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15 Years Later: Long-Term Outcomes for Families Leaving Welfare

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In 1996 Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), commonly known as welfare reform. This law eliminated Aid to Families with Dependent Children (AFDC), which had provided cash assistance to families with children under 18 years of age since 1935, and replaced it with the Temporary Assistance for Needy Families (TANF) program.

TANF represented far more than a change in name. It fundamentally altered the safety net available to poor families, in ways that may only have become apparent many years after reform. Twenty years of welfare reform presents an opportunity to see how families who experienced the early years of reform fared over the long term. Have the adults in these families been working? Have they returned to cash assistance? Did they continue to utilize other public programs, such as food and medical assistance?

Before answering these questions, it is important to understand why welfare reform happened and what changes were made to the program. AFDC began as a Depression-era program to provide financial support to widowed women with young children, partially because women were not expected to work at that time (Blank & Blum, 1997). By the 1990s, when many women with young children worked outside the home, it became politically untenable to allow poor women to stay home with their children. Moreover, public perception branded women who received welfare as lazy, contributing to the debate for a reformed welfare system (Hancock, 2004).

As a result, welfare reform was centered on parental employment, using a *work-first* approach. This philosophy assumes that involvement in the workforce, even in low-paying or part-time jobs, eventually leads to better, higher-paying jobs and economic success. Under this work-first philosophy,

KEY FINDINGS

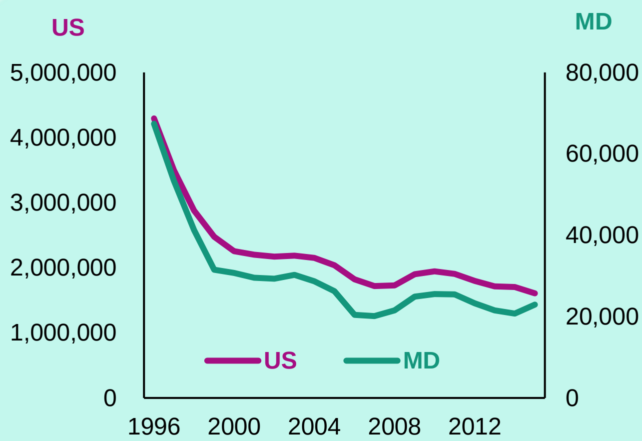
- Demographically, early leavers were very similar to later leavers. However, early leavers had far more benefit receipt prior to exit.
- Two thirds (68.3%) worked in the first year after exit. By the 15th year after exit, about 40% were working.
- Although earnings grew considerably over time, they remained low. In the first year after exit, leavers earned about $9,000. In the 15th year after exit, that grew to about $21,000, which is slightly above the federal poverty threshold for a three-person family.
- Close to half of leavers returned to welfare at some point during 15 years after exit. The vast majority of those who returned did so within the first 5 years.
- Participation in other benefit programs, such as Food Supplement (FS) and Medical Assistance (MA), remained relatively common. In any year after exit, at least 60% of families have at least one member who received MA, and about 40% received FS in each year after exit.

welfare was restructured to encourage recipients to move as quickly as possible from benefit receipt to employment. This involved making benefit receipt temporary and conditional on recipients' participation in work or work-related activities designed to prepare them for the workforce. If welfare recipients did not participate in work activities, they lost their benefits.

In an effort to understand how these changes impacted welfare recipients, researchers studied the short-term outcomes of families who left the program in the first years after reform (e.g. Acs, Loprest, & Roberts, 2001). Many studies found initially positive outcomes for these early TANF leavers: about two thirds of welfare leavers worked in the first years after they exited (Cancian, Haveman, Meyer, & Wolfe, 2002). In New Jersey, employment rates for TANF recipients increased from 20% at entry to 40% a year later (Wood, Moore, & Rangarajan, 2008). For leavers in Michigan, median hourly earnings increased by 16% over two years (Johnson & Corcoran, 2003). While these gains were impressive, not all of them could be directly attributed to the new program's work-first philosophy. Rather, both the thriving late 1990s economy and changes in federal and state policy—including increases in the federal earned income tax credit, child care funding, and the minimum wage—also played a role in these employment outcomes (Lower-Basch & Greenberg, 2009).

Despite the successes documented in initial studies on the earliest leavers, some of these studies also found that welfare leavers' employment outcomes either stopped improving or actually declined after the first two years following their welfare exit (Wood et al., 2008; Johnson & Corcoran, 2003). Research also showed that substantial percentages of leavers returned to TANF after they left the program. About 22% of leavers who exited between 1997 and 1999 returned to cash assistance by the end of 1999 (Loprest, 2002).

Since 1997, the experiences of leavers from Maryland's TANF program, Temporary



The early years of TANF were accompanied by a dramatic decline in the caseload. Nationally, the number of welfare recipients decreased rapidly, from 4.3 million families in October 1996 to 2.3 million families in October 2000. Although there was an increase in TANF receipt during the Great Recession, the decline continues today: about 1.6 million families received TANF in October 2015.

Maryland experienced the same decline. While 67,383 families received assistance in October 1996, only 30,718 were on the rolls in October 2000. By October 2015, just 22,903 families were on TANF.

Source: U.S. Department of Health & Human Services, Administration for Children & Families, Office of Family Assistance (https://www.acf.hhs.gov/ofa/programs/tanf/data-reports)

Cash Assistance (TCA), have been documented in the *Life after Welfare* report. This yearly report records leavers' employment and earnings, whether they return to cash assistance, and their use of other public assistance programs to give policymakers timely, empirical data on the experiences of families who leave welfare. Due to this series of studies, we have the unique opportunity to examine longitudinal data describing 15 years of outcomes for the earliest welfare leavers.

This report provides a comprehensive look at early TCA leavers in Maryland over a 15-year span of time. Specifically, we examine outcomes for a sample of families who exited the TCA program from October 1996, the first month of TANF implementation in Maryland, through March 2000. We provide a profile of these early leavers and examine 15 years of their employment and earnings outcomes as well as their receipt of public assistance, including TCA, Food Supplement, and Medical Assistance. This information provides insight into the long-term experiences of Maryland's early leavers affected by welfare reform.

Data and Sample

Data

Data comes from the Client Automated Resources and Eligibility System (CARES) and the Maryland Automated Benefits System (MABS), which are the administrative data systems for TCA and Unemployment Insurance (UI), respectively. CARES provides individual- and case-level data on demographics and program participation for families receiving TCA. The MABS system includes data from all employers covered by the state's Unemployment Insurance (UI) law and the Unemployment Compensation for Federal Employees (UCFE) program. Together, these account for approximately 91% of all Maryland civilian employment.

There are a variety of limitations to MABS data. MABS only reports data on a quarterly basis, which means that it is not possible to calculate weekly or monthly employment and earnings. Another limitation is that MABS does not contain data on certain types of employment, such as self-employment, independent contractors, and informal employment; consequently, earnings from under-the-table jobs are not included. Finally, MABS has no information on employment outside Maryland. Because out-of-state employment is common in Maryland,[1] we are likely understating employment and may be missing some earnings.

Sample

The data in this report is based on a 5% random sample of all Temporary Cash Assistance (TCA) cases that closed in each month between October 1996 and March 2000 (n=5,452). After the sample was drawn, we excluded cases that closed and reopened within one month. These cases are excluded because their closures are temporary, usually due to missed deadlines, unfiled paperwork, or some other administrative issue (Born, Ovwigho, & Cordero, 2002). They are reopened once the problem is resolved, often without any loss of benefits. Therefore, we do not consider these cases to be true closures.

[1] More than one in six (17.1%) Maryland residents works out of state, which is over four times greater than the national average (3.8%) (U.S. Census Bureau, 2016).

Findings

In the years following welfare reform, the TCA caseload in Maryland fell precipitously. Between 1996 and 2000, Maryland's caseload decreased by over 50%.[2] We refer to the recipients who left TCA during this time frame as *early leavers*. In this report, we provide a profile of these leavers and examine what happened to them over the 15 years after they exited welfare.

Characteristics of Leavers and Cases

At the outset of welfare reform, the TCA program served a population that looked much like it does today. As shown in Table 1, early welfare leavers, who were the adult heads of household of recipient families, were overwhelmingly female (95.9%) and in their early thirties. Most were African American (70.9%), and slightly more than one quarter were Caucasian (26.7%). A very small percentage (2.4%) of leavers reported some other race. Marriage rates among early leavers were low. About 20% had been previously married, and about 8% were married at the time of TCA receipt. Almost three quarters (71.2%) of early leavers had never been married.

Similarly, more recent leavers, who exited TCA between January 2004 and March 2015, were also African American women in their thirties who never married.[3] More recent leavers are slightly less likely to be Caucasian (22.5%) and more likely never to have married (76.7%).

Table 1. Demographic Characteristics

	%	n
Gender		
Female	95.9%	(4,998)
Male	4.1%	(211)
Race		
Caucasian	26.7%	(1,323)
African American	70.9%	(3,520)
Other	2.4%	(120)
Marital Status		
Married	8.1%	(329)
Never Married	71.2%	(2,909)
Divorced / Separated / Widowed	20.8%	(848)
Age		
Average [Median]	32.2	[30.6]

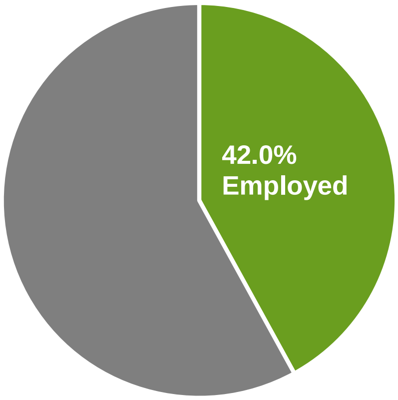
Note: Leavers in this table are the individuals listed as the head of the household on the TCA case. Valid percentages are reported.

Much of the rhetoric surrounding welfare reform in the 1990s centered on a perception of welfare recipients as being unfamiliar with or alienated from employment. A principal depiction of welfare recipients in the hearings leading up to the passage of PRWORA was that of the undeserving welfare recipient who was not self-sufficient because she refused to work (Gring-Pemble, 2001). However, early leavers were much more likely than the rhetoric suggests to have employment histories. Figure 1 shows that 42% of early leavers were employed in the year before their current welfare spells,[4] although they may not have been employed for the full year.

[2] See figure on page 2 for caseload data sources.
[3] All information on more recent leavers, who exited TCA between January 2004 and March 2016, is taken from the 2016 Life after Welfare report: http://www.familywelfare.umaryland.edu/reports1/life2016.pdf

[4] A welfare spell is the period of time between the month of a recipient's most recent application for TCA benefits and the month in which the recipient exited the program.

Figure 1. Percent Employed & Earnings
Year before Welfare Spell



Median Earnings: $5,170

Note: This figure excludes individuals for whom we have no unique identifier (n=6).

Welfare recipients, who tend to be low-wage workers, are particularly likely to face erratic work hours and frequent job changes, both of which can lead to low earnings (Presser & Cox, 1997; Schochet, Rangarajan & Hauan, 2004). As Figure 1 shows, median earnings for leavers employed in the year before entry are about $5,100 over the course of the year, in 2015 dollars. Because these earnings are extremely low, it is important to note that they do not necessarily represent full-time employment at minimum wage over the course of an entire year. Leavers may have worked part-time or were employed for only part of one quarter. Indeed, erratic employment and low wages probably contributed to leavers' need for assistance in the first place.

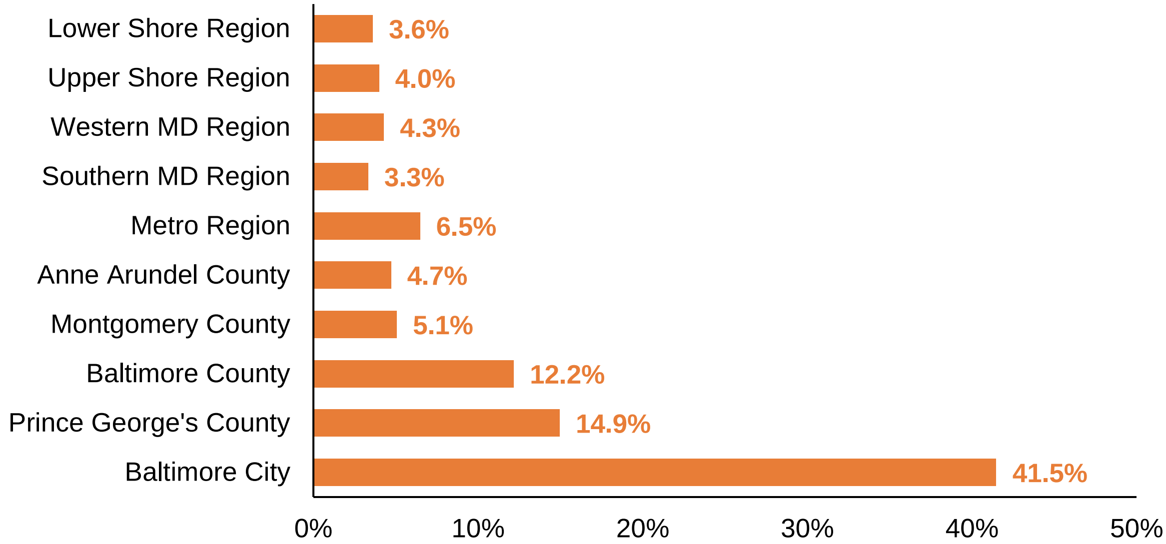
In addition to looking at the demographic characteristics of early leavers, we also examine the characteristics of their TCA cases. Table 2 describes the number of recipients in a household receiving TCA, the number of recipient children in the household, and the age of the youngest child within the household. Over half of the cases (53.5%) had either one or two recipients in the household. About 78% of cases had either one or two recipient children, and in 38% of cases, the youngest child in the household was under the age of three. There have been almost no changes in these measures over time.

Table 2. Case Characteristics

	%	n
Number of Recipients		
1	11.1%	(603)
2	42.4%	(2,310)
3	27.0%	(1,470)
4 or more	19.6%	(1,069)
Number of Recipient Children		
0	2.9%	(159)
1	48.0%	(2,616)
2	29.5%	(1,606)
3 or more	19.6%	(1,071)
Percent with Children Under Age 3	37.9%	(1,968)

Note: In some circumstances, such as a pregnant adult with no other children, there may be zero recipient children on a TCA case. The percent of children under age 3 includes all children within the household.

Figure 2. Regional Distribution of Cases



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

Where leavers resided is another important aspect of their TCA experiences. Figure 2 shows the distribution of early leavers' TCA cases within 10 regions, which are based on population and geographic location. Two in every five (41.5%) of these early leavers resided in Baltimore City, the most densely populated jurisdiction in the state. Prince George's County, which is adjacent to Washington, DC, was home to 15% of these leavers, while 12% of leavers resided in suburban Baltimore County. Regions with multiple counties, like Western Maryland (4.3%), Southern Maryland (3.3%) and the Upper (4.0%) and Lower Shore (3.6%) regions, are more rural and have lower percentages of the statewide caseload.

A popular perception in the 1990s was that welfare recipients received benefits for long, uninterrupted periods of time (Gring-Pemble, 2001). However, this is another misperception that is not borne out by an examination of early leavers. Table 3 presents information on previous welfare receipt, both in terms of consecutive months of receipt before exit and in the total number of months of welfare received in the five years prior to exiting. Typically, continuous receipt was limited. Over half (57.8%) of early leavers received welfare benefits for 12 or fewer consecutive months. Long spells of continuous welfare receipt were very rare for early leavers, as only 9% of early leavers received benefits continuously for over five years.

Table 3. Welfare History

	%	n
Length of Welfare Spell		
12 months or fewer	57.8%	(3,151)
13 to 24 months	17.4%	(948)
25 to 36 months	8.2%	(448)
37 to 48 months	4.6%	(248)
49 to 60 months	3.0%	(163)
61 + months	9.0%	(489)
Average [Median]	22.2	[10.5]
Welfare Receipt in 5 Years Before Exit		
12 months or fewer	21.4%	(1,165)
13 to 24 months	16.6%	(902)
25 to 36 months	14.8%	(808)
37 to 48 months	14.9%	(810)
49 to 60 months	32.4%	(1,764)
Average [Median]	33.6	[34.0]

Note: We define a welfare *spell* as the period of time between the month of a recipient's most recent application for TCA benefits and the month in which the recipient exited the program. Valid percentages are reported.

While a minority of early leavers have substantial receipt in the five years before exit, others only spent one or two of those five years on cash assistance. About one fifth (21.4%) received assistance for one year or less, and an additional 17% received benefits for 13 to 24 months. About one third (32.4%) of early leavers received assistance for over four of the prior five years. Welfare receipt was thus not infrequent in the five years before leavers' exits, but this receipt was likely not continuous.

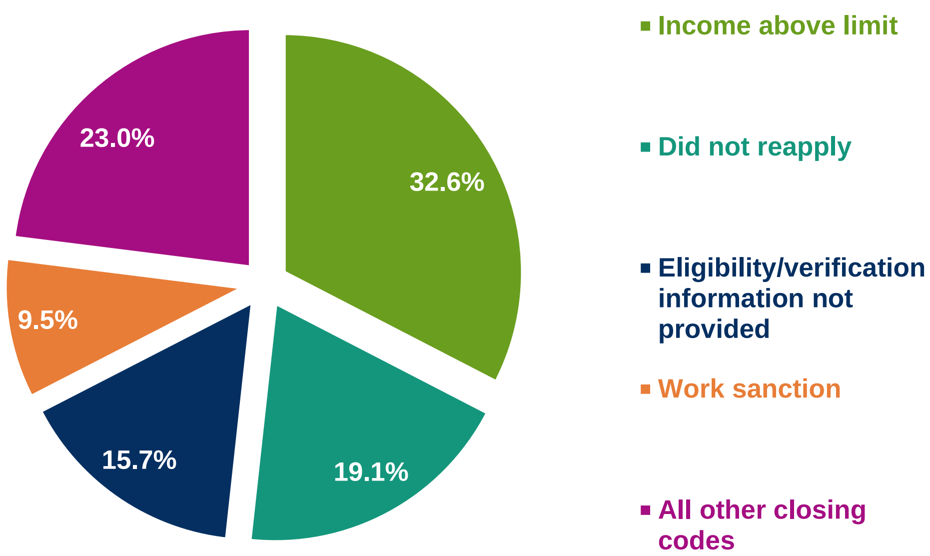
One of the most dramatic changes in leavers' experiences from the late 1990s to present day is the length of time that leavers receive assistance. Compared to early leavers, more recent leavers have significantly less benefit receipt. On average, early leavers received assistance for 22 consecutive months, but more recent leavers had only nine months of consecutive receipt. Similarly, more recent leavers had 19 months of cumulative receipt in the five years prior to exit, on average, while early leavers had 34 months of cumulative receipt in those five years. Although early leavers' prior benefit receipt does not conform to stereotypes about welfare receipt, it is clear that benefit receipt has fallen substantially since reform.

When families leave TCA, their caseworkers must document reasons for case closure in the administrative data system. As shown in Figure 3, the most common reason for case closure among early leavers was having income above the limit. About one third (32.6%) of early leavers' cases closed for this reason, which occurs when a family's earnings or child support payments exceed the established income thresholds. An income above limit case closure may indicate that a leaver found employment (James & Passarella, 2016). The next most common reason for case closure was failure to reapply for benefits (19.1%), followed by leavers who failed to provide required information to continue receiving benefits (15.7%), whether or not they were still eligible. It is possible that some of these closures included leavers who found employment and chose not to reapply or submit required paperwork (Ovwigho, Tracy, & Born, 2004).

The final case closure reason associated with a sizable portion of early leavers was a work sanction. Work sanctions, which are financial penalties invoked when a client does not comply with work activity participation requirements, made up about 10% of closures for early leavers. Maryland employs full-family sanctions, which results in the immediate loss of the entire TCA benefit. The case remains closed until the client has complied with work requirements for one day for the first violation, 10 days for the second, and 30 days for the third and subsequent violations. In contrast with income above limit closures, work sanctions indicate that leavers exited TCA because they violated program rules, rather than because they found employment.

As with prior benefit receipt, there have been some changes over time in case closure reasons. Work sanctions were much more common for more recent leavers than for early leavers. Among more recent leavers, just over one quarter (28.2%) of closed cases received a work sanction, about 19 percentage points higher than for early leavers. At the same time, the percentage of income above limit closures has declined to less than one quarter (23.2%) of more recent leavers' case closure reasons, compared to one third (32.6%) of early leavers' case closure reasons. This reversal suggests that early leavers were more likely to exit because they found employment and less likely to exit due to a violation of program rules.

Figure 3. Reasons for Case Closure



Note: All closing codes that were used in less than 10% of cases are grouped into the all other closing codes category. The most frequently cited closing codes in this category are ineligible, requested closure, child support sanction, residency, and unknown. Valid percentages are reported.

Long-Term Outcomes

More than 15 years have passed since these early leavers exited from cash assistance, giving us the opportunity to explore their outcomes in the very long term. We examine whether leavers returned to cash assistance, their employment and earnings outcomes, and their use of other public assistance programs, as well as how many of these leavers became disconnected from work and public assistance after they left welfare. It is important to remember that, as time passes, it becomes more difficult to attribute the current experiences of welfare leavers to their past benefit receipt. Still, this data creates a valuable snapshot of leavers' experiences after welfare.

Welfare reform placed transitioning recipients from welfare to work at the center of the program. This work-first philosophy emphasized self-sufficiency and required recipients to participate in work activities. While job training programs sought to improve welfare recipients' skills and marketability, and work sanctions gave recipients very real consequences for not participating in work-related activities, these measures could not guarantee that a leaver would find work or be able to stay employed into the future. Many studies have demonstrated the difficulty some leavers have in retaining employment due to barriers related to health, transportation, educational opportunities, and child care (Zedlewski, 2003; Danziger & Seefeldt, 2003; Taylor & Barusch, 2004).

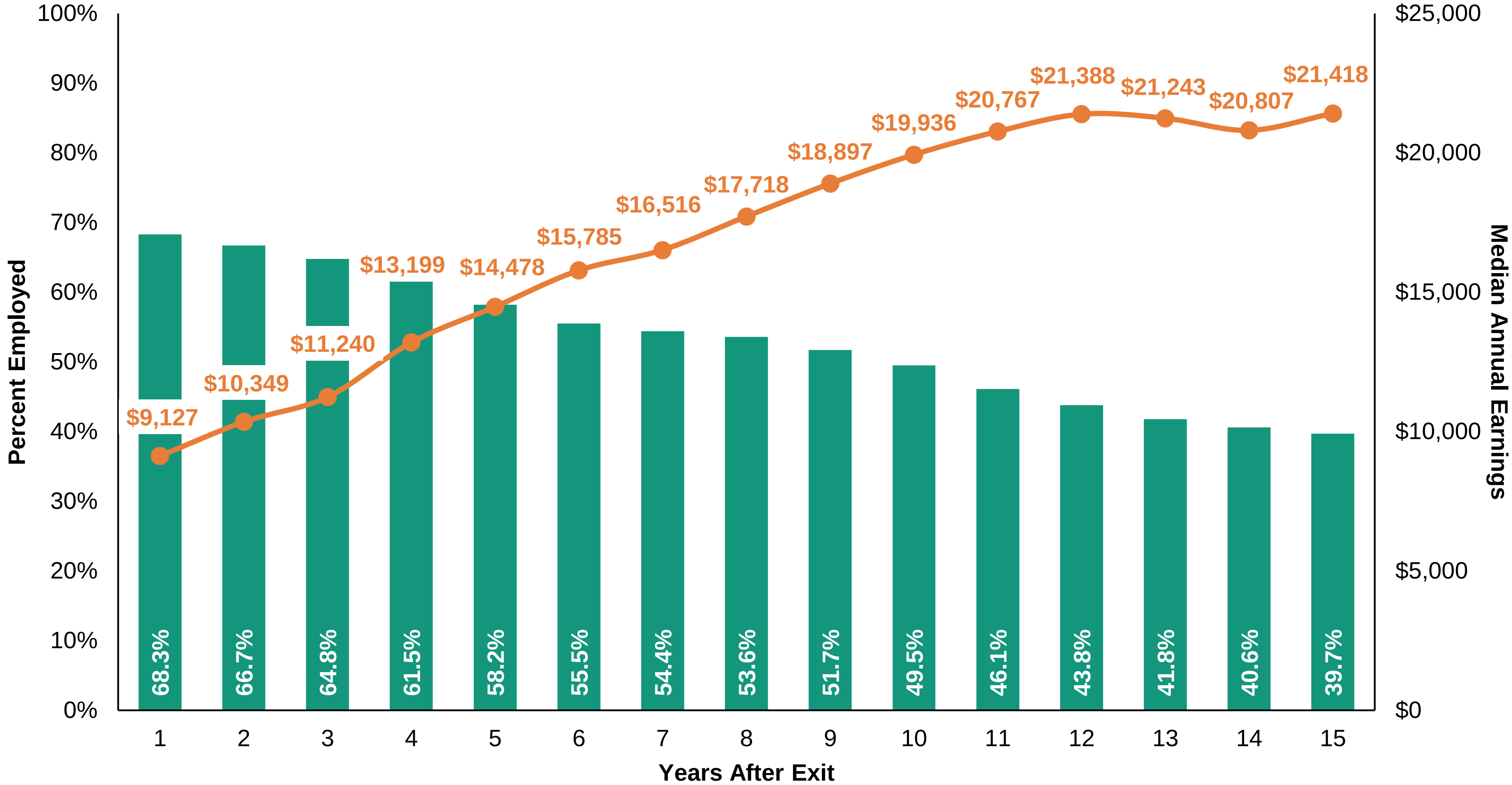
Although many face barriers to employment, a sizable portion of early welfare leavers were employed after exit. Figure 4 displays long-term employment and earnings outcomes for early leavers. Nearly seven in 10 leavers were employed in the first year after exit, and nearly six in 10 worked in the fifth year after exit. Half of leavers were employed in the 10th year after exit, and by the 15th year after exit, four in 10 leavers worked. According to this data, at least some employment is clearly the norm for early leavers. While fewer leavers worked in later years, data limitations mean that we are almost certainly undercounting the number of employed leavers.[5] Nonetheless, employment was even more common in the 10 years after leavers exited from TCA than it was in the year before their entries into the program (42%). Leavers were typically employed for substantial lengths of time as well. On average, those who found employment worked for seven and a half of the 15 years we examine here.

On average, those who found employment worked for more than 7 years, out of the 15 years we examine.

Earnings for welfare leavers who found employment after exiting TCA were low, although higher than in the year before entry. As Figure 4 shows, median annual earnings for employed leavers increased by about 60% from the first to the fifth year after exit, from about $9,100 to about $14,500. In the 10th year after exit, median earnings were nearly $20,000 and by the 15th year after exit, about $21,000. Thus, while earnings more than double over time, they appear to stagnate at about 12 years

[5] We do not have data on employment outside Maryland, so Maryland residents who are employed in another state would be considered unemployed. Additionally, those who have moved away from the state or retired, as well as those who have passed away, would also be counted as unemployed.

Figure 4. Percent of Leavers Employed and Median Annual Earnings after Exit



Note: This figure excludes individuals for whom we have no unique identifier (n=6). Median annual earnings calculations exclude individuals who were not working in that year. Wages are standardized to 2015 dollars. Valid percentages are reported.

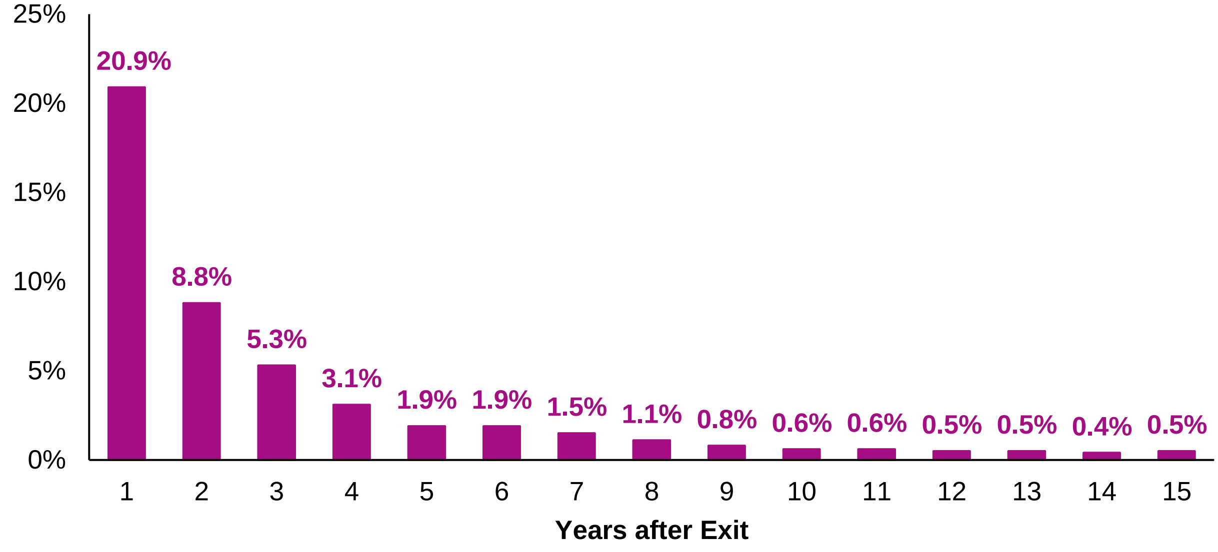
after exit. This stagnation may be a result of the Great Recession of the mid-2000s, which for this group of leavers coincided with the 10th through 15th years after exit, depending on the exit year. However, no such stagnation appears when looking at employment over time.

While their earnings increased over time, welfare leavers were still vulnerable to poverty. Compare median annual earnings for leavers in the 15th year after exit, $21,418, to the poverty threshold. For a family of three, the 2015 poverty guideline was $20,090 and for a family of four, the federal poverty guideline was $24,250 (U.S. Department of Health and Human Services, 2015). Depending on family size, leavers whose earnings increased over time may have still been living in poverty. Given that median earnings for some welfare leavers are not high enough to lift a family out of poverty, it is worth considering whether employed welfare leavers are truly self-sufficient.

Remaining off welfare is an indication that a leaver is able to maintain some level of self-sufficiency. Thus, an important measure of success for welfare leavers is whether or not they return to the program after exiting. Figure 5 shows the percentage of early leavers who returned in each of the 15 years after they exited from the program. About one in five (20.9%) early leavers returned to welfare in the first year after exit, and another one in five (19.1%) returned in the second through fifth years after exit. Only about 8% of leavers came back to welfare for the first time in the sixth through 15th years after exit. If leavers return to welfare, it is exceedingly likely that they will do so within the first few years after they exited.

Overall, almost half of welfare leavers return to the program at some point in the 15 years after exit. This highlights the difficulty that many leavers have in making ends meet without cash assistance. As discussed previously, many leavers struggle to earn enough to keep their families out of poverty,

Figure 5. Percent of Leavers Who Returned to TCA after Exit



Note: The percentages reflect the first time that a leaver returned to TCA. Leavers may return more than one time. Valid percentages are reported.

and returning to TCA may be the best option in some circumstances. Leavers who do return to welfare received an average of two years and five months of additional benefits, suggesting that few leavers return for substantial periods of time. Indeed, this receipt may not be consecutive, as some leavers cycle between employment and cash assistance.

Leavers who returned to TCA received benefits for an additional 2 years and 5 months, on average, out of 15 years.

While the majority of early leavers are initially employed after leaving TCA, we find that they also frequently receive support from other public assistance programs. Considering these programs provides further insight into the economic status of welfare leavers. Figure 6 displays leavers' participation in the following public assistance programs in each of the 15 years after exit: Medical Assistance/Maryland's Children's Health Insurance Program (MA), the Food Supplement Program (FS), and TCA.[6]

Medical Assistance receipt by leavers or members of their households is consistently high over time, as is typical for more recent TCA leavers as well (Passarella et al., 2016). In the first year after exit, 80% of leavers' families received Medical Assistance. This percentage remains above 60% for the entire 15-year follow-up period. Food Supplement receipt is also high, about 67%, in the first year, but declines sharply, to about 45%, by the third year. Food Supplement receipt begins increasing in the 11th year after exit, up to 46% in the 15th year after exit. These elevated levels of receipt coincide with, and were likely an effect of, the Great Recession.

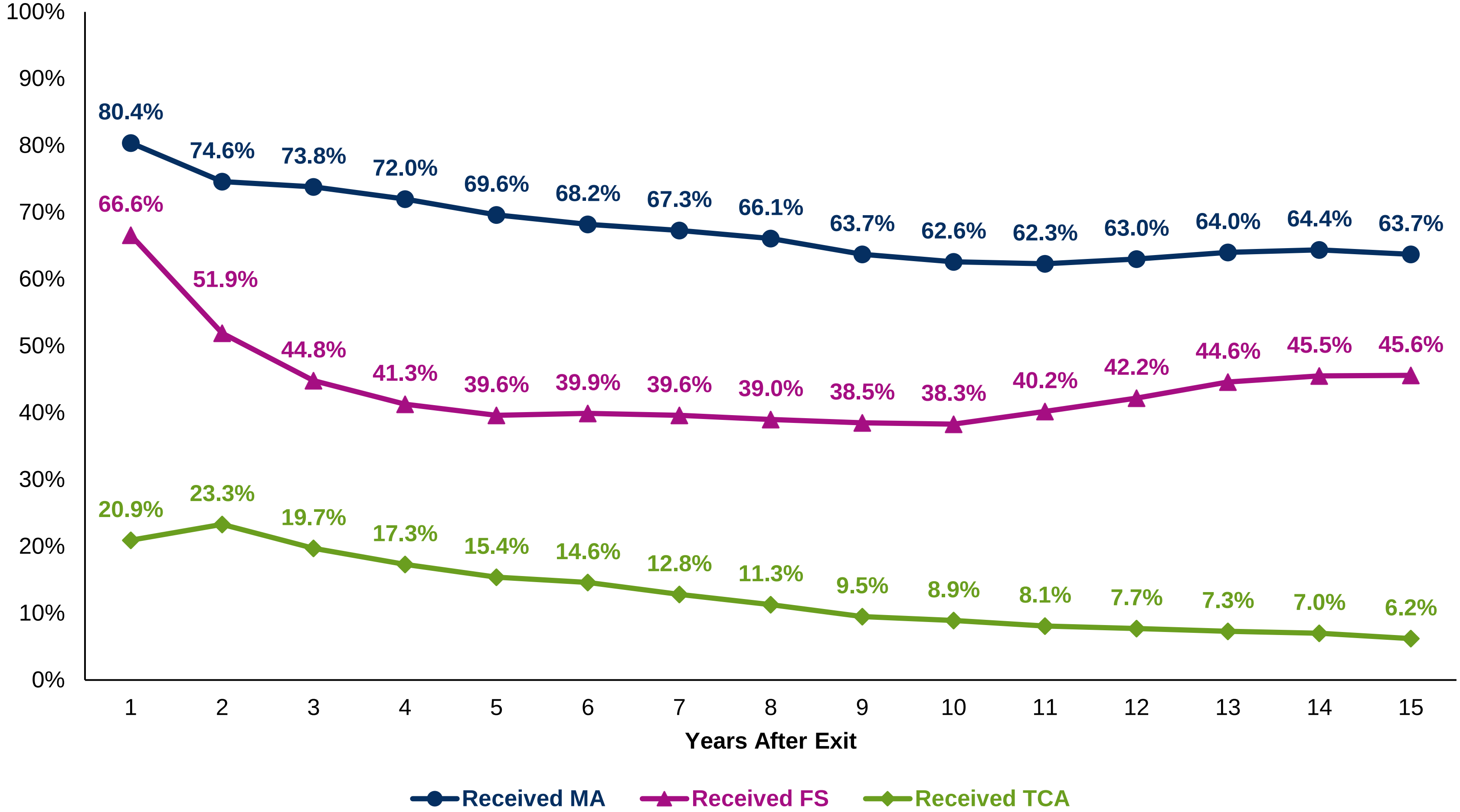
Compared to Food Supplement and Medical Assistance receipt, TCA receipt in the 15 years after exit was low. About 20% of leavers in the first, second, and third years after exit received TCA. This percentage falls substantially over time. By the 10th year after exit, 9% of leavers received TCA, and only 6% of leavers received TCA in the 15th year after exit.

Two aspects of the TCA program may explain why cash assistance receipt over time is much lower than Food Supplement and Medical Assistance receipt. One is that families only receive TCA when they have a recipient child under 18 years of age. With a follow-up period spanning 15 years, it is likely that some children age out of benefit eligibility. Another factor is the requirement to participate in work-related activities in order to receive assistance. Because of this requirement, staying on TCA is more difficult than staying on either the Food Supplement program or Medical Assistance.

Early welfare leavers clearly need and receive additional support in order to meet their families' needs, even when employment is common among them. Low wages for these leavers mean that programs like Medical Assistance and Food Supplement are essential in avoiding food insecurity and ensuring that children have access to health care. Public assistance programs lift 530,000 people in Maryland, including 140,000 children, out of poverty every year (Center on Budget and Policy Priorities, 2016).

[6] In October 2008, the Food Stamp Program was renamed to the Supplemental Nutrition Assistance Program (SNAP) nationally. In Maryland the name changed to the Food Supplement Program.

Figure 6. Program Participation after Exit



Note: Medical Assistance participation rates represent households with any individual who received MA/MCHP. Valid percentages are reported.

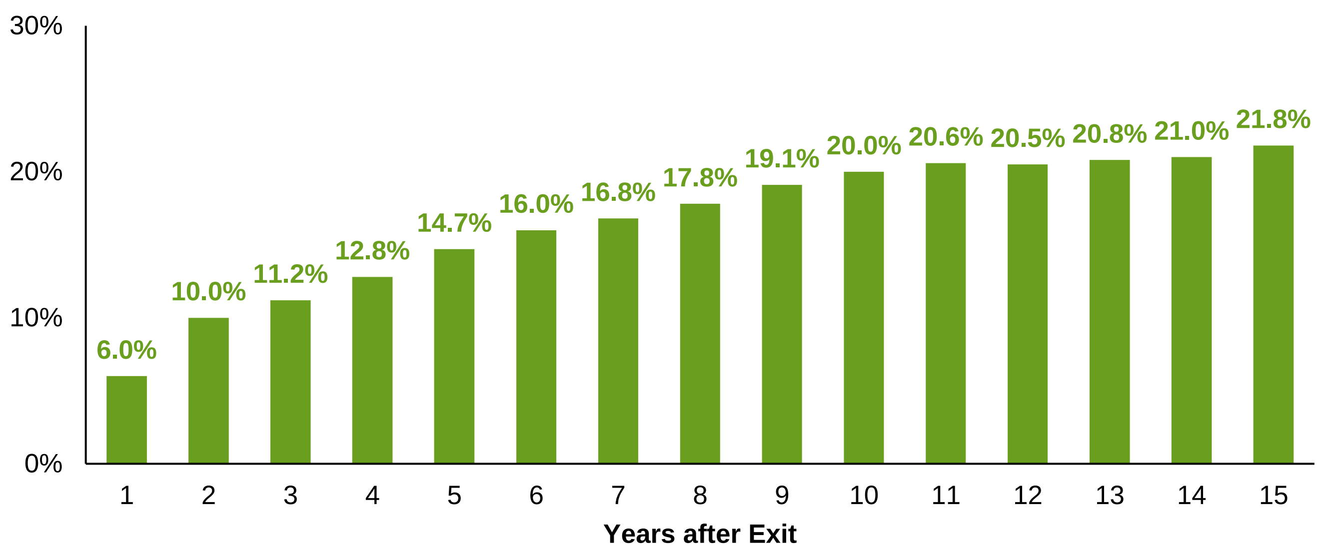
Examining disconnection, which is defined by lack of engagement with formal employment or public assistance, is helpful in understanding leavers' experiences in the 15 years after they exited TCA. For early leavers, we define disconnected leavers as those who are not working in Maryland, not receiving TCA, and not receiving Food Supplement or Medical Assistance. However, there are several sources of income we are not able to capture for these leavers, such as Social Security and disability payments as well as informal employment, and some leavers may be retired or deceased. Thus, it is important to note that not all of the leavers identified as disconnected may actually be disconnected.

As previous analyses showed, both employment and public assistance receipt declined over time for early leavers. It is not surprising, then, that the percentage of leavers who are disconnected increases over time. Figure 7 shows the percentage of disconnected leavers in each of the 15 years after exit. While only 6% of leavers were disconnected in the first year after exit, about 15% were disconnected in the fifth year after exit. Around 20%, or one fifth of early leavers, were disconnected in the 10th through 15th years after exit.

Disconnection among TCA leavers is a troubling phenomenon, given research showing that disconnected families are at a much higher risk of hunger, housing instability, and physical and mental health issues (Loprest, 2003; Blank & Kovak, 2009). Our research has found that disconnected leavers who reconnect quickly, either to employment or TCA, have better employment outcomes than those who remain disconnected for more than three months (Gleason & Passarella, 2016). Leavers who remain disconnected can face long periods of economic hardship.

Figure 7. Disconnection after Exit

From Work, TCA, FS, and MA



Note: This figure excludes individuals for whom we have no unique identifier (n=6). Medical Assistance participation rates represent households with any individual who received MA/MCHP.

Conclusions

With more than 20 years of TCA implementation in Maryland, we examine the characteristics and long-term outcomes of the program's earliest leavers. Leavers who exited welfare between October 1996 and March 2000 were demographically quite similar to leavers from later years. Over 40% were employed at some point in the year before they entered the program, and more than half spent 12 or fewer consecutive months receiving welfare benefits before they exited. Almost one third of their TCA cases closed because they had incomes above the limit to receive benefits, suggesting that these leavers found employment. Case closures due to work sanctions were much less prevalent than they became in later years; less than 10% of closures were due to work sanctions for early leavers.

In the 15 years after they exited TCA, early leavers were most likely to return to the program in the first year after they exited. About one in five early leavers returned to welfare in the first year after exit, and another one in five returned in the second through fifth years after exit. By the ninth year after exit, less than one percent of early leavers returned within each year. Although later returns were rare, half of early leavers returned to the program at some point over the 15 years, receiving an average of two years and five months of additional benefits.

Employment after exit was common. Nearly seven in 10 leavers were employed in the first year after exit, and nearly six in 10 worked in the fifth year after exit. About 40% were employed at some point in the 15th year after exit. For employed leavers, earnings increased over time, though not necessarily to levels above the poverty line.

Thus, while many TCA leavers remained off cash assistance, this did not necessarily translate into economic stability. We find this reflected as well in patterns of public assistance program receipt over time. Food Supplement and Medical Assistance receipt was common, while the percentage of leavers who received TCA fell to below 10 percent by the 10th year after exit. At the same time, the percentage of leavers who were disconnected from work, TCA, and other public assistance programs rose to 20% by the 10th year after exit.

The long-term outcomes of the earliest TCA leavers, those who were the first to experience the reforms of PRWORA, are characterized by continued economic hardship, continued use of other public assistance programs, and a rise in the percentage of leavers who are disconnected. While some leavers are able to find and keep employment, according to the data, they may still need help. Families leaving TCA today may be more fortunate, as Maryland is strengthening its workforce system. Clients leaving TCA in the near future may be better positioned to take advantage of education and training opportunities as well as contacts with employers. With this additional assistance, more recent leavers may be poised to achieve self-sufficiency.

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