



Migration of Public Assistance Recipients

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- There is no conclusive data to show that Minnesota is a “welfare magnet”; various data sources show mixed results.
- In data sources showing that more in-migrants than out-migrants receive public assistance, differences are fairly small.
- Movers of all types – international, within state, from other states, and to other states – are more likely to receive public assistance than non-movers.
- In the 2000 Census, international immigrants from countries sending large numbers of refugees were substantially more likely to receive public assistance than immigrants from other countries.

The Minnesota State Demographic Center periodically receives questions about whether Minnesota is a “welfare magnet” which attracts large numbers of poor people in search of higher public assistance benefits. Data from the Census and the American Community Survey provide inconclusive results on this issue. In some comparisons, the number of public assistance recipients who moved to Minnesota from other states exceeds the number who moved out of Minnesota, but in other comparisons there is no statistically significant difference. Even in cases where the differences are statistically significant, the numbers are modest.

Administrative Records Show Decline in Cash Assistance

Data from the Minnesota Department of Human Services shows that the number of recipients of cash assistance – Minnesota Family Investment Program (MNFIP), Aid to Families with Dependent Children (AFDC) and Diversionary Work Program (DWP) – has declined since 1998. The average monthly number of cases fell from 50,317 in 1998 to 32,525 in 2007. The average monthly number of persons receiving aid dropped from 152,480 to 90,159 during the same time period. Annual expenditures decreased from \$317 million to \$259 million. The DHS data does not show migration status of recipients, but the overall trend suggests cash public assistance has become less generous and more difficult to obtain.

2000 Census and 2006 American Community Survey Data on Public Assistance

The migration data in this report comes from the 2000 Census Public Use Microdata Sample and the 2006 American Community Survey Public Use Microdata Sample. Both sources allow comparisons of non-movers to people who moved into Minnesota from other states and other countries, people who moved from one place in Minnesota to another, and those who left Minnesota for other states. There is no data for people who moved out of the United States.

The 2000 Census Public Use Microdata Sample compares residence in 1995 and 2000, showing migration over a 5-year period. The large sample size in the decennial Census allows more robust comparisons among groups, but the data also have some shortcomings. First, they show what was happening in 2000, not what is going on now. Second, the migration period is quite long. Many things can change in an individual's life over a five-year period. Income is based on 1999 data. One person may have moved in 1995 but not received public assistance until 1999. Another person may have moved in 1995 and received public assistance at that time but not in 1999.

The 2006 American Community Survey is more up-to-date, providing data on people who moved between 2005 and 2006. However, because the sample size is smaller, the margins of error are also larger and differences are less likely to be statistically significant. Timing could also be an issue in assessing the welfare migration

hypothesis. A mover could have received public assistance before moving, after moving, or both before and after.

Few Minnesotans receive public assistance income. In both the 2000 Census Microdata and the 2006 American Community Survey Microdata, about 2 percent of the state's population reported receiving \$100 or more of public assistance in the previous year. The \$100 cutoff is used because reports of very small amounts of assistance may be unreliable. In addition, public assistance amounts under \$100 are unlikely to motivate people to move.

Movers of all kinds were more likely to receive public assistance than people who did not move. This finding is consistent with a large body of evidence showing that people who move are more likely to be young and have low incomes than those who stay put.

In the 2000 Census, international immigrants were most likely to receive public assistance income, with a range of between 4.4 and 6.1 percent. Data suggest the immigrants receiving public assistance were likely to be refugees. Fifteen percent of people moving from refugee-producing countries (Somalia, Laos, Cambodia, Ethiopia, Eritrea and Kosovo) obtained public assistance. Refugees may be receiving either state or federal assistance. In contrast, less than two percent of immigrants from Mexico and Central America were public assistance recipients.

Public Assistance and Migrant Status Minnesota, 2000 and 2006

1995-2000 Migration

Percent of Persons Receiving \$100+ in Public Assistance

2000 Census Public Use Minnesota Microdata,

	Lower Bound 90% confidence interval	Estimate	Upper Bound 90% confidence interval
Total	2.0	2.1	2.1
Non-movers	1.3	1.3	1.4
Moved within Minnesota	2.8	3.0*	3.1
Domestic In-movers	2.3	2.6*	2.9
International In-movers	4.4	5.2*	6.1
Domestic Out-movers	1.5	1.8*	2.0

Number of Persons Receiving \$100+ in Public Assistance

2000 Census Public Use Minnesota Microdata,

	Lower Bound 90% confidence interval	Estimate	Upper Bound 90% confidence interval
Total	76,269	79,063	81,857
Non-movers	27,888	29,604	31,320
Moved within Minnesota	35,896	37,819	39,742
Domestic In-movers	7,208	8,099	8,990
International In-movers	2,959	3,541	4,123
Domestic Out-movers	4,607	5,334	6,061

Migration status in 5-year period between 1995 and 2000

* Statistically significant difference from non-movers at 90% confidence level

People who moved to Minnesota from other states (domestic in-movers) had about the same likelihood of receiving public assistance as did within-state movers. The number of within-state movers was much larger.

Public Assistance and Migrant Status, continued Minnesota, 2000 and 2006

2005-2006 Migration

Percent of Persons Receiving \$100+ in Public Assistance

American Community Survey Public Use Minnesota Microdata, 2006

	Lower Bound 90% confidence interval	Estimate	Upper Bound 90% confidence interval
Total	1.6	1.8	2.0
Non-movers	1.3	1.5	1.7
Moved within Minnesota	2.6	3.4*	4.3
Domestic In-movers	1.5	3.5	5.5
International In-movers	0.0	2.0	5.4
Domestic Out-movers	0.1	1.3	2.4

Number of Persons Receiving \$100+ in Public Assistance

American Community Survey Public Use Minnesota Microdata, 2006

	Lower Bound 90% confidence interval	Estimate	Upper Bound 90% confidence interval
Total	64,981	73,811	82,641
Non-movers	45,909	53,437	60,965
Moved within Minnesota	12,559	16,794	21,029
Domestic In-movers	1,347	3,198	5,049
International In-movers	0	382	1,022
Domestic Out-movers	112	1,272	2,432

Migration status in 1-year period from 2005 to 2006

* Statistically significant difference from non-movers at 90% confidence level

The number of public assistance recipients moving into Minnesota from other states from 1995 to 2000, 8,099, was larger than the number moving out of Minnesota, 5,334. This appears consistent with the “welfare magnet” hypothesis. However, given the sampling error the excess of in-migrants over out-migrants could be as large as

about 4,400 or as small as 1,100. The fact that between 4,600 and 6,000 public assistance recipients left Minnesota suggests that welfare benefits are not the only determinant of migration.

The 2006 American Community Survey results are less conclusive due to the smaller sample size. The number of public assistance recipients moving to Minnesota from other states could be as small as 1,300 or as large as 5,000. The number moving from Minnesota to other states ranges from 100 to 2400. This means the difference is not statistically significant.

Sources:

“Cash, Food, Emergency and Medical Programs” –Statewide Statistics, Minnesota Department of Human Services

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_016358

2000 Census Public Use Microdata Sample data and 2006 American Community Survey data, downloadable from

<http://www.census.gov/main/www/pums.html>

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