



# Minnesota Family Investment Program

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## 1935-1996

Aid to Families with Dependent Children (AFDC)

## 1996

Congress replaces the federal program with a block grant to states –  
Temporary Assistance to Needy Families

- Set 60-month limit on receipt of benefits
- Put in place work requirements

MFIP provides income support and employment services to families with children in deep poverty



# Impacts of Poverty on Children

Children growing up in poverty are highly likely to:

- Fall behind in school
- Experience poor health
- Have diets lacking in important nutrients
- Have chronic illnesses and shortened lifespans as adults

- In 2019 an average of 28,901 families a month received assistance through MFIP.
  - 72% of the people receiving MFIP are children.
  - The average number of children per family is 2.
  - Two thirds of the families have a child younger than six.

# The circumstances in which families turn to MFIP

- Low wage workers
- Parents with significant impairments to work – mental illness, low IQs, incapacitating illness
- Recently arrived refugees with children

# Low wage workers and MFIP

More than two-thirds of the parents turning to MFIP have just lost or left a job.

The majority of those jobs are in the following industries:

- Hotel/restaurant
  - Retail
  - Health care
  - Temp agencies
- These industries have the highest turn over of workers in Minnesota.
  - Pre-COVID: these industries have the among the lowest proportion of workers who receive Unemployment Insurance. *Temp agencies are the exception to the*

Pregnant women or parents or others with custody of minor children

To be eligible, income has to be below:

- \$23,000/year for a family of 2
- \$29,000/year for a family of 3
- \$34,600/year for a family of 4

Asset limit \$10,000



# Major MFIP policies

- Most families cannot receive more than five years of assistance over their lifetime.
- Parents are subject to work requirements.
- A special services track offers more flexible services for families in which significant barriers, such as mental illness, low IQs, incapacitating illness make work difficult: *Family Stabilization Services*

# Time limits: Most families don't rely on benefits for a long time

- 42% of all new applicants use MFIP once for 12 months or less
- About 7% of all families served since MFIP was launched in 1998 have reached the 60 month time limit

# Work Requirements in MFIP

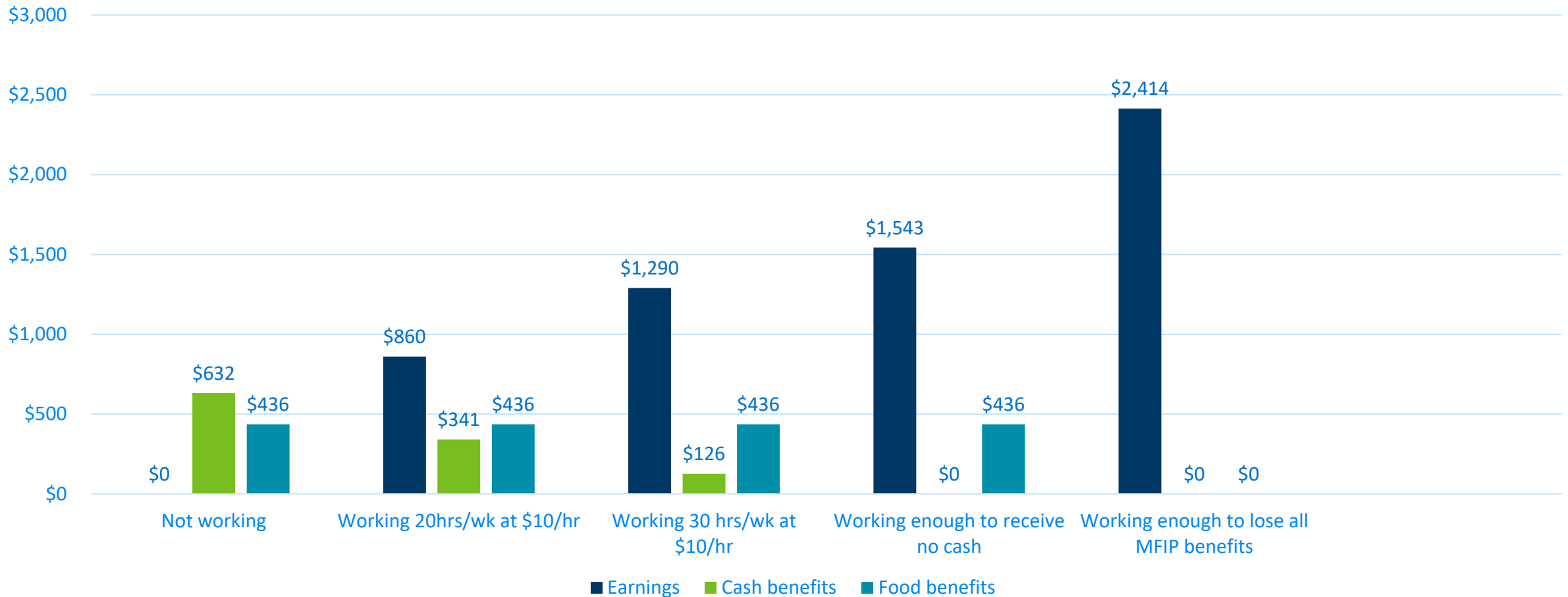
- Parents receiving MFIP assistance must develop and sign an employment plan.
- Parents must have a job or participate in activities and services to prepare them for a job.
- If they do not comply with these requirements, they and their children lose part or all of their benefits: *sanctions*.

# MFIP monthly benefits

Household size	Cash benefit	Food benefit	Monthly income at Federal poverty line
1	\$350	\$165	\$1,005
2	\$537	\$304	\$1,353
3	\$632	\$436	\$1,701
4	\$721	\$557	\$2,050
5	\$797	\$673	\$2,398

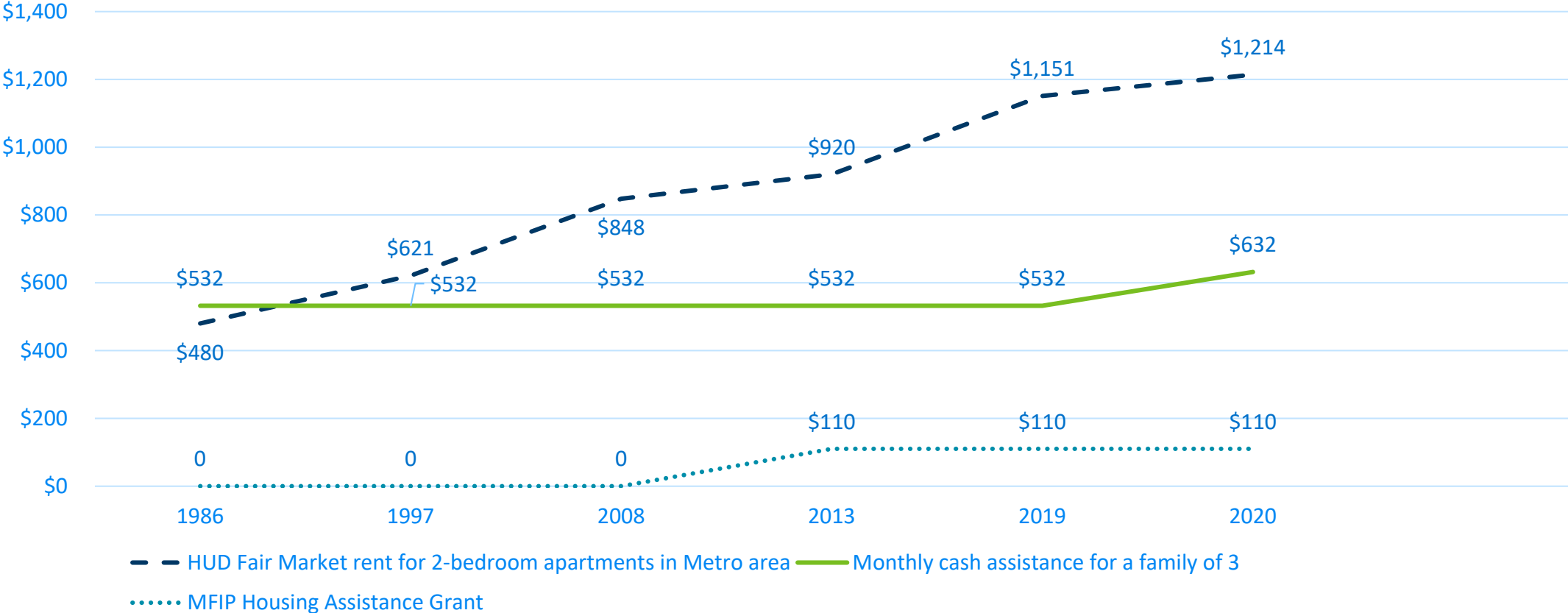
# As income increases, benefits decrease

Example using monthly earnings and benefits for a family of 3



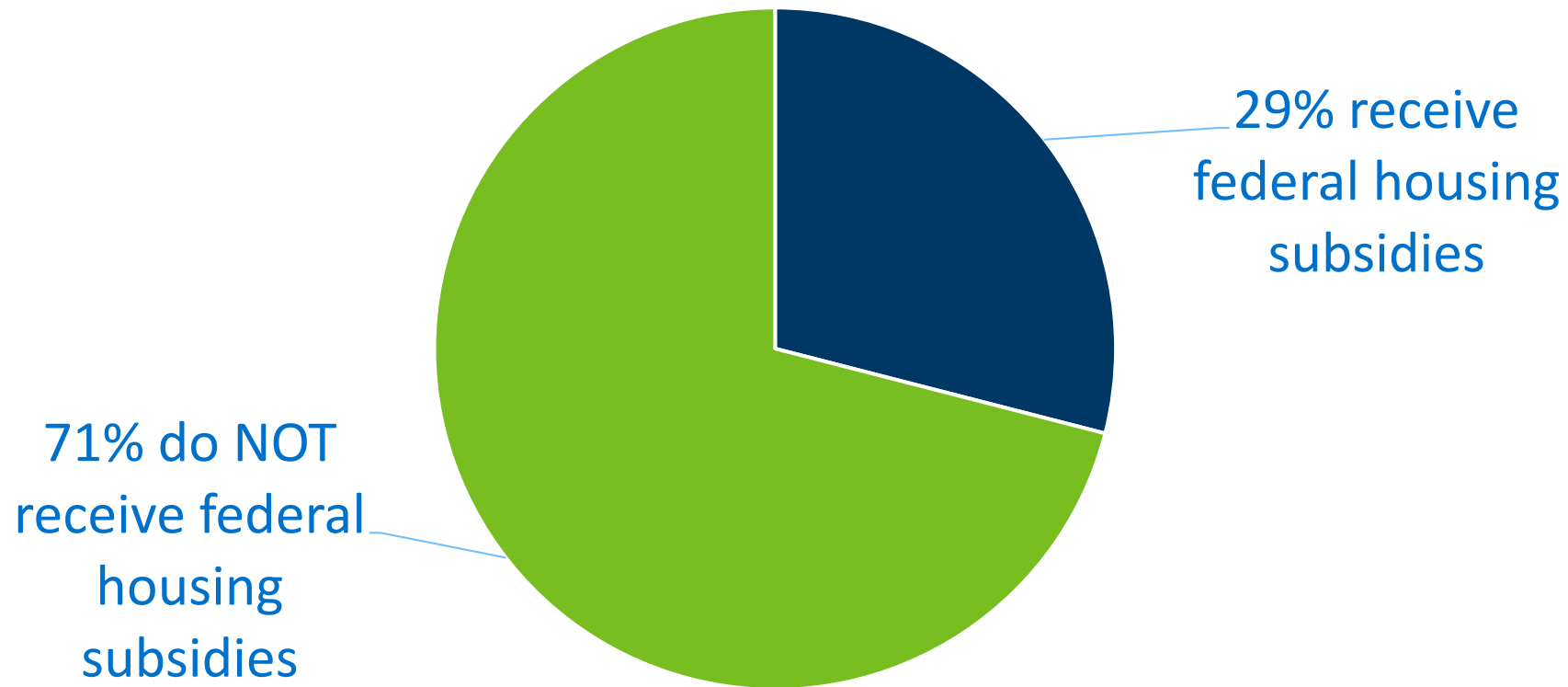
# MFIP benefits and Housing costs

### Cost of rent and MFIP benefits

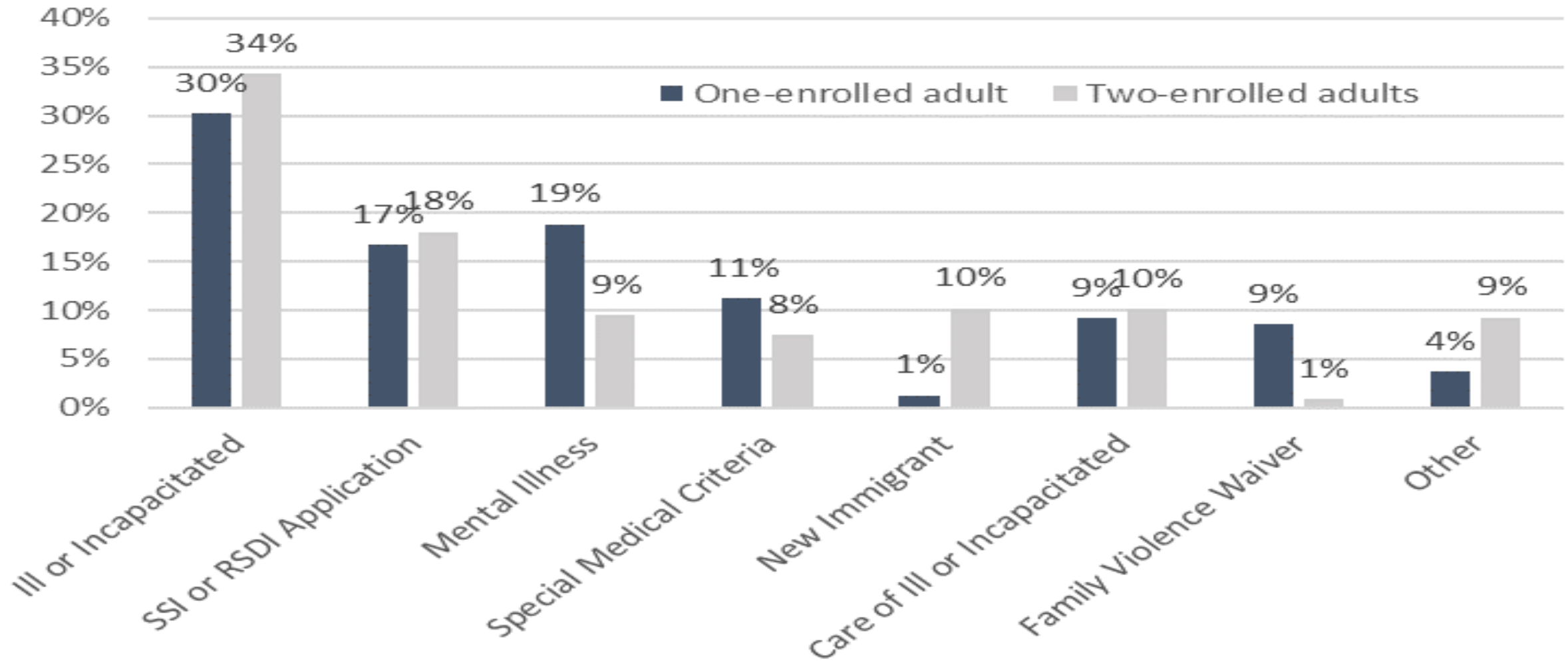


# Most MFIP families do not get housing subsidies

Proportion of MFIP Families Receiving Federal Housing Subsidies



# Family Stabilization Services





# Questions?