

## **BENEFITS OR BARRIERS?**

By Britta Arendt

Jun 18, 2016

Why would someone really try to find work when they can live comfortably off welfare?

This has become a common question throughout the community - especially given the current unemployment and poverty rates. Any response to this question is complicated and controversial. So three people with local expertise and experience in the matter decided to delve into data to find the real truth.

The two sides of the matter: Some believe public assistance is so lucrative that it is a big disincentive toward seeking work. Yet, others say over the past 30 years in northern Minnesota basic family benefit programs have become too difficult to qualify for and the number of livable-wage jobs has substantially declined or stagnated.

To sort through these viewpoints, Alice Moren, Terri Friesen and Marian Barcus, current or former administrators of social service programs in Itasca County, initiated an in-depth analysis of local public assistance. Their findings will be included with a broader study commissioned by the Blandin Foundation and conducted by Wilder Research specialists. The aim is to explain the widening gap between job openings and people seeking employment in Itasca County.

This week, Barcus presented an overview of the effort before the Itasca County Board.

Barcus told commissioners she felt local leaders, like themselves, should be privy to the findings, titled "Benefits or Barriers," before the information becomes incorporated into a statewide report and disseminated over the internet.

The rumor alarmed her, began Barcus, of the notion that public assistance was a disincentive to seeking employment.

"So I enlisted Alice Moren and Terri Friesen to get a grip on the actual data," said Barcus.

The three used 2015 data on the use of seven public assistance programs in Itasca County (using a report by the CATO Institute as a baseline). They also incorporated the socioeconomic factors with a portion on the psychosocial dynamic of poverty and employment.

“While the report relies heavily on 2015 data from public assistance and community agencies, the psycho-social dynamics of poverty and employment are timeless,” they wrote. “These dynamics are generated less from the value of benefits than from social perceptions of people living in poverty, the system those perceptions generate and the community’s isolated attempts to structure local economic change.”

A key concept of the report: “Both data and systemic aspects are critical to our understanding of the community’s potential to shape change in the region.”

Barcus highlighted some of the key findings of the report during the County Board’s June 14 meeting.

The first finding, which Barcus dubbed “good news,” shows public assistance is not as much a disincentive for employment in Itasca County as thought. It meant, as a retired county human services division manager, her “instincts were correct.”

Of the number of Itasca County residents on public assistance, 85 to 90 percent of them use only one to three of seven programs studied.

Also contributing to the main finding was the “no-frills” cost of living estimate for a family of three in Itasca County. This minimum was found to be about \$44,000 and the majority of residents on public assistance receive less than \$20,000 in benefit value.

So public assistance is not meeting jobs-fulfilling levels either, explained Barcus.

The percentage of people in Itasca County with disabilities is another key factor as these people are “not likely looking for employment,” Barcus added.

In addition to the data, the report found that the “stress of living on the edge impedes the thinking process,” and “being in poverty itself is a challenge,” according to Barcus.

In conclusion, addressing the common perception that “if we just paid more and people worked more, there would be no one on public assistance is not that simple,” said Barcus.

“We have to work together to make change.”

Barcus listed several local initiatives that are working to create such change including Minnesota Diversified Industries, Circles of Support, Northern Opportunity Works, GrandWorks/TeenWorks, and Rural Success Pathways.

Impressions and motivations from all three contributors were included in the draft provided with the county board’s agenda this week.

Alice Moren, Executive Director of Circles of Support and Blandin Foundation Trustee: “My perception of the questions behind the study is - we have all these jobs available in Itasca County

and all this poverty. Why aren't those people taking these jobs? Some believe it is because our safety net services are so great, why would they want to work?

“We need dire help in broadening an understanding of why in some cases choosing service use over employment is the right choice. We are not ready for that. The practice of questioning/blaming the poor is commonplace. Questioning employer practices makes us uncomfortable. I do feel, however, that at least we are dancing in the margins of these issues with this study.”

Terri Friesen, Supervisor of Income Maintenance Unit, Itasca County Health and Human Services: “The required employment and training programs are unrealistic for most of our clients. Emphasis should be placed on working with business to bring clients into their businesses and mentor and coach them.”