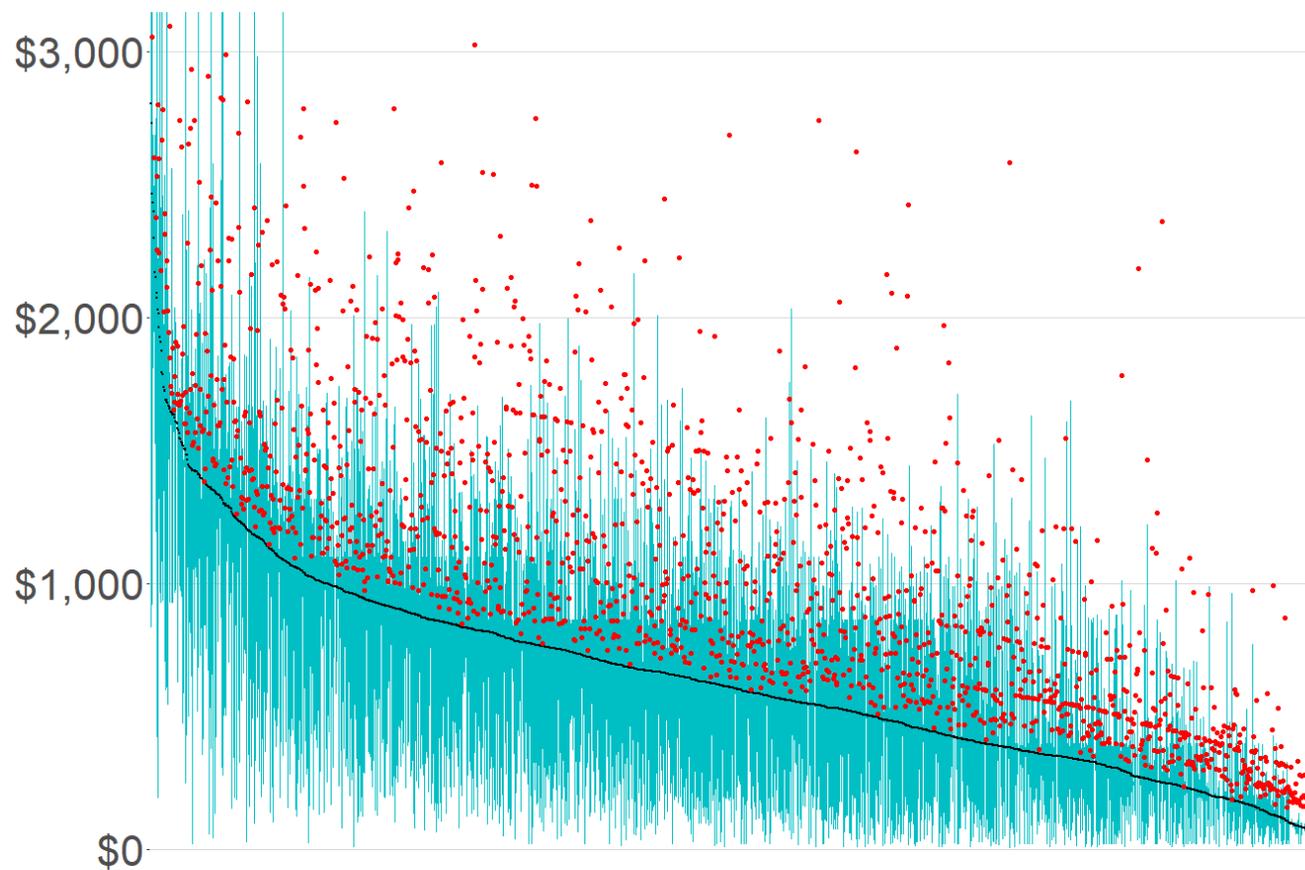




Stable Source of Income: Investigating the Variance of TANF Grants in Minnesota

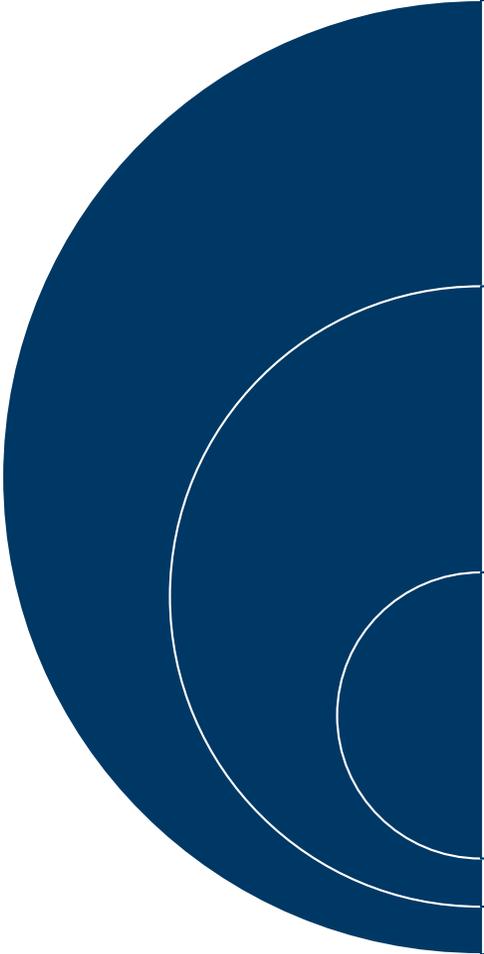
Ben Jaques-Leslie | Agency Policy Specialist

Agency overpayments



Source: Minnesota Department of Human Services

Income instability in low-income households



Low-income households experience a great deal of income instability

How are public cash and food assistance related to income instability?

Can public assistance help stabilize the income streams of low income households?

Explore the variability of income and benefits of TANF participants in Minnesota

- Is there variability in benefits and income?
- How are they related?
- How do program features related benefit and income variability?
- What are high and low variability households like?

Exploratory, not causal

Minnesota Family Investment Program (MFIP)

MFIP provides income support, food benefits, and employment services to families with children in deep poverty. Program rules include:

- Work requirements
- Time limits of no more than 5 years assistance over a parent's lifetime

Features unique to Minnesota:

- Combined with SNAP
- Housing grant
- Family stabilization services (FSS)
- Recently passed benefit increase

Source:

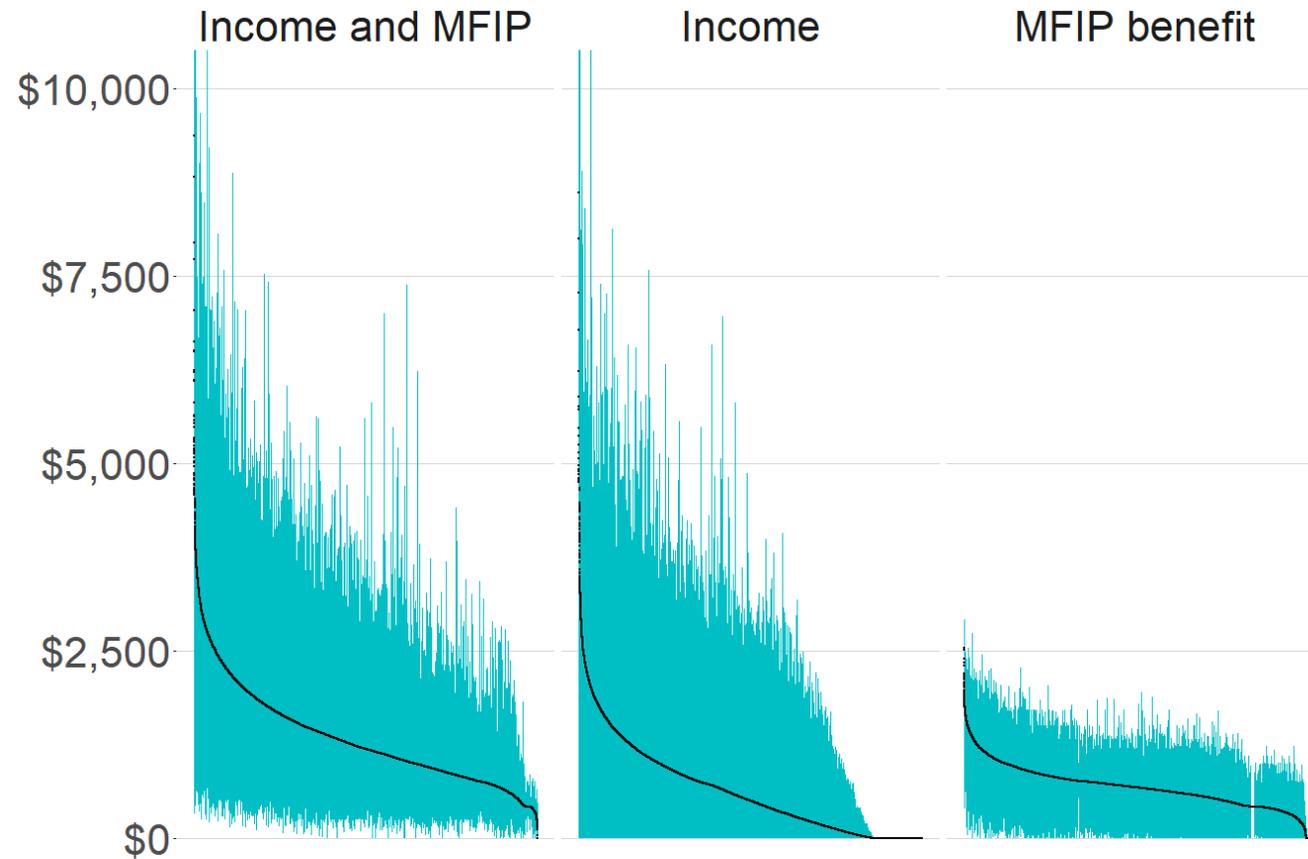
- MAXIS, Minnesota's eligibility and benefit issuance system

Records:

- 25,908 total cases
- 36 cohorts of new MFIP cases
- First months of eligibility from January 2013 to December 2016
- Tracked over three years

Is there variability in MFIP
benefits and income?

Income and benefits are highly variable



Source: Minnesota Department of Human Services

Do we find variability?

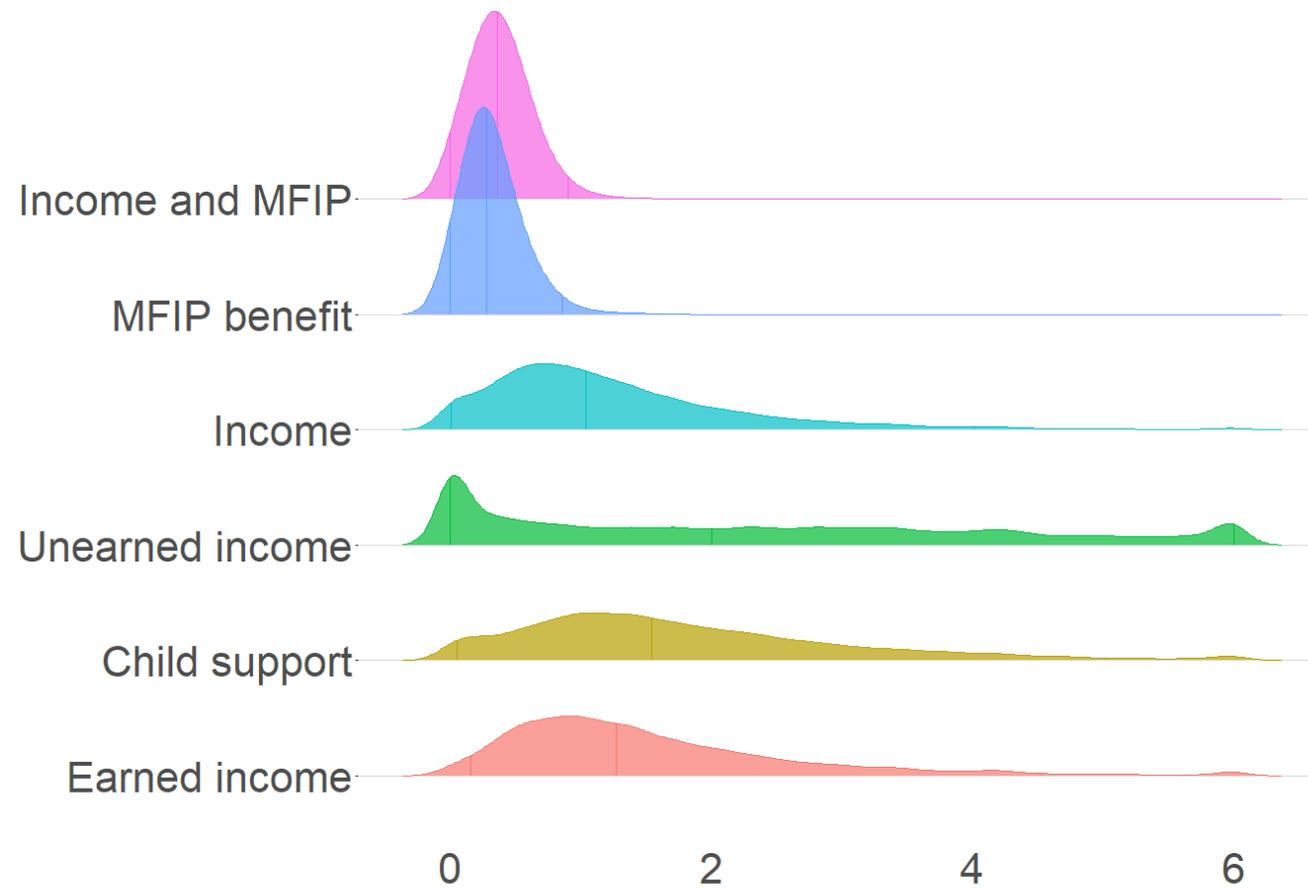
MFIP benefits

Income

Variability of income or MFIP
benefits over total eligibility period

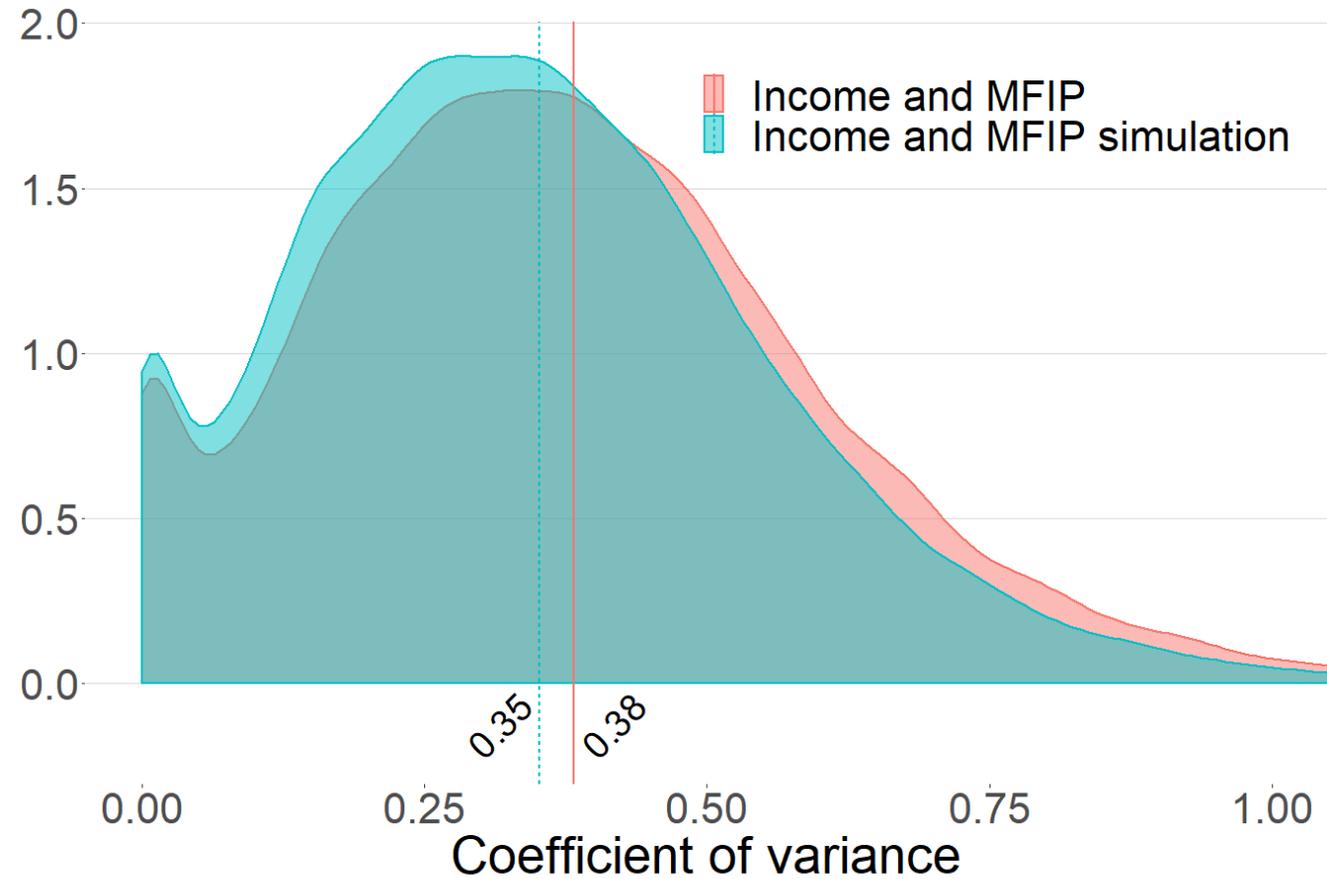
Larger numbers reflect more
variability

Public assistance appears to reduce income variability



Source: Minnesota Department of Human Services

Increasing benefits might reduce variability in total income



Source: Minnesota Department of Human Services

Public assistance can increase stability

Total income including MFIP benefits is much more stable than other income

Increasing benefits could stabilize total income further

How does MFIP do this?

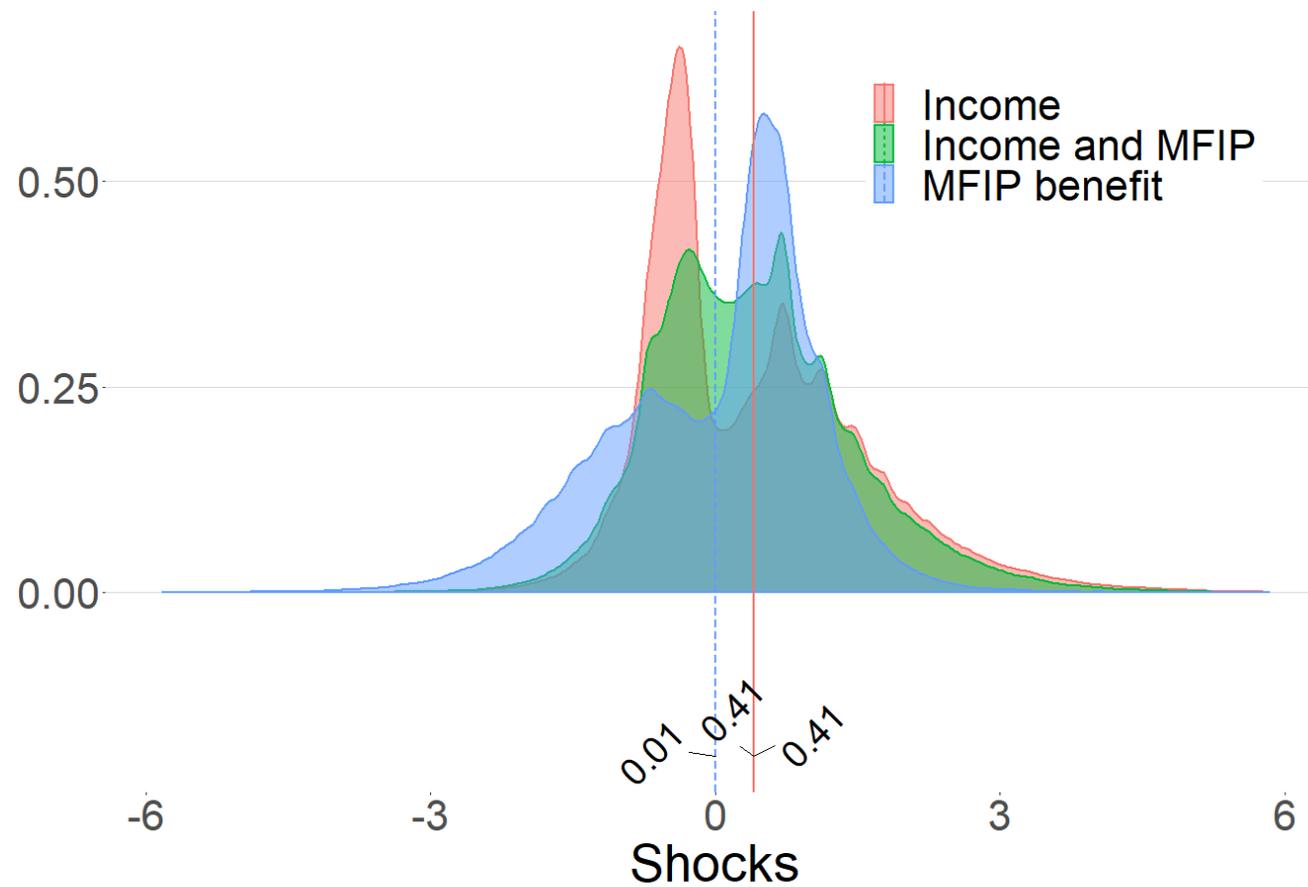
Variability of income or MFIP benefits at specific points in time

Larger absolute numbers reflect bigger shock

Positive and negative shocks

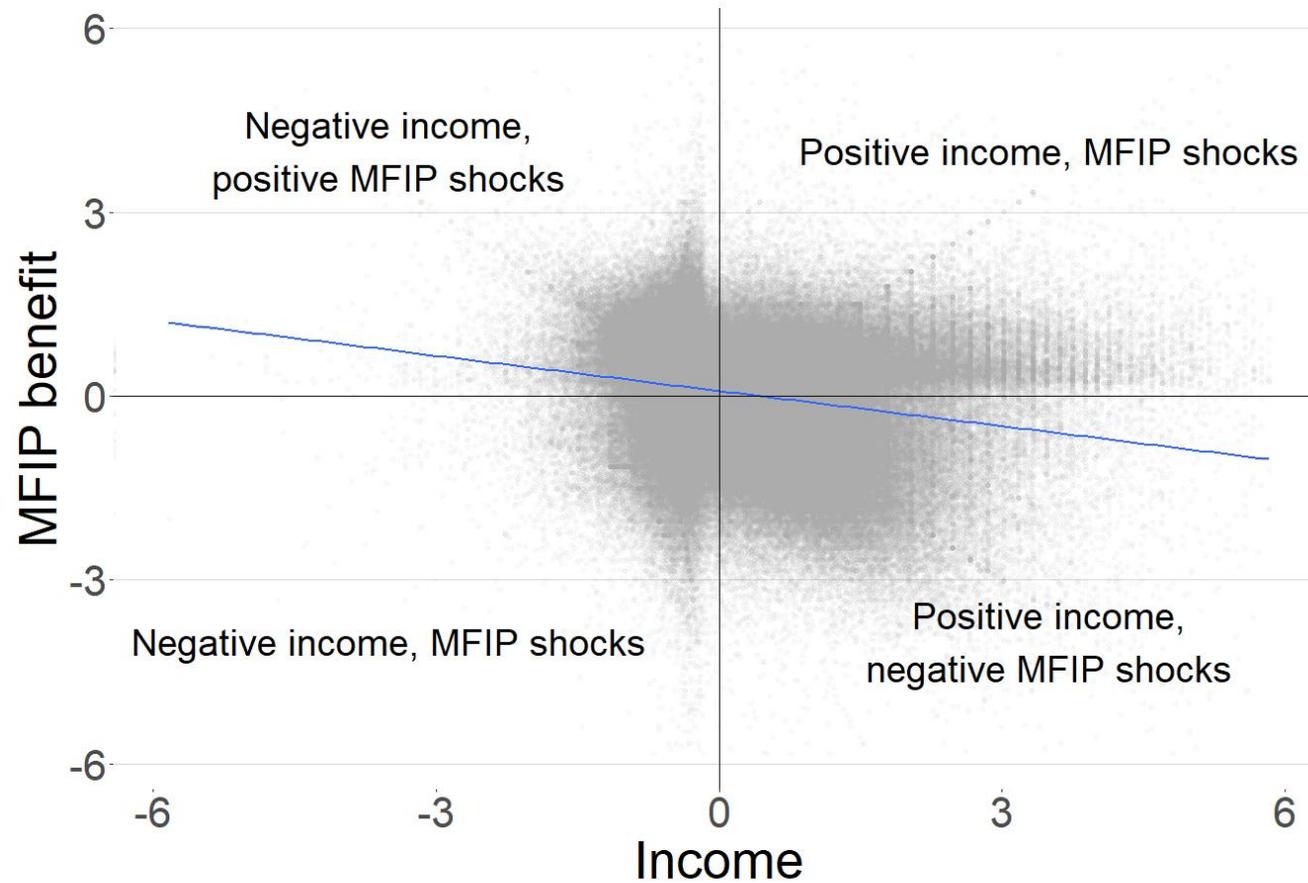
Does the MFIP benefit
compensate for income
variability?

Income and MFIP benefit shocks



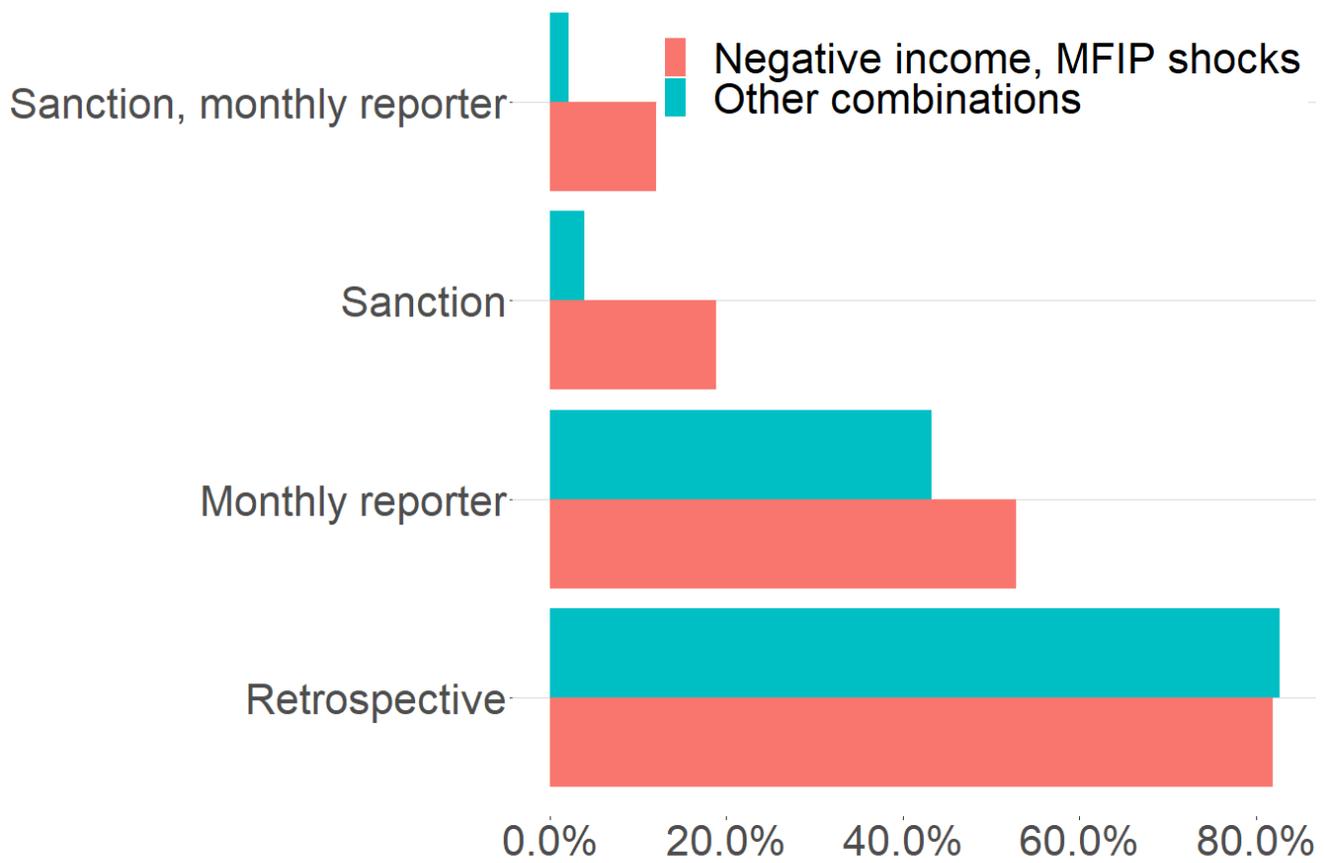
Source: Minnesota Department of Human Services

Income and MFIP benefit shocks



Source: Minnesota Department of Human Services

Negative income and MFIP shocks



Source: Minnesota Department of Human Services

Differences between high and low variability MFIP households

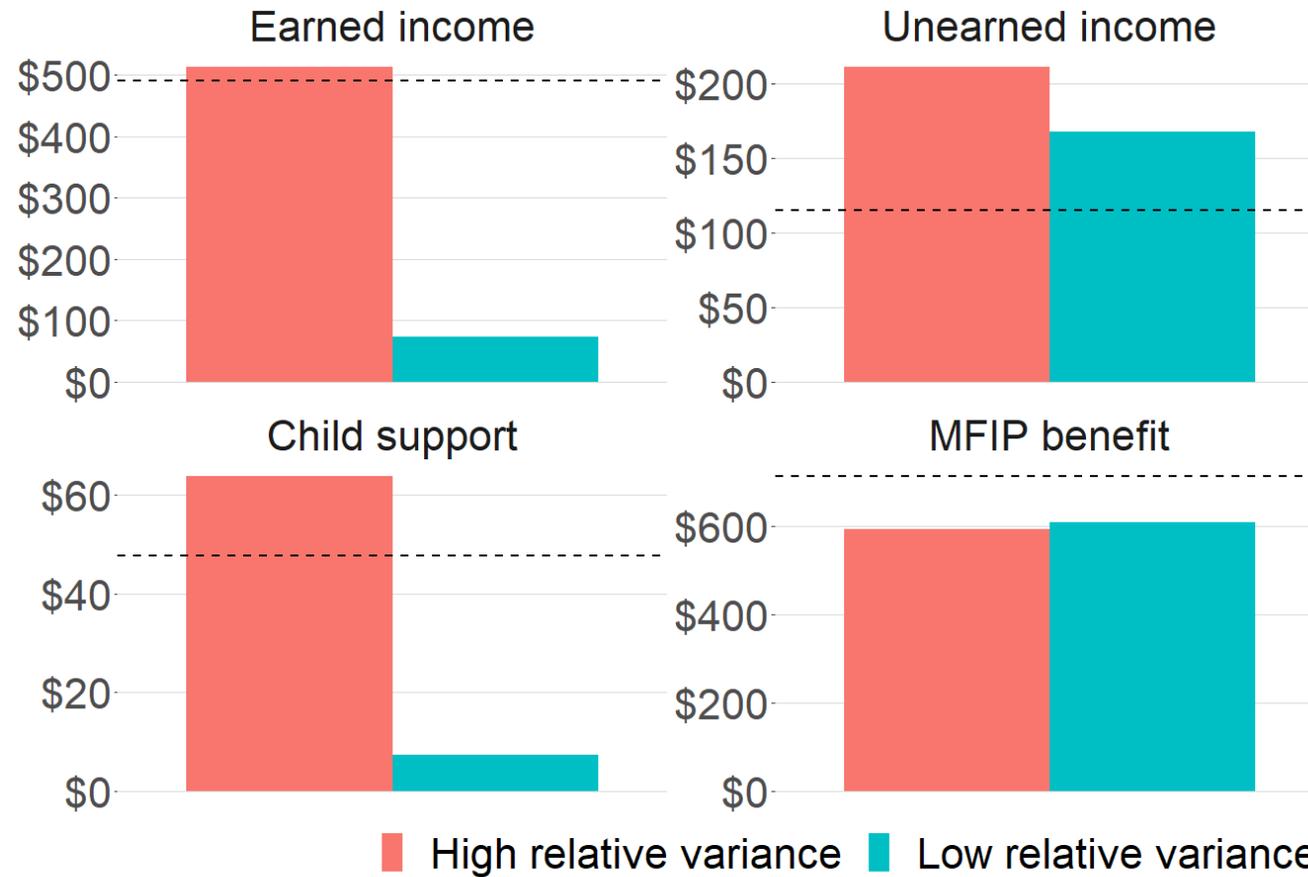
Highest and lowest relative variance of income and MFIP

5% of families highest relative variance

5% of families lowest relative variance

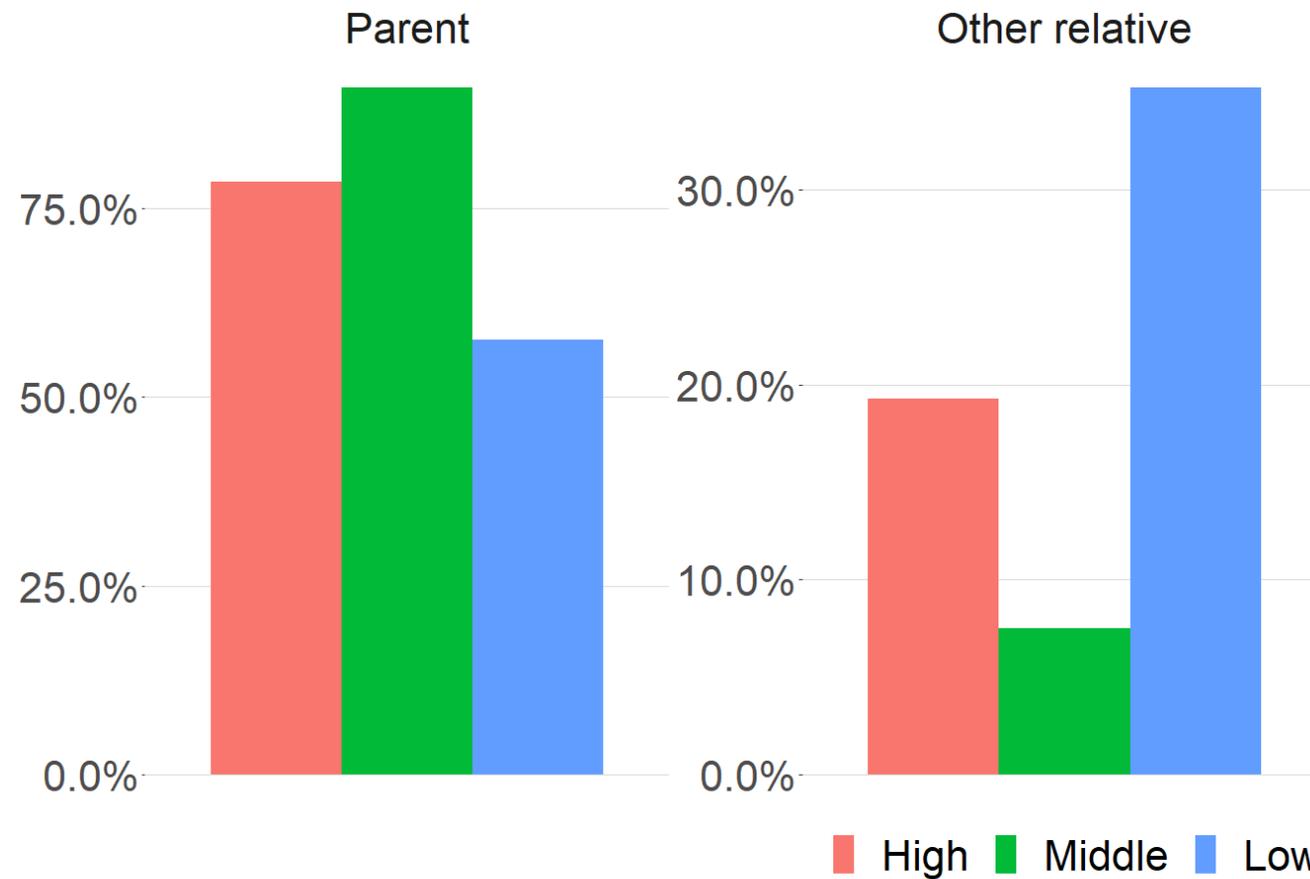
1,276 in each group

Highly variable, more outside income



Source: Minnesota Department of Human Services

High and low variability, fewer parent applicants



Source: Minnesota Department of Human Services

Conclusion

More evidence of the instability of income in low-income households

Public assistance appears to do a great deal to stabilize participants income

More benefits create greater stability

Negative income and benefit shocks appear to be related to reporting and sanctions

High and low variability families differ in important ways

Thanks

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