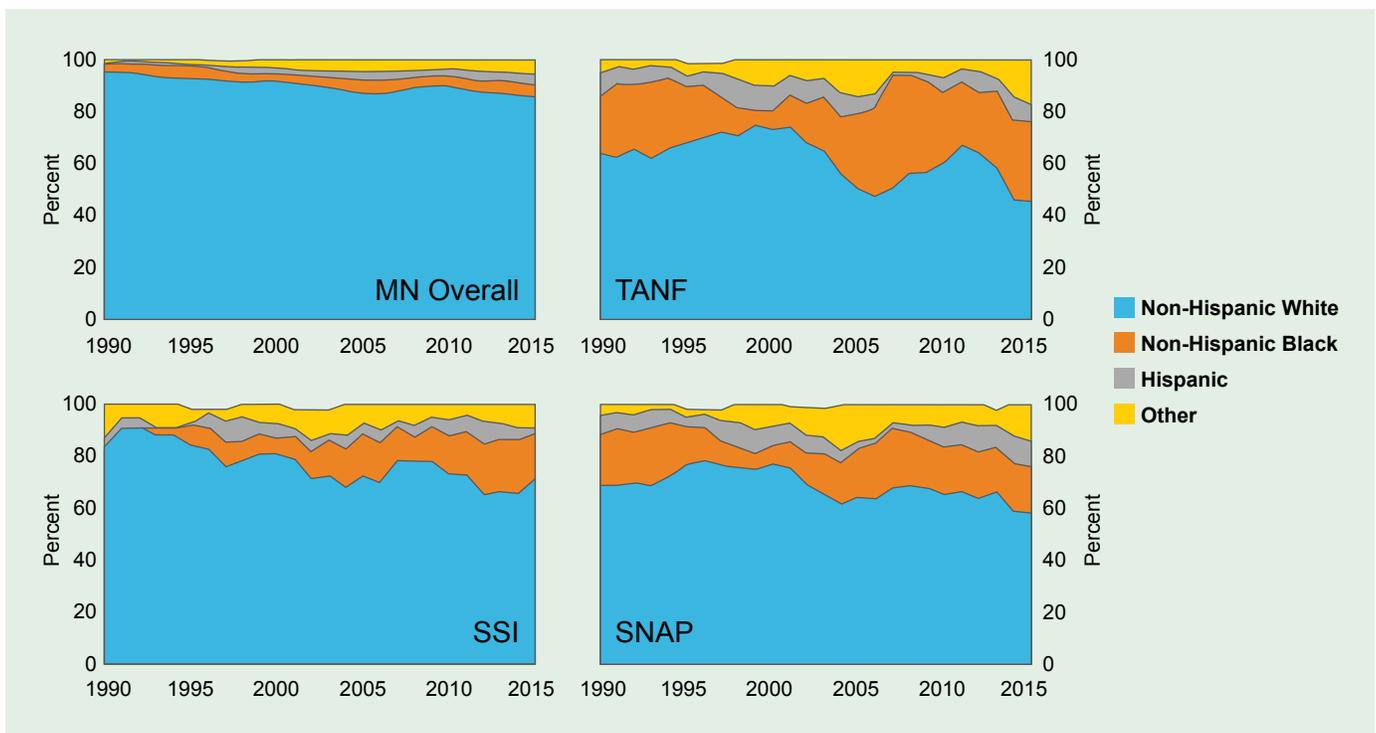
With respect to household formation, marriage rates for program participants fluctuated from 15 to 30 percent over the period, with recipients of SSI more likely than either MFIP/TANF or SNAP recipients to be married. These rates, however, are well below the overall state rate of 50 percent. Interestingly, the consistency in marriage rates for safety net participants also goes against the state and national trend toward a decreasing marriage rate.

## ECONOMIC CHARACTERISTICS

Individuals receiving government assistance through MFIP/TANF, SNAP, and SSI have typically had low rates of educational achievement and employment—a fact that is significant because education and employment can protect against poverty. The CPS data show that in Minnesota, rates of high school completion and employment are lower for program participants relative to the general population. However, such indicators have generally improved over time.

In 1990, 7 in 10 SSI and SNAP participants and 8 in 10 MFIP/TANF participants had a high school diploma. By 2015, these figures rose to approximately 8 in 10 for SSI and SNAP, and stayed

**Figure 2. Federal income support program participation in Minnesota, 1990–2015**



8 in 10 for MFIP/TANF participants, just below the state average of 82 percent. College participation (attending some college or more) also trended up for all three groups: from 20 percent to 50 percent of SNAP recipients, 8 percent to 60 percent of MFIP/TANF recipients, and 20 to 50 percent of SSI recipients.

Figure 3 shows the percentage of program participants who were currently employed in 1990, 2000, 2010, and 2015. Perhaps because of greater educational attainment and more stringent program requirements, the percentage of SNAP and MFIP/TANF participants actively working increased over the period. These gains were modest, however. Despite a tightening labor market, only 40 percent of SNAP participants and 30 percent of SSI and MFIP/TANF participants were employed in 2015.

Not surprisingly, program participants were far less likely to be in the labor force (employed or actively looking for employment) relative to the average Minnesotan. Moreover, unemployment was high for work-eligible program participants: unemployment in each of the programs was between 15 and 30 percent, well above the overall state rate of 4 percent.

SSI had lower employment and labor force participation rates than MFIP/TANF and SNAP. This is not surprising as the program has federal eligibility guidelines that limit work. From

a policy perspective, however, this is notable, as SSI participation is the fastest growing portion of the social safety net.

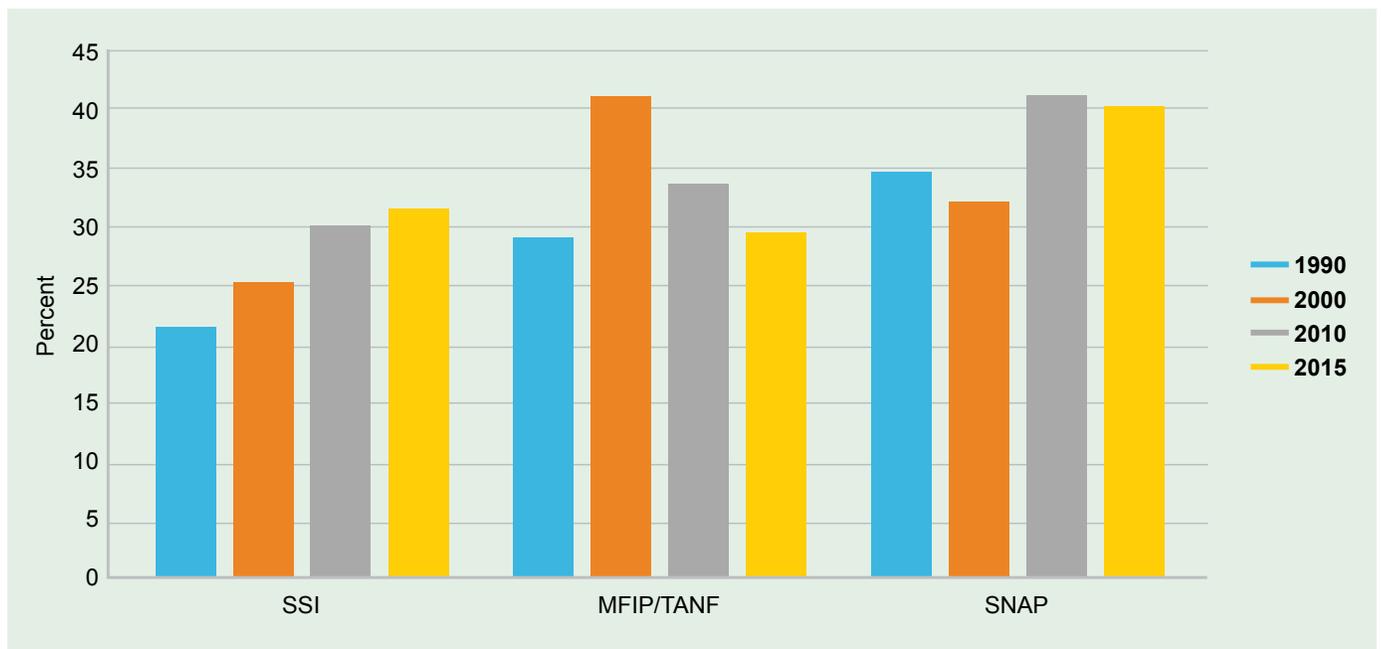
## POVERTY

Although MFIP/TANF, SNAP, and SSI are available only to those with low income, the deeper the poverty, the more difficult it is for families to leave the programs. For that reason, it is important to follow trends in the degree of poverty (measured as the percentage of participants at or below the federal poverty level, or FPL).

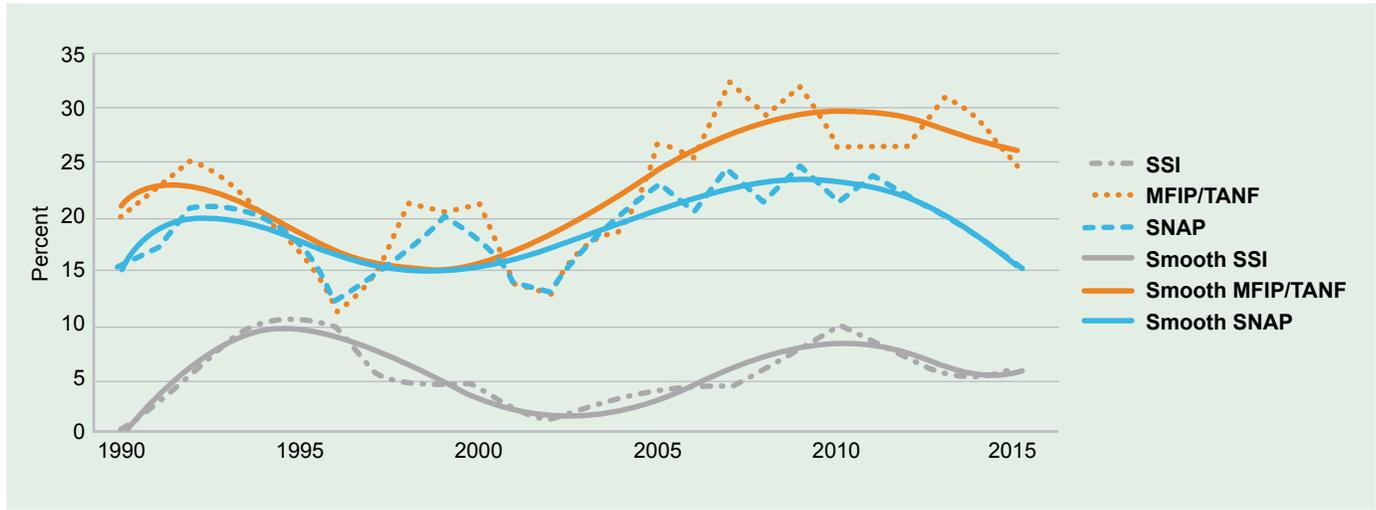
The percentage of program participants at or below the FPL remained largely unchanged, even though educational levels rose. For MFIP/TANF and SNAP, on average, that percentage was around 60 percent during the period studied. Beginning in 2010, however, poverty levels started to trend downward for all three groups, reflecting an improved economy.

More troublingly, deep poverty levels (50 percent of FPL) rose across the three programs (see Figure 4). For SSI, the percentage of individuals in deep poverty went from 0 percent in 1990 to 6 percent in 2015. For MFIP/TANF and SNAP, deep poverty peaked during the recession of 2007–2009 at 33 and 25 percent, respectively.

**Figure 3. Employment for program recipients in Minnesota, 1990–2015**



**Figure 4. Deep poverty among program participants in Minnesota (income less than 50 percent of FPL)**



## CONCLUSION

From 1990 to 2015, social safety net participants in Minnesota became more diverse, following broader demographic currents in the state. Despite changing program requirements, higher education levels, and a tight labor market, employment and labor force participation among program participants remained low. The data also show that a consistent portion of Minnesotans on public assistance remain mired in deep poverty. Such changes in demographic and economic characteristics, alongside stagnating outcomes, suggest that programs must find new approaches to reach groups from diverse backgrounds to enable participants to create stable, self-sufficient households.

## ENDNOTES

<sup>1</sup>This brief draws upon data gathered for a national analysis, by Colleen Heflin and Yumiko Aratani: “Changing Demography of Social Safety Net Programs,” July 2017. Available at <https://www.mathematica-mpr.com/our-publications-and-findings/publications/changing-demography-of-social-safety-net-programs>. Accessed October 13, 2017.

<sup>2</sup>The Annual Social and Economic Supplement to the CPS is a nationally representative survey that collects data on labor market outcomes and the economic and social well-being of Americans. The survey is administered monthly, from a sample of 60,000 households. In 2015, approximately 31 CPS respondents in Minnesota reported receiving cash assistance, 44 reported receiving SSI, and 115 reported receiving food assistance. Given these small sample sizes, we present annual data that reflect a three-year moving average.

### Acknowledgement:

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