LIFE AFTER WELFARE:
THE CHANGING WELFARE POPULATION IN MARYLAND

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Letitia Logan, MPP
Susan Roll, Ph.D.

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Presented at the 32nd Annual Welfare Advocates Conference
This research was funded by the Maryland Department of Human Resources
WHO WE ARE

- Family Welfare Research & Training Group, located at the University of Maryland School of Social Work
- Research Partnership with the Family Investment Administration for 30 years
- Led by Dr. Catherine Born, a founding member and long-time friend of Welfare Advocates
WHY WE CARE ABOUT TCA

Three-Quarters of Paid TCA Recipients are Children

<table>
<thead>
<tr>
<th>Year</th>
<th>Adults</th>
<th>Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY06</td>
<td>26.6%</td>
<td>73.4%</td>
</tr>
<tr>
<td>FY08</td>
<td>26.3%</td>
<td>73.7%</td>
</tr>
<tr>
<td>FY10</td>
<td>28.7%</td>
<td>71.3%</td>
</tr>
</tbody>
</table>
Current Issues in TCA

• Slow recovery from the Great Recession
• Less-than desirable support from TCA for those who have fallen on hard times, as opposed to other benefits programs
• Mismatch between stringent TCA work participation requirements and current economic environment
• Changes in the TCA caseload
Today’s Presentation

• How has the welfare population in Maryland changed since welfare reform (1996)?
  – Welfare leavers
  – Welfare recipients
  – Welfare applicants

• How do changes in the welfare population inform program implementation in the current economic context?
WELFARE LEAVERS IN THE
CHANGING ECONOMY

Sarah Williamson, MPP
What is *Life after Welfare*?

- *Life after Welfare* (2011) examines the characteristics and outcomes of 15,818 families who exited welfare in Maryland since welfare reform.

1. Who are welfare leavers?
2. Why do they leave welfare?
3. Do they go on to work after leaving in the short-term? How about the long-term?
4. Who comes back to welfare?
Context of the 2011 Report

• Great Recession and slow recovery
  Welfare caseloads are a leading indicator of recession and a lagging indicator of recovery.

• Data is presented in 3 groups:
  1. Pre-Recession 10/96 to 11/07 n=12,792
  2. Recession 12/07 to 06/09 n=1,381
  3. Post-Recession 07/09 to 03/11 n=1,645
Profile of Exiting Casehead Has Not Changed Much

Characteristics of the Casehead

African American
- Pre-Recession: 74.6%
- Recession: 72.2%
- Post-Recession: 71.1%

Female
- Pre-Recession: 95.4%
- Recession: 94.5%
- Post-Recession: 94.4%

Never Married***
- Pre-Recession: 74.2%
- Recession: 78.9%
- Post-Recession: 77.4%

HS Degree or Higher
- Pre-Recession: 60.0%
- Recession: 64.6%
- Post-Recession: 65.6%

Valid percentages are reported. *p<.05, **p<.01, ***p<.001
Residence has changed slightly

Percent of Exiting Families Residing in Three Major Jurisdictions***

Valid percentages are reported. *p<.05, **p<.01, ***p<.001
Families Leave Welfare after Short Spells

Percent of Families with a TCA Exit Spell of 12 Months or Less***

- Pre-Recession: 71.6%
- Recession: 85.7%
- Post-Recession: 82.7%

Also, most families received TCA for 2 years or less in the 5 years before exit.

Valid percentages are reported. *p<.05, **p<.01, ***p<.001
Recession Lowered Employment

Percent Working in a Maryland UI-Covered Job***

<table>
<thead>
<tr>
<th>Period</th>
<th>8 Qtrs before Exit</th>
<th>Qtr of Exit</th>
<th>4 Qtrs after Exit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Recession</td>
<td>71.7%</td>
<td>50.0%</td>
<td></td>
</tr>
<tr>
<td>Recession</td>
<td>71.7%</td>
<td>44.4%</td>
<td>56.2%</td>
</tr>
<tr>
<td>Post-Recession</td>
<td>64.8%</td>
<td>39.1%</td>
<td>52.9%</td>
</tr>
</tbody>
</table>

Valid percentages are reported. *p<.05, **p<.01, ***p<.001
Fewer are Working, but Earnings Increased over Time

Average Quarterly Earnings for Employed Caseheads

Pre-Recession: $3,116
Recession: $3,261
Post-Recession: $3,618

Valid percentages are reported. *p<.05, **p<.01, ***p<.001
WORK SANCTIONS HAVE INCREASED

Percent of Cases with a Work Sanction at Exit***

Valid percentages are reported. *p<.05, **p<.01, ***p<.001
Most Exits are Permanent

Percent Not Returning to TCA: 12 Months Post-Exit***

For those families with 14 years of follow-up data, 56.6% have not returned to TCA.

Valid percentages are reported. *p<.05, **p<.01, ***p<.001
# Risk Factors for Recidivism

<table>
<thead>
<tr>
<th></th>
<th>Returned in 1st Year (n=4,296)</th>
<th>Did Not Return in 1st Year (n=10,542)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living in Baltimore City***</td>
<td>56.0%</td>
<td>41.3%</td>
</tr>
<tr>
<td>Being a Younger Casehead Average Age</td>
<td>30.86</td>
<td>33.58</td>
</tr>
<tr>
<td>Never Marrying***</td>
<td>83.0%</td>
<td>71.5%</td>
</tr>
<tr>
<td>Not having a High School Degree***</td>
<td>49.4%</td>
<td>34.0%</td>
</tr>
<tr>
<td>Receiving a Work Sanction</td>
<td>24.6%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Not Working in Exit Quarter</td>
<td>56.0%</td>
<td>48.9%</td>
</tr>
</tbody>
</table>

Valid percentages are reported. *p<.05, **p<.01, ***p<.001
Use of Work Supports Has Increased

Percent Receiving Work Supports 7-12 Months after Exit***

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Social Security Assistance</th>
<th>Medical Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Recession</td>
<td>57.2%</td>
<td>84.9%</td>
</tr>
<tr>
<td>Recession</td>
<td>72.4%</td>
<td>93.8%</td>
</tr>
<tr>
<td>Post-Recession</td>
<td>74.1%</td>
<td>92.5%</td>
</tr>
</tbody>
</table>

Note: Medical Assistance is the percent cases in which of any case member is receiving assistance. Valid percentages are reported. *p<.05, **p<.01, ***p<.001
Conclusions

• Welfare clients are affected by the economy
  ▪ Caseheads and their families are similar over time, but outcomes are not as positive as the Pre-Recession cohort
  ▪ Specifically, leavers during and after the recession are less likely to be working and more likely to come back to welfare
Conclusions

- Circumstances for both families and the TCA program will remain challenging for the foreseeable future
  - Job creation is slow and unemployment rates remain high
  - Clients and agencies must still attempt to meet inflexible work requirements
  - TANF block grant has not increased
  - ARRA Emergency Fund and TANF contingency funds are no longer available
  - Maryland state budget is facing significant shortfall
Thank you!

• For a copy of the full report, go to the following link: http://www.familywelfare.umaryland.edu/reports/life16.pdf

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Welfare Recipients in the Changing Economy

Letitia Logan, MPP
BACKGROUND

• The *Life on Welfare* series gives us a unique ability to investigate Maryland’s active Temporary Cash Assistance (TCA) caseload over time.

• The current economic climate is an opportune time to examine the trends of the active caseload and whether they are changing.

• This study compares characteristics and outcomes among the active caseload from 2006 to 2010.
  – Demographics
  – Human Capital
  – Family Composition
  -- TCA History
  -- Employment History
TCA Caseloads have Increased for the First Time since Welfare Reform

Number of Families Receiving TCA

- October 1996: 68,697
- October 2001: 27,166
- October 2006: 20,360
- October 2007: 20,221
- October 2008: 21,553
- October 2009: 25,422
- October 2010: 26,832
Months of TCA Receipt has Decreased due to Changing Caseload Composition

Average Number of Months of TCA Receipt in the Previous Five Years***

*p<.05  **p<.01  ***p<.001
Short-Term TCA Receipt has Increased

TCA Use in the Previous Five Years***

* 2006: 52.1% (12 Months or less) 17.2% (13-24 Months) 30.7% (25 months or more)
* 2007: 50.1% (12 Months or less) 17.9% (13-24 Months) 32.0% (25 months or more)
* 2008: 45.8% (12 Months or less) 18.2% (13-24 Months) 35.9% (25 months or more)
* 2009: 41.4% (12 Months or less) 20.6% (13-24 Months) 37.9% (25 months or more)
* 2010: 41.9% (12 Months or less) 21.3% (13-24 Months) 36.8% (25 months or more)

*p<.05 **p<.01 ***p<.001
## Characteristics of Newer Caseheads Are Changing

### Characteristics of Casehead and Case

<table>
<thead>
<tr>
<th></th>
<th>2006 (n=20,360)</th>
<th>2007 (n=20,221)</th>
<th>2008 (n=21,553)</th>
<th>2009 (n=25,422)</th>
<th>2010 (n=26,832)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Female</td>
<td>94.5%</td>
<td>94.6%</td>
<td>94.5%</td>
<td>94.4%</td>
<td>94.3%</td>
</tr>
<tr>
<td>Average Age***</td>
<td>38.55</td>
<td>38.20</td>
<td>37.27</td>
<td>35.77</td>
<td>35.33</td>
</tr>
<tr>
<td>% in Baltimore City***</td>
<td>50.4%</td>
<td>49.4%</td>
<td>46.3%</td>
<td>46.2%</td>
<td>45.8%</td>
</tr>
<tr>
<td>% Never Married***</td>
<td>73.7%</td>
<td>74.8%</td>
<td>75.5%</td>
<td>77.5%</td>
<td>78.3%</td>
</tr>
<tr>
<td>% HS Graduate***</td>
<td>52.9%</td>
<td>54.1%</td>
<td>55.6%</td>
<td>56.3%</td>
<td>56.5%</td>
</tr>
<tr>
<td>% Some Post-Secondary Education***</td>
<td>4.2%</td>
<td>4.1%</td>
<td>4.0%</td>
<td>4.3%</td>
<td>4.5%</td>
</tr>
<tr>
<td>% Child only***</td>
<td>42.9%</td>
<td>41.3%</td>
<td>38.2%</td>
<td>32.6%</td>
<td>30.3%</td>
</tr>
<tr>
<td>Average Size of AU***</td>
<td>2.33</td>
<td>2.35</td>
<td>2.40</td>
<td>2.49</td>
<td>2.51</td>
</tr>
</tbody>
</table>

*p<.05 **p<.01 ***p<.001
Wages and Employment were Affected by the Great Recession

Percent Employed & Average Earnings in the Previous Two Years***

Note: Wages are standardized to 2010 dollars
*p<.05  **p<.01  ***p<.001
Wages and Employment were Affected by the Great Recession

Percent Employed & Average Earnings in the Previous Year***

- 2006: 47.5% working, $11,834 earnings
- 2007: 48.4% working, $11,543 earnings
- 2008: 46.2% working, $10,759 earnings
- 2009: 40.5% working, $9,978 earnings
- 2010: 36.7% working, $9,836 earnings

Note: Wages are standardized to 2010 dollars.
*p<.05 **p<.01 ***p<.001
Nationally, the Employment Gap by Education Status Has Increased

National Unemployment Rate by Educational Attainment

- No HS
- HS Graduate
- Some Post-Secondary

Source: Current Population Survey
The Employment Gap has also increased among welfare recipients.

### Percent Employed in the Previous Two Years by Educational Attainment

<table>
<thead>
<tr>
<th>Year</th>
<th>No HS</th>
<th>HS Graduate</th>
<th>Some Post-Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006*</td>
<td>66.3%</td>
<td>68.8%</td>
<td>69.6%</td>
</tr>
<tr>
<td>2007***</td>
<td>61.5%</td>
<td>62.6%</td>
<td>69.6%</td>
</tr>
<tr>
<td>2008***</td>
<td>60.0%</td>
<td>61.5%</td>
<td>68.8%</td>
</tr>
<tr>
<td>2009***</td>
<td>55.0%</td>
<td>61.5%</td>
<td>68.8%</td>
</tr>
<tr>
<td>2010***</td>
<td>50.0%</td>
<td>62.6%</td>
<td>70.0%</td>
</tr>
</tbody>
</table>

Note: Data excludes child-only cases since 94.5% of all cases missing an education status were child-only cases.

*p<.05 **p<.01 ***p<.001
EARNINGS VARY BY EDUCATIONAL ATTAINMENT

Average Total Earnings in the Previous Two Years by Educational Attainment***

Note: Data excludes child-only cases since 94.5% of all cases missing an education status were child-only cases. Wages are standardized to 2010 dollars. *p<.05 **p<.01 ***p<.001
Conclusions

• The increasing caseload is likely due to the effects of the Great Recession which required families with little to no history with welfare onto Temporary Cash Assistance (TCA).

• For those without a high school diploma, employment participation decreased at a faster pace than for those with a high school diploma or some post-secondary experience.
Contact Information

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For copies of our reports, please visit our website:
www.familywelfare.umaryland.edu
Welfare Applicants in the Changing Economy

Susan Roll, PhD
Central Themes

• The Economy

• TANF caseloads up nationally by 10% since start of recession (Pavetti & Rosenbaum, 2010)

• Maryland has had a dramatic increase in TCA applications
  – 67% Increase since 2007

• ARRA Funding = $50 million in Maryland for TCA
Maryland’s TCA Caseload

- Sep-07: 21,516
- Sep-08: 22,831
- Sep-09: 26,554
- Sep-10: 28,312

31.6% increase
Research Questions

• Who are new applicants?
  – How many are there
  – Demographics trends
  – Receipt of other benefits
  – Employment trends

• What happens to new applicants after they apply?
  – Approval rates over time
  – Post-application TANF participation
  – Post-application employment
SAMPLE

• First time applicants to TCA

• Applied in September of each year, 2007 through 2010

• n = 7,294
Findings: Trends in Applications

Number of New TCA Applicants, 2007-2010***

* * * p < .001
Percent of Applicants who are New to TCA (10 years)

- 2007: 30.6%
- 2008: 36.6%
- 2009: 35.9%
- 2010: 32.0%

Legend:
- Yellow: New Applicants
- Red: All Applicants
WHO ARE NEW APPLICANTS?

• No significant changes in race, age, marital status
• More men
• More applicants in suburban and rural communities
• Increasing history of other benefits
• Stronger work histories
Gender

Percentage of New Applicants who were Male***

Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001
Change in Poverty Rates by County, 2007-2009

Percent Change
- 0.0 - 0.3%
- 0.31 - 0.7%
- 0.71 - 1.2%
- 1.21 - 1.9%
- 1.91 - 2.7%
### Year-Over-Year Growth in Applicants by Location

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TCA New Applicants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suburban Baltimore</td>
<td>39.0%</td>
<td>19.8%</td>
<td>8.0%</td>
<td>79.9%</td>
</tr>
<tr>
<td>Suburban Washington, DC</td>
<td>17.2%</td>
<td>36.5%</td>
<td>-10.6%</td>
<td>43.0%</td>
</tr>
<tr>
<td>Rural Counties</td>
<td>43.2%</td>
<td>5.7%</td>
<td>14.3%</td>
<td>73.0%</td>
</tr>
<tr>
<td>Baltimore City</td>
<td>27.4%</td>
<td>40.2%</td>
<td>-14.7%</td>
<td>52.4%</td>
</tr>
</tbody>
</table>
New TCA Applicants’ Histories of FS Receipt**

<table>
<thead>
<tr>
<th>Year</th>
<th>Some (Valid Percentages)</th>
<th>None (Valid Percentages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>35.8%</td>
<td>64.2%</td>
</tr>
<tr>
<td>2008</td>
<td>38.6%</td>
<td>61.4%</td>
</tr>
<tr>
<td>2009</td>
<td>41.0%</td>
<td>59.0%</td>
</tr>
<tr>
<td>2010</td>
<td>43.1%</td>
<td>56.9%</td>
</tr>
</tbody>
</table>

Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001
Employment History

Average Quarterly Earnings Before TCA Application, 2007-2010

Note: Dollars are standardized to 2010 dollars. Valid earnings are reported. *p<.05, **p<.01, ***p<.001
## What Happens to New Applicants?

### Approval Rates Over Time

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TCA New Applicants</strong>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approved</td>
<td>24.7%</td>
<td>26.4%</td>
<td>22.3%</td>
<td>19.0%</td>
</tr>
<tr>
<td>Denied</td>
<td>75.3%</td>
<td>73.6%</td>
<td>77.7%</td>
<td>81.0%</td>
</tr>
</tbody>
</table>

*Note:* Valid percentages are reported. *p<.05, **p<.01, ***p<.001

### Approval Rates by Location

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TCA New Applicants</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suburban Baltimore***</td>
<td>23.9%</td>
<td>21.3%</td>
<td>17.0%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Suburban Washington, DC***</td>
<td>15.8%</td>
<td>26.9%</td>
<td>16.8%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Rural Counties</td>
<td>25.0%</td>
<td>25.4%</td>
<td>25.4%</td>
<td>22.8%</td>
</tr>
<tr>
<td>Baltimore City</td>
<td>41.0%</td>
<td>35.0%</td>
<td>36.7%</td>
<td>32.8%</td>
</tr>
</tbody>
</table>

*Note:* Valid percentages are reported. *p<.05, **p<.01, ***p<.001
### Time on the Program

#### Average Number of Months of TCA Receipt After Approval

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3 months after approval*</td>
<td>2.68</td>
<td>2.61</td>
<td>2.52</td>
</tr>
<tr>
<td>4-6 months after approval**</td>
<td>2.33</td>
<td>2.18</td>
<td>1.97</td>
</tr>
<tr>
<td>7-9 months after approval***</td>
<td>1.90</td>
<td>1.82</td>
<td>1.52</td>
</tr>
<tr>
<td>10-12 months after approval</td>
<td>1.49</td>
<td>1.37</td>
<td>1.26</td>
</tr>
</tbody>
</table>

**Note:** Valid percentages are reported. *p<.05, **p<.01, ***p<.001
Post-Application Work

Percent of Applicants with UI Earnings

Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001
Conclusions

• Between September 2007 and September 2010 new TCA applicants in Maryland grew by 63.6%.

• Roughly one in three applicants were brand new.

• Applicants were more likely to be male and to live outside of urban areas than in the past.
Conclusions

• New applicants in 2009 received TCA benefits in more months following approval than approved new applicants in 2007 and 2008.

• New applicants had stronger earnings histories.
Contact Information

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