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THE RURAL COUNTERPART

a supplement to

**THE IMPACT OF FEDERAL CUTBACKS ON WORKING
AFDC RECIPIENTS IN MINNESOTA**

by

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INTRODUCTION

When the University researchers began their study of the impact of federal cutbacks on working AFDC recipients, their focus was on the most populous county in the state, Hennepin. Because Hennepin alone contained over one-quarter of the state's AFDC population, it would provide significant insight into how Minnesota's AFDC recipients were responding, but would those findings be biased? Hennepin is an urban county, what about rural counties? In order to answer these questions, a smaller rural sample of AFDC recipients was also studied.

This report on rural recipients has been written to supplement the report The Impact of Federal Cutbacks on Working AFDC Recipients in Minnesota. It presents data in the same tabular format as in the earlier report, which was based on Hennepin County. It is organized in the same way as the Hennepin report, but omits much of the text giving background and conclusions. Instead the text of each section focuses on the comparison of these rural tables with those of the central report. The final section of this report provides an overview and summarizes the similarities and differences between urban and rural respondents.

Because the rural sample contains only fifty-five people, detailed breakdowns and comparisons are impossible. The reader should bear in mind that one household accounts for 2 percent of the population. The purpose of this report is to look at the broader picture and help determine whether the Hennepin based study can be generalized.

METHODOLOGY

The same methodology was used in the rural counties as in Hennepin County. Four counties were involved in the study: Carlton County in the forested north and three counties in rich southern farmland (Faribault, Martin, and Watonwan). A consent form was sent to every AFDC recipient and 38 percent agreed to participate in the study (36 percent in Carlton and 39 percent in the southern counties).

Response rates were high throughout the study. Over the three waves of surveys retention rates have been 91 percent, 95 percent, and 96 percent. As a result, fifty-five families, or 83 percent of those in the original sample, remained in the study.

DEMOGRAPHICS OF RESPONDENTS

As in Hennepin County, the typical respondent was a thirty-one year old white woman with two children. She was more likely to be white (94 percent vs. 87 percent) in the four rural counties.

RACE OF RESPONDENT

White	94%
Indian	6%

EDUCATION OF RESPONDENT

Less than high school	13%
High school graduate	65%
College graduate	22%

ORIGINAL LOCATION OF RESPONDENT

Carlton	58%
Faribault-Martin-Watonwan	42%

PATHS BETWEEN INITIAL DISPOSITION AND WORK/AFDC STATUS ONE YEAR LATER

Because of lower earnings, a smaller proportion of rural residents were originally terminated from the AFDC program, 45 percent as opposed to 64 percent in Hennepin County. A year later, even after the four month income disregard had expired, a higher percentage of rural respondents were on AFDC, 40 percent compared to 28 percent. In rural counties as well as Hennepin, the split of those on AFDC between those working and those not working was roughly even, with a slightly larger number not working. Those off AFDC and working comprised 55 percent of the rural respondents, but 67 percent of those in Hennepin.

From Original Disposition to Final Status

Given an original disposition, the January 1983 work/AFDC status of rural respondents (see Figure 1) was the same as in Hennepin. The only exception to this general statement is that whereas 85 percent of those terminated in Hennepin County were still off AFDC and working one year later, a somewhat smaller percentage (76 percent) followed that path in rural counties; more had returned to AFDC though they continued to work (16 percent vs. 3 percent).

Paths to Final Status

The lower earnings of rural respondents meant that a smaller proportion were terminated in the initial implementation of the new federal regulations and that a higher proportion (37 percent vs. 18 percent) of those off AFDC and working in January 1983 had originally had their AFDC benefits only reduced. For many of these people, the expiration of their four month income disregard may have ultimately caused termination from AFDC. Paths to other destinations are comparable with Hennepin. (See Figure 2.)

FIGURE 1

PATHS FROM ORIGINAL DISPOSITION TO AFDC/WORK STATUS ONE YEAR LATER

February 1982		January 1983	
AFDC grant terminated 25 (45%)		Off AFDC and working	19 (76%)
		Off AFDC and not working	1 (4%)
		On AFDC and working	4 (16%)
		On AFDC and not working	1 (4%)
AFDC grant reduced 30 (55%)		Off AFDC and working	11 (37%)
		Off AFDC and not working	1 (3%)
		On AFDC and working	10 (33%)
		On AFDC and not working	8 (27%)

FIGURE 2

PATHS TO JANUARY 1983 AFDC/WORK STATUS

February 1982		January 1983	
AFDC grant terminated	19 (63%)	Off AFDC and working	30 (55%)
AFDC grant reduced	11 (37%)		
AFDC grant terminated	1 (33%)	Off AFDC and not working	3 (5%)
AFDC grant reduced	2 (67%)		
AFDC grant terminated	2 (20%)	On AFDC and working	10 (18%)
AFDC grant reduced	8 (80%)		
AFDC grant terminated	3 (25%)	On AFDC and not working	12 (22%)
AFDC grant reduced	9 (75%)		

LABOR FORCE PARTICIPATION

Fewer people were working in rural counties in January 1983 (73 percent vs. 80 percent) which meant that the average number of hours worked per week was lower (23 vs. 27) than in Hennepin. When separated out by AFDC/work status, however, hours worked were comparable. The discrepancy in working seems due largely to higher rates of unemployment generally in rural Minnesota and not to a desire to return to the welfare rolls.

Working is less remunerative in rural Minnesota where the average hourly wage was 15 percent below that of Hennepin (\$5.02 vs. \$5.91). This may account for the precipitous drop in hours worked per week for those still on AFDC in rural areas, much larger than in Hennepin. Those on AFDC and working had been working 29 hour weeks one year earlier compared to 19 hour weeks in Hennepin. Those on AFDC and not working had been working 31 hours compared to 13 in Hennepin. True, those on AFDC and working had reached parity with their Hennepin counterparts by 1983 in terms of hours worked and hourly pay, but this hourly pay was still well below those off AFDC and working.

	<u>January 1982</u>	<u>July 1982</u>	<u>January 1983</u>
HOURS WORKED PER WEEK	31	26	23
<ul style="list-style-type: none"> ● Those off AFDC and working increased their weekly hours worked from 35 to 36. ● Those on AFDC and working decreased their weekly hours worked from 29 to 18. ● Those on AFDC and not working decreased their weekly hours worked from 31 to 0. 			
HOURLY PAY	\$ 4.32	\$4.81	\$ 5.02
<ul style="list-style-type: none"> ● Those off AFDC and working increased their hourly pay from \$4.80 to \$5.20. ● Those on AFDC and working increased their hourly pay from \$3.72 to \$4.48. ● Those on AFDC and not working decreased from \$3.67 to 0. 			

LABOR FORCE PARTICIPATION

	January 1982	July 1982	January 1983
DIDN'T HAVE A JOB	11%	22%	27%

- 16% of those cut off AFDC in February 1982 didn't work in January 1983, while 37% of those with grants reduced in February didn't work in January 1983.

HAD A SECOND JOB

	7%	11%	9%
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- Those off AFDC and working increased from 7% to 10%.
- Those on AFDC and working remained constant at 20%.

	1981		1982	
	Mean	S.D.	Mean	S.D.
NUMBER OF MONTHS WORKED	9.4	.5	9.2	.5

- Those off AFDC and working worked 11.4 months in 1982.
- Those on AFDC and working worked 8.2 months in 1982.
- Those on AFDC and not working worked 5.3 months in 1982.

	January 1983
DIDN'T HAVE THE SAME JOB AS IN JANUARY 1982	33.3%

MAJOR REASONS GIVEN

<u>Laid off/fired/seasonal</u>	25%
<u>Needed higher pay</u>	-
<u>Health</u>	17%
<u>More challenging job</u>	-
<u>Avoid losing grant</u>	-
<u>Inconvenient hours</u>	17%

2/82-7/82

8/82-1/83

**MADE CHANGES IN EMPLOYMENT DUE
TO CHANGES IN AFDC STATUS**

20%

16%

- Of those who reported changes, two-thirds got a better paying job or worked more hours, and one-third either quit their jobs or worked fewer hours.
- Those off AFDC and working made 66% of the changes in order to earn more money by working more or getting a better paying job.

ECONOMIC STATUS*

The passage of OBRA was expected to have a major effect on the economic status of AFDC recipients. Critics of the federal cutbacks predicted that recipient net income would decline and that they would be forced to spend a larger portion of their disposable income on basic needs. The administration countered that a healthy private sector could substitute for direct government intervention to improve economic status of low income Americans.

The monthly net income of respondents decreased from \$839 to \$733. The decrease is due primarily to reductions in AFDC grants, along with lower net earnings from work. The findings vary by AFDC/work status in January 1983. Those off AFDC and working increased net earnings from work but replaced only one-quarter of their reductions in unearned income. Despite losses in net earnings from work, those on AFDC and working increased net income slightly. The losses were balanced by greater unearned income. Those on AFDC and not working had substantial increases in unearned income, but lower net incomes. As in Hennepin County, the groups differed dramatically on their proportion of net income from public sources, ranging from 8 percent for those off AFDC and working to 98 percent for those on AFDC and not working. Those on AFDC and not working rely completely on public subsidies for support.

Monthly net expenses for basic needs increased for groceries and medical expenses. The out-of-pocket medical expenses increased due to limited health insurance coverage. Day care expenses decreased because of the larger number of unemployed who no longer use day care services as well as changes in the amount and type of day care used by those who were working. Housing costs for homeowners decreased due to lower utility costs.

The percentage of net income used for basic needs increased for those off AFDC and working, from 64 to 94 percent and for those on AFDC and not working, from 76 to 89 percent. Those on AFDC and working decreased the proportion of income used for basic needs because of reduced housing and day care costs, and the slight increase in net income.

In general, the rural recipients earn less, but have lower living expenses than do the Hennepin County recipients. The trends in economic status are similar in the two areas. The economic status of those off AFDC and working and those on AFDC and not working has been reduced more than the status of those on AFDC and working. Basic needs consumed a large proportion of net income for all groups. The proportion increased substantially in 1982 for those on AFDC and not working and those off AFDC and working.

*The following definitions are used in text and tables.

Net Income: Net earnings from work plus all public subsidies (including AFDC) plus income from other sources (including financial assistance from friends/relatives, child support, interest, rental income, etc.).

Unearned Income: Net income minus net earnings from work.

	January 1982		July 1982		January 1983	
	Mean	S.D.	Mean	S.D.	Mean	S.D.
MONTHLY INCOME						
<u>Gross Income</u>	\$958	\$300	\$805	\$287	\$852	\$355
<u>Net Income</u>	\$839	\$251	\$690	\$222	\$733	\$282
<ul style="list-style-type: none"> ● Those off AFDC and working decreased net income from \$918 to \$775. ● Those on AFDC and working increased net income from \$704 to \$714. ● Those on AFDC and not working decreased net income from \$739 to \$637. 						
<u>Gross Earnings From Work*</u>	\$537	\$304	\$499	\$357	\$465	\$389
<u>Net Earnings From Work</u>	\$426	\$224	\$391	\$268	\$357	\$289
<ul style="list-style-type: none"> ● Those off AFDC and working increased net earnings from \$523 to \$576. ● Those on AFDC and working decreased net earnings from \$364 to \$240. ● Those on AFDC and not working decreased net earnings from \$313 to 0. 						
<u>Net Earnings From Work of Other Household Members on AFDC</u>	\$ 23		\$ 34		\$ 46	
<u>Unearned Income</u>	\$390		\$265		\$329	
<ul style="list-style-type: none"> ● Those off AFDC and working decreased unearned income from \$361 to \$128. ● Those on AFDC and working increased unearned income from \$340 to \$474. ● Those on AFDC and not working increased unearned income from \$426 to \$637. 						

*Annual gross earnings in 1982 averaged \$6,130 with a standard deviation of \$4,037. Those off AFDC and working had average annual gross earnings of \$8,843, those on AFDC and working \$3,435, and those on AFDC and not working (January 1983) had 1982 gross earnings of \$2,308.

	<u>January 1982</u>	<u>July 1982</u>	<u>January 1983</u>
<u>AFDC Grant</u>	\$260	\$102	\$124
<ul style="list-style-type: none"> ● Those off AFDC and working had their grants decreased from \$255 to 0. ● Those on AFDC and working had their grants decreased from \$267 to \$253. ● Those on AFDC and not working had their grants increased from \$284 to \$357. 			
<u>Other Public Subsidies (e.g. food stamps, rent subsidy, fuel assistance, etc.)</u>	\$102	\$122	\$149
<ul style="list-style-type: none"> ● Those off AFDC and working decreased from \$79 to \$68. ● Those on AFDC and working increased from \$73 to \$210. ● Those on AFDC and not working increased from \$129 to \$263. 			
<u>Percent Net Income From Public Sources</u>	45%	35%	40%
<ul style="list-style-type: none"> ● Those off AFDC and working decreased from 37% to 8%. ● Those on AFDC and working increased from 47% to 67%. ● Those on AFDC and not working increased from 59% to 98%. 			

	<u>January 1982</u>	<u>July 1982</u>	<u>January 1983</u>
MONTHLY EXPENSES			
<u>Housing</u>			
Homeowners - mortgage	\$171	\$137	\$180
Homeowners - utilities	<u>\$226</u>	<u>\$110</u>	<u>\$145</u>
Homeowners - total	<u>\$397</u>	<u>\$247</u>	<u>\$325</u>
or			
Renters - rent	\$223	\$241	\$253
Renters - utilities	<u>\$102</u>	<u>\$ 42</u>	<u>\$ 86</u>
Renters - total	<u>\$325</u>	<u>\$283</u>	<u>\$339</u>
<ul style="list-style-type: none"> ● For those off AFDC and working, total homeowner expenses decreased from \$385 to \$335 and total renter expenses increased from \$312 to \$325. ● For those on AFDC and working, total homeowner expenses decreased from \$311 to \$230 and total renter expenses decreased from \$319 to \$309. ● For those on AFDC and not working, total homeowner expenses decreased from \$388 to \$336 and total renter expenses increased from \$338 to \$388. 			
<u>Groceries</u>	\$134	\$161	\$151
<ul style="list-style-type: none"> ● Grocery costs did not significantly vary by AFDC/work status. 			
<u>Day Care</u>	\$ 74	\$ 56	\$ 44
<ul style="list-style-type: none"> ● Those off AFDC and working decreased day care costs from \$88 to \$59. ● Those on AFDC and working decreased from \$77 to \$62. ● Those not working decreased expenditures from \$44 to \$0. 			
<u>Medical Expenses</u>	\$ 9	\$ 20	\$ 24
<ul style="list-style-type: none"> ● Those off AFDC and working increased out-of-pocket medical expenses from \$9 to \$36. ● Those on AFDC had a limited amount of medical expenses out-of-pocket. 			

	<u>January 1982</u>	<u>July 1982*</u>	<u>January 1983*</u>
USE OF NET INCOME TO MEET BASIC NEEDS			
<u>Percent Net Income for Housing (including utilities)</u>	44%	40%	67%
<ul style="list-style-type: none"> ● Those off AFDC and working increased from 38% to 53%. ● Those on AFDC and working decreased from 52% to 40%. ● Those on AFDC and not working increased from 49% to 67%. 			
<u>Percent Net Income for Food</u>	17%	26%	32%
<ul style="list-style-type: none"> ● Increase of 11% to 12% for those working and 7% increase for those on AFDC and not working. 			
<u>Percent Net Income for Day Care</u>	9%	9%	7%
<ul style="list-style-type: none"> ● Those off AFDC and working increased from 10% to 11%. ● Those on AFDC and working decreased from 12% to 8%. ● Those on AFDC and not working decreased from 6% to 0. 			
<u>Percent Net Income for Out-Of-Pocket Medical Expenses</u>	1%	3%	3%
<ul style="list-style-type: none"> ● Those off AFDC and working increased from 1% to 4%. ● Those on AFDC and working increased from 1% to 4%. ● Those on AFDC and not working decreased from 2% to 0. 			

*These figures include the higher proportion of net income used to meet basic needs by those off AFDC and not working. A small number of outliers can have substantial effects on the stability of these percentages.

HEALTH CARE

Virtually all rural respondents had a regular source of health care, but a smaller percentage used an HMO (2 percent vs. 13 percent) and more used a doctors office (70 percent vs. 62 percent) or a hospital outpatient department (13 percent vs. 5 percent). They were less inclined to delay a visit to a doctor (20 percent vs. 32 percent) or dentist (29 percent vs. 41 percent) than their counterparts in Hennepin. This 12 percent differential holds for those off AFDC and working also. Fewer rural respondents had made a change in their health care due to changes in their AFDC status (29 percent vs. 40 percent).

On the average, rural residents had less private health insurance for themselves (29 percent vs. 50 percent) and for their children (18 percent vs. 37 percent) balanced by slightly higher proportions in each of the other insurance categories. For those off AFDC and working, the proportion of people without any insurance was even larger than the disturbingly high figures for Hennepin: for respondents, 30 percent vs 23 percent; for their children, 40 percent vs. 37 percent. In addition, those off AFDC and working who had insurance had much less complete coverage than the other groups. As a consequence, a higher percentage of all medical bills were paid out-of-pocket (52 percent vs. 44 percent).

	January 1982	July 1982	January 1983
HAD A USUAL SOURCE OF HEALTH CARE			
<u>Respondents</u>	90%	91%	98%
<u>Children</u>	93%	96%	100%

January 1982		July 1982		January 1983	
Respon- dent	Chil- dren	Respon- dent	Chil- dren	Respon- dent	Chil- dren

TYPE OF USUAL SOURCE OF HEALTH CARE

<u>Doctor's office</u>	74%	73%	68%	66%	70%	73%
<u>Community clinic</u>	14%	14%	24%	28%	13%	13%
<u>HMO</u>	0	2%	2%	2%	2%	2%
<u>Hospital outpatient dept.</u>	12%	10%	4%	4%	13%	13%
<u>Hospital emergency room</u>	0	0	2%	0	2%	0
<u>Other</u>	0	2%	0	0	0	0

- No major differences among groups.

8/81-1/82 2/82-7/82 8/82-1/83

**DELAY SEEING HEALTH PROVIDERS
DUE TO COST**

<u>Didn't have enough money to pay doctor</u>	16%	20%	20%
<u>Didn't have enough money to pay dentist</u>	9%	22%	29%

- In January 1983 those off AFDC and working had greater delays than those on AFDC in seeing a physician (30% vs. 9%) and a dentist (43% vs. 9%) due to cost.

<u>January 1982</u>		<u>July 1982</u>		<u>January 1983</u>	
<u>Respon-</u>	<u>Chil-</u>	<u>Respon-</u>	<u>Chil-</u>	<u>Respon-</u>	<u>Chil-</u>
<u>dent</u>	<u>dren</u>	<u>dent</u>	<u>dren</u>	<u>dent</u>	<u>dren</u>

HEALTH INSURANCE COVERAGE

TYPE OF COVERAGE

<u>Medicaid</u>	65%	62%	47%	48%	34%	35%
<u>Medicaid and private</u>	35%	38%	4%	4%	4%	9%
<u>Private</u>	-	-	31%	29%	38%	34%
<u>None</u>	-	-	18%	19%	24%	22%

- 30% of those off AFDC and working had no health insurance coverage. The remainder had private health insurance coverage or Medicaid.
- 40% of the families in this group had no health insurance coverage for their children.

<u>January 1983</u>					
<u>Children</u>			<u>Respondent</u>		
<u>All</u>	<u>Some</u>	<u>None</u>	<u>All</u>	<u>Some</u>	<u>None</u>
<u>(100%)</u>		<u>(0%)</u>	<u>(100%)</u>		<u>(0%)</u>

SERVICES COVERED

<u>Hospital stays</u>	67%	33%	0	66%	34%	0
<u>Physician visits</u>	69%	17%	14%	62%	31%	7%
<u>Dental care</u>	52%	29%	19%	45%	33%	21%
<u>Drugs</u>	53%	21%	26%	38%	43%	19%

- Those off AFDC and working had considerably weaker coverage. For example, only 38% had complete coverage for hospital stays, 33% for physician visits, 10% for dental care, and 10% for drugs.

11/81-1/82 5/82-7/82 11/82-1/83

PAYMENT SOURCE FOR HEALTH CARE BILLS

<u>Medicaid</u>	79%	38%	38%
<u>Private</u>	14%	14%	9%
<u>Self/other</u>	7%	46%	52%

- Those off AFDC and working paid 66% of their health care bills out-of-pocket.

2/82-7/82 2/82-1/83

MADE CHANGES IN HEALTH CARE DUE TO CHANGE IN AFDC STATUS

13% 29%

- Most change involves not getting proper care.

DAY CARE

The patterns of change in use of day care were comparable to Hennepin County. Expenditures for day care had been lower in rural areas, but respondents had also been able to substantially cut costs over the year. More than in Hennepin County, this had been accomplished by switching providers, from formal day care centers and friends/neighbors to babysitters, other children in the household, and a variety or mix of other providers. These changes brought less disruption than in Hennepin: very few families expressed dissatisfaction or could identify a child needing but not getting day care. Those able to locate financial support for day care were very few: only two families. This represents 4 percent of the rural sample; 12 percent of Hennepin respondents had acquired such assistance.

	January 1982	July 1982	January 1983
FAMILY MONTHLY OUT-OF-POCKET EXPENDITURE FOR DAY CARE	\$74	\$56	\$44

- For those off AFDC and working, expenditures dropped from \$88 in January 1982 to \$59 in January 1983.
- Those on AFDC and working cut expenditures from \$77 to \$62.
- For those not working, expenditures fell from \$44 to 0.

HOURS OF DAY CARE PER WEEK

	35	35	24
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- July data are affected by school summer vacation.
- Comparing January 1982 with January 1983, those off AFDC and working decreased from 41 to 36 hours.
- Those on AFDC and working increased from 23 to 27 hours.
- Those on AFDC and not working decreased from 43 hours to 0.

	<u>January 1982</u>	<u>July 1982</u>	<u>January 1983</u>
PERCENT RECEIVING FINANCIAL SUPPORT FOR DAY CARE	2%	4%	4%
<ul style="list-style-type: none"> ● Highest in January 1983 (8%) for those off AFDC and working. 			
ANY CHILD GETTING UNSATISFACTORY DAY CARE	2%	7%	2%
ANY CHILD NEEDING DAY CARE, BUT NOT GETTING IT	2%	0	0
SOURCES OF OUTSIDE DAY CARE FOR CHILDREN			
<u>Day care center</u>	30%	7%	13%
<u>Relative</u>	15%	17%	7%
<u>Friend/neighbor</u>	31%	11%	15%
<u>Babysitter</u>	2%	39%	27%
<u>No one</u>	18%	11%	12%
<u>Another child in the house</u>	0	9%	12%
<u>Other or mix of the above sources</u>	5%	6%	13%

- Figures are computed for all children under age 13 receiving day care from someone other than the respondent or spouse.
- The children of those off AFDC and working have shifted from formal day care centers (down from 37% to 19%), no one (down from 23% to 14%), and friends and neighbors (down from 26% to 6%), to babysitters (up from 3% to 22%), another child (up from 0% to 6%) and other or mix (up from 0% to 14%) during the year.
- The children of those on AFDC and working did not use day care centers at all in January 1983, down from 17% one year earlier. They also stayed with friends and neighbors less (down from 67% to 40%). Babysitters increased from 0% to 40%.

	<u>2/82-7/82</u>	<u>8/82-1/83</u>
MADE CHANGES IN DAY CARE DUE TO CHANGES IN AFDC STATUS	18%	13%

- All those who reported changes used less or no day care or found cheaper sources of day care, including the use of friends and relatives.
- All those reporting changes were off AFDC and working.

HOUSEHOLD COMPOSITION

Patterns are very similar to those of Hennepin. The turnover of people in rural counties involved addition of new people as much as in Hennepin, but the departure of old members was only half the rate (5 percent vs. 10 percent). The new people were more often spouses in rural counties.

	<u>January 1982</u>	<u>July 1982</u>	<u>January 1983</u>
NUMBER OF HOUSEHOLD MEMBERS	3.0	3.0	3.1
NUMBER OF CHILDREN - TOTAL	1.9	1.8	1.8
<u>Age 0-5 years</u>	.7	.7	.7
<u>Age 6-12 years</u>	.7	.7	.8
<u>Age 13-18 years</u>	.5	.5	.5

- Those on AFDC had more children (2.1) than those not on AFDC (1.8).

HOUSEHOLD TYPE

<u>Living alone with children</u>	87%	84%	75%
<u>Living with spouse</u>	5%	9%	15%
<u>Living with parents or relatives (and not spouse)</u>	4%	2%	5%
<u>Living with others (unrelated only)</u>	4%	5%	5%

- Four of the five households adding a spouse were off AFDC.

PERSON MOVEMENT

<u>January 1983 persons not in household all year</u>	11%
<u>Persons in household January 1982 or July 1982 and not in household January 1983</u>	5%

HOUSING

Families in rural counties were much less likely to live in an apartment or duplex and more likely to live in a house (56 percent vs. 40 percent) with more rooms (5.3 vs. 5.0). They were more likely to own the place where they lived (40 percent vs. 22 percent). They were just as likely to move as their counterparts in Hennepin and for the same reasons. Less so than in Hennepin, they made very few housing changes due to changes in their AFDC status (4 percent vs. 13 percent).

	January 1982	July 1982	January 1983
TYPE OF HOUSING			
<u>House</u>	51%	51%	56%
<u>Apartment</u>	26%	27%	30%
<u>Duplex</u>	6%	4%	0%
<u>Townhouse or condominium</u>	11%	9%	9%
<u>Mobile home</u>	7%	9%	4%
RENTAL/OWNERSHIP STATUS			
<u>Rent</u>	60%	62%	58%
<u>Own</u>	38%	38%	40%
<u>Live with relatives--no cost</u>	2%	0	2%
AVERAGE NUMBER OF ROOMS (excluding bathrooms)			
	5.1	5.0	5.3

	<u>8/81-1/82</u>	<u>2/82-7/82</u>	<u>8/82-1/83</u>
NUMBER OF MOVES			
<u>None</u>	86%	86%	84%
<u>One</u>	15%	13%	15%
<u>More than one</u>	0	2%	2%

- The average family moved 0.35 times during the year.
- Those on AFDC and working moved twice as frequently (0.70).
- Those off AFDC and working averaged only 0.23 moves.

	<u>8/81-1/82</u>	<u>2/82-7/82</u>	<u>8/82-1/83</u>
MAJOR REASON FOR LAST MOVE			
<u>Cheaper to live there</u>	17%	38%	33%
<u>More space</u>	17%	25%	22%
<u>Overall quality better</u>	33%	-	22%
<u>Closer to work</u>	8%	-	11%
<u>Closer to friends/relatives</u>	25%	-	11%
<u>Change in household composition</u>	-	-	-
<u>Evicted</u>	-	-	-
<u>Other reason (e.g. conflict within household or with neighbor)</u>	-	38%	-

	<u>2/82-7/82</u>	<u>2/82-1/83</u>
MADE HOUSING CHANGE DUE TO CHANGE IN AFDC STATUS		
<u>Moved to cheaper rent</u>	4%	4%
<u>Moved to a relative's home</u>	-	-
<u>Got a roommate</u>	-	-
<u>Other</u>	-	-

FINANCIAL EMERGENCIES

Rural families have experienced fewer financial emergencies than their counterparts in Hennepin County. In most areas, only one or two families experienced any difficulty. There are two exceptions. Threats of utility shut-offs were comparable to Hennepin affecting one family in five. A shortage of food was also experienced by a large number of families, but this rate was much below that of Hennepin (27 percent vs. 44 percent).

	<u>8/81-1/82</u>	<u>2/82-7/82</u>	<u>8/82-1/83</u>
UTILITY SHUTOFFS			
<u>Threatened</u>	16%	26%	20%
<u>Shutoff</u>	0%	6%	2%
<ul style="list-style-type: none"> ● Majority responded by working out payment plan. ● 27% got help from fuel assistance programs at some point during 1982. This varied widely by work/grant status: 30% for those on AFDC and working, 50% for those on AFDC and not working, and 21% for those off AFDC and working. 			
REPOSSESSIONS			
<u>Threatened</u>	2%	2%	0%
<u>Repossessed</u>	0%	2%	0%
EVICTION/FORECLOSURE			
<u>Threatened</u>	2%	0%	2%
<u>Eviction/foreclosure</u>	0%	0%	0%
STOPPED DAY CARE DUE TO COST			
	2%	2%	4%
COULD NOT BUY SUFFICIENT FOOD			
	42%	31%	27%
<ul style="list-style-type: none"> ● 60% responded in January 1983 by eating less or cheaper food, 20% borrowed money/food from friends/relatives. ● Those still on AFDC had greater problems with being able to buy enough food for their families than those off AFDC and working (37% vs. 23%). 			

PERCEPTIONS OF LIFE

Compared to Hennepin County in January 1983, rural respondents felt better about most aspects of their lives. Their scores on the "life ratings" were generally one-half to a full point higher. The only significant exception was in the area of "children's future job opportunities," where rural residents actually felt worse (4.5% vs. 5.0%).

Looking at the most important problem facing the family, the two geographic areas were quite similar. Financial problems were about as important for both areas, but rural financial problems were less focused on money for necessities (9 percent vs. 26 percent). More rural residents had no major problem (20 percent vs. 7 percent). There was no difference in the way families in the two areas planned to handle their problems.

	Mean Rating	
	July 1982	January 1983
OVERALL STANDARD OF LIVING	5.7	5.8
<ul style="list-style-type: none"> ● Highest in January for those working (6.0). ● Lowest January rating for those on AFDC and not working (4.8). 		
JOB - PAY, BENEFITS, SECURITY	5.9	6.4
<ul style="list-style-type: none"> ● In January those off AFDC and working were lower than those on AFDC and working (6.2 vs. 7.0). 		
JOB - HOURS AND AMOUNT OF WORK	5.9	6.0
<ul style="list-style-type: none"> ● Much lower in January for those on AFDC and working (4.9). 		
HOME - AMOUNT OF SPACE	7.2	7.2
<ul style="list-style-type: none"> ● No difference among groups. 		
HOME - CONVENIENCE OF LOCATION	8.3	8.3
<ul style="list-style-type: none"> ● No difference among groups. 		
HOME - CONDITION OF BUILDING	7.6	7.7
<ul style="list-style-type: none"> ● No difference among groups. 		

	Mean Rating	
	July 1982	January 1983
NEEDS MET - FAMILY HEALTH CARE	7.4	7.1
<ul style="list-style-type: none"> ● In January those off AFDC were significantly lower (6.1) than those on AFDC (8.4). 		
NEEDS MET - CHILDREN'S DAY CARE	8.3	8.7
<ul style="list-style-type: none"> ● Much higher in January for those on AFDC and working (9.9). 		
CHILDREN'S SCHOOL	8.0	8.4
<ul style="list-style-type: none"> ● Much higher in January for those on AFDC and working (9.3). 		
CHILDREN'S FUTURE JOB OPPORTUNITIES	3.8	4.5
<ul style="list-style-type: none"> ● Those on AFDC were lower in January (3.9). 		
HOUSEHOLD INCOME	4.4	4.5
<ul style="list-style-type: none"> ● Lowest in January for those on AFDC and not working (3.3). 		
FINANCIAL - SECURITY	3.7	4.3
<ul style="list-style-type: none"> ● Higher for those working; increased from 3.5 to 3.9. ● Lowest for those on AFDC and not working; (3.1). 		
CHANCES FOR GETTING AHEAD	4.4	4.7
<ul style="list-style-type: none"> ● Highest in January for those off AFDC and working (4.9). ● Lowest in January for those on AFDC and working (3.9). 		
CHANCES FOR MAKING IT ON YOUR OWN	5.9	6.0
<ul style="list-style-type: none"> ● Highest in January for those off AFDC and working (6.3). ● Lowest in January for those on AFDC and working (4.6). 		

MOST IMPORTANT PROBLEM FACING FAMILY

<u>Money for necessities</u> (including medical, food, shelter, clothing)	9%
<u>Other financial problems</u>	39%
<u>Job issues</u>	13%
<u>Personal problems</u> (e.g. not enough time with children, health)	6%
<u>Other</u>	15%
<u>None</u>	20%

- Only one major difference existed among the groups; those on AFDC were much more concerned about improving their job situation (23% vs. 6%).

HOW DO YOU PLAN TO HANDLE THIS PROBLEM?

<u>Improve job situation</u>	26%
<u>Improve self</u> (school, etc.)	12%
<u>Other action</u>	19%
<u>Make due/hope</u>	28%
<u>Don't know</u>	16%

- No difference among three major groups.

CONCLUSIONS

One must be cautious when interpreting the data from the four rural counties because of the small sample size involved. In general, it appears that Minnesota's rural working AFDC recipients are similar to their urban counterparts in Hennepin County. Where differences do appear, often they can be attributed to the local environment rather than differences in the nature of people. For example, rural areas provide fewer job opportunities and lower wages; apartments are less available and houses are cheaper; and no HMOs are located in these counties.

Rural residents do seem somewhat more satisfied with their lives than their urban counterparts. Their ratings of various aspects of their lives were generally higher and they have fewer major problems. Very few were dissatisfied with day care even though they had made major changes in 1982. Rural residents had experienced fewer financial crises in the first year following the cutbacks, especially with regard to food shortages.

This satisfaction has come despite lower incomes than Hennepin respondents. Lower living costs in the rural areas have counterbalanced this income disparity. But this balance should be viewed with caution. Only the very mild winter of 1982-83 made this possible. Housing costs had been comparable in January 1982 with rural utility costs, twice as high as in Hennepin, compensating for lower rents and mortgages. The mild winter of 1982-83 gave rural residents a temporary break in expenses.

Despite these differences urban and rural working AFDC recipients have responded similarly to the federal cutbacks. Those who were terminated from the AFDC program have largely continued to work and support themselves. When they have returned to AFDC, the major reason has been that they were laid off or fired rather than wanting to get their grant back. An alarmingly large proportion of these people and their children are without any health insurance and many are delaying visits to health providers. Those who had their grant reduced when the new federal rules were implemented have taken three routes in equal magnitude: off AFDC and working, on AFDC and working, and on AFDC and not working. These patterns are identical with those of Hennepin County.