

## TWO-PARENT FAMILIES & CASH ASSISTANCE

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The general public perception is that only single parents receive welfare. While it is true that the typical family who receives welfare consists of a single parent and her children, families with two parents can also be financially needy enough to qualify for Temporary Assistance for Needy Families (TANF). In fact, two-parent families have the same income eligibility requirements as single-parent families. When households with two able-bodied adults participate in TANF, they are referred to as *two-parent family cases*.

Federal TANF guidelines mandate that two-parent cases operate under different rules. They require 90% of two-parent families, compared with 50% of all families, to be engaged in work activities (Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 2016). Failing to meet this work participation rate (WPR) may create financial penalties for a state, as federal reimbursement for TANF depends on a state meeting the WPR.

In response, some states attempted to limit the number of two-parent family cases outright. Currently, nine states have special eligibility requirements, including waiting periods and work history tests (Huber, Cohen, Briggs, & Kassabian, 2015). In three states, two-parent families are completely ineligible for TANF.

Maryland—and many other states—took a different approach, opting to fund two-parent families through separate programs that are solely state-funded. This exempts these cases from the federal WPR, but it is potentially expensive. As the costs for two-parent cases are not reimbursed by the federal government, any

growth in this portion of the caseload has outside consequences for state budgets.

Even though Maryland does not receive federal reimbursement for two-parent cases, the rules for these families mirror federal guidelines. Two-parent families are required to participate in work activities like job training, education, or formal employment. Most single-parent recipients are required to participate for 20 to 30 hours per week, but one adult on a two-parent family case must participate for 35 hours per week, as long as the other adult is providing child care for their dependent(s). If the family receives federally-funded childcare, the participation requirement is 55 hours per week between both adults (Maryland Department of Human Resources, 2015). Additionally, two-parent families are not eligible for an exemption that allows parents with infants to be excused from work activities.

While one study (Rangarajan, Castner, & Clark, 2005) shows that eligible two-parent families are less likely to receive assistance than eligible single-parent families, no research exists on the characteristics of two-parent families who do receive welfare. Furthermore, many states' two-parent families are not included in statistics reported to the federal government because no federally reimbursable funds are used to pay for those families. This means we lack very basic knowledge about two-parent family cases in many states, including how many two-parent families receive assistance and the number of months of assistance they receive.

To expand the amount of information available on this group of recipients, this research brief

examines two-parent family cases in Maryland in October 2014. It looks at their prevalence and how long families receive cash assistance as well as recipient adults' demographics and employment and earnings histories.

## Data

This brief uses a subset of data from the *Life on Welfare* study population, which consists of all cases that received Temporary Cash Assistance in October 2014 (n=23,107). Of these cases, 526 were designated as two-parent family cases. Out of this group, there were 504 cases that had two adults receiving payments in October 2014; almost all of the remaining cases had an adult added retroactively.<sup>1</sup> These 504 cases constitute the sample for this brief.

The administrative data used in this brief comes from two information management systems maintained by the state of Maryland. Individual- and case-level demographic and program participation data are provided by the Client Automated Resources and Eligibility System (CARES). Employment data are provided by the Maryland Automated Benefits System (MABS).

MABS data has several limitations. MABS only reports data on a quarterly basis, which means that it is not possible to calculate weekly or monthly employment and earnings figures. MABS does not contain data on informal, or under-the-table employment, so earnings from these jobs are not included. Finally, MABS only contains information on employment within Maryland. Because out-of-state employment is common in Maryland,<sup>2</sup> we are likely understating the percentage of clients with employment and may be missing some clients' earnings.

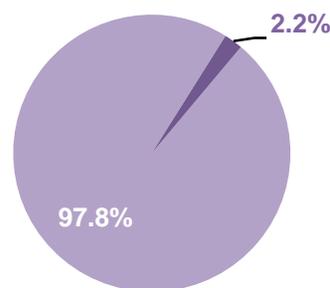
<sup>1</sup> Two cases were excluded from the analysis due to data anomalies.

## Findings

In October 2014, 2.2% of the total caseload in Maryland consisted of two-parent family cases, as shown in Figure 1. Two-parent cases thus made up a relatively small fraction of the TCA caseload. However, while the *percentage* of two-parent cases in the October 2014 caseload was low, Figure 2 shows that two-parent cases have been increasing *numerically* over time. From 2007 to 2014, the number of two-parent cases grew more than three times in size, from 145 to 526 cases. Within the same time period, the overall TCA caseload grew from 21,941 to 24,966 cases, a far more modest 14% increase (Family Investment Administration, 2008, 2015).

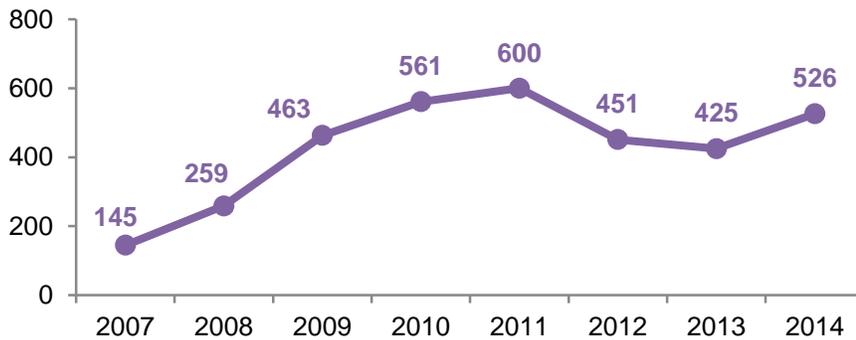
Although both Maryland's total caseload and two-parent cases have increased, their patterns diverged at the end of the period we examine here. Both the total TCA caseload and the number of two-parent families increased from 2007 through 2011, then declined for two years. The total caseload continued declining, but there was an upswing in two-parent families between 2013 and 2014. While we cannot say with any certainty why the number of two-parent cases is rising, the increase itself suggests that a better understanding of this population will be beneficial for TCA caseworkers.

**Figure 1. Two-Parent Cases in October 2014**



<sup>2</sup> More than one in six (17.3%) Maryland residents works out of state, which is over four times greater than the national average (3.8%) (U.S. Census Bureau, 2015).

**Figure 2. Number of Two-Parent Cases over Time**



**Note:** Counts of two-parent family cases are from October of each year. Data is from our annual reports on the TCA caseload (e.g. Hall & Passarella, 2016).

Table 1 shows the geographic distribution of two-parent family cases across Maryland in October 2014. Two-parent cases made up a small percentage of the caseload in Baltimore City (1.7%), which had the highest percentage of the state’s overall caseload (41.4%).<sup>3</sup> Other regions were home to higher percentages of two-parent family cases. For example, two-parent cases made up 6.8% of the caseload in Montgomery County, the highest in the state.<sup>4</sup>

The Western and Lower Shore regions also had relatively high percentages of two-parent family cases. As Table 1 shows, 3.5% of cases in the Lower Shore region and 3.0% of cases in the Western region were two-parent cases, compared with 2.2% statewide. Additionally, two-parent cases made up 2.5% of the caseloads in both the Upper Shore and Southern regions.

Certain counties within a region may have had more two-parent family cases than others. In the Western region, 5.8% of Allegany County’s caseload and 4.1% of Garrett County’s caseload were two-parent cases, while two-parent cases were 1.2% of Washington County’s caseload. Similarly, in the Lower Shore region, 5.2% of

Somerset County’s caseload and 3.5% of Wicomico County’s caseload were two-parent cases, but Worcester County had no two-parent cases.

**Table 1. Two-Parent Family Cases as Percent of Jurisdictional Caseload**

	<b>% Two-Parent Family Cases</b>
<b>Region</b>	
Montgomery County	6.8% (80)
Lower Shore	3.5% (34)
Western	3.0% (36)
Southern	2.5% (25)
Upper Shore	2.5% (30)
Anne Arundel County	2.2% (29)
Prince George’s County	1.8% (40)
Baltimore City	1.7% (163)
Baltimore County	1.5% (44)
Metro	1.5% (23)
<b>Total</b>	<b>2.2% (504)</b>

**Note:** *Metro:* Carroll, Frederick, Harford, & Howard Counties; *Southern:* Calvert, Charles, & St. Mary’s Counties; *Western:* Allegany, Garrett, & Washington Counties; *Upper Shore:* Caroline, Cecil, Dorchester, Kent, Queen Anne’s, & Talbot Counties; *Lower Shore:* Somerset, Wicomico, & Worcester Counties.

<sup>3</sup> All data on the overall caseload are from our report on the TCA caseload in October 2014 (Hall & Passarella, 2016).

<sup>4</sup> Of the 80 two-parent family cases in Montgomery County, 37 are at a district office that serves refugees.

## Demographics

When examining their demographic characteristics, the adults on two-parent family cases tend to look very similar to each other, except in terms of gender. As Table 1 shows, payees—the adults who are the heads of their TCA cases<sup>5</sup>—were more likely (65.5%) to be female, while the majority (65.7%) of the other parents on two-parent cases were male. About 50% of both groups of parents were African American, another 33% were Caucasian, 2% were Hispanic, and 11% reported as a different race.

Unsurprisingly, parents in two-parent families were likely to be married. Over half of payees and other parents were married in October 2014. About 40% of payees and other parents were never married and about 3% were divorced, separated or widowed.

The average age for both payees and other parents was about 33 years. Payees and other parents were likely to have finished high school. About 76% of payees and 71% of other parents completed at least a high school education.

Although the adults in two-parent family cases were similar to each other, they differed from the adults in the total caseload in terms of race and ethnicity and marital status. Compared to the total statewide caseload, adults on two-parent cases were less likely to be African American (about 50% vs. 71%) or Hispanic (2% vs. 5%), and more likely to be Caucasian (about 33% vs. 22%) or some other race (11% vs. 1%). These differences in racial makeup may be a result of the differing geographic distribution between two-parent cases and the distribution of the TCA caseload overall, namely, the smaller representation of Baltimore City in the two-parent caseload.

Compared with the total caseload, adults on two-parent family cases were more likely to be married. In all TCA cases, only 9% of payees were married, compared with over half of adults in two-parent cases. Over 75% of the adults in all TCA cases had never married.

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<sup>5</sup> We do not know how caseworkers make the choice as to which parent is designated as the payee, but both parents'

financial statuses are taken into consideration when determining eligibility.

**Table 2. Payee and Other Parent Demographic Characteristics**

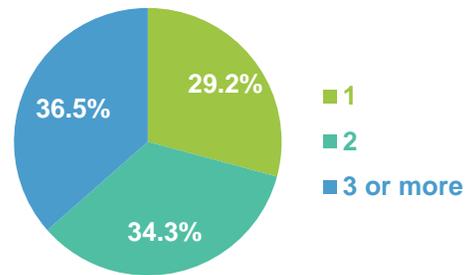
	<b>Payee</b> (n=504)	<b>Other Parent</b> (n=504)
<b>Gender</b>		
Female	65.5% (330)	34.3% (173)
Male	34.5% (174)	65.7% (331)
<b>Race/Ethnicity</b>		
Caucasian^	34.5% (166)	32.0% (154)
African American^	51.4% (247)	54.4% (262)
Hispanic	2.9% (14)	2.1% (10)
Other^	11.2% (54)	11.6% (56)
<b>Marital Status</b>		
Never Married	41.5% (209)	39.8% (199)
Married	55.2% (278)	56.8% (284)
Divorced / Separated / Widowed	3.4% (17)	3.4% (17)
<b>Age</b>		
Average [Median]	32.9 [30.9]	33.0 [31.1]
<b>Education</b>		
Did not Finish High School	23.9% (105)	29.4% (130)
Finished High School	68.0% (299)	64.3% (284)
Education Beyond High School	8.2% (36)	6.3% (28)

**Notes:** ^Non-Hispanic. Counts may not sum to totals due to missing values. General Education Development Program (GED) certificates are included in high school completion rates. Valid percentages are reported.

In addition to demographic characteristics for each of the two adults on two-parent cases, we also examine the number of children associated with these cases. As Figure 4 shows, two-parent cases were particularly likely to have three or more children receiving benefits.

About 30% of two-parent family cases had one recipient child, 34% had two children, and 37% had three or more. Compared to the total caseload, two-parent family cases tend to have more children associated with the case. In October 2014, about 47% of cases in the state’s caseload had one recipient child, and only 22% had three or more children (Hall & Passarella, 2016).

**Figure 4. Number of Children**



**Note:** Only children who received TCA benefits are included in this analysis.

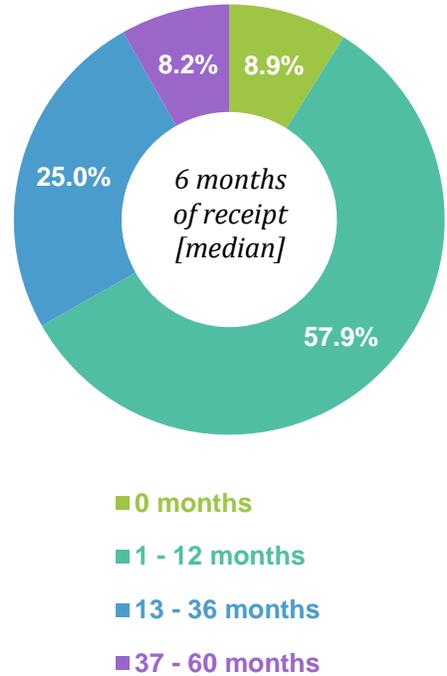
## TCA Receipt

Considering the substantial growth in the two-parent family caseload between 2007 and 2014, it may be that some of these families have very little history with TCA. Indeed, we find that two-parent family cases have relatively low historic TCA receipt. As Figure 5 shows, two-parent family cases had a median<sup>6</sup> of six months of TCA receipt in the previous five years, compared with a median of 25 months of receipt in the overall caseload.

Figure 5 also shows that the majority of two-parent family cases, about 58%, had between one and 12 months of TCA receipt in the five years before October 2014. One quarter of two-parent family cases had between 13 and 36 months of TCA receipt, and only 8% had more than 36 months of receipt. About 9% of two-parent cases actually had zero months of TCA receipt in the prior five years, meaning they received no assistance from October 2009 through September 2014. Most likely, these cases never received TCA at all prior to October 2014.

Ultimately, two-parent families tend to receive TCA for short periods of time. The majority of cases in this sample received less than a year of TCA benefits in the five years prior to October 2014. This suggests that two-parent family cases' TCA receipt is truly temporary in nature.

**Figure 5. Months of TCA Receipt in the Last Five Years**



<sup>6</sup> The median is the middle value of a distribution. Half of two-parent family cases received assistance for six months

or less, and half received assistance for six months or more.

## Employment and Earnings

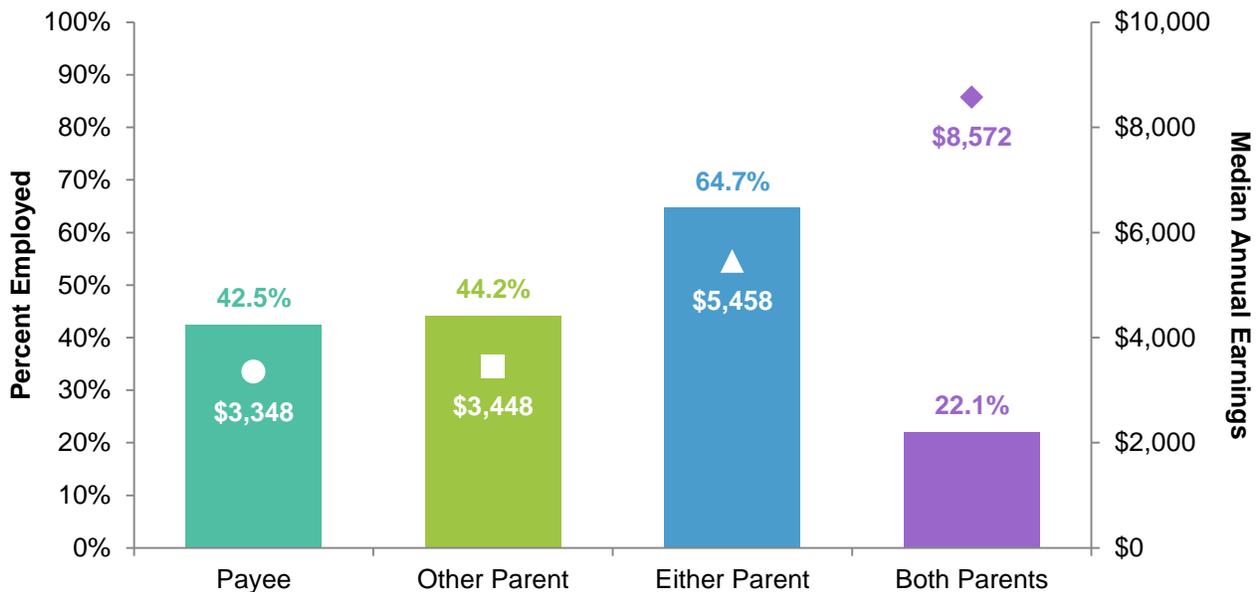
In contrast to most families receiving TCA, two-parent families have two potential wage earners. However, this does not necessarily mean that both parents were working before entering TCA. As Figure 6 shows, less than half of payees (42.5%) and other parents (44.2%) were employed at some point in the year before October 2014. When taking both parents into account, the percentage of households with at least one parent employed in the prior year increases to 65%, meaning that about 35% of two-parent families had no employed adult in the year before October 2014.

Thus, a relatively small percentage of two-parent households are dual-income households. In about 20% of two-parent families, both the payee and the other parent were employed at

some point in the prior year. This may be due to the cost of child care necessitating one parent acting as the primary caregiver in the home, or other factors that prevent one of the parents from working.

Regardless, two-parent families are likely to depend upon only one parent's earnings, and these earnings tend to be low. As Figure 6 shows, yearly median earnings were highest for households in which both the payee and the other parent were working (\$8,569). However, these households make up a relatively small percentage of two-parent family cases. Households in which at least one adult was working had median earnings that were about \$3,000 less, at \$5,485. Of payees and other parents, other parents earned slightly more, \$3,448 as compared with \$3,344.

**Figure 6. Percent Employed and Median Annual Earnings in Year Prior to October 2014**  
*October 2013 – September 2014*



**Notes:** Earnings are standardized to 2014 dollars. Valid percentages are reported.

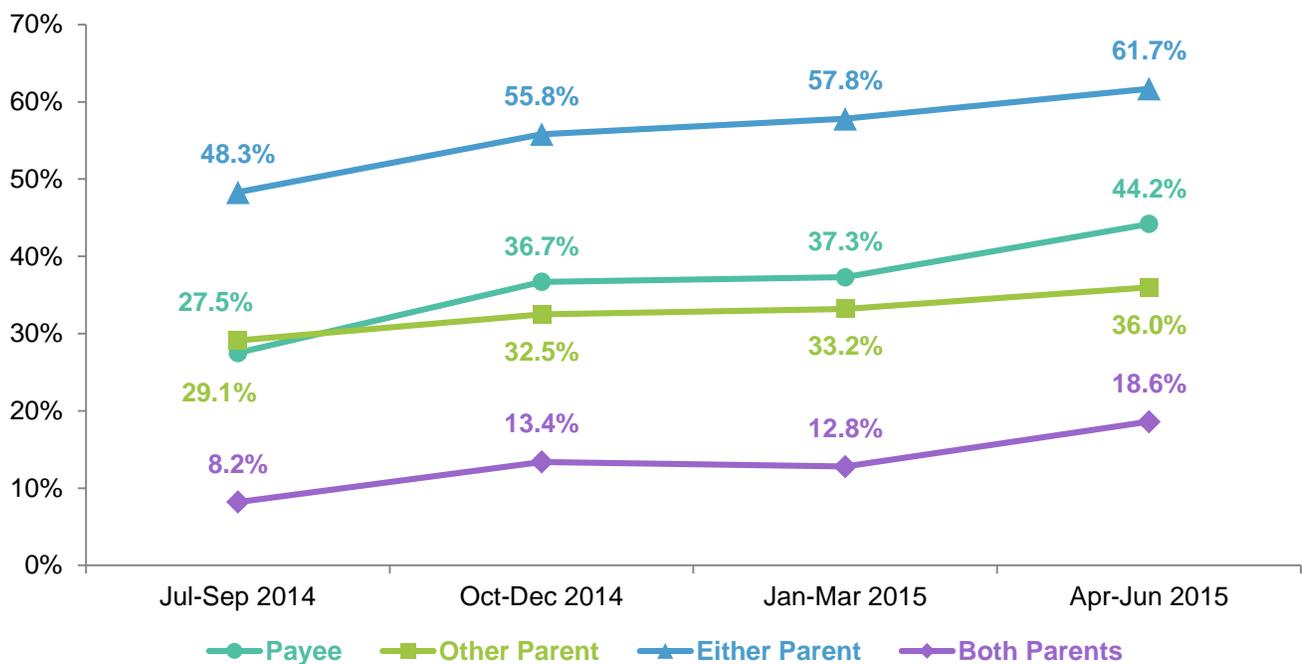
We also examine quarterly employment beginning with the quarter before October 2014. As might be expected, in the quarter before we are certain that these families received TCA benefits, the employment rates for both sets of parents are lower. As shown in Figure 7, about 30% of other parents were employed at some point between July and September of 2014, and a slightly lower percentage (27.5%) of payees were employed in the same period. Just under half (48.3%) of two-parent households had at least one employed parent, while only 8% of households had two employed parents.

For both sets of parents, employment rose over time. From late 2014 through mid-2015, the percentage of employed payees increased from 37% to 44%. The percentage of other parents who were employed also increased, but not by

as much (32.5% to 36.0%). The percentage of households with at least one working parent grew by six percentage points (55.8% to 61.7%), as did the percent of households with both parents working (13.4% to 18.6%). These figures indicate that at least some of the parents in two-parent family households were finding jobs, though it was still much more common for two-parent families to have only one employed adult.

These numbers make it clear why funding two-parent family cases through state general funds is sensible. If these rates of employment are an indication of how likely the adults on two-parent family cases are to participate in work activities, the state of Maryland would find it very difficult to meet the required 90% federal work participation rate for two-parent family cases.

**Figure 7. Percent Employed**  
July 2014 – June 2015



**Note:** Valid percentages are reported.

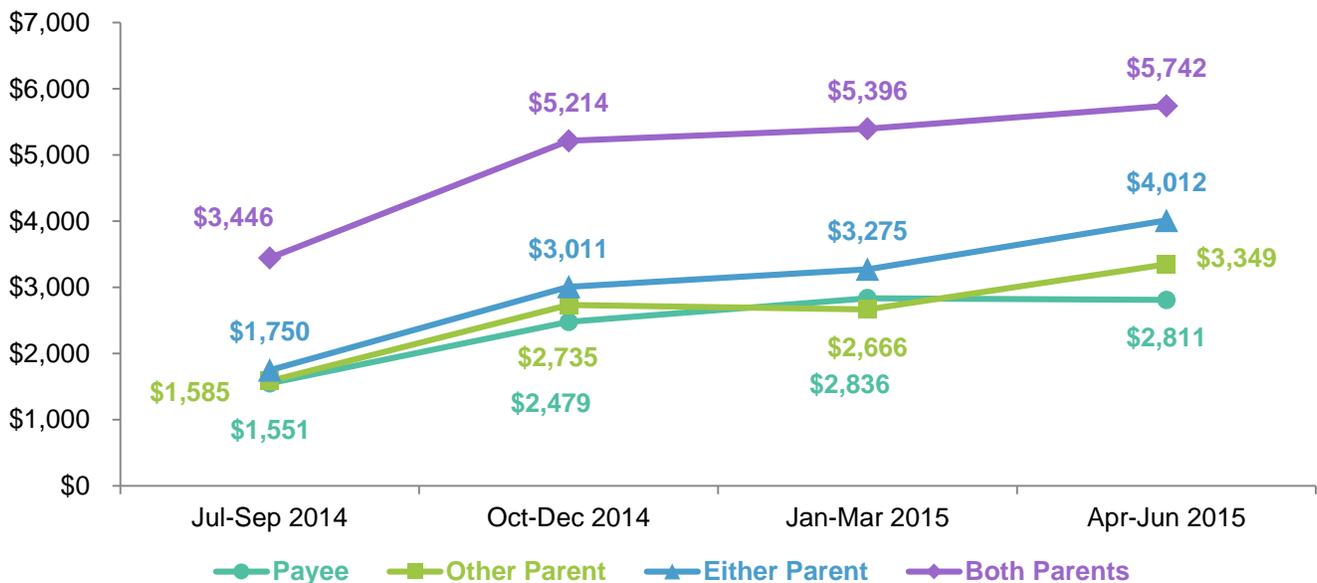
In addition to quarterly employment, we also investigate median quarterly earnings. Earnings in two-parent families in which both parents were working were, as expected, higher than those for other households. As shown in Figure 8, median quarterly earnings for these families rose from \$3,446 in July through September 2014 to \$5,742 in April through June 2015. Median quarterly earnings also increased for families in which at least one parent worked, from \$1,750 to \$4,012.

While earnings for payees increased by about \$1,200, earnings for other parents increased by about \$1,500 over the same time period. Thus, although higher percentages of payees worked over time, they tended to earn less than other parents. The highest earnings, however, belonged to the small percentage of two-parent family households in which both parents worked.

Still, it is important to note that earnings for all two-parent families were extremely low. The federal poverty guideline for a family of four was \$24,250 in 2015 (HHS, 2015). Since the average two-parent family had at least two children, this means that they would have needed to earn approximately \$6,000 in each quarter to have lived above the federal poverty line.

Two-parent families in which both parents work had median earnings that were closest to this line, but even they were a few hundred dollars short. Having both parents working was also the least common situation for two-parent families. It was far more likely that only one adult in a two-parent family worked, and the median quarterly earnings for these families were at least \$2,000 lower than the federal poverty line suggests they needed.

**Figure 8. Median Quarterly Earnings**  
July 2014 – June 2015



**Notes:** Earnings are reported only for payees with employment. We do not know how many hours per week or number of weeks that individuals worked in each quarter and cannot calculate hourly or weekly wages. Earnings are standardized to 2014 dollars.

## Conclusions

Two-parent family cases make up a small but growing part of the TCA caseload. While only 2.2% of the caseload in October 2014 was made up of two-parent cases, the number of these cases more than tripled from 2007 to 2014. This growth is particularly consequential for the state of Maryland, as the TCA benefits for these cases are wholly paid for with state general funds. Thus, an understanding of the demographic profile and program participation patterns of this group of recipients is important, especially if the number of two-parent family cases continues to grow.

In October 2014, two-parent cases were a distinct population within the TCA caseload. They had adult recipients who were likely to be married and were likely to have completed high school. The majority of two-parent family cases received benefits for less than 12 months out of the five years before October 2014.

Disproportionate percentages of two-parent cases could be found in larger Maryland jurisdictions like Montgomery County, and in smaller, more rural areas like Western Maryland and the Lower Shore.

Because of the 90% work participation rate requirement for two-parent family cases that receive federal reimbursement, these cases provide a unique challenge for TANF program administrators. As this brief has shown, the majority of two-parent cases in Maryland had only one working parent, making it very difficult for these cases to meet the 90% WPR, even though other activities can count towards this rate. Their earnings, even when both parents do work, were rarely high enough to exceed the federal poverty line. Although these families have the benefit of two adults, they face the same extremes of financial hardship and instability as single-parent families who receive TCA. For this group of families, TCA can provide vital support.

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